Bendigo Bank

Results Presentation

For the half year ended 31 December 2024

Released 17 February 2025

Bendigo and Adelaide Bank Limited ABN 11 068 049 178

Acknowledgement of Country

I would like to begin today by acknowledging the Traditional Custodians of the many lands that we are gathered on.

Specifically, I would like to respectfully acknowledge the Wurundjeri people of the Kulin Nation. I would also like to acknowledge the Traditional Custodians of the lands which each of you are living, learning and working from.

I pay my respects to Elders past and present and extend that respect to any Aboriginal or Torres Strait Islander people here with us today.

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Richard Fennell, Chief Executive Officer and Managing Director

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Andrew Morgan, Chief Financial Officer

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Richard Fennell, Chief Executive Officer and Managing Director

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Investor Summary pack

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Overview

Key messages

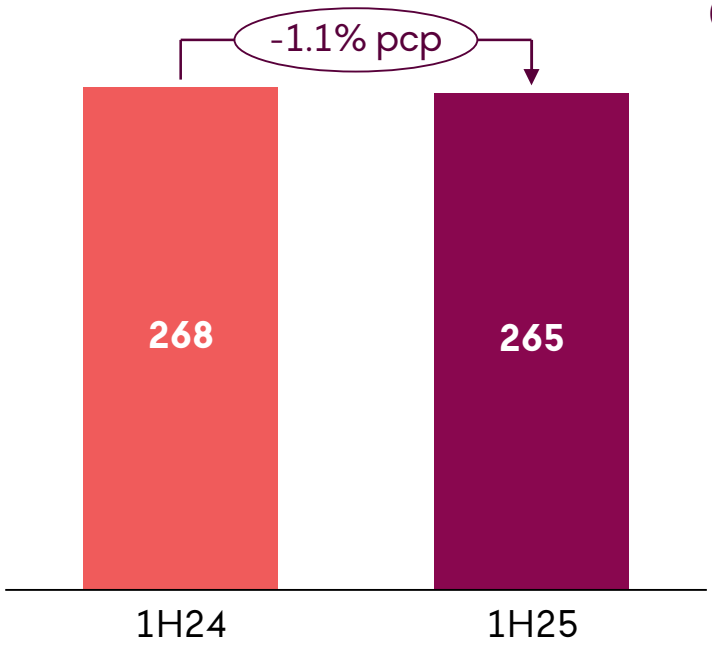
- Customer numbers up 4.9% over the half, to over 2.7 million customers, NPS +31.1 above industry[1]
- Mortgage growth above system supported by the roll out of the Bendigo Lending Platform and Up Home
- Deposit to loan ratio 73%, deposit growth 10.8% (annualised)
- Over $100 billion in assets
- Continued investment in growth engines and core banking rationalisation
- Up balancing margin and growth: 1 million customers, $1.2 billion in loans and $2.6 billion in deposits
- Margin impacted by deposit mix and front-book portfolio acceleration
- Established challenger and genuine provider of full-service banking

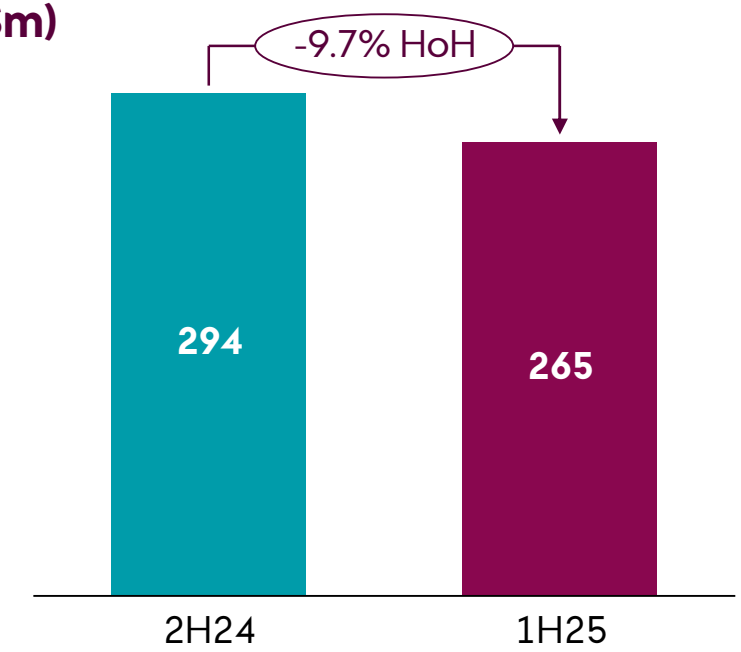
1. Roy Morgan Net Promoter Score – Roy Morgan Research, 6 month rolling averages, comparing BEN to the industry average as at December 2024. Industry includes: ANZ, BOM, BOQ, Bank SA, Bankwest, CBA, ING, NAB, St. George, Suncorp & WBC. Net Promoter, Net Promoter System, Net Promoter Score, NPS and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.

1H25 Results

Cash earnings impacted by deposit mix, continued investment and inflationary cost pressures

Cash Earnings ($m)





Cash earnings callouts

- 1H25 cash earnings after tax down 9.7% on 2H24, and largely in line with pcp
- Total income down 2.5% on 2H24, although up 1.6% on pcp
- Staff costs $329.8m (+9.9%) resulting from delivery of the transformation program
- Investment spend higher as noted at the FY24 Result

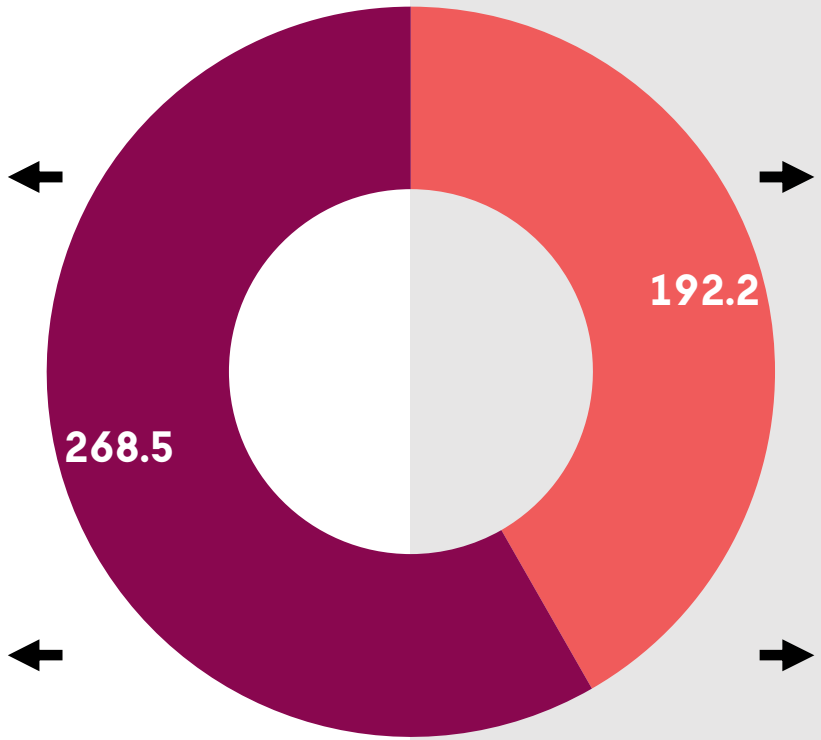
1H25 Divisional results

Strong residential lending and Up deposit growth over the half

Consumer

- 3.7% decrease in cash earnings
- 1.0% increase in Net Interest Income
- 8.8% increase in operating expenses
- 1H25 residential loan growth 5.9%, largest in 6 halves
- 12.4% EasySaver growth
- Bendigo Digital home loan offering continues to drive 19.1% of total residential settlements in 1H25
- Bendigo Lending Platform drove 28% of total residential lending settlements in 1H25

Cash Earnings ($m)



Business & Agribusiness

- 5.0% decrease in cash earnings
- Decrease in Net Interest Income 4.5%
- 4.1% decrease in operating expenses
- 1H25 Agribusiness loan growth down 4.9% due to seasonal outflows
- Growth in Equipment finance of 11.8% half on half
- Rebuild and refinement of the B&A operating model and implementation of ABC program

Note: Comparisons shown are to 2H24 results.

Shaping the future of banking – our strategy

For our customers, our people, partners, communities and shareholders

Vision — **Australia's bank of choice**

Purpose — **To feed into prosperity, not off it**

Imperatives

- **Reduce complexity**
- **Invest in capability**
- **Tell our story**

Unwavering commitment to our customers

Our proactive approach

Economic outlook

Cost of living pressures remain
- Inflation trending lower
- Consumer confidence improving

Housing Affordability
- Limited supply of new homes
- First home buyers priced out of metro areas

Interest rates
- February rate cut likely
- Expectation for two further cuts throughout the calendar year to a neutral level of 3.5%

Commitment to accessible and impact banking

- More branches per customer than any other Australian bank
- Network of **429** bank branches
- Supporting customers with our Mortgage Help Centre
- In FY24**, $40.3 million** invested back into communities[1]

Regional focus

- The only regionally headquartered **ASX100** company
- More than half of our branches are in regional and rural locations
- The only bank with a physical presence in **131** communities
- In FY24, awarded **$1.1 million** in scholarships to over **307** regional and rural students

Protecting our customers

- Blocked **$34.4 million** (FY24) in fraud or scam transactions
- NameCheck protecting our **2.7 million** customers
- Delivered on Scam-Safe Accord commitments
- Held more than **250** face-to-face Banking Safely Online sessions

1. $40.3 million in FY24 and $366 million since the inception of model in 1998. FY24 figure subject to limited independent assurance by EY.

Transforming our business

Continuing focus delivering results

1. Returns

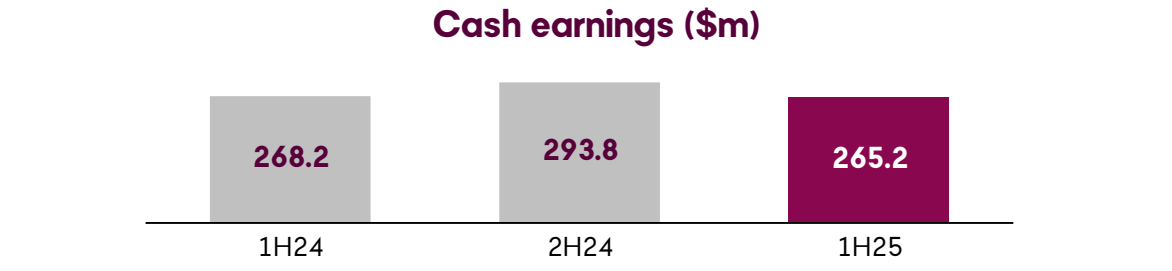
2. Execution

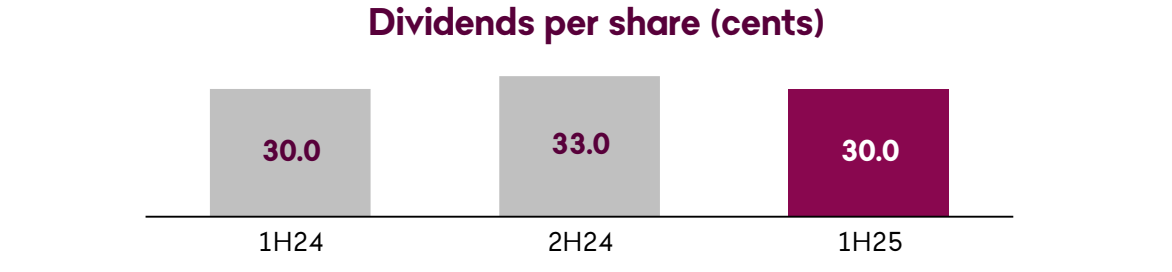
3. Business Sustainability

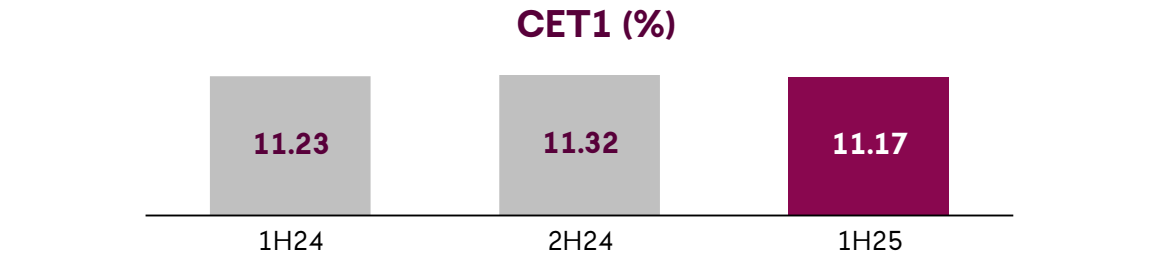
Returns

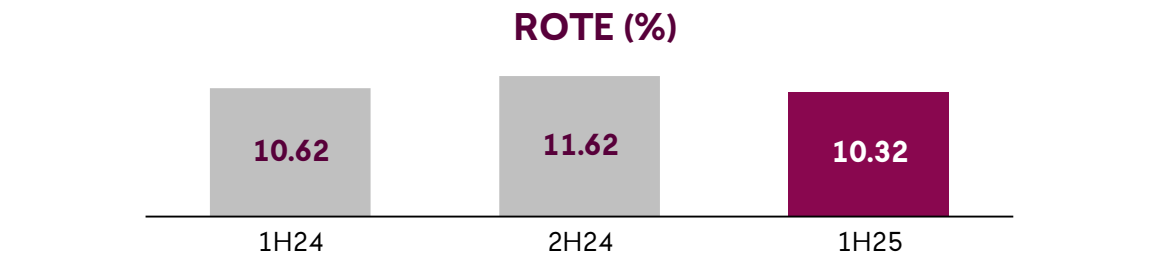
Stable DPS, CET1 remains strong

- Cash earnings lower due to lower income and increased investment spend
- Dividend per share is in line with prior comparative period
- Strong CET1 capital position supports growth and investment
- Increases in returns for new business written over the past 2 years, due to lower LVR's and lower cost to serve (digital channel mortgage growth)





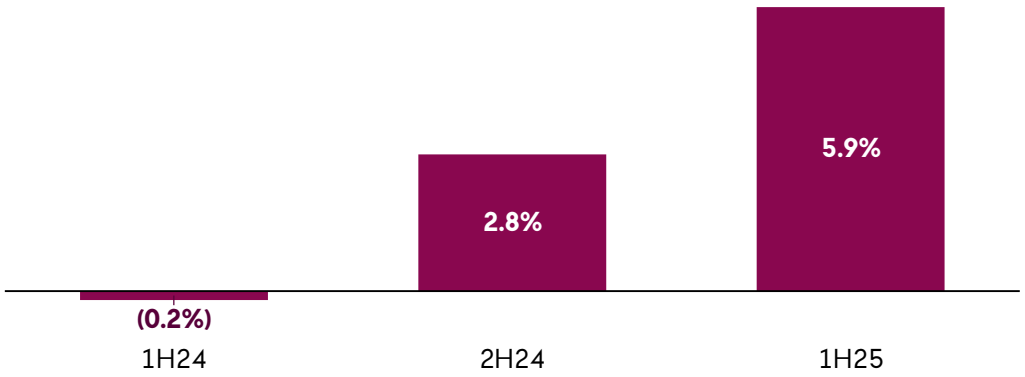




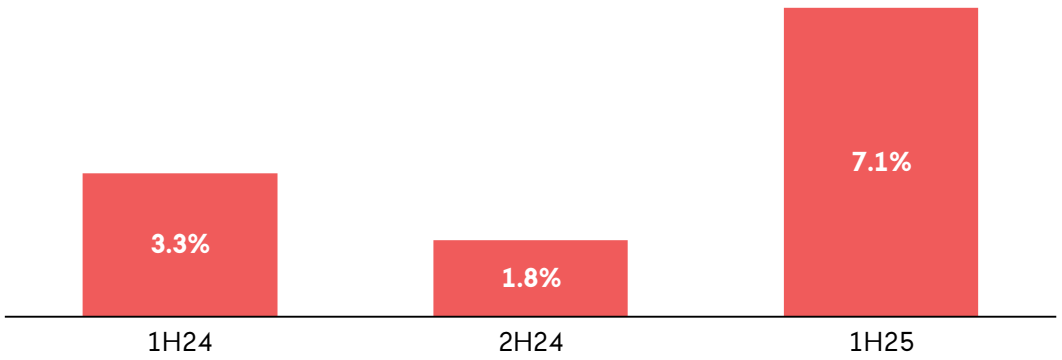
Returns

Building growth across both sides of the balance sheet

Consumer segment – Residential lending growth (HoH)



Consumer segment – Customer deposit growth (HoH)



- Largest Residential Lending growth in 6 halves
- Largest Deposit growth in 7 halves
- Growth supported by investment in digital experiences and digital automation
  - For Lending, digital channels and improved time to “yes” in the Broker Channel
  - For Deposits, improving the digital experience for online EasySaver product and online term deposits
- Continuing product rationalisation, further investments in digital account opening and mortgage process automation

Execution

Growth Engines

Business and Agribusiness

- Launched the new CRM and lending platform to Business banking
- Business Direct team established in November 2023, growing sales 6x and increasing NPS by 9.8
- Consistent and strong growth through the Broker Channel (more than 20% per half for the last 3 halves)
- Rural Bank migration of the legacy products, brand and technology due to occur March 2025
- Reducing customer pain points by 16%

Bendigo Lending Platform

- Bendigo Lending Platform (BLP) rolled out to over 11,000 brokers in 2024
- $2.8bn settled in Bendigo Broker in 1H25
- Rolled out to Mobile Relationship Managers in December 2024
- Rolled out to Retail branches and Mortgage partners in calendar year 2025
- Driving more than a quarter of all residential settlements
- 1.4 times more efficient in lending

Execution

Up – delivering growth and margin

Customer

<$50 Cost of Acquisition[1]
>1 million Upsiders[2]
13% Customer Growth (HoH)
58.4 NPS[3]

Up balances

$2.6b in Deposits, up 23% (HoH)
$1.2b in Home Loans up >100% (HoH)

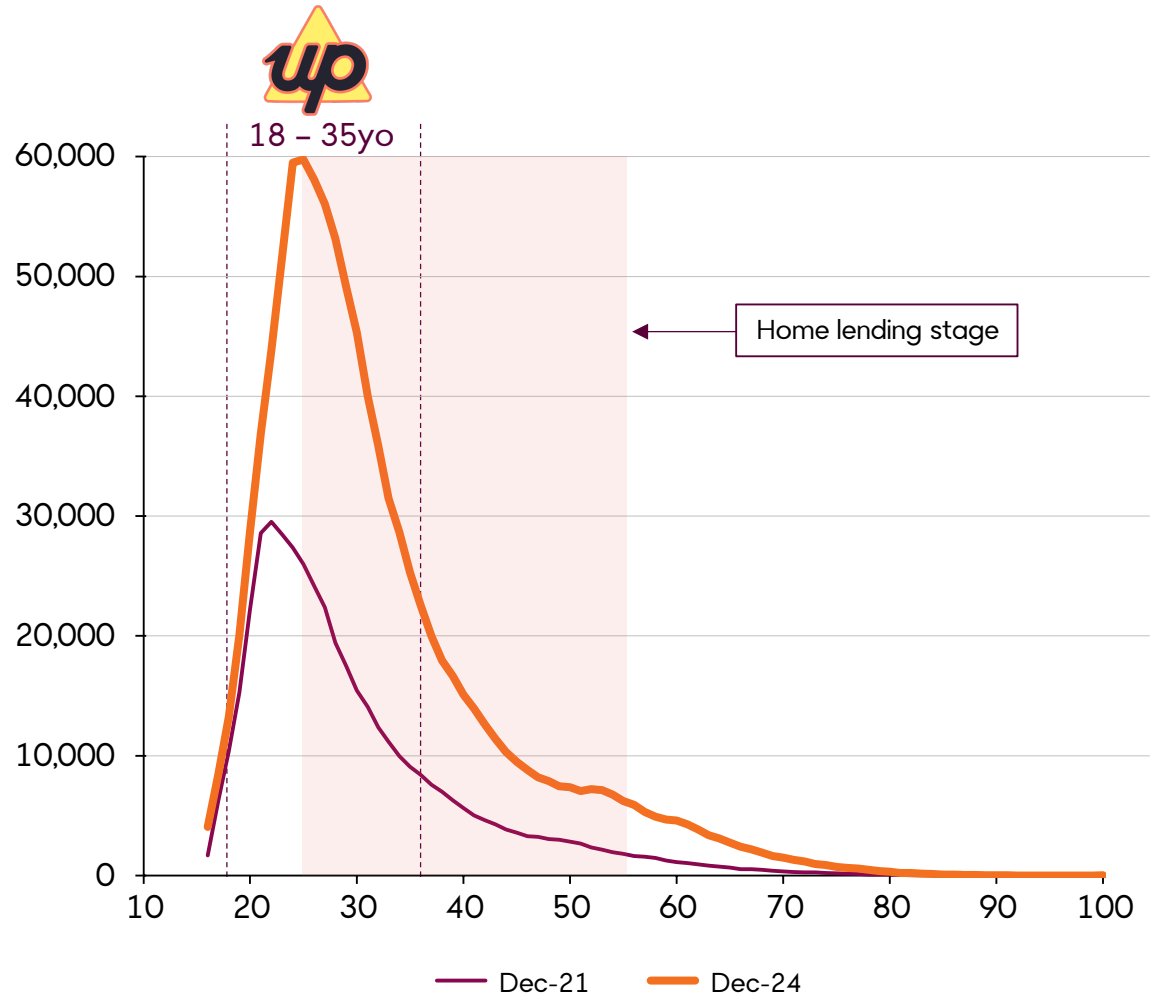
Up Home portfolio

$555,000 Loan Size
65.8% LVR
36.1% RWA

1. Based on total marketing costs.
2. Upsiders = Up customers with regulated bank accounts.
3. Roy Morgan Net Promoter Score – Roy Morgan Research. 6 month rolling average at December 2024. Net promoter, Net Promoter System, Net Promoter Score, NPS and NPS-related emoticons are registered trademarks of Ban & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.

Bendigo Bank

Up - # of customers by age
Dec 2021 v Dec 2024



Business Sustainability

Digital Channels

% of residential lending settlements from digital[1]

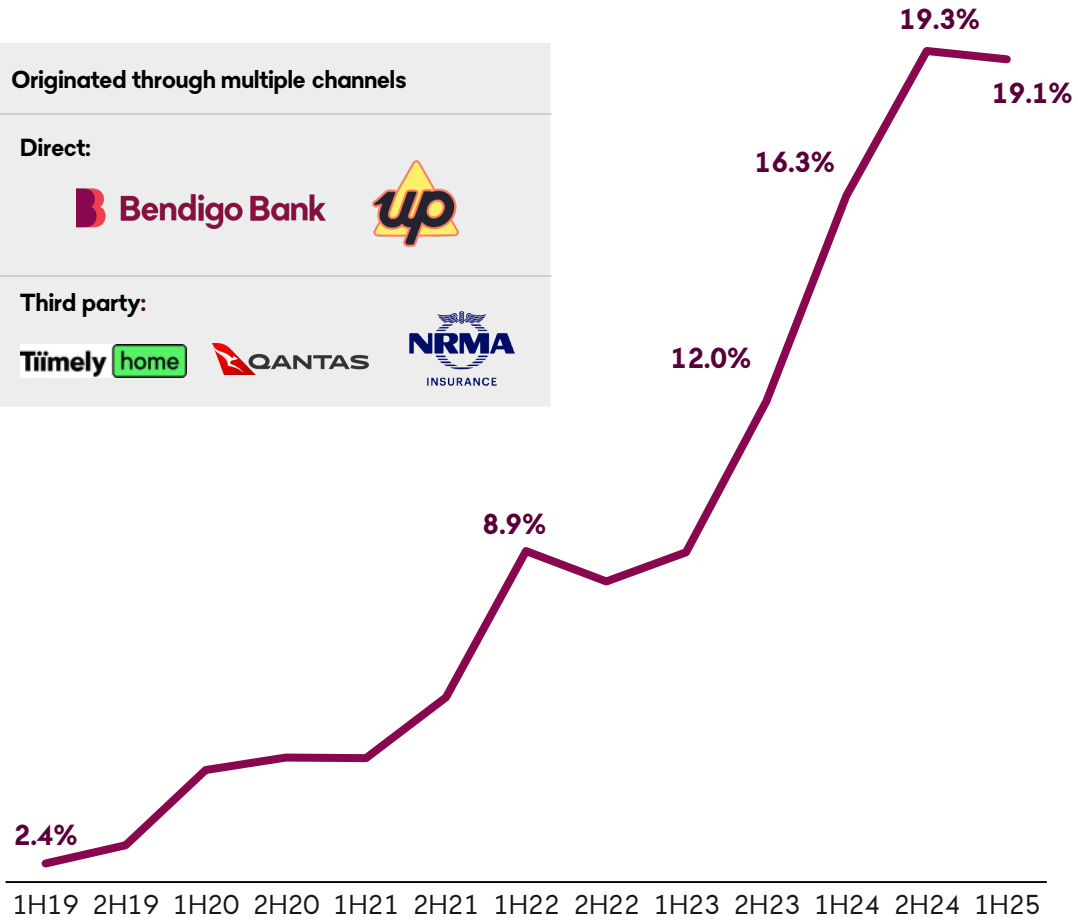
Originated through multiple channels

Direct:

Bendigo Bank, up

Third party:

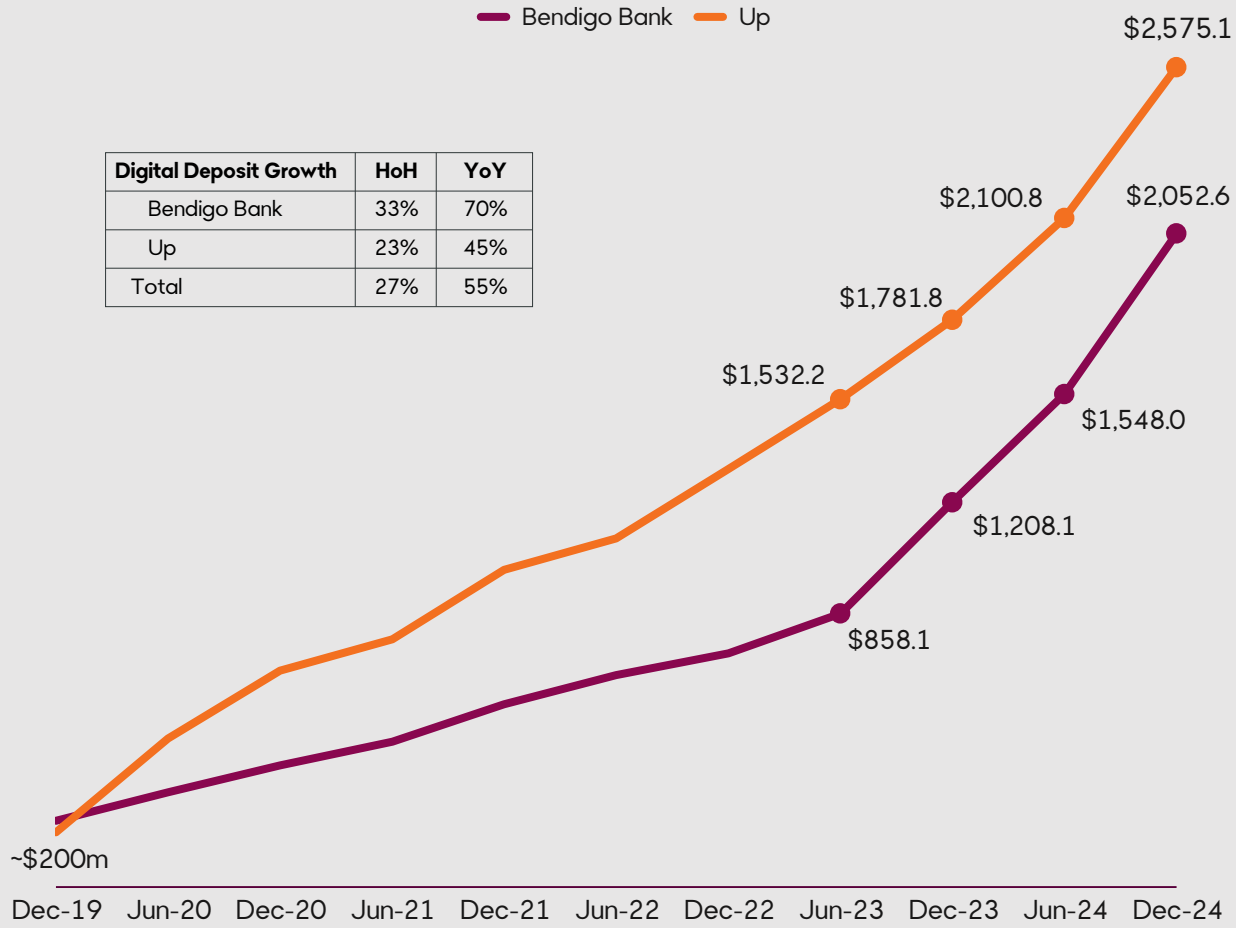
Tiimely home, QANTAS, NRMA INSURANCE



1. Settlements in digital channels consists of loans originated through BEN Express, Up, Qantas Money Home Loans, NRMA Home Loans, and Tiimely Home. All of which are powered by the Tiimely platform.

Digital deposits[2] ($m)

Digital Deposit Growth	HoH	YoY
Bendigo Bank	33%	70%
Up	23%	45%
Total	27%	55%



2. Digital deposits includes all deposit accounts opened through the Bendigo Bank website, Bendigo Bank eBanking application and Up. Bendigo Bank historical digital deposit balances have been restated to include closed digital term deposits that had been excluded from historical balances.

Bendigo Bank

Sustainability in our business

Driving action towards a resilient and sustainable future since FY19

People

Belonging at BEN

- **Gender Equity** 7 out of 9 levels on track for 40:40:20 gender balance
- **Gender pay gap** reduced to 24.5 (median) (FY24)
- **Employment pathways** with Recruitable and PACE Mentoring
- **Average hours of training per employee** 11.3 (FY24)

Customers

Financial Inclusion Action Plan

- **Specialised team** supporting customers experiencing vulnerability
- **Updated Terms and Conditions** protecting customers from financial abuse
- **Building digital literacy** through **Banking Safely Online** with **Good Things Foundation**

Communities

Community Bank model

- **$366 million** returned to communities since inception of model
- **30** Community Bank companies **Social Traders certified**

Bendigo Bank & Community Banks

- **$5.73m scholarships** funded (FY20-24)

Environment

Climate Strategy

- **First Green Personal Loan** in Australia
- **Majority of staff completed** Climate Change Training (1H25)
- **Reductions** in operational emissions
- **CDP** Score of **B** in 2022, 2023, 2024
- **Carbon neutral** status maintained

Sustainability reporting is disclosed in the Bank's Annual Report: 2024 Annual Financial Report
ESG Data is disclosed in the Bank's ESG Data Summary: esg-data-summary-2024.xlsx

1H25 results

Andrew Morgan – Chief Financial Officer

Financial and operating performance

Funding costs and mix impacting income

	1H25 ($m)	1H25 v 2H24	1H25 v 1H24
Total income	972.4	(2.5%)	1.6%
Operating expenses	598.4	5.0%	8.3%
Operating performance	**374.0**	**(12.5%)**	**(7.4%)**
Credit expense (reversal)	(10.5)	Large	Large
Cash earnings (after tax)	**265.2**	**(9.7%)**	**(1.1%)**
Statutory net profit (after tax)	**216.8**	**(17.5%)**	**(23.2%)**

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

Key points – half year

- Income impacted by lower net interest margin and lower Homesafe income
- Operating expenses reflect inflation pressures and previously flagged increase in investment spend
- Credit expenses benefited from a net writeback, reflecting the revision of some of our collective provision overlays and strong credit profile

Cash earnings vs Statutory NPAT

Result impacted by reduced property valuations; restructure costs coming down

	1H25 ($m)	2H24 ($m)	1H24 ($m)
Cash earnings after tax	**265.2**	**293.8**	**268.2**
Non-cash items:			
- Homesafe (net)	(25.8)	12.4	47.8
- Elders contract termination	-	-	(11.8)
- Sale of Wealth business	9.1	-	-
- Restructure costs	(31.2)	(34.4)	(16.9)
- Other items	(0.5)	(9.1)	(5.0)
Statutory NPAT	**216.8**	**262.7**	**282.3**

Key items

- Homesafe reduction mostly reflects impact of lower house prices on carrying value
- Sale of Bendigo Superannuation Pty Ltd (BSPL) on 1 September 2024 and Responsible Entity retirement on 28 November 2024
- Restructure costs reduced on prior half: includes one-off cost of core banking platform consolidations; and, ongoing restructuring

Overview of key 1H25 financials

Balance sheet momentum continues from 2H24

Balance sheet		1H25
Total lending[1]	$83.6b	3.4%
Residential lending[1]	$65.2b	5.3%
Customer deposits	$72.0b	5.4%
Average Liquids[2]	$14.4b	(13.1%)

Capital, funding and liquidity		1H25
CET1	11.17%	(15 bps)
Household deposits: lending ratio[3]	73.2%	67bps
Liquidity (LCR)[4]	135.2%	(2.6pp)

P&L		1H25
Net Interest Income	$834.7m	(2.1%)
Operating expenses (ex investment spend)	$543.3m	4.1%
Cash earnings	$265.2m	(9.7%)
NIM (normalised)	1.88%	(6bps)
FTE (spot)	4,812	0.7%

Profit metrics		1H25
Return on equity	7.55%	(99 bps)
Cost to income ratio	61.5%	430 bps

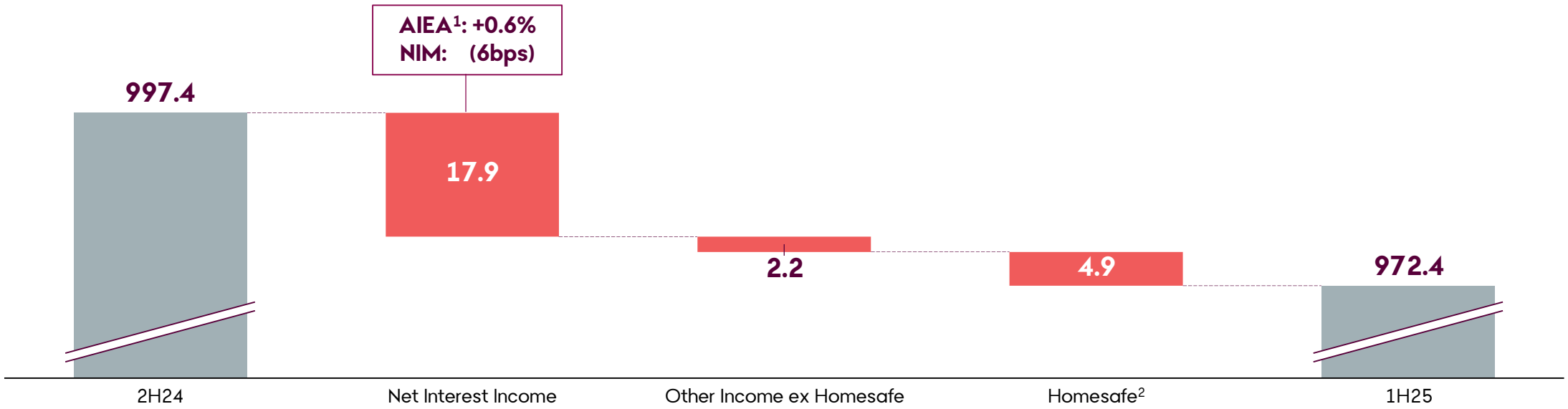
Note: Comparisons shown are to 2H24 results.

1. Lending by Product (refer to page 26 of the Appendix 4D for further detail).
2. Average liquids is a 6 month average. The reported FY24 Liquids of $13.5b was the 30 June 2024 closing balance (average was $16.6b).
3. APRA Monthly Authorised Deposit-Taking Institution Statistics December 2024. Ratio calculated as deposits by households divided by loans to households columns (owner-occupied, investment, credit cards and other).
4. LCR represents December 2024 quarterly average.

Total income

Lower income mostly impacted by lower net interest margin

Income 1H25 v 2H24



Income callouts:

- Lower NII driven by NIM contraction partly offset by growth in Average Interest Earning Assets
- Homesafe income impacted by a lower volume of completed contracts

Key considerations:

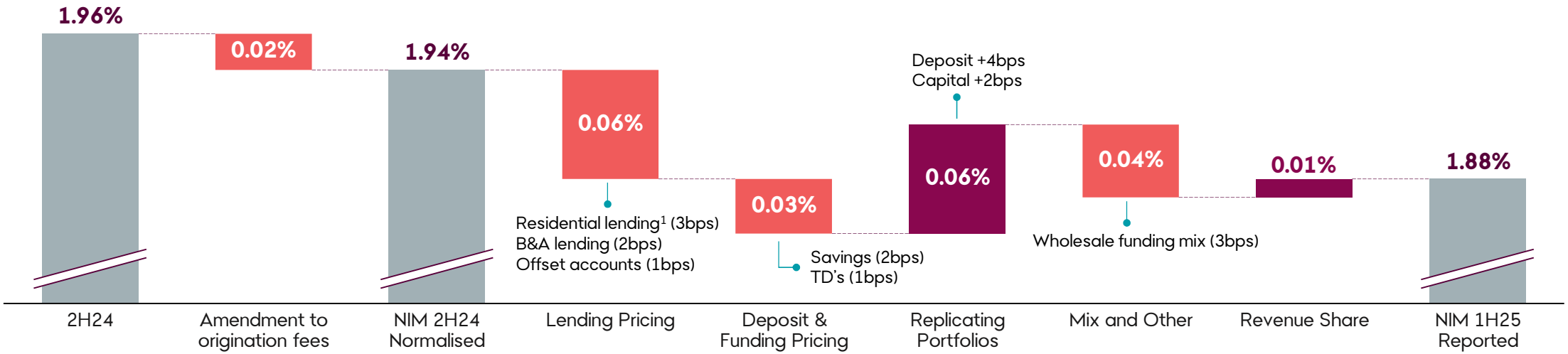
- Homesafe now in run-off; income will reduce over time subject to the rate of and profit on completions
- Open Homesafe contracts reduced by 3% over the half

Note: Other income breakdown is prepared on a cash basis.
1. Half on half average balance vs prior half.
2. Homesafe realised income before tax. Realised funding costs recognised in net interest income.

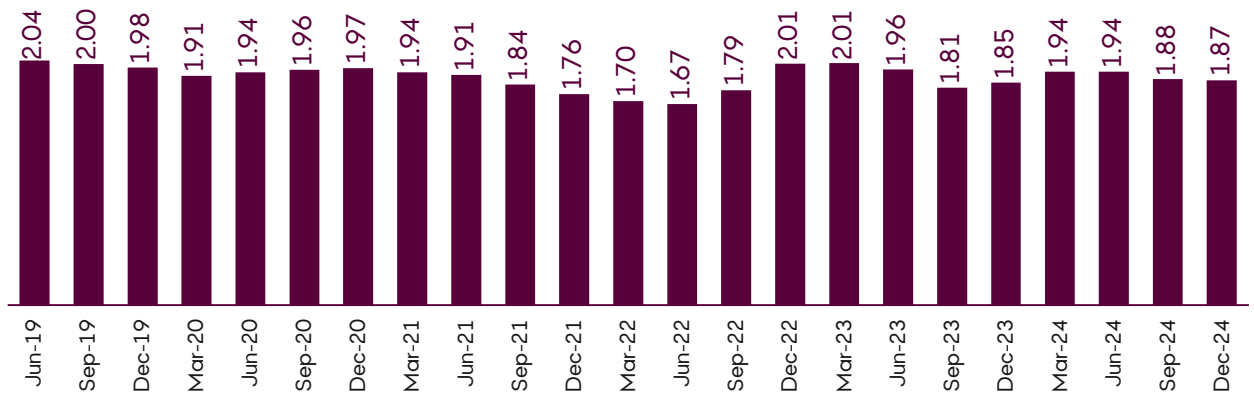
Net interest margin

Result reflects higher cost of funding and adverse mix

NIM 1H25 v 2H24



Quarterly NIM (%)[2]



Key considerations for FY25:

- Cash rate easing cycle expected to commence at next RBA meeting
- Some benefit into 2H25 from repricing activity in 1H25
- Reduced benefit from replicating portfolio
- Fixed to variable rate conversions to continue
- Higher average wholesale funding costs post TFF

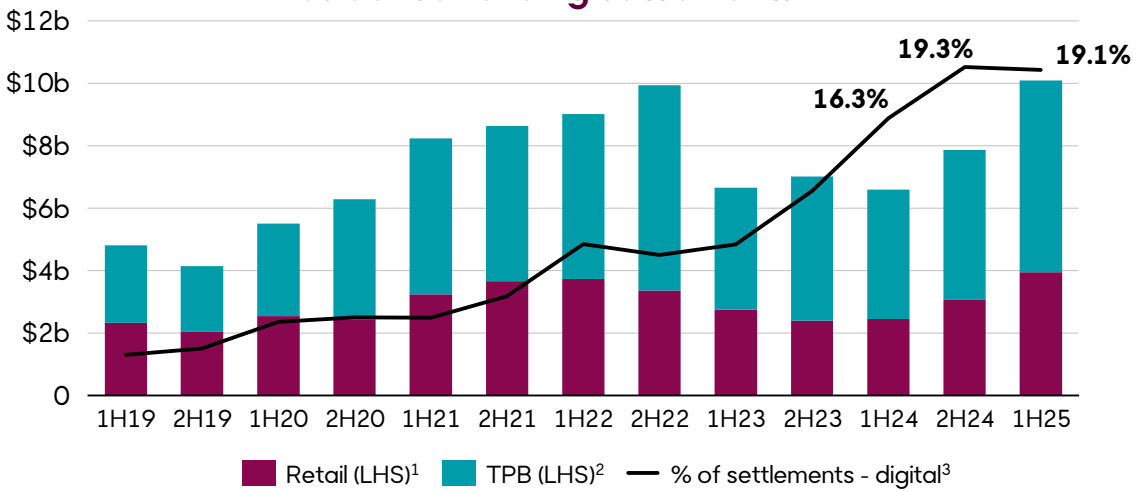
Note: NIM is calculated on a cash basis (cash net interest income divided by average interest earnings assets).
1. Residential lending excluding offset accounts.
2. Cash quarterly NIM on a post revenue share basis.

Residential lending

Diversified channels delivering growth and improving returns

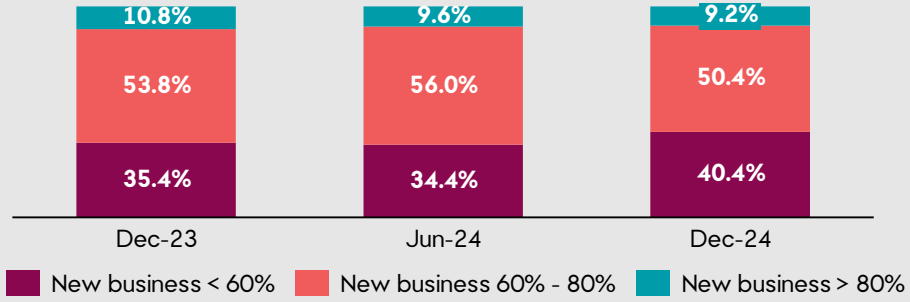
- Total portfolio up 5.3% on prior half (2.0x system)
- Average LVR trending downwards over last 18 months; c.40% of new originations below 60% LVR
- Almost half of new business written in lower cost channels: new lending platform (28%); digital mortgages (19%)
- Returns on new business continue to improve, measured by NIM/CRWA on new business

Residential lending settlements[1,2,3]

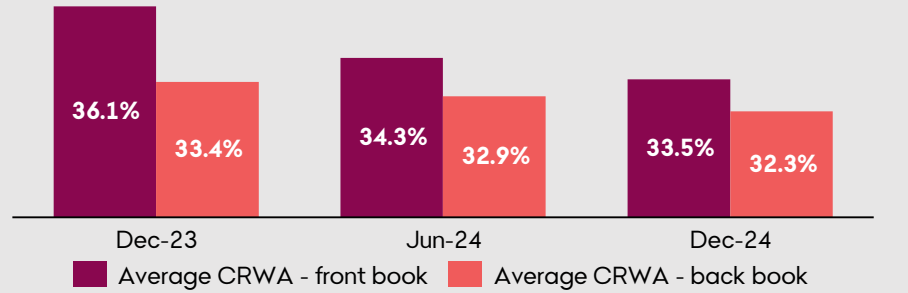


1. Up and BEN Express included within Retail channel.
2. Qantas Money Home Loans, NRMA Home Loans, and Tiimely Home included within TPB (Third Party Banking) channel.
3. Settlements in digital channels consists of loans originated through BEN Express, Up, Qantas Money Home Loans, NRMA Home Loans, and Tiimely Home. All of which are powered by the Tiimely platform.

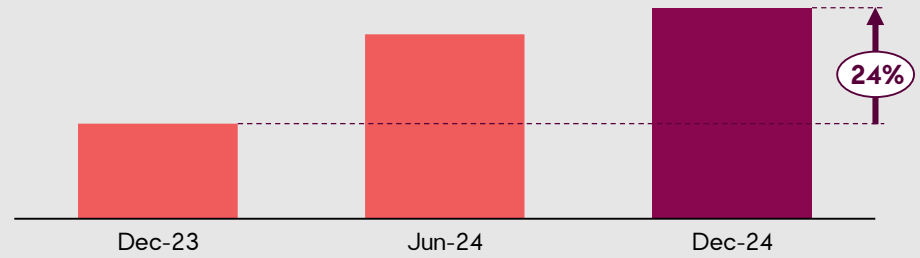
New business by LVR (%)



Average CRWA on mortgages



Average mortgage – NIM[4]/CRWA (new business)



4. NIM includes revenue share and commissions.

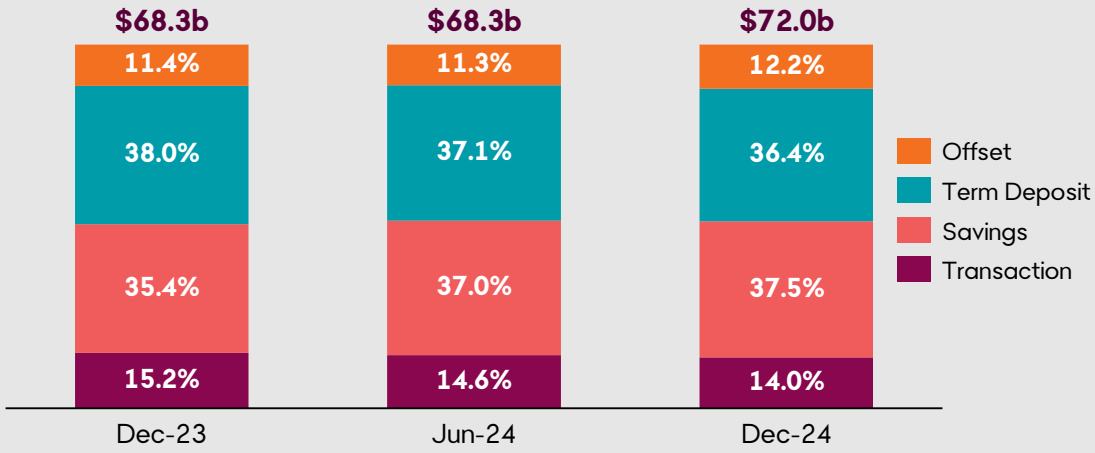
Bendigo Bank

Strength of deposit franchise

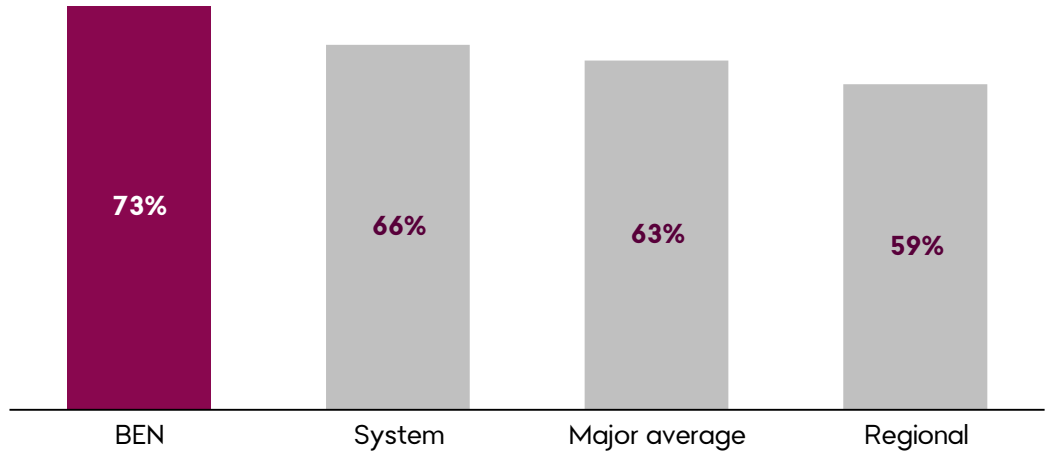
Branch network provides stable funding source

- Growth of 5.4% on prior half, the largest in 7 halves
- Proprietary and Community Bank branch networks remain a critical and stable source of deposit funding – up 5.5%
- Digital deposit momentum continues – up 55% YOY and up 27% on prior half – driven by improved BEN eBanking functionality; ongoing customer growth via Up
- Some deterioration in deposit mix – offsets grew 14% on prior half; TD growth in lower margin tenors
- Household deposit to loan ratio stable at 73% (up 67bps over the half), which is 7% higher than system[1]

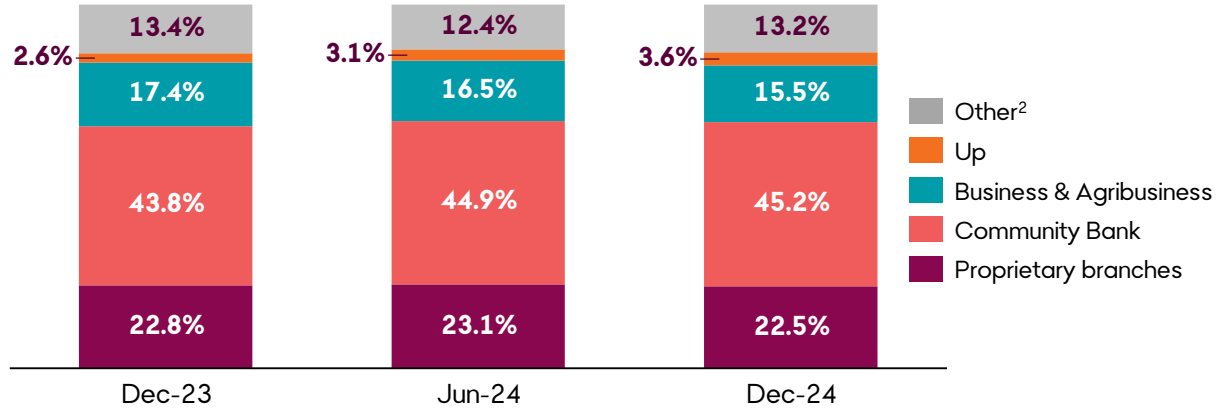
Customer deposits - by type



APRA household deposit/loan ratio[1]



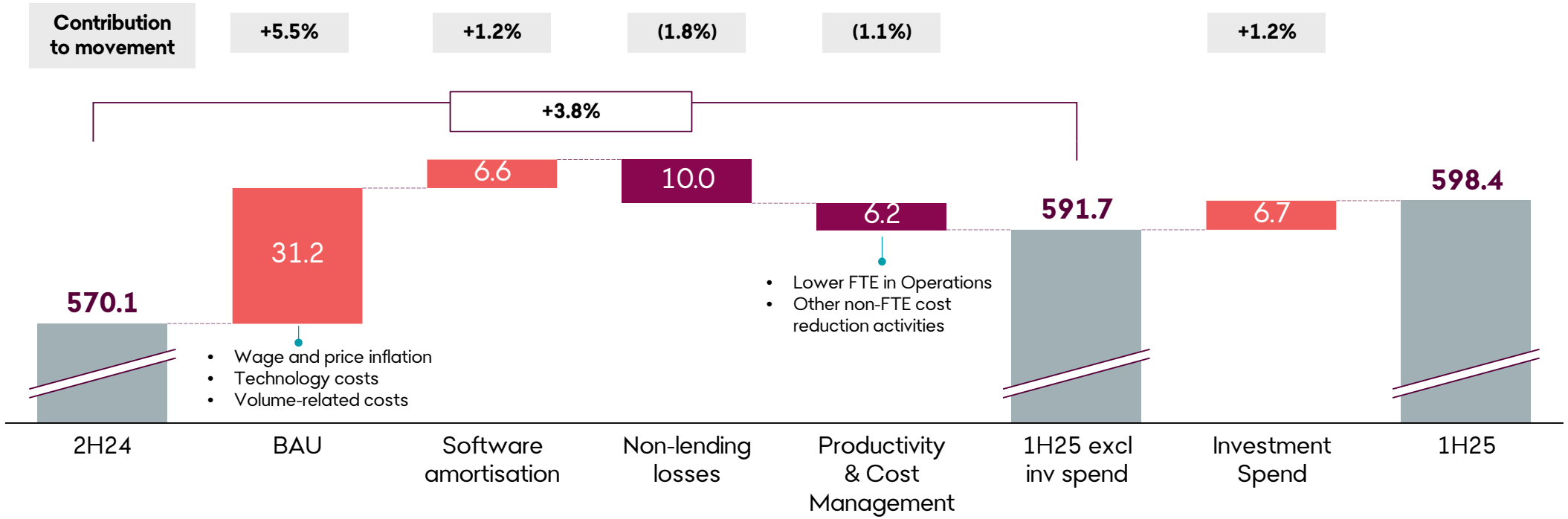
Customer deposits - by channel



1. Source APRA Monthly Authorised Deposit-taking Institution Statistics December 2024. Ratio calculated as deposits by households divided by loans to households columns (owner-occupied, investment, credit cards and other).
2. 'Other' deposit channel is made up of Third Party Banking, Treasury and Wealth.

Operating expenses

Cost growth driven by wage and price inflation, and increased software amortisation



Key Considerations:

FY25 Operating Expenses

- Inflation pressures to continue to abate
- Targeting to limit business as usual expenses[1] to no higher than inflation through the cycle
- Cost management and productivity commitments continue

Investment spend

- As noted at FY24 result, FY25 and FY26 cash investment spend to be $30-40m higher than FY24 levels, with circa two thirds booked as opex
- Expect 2H25 expensed investment spend to be higher than 1H25, in line with guidance

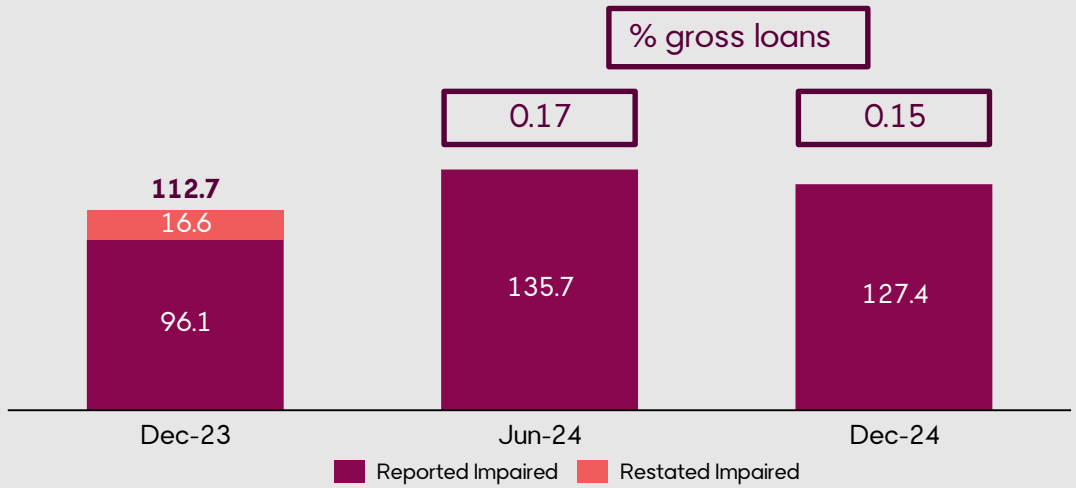
1. Business as usual expenses exclude investment spend and other large abnormal items such as remediation expenses.

Credit Quality

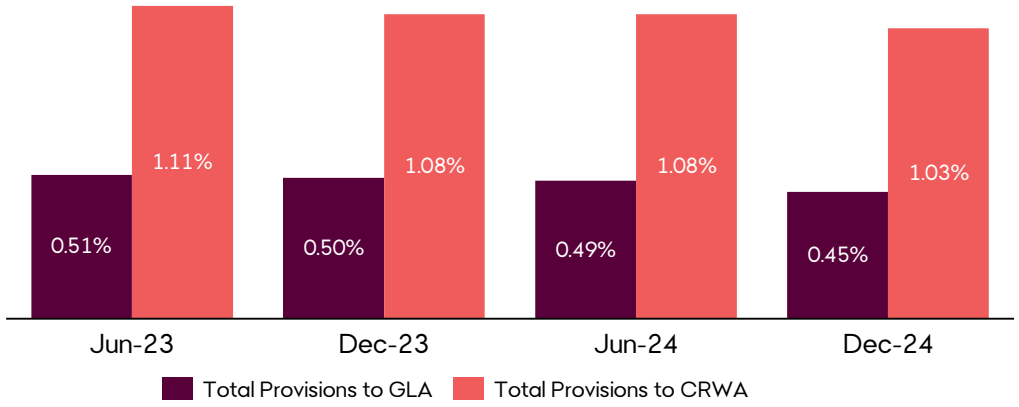
Credit metrics remain sound

Credit expense ($m)[1]

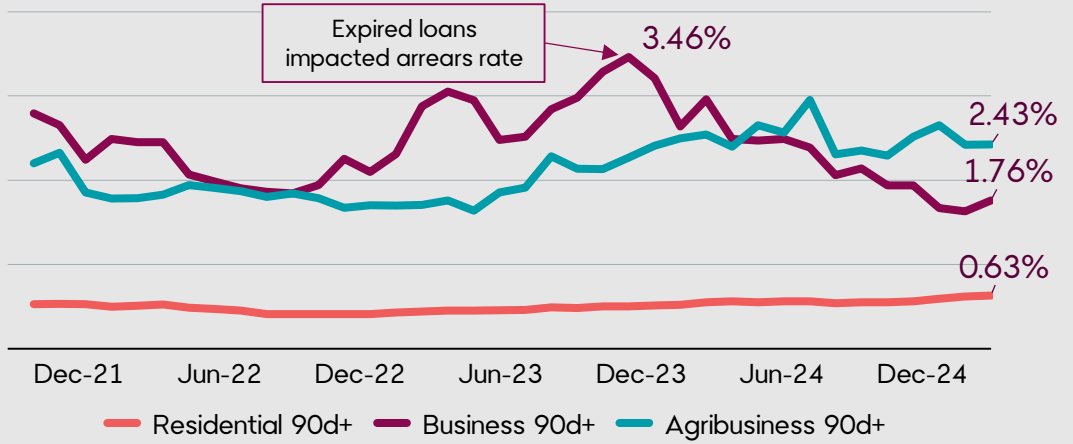
Gross impaired loans ($m)[2]



BEN provision coverage over time



Loan Arrears[3]



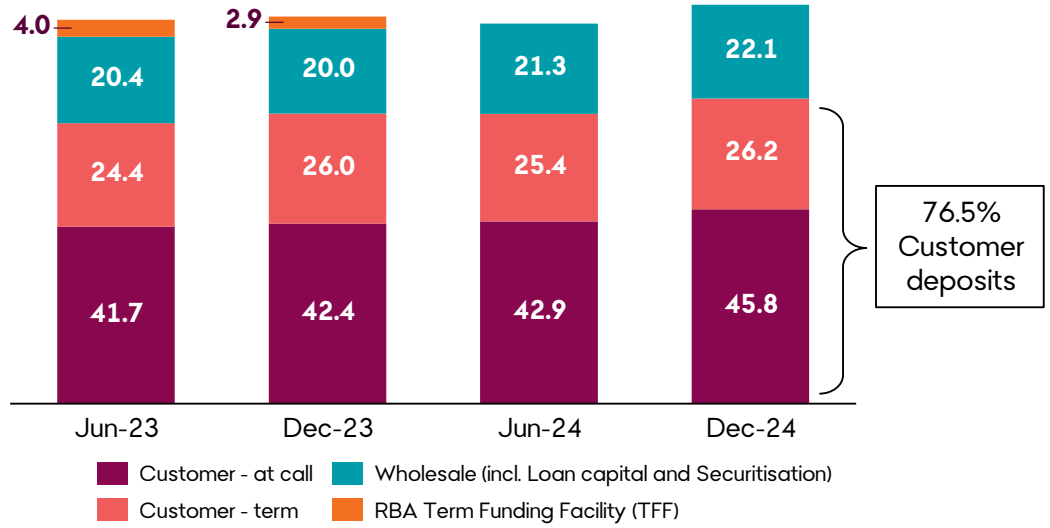
1. Specific provision is net of bad debts written off and recoveries.
2. Revised internal policy definition for restructured loans in the Business and Agribusiness portfolio as reported at the FY24 BEN Result (also refer to page 31 of the Annual Report 2024).
3. Arrears include impaired assets and all arrangements. Agribusiness arrears has been updated to include impaired assets to align to the measurement of arrears for the other portfolios.

Funding and liquidity

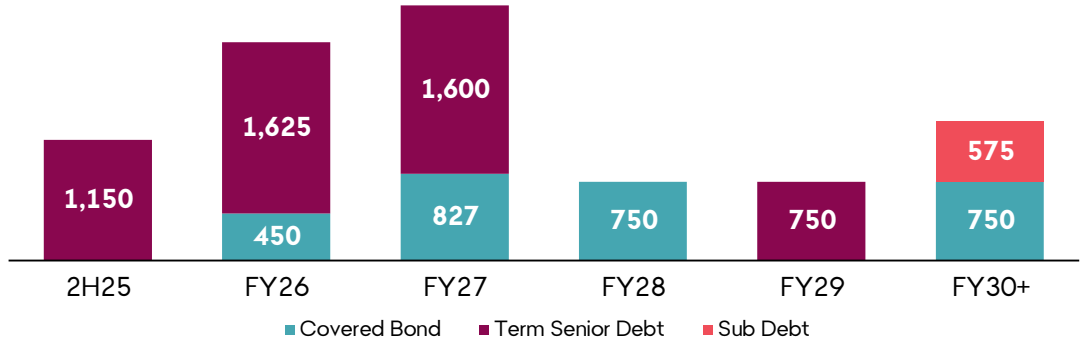
Stable and diversified funding sources

- Customer deposits as a percentage of total funding continues to increase
- Net +$14b of funding from Community Bank network provides relatively cheaper source of funding
- In 2H24, repaid $2.9b of RBA TFF
- Between May and Nov 2024, issued $2.7bn of replacement funding at higher cost
- Funding and liquidity ratios well positioned (absolute liquidity needs increased with expanding balance sheet)

Funding profile ($b)



Term funding maturity profile ($m)[1,2]

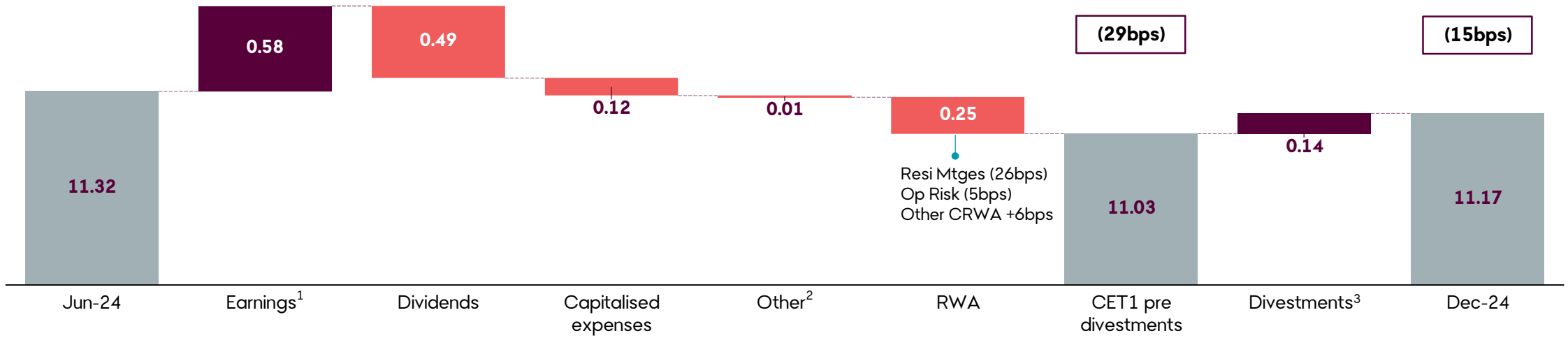


1. Subordinated debt maturity refers to legal final maturity date.
2. Non-AUD exposures represented as AUD equivalent on swapped basis as at time of issuance.

Capital and dividends

Capital position remains strong

CET1 movement - 6 months (%)



- Capital consumption over the half reflects higher lending growth and investment spend
- 1H25 dividend of 30 cps fully franked, in line with 1H24 and a payout ratio of 64.0% of cash earnings
- Shares issued via the Dividend Reinvestment Plan (DRP) to be neutralised for fifth consecutive half
- Well placed to meet the planned phasing out of Additional Tier 1 Capital instruments with no material financial impacts
- Remains comfortably above CET1 Board Target above 10%

1. CET1 capital excludes unrealised Homesafe revaluation revenue from retained earnings, along with earnings from certain other subsidiaries that do not form part of the regulated Level 2 banking group.
2. Includes movements in other reserves and CET1 deductions.
3. Includes 9bps impact from the divestment of Cuscal Limited and 5bps from the finalisation of the sale of Bendigo Superannuation Limited.

Pathway to achieving ROE above the cost of capital

	1H25 proof point
Continued focus on productivity and scale	**BAU expenses** tracking at 2.1% CAGR over five years
Investing in our deposit gathering franchise underpinned by the strength of our Community Bank model	**Digital deposits** +20% on prior half
Diversifying our balance sheet with the rebuild of our Business and Agribusiness division	**B&A growth in Broker Channel** 24% HoH
Disciplined approach in home lending and taking advantage of multi-channel approach	**Digital + new lending platform** 47% of settlements

Q&A

Richard Fennell — Chief Executive Officer and Managing Director

Andrew Morgan — Chief Financial Officer

Summary

Richard Fennell – Chief Executive Officer and Managing Director

FY25 - priorities

Delivering on customer expectations to meet shareholder returns

Customer experience

- 429 branches, with more than half in regional locations
- Bendigo Digital enhancements
- Greater focus on improving experiences across key segments

Growth Engines

- Begin the roll out of Bendigo Lending platform to retail network
- Business & Agri CRM and lending platform rolled out to Agri business bankers
- Up margin and growth momentum

Delivering on fundamentals

- Rural Bank migration complete by FY25
- Data cloud migration continues and AI enablement program
- Improving customer pain points in B&A
- Uplifting risk capability

Investor Summary pack

Who we are

Overview

2.70 million customers

+7,000 employees

Top 100 ASX listed

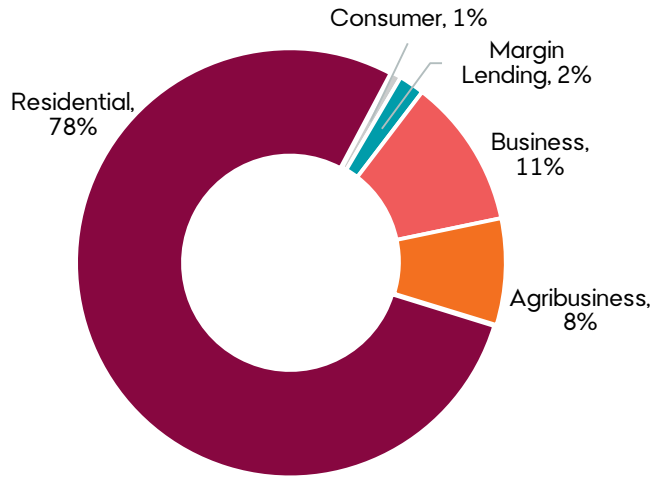
76.5% funded by customer deposits

Total assets **$102.2b**

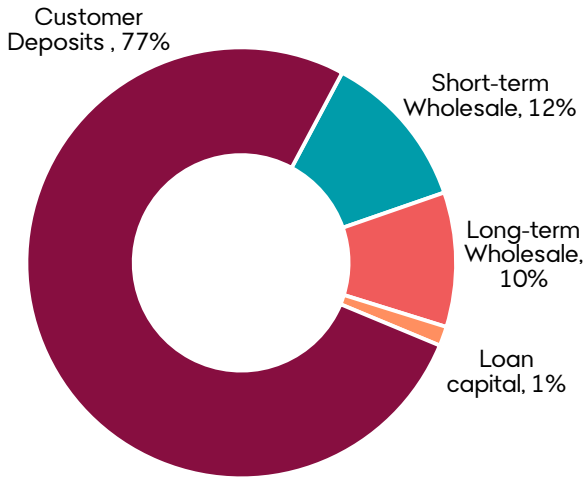
NPS of **+22.0** **+31.1** above industry[1]

- 166 years of history, amalgamation of more than 80 different organisations
- 2.23% market share
- 429 total branches (308 Community Bank and private franchise, 121 company owned)[2]
- Multi-channelled:
  - Residential lending – Retail, Digital and Third Party Banking
  - Business and Agribusiness lending – Direct and Broker
  - Deposits – Retail, Digital and Business and Agribusiness

BEN loan portfolio



BEN funding portfolio



1. Roy Morgan Net Promoter Score – Roy Morgan Research, 6 month rolling averages as at December 2024, 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.

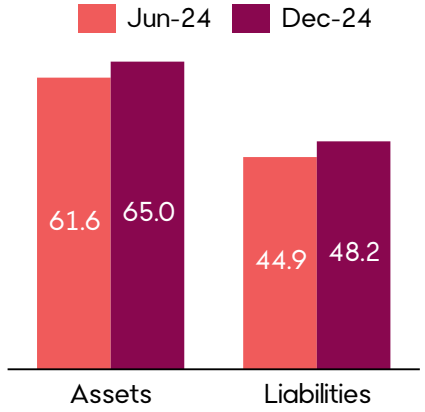
2. Franchisees derive revenue through a share in margin and fees, and commission payments. From 2024 private franchises have been included in branch counts.

Consumer

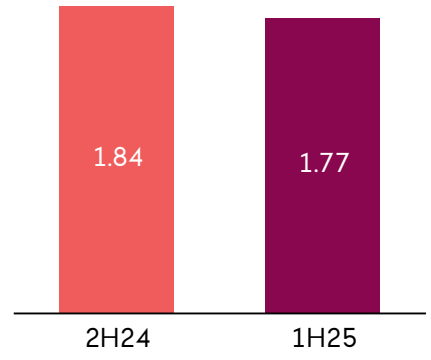
Multi-channel strategy drives growth

- Net interest income increased 1.0% reflecting growth in assets (5.4% for the half), partly offset by 7bps margin contraction
- Customer deposit balances increased $3.1b (7.1% for the half), driven by strong growth in Offset and EasySaver accounts
- Other income (excl. Homesafe) was largely flat for the half, with higher wealth management fund performance fees offset by removal of account keeping fees
- Homesafe net realised income decreased $4.1m driven by a lower volume of completed contracts
- Operating expenses increased 8.8%, driven by wage inflation, increased software licensing costs and amortisation

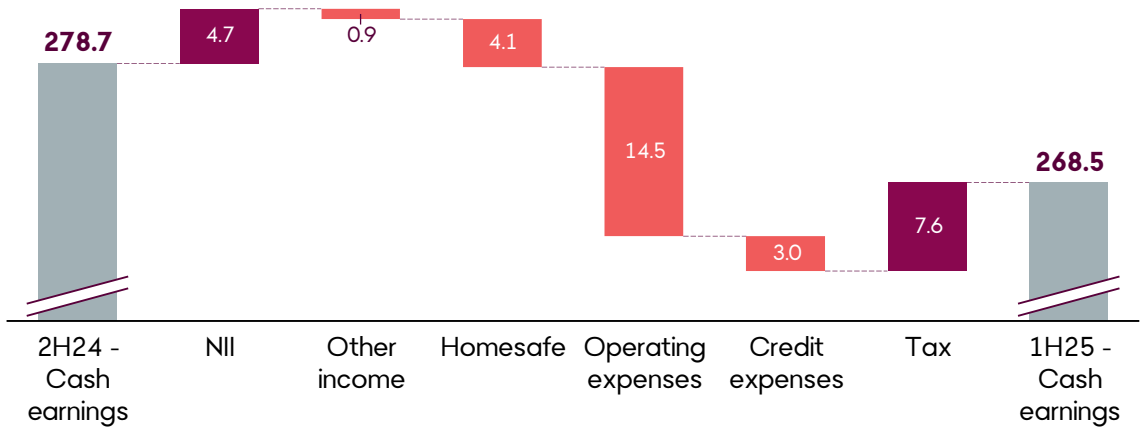
Volume growth ($b)[1]



Divisional NIM (%)



Profit drivers ($m)[2]

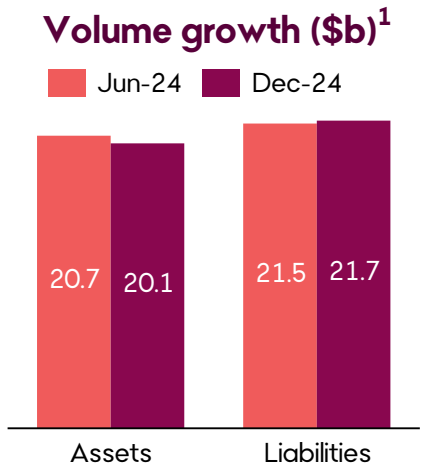


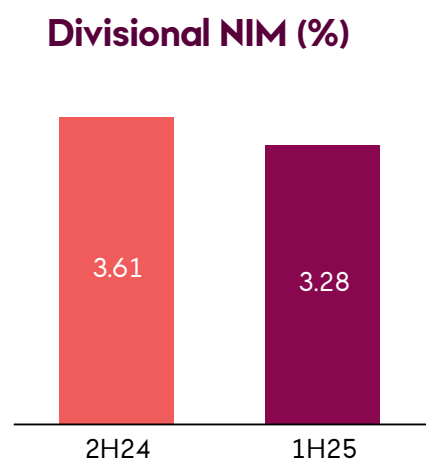
1. Volume growth is based on assets and liabilities that are managed within the Consumer division as per the Appendix 4D segments. Includes investments.
2. Homesafe net realised income is after tax.

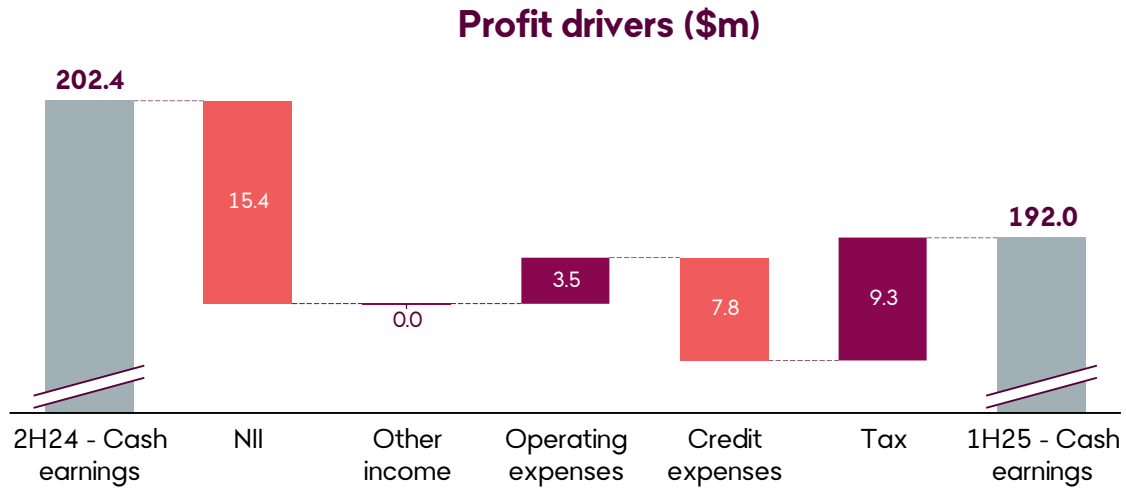
Business and Agribusiness

Significant opportunities over the medium term

- Net interest income decreased 4.5% as seasonal outflows in Agribusiness reduced asset balances while margins contracted 33bps for the half due to lending and deposit mix
- Operating expenses decreased 4.1%, benefiting from lower remediation costs, partly offset by higher staff costs with investment in business relationship managers
- Credit expenses increased $7.8m on prior half driven by higher collective provisions required under the implementation of APS220
- Rebalancing and diversification of Agribusiness portfolios into non-seasonal industries (such as beef and mixed livestock) has improved overall 'seasonality' (Nov to Jan each year) with lower outflows in 1H25 to pcp
- Well positioned to restore natural market share with positive early signs of improved pipeline tracking and an improved customer experience







1. Volume growth is based on assets and liabilities that are managed within the Business and Agribusiness division as per the Appendix 4D segments. Includes investments.

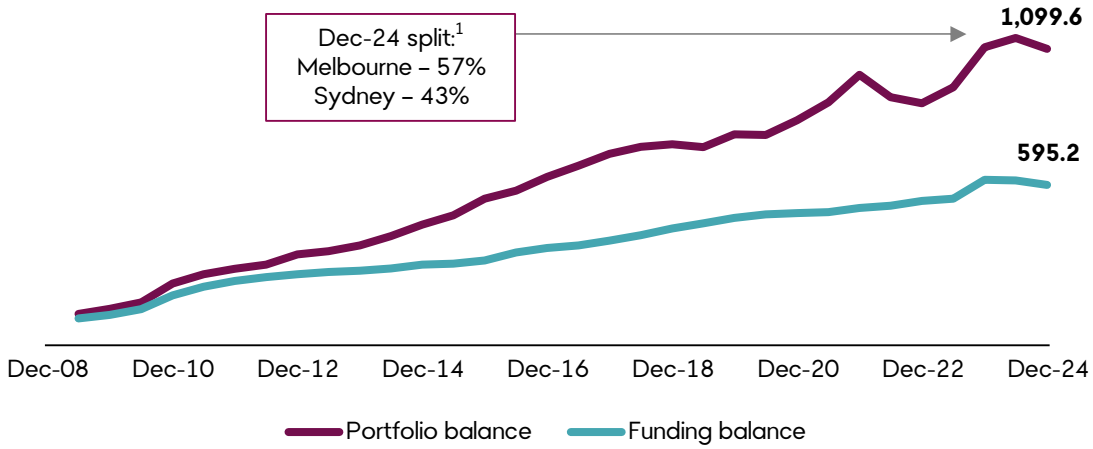
Homesafe

Summary of performance

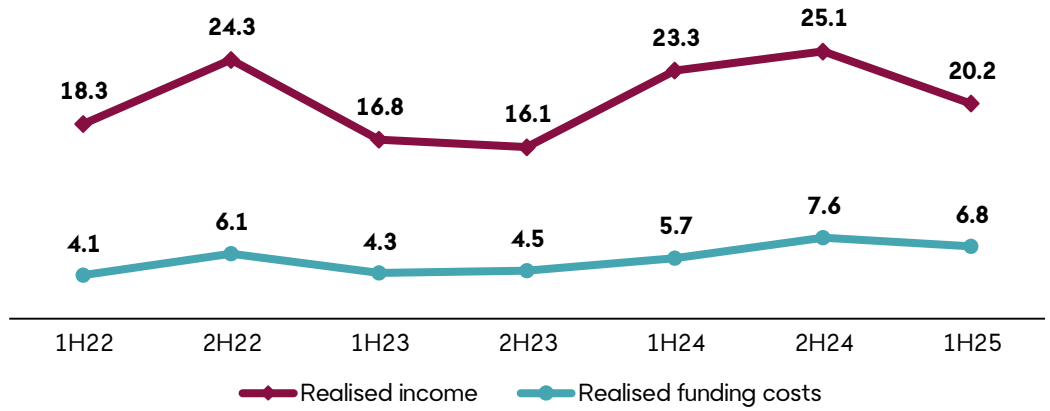
- Restructure of Homesafe investments in December 2023:
  - Ceasing funding of new contracts from 30 June 2024
  - Portfolio valued at c.$1.1b will be in run-off as existing contracts are completed
- Reduction in income reflects a lower volume of completed contracts
- Proceeds on contracts completed during 1H25 exceeded carrying value by $1.6m
- Average annual return on completed contracts since inception is 9.5% p.a, pre funding costs
- Property values would need to fall by ~45% before any impact on regulatory capital (property revaluation balance is deducted from retained earnings).

	2H22	1H23	2H23	1H24	2H24	1H25
Number of contracts (#)	3,741	3,840	3,895	4,000	4,009	3,906
Contracts completed (#)	118	86	110	128	159	103
Net cash from completions ($m)	39.6	27.9	30.9	39.2	45.1	35.5

Homesafe portfolio & funding balance ($m)



Realised - income vs funding costs ($m)



1. % split of portfolio calculated on total portfolio balance.

Residential lending

Residential metrics[1]

	Flow		Portfolio		
	1H25	2H24	Dec24	Jun-24	Dec-23
Flow / Portfolio amount	$10.1b	$7.8b	$65.2b	$61.9b	$60.1b
Retail lending (Proprietary)[2]	30%	31%	43%	44%	46%
Third Party Banking lending (Broker/white label)[3]	51%	50%	47%	45%	47%
Digital Lending[4]	19%	19%	10%	10%	7%
Lo Doc	0.00%	0.00%	0.18%	0.21%	0.25%
Owner occupied	79%	82%	76%	75%	73%
Owner occupied P&I	98%	97%	98%	98%	97%
Owner occupied I/O	2%	3%	2%	2%	3%
Investment	21%	18%	24%	25%	27%
Investment P&I	70%	72%	74%	73%	71%
Investment I/O	30%	28%	26%	27%	29%
Variable	86%	95%	84%	81%	72%
Fixed	14%	5%	16%	19%	28%
First home buyer %	11%	16%	16%	16%	15%
Mortgages with LMI	5%	5%	9%	10%	10%
Average LVR[5]	60%	61%	51%	52%	52%
Dynamic LVR[6]			52%	53%	53%
Negative equity (dynamic LVR basis)[6]			0.10%	0.11%	0.11%
Average loan balance	$462k	$444k	$317k	$308k	$301k
90+ days past due and/or impaired			0.63%	0.54%	0.52%
Impaired loans			0.03%	0.03%	0.03%
Specific provisions			0.004%	0.01%	0.01%
Loss rate			0.000%	0.001%	0.001%

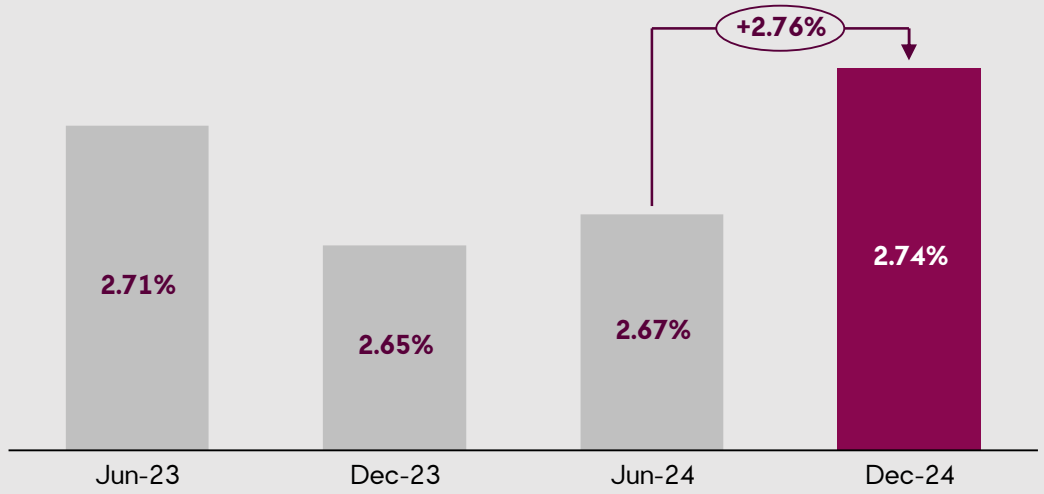
1. Loan data represented by purpose, excluding the first 4 rows which are by Product. Excludes Keystart data. Arrears includes impaired loans and all arrangements.
2. Loans originated at BEN.
3. Loans originated by Adelaide Broker, Mortgage Partners and White Label brokers.
4. Loans originated through digital platforms including NRMA, BEN Express, Tiimely (formerly Tic:Toc), Qantas and Up.
5. Average LVR based on unweighted accounts. Flow metric is based on origination LVR, portfolio is based on current LVR (current balance against security value on file).
6. Dynamic LVR is defined as current balance/current valuation and is not audited (calculated for Residential Security only and excludes Portfolio Funding exposures (0.2% of total EAD)).

Residential lending portfolio

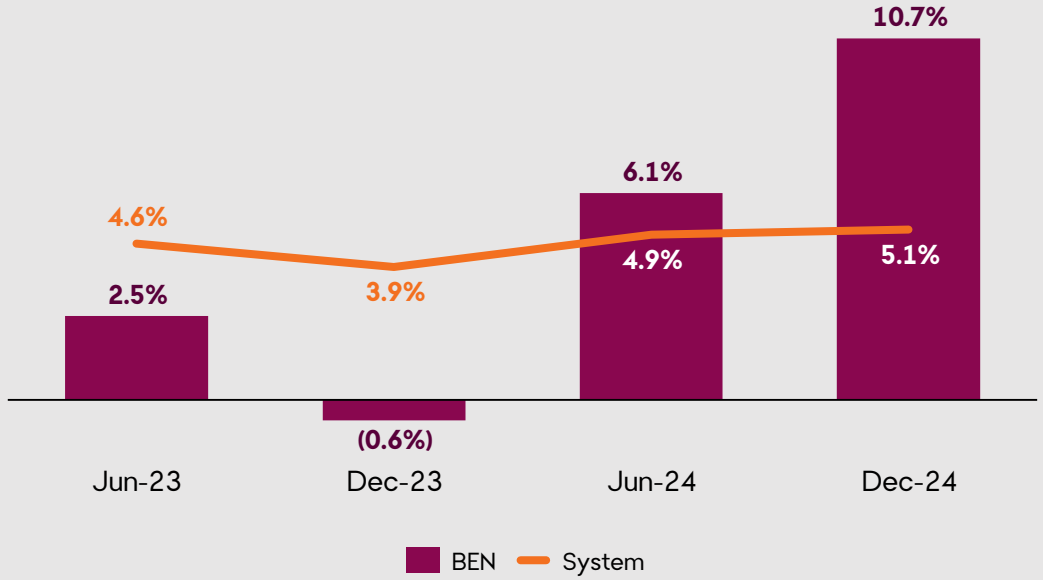
Fixed rate maturities and growth versus system

Residential lending portfolio fixed rate maturities ($b)

Loans to Households[1] BEN market share



Loans to Households[1] vs System (HoH annualised)

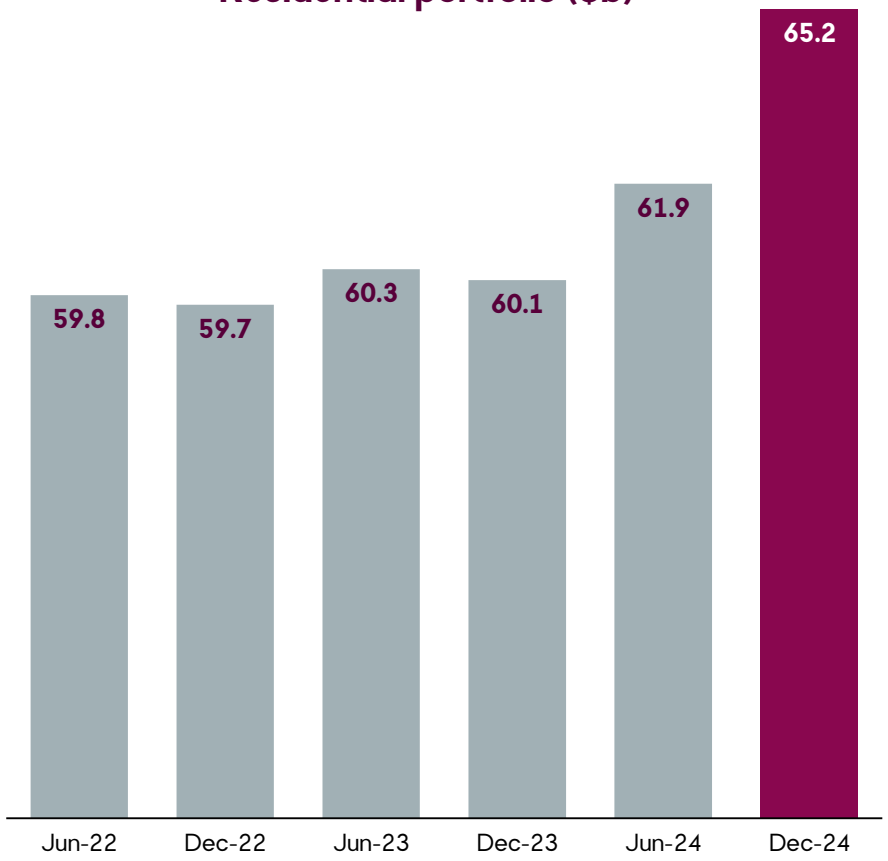


1. Loans to Households is the sum of Owner Occupied, Investment, Credit Cards and Other as reported in the APRA Statistics.

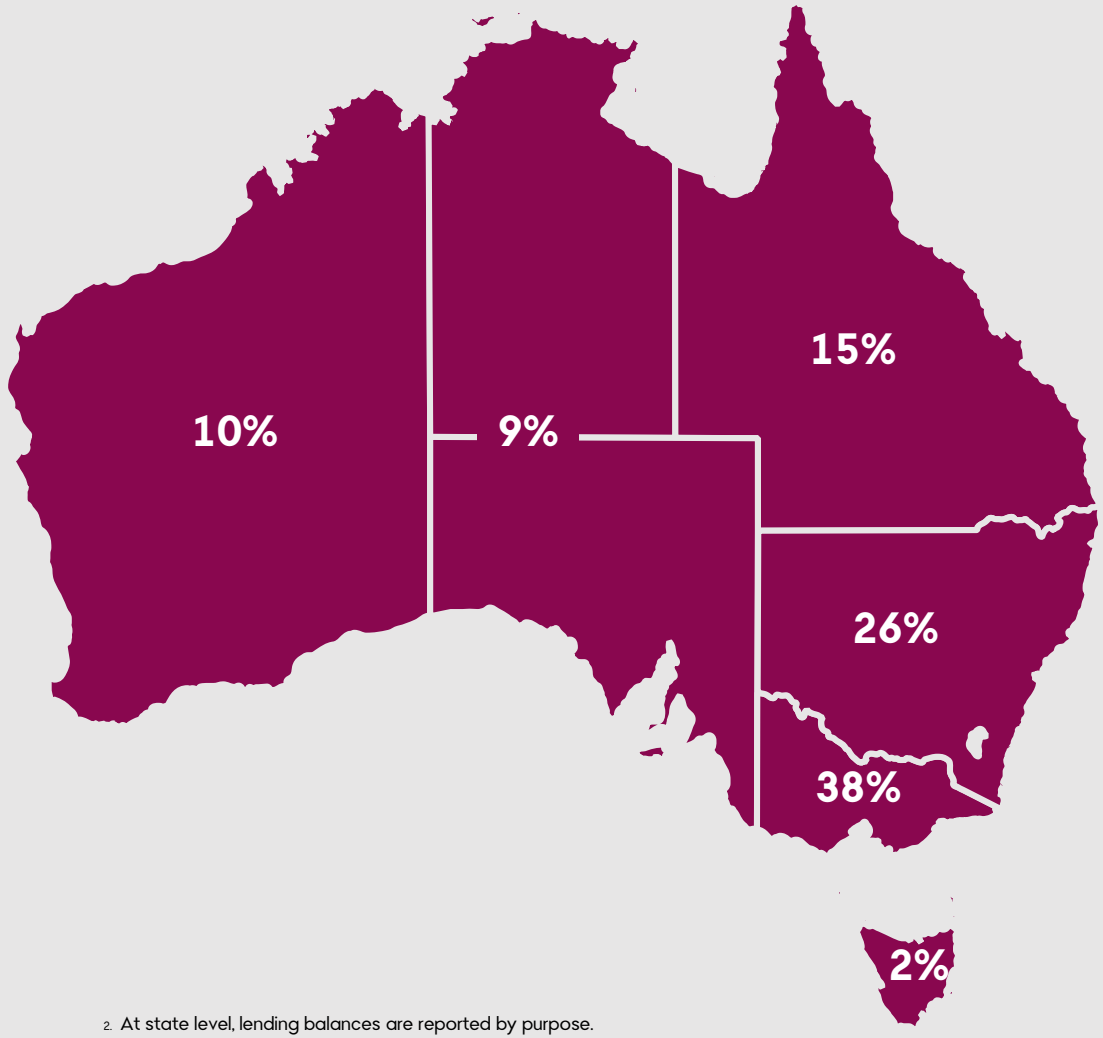
Residential lending

Portfolio and state splits

Residential portfolio ($b)[1]



Residential balance by state[2]



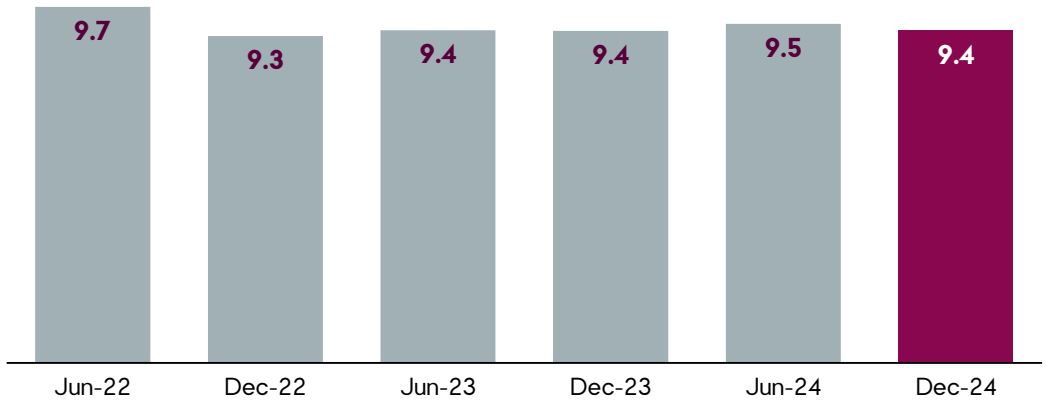
1. Residential portfolio balances are represented by product and include all portfolios including relevant Portfolio Funding arrangements and Keystart. Refer to page 26 of the Appendix 4D for further detail of 'Lending by Product'.

2. At state level, lending balances are reported by purpose.

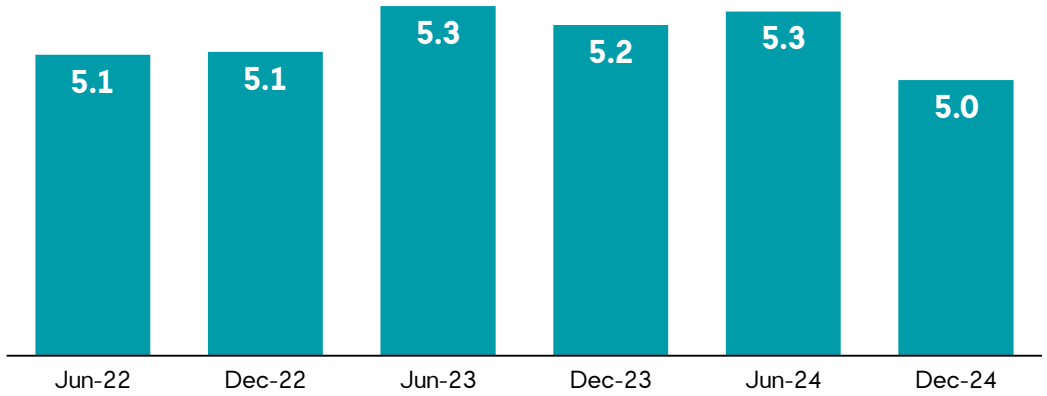
Business lending

Portfolio and state splits

Business portfolio ($b)[1]

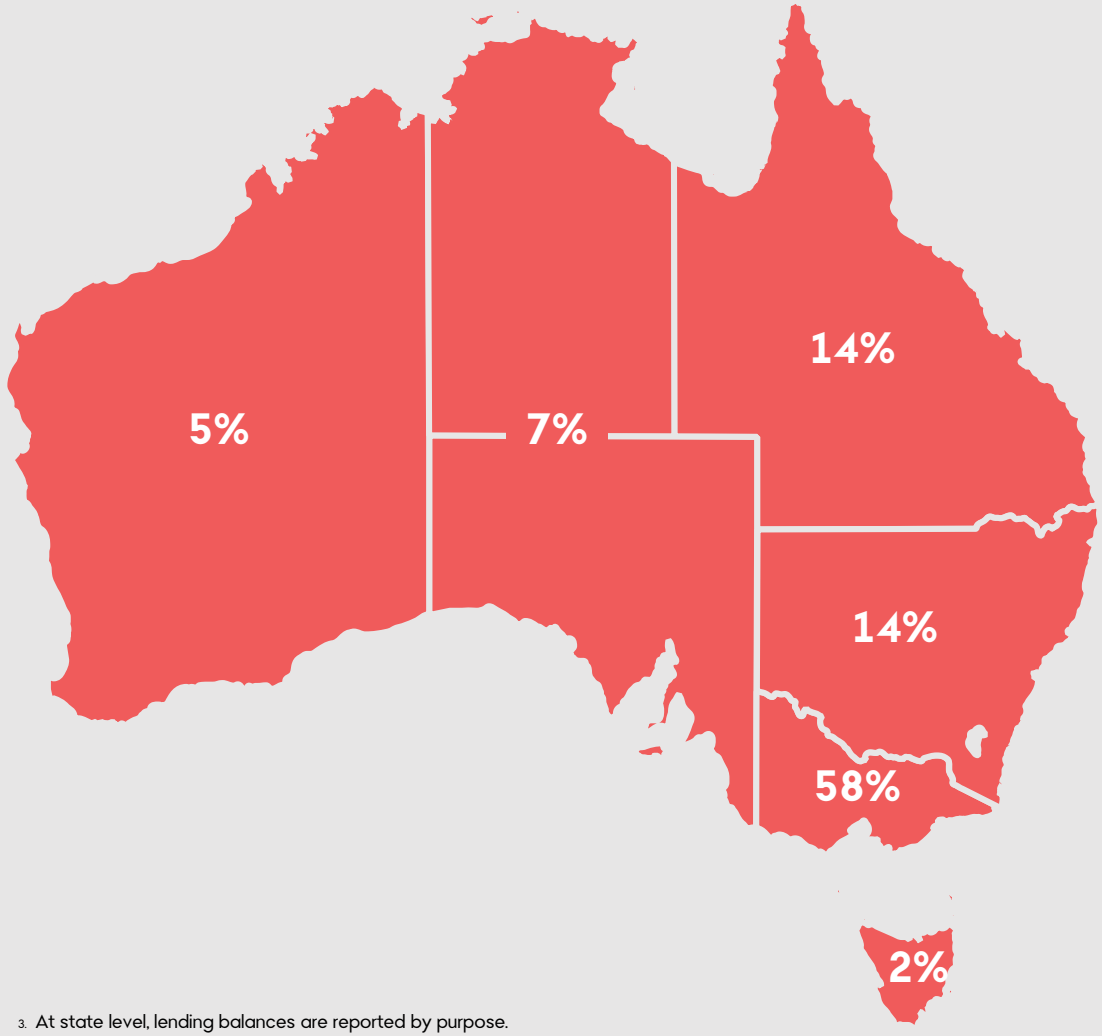


SME segment ($b)[2]



1. Business portfolio balances are represented by product. Includes Portfolio Funding and leasing portfolios. Refer to page 26 of the Appendix 4D for further detail of 'Lending by Product'.
2. SME is an internal definition using Business Banking (less residential loans), Private Bank Commercial and Business Direct.

Business balance by state[3,4]

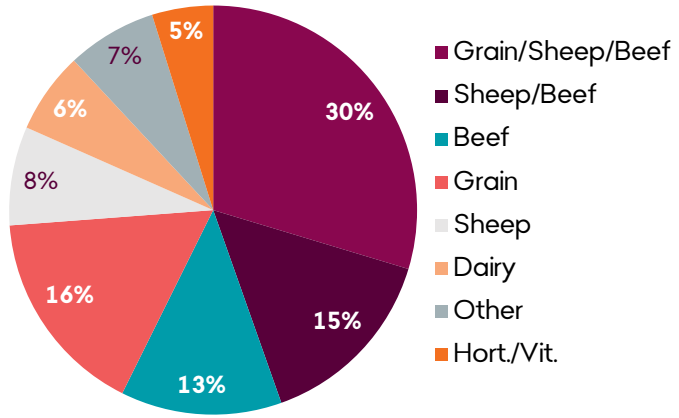


3. At state level, lending balances are reported by purpose.
4. Business balance by state split excludes Portfolio Funding due to Portfolio Funding arrangements being domiciled to NSW. With its exclusion, a more accurate representation of the Business Portfolio by state is presented.

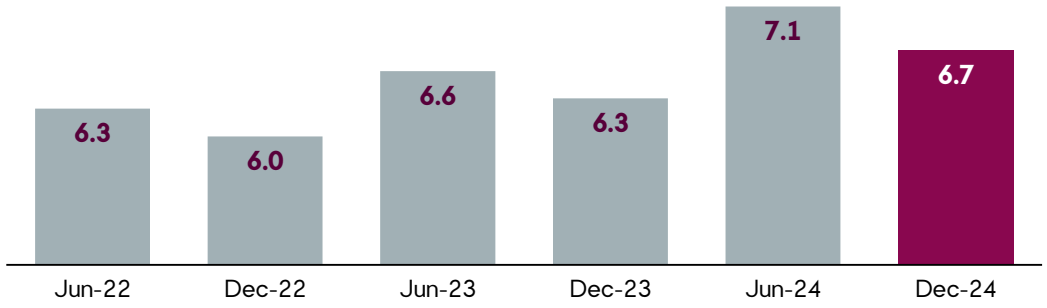
Agribusiness lending

Portfolio and state splits

Agri exposure by industry[1]

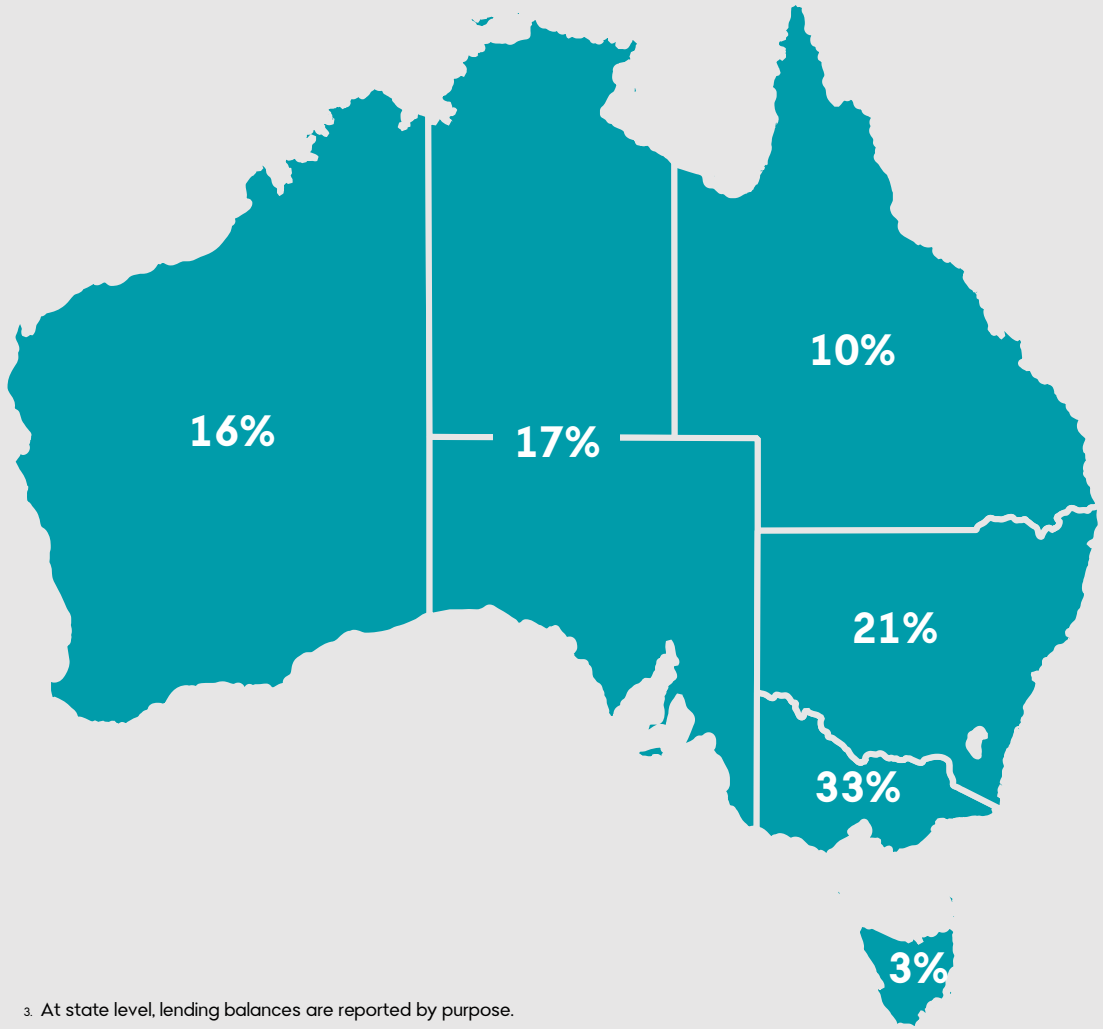


Agribusiness portfolio ($b)[2]



1. Lending by purpose.
2. Agribusiness portfolio balances are represented by product. Refer to page 26 of the Appendix 4D for further detail of 'Lending by Product'.

Agribusiness balance by state[3]

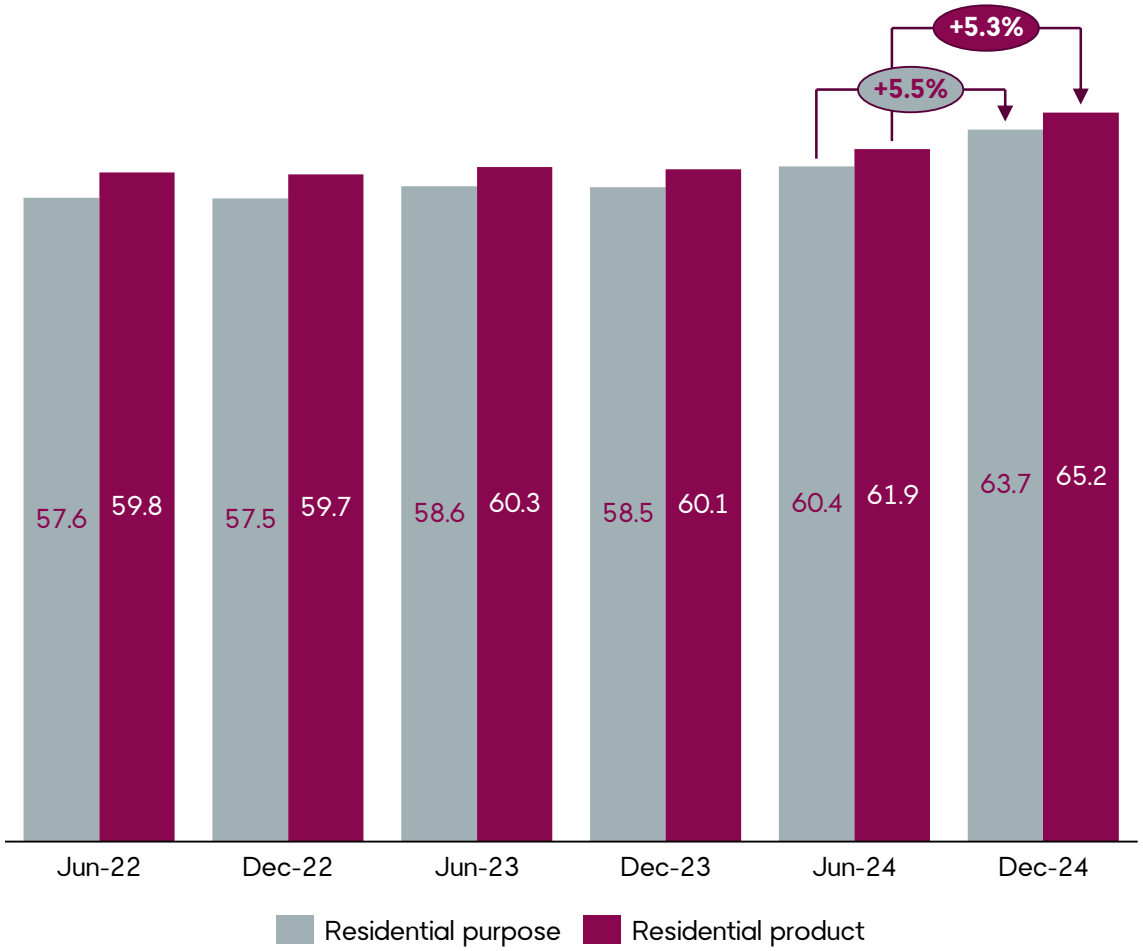


3. At state level, lending balances are reported by purpose.

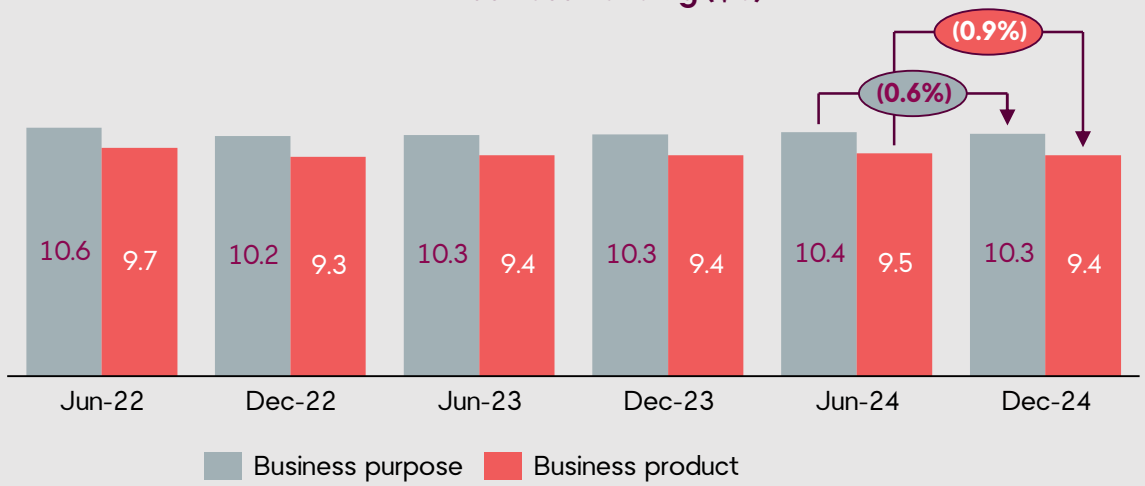
Bendigo Bank

Loans by Purpose v Loans by Product

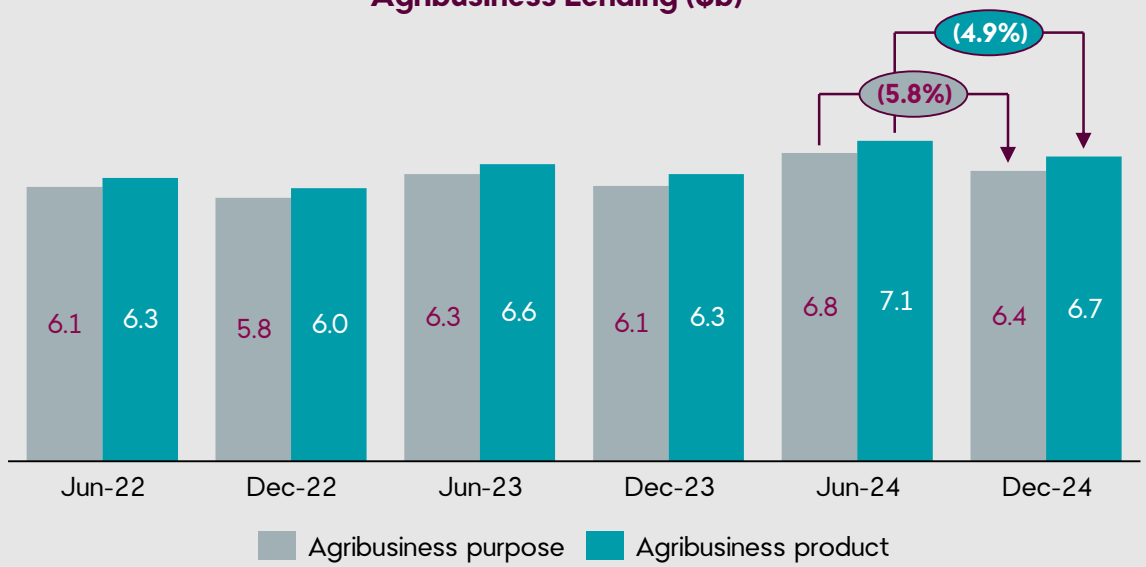
Residential Lending ($b)



Business Lending ($b)



Agribusiness Lending ($b)



Financial assets - credit risk exposures

	Dec-24 ($b)				Jun-24 ($b)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Residential/Consumer	59.60	5.25	0.59	65.45	56.43	5.24	0.46	62.13
Accommodation and food services	0.16	0.02	0.00	0.18	0.16	0.03	0.00	0.20
Administrative and support services	0.02	0.01	0.00	0.03	0.02	0.01	0.00	0.03
Agriculture, forestry and fishing	5.72	0.91	0.13	6.76	6.30	0.72	0.11	7.14
Arts and recreation services	0.04	0.01	0.00	0.05	0.04	0.01	0.00	0.05
Construction	0.50	0.07	0.01	0.58	0.49	0.10	0.01	0.60
Education and training	0.04	0.01	0.00	0.05	0.02	0.03	0.00	0.05
Electricity, gas, water and waste services	0.02	0.00	0.00	0.02	0.02	0.00	0.00	0.02
Financial and insurance services	15.27	0.06	0.00	15.33	10.66	0.05	0.01	10.71
Health care and social assistance	0.27	0.03	0.00	0.30	0.27	0.03	0.01	0.31
Information media and telecommunications	0.01	0.00	0.00	0.01	0.01	0.00	0.00	0.01
Manufacturing	0.15	0.02	0.00	0.17	0.16	0.03	0.01	0.19
Mining	0.01	0.00	0.00	0.01	0.01	0.00	0.00	0.01
Other Services	0.14	0.02	0.00	0.17	0.15	0.02	0.01	0.18
Professional, scientific and technical services	0.16	0.02	0.00	0.19	0.18	0.02	0.00	0.20
Public administration and safety	2.81	0.00	0.00	2.81	6.20	0.00	0.00	6.20
Rental, hiring and real estate services	3.56	0.57	0.09	4.22	3.63	0.56	0.10	4.29
Retail trade	0.23	0.02	0.00	0.26	0.25	0.03	0.00	0.28
Transport, postal and warehousing	0.14	0.02	0.00	0.16	0.14	0.02	0.00	0.15
Wholesale trade	0.11	0.02	0.00	0.13	0.11	0.02	0.00	0.14
Total residential, business and agribusiness balance	**88.97**	**7.07**	**0.85**	**96.88**	**85.26**	**6.91**	**0.72**	**92.90**
Margin Lending	1.64	0.00	0.00	1.64	1.71	0.00	0.00	1.71
Other	0.35	0.00	0.00	0.35	0.33	0.00	0.00	0.33
Total financial assets	**90.96**	**7.07**	**0.85**	**98.87**	**87.31**	**6.91**	**0.72**	**94.94**

By industry (AASB9)

Replicating portfolio impact on NIM

Capital and deposit hedges

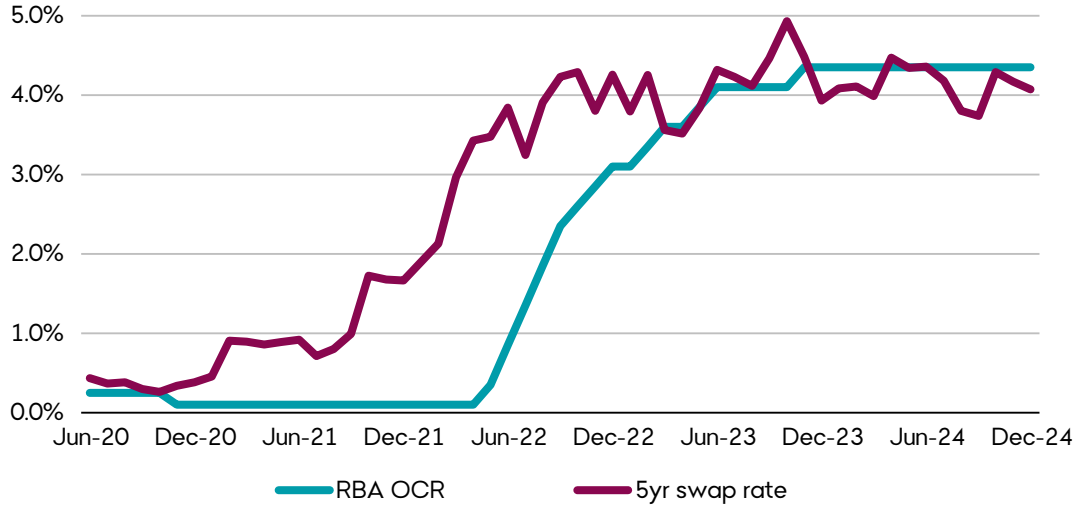
- Minor NIM benefit expected over medium term from impact of stabilised interest rates on capital and deposit replicating yields
- Actual outcomes will be determined by a range of factors including, but not limited to: competition, future interest rates, capital and low rate-sensitive deposit volumes, AIEA volumes and investment strategy

	Portfolio volume ($b)	Hedged proportion	Hedge term (Years)	Hedged yield (%)	
				1H25 avg	1H25 exit
Capital	4.2	100%	2.5	3.75	3.82
Deposits[1]	9.5	80%	5.0	3.20	3.27
Total	13.7	86%	2.5 – 5.0	3.39	3.47

Average hedged yield on capital and deposit replicating portfolio[2]

1H23 Avg	2H23 Avg	1H24 Avg	2H24 Avg	1H25 Avg
1.81%	1.97%	2.19%	2.93%	3.39%

RBA Overnight Cash Rate v 5-Year Swap Rate

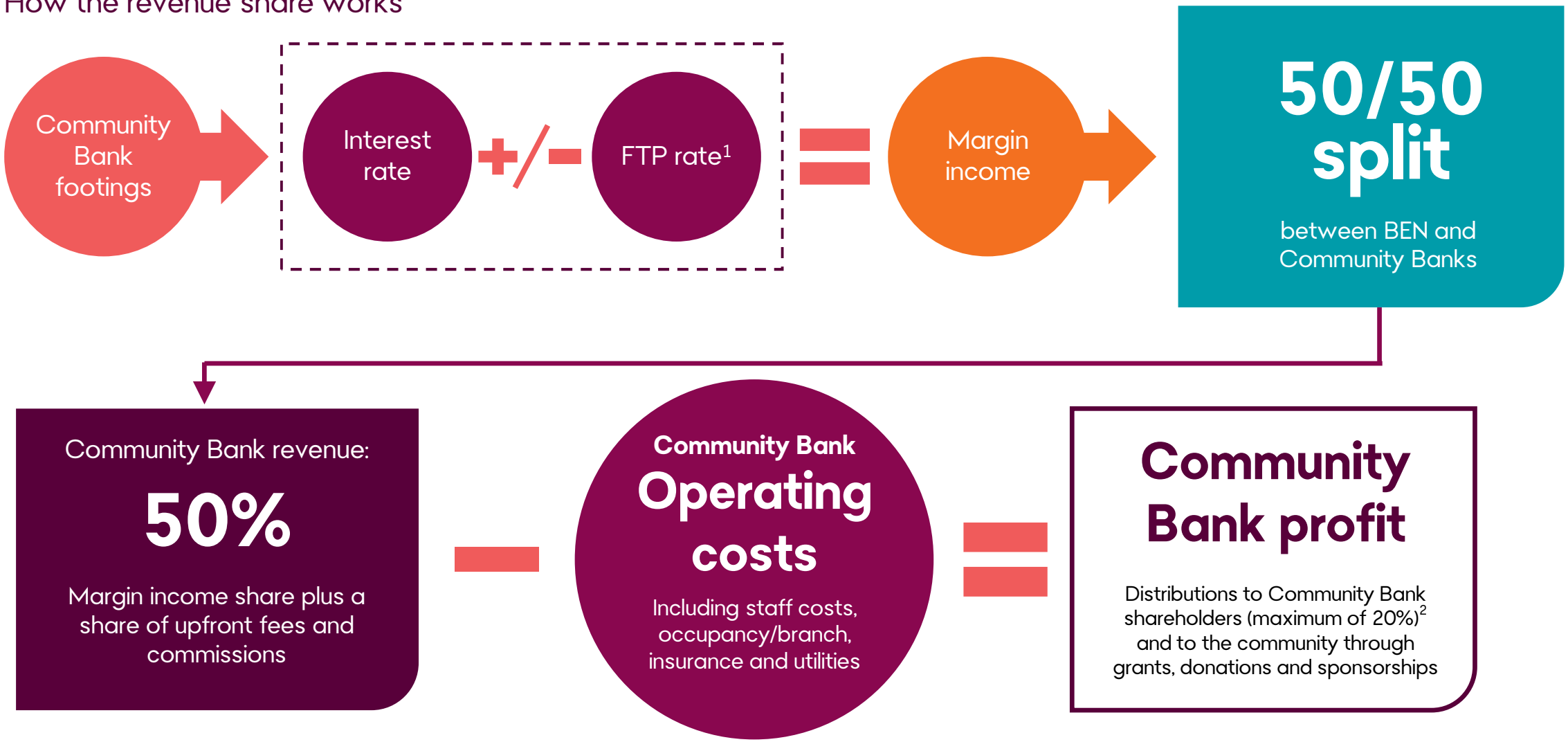


1. 20% unhedged component of deposit portfolio is profiled as an overnight exposure. Hedged yields shown on this page do not include unhedged component of deposits portfolio.

2. Deposit portfolio tenor was extended from rolling 2yr to rolling 5yr in 2H22. Internal methodology to reflect amortisation of notional break costs related to tenor extension ended in 2H24. Historical hedged yields shown on this page include notional break cost amortisation in prior periods where relevant. Hedged yields excluding amortisation: 1H23 1.91%, 2H23 2.34%, 1H24 2.78%, 2H24 3.16%. (Previously Disclosed).

Community Bank

How the revenue share works



Note: Community Bank footings include residential loans, business loans, credit cards, margin loans, at call accounts, term deposits. FTP is not used across all products.

1. FTP = Funds Transfer Pricing. FTP methodology is independently audited.
2. Dividend calculation is subject to terms and conditions.

Community Bank

'Profit with purpose' model

Aims:

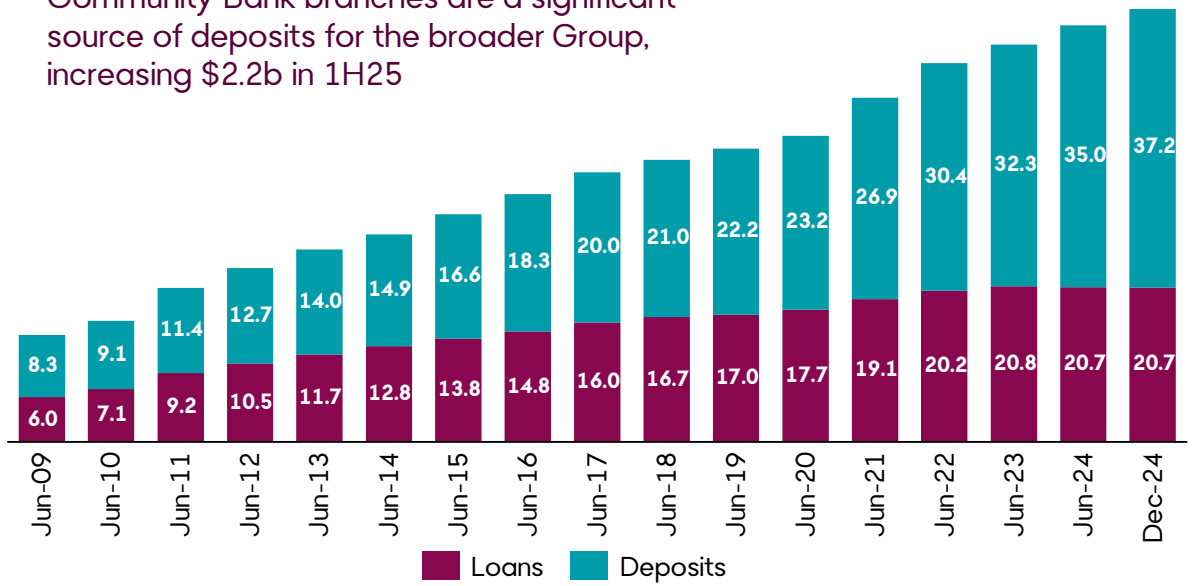
- To secure branch banking services for participating communities
- To empower and build confidence and capacity within local communities
- To enable participating communities to share in revenue generated from their local Community Bank, as well as offering the potential for shareholders to receive dividends

Providing benefits to BEN:

- Community Banks provide **net benefit of ~$14b[1] of additional funds**, which reduces need for more expensive wholesale funding
- Net funding benefit equates to **17 to 20 bps of NIM**

Community Bank footings ($b)[2]

Community Bank branches are a significant source of deposits for the broader Group, increasing $2.2b in 1H25



Investments have supported vital community infrastructure and critical local sporting, education, health, arts and cultural initiatives

1. The Community Bank net benefit excludes ~$2b of deposits held with Sandhurst Trustees.

2. Community Bank footings include Private Franchises (4 branches in total). Loans and deposits includes total lending and all deposits in Community Banks from both personal and business customers. Some products don't use FTP and utilise a fee or commission structure.

Community Bank impact

Driving positive social and economic outcomes in communities across Australia

981,023
Community Bank Customers

1,773
Community Bank Staff

70,000+
Community Bank Shareholders

1,554
Community Bank Directors

216
Community Bank Companies

308
Community Bank and private franchise branches

$366 million invested back into communities through our community bank network[1]

Social investment

Community Bank investment since the inception of the model[1]	$366 million
Largest social impact focus area	Sport & Recreation | $9.4 million
Scholarships FY24	288 first year students | $1.4 million
Contributions to Community Enterprise Foundation for future community investment	$32 million
Disaster recovery funds distributed through Community Enterprise Foundation	$2.3 million

Social Purpose agenda

Addressing key social issues material to our business

Economic impact

Largest economic impact area from business expenses[2]	Local salaries | $158 million
Business expenses paid back into local communities[2]	$442.4 million
Profit after tax for future local investment[2]	$66.4 million
Dividends paid to local shareholders[2]	$18.4 million
Income tax paid[2]	$21.0 million

1. $40.3 million in FY24 and $366 million since the inception of model in 1998. FY24 figure subject to limited independent assurance by EY.
2. Data reflects FY24 data, as Community Bank data is collected once each year.

Business Sustainability

ESG metrics

Sustainability commitments	Status	1H25 outcomes	FY25 priorities
Environment & Climate			Continue to deliver FY25 Climate & Nature Action Plan actions Transition Planning for prioritised sectors Transition Risk scenario analysis
No direct lending exposure to coal, coal seam gas, crude oil, natural gas, native forest logging projects	Maintained	Policy in place	
Maintain carbon neutral status	Maintained	In place since 2020	
Purchase 100% renewable energy by 2025	In progress	BEN Operations: 87% Community Banks: 21%	
Reduce absolute emissions by 50% by 2030 and 95% by 2040	Under review	17%	
90% statements to be delivered electronically by 2025 (Bendigo Bank)	In progress	79%	
Maintain travel emissions 25% below 2020 levels	Below target	2% below threshold	
Social			Review Belonging at BEN Strategy and Measurable Objectives including Gender Diversity Targets Implement to Gender Equality Roadmap (Replan) Embed Modern Slavery Roadmap
Gender balance target of 40:40:20 at every level of the organisation by 2025	In progress	7/9 levels of the organisation on track	
20-point gap for Bendigo Bank annual relative NPS compared to industry average	Maintained	NPS gap: 31.1	
Monitor and report to the Board external ratings of the Bank's Modern Slavery Disclosure	Maintained	Monash Score of A (uplift from B)	
Governance			Refresh ESG policy approach Australian Sustainability Reporting Standards preparedness
Achieve and maintain CDP (Carbon Disclosure Project) score of B	Maintained	B in FY24	
Maintain RepTrak Pulse gap of 8 points to the average of the four majors	Maintained	74.4. Gap of 9.5 points at December 2024	
Increase social supplier spend by 4% from FY24 actual spend	In progress	71% towards $11.3m target	

1. FY24 figure subject to limited independent assurance by EY.

Disciplined year-on-year execution of strategy

Transformation scorecard

	FY19	1H23	1H24	1H25
# brands[1]	13	10	7	4
# core banking systems	8	7	4	3
# IT applications	650	467	348	323
% applications in the Cloud[2]	1%	29%	42%	57%
% of API re-use	0%	30%	48%	67%
Median time to decision (home loans)[3]	22 days	11 days	9 days	4.5 days
% automated credit decisioning (home loans)[4]	0%	~10%	10%	61%
% active eBanking customers[5]	58%	70.1%	73.3%	76.7%
% sales by digital channels[6]	13%	23.7%	18.6%	34.8%

Notes:

1. Brand is defined as "A commercial entity with a visual identity (unique logo and / or lock up with the Bendigo Bank logo), trademarked and communicated to customers or other key stakeholders as part of our products and services".
2. The proxy measure for 'Velocity of change' is defined as the % of applications in the Cloud, enabling faster change cycle times and code from idea into production
3. Median time to decision (unconditional) relates to the home loans currently being processed on the new platform which is currently only the Bendigo Bank Broker channel.
4. "% automated credit decision (home loans) target relates to the loans being processed on the new platform that have relatively simple credit needs allowing for automation. Therefore, this data currently is relevant for the Bendigo Bank Broker channel only.
5. 'Active eBanking users' covers approx. 92% of the Group customer base including Bendigo Bank and Up customers. Active eBanking customers defined as customer >12yo who used eBanking in last 3 months (Bendigo Bank) and customer initiated a transaction in last 3 months OR balance greater than $50 OR has a loan, term deposit or active insurance policy (Up).
6. '% sales by digital channels' includes Bendigo Bank consumer core banking sales (Everyday Accounts, Term Deposits, Home Loans, Credit Cards and Personal Loans). Period is determined by the accounts first transaction date.

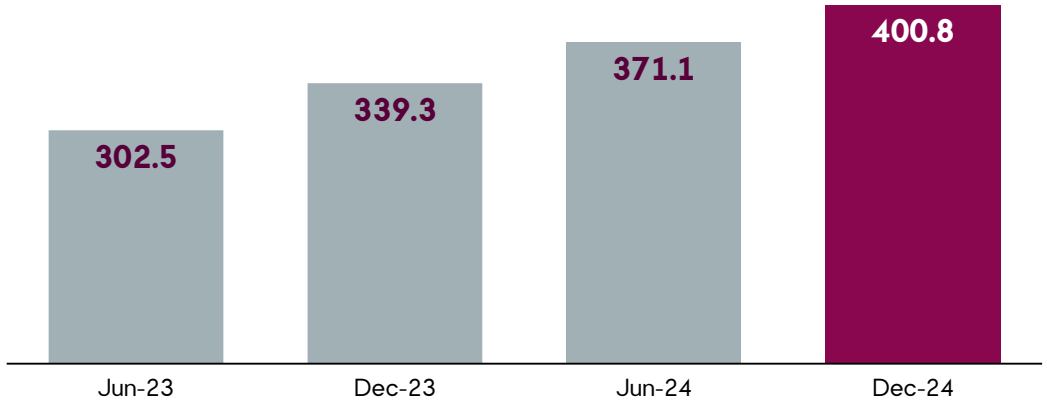
Investment spend

Continuing to invest for scale and simplification benefits

Top investment spend for 1H25:

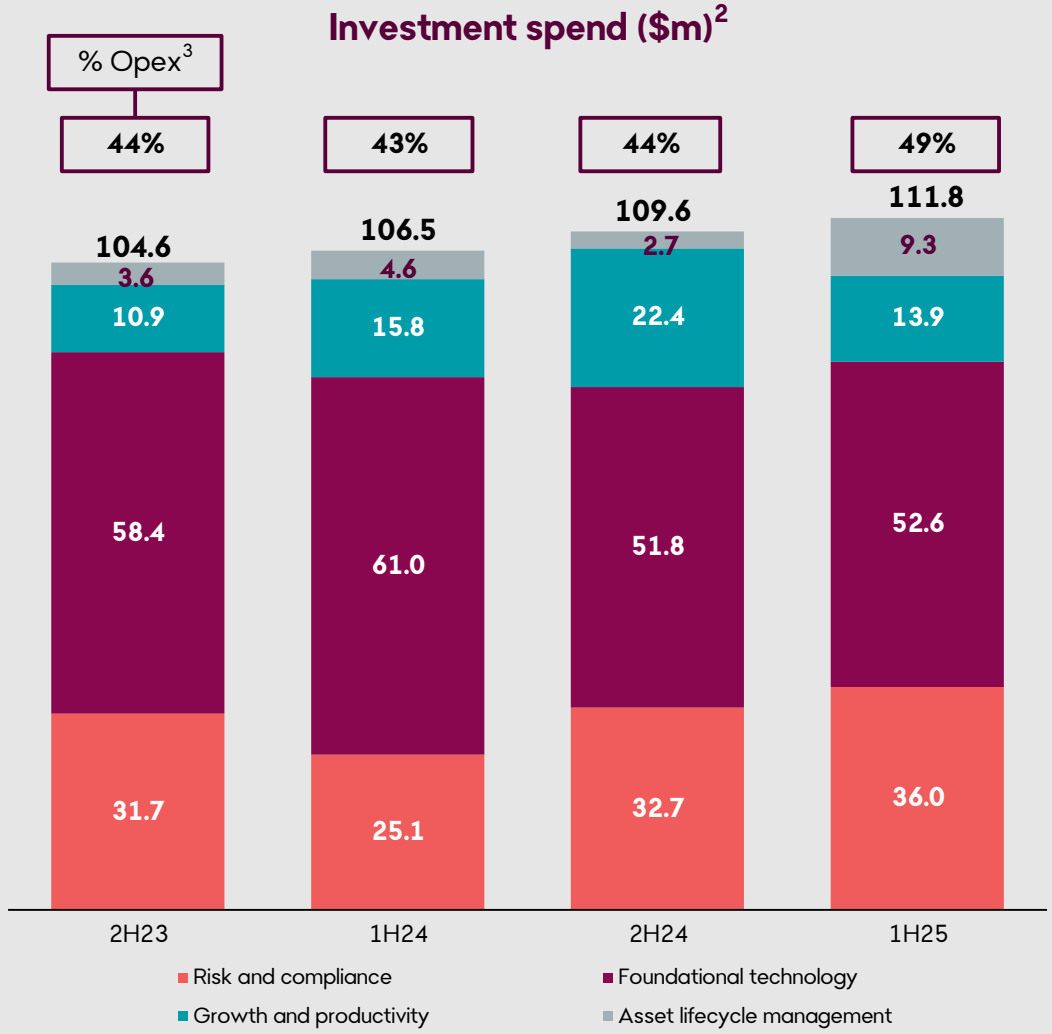
- Digital Lending Platform (Foundational Technology)
- Up Digital Bank (Growth and Productivity)
- One Digital Platform (Growth and Productivity)
- Data Platform Transformation (Foundational Technology)

Capitalised software balance ($m)[1]



1. Capitalised software balance includes software under development.

Investment spend ($m)[2]

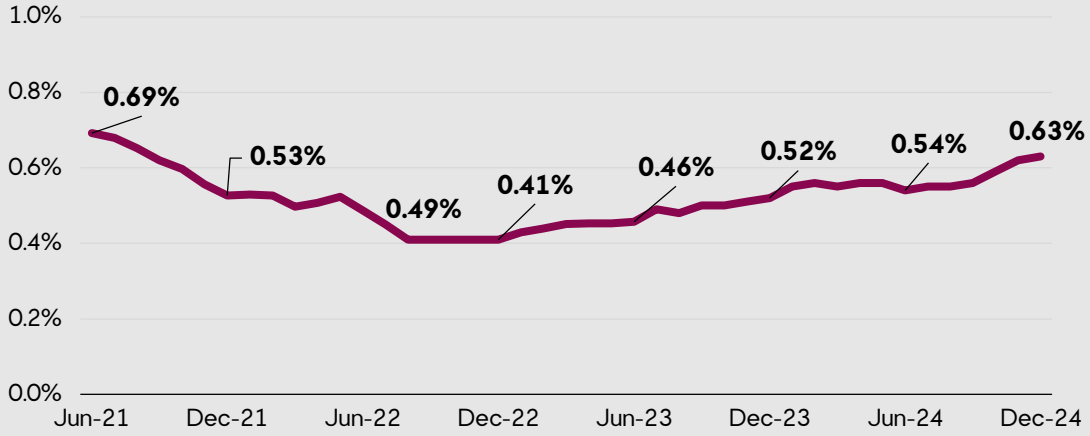


2. Investment spend reclassified to exclude non-cash items.
3. Investment spend expensed % (cash basis) calculated as expensed investment spend (cash basis) as a percentage of total investment spend (cash basis).

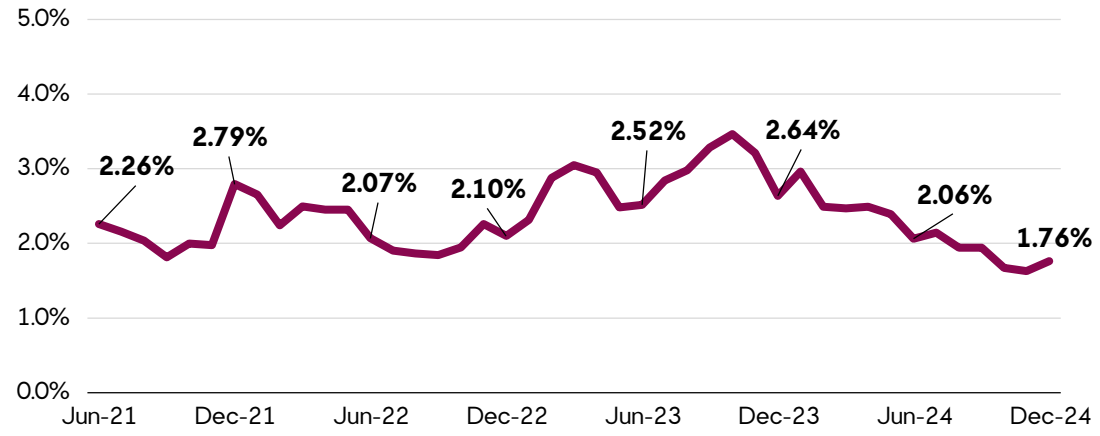
Arrears

Remain benign though increasing in consumer lending

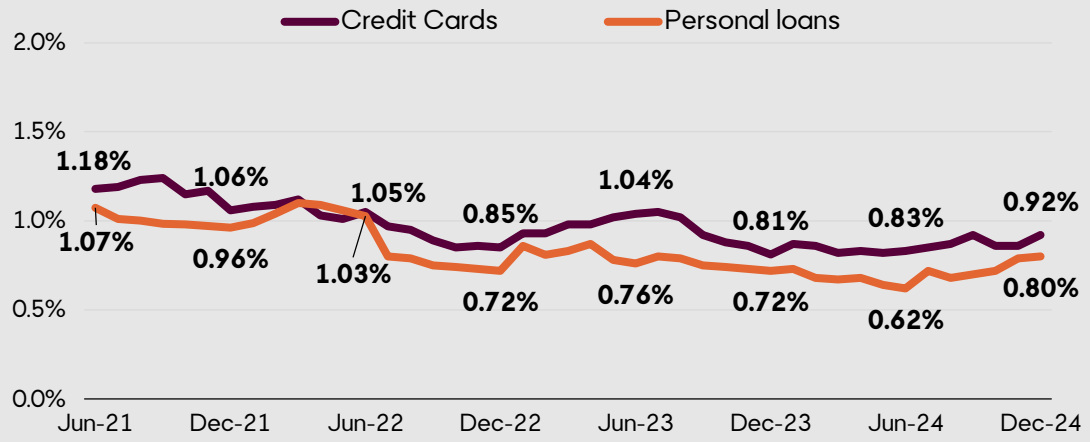
Residential loan arrears



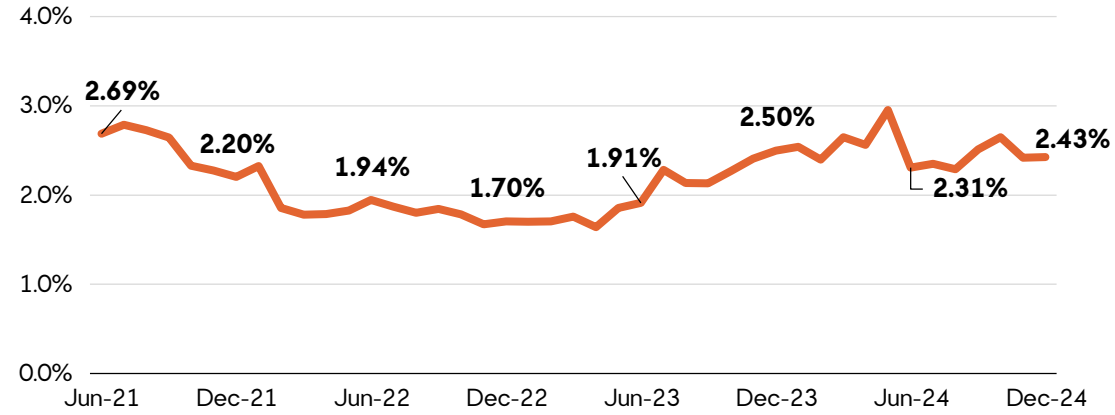
Business loan arrears



Consumer loan arrears



Agribusiness loan arrears



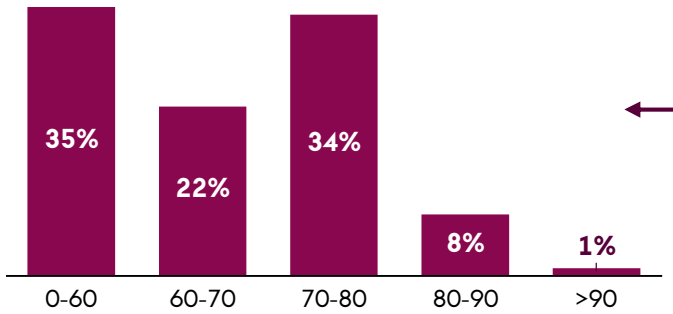
Note: Arrears include impaired assets and all arrangements.

Bendigo Bank

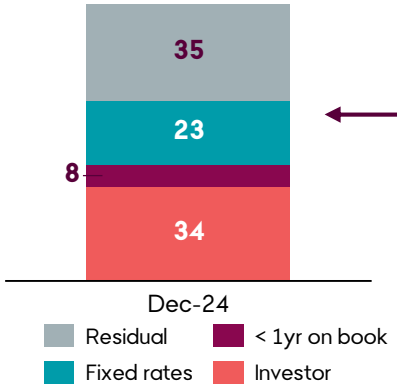
Credit quality

Residential loan portfolio remains resilient

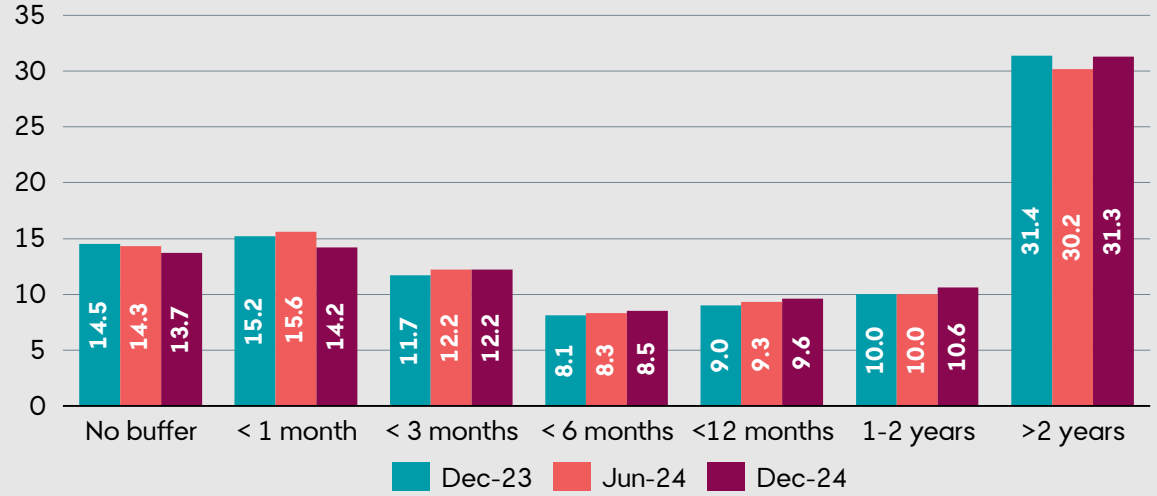
Current LVR of no buffer and <1 month ahead (% EAD)



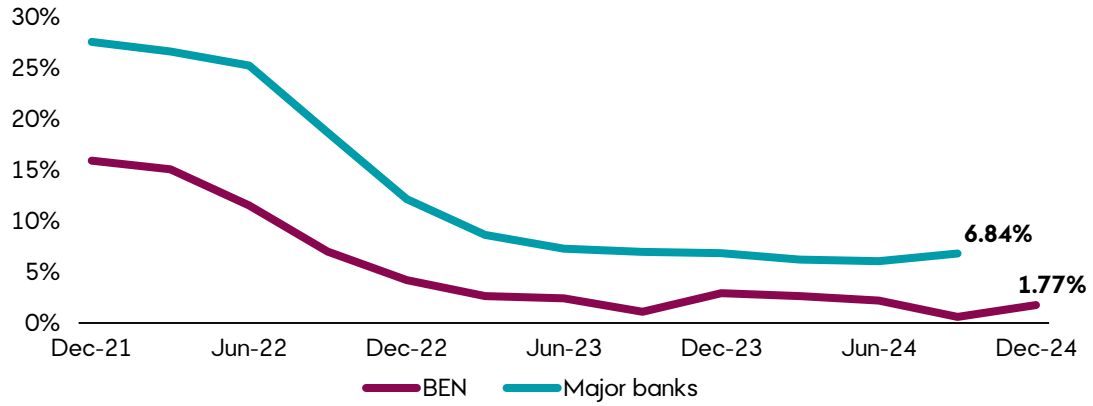
Composition of no buffer and <1 month ahead (% of EAD)



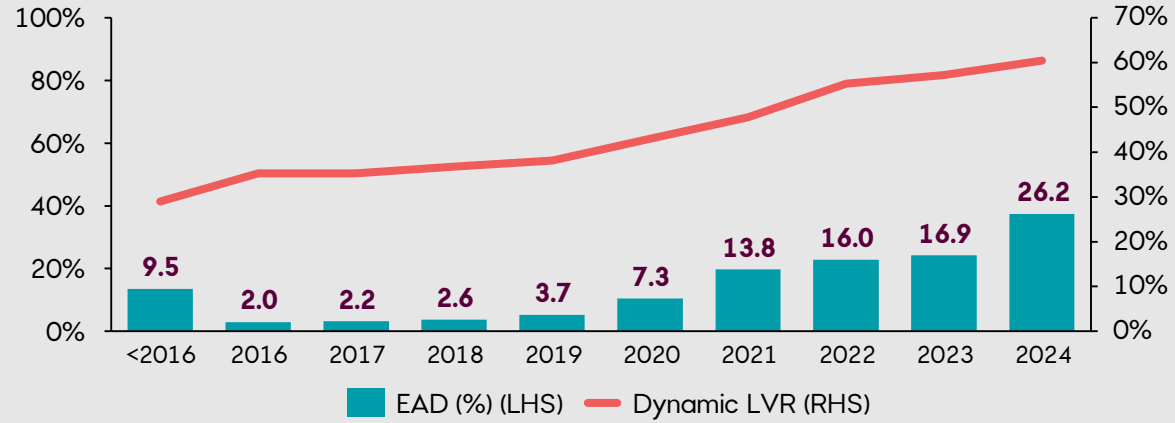
% of exposures by payments in advance (including offsets)[2]



BEN v major banks - New originations DTI >6 times[1]



Residential Lending at Dec 2024 by vintage - % EAD vs dynamic LVR (%)[3]



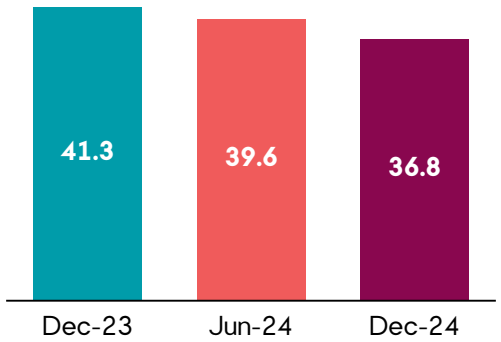
1. APRA Quarterly authorised deposit-taking institution property exposure statistics – Dec 2020 to Sep 2024 and the Bank's statistics.

2. 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 (98% of exposures).
3. Dynamic LVR is defined as current balance/current valuation and is not audited (calculated for Residential Security only and excludes Portfolio Funding exposures (0.2% of total EAD)).

Specific provisions and impaired assets

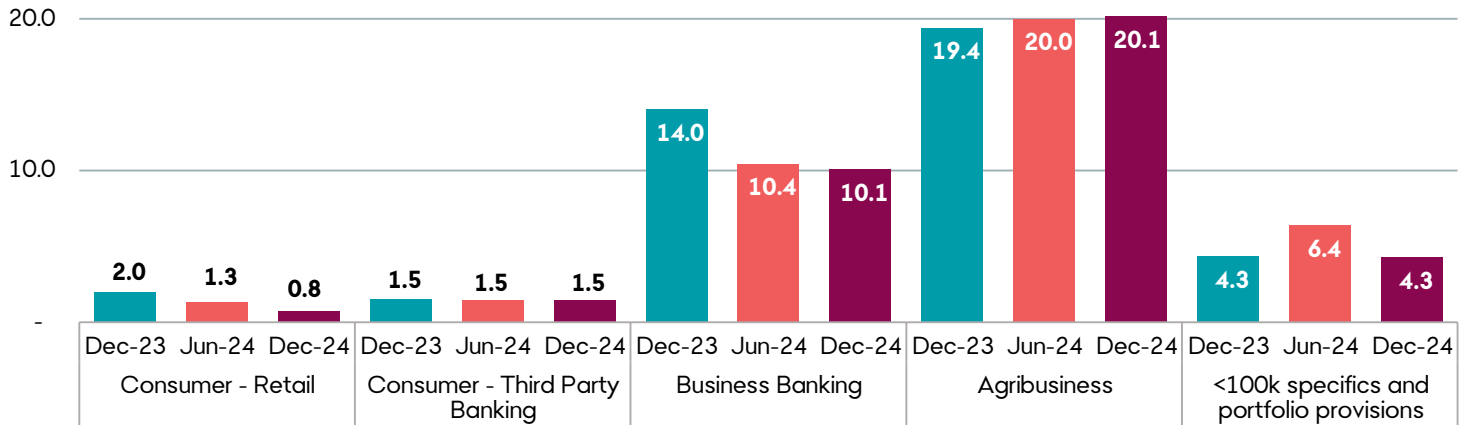
Impaired balances improved through the half

Specific provision balance ($m)

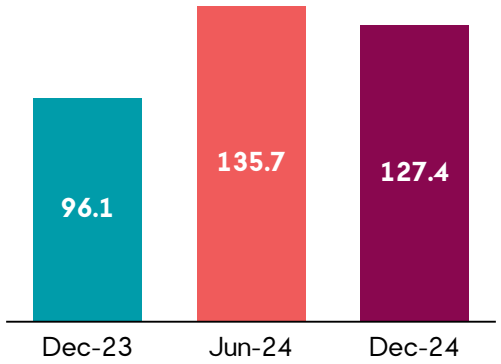


Represented by

Specific provisions breakdown ($m)

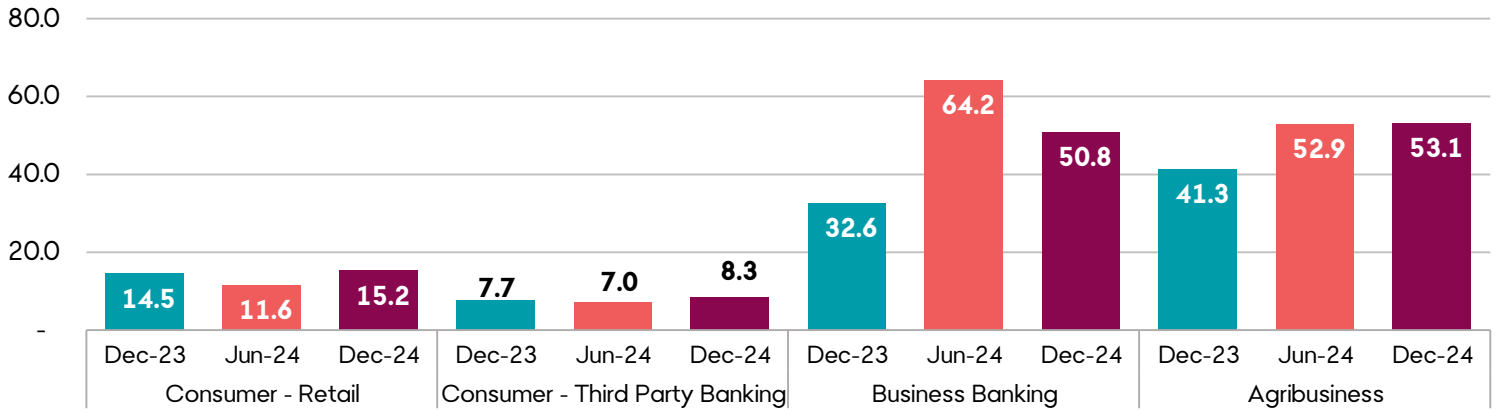


Impaired balance ($m)



Represented by

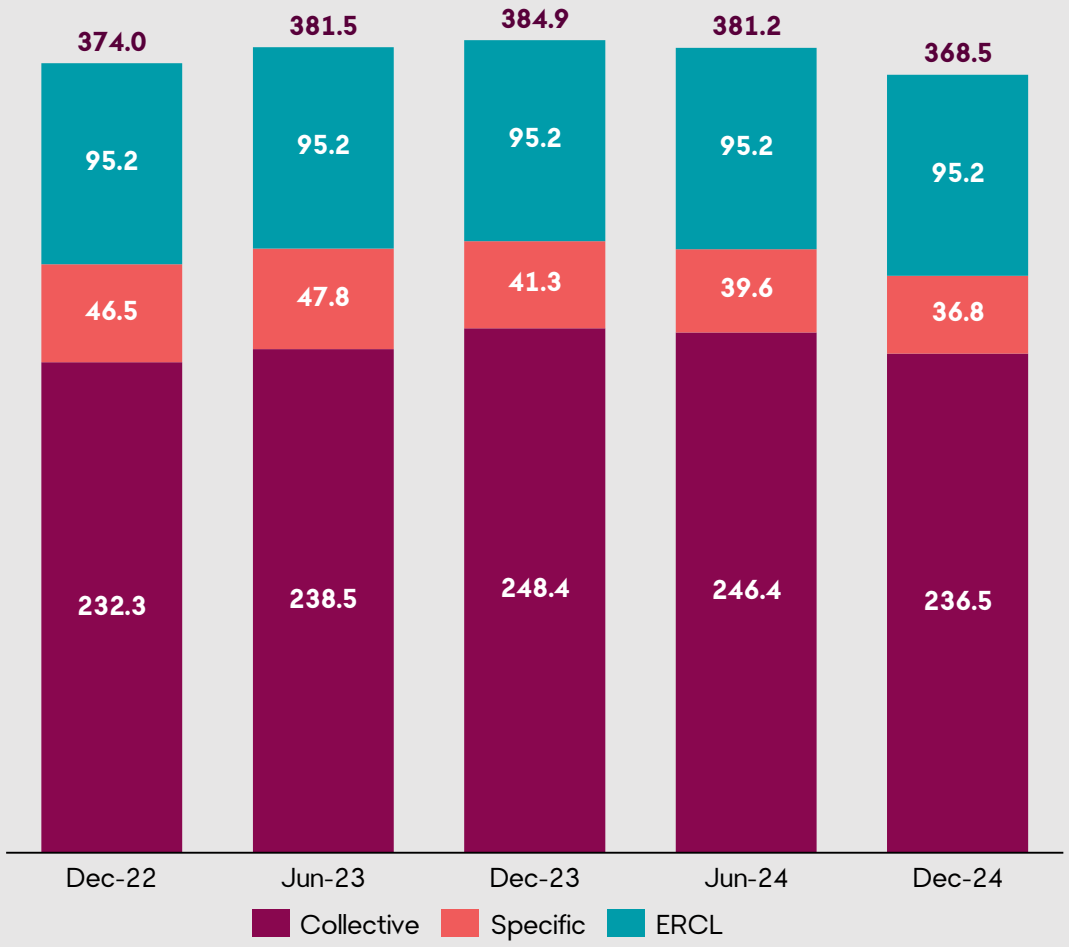
Total Impaired breakdown ($m)



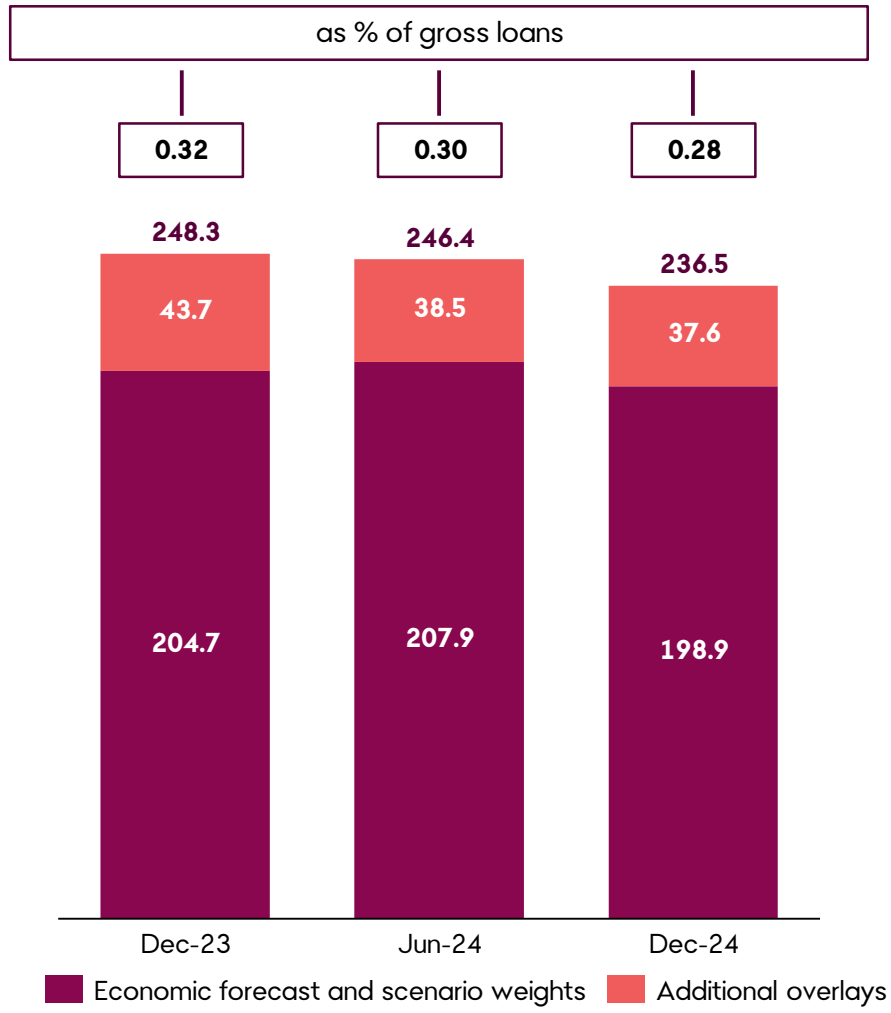
Provisioning

Provisioning remains appropriate for the current operating environment

Total provisions ($m)



Collective provisions ($m)

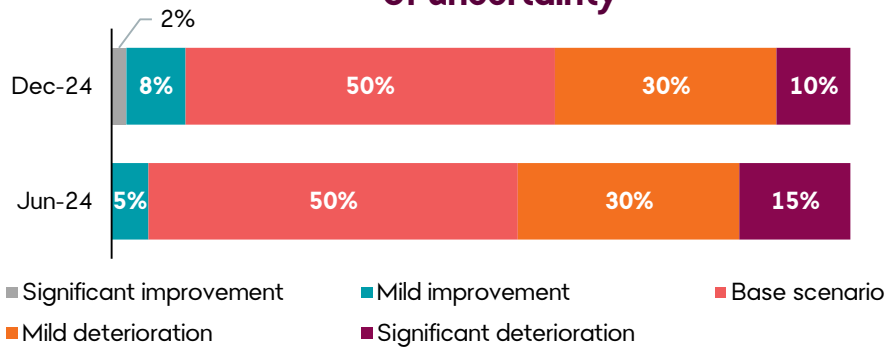


Collective provisions and scenario outcomes

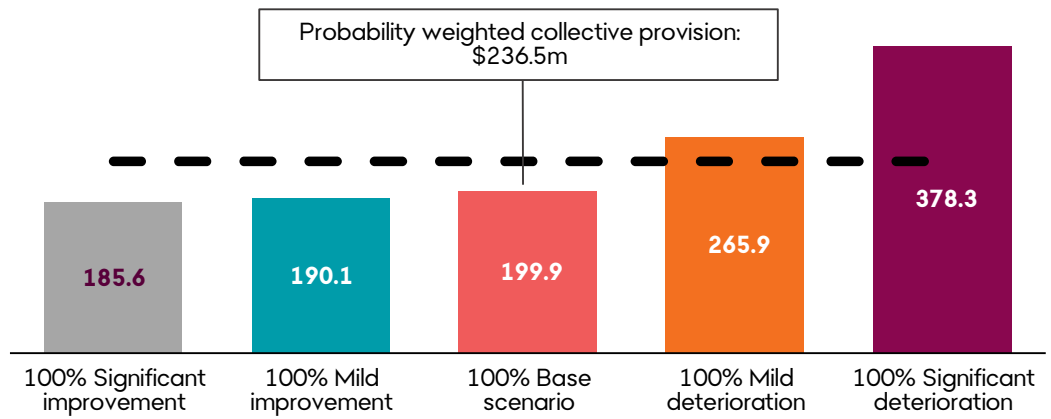
Continued caution is warranted

Total collective provision movements ($m)

Scenario weightings continue to reflect the level of uncertainty



Collective provision - scenario outcomes ($m)[1]

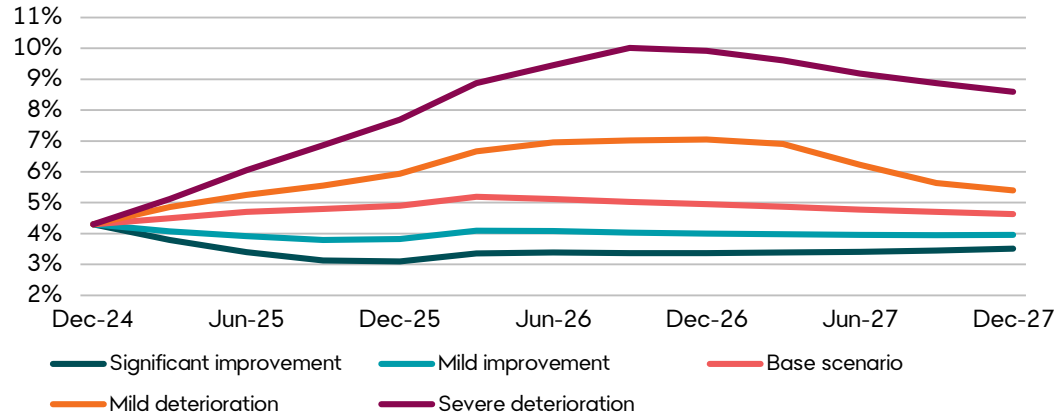


1. Excludes GRCL. Scenario outcomes illustrate ECL based on 100% probability weighting.

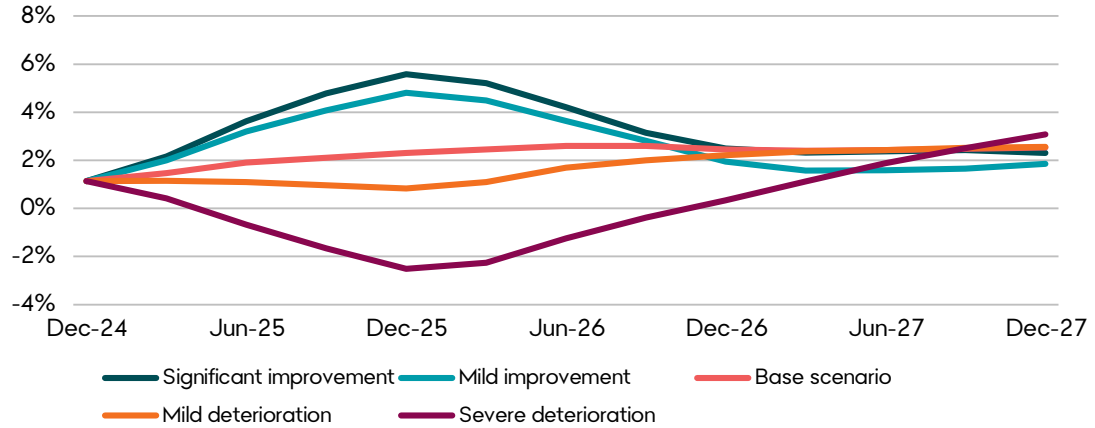
Collective provisions and scenario outcomes

Model inputs

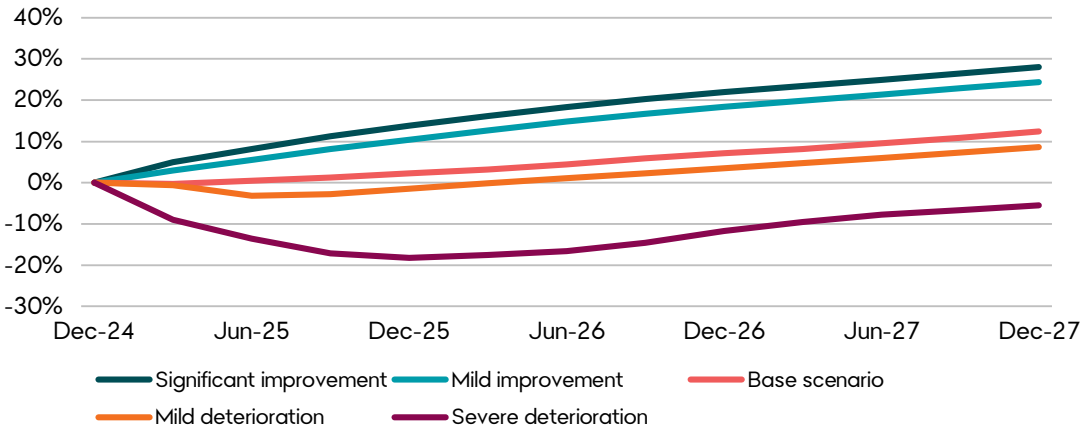
Unemployment (%)



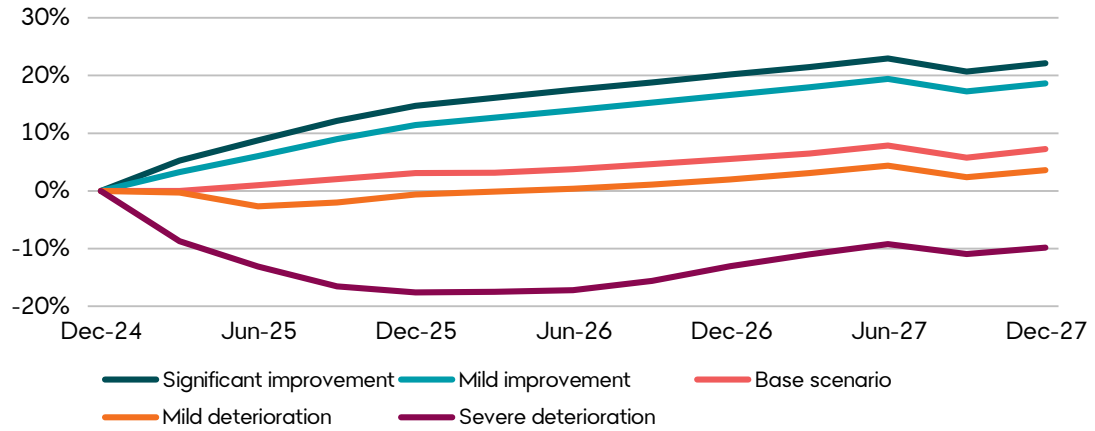
Gross Domestic Product (%)



House prices (%)



Commercial property prices (%)

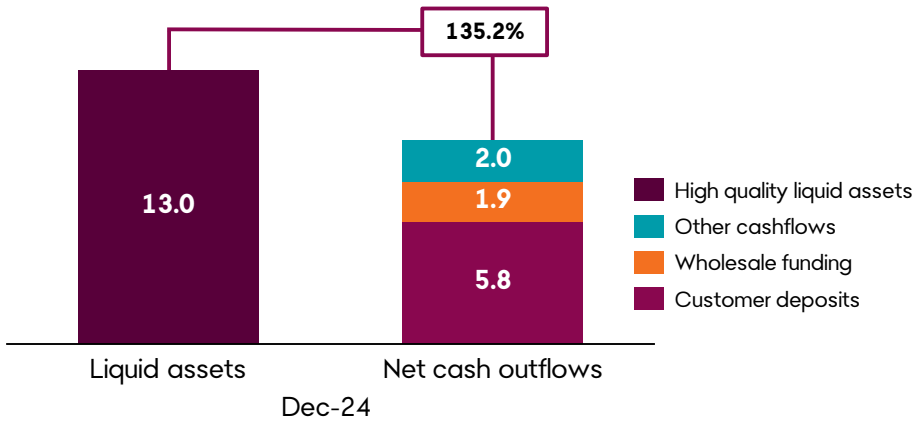


Note: Economic inputs into scenarios as at December 2024.

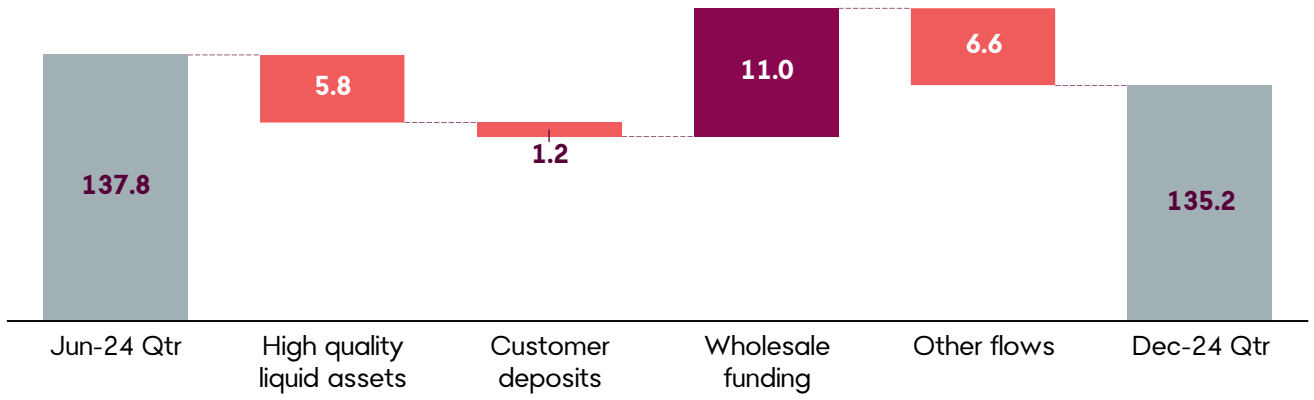
LCR and NSFR

Funding & liquidity ratios remain well positioned

Liquidity Coverage Ratio ($b)[1]

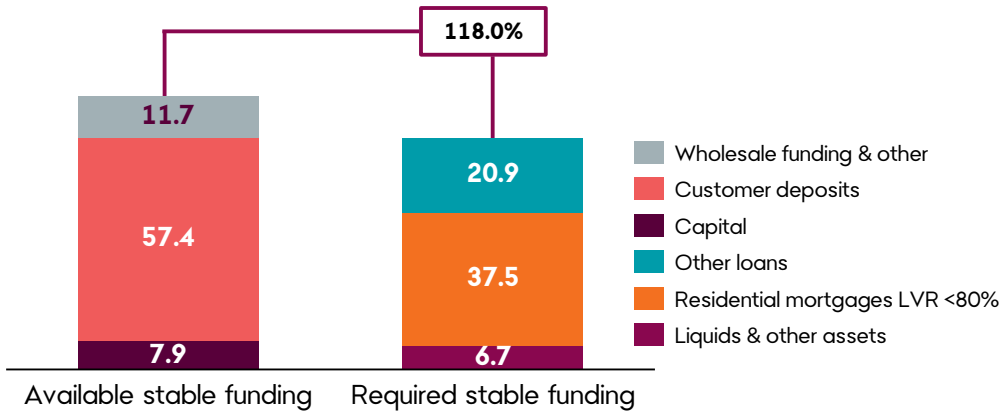


LCR half year (%)[1]

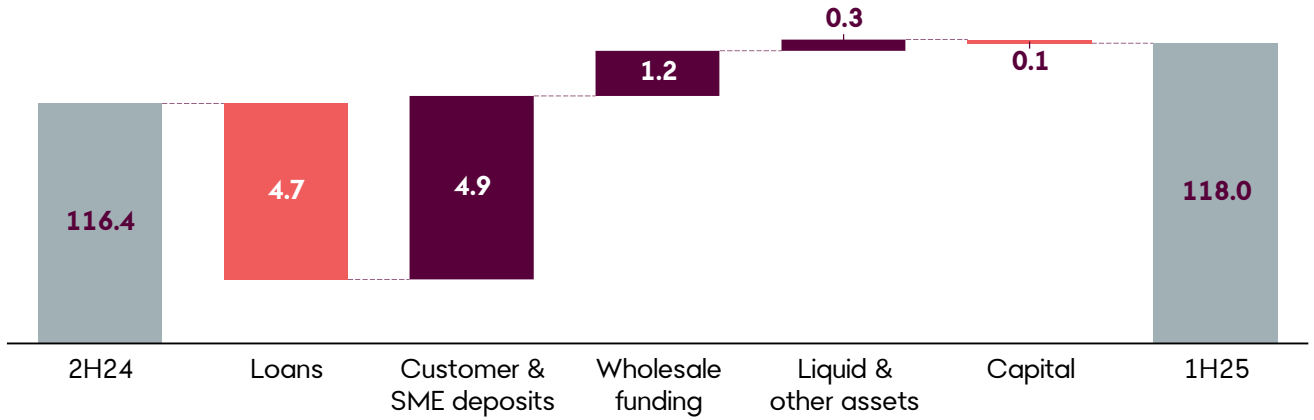


Net Stable Funding Ratio ($b)

As at 31 December 2024



NSFR half year (%)

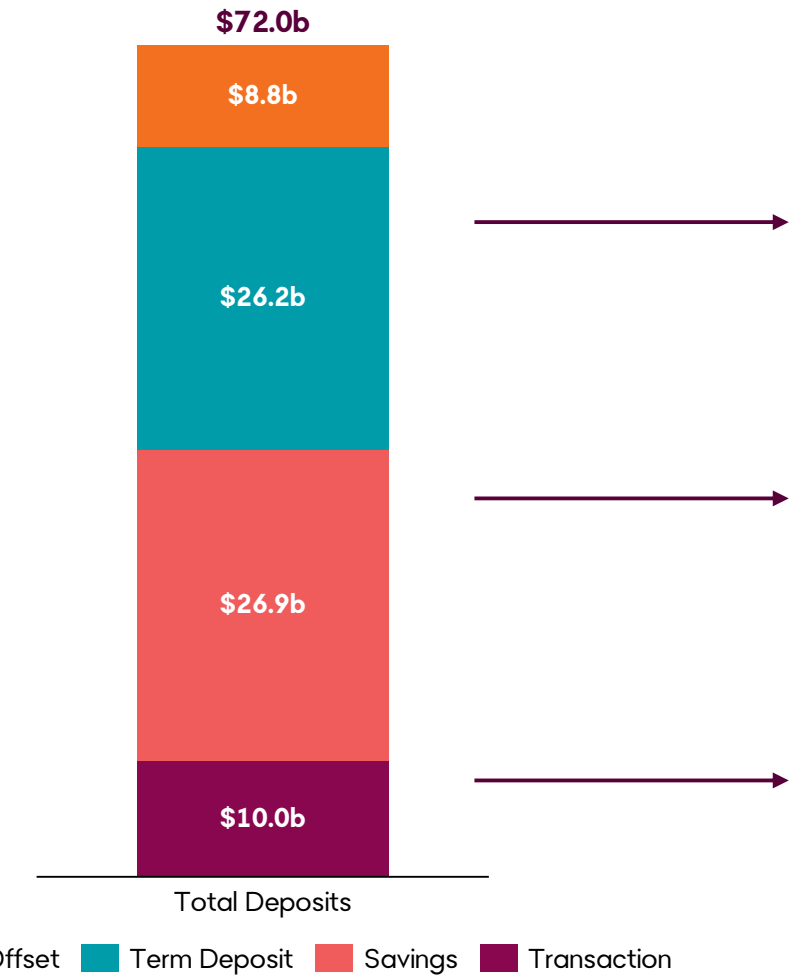


1. Represents average daily LCRs during the quarter.

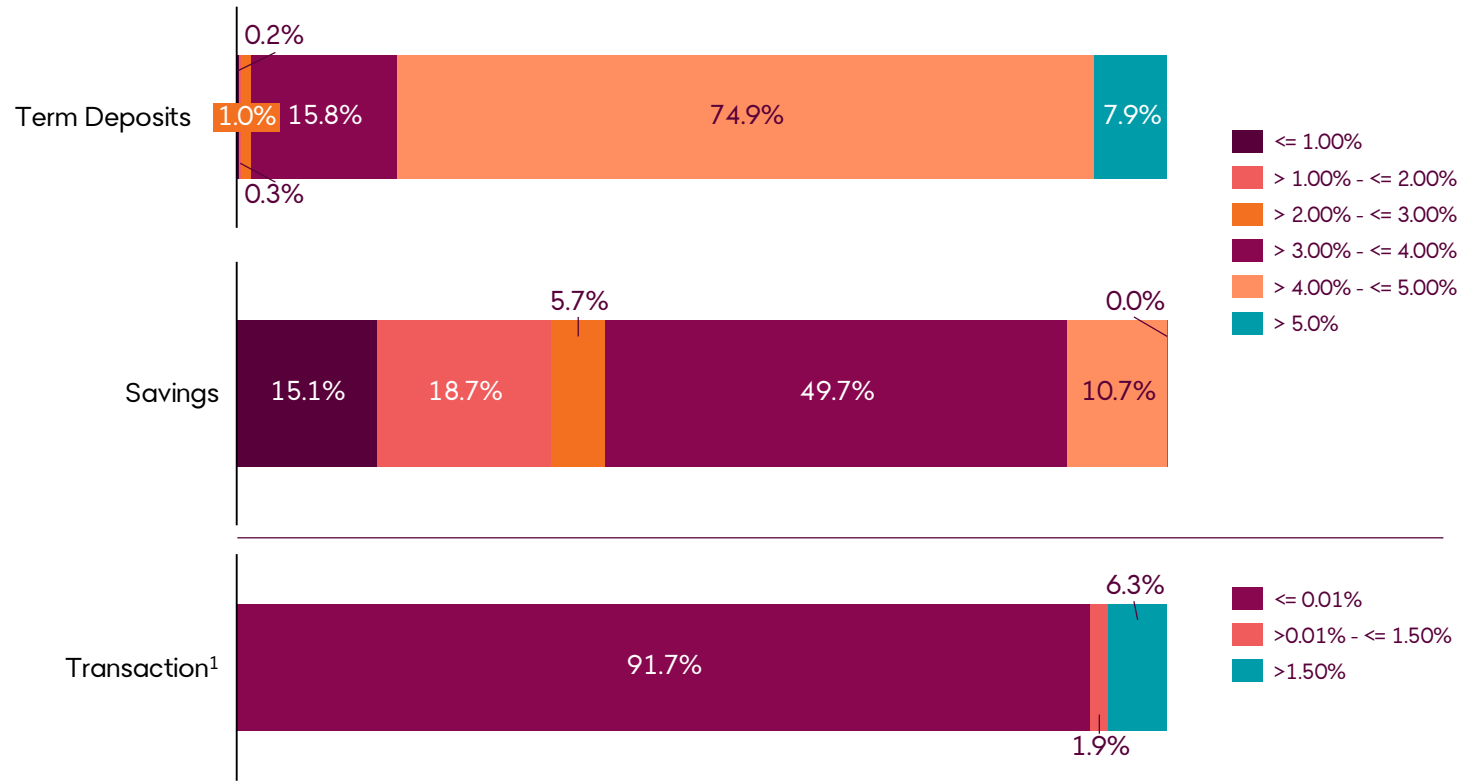
Customer deposits

Deposit split and funding costs

Customer deposits - by type



Customer deposit – funding costs

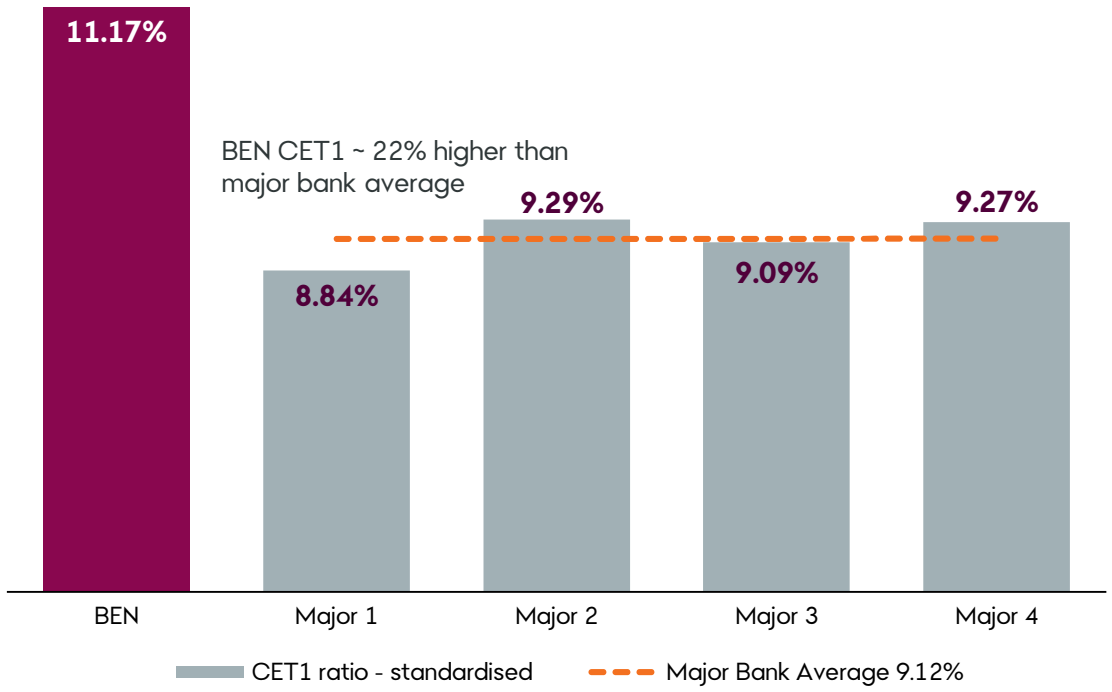


1. >1.50% interest rate band in transaction accounts mainly relates to State Government regulated trust accounts.

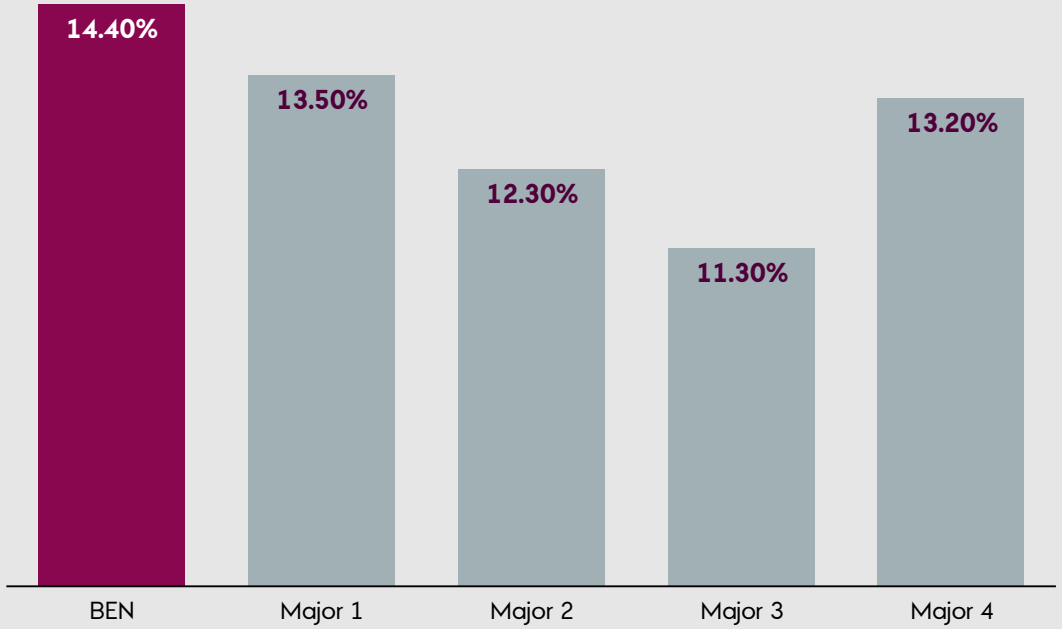
Capital

Strong CET1 capital position provides flexibility

CET1 ratio – using standardised RWA[1]



S&P RAC Ratio[2]



1. Peer comparisons are sourced from public disclosure as of last half or full year reporting period.

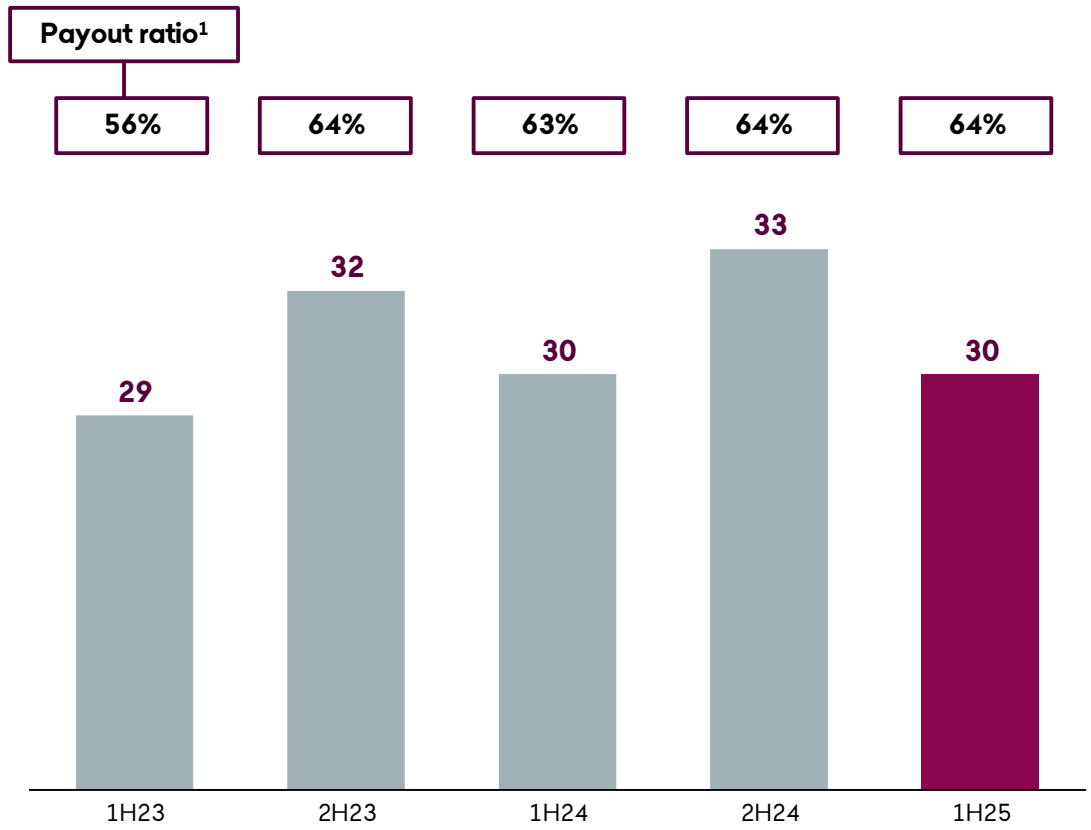
2. Standard & Poor's RAC Ratio, Majors 1 and 2 and 3 as at Mar-24. Major 2 as at Dec-23. BEN as at Jun-24.

Dividend

Consistent returns for shareholders

- 1H25 dividend in line with 1H24
- Dividend levels managed across the year
- Target payout ratio 60-80% of cash earnings
- Strong CET1 capital position provides flexibility
- Intend to neutralise DRP for a fifth consecutive half

Dividends (cents per share)



1. Dividend payout ratio calculated on a cash basis.

Bendigo Bank Executive

Richard Fennell
Chief Executive Officer
and Managing Director

Sarah Bateson
Chief Marketing Officer

Taso Corolis
Chief Customer Officer -
Consumer

Andrew Morgan
Chief Financial Officer

Kerrie Noonan
Chief Risk Officer
(Starting 20 February 2025)

Kieran O'Meara
Chief Technology Officer
(Starting 1 April 2025)

Adam Rowse
Chief Customer Officer –
Business and Agribusiness

Xavier Shay
Chief Digital Officer

Bruce Speirs
Chief Operating Officer

Fiona Thompson
Chief People Officer

Abbreviations

1H24 – First half of financial year 2024

1H25 – First half of financial year 2025

2H24 – Second half of financial year 2024

2H25 – Second half of financial year 2025

AASB – Australian Accounting Standards Board

ABC – Agribusiness Customer

AIEA – Average Interest Earning Assets

API – Application Programming Interface

APRA – Australian Prudential Regulation Authority

APS220 – APRA Prudential Standard (Credit Risk Management)

ASIC – Australian Securities & Investments Commission

ASX – Australian Securities Exchange

Avg – Average

BAU – Business As Usual

B & A – Business and Agribusiness

BEN – Bendigo & Adelaide Bank Limited

BLP – Bendigo Bank Lending Platform

bps – basis points

CAGR – Compound annual growth rate

CET1 – Common Equity Tier 1

cps – cents per share

CRM – Customer Relationship Management

CRWA – Credit Risk Weighted Assets

ESG – Environmental Social Governance

FTP – Funds Transfer Pricing

FY24 – Financial year 2024

FY25 – Financial year 2025

HoH – Half on half

I/O – Interest only

LCR – Liquid Coverage Ratio

LMI – Loan Mortgage Insurance

LVR – Loan to Valuation Ratio

MFI – Main Financial Institution

NII – Net Interest Income

NIM – Net Interest Margin

NPAT – Net Profit After Tax

NPS – Net Promoter Score

NSFR – Net Stable Funding Ratio

OIS – Overnight Index Swap

PCP – Prior Comparative Period

P & I – Principal & Interest

RAC – Risk Adjusted Capital

RBA – Reserve Bank of Australia

ROE – Return on equity

RWA – Risk-weighted assets

SME – Small and Medium Enterprises

S&P – Standard & Poors

TD – Term deposit

TFF – Term Funding Facility

YoY – Year on year

Important Information

This document is a presentation of general background information about the Group's activities current at the date of the presentation. It is information in a summary form and intended to be read by a professional analyst audience and no representation or warranty is made as to the accuracy, completeness or reliability of the information. It is to be read in conjunction with the Bank's half year results filed with the Australian Securities Exchange on **17 February 2025** as well as the verbal presentation and the Bank's other periodic and continuous disclosure announcements. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment is appropriate.

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Shareholder Centre

BEN Financial Results & Presentations

www.bendigoadelaide.com.au/results

Annual Financial Report

www.bendigoadelaide.com.au/afr2024

Corporate Governance Statement

www.bendigoadelaide.com.au/cgs2024

Investor Calendar

www.bendigoadelaide.com.au/investorcalendar

Sustainability Report

www.bendigoadelaide.com.au/esg

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