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Annual Review 2021



About our front cover

This year's Annual Review cover is dedicated to the resilience, professionalism, and dedication of our people. Without their expertise and efforts, the results and achievements outlined in this document would not have been possible, and importantly, our Bank would not have been able to support our customers, communities and all stakeholders to the extent we have.

Jess Brawn is a Local Engagement Officer at our Mitchell Street branch in Bendigo. Like many of our frontline staff, Jess has been a friendly face for customers – and a connection for our communities – as they navigated the uncertainty of the last 18 months. Jess and the team have ensured the highest levels of safety and hygiene in their branch so that customers can continue to access essential banking services.

Jess works in one of our reimagined branches that brings together our customer, community and digital strengths to reimagine banking for the future. Our Mitchell Street branch includes space for retail pop-ups where local businesses can showcase their products and services (read more about our reimagined branches on page 36). The branch also showcases artwork by local Indigenous artists.

As a purpose-led organisation, our business attracts people who are passionate about community. Throughout COVID-19, our people have been experiencing the same challenges as the wider community, but their adaptability and passion have seen them prioritise the needs of our customers and communities, ultimately contributing to Australia's economic recovery and ongoing resilience.

We know that when we support and invest in our people, our customers, communities and stakeholders benefit the most. We're proud to be sharing more about this investment and commitment in this year's Annual Review.

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Acknowledgement of Country

Bendigo and Adelaide Bank's work is conducted on what was and always will be the land of the Aboriginal and Torres Strait Islander people.

Our head office is located on Dja Dja Wurrung land and we have offices and branches in many parts of the Country.

We acknowledge and pay our respects to the Custodians of these lands, Elders past, present and emerging. We acknowledge the many Aboriginal and Torres Strait Islander peoples who have made an important contribution to this land and community and continue to do so.



About the Annual Review

The strength and success of Bendigo and Adelaide Bank has been consistently built throughout 163 years in business, and the care and capability we offer in helping all stakeholders to have the best opportunity to succeed.

With the skills and knowledge that truly reflect the contributions we make to Australian society and its diverse communities, and a trusted reputation, built in both small and significant ways over time, we proudly tell our unique story. This is a story we tell by supporting everyone connected with our organisation to generate prosperity and contribute to building a thriving Australia.

Guided by our vision and purpose, there is a strong connection between our Bank's financial and non-financial performance. This mirrors the interests our shareholders have in our organisation and the role we play in working with stakeholders to create and share value for the long-term as we strive to be Australia's bank of choice.

This Annual Review covers the performance of Bendigo and Adelaide Bank for the period 1 July 2020 to 30 June 2021. Further information about our Annual Review, Annual Financial Report, our Sustainability Report and Corporate Governance Statement can be found at <https://www.bendigoadelaide.com.au>

Highlights

Bendigo and Adelaide Bank is committed to operating sustainably from an economic, social and environmental standpoint, considering the needs and expectations of our stakeholders over the long-term. While our expertise is in delivering best in class financial services, our purpose underpins everything we do. Below are some of our financial and non-financial highlights, as well as milestones we have reached in the 2020/2021 financial year. You can read more about these figures in our Sustainability Report and our Annual Report.

NPS
+27.3

Customer growth
9.6%

Number of
customers
2 million+

Top 20
Most trusted
brands

Customers

Customers are at the heart of what we do. We're proud that more and more Australians are choosing to do their banking with us.

Our competitive range of banking products, unique relationship model and friendly customer service are just some of the reasons why our Net Promoter Score continues to sit well above the industry average at 27.3. Our trust rankings also reflect the esteem we are held in by our customers - Roy Morgan ranks us as one of Australia's top 20 most trusted brands.

Women in
leadership roles
43.2%

Culture index
74%
(March 2021)

Employee
engagement
score
73%
(June 2021)

~1,250
people leaders
introduced to
Lead BEN

People

We know that when our people are supported and performing at their best, our customers and community benefit. Investing in capability is critical to the success of our strategy. Since 2015, 89 women have completed our Women in Leadership program. Over the past year, we have made progress in all 10 focus areas of the Australian Network on Disability's Access and Inclusion Index, supported 150 leaders through phase 1 of our Lead BEN deep dive and hosted 101 live webinars designed to up skill our people leaders to manage high performing teams. Our focus on people has contributed to an employee engagement score of 73%.

Financial performance

This year, the Bank announced a statutory net profit of \$524 million, up 172 percent for the 12 months ending 30 June 2021.

Cash earnings after tax were \$457.2 million, a 51.5 percent increase on the prior financial year. Cash earnings per share were 85.6 cents per share, up 43.4 percent from the 2020 financial year.

We delivered total income on a cash basis of \$1,702.5 million, up 4.5 percent on the prior year. Lending grew overall, with upticks in residential, agribusiness and business lending. Our capital position further strengthened with Common Equity Tier 1 up 32 bps to 9.57 percent, reflecting a well-managed balance sheet and strong risk management, whilst supporting continued lending growth and future investment in transformation. We announced a fully franked final dividend of 26.5 cents per share, taking the full year dividend to 50 cents per share continuing our history of rewarding shareholders with high yield and long-term returns.

Cash earnings
after tax
**\$457.2
million**

Statutory
net profit
**\$524
million**

Total fully
franked dividend
**50 cents
per share**

Residential
lending up
**2.8x
system**

In the 2020/2021 financial year, we have grown market share, customer numbers, total lending and deposits. Importantly, we have not achieved this at the expense of our commitment to community, our people and our environment, recording strong results against our non-financial targets. More about our progress over the past year is contained within this document. You can also visit bendigoadelaide.com.au/sustainability to view our Annual Financial Report and Sustainability Report.

Carbon neutrality
achieved
June 2021

Reduction in
travel related
emissions
67%

Reduction
in absolute
greenhouse gas
emissions
20%

Branches with
rooftop solar
30

"Speaking Up"
resource launched
with over 3,300
individual page
views

93%
small business
suppliers paid
within
30 days of
invoicing

Established
relationships with
Supply Nation and
Social Traders

Lodged our first
Modern Slavery
statement

Donations
received to
support natural
disaster recovery
\$47million
since Jan 2020

Scholarships
funded
274

Community Bank
contributions
**\$21.3
million+**

**\$7.4 million
in grants**
on behalf of
community
partners

Environment

We recognise climate change has far-reaching risks for the environment, the economy, society, our customers and their communities. We support the Paris Agreement objectives and the required transition to a low carbon economy. Since launching our Climate Change Action Plan, we have reduced our travel related greenhouse emissions by 67%, our absolute emissions by 20% and reached 30 of our branches now fitted with rooftop solar systems. We achieved carbon neutral status in June 2021.

Governance

Robust governance is essential to strong and sustainable growth and success. Not only do we adhere to what is required of us from both a legislative and regulatory standpoint, as a values-based organisation we also seek to do what is right in the eyes of our customers and all of our stakeholders. Our Speak Up resource, encouraging staff to speak up when they see something wrong, has experienced strong take up. Our team is also working through more than 140 compliance and regulatory matters to ensure our offering remains aligned to our longstanding practice of being relevant and fair for customers.

Community

Our Bank is known across Australia for its commitment to community. In 2020-21 we built on this commitment, returning over \$270 million to communities through our Community Bank network since 1998. 274 students have been supported through tertiary education with scholarships totalling over \$1 million. Our charitable arm, the Community Enterprise Foundation™ continues to support communities affected by natural disasters distributing more than \$15.3 million in donations over the past year. This money is part of the staggering \$47 million raised in the wake of the Black Summer bushfires.

Message from our Chair



We are proud to have supported our customers and their communities throughout the last financial year. As Australia's better big bank, we will continue to walk side by side with them. Over this time, we have witnessed the resilience of our stakeholders and our business, which have combined with a renewed sense of optimism as we look towards a pathway out of the challenges of the last eighteen months.

Our multi-year strategy to reduce complexity, increase capability and tell our story is well progressed. We have been busy reshaping our business for the future - making lasting changes - to deliver on our vision in these times of economic challenge and lay the right foundations for further growth. We have and will continue to adapt to the evolving needs of our customers and the changing economic environment. Ultimately, these changes will see us become a bigger, better and stronger business.

It's important to state that regardless of any change we make to our business, our purpose, values, strategy and customer commitment will remain at the centre of every decision we make. We are firmly committed to supporting the success of all stakeholders by strengthening what we offer them, improving the productivity and efficiency of our business and carefully managing our costs.

The economic outlook presents both ongoing challenges and opportunities for our Bank. Whilst a historic low interest rate environment continues to place pressure on our margins, fewer customers than expected are experiencing financial hardship from COVID-19 and we continue to see strong demand for lending across our consumer, business, and agribusiness customers. At the same time, we are encouraged by the various stimulus measures that will aid Australia's economic recovery.

The ongoing support and loyalty of our shareholders is not something we take for granted. After a year of strong performance, I am pleased to join the board in announcing a total, fully franked dividend of 50 cents per share. We are pleased that you, our shareholders, can share in the success of our company's strategy.

Since our founding years, we have operated with a belief that the long-term sustainability of our business is tied to much more than the health of our balance sheet or financial performance. I don't make this statement lightly as it is evidenced in our more than 160-year-old purpose to feed into customer and community prosperity, not off it. As more investors have come to value the holistic performance of businesses across important environmental, social and governance (ESG) measures, we too have made some changes to reflect our proven leadership in this space. That's why this year, we are proud to introduce our first sustainability report. Released annually, this report will document our ESG progress, providing a greater level of transparency, measurement and accountability to our various stakeholders.

The way in which we deliver on our purpose takes many forms and one very practical example of the Bank feeding into prosperity is through our highly regarded scholarship program. This year, we proudly achieved an impressive milestone. Since the program commenced in 2007, over \$10 million in scholarship assistance has been provided to more than 1,140 students. Our program is one of the largest privately funded and best targeted scholarship programs in Australia - an initiative that will continue to nurture significant intellectual capital across the community.

We know investing in capability has important multiplier effects for our business, our customers and our communities. Fostering a culture of excellence, trust and transparency empowers us to support customers, manage risk and develop talent. We have made important progress on our diversity and inclusion strategy, our staff development programs, and our focus on gender targets. This reflects our commitment to embracing the diversity of the communities in which we operate.

Our advantages and market opportunities lie in our point of difference, the strength of our purpose, and commitment to our customers. These are core to our very being - as we remain steadfast in our vision to be Australia's bank of choice.

Jacqueline Hey
Chair, Bendigo and Adelaide Bank

Message from our Managing Director



Earlier this year I attended the inaugural Business Council of Australia Biggies Awards which recognised the positive contributions Australian businesses made to the community in 2020 through bushfire, drought, COVID-19 and economic uncertainty.

Scott Hart and his team at Community Bank Braidwood & Districts were named finalists in the Awards, for their unwavering and selfless support of their community during the Black Summer Bushfire response and recovery. As each of the finalists' stories were shared, I reflected on the resilience of businesses and communities nationwide, amidst what were unforeseen conditions. I felt an enormous sense of pride at how the values of our people shone through in their actions. In times of adversity, strong values become the compass that guides our actions and ensure we remain true to our purpose.

I am always proud to say that this is where our Bank excels. COVID-19 has now been a part of our lives for some 18 months and despite this, our business has delivered strong financial results whilst delivering lasting social and economic impact. We have made tangible progress against our growth and transformation strategy, all while centring the experience of our customers and their communities and staying true to our history, values and identity. This progress has positioned the Bank well to continue to deliver value for all the stakeholders in our business as we further strengthen our capability and productivity.

Our results clearly demonstrate our strategy is making us a bigger, better and stronger business. Our cash earnings after tax increased 51.5 percent from last year to \$457.2 million. We have delivered total income on a cash basis of \$1,702.5 million, up 4.5 percent on the prior corresponding period, while sustaining above system lending and strong residential growth - which was 2.8 times above system. Given our strong performance, the board was pleased to announce a total, fully franked dividend payment of 50 cents per share in acknowledgment of the loyalty and support our shareholders have shown for our vision and multi-year strategy. On behalf of my team, I thank you, our shareholders, for your ongoing support.

Over the last year we have strengthened our operations and improved how we engage customers. Brand, technology and process simplification continue to drive efficiency and importantly, strengthen the experience

our customers receive when they bank with us. We have also enhanced our people and culture functions to help identify and manage talent, nurture our values-led culture, and equip our people with the skills, wellbeing support and knowledge they need to continue delivering great outcomes for our customers.

We continue to be ahead of our major competitors in leading corporate reputation indices. Our investment in innovation, which when combined with our deeply human-approach, high trust and positive net promoter scores - 29.8 points higher than the average of the major banks - will allow us to become even more agile in responding to our customers' ever-changing needs, and further grow market share.

Unique to us, and our greatest opportunity to create value for our stakeholders, is where our community focus and customer connection and experience overlaps with our strong digital capabilities. Our proven leadership in innovation puts us in good stead. Our recent partnership with Tyro is providing our merchant customers with simpler, flexible payment solutions, while our investment in Tic:Toc continues to see fast growing, direct-to-customer digital offerings provided to customers when and how they want it. Our recent acquisition of Melbourne-based fintech company, Ferocia will allow our Bank to further accelerate our digital strategy and shape the future of banking for a new generation of customers.

Strongly aligned to our purpose to feed into prosperity, not off it, is our commitment to strengthening communities. To date, through our unique Community Bank model, more than \$270 million has been returned to communities, providing infrastructure, invigorating local activity, and strengthening for the long term the social and economic fabric of the places we call home.

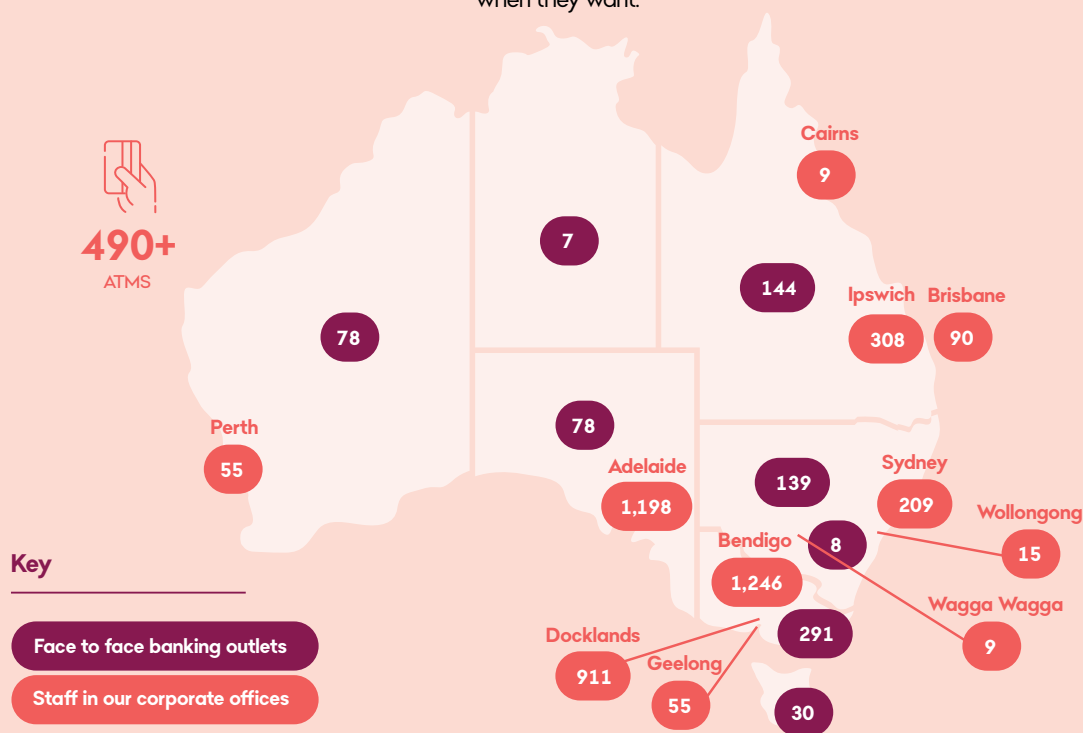
Steering through periods of significant, unforeseen change and upheaval would challenge any organisation that doesn't have a strong understanding of who they are and what they stand for. I want to personally thank my team for their tireless efforts. As we look ahead, I would like to restate our continued commitment of support to you, our shareholders, as well as our customers, communities and many partners as we all play our own important part in Australia's economic recovery.

Marnie Baker
Chief Executive Officer and Managing Director,
Bendigo and Adelaide Bank

Our reach

As one of Australia's biggest banks and a top 20 most trusted brand, Bendigo and Adelaide Bank really is Australia's better big bank.

With more than 7,000 people and over 770 points of presence, our reach is truly national and means we reflect the diversity of the many communities in which we operate. Together with our partners and extensive branch network, we also provide mobile banking services and award-winning digital banking services to ensure our customers can bank how they want, when they want.



Our brands

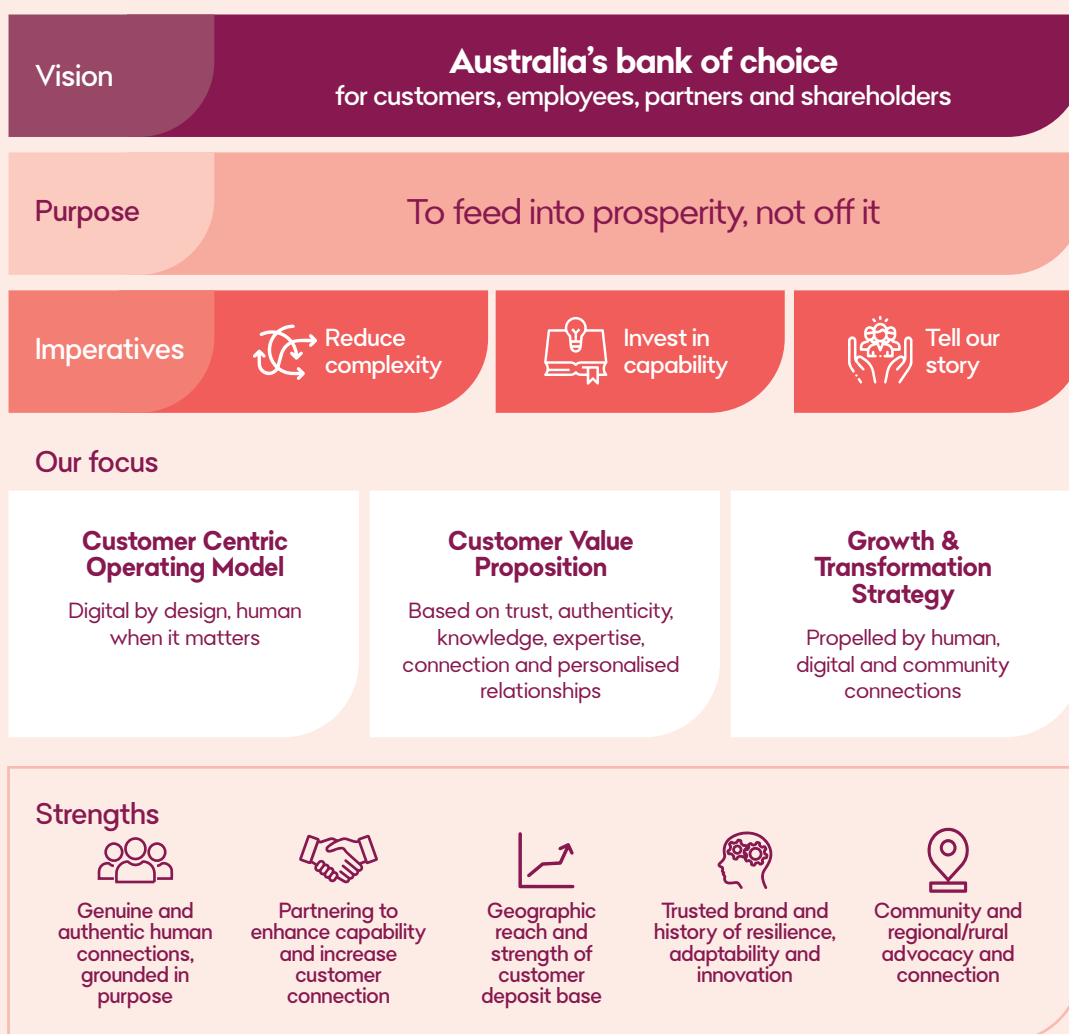


Our strategy

Our strategy continues to drive strong growth and a resolute and considered focus on transformation and productivity in our business. Over the past year we have done more than we said we would do, growing market share in both lending and deposits. We achieved strong customer and revenue growth, which combined with a measured risk culture and our human, digital and community strengths, is creating the future of banking.

Our results illustrate that we are a bigger, better and stronger business by delivering on our strategy and our unique purpose to feed into prosperity, not off it. We act with care, customers and community in mind, building on the capability and experiences we offer our customers. Our transformation continues to improve our productivity, efficiency, speed to market and customer experience. Our underlying business, balance sheet, brand proposition, risk profile and transformation have made our business stronger for the future.

As we build on our purpose, we continue to reduce complexity, invest in capability and tell our unique story, with an eye to the future as we strive to be Australia's bank of choice.



Bigger, better and stronger business underpinned by a purpose driven culture, guiding the right behaviours and risk profile.



Mallacoota Skate Park upgrade and youth engagement project \$600,000 funded by the Victorian Bushfire Appeal.

What matters to us

As a purpose-driven organisation, we are proud of our track record of investing in the community. But we are constantly pushing ourselves to ask how this work can be bigger, better and stronger. What matters to us is working alongside our stakeholders to empower everyone associated with our business.

- Connecting with our customers
- Investing in our people
- Trust, ethical conduct and responsible banking
- Enabling 21st Century communities
- Our approach to sustainability



Connecting with our customers

We provide a full range of banking services to all our customers Australia-wide. Our personalised relationship model is what sets us apart and helps us understand our customers' needs.

CASE STUDY:

Supporting customers in need

A valued customer, Angela* rang the Bank's call centre and advised the consultant she had fled a domestic violence situation with three young children. Angela explained she had no access to funds and was without anywhere to stay. The consultant recognised she needed some guidance from FAST and loaded a FAST Request. FAST, the Financial Awareness Support Team is a specialised team set up within the Customer Advocate Office and is designed to assist customers who may be impacted by financial abuse.

FAST consulted with Angela's domiciled branch who arranged for Angela to safely attend and assisted her to open separate accounts solely in her name. The branch manager also approved a \$100 overdraft to be

loaded when establishing the account to assist Angela to buy some essential items. In addition, FAST provided Angela with details of a local women's shelter which Angela attended and was assisted by a case worker who encouraged her to lodge a formal police report to charge her ex-partner with domestic violence.

Angela and her children now have permanent housing and can move on with their lives. Angela has kept her accounts in order and is grateful to the Bank for assisting her through such a distressing and challenging time. This successful outcome is a credit to the three teams that worked together to help Angela and her children.

*Names have been changed to protect privacy



Personal assistance through COVID-19

As many Australians and the economy faced another challenging and disruptive year, our important role of supporting customers and communities became even more apparent. This ongoing commitment remains important this financial year, as the nation faces further disruption, with an ambition to transition out of the pandemic. This underlines the importance of our longstanding purpose – feeding into prosperity, not off it.

Supporting our customers

We understand there are times some customers' circumstances may change. When this happens, we have a well-established process for assisting customers experiencing financial hardship. We always urge customers to contact us as soon as possible when this happens so we can provide assistance early.

Our raft of financial assistance measures introduced at the start of the COVID-19 pandemic, continued into financial year 2021. These included:

- Relief on loans for up to six months for Home Loan and Business Loan customers

- Discounted interest rates on new personal loans taken out by existing Bendigo Bank customers
- Waiver of interest rate reduction for early withdrawals on term deposits prior to maturity
- Deferral of payments and extensions for Equipment Finance on a case-by-case basis

In June, we reinstated support packages for our customers impacted by recent COVID-19 lockdowns and whilst to date we have only seen a modest number of customers seek assistance - as at 31 July 2021, we had 274 accounts totalling \$87m receiving support - we are conscious that behind each and every number is a person, a family or a small business. We treat each situation individually, with care and respect, and through our experience, we are confident the support we offer will assist customers through these difficult times.

Our approach to customer support during COVID-19 saw our business banking division ranked as the highest rated bank for supporting customers through COVID-19. This was a real testament to our relationship banking approach.

Supporting our communities

Our branches and our Community Bank and Alliance Bank partners played a key behind the scenes role in supporting communities experiencing hardship during the pandemic. This support included:

- Providing personal protective equipment to local hospitals and clinics to address shortages
- Created stimulus grants for local businesses affected by lock downs and sourced goods from impacted local businesses
- Worked with local manufacturers and businesses to pivot production to ventilators and hand sanitiser
- Provided tablets to school children who didn't have access to technology for remote learning.

Supporting our people

We know that when our people are at their best, our customers, communities and stakeholders benefit the most. Throughout the pandemic, our people have been available to assist customers and communities experiencing hardship, ensuring exceptional levels of hygiene and safety for themselves and the community, and providing continuity of service throughout what has been a challenging period. Through their efforts, our people have played a role in Australia's economic recovery.

In turn, we have supported our staff by:

- Providing up to date information regarding government directives and safety standards
- Installed safety screens, hand sanitiser stations, social distancing signage and masks to protect our people and customers
- Supported our staff with additional leave to access COVID-19 vaccinations
- Encouraged and facilitated our people to work from home where possible and flexibly where needed
- Strengthened our remote working infrastructure and reduced the need for travel
- Developed dedicated COVID-19 wellbeing resources and continued to provide access to our Employee Assistance Program for our people and their families.



CASE STUDY:

A day in the life of Senior Mobile Relationship Manager, Kanwal Singh

Our national team of Mobile Relationship Managers work with customers at a time and place that suits them, providing a more convenient and specialised banking experience for our customers. Kanwal Singh is a Senior Mobile Relationship Manager located in Adelaide. With more than 20 years' experience in finance and banking and fluent in both Hindi and Punjabi, Kanwal is passionate about helping his clients achieve their financial goals. His personalised and professional approach aims to build long standing relationships with clients and business associates alike. Here's what an average day in the life of Kanwal looks like:

8.30am: My day begins in the car. I call a few referral partners to chat about any transactions on the go, then update them with what's going on and ask if there are any new opportunities they'd like to flick through this week.

9.00am: I park my car and walk into the office making sure my desk is booked. Since COVID-19 began, we have been booking desks in our offices to ensure we stay within office capacity requirements. I have a quick glance at my emails to ensure nothing urgent has come in from the night before.

9.10am to 9.30am: I meet with a colleague over my first coffee for the day to prioritise work for the week.

9.30am – 11.00am: This is my time to catch up with emails and follow up things with clients. I will print any loan documents or application forms in preparation for my day's meetings, complete any pricing requests and follow up with our Middle Markets team anything I have referred to them.

11.00am: My first appointment of the day is in our head office.

12.15pm – 12.45pm: I head back to my desk and check emails and any database activity.

12.45pm – 1.15pm: I have lunch at level 1 in our office building and I'll either grab another coffee or have a client lunch meeting. Lunch is also a great time for me to make some more calls. Today a client has called asking for a pre-approval on a new purchase as they would like to go to auction on the weekend. I take a few other business phone

calls as usual. On an average day, I make between 70 and 80 calls.

1.15pm – 2.00pm: Back to my desk and I do a quick servicing analysis based on information I have on hand. I call back my client and request formal information to assist with an application. I then check in with my colleague to add this to the list of things for this week and see how other work is progressing.

2.00pm – 3.30pm: I drive down to a referral partner where a new client is introduced. This is my second appointment of the day. I chat with the client to understand their needs. I complete a servicing analysis in the meeting, then ask for documents to assist with a finance application. On my way to my next meeting, I call my colleague to fill them in on the meeting details.

3.30pm – 4.15pm: At my third appointment for the day, I sign up some loan documents for a new purchase and thank my client for their business. Some days I would pick up my kids from school at this point and bring them in to the city, where my wife then takes them back home. I can then catch up with my work things.

4.15pm – 4.45pm: I drive back to office. On the drive I call my manager and talk to him about the day and any business opportunities I have on the go. I also call Shannon from our Unley branch who I work closely with to see how things are travelling for any clients coming on board.

5.00pm – 6.00pm: I use this time to absorb the day and revisit my to-do list and what tomorrow will look like.

6.00 pm – 6.45pm: I head to the gym and destress from the day. I then head back home while making a few more phone calls.

7.00pm: Back home for dinner with my family. I spend time with my kids, see how their days went and what they learned in school. It is not unusual for me to log back later at night to get on top of things and keep work under control. This is a personal choice however I manage it well as part of my operating rhythm during the week between business and personal commitments.



Financial inclusion and literacy

Treating customers fairly and ensuring everyone feels supported no matter their circumstances, is of the utmost importance to us. As a signatory to the 2020 Australian Banking Association Banking Code of Practice, we have a number of programs available to support financial inclusion.

Personalised training

Our branch staff continue to work closely with customers to provide dedicated one-on-one coaching in electronic and digital banking, including how to set up and use mobile banking apps, OSKO® payments and debit cards. This will ensure no one is left without access to modern banking services and experiences.



Targeted assistance to farming customers and rural communities

We are proud of the deep and trusted relationships we have with our customers and we understand that no single farmer or farm business is impacted by hardship in the same way. We continue to stand by any customers adversely affected with dedicated support, based on their individual circumstances. Over the past year we have assisted customers affected by COVID-19, the Gippsland floods, the NSW mouse plague and floods, and customers affected by bushfires and Cyclone Serjua in WA.



Life Coach podcast

Our Life Coach podcast hosted by accountant-turned-comedian Suren Jayemanne provides real world, practical tips from our in-house finance experts. Since launching in December 2020, the podcast was in the top 10 per cent of Australian podcasts with over 3,000 downloads. Episodes can be found from wherever you get your podcasts.

Beyond the Farm Gate podcast

Launched on National Ag Day in 2020, the Beyond the Farm Gate podcast shines a light on great Australian stories in agriculture including farmers who have survived fire, flood, and drought; innovative and unique agribusinesses; and farmers who are balancing work and family in rural Australia. Ranks in the top 20% of podcasts worldwide. Episodes can be found from wherever you get your podcasts.

Inclusive banking

We continue to implement direct actions from our Access and Inclusion Plan. This year we launched our Dignified Access Resource (for premises), which ventures beyond building compliance to reflect the Bank's commitment to providing a dignified experience when interacting with any bank space or place.

PDF and screen-reader accessible versions of Bendigo and Adelaide Bank's Access and Inclusion Plan and Dignified Access Resource can be found online at:

<http://www.bendigobank.com.au/about-us/>

CASE STUDY:

Community healing from the Wooroloo Bushfire

Following the February 2021 bushfires of East Perth, the community rallied and donated to the Bendigo Bank WA Summer Bushfire Appeal.

In partnership with Community Bank Mundaring, events have provided important information sharing and support, including friendship and community connection.

Funds from the appeal helped the CWA host a thank you event for the volunteer firefighters to recognise the important job they do in the community. The event helped strengthen the local volunteers' mental health and ensured they felt appreciated by the communities they serve.

A grant from the WA Summer Bushfire Appeal has assisted Parkerville Community Care organise a series of recovery dinners for residents impacted by the 2021 Wooroloo fires.



Co-creating with our customers

Our unique relationship banking model and our close ties to community enable us to understand customer needs first-hand. Another way we hear from customers is through our MiVoice online customer community. Through the MiVoice platform, we regularly check in with over 5,000 customers and get their views on new products and services, their experience banking with us, and how we can support them in future. In the past year, we have undertaken research on topics including: customer accounts, customer communication, products, customer experience, COVID-19 support payments, and our Climate Change Action Plan. The feedback we receive is invaluable and allows us to tailor our offering to respond to customer needs.

CASE STUDY:

Aumann's Building and Garden Supplies

Aumann's Building and Garden Supplies is a family-owned business run by Andrew Mackintosh alongside his son. The business reflects Andrew's passion for all things gardening, the environment and landscaping.

Aumann's joined the Bendigo Bank family a year and a half ago as a customer with the support of their Business Manager, Steve uit den Bogaard. Growing from a humble tin shed to a business spread over three locations, two of which contain full scale nurseries, as well as landscaping materials, trailer hire and an extensive fleet of trucks and plant, Andrew and his team – like many small businesses – were challenged during COVID-19.

"We stayed open to support landscapers during the recent lockdowns, but unlike some other sectors, click and collect options were too difficult for us. Our customers want to see the plants they're buying and browse in person for inspiration. It's not a business that easily translates to online."

Instead, Andrew and his team focussed on their bag business: soil, sand, compost and mulch that Aumann's has the capability to bag onsite, which helped provide steady cash flow during Victoria's various lockdowns.

"We were conscious that many in the community were doing it tough, so we called out on social media for customers to nominate someone who needed a bit of extra kindness. We would then send them some free mulch. There were so many heartbreaking stories, but we were glad to play a part in supporting our community in different ways."

Like many Bendigo Bank customers, Andrew's Business Manager, Steve was able to move quickly to set up loan payment deferrals to protect Andrew's business from the uncertainty that remains a constant feature of the pandemic.



Today, Andrew's nurseries are full of trees, plants and materials ready for the Spring rush. You can find Aumann's online or by visiting at one of Andrew's three locations: Templestowe, South Morang, and Eltham, Victoria.

Responding to natural disasters

Our deep experience and connection to community has taught us that disaster recovery is a marathon, not a sprint. We believe local communities are best placed to determine the needs and recovery efforts required in their community. This includes in the immediate aftermath of a natural disaster as well as the short, medium and long term recovery. We also recognise the needs of communities may change over time.



\$15.3 million

Natural Disaster Response Grants:
Provided for relief and recovery from natural disasters in FY21.

DISASTER PILLARS	NO. OF GRANTS IN FY21	VALUE
Economic	15	\$936,000
Environmental	9	\$647,000
People	47	\$11,150,000
Social	43	\$2,612,000
Grand Total	114	\$15,345,000

CASE STUDY:

An update on our 2020 Black Summer Bushfire Appeal

The 2020 Black Summer bushfire appeals raised a collective total of \$47 million in donations of which \$29 million (62%) has been disbursed since the launch of our appeal in January 2020. Our community-led Bushfire Appeal Disbursement strategy focuses on three key phases:

Immediate Relief

Informed by our partners' and our lived experience in managing disasters of this nature

Jan - Oct 2020

Up to 40% of funds disbursed to support Immediate Relief

Community Recovery Short Term

Informed by local communities

July 20 - June 2021

Up to 60% of funds disbursed to support Immediate Relief

Community Recovery Medium - Long Term

Informed by local communities

2021 - 2025 and beyond

Through our interactions with fire-affected communities, we know the recovery process for people is a very personal journey that moves through different stages over time. Local leaders and community organisations play a critical role in rebuilding and strengthening their local areas. Supporting these groups is vital to facilitating recovery programs and returning to normal business.

Partnering with the Victorian Government

To assist local communities affected by bushfires, the Victorian Bushfire Appeal was established in partnership with the Victorian Government. The goal was to raise and distribute funds to provide practical support for Victorians to rebuild their lives.

On 2 January 2020, the Premier of Victoria announced a state of disaster. This was the first time the Victorian Government used these powers since they were included in the Emergency Management Act 1986 following the devastating Victorian Bushfires in 2009.

Despite the rapid response, many people lost family members, homes, pets, possessions, and community infrastructure to the bushfires that swept through Victoria. People across Australia and internationally responded with generosity, compassion, and action. The intent of those who donated was clear: while nothing could ever replace lives lost or memories destroyed in these fires, people wanted to give individuals and communities who had lost something or everything, a start on rebuilding their lives.

Investing in our people

We know that when our people are at their best, the customers and communities we work with – and all our stakeholders – benefit the most. With our sights set on becoming Australia's bank of choice, we know diversity of experience, mindset and background brings out the best ideas, helps us challenge the status quo, and identify new and better ways of working.

Zac is a member of our Access & Payments team.



74%

Staff culture index



73%

Staff engagement index

BEN U

Launched in June 2020, BEN U is our version of a corporate university designed to help strengthen the skills and capability of our people for today and tomorrow. Not only is learning and development important to our people, it is also a strategic enabler to help us become bigger, better and stronger. Aligned to our strategic priorities and transformation agenda, BEN U's philosophy of #learneveryday helps grow our willingness to learn then apply that learning to new situations.

Over the past 12 months we have:

- Developed our People Capability Framework to define the capabilities our organisation needs.
- Invested in building a mindset of learning and 'learning everyday' among our people.

- Re-imagined staff learning with investment in contemporary learning design, new content libraries such as LinkedIn Learning, and new learning channels such as virtual classrooms.
- Invested in effective multi-level leadership through the development of the Lead BEN Framework and delivery of our Lead BEN Program and leadership resources.
- Focused on building technical skills for our front-line divisions.
- Established partnerships with a range of external organisations, such as Swinburne University.

We are focused on building priority capabilities with great reach and ease of access to learning for all our people.

Lead BEN

Over the past year, our focus on leadership capability began with the launch of the Lead BEN Framework, a consistent set of expectations we have of our leaders. Our people leaders across all levels of the Bank have been exposed to Lead BEN through a range of informal learning such as Lead BEN Masterclasses, immersion sessions and access to other resources.

The formal Lead BEN program is an immersive eight-month program that targeted 150 of our most influential leaders immersing them in the role they play in aligning our culture, strategy and operating model. Feedback has been very positive with 92% of participants intending to apply concepts discussed in the program to the workplace and their leadership. Lead BEN continues in the new financial year as we expand to other key leaders in the organisation.

“

ANONYMOUS FEEDBACK FROM PARTICIPANTS:

“Sharing ideas and experiences is the most valuable aspect of Lead BEN.”

“I was able to make use of multiple facets of the learning in the last six months given the volume of change we have been implementing and the need to have difficult conversations.”



CASE STUDY:

V-Workshops

For a long time, our organisation relied on face-to-face learning to build the skills of our people. In the early days of COVID-19 the BEN U team seized the opportunity to reimagine learning with the creation of our V-Workshop virtual learning series. Our team re-designed all technical skills learning curriculum including branch fundamentals, sales and lending and invested in the professional development of our facilitators. By adapting quickly, our people, regardless of their location, have had easy access to high quality and engaging learning spread across their working week. More than 4,500 learners' interactions have occurred over the past year.

Diversity & inclusion

Belonging at BEN

We want our Bank to reflect the rich diversity of our customers and the communities we live in, work in, and support. That's why we celebrate what's common and different, and value the qualities that make each of us unique. We believe we can all reach our full potential when we can be ourselves, and when we all feel like we belong.

Our focus on diversity and inclusion is integral to how we service our customers, support our people and contribute to our communities. Our approach is underpinned by our values and speaks to the heart of our purpose of feeding into prosperity, not off it.

Building on the success of our gender equality and flexible working initiatives, our activity has expanded to a broader cross-section of focus areas. Our approach to inclusivity, wellbeing and flexibility has placed us in good stead to adapt to the ongoing challenges of COVID-19 and remote working.

As an organisation with a national and regional footprint, we recognise our role in ensuring we represent the voices of the communities in which we operate and supporting the voices that don't always have a platform.

Gender equality

We have a proud history of progress on gender equality. 43% of our leaders are women including 44% of our board and 37.5% of our executive team. Our Bank continues to be the only ASX200 company with both a female Chair and Chief Executive Officer and Managing Director. We continue to pursue gender equality across all levels of our business with a focus on growing and developing our pipeline of female talent for senior roles.

Over the last 12 months we have:

- Set divisional gender targets and created Gender Equality Plans specific to each business area.
- Made tangible progress on pay equity.
- Grown our Women in Leadership program to two cohorts each year. This program is an intensive capability development program designed to stretch female talent towards senior leadership, enabling performance behaviours and mindsets.

LGBTIQ+

We proudly support the LGBTIQ+ community, their families and allies inside and outside the Bank. Our Pride Network, Kaleidoscope continues to gain momentum and membership. Some highlights this year include:

- Launching our first Gender Affirmation policy and toolkit which includes discretionary paid leave
- Developing our LGBTIQ+ strategic action plan
- Participating in the Australian Workplace Equality Index for the first time
- Being platinum sponsors of the Bendigo Pride Festival.

Accessibility

We have made strong progress against our Access and Inclusion Plan in partnership with the Australian Network on Disability:

- Established and grown our employee disability network, BENability.
- Launched our new Dignified Access resource which will assist us to create truly accessible environments for our customers and people.
- Partnered with Dementia Australia on the Dementia Inclusive Banking Project.
- Launched the PACE Mentoring Program to support job seekers living with disability, supporting 30 participants each year.
- Made progress in all 10 focus areas of the Australian Network on Disability's Access and Inclusion Index.
- Trained our recruiters and marketers in disability awareness and confidence and reviewed our website and banking apps to ensure accessibility.

Leadership and Inclusion

Our inclusion program is in good health with the following key achievements:

- Launched the Belonging at BEN Hub which enables all our people to learn about and confidently engage with topics of inclusion.
- Strengthened several group wide policies, including our Parental Leave policy and our Family and Domestic Violence policy.
- Enhanced the promotion of our culture of flexibility by sharing stories of non-traditional flexible roles such as men taking parental leave or adult carers.
- Continued tracking inclusion through our Employee Engagement Survey.
- Strengthened our Sexual Harassment and Bullying Policy in line with Respect @ Work recommendations.

CASE STUDY:

Women in Leadership

Our Women in Leadership program helps build capability and confidence in our women leaders to be senior manager ready. Working with two cohorts a year, the program is designed to stretch talented women leaders towards senior leadership, enabling performance behaviours and mindsets and is an important part of our gender equality strategy. In 2021, we increased the reach of the program, growing the number of participants by 50% from 2020.

“

The Women in Leadership program helped me forge new relationships, gave me a newfound confidence, and equipped me with the skills required to lead key projects and high performing teams. The program's emphasis on deeply understanding ourselves, our strengths, motivators and dark side behaviours has made my approach to leadership more authentic and rooted in experience. Armed with new knowledge and networks, I am excited to take my career and leadership journey to the next level.”

Emily Chapman,

2021 WOMEN IN LEADERSHIP PROGRAM GRADUATE
AND PROUD YUWAALARAAY WOMAN

CASE STUDY:

Biggies Awards

Scott Hart is a Customer Relationship Manager at Braidwood & Districts Community Bank, but for 36 years he has also been a volunteer firefighter and Captain with the NSW Rural Fire Service. During the Black Summer Bushfires, Scott went above and beyond to serve his community by joining the thousands of volunteers around Australia working to fight the fires and assist in recovery.

He was supported by his Braidwood colleagues and by our Bank's unlimited paid natural disaster leave. This policy provides unlimited paid leave for volunteers assisting with disaster management and recovery. This, together with Scott's outstanding achievement saw him shortlisted for the Business Council of Australia's (BCA) inaugural Biggies Awards, presented in March 2021. The awards sought to raise awareness of the positive work many businesses were doing during the challenging 2020 year.

We proudly see ourselves as part of the community and recognise the role volunteering plays in building its resilience. After the 2009 Black Saturday bushfires,



we realised staff were often required to support their community for more than a few weeks. This gave rise to our current volunteer leave policy, which allows our people to take volunteer or community service leave at any time subject to their manager's approval. This then allows the team to re-organise resources, and in a sense, involves the whole organisation mobilising around staff supporting their community.

The awards ceremony was hosted by Prime Minister Scott Morrison and was attended by our Chief Executive Officer and Managing Director, Marlie Baker, Scott, and Jennifer Westacott, AO from the BCA.

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Ethical conduct and responsible banking

We take very seriously the role we play in building our customers' wealth and prosperity. Trust is our most valuable asset and our emphasis on authenticity, building strong relationships and doing the right thing is part of the reason so many Australians choose us for their banking. It is important to us to ensure we have the right policies and procedures in place so our people can provide our customers with the right products and services to suit their needs.



Engaging with government and industry partners

Government and industry partners like the Australian Banking Association (of which our Chief Executive Officer and Managing Director, Marnie Baker is Deputy Chair) and the Business Council of Australia are important stakeholders in delivering quality and relevant banking services to the communities in which we operate. These partnerships have been important in delivering industry-wide responses to national issues such as disaster recovery, and financial hardship assistance during COVID-19.

Our voice has been added to important policy discussions through submissions and engagement with both elected officials and government department representatives.

We work closely with the Regional Australia Institute as a founding member of the Regional Australia Council 2031 (RAC). This council brings together influential and committed organisations and leaders to prioritise regional Australia including Australia Post, KPMG, NBN, Optus, Telstra and Trans Grid. The RAC's focus areas include research into regionalisation trends and developing a regionalisation strategy.

Lending and investing responsibly

As a values-based organisation with strong ties to the community, we recognise the positive, and sometimes negative, impact business can have on society. Our Bank considers the social and environmental outcomes of business decisions we make. We believe we have an important role in supporting a transition to a lower emissions future. As an example of these considerations, our Bank does not (and will not) lend directly to projects in the following sectors:

- Coal
- Coal seam gas
- Crude oil
- Natural gas
- Native forest logging.

Whilst the Bank does not provide finance directly to projects in these sectors, it does recognise there are individual and business customers and communities which rely on such projects for their livelihood and economic sustainability. The Bank will continue to provide finance and other services to those individuals and businesses who may provide support to those sectors. We recognise we play an important role in supporting communities, both today, and as we transition to a lower emissions future.



Managing risk

We see managing risk as everyone's responsibility. As our world faces rapid change and volatility, technological advancements and globalisation, our business operating environment is becoming increasingly complex. We work closely with our customers, regulators and government to identify and mitigate risks before they occur.

Our strong culture of risk management is underpinned by our Group Risk Management Framework and overseen by our Board. Our Board's committees assist in this work:

- Risk Committee: Risk appetite and risk management strategy.
- Financial Risk Committee: Credit risk appetite and credit risk management strategy.
- Governance & Human Resources Committee: Remuneration, people and governance risk.
- Audit Committee: Financial reporting and taxation risk.
- Technology Committee: Technology oversight and digital strategy.

Our risk appetite is set and reviewed in line with our organisational strategy.

Our dedicated Financial Crimes team work closely with customers and law enforcement to combat scams and detect financial crimes such as fraud, money laundering and terrorism financing.



Implementing the recommendations of the Royal Commission

Whilst we maintained our high trust rankings prior to, during and after the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, the findings have provided banks with an opportunity to redefine their relationships with customers and revisit practices in line with community expectations. Bendigo and Adelaide Bank supported all recommendations of the Royal Commission and has now implemented all recommendations that don't require legislative change. We will continue to work closely with our regulators to ensure further recommendations are implemented as legislation is updated.



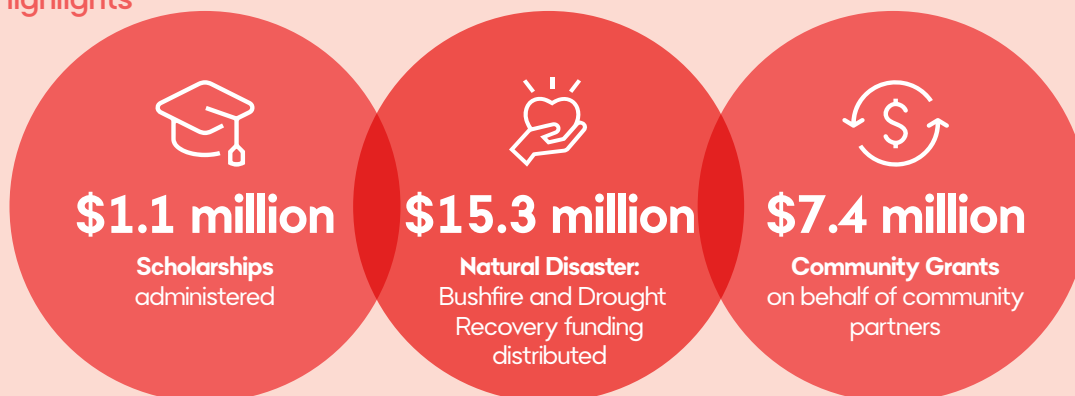
Enabling 21st Century communities

Community Enterprise Foundation™: the charitable arm of the Bendigo and Adelaide Bank Group.

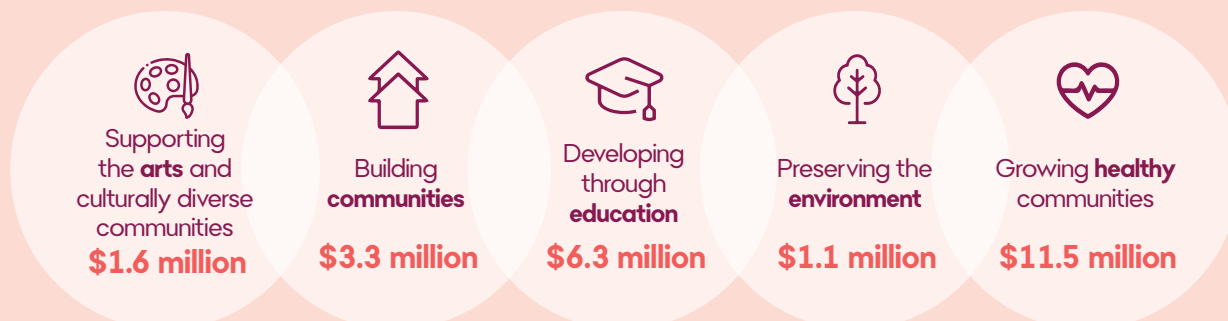
Our focus has, and continues to be, on helping strengthen the social fabric of communities across Australia.

While our Community Enterprise Foundation played a leading role in responding to the Black Summer Bushfires, the Foundation also mobilises funding for a range of other community and philanthropic initiatives. On behalf of our Bank, our Community Bank partners, and our corporate partners we are honoured to facilitate and deliver grants, scholarships, appeals, partnerships, and other funding. Through our community-led approach, we will continue to create positive impact and sound investments that provide communities with the foundations to thrive.

FY21 Highlights

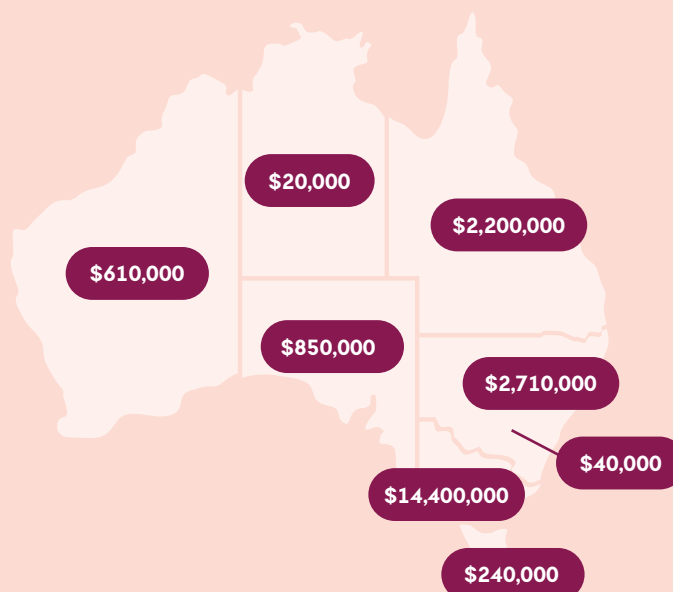


Our funding themes in 2021



Where our funds have been spent

Multi state projects	\$2,500,000
Australian Capital Territory	\$40,000
Northern Territory	\$20,000
New South Wales	\$2,710,000
Queensland	\$2,200,000
South Australia	\$850,000
Tasmania	\$240,000
Victoria	\$14,400,000
Western Australia	\$610,000
International	\$230,000
Grand Total	\$23,800,000



Investing in our future through education

Our scholarship program continues to be one of Australia's largest privately funded programs that nurtures significant intellectual capital across the community. This year, we achieved the important milestone of investing more than \$10.2 million in scholarships for more than 1,140 students since the program began in 2007.

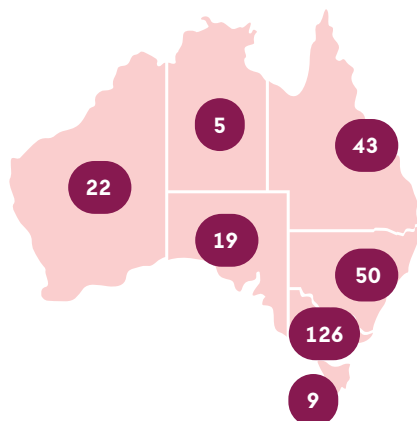
In 2021, 274 students will share in more than \$1 million in scholarships to study in areas such as medicine, science, public health, chemistry and nursing and midwifery. Many of our recipients have pledged to use their education as a way of 'giving back' or contributing to their local communities. Scholarships can be used to fund the costs associated with study including relocation, course fees, course materials and accommodation.

Our Community Bank network continues to play an integral role in the program, contributing significant funds and using their close community relationships to promote the program to communities across Australia.

Scholarships awarded by state

Grand Total 274*

* This figure includes Rural Bank scholarships



“

I am currently undertaking a Bachelor of Arts degree. I am privileged enough to act upon my aspirations through the power of education. Throughout my life I have experienced many physical and mental challenges. They have seen me rely completely on the support of friends, family, and medical professionals. I understand the overwhelming impact that generosity, compassion, and selflessness can have on a person's life. For this reason, I aspire to use my education to develop a career that helps change someone's world for the better.”

Amber Jepsen,
UNIVERSITY OF MELBOURNE STUDENT
AND SCHOLARSHIP RECIPIENT



Rural Bank scholarship program

Our commitment to investing in the next generation of ag leaders continues through our 2021 Rural Bank Scholarship Program. This year, 15 rural and regional first year students will share in \$75,000 worth of scholarships to study towards an agribusiness or agricultural related qualification.

These students will be automatically invited to become members of the Rural Bank Scholarship Program Alumni. Over 180 current and former Rural Bank scholars can maintain contact with our organisation and each other for ongoing networking opportunities and knowledge sharing. Collectively, this group represents an exceptional resource of accumulated knowledge and experience.

Our Community Bank network

Our numbers at a glance



Connecting our communities and people

Community Banks came together virtually during our 2021 conference program to explore dynamic trends and themes in the banking sector. While customers continue to show an increasing interest in digital and electronic banking, our Community Bank partners continue to play a vital role in their local communities. Our Community Bank network is exploring what community-centred branches of the future might look like as well as other strategic initiatives. This includes how we can continue to grow in the digital world, the

shape and nature of our physical presence, how to enhance business planning to increase and improve our productivity and efficiency, better understanding the role of community in telling our unique story, and how to measure the impact of our community contributions.

We are committed to working closely with our Community Bank network partners and the Community Bank National Council as customer and community needs continue to evolve.

Supporting communities through tough times

We've always said our Community Bank network is about more than banking. Over the last year, this statement really came into its own.

While Australian communities were locked down, more than 1,500 Community Bank branch staff were at work. As essential workers, our people kept the doors open to ensure customers continued to have access to banking services. Our people followed all COVID-19 safety protocols as they served customers from behind clear screens, wore face masks and ensured the highest level of safety for themselves and their customers.

But it was behind the scenes where our Community Bank partners were also making a tremendous difference. Community Banks became second responders in their communities in response to the impact of the pandemic.

Many mobilised to:

- Source, purchase and deliver in-demand PPE (Personal Protective Equipment) to local hospitals and health care providers.
- Fund iPads for schools to pass on to children who didn't have access to technology for remote learning.
- Open up Wi-Fi in towns for locals without internet access.

- Provide funding for local manufacturers to develop life-saving ventilators, which were in short supply not only in Australia, but overseas as well.
- Purchase care packages from local businesses and deliver them to people in need.
- Provide small business stimulus grants during challenging lockdowns.
- Organise local campaigns to support small business and feed people in need.

For our communities further impacted by devastating bushfires and then floods, our Community Bank companies:

- Provided funding and volunteers to build BlazeAid camps, leading to a long-term partnership between BlazeAid and Community Banks.
- 36 Community Bank companies donated to state and national bushfire appeals.

Our Community Bank network will continue to play a vital role in strengthening communities around the country which is especially important as our nation and economy transition to a post-pandemic world.



CASE STUDY:

Moving fast to help our customers

For the past 30 years, Suzanne and Peter Keynes have owned and managed small and medium businesses in Western Australia. And for all those 30 years, the entrepreneurial couple have banked with the major banks for all their banking needs.

At the end of 2020, Suzanne and Peter saw an opportunity to expand their cleaning supplies business. They signed a contract to purchase a commercial building so they could expand their offerings and attract new customers.

They immediately approached their main business financier and were told it would take up to four months before anyone could look at their loan application. With their finance clause close to expiry and feeling disappointed, and a little desperate because they could potentially lose their deposit, they walked into our Bunbury branch in the hope something could be done.

"We just couldn't understand how it could possibly take so long to assess such a small finance request."

Never having banked with Bendigo Bank before, Peter and Suzanne knew little of the brand, however they'd been prompted to give it a try when Peter recalled how his parents were founding shareholders of a local Community Bank many years ago.

From the moment they entered the branch and through every dealing since, the Keynes' have been astounded by the level of care, attention and responsiveness

from everyone they've dealt with. From that very first conversation, the wheels were in motion to help Peter and Suzanne achieve their goals and hold onto their dream of expanding their business.

Denise Bouzinekis, Business Banking Manager in Joondalup, along with Kiara Dawson, Bunbury Branch Manager, urgently took control of the situation. They were able to obtain finance approval in less than two weeks and the property purchase settled in late March 2021. The Keynes' goal of relocating their trading premises had been achieved, opening the door for exciting (and profitable) new opportunities.

After all their years banking with two of the major banks, Peter and Suzanne have so much confidence in Bendigo Bank that they decided to move all their banking across, including two businesses and merchant facilities.

"We have never received the level of customer service like what we've received from Denise, we were treated like the most valuable customers in the Bank. This has given us full confidence in the Bank as a business partner and we look forward to our future as our business grows and prospers."

Rural Bank

Our specialist agribusiness arm, Rural Bank, continues to provide expert advice to agribusiness customers across more than 400 locations and through more than 90 relationship managers conveniently located across the country. With a market share of approximately 7.6 per cent, we provide specialist farm finance solutions to around one in every 10 Australian farmers through our network of banking partners including Bendigo Bank, Community Bank and Elders.

Supporting women in agriculture

To mark International Women's Day, Rural Bank again partnered with the National Farmers Federation (NFF), opening applications to the Diversity in Agricultural Leadership Program. The program is an important part of the NFF's 2030 roadmap goal of doubling the number of women in agriculture's leadership roles by 2030. Graduates of the program have gone on to hold industry board positions and continue to be changemakers within their sectors and communities. As partners of the program, Rural Bank provides a mentor to help participants identify their leadership goals.

Providing employment pathways for graduates

Our successful graduate program has continued in 2021, with 5 graduates moving through rotations in our sales, credit and operations teams. Locations have included Wagga Wagga, Brisbane, Adelaide, Perth and Ballarat.



Having seen firsthand how farming families and communities are financially impacted by devastating seasons, I knew I wanted to work within the agriculture industry, more specifically, agribusiness.

The Rural Bank Graduate Program was the most suitable choice for me, as Rural Bank's values of being "farmer focused, being specialists in agriculture and growing businesses into the future" align with my own.

The support network and opportunities the program provides appealed to me as I knew I'd be able to meet and learn from a variety of people within the business to help further my knowledge of banking and agriculture. During my final year of university, I was lucky enough to have known past graduates who had thoroughly enjoyed their experiences with the Bank and had recommended that I apply for the role."

Georgia Sheahan,
RURAL BANK GRADUATE

CASE STUDY:

GRAVITY Challenge

Climate change can be both a significant risk and opportunity for farm businesses and agricultural communities. We are committed to supporting our customers and the wider sector to better understand, adapt to and mitigate the effects of climate change, which is why we're excited Rural Bank is part of the global GRAVITY Challenge, run by Deloitte.

GRAVITY is a global technology innovation program that uses space technologies, including satellite imaging and the Internet of Things to solve real world problems happening on Earth today. It connects innovators, entrepreneurs and universities with businesses and governments with real world challenges to solve, using space enabled data, technology, and capability. Rural Bank is participating in the third GRAVITY Challenge round alongside 12 organisations, including NASA, Lufthansa, and AWS. Participants have been invited from Australia, Japan, the United Kingdom, the United States, Germany, France, Luxembourg, Austria, Poland, Hungary, Romania, and the Czech Republic.

With farmers managing almost two-thirds of Australia's land mass, the success of rural, regional and remote Australian communities is intimately entwined with the agricultural sector. Climate change has reduced Australian farms' average annual profitability by 22%, or around \$18,600 per farm, in the past two decades.

Against this background, Rural Bank has challenged the world's greatest minds and innovators to equip Australian farmers with climate management tools to build resilience and strengthen their business viability. Space technologies can deliver tools that equip farm decision-makers to more easily and cheaply monitor and manage mitigation actions and adaptations at the farm scale. Participating in the GRAVITY Challenge is a great way for us to create knowledge and lead collaboration to tackle what is ultimately a global challenge. To keep track of our progress, visit <https://gravitychallenge.space/>

Insights informing decisions

Understanding the value of farmland is important to everyone in agribusiness, especially farmers. The Australian Farmland Values report tells the story of national and regional farmland performance. Despite the impact of COVID-19, Australian farmland values showed their resilience. The median price per hectare of Australian farmland increased by 12.9 per cent in 2020.

The report drew on more than 263,000 transactions accounting for 315.9 million hectares of land with a combined value of \$167.3 billion over 26 years. For the first time, this year Farmland Values compared farmland values with commodity prices. To view the Australian Farmland Values report visit: <https://www.ruralbank.com.au/knowledge-and-insights/publications/farmland-values/>

Regional advocacy

In 2019, the Bank alongside the Community Enterprise Foundation, supported the inaugural Regions Rising national event series. In 2020, the Bank sponsored Regions Rising for a second year with seven webinars covering a range of topics integral to developing the success of the regions.

Adelaide Bank

Our Third Party Banking division excelled in FY21 achieving a growth rate of 23%, while our Adelaide Bank Broker channel grew by 54%. These strong results reflect our team's expertise, commitment to our mortgage broker and manager partners, and the division's focus on simplifying our loan processing systems, which has improved the efficiency of our back office, resulting in improved conversion rates and a better customer experience.

Alliance Bank

Since March 2015, Alliance Bank® has seen loan growth of 63 percent, with a combined \$2 billion in footings, 15 branches, and servicing more than 40,000 members.

Over the past year, the team have focussed on supporting Alliance Bank customers and communities through the impacts of COVID-19, donating over 8,440 volunteering hours to support community need.



CASE STUDY:

10x10 Philanthropy

While charitable giving is declining in Australia, organisations like 10x10 Philanthropy hope to turn this around.

Established in Sydney in 2013, 10x10 and its network of millennial and Gen Z volunteers have grown their operations to 12 major cities around the world including Los Angeles, New York, San Francisco, London, Hong Kong, Vancouver, and Auckland. To date, 10x10 has supported over 230 charities and raised more than \$2.5 million.

The 2021 Adelaide event, themed 'Stewards for the Environment', supported preservation of our natural environment for future generations. The event raised awareness and funds for three high impact and sustainable South Australian charities:

- Bio Restoration (BioR), who reconstruct biodiversity and habitats to support native wildlife.
- The Australian Ocean Laboratory (AusOcean), which designs and develops low-cost, open-source

technology and devices to increase accessibility to ocean data for use in marine conservation efforts.

- The Forktree Project, who restore heavily cleared and degraded landscapes focusing on small and medium-sized rural properties in order to restore biodiversity and sequester carbon.

In the style of television show 'Shark Tank', the charities pitched to the audience for a share of donations raised on the night. The Hon Julie Bishop appeared as the events' 'Shark for Good', addressing attendees and moderating questions. We were proud to provide in-kind support and \$2,500 to 10x10 Philanthropy to assist with hosting the event in our Adelaide office. Attendees included South Australian Minister for Environment and Water Hon David Speirs MP and Professor Caroline McMillen AO, Chief Scientist for South Australia. The event was emceed by Bruce Speirs, Executive Business Banking.



Accelerating our digital strategy with fintechs

Ferocia

In August 2021, we were pleased to announce our acquisition of Melbourne-based fintech, Ferocia to further accelerate the Bank's digital strategy and shape the future of banking for a new generation of customers.

The acquisition will cement our enormously successful partnership with Ferocia, uniting our collective innovation, heritage and matched capabilities to further grow a unique digital banking proposition.

Powered by technology-led customer experience design and run by an internationally experienced team, the acquisition brings outstanding digital and technical expertise to the Bank, internalising Ferocia's market leading digital capability and consolidating ownership of Up – Australia's first mobile-only digital bank.

Up is Australia's highest rated banking app* and is one of the fastest growing digital banks in the world with \$840 million in deposits and almost 400,000 customers as at 30 June - most of whom are aged 26 or younger. More than 30 percent of active Up customers are also saving for a home loan.




Best banking app ever

Up is empowering you to make better budgeting decisions and visibility about your spending habits. It's so easy to use, you can set multiple savings goals, you can label things and use emojis, it's visual and has literally changed my life. I've gone from being thousands of dollars in debt to steadily saving and wondering why other banks haven't done this sooner. They're also ethical and make banking fun. Thank you Up xo

by thismisskate VIA APP STORE


\$840m+
in current deposits
(66% year-on-year growth)


\$180k+
new upcoming
bill payments
identified


1.4m+
accounts
Including 990k+
Up Savers


\$57m+
auto-saved via
round-ups
with \$33m+ saved
from Up savings
boosts


2.5m+
uses of
"pull-to-save"

The acquisition will allow us to grow and advance the Up platform, and further develop its digital ecosystem, adding Up's exciting product roadmap to the existing offerings provided by the Bank including the market leading digital home loan capability of our partner, Tic:Toc. The acquisition will also strengthen the delivery and bring efficiencies in the way our e-banking app and internet banking platform are delivered to customers.

2020-2021 has been an enormous year for Up, not only in terms of ownership, customer growth and engagement but also in significant feature releases. '2Up' is Up's much anticipated reimagining of joint accounts for modern relationships. At launch, 2Up attracted thousands of new customers to their first ever experience

of joint accounts. 'Payment Requests' give Upsiders a fun and frictionless way to request money and pay friends. And 'Trackers' allow Upsiders to set an easy budget for any spending category, then keep in touch with how they're doing with in-app notifications, widgets and watch complications.

Through a design and technology-led approach to banking, Up reconnects people with their finances, making money easy and putting financial wellbeing right at the heart of the app experience.

We will continue to support the innovation the Ferocia team have delivered over the last nine years, with Up remaining as the same brand, run by the same people, with the same customer proposition.

Tyro

Our alliance with Tyro, signed in October 2020, is providing our business customers with simple, flexible, and feature rich card acceptance solutions by combining our commitment to customer service and relationship-focused business banking, with Tyro's innovative payment solutions.

The new Bendigo Bank EFTPOS/eCommerce powered by Tyro merchant payment service is now available to all new and existing business banking customers.

The optimised payments processing system assists businesses to improve their overall efficiency and customer experience.

The new offering provides businesses with a range of new benefits including:

- Simple, secure and high-speed payment processing

- Automated surcharging and tipping
- Seamless cloud-based Point of Sale and Practise Management software integration including support for the latest POS providers, SplitBills, and Pay@Table
- Improved visibility and insights with a new web portal and mobile app, including e-statements
- 24/7 local phone support
- Omni channel eCommerce and EFTPOS. Customers that accept payments in store, and online can see their takings in one location and on one statement
- One statement for all transactions including American Express and Alipay
- Health businesses can also accept private insurance claiming and Medicare rebates

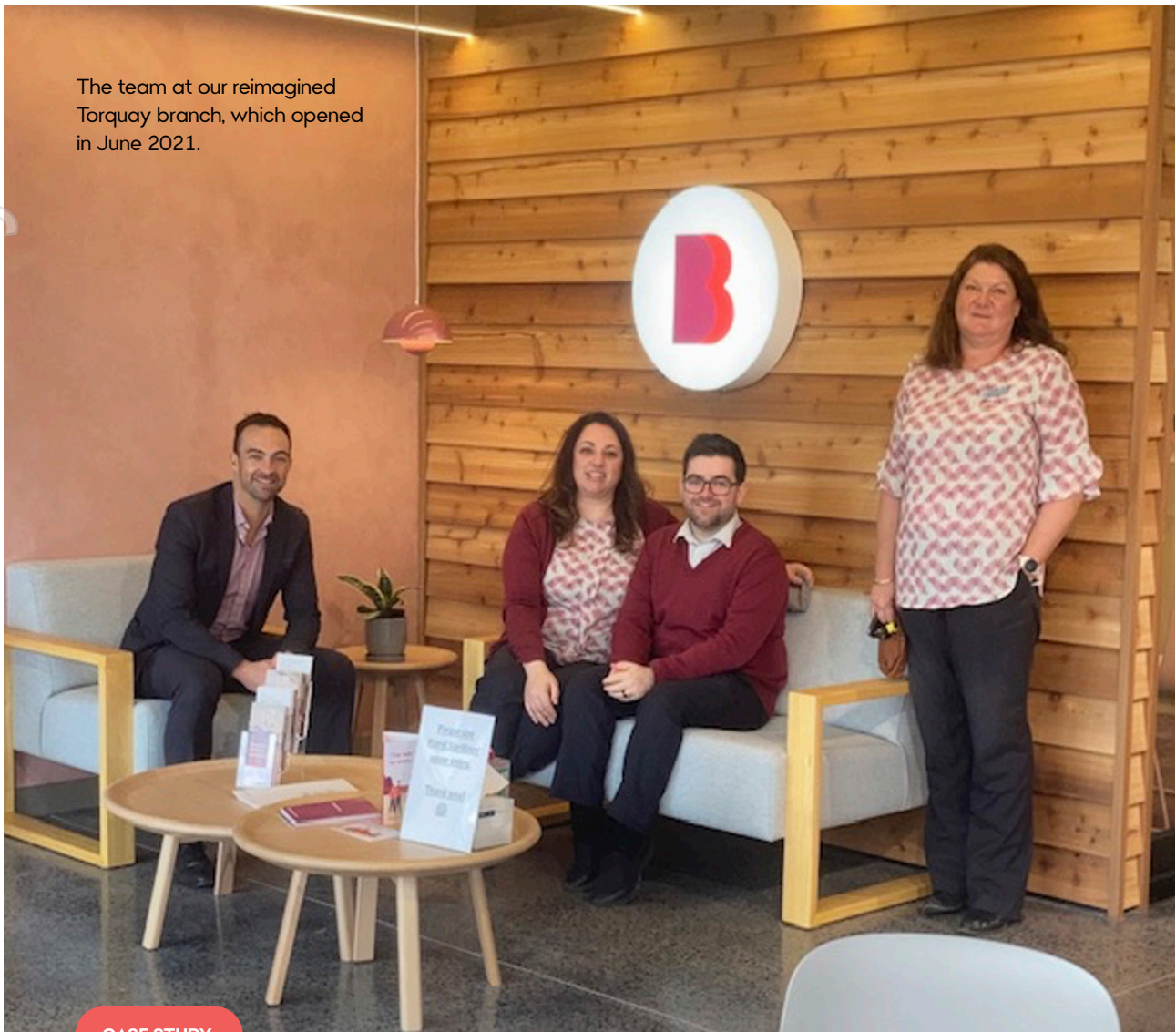
Tic:Toc

Our successful partnership with Australian fintech platform company Tic:Toc continues, providing our customers access to a market-leading digital home loan experience, Bendigo Express. Tic:Toc has proved its customer experience can deliver a completed application, assessment, approval and customer contract within 58 minutes and utilising less than 10 minutes of human effort. We have also announced a seven-year extension to our funding partnership with Tic:Toc Home Loans, representing one of the largest fintech and bank partnerships in Australian history, and enabling Bendigo and Adelaide Bank to benefit from Tic:Toc's highly efficient home loan fulfillment and superior asset quality. Tic:Toc operates on its proprietary AI-driven lending platform, which digitises the lending fulfillment process into simple, machine-driven tasks.



Australian FinTech Awards 2020

The team at our reimaged Torquay branch, which opened in June 2021.



CASE STUDY:

Reimagining the role of the branch in local communities

Our national branch network continues to play an important role in how we deliver banking services to communities around the country. Our strategy seeks to unite our community, customer and digital strengths to create the future of banking and this can be seen in the continued roll-out of our branch designs.

Over the past 12 months, we have redesigned branches in Coffs Harbour, Malvern East, Bendigo, Freshwater, Canterbury and Torquay. These locations reimagine the role of the branch in local communities, including providing spaces for retail pop ups and community events to engage in new ways with existing and new customers.

Several other branches in our network have also had refurbishments to ensure banking in

branch continues to be a great experience for both customers and staff. These projects have allowed us to reduce costs without compromising our commitment to our branch network and the customers and communities we serve.

Over time, we are making changes to the locations, the size and the look and feel of our branches so we can continue to adapt to customers' changing needs and banking preferences. Our branches across Australia remain a critical part of our retail distribution strategy and provide a significant base for customer and community connection. We will continue to invest in branches where our customer interactions indicate a need for physical presence.



Our approach to sustainability

Our first Sustainability Report

At Bendigo and Adelaide Bank, we know that what gets measured gets done. That's why this year, we are proud to launch our first Sustainability Report. This yearly report will provide even greater transparency around our activities to protect our environment, invest in our community and strengthen our governance. Importantly, we will share the impact of these activities - demonstrating how our Bank feeds into prosperity, not off it.

Our Sustainability Report focuses on five areas:

1. Community
2. Customer
3. People
4. Environment
5. Governance

To see our progress, visit bendigoadelaide.com.au

Our sustainability focus areas

Community

- Engaging with and contributing to communities
- Thriving regional and rural economies
- Managing supply chain
- Indigenous inclusion

Customer

- Customer wellbeing: vulnerability, hardship and resilience
- Maximising value and satisfaction for customers
- Customer privacy and data security
- Customer access and inclusion
- Responsible lending
- Access to finance for housing

People

- Employee engagement and culture
- Employee development and capability
- Employee safety and wellbeing
- Talent attraction and retention
- Diversity and inclusion

Environment

- Climate change
- Sustainable financing
- Operation environmental performance and commitments

Governance


- Business conduct and ethics
- Engaging and responding to the regulatory environment
- Fraud and financial crime
- Responsible remuneration

Meaningful action on climate change

Since launching our Climate Action Strategy in June 2020, we have made important progress against our climate targets. Our Group Risk Management Framework has been strengthened to ensure climate change risk is adequately

addressed and climate change accountabilities have been embedded into executive and leadership group KPIs. We have also established our Climate Change Action Strategy Group, and held workshops with cross functional teams on climate change risks and opportunities.

We continue to work on reducing our carbon footprint through solar panel installations at our branches and corporate offices, reducing corporate travel, and supporting flexible working options as well as offsetting our remaining emissions.

METRIC	TARGET	STATUS
Attain and maintain Certification under Climate Active Carbon Neutral Standard for Organisations	by June 2021	Carbon neutral status achieved in June 2021 Carbon neutral certification achieved. 
Sourcing renewable energy for our power needs	100% by 2025	30 branches with rooftop solar installed Electricity for our "Large Sites" power contract matched with renewables during 2HFY21. This includes our Bendigo, Docklands and Sydney offices along with our Data Centre.
Reduce absolute emissions	by 50% by 2030 based on a 2019/20 baseline	20% reduction of Scope 1 & 2 emissions achieved to date This is based on 15.93kt of Scope 1 & 2 emissions for 2020/21 compared with 19.94kt for 2019/20*.
Reduce travel associated emissions	25% below 2018/19 levels	67% reduction achieved 2020/21 Business travel emissions are 1367tn CO2e due to both COVID restrictions and bank initiatives compared with 4151tn CO2e for 2018/19.
Statements to be delivered electronically	90% by 2025	Customer campaign scheduled for branches and call centres in FY22

* These figures are like for like based on emissions estimates measured in house which may vary slightly from the final figures through our CDP submission. Assurance of Scope 1 & 2 emissions for FY20 verified at 20.08kt which is less than 1% variance.

For more information on progress against our Climate Action Plan, read our Sustainability Report.

CASE STUDY:

Upparel

Every 10 minutes in Australia six tonnes of textiles are put into landfill. So-called 'fast fashion' is contributing to this problem with each Australian buying an average of 27 kilograms of new clothing each year, before disposing of 23 kilograms of it. Increasingly, experts are arguing for encouraging a circular economy, where textiles are reused before eventually being recycled.

When Bendigo Bank launched its new-look brand last financial year, it was important to find a way to refresh our team's uniforms without adding to this enormous environmental problem. Enter Upparel.

Our partnership with Upparel will see an estimated 32 tonnes of old uniforms kept out of landfill and used as filling for furniture. At the end of the project, Upparel will provide Bendigo Bank with an impact statement including the total amount of textiles diverted from landfill and the amount of greenhouse gas emissions prevented. Every kilogram of clothing sent to be recycled will prevent 3 - 4 kilograms of greenhouse gases from entering our atmosphere. The partnership will also allow our people to have up to 10 kilograms of their old unwanted non-work clothing sent to Upparel for recycling. Our partnership with Upparel provides a long-lasting solution to what is a challenging and complex environmental issue.

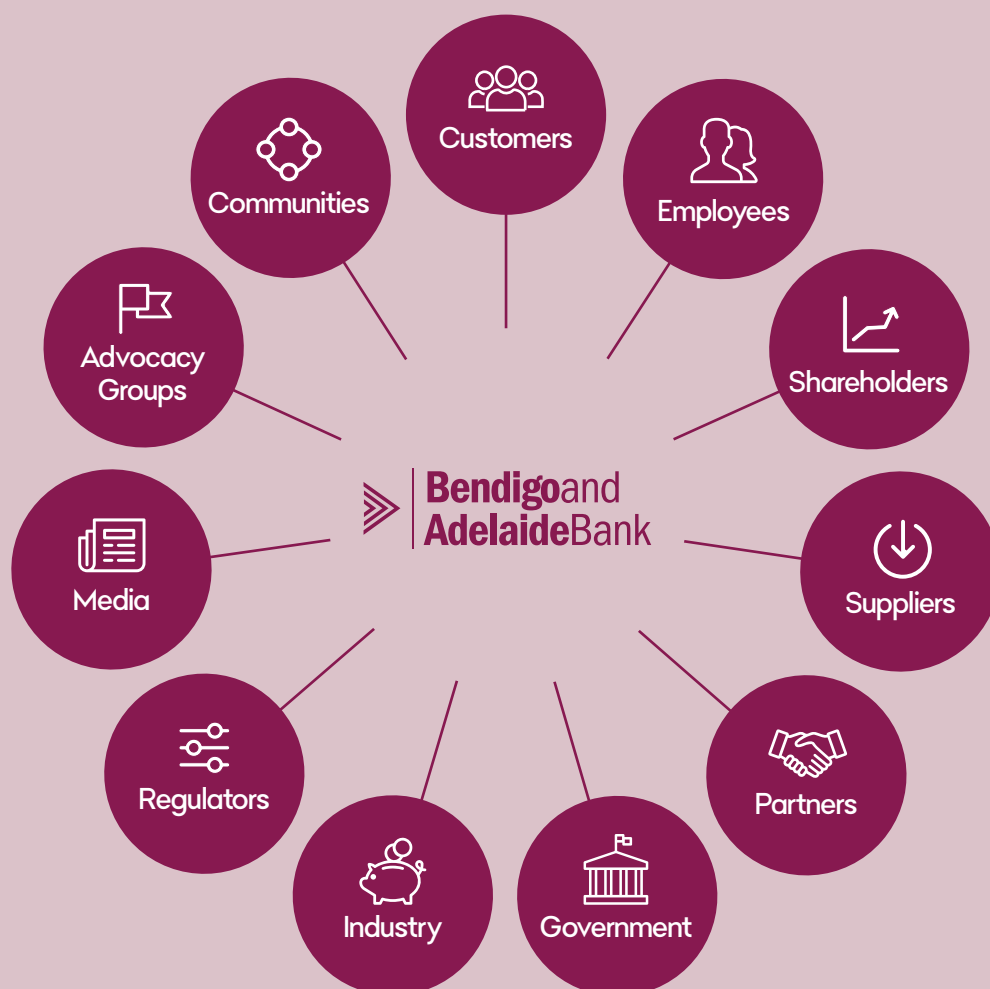
Since starting their operations, Upparel has diverted more than one million items of clothing from landfill equating to almost 500,000 kilograms of greenhouse gases. For every product Upparel produces, 10 items are saved from landfill.



Engaging stakeholders

At our core, we truly believe the success of our business is intertwined with the success of our customers, communities, shareholders, staff and partners.

This symbiotic relationship is part of our DNA and why we believe creating shared value starts with building trusting, long-term relationships with all our stakeholders.



Board

Like many Australians, our Bank's board and executive team have adapted to remote working, ensuring the important work of governance, compliance and progressing our strategy has continued uninterrupted.



Jacqueline Hey

Independent
BCOM, Graduate
Certificate in
Management, GAICD



Marnie Baker

Chief Executive Officer
and Managing Director
BBus (Accounting), ASA,
SFFin, MAICD



Jan Harris

Independent
BEc (Hons)



Jim Hazel

Independent
BEc, SFFin, FAICD



Rob Hubbard

Independent
BEc (Hons)



David Matthews

Independent
Dip BIT, GAICD



Tony Robinson

Independent
BCom, ASA, MBA (Melb)



Vicki Carter

BA (Social Sciences), Dip
Mgt, Certificate in Executive
Coaching, GAICD



David Foster

B.AppSci, MBA, SFFin,
FAIM, GAICD

Executive



Marnie Baker

Chief Executive Officer
and Managing Director
BBus (Accounting),
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Ryan Brosnahan

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BCom (Accounting),
MSc Finance



Taso Corolis

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Louise Tebbutt

Chief People Officer
BBus (HR and Industrial
Relations)

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The Better Big Bank.

Annual Review 2021

Bendigo and Adelaide Bank Limited.

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