

ASX/Media Release, 2 February 2021

BNK Successfully prices and settles \$8.75m Tier 2 subordinated note issue

The Board of **BNK Banking Corporation Limited (ASX:BBC)** (“BNK”, the “Company”) is pleased to announce that it has successfully priced and settled applications from sophisticated and wholesale investors for the issuance of \$8.75m of 10 year, non-call 5 year, Tier 2 subordinated notes as set out in the Company’s announcement dated 17 December 2020.

The subordinated notes will pay interest quarterly at a floating rate being the aggregate of 90 day BBSW plus a margin of 5.40% per annum and 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”). Bell Potter Securities acted as Lead Manager to the issuance.

Key features of the Issuance are noted below:

Issue date	1 February 2021
Settlement date	1 February 2021
Interest Rate	BBSW + 540bps
Maturity date	1 February 2031 (call date 1 February 2026)
Interest payments	1 May, 1 August, 1 November, 1 February

BNK Chief Executive Officer Brett Morgan said: “The \$8.75m Tier 2 subordinated note issuance represents the launch of BNK’s subordinated note program and gives us greater capital flexibility and diversity to support our significant growth aspirations. We are delighted with the outcome and welcome our new investors aboard. The interest rate determined through the book build process was within expectations.”

“The Tier 2 subordinated note issuance will underpin the next phase of growth in BNK’s on balance sheet lending book. The subordinated note issuance will be included within the Company’s capital adequacy calculation for the quarter ending 31 March 2021 however equates to BNK’s capital adequacy ratio exceeding 27% as at 30 September 2020 on a proforma basis.”

This announcement has been authorised for release to the ASX 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. 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 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.