

Bendigo Bank announces strategic partnerships and 3Q26 trading update

Thursday, 9 April 2026

Bendigo and Adelaide Bank Limited (ASX:BEN) today announces the second phase of the Productivity Program to accelerate our progress towards our 2030 strategy.

We are evolving our operating model to be simpler and more efficient, accessing leading global capabilities to drive innovation for our customers and support operational excellence. Following the Google partnership announced in November, we have entered into two new strategic partnerships with leading providers of technology services and business operations. Today we are announcing:

1. A seven-year technology service partnership with Infosys which will significantly improve our IT service delivery capability and provide access to enhanced capabilities, software engineering and AI talent to deliver greater capacity to innovate.
2. A six-year business operations partnership with Genpact which will bring deep expertise in process optimisation and delivery to drive greater productivity and support stronger risk management across the Bank.

These partnerships will support the Bank's ability to meet the rapidly evolving needs of our customers and other stakeholders as we build on the foundational technology platforms already delivered. By focusing on our core strengths, including customer connection and our strong deposit franchise, Bendigo Bank will be better positioned to respond to changing market dynamics and drive sustainable growth.

The process and operational improvements expected to be delivered by these partnerships will lead to workforce changes, impacting people in our technology and business operations teams. Substantial progress has been made, but the detailed design for all impacted areas is yet to be finalised and employees will be consulted on roles and team structures.

"Decisions that impact our people are never easy. We acknowledge this will be a challenging time for our people and we are committed to lead these changes with care and respect," said CEO and Managing Director Richard Fennell.

"The operational efficiencies delivered through this change will support our previous stated guidance of business as usual expenses to be no higher than inflation through the cycle" Mr Fennell said.

As a result of these changes, we expect an annual run rate expense benefit of approximately \$65 million to \$75 million will be realised by FY28. We expect to incur upfront transition costs of approximately \$85 million to \$95 million, the majority of which will be incurred in FY27.

For the quarter ended 31 March 2026

Bendigo Bank 3Q26 Trading update

- Unaudited cash earnings of \$137.9 million, up 7.6% on 1H26 quarterly average. Unaudited statutory NPAT of \$109.4 million in the quarter.
- NIM was 1.98%, up 6bps on 2Q26, reflecting the ongoing benefit of deposit pricing and mix, two RBA rate rises and higher swap rates on replicating portfolio earnings. The exit NIM was slightly higher than 3Q26 average, noting there are emerging headwinds related to higher funding costs to support improving lending momentum.
- Lending growth continued to improve, with quarter on quarter growth of 5.6% annualised. This reflected residential lending growth for the quarter of 4.2% (annualised) and Business and Agribusiness lending growth for the quarter of 12.7% (annualised).
- Operating expenses were 4.1% lower mostly driven by reduced staff costs due to lower average FTE and fewer working days.
- Credit expenses of \$2.1 million were incurred during the quarter. We continue to monitor geopolitical developments and potential impacts on credit risk. We remain committed to supporting our customers through this period of uncertainty.

Financial Summary for 3Q26

Group Financial Results (\$m)	Change (%)				
	3Q26	1H26 Qtr Avg.	3Q25	1H26 Qtr Avg.	3Q25
Net interest income	433.2	435.6	416.2	(0.6%)	4.1%
Other income	71.7	69.4	59.5	3.3%	20.5%
Total income	504.9	505.0	475.7	(0.02%)	6.1%
BAU expenses	(276.6)	(289.3)	(267.8)	4.4%	(3.3%)
Investment spend	(28.5)	(28.9)	(27.8)	1.4%	(2.5%)
Operating expenses	(305.1)	(318.2)	(295.6)	4.1%	(3.2%)
Operating performance	199.8	186.8	180.1	7.0%	10.9%
Credit expenses/reversals	(2.1)	1.2	(1.9)	(Large)	(10.5%)
Cash earnings (after tax)¹	137.9	128.2	122.2	7.6%	12.8%
Non-cash items (after tax)	(28.5)	(12.9)	(12.4)	(Large)	(Large)
Statutory net profit (after tax)²	109.4	115.3	109.8	(5.1%)	(0.4%)

The APS330 and additional credit tables will be released on 22 May 2026.

¹ Cash earnings (after tax) are unaudited.

² Statutory net profit (after tax) is unaudited.

Approved for release by:

The Bendigo and Adelaide Bank Board

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