

Basel III Pillar 3 Disclosures: Prudential Standard APS 330

7 November 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 30 September 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 30 September 2024

Released 7 November 2024

ABN 11 068 049 178

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Table 3 Capital Adequacy

| | 30 September 2024 | 30 June 2024 |
|---|-------------------|-----------------|
| Risk-weighted Assets | \$m | \$m |
| Capital requirements (in terms of risk-weighted assets) for credit risk (excluding securitisation) by portfolio: | | |
| Claims secured by residential mortgage | 21,793.9 | 21,452.4 |
| Other retail ¹ | 11,079.1 | 11,248.2 |
| Corporate | 727.1 | 679.9 |
| Banks and Other ADIs | 251.7 | 240.7 |
| Government | 24.9 | 25.0 |
| All other | 1,059.5 | 1,063.0 |
| Total on balance sheet assets and off balance sheet exposures | 34,936.2 | 34,709.2 |
| Securitisation Risk weighted assets ² | 522.4 | 564.4 |
| Market Risk weighted assets | 0.7 | 0.5 |
| Operational Risk weighted assets | 2,893.7 | 2,731.1 |
| Total Risk Weighted Assets | 38,353.0 | 38,005.2 |
| Capital Ratios (for the consolidated group) | | |
| | % | % |
| Common Equity Tier 1 | 10.87 | 11.32 |
| Tier 1 | 12.96 | 13.43 |
| Total Capital | 15.25 | 15.74 |

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 | | Average Gross Credit Exposure | |
|---|-----------------------|-----------------|-------------------------------|-----------------|
| | 30 September 2024 | 30 June 2024 | 30 September 2024 | 30 June 2024 |
| | \$m | \$m | \$m | \$m |
| Loans and other receivables ³ | 82,542.8 | 80,023.7 | 81,283.3 | 80,411.6 |
| Debt securities | 9,484.2 | 10,526.1 | 10,005.1 | 10,734.6 |
| Commitments and other non-market off balance sheet exposures ³ | 5,916.3 | 5,638.5 | 5,777.4 | 5,794.3 |
| Market-related off balance sheet exposures ³ | 274.9 | 263.0 | 269.0 | 260.5 |
| Total exposures | 98,218.2 | 96,451.3 | 97,334.8 | 97,201.0 |

| Portfolios ⁴ | Gross Credit Exposure | | Average Gross Credit Exposure | |
|---|-----------------------|-----------------|-------------------------------|-----------------|
| | 30 September 2024 | 30 June 2024 | 30 September 2024 | 30 June 2024 |
| | \$m | \$m | \$m | \$m |
| Claims secured by residential mortgage ³ | 65,451.5 | 63,950.4 | 64,701.0 | 63,108.3 |
| Other retail ^{3 6} | 16,783.7 | 16,965.0 | 16,874.3 | 16,768.2 |
| Corporate ³ | 853.5 | 802.3 | 827.9 | 855.6 |
| Banks and other ADIs ³ | 3,515.5 | 1,580.5 | 2,548.0 | 3,108.6 |
| Government ³ | 10,107.4 | 11,477.5 | 10,792.5 | 11,616.9 |
| All other ³ | 1,506.6 | 1,675.6 | 1,591.1 | 1,743.4 |
| Total exposures | 98,218.2 | 96,451.3 | 97,334.8 | 97,201.0 |

| 30 September 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 | 489.3 | 17.3 | 0.6 |
| Other retail | 385.8 | 52.9 | (1.1) |
| Corporate | 22.2 | 4.2 | (1.0) |
| Banks and other ADIs | - | - | - |
| Government | - | - | - |
| All other | - | - | - |
| Total exposures | 897.3 | 74.4 | (1.5) |

| 30 June 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 | 488.3 | 17.7 | (2.0) |
| Other retail | 436.3 | 54.3 | 3.8 |
| Corporate | 15.9 | 5.2 | 1.5 |
| Banks and other ADIs | - | - | - |
| Government | - | - | - |
| All other | - | - | - |
| Total exposures | 940.5 | 77.2 | 3.3 |

| | 30 September 2024 | 30 June 2024 |
|----------------------------------|-------------------|--------------|
| | \$m | \$m |
| Equity Reserve for Credit Losses | 95.2 | 95.2 |
| Collective Provisions | 209.6 | 208.8 |
| General Provisions | 304.8 | 304.0 |

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 \$37.3 million (June 2024 \$37.5 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**

| Exposure Type | 30 September 2024 Quarter | | | | | Gain or Loss on Sale \$m |
|--------------------------------------|---------------------------|---------------------|----------------------------|---|-----------------------|-----------------------------|
| | Securitisation Activity | | | | Total Activity \$m | |
| | Capital Relief \$m | Funding Only \$m | Self-Securitisation \$m | | | |
| Residential Mortgage | - | - | - | - | - | - |
| Credit Card and Other Personal Loans | - | - | - | - | - | - |
| Commercial Loans | - | - | - | - | - | - |
| Other | - | - | - | - | - | - |
| Total | - | - | - | - | - | - |

| Exposure Type | 30 June 2024 Quarter | | | | | Gain or Loss on Sale \$m |
|--------------------------------------|-------------------------|---------------------|----------------------------|---|-----------------------|-----------------------------|
| | Securitisation Activity | | | | Total Activity \$m | |
| | Capital Relief \$m | Funding Only \$m | Self-Securitisation \$m | | | |
| Residential Mortgage | - | - | - | - | - | - |
| Credit Card and Other Personal Loans | - | - | - | - | - | - |
| Commercial Loans | - | - | - | - | - | - |
| Other | - | - | - | - | - | - |
| Total | - | - | - | - | - | - |

| 30 September 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 | 5.0 | 2,662.3 | 107.0 | 7,753.9 ⁷ |
| Off-balance sheet securitisation exposures | 45.5 | 94.2 | 33.7 | - | - |
| Total | 50.5 | 2,756.5 | 140.7 | 7,753.9 | - |

| 30 June 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 | 5.5 | 2,612.4 | 114.7 | 8,295.0 ⁷ |
| Off-balance sheet securitisation exposures | 46.0 | 88.8 | 34.2 | - | - |
| Total | 51.5 | 2,701.2 | 148.9 | 8,295.0 | - |

⁷ Includes holdings of self-securitised assets, \$7,396.6 million (June 2024 \$7,900.0 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 broadly comprises of cash, central bank balances and Commonwealth and State Government securities.

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 ratio of High-Quality Liquid Assets (HQLA) to Net Cash Outflows (NCOs) over a 30-day period under an APRA-defined severe short-term stress scenario. The Group calculates LCR daily, maintaining a buffer to the Board's Risk Appetite and 100% regulatory minimum.

The Group's average LCR for the September 2024 quarter was 135% (June 2024: 138%), with liquid assets exceeding net cash outflows by an average of \$3.4bn.

Movement in LCR over the quarter was attributable to a reduction in HQLA offset by a modest reduction in NCOs. The reduction in the average HQLA balance between the June and September quarters was driven by the final maturity of the Term Funding Facility and seasonal lending growth, which was partially offset by customer deposit growth and wholesale funding issuance. The reduction in average NCOs between quarters was attributable to the repayment of the Term Funding Facility in the June quarter which was mostly offset by liquid asset maturities.

Other contingent funding obligations largely consist 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 Continued

| | 30 September 2024 | | 30 June 2024 | |
|---|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| | 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) | | 13,106.7 | | 13,570.9 |
| 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: | 42,888.8 | 3,719.7 | 42,433.4 | 3,712.1 |
| 5 <i>Stable deposits</i> | 24,920.4 | 1,246.0 | 24,436.4 | 1,221.8 |
| 6 <i>Less stable deposits</i> | 17,968.4 | 2,473.7 | 17,997.0 | 2,490.3 |
| 7 Unsecured wholesale funding, of which: | 6,743.1 | 3,699.6 | 6,604.8 | 3,635.7 |
| 8 <i>Operational deposits (all counterparties) and deposits in networks for cooperative banks</i> | - | - | - | - |
| 9 <i>Non-operational deposits (all counterparties)</i> | 5,953.6 | 2,910.1 | 5,893.2 | 2,924.1 |
| 10 <i>Unsecured debt</i> | 789.5 | 789.5 | 711.6 | 711.6 |
| 11 Secured wholesale funding | - | 32.4 | - | 970.8 |
| 12 Additional requirements, of which: | 6,034.2 | 661.0 | 6,198.8 | 770.2 |
| 13 <i>Outflows related to derivatives exposures and other collateral requirements</i> | 204.8 | 204.8 | 182.4 | 182.4 |
| 14 <i>Outflows related to loss of funding on debt products</i> | - | - | - | - |
| 15 <i>Credit and liquidity facilities</i> | 5,829.4 | 456.2 | 6,016.4 | 587.8 |
| 16 Other contractual funding obligations | 701.9 | 352.0 | 705.4 | 356.3 |
| 17 Other contingent funding obligations | 19,131.5 | 1,613.7 | 18,418.4 | 1,576.1 |
| 18 Total cash outflows | - | 10,078.4 | - | 11,021.2 |
| Cash inflows | | | | |
| 19 Secured lending (e.g. reverse repos) | 1,414.7 | - | 1,442.6 | - |
| 20 Inflows from fully performing exposures | 707.1 | 357.2 | 767.4 | 418.2 |
| 21 Other cash inflows | 25.8 | 25.8 | 751.6 | 751.6 |
| 22 Total cash inflows | 2,147.6 | 383.0 | 2,961.6 | 1,169.8 |
| 23 Total liquid assets | | 13,106.7 | | 13,570.9 |
| 24 Total net cash outflows | | 9,695.4 | | 9,851.4 |
| 35 Liquidity Coverage Ratio (%) | | 135 | | 138 |
| Number of data points used (Business Days) | | 66 | | 63 |

