ASX Announcement

Bendigo and Adelaide Bank

Basel III Pillar 3 Disclosures: Prudential Standard APS 330

17 May 2024

Bendigo and Adelaide Bank Limited (ASX:BEN), is an Authorised Deposit-taking Institution (ADI) subject to regulation by the Australian Prudential Regulation Authority (APRA). Attached is the prudential information required to be disclosed in accordance with Prudential Standard APS 330.

The prudential disclosures have been prepared for Bendigo and Adelaide Bank Limited.

The disclosures provided have been prepared as at 31 March 2024.

Approved for release by: Bendigo and Adelaide Bank Board

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About Bendigo and Adelaide Bank Limited

Bendigo and Adelaide Bank is Australia's better big bank, with more than 7,000 staff helping our over 2 million customers to achieve their financial goals. Bendigo and Adelaide Bank's vision is to be Australia's bank of choice, by feeding into the prosperity of customers and their communities.

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

Basel III Pillar 3 Disclosures

Prudential Standard APS 330

For the period ended 31 March 2024

Released 17 May 2024

ABN 11 068 049 178

Bendigo and Adelaide Bank

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Table 3 Capital Adequacy

Risk-weighted Assets	31 March 2024 $m	31 December 2023 $m
Capital requirements (in terms of risk-weighted assets) for credit risk (excluding securitisation) by portfolio:		
Claims secured by residential mortgage	21,083.7	21,096.6
Other retail [1]	10,979.8	10,959.1
Corporate	767.5	862.4
Banks and Other ADIs	980.1	1,096.6
Government	25.2	25.2
All other	1,083.3	1,048.4
Total on balance sheet assets and off balance sheet exposures	**34,919.6**	**35,088.3**
Securitisation Risk weighted assets [2]	**553.7**	**528.3**
Market Risk weighted assets	**33.8**	**2.1**
Operational Risk weighted assets	**2,731.1**	**2,731.1**
Total Risk Weighted Assets	**38,238.2**	**38,349.8**

Capital Ratios (for the consolidated group)	%	%
Common Equity Tier 1	**11.12**	**11.23**
Tier 1	**13.58**	**13.38**
Total Capital	**15.89**	**15.68**

1 Includes commercial property, leasing, margin lending, retail – credit cards, retail – other and land acquisition and development and construction exposures.
2 Please refer to Table 5 for securitisation exposures.

Table 4 Credit Risk

Exposure Type [4]	Gross Credit Exposure 31 March 2024 $m	31 December 2023 $m	Average Gross Credit Exposure 31 March 2024 $m	31 December 2023 $m
Loans and other receivables [3]	80,799.6	82,885.1	81,842.3	84,976.0
Debt securities	10,943.1	8,989.8	9,966.5	6,900.3
Commitments and other non-market off balance sheet exposures [3]	5,950.1	6,196.4	6,073.3	6,176.4
Market-related off balance sheet exposures [3]	257.9	465.3	361.6	375.8
Total exposures	97,950.7	98,536.6	98,243.7	98,428.5

Portfolios [4]	Gross Credit Exposure 31 March 2024 $m	31 December 2023 $m	Average Gross Credit Exposure 31 March 2024 $m	31 December 2023 $m
Claims secured by residential mortgage [3]	62,266.3	61,933.0	62,099.6	61,971.4
Other retail [3 6]	16,571.5	16,502.0	16,536.8	16,631.2
Corporate [3]	908.8	1,018.3	963.5	980.8
Banks and other ADIs [3]	4,636.8	6,135.9	5,386.4	5,468.9
Government [3]	11,756.1	11,169.9	11,463.0	11,765.5
All other [3]	1,811.2	1,777.5	1,794.4	1,610.7
Total exposures	97,950.7	98,536.6	98,243.7	98,428.5

31 March 2024 Portfolios	Non-Performing Loans $m	Specific Provisions [5] $m	Charges for Specific Provisions and Write-offs during the Period $m
Claims secured by residential mortgage	486.8	21.1	1.3
Other retail	405.9	50.8	(2.9)
Corporate	12.3	3.6	0.2
Banks and other ADIs	-	-	-
Government	-	-	-
All other	-	-	-
Total exposures	905.0	75.5	(1.4)

31 December 2023 Portfolios	Non-Performing Loans $m	Specific Provisions [5] $m	Charges for Specific Provisions and Write-offs during the Period $m
Claims secured by residential mortgage	471.3	21.2	(2.0)
Other retail	396.0	53.9	(2.2)
Corporate	9.6	2.9	(0.3)
Banks and other ADIs	-	-	-
Government	-	-	-
All other	-	-	-
Total exposures	876.9	78.0	(4.5)

	31 March 2024 $m	31 December 2023 $m
Equity Reserve for Credit Losses	95.2	95.2
Collective Provisions	213.9	211.6
General Provisions	309.1	306.8

3 Off-balance sheet exposures have been converted to their credit equivalent amounts.
4 Excludes equity investments and securitisation exposures.
5 Specific provisions include some items that are treated as collective provisions for statutory reporting, however, are treated as specific provisions for regulatory purposes. This includes provisions for loans in Stage 3 $36.9 million (December 2023 $36.8 million) under AASB 9 Financial Instruments.
6 Includes commercial property, leasing, margin lending, retail – credit cards, retail – other and land acquisition and development and construction exposures.

Table 5 Securitisation

	31 March 2024 Quarter				
	Securitisation Activity				
Exposure Type	Capital Relief $m	Funding Only $m	Self-Securitisation $m	Total Activity $m	Gain or Loss on Sale $m
Residential Mortgage	-	-	-	-	-
Credit Card and Other Personal Loans	-	-	-	-	-
Commercial Loans	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	-	-	-

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

31 March 2024 Securitisation Exposures	Liquidity Support Facilities $m	Funding Facilities $m	Derivative Facilities $m	Holdings of Securities $m	Other $m
On-balance sheet securitisation exposures retained or purchased	5.8	2,333.5	122.8	8,793.4 [7]	-
Off-balance sheet securitisation exposures	47.7	294.4	36.2	-	-
Total	53.5	2,627.9	159.0	8,793.4	-

31 December 2023 Securitisation Exposures	Liquidity Support Facilities $m	Funding Facilities $m	Derivative Facilities $m	Holdings of Securities $m	Other $m
On-balance sheet securitisation exposures retained or purchased	5.8	2,527.3	130.5	9,419.8 [7]	-
Off-balance sheet securitisation exposures	49.1	200.1	38.6	-	-
Total	54.9	2,727.4	169.1	9,419.8	-

7 Includes holdings of self-securitised assets, $8,449.8 million (December 2023 $8,957.4 million).

Table 20 Liquidity Coverage Ratio

Liquidity Risk Framework

Liquidity risk is managed in line with the Board approved Risk Appetite Statement and the Group Liquidity Risk Management Framework. The principal objective of the Group's Liquidity Risk Management Framework is to ensure that all cash flow commitments are met in a timely manner and prudential requirements are satisfied. Management of Liquidity Risk is overseen by the Asset and Liability Management Committee (ALMAC) and governed by the Board Financial Risk Committee (BFRC).

The Group manages a portfolio of High-Quality Liquid Assets (HQLA) to enable the Group to withstand a severe liquidity stress and to meet regulatory requirements. HQLA comprises of cash, central bank balances and Commonwealth and State Government securities. Additionally, the Group currently has a portfolio of Other Liquid Assets (ALA) set aside to prudently manage the Term Funding Facility (TFF) refinancing.

To ensure the Group holds sufficient liquidity buffers to survive under stressed scenarios, the Group has an established Board approved Liquidity Risk appetite.

The Group has a stable and diverse funding base with the principal source of funding being customer deposits. Wholesale funding activities support the funding strategy by providing additional diversification benefits.

Liquidity Coverage Ratio

The Liquidity Coverage Ratio (LCR) measures the portion of High-Quality Liquid Assets (HQLA) available to meet net cash outflows over a 30-day period under an APRA defined severe short term stress scenario. The Group calculates LCR daily ensuring a buffer is maintained above the regulatory minimum of 100% and the Boards Risk appetite.

The Group's average LCR for the March 2024 quarter was 149% (December 2023: 151%), with liquid assets exceeding net cash outflows by an average of $4.4bn.

The decrease was driven by a reduction in HQLA, partially offset by a reduction in net cash outflows. The decrease in average HQLA was largely attributable to the Group investing surplus liquidity into other liquid assets. Movement in spot HQLA balances over the March quarter was marginal.

The reduction in net cash outflows was largely driven by a reduction in non-operational wholesale deposits in the 30-day LCR window and an increase in contractual cash inflows associated with the maturity of other liquid assets.

Other contingent funding obligations largely consists of outflows for uncommitted credit and liquidity facilities, assumed buybacks of domestic debt securities and other contractual outflows such as interest payments.

Table 20 Liquidity Coverage Ratio

	Mar 2024		Dec 2023	
	Unweighted value (average) $m	Weighted value (average) $m	Unweighted value (average) $m	Weighted value (average) $m
Liquid assets, of which				
1 High-quality liquid assets (HQLA)		13,600.8		14,729.2
2 Alternate liquid assets (ALA)		-		-
3 Reserve Bank of New Zealand (RBNZ) securities		-		-
Cash outflows				
4 Retail deposits and deposits from small business customers, of which:	**40,985.0**	**3,591.5**	**41,269.6**	**3,610.4**
5 *Stable deposits*	23,505.0	1,175.3	23,742.4	1,187.1
6 *Less stable deposits*	17,480.0	2,416.2	17,527.2	2,423.3
7 Unsecured wholesale funding, of which:	**6,639.2**	**3,684.3**	**7,064.7**	**3,934.2**
8 *Operational deposits (all counterparties) and deposits in networks for cooperative banks*	-	-	-	-
9 *Non-operational deposits (all counterparties)*	5,982.1	3,027.2	6,311.9	3,181.4
10 *Unsecured debt*	657.1	657.1	752.8	752.8
11 Secured wholesale funding		**25.9**		**31.3**
12 Additional requirements, of which:	**6,359.2**	**738.5**	**6,410.7**	**773.8**
13 *Outflows related to derivatives exposures and other collateral requirements*	193.7	193.7	152.6	152.6
14 *Outflows related to loss of funding on debt products*	-	-	-	-
15 *Credit and liquidity facilities*	6,165.5	544.8	6,258.1	621.2
16 Other contractual funding obligations	**708.9**	**364.0**	**682.1**	**360.0**
17 Other contingent funding obligations	**17,842.9**	**1,448.2**	**17,435.0**	**1,467.5**
18 Total cash outflows		**9,852.4**		**10,177.2**
Cash inflows				
19 Secured lending (e.g. reverse repos)	1,636.0	-	1,541.3	-
20 Inflows from fully performing exposures	742.4	397.5	701.8	379.7
21 Other cash inflows	300.8	300.8	70.3	70.3
22 Total cash inflows	**2,679.2**	**698.3**	**2,313.4**	**450.0**
23 Total liquid assets		13,600.8		14,729.2
24 Total net cash outflows		9,154.1		9,727.2
35 Liquidity Coverage Ratio (%)		149		151
Number of data points used (Business Days)		63		62