

18 February 2025

ASX Listings Compliance

By email: ListingsComplianceMelbourne@asx.com.au

Dear Sir / Madam,

Response to ASX Aware letter dated 17 February 2025

We refer to your letter dated 17 February 2025 (the **ASX Aware Letter**) and set out the response of Bendigo and Adelaide Bank Limited (**BEN**) to the requests for information made in the ASX Aware Letter, using the same numbering.

Unless otherwise indicated, capitalised terms in this letter have the same meaning as given in the ASX Aware Letter.

1. Does BEN consider that any measure of its statutory or underlying earnings for the half year ended 31 December 2024 as disclosed in the Results Announcements ('Earnings Information') differed materially from the market's expectations, having regard to the following three base indicators (in decreasing order of relevance and reliability):

1.1 If BEN had published earnings guidance, that guidance.

BEN has not published any earnings guidance.

1.2 If BEN is covered by sell-side analysts, the earnings forecasts of those analysts.

Underlying earnings (being '*Cash earnings after tax*' referred to in the Results Announcements (**Cash Earnings**)) is the key earnings metric for market participants in assessing BEN's earnings performance. This is because Cash Earnings provides a clear view of BEN's underlying operating results, excluding a number of items that are deemed to be outside of BEN's core activities and are not representative of BEN's ongoing financial performance. Such items include the impact of property revaluations for BEN's Homesafe portfolio and restructuring costs.

Statutory earnings (being '*Statutory NPAT*' referred to in the Results Announcements (**Statutory NPAT**)) is not a metric that market participants use in assessing BEN's earnings performance.

The sell-side analysts that issue analyst reports in respect of BEN publish their earnings forecasts for BEN in respect of Cash Earnings.

Of the ten sell-side analysts that issue analyst reports in respect of BEN, nine provided earnings forecasts in respect of the half year ended 31 December 2024 (**H1FY25**). Based on those earnings forecasts, as at 14 February 2025, BEN determined that that there was a 5.8% difference between BEN's actual Cash Earnings for H1FY25 and its best estimate of the market's expectations for its Cash Earnings for H1FY25 (refer to Section 2.2.1 below for further detail regarding the manner in which BEN calculated its best estimate).

The BEN Board (and its Executive Leadership) continuously monitor both:

- BEN's actual and expected financial performance (in terms of Cash Earnings); and

- the forecasts of Cash Earnings of those sell-side analysts that issue analyst reports in respect of BEN,

to determine whether there is any material difference between BEN's and the market's expectations regarding BEN's Cash Earnings. In this respect:

- At no stage prior to the release of the Results Announcements did the BEN Board become aware of any difference between BEN's and the market's expectations regarding BEN's Cash Earnings for H1FY25 that exceeded 10% (noting ASX's guidance in paragraph 4(b) of section 7.3 of Guidance Note 8 that the relevant benchmark for considering a disclosure in such circumstances is 15%).
- Although not determinative in relation to the Board's considerations, the Board also had regard to the Cash Earnings for H1FY25 as compared to Cash Earnings for the prior corresponding period (being the half year ended 31 December 2023) and noted that there was only a 1.1% difference in Cash Earnings between those periods.
- In respect of the full financial year ending 30 June 2025 (**FY25**), the BEN Board remains satisfied that its expected Cash Earnings for FY25 are at a level that does not result in any obligation for BEN to make an announcement regarding those expectations based on ASX's guidance in paragraph 4(b) of section 7.3 of Guidance Note 8.

1.3 If paragraphs 1.1 and 1.2 are not applicable, BEN's earnings for the prior corresponding period, being the half year ended 31 December 2023.

Not applicable.

2. Please explain the basis for the view provided in response to question 1. In doing so, please specify how BEN determined market expectations in relation to each relevant measure of its earnings, including:

2.1 If BEN had published earnings guidance, details of:

2.1.1 that guidance and when it was released to the market; and

2.1.2 the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, that guidance.

Not applicable.

2.2 If BEN used sell-side analyst forecasts to estimate the market's expectations of its earnings, details of:

2.2.1 the method that BEN used to translate sell-side analyst forecasts into its estimate of market expectations for each measure of earnings referred to in the Earnings Information and, in particular, whether or not BEN used a "consensus estimate" or an "adjusted consensus estimate" or a different specified approach for determining this estimate;

BEN continuously monitors the forecasts published by sell-side analysts that cover BEN. As stated in the response to 1.2, ten analysts published FY25 Cash Earnings forecasts for BEN, and nine of them published H1FY25 Cash Earnings forecasts for BEN.

BEN translates these analysts' Cash Earnings forecasts into its estimate of market consensus by calculating the simple average of the analysts' Cash Earnings forecasts for both H1FY25 and FY25.

During the relevant period, BEN used a consensus estimate, without adjustment.

2.2.2 the entity's estimate of market expectations using that method; and

On 14 February 2025, BEN calculated the Cash Earnings consensus estimate as \$282 million for H1FY25 and \$550 million for FY25.

2.2.3 the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, its estimate of these expectations.

Throughout the relevant period BEN continuously monitored the difference between its expected Cash Earnings for H1FY25 and FY25 and the corresponding market estimate.

2.3 If paragraphs [2.1] and [2.2] are not applicable, the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, BEN's earnings for the prior corresponding period.

Not applicable. Although as referred to above in Section 1.2, there was only a 1.1% difference in Cash Earnings between those periods.

3. Does BEN consider that, at any point prior to the release of the Results Announcements, there was a variance between its expected earnings and its estimate of market expectations for the relevant reporting period of such a magnitude that a reasonable person would expect information about the variance to have a material effect on the price or value of BEN's securities?

Please answer separately for each measure of earnings referred to in the Earnings Information.

No.

4. If the answer to question 3 is "no", please provide the basis for that view.

Taking into account:

- the 5.8% difference between BEN's actual Cash Earnings for H1FY25 and its best estimate of the market's expectations for its Cash Earnings for H1FY25; and
- the 1.1% difference in H1FY25 Cash Earnings compared to the prior corresponding period,

(as outlined in Section 1.2 above), BEN considered that the H1FY25 Cash Earnings performance would not have a material effect on the price or value of BEN's securities.

5. If the entity first became aware of the variance before the release of Results Announcements, did BEN make any announcement prior to the release of the Results Announcements which disclosed the relevant variance? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe BEN was

obliged to release the information under Listing Rules 3.1 and 3.1A and what steps BEN took to ensure that the information was released promptly and without delay.

Not applicable.

6. Please provide details of any other explanation BEN may have for the trading in its securities following the release of the Results Announcements.

Since the release of the Results Announcements, representatives of BEN have been engaging with market participants (including investors, analysts and journalists). Feedback from those discussions indicates that the decline in BEN's share price following the release of the Results Announcement may be driven by concerns around:

- BEN's margin performance in H1FY25 compared to the second half of FY24 (i.e., the half year ended 30 June 2024); and/or
- BEN's rate of cost growth in H1FY25,

both of which were disclosed in detail in the Results Announcements.

7. Please confirm that BEN is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

Confirmed.

8. Please confirm that BEN's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of BEN with delegated authority from the board to respond to ASX on disclosure matters.

Confirmed.

Yours sincerely,

Belinda Donaldson

Company Secretary

Bendigo & Adelaide Bank Limited



17 February 2025

Reference: 106211

Ms Belinda Donaldson
Company Secretary
Bendigo and Adelaide Bank Limited
22 - 44 Bath Lane
BENDIGO VIC AU 3550

By email:

Dear Ms Donaldson

Bendigo and Adelaide Bank Limited ('BEN'): ASX Aware Letter

ASX refers to the following:

- A. BEN's announcements released on the ASX Market Announcements Platform ('MAP') on 17 February 2025 in connection with its half year results ('Results Announcements'), being:
- 1.1 'Half Yearly Report and Accounts' released on MAP at 8:27am AEDT;
 - 1.2 'BEN Half Year Results Announcement' released on MAP at 8:27am AEDT; and
 - 1.3 'BEN Half Year Results Presentation' released on MAP at 8:27am AEDT.
- B. The change in the price of BEN's securities from \$13.42 immediately prior to the release of the Results Announcements to a low of \$10.87 and a close of \$11.37 following the release of the Results Announcements.
- C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
- "an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."*
- E. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled "When does an entity become aware of information?"
- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.
- "3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*
- 3.1A.1 One or more of the following 5 situations applies:*
- *It would be a breach of a law to disclose the information;*
 - *The information concerns an incomplete proposal or negotiation;*
 - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*

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- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

- G. ASX's policy position on "market sensitive earnings surprises", which is detailed in section 7.3 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular:

"...If an entity becomes aware that its earnings for the current reporting period will differ materially (downwards or upwards) from market expectations, it needs to consider carefully whether it has a legal obligation to notify the market of that fact."...

"...An earnings surprise will need to be disclosed to the market under Listing Rule 3.1 if it is market sensitive – that is, it is of such a magnitude that a reasonable person would expect information about the earnings surprise to have a material effect on the price or value of the entity's securities."...

Request for information

Having regard to the above, ASX asks BEN to respond separately to each of the following questions and requests for information:

1. Does BEN consider that any measure of its statutory or underlying earnings for the half year ended 31 December 2024 as disclosed in the Results Announcements ('Earnings Information') differed materially from the market's expectations, having regard to the following three base indicators (in decreasing order of relevance and reliability):
 - 1.1 If BEN had published earnings guidance, that guidance.
 - 1.2 If BEN is covered by sell-side analysts, the earnings forecasts of those analysts.
 - 1.3 If paragraphs 1.1 and 1.2 are not applicable, BEN's earnings for the prior corresponding period, being the half year ended 31 December 2023.

Please answer separately for each measure of earnings referred to in the Earnings Information. In your response, please have regard to ASX's commentary in paragraphs 4(a) and 4(b) of section 7.3 of Guidance Note 8 about when a variation from market expectations may be material.

2. Please explain the basis for the view provided in response to question 1. In doing so, please specify how BEN determined market expectations in relation to each relevant measure of its earnings, including:
 - 2.1 If BEN had published earnings guidance, details of:
 - 2.1.1 that guidance and when it was released to the market; and
 - 2.1.2 the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, that guidance.
 - 2.2 If BEN used sell-side analyst forecasts to estimate the market's expectations of its earnings, details of:
 - 2.2.1 the method that BEN used to translate sell-side analyst forecasts into its estimate of market expectations for each measure of earnings referred to in the Earnings Information and, in

particular, whether or not BEN used a “consensus estimate” or an “adjusted consensus estimate” or a different specified approach for determining this estimate;

- 2.2.2 the entity’s estimate of market expectations using that method; and
 - 2.2.3 the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, its estimate of these expectations.
- 2.3 If paragraphs **Error! Reference source not found.** and **Error! Reference source not found.** are not applicable, the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, BEN’s earnings for the prior corresponding period.
3. Does BEN consider that, at any point prior to the release of the Results Announcements, there was a variance between its expected earnings and its estimate of market expectations for the relevant reporting period of such a magnitude that a reasonable person would expect information about the variance to have a material effect on the price or value of BEN’s securities?
- Please answer separately for each measure of earnings referred to in the Earnings Information.
4. If the answer to question 3 is “no”, please provide the basis for that view.
 5. If the entity first became aware of the variance before the release of Results Announcements, did BEN make any announcement prior to the release of the Results Announcements which disclosed the relevant variance? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe BEN was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps BEN took to ensure that the information was released promptly and without delay.
 6. Please provide details of any other explanation BEN may have for the trading in its securities following the release of the Results Announcements.
 7. Please confirm that BEN is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
 8. Please confirm that BEN’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of BEN with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00 AMAEDT Friday, 21 February 2025**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, BEN’s obligation is to disclose the information ‘immediately’. This may require the information to be disclosed before the deadline set out above and may require BEN to request a trading halt immediately if trading in BEN’s securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsComplianceMelbourne@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in BEN's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to BEN's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that BEN's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

ASX Compliance