

ASX Release**26 February 2026****BNK BANKING CORPORATION REPORTS 1H26 RESULTS**

BNK Banking Corporation Limited (ASX: **BBC**) ("**BNK**" or the "**Company**"), today reports its financial results for the 6 months to 31 December 2025 (1H26).

HIGHLIGHTS

- Statutory NPAT of \$0.42m, up 31% on 1H25
- Underlying NPAT of \$0.44m, down 76% on 1H25
- Net Interest Income of \$11.6m, up 5% on 1H25
- Net Interest Margin improved by 49 bps on 1H25 to 1.88%
- Net Income of \$13.2m, up 4% on 1H25
- Operating expenses of \$12.2m, flat on 1H25
- Higher-return lending now accounts for 43% of the total portfolio
- Commercial loan book surpassed \$190 million as selective growth continues
- BNK loan book of \$983m, a 9% increase from 30 June 2025, supported by BNK's entry into senior secured investments
- Deposit-to-Loan Ratio of 105%, providing a stable funding base
- 90+ day residential home loan arrears at 1.37%, up from 1.20% at 30 June 2025
- 90+ day commercial loan arrears at 1.84%, up from 0.95% at 30 June 2025
- Capital Adequacy Ratio of 27.0%, down from 28.7% at 30 June 2025
- Net Tangible Assets per share: \$1.00

Commenting on the first half results, BNK Chief Executive Allan Savins, said:

"In 1H26 we continued to rebalance the portfolio toward higher-return, capital efficient assets, supporting an improvement in asset mix and further strengthening NIM. We also advanced key strategic initiatives, including the commencement of senior secured investments and measured growth in commercial lending, further diversifying our earnings base. These outcomes were achieved alongside disciplined cost management and prudent balance sheet settings."

"While arrears rose during the period, the absolute number of customers involved remains low, and we remain appropriately provisioned. Importantly, no losses were incurred."

"With a strong capital adequacy ratio and a structurally improved earnings mix, BNK enters the second half well positioned to selectively grow higher-return segments while maintaining disciplined risk and funding management."

OUTLOOK

"Despite continued competitive intensity across loan segments, the ongoing reduction in our prime lower-margin residential book has continued to create capacity to deploy funding into higher-return categories, supporting overall margin management."

"Our focus on asset mix optimisation, higher-return lending and cost-effective funding, coupled with disciplined expense management, continues to support the quality of our earnings. These settings position us to strengthen our competitive positioning in line with customer demand."

"Considering current market dynamics, we anticipate BNK's diversified income streams and strategic portfolio shifts will support sustainable underlying profit generation."

"We continue to observe resilience across our customer base amid the challenges of high interest rates and inflation, with over 97% of our loan customers remaining ahead or on time with their repayments."

"In the period ahead, we will continue exploring opportunities across selected deposit and asset categories, while assessing inorganic growth and distribution partnerships where they align with our strategy."

INVESTOR PRESENTATION

CEO Allan Savins and CFO Stephen Kinsella will host a webinar commencing at 11:00 am (AEDT) / 8:00 am (AWST) on Thursday, 26 February 2026, giving a presentation on the results followed by a question and answer session.

Shareholders can register for the webinar via this link:

https://zoom.us/webinar/register/WN_jfhYBYWxQ22CbsYFsNQABw#/registration

This announcement has been authorised for release by the BNK Board of Directors.

ENDS

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