

Executive Summary

We initiate coverage on Bendigo and Adelaide Bank with a HOLD recommendation based on a 12-month price target of \$XX based on a discounted cashflow and dividend discount models. Our price target represents a slight deviation of XX% from the current share price of \$XX in alignment with other analyst recommendation and project NIM into the future.

BEN has provided consistent returns among recent inflationary pressures and RBA interest rate uncertainties, sitting among medium sized banking peers such as Bank of Queensland, ING and Suncorp Bank.

Business Description:

Operating outside of the big-4 banking oligopoly, Bendigo and Adelaide bank have garnered a brand identity of retail service to predominantly rural areas, with recent expansion into the neo-bank sector.

BEN's several banking arms provide the company with defensible brand power and the ability to service a broader demographic of customers than other mid-sized institutions. The core Bendigo bank brand provides a

Servicing 2.83% of the retail home loan market.

Conversely, the recently spawned UP neo-bank caters to a young, digital-only demographic with greater focus on demand and term deposits with only recent addition of credit products and loans.

, which predominantly focuses on retail banking services to rural households, UP bank

Financial Analysis: