

FY25 Financial Results

28<sup>th</sup> August 2025

# Investor Presentation



# Agenda



## FY25 Results Overview

**Allan Savins**  
Chief Executive Officer

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## FY25 Financial Results

**Steve Kinsella**  
Chief Financial Officer

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## Strategy Update and Outlook

**Allan Savins**  
Chief Executive Officer

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## Questions and Answers

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# FY25 Results Overview



Allan Savins  
Chief Executive Officer

BNK made meaningful progress in FY25, delivering a clear turnaround and building momentum across the business. Our focus on higher-margin, capital-efficient assets, combined with disciplined cost and balance sheet management, is driving sustainable performance. During the year, we also executed some key strategic initiatives including the optimisation of our warehouse assets, contributing to a more diversified earnings base.

**Allan Savins**  
Chief Executive Officer



# Financial results showing improved underlying NPAT and financial resilience

**\$1.3m**

Statutory NPAT up  
\$8.0m on FY24

**\$3.8m**

Underlying NPAT\*  
up \$4.7m on FY24

**\$2.0m**

2H25 Underlying NPAT\*  
up \$0.2m on 1H25

**\$21.9m**

Net Interest Income up  
13% on FY24

**\$26.1m**

Net income up 50% on  
FY24

**\$24.2m**

Operating Expenses up  
12% on FY24

**1.52%**

FY25 NIM up 46bps  
on FY24

**1.70%**

2H25 NIM up 31bps on  
1H25

**29.0%**

Capital Adequacy Ratio  
up 5.6% on FY24

# Strategic Highlights

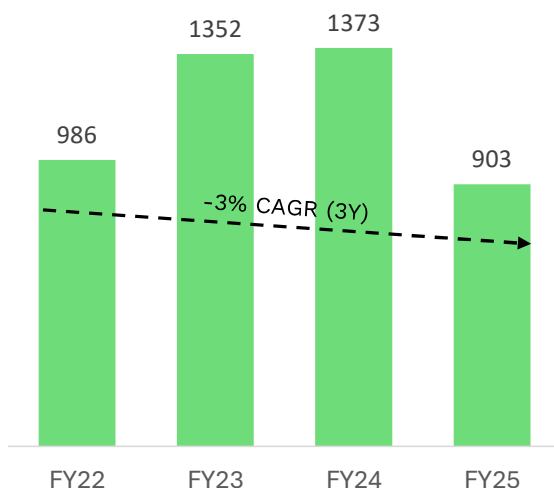
Delivering on the Strategy,  
Driving Value

- ✓ Strategic shift is delivering results.
- ✓ Strong Underlying and Statutory performance.
- ✓ Net Interest Income growth.
- ✓ Margin expansion.
- ✓ Diversified Revenue streams, underpinned by the **Robusta securitisation** of Goldman Sachs warehouse assets and the **partial sale of Bendigo prime warehouse assets**, both unlocking value and generating recurring servicing income.
- ✓ Higher margin assets now represent close to 28% of the total portfolio, approaching our initial goal of 30%.
- ✓ No immediate capital needs as Capital Adequacy Ratio of 29.0% provides capacity to pursue strategic direction.
- ✓ Operational Foundations for Future Growth - FY25 laid groundwork for future scalability, including early-stage investment in technology transformation and continued enhancement of regulatory and compliance frameworks.

# BNK Loan Book, Deposits & Net Interest Income

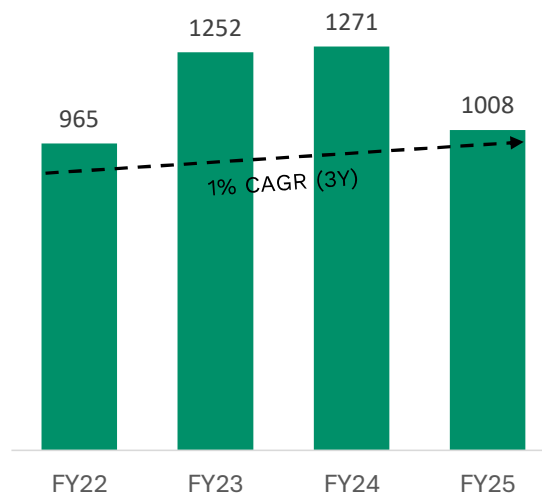
Strategic reshaping of the portfolio supports net interest income growth

## Loan Book (\$m)



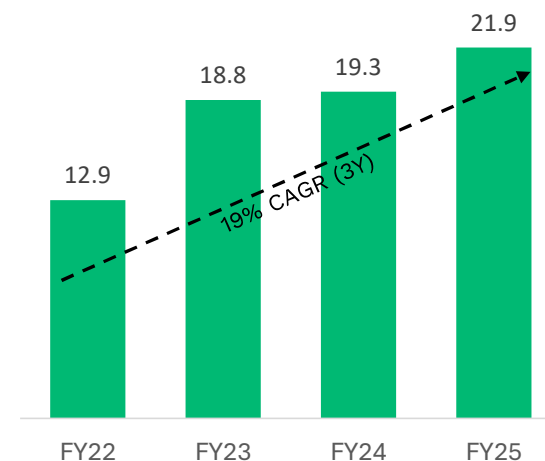
FY25 loan book reduction reflects deliberate portfolio reshaping, including the strategic \$220m sale of Bendigo assets.

## Deposit Book (\$m)



Deposit book reduced in FY25 consistent with the loan book.

## Net Interest Income (\$m)



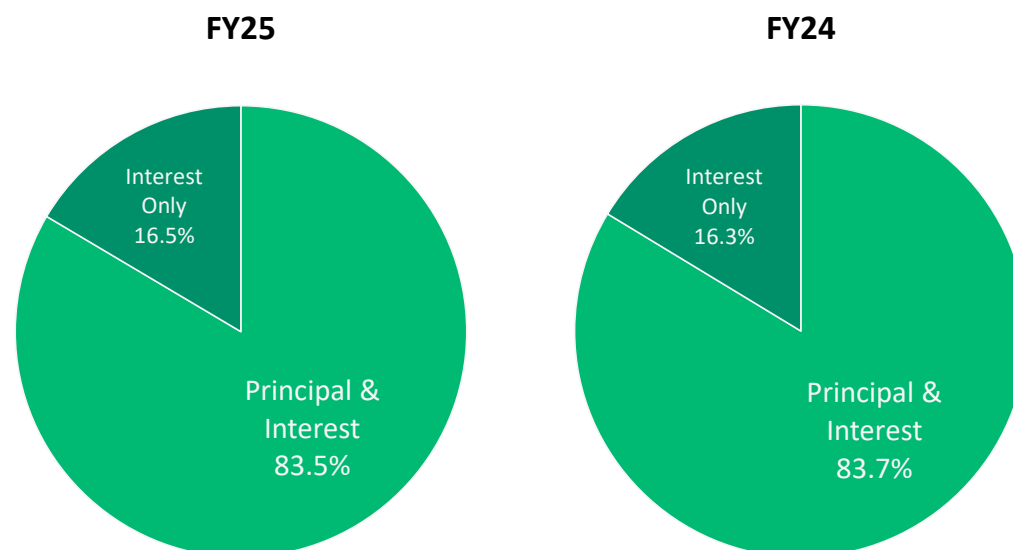
Continued upward trend in NII



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

Stable risk profile despite increase in higher margin loans

### On balance sheet loans

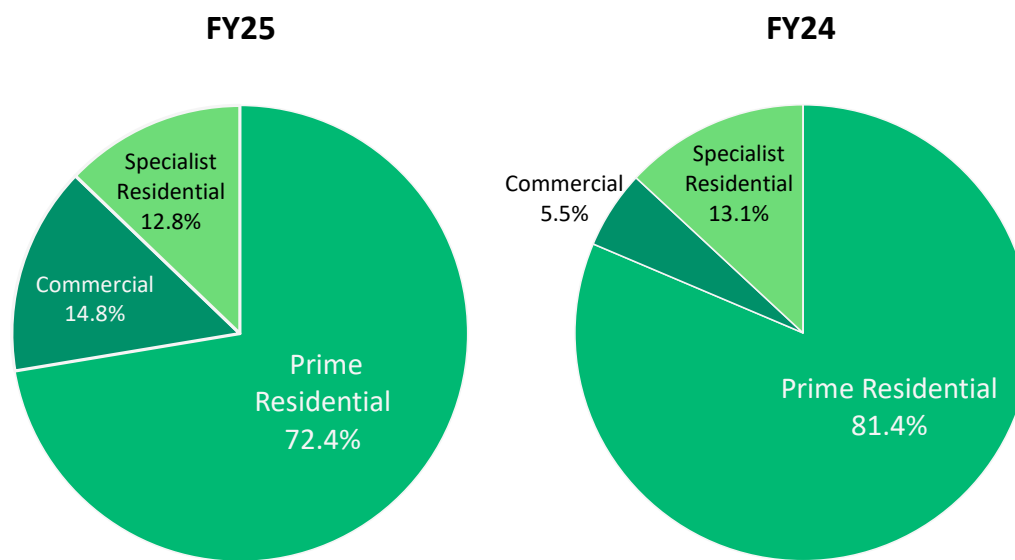


Composition remains stable, reflecting consistent borrower repayment behaviour.

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

Stable risk profile despite increase in higher margin loans

### Portfolio mix by loan category

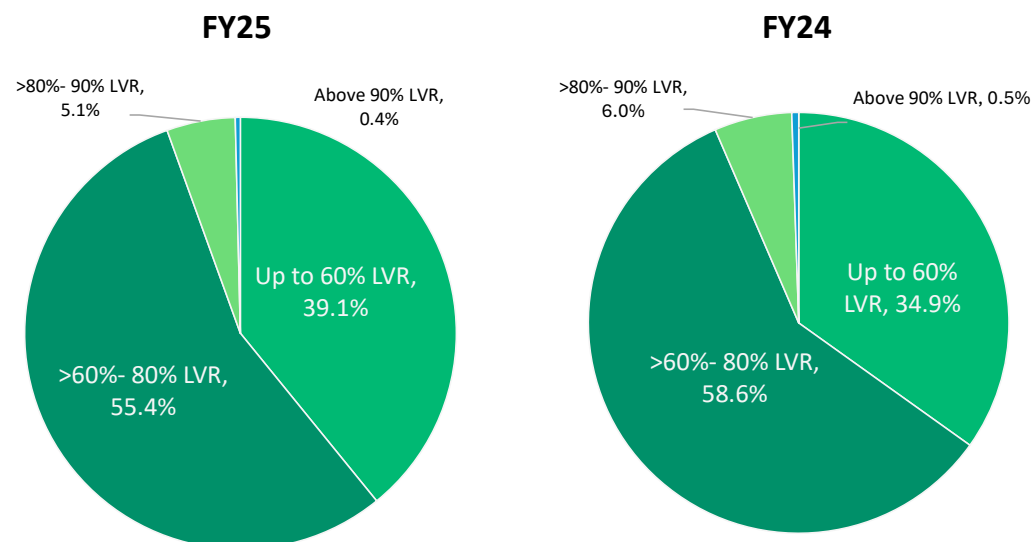


Commercial momentum drives portfolio shift, offsetting prime residential run-off, whilst specialist residential remains stable.

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

Stable risk profile despite increase in higher margin loans

### Portfolio mix by LVR

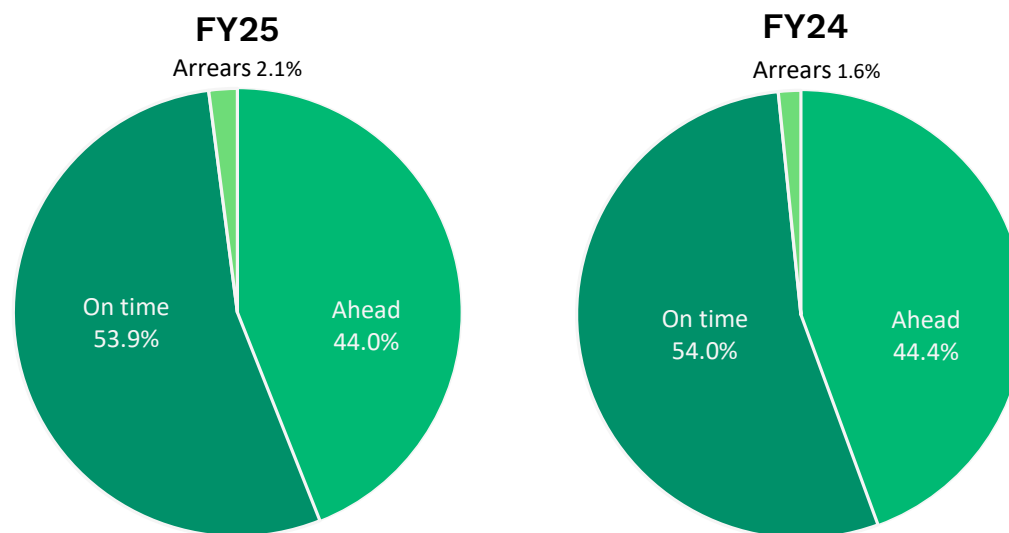


Improved LVR mix at settlement, maintaining credit quality alongside higher margin focused loan growth.

## Portfolio Resilience and Credit Strength

Customers showing resilience, portfolio strength

### Portfolio mix by repayment

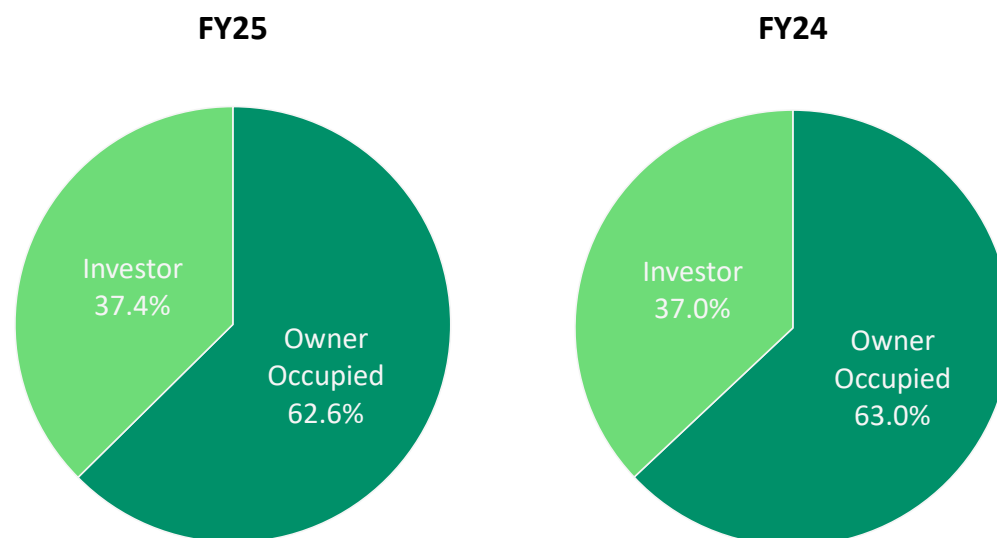


Most customers remain on track or ahead with repayments, supported by lower interest rates.

## Diversification in the BNK funded lending portfolio

Stable risk profile despite increase in higher margin loans

### Residential portfolio by loan type



Slight increase in proportion of Investor loans but largely stable.

# Strong Cornerstone Portfolio

BNK has focused on changing the lending book composition in FY25 with greater priority on higher margin lending.



## Residential Loan Portfolio

- Average Residential loan size \$378k, while maintaining a strong LVR mix.
- Fixed Rate loans have largely all converted to variable through FY25, no new Fixed Rate business being originated.
- Focus on higher return prime growth.



## Commercial Loan Portfolio

- Average Commercial loan size \$540k.
- Portfolio growth of 79% to \$136m.
- Well diversified, maximum loan \$2.5m, all secured by Commercial property.
- 68% P&I, 32% Interest only.



## High Quality Customers

- 1.10% of the Residential loan book are in arrears over 90 days as at June 2025.
- 0.95% of the Commercial loan book are in arrears over 90 days as at June 2025.
- Mortgagee in possession rates remained at zero.
- Offset account balances total \$77m as at 30 June 2025.



# FY25 Financial Results



Steve Kinsella  
Chief Financial Officer

# Improved performance in a competitive landscape

## Economic & Business Environment

- Interest rate easing cycle underway though global uncertainty leading to cautious approach from the RBA.
- Continued competition for loans and across all categories, RBA cash rate decreases all fully passed on to Residential and Commercial loan customers.
- Deposit competition continues with new online offerings in market.

## BNK Portfolio

- Reduction in lower margin Prime Residential book through attrition and sale helping significant NIM uplift.
- Fixed rate loan repricing largely concluded through FY25.
- Arrears within tolerance, lower absolute rates should provide some relief.
- Continued focus on expense management with targeted investment.
- Active management of liquidity and investments with solid returns.
- Creation of capital capacity through reduction in the Prime residential book and profitable outcome.



# FY25 Financial Results

Improvement in Statutory  
and Underlying NPAT

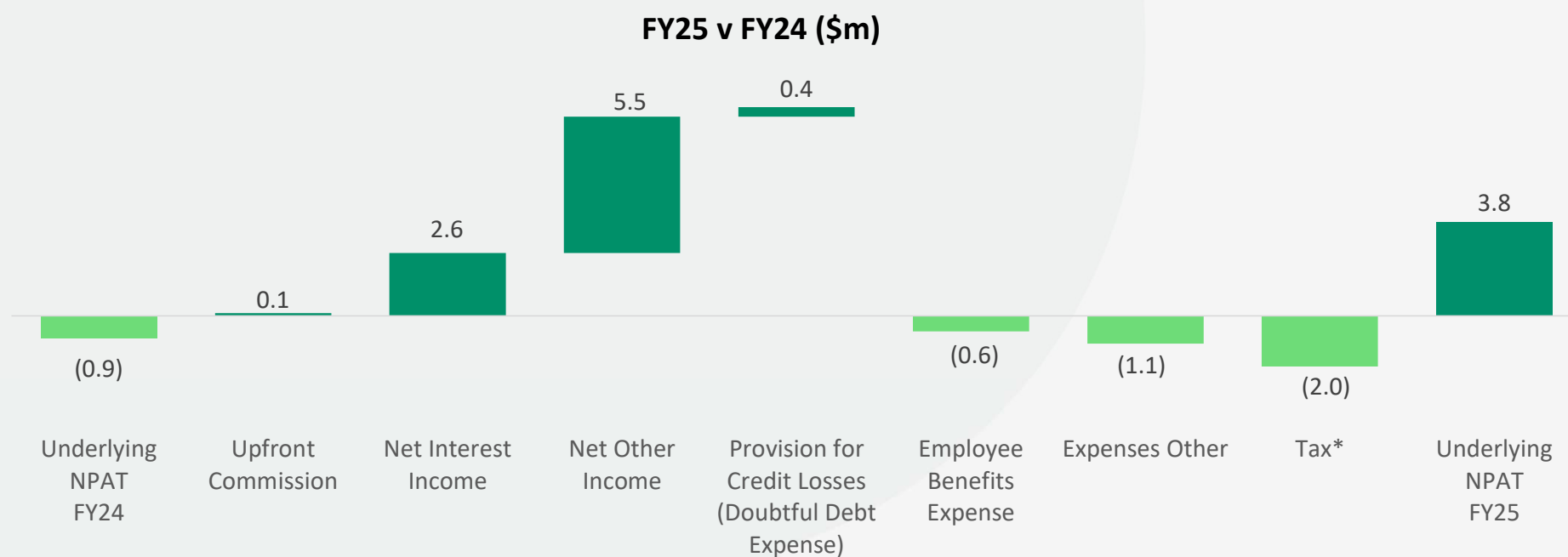
	Statutory (\$'000)	Variance to FY24 %*	Underlying (\$'000)	Variance to FY24 %*
Net Interest Income	21,882	↑ 13%	21,882	↑ 13%
Other Income	4,228	↑ 328%	6,670	↑ 515%
Expenses – Underlying	(23,131)	↑ 8%	(23,131)	↑ 8%
Expenses – Non –recurring <sup>1</sup>	(1,073)	↑ 439%	-	-
Operating Performance	1,906	↑ 146%	5,421	↑ 637%
Credit Loss Provision	84	↑ 128%	84	↑ 128%
NPBT	1,990	↑ 125%	5,505	↑ 520%
Tax	(707)		(1,751)	
NPAT	1,283	↑ 119%	3,754	↑ 509%

\*Better/Worse

1. Statutory Expenses: Non – recurring consists of Core Banking related costs of \$1,073k in FY25 (\$199k in FY24).

# Performance: Underlying - FY25

Improvement in Net Interest Income, Other Income and Credit Provisions, partly offset by targeted expense growth



## FY25 Key Metrics

	FY25	FY24	Variance %
Total Assets	\$1,234m	\$1,725m	↓ 28.5%
Deposits	\$1,008m	\$1,271m	↓ 20.6%
Net Interest Margin	152bps	106bps	↑ 46bps
Cost-Income Ratio (underlying)	93%	105%	↓ 12%
Capital Adequacy Ratio	29.0%	23.4%	↑ 563bps
Minimum Liquid Holdings Ratio (Spot)	26.5%	22.4%	↑ 408bps
Net Tangible Assets per share	\$1.00	\$0.99	↑ \$0.01

# 2H25 Financial Results

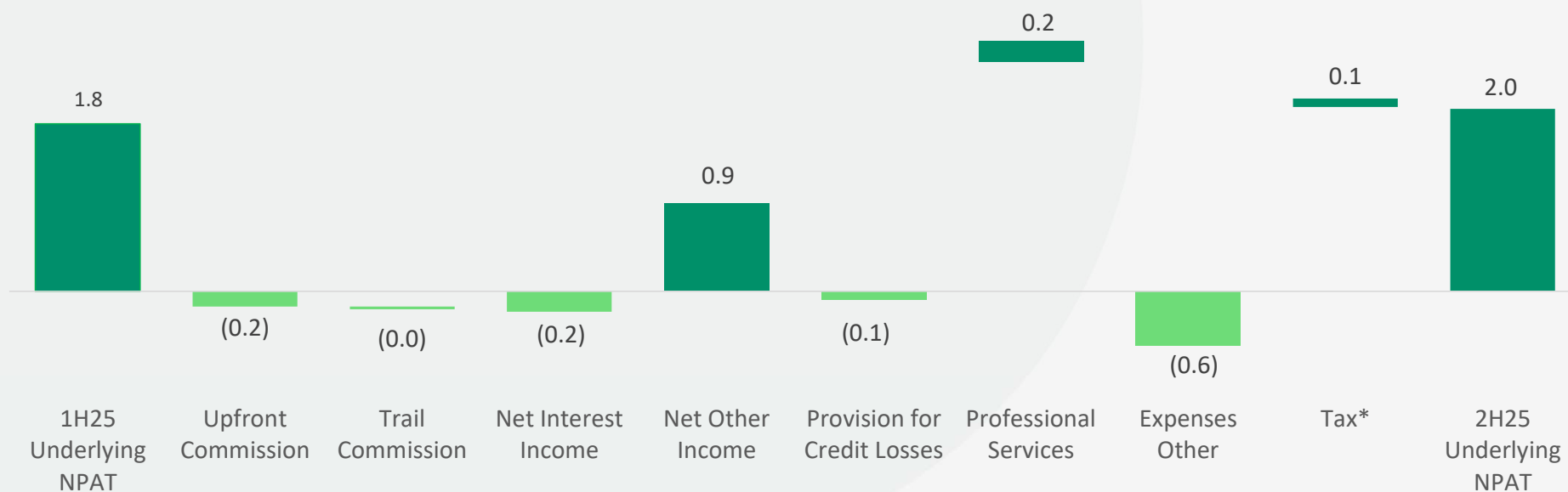
Improvement in  
underlying NPAT  
from 1H25

	2H25 Underlying (\$'000)	1H25 Underlying (\$'000)	Variance %
Net Interest Income	10,832	11,050	↓ 2%
Other Income	3,711	2,960	↑ 25%
Expenses - Underlying	(11,752)	(11,397)	↑ 3%
<b>Operating Performance</b>	<b>2,791</b>	<b>2,613</b>	↑ 7%
Credit Loss Provision	(2)	85	↓ 102%
<b>NPBT</b>	<b>2,789</b>	<b>2,698</b>	↑ 3%
Tax	821	912	
<b>NPAT</b>	<b>1,968</b>	<b>1,786</b>	↑ 10%

# Performance: Underlying – 2H25

Income up on 1H25, expenses lower

2H25 v 1H25 (\$m)

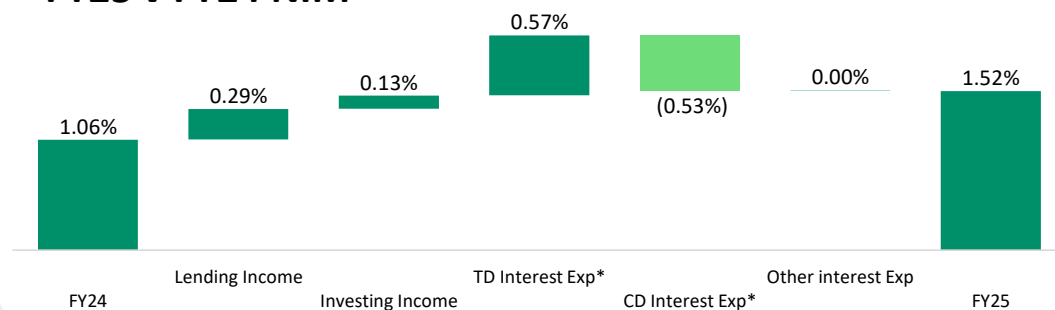


# Net Interest Margin

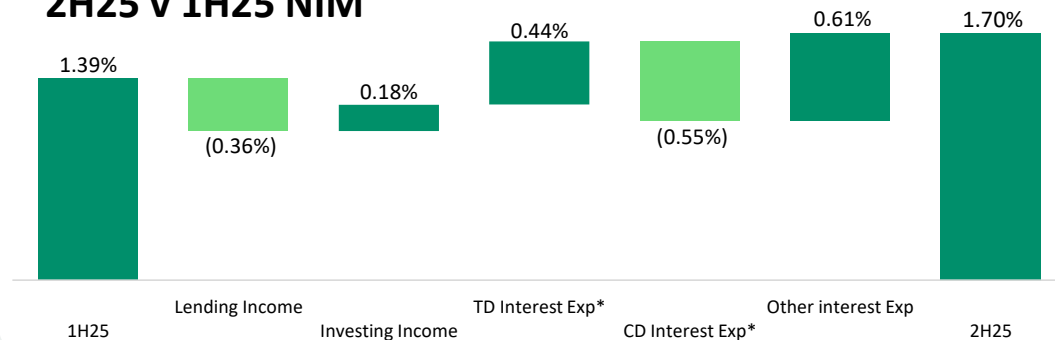
## Active management driving improvement in NIM

- Improvement in NIM from targeted reduction in lower margin assets, initial growth in higher margin assets and management of cost of funds.
- Improvement in 2H25 NIM to 1.70% driven by improving net yield from the loan book following the sale of securitised assets and reduction in issued securitisation notes, improved investment returns and more targeted deposit funding.
- Positive NIM trend supported by:
  - Reduced drag of fixed rate mortgages.
  - Continued expansion into Commercial and other higher margin lending products.
  - Continued focus on optimising deposit pricing and management of investment returns on liquid assets.

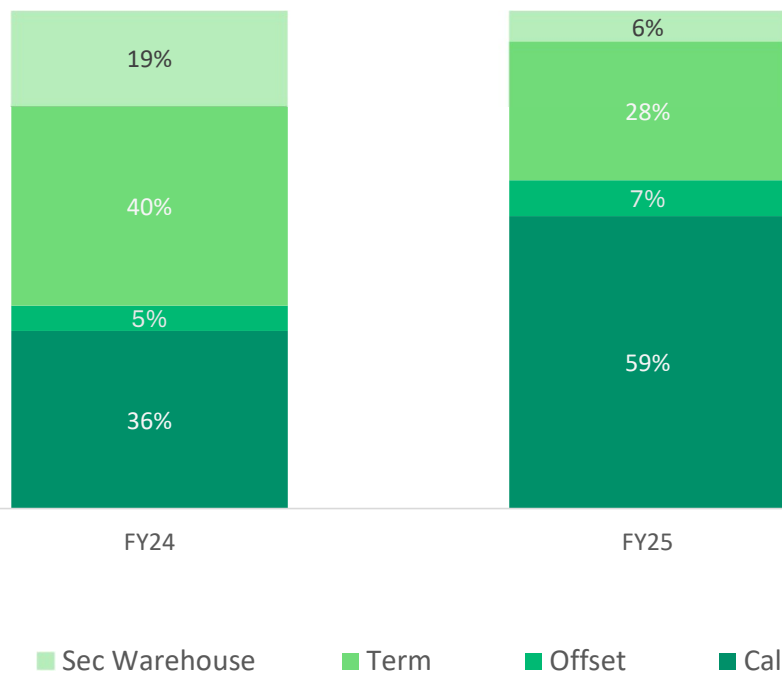
### FY25 v FY24 NIM



### 2H25 v 1H25 NIM



### Composition of Book (%)



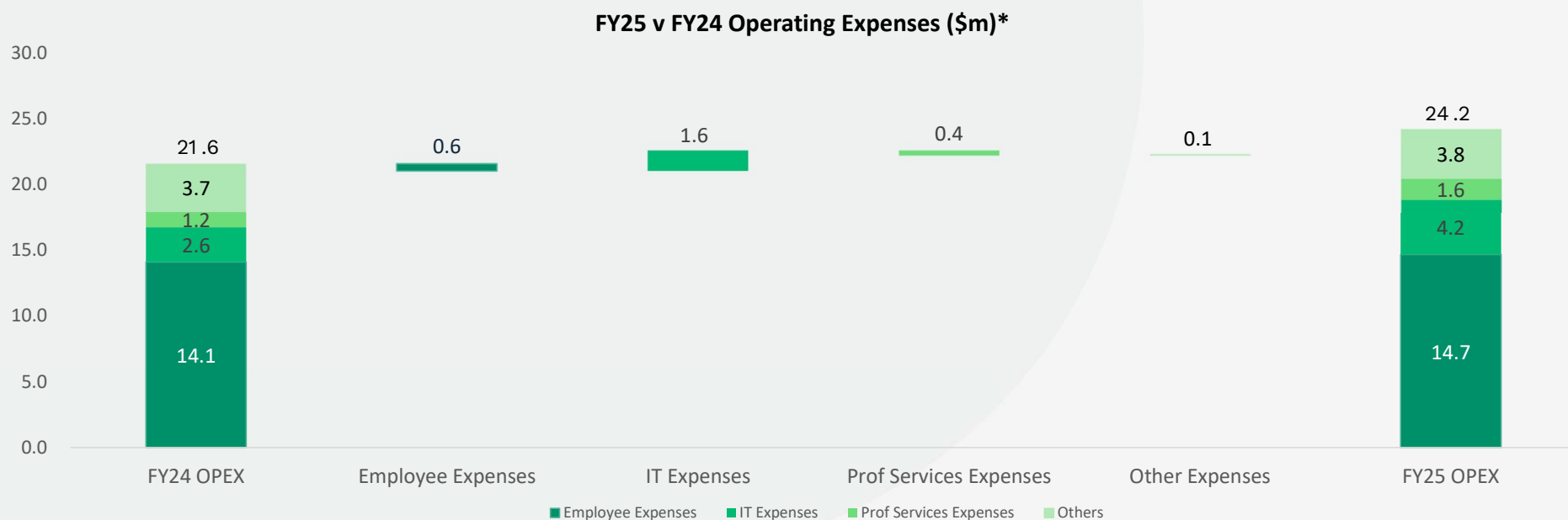
## Funding Mix

Continued competition for deposits, despite lower absolute rates, with higher yield online offerings available to customers.

- Term Deposits rates remain competitive.
- Savings account rates also remain competitive with additional online offerings coming to market.
- Sale of assets from the securitisation warehouse has reduced funding costs.
- Book has been positioned to take advantage of current easing cycle whilst considering liquidity management needs.

# Operating Expenses

Continued focus on cost discipline with targeted investment

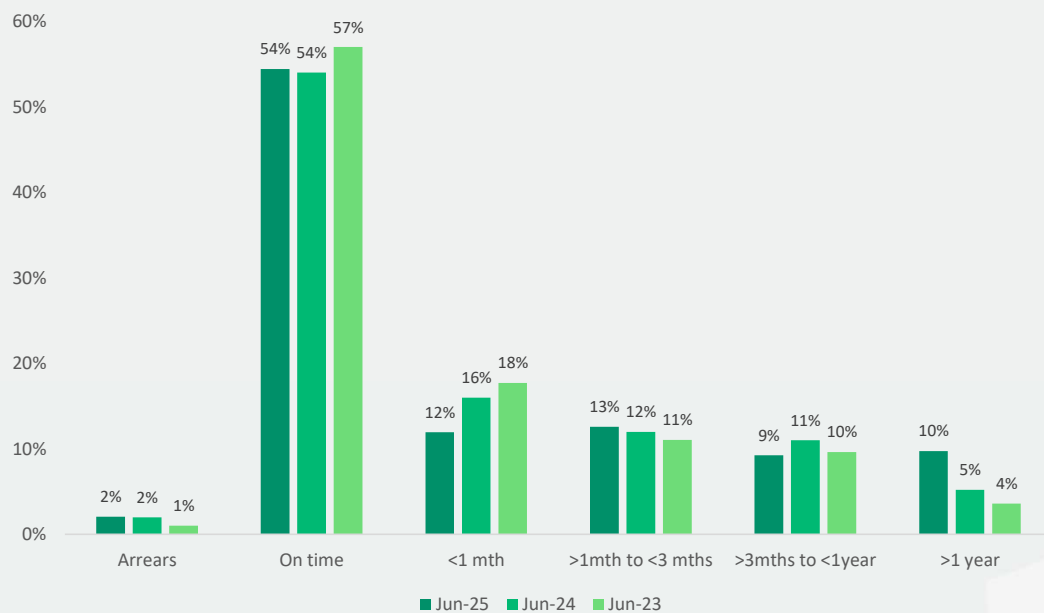




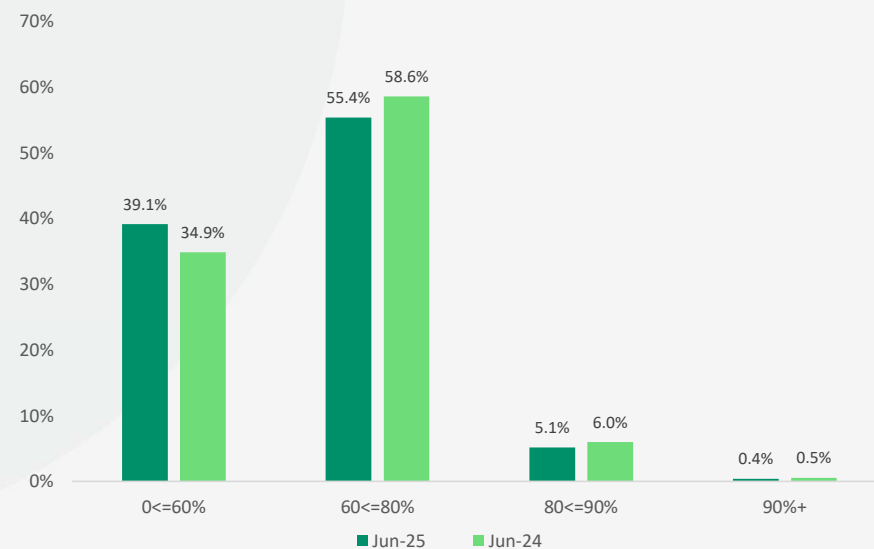
# Credit Quality & Portfolio Profile

Customers showing resilience, portfolio strength

Customer Repayment Profile



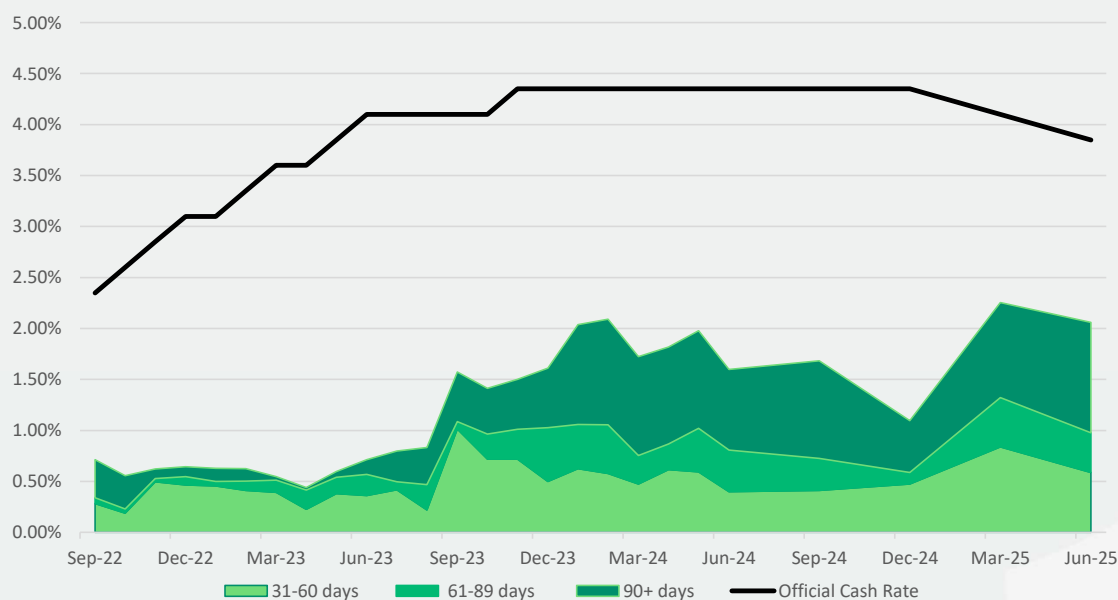
Portfolio Loan to Value Ratios (LVR) % breakdown



# Credit Quality & Arrears

Arrears impacted by higher interest rates but broadly stable

Total Loan Book Arrears breakdown



Residential book Arrears ageing (% of Residential loan book)

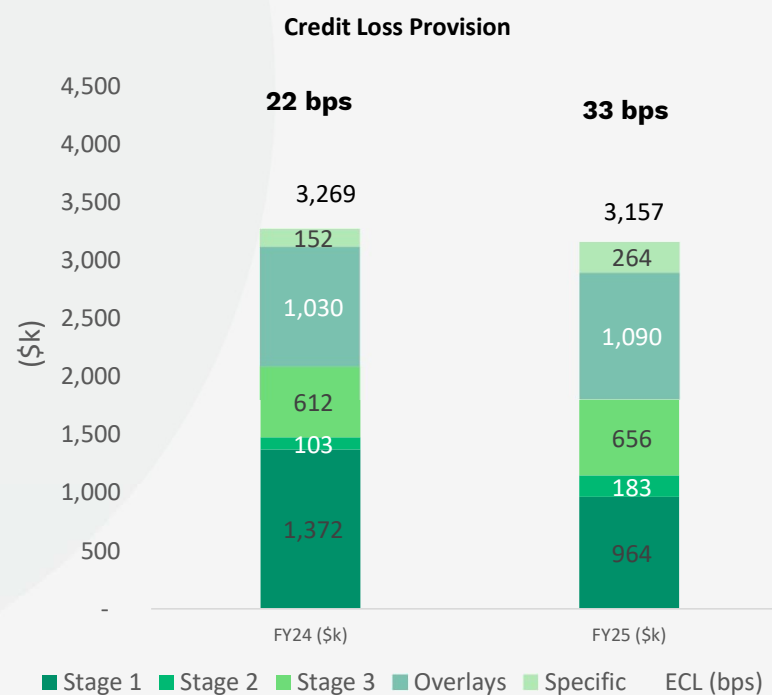
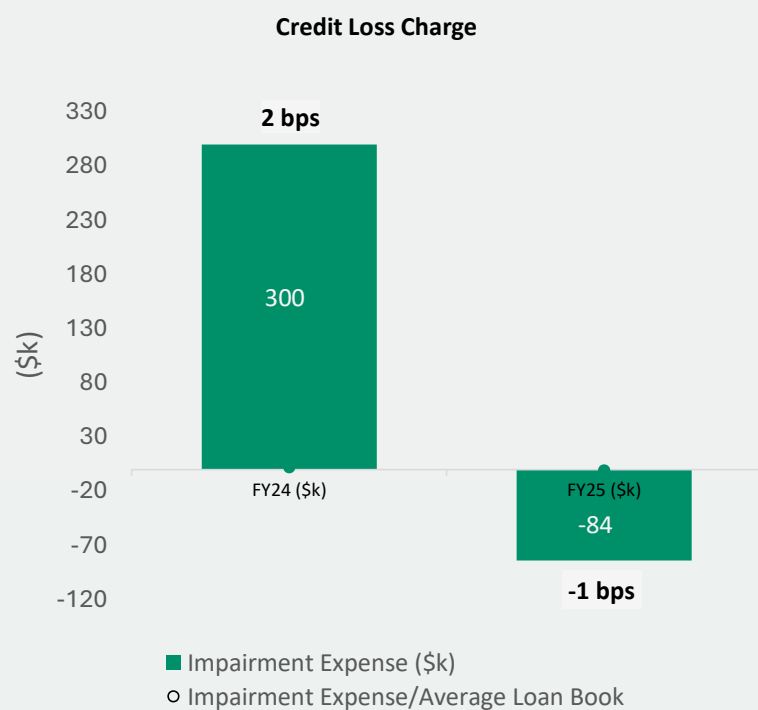
Date	(31-60 days)	(61-89 days)	(90+ days)	Total (31 days+)
Dec-23	0.52%	0.55%	0.57%	1.64%
Mar-24	0.50%	0.29%	0.97%	1.76%
Jun-24	0.42%	0.43%	0.79%	1.64%
Sep-24	0.44%	0.31%	0.97%	1.72%
Dec-24	0.41%	0.12%	0.47%	1.00%
Mar-25	0.95%	0.55%	0.80%	2.30%
Jun-25	0.63%	0.38%	1.10%	2.11%

Commercial book Arrears ageing (% of Commercial loan book)

Date	(31-60 days)	(61-89 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%
Mar-25	0.00%	0.00%	1.92%	1.92%
Jun-25	0.00%	0.48%	0.95%	1.43%

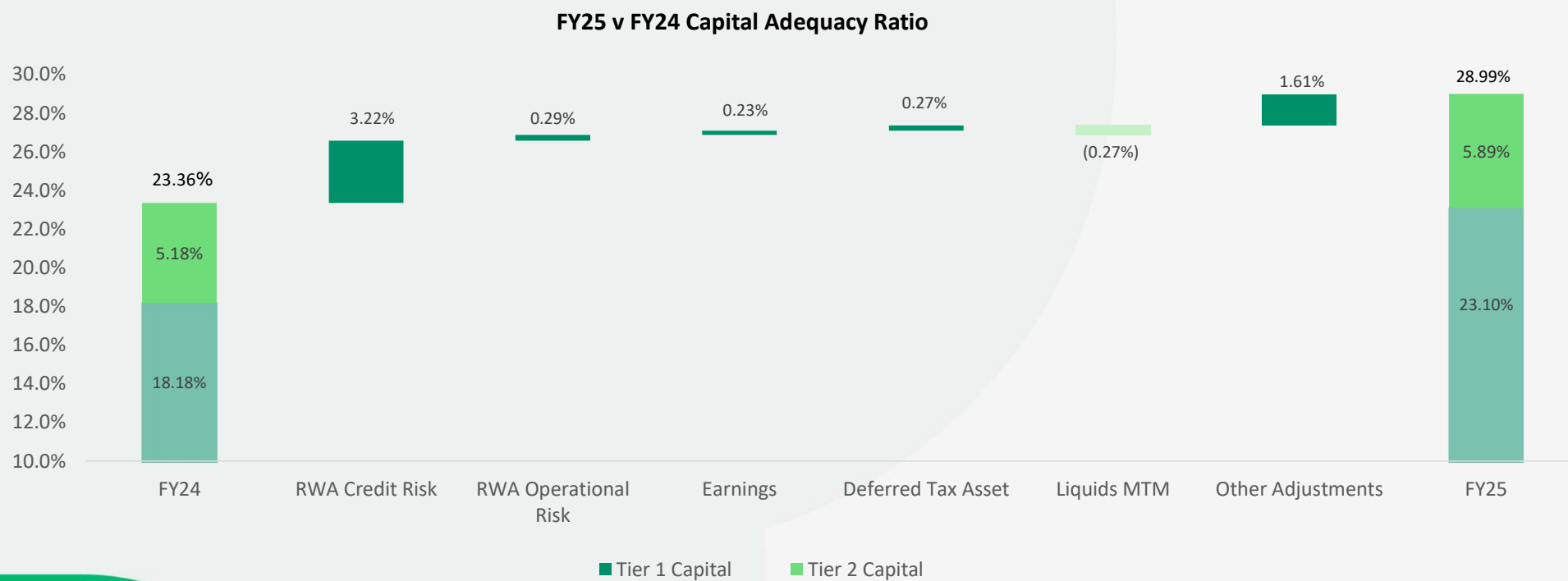
# Credit Quality & Loss Protection

Adequate credit provisioning despite household economic pressures



# Well Capitalised

Strong capital position remains well above regulatory minimums





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

# Strategy Update and Outlook



Allan Savins  
Chief Executive Officer

# Strategic Outcomes FY25

Delivering on Strategy, Building for the Future

## Growth

**Target:** 30% concentration of higher-margin assets to attain optimal capital efficiency.

### Progress

- Continued focus on portfolio composition rather than headline growth.
- Higher margin assets now comprise ~28% of the portfolio.
- Maintained a high-quality mortgage portfolio, with no FY25 write-offs.
- Customer Deposit to Total Loan ratio of 112% ensures stability of funding.

## Margin

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

### Progress

- FY25 NIM up to 1.52% from 1.06% in FY24.
- 2H25 NIM up 0.31% to 1.70% from 1H25.
- Achieved through asset mix optimisation and cost effective funding.

## 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 Underlying NPAT by 509% YoY.
- Achieved 2H25 Underlying NPAT of \$2m.
- Grew Net Interest Income by 13% YoY.
- Net Income up 50% to FY24.
- Operating costs were up 12% YoY.
- Cost to Income improved 12% to 93%.

# Strategic Focus Medium Term

Deepening Focus, Driving Value

## Growth

### Scale High Value opportunities

- Momentum beyond original 30% high margin asset target.
- Accelerated growth in high margin 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 FY25's foundation.
- Volume and margin led performance.
- Maintain cost discipline and efficiency.
- Increase non-interest income.
- Launch and scale Senior Secured warehouse funding.
- Strategically pursue other high margin and / or high return of capital opportunities.

# Summary and Outlook

Executing with Discipline,  
Advancing with Purpose

- ✓ Deliver sustainable underlying profitability.
- ✓ Accelerate growth in high margin and high return segments.
- ✓ Scale senior secured warehouse funding.
- ✓ Reintroduce moderated prime volume.
- ✓ Maintain cost discipline in a challenging environment.
- ✓ Facilitate the continued growth in the Goldman Sachs off balance sheet warehouse.
- ✓ Pursue strategic partnerships and product expansion.
- ✓ Continue technology uplift.





# Q&A Session

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FY25 Financial Results

28<sup>th</sup> August 2025

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# Thank you

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