

ASX Release, 31 January 2024

BNK GROUP Q2 FY24 - TRADING UPDATE

BNK SHOWS STEADY LOAN AND DEPOSIT GROWTH, MAINTAINS ROBUST CAPITAL POSITION

BNK Banking Corporation Limited (ASX: **BNK**) ("**BNK**" or the "**Company**"), the brokers' bank with over 40 years of experience, today provides a trading update for the second quarter of FY24 ("**Quarter**" "**Q2 FY24**").

HIGHLIGHTS

- Total deposits of \$1.5bn, an increase of 7% from Q1 FY24.
- BNK loan book of \$1.5bn, an increase of 5% from Q1 FY24.
- Organic 'on balance sheet' lending settlements of \$150m, flat from Q1 FY24.
- Deposit to Direct Loan Ratio of 127%, reflecting BNK's continued ability to raise deposits to fund growth.
- Remains well capitalised, with a capital adequacy ratio of 19.9% as at 2H24.
- Appoints Warren McLeland to the Board and appoints Grant Thornton as company auditor.

Commenting on the results from the quarter, BNK CEO, Allan Savins, said:

"Although our balance sheet remains robust, the moderation in growth in our loan and deposit books is indicative of the challenging market conditions prevalent in the banking sector. Consequently, we foresee ongoing margin pressure, and we anticipate its impact on our half year results".

"Nonetheless, our dedication to improving our cost of funds and continuing the expansion into higher margin lending remains steadfast. This strategic focus aims to yield higher margins whilst simultaneously managing operating expenses, ultimately contributing to sustained cash profitability in the medium term".

Other developments

Changes to the BNK Board

BNK appointed Mr Warren McLeland to the Board as a Non-Independent, Non-Executive Director. Mr McLeland is the nominee of Somers Limited, a major investor in the company.

In addition, Daniel Crennan KC, who joined the Board in October 2022 as an Independent Non-Executive Director, stepped down this quarter.

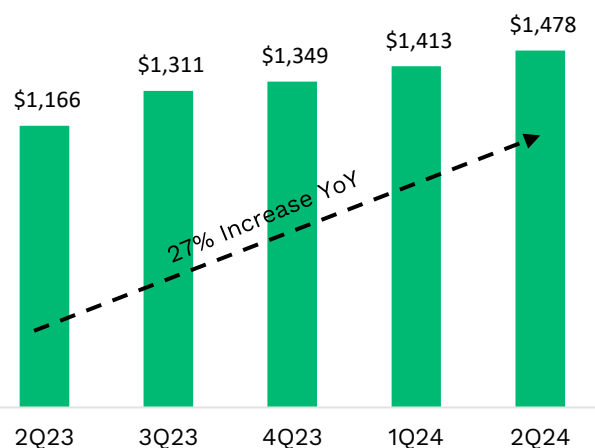
Finally, as announced at the AGM, BNK's long-serving Chairman Don Koch retired from the BNK Board this quarter. We thank Don and Daniel for their service.

Appointment of Grant Thornton as BNK auditor

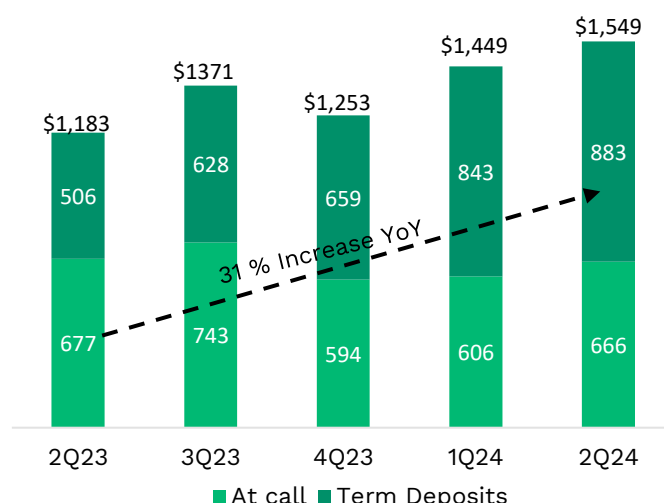
BNK appointed Grant Thornton Pty Ltd as company auditor to replace its previous auditor KPMG. The appointment of Grant Thornton followed a review of the company's external audit arrangements and the Board selected Grant Thornton based on its expertise, banking industry experience, and competitive fee structure.

Q2 FY2024 Results

On Balance Sheet Portfolio (\$m)



Deposits (\$m)



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

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