

Basel III Pillar 3 Disclosures: Prudential Standard APS 330

7 September 2020

Bendigo and Adelaide Bank Limited (**ASX: BEN**), is an Authorised Deposit-taking Institution (ADI) subject to regulation by the Australian Prudential Regulation Authority (APRA). Attached is the prudential information required to be disclosed in accordance with Prudential Standard APS 330.

The prudential disclosures have been prepared for Bendigo and Adelaide Bank Limited.

The disclosures provided have been prepared as at 30 June 2020.

Approved for release by: Travis Crouch – Chief Financial Officer.

Media enquiries

Simon Fitzgerald, Head of Public Relations
P: 08 8300 6019 M: 0427 460 046
E: simon.fitzgerald@bendigoadelaide.com.au

Investor enquiries

Karen McRae, Head of Investor Relations
P: 03 8414 7060 M: 0417 186 500
E: karen.mcrae@bendigoadelaide.com.au

About Bendigo and Adelaide Bank Limited

Bendigo and Adelaide Bank is Australia's fifth largest retail bank, with more than 7,200 staff helping our 1.9 million customers to achieve their financial goals. Bendigo and Adelaide Bank's vision is to be Australia's bank of choice, by feeding into the prosperity of customers and their communities.

Bendigo and Adelaide Bank Limited
ABN 11 068 049 178 AFSL 237879

The Bendigo Centre
PO Box 480
Bendigo Victoria 3552

Telephone 1300 361 911
Facsimile +61 3 5485 7000
www.bendigoadelaide.com.au

Table 1 Common Disclosure Template

The Group is applying the Basel III regulatory adjustments in full as implemented by APRA. The capital disclosures detailed in the Common Disclosure template below represent the post 1 January 2018 Basel III common disclosure requirements.

	30 June 2020
	Basel III
Capital Ratios	%
Common Equity Tier 1	9.25%
Tier 1	11.59%
Total Capital	13.61%

	30 June 2020	Reconciliation	
	Basel III	Table	
	\$m	Reference	
Common Equity Tier 1 capital: instruments and reserves			
1	Directly issued qualifying ordinary shares (and equivalent for mutually-owned entities) capital	4,909.3	a
2	Retained earnings	528.4	e
3	Accumulated other comprehensive income (and other reserves)	-3.6	f, p, q, r, s
4	Directly issued capital subject to phase out from CET1 (only applicable to mutually-owned companies)	N/A	
5	Ordinary share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	N/A	
6	Common Equity Tier 1 capital before regulatory adjustments	5,434.1	
Common Equity Tier 1 capital : regulatory adjustments			
7	Prudential valuation adjustments	N/A	
8	Goodwill (net of related tax liability)	1,439.5	d
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	20.4	g + h
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	0.0	
11	Cash-flow hedge reserve	-13.6	f
12	Shortfall of provisions to expected losses	0.0	
13	Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)	N/A	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	N/A	
15	Defined benefit superannuation fund net assets	0.4	c
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	N/A	
17	Reciprocal cross-holdings in common equity	N/A	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	N/A	
19	Significant investments in the ordinary shares of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	N/A	
20	Mortgage service rights (amount above 10% threshold)	N/A	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	N/A	
22	Amount exceeding the 15% threshold	N/A	

Table 1 Common Disclosure Template Continued

		30 June 2020	Reconciliation
		Basel III	Table
			Reference
		\$m	
23	of which: significant investments in the ordinary shares of financial entities	N/A	
24	of which: mortgage servicing rights	N/A	
25	of which: deferred tax assets arising from temporary differences	N/A	
26	National specific regulatory adjustments (sum of rows 26a, 26b, 26c, 26d, 26e, 26f, 26g, 26h, 26i and 26j)	452.8	
26a	of which: treasury shares	N/A	
26b	of which: offset to dividends declared under a dividend reinvestment plan (DRP), to the extent that the dividends are used to purchase new ordinary shares issued by the ADI	N/A	
26c	of which: deferred fee income	N/A	
26d	of which: equity investments in financial institutions not reported in rows 18, 19 and 23	20.7	v (less g)
26e	of which: deferred tax assets not reported in rows 10, 21 and 25	170.9	t (less u)
26f	of which: capitalised expenses	230.3	i to n
26g	of which: investments in commercial (non-financial) entities that are deducted under APRA prudential requirements	8.2	v
26h	of which: covered bonds in excess of asset cover in pools	N/A	
26i	of which: undercapitalisation of a non-consolidated subsidiary	9.1	v
26j	of which: other national specific regulatory adjustments not reported in rows 26a to 26i	13.6	x
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	0.0	
28	Total regulatory adjustments to Common Equity Tier 1	1,899.5	
29	Common Equity Tier 1 Capital (CET1)	3,534.6	
Additional Tier 1 Capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments	895.9	b
31	of which: classified as equity under applicable accounting standards	N/A	
32	of which: classified as liabilities under applicable accounting standards	895.9	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	0.0	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	N/A	
35	of which: instruments issued by subsidiaries subject to phase out	N/A	
36	Additional Tier 1 Capital before regulatory adjustments	895.9	
Additional Tier 1 Capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments	N/A	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	N/A	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	N/A	

Table 1 Common Disclosure Template Continued

		30 June 2020 Basel III	Reconciliation Table Reference
		\$m	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	N/A	
41	National specific regulatory adjustments (sum of rows 41a, 41b and 41c)	N/A	
41a	of which: holdings of capital instruments in group members by other group members on behalf of third parties	N/A	
41b	of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidations not reported in rows 39 and 40	N/A	
41c	of which: other national specific regulatory adjustments not reported in rows 41a and 41b	N/A	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	N/A	
43	Total regulatory adjustments to Additional Tier 1 capital	0.0	
44	Additional Tier 1 capital (AT1)	895.9	
45	Tier 1 Capital (T1=CET1+AT1)	4,430.5	
Tier 2 Capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments	400.0	y
47	Directly issued capital instruments subject to phase out from Tier 2	56.2	w
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group T2)	N/A	
49	of which: instruments issued by subsidiaries subject to phase out	N/A	
50	Provisions	315.9	o
51	Tier 2 Capital before regulatory adjustments	772.1	
Tier 2 Capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	N/A	
53	Reciprocal cross-holdings in Tier 2 instruments	N/A	
54	Investments in the Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	N/A	
55	Significant investments in the Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	N/A	
56	National specific regulatory adjustments (sum of rows 56a, 56b and 56c)	0.0	
56a	of which: holdings of capital instruments in group members by other group members on behalf of third parties	N/A	
56b	of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidation not reported in rows 54 and 55	N/A	
56c	of which: other national specific regulatory adjustments not reported in rows 56a and 56b	N/A	
57	Total regulatory adjustments to Tier 2 capital	0.0	
58	Tier 2 capital (T2)	772.1	
59	Total capital (TC=T1+T2)	5,202.6	
60	Total risk-weighted assets based on APRA standards	38,215.2	

Table 1 Common Disclosure Template Continued

		30 June 2020 Basel III	Reconciliation Table Reference
		\$m	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	9.25%	
62	Tier 1 (as a percentage of risk-weighted assets)	11.59%	
63	Total capital (as a percentage of risk-weighted assets)	13.61%	
64	Buffer requirement (minimum CET1 requirement of 4.5% plus capital conservation buffer of 2.5% plus any countercyclical buffer requirements expressed as a percentage of risk-weighted assets)	7.00%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: ADI-specific countercyclical buffer requirements	0.00%	
67	of which: G-SIB buffer requirement (not applicable)	0.00%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk-weighted assets)	4.75%	
National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)		
70	National Tier 1 minimum ratio (if different from Basel III minimum)		
71	National total capital minimum ratio (if different from Basel III minimum)		
Amount below thresholds for deductions (not risk-weighted)			
72	Non-significant investments in the capital of other financial entities	N/A	
73	Significant investments in the ordinary shares of financial entities	N/A	
74	Mortgage servicing rights (net of related tax liability)	N/A	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	N/A	
Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	315.9	o
77	Cap on inclusion of provisions in Tier 2 under standardised approach	428.2	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	N/A	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	N/A	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	N/A	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	N/A	
82	Current cap on AT1 instruments subject to phase out arrangements	0.0	
83	Amount excluded from AT1 instruments due to cap (excess over cap after redemptions and maturities)	0.0	
84	Current cap on T2 instruments subject to phase out arrangements	56.2	w
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	214.9	

Common Disclosure Template Reconciliation as at 30 June 2020

The following table provides details on the Bendigo and Adelaide Bank Limited Group's Balance Sheet and the Level 2 Regulatory Balance Sheet.

	Group Balance Sheet	Adjustment ¹	Level 2 Regulatory Balance Sheet	Template/ Reconciliation Table Reference
	\$m	\$m	\$m	
Assets				
Cash and cash equivalents	1,189.6	-99.5	1,090.1	
Due from other financial institutions	137.0	0.0	137.0	
Financial assets fair value through profit or loss (FVTPL)	5,411.1	0.0	5,411.1	
Financial assets - amortised cost	325.3	14.4	339.7	
Financial assets fair value through other comprehensive income (FVOCI)	819.6	-8.6	811.0	
of which Equity Investment Exposures			23.6	v
Current tax assets	17.6	0.0	17.6	
Derivatives	106.4	0.0	106.4	
Net loans and other receivables	64,980.4	-3,170.9	61,809.5	
of which Loan and Lease Origination Fees and Commissions (Capitalised Expenses)			69.4	i
of which Securitisation Start-up Costs (Capitalised Expenses)			11.9	l
of which General Reserves for Credit Losses			229.3	o
of which Other Intangibles			0.0	h
Investments accounted for using the equity method	5.4	0.0	5.4	v
Shares in controlled entities	0.0	18.3	18.3	v
Property, plant & equipment	252.3	0.0	252.3	
Deferred tax assets	88.3	-0.1	88.2	t
Investment property	779.8	0.0	779.8	
Goodwill and other intangible assets	1,564.6	-9.3	1,555.3	
of which Intangible Component of Investment in Subsidiaries and Other Entities			9.2	g
of which Goodwill			1,439.5	d
of which Other Intangibles			11.2	h
of which Information Technology Software Costs (Capitalised Expenses)			104.7	k
Other assets	331.5	-43.1	288.4	
of which Defined Benefit Superannuation Fund			0.4	c
of which Tax Adjustments for Reserves and Unrealised Gains/(Losses)			0.2	t
of which Other Capitalised Expenses			37.4	m
of which Other Common Equity Tier 1 Specific Adjustments Relating to Securitisation			13.6	x
Total Assets	76,008.9	-3,298.8	72,710.1	
Liabilities				
Due to other financial institutions	145.1	0.0	145.1	
Deposits	64,182.6	18.8	64,201.4	
Notes payable	3,503.5	-3,239.3	264.2	
Derivatives	100.2	0.0	100.2	
Income tax payable	0.0	-3.0	-3.0	
Provisions	114.4	0.0	114.4	
Deferred tax liabilities	0.0	-0.1	-0.1	
of which Tax Adjustments for Reserves and Unrealised Gains/(Losses)			-88.4	u
Other payables	603.4	0.6	604.0	
Preference shares	890.2	0.0	890.2	
of which Amount Eligible AT1			895.9	b
of which Cost Associated with Issuing Capital Instruments (Capitalised Expenses)			5.8	j
Subordinated debt	671.3	0.0	671.3	
of which Amount Included in Tier 2 Capital (Post Haircut, Excluding Redemptions and Maturities)			56.2	w
of which Amount Included in Tier 2 Capital			400.0	y
of which Costs Associated with Issuing Capital Instrument (Capitalised Expenses)			1.1	n
Total Liabilities	70,210.7	-3,223.0	66,987.7	
Net Assets	5,798.2	-75.9	5,722.3	
Equity				
Share capital	4,905.0	0.0	4,905.0	
of which Amount Included in Eligible for CET1			4,909.3	a
Reserves	87.3	-4.3	83.0	
of which Gains/(Losses) on Effective Cash Flow Hedges			-13.6	f
of which Tax Adjustments for Reserves and Unrealised Gains/(Losses)			5.8	u
of which General Reserves for Credit Losses			86.6	o
of which Unrealised Gains/(Losses) on AFS Items			1.1	p
of which Property Revaluation Reserves			0.0	q
of which General Reserves			0.0	r
of which Reserves for Equity-Settled Share-Based Payments			8.9	s
Retained earnings	805.9	-71.6	734.3	
of which Retained Earnings and Current Year Earnings			528.4	e
Total Equity	5,798.2	-75.9	5,722.3	

Notes

¹ The Adjustment column reflects entities that are treated as non-consolidated entities and are excluded from the Level 2 Regulatory Consolidated Banking Group.

Entities Excluded from Level 2 Regulatory Consolidation Group

The following table provides details of material entities included within the accounting scope of consolidation but excluded from regulatory consolidation.

Entity	Total Assets \$m	Total Liabilities \$m
Securitisation		
Torrens Series 2011-1(E)	108.2	108.2
Torrens Series 2013-1	132.8	132.8
Torrens Series 2013-2	75.2	75.2
Torrens Series 2014-1	98.4	98.4
Torrens Series 2014-2	148.5	148.5
Torrens Series 2015-1	131.9	131.9
Torrens Series 2017-1	374.0	374.0
Torrens Series 2017-2(P)	179.2	179.2
Torrens Series 2017-3	388.6	388.6
Torrens Series 2019-1	755.1	755.1
Torrens Series 2019-2	875.4	875.4
Insurance and Funds Management		
Sandhurst Trustees Limited	89.1	3.8

Table 2 Main Features of Capital Instruments

The main features of capital instruments are updated on an ongoing basis. The information as at the reporting date is provided in Appendix A.

Table 3 Capital Adequacy

Risk-weighted Assets	30 June 2020 \$m	31 March 2020 \$m
Capital requirements (in terms of risk-weighted assets) for credit risk (excluding securitisation) by portfolio:		
Claims secured by residential mortgage	17,954.9	17,459.3
Other retail	14,460.3	14,342.0
Corporate	-	-
Banks and Other ADIs	146.1	117.4
Government	22.6	19.6
All other	1,111.2	1,016.2
Total on balance sheet assets and off balance sheet exposures	33,695.1	32,954.5
Securitisation Risk weighted assets ²	557.1	531.1
Market Risk weighted assets	238.0	304.9
Operational Risk weighted assets	3,725.0	3,721.4
Total Risk Weighted Assets	38,215.2	37,511.9
Capital Ratios (for the consolidated group)	%	%
Common Equity Tier 1	9.25	9.70
Tier 1	11.59	12.08
Total Capital	13.61	13.77

Notes
²Please refer to Table 5 for securitisation exposures.

Bendigo and Adelaide Bank Limited, Basel III Pillar 3 Disclosures, 30 June 2020

Table 4 Credit Risk

Exposure Type ⁴	Gross Credit Exposure		Average Gross Credit Exposure	
	30 June 2020 \$m	31 March 2020 \$m	30 June 2020 \$m	31 March 2020 \$m
Loans	63,719.2	61,331.3	62,525.3	60,763.2
Debt securities	654.3	483.6	569.0	496.6
Commitments and other non-market off balance sheet exposures ³	1,998.3	1,942.2	1,970.2	2,035.0
Market-related off balance sheet exposures ³	152.9	171.0	161.9	140.1
Total exposures	66,524.7	63,928.1	65,226.4	63,434.9

Portfolios ⁴	Gross Credit Exposure		Average Gross Credit Exposure	
	30 June 2020 \$m	31 March 2020 \$m	30 June 2020 \$m	31 March 2020 \$m
Claims secured by residential mortgage ³	47,647.9	46,256.8	46,952.4	45,490.5
Other retail ³	15,527.4	15,278.0	15,402.7	15,598.5
Corporate	-	-	-	-
Banks and other ADIs	1,168.5	1,032.8	1,100.6	950.0
Government	792.1	20.6	406.3	21.1
All other ³	1,388.8	1,339.9	1,364.4	1,374.8
Total exposures	66,524.7	63,928.1	65,226.4	63,434.9

30 June 2020 Portfolios	Impaired Loans \$m	Past Due Loans > 90 days \$m	Specific Provisions \$m	Charges for Specific Provisions and Write-offs during the Period
				\$m
Claims secured by residential mortgage	55.1	310.7 ⁶	24.4 ⁵	3.5
Other retail	185.4	266.7 ⁶	87.9 ⁵	11.5
Corporate	-	-	-	-
Banks and other ADIs	-	-	-	-
Government	-	-	-	-
All other	-	-	-	-
Total exposures	240.5	577.4	112.3	15.0

31 March 2020 Portfolios	Impaired Loans \$m	Past Due Loans > 90 days \$m	Specific Provisions \$m	Charges for Specific Provisions and Write-offs during the Period
				\$m
Claims secured by residential mortgage	59.1	323.9 ⁶	30.2 ⁵	3.1
Other retail	237.6	365.5 ⁶	135.1 ⁵	6.6
Corporate	-	-	-	-
Banks and other ADIs	-	-	-	-
Government	-	-	-	-
All other	-	-	-	-
Total exposures	296.7	689.4	165.3	9.7

	30 June 2020 \$m	31 March 2020 \$m
General reserve for credit losses	315.9 ⁷	166.2

Notes

³ Off-balance sheet exposures have been converted to their credit equivalent amounts.

⁴ Excludes equity investments and securitisation exposures.

⁵ Specific provisions include some items that are treated as collective provisions for statutory reporting, however are treated as specific provisions for regulatory purposes. This includes provisions for Great Southern \$8.2 million (March 2020 \$8.2 million) and loans in Stage 3 \$25.7 million (March 2020 \$33.3 million) under AASB9.

⁶ Includes loans under commercial arrangement, \$184.71 million (March 2020 \$186.44 million).

⁷ Includes a total overlay of \$148.3 million for the potential future impacts from the COVID-19 pandemic, including \$127.7 million added to the collectively assessed provision and \$20.6 million to the general reserve for credit losses.

Bendigo and Adelaide Bank Limited, Basel III Pillar 3 Disclosures, 30 June 2020

Table 5 Securitisation

Exposure Type	30 June 2020 Quarter				Gain or Loss on Sale \$m
	Securitisation Activity				
	Capital Relief \$m	Funding Only \$m	Self-Securitisation \$m	Total Activity \$m	
Residential Mortgage	-	-	2,997.7	2,997.7	-
Credit Card and Other Personal Loans	-	-	-	-	-
Commercial Loans	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	2,997.7	2,997.7	-

Exposure Type	31 March 2020 Quarter				Gain or Loss on Sale \$m
	Securitisation Activity				
	Capital Relief \$m	Funding Only \$m	Self-Securitisation \$m	Total Activity \$m	
Residential Mortgage	-	-	2,919.5	2,919.5	-
Credit Card and Other Personal Loans	-	-	-	-	-
Commercial Loans	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	2,919.5	2,919.5	-

30 June 2020 Securitisation Exposures	Liquidity Support Facilities \$m	Funding Facilities \$m	Derivative Facilities \$m	Holdings of Securities \$m	Other \$m
	On-balance sheet securitisation exposures retained or purchased	8.5	958.3	182.6	12,467.0 ⁸
Off-balance sheet securitisation exposures	47.8	258.7	59.8	-	-
Total	56.3	1,217.0	242.4	12,467.0	-

31 March 2020 Securitisation Exposures	Liquidity Support Facilities \$m	Funding Facilities \$m	Derivative Facilities \$m	Holdings of Securities \$m	Other \$m
	On-balance sheet securitisation exposures retained or purchased	8.7	932.7	103.1	10,062.1 ⁸
Off-balance sheet securitisation exposures	49.6	263.7	62.6	-	-
Total	58.3	1,196.4	165.7	10,062.1	-

Notes

⁸ Includes holdings of self-securitised assets, \$12,098.6 million (March 2020 \$9,652.4 million).

Bendigo and Adelaide Bank Limited, Basel III Pillar 3 Disclosures, 30 June 2020

From 1 January 2015, following the introduction of APS 210, APRA requires ADIs to maintain a minimum 100% Liquidity Coverage Ratio (LCR). The LCR requires banks to hold sufficient High Quality Liquid Assets (HQLA) to meet net cash outflows over a 30-day period, under a regulator-defined stress scenario. The Group's LCR for the quarters ending 30 June 2020, 31 March 2020 and 31 December 2019 is presented in the following table (Table 20), using the Basel standard disclosure template and is based on a simple average of LCR outcomes observed during each period (i.e. 91 data points for the quarter ended 30 June 2020, 91 data points for the quarter ended 31 March 2020 and 92 data points for the quarter ended 31 December 2019).

The Group manages its daily LCR requirement in line with the regulatory minimum, with appropriate additional Board and management buffers that are set in line with the Group's risk appetite. Movements in the LCR are attributed to changes in net cash outflows and holdings of liquid assets. Table 20 details the quantum of movements impacting the LCR between periods. These differences between periods are in line with the Group's normal course of business. Average liquid assets for the June 2020 quarter were \$10,381.9 million, of which HQLA was \$5,617.0 million. HQLA comprises cash, deposits with the Reserve Bank of Australia (RBA), Australian Semi-Government and Commonwealth Government Securities.

Cash inflows and outflows are as prescribed in APS 210 and are calculated by applying APRA-prescribed run-off factors to maturing debt and deposits and discount factors to inflows/assets.

The Group has a well-diversified deposit and funding base without undue concentration. The Group does not have significant derivative or currency exposures that would impact upon cash flows.

Table 20 Liquidity Coverage Ratio

	30 June 2020 Quarter		31 March 2020 Quarter		31 December 2019 Quarter	
	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
	\$m	\$m	\$m	\$m	\$m	\$m
Liquid assets, of which						
1	High-quality liquid assets (HQLA)	-	5,617.0		6,584.5	5,699.2
2	Alternate liquid assets (ALA)		4,764.9		2,918.2	2,997.7
3	Reserve Bank of New Zealand (RBNZ) securities		-		-	-
Cash outflows						
4	Retail deposits and deposits from small business customers, of which:	28,712.3	2,039.4	27,528.6	1,975.3	27,030.6
5	<i>stable deposits</i>	19,777.2	988.9	18,850.5	942.5	18,686.3
6	<i>less stable deposits</i>	8,935.1	1,050.5	8,678.1	1,032.8	8,344.3
7	Unsecured wholesale funding, of which:	6,065.1	3,391.7	6,255.7	3,396.2	5,835.7
8	<i>operational deposits (all counterparties) and deposits in networks for cooperative banks</i>	-	-	-	-	-
9	<i>non-operational deposits (all counterparties)</i>	5,427.0	2,753.6	5,368.9	2,509.4	5,215.8
10	<i>unsecured debt</i>	638.1	638.1	886.8	886.8	619.9
11	Secured wholesale funding					
12	Additional requirements, of which:	5,028.4	670.8	4,744.3	465.8	4,543.6
13	<i>outflows related to derivatives exposures and other collateral requirements</i>	77.7	77.7	58.8	58.8	59.4
14	<i>outflows related to loss of funding on debt products</i>	25.6	25.6	28.2	28.2	6.0
15	<i>credit and liquidity facilities</i>	4,925.1	567.5	4,657.3	378.8	4,478.2
16	Other contractual funding obligations	788.4	508.2	925.7	652.1	947.6
17	Other contingent funding obligations	14,948.4	1,096.1	16,323.5	1,242.6	15,390.5
18	Total cash outflows		7,706.2		7,732.0	7,300.9
Cash inflows						
19	Secured lending (e.g. reverse repos)	330.9	-	1,164.3	-	729.7
20	Inflows from fully performing exposures	644.1	363.9	767.4	493.8	742.2
21	Other cash inflows	127.9	127.9	139.0	139.0	113.4
22	Total cash inflows	1,102.9	491.8	2,070.7	632.8	1,585.3
			Total adjusted value \$m		Total adjusted value \$m	Total adjusted value \$m
23	Total liquid assets		10,381.9		9,502.7	8,696.8
24	Total net cash outflows		7,214.4		7,099.2	6,696.7
25	Liquidity Coverage Ratio (%)		144.0%		134.1%	130.0%

Bendigo and Adelaide Bank Limited, Basel III Pillar 3 Disclosures, 30 June 2020

The Net Stable Funding Ratio (NSFR) came into effect from 1 January 2018 and ensures a bank's assets and off-balance sheet exposures are financed with a stable source of funding. The ratio of the Group's total Available Stable Funding (ASF) to total Required Stable Funding (RSF) must exceed the APRA minimum requirement of 100%. The Group's NSFR as at 30 June 2020 was 118.4%

As at 30 June 2020 the Group's main sources of ASF was deposits from retail and small business customers (73.6%), wholesale funding (13.6%) and capital (12.4%). RSF mostly consisted of residential mortgages (61.9%) and loans to retail, small business, non-financial corporate and public sector entity customers (23.2%).

Table 21 Net Stable Funding Ratio		30 June 2020					Weighted value \$m
Available Stable Funding (ASF) Item		No maturity \$m	Unweighted value by residual maturity < 6 months \$m	6 months < 1 yr \$m	≥ 1yr \$m	\$m	
1	Capital	5,434.1	-	-	1,302.2	6,736.3	
2	Regulatory capital	5,434.1	-	-	1,302.2	6,736.3	
3	Other capital instruments	-	-	-	-	-	
4	Retail deposits and deposits from small business customers	26,118.6	16,589.3	-	-	39,864.2	
5	Stable deposits	18,444.4	10,097.2	-	-	27,114.5	
6	Less stable deposits	7,674.2	6,492.1	-	-	12,749.7	
7	Wholesale funding	3,758.7	14,296.6	741.0	3,012.4	7,364.6	
8	Operational deposits	-	-	-	-	-	
9	Other wholesale funding	3,758.7	14,296.6	741.0	3,012.4	7,364.6	
10	Liabilities with matching interdependent assets	-	-	-	-	-	
11	Other liabilities	-	1,402.2	-	170.8	170.8	
12	NSFR derivative liabilities	-	70.7	-	-	-	
13	All other liabilities and equity not included in the above categories	-	1,331.5	-	170.8	170.8	
14	Total ASF					54,135.9	
Required Stable Funding (RSF) Item		\$m	\$m	\$m	\$m	\$m	
15(a)	Total NSFR (HQLA)					253.0	
15(b)	ALA					567.6	
15(c)	RBNZ securities					-	
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-	
17	Performing loans and securities	2,786.1	1,995.2	1,418.2	50,833.9	40,242.9	
18	Performing loans to financial institutions secured by Level 1 HQLA	-	99.9	-	-	10.0	
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	230.4	-	1,079.3	1,308.9	
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities (PSEs), of which:	2,786.1	1,047.2	1,045.6	8,797.4	10,625.2	
21	With a risk weight of less than or equal to 35% under APS 112	138.3	181.9	191.0	1,034.1	947.5	
22	Performing residential mortgages, of which:	-	617.7	372.6	40,957.2	28,298.8	
23	With a risk weight equal to 35% under APS 112	-	330.0	188.1	35,620.3	23,526.3	
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-	
25	Assets with matching interdependent liabilities	-	-	-	-	-	
26	Other assets:	2,628.4	941.6	18.6	705.8	4,294.4	
27	Physical traded commodities, including gold	-	-	-	-	-	
28	Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties (CCPs)	-	-	-	-	-	
29	NSFR derivative assets	-	-	-	35.7	35.7	
30	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	20.0	20.0	
31	All other assets not included in the above categories	2,628.4	885.9	18.6	705.8	4,238.7	
32	Off-balance sheet items	-	-	-	12,056.8	382.8	
33	Total RSF					45,740.7	
34	Net Stable Funding Ratio (%)					118.4%	

Table 21 Net Stable Funding Ratio

		31 March 2020					
Available Stable Funding (ASF) Item		Unweighted value by residual maturity				Weighted value	
		No maturity	< 6 months	6 months < 1 yr	≥ 1yr		
		\$m	\$m	\$m	\$m	\$m	
1	Capital	5,522.0	-	-	1,312.1	6,834.1	
2	Regulatory capital	5,522.0	-	-	1,312.1	6,834.1	
3	Other capital instruments	-	-	-	-	-	
4	Retail deposits and deposits from small business customers	24,261.0	17,076.3	-	-	38,565.5	
5	Stable deposits	17,050.8	10,188.5	-	-	25,877.3	
6	Less stable deposits	7,210.2	6,887.8	-	-	12,688.2	
7	Wholesale funding	3,368.7	15,780.0	73.7	3,003.7	7,301.6	
8	Operational deposits	-	-	-	-	-	
9	Other wholesale funding	3,368.7	15,780.0	73.7	3,003.7	7,301.6	
10	Liabilities with matching interdependent assets	-	-	-	-	-	
11	Other liabilities	-	1,272.2	-	190.4	190.4	
12	NSFR derivative liabilities	-	85.1	-	-	-	
13	All other liabilities and equity not included in the above categories	-	1,187.1	-	190.4	190.4	
14	Total ASF					52,891.6	
Required Stable Funding (RSF) Item		\$m	\$m	\$m	\$m	\$m	
15(a)	Total NSFR (HQLA)					211.4	
15(b)	ALA					523.0	
15(c)	RBNZ securities					-	
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-	
17	Performing loans and securities	2,647.6	3,066.7	1,262.3	50,367.4	39,802.6	
18	Performing loans to financial institutions secured by Level 1 HQLA	-	1,105.4	-	-	110.5	
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	187.0	-	1,007.8	1,194.0	
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities (PSEs), of which:	2,647.6	1,139.6	933.9	8,531.4	10,292.7	
21	With a risk weight of less than or equal to 35% under APS 112	151.3	198.3	167.0	889.9	858.4	
22	Performing residential mortgages, of which:	-	634.7	328.4	40,828.2	28,205.4	
23	With a risk weight equal to 35% under APS 112	-	354.5	178.6	35,508.6	23,468.7	
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-	
25	Assets with matching interdependent liabilities	-	-	-	-	-	
26	Other assets:	2,668.3	972.2	16.4	615.8	4,193.0	
27	Physical traded commodities, including gold	-	-	-	-	-	
28	Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties (CCPs)	-	-	-	-	-	
29	NSFR derivative assets	-	-	-	30.4	30.4	
30	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	21.9	21.9	
31	All other assets not included in the above categories	2,668.3	919.9	16.4	615.8	4,140.7	
32	Off-balance sheet items	-	-	-	11,844.6	376.1	
33	Total RSF					45,106.1	
34	Net Stable Funding Ratio (%)					117.3%	

Appendix A – Main features of Capital Instruments

Table 2 Main Features of Capital Instruments									
Disclosure template for main features of Regulatory Capital instruments		Instrument 1	Instrument 2	Instrument 3	Instrument 4	Instrument 5	Instrument 6	Instrument 7	Instrument 8
1	Issuer	Bendigo and Adelaide Bank Limited	Bendigo and Adelaide Bank Limited	Bendigo and Adelaide Bank Limited	Bendigo and Adelaide Bank Limited	Bendigo and Adelaide Bank Limited	Bendigo and Adelaide Bank Limited	Bendigo and Adelaide Bank Limited	Bendigo and Adelaide Bank Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	BEN	BENPE	BENPF	BENPG	BENHB	AU3FN0012340	AU3FN0033668	AU3FN0046066
3	Governing law(s) of the instrument	Victoria	Victoria	Victoria	Victoria	South Australia	South Australia	Victoria	Victoria
Regulatory Treatment		Instrument 1	Instrument 2	Instrument 3	Instrument 4	Instrument 5	Instrument 6	Instrument 7	Instrument 8
4	Transitional Basel III rules	Common Equity Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Tier 2	Tier 2	Tier 2	Tier 2
5	Post-transitional Basel III rules	Common Equity Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Tier 2	Tier 2	Tier 2	Tier 2
6	Eligible at solo/group/group & solo	Solo and Group	Solo and Group	Solo and Group	Solo and Group	Solo and Group	Solo and Group	Solo and Group	Solo and Group
7	Instrument type (ordinary shares/preference shares/subordinated notes/other)	Ordinary shares	Preference shares	Preference shares	Preference shares	Subordinated notes	Subordinated notes	Subordinated notes	Subordinated notes
8	Amount recognised in Regulatory Capital (Currency in mil, as of most recent reporting date)	4,909.31	292.12	282.21	321.62	21.09	35.13	125.00	275.00
9	Par value of instrument	N/A	292.12	282.21	321.62	21.09	250.00	125.00	275.00
10	Accounting classification	Shareholders equity	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability-amortised cost	Liability - amortised cost
11	Original date of issuance	19-December-1985	10-October-2014	15-June-2015	13-December-2017	28-August-1998	15-December-2010	09-December-2016	30-November-2018
12	Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Dated	Dated	Dated
13	Original maturity date	No maturity	No maturity	No maturity	No maturity	No maturity	15-December-2020	09-December-2026	30-November-2028
14	Issuer call subject to prior supervisory approval	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	Optional Call Date : 30 November 2020, Redemption of \$100 per CPS2.	Optional Call Date: 15 June 2021, Redemption of \$100 per CPS3.	Optional Call Date: 13 June 2024, Redemption of \$100 per CPS4.	N/A	Subject to receiving prior written approval from APRA, the Issuer may elect (but will not be obliged) to redeem all of the Notes at par plus accrued interest (if any) after the Issue Date on any Interest Payment Date if a Regulatory Call Event occurs.	Subject to receiving prior written approval from APRA, the Issuer may elect (but will not be obliged) to redeem all of the Notes (subject to any earlier Conversion or Write Off (in whole or in part) following the receipt of a Non-Viability Determination) at par plus accrued interest (if any) on 9 December 2021 (the "First Call Date") and on any Business Day being an Interest Payment Date thereafter.	Subject to receiving prior written approval from APRA, the Issuer may elect (but will not be obliged) to redeem all of the Notes (subject to any earlier Conversion or Write Off (in whole or in part) following the receipt of a Non-Viability Determination) at par plus accrued interest (if any) on 30 November 2028 and on any Business Day being an Interest Payment Date thereafter.

Table 2 Main Features of Capital Instruments continued

	Regulatory Treatment	Instrument 1	Instrument 2	Instrument 3	Instrument 4	Instrument 5	Instrument 6	Instrument 7	Instrument 8
16	Subsequent call dates, if applicable	N/A	Bendigo and Adelaide Bank may also elect at its option to Exchange all or some CPS2 after a Tax Event or a Regulatory Event, and may elect at its option to Convert all CPS2 following the occurrence of an Acquisition Event.	Bendigo and Adelaide Bank may also elect at its option to Exchange all or some CPS3 after a Tax Event or a Regulatory Event, and may elect at its option to Convert all CPS3 following the occurrence of an Acquisition Event.	Bendigo and Adelaide Bank may also elect at its option to Exchange all or some CPS4 after a Tax Event or a Regulatory Event, and may elect at its option to Convert all CPS4 following the occurrence of an Acquisition Event.	N/A	N/A	Subject to receiving prior written approval from APRA, the Issuer may elect (but will not be obliged) to redeem all of the Notes (subject to any earlier Conversion or Write Off (in whole or in part) following Non-Viability Loss Absorption) at par plus accrued interest (if any) on 9 December 2021 (the "First Call Date") and on any Business Day being an Interest Payment Date thereafter.	Subject to receiving prior written approval from APRA, the Issuer may elect (but will not be obliged) to redeem all of the Notes (subject to any earlier Conversion or Write Off (in whole or in part) following the receipt of a Non-Viability Determination) at par plus accrued interest (if any) on First Call Date and on any Business Day being an Interest Payment Date thereafter.
	Coupons/Dividends	Instrument 1	Instrument 2	Instrument 3	Instrument 4	Instrument 5	Instrument 6	Instrument 7	Instrument 8
17	Fixed or floating dividend/coupon	N/A	Floating	Floating	Floating	Floating	Floating	Floating	Floating
18	Coupon rate and any related index	N/A	180 Day BBSW + 3.20% Margin	180 Day BBSW + 4.00% Margin	90 Day BBSW + 3.75% Margin	90 Day BBSW + 1.00% Margin	3 month BBSW + 4.00% Margin	3 month BBSW + 2.80% Margin	3 month BBSW + 2.45% Margin
19	Existence of a dividend stopper	Fully discretionary	Mandatory	Mandatory	Mandatory	N/A	N/A	N/A	N/A
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	N/A	No	No	No	No	No	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Nonconvertible	Convertible	Convertible	Convertible	Nonconvertible	Nonconvertible	Convertible	Convertible
24	If convertible, conversion trigger(s)	N/A	Mandatory Conversion Optional Conversion Conversion or write-down on Capital Trigger Event or a Non-Viability Trigger Event	Mandatory Conversion Optional Conversion Conversion or write-down on Capital Trigger Event or a Non-Viability Trigger Event	Mandatory Conversion Optional Conversion Conversion or write-down on Capital Trigger Event or a Non-Viability Trigger Event	N/A	N/A	Non-Viability Trigger Event: A Non-Viability Trigger Event occurs when APRA has provided a written determination (Non-Viability Determination) to the Issuer that: (i) the conversion or write-off of Relevant Capital Instruments of the Issuer is necessary because without the conversion or write-off APRA considers that the Issuer would become non-viable; or (ii) without a public sector injection of capital, or equivalent support, APRA determines that the Issuer will become non-viable.	Non-Viability Trigger Event: A Non-Viability Trigger Event occurs when APRA has provided a written determination (Non-Viability Determination) to the Issuer that: (i) the conversion or write-off of Relevant Capital Instruments of the Issuer is necessary because without the conversion or write-off APRA considers that the Issuer would become non-viable; or (ii) without a public sector injection of capital, or equivalent support, APRA determines that the Issuer will become non-viable.

Table 2 Main Features of Capital Instruments continued

	Coupons/Dividends	Instrument 1	Instrument 2	Instrument 3	Instrument 4	Instrument 5	Instrument 6	Instrument 7	Instrument 8
25	If convertible, fully or partially	N/A	May convert fully or partially	May convert fully or partially	May convert fully or partially	N/A	N/A	May convert fully or partially	May convert fully or partially
26	If convertible, conversion rate	N/A	Conversion into Ordinary Shares: Conversion is into approximately \$101.01 worth of Ordinary Shares per CPS2 based on the \$100 CPS2 Issue Price and the volume weighted average price (subject to certain adjustments and calculated in accordance with the Term).	Conversion into Ordinary Shares: Conversion is into approximately \$101.01 worth of Ordinary Shares per CPS3 based on the \$100 CPS3 Issue Price and the volume weighted average price (subject to certain adjustments and calculated in accordance with the Term).	Conversion into Ordinary Shares: Conversion is into approximately \$101.01 worth of Ordinary Shares per CPS4 based on the \$100 CPS4 Issue Price and the volume weighted average price (subject to certain adjustments and calculated in accordance with the Term).	N/A	N/A	The Conversion Number is calculated according to the following formula, subject to the Conversion Number being no greater than the Maximum Conversion Number: 1. Conversion Number for each Note = Nominal Amount / $[(1-0.01] \times \text{VWAP}]$; 2. VWAP refers to the VWAP of BEN ordinary shares over the latest period of 5 business days on which trading of BEN ordinary shares took place before (but not including) the conversion date; and 3. Nominal Amount means \$10,000. Maximum Conversion Number: Nominal Amount / $(20\% \times \text{Issue Date VWAP})$. Issue Date VWAP refers to the VWAP of BEN ordinary shares over the 20 business days on which trading of BEN ordinary shares took place before (but not including) Settlement Date of the Notes.	The Conversion Number is calculated according to the following formula, subject to the Conversion Number being no greater than the Maximum Conversion Number: 1. Conversion Number for each Note = Nominal Amount / $[(1-0.01] \times \text{VWAP}]$; 2. VWAP refers to the VWAP of BEN ordinary shares over the latest period of 5 business days on which trading of BEN ordinary shares took place before (but not including) the conversion date; and 3. Nominal Amount means \$10,000. Maximum Conversion Number: = Nominal Amount / $(20\% \times \text{Issue Date VWAP})$. Issue Date VWAP refers to the VWAP of BEN ordinary shares over the 20 business days on which trading of BEN ordinary shares took place before (but not including) Settlement Date of the Notes.
27	If convertible, mandatory or optional conversion	N/A	Mandatory	Mandatory	Mandatory	N/A	N/A	Mandatory	Mandatory
28	If convertible, specify instrument type convertible into	N/A	Ordinary Shares	Ordinary Shares	Ordinary Shares	N/A	N/A	Ordinary Shares	Ordinary Shares
29	If convertible, specify issuer of instrument it converts into	N/A	BEN	BEN	BEN	N/A	N/A	BEN	BEN
30	Write-down feature	N/A	Yes	Yes	Yes	N/A	No	Yes	Yes

