

ASX Release, 28 September 2021

\$14 million Tier 2 Regulatory Capital Issuance

BNK Banking Corporation Limited (ASX:BBC) (“BNK, the “Company”), is pleased to announce that it has successfully priced and received applications from sophisticated and wholesale investors for the issuance of \$14 million of 10-year, non-call 5 year, Tier 2 subordinated notes.

The subordinated notes are eligible to be included as Tier 2 Capital within the Company’s regulatory capital adequacy ratio prescribed by the Australian Prudential Regulation Authority (“APRA”). Laminar Capital acted as Lead Manager to the issuance.

Key features of the Issuance are noted below:

Issue date	30 September 2021
Settlement date	30 September 2021
Interest Rate	BBSW + 395bps
Maturity date	30 September 2031 (call date 30 September 2026)
Interest payments	30 December, 30 March, 30 June and 30 September

BNK Chief Executive Officer Brett Morgan said: “The \$14m Tier 2 subordinated note issuance represents the continuation of BNK’s subordinated note program, building successfully upon the \$10m raised earlier in 2021. The issuance will continue to underpin BNK’s significant growth aspirations and provides ongoing capital flexibility and diversity. Pleasingly, the interest rate determined through the book build process was a material improvement on the pricing achieved on BNK’s first issuance and evidences the increasing market awareness of BNK as a debt issuer.”

BNK’s capital is well above regulatory benchmarks. Post completion of the \$14 million Tier 2 raising, BNK’s pro forma 30 June 2021 Capital Adequacy Ratio is estimated to increase by approximately 6%.

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:

Banking

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 \$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 2,005 mortgage brokers and manages a loan book in excess of \$56bn.

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.