

## Deficiencies in approach to the identification, management and mitigation of money laundering and terrorism financing risk

**25 November 2025**

In August 2025, Bendigo and Adelaide Bank Limited (**ASX: BEN**) (the **Bank**) engaged Deloitte to conduct an independent investigation of suspicious activity indicative of money laundering at one of its branches (**the Branch**) after the Bank identified and reported the matter to AUSTRAC and law enforcement.

The Deloitte review focused on activity at the Branch, in the period between 1 August 2019 and 1 August 2025.

The Bank ensured the Deloitte review was sufficiently broad to identify both the nature and scope of the issues at the Branch, and any related systemic Anti-Money Laundering and Counter-Terrorism Financing issues.

In its review, Deloitte concluded that deficiencies existed throughout the relevant period regarding the Bank's approach to the identification, mitigation and management of money laundering (**ML**) and terrorism financing (**TF**) risk.

Deloitte observed that these deficiencies extend beyond just the Branch and identified weaknesses and deficiencies across many key aspects of ML/TF risk management, including in relation to the Bank's approach to ML/TF risk assessment and enhanced customer due diligence; oversight of ML/TF risks; its transaction monitoring program and its approach to customer risk rating.

In relation to transaction monitoring, Deloitte's findings confirmed that there was deficient coverage of many ML/TF risk indicators.

### **The Bank's response to the Deloitte review**

The Board is very disappointed with the findings and is fully committed to ensuring that the Bank undertakes the necessary enhancements to its systems, processes and frameworks to ensure it is fully compliant with its obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth).

The Board has committed to fully funding the uplift program to address all deficiencies identified in the Deloitte review.

While the final outcomes (including costs) are unknown at this stage, the Bank will keep the market informed in line with its continuous disclosure obligations. The Bank will continue to engage constructively with AUSTRAC, APRA and ASIC in relation to this matter.

Approved for release by:

Board of Directors

Bendigo & Adelaide Bank Limited

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