

## Digital Transformation Market Briefing – Presentation and script

26 November 2021

Appended is the Bendigo and Adelaide Bank Limited (ASX:BEN) presentation and script for the market briefing on the Bank's digital transformation today at 10am (Australian Eastern Daylight Time).

Approved for release by: Marnie Baker (Chief Executive Officer and Managing Director)

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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.

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» Bendigo and  
Adelaide Bank

Market Briefing

# Digital Transformation

26 November 2021



Welcome

Agenda

- Our Strategy
- Digital Transformation
- Up
- Q&A



**Marnie Baker**  
Managing Director



**Ryan Brosnahan**  
Chief Transformation  
Officer



**Xavier Shay**  
Chief Executive  
Officer, Up

# Our strategy

Shaping the future of banking

## Vision

**Australia's  
bank of choice**

## Purpose

To feed into prosperity,  
not off it

## Imperatives

Reduce complexity  
Invest in capability  
Tell our story



### Customer Centric Operating Model

Digital by design, human  
when it matters



### Customer Value Proposition

Based on trust,  
authenticity, knowledge,  
expertise, connection and  
personalised relationships



### Growth & Transformation Strategy

Propelled by human,  
digital and community  
connections

**For our customers, people, partners, communities and shareholders**



# Reimagining banking



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**Innovation  
and partnerships**



**Changing  
customer expectations**



**Executing  
digital transformation**



**Delivering new  
ways of banking**

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» **Bendigo and  
Adelaide Bank**



**Ryan  
Brosnahan**

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Chief Transformation  
Officer



2001



2021

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The world is 'on' 24/7



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Our genuine and authentic human connections

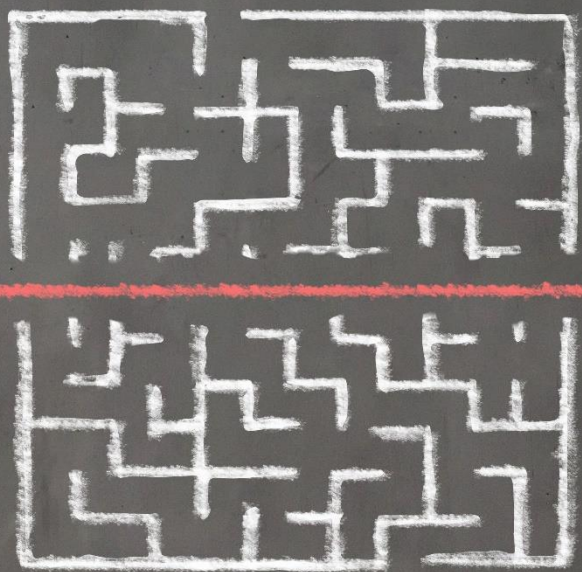
Partnering to enhance capability



Adaptability and innovation



Strengths



**Simplification**

**Modernisation**



**Digitisation**

# Digital Transformation roadmap

Done FY20/FY21

Doing FY22/FY23

Planned FY24



## Simplification

Partnered with Tyro, reducing merchant systems from 7 to 1  
Reduced Technology applications by 13%



## Modernisation

Established multi-cloud capability and automation capability which is enabling us to rapidly increase pace and improve redundancy  
25% reuse of APIs  
Delivered Open Banking on time  
Deployed real time data streaming  
Deployed consent management capability



## Digitisation

Digital uploading and acceptance of documents  
Acquired Ferocia  
Developed a frictionless authentication capability being deployed in FY22  
Productivity uplift through process re-engineering and automation  
Deployed BENExpress  
Built Customer Intelligence Hub

Delphi Bank integration  
Alliance Bank integration  
Enable Bendigo Home Loan proposition for brokers

Rural Bank integration completed  
Adelaide Bank integration completed

Single document management and collateral management system  
Seamless customer onboarding  
First products brought to market on new product and pricing engine

Up digital home loans  
Loan processing automation  
Continued broadened and deepening in in-app sales and self-service capability  
New digital propositions

Continued broadened and deepening in in-app sales and self-service capability  
New digital propositions



# Executing against our transformation plan

We have clear measures in place to drive value from our digital transformation

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# brands:

FY19 **13** FY24 **3**

# core banking systems:

FY19 **8** FY24 **1**

# IT applications:

FY19 **650** FY24 **325**

Simplification

% applications in the Cloud:

FY19 **1%** FY24 **50%**

% of API re-use:

FY19 **0%** FY24 **40%**

Modernisation

Average time to decision (home loan):

FY19 **22 days** FY24 **1 day**

% automated credit decisioning (home loans)

FY19 **0%** FY24 **90%**

% active eBanking customers

FY19 **53.9%** FY24 **90%**

% sales by digital channels

FY19 **19.2%** FY24 **60%**

Digitisation



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Building the  
essential financial brand  
for younger generations

up

upi



up.com.au





**We believe** we can take people from  
a place where money is a cause of **stress and anxiety**  
to a happier place where you feel empowered  
and **in control of your finances.**





“Life changing. No joke, Up Bank has drastically changed the way I interact with my money for the better.”



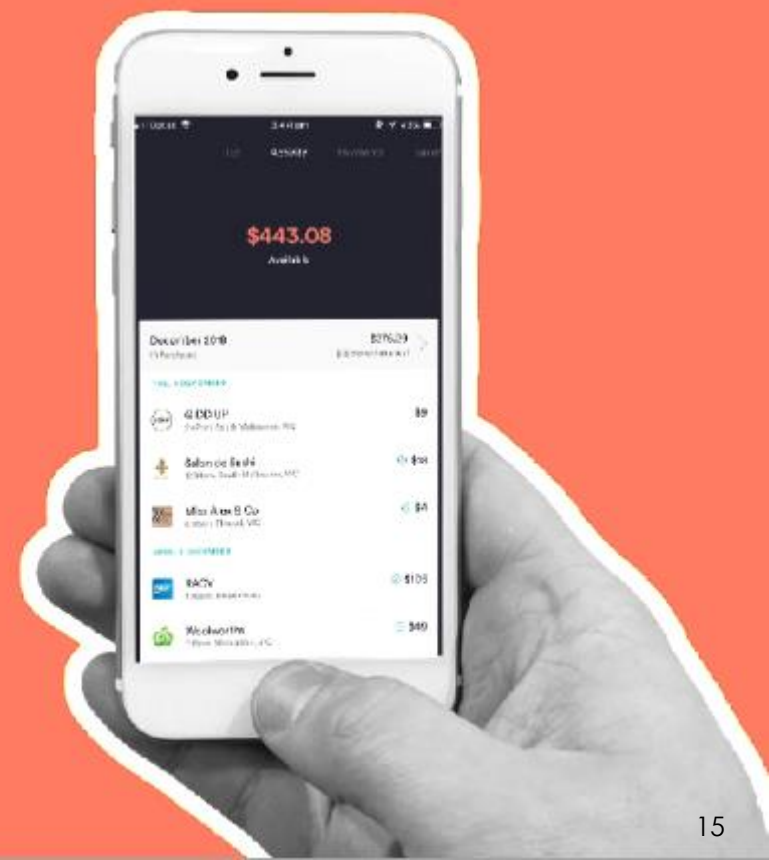
“I've never been able to save before but this app saves for me.”



“Bank app that helps you actually save money. The customer service is great too!”



“Makes banking a whole lot of fun! I 100% recommend these guys and this app/bank!”







**Two thirds of new customers** were referred by a friend.

**2.5%** month on month active customer growth.

Active customers make **more than one purchase per day**

**#1 rated banking app in Australia** and an **NPS of 62**



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~~Bank led technology~~

Technology-led banking

 **99.979%**  
uptime since Oct-18

350 mins  
downtime ever  
Planned &  
unplanned

 **6+**  
updates / day

 Google Cloud Platform

First cloud-hosted retail bank in Australia  
[cloud.google.com/customers](https://cloud.google.com/customers)

 **wise**

First and only bank integration in Australia  
[transferwise.com/au/blog](https://transferwise.com/au/blog)

 **afterpay**

First and only bank integration globally  
[up.com.au/blog](https://up.com.au/blog)

 **Bendigo Bank**

Leading fintech-bank partnership

 **mastercard.**

Up used in 185+ countries in 2 years

 **React**  
+ Native  

 **RAILS**

 **kubernetes**

 **Buildkite**

We're a **software company**, it's what we do.

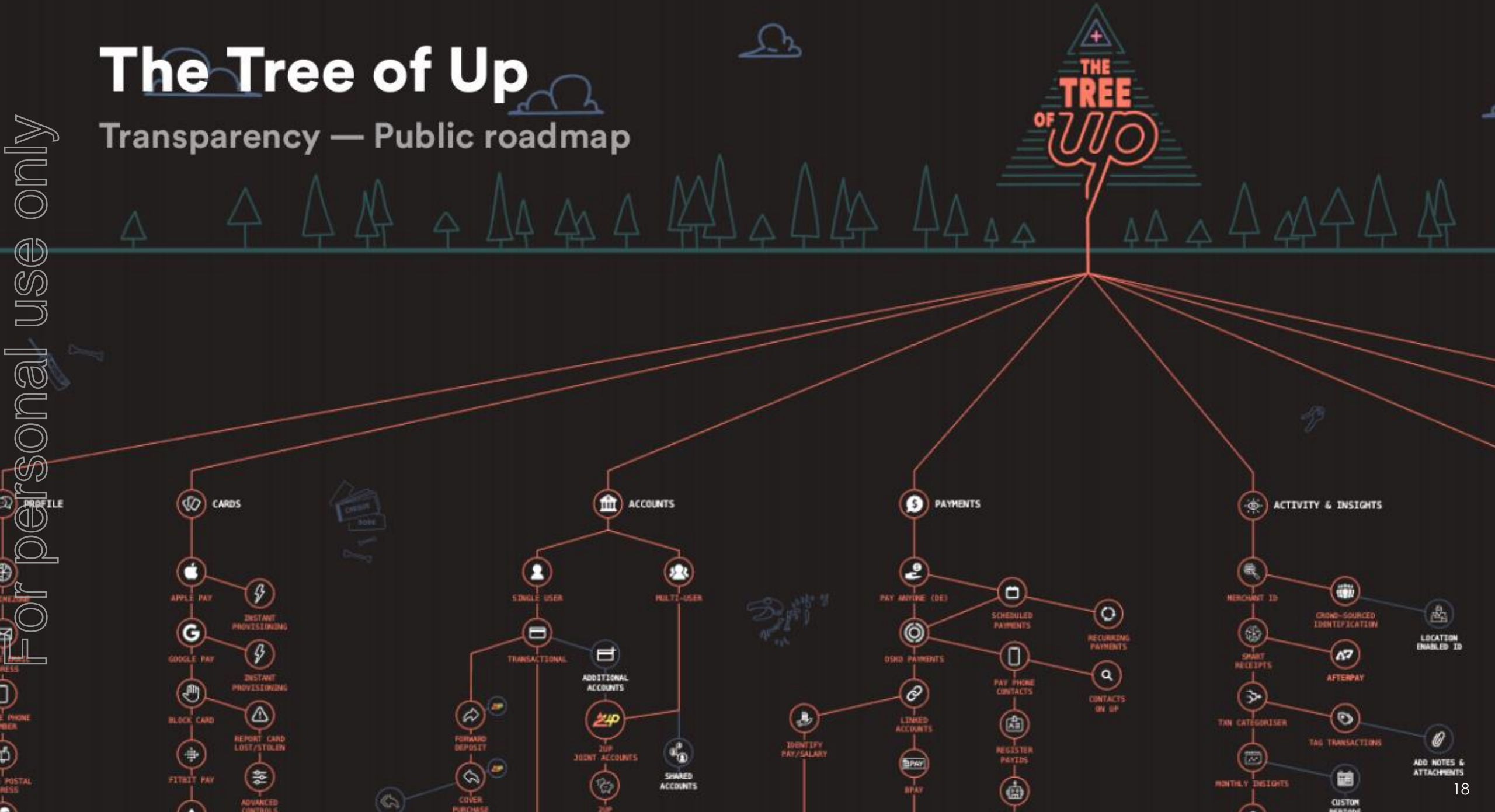
 **up API**

# The Tree of Up

Transparency — Public roadmap



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SAVING (YEARS)

REPAYING (DECADES)

APPLYING  
(HOURS—DAYS)

ACTIVITY

2UP

HOME

PAYMENTS

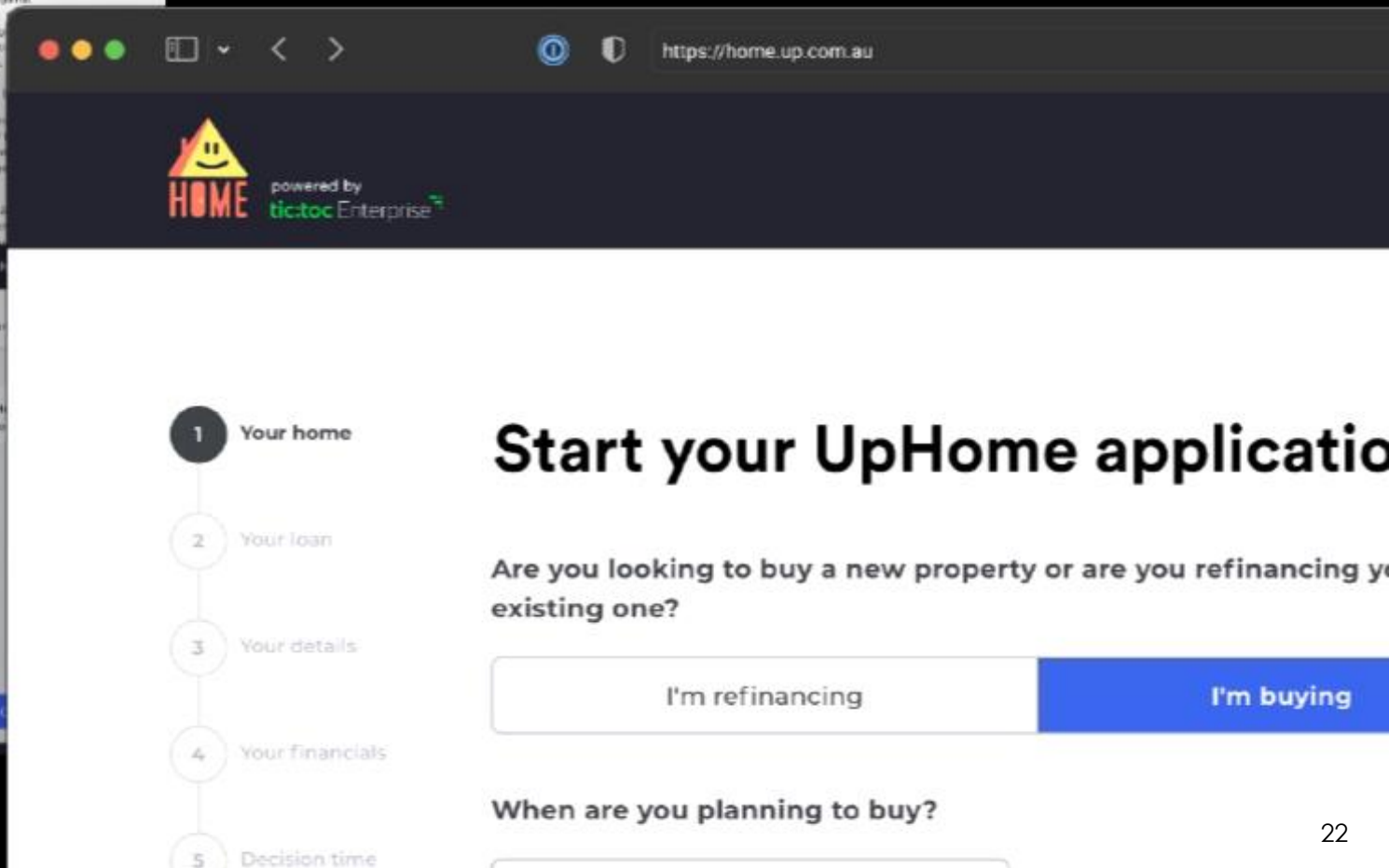
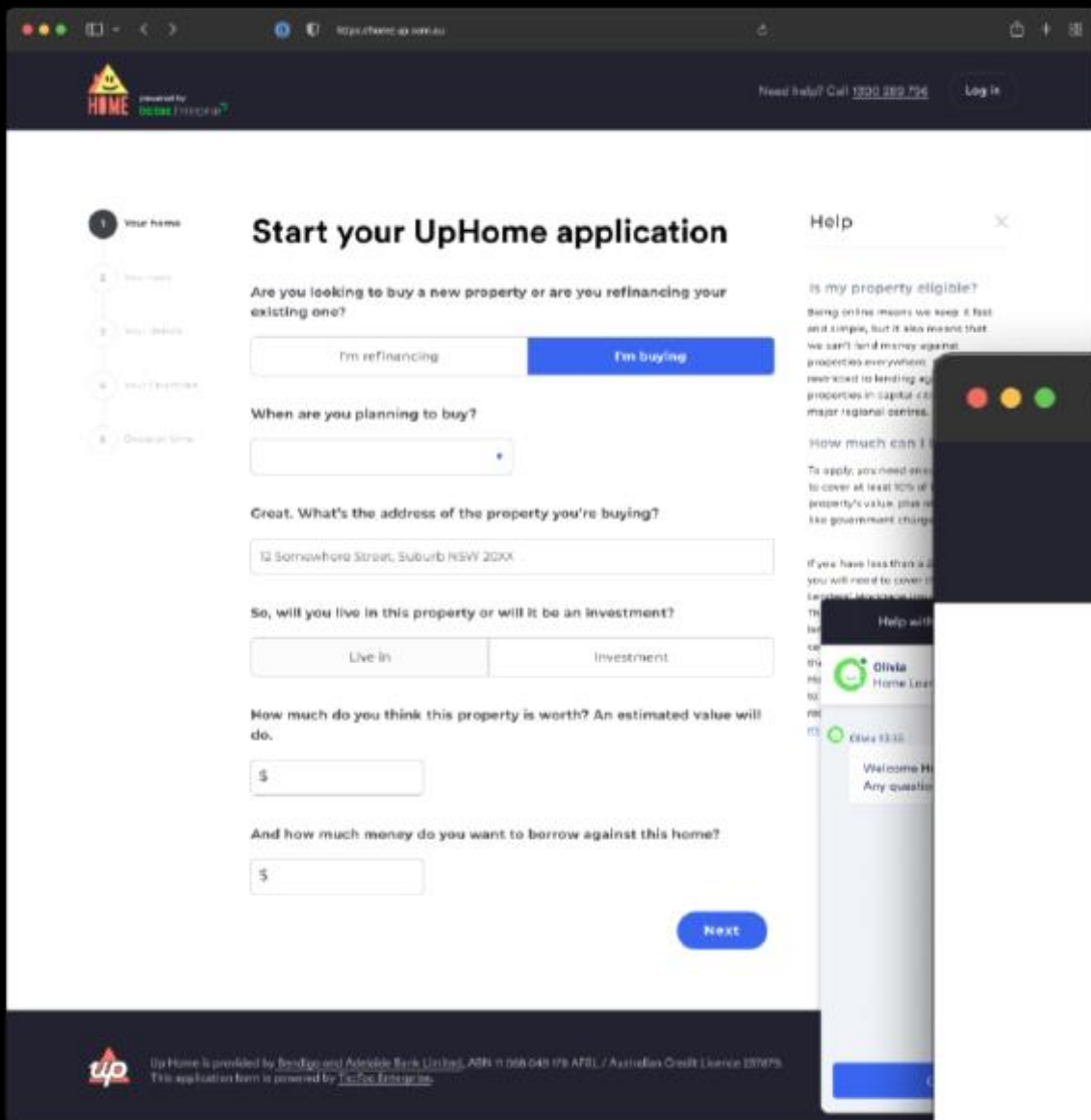
UPCOMING



32 OTTER ST.

- A digital, financial manifestation of your home in Up
- Home Saver — save up and understand your deposit.
- Home Insights — understand and budget for your running costs
- Tools to help you easily manage your repayments (e.g. round ups, repayment boosts)
- Helping people get ahead — what does a healthy home loan look like?

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45% new to Up

55% new to Joint Account

**LIVE**

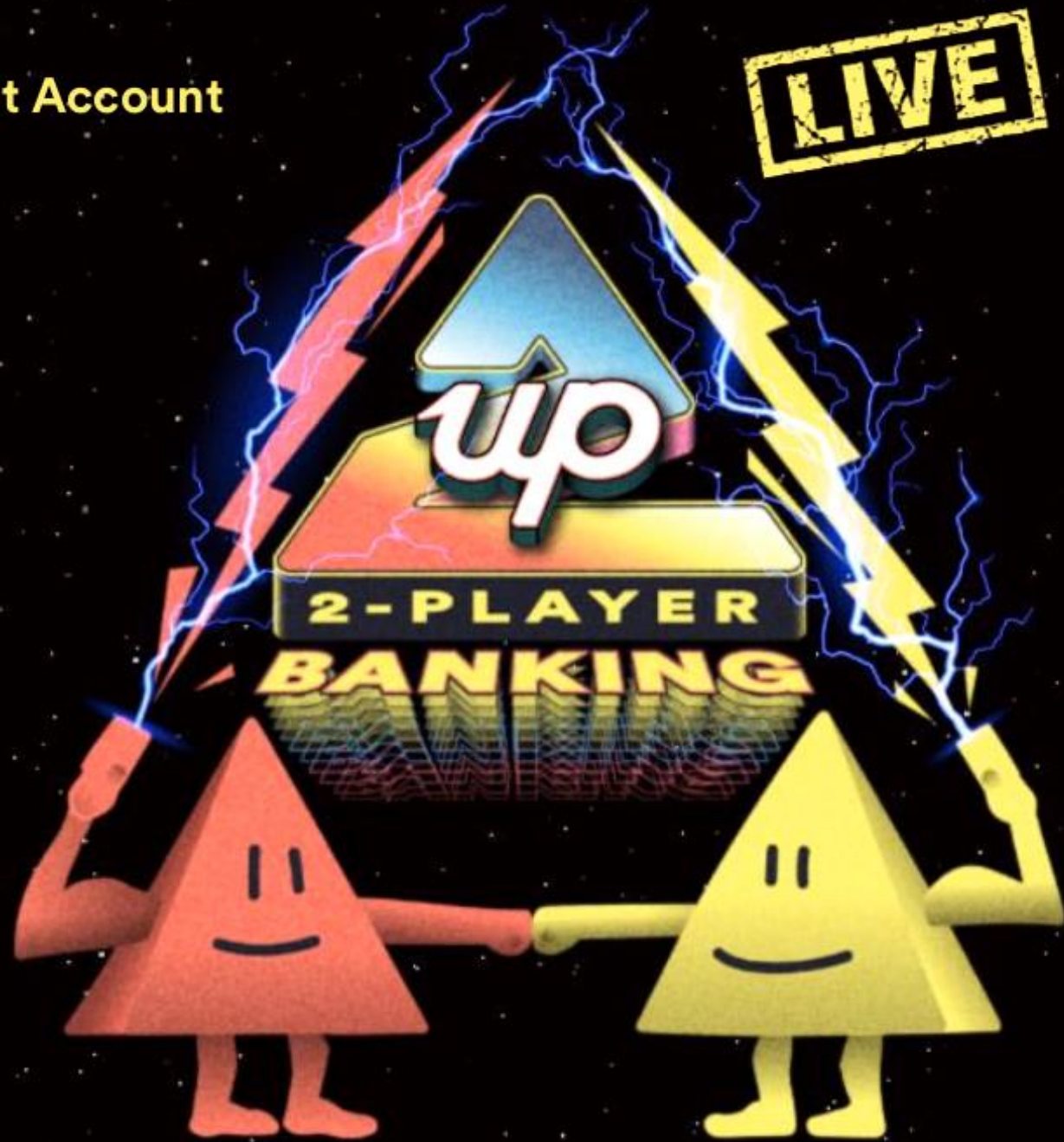
“So much more than a feature — an outcome, financial health and literacy”

— Pauline Theobald Wray, MD Global Lead, BCG Expand Fintech Control Tower [in](#) (17-May-2021)

“Is this the best product launch landing page ever?”

— Jax Vullings, Principal, AirTree [t](#) (17-May-2021)

*Bloody brilliant • Beyond excited • Game on • Epic!  
So pumped • Best bank ever • Switching banks now*



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QUICK 10-APP SETUP



2-PLAYER ENABLED



1-PLAYER PRIVATE



EASY 10-APP CLOSURE

[up.com.au/2up](https://up.com.au/2up)





Building the essential financial brand for younger generations

up

upi



up.com.au



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# Appendix





First to offer Visa debit card

1982

First to offer mortgage offset account

1990

First to launch internet banking with live balances

1999

Launched highly rated Bendigo Bank app

2012

Launched Google Pay

2016

Launched Garmin and Fitbit Pay

First lender to launch digital home loan  
Bendigo Bank Express

Launched Australia's first next-gen digital bank Up

2018

Best use of AI in Fintech Award – Tic:Toc

1st Excellent Banking App – Bendigo Bank – Mozo Expert's Choice Award

4th Excellent Banking App – Up – Mozo Expert's Choice Award

2020

1986

First to offer Visa credit card

1998

Launched globally renowned Community Bank model

2002

Introduced Australia's first Green loan

2014

Recognised as one of Australia's most innovative companies by BRW Magazine

2017

Australia's first fully digital lending platform Tic:toc

Launched Samsung and Apply Pay

2019 & 2020

Best Partnership – Fintech Australia Finnie's Award BEN and Ferocia

2021

Acquired Melbourne based fintech, Ferocia

Outstanding Customer Satisfaction award - Bendigo Bank and Up – Mozo People's Choice Award

## Disclaimer

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**Bendigo and Adelaide Bank  
Digital Transformation Market Briefing  
Friday 26 November at 10am EST.**

**Marnie Baker**

**Slide 1**

Good morning and welcome to Bendigo and Adelaide Bank's Digital Transformation Market Briefing.

I acknowledge the Traditional Custodians of the many lands on which we are meeting today. For me live streaming from Bendigo, that is the Dja Dja Wurrung people of the Kulin nation.

I recognise throughout Australia the Traditional Custodians continuing connection to land, water and community, and I pay my respects to their elders, past, present and emerging, including those who may be present on this call today.

My name is Marnie Baker and I'm the Managing Director of Bendigo and Adelaide Bank.

**Slide 2**

It is my pleasure to host today's briefing, and I thank you for joining us to learn more about our digital transformation journey.

We have set aside an hour and a half for a 40-minute presentation and then for the remaining time, those on today's conference call will have the opportunity to ask questions.

Joining me today are two people who have both played integral roles in driving the Bank's digital transformation.

Firstly, Ryan Brosnahan is Bendigo and Adelaide Bank's Chief Transformation Officer, and he will speak to you about the Bank's transformation journey.

Ryan joined the Bank in 2019 and is responsible for driving our organisational and technological change program.

With more than 20 years' international experience in the financial services industry in Australia, New Zealand and the United Kingdom, Ryan has led significant and complex growth and transformational change initiatives across multiple functions and businesses in financial services.

Ryan has a deep passion for harnessing the power of technology to improve the way people live and work.

Following Ryan, you will hear from Xavier Shay, Chief Executive Officer for Up.



After starting his career as a software engineer in Melbourne's start up scene, Xavier spent almost a decade working in the engineering leadership team for global payments company, Square, leading and coaching teams across the United States.

He returned to Australia in 2019 where he joined Ferocia and was recently appointed as Up's Chief Executive Officer.

Xavier is inspired to help people live their best life through financial enablement. His ambition is to remove the stigma around saving and spending that stops people from taking charge of their financial life.

While today's briefing is not a financial performance update, I will take the opportunity to restate the outlook commentary provided at our full year results announcement in August.

As stated at that time, we expected to see further pressure on net interest margin over the year, which will be more than offset by income generated by continued above system residential lending growth. Also stated in August was our objective to deliver a further reduction in the Cost to Income ratio.

Today we will provide more detail about the acquisition of Ferocia and the Bank's digital transformation journey – where we've been, where we're going, and how the ongoing investment in growth and transformation is building what's needed to achieve our stated target of towards 50% Cost to Income ratio.

### **Slide 3**

We understand the privileged role we play in the lives of our customers and their local communities, and we know what is important to the individuals and businesses who choose to bank with us.

We know that by feeding into prosperity, not off it, we can create long-term value for everyone connected to us, and this purpose is unique to our Bank, which is today, one of Australia's oldest and most trusted brands.

But along with trust, there must be capability, the necessary ingredient to our customers' choice of banking providers. This is a critical component of our strategy, a strategy that we believe will shape the future of banking, and importantly, deliver positive outcomes for our shareholders.

Reducing complexity, while continuing to build and uplift our capability through modernising and transforming our business, is vitally important for our future; a future we're genuinely excited to shape.

Delivering and embedding digital capabilities to improve the experience for our customers as well as digitising and automating core processes, is a key part of our transformation roadmap, as is reducing complexity and costs.

Importantly, through all this change, our deeply human and personalised relationship approach to banking will continue to shape the connections that matter most to our customers.

Fundamentally, it's our customers who are at the centre of our transformation program – they must be.

#### **Slide 4**

And at the centre of our acquisition of Melbourne based Fintech, Ferocia is a simple, crystal-clear mandate.

We are reimagining banking.

When we launched Up, Australia's first and largest mobile-only digital bank platform in 2018, we set out to disrupt the industry and shape the future of banking for a whole new generation of customers.

Today, with the highest rated banking App, unparalleled customer engagement and a vision to be Australia's number one consumer lifestyle brand, the time is right to scale Up and create a full-service proposition.

Up is winning young customers away from the big four, at speed. Most of Up's customers are under 26 years old and are highly engaged. Over 25% of active customers log in over 100 times per month, and 40% log in more than 50 times.

Up's customer engagement is unparalleled when compared to global peers and its rapid growth has far exceeded all expectations. In three years Up has welcomed more than 430,000 customers and nearly \$1 billion in low-cost customer deposits, empowering a new generation of savers and securing a market leading position with this emerging, influential demographic, at a substantially lower cost of acquisition compared to traditional channels.

As we further accelerate Up's rapid pace of innovation and growth, and further expand revenue opportunities through Up, customers of our other brands will also benefit from Ferocia's digital innovation and experience.

Powered by technology-led customer experience design and run by an internationally experienced team, the acquisition brings outstanding digital and technical expertise to the Bank.

There is no time lost on integration activities, given Up is already supported by the Bank's core infrastructure. So, all investment can go into further developing and building out the customer experience.

The acquisition allows Bendigo and Adelaide Bank to further develop its digital ecosystem, adding Up's exciting product roadmap to the existing offerings provided by the Bank including the market leading digital home loan capability of our partner, Tic:Toc. More than 40,000 Up customers are saving for a home loan with Up scheduled to introduce home loans to its product suite early in 2022.

Whilst the Ferocia team have joined the Bank, they continue to operate as a standalone division with a unique innovation, engineering, and design culture.

The acquisition of Ferocia cements a 9-year partnership between Ferocia and the Bank, uniting our collective innovation, heritage and matched capabilities to accelerate the Bank's digital transformation and further grow a unique digital banking proposition.

We are responding to our customers and their changing behaviours and expectations, positioning ourselves through transformation and delivering new ways of banking.

We stand apart in the market with our own unique strengths and opportunities.

We have the size and capability of a big bank and pace and agility of a small bank.

We're commercially focussed and community spirited, digital by design, and human when it matters.

We're not the same as our competitors and we're not running their race.

We innovate and collaborate where it counts, and we partner for the long-term. Our track record over many decades proves this as you saw in the opening video.

We are nimble and able to accelerate our digital transformation and shape the future of banking, not only for existing customers but also for a whole new generation of customers – building capability for the future and connections for life.

We want to delight our customers, to give them an experience better than they expected – to reimagine the way banking is undertaken so it's not something that our customers have to think about - but is seamlessly integrated into their lives.

Our whole team is committed to this excellence and delivering on the plan – a plan that plays to our strengths and that of our partners, that scales our platforms, creates value for our customers, drives long term sustainability for our business and the communities we serve, and provides strong and improving returns for our shareholders.

Together we are on this journey for our over 2 million customers, and for all Australians who want an experience that is less about banking and more about them.

## **Slide 5**

I will now hand over to Ryan.

**Ryan Brosnahan**

## **Slide 6**

Everything around us is changing, and so are we. Look at how the last 20 years has changed how we watch movies One of these chips is 8,000 times as powerful as the other

We have unique competitive advantages that can't be easily replicated and our digital transformation will amplify these along with providing us the ability to scale efficiently

### **Slide 7**

We recognise that customer preferences are radically changing. Customers expect a Netflix or Uber like experience from any company they're interacting with.

This means that experiences have to be always 'on', personalised, seamless and easy.

These trends have been accelerated even further by the COVID driven environment we have been in over the past 18 months.

All these changes lead us to a fairly logical answer, we should become a pure play digital bank!

### **Slide 8**

But, that would mean we give up everything that makes us special; that is our genuine and authentic human connection grounded in a deep sense of purpose and the many ways this shows up; from our leading NPS scores, the efficient deposit raising capability of our network, the trust in our brand and the advocacy we are afforded by our customers and communities right across Australia.

We also have some really amazing digital and data assets that are helping turbo charge both our growth and transformation agenda, such as the Up platform which Xavier will speak about soon, our data and analytics capability, which enables us to tailor offerings to individual customer needs, our BEN Express digital home loan and many others.

Our 163-year history proves that we have an innate ability to continually innovate to adapt in response to change. How many other companies are still successfully operating in Australia after 163 years?

And now more than ever, we are leveraging these innovation capabilities as we adapt in response to the ever-increasing pace of change of the environment we are operating in.

The bank we are building is digital by design but human when it matters

### **Slide 9**

We have clearly identified the work we need to do and the value it drives.

To do this, we are:

Simplifying our products, processes and technology, modernising our technology platform, reengineering and automating our core processes, and building new digital propositions.

The 3 pillars of our digital transformation are Simplification, Modernisation and Digitisation

By simplification, we mean:

- a) We are reducing the number of Brands we have in market to 3, this means we can use the power of the Bendigo brand more which is already one of the most trusted brands in Australia
- b) We have narrowed our focus on fewer customer segments, we are now focused on; young people starting out, those who want to buy a home, savers, small businesses and farmers
- c) As we simplify, we are removing half the products we operate today, we are also removing half of our processes and half of our technology applications.

In parallel, we are building capability by modernising, so we can continually adapt and respond to what our customers need to succeed.

A core part of this capability is modernising our technology estate.

I recently heard Brett King say that the reason the world needs fintech is because banks around the world run on 1960's technology (mainframe core banking system) and are offering a 14th century based product (the bank account) which is protected by a 1st century security mechanism (a signature). He is obviously being provocative but there is an element of truth in this.

We are in the midst of unwinding the labyrinth of technology we have and rebuilding it in a way that is digital first, run in the cloud, API enabled and driven by microservices.

This enables us to:

- a) Create connected, seamless experiences for our customers, built and run by us and/or our partners for example, our merchant services proposition for business customers from Tyro, our digital mortgage BENExpress, powered by Tic:Toc and our real-time FX and cross border payments service in Up that is provided by Wise.
- b) This approach also means we start to eliminate the disadvantages of being small as we can create brilliant propositions for our customers and therefore move faster and incur less upfront cost. For example, last year, we enabled our customers with the ability to sign documents digitally in 6 weeks from having the idea through to customers actually executing documents. We moved our entire workforce to working from home in 2 days at the start of Covid and in commencing our move to cloud based hosting, we moved our first 30 workloads to AWS in 30 days.

When I talk about this modernisation, I am not talking about the future, this is now.

We are well into rebuilding our technology and Xavier will talk about the Up platform which is built 100% in this way. Hopefully you have all joined Up and experienced this difference for yourselves. Xavier will talk more through what he and the team have created.

Our digitisation approach includes both digitising and automating core processes, and also digital transformation - bringing new digital propositions to market such as BENExpress our digital home loan built on the Tic:Toc platform and adopting a digital mindset in everything we do from the way

that we work together, the way we design experiences, and the way we develop, test and deploy software

We are focused on digitising the right experiences and interactions with our customers to make these interactions easier and more convenient. This focus on digitisation through an operational excellence lens enables us to remove friction, lower our costs, improve speed, consistency and scale for growth, while also being more productive.

For example, in our home loan processing area we have improved productivity by 25% over the past year by; re-engineering our processes, cross-skilling our staff, and using data and analytics to focus in on and unblock bottlenecks to improve flow.

As I mentioned earlier, we recognise that in continuing to build on the momentum of the past year and to excel in the future, partnerships, collaboration and innovation remain intrinsic to everything we do.

With a strong history in these attributes, as you saw in the video at the start, we understand the significant benefits and opportunities they bring to our customers, our organisation and our shareholders.

A great example is our recent acquisition of our partner, Melbourne-based fintech company, Ferocia, which was a successful partnership built over many years.

Ferocia brings to the Bank outstanding market-leading digital and technical expertise, and has consolidated our ownership of Up – Australia's highest rating banking app.

Up's customer engagement is unparalleled when compared to global peers. In three years, it has welcomed more than 430,000 customers who trust us with more than \$950 million of their deposits, while at the same time, it has helped empower a new generation of savers and adds to our customer base a complementary demographic.

As we further accelerate Up's rapid pace of innovation and growth, and expand revenue opportunities on the platform, customers of our Bendigo Bank brand will see significant benefit from Ferocia's digital innovation and experience as we accelerate the build out of our own digital channels and apply the same approaches and technologies we've been using on Up.

## **Slide 10**

We have a plan, and we are 2 years into the execution of this plan

We have made a great start to building our future.

We have simplified our business by:

1. Reducing the number of our Technology applications we run by 13% (653 to 570)
2. Simplified our merchant services model by partnering with Tyro which enabled us to switch off 90% of the systems associated with running this service

3. Sold non-core Businesses
4. Commenced integrating Delphi and Alliance businesses into the Bendigo products and systems, the first of which we will complete in the next quarter.

As far as Modernisation goes:

1. We have established multi-cloud capability and have containerised our workloads in a way that we can easily move between different cloud providers, we have proved by moving workloads from AWS to Google in a few days.
2. We have become an Open Banking accredited data provider with the first phase of Open Banking delivered on time. This initiative has also enabled us to deliver critical new enterprise-wide capabilities, including customer consent management and real-time streaming of data, both of which will be critical as we leverage open banking capability into our propositions.
3. Also, real-time data streaming capability starts to move us into a real-time world to provide more timely data to customers and to improve how risks are managed.
4. We have moved 10% of our target state technology applications to the cloud and for new and upgraded applications, we are implementing more than 80% of these directly to the cloud.

On our Digitisation and broader digital journey:

1. we have Improved our customer experience by introducing the ability to upload and sign documents digitally
2. Built a seamless way for customers to authenticate their phones for mobile banking that we are rolling out in the first half of 2022.
3. We have recently deployed an API driven automation capability that has enabled us to reduce the time it takes to classify income and expense information that feeds into the credit assessment process from 77 minutes to 7 minutes per application.
4. We have Launched a digital home loan called BENExpress which leverages the Tic:Toc platform.

And all of this was achieved against a backdrop of our business growing significantly ahead of system.

## Slide 11

we are holding ourselves to account with a simple set of clear metrics which we will be radically transparent around to show progress on a frequent basis.

## Slide 12

We have made a great start to building the future over the last 2 years by significantly progressing our simplification, modernisation and digital transformation roadmap.

This has enabled us to both grow in parallel to transforming, to walk and chew gum.

And we have a lot to look forward to as we continue to execute this plan over the next 3 years which will enable us to bring our vision to life to be Australia's bank of choice for customers, people, partners, communities, and shareholders.

Thank you and I'll hand over to Xavier.

**Xavier Shay**

## Slide 13

Hi everyone.

I'm excited today to show you a bit more about Up and give you a taste of the type of customer experiences and approach we're applying, and that we're excited to also bring to the rest of the Bendigo organisation.

We've been working with Bendigo for the last 9 years. They are a fantastic organisation with strong values alignment with us and we're feeling really good about how much more we can do being closely together.

## Slide 14

At Up, we believe that we can take people from a place where money is a cause of stress and anxiety to somewhere where they're actually having a bit of fun with their money.

So, it's not just about being in financial control, but actually they look forward to playing around with their savers, they look forward to checking their balance. And for a lot of people, Up is actually the first time they've been able to save money, which is really powerful.

## Slide 15

I pulled a couple of recent reviews, and we're continually seeing things like "life-changing", "I've never been able to save before", "bank app that actually helps you save money and makes banking a whole lot of fun."

We have all these innovative features like round ups, goals, pull to save, real-time transaction notifications with automatic categorization and insights, covers and forwards, people are using all these features to completely change their relationship with money.



And while we see this every week from all of our five-star reviews that we're getting from our customers, we see it come through in our metrics as well.

### **Slide 16**

More than two thirds of our new customers are from Referrals, which leads to a very low cost of acquisition. We've been able to grow to our current size with very little investment in marketing, and we're just now starting to increase that to supercharge what is fundamentally a word-of-mouth driven acquisition loop.

Our active customer base is growing at about two and a half percent month on month, and those active customers are making more than one purchase per day.

We're the number one rated bank in Australia on both the app stores, with a market leading NPS as well.

So, our customers really, really love us, and they're telling their friends, and that means a consistently low cost of acquisition for us.

What's also cool is that we're appealing to a really complementary demographic to Bendigo. Over the last 2 years, we've attracted 5 times the number of 18-25 year old than the Bendigo brand has, and nearly 3 times 25-34 year old – who are a prime first home buying audience.

### **Slide 17**

Behind all of this comes a real wealth of design technology and product experience from the Ferocia team.

The 70-person team at Ferocia has been doing this a while, and this is what enables us to build things that customers really love, get them out the door really quickly, and make sure they're reliable.

We've had extremely good uptime, we're deploying multiple times per day, and we've done world leading partnerships with folks like Google cloud and Wise in order to deliver really top-notch experiences to our customers.

### **Slide 18**

Today I wanted to spend a bit of time talking about our product roadmap and how we think about things. We have a public roadmap – search for “the tree of Up” and you'll find it. There are two parts of this that I wanted to talk about today.

### **Slide 19**

The first is Up home.

This is our top priority at the moment. It's what we're spending most of our energy on.

While you could just think of this as offering home loans to Upsiders, I wanted to use this as an example to talk through how we approach this type of feature from a customer experience.

Typically, with a home loan you'll hear people talking about how long it takes to apply, the rate, and all of that sort of thing. But for us the home loan financial product is merely the thing that enables what people really want, which is homeownership.

### **Slide 20**

And it's a multi-decade process. You spend years saving up for a deposit, hours or days actually going through the application process, and then potentially decades repaying.

We want to think through, what does the customer journey over that entire lifetime look like? And how can we be there to support it?

### **Slide 21**

That leads us to think that what we want is a digital and financial manifestation of your home in Up. There are many things we can do here.

Home insights – helping you understand and budget for your running costs.

We can do dedicated home savers that help you save up and figure out your deposit, the type of home that you could afford, and what impact different savings changes would have over time.

Tools to help you easily manage your repayments, such as roundups and repayment boosts and also going one step further and helping people get ahead – helping them understand, well, what does a healthy home loan look like?

For example, if we could help people get ahead on some of their repayments, that's going to put people in a really strong financial position.

### **Slide 22**

One of the advantages that we've found through this Bendigo acquisition is that it's opened up a really powerful partner opportunity with Tic:Toc enterprise to take care of a lot of the technical

Pieces in the application process – while I said this was a small part of the journey for customers, it is one of the bigger parts as far as the build complexity goes, and Tic:Toc have already solved that. This lets us focus on the customer experience portion that we're really strong on.

We're building this out and testing it at the moment, and currently forecasting our first customers being onboarded in March.

We know from our labelled savers that we have over forty thousand engaged customers actively saving for a home, with many right on the cusp of purchasing, so we have a really strong and cheap non-broker channel for this new feature.

### Slide 23

So that's Up home.

The second thing I wanted to talk about was our multiplayer banking strategy, or was we like to say, making Up better with mates.

2Up is something we launched earlier this year that is a really good example of this. 2Up is our take on joint accounts, and like we're doing with Up Home at the moment, we didn't just launch a standard joint account product like everybody had been asking us to for a while – we took our time to figure out what's actually going on here.

What we were seeing is that despite having a shared financial relationship for years, a joint account was increasing the last thing couples would get – you get married, maybe you get a house, and that's finally the impetus to get a joint account.

But couples are sharing finances much earlier than that - sometimes as early as splitting the bill on their first date – and we wanted to understand how we could help people with technology much earlier on in their relationship.

So, things like making it really quick and frictionless to set up, ensuring that you still have your one player identity, and even things like making it easy to close down in the event things don't work out – all this innovation in the joint account space has led to a couple of things for us.

It's been a growth driver: 45% of 2Up accounts have one or both parties as new Up customers. 55% of people using 2up have never had a joint account before. What we're seeing is that we're creating an entirely new market segment here – and again this is very low-cost acquisition for us.

We find all this very exciting. What we're looking at with some of our other multiplayer features is to go wider than two people and see if we can create more viral growth loops that will lead to more and stickier customers.

### Slide 24 / Slices Video

One of those other multiplayer features we only just launched is Slices. Slices is our take on bill splitting. From your transaction notification you can straight away slice a purchase between all of your friends on Up.

This is built on top of our unique payments infrastructure, which is really strong. We already have the ability for people to request money from other Upsiders, and this feature builds on top of that.

What you're seeing here is a really gorgeous and usable way to either do straight slices or get into the details and adjust how much each person is contributing.

We're really excited about this feature and our customers are loving it too. We're already seeing hundreds of slices per day.

So, with the slices set up, you can send out requests with a message or a GIF.

We've got a bit of a leader board there to help encourage everybody to pay back quickly.

As part of this, we've also done a fun little promotion where if you split a purchase more than \$30, you'll have a chance of us chipping in and getting a slice on us, which is pretty cool. It's a continuing on a theme that we started with perk up, which was really popular, where we were using our real time capabilities to randomly pay for people's morning coffees.

These sorts of nice little flourishes work really well for us. They're cheap marketing that our customers really get a kick out of. It's the sort of thing that they go to socials with, they tell their friends about, and it really reinforces our continued referral and low-cost growth.

Slices is just one more multiplayer feature; we've got more coming. Shared accounts is probably the next one that we're thinking about.

#### **Slide 25**

So that's Home and Slices, and hopefully you can see that we haven't just taken banking online – every new feature is creating a new market and a new customer base. What we're doing here is completely reimagining what banking can be.

**Marnie Baker**

#### **Slide 26**

Thanks Xavier and thanks Ryan.

As you can see from what we've presented, the work undertaken to date and the investments we have made position the Bank well for the future.

We are fundamentally changing the way we work at Bendigo and Adelaide Bank to make it easier and simpler for our customers to interact with us, while also making it easier for our people to deliver to our customers.

We are simplifying our products, processes and technology, modernising and scaling our technology platforms, reengineering and automating our core processes, and building new and exciting digital propositions.

Our acquisition of Ferocia and investment in Tic:Toc is driving a significant step change in our digital transformation strategy, delivering market leading experiences for customers through a low-cost acquisition channel, to a highly engaged customer base.

90% of Up customers are new to Bendigo and Adelaide Bank, providing a low-cost stable source of customer deposits, and clear opportunity to scale and become a full service proposition.

We remain resolute in our determination to realise our vision to be Australia's bank of choice and will continue to call on our point of difference, strength of purpose, digital innovation, customer and

community connection to position us for ongoing success and shape the future of banking for all our stakeholders.

I will now open for any questions from those on today's call.

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