



Annual Review 2020

 **Bendigo and
Adelaide Bank**

Front Cover

Small businesses come in all shapes and sizes, and every business operates in different circumstances and faces a multitude of different situations. What unifies small business owners is their innovation, commitment and resilience. One such business is Cactus Country, the brainchild of Jim Hall, who had a vision almost three decades ago to build Australia's largest cactus farm. Jim and his son, John Hall (pictured on cover), have brought that dream to fruition, growing and transforming the business from a half acre farm to a 12 acre property with a bar and café, to meet ever changing customer preferences. With the assistance of Bendigo Bank to support the expansion strategy, annual visitors to the farm in Strathmerton, Victoria have gone from 4,000 to 25,000 people each year in just four years, bringing life to the company mantra of "Go big or go home."

Bendigo Bank has more than 40,000 business customers, who form part of the Bank's 19 million customer network. They make important contributions to the lives of other Australians through their work and their community connections every day, backed by the support of our Bank, who understand their unique opportunities and distinct challenges.



▲ Jay Nash, Bendigo Bank Small Business Manager and Cactus Country's John Hall.

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About the Annual Review

The strength and success of Bendigo and Adelaide Bank has been consistently built throughout 162 years in business, and the care and capability we offer in helping all stakeholders to have the best opportunity to succeed.

With the skills and knowledge that truly reflect the contributions we make to Australian society, and a trusted reputation, built in both small and significant ways over time, we proudly tell our unique story. This is a story we tell by supporting everyone connected with our organisation to generate prosperity and contribute to building a thriving Australia.

Guided by our vision and purpose, there is a strong connection between our Bank's financial and non-financial performance. This mirrors the interests our shareholders have in our organisation and the role we play in working with stakeholders to create and share value for the long-term as we strive to be Australia's bank of choice.

This Annual Review covers the performance of Bendigo and Adelaide Bank for the period 1 July 2019 to 30 June 2020. Further information about our Annual Review, Annual Financial Report and Corporate Governance Statement can be found at <https://www.bendigoadelaide.com.au>

Highlights

Bendigo and Adelaide Bank is committed to operating sustainably from an economic, social and environmental standpoint, considering the needs and expectations of our stakeholders over the long-term. While our expertise is in delivering best in class financial services, our purpose underpins everything we do. There are numerous examples of where we make a difference for our stakeholders.

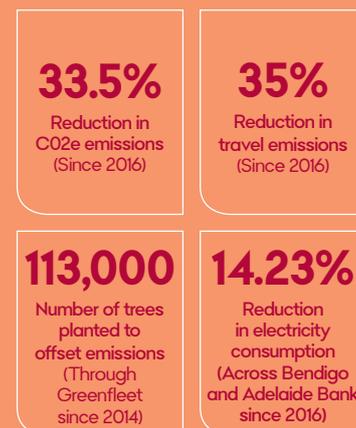
Financial Performance



Customers, People and the Community



The Environment



Financial Performance

Bendigo and Adelaide Bank's full year result was overshadowed by COVID-19 continuing record low interest rates and investment costs to support the execution of our strategy. The Bank announced full year earnings were down 27.4 percent year on year (excluding COVID-19 impacts, earnings were down 2.8 percent). Despite this, we delivered total income of \$1.61 billion, up 0.9 percent on the prior corresponding period, while sustaining market leading trust ratings, above system lending growth and continued strengthening of our balance sheet. Strong residential lending growth continued, 3.6 times system at 9.4 percent, due to focused customer strategies. Agribusiness lending was up 1.3 percent despite a challenging year for Australian agriculture due to the ongoing multi-year drought and the Black Summer bushfires.

While economic uncertainty remains and the full impact of COVID-19 is still evolving, the Board has acted prudently in considering the interests of shareholders and APRA's industry guidance on capital management, to defer a final dividend decision. Ongoing stress testing continues to support the Bank's strong balance sheet and capital position.

Customers, People and the Community

Our Bank exists to achieve far more than provide financial services. We aim to provide customers with a seamless, exceptional experience to achieve their lifestyle and financial aspirations.

The trust in our brand sets us apart. We remain in the top ten most trusted brands in Australia, even increasing one ranking during the COVID-19 pandemic and have a Net Promoter Score of 32.1, which is 33.1 higher than the industry average and 35.6 higher than the average of the major banks. These factors have helped achieve the 9.9 percent growth in customers, with more than 19 million people choosing to bank with us. We support our people to be their best, and through our Belonging at BEN program we support business-wide diversity and inclusion programs. Our connection to our customers and our unique style of banking has intrinsic benefit for Australian communities. Last year, Community Bank companies returned more than \$21 million to hundreds of local communities, providing a revenue stream that will enrich local towns and suburbs for many years to come.

The Environment

Our Bank supports long-term strategies that contribute to a more sustainable future for all our stakeholders. We're taking climate change action to reduce and offset our environmental impact and to help our customers minimise their impact and look for more efficiency in our everyday business decisions. We recognise our obligation to protect the environment for future communities to enjoy, always working towards creating a sustainable difference. Our position on Climate Change – with a new policy and agreed actions (see page 29) – formally acknowledges the global impact climate change is having on our planet. In this financial year, we have significantly reduced our carbon emissions as a result of our actions and the associated impacts of COVID-19, with reduced travel and energy consumption.

Our Strategy

Our vision is to be Australia's bank of choice. This is a bold ambition. We believe we're the right choice for Australians because of our capability and deep commitment to doing good. It's part of our DNA and it's what sets us apart.

With more than 162 years' experience in providing financial services, Bendigo and Adelaide Bank has remained true to its fundamental purpose of feeding into prosperity, not off it. We believe our business will only be successful when we can share in the success created by our stakeholders.

While the fundamental purpose of our business may not have changed, the current operating environment has continued to be disrupted by the COVID-19 pandemic, especially in relation to economic and health impacts, how consumers behave, what they expect, new technologies, and regulatory requirements.

We continue to be ambitious in growing our market share, delivering value for all stakeholders by reducing complexity, investing in capability and telling our story. The essence of what we do will not change, but the means by which we do it will continue to evolve as we strive to be Australia's bank of choice.



Our Business

Bendigo and Adelaide Bank provides banking services to more than 1.9 million customers across Australia, supporting them in every aspect of their financial life.



Our Brands

Our brands represent the diversity of our business. Together, they share a common purpose - to help our customers, partners and communities succeed.



Our Service

Our service extends to every corner of Australia and includes retail banking, third party lending, business and agribusiness banking, margin lending, wealth, investments, fund management, superannuation and insurance.



Our Reach

Our reach comprises joint ventures, philanthropy, and specialist services such as banking for not-for-profit organisations, wealth release products for senior Australians, and a network of mutual financial institutions to release capital and service members.



Our Impact

Our impact is substantial and our reputation enviable. As Australia's fifth biggest retail bank and a top 100 ASX listed company, we continue to set the example of how banking should be: progressive, sustainable, shared and trusted.



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Points of presence



7,400

Employees
(Including Community Bank employees)



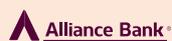
750,000+

eBanking customers



\$251 million

Community Contributions
(via the Community Bank network since 1998)



Message from the Chair

“Long lasting, effective change cannot happen unless the right foundations are set, and it’s in times like these where organisations will be called to question in how they respond to the unknown, with the right strategy, care, capability, authenticity and grace.”



I would categorise my first year in the role as Bendigo and Adelaide Bank’s Chair as a year of both challenge and accomplishment. The events of the past year, with the devastating impacts of bushfires, floods, prolonged drought and COVID-19, have forcefully reshaped our understanding of our world and what matters most, propelling us to consider a different way to think, act and engage.

While not surprising, it’s encouraging to see the true mettle of Australians in these times, persevering without reassurance of what’s to come, rallying to make a difference – big or small – to those around them, and mostly, taking advantage of every opportunity to transform and reinvent. It’s inspiring to witness, and it has made me further reflect on the notion of change, what it truly means for an organisation to adapt with authenticity and integrity, and importantly, how this will position our stakeholders and the Bank for future success.

Long lasting, effective change cannot happen unless the right foundations are set, and it’s in times like these where organisations will be called to question in how they respond to the unknown, with the right strategy, care, capability, authenticity and grace.

In line with our multi-year strategy, announced in 2019 to respond to economic uncertainty, we continue to transform our organisation, offering greater functionality and capability, simplifying and increasing productivity through cost management, improving the customer experience through sustainable investment, and telling our story. And while the impacts of these recent and current significant events heighten ongoing economic uncertainty, our strategy hasn’t changed. It has instead, further accelerated the need for transformative change.

For us, doing the right thing goes far beyond any single event or action, and transcends far beyond any prescribed point in time. For more than 162 years, our Bank has been an important part of the Australian landscape, always operating with the understanding that prosperity for our customers, partners, shareholders and communities will be the driver for our success - not the other way around. This is what drives our company. It will continue to underpin our business as we accelerate our transformational journey through these unknown and challenging times, and it has led to consistently strong performance in key national trust measures, and well ahead of major banks in leading corporate reputation indices. Trust is our most valuable asset and we will continue to ensure our operations balance the provision of optimal outcomes for all. However, like any organisation we sometimes make mistakes and when we do, we take ownership and action to make good and remediate any errors. That is what we have done and will continue to do.

While economic uncertainty remains and the full impact of COVID-19 is still evolving, the Board has acted prudently in considering the interests of shareholders and APRA’s industry guidance on capital management, to defer a final dividend

decision. Ongoing stress testing continues to support the Bank’s strong balance sheet and capital position.

Our vision, strategy, values and purpose form the context for our approach to high standards of corporate governance. These elements do not operate discretely from quality governance practices and purpose-led culture. In fact, when considering our remuneration practices, our approach has long been one that considers what is the right thing to do to achieve better decision making for the benefit of all stakeholders, and the outcomes of the Royal Commission have vindicated our approach. We confidently continue our work in the best interests of all stakeholders to ensure their long-term success.

We continue to evolve our position on Climate Change, recognising its impact on the quality of life and financial position of our customers and their communities. Addressing Climate Change, through commitment, learning and action, is the right thing to do. This year, the Board and Executive were pleased to adopt its Climate Change Policy Statement and Action Plan. We stand by our customers, communities, shareholders and all stakeholders with ambitions to improve environmental outcomes for all, while considering our impact, mitigating our risk, and improving prospects and climate resilience for all stakeholders.

While many things are changing, many remain the same. Our commitment to feeding into prosperity is omnipresent, and this year we proudly celebrate with almost 1,000 tertiary students and their communities in providing more than \$9.3 million in educational support since 2007 through one of Australia’s largest privately funded and best targeted regional scholarship initiatives. This is complemented by the more than \$250 million returned to communities since 1998 through the Community Bank model for community-led strengthening initiatives.

We continue to embrace a diverse and inclusive workforce, a core component of our organisation that is critical in achieving our objective of creating a community where employees want to work, where they feel valued and a sense of belonging. To ensure we better define our culture and understand how to better align it to our growth ambitions, we completed a culture review this financial year. The review outlined our cultural traits, the priority initiatives we must drive for positive change, and the critical few behaviours we must further embed to ensure our people continue to prosper and contribute in our organisational quest to be Australia’s bank of choice.

It’s a pleasure and an honour to lead a Bank that has a vision and purpose so deeply entrenched in history, so alive and relevant today and so ambitious for what tomorrow may bring. It’s this focus on helping all stakeholders succeed for which we will continue to be revered as Australia’s better big bank.

Jacqueline Hey
Chair, Bendigo and Adelaide Bank

Message from the Managing Director

“While we support our stakeholders to improve their financial wellbeing, we know the fabric of our organisation has come to the fore during these times. We have been tested in ways we couldn't have imagined, and the results prove that who we are today is who we have always been.”



It's been a year like no other. Some say it will be remembered for its adversity and challenges, in dealing with what is known and braving the uncertainties of what is to come. I say it will also be remembered for how people, communities, government and business have collaborated, responded and adapted, demonstrating the strength of humankind and the innovation, resilience and a unique 'can do' Australian attitude.

Bushfires, floods, prolonged drought and COVID-19 have caused significant social and economic upheaval, and their full impacts are still largely unknown and changing. As an essential service, our Bank had to mobilise our teams rapidly and in different ways to respond to COVID-19. We kept the vast majority of our branches open, redeployed employee resources into critical call centre and mortgage help teams to assist with increased enquiry and asked our corporate employees to work safely from home. I am immensely proud of the care and consideration they have shown everyone. Their ability to adapt is a testament to the culture that is fostered at the Bank, and I thank them all.

Our operating environment continues to challenge us, and our full year result was overshadowed by COVID-19, continuing record low interest rates and increasing costs to support strategy execution. Our full year earnings were down 27.4 percent year on year. We delivered total income of \$1.61 billion, up 0.9 percent on the prior corresponding period, while sustaining market leading trust ratings, above system lending, strong residential growth and strengthening our balance sheet. We will continue to observe how COVID-19 is changing the world and consider how we can use this experience to shape the future of work and continuously improve as consistent leaders in customer experience.

As much as we've achieved in the last year, we recognise there is more to do and that we must constantly evolve to meet our customers' needs, exploring new ways to operate, new innovations and new opportunities to benefit our stakeholders.

There's never been a better time for our Bank to show Australians just exactly who we are. Our organisation has spent more than 162 years shaping and refining our business in line with our purpose and values, which keep us focused on our reason for being. Launched in 2019, our multi-year strategy to reduce complexity, invest in capability and tell our story was designed to reshape our business for the future and to deliver on our vision in an uncertain economic environment. This has not changed.

But we are changed - as individuals, as a community and an economy. We are in a place we haven't been before, and the reality of ongoing economic uncertainty is real and significant. Meanwhile, we have long been on a transformation journey to improve our customer offering and manage costs, all while balancing the needs of our stakeholders. The current environment has further accelerated this need to transform.

We must make lasting changes so we can continue to feed into customer and community prosperity. This means increasing productivity by driving down costs, and sustainably investing

in new capabilities, particularly in customer experience and digitisation. These changes will impact our operations, but they will also improve how we engage customers which ultimately benefits everyone.

Our proposition is like no other and we understand the privileged role we play in society - never has this been more crucial. While we support our stakeholders to improve their financial wellbeing, we know the fabric of our organisation has come to the fore during these times. We have been tested in ways we couldn't have imagined, and the results prove that who we are today is who we have always been.

Our deep connection to our customers has proven to be even more critical. For us, it's about engaging customers in a manner you would expect for yourself and having the integrity to deliver on your promises. It's having the capability to help customers make the best possible decisions for their financial future and to achieve success, despite adverse situations. Our connection is evidenced through a Net Promoter Score 35.6 points higher than the average of the major banks.

Our commitment to Australian communities is unwavering. To feed into prosperity, not off it, is no small task. It takes trust, built over time. We're proud our actions have been noticed, as we continue to be recognised in the top 10 most trusted brands in Australia, according to Roy Morgan. We're equally as proud to celebrate more than \$250 million being returned to communities through the Community Bank model, enriching communities for the long-term.

Our history of partnering to innovate has always been important to us. From launching the first Visa debit and credit cards, to developing innovative models that transform how we do things - such as the Community Bank model and Australia's first digital bank, Up. We innovate, adapt and evolve for tomorrow. Where we aim to further innovate and differentiate through our strategy - in digital - is equally important in this new environment and our history puts us in good stead.

As Australia's second oldest deposit taking institution, we have demonstrated capability and ability to adapt over time. We will continue to act with integrity and with customers and communities at the centre of our decision making.

These factors distinctively set us apart and it's evident they have become even more important in this new environment. As we all navigate this changing environment, we are fully committed to taking advantage of the new opportunities that come with such change.

With a clear vision to be Australia's bank of choice, we're on a transformation journey. We'll continue to invest and evolve our business for the benefit of all stakeholders, and we stand with all Australians in our resolve to support everyone connected with our Bank to respond and thrive.

Marnie Baker
Managing Director, Bendigo and Adelaide Bank

Our Stakeholders

Bendigo and Adelaide Bank's stakeholder groups include customers, communities, employees, partners, shareholders, advocacy groups, regulators and government bodies.

Stakeholders are identified according to the impact they have on our operations and their level of interest in our organisation. To further support the long-standing purpose of our organisation, the Bank collaborates with other stakeholder groups who wish to make a positive impact in society, thereby playing an important role in feeding into prosperity.

Because we believe our success comes when all stakeholders are successful, every interaction is a commitment to creating value through building trusted, lifelong relationships. We always strive to act ethically, capably and with great care and attention, ensuring everyone is respectfully heard. However, like any organisation we sometimes make mistakes and when we do, we take ownership and action to make good and remediate any errors. That is what we have done and will continue to do. Highly skilled and trained employees engage with each stakeholder group in a disciplined manner, and this ensures relationships are cultivated for the long term.

How we engage our stakeholders;

We endeavour to engage with all identified stakeholders regularly and in meaningful ways, including:

Customers

Face-to-face interaction in branches, locally operating contact centre, via our website, app, email, mail and Social Media, miVoice, and other customer surveys, Customer Advocate Office, and third party dispute resolution bodies.

Employees

Internal communication channels, including email, video communication, podcasts, town hall meetings, roadshows, and engagement survey (SPARK), face-to-face conversations between leaders and team members, regular team and divisional meetings and senior leadership meetings.

Communities

Meetings and conferences, collaborations, Community Bank National Council, and partnerships.

Shareholders, including Analysts

Executive and director roadshows, full and half-year results presentations, briefings, one on one and group meetings as appropriate, analyst briefings and conferences, credit rating reviews and the Annual General Meeting.

Partners, including suppliers

Meetings (both formal and informal), contract renewals, risk assessments, joint agreements.

Regulators

Regular meetings with executives and senior leaders, conferences and site visits.

Media

Background briefings, media releases, one on one conversations and interviews.

Consumer advocacy groups

Customer Advocate Office, meetings and forums.

Federal, state and local government, and industry associations

Meetings, submissions to inquiries, background briefings, conferences and other formal and informal correspondence, professional memberships including the Australian Banking Association (ABA), the Business Council of Australia (BCA), Regional Australia Institute (RAI), Mortgage & Finance Association of Australia (MFAA), Committee for Economic Development of Australia (CEDA), Agribusiness Australia and Australian Farm Institute. The Bank's Managing Director is the Deputy Chair of the Australian Banking Association.

Other specialists and professionals

Meetings, presentations, conferences and project collaboration.

What matters to Us

The fundamental purpose of Bendigo and Adelaide Bank is to feed into prosperity, not off it. Simply, this means what matters to our stakeholders matters to us – their success supports ours. We take a holistic view of the needs of our stakeholders, and we make informed and balanced decisions to proactively address relevant and material economic, social and environmental risks and opportunities.

We play an important role in empowering everyone connected to our business to achieve success where it matters to them. In supporting our people to be their best, we meaningfully and consistently connect with our customers, communities and partners in ways which enable them to thrive. We have always endeavoured to act responsibly and ethically, building trust over 162 years in business. We recognise our actions will have impacts on our planet, and we know this also matters to those connected to our organisation. Backed by good corporate governance, we offer the Australian community more than choice in an alternative bank; we offer them the better big bank.



▲ Bendigo Bank customers Sophie & Dale Vine with their children at their home in Belmont, VIC.

Customer Connection and Responsible Banking

Bendigo and Adelaide Bank provides full banking services to more than 1.9 million customers Australia-wide. Whether online, in branch, on farm, in business, face-to-face or over the phone, we provide personalised, immediate and convenient services to customers regardless of how they choose to do business with us.

While some customers choose a bank solely on price, others are attracted by our capability, customer-centric business model, accessibility of service centres, knowledge and expertise, community commitment, and our focus on shared value.

We're here for our customers and it's important for us to provide all customers with the right products and services to enable them to achieve their objectives and financial success. In order to achieve this, we have policies and procedures in place to ensure our staff provide customers with the right products and services based on their situation.



“It’s been great seeing people shopping more sustainably and being community minded, hopefully that sticks around after this.”

—
EMILY, SOURDOUGH KITCHEN,
SEDDON, VICTORIA.

Bendigo Bank essential workers series



1.9m
Customers



509
Branches
(Bendigo Bank,
Delphi and
Alliance Bank) *



548
ATMs



183
Rural Bank
relationship
managers



10,000+
Mortgage
brokers



2
New Bendigo Bank
'Branches of the
Future' opened

* Excluding Private Franchise branches.



Lending Responsibly

We believe it is very important to act in a fair and responsible way when it comes to lending to customers. Our approach to lending involves us making enquiries about a customer's financial situation to ensure they can meet their obligations under the loan contract including, and importantly, the ability to meet the required loan repayments.

We have in place:

1. Prudent lending criteria which includes assessing serviceability under different interest rate conditions.
2. Policies and procedures which support compliance with our obligations under

relevant legislation, and the Banking Code of Conduct.

3. A responsible lending user guide for lending officers.
4. Management reporting on responsible lending compliance.
5. A program of regular updates to the lender training manuals.
6. Ongoing training and awareness initiatives for lending officers to reinforce responsible lending requirements. For complex loan applications, especially those that carry greater credit risk, we ensure approval is sought from appropriately experienced banking officers.

Financial Difficulty

There may be times when a borrower's circumstances change, whether from a loss of income, injury or illness, or due to external factors such as a natural disaster. If, as a result, borrowers cannot afford the required repayments on their business or personal loans, we recommend they contact us immediately to discuss their circumstances. The Bank also aims to take proactive steps to identify and assist vulnerable customers through a range of practices that can identify common indicators of financial difficulty. In many instances, a temporary arrangement can be made quickly and efficiently over the phone. Alternatively, there may be a need to conduct a more detailed assessment of a borrower's financial circumstances to enable the Bank's trained staff to better assist a vulnerable customer in a more tailored way.

Supporting our customers through COVID-19

COVID-19 has had significant impacts on Australians in their way of life, how they work and how they manage their businesses. The Bank is fully committed to supporting customers and communities through this unique time, with measures designed to provide financial relief from COVID-19, as restrictions change and the economy recovers. More than 25,000 personal and

business accounts have been provided with support to help customers manage the impacts of COVID-19. Through this time, we contacted our business and agribusiness customers individually to understand the impact on their operations and to inform them of the support available from both the Bank and the Australian Government.

The Bank introduced a range of assistance measures to ensure short and long term support for business, consumer and agribusiness customers affected by COVID-19. These included;

- Announced in March 2020, Home Loan and Business customers have had the ability to apply for relief on loans for up to six months in March 2020 and up to a further four months for eligible customers.
- Discounted interest rates on new personal loans taken out by existing Bendigo Bank customers
- Waiver of interest rate reduction for early withdrawals on term deposits prior to maturity
- Deferral of payments and extensions for Equipment Finance on a case by case basis

The Bank also reduced various consumer and business loans rates during the onset of COVID-19 to assist in navigating the challenges ahead.



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Bendigo Bank
Mobile Relationship
Managers

Bushfire emergency supports Australian communities

This past year has been devastating for many of our customers and communities as one of the worst bushfire seasons on record unfolded. In January, the Bank launched national and state-based appeals to help those impacted by bushfires. More than \$46 million raised from more than 144,000 generous donors. Importantly, 100 percent of the funds raised distributed directly to affected communities, with distribution decisions being recommended by local communities, for local communities.

Bendigo and Adelaide Bank implemented short and long-term measures that aimed to meaningfully address issues impacting our stakeholders, including:

- A dedicated bushfire assistance package for all impacted customers, including discounted interest rates, fee waivers, and other concessions.
- Agribusiness customers, a number of whom have also faced a multi-year drought event, are being supported on an individual basis, considering their individual needs, immediate requirements and the longer-term sustainability of their operations.
- Bank staff are also supported during and after a disaster. The Bank offers unlimited Natural Disaster, Community Service and Emergency Services Leave as well as provides support for their personal and family wellbeing.
- In partnership with the Victorian Government, more than \$13.3 million has been made available to those most affected by the bushfires in East Gippsland and North-East Victoria through the Victorian Bushfire Appeal.

This includes:

- \$250,000 for bushfire bereavement assistance to the families of those who have tragically died during Victoria's recent bushfires.
- \$4.5 million in bushfire emergency relief to support both indigenous and non-indigenous residents who experienced loss of, or damage to, their principal place of residence.
- \$1 million for BlazeAid to operate numerous base camps for volunteers helping farmers replace fences destroyed by the bushfires on their property, and funds for boundary fence material costs.
- Almost \$140,000 to ensure The Man From Snowy River Festival proceeds as planned in Corryong, Victoria. The 2020 Festival is expected to generate more than \$4 million for the local economy.
- \$75 million for Windermere Child and Family Services to distribute in housing assistance relief payments to more than 400 Victorian households destroyed or severely damaged by bushfires.

In addition, \$2 million has been granted to The Salvation Army to help establish a new Youth Education and Workplace Pathways Grants program for young people in bushfire affected communities across Australia, with The Salvation Army matching this funding.

Through our national Bushfire Disaster Appeal, the Bank has also made available a further \$100,000 to BlazeAid to support its community rebuilding efforts in New South Wales and South Australia, and provided funding to purchase generators for impacted residents and businesses on Kangaroo Island.



▲ Scott Hart, (centre) and Craig Pettit (second from left) are volunteer firefighters and employees of Braidwood and Bungendore Community Bank branches, pictured with members of the Braidwood RFS Brigade. (Photo: Andrew Taylor)

Bendigo Bank's new look B now means twice as much

This year, Bendigo Bank launched a new look. Paying homage to Bendigo Bank's heritage, the new look double B representing the brand's care and capability with a modern identity. Backed by extensive research and customer consultation, Bendigo Bank's visual elements such as the iconic B logo, font, colour palette, imagery, and tone of voice have been refreshed to better reflect a contemporary expression of the brand and the Bank's evolving customer demographic.

B Bendigo Bank

"The equity in our brand is a key differentiator, built on 162 years of helping customers and communities create prosperous futures," said CEO Rural Bank & Executive, Customer and Partner Engagement, Alexandra Gartmann.

"Now it is time to secure our position as Australia's bank of choice, where customers can be assured they are supported by market-leading customer experience, innovative technology and great products. It's a story of care and capability, and we're committed to telling it to more people, more often, through this new-look identity."



Supporting farmers and farming communities

Rural Bank is a specialist agricultural lender and has an in-depth knowledge of the challenges facing farmers. We know that natural disaster, unfavourable climatic conditions, volatile commodity markets, access to markets and trade conditions can lead to financial hardship and stress. Therefore, we work with our customers based on what's right for the long-term, maximising opportunities to diversify and innovate, managing risks, and helping to foresee issues that will impact their farming business. There are a variety of initiatives that we implement during difficult times alongside products and advice to assist farmers preparation ahead of time. We know our actions and support can provide significant

value for farmers, positioning them to recover when seasonal conditions improve. Well regarded for its expertise, knowledge and research, Rural Bank is proud of its track record of supporting farmers, taking a long-term view of their business, and assisting them through volatile business cycles.

We've also long supported farmers to make their mental health a priority. In collaboration with the National Centre for Farmer Health, Rural Bank Relationship Managers receive resilience training to help support customers through events such as drought and bushfires.

- ▲ Luke and Stacey Balkin and their three children on their farm in Glenthompson, Victoria. The Balkins operate a wool, prime lamb and cereal cropping farm, and have recently diversified into beef cattle operation. With a vision to expand their operations, Rural Bank proudly supports their goals in a relationship spanning more than two decades and through every season.



Bendigo Bank reimagines branches of the future

In July 2020, Bendigo Bank Coffs Harbour joined sister branches in Norwood, SA (launched in November 2018), Leichhardt, NSW and Carlton, VIC as the newest addition to the Bank's burgeoning 'Branch of the Future' collection.

These innovative spaces reimagine the traditional concept of a bank branch, allowing customers and communities better access to information, experts, technology, services and products – both from the Bank and other local businesses – in ways they value.

Before social distancing regulations were introduced by the Federal Government in March, the established Norwood and Leichhardt branches saw foot traffic increase 64 percent and 188 percent respectively, and a

significant uplift in lending activity and customer growth.

The four established branches of the future offer customers and communities a range of features, including a free Retail Pop-Up Space, an indoor community space – equipped with technology for community or business meetings, workshops or small events – and free Wi-Fi.

Bendigo Bank's Mitchell Street branch in Bendigo and its Hobart branch in Tasmania will be the next two branches to undergo a branch of the future redesign in FY2021, with local community consultation set to take place shortly to determine and address the unique needs and preferences of those communities.

▲ "Branch of the Future" in Carlton, Victoria

Socially Responsible Growth Fund

The Bank offers a socially responsible growth fund product issued through Sandhurst Trustees. Certified by the Responsible Investment Association of Australasia, this product invests in companies that choose to conduct their business in a socially responsible way, while striving for strong, long-term returns. More information about the Socially Responsible Growth Fund can be found on page 32 of this Annual Review.

Financial Inclusion

During some of the most challenging times of their lives, some of the most vulnerable in our community will need access to specialised products and services. We believe people should be treated fairly and decently, and feel supported no matter their circumstances, and as a signatory to the 2020 Australian Banking Association Banking Code of Practice, Bendigo and Adelaide Bank has a number of programs available to support financial inclusion:

Helping people buy their first home.

Bendigo Bank has collaborated with the Victorian State Government to deliver programs such as HomesVic and the Federal Government's First Home Loan Deposit Scheme. Further detail regarding this scheme can be found on page 16.

Financial abuse

The Bank has long been committed to exploring ways to identify financial abuse and to assist any impacted customers. We continuously work with the Australian Banking Association (ABA) to update and implement a range of practices that will better support customers who may be vulnerable to financial abuse. In 2018, the Bank established a specialised team to focus on four main types of financial abuse; elder, cultural, disability and family violence. Since then, the team has worked with frontline staff and customers to help identify cases of financial abuse and provide guidance and solutions to prevent further financial abuse. Last year, the Bank accepted the Platinum winner award for Best eLearning Project – eLearning on a Budget, and was awarded finalist for Best eLearning Project – eLearning Widespread Adoption at the FuturistiX Live! Awards, for the development for our financial abuse learning module. The Bank has recently launched a new internal training module to equip our staff with additional knowledge to provide extra care to our most vulnerable customers. A specialised team will also be providing assistance and support to our staff and customers who may be experiencing any type of vulnerability.

Accessibility and Inclusion

We support customers living with a disability, who are elderly or isolated with best access to full banking services. In late 2019, the Bank launched its inaugural Access and Inclusion Plan 2020-22 to enable all customers with equal opportunity to seamlessly engage with the Bank. More information can be found on page 23 or on the Bendigo and Adelaide Bank website.

Debit Card initiative for vulnerable customers

In early 2020, a program to help vulnerable and isolated customers learn more about online and app-based banking commenced. This awareness program occurred in tandem with the ABA program to improve access to funds for vulnerable Australians by issuing debit cards, following the onset of COVID-19. To date, more than 11,000 customers have transitioned to electronic banking, with the majority using both traditional and electronic forms of banking.

Scams and fraud

The Bank assists customers to detect scams and fraudsters and protect and support those who may have become involved in this fraudulent activity. We have a dedicated Financial Crimes team, and strong capability in detecting a wide range of financial crimes, including anti-money laundering and counter terrorism, with employees regularly upskilled. We also work closely with law enforcement to support them in their programs to detect crime.

Credit card use in gambling

The Bank is working with the ABA and leading experts to better understand the issue of credit card use in gambling, and implement measures to help customers manage their financial arrangement and mitigate harm.

CASE STUDY:

Bigger is better, thanks to First Home Loan Deposit Scheme

First home buyer Blaise Menzies-White bought his house in March 2020, following years of renting with his brother and friends. The 26-year-old plumber and comedian from Belmont, Victoria had long dreamed of buying his own home, but realised in September 2019 that he needed to save even harder to turn his dream of home ownership into a reality.

Space was top of the list when shopping for his first home. "I wanted at least three bedrooms and a decent sized backyard so that I can entertain and perhaps subdivide the property in years to come." The sole owner, who moved into his 700sqm home in March 2020, has some important advice for prospective first home buyers. "Get all of your paperwork in order, it makes it easier in the long run to get your loan approved and watch what you spend. It's nice to shout all your mates a few rounds of beers on a Saturday night, but it won't help you to save for the thing you really want - to own your own home."

"I saved a deposit, but the First Home Loan Deposit Scheme is what made it possible for me to buy my first home," Mr Menzies-White said. "It was the difference between buying right now and waiting another couple of years to save the \$20,000-\$30,000 extra I would have needed to make the minimum deposit."

Homesafe

The Homesafe Wealth Release® product is a great example of a successful shared value business model, providing solid returns and social outcomes. Homesafe is a debt-free equity release product for older Australians to access the wealth tied up in their homes without the need to downsize. The equity release product ensures the right of the homeowner to live in the family home is fully protected. The product allows homeowners to access the capital in their home to supplement living standards during retirement, which helps to address the challenge of funding retirement for an ageing population. In July 2020 the fair value of the portfolio was \$779.8 million.

HomesVic

HomesVic is a Victorian State Government initiative to support up to 400 Victorians to purchase their first home, with the State providing up to 25 percent of the purchase price as an equity stake. Bendigo Bank was chosen by the State as one of two finance partners for the program, which was launched in February 2018. Under the scheme more than \$48 million has been loaned, allowing many Victorians to own their first home that would otherwise have not been possible without this support.

First Home Loan Deposit Scheme

In 2019, Bendigo Bank was selected as a participating lender to The National Housing Finance and Investment Corporation's (NHFIC) First Home Loan Deposit Scheme. The Scheme, which will provide support for up to 20,000 first home loan guarantees for eligible first home buyers each year, aims to help first home buyers purchase a home faster, while also stimulating community prosperity and economic growth.

Listening and responding to customer needs

Our Customer Advocate Office exists to improve customer experience. All customer feedback is thoroughly documented, investigated and analysed for trends and opportunities to improve how we serve our customers. This process is led by our impartial Customer Advocate who reviews and assesses any complaints escalated by customers unsatisfied with the outcome of the Bank's Internal Dispute Resolution (IDR) process.



CASE STUDY:

Hepburn House residents dress up to raise money for bushfire affected communities.

Residents at Hepburn House in Daylesford, Victoria created a calendar mimicking scenes from famous classic movies to raise funds for those affected by the recent bushfires, with all proceeds going toward the Bendigo Bank Victorian Bushfire Appeal. More than \$4,000 was raised, with residents wanting to actively participate in supporting their community, all while having some fun.

For 85 year old Peggy Warren, (pictured) the cause was especially close to her heart. "I was raised on a farm, and there are so many ups and downs in farm life. I wanted to be able to do something that would give back – it was so much fun! We're not just tucked away in an aged care home, we want people to know we're not forgotten and that we are still part of the world, and we can help."

Donations to the National Bushfire Disaster Appeal can be made at any Bendigo Bank branch and online at the Bank's Community Enterprise Foundation website.



Enabling 21st Century Communities



\$21.7 million

Community Bank
contributions in FY20



\$9.3 million

Investment in Australian
youth education since 2007
via the Bank's
Scholarship Program



'Branches of the
Future' in Leichhardt,
Coffs Harbour and
Carlton launched.



\$50,000

Funding raised for
OTIS Foundation

Community Bank

The Community Bank model has long bucked a trend of banks pulling out of regional Australia, sparking a community-led movement across the country. At a time when upholding community expectations in banking has never been more important, the Community Bank network returned more than \$21 million to Australian communities in the last financial year, funding that in most cases would not be made available to communities. The investment has supported important local sporting, infrastructure, education, arts and cultural initiatives and other unmet community needs. Since its establishment 22 years ago, the unique Community Bank model has returned more than \$250 million to Australian communities, in addition to more than \$58 million in dividends to local shareholders.

One of the largest social enterprise movements globally, the Community Bank model relies on partnerships with

local people and community enterprises to provide financial services, employment, a local investment opportunity and a source of revenue for projects determined by local people. In FY2020, more than 862,000 local customers chose to bank with a Community Bank, while the overall Community Bank network employed more than 1,500 people.

In many cases, the investments have unlocked further government and local business funding, realising community projects that have exceeded many multiple millions of dollars nationally - as well as supporting local job generation and economic growth.

Unlike other banks, Bendigo Bank Community Bank is based on a 'profit-with-purpose' philosophy, which means profits are returned directly to the local community that helps generate them. Importantly, the community decides where those profits are invested and the fact that branches are locally owned and operated with funding returned to that particular community is a distinct point of difference.

Alliance Bank[®]

With five partners in the model, Alliance Bank[®] has seen loan growth of 60 percent since commencing in March 2015, with a combined \$1.81 billion in footings, 20 branches, employing 120 locals and servicing more than 38,000 members.

The Alliance Bank[®] solution enables participating mutual companies to continue serving their members and communities in the true spirit of mutuality. All Alliance Banks are social enterprises and invest their profits in shared value initiatives to deliver positive social impact within their communities. Participating mutual company members have access to the Bank's technologies and suite of products and services, while maintaining their independence and individual identities.

Importantly, members' capital that had been previously held for prudential requirements is released for reinvestment. Through the Do Good Fund, Alliance Bank[®] group has committed more than \$5.18 million, while Alliance Bank[®] partners individually invests in a range of community programs that support local businesses, community groups and those in need.



Rural Bank

Our expert agricultural division, Rural Bank, offers specialist farm finance solutions to approximately one in every 10 Australian farmers. With a market share of approximately 8.4 percent, Rural Bank's products and services are accessible at more than 400 locations nationally, through a network of banking partners including Bendigo Bank, Community Bank and Elders branches, along with about 200 lending specialists based in rural and regional centres across the country.

Rural Bank continues to invest in its robust knowledge and insights capability to help customers and the broader industry make informed, evidence-based business decisions. The regular publications including the flagship Australian Farmland Values report, bi-annual Outlooks and monthly commodity updates are well received by farmers, industry and media; with engagement increasing every year. Rural Bank also supports the next generation in agriculture by providing financial support in the form of its Scholarship Program.



▲ Natalie Collett

New Community Bank at Swinburne goes beyond banking

Bendigo Bank and Swinburne University of Technology collaborated in August 2019 to launch a Community Bank at Swinburne, with the university community, infrastructure and projects set to benefit from its profits. In an Australian first, the Bank and the University launched a co-developed Master of Financial Technologies (FinTech) program last year. More than 13 students are now enrolled in this program, developing skills and capabilities to allow them to meet current and future market demands for highly qualified students in emerging technologies.

The partnership has also provided opportunity for paid, professional placements with Bendigo Bank. Natalie Collett, who is studying a double Bachelor of Business and Bachelor of Media and Communications degree, commenced her internship in 2019.

“My internship with Bendigo Bank was an amazing opportunity. I was offered a number of mentors and I feel sure at the starting point of my career that it will be a very meaningful and memorable learning experience. The marketing world in particular is always changing and I’d like to give Bendigo Bank full credit for allowing me to use the knowledge and skills I have acquired up to this date and to put three years of learning at Swinburne into practice at the bank,” Ms Collett said.

Bendigo and Adelaide Bank Scholarship Program

Bendigo and Adelaide Bank’s annual Scholarship Program is awarded to first year tertiary students studying at an Australian university or college campus for the first time. As one of Australia’s largest privately funded and best targeted scholarship initiatives, the program will continue to nurture significant intellectual capital across the community and make a real difference to hard working, talented young people by helping them cover some of the costs of tertiary education.

In 2020, more than 287 students were supported as part of the broader Group Scholarship Program, which includes financial assistance from the Community Bank network and other partners, totalling about \$11 million. Increasing access to tertiary education and providing financial assistance to students across regional and metropolitan Australia, the initiative has granted \$93 million to almost 1,000 Australian students since it commenced in 2007. This year saw the inclusion of a new scholarship category, the Robert Johanson Bendigo and Adelaide Bank Scholarship, created to honour the legacy of the Bank’s former Chairman in championing progress in regional Australian communities.

CASE STUDY:

Bendigo and Adelaide Bank Scholarship recipient, Paris Pauling commenced studying a Bachelor of Science (Honours) Enhanced Program at Flinders University in 2020.



Ms Paris Pauling, a student from Whyalla, South Australia awarded a scholarship said “My degree is offered exclusively on-campus at Flinders University and without the scholarship, it would be impossible for me to undertake my studies. To stay in my comfort zone at home would have literally meant forfeiting an opportunity I have worked towards for as long as I can remember. The upfront costs of university, let alone the effectively permanent relocation 400km away to Adelaide, were extremely overwhelming and cost prohibitive”.

“I have lived in Whyalla all my life and have always been passionate about every area of science, particularly chemistry. After completing my studies, I would love to begin my career anywhere in the world of chemistry, researching and developing materials’ properties and working on their development for sustainability, efficiency and longevity.”

Rural Bank Scholarship Program supports the next generation of agri-leaders

The long commitment to nurturing the next generation of agri-leaders continued in 2020, with 19 students across regional and rural Australia awarded a Rural Bank Scholarship in 2020.

Since 1992, the Rural Bank Scholarship Program has backed 240 students with more than \$29 million in funding distributed. Importantly, the program has cultivated unique and valued diversity of talent in the rural sector, with the emergence of the next generation of farmers, agronomists, veterinarians, researchers, environmental scientists, and other industry advocates and contributors.

A number of the tertiary students supported in the 2020 program are from families and communities that have been affected by drought, with the financial assistance provided helping to ease the strain many families feel when one member begins tertiary study.

The \$5,000 scholarship contributes to the costs of accommodation, course materials, equipment and tutoring for the first year of study at institutions across Australia and is extended to the support a second year of study, subject to academic performance.

Bendigo Bank House – Two years on.

Bendigo is fast becoming a regional centre where patients can travel for specialty health services, with Bendigo Health - Victoria's largest regional hospital - serving a quarter of the state. In response to the specific need for patients, their carers and families seeking nearby overnight accommodation, Bendigo Bank and 15 of its branches partnered with Exemplar Health to develop and provide an affordable accommodation facility. Since opening its doors, the means-tested, 15-suite facility has accommodated more than 2,000 guests and helped put hundreds of families - throughout regional Victoria and across the country - at ease during challenging times. Each of the 15 specially fitted suites have been funded by Inglewood, Heathcote, Rushworth, Donald, Elmore, Lockington and Rochester Community Bank branches, Kyneton, Cohuna, Swan Hill, Kerang, Mildura, Castlemaine, Echuca and Deniliquin Bendigo Bank branches.



CASE STUDY:

Baden Grey, Rural Bank Scholarship recipient commenced studying a Bachelor of Business (Agriculture) at Marcus Oldham in 2020.

For as long as he can remember, Baden has helped his dad out on the family's cropping farm in Victoria, learning to drive the tractor to help with ploughing and harvesting as soon as he could.

Baden understands of the importance of knowing how to run a farm as a business and as a result is undertaking a Bachelor of Business (Agriculture) at Marcus Oldham. He plans to return home to the family farm to help manage and eventually take ownership of the farm, becoming the fifth generation to do so.

With the aim of applying modern and sustainable practices to the family farm, Baden also intends to apply his business knowledge to grow the farm and make it more sustainably and financially viable for potential future generations.

Alliance Bank® group Do Good Fund

Supported by shared value principles and seed funding, The Alliance Bank® Group Do Good Fund facilitates a range of projects through social impact loans and grants.

Attracting government support, the fund has been instrumental in building community sports facilities, developing education and mentoring programs, building health clinics and backing social enterprise entrepreneurs and apprentices. In response to the COVID-19 pandemic, AWA Alliance Bank pledged an additional \$75,000 to their community partners, Give Where You Live Foundation, PEACH, United Way Glenelg and Geelong Connected Communities to fund an increase in demand for short term relief for impacted and disadvantaged people throughout their communities. Another example is the Mill House program, developed by Alliance Bank® partner, SERVICE ONE in conjunction with the Canberra Innovation Network and the University of Canberra to create a 360-degree social impact growth model for budding social entrepreneurs.

Little Blue Towels raise \$50,000 for the OTIS Foundation

All 226 Victorian Bendigo Bank and Community Bank branches united to raise more than \$50,000 for Bendigo-based national charity, The OTIS Foundation, throughout October - Breast Cancer Awareness Month. The OTIS Foundation gifts retreat accommodation to people experiencing breast cancer and their loved ones, so they may temporarily escape the psychological and emotional challenges that accompany a breast cancer diagnosis.

To show its support for the organisation, Bank branches committed to raising funds for the charity by selling Little Blue Towels, in-branch, throughout October. Normally discarded after single use, the Little Blue Towels are cotton towels collected from hospitals in Victoria, New South Wales and the ACT after they have been used to dry sterilised hands. Instead of going to waste, they are laundered, packaged and recycled by employment enterprises for people with disability in Echuca, Ballarat and Kew. All proceeds raised from the sale of these recycled cotton towels at Bendigo Bank branches across the state were gifted to The OTIS Foundation.



CASE STUDY:

Ventilator manufacturer supported by Community Bank contribution

Gekko Systems, a Ballarat based manufacturer of mining equipment, has used its knowledge to create a prototype for a ventilator for hospital in response to the COVID-19 pandemic.

Awaiting assessment by the Therapeutic Goods Administrator, the GeVentor prototypes could be available for use in Australian and international hospitals for patients with COVID-19, supported by a \$60,000 investment by Community Bank Buninyong & District, and support from the Committee for Ballarat, Ballarat Health Services and the broader community.

The ingenuity of Gekko Systems to use its manufacturing background to address a critical public concern throughout COVID-19 prompted the Victorian Government to announce the rollout of a new initiative to help mining equipment, technology and services (METS) in Victoria grow successful businesses to supply customers across the world.

“It’s inspiring to see how well everyone has adapted to the changes so quickly. The resilience and kindness from our customers has been inspiring and just the huge community spirit in general.”

LEONIE, BENDIGO BANK
EMPLOYEE

Bendigo Bank essential workers series



Supporting our people to be their best

Our people are skilled, resilient and capable of great things. Our Bank aims to provide a positive employee experience and with this focus comes many opportunities to make a difference. We know that when our people feel engaged and supported to be their best, a positive experience for our customers will follow.

This has never been more important than during the unprecedented COVID-19 environment, where the knowledge, skill and empathy of our people – and essential workers – play an important role in the interaction with customers. We responded at pace to the COVID-19 pandemic to protect our people’s safety and support them to continue to carry out their important roles.

We continuously strive to build an inclusive organisation, one where what makes us different from each other makes us stronger and brings us together. This is integral to creating a great staff and customer experience, growing our capability and supporting our customers and their communities.



7,400

Employees
Including Community
Bank employees



34.4%

Women in senior
management
up 4.3% since FY19



43.6%

Women in
management roles



60.5%

Total female
employees



9.7

Employee
Engagement Score
SPARK Survey

Diversity and Inclusion Strategy

The Bank endorsed its Diversity and Inclusion Strategy last year for a three-year period, and through the organisation's company-wide diversity and inclusion program, Belonging at BEN, we continued to address gender equality, improve accessibility, and broaden cultural diversity, while supporting LGBTIQ and Indigenous inclusion;

Accessibility and Inclusion

Access and Inclusion Plan 2020-22

In late 2019, the Bank launched its inaugural Access and Inclusion Plan 2020-22 to enable all customers with equal opportunity to seamlessly engage with the Bank. The plan was developed in partnership with the Australian Network on Disability and in consultation with the Bank's employee access and inclusion network – BENability – which comprises members who have lived experience with disability, a passion for building an inclusive workplace, and experience and interest in accessibility issues. The Plan has three streams; Our Customers, Our People, and Our Workplace. Each stream outlines how the Bank will raise awareness, influence strategy, and deliver change.

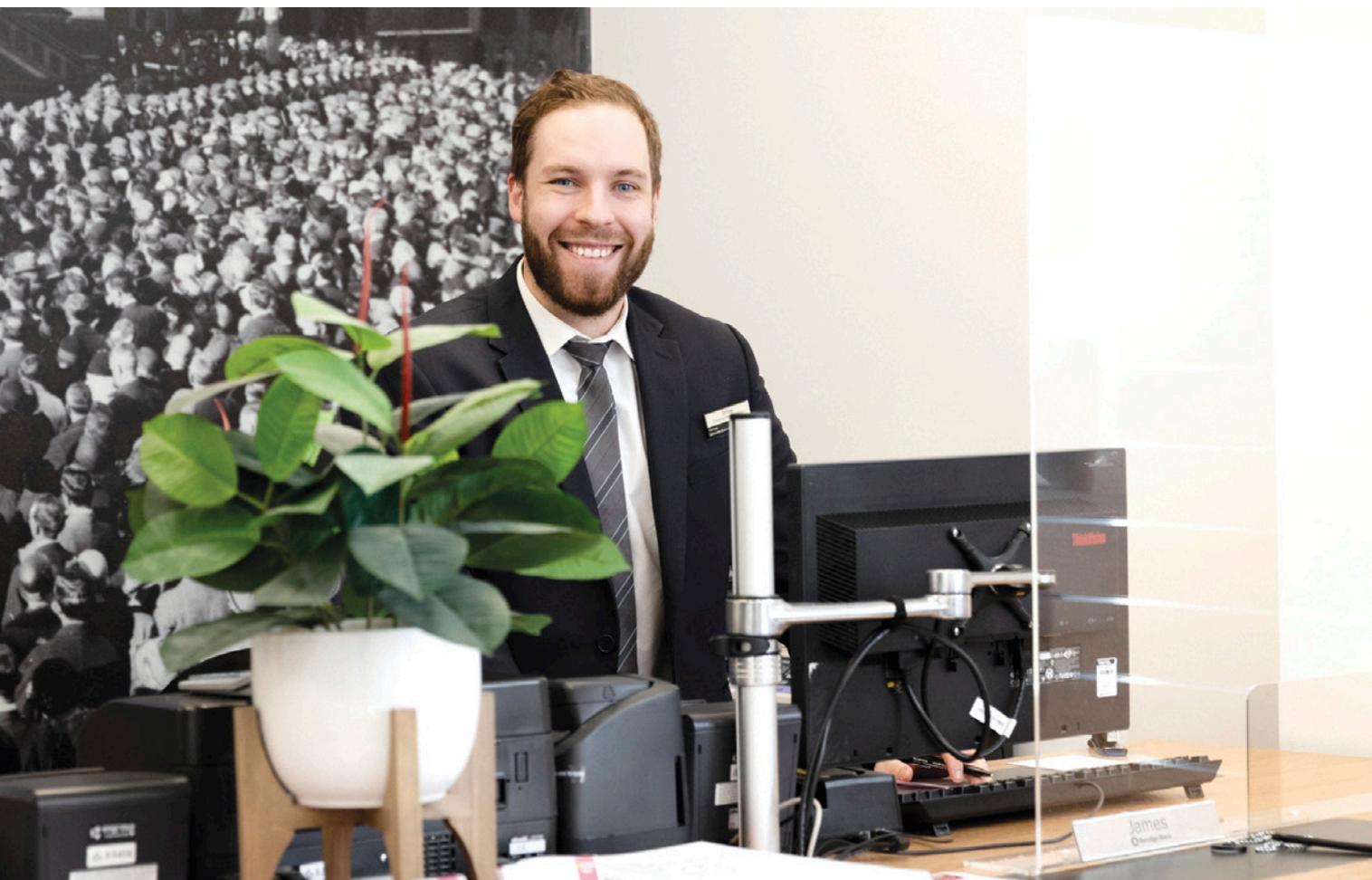
Dementia Inclusive Banking Partnership

Supporting our commitment to diversity and inclusion, Bendigo Bank has partnered with Dementia Australia to help raise awareness and build staff confidence when assisting these customers. The Dementia Inclusive Banking Partnership will allow us to assess our current capacity to support customers living with dementia and help us develop an action plan for improvement. The Bank will support the pilot of the Dementia Inclusive Banking Online Learning Module and Dementia Friendly Environmental Audits.

Flexibility

Workplace flexibility has always been an important offering for our employees. About 94 percent of employees had a formal flexible work arrangement in the past financial year. This changed in March 2020, when more than 90 percent of corporate office employees worked from home as a result of COVID-19 restrictions. As an essential business, and to support immediate customer needs, a further 200 employees were redeployed from the branch network to roles experiencing high customer contact and call volumes, including Mortgage Help and our call centres.

Our ability to move with agility to support our customers and protect our people's safety and support them to work remotely was a testament to our culture and capability in responding to a serious, long-term crisis.



In March and April, the Bank undertook numerous employee feedback sessions to understand potential new ways of working, in which our people delivered exceptional work and support for our customers during a work day designed to suit their personal circumstances.

An update of our workplace flexibility policy will be released in FY2021.

LGBTQI+

Since the Bendigo and Adelaide Bank Pride Network, Kaleidoscope, was formed in 2017, employees have participated in a number of sponsorships, leadership sessions and retreats, with positive feedback received on the increased understanding and awareness of participants. The group aims to create a safe, inclusive and empowering environment for LGBTQI+ employees, customers and communities, and the membership is growing each year. This year, the Bank partnered with Pride in Diversity, Australia's only national not-for-profit employer support program for LGBTQI+ workplace inclusion, to host workshops, discussions, and networking opportunities. The workshops were part of Pride in Diversity's Regional Reach program, which focuses on workplace inclusion in regional areas. The sessions were open to members of the greater Bendigo community and employees from member organisations, including our Bank.

Gender Equality

Under the Workplace Gender Equality Act, we are required to make annual public filings with the Workplace Gender Equality Agency (WGEA), disclosing its 'Gender Equality Indicators'. These reports are filed annually and serve as valuable insights on the impact of our work in this area to date as well as informing our opportunities for the future. The latest filing is available on the Bendigo and Adelaide Bank website - <https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/governance/workplace-gender-equality-report.pdf>

Women in Leadership

We proudly and continuously progressed in this area in FY20, reporting the largest increase in female representation in all leadership measures (excluding Board and Executive).

The total Senior Management cohort has increased by 4.3 percent to 34.4 percent, and female representation on the Board remains at 37.5 percent, exceeding the 2021 target to maintain at least 33 percent female representation. Almost 44 percent of all managers are women - including our Managing Director and Chair of the Board - and about 60.5 percent of all employees are female. We have prioritised the achievement of gender equality in management, with a focus on growing representation of women at senior levels of leadership, is action which has culminated in these results.

International Women's Day

To commemorate International Women's Day in March, we hosted a panel discussion in Bendigo to support and celebrate successful and remarkable women across our customer, partner and community network.

Wellbeing

We help all our people to be their best in every sense, and to do this well, we must first be well. To this aim, we launched a new Wellbeing content hub in 2020, sharing tools, tips and practical advice focused on health and wellbeing. We continuously share stories on mindfulness and resilience, inviting mental health experts to host webinars that aim to influence how we react and respond to situations, and recover from events. To help us understand the wellbeing experience of our people and to plan future wellbeing initiatives, we launched an employee pulse survey in 2020, with regular surveys scheduled regularly. In June 2020, the survey included a Wellbeing Index raking of 77 percent which overall, means our people are doing well, they feel a sense of belonging to the organisation and connect with their leaders in meaningful ways.

Through the Employee Assistance Program, we offer employees and their immediate family members access to confidential and externally facilitated counselling services free of charge to assist them through any challenge they may be facing. In addressing the psychological impacts of serious events such as the 2020 bushfire season, prolonged drought and the COVID-19 pandemic, the Bank held a series of group sessions for employees needing support and connection through that time.

Indigenous Australians

To acknowledge our country's indigenous history, celebrate the culturally and linguistically diverse backgrounds in our indigenous workforce and seek to improve banking experiences and employment outcomes for Aboriginal and Torres Strait Islanders, the Bank is committed to the following programs;

Jawun

The Jawun initiative continues to be the cornerstone investment in building awareness of our Indigenous community amongst our staff. Twenty-four employees have now undertaken a six-week secondment since the introduction of the program. This has contributed to powerful personal development for the secondees and additionally enabled practical contributions to Indigenous led change.

Community Sector Banking Indigenous Scholarship Program

During the year we awarded four scholarships to Aboriginal and/or Torres Strait Islander students through the Community Sector Banking Indigenous Scholarship Program. Now in its third year, the program provides \$10,000 in financial support to each student to undertake tertiary education at any Australian university. The scholarships are designed to help with the cost of study, including course fees, accommodation costs and textbooks.

Reconciliation Action Plan

The creation of our first Reconciliation Action Plan is due to commence during the 2020-21 financial year.

Employee Net Promoter Score (eNPS)

The eNPS is a measure designed to assess staff engagement levels, as well as the willingness of individual employees to recommend their organisation as a place of work, and the products and services it offers. To calculate our annual eNPS, we distribute a regular employee pulse survey, The SPARK Survey, to canvas the opinions of all our people across the Bank.

Our average eNPS has increased from 6.7 to 9.4 in the June survey. We continue to improve on our overall annual eNPS, which indicates the strength of our employee engagement and advocacy programs. Further data can be found in the Stakeholder Performance section of this report (page 42).

Workplace Culture

Workplace culture is created over time by the behaviours of our leaders, our people and the organisational systems we build. It comprises who we are, uniquely articulates what we stand for, how we connect with each other, serve our customers and do good for our communities.

We launched a Group-wide culture review to better define our current culture and understand how to better align it to our growth ambitions. Since closing the review in 2019, we learned more about our key cultural traits, the priority initiatives to drive change, and critical few behaviours to further embed into everything we do. We launched our findings to employees in March 2020, supported by an ongoing learning and internal communications campaign that includes learning resources, videos, printed and online collateral and stories. We also began to measure culture through the lens of our employees' experience through our SPARK Survey this year, and we will regularly survey our people and their perceptions across key drivers of our culture.

Enterprise Agreement

We worked closely with employees and their representatives to deliver a proposed new Enterprise Agreement for consideration and at a vote in May 2020, 98 percent of employees under the Enterprise Agreement accepted the new proposal for two years until 2021.

Internal engagement and communications

Keeping our people informed and engaged plays a vital role in connecting our 7,400 people (including Community Bank employees) and helping them feel supported. Our focus on engagement through effective internal storytelling is critical in connecting employees to the Group Strategy, business agendas, customer voice and our community and people stories, and a focus for the past year.

We continue to evolve our channels to ensure employees are engaged on their terms, including SMS, Microsoft Teams, webinars and the introduction of a new SharePoint-based intranet, meaning employees can stay connected anytime, anywhere, and on any device.

As well as virtual connection, we also ran more than 60 face-to-face events ranging from panels, listen and learn sessions, Executive Roadshows around the country, town hall events and smaller reference groups.

Recruitment and onboarding

The Bank made significant investments to centralise our recruitment capability in the 2020 financial year, improving our ability to attract talented and diverse employees across all areas of the Bank. Multiple improvements have also been made this year to both candidate and hiring manager experience, including electronic onboarding for all Group employees. Further work is being done to make similar improvements for our Community Bank partners in the coming year.

As we enter a time where the way we work will look different in the future, articulating and showcasing what our people value most about working at Bendigo and Adelaide Bank via our Employee Value Proposition (EVP) will be critical.

Corporate University – BEN U

This year, the Bank introduced a modern approach to learning with the launch of its corporate university, BEN U. It is focused on building the capability of our employees, teams and leaders to do their work well and with confidence, for our customers and communities. The launch included the delivery of a new People Capability Framework, which gives our organisation a common approach to identify and describe capability, and the proficiency level our people need to achieve and succeed in their roles, backed by a philosophy of learning through programs, people and practice. In time, employees will experience new ways of learning through contemporary course design, education partnerships, experts and technology, with a mix of innovative channels, programs, tools and content.



- ▶ **“For me to belong means to feel like a useful and wanted member of a group. Whether it’s the skills, experience or attitude you bring, it allows you to make a meaningful contribution.”**

THERESA,
BENDIGO BANK EMPLOYEE

Growing with our Partners

Bendigo and Adelaide Bank partners for the long-term. Our strong and innovative partnerships are key to our business strategy, as they allow us to improve the customer experience and enrich community capacity, adding value to everyone connected with our business.

From the development of market leading customer applications through payment, card, mobile banking and digital applications and platforms, to the expansion into new communities through models including Community Bank, Alliance Bank®, our University Community Bank offering, our fintech strategy and our white label mortgage distribution partners, we extend our reach, build our capability and improve productivity to accelerate our vision to be Australia's bank of choice.



“Customers embraced and quickly adapted to our online service and continued to support our business through these unprecedented times our customers have been patient, understanding and caring for each other whilst upholding social distancing requirements”

MAL, BUTCHER AT MEAT MATTERS

Bendigo Bank essential workers series



Up app rated #1 banking app in the App store and #2 banking app in Google Play



University partnerships with Deakin University and Swinburne University.



Financial Partner of the Adelaide Football Club and the Geelong Football Club



\$4bn
Tic: Toc assessed applications since 2017



Up customers more than doubled in FY2020
250,000+ compared to 100,000+ in FY19



231
Community Bank partners

Adelaide Bank

Our third-party business division has performed strongly in FY20, achieving a growth rate of 18 percent across the year, with growth in our Adelaide Bank Broker channel delivering portfolio growth of 35 percent year on year. This solid performance is a testament to the expertise of the team, which has expanded across the year to support the growth ambitions of the division, and increased processing capability. Adelaide Bank continues to help customers buy their homes and make their savings work harder via a network of more than 10,000 mortgage brokers and mortgage managers, who contribute to a network that assists about 55 percent of Australians source their home loan.

Alliance Bank[®]

With five partners in the model, the Alliance Bank[®] solution enables participating mutual companies to continue serving their members and communities in the true spirit of mutuality. All Alliance Banks are social enterprises and invest their profits in shared value initiatives to deliver positive social impact within their communities. Participating mutual company members have access to the Bank's technologies and suite of products and services, while maintaining their independence and individual identities. For further information about Alliance Bank[®] please refer to page 18 of this Annual Report.

Community Bank

One of the largest social enterprise movements globally, the Community Bank model relies on partnerships with local people and community enterprises to provide financial services, employment, a local investment opportunity and a source of revenue for projects determined by local people. The partnership has returned more than \$250 million to local communities and has sparked a community-led movement across the country, funding projects that, in most cases would not exist. In many cases, the investments have unlocked further government and local business funding, realising community projects that have exceeded many multiple millions of dollars nationally - as well as supporting local job generation and economic growth. For further information about the Community Bank model, please refer to page 18 of this Annual Review.

Up

Australia's first mobile-only digital bank is designed, developed, and delivered through a collaboration with Melbourne-based fintech Ferocia. Since launching in October 2018, Up is now the highest rated banking app in Australia with 250,000+ customers (50% aged 16-25) and more than 300,000 transactions per day. Through a design and technology-led approach to banking, Up reconnects people with their finances, taking them from a place where money is a cause of stress and anxiety to a place where they feel empowered and in control of their financial life.

Tic:Toc – Digital home loans

Our three year partnership with Australian fintech Tic:Toc – the world's only fully digital home loan platform – continues, a unique proposition in the marketplace that gives our customers access to our own instant home loan, Bendigo Express. As the first Australian bank to offer a digital home loan application and assessment process under its own brand, we provide new solutions and outcomes for our customers. Tic:Toc's proprietary artificial intelligence technology delivers significant efficiencies in home loan assessment compared to traditional processes. The customer experience delivers a completed application, assessment, approval and customer contract which can be dispatched within 58 minutes and utilising only 12 minutes of human effort. Since launch, \$4 billion of assessed applications have been processed through Tic:Toc.

<https://www.bendigobank.com.au/homeloans>.



“By far the best banking app, I’ve ever used. I didn’t realise I could be addicted to a banking app until now! From the awesome interface with the merchant logos, to the simplistic use of round ups and pull-to-save, I can’t get enough. It makes me look at how I’m spending my money and thinking of ways to save.”

REECE HOLLETT ON UP
VIA GOOGLE PLAY



Contributing to a sustainable future

This year's Annual Financial Report has been printed on a combination FSC certified using pulp sourced from responsibly managed forests and is made with elemental chlorine free pulps, and PEFC certified.



Climate Change Action Strategy and three year action plan commenced



33.5%
Reduction in CO2e emissions since 2016



113,000

Number of trees planted to offset emissions through Greenfleet since 2014



5 Star Green Star rating for Bendigo head office building

5 star NABERS Energy rating for Adelaide office building



No direct lending to coal or coal seam gas projects



35%
Reduction in travel emissions Since 2016

Climate Change

Climate Change is affecting the quality of life and financial position of our customers, the communities in which they live and the industries in which they earn a livelihood. We understand individuals and the places they call home will be impacted in a multitude of ways, and we believe it's the right thing for our organisation to address this global issue through policy, procedure and activity.

With increasing community, investor and shareholder concerns about climate change and the impact that businesses have on the environment in which they operate, and the growing focus of Australian regulators on climate change risk governance within corporations, we seek to reduce and mitigate risks and impacts wherever possible to feed into community prosperity, our company's long-held purpose.

Climate Change Policy Statement

The Bank's Board and Executive approved the Climate Change Policy Statement. This statement replaces and builds on the Statement of Commitment to the Environment, which the Executive team adopted in 2010. In evolving our policy position and our approach to focus more particularly on Climate Change, we demonstrate our commitment to shaping and financing a sustainable future and make a positive, long term contribution to society as Australia's most trusted bank. The Bank will review the Climate Change Policy Statement annually and will continue to evolve its approach as science, technology and policy develops.

Bendigo and Adelaide Bank committed to Climate Change action

Bendigo and Adelaide Bank recognises climate change has far-reaching risks for the environment, the economy, society, our customers and their communities. We support the Paris Agreement objectives and the required transition to a low carbon economy. We are committed to playing our part in this transition. We will work to build climate mitigation and adaptation into our business and work to assist our customers and their communities to build climate resilience into their futures.

Approach to managing Climate Change

The Bank has established a dedicated Climate Change team to mobilise and embed its Climate Change response and associated risks and opportunities. This work involves considering the adoption of the framework issued by the Financial Stability Board Taskforce on Climate-related Financial Disclosures, including an action plan and four key areas of focus.

The Climate Change Action Plan outlines the action the Bank will take over the next three year period to improve our climate outcomes, drive cultural change and engage our people and customers, enhance our climate change risk management framework, and report on our climate change performance.

The Bank will concentrate on four focus areas of activity, which incorporate the direct and indirect environmental impacts the Bank has through its operations:

- **Reduce our footprint:** We will reduce carbon and the environmental footprint of our own operations.
- **Support our customers:** We will support our customers and communities to mitigate, adapt and respond to climate change.
- **Understand and manage the risks:** We will optimise our climate change risk governance and risk management framework.
- **Be transparent:** We will disclose our climate-related performance.

Climate Governance

The Bank's Board will have oversight of the climate change strategy with Executive and Senior Leader accountabilities for the implementation of the plan. Our Climate Action team is responsible for developing and coordinating the delivery of the Bank's commitments under its Climate Change Action Plan. It includes a Climate Change Action Strategy Group responsible for informing and assisting the development of the Group's climate action strategy.

Our journey toward sustainability and climate resilience

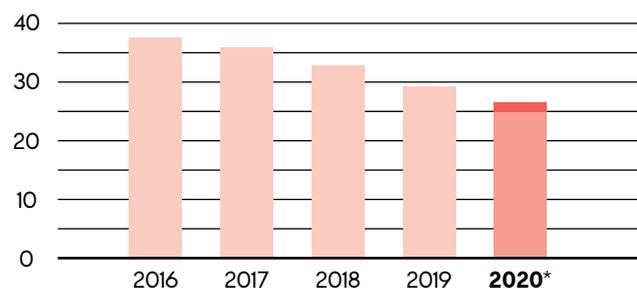
Our Climate Change Action Strategy will progress the actions we have already taken, which articulate our long-standing commitment to reduce our footprint and develop solutions that support the ambitions of our customers and stakeholders to build resilience in their financial lives and shape the environment they want to live in.

Some examples include;

Carbon emission reduction - Carbon Disclosure Program (CDP)

The Bank has voluntarily reported on its carbon emissions to the Carbon Disclosure Project (CDP) since 2011. In FY2020, our total CO₂-e emissions were 24.47kt compared to 28.84kt from the previous year – a reduction of 15 percent – and 36.79kt in 2016, representing a reduction by a third in five years.

2016	2017	2018	2019	2020
36.79	35.23	32.57	28.84	24.47



* Dark shading represents the estimated impact of COVID-19 on CO₂-e emissions, reducing from an expected 26.16kt to an actual 24.47kt

This reduction is due to implementing energy activities across the Bank, and more recently, significant reduction in activity as a result of COVID-19 restrictions has also impacted this result.

Our 'Branch of the Future' initiative incorporates the latest in thermal building efficiency and energy-saving technologies and have resulted in a reduction in emissions. Changing customer preferences have also seen a change in our branch network footprint, with branch mergers also helping to play a role in reducing electricity usage.

Greenfleet

Bendigo and Adelaide Bank has recorded its lowest emissions since 2008, and since 2014, it has partnered with Greenfleet to offset these emissions. This reinforces our values and informs our people – and importantly our customers and their communities – that we are committed to making a difference. To date, the Bank's support has contributed to the planting of more than 113,000 trees, including 11,598 this financial year.

Our lending activity

While the Bank has no lending directly to coal or coal seam gas projects, we are working to understand and reduce the emissions intensity of our asset portfolio by working with our business, farming and residential customers to reduce their emissions. Some of our customers are leaders in renewable energy and climate resilience and we will work to learn from and enhance these efforts. We'll therefore enhance our understanding of these impacts and risks and increase the support we provide to our customers and their communities to mitigate, adapt and respond to climate change.

Energy ratings for corporate sites

The Bank's major corporate sites in Bendigo and Adelaide were designed and built with environmental sustainability and energy efficiency as a priority. Opened in 2008, the Bendigo Centre was the first 5 Star Green Star building in regional Australia, boasting a water treatment plant with the capacity to recycle 15,000 litres of waste water per day, underfloor air conditioning for energy efficiency, and solar panels to reduce reliance on non-renewable energy. The Bank's Adelaide office building achieved a 5 Star Green Star rating for construction, design and interior fit out and a Green Council of Australia 5 Star Green Star Office Interiors certification. Using about half the energy of a typical office, the building features underfloor air-conditioning and central atria to encourage natural light, while more than 1,200 plants improve the health and wellbeing of staff and guests.

eShareholders

eShareholders receive all communications electronically, reducing the need for printed materials. The Bank encourages its shareholders to register as eShareholders, with more than 37 percent now receiving annual reports, dividend statements and voting forms electronically.

eStatements

In June 2015, the Bank introduced eStatements, an initiative that offers customers choice in how they receive banking information while reducing paper consumption.

Printing and Paper Usage

Paper used for printing the Bank's legal, marketing and stationery materials has decreased by about 16 percent this financial year since 2018.

	FY20	FY19	FY18	Difference
Quantity	689,000	714,000	824,000	135,000
Volume	37,034	41,069	46,360	9,326

This reduction has been achieved by a combination of converting legal documents to digital where possible, a print-on-demand strategy for marketing materials available in branches, and an increase in demand for eStatements and electronic communications to shareholders.

This year, the Group also continued to reduce its A4 copy paper usage. When compared with last year, the Bank reduced its A4 copy paper consumption by 31 percent this year – a decrease of 5,171 reams of A4 copy paper.

Wherever possible, the Bank prints on sustainably sourced paper stock, including FSC Certified Recycled, Certified Carbon Neutral, 100 percent recycled fibre, 100 percent Recycled PCW, and PEFC certified paper stock.

We look forward to the journey ahead as we identify and enact further opportunities to reduce our footprint, improve



CASE STUDY:

In conjunction with local and state government, West Moreton Landcare, and local businesses Lowood and Fernvale Community Bank has supported local, Peter Bevan (pictured) to replant 3.4km of the Brisbane Valley rail corridor through Lowood, planting thousands of Australian native plants. In a project that has improved the environmental outcomes of the region, the region is also enjoying economic and social benefits, with visitors to the town and local spend increasing.

our resilience, and better understand the dependencies we have on the natural environment. As we progress through this journey, we'll expand our climate related disclosures beyond our decade long involvement with the Carbon Disclosure Project (CDP) through additional frameworks such as the Taskforce on Climate Related Financial Disclosures (TCFD).

Impacts of COVID-19

The 2020 financial year has seen a significant reduction in direct and indirect environmental impacts as a result of restrictions resulting from the COVID-19 pandemic, and the deep impact this has had on certain industries, especially

aviation and tourism. With more than 90 percent of our corporate office employee network working from home, and significantly less or no local, interstate and international travel, the Bank has observed a significant reduction in carbon emissions, which can be attributed to COVID-19 and other energy saving strategies.

While this steep decline in carbon emissions is likely to increase as industry activity levels continue to change, this offers our Bank and our customers an opportunity to consider new ways of operating in the post-COVID-19 pandemic environment.

Managing supply chain

Bendigo and Adelaide Bank forges long-term partnerships with suppliers to ensure stakeholder value is maximised. In doing so, we ensure reliability of supply, and we are best placed to understand the environmental, social and governance risks associated with our partners, including how external conditions might alter their business operations, and we can best manage costs.

During the onset of COVID-19, we engaged our key, critical suppliers to seek reassurance regarding their preparedness for the pandemic, and any foreseen disruption to their business operations.

Approach to procurement

Wherever possible, the Bank and its Community Bank partners seek to source products and services from local businesses. As an example, the Bank spent more than \$14 million last financial year on goods and services procured in the Bendigo region as one of its largest employers.

COVID-19 has prompted Australians to consider where they source their goods and services, with many opting to buy locally to ensure Australian industries remain strong during the uncertain and challenging period. As an example, our Bank has procured a significant number of hand sanitising stations from an Australian supplier, which has become and will continue to be a permanent fixture in each of its corporate offices.

Modern Slavery

The Bank has progressed the development of its Modern Slavery policy statement, which will communicate the actions taken by the Group to identify and mitigate slavery and human trafficking in its business operations, and in those of the companies with which we do business. In doing so, we take a responsible approach to conducting our businesses ethically and in a manner expected by communities to deliver sustainable outcomes for all stakeholders. We anticipate formally launching this policy in the 2021 Financial Year.

Responsible Investment

The Bank takes an ethical approach to its investment activity. We seek to contribute to business sustainability as part of our stated purpose to feed into prosperity, not off it and core focus and proposition has always been on communities and community-based lending rather than on large corporations. As an example, our Community Bank model sees profits returned to communities in which those profits are generated, backed by local governance to ensure decisions are made ethically and sustainably.

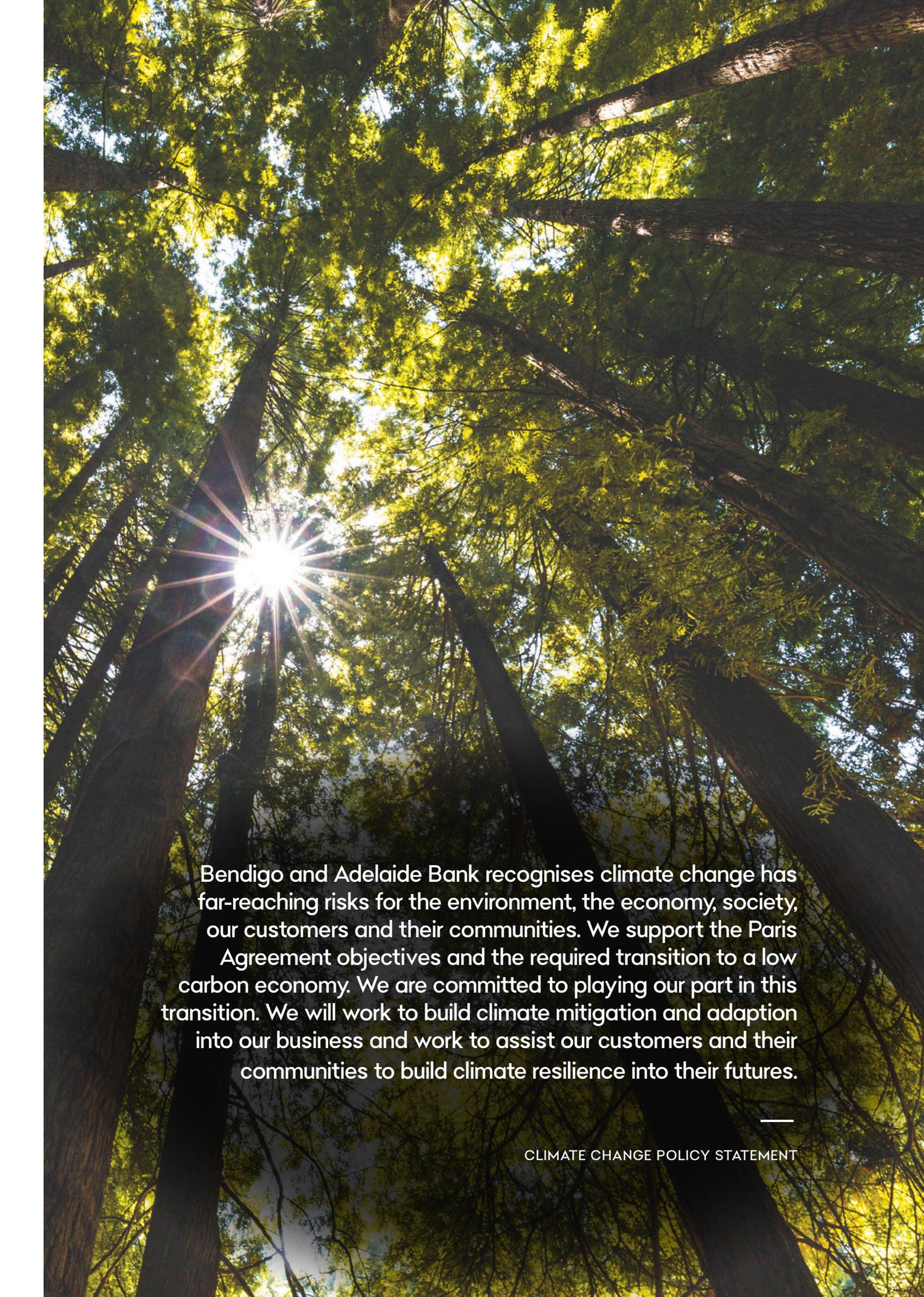
Some other examples include:

Not lending to projects in the **coal and coal seam gas sectors**, and we have directly taken a pragmatic approach that says it makes no sense to broaden our footprint by starting to do so.

The **Bendigo And Adelaide Bank Group Animal Welfare and Livestock Farming Policy Statement**, which outlines the Group's expectation of customers working with animals and livestock on farm. We always encourage, and where possible, positively influence sustainable farming practices across the agricultural supply chain, prioritising animal welfare and supporting sustainable livestock farming practices. We expect customers to comply with animal welfare laws and commit to sustainable livestock farming practices and to operate in accordance with our Animal Welfare and Livestock Farming Policy. <https://www.bendigoadelaide.com.au/esg/social/animal-welfare/>

Through Sandhurst Trustees, Bendigo and Adelaide Bank's wealth management arm, the Bank offers customers a socially responsible investment growth fund which is available for direct investment or via our Bendigo SmartStart Super product. Certified by the Responsible Investment Association of Australasia, the **Socially Responsible Growth Fund** applies various environmental, social and governance scoring systems to allocate investment towards businesses that use better and improving practices.

A long-term investment for the socially conscious, the product limits or avoids companies with significant involvement in gambling, arms trade, or other activities that we consider to have an adverse overall effect on the environment and human rights. It also combines environmental, social, and corporate governance standards while striving for strong, long-term returns for investors.



Bendigo and Adelaide Bank recognises climate change has far-reaching risks for the environment, the economy, society, our customers and their communities. We support the Paris Agreement objectives and the required transition to a low carbon economy. We are committed to playing our part in this transition. We will work to build climate mitigation and adaptation into our business and work to assist our customers and their communities to build climate resilience into their futures.

“We know education is super important to everybody and as teachers the essential element is to ensure we can continue to let kids learn no matter what. Having the knowledge that we’re all in this together is really important and if we can support that in any way we need to do that.”

TRAVIS, TEACHER

Bendigo Bank essential workers series



Trust and Ethical Conduct



9th most trusted brand in Australia

Roy Morgan All Brand Net Trust Score Survey (May 2020)



Reputation Institute's 2019 Corporate Reputation Index top ranked bank

Bendigo and Adelaide Bank ranked 11th place, while most other major banks fell in ranking



92.5%

Employees who completed Code of Conduct training



96.3%

Employees who completed Whistleblower Policy training



Maintaining strong trust

A strong, competitive and fair banking system is essential for all Australians and for a robust Australian economy. We strongly believe we all must act with integrity and in line with community standards. At the heart of earning and maintaining trust is delivering on promises, time after time, showing respect and empathy in all interactions. It's a responsibility that Corporate Australia must hold, and one that our Bank continues to honour.

Our Bank continues to be recognised for trust in key national trust measures;

- Ranked 9th most trusted brand in Australia, according to Roy Morgan All Brand Net Trust Score Survey
- Reputation Institute's 2019 Corporate Reputation Index ranked Bendigo and Adelaide Bank in 11th place, while most other major banks fell in ranking.
- Australian Banking Brand and Trust Review: 1st in Trust, according to Australian 2019 RepTrak® results (Glow Australian Banking Brand and Trust Index).

Trust is our most valuable asset, and as the industry continues to work through the policy recommendations resulting from the Hayne Royal Commission, we will continue to ensure our operations produce optimal outcomes for our customers.

Financial and non-financial performance targets

For many years, Bendigo and Adelaide Bank's Group targets have contained a series of financial and non-financial metrics. We have done this because we believe this approach strikes the right balance between values-based and performance-based activity that align with our cultural values and our Group's strategic goals. These targets encompass metrics relating to our stakeholders and form the undercurrent to the engagement strategy for everyone connected to our business.

Approach to managing risk

The management of risk is a fundamental part of our strategy and operations. The financial prospects of any company are sensitive to the nature and extent of the risks associated with its activities and the effectiveness of the strategies established to manage these risks

We have in place a group risk management framework, approved and overseen by the board, which establishes an integrated system of risk management governance and accountability for material risks. This includes setting and reviewing the risk appetite, deciding on the changes to the risk management framework and monitoring its effectiveness.

The following Board committees assist the Board in the oversight of risk.

- Risk Committee: Risk appetite and risk management strategy.
- Credit Committee: Credit risk appetite and credit risk management strategy.
- Governance & Human Resources Committee: Remuneration, people and governance risk.
- Audit Committee: Financial reporting and taxation risk.
- Technology Committee: Technology oversight and digital strategy.

Other committees are well established to assist in relation to the management of risk. For further information, please read the <https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/governance/corporate-governance-statement.pdf>



**Signatory to
the Banking
Code of
Practice**



**Provided
the Federal
Government with
guidance through
COVID-19**

Tax Transparency

Bendigo and Adelaide Bank declares the amount of tax it pays each year in accordance with the recommendations outlined in the Board of Taxation's Tax Transparency Code. We support the public interest in the integrity of tax systems, and enhanced disclosure of taxes paid. We recognise our responsibility to make tax payments in accordance with relevant tax legislation and consistent with our strategy and values, and engage with the Australian Taxation Office in a cooperative and transparent manner.

In respect of the 2020 financial year, the Bank's Total Tax Paid was \$231.6 million. The Bank's annual tax reports are available on the Bendigo and Adelaide Bank website at <https://www.bendigoadelaide.com.au/investor-centre/reports/>. Previous years' tax contributions can be found in the Stakeholder Performance section of this report (page 42).

Signatory to the Code of Practice

Bendigo and Adelaide Bank is a signatory to the Australian Banking Association (ABA) Banking Code of Practice, released 1 March 2020. The ABA Code of Practice sets out a range of ethical and customer focussed standards and behaviours that protect and serve individual and small business customers, and their guarantors. Underpinned by four core principles – trust and confidence, integrity, service, and transparency and accountability – the practices outlined in the code mirror those foundational practices established and practiced by Bendigo and Adelaide Bank since its inception more than 162 years ago. To read the code, please visit: <https://www.bendigoadelaide.com.au/about-us/codes-of-practice/#bcop>

Code of Conduct and supporting policies

The Bendigo and Adelaide Bank Code of Conduct is a statement of our corporate ethics and philosophy, and underpins our business decisions, actions and behaviour. The Code provides clear guidelines to directors and employees, so that there is a common understanding of the values and expected standards of behaviour for all. The objectives of the Code are to make sure that high standards of corporate and individual behaviour are observed in conducting the business of the Group, and to provide support for those behaviours, and applies to all employees and directors of the Group. About 92.5 percent of Bendigo and Adelaide Bank employees completed Code of Conduct training this year. The Bendigo and Adelaide Code of Conduct can be found at: <https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/governance/code-of-conduct.pdf>

The Code is supported by more detailed policies on specific topics, including:

- **Conflicts of Interest Policy:** Our general conflicts of interest policy explains conflicts of interest, gives examples and helps employees understand how to identify and manage conflicts. In addition, there is a specific Board conflict of interest policy, to provide guidance for directors about disclosing and managing conflicts of interest. <https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/governance/policies/board-disclosure-of-interest-and-conflict-of-interest-policy.pdf>
- **Reporting of concerns/whistleblower:** This policy, which was reviewed and updated in 2019, provides a reference point for reporting concerns,

including on an anonymous basis. This includes a concern, a grievance and a suspected breach of law, code of conduct or a Group policy. The policy also explains the protection provided for employees who raise concerns in good faith. As well as the policy, there is a dedicated intranet page "Speaking Up" where employees can find information about who to talk to and how to report a concern. All employees are required to complete Whistleblower Policy training, with about 96 percent completing the training this year. <https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/governance/policies/whistleblower-policy.pdf>

- **Trading policy:** The Trading Policy imposes restrictions on trading in the Bank's securities by Directors and employees who are in possession of price sensitive information. In addition, a black-out period on trading is imposed on Directors, executives and other designated employees starting two weeks before the end of each reporting period and ending on the next business day after each half-year and full-year result announcement. The Board may impose additional restrictions. <https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/governance/policies/staff-trading-policy.pdf>
- **Privacy Policy:** The Group's Privacy Policy protects the privacy of our customers. The Bendigo and Adelaide Bank Group recognises the importance of protecting your privacy, ensuring the continued integrity and security of the personal information you entrust to us. By incorporating the Australian Privacy Principles, we are committed to collecting and managing information with a high degree of care and diligence. All employees are required to complete Privacy Policy training. <https://www.bendigoadelaide.com.au/privacy/privacy-policy/>

Data protection and cyber security

Across the industry the global cyber threat landscape continues to raise the importance of cyber risk, one of the highest profile, borderless and evolving risks. The security and protection of data and information is critical to building a robust business and maintaining strong trust and confidence with our stakeholders and the broader community. We maintain a strong information security program to ensure security capabilities continue to evolve with business needs, risk and societal expectations, and our continued investment in privacy and cyber security ensures customer information is safe.

As part of our commitment to continuous improvement, we assess our information security capabilities through internal review and periodic audits to enhance our information security program to manage our risk profile. Our robust and effective policies, processes and practices are effective in maintaining protection and security. We have a dedicated Financial Crimes team, and strong capability in detecting a wide range of financial crimes, including anti-money laundering and counter terrorism, with employees regularly upskilled. We also work closely with law enforcement to support them in their programs to detect crime.

Banking Executive Accountability Regime (BEAR)

Bendigo and Adelaide Bank has adopted the Banking Executive Accountability Regime (BEAR). The regime aims to strengthen accountability and promote good governance and a strong risk culture in the banking sector. It requires the Bank and individuals identified as Accountable Persons in Director and Senior Executive roles to conduct business with honesty and integrity, and with due skill, care and diligence.

The Bank commenced reporting accountability statements to APRA on behalf of Accountable Persons on 1 July 2019 and ensures its remuneration policy and structure with respect to Accountable Persons is consistent with compliance to the regime. Overseen by the Board and the Governance & HR Board subcommittee, the Bank regularly reviews its Accountable Persons to ensure their ongoing suitability and register new Accountable Persons as required.

Engagement with government and industry bodies

The Bank actively engages with all levels of government, industry bodies and regulators, as well as other influential organisations to collaborate with and advocate on behalf of the Bank, its customers, partners and the broader banking industry. These relationships and program of engagement inform and shape key policies that positively impact Australian people and their communities.

The Bank's valuable contribution is made by sharing insights and leading or attending meetings where key issues and opportunities can be debated. We support important public forums to ensure a diverse set of views are voiced and considered. An example of this is our partnership with the Regional Australia Institute and its national event series, Regions Rising, and membership of its Regional Australia Council 2031.

The Bank is a professional member of the Australian Banking Association (ABA), with the Bank's Managing Director, Marnie Baker also fulfilling the role of the ABA Deputy Chair. In the 2020 financial year, the Bank has responded to inquiries and government submissions, with a strong focus on COVID-19. Ms Baker has been actively involved in industry discussions with the Australian Government and also chairs a Business Council of Australia working group, which is considering the implications of COVID-19 in regional Australia and the response required for recovery.

Sedgwick Report Implementation

The Bank adopted all recommendation from the Sedgwick Report in the 2020 financial year. These recommendations related to performance, remuneration and governance frameworks in the retail banking industry, including payments for selling retail banking products, volume-based incentives for mortgage brokers and aggregators, and how banks pay and incentivise executives and employees. Ongoing support, education and compliance monitoring to franchise and third party partners will continue to ensure ongoing compliance with the recommendations.



Good Corporate Governance

Our vision, strategy, values and purpose form the context for our approach to high standards of corporate governance. It is articulated in our framework, our policies, and our practices, and it has been this way for the 162 years our Bank has been in business. We believe this leads to better decision making for all stakeholders.

Our purpose has helped our Bank to differentiate. It has defined our culture, has informed our remuneration model and this underpins our governance. Acting with integrity in the conduct of our business has been an important element of our success and we strive to do this because it's the right thing to do for everyone connected to our business.

Our Corporate Governance Statement outlines our approach to corporate governance and is available from the Corporate Governance page on our website, along with policies and charters, together with information about our Board and Executive team.



Our people and our culture

Having a diverse and inclusive workforce is important to the Bank; it is key to our objective of growing a community where our people want to work, are valued and belong. We believe culture comes from the core of an organisation, and not an afterthought or an addition. The right governance model will support and foster this.

Diversity is the variety of people and ideas within our organisation. Every one of us is unique and we value and respect individual differences. We think broadly about differences: this may include background, age, caring responsibilities, working and thinking styles, ethnicity, education, cultural background, disability, sexual orientation, gender identity and religion. Inclusion is about creating an environment where all our people feel they belong and are valued; where they can bring their differences to work each day and achieve the best results for our business. We are also committed to the wellbeing of our employees.

We launched a Group-wide culture review to better define our current culture and understand how to better align it to our growth ambitions and through our Belonging at BEN initiatives, we continued to address Gender Equality, improving Accessibility, and broadening Cultural Diversity, while supporting LGBTIQ and Indigenous inclusion this year. To find out more, please visit page 23 of this Annual Review.

Remuneration

Our approach to remuneration has always been focused on the long-term, supported by the principles of simplicity, transparency and procedural fairness, alignment to values, appropriate risk behaviours and actions that support good customer outcomes. We believe remuneration which is leveraged towards short-term performance of an individual can create a disconnect between the individual's interests and the long-term interests of shareholders and other stakeholders, especially customers.

This is why:

- Our Executive remuneration approach is weighted towards fixed remuneration and equity that vests over the long term
- We do not have any employee incentives directly linked to products and the achievement of sales targets, and also introduced a customer hurdle performance metric for Long Term Incentive plans, which is linked to an above industry average net promoter score (NPS) greater than 20 percent
- We strongly weigh remuneration towards base pay, which better aligns to our strategy and reduces risks poor culture and behaviour
- Our people only benefit from our Value Creative Dividend Plan if they exceed expectations, and also if their behaviour and performance meet the Bank's expectations on values and risk.

Our Bank has taken these steps because of the important role we play in supporting customer and community prosperity and meeting customer and community expectations.

Board



Jacqueline Hey

Independent BCOM,
Graduate Certificate
in Management, GAICD



Marnie Baker

Managing Director
BBUS (ACC), ASA,
MAICD, SF FIN



Vicki Carter

Independent BA (SOCIAL
SCIENCES), DIP MGT,
Certificate in Executive
Coaching, GAICD



David Foster

Independent
BAPPSCI, MBA,
GAICD, SF FIN



Jan Harris

Independent
BEC (Hons)



Jim Hazel

Independent
BEC, SF FIN, FAICD



Robert Hubbard

Independent
BA (HONS), ACCY, FCA



David Matthews

Independent
DIP BIT, GAICD



Tony Robinson

Independent
BCOM, ASA, MBA

Executive



Marnie Baker

Managing Director
BBUS (ACC), ASA,
MAICD, SF FIN



Ryan Brosnahan

Chief Transformation
Officer
MSC FINANCE,
BCOM(ACC), CA, MAICD



Taso Corolis

Chief Risk Officer
BEC, BCOM, GRAD DIP
APP FIN & INVEST



Travis Crouch

Chief Financial Officer
BBUS (ACC), CA



Richard Fennell

Executive,
Consumer Banking
BEC, CA, MAICD



Alexandra Gartmann

CEO Rural Bank &
Executive, Customer and
Partner Engagement
BSC (REM), MAICD



Bruce Speirs

Executive,
Business Banking
BCOM, CA, MBA, GAICD



Louise Tebbutt

Chief People Officer
BBUS

Stakeholder Performance

	2020	2019	2018	2017	2016
Shareholders					
Number of Shareholders (n)	110,000	100,000	112,000	100,800	100,000
ASX listing	top 100	top 70	top 70	top 70	top 70
Cash earnings (\$m)	301.7	415.7	445.1	418.3	401.4
Net after tax profit (\$m)	192.8	376.8	434.5	429.6	415.6
Cost to income ratio (%)	62.7	59.2	55.6	56.1	58.1
Cash earnings per share (c)	59.7	85.0	92.1	88.5	87.3
Dividend per share (c)	31 (Decision deferred on final dividend)	70	70	68	68
Return on tangible equity (cash basis) (%)	7.42	10.73	11.52	11.61	11.83
Total capital (%)	13.61	13.14	12.85	12.46	12.21
Common Equity Tier 1 (CET1) (%)	9.25	8.92	8.62	8.72	8.09
Net Interest Margin (NIM) (%)	2.33	2.36	2.36	2.22	2.23
Total tax paid (\$m)	231.6	229.5	271	230.5	242.6
Customers					
Number of customers (million)	1.88	1.7	1.6	1.6	1.6
Customer growth %	9.9	7.2	-	-	-
Net Promoter Score	32.1	24.8	22.3	21.3	21.5
Complaints and dispute resolution					
Total customer complaints	30,202	31,992	42,349	36,855	34,704
Complaints resolution to customer satisfaction (%)	74	77	81	82	83
Average number of days to resolve	4.2	3.3	2.2	1.9	2.0
Complaints referred externally	637	456	396	494	410
Our reach					
Company owned branches	154	168	173	182	187
Community Bank branches	320	324	321	316	314
Delphi Bank branches	15	15	15	14	14
Alliance Bank branches	20	21	22	21	21
ATMs	548	632	699	1000+	1,540
eBanking customers	751,751	688,795	630,000	560,000+	-
Private branch franchise	4	4	4	4	4
Bendigo Bank Mobile Relationship Managers	98	86	82	69	-
Rural Bank Relationship Managers	183	188	120+	60+	60+
Mortgage brokers	10,000+	10,000+	5,000+	5,000+	5,000+

	2020	2019	2018	2017	2016
People					
Total employees (including Community Bank employees)	7,400	7,300	7,200	7,200	7,200
Employee initiated turnover	10.96	11.23	12	10.66	11.56
Absenteeism	5.74	5.19	6.24	6.51	6.41
Lost Time Injury Frequency Rate	0.6	1.9	1.3	1.3	1.4
Employee Engagement					
Overall Employee Net Promoter Score (The methodology to determine the eNPS scores varies across the past five years. The eNPS score methodology was adjusted in FY20 to reflect a rating based on an 11 point scale)	9.4	6.77	6.62	6.00	n/a
Diversity and Inclusion					
Women employed (%)	60.5	60.7	61.3	61.4	61.5
Women on Board (%)	37.5	37.5	33.3	33.3	33.3
Women in Senior Leadership roles (%)	34.4	30.1	29.1	28.9	28.5
Women in Leadership roles (%)	43.6	40.3	40.6	40.0	38.2
Community					
Community Bank investment (\$m)	20	24	22	18	17
Total Community Investment (\$m) Via the Group's Community Bank partners	251	229	205	183	165
Dividends to Investors (\$m) Via the Group's Community Bank partners	58	57	54	49	43
Annual investment in Australian youth (\$) (Via the Group's Scholarship Program)	1,068,000	989,500	975,300	1,014,000	1,237,000
Cumulative investment in Australian youth (\$m) (Via the Group's Scholarship Program, 2007 - 2020)	936	8.29	7.27	6.27	5.22
Number of Scholarship recipients (first year)	157	143	133	91	89
Cumulative total of scholarship recipients (2007 - 2020)	974	817	674	541	450
Disaster Relief grants issued (including bushfires, floods, drought, etc) (\$)	13,884,000	372,000	480,000	276,500	350,100
Environment					
Carbon emissions (kt)	24.47	28.84	32.57	35.23	36.79
Electricity consumption (Mwh)	19,696	21,223	21,293	21,684	22,964
Travel Emissions (CO2e)	3,108	3,917	4,133	5,260	4,782
Greenfleet - trees planted to offset business travel	11,598	14,616	15,422	17,843	18,329
Statements and printing (number of sheets in millions)	65.32	67.63	68.25	71.69	75.12
\$ to community environment projects	177,500	300,850	753,000	177,600	177,800

Data listed in table as of 30 June 2020

Australia's Bank of Choice

Annual Review 2020

Bendigo and Adelaide Bank Limited.

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