

ASX Release, 26 November 2019

UPDATE ON BNK CASH CONVENIENCE FACILITIES

BNK Banking Corporation Ltd (“**BNK**” or the “**Company**”), wishes to provide an update on the cash convenience facilities that BNK administers. BNK currently provides cash for deployment to a variety of operators of networks of automatic teller machines (“**ATMs**”) under Cash Convenience Agreements.

BNK has been informed that a liquidator has been appointed to ATM Co Pty Ltd ACN 604 800 348 (liquidators appointed) (“**ATM Co**”). ATM Co has an agreement with BNK for the supply of cash under a Cash Convenience Agreement in order for its network of ATMs to be stocked with sufficient cash for the purpose of servicing the ATM site’s clients. BNK has notified the liquidators of the fact that BNK has a right to this money. ATM Co’s liquidators have informed BNK that ATM Co does not have the money in its account. It may remain in circulation.

At the same time as a liquidator was appointed to ATM Co, one of the cash in transit providers for ATM Co and other parties who hold Cash Convenience Agreements with BNK was also placed into liquidation. Tuff Enterprises Pty Ltd ACN 123 825 883 (liquidators appointed) trading as Ausguards (“**Tuff**”) provided cash in transit services to load cash into ATMs for three different parties who hold contracts with BNK. BNK has notified Tuff’s liquidators of the fact that BNK has a right to that money. Reports by Tuff’s liquidators indicate that Tuff does not have this cash in its possession. Again, it may remain in circulation.

BNK has approximately \$2.00m of its cash deployed under agreements with ATM Co and Tuff. BNK is also contracted to another ATM business that also used the services of these companies, and has approximately \$900k deployed through that business. That provider continues to operate.

BNK has appointed a national law firm to assist it with the recovery of its cash, and resolving all issues between BNK, the liquidators of ATM Co and Tuff and the other third parties that have arisen from or come to light as a result of the liquidation of ATM Co and Tuff.

BNK has also submitted information to its insurance providers with a view to determining whether it may be entitled to claim an indemnity under one or more policies of insurance maintained by the group.

BNK will provide a further market update as more information comes to hand.

Investor / Media Enquiries

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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

BNK has operated as an APRA-regulated authorised deposit-taking institution (ADI) for over 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 Bank plans to offer a new range of product under the BNK brand later this financial year. BNK is continuing to develop 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. As at 30 Sept 2019 the business services 1,640 mortgage brokers and manages a loan book in excess of \$39.8bn.

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.

BNK 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.