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Annual
Review
2017

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1.6 million
Customers



100,800
Shareholders



11.61%
Cash basis return
on tangible equity



12.46%
Total capital



71.4 billion
Total assets



418.3 million
Cash earnings after tax



243.4 million
Total tax paid



Top 70
ASX listed company



68c
Dividend per share



311 million
Total dividends paid

Front cover – The front cover image was captured at the “Be the Change” filming. Photographed at the Clifton Hill/North Fitzroy Community Bank® branch, “Be the Change” shows that our customers create change every day because they bank with us. A change for good. A change for better. This change has a real and positive impact on people and communities right across Australia.



Bendigo and Adelaide Bank employees
Jennae Parker, Wendy Kennedy and Josh Pell.

Financial Performance

Bendigo and Adelaide Bank announced an after tax statutory profit of \$429.6 million for the 12 months ending 30 June 2017. Underlying cash earnings were \$418.3 million, a 4.2 percent increase on the prior financial year. Cash earnings per share were 88.5 cents, a 1.2 cent increase on the 2016 financial year. The Bank has retained a final fully franked dividend of 34 cents per share, with a 1.5 percent discount for shares issued under both the Dividend Reinvestment Plan and Bonus Share Scheme also announced.

Our funding position continues to be industry leading, providing flexibility for executing on growth opportunities. Retail deposits were up 4.7 percent this year, and solid growth in at call and term deposits sees 80.2% of funding provided by retail customers.

Our full year lending growth was amongst the strongest in the industry at 6.4%. However, recent APRA lending caps have somewhat restricted that growth across the Retail (7.7%), and Third Party channels. Margin expansion was strong in the second half, up 8 basis points half on half, with an exit margin of 2.34 percent.

A focus on efficiency has resulted in expenses remaining flat year on year, with the cost to income ratio moving down to 56.1 percent as productivity gains flow from a continued investment in technology and continuous improvement.

Our Bank is extremely well capitalised for the risk on our balance sheet, with Common Equity Tier 1 Capital at 8.27 percent. Importantly, our ability to organically generate capital will enable us to achieve APRA's unquestionably strong capital benchmarks well within the required timeframe, given what we know today.

Our Bank's strong customer focus, ratings, and solid funding and balance sheet, will enable our Bank to generate sustainable returns for our stakeholders.

Net profit after tax (\$m)

FY17	429.6
FY16	415.6
FY15	423.9
FY14	372.3
FY13	352.3

Cash earnings per share (c)

FY17	88.5
FY16	87.3
FY15	88.6
FY14	86.0
FY13	83.9

Cost to income (%)

FY17	56.1
FY16	58.1
FY15	56.8
FY14	56.9
FY13	57.4

Cash earnings (\$m)

FY17	418.3
FY16	401.4
FY15	402.8
FY14	359.5
FY13	341.8

Dividend per share (c)

FY17	68
FY16	68
FY15	66
FY14	64
FY13	61

Cash basis return on tangible equity (%)

FY17	11.61
FY16	11.83
FY15	12.37
FY14	12.55
FY13	13.24

Our Group Strategy

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Our Vision, Values, Purpose and Point of Difference

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Our **Vision** is to be Australia's most customer connected bank.

Our **Purpose** is what brings it all together, the written expression of our company's long-held philosophy. It articulates why we're here, what we believe in, and why we do and say the things we do.

Our **Values** say a lot about who we are. They clearly establish the behaviours and actions of our people in their everyday work.

- **Teamwork:** We are one team with one vision. We work together, encourage diversity and respect the unique contribution of each individual.
- **Integrity:** We build a culture of trust. We are open, honest and fair.
- **Performance:** We strive for sustainable success. We seek and provide feedback and find a better way.
- **Engagement:** We listen, understand – then deliver. We build our success through the success of others.



- **Leadership:** We all lead by example. We show initiative, are accountable and empower others.
- **Passion:** We believe in what we do and are proud of our Bank.

Our **Point of Difference** is to focus on the success of our customers, people, partners and communities, by;

- Taking a 100 year view
- Listening and responding
- Respecting every customer's choice, needs and objectives
- Partnering for shared success
- Working together as one team

We believe this sets Bendigo and Adelaide Bank apart from other financial institutions.

Focus Areas

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1. **Enabling customer choice** - The customer comes first in everything we do. We are focussed on delivering what our customers want, when they want it and how they want to receive it.
2. **Exploring opportunities for growth** - We identify growth opportunities in the Australian market and implement strategic initiatives to contribute to the Group's long-term growth.
3. **Partnering for shared success** - We believe that our success comes from partnering with businesses and communities to improve customer experience and exceed expectations.
4. **Developing our people** - Our people are essential to our success. Our programs are designed to build knowledge and improve resilience in our workforce, and upskill tomorrow's leaders.
5. **Driving capital and operational efficiency** - We manage our business with advanced risk capability. This is an important strategic asset in delivering positive outcomes for our customers, partners and shareholders.

Our Diverse Business

Brands

Bendigo Bank

Australia's fifth largest full service retail bank.

Adelaide Bank

Highly rated provider of third party wholesale mortgages and wealth deposits.

Rural Bank

The only Australian-owned and operated dedicated agribusiness bank in the country.

Rural Finance

Specialist rural lender fostering the sustainable economic growth of rural and regional Victoria.

Leveraged

Margin lending wealth financier, helping customers to invest and grow their wealth.

Delphi Bank

Banking with a focus on the Hellenic community.

Community Sector Banking

Australia's leading specialist banking service for not-for-profit organisations.

Sandhurst Trustees

Provides wealth products and services including investments, funds management, and superannuation.

Community Enterprise Foundation™

The Bank's philanthropic arm with Sandhurst Trustees acting as trustee.

Homesafe Solutions

Offers a wealth release product to senior Australians.

Bendigo Bank Telco

Provides telecommunication services and solutions.

Alliance Bank*

Network of mutual financial institutions to release capital and serve their members while maintaining independent brand, local ownership and presence.



Connected with Our Customers

Our Bank seeks opportunities for our customers to connect with us anywhere and anytime they choose.

Our well-established geographic footprint provides full banking services via 650 service outlets across Australia. We have strengthened our network of mobile relationship managers to ensure we deliver personalised, immediate and convenient services to support our customers when and where they need us. This is an important offering that responds to their specialised needs, especially those located in remote areas, and in farming communities.

Through a network of more than 60 broker and mortgage manager businesses, and more than 5,000 mortgage brokers, we provide innovative and affordable mortgage products and support our partners through exceptional service.

Customers have access to their banking and phone support 24/7. In the past financial year, the number of online applications and traffic to our website has increased, and the Bendigo Bank app continues to be well received, downloaded by more than 560,000 customers as at 30 June 2017.

182

Bendigo Bank branches

316

Community Bank® branches

21

Alliance Bank® branches

15

Delphi Bank branches

9

Rural Finance/
Rural Bank branches

114

Customer Service Agencies

1000+

ATMs

80+

Bendigo Bank mobile and business development managers

60+

Rural Bank/Rural Finance Relationship Managers

5,000+

Mortgage brokers

560,000+

eBanking customers

Innovation, Awards and Recognition

Innovation

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To remain relevant and connected to our customers, we must strive to ensure our products, services, systems and technologies are relevant and provide the foundation for an exceptional banking experience, every time. Feedback from our customers has guided the evolution in our processes and product suite, and has forged partnerships that are both innovative and valued by our customers.

Bendigo Connect

The Bendigo Connect Home Loan Package was introduced in March 2016 following valued customer feedback about being rewarded for loyalty. Bendigo Connect allows customers to choose from a range of products that suit their individual needs, with discounts offered to both the home loan and complementary products. It is designed to help customers to pay down their debt while building and protecting their wealth. Since its release in 2016, about 60 percent of all new Bendigo Bank home loan customers have taken up the Bendigo Connect Home Loan Package, indicating the product's suitability to the needs of our mortgage customer base.

Farm Management Deposit (FMD) Offset Account

Rural Bank released its new Farm Management Deposit (FMD) Offset Account in 2016, the first and only one of its kind in market. Developed in response to legislative changes in FMD criteria, this innovative solution assists farmers to better manage their cash flow fluctuations, allowing them to set aside and earn interest on pre-tax income from profitable years, and draw down on it when needed most, while gaining potential tax advantages. The market-leading Rural Bank FMD Offset account enables farmers to offset funds held in an FMD account against the balance of an eligible variable rate Rural Bank Term Loan, which may assist in reducing farm business funding costs.

Tic:Toc

In 2017, Bendigo and Adelaide Bank entered into an equity partnership with Tic:Toc to launch a new, innovative mortgage lending solution, the Tic:Toc Home Loan. Tic:Toc allows consumers to receive loan approvals in just 22 minutes, giving customers greater choice in how they want to interact with a financial institution, and offering an appealing alternative for eligible home buyers and home owners.

Android Pay

Bendigo Bank launched Android Pay in 2016, meaning customers could add their Bendigo Bank credit and debit cards to the Android Pay app. At the same time, the Bank also launched Protect + Pay, which allow customers to

protect their card in the event it is misplaced or stolen, and control how their card can be used for payments.

Bendigo Socially Responsible Growth Fund

The Bendigo Socially Responsible Growth Fund launched in 2016. It is certified by the Responsible Investment Association of Australasia and engages Sustainalytics, a responsible investment research firm to provide ongoing, independent reporting to assist in meeting the fund's environmental, social and governance considerations. Investing primarily with ESG conscious investment managers, the fund is also an investment option within the award winning Bendigo SmartStart® Super fund.

Salvation Army Tap to Donate

With less people carrying cash than ever before, modern fundraising can be a challenge for many not-for-profits. In response, Community Sector Banking, Quest Payment Systems and Bendigo Bank formed a partnership with the Salvation Army to assist with their Red Shield Appeal. Using new technology in the form of Donation Point Tap, the Salvation Army was able to raise an additional \$55,000 for their programs. The partnership was a first for the not-for-profit sector and an example of how the Bank continues to deliver innovative solutions for not-for-profits.

Share Trading Platform

Since the release of the Bendigo Invest Direct (BID) offering in February 2016, the average monthly number of new customers applying to trade through BID online has doubled compared to the service previously offered. There has also been a 300 percent increase in the number of **Community Bank®** customers registered with BID, and a 150 percent increase in the number of customers overall registered to use the trading platform, both year on year.

SIDA

The Social Investment Deposit Account (SIDA) is a Community Sector Banking investment account that aims to generate income for organisations committed to positive social change, while providing a secure and competitive return. Community Sector Banking contributes 50 percent of net profit toward supporting positive social outcomes through their grants program, and customers can donate an agreed tax deductible percentage of interest earned on the account to maximise the combined social impact. Since 2013, \$550,000 has been granted via the Social Investment Grants Program.

miVoice

miVoice is an online community forum that provides customers an additional place to communicate with us. In a secure and protected space, customers can share their views, opinions and ideas on our products and services, but also the issues they are passionate about, including social and environmental concerns. The Bank currently has more than 1,300 miVoice customers, taking part in polls, discussions and surveys on targeted business and non-business related topics including ATM accessibility, community engagement and environmentally responsible initiatives. Website and app developments to connect the miVoice community with the Bank are in progress.

Awards and Recognition

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Our commitment to being Australia's most customer connected bank is measured in a number of ways, including the awards we receive for valued product offering, outstanding customer service and social responsibility.

Victorian Corporate Citizen of the Year

Bendigo Bank has been named Victoria's Corporate Citizen of the Year for 2017 for outstanding public service. Bendigo Bank is the only company to receive this accolade twice.



CANSTAR 5 Star rating

- Bendigo Bank – Bendigo SmartStart Super®
- Leveraged – Margin Loan Star Ratings for Outstanding Value for the Leveraged Direct Investment Loan product

Rural Bank was awarded an Innovation Excellence Award for the Rural Bank Farm Management Deposit Offset Account.

Roy Morgan

Bendigo Bank continued to be the top retail bank this year for customer advocacy¹ and customer satisfaction².



Bendigo Bank Business Banking

Awarded best Non-Major Business Bank in the RFI Group Australian Business Banking Awards for 2017.



Forrester Customer Experience Index 2016

Number one in Forrester's Australian Customer Experience Index across all Australian industries surveyed for the past two years.

AMR Corporate Reputation Index

Bendigo Bank was ranked the most reputable Australian retail bank in the 2017 Corporate Reputation Index.

Bendigo Bank Credit Card Offering

Ranked second in the J.D. Power Asia Pacific 2016 Australia Credit Card Satisfaction Study.



B Corp Certification

B Corp certification is a rigorous, globally recognised certification for businesses that use the power of business to solve social and environmental problems. Community Sector Banking has been certified as a B Corp since 2014, the first banking service in Australia to do so. In 2016, two of our Alliance Banks, BDCU Alliance Bank and Circle Alliance Bank gained B Corp Certification.

Mozo

Bendigo Bank was the only provider to be awarded in all eight banking categories, and rated the top bank in six of the eight categories in the 2017 Mozo People's Choice Awards. Rural Bank was awarded an Experts Choice Award for its Rural Bank ONE Saver Account and Rural Bank ONE DIY Super Saver Accounts.



Financial Review Smart Investor

At the most recent Financial Review Smart Investor Blue Ribbon Awards, the Group took out the following awards;

- Bendigo Bank Connect Package – Winner, Best Fixed Interest Property Investment Loan
- Adelaide Bank SmartFix loan – Highly commended, Best Fixed Interest Property Investment Loan category
- Leveraged – Highly Commended, Best Margin Loan category

Investment Trends Margin Lending Report

Best Margin Lender for overall customer satisfaction for two years running across Stockbroking, Financial Planning and Investor (jointly) and rated highest for advocacy across Financial Planners and Stockbrokers in the Investment Trends Margin Lending reports.

¹ Roy Morgan Research, Advocacy Report – Financial Institutions, MFI customers, 6 months to June 2017 (excludes Foreign & Mutual banks)

² Roy Morgan Research, Consumer Banking Satisfaction Report, 6 months to June 2017 (excludes Foreign & Mutual banks)

Message from the Chairman

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The 2017 financial year was a good year for our Bank. Our cash earnings were \$418.3 million, which represents a 4.2 percent increase on the previous financial year. Cash earnings per share were 88.5 cents, a 1.2 cent increase on previous financial year.

The full year dividend is 68 cents per share, with a 1.5 percent discount for shares issued under both the Dividend Reinvestment Plan and Bonus Share Scheme.

Our Group's strategy continues to drive the direction of our organisation. It is the foundation that has underpinned our solid financial performance. Our focus on achieving positive outcomes for all of our stakeholders has resulted in high trust and customer advocacy for our Bank.

The environment remains one which continues to challenge all industry participants. Our Bank has seen significant change in the economic landscape over time. One of the many strengths of our Bank is not simply how we respond to our environment, but in how we compose our business to manage changing conditions, and continue to grow.

Our accelerated focus on making substantial investments will position our Bank for future success. Progress towards Advanced Accreditation continues. Our significant investment has already improved our risk management capability to ensure our Bank can operate on a level playing field with major banks. Future announcements from APRA on risk weighted assets will better inform this progress.

We continue to invest in our people, who are critical in driving success for our customers. In the past financial year, we have implemented programs that support development and build resilience. This investment in the capability and wellbeing of our 7,400 employees will underwrite our success in the future.

Our Bank considers our impact on the financial, social and environmental outcomes of the communities in which we operate. These considerations underpin the concept of Shared Value, where business success and community wellbeing is intertwined; that for a business to prosper, the community it serves must also prosper.

We understand that by identifying and addressing social problems that intersect with business, we create measurable business value. We see this in practice at Bendigo and Adelaide Bank in many forms, but in particular in the partnerships we forge to drive positive outcomes for our customers and their communities.

Our **Community Bank**[®] model continues to deliver tangible benefits for many communities and our business. The model experienced about 9 percent balance sheet growth this year more than \$16 million in **Community Bank**[®] profits were reinvested into more than 300 local communities in the 2017 financial year. The impact of this funding supports the sustainability and prosperity of these communities, generating local employment opportunities and provides an investment option for local people. I would like to thank the **Community Bank**[®] directors and their supporters and staff for all their hard work and valued contribution to our organisation and to their communities.

An Australian first shared value partnership between a tertiary education provider and a financial institution was launched this year. Deakin University **Community Bank**[®] partnership has exceeded the Bank's expectations, and is already achieving positive outcomes for those connected with the Deakin University community.

In its third year in operation, the **Alliance Bank**[®] model has responded to the demands that increasing regulation and new technology has on smaller financial institutions. The model allows participating former credit unions to remove themselves from prudential regulation by offering our Bank's products and services while maintaining their individual identities.

As a result, capital released has been reinvested into programs that will improve future prosperity for their communities.

We are extremely proud of our successes to date. Our deeply entrenched customer focused culture, and the reputation of our Bank is well recognised in an environment where the conduct and culture of our competitors is called into question.

We continue to execute with urgency to achieve our vision of being Australia's most customer connected bank, while cultivating an environment that allows communities to thrive and prosper.

We are excited about the future of our organisation. On behalf of the Board, I would like to thank you for your continued support of our Bank.

Robert Johanson
Chairman

We are extremely proud of our successes to date. Our deeply entrenched customer focused culture, and the reputation of our Bank is well recognised in an environment where the conduct and culture of our competitors is called into question.



Message from the Managing Director

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The Bank reported a pleasing result this financial year. Our balance sheet remains strong and our funding position continues to be industry leading, providing flexibility for executing on growth opportunities.

Importantly, we are able to organically generate capital to achieve APRA's unquestionably strong capital benchmarks well within the required timeframe, given what we know today. The significant investment to move to advanced accreditation has increased our risk management capability, and is an important strategic asset for our Bank.

There is much to be considered by our Bank and by the banking industry as a whole host of new regulation has been implemented to further ensure banks operate with the best interests of consumers in mind. We are pleased to see the positive outcomes of APRA initiatives that addressed the industry's uneven playing field in the recent past, and the Federal Government's major bank levy will further assist in adjusting the competitive advantage the majors receive through regulation.

The fact remains that major banks have long been seen by ratings agencies as too big to fail, and as such, they receive an increase in their credit rating that other banks, such as our Bank, do not receive. This has provided a fundamentally significant benefit for major banks to raise funds at cheaper rates in wholesale markets, leading to a significant distortion in market dynamics through improved competition and customer choice. The major bank levy simply responds to this well understood fact and is an attempt by the Government to even up competition.

Despite the concerted effort required to navigate through this changing regulatory environment, our Bank continues to grow and thrive. We are well-placed in this environment because of what we do for our customers and the communities in which we operate. Our actions have built a level of trust and customer advocacy that is a standout among our competitors. We have been awarded for having the best customer service in the industry, and our Net Promoter Score is the highest among the major and second tier banks. Our Bank is number one in Forrester's Australian Customer Experience Index across all Australian industries surveyed for the past two years.

We have achieved this because our customers remain at the heart of our Group's strategy. Our customers are our greatest advocates, and we continue to focus on providing them with a market leading experience.

Our desire to excel in customer service and help our customers achieve their financial goals drives us to provide the experience that every Australian should expect from a bank.

We continue to invest in digital technologies to support our customers. Driven by customer insights and enabled by an innovative workforce, we are rapidly progressing our digital capability to better connect with our customers, and we forge partnerships that will help us to accelerate this.

We believe it is paramount that our customers have the utmost confidence and trust in our Bank. This is why we've taken actions over time that we believe address issues relating to conduct and culture in the banking and finance industry.

Our approach to reward and remuneration has traditionally been different from the accepted industry standard. Today, we see that our well-established practices are consistent with building the conduct and culture that customers and independent authorities expect from the banking industry. We believe the Sedgwick Report's recommendations are long overdue and will prompt necessary broad scale change to performance management and remuneration practices in the banking industry. They will not, however, require any great change for our staff as we never adopted remuneration practices that could give rise to a conflict with the interests of our customers.

We are extremely proud of our customer focussed culture and we are confident in our company's conduct and practices, but we know that there is always scope to provide even better service and support to our 1.6 million customers.

Our Bank is very proud of our hard earned reputation, our commitment to great customer service and our role in feeding into the prosperity of the communities in which we operate. Our actions in delivering on this promise are real and there for all to see.

I would like to thank our people for their efforts in striving to achieve our vision of being Australia's most customer connected bank; our partners for working with us to that end, our customers for their support and advocacy and, importantly, our shareholders for providing us with the capital to make it happen.

Mike Hirst
Managing Director

Our Bank is very proud of our hard earned reputation, our commitment to great customer service and our role in feeding into the prosperity of the communities in which we operate.



Building 21st Century Communities

Our People

We believe that individual, positive actions create a workforce that's pleased to come to work, is proud of our company, understand the needs of our customers, and genuinely care about making a difference in the community.

Measurement	2017	2016	2015	2014	2013
People ¹	7,432	7,379	7,206	7,039	6,966
Women Employed (%)	61.4	61.5	61.5	62.3	
Women employed in management roles (%)	40.0	38.2	37.8	33.2	
Women employed in senior management roles (%) ²	28.9	28.5	28.0	23.2	27
Training (hours) ³	96,943	97,617	108,076	94,029	-
Staff working flexibly (%) ⁴	13	9.2	7.5	4.6	4.1
Lost Time Frequency Injury Rate (LTFIR) ⁵	1.3	1.4	1.5	2.7	-
Employee Turnover (%) ⁶	10.66	11.56	10.72	11.38	10.66
Absenteeism	6.51	6.41	6.46	6.57	-

¹ Total headcount for Bendigo and Adelaide Bank Limited and **Community Bank**[®] Companies. The total full time equivalent (FTE) employees of Bendigo and Adelaide Bank only fell by 118 during the financial year.

² WGEA methodology as of 30 June.

³ Based on average time taken to complete online training modules (45 minutes) and workshop training modules (1.5 days).

⁴ Excluding purchased leave.

⁵ Workplace Safety Australia.

⁶ For Bendigo and Adelaide Bank Ltd.



Neerim South Wetlands project - supported by a Neerim District **Community Bank** grant.

Diversity and Inclusion

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We focus on embedding an inclusive culture where everyone is treated with respect and has opportunities to develop and grow through inclusive recruitment practices, life stage and flexibility initiatives.

Key D&I opportunities	Organisational objectives 2015-2018
Increase diversity – our workforce	Sustain a diverse team who reflect a diverse customer base, the partners we work with and the communities in which we operate.
Inclusive culture – life stage and flexibility	Flexible work practices that support each employee’s life stage.
Inclusive culture – inclusive recruitment	Attraction, recruitment and selection practices at all levels are structured so that a diverse range of candidates are considered, free of bias.
Gender balance – women in leadership	Increase the proportion of women in leadership roles across the organisation from 37% to 42% by 2018.

Women in Leadership

Our Women in Leadership Program is a unique leadership development program that provides our senior women the opportunity to build confidence, resilience and capability to become a leader.

The program, implemented in 2015, aims to assist our women leaders to increase their profile among senior leaders in the business, establish sponsors and networks group-wide and proactively champion gender balance in leadership at the Bank.

The participants stay connected with Executives, Senior Leaders and a broader group of women during and after the program, sharing stories and requesting information to increase awareness of the influences, highlights and challenges they encounter.

Flexibility

We promote and implement family-friendly initiatives to assist our people in managing the responsibilities of work and family. Healthy, happy and productive staff is one of the key ingredients in helping our people maximise their potential. A range of flexible working practices, including working from home (on a regular basis or ad hoc), compressed work weeks and the purchase of additional leave, are available to our people. About 13 percent of employees have a formal flexible work arrangement in place, an increase from 9.2 percent from last financial year. To assist with returning to work following parental leave, after school rooms and parenting rooms are located in all head offices. Employees who take parental leave can stay in touch through our online portal, allowing them regular access to information to assist in a smoother transition back to work.

Diversity and Inclusion continued

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Mid/late Career Employees

In the 2017 financial year, the Bank partnered with the Australian National University's Research School of Management to research the attitudes and needs of employees who were 45 years and older about their attitude to a range of mid/late career specific issues. The findings showed that our mid/late career employees are engaged and satisfied, with several opportunities identified to further support their specific needs.

LGBTI Network

The Bank formed an LGBTI network called Kaleidoscope in the 2017 financial year, comprising 14 employees from across the Group. Their objective is to create a safe, inclusive and empowering environment for LGBTI employees, customers, partners and communities. In FY2018, the Group will begin a number of activities to help reach this goal. These will include offering LGBTI awareness and education sessions to leaders and employees, providing information and tools regarding LGBTI support, reviewing key policies to ensure they are inclusive and sharing profiles of some LGBTI employees.



Resilience in our Workforce

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The equip resilience program has been developed to give our people a set of skills that they can draw upon to boost their resilience and wellbeing when faced with change or adversity.

In 2016, the Bank launched the program Group wide, and anticipate all employees to be trained in resilience skills in the 2018 financial year. A holistic measurement tool is used by staff at the beginning and end of the program to track progress, providing individuals and the Bank with valuable demographic insights to continue to build resilience.

The Bank commenced the **Mental Health First Aid (MHFA)** training program in 2015, providing staff with information and skills to support colleagues, friends or family who are facing a mental health issue. To date, about 300 staff have attended the two-day program. Participants learn about the signs and symptoms of common mental health problems, such as depression and anxiety. They gain knowledge of how to provide initial support, where and how to get professional help, and how to provide mental health first aid in a crisis situation.

Ensuring the mental health and wellbeing of our staff is just as important as teaching them how to help others. The **Employee Assistance Program (EAP)** is a confidential counselling service available to all employees and their families. This service aims to assist employees to manage personal, family and work-related challenges before they worsen and affect their personal wellbeing and work performance.

Supported by internal networks, **Speaking Up** allows people to be respectfully heard on matters including;

- Unethical, unacceptable behaviour or serious and wilful misconduct
- Workplace bullying and harassment
- Fraud and financial crimes
- Drug and alcohol misuse
- Work health and safety
- Grievances or equal employment opportunity concerns.

Our Bank is committed to promoting a culture of ethical behaviour and compliance, where all our decisions, actions and behaviours reflect our Code of Conduct and our corporate values.



With a focus on healthy and vibrant farming communities, Rural Bank is building connections for generations.

Investing in Healthy Agricultural Communities

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Rural Bank's partnership with the National Centre for Farmer Health (NCFH) is making a difference by improving the health and wellbeing of Australian farming families.

In the 2017 financial year, Rural Bank and the National Centre for Farmer Health attended eight Field Days across Australia, conducting free health and lifestyle assessments for almost 500 farmers. Knowing that sound decisions are made by fit and healthy individuals, this is a critical investment in building robust farming businesses and communities.

The **21st Century Farmer Project**, undertaken by Rural Bank and the Regional Australia Institute, challenges some of the accepted assumptions about Australian farmers. The survey was designed to build deeper knowledge and understanding of family farm businesses, particularly the characteristics of high performance. Key findings include that high performing

farmers of all ages are solidly production focused, motivated by efficiency and more inclined to be innovation watchers, and fast followers in adoption. These findings have provided valuable insight into Rural Bank's farming customers to better deliver on their expectations.

Rural Bank's insights team, **Ag Answers™** researches and presents regular reports into agricultural commodities, farmland values, farm business performance and topical agricultural issues.

The **Australian Farmland Values 2016** report is an example, providing farmers with valuable insights into the historical performance of agricultural land at a national, state and local level. The latest report showed the median price of farmland in Australia increased by 9.3 percent in 2016, while average annual growth has been 6.4 percent over the past 20 years.

Ag Answers™ also combines the expertise of renowned meteorologist, Jane Bunn, with local seasonal insights to present monthly weather updates for farmers in each state.



Emu Park Anzac Precinct project - proudly supported by the Emu Park **Community Bank**® Branch.

Community Bank®

Bendigo Bank's Community Bank® model is unlike any other banking model.

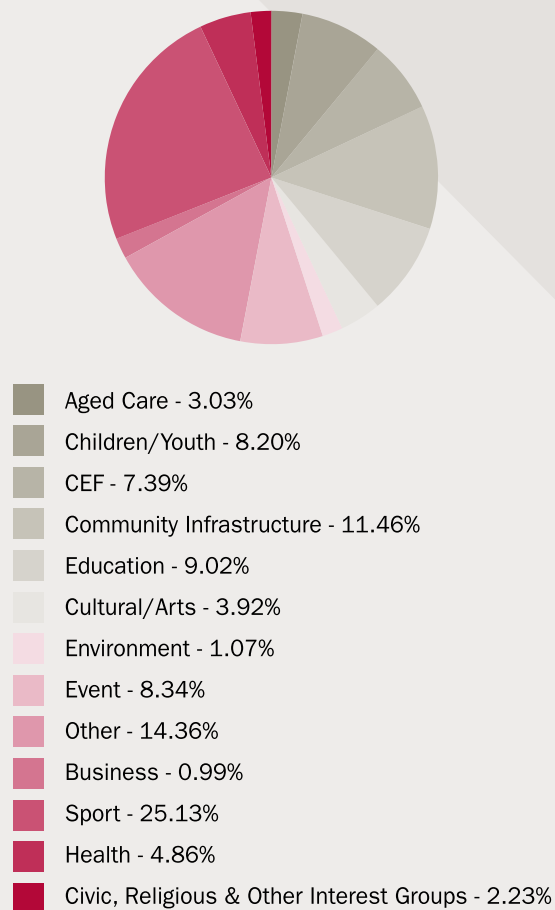
The concept was developed from community angst as major banks reduced their branch presence by about 30 percent in the 1990's, leaving regional towns without a local banking presence. This event sowed the seeds for a response to a pressing economic and social need; to retain local capital in the community by restoring a local banking presence.

Bendigo Bank created the **Community Bank**® model with the genuine belief that all Australians are entitled to receive quality banking services and specialist financial advice, no matter where they live.

But what began as an alternative banking model has today become a network of people and communities taking greater control of their financial futures, investing something of themselves to shore up the prosperity and sustainability of the place they call home. Almost 20 years on, **Community Bank**® branches have injected more than \$165 million into Australian communities, contributing to the social and economic sustainability of 316 Australian communities.

The model requires partnerships with local people and community enterprises to provide communities with quality banking services, employment opportunities, a local investment option for shareholders, and importantly, a source of revenue for projects determined by local people.

Community Bank® Contribution by Sector (%)



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. To ensure funding is directed to where it is needed most, **Community Bank**[®] companies regularly host community forums, offering local people the opportunity to connect and share their ideas for improving their community. In doing this, the Bank endeavours to create an environment where people contribute to making communities successful, and we believe this creates an environment in which to run a successful business.

See the Change Community Bank[®] Branches Make

Community Bank[®] companies play an active role in maintaining and enhancing the sustainability, liveability and resilience of communities by investing in initiatives that build social, economic or technological capital in communities. Initiatives supported can vary greatly but are always based on community need, and are actioned at their request. What has commenced as financial support for local projects and initiatives has evolved over time to see communities collaborate to drive outcomes that positively impact towns and major centres.

Collaboration is a key ingredient in helping local people create the places they want to live in.

In the first instance, the people who collaborate with Bendigo and Adelaide Bank to see the **Community Bank**[®] model thrive are among the organisation's greatest asset. There are approximately 1,900 predominately volunteer directors who impart their invaluable knowledge and commit their time to ensure communities are built for long-term success.

In the second instance, the collaboration between the **Community Bank**[®] companies in addressing societal issues further harnesses the power of people who unite to make a difference. In 2017, the Bank met with about 1,000 **Community Bank**[®] directors and senior employees across all states and territories to assess the key community building issues in their communities. Furthermore, about 75,000 local shareholders invest in their local **Community Bank**[®] company, strengthening the model through local ownership.

A renewed commitment to collaborate via geographic clusters has further advanced the causes of communities who experience common issues in areas such as youth engagement, aged care, unemployment, drug and alcohol abuse, mental health, and connection and belonging. **Community Bank**[®] companies invested more than \$16 million into their local communities in the past year into their local communities to address these issues and many others, as well as provide funding solutions that contribute to long term sustainability.

In the third instance is the collective force of those powering the **Community Bank**[®] model to elevate issues and garner support across all levels of government, not-for-profit organisations, like-minded community groups and the private sector. One example is the Emu Park Anzac Precinct project, a memorial to local ANZACs, including a gatehouse and boardwalk linking the memorial to the foreshore. Emu Park **Community Bank**[®] Branch worked closely with the Shire of Livingstone, RSL and other local organisations and businesses to build the \$2 million precinct, contributing \$150,000 in funding. The precinct has become a popular local tourist attraction and a vibrant meeting place for locals, boosting the economic and social prosperity of the town.

Another example is the 'Field of Dreams' project, a new sporting stadium for the Lang Lang community in Victoria which has been in the making for more than 10 years. The Lang Lang **Community Bank**[®] Branch committed the initial \$3.3 million to the project and, importantly, lobbied government and the private sector to provide the additional \$15 million required to build the sporting ground in time for the 2018/2019 cricket season.



Lang Lang field of dreams.



Alliance Bank®

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Alliance Bank® was established in 2015 in response to the demand that increasing regulation and new technologies have on smaller financial institutions.

The Bank and an initial alliance of four Australian mutual companies – AWA, BDCU, Circle and Service One – created the Alliance Bank® model, enabling participating former credit unions to release themselves from the burden of prudential regulation by offering the Bank’s suite of products and services, while maintaining their independence and individual identities.

The model adds an important revenue stream to the communities in which these local companies operate. Member capital, previously held for prudential requirements, is released for reinvestment and to do good things for members and their communities. One such example is the Do Good Fund. Alliance Bank® partners have established this fund, committing \$2.18M to social impact loans. Social impact loans are an important part of creating shared value outcomes for all stakeholders. The first initiative in the Do Good Fund is an Apprentice Support

Program developed by BDCU Alliance Bank®. The program developed to address youth unemployment came about following extensive community consultation and is actively supporting trade apprentices through mentoring, education and financial support as they start their careers. A large project in the Do Good Fund is the development of a new basketball stadium in Geelong, the result of a partnership between AWA Alliance Bank® and Basketball Geelong. Service One Alliance Bank® has contributed to the Do Good Fund through an initiative that is expected to make a significant impact on the social enterprise sector in its region. In consultation with the University of Canberra and the Canberra Business Innovation Network, it aims to assist for-purpose entrepreneurs by applying rigor to both their businesses and social impact models to ensure success operationally and in realizing their purpose. Six organizations in Canberra have been accepted for funding and support into the first 3-month program.

Now in the third year of the partnership, our Alliance Bank® customers benefit from an enhanced suite of competitive banking products and services provided to them under the leadership of their long standing, trusted mutual companies. This is resonating as Alliance Bank® has been increasing its market share.

Supporting Disaster Recovery

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Natural disasters have a devastating social, environmental and economic impacts on communities, often for months and years following the event. Funding support from Bendigo Bank and its customers addresses the medium to long term needs of communities. In the last financial year, the Bank joined forces with the Foundation for Rural and Regional Renewal (FRRR) launching the Cyclone Debbie Recovery Fund Appeal. Donations made to this appeal support the recovery efforts following Cyclone Debbie, which affected communities across Queensland and northern New South Wales.



Deakin University Community Bank® opening.
Photography By Simon Fox Deakin University

Deakin University Community Bank®

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Deakin University Community Bank® is an Australian first shared value partnership between a tertiary education provider and a financial institution.

Based on Bendigo and Adelaide Bank's well-established Community Bank® model, the Deakin University Community Bank® assists the university to deliver sustainable community outcomes.

Through staff, students and alumni choosing to bank with Bendigo Bank through Deakin University Community Bank®, contributions are directed to the university community to fund activities such as clubs and societies, scholarship and research programs, or community projects.

As an example, Deakin University Student Association has already been a beneficiary, with funds directed to programs as voted by students at O-Week. Since it was established in September 2016, the performance of Deakin University Community Bank® has exceeded the Bank's expectations, reaching profitability within its first 12 months of operation.



Towards Sustainability

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We support long term strategies that aim to reduce our environmental footprint.

We provide full disclosure of our carbon emissions, and where relevant, we consider the social and environmental outcomes of the business decisions we make. We also develop and participate in initiatives that offset our environmental impact, encouraging others to do the same.

Carbon Emissions Disclosure

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Our Group has voluntarily reported our carbon emissions since 2011 to the world's largest database of carbon information, Carbon Disclosure Project (CDP).

Our total CO2-e emissions for this year were 35.23kt compared to total CO2-e emissions for last year of 36.79kt. The 4.2 percent decrease from the previous year is attributed to a reduction in the Group's electricity and paper consumption.

FY2013	FY2014	FY2015	FY2016	FY2017
37.19kt	37.28kt	37.77kt	36.79kt	35.23kt

Statement of Commitment to the Environment

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In 2010, the Bank's Executive team formally established its Statement of Commitment to the Environment.

This statement articulates the Bank's commitment to making a positive contribution to the communities in which we operate by taking part in activities that are in the best interests of the environment.

In this statement, the Executive team pledge to;

- 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



The Maroochydore community celebrating World Environment Day.

Printing our Annual Review

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The paper used in this years Annual Review and Annual Financial Report has been sourced from responsibly managed forests and made under the ISO 14001 Environmental Management System accreditation.

The paper used for the text pages is proudly manufactured in Australia.



ISO 14001
EMS Certified

CERTIFICATION #NC344



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The Environment in our Business Decisions

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Coal and Coal Seam Gas

Our Bank considers the social and environmental outcomes of the business decisions we make. As an example of these considerations, our Bank does not lend to projects in the coal and coal seam gas sectors, and we have taken a pragmatic approach that says it makes no sense to broaden our footprint by starting to do so.

eShareholders

eShareholders receive communications electronically, reducing the need for printed materials. The Bank encourages its shareholders to register for electronic communications, with more than 33 percent now receiving annual reports, notices and announcements electronically, up from 22 percent last year.

eStatements

eStatements offers customers choice in how they receive banking information while reducing paper consumption. Since it was launched in June 2015, about 37 percent of Bendigo Bank customers request to receive their statements electronically, up from 30 percent last financial year.

Environmental Sustainability in our Workplace

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The Bank aims to reduce its use of natural resources where possible in our offices and throughout our branch network. We do this through initiatives that reduce waste, save energy, water and paper, and improve energy efficiency.

Energy Ratings for Corporate Sites

The Bank's major corporate sites in Bendigo and Adelaide were designed and built with environmental sustainability and energy efficiency as a priority. Opened in 2008, the Bendigo Centre was the first 5 Star Green Star building in regional Australia, boasting a water treatment plant with the capacity to recycle 15,000 litres of waste water per day, underfloor air-conditioning for energy efficiency, and solar panels to reduce reliance on non-renewable energy.

The Bank's Adelaide office building achieved a 5 Star Green Star rating for construction, design and interior fit out and a Green Council of Australia 5 Star Green Star Office Interiors certification.

Using about half the energy of a typical office, the building features underfloor air-conditioning and central atria to encourage natural light, while more than 1,200 plants improve the health and wellbeing of staff.

Recycling and Waste

Where possible, our people recycle waste, including bottles and cans, cardboard and paper, and organic material. Staff in our Adelaide office split waste into these categories using designated bins located on every floor, and general waste bins are also provided. In the Bendigo and Adelaide corporate offices, staff recycled more than 28.9 tonnes of cardboard and paper this year.

Paper Reduction

Follow Me Printing is a print reduction initiative that allows staff to select documents to print from a networked printer, reducing unclaimed, misprinted or lost documents. All printers across the Bank's corporate sites are now Follow Me Printing enabled. The Bank also has a continuing commitment to purchase 100 percent carbon neutral paper for all sites.

Environmental Sustainability in our Community

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Greenfleet Partnership

The Group partners with not-for-profit carbon offset provider, Greenfleet to offset carbon emissions through its biodiverse revegetation program. The Bank's contribution in FY2017 to the Greenfleet Program will see 17,843 trees planted across Australia, improving water quality, reducing soil degradation and providing essential habitat for native wildlife.

Earth Hour

The Bank has turned off lights across its Bendigo, Adelaide, Melbourne and Sydney corporate sites for one night in March each year since 2009, encouraging customers to do the same. The 2016 Earth Hour partnership celebrated 10 years of the sustainability movement, a reminder that many, small actions to improve the environment can have a real impact.

Local Community Initiatives

Through our community partnerships, we empower local people to develop and implement initiatives that create positive environmental outcomes today and for the future. Last year, about \$200,000 in **Community Bank**[®] profits supported local environmental initiatives, including;

Wetlands for Neerim South

After almost a decade in development, Neerim South locals enjoy the Neerim South Wetlands, a sustainability project initiated during the 10 year drought. Neerim and District **Community Bank**[®] Branch returned \$80,000 to assist, along with funding provided by the State and Federal Government and other seed funding partners.

Free Native Plants for Bayswater

Noranda **Community Bank**[®] branches in Western Australia have committed \$60,000 over three years in a partnership with Environment House, who support local people to improve the environmental sustainability of their local towns and suburbs. As part of this partnership, residents of the City of Bayswater have access to 10 free native plants for their homes and businesses in 2017.

Sustainability in Narre Warren

Students from Narre Warren South P-12 College in Victoria are improving the sustainability of their school with a grant from Narre Warren **Community Bank**[®] Branch to fund their Eco Shed Project. The school has established a shed with solar panels, timber insulation, and an edible garden, which will provide fresh produce for the café the school hopes to open soon.



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Financial Inclusion and Participation

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Financial inclusion is an important measure of an equitable society. Our Bank has a responsibility to support groups in our community who experience exclusion or disadvantage, and assist them to participate. While offering financial services to all Australians is the fundamental activity of a bank, we understand that banking is much more than simply a transaction of money. This approach underpins our operations, product offering and initiatives to assist people to overcome exclusion due to disadvantage and empower them to improve their lives and communities through participation.

Building Resilience for Indigenous Communities

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Jawun

Bendigo and Adelaide Bank's partnership with Jawun is now well established. Jawun is an innovative not-for-profit organisation which places skilled people from Australian companies and government agencies into indigenous organisations.

Twelve employees have undertaken six week secondments since the introduction of the program, sharing their skills and expertise to help indigenous leaders and organisations in the Goulburn Murray region in Victoria, and the Lower River Murray, Lakes and Coorong region in South Australia.

Secondees have gained valuable leadership skills such as increased confidence, interpersonal skills and self-awareness. They also highly value the opportunity to deepen their understanding of indigenous culture, sharing their learnings with colleagues and leaders upon their return to work. Indigenous organisations have reported positive impacts in achieving their objectives for their organisations, transferring their skills and helping establish positive work practices.

Reconciliation Action Plan

Community Sector Banking launched its second Reconciliation Action Plan (RAP) in March 2017. The new RAP reaffirms our long-held commitment to reconciliation, promoting strong partnerships and increased collaboration between our business and Aboriginal and Torres Strait Islander communities, and ongoing support for our Indigenous staff throughout their careers.



Traditional dancers from Koori Kulcha Experience at the launch of Community Sector Banking's Reconciliation Action Plan.

A Bank for the Nauruan People

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In 2015, Bendigo and Adelaide Bank opened its first customer service agency in Nauru, restoring banking services for its 10,000 plus citizens after a 15 year absence.

The motivation for restoring banking services in Nauru was recognising the difficulty in creating successful and sustainable communities without a banking presence.

Since the opening of the Bendigo Bank agency in Nauru;

- More than 8,500 accounts have been opened, with more than \$50 million safely and securely held.
- Local workers are paid directly into these bank accounts, meaning that having somewhere safe to keep savings is again possible.
- The Asian Development Bank has pledged \$350,000 to a financial literacy program in Nauru. The program will assist local people to manage their finances to save and invest for their future.

Finance for Victims of Family Violence

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Family violence is a major social issue in Australia, and is considered the principle cause of homelessness for Australian women and their children.

The Bank and its partners have developed programs and formed strategic partnerships to help close the gap for those in between crisis and needing to re-establish their lives following family violence.

Project Purple

In May 2017 the Bank launched a pilot program in South Australia to offer reduced interest rate finance to people affected by domestic violence. Partnering with domestic violence support agencies as referral partners, the Bank is working to expand this program into other states. The Bank offers two products, the Purple Personal Loan and the Purple Credit Card, with a maximum limit of \$5,000 each to assist those affected by domestic violence to remain independent when they leave their unsafe home environment.

Assistance Beyond Crisis Microfinance Program

In June 2017, the Banks Alliance Bank® partner, Service One, became a strategic partner and founding investor of the new Assistance Beyond Crisis microfinance program supporting victims of domestic violence. Service One Alliance Bank® provides interest free loans to people who have experienced and left a domestic or family violence situation. The loans are capped at a maximum of \$5,000 (dependent on income and repayment capacity), with a loan term of up to three years.



Rural Bank's relationship model enables customers to have personal, ongoing contact with staff throughout all seasons and cycles.

Funding Platform Supports Inclusion

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Our Communities funding platform embodies the essence of the Bank's Community Bank' concept in a virtual environment.

This funding platform encourages people to donate money, time or resources to support projects, binding people through shared interest and providing expertise and knowledge to achieve outcomes. Supported by the intricate connections our Bank has formed across Australian cities, towns and suburbs, more than \$170,000 has been funded over the past financial year for important local projects that foster financial inclusion and social cohesion, including;

HammondCare's Arts on Prescription Project, a fun and engaging program where professional experienced artists help older people explore creativity and learn new skills, while at the same time focusing on health and wellness. One of the latest projects on the Communities platform, the Arts on Prescription Project aims to meet their physical, emotional, intellectual and social needs of older people in Hammondville, NSW through art and music programs.

Kinglake West CFA upgrade of their Slip On Unit (small fire striker truck) to access rough terrain and smaller confined areas in bushfire situations. The new vehicle and equipment will help to protect Kinglake and surrounding areas. \$9,242 was pledged for this project, almost double the \$5,000 pledge goal.

Equity Release for Older Australians

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Since 2005, the Bank's joint venture, Homesafe Solutions has supported senior homeowners, in Melbourne and Sydney to access the equity in their homes without going into debt.

Unlike a reverse mortgage, Homesafe Wealth Release[®] provides homeowners with a lump sum payment in return for selling an agreed percentage share of the future sale proceeds of their home.

Homesafe offers senior Australians a funding alternative in retirement while protecting their right to reside in their homes until they choose to sell.



Supporting Australian Farmers

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Being a specialist agricultural bank enables Rural Bank to deeply understand agricultural cycles, the specific drivers of the sector and seasonal variations. Rural Bank's business model is based on strong relationships with farming customers, allowing for an informed and long term view of farm business performance over generations of farm families.

In times of seasonal or economic challenges, Rural Bank endeavours to meet with impacted customers to understand their unique circumstances and explore their options until they are in a position to make longer-term decisions. In May 2016, the milk price paid to farmer suppliers dropped, resulting in a reduction of about 20% in dairy farm milk income. At this time, Rural Bank was well positioned to quickly communicate with more than 90% of dairy customers and act proactively in supporting them through a tough period.

Employment Opportunities

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Bendigo and Adelaide Bank employs about 7,400, and is one of the largest employers in Bendigo and in the Adelaide CBD.

About 1,600 of our employee cohort are employed by more than 316 locally owned and operated **Community Bank[®]** companies.

Various Bank programs help to equip young people with the skills and knowledge to prepare them for the workforce, while others help to improve job prospects in specific areas.

Since 2003, the Bank has partnered with Bendigo Access Employment to support individuals to secure local, long-term employment.

About 50 staff have undertaken various roles across the Bank since it launched, connecting their abilities to employment opportunities.



Bendigo and Adelaide Bank employees Sarjeet Sandhu and Jennae Parker.

Reducing Homelessness and Poverty

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On any given night in Australia, an estimated 120,000 people will sleep rough, with about 20 percent being youth aged 12-25.

The Bank is involved in a number of initiatives to respond to this issue;

Community Sector Banking's Social Investment Grants Program offered \$200,000 to not-for-profits working to reduce homelessness in FY2016. Organisations from around Australia shared in our grant pool allowing them to drive innovative projects to address this growing issue. From training and employment initiatives, to nutrition programs and designing models of care, the impact will be significant. Community Sector Banking has a strong focus on building resilience and capability in people experiencing homelessness.

Launched in FY2017, **Bendigo Bank's Connected Communities Melbourne** is an extension of the Bank's shared value model, where Bank profits are injected into programs to address social issues in Melbourne. As an example of this work, 60 Bendigo Bank branches partnered with the Cotton On Group Unite Project selling bottled water in 2017 to help break the cycle of homelessness in Australia's second largest city. A \$2 bottle of Unite Project Nu Pure spring water supports charities addressing the four issues identified as major contributors to youth homelessness, including domestic violence, mental health, drug and alcohol addiction, and poverty.

Executive Local Connection, Alexandra Tullio and Rural Bank Managing Director and CEO, Alexandra Gartmann participated in the **2017 CEO Sleepout** in Adelaide, raising \$40,000 and bringing attention to the issue of homelessness in metro, regional and rural Australia.

The Group's Managing Director, Mike Hirst, joined other business and government leaders to sell **The Big Issue** Magazine in February to mark International Vendor Week and raise awareness for homeless and disadvantaged vendors.

Housing Affordability

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Community Sector Banking continued its focus on improving outcomes for Australians through social and affordable housing in FY2017.

Some initiatives include;

- The **Rental Affordability Index** is measured quarterly and released every six months, providing an interactive map of rental affordability across Australia. Drilling down to the postcode level, the Index revealed that inner city areas are extremely unaffordable for low and middle income households, putting extreme stress on pensioners, single parents, and key service workers like teachers, nurses and fire fighters.
- One of Australia's first examples of **shared equity home ownership** was made possible through a partnership with a Melbourne-based homelessness charity, a philanthropic property developer and Bendigo Bank. The project saw construction finance to complete an apartment building, as well as home loans provided to many of the new tenants. This innovative project aims to create a dent in the social housing wait list by transitioning social housing tenants into home ownership.

Real Estate Institute of Australia (REIA)

Adelaide Bank's long standing connection with the Real Estate Institute of Australia (REIA) has been an important partnership in driving the debate about housing affordability, ensuring it continues to be a priority issue for Local, State and Federal Governments, and the private sector. Additionally, to provide regular data on this issue for the mortgage broker industry, Bendigo Bank and REIA release the Housing Affordability Report quarterly, offering valuable insights into Australian capital city property sales and rental markets.

Keystart

The purchase of approximately \$1.35 billion of standard residential home loans from Keystart Housing Scheme Trust was formalised between Bendigo and Adelaide Bank and the Western Australian State Government in October 2016. The acquisition complements our existing business in Western Australia and improves our geographic diversification by increasing the proportion of our loan book in Western Australia from approximately 11 to 13 percent. Since then, the Bank has been working closely with Keystart to build a complementary banking package for their 60,000 customers, which offers a full suite of relevant products for home owners, bundled to provide real savings.



Bendigo Bank at the Big Hearted Project
- raising money for Love Your Sister.

Conquering Cancer Together

Cancer impacts many people in our communities and their families. Our Bank has undertaken a number of initiatives to support the prevention and treatment of cancer, especially breast cancer, including;

Otis Foundation

Bendigo Bank is a major partner of the Otis Foundation, a Bendigo based organisation who provides retreat accommodation at no cost across most Australian states and territories for anyone dealing with the challenges of breast cancer.

Love Your Sister Big Heart Project

Bendigo Bank has been a long-time supporter of Love Your Sister, an initiative started by actor Samuel Johnson and his sister, Connie Johnson. In 2017, the Bank took part in Love Your Sister's Big Heart Project to create the longest continuous line of five cent coins, in the shape of a love heart.

Bendigo Bank branches across Australia acted as a collection point for Big Heart Project donations, and counted the coins on behalf of Love Your Sister. More than 2.54 million was raised for the project.

Cool Cap Machines

A group of **Community Bank**[®] companies in Melbourne have joined forces with Ringwood East & Heathmont **Community Bank**[®] branches to purchase two cool cap machines for cancer patients undergoing chemotherapy treatment for the Coolheads Scalp Cooling Service. The \$145,000 funding provided means local cancer patients can access the cool cap machines at no cost.



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Investing in Future Generations

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Australian youth are important to the long-term success of our country. We believe that when we make an investment in our young people and for their futures, the whole community benefits. Our Bank is committed to working with young Australians, implementing programs and initiatives that help them to realise their potential and overcome any obstacles in their transition to adulthood.

Scholarship Programs

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The Bendigo and Adelaide Bank Scholarship Program was established in 2007 to address the disadvantage students from regional areas face in attending tertiary education compared to their metropolitan counterparts.

Starting from just one scholarship, the Bendigo and Adelaide Bank Scholarship Program has grown such that today it is the Bank's most financially and socially significant contribution to education, addressing the growing education gap between people living in regional and metropolitan areas.

The Program has seen consistent expansion over the past 10 years to include partners such as the Bank's **Community Bank**[®] network, La Trobe University, University of Melbourne and Montmorency Secondary College. Building on Rural Finance's 25 years of scholarship history, Rural Bank extended its Scholarship Program in 2017 to support nine undergraduate university students pursuing studies relating to agriculture and rural sustainability. Originating from all corners of Australia, the successful recipients represent the next generation of rural leaders who will bring fresh and innovative approaches to the agricultural sector.

Overall, more than \$1 million in funding was granted to students in 2017, with more than \$6.5 million in funding injected into Australian communities since inception, providing opportunities for more than 550 students to pursue their career ambitions.



Bendigo and Adelaide Bank Chairman, Robert Johanson, with Deakin University Vice-Chancellor, Jane Den Hollander, chat with Deakin University scholarship recipients.

	Commenced	Number of recipients	Total value of scholarships
Bendigo and Adelaide Bank Board Scholarship	2007	136	\$ 1,294,000
Alexander and Bridget Jones Montmorency Secondary College Scholarship	2014	8	\$70,000
Bendigo Bank / La Trobe University Scholarship	(2013 to 2015)	56	\$ 2,016,000 (includes La Trobe University accommodation contribution)
Community Bank® / La Trobe University Scholarship	(2014 to 2016)	6	\$ 180,000 (includes La Trobe University accommodation contribution)
Rural Bank Agribusiness Scholarship	2015	18	\$135,000
Rural Finance Agribusiness Scholarships	2014	27	\$336,000
Community Bank® Scholarship	2012	310	\$2,445,000
Haven; Home, Safe / Community Sector Banking Scholarship	2016 only	7	\$15,500
Bendigo and Adelaide Bank / University of Melbourne Jones Memorial Scholarship	2014		\$105,000
Total funded		568	\$6,596,500



Upskilling and Personal Development Programs

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Graduate Programs

The Bendigo and Adelaide Bank Graduate Program was established in 2012 to provide university graduates experience working in the financial services sector gaining skills across a variety of divisions that strengthen their chosen field of study. This year, nine students located in Melbourne, Adelaide and Bendigo were employed, with 28 graduates completing the two year program since it launched.

In addition to the Group's Graduate Program, the **Ag Achievers Graduate Program** offers training to university graduates to develop specialist knowledge in agribusiness and finance. As part of its commitment to growing rural leaders, Rural Bank welcomed three graduates in Victoria and South Australia in 2017, giving them a kick-start to their career and the opportunity to retain employment with the Bank upon completion of the program.

Work Experience

Established in May 2014, the Work Experience program provides Bendigo secondary school students with experience working in the banking and finance industry for one week. In 2017, about 50 students will experience a typical work day, with more than 200 students, teachers and staff working together to support and maximise the experience.

Industry Based Learning Scholarship

Since 1995, the Industry Based Learning Scholarship has funded students undertaking Computing or Information Technology degrees at La Trobe University, Bendigo, providing a year of industry experience as part of fourth year study. More than 80 students have received a scholarship, significantly increasing their learning outcome and employment prospects in their field of study. Many scholarship recipients have been employed at the Bank's headquarters in Bendigo, enriching the region with skilled technology professionals.

Camp Awakenings

For more than four years, Bendigo Bank branches across Regional Victoria have sponsored Camp Awakenings, an Australian youth leadership development program for Year 9 students.

This year, 37 Bendigo Bank branches from across Regional Victoria sponsored 53 Year 9 students to attend Camp Awakenings, helping them to build networks through friendship and trust and gain tools and skills to counter life's challenges.



Managing Director and CEO Rural Bank, Alexandra Gartmann with Eaglehawk Secondary College student Meghan Frederick - a recipient of the Australian Business and Community Network Foundation Scholarship.



Freshwater **Community Bank** Branch proudly supporting their local netball team.

Magic Moments Youth Leadership & Business Summit

The annual Magic Moments Youth Leadership & Business Summit is an intensive five day camp for 14-17 year olds, teaching them about business and leadership. It's a journey of self-discovery, helping teens to build self-esteem, identify emotions, and experience important life skills. **Community Bank**® partners have invested more than \$325,000 into this program, with funding for 220 young people granted since 2012, including 43 participants this year.

Australian Business and Community Network (ABCN)

Bendigo and Adelaide Bank has actively supported ABCN in South Australia, Queensland and Victoria since 2013 through various mentoring programs with high-needs schools to improve opportunities for disadvantaged students. In addition, the Bank has supported the ABCN Foundation Scholarship Program for year 11 and 12 students such as Eaglehawk student Meghan Frederick, who has her sights set on a career in medicine or scientific research. This funding assists in purchasing study resources and help alleviate the financial strain of further education.

Investment in Sporting Clubs

Recognising the important role that sport plays in improving physical and mental health and fostering connection and belonging for young people, Community Bank® companies actively support of grass roots sporting clubs.

From purchasing guernseys to pledging seed funding to build sporting stadiums, **Community Bank**® companies have become an important revenue stream to fund sporting initiatives.

In the past financial year, about 25 percent (\$4.2 million) in **Community Bank**® profits has been injected into initiatives, projects and programs at grass roots sporting clubs.

Bendigo Bank joins its **Community Bank**® partners in funding grass roots sporting clubs. One example is the Bank's support of Read the Play, a mental health literacy program designed for junior level sports clubs and delivered by mental health workers in conjunction with the club's Player Wellbeing Officer.

Starting in Geelong in 2007 and now offered across Victoria, New South Wales and South Australia, the program aims to increase knowledge and awareness about mental health and local support services, and increase confidence for youth to seek out support services.

Board



Robert Johanson
Independent Chair
BA, LL.M (Melb), MBA (Harvard)



Mike Hirst
Managing Director
BCom (Melb), SF Fin, MAICD



Jan Harris
Independent
B.Ec (Hons)



Jim Hazel
Independent
B.Ec, SF Fin, FAICD



Jacqueline Hey
Independent BCom (Melb),
Graduate Certificate in Management
(Southern Cross University), GAICD



Robert Hubbard
Independent
BA (Hons), Accy, FCA, MAICD



David Matthews
Independent
Dip BIT, GAICD



Deb Radford
Independent
B.Ec, Graduate Diploma
Finance & Investment



Tony Robinson
Independent
BCom (Melb), ASA, MBA (Melb)

Executive

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Mike Hirst
Managing Director
BCom (Melb), SF Fin, MAICD



Marnie Baker
Chief Customer Officer
BBus (Acc), ASA, MAICD, SF Fin



Richard Fennell
Chief Financial Officer and Executive,
Corporate BEc, CA, MAICD



Alexandra Gartmann
Executive, Agribusiness
and Managing Director, Rural Bank
BSc (REM), MAICD



Robert Musgrove
Executive, Engagement Innovation
GradCertAppFin



Tim Piper
Executive, Risk
BBus (Banking & Finance), FFin



Bruce Speirs
Executive, Partner Connection
BCom, CA, MBA, GAICD



Stella Thredgold
Executive, Business Enablement
BBus (Accountancy), CPA



Alexandra Tullio
Executive, Local Connection
BArts, GradDipFinPlan, MAICD



Andrew Watts
Executive, Customer Service
Improvement BEng, GradDipBA, GAICD

