

Bendigo and Adelaide Bank COVID-19 update and withdrawal of 2H20 financial outlook commentary

16 April 2020

Bendigo and Adelaide Bank Limited (**ASX: BEN**) has announced the withdrawal of its 2H20 financial outlook commentary due to the effects of COVID-19.

Withdrawal of 2H20 financial outlook commentary

On 17 February 2020, the Bank released its 1H20 result which included commentary on the financial outlook for 2H20.

Given the level of uncertainty created by the COVID-19 pandemic, the difficulty this presents in providing future guidance and like other Banks, our ability to make a reasonable assessment in the current environment of the impact on our credit provisions under the recently implemented accounting standards, Bendigo and Adelaide Bank considers it prudent to withdraw its previously advised 2H20 outlook commentary.

Strong balance sheet and capital position

Bendigo and Adelaide Bank's balance sheet remains strong and its capital position is well above APRA's unquestionably strong benchmark target - with a pro-forma CET1 ratio of 9.8%¹ - following the recently completed institutional placement and share purchase plan.

From a funding and liquidity perspective, the Bank is also well positioned. The Bank's retail funding strategy and profile is supported by a high level of customer deposits which are complemented by prudent exposure sourced from wholesale funding markets. The Bank continues to manage its Liquidity Coverage Ratio and Net Stable Funding Ratio well in excess of the regulatory minimum requirements.

"Our commitment has always been to support our customers and their communities through both the good times and tougher times. This extends to our valued personal customers and our agribusiness and business customers who are the engine room of our economy, employing millions of our fellow Australians. The success of our customers and their communities feeds into everyone's success," said Marnie Baker, Managing Director, Bendigo and Adelaide Bank.

"We are open for business and as an essential service, it is vital we provide our customers with the dedicated and necessary support they need. We have been actively engaging our customers to support them during this challenging period."

We will continue to collaborate closely with the wider banking industry, Government, regulators and health authorities to help manage this unprecedented situation and to protect our customers, shareholders, communities and staff."

Business update

Following the outbreak of COVID-19 in Australia, Bendigo and Adelaide Bank has focused on providing short and long-term support for its staff, customers, partners and communities.

Operationally, nearly all of the Bank's corporate site employees have shifted to work from home arrangements, while the Bank's branch network remains open. With banking considered an essential service, the Bank, through its national presence, will continue to support and service all its stakeholders.

As many customers face challenges associated with the pandemic, the Bank has introduced a number of [assistance packages](#) for those directly affected by its impacts.

Support for business, agribusiness and not-for-profit customers:

- Ability to defer loan repayments for up to six months.
- Business loan variable reference rate cuts of 1.00% p.a. for residentially secured business loans and 0.75% p.a. for non-residential and unsecured.
- Small business rate cuts for new fixed loans up to 0.82% p.a. depending on the term and security of the loan.
- Business variable and overdraft rate cuts of 0.25% p.a. announced in early March.
- The waiver of fees for the restructuring or consolidation of loans.
- The waiver of interest rate reductions for early withdrawals on term deposits prior to maturity.
- The waiver or deferral of a range of fees and charges.
- The recently announced industry-wide \$40 billion SME Guarantee Scheme to help small business access working capital to assist with the impact of COVID-19.

Support for personal customers:

- Ability to apply for deferral on home loan repayments for up to six months.
- Waiver of fees for the restructuring or consolidation of loans.
- Discounted interest rates on new personal loans taken out by existing Bendigo Bank customers.
- Waiver of interest rate reduction for early withdrawals on term deposits prior to maturity.
- From 30 March, new fixed home loan interest rates were cut by up to 0.70% p.a. for 1, 2, and 3-year terms.
- An increase on select term deposit rates to provide customers with an attractive investment option in this historically low interest rate environment.

"As Australia's fifth biggest retail bank and one of Australia's most trusted brands, Bendigo and Adelaide Bank is in a very strong position to support customers, staff and communities throughout this pandemic and beyond. We're here to help them through this," concluded Ms Baker.

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 fifth largest retail bank, with more than 7,200 staff helping our 1.8 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.