Acknowledgement of Country

I would like to begin today by acknowledging the Traditional Custodians of the many lands that we are gathered on. Specifically, I would like to respectfully acknowledge the Gadigal People of the Eora Nation.

I would also like to acknowledge the Traditional custodians of the lands which each of you are living, learning and working from. I pay my respects to Elders past and present and extend that respect to any Aboriginal or Torres Strait Islander people here with us today.
# FY23 highlights

## Key highlights

<table>
<thead>
<tr>
<th>Cash earnings</th>
<th>Net Interest Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>up 15.3%</td>
<td>up 20bps</td>
</tr>
<tr>
<td>to $576.9m</td>
<td>to 1.94%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Full year dividend</th>
<th>CTI improved</th>
</tr>
</thead>
<tbody>
<tr>
<td>up 15.1% to 61c</td>
<td>420bps to 54.9%</td>
</tr>
<tr>
<td>fully franked</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Customer numbers</th>
<th>NPS of 23.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>up 9.9%</td>
<td>28.4 above industry¹</td>
</tr>
</tbody>
</table>

- Strong result delivered with a prudent approach to balance sheet management
- Delivered improved returns
- Key transformation milestones achieved, particularly in 2H23
- Digital channels building significant momentum, providing diversification
- Commitment to putting our customers and communities first remains unwavering
- True to our purpose, community connection and regional heritage

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¹ Roy Morgan Net Promoter Score – Roy Morgan Research, 6 month rolling averages, comparing BEN to the industry average. Industry includes: ANZ, BCM, 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.
FY23 divisional results
Key segments delivering for customers in highly competitive environment

**Consumer**
- 45.9% increase in cash earnings driven by NIM expansion
- 1.1% FTE reduction in FY23
- Digital home loan offering continues to grow, accounting for 12.0% of total residential settlements in 2H23
- Deposit franchise a key strength

**Cash earnings ($m)**

- **718.2**
- **293.4**

**Business & Agribusiness**
- 0.4% increase in cash earnings
- 16.5% FTE reduction in FY23
- Momentum building in Agribusiness
- Initial stages of the rebuild of Business and Agribusiness division
Unwavering commitment to our customers

Our proactive approach

Economic conditions
Cost of living pressures remain a major challenge to households
• RBA cash rate risen 4% in 15 months
• Near peak RBA cash rate
• Inflation outside of target band

Economic growth
• Slowed to 0.2% in the March quarter
• Expected to remain very slow in real terms for the remainder of the year
• Projected to rebound in 2025

Unemployment
• Remains at a 50-year low
• Is likely to trend higher in FY24 as higher interest rates slow the economy
• Australia’s labour productivity rate fell sharply in 2022

Mortgage Help Centre
• Dedicated service to understand customers’ personalised circumstances
• Key purpose is to keep customers in their homes
• Historically low loss rates

Fixed rate retention
• Proactive outbound contact program with multiple phone calls, emails and SMS starting 6 months prior to expiry
• Outcomes are positive
  • Retention rates remain high
  • Market leading NPS remains strong\(^1\)

Caring for our community
• Celebrated 25 years of the Community Bank network
• Raised $1.6m for natural disaster affected communities in FY23
• $1.1m towards scholarships to help students across Australia with their studies
• Up’s Maybuy saved Upsiders $800,000 in excess spending
• Committed to Agribusiness through the cycle
• Continue to focus on identifying and preventing financial abuse

---

1. Roy Morgan Net Promoter Score – Roy Morgan Research, 6 month rolling averages
Shaping the future of banking

Our strategy

VISION: Australia’s bank of choice

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

ESG & Sustainability Business Plan
Strengthen our ESG outcomes in line with our purpose

For our customers, our people, partners, communities and shareholders
Disciplined year-on-year execution of strategy
Staying true to our purpose

**FY19 – FY20**
- Launch of Up Bank in Oct 2018
- First bank to provide all together: Apple Pay, Samsung Pay, Google Pay, Fitbit Pay, Garmin Pay, OSKO and PayID
- Handed back Rural Bank ADI licence
- Simplified divisions and teams where significant opportunities for cost out were identified
- Significantly increased processing capacity and Mobile Relationship Manager team to drive growth strategy

**FY21 – FY22**
- Acquired Ferocia in September 2021, resulting in full ownership of Up Bank and its 400,000 customers
- Total assets increased ~24% from June 2020 to June 2022
- Launched BENU, enhancing employee learning to broaden skillsets for the future
- Combined Business and Agribusiness divisions
- Partnered with Tyro, reducing merchant systems from 7 to 1
- Cloud migration program commenced

**FY23**
- Up Bank reached 700,000 customers, $1.5b in deposits
- Introduced greater discipline and accountability on the use of capital and focus on returns
- Deepened commitment in digital channels with launch of Up Home and relaunch of Bendigo Express
- Acquired and integrated ANZ Margin Lending business
- Simplification to date:
  - Brands: 13 to 7
  - Core banking systems: 8 to 4
  - IT Apps: 650 to 401
  - 33% of applications in cloud
Transforming our business
Continuing focus delivering results

1. Returns
2. Execution
3. Business Sustainability
Transforming our business

1. Returns

- Cash earnings have increased 15.3% through disciplined cost management and responsible management of volume and margin
- Structural foundations in business practices that return above cost of capital
- Continued simplification to support an efficient cost base and improved customer experience
- Investment in digital innovation has promoted sustainable customer acquisition
Transforming our business

2. Execution

**FY23 achievements:**

- Reduction of core banking systems
- Decommissioned data centre infrastructure and related services
- Introduced online term deposits capability
- Commencement of in-app Bendigo Bank products
- Continued growth of digital mortgages
- Integrated ANZ margin lending portfolio

### Transformation scorecard

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24</th>
</tr>
</thead>
<tbody>
<tr>
<td># brands¹</td>
<td>13</td>
<td>10</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td># core banking systems²</td>
<td>8</td>
<td>7</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td># IT applications</td>
<td>650</td>
<td>491</td>
<td>401</td>
<td>325</td>
</tr>
<tr>
<td>% applications in the Cloud³</td>
<td>1%</td>
<td>20%</td>
<td>33%</td>
<td>50%</td>
</tr>
<tr>
<td>% of API re-use</td>
<td>0%</td>
<td>26%</td>
<td>43%</td>
<td>40%</td>
</tr>
<tr>
<td>Median time to decision (home loans)⁴</td>
<td>22 days</td>
<td>13 days</td>
<td>14 days</td>
<td>≤1 day</td>
</tr>
<tr>
<td>% automated credit decisioning (home loans)⁵</td>
<td>0%</td>
<td>~10%</td>
<td>~10%</td>
<td>70-90%</td>
</tr>
<tr>
<td>% active eBanking customers⁶</td>
<td>58%</td>
<td>68%</td>
<td>72%</td>
<td>90%</td>
</tr>
<tr>
<td>% sales by digital channels⁷</td>
<td>13%</td>
<td>21%</td>
<td>19%</td>
<td>60%</td>
</tr>
</tbody>
</table>

**Notes:**

1. Brand is defined as "A commercial entity with a visual identity (unique logo and/ or lock up with the Bendigo Bank logo), trademarked and communicated to customers or other key stakeholders as part of our products and services". Homesafe removed from the list as it is not technically an operating brand

2. Consolidation sequencing under review for FY24 to align with business and agribusiness strategy

3. The proxy measure for ‘Velocity of change’ is defined as the % of applications in the Cloud, enabling faster change cycle times and code from idea into production

4. Median time to decision (home loans) relates to Third Party Banking channel. Median time to decision (unconditional) includes pended and withdrawn loans. The actual average time to initial (conditional) decision as published in BrokerPulse December 2021 excludes pended and withdrawn loans and Adelaide Broker average time to initial decision is currently 6 days (3 in the market)

5. '% automated credit decision (home loans)' target relates to the proportion of the home lending portfolio that has relatively simple credit needs allowing for automation

6. 'Active eBanking users' covers approx. 92% of the Group customer base including Bendigo Bank and Up customers. Active eBanking customers defined as customer >12yo who used eBanking in last 3 months (Bendigo Bank) and all active Up customers

7. '% sales by digital channels' includes Bendigo Bank (including Delphi), Community Sector Banking and Alliance consumer core banking sales (Everyday Accounts, Term Deposits, Home Loans, Credit Cards and Personal Loans). Period is determined by the accounts first transaction date
Transforming our business

2. Execution

Up Home:
- Portfolio of $74m+ from beta launch in July 2022
- $514m in identified savings towards a home
- Cost of acquisition significantly lower than group

BEN Express:
- Consolidated offering in 2H23
- End-to-end digital experience embedded, with the addition of digital identity and document signing
- Customer opting for online pathway is increasing
- Over $270m in settlements since inception. 2H23 achieved more settlements than previous 4 years combined

Qantas Money Home Loan:
The home loan that comes with a holiday every year, 100,000 Qantas Points every year for the life of the loan

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Transforming our business

2. Execution – market leading innovation

Save Up 1000 — Savings Habit Creation
145,000+ Upsiders started, 10,800+ completed
~$20m saved. ~20% have never saved $1k before

Locked Savers — Financial Wellbeing
$74m+ held in 30,000+ locked Savers
~21 days average lock duration

Maybuy — Save Now, Buy Later
64% buy, and 36% chose not to buy
Upsiders avoided ~$800,000 in impulse buys

Up Home — Mortgages
$514m+ in identified savings towards a home
$74m+ in completed Up Home loans

2Up — Joint Accounts
24% of active Upsiders have 2Up joint accounts
Digital-first, plastic optional (saved >840kg of plastic)
Ocean plastic recovery floating Seabin operating since Apr-23 at Manly Yacht Club

715,000+ Upsiders
51.5 NPS
2.6% month-on-month growth
78% customer growth by word of mouth
<$50 cost of acquisition

$1.5b+ deposits balance
890m+ transactions completed since launch

Highest rated bank-app in the App Store and Google Play

---

1. Self-reported by Upsiders directly via in-app completion survey
2. Home Saver feature, incl. self-identified external savings
3. Upsiders = Customers with regulated bank accounts
4. Roy Morgan Net Promoter Score – Roy Morgan Research. 6 month rolling average as at Jun 23
5. Based on total marketing costs
6. Up app rated 4.9 stars in App Store, 4.8 in Google Play at 30-Jun-2023

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Transforming our business

3. Business Sustainability

Long-term focus for all stakeholders

Customers:
- Multi-channel experience continues to broaden in response to customers’ evolving needs
- Supported customers through product innovation including Regional Family Homebuyer Guarantee, NSW Shared Equity

Shareholders:
- Focus on capital usage and cost remains paramount
- Embedding of strengthened investment case process and benefits realisation

Communities:
- Launched Reflect Reconciliation Action Plan
- Strong commitment to our 309 Community Bank branches which drive impactful change within their individual communities

Employees:
- Completed a review on leader risk capability, delivering personalised assessment and development focuses to standardise and uplift risk capability
- Delivered comprehensive programs and engagement forums to enhance, support, and enrich our employee experience

Recent outcomes (comparisons vs June 2022)

- NPS increase of +2.1 vs industry
- Customer numbers increased 9.9%

- Celebrated 25 years of the Community Banking Model, over $320m of sponsorships and grants since inception
- $1.6m of natural disaster funds distributed to bushfire and flood affected communities

- 90bp increase in ROE
- 15.1% increase in dividend

- Retained high employee engagement scores across BEN at 77%
- 92% of workforce have used BENU learning platform

1. 10 Alliance Banks branches have been incorporated into the Community Bank network through 2H23
2. Roy Morgan Research, 6 month rolling averages, comparing BEN to the industry average. Industry includes: ANZ, BCM, BQG, 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.
## ESG & Sustainability performance

### Sustainability commitments

<table>
<thead>
<tr>
<th>Environment &amp; Climate</th>
<th>FY23 outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>No direct lending exposure to coal, coal seam gas, crude oil, natural gas, native forest logging projects</td>
<td>Achieved</td>
</tr>
<tr>
<td>Maintain carbon neutral status</td>
<td>Maintained since 2020</td>
</tr>
<tr>
<td>Purchase 100% renewable energy by 2025</td>
<td>BEN Operations: 40%</td>
</tr>
<tr>
<td>Reduce absolute emissions by 50% by 2030 and 95% by 2040</td>
<td>Community Banks: 21%</td>
</tr>
<tr>
<td>90% statements to be delivered electronically by 2025 (Bendigo Bank)</td>
<td>In progress</td>
</tr>
<tr>
<td>Maintain travel emissions 25% below 2020 levels</td>
<td>Progress toward 2025 target</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Social</th>
<th>FY23 outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender balance target of 40:40:20 at every level of the organisation by 2025</td>
<td>Achieved: gap maintained</td>
</tr>
<tr>
<td>20-point gap for Bendigo Bank annual relative NPS compared to industry average</td>
<td>Progress toward target</td>
</tr>
<tr>
<td>Monitor and report to the Board external ratings of the Bank’s Modern Slavery Disclosure</td>
<td>Monash: B, ASCI: 26.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Governance</th>
<th>FY23 outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achieve and maintain Carbon Disclosure Project score of B</td>
<td>Achieved: uplifted score to B from C</td>
</tr>
<tr>
<td>Maintain RepTrak Pulse gap of 8 points to the average of the four majors</td>
<td>Achieved: 75.1 in Jun 2023</td>
</tr>
<tr>
<td>Increase social supplier spend by 4% from FY22 actual spend</td>
<td>↑ 115% actual spend</td>
</tr>
</tbody>
</table>

---

1. The RepTrak Company is the leading reputation score. The data is reported on a quarterly basis.
FY23 results

Andrew Morgan – Chief Financial Officer
Delivering on key focus area - Returns

Strong performance across all line items

**Focus areas**
- Managing volumes and margins
- Improving cost efficiency
- Improving returns on investment cases

**What we have delivered**
- Disciplined utilisation of capital through selectively competing in key markets
- BAU costs well managed with growth below inflation
- Accelerated transformation investment for long term growth
- Further embedded Profit after Capital Charge in pricing and investment decisions

**Outcomes**
- Return on equity 8.62% (+90bps)
- Cost to income 54.9% (-420bps)
- Cash earnings per share 102.1c (+13.7%)
Financial and operating performance

Strong performance across all line items

<table>
<thead>
<tr>
<th></th>
<th>FY23 ($m)</th>
<th>FY22 ($m)</th>
<th>FY23 v FY22 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total income</td>
<td>1,932.8</td>
<td>1,695.7</td>
<td>14.0%</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>1,061.2</td>
<td>1,002.1</td>
<td>5.9%</td>
</tr>
<tr>
<td>Underlying profit</td>
<td>871.6</td>
<td>693.6</td>
<td>25.7%</td>
</tr>
<tr>
<td>Credit expenses</td>
<td>33.6</td>
<td>(27.2)</td>
<td>Large</td>
</tr>
<tr>
<td>Cash earnings (after tax)</td>
<td>576.9</td>
<td>500.4</td>
<td>15.3%</td>
</tr>
<tr>
<td>Statutory net profit (after tax)</td>
<td>497.0</td>
<td>488.1</td>
<td>1.8%</td>
</tr>
</tbody>
</table>

Key points

- Income reflects ongoing discipline in managing volumes and margins
- Accelerated investment to set up for long term, sustainable productivity benefits
- Credit expenses increased from historic lows and remain below long-term average

Note: Total income includes Net Interest Income, Other Income & Homesafe net realised income before tax.
### Cash earnings vs Statutory NPAT

**FY23 adjustments**

<table>
<thead>
<tr>
<th></th>
<th>FY23 ($m)</th>
<th>FY22 ($m)</th>
<th>FY23 v FY22 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash earnings after tax</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>576.9</td>
<td>500.4</td>
<td>15.3</td>
</tr>
<tr>
<td><strong>Non-cash items:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Homesafe (net)</td>
<td>(5.7)</td>
<td>(3.4)</td>
<td></td>
</tr>
<tr>
<td>- Software impairment</td>
<td>(33.3)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>- Restructure costs</td>
<td>(27.4)</td>
<td>(6.8)</td>
<td></td>
</tr>
<tr>
<td>- Other items</td>
<td>(13.5)</td>
<td>(2.1)</td>
<td></td>
</tr>
<tr>
<td><strong>Statutory NPAT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>497.0</td>
<td>488.1</td>
<td>1.8</td>
</tr>
</tbody>
</table>

Reflects impact of higher funding costs partly offset by modest appreciation in property values

As disclosed on 4 August

Amortisation of acquired intangibles, acquisition costs and right-of-use asset impairment
Total income

Volume growth and NIM improvement

Average growth:¹
- Residential lending: +3.9%
- Business lending: -0.4%
- Customer deposit growth: +4.9%

NIM: +20bps

FY23 ($m)

<table>
<thead>
<tr>
<th>FY22</th>
<th>Net interest income</th>
<th>Other income ex Homesafe</th>
<th>Homesafe</th>
<th>FY23</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,695.7</td>
<td>249.1</td>
<td>2.3</td>
<td>1,932.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>9.7</td>
<td></td>
</tr>
</tbody>
</table>

Key income callouts:

- Net interest income driven by volume growth in lending and deposits, boosted by improved margins
- Other income reduced marginally, driven by non-recurring revenue in FY22
- Reduced Homesafe income reflects lower level of completed contracts

Note: Other income breakdown is prepared on a cash basis
¹ Homesafe realised income before tax. Realised funding costs recognised in net interest income
² Year on year average balances vs prior year. Business lending includes business lending and agribusiness lending
Proven sustainable residential lending growth

Diversified channels; strong retention

- Intense competition and use of cashbacks limited ability to write business above cost of capital in 1H23
- Opportunity to compete improved through 2H23 and achieved 1.1x system growth in 4Q23
- Growth through digital channels was particularly strong across 2H23
- Improved retention in fixed rate maturities

FY23 fixed rate maturities by dynamic LVR bands (% EAD)

Residential lending portfolio - fixed rate maturities ($b)

1. Up and BEN Express included within Retail channel. Qantas Money Home Loans and Tic:Toc portfolio included in TPB (Third Party Banking). Settlements in digital channels consists of loans originated through BEN Express, Up, Qantas Money Home Loans and the Tic:Toc label.
Strength of deposit franchise
Branch network provides stable funding source

- Proprietary branch network and our Community Bank partners are a critical source of deposit funding
- New digital channels including Up represent an important source of future deposits
- Term deposit retention rates remain strong
- Household deposit to Loan ratio 69%, which is 7% higher than system\(^1\)

---
\(^1\) Source APRA Monthly Authorised Deposit-taking Institution statistics June 2023. Ratio calculated as deposits by households divided by loans to households columns (owner-occupied, investment, credit cards and other)
Net interest margin

Strong result reflecting disciplined approach to volume / margin trade-offs

Variable and fixed residential loan competitive pressure

1H23 Lending pricing Deposit and funding pricing Mix and other Liquids NIM 2H23 pre revenue share Revenue share 2H23

- 1.90%
- 0.08%
- 0.19%
- 0.06%
- 0.01%
- 2.06%
- 0.08%
- 1.98%

Increase driven by benefit of replicating portfolio on capital and deposits

Post-revenue share Q4 average NIM: 1.96%

Key considerations for FY24:

Tailwinds
- Expect at least one further increase in cash rate
- Benefit of fixed to variable rate conversions
- Ongoing benefit from replicating portfolio

Headwinds
- Increased competition for deposits
- Shifting mix in deposits
- Higher funding costs - TFF replacement
Operating expenses
Prudently managed in inflationary environment

**Key considerations:**

**FY24**
- Inflationary pressures to remain elevated
- Ongoing investment in transformation program
- Targeting further improvement in cost to income ratio through productivity benefits

**Medium term**
- Investment in long term strategic projects that deliver shareholder value
- Committed to further reducing cost to income ratio towards 50%

---

1. Non-lending losses excluding remediation
Credit quality

Credit metrics remain sound

Credit expense ($m)\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>2H22</th>
<th>1H23</th>
<th>2H23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collective provision</td>
<td>5.6</td>
<td>6.5</td>
<td>6.8</td>
</tr>
<tr>
<td>Specific provision</td>
<td>(4.4)</td>
<td>(5.1)</td>
<td>(9.4)</td>
</tr>
</tbody>
</table>

Gross impaired loans ($m)

<table>
<thead>
<tr>
<th></th>
<th>Jun-21</th>
<th>Dec-21</th>
<th>Jun-22</th>
<th>Dec-22</th>
<th>Jun-23</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>208.8</td>
<td>152.8</td>
<td>133.1</td>
<td>118.4</td>
<td>113.9</td>
</tr>
<tr>
<td>% of gross loans</td>
<td>0.17</td>
<td>0.14</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Loan arrears\(^2\)

- Residential 90d+
- Business 90d+
- Agribusiness 90d+

<table>
<thead>
<tr>
<th></th>
<th>2H22</th>
<th>1H23</th>
<th>2H23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expired loans impacted arrears rate</td>
<td>2.52%</td>
<td>2.07%</td>
<td>1.95%</td>
</tr>
</tbody>
</table>

Credit expense ($m)\(^1\)

1. Specific provision is net of bad debts written off and recoveries
2. Arrears include impaired assets and all arrangements, agribusiness arrears has been updated to include impaired assets to align to the measurement of arrears for the other portfolios

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Credit quality
Residential loan portfolio remains resilient

- **Current LVR of no buffer and <1 month ahead (% EAD)**

  - 0-60: 30%
  - 60-70: 22%
  - 70-80: 36%
  - 80-90: 10%
  - >90: 2%

- **Composition of No Buffer and <1 month ahead (% of EAD)**

  - Residual: 39%
  - <1yr on book: 20%
  - Investor: 15%
  - Fixed rates: 26%

- **% of exposures by payments in advance (including offsets)**

  - No buffer: 17%
  - <1 month: 16% 13% 15%
  - <3 months: 11% 11% 12% 8% 8% 8% 9% 9% 10% 10%
  - <6 months: 11%
  - <12 months: 14%
  - 1-2 years: 15%
  - >2 years: 34%

- **Residential Lending at Jun 2023 by vintage – % EAD vs dynamic LVR (%)**

  - EAD (%): 0% 5% 10% 15% 20% 25% 30%

- **BEN v major banks**

  - new originations DTI >6 times
  
  - BEN: 12.17%
  - Major banks: 4.22% 2.44%

1. Number of monthly payments ahead of minimum monthly payment (based on pre-arrangement); includes offset facilities and excludes HELOC products. Available for Retail, Third Party Banking and Alliance Bank Partners (94% of exposures).
3. Dynamic LVR is defined as current balance/current valuation and is not audited/calculated for Residential Security only and excludes Portfolio Funding exposures (0.2% of total EAD).
Provisioning

Small top-up in collective provisions appropriate for the environment

Sector overlays reflect the risks associated with:
- Potential residential mortgage stress resulting from fixed / IO to variable / P&I conversions
- Challenges in the construction industry
- Headwinds in some commercial property sectors

Provisioning

Collective provisions ($m)

<table>
<thead>
<tr>
<th></th>
<th>Jun-21</th>
<th>Dec-21</th>
<th>Jun-22</th>
<th>Dec-22</th>
<th>Jun-23</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>246.7</td>
<td>229.4</td>
<td>225.7</td>
<td>232.3</td>
<td>238.5</td>
</tr>
<tr>
<td>Collective</td>
<td>246.7</td>
<td>229.4</td>
<td>225.7</td>
<td>232.3</td>
<td>238.5</td>
</tr>
<tr>
<td>Specific</td>
<td>94.3</td>
<td>71.6</td>
<td>58.1</td>
<td>46.5</td>
<td>47.8</td>
</tr>
<tr>
<td>ERCL</td>
<td>0.34</td>
<td>0.29</td>
<td>0.30</td>
<td>0.30</td>
<td>0.30</td>
</tr>
</tbody>
</table>

Total provisions ($m)

<table>
<thead>
<tr>
<th></th>
<th>Jun-21</th>
<th>Dec-21</th>
<th>Jun-22</th>
<th>Dec-22</th>
<th>Jun-23</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>445.7</td>
<td>388.4</td>
<td>371.6</td>
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<td>381.5</td>
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<tr>
<td>Collective</td>
<td>246.7</td>
<td>229.4</td>
<td>225.7</td>
<td>232.3</td>
<td>238.5</td>
</tr>
<tr>
<td>Specific</td>
<td>94.3</td>
<td>71.6</td>
<td>58.1</td>
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<td>47.8</td>
</tr>
<tr>
<td>ERCL</td>
<td>0.34</td>
<td>0.29</td>
<td>0.30</td>
<td>0.30</td>
<td>0.30</td>
</tr>
</tbody>
</table>

Provisioning

Small top-up in collective provisions appropriate for the environment

Collective provisions ($m)

As % of gross loans

<table>
<thead>
<tr>
<th></th>
<th>Jun-21</th>
<th>Jun-22</th>
<th>Jun-23</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>54.5</td>
<td>41.8</td>
<td>45.0</td>
</tr>
<tr>
<td>Economic forecast and scenario weights</td>
<td>192.2</td>
<td>183.9</td>
<td>193.5</td>
</tr>
<tr>
<td>Additional overlays</td>
<td>0.34</td>
<td>0.29</td>
<td>0.30</td>
</tr>
</tbody>
</table>
Funding and liquidity

Stable and well diversified funding sources

- Strength of customer deposit franchise demonstrated by % of customer deposits to total funding ratio
- Net +$11bn funding contributed from Community Bank partners
- Wholesale funding diversification further enhanced via second transaction issued off Covered Bond program
- Funding and liquidity ratios well positioned:
  - LCR overlay removed by APRA from 9 August 2023
  - RBA Committed Liquidity Facility (CLF) fully unwound
- Term Funding Facility (TFF):
  - 34% of borrowings already refinanced or in 30-day LCR window
  - Remainder represents ~3% of total assets.
  - No other long-term wholesale debt maturities in FY24

---

1. Includes treasury issued products only
2. Subordinated debt maturity refers to legal final maturity date
Capital and dividends

Capital position strengthened; dividend increased

- Benefit from capital reforms of 111bps; Board target CET1 range 10.0-10.5%
- Net capital generation of +1bps reflects disciplined approach to writing new business
- Full year fully franked dividend of 61.0c, up 15.1% on prior year representing 60% dividend payout ratio; DRP to be neutralised

CET1 movement - 6 months (%)\(^1\)

<table>
<thead>
<tr>
<th>Dec-22</th>
<th>Capital reforms</th>
<th>Dec-22 (adjusted)</th>
<th>Earnings</th>
<th>Dividend (net of DRP)</th>
<th>RWA</th>
<th>Capitalised expenses</th>
<th>Deferred tax assets</th>
<th>Other</th>
<th>Jun-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.13</td>
<td>1.11</td>
<td>11.24</td>
<td>0.63</td>
<td>0.44</td>
<td>0.15</td>
<td>0.01</td>
<td>0.06</td>
<td>0.08</td>
<td>11.25</td>
</tr>
</tbody>
</table>

\(^1\) CET1 capital excludes unrealised Homesafe revaluation revenue from retained earnings, along with earnings from certain other subsidiaries that do not form part of the regulated level 2 banking group

\(^2\) As at 31 December 2022
Building blocks to achieve ROE above cost of capital

- **Continued** focus on cost management and targeting improvement in CTI ratio

- **Investing** in our deposit gathering franchise underpinned by the strength of our Community Bank partnerships

- **Diversifying** our balance sheet with the rebuild of our Business and Agribusiness division

<table>
<thead>
<tr>
<th>FY23 proof point</th>
<th>BAU costs managed to sub-inflation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Bank net funding</td>
<td>+4.8%</td>
</tr>
<tr>
<td>Agri growth</td>
<td>+4.7% YOY</td>
</tr>
<tr>
<td>Digital settlements</td>
<td>12.0%</td>
</tr>
</tbody>
</table>
Summary

Marnie Baker – CEO and Managing Director
FY24 deliverables

1. **Returns**
   - Leveraging our point of difference:
     - Continue to invest in digital channels
     - Grow at or better than system through channel optimisation
     - Maintain our strong retention rates and our market leading NPS
     - Continued focus on prudent cost management for the current environment

2. **Execution**
   - Tracking towards 1 core banking system and 3 brands
   - Customer experience initiatives:
     - Implementation of Business and Agribusiness operating model
     - Lending Transformation – Phase 1, significant reduction of manual process

3. **Business Sustainability**
   - Climate and Nature Action Plan – deliver year 1
   - Community Bank maintain investment and elevate the Community story
   - Embedding Belong at BEN program
Our strategy delivering value

A streamlined business, retaining our core differentiators

**FY19**

- **3** Divisions
  - 1.7m customers
  - % sales by digital channels - 13%¹
  - Market leading NPS of 24.8²
  - ROE of 6.34%, CTI of 59.2%, CET1 8.92%, Cash EPS of 85.0c
  - Australia’s Most Trusted Bank
  - Multi-brand, multi-business models group
  - Strategy to reduce complexity, invest in capability and tell our story launched

**FY23**

- **2** Divisions
  - 2.4m customers
  - % sales by digital channels - 19%¹
  - Maintained market leading NPS of 23.2³
  - ROE of 8.62%, CTI of 54.9%, CET1 11.25%, Cash EPS 102.1c
  - Australia’s Most Trusted Bank
  - Focus areas of returns, execution and business sustainability

**FY26**

- **2** Divisions
  - Return on equity in excess of cost of capital, CTI towards 50%
  - Simplified operating model, diversified channel experience and modernised technology
  - Australia’s Most Trusted Bank with market leading advocacy, digital by design and human when it matters
  - True to our purpose and regional values, with trust and community at our core

---

¹ % sales by digital channels includes Bendigo Bank (including Delphi, Community Sector Banking and Alliance) consumer core banking sales (Everyday Accounts, Term Deposits, Home Loans, Credit Cards and Personal Loans). Period is determined by the accounts first transaction date.

² Roy Morgan Single Source (Australia), rolling 6-month June 2019 NPS of those with any financials relationship with the bank.

Q&A

Marnie Baker  CEO and Managing Director
Andrew Morgan  Chief Financial Officer
Additional Information
FY23 result

Strong performance across key metrics

**Cash earnings ($m)**
- FY21: 457.2
- FY22: 500.4
- FY23: 576.9

**NIM**
- FY21: 1.95%
- FY22: 1.74%
- FY23: 1.94%

**CTI**
- FY21: 60.3%
- FY22: 59.1%
- FY23: 54.9%

**ROE**
- FY21: 7.67%
- FY22: 7.72%
- FY23: 8.62%

**Cash EPS (cents)**
- FY21: 85.6
- FY22: 89.8
- FY23: 102.1

**DPS (cents)**
- FY21: 50.0
- FY22: 53.0
- FY23: 61.0

**CET1**
- Jun-21: 9.57%
- Jun-22: 9.68%
- Jun-23: 11.25%

**Customer deposits as % of total funding**
- Jun-21: 73.0%
- Jun-22: 73.3%
- Jun-23: 73.0%

**Baseline**
- Jun-21: +73.0%
- Jun-22: +73.3%
- Jun-23: +73.0%

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### Key performance indicators

#### Consistent performance

<table>
<thead>
<tr>
<th>Customer numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net promoter score</strong>&lt;sup&gt;3&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>MFI business NPS</strong>&lt;sup&gt;4&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>Employee Engagement Index</strong>&lt;sup&gt;5&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>Return on Equity (cash)</strong></td>
</tr>
</tbody>
</table>

**Net promoter score**: 27.3 24.5 23.2
- **BEN**
- **Industry**

**MFI business NPS**: 44 -13 41 -9 46 -3
- **BEN**
- **Major banks**

**Employee Engagement Index**: 73% 77% 77%
- **BEN**
- **Major banks**

**Return on Equity (cash)**: 7.67% 7.72% 8.62%
- **FY21**
- **FY22**
- **FY23**

**Customer numbers**

| **Total lending growth**<sup>2</sup> |
| **Cost to income** |

- **FY21**
- **FY22**
- **FY23**

**Market share**

<table>
<thead>
<tr>
<th><strong>BEN</strong></th>
<th><strong>Major banks</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun-21</td>
<td>2.4% 74.5% 2.4%</td>
</tr>
<tr>
<td>Jun-22</td>
<td>2.3% 73.2% 2.4%</td>
</tr>
<tr>
<td>Jun-23</td>
<td>2.3% 72.8% 2.3%</td>
</tr>
</tbody>
</table>

**Total lending growth**

<table>
<thead>
<tr>
<th><strong>BEN</strong></th>
<th><strong>Major banks</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>FY21</td>
<td>10.6% 2.1% 4.9%</td>
</tr>
<tr>
<td>FY22</td>
<td>8.0% 7.9% 4.9%</td>
</tr>
<tr>
<td>FY23</td>
<td>0.7% 4.9% 4.9%</td>
</tr>
</tbody>
</table>

**Cost to income**

<table>
<thead>
<tr>
<th><strong>FY21</strong></th>
<th><strong>FY22</strong></th>
<th><strong>FY23</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>60.3%</td>
<td>59.1%</td>
<td>54.9%</td>
</tr>
</tbody>
</table>

---

1. APRA Monthly Banking Statistics June 2023
2. APRA Monthly Banking Statistics June 2023. Growth rate calculated on 12 monthly basis using BEN total lending and major bank average
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
Consumer

Multi-channel strategy delivering benefits

- Net Interest income increased by 42.9% due to disciplined approach to margin and volume in home lending
- Operating expense increased due to investment in Up, fraud and remediation expenses and fees and commissions
- Credit expense increased $22.8m driven by an increase in collective provisions
- Consumer portfolio grew 22.5%
- Residential mortgages grew by 1.8% for FY23 reflecting a slower first half of the year
- Strong growth in term deposits across both traditional branch channel and new digital channels

1. Volume growth is based on assets and liabilities that are managed within the Consumer division as per the Appendix 4E segments. Includes investments
2. Homesafe net realised income after tax

---

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Business and Agribusiness

Significant opportunities the medium term

Total division net interest income increased by 7.8%

- Business portfolio reduced by 2.7% due high level of amortisation from very mature portfolio
- Agribusiness increased 5%, supported by growth in third party broker and equipment finance
- New strategy has been finalised, highlighting significant opportunities to drive growth while finding increased efficiency including:
  - Refined target markets
  - Simplified structure, including refocused front-line
  - People capability
- Rebuild of Business and Agribusiness division to build balance sheet diversification

1. Volume growth is based on assets and liabilities that are managed within the Business and Agribusiness division as per the Appendix 4E segments. Includes investments.
Homesafe

Homesafe wealth release

- Reduced Homesafe income reflects lower level of completed contracts from prior year
- Proceeds on contracts completed during 2H23 exceeded carrying value by $4.9m and up $8.4m over the financial year
- Average annual return on completed contracts since inception is 9.7% p.a. prefunding costs
- Property valuation growth assumptions amended -1% year 1, +2% year 2 and +5% year 3+
- Property values would need to fall by 43% before any impact on regulatory capital

<table>
<thead>
<tr>
<th></th>
<th>2H23 ($m)</th>
<th>1H23 ($m)</th>
<th>2H22 ($m)</th>
<th>1H22 ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount unwind</td>
<td>14.5</td>
<td>14.3</td>
<td>13.7</td>
<td>13.1</td>
</tr>
<tr>
<td>Profit on sale</td>
<td>3.7</td>
<td>3.6</td>
<td>3.0</td>
<td>4.9</td>
</tr>
<tr>
<td>Property revaluations</td>
<td>49.3</td>
<td>(41.1)</td>
<td>(83.8)</td>
<td>87.6</td>
</tr>
<tr>
<td>Total</td>
<td>67.5</td>
<td>(23.2)</td>
<td>(67.1)</td>
<td>105.6</td>
</tr>
</tbody>
</table>

1. % split of portfolio calculated on total portfolio balance
### Residential lending

#### Residential metrics

1. Loan data represented by purpose. Excludes Alliance Bank and Keystart data. Arrears includes impaired loans and all arrangements.
2. Average LVR based on unweighted accounts. Flow metric is based on origination LVR, portfolio is based on current LVR (current balance against security value on file).
3. Dynamic LVR is defined as current balance/current valuation and is not audited (calculated for Residential Security only and excludes Portfolio Funding exposures (0.2% of total EAD)).

<table>
<thead>
<tr>
<th></th>
<th>Flow / Portfolio amount</th>
<th>Flow</th>
<th>Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2H23</td>
<td>1H23</td>
<td>Jun-23</td>
</tr>
<tr>
<td>Flow / Portfolio amount</td>
<td>$7.0b</td>
<td>$6.7b</td>
<td>$57.6b</td>
</tr>
<tr>
<td>Retail lending</td>
<td>34%</td>
<td>41%</td>
<td>47%</td>
</tr>
<tr>
<td>Third Party Banking lending</td>
<td>66%</td>
<td>59%</td>
<td>53%</td>
</tr>
<tr>
<td>Lo Doc</td>
<td>0.00%</td>
<td>0.03%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Owner occupied</td>
<td>78%</td>
<td>76%</td>
<td>71%</td>
</tr>
<tr>
<td>Owner occupied P&amp;I</td>
<td>96%</td>
<td>94%</td>
<td>97%</td>
</tr>
<tr>
<td>Investment</td>
<td>22%</td>
<td>24%</td>
<td>29%</td>
</tr>
<tr>
<td>Investment P&amp;I</td>
<td>68%</td>
<td>67%</td>
<td>69%</td>
</tr>
<tr>
<td>Investment I/O</td>
<td>32%</td>
<td>33%</td>
<td>31%</td>
</tr>
<tr>
<td>Variable</td>
<td>78%</td>
<td>92%</td>
<td>64%</td>
</tr>
<tr>
<td>Fixed</td>
<td>22%</td>
<td>8%</td>
<td>36%</td>
</tr>
<tr>
<td>First home buyer %</td>
<td>18%</td>
<td>17%</td>
<td>15%</td>
</tr>
<tr>
<td>Mortgages with LMI</td>
<td>5%</td>
<td>5%</td>
<td>11%</td>
</tr>
<tr>
<td>Negative equity</td>
<td></td>
<td>0.16%</td>
<td>0.13%</td>
</tr>
<tr>
<td>Average LVR</td>
<td>62%</td>
<td>64%</td>
<td>53%</td>
</tr>
<tr>
<td>Dynamic LVR</td>
<td></td>
<td>53%</td>
<td>52%</td>
</tr>
<tr>
<td>Average loan balance</td>
<td>$418k</td>
<td>$441k</td>
<td>$298k</td>
</tr>
<tr>
<td>90+ days past due</td>
<td></td>
<td>0.46%</td>
<td>0.41%</td>
</tr>
<tr>
<td>Impaired loans</td>
<td></td>
<td>0.03%</td>
<td>0.04%</td>
</tr>
<tr>
<td>Specific provisions</td>
<td></td>
<td>0.01%</td>
<td>0.01%</td>
</tr>
<tr>
<td>Loss rate</td>
<td></td>
<td>0.003%</td>
<td>0.003%</td>
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</tbody>
</table>
Residential lending
Retail and Third Party Banking portfolios

Retail - portfolio ($b)¹

<table>
<thead>
<tr>
<th></th>
<th>Jun-21</th>
<th>Dec-21</th>
<th>Jun-22</th>
<th>Dec-22</th>
<th>Jun-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>25.6</td>
<td>26.2</td>
<td>26.8</td>
<td>26.6</td>
<td>27.2</td>
</tr>
</tbody>
</table>

Third Party Banking - portfolio ($b)¹

<table>
<thead>
<tr>
<th></th>
<th>Jun-21</th>
<th>Dec-21</th>
<th>Jun-22</th>
<th>Dec-22</th>
<th>Jun-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>24.6</td>
<td>26.3</td>
<td>29.2</td>
<td>29.5</td>
<td>30.5</td>
</tr>
</tbody>
</table>

¹ Loan portfolio balances are represented by purpose, constructed from internal data and includes line of credit products. Retail includes Delphi, Alliance Bank (ex Alliance AWA), excludes Portfolio Funding.
**Business lending**

**Portfolio and state splits**

### Business portfolio ($b)\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>Dec-20</th>
<th>Jun-21</th>
<th>Dec-21</th>
<th>Jun-22</th>
<th>Dec-22</th>
<th>Jun-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio</td>
<td>8.0</td>
<td>9.7</td>
<td>9.8</td>
<td>9.7</td>
<td>9.4</td>
<td>9.1</td>
</tr>
<tr>
<td>Commitment</td>
<td>8.0</td>
<td>8.0</td>
<td>7.9</td>
<td>7.8</td>
<td>7.4</td>
<td>7.3</td>
</tr>
</tbody>
</table>

### SME segment ($b)\(^2\)

<table>
<thead>
<tr>
<th></th>
<th>Dec-20</th>
<th>Jun-21</th>
<th>Dec-21</th>
<th>Jun-22</th>
<th>Dec-22</th>
<th>Jun-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>SME segment</td>
<td>6.2</td>
<td>6.4</td>
<td>6.3</td>
<td>6.4</td>
<td>6.0</td>
<td>5.6</td>
</tr>
</tbody>
</table>

---

1. Business portfolio balances are represented by purpose, constructed from internal data and includes line of credit products. Excludes Portfolio Funding.
2. Restatement on prior periods due to Business and Agribusiness division redesign. SME is an internal definition using Business Banking (less residential loans), Private Bank Commercial and Business Direct.
Agribusiness lending

Portfolio splits

Agribusiness exposure by industry

- Grain/Sheep/Beef: 31.5%
- Sheep/Beef: 15.4%
- Beef: 14.9%
- Grain: 12.6%
- Sheep: 8.4%
- Dairy: 6.1%
- Other: 6.2%
- Hort./Vit.: 4.9%

Agribusiness portfolio ($)

<table>
<thead>
<tr>
<th></th>
<th>Jun-21</th>
<th>Dec-21</th>
<th>Jun-22</th>
<th>Dec-22</th>
<th>Jun-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio</td>
<td>6.2</td>
<td>5.9</td>
<td>6.3</td>
<td>6.0</td>
<td>6.6</td>
</tr>
<tr>
<td>Commitment</td>
<td>7.6</td>
<td>7.7</td>
<td>7.7</td>
<td>7.8</td>
<td>8.1</td>
</tr>
</tbody>
</table>

Agribusiness balance by state

- 17%
- 19%
- 20%
- 33%
- 9%
- 2%
## Financial assets - credit risk exposures

By industry (AASB9)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Jun-23 ($b)</th>
<th></th>
<th></th>
<th>Total</th>
<th>Jun-22 ($b)</th>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Stage 1</td>
<td>Stage 2</td>
<td>Stage 3</td>
<td></td>
<td>Stage 1</td>
<td>Stage 2</td>
<td>Stage 3</td>
<td></td>
</tr>
<tr>
<td>Residential/Consumer</td>
<td>54.8</td>
<td>5.2</td>
<td>0.4</td>
<td>60.4</td>
<td>55.2</td>
<td>4.1</td>
<td>0.5</td>
<td>59.8</td>
</tr>
<tr>
<td>Accommodation and food services</td>
<td>0.2</td>
<td>0.0</td>
<td>0.0</td>
<td>0.2</td>
<td>0.2</td>
<td>0.1</td>
<td>0.0</td>
<td>0.3</td>
</tr>
<tr>
<td>Administrative and support services</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.1</td>
</tr>
<tr>
<td>Agriculture, forestry and fishing</td>
<td>5.9</td>
<td>0.7</td>
<td>0.1</td>
<td>6.7</td>
<td>5.8</td>
<td>0.6</td>
<td>0.1</td>
<td>6.4</td>
</tr>
<tr>
<td>Arts and recreation services</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.1</td>
</tr>
<tr>
<td>Construction</td>
<td>0.5</td>
<td>0.1</td>
<td>0.0</td>
<td>0.7</td>
<td>0.6</td>
<td>0.1</td>
<td>0.0</td>
<td>0.8</td>
</tr>
<tr>
<td>Education and training</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.1</td>
</tr>
<tr>
<td>Electricity, gas, water and waste services</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Financial and insurance services</td>
<td>16.0</td>
<td>0.1</td>
<td>0.0</td>
<td>16.1</td>
<td>11.6</td>
<td>0.1</td>
<td>0.0</td>
<td>11.7</td>
</tr>
<tr>
<td>Health care and social assistance</td>
<td>0.2</td>
<td>0.1</td>
<td>0.0</td>
<td>0.3</td>
<td>0.2</td>
<td>0.1</td>
<td>0.0</td>
<td>0.3</td>
</tr>
<tr>
<td>Information media and telecommunications</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>0.2</td>
<td>0.0</td>
<td>0.0</td>
<td>0.2</td>
<td>0.2</td>
<td>0.1</td>
<td>0.0</td>
<td>0.3</td>
</tr>
<tr>
<td>Mining</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Other Services</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0</td>
<td>0.2</td>
<td>0.2</td>
<td>0.0</td>
<td>0.0</td>
<td>0.2</td>
</tr>
<tr>
<td>Professional, scientific and technical services</td>
<td>0.2</td>
<td>0.0</td>
<td>0.0</td>
<td>0.2</td>
<td>0.2</td>
<td>0.0</td>
<td>0.0</td>
<td>0.3</td>
</tr>
<tr>
<td>Public administration and safety</td>
<td>3.1</td>
<td>0.0</td>
<td>0.0</td>
<td>3.1</td>
<td>5.3</td>
<td>0.0</td>
<td>0.0</td>
<td>5.3</td>
</tr>
<tr>
<td>Rental, hiring and real estate services</td>
<td>3.5</td>
<td>0.6</td>
<td>0.1</td>
<td>4.2</td>
<td>3.4</td>
<td>0.8</td>
<td>0.1</td>
<td>4.3</td>
</tr>
<tr>
<td>Retail trade</td>
<td>0.3</td>
<td>0.1</td>
<td>0.0</td>
<td>0.3</td>
<td>0.3</td>
<td>0.1</td>
<td>0.0</td>
<td>0.4</td>
</tr>
<tr>
<td>Transport, postal and warehousing</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0</td>
<td>0.2</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0</td>
<td>0.2</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>0.5</td>
<td>0.0</td>
<td>0.0</td>
<td>0.5</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Total residential, business and agribusiness balance</strong></td>
<td><strong>85.4</strong></td>
<td><strong>7.1</strong></td>
<td>0.8</td>
<td><strong>93.3</strong></td>
<td><strong>83.7</strong></td>
<td>0.8</td>
<td><strong>90.5</strong></td>
<td></td>
</tr>
<tr>
<td>Margin Lending</td>
<td>19.0</td>
<td>0.0</td>
<td>0.0</td>
<td>19.0</td>
<td>14.0</td>
<td>0.0</td>
<td>0.0</td>
<td>14.0</td>
</tr>
<tr>
<td>Other</td>
<td>0.3</td>
<td>0.0</td>
<td>0.0</td>
<td>0.3</td>
<td>0.3</td>
<td>0.0</td>
<td>0.0</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td><strong>87.6</strong></td>
<td><strong>7.1</strong></td>
<td><strong>0.8</strong></td>
<td><strong>95.4</strong></td>
<td><strong>85.4</strong></td>
<td><strong>6.0</strong></td>
<td><strong>0.8</strong></td>
<td><strong>92.3</strong></td>
</tr>
</tbody>
</table>
### Net interest margin

**FY23 NIM and historical trends**

<table>
<thead>
<tr>
<th>Year</th>
<th>Lending pricing</th>
<th>Deposit and funding pricing</th>
<th>Mix and other</th>
<th>Liquids</th>
<th>NIM FY23 pre revenue share</th>
<th>Revenue share</th>
<th>FY23</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY22</td>
<td>1.74%</td>
<td>0.34%</td>
<td>0.48%</td>
<td>0.05%</td>
<td>2.15%</td>
<td>0.21%</td>
<td>1.94%</td>
</tr>
</tbody>
</table>

**FY23 (%)**

- Variable and fixed residential loan competitive pressure: 0.32%
- Increase driven by benefit of replicating portfolio on capital and deposits: 0.05%
- NIM FY23 pre revenue share: 2.15%
- Revenue share: 0.21%
- FY23: 1.94%

### NIM quarterly movement (%)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>NIM (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar-17</td>
<td>1.88</td>
</tr>
<tr>
<td>Jun-17</td>
<td>1.98</td>
</tr>
<tr>
<td>Sep-17</td>
<td>2.00</td>
</tr>
<tr>
<td>Dec-17</td>
<td>2.05</td>
</tr>
<tr>
<td>Mar-18</td>
<td>2.03</td>
</tr>
<tr>
<td>Jun-18</td>
<td>2.03</td>
</tr>
<tr>
<td>Sep-18</td>
<td>1.99</td>
</tr>
<tr>
<td>Dec-18</td>
<td>1.99</td>
</tr>
<tr>
<td>Mar-19</td>
<td>1.98</td>
</tr>
<tr>
<td>Jun-19</td>
<td>2.04</td>
</tr>
<tr>
<td>Sep-19</td>
<td>2.00</td>
</tr>
<tr>
<td>Dec-19</td>
<td>1.98</td>
</tr>
<tr>
<td>Mar-20</td>
<td>1.91</td>
</tr>
<tr>
<td>Jun-20</td>
<td>1.94</td>
</tr>
<tr>
<td>Sep-20</td>
<td>1.96</td>
</tr>
<tr>
<td>Dec-20</td>
<td>1.97</td>
</tr>
<tr>
<td>Mar-21</td>
<td>1.94</td>
</tr>
<tr>
<td>Jun-21</td>
<td>1.91</td>
</tr>
<tr>
<td>Sep-21</td>
<td>1.84</td>
</tr>
<tr>
<td>Dec-21</td>
<td>1.76</td>
</tr>
<tr>
<td>Mar-22</td>
<td>1.70</td>
</tr>
<tr>
<td>Jun-22</td>
<td>1.67</td>
</tr>
<tr>
<td>Sep-22</td>
<td>1.79</td>
</tr>
<tr>
<td>Dec-22</td>
<td>2.01</td>
</tr>
<tr>
<td>Mar-23</td>
<td>2.01</td>
</tr>
<tr>
<td>Jun-23</td>
<td>1.96</td>
</tr>
</tbody>
</table>

Note: NIM is calculated on a cash basis (cash net interest income divided by average interest earning assets).

1. Cash quarterly NIM on a post revenue share basis.
2. Revenue share arrangements includes Community Bank and Alliance Bank.
Net interest margin
Capital and deposit hedges

- Additional NIM benefit expected over medium term from impact of higher interest rates on capital and deposit replicating yields
- Actual outcomes will be determined by a range of factors including, but not limited to: competition, future interest rates, capital and low rate-sensitive deposit volumes, AIEA volumes and investment strategy

<table>
<thead>
<tr>
<th>Portfolio volume ($b)</th>
<th>Hedged proportion</th>
<th>Hedge term (Years)</th>
<th>Hedged yield (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>4</td>
<td>100%</td>
<td>2.5</td>
</tr>
<tr>
<td>Deposits</td>
<td>11</td>
<td>80%</td>
<td>5.0</td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
<td>N/A</td>
<td>2.5 - 5.0</td>
</tr>
</tbody>
</table>

Average hedged yield on capital and deposit replicating portfolio

<table>
<thead>
<tr>
<th></th>
<th>1H22</th>
<th>2H22</th>
<th>FY22</th>
<th>1H23</th>
<th>2H23</th>
<th>FY23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hedged yield (%)</td>
<td>0.25%</td>
<td>0.83%</td>
<td>0.54%</td>
<td>1.97%</td>
<td>2.52%</td>
<td>2.25%</td>
</tr>
</tbody>
</table>
Community Bank

How the revenue share works

Community Bank footings

Interest rate

+/− FTP rate¹

= Margin income

50/50 split
between BEN and Community Banks

Community Bank revenue:

50%

Margin income share plus a share of upfront fees and commissions

Community Bank Operating costs

= Community Bank profit

Including staff costs, occupancy/branch, insurance and utilities

Distributions to Community Bank shareholder (maximum of 20%)² and to the community through grants, donations and sponsorships

Note: Community Bank footings include residential loans, business loans, credit cards, margin loans, at call accounts, term deposits. FTP is not used across all products

¹ FTP = Funds Transfer Pricing. FTP methodology is independently audited
² Dividend calculation is subject to terms and conditions
Community Bank
‘Profit with purpose’ model

Purpose led vision:

- Celebrating **25 years** since inception
- Over **$320m** in community contributions
- **309** Community Bank branches across Australia
- **933,000+** Customers who hold accounts with Community Banks
- **70,000+** Community Bank shareholders and **1,500+** directors

Providing benefits to BEN:

- Community Banks provide **net benefit of ~$11b of additional funds**, which reduces need for more expensive wholesale funding
- Net funding benefit equates to ~10 to 12 bps of NIM

Investments have supported critical local sporting, education, health, arts and cultural initiatives

Community Bank footings ($b)\(^3\)

Community Bank branches are a significant source of customer deposits for the broader Group, increasing ~$1.9b in FY23.
Arrears

Remain benign

Residential loan arrears

Business loan arrears

Consumer loan arrears

Agribusiness loan arrears

Note: Arrears include impaired assets and all arrangements

1. Agribusiness arrears has been updated to include impaired assets to align to the measurement of arrears for the other portfolios
Investment spend
Continuing to invest for long-term simplification benefits

Top 5 projects by spend:
- Lending Transformation Program (Foundational Technology)
- Open Banking (Risk & Compliance)
- Up Digital Bank
- Core Banking – Product & Pricing (Foundational Technology)
- Collaterals Management (Foundational Technology)

Capitalised software balance ($m)^2

<table>
<thead>
<tr>
<th></th>
<th>Jun-21</th>
<th>Jun-22</th>
<th>Jun-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H22</td>
<td>177.9</td>
<td>267.0</td>
<td>302.5</td>
</tr>
<tr>
<td>2H22</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1H23</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Investment spend ($m)^1

<table>
<thead>
<tr>
<th></th>
<th>1H22</th>
<th>2H22</th>
<th>1H23</th>
<th>2H23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk and compliance</td>
<td>10.1</td>
<td>7.6</td>
<td>10.1</td>
<td>10.9</td>
</tr>
<tr>
<td>Foundational technology</td>
<td>87.8</td>
<td>77.6</td>
<td>98.1</td>
<td>104.6</td>
</tr>
<tr>
<td>Growth and productivity</td>
<td>51.1</td>
<td>42.5</td>
<td>54.3</td>
<td>58.4</td>
</tr>
<tr>
<td>Asset lifecycle management</td>
<td>25.2</td>
<td>23.7</td>
<td>29.7</td>
<td>31.7</td>
</tr>
</tbody>
</table>

% Opex^3

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>48%</td>
</tr>
<tr>
<td>28%</td>
</tr>
<tr>
<td>37%</td>
</tr>
<tr>
<td>44%</td>
</tr>
</tbody>
</table>

1. Investment spend reclassified to exclude non-cash items
2. Capitalised software balance includes software under development
3. Investment spend expensed % (cash basis) calculated as expensed investment spend (cash basis) as a percentage of total investment spend (cash basis)
Specific provisions and impaired assets

Downward trend on impaired balances has continued

Specific provision balance ($m)

- Jun-22: 58.1
- Dec-22: 46.5
- Jun-23: 47.8

Specific provisions breakdown ($m)

- Consumer - Retail
- Consumer - Third Party Banking
- Business Banking
- Agribusiness
- Great Southern
- <100k specifics and portfolio provisions

Total impaired balance ($m)

- Jun-22: 133.1
- Dec-22: 118.4
- Jun-23: 113.9

Total impaired breakdown ($m)

- Jun-22: 133.1
- Dec-22: 118.4
- Jun-23: 113.9
Collective provisions and scenario outcomes

Continued caution is warranted

<table>
<thead>
<tr>
<th>Total collective provision movements ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec-21</td>
</tr>
<tr>
<td>229.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scenario weightings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun-23</td>
</tr>
<tr>
<td>Dec-22</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Collective provision - scenario outcomes ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% Mild Improvement</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Probability weighted - collective provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>238.5</td>
</tr>
</tbody>
</table>

1. Excludes GRCL
2. Scenario - ECL includes economic outlooks scenario weights and related overlays
Collective provisions and scenario outcomes

Model inputs

Unemployment (%)

Gross Domestic Product (%)

House prices (%)

Commercial property prices (%)

Note: Economic inputs into scenarios as at 14 Jun 2023
LCR and NSFR

Funding & liquidity ratios remain well positioned

**Net Stable Funding Ratio ($b)**
As at 30 June 2023

Available stable funding: 12.0

Required stable funding: 51.2

121.5%

- Wholesale Funding & Other: 6.0
- Customer & SME Deposits: 2.1
- Capital reforms: 1.0
- Other Loans: 0.9
- Residential Mortgages LVR <80%: 0.6
- Liquids & other assets: 6.2

**NSFR full year (%)**

<table>
<thead>
<tr>
<th>Jun-22</th>
<th>Loans</th>
<th>Customer and SME deposits</th>
<th>Wholesale Funding</th>
<th>Liquid and Other Assets</th>
<th>Capital</th>
<th>CLF/TFF</th>
<th>Capital reforms</th>
<th>Jun-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>129.2</td>
<td>5.0</td>
<td>2.4</td>
<td>4.6</td>
<td>1.0</td>
<td>0.3</td>
<td>8.0</td>
<td>2.4</td>
<td>121.5</td>
</tr>
</tbody>
</table>

**Liquidity coverage ratio LCR ($b)**
Full year average

Available CLF: 142.2

High quality liquid assets: 25.3

10% regulatory overlay: 20.6

Other cashflows: 0.1

Wholesale funding: 7.2

Customer deposits: 3.0

136.6%

- Liquid assets: 14.4
- Net cash outflows: 0.6

**LCR full year (%)**

<table>
<thead>
<tr>
<th>FY22</th>
<th>High Quality Liquid Assets</th>
<th>CLF</th>
<th>Customer deposits</th>
<th>Wholesale funding</th>
<th>Other flows</th>
<th>FY23</th>
</tr>
</thead>
<tbody>
<tr>
<td>142.2</td>
<td>25.3</td>
<td>20.6</td>
<td>0.1</td>
<td>7.2</td>
<td>3.0</td>
<td>136.6</td>
</tr>
</tbody>
</table>

1. The total net cash outflows are inclusive of a 10 per cent regulatory overlay, which was effective from 2 Nov 2020. Removed from 9 Aug 2023
2. The LCRs quoted represent the average daily LCRs during FY23
3. BEN’s Committed Liquidity Facility was reduced by $0.9b to zero on 1 Jan 2023, and BEN repaid $0.7b of RBA Term Funding Facility borrowings during the half.
### Customer deposits

#### Split and funding costs

#### Customer deposit - split ($b)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction</td>
<td>78.6%</td>
</tr>
<tr>
<td>Savings</td>
<td>20.7%</td>
</tr>
<tr>
<td>Term</td>
<td>18.0%</td>
</tr>
<tr>
<td>Offset</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

#### Customer deposit - funding costs

<table>
<thead>
<tr>
<th>Term Band</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;= 0.01%</td>
<td>21.5%</td>
</tr>
<tr>
<td>&gt; 0.01% - &lt;= 0.05%</td>
<td>40.3%</td>
</tr>
<tr>
<td>&gt; 0.05% - &lt;= 1.00%</td>
<td>12.5%</td>
</tr>
<tr>
<td>&gt; 1.00% - &lt;= 2.00%</td>
<td>3.3%</td>
</tr>
<tr>
<td>&gt; 2.00% - &lt;= 3.00%</td>
<td>4.4%</td>
</tr>
<tr>
<td>&gt; 3.00% - &lt;= 4.00%</td>
<td>0.6%</td>
</tr>
<tr>
<td>&gt; 4.00% - &lt;= 5.00%</td>
<td>3.8%</td>
</tr>
<tr>
<td>&gt; 5.0%</td>
<td>0.1%</td>
</tr>
</tbody>
</table>

1. 12.5% interest rate bands in transaction accounts mainly relates to State Government regulated trust accounts.

---

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### Capital

**Continued strengthening in ratios**

<table>
<thead>
<tr>
<th></th>
<th>Jun-23</th>
<th>Dec-22</th>
<th>Jun-22</th>
<th>Dec-21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Common Equity Tier 1</strong></td>
<td>11.25%</td>
<td>10.13%</td>
<td>9.68%</td>
<td>9.85%</td>
</tr>
<tr>
<td><strong>Additional Tier 1</strong></td>
<td>2.18%</td>
<td>1.99%</td>
<td>1.95%</td>
<td>2.04%</td>
</tr>
<tr>
<td><strong>Total Tier 1</strong></td>
<td>13.43%</td>
<td>12.12%</td>
<td>11.63%</td>
<td>11.89%</td>
</tr>
<tr>
<td><strong>Tier 2</strong></td>
<td>2.20%</td>
<td>2.01%</td>
<td>1.97%</td>
<td>2.09%</td>
</tr>
<tr>
<td><strong>Total capital</strong></td>
<td>15.63%</td>
<td>14.13%</td>
<td>13.60%</td>
<td>13.98%</td>
</tr>
<tr>
<td><strong>Total risk weighted assets</strong></td>
<td>$37.9b</td>
<td>$41.5b</td>
<td>$42.2b</td>
<td>$40.5b</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Credit risk weighted assets ($b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun-21</td>
</tr>
<tr>
<td>36.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>S&amp;P RAC Ratio¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEN</td>
</tr>
<tr>
<td>14.7%</td>
</tr>
</tbody>
</table>

¹ Standard & Poor’s RAC Ratio, Major 1 as at 31 Dec 2022, Major 2, 3 & 4 as at 30 Sep 2022 & BEN as at 30 Jun 2022
Dividend
Increasing returns for shareholders

- FY23 full year dividend up 15.1% on FY22
- Dividend levels continue to be managed across the year
- Target payout ratio 60-80%
- Improvement in organic capital generation provides greater flexibility

Dividends (cents per share)

<table>
<thead>
<tr>
<th>Year</th>
<th>Payout Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY20</td>
<td>35.5</td>
</tr>
<tr>
<td>FY21</td>
<td>50.0</td>
</tr>
<tr>
<td>FY22</td>
<td>53.0</td>
</tr>
<tr>
<td>FY23</td>
<td>61.0</td>
</tr>
</tbody>
</table>

1. Dividend payout ratio calculated on a cash basis
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Contact

Investors/Analysts

Sam Miller
Head of Investor Relations and ESG
M: +61 402 426 767
E: sam.miller@bendigoadelaide.com.au

Alex Hartley
Senior Manager Investor Relations
M: +61 478 435 218
E: alex.hartley@bendigoadelaide.com.au

Media

James Frost
Head of Public Relations
M: +61 419 867 219
E: james.frost@bendigoadelaide.com.au

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