

ASX Release, 23 March 2023

BNK BANKING CORP TO BUY \$A150M HIGH-MARGIN FLOATING RATE RESIDENTIAL MORTGAGES FROM GOLDMAN SACHS

BNK Banking Corporation Limited (ASX: **BBC**) (“**BNK**” or the “**Company**”), the brokers’ bank with over 40 years of experience, today announces it has bought \$A150 million worth of high-margin residential mortgages from a warehouse financed by Goldman Sachs, to which BNK performs the origination, underwriting and servicing roles.

Portfolio Highlights

- \$A150 million residential floating rate mortgage portfolio
- Maximum Loan Balance: \$A2.36m
- Weighted Average Current LVR 64.4%
- Maximum LVR 80%

The transaction will:

- Increase the BNK loan book by 13% to \$A1.3 billion; and
- Increase Net Interest Margin (NIM) in the second half of FY23 and support achievement of targeted 2.0% NIM in the medium term.

“The acquisition of these higher-margin residential mortgages provides BNK with an added impetus to achieving our goal of delivering a positive cash NPAT in Q423,” Allan Savins, CEO BNK Banking Corporation said.

“This transaction will also free up BNK additional funding capacity to the specialist warehouse and will be revenue accretive for the bank.”

BNK established an uncommitted \$A500 million specialist residential securitisation warehouse with Goldman Sachs in 2021.

This announcement has been authorised for release by the BNK Board.

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