

Basel III Pillar 3 Disclosures: Prudential Standard APS 330

10 November 2023

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 September 2023.

Approved by the Chair of the Board

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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.

Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL 237879. (1615280-161579) (05/21)

Basel III Pillar 3 Disclosures

Prudential Standard APS 330

For the period ended 30 September 2023

Released 10 November 2023

ABN 11 068 049 178



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Table 3 Capital Adequacy

Risk-weighted Assets	30 September 2023 \$m	30 June 2023 \$m
Capital requirements (in terms of risk-weighted assets) for credit risk (excluding securitisation) by portfolio:		
Claims secured by residential mortgage	21,283.5	21,553.0
Other retail ¹	11,132.8	10,894.6
Corporate	797.6	859.7
Banks and Other ADIs	313.8	317.4
Government	10.4	24.5
All other	991.2	1,077.6
Total on balance sheet assets and off balance sheet exposures	34,529.3	34,726.8
Securitisation Risk weighted assets ²	562.3	495.9
Market Risk weighted assets	1.4	1.8
Operational Risk weighted assets	2,731.1	2,675.8
Total Risk Weighted Assets	37,824.1	37,900.3
Capital Ratios (for the consolidated group)		
	%	%
Common Equity Tier 1	11.08	11.25
Tier 1	13.26	13.43
Total Capital	15.50	15.63

Notes

¹ Includes commercial property, leasing, margin lending, retail – credit cards, retail – other and land acquisition and development and construction exposures.

² Please refer to Table 5 for securitisation exposures.

Table 4 Credit Risk

Exposure Type ⁴	Gross Credit Exposure		Average Gross Credit Exposure	
	30 September 2023	30 June 2023	30 September 2023	30 June 2023
	\$m	\$m	\$m	\$m
Loans and other receivables ³	87,066.9	83,969.5	85,518.2	81,725.4
Debt securities	4,810.7	6,878.6	5,844.6	8,044.9
Commitments and other non-market off balance sheet exposures ³	6,156.4	6,270.1	6,213.2	6,163.4
Market-related off balance sheet exposures ³	286.3	221.9	254.1	221.2
Total exposures	98,320.3	97,340.1	97,830.1	96,154.9

Portfolios ⁴	Gross Credit Exposure		Average Gross Credit Exposure	
	30 September 2023	30 June 2023	30 September 2023	30 June 2023
	\$m	\$m	\$m	\$m
Claims secured by residential mortgage ³	62,009.7	62,193.0	62,101.4	61,626.4
Other retail ^{3 6}	16,760.4	16,835.6	16,797.9	16,154.2
Corporate ³	943.4	1,003.9	973.6	1,061.8
Banks and other ADIs ³	4,801.9	3,227.2	4,014.6	2,601.4
Government ³	12,361.1	12,555.1	12,458.1	13,271.5
All other ³	1,443.8	1,525.3	1,484.5	1,439.6
Total exposures	98,320.3	97,340.1	97,830.1	96,154.9

30 September 2023 Portfolios	Non-Performing	Specific	Charges for
	Loans	Provisions ⁵	Specific Provisions and Write-offs during the Period
	\$m	\$m	\$m
Claims secured by residential mortgage	463.6	25.1	(1.3)
Other retail	399.8	57.8	(2.2)
Corporate	11.1	3.8	(3.5)
Banks and other ADIs	-	-	-
Government	-	-	-
All other	-	-	-
Total exposures	874.5	86.7	(7.0)

30 June 2023 Portfolios	Non-Performing	Specific	Charges for
	Loans	Provisions ⁵	Specific Provisions and Write-offs during the Period
	\$m	\$m	\$m
Claims secured by residential mortgage	431.0	25.7	1.9
Other retail	378.4	62.9	(9.9)
Corporate	10.6	7.1	0.3
Banks and other ADIs	-	-	-
Government	-	-	-
All other	-	-	-
Total exposures	820.0	95.7	(7.7)

	30 September 2023	30 June 2023
	\$m	\$m
Equity Reserve for Credit Losses	95.2	95.2
Collective Provisions	200.8	190.5
General Provisions	296.0	285.7

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 \$1.2 million (June 2023 \$1.2 million) and loans in Stage 3 \$41.2 million (June 2023 \$46.8 million) under AASB 9 Financial Instruments.

⁶ Includes commercial property, leasing, margin lending, retail – credit cards, retail – other and land acquisition and development and construction exposures.

Table 5 Securitisation

Exposure Type	30 September 2023 Quarter				
	Securitisation Activity				Gain or Loss on Sale \$m
	Capital Relief \$m	Funding Only \$m	Self-Securitisation \$m	Total Activity \$m	
Residential Mortgage	-	-	-	-	-
Credit Card and Other Personal Loans	-	-	-	-	-
Commercial Loans	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	-	-	-

Exposure Type	30 June 2023 Quarter				
	Securitisation Activity				Gain or Loss on Sale \$m
	Capital Relief \$m	Funding Only \$m	Self-Securitisation \$m	Total Activity \$m	
Residential Mortgage	-	-	-	-	-
Credit Card and Other Personal Loans	-	-	-	-	-
Commercial Loans	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	-	-	-

30 September 2023	Securitisation Exposures	Liquidity Support Facilities	Funding Facilities	Derivative Facilities	Holdings of Securities	Other
		\$m	\$m	\$m	\$m	\$m
	On-balance sheet securitisation exposures retained or purchased	6.0	2,549.5	140.0	10,058.3 ⁷	-
	Off-balance sheet securitisation exposures	51.8	222.1	39.8	-	-
	Total	57.8	2,771.6	179.8	10,058.3	-

30 June 2023	Securitisation Exposures	Liquidity Support Facilities	Funding Facilities	Derivative Facilities	Holdings of Securities	Other
		\$m	\$m	\$m	\$m	\$m
	On-balance sheet securitisation exposures retained or purchased	5.5	2,265.9	151.4	10,755.9 ⁷	-
	Off-balance sheet securitisation exposures	52.8	188.3	42.1	-	-
	Total	58.3	2,454.2	193.5	10,755.9	-

Notes
⁷ Includes holdings of self-securitised assets, \$9,592.4 million (June 2023 \$10,347.3 million).

Table 20 Liquidity Coverage Ratio

BEN's average LCR for the September 2023 quarter was 149% (June 2023: 131%). The average LCR is calculated based on the 66 daily observations during the reporting period (61 observations for June 2023 quarter).

The quarterly average LCR increased by 18%, predominately due to customer deposit growth and the removal of the regulatory net cash outflow (NCO) overlay on 9 August 2023.

	Sept 2023		June 2023	
	Unweighted value (average)	Weighted value (average)	Unweighted value (average)	Weighted value (average)
	\$m	\$m	\$m	\$m
Liquid assets, of which				
1 High-quality liquid assets (HQLA)		15,892.8		14,179.6
2 Alternate liquid assets (ALA)		-		-
3 Reserve Bank of New Zealand (RBNZ) securities		-		-
Cash outflows				
4 Retail deposits and deposits from small business customers, of which:	40,508.1	3,547.4	40,995.1	3,597.7
5 <i>Stable deposits</i>	23,260.5	1,163.0	23,324.3	1,166.2
6 <i>Less stable deposits</i>	17,247.6	2,384.4	17,670.8	2,431.5
7 Unsecured wholesale funding, of which:	7,547.1	4,300.9	7,504.0	4,145.6
8 <i>Operational deposits (all counterparties) and deposits in networks for cooperative banks</i>	-	-	-	-
9 <i>Non-operational deposits (all counterparties)</i>	6,655.4	3,409.2	6,728.6	3,370.2
10 <i>Unsecured debt</i>	891.7	891.7	775.4	775.4
11 Secured wholesale funding		363.6		283.8
12 Additional requirements, of which:	6,345.1	723.1	6,469.2	732.8
13 <i>Outflows related to derivatives exposures and other collateral requirements</i>	150.6	150.6	149.7	149.7
14 <i>Outflows related to loss of funding on debt products</i>	-	-	-	-
15 <i>Credit and liquidity facilities</i>	6,194.5	572.5	6,319.5	583.1
16 Other contractual funding obligations	681.4	342.6	696.7	341.0
17 Other contingent funding obligations	17,567.5	1,423.5	17,623.1	1,335.7
18 Total cash outflows		10,701.1		10,436.6
Cash inflows				
19 Secured lending (e.g. reverse repos)	2,170.1	-	540.7	-
20 Inflows from fully performing exposures	731.1	392.3	774.6	419.0
21 Other cash inflows	57.2	57.2	151.8	151.8
22 Total cash inflows	2,958.4	449.5	1,467.1	570.8
23 Total liquid assets		15,892.8		14,179.6
24 Total net cash outflows⁸		10,671.6		10,852.4
35 Liquidity Coverage Ratio (%)		149		131
Number of data points used (Business Days)		66		61

Notes

⁸ The average amount of regulatory overlay included in the net cash outflow from 1 April 2023 to 30 June 2023 was \$987 million, and from 1 July 2023 to 30 September 2023 was \$420 million. These amounts are included at item 24 total net cash outflows.



2024 First Quarter Information Pack

For the quarter ending 30 September 2023

This document should be read in conjunction with the Bendigo and Adelaide Bank Pillar 3 Disclosure as at 30 September 2023.

Released 10 November 2023

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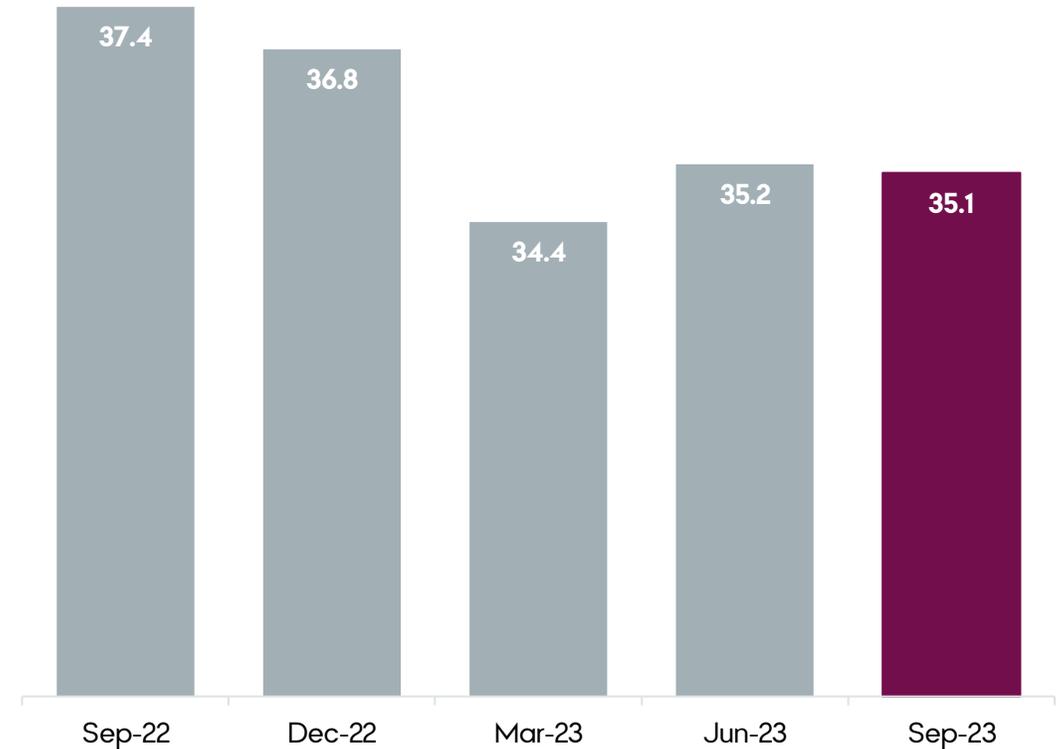
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Capital

Strengthened ratios in 2023

	Sep-23	Jun-23	Mar-23	Dec-22
Common Equity Tier 1	11.08%	11.25%	11.20%	10.13%
Additional Tier 1	2.18%	2.18%	2.22%	1.99%
Total Tier 1	13.26%	13.43%	13.42%	12.12%
Tier 2	2.24%	2.20%	2.23%	2.01%
Total capital	15.50%	15.63%	15.65%	14.13%
Total risk weighted assets	\$37.8b	\$37.9b	\$37.1b	\$41.5b

Credit risk weighted assets (\$b)¹

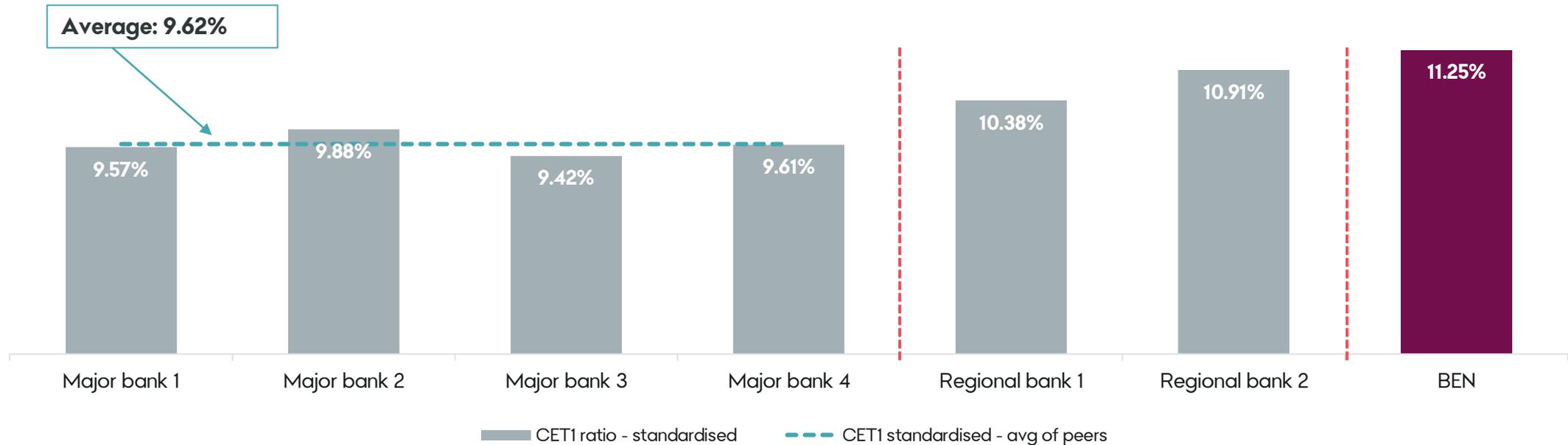


¹ Credit risk weighted assets is the sum of on balance sheet asset and off balance sheet exposures (\$34,529.3m) as well as securitisation risk weighted assets (\$562.3m) as outlined in the Basel III Pillar 3 disclosures.

IRB vs Standardised

Standardised CET1 ratio higher than peers

CET1 ratio - using standardised RWA



- Major bank peers now report risk weighted assets on a standardised basis
- Average 'standardised' CET1 for majors is 9.62% vs Bendigo at 11.25% (30 June 23)

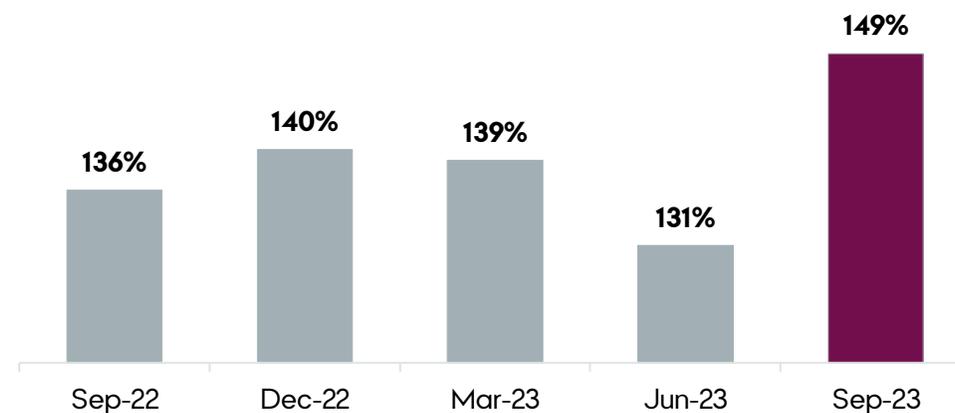
¹ The peer comparisons are sourced from public disclosure as of last reporting period.

Funding and liquidity

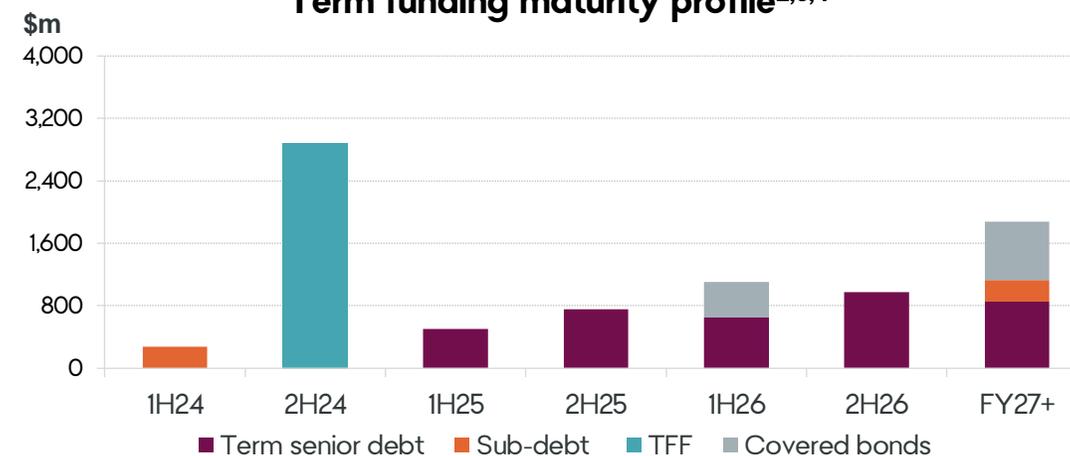
Stable and well diversified funding sources

- Term Funding Facility (TFF):
 - 38% of borrowing repaid
 - \$2.88b of maturities remaining in 2H24
- Recent activity:
 - Issued \$827m equivalent of EUR denominated Covered Bonds on 4 October 2023
 - Issued \$300m 10NC5 Tier 2 transaction on 3 November 2023
 - Announced intention to redeem existing \$275m Tier 2 transaction on 30 November 2023
- Funding and liquidity ratios well positioned:
 - No other long-term wholesale debt maturities in FY24
 - LCR overlay removed by APRA from 9 August 2023

Liquidity Coverage Ratio (%)¹



Term funding maturity profile^{2,3,4}



1. Quarterly average

2. As at 30 September 2023. Includes treasury issued products only

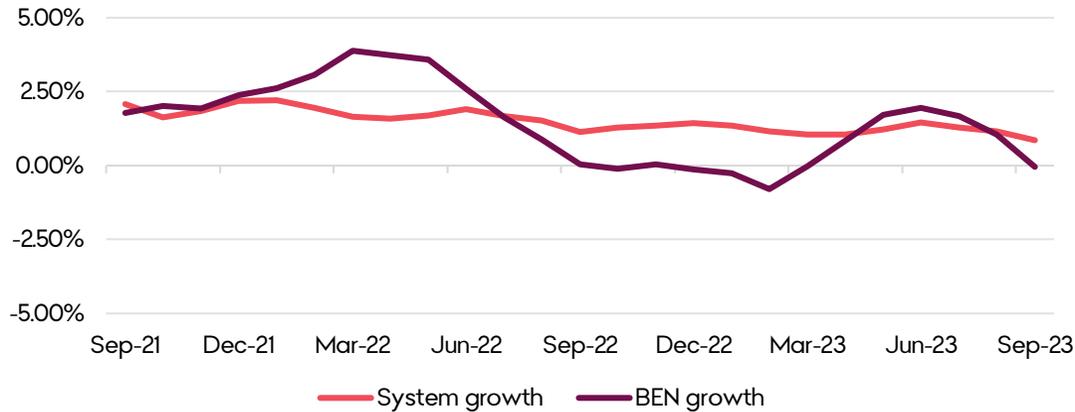
3. Subordinated debt maturity refers to legal final maturity date. The \$275m transaction to be redeemed on 30 November 2023 has been profiled as a 1H24 maturity

4. 3 year Euro denominated covered bond settled on 4 October and 10NC5 Tier 2 transaction settled on 3 November 2023; therefore, not included in graph

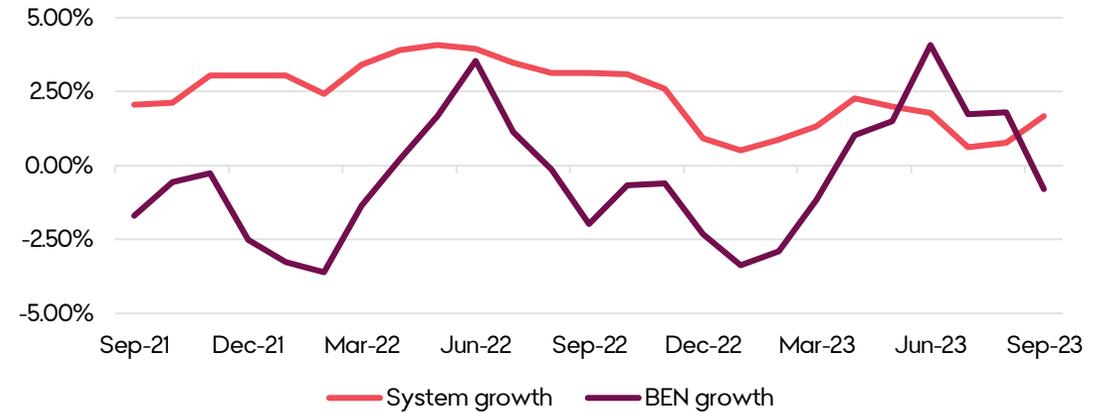
Lending and deposits profile - APRA Statistics Sept 2023¹

Diversified channels; strong retention

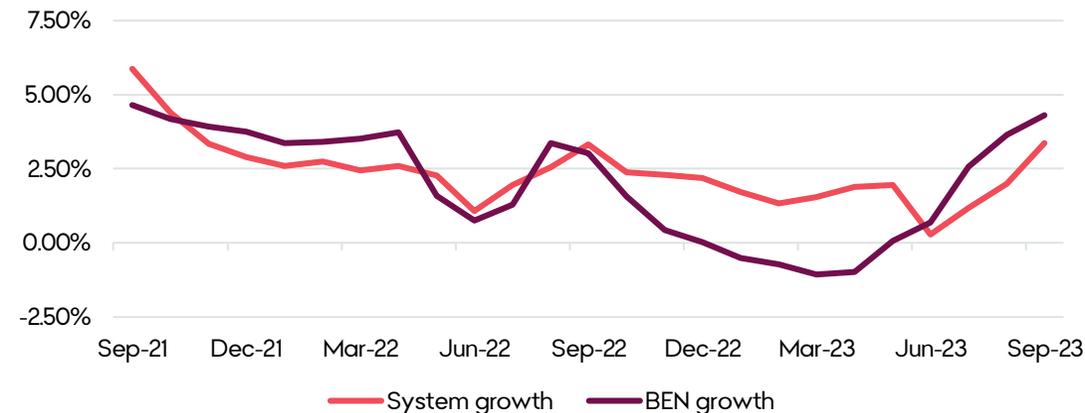
Residential lending



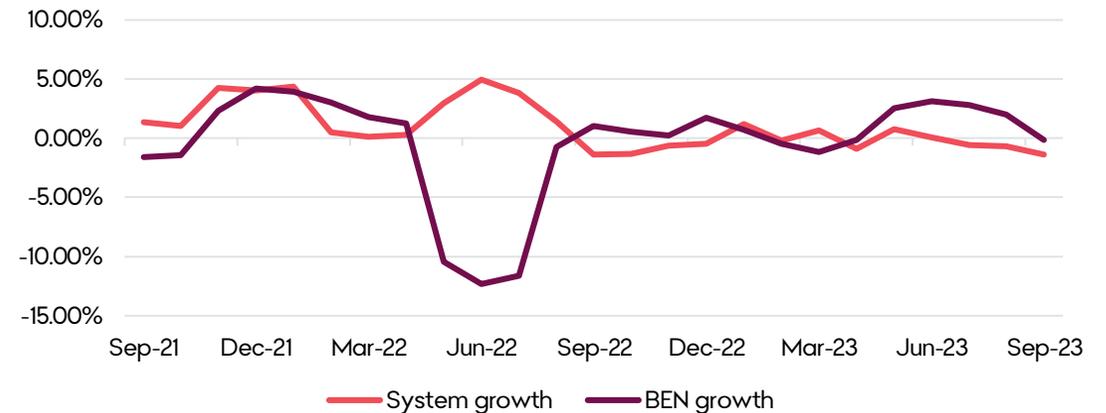
Business lending



Residential deposits



Business deposits

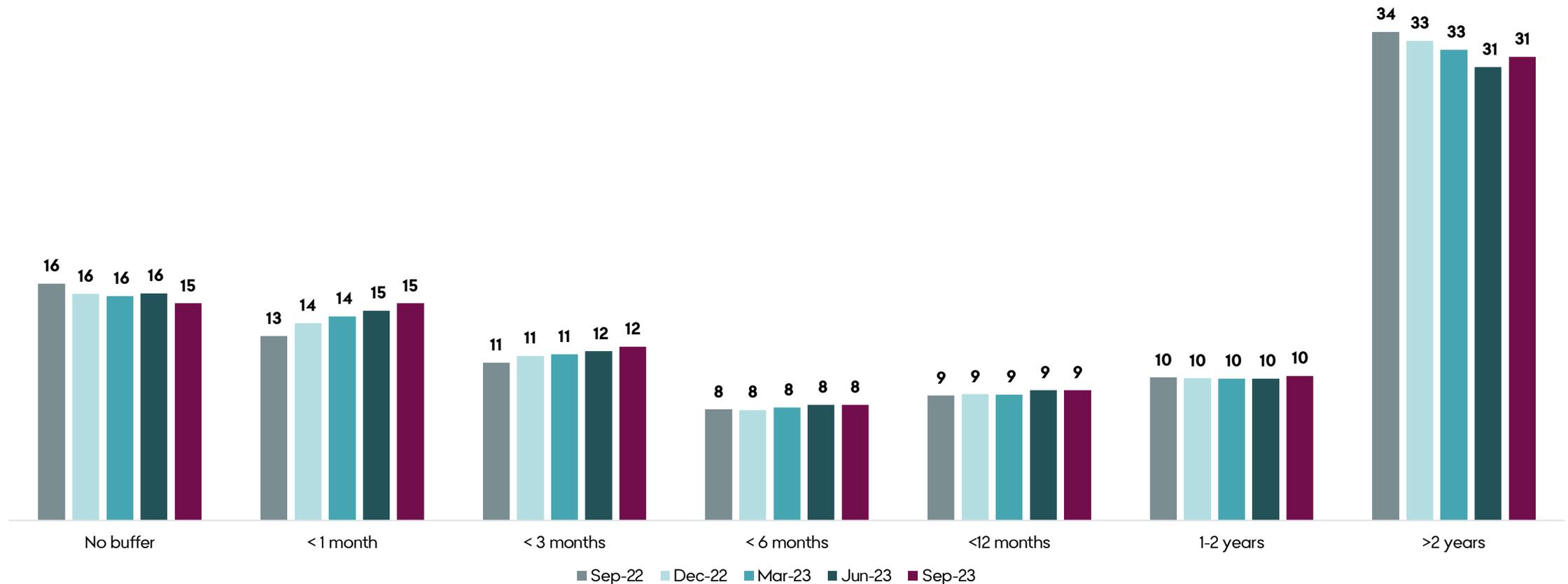


¹ APRA Monthly Banking Statistics September 2023. 3 month rolling growth rate for BEN and total system. Residential lending is the sum of Loans to households: Owner Occupied and Loans to households: investment. Non-financial businesses used as a proxy for business lending.

Credit quality

Residential loan buffers remain strong

% of exposures by payments in advance (including offsets)¹

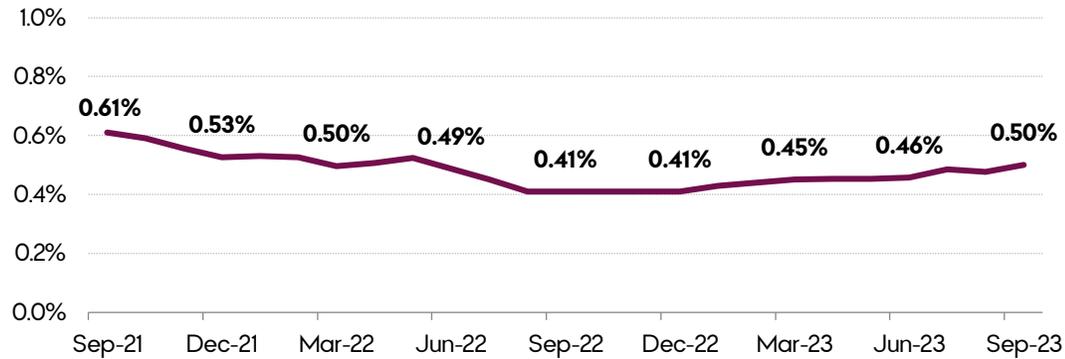


¹. Number of monthly payments ahead of minimum monthly payment (based on pre-arrangement); includes offset facilities and excludes HELOC products. Available for Retail, Third Party Banking and Alliance Bank Partners (94% of exposures)

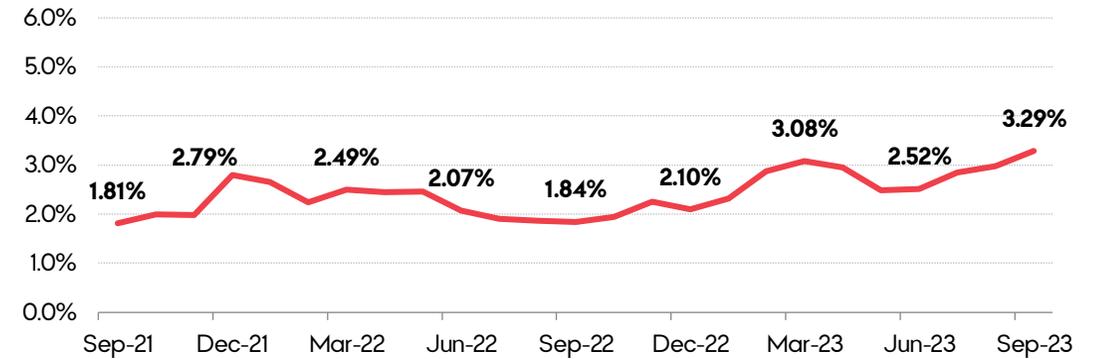
Arrears

Marginal uptick in business arrears, but remain below pre-COVID levels

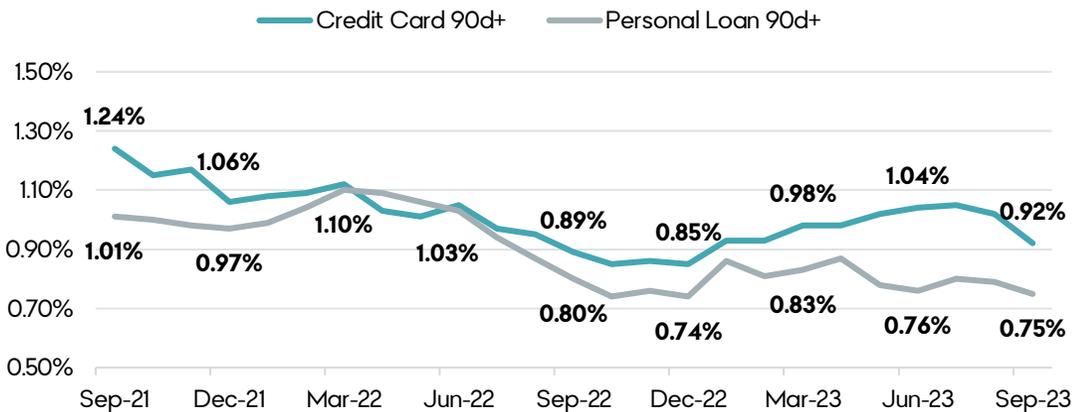
Residential loan arrears



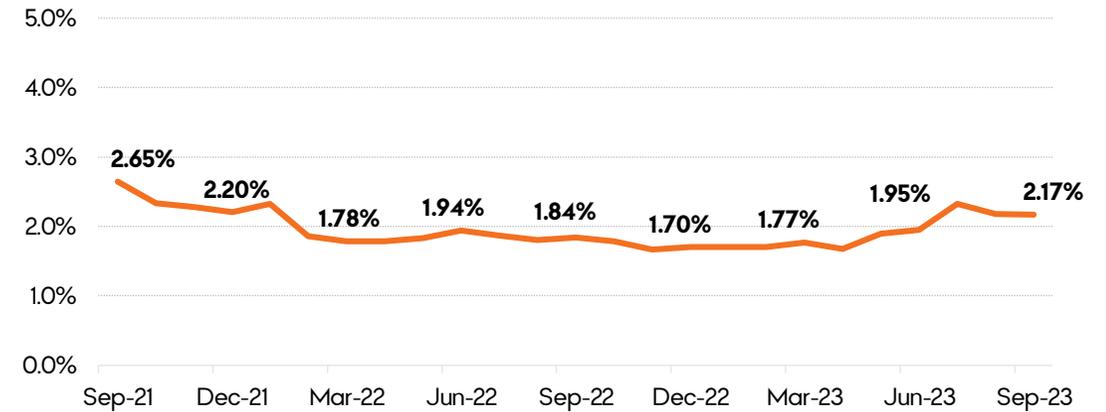
Business loan arrears



Consumer loan arrears



Agribusiness loan arrears



Note: Arrears include impaired assets and all arrangements.

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