BNK Banking Corporation Limited
Level 14, 191 St Georges Terrace
Perth WA 6000

ASX Release, 27 August 2026

BNK BANKING CORPORATION REPORTS FY26 RESULTS

BNK Banking Corporation Limited (ASX: **BBC**) ("**BNK**" or the "**Company**"), today reports its financial results for the 12 months to 30 June 2026 (FY26).

HIGHLIGHTS

- Statutory NPAT loss of $3.7m, down 389% on FY25 driven by $3.5m Goodwill Impairment.
- Underlying NPAT profit of $1.0m, down 74% on FY25
- Net Interest Income of $24.0m, up 10% on FY25
- Net Interest Margin improved to 1.96%, up 44 bps on FY25
- Net Income of $26.8m, up 3% on FY25
- Operating expenses of $26.6m, up 10% on FY25
- Commercial loan book surpassed $247m as selective growth continues
- BNK lending book of $994m, a 10% increase from 30 June 2025, supported by BNK's entry into senior secured investments
- Deposit-to-Loan Ratio of 107%, providing a stable funding base
- 90+ day residential home loan arrears at 0.47%, down from 1.20% at 30 June 2025
- 90+ day commercial loan arrears at 0.87%, down from 0.95% at 30 June 2025
- Capital Adequacy Ratio of 24.6%, down from 28.7% at 30 June 2025
- Net Tangible Assets per share: $0.99

Full Year Results Overview

FY2026 saw BNK deliver a Statutory loss of $3.7m, after the impairment of the remaining goodwill of $3.5m. Underlying full year profit of $1m was achieved without any portfolio sale transactions occurring during the year whilst operating under an environment of heightened funding competition.

During the year BNK continued the expansion into Commercial lending, achieving 25% of the total lending portfolio. Lending activity further diversified into Senior secured programs (4%) providing attractive returns on capital, whilst also launching its NCD funding program. All of these elements contributed towards uplifting NIM to 1.96% at 30 June 2026 and improving full year Net Interest Income by 10% to $24.0m.

In an upwards rate environment, BNK's arrears levels have decreased within its residential portfolio and remain within management's tolerances for Commercial. At a combined portfolio level, arrears greater than 90 days equates to 0.58%. The credit loss provision increased during the year by $575k and largely reflects the increase in the commercial lending portfolio.

During the year, BNK's deposit funding composition shifted towards a greater share of Term Deposits (up 20%) as more customers continue to seek higher rates in a competitive market across online deposit channel providers.

BNK's expenses grew 10% during the year, driven by an uplift in employment costs through targeted, clearly defined, roles to support the ongoing growth.

Commenting on the results, BNK chief executive Steve Kinsella, said:

"The full year result demonstrated delivery of our focus on improving margins and returns, whilst seeking selective growth in the balance sheet.

Our net interest income and NIM both improved on the prior year. Total underlying income was also pleasingly improved, despite the absence of any significant transactions throughout FY26. Whilst such transactions are expected to continue, their timing can lead to variable outcomes in any defined period.

Our cost growth represents an increase in overall capability to deliver on the strategy, as well as the early stages of a transformational technology investment. This investment will significantly uplift our broker partner and customer experience to drive further volume growth, whilst enabling productivity enhancement and greater operational scalability.

Our risk management capabilities continue to uplift as we respond to increased challenges posed by technological advances, such as AI, and broad expectations of higher industry standards from the community and our customers.

The year has generated solid foundations to deliver tangible and meaningful progress through the course of FY27."

INVESTOR PRESENTATION

CEO Steve Kinsella and CFO Judith Newman will host a webinar commencing at 11:00 am (AEDT) / 8:00 am (AWST) on Thursday, 27 August, giving a presentation on the results followed by a question and answer session.

Shareholders can register for the webinar at via this link:
https://us05web.zoom.us/webinar/register/WN_kDpxO1u1R9yNstTHc-TLAw

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

BNK Banking Corporation Limited
Level 14, 191 St Georges Terrace
Perth WA 6000

ENDS

Media & Investor Enquiries
Matt Vaughan
Head of Investor Relations
BNK Banking Corporation Limited
Email: matt.vaughan@bnk.com.au

About BNK

BNK Banking Corporation Limited (ASX: BBC) was founded in 1982 as Goldfields Credit Union. BNK is a branchless bank offering a focused range of deposit and lending products through a national broker network, key aggregator partnerships and expanding digital channels. BNK operates two brands: Goldfields Money and Better Choice Home Loans. Find out more: https://bnk.com.au/