

ASX Release, 20 May 2021

BNK FINANCIAL YEAR FY21 TRADING UPDATE (UNAUDITED)

BNK Banking Corporation Limited (ASX:BBC) (“BNK”, “Company” or the “Group”) is pleased to provide the following trading update:

- **Underlying Group NPAT for the year ending 30 June 2021 (“FY21”) is anticipated to be in the range of \$6.7m - \$7.0m reflecting strong growth in Aggregation Settlements and Loan Book Growth. This represents a 36% to 42% increase on the prior year.**
- **After allowing for the one off impact of ATM losses, Underlying Group NPAT is anticipated to be in the range of \$7.3 - \$7.6m. This represents a 48% to 54% increase on the prior year.**
- **BNK funded settlements were \$53.4m in April, increasing the BNK-funded loan portfolio to \$439m.**
- **Finsure aggregation settlements were \$1.8bn in April, increasing the Aggregation loan book to \$53.3bn.**

The underlying NPAT guidance is based on the following key assumptions:

- **Net present value (NPV) of contract assets and corresponding payable of trail commissions** of between \$7.6m - \$8.0m¹, compared to \$5.3m in FY20 with growth primarily due to increased Finsure settlements.
- **Provision for Credit Losses (PCL)** are in line with the PCL recognised in 1H21. As at 31 March 2021, BNK had no customers with COVID-19 related relief packages.
- There are no adjustments to goodwill or intangible assets.

The assumptions on which the NPAT guidance is based are, by their nature, subject to significant uncertainties, many of which are outside the control of BNK, and are not reliably predictable. Accordingly, no assurance can be given that the NPAT guidance will be achieved. Outcomes may differ from the assumptions, which may have a material impact on the NPAT guidance.

Bank Update

“BNK continues to strengthen its market position and transform its lending returns by increasing the BNK-funded settlements mix. The BNK-funded loan book has grown by 42% this calendar year,” Brett Morgan, CEO Banking and Wholesale said.

Finsure Aggregation Update

“Finsure continues demonstrating strong profit and settlement growth. I am anticipating this momentum to continue in the fourth quarter,” John Kolenda CEO Aggregation said.

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

¹ The key assumptions underlying the calculation of the NPV is consistent with Note 4.4.2 of the FY20 Annual Financial Report, except for Weighted average life-Wholesale that is now 3.0 to 5.4 years. This has an immaterial effect on the weighted average life-portfolio.

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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. As such 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 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 31 March 2021 the business services 1,960 mortgage brokers and manages a loan book in excess of A\$52.2bn.

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.