

Investor update including RACQ Bank book acquisition

Thursday 4 December 2025

Bendigo and Adelaide Bank (ASX:BEN) will today hold an Investor Update. As part of this update, the Bank announces an agreement to acquire RACQ Bank's retail lending assets and deposits (subject to regulatory approvals). The asset and liability transfer is expected to be completed during 1H27. The acquisition will be completed at book value and will be funded from cash reserves and will consume approximately 35bps¹ of CET1 capital.

The acquisition of the retail lending assets and deposits from RACQ Bank, with over 90,000 customers, aligns with the Bank's strategy and is expected to contribute positively to our 2030 ROE target.

Strategic benefits include:

- Optimised deposit base: Strong deposit franchise with retail deposits representing 92% of the lending portfolio, and a high proportion of lower-cost deposits.²
- Productivity improvements: Bendigo Bank's simplification to one core banking system by the end of the 2025 calendar year will enable efficient integration, minimising incremental costs and leveraging existing migration and integration capabilities.
- Sustainable growth: Increases geographic diversity, lifting Bendigo Bank's Queensland exposure to 18% of our residential lending portfolio, from 15%.²

Financial Impacts:

- Purchase price to be based on book value of the transferring book at completion, which comprised \$2.7 billion of retail loans and \$2.5 billion of retail deposits as at 30 June 2025.
- Net interest income of ~\$50-\$55 million³ based on the transferring book as at 30 June 2025.
- Estimated incremental cost to service the transferring book of ~\$12-\$14 million before tax, which includes some transferring employees.
- Estimated migration and transaction costs of ~\$25-\$30 million after tax⁴, with the majority to be incurred prior to completion of the transaction.
- Transaction expected to be ROE and cash EPS accretive (35-40bps ROE and ~4-5cps cash EPS increase, annualised)².
- Customer migration to Bendigo Bank products and core banking system at completion.
- Subject to regulatory approvals and other customary conditions.
- A strategic referral agreement to commence post-completion.

"RACQ Bank's strong deposit franchise and member focus complements Bendigo Bank's own deposit franchise and longstanding focus on our customers and the community. This acquisition leverages our proven ability to efficiently integrate significant portfolios and is expected to drive improved shareholder returns through cost efficiencies and geographic diversification."

Richard Fennell, CEO and Managing Director

¹ Based on value of lending assets as at 30 June 2025. Additionally, the 35bps of CET1 capital is primarily due to acquired Credit Risk Weighted Assets and includes migration costs.

² Based on 30 June 2025.

³ Based on RACQ FY25 reported Banking Result NII of \$64.3 million, adjusted for incremental liquidity and funding to support the transferring book.

⁴ Recognised as a non-cash item for any portion not capitalised.

ENDS

2025 Investor Update will be held today, Thursday 4 December 2025 at 9.00am (AEDT). A live audio webcast will be available from 9am (AEDT). Registration for the live audio webcast is via the following link

<https://webcast.openbriefing.com/ben-id-2025/> or www.bendigoadelaide.com.au

Approved for release by:

Bendigo & Adelaide Bank Limited Board

Media enquiries

James Frost
Head of Public Relations
m 0419 867 219
e james.frost@bendigoadelaide.com.au

Investor enquiries

Sam Miller
General Manager of Investor Relations and ESG
m 0402 426 767
e sam.miller@bendigoadelaide.com.au

Forward looking statements

This announcement may contain certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "will", "target", "plan", "outlook" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position, capital adequacy, distributions, risk management, climate and other sustainability related objectives and targets and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Bank, its officers, employees, agents and advisors, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. Caution is required in placing any reliance on any forward-looking statements in light of current economic and geo-political uncertainties and conditions, including impacts arising from the Russia-Ukraine war. Such forward-looking statements only speak as of the date of this announcement and the Bank assumes no obligation to update such information unless required by law.

For personal use only