

ASX Release, 27 August 2021**BNK DELIVERS 44% INCREASE IN UNDERLYING NET PROFIT TO \$7.1M**

BNK Banking Corporation Limited (ASX:BBC) (“BNK” or the “Group”) today released its financial results for the year ended 30 June 2021 (FY21).

BNK delivered a solid financial result while at the same time the Group has implemented several initiatives to create a stronger platform for future growth.

Underlying Net Profit After Tax (NPAT) was \$7.1 million, slightly ahead of the guidance provided in May 2021 and representing an increase of 44% on the prior year. Statutory NPAT was \$5.7 million compared to \$3.8 million for the prior year, on a restated basis.

Key Highlights (compared to prior year)

- Underlying NPAT of \$7.1m, up 44%
- Cash NPAT of \$2.1m, up 47%
- Underlying earnings per share 7.4 cents, up 29%
- Net Income of \$38.5m, up 22%
- Net interest margin up 27 basis points to 1.67%
- BNK-funded loan book growth of 75% to \$499m
- Finsure Settlements of \$22.2b, up 42%
- Capital Adequacy Ratio of 22.0%, up 0.8%

Brett Morgan, CEO Banking and Wholesale said: “BNK Bank has strengthened its competitive position over the year. We have accelerated our higher-margin on balance sheet lending and we have also launched our first prime warehouse securitisation program to provide further funding diversity to support our growth ambitions. We have made significant progress on transforming our lending business to generate higher returns over the medium term.”

John Kolenda CEO Aggregation said: “Once again Finsure has demonstrated the breadth and scale of our business with a strong operating result. Settlements through Finsure’s platform of \$22.2b represented a 42% increase on the prior year with the number of accredited brokers increasing by 15% year on year to over 2,000. Our total loan book of \$56.6b grew by a 24.5% reflecting the strength of our broker network and the continued attractiveness of our award-winning service offering.”

BNK remains in a strong capital position which was bolstered during the year with its inaugural \$10 million Tier 2 subordinated notes issue and a successful \$13 million equity raising. The Group’s Capital Adequacy Ratio at 30 June 2021 of 22.0% provides BNK with further growth opportunity for both on-balance sheet lending assets as well as investing in growth.

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

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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:

Bank

The company has operated as an APRA-regulated authorised deposit-taking institution (ADI) for over 38 years. Our customers benefit from the Australian government deposit guarantee scheme for deposits up to A\$250,000.

The Bank provides simple and easy to understand products across savings, payment and mortgages under the Goldfields Money and Better Choice Home Loans brands.

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 June 2021 the business services over 2,000 mortgage brokers and manages a loan book in excess of A\$56b.

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.