



Results Presentation

For the half year ended
31 December 2021

Bendigo and Adelaide Bank Limited ABN 11 068 049 178



**Bendigo and
Adelaide Bank**

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Overview

Marnie Baker

Managing Director

Strategy delivering value

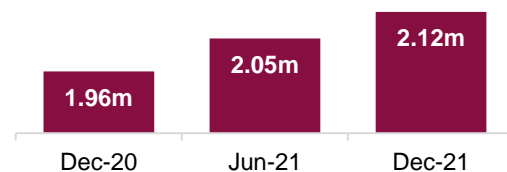
1H22 overview

- Continued lending and deposit growth
- Earnings growth across all customer divisions
- Maintained market leading customer advocacy and trust
- Transformation on track but the emphasis on execution has heightened
- Ferocia acquisition completed

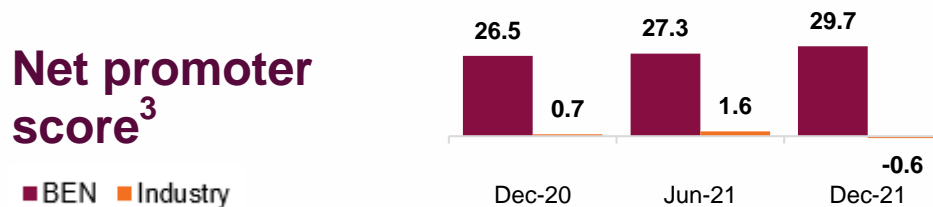
Key performance indicators

Consistently performing on key indicators

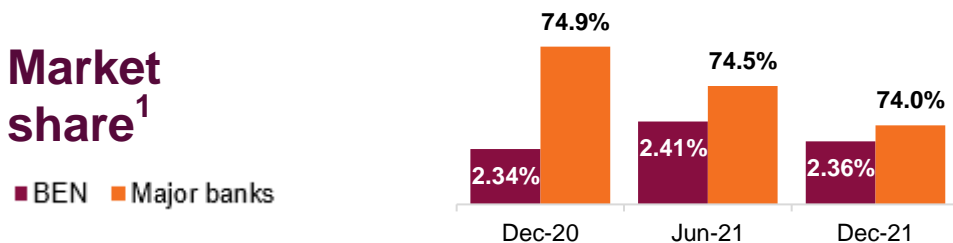
Customer numbers



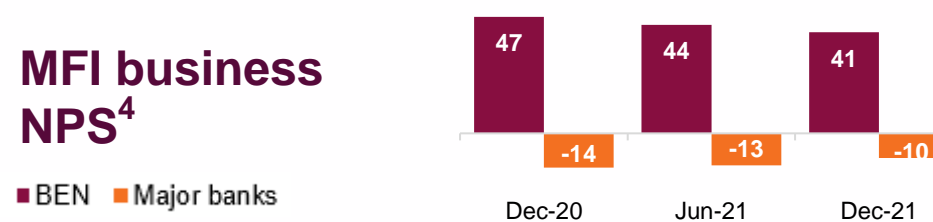
Net promoter score³



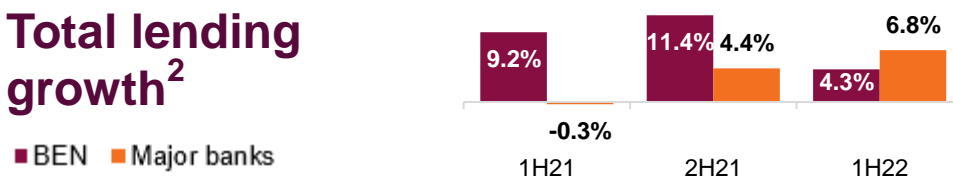
Market share¹



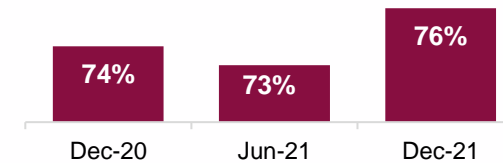
MFI business NPS⁴



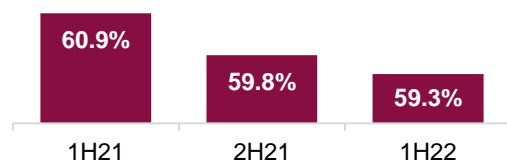
Total lending growth²



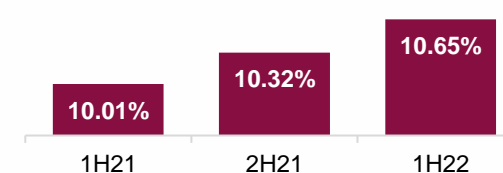
Employee Engagement Index⁵



Cost to income



Return on tangible equity (cash)



¹ APRA Monthly Banking Statistics December 2021

² APRA Monthly Banking Statistics December 2021. BEN total lending growth rate and major bank average against system

³ Roy Morgan Net Promoter Score – Roy Morgan Research, 6 month rolling averages, comparing BEN to the industry average. Industry includes: ANZ, BOM, BOQ, Bank SA, Bankwest, CBA, ING, NAB, St. George, Suncorp & WBC. Net Promoter, Net Promoter System, Net Promoter Score, NPS and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.

⁴ DBM Atlas (Business) MFI NPS – Total Business with <\$40m turnover. Figures based on 12 month rolling data

⁵ Internal measure of employee motivation, commitment, discretionary effort and pride.

Strategy driving results

1H22 financial result

	1H22 (\$m)	1H22 vs 2H21	1H22 vs 1H21
Statutory net profit	\$321.3	14.7% ↑	31.7% ↑
Cash earnings	\$260.7	9.8% ↑	18.7% ↑
Total income	\$873.4	2.3% ↑	2.9% ↑
Operating expenses	\$517.7	1.5% ↑	0.1% ↑
CTI	59.3%	(50bps) ↓	(160 bps) ↓
Earnings per share	47.0c	6.6% ↑	13.5% ↑
Interim dividend per share	26.5c	-	12.8% ↑
Return on equity	8.11%	24 bps ↑	64 bps ↑

Note: Total income, operating expenses, CTI, earnings per share and return on equity on cash basis. Total income includes Homesafe net realised income pre-tax.

Key focus areas

1. Ferocia acquisition accelerates strategy
2. Net interest margin and the rising interest rate environment
3. Transforming our business and returns
4. Capital considerations

Shaping the future of banking

Our strategy

VISION:

Australia's bank of choice

PURPOSE:

To feed into prosperity, not off it

IMPERATIVES:



Reduce complexity



Invest in capability



Tell our story



Customer Centric Operating Model

Digital by design, human when it matters



Customer Value Proposition

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



Growth & Transformation Strategy

Propelled by human, digital and community connections

For our customers, people, partners, communities and shareholders

Focus area 1: Ferocia acquisition accelerates strategy

Technology enables us to leverage our strengths

From

Customer First Bank

- Highest NPS score for listed bank in Australia¹
- Strong deposit gathering capability
- No adverse findings at Royal Commission

Innovating to meet customer needs

- First bank to introduce Mortgage Offset
- First issuer Visa Credit and Debit
- Community Bank model

Size and Scale constrained

- Customer and Geographic mix more limited
- Scale disadvantages
- Cost of Capital and ROE disadvantages

Towards

Customer First Bank



Innovating to meet customer needs

- Shift towards more digital customer offerings
- Meet customer expectations for better products
- Fewer brands and simpler products

Technology levels the playing field

- Distribution nationally focused
- Scale disadvantages diminished
- Engineering and time-to-market advantages

¹ Roy Morgan Net Promoter Score – Roy Morgan Research, 6 month rolling averages, comparing BEN to the industry average. Industry includes: ANZ, BOM, BOQ, Bank SA, Bankwest, CBA, ING, NAB, St. George, Suncorp & WBC. Net Promoter, Net Promoter System, Net Promoter Score, NPS and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc



Focus area 1: Ferocia acquisition accelerates strategy

Australia's leading digital bank

#1

Rated banking app with **NPS of 57**

2/3

of new customers are referrals, who are delivering better retention

Positive profit in 2024¹

'Up Home'

Due for launch in 2022 leveraging Tic:ToC platform

45,000

Home loan savings accounts created

\$65m

in external home loan savings identified

Favourable customer demographics and macro factors

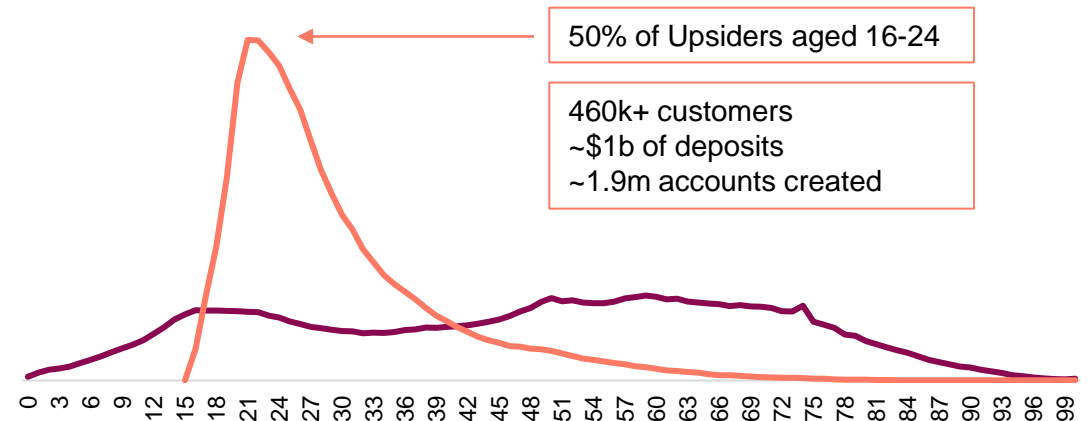
70%

of Australia's workforce in 2025 will be Gen Y & Z²

50%

of Australian retail spend will be Gen Z and Millennials by 2030 (currently account for 36%)³

Complimentary age demographic for BEN customer base



¹ Based on internal forecasts

² McCrindle

³ Afterpay Next Gen report August 2021 Chart has been sourced from Zip or Morgan Stanley initiation on Afterpay

1H22 Financials and Focus Areas 2 – 4

Travis Crouch

Chief Financial Officer

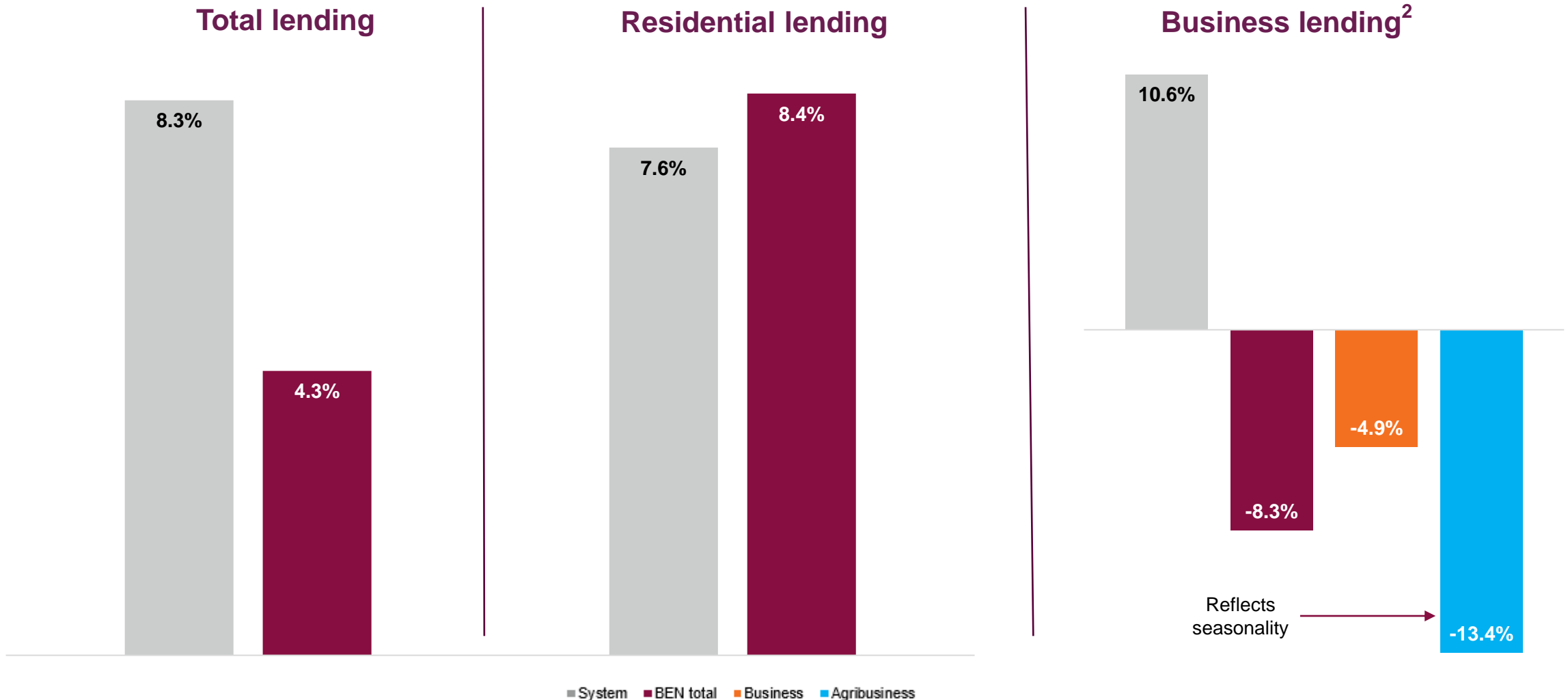
Financial performance

	1H22 (\$m)	2H21 (\$m)	1H21 (\$m)	1H22 v 2H21	1H22 v 1H21
Total income	\$873.4	\$853.5	\$849.0	2.3%	2.9%
Operating expenses	\$517.7	\$510.0	\$517.4	1.5%	0.1%
Pre-provision profit	\$355.7	\$343.5	\$331.6	3.6%	7.3%
Credit expenses	(\$17.8)	(\$1.5)	\$19.5	Large	Large
Cash earnings (after tax)	\$260.7	\$237.5	\$219.7	9.8%	18.7%
Statutory net profit (after tax)	\$321.3	\$280.1	\$243.9	14.7%	31.7%
Cash EPS	47.0c	44.1c	41.4c	6.6%	13.5%
Cash return on equity	8.11%	7.87%	7.47%	24bps	64bps
Cash return on tangible equity	10.65%	10.32%	10.01%	33bps	64bps
Cost to income	59.3%	59.8%	60.9%	(50bps)	(160bps)

Note: Total income includes Net Interest Income, Other Income & Homesafe net realised income before tax

Focus area 2: Net interest margin and the rising rate environment

Lending growth profile – 1H22 annualised¹



¹ APRA Monthly Banking Statistics December 2021. Data is an annualised growth rate based on a 6-month period (30/06/21 – 31/12/21)

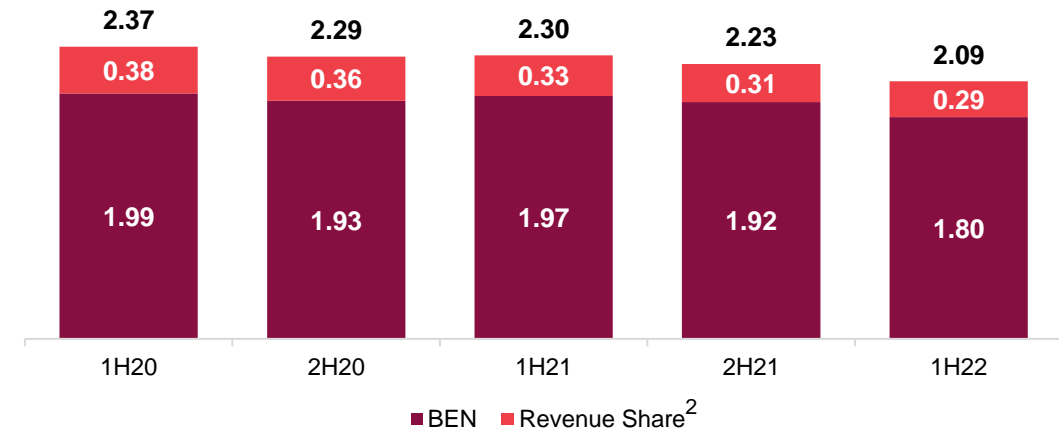
² Business lending is lending to non-financial corporations as defined by APRA

Focus area 2: Net interest margin and the rising rate environment

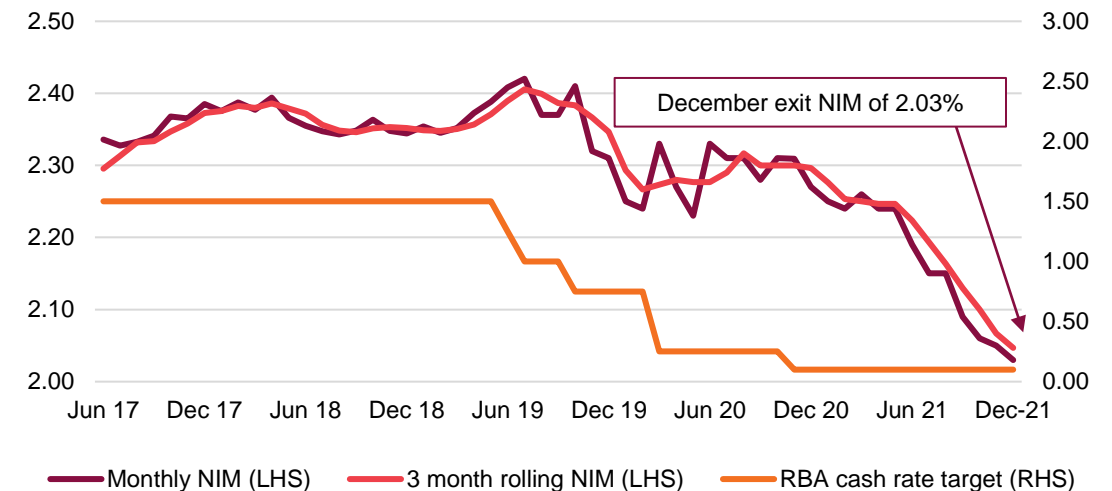
1H22 impacts

- Lending portfolio rate lower due to continued growth in fixed lending and competitive new business
- Higher average balance of liquids impacted margin by 9bps in the half, including full drawdown of TFF and holding ~\$900m in additional Net Cash Outflow overlay¹
- Customer deposit repricing and wholesale repricing both provided tailwinds to NIM during the half
- Reduction in revenue share impact reflects lower rate environment and growth in non-revenue share portfolios
- Outlook for NIM is improving due to expectation for RBA rate increase in calendar year 2022 and 2023
- Despite margin decline, net interest income improved through 1H22 due to continued portfolio growth

Historical NIM (%)



NIM monthly movement (%)

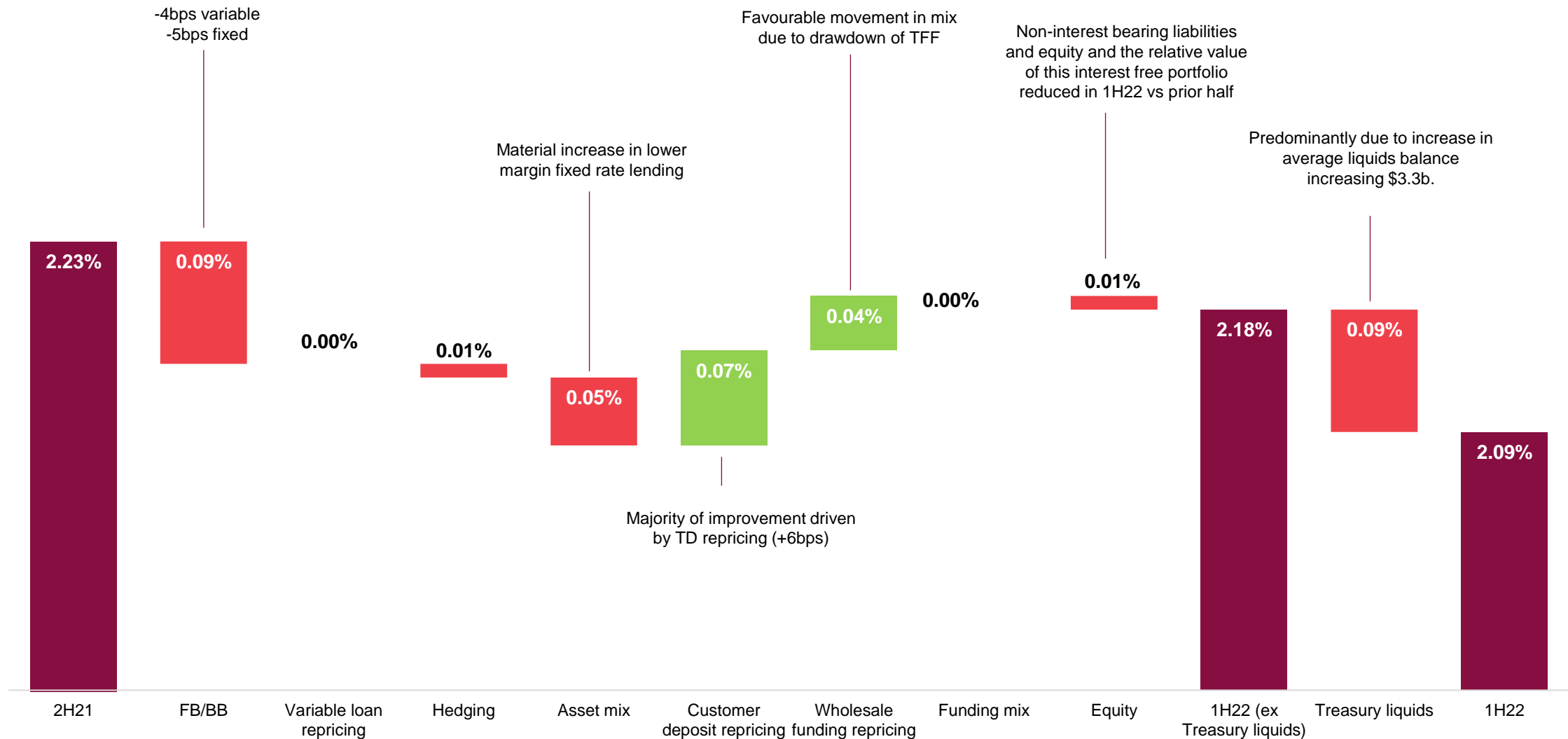


¹ Net Cash Outflow overlay as disclosed to the ASX on 21 October 2020

² Revenue share arrangements includes Community Bank, Alliance Bank and Community Sector Banking. Following integration of Community Sector Banking, it is no longer included in revenue share arrangements from March 2020

Focus area 2: Net interest margin and the rising rate environment

1H22 impacts

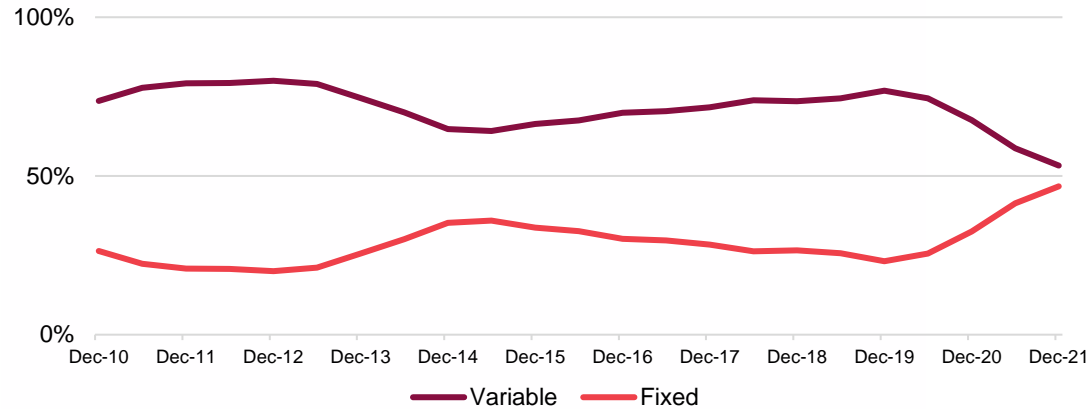


Note: TFF refers to Term Funding Facility provided by the Reserve Bank of Australia

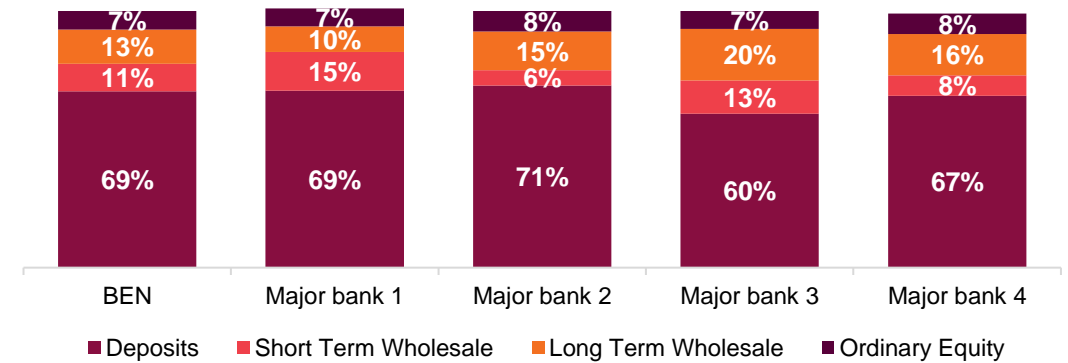
Focus area 2: Net interest margin and the rising rate environment

Medium term influences

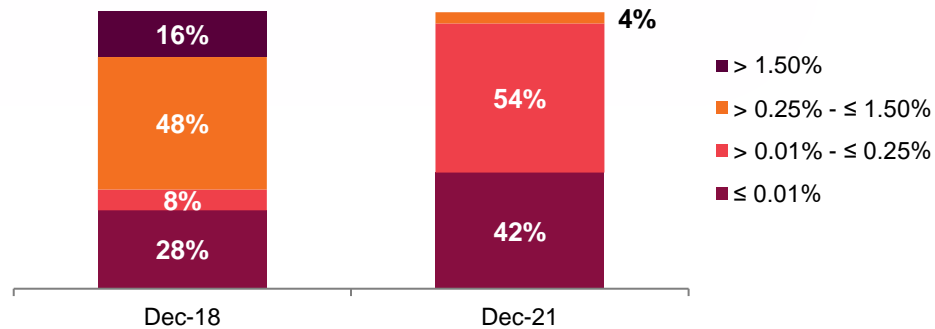
Residential lending portfolio - fixed vs variable¹



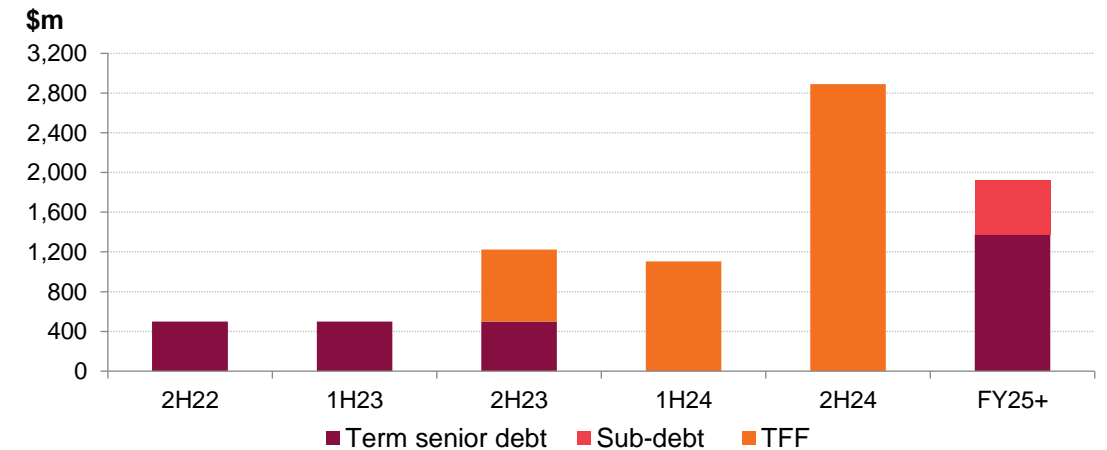
Funding mix v peers³



Customer call deposit funding costs²



Term funding maturity profile^{4,5}



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

² Customer call deposit funding costs reflects accounts excluding balances held in offset accounts

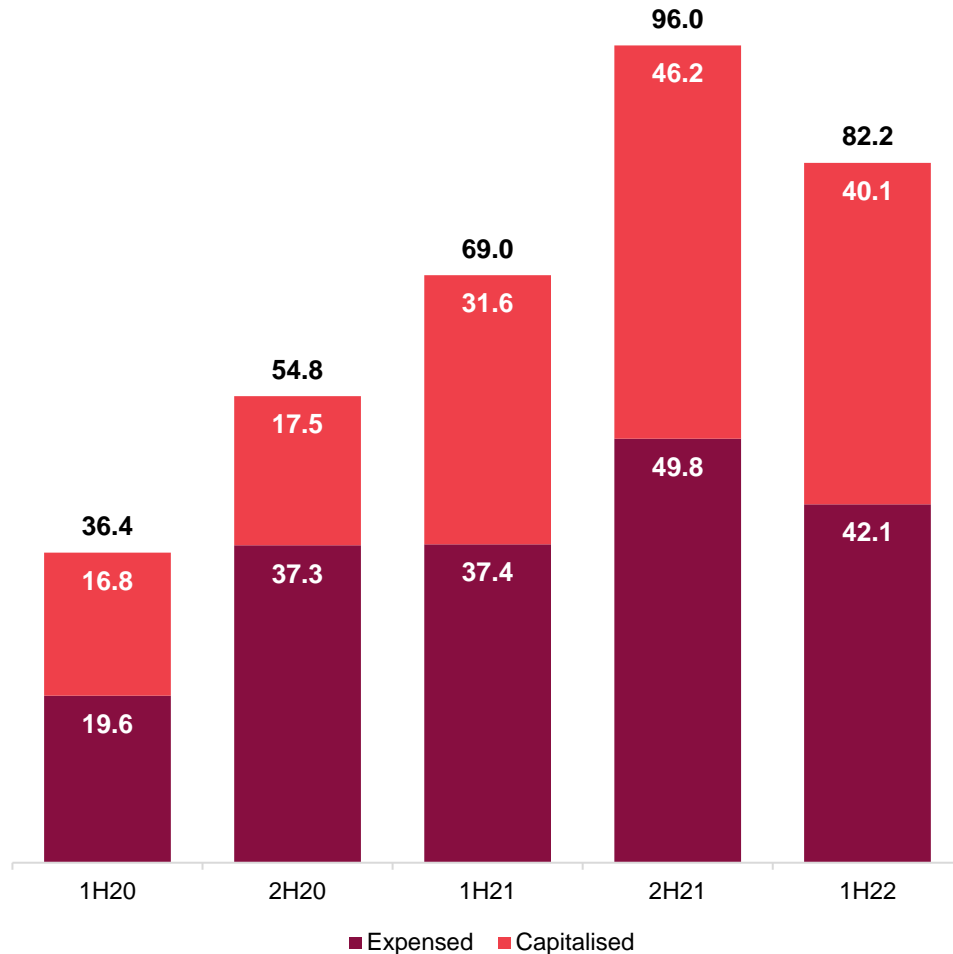
³ Short term wholesale refers to borrowings with a residual term of less than or equal to 12 months. Long term wholesale includes long term wholesale funding, securitisation, TFF and loan capital. Loan capital includes subordinated debt, converting preference shares and capital notes. Peer data sourced from Morgan Stanley

⁴ Includes treasury issued products only. TFF refers to Term Funding Facility provided by the Reserve Bank of Australia

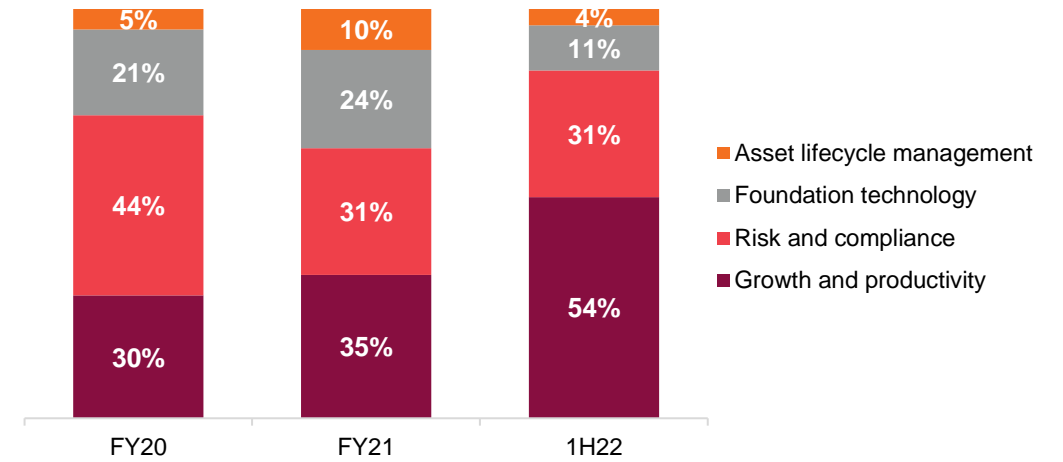
⁵ Subordinated debt maturity refers to legal final maturity date

Focus area 3: Transforming our business and returns

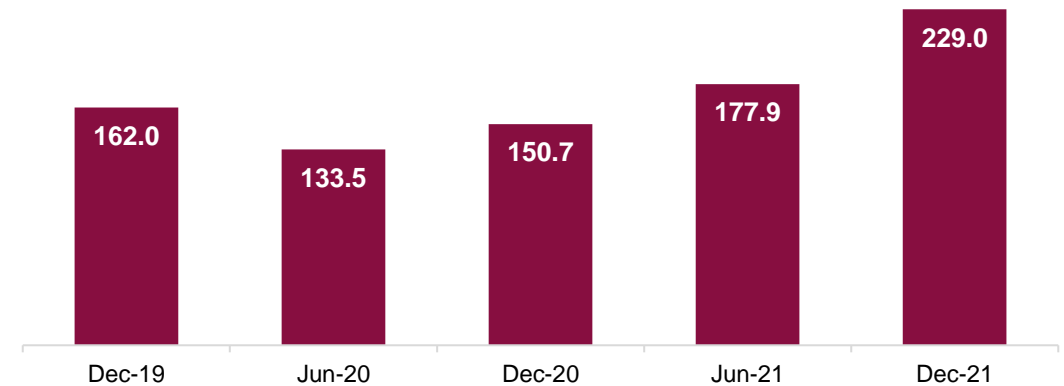
Investment spend (\$m)¹



Investment classification



Capitalised software balance (\$m)



¹ 1H22 expense portion excludes \$0.9m for the Alliance Bank restructure

Focus area 3: Transforming our business and returns

Short-term deliverables

- Delivery of Up digital home loans to market
- Delphi Bank integration - ~\$4m savings per annum
- Document and collateral management system
- Business and Agribusiness restructure
- Establishment of Chief Operating Officer role

Focus area 3: Transforming our business and returns

	FY19	1H22	FY24	
Simplification	# brands	13	10	3
	# core banking systems	8	8	1
	# IT applications	650	570	325
Modernisation	% applications in the Cloud	1%	13%	50%
	% of API re-use	0%	25%	40%
Digitisation	Median time to decision (home loans) ¹	22 days	14 days	≤1 day
	% automated credit decisioning (home loans) ²	0%	~10%	70-90%
	% active eBanking customers ³	58.3%	65.9%	90%
	% sales by digital channels	19.2%	24.7%	60%

¹ Median time to decision (home loan) relates to Third Party Banking channel. Median time to decision (unconditional) includes pending and withdrawn loans. The actual average time to "initial" (conditional) decision as published in BrokerPulse December 2021 excludes pending and withdrawn loans and Adelaide Broker average time to initial decision is currently 6 days (#3 in the market)

² Includes loans originated through BEN Express and Tic:Toc platform

³ Covering approx. 92% of the Group customer base including Bendigo Bank and Up customers. Active eBanking customers defined as customer >12yo and used eBanking in last 3 months (Bendigo Bank) and last 1 month (Up)

Focus area 3: Transforming our business and returns

FY22 and beyond

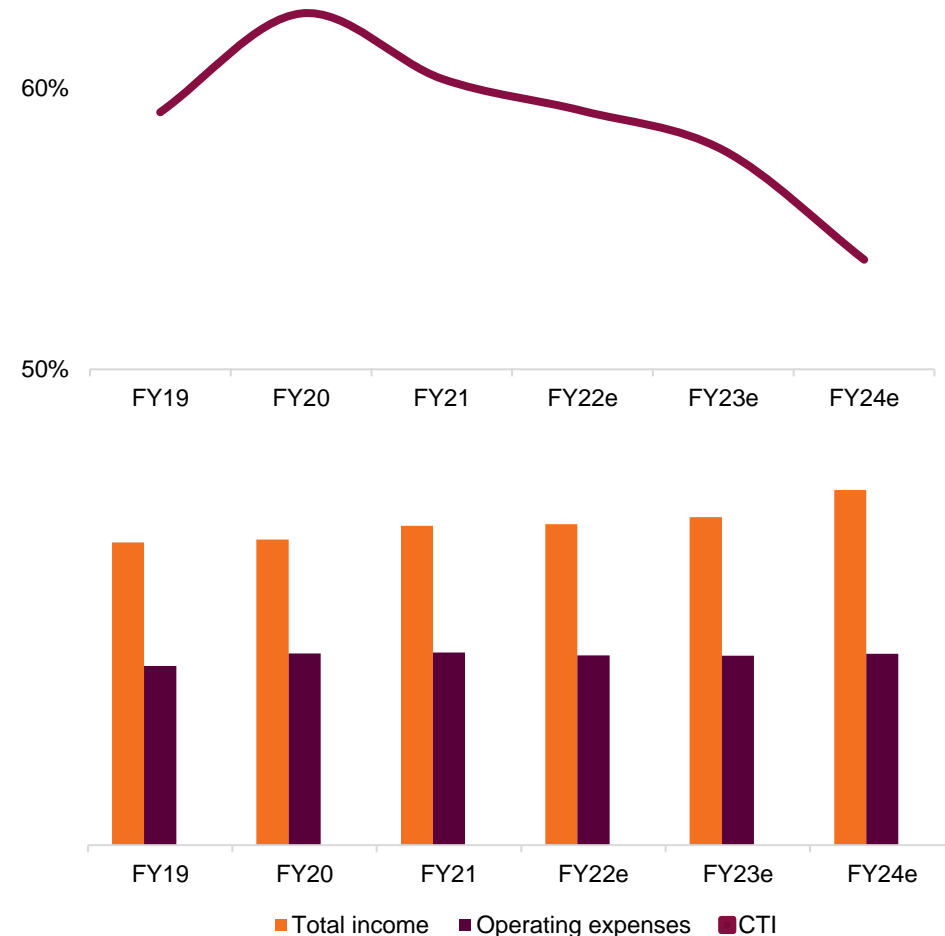
Key revenue drivers

- Above system residential lending growth
- Improving margin outlook
- Transformation initiatives
- Up/digital home loans

Key expense drivers

- Increasing intangible software amortisation, FY24 ~\$55m
- Offset by progressive benefits of transformation program and organisational restructure

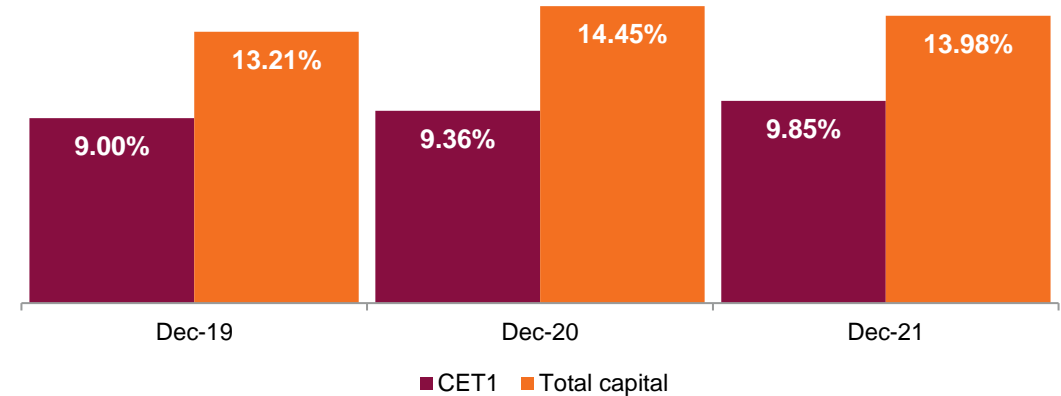
CTI: path towards 50%



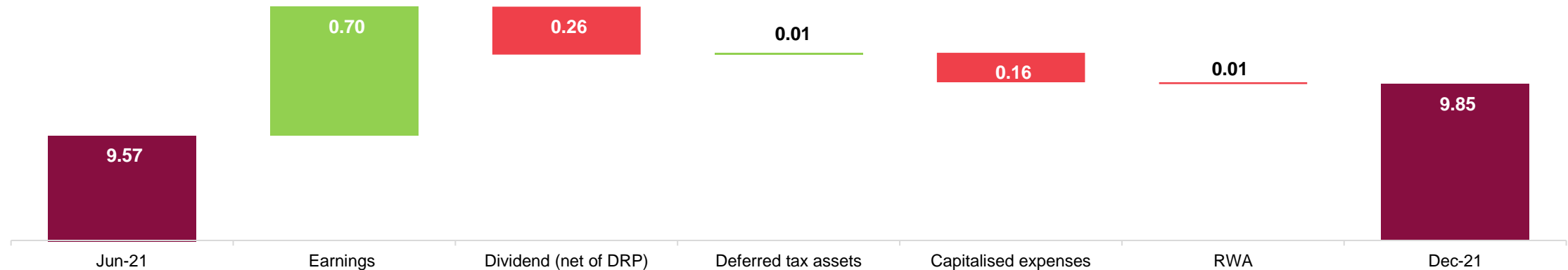
Focus area 4: Capital considerations

- Increase in earnings and DRP participation has improved CET1 by 28bps on June 2021 to 9.85%
- Fully franked interim dividend of 26.5c
- Completed a \$125m Tier 2 issuance in October 2021, to replace a \$125m redemption in December 2021
- Successfully completed a \$1.0b capital effective securitisation transaction (TORRENS 2021-2) in September 2021
- On 15 November 2021, BEN redeemed \$21m of its Floating Rate Capital Notes (ASX: BENHB)

Total capital & CET1 - historical (%)



CET1 movement - 6 months (%)¹



¹ Unrealised Homesafe revaluation revenue has been excluded from increases in retained earnings

Focus area 4: Capital considerations

New Board
target CET1 capital
range of
9.5% - 10.0%

Payout ratio target
60% – 80%
of Cash Earnings
through the cycle

- Expectations for above system residential lending growth continues
- APS 110 and 112 changes coming into effect from January 2023 – broadly neutral net outcome
- Dividends managed to target range across the year, not by half
- Consideration given to distributing franking credits and then recapturing capital via DRP. Current franking credit balance after 1H22 dividend is ~\$570m
- Expect dividend payout to be at the low end of the range while capitalised expenses are elevated within our transformation program

2H22 financial outlook

Net Interest Income	<ul style="list-style-type: none">• Residential loan growth expected to exceed system• Seasonal uplift in credit growth in Agribusiness• Continued margin pressure with headwinds expected to moderate by end of 2H22• NII decline in 2H22 with margin pressure offsetting loan growth
Other income	<ul style="list-style-type: none">• Reduction in 2H22 due to full impact of merchant services business and non-recurring benefit from one-off Cuscal shareholder payments of \$4m and reduction in other income items
Cost to Income ratio	<ul style="list-style-type: none">• Despite near-term revenue challenges, we are firmly fixed on a continued improvement in CTI
Investment spend	<ul style="list-style-type: none">• FY22 is expected to be \$170m - \$180m (FY21 \$165m) with a similar level of capitalisation to FY21
Credit expenses	<ul style="list-style-type: none">• Arrears rates remain benign• Modest credit expense expected for 2H22

Medium-term considerations

- Rising interest rates positive for our deposit-heavy funding mix
- Increasing customer shift towards younger demographic, digital banking channels for both deposits and residential mortgages with Up and Tic:Toc well placed to capitalise
- Consolidation of systems, brands and portfolio assets to provide operating and capital efficiencies
- Intensified focus on execution and performance for customers and shareholders alike

Closing comments

Marnie Baker

Managing Director

Questions

Marnie Baker – Managing Director

Travis Crouch - Chief Financial Officer

Results in Brief

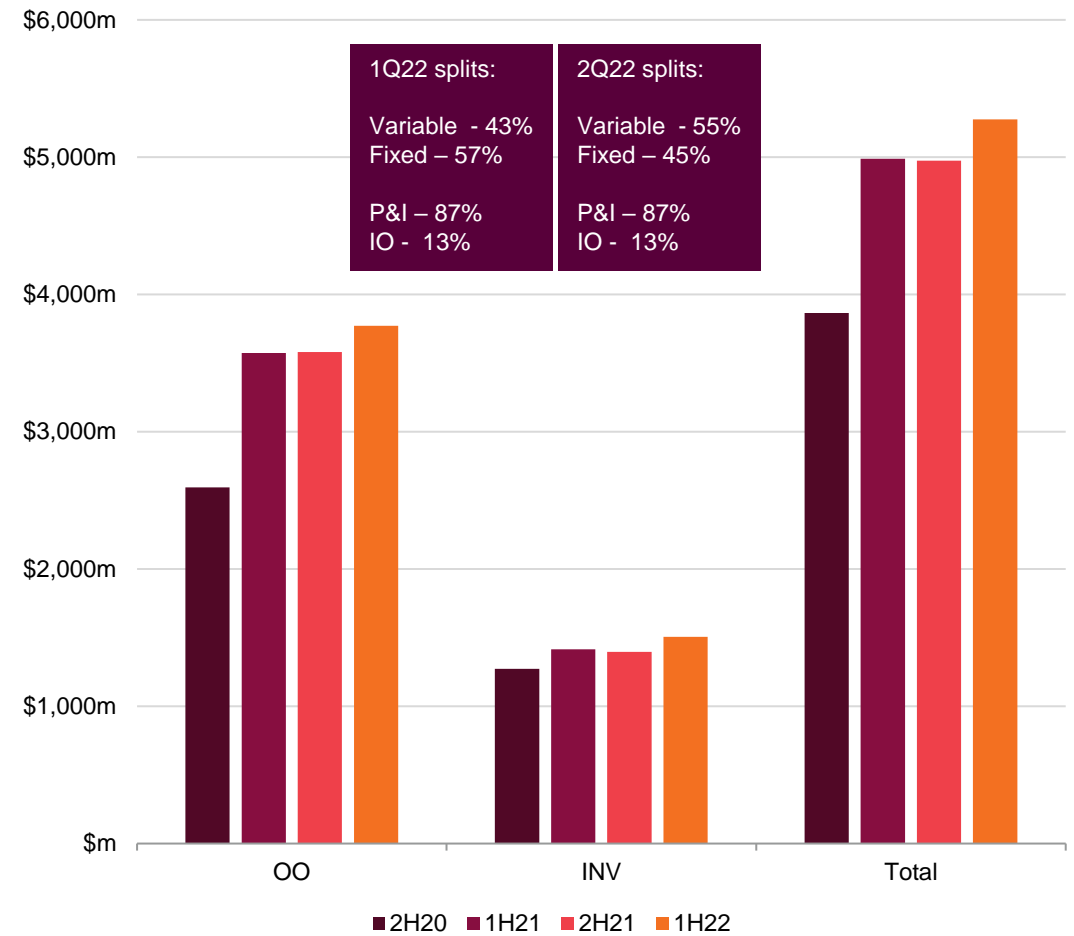
Residential lending activity

Shift to variable in 2Q22

Retail - settlements breakdown (\$m)¹



Third Party Banking – settlements breakdown (\$m)¹



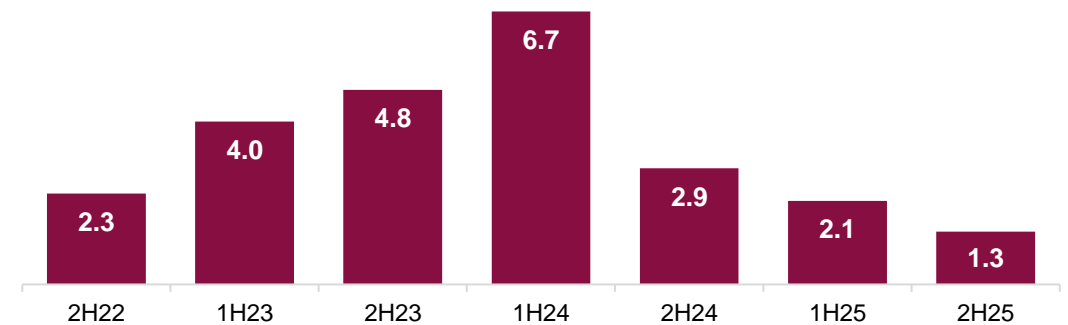
¹ Loan portfolio constructed from internal data. Excludes Delphi, Alliance Bank and Portfolio Funding.

Focus area 2: Net interest margin and the rising rate environment

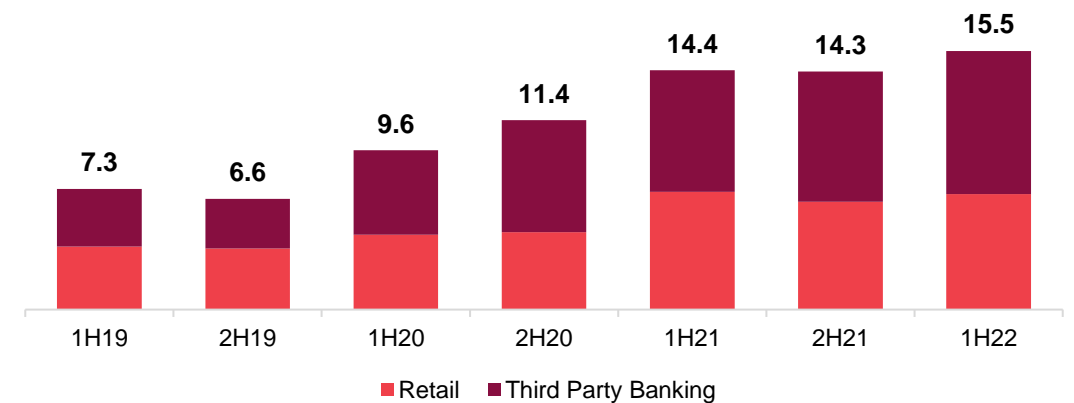
Residential lending portfolio
– fixed vs variable¹



Residential lending portfolio
– fixed rate maturities (\$b)



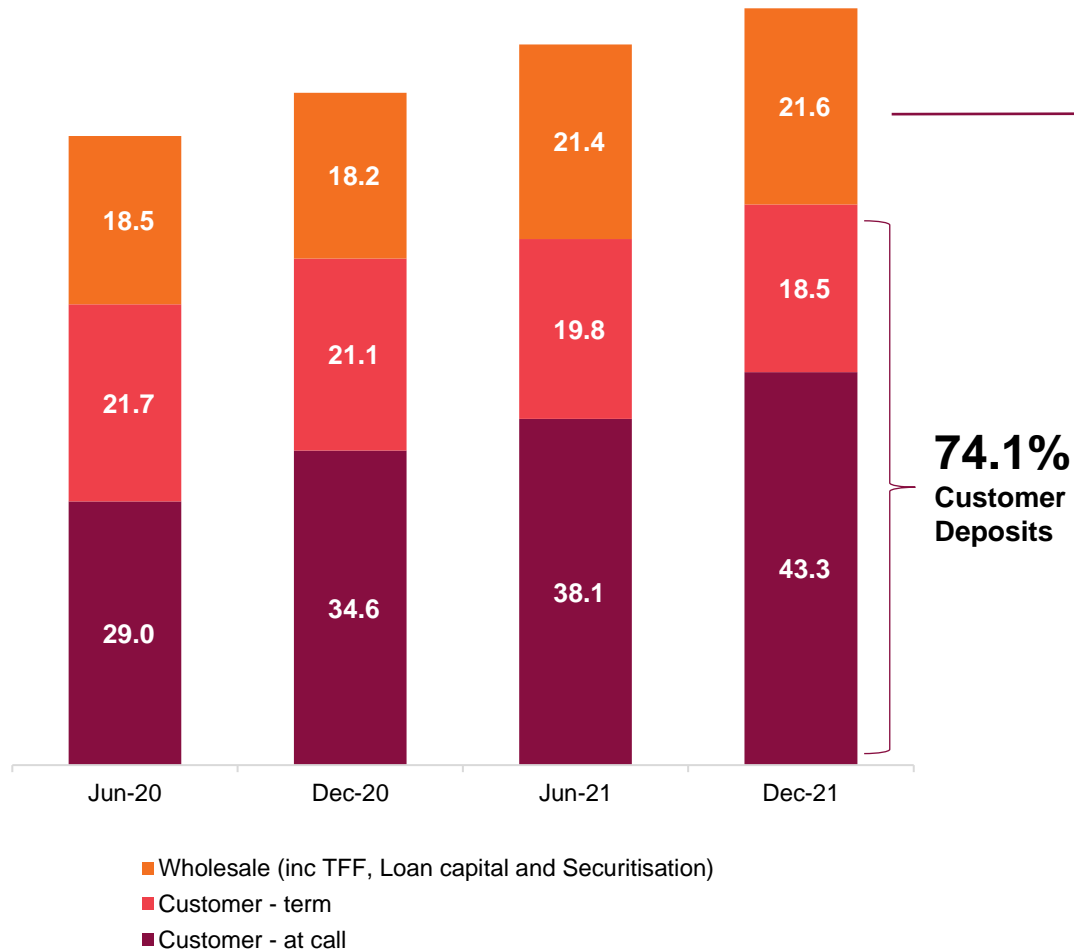
Residential lending - applications (\$b)



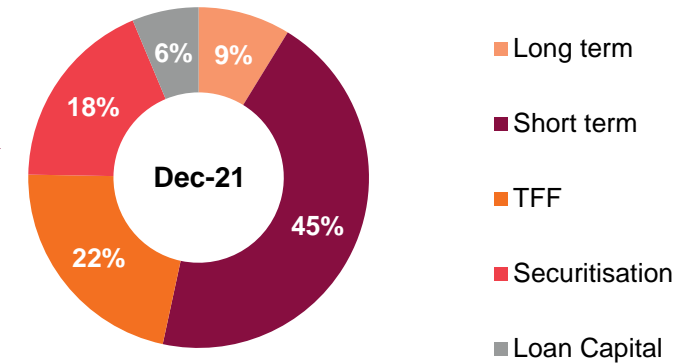
¹ Loan portfolio constructed from internal data and includes line of credit products. Excludes Delphi, Alliance Bank and Portfolio Funding

Focus area 2: Net interest margin and the rising rate environment

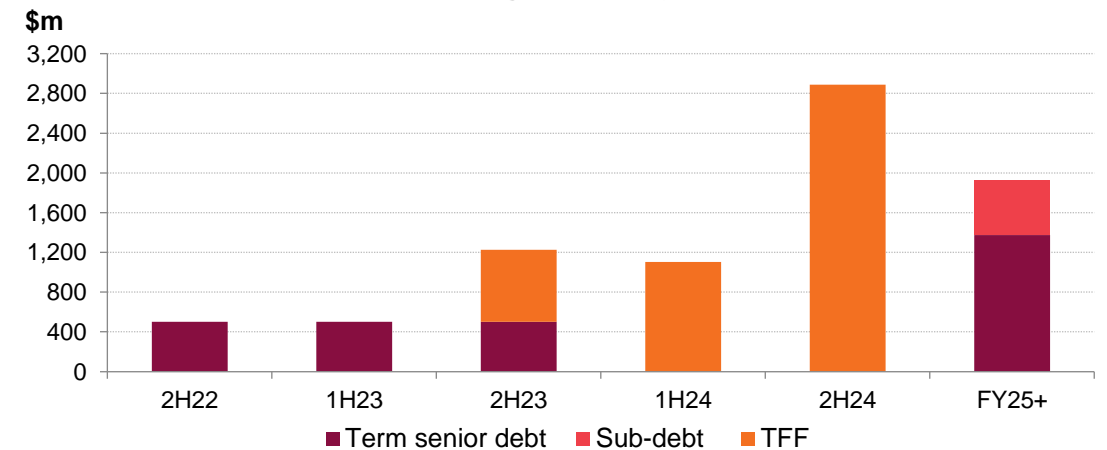
Funding profile (\$b)



Wholesale funding composition¹



Term funding maturity profile^{2,3}



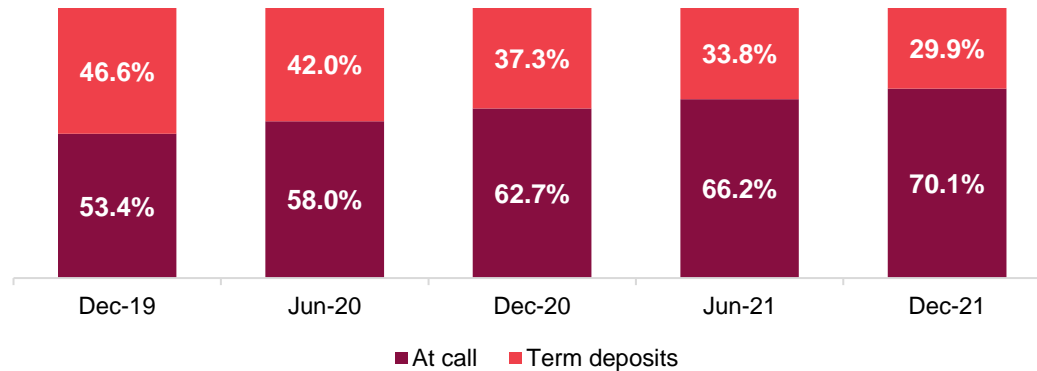
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² Includes treasury issued products only

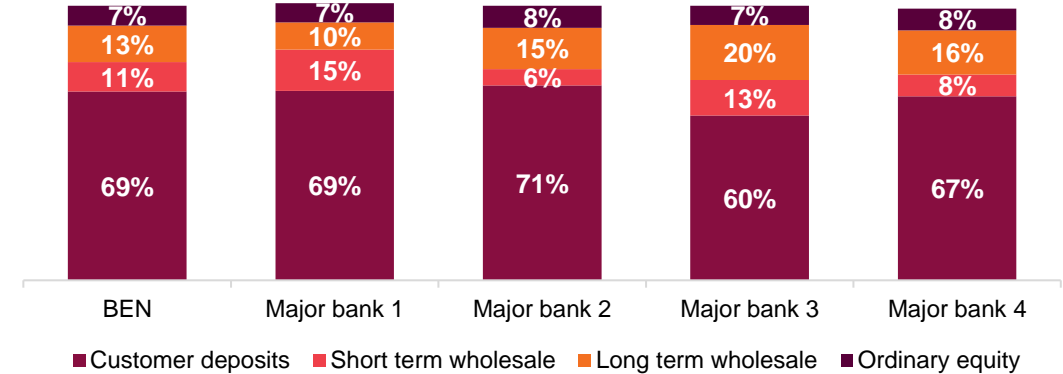
³ Subordinated debt maturity refers to legal final maturity date.

Focus area 2: Net interest margin and the rising rate environment

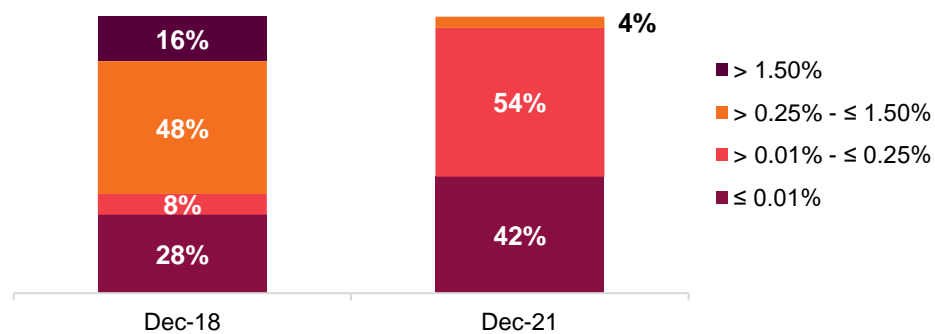
Customer deposit mix



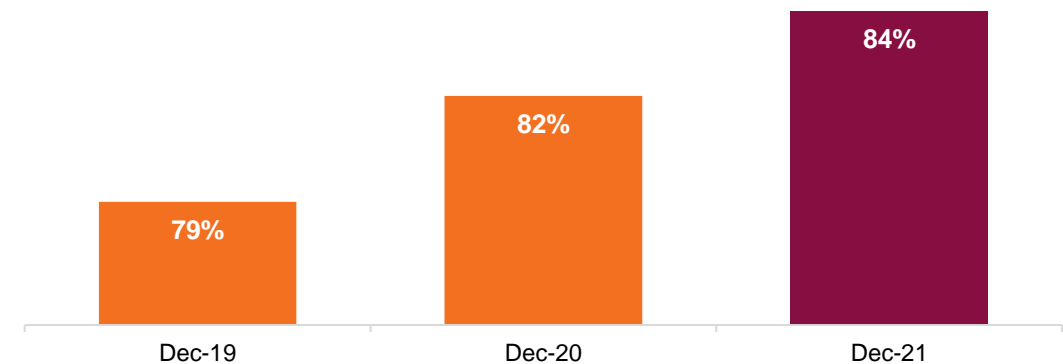
Funding mix v peers²



Customer call deposit funding costs¹



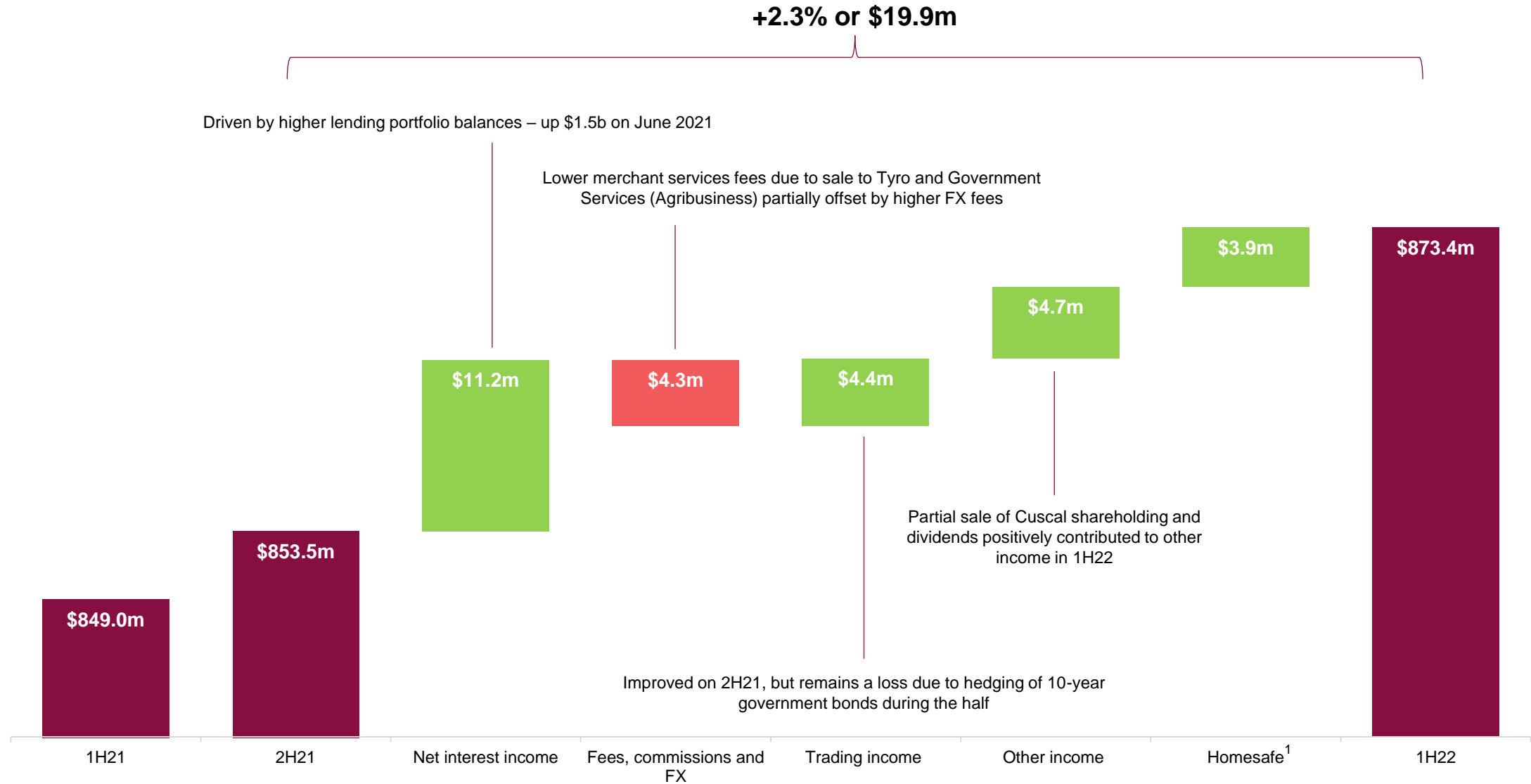
Customer deposits / loans ratio



¹ Customer call deposit funding costs reflects accounts excluding balances held in offset accounts

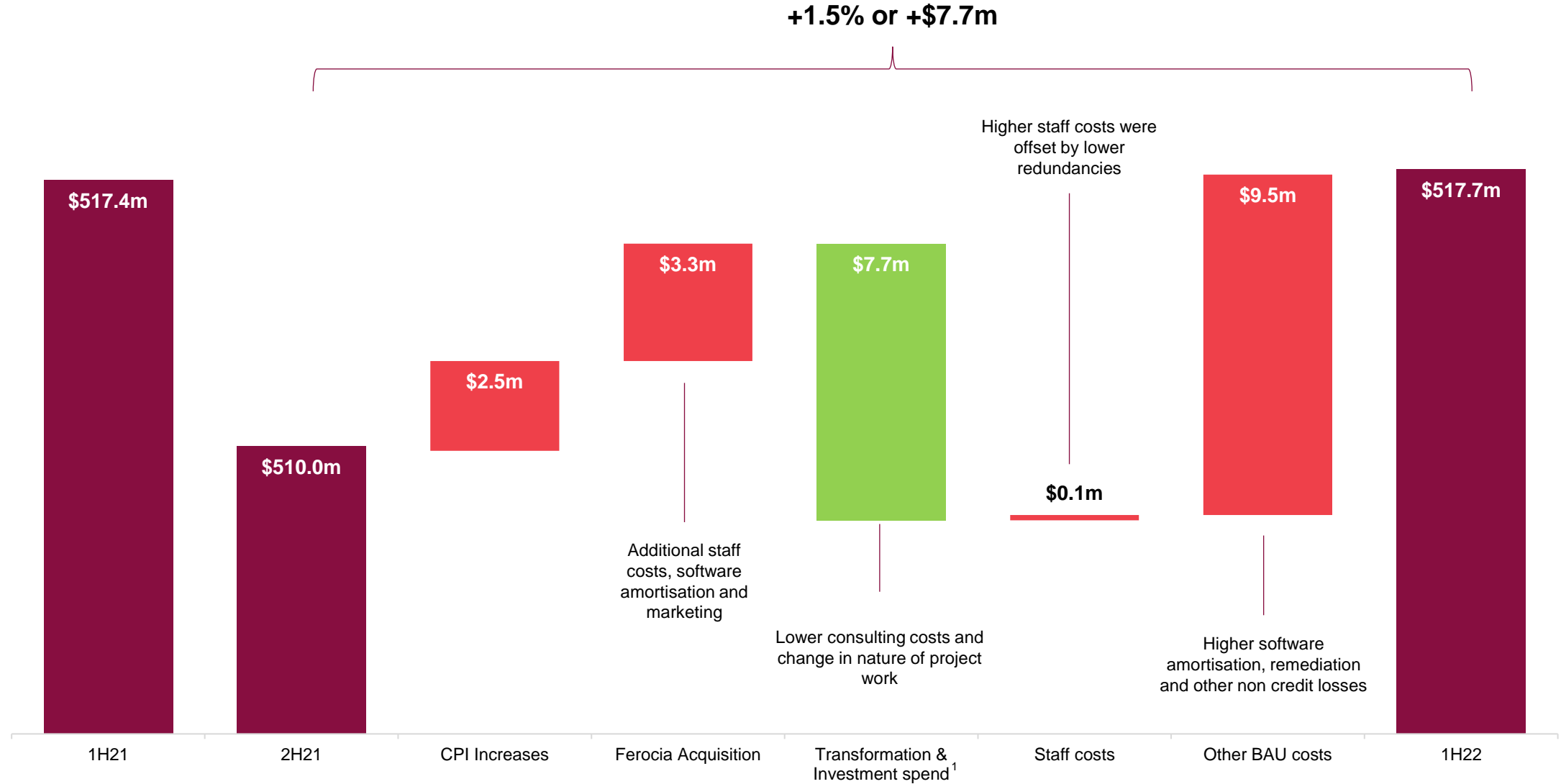
² Short term wholesale refers to borrowings with a residual term of less than or equal to 12 months. Long term wholesale includes long term wholesale funding, securitisation, TFF and loan capital. Loan capital includes subordinated debt, converting preference shares and capital notes. Peer data sourced from Morgan Stanley

Total income



Note: Other income breakdown is prepared on a cash basis and excludes Homesafe revaluation (\$105.6m).
¹ Homesafe net realised income before tax

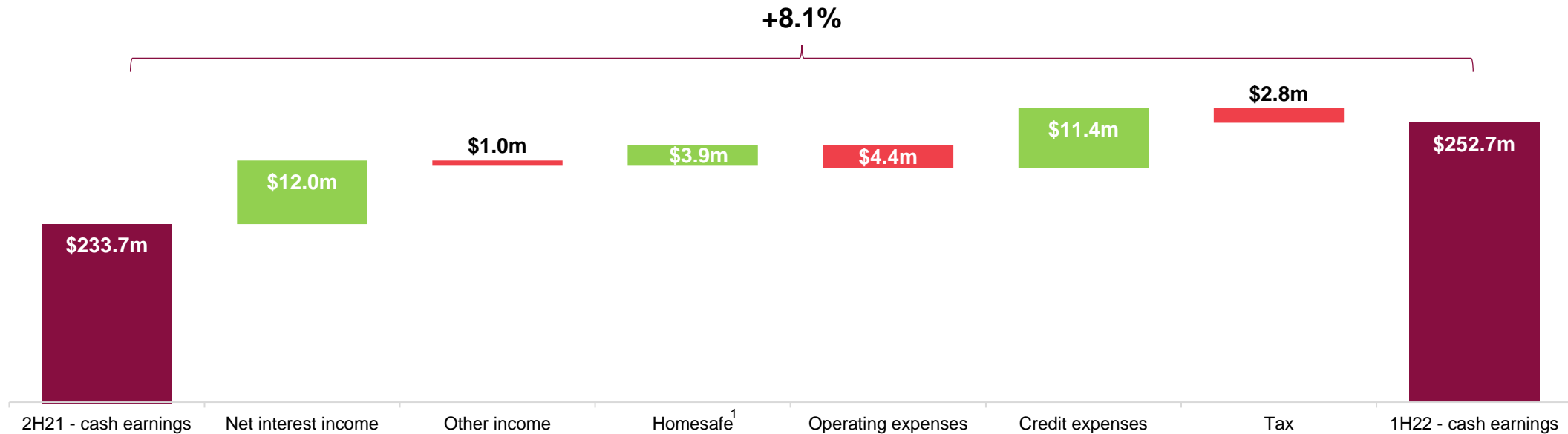
Operating expenses



¹ Transformation costs comprise staff and related costs (1H22 \$27.0m and 2H21 \$20.4m) and other operating expenses (1H22 \$15.1m and 2H21 \$29.4m)

Consumer division performance

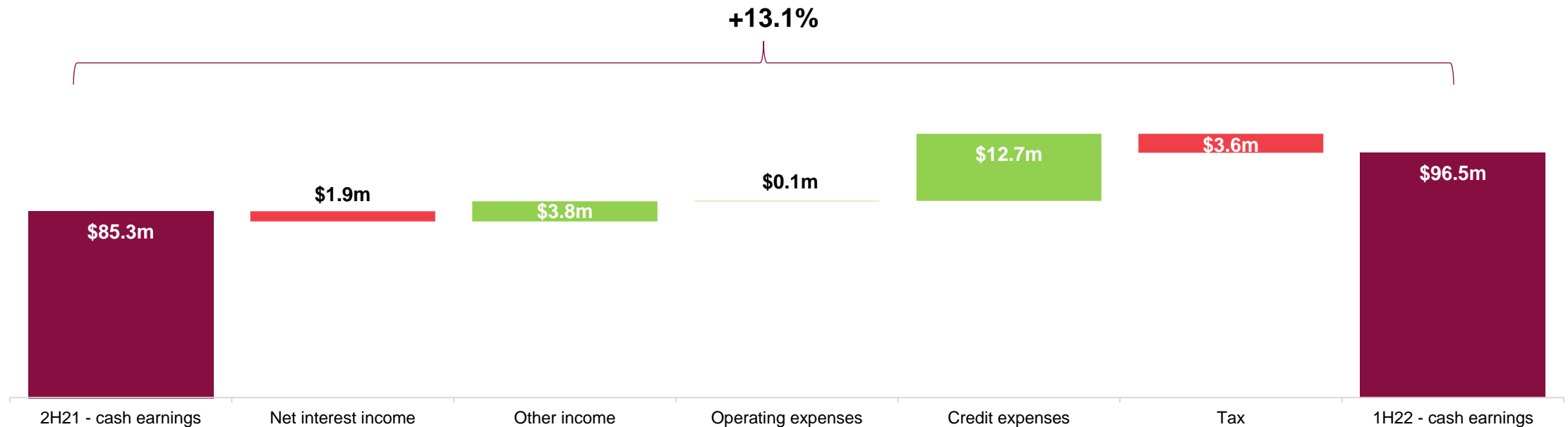
- Net interest income increase driven by continued strong growth in both Retail and Third Party Banking channels, partially offset by margin pressure due to an increase in lower margin fixed rate lending
- Strong growth in low cost retail deposits continues, up \$3.2b
- Other income decreased due to lower merchant services fees (sale to Tyro) partially offset by increased lending activity fees
- Increase in operating expenses with higher remediation, intangible amortisation and staff costs as a result of the Ferocia acquisition
- Credit expenses benefited from the partial release of the collective provision and a lower level of specific charges in the Retail channel



¹ Homesafe net realised income before tax

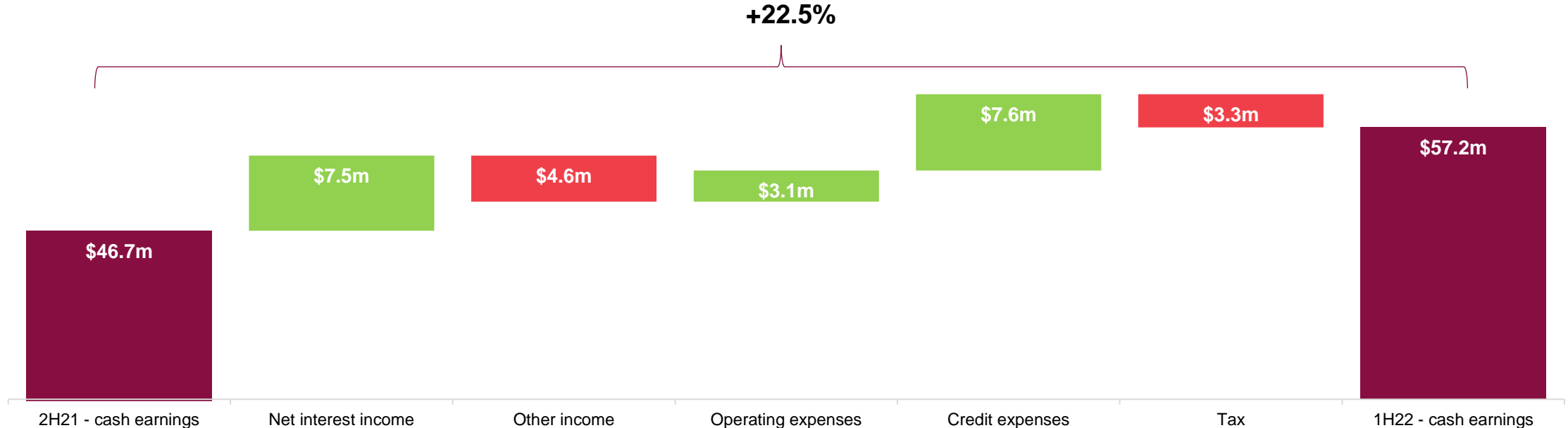
Business division performance

- Lower net interest income reflects a decline in deposit margin and in the lending portfolio from a reduction in assets under management and commercial loans under Delphi
- Newly created commercial broking business has had strong positive growth in 1H22
- Other income increase reflects higher foreign exchange income with the easing of COVID restrictions
- Flat operating expenses reflects lower staff (redundancies) and advertising costs
- Credit expenses benefited from lower specific and collective provision charges in addition to bad debt recoveries
- Quality of the balance sheet continues to improve with the exiting of long-term non-performing loans



Agribusiness division performance

- Net interest income growth primarily driven by realising deferred interest on finalised longstanding asset management loans
- Strong seasonal conditions resulted in higher paydown of loans in 1H22
- Other income decrease due to lower revenue from Government services business with the finalisation of interest free government grants under the program
- Lower operating expenses due to reduced staff levels in government services business to match decline in activity
- Credit expenses remain historically low, reflecting rising farmland values and strong commodity prices and reversal of collective provisions



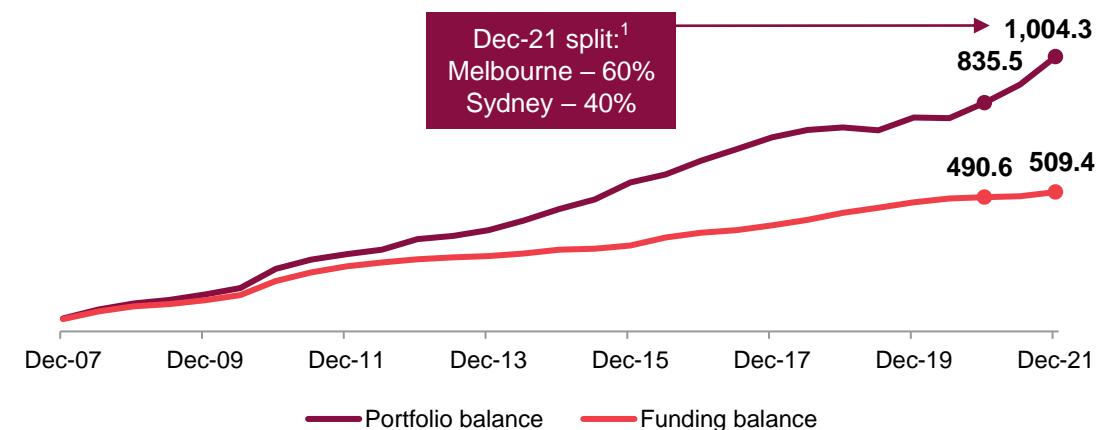
Homesafe investment property portfolio

- Strength in property prices, as well as higher completions in the portfolio, drove largest net realised income half on record
- Proceeds on contracts completed during 1H22 exceeded carrying value by \$5.1m
- Average annual return on completed contracts since inception is 9.8% p.a, pre funding costs
- Portfolio valuation growth assumptions remain +3% year 1, +3% year 2 and +4% year 3+
- Property values would need to fall by 49% before any impact on regulatory capital
- Continue to actively engage with interested parties

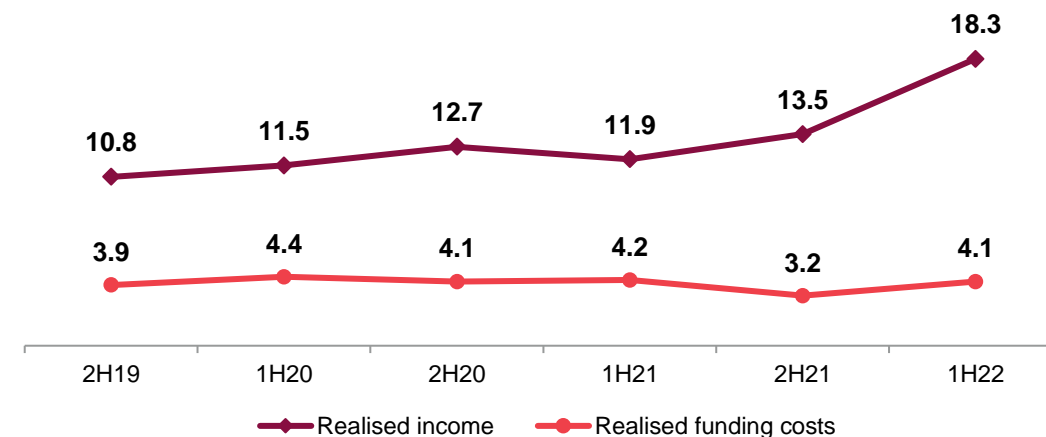
	1H22 (\$m)	2H21 (\$m)	1H21 (\$m)
Discount unwind	\$13.1	\$11.7	\$12.3
Profit on sale	\$4.9	\$3.5	\$1.7
Property revaluations	\$87.6	\$60.9	\$47.6
Total	\$105.6	\$76.1	\$61.6

¹ % split of portfolio calculated on total portfolio balance

Homesafe portfolio & funding balance (\$m)



Realised - income vs funding costs (\$m)

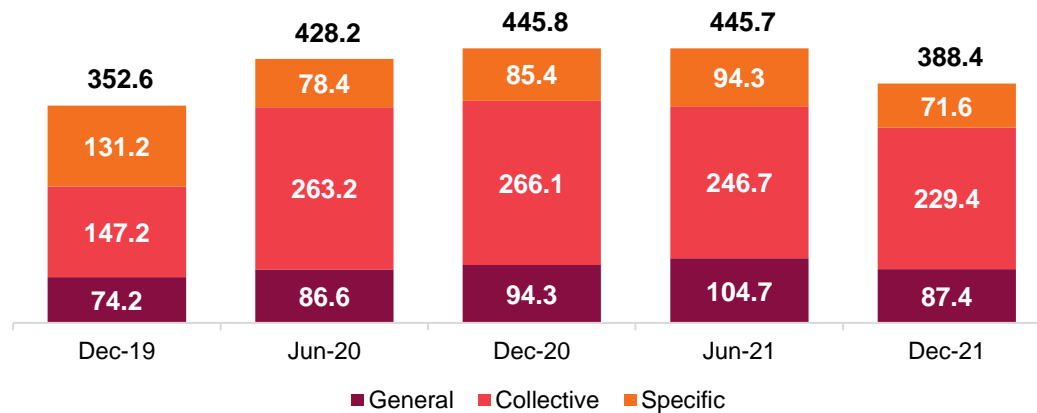


Credit expenses

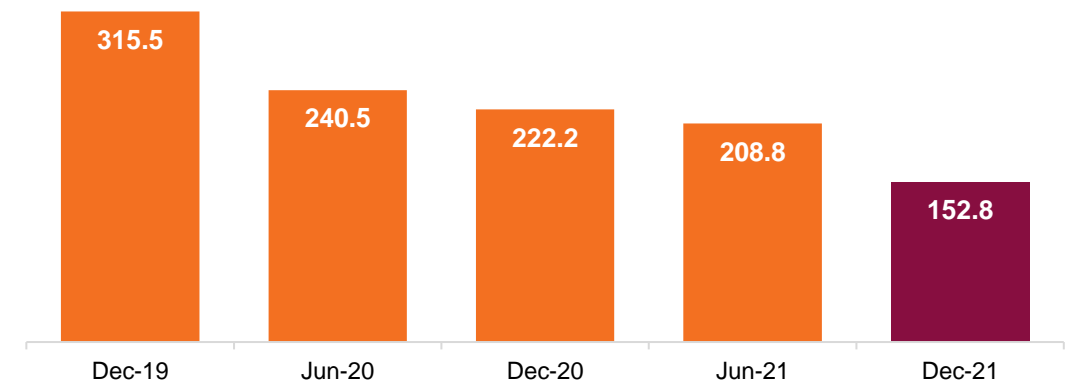
- 1H22 credit expense represents -5bps of total gross loans
- Total impaired assets continues to reduce, down ~27% from June 2021 as longstanding asset management loans are resolved
- Collective provision continues to be reviewed on a regular basis, resulting in a further reduction of \$17.3m

	1H22 (\$m)	2H21 (\$m)	1H21 (\$m)	2H20 (\$m)
Consumer division	(\$5.4)	\$5.9	\$2.4	(\$3.5)
Business division	\$0.9	\$13.6	\$4.1	\$17.3
Agribusiness division	(\$6.1)	\$1.6	\$5.9	\$2.8
Corporate (includes COVID-19 overlay)	(\$7.2)	(\$22.6)	\$7.1	\$128.7
Total	(\$17.8)	(\$1.5)	\$19.5	\$145.3

Provisions for credit expenses (\$m)

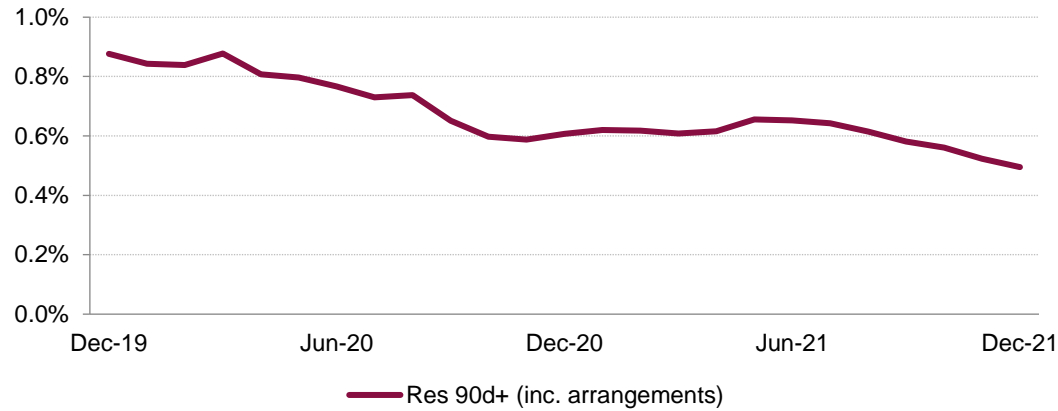


Gross impaired loans (\$m)

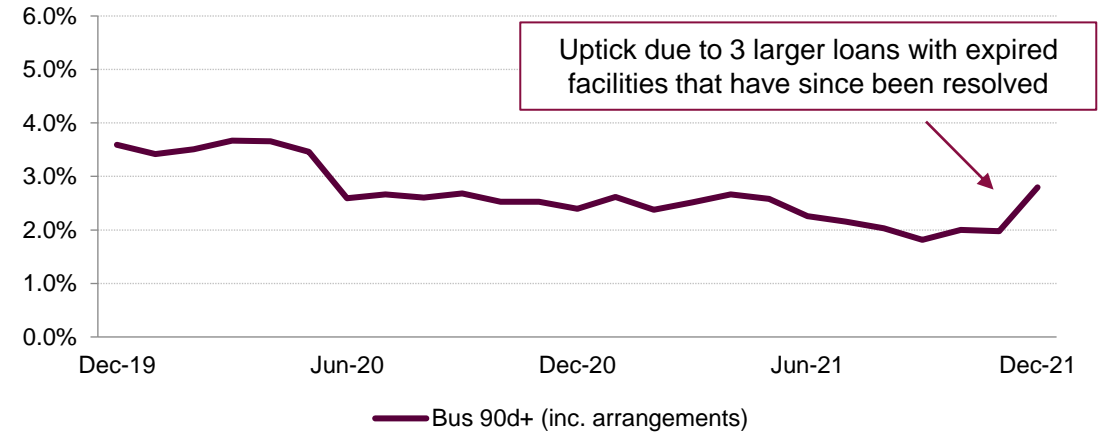


Arrears

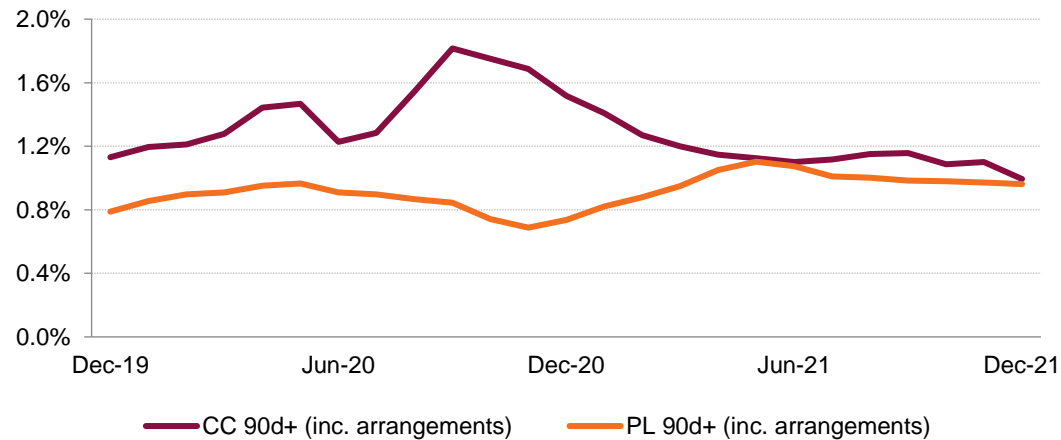
Residential loan arrears



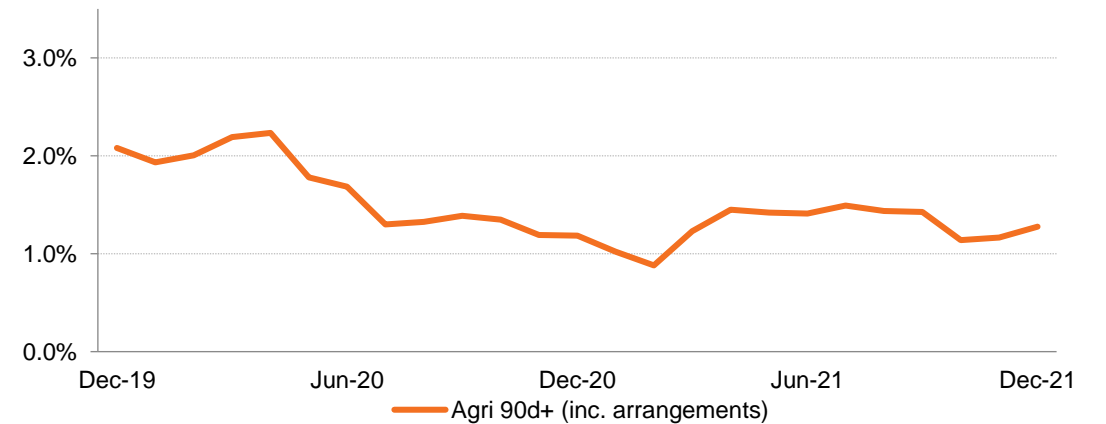
Business loan arrears



Consumer loan arrears¹



Agribusiness loan arrears



Note: Arrears include impaired assets and all arrangements

¹ Consumer loan arrears reflects credit card portfolio and personal loan portfolio

Appendix

Driving long term, sustainable ESG outcomes for stakeholders

1H22 outcomes

Environmental

- Installation of 200kW solar system on the Bendigo Centre
- Climate related risk and opportunities identification process completed
- Roll out of climate action training for BEN workforce
- BEN backed Mullion Group announced as Gravity Challenge winner to develop practical climate management tools to assist Australian farmers

Social

- Release of free Up features like Pay Day and Spendable Balance that help Upsiders build financial knowledge and wellbeing
- Development of Social Impact Framework to define BEN social impact focus areas
- Development of Community Impact Platform digital solution to track and measure impact of community investment
- Development of Reconciliation Action Plan
- BEN recognised as an Inclusive Employer by Diversity Council of Australia

Governance

- Release of first Sustainability Report and Task Force on Climate-related Financial Disclosures reporting
- Development of Supplier Code of Conduct sharing BEN ESG expectations for suppliers
- Development of Social Procurement Strategy to increase supplier diversity and social impact outcomes

The Community Bank model

'Profit with purpose' model

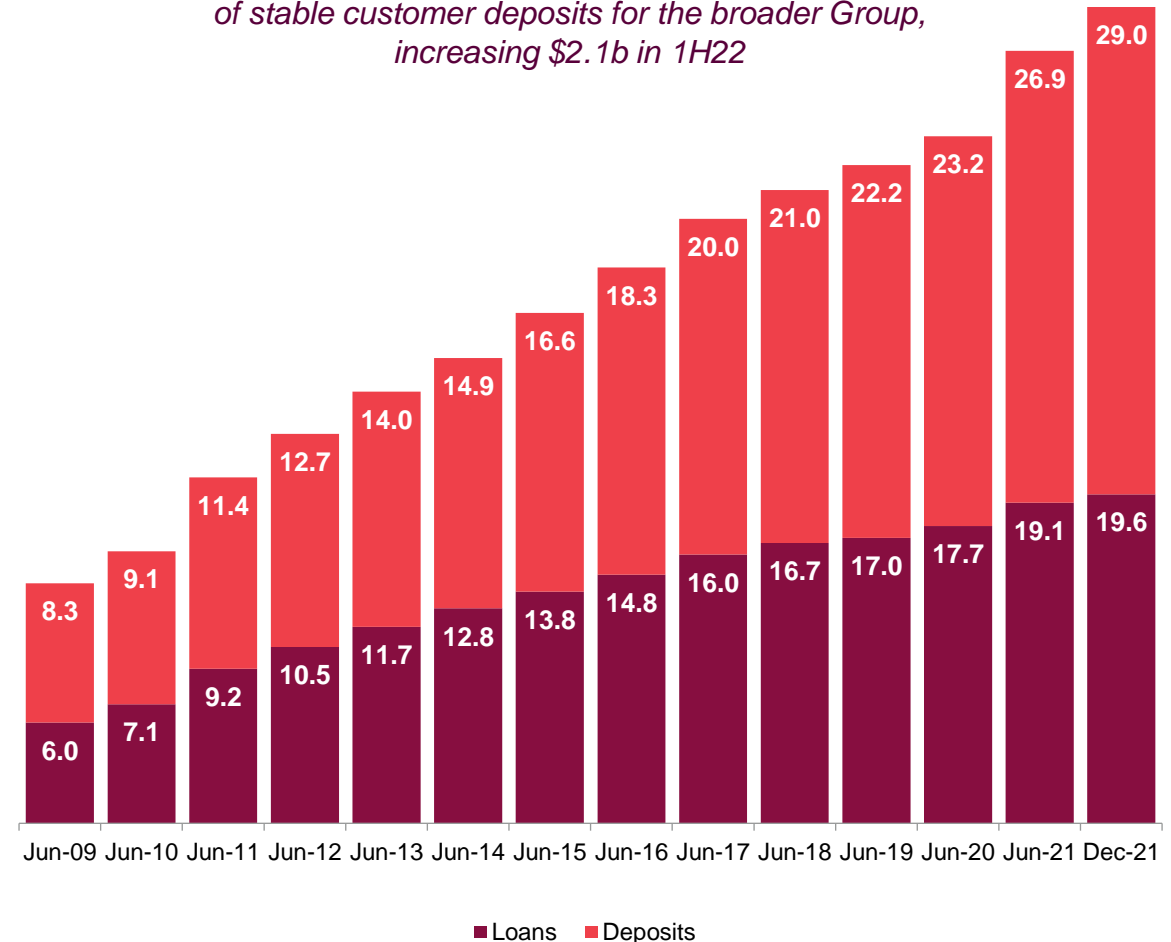
- Over \$272m in community contributions¹ since inception, enabling tangible economic and social benefits for the communities and our business
- 317 Community Bank branches across Australia
- Deep engagement across communities with 74,000+ Community Bank shareholders and 1,700+ directors
- More than 905,000 local customers and organisations choose to bank with a Community Bank and ~1,500 people directly employed
- Investments have supported critical local sporting, education, health, arts and cultural initiatives - plus significant matched funding leveraged for local infrastructure initiatives
- Proven, reliable and locally owned distribution strategy
- One of the largest social enterprise movements globally

¹ Includes total sponsorships, donations and grants

² Community Bank footings include Private Franchises (4 branches in total)

Community Bank footings (\$b)²

Community Bank branches are a significant source of stable customer deposits for the broader Group, increasing \$2.1b in 1H22



tic:toc Leading Australia's digital home loan growth

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

Bendigo and Adelaide Bank has a 27.2% shareholding¹

Market leading customer experiences

- 4.9/5 Google rating
- 4.7/5 TrustPilot star rating

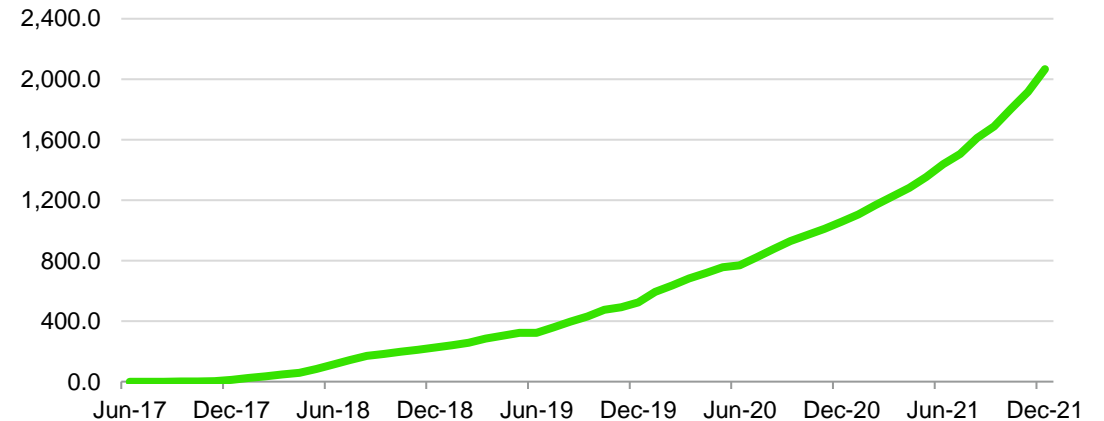
Strong financial and risk performance

- 96% increase in home loan approvals on prior year half (53% increase on prior half)
- 111% increase in home loans settlements on prior year (59% increase on prior half)
- 90d+ arrears rate remains well below industry average (0bps)
- Lower cost of acquisition to the Bank via Tic:Toc Home Loans, Bendigo Express
- Powering new digital product, Up Home, due to launch in 2022

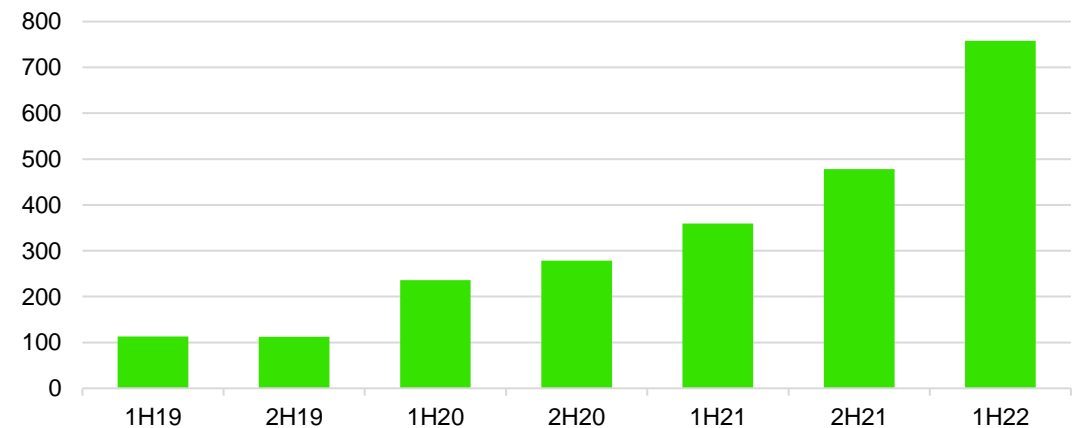
Proprietary technology

- Machine guided decisioning enables Tic:Toc assessors to be 8x more efficient than traditional lending processes
- Platform automation levels enable loan fulfillment with as little as 10 mins of human effort, with the record loan approval <6 minutes of human effort
- Tic:Toc's platform is configured and licensed for two major industry partners, and 13 SaaS customers.

Tic:Toc – portfolio balance (\$m)



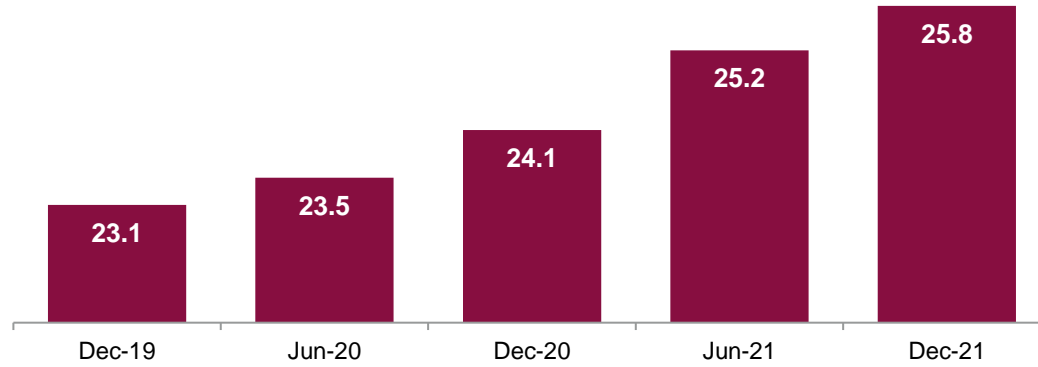
Tic:Toc - settlements (\$m)



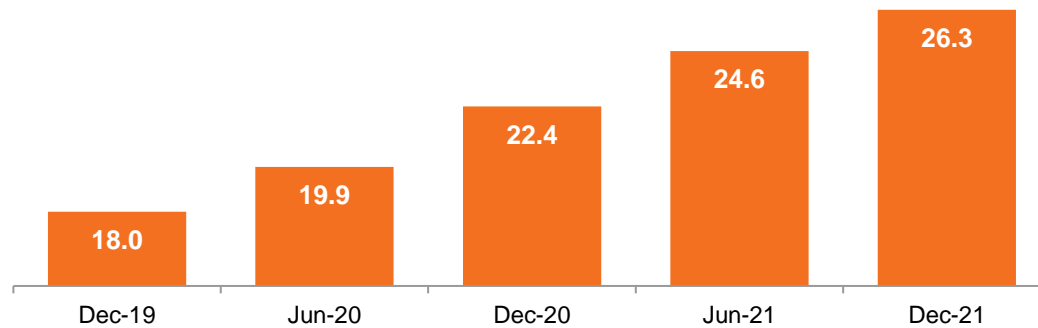
¹ 27.2% represents ownership as at 31 December 2021 and includes a further \$5m investment in Tic:Toc's 2021 capital raise

Residential lending portfolio

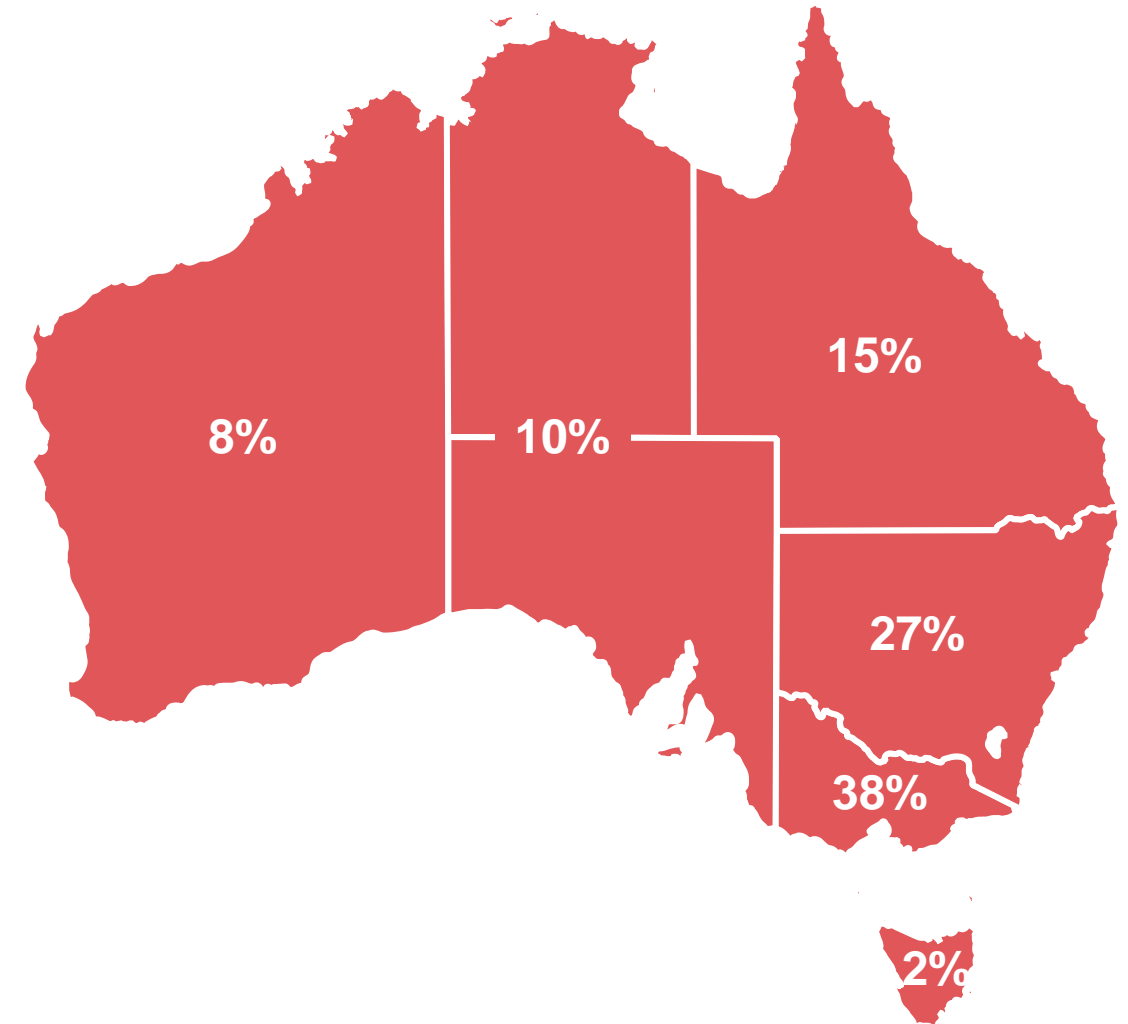
Retail - portfolio (\$b)¹



Third Party Banking - portfolio (\$b)¹



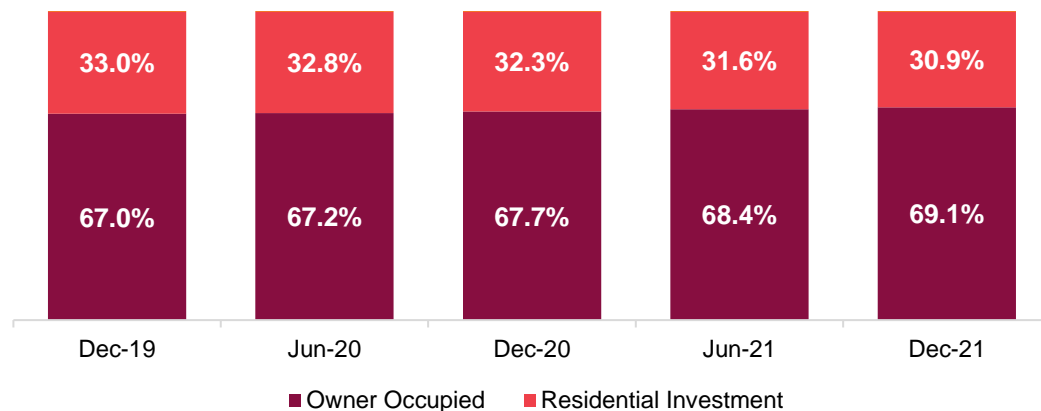
Residential balance by state



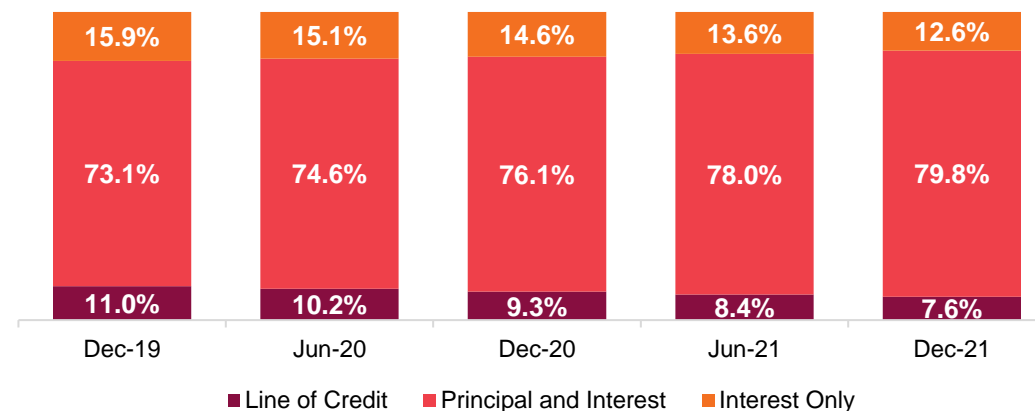
¹ Loan portfolio constructed from internal data and includes line of credit products. Excludes Delphi, Alliance Bank and Portfolio Funding

Residential lending portfolio – total exposure

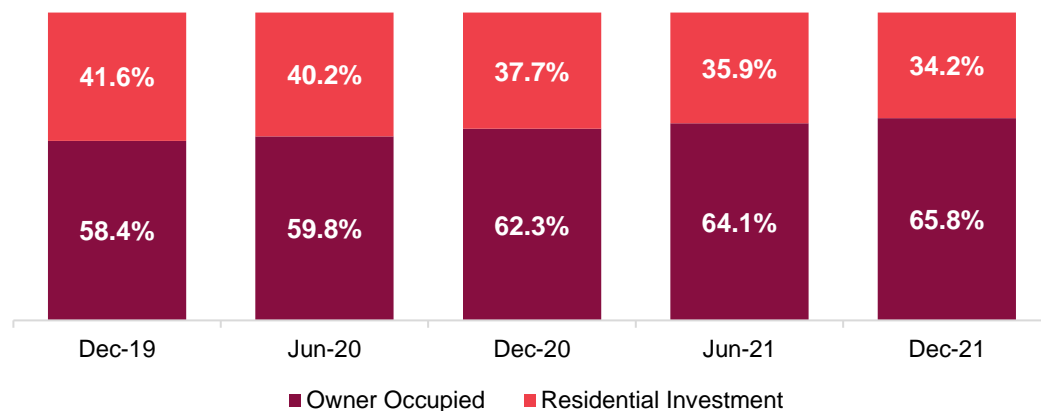
Retail lending - purpose (%)



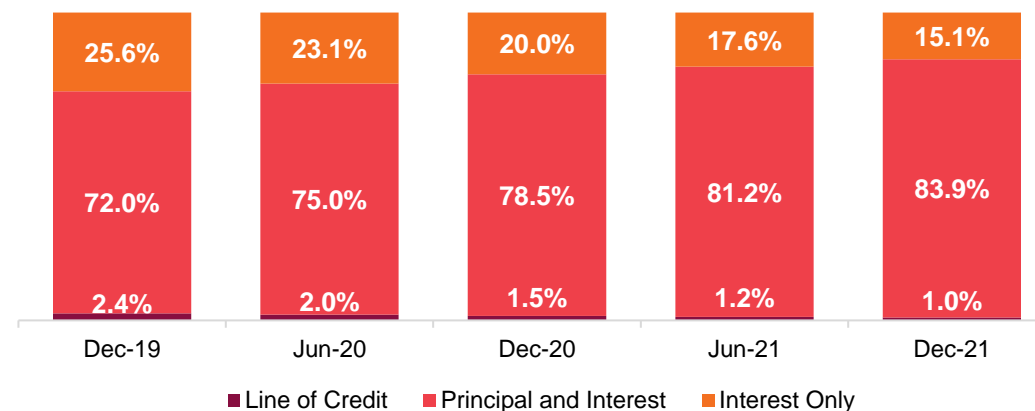
Retail lending - payment type (%)



Third Party Banking lending - purpose (%)



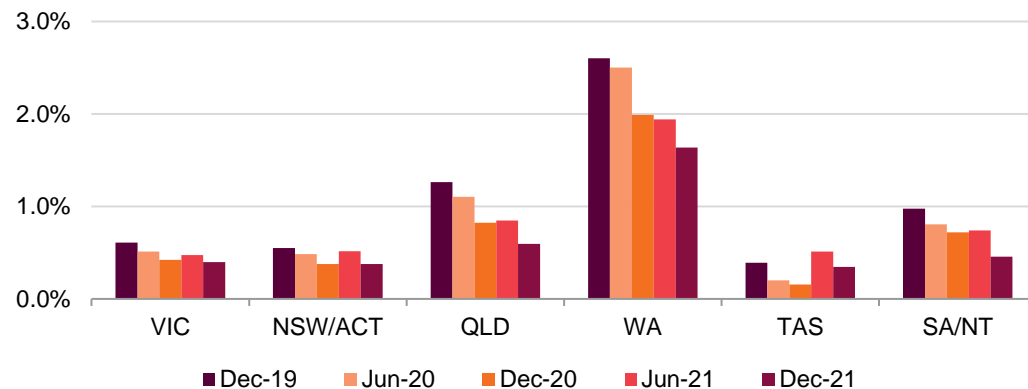
Third Party Banking - payment type (%)



Note: Excludes Delphi, Alliance Bank and Portfolio Funding

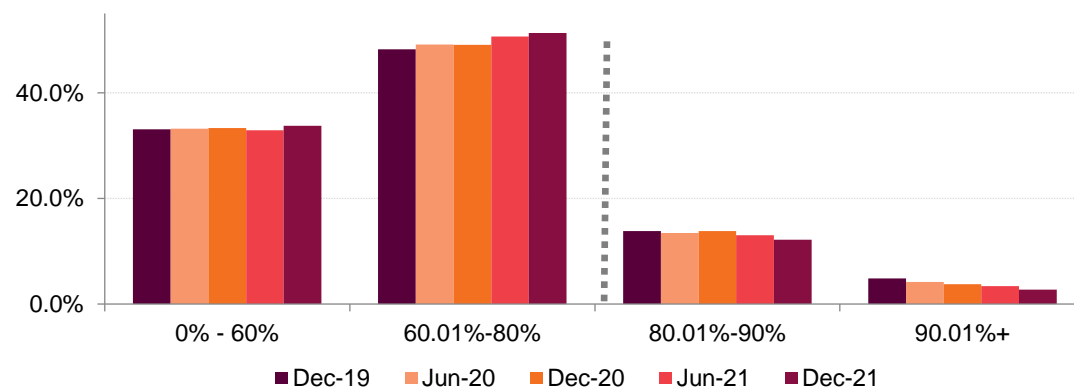
Residential lending portfolio – key metrics

Home Loans 90+ days past due - by state¹



Residential loan-to-value profile²

85% of portfolio with LVR ≤ 80%



Residential portfolio metrics ³	Dec-21	Jun-21	Dec-20
Retail loans	50%	51%	52%
Third Party Banking loans	50%	49%	48%
Lo Doc	0.5%	0.7%	0.8%
Owner occupied	67%	66%	65%
Owner occupied P&I	94%	93%	92%
Owner occupied I/O	6%	7%	8%
Investment	33%	34%	35%
Investment P&I	63%	60%	57%
Investment I/O	37%	40%	43%
Mortgages with LMI	16%	17%	15%
Average LVR (at origination)	55%	56%	56%
Average loan balance	\$277k	\$267k	\$257k
90+ days past due	0.49%	0.65%	0.61%
Impaired loans	0.08%	0.10%	0.09%
Specific provisions	0.03%	0.04%	0.03%
Loss rate	0.002%	0.006%	0.005%
Variable	53%	59%	68%
Fixed	47%	41%	32%

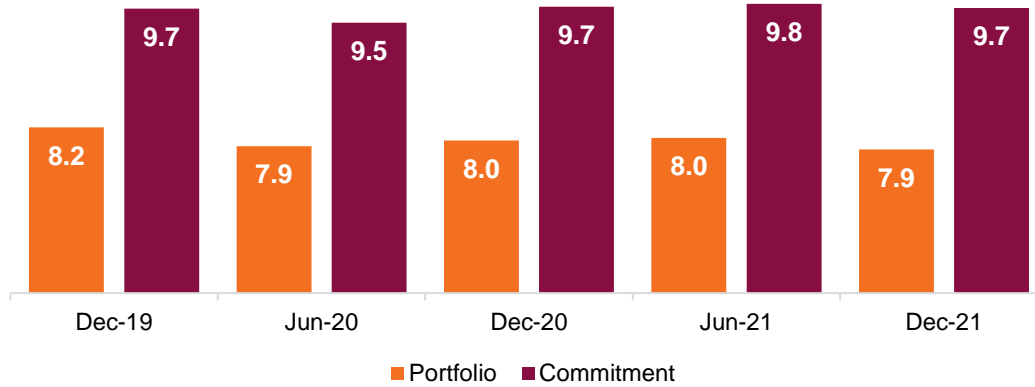
¹ Includes Keystart, excludes Delphi Bank and Alliance Bank. Arrears includes impaired loans and all arrangements

² Breakdown of LVRs by residential mortgages by origination

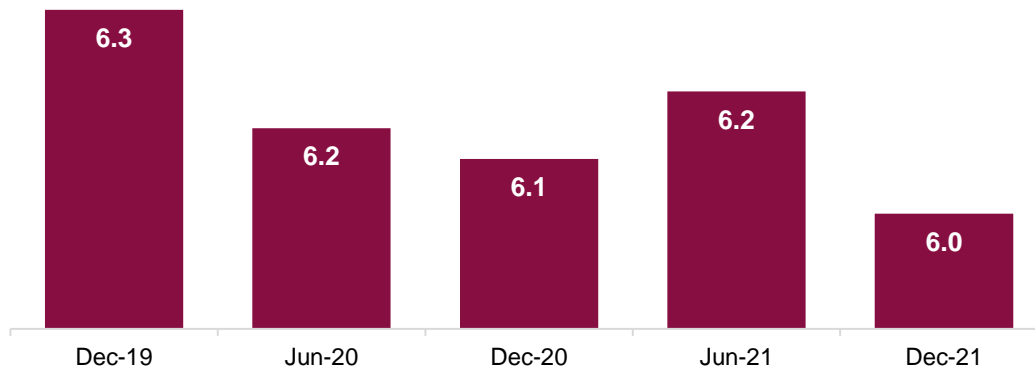
³ Loan data represented by purpose. Includes Business and Agribusiness divisions. Excludes Delphi Bank, Alliance Bank & Keystart data. Arrears includes impaired loans and all arrangements

Business lending portfolio

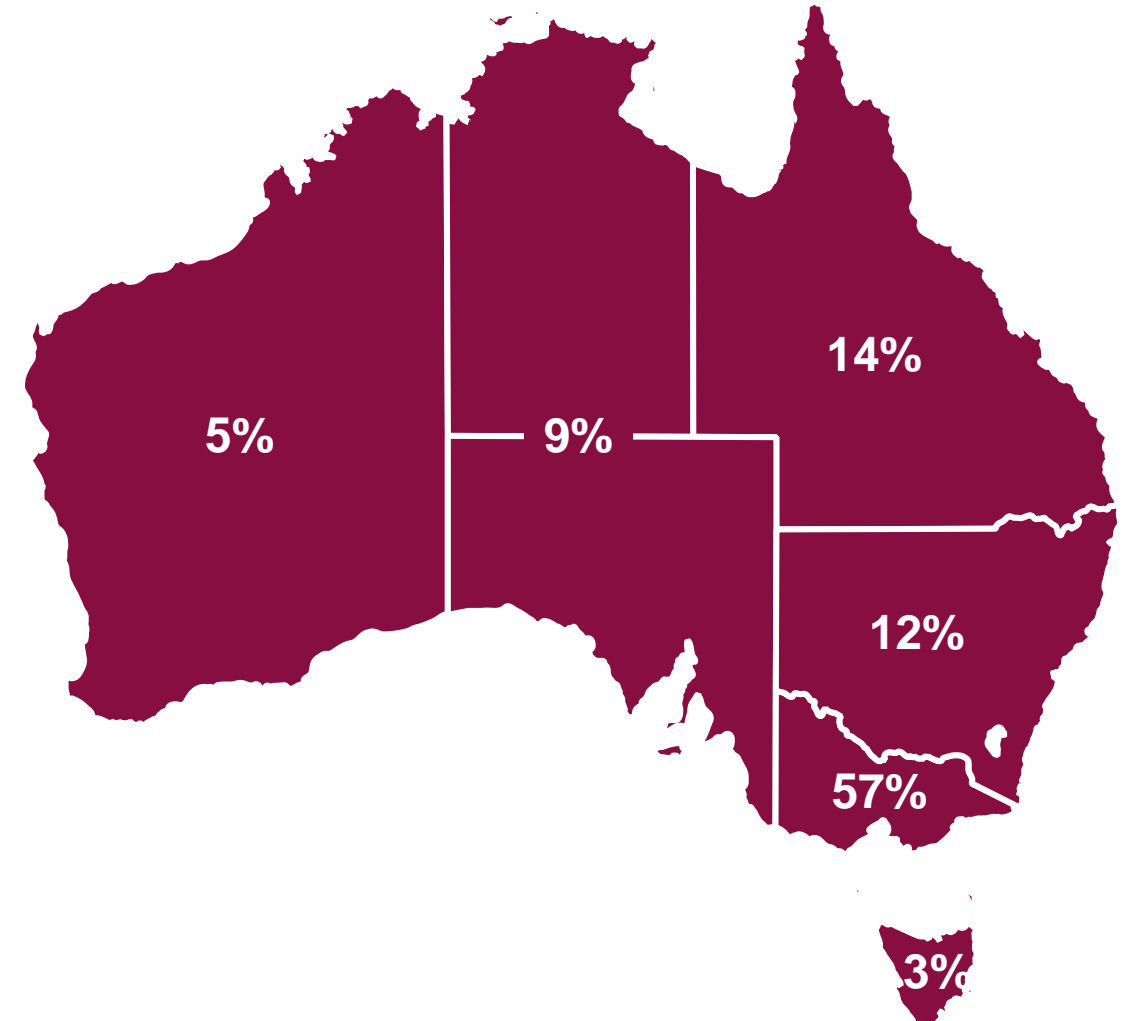
Business portfolio (\$b)



SME segment (\$b)¹



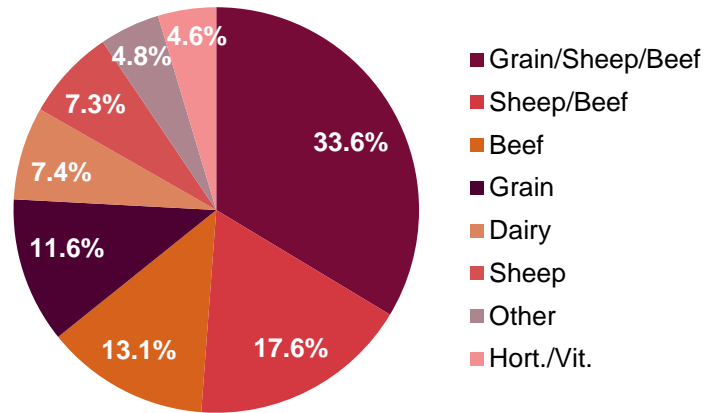
Business balance by state



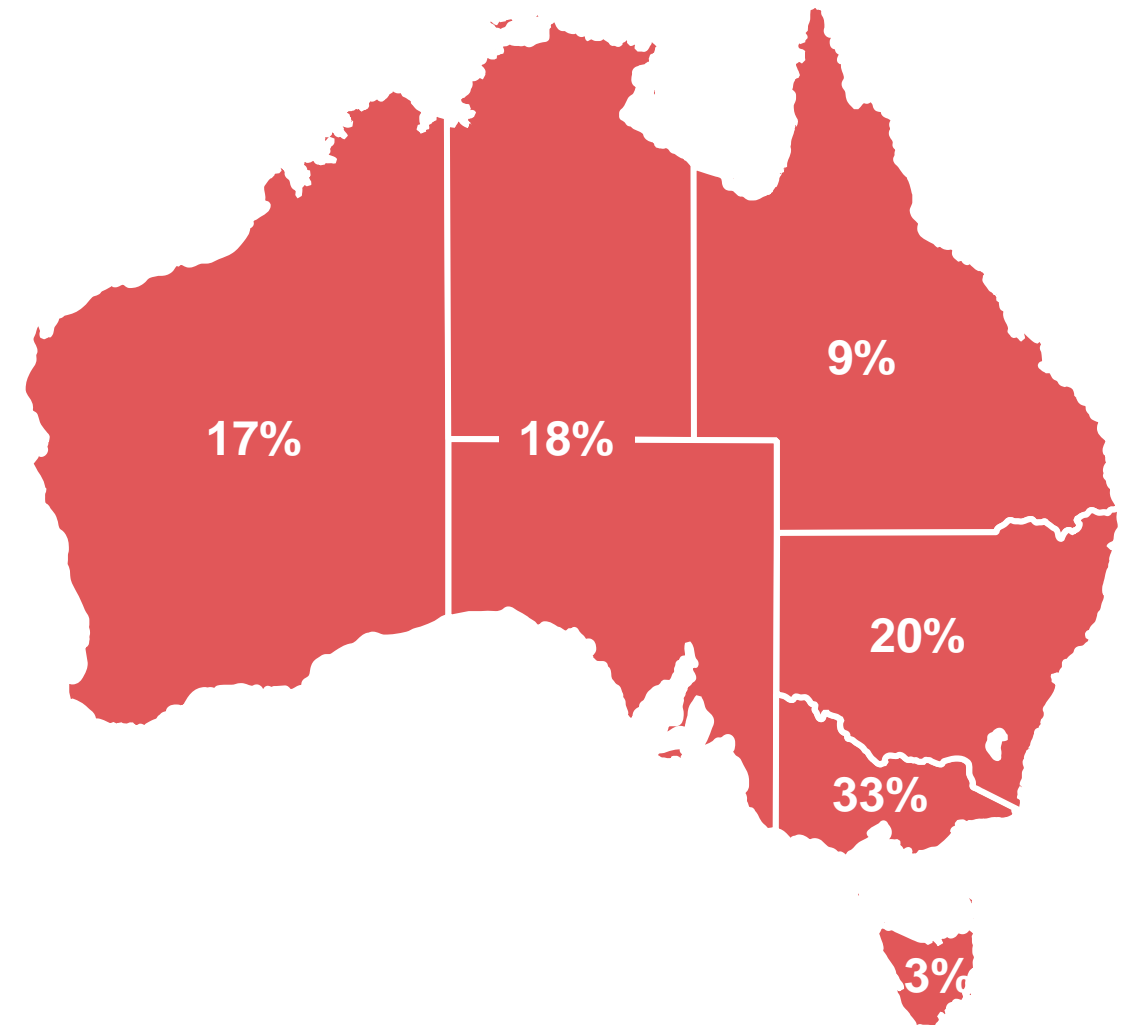
¹ SME is an internal definition using Small Business, Middle Markets, Delphi, Equipment Finance, Debtor Financing and Adelaide Bank Commercial Broking

Agribusiness lending portfolio

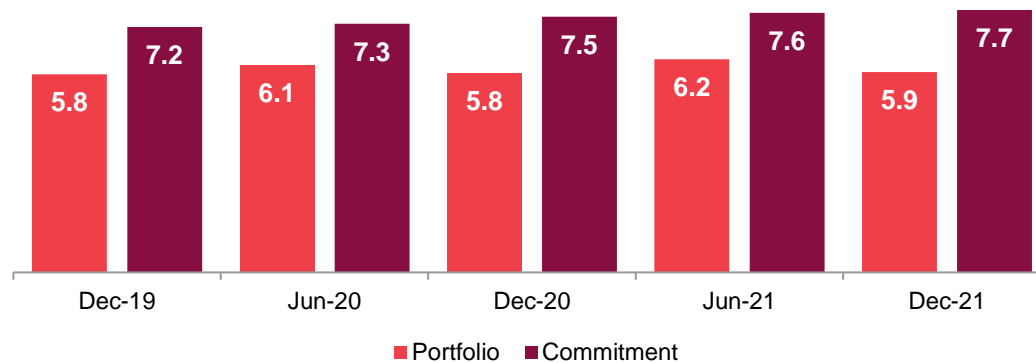
Agribusiness exposure by industry



Agribusiness balance by state

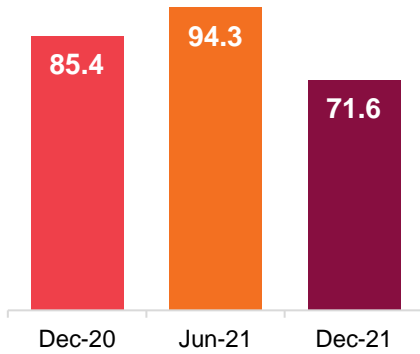


Agribusiness portfolio (\$b)



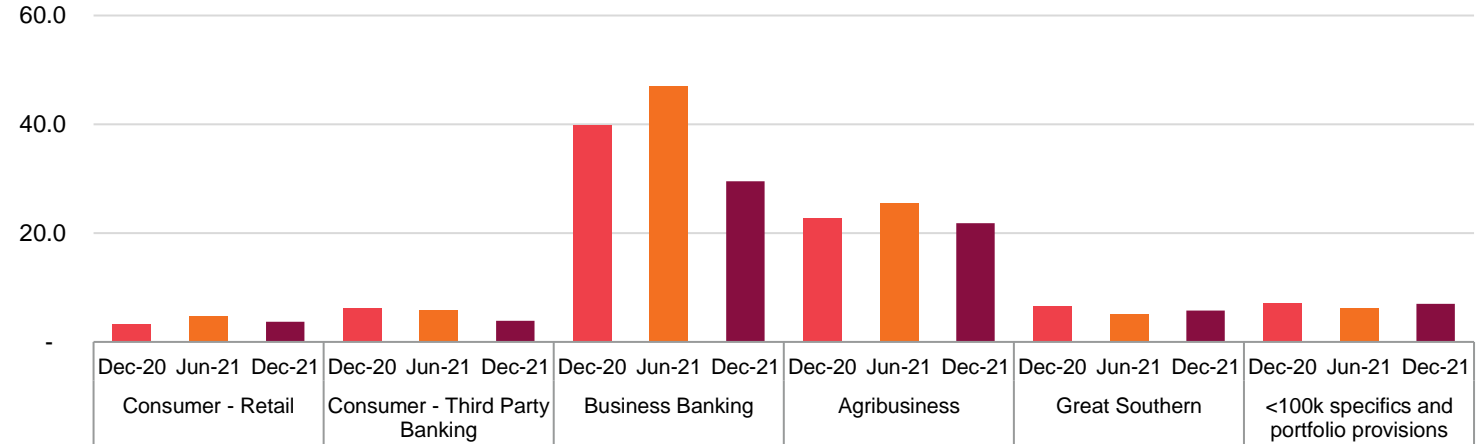
Specific provisions and total impaired

Specific provision balance (\$m)

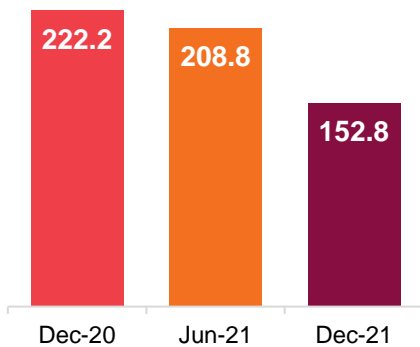


Represented by →

Specific provisions breakdown (\$m)

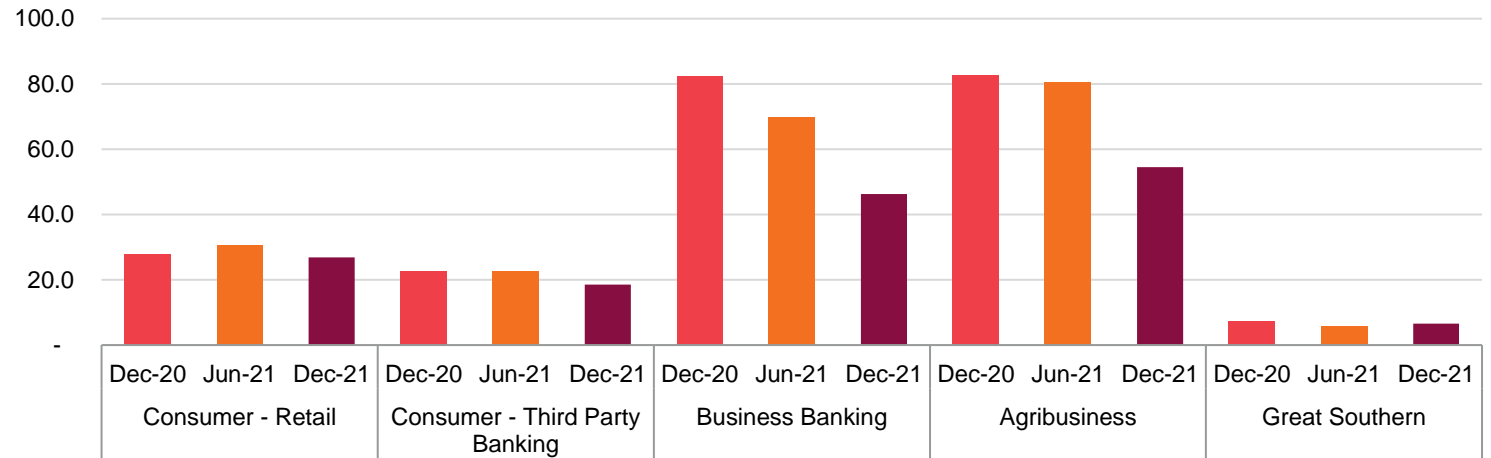


Total impaired balance (\$m)



Represented by →

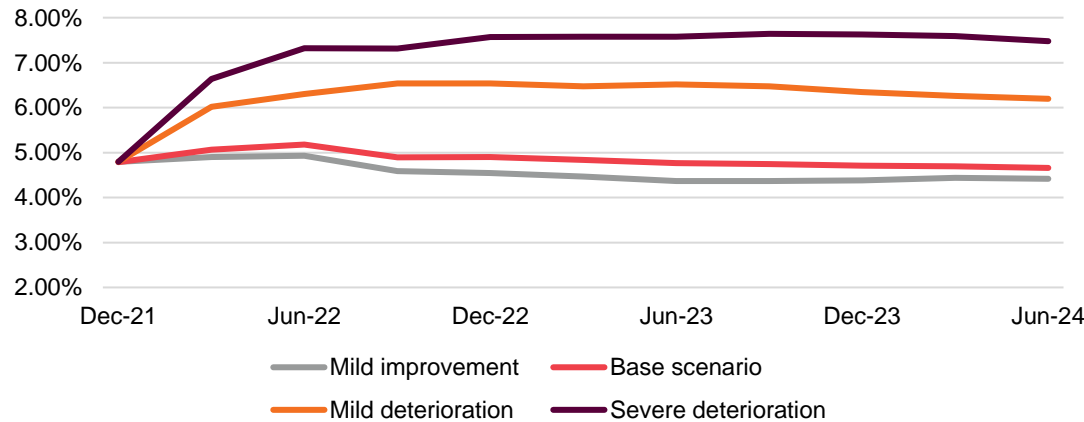
Total impaired breakdown (\$m)



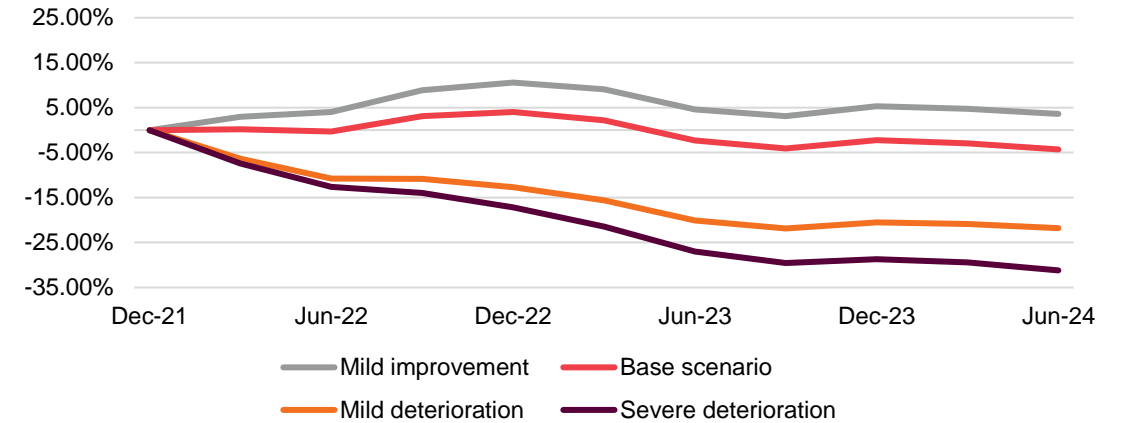
Collective provision - economic outlook

The outlook has improved but uncertainty remains

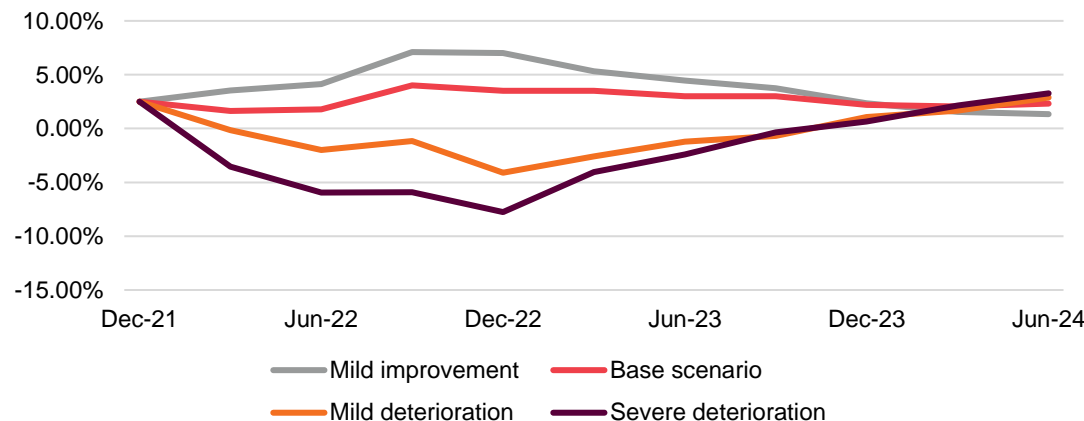
Unemployment (%)



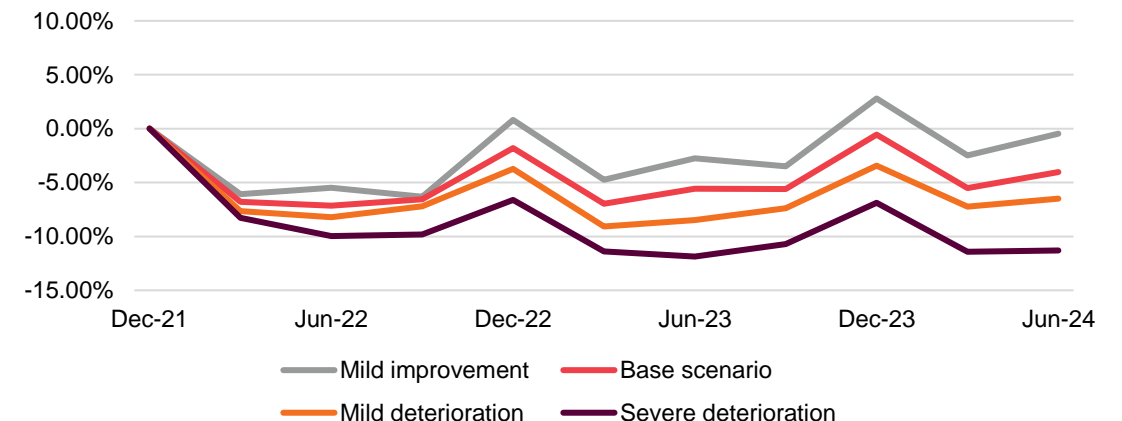
House prices (%)



Gross Domestic Product (%)



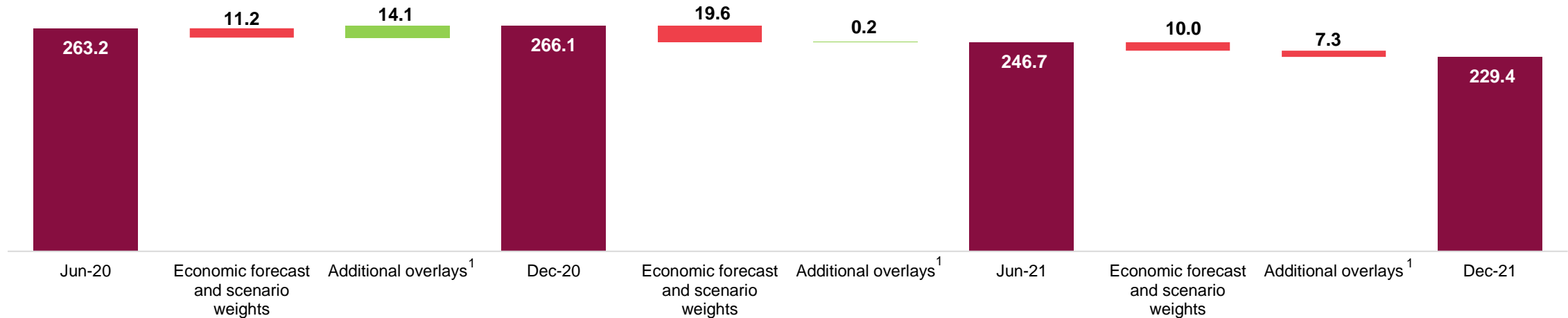
Commercial property prices (%)



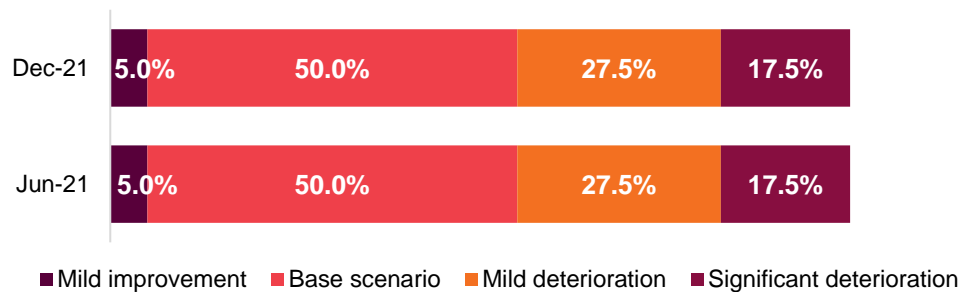
Note: House prices and commercial property prices are cumulative from Dec-21

Collective provision

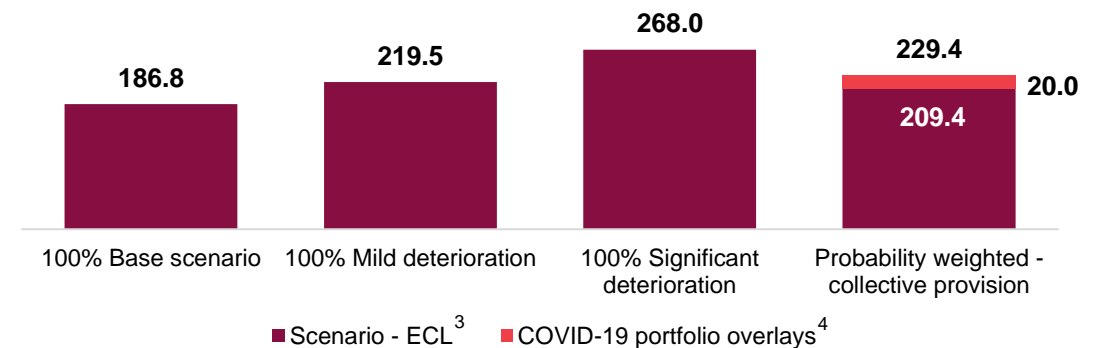
Total collective provision movements (\$m)



Scenario weightings continue to reflect the level of uncertainty



Collective provision - scenario outcomes (\$m)²



¹ Additional overlays includes COVID-19 overlays and non-COVID-19 related overlays

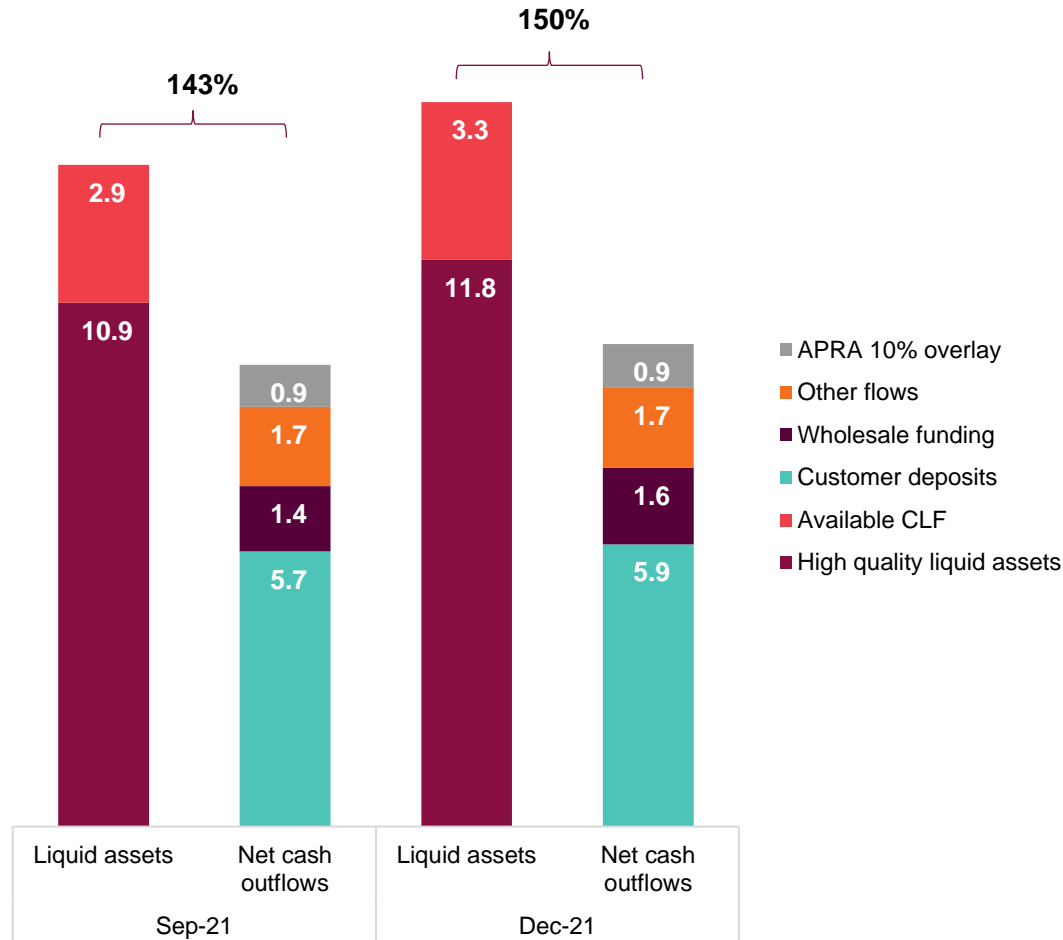
² Excludes GRCL

³ Scenario - ECL includes economic outlooks scenario weights and other non-COVID-19 related overlays

⁴ Specific to business and consumer portfolio overlays

Liquidity

Liquidity coverage ratio LCR (\$b)^{1,2}



Net Stable Funding Ratio (NSFR)

137.4% as at 31 December 2021



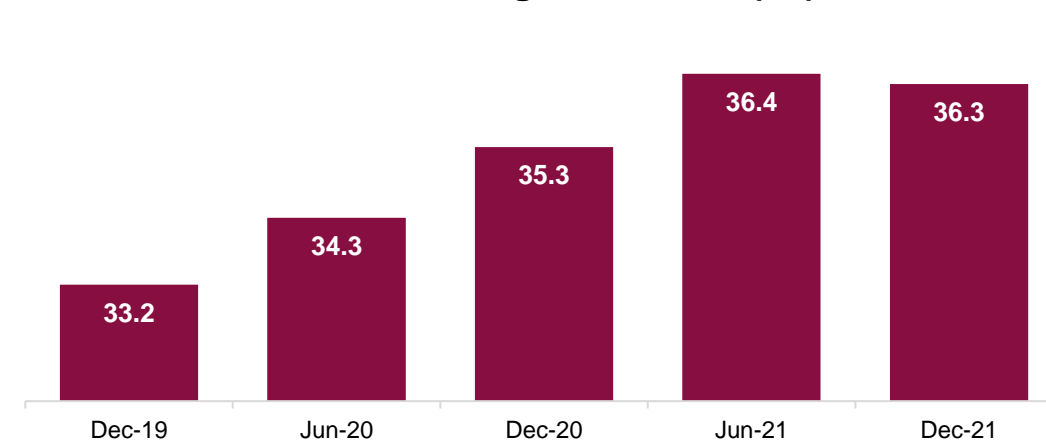
¹ BEN's LCR for the quarters ending 31 December 2021 and 30 September 2021 are based on a simple average of daily LCR outcomes observed during each period.

² The total net cash outflows are inclusive of a 10 per cent regulatory overlay, which was effective from 2 November 2020.

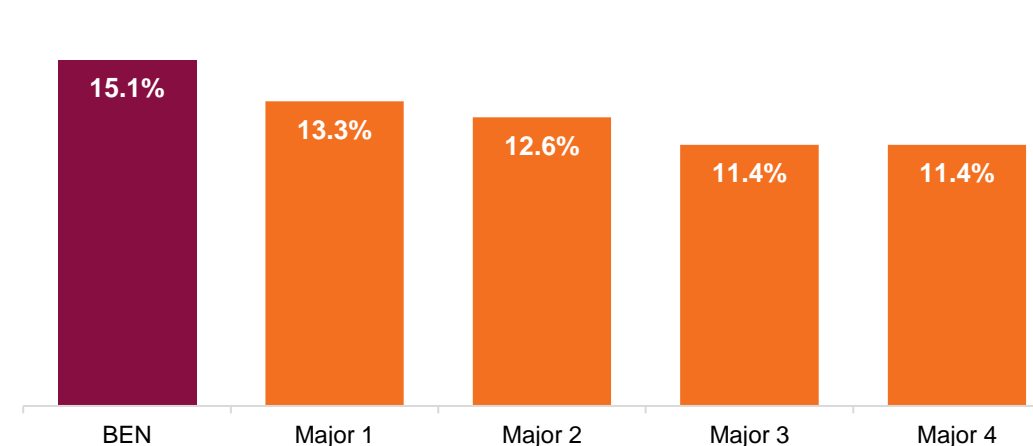
Capital

	Dec-21 (%)	Jun-21 (%)	Dec-20 (%)	Jun-20 (%)
Common Equity Tier 1	9.85%	9.57%	9.36%	9.25%
Additional Tier 1	2.04%	2.04%	2.81%	2.34%
Total Tier 1	11.89%	11.61%	12.17%	11.59%
Tier 2	2.09%	2.20%	2.28%	2.02%
Total capital	13.98%	13.81%	14.45%	13.61%
Total risk weighted assets	\$40.5b	\$40.5b	\$39.4b	\$38.2b

Credit risk weighted assets (\$b)¹



S&P RAC Ratio²



¹ Credit risk weighted assets includes securitisation balances

² Standard & Poor's RAC Ratio, Major 1 as at 30 Jun 2021, Major 2, 3 & 4 as at 31 Mar 2021 & BEN as at 30 Jun 2021.

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