

Media release

9 October 2025

Bank Australia has strong FY25 results including securing Qudos Bank merger approval

Bank Australia today announced its annual financial results for FY25 with total assets growing to \$12.3 billion, up 5% year-on-year and an increase of \$616 million. The bank also achieved growth in home loans and deposits, growing at 6.5% and 6.6% respectively.

This year net profit after tax was \$36.8 million, up from \$26.8 million last year, primarily driven by both Bank Australia's revenue and asset growth, and one-off proceeds from the sale of Data Action and 50% of shares held in Cuscal. While core operating costs in FY25 were below budget, the bank made significant investments in preparation for its merger with Qudos Bank on 1 July 2025, resulting in its overall operating costs being higher than budgeted.

Bank Australia's role as a shareholder in related service providers, Cuscal and Data Action, and the one-off sales of these entities in FY25 also contributed to total revenue growth. In May 2025 Data Action announced its acquisition by Vencora, with a full sale of Bank Australia's shares. In November 2024 Bank Australia also sold 50% of its shares in Cuscal upon its initial public offering (IPO), retaining 50% of the bank's holding.

Bank Australia Managing Director, Damien Walsh said this year's performance was pleasing despite ongoing challenging operating conditions in the banking sector.

"One of our biggest achievements of the year was securing customer support for our merger with Qudos Bank. Coming together with Qudos Bank makes us one of the largest customer-owned banks in the country – supporting approximately 300,000 customers with over \$18 billion in assets and almost 900 employees."

"We were pleased to see more than 14,000 new customers join us, with 51.7% of these customers from our socially aware target market."

"Our impact finance portfolio grew to \$2.8 billion in assets which now represents 22.8% of Bank Australia's assets, exceeding our goal to reach 20% by 2025. An example of our impact lending focus is increasing our nature-related loans for conservation projects and to First Nations Traditional Owner Groups to buy back Country."

"We contributed \$1.5 million to our impact fund which goes towards projects, partnerships and programs that support people and the planet, including managing our conservation reserve in Western Victoria."

"We participated in the Victorian Homebuyer Fund, which helps low and middle income earners access affordable homes."

"We also progressed our transformation agenda to deliver key projects in our roadmap. This helps to further build our in-house technology capabilities, fosters a culture of continuous improvement for our employees, and delivers a better customer experience."

Looking ahead Bank Australia expects to see continued growth following its successful merger with Qudos Bank on 1 July 2025 and its upcoming acquisition of Australian Unity Bank in November 2025, delivering greater value to its customers and increasing its ability to invest in further service and technology improvements for our customers.

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Summary of Bank Australia's 2025 financial performance:

	Jun'25	Jun'24	Year-on-year	Change ¹
Net profit after tax	\$36.8m	\$26.8m	\$10m	37.3%
Net interest margin	1.67%	1.62%	0.05%	3.1%
Cost to income ²	71.9%	81.7%	-9.8%	-11.9%
Return on assets	0.31%	0.25%	0.06%	24.0%
Total Assets	\$12.3b	\$11.7b	\$0.6b	5.1%
Reserves	\$778m	\$712m	\$67m	9.4%
Capital adequacy	16.7%	16.3%	0.4%	2.4%

¹Year-on-year change percentages are based on entire value movements

²CTI values exclude merger costs. CTI inclusive of merger costs was 76.7% (FY25) and 82.1% (FY26)

About Bank Australia

Bank Australia Ltd believes banking can be a force for good and together we can have a positive impact on our customers, communities and the planet. Following its merger with Qudos Mutal Ltd on 1 July 2025, Bank Australia Ltd continues to operate the Bank Australia and Qudos Bank retail brands. We are 100% customer-owned and aim to build on our position as Australia's leading purpose-driven bank. Our commitment to clean money means we focus our lending and investments in areas that do good, not harm, for people and the planet. We support almost 300,000 customers and we're custodians of more than \$18 billion in assets.

Media contacts

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