# ASX Announcement

Bendigo Bank

## Financial Results for the full year ended 30 June 2026

**Monday, 24 August 2026**

| Cash earnings after tax unaudited | Statutory earnings after tax | Net Interest Margin | Residential lending |
|---|---|---|---|
| $530.2 million 3.0% ↑ | $375.1 million large ↑ | 1.95% 7bps ↑ | $66.4 billion (0.4%) ↓ |
| 2H26 $273.8 million 6.8% ↑ | 2H26 $144.5 million (37.3%) ↓ | 2H26 1.98% 6bps ↑ | 1H26 $65.1 billion 1.9% ↑ |
| **Dividend per share** | **Cash return on equity** | **Common Equity Tier 1** | **Customer deposits** |
| 63 cents per share | 8.01% 67bps ↑ | 11.34% 34bps ↑ | $74.1 billion 2.2% ↑ |
| 2H26 33 cents per share | 2H26 8.26% 50bps ↑ | 1H26 11.37% (3bps) ↓ | 1H26 $73.3 billion 1.1% ↑ |

Bendigo and Adelaide Bank Limited (**ASX:BEN**) today reported cash earnings for the year of $530.2 million and statutory net profit after tax of $375.1 million. Cash earnings were 3.0% higher for the year and 6.8% higher for the half. The Board determined to pay a fully franked final dividend of 33 cents per share.

"The full year result demonstrates our ongoing disciplined approach to driving quality deposit growth and delivery against our strategic agenda. Our earnings have again improved over the half, benefiting from the continued growth in lower cost deposits driving higher margin. Expenses were lower than the first half reflecting the benefits from phase one of our productivity program and fewer days in H2. The Bank has regained lending momentum following a return to growth in our residential lending book through the second half.

Over the year, we have delivered on several key milestones;

- We have continued to advance our digital transformation across deposits and lending by introducing in-app customer onboarding through the Bendigo Bank app and completing the full rollout of the Bendigo Lending Platform to all branches. These initiatives are already delivering results, with almost half of all digitally eligible customers joining the Bank through the app and around 80% of our home loans written through the lending platform.
- The second phase of our Productivity Program has commenced, underpinned by strategic partnerships with Infosys and Genpact. Implementation is progressing, with restructuring costs of $29 million (pre-tax) in FY26 and an additional $56 million to $66 million (pre-tax) expected in FY27, with $65 million to $75 million (pre-tax) of expected annual run rate benefits to be realised from FY28.
- We also completed the final phase of our multi-year core banking consolidation in December 2025, delivering a significant simplification of our technology environment.
- Our partnership with Google is elevating our expertise in artificial intelligence and cybersecurity. Already, over 5,000 of our people are regularly using Gemini Enterprise to support their daily productivity, and are embedding advanced AI tools into our daily operations.
- The acquisition of RACQ Bank's loan and deposit books is on track for completion in 1H27, significantly growing our presence in Queensland. As recently demonstrated through the successful migration of our 180,000 Adelaide Bank customer accounts, we will leverage our existing and repeatable customer migration expertise to onboard 90,000 RACQ Bank customers.

The work to uplift the Bank's risk management capabilities continues. In December 2025, the Financial Crime Transformation Program commenced with a focus on enhancing our enterprise-wide AML/CTF risk management, including transaction monitoring. Last week, the Bank announced a rectification plan to address deficiencies in its management of non-financial risk (NFR). This multi-year program of work will drive a fundamental shift in our management of NFR and is expected to require an initial estimated provision of $70 million, which has been included in the 2026 financial year results.

We remain committed to delivering improved returns to shareholders and are focused on delivering our target of an ROE above 10% by 2030. To achieve this, we will continue to invest in value creating initiatives, including our strategic partnerships, the uplift of our risk management capabilities, and the successful integration of the RACQ Bank loan and deposit books."

Richard Fennell, Managing Director and CEO

**Financial Performance**

Cash earnings of $273.8 million for the second half were 6.8% higher than the first half, with income growth of 2.6% and expenses down 2.1% on the prior half. Lending balances increased 3.5% over the half, while customer deposit balances grew 1.1%. Net Interest Margin increased 6 basis points over the second half to 1.98%, driven by prudent management of our funding requirements.

Customer deposits grew 2.2% over the year, supported by lower cost deposit growth of 6.8%, while higher cost deposits contracted 2.8%. The mix of deposit funding improved significantly over the year, with lower-cost deposits increasing to 54.8% of total customer deposits, up from 52.5% over the year. This was driven by growth in our EasySaver and Up Grow & Flow products, which increased 10.7% and 43.7% respectively. Our household deposit to loan ratio of 76.3% was up 3.5 percentage points over the year.

Total lending grew 1.5% over the year. Business and Agribusiness lending increased 8.8% with strong growth in Business lending, up 12.5%, reflecting growth in both our core business banking product suite and our Portfolio Funding business. Agribusiness grew 3.8% over the year and 10.6% in the second half, reflecting strong seasonal flows. Residential lending was down slightly over the year, with strong growth in digital channels (up 13.0%) offset by a decline in third party originated channels (down 5.5%) following our exit from the legacy mortgage partner channel.

Up's positive momentum continued over the year, with lending growth of 56.3% to $2.6 billion and deposit growth of 44.8% to $4.1 billion, delivering a profitable second half.

Total operating expenses increased by 4.2% for the year, while expenses were 2.1% lower in the second half reflecting benefits of our ongoing productivity program, fewer days in H2, and continued focus on cost management disciplines. The annual increase reflects a combination of higher software amortisation, technology costs and the ongoing investment in risk and digital capabilities.

Total credit expenses for the year were $13.3 million, of which $8.8 million were from specific impairment charges from customer exposures. Our credit performance remains resilient with a reduction in impaired assets of 11.1% to $115.1 million. In residential lending, 90-day plus arrears increased over the year by 5 basis points to 0.87%, whilst Business lending 90-day plus arrears reduced 54 basis points to 1.32%.

**Outlook**

The Australian economy has continued to show resilience with relatively low unemployment and strong business investment. However, cost-of-living pressures due to higher inflation (especially since the Middle East conflict) have led to a sharp fall in consumer sentiment. Three RBA rate hikes, softening property prices and geopolitical events are expected to result in more modest economic growth this financial year. In the medium-term, Australia remains well positioned given the strong performance of our major trading partners and likely benefits of technological advancements.

**2026 full year results webcast**

The results presentation webcast will be held today, Monday 24 August 2026 at **10.00am (AEST)**.

A replay of the webcast will be made available at the Bendigo Bank website www.bendigobank.com.au/about-us or via the following link – 2026 Full Year Financial Results Announcement.

Approved for release by:

Bendigo and Adelaide Bank Limited Board

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