

ASX Release, 19 June 2019

BNK REGULATORY CAPITAL UPDATE

BNK Banking Corporation Limited (ASX:BBC) (“BNK” or the “Company”) is pleased to provide the following update in relation to its regulatory capital position.

Following clarification received from APRA in relation to the adjustments to Level 2 capital calculations for intangible assets, BNK has recalculated its capital adequacy ratio as at 31 March 2019 and is pleased to confirm a materially improved capital adequacy position than previously reported (on an unaudited basis) as follows:

As at 31 March 2019	As previously reported	Restated
Level 2 capital adequacy ratio	17.57%	23.20%

BNK is required to calculate its regulatory capital in accordance with APRA’s Prudential Standard APS 111 *Capital Adequacy: Measurement of Capital* on a Level 1 and Level 2 basis. The Level 2 calculation incorporates risk weighted assets and adjustments to Tier 1 capital relating to consolidated entities of the Group. BNK has been required to prepare and submit Level 2 regulatory returns to APRA since the acquisition of Finsure Holding Pty Ltd (and its controlled entities) on 17 September 2018.

Like all ADI’s, BNK is required to comply with a minimum prudential capital adequacy ratio specified by APRA and report the actual capital adequacy ratio on a quarterly basis via the Company’s website. BNK’s APS 330 disclosures will be revised and updated to the website shortly.

Commenting on this clarification, BNK Managing Director Simon Lyons noted “The larger capital adequacy ratio when recalculated in light of the confirmation received from APRA is great news for BNK and provides a sound platform for the continued progression of the Group’s growth aspirations in a prudent manner”

ENDS

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Who is BNK Banking Corporation Limited?

BNK Banking Corporation Limited (BNK) is a diversified financial services company with two key operating divisions in banking and mortgage broking aggregation:

Banking

The company has operated as an APRA-regulated authorised deposit-taking institution (ADI) for 37 years. As such our customers benefit from the Australian government deposit guarantee scheme for deposits up to \$250,000.

The bank provides simple and easy to understand deposit accounts, personal loans and mortgages under a number of brands: Goldfields Money, which is used in the Goldfields region of Western Australia, complemented by the Better Choice Home Loans brand, distributed via mortgage brokers nationally.

BNK plans to launch a direct to consumer brand later this year. The Company is progressing the completion of its new digital banking platform which will enable it to deliver a broad range of banking products directly to customers, as well as through third party intermediaries across Australia.

Mortgage Aggregation

The Aggregation division, operating as Finsure, provides one of the largest distribution networks in the country as well as valuable market insights that assist BNK with product development. The business services 1,630 mortgage brokers and manages a loan book in excess of \$36bn.

This unique combination allows BNK to develop competitive products that meet its changing customer needs, leveraging its low-cost, technology-driven model. BNK is focused on becoming a challenger bank of scale through building its product portfolio, growing its diversified distribution network and pursuing API-enabled partnering opportunities.

The Company is listed on the Australian Securities Exchange (ASX:BBC).

You can read more about us at www.bnk.com.au and www.finsure.com.au.

