

## MEDIA RELEASE

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### **Bank Australia and Qudos Bank to explore merger to create Australia's leading purpose driven bank.**

#### **Highlights**

- Potential to unlock substantial benefits to members through increased scale and investment in improved customer experience, with lending and contact centre teams across Brisbane, Sydney, Canberra, Melbourne and the Latrobe Valley
- Access to a wider range of products and services
- Commitment to enhanced digital experience, including increased investment in cybersecurity and fraud/scam prevention
- No branch closures as a result of the proposed merger
- The merged entity to be the employer of choice for circa 900 people
- Increased scale investments in impact for people and the planet as a leading purpose driven bank
- Members will have a final say through a member vote in late 2024 or early 2025 should plans proceed

Bank Australia and Qudos Bank today announced their intention to explore a merger between two of Australia's leading purpose driven customer owned banks.

In initiating the potential merger, the Boards of both banks have identified strong cultural and values alignment, and an enduring commitment to customer ownership that puts customers' best interests at the heart of their operations.

Consolidation of similarly aligned purpose driven banks in the customer owned banking sector creates the opportunity for enhanced outcomes for customers. A merger between these two banks would create one of Australia's largest customer owned banks, and provide a strong platform to accelerate the organic growth both banks have achieved in recent years. A merged entity would benefit customers through increased scale and greater ability to invest in enhanced products, services and digital banking technology.

Bringing Bank Australia and Qudos Bank together would create an entity supporting 300,000 customers with total assets exceeding \$17 billion and served by almost 900 employees. Bank Australia's historic strength in Victoria combined with Qudos Bank's strong presence in New South Wales opens up new growth opportunities for a merged entity to extend the benefits of customer owned banking to even more Australians.

With aligned commitments to achieve net zero carbon emissions and to create positive impact for customers and their communities, a successful merger will enable the banks to drive even greater positive impact for people and the planet.

Qudos Bank Chair Jennifer Dalitz said "Bank Australia and Qudos Bank make ideal merger partners with their shared focus on values-led, customer first banking. The opportunity to bring two financially strong and growing customer owned banks together to create Australia's leading purpose driven bank is an exciting one for our employees and customers. Through increased size and scale we'll build on the already strong foundations of each bank to deliver even greater experiences for our customers, and increase our reach bringing purpose driven banking to more Australians."

Bank Australia Chair Steve Ferguson said "Both banks have long and proud histories through their credit union origins which lay at the heart of our modern customer owned banks. We both recognise the value of cooperative principles that have helped us create real benefit and positive impact for our customers over many years. We're excited by the opportunity to jointly build on our commitments to people and the

planet, including our 2035 net zero target. A merger will enable Bank Australia and Qudos Bank to create an even stronger and enduring bank that continues to support its customers and the broader community well into the future.”

Key aspects of the proposed merger agreement include

- The proposed Board composition with Jennifer Dalitz (Qudos Bank) as inaugural Chair and Steve Ferguson (Bank Australia) as inaugural Deputy Chair of the merged entity. The merged Board will include equal representation from both banks and will ensure retention of the required skills and experience.
- Damien Walsh (Bank Australia) to become Chief Executive Officer and Managing Director, while Brendan Wright (Qudos Bank) will have the opportunity to continue with the merged entity in an executive capacity.
- All non-executive employees will be offered or have the opportunity to apply for roles within the merged entity including redeployment opportunities where appropriate.
- Head office operations will be split between Collingwood (VIC) and Mascot (NSW), while all current branches will be retained and reviewed by the merged entity to support customer service requirements.
- Retention of both brands in the period following the merger, with an intention for future review in due course.

With the Memorandum of Understanding now signed, Bank Australia and Qudos Bank will undertake detailed due diligence to thoroughly assess the benefits of the potential merger for customers.

If both Boards agree to proceed following due diligence, members will be asked to vote on the proposed merger later in 2024 or early 2025, once all the appropriate regulatory reviews and approvals are complete.

Members of both banks will be kept informed of progress and will be provided with further information to support them to make an informed decision if the merger is brought to a vote.

### **Media enquiries**

Bank Australia  
[corporateaffairs@bankaust.com.au](mailto:corporateaffairs@bankaust.com.au)

Qudos Bank  
[corporateaffairs@qudosbank.com.au](mailto:corporateaffairs@qudosbank.com.au)

### **About Bank Australia**

Bank Australia exists to inspire and empower customers to use their money to create a world where people and the planet thrive. We are 100% customer owned, a certified B Corp and we aim to be Australia’s most trusted 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 over 190,000 customers and we’re the custodians of more than \$11 billion in assets.

### **About Qudos Bank**

Qudos Bank is one of Australia’s largest customer owned banks with over \$5b in assets. Being 100% customer owned means our customers and owners are one in the same. Everything we do, the decisions we make, and the way we operate is designed with the customer at the heart of it all. We exist for the benefit of our customers and the community, not for making profit for the benefit of shareholders. We are a proud member of the Customer Owned Banking Association and have made a commitment to follow the Customer Owned Banking Code of Practice. We believe in doing the right thing for customers and our community, helping them realise their potential, and in the power of people coming together to pursue their financial freedom. Our goal is to be the bank our customers value most.