

Annual Review 2019



**Bendigo and
Adelaide Bank**

FRONT COVER

Bendigo Bank's Norwood branch underwent a significant transformation in FY2019. As part of our vision to be Australia's bank of choice, we're working to ensure our branches reflect changing customer preferences to maintain our deep connection with communities.

The new branch, which includes a 'Retail Pop-Up' space, opened in November 2018 and offers local business owners access to a prime retail space to engage their customers and boost their brand presence. The branch also features private spaces for customers, communities and business owners to access information and technologies to help them grow their business. The space is frequently used for community meetings, art exhibitions and business presentations.

The 'Retail Pop-Up' - located at the front of the branch at 180 The Parade, Norwood - has hosted eight different local businesses in its first six months. With a full occupancy rate, the initiative has proved extremely popular with local small businesses eager to gain access to a prime shopfront space and customer engagement opportunities they may otherwise never have had.

One such small business owner is Eliza Piro. The Adelaide-based artist (pictured) was one of the eight local small businesses to take up residency at the Norwood Retail Pop-Up.

CONTACT US

Bendigo and Adelaide Bank Limited
ABN 11 068 049 178

Registered head office
The Bendigo Centre,
Bendigo VIC Australia 3550
Telephone: 1300 236 344
+61 3 5445 0666 (if calling from overseas)

Shareholder enquiries
Share Registry 1800 646 042
Email: share.register@bendigoadelaide.com.au

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About this Review

This year's Annual Review recognises our stakeholders are interested not only in the financial performance of our business, but also in our non-financial performance, and that this gives a truer reflection of the contribution we make to the communities in which we operate and serve.

The strength and success of our business is something we are extremely proud of. This strength comes from working collaboratively with all stakeholders to create value that is shared between stakeholders. We see a strong connection between our financial and non-financial performance which aligns with our vision and purpose statement.

This Review covers the performance of the Bendigo and Adelaide Bank group for the period 1 July 2018 to 30 June 2019.

If you would like any further information about our Annual Review, or to access our Annual Financial Report and Corporate Governance Statement, visit bendigoadelaide.com.au

Our Strategy

OVER THE LAST 161 YEARS, THE FUNDAMENTAL PURPOSE OF OUR BUSINESS HAS NOT CHANGED. OUR PURPOSE IS TO HELP CUSTOMERS AND THEIR COMMUNITIES SECURE PROSPEROUS FUTURES. IF WE CAN HELP THEM DO THAT, THEN WE TOO WILL PROSPER.

We put our customers and our communities at the very centre of our business, so we can develop and deliver solutions to enhance their economic and social wellbeing.

While the fundamental purpose of our business may not have changed, there are great changes occurring in Bendigo and Adelaide Bank's markets - particularly in consumer expectations and behaviour, technology, and regulatory requirements.

We must ensure we deliver better outcomes, more easily for staff, customers, partners and shareholders.

Our strategy is underpinned by our unique heritage and a recognition that our technology and operating capabilities need to continually adapt to an ever-changing business landscape.

We are taking advantage of a unique opportunity in our history by seizing the moment to drive substantial growth as we strive to be Australia's bank of choice.

Our ambition is to grow market share to deliver value for all stakeholders by reducing complexity, investing in capability and telling our story.

The essence of what we do will not change but the means by which we do it, will continue to evolve.

VISION	Australia's bank of choice		
VALUE PROPOSITION	TRUSTED AND AUTHENTIC	RELEVANT SOLUTIONS	EASY TO DO BUSINESS WITH
PURPOSE	To feed into the prosperity of our customers and communities		
IMPERATIVES	Reduce complexity Reduce complexity in our business to make it easier for customers to do business with us and staff to enable this; whilst taking unnecessary cost out of the business.	Invest in capability Invest in the areas and capabilities that will future proof our business and make a difference to our customers' experience.	Tell our story Tell our story so more Australians know who we are, what we stand for and why being a customer of our bank matters.
OUTCOMES	Grow customer reach and market share		
	Be market leader in customer advocacy and customer and employee experience		
	Drive our financial performance		

Our Business Performance

THIS YEAR, WE ANNOUNCED AN AFTER-TAX STATUTORY PROFIT OF \$376.8 MILLION FOR THE 12 MONTHS ENDING 30 JUNE 2019.

Cash earnings was \$415.7 million, a 6.6% decrease on the prior financial year.

Cash earnings per share was 85 cents, a reduction of 7.7% from the 2018 financial year.

FY2019 earnings were impacted by remediation and redundancy costs. Despite an environment of low growth, low interest rates, political uncertainty, subdued consumer confidence and increasing competition, we delivered total income of \$1.6 billion which was in line with the prior year.

Lending grew overall, with upticks in residential, agribusiness and small and medium business lending. Our capital position further strengthened with Common Equity Tier 1 up 30 bps to 8.92 percent, reflecting a stable balance sheet and the continuing movement to lower risk exposures.

We announced a fully franked final dividend of 35 cents per share, taking the full year dividend to 70 cents per share continuing our history of rewarding shareholders with a high yield and long-term returns.

We also delivered significant customer growth, with net new customers up by almost two-thirds for the full year, taking us to a new milestone of more than 1.7 million customers choosing our Bank. Our continued customer focus resulted in our net promoter score increasing to 24.8¹ which is more than 30 points higher than the average of the major banks.

We have laid solid foundations and achieved early success. We will accelerate our strategy as we continue to look to the future for our customers and for all our stakeholders as we drive our multi-year journey to become Australia's bank of choice.

CASH EARNINGS (\$M)

FY19	415.7
FY18	445.1
FY17	418.3
FY16	401.4
FY15	402.8

NET PROFIT AFTER TAX (\$M)

FY19	376.8
FY18	434.5
FY17	429.6
FY16	415.6
FY15	423.9

COST TO INCOME (%)

FY19	59.2
FY18	55.6
FY17	56.1
FY16	58.1
FY15	56.8

CASH EARNINGS PER SHARE (C)

FY19	85.0
FY18	92.1
FY17	88.5
FY16	87.3
FY15	88.6

DIVIDEND PER SHARE (C)

FY19	70
FY18	70
FY17	68
FY16	68
FY15	66

CASH BASIS RETURN (%)

FY19	10.73
FY18	11.52
FY17	11.61
FY16	11.83
FY15	12.37

1 Roy Morgan Single Source (Australia), rolling 6-month comparisons as at June 2018 and June 2019 NPS of those with any financial relationship with the bank.

Message from Our Chair

“WE HAVE SPENT MUCH OF THE PAST YEAR, LED BY OUR NEW MANAGING DIRECTOR, REASSESSING HOW WE NEED TO BE ORGANISED AND EQUIPPED SO WE CAN DELIVER ON OUR VISION OF BEING AUSTRALIA’S BANK OF CHOICE.”



Robert Johanson
- BOARD CHAIR

2018-19 was a challenging year for the banking industry and for Bendigo and Adelaide Bank.

Total cash earnings in 2018-19 were \$415.7 million, and cash earnings per share were 85 cents. Earnings were impacted by difficult market conditions and additional redundancy and remediation costs. Dividends totalled 70 cents per share, the same as last year.

Two issues have dominated your bank and our industry this year.

First are the issues brought to a head by the Royal Commission into Misconduct in the Financial Services Industry. These are issues that in many ways are unresolved implications of the Global Financial Crisis of 2008 and of the regulatory and industry responses to it. That Crisis was caused by a reckless disregard of financial risk in lending and investment by many participants in the financial system around the world, including banks. Many governments were required to support and bail out their institutions to protect depositors. But to prevent an economic recession occurring, or at least to reduce the impact of any slowdown, governments and central banks pushed cheap credit into the economy to stimulate economic activity.

In Australia we largely avoided the worst impacts of the 2008 Crisis on depositors and markets, but we ended up with a different sort of crisis a decade later. Many borrowers and investors were induced to buy and invest in inappropriate products and many bankers were rewarded for getting them to do it. Governance and supervisory processes, which had served us so well during the 2008 Crisis, turned out to be ineffective. Bank boards, management and regulators have all been required to reflect and reform and many have not survived. It has been an extraordinary and for many a shameful period in the industry.

At Bendigo and Adelaide Bank, we too have thought deeply about our role and conduct. While we avoided much of the criticism and fall out from the Royal Commission, indeed we were complimented on how our executive remuneration system is structured, we know that we must constantly hold ourselves accountable to the highest standards. I hope that as you read this report, you get a sense of that.

The second big issue facing your Bank and the industry is how we change and adapt to the new digital world. We have spent much of the past year, led by our new managing director, reassessing how we need to be

organised and equipped so we can deliver on our vision of being Australia’s bank of choice.

Customers are choosing to deal with us remotely.

Our customer interactions and relationships are intermediated most often by the internet and the mobile phone, not by face-to-face conversations, though the ability to do that when needed is highly valued. We all expect immediate and seamless access and functionality whenever we choose, and wherever we are. Everything needs to be reassessed - the role of branches, the usefulness of old data systems and ways of working.

So, a major reengineering of the way we work together and connect with customers is underway. This will affect every part of the business and every relationship. The old way of working and its cost are simply unsustainable.

This continues and accelerates the work we have been doing for some years now, as we radically improved our risk management systems and capacity, and as we developed new products and processes with partners like Up - Australia’s first next-gen digital bank - with Ferocia and with IBM and TCS, and for Tic:Toc and Homesafe. There is still a lot to do.

This is my final Chairman’s report to you and last year as a director. The business of the Bendigo Building Society that I joined as a director in 1988 is worlds apart in scale, reach and impact to the business described in this Annual Report. And the financial services industry in which it operates and the social economy it serves have changed profoundly too, in almost every way for the better.

Yet many important things stay the same. The first Bendigo Building Society was established by that group of about 100 people at Abbots Hotel in 1858 for the same reasons customers and partners choose to bank and partner with us today; to improve their lives and enhance their prosperity. Our job is to enhance their prosperity and to let them fulfil their purposes. If they can do that, then we will prosper too.

Thank you all for your support and encouragement over the past 32 years. It has been an honour to work with you all.

Message from Our Managing Director

“WE ARE FOCUSED ON RESHAPING OUR BUSINESS FOR THE FUTURE BY REDUCING COMPLEXITY, INVESTING IN OUR CAPABILITY AND TELLING OUR STORY.”

The 2019 financial year, my first in the role of Managing Director of Bendigo and Adelaide Bank, was a challenging year for the industry and a year of change. In a year dominated by the Financial Services Royal Commission, we have championed our vision to be Australia's bank of choice by pursuing a strategy focused on serving our customers and communities.

Australians expect their financial institutions to deliver on their promises. And so they should. However, customer preferences are also changing, and Australians expect to engage with their bank on their terms.

We are focussed on reshaping our business for the future by reducing complexity, investing in our capability and telling our story - particularly in customer experience and digitisation. This approach helped produce many highlights throughout the year, including:

- A four-fold increase in net new customers, taking us to a new milestone of more than 1.7 million customers choosing to bank with us
- A net promoter score increase to 28.6 percent
- The launch of Up, Australia's first and largest next-gen digital bank, which grew to over 100,000 customers in its first eight months
- The Bank's adoption of Tic:Toc's instant home loan technology for its own product - the first lender anywhere to do so
- A top ten ranking in Roy Morgan's most trusted Australian brands survey¹
- A seven-place jump to eleventh in corporate reputation rankings according to the Reputation Institute²
- Seven Mozo People's Choice Awards³ and first place in Forrester's Australian Customer Experience Index, for the fourth year running

A willingness to invest and be disciplined in the execution of our strategy, whilst balancing the needs of all our stakeholders, has enabled these milestones, as well as many others.

We know consumers are looking for an alternative; an organisation they can trust to put their interests first, and I believe we are well-placed to be that for them.

We live by our purpose to feed into prosperity and, as a result, we have cultivated strong, mutually beneficial relationships with our customers and communities, and this has set us apart from our competitors.

However, as technology and innovation continues to rapidly advance, customers' expectations are changing. In response, we are continually investing in new technologies that improve our customers' experience.

Our ambition for the future is to grow market share by staying true to our strategy and continuing to feed into customer and community prosperity. The better connected we are with our customers and the better service we provide, the more they will choose to do business with us.

Being based in the communities in which we serve provides great insight into what customers and communities are seeking from their bank. These close connections are not something we take for granted.

In the first half of the financial year we celebrated 160 years since the Bank's inception and saw profit contributions from our 321 Community Bank® partners exceed \$200 million.

We will maintain our commitment to always excel in customer service, offer a seamless customer experience, advocate for our customers and support their communities.

To maintain this, we must have adaptive people and a strong, agile culture. We must also build on our track record of innovation - be it through technology or our proud partnership models.

The strength of our business will stand us in good stead as we reshape it to be more adaptive to the future needs and aspirations of our customers.

At this year's Annual General Meeting, we will say farewell to Robert Johanson. A director of the Bank for more than three decades and Chair for the past 13 years, Robert has given so much to our organisation and I thank him for his contribution and wish him a well-deserved retirement.

I would also like to formally welcome Jacquie Hey, Robert's successor as Chair. Jacquie possesses a wide breadth of business experience and knowledge of our Bank and the industry, and I look forward to working closely with her.

Finally, I offer my thanks to all our customers, staff, partners, communities and shareholders for their support. I look forward to another successful year.



Mamie Baker
- MANAGING DIRECTOR

1 Roy Morgan All Brand Net Trust Score Survey
2 Australia 2019 RepTrak®
3 Mozo People's Choice Awards 2019 Results

Our Brands

THE BRANDS THAT MAKE UP OUR DIVERSE BUSINESS SHARE A COMMON PURPOSE - TO HELP OUR CUSTOMERS, PARTNERS AND COMMUNITIES SUCCEED.



Operating brands: range from full-service retail banking to providers of third-party mortgages and wealth deposits, dedicated agribusiness banking and the banking requirements of the Hellenic community.

- bendigobank.com.au
- adelaidebank.com.au
- ruralbank.com.au
- delphibank.com.au

Product issuer brands: provide services to help invest and grow wealth including products and services such as; investments, funds management and superannuation.

- leveraged.com.au
- sandhursttrustees.com.au

Joint ventures, subsidiaries and other brands: provide specialist services such as banking for not-for-profit organisations, wealth release products for senior Australians and a network of mutual financial institutions to release capital and serve members. The Bank's philanthropic arm is also grouped in this area:

- communityenterprisefoundation.com.au
- homesafe.com.au
- communitysectorbanking.com.au
- alliancebankgroup.com.au
- bcause.com.au
- up.com.au

Top 10 most trusted brand in Australia¹
Roy Morgan Net Trust Score

#2 Consumer Banking Satisfaction³ for
Home Loan customers and Non Home Loan customers

J.D. Power
Bendigo Bank ranks highest in credit card satisfaction



Canstar 5-Star Rated

Savings & transaction accounts 2019
in Youth Transactor Category for Bendigo Bank Student Account

Most Satisfied Customers Award for Credit Cards

Outstanding Value Award for Premium Credit Card

Up winner of Fintech Australia awards for Best Partnership of the Year Excellence in Industry Collaborations & Partnerships
Bendigo and Adelaide Bank and Ferocia

Ranked 11th overall - top ranking bank and financial institution
Australia 2019 RepTrak® Results

Mozo's Experts Choice Award Winner 2019
1st Excellent Banking App

#1 Forrester's Australian Customer Experience Index
Top rated across all industries for the fourth year running.

Canstar Innovation Excellence Award for Youth Debit Card

Canstar Outstanding Value Award for Leveraged
Second year running

Mozo People's Choice Award Winner 2019²

- Outstanding Customer Satisfaction
- Most Recommended
- Bank Account Satisfaction
- Excellent Customer Service
- Highly Trusted
- Staff Friendliness
- Customer satisfaction credit cards

2019 DBM Australian Financial Awards Winner of 5 business banking awards

- Best Business Customer Service
- Best Business Relationship Managers
- Best Digital Business Bank
- Most Competitive Business Bank
- Most Recommended Business Bank

1. Roy Morgan All Brand Net Trust Score Survey
2. Mozo People's Choice Awards 2019
3. Roy Morgan's 'Customer Satisfaction report on Consumer Banking in Australia', May 2019

Supporting Our Stakeholders

Supporting Our Customers

WE PROVIDE FULL BANKING SERVICES TO MORE THAN 1.7 MILLION CUSTOMERS AUSTRALIA WIDE. WHETHER ONLINE, IN BRANCH, ON FARM, IN BUSINESS, FACE-TO-FACE OR OVER THE PHONE, WE PROVIDE PERSONALISED, IMMEDIATE AND CONVENIENT SERVICES TO CUSTOMERS REGARDLESS OF HOW THEY CHOOSE TO DO BUSINESS WITH US.

While some customers choose a bank solely on price, others are attracted by our customer-centric business model, accessibility of service centres, knowledge and expertise, and our focus on shared value.

Customer feedback

Our Customer Advocate Office exists to improve customer experience. All customer feedback is thoroughly documented, investigated and analysed for trends and opportunities to improve how we serve our customers. This process is led by our impartial Customer Advocate who reviews and assesses any complaints escalated by customers unsatisfied with the outcome of the Bank's Internal Dispute Resolution (IDR) process.

168

BENDIGO BANK BRANCHES

632

ATMS

324

COMMUNITY BANK® BRANCHES

100+

BENDIGO BANK MOBILE AND BUSINESS DEVELOPMENT MANAGERS

21

ALLIANCE BANK® BRANCHES

188

RURAL BANK RELATIONSHIP MANAGERS

15

DELPHI BANK BRANCHES

10,000+

MORTGAGE BROKERS

215

RURAL BANK POINTS OF PRESENCE

688,795

EBANKING CUSTOMERS

4

PRIVATE FRANCHISE BRANCHES



A New Way of Banking

OUR NORWOOD BRANCH HAS UNDERGONE A SIGNIFICANT TRANSFORMATION AS WE CONTINUE TO RESPOND TO CHANGING CUSTOMER PREFERENCES AND DEEPEN OUR CONNECTION TO COMMUNITIES. WITH THIS SUCCESS, WE ARE NOW LOOKING TO RESHAPE MORE OF OUR BRANCH NETWORK.

Located in the heart of South Australia's bustling shopping and entertainment precinct, the Norwood branch was chosen as the inaugural site for this new customer experience due to its unique and varied mix of small businesses, and its community minded residents.

Since opening, Norwood has experienced a 64 percent increase in foot traffic and a significant uplift in business.

The initiative has transformed our retail business. Traditional products have become in-branch experiences, and we have new branch team roles dedicated solely to community integration. This ability to connect customers across our physical and digital channels is a major advantage for our bank. norwood.c.bendigobank.com.au

What Our Customers Say About Us



“THE DIFFERENCE BETWEEN BENDIGO BANK AND THE BIG FOUR IS THE PERSONAL RELATIONSHIP WE HAVE WITH EVERY, SINGLE PERSON THERE. THIS PERSONAL RELATIONSHIP AND THE SUPPORT THEY GIVE US AS A SMALL BUSINESS, REALLY MEANS A LOT TO US.”

ANTHONY KWONG - TSING WAH ASIAN GROCERS

Anthony and Catty Kwong had always dreamed of purchasing a property and transforming it into an Asian grocery store to serve Northern Tasmania. Having formed a close relationship with Bendigo Bank Regional Manager, Simon Faulkner, the Launceston husband and wife team decided to pursue their dream by closing their big four bank accounts, and becoming Bendigo Bank customers. With the support of the Bendigo Bank Business Banking team, Anthony and Catty purchased a property in Launceston in 2011 and following a few months of painting and decorating opened Tsing Wah Asian Grocers in September 2011.

In the eight intervening years, Tsing Wah Asian Grocers has gone from strength to strength. With 10 local employees and customers ranging from high-end Australian restaurants to local families, Tsing Wah Asian Grocers is now the largest Asian food store in Northern Tasmania.

Anthony and Catty are living their dream every day, and thanks to the ongoing backing of Bendigo Bank, are well on their way to achieving their goal of becoming the number one Asian grocery store in Tasmania.



“BENDIGO BANK HAS PLAYED A VITAL ROLE IN THE SUCCESS OF VILLAWOOD PROPERTIES SINCE OUR INCEPTION IN 1989.”

RORY COSTELLOE - EXECUTIVE DIRECTOR, VILLAWOOD PROPERTIES

Both Villawood and Bendigo Bank originated in the Gold Rush city, with both our companies growing from small concepts into national operations. The strength of our decades-long partnership has been the open relationship we have enjoyed with all our business bankers, as well as our shared commitment to local families and communities.

The entire Bendigo Bank team - from business bankers, to the Executive team and the Board - has supported us on every step of our journey, and provided us with a level of reassurance that has been second to none.

It has been a wonderful partnership and we recognise the critical role Bendigo Bank has played in the growth, development and success of Villawood Properties over the past 30 years.



“MY NAME IS MEREKI AND I’M A FINTECH ENTHUSIAST, PAYMENTS GEEK, SOCCER COACH AND MELBOURNE DEMONS BELIEVER.”

I heard about Up on Twitter, signed up straight away and haven’t looked back! I love the simplicity and the fact I could start transacting within minutes blew me away.

The PayID registration was the simplest that I have seen, and I love that Up also generates a PayID that I can use.

I love the conversational payments – it is how payments on a mobile app should work.

I recommend Up because they are genuinely focused on customers and it is a bank that is authentic and humble.

I like that they have the security of being backed by a large bank which makes me feel safer about my money. Most of all I recommend them because I want people to see just how simple, seamless and fun banking can be!



Mereki
- UP CUSTOMER

Supporting Our People

OUR PEOPLE ARE CAPABLE OF GREAT THINGS. BY INVESTING IN THEM, WE ENSURE THEY HAVE THE SKILLS THEY NEED TO SUCCEED AT WORK AND HELP CREATE A RESILIENT AND ADAPTIVE ORGANISATION.

EMPLOYEE ADVOCACY: EMPLOYEE NET PROMOTER SCORE

Employee Net Promoter Score (ENPS) is a measure designed to estimate staff engagement levels, as well as the willingness of individual employees to recommend their organisation as a place of work, and the products and services it offers.

To calculate our annual ENPS, we distribute a regular employee pulse survey to canvas the opinions of all our people across the Bank.

Based on the findings of this survey, our average ENPS has improved by more than two percent year-on-year from 66.05% in FY2018 to 68.15% in FY2019 – see below.

We continue to improve on our overall annual ENPS, which indicates the strength of our employee engagement and advocacy programs.

= % Positive responses – % Negative responses	FY2018 Q1	FY2018 Q2	FY2018 Q3	FY2018 Q4	FY2018 TARGET	FY2019 Q1	FY2019 Q3	FY2019 TARGET
I would recommend the organisation to my friends and colleagues as a great place to work	60.6	61.5	63.3	63.9		66.5	65.3	
I speak highly of the organisation's products and services	69.0	70.3	71.2	68.5		70.8	70.0	
Overall Employee Net Promoter Score	64.8	65.9	67.3	66.2	>60.0	68.6	67.7	>65.0

Supporting Our Shareholders

WE ARE COMMITTED TO GIVING OUR SHAREHOLDERS APPROPRIATE INFORMATION TO ENSURE THEY CAN EXERCISE THEIR RIGHTS AND MAKE SOUND INVESTMENT DECISIONS.

We do this through:

- Announcements to ASX
- Annual General Meeting and profit announcements
- Shareholder centre on our website
- Share registry team

99,477

SHAREHOLDERS

70c

DIVIDEND PER SHARE

341.1 million

TOTAL DIVIDENDS PAID

Growing With Our Partners

PARTNERSHIPS ARE A KEY PILLAR OF OUR BUSINESS STRATEGY AS THEY ALLOW US TO EXTEND OUR REACH, WIDEN OUR CAPABILITIES AND IMPROVE THE CUSTOMER EXPERIENCE.

Our partnerships span the establishment and development of cutting-edge customer applications - relating to payments, cards, mobile banking, other digital banking platforms - to the expansion into new communities through models such as; **Community Bank**[®], **Alliance Bank**[®], our University Bank offering and our white label mortgage distribution. By strategically partnering with others to extend our reach into new markets, build on our capability and improve productivity and the customer experience, we are accelerating our vision to be Australia's bank of choice.

TIC:TOC - INSTANT HOME LOAN

A partnership with Australian fintech Tic:Toc – the world's only fully digital home loan platform – is giving our customers access to our own instant home loan, Bendigo Express. We are the first Australian bank to offer a digital home loan application and assessment process under its own brand. By partnering with fintechs such as Tic:Toc, we can provide new solutions and outcomes for our customers.

Tic:Toc launched the world's first instant home loan to market in July 2017. Tic:Toc's proprietary artificial intelligence technology delivers significant efficiencies in home loan assessment compared to traditional processes. The customer experience delivers a completed application, assessment, approval and customer contract which can be dispatched within 58 minutes and utilising 12 minutes of human effort. Since launch, \$3 billion of assessed applications have been processed through Tic:Toc. bendigobank.com.au/homeloans

AUSSIE HOME LOANS

Adelaide Bank is proud to offer home loans in partnership with Aussie Home Loans, helping more Australians achieve the dream of home ownership. Aussie brokers are equipped with all the tools to find a great home loan for their customers, from either its own Adelaide Bank backed branded range or from one of its 24 lender partners.

In August 2019, Adelaide Bank announced a new white label partnership with Aussie Home Loans to offer a new exclusive home loan product - Aussie Elevate - with a range of flexible solutions, through Aussie Brokers.

The agreement further expands Adelaide Bank's growing white label partnering portfolio. Partnering with like-minded organisations is key to our strategy and Adelaide Bank is committed to helping Aussie maintain its high standards of professional and personalised service.



UP

Up - Australia's first next-gen digital bank - is designed, developed and delivered through a collaboration between Bendigo Bank and Melbourne-based fintech Ferocia. In the nine months since it first launched in October 2018, Up has signed up more than 100,000 customers (50% aged 16-24), accumulated more than 5.1 million transactions and scooped two FinTech Australia Finnie awards in partnership with Ferocia for Best Partnership of the Year and Excellence in Industry Collaborations and Partnerships.

CONNECTIVE SELECT

In May 2019, Adelaide Bank announced an expansion of its existing partnership with Connective Home Loans with the creation of a new white label loan offering, Connective Select Home Loans.

In a highly competitive lending market, Adelaide Bank's service offering, backed by a dedicated partner assist team, ensures Connective Select Home Loans is a standout choice for busy brokers.

The partnership opens opportunities with Connective Home Loans' 4,000 strong network of brokers and their clients.



Sharing Value With Our Communities

WE ALWAYS LOOK BEYOND BANKING TO ENSURE WE HELP COMMUNITIES PROSPER, SOLVE PROBLEMS AND CREATE NEW OPPORTUNITIES. OUR SUCCESSFUL **COMMUNITY BANK**® MODEL IS AN EXAMPLE OF HOW THIS SHARED VALUE APPROACH WORKS IN EVERYONE'S FAVOUR.

We have long held the belief that successful customers combined with thriving local communities create a successful Bank. Our purpose articulates that we feed into the prosperity of our customers and their communities, not off it. It is the same today as the day we were founded.

- ▲ **Everyone deserves to go to the beach.** That's why our **Community Bank**® branch in Clovelly, NSW, using our profit-with-purpose model, supported the Little Heroes Swim Academy so they could purchase their first beach wheelchair. For local mum Tracy, the beach wheelchair has been life changing. Her daughter Katie has cerebral palsy and the wheelchair makes days out in the sun easier and more fun. The beach wheelchair allows Katie to be pushed across the sand and into the sea where she has the opportunity to enjoy swimming at one of Sydney's most beautiful beaches, just like everyone else.

Investing In and Enabling 21st Century Communities

AT A TIME WHEN THE FOCUS ON COMMUNITY STANDARDS IN BANKING HAS NEVER BEEN MORE IMPORTANT, WE ARE PROUD TO CONTINUE TO ENABLE OUR COMMUNITIES TO CREATE THE BANKING SERVICES THEY NEED, WANT AND DESERVE.

Our diverse footprint means that we can provide financial services to all Australians, no matter their location, either face-to-face or through our digital platforms. In more than 100 communities where we are the only financial provider in that town/suburb.

COMMUNITY BANK® MODEL

The **Community Bank®** model has long bucked a trend of banks pulling out of regional Australia and has sparked a community-led movement across the country. In the last 21 years, the **Community Bank** network has delivered more than \$220 million back to local communities, which has in turn helped generate jobs and local economic growth.

Bendigo and Adelaide Bank provides the banking infrastructure and licensing requirements, while the community runs the branch and generates valuable funds to invest into their community. Together, Bendigo and Adelaide Bank and **Community Bank®** companies share the revenue, with surpluses invested into the community via grants, sponsorships and dividends to local shareholders.

The **Community Bank®** model requires partnerships with local people and community enterprises to provide financial services, employment, a local investment opportunity and a source of revenue for projects determined by local people.

In FY2019, more than 782,000 local customers chose to bank with a **Community Bank®**, while the overall **Community Bank®** network employed over 1,590 people, with \$134 million in wages and services spent locally; and more than \$3.07 million in shareholder dividends.



Four new **Community Bank®** sites - Smithton, Newstead, Dunolly and Swinburne University - opened in FY2019.

ALLIANCE BANK®

Alliance Bank® has seen loan growth of 48 percent since commencing in March 2015. There are now five partners in the model with a combined \$47.7m in capital, 21 branches, employing 140 locals and servicing more than 41,000 members.

The Alliance Bank® solution was established to enable mutual companies to continue serving their members and communities in the true spirit of mutuality. All Alliance Banks are social enterprises and invest their profits in shared value initiatives to deliver positive social impact within their communities.

Participating credit union members have access to the Bank's technologies and suite of products and services, while maintaining their independence and individual identities.

Importantly, member's capital that had been previously held for prudential requirements can be released for reinvestment.

Over the past four years, the Alliance Bank® group has committed more than \$4.47m into its Do Good Fund. In addition to the Do Good Fund, each Alliance Bank® partner is invested in a range of community programs that support local businesses, community groups and those in need.



How We Invest in and Enable 21st Century Communities

SWINBURNE UNIVERSITY OF TECHNOLOGY AND BENDIGO BANK ESTABLISH FIRST-EVER FINTECH POSTGRADUATE DEGREE

In February 2019, we announced the establishment of our second University **Community Bank**[®] with Swinburne University of Technology. Profits will be invested in scholarships, research projects, clubs, programs and community initiatives at the University.

Building on the partnership, Swinburne and Bendigo Bank have co-developed an Australian—first Master of Financial Technologies (FinTech).

This unique postgraduate course commenced in Semester One 2019 and is delivered through Swinburne's Australian Graduate School of Entrepreneurship (AGSE). The first intake saw nine students enrol, with these figures expected to steadily increase.

The Master of FinTech will develop students' skills and capabilities to allow them to meet current and future market demands for highly qualified students – particularly in emerging technologies such as blockchain and artificial intelligence – and to help students translate technological developments into innovative business models.

DROUGHT SUPPORT

To support drought impacted farmers across New South Wales, Queensland, South Australia and Victoria, a number of initiatives were rolled out by Rural Bank across FY2019 including:

- Proactive customer check-ins to discuss impacts and future needs
- Direct hardship support including waiving fees and containing rate increases for drought impacted customers
- A Farmer Health Week in the Riverina, New South Wales to support farmer and agricultural service provider health and well-being
- National Centre for Farmer Health training and support for customers, staff and partners

Bendigo Bank's New South Wales **Community Bank**[®] network also provided much-needed additional support for drought affected New South Wales farmers, through a new partnership with charity Rural Aid, and the Nova Network's Fitzy & Wippa Sydney Breakfast Show.

Altogether, the partnership raised more than \$110,000, with close to \$70,000 of that pledged by Bendigo Bank's **Community Bank**[®] branch network.

A sincere thank you is also extended to the West Australian Forrestfield and High Wycombe **Community Bank**[®] branches, who contributed an incredible \$120,000 to support the plight of drought-impacted communities in the Gilgandra district of New South Wales.

RURAL BANK

Our specialist agricultural division, Rural Bank, provides farm finance solutions to approximately one in every 10 Australian farmers. It has a market share of approximately 9.6 percent of the national agricultural debt.

Rural Bank's products and services are accessible at more than 400 locations nationally, through a network of banking partners including Bendigo Bank, **Community Bank**[®] and Elders branches, along with more than 200 lending specialists based in rural and regional centres across the country.

Building on its specialist agricultural banking products, Rural Bank continues to invest in a robust knowledge and insights capability to help customers and the broader industry make informed business decisions.

The regular publications relating to agri commodities, farmland values and other topical matters are well received by farmers, industry and media; with engagement increasing every year.

Rural Bank supports youth from agricultural communities by providing financial support in the form of scholarships to first-time undergraduate students. This year, 15 scholarships were awarded to regional and rural students. In addition, 10 more students, specifically from communities directly affected by drought, were also helped.

OUR FINTECH PARTNER APPROACH

The Bank considers relationships with fintechs such as Tic:Tok and Ferocia, as a mutually beneficial opportunity. Fintechs are shaping the future of the industry by working to solve previously unsolved or unimagined customer challenges in the value chain, as well as delivering more choice and convenience. We also help them by providing access to core banking infrastructure, our expertise, a banking licence and a customer portfolio.

RURAL BANK SCHOLARSHIPS

Throughout the last 25 years, the Rural Bank Scholarship Program has backed more than 185 students with scholarships to the value of more than \$2.7 million.

This program has taught everyone across our organisation the true value and importance of 'growing rural leaders', bringing diverse talent into the sector and fostering the next generation of farmers, agronomists, veterinarians, researchers, environmental scientists, and other industry advocates and contributors.

We have played an important role in assisting students to pursue rewarding careers in agriculture and the rural sector by removing some of the barriers they have traditionally faced when relocating hundreds of kilometres to pursue further study.

Recipients of this annual scholarship program receive financial support to the value of \$5,000 for the first year of their studies to contribute to the costs of accommodation, course materials, equipment and tutoring. Subject to academic performance, the scholarship funding is also extended to support their second year of study.

In addition to the 15 scholarships awarded to regional and rural students across Australia, Rural Bank expanded its annual program to support an additional 10 students specifically hailing from communities directly affected by the ongoing drought.



BENDIGO BANK SCHOLARSHIPS

Bendigo and Adelaide Bank is committed to supporting young people through various initiatives, such as our annual scholarship program.

Each year scholarships are awarded to first year tertiary students studying at an Australian university or college campus for the first time.

Our scholarship program makes a significant difference to these hard working and talented students by helping them cover some of the costs of tertiary education.



"I AM VERY PROUD OF THIS PROJECT. OUR SCHOLARSHIP PROGRAM HAS GROWN TO BE ONE OF THE LEADING - AND CERTAINLY THE BEST TARGETED - SCHOLARSHIP PROGRAM IN AUSTRALIA."

– Robert Johanson

One such student was Bendigo Bank Board scholarship recipient, Rhiannon Skinner.

Rhiannon left her hometown of Busselton, WA to study teaching at UWA in 2010. The scholarship helped cover her rental costs for two years and meant she didn't have to take a gap year to save money to fund her studies. This allowed Rhiannon to finish her studies earlier than expected and commence a teaching career. She is now back in Busselton where she teaches History, English, Social Science and Humanities at Georgiana Molloy Anglican School.

Remarkably, in her role as her school's Scholarship Co-ordinator, Rhiannon recently approached Bendigo Bank ahead of the opening of next year's scholarship program, so as to ensure her current students are in with every chance of availing of the same opportunity she was afforded back in 2010.

BENDIGO BANK HOUSE - A HOME AWAY FROM HOME FOR HUNDREDS OF VICTORIANS

The recent expansion of Bendigo Health has resulted in a large increase in the amount of regionally based patients travelling to Bendigo to access specialty health services.

Many of these patients are required to seek overnight accommodation nearby, which can become a significant financial and emotional burden.

In response to this, Bendigo Bank and 15 of its branches partnered with Exemplar Health to develop and provide an affordable accommodation facility for regional patients, their carers and families.

Since opening its doors in September 2018, the 15-suite facility has accommodated more than 1,300 guests and helped put hundreds of Victorian families at ease during challenging times.

Each of the 15 specially fitted suites have been funded by Inglewood, Heathcote, Rushworth, Donald, Elmore, Lockington and Rochester **Community Bank**[®] branches, Kyneton, Cohuna, Swan Hill, Kerang, Mildura, Castlemaine, Echuca and Deniliquin Bendigo Bank branches.

To make Bendigo Bank House feel more like home, we called on supporters such as; Bendigo Telco, Spotless and Gouge to help us create a cosy space for residents while receiving treatment or caring for loved ones.

As a result, the accommodation suites have been fitted out to reflect patients' hometowns and furnished with sincere wishes of good health from the local communities.



ALLIANCE BANK[®] - DO GOOD FUND

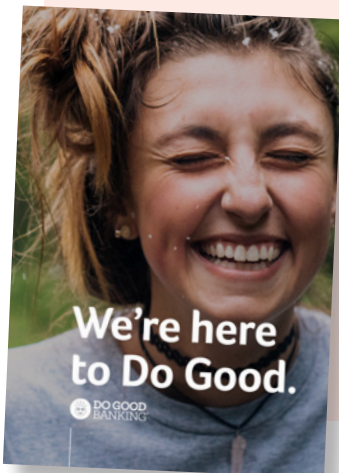
The Alliance Bank[®] group has committed more than \$4.47m to its Do Good Fund, to support and facilitate a range of projects through social impact loans, grants supported by shared value principles and seed funding that attracts government support.

The Fund has been instrumental in building community sports facilities, developing education and mentoring programs, supporting social enterprise entrepreneurs, building health clinics and supporting apprentices.

One such example is the establishment of an Apprentice Support Program in the Southern Highlands of New South Wales.

Following the closure of a number of local TAFEs, BDCU Alliance Bank[®] implemented a social impact loan program to support young apprentices. This Program provides local apprentices with access to a no-interest, fee free loan to purchase tools of trade, and is part of a wider initiative designed to support community sustainability through seeding and fostering local business. The broader program also includes discounts on tools from local suppliers, a financial literacy mentoring program and a professional mentoring program.

In addition to the Do Good Fund, each Alliance Bank[®] partner is invested in a range of community programs that support local business, community groups and those in need.



FINANCIAL ASSIST SUPPORT TEAM (FAST)

Financial abuse occurs when another person in a trust relationship - perhaps a partner, child, or another family member or friend - illegally or improperly tries to take control of someone's finances or property.

Financial abuse can happen to any member of our community and in many instances, victims are unaware they are being financially abused.

The banking industry is concerned about the increasing instances of financial abuse and is committed to working together with the community to prevent it. The Australian Banking Association (ABA) has provided a range of guidelines to promote good practice and clearer processes for banks so they can better support customers who may be vulnerable to financial abuse.

Bendigo and Adelaide Bank is committed to exploring further ways to identify financial abuse and to assist any impacted customers.

As part of this commitment, on 31 July 2018, the Bank - through the Customer Advocate Office - launched its Financial Assist Support Team (FAST) to focus on four main types of financial abuse: elder, cultural, disability and domestic/family violence.

In this time, the team has worked with frontline staff and customers to help identify cases of financial abuse and provide guidance and solutions to prevent further financial abuse.

During its first year, FAST has closely collaborated and liaised with community groups and organisations such as; Anglicare Victoria, Lifeline, Dementia Australia, Financial Counsellors Australia, D'Accord, Seniors Rights Victoria, State Trustees, Department of Justice, local Salvation Army branches, Share The Dignity, State Public Guardians and Advocates.



WARBURTON COMMUNITY HYDRO - TAKING CHARGE OF YOUR DESTINY

After almost 10 years of planning and development, a community-owned \$1.2 million mini hydro power plant began generating power in the Victorian town of Warburton in October 2018.

Located at the site of an original hydro energy system that operated in 1919 to supply electricity to the local town before it connected to the energy grid and was later decommissioned, the hydro scheme was made possible by contributions of funds and support from Bendigo Bank, Warburton and Yarra Junction **Community Bank**[®] Branches and the State Government.

Inspired by two golfers who were playing on the steep course and thought the old scheme could be restored to its former glory, the new system can produce a maximum of 100kW of power, can operate around the clock and has the capability of powering the equivalent of 150 Warburton homes. Estimates indicate up to 700 tonnes of carbon (equivalent to 444 SUVs¹) will be spared from the environment each year as a result of the alternate energy source.

1 Based on an SUV weighing 1.577 tonnes.

Financial Inclusion

FINANCIAL INCLUSION ALLOWS PEOPLE, DURING SOME OF THE MOST VULNERABLE TIMES OF THEIR LIVES, ACCESS TO PRODUCTS AND SERVICES TO MEET THEIR NEEDS.

People should be treated fairly and decently no matter what their circumstances.

This is why we have a number of programs available to support financial inclusion.

HOMESAFE

The Homesafe Wealth Release[®] product is a great example of a successful shared value business model, providing solid returns and social outcomes.

Homesafe is a debt-free equity release product for older Australians to access the wealth tied up in their homes without the need to downsize. The equity release product ensures the right of the homeowner to live in the family home is fully protected. The product allows homeowners to access the capital in their home to supplement living standards during retirement, which helps to address the challenge of funding retirement for an ageing population.

In June 2019 the fair value of the portfolio was \$734.5m.
homesafe.com.au

UNPACK FOR GOOD

Unpack for Good helps residents of community housing purchase their own home with the help of their housing provider using a shared equity model. The program helps address intergenerational poverty and increase the supply of social and affordable housing. Building on the success of last year's pilot with Haven; HomeSafe (VIC) and Housing Plus (NSW), the initiative was further expanded this financial year to include Lismore-based North Coast Community Housing and Tasmanian-based Centacare Evolve Housing. A further nine partners are expected to participate in Unpack for Good in FY2020.

HOMESVIC

HomesVic is a Victorian State Government initiative to support up to 400 Victorians to purchase their first home, with the State providing up to 25% of the purchase price as an equity stake. Bendigo Bank was chosen by the State as one of two finance partners for the program, which was launched in March 2018. The Bank has pre-approved more than 130 applications and settled more than 100 loans under the scheme. Not only has this totalled more than \$40 million in new lending to the bank, but it has allowed many Victorians to own their first home that would otherwise have not been possible without this support.



Responsible Banking

IT IS IMPORTANT FOR US TO PROVIDE ALL OUR CUSTOMERS THE RIGHT PRODUCTS AND SERVICES TO ENABLE THEM TO ACHIEVE THEIR OBJECTIVES AND FINANCIAL SUCCESS.

In order to achieve this, we have policies and procedures in place to ensure our staff provide a customer with the right products and services based on their current situation.

Lending Responsibly

We believe it is very important to act in a fair and responsible way when it comes to lending to customers. Our approach to lending involves us making enquiries about a customer's financial situation to ensure they are able to meet their obligations under the loan contract including, and importantly, the ability to meet the required loan repayments.

We have in place:

1. Prudent lending criteria which includes assessing serviceability under different interest rate conditions.
2. Policies and procedures which support compliance with our obligations under relevant legislation, and the Banking Code of Conduct.
3. A responsible lending user guide for lending officers.
4. Management reporting on responsible lending compliance.
5. A program of regular updates to the lender training manuals.
6. Ongoing training and awareness initiatives for lending officers to reinforce responsible lending requirements. For complex loan applications, especially those that carry greater credit risk, we ensure approval is sought from appropriately experienced banking officers.

2019 Banking Code of Practice

A strong, competitive and fair banking system is essential for all Australians and a robust Australian economy.

At Bendigo and Adelaide Bank, we pride ourselves on our commitment to conduct business ethically and to the highest possible standards. Our purpose has always been to feed into prosperity, not off it, and because of this we are committed to putting customers' interests first as we strive to deliver better outcomes for everyone.

In line with this commitment, Bendigo and Adelaide Bank is proud to support the new Banking Code of Practice.



Responsible Banking

FINANCIAL DIFFICULTY

We understand there may be times when a borrower's circumstances change, whether from, for example, a loss of income, injury or illness, or due to external factors such as a natural disaster.

If, as a result, borrowers cannot afford the required repayments on their business or personal loans, we recommend they contact us immediately to discuss their circumstances. The Bank also aims to take proactive steps to identify and assist vulnerable customers through a range of practices that can identify common indicators of financial difficulty. In many instances, a temporary arrangement can be made quickly and efficiently over the phone. Alternatively, there may be a need to conduct a more detailed assessment of a borrower's financial circumstances to enable the Bank's trained staff to better assist a vulnerable customer in a more tailored way.

SOCIALLY RESPONSIBLE GROWTH FUND

We also offer a socially responsible growth fund product issued through Sandhurst Trustees. Certified by the Responsible Investment Association of Australasia, this product invests in companies that choose to conduct their business in a socially responsible way, while striving for strong, long term returns.

GREEN HOME LOANS

Our Green Home Loan rewards our customers for renovating or building in a sustainable way, with discounts on interest rates for those who meet the green criteria. Learn more at <https://www.bendigobank.com.au/personal/home-loans/green-home-loans/>



SUPPORTING FARMERS AND FARMING COMMUNITIES

Rural Bank is a specialist agricultural lender and has an in-depth knowledge of the challenges facing family farms. We know that natural disaster, unfavourable climatic conditions, volatile commodity markets and distorted trade conditions can lead to financial hardship and stress. Therefore, we work with our customers based on what's right for the long term, maximising opportunities, managing risks, and helping to foresee issues that will impact their farming business.

There are a variety of initiatives that we implement during difficult times as well as products to assist farmers best prepare ahead of time. We know our actions and support can provide significant value for farmers going through tough times, positioning them to recover when seasonal conditions improve.

Rural Bank is proud of its track record of supporting farmers, taking a long-term view of their business, and assisting them through volatile business cycles.

BENDIGO AND ADELAIDE BANK GROUP ANIMAL WELFARE AND LIVESTOCK FARMING POLICY STATEMENT

Our animal welfare and livestock policy outlines the Group's expectation of customers working with animals and livestock on farm.

This policy has been developed by Rural Bank – a division of the Group – but applies to the entire Group. Farm business customers are managed via the Rural Bank division.

We always encourage, and where possible, positively influence sustainable farming practices across the agricultural supply chain. This includes prioritising animal welfare and supporting sustainable livestock farming practices.

Our efforts to ensure the humane treatment of animals begins with our customers, in particular Rural Bank's customers and their dedication to providing animals with the best care possible. We expect customers to comply with animal welfare laws, commit to sustainable livestock farming practices and to operate in accordance with our Animal Welfare and Livestock Farming Policy.

https://www.bendigoadelaide.com.au/corporate_governance/pdf/animal-welfare-policy-statement.pdf

Our People

NEW EXECUTIVE, NEW
APPROACH TO LISTENING
AND ADVOCATING FOR
OUR PEOPLE

In FY2019, we created the new role of Chief People Officer as part of an ongoing commitment to “put our people first, so they can put our customers first.”

The team also introduced a more sophisticated system to attract and retain talent, encouraged more people to undertake workplace learning and focused on better understanding the culture of the workplace so it can continue to be a great place to work.

Updated Parental Leave Policy

BECAUSE IT IS THE RIGHT THING TO DO

This year - following consultation with our staff - the Bank made significant changes to its Parental Leave Policy.

These changes will provide our people with better and more comprehensive support should their pregnancy end unexpectedly.

We would like to thank all our staff who came forward and shared their deeply personal experiences of grief with us. Your honesty and courage has resulted in the introduction of a new and updated Parental Leave Policy which now covers:

“Any employee who is eligible for parental leave as a result of being pregnant will now be entitled to a period of paid special leave of up to 12 weeks in the event that their pregnancy ends as a result of stillbirth from 20 weeks gestation.”

We care deeply about our staff members and we hope this policy change will help provide additional support to those who need it most.

Culture Review

Workplace culture is created over time by the behaviours of our leaders, our people and the organisational systems we build. Culture is often described as intangible however, there are ways to measure and understand it.

As part of this process, in June 2019, we enlisted the help of PwC to undertake a culture review of our organisation. This review will help us better define our current culture, articulate the role it plays in the success of our Bank and evaluate how we can improve and sustain it into the future.



Diversity and Inclusion

CREATING AN INCLUSIVE WORKPLACE

We continue to build an inclusive organisation, where our differences bring us together and make us stronger.

This is integral to creating a great staff and customer experience, growing our capability and supporting our customers and their communities.

We have endorsed our 2019-2021 Diversity and Inclusion Strategy, Belonging at BEN and our new Policy (available on our website).

ACCESSIBILITY

In May, delegates from 10 key areas of the organisation represented the Bank at the Australian Network on Disability's (AND) annual conference. We continue to partner with AND as we build strong momentum in creating an Access and Inclusion plan with a goal to building an Accessibility confident workplace.

LGBTIQ+ NETWORK

The Bendigo and Adelaide Bank Pride Network, Kaleidoscope, was formed in 2017 and continues to gain new members. The group aims to create a safe, inclusive and empowering environment for LGBTIQ+ employees, customers and communities. Awareness and Ally information sessions were held for staff and leaders across three of our head office locations, with positive feedback received on the increased understanding and awareness of participants. The Bank was also represented at the recent Loud Leadership Retreat which focused on building leaders for the LGBTIQ+ community within regional areas.

INDIGENOUS

The Jawun initiative continues to be the cornerstone investment in building awareness of our Indigenous community amongst our staff. Twenty of our staff have now undertaken a six-week secondment since the introduction of the program. This has contributed to powerful personal development for the secondees and additionally enabled practical contributions to Indigenous led change.





WOMEN IN LEADERSHIP

We have a proud history of progress in this area, with more than 40 percent of all managers being women - including our Managing Director and incoming Chair of the Board. We continue to prioritise the achievement of gender equality in management, with a focus on growing representation of women at senior levels of leadership. Noting we did not meet all gender targets last year, we have set ambitious, measurable objectives for women at all levels of leadership, to be reached by 2021.

Under the Workplace Gender Equality Act, we are required to make annual public filings with the Workplace Gender Equality Agency (WGEA), disclosing its 'Gender Equality Indicators'. These reports are filed annually and serve as valuable insights on the impact of our work in this area to date as well as informing our opportunities for the future. The latest filing is available on the Bendigo and Adelaide Bank website.

FLEXIBILITY

Flexible ways of working aimed at all life-stages is something we have encouraged for many years. With approximately a quarter of our staff working part time and 10 percent utilising formal flexible arrangements we have seen the direct benefit to our business in ensuring our people work how they want to work. This year our Managing Director sponsored the 100 days of Change Campaign. The objective of the initiative was for organisations to focus on making practical, achievable changes to improve gender equity within the workplace. Our 100 days were spent building awareness of the benefits of flexible working for all staff, and encouraging a shift to informal flexible arrangements that will benefit both the business and our people.

▲ This year saw the introduction of the "Dress for your day" policy in corporate offices, which allows our people to wear what is appropriate for their day, while still representing our brand personality.

Our Direct Impacts

WHERE POSSIBLE, WE SUPPORT LONG-TERM STRATEGIES THAT REDUCE OUR ENVIRONMENTAL IMPACT. WE WORK TO REDUCE AND OFFSET OUR IMPACT, HELP OUR CUSTOMERS REDUCE THEIR IMPACT, AND LOOK FOR MORE EFFICIENCY IN OUR EVERYDAY BUSINESS DECISIONS THAT WILL HAVE A POSITIVE IMPACT ON THE ENVIRONMENT.

In 2010 our Executive team committed to the following statement:

- Actively identify opportunities to reduce the Bank's environmental footprint
- Assist our staff, customers, partners, shareholders and communities to identify opportunities to reduce their environmental footprints
- Consider the environment in all relevant business decisions
- Commit to measure and report progress in acting to achieve these goals
- Work together to make a difference

An example of how we consider the social and environmental outcomes of the business decisions we make, is our position of not lending directly to projects in the coal and coal seam gas sectors. We have taken a pragmatic approach that says it makes no sense to broaden our footprint by starting to do so.

The Bank continues to evolve in terms of the increasing demand to develop a public climate change policy and contemporary commitment to the environment, as well as the various reporting frameworks requiring disclosure of organisational outcomes in relation to environmental, social and governance activities. In the agricultural space, we have committed to better understand climate risk in terms of its potential impacts on that sector. This relates to the heightened focus both globally and domestically and has also been reflected as a priority needing attention within the Royal Commission and Commissioner Hayne's recommendations. Wherever possible, we will be seeking to consult with our stakeholders, including our community partners, through this process.

CARBON DISCLOSURE PROJECT (CDP)

Since 2011, the Bank has voluntarily reported on our carbon emissions to the Carbon Disclosure Project (CDP). This year, our total CO₂-e emissions were 28.84kt compared to 32.57kt from the previous year - a reduction of 11.4%.

FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
37.19 kt	37.28 kt	37.77 kt	36.79 kt	35.23 kt	32.57 kt	28.84 kt



REDUCED ELECTRICITY CONSUMPTION



Reduced electricity consumption by ~194 (MWh) compared with FY2018.



CENTRALISED BINS SYSTEM



Introduced at our Docklands Office in FY2019, in line with the roll out of Activity Based Working (ABW).



NUMBER OF KILOMETRES FLOWN BY STAFF



Flew 9,492,039 kilometres, an increase of 559,620 kilometres compared to FY2018.

ENERGY INITIATIVES

Energy procurement practices and consumption levels continued to be a focus this year. Several new initiatives were introduced to minimise 'bill shock' including; the negotiation of longer-term energy contracts, the installation of PV Solar at six branches and the commencement of an LED lighting installation program.

REUSING AND RECYCLING STATIONERY AT THE BENDIGO CENTRE

The introduction of Activity Based Working (ABW) at The Bendigo Centre, has encouraged staff to reuse and recycle stationery, which has in turn, reduced stationery costs by approximately \$10,000 this financial year.

PV SOLAR

A pilot project to assess the impact PV Solar can have on energy consumption and costs was rolled out this year at six branches across three states including; Mitchell St Bendigo, Eaglehawk, Morphett Vale, Norwood, Booval and Nambour.

To date, this pilot program has delivered annualised energy and cost savings of up to 50 percent per site, and the overall capital investment is expected to be paid off within five years. This pilot program will reduce the Bank's CO2 emissions by more than 200 tonnes annually. More branch and office sites are currently being assessed for the installation of PV Solar.

PRINTING/PAPER USAGE

Paper used for printing the Bank's legal, marketing and stationery materials has decreased by approximately 15 percent this financial year.

	2017/18 FY	2018/19 FY	DIFFERENCE
Quantity (sheets)	824,000	714,000	110,000
Volume (kg)	46,360	41,069	5,291

This reduction has been achieved by:

- Converting legal documents and forms to digital, printable only as required in-branch
- An increasing demand for e-statements
- Providing more personalised, print-on-demand marketing materials for branches
- Increasing demand from shareholders for digital-only annual reports

In FY2019, the Group also continued to reduce its A4 copy paper usage. When compared with FY2018, the Bank reduced its A4 copy paper consumption by six percent year-on-year – a decrease of 4,485 reams of A4 copy paper.

GREENFLEET

Since 2014, Bendigo and Adelaide Bank has partnered with Greenfleet to offset its emissions. This reinforces our company values and informs our staff – and importantly our customers – that we are committed to making a difference.

To date, the Bank's support has contributed to the planting of more than 85,000 trees which is the equivalent of offsetting more than 22,000 tonnes of carbon emissions. In FY2019, the Bank has offset approximately 3,917 tonnes of Co2, which will allow the planting of more than 14,616 trees.

YEAR	CO2-E	TREES PLANTED
2017	5,260	19,627
2018	4,133	15,422
2019	3,917	14,616

Governance

THE CONTEXT FOR OUR APPROACH TO CORPORATE GOVERNANCE IS OUR VISION, STRATEGY, VALUES AND PURPOSE. WE ARE COMMITTED TO HIGH STANDARDS OF CORPORATE GOVERNANCE - BOTH IN OUR FRAMEWORK AND POLICIES, AND IN OUR PRACTICES. WE BELIEVE THIS LEADS TO BETTER DECISION-MAKING FOR ALL STAKEHOLDERS.

Acting with integrity in the conduct of our business has been an important element of our success.

Our Corporate Governance Statement outlines our approach to corporate governance and is available from the Corporate Governance page on our website, along with policies and charters, together with information about our Board and Executive team.

bendigoadelaide.com.au

BOARD



Robert Johanson
INDEPENDENT CHAIR
BA, LL.M, MBA



Marnie Baker
MANAGING DIRECTOR
BBUS (ACC), ASA, MAICD,
SF FIN



Jan Harris
INDEPENDENT
BEC (HONS)



Jim Hazel
INDEPENDENT
BEC, SF FIN, FAICD



Jacqueline Hey
INDEPENDENT
BCOM, GRADUATE CERTIFICATE
IN MANAGEMENT, GAICD



Robert Hubbard
INDEPENDENT
BA (HONS), ACCY,
FCA



David Matthews
INDEPENDENT
DIP BIT, GAICD



Tony Robinson
INDEPENDENT
BCOM, ASA, MBA



Vicki Carter
INDEPENDENT
BA (SOCIAL SCIENCES),
DIP MGT, CERTIFICATE IN
EXECUTIVE COACHING, GAICD



David Foster
INDEPENDENT
BEC, GRADUATE DIPLOMA
FINANCE & INVESTMENT

EXECUTIVE



Marnie Baker

MANAGING DIRECTOR
BBUS (ACC), ASA, MAICD,
SF FIN



Taso Corolis

CHIEF RISK OFFICER
BEC, BCOM, GRAD DIP APP
FIN & INVEST



Travis Crouch

CHIEF FINANCIAL OFFICER
BBUS (ACC), CA



Richard Fennell

EXECUTIVE, CONSUMER
BANKING
BEC, CA, MAICD



Alexandra Gartmann

CEO RURAL BANK &
EXECUTIVE, CUSTOMER AND
PARTNER ENGAGEMENT
BSC (REM), MAICD



Robert Musgrove

EXECUTIVE, CORPORATE AND
PUBLIC AFFAIRS
GRAD CERT APP FIN



Bruce Speirs

EXECUTIVE, BUSINESS
BANKING
BCOM, CA, MBA, GAICD



Louise Tebbutt

CHIEF PEOPLE OFFICER
BBUS



Stella Thredgold

EXECUTIVE, TECHNOLOGY AND
BUSINESS ENABLEMENT
BBUS (ACCOUNTANCY),
CPA, GAICD

AUSTRALIA'S BANK OF CHOICE

Annual Review 2019
Bendigo and Adelaide Bank Limited.
ABN 11 068 049 178