BNK Banking Corporation Limited
Level 14, 191 St Georges Terrace
Perth WA 6000

ASX Release, 26 November 2020

ACCESS TO AGM AND PRESENTATION

BNK Banking Corporation Limited (ASX:BBC) (the **Company**) will today conduct its 2020 Annual General Meeting (AGM) virtually.

Shareholders will have received individualised log in details which can be found on the proxy form dispatched by the Company's share registry, Advanced Share Registry on or around 26 October 2020. As the AGM is being conducted electronically for the first time, the individualised log in facilitates voting in the poll to be conducted online and for shareholders to submit questions to the meeting.

Guests are invited to view the AGM using the following link, however will not be able to participate.

https://www.advancedshare.com.au/Dashboard/Meeting-Casting-Control?meetingid=BBC0008

A copy of the presentation to be presented at today's AGM is also attached.

This announcement has been authorised for release by the Company Secretary.

ENDS

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Perth WA 6000

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. 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. 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 30 September 2020 the business services 1,816 mortgage brokers and manages a loan book in excess of $47.7bn.

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.

BNK Banking Corporation
AGM Presentation

November 2020

Disclaimer

This presentation contains certain forward-looking statements with respect to the financial condition, results of operations, business plans and objectives of management. All such forward-looking statements involve known and unknown risks, significant uncertainties, assumptions, contingencies and other factors many of which are outside the control of BNK Banking Corporation Limited ("BNK"), which may cause the results or actual performance to be materially different from the future results or performance expressed or implied by such forward-looking statements. Such forward-looking statements speak only as of the date of presentation.

No presentation or warranty is or will be made by any legal or natural persons in relation to the accuracy or completeness of all or part of this document, or any constituent or associated presentation, information or material (collectively, the Information), or the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in, or implied by, the information or any part of it. The information includes information derived from third party sources that has not been independently verified.

To the full extent permitted by law, BNK disclaims any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions.

Nothing contained in the information constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.

Financial data: All dollar values are in Australian dollars (A$) unless otherwise stated.

Non statutory financial disclosures are not audited.

Disclaimer: To the maximum extent permitted by law, BNK, its officers, employees, agents and advisers disclaim all liability that may otherwise arise as a result of the use of, or reliance on, information in this document for any purpose.

Our Business

Combining mortgage distribution businesses with a digital bank

BNK

BNK Banking Corporation

Who are we

- BNK, trading under the Goldfields Money brand, was established in 1982. The Company was listed on the ASX 2012 and subsequently merged with the Finsure Group in Sept 2018 to form BNK Banking Corporation
- BNK Banking Corp provides a broad range of consumer and business financial solutions, across 3 brands

What we do

FINSURE FINANCE AND INSURANCE

- Mortgage broking aggregation business
- Provide platform services to mortgage brokers, including software, compliance, marketing and commissions

Better Choice Make a Better Choice

- Non-bank lender
- Provides home and commercial loan products via brokers using a combination of BNK and wholesale funding lines

BNK

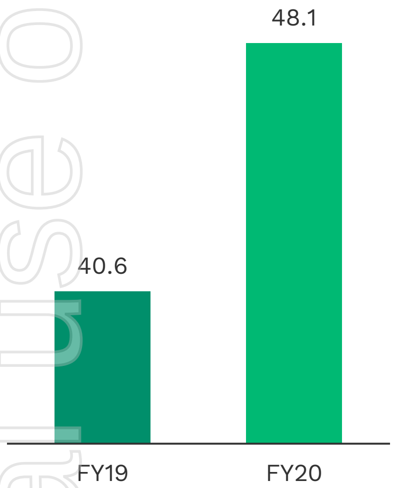
- APRA-regulated ADI (bank) with unrestricted licence
- Manufactures and provides lending, deposit and payment solutions to consumers and SMEs

Growth across the group in FY20

Double digit growth in key areas

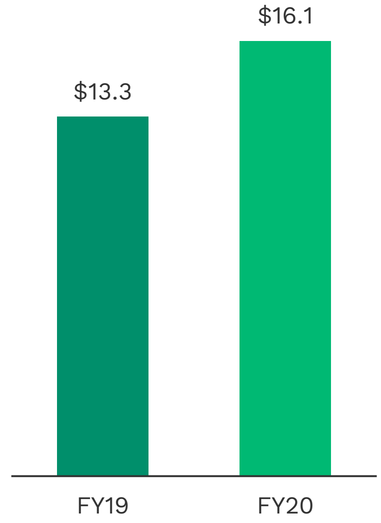
Group Loan Balances $48.1b

↑ Up 18% YoY



Total Group Settlements ($b)

↑ Up 21%

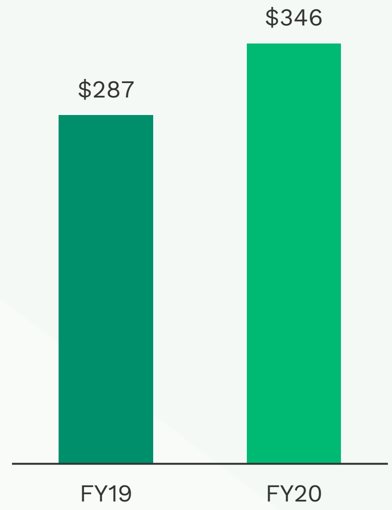


BNK Bank Loan Book ($m)

↑ Up 32%

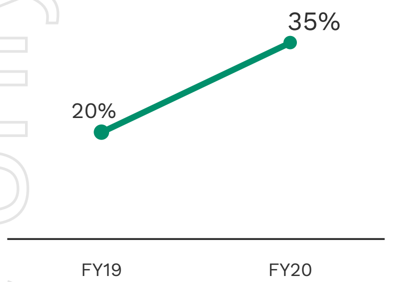
BNK Bank Deposits Growth ($m)

↑ Up 21%



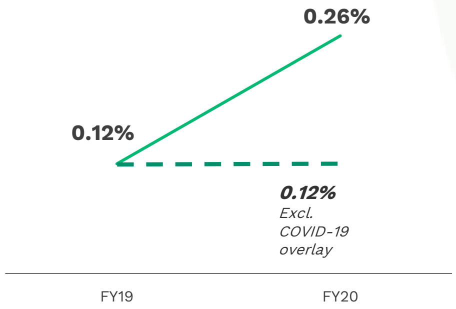
Stable and Sound Foundations

Higher % of low-cost deposit accounts improving NIM



Transaction Account mix

Prudent Loan-Loss Provision Rate



Navigation of COVID-19 crisis

Material progress on off-balance sheet warehouse and securitisation programs

Tier 2 Hybrid

Well Capitalised CAR Jun20

21.2%

Group Outlook

POSITIONED FOR GROWTH

- Transform BNK into a digital bank and better utilise unrestricted ADI license and balance sheet
- Unlock revenue from distribution network
- Continue to grow mortgage aggregation business
- Leverage group capabilities and synergies
- Highly capable and experienced board, management and team

Appendix

Finsure – a top 3 broker aggregator

B2B Platform for mortgage brokers

- Top 5 aggregator in Australia with 1,816 brokers (30/9/20)
- $15.6b loan settlements in FY20 up 23% YoY
- $4.6B loan settlements in Q1 ‘21, up 33% YoY
- Total loan book in excess of $47.5b up 19% YoY
- Panel of 65+ lenders (Residential, Commercial, Asset & Private Lending)

Multiple Revenue Sources

- Aggregation fees (Flat Fee Model)
- Software fees (Infynity CRM)
- Upfront Revenue (commission split)
- Trail Revenue (commission split)
- Compliance fees
- Marketing services and hosting fees
- Sponsorship revenue

Infynity CRM

- A proprietary technology system developed in-house delivering sustainable competitive advantage
- Allows for brokers to integrate with additional service providers to deliver deeper relationships with their examples
- Increases broker stickiness and provides an additional revenue stream
- Incorporates industry leading compliance/education

Better Choice – a leading non bank lender

Better Choice
Make a Better Choice

Non-Bank Lender

- Prime and specialised lending
- Distribution via approx. 6,000 accredited brokers
- $447m loans settled in FY20
- Total loan book $2.3b

Shifting to a non-bank lender

- Strategic shift from traditional ‘off balance’ sheet mortgage manager to non-bank lender
- 6 different wholesale funding lines to 2 warehouses and 1 bank funder (BNK)
- Warehouse & securitisation programs offering greater margins

Operational and Intelligence support to BNK

- Provides crucial operational infrastructure to support further BNK loan growth
- Technology platform in place for scalable loans processing
- Delivering market intelligence for future product development

Figures shown as at 30/6/2020

BNK Bank – an emerging digital bank

BNK

DEPOSIT BACKED BY AUSTRALIAN GOVERNMENT
Australian Government
$250,000
GUARANTEED DEPOSITS

Positioning for growth as a digital bank

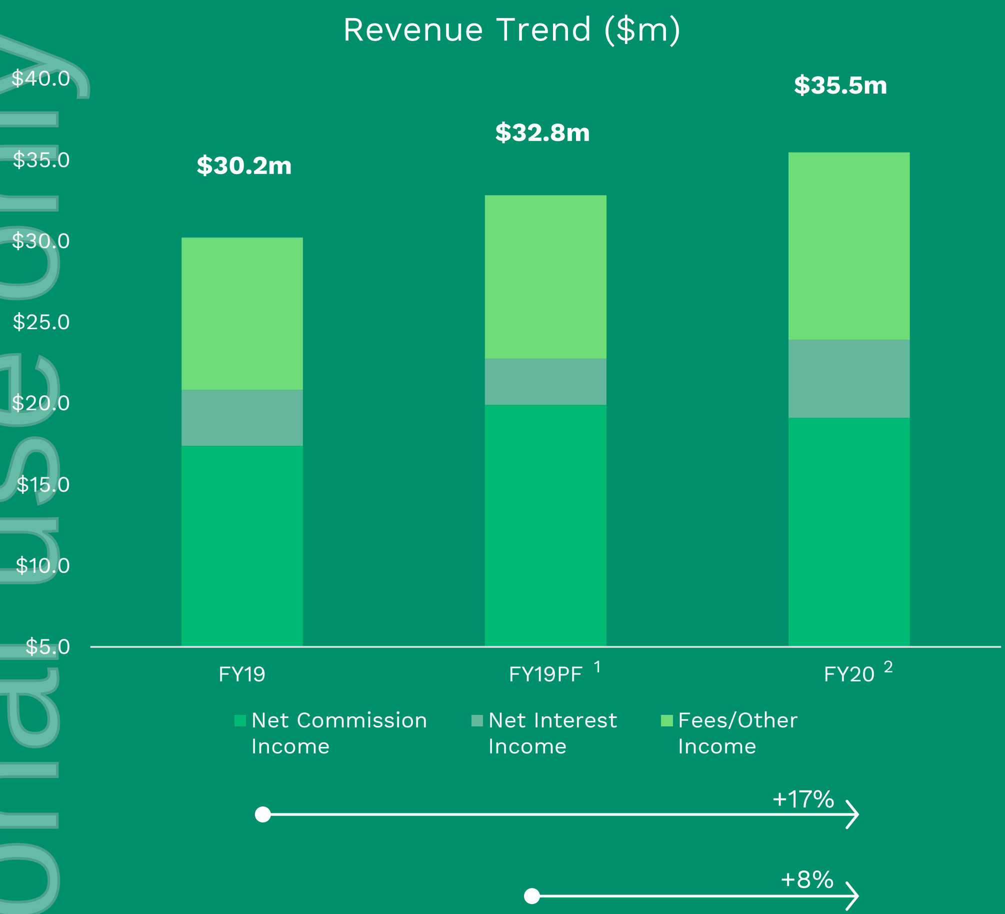
- Digital transformation efforts continue across people, process and systems to underpin digital bank game plan
- Closed 2 remaining branches in FY20 and launched Bank@Post
- Capital adequacy >21%
- Australian Government Guaranteed Deposits

Mortgage growth – leveraging brokers and BNK Group

- $281m of on-balance sheet loans 30 Sept up 15% YoY
- Finsure and Better Choice distribution delivering a national presence
- Model supports writing prime loans on balance sheet
- Recommenced lending post COVID uncertainty

Deposits/Payments - access lower cost funding

- $325m total deposits 30 Sept up 10% YoY
- Transaction accounts now >50% of funding mix, replacing higher cost Term Deposits
- Targeting consumers and SME deposits via partnerships with direct proposition to go to market in ‘21



[1] 2019 Proforma Profit comprises the full 12 months of BNK Bank and Finsure Group
[2] Revenue does not reflect ATM insurance receivable of $2.9m as cancels out to nil at NPAT level

Revenue Growth

- Gross Revenue of $312.7m up 51.9% YoY and 37.3% on a pro forma basis. Gross Revenue (ex NPV) of $196.9m up 42% YoY and 22.5% on a pro forma basis.
- Net revenue of $35.5m, up by $5.3m (+17%), or up by $2.7m (+8%) on a pro-forma basis.
- Fee + Other Revenue of $11.5m, up by $2.2m or +23% (up by $1.5m or +15% on a pro-forma basis) due to strong growth in SaaS and shift to fee-based revenues, whilst significantly reducing ATM bailment product-line income.
- Net Commission revenue flat YoY, however FY20 includes a reduced NPV income amount of $1.2m.
- Net Interest Revenue $4.8m up by $1.4m +39% (up by $2.0m, or +69% on a pro-forma basis), driven by healthy on-balance sheet lending portfolio growth.
- Net interest margin (NIM%) reduction to 1.61%, from 1.95%, purely due to increased liquidity levels in response to COVID-19. Note that actual interest spreads increased slightly in 4Q20, and as liquidity levels return to more normal levels so will NIM%

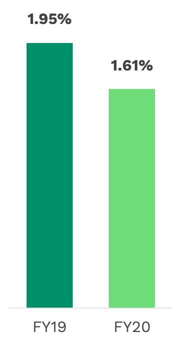
Profit & Loss Statement

- Operating leverage delivers a FY20 statutory[1] NPAT of $5.3m representing +47% YoY growth, or +61% on a pro-forma[2] basis
- Cash NPAT saw a YoY improvement of $2.4m, and a transition into positive earnings contributing to capital growth
- Net interest margin (NIM%) reduction purely due to increased liquidity levels in response to COVID-19. Note that actual interest spreads increased slightly in 4Q20, and as liquidity levels return to more normal levels so will NIM%
- Increase in fee & other income (majority recurring) mix, up from 31% to 33% of all net revenue.
- Positive operating leverage on a Pro-Forma basis as Net Revenue grows by +8%, and Operating expenses grows by +2% YoY
- Continued investment in people, information technology and software development, to support planned growth at scale
- COVID-19 related provision overlay recognised of $396k (14bps of overall loan loss coverage ratio)
- Revenue and Expenses do not reflect ATM insurance claim receivable/payable of $2.9m respectively (as per annual report accounts). This cancels out to nil at NPAT level

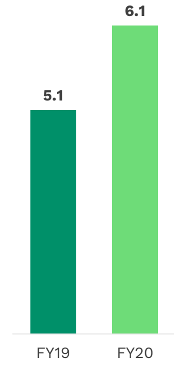
[1] 2019 Statutory Profit comprises the full 12 months of BNK Bank and Finsure Group from 17 September 2018
[2] 2019 Proforma Profit comprises the full 12 months of BNK Bank and Finsure Group

Group ($m)	Aggregation	Wholesale	Bank	FY2020[1]	FY2019[1]	*FY2019PF*[2]	$ Var.	% Var.
Gross Revenue								
Commission Income/(Exp.)				290.5	187.0		103.5	55%
Interest Income/(Exp.)				10.6	8.8		1.9	21%
Fees & Other Income				11.5	9.4		2.2	23%
Total Gross Revenue				**312.7**	**205.2**	***231.6***	**107.5**	**52%**
Net Revenue								
Commission Income/(Exp.)	13.8	6.1	(0.8)	19.1	17.4		1.7	10%
Interest Income/(Exp.)	(0.0)	(0.0)	4.9	4.8	3.5		1.4	39%
Fees & Other Income	8.5	0.4	2.6	11.5	9.4		2.2	23%
Total Net Revenue	**22.3**	**6.5**	**6.7**	**35.5**	**30.2**	***32.8***	**5.2**	**17%**
Operating Expenses								
Operating Expenses	13.4	6.3	9.5	29.2	24.5			
Loan Loss Charges	(0.1)	-	(0.6)	(0.6)	0.0			
Total Expenses	**13.3**	**6.3**	**8.9**	**28.5**	**24.5**	***27.9***	**4.0**	**16%**
Profit Before Tax	**9.0**	**0.2**	**(2.3)**	**7.0**	**5.7**	***5.0***	**1.3**	**22%**
Tax Expense	2.1	0.1	(0.5)	1.6	2.1	*1.7*		
Net Profit After Tax	**6.9**	**0.2**	**(1.7)**	**5.3**	**3.6**	***3.3***	**1.7**	**47%**

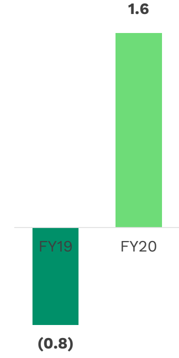
NIM Trend (%)



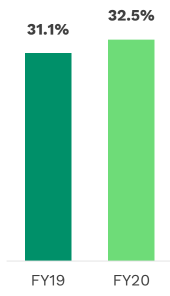
EPS Trend (cents)



Cash NPAT ($m)



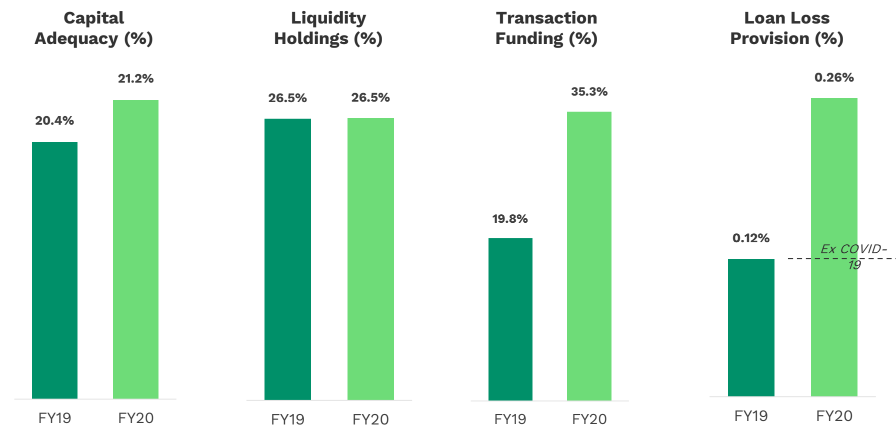
Fee & Other Income (%)



Balance Sheet

- Strong portfolio growth in Finsure resulting in growth in NPV Asset and Other Assets
- Strong growth in on balance sheet loans (up +32.3%) and deposit book (up +20.5%) despite a challenging 4Q20
- Lower cost transaction account deposit mix improved to 35%
- $90m of cash and liquid holdings
- Net Assets up +12.4% from profits and equity raising of $7.02m in Feb 20
- Book value per share of $1.19
- Capital Adequacy Ratio of 21.22%
- AASB16 applied to lease liabilities for FY20. FY19 has not been restated
- Credit quality remains strong with underlying (excl. COVID-19 provisions) portfolio loan loss provision stable at 12bps

Group ($m)	FY2020	FY2019	$ Var.	% Var.
Assets				
Cash & Equivalents	89.7	97.9	(8.2)	(8.4%)
NPV Asset	387.2	269.4	117.8	43.7%
Loans & Advances	283.6	214.3	69.3	32.3%
Other Assets	78.8	64.5	14.3	22.2%
Total Assets	**839.3**	**646.1**	**193.2**	**29.9%**
Liabilities				
Deposits	345.8	287.1	58.7	20.5%
Other Liabilities	380.6	258.6	122.0	47.2%
Total Liabilities	**726.4**	**545.7**	**180.8**	**33.1%**
Equity				
Contributed Equity	103.5	96.6	6.9	7.2%
General & Other Reserves	1.2	1.1	0.2	17.3%
Retained Earnings	8.1	2.8	5.4	194.1%
Total Equity	**112.9**	**100.4**	**12.5**	**12.4%**

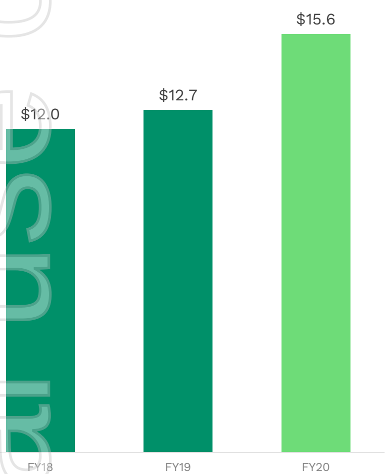


Strong Lending Growth

Record Finsure settlements and BNK on balance sheet settlements despite challenging conditions

FINSURE FINANCE AND INSURANCE

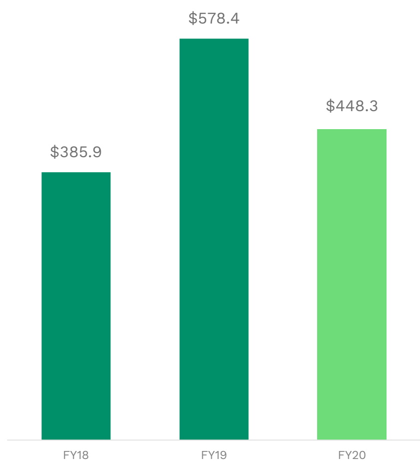
Aggregation Settlements ($b)



CAGR +14%

Better Choice Make a Better Choice

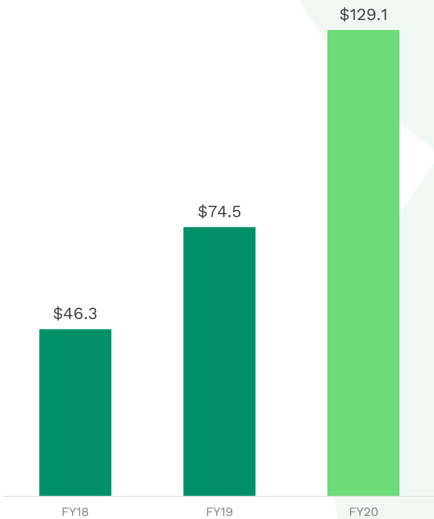
Wholesale Settlements ($m)



CAGR +8%

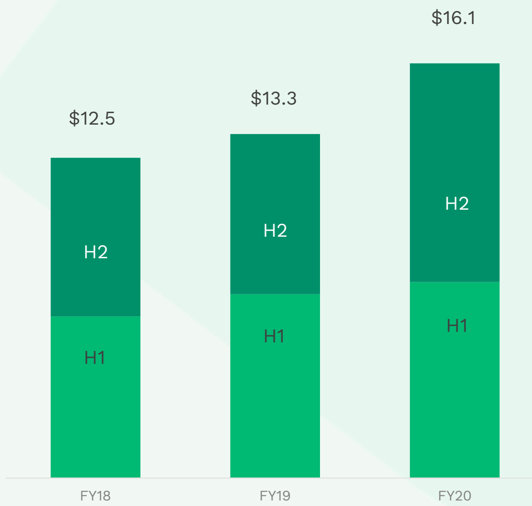
BNK

Bank (On-B/S) Settlements ($m)



CAGR +67%

Total Group Settlements ($b)



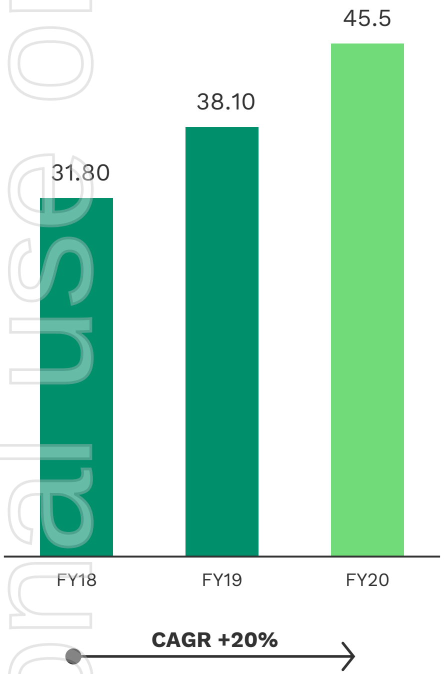
CAGR +14%

Strong Asset Growth

Delivering double digit portfolio growth and associated recurring revenue growth

FINSURE
FINANCE AND INSURANCE

Aggregation Loan Book ($b)



Better Choice
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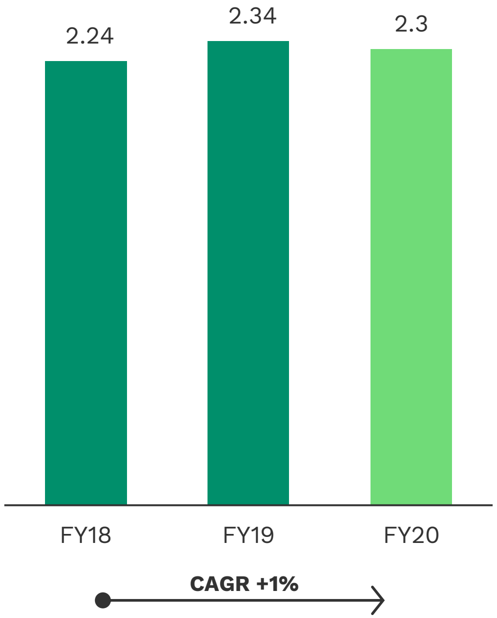
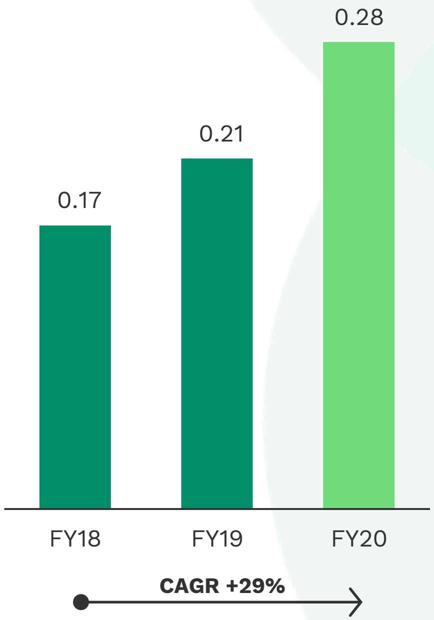
Wholesale Loan Book ($b)

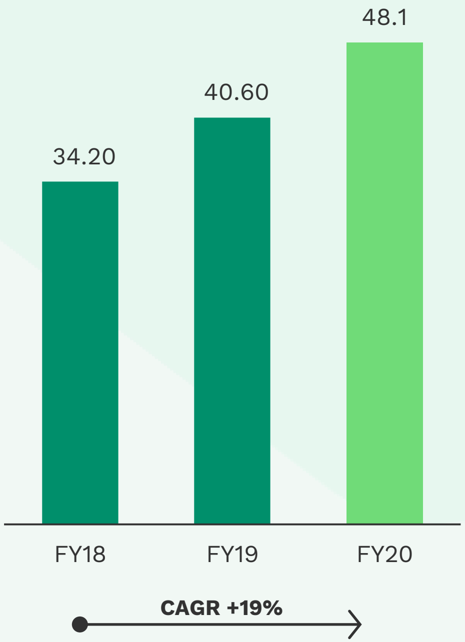


BNK

Bank Loan Book ($b)



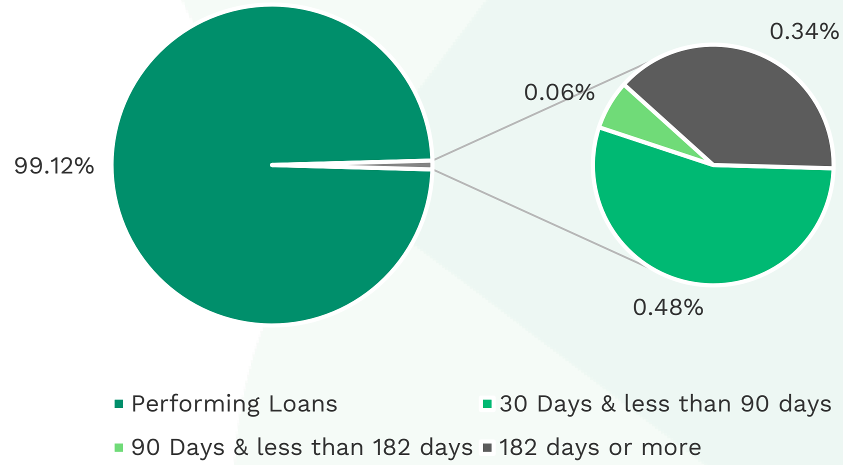
Total Group Loan Book ($b)



Strong risk management & resilience through COVID-19

- BNK has a strong track record of risk management with $0 in write-offs for FY20 and low historical losses with only $139k credit losses for the last 14 years.
- Credit quality has been maintained while growing the portfolio, at an increasing rate with quarterly settlements increasing from $7.9m in Q1FY19 to $43.6m in Q2FY20 before a deliberate moderation from March 20 as a prudent response to the uncertainty around COVID-19. The advantage of our dual funding model is it has allowed BNK to transition the business to utilize a greater mix of off-balance sheet facilities with Better Choice to intentionally conserve regulatory capital.
- Extensive stress testing of our portfolio has been carried out confirming very low balance sheet exposure to high-risk categories that are likely to be impacted by COVID-19.
- While delinquency rates and hardship rates have remained resilient throughout the COVID-19 crisis, additional overlays have been applied to loan loss provisions, increasing levels to 27 bps.
- As of 30 Sept 20, 3.4% of the portfolio was under a COVID-19 related hardship arrangement down from 5.6% in May 20.
- BNK recalibrated policies and restarted new lending in June 20.

On Balance Sheet Portfolio Arrears June 2020

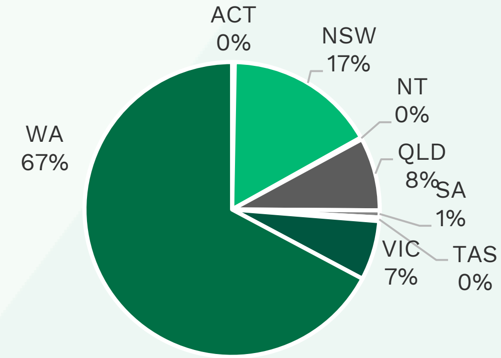


Improved diversification and scale

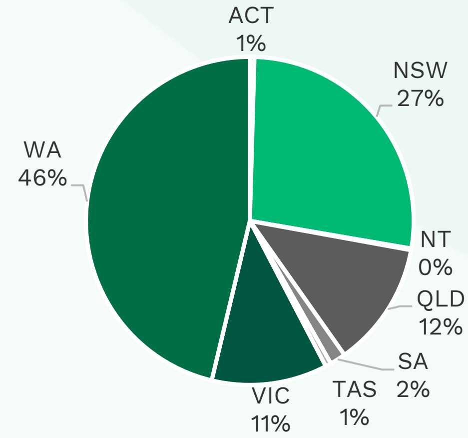
- High quality book of residential loans (93%) and SME loans (7%) with low arrears
- Loan book growth over FY20 has greatly improved diversification and scale of portfolio

	#	Actual Balance	Average Weighted Risk LVR
Personal	55	$851,738	5.7%
Non-Residential	240	$18,733,874	53.8%
HL Investment	323	$132,320,501	65.2%
HL Owner Occupied	492	$130,685,522	65.7%
Total	1110	$282,591,636	64.8%

FY19 On Balance Sheet Loans



FY20 On Balance Sheet Loans



Industry recognition

Confirming our place as market leaders

Each business unit in our group has received recognition for excelling in their particular channels

2020 Australian Lending Awards

Best Aggregator (Finsure)

Best Non-Bank (Better Choice)

2020 Mozo Experts Choice Awards

Best Small Business Account (BNK)

Best Pensioner Account (BNK)

2019 MPA Brokers on Aggregators Awards

Quality Lender Panel GOLD (Finsure)

Accurate and Timely Commission Payments GOLD (Finsure)

White Label Program GOLD (Finsure)

2019 Acquisition International Finance Awards

Best Retail Solutions Provider (BNK)

2019 MFAA National Excellence Awards

Mortgage Manager of the Year (Better Choice)

Experienced Board and Management Team

Board Of Directors

Jon Sutton
Chairman of the Board

Don Koch
Vice Chairman

Jon Denovan
NED

Peter Hall
NED

John Kolenda
Executive Director

Executive Team

Brett Morgan
BNK/BC CEO

John Kolenda
Finsure CEO

Allan Savins
GM – Banking & Wholesale

Simon Bednar
GM Aggregation

Andrew Kitchen
Chief Financial Officer

Amber Smith
Chief Operating Officer

David Maher
Head of Marketing

Malcolm Cowell
Company Secretary

Gerard Ng
Interim Chief Risk Officer