

COVID-19 collective provision update and FY21 credit expenses

5 August 2021

Bendigo and Adelaide Bank Limited (ASX:BEN) today announced its second half profit ending 30 June 2021 will include a net release of the Collective Provision of \$19.4m. The Collective Provision was initially raised by \$127.7m in May 2020 to recognise the impacts of the COVID-19 pandemic.

The Collective Provision release reflects the improved economic outlook for the Australian economy, including rising GDP, lower unemployment and higher residential property prices compared to 31 December 2020. This is partially offset by a small increase in total overlays which reflect continued economic uncertainty, and considers the potential impacts associated with the current lockdowns and the risk of further lockdowns from the pandemic.

Credit expenses for financial year 2021 are \$18.0m. Credit expenses for financial year 2021, prior to the release of Collective Provision are \$37.4m. In comparison, credit expenses for financial year 2020, prior to the recognition of the impacts of the COVID-19 pandemic were \$40.8m. The arrears ratio for the residential mortgage and business portfolios are also lower as at 30 June 2021, compared with 30 June 2020.

The Bank continues to monitor the ongoing restrictions in NSW and Queensland, including the potential impacts to its customers and Australian households and businesses more broadly. The Bank is currently offering support to personal and business customers affected by the latest COVID-19 restrictions, with 273 personal customer accounts on some form of assistance, with lending balances to the value of \$83.7m as at 30 July 2021.

"We remain fully committed to supporting our customers and their communities through this unique time in history. Since the start of the pandemic, we have provided more than 25,000 personal and business customer accounts with dedicated support to give them the best opportunity to weather the impacts of the COVID-19 pandemic, and our experience to date has demonstrated the importance of this support in assisting affected customers. With the latest round of restrictions, this commitment has not changed."

"Our business continues to be well placed even with the unpredictable nature of this pandemic, through a proven strategy, purpose and values, alongside appropriate risk management, and a strong balance sheet and capital base which are all key to our long-term success and sustainability," said Marnie Baker, Managing Director, Bendigo and Adelaide Bank.

Additional disclosure on the Collective Provision consistent with prior financial periods will be released with the full year financial results on 16 August 2021.

Approved for release by: The 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.