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# FY19 Full Year Results Presentation

BNK BANKING CORPORATION LTD

30 August 2019

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## FY19 FULL YEAR RESULTS

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# Our Vision

BNK WILL COMBINE FLEXIBILITY AND SCALE TO CREATE  
AUSTRALIA'S MOST COMMERCIALY AGILE BANKING GROUP

BNK is the bank where real people work together to leverage our strengths so that we can help more customers achieve their financial goals.

We retain the flexibility to respond at speed to the changing needs of customers and the changing shape of the marketplace.



# Our Values and Our People Make the Difference

Real people working together to leverage our strengths to help more customers achieve their financial goals

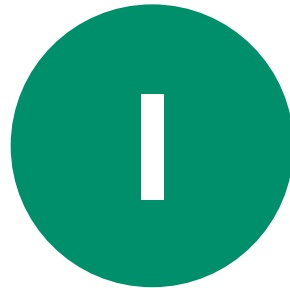
## Work Hard

Successful people have a special trait, they work hard, they don't give up, they learn from failure and then they succeed on purpose



## Innovation

Think big, remain flexible, stay ahead of the curve and get the job done



## Trust

Protect the trust we build with our customers and each other. It is hard to build and easy to lose



## Humility

Let others shine by helping them achieve more than they thought was possible



## Unity

We are in this together, even when the going gets tough



# FY19 Full Year Financial Highlights

## POST MERGER SCALE AND OPERATING LEVERAGE DRIVING PROFITABLE GROWTH

BNK is pleased to report its maiden statutory result of NPAT \$3.6m in FY19, an improvement of \$4m on the prior year, driven by post merger scale, market share gains and accelerating loan book growth. The business also invested significantly in people, systems and platforms with operating expense growth to slow contributing to future operating leverage.



### Strong profitable growth contributing to enhanced capital position

\$3.6m Statutory NPAT<sup>1</sup> – Up \$4m on FY18 loss of \$0.4m

\$5.2m Pro-forma underlying NPAT<sup>2</sup>



### Strategy delivering scale and emerging operating leverage

\$30.2m Net Income up 492% YoY

Investment in people, systems and platform with operating expense growth to moderate in FY20



### Greatly enhanced bank funding, margin and mix

\$287m Deposit Book up \$92m, up 47% YoY

Transaction Account Mix 20% up 14.5% on YoY

Net Interest Margin 1.95%, up from 1.86% in FY18



### Strong balance sheet settings provide capacity for growth

\$97.9m of cash & liquid holdings up 111% YoY

20.4% Capital Adequacy Ratio (Target >17%)

Minimum liquidity holdings (MLH) ratio 26.5%



### Data and Distribution Scale

\$13.3b in total settlements up 6.6% YoY

1,674 Finsure (aggregation) number of Loan Writers increased by 239 from FY18

\$11m Finsure (aggregation) FY19 EBITDA up 4.8% YoY

<sup>1</sup> Statutory Profit comprises the full 12 months of BNK Bank, and Finsure Group from the 17<sup>th</sup> September 2018

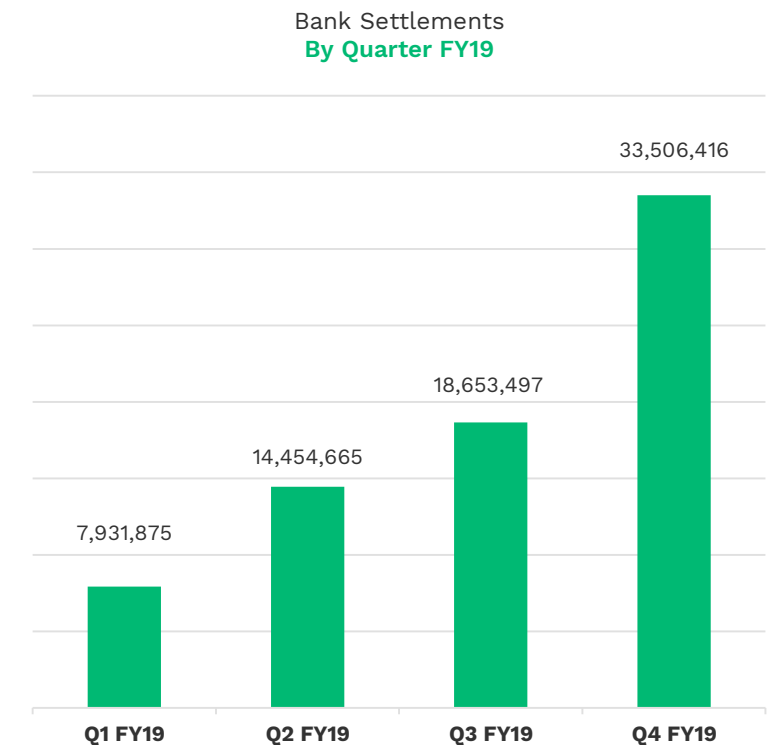
<sup>2</sup> Proforma Underlying Profit comprises the full 12 months of BNK Bank and Finsure Group and adjusts the period profits for non-recurring items

# Loan Book & Settlement Growth

ACCELERATING HIGHER MARGIN BOOK GROWTH

	FY18	FY19	\$ Var	% Var
<b>Loan Book</b>				
BNK (Bank)	170,510,550	214,323,347	43,812,797	25.7%
Better Choice (Wholesale)	2,237,904,616	2,340,892,771	102,988,155	4.6%
Finsure (Aggregation)	31,790,660,072	38,091,056,183	6,300,396,111	19.8%
<b>Total</b>	<b>34,199,075,238</b>	<b>40,646,272,301</b>	<b>6,447,197,063</b>	<b>18.9%</b>
<b>Settlements</b>				
BNK (Bank)	46,254,208	74,546,453	28,292,245	61.2%
Better Choice (Wholesale)	385,945,824	578,443,291	192,497,467	49.9%
Finsure (Aggregation)	12,018,008,066	12,613,335,047	595,326,982	5.0%
<b>Total</b>	<b>12,450,208,098</b>	<b>13,266,324,792</b>	<b>816,116,694</b>	<b>6.6%</b>

Strong loan book and settlement growth rates across the business with rapidly increasing on balance sheet lending growth over the course of FY19.



# Summary Profit & Loss

EARNINGS MOMENTUM IN FY19 POSITIONS WELL FOR FY20 GROWTH

Statutory NPAT of \$3.6m, up \$2.9m from the reported 1H19 result of \$0.7m. The second half result was supported by strong cash earnings growth, as well as net NPV asset increase through loan book growth to over \$40b.

Pro-Forma underlying NPAT increased to \$5.2m after adjusting for \$2.7m of one-off expenses primarily related to the merger. Ex-NPV this results in underlying cash earnings of \$1.0m for the Group.

Operating expenses lifted by 24.3% (on a pro-forma basis) as the business invested in people capability across in executive, compliance and front line to deliver on the long term growth strategy, stabilising in FY20+.

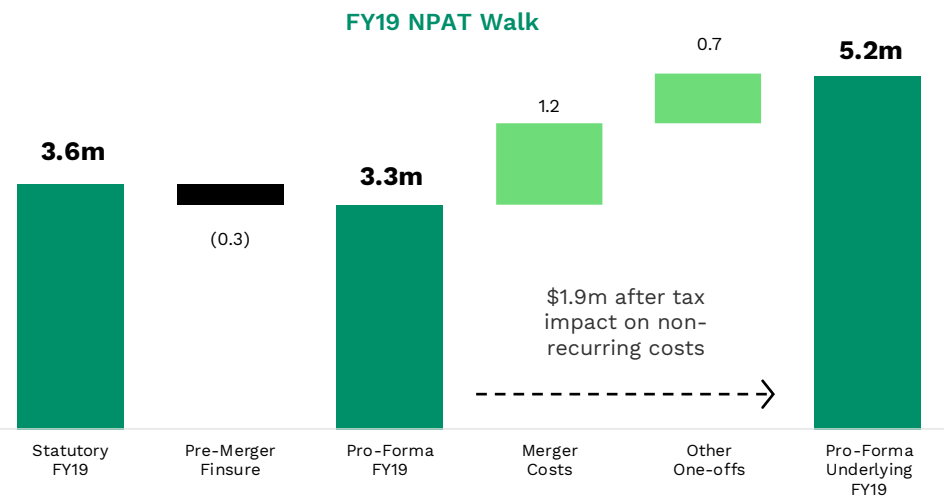
Bank net income for 2H19 was up 20% on 1H19 due to strong origination of lending assets, as a result of a vertically integrated Group with increased distribution capability.

<sup>1</sup> Statutory Profit comprises the full 12 months of BNK Bank, and Finsure Group from the 17<sup>th</sup> September 2018

<sup>2</sup> Pro-Forma Profit comprises the full 12 months for BNK Bank and Finsure Group

<sup>3</sup> Proforma Underlying Profit comprises the full 12 months of BNK Bank and Finsure Group and adjusts the period profits for non-recurring items

GROUP (\$m)	FY2018	FY2019	\$ Var	% Var
BNK (Bank)	5.1	5.1	0.0	0%
Better Choice (Wholesale)	-	6.8	6.8	100%
Finsure (Aggregation)	-	13.1	13.1	100%
NPV	-	6.0	6.0	100%
Eliminations	-	(0.8)	(0.8)	100%
<b>Net Income</b>	<b>5.1</b>	<b>30.2</b>	<b>25.1</b>	<b>492%</b>
<b>Total OPEX</b>	<b>5.5</b>	<b>24.5</b>	<b>19.0</b>	<b>345%</b>
Non-Recurring Expenses	0.9	2.7	1.8	214%
<b>Statutory NPAT<sup>1</sup></b>	<b>(0.4)</b>	<b>3.6</b>	<b>4.0</b>	<b>988%</b>
<b>Pro-forma NPAT<sup>2</sup></b>	<b>(0.4)</b>	<b>3.3</b>	<b>3.7</b>	<b>911%</b>
<b>Pro-forma Underlying NPAT<sup>3</sup></b>	<b>0.5</b>	<b>5.2</b>	<b>4.7</b>	<b>938%</b>



# Summary Balance Sheet

## STRONG CAPITAL POSITION FOR FY20 GROWTH

On balance sheet origination lead to loan growth of \$43.8m representing a 26% uplift on the prior year.

The business grew cash and liquid holdings by 111% to \$98m to fund FY20 growth.

Asset quality improved throughout the period with a loan loss rate of 12bps provisioned across the portfolio vs 14bps in FY18.

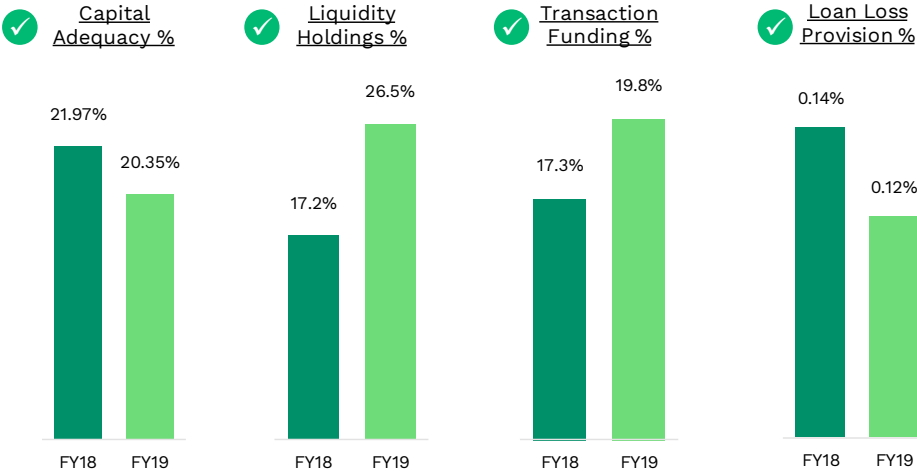
Increase in net NPV position throughout the year of \$6m reflected strong volume growth in the Aggregation portfolio driven by record settlements and broker numbers, supporting future cash flow generation.

The banking business successfully grew customer deposits by \$92m (up 47%) to \$287.1m and improved the mix of transaction accounts to 19.8%, up 14.5% vs FY18. As a result NIM grew to 1.95% for the period up from 1.86% in FY18.

Capital Adequacy Ratio remains strong at 20.35% as a result of capital raisings and improved capital settings during the year, providing further capacity for growth. Organic capital generation is a key priority for the Group, which supports the sustainable growth strategy.

The business is profitable, maintains strong asset quality and grew capital, cash & liquidity holdings in anticipation of continued lending growth.

GROUP (\$m)	FY2018	FY2019	\$ Var	% Var
<u>Assets</u>				
Cash & Equivalents	46.5	97.9	51.4	111%
NPV Asset	-	269.4	269.4	100%
Loans & Advances	170.5	214.3	43.8	26%
Other Assets	4.1	64.5	60.4	1469%
<b>Total Assets</b>	<b>221.1</b>	<b>646.1</b>	<b>425.0</b>	<b>192%</b>
<u>Liabilities</u>				
Deposits	195.2	287.1	91.9	47%
Other Liabilities	1.3	258.6	257.3	19342%
<b>Total Liabilities</b>	<b>196.6</b>	<b>545.7</b>	<b>349.2</b>	<b>178%</b>
<u>Equity</u>				
Contributed Equity	24.3	96.6	72.3	298%
General & Other Reserves	1.0	1.1	0.1	7%
Retained Earnings	(0.7)	2.8	3.5	490%
<b>Total Equity</b>	<b>24.6</b>	<b>100.4</b>	<b>75.9</b>	<b>309%</b>





# Aggregation

## FY19 KEY HIGHLIGHTS



### \$38b Aggregation Loan Book

↑ Increase of \$6.3b from FY18



### 1,674 Loan Writers

↑ Increase of 239 from FY18



### \$11m EBITDA

↑ Increase of \$500k from FY18

Average revenue per broker was **\$8,000 + per annum**

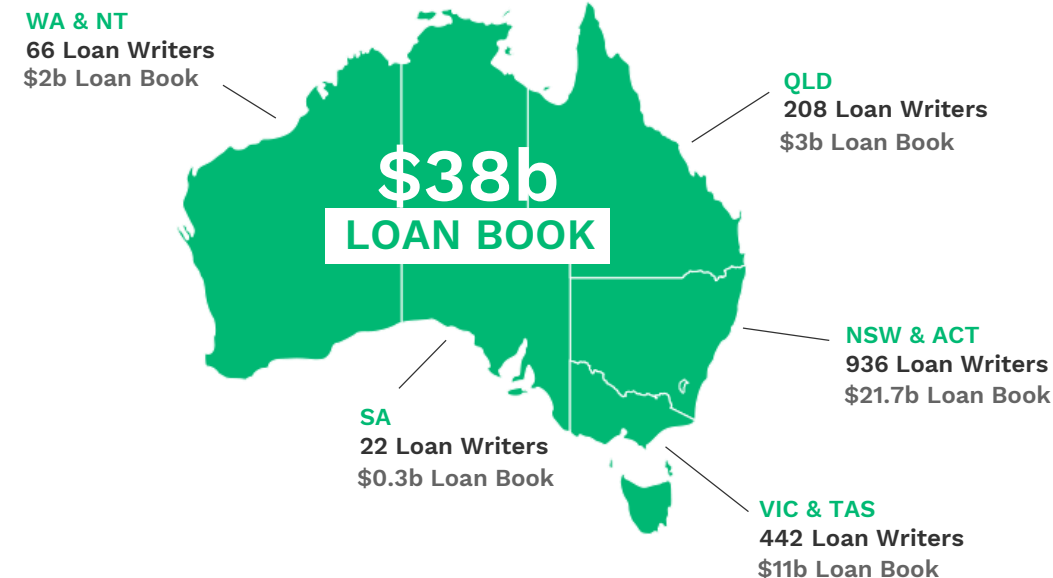
Finsure's market share of Australian home loan settlements **grew to 3.93% in FY19 (up 23% YoY)**

Finsure will drive additional revenue in FY20 via:

- Recent establishment of Manila loans processing centre
- Rollout of new CRM system Infynity leading to more efficient processes
- Embedding 3<sup>rd</sup> party providers into CRM system to offer a range of additional ancillary services



Finsure maintains a large and proportionately spread broker base across all States/Territories in Australia.



# FY19 Operational Highlights

## KEY HIGHLIGHTS

BNK enjoys scale but is not limited by a bureaucratic culture and restrictive legacy systems, structures or practices



### Successful merger between Finsure and Goldfields

Rebranded merged entity to BNK Banking Corporation to reflect our new image as a unique mortgage marketplace  
People, culture and processes embedded in business  
New BNK funded products distributed through Better Choice (wholesale). This includes the development of new products for the market such as “Trail Book Loans” and “Expat Loans”  
BNK manufacturing capability tried, tested and successful



### Key executive and board appointments

#### Non-executive Director appointed:

Don Koch (ex CEO of ING Bank Australia and ING Italy)  
Jon Denovan (Senior Counsel Dentons Legal) joins 1 Sep 2019

#### Key hires appointed:

Jussi Nunes appointed as Group Chief Financial Officer  
Lisa Stedman appointed as Chief Operating Officer



### Numerous awards recognising various business units

Acquisition International Finance Awards Best Retail Solutions Provider (BNK)  
2019 MFAA Mortgage Manager of the Year (Better Choice)  
2019 MPA Brokers on Aggregators (Finsure)

- Quality Lender Panel GOLD
- Accurate and Timely Commission Payments GOLD
- White Label Program GOLD

2018 AFR Fast 100 (Finsure)

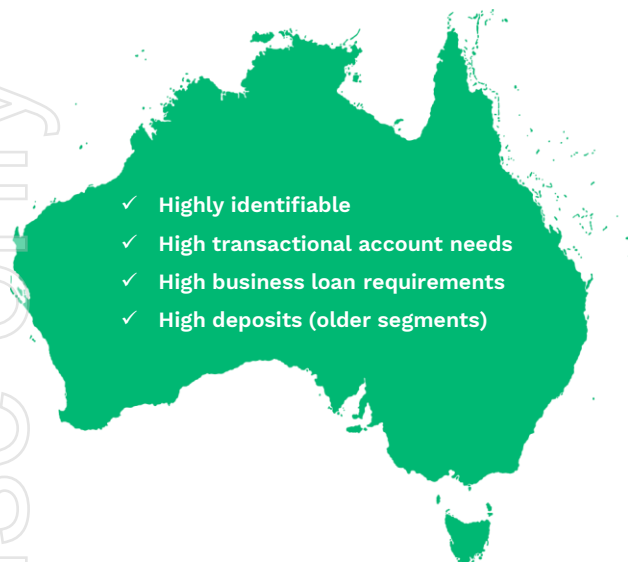


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## Outlook and Strategy

# BNK will become the Bank for Enterprising Australians

SERVICING A LARGE AND EASILY IDENTIFIED YET UNDERSERVED MARKET



- ✓ Highly identifiable
- ✓ High transactional account needs
- ✓ High business loan requirements
- ✓ High deposits (older segments)

- Very few banks are set up or designed to service the needs of Enterprising Australians
- It requires custom manufacturing for specific needs with scalable processes
- Enterprising Australians are high value customers but are underserved
- Banks continue to tighten lending to this segment
- BNK can combine technology and quality human skills to provide superior value to enterprising Australians



**ENTREPRENEURS**

who run their own businesses

**GOOD INCOMES AND ASSETS**

WITH NON-TRADITIONAL OR  
COMPLEX BANK PROFILES



**Seventeen**  
PERCENT

**SELF EMPLOYED**



**850,000**

TRUSTS

WITH ASSETS TOTALLING

**\$3 TRILLION**

**FREELANCE**



**CONTRACTORS**

**\$87.2 BILLION**

IN  
INVESTMENT  
INCOME\*

Received by Australian households  
during the 2017-18 financial period.

\*Income includes Interest, dividends,  
distribution from trusts, property investment  
income and other financial investments.



**1.9 MILLION**

**SELF FUNDED RETIREES**

OF THE 2.3M ACTIVELY  
TRADING AUSTRALIAN  
BUSINESSES

**93.1% | 2.15m**

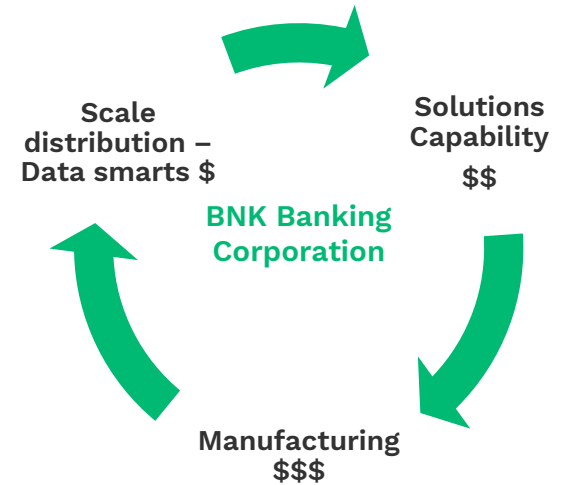
HAVE ANNUAL  
TURNOVER  
**LESS THAN \$2M**



# Optimising BNK Capabilities

BNK leverages a combination of mortgage models to optimise volume and margin simultaneously

Three models working together, creating something we believe is “***greater than the sum of our parts***”



**BNK Bank**  
Retail bank with mortgage/product manufacturing capability  
*(Manufacturing smarts)*

+

**Better Choice**  
Mortgage solutions provider - powered by panel of wholesale funders  
*(Solution smarts)*

+

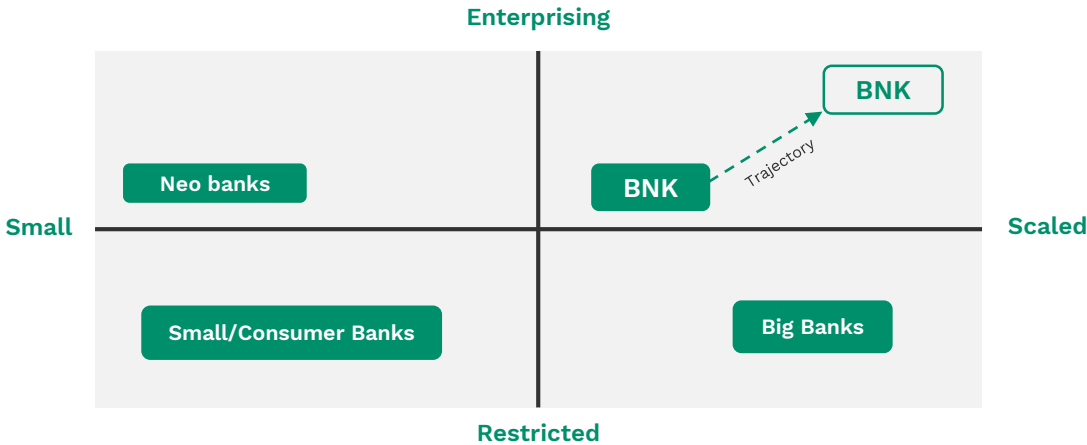
**Finsure**  
Mortgage broker aggregator with access to a wide range of mortgage products from a large panel of lenders  
*(Scale distribution - Data smarts)*

# Profitable Now & Positioned for Growth

**Data smarts** – Access to data smarts to enable products and services to be tailored to the needs of our customers

**Unrestricted ADI licence** – 38 year operating history with no legacy technology, experienced people with scalable processes allows for profitable growth

**Distribution @ Scale** – Neo banks and small consumer banks lack distribution. Major banks must invest heavily in branch networks to maintain distribution



BNK Banking Corporation combines flexibility, enterprising flair and SCALE

**SEE & ADAPT** **AT SPEED**  
TO CHANGING NEEDS  
AND VALUE GENERATING NICHES


**PREMIUM**  
RETURNS   
IN LENDING AND BANKING SECTOR  
WHILST SELLING UNIQUE BANKING  
PRODUCTS OTHERS DON'T HAVE



**BNK's  
Competitive  
Advantage**

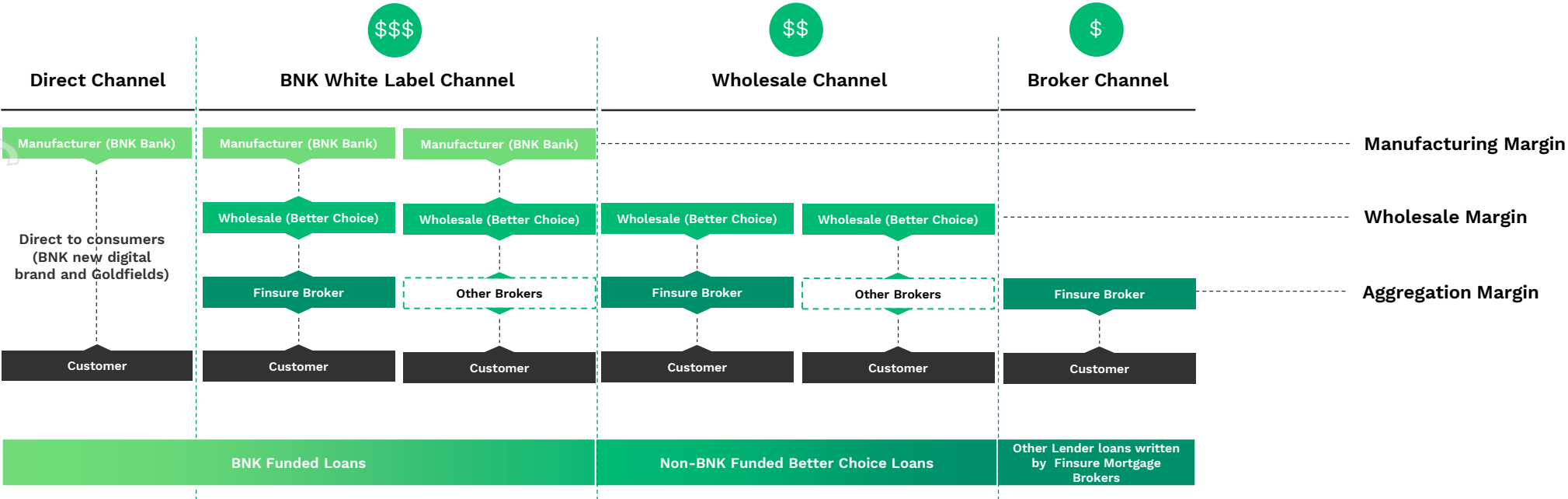
LEVERAGE DATA AND  
**ANALYSE**  
TO MANUFACTURE  
QUALITY PRODUCTS  
DIRECTLY

 **MAXIMISE**  
LENDING VOLUMES  
AND MARGINS

GENERATE  
**VALUE**   
VIA BORROWER PROFILES  
OTHERS DON'T SERVICE  
WITHOUT ELEVATING LENDER RISK

# Multi-Channel Sales Distribution Model

BRINGING IT ALL TOGETHER



Unlike most banks, BNK are not solely reliant on being the product manufacturer of the mortgage in order to obtain revenue from a home loan transaction, nor do we even need to be the wholesale mortgage manager of the loan.

We are the bank that sells other banks products. Our diversified revenue model means that BNK still profits from a loan if a Finsure broker sells another bank's home loan.

Thus the business has the potential to make either manufacturing margin, wholesale margin and/or aggregation margin off any home loan transaction in Australia. In some instances BNK will make revenue at all three stages of the transaction.

## Divisional Snapshot



### BNK (Banking)

APRA-regulated authorised deposit-taking institution  
BNK Bank plans to launch a direct to consumer brand later this year  
Also includes 2 Goldfields branded branches in Western Australia  
\$214m of on balance sheet loans



### BETTER CHOICE (Wholesale)

Approx. 5,000 accredited brokers (3,500 non-Finsure accredited brokers)  
Approx. \$600m worth of loans settled in FY19  
Total loan book in excess of \$2.3b  
9 different wholesale funding lines including BNK, Adelaide Bank and Pepper

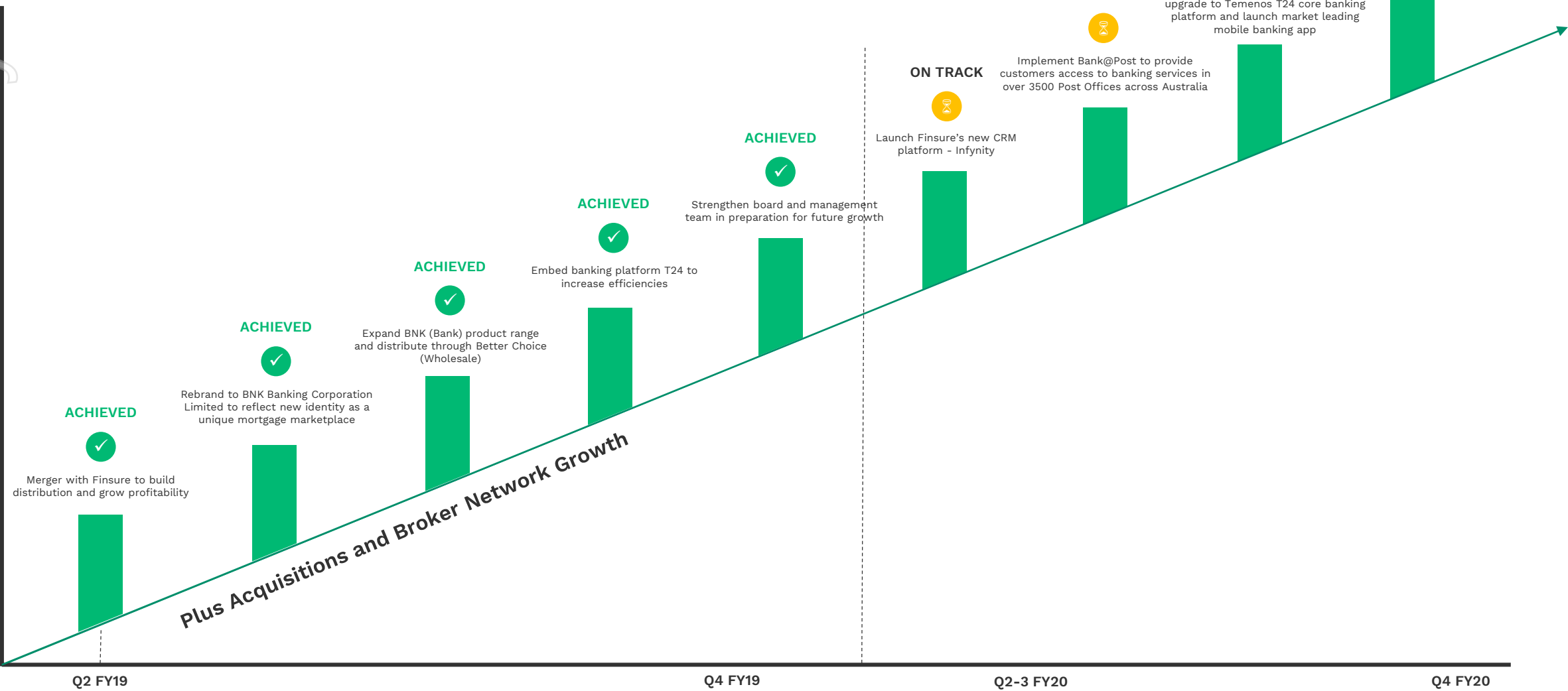


### FINSURE (Aggregation)

1,674 mortgage brokers  
Averaging \$1b in home loan settlements per month  
Total loan book in excess of \$38b

# Clear Path to Continued Growth

BNK BANKING CORPORATION LTD





# Strong Outlook

## BNK 3 YEAR OUTLOOK

Merging the BNK (banking) and Better Choice (wholesale) businesses and working with the Finsure (aggregation) business has enabled BNK to strengthen the group's ability to accelerate growth targets in the Australian mortgage sector and expand existing banking services into a much bigger market.

Based on a strategy of sustainable but accelerated portfolio growth, BNK is pleased to provide the following 3 year compound annual growth rate targets across the business, to deliver positive operating leverage;

Business Metric	FY19 Growth Rate% (YoY)	Target 3 Year CAGR% (FY20-22)
On Balance Sheet Loans	25.7%	40% - 50%
Pro-Forma <sup>1</sup> Net Income	14.7%	15% - 25%
Pro-Forma <sup>1</sup> Operating expenses	24.3%	5% - 10%
Pro-Forma <sup>1</sup> NPAT	10.0%	30% - 40%
Net Interest Margin <sup>2</sup>	1.95%	1.90% - 2.10%
Finsure Brokers	16.7%	8% - 13%
Transaction Account Mix (%)	14.5%	10% - 20%

<sup>1</sup> Pro-Forma Profit comprises the full 12 months for BNK Bank and Finsure Group

<sup>2</sup> Net Interest Margin (NIM) please note target denotes a range rather than growth factor

# FY19 Recap and Outlook

## SUCCESSFUL MERGER BETWEEN GOLDFIELDS, FINSURE AND BETTER CHOICE TO CREATE BNK BANKING CORPORATION

BNK FY19 Performance characterised by **post merger scale, market share gains and accelerating loan book growth**



**Fast growing** with majority of **business revenue recurring**

\$30.2m Net Income up 493% YoY



Strong **profitable** business with emerging **operating leverage**

\$3.6m Maiden NPAT up \$4m from FY18 loss of \$0.4m

\$5.2m Pro-forma underlying NPAT



Strong loan book growth **with accelerating higher margin loan book**

Total loan book up 18.9% YoY

Bank loan book up 25.7% YoY



**Enhanced** funding, liquidity and margins

Customer deposits up 47% YoY

Cash and Liquid Assets up 111% YoY

Net Interest Margin up 5% YoY

20.4% CAR (Target >17%)



Data and distribution **scale**

\$13.3b in total settlements up 6.6% YoY

~4% mortgage market share up 23% YoY

**Materially outperformed** system growth and ASX-listed peer group on growth of key metrics. Well positioned for continued **strong & profitable** growth

Uniquely positioned to grow profits & market share via:



**Data:** Access to data smarts to enable products and services to be tailored to the needs of our customers



**Deposits:** An unrestricted ADI license with no legacy technology, providing flexibility to respond at speed to the changing needs of customers and the changing shape of the marketplace



**Distribution:** Large scale distribution providing a unique and differentiated position in the Australian market compared to our peers

ASX Listed peer group includes AFG, YBR, MOC, MYS, ABA

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## Appendix

# Board Of Directors



## Peter Wallace

### CHAIRMAN & NON EXECUTIVE DIRECTOR

Mr Wallace was appointed a director in August 2014. He has more than 45 years of experience from a range of appointments held within the banking and financial services industry. Mr Wallace was previously the Head of Corporate (Western Australia) for Bell Potter Securities Ltd where he directed capital raisings for several large publicly listed companies as well as provided a variety of corporate advisory services to both private and publicly owned companies. Over the past 30 years he also held executive management positions with Westpac Banking Corporation, Challenge Bank Ltd and National Australia Bank Ltd. Previous public company experience includes directorships with Tethyan Copper Ltd, Rural Aus Investments Ltd and Decmil Engineering Ltd. During the past three years he has served as a director of the following listed companies: Katana Capital Limited (appointed 19 September 2005); and Neptune Marine Services Limited (appointed 8 July 2011)

Mr Wallace is a Senior Fellow of the Financial Services Institute of Australia, a Fellow of the Australian Institute of Company Directors and an Associate Fellow of the Australian Institute of Management. He is Chair of the Remuneration Committee and a member of the Audit Committee, Credit Committee and Risk & Compliance Committee.



## Derek La Ferla

### DEPUTY CHAIRMAN & NON EXECUTIVE DIRECTOR

Mr La Ferla was elected as a Director in November 2015. He has over 30 years' experience as a corporate lawyer and Company Director. He is a Non-Executive Director of Sandfire Resources NL, Veris Limited and Threat Protect Limited and is a member of the AICD Council (WA Division). He has held senior positions with some of Australia's leading law firms and is a Partner with large independent Western Australian law firm, Lavan. During the past three years he has served as a director of the following listed companies: Veris Limited (appointed 28 October 2011); Sandfire Resources NL (appointed 17 May 2010); and Threat Protect Australia Limited (appointed 3 September 2015).

Mr La Ferla is Chair of the Audit Committee and a member of the Risk & Compliance Committee and Remuneration Committee.



## Simon Lyons

### MANAGING DIRECTOR

Mr Lyons was appointed Chief Executive Officer on 18 January 2016 and became Managing Director on 23 October 2017. Mr Lyons has been involved in the day to day management of financial services business for the last 25 years. Prior to that he served as an Army Officer with the Australian Defence Force. He commenced his business career at Porter Western Limited as a stockbroker in 1994 and was a Director and shareholder of Porter Western when the business was sold to Macquarie Bank in 1999. With the business under new ownership, Mr Lyons became the State Manager for Macquarie Bank in Western Australia before transferring to a national role as Head of Broking (Distribution and Development) in Sydney. In 2005, Mr Lyons became the Head of Macquarie Private Wealth – Asia and spent several years working at establishing or acquiring wealth management businesses for Macquarie Bank throughout Asia. After leaving Macquarie Bank in 2008 Mr Lyons went on to establish and manage wealth management businesses to service clients looking for stockbroking or fixed income investments, prior to joining the Company, Mr Lyons was the Director WA for the Fixed Income Investment Group (FIIG).

# Board Of Directors



## John Kolenda

### EXECUTIVE DIRECTOR

Mr Kolenda was appointed a Director on 13 March 2018. Mr Kolenda is the Managing Director of Finsure Group, and has extensive experience in the mortgage broking and aggregation sector. Finsure was ranked sixth in BRW Magazine's Fast 100 List in 2016 after being ranked second in its top 100 Fast Starters list in 2015. The company was ranked second when the SmartCompany top 50 was named to celebrate Australia's fastest growing SMEs in 2014-15.

Mr Kolenda was the General Manager Sales & Distribution at Aussie Home Loans for ten years from 1994, before founding X Inc, which was a successful mortgage aggregator before its merger with the mortgage broking operations of Ray White in 2007. He was also the Executive Director of the merged entity Loan Market Group. Mr Kolenda founded several businesses before launching Finsure Group in 2011.

Mr Kolenda co-founded and chairs Aura Group Pty Ltd, a boutique corporate advisor and investment house. Aura Group has more than \$600 million in assets under management and advice. John is an investor and Non-Executive Director of ASX-listed The Agency Group Australia Limited – a high quality disruptive real estate brand which has expanded nationwide and experienced significant growth in agent numbers, listings and settlements. Mr Kolenda is a member of the Credit Committee and Remuneration Committee.



## Peter Hall

### NON EXECUTIVE DIRECTOR

Mr Hall was elected as a Director in November 2015 and is an experienced financial services industry professional. Previous Board and industry appointments include: Non-Executive Director of BLSSA Pty Ltd (the licensing Board for Advantedge Financial Services, a NAB subsidiary), Chair of the CoreLogic RP Data sponsored Residential Valuation Industry Advisory Group, Ministerial Advisory Board Member for NSW Housing Minister and Chairman and Council Member of the Lenders Mortgage Insurance sub-committee. Mr Hall has also held the senior executive position of Country Executive of Genworth Financial Aust. & NZ and Managing Director of Genworth Financial Mortgage Insurance Aust. & NZ.

Mr Hall holds a Graduate Diploma of Management, has completed Executive Management Programs at GE's global management college, a Senior Associate of the Financial Services Institute of Australia and has received a Distinguished Service Award from the Australian Securitisation Forum.

Mr Hall is the Chair of the Risk & Compliance Committee, Chair of the Board Credit Committee and is also a member of the Audit Committee.



## Don Koch

### NON EXECUTIVE DIRECTOR

Mr Don Koch joined our Board of Directors as a Non-Executive Director in June 2019. Mr Koch is an accomplished senior executive with 30 years' experience in the global financial services sector, both in board and senior management positions.

He was CEO of ING Bank in Australia from 2009 to 2012 before transferring to become CEO of ING Bank Italy from 2012 to 2016. He most recently ran a program for ING Asia as a joint venture with a large local bank within China, the largest digital economy in the world. As the former CIO and part of the team that launched ING Direct in Australia, he has a strong understanding of digital banking from a technology, operational, strategic and governance perspective.

# Our Executive Team



## Jussi Nunes

GROUP CHIEF FINANCIAL OFFICER

Jussi joined BNK Banking Corporation Ltd as Group Chief Financial Officer, in December 2018, to lead the financial management framework of the recently merged entity. He has 18 years of banking and financial management experience, which started at GE Capital Europe through the FMP graduate program and continued through several financial leadership positions within key consumer financing businesses in Europe and Australia. Jussi joined ANZ Bank in 2008 to run the finance function for several of their consumer finance businesses, from where he transitioned into leading the financial control function of Group Treasury in 2010. Whilst at Group Treasury he was promoted to Global Head of Finance for Group Treasury and Balance Sheet Trading, which he performed until 2015. Jussi left ANZ in 2015 to head the Product Finance function for Commonwealth Bank of Australia's entire institutional bank (excluding traded risk) where he enjoyed significant success as a trusted business advisor and in developing a world-class finance function of the future.



## Allan Savins

GM - BANKING & WHOLESALE

Allan has over 35 years' experience within the financial services industry and is responsible for Sales & Distribution, Funder Relationships, Lending Activities, Portfolio Funding and Product & Data Analytics as part of his role at General Manager - Banking & Wholesale within the BNK Group. Prior to Finsure and Goldfields Money, Allan was employed by RESIMAC Limited (Homeloans Limited) in May 2007 where he held the positions of Group Chief Operating Officer and Chief Commercial Officer. He was also the Chairman of Finsure Finance and Insurance Pty Ltd and 1300 HomeLoans from launch to December 2015, representing RESIMAC's shareholding interests, as well as a board member of RESIMAC Financial Services Pty Ltd operating in New Zealand. Prior to RESIMAC, Allan held a role at Societe Generale Sydney as Director, Structured Finance and Securitisation, and was a founding member of Bluestone Group, holding positions such as Head of Lending and Operations both in Australia and New Zealand. Allan started his career in banking and finance with the State Bank of NSW (Colonial State Bank) for over 16 years. Allan commenced in the branch network and subsequently held positions such as Credit Administrator - Commercial and Corporate Credit, Account Manager - Commercial and Corporate Recoveries, Lending Manager / Team Leader - Commercial Business, Account Manager - Business Banking, as well as Secretary to the Bank's Credit Committee.



## Lisa Stedman

CHIEF OPERATING OFFICER

Lisa has over 18 years' experience building high performing teams and designing and implementing customer centric operational strategies. With a proven track record exceeding customer expectations, transforming cultures, sustaining excellence and delivering financial results. Lisa joined BNK Banking Corporation Ltd in July 2019 as Chief Operating Officer to lead the credit operations and customer service teams, branches and project management, business improvement and training functions across banking and wholesale. She is also responsible for dispute resolution, arrears and hardship. Prior to BNK, Lisa spent 8 years as Chief Operating Officer of financial services business, Pioneer Credit leading a team of 600 employees across two continents. During her time at Pioneer Credit Lisa successfully developed an effective sales and service culture throughout the organisation. Lisa's responsibilities extended across all elements of the operation and she was a key part of Pioneer's growth including its listing on the ASX in May 2014. Prior to working in financial services, Lisa was State General Manager of a WA Health Club chain with 14 clubs, 500 employees and 35,000 members. Lisa holds a Diploma of Management, Bsc Hons. in Exercise and Sports Science and is currently completing an MBA at the University of Western Australia.

# Our Executive Team



**Simon Bednar**

**GM AGGREGATION**

An executive with 15 years experience covering a Sales, Business Consultancy, project management, IT operations, and executive recruitment, primarily focused within the Finance Sector.

Simon has a Bachelor of Engineering and spent 8 years as Chief Operating Officer for one of Australia's leading software providers to the Financial Services Industry. During this time, he was responsible for driving vertical products into the Mortgage Industry and was operationally responsible for the Microsoft Consulting division. This division provided high-end consulting services to the Australian market in the areas of Project Management, .NET, SharePoint, CRM Dynamics and BizTalk. It also developed specific vertical solutions for various markets.



**David Maher**

**HEAD OF MARKETING & DIRECT SALES**

David has spent over 15 years working in finance and real estate, both in Australia and abroad. He brings valuable experience working across a number of disciplines in the financial services sector including, marketing, analytics, product development and strategic planning.

As Head of Marketing for the company, David is responsible for the overall strategy and execution of marketing activities across BNK, Finsure and Better Choice.

Furthermore David is also manages Finsure's lead generation channel, 1300HomeLoan, as well as Finsure's direct sales teams, SMART Finance and Australian Asset Aggregation.



**Steve Ellis**

**CHIEF RISK OFFICER**

Steve joined Goldfields Money Limited in July 2016 as the Risk and Compliance Manager. Steve has over 20 year's commercial experience across banking, financial services and asset management firms. He started his career at the Reserve Bank of Australia in Bank Supervision before working for the newly formed APRA. Since then Steve has developed a solid background in financial markets and derivatives risk management, having held senior positions at St George Bank, Abbey National Bank and Commonwealth Bank.

In 2006 Steve developed and launched a macro economic hedge fund at RAB Capital London and, most recently, developed a UCITS platform and actively managed a commodity based retail investment product whilst based in Hong Kong as a Partner at Baker Steep Capital Managers LLP.

# Key Profitability Indicators

## GROUP PERFORMANCE METRICS

Revenue Type	Description	Percentage of FY19 Net Revenue* (%)	Nature of Revenue	Key Performance Indicators (KPI's)	FY19 KPI Performance
On-balance sheet lending	Monthly net interest margin	14%	Recurring	<ul style="list-style-type: none"> <li>On-balance sheet loans</li> <li>Net interest margin (NIM)</li> </ul>	<ul style="list-style-type: none"> <li>\$214m as at Jun19</li> <li>1.95% for FY19</li> </ul>
Non-interest income	<ul style="list-style-type: none"> <li>Other banking income</li> <li>Bailment fee income</li> </ul>	6%	Transactional & Recurring	<ul style="list-style-type: none"> <li>Bailment funding limits</li> </ul>	<ul style="list-style-type: none"> <li>\$7m Jun19 Spot</li> </ul>
Off-balance sheet lending	<ul style="list-style-type: none"> <li>Fees &amp; commission</li> </ul>	21%	Recurring	<ul style="list-style-type: none"> <li>Outstanding loan balances</li> </ul>	<ul style="list-style-type: none"> <li>\$2.3b as at Jun19</li> </ul>
Loan writer fees	<ul style="list-style-type: none"> <li>Monthly subscription fees</li> <li>Software as a Service (SaaS)</li> <li>Transaction fees</li> </ul>	31%	Transactional & Recurring	<ul style="list-style-type: none"> <li>Number of loan writers</li> </ul>	<ul style="list-style-type: none"> <li>1,674 as at Jun19</li> </ul>
Aggregation commissions	Upfront and ongoing commissions	28%	Transactional & Recurring	<ul style="list-style-type: none"> <li>Settlement value</li> <li>Outstanding loan balances</li> </ul>	<ul style="list-style-type: none"> <li>\$12.6b during FY19</li> <li>\$38.1b as at Jun19</li> </ul>
<b>STATUTORY NET REVENUE</b> <b>\$30.2m</b> (inclusive of net NPV asset uplift)					
<b>OPERATING EXPENSES</b> <b>\$24.5m</b> (inclusive of \$2.7m of merger and non-operating costs)					
<b>LENDING LOSSES</b> \$20k increase in ECL provision (balance of \$0.3m represents 12bps of lending assets)					
<b>NET PROFIT AFTER TAX– FY19</b> <b>\$3.6m</b> (\$1m organic capital generated on a pro-forma underlying basis)					



\* Revenue numbers exclude changes in NPV