

2021 AGM – Chair and Managing Director address to Shareholders

9 November 2021

In accordance with Listing Rule 3.13.3, appended is the Chair's address and Managing Director's address to be delivered at the 2021 Bendigo and Adelaide Bank Limited (ASX:BEN) virtual Annual General Meeting today at 11am (AEST).

Approved for release by: Jacqueline Hey (Board Chair) and Marnie Baker (Managing Director)

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About Bendigo and Adelaide Bank Limited

Bendigo and Adelaide Bank is Australia's better big bank, with more than 7,000 staff helping our over 2 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.

Chair's address

Jacqueline Hey, Board Chair

Last year, I am sure I said that we were in unprecedented times having to run a virtual AGM and that I would see you next year in Bendigo.

We had reserved the Ulumbarra Theatre, but had to cancel it again, as unfortunately, we found ourselves in similar, uncertain circumstances and, as we gather together virtually - once again - for this our second consecutive, but hopefully last, fully virtual, Annual General Meeting.

Sadly, the intervening period has been anything but unprecedented, as the challenges and disruptions caused by the COVID-19 pandemic deepened for many Australians, and the Australian economy again this year.

Everyone has been affected - some much more than others - and while for a multitude of reasons many did it tougher in 2021 than in 2020, there is, I believe, a renewed sense of optimism in the air, as we quickly approach the end of this year.

As one of Australia's oldest financial institutions, we have big responsibilities, the most important of which is to do the right thing. It's something we've been focused on for the past 163 years and something we remain steadfastly committed to, each and every day. We mostly get it right and where we don't, we work hard to correct any wrongs.

Our Bank's commitment to supporting our customers has never been more important or impactful than in this last year.

The number of customers on deferral arrangements from the latest COVID-19 induced lockdowns remains relatively modest. However, we are conscious that behind every number is a person, a family or a small business so we treat each situation individually and with care and respect.

This enduring commitment of support has seen us continue to rank highly in key trust and reputation indices. Roy Morgan rates our Bank as one of Australia's top 20 most trusted brands - across all industries. Furthermore, our business banking division was considered the highest rated bank for supporting customers through COVID-19. This is important, not just to make us, or you, as our shareholders feel good, but to ensure our short, medium and long-term financial results remain strong.

Since our founding years, we have operated with a belief that the long-term sustainability of our business is much more than just the health of our balance sheet and our financial performance.

That's why this year, we were proud to introduce our annual sustainability report, which documents our ESG progress and provides transparency, measurement, and accountability to our various stakeholders. We support the required transition to net zero emissions by 2050 with aligned interim targets. We are committed to playing our part in this transition.

As outlined in our sustainability report, we've been on this journey for some time and believe we've made further significant progress in Financial Year 2021 by releasing our first sustainability report, achieving carbon neutral status, and aligning our Climate-related Financial Disclosures with the TCFD framework.

Going forward our next steps are to bring all our work together across multiple streams under a Sustainability Framework. This framework will be guided by materiality, weighing stakeholder views and business impact as we seek to build and continue on with our authentic approach to contribute to a more sustainable future for all our stakeholders.

Notwithstanding what has been another disruptive 12 months for Australia, supported by our strategy to reduce complexity, invest in capability and tell our story, our Bank has delivered strong financial, capital and customer growth outcomes.

This is well reflected in the growth in our customer numbers and market share in both lending and deposits, through to our improved productivity and speed to market, our digital acquisitions and investments and our robust balance sheet.

It's clear we have taken large strides on our journey to bolster the Bank's prospects for the future, as well as those of all our stakeholders.

Your Managing Director will elaborate more on this in her speech.

As mentioned earlier, investing in capability is a key plank of our business strategy. We know when our people are supported and performing at their best, our shareholders, customers and community benefit.

Our approach to diversity and inclusion is underpinned by our inclusive work policies and processes which aim to improve workplace participation.

One of the areas we are focused on is growing women at all levels of leadership. It never fails to amaze me that only 10 of Australia's 200 most successful ASX companies are led by women. As of June, this year, Bendigo and Adelaide Bank was the only A-S-X-200 company with both a female Chair and CEO!

In Financial Year 2021, 43 percent of leadership roles were filled by women, while 63 percent of all promoted staff were women. This is of course about improving gender equality, but it is even more about strengthening and broadening the talent pool at the Bank, so we can continue to achieve results for shareholders.

I will now briefly address some changes to your Board. Firstly, I would like to pay tribute to outgoing non-executive directors Rob Hubbard and Tony Robinson who will both retire from the Board at the conclusion of today's meeting.

Tony joined the Board in 2006, while Robert joined in 2013, and I want to thank them both for their significant contributions to our Board and Bank. Their tireless efforts and strategic input has seen our company to where it is today.

I also warmly welcome Richard Deutsch. Richard is up for election by shareholders today and his background will be covered later in the agenda.

Before I conclude my address and commence the formal proceedings of this year's AGM, I personally, and on behalf of the Board, want to express our gratitude to you, our shareholders, for your continued support and loyalty throughout this demanding year. Rest assured, it's not something we take lightly, or for granted.

After a strong Financial Year 2021 performance with cash earnings after tax increasing by over 51% and CET1 capital increasing to 9.57%, I'm pleased the Board was in a position to reward your support by declaring a total, fully franked dividend of 50 cents per share.

This once again accentuates our longstanding commitment to delivering to you - our shareholders - high yield and long-term returns.

In conclusion, I would like to thank all our people, as well as our Community Bank and other partners across the country, who have worked tirelessly throughout this year - often in extremely difficult circumstances - from their homes, our offices and our branches to directly support our more than two million customers.

Thank you and I really look forward to having the opportunity to meet with shareholders in person in Bendigo at next year's 2022 AGM.

Managing Director's address

Marnie Baker, Managing Director and Chief Executive Officer

For more than 18 months, COVID-19 has dominated almost every aspect of our lives and has tested the resilience of all Australians like never before.

In times like this, our strong and deeply embedded values come to the fore, providing a focal point to help guide our actions - both personally and professionally.

For our Bank, our values are the bedrock upon which we've built our business. This solid base has enabled us to deliver on our fundamental purpose - to feed into prosperity, not off it, to support our customers and communities through the highs and lows of the past 18 months, and to reshape the organisation in line with our bold vision to be Australia's bank of choice.

Despite the challenges we've all faced this year, I'm pleased to report our business has continued to deliver on our unique and compelling customer value proposition, delivering continued strong business performance and lasting social and economic benefits for our many stakeholders.

The Bank was well placed coming into the year and has remained so, with a well-capitalised, robust and resilient balance sheet. We continue to deliver on our growth and transformation strategy, which in turn, is making us a bigger, better and stronger organisation.

Our cash earnings after tax increased 51.5 percent from last year to just over \$457 million. We delivered total income on a cash basis of more than \$1.7 billion - up 4.5 percent on the prior corresponding period, while sustaining above system lending growth - especially in the residential home loan sector, continuing to invest for the future, and holding costs relatively flat.

Our Consumer division is into its third year of outperforming system, as our customers and partners continue to respond to the experience and services we provide them through our unique branch network, and digital and third-party delivery channels.

Continued strength in agricultural conditions supported the strong performance of the Bank's Agribusiness division, with cash earnings up 28.3 percent, while Business Banking grew market share in our target small to medium business segment during the year, resulting in customer growth of 3.5 percent.

Further to our strong financial performance over the year, the number of Australians selecting us as their bank of choice continued to increase - up 9.6 percent to over two million customers - as more and more new customers discovered the benefits of our consistent, market leading, customer experience.

Our Net Promoter Score of 27.3 points - a metric which measures the likelihood of our customers recommending our Bank to a friend or colleague - remains nearly 26 points ahead of the industry average, and almost 30 points higher than the average Net Promoter Score of the major banks.

Through our actions over many decades, we've carved out a special place as a tried and trusted customer and community focussed bank. Our unique and compelling customer value proposition combined with authentic, dependable and trusted relationships, allows us to clearly differentiate ourselves, while at the same time creating lasting customer advocacy.

This high level of trust placed in our brand by Australians is something we don't take lightly. As one of the country's top 20 most trusted brands, across all industries, we are proud to be an essential part of the local communities we live and work in, and we work hard every day to retain the trust that has been placed in us.

We also know that capability - not trust alone - is key to our customers' choice of banking providers. That's why continuing to build and uplift our capability, while at the same time modernising and transforming our business is vitally important for our future; a future we're genuinely excited to shape.

Embedding core digital capabilities to improve the experience for our customers as well as digitising and automating core processes, is a key part of our transformation roadmap. Importantly, through all

this change, our deeply human and personalised approach to banking will continue to shape the connections that matter most to our customers.

Focussing on our strategic imperatives to further reduce complexity, invest in capability and tell our story remains central to our ability to achieve our vision to be Australia's bank of choice, and drive long term sustainable value for you, our shareholders.

We recognise that in continuing to build on the momentum of the past year and to excel in the future, partnerships, collaboration and innovation remain intrinsic to everything we do.

With a strong history and proven leadership in these attributes, we understand the significant benefits and opportunities they bring to our customers, and our organisation.

To further this agenda, we actively seek out partners who are aligned with our core values and who can help us extend our reach and capability, while also assisting us to drive cultural, strategic and commercial benefits we might not be able to achieve on our own, whether this be through product providers, technology, distribution or unique partnerships with the communities we serve.

Our recent acquisition of Melbourne-based fintech company, Ferocia, underpins this commitment and will allow the Bank to further accelerate its digital strategy and shape the future of banking for a new generation of customers.

Powered by technology-led customer experience design and an internationally experienced team, the acquisition has brought outstanding digital and technical expertise to the Bank, internalised Ferocia's market leading digital capability and consolidated our ownership of Up – Australia's highest rating banking app.

Up's customer engagement is unparalleled when compared to global peers. In less than three years, it has welcomed more than 400,000 customers and \$840 million in deposits, while at the same time, helped empower a new generation of savers and secure the Bank's market leading position with this emerging, influential demographic.

As we further accelerate Up's rapid pace of innovation and growth, and expand revenue opportunities through Up, customers of our other brands will see significant benefit from Ferocia's digital innovation and experience.

This year, we continued to grow market share, customer numbers, total lending and deposits. Importantly, however, we did not achieve this at the expense of our commitment to our people, our communities or our environment, with strong results also recorded against our non-financial targets.

There is absolutely no doubt climate change is having - and will continue to have - far-reaching impacts on the quality of life and financial position of our customers, the communities in which they live, the environment that surrounds them, and the industries in which they earn a livelihood.

We understand that individuals and the natural and human designed places they call home, along with their businesses, farms and communities, will be affected in a multitude of ways. We believe it's the right thing for our organisation to play our part in addressing this global issue through action.

As Jacquie mentioned earlier, we support the required transition to net zero emissions by 2050 with aligned interim targets, and we are firmly committed to playing our part in this transition.

In line with this commitment, since we approved our Climate Change Action Plan in June 2020, we have reduced our greenhouse emissions by 59 percent, our absolute emissions by 20 percent and achieved carbon neutrality in June 2021, for emissions in financial year 2020.

We also released our first, stand-alone, sustainability report this year as well as our Climate-related Financial Disclosures aligned with the TCFD framework. As part of our ongoing commitment to strengthening communities, we will continue to work to build climate mitigation and adaption into our business and to assist our customers, and their communities to build climate resilience into their futures too.

Strongly aligned to this commitment, is the support we provide Australian communities through our unique Community Bank model, a model that has fast become one of Australia's best and most widely recognised examples of social enterprise.

On top of the \$251 million already returned to communities since the inception of the Community Bank model in 1998, more than \$21 million was provided to hundreds of local communities in financial year 2021.

This money supported more than 6,800 important local initiatives and previously unmet community needs, building infrastructure, invigorating local activity, and strengthening the long term social, and economic fabric of the places we call home.

In a difficult year for so many communities, these figures are testament to the importance and relevance of the Community Bank model. I would like to take this opportunity to acknowledge our Community Bank partners who work so hard to advocate for their local communities and who will play a vital role in the economic recovery and transition of our nation to a post-pandemic world.

Pleasingly, the depth of the economic contraction through the pandemic has not been as severe as initially expected, which has improved the forward outlook.

Generally, the years after a recession are a period of rebuilding and growth, and I'm encouraged by the recent rise in consumer and business confidence, the reopening of domestic and international borders, and the resilience demonstrated by the Australian economy in the last financial year.

With that said, the operating environment for the banking industry has its challenges, with net interest margins experiencing continued compression and the lending environment remaining highly competitive.

We continue to manage our cost base relative to revenue expectations, delivering on our commitment to further reduce our cost to income ratio and lift shareholder returns.

While I expect the housing and employment markets to continue to grow nationally in 2022 - as well as economic outperformance for regional Australia - I also expect the economic recovery will be uneven and inconsistent, as businesses reopen to different requirements, and we adapt to living with COVID-19.

I anticipate economic and market conditions will continue to provide ongoing challenges, but I look forward with optimism and firmly believe our distinctive strength of purpose, digital innovation and customer and community connection will continue to provide sustainable shareholder value, and opportunities for the Bank in financial year 2022 and beyond.

Finally, in closing, I would like to sincerely thank:

- All our customers for your advocacy and the opportunities you provide us to do business with you.
- Our more than 7,000 staff across the country, who have done a fantastic job again this year to provide our customers with the best possible experience, despite the challenges 2021 threw at them, on an almost daily basis.
- Our partners and suppliers for the support, capability and knowledge you provide our business.
- The Board for your ongoing guidance and support.
- And you, our shareholders, for providing us with your strong backing and support for our vision and multi-year growth and transformation strategy.

I look forward to continuing to work closely with our employees, customers, communities, partners and investors, to build a bank people are proud to work for, do business with, partner with, and invest in.

Thank you for your time today.