BNK Banking Corporation Limited
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ASX Release, 25 November 2026

2026 AGM – CHAIRMAN'S ADDRESS AND CEO'S ADDRESS

Attached for release to the market are the Chairman's Address and CEO's Address, to be presented at the 2026 Annual General Meeting (**AGM**) for BNK Banking Corporation Limited (ASX: **BBC**) ("**BNK**" or the "**Company**"), to be held today at 12:00pm (AEDT) / 9:00am (AWST).

The AGM will be held as a virtual meeting, via an online meeting platform for shareholders 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/88331017889?pwd=E7a6XRhRhXNZiQbNFF9ZeeOOatXtN.P.1

ENDS

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

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About BNK

BNK Banking Corporation Limited (ASX: BBC) was founded in 1982 as Goldfields Credit Union. BNK is a branchless bank offering a focused range of deposit and lending products through a national broker network, key aggregator partnerships and expanding digital channels. BNK operates two brands: Goldfields Money and Better Choice Home Loans. Find out more: https://bnk.com.au/

Chairman's Address

FY26 was a year of transition for BNK, in our leadership, in our technology and in the continued repositioning of our balance sheet.

The most visible change this year has been in the leaders of the organisation.

In April, Allan Savins stepped down as Chief Executive Officer. Steve Kinsella stepped into the role on an interim basis, and Judith Newman stepped up as interim Chief Financial Officer. In August, the Board was pleased to confirm both Steve and Judith in their roles permanently. On behalf of the Board, I again thank Allan for his many years of service to BNK.

A change of leadership can be unsettling for any organisation. I am pleased to report that this one has been smooth. Steve and Judith both know the business intimately, and they have been supported by a strengthened management team, including Joe Mittiga, Chen Lin and, more recently, Manish as Chief Risk Officer. The depth of that team has allowed the business to keep moving forward without missing a beat, and the Board has the full confidence in Steve and his executive team.

Turning to our FY26 performance.

The highlight of the year was the continued improvement in our net interest margin, which rose to 1.96%, up from 1.52% in FY25 – an increase of 44 basis points. This is a direct result of the deliberate work over several years to shift our portfolio toward higher-return lending, and it is the clearest sign that our strategy is working.

Other highlights for the year include:

- Net interest income up 9.9% to $24.0 million;
- Loan book growth of more than 10%, with pleasing results in commercial lending and our first investments in senior secured lending;
- Deposits growing to $1.06 billion, supporting that loan growth;
- A strong capital adequacy ratio of 24.6%; and
- An investment-grade BBB- rating from S&P, obtained last year, which enabled the launch of our Negotiable Certificate of Deposit program and gives us another source of funding.

Our statutory result was a loss of $3.7 million. That reflects the write-down of the last remaining $3.5 million of goodwill on our balance sheet, which is a non-cash item, and the continued investment in replacing our core banking system. On an underlying basis, BNK recorded a profit of $1.0 million. This was lower than last year, largely because FY25 benefited from significant one-off transactions that were not repeated this year.

Our technology re-platforming is a complex, medium-term program, but it is essential. It will significantly improve the experience of our customers and broker partners, and we have targeted milestones planned throughout FY27.

We are operating in an uncertain economic environment.

Geopolitical tension, persistent inflationary pressures and rapid technological change are putting pressure on many households and businesses, and competition in banking remains intense.

In this environment, our size offers BNK a degree of protection. As a small, focused bank, we are less exposed to the broader macroeconomic cycle than larger institutions. We can be selective about the segments we lend into, we can move quickly, and we can concentrate on the areas where a small bank can outperform. That is not to say we are immune. We continue to invest in risk management and maintain prudent credit settings, but we believe BNK is well placed to manage through the conditions ahead.

Turning to the Board.

In November last year, we farewelled Elizabeth Aris, and I thank her again for her contribution. We also welcomed Raj Venga to the Board. Raj brings deep experience in banking regulation, risk and compliance, and he now chairs both our Audit Committee and our Risk and Compliance Committee.

I am pleased to say that the Board continues to work well together. We have a constructive and robust working relationship, both among Directors and with management, and our focus remains firmly on delivering the best outcomes for shareholders.

Finally, I would like to turn to the value of your company.

It is a question the Board considers carefully, and one I know is on the minds of many shareholders, so I want to address it directly.

At 30 June 2026, BNK's net tangible assets were $0.99 per share, against a share price of $0.24.

Behind that net tangible asset figure is a sound balance sheet. Our capital adequacy ratio is 24.6%, our loan book grew by more than 10% this year, and our net interest margin continues to improve.

Closing the gap between our share price and the value of those assets is one of the Board's clearest priorities. The Board continues to review options to achieve that objective.

On behalf of the Board

I would like to thank our people for their dedication through a year of change, our customers and broker partners for their business, and you, our shareholders, for your patience and continued support.

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

CEO's Address

Thank you, Jon.

In a challenging environment, we are continuing to build positive momentum in the business. Some of this is externally visible, and some may not be so visible at this juncture.

Our team have worked hard through the past year to continue to deliver on what matters.

Aligning our workforce, ensuring consistency of approach, clear prioritisation, minimum standards and expectations across the team and a much sharper lens on performance and accountability is fundamental to this.

We have a renewed focus on our technology roadmap and clarity on how we need to upgrade our Core Banking System and the plan to do so. This is driven by a need to maintain regulatory and compliance aspects, to improve security and operational resilience of the platform but also and importantly the end objective is to provide a platform that gives us far more flexibility in terms of how we can support customer needs and meet customer expectations in the areas we choose to provide products and services.

A highly disciplined approach has enabled successful achievement of Phase 1 of our 3-phase Core Banking program with a conversion to the cloud recently. This was done in conjunction with our partners with no impact on customers outside the announced period of the outage to enable the migration to occur. The system has been operating entirely as expected post go-live.

The next Phase, Phase 2, is a more significant change to the way we interact with our customers and will have a more profound impact on how we face the market. This is an exciting phase for us as it enables BNK to expand, engage with and deepen customer relationships, something we believe has been a real constraint on the business to date.

After engagement with our partners and capitalising on the momentum from Phase 1, Phase 2 will be delivered in 2027. We will incur further necessary expenditure in this area as we implement these structural improvements to our business, but we are being vigilant in ensuring that every dollar of spend will bring longer term value. Our reporting will continue to be transparent on what this spend is. We will look to provide a progress report at our quarterly update for Q3.

On the business front, our growth has been cautious and focussed more on the Commercial sector and further investment in our Senior Secured Lending, via warehouse structures that provide BNK with a good combination of return and credit protection. We are seeing a healthy pipeline and potential prospects that, subject to our rigorous due diligence, should lead to a continuing growth in the Senior Secured segment of the portfolio. Our Commercial portfolio is also on a positive and consistent trajectory.

On the residential portfolio, there is no doubt the well-publicised broader market impacts, with both interest rate increases and budget changes to Capital gains tax and Negative Gearing, have had a dampening impact on volumes. Notwithstanding that, the effort and focus for BNK, through the Better Choice brand, is on improving

our policies and processes to support brokers in finding the most suitable deal for their customers.

We are a broker only bank with our lending and so therefore have none of the internal conflicts of trying to balance direct sourcing of loans versus through aggregators and brokers. That said, our processes and the way we interact has historically not made it as easy as it could be for our broker partners to do business with us. That is very much a key focus and opportunity and why I made the earlier comment that some of our momentum may not yet be visible but is imminent. Significant effort has gone into mapping and identifying the process speedbumps and where we can leverage technology and revised practices to make obtaining a loan through BNK / Better Choice a much quicker and more certain process where the applications fit our parameters.

We know delivery in this area can lead to an uptick in volumes that would be meaningful for us, albeit still a very small share of the market. We are a specialised bank and we believe there continues to be good opportunities for us with our ability to act quickly and be focused on key segments where we can bring greater expertise.

On the liability side, following our Investment Grade rating from S&P we launched our NCD program to further diversify funding sources and enable more effective Treasury and yield management. We continue to look at our cost of funding to ensure we are optimising where we can, whilst providing attractive returns for customers who bank with us.

With regards to arrears and hardships, we are comfortable with where this sits at present. We have had a sharp focus on early and constructive engagement with customers who find themselves in a difficult position. We do however recognise that recent interest rate rises and budget changes will put more stress into the sector. Whilst our percentage arrears are low, given our portfolio size it means a small number of loans can have a disproportionate outcome on the arrears percentage. It is an area we continue to watch and manage closely and feel we are adequately provisioned across the book.

With regards to costs, we have seen growth in the underlying cost base, primarily through increased headcount. This rate of growth will slow from here and has been driven by a need to really enable driving quality outcomes across each of our functions and to mature our approach to product, customers, credit, risk and technology as well as a more consistent presence in markets across the country.

With regards to AI, we are in the early stages of our journey in that area and are targeting some very focused and preliminary use cases to both manage its application but also ensure that its use is controlled and benefits can be truly assessed and harnessed.

Financial Performance

With regards to our financial performance, I won't repeat a lot of what Jon has outlined.

Our financial performance for the full year reflected the activities we have been pursuing and our focus area. Contrasting with FY25, there were no significant transactions undertaken. This has been previously alluded to given the timing and impacts can be quite lumpy by definition and create some measure of earnings volatility across any one particular time period.

We still believe and recognise our financial performance is not where it needs to be but it is moving in the right direction. Our focus is to accelerate further improvement.

Our net interest income and margins saw healthy continued upward momentum as outlined, our capital ratio remains strong and supports further growth.

We have 3 key focus areas:

1. Sustainable and profitable growth, improving margins and returns whilst carefully managing risks.
2. Enhancing and driving a greater customer experience in dealing with the BNK Group with a select and focused range of products that will underpin volumes, healthy margins and improved profitability.
3. Re-platforming our technology stack including the Core Banking System to enable BNK to specialise in the areas where we think we can bring great products and services.

The environment, as always, has its challenges, but some areas have become more acute with inflation still outside the RBA's target range and a resurrection of a tightening rate cycle. This will pressure households and along with the budgetary changes to negative gearing and capital gains tax, the housing market is obviously feeling the impacts at a macro level.

At BNK, our focus is very much at the micro level given we are a small player in the market. Competition is heightened with the general reduction in volumes. However we see opportunities for us to continue to grow in the areas where we can support customers with targeted products and great service and where we can partner with other organisations in providing positive risk adjusted returns for BNK.

I wish to thank our brokers and other partners, our customers, our investors and importantly our staff for their ongoing support as we move to becoming a successful solutions based and specialist bank.

Thank You.

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