

ASX Release: 30 October 2025

BNK GROUP Q1 FY26 - TRADING UPDATE

BNK ACHIEVES MARGIN EXPANSION AND STRATEGIC PORTFOLIO GROWTH

BNK Banking Corporation Limited (ASX: **BBC**) ("**BNK**" or the "**Company**"), today provides a trading update for the first quarter of FY26 ("**Quarter**" "**Q1 FY26**").

HIGHLIGHTS

- Underlying (unaudited) Q1 FY26 profit after tax of \$302k, compared to \$787k in Q1 FY25
- Statutory (unaudited) Q1 FY26 profit after tax of \$75k, compared to \$272k in Q1 FY25
- Commercial loan book surpassed \$160 million as selective growth continues
- Senior Secured Investments established during the quarter
- Higher-margin residential and commercial lending settlements of \$56 million in Q1 FY26, representing a 273% increase compared to Q1 FY25; higher margin balances now comprise 37% of the loan book
- Total loan book (including senior secured lending) of \$941m, up 4.2% from 30 June 2025
- Total deposits of \$994m, a 1.5% decrease from 30 June 2025
- Deposit to Loan Ratio of 106%
- Net Interest Margin (NIM) of 1.83% in Q1 FY26, up from 1.38% in Q1 FY25
- 90+ day residential home loan arrears at 1.04%, a reduction from 1.10% at 30 June 2025
- 90+ day commercial loan arrears at 1.22%, up from 0.95% at 30 June 2025
- Operating expenses up 13% from Q1 FY25
- Strong capital ratio at 28.6%, from 29.0% as at 30 June 2025
- Net Tangible Assets (unaudited) per share: \$1.00

Commenting on the quarter, BNK CEO Allan Savins said:

"The September quarter represents another important step in BNK's strategic evolution. We've made good progress across margin improvement, profitability, and portfolio optimisation — all while maintaining disciplined execution across the business."

"Originations in higher-margin lending saw a significant uplift, with both applications and settlements materially ahead of Q1 FY25. This reflects our deliberate strategy to prioritise sustainable, high-yield asset growth across the group with continuing margin improvement."

"BNK completed two senior secured structured credit transactions during the quarter, including our inaugural deal settled in July. These investments support well-established Australian non-bank lenders and reflect BNK's strategy to diversify credit exposures and scale high-value, capital-efficient opportunities through disciplined funding and strategic partnerships."

"Our approach to optimising portfolio composition has proven effective, as evidenced by establishing a profitable baseline and the capacity to further invest in the business. We remain focused on controlling our cost of funds and operating expenses."

"Our operating expenses have increased across people and technology in line with the investment in our strategy and improving the overall capability of the organisation."

"Arrears remain within expectations with the full pass through of the interest rate reduction on the 13 August from the RBA further assisting our customers."

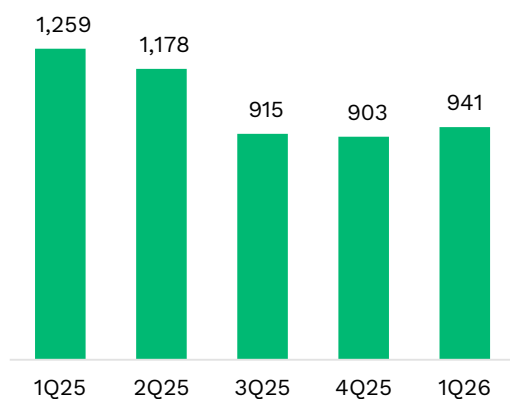
"As part of our ongoing strategy to streamline operations and focus on core activities, BNK has completed the sale of its non-core legacy Adelaide Bank loan portfolio to Bendigo Bank, effective 1 October 2025. This transaction represents approximately 40% of the legacy portfolio and is expected to deliver operational efficiencies by freeing up capacity within our Operations teams. The portfolio was sold for \$2.75 million, reflecting a multiple of 2.5x trailing commissions, and will result in a one-off statutory after-tax loss of approximately \$88k to be reflected in Q2 FY26."

"Looking ahead, heightened global macro-economic uncertainty and volatility may continue to influence market conditions. BNK remains focused on navigating these dynamics with agility, while executing its strategy to deliver long-term, sustainable growth."

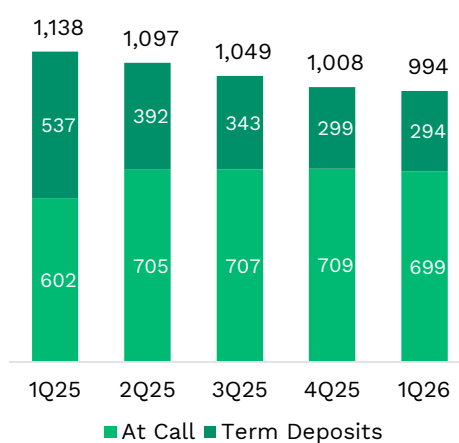
"BNK is positioned well to navigate this evolving economic landscape with strong capital and liquidity ratios whilst we explore new asset opportunities and evaluate potential partnerships for profitable growth."

Q1 FY26 Results

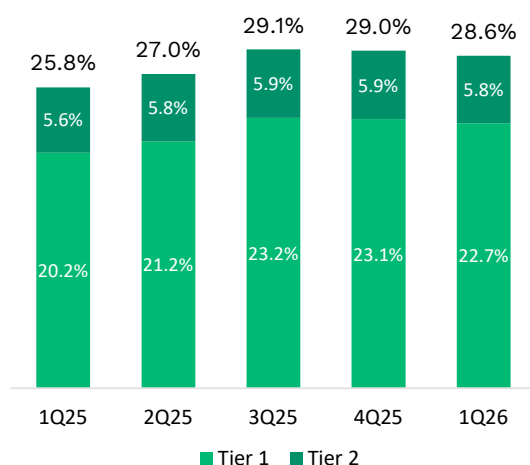
On Balance Sheet Loan Portfolio (\$m)



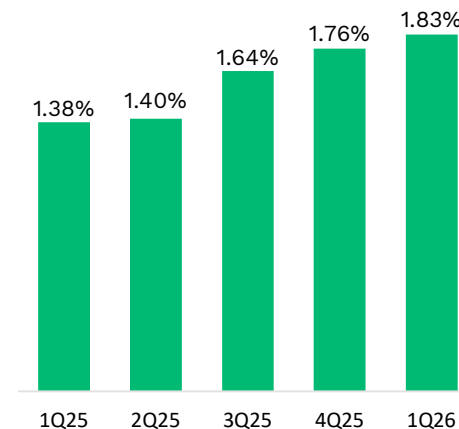
Deposits (\$m)



Capital Adequacy Ratio



Net Interest Margin



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

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