

ASX Release, 31 January 2022

BNK GROUP 2Q22 BANKING DIVISION - TRADING UPDATE

CONTINUED GROWTH IN SETTLEMENT VOLUMES ACROSS BANKING DIVISION

- Total lending settlements grew to \$268m in the quarter, an increase of 167% YOY and 21% QOQ.
- On balance sheet lending book grew to \$631m, an increase of 107% YoY and 7% QOQ.
- Prime warehouse portfolio grew to \$108m, an increase of 54% QOQ.
- Total lending portfolio of \$2.54bn, of which, 25% is higher margin on balance sheet loans, an increase of 5% on the prior corresponding period.
- Specialist lending settlements of \$96m in 2Q22 an increase of 700% QOQ
- As at 31 December 2021, BNK had deposits of \$829m, an increase of 112% YoY and a decrease of 0.5% QOQ.
- Loan to Deposit Ratio of 76%.

BNK Banking Corporation Limited (ASX:BBC) ("BNK" or the "Group") is pleased to provide the market with its trading update for the second quarter of FY22 for its Banking division.

Bank Update

"As communicated to the market in December, BNK has entered into a Share Sale Agreement to sell 100% of Finsure shares for approximately \$152 million in cash. The sale is expected to complete on 7 February 2022," said Allan Savins, Interim CEO – Banking and Wholesale.

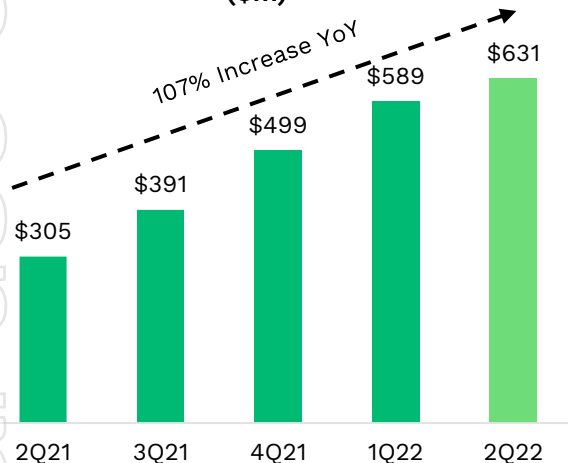
"Following the sale of Finsure, BNK will be well capitalised to continue to execute our strategy and strengthen our competitive position. The Board of BNK is making progress in evaluating a range of capital management options to utilise these proceeds efficiently, and it is still anticipated that a material portion of these funds will be distributed to shareholders. The remaining balance of funds will be used to invest in further lending growth, infrastructure, and resources as the Bank continues to grow to scale and profitability.

"Elsewhere, the business continues strong growth in key areas. Most notably settlements of specialist loans through our alliance with Goldman Sachs reached \$96m in 2Q22, up from \$12m in the previous quarter.

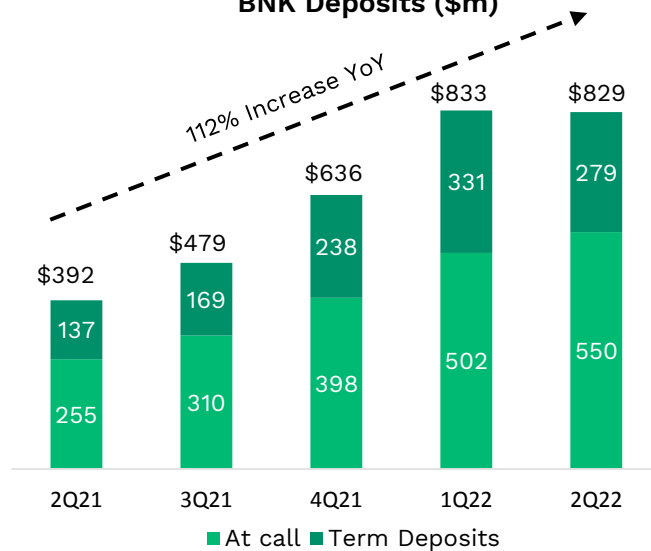
"Finally, we are continuing to assess options in respect to BNK as part of the strategic review. I look forward to providing additional updates on the strategic review in due course," Mr Savins said.

Bank Results

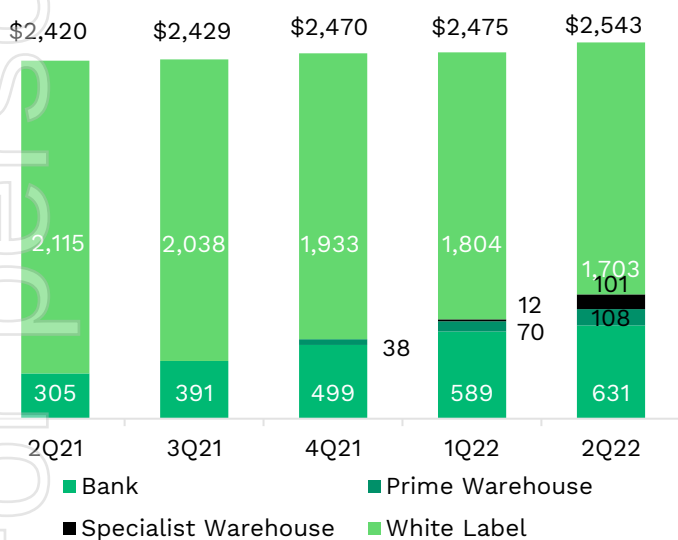
BNK On Balance Sheet portfolio (\$m)



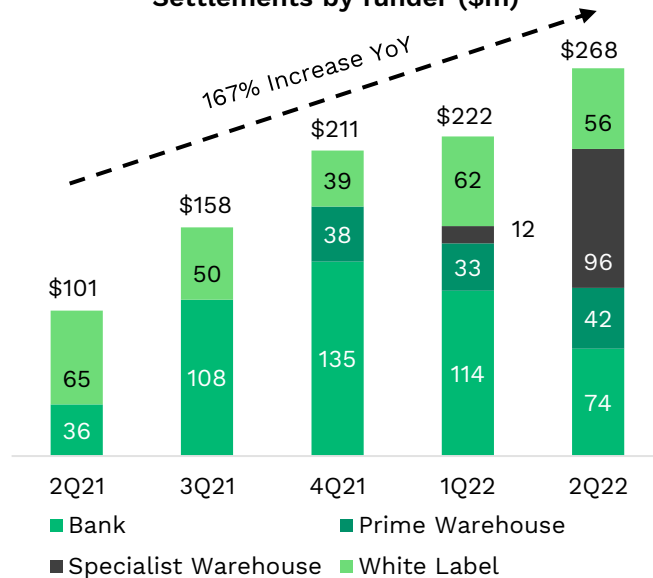
BNK Deposits (\$m)



Total portfolio by funder (\$m)



Settlements by funder (\$m)



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

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Investor Enquiries

Martin Cole
Investor Relations
Email: martin.cole@capitalmarketcommunications.com.au
Telephone: +61 403 332 977

Media Enquiries

David Maher
Head of Marketing
Email: david.maher@finsure.com.au
Telephone: +61 407 382 976

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, BNK Bank 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 September 2021 the business services over 2,000 mortgage brokers and manages a loan book in excess of \$60bn.

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.