ASX Announcement

1Q27 Trading Update

Bendigo Bank

For the quarter ended 30 September 2026

Reported 19 October 2026

Cash earnings after tax (incl. notable items) unaudited	Statutory NPAT unaudited	Net Interest Margin
$112.7 million	$66.0 million	1.94%
2H26 Qtr avg $95.1m 18.5% ↑	2H26 Qtr avg $72.2m (8.6%) ↓	4Q26 2.00% (6 bps) ↓

Residential lending	B&A lending	Customer deposits
$66.2 billion	$18.0 billion	$74.3 billion
1Q27 growth of (0.8%) annualised	1Q27 growth of (10.6%) annualised	1Q27 growth of 4.8% annualised

Bendigo and Adelaide Bank Limited (**ASX:BEN**) today reports its unaudited financial performance for the quarter ended 30 September 2026 and provides an update on changes to our financial reporting disclosure framework in the FY27 financial year.

Bendigo Bank 1Q27 Trading Update

"Unaudited cash earnings including notable items are higher this quarter compared to the 2H26 quarterly average, driven by the non-financial risk provision which was recognised as a notable item in 4Q26, and underlying improvements in income and costs. Net Interest Margin was down 6bps mostly due to temporarily higher liquid assets, higher wholesale funding and an adverse change in deposit mix.

Customer deposits grew to $74.3 billion[1] (+4.8% annualised over the quarter) driven by term deposit growth of 13.3% annualised whilst lower cost deposits contracted 4.0% annualised, to now represent 54.1% of customer deposits. Up's Grow & Flow product continued to grow strongly, increasing 45.3% annualised. The Bendigo Bank EasySaver product grew 4.4% annualised.

Lending balances contracted 3.1% annualised over the quarter. Residential loan balances were 0.8% lower, although momentum in loan applications and discharge rates improved over the quarter. Business lending, excluding Portfolio Funding, grew 3.4% annualised whilst overall Business lending growth was down 12.5% annualised following the exit of a large Portfolio Funding client. Agribusiness balances contracted 7.9% annualised for the quarter, due to seasonal outflows.

In September, Bendigo Bank was named Australia's Most Trusted Agribusiness Bank[2] for the fourth consecutive year reflecting our deep connection with regional and rural Australia. We are also progressing the building of digital onboarding capability for our Business & Agribusiness sole trader customers which we expect to release in 2Q27. Earlier this month, Up released its new investment loan product, expanding the Up Home offering to both homeowners and investors for new purchases and refinances.

Our work to address deficiencies in the management of non-financial risk continues with the development of our risk rectification plan and the appointment of an independent reviewer. Our balance sheet is strong and remains well positioned for future growth while addressing these regulatory matters.

Our new Chief Customer Officer Consumer Banking Christopher Dean joined the Bank earlier this month from the UK, bringing his extensive experience in driving growth through large branch networks to Bendigo Bank."

Richard Fennell, Managing Director and CEO

Approved for release by:

Bendigo and Adelaide Bank Limited Board

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[1] The 30 June 2026 Customer Deposit balance has been restated (from $74.1 billion to $73.5 billion) due to $670 million of retail term deposits being reclassified to wholesale term deposits. As a result, the term deposit balance has been restated from $24.6 billion to $24.0 billion.
[2] Roy Morgan Trusted Agribusiness Brand Awards - nationwide survey of more than 1,000 Australian farmers in July and August 2026.

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Financial Performance for 1Q27

- Unaudited cash earnings of $112.7 million, up 18.5% on 2H26 quarterly average. Unaudited statutory NPAT of $66.0 million in the quarter.
- NIM was 1.94%, down 6bps on 4Q26, reflecting:
  - Three wholesale funding transactions executed over the quarter, including the prefunding of the RACQ balance sheet, resulting in temporarily higher liquid assets (+$2.7 billion) and higher wholesale funding (+$1.0 billion);
  - Seasonal reduction in transaction accounts and growth in term deposits, impacting deposit mix;
  - Impacts from interest rate risk management activities including basis risk; partly offset by,
  - Benefit in replicating portfolio due to higher market yields.
- Net interest income was up 2.4% on 2H26 quarterly average driven by higher average interest earning assets and additional average quarterly days, partly offset by NIM contraction.
- Other income was down 10.3%, largely due to strong performance in both Homesafe and FX income in 4Q26.
- Operating expenses were 5.8% lower than the 2H26 quarterly average, driven by:
  - Notable items being 49.8% lower, mainly due to the risk rectification plan provision booked in 4Q26;
  - Flat investment spend; partly offset by,
  - Seasonal factors within BAU expenses, including higher staff costs impacted by higher average quarterly workdays and annual salary increases.
- Credit expenses of $6.8 million were incurred during the quarter broadly reflecting increases to collective provisions from growth in the Business portfolio. Provision coverage remains appropriate. We continue to monitor the cost-of-living pressures due to higher inflation and interest rates. We remain committed to supporting our customers through this period.
- Non-cash items (after tax) mainly reflect the revaluation of Homesafe properties in Sydney and Melbourne.

Table 1: Financial Summary for 1Q27

				Change (%)	
Group Financial Results ($m)	**1Q27**	**2H26 Qtr Avg.**	**1Q26**	**2H26 Qtr Avg.**	**1Q26**
Net interest income	453.0	442.5	436.2	2.4%	3.9%
Other income	67.8	75.6	69.6	(10.3%)	(2.6%)
Total income	**520.8**	**518.1**	***505.8***	**0.5%**	**3.0%**
BAU expenses	(288.9)	(281.7)	(299.1)	(2.6%)	3.4%
Investment spend	(30.0)	(29.9)	(29.7)	(0.3%)	(1.0%)
Notable items	(29.1)	(58.0)	(17.3)	49.8%	(68.2%)
Total operating expenses	**(348.0)**	**(369.6)**	***(346.1)***	**5.8%**	**(0.5%)**
Operating performance	**172.8**	**148.5**	**159.7**	**16.4%**	**8.2%**
Credit (expenses)/reversals	(6.8)	(7.9)	0.3	13.9%	Large
Cash earnings after tax[3]	**112.7**	**95.1**	**108.6**	**18.5%**	**3.8%**
Non-cash items (after tax)	(46.7)	(22.9)	1.4	(Large)	(Large)
Statutory net profit (after tax)[4]	**66.0**	**72.2**	**110.0**	**(8.6%)**	**(40.0%)**

The APS330 and additional credit tables will be released on 13 November 2026.

[3] Cash earnings after tax are unaudited.
[4] Statutory net profit after tax is unaudited.

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Changes to Financial Reporting

For FY27, Bendigo Bank will revise the basis for financial reporting by presenting disclosures on a cash basis, including notable items. Programs of work that were previously treated as non-cash items in FY26 will be classified as notable items in FY27.

This change will align our financial reporting with Australian banking peers, simplify our disclosures and provide greater transparency of underlying performance.

Under this updated framework:

- Notable Items are defined as income, expenses, or write-offs that management and the Board consider are material, non-recurring, and/or not reflective of the Bank's core operational performance.
- Certain programs of work that were previously treated as non-cash items during the FY26 financial year will be reclassified as Notable Items in FY27. These include strategic partnership restructures, acquisition integration costs, and non-recurring regulatory remediation costs.
- Prior period comparative information has been reclassified to conform to the revised basis of reporting. An unaudited proforma restatement of the FY26 financial results, reflecting these reporting changes, is shown in Tables 2 and 3.

Statutory Net Profit after Tax is prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards (AAS) and with the International Financial Reporting Standards (IFRS).

Cash Earnings (both including and excluding Notable Items) are non-statutory financial measures used internally by management and the Board to assess business performance and support capital management decisions. These measures are not defined by AAS, are unaudited, and are presented in alignment with the guidance set out in ASIC Regulatory Guide 230 (*Disclosing non-IFRS financial information*).

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Table 2: FY26 Financial Results Restatement Proforma (includes reporting of notable items)

	Full year ended	Half year ended		Quarter ended			
FY26 Financial Results ($m)	**30 Jun 26**	**30 Jun 26**	**31 Dec 25**	**30 Jun 26**	**31 Mar 26**	**31 Dec 25**	**30 Sep 25**
Net interest income	1,756.0	884.9	871.1	451.7	433.2	434.9	436.2
Other income	289.9	151.1	138.8	79.4	71.7	69.2	69.6
Total income	***2,045.9***	***1,036.0***	***1,009.9***	***531.1***	***504.9***	***504.1***	***505.8***
BAU expenses	(1,142.0)	(563.4)	(578.6)	(286.8)	(276.6)	(279.5)	(299.1)
Investment spend	(117.6)	(59.7)	(57.9)	(31.2)	(28.5)	(28.2)	(29.7)
Notable items	(161.5)	(116.0)	(45.5)	(106.7)	(9.3)	(28.2)	(17.3)
Total operating expenses	***(1,421.1)***	***(739.1)***	***(682.0)***	***(424.7)***	***(314.4)***	***(335.9)***	***(346.1)***
Operating performance	**624.8**	**296.9**	**327.9**	**106.4**	**190.5**	**168.2**	**159.7**
Credit (expenses)/reversals	(13.3)	(15.7)	2.4	(13.6)	(2.1)	2.1	0.3
Cash earnings before tax	**611.5**	**281.2**	**330.3**	**92.8**	**188.4**	**170.3**	**160.0**
Income tax expense	(242.8)	(123.4)	(119.4)	(63.6)	(59.8)	(62.8)	(56.6)
Tax on notable items	46.0	32.4	13.6	29.6	2.8	8.4	5.2
Cash earnings after tax	**414.7**	**190.2**	**224.5**	**58.8**	**131.4**	**115.9**	**108.6**
Non-cash items after tax	(39.6)	(45.7)	6.1	(23.7)	(22.0)	4.7	1.4
Statutory earnings after tax	**375.1**	**144.5**	**230.6**	**35.1**	**109.4**	**120.6**	**110.0**
Cash earnings after tax, excluding notable items[5]	**530.2**	**273.8**	**256.4**	**135.9**	**137.9**	**135.7**	**120.7**

[5] As previously disclosed.

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Table 3: FY26 Notable Items (Before Tax) Restatement Proforma

	Full year ended	Half year ended		Quarter ended			
FY26 Notable Items Before Tax ($m)	**30 Jun 26**	**30 Jun 26**	**31 Dec 25**	**30 Jun 26**	**31 Mar 26**	**31 Dec 25**	**30 Sep 25**
Risk program & regulatory matters	80.6	80.6	-	80.6	-	-	-
▪ *Risk rectification plan*	*70.0*	*70.0*	-	*70.0*	-	-	-
▪ *APRA penalty and legal costs*	*10.6*	*10.6*	-	*10.6*	-	-	-
Restructure costs	72.2	26.7	45.5	19.5	7.2	28.2	17.3
▪ *Strategic Partnerships & other*	*38.3*	*24.1*	*14.2*	*19.4*	*4.7*	*14.2*	-
▪ *Adelaide & Rural Bank migration*	*33.9*	*2.6*	*31.3*	*0.1*	*2.5*	*14.0*	*17.3*
RACQ implementation	8.7	8.7	-	6.6	2.1	-	-
Total Notable Items	**161.5**	**116.0**	**45.5**	**106.7**	**9.3**	**28.2**	**17.3**

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