Corporate Governance Statement

As at
August 2026

Corporate Governance Statement

Introduction

This Corporate Governance Statement (Statement) outlines the key aspects of BNK Banking Corporation Limited's (BNK or the Company) corporate governance framework.

BNK is committed to ensuring that its policies and practices reflect a high standard of governance. The Board of Directors (the Board) of BNK has adopted a comprehensive framework of corporate governance, designed to properly balance performance and conformance. This enables the Company to undertake, in an effective manner, the prudent risk-taking activities which are the basis of its business.

The Board endorses the ASX Corporate Governance Principles and Recommendations (4th Edition) (ASX Recommendations) as published by the ASX Corporate Governance Council and has adopted corporate governance charters and policies reflecting those ASX Recommendations, to the extent appropriate having regard to the size and circumstances of the Company.

Throughout the 2026 financial year, the Company's governance arrangements were consistent with the ASX Recommendations, unless otherwise stated. Where the Company's governance practices differ from the ASX Recommendations, the reasons for those differences are explained in this Statement.

This Statement is current as at 27 August 2026 and has been approved by the Board of the Company.

More information on the Company's corporate governance framework and key documents is available at www.bnk.com.au/investor-centre

The Board of Directors

Directors are accountable to the shareholders for the Company's performance and governance. Management is responsible for implementing the Company's strategy and objectives, and for carrying out the day-to-day management and control of the Company's affairs.

Board Charter

The Board's roles and responsibilities are set out in the Board Charter. These responsibilities include:

- Setting the strategic direction of the Company, establishing goals to ensure that strategic objectives are met and monitoring the performance of management against these goals and objectives;
- Ensuring there are adequate resources available to meet the Company's objectives;
- Appointing the Chief Executive Officer (CEO), evaluating the performance and determining the remuneration of senior executives, and ensuring that appropriate policies and procedures are in place for recruitment, training, remuneration and succession planning;
- Evaluating the performance of the Board and its Directors on an annual basis;
- Determining remuneration levels of Directors; Approving and monitoring financial reporting and capital management;
- Approving and monitoring the progress of business objectives;
- Approving major outsourcing arrangements and recovery planning;
- Ensuring that any necessary statutory licences are held and compliance measures are maintained to ensure compliance with the law and necessary licence(s);
- Approving the Risk Management Framework and ensuring that adequate risk management procedures exist and are being used;
- Ensuring that the Company has appropriate corporate governance structures in place, including standards of ethical behaviour and a culture of corporate and social responsibility;
- Ensuring that the Board is and remains appropriately skilled to meet the changing needs of the Company;
- Overseeing customer outcomes; and
- Overseeing Board succession planning and maintaining an appropriate mix of skills, experience, diversity and tenure on the Board.

A copy of the Board Charter is available on the Company's website.

Delegations of Authority

It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

The Board has delegated to the CEO and, through the CEO, to other senior executives, responsibility for the day-to-day management of the Company's business and implementation of the Company's strategy and policy initiatives. The CEO and other senior executives operate in accordance with a comprehensive set of management delegations. The role of management is to support the CEO in the operations of the Company's business.

The Board also delegates some authority to Board Committees. There are four Board Committees, namely:

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- Audit Committee
- Risk & Compliance Committee
- Credit Committee
- Remuneration Committee

Delegations of Authority for the Board Committees are included in their respective charters on the Company's website and are also described in this Statement. Each Board Committee Charter is reviewed biennially or more frequently where required following regulatory, governance or organisational changes.

Company Secretary

The Board is responsible for the appointment of the Company Secretary. The Company Secretary is accountable directly to the Board, through the Chair, on matters to do with the proper functioning of the Board. The name, skills, experience and qualifications of the Company Secretary are set out in the Company's Annual Financial Report.

Composition of the Board

The Constitution provides that there will be a minimum of five Directors and a maximum of twelve Directors on the Board. As at the date of this report, the Board comprises five Non-Executive Directors.

The roles of Chair and CEO are not exercised by the same individual. The Chair of the Board has not been the permanent CEO (or equivalent) of the Company at any time during the previous four years.

The Directors' attendance at Board and Committee meetings is set out in the Company's Annual Financial Report (under the Directors' Report).

Details of the period of office held by each current Director and the year of their last election are as follows:

Jon Denovan
Appointed: 2 September 2019
Last Elected at an AGM: 2025

Calvin Ng
Appointed: 15 July 2021
Last Elected at an AGM: 2024

David Gration
Appointed: 27 April 2023
Last Elected at an AGM: 2023

Warren McLeland
Appointed: 11 December 2023
Last Elected at an AGM: 2024

Raj Venga
Appointed: 26 November 2025
To be elected at an AGM: 25 November 2026

Chair

The Chair is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's functions, and for the briefing of all Directors in relation to issues arising at Board meetings. The Chair builds and maintains an effective working relationship with the CEO and encourages contribution by all Board members.

Board Committees

Whilst at all times the Board retains full responsibility for guiding and monitoring the Company, it makes use of Board Committees in discharging its stewardship. To assist the Board to carry out its responsibilities, the Board has established an Audit Committee, a Risk & Compliance Committee, a Remuneration Committee and a Credit Committee. The roles and responsibilities of these Committees are discussed throughout this Statement where relevant.

These Committees review matters on behalf of the Board and as determined by the relevant Charter:

- Refer matters to the Board for decision, with a recommendation from the relevant Committee, and / or
- Determine matters (where the Committee acts with delegated authority), which the Committee then reports to the Board.

Each Board Committee reports regularly to the Board and the minutes of Committee meetings are available to the Board.

Board Renewal and Tenure

The Constitution of the Company specifies that at each Annual General Meeting (AGM), at least one of the Directors will retire from office and may stand for re-election.

The policy of the Board is that Non-Executive Directors (other than the Chair) are normally expected to serve a term of nine years from the date of first election by shareholders, subject to re-election by shareholders as required under the Constitution and the ASX Listing Rules.

That term may be extended where, at the end of the initial nine-year period, the Board determines that such an extension would be of benefit to the Company, and the Director is agreeable. On an exception basis, the Board may annually exercise its discretion to further extend the term of a Director should the circumstances be such that the Board deems it appropriate.

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Director independence is considered to diminish after ten years, unless the Board can demonstrate otherwise. The Company has applied a more conservative nine-year threshold. Any extension of tenure will be supported by demonstrable evidence of ongoing strategic contribution and alignment of skills.

The Chair may serve a maximum term of twelve years from the date of first election by shareholders, and this includes any term served as a Director prior to being elected as the Chair.

The Company values a balanced Board tenure mix, recognising the benefits of both long-standing experience and fresh perspectives. A twelve-year threshold for the Chair is considered appropriate where their continued leadership supports the Company's strategic continuity and regulatory stability.

Director Independence

The Board must have a majority of independent Directors at all times. Independent Directors are required to be independent of management and free of any business or other relationship that could materially interfere with the exercise of unfettered and independent judgment. The Board regularly assesses each Director's independence to ensure ongoing compliance with this requirement.

Directors are required to conduct themselves in accordance with the ethical policies of the Company and be meticulous in their disclosure of any material contract or relationship. This disclosure extends to the interests of family companies and spouses.

Directors must also strictly adhere to the participation and voting constraints in relation to matters in which they may have an interest. Each Director may from time to time have personal dealings with the Company or be involved with other companies or professional firms which may have dealings with the Company.

Details of offices held by Directors with other organisations are disclosed in the Directors' Report and on the Company's website. Full details of related party dealings are set out in the notes to the Financial Statements as required by law.

Three of the five current Non-Executive Directors of the Company have been assessed as independent Directors. In reaching that determination, the Board has taken into account the following criteria (in addition to the matters set out above):

Whether the Director has:

- Been employed in an executive capacity by the Company and there has not been a period of at least three years between ceasing such employment and serving on the Board; or
- Within the last three years, has been a partner, Director or senior employee of a provider of material professional services to the Company; or
- Within the last three years, has been in a material business relationship (e.g. as a supplier or customer) with the Company, or an officer of, or otherwise associated with, someone with such a relationship; or
- Is a substantial security holder of the entity or an officer of, or otherwise associated with, a substantial security holder of the Company; or
- Has a material contractual relationship with the Company other than as a Director; or
- Has close family ties with any person who falls within any of the categories described above; or
- Has been a Director of the Company for such a period that his or her independence may have been compromised.

Director Induction and Training

New Directors receive a letter of appointment and a Deed of Access, Indemnity and Insurance. The letter of appointment outlines the Company's expectations of Directors with respect to their participation, time commitment and compliance with the Company's policies and regulatory requirements.

An induction process for incoming Directors is coordinated by the Company Secretary. The process is tailored to the experience and needs of each Director and includes information regarding the Company's business, strategy, governance and risk frameworks, and key policies.

The Board receives regular updates at Board meetings, access to industry-based training, workshops and meetings with experts. These assist Directors to keep up to date with relevant market and industry developments.

Directors are encouraged to undertake continuing professional development and participate in relevant governance, regulatory and industry training to maintain and enhance their skills and knowledge.

Performance reviews of the Board and its Committees

The performance of the Board, its Committees and individual Directors, is reviewed each year. Board performance evaluation is designed to:

- Review the pre-determined role of the Board and individual Directors as set out in the Company's Board Charter;

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- Annually assess how well Directors are discharging their responsibilities collectively by assessing the Board's effectiveness and individually by assessing the quality of a Director's contribution to general discussions, business proposals and governance responsibilities;
- Regularly evaluate the Directors' confidence in the integrity of the Company, the quality of the discussions at Board meetings, the credibility of the reports and information they receive, the level of interpersonal cohesion between Board members and the degree of Board knowledge; and
- Enable Board members, individually and collectively, to develop the key skills required to meet foreseeable requirements with timely preparation, agreed strategies and appropriate development goals.

Steps involved in the evaluation can include the completion of a questionnaire by each Director, review of responses to the questionnaire at a Board meeting and a private discussion between the Chair and the Directors.

The Chair may hold discussions with individual Directors when evaluating their performance. The Board takes this evaluation into consideration when recommending Directors who are up for re-election.

There is also an annual review of the performance of the Chair performed by the Board.

The outcomes are considered as part of the Board's overall succession planning, Director development and Committee composition.

Performance review of the CEO and other key executives

The Board assesses senior executives' annual performance evaluations which are conducted following the end of the financial year. This assessment is undertaken with the assistance of the CEO and the Remuneration Committee. The CEO and other executives are not present when the Board and Committees consider their performance and remuneration.

Details on senior executives' performance evaluations are contained in the Remuneration Report section of the Directors' Report, within the 2026 Annual Financial Report.

Selection and appointment of Directors

Due to its size, the Company does not have a separately constituted Nomination Committee. Accordingly, the Board is responsible for addressing those matters which would usually fall to a Nomination Committee and shall do so in accordance with the Remuneration Policy and the Board Renewal and Evaluation Policy.

In performing the selection process, the Board may:

- Review its needs with a view to ensuring that there is a range of skills represented, including an understanding of the industry and market in which the Company operates, accounting, finance and legal matters;
- Develop suitable criteria for Board candidates to address any needs identified;
- Engage independent professional advisors to assist in identifying individuals to fit within the criteria developed to satisfy the needs of the Board; and
- Develop a short-list of Board candidates, taking into account the attributes of the Board candidates and each candidate's ability to fit within the existing Board.

The Board's aim is to ensure that any new appointee is able to contribute to the Board constituting a competitive advantage for the Company.

The Board assesses the skills, experience and personal qualities of these candidates. It also takes into consideration other attributes, including diversity, to ensure that any appointment decisions adequately reflect the environment in which the Company operates.

Appropriate checks are undertaken prior to appointing a person and recommending that person for election as a Director. These include checks as to the person's character, experience, education, criminal record and bankruptcy history. As a Director is a responsible person under the applicable Australian Prudential Regulation Authority (APRA) Prudential Standard, extensive background checks as to fitness and propriety are carried out before a person is appointed to the Board. Directors must also sign an annual declaration confirming they continue to be fit and proper.

Directors appointed by the Board must stand for election at the next AGM, in accordance with the Constitution.

In the Notice of Meeting for the AGM, the Company includes all material information known to the Company which is relevant to a decision whether or not to elect or re-elect a Director.

Director skills and experience

The skills, experience and expertise of each Director are described in the Company's Annual Financial Report (in the Directors' Report).

The Directors possess a range of skills which, as a group, enable the Board to discharge its obligations effectively, challenge management and contribute to the Company's strategic debate.

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The Board uses a skills matrix to guide its assessment of the skills and experience of current Directors, and that which the Board judges will complement the effective functioning of the Board. The skills matrix is maintained for internal governance, succession planning and Board renewal purposes and is not currently publicly disclosed. However, the Company provides information regarding the skills, experience and expertise of Directors in its Annual Report.

The matrix reflects the Board's objective to have an appropriate mix of market and industry experience and is summarised broadly as follows:

- Skill / Competency
- Financial risk management
- Strategy and development
- Financial management & accounting
- Risk Management
- Operational management
- Information technology
- Human resources
- Sales, marketing & distribution
- Project management
- Compliance – legal & regulatory

Every Director has had considerable exposure to current corporate governance practices and all Directors possess significant financial acumen.

Diversity

The Board does not have a standalone Diversity Policy given the relatively small size of the Company. However, diversity considerations are incorporated into the Company's governance, recruitment and people management practices and the Board is committed to the following principles:

- BNK believes that having a diverse workforce has important commercial and operational benefits. An equally important benefit of diversity is that it assists BNK in its ongoing efforts to make a positive contribution to the Australian community.
- BNK is committed to treating all of its staff equally irrespective of their gender, race, age, ethnicity, sexual orientation, disability or any other irrelevant difference; having in place a corporate culture where all staff feel equally welcome and valued irrespective of their gender, race, age, ethnicity, sexual orientation or disability or any other irrelevant difference; and not discriminating in the employment of staff (including the appointment of Directors) based upon a potential candidate's gender, race, age, ethnicity, sexual orientation or disability or any other irrelevant difference.
- BNK is committed to ensuring that any Board or executive appointments are made without discriminating against a potential candidate on the basis of their gender, race, age, ethnicity, sexual orientation or disability or any other irrelevant difference.

Policies

Board policies relevant to the composition of Committees and functions of the Directors include:

- The Board will consist of a majority of independent Non-Executive Directors;
- The Remuneration, Risk & Compliance, Credit and Audit Committees should consist solely of Non-Executive Directors and a majority must be independent including the Chair;
- The Chair of the Board will be an independent Non-Executive Director;
- The Audit Committee will be chaired by an independent Non-Executive Director other than the Chair;
- The Board will meet on a regular and timely basis. The meeting agendas and papers will provide adequate information about the affairs of the Company. They also enable the Board to guide and monitor management and assist in its involvement in discussions and decisions on strategy. Strategic matters are given priority on regular Board meeting agendas. In addition, ongoing strategy is the major focus of at least one Board meeting annually;
- An agreed policy that Directors are entitled to obtain access to Company documents and information, and to meet with management; and
- A procedure whereby, after appropriate consultation, Directors are entitled to seek independent professional advice, at the expense of the Company, to assist them to carry out their duties as Directors. The policy of the Company provides that any such advice is generally made available to all Directors.

Ethical Standards

Code of conduct

As part of its commitment to recognising the legitimate interests of stakeholders, the Company has established a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders.

These stakeholders include employees, clients, customers, government authorities, creditors and the community as whole. The Company Code of Conduct was adopted by resolution of the Board and is available on the Company's website.

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The Company is committed to maintaining ethical standards in the conduct of its business activities. The Board actively promotes a culture of lawful, ethical and responsible conduct and seeks assurance from senior management that this culture is embedded throughout the Company. The Company's reputation as an ethical business organisation is important to its ongoing success.

The Company expects all of its Directors, senior management and employees to be familiar with, and have a personal commitment to meeting, these standards.

These standards go beyond mere compliance with laws and regulations. They also embrace the values which are essential to the Company's continued success.

The Code of Conduct requires Directors, senior management, employees and, where relevant and to the extent possible, contractors of the Company to adhere to the law and various policies of the Company referred to in this Code. The standards set out in the Code cannot, and do not try to, anticipate every situation which may pose a legal, ethical or moral issue. Therefore, the Code is not a prescriptive set of rules for business behaviour, but rather a practical set of principles giving direction to, and reflecting the Company's approach to, business conduct.

The Company's Directors, senior management and employees must conduct themselves with openness, honesty, fairness and integrity, and in the best interest of the Company in all business transactions and in all dealings with others including shareholders, employees, joint venture partners, suppliers, creditors, financiers, the financial markets, governments and the general public.

Conflicts of Interest

In accordance with the Company's Constitution and the *Corporations Act 2001* (Corporations Act), Directors are required to disclose to the Board any actual or potential conflicts of interest, including any material contract in which they may have an interest. In compliance with section 195 of the Corporations Act, any Director with a material personal interest in a matter being considered by the Board will not vote on the matter or be present when the matter is being considered.

Share Trading

The Board has adopted a Securities Trading Policy. Under that Policy, Directors are permitted to deal with the Company's securities only within certain periods, as long as they are not in the possession of unpublished price-sensitive information.

These periods include share trading closure periods, which conclude and re-open at 10.00am on the next trading day after the announcement to the ASX of the quarter 1 and 3 trading updates, the half yearly results, and the full year results.

The Policy also requires that Directors do not deal on the basis of considerations of a short-term nature or to the extent of trading in those securities. Similar restrictions apply to Executives of the Company, which is in addition to the prohibition of any trading (including hedging) in positions prior to vesting of shares or options.

Executives who report to the CEO are also prohibited from:

- Any hedging of publicly disclosed shareholding positions; and
- Entering into or maintaining arrangements for margin borrowing, short selling or stock lending, in connection with the securities of the Company.

A copy of the Securities Trading Policy is available on the Company's website.

Remuneration Matters & Governance

Remuneration Committee

The Remuneration Committee assists the Board to fulfill its responsibilities to shareholders and regulators in relation to remuneration within the Company. In general, the Committee is responsible for recommending to the Board for approval:

- Remuneration for senior executives;
- Remuneration arrangements and all reward outcomes for the CEO, senior direct reports to the CEO and other individuals whose roles may affect the financial soundness of the Company;
- Remuneration arrangements for Finance, Risk & Compliance Personnel; and
- Significant changes in remuneration policy and structure, including superannuation, employee equity plans and benefits.

In respect of the remuneration of Non-Executive Directors, the Committee is responsible for:

- Making recommendations to the Board as to the structure of remuneration for Non-Executive Directors; and
- Seeking to ensure that fees paid to Non-Executive Directors are within the aggregate amount approved by shareholders and making recommendations to the Board with respect to the need for increases to this aggregate amount at the Company's Annual General Meeting.

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The Charter of the Remuneration Committee incorporates a number of policies and practices to ensure that the Committee is independent and effective.

These include:

- The Remuneration Committee will have a minimum of three members (all being Non-Executive Directors), the majority being independent Non-Executive Directors.
- The Committee will be chaired by an independent Director.
- The Committee is expected to ensure it has the necessary expertise and experience to perform its duties. In particular, the Committee collectively should have experience in setting remuneration and sufficient industry knowledge to effectively align remuneration with prudent risk taking.
- Meetings are held at two times per year or more frequently as required.
- The Committee is authorised to engage, at the Company's expense, outside legal or other professional advice or assistance on any matters within its terms of reference. The Committee should ensure that the engagement and advice received, is independent.
- The Committee is authorised to seek any information it requires from any officer or employee of the Company and such officers or employees shall be instructed by the Board of the Company employing them to respond to such enquiries.
- No member of the Committee may participate in any decision with respect to his or her position or remuneration.

The Committee's members are:

- Mr Calvin Ng (Chair)
- Mr Warren McLeland
- Mr Raj Venga

A copy of the Remuneration Committee Charter is available on the Company's website.

Remuneration Arrangements

Details of the governance arrangements and policies relevant to remuneration are set out in the Remuneration Report in the Company's Annual Financial Report.

Audit Matters & Governance

Audit Committee

The Audit Committee assists the Board in fulfilling its corporate governance and oversight responsibilities in relation to the:

- Integrity of the financial statements and financial reporting systems of the Company;
- External audit engagement, including the external auditor's qualifications, performance, independence and fees;
- Performance of the internal audit function; and
- The Company's financial reporting and compliance with prudential regulatory reporting. With reference to the Risk & Compliance Committee, this includes an oversight of the Company's regulatory and statutory reporting requirements.

The Committee's members are:

- Mr Raj Venga (Chair)
- Mr Jon Denovan
- Mr Warren McLeland

A copy of the Audit Committee Charter is available on the Company's website.

The Charter of the Audit Committee incorporates a number of policies and practices to ensure that the Committee is independent and effective.

These include:

- The Audit Committee will comprise at least three members. All members must be Non-Executive Directors and comprise a majority of independent Directors.
- The Chair of the Audit Committee cannot be the Chair of the Board.
- All Committee members shall be financially literate (i.e. able to read and understand financial statements). At least one member shall have accounting and/or related financial management expertise (i.e. is a qualified accountant or other financial professional with experience of financial and accounting matters) and some members shall have an understanding of the financial services industry.
- All Committee members will be appointed for a term of three (3) years, after which they will be eligible for re-appointment for so long as they remain Directors of the Board.
- The Committee shall meet often enough to undertake its role effectively, being at least three times each year.

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- As part of its role to foster open communication, the Committee should meet regularly with management, the internal auditor and the external auditors in separate executive sessions to discuss any matters the Committee or each of these groups believe should be discussed privately.
- The Committee may request any officer or employee of the Company, external legal counsel or any person or group with relevant experience or expertise to attend meetings of the Committee or to meet with any members or consultants to the Committee.
- The Committee must invite the external auditor to meetings of the Committee. The Committee may invite such other persons (e.g. executives, staff, and external parties) to its meetings as it deems necessary (whether on a permanent or ad hoc basis).
- Senior management and the internal and external auditor have free and unfettered access to the Audit Committee, while maintaining a reporting line to the CEO.
- The Committee has the option, with the concurrence of the Chair of the Board, to retain independent legal, accounting or other advisors, to the extent the Committee considers necessary, at the Company's expense.

Internal Audit

The Company has an outsourced Internal Audit function.

The Internal Auditor's responsibilities include the following:

- Develop flexible strategic and annual audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submit those plans to the Audit Committee for review and approval.
- Implement the strategic and annual audit plans as approved, including, and as appropriate, any special tasks or projects requested by senior management and the Audit Committee.
- Maintain professional audit staff with sufficient knowledge, skills, experience, and professional certifications.
- Establish a quality assurance program by which the Internal Auditor assures the operation of internal audit activities.
- Perform consulting services, beyond internal audits assurance services, to assist management in meeting its objectives. Examples may include facilitation, process design, training, and advisory services.
- Evaluate and assess significant merging/ consolidating functions and new or changing services, processes, operations, and control processes coincident with their development, implementation, and/or expansion. Issue periodic reports to the Audit Committee and management summarising results of audit activities.
- Keep the Audit Committee informed of emerging trends and successful practices in internal auditing.
- Assist in the investigation of significant suspected fraudulent activities within the Company and notify management and the Audit Committee of the results.
- Consider the scope of work of the external auditors and regulators, as appropriate, for the purpose of providing optimal audit coverage to the Company at a reasonable overall cost.

While maintaining a reporting line to the Chief Financial Officer (CFO) and Chief Risk Officer (CRO), the Internal Auditor has a direct line to the Audit Committee so as to bring the requisite degree of independence and objectivity to the role.

External Audit

The Company's external auditor will attend each AGM and be available to respond to shareholder questions relating to the external audit.

Grant Thornton Audit Pty Ltd, the Company's auditor, was first appointed to conduct the audit for the year ended 30th June 2024.

In line with current legislation, the Company requires that the Company's auditor be changed within five years of being appointed, with the next rotation due in 2029.

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Risk Management

The Company recognises that managing risk is an integral part of its day-to-day core business activities, and the better risk is managed, the more likely it is that the Company will achieve or exceed its objectives.

The Board of Directors is ultimately responsible for the effective governance of the Company's risk management while the Company's executives are responsible for ensuring effective risk management, including the implementation of strategies to reduce risks, within their operational area on a day-to-day basis.

Shareholder value is driven by the Company taking considered risks. Risks are assessed by identifying potential events and evaluating the combination of the consequences of an event and the associated likelihood of occurrence. Risks are then assessed against the Company's risk appetite to ensure they are within the boundaries of activity that the Board intends.

The Board and its Risk & Compliance Committee operate under the direction of their respective Charters. The Board Charter stipulates, among other things, that:

- The Board is responsible for ensuring that adequate risk management procedures exist and are being used;
- Ensuring that procedures are in place designed to verify the existence and effectiveness of accounting and financial systems and other systems of internal control and business risk management; and
- The CEO is responsible for identifying and managing operational and other risks and, where those risks could have a material impact on the Company's businesses, formulating strategies for managing these risks for consideration by the Board.

The CEO and the CFO have given the Board a declaration in accordance with section 295A of the Corporations Act. The CEO and CFO confirmed that the declaration was founded on a sound system of risk management and internal compliance and control which implemented the policies adopted by the Board and which was operating effectively.

Prior to approval of the Company's financial statements for the FY2026 financial year, the CEO and the CFO gave the Board a declaration that, in their opinion, the financial records of the Company had been properly maintained in accordance with the Corporations Act, that the financial statements complied with the appropriate accounting standards and gave a true and fair view of the financial position and performance of the Company, and that their opinion had been formed on the basis of a sound system of risk management and internal compliance control which was operating effectively.

Risk & Compliance Committee

The Risk & Compliance Committee assists the Board with overseeing the risk profile of the Company, approves the Risk Management Strategy with the context of the risk appetite determined by the Board, and in making its annual declaration to APRA on risk management.

The Risk & Compliance Committee oversees the Company's risk management framework. This includes credit, capital, interest rate risk in the banking book, liquidity and funding, operational, insurance, compliance (including regulatory), and reputational risks assumed by the Company in the course of carrying on its business. It reviews regular reports from management on the measurement of risk and the adequacy and effectiveness of the Company's risk management and internal controls systems.

The Committee's members are:

- Mr Raj Venga (Chair)
- Mr David Gration
- Mr Jon Denovan

A copy of the Risk & Compliance Committee Charter is available on the Company's website.

Strategic risks are governed by the Board, with input from the various Board Committees. Tax and accounting risks are governed by the Audit Committee.

A key purpose of the Committee is to help formulate the Company's risk appetite for consideration by the Board and agreeing and recommending a risk management framework to the Board that is consistent with the approved risk appetite.

This framework, which is designed to achieve portfolio outcomes consistent with the Company's risk-return expectations, includes:

- The Company Risk Appetite Statement;
- High-level risk management policies for each of the risk areas it is responsible for overseeing; and
- A set of risk limits to manage exposures and risk concentrations.

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The Committee monitors management's compliance with the Company risk management framework (including high-level policies and limits).

It also makes recommendations to the Board on the key policies relating to capital (that underpin the Internal Capital Adequacy Assessment Process), liquidity and funding and other material risks. These are overseen and reviewed by the Board on at least an annual basis.

The Committee reviews significant correspondence with regulators, receives reports from management on regulatory relations and reports any significant regulatory issues to the Board.

The Risk & Compliance Committee Charter states that the Committee will meet at least four times a year, or as often as required.

Risk Management Framework

A risk management framework is in place to identify, assess, manage and report risks and risk adjusted returns on a consistent and reliable basis. The risk management framework was reviewed during the year, and the Board satisfies itself that the Company's risk management framework remains appropriate for the nature, scale and complexity of the Company's operations.

Risk Management Function

The Company also has a designated risk management function that:

- Is responsible for assisting the Board, Board Committees and senior management to develop and maintain the risk management framework;
- Is operationally independent and managed by an appropriately qualified and designated Chief Risk Officer;
- Has reporting lines to the Board, Board Committees and senior management to conduct its risk management activities in an effective and independent manner;
- Has access to all aspects of the Company that have the potential to generate material risk, including information technology systems and systems development resources; and
- Is required to notify the Board of any significant breach of, or material deviation from, the risk management framework.

Material Exposure to Economic, Environmental and Social Sustainability Risks

The Board recognises that environmental, social, governance, climate-related and other sustainability risks may impact the Company's operations, customers, reputation and long-term performance.

The Company monitors its exposure to all risks, including economic, environmental and social sustainability risks.

There are a number of material business risks that could adversely affect the Company and the achievement of the Company's financial performance objectives. Material business risks are described above under the Risk Management section and are identified and managed as part of the risk management framework and also in the Annual Financial Report.

Credit Committee

The Credit Committee assists the Board in overseeing the Company's credit risk profile and credit risk management framework, aligned with the Company's risk appetite. Its key purpose is to provide objective oversight, ensuring credit risk is managed prudently given the size and complexity of the Company.

The Committee reviews and monitors credit risk strategies, credit portfolios, exposure limits, and compliance with credit risk policies. It also oversees delegated lending authorities and considers transactional credit submissions exceeding business unit limits. Some of the Committee's responsibilities may also be actioned by the Risk & Compliance Committee, given the common membership of both Committees.

The Committee comprises at least three Non-Executive Directors, a majority of whom are independent, with financial literacy and credit risk expertise.

The Committee's members are:

- Mr David Gration (Chair)
- Mr Jon Denovan
- Mr Calvin Ng

All Directors are entitled to attend Credit Committee meetings, promoting transparency and alignment with Board oversight. Meetings are held as often as may be required.

A copy of the Credit Committee Charter is available on the Company's website.

Continuous Disclosure

Matters which could be expected to have a material effect on the price or value of the Company's securities must be disclosed under the Corporations Act and the ASX Listing Rules.

Corporate Governance Statement

The Company's Continuous Disclosure Policy is available on the Company's website. This sets out the processes to ensure that shareholders and the market are provided with full and timely information about the Company's activities in compliance with continuous disclosure requirements.

The Continuous Disclosure Policy and processes are in place throughout the Company to ensure that all material matters which may potentially require disclosure are promptly reported to the CEO. This is achieved via an established reporting line to the CEO. Matters reported are assessed and, where required by the ASX Listing Rules, advised to the market.

The Company Secretary is responsible for facilitating the release of the Company's ASX announcements and ensuring that such information is not released to any person until the ASX has confirmed its release to the market.

All material market announcements are provided to the Board prior to release to the ASX, or where circumstances require immediate disclosure, are provided to the Board as soon as practicable after release.

Following release to the ASX, all announcements and investor presentations are promptly published on the Company's website.

Communication with Shareholders

The Company believes it is important for its shareholders to make informed decisions about their investment in the Company. In order for the market to have an understanding of the business operations and performance, the Company aims to provide shareholders with access to quality information in the form of:

- Interim and final results;
- Annual Reports;
- Investor presentations;
- Matters discussed at the Annual General Meeting;
- Trading updates;
- All other price sensitive information is released to the ASX in a timely manner; and
- The Company's website at: www.bnk.com.au

The Company employs a range of communication approaches, including direct communication with shareholders and publication of all relevant Company information on the "Investor Centre" section of the website.

To make its general meetings more accessible to shareholders, the Company may move the location of its AGM between different locations each year and may include hybrid and / or virtual formats. The Company actively engages shareholders at the AGM.

Shareholders have the option to receive communications from, and send communications to, the Company and its share registry electronically.

The Company is committed to maintaining a level of disclosure that meets the highest of standards and provides all investors with timely and equal access to information.

Shareholders also have the opportunity to submit written questions in advance or ask questions at the meeting. In addition, shareholders are able to contact the Company directly.

Information on communications to and from shareholders can be located on the Company's website.

Anti-Bribery & Corruption

As a trusted financial institution, the Company and the community expects its staff and officers to carry out all business activities with the utmost integrity. The Company has an Anti-Bribery and Corruption Policy which is made available to all staff. The Policy is maintained as an internal document due to the operational nature of its contents. The Board reviews the Policy, is advised of any material breaches of the Policy, and remains committed to maintaining high standards of ethical conduct.

Whistleblower Protection

The Company maintains a Whistleblower Policy which supports the reporting of misconduct and provides protections for eligible whistleblowers. The Policy is available on the Company's website.

Website

The Company's current Charters, Constitution and public facing policies referred to in this Statement can be accessed via the Company's website at: www.bnk.com.au

Conclusion

The Board recognises that practices and procedures can always be improved. Accordingly, the corporate governance framework of the Company is reviewed annually to take account of changing practices.

The Board remains committed to maintaining governance practices that are appropriate for the size and complexity of the Company, while supporting sustainable growth and long-term shareholder value.