

ASX Release, 26 November 2025

2025 AGM – CHAIRMAN’S ADDRESS AND CEO’S ADDRESS

Please see attached for release to the market, the Chairman’s Address and CEO’s Address, which will be presented to BNK Banking Corporation Limited’s (ASX: **BBC**) (“**BNK**” or the “**Company**”) 2025 Annual General Meeting (**AGM**), which will be held today commencing 12:00pm (AEDT) / 9.00am (AWST).

The AGM will be held as a virtual meeting, via an online meeting platform at <https://investor.automic.com.au>

If you are not a shareholder but wish to view the AGM, please use the below link. In the HIN/SRN field, please type “Visitor – [Your Name]”.

<https://us02web.zoom.us/j/85444675163?pwd=pLH09SXp9QlQUpcpe8RCqX3oI18oVC.1>

ENDS

This announcement has been authorised for release by the Company Secretary on behalf of the Board.

Media & Investor Enquiries

Matthew 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. Now, as a branchless bank, BNK offers customers a diverse range of financial products whilst providing a ‘one-stop’ shop for brokers. BNK operates two brands: Goldfields Money and Better Choice Home Loans. BNK has leveraged its deeply experienced management team, strong distribution network and award-winning brands to deliver a solid performance over the last two years. Find out more: <https://bnk.com.au/>

Chairman's Address

It is a pleasure to be here today to present what has been a year of transformation and achievement for BNK - a year in which the strategy we set several years ago to return the business to sustainable profitability has been realised.

FY25 marked an inflection point for BNK.

After several years of disciplined portfolio optimisation, cost management, and focus on higher-margin lending, we have delivered a return to profitability and built a much stronger foundation for growth.

Our key achievements for FY25 include:

- Underlying NPAT of \$3.8 million, an improvement of \$4.7 million from FY24, representing our first full-year profit in several years.
- Statutory NPAT of \$1.3 million, compared to a loss of (\$6.7 million) in FY24.
- Net Interest Income of \$21.9 million, up 13% on the prior year, supported by margin expansion and improved asset mix.
- Net Interest Margin of 1.52%, up 46 basis points on FY24, reflecting the deliberate shift to higher-yielding assets.
- Non-interest income more than doubled, to \$8.9 million, reflecting our growing capability in structured credit investments and partnership-led income streams.
- And importantly, a significant improvement in our cost-to-income ratio to 93%, down from 105% in FY24.

These results demonstrate the progress we have made in repositioning BNK for sustainable performance. They reflect a disciplined approach to balancing margin, growth, and risk, while continuing to simplify and strengthen the business.

Our focus throughout FY25 has been on execution - executing our strategy, executing operational improvements, and executing with discipline in an environment that continues to challenge many financial institutions.

- BNK's Capital Adequacy Ratio increased to 29.0% as at 30 June 2025, up from 23.4% in the prior year, demonstrating the financial resilience and prudence of our approach.

- Our asset quality continues to be sound, with residential arrears greater than 90 days at 1.10% and commercial arrears greater than 90 days at 0.95%, both within acceptable tolerance levels.
- We have improved the composition and profitability of our loan and deposit portfolios. Higher-margin lending now accounts for approximately 28% of the total portfolio, up from approximately 19% in FY24 - a clear indicator of our ongoing portfolio optimisation.
- Our loan book continues to perform strongly, and the diversification into high margin lending continues to improve returns and balance sheet efficiency.

The past year has seen significant strategic milestones that extend beyond financial results.

During FY25, BNK successfully completed our first public RMBS transaction Robusta 2024-1 in partnership with Goldman Sachs.

We also achieved an important external validation of our strength and credibility, with BNK receiving an investment-grade credit rating from S&P Global Ratings in June 2025.

This achievement reflects the improved capital position, prudent risk management, and sustainable earnings profile that now underpin BNK's business model.

While we have achieved steady progress in efficiency and controls, our technology transformation is still underway and remains an ongoing priority rather than a completed initiative. Our focus is on delivering scalable, modern systems that strengthen compliance and enhance customer experience over time. This includes a meaningful uplift of our core banking system.

One of the central themes of BNK's strategy has been improving our portfolio composition - a deliberate shift from low-margin residential assets toward a balanced mix of higher-margin lending, structured credit investments, and diversified funding sources.

This focus has enabled a meaningful recovery in Net Interest Margin which has improved from 1.06% in FY24 to 1.52% in FY25.

BNK's improved financial performance is not the result of rapid headline growth - it is the product of disciplined, methodical progress. We have focused on quality

over quantity, improving yield and return on capital, while maintaining conservative risk settings and robust liquidity.

During the year, we strengthened our leadership capability with the appointment of a new Chief Operating Officer, Joe Mittiga, further deepening the executive team's operational expertise and capacity to execute our strategic priorities.

Across the business, we have continued to embed a culture of accountability and performance.

Our teams have demonstrated exceptional resilience and commitment, navigating a rapidly evolving interest rate environment, ongoing regulatory focus, and a dynamic competitive landscape - all while delivering improved outcomes for shareholders.

I would like to take this opportunity to acknowledge and thank all of our people across BNK for their contribution throughout FY25. Their collective focus and energy have been instrumental in achieving the results we are discussing today.

BNK has now reached an important milestone - the business is profitable, well-capitalised, and strategically stronger than it has been for many years.

Through portfolio optimisation, disciplined expense management and balance sheet diversification, we have reshaped the business for long-term strength. These actions demonstrate our ability to execute, adapt to changing conditions, and deliver on the strategy we committed to.

These outcomes have not come by chance; they reflect consistent focus and execution across every part of the organisation. BNK is now positioned on a solid foundation from which to continue building long term shareholder value.

Before we move to the CEO's address, I would like to note that following today's meeting, there will be a change to the composition of the Board. Elizabeth Aris has decided to step down, and we thank her for her contribution. The Company will announce details of this transition, including the appointment of a new director, via the ASX as soon as practicable.

I will now hand over to our CEO, Allan Savins, who will provide further detail on the Group's performance and strategic priorities.

CEO's Address

Thank you, Jon, and good afternoon everyone.

I would also like to take this opportunity to thank the BNK team for their dedication over the past year. FY25 was an encouraging year, but business transformation remains an ongoing journey - one that management is fully committed to advancing in a measured and deliberate way.

As Jon highlighted, FY25 marked a pivotal year for BNK - a year where the discipline and focus we have maintained over recent years delivered clear, measurable outcomes. We returned to profitability, continued to diversify income streams, and reinforced our foundations for sustainable growth. These achievements validate our strategic reset and reinforce the strength and resilience of our approach.

What matters now is building on this momentum in a highly competitive environment, where pricing pressure and evolving market dynamics require careful execution and strong risk management.

BNK remains firmly focused on effective execution, embedding the changes we've made and continuing to strengthen our foundations. We will apply the same rigour and clarity of purpose that brought us here, ensuring every decision supports sustainable returns over the long term.

We have deliberately reshaped our loan portfolio toward higher-margin assets, strengthening returns, improving capital efficiency, and enhancing our ability to respond to market conditions.

By streamlining operations and aligning our resources with our strategic priorities, we are positioning BNK to compete effectively in a dynamic environment and create long-term value for our customers, shareholders, and partners.

The results in FY25 demonstrate the success of that approach. We now have:

- A re-balanced, higher-yielding loan portfolio with improved mix;
- A funding base balanced for liquidity and cost optimisation; and
- An emerging contribution from structured credit investments and partnership-led income, with future growth dependent on execution and market opportunities.

That combination gives BNK a more robust earnings profile, with more levers to support growth and a clear path to improve shareholder returns over time.

Every area of the business has contributed to this outcome:

- In lending, we have focused on quality over quantity - reshaping the portfolio toward higher-margin assets. While overall balances have moderated as the low-margin loans discharged, this deliberate shift has improved yield and strengthened return on capital.
- On the funding side, we have maintained a measured approach, delivering cost efficiency and improved pricing outcomes.
- In operations, we remain focused on driving productivity and embedding a culture of continuous improvement across processes and systems.

Looking forward, we are concentrating on four clear priorities:

1. Continuing to prioritise higher-margin segments in a measured way.
2. Expanding structured credit and partnership income streams.
3. Building stronger customer and broker relationships.
4. Enhancing technology and data capabilities.

Each of these priorities is designed to deepen the core strengths of BNK while maintaining our controlled approach to balance sheet management and capital deployment.

We have made significant progress in improving the composition of our lending portfolio. Higher-margin segments (commercial and specialist residential loans) now account for most of our total monthly settlements.

Our goal is to continue growing these areas in a controlled way, ensuring we maintain our strong credit standards and liquidity profile.

We will also continue to leverage our broker network (which remains one of BNK's core strengths) by supporting our accredited partners with improved turnaround times, better service, and a broader product suite that meets the needs of enterprising Australians.

Our entry into structured credit in FY25 through the Robusta securitisation program in partnership with Goldman Sachs has opened up a new, scalable avenue for

growth. These transactions are not just valuable from a returns perspective, they also demonstrate BNK's capability to participate alongside global institutions in sophisticated funding structures.

Since the year end, we have completed three senior secured transactions already, further strengthening BNK's credentials in this area. Each transaction has been carefully structured to enhance yield or capital returns, whilst maintaining prudent risk settings.

We intend to build on this capability selectively, with a focus on well-subordinated, capital-efficient opportunities that enhance income diversification and support balance sheet optimisation.

The continued transformation of our technology platform remains a major enabler of efficiency and compliance.

The next phase of our technology program is focused on modernising our platform to deliver stronger regulatory controls, enhanced process automation, and improved customer experiences. These upgrades will not only strengthen risk management but also allow us to serve brokers and customers faster and more seamlessly. This transformation will continue throughout 2026.

As part of our strategy to simplify and strengthen our market presence, we are advancing plans to transition our lending brand, Better Choice, to BNK in Q4 FY2026. This change will unify our mortgage broker channels under a single, cohesive brand - making it easier for brokers and customers to identify, engage, and experience BNK as one connected organisation.

We are investing in deepening those relationships by expanding our broker engagement programs, strengthening our digital presence, and improving the customer experience across every touchpoint.

Our capital and liquidity positions remain a defining strength. A capital adequacy ratio of 28.6% on 30 September 2025, provides flexibility to pursue growth opportunities while maintaining conservative buffers.

This strength has also been externally validated - BNK received an investment-grade credit rating from S&P Global Ratings in June. This endorsement reflects the

resilience of our capital position and earnings profile and positions BNK to access new funding opportunities and to compete with confidence.

We will continue to deploy capital with discipline - prioritising activities that deliver sustainable, risk-adjusted returns, and ensuring our balance sheet remains resilient through different market cycles.

Asset quality remains strong, and we are maintaining prudent credit settings and provisioning despite the competitive environment.

BNK's progress is underpinned by its people. The performance culture we are building - grounded in accountability, collaboration, and a focus on outcomes - continues to be a key competitive advantage.

Over the past year, we have added new capability at both executive and operational levels, strengthening our leadership bench strength and ensuring we have the depth to deliver on our strategy.

We are also continuing to embed a culture of continuous improvement - where we learn from both successes and challenges, celebrate progress, and stay focused on delivering for our customers, brokers, and shareholders.

BNK has achieved significant progress over the past few years. We have restored profitability, improved margins, strengthened capital and diversified income streams. This progress gives us confidence in the trajectory of the business and our ability to deliver to invest strategically for long-term growth.

Our task ahead is clear, but not simple, given the continued competitive landscape - we will continue executing with consistency and focus on growth opportunities in our chosen markets.

I want to also thank our broker partners, customers and shareholders for their ongoing support and trust in BNK. Together, we are building a solid foundation for the next stage of growth.

Thank you.

ENDS