

ASX Release, 28 February 2025

## COFFEE MICROCAPS INVESTOR PRESENTATION

BNK Banking Corporation Limited (ASX: **BBC**) (“**BNK**” or the “**Company**”) attaches an investor presentation that CEO Allan Savins will deliver to the Coffee Microcaps conference later this morning, for release on the ASX.

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

ENDS

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### 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. 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/>



ASX:BBC

# INVESTOR PRESENTATION

## COFFEE MICROCAPS CONFERENCE

28 February 2025



**Better Choice**  
*Make a Better Choice*



# BNK – The Bank for Enterprising Australians



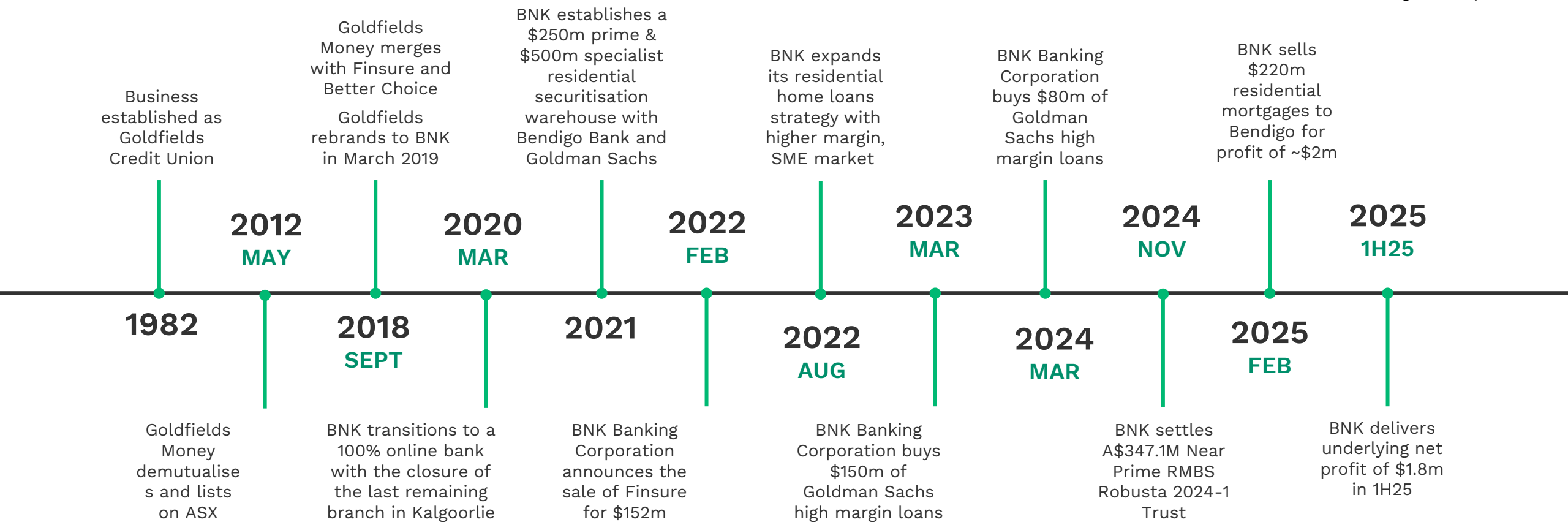
**ASX-listed bank with more than 40 years of experience**



Direct to consumer deposits



**Better Choice**  
Award-winning non-bank home and commercial loan origination platform



# The case for investing in BNK Bank

## The bank for Enterprising Australians



### Focus on strong returns for shareholders

- Quality and profitability of BNK's portfolio continues to strengthen.
- Focus on selective capital-efficient growth to drive strong returns.
- Strategy delivering with increased net interest income, improved margins, and higher fee income.
- BNK well placed to sustain its strategic direction and long-term profitability.



### Diversified funding base

- Loan book funded through a combination of deposits, prime warehouse and subordinated debt.
- Customer deposit to total loan ratio of 93% as at 31 December 2024, demonstrating our ability to raise deposits to fund growth, despite the current environment.
- Strong Capital Adequacy Ratio of 26.98%, well above Prudential and Board limits.



### Expansive product range

- Offers a diverse product range to assist a larger customer market, whilst providing a 'one-stop' shop for brokers, creating opportunities to attract more business to new and through existing customers.



### Focus on SME market

- Strategic expansion into higher margin, SME market to increase returns.
- Distribution through our existing and proven third-party broker network consisting of ~12,500 mortgage brokers.

# 1H25 Results Overview

Improved financial results as a result of balance sheet repositioning.

↑ **\$0.3m**

Statutory NPAT up  
\$2.1m on 1H24

↑ **\$1.8m**

Underlying NPAT\*  
up \$3.0m on 1H24

**\$11.1m**

Net Interest Income  
up 29% on 1H24

**\$12.8m**

Total Income up 58%  
on 1H24

**\$11.4m**

Underlying Operating  
Expenses up 11% on  
1H24

**1.39%**

1H25 NIM up  
47bps on 1H24

**\$1,552m**

Group Assets down  
21% on 1H24

**26.98%**

Capital Adequacy Ratio  
up from 19.85% 1H24

# 1H25 Financial Results

Improvement in statutory and underlying NPAT driven by improved NIM and fee income.

	Statutory (\$'000)	Statutory to 1H24%	Underlying (\$'000)	Underlying to 1H24 %*
Net Interest Income	11,050	↑ 29%	11,050	↑ 29%
Net Other Income	1,707	↑ 448%	2,960	↑ 624%
Expenses - Underlying	(11,397)	↑ 11%	(11,397)	↑ 11%
Expenses – Non –recurring	(845)		-	-
<b>Operating Performance</b>	<b>515</b>	<b>↑ 123%</b>	<b>2,613</b>	<b>↑ 295%</b>
Credit Loss Provision	85	↑ 124%	85	↑ 124%
Goodwill Impairment	-		-	-
<b>NPBT</b>	<b>600</b>	<b>↑ 123%</b>	<b>2,698</b>	<b>↑ 259%</b>
Tax	280	↑ 136%	912	↑ 279%
<b>NPAT</b>	<b>320</b>	<b>↑118%</b>	<b>1,786</b>	<b>↑ 252%</b>

# 1H25 Key Metrics

	1H25	1H24	Change on PCP*
Loans	\$1,178m	\$1,474m	↓ 20%
Deposits	\$1,097m	\$1,549m	↓ 29%
Net Interest Margin	139bps	92bps	↑ 47bps
Cost-Income Ratio (underlying)	81%	115%	↓ 34%
Capital Adequacy Ratio	26.98%	19.85%	↑ 713bps
Net Tangible Assets per share	\$0.99	\$1.00	↓ 1%

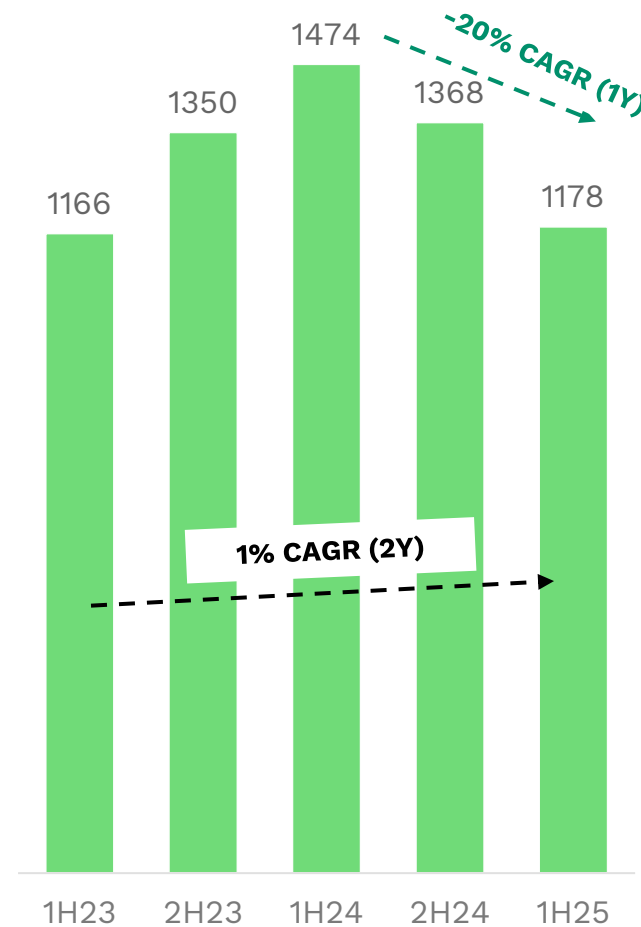
# BNK Loan Book, Deposits & Net Interest Income

Transitioning towards high margin lending assets

ASX:BBC

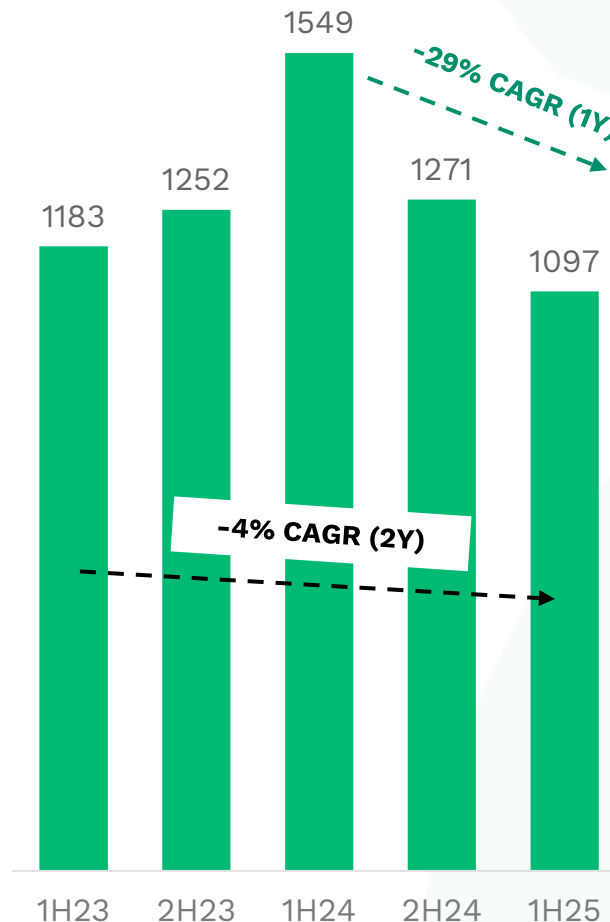
## Loan book (\$m)

Loan Book reduction in 1H25 as composition of the loan book changes



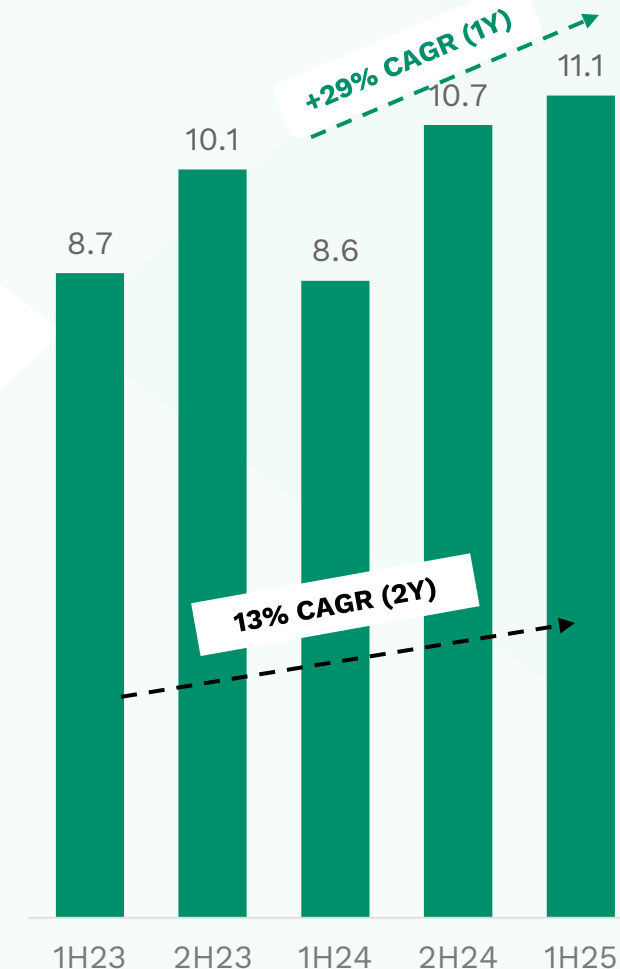
## Deposit book (\$m)

Deposit Book reduction during 1H25



## Net Interest Income (\$m)

Continued upward trend in NII

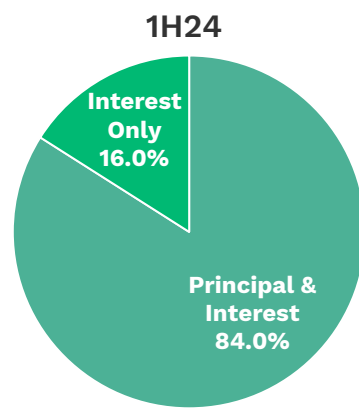
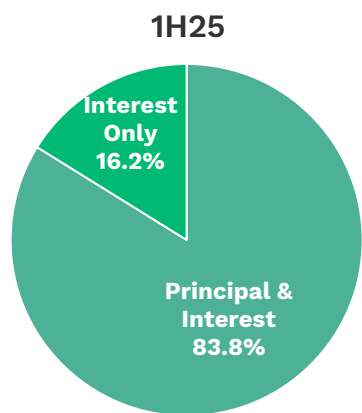




# Risk-managed growth and diversification in the BNK-funded lending portfolio

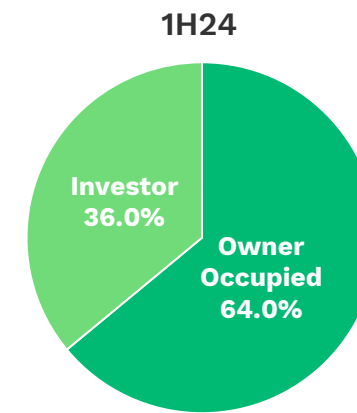
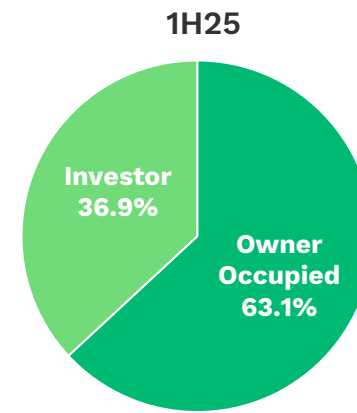
Stable risk profile despite increase in higher margin loans

## On Balance Sheet Loans



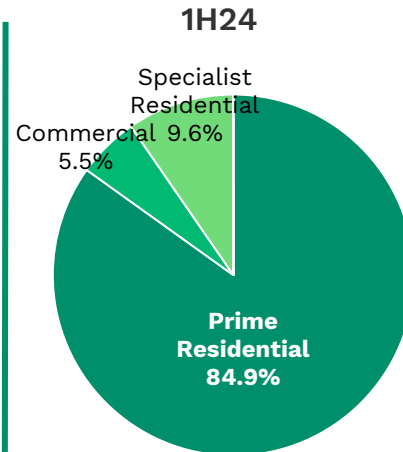
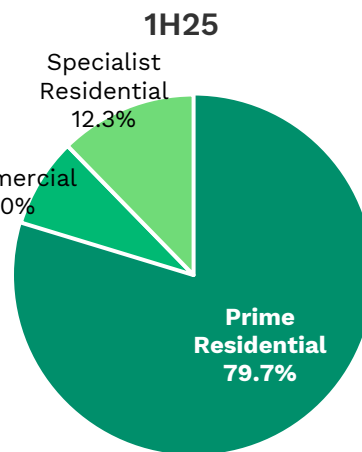
Stable position with borrower equity continuing to accumulate.

## Residential Portfolio By Loan Type



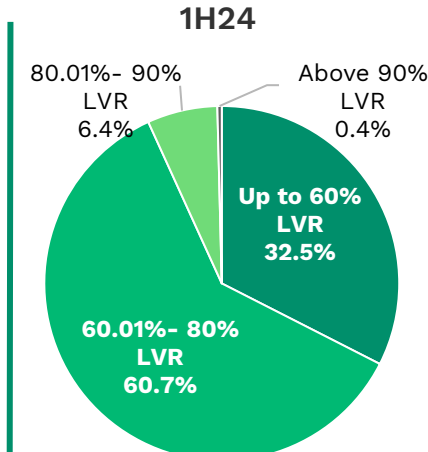
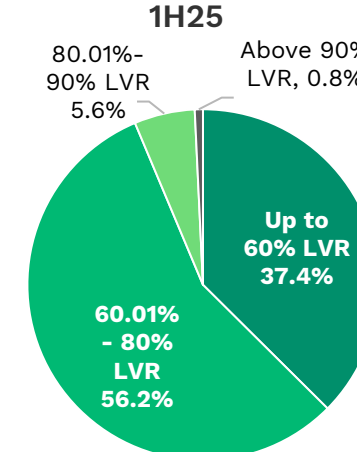
Stable split between Investor and Owner Occupied.

## Portfolio Mix By Loan Category



Growth in higher margin residential loans and in the Commercial book.

## Portfolio Mix By LVR



Shift towards lower LVR mix at settlement. No loans >90% being written as new business

# Strong Cornerstone Portfolio

There has been continued focus on changing the lending book composition in 1H25 with greater priority on higher margin lending.



## High quality customers

- Approx. 45% of loan book are ahead in their repayments at December 2024 compared to 42% at December 2023.
- Slight decrease in Offset account balances from \$79m in June 2024 to \$77m in December 2024.
- 1 Mortgagee in possession case, with no loss expected.



## Loan size increased

- Average loan size decreased slightly from \$391k in June 2024 to \$386k in December 2024, while maintaining a strong LVR mix.



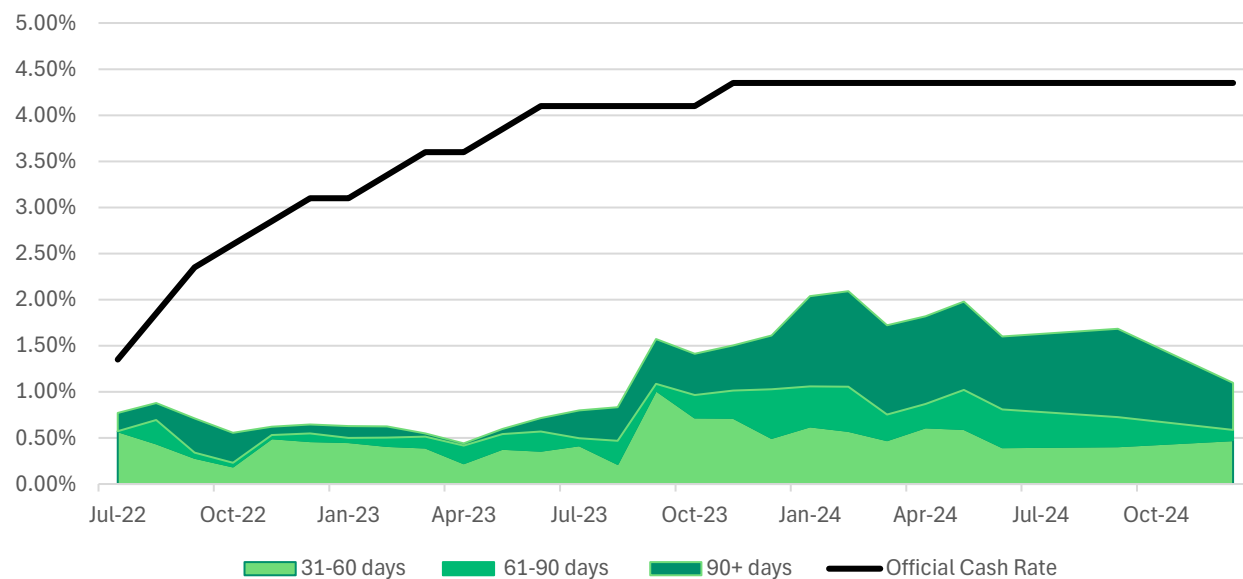
## Majority of loans on variable rate

- Fixed Rate loans make up 4% of the BNK portfolio as at December 2024, this is down from 16% at December 2023.
- Beyond FY25 there will be negligible remaining balances in the Fixed Rate loan portfolio.
- No new Fixed Rate business being originated.

# Credit Quality & Arrears

Arrears impacted by higher interest rates but showing signs of stabilising

Total Loan Book Arrears breakdown



Residential book Arrears ageing (% of Residential loan book)

Date	(31-60 days)	(61-90 days)	(90+ days)	Total (31 days+)
Dec-23	0.52%	0.55%	0.57%	1.64%
Mar-24	0.50%	0.29%	0.97%	1.76%
Jun-24	0.42%	0.43%	0.79%	1.64%
Sep-24	0.44%	0.31%	0.97%	1.72%
Dec-24	0.41%	0.12%	0.47%	1.00%

Commercial book Arrears ageing (% of Commercial loan book)

Date	(31-60 days)	(61-90 days)	(90+ days)	Total (31 days+)
Dec-23	0.00%	0.00%	1.41%	1.41%
Mar-24	0.00%	0.01%	1.32%	1.33%
Jun-24	0.00%	0.00%	0.89%	0.89%
Sep-24	0.00%	0.31%	0.82%	1.13%
Dec-24	1.18%	0.00%	0.98%	2.17%

# Management with a Proven Track Record

## In implementing and executing expansion strategies



### Allan Savins – Chief Executive Officer

- Over 40 years of experience in the financial services industry.
- Former COO & CCO of RESIMAC Limited.
- Former Chairman of Finsure Finance and Insurance Pty Ltd and 1300 HomeLoans from launch to December 2015.
- Former director of RESIMAC Financial Services Pty Ltd operating in New Zealand and Societe Generale Sydney Structured Finance and Securitisation.
- Founding member of Bluestone Group and former Head of Lending and Operations both in Australia and New Zealand.



### Stephen Kinsella – Chief Financial Officer

- Over 30 years of experience in the banking sector.
- Senior management roles at Commonwealth Bank of Australia (CBA), Bank West and ABN Amro, domestically and overseas.
- Most recently at Avenue Bank, where he was CFO from 2021 to June 2023.
- Served for 7 years as CFO of CBA’s Institutional Banking & Markets division, and 5 years as CFO & Head of Finance for CBA’s Business & Private Banking division.



### Dara Wettner – Chief Risk Officer

- Qualified member of the Chartered Institute of Management Accountants (CIMA) and a graduate of the AICD.
- Extensive experience within the financial services sector within Australia, UK and Europe specialising in all aspects of risk management including operational, compliance, conduct, technology, cyber security, privacy, ethics, and credit risk (including provisioning).
- Senior roles within risk, finance and treasury. Prior to joining BNK Dara worked for Bankwest where she successfully created a number of high performing risk teams by utilising her strategic focus and strong analytical skills.



### David Thorn - Chief Operations Officer

- Over 30 years of experience in credit and operations across both banks and non-banks in Australia.
- Senior roles including Head of Lending Australia with Bluestone Mortgages, Operations and Risk Manager with GMAC-RFC and Senior Manager of Credit and the Head of Operations at AMP Bank where he was responsible for the operations teams for both lending and deposits.
- Former Chief Operating Officer role at a small commercial lending business specialising in equipment finance and debtor finance.

# Highly Experienced Board

Driving the next stage of growth



## Jon Denovan - Non-Executive Director

- Leading mortgage industry authority on regulation & compliance.
- First honorary member - Mortgage & Finance Association of Aust. Recognised as a leading lawyer in financial services regulation in the 2014 edition of Chambers Asia Pacific
- Australia's Best Lawyers in Financial Institutions since 2013.
- Significant property industry experience working with Australia's major property developers in structuring.



## David Gratton - Non-Executive Director

- Highly-experienced financial services manager with over 30 years of retail banking experience, including senior management roles at National Australia Bank, Suncorp and Firstmac.
- Senior member of the Firstmac executive for over 10 years in a number of roles, with his last executive role being General Manager, Sales and Operations.
- Has been a Director of Firstmac Limited since April 2023.
- Holds Law and Science degrees from Monash University and a Diploma in Financial Planning.



## Elizabeth Aris – Non-Executive Director

- Former Group Executive at TPG Telecom and held senior executive positions at Tasmanet, Trujillo Technology Group, Alcatel-Lucent and Telstra, and consulting roles with Microsoft.
- Former member of the Westpac Retail Bank executive team.
- Served as a Non-Executive Director in both publicly listed and private companies and has been a technology entrepreneur building a start up in New York.



## Warren McLeland - Non-Executive Director

- Former stockbroker and investment banker with over 35 years of experience in domestic and international financial services.
- Acts as an adviser in funds management and business strategy to companies operating in the Asia Pacific region.
- Current Non- Executive Chairman of Resimac Group Limited (ASX: RMC) and former Executive Chairman of Resimac Limited.



## Calvin Ng - Non-Executive Director

- Significant investment banking, M&A and funds Mgmt experience.
- Co-founder & MD of the Aura Group, a funds and wealth management firm managing and advising over A\$1.27B in assets.
- Co-founder of Finsure, which merged with Goldfields Money Limited in 2018 to form BNK.
- Former director of Catapult (2014-2019) playing an integral role in the IPO and ongoing capital management and M&A activities.

# Summary & Outlook

Strengthening the foundation for sustainable SME growth

- ✓ Diversified income streams and strategic portfolio shifts support sustainable underlying profitable generation, with non-linear progress expected.
- ✓ Focused on asset mix optimisation, high-margin lending and cost-effective funding.
- ✓ Disciplined execution of high-return opportunities.
- ✓ Continuing to strengthen our competitive positioning and alignment with customer demand trends.
- ✓ Advancing technological transformation and maintaining cost discipline for long term value.
- ✓ Support the ongoing stability and maturity of the Goldman Sachs off balance sheet warehouse.

# Enquiries

## **Investor & Media Enquiries**

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