
1H26 Financial Results

26th February 2026

Investor Presentation



Agenda



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Allan Savins
Chief Executive Officer

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Chief Financial Officer

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Strategy Update and Outlook

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Chief Executive Officer

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Questions and Answers

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1H26 Results Overview



Allan Savins
Chief Executive Officer

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.

Allan Savins
Chief Executive Officer



1H26 Highlights

\$0.42m

Statutory NPAT up 31% on 1H25

\$0.44m

Underlying NPAT down 76% on 1H25

\$11.6m

Net Interest Income up 5% on 1H25

\$13.2m

Net Income up 4% on 1H25

\$12.2m

Operating Expenses flat on 1H25

1.88%

NIM up 49bps on 1H25

>\$160m

Growth in higher-return assets on 1H25

27.0%

Capital Adequacy Ratio up 21bps on 1H25

Strategic Highlights

Executing the strategy, strengthening the earnings drivers

- ✓ Strategic shift continuing to reshape the portfolio
- ✓ Positive Underlying and Statutory results
- ✓ Net Interest Income growth
- ✓ Net Interest Margin expansion
- ✓ Higher-return assets represent 43% of the total portfolio
- ✓ Senior secured investments established during 1H26
- ✓ Commercial loan book surpassed \$190m, up 40% in 1H26
- ✓ Total lending growth of \$80m in 1H26
- ✓ Capital Adequacy Ratio of 27.0% provides capacity to pursue strategic direction

Medium Term Value Drivers

Translating early strategic progress into stronger, sustainable returns

Scaling higher-return segments

- Achieved the initial targeted 30% expansion in higher-return segments, strengthening the structural earnings base
- Further upside through commercial and senior secured investments

Sustaining margin momentum

- Positive NIM trajectory toward the medium-term goal of >2% through mix optimisation and disciplined funding execution
- Funding efficiencies and broader funding capability (supported by investment-grade rating) provide leverage for future margin gains

Strengthening Portfolio Return Quality

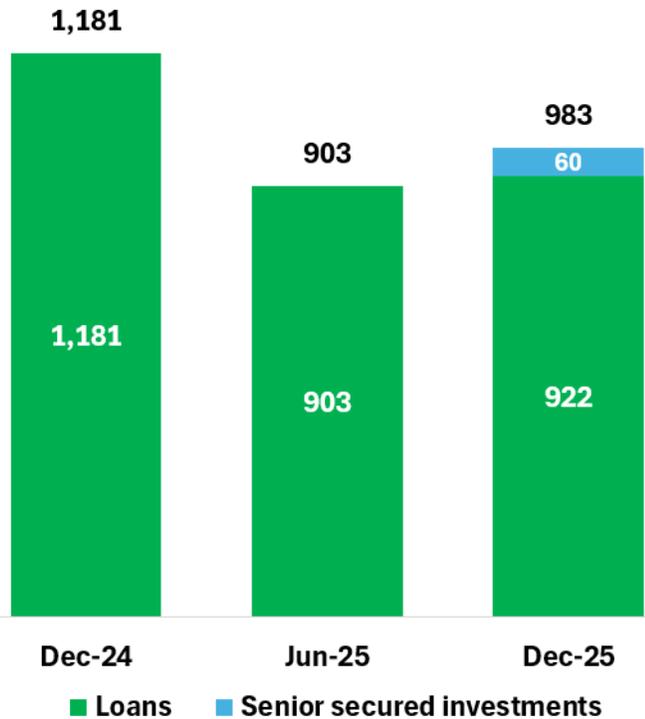
- Ongoing optimisation of risk-adjusted returns across all portfolios
- Balancing selective prime lending with prudent expansion in higher-return segments
- Ongoing strengthening of portfolio resilience and consistent credit performance

Focus: growth + margin + efficiency = sustained uplift in profitability

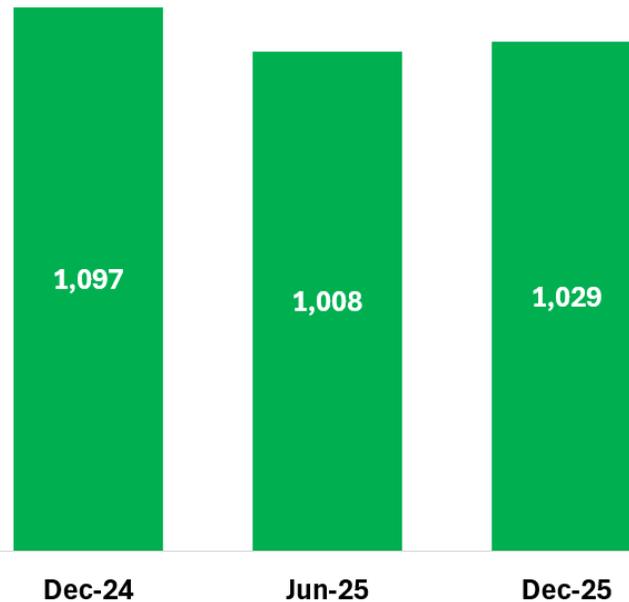
Lending, Deposits, NIM & Net Interest Income

Strategic reshaping of the portfolio supports net interest income growth and NIM uplift

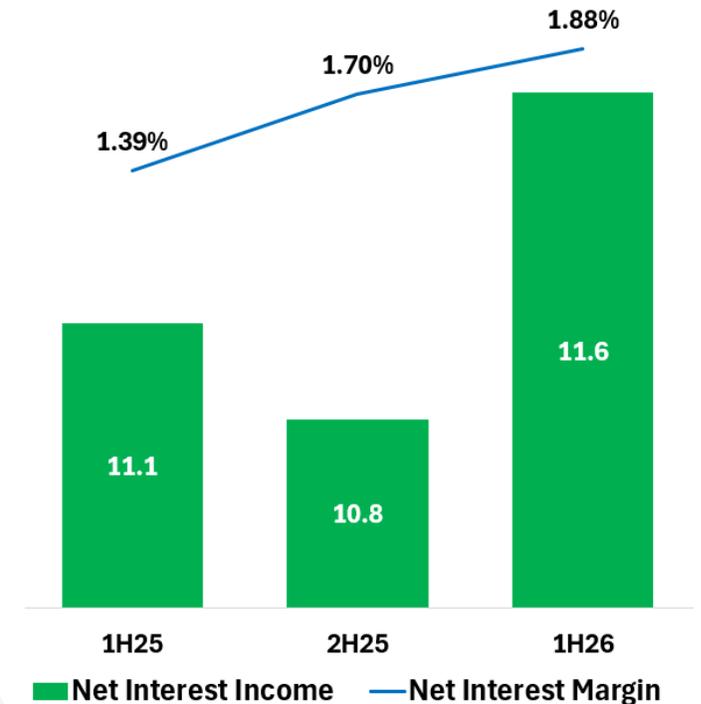
Lending (\$m)



Deposits (\$m)



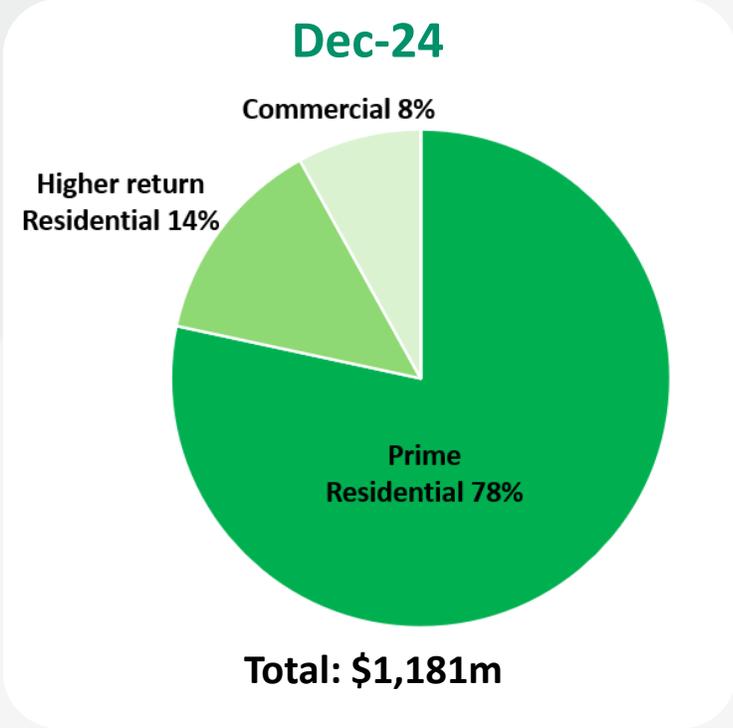
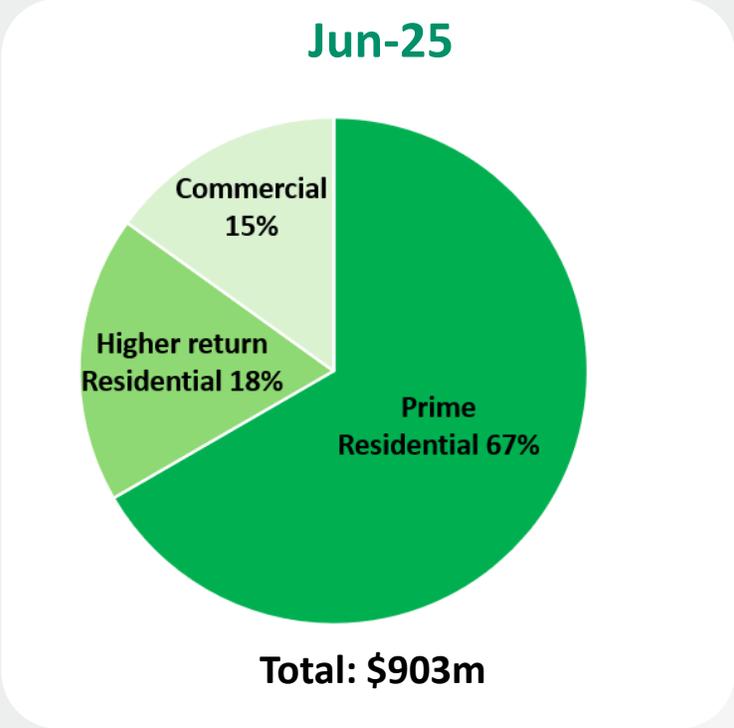
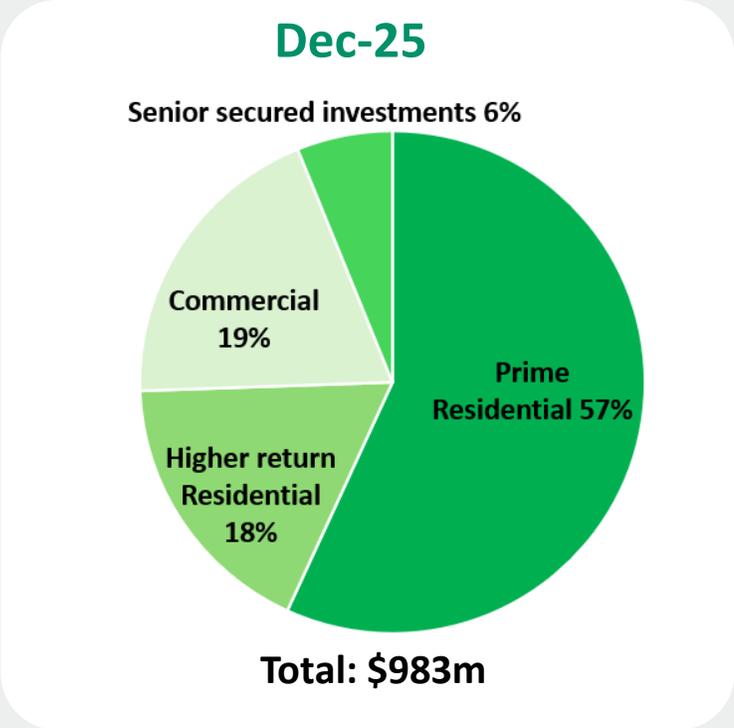
NIM (%) & NII (\$m)



Risk-managed portfolio growth and diversification

Disciplined portfolio reshaping through targeted diversification

Portfolio mix by lending category

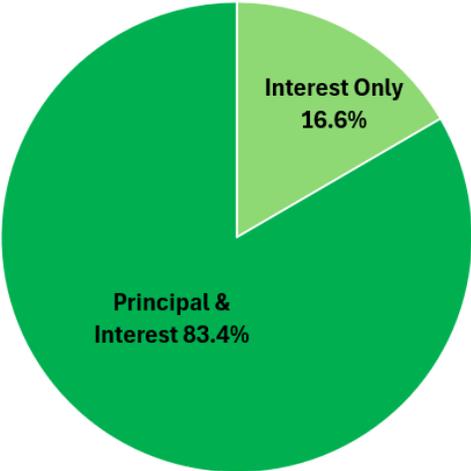


Repayment structure enhancing portfolio resilience

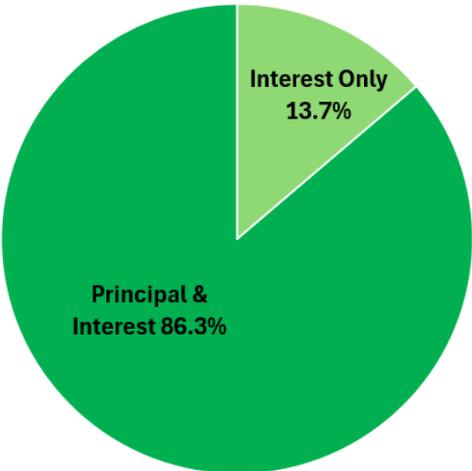
Stable risk profile despite increase in higher-return loans

Residential loans

Dec-25

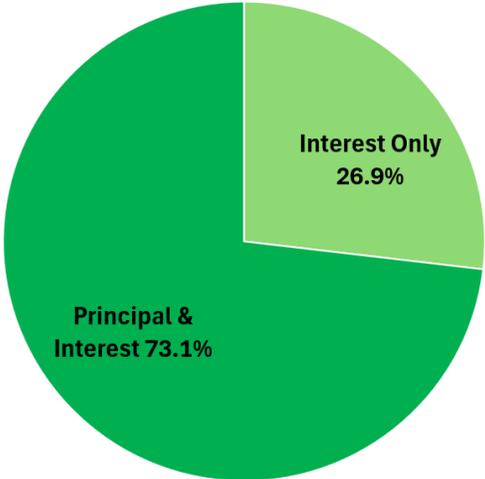


Jun-25

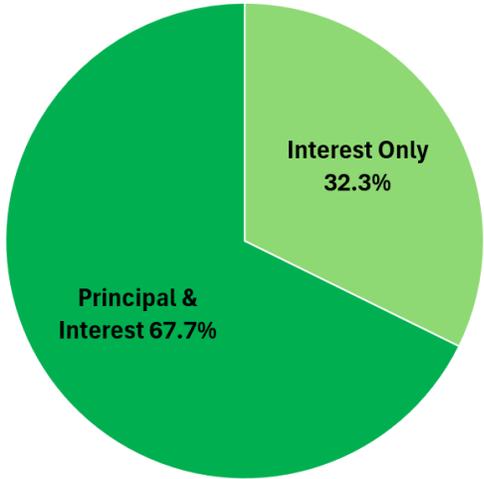


Commercial loans

Dec-25



Jun-25

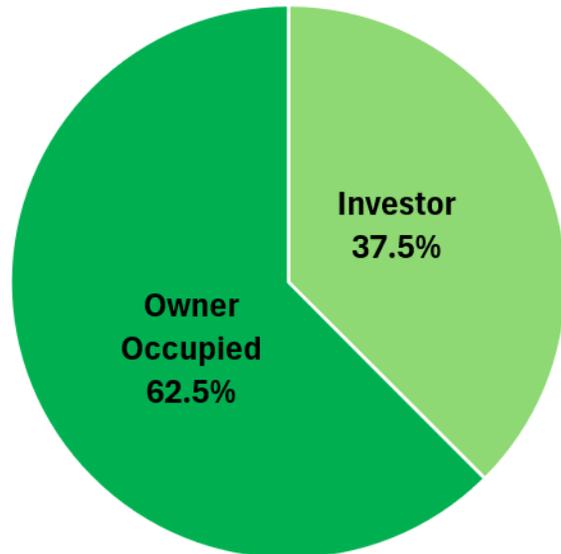


Residential Portfolio - Owner Occupied and Investor

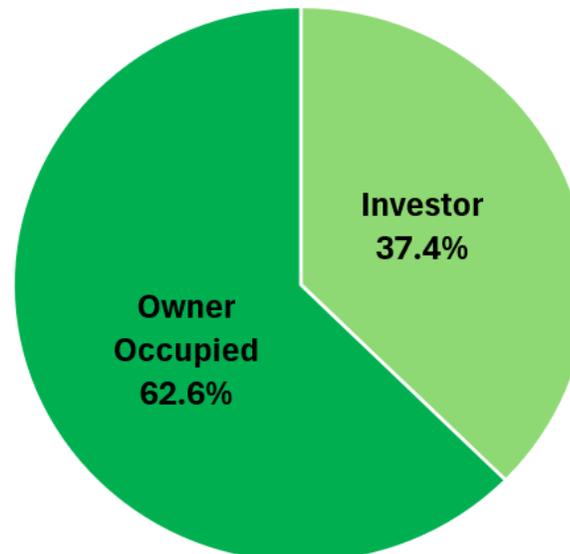
Stable risk profile with minimal change in portfolio mix

Residential portfolio by loan type

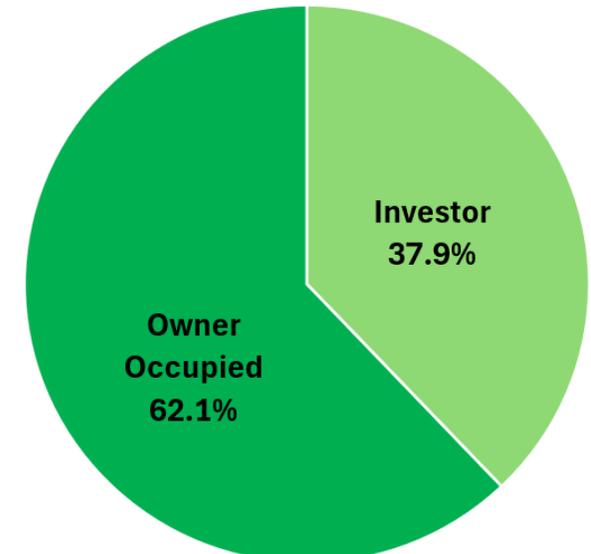
Dec-25



Jun-25



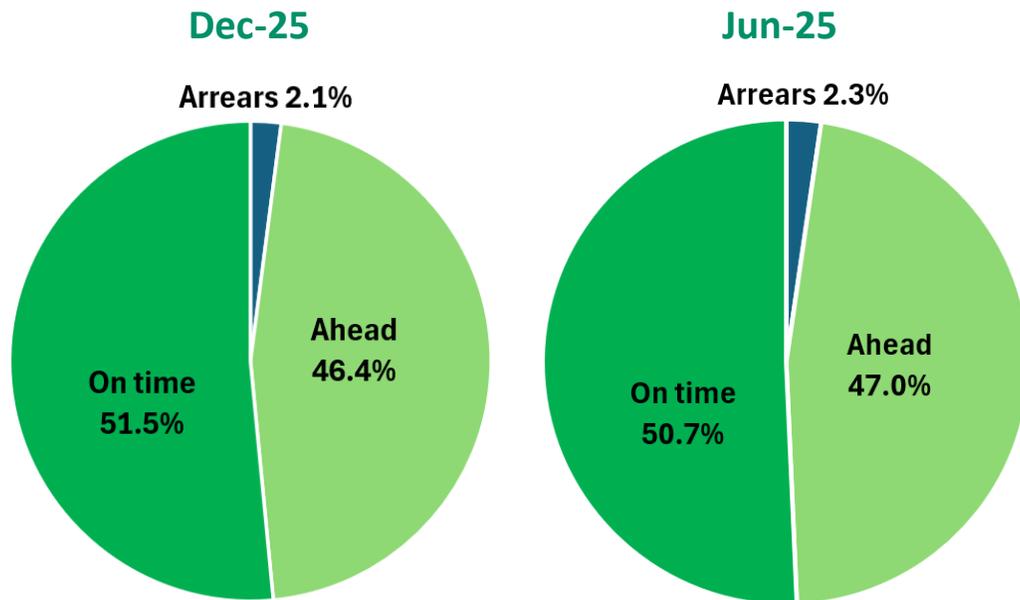
Dec-24



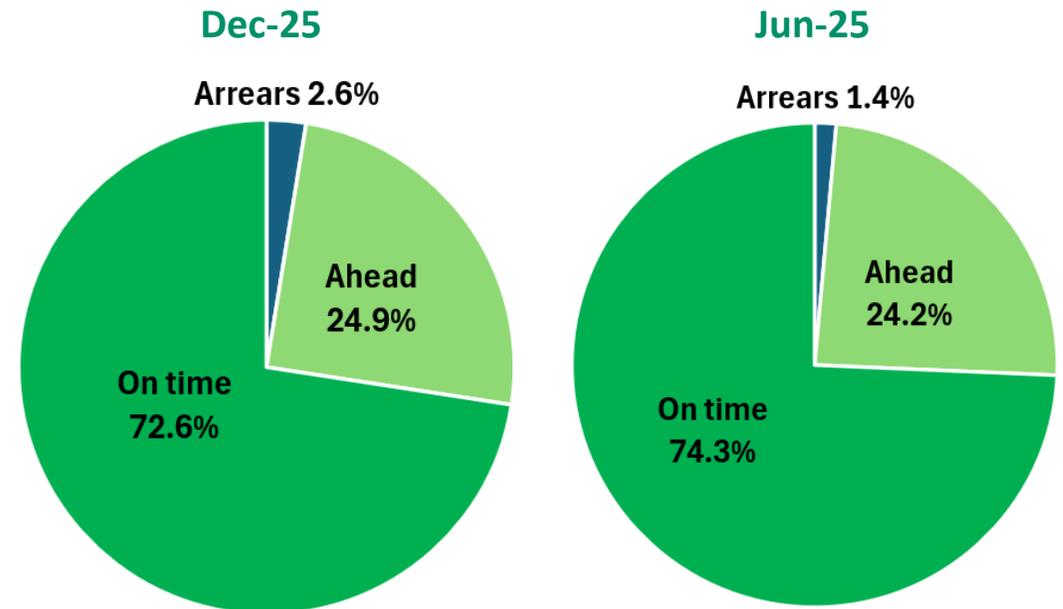
Portfolio Resilience and Credit Strength

Most customers remain on track or ahead in their repayments

Residential portfolio mix by repayment



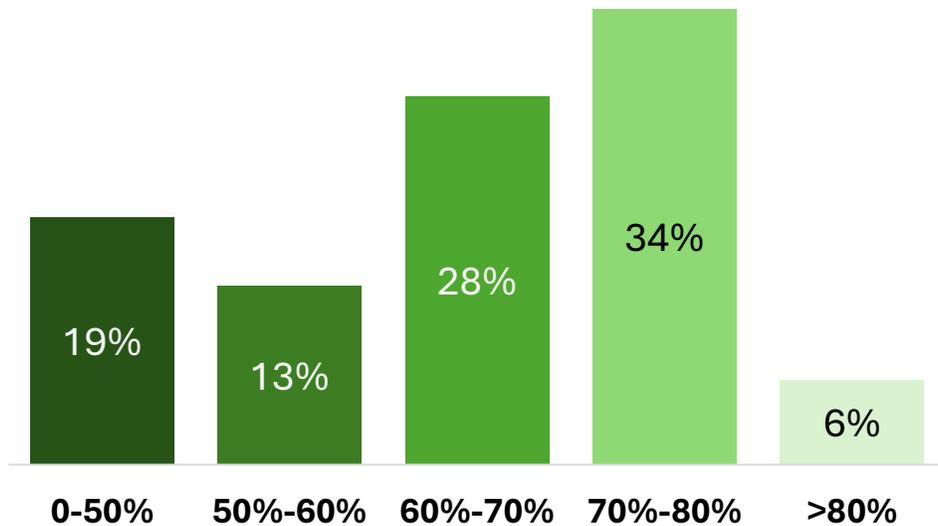
Commercial portfolio mix by repayment



Residential Loan Book Composition

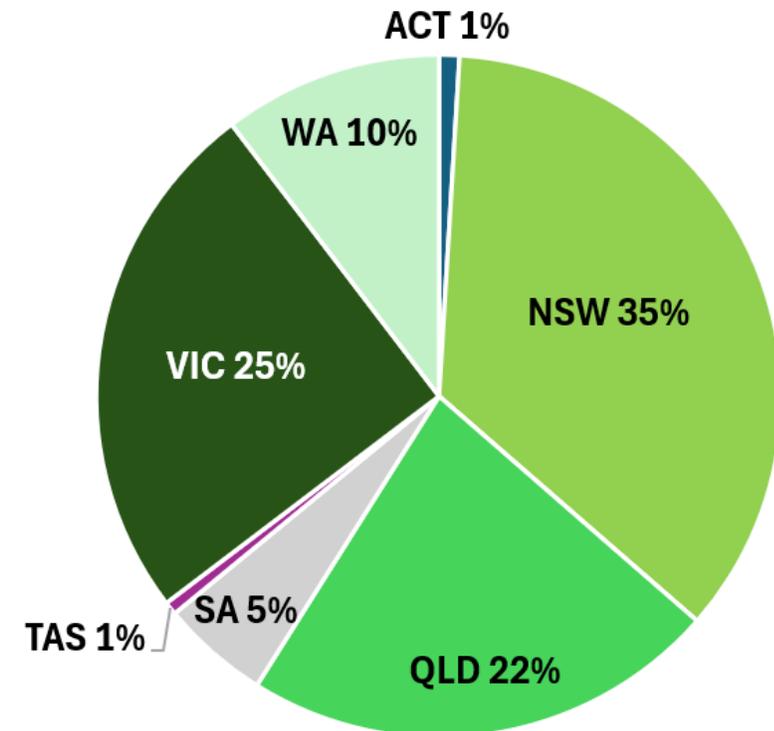
Stable risk profile in the residential loan book

Residential loan book LVR at settlement



Weighted average LVR of 62% at 31 December 2025

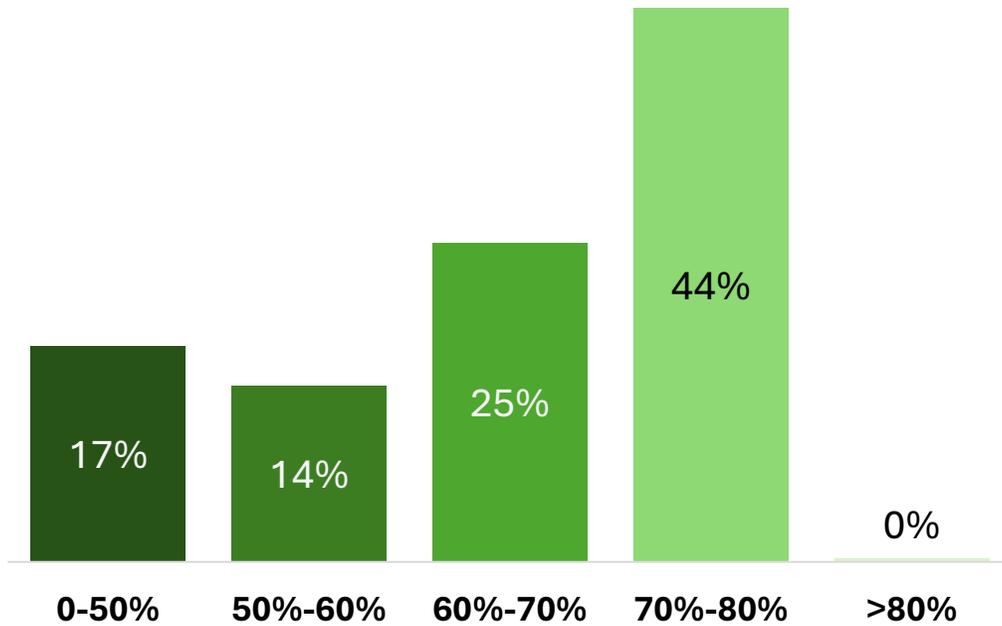
Residential loan book by state



Commercial Loan Book Composition

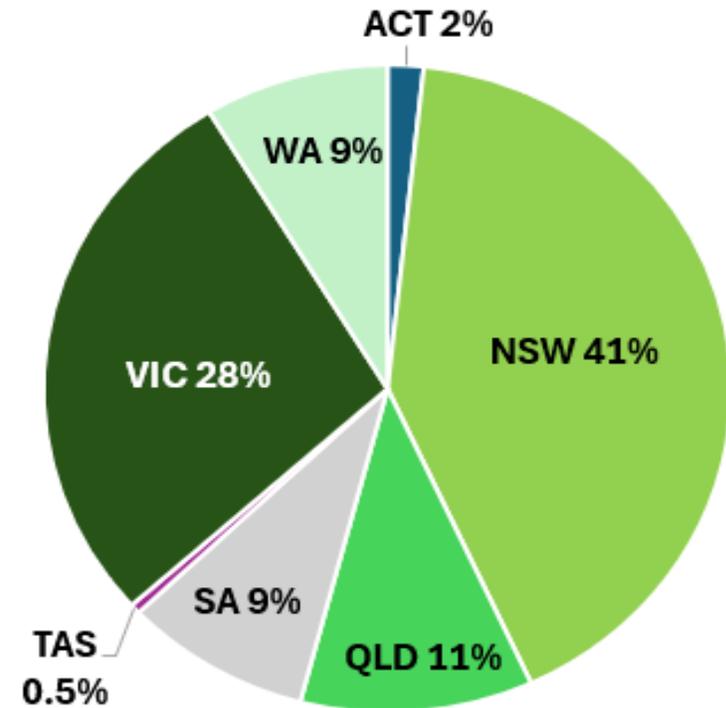
Stable risk profile with continued growth in the commercial loan book

Commercial loan book LVR at settlement



Weighted average LVR of 64% at 31 December 2025

Commercial loan book by state



Strong Cornerstone Portfolio

Portfolio fundamentals remain sound across residential and commercial lending.



Residential Loan Portfolio

Portfolio size: \$732m

- Focus on higher return residential loan growth
- Average loan size of \$393k
- Well diversified with maximum loan size of \$5m
- Weighted average LVR of 62%
- Offset account balances: \$79m (11% of book)
- 90+ days arrears 1.37% at 31 December 2025
- 1 mortgagee in possession with no expected loss



Commercial Loan Portfolio

Portfolio size: \$191m

- 40% growth in 1H26
- Average loan size of \$619k
- Well diversified with maximum loan size of \$3.2m
- Weighted average LVR of 64%
- 90+ days arrears 1.84% at 31 December 2025
- No mortgagee in possession cases



1H26 Financial Results



Steve Kinsella
Chief Financial Officer

Resilient performance in a competitive landscape

Economic & Business Environment

- Rapid shift in rate environment from easing to tightening bias with on-going inflationary fears.
- Continued competition for loans across all categories.
- Deposit competition and sustained increase in pricing from end of 2025 in anticipation of cash rate increase, pressuring NIM.

BNK Portfolio

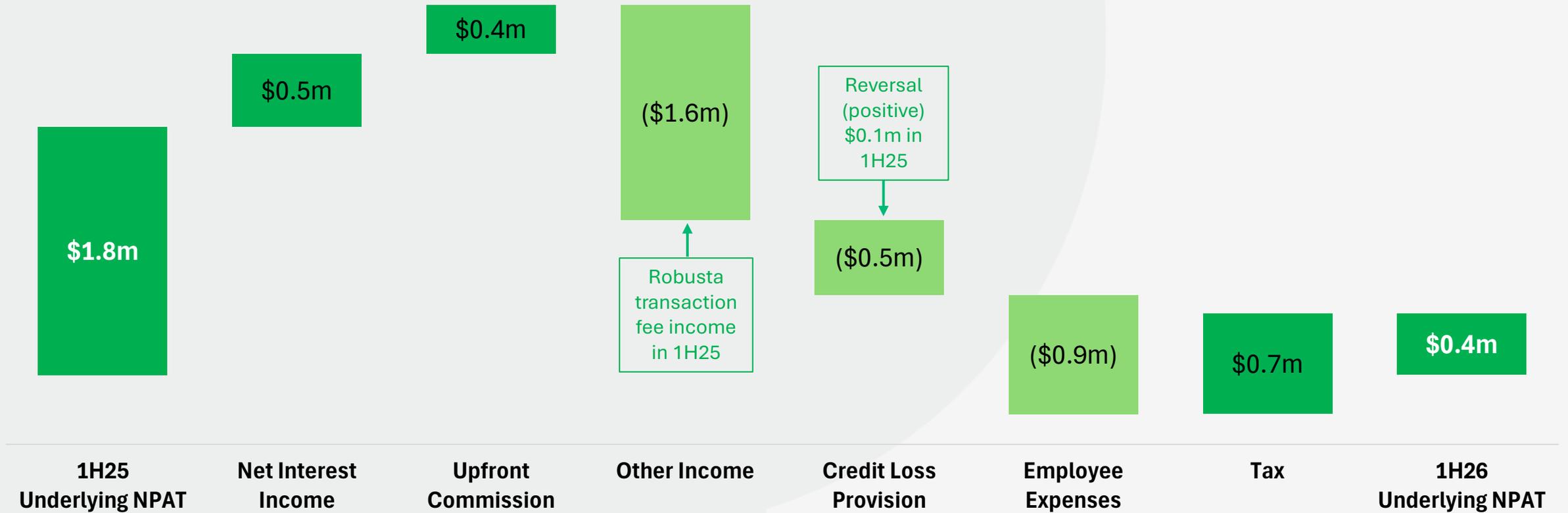
- Increased commercial loan book, senior secured investments, attrition in prime residential portfolio and funding mix management helping sustained NIM uplift.
- Active management of liquid investments with solid returns.
- Uptick in commercial arrears due to 4 accounts 90+ days, within management tolerance and well secured.
- Targeted investment in resources and technology.
- Capital capacity allowing for future loan growth and operating leverage.
- Targeting new growth opportunities on both the asset and liability side of the balance sheet.

1H26 Financial Results

(\$'000)	Statutory	Variance to 1H25	Underlying	Variance to 1H25
Net Interest Income	11,577	↑ 5%	11,577	↑ 5%
Other Income	1,660	↓ 3%	1,687	↓ 43%
Operating Expenses	(12,185)	– 0%	(12,185)	↑ 7%
Operating Performance	1,052	↑ 104%	1,079	↓ 59%
Credit Loss Provision	(454)	↑ 634%	(454)	↑ 634%
NPBT	598	– 0%	625	↓ 77%
Tax	(179)	↓ 36%	(188)	↓ 79%
NPAT	419	↑ 31%	437	↓ 76%

Underlying NPAT: 1H25 to 1H26

Underlying NPAT of \$0.4m in 1H26

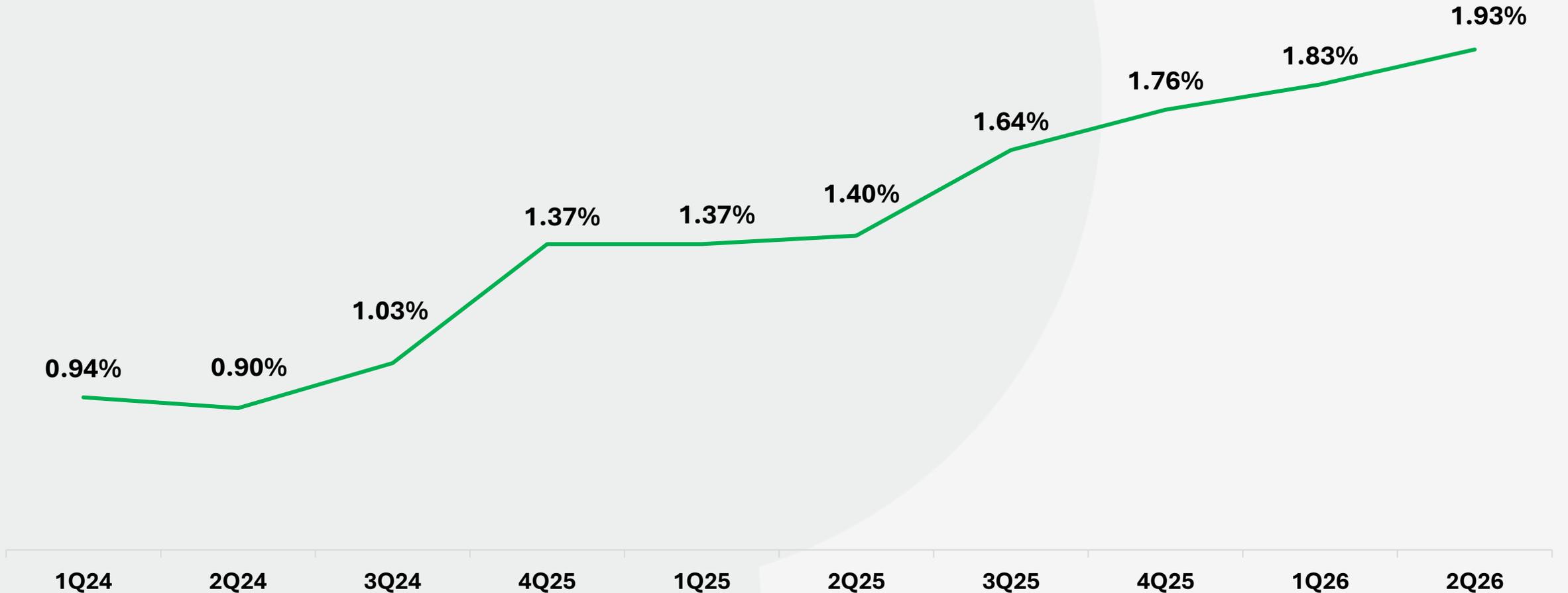


Key Metrics

	1H26	2H25	Variance	1H25	Variance
Total Assets	\$1,237m	\$1,234m	↑ 0%	\$1,552m	↓ 20%
Deposits	\$1,029m	\$1,008m	↑ 2%	\$1,097m	↓ 6%
Net Interest Margin	1.88%	1.70%	↑ 18bps	1.39%	↑ 49bps
Cost to Income Ratio	92%	80%	↑ 12%	81%	↑ 11%
Capital Adequacy Ratio	27.04%	28.71%	↓ 167bps	26.83%	↑ 21bps
Liquidity Ratio	20.21%	26.16%	↓ 595bps	27.45%	↓ 724bps
Net Tangible Assets per share	\$1.00	\$0.99	↑ 1%	\$0.99	↑ 1%

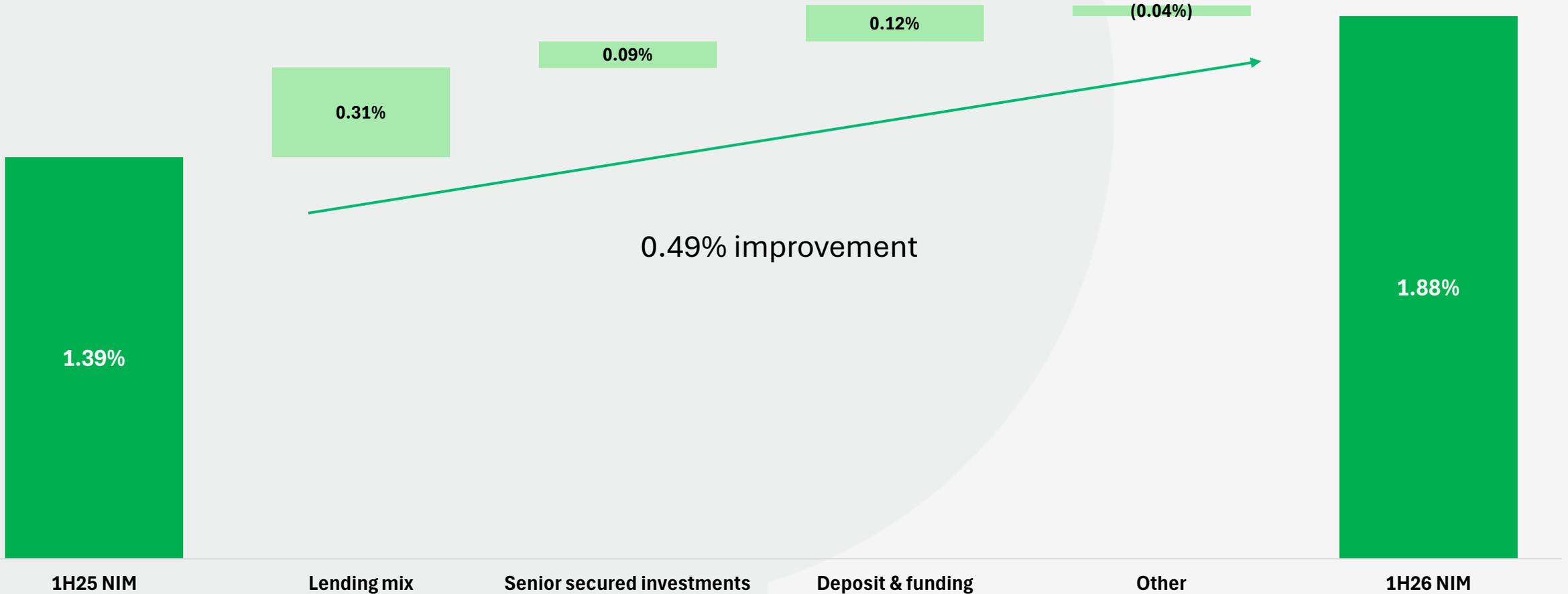
Net Interest Margin: Quarterly

Active liability management and focus on targeted higher-return lending driving continued improvement in NIM



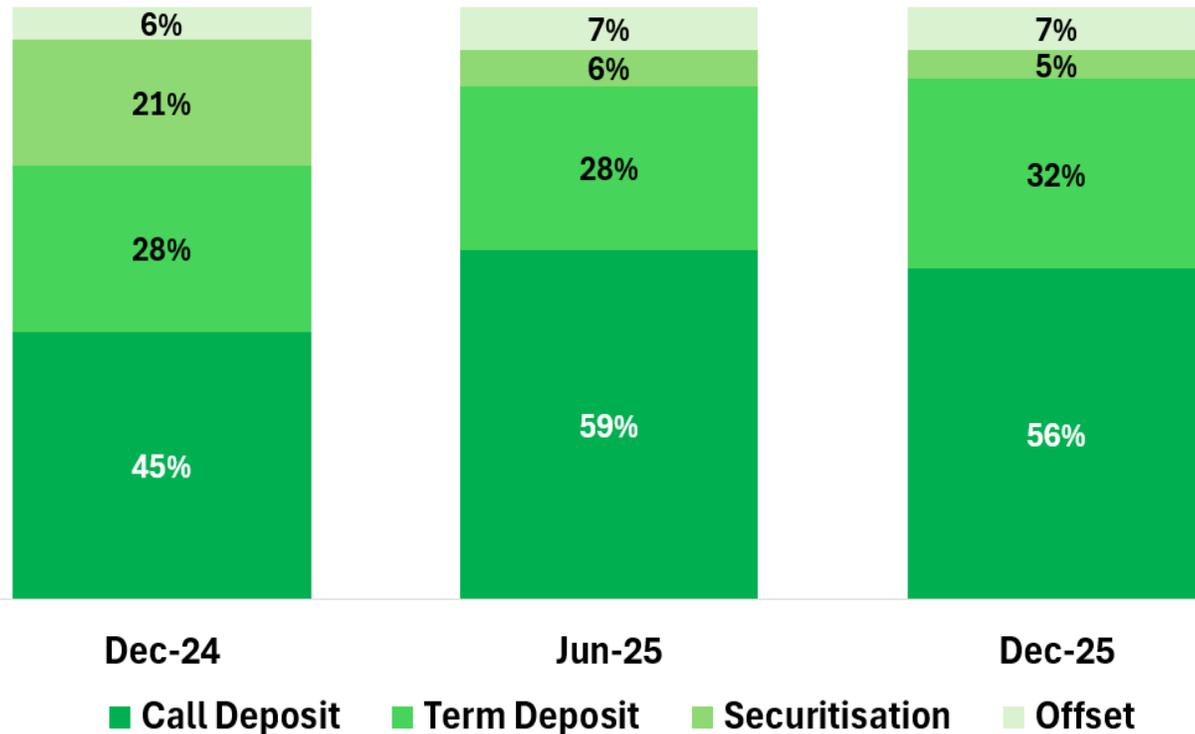
Net Interest Margin: 1H25 to 1H26

Targeted higher-return lending and active liability management driving continued improvement in NIM



Funding Mix

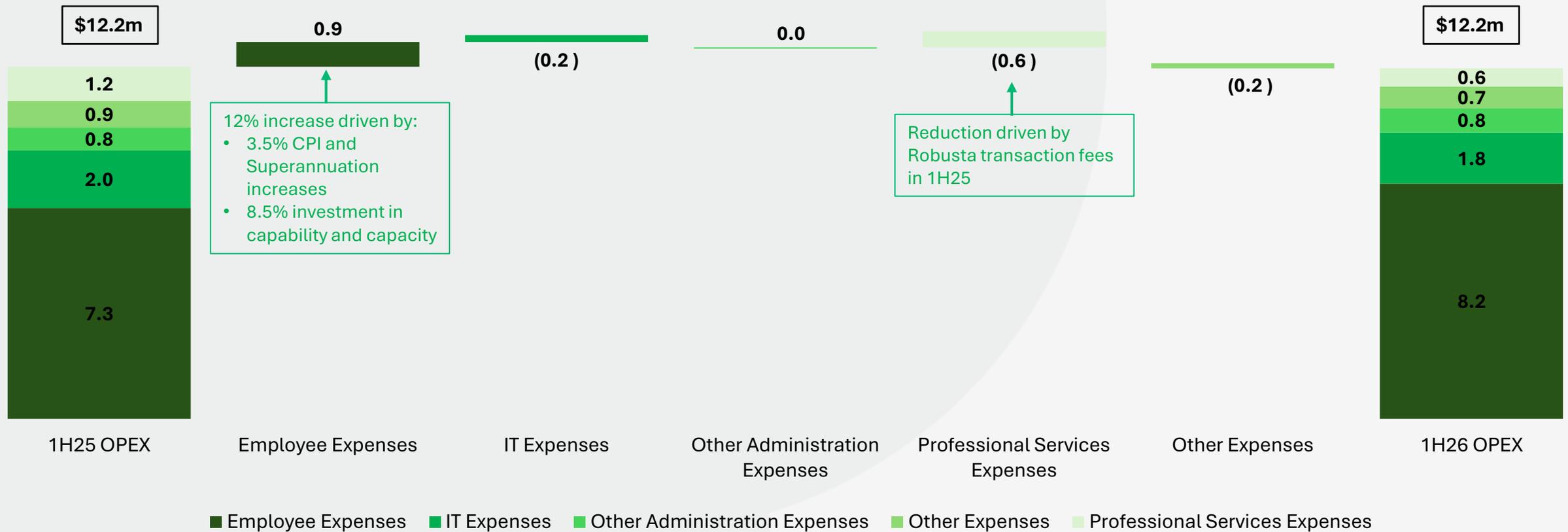
Composition of Book (%)



- The funding composition remained well balanced through 1H26, with a continued emphasis on stable, lower-cost funding sources.
- Term deposits increased as a proportion of total funding from Jun-25 reflecting customer preference for higher rates on offer in a competitive market.
- Despite lower absolute interest rates, competition for deposits has remained elevated, particularly across online channels offering higher-yield savings and CMA products.
- Sale of \$220m securitisation assets in 2H25.

Operating Expenses

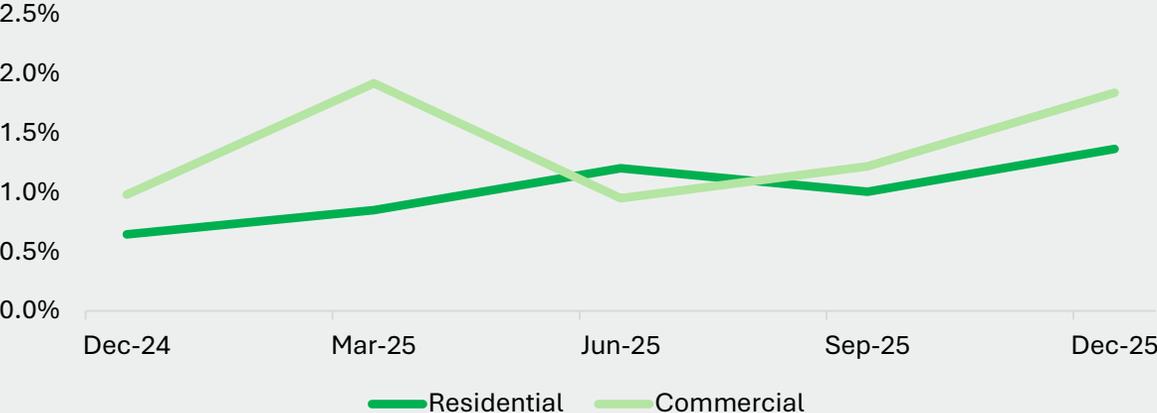
Total Operating Expenses flat 1H25 to 1H26



Credit Quality & Arrears

Rise in 1H26 arrears driven by small number of loans

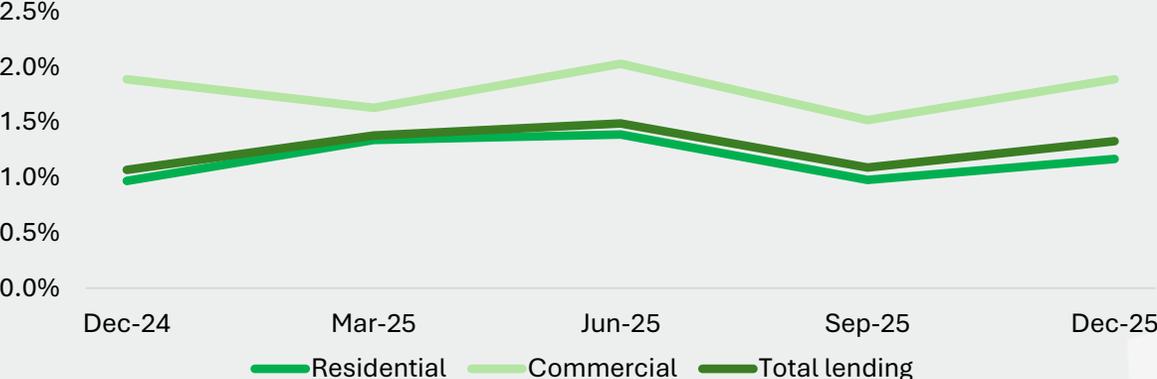
Loan book 90+ day arrears



Residential arrears

Date	(31-60 days)	(61-90 days)	(90+ days)	Total (31+ days)
Dec-24	0.33%	0.07%	0.65%	1.04%
Mar-25	0.67%	0.46%	0.85%	1.98%
Jun-25	0.68%	0.41%	1.20%	2.30%
Sep-25	0.52%	0.28%	1.00%	1.80%
Dec-25	0.40%	0.29%	1.37%	2.05%

Probability of default*



Commercial arrears

Date	(31-60 days)	(61-90 days)	(90+ days)	Total (31+ days)
Dec-24	1.18%	0.00%	0.98%	2.17%
Mar-25	0.00%	0.00%	1.92%	1.92%
Jun-25	0.00%	0.48%	0.95%	1.43%
Sep-25	0.00%	0.00%	1.22%	1.22%
Dec-25	0.72%	0.00%	1.84%	2.57%

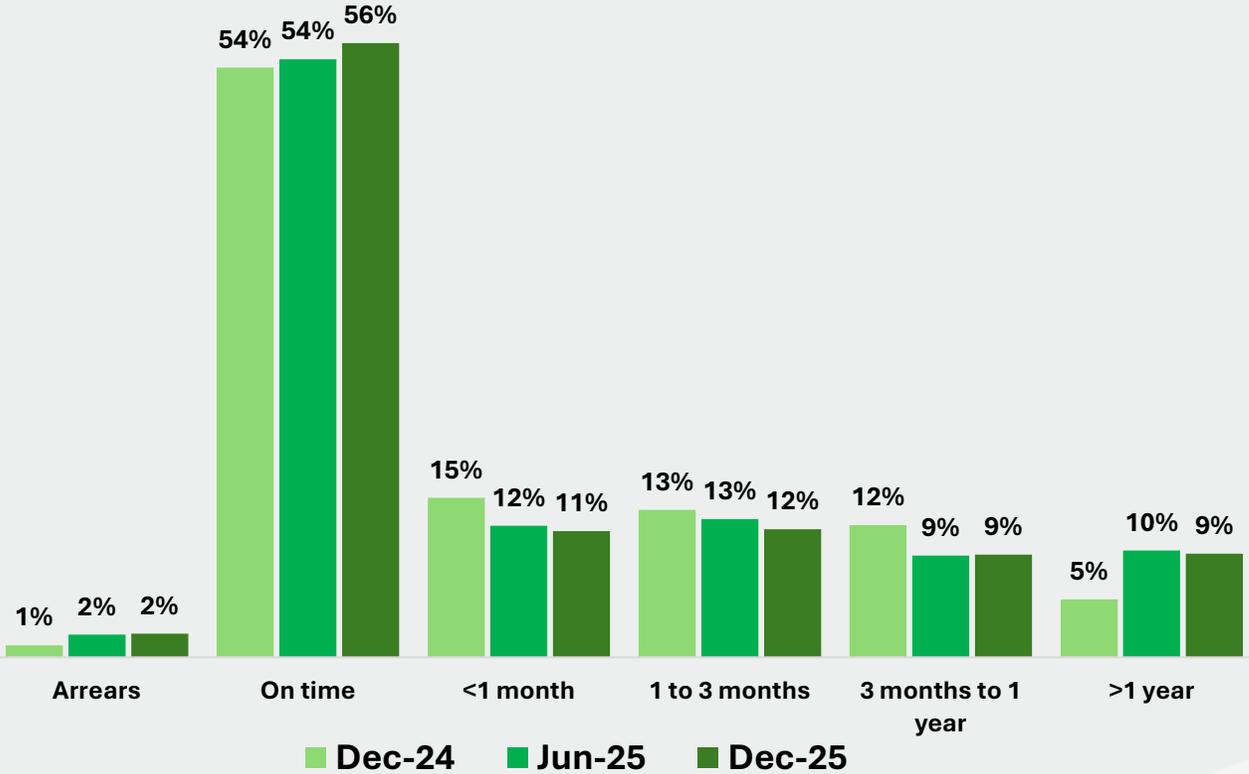


*Probability of default excludes defaults, non-performing loans and senior secured investments.

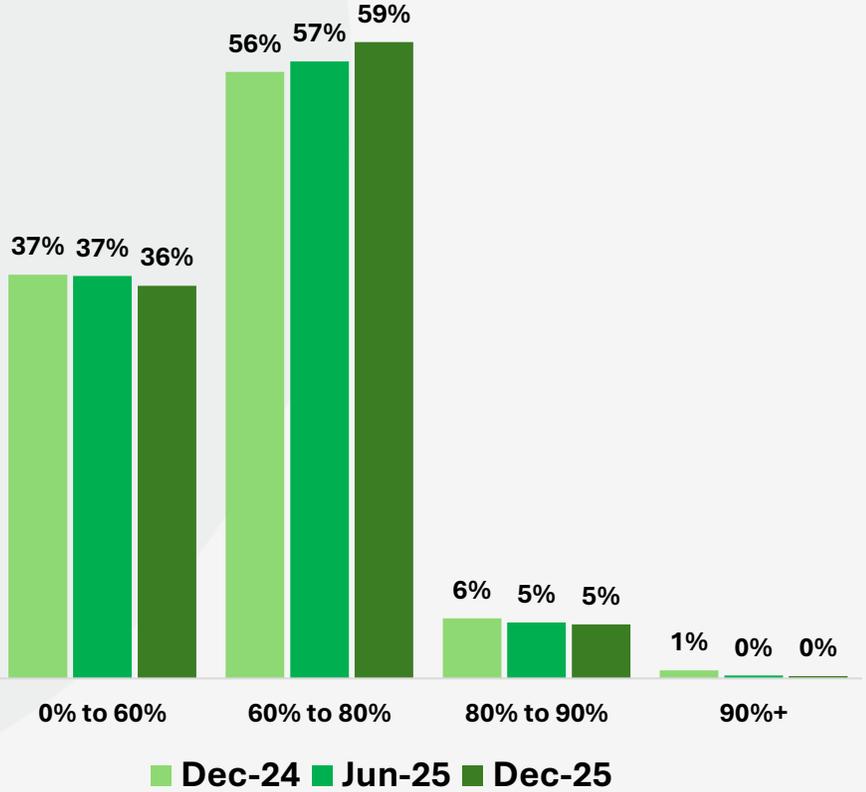
Credit Quality & Portfolio Profile

Customers showing resilience, portfolio strength

Customer Repayment Profile

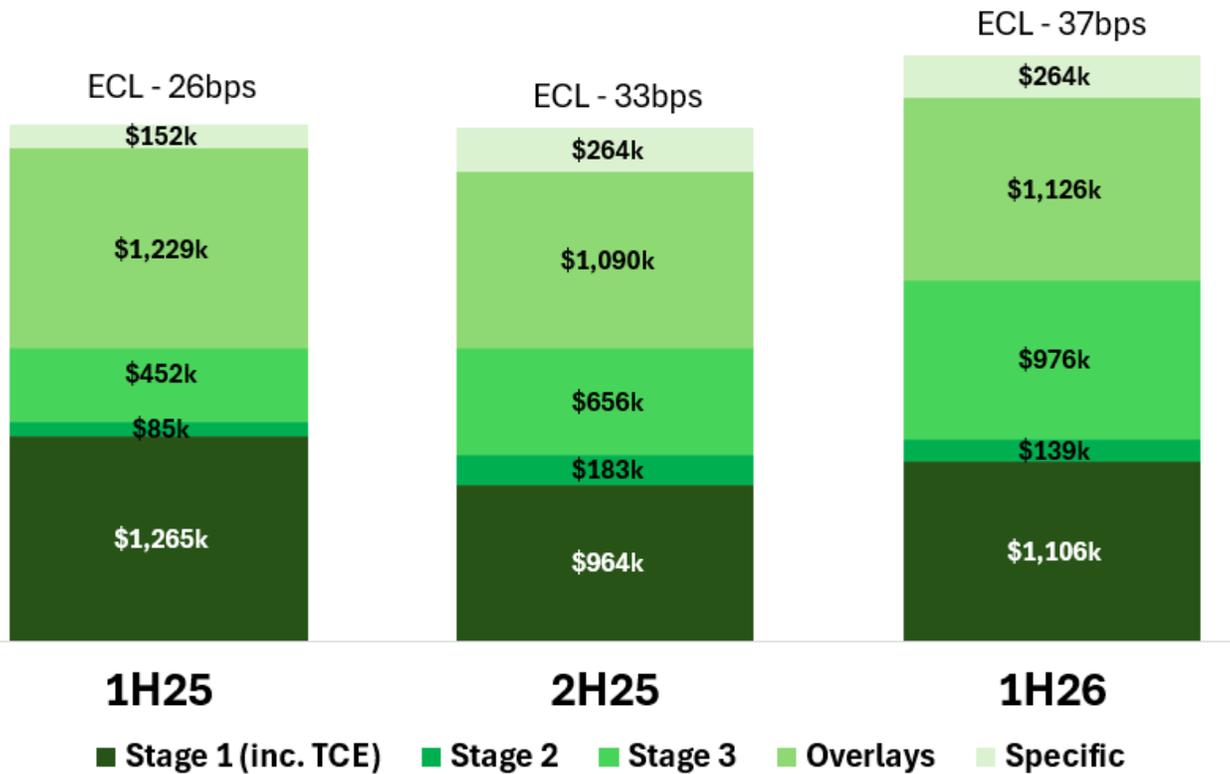


Portfolio LVR



Credit Quality & Loss Protection

Credit Loss Provision

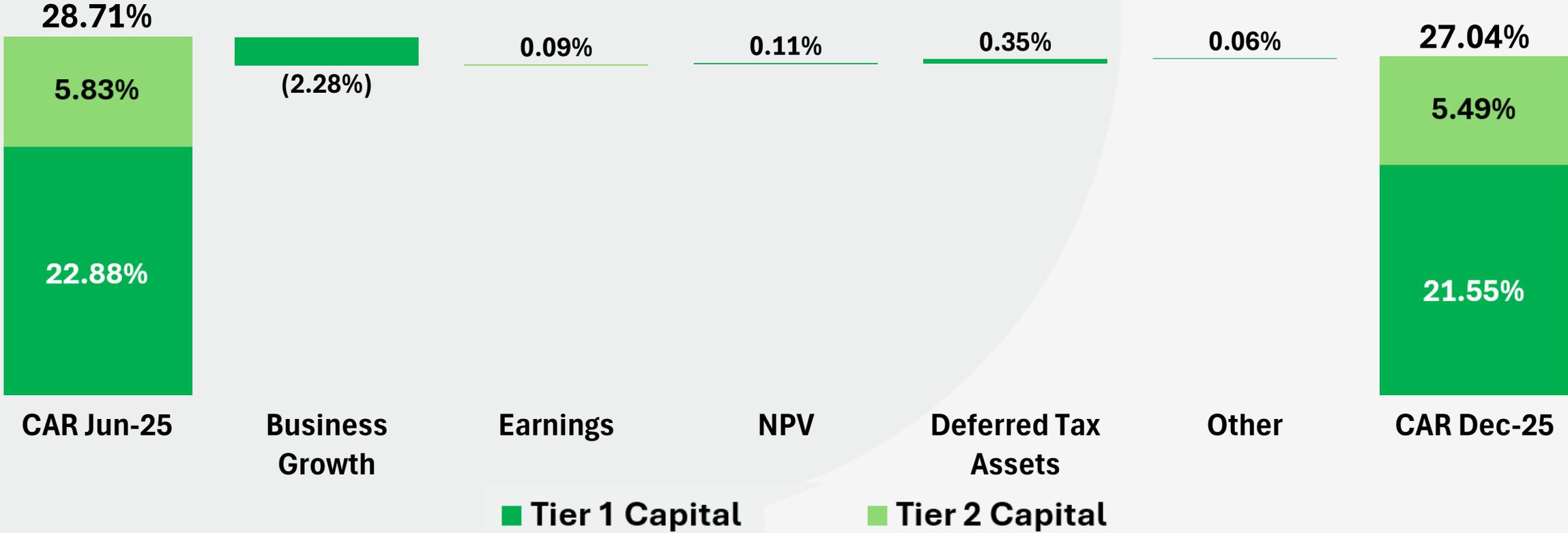


- The increase in the expected credit loss provision is aligned to the increase in commercial lending and uplift in the delinquency rates.
- The loan book comprises 79% residential mortgages with an average weighted loan to valuation ratio of 62%. The commercial loan book increased 40% from 30 June 2025 to \$191m at 31 December 2025 with average weighted loan to valuation of 64%.
- Credit quality remains within management’s expectation 90+ days in arrears equating to 1.5% of total loans.

Well Capitalised

Strong capital position remains well above regulatory minimums

Capital Adequacy Ratio (CAR)





Strategy Update and Outlook



Allan Savins
Chief Executive Officer

Strategic Outcomes 1H26

Focused growth, stronger margins, positioning for earnings improvement

Growth

Target: Maintain concentration of higher-return assets to attain optimal capital efficiency

Progress

- Continued focus on portfolio composition rather than headline growth
- Higher-return assets now comprise 43% of the portfolio
- Maintained quality portfolio, with no 1H26 write-offs

Margin

Target: Improve BNK's Net Interest Margin to >2% over the medium term

Progress

- 1H26 NIM improved to 1.88% from 2H25 NIM of 1.70%, and 1H25 NIM of 1.39%
- 2Q26 NIM of 1.93%
- NIM improved through a more deliberate asset mix and disciplined funding approach

Profitability

Target: Focus on achieving steady, sustainable growth, with a ROE >10% and Cost to Income ratio of <60% over the medium term

Progress

- Improved Statutory NPAT by 31% YoY
- Achieved 1H26 Underlying NPAT of \$0.4m
- Net Interest Income up 5%
- Cost to Income ratio of 92% in 1H26

Strategic Focus Medium Term

Deepening our strategic focus to drive broader, sustainable value

Growth

Scale higher-return opportunities

- Momentum beyond original 30% asset target
- Accelerated growth in higher-return segments
- Selective growth in prime residential volume
- Strategic partnerships and product expansion
- Optimise capital deployment

Margin

Increase BNK's Net Interest Margin to >2%

- Continue optimising Asset mix
- Enhance funding efficiency and diversified funding sources following Investment Grade Credit Rating from S&P Global Ratings
- Disciplined margin management

Profitability

Achieve steady, sustainable growth, with a ROE >10% and underlying Cost to Income ratio of <60%

- Building on 1H26 foundations
- Volume and margin led performance
- Maintain cost discipline and efficiency
- Increase non-interest income
- Scale senior secured investments
- Strategically pursue value-enhancing opportunities

Summary and Outlook

Ongoing delivery against
our strategic plan

- ✓ Sustain NIM through mix and funding discipline
- ✓ Scale higher-return assets and senior secured investments within defined risk settings
- ✓ Selective prime loans at appropriate returns
- ✓ Grow non-interest income
- ✓ Maintain cost discipline while investing in priority capability uplift
- ✓ Progress targeted technology improvements consistent with strategic priorities
- ✓ Continue to pursue strategic partnerships and product expansion



Q&A Session

1H26 Financial Results

26th February 2026

Thank you



The Bank for Enterprising Australians