

ASX Release, 5 October 2022

Notice of Annual General Meeting & Proxy Form

BNK Banking Corporation Limited (ASX: **BBC**) (“**BNK**” or the “**Company**”) advises the Company’s Annual General Meeting (AGM) will be a hybrid meeting with shareholders able to:

- attend the meeting in person at Dentons, Level 16, 77 Castlereagh Street, Sydney; or
- participate in the AGM online, including being able to ask questions and vote using an online system.

The Notice of Meeting and Explanatory Statement follows, together with a generic Proxy Form. The letter to shareholders and Proxy Form will be dispatched to shareholders together with instructions on how to vote on the resolutions at the AGM.

This announcement has been authorised for release by the Company Secretary.

ENDS

4 October 2022

Dear Shareholder

2022 Annual General Meeting | 2 November 2022

The 2022 Annual General Meeting (AGM or Meeting) of BNK Banking Corporation Limited ACN 087 651 849 (BNK or the Company) will be on **Wednesday, 2 November 2022 at 12:30 pm** (AEDT). The AGM will be held at Dentons, Level 16, 77 Castlereagh Street, Sydney, New South Wales and via live webcast for those who cannot attend in person.

A copy of the Notice of Meeting can be viewed and downloaded from the Company's website: <https://bnk.com.au/investor-centre/>

The Notice of Meeting includes information on the business to be considered at the meeting and how to participate in the meeting and a complete copy of the important Meeting documents has been posted on the Company's ASX market announcements page (ASX:BBC).

The Company encourages shareholders to submit their votes in advance of the Meeting to assist with the efficient conduct of the Meeting. Votes may also be submitted during the Meeting, with proxy forms to be provided to the Company's share registry by 12.30pm (AEDT) on Monday, 31 October 2022. Details on how to submit votes by proxy are included on the enclosed form.

If you have provided an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the important Meeting documents.

Virtual Participation in the Meeting

If you are a shareholder and wish to virtually attend the Meeting (which will be broadcast as a live webinar) you will need to connect via the Advanced Share Registry Virtual Meeting Portal.

Please login to the meeting at <https://www.advancedshare.com.au/Dashboard/Virtual-Meeting-Centre-Login> using your Meeting ID and Personalised Shareholder ID. The Meeting ID and Personalised Shareholder ID **can be found on the enclosed proxy form**.

Shareholders will be able to vote and ask questions during the virtual meeting.

How to vote live online

When live voting for the virtual meeting is open, click on the "Poll" button at the bottom of the screen and follow the steps.

Shareholders with multiple holdings will either need to login at the Virtual Meeting Portal separately under each Shareholder ID to cast their vote while the poll is open during the Meeting or cast their votes by lodging a Proxy form by the submission date specified.

How to ask questions during the Meeting

Shareholders who wish to ask a question at the Meeting can click on the “Ask a question” button at the bottom of the screen and submit the question in writing. Shareholders who attend the AGM in person will also be given the opportunity to ask questions at the Meeting, however we welcome questions from Shareholders before the Meeting. Questions can be emailed to the Company Secretary at jessie.klaric@bnk.com.au

Questions should relate to matters relevant to the business of the Meeting (including matters arising from the Financial Report, the Director’s Report or the content of the auditor’s report), general questions regarding the performance, business or management of the Company, and relevant questions of the auditor regarding the conduct of the audit.

As a valued Shareholder of the Company, we welcome your attendance to our 2022 Annual General Meeting.



Don Koch

Chairman

BNK Banking Corporation Limited

BNK Banking Corporation Limited

ABN 63 087 651 849

Notice of 2022 Annual General Meeting

Wednesday, 2 November 2022

Notice is given that the 2022 Annual General Meeting of BNK Banking Corporation Limited will be held at 12:30 pm (AEDT) on 2 November 2022.

Details on how to participate in the AGM

The BNK Banking Corporation Limited (**Company**) Annual General Meeting (**AGM**) will be held at 12:30 pm (AEDT) on Wednesday, 2 November 2022.

The Meeting will be a hybrid meeting and Shareholders will be able to:

- attend the meeting in person at Dentons, Level 16, 77 Castlereagh Street, Sydney; or
- participate in the AGM online, including being able to ask questions and vote using an online system.

While shareholders can attend in person, shareholders are encouraged to participate online to minimise health risks. If you feel unwell, please stay at home.

Voting Entitlements

Pursuant to regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)*, the Directors have determined that the shareholding of each shareholder for the purpose of ascertaining voting entitlements for the AGM will be as it appears in the Company's share register on Monday, 31 October 2022 at 7:00 pm (AEDT).

Participating in the AGM online

To give shareholders a reasonable opportunity to participate, shareholders may attend the AGM virtually using the online platform at <https://www.advancedshare.com.au/Dashboard/Virtual-Meeting-Centre-Login>

The online platforms enable shareholders to:

- see the AGM presentation materials and listen to the AGM live;
- vote online during the AGM; and
- ask questions and make comments online (either orally or by written submissions) during the AGM.

You will be able to participate in the AGM online using your computer and/or your mobile phone.

Important: To participate and vote online you will need a Meeting ID and Shareholder ID which can be found in the personalised proxy form despatched to each shareholder separately.

To participate online, shareholders should register at least 15 minutes before the meeting.

Asking Questions Online – Before and at the AGM

You can submit questions before or at the AGM by clicking the Q&A tab on the meeting portal. You can also submit questions in advance of the AGM by emailing questions to Ms Jessie Klaric, Company Secretary at jessie.klaric@bnk.com.au. Written questions (including questions to the Auditor) should be submitted no later than the fifth business day before the AGM, being Wednesday, 26 October 2022. Written questions to the Auditor should relate to the content of the Auditor's Report and the conduct of the Audit. The Auditor will also be in attendance at the AGM.

You may also submit your questions and comments online (either orally or by written submissions) during the AGM via the online platform at <https://www.advancedshare.com.au/Dashboard/Virtual-Meeting-Centre-Login> (if you are participating online by computer or mobile).

The Chairman of the AGM will endeavour to address as many of the more frequently raised relevant questions and comments as possible during the course of the AGM. However, there may not be sufficient time available at the AGM to address all of the questions and comments raised. Please note that individual responses will not be sent to shareholders.

Voting at the AGM

Voting on all resolutions will be conducted by a poll.

You may vote at the AGM in one of three ways:

- in person at the venue during the AGM;
- live and online during the AGM using the online portal (if you are participating online) at: <https://www.advancedshare.com.au/Dashboard/Virtual-Meeting-Centre-Login>; or
- in advance of the AGM, by appointing a proxy (preferably the Chairman of the AGM) such that the appointment is received by the Company no later than 12:30 pm (AEDT) on Monday, 31 October 2022 (see page 3 for how to appoint a proxy).

The Chairman of the AGM will open the poll at the conclusion of reading all resolutions of the AGM and the poll will remain open until declared closed at the end of the meeting.

Details on how to participate in the AGM (continued)

Voting by Proxy

Certain categories of persons (including Directors and the Chairman of the AGM) are excluded from voting on Resolutions relating to the remuneration of Key Management Personnel, including as proxy, in some circumstances and such votes will be disregarded (as per the Voting Exclusion Statement).

If you are appointing a proxy, to ensure that your vote counts, please read the instructions on the proxy form carefully.

1. On a poll, shareholders have one vote for every fully paid ordinary share held.
2. A member entitled to attend and vote is entitled to appoint not more than two proxies.
3. A proxy need not be a member of the Company. A proxy may be either an individual or a body corporate.
4. If you wish to appoint a body corporate as your proxy, you must specify on the proxy form:
 - the full name and title of the body corporate appointed as proxy; and
 - the full name or title of the individual representative of the body corporate to attend the meeting.
5. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion or number of the member's voting rights and neither proxy is entitled to vote on a show of hands if more than one proxy attends. If it is desired to appoint two proxies, you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy, write both names and the percentage of votes or number of securities for each proxy.
6. Proxy forms must be signed by a member or the member's attorney or, if a corporation, executed under seal or in accordance with section 127 of the Corporations Act or signed by an authorised officer or agent.
7. Proxy forms (and if the appointment is signed by the appointer's attorney, the original authority under which the appointment was signed or a certified copy of the authority) must be returned so that they are received by the Company no later than 12:30 pm (AEDT) on Monday, 31 October 2022 using one of the methods below:
 - By mail or in person** to Advanced Share Registry Limited, 110 Stirling Highway, Nedlands WA 6009
 - By mail** to Advanced Share Registry Ltd, PO Box 1156, Nedlands WA 6909
 - Please allow sufficient time for the form to reach Advanced Share Registry.
 - By facsimile** on (08) 6370 4203 (within Australia) or +618 9262 3723 (outside Australia)
 - Online** at www.advancedshare.com.au/investor-login
8. Appointed proxies will need to contact Advanced Share Registry to obtain a username and password to vote online.

Enquiries

Please contact Advanced Share Registry:

- By telephone on (08) 9389 8033 (within Australia) or +61 8 9389 8033 (overseas)
- By email: admin@advancedshare.com.au

Future Alternative Arrangements

If it becomes necessary to make further alternative arrangements for holding the AGM, we will give shareholders as much notice as practicable.

BNK Banking Corporation Limited

Notice of Annual General Meeting 2022

BNK's AGM will be held at 12:30 pm (AEDT) on Wednesday, 2 November 2022 as a hybrid meeting. Shareholders can choose to attend the AGM in person or virtually. Shareholders can view and participate in the AGM via the online platform at <https://www.advancedshare.com.au/Dashboard/Virtual-Meeting-Centre-Login>. Further information on how to participate is set out in this Notice of Meeting and available on our website.

Items of Business

Financial statements and reports

To discuss the Company's Annual Financial Report for the year ended 30 June 2022, together with the Directors' Report and Auditor's Report as set out in the 2022 Annual Report.

No resolution is required to be moved for this item.

Resolution 1 - Adoption of the remuneration report

To consider and, if thought fit, pass the following as a non-binding resolution:

"That the Remuneration Report for the year ended 30 June 2022 be adopted."

Note: This resolution is advisory only and does not bind the Directors or the Company.

Voting restrictions apply to this resolution (see page 6).

Resolution 2 - Approval of Additional 10% Placement Capacity Under ASX Listing Rule 7.1A

To consider and, if thought fit, to pass the following as a special resolution of the Company:

"That for the purposes of ASX Listing Rule 7.1A and for all other purposes, shareholders approve the Company having the additional capacity to issue up to 10% of the Company's share capital calculated in accordance with Listing Rule 7.1A, and on the terms and conditions set out in the Explanatory Notes."

Voting restrictions apply to this resolution (see page 6).

Resolution 3 - To re-elect Mr Jon Denovan as a director

To consider and, if thought fit, to pass, the following ordinary resolution of the Company:

"That Mr Jon Denovan, being a Director of the Company who retires in accordance with Article 48(a) of the Company's constitution and Listing Rule 14.4, and being eligible, be re-elected as a Director."

Resolution 4 - To re-elect Mr Don Koch as a director

To consider and, if thought fit, to pass, the following ordinary resolution of the Company:

"That Mr Don Koch, being a Director of the Company who retires in accordance with Article 48(a) of the Company's constitution and Listing Rule 14.4, and being eligible, be re-elected as a Director."

Resolution 5 - To re-elect Mr John Kolenda as a director

To consider and, if thought fit, to pass, the following ordinary resolution of the Company:

"That Mr John Kolenda, being a Director of the Company who retires in accordance with Article 48(c) of the Company's constitution and Listing Rule 14.4, and being eligible, be re-elected as a Director."

Resolution 6 - To re-elect Mr Daniel Crennan as a director

To consider and, if thought fit, to pass, the following ordinary resolution of the Company:

"That Mr Daniel Crennan, being a Director of the Company who retires in accordance with Article 48(c) of the Company's constitution and Listing Rule 14.4, and being eligible, be re-elected as a Director."

Resolution 7 - Reduction of Capital

To consider and, if thought fit, to pass, the following ordinary resolution of the Company:

"That for the purposes of Sections 256B and 256C of the Corporations Act and for all other purposes, the issued share capital of the Company be reduced by approximately \$19 million by way of an equal capital reduction, to be effected by the Company paying each shareholder who holds ordinary shares in the Company on the Capital Reduction Record Date the amount of 16 cents for each such share held at that time, on the terms set out in the Explanatory Notes"

Resolution 8 – Approval to amend Constitution

To consider and, if thought fit, to pass, the following special resolution of the Company:

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, Shareholders approve the amendment of the Constitution of the Company in the manner set out in the Explanatory Notes with effect from the close of the Meeting.”

Other Business

To transact any other business that may be properly brought before the AGM in accordance with the Company’s Constitution or the law.

By order of the Board



Don Koch

Chairman

4 October 2022

Notice of Annual General Meeting 2022 (continued)

Additional information for shareholders

The items of business should be read in conjunction with the Explanatory Notes on pages 6 to 16. The Explanatory Notes form part of this Notice. Terms and abbreviations used in this Notice and Explanatory Notes are defined in the definitions section of the Explanatory Notes.

Voting Exclusions/Prohibitions

Resolution 1 – Adoption of the remuneration report

Voting Prohibition: A vote on resolution 1 must not be cast:

- a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member; or
- b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, votes will not be disregarded if:

- c) they are cast as a proxy for a person entitled to vote on resolution 1 in accordance with a direction as to how to vote on the proxy; or
- d) the vote is cast by the Chair of the Meeting, acting as proxy for a person entitled to vote on resolution 1, and the proxy appointment expressly authorises the Chair of the Meeting to exercise undirected proxies (even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel).

Resolution 2 – Approval of Additional 10% Placement Capacity

Voting Exclusion: The Company will disregard any votes cast in favour of resolution 2 by or on behalf of:

- a) any person who is expected to participate in, or who will obtain a material benefit as a result of, a proposed issue of Shares under the 10% Placement Facility (except a benefit solely in the capacity of a holder of Shares); or
- b) any associate of any of those persons.

However, this does not apply to a vote cast in favour of

resolution 2 by:

- c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- d) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

As at the date of dispatch of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2. Consequently, no persons are excluded from voting on resolution 2.

Notes relating to voting restrictions

The voting restrictions for resolution 1 means that if you appoint a Key Management Personnel (such as a Director) as your proxy, it is important that you direct them on how to vote by ticking one of the 'For', 'Against' or 'Abstain' boxes on your proxy form in respect of the resolution. This is because, in certain circumstances, a Key Management Personnel is prohibited from voting undirected proxies on resolution 1.

If the Chairman of the meeting is your proxy, and you do not direct your proxy to vote 'For', 'Against' or 'Abstain' on resolution 1, then you must expressly authorise the Chairman to exercise the proxy in respect of that resolution (in accordance with the directions in the Proxy Form) as the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Explanatory Notes

These explanatory notes have been prepared for shareholders to outline information concerning the resolutions, and to assist shareholders to assess the merits of approving the resolutions contained in the Notice.

The Directors recommend that shareholders read these explanatory notes in full before making any decision in relation to the resolutions.

Terms and abbreviations used in these explanatory notes are defined in the definitions section.

Financial statements and reports

In accordance with the Corporations Act, the Financial Report and the Directors' and Auditor's Reports for the year ended 30 June 2022, will be put before the Annual General Meeting. These reports are contained within the Company's 2022 Annual Financial Report.

The 2022 Annual Financial Report is available at <https://bnk.com.au/investor-centre/>.

There is no requirement for a formal resolution on this matter. Accordingly, there will be no formal resolution put to this Meeting.

Shareholders will be given a reasonable opportunity at the Meeting to raise questions on these reports or make comments on company matters.

Resolution 1 – Adoption of the Remuneration Report

The Company's remuneration report for the year ended 30 June 2022 is set out on pages 14 to 27 of its 2022 Annual Financial Report.

The remuneration report contains information about the remuneration policy of the Company and the remuneration of non-executive directors, executive directors and other Key Management Personnel for the financial year ended 30 June 2022.

At the meeting, the Chairman will give shareholders a reasonable opportunity to ask questions about and make comments on the remuneration report.

The vote on this resolution is advisory only and does not bind the Company or its directors. However, the Board will actively consider the outcome of the vote and comments made by shareholders on the remuneration report at the meeting when reviewing the Company's future remuneration policies and practices.

The Company's remuneration report for the previous financial year received approximately 91.13% of votes "For" at the 2021 AGM.

Board Recommendation – The Board recommends that shareholders vote FOR this resolution.

Resolution 2 – Approval of Additional 10% Placement Capacity Under ASX Listing Rule 7.1A

Background

Listing Rule 7.1 broadly allows the Company to issue a maximum of 15% of its capital in any 12-month period without requiring shareholder approval (and also allows issues where other exceptions apply). In accordance with Listing Rule 7.1A, eligible entities (companies that are outside the S&P/ASX 300 index and that also have a market capitalisation of \$300 million or less) can issue a further 10% of their share capital over a 12 month period following their annual general meeting (provided Shareholder approval is obtained at the annual general meeting).

The Company falls within the eligibility criteria required by Listing Rule 7.1A. Whilst the Board has no present intention to raise further capital by way of an issue of equity securities, the Board considers that the Company would benefit from the flexibility the 10% Placement Facility would provide to raise capital swiftly should the need arise.

Listing Rule 7.1A requires resolution 2 to be passed as a special resolution. A special resolution needs approval by at least 75% of the votes cast by members entitled to vote on the resolution.

Formula for ASX Listing Rule 7.1A

The number of Equity Securities that may be issued (if shareholder approval is obtained at the AGM) will be determined in accordance with the following formula prescribed in Listing Rule 7.1A.2:

(A x D) – E

where:

A: is the number of Shares on issue at the commencement of the relevant period (as defined in Listing Rule 7.1),

a) plus the number of Shares issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;

b) plus the number of Shares issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:

- (i) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
- (ii) the issue of, or agreement to issue the convertible securities was approved or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
- c) plus the number of Shares issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - (i) the agreement was entered into before the commencement of the relevant period; or
 - (ii) the agreement or issue was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
- d) plus the number of any other Shares issued in the relevant period with approved under Listing Rule 7.1 or 7.4;
- e) plus the number of partly paid shares that became fully paid in the relevant period;
- f) less the number of Shares cancelled in the relevant period.

Note: 'A' has the same meaning in Listing Rule 7.1 when calculating an entity's 15% annual placement capacity

D: is 10%.

E: is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under Listing Rule 7.4.

Specific information required by Listing Rule 7.3A

- a) **Period for Approval** – Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A commences on the date of the annual general meeting at which the approval is obtained and expires on the first to occur to the following:
 - (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;
 - (ii) the time and date of the Company's next annual general meeting; or
 - (iii) the time and date of the approval by shareholders of ordinary securities of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of

activities) or 11.2 (disposal of main undertaking).

- b) **Minimum Issue Price** – Equity Securities issued under Listing Rule 7.1A must be in a class of quoted securities at the time of issue and must be issued for cash. The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average market price ("VWAP") of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:
 - (iv) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the securities; or
 - (v) if the Equity Securities are not issued within 10 Trading Days of the date in the paragraph above, the date on which the Equity Securities are issued.
- c) **Use of Funds** – As noted above, the Board has no present intention to raise further capital by way of an issue of Equity Securities. However, should such an issue be made, it is the Board's intention that any funds raised would be applied towards the Company's growth strategies. This may include:
 - (i) increasing regulatory capital (Common Equity Tier 1);
 - (ii) working capital for other corporate purposes including investment in systems and processes; and
 - (iii) possible acquisitions of assets or investments, subject to any applicable ASX requirements.
- d) **Dilution** - An issue of securities under Listing Rule 7.1A involves the risk of economic and voting dilution for existing ordinary security holders. The risks include:
 - (i) the market price for Equity Securities may be significantly lower on the issue date than on the date of the approval under Listing rule 7.1A; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date.

In accordance with Listing Rule 7.3A.4, a table describing the notional possible dilution, based upon various assumptions as stated, is set out below. The table below also shows:

- (iii) two examples where variable “A” has increased, by 50% and 100%. Variable “A” is based on the number of Shares the Company has on issue as at the date of this Notice. The number of Shares on issue may increase as a result of issues of Shares that do not require shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future shareholders’ meeting; and
- (iv) two examples where the issue price of Shares has decreased by 50% and increased by 100% as against the market closing price as at 26 September 2022.

Number of Shares on Issue (variable “A”) ⁵	Dilution – Examples			
	Dilution ¹	Funds Raised at \$0.29 ²	Funds Raised at \$0.58 ³	Funds Raised at \$1.16 ⁴
118,702,738 (Current)	11,870,273	\$3,442,379	\$6,884,758	\$13,769,517
178,054,107 (50% increase)	17,805,410	\$5,163,569	\$10,327,138	\$20,654,276
237,405,476 (100% increase)	23,740,547	\$6,884,759	\$13,769,517	\$27,539,035

*Note: Current Variable A refers to the calculation required by Listing Rule 7.1A.2 which, in the Company’s case, equates to the current issued share capital of the Company.

The table of dilution examples has been prepared based on the following assumptions:

1. dilution - based on number of Shares issued (being 10% of the number of Shares at the time of issue).
2. funds raised based on issue price of \$0.29 (50% decrease in current market price of Shares).
3. funds raised based on issue price of \$0.58 (current market price of Shares).
4. funds raised based on issue price of \$1.16 (100% increase in current market price of Shares).
5. the number of Shares on issue could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1. Equity Securities must be in the same class as an existing quoted class of Equity Securities of BNK, being fully paid ordinary shares.
6. no options or performance rights are exercised to convert into Shares before the date of the issue of the Shares available under Listing Rule 7.1A.
7. the table does not show an example of dilution that may be caused to a particular Shareholder by reason of a share issue under Listing Rule 7.1A, based on that Shareholder’s holding at the date of the AGM.

e) **Allocation Policy** – The Company’s allocation policy is dependent on the prevailing market conditions at the

time of any proposed issue pursuant to Listing Rule 7.1A. The identity of the allottees will be determined on a case-by-case basis having regard to factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company including but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the Listing Rule 7.1A Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).
- (v) the allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Meeting but may include existing substantial Shareholders and/or new Shareholders who are not related parties of the Company or their associates.

f) **Agreement to issue securities under ASX Listing Rule 7.1A in the 12 months preceding the meeting** – At the Company’s last annual general meeting held on 25 November 2021, Shareholders approved the additional 10% Placement Capacity under Listing Rule 7.1A. From the date of that approval until the date of this Notice, the Company has not issued any Shares under Listing Rule 7.1A.

What happens if the resolution is approved or not approved?

If shareholders approve resolution 2, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2. The effect of resolution 2 will be to allow the Directors to issue Equity Securities up to 10% of the Company’s fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using BNK’s 15% annual placement capacity granted under Listing Rule 7.1

If shareholders do not approve the resolution, the Company will not be able to access the additional 10% capacity to issue equity securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without shareholder approval set out in Listing Rule 7.1. The proposed allottees of any Equity Securities under the

10% Placement Facility are not as yet known or identified. In these circumstances, Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

Board Recommendation - The Board believe that having the ability to issue up to an additional 10% of new securities, under ASX Listing Rule 7.1A, is in the best interests of the Company and unanimously recommends that shareholders vote FOR this resolution.

The Chair intends to vote undirected proxies FOR resolution 2.

Resolution 3 – Re-election of Mr Jon Denovan as a director

Listing Rule 14.4 and article 48(a) of the Constitution provides that a director of the Company must not hold office (without re-election) past the third annual general meeting of the Company, or 3 years, following their last election or appointment (whichever is longer).

Mr Jon Denovan retires in accordance with article 48(a) of the Company's Constitution and ASX Listing Rule 14.4 and, being eligible, offers himself for re-election.

The following information is provided in accordance with Recommendation 1.2 of the ASX Corporate Governance Principles and Recommendations:

a) Independence and Term of Office

Jon is an Independent Non-Executive Director and has been a director since 2 September 2019. He was last re-elected by Shareholders on 26 November 2019.

b) Biographical Details

Mr Denovan is a lawyer with significant banking, commercial, and property experience. Mr Denovan is a Special Counsel with leading national law firm Dentons, having previously been the Managing Director/Partner of that firm (then known Gadens Lawyers Australia Limited). Mr Denovan is recognised as a leading lawyer in financial services regulation in Australia.

Mr Denovan is chair of Sydney Bus Museum, and a director of numerous other finance and property private companies. He was previously chair of Trainworks Limited (a NSW government instrumentality), a director of Aussie Home Loans Limited, the Credit and Investments Ombudsman Limited (CIO), and the Mortgage & Finance Association of Australia (MFAA). Mr Denovan was the first honorary member of the Mortgage & Finance Association of Australia in recognition of his contribution to the

mortgage industry. Complementing Mr Denovan's skills in the finance industry is his significant experience in the property industry having worked with many leading property companies.

Mr Denovan is the Deputy Chair of the Company, Chair of the Audit Committee, a member of the Risk & Compliance Committee and Board Credit Committee.

c) Material Directorships & Appointments

Mr Denovan does not have any other material appointments.

Board Recommendation – On the basis of Jon's skills, qualifications and experience, and his contributions to the Board's activities, the Board (other than Mr Denovan) recommends that shareholders vote FOR this resolution.

The Chair intends to vote undirected proxies FOR resolution 3.

Resolution 4 – Re-election of Mr Don Koch as a director

A summary of Listing Rule 14.4 and article 48(a) of the Constitution is included in Resolution 3 above.

Mr Don Koch retires in accordance with article 48(a) of the Company's Constitution and ASX Listing Rule 14.4 and, being eligible, offers himself for re-election.

The following information is provided in accordance with Recommendation 1.2 of the ASX Corporate Governance Principles and Recommendations:

a) Independence and Term of Office

Don is a Non-Independent Non-Executive Director and Chairman and was appointed on 11 June 2019. He was last re-elected by Shareholders on 26 November 2019.

b) Biographical Details

Mr Koch was CEO of ING Bank in Australia from 2009 to 2012 before transferring to become CEO of ING Bank Italy from 2012 to 2016. He was the former CIO and part of the team that launched ING Direct in Australia. Mr Koch is a Governor on the Cerebral Palsy Association Research Foundation, Co-Chair and Advisor with the UTS Business School Industry Advisory Board, Chair of Cache Investment Management, (an Investment Management platform) Chair of ResusRight (a medtech manufacturer), Director of Target Fifteen and a Board Member of Glaucoma Australia. He holds a Masters in Banking and Finance from UTS, is a graduate of the Australian Institute of Company Directors and has completed the International Directors Program with INSEAD in Switzerland.

Mr Koch has been Chair of the Company since 7 July 2021, and is the Chair of the Remuneration Committee and is a Member of the Risk & Compliance Committee, Board Credit Committee and Audit Committee.

c) Material Directorships & Appointments

Don is an Independent Non-Executive Director of Cache Investment Management Pty Ltd.

Board Recommendation – On the basis of Don’s skills, qualifications and experience, and his contributions to the Board’s activities as both director and chairman, the Board (other than Mr Koch) recommends that shareholders vote FOR this resolution.

The Chair intends to vote undirected proxies FOR resolution 4.

Resolution 5 – Re-election of Mr John Kolenda as a director

Listing Rule 14.4 and article 48(c) of the Constitution provides that a director of the Company appointed by the Board holds office only until the next following annual general meeting and is then eligible for re-election by Shareholders at the meeting.

Mr John Kolenda, having been appointed on 30 September 2022 by the Board, will retire in accordance with Listing Rule 14.4 and article 48(c) of the Constitution and seeks re-election from Shareholders.

Mr Kolenda was previously a Director, and Managing Director of the Company’s Finsure business, from 13 March 2018 to 7 February 2022. He ceased to be a Director following the sale of Finsure. Mr Kolenda has been reappointed because of his command, background and experience in mortgage and brokering.

The following information is provided in accordance with Recommendation 1.2 of the ASX Corporate Governance Principles and Recommendations:

a) Independence and Term of Office

Mr Kolenda was appointed a Director on 30 September 2022. This is his first time standing for election since he ceased to be a Director on 7 February 2022. The Board considers Mr Kolenda to be a non-independent director.

b) Biographical Details

Mr Kolenda has extensive experience in the mortgage broking and aggregation sector and is the founder of several businesses including Finsure, which was acquired by the Company in September 2018 and was sold in February 2022. He is the Managing Director of the Finsure

group and Managing Director of Strategy & Growth Lending at MA Financial Group. Was previously the General Manager Sales & Distribution at Aussie Home Loans for ten years from 1994, before founding X Inc, which was a successful mortgage originator before its merger with the mortgage broking operations of Ray White in 2007. Mr Kolenda founded several businesses before launching the Finsure group in 2011. Mr Kolenda co-founded and chairs Aura Group Pty Ltd, a boutique corporate advisor and investment house.

c) Material Directorships & Appointments

Mr Kolenda does not have any other material appointments.

d) Background Checks

The Company has conducted appropriate background and other checks in respect of Mr Kolenda’s appointment, and such checks have not returned any information of concern.

Board Recommendation – On the basis of Mr Kolenda’s skills, qualifications and experience, and his prior knowledge of the Company and its business, the Board (other than Mr Kolenda) recommends that shareholders vote FOR this resolution.

The Chair intends to vote undirected proxies FOR resolution 5.

Resolution 6 – Re-election of Mr Daniel Crennan as a director

A summary of Listing Rule 14.4 and article 48(c) of the Constitution is included in Resolution 5 above.

The Board proposes to appoint Mr Daniel Crennan as a Director subject to APRA approving his appointment. The Board expects to receive APRA approval and appoint Mr Crennan as a Director after the date of this Notice but prior to the date of the AGM. If Mr Crennan is not appointed as a Director prior to the AGM then the Chair proposes to withdraw this Resolution.

Subject to Mr Crennan’s appointment as a Director, he will retire in accordance with Listing Rule 14.4 and article 48(c) of the Constitution and seeks re-election from Shareholders.

The following information is provided in accordance with Recommendation 1.2 of the ASX Corporate Governance Principles and Recommendations:

a) Independence and Term of Office

It is proposed that Mr Crennan will be appointed a Director after the date of this Notice and prior to the date of the

AGM. This will be his first time standing for election. The Board considers Mr Crennan to be an independent director.

b) Biographical Details

Mr Crennan was a barrister at the Victorian Bar including as a Queen's Counsel for 16 years until 2018. His areas of expertise included Banking and Finance, Continuous Disclosure and Markets.

Mr Crennan was also a director of a number of publicly listed and private companies prior to 2018.

Mr Crennan commenced as Deputy Chair and Head of Enforcement at the Australian Securities and Investments Commission in July 2018. He remained in that position until late 2020.

Since mid-2021, Mr Crennan has been the principal consultant at Credi Consulting, a boutique consulting firm specialising in strategic advice to participants in the financial system.

c) Material Directorships & Appointments

Mr Crennan does not have any other material appointments.

d) Background Checks

The Company has conducted appropriate background and other checks in respect of Mr Crennan's appointment, and such checks have not returned any information of concern.

Board Recommendation – On the basis of Mr Crennan's skills, qualifications and experience, the Board (other than Mr Crennan) recommends that shareholders vote FOR this resolution.

The Chair intends to vote undirected proxies FOR resolution 6.

Resolution 7 – Reduction of Capital

Background

As announced on 7 February 2022, BNK completed the sale of its 100% owned subsidiary, Finsure Holding Pty Ltd (**Finsure**), and related aggregation division subsidiaries to MA Financial Group Limited (ASX:MAF). The proceeds of the sale were \$152.2 million.

A significant portion of this amount is surplus to the Company's requirements to continue its business operations. The Company therefore considers that a return of some of this capital to Shareholders is justified in these circumstances.

On 26 July 2022 the Company paid a fully franked special dividend of 34 cents per Share, for a total distribution to Shareholders of approximately \$40 million.

In addition to the dividend, the Company intends to return approximately \$19 million to Shareholders by way of an equal capital reduction, to be effected by paying each shareholder on the record date of 7pm (AEDT) on 14 November 2022 (or such other date and time as determined by the Board) (**Capital Reduction Record Date**) the amount of 16 cents for each Share held at that time (**Proposed Capital Reduction**).

The purpose of resolution 7 is to permit the Company to undertake the Proposed Capital Reduction.

Timetable

The Company currently proposes the following timetable (which may change at the discretion of the Board, subject to compliance with the Listing Rules) for the Proposed Capital Reduction in accordance with the Corporations Act and the Listing Rules:

Event	Date - 2022
AGM held and approval of Proposed Capital Reduction obtained	2 November
Ex-date	11 November
Record Date	7pm (AEDT) on 14 November
Proposed Payment Date	21 November

Reasons for the Proposed Capital Reduction

The purpose of the Proposed Capital Reduction is to return to Shareholders approximately \$19 million of the Company's current cash reserves (being proceeds resulting from the sale of Finsure) while leaving sufficient cash to continue regular business operations and pursue BNK's diversified growth strategy.

Calculation of the amount of the Proposed Capital Reduction

The Proposed Capital Reduction will result in each Shareholder receiving \$0.16 per Share.

Options and Performance Rights

Holders of options and performance rights will only be entitled to participate in the Proposed Capital Reduction if the vested options or rights are exercised and the Shares are issued prior to the Capital Reduction Record Date.

Requirements for the Proposed Capital Reduction under the Corporations Act

For the purposes of section 256B(2) of the Corporations Act, the Board is satisfied that the Proposed Capital Reduction the subject of this Resolution 7 is an “equal capital reduction” because:

- a) it relates only to ordinary shares in the Company;
- b) it applies to each holder of ordinary shares in the Company in proportion to the number of ordinary shares they hold in the Company; and
- c) its terms are the same for each holder of ordinary shares in the Company.

Under section 256B(1) of the Corporations Act, a company may reduce its capital provided three requirements, described below, are satisfied:

- a) the capital reduction must be fair and reasonable to the company’s shareholders as a whole;
- b) the capital reduction must not materially prejudice the company’s ability to pay its creditors; and
- c) the capital reduction must be approved by ordinary resolution of the shareholders under section 256C of the Corporations Act.

Directors’ opinion

Resolution 7 seeks Shareholder approval of the Proposed Capital Reduction for the purposes of section 256C of the Corporations Act. The Directors are of the opinion that the Proposed Capital Reduction is “fair” and “reasonable” to all Shareholders as it will apply to all Shareholders on the Capital Reduction Record Date equally, in proportion to the number of Shares which they hold at the Capital Reduction Date.

The Directors are also of the opinion that the Proposed Capital Reduction will not materially prejudice the Company’s ability to pay its creditors after having reviewed and considered the financial position of the Company, including the Company’s assets, liabilities, cashflow and capital requirements.

Advantages

The primary advantage in approving the Proposed Capital Reduction is that it will enable the Company to return capital to its Shareholders which is in excess of its current requirements.

Disadvantages

A disadvantage of the Proposed Capital Reduction is that, following its implementation, the Company will have a reduced capital base from which to operate. However, the Directors are of the opinion that the capital base is currently in excess of the Company’s requirements.

If required, further funds can be raised by share issues, debt financing or quasi debt financing.

Effect on financial position and performance

a) Cash reserves

The Proposed Capital Reduction will be paid entirely from the Company’s existing cash reserves. The effect of the Proposed Capital Reduction is that the Company’s cash reserves will be reduced by approximately \$19 million, while at the same time the paid up capital will decrease by the corresponding amount.

b) Pro-Forma Balance Sheet

Implementation of the Proposed Capital Reduction will have a material impact on the assets and liabilities of the Company. Set out in Schedule 1 is a pro-forma balance sheet of BNK as at 30 June 2022 which shows the effect of the Company’s recent special dividend and the Proposed Capital Reduction on the Company’s financial position.

Effect on capital structure

The Company’s Share capital will be reduced by approximately \$19 million.

No Shares will be cancelled and the number of Shares held by Shareholders will not change as a result of the Proposed Capital Reduction. No fractional entitlements will arise from the Proposed Capital Reduction. All Shares issued by the Company are fully paid.

In accordance with the Listing Rules and the terms of issue of the Options, following the reduction of capital the number of issued Options will remain the same, and the exercise price of each issued Option will be reduced by 16 cents per Option (being the same amount as the amount returned in relation to each Share under the reduction of capital).

Assuming that no existing Options are exercised, and no further Options are issued, prior to the reduction of capital, details of the Options which will be on issue immediately following the reduction of capital are as follows:

- 500,000 Options expiring 26 November 2023 with an exercise price of \$0.84 per Option;
- 500,000 Options expiring 26 November 2023 with an exercise price of \$1.09 per Option.

Effect on regulatory capital position

The Company is subject to, and complies with, external capital requirements set and monitored by APRA and the Reserve Bank of Australia. The Company must ensure that it, and its regulated entities, are capitalised to meet the requirements set by APRA.

For regulatory purposes, capital is classified as follows:

- a) Common Equity Tier 1 (CET1) comprising accounting equity with adjustments for intangible assets and regulatory reserves.
- b) Tier 1 Capital comprising CET1 plus Additional Tier 1 Capital such as hybrid securities with 'equity-like' qualities.
- c) Tier 2 Capital comprising certain securities such as hybrid securities with 'equity-like' qualities, recognised as Tier 2 Capital, together with specific reserves eligible as Tier 2 regulatory capital
- d) Total Capital is the sum of Tier 1 Capital and Tier 2 Capital.

The effect of the Proposed Capital Reduction will be to reduce the Groups Level 2 Tier 1 Capital ratio from 41.0% to 26.8%, and Total Capital ratio from 47.5% to 33.5%, based on the 30 June 2022 Capital Adequacy Ratio with a pro forma adjustment for the dividend paid of approx. \$40m on 26 July 2022.

The Company has sought, and received, approval from APRA in respect of the Proposed Capital Reduction. APRA has confirmed that, based on the information provided to it, it is satisfied that the Company has demonstrated that its capital position will remain adequate for its future needs following the Proposed Capital Reduction, and has approved a reduction in capital of up to \$20 million.

Effect on Share price

The Company's Shares are expected to trade at a lower price after the "ex" date for the Proposed Capital Reduction.

Indicative income tax consequences for Shareholders

a) Introduction

The following summary of the potential Australian tax consequences of the Proposed Capital Reduction applies to Shareholders who are residents of Australia for tax purposes and non-resident Shareholders. It applies to shareholders who hold the Shares on capital account and do not hold their Shares on revenue account or as trading stock.

Non-resident Shareholders should obtain their own tax advice about the implications of the Proposed Capital Reduction for their tax obligations and the tax implications in their country of residence.

The Company has applied for a Class Ruling from the ATO in relation to the tax treatment of the Proposed Capital Reduction for the Australian resident Shareholders who acquired and hold their Shares as capital assets. As at the

date of this Notice, the Class Ruling has not been finalised. A Shareholder that is covered by the Class Ruling may rely on the Class Ruling when preparing their income tax return when the Class Ruling is published by the ATO.

These comments are general in nature and all Shareholders should seek their own taxation advice from their accountant or tax agent which addresses the taxation consequences of the Proposed Capital Reduction. Neither the Company nor any officers of the Company nor the Company's advisers accept any liability or responsibility with respect to the tax consequences of the Proposed Capital Reduction for Shareholders.

b) Taxation of Australian resident Shareholders

This section summarises the potential Australian income and capital gains tax implications of the Proposed Capital Reduction for Australian resident Shareholders who hold their Shares on capital account.

This summary is not intended to be comprehensive and is based on the Company's understanding of the Australian income tax legislation in force at the date of this Notice. The taxation laws are complex and Shareholders need to obtain professional advice in relation to the application of the tax laws to the Proposed Capital Reduction in their individual circumstances.

Neither the Company nor any of its officers, employees or advisers assumes any liability or responsibility for advising Shareholders about the tax consequences for them of the Proposed Capital Reduction.

c) Capital Reduction

Receipt of the Proposed Capital Reduction will give rise to a capital gains tax (CGT) event G1 for Shareholders. The tax consequences arising on receipt of the Proposed Capital Reduction will depend on the Shareholder's cost base of their Shares. A Shareholder's cost base will generally be the acquisition cost of the Shares, plus any cost incurred incidental to acquiring the Shares (such as brokerage fees).

A Shareholder will make a capital gain to the extent that the Proposed Capital Reduction exceeds the cost base of their Shares. Shareholders may be eligible for a CGT discount (of 50% for individuals and trusts and 33% for superannuation funds) in respect of any capital gain made provided the Shares were acquired at least 12 months before the Proposed Capital Reduction. Companies are not eligible for the CGT discount.

If the Proposed Capital Reduction is equal to or less than the Shareholder's cost base, the Proposed Capital Reduction should reduce the cost base by the amount received.

d) Australian tax implications to Non-resident Shareholders in respect of the Proposed Capital Reduction

In respect of non-resident Shareholders who are foreign residents or a trustee of a foreign trust for CGT purposes, a capital gain from CGT event G1 may be disregarded unless the Shares have been used in carrying on a business through a permanent establishment in Australia, or the non-resident Shareholder is an individual and you choose to disregard making a capital gain or capital loss on ceasing to be an Australian resident.

e) Application of section 45A, 45B and 45C of the Income Tax Assessment Act 1936 (ITAA 1936)

Sections 45A and 4B of the ITAA 1936 are two anti-avoidance provisions in the tax law that, if either applies, allow the Commissioner to make a determination that section 45C applies. The effect of such a determination is that all or part of the Proposed Capital Reduction paid to the Shareholder would be treated as an unfranked dividend that is paid by the Company.

f) Class Ruling

A Class Ruling request was submitted by the Company to the ATO requesting confirmation of the Australian income tax implications for Shareholders who hold their shares on capital account for tax purposes. The tax ruling application sought to confirm that:

- a) no part of the Proposed Capital Reduction will be treated as an unfranked dividend for income tax purposes;
- b) instead, the cost base for each share will be reduced by the amount of the Proposed Capital Reduction for the purposes of calculating any capital gain or loss on the ultimate disposal of that share. An immediate capital gain will arise for shareholders where the cost base of a share is less than the amount of the Proposed Capital Reduction;
- c) the capital gain can be treated as a discount capital gain if the Shares had been acquired at least 12 months before the payment date;
- d) the capital gain from CGT event G1 is disregarded for non-Australian Shareholders; and
- e) the Commissioner will not seek to make a determination under the anti-avoidance provisions to treat any part of the Proposed Capital Reduction as an unfranked dividend.

Directors' interests

No director will receive a payment or benefit of any kind as a result of the Proposed Capital Reduction, other than as Shareholders of the Company.

The interests of each director and proposed director and / or their associate(s) in Shares and Options as at the date of this Notice is set out below:

Director	Shares	Options	Performance Rights
Don Koch	Nil	Nil	Nil
Jon Denovan	Nil	Nil	Nil
Elizabeth Aris	10,000	Nil	Nil
Michelle Guthrie	Nil	Nil	Nil
Calvin Ng	8,548,166	Nil	Nil
John Kolenda	14,321,979	Nil	Nil
Daniel Crennan ¹	Nil	Nil	Nil

1. The Board proposes to appoint Mr Crennan as a Director after the date of this Notice but prior to the date of the AGM subject to APRA approving his appointment.

No other material information

Other than as set out in this Notice and information previously disclosed to Shareholders, there is no information known to Directors which might reasonably be expected to be material in the making of a decision by Shareholders whether or not to vote in favour of Resolution 7.

Proposed Capital Reduction – Payment Methods

Shareholders will receive the Proposed Capital Reduction payment by direct credit to their nominated financial institution account.

If financial institution account details are not provided, payment of the Proposed Capital Reduction will be withheld until such time the Shareholder provides the relevant details.

Shareholders should ensure that their financial institution account details are received by Advanced Share Registry Limited no later than 2 days prior to the payment date.

Board Recommendation – the Board recommends that shareholders vote **FOR** this resolution.

The Chair intends to vote undirected proxies **FOR** resolution 7.

Resolution 8 – Approval to amend Constitution

Since the Constitution was adopted in 2012, there have been a number of developments in law and the Listing Rules, corporate governance principles, and general corporate and commercial practice for ASX-listed entities. The Board recommends that the Constitution be amended to take these developments into account.

A copy of the existing Constitution is available at <https://www.asx.com.au/asxpdf/20120518/pdf/426bxx1p4j60g3.pdf>.

A summary of the principal amendments to the Constitution are set out below. As it is a summary, it is not exhaustive. A copy of the marked-up version of the Constitution will be tabled at the Meeting and is available at <https://bnk.com.au/investor-centre/corporate-governance/>

For this Resolution to be passed as a special resolution, at least 75% of the votes cast by Shareholders entitled to vote must be in favour of the Resolution, in accordance with the Corporations Act.

Summary of Proposed Changes

a) Virtual Shareholder Meetings

Recent changes to the Corporations Act permit a company to hold a wholly virtual meeting where expressly permitted by the company's constitution, if shareholders as a whole are allowed a reasonable opportunity to participate in the meeting.

The Constitution already contemplates a general meeting being held at a physical location, or at two or more locations using technology to facilitate attendance by Shareholders online (a hybrid meeting).

If resolution 8 is approved, the amended Constitution will provide greater flexibility for the Company to hold fully virtual meetings with no physical location.

There are also some consequential amendments to provide clarity around procedural matters, including to ensure that online attendees are treated as being present at the meeting and are counted for the purposes of quorum.

b) Joint holders

The Constitution currently contemplates that the Company is not bound to register more than 3 persons as the registered holder of a Share.

ASX is proposing to replace the current Australian Clearing House Electronic Subregister System (**CHES**) with a new system contemplated to be known as the ASX Clearing and Settlement Platform (**CSP**).

In preparation for the CSP, ASX has recommended that listed companies change their constitutions to enable the registration of up to four joint holders, as will be permitted to be registered under CSP.

The amendments to the Constitution will provide flexibility so that the Company may register the maximum number of joint holders permitted under applicable laws and rules. This will ensure the Company can register the maximum number of joint holders upon the CSP becoming operative.

c) Restricted Securities

On 1 December 2019, a suite of Listing Rule changes came into effect, including changes to Listing Rule 15.12, which deals with restricted securities.

The Listing Rules require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow deed.

However, the changes to the Listing Rules now provide that ASX will permit the Company to issue restriction notices (in the form of Appendix 9C of the ASX Listing Rules) to certain less significant holders of securities (such as non-related parties and non-promoters), advising them of the restriction rather than requiring signed restriction deeds.

The proposed amendments to the Constitution reflect the provisions required to be included in the Constitution by Listing Rule 15.12.

The Company does not currently have any restricted securities on issue. However, the Board considers it prudent to take the opportunity to update the Constitution to comply with the new requirements so as to accommodate any potential circumstances in which restricted securities may be required to be issued in the future.

d) Closing date for Director nominations

On 19 December 2019, ASX amended Listing Rule 3.13.1 to provide that companies must release an announcement setting out the date of its meeting and the closing date for nominations at least 5 Business Days before the closing date for the receipt of such nominations.

The proposed amendments to the Constitution contemplate that the closing date period under the Constitution be reduced to at least 30 Business Days before the meeting (previously it was 35 Business Days) to allow



the Company to issue the notification closer to the notice of meeting which will reduce the risk of having to delay Shareholder meetings to comply with the Listing Rule requirement.

Board Recommendation – the Board recommends that shareholders vote **FOR** this resolution.

The Chair intends to vote undirected proxies **FOR** resolution 8.

Definitions

In the Notice and the Explanatory Notes:

words importing the singular include the plural.

\$ means Australian dollars.

10% Placement Facility means the facility provided for under Listing Rule 7.1A for the Company to issue additional Equity Securities up to 10% of its issued share capital through issues over a 12-month period following the date of the Meeting

AEDT means Eastern Standard Daylight Time, being the time in Sydney, NSW.

AWST means Western Standard Daylight Time, being the time in Perth, WA.

AGM and **Meeting** means the Company's annual general meeting the subject of the Notice.

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2022.

APRA means the Australian Prudential Regulatory Authority.

ASX means ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors of BNK.

Capital Reduction Record Date is defined in Resolution 7 of the Explanatory Notes.

Chair or **Chairperson** means the person appointed to chair the Meeting or any part of the Meeting.

Closely Related Party has the meaning given in section 9 of the Corporations Act.

Company or **BNK** means BNK Banking Corporation Limited ABN 63 087 651 849.

Constitution means the constitution of the Company..

Corporations Act means the *Corporations Act 2001 (Cth)*.

Director means a director of the Company and **Directors** means all of them.

Eligible Entity means an entity which is not included in the S&P ASX 300 index and has a market capitalisation less than \$300 million.

Equity Securities means a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Financial Report means the annual financial report (prepared under chapter 2M of the Corporations Act) of the Company

and its controlled entities for the financial year ended 30 June 2022.

Finsure means Finsure Holding Pty Ltd (ACN 165 350 345).

Key Management Personnel means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).

Listing Rules means the listing rules of ASX.

Notice means the notice of general meeting which these Explanatory Notes accompany.

Option means an Option to subscribe for a Share (including one issued pursuant to the Employee Incentive Plan).

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Share means a fully paid ordinary share in the capital of BNK



Shareholder means a holder of a Share.

VWAP means the volume weighted average price of a Share as defined in the Listing Rules.



Schedule 1 – Pro-forma Balance Sheet

Set out below is a pro-forma balance sheet based upon the Company’s audited consolidated balance sheet as at 30 June 2022 which shows the effect of the Company’s recent special dividend and the Proposed Capital Reduction on its financial position.

Balance Sheet (\$'000)	audited 30/06/2022	Dividend	Proforma	Capital Return	Proforma
Cash	407,141	-40,359	366,782	-19,000	347,782
Loans and advances	990,066		990,066		990,066
NPV Asset	21,032		21,032		21,032
Other assets	17,045		17,045		17,045
Total assets	1,435,284	-40,359	1,394,925	-19,000	1,375,925
Deposits	-964,589		-964,589		-964,589
NPV Liability	-7,453		-7,453		-7,453
Securitisation liability	-207,990		-207,990		-207,990
Tax liabilities	-19,251		-19,251		-19,251
Other liabilities	-45,625		-45,625		-45,625
Total liabilities	-1,244,908	0	-1,244,908	0	-1,244,908
Net assets	190,376	-40,359	150,017	-19,000	131,017
Share Capital	118,943		118,943	-19,000	99,943
Retained Earning	69,799	-40,359	29,440		29,440
Reserves	1,634		1,634		1,634
Total Capital	190,376	-40,359	150,017	-19,000	131,017

LODGE YOUR PROXY APPOINTMENT ONLINE

ONLINE PROXY APPOINTMENT
www.advancedshare.com.au/investor-login

MOBILE DEVICE PROXY APPOINTMENT
 Lodge your proxy by scanning the QR code below, and enter your registered postcode.
 It is a fast, convenient and a secure way to lodge your vote.

Important Note: The Company has determined that Shareholders will be able to attend and participate in the meeting through an online platform provided by Advanced Share Registry.

ANNUAL GENERAL MEETING PROXY FORM				
I/We being shareholder(s) of BNK Banking Corporation Limited and entitled to attend and vote hereby:				
STEP 1	APPOINT A PROXY			
	<input type="text"/> The Chairman of the Meeting	OR	<input type="text"/>	
	<p> PLEASE NOTE: If you leave the section blank, the Chairman of the Meeting will be your proxy.</p> <p>or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held at Dentons, Level 16, 77 Castlereagh Street Sydney and virtually on 2 November 2022 at 12:30 pm (AEDT) and at any adjournment or postponement of that Meeting.</p> <p>Chairman's voting intentions in relation to undirected proxies: The Chairman intends to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances, the Chairman may change his/her voting intentions on any Resolution. In the event this occurs, an ASX announcement will be made immediately disclosing the reasons for the change.</p> <p>Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though this resolution is connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chairman.</p>			
STEP 2	VOTING DIRECTIONS			
	Resolutions	For	Against	Abstain*
	1 Adoption of the remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2 Approval of Additional 10% Placement Capacity Under ASX Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	3 To re-elect Mr Jon Denovan as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	4 To re-elect Mr Don Koch as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	5 To re-elect Mr John Kolenda as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	6 To re-elect Mr Daniel Crennan as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	7 Reduction of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	8 Approval to amend Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.			
STEP 3	SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED			
	Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)	
	<input type="text"/>	<input type="text"/>	<input type="text"/>	
	Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director	
	This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).			
Email Address	<input type="text"/>			
<input type="checkbox"/>	Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.			

BNK BANKING CORPORATION LIMITED - ANNUAL GENERAL MEETING

The Company has determined that Shareholders will be able to attend and participate in the Meeting through an online platform provided by Advanced Share Registry. To facilitate such participation, voting on each Resolution will occur by a poll rather than a show of hands.

A live webcast and electronic voting via www.advancedshare.com.au/virtual-meeting will be offered to allow Shareholders to attend the Meeting and vote online.

Please refer to the Meeting ID and Shareholder ID on the proxy form to login to the website.

Shareholders may submit questions ahead of the Meeting via the portal.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chairman as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIRMAN OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chairman of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chairman) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolution 1, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolution 1.

PLEASE NOTE: If you appoint the Chairman as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chairman may vote as they see fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 12:30 pm (AEDT) on 31 October 2022, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033