

ASX Release, 26 February 2021

BNK GROUP 1H21 RESULTS

BNK Banking Corporation Limited (ASX:BBC) (“BNK” or the “Group”) today released its results for the half year ended 31 December 2020 (1H21) reporting a statutory net profit after tax of \$2.2 million. BNK is a diversified financial services company with two key operating divisions in banking and mortgage broking aggregation.

Group Financial Highlights

- Underlying NPAT of \$2.3m, an 8% decrease on the comparative period
- After adjusting for the ATM impairment, underlying NPAT is \$3.0m, a 16% increase on the comparative period
- Finsure settlements of \$9.9b up 36% YoY
- Finsure brokers 1,910 up 15% YoY
- BNK resumed on balance sheet lending with loan book surpassing \$300m
- BNK deposit growth of 13%
- BNK low cost deposit accounts now comprise 65% of total customer deposits
- ATM insurance matter finalised
- COVID-19 repayment deferrals 0.7% of total on balance sheet loans
- Capital adequacy ratio of 18.7% (23.7% on a proforma basis¹)

During the half year, the Finsure Loan book surpassed \$50b, up 10% from 30 June 2020. Finsure Chief Executive Officer, John Kolenda said “The Finsure business continues to show strong growth, and with record low interest rates, we expect buoyant demand for residential mortgage finance to continue.”

BNK Chief Executive Officer, Brett Morgan said “BNK is pleased to have delivered a solid result during a challenging period. With the ATM matter finalised, COVID-19 related deferrals significantly reducing and the recent capital raise completed, we have strong foundations in place to accelerate lending growth in the second half of FY21.”

This announcement has been authorised for release by the Board of Directors.

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¹ Proforma basis inclusive of the \$8.75m tier 2 capital raise completed on 1 February 2021

Who is BNK Banking Corporation Limited?

Banking

The company has operated as an APRA-regulated authorised deposit-taking institution (ADI) for over 38 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, 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. The Company 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 31 December 2020 the business services 1,910 mortgage brokers and manages a loan book in excess of \$50.2bn.

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.