

**BNK Banking Corporation Limited – Half Year Report  
(Appendix 4D) for the half year ended 31 December 2025**

The Directors of BNK Banking Corporation Limited (the “Company”) are pleased to announce the results of the Company for the half year ended 31 December 2025 as follows:

**Results for announcement to the market**

<b>Extracted from the Interim Financial Statements for the half year ended</b>	<b>Movement</b>	<b>\$'000 31 December 2025</b>	<b>\$'000 31 December 2024</b>
Revenue from operations	4%	13,237	12,757
Profit after tax attributable to Members	31%	419	320

No dividend was paid or declared by the Company in the period and up to the date of this report. No dividends were paid or declared by the Company in respect of the previous half year

	<b>31 December 2025</b>	<b>31 December 2024</b>
Net Tangible Assets per share	\$1.00	\$0.99

The remainder of the information requiring disclosure to comply with Listing Rule 4.2A is contained in the attached copy of the Interim Financial Statements and comments on performance of the Company included in the Investor Presentation dated 26 February 2026.

Further information regarding BNK Banking Corporation Limited and its business activities can be obtained by visiting the Company’s website at [bnk.com.au](http://bnk.com.au).

Yours faithfully



Jennifer Eickmeyer  
Company Secretary



**BNK Banking Corporation Limited**  
**ABN 63 087 651 849**

**Interim Financial Report**  
**For the six months ended 31 December 2025**

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## **CORPORATE INFORMATION**

**ACN:** 087 651 849

### **Directors**

Mr. Jon Denovan	(Chairman and Non-Executive Director)
Mr. Calvin Ng	(Independent Non-Executive Director)
Mr. David Gration	(Non-Independent Non-Executive Director)
Mr. Warren McLeland	(Non-Independent Non-Executive Director)
Mr. Raj Venga	(Independent Non-Executive Director) (Appointed 26 November 2025)
Ms. Elizabeth Aris	(Independent Non-Executive Director) (Resigned 26 November 2025)

### **Company Secretary**

Ms Jennifer Eickmeyer

### **The registered office and principal place of business of the Company is:**

Level 14, 191 St George's Terrace  
Perth WA 6000  
Phone: +61(8) 9438 8888

### **Other Locations:**

#### **Gold Coast Office**

Level 5, 50 Cavill Avenue  
Surfers Paradise Qld 4217

#### **Sydney Office**

Level 15.03, Level 15, 15 Castlereagh Street  
Sydney NSW 2000

### **Share Registry:**

Automic Group  
Level 5, 126 Phillip Street  
Sydney NSW 2000  
Tel +61 2 9698 5414  
Tel 1300 288 664

### **Exchange Listing**

Australian Securities Exchange Limited  
Level 40, Central Park  
152-158 St George's Terrace  
Perth WA 6000  
ASX Code: BBC

### **Auditors:**

Grant Thornton Audit Pty Ltd  
Grosvenor Place  
Level 26, 225 George Street  
Sydney NSW 2000

### **Website Address:**

[www.bnk.com.au](http://www.bnk.com.au)

### **Corporate Governance:**

A copy of the Corporate Governance Policy Statement can be located using the following website address:  
<https://bnk.com.au/investor-centre/corporate-governance/>

## DIRECTORS' REPORT

The Directors present their report on the consolidated entity comprising BNK Banking Corporation Limited ("BNK" or the "Company") and the entities it controlled ("the Group") as at or during the half-year ended 31 December 2025.

### DIRECTORS

The names of the Company's Directors in office during the half-year and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

Mr J Denovan	Chairman and Non-Executive Director
Mr K W Ng	Non-Executive Director
Mr D Gratton	Non-Executive Director
Mr W McLeland	Non-Executive Director
Mr R Venga	Non-Executive Director (Appointed 26 November 2025)
Ms E A Aris	Non-Executive Director (Resigned 26 November 2025)

### PRINCIPAL ACTIVITIES

The principal activities of the Group were the provision of banking services and wholesale mortgage management.

The Group provides banking products and services such as loans and deposits under BNK, Goldfields Money and Better Choice brands.

Loans are distributed through the Better Choice business, via online applications with the accredited broker network, and may be funded by deposits, securitisation vehicles or third-party funders. Existing securitised funding warehouses remain in place with Goldman Sachs (\$500m) and Bendigo & Adelaide Bank (\$121m) along with a self-securitisation warehouse of \$300m.

Introducer broker channels receive commissions for loan origination and ongoing trail. Better Choice Wholesale earns and pays commissions on loan books from the white label funders.

Deposits are originated under the Goldfields Money / BNK brand directly and through third party deposit brokers. The Group earns net interest income and service fees from providing a range of services to its retail and small business customers.

### RECONCILIATION BETWEEN THE STATUTORY RESULTS (IFRS) AND THE MANAGEMENT REPORTED (NON IFRS) RESULTS

The discussion of operating performance in the operating and financial review section of this report is presented on a statutory basis under IFRS with certain adjustments to reflect a management reported basis of the underlying performance of the business, unless otherwise stated. Management reported results are non-IFRS financial information and are not directly comparable to the statutory results presented in other parts of this financial report.

A reconciliation between the two is provided in this section and the guidance provided in Australian Securities and Investments Commission Regulatory Guide 230 'Disclosing non IFRS financial information' ('RG 230') has been followed when presenting the management reported results. Non-IFRS financial information has not been audited by the external auditor but has been sourced from the financial reports.

The reconciliation between the statutory results (IFRS) and the management/underlying reported (non-IFRS) results is presented below:

	1H26	1H25	Change
<b>Statutory Net Profit/(Loss) After Tax (\$'000s)</b>	<b>419</b>	<b>320</b>	<b>31%</b>
Expense adjustments			
• CBS Replacement Project implementation costs	-	845	
• Net trail commission income on Adelaide Wholesale Book Sale	(1,862)	-	
Non-Cash Elements			
• Movement in Contract Assets/Contract Liabilities	1,888	1,252	
Tax effect of adjustments	(8)	(631)	
<b>Underlying Net Profit/(Loss) after Tax (\$'000s) (Management-reported results)</b>	<b>437</b>	<b>1,786</b>	<b>(76%)</b>

## **DIRECTORS' REPORT (cont'd)**

### **REVIEW AND RESULTS OF OPERATIONS**

The Group recorded a Statutory net profit after tax of \$0.4m for the half-year ended 31 December 2025 (H1 FY25: \$0.3m), resulting in earnings per share of 0.35 cents per share, an increase of 30% from H1 FY25: (0.27 cents per share). Underlying net profit after tax of \$0.4 million saw a decrease of \$1.3m on the prior comparative period which included Warehouse sale income in H1 HY25.

Net interest income of \$11.6m resulted in a 5% uplift from H1 FY25 being \$11.1m, whilst operating expenses remained flat at \$12.2m.

The Group's Average Net Interest Margin (NIM) for the 6 months to 31 December 2025 was 1.88%, up from 1.52% for the 12-month period to 30 June 2025 and 1.39% for the comparable six-month period to 31 December 2024. The increase in NIM has been driven by shifts in the composition of the Group's assets and liabilities.

Lending settlements increased 19% during the half year to \$309m compared to the period to 31 December 2024. The Group continues its focus on selective higher margin lending whilst maintaining levels within its prime residential loan book portfolio. The total managed loan book, excluding offset balances, decreased to \$1.9bn (30 June 2025: \$2.1bn) of which the directly funded loan book saw a small increase to \$922.4m (30 June 2025: \$900m).

The loan book comprises 79% residential mortgages with an average weighted loan to valuation ratio of 62.40%. The Commercial loan book increased 40.3% from 30 June 2025 to \$190.8m at 31 December 2025 with average weighted loan to valuation of 64.48%. Credit quality remains within management's expectation with more than 90 days in arrears equating to 1.5% of total loans (H1 FY25 0.6%).

During the reporting period it was identified that a small portion of the portfolio (< 5%) had differences noted in their loan to value ratio. These positions have been updated during H1 FY26 reporting with any relevant comparables also being recalculated.

The Group maintained a capital adequacy ratio of 27.04% compared to 28.71% at 30 June 2025 and 26.83% at 31 December 2024.

### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

There have been no significant changes in the state of affairs during the reporting period.

### **EVENTS SUBSEQUENT TO BALANCE DATE**

In the opinion of the Directors, there have been no matters arising in the period between the end of the reporting period and the date of this report that are likely to significantly affect the operations of the Group.

### **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' Report.

### **ROUNDING**

These consolidated financial statements are presented in Australian dollars which is the Company's functional currency. The Group is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the consolidated financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.



Jon Denovan  
Chairman and Non-executive Director  
Dated this 26th day of February 2026

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**Grant Thornton Audit Pty Ltd**  
Level 26  
Grosvenor Place  
225 George Street  
Sydney NSW 2000  
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Queen Victoria Building NSW  
1230  
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## Auditor's Independence Declaration

### To the Directors of BNK Banking Corporation Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of BNK Banking Corporation Limited for the half year ended 31 December 2025. I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

*Grant Thornton*

Grant Thornton Audit Pty Ltd  
Chartered Accountants

*Claire Scott*

C L Scott  
Partner – Audit & Assurance

Sydney, 26 February 2026

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**ACN-130 913 594**

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2025**

<i>In thousands of AUD</i>	Note	31 Dec 2025	30 Jun 2025
		\$	\$
<b>Assets</b>			
Cash and cash equivalents	11	91,129	107,329
Due from other financial institutions	12	32,782	75,764
Other financial assets	14	175,220	129,061
Loans and advances	15	924,590	905,634
Commissions and other receivables	13	2,887	3,201
Contract assets		5,218	7,784
Current tax receivable		80	-
Property, plant and equipment		1,670	1,162
Goodwill and other intangible assets	16	3,745	3,753
<b>Total Assets</b>		<b>1,237,321</b>	<b>1,233,688</b>
<b>Liabilities</b>			
Deposits	17	1,028,777	1,008,308
Other financial liabilities	19	76,943	90,449
Commissions and other payables	18	5,732	6,964
Trail commission payable		1,659	2,338
Current tax payable		-	1,881
Provisions		1,186	1,084
Deferred tax liabilities (net of assets)		565	624
<b>Total Liabilities</b>		<b>1,114,862</b>	<b>1,111,648</b>
<b>Net Assets</b>		<b>122,459</b>	<b>122,040</b>
<b>Equity Attributable to Equity Holders</b>			
Contributed equity			
Issued capital, net of raising costs	20	100,370	100,353
Reserves		1,241	1,257
Retained earnings		20,848	20,430
<b>Total Equity</b>		<b>122,459</b>	<b>122,040</b>

The accompanying notes should be read in conjunction with the financial statements

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

FOR THE SIX MONTHS ENDED 31 DECEMBER

<i>In thousands of AUD</i>	Note	31 Dec 2025	31 Dec 2024
		\$	\$
Interest revenue from banking activities	6	32,638	45,749
Interest expense on banking activities	6	(21,061)	(34,699)
Net interest income		11,577	11,050
Commission income	7	1,736	1,064
Commission expense	7	(2,427)	(3,326)
Net commission expense		(691)	(2,262)
Other income	8	2,351	3,969
<b>Total net revenue</b>		<b>13,237</b>	<b>12,757</b>
Operating expenses	9	(12,185)	(12,242)
Impairment of loans, advances and other receivables	15	(454)	85
Profit/(Loss) before income tax		<b>598</b>	<b>600</b>
Income tax (expense)/benefit	10	(179)	(280)
<b>Profit/(Loss) for the period</b>		<b>419</b>	<b>320</b>
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit and loss		-	-
Total comprehensive profit/(loss) for the period		<b>419</b>	<b>320</b>
Earnings per share			
Basic earnings per share (cents)	25	0.35	0.27
Diluted earnings per share (cents)	25	0.35	0.27

The accompanying notes should be read in conjunction with the financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 31 DECEMBER**

*In thousands of AUD*

Attributable to equity holders	Issued Capital	Equity Raising Costs	Liquidity Reserve	Share-based Payments Reserve	Retained Earnings	Total Equity
	\$	\$	\$	\$	\$	\$
<b>Balance at 30 June 2025</b>	<b>103,688</b>	<b>(3,335)</b>	-	<b>1,258</b>	<b>20,429</b>	<b>122,040</b>
Profit for the period	-	-	-	-	419	419
<b>Total comprehensive income</b>	-	-	-	-	<b>419</b>	<b>419</b>
<b>Transactions with owners of the Company</b>						
Special purpose vehicle reserve	-	-	-	-	-	-
Issue of share capital	17	-	-	(17)	-	-
<b>Balance at 31 December 2025</b>	<b>103,705</b>	<b>(3,335)</b>	-	<b>1,241</b>	<b>20,848</b>	<b>122,459</b>
<b>Balance at 30 June 2024</b>	<b>103,664</b>	<b>(3,335)</b>	<b>360</b>	<b>1,281</b>	<b>19,146</b>	<b>121,116</b>
(Loss)/Profit for the period	-	-	-	-	320	320
<b>Total comprehensive income</b>	-	-	-	-	<b>320</b>	<b>320</b>
<b>Transactions with owners of the Company</b>						
Special purpose vehicle reserve	-	-	(360)	-	-	(360)
Issue of share capital	-	-	-	-	-	-
<b>Balance at 31 December 2024</b>	<b>103,664</b>	<b>(3,335)</b>	-	<b>1,281</b>	<b>19,466</b>	<b>121,076</b>

The accompanying notes should be read in conjunction with the financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 31 DECEMBER**

Note	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	<b>\$</b>	<b>\$</b>
<i>In thousands of AUD</i>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	33,651	45,749
Fees and commissions received	6,739	6,965
Interest and other costs of finance paid	(20,992)	(34,175)
Payments to suppliers and employees	(17,455)	(11,527)
Net (increase) / decrease in loans, advances and other receivables	(19,447)	191,831
Net increase / (decrease) in deposits	20,469	(173,553)
Payment of income taxes	(2,200)	(100)
Net payments for investments	(3,177)	(14,136)
<b>Net cash (used in)/ from operating activities</b>	<b>(2,412)</b>	<b>11,054</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Receipts for sale of property, plant and equipment	-	-
Payment for property, plant and equipment	(22)	(34)
<b>Net cash used in investing activities</b>	<b>(22)</b>	<b>(34)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	65	257
Repayment of borrowings	(13,572)	(361)
Payments for lease liabilities	(259)	(190)
<b>Net cash used in financing activities</b>	<b>(13,766)</b>	<b>(294)</b>
Net (decrease)/ increase in cash held	(16,200)	10,726
Cash and cash equivalents at 1 July	107,329	118,352
<b>Cash and cash equivalents at the end of the period</b>	<b>91,129</b>	<b>129,078</b>

The Consolidated Statement of Cash Flows includes all cash flows of the Group.

The accompanying notes should be read in conjunction with the financial statements

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

BNK Banking Corporation Limited (“the Company”) is a company incorporated and domiciled in Australia. These condensed consolidated interim financial statements (“interim financial statements”) as at and for the six months ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as “the Group”). The principal activities of the Company are the provision of retail banking and wholesale mortgage management.

### 2. BASIS OF PREPARATION

These interim financial statements are general purpose financial statements prepared in accordance with Australian Accounting Standard (AASB) 134 'Interim Financial Reporting' and the Corporations Act 2001, and with IAS 34 'Interim Financial Reporting'.

The interim financial statements do not include all the information required for a complete set of annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to enable an understanding of the changes in the Group’s financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2025.

These interim financial statements were authorised for issue by the Company’s Board of Directors on 26th February 2026.

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191 and in accordance with the legislative instrument, amounts in the consolidated interim financial statements and Directors’ Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

#### Changes in Accounting Standards

##### A. Changes adopted in the current period.

There are no new accounting standards becoming effective during the reporting period that have resulted in changes to the preparation of these condensed consolidated interim financial statements.

##### B. Changes to be adopted in future periods.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2026 and earlier application is permitted. The Group has not adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

### 3. CRITICAL ACCOUNTING ESTIMATES AND SIGNIFICANT JUDGEMENTS

The preparation of these interim financial statements that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements at 30 June 2025.

The Company’s application and measurement of fair values is explained in note 24.

### 4. CHANGE IN ACCOUNTING POLICY

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 30 June 2025. The policy for recognising and measuring income taxes in the interim period is consistent with that applied in the previous interim period and is described in note 10.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

In thousands of AUD

### 5. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal information provided to the chief operating decision makers, the Board of Directors, in relation to the Group's business activities.

All elements within this interim financial report to December 2025 relate to the single reporting segment of the Bank.

<b>6. INTEREST INCOME AND EXPENSE</b>	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	\$	\$
<b>Interest income</b>		
Loans and advances	26,248	38,717
Deposits with other institutions	6,390	7,032
Total interest income	<u>32,638</u>	<u>45,749</u>
<b>Interest expense</b>		
Deposits	18,410	24,810
Securitisation liabilities	1,519	8,728
Subordinated debt	1,062	1,157
Lease liabilities	70	2
Other	-	2
Total interest expense	<u>21,061</u>	<u>34,699</u>
<b>7. COMMISSION INCOME AND EXPENSE</b>	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	\$	\$
Upfront commission income	657	1,303
Trail commission income	3,646	1,664
Movement in net present value of future trail commission receivable	(2,567)	(1,903)
Total commission income	<u>1,736</u>	<u>1,064</u>
Upfront commission expense	1,281	2,278
Trail commission expense	1,825	1,699
Movement in net present value of future trail commission payable	(679)	(651)
Total commission expense	<u>2,427</u>	<u>3,326</u>
<b>8. OTHER INCOME</b>	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	\$	\$
Service fees and residual income	1,451	2,564
Lending fees	438	582
Transaction fees	462	463
Other	-	360
Total other income	<u>2,351</u>	<u>3,969</u>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

In thousands of AUD

<b>9. OPERATING EXPENSES</b>	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	\$	\$
Employee benefits	8,179	7,321
Information technology	1,776	2,010
Other administration expenses	842	795
Professional services	642	1,195
Banking services delivery	123	204
Marketing	108	244
Depreciation and amortisation	302	168
Occupancy	122	163
Securitisation expenses	91	142
Total operating expenses	<u>12,185</u>	<u>12,242</u>

<b>10. INCOME TAX</b>	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	\$	\$
The major components of income tax benefit recognised are:		
Current income tax expense	-	100
Deferred income tax expense	179	180
Income tax expense	<u>179</u>	<u>280</u>

Income tax expense is recognised at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by the annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period.

Deferred income tax expense/(benefit) reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

**USE OF JUDGEMENTS AND ESTIMATES**

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. The Group assesses the probability through the consideration of factors leading to losses and the preparation of forecasts that indicate the Group's ability to generate taxable profits in the future.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

In thousands of AUD

<b>11. CASH AND CASH EQUIVALENTS</b>	<b>31 Dec 2025</b>	<b>30 Jun 2025</b>
	\$	\$
Reconciliation of cash:		
Cash at the end of the period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash at bank and on hand	44,083	66,589
Cash at Bank – restricted	47,046	40,740
	<u>91,129</u>	<u>107,329</u>

Restricted Cash is the cash reserves maintained in accordance with the Bullion Trust Deed and the Primus Trust Deed and is available to meet certain shortfalls in respect to losses and liquidity. The cash is not available as free cash for the operations of the Group without certain predefined conditions being met.

<b>12. DUE FROM OTHER FINANCIAL INSTITUTIONS</b>	<b>31 Dec 2025</b>	<b>30 Jun 2025</b>
	\$	\$
Security deposits	17,620	17,620
Negotiable certificate of deposit and term deposits	14,954	47,736
Other ADI deposits	208	10,408
	<u>32,782</u>	<u>75,764</u>

<b>13. TRADE AND OTHER RECEIVABLES</b>	<b>31 Dec 2025</b>	<b>30 Jun 2025</b>
	\$	\$
Accrued commission income	98	183
Prepayments	1,648	1,948
Trade and other receivables	1,141	1,070
	<u>2,887</u>	<u>3,201</u>

<b>14. OTHER FINANCIAL ASSETS</b>	<b>31 Dec 2025</b>	<b>30 Jun 2025</b>
	\$	\$
Investments in debt securities (measured at amortised cost)	115,050	129,061
Investments in senior secured notes (measured at amortised cost)	60,170	-
	<u>175,220</u>	<u>129,061</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

In thousands of AUD

15. LOANS AND ADVANCES	31 Dec 2025	30 Jun 2025
	\$	\$
<b>(a) Classification</b>		
Residential loans	731,524	766,789
Commercial loans	190,839	136,038
Personal loans	32	47
Overdrafts	7	81
Total gross loans and advances	922,402	902,955
Add: Unamortised broker commissions	5,088	4,768
Unamortised premium	711	1,068
Gross loans and receivables	928,201	908,791
Provision for impairment	(3,611)	(3,157)
	924,590	905,634

### **(b) Provision for impairment** **Expected credit loss provision**

	Stage 1	Stage 2	Stage 3	Total
	\$	\$	\$	\$
Opening balance at 1 July 2025	1,764	321	1,072	3,157
Movements during the period:				
Residential loans	1	(55)	76	22
Commercial loans	263	(38)	225	450
Bullion warehouse	(18)	-	-	(18)
Closing balance at 31 December 2025	2,010	228	1,373	3,611

The increase in the expected credit loss provision is aligned to the increase in Commercial lending within the portfolio, and a slight uplift in the delinquency rates observed and outlined below.

(c) Credit quality – loans and advances	31 Dec 2025	30 Jun 2025
	\$	\$
Past due but not impaired		
30 days & less than 90 days	6,036	8,832
90 days & less than 182 days	6,685	4,613
182 days or more	5,461	4,518
	18,182	17,963
Impaired mortgage loans greater than 90 days	631	631
Total past due and impaired	18,813	18,594
Neither past due nor impaired		
Total gross loans and advances	903,589	884,361
	922,402	902,955

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

In thousands of AUD

16. GOODWILL AND OTHER INTANGIBLE ASSETS	31 Dec 2025	30 Jun 2025
	\$	\$
Goodwill	3,500	3,500
Brand names, trademarks and domain names	170	170
Other intangible assets (less accum amortisation)	75	83
Total goodwill and other intangible assets	3,745	3,753

At 31 December 2025, Bank CGU was tested for impairment using the value in use approach, by discounting future cash flows (5 years) estimated from the continuing use of the CGU. The recoverable amount for the CGU was determined to be above the carrying amount.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent the Group's best estimates of future CGU performance, after considering internal and external sources of information.

Input	Dec 2025	Jun 2025
Discount rates (post-tax)	10.9%	11.1%
Terminal value growth rate	2.5%	2.5%
Budgeted net income growth rate (average of next 5 years)	23%	22%
Budgeted cost rates (average of next 5 years)	12%	12%

Discount rates were determined after assessing the Group's weighted average cost of capital and adjusting for risks specific to the CGU and/or the risks inherent to the cash flow forecasts. The cash flow projections include specific estimates from companies considered comparable over five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term growth rate, consistent with the assumptions that a market participant would expect.

Budgeted revenue was based on the Group's five-year forward-looking plans for the CGU taking into account past experience and adjustments regarding expectations of future outcomes including economic conditions.

No impairment loss has been recognised for the CGU at 31 December 2025.

### *Sensitivity Scenario*

Management have reviewed both the Long-term growth and discount rate included in the impairment testing. In order to demonstrate the sensitivities within the impairment testing, management has stress tested these two key assumptions to the point at which impairment would be triggered.

The two factors stress-tested are Discount rate and Net Income growth rate.

Input	Trigger Point	Stressed movement +/-
Discount rates (post-tax)	16.1%	5.21%
Budgeted NPAT growth rate (average of years 4-5)	11.3%	46.1%

Based on the above stress testing, management is satisfied that levels are appropriate and sufficient headroom remains given the approach already taken during the core testing and the stress testing performed. Management will continue to assess the carrying value of goodwill against forward forecasts and economic conditions.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

In thousands of AUD

<b>17. DEPOSITS</b>	<b>31 Dec 2025</b>	<b>30 Jun 2025</b>
	\$	\$
Call deposits	682,342	709,491
Term deposits	346,435	298,817
	1,028,777	1,008,308

<b>18. TRADE AND OTHER PAYABLES</b>	<b>31 Dec 2025</b>	<b>30 Jun 2025</b>
	\$	\$
Trade creditors and accrued expenses	4,176	5,969
Accrued commission payable	36	65
Lease liabilities	1,520	930
	5,732	6,964

<b>19. OTHER FINANCIAL LIABILITIES</b>	<b>31 Dec 2025</b>	<b>30 Jun 2025</b>
	\$	\$
Securitisation liabilities	52,831	66,403
Subordinated debt	24,112	24,046
Total borrowings	76,943	90,449

The Subordinated debt characteristics remain unchanged from the annual financial statements to 30 June 2025.

Securitisation liabilities represent the continued utilisation of the securitisation warehouse funding facility established in 2021. The securitisation warehouse has a facility limit of \$121 million (decreased from \$300m in February 2025).

<b>20. SHARE CAPITAL</b>	<b>Number of shares</b>	<b>31 Dec 2025</b>
<b>Issued capital</b>		\$
Beginning of the interim period	118,759,405	103,688
Movements in the period		
Exercise of performance rights	-	-
Issue Share Options	20,625	17
Balance at the end of the interim period	118,780,030	103,705
<b>Equity raising costs</b>		
Balance at the beginning of the interim period		(3,335)
Costs incurred from exercise of performance rights		-
Balance at the end of the interim period		(3,335)

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

In thousands of AUD

### 21. DIVIDENDS

No dividends were paid or proposed during the interim period.

### 22. SHARE-BASED PAYMENTS

During the interim period ended 31 December 2025, no new share-based payment arrangements were entered into.

### 23. COMMITMENTS AND CONTINGENT LIABILITIES

31 Dec 2025      30 Jun 2025  
\$                      \$

At the reporting date, the company had the following loan and overdraft commitments outstanding:

Loans approved but not advanced	511	486
Loan funds available for redraw	59,493	56,510
Unutilised overdraft limits	200	286
	<u>60,204</u>	<u>57,282</u>

### 24. FINANCIAL INSTRUMENTS

#### A. ACCOUNTING CLASSIFICATIONS AND FAIR VALUES

<i>In thousands of AUD</i>	Fair value		Carrying amount	
	31 Dec	30 Jun	31 Dec	30 Jun
	2025	2025	2025	2025
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	91,129	107,329	91,129	107,329
Due from other financial institutions	32,782	75,764	32,782	75,764
Other financial assets	113,089	127,644	115,050	129,061
Senior secured notes	61,176	-	60,170	-
Loans and advances	924,585	905,639	924,590	905,634
Other receivables	98	183	98	183
Total financial assets	1,222,859	1,216,559	1,223,819	1,217,971
<b>Financial liabilities</b>				
Deposits	1,028,871	1,007,955	1,028,777	1,008,308
Accrued commission payable	36	65	36	65
Other financial liabilities	76,943	90,449	76,943	90,449
Creditors and other payables	4,176	5,969	4,176	5,969
Total financial liabilities	1,110,026	1,104,438	1,109,932	1,104,791

#### B. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Wherever possible, fair values are calculated by the Group using unadjusted quoted market prices in active markets for identical instruments. A quoted price in an active market provides the most reliable evidence of fair value. For all other financial instruments, the fair value is determined by using other valuation techniques.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

In thousands of AUD

### 24. FINANCIAL INSTRUMENTS (CONT'D)

#### B. FAIR VALUE MEASUREMENT (Cont'd)

As part of the fair value measurement, the Group classifies its assets and liabilities according to a hierarchy that reflects the observability of significant market inputs. The three levels of the hierarchy are described below:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable in an active market.
- Level 3 — Valuation techniques for which significant inputs to the fair value measurement are not based on observable market data.

There were no reclassifications between the levels during the interim reporting period or the previous reporting period.

### 25. EARNINGS PER SHARE

The following reflects the net income and share information used in the calculation of basic and diluted earnings per share:

	31 Dec 2025	31 Dec 2024
	\$	\$
Profit for the period (\$'000s)	419	320
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in the calculation of basic earnings per share:	118,769,718	118,719,405
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	118,774,718	118,785,030
Basic earnings per share (cents)	0.35	0.27
Diluted earnings per share (cents)	0.35	0.27

### 26. RELATED PARTIES

During the reporting period the Group received trail commission income from two wholesale related parties where BNK Directors hold key positions. Resimac Limited (Warren McLeland as BNK Director) and FirstMac Services Pty Ltd (David Gration as BNK Director), contributed \$185,408 and \$18,549 respectively of trail income commissions to the Group during H1 FY26 (incl GST). (H1 FY25 \$192,273 and \$25,123 respectively).

All related party transactions are made on terms equivalent to an arm's length transaction.

### 27. EVENTS SUBSEQUENT TO BALANCE DATE

In the opinion of the Directors, there have been no matters arising in the period between the end of the reporting period and the date of this report that are likely to significantly affect the operations of the Group.

## DIRECTORS' DECLARATION

In accordance with a resolution of directors of BNK Banking Corporation Limited, I state that:

In the opinion of the directors:

- (a) The consolidated financial statements and notes set out on pages 7 to 19 of BNK Banking Corporation Limited for the half-year ended 31 December 2025 are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the six month period ended on that date; and
  - (ii) complying with Accounting Standard AASB 134 '*Interim Financial Reporting*' the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Jon Denovan

Jon Denovan  
Chairman and Non-executive Director  
Dated this 26th day of February 2026  
Sydney

## Independent Auditor's Review Report

### To the Shareholders of BNK Banking Corporation Limited

#### Report on the interim financial report

##### Conclusion

We have reviewed the accompanying interim financial report of BNK Banking Corporation Limited (the Company) and its subsidiaries (the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2025, and the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half year ended on that date, including material accounting policy information, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying interim financial report of BNK Banking Corporation Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

##### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### **Directors' responsibility for the interim financial report**

The Directors of the Company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility for the review of the interim financial report**

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



C L Scott  
Partner – Audit & Assurance

Sydney, 26 February 2026