

ASX Release, 8 August 2019

BNK ACHIEVES KEY MILESTONE OF \$40 BILLION IN LOANS UNDER MANAGEMENT

BNK Banking Corporation Limited (ASX:BBC) (“BNK” or the “Group”) is pleased to provide the market with an update on some of the key milestones achieved for the financial year ended 30th June 2019 ahead of the scheduled full year results which will be released to the market on 30th August 2019.

BNK is delighted to announce that it has surpassed a major milestone of \$40b of loans under management during June 2019, an increase of 18.9% from FY18.

“Passing through the \$40b loan book milestone during June was a great way to cap off a strong 2019 financial year,” said Managing Director Simon Lyons.

Importantly the BNK Group also achieved healthy loan settlement growth across its banking, wholesale and aggregation divisions, including reaching a record \$214.4m in on balance sheet loans. Overall the group settled \$13.3b during the 2019 financial year which was an increase of 6.6% over the previous year. This was achieved against a backdrop of difficult market conditions which included intense industry scrutiny, tightening of lending conditions, falling property prices and moderate system growth.

Furthermore, the group has also continued its strong growth in the number of accredited loan writers in its mortgage aggregation business, Finsure. Finsure grew its number of loan writers to 1,674, an increase of 16.7% on the previous year.

	FY18	FY19	\$ Var	% Var
Loan Book				
<i>Bank</i>	170,527,440	214,370,273	43,842,833	25.7%
<i>Wholesale</i>	2,237,904,616	2,340,892,771	102,988,155	4.6%
<i>Aggregation</i>	31,790,660,072	38,091,056,183	6,300,396,111	19.8%
<i>Total</i>	34,199,092,128	40,646,319,227	6,447,227,099	18.9%
Settlements				
<i>Bank</i>	46,254,208	74,546,453	28,292,245	61.2%
<i>Wholesale</i>	385,945,824	578,443,291	192,497,467	49.9%
<i>Aggregation</i>	12,018,008,066	12,613,335,047	595,326,982	5.0%
<i>Total</i>	12,450,208,098	13,266,324,792	816,116,694	6.6%
Brokers				
<i>Aggregation</i>	1,435	1,674	239	16.7%

“These results clearly demonstrate that our strategy to leverage a combination of mortgage models to optimise volume whilst maintaining margin discipline, is working. Despite a soft housing market, the group has continued to achieve strong growth numbers right across the business.”

“Combining an ADI, Mortgage Manager and an Aggregator was something of a first in the Australian market, however we are now bringing the synergies that exist between these divisions to reality which can clearly be seen in some of the milestones achieved throughout the business in FY19.”

“Moving into FY20, BNK is well positioned to gain further market share and disrupt the mortgage marketplace. Our model gives us a distinct competitive advantage in areas such as product manufacturing, availability of lending solutions and, of course, distribution at scale. This combination provides us with an unrivalled differentiated position in the Australian market when compared with our peers.”

“The business is off to a good start for FY20 with July being another record month for on-balance sheet lending, and strong performance continuing in the other businesses as well,” Mr Lyons added.

Further and more detailed analysis of the Group’s FY19 performance will be provided as part of the full year results announcement on 30th August 2019.

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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 37 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. The business services 1,674 mortgage brokers and manages a loan book in excess of \$38bn.

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.

