

ASX Release, 21 March 2024

BNK BANKING CORP TO BUY \$80M OF HIGH-MARGIN FLOATING RATE RESIDENTIAL MORTGAGES FROM GOLDMAN SACHS

BNK Banking Corporation Limited (ASX: **BBC**) (“**BNK**” or the “**Company**”), the bank with over 40 years of experience, today announces it has bought approximately \$80 million worth of high-margin residential mortgages from a warehouse financed by Goldman Sachs, for which BNK performs the origination, underwriting and servicing roles.

Portfolio Highlights:

- Approximately \$80 million residential floating rate mortgage portfolio
- Maximum Loan Balance of \$2.936 million
- Weighted Average Current LVR of 57.0%
- Maximum LVR of 80%

The transaction will increase the BNK loan book by 5.6% to \$1.5 billion and is accretive to the bank’s Net Interest Margin (NIM).

BNK CEO Allan Savins said, “The acquisition of these higher-margin residential mortgages represents the optimal use of capital and provides BNK with added growth impetus, bringing us closer to achieving our goal of sustainable cash profitability.”

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

BNK established an uncommitted \$500 million specialist residential securitisation warehouse with Goldman Sachs in 2021.

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

ENDS

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About BNK

BNK Banking Corporation Limited (ASX: BBC) was founded in 1982 as Goldfields Credit Union. Now, as a branchless bank, BNK offers customers a diverse range of financial products whilst providing a 'one-stop' shop for brokers. BNK operates two brands: Goldfields Money and Better Choice. BNK has leveraged its deeply experienced management team, strong distribution network and award-winning brands to deliver a solid performance over the last two years. Find out more: <https://bnk.com.au/>