2026

Impact Report

Bank Australia

Acknowledgement of Country

At Bank Australia we respectfully acknowledge the Traditional Owners of all the lands on which we live and work, and we pay our respects to Elders past and present. We recognise their continued connection to the land, waters and culture and we acknowledge sovereignty has never been ceded. We acknowledge the Wotjobaluk, Jaadwa, Jadawadjali, Wergaia and Jupagulk peoples of the Wotjobaluk Nations as the Traditional Owners and Custodians of the land where the Bank Australia conservation reserve is located. We work in collaboration with the Barengi Gadjin Land Council, which represents the Wotjobaluk Nations, in the stewardship of the reserve and thank them for their guidance and wisdom.

As a customer-owned bank, we believe banking can be a force for good and together we can have a positive impact on communities and the planet.

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Welcome

This impact report demonstrates how we've worked to achieve the best possible outcomes for our customers and remained true to our purpose during the 2026 financial year.

We report on the issues and activities that matter most to our customers, our employees, and other key stakeholders.

In this report, we aim to give you a clear picture of our performance and impact for the period 1 July 2025 to 30 June 2026. You'll find information and stories about:

- how we've supported our employees and customers
- how we've created positive impact for our communities
- our contribution towards a healthier planet
- our governance and financial performance.

This reporting period focuses on Bank Australia and Qudos Bank as one entity, Bank Australia Limited, following the merger of the two banks on 1 July 2025. Prior-year data points are for Bank Australia only, unless otherwise specified. The integration of Qudos Bank data from 2026 reflects the increase in scale of our operations and impact, and this data may not be directly comparable to prior years. In some cases Qudos Bank data is not available for comparison, which is noted in the relevant sections of this report.

If you have any thoughts or queries on this report that you'd like to share, please email us on mail@bankaust.com.au or call us on 132 888 (+61 3 9854 4666).

2026 in numbers[1]

Total assets

$21.4 billion

($12.3 billion in 2025)

Net profit after tax

$70.8 million

($36.8 million in 2025)

Impact assets

12.0%

$2.6 billion

(22.8%, $2.8 billion in 2025)[2]

Greenhouse gas emissions from residential mortgages

28.3 $kgCO_2e/m^2$

New emissions intensity baseline set

Our people

900

(610 in 2025)

Employer of Choice

8th year

in a row at the Australian Business Awards 2025

Our customers

338,715

(196,160 in 2025)

Customer satisfaction

80.0%

(91.3% in 2025)

1 2025 data refers to Bank Australia only.

2 In 2026 we refined our impact asset definitions to reflect emerging industry standards and leading practice. On this basis, impact assets were measured at $2.1 billion from 1 July 2025. The expansion of our total asset base following the merger with Qudos Bank resulted in impact assets representing 11.3% of total assets at 1 July 2025.

Message from Jennifer, our Chair, and Damien, our Managing Director

Welcome to our 2026 Impact Report. On behalf of the Bank Australia Limited Board and our whole team, thank you for being a valued customer and helping to shape the future of our bank.

We're pleased to share our 2026 Impact Report with you, a significant milestone as we celebrate our first year as a merged bank. Our impact report shares an overview of the work we've delivered on behalf of our customers over the past financial year. We hope you enjoy reading the report and it gives you a greater understanding of the ways we are delivering on our purpose and belief that banking can be a force for good, and how together we are having a positive impact on our customers, communities and the planet.

Celebrating one year as a merged bank

It's been a significant year of transition as we brought Bank Australia and Qudos Bank together as Bank Australia Limited. The merger of Qudos Bank and Bank Australia along with the acquisition of Australian Unity Bank has created a stronger, more resilient customer-owned bank – one that is positioned to deliver even greater positive impact for people and the planet.

During this period of transition, we've remained committed to delivering on our promise to bring together the best aspects of both brands to benefit our customers, focusing on profit with purpose, and balancing value for customers with the long-term sustainability and resilience of the merged bank.

We exist to serve our customers and are committed to using banking as a force for good while remaining proudly 100% customer owned. Our customers will benefit from the combined strength of the merged bank as we grow, and continue to focus on creating positive impact for people and the planet.

The past year has seen a significant effort from our employees, who continued to work hard to deliver value for our customers. As we reach the milestone of one year as a merged bank, we'd like to thank our executive team and all employees for their hard work to support the integration of the two banks.

Creating positive impact for people and the planet

As a customer-owned bank, we focus our efforts on the areas that matter to our customers. These include our impact priorities of climate action, nature and biodiversity, First Nations Recognition and Respect, and affordable and accessible housing. We create positive impact for people and the planet on behalf of our customers through our lending, impact fund and advocacy activity. Some of our activity this year included:

- awarding 14 organisations with a total of $300,000 in grants through our community customer grants program, an increase from $200,000 the previous year, helping to grow the impact of the recipient organisations and creating a meaningful difference for their communities
- launching our Impact Term Deposit to provide competitive savings rates for our customers and funding to support lending across specific environmental and social impact areas, including supporting projects to build green and energy-efficient homes, improve supply and access to affordable and accessible housing and supporting land conservation and restoration
- continuing to care for our 2,117 hectare conservation reserve in Western Victoria, demonstrating our commitment to climate action and nature and biodiversity
- providing a $15 million impact loan to the Nari Nari Tribal Council to assist in acquiring The Great Cumbung property for long-term conservation and cultural protection, aligning with our commitments to nature and biodiversity and First Nations Recognition and Respect
- continuing to support our customers in their home electrification journeys and re-introducing our Clean Energy Home Loan – Renovate to support customers in making green upgrades to their homes
- supporting the 'National Walk for Truth' from Parliament House in Melbourne on Wurundjeri Woi Wurrung Country to Parliament House, Canberra, on Ngunnawal Country, calling for truth-telling, healing and meaningful change
- collaborating with Parley for the Oceans for our new bank cards and employee volunteer beach clean-ups.

Building our customer base and celebrating award wins

Our customer base grew by 73% taking our total customers for Bank Australia Limited to 338,715. The growth included over 100,000 customers joining from Qudos Bank. We welcomed an additional 31,000 customers following the acquisition of Australian Unity Bank, with a further 22,000 customers joining Bank Australia Limited directly during the year.

We continue to see the strength of the Bank Australia brand resonate in the market, with our socially aware target market making up almost half (48.5%) of all new customers and over half (50.7%) of our total customer base. The slight decrease from 51.7% of the total customer base in 2025 may be due to changes in the composition of the customer base following the Australian Unity Bank acquisition and Qudos Bank merger, as well as marketing activities that focused on attracting customers looking for mortgage and investment products.

We were pleased to receive 2 awards from *Money* magazine, Customer-Owned Bank of the Year 2026 and Digital Bank of The Year 2026, reflecting our commitment to putting our customers at the centre of everything we do and providing the digital tools to meet our customers' banking needs.

As a customer-owned bank, we appreciate hearing from our customers about their experiences. Where required we have acted on this feedback to address any issues, aiming to ensure they do not continue to occur.

Photo: Murray Fredericks

Financial performance

This year we achieved strong financial results. Through our merger and acquisition activity during the past year, along with continued organic growth in line with budget, we achieved significant growth in both deposits and lending while integration costs incurred were lower than forecast.

Total asset growth for 2026 was 73%, taking total assets to more than $21 billion.

Following on from a year of good growth in 2025, we achieved stronger financial results this year with our net profit after tax at $70.8 million, above budget and an increase from $36.8[1] million in 2025. These results were driven by merger and acquisition activity, asset growth, lower than forecast integration costs and the receipt of a completion payment from the sale of shares in Data Action Pty Ltd and Indue Ltd in this financial year. Looking ahead to next year, we expect our profit to moderate as we deliver on more of our integration activity.

This year we continued to see cost of living and interest rate movements impact our customers, with increasing inflation in the second half of the year along with the Reserve Bank of Australia (RBA) delivering 3 rate increases across February, March and May. During this period, we focused on delivering hardship support to customers who needed it.

We competed well in the market, despite continued strong competition for customer home loans and deposits among peer banks, as they looked to attract new customers. Total growth in loans was 17.7%[2], above a budget of 14.8%, and growth in deposits was at 11.9%[3], below a budget of 14.7%, including organic growth and growth from acquisitions. Our customer owners' funds grew to $1,210 million, up from $778 million in 2025.

1 Bank Australia only.

2 Loan growth rate in comparison to Bank Australia and Qudos Bank in 2025.

3 Deposit growth rate in comparison to Bank Australia and Qudos Bank in 2025.

Protecting our customers from scams and fraud

We take our role in protecting our customers and their accounts from financial crime seriously. This year scams and fraud continued to impact Australians and remained a real challenge for the banking sector. Scammers are constantly evolving and using new technologies while still relying on familiar tactics.

This year we focused on bringing together the customer protection teams from both banks into a single team, strengthening our ability to monitor and prevent scams and enabling us to provide personalised support to customers who need it. We also continued to invest in scam awareness and education, aiming to keep our customers informed and alert to the latest trends and types of scams, along with investing in the latest technology and tools so they are better equipped to protect themselves and their money from fraud. We continue to deliver cybersecurity training for our teams, with 99.6% of employees completing cybersecurity training this year.

The merged bank remains a committed member of the Scam Safe Accord, and will be working to implement the Australian Government's new Scam Protection Framework throughout the new financial year.

Bank Australia Limited's Board and executive team

Our Board members and executive team continue to remain committed to delivering the best outcomes for our customers. The past year has seen us bring together a strong leadership team from both Qudos Bank and Bank Australia focused on creating a supportive and unified culture. We extend our thanks and gratitude to the Board and executive team for their leadership and significant contributions during our first year as a merged bank.

Looking forward to the year ahead

With a milestone year completed, our first as a merged bank and with strong financial results, we're incredibly proud of the journey we have been on. We look forward to a full and rewarding year ahead with many opportunities to continue delivering value for our customers and creating positive impact for people and the planet.

Some of our priorities for the year ahead include:

- progressing our proposed merger with P&N Group towards a customer vote in 2027. You can read more about the proposed merger with P&N Group on page 24
- ensuring a smooth integration of the Bank Australia and Qudos Bank core banking systems and supporting our customers through this change
- continuing to provide competitive products and pricing, and outstanding customer service
- hosting CEOs and other senior leaders from values-led banks located around the world for the 2027 Global Alliance for Banking on Values conference in Melbourne
- celebrating our 70th anniversary as a financial institution in 2027
- advancing our climate action, including our climate action strategy and working towards our new emissions reduction targets. You can read more about our climate action strategy on page 82
- growing our impact assets and exploring new impact lending opportunities
- continuing our focus on managing risks associated with cybersecurity and scam and fraud prevention, including ongoing technology investment, educating our customers and training employees to keep customers' money and data safe
- continuing to comply with all regulatory and compliance requirements.

Thank you for your ongoing support. We're grateful to have you with us as we continue to focus on banking as a force for good, and together having a positive impact on our customers, communities and the planet.

Jennifer Dalitz,
Chair

Damien Walsh,
Managing Director

1.

Our reporting approach

Our annual impact report

Our 2026 Impact Report showcases the work we delivered during the 2026 financial year (1 July 2025 to 30 June 2026). This report highlights how we're delivering on our promise to be a force for good, creating positive impact for our customers, communities and the planet, while providing a clear and transparent account of our progress over the year.

In this report, you'll find information on material issues and key activities that have shaped our impact on people and the planet.

As a customer-owned bank, our primary audience includes our customers, both personal and organisational, our people, members of the communities in which we operate, and external stakeholders. These stakeholders include our impact fund partners, investors, key business partners, government representatives, regulators, industry peers and other organisations within our sector.

This year we've published our first standalone 2026 Sustainability Report covering the mandatory climate-related disclosures required under the Corporations Act 2001. Our 2026 Sustainability Report has been prepared in accordance with AASB S2 Climate-related Disclosures, which is an Australian Sustainability Reporting Standard (ASRS) issued by the Australian Accounting Standards Board (AASB). We believe it's important to continue building our capability to meet evolving sustainability and climate reporting requirements, while also aligning with relevant components of the Global Reporting Initiative (GRI). A detailed GRI index is available in Appendix 10 of this report.

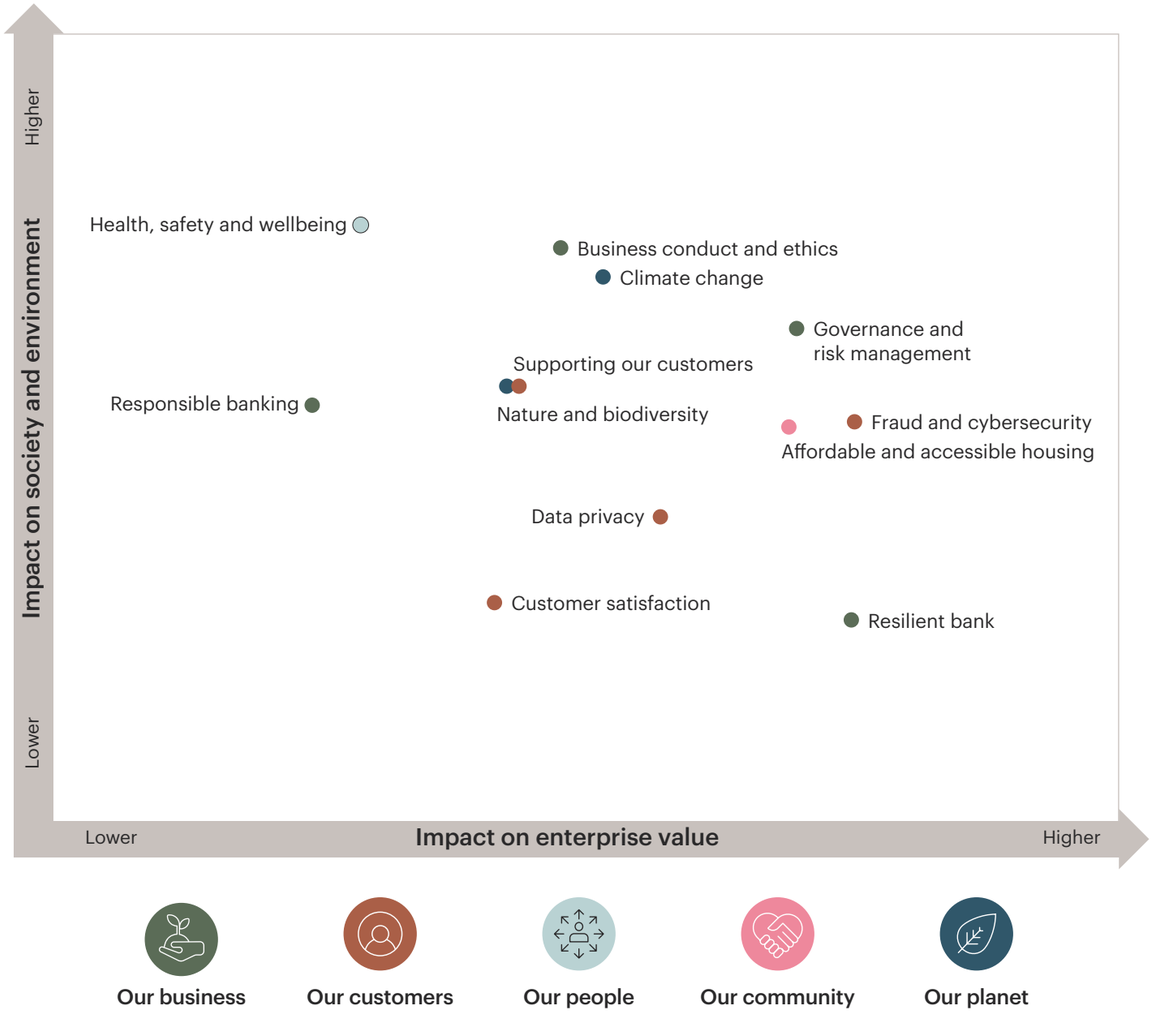
The report is about Bank Australia Limited and its controlled securitisation vehicles Buloke Funding Trust No. 1 and MEAA Funding Trust No. 1.

Our materiality process

Bank Australia conducts materiality assessments each year, in line with reporting best practice, to ensure our impact report focuses on the issues that matter most to our business, customers and other key stakeholders. These material issues can have positive or negative impacts on economic, environmental and social outcomes for our customers, stakeholders and broader society, as well as Bank Australia.

We adopt a double materiality approach to identify our most significant impacts on society and the environment, and the issues that have an impact on our business and our ability to create value in the short, medium and long term. Our double materiality approach includes 3 steps: identification of topics; analysis, evaluation and prioritisation of topics; and review, validation and disclosure of topics. Details on how each material topic is addressed in this report are provided in Appendix 1.

Using this process, we identified the following material topics:



Assurance

Every year we engage an independent auditor to review our impact report as part of our commitment to transparency. Involving an independent third party also improves confidence for our Board, leadership team, employees, customers and members of the public in the integrity of the disclosed information.

Bank Australia's external auditor, Ernst & Young (EY) has performed limited assurance over a selection of 6 non-financial disclosures in this impact report. Limited assurance is a common practice in reporting on sustainability and impact. A copy of EY's independent limited assurance report is in Appendix 8.

Reporting suite

We produce a suite of reports to provide transparent and meaningful disclosure to our key stakeholders across a range of topics, including:

- Annual impact reports
- Annual financial reports
- 2026 Sustainability Report
- Modern slavery statements
- Tax transparency reports
- Workplace Gender Equality Agency report

2.

Our business

Here's how it works

How we're set up

Bank Australia Limited (ACN 087 651 607) is a 100% customer-owned bank with each customer owning one share. We're a mutually-owned Authorised Deposit-taking Institution (ADI) and an unlisted public company.

How we operate

We are governed by a Board of Directors who are all based in Australia. Our day-to-day operations are led by an executive team and carried out by our 900 employees. We serve more than 338,000 customers, on whose behalf we manage $21.4 billion in assets (at 30 June 2026). We are primarily a retail bank, with a growing commercial lending portfolio. Our responsible banking policy guides how we lend and invest our customers' money and how we support social and environmental issues.

What we do

We accept deposits from and lend money to customers to help them achieve their goals. We offer depositors fair and competitive interest rates on their savings, and through our responsible banking policy we are clear on what we do and don't fund. We lend our borrowers money to buy homes and new electric vehicles, to make clean energy renovations, and for a range of other purposes. We currently have $17.1 billion in retail home loans that have helped thousands of customers buy their own homes or investment properties. Our impact asset portfolio includes $2.6 billion in assets that create positive impact for people and the planet.

What customer-owned banking means

Australian customer-owned or mutual banks evolved from the credit union movement and are guided by the 7 principles adopted by the International Cooperative Alliance.

Customer-owned banks exist to benefit their customers, not to deliver profits to external investors. As bank owners, our customers share in the value and prosperity that we create.

We create value for our customers through the impact we make, competitive rates and fees, and customer service improvements. We retain most of the profit we make as capital to ensure the bank remains strong and use a portion to create positive social and environmental impact through the Bank Australia impact fund.

As an owner of Bank Australia, each customer has an equal vote in the governance of their bank (see page 25), including electing Directors, approving total Director remuneration and any changes to the Bank Australia Constitution.

We listen to our customers through a range of mechanisms, such as the Annual General Meeting, complaints and compliments, social media, customer research and involvement in our communications and campaigns.

Our strategy, purpose and values

Our aspiration is to be Australia's leading purpose-driven bank. We do this by inspiring and empowering our customers to use their money to create a world where people and the planet thrive.

To achieve our winning aspiration:

- we need to be of sufficient size and scale to make a sustainable difference and have strong commercial foundations, people and technology to best serve our customers
- we will continue to focus on creating positive impact for our people and the planet.

Purpose statement

As a customer-owned bank, we believe banking can be used as a force for good and together we can have a positive impact on communities and the planet.

Priority impact areas

Our regular survey of customers indicates support for continuing to focus on climate action, nature and biodiversity, First Nations Recognition and Respect, and affordable and accessible housing.

Our strategy

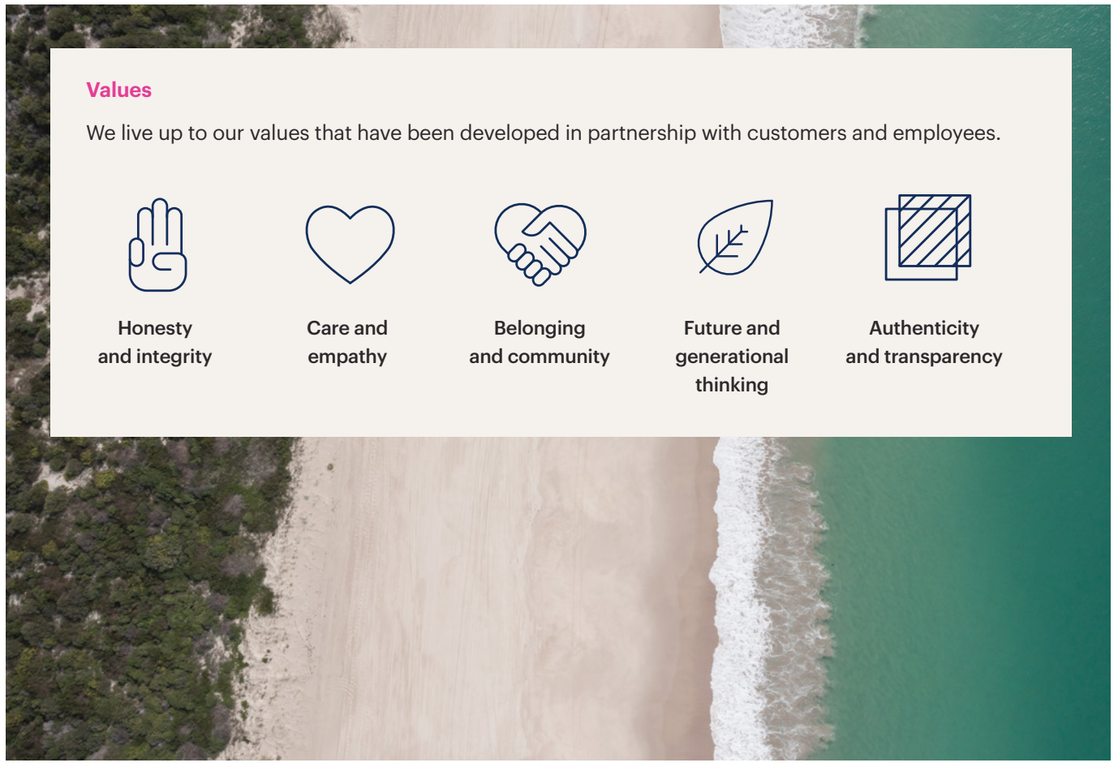
We believe that banking can be a force for good, and there is a significant and growing opportunity for us to champion responsible, values-based banking.

As a purpose-driven bank, we provide banking products and services for socially aware people and values-aligned organisations. We aim to create positive impact on behalf of our customers through the way we lend, invest and do business. We also support customers who fall outside our target market, including longstanding customers and those who join us because of a specific product, pricing, location, or other personal connection to Bank Australia.

We engage with our customers primarily through our digital channels, including our digital app and internet banking, supported by our network of specialist employees across our branches and contact centres, as well as third-party mortgage brokers.

We design our products and services to meet the needs of our customers at every stage of life. Our simple and competitively priced product range puts positive impact at the forefront, helping customers manage their money while using it as a force for good to create a world where people and the planet thrive.

In the 2027 financial year, we will focus on bringing our brand values and vision together under Bank Australia Limited.



Values

We live up to our values that have been developed in partnership with customers and employees.

- Honesty and integrity
- Care and empathy
- Belonging and community
- Future and generational thinking
- Authenticity and transparency

Our strategy is anchored in 4 key, interconnected themes that guide our decision-making:

Impact

We seek to have a positive impact in the areas that our customers care about, and avoid negative impact. We do this via our impact strategies across climate action, nature and biodiversity, First Nations Recognition and Respect, and affordable and accessible housing. We seek to avoid lending to harmful industries like fossil fuels or tobacco, in line with our responsible banking policy.

Customer centricity

Our customers are at the core of everything we do, and we exist to serve them. As a customer-owned bank, we must ensure that all our decisions are made with our customers front of mind. We're focused on continuing to deliver an exceptional customer experience.

Enabling technology

Our primary customer acquisition and service channels are digital-first, with specialised support through phone and branch channels. Our digital transformation is key to our winning strategy.

Resilience

To be able to deliver on our purpose, we have strong commercial foundations and organisational resilience. We are operating in an increasingly volatile environment and must ensure we are able to grow and thrive. We cannot deliver on our purpose or winning aspiration without being certain that we can continue to be commercially sustainable and resilient.

Our goals and key performance indicators

Measuring our progress

To achieve our purpose and measure our impact, we set performance measures that help inform the strategic decisions we make on behalf of our customers. These measures help us stay accountable, assess our progress, gather feedback and make adjustments where needed.

This year, we updated our goals to reflect the merged entity. The table below outlines our performance during the year.

Area	Key performance indicator	2026 target	2026 result	Status	Page reference
Customer	Customer satisfaction	>85%	80%	●	29
	% new customers from target market	>50%	48.5%	●	31
	Deliver on year 1 merger commitments	Achieved	Achieved	●	23
Impact	Impact assets as a % of total assets	Develop new baseline in 2026	12.0%	●	47
	Greenhouse gas emissions intensity of residential mortgages (measured in $kgCO_2e/m^2$)	Develop new baseline in 2026	28.3 $kgCO_2e/m^2$	●	84
Finance	Achieve key budget growth and sustainability metrics:				
	• Lending	Achieved	Achieved	●	21
	• Deposits	Achieved	Not achieved	●	
	• Capital adequacy ratio	Achieved	Achieved	●	
	• Profit	Achieved	Achieved	●	
	• Net interest margin	Achieved	Achieved	●	
	• Cost-to-income ratio	Achieved	Achieved	●	
	Manage the integration of Bank Australia, Qudos Bank and Australian Unity Bank within the allocated 2026 budget	Achieved	$10.9m below budget	●	21
Risk	Evidence of a strong risk culture and compliance with all material aspects of the risk appetite statement	Achieved	Achieved	●	25
	Meets all material legal, regulatory and prudential requirements	Achieved	Mostly achieved[1]	●	25
People	Staff engagement	Improve on existing score	2026 data not available	○	55
	Annualised continuing regrettable staff turnover	<18%	14.3%	●	56

● Achieved ● Not achieved ● Mostly achieved ○ Data not available

1 The bank met all material legal, regulatory, and prudential requirements. Two areas requiring continued uplift have management action plans in place and remediation oversight through internal governance forums.

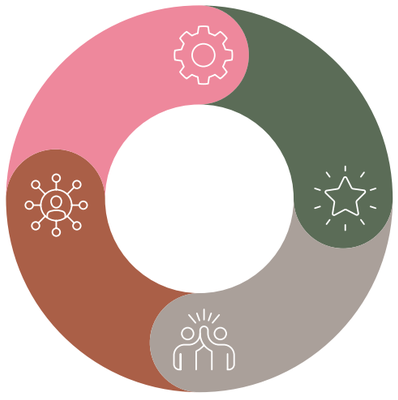
Looking ahead, the business will track objectives and key results (OKRs) across 4 themes as illustrated in the diagram below.

One bank, good bank

Operate as one integrated, efficient and resilient bank that consistently delivers quality at scale.

Customers at the core

Deliver unmistakably better customer experiences that build trust, loyalty and advocacy.



Force for good

Create measurable positive financial, social and environmental impact for our customers and communities.

Thriving people

Build a values-led, high-performance culture where people are engaged, capable and proud.

Our 2026 financials

Total assets

$21.4billion

($12.3 billion in 2025)

Loan growth

17.7%[1]

(6.3% in 2025)

Deposit growth

11.9%[2]

(6.6% in 2025)

Net profit after tax

$70.8million

($36.8 million in 2025)

Total impact assets

$2.6billion

($2.8 billion in 2025)

Customer owners' funds

$1,210million

($778 million in 2025)

Costs as a percentage of income[3]

71.1%

(71.9% in 2025)

Capital adequacy ratio (capital held against risk weighted assets)

16.0%

(16.7% in 2025)

Impact fund contribution

$2.8million

($1.5 million in 2025)

Loans 30 days or more in arrears as percentage of total loan portfolio

0.6%

(0.5% in 2025)

1 Loan growth rate in comparison to Bank Australia and Qudos Bank in 2025.
2 Deposit growth rate in comparison to Bank Australia and Qudos Bank in 2025.
3 Excludes integration costs.

Our financial performance

This year we achieved strong financial results while bringing together the two banks. Through our merger and acquisition activity during the past year, we had significant growth in our deposit and lending portfolios, while integration costs incurred were lower than forecast due to several integration activities moving into next year and beyond.

Including the merger with Qudos Bank, total asset growth for 2026 was 73%, taking total assets to more than $21 billion.

Following on from last year's good organic growth, we achieved strong financial results this year with our net profit after tax at $70.8 million, above budget and a significant increase from $36.8 million in 2025. These results were driven by merger and acquisition activity, growth in assets and revenue, lower than forecast integration costs and one off items such as receipt of completion payments from the sale of Data Action Pty Ltd shares in 2025, and the sale of Indue Ltd shares this year.

As a result of the merger with Qudos Bank in July 2025, over 100,000 customers joined Bank Australia Limited. We welcomed an additional 31,000 customers following the acquisition of Australian Unity Bank in November 2025, with a further 22,000 customers joining Bank Australia Limited during the year, taking our total customers to 338,715. We continue to attract almost half of all new customers from our socially aware target market, representing 48.5% of new customers this year.

This year we continued to see cost of living and interest rate movements affect our customers, with increasing inflation in the second half of the year along with the Reserve Bank of Australia (RBA) delivering 3 rate increases across February, March and May.

We also continue to see strong competition for customer home loans and deposits among the sector as banks look to attract new customers. Growth in loans was 17.7%[1], above a budget of 14.8%, and growth in deposits was at 11.9%[2], below a budget of 14.7%. Our customer owners' funds grew to $1,210 million, up from $778 million in 2025.

The cost-to-income ratio was 71.1%[3] below budget of 83.2%. Core operating expenses were $272.6 million, below budget of $305.2 million due to lower than expected expenses and a number of merger integration activities shifting into the coming 2 financial years.

We contributed $2.8 million (4%) of net profit after tax to our impact fund which funds projects, partners and programs in support of people and the planet, including the management of our conservation reserve. You can read more about our impact fund on page 69.

Looking ahead to next year, we expect our profit to moderate as we accelerate our integration activity in 2027. We look forward to delivering greater value and continuing to increase our investment in technology and service improvements for our customers.

1 Loan growth rate in comparison to Bank Australia and Qudos Bank in 2025.

2 Deposit growth rate in comparison to Bank Australia and Qudos Bank in 2025.

3 Excludes integration costs.

In 2026 we achieved strong financial results

$70.8 million

net profit after tax.

53,897

new customers joined our bank in 2026.

Our customer owners' funds grew to

$1,210 million

up from $778 million in 2025.

Merger and acquisition activity

Growing as Bank Australia Limited

1 July 2025 was an exciting milestone in our story, as Bank Australia and Qudos Bank joined together for the first day of operations as one entity. Together, we are one of the largest customer-owned banks in the country, supporting over 338,000 customers with more than $21 billion in assets, served by 900 employees.

Our merger was built on a foundation of shared values, and a commitment to people and planet. As one, we've created a stronger, more sustainable bank that puts customers at the centre of everything we do.

Since day 1 of the Bank Australia Limited merged entity we provided our customers with:

Greater value and access – expanded services, an enhanced digital experience, and a broader customer service network.

Reduced fees – our customers have benefited from reduced fees and charges across a range of products and services.

Stronger impact – our combined strength means greater investment in the areas our customers care about – including climate action, community initiatives, and responsible banking.

A future-focused approach – we're working hard to build a bank that's not just a bigger bank, but a better bank – for you and for the future.

Welcoming Australian Unity Bank customers

In November, Bank Australia acquired Australian Unity's banking business. The acquisition included existing loans, credit cards and deposit accounts, which totalled approximately $1.4 billion in loans and credit, and $1.6 billion in deposits as at 30 June 2025.

We supported the successful transition of around 31,000 customers, giving them access to our larger customer service network, enhanced digital banking capabilities, and the benefits that come with greater scale.

The acquisition also created employment opportunities for 15 Australian Unity employees, with most joining Bank Australia in customer-facing roles.

Exploring a merger with P&N Group to create a customer-owned bank with coast-to-coast nationwide reach

Bank Australia and P&N Group have chosen to explore a merger to create a truly national customer-owned bank with a strong and differentiated purpose under the Bank Australia brand. In May 2026 we entered due diligence with P&N Group to assess whether to proceed with a merger and seek regulatory and customer approval.

The merged bank would have combined assets in excess of $30 billion with approximately 530,000 customers, supported by around 1,500 employees creating a customer-owned bank with coast-to-coast nationwide reach.

The proposed merger aims to create a stronger, more resilient and sustainable bank with a national footprint that can deliver more for our customers, and manage the increasing regulatory and other costs faced by smaller banks. The merged entity will maintain the public commitments of Bank Australia, and will be able to create even greater positive impact for our communities and the planet through our larger scale, ability to invest more in impact projects and partnerships, and our commercial impact lending business.

Customers will benefit from greater investment in competitive products, enhanced digital banking, scam and fraud protection and cybersecurity. The merged bank will have a larger, 100% Australian-based contact centre with expanded hours and national reach.

Governance and risk management

Good corporate governance and sound risk management practices are a fundamental part of our culture and our business. We are a mutual entity in accordance with section 51M of the Corporations Act 2001, a public unlisted company limited by shares, an Australian Prudential Regulation Authority (APRA) regulated authorised deposit-taking institution and governed by a Board of Directors.

The Board is accountable to our customers who own Bank Australia. Customers elect the majority of non-executive Directors to the Board and vote on issues at our Annual General Meeting. Additional information about our governance structure, aspects of our corporate governance framework and risk management practices are provided in Appendix 2.

Risk management is a critical element of our corporate governance. Risks arising from our operations are monitored and managed through our risk management framework. Our risk management framework enables the Board, executive team and our people to consider risk in decision making supporting the achievement of our goals and the delivery of our strategy.

The Board of Directors has overall responsibility for establishing and overseeing our risk management framework and has a Risk Committee, which provides an objective oversight of the implementation and ongoing operations of the risk management framework. The risk management framework is underpinned by our risk management policy, the risk appetite statement and risk management strategy.

The Risk Committee monitors risk performance by using a series of key risk indicators (KRIs) that establish risk tolerance levels across each risk category. KRIs nearing or breaching tolerance levels are reported to the Risk Committee by management who provide context and remediation plans to ensure KRIs, and associated risks, are managed by our governance structure.

Strategic risk category	Strategic risk	Credit risk	Financial risk	Governance risk	Non-financial risk	Technology risk
Risk event category	• Reputation • Purpose • Business planning • Sustainable growth • Climate	• Large or concentration exposures • Loan default • Commercial loan default • Liquid investment default	• Liquidity • Capital • Market • Financial governance	• Corporate governance • Regulation and legislation • Risk management • Culture	• Business disruption • Physical asset damage • Processing, execution and delivery • Products, services and disclosure • Employment practices and workplace safety • Financial crime	• Project management • Information security • Data • Artificial intelligence

Information about our risk management framework, material risks and risk governance structure are provided in our 2026 Financial Report, section '15. Risk Management'.

3.

Our customers

Coming together with purpose

The merger of Qudos Bank and Bank Australia, along with the acquisition of Australian Unity Bank, has created a stronger, more resilient customer-owned bank – one that can deliver even greater positive impact for people and the planet.

Delivering on our commitment to customers

This year, we focused on building a better bank that delivers greater customer benefit and impact at an increased scale. Our increased scale enables greater investment in our digital experience, customer service, cybersecurity, scam and fraud support, as well as technology and other tools that help our employees better serve our customers.

Our customers are at the core of everything we do. We've expanded our contact centre teams across our Collingwood, Mascot, Traralgon and West End sites to support better customer experience. In April, we introduced post-call customer surveys, achieving an average score of 9 out of 10 with a high 40% completion rate, demonstrating our commitment to caring for customers in every interaction.

We have integrated the Genesys Cloud telephony platforms across Bank Australia and Qudos Bank to simplify our internal technology ahead of the core banking system integration planned for next year. Please see page 67 for more information about our post-call customer surveys and how we're using technology to support our customers.

Bank Australia contact centres experienced a brief increase in wait times in November and December 2025 during the onboarding of Australian Unity Bank customers. This led to an overall average wait time of 7 minutes and 51 seconds during the year. We've worked hard since then and brought our average time to answer calls consistently back under 5 minutes. We also took actions to strengthen our employee value proposition and our recruitment approach which were key to improving our call wait times.

Following the merger, we launched a 3-year adaptive culture program across our contact centre to better enable our people through change and position us for future growth. Co-designed by employees across 5 sites, the program focuses on fostering an adaptive, resilient and positive mindset. Early outcomes have been encouraging, including reduced absenteeism, ongoing capability uplift, and the successful delivery of initiatives to enhance both customer and employee experience.

We have seen an increase in customer email requests, including following the acquisition of Australian Unity Bank. In response, we expanded capability in our branch network to deliver responses to enquiries quickly and with care. This has helped us respond to customer emails on average within 2.5 days. Excluding the peak period associated with the Australian Unity Bank transition, the average response time was 1.5 days.

We also piloted an appointment booking service that allows customers to connect directly with a lending specialist to more efficiently discuss their loan application process.

Customers will continue to benefit from the integrated strength of our teams following the merger. We exist to serve our customers and are committed to using banking as a force for good while remaining proudly 100% customer owned.

Case study

How the Australian Government's Help to Buy Scheme helped Jasper buy his first home

For many young Australians, the path to home ownership can feel out of reach. But for Jasper, a 23-year-old Bank Australia customer, the Australian Government Help to Buy Scheme helped him purchase his dream home in North Melbourne, Naarm.

Jasper has been a Bank Australia customer his entire life. His grandmother worked at the bank and opened an account for him at birth.

As a first-home buyer, he found many apartments were out of his price range.

Jasper discovered the Australian Government Help to Buy Scheme through Bank Australia's participation in the (now retired) Victorian Homebuyer Fund, which was offered through Bank Australia, and signed up on the day it launched.

"It opened doors that otherwise weren't an option for me. In particular, it lowered my mortgage repayments and also expanded my borrowing power, so I could actually buy something. Essentially more with less," said Jasper.

Help to Buy is an Australian Government shared equity scheme that supports eligible Australians to purchase a home. Under the Scheme, eligible buyers can purchase or build a home with as little as a 2% deposit and receive a government contribution of up to 40% for a new home or up to 30% for an existing home. The minimum government contribution is 5%.

With the support of the Scheme, Jasper was able to purchase his dream apartment.

"On the day I was inspecting a lot of properties in North Melbourne, I actually had three inspections on that day... And then I came across this one, I just knew from the moment I walked in. My mum told me, 'You're there, this is the one,'" said Jasper.

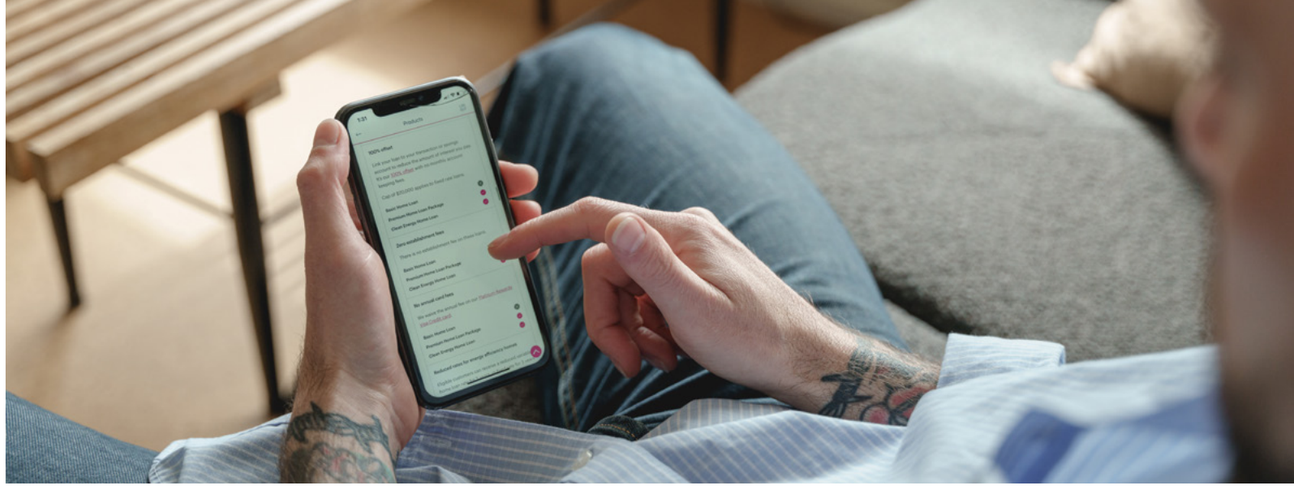
The two-bedroom, two-bathroom apartment is centrally located beside a tram line, making it easy for friends to visit and providing quick access to everything North Melbourne has to offer. The building also features a rooftop overlooking the city skyline and a shared vegetable garden.

Jasper worked directly with Bank Australia and was supported by our friendly lending team throughout the entire application process.

"I've been with Bank Australia for a long time, and I think they're just so incredible at everything they do, the support from the employees, but also the ease of their service."

Now Jasper is focused on making the apartment his own, filling it with unique salvaged and second-hand furniture.

Bank Australia has proudly supported over 400 customers purchase a home with the Help to Buy Scheme since it launched in December 2025. By participating in shared equity schemes like Help to Buy, we are making an important contribution to the accessibility of home ownership for first homebuyers and low- and middle-income earners.



Customer rates and fees

We offer fair and competitive interest rates and fees for our customers. As a customer-owned bank, we focus on profit with purpose, balancing value for customers with long-term sustainability. Our approach to pricing helps ensure our overall product offering remains competitive across the banking sector.

On day 1 of the merged bank, we delivered on our merger promise to adopt the lowest fees from each brand, ensuring customers from both brands are better off overall. For example, we removed home loan establishment fees for new basic/no-frills and low-cost home loans and existing mortgages and removed the staff-assisted withdrawal fee for savings accounts.

As we continue to integrate our systems, customers will gain access to a broader range of products and services as a direct result of the merger.

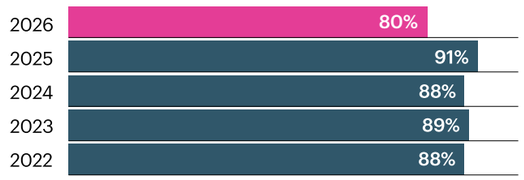
This year our focus has been on supporting customers to save by offering competitive savings and term deposit rates. We remain focused on balancing the needs of both borrowers and savers to ensure our bank stays financially strong and resilient for the future.

Customer satisfaction

In 2026 customer satisfaction[1] declined from 91.3% to 80.0%, driven by 3 key factors. Two were primarily related to customer experience, namely call wait times and digital experience (app and website). The third was driven by external market conditions, particularly interest rates and perceptions of value.

Despite the decline in satisfaction, customers' willingness to recommend Bank Australia increased. Half of our customers (50%) were classified as 'promoters', rating their likelihood to recommend Bank Australia to family, friends or colleagues as 9 or 10 (out of 10), up from 45% in 2025.

Customer satisfaction



The primary drivers of recommendation were Bank Australia's ethical banking approach and the quality of its customer service. As a customer-owned bank, we take customer satisfaction seriously and it is a top priority. We are taking action to address these 3 key areas, as well as listening carefully to customer feedback and making improvements to ensure we deliver the best possible customer experience.

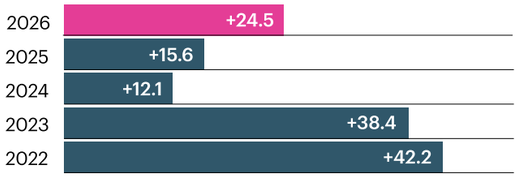
Through Product Review, the consumer-led online platform, we gain insight into our customers' experiences, and in 2026 our Product Review score remained strong for both brands at 4.7 and 4.8 out of 5 for Bank Australia and Qudos Bank respectively. These scores are among the best-performing financial institutions actively reviewed on the site.

1 Customer satisfaction and Net Promoter Scores were determined based on a survey of Bank Australia and Qudos Bank customers, with the help of a third-party research agency.

Net Promoter Score

Our Net Promoter Score (NPS) is calculated annually based on a survey of Bank Australia and Qudos Bank customers, with the help of a third-party research agency. Our NPS result has increased to +24.5 in 2026, from +15.6 in 2025. This score indicates the likelihood of our customers recommending us to their friends and family.

Net Promoter Score



We also look to other research such as Roy Morgan's 2026 Single Source survey where they calculate the NPS for a range of organisations using their methodology. Roy Morgan's benchmarks show the average score for the major banks was –1.3 compared with +46.4 for Bank Australia.

Roy Morgan and the third-party research agency used by Bank Australia Limited use different sampling approaches when measuring NPS. Bank Australia Limited's results are based on surveys of Bank Australia and Qudos Bank customers, while Roy Morgan surveys a broader consumer panel. As a result, scores provide a useful directional view but are not directly comparable on a like-for-like basis.

Award wins in 2026

Bank Australia was named Customer-Owned Bank of the Year 2026 and Digital Bank of the Year 2026 by *Money* magazine. These awards recognise outstanding performers in the personal banking sector. These awards were part of *Money* magazine's Consumer Finance Awards, which were reader voted. Reader-voted categories were determined through a national survey conducted by Rainmaker Information and *Money*, with Australians rating providers on products and features, customer service and digital experience.

The awards recognise our commitment to supporting customers at every life stage, delivering a high-quality banking experience across digital and in person channels, and creating positive impact for people and the planet.

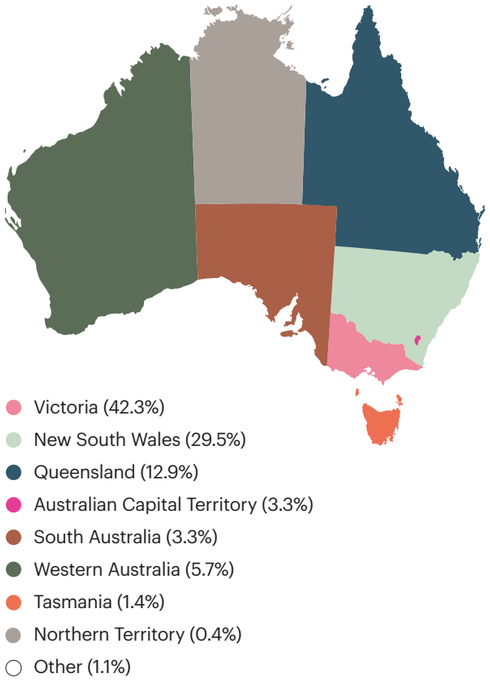
As a growing bank, we continue to invest in enhancing our digital experience, including our mobile app, online banking, digital home loan application, account opening and onboarding, including leading biometric security features and digital self-service functions. At the same time, we continue to provide high quality service for customers who prefer to bank in person at our branches or over the phone. We also celebrated being named in Forbes World's Best Banks list again in 2026.

Growing the Bank Australia community

This year our combined customer base grew across both brands, including welcoming customers from Australian Unity Bank, bringing our total to 338,715 customers Australia-wide. As a result of the merger our customer locations have diversified across the east coast, with customers mainly located in Victoria (42%) and New South Wales (29%). We are pleased to maintain a 95% customer retention rate this year.

We remain committed to our customers' wellbeing, staying customer owned and creating positive impact for people and the planet. This has helped us continue to attract customers from our primary socially aware target market, with 48.5% of new customers coming from this segment and 50.7% of our total customer base aligned to this target market.

Customer locations, 2026



Protecting our customers from scams and fraud

In 2026, scams and fraud continued to impact Australians and remained a real challenge for the entire banking sector. Scammers are constantly evolving their methods and using new technologies while still relying on familiar tactics like phone calls, SMS and phishing scams. More complex scams are on the rise, including fake investment websites, online impersonation and hacking of businesses' email chains. In response, the banking sector, government and regulators are working closely together to strengthen scam prevention and improve detection to better protect customers.

This year, we brought together the customer protection teams from both banks, strengthening our ability to monitor and prevent scams and provide personalised support to customers who were affected. We continue to invest in the latest technology and in scam awareness and education, recognising these as key actions we can take to help customers stay safe. Our team actively alerts customers to emerging scams through web alerts, social media, email, internet banking and app notifications.

There were 1,465 reported scams this year, up from 881 cases in 2025. This in part reflects our larger customer base following the merger. We've also seen an increase in prevalence and sophistication of scams and fraud. Phishing and impersonation scams remained the most common scam affecting customers (increased 39% year-on-year). There were 2,531 card fraud incidents reported, below the 2,704 from 2025, reflecting our enhanced fraud prevention controls.

We are a member of the Scam Safe Accord, established in 2023 by the Australian Banking Association (ABA) and the Customer Owned Banking Association (COBA). The Accord includes 6 priority initiatives designed to make banking safer for Australians and put added pressure on scammers. These include Confirmation of Payee (COP) before payments are processed, introducing stronger warnings and deliberate delays for higher risk transactions, improving intelligence and data sharing across the sector and increasing the types of alert and our quick responsiveness to new fraud and scam threats.

We continue to provide regular updates on common and emerging scams across our channels, including via internet banking, eStatements, social media and mobile apps.

In the year ahead we plan to:

- continue to fine tune our monitoring tools across more systems to strengthen scam detection and response, including identifying unusual activity and non-human interactions
- adhere to the Scam Safe Accord requirements, continuously improving safety measures for customers
- further train our frontline teams to detect and respond to scam and fraud activity
- continue action to fully align with the Australian Treasury's new Scam Protection Framework
- maintain proactive fraud awareness communications through targeted education for customers and employees.

Scams and fraud affecting customers

The number of scam and fraud cases increased, as our customer base grew through the merger with Qudos Bank, the acquisition of Australian Unity Bank, and organic growth. Scam and fraud cases decreased as a percentage of customers: 1.5% in 2026 down from 2.2% in 2025 (a decrease of 32%).

Scams

1,465
(up 66% from 881)

$2.72[1] million
(up 65% from $1.65 million)

Card fraud

2,531
(down 6% from 2,704)

$932[1] thousand
(up 3% from $903 thousand)

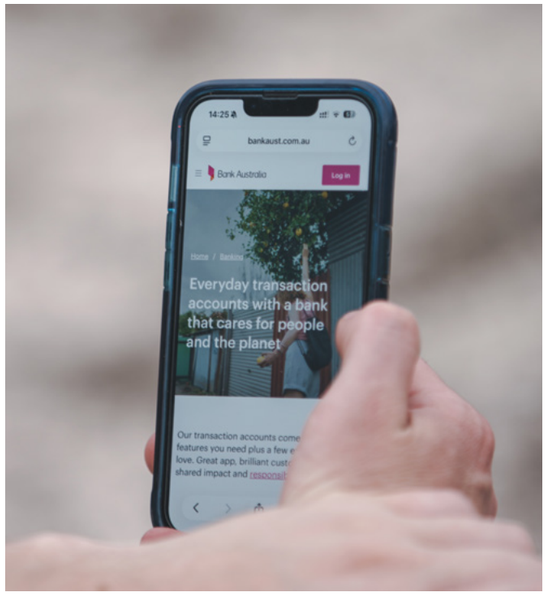
Digital fraud

1,082
(up 45% from 747)

$2.14[1] million
(up 86% from $1.15 million)

Our customers' data privacy

We are committed to protecting the personal information and data of our customers, including financial information, by keeping this data secure and confidential. Our customers trust us to collect, use, disclose, store and manage their information responsibly and in accordance with applicable privacy laws and industry standards. We comply with the Credit Reporting Privacy Code, Banking Code of Practice, Customer Owned Banking Code of Practice, Privacy Act 1998 (Cth), and the Australian Privacy Principles (APPs) when we collect, hold, and manage personal information. We have a clearly expressed and up-to-date Privacy Policy, together with supporting policies and procedures, designed to safeguard personal information and confidentiality. We will continue to inform, alert, and educate our customers about the ongoing risks of data privacy and protection and help them to identify fraudulent behaviour.



1 The value is the reported loss. In some cases the bank is able to recover some of the value.

Case study

How our contact centre helped our customer to avoid losing money to an email scam

Scams are more common than ever globally and can take place through multiple channels. This is why we provide our frontline teams with ongoing training to help them recognise the warning signs when a customer may be at risk of being scammed. This enables our team to ask the right questions at the right time, often preventing customers from losing money before it's too late.

In one incident, a customer called our contact centre to transfer a large sum of money to a travel agent for an overseas holiday. The customer felt confident about the transfer, as they had used the travel agency before and had received an official-looking email with the correct logo and itinerary.

During the call, contact centre team member Joiscy followed standard fraud prevention checks, asking questions such as, "Have you verbally confirmed the account details?" and, "Have you confirmed the BSB and account number specifically for this payment?"

Joiscy noted that the customer had not verbally confirmed the bank details for this transaction, and she noticed another red flag, the emails from the travel agency were urging the customer to transfer the money immediately, creating a sense of stress and pressure to act quickly.

Understanding that email chains can be compromised and invoices altered without obvious signs, Joiscy asked the customer to contact the travel agency directly using a trusted phone number or to visit in person to confirm the bank details. Joiscy also offered to stay on the phone while the customer confirmed this information.

By pausing the transaction and making sure that the customer confirmed the account details, it was discovered that the email thread had been compromised and the details on the invoice had been changed by scammers.

"If that transfer had gone through, the money could have disappeared through multiple accounts within minutes, and we may not have been able to recover it," Joiscy said. "These scams are common in industries where businesses regularly share bank details by email such as travel, trades and property."

"Urgency is one of the biggest warning signs for all scams," said our Manager – Customer Protection, Yvette. "If someone is pushing you to pay immediately, that's your sign to slow down. One of the main things I tell customers is to always verbally confirm account details before transferring any money."

Thanks to Joiscy taking the time to slow things down and ask the right questions, the scam was stopped and the customer avoided any financial loss.

Bank Australia remains committed to monitoring scam activity and educating customers on how to stay safe.

We're committed to offering our customers the best of both banks and responsible products

We know that our customers expect to be supported by everyday banking products. That's why, since the merger, customers of both brands have benefited from more branches, a wider range of products and services, lower fees and charges, and greater access to more responsible products.

Our team has worked hard to harmonise our product range to deliver consistent benefits, including aligning our deposit and loan offerings.

Our responsible products and features include:

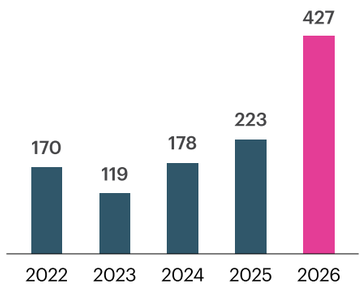
- a Parental Pause to provide new parents with the option to pause their home loan repayments for 3 months, and an Eco Pause to give home loan customers the option to redirect funds for environmental home upgrades
- a Clean Energy Home Loan – Renovate or New Build
- reduced rates on loans for customers purchasing electric vehicles
- investing money into impact assets and other loans in a responsible way
- access to government guarantee and shared equity schemes supporting customers to enter the housing market.

Supporting our customers in financial hardship

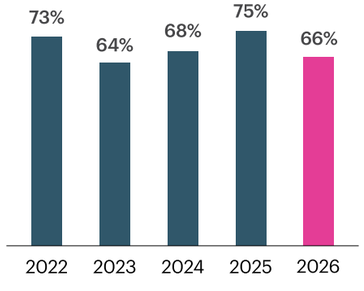
Responsible lending means making sure our customers can afford their loans without experiencing financial stress. At the same time, we recognise that circumstances can change. Supporting customers through vulnerability and financial difficulty is a priority, which is why we provide formalised and empathetic financial hardship assistance.

In 2026 our dedicated, specialist hardship team supported customers experiencing financial hardship with assistance on 427 loan accounts, up from 223 accounts in the previous year. This increase was due to the merging of the two banks' loan portfolios, a challenging economic environment and customers showing a greater awareness of the hardship support we can provide. Our assistance included options such as loan repayment pauses, temporary adjusted repayment amounts or loan restructure variations.

Loans granted financial hardship assistance



Customer satisfaction with overall financial situation[1]



1 Customer satisfaction with overall financial situation was determined based on a survey of Bank Australia and Qudos Bank customers, with the help of a third-party research agency.

Common causes of hardship included unemployment and broader cost of living pressures. The assistance we provided during these times included reduced repayments, loan term extensions and arrears capitalisation.

We streamlined our approach to customer hardship across the two brands to ensure all customers were able to access and receive the support they needed. We continued to provide specialised training for our team on how to assist customers experiencing vulnerability and hardship, including connecting our customers with external resources via our third-party referral program with Uniting Victoria and Tasmania. We actively adhere to the best practice approach recommended by ASIC. Our financial support team assisted customers with 71 loan restructures for $25.5 million in loans this year.

In 2026 loan arrears greater than 30 days remained very low but increased to 0.6% of all loans (from 0.5% in 2025). Besides the increase driven by the addition of Qudos Bank and Australian Unity Bank customers, the increasing arrears were driven by more customers entering and remaining longer in hardship.

Another key focus this year was reviewing and fine-tuning our end-to-end hardship management process for the merged bank. Our hardships and customer marketing teams are working closely together to automate and personalise tasks through our customer relationship management platform.

This is Bank Australia's second year taking part in the Respect & Protect program, which encourages businesses to update their terms and conditions to support customers who may experience financial abuse, a form of domestic violence that affects 1 in 6 Australian women[1]. We support customers experiencing possible financial or domestic abuse with a range of services, including specialised teams with the appropriate training and a dedicated external referral support partner.

Looking ahead to 2027, our focus will continue to be refining our approach to ensure that all customers can receive the assistance and support they might need. We will continue to consider any other ways we can best support our customers and provide specialised training to our employees.

1 Respect and Protect, available at respectandprotect.au

Hearing from our customers

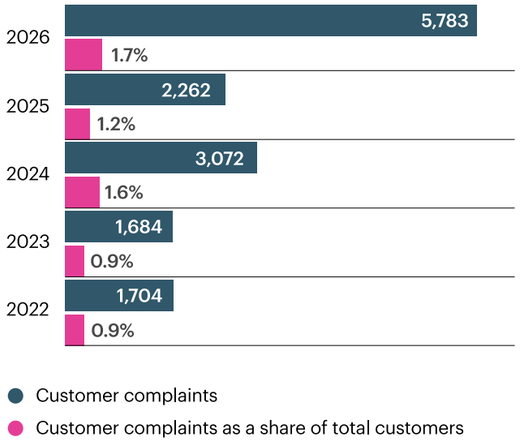
As a customer-owned bank, we understand how important it is to have accessible and streamlined complaints and feedback processes that allow our customers to be heard. We know that listening and responding to concerns and complaints helps improve the products and services we offer.

Our total customer complaints as a percentage of customers continued to be quite low at 1.7%, but were up from 1.2% in 2025. The total number of complaints increased to 5,783 (up from 2,262 in 2025). Some increase in customer complaints was expected due to our larger customer base following the merger with Qudos Bank and the acquisition of Australian Unity Bank. The main reported complaints were issues that related to service, business decisions and transactions. A smaller number of complaints included tax reporting, refreshing customer identity through Know Your Customer (KYC) legislation and the ongoing protection and prevention of fraud efforts. We will continue to work hard to minimise the impact of these requirements on customers while ensuring we meet our regulatory obligations and continue to protect our customers' security.

We resolved complaints efficiently and fairly, with 67% of overall complaints resolved through an apology and explanation. In addition, 71% of complaints were acknowledged within 1 day and 86% of complaints were resolved within 5 days. The number of complaints referred by customers to the Australian Financial Complaints Authority (AFCA) increased from 102 to 191. However, AFCA complaints represented only 3.3% of total complaints, down from 4.5% in 2025. In addition, 57% of AFCA complaints were resolved at the referral stage, demonstrating our ability to resolve concerns before they progress to case management.

Approximately 23% of AFCA complaints related to transactions, reflecting increased scam and fraud activity during the year, while 20% related to customer service.

Customer complaints



Hardship-related complaints accounted for just 1.2% of total complaints. Given the continued financial pressures facing many Australians, this reflects our commitment to supporting customers with empathy and providing effective hardship assistance when it is needed.

This year we have actively supported customers through our complaint management procedures and escalation pathways, providing an efficient, fair and consistent complaint handling process across the organisation. Next year, we will continue to care for and support our customers.

How our customers choose to bank with us

Digital banking services through both brands continue to be customers' preferred way of banking. This includes the use of our digital home loan application, banking apps, internet banking, digital wallet and PayID. Around 55% of our customers used our digital banking services via their smartphone this year.

Bringing together our digital channels and expanding our branch network

During the year we introduced new features to our banking app to make everyday banking simpler and more convenient. These improvements delivered on commitments made as part of the merger with Qudos Bank, and we were recognised as *Money* magazine's Digital Bank of the Year 2026. This award demonstrates our commitment to strengthening our digital banking offering so our customers can choose the way they bank with us. We know that having a strong customer service presence through our contact centre team is critical for supporting customers and resolving issues. Bank Australia proudly operates 100% Australian-based contact centre and lending teams, now across Sydney, Melbourne, Brisbane, Canberra, Bendigo and the Latrobe Valley. Branches and ATMs continue to play an important role in how some customers choose to bank and connect with us. Following the merger, we now operate 15 branch locations across Victoria, New South Wales, Queensland and the ACT.

In addition, we relocated our Bank Australia Melbourne CBD branch to 365 Collins Street. This new location has been carefully designed to enhance both our customer and employee experience, offering a bright, welcoming space that reflects Bank Australia's values. This is the first time we have measured the environmental impact of a branch fit out, including the carbon emissions of materials used. The results show that our new Collins Street branch has a lower emissions intensity than the average bank branch fit-out. This was measured by an independent engineering consultancy and benchmarked against a similar branch fit-out completed by another bank.

The Melbourne CBD branch now also has a smart ATM, allowing customers to self-serve for all their cash needs. This year, we also refreshed our Traralgon branch, giving the space a brighter, more welcoming look for our employees and customers. The upgrade included the installation of a smart ATM, providing customers with greater convenience and access to cash services.

As part of the merger, Bank Australia customers have also gained access to expanded services through Bank@Post services, including cash withdrawals through 3,300 Australia Post outlets across the country.

Customers using our mobile app

55%

(64% in 2025)

Customers using digital wallet[1]

78,860

(68,677 in 2025)[1]

Customers using PayID[1]

69,717

(59,217 in 2025)[1]

ATM withdrawals

1.28 million

(857,610 in 2025)

In-branch transactions

86,564

(81,000 in 2025)

1 Bank Australia only.

Partnerships

In September 2025, we introduced our new bank card. Our card body is made from 100% recycled plastic[1], with 64% collected from coastal communities by Parley for the Oceans™.

This reflects our commitment to protecting nature and biodiversity by taking a small, practical step in the right direction for our oceans in line with our customers' values.

Our sponsorship of Qudos Bank Arena came to an end in May, after 10 years. This sponsorship played an important role in raising awareness and connecting with a wide potential customer base through one of Australia's most well-known live entertainment venues.

1 Some functional components including the chip, hologram and magnetic strip cannot be sourced as recycled plastic.

Case study

Impact Term Deposit

As a customer-owned bank, we know that driving positive change is one of the key reasons our customers bank with us. That's why, following an initial pilot in 2023, we were pleased to launch our new Impact Term Deposit in May which supports customers who want to grow their savings and align their money with targeted impact for people and the planet.

While all banking with us is underpinned by our responsible banking policy, our Impact Term Deposit supports lending across specific environmental and social impact areas. These funds are used to finance or refinance lending across social and environmental asset categories supporting projects like building or upgrading green and energy-efficient homes, improving supply and access to affordable and accessible housing for people in need and land conservation and restoration.

"The Impact Term Deposit gives customers a practical way to align their financial growth with the outcomes they care about most," said Jane Kern, Head of Impact Management.

Bank Australia customer, Ruby, is originally from northern New South Wales and now lives in Melbourne's inner west.

Ruby first learned about the Impact Term Deposit through an email from Bank Australia and was attracted to the idea that her money could support positive change.

Ruby said opening an account was easy: "I just opened the account and transferred the money in. I can still log into my mobile banking app and it shows up there, as well as in my financial summaries."

"I put $500 in to start with, and it has put me on track for longer-term savings."

She also highlighted how simple it is to open and set up the account, "I'm not doing anything outside of my everyday banking, and it's good to see that Bank Australia is following through on its commitments and that these initiatives are being put into action."

The Impact Term Deposit is a 6-month term deposit with no account fees and a minimum $500 deposit. The Impact Term Deposit has been certified[1] by the Responsible Investment Association Australasia (RIAA). This means RIAA has reviewed the Impact Term Deposit's processes to check that they meet RIAA's responsible investment standards.

1 The Impact Term Deposit has been certified by the Responsible Investment Association Australasia (RIAA) according to the operational and disclosure practices required under the Responsible Investment Certification Program. See responsiblereturns.com.au and RIAA's Financial Services Guide for details.

Responsible banking

Supporting accessible housing

We believe that everyone should have access to an affordable and accessible home and we have a long history of supporting and lending to projects that are designed to increase the quality and affordability of housing for Australians, including low- to middle-income earners and marginalised communities.

In 2026 we participated in initiatives to increase access to housing for low- to middle-income earners such as the Australian Government Help to Buy Scheme, for which Bank Australia was 1 of only 2 available lenders. Under the Help to Buy scheme, Bank Australia has reserved 1,000 places, with 550 loans settled. Bank Australia is also a lender for the Australian Government 5% Deposit Scheme, with 1,600 applications received and 920 loans settled this year.

We continue to lend into the specialist disability accommodation (SDA) commercial sector in Australia by assisting with expanding the supply of SDA homes for those with a disability, working with organisations like Accessible Homes Australia. Bank Australia was among the first banks to lend into the SDA commercial sector in Australia. For individuals wishing to purchase an SDA approved home, we consider SDA funding received through the National Disability Insurance Scheme (NDIS) as income when we assess their eligibility for a home loan. This reduces barriers to home ownership for people with disability and contributes to a more just and inclusive society.

Our partnership with Indigenous Business Australia (IBA) concluded in December 2025. Since it began in 2022, we have helped support $16 million in lending and 40 First Nations households to access home finance and build financial independence.

Case study

Opening new doors to green homes with Renew and Sustainable House Day

In May Bank Australia partnered with Renew as principal partner for their annual Sustainable House Day. Held on 17 May, the day celebrates sustainable new builds, home retrofits and all-electric upgrades to homes across Australia.

On Sustainable House Day, homeowners open their doors and share their experiences with people interested in making their own homes more sustainable. Visitors can see what was done, learn how much it cost, understand what worked well and hear what homeowners would do differently if they were starting again.

"What we're seeing through Sustainable House Day is a real shift in how Australians think about their homes, as places to live, but also as places where they want to feel secure and resilient," said Helen Oakey, CEO of Renew. "When homes are better insulated, more efficient and supported by solar and electrification, they become safer and more reliable during heatwaves, storms and power outages. That combination of comfort, cost savings and resilience is what's driving change."

Renew is a member-based, not-for-profit organisation that has been supporting Australians to build climate-resilient, energy-efficient homes since 1980.

A homeowner who took part in this year's event said: "If someone takes away only one good idea from visiting our house, we have made an impact and it was worth the effort. We learned from other people when we attended Sustainable House Day in the past, and now we are helping others."

The open homes are just one part of the program. Renew also ran the Sustainable House Day Workshop Series from 9 June to 7 July, featuring expert-led sessions on electrification, passive design, retrofit pathways and energy efficiency. Question and answer forums ran alongside these sessions, allowing participants to continue conversations with the people whose homes they visited right through to planning and implementing their own upgrades.

According to Renew's post event feedback, 60% of this year's Sustainable House Day attendees plan to make changes to their own home within 6 months of attending.

"Seeing real-world examples of people tackling the same problems we're facing helped me feel like an effective, incremental retrofit is possible," said a participant.

Through this sponsorship with Renew's Sustainable House Day, we're supporting our customers and the broader community to decarbonise their homes, including transitioning to all-electric living and improving energy efficiency.

We know that purchasing a sustainable home or making green upgrades isn't always easy, which is why we're working with partners like Renew to showcase practical solutions that make homes more efficient, affordable and climate-ready.

Helping our customers with green homes

Since launching in 2020, our Clean Energy Home Loan products have financed $558 million and 966 green homes across Australia.

At Bank Australia, we understand that buying, building or renovating a sustainable home isn't easy. That's why we advocate for higher standards across the housing market.

In May 2026, we re-launched our Clean Energy Home Loan – Renovate option following strong demand in 2025. The Clean Energy Home Loan – Renovate was previously delivered with the support of the Clean Energy Finance Corporation (CEFC) who have committed a total of $185 million in support of our green lending program since 2020. We are pleased to have the Renovate option back in market after the allocated funding for Renovate was exhausted, and the product was temporarily paused last year.

During this period, we engaged and listened to our customers, using the opportunity to improve the product. Updates included simplifying customer eligibility criteria and evidence requirements, to improve clarity.

We remain committed to helping our customers decarbonise their homes and continue to support them to buy, build and renovate energy-efficient, all-electric homes. Our residential mortgage portfolio is a key focus for reducing our carbon emissions and achieving our ambitious climate action targets.

Impact finance

Many of our customers join Bank Australia because they want to know that their money is being used in a way that aligns with their values. That means knowing the interest they pay on loan products, and funds in transaction and savings accounts or term deposits are being used in ways that create positive social and environmental impact.

We're committed to lending and investing in positive outcomes for people and the planet. Our responsible banking policy outlines the things we do and don't fund. We do not lend to harmful industries such as fossil fuels, live animal exports, intensive animal farming, tobacco, arms, and online gambling. What we do fund is everyday customers, housing, the clean energy transition and conservation, as well as the disability and community housing sector. We are primarily a retail bank, with a number of business customers and a small commercial lending portfolio, as well as an investment portfolio, which we use to manage our liquidity.

Our impact asset portfolio is a subset of our total assets and comprises retail and commercial loans, and treasury investments that are directly associated with positive impact for people and the planet. This year our impact asset portfolio totalled $2.6 billion, representing 12.0% of total bank assets.

Up until 2025 we had a target for our impact asset portfolio to contribute 20% of total bank assets – which we exceeded with a 22.8% share of total bank assets at 30 June 2025 ($2.8 billion).

Our impact asset performance

This year we achieved strong impact asset growth, with highlights including:

Victorian Homebuyer Fund (retail) – portfolio expanded to a total of $681.7 million, with a 19% increase ($110.4 million).

Help to Buy (retail) – this is a new Australian Government shared equity scheme introduced in December 2025. Our total portfolio of these loans is $220.7 million.

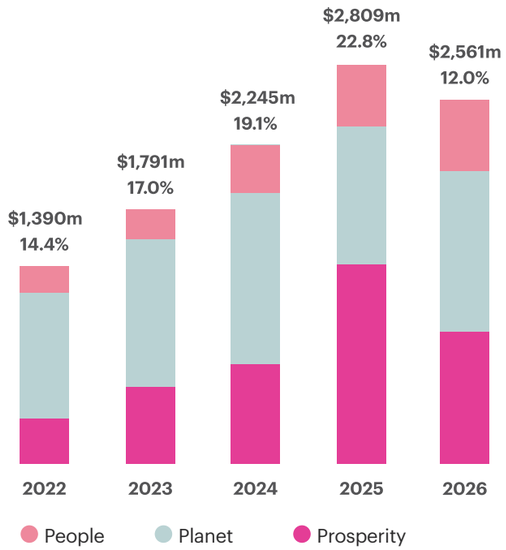
Community housing (commercial) – portfolio expanded to a total of $115.5 million, with 12% growth ($12.7 million).

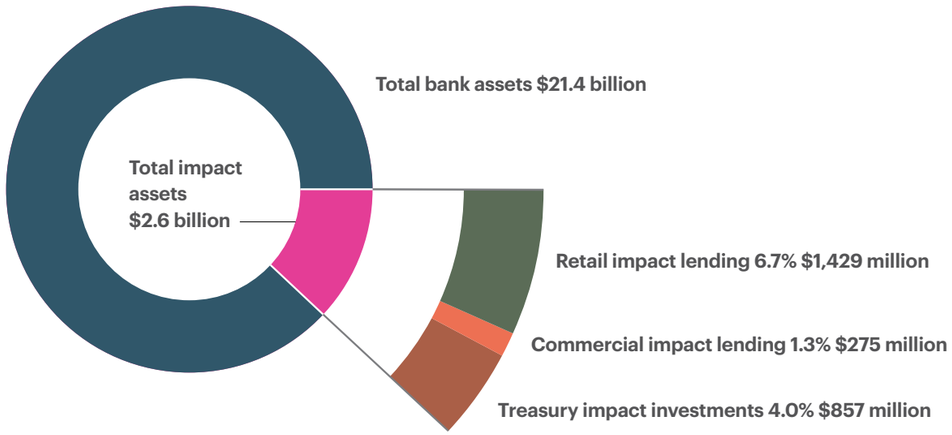
Disability housing (commercial) – portfolio expanded to a total of $103.3 million, with a 21% increase ($18.0 million).

We have been assessing the opportunity to grow our impact assets as part of a larger bank, and re-setting our impact asset key performance indicators (KPIs), which will commence in the next financial year.

We were the first Australian member of the Global Alliance for Banking on Values (GABV) in 2012 and use the GABV Scorecard as the basis for classifying our impact assets using the 'triple bottom line' approach: people, planet, and prosperity.

Ahead of 2026 we conducted a review of our definitions of impact assets to align with emerging industry standards and best practice. These revised definitions meant that impact assets from 1 July 2025 were $2.1 billion. The increase in total bank assets due to our merger with Qudos Bank meant that this was 11.3% of total assets at 1 July 2025. For more detail on our impact asset portfolio, see Appendix 6.





Examples of our impact asset portfolio include:

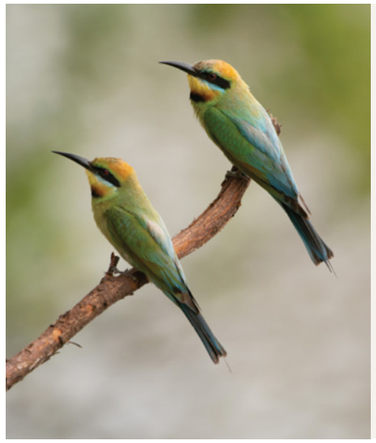
People

Specialist disability accommodation loans

We finance specialist disability accommodation (SDA) developments through commercial loans and provide pathways to home ownership for people with disability through individual home loans.

Community housing loans

We finance community and affordable housing developments for people who can't access the private rental market.



Planet

Loans for sustainable homes and new green developments

We fund developers that build sustainable properties and provide reduced rate home loans to customers with eligible green homes that are built or renovated to a high standard of sustainability.

Green and sustainable investments

We invest in bonds and other investments to manage our liquidity. Wherever we can we ensure these investments are consistent with our values and we are an investor in green and sustainability bonds.

Prosperity

Loans under affordable mortgage programs

We lend to customers under shared equity schemes that help lower- and middle-income households access home ownership.

Photo: Murray Fredericks

Case study

Caring for Country: How the Nari Nari People are restoring a vital wetland

In south-west New South Wales, the Great Cumbung stretches across 34,000 hectares of floodplains, red river gums and native wetlands. But for the Nari Nari People, it's much more than an ecosystem. It's Country and belonging, and it's alive with cultural memory, connection and responsibility to future generations.

The Nari Nari Tribal Council (NNTC) acquired the Juanbung and Boyong Stations, with the commitment of a $15 million impact loan from Bank Australia. Supported by the Clean Energy Finance Corporation (CEFC), the loan has helped secure the Great Cumbung for long-term conservation, restoration and continued Indigenous-led stewardship.

The wetland sits alongside Gayini, a 90,000-hectare sister property across the river that's already owned and managed by the NNTC. Together these two sites form one of the largest and most significant areas of First Nations-led stewardship in Australia.

"This commitment has great significance for the Nari Nari people, it has been 25 years in the making. The Great Cumbung is not just land – like its sister across the river Gayini, it's unique. It is Country, carrying deep cultural and ecological meaning for our community.

Securing its future means we can restore and protect this extraordinary landscape for generations to come, with the support of like-minded partners who share our vision," said Jamie Woods, Nari Nari Tribal Council Chair.

The acquisition means the NNTC can continue their conservation and restoration across the site, including protecting habitat for threatened species, like the Australasian Bittern and Australian Painted Snipe. It also ensures the area's native forest will be retained in perpetuity.

It shows how impact lending can help support self-determination, restore vulnerable landscapes and strengthen a connection to Country that stretches back tens of thousands of years.

"This transaction also represents a proud partnership with the CEFC, and is tied to our impact areas of First Nations Recognition and Respect, and protecting nature and biodiversity. It's the kind of outcome the whole of Bank Australia is proud to have supported," said Tim Von Ess, Head of Impact Lending.

For the Nari Nari People, the acquisition of the Great Cumbung isn't a new beginning. Instead, it represents a continued connection to Country and the next step in self-determination.

Our sustainability funding program

We have a sustainability funding program, which uses funds invested from customers and wholesale investors to support some of our impact assets – lending associated with specific and measurable social and environmental outcomes across key areas.

We launched an updated sustainability funding framework in May 2026, which outlines how we raise invested funds, how we allocate those funds to eligible lending, and how we communicate the impact of invested funds to investors.

The program raises funds via deposits invested in our retail Impact Term Deposit product, and via sustainability bonds that we issue on the wholesale market to wholesale investors. At 30 June we had $289 million in invested funds from these instruments on issue, which we match against a pool of impact assets that meet strict criteria, demonstrating how they contribute to specific and measurable positive environmental and social outcomes. Raising and allocating funds in this way reinforces our commitment to using banking as a force for good.

Working with trusted partners

Our broker network

As a digital-first bank, we offer a convenient digital home loan application that allows customers to apply when and where it suits them. However, working with brokers continues to be an important part of our growth strategy, as more customers seek advice from brokers when taking out a home loan. We work closely with our broker partners to ensure they understand our values and can recommend products and services that align with their customers' needs and values. This year we redesigned the broker experience on the Bank Australia website to make it simpler and easier for brokers to support their customers. Our efforts were recognised by Broker Pulse, a monthly survey of brokers and lenders across the residential lending market. This year's results reflected strong satisfaction with Bank Australia, with more than 90% of respondents satisfied with our end-to-end process and 95% satisfied with each stage of the customer journey.

We have also expanded our network to 13,121 active brokers, up from 3,316 in 2025. This growth reflects the combined scale of Bank Australia and Qudos Bank, as well as new partnerships with aggregators including PLAN, FAST, Choice, Mortgage Choice, Smartline Home Loans and Finsure. Collectively brokers generated $3.6 billion in new home loans, up from $1.4 billion in 2025, representing 80% of the total value of loans originated this year.

The increase was driven by strong demand for refinancing, and lending through the Australian Government's Help to Buy and 5% deposit schemes. Bank Australia was the only bank offering these schemes both directly and through the broker channel. Growth was also supported by the relationship-building efforts of our broker relationship managers and partnerships team.

We apply a common commission structure across all products. For brokers who are part of an aggregator, commission payments are 0.6% plus GST (upfront commission) and 0.15% plus GST (trail commission). The upfront commission rate will increase to 0.65% plus GST next year to align with the market and Qudos Bank's commission structure. For brokers holding their own Australian Credit Licence (ACL), granted by ASIC, and maintaining a direct relationship with us, commission payments are 0.5% plus GST (upfront commission) and 0.15% plus GST (trail commission).

Upfront commission payments are based on the settled value of the loan, less offset and redraw balances. Trail commission payments are calculated each month on the closing balance of the loan, less offset balances. Trail commissions are paid for the life of the loan. Where broker introduced home loans are re-paid or re-financed early, arrangements are in place to allow the recovery of a portion of commissions paid.

Our insurance and payment partners

To bring our customers the best aspects of both brands following the merger, we harmonised our product offerings across both brands. This included our insurance offering through Allianz with third party motor, caravan and trailer insurance, alongside home, landlord, renter and car insurance options.

Under these arrangements, we receive commissions and other payments on insurance policies sold, as outlined in our Financial Services Guide. Our partnership with Honey Insurance for the Bank Australia brand ended in October 2025.

Following our merger, we began transitioning our cards and payments services to a single provider after a thorough assessment process. We have progressively transitioned these services to Cuscal as our sole provider. Qudos Bank's payment provider, Indue, was acquired by Cuscal this year which has helped ensure a smooth transition for our customers.

4.

Our people

Engaging our people

As we continue to grow, recruiting and retaining employees who are inspired by our purpose and shared values is vital for meeting customer and stakeholder needs.

This year we saw our team grow by almost 50% as a result of the merger with Qudos Bank, the acquisition of Australian Unity Bank and through our recruitment activity.

Following the merger we harmonised employee benefits, including increased annual leave with an additional 1 week of bonus annual leave, matched salary for similar roles, and increased superannuation contributions to 14% for employees joining from Qudos Bank. We also harmonised employees' access to long service leave after 7 years (pro-rata), increased parental leave for all eligible employees to 18 weeks (up from 16 weeks in 2024), regardless of their primary or secondary carer status, and expanded volunteer leave to 2 days, alongside flexible work arrangements for menopause and endometriosis, plus the option of working from anywhere in Australia for 10 days per year.

Later in 2026 we are consolidating our Sydney offices from Mascot and Chatswood to Pitt Street in the heart of Sydney's central business district. This move reflects our ongoing journey and investment in the future of Bank Australia. Our new Sydney state office will create a more connected, collaborative and engaging place to work and cements Sydney as an important location for our long-term growth.

Support for employees has strengthened across our operations, with technology improvements that have played a pivotal role in enhancing employee experience and enabling our growing team to work more collaboratively and effectively. We continued to roll out Microsoft 365 to all employees, along with the implementation of a new intranet, providing our people with improved access to key business resources and updates.

Our focus this year was building our culture and bringing together teams from both banks. Following our merger, we saw an opportunity to better define who we are, what we stand for, and where we're heading. This year we engaged our employees in a discovery process to determine our future brand strategy, and in the development of an updated purpose, vision and values for our bank. Through this work more than 400 employees, senior leaders and executives contributed their ideas, insights and perspectives to help shape Bank Australia's future. This work is continuing and next year, we will continue working to bring our purpose, values and vision together under Bank Australia Limited.

We did not conduct an employee engagement survey as we have in previous years. We anticipate conducting the survey in 2027 and look forward to sharing the results in our 2027 Impact Report. Taking the time to understand employee perspectives after bringing the best of both organisations together has remained a priority, and we will continue to strengthen company culture and support our people through periods of growth and transformation.

We were recognised as an Employer of Choice in the 2026 Australian Business Awards for the 8th year in a row. The awards recognise employers across a range of industries who demonstrate strong performance in key areas such as organisational culture, training and development, and health and safety.

Growth and opportunity for our people

Our employees have benefited from enhanced career development and growth opportunities as part of a larger customer-owned bank following the merger. All non-executive employees were offered roles within the merged bank. As we continue to grow we expect to create more internal development opportunities and strengthen career pathways for our employees.

With a broader geographic footprint across 15 locations in Victoria, New South Wales, Queensland and the ACT, our head office in Melbourne and our New South Wales state office in Sydney, we are well positioned as an employer of choice. We continue to attract talented people who are committed to serving our customers, supported by an inclusive, diverse and supportive culture that values empathy, belonging, and authenticity.

Our organisation consists of 900 employees, with 841 full time equivalent employees.

Our recruitment activity has focused on business critical areas, including the contact centre, lending, and establishing our new Enterprise Portfolio Management Office to support strategy and delivery. We implemented a purpose-aligned recruitment process as well as redesigning our new starter onboarding for our contact centre team.

We offer flexible working arrangements to help employees balance their personal and professional lives. Approximately 8.9% of our employees work part time, and our hybrid work policy provides flexibility to work from home and from the office, with a minimum of three shared office days, subject to business needs. In 2026 our annualised continuing regrettable staff turnover was 14.3%. Further information about our people is provided in Appendix 4.

Building leadership capability

Our leadership capability framework defines 6 core capabilities we believe are critical to our continued success. It supports leaders at different stages of their development, recognising the range of skills needed to lead effectively across our organisation.

We delivered a series of Leadership Masterclasses, attended by 113 employees, focusing on key priorities such as supporting teams through change and integration. In addition, 45 employees participated in external development programs through the Australian Institute of Management.

Learning and development

We know that our people are key to our success as a purpose-driven bank. We have focused on building internal capacity and equipping our people to manage the transition as one entity with confidence and care while growing our organisation. As part of our 'best of both' approach, we consolidated our self-driven training offering through LinkedIn Learning in May 2026, ahead of the Boost Learning contract ending in July. These platforms are available for all employees to upskill at their own pace and in line with their interests and goals. Employees completed 504 courses on Boost Learning and 247 courses on LinkedIn Learning, resulting in a total of 751 completions across both platforms.

Our contact centre and branch employees started undertaking ServiceQ training, a 2-year program focusing on practical behaviours that customer-facing employees can use every day, known as 'Service Habits'. These include emotional intelligence, active listening, and clear communication under pressure.

All new starters complete an initial suite of business essentials training, and we run a quarterly refresher program so employees can balance staying up to date with the demands of their day to day roles. This achieved a 99.9% completion rate across all business essentials modules throughout the year.

Our business essentials training includes, but is not limited to, cybersecurity, anti-money laundering, counter-terrorism financing, protecting vulnerable customers, disability awareness and inclusion, modern slavery, and social media guidelines.

This year we also delivered:

- New Starter induction training to 79 participants
- Indigenous Cultural Awareness for another 313 employees, with 81.6% of our people now having completed the training
- Cybersecurity training for 99.6% of our employees
- Introduction to Co-operatives and Mutuals for 7 people
- Respect@Work program attended by 25 people
- Unconscious Bias for Hiring Managers program attended by 29 people leader participants
- Our Reviving Resilience program for 4 participants
- Constructive Conversations workshops, a new training offering for 18 people.

Our main priorities for the year ahead include:

- equipping our people leaders to support their integrated teams and build an aligned culture
- continued deployment of Indigenous Cultural Awareness training and cybersecurity training
- continued ServiceQ training for our contact centre employees.

Case study

Investing in our people: how Rose and Richard are growing their skills and careers at Bank Australia

We know that a key to our success as a purpose-driven bank is investing in our people and supporting them to grow within Bank Australia.

This year we started our shared purpose program, which enables our contact centre consultants to spend a day in another team they're interested in learning more about. The program supports our people to develop broader skills, highlights internal career pathways, and brings frontline insights into different parts of the business.

Collingwood contact centre team member Rose took part in the program and spent a day with our Corporate Affairs team, which aligned with her interest.

"I was keen to understand how the team operates behind the scenes. I wanted to gain insight into their processes, particularly how they manage complex and sensitive communications, and strengthen my own approach to stakeholder messaging," said Rose. "During the exchange, I gained a much deeper appreciation for the level of strategy and coordination involved in Corporate Affairs work, particularly when it comes to partnerships with other organisations and external stakeholders."

Rose is using her experience with the Corporate Affairs team in her current role, which has helped her when communicating with customers.

"This experience has shifted how I think about escalations and communications more broadly, I now see them as part of a wider strategic narrative rather than isolated interactions."

We also continued our traineeships to support learning and development for our people by providing individuals with entry-level employment opportunities and equipping them with skills and qualifications for permanent employment.

Richard was interested in getting hands-on experience in property services while completing training and working for a purpose-driven bank.

"I was interested in Bank Australia in general, as I had heard great things, but I was especially interested in this traineeship as it was a fantastic opportunity to learn more about facilities, logistics and how to support the business in the background."

Through the traineeship, Richard worked in our Strategic Sourcing and Property team and learned not only about working in property but also gained holistic skills such as task management. Richard has now completed his traineeship and successfully gained a full-time position at Bank Australia.

Looking forward, Richard says, "I hope to continue using what I've learned in my future work, as well as expanding that technical knowledge so I can work on projects of a larger scale at Bank Australia. I plan to use my understanding of my work ethic to better organise myself and challenge myself with greater ambitions."

Creating an inclusive workplace culture

A workplace culture that promotes equity, diversity, and inclusion is critical for our continued growth and success. It is important that our workforce represents the varied cultures and life experiences of our customers, as well as wider society, and for our employees to champion our efforts to be a more diverse, inclusive and accessible bank.

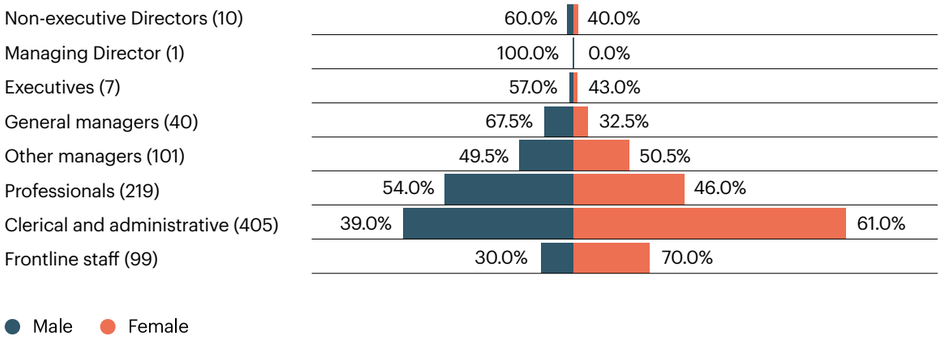
We have inclusive recruitment statements in our job advertisements, ensure a mix of genders on hiring panels, and require recruitment training to support fair and inclusive hiring practices.

We have harmonised our policies, processes and organisational structure to help embed a united employee experience and organisational culture as a merged entity. Our employee-led groups and initiatives continue to promote a diverse, inclusive and welcoming workplace.

Gender equality in our team

We have continued to employ more female employees (501, or 56%) than male employees (399, or 44%). This is in comparison to 54% and 46% for females and males respectively in 2025.

Employee gender split, by role classification, 2026 (as at 31 March 2026)



We're committed to pay equity across our workforce and do not discriminate based on gender, background, or identity. Each year we assess potential gender gaps in remuneration. This assessment accounts for factors including performance, skill set and experience, tenure at the bank, and differences in roles.

We also submitted an annual report to the Workplace Gender Equality Agency (WGEA) in accordance with the requirements of the Workplace Gender Equality Act 2012. Bank Australia is committed to continuing to improve our gender pay gap results by ensuring pay equity across our work force, and not discriminating based on gender, background or identity. More information about our employees can be found in Appendix 4.

Salary packages, by gender, 2026

Role classification	Female salary package (average)	Male salary package (average)
Frontline and support staff	$94,304	$93,700
Middle management	$180,885	$180,449
Senior management	$380,067	$388,873

Notes:

- includes superannuation
- frontline and support staff are all those employed at grade 1 and 2 (including trainees)
- middle management are all those employed at grades 3 and 4
- senior management are all those employed at grades 5 and 6
- consistent with previous years, senior management excludes the Managing Director
- average base salary has been converted to FTE for part-time staff
- the differences between the average FTE salaries for females and males is attributable to a number of reasons relating to individual choices including years of service at the bank, level of experience and complexity of roles.

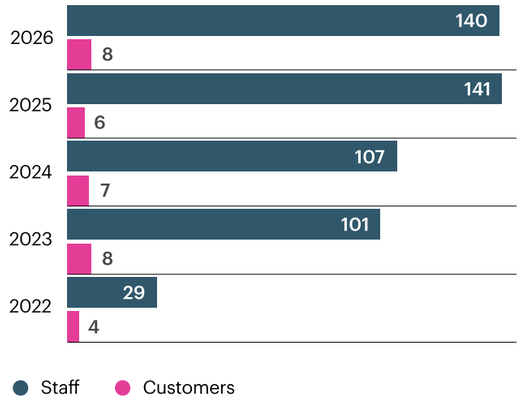
Health and safety

We're committed to maintaining safe workplaces and work practices. We have a comprehensive health, safety and wellbeing policy to support all employees. This year we enhanced our Employee Assistance Program (EAP) offering to include access to an app with tools and exercises designed to support employee wellbeing.

Manager specific workplace health and safety, and anti-bullying, harassment and discrimination training was completed by 203 employees. These targeted learning programs help improve employee skills and knowledge and strengthen our ability to provide leadership in these areas. We recorded 140 reported incidents, of which 102 were without injury and 23 resulted in injury. An additional 7 personal illness incidents and 8 incidents involving customers were reported, all of which resulted in minor injuries.

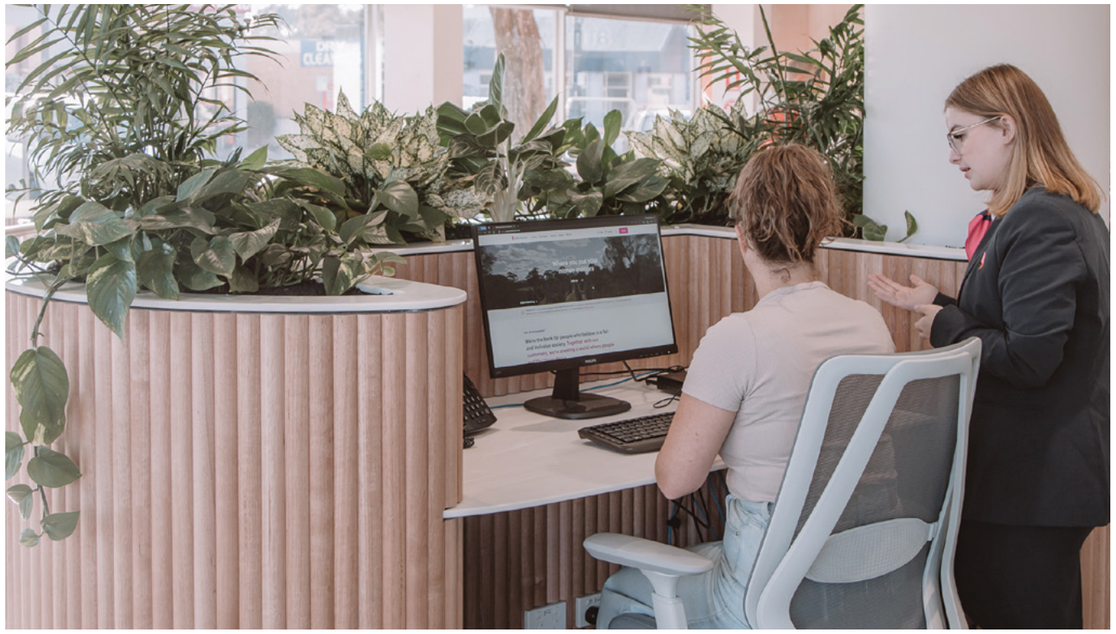
Providing a safe environment for our employees and customers is one of our highest priorities, and we take incidents of any nature very seriously. We have a proactive risk management framework in place to support early intervention strategies, including responding to hazards as soon as managers or the health, safety and wellbeing team are notified and, where possible, before an injury occurs.

Number of hazards, incidents and injuries



Whistleblower program

Bank Australia has a whistleblower policy and program which is publicly available on our website and all employees are required to undertake required training annually. In this financial year, there were no reports that met the relevant criteria.



Volunteer leave

As part of our merger commitments to employees, we increased paid volunteer leave from 1 day to 2 days per year, giving employees more opportunities to support their local communities and our impact areas.

This year employees used 59 days of volunteer leave to take part in initiatives such as the STRYDE4 Corporate Challenge across Sydney and Melbourne and supporting organisations including Seed Youth Climate Network, Starlight Children's Foundation and Well Thanks. Employees also participated in beach clean-ups in both Sydney and Melbourne alongside our partner, Parley for the Oceans.

Traineeships and internships aligned to our values

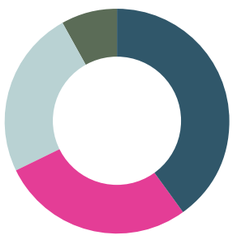
We continued our financial services traineeship program, offering places for people including refugees and people seeking asylum, and people living with disability. This year we had 3 trainees join our team which provides individuals with entry level employment opportunities and equips them with skills and qualifications (Certificate III in Financial Services) to seek permanent employment. Each year we advertise these traineeships in Melbourne, the Latrobe Valley, and Bendigo.

Employment opportunities across Australia

We're proud to provide employment opportunities in regional Australia. Following the merger, our workforce has expanded to include team members in 6 states and territories.

We have increased our presence in Sydney following the merger with Qudos Bank, with 28% of our workforce now based there. At the same time, we remain committed to regional employment opportunities with a fifth of our employees based in regional Victoria, including 4 branches, our contact centre and lending operations centres in the Latrobe Valley, as well as our branches in Bendigo and Ballarat. We have a long history in the Latrobe Valley, with 17.9% of our workforce working in the region.

Staff by location, 2026



- 40% Metro Victoria
- 28% Metro New South Wales
- 24% Regional Victoria
- 8% Queensland / South Australia / Australian Capital Territory / Western Australia

This year:

203

of our employees completed manager-specific versions of workplace health and safety, and anti-bullying, harassment and discrimination training.

24%

of our employees work from regional Victoria.

3

trainees joined our financial services traineeship program offering places for people including refugees and people seeking asylum, and people living with disability.

Business conduct and ethics

Our approach to remuneration

We pay our people fairly for the work they do, and we don't pay bonuses or sales-based commissions to any of our employees, including executives.

We want our people to focus on acting in the best interest of our customers. This is why we don't provide financial incentives to drive sales. Instead, we pay our employees fair salaries that reflect their position, qualifications, experience and overall performance. We do make small discretionary recognition payments to frontline employees which recognises their contributions to providing our customers with high quality service. We also undertake annual salary reviews and benchmark salaries to performance and market comparisons.

Prior to the merger, Qudos Bank executives were eligible to receive bonus payments. Any deferred bonus payments are expected to be completed by 2028.

We continue to see the benefits of our policy of not paying bonuses and commissions. Offering bonuses to drive sales increases the risk of practices or behaviour that may negatively impact customers.

We benchmark remuneration for the Managing Director position against independent market data. The ratio of our Managing Director's wage to the median wage at the bank in 2026 was 18.6:1. In 2025 the ratio was 10.8:1. The change is the result of remuneration benchmarking for the executive team, and the size, complexity and related governance requirements for the merged bank. We believe this is low compared with the ratio of other private sector businesses and reflects our approach to responsible remuneration management.

Financial Accountability Regime

The Financial Accountability Regime (FAR) imposes a strengthened responsibility and accountability framework for entities in the banking, insurance and superannuation industries and their directors and senior executives. The FAR is designed to improve the risk and governance cultures of Australia's financial institutions. We have continued to meet our obligations under the FAR.

Case study

Volunteering to support people and the planet

Bank Australia offers 2 days of paid volunteer leave each year. Employees can use this time to support their communities and the environment in a range of meaningful ways.

One volunteering opportunity offered this year was the STRYDE4 Corporate Challenge, held in both Melbourne and Sydney. Employees completed a series of physical challenges across a 10km course through the CBD to raise funds for Seed Youth Climate Network, Starlight Children's Foundation and Well Thanks.
For every employee registration Bank Australia donated $100 from our impact fund, with participants also having the option to include individual sponsorship from friends and family. 88 employees took part across 2 events, and with the contribution from our impact fund, together we raised over $16,000.

"Being a part of the Sydney STRYDE4 team was an incredibly rewarding experience," said AML team member Kyle. "It was inspiring to come together with colleagues from different teams, united by a shared purpose to create a meaningful impact in the community, while also having an opportunity to explore our beautiful city."

This year, we also collaborated with Parley for the Oceans to support beach clean-ups in Melbourne and Sydney. The clean-ups took place at Jawbone Marine Sanctuary in Williamstown, Melbourne, and The Plane Spotting Beach in Mascot, Sydney.

Employees helped collect litter and debris, including plastic, from the shoreline helping remove waste already present in these coastal environments. On the day, 186kg of waste in Melbourne and 165kg in Sydney was collected. The events were an opportunity for employees to learn about the impact of plastic pollution on marine life and coastal communities.

"Seeing the immediate positive impact on the shoreline was inspiring. I learned more about plastic and marine life, and left feeling motivated to reduce waste, protect our oceans and join future clean-ups. I now visit beaches with greater awareness and responsibility," said Gunjan from our Sydney branch team.

Bank Australia will continue to support employee volunteering through paid volunteer leave, recognising it as a valuable way to give back to the community while bringing our values to life.

Integrating and enhancing our technology

In 2026, we started bringing together the technology of both banks through a range of projects and initiatives. This has brought us closer to operating on a single core banking system, enabling our people to deliver better, more consistent service to customers.

Consolidating our technology makes our systems more efficient and cost effective, helping our teams better support customers. All system changes are carefully planned and managed to maintain the security and stability of the bank. This work is delivering on a key promise of the merger to ensure our customers are offered the best of both banks.

We also established a new Enterprise Portfolio Management Office to oversee major technology programs, key projects and merger integration initiatives to ensure they all align with our strategic priorities.

A major achievement this year was welcoming Australian Unity Bank customers in November 2025 and transitioning their banking to Bank Australia. We worked with Australian Unity Bank on communications to support customers through the transition, and provided regular updates to help them understand changes and any actions required of them.

Artificial intelligence

Following a successful pilot last year, we've introduced technology that auto-summarises customer calls into our contact centres to support our artificial intelligence (AI) tools across the organisation. This allows our consultants to focus on conversations and enables our team to help customers in a more efficient way.

We're committed to ensuring our use of AI tools and platforms is informed by our values and is focused on supporting our employees to deliver better customer service and experience.

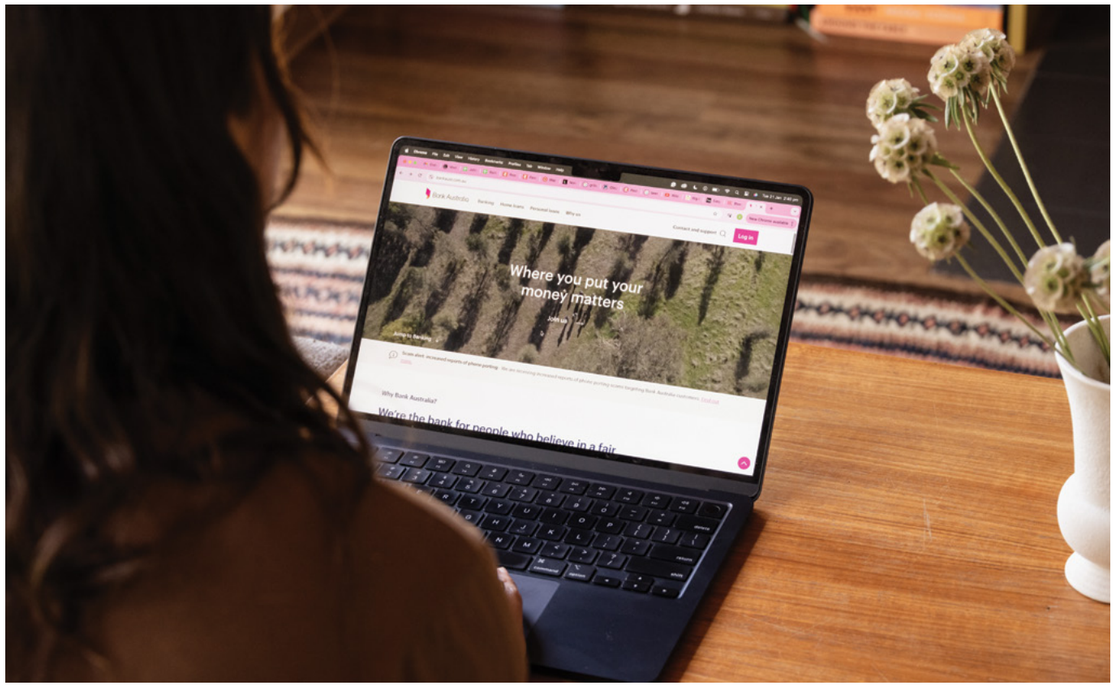
As we continue to navigate a rapidly changing space, we aim to take a human-led approach to the use of AI and evaluate each AI use case to ensure it aligns with our purpose of being a force for good and having a positive impact on communities and the planet.

This year the Board endorsed a new AI policy to ensure the required foundations are in place for the responsible adoption of AI throughout the organisation. Foundational work undertaken this year includes governance, risk management, ethics and oversight processes.

This year's scope included:

- commencing an initial rollout of M365 Copilot premium capability
- deploying selected AI capability into the contact centre, supporting automated call transcription and summarisation
- establishing an 'AI Tech Product' team to lead appropriate rollout of AI across the organisation
- continuing to develop our approach to AI ethics, ensuring new use cases align to the bank's purpose, values and customer expectations
- taking a low-risk, human-first approach to use cases
- exploring proof of concept and discovery work across a range of systems.

Looking ahead, as we operationalise our AI governance framework and supporting processes, our teams will continue working towards expanding the use of AI across low-risk, high-value opportunities, and assess where AI can best support critical business processes. This includes opportunities such as continuing to scale the Microsoft 365 Copilot adoption and deploying a knowledge management agent to assist employees in efficiently sourcing answers to process and procedural based information. We take into consideration the impact of AI on the environment and whether AI is the most suitable solution to a problem. We are monitoring legislative and regulatory moves in this space, and welcome greater scrutiny and oversight of the development and use of generative AI.



Post-call customer surveys

In April we launched post-call surveys to capture real-time feedback on customer service. More than 13,000 customers rated their experience 9 out of 10, with a response rate of 40%, well above industry benchmarks.

We also modernised our customer service platform Genesys by integrating email and web messaging. This creates a more streamlined and consistent experience, including expanding support for lending enquiries and introducing standardised responses for better, more consistent customer support.

Our new web messaging platform supports our digital first approach, with enquiry volumes increasing 198% since it launched in October 2025. Smart website functionality now guides customers to relevant information or connects them with a team member, reducing call demand while improving the overall experience. It's pleasing to see 90% of new web chat enquiries were acknowledged within 20 seconds.

Looking ahead to next year, we will continue to focus on bringing Qudos Bank customers onto Bank Australia's core banking system, while investing in a new digital experience platform and strengthening our digital security to better serve our customers.

5.

Our community

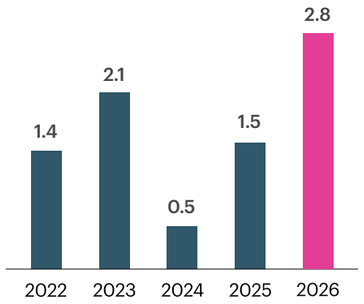
Our impact fund

As a customer-owned bank, our actions are informed by issues our customers care about.

Each year we commit up to 4% of our net profit after tax to our impact fund, which supports projects that have a positive impact on people and the planet. Our impact fund supports projects and initiatives across our 4 impact focus areas of climate action, nature and biodiversity, First Nations Recognition and Respect, and affordable and accessible housing.

This year we contributed 4% of net profit after tax, contributing $2.8 million to our impact fund.

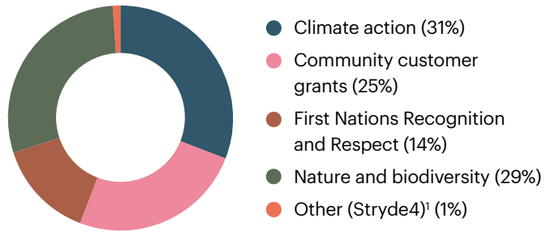
Impact fund contributions ($m)



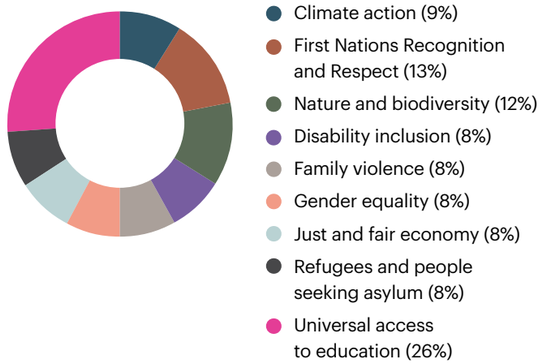
Our impact fund supports not-for-profit partners, social enterprises, community customer grant recipients, and maintains our conservation reserve on Wotjobaluk Country (Western Victoria). You can find a full list of our social and environmental impact focus areas and grant recipients in Appendix 5.

The below chart outlines our impact fund total spend by impact category during 2026.

Impact fund spend by funding category, 2026



Community customer grants spend by category, 2026



1 Stryde4 donations were made to 3 charity partners with differing priority areas.

Our conservation reserve

In 2026 we invested $250,000 into the Bank Australia conservation reserve, our largest impact fund initiative. The conservation reserve spans 2,117 hectares across 4 properties where we work with our partner Trust for Nature and Traditional Owners the Wotjobaluk Nations, represented by the Barengi Gadjin Land Council (BGLC). You can read more about the work taking place to protect nature and biodiversity on the conservation reserve on page 94.

Impact fund partnerships

This year we provided funding to a range of partners and programs that align with our impact priorities, supporting initiatives that advance climate justice, sustainability and community resilience.

These include:

- supporting Travis Lovett and Common Threads on their 905km 'National Walk for Truth' journey, from Parliament House in Melbourne on Wurundjeri Woi Wurrung Country to Parliament House, Canberra, on Ngunnawal Country calling for truth-telling, healing and meaningful change
- a partnership with Renew, a national not-for-profit organisation that inspires, enables and advocates for sustainable living across homes and communities. Through our grant, Renew scaled delivery of the core Sustainable House Day (SHD) program. We also continued supporting Sustainable House Day as a sponsor. You can read more about our sponsorship of Sustainable House Day on page 45.
- partnering with Sweltering Cities, Australia's national advocacy organisation working on issues related to extreme heat. They work at the intersection of climate justice, inequality and health, acting to mobilise communities, strengthen evidence and advance climate-safe housing for renters across NSW
- continuing our partnerships with Seed – Australia's first Indigenous-led youth climate justice network, and Environment Victoria – one of the state's leading environmental advocacy organisations
- continuing our collaboration with RACE for 2030, the industry-led cooperative research centre for energy and carbon transition, and their research project led by RMIT focused on driving energy upgrades in private rental homes. Bank Australia provided both grant funding and in-kind support
- continuing our support for DJAARA (Dja Dja Wurrung Clans Aboriginal Corporation) to care for forests and landscapes on Dja Dja Wurrung Country, through DJAARA's Galk-galk Dhelkunya Forest Gardening program, including biocultural forest monitoring activities, forest restoration and habitat creation for birds and mammals.

Community customer grants

Our community customer grants provide funding for projects and initiatives led by organisations that bank with us.

In 2026 we provided $300,000 in funding to 14 community customer organisations, social enterprises, and small businesses.

This year also marks 10 years of awarding community customer grants. Since 2016, we're proud to have provided over $2.5 million on behalf of our customers to 174 community groups, not-for-profits and social enterprises.

As always, we were highly impressed by the quality of applications we received, and the social and environmental challenges our customers are advocating for and taking action on. To ensure we have a diverse range of perspectives and expertise guiding the decision-making process on how we allocate grants, we involve customers, employees, and a member of the Bank Australia Board on the committee for selecting grant recipients.

We also conducted a survey with 2025 community customer grants program recipients to better understand the impact of our support and how we are contributing to positive change within local communities. Respondents were asked to reflect on how the funding has helped them achieve their goals, the visibility and credibility gained through the partnership, and the overall experience of working with us.

In 2026 we invested

$250,000

in caring for our conservation reserve.

Our customer community grants program has provided over

$2.5 million

in funding to 174 projects since it began in 2016.

This year Bank Australia maintained supply contracts with

18

Certified B Corporation™ businesses.

10 out of the 11 community customer grants program recipients responded to the survey.

Key findings include:

- 60% indicated that funding went towards programs delivering services, 30% went towards training and professional services (for example, legal support programs) and 10% went towards development and mentoring
- 89% indicated that the funding made a positive difference by enabling them to deliver new or improved services
- 86% said our funding supported their organisations to expand their work to new locations and employ more people or take on more volunteers
- 90% said the funding provided the ability to reach more people or spend more time with beneficiaries
- 100% said that the funding made a positive difference, by enabling them to make a positive change in attitude or behaviour.

A total of 20,767[1] people were reached. 7,671 individuals directly benefited through access to services, training, and/or professional support activities. A further 13,096 people benefited indirectly, including family members, community members, and others reached through information sharing and community engagement.

1 Reported outcomes are based on information provided by grant recipients and have not been independently reviewed or verified.

This year:

20,767[1]

people reached by our community customer grants to 10 community customer organisations, social enterprises, and small businesses.

90%

of grant recipients said the funding helped to reach more people.

89%

indicated that funding made a positive difference to deliver new or improved services.

Case study

The Returning Indigenous Corporation

The Returning Indigenous Corporation is on a mission to provide Indigenous mums and carers with support and nourishment, not only physically but also mentally and culturally.

Founded by Bundjalung woman Ella Bancroft on Bundjalung Country in the Northern Rivers New South Wales, it received a 2025 Bank Australia community customer grant for $20,000, which supports our community customers who are not-for-profits, social enterprises, and businesses that share our values. The grant helped expand their Mother Care program, supporting mothers through pregnancy and the first 6 weeks after birth.

The program delivers nutrient-dense, organic meals direct to home. The program grew from The Returning's vision to reclaim care as something deeply valuable to our society and to recognise and pay Indigenous women for providing it. It also recognises that many Indigenous women are struggling to nourish themselves adequately during pregnancy and postpartum. Meals are prepared by local volunteers incorporating traditional bush food ingredients which have been proven to be highly beneficial for Indigenous people. Every fortnight, the Program Manager brings together volunteers for a large community cook-up, with recipes developed by Bundjalung woman and chef Mindy Woods.

"There's something nostalgic in being able to eat the food your grandmother or aunties cooked – it creates a sense of safety and home," said Ella. "Our bush foods are some of the most nutrient-dense foods in the world and we know that community plays a huge role in helping mothers avoid post-partum depletion, and we want women to feel supported."

Alongside meal delivery, the program also provides care packages and Indigenous-led Postpartum Care Workshops for both mothers and fathers. With the grant, The Returning has been also able to expand the program's reach to up to Meanjin / Brisbane, while maintaining high standards using organic, locally sourced ingredients.

Looking ahead, Ella hopes the Mother Care Program can be replicated in other communities.

"I hope that other communities around Australia can look to our program as a blueprint so that they can activate their own postpartum care for their own mothers," said Ella.

Bank Australia's community customer grant program continues to support organisations creating positive change for people and the planet. In 2026 community customers had the opportunity to apply for a grant of up to $25,000, an increase from $20,000 in previous years.

Photo: Murray Fredericks

Walking together towards First Nations Recognition and Respect

Our First Nations Recognition and Respect strategy continues to build on our journey of reconciliation since we launched our first Reconciliation Action Plan (RAP) in 2010.

A commitment reflected in our First Nations Recognition and Respect strategy is genuine recognition and respect for First Nations people which we see as a fundamental responsibility for Bank Australia. This commitment carries through to our impact initiatives aimed at building partnerships, relationships and trust with First Nations communities.

Our customers care about First Nations reconciliation, and we're committed to sharing the steps taken towards how we invest, partner, and advocate for meaningful and sustainable change. Now over 2 years into implementing our strategy, we're proud to share the milestones, relationships, and learnings so far, as part of our continual journey towards reconciliation.

Our strategy sets out our vision to 2030 for walking together towards First Nations justice, reconciliation, and self-determination. It has a focus on 3 core action areas: recognition and respect through building deep and ongoing relationships, providing accessible and culturally appropriate impact lending, and increasing our procurement from First Nations businesses.

Relationships and partnerships

We've continued to focus on strengthening and building meaningful relationships with First Nations-led organisations and communities through our impact fund, impact lending, and procurement strategies. At the heart of this work and our strategy is the importance of truth-telling and how we recognise the historic and ongoing impacts colonisation has had on Australia.

Through our impact fund, we were proud to support the National Walk for Truth, a national journey led by Travis Lovett calling for truth-telling, healing and meaningful change. In partnership with Common Threads, the powerful National Walk for Truth called on the Federal Government to establish a national truth telling process, developed in genuine partnership with First Nations Peoples. The 905km journey took more than a month, beginning at the steps of Victorian Parliament and finishing in Canberra, and invited participants nation-wide to join the journey and share in an act of truth, listening, and national repair.

We continued our long-term partnership with Seed Indigenous Youth Climate Network (Seed). This year's funding helped Seed to deliver its strategic priorities and core pillars of work, alongside training and development opportunities for young First Nations leaders. We're pleased to have extended this partnership for a further 3 years. Since 2022 we've supported Seed's youth climate network that helps to build a strong and connected movement of Aboriginal and Torres Strait Island young people for climate justice across the nation.

Our annual community customer grants program has helped us provide support for 2 organisations in 2026 delivering outcomes for First Nations Recognition and Respect; Djakamirr Co-op Ltd ($25,000) and Great Southern Reef Foundation ($15,000).

Lending

Through our impact lending this year we've explored a number of opportunities with First Nations organisations to provide loans to support buying back culturally significant land to be returned to Indigenous communities, as well as to support productivity and profitability of existing operations.

This year a loan was provided to Pijarta Produce, part of Bidyadanga Aboriginal Community Group, to enable increased production, profitability and sustainability of the farming operations at Shamrock Gardens Melon farm. In 2024, Bank Australia funded the acquisition of Shamrock Gardens, and in 2025, a further loan was approved to co-fund the construction of a packing shed with cool rooms, allowing a larger crop to be harvested and held, improving both product quality and market price.

Another significant example is our $15 million impact loan to the Nari Nari Tribal Council, to assist in acquiring The Great Cumbung property for long-term conservation and cultural protection. You can read more about the milestone project on page 49.

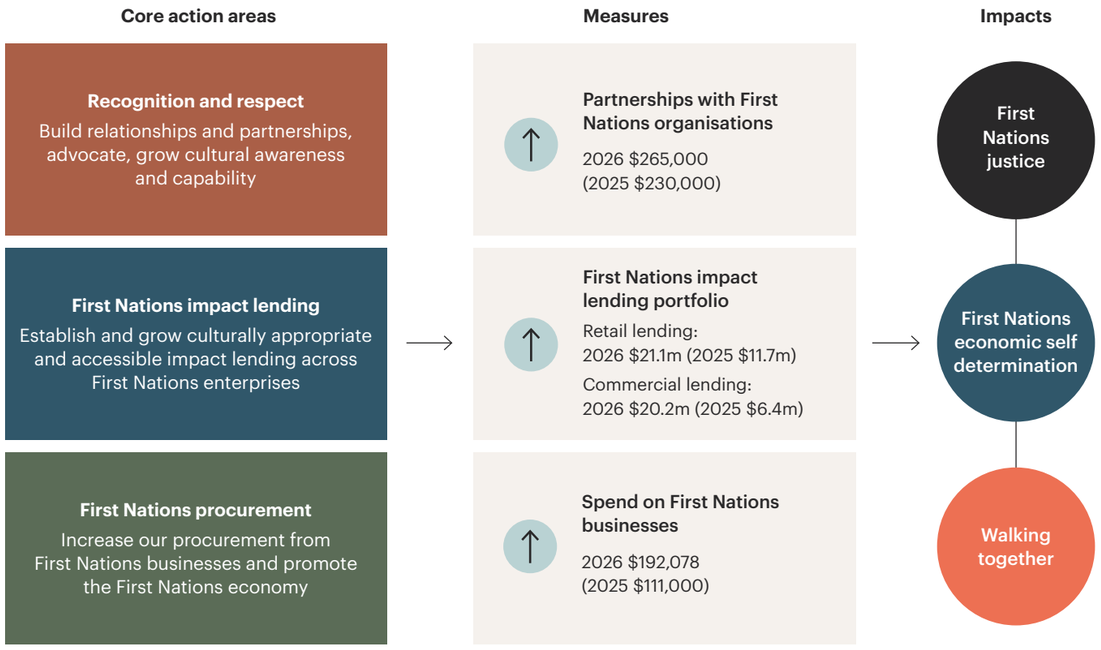
Photo: Murray Fredericks

Procurement

We partnered with Supply Nation-certified Muru Office Supplies to provide office supplies to all our locations, marking a significant step towards our procurement practices with First Nations-led businesses. In 2026 a total of 14 First Nations suppliers were engaged, contributing to a combined spend of $192,078. Of these, 12 suppliers were certified or registered through Supply Nation. Several of these suppliers were also members of Kinaway.[1]

In addition to procurement, we supported First Nations organisations through our impact fund – for details of these projects refer to Appendix 5.

Our First Nations Recognition and Respect strategy on a page



1 Kinaway members are Victorian-based, for-profit businesses that are majority Aboriginal/Torres Strait Islander-owned and operated.

Case study

For Purpose Aged Care is providing access to high-quality care

At Bank Australia, we believe everyone deserves to live in a home that meets their needs, including access to safe, high quality and dignified aged care. That's why, in partnership with our impact lending partner For Purpose Investment Partners (FPIP) and For Purpose Aged Care Australia (FPACA), we've supported the delivery of quality aged care in regional Australia.

FPACA's core mission is to relieve poverty, distress, helplessness, suffering or disability among older Australians, while providing homes and services that promote health, wellbeing and community based care. This purpose is brought to life through its 15 sites, including Romsey Community Aged Care.

Located in Victoria's Macedon Ranges on Dja Dja Wurrung, Taungurung and Wurundjeri Woi Wurrung Country the facility offers spacious single rooms with private ensuites and patio access.

Matthew Filocamo, Group CEO of FPACA says "Romsey shows what good aged care looks like in a regional setting: high-quality care, thoughtful design and a genuine sense of community. That is what meaningful ageing means to us."

Beyond physical design, a defining feature of FPACA's aged care homes is their focus on residents' social connection and wellbeing. For example, residents of the facility have access to organised social activities, a wellbeing studio and hairdressing salon, alongside 24/7 nursing care, respite care and specialised dementia support.

Lynn moved into Romsey Community Aged Care in August 2025. After living independently in a retirement village, she felt she needed more support.

"There is real security in knowing someone is always there. I have made friends here, we play bingo, and some of the ladies in their 90s are teaching me Rummikub. Being social is so important to me. Honestly, I reckon we are very lucky to be here," said Lynn.

Bank Australia's involvement with FPACA commenced in July 2024 through a $263 million 3-year syndicated facility, with Bank Australia contributing $70.5 million alongside 2 other banks. Bank Australia also acted as a Joint Sustainability Coordinator on the loan.

Another major milestone was reached this year with the syndicated loan being formally labelled as a 'Social Loan'. This reflected the facility's alignment to specific, eligible social outcomes and transparency standards, which are independently verified and aligned with internationally recognised Social Loan Principles.

This loan supports the delivery of Bank Australia's affordable and accessible housing impact area.

Strengthening our supply chain

Clear visibility over our supply chain and high standards of ethical sourcing are important to us as a responsible bank.

We regularly monitor our existing partners and proactively procure new partners that align with our values and purpose including B Corps™ and First Nations businesses. These businesses are an important part of our supply chain, as well as other suppliers who align with our purpose.

Auditing our suppliers is a key part of our procurement process. We use a scoring matrix that assesses a range of factors to determine whether we will procure a service or product. This includes looking at certain certifications, such as being a B Corp or a registered charity, the ownership structure of an organisation, and how they operate.

Our new Sydney office

In late 2026 we will move our Sydney office location from Mascot to Pitt Street in Sydney's CBD. Our new building, Parkline Place, has a target of 6 Star Green Star V1.3 Rating and 5.5 NABERS Energy rating, with efforts being made to reduce emissions from fit-out materials and to ensure the design is durable and fit for the long term. This includes a focus on creating an energy-efficient fit out with low emissions intensity, with an emphasis on circularity and sustainable procurement.

Growing our relationships with the B Corp community

As a certified B Corp, we are focused on partnering with other certified and values-aligned businesses within the B Corp community. We have maintained and strengthened our ongoing relationships and supply contracts with a total of 18 B Corp certified businesses this year. This has decreased from 27 in 2025 due to a review and consolidation of all Bank Australia suppliers. This year we started new relationships with B Corp certified organisations: Brand Council, The Guardian and Benedictus Media.

We are actively focused on seeking and growing the number of new opportunities for partnering with First Nations-led and B Corp certified businesses. Refer to page 74 to read about our procurement from First Nations-owned suppliers.

Modern slavery risk and reporting

Following the introduction of the Modern Slavery Act 2018, we have now submitted 6 Modern Slavery Statements. These statements disclose any risks identified in our supply chain, and actions we have taken to assess and address risks such as forced labour, human trafficking and child labour.

We regularly assess high-risk suppliers by identifying 5 key areas of risk: stationery, information technology equipment, uniforms, cleaning, and furniture.

We also review the effectiveness of our actions, with a focus on continually improving our approach to managing modern slavery risks. This work is built into our governance and aligns with our values as a customer-owned bank committed to creating positive impact.

Case study

Hope Island: supporting accessible and inclusive housing

Located on the northern tip of the Gold Coast which is the traditional sea country of the Eastern Kuku Yalanji Aboriginal people, Hope Island is a purpose built specialist disability housing project that exemplifies inclusive, accessible living.

Accessible Homes Australia (AHA)'s mission is simple. "To build great, accessible homes for people living in the community," says founder and CEO Perry Cross AM.

This is AHA's third project. The development includes ten high support SDA apartments within a 105 residence apartment complex, creating opportunities for residents to live independently while remaining connected to others.

Each apartment is purpose built to be fully accessible and technology enabled, with features including automatic doors, personal duress systems, adjustable benchtops and generous space to support mobility needs.

The complex is well located, with shops, transport and health services nearby. Residents also have access to shared, fully accessible facilities including a pool, gym, sauna, barbecue area and community room. An additional AHA apartment within the building is occupied by a care provider, offering 24/7 on site support.

That sense of belonging also fosters emotional safety. "Traditionally, people with disability are very isolated," Perry says. "But when you live in a community where people actually care, it feels like you're part of something in a genuine way."

Resident Gail, who has Multiple Sclerosis (MS) and uses a wheelchair, says the accessibility of her apartment and opportunities to connect with the local community have significantly improved her lifestyle and wellbeing. Gail lives in a 2-bedroom apartment with her service dog, Jack. She is actively involved in women's wheelchair basketball, often has her grandchildren over, and is a member of the apartment complex's body corporate committee.

Living at Hope Island has also helped Gail financially. "I've saved a lot of money from my NDIS plan by having amenities like the gym and pool on site, so my plan goes further," Gail says. "It's a win-win."

Hope Island was delivered through a partnership with our impact lending team, with Bank Australia supporting AHA since the organisation's beginning.

"As a purpose-driven bank, we believe supporting accessible housing goes hand in hand with responsible banking," says impact lending team member Nicole. "We were one of the first banks to lend into the SDA sector, and we're proud to support projects that provide well designed and well located homes for life."

The company we keep

Who we choose to partner with, the organisations we join as members and the certifications we seek are integral to maintaining and building trust in our brand as a purpose-driven, responsible bank. We partner and work together towards shared goals with organisations that share our values and help us to raise awareness of social and environmental issues.

Global Alliance for Banking on Values

We were the first Australian member of the Global Alliance for Banking on Values (GABV), an international network of financial institutions that use the business of banking to create social and environmental good.

Certified B Corporation. Learn more at bcorp.com

We've been a certified B Corporation since 2020, joining a community of over 10,000 global organisations committed to using collective action to work towards a more inclusive, equitable, and fair economy.

CUSTOMER OWNED BANKING ASSOCIATION

The Customer Owned Banking Association (COBA) is the industry association for Australia's customer-owned banking institutions.

RE100

We're a member of the RE100, a global corporate renewable energy initiative led by the Climate Group in partnership with Carbon Disclosure Project (CDP) that brings together influential companies committed to 100% renewable power.

Australian Banking Association

The Australian Banking Association (ABA)'s mission is to support member banks to build a strong, stable and trusted banking system, to grow the Australian economy and build the financial well-being of all Australians.

riaa Responsible Investment Association Australasia

The Responsible Investment Association Australasia (RIAA) is a not-for-profit organisation dedicated to ensuring capital is aligned with achieving a healthy society, environment and economy. RIAA's member network consists of people and organisations engaged in responsible, ethical and impact investing across Australia and New Zealand. Our Impact Term Deposit is certified by RIAA.

BCCM

The Business Council of Co-operatives and Mutuals (BCCM) is Australia's only peak body for co-operatives and mutuals across all industries.

Australian Sustainable Finance Institute

The Australian Sustainable Finance Institute (ASFI) is the independent, peak body for sustainable finance in Australia, and works with Australia's leading financial institutions and system actors to accelerate the transition to a sustainable financial system.

6.

Our planet

Climate action

Climate change is one of the biggest challenges we face as a society and taking action on climate is a top priority for our customers.

Following our merger with Qudos Bank in 2025, we've set a new climate action strategy for 2026-2035. As part of this work, we have also revised our emissions reduction targets for 2035. We've set new 2035 emissions reduction targets for our mortgages, car loans and operations, replacing our previous net zero by 2035 and 2030 Science Based Targets initiative (SBTi) interim targets.

Our 2026 climate action strategy update maintains our commitment to emissions reduction from our operations and lending portfolio, while continuing to acknowledge that reducing emissions is just the first step. It also contains our climate-related transition plan for 2027-2029.

We're committed to demonstrating leadership to support climate advocacy and climate justice and managing climate risks. Our climate ambition is supported by sustained effort from our teams and is informed by successes and challenges we've had over previous years. We've achieved and learned a lot about how we can support our customers to electrify and improve the energy efficiency of their homes, how we can best support climate advocacy, as well as how we can improve our understanding and management of climate risk.

We've demonstrated our leadership by ceasing car loans for new fossil fuel cars from 2025, we've continued to offer our flagship Clean Energy Home Loan, and we launched the Electrify Your Home program in 2024, a free initiative to support customers to get off gas at home.

We've maintained our responsible banking policy position to not lend to coal, gas or oil extraction or fossil fuel electricity generation. We continue to operate on 100% renewable electricity, which we started in 2019.

We've also partnered with a range of organisations addressing the climate crisis from different angles, with the collective aim of supporting a diverse range of communities in the energy transition while working towards a clean energy future for all.

We're committed to working hard, including through trying new approaches, working collaboratively, and transparently sharing our progress with our customers. We know the challenge before us is enormous, but together with our customers we are committed to taking the climate action we know is needed.

Our 2026 climate action strategy

Our new climate action strategy contains 3 focus areas:

Climate opportunities – We aim to grow climate-aligned lending and to reduce emissions from our residential mortgage portfolio, vehicle loan portfolio and our operations.

Climate risks – We will continue to evolve our approach to assessing, disclosing and managing the risk presented to the bank by a changing climate.

Climate engagement – We aim to engage with a variety of stakeholders, including our customers, employees, suppliers, peer organisations, governments and communities on climate. We support advocacy on all-electric, energy efficient and resilient homes and climate justice, including First Nations leadership on climate, and a fair and inclusive transition to clean energy for everyone.

Our new emissions reduction targets

Our climate action strategy contains our 2035 emissions reduction targets, which have been reset following our merger with Qudos Bank. The merger changed the size of our business significantly, and as a result this required a new baseline to be set, and for our emissions reduction targets to be re-calculated.

As part of our 2026 climate action strategy, we are replacing our 'net zero by 2035' target with three new emissions reduction targets.

Our targets (from a 2026 baseline):

- Residential mortgage portfolio: 70% emissions reduction by 2035
- Vehicle loans portfolio: 40% emissions reduction by 2035
- Operational emissions: 40% emissions reduction by 2035.

All targets have been set to align with the level of decarbonisation required to achieve the Paris Agreement's 1.5°C ambition at 2035[1]. While our previous net zero target would have involved the purchase of offsets, our new targets are gross emissions reduction targets only. This means they focus on how much we can reduce emissions, and do not involve the purchase of offsets.

Our new targets focus on emissions reduction, rather than offsetting. In addition to the projected impact of external factors, like electricity grid decarbonisation, we will take further actions to decarbonise our operations and portfolio.

Given the nature of our business, we believe focusing on reducing emissions gives greater transparency to our customers. Overall, changing to gross emission reduction targets clearly shows what we aim to reduce, and how.

Climate action remains a top priority for Bank Australia. We know we have a lot of work to do as we take action towards achieving our emissions reduction targets, and our actions to support our customers in electrifying their homes, funding electric vehicles, and decarbonising our own operations will all remain a focus for us as we work towards these targets.

Outside of our targets, we continue to support a role for the high integrity carbon offset market where emissions are harder to reduce, particularly where there are co-benefits for First Nations communities and nature and biodiversity. We believe for our business focusing on reducing emissions gives greater transparency to our customers and strengthens our climate action outcomes.

To align with this approach, this year we made the decision to withdraw from Climate Active, meaning we will no longer be Climate Active certified from July 2026.

Our climate-related transition plan

Our climate-related transition plan for 2027-2029 is key to our climate action strategy.

It sets out how we plan to achieve our emissions reduction targets and incorporates climate-related opportunities, as well as climate-related risks associated with our shift towards a climate-resilient future. We also engage with external partners and other stakeholders on climate advocacy, supporting a fair transition to a clean energy future for all.

The plan includes focus areas for our climate-related opportunities, risks and engagement work over the 2027-2029 financial years, aligned to our business-wide strategic planning cycle. We'll report on progress against the climate-related transition plan from next year.

Our new 2026 Sustainability Report

There are new requirements in place from the AASB's mandatory standard for climate-related financial disclosures (AASB S2). This means that this year we have published a sustainability report for the first time. The climate section of this impact report refers to the sustainability report for further detail on specific topics, and topics you may have previously read about in our impact report can now be found in the 2026 Sustainability Report. You can read our full 2026 Sustainability Report here.

1 The residential mortgage target endpoint is aligned with the 1.5°C ambition at 2035. Our residential mortgage emissions are expected to exceed the ambition from 2027-2030. From 2030 onwards, emissions are expected to drop below the 1.5°C ambition as the impacts of grid decarbonisation and additional action to grow climate-aligned lending per our climate-related transition plan take effect.

Our progress this year

We are pleased to share the progress made against our climate action strategy this year, while acknowledging the work ahead to achieve the climate ambitions set out in our strategy.

Climate opportunities

Financed emissions: 92% of our total emissions in 2026 came from our home loan portfolio, so supporting our customers to buy, build, or renovate energy-efficient, all-electric homes plays a big role in meeting our climate action goals, assisting customers in the energy transition and supporting more Australians to decarbonise their homes.

After exceeding demand for the award-winning Clean Energy Home Loan – Renovate option last year, this year we re-introduced the option – again with a reduced interest rate – making it more affordable for more Australians to decarbonise their homes. We continued to offer the Electrify Your Home program in partnership with BOOM! Power to help our customers get off gas at home.

This year we also worked on uplifting the data we use to measure emissions from our residential mortgages. This is important to help us set an accurate baseline and measure our progress towards our emissions reduction targets. To improve our data quality, we purchased a green homes data set from an external provider, which was integrated with a new method to calculate home energy consumption based on things like the year and location the home was built in. For further information, see page 42 of our 2026 Sustainability Report.

Operational emissions: this year we maintained 100% renewable electricity in our operations. We have also been investigating the best way to transition our car fleet across the Bank Australia and Qudos Bank fleets.

Climate-related opportunities metrics and targets 2026 results:

- Residential mortgage portfolio target: 70% emissions reduction by 2035 from a 2026 baseline (95,353 tCO_2e to 28,606 tCO_2e).
  - In 2026 our residential mortgage portfolio emissions measured 95,353 tCO_2e.
- Vehicle loan portfolio target: 40% emissions reduction by 2035 from a 2026 baseline (1,401 tCO_2e to 841 tCO_2e).
  - In 2026 our vehicle loan portfolio emissions measured 1,401 tCO_2e.
- Operational emissions target: 40% emissions reduction by 2035 from a 2026 baseline (4,934 tCO_2e to 2,960 tCO_2e).
  - In 2026 our operational emissions measured 4,934 tCO_2e.

For further information on our metrics and targets refer to page 25 of our 2026 Sustainability Report.

Offsetting operational and motor vehicle loan emissions

This year we purchased offsets for our organisational carbon neutral claim under the Climate Active program and 2026 marked the final year of our certification. We also purchased offsets for loans originated under our car loan product before the previous carbon offset feature was phased out in 2025. We'll continue to offset car loan emissions for the remaining term of applicable loans; however, they will decrease over time as the loans are repaid.

The following offsets were retired for emissions associated with our operations:

Project description	Type of offset units	Registry	Date retired	Serial number	Vintage	Eligible quantity (tCO_2e)	Eligible quantity used for previous reporting periods	Eligible quantity banked for future reporting periods	Eligible quantity used for this reporting period	Percentage of total offsets retired for this reporting period (%)
Wind bundle project in Maharashtra by Sispara	VCU	VCS	6/9/2024	8457-21916385-21923775-VCS-VCU-997-VER-IN-1-1660-01012019-31102019-0	2019	7,391	6,516	–	875	18%
Colodan Great Barrier Reef	ACCU ANREU	ANREU	3/7/2026	SN8332206564 – 8332207163	2021-22	600	–	–	600	12%
Standard bundled wind power project in Tamil Nadu by Tamil Nadu Spinning Mills Association	VCU	VCS	3/7/2026	13544-512367192-512371191-VCS-VCU-508-VER-IN-1-1353-01012019-31122019-0	2019	4,000	–	541	3,459	70%
Total offsets retired this report and used in this report										**4,934**
Total offsets retired this report and banked for future use										**541**

Until February 2025, we offset emissions from our car loans for the operations of the vehicle for the life of the loan[1]. The following offsets were retired for emissions associated with the former feature of our car loan product.

Project description	Type of offset units	Registry	Date retired	Serial number	Vintage	Eligible quantity (tCO_2e)	Eligible quantity used for previous reporting periods	Eligible quantity banked for future reporting periods	Eligible quantity used for this reporting period	Percentage of total offsets retired for this reporting period (%)
Wind power project by Ushdev International Limited in Tamil Nadu	CER	UNFCCC CDM	3/6/2025	Proj 6121 – 275,164,853 –275,169,852		5,000	2,791	926	1,283	100%
Total offsets retired this report and used in this report										**1,283**
Total offsets retired this report and banked for future use										**926**

1 This product feature was for Bank Australia branded loans only, prior to our merger with Qudos Bank. Emissions for each applicable loan in 2026 were calculated using emissions intensity by vehicle archetype (internal combustion engine, hybrid or electric vehicle) and national statistics for average distance travelled. Our motor vehicle loan emissions reduction target is set using a different methodology. For further information see our 2026 Sustainability Report.

Case study

Off gas, lower bills: How BOOM! Power helped Pete and Heather electrify their apartment

Retired schoolteachers and Bank Australia customers Pete and Heather wanted to fully electrify their beachside apartment in Melbourne's south. But 2 key upgrades stood in their way.

They began their electrification journey 6 years ago by installing solar panels, after getting approval from their owners corporation. Since then they've added a reverse-cycle split system, an energy monitoring tool, as well as switching to an electric car.

To complete their move off gas, they needed to replace their stove with an induction cooktop and upgrade to a heat pump hot water system.

With the help of the BOOM! Power Electrify Your Home tool, free to Bank Australia customers through our banking app, they were able to move ahead with both upgrades.

There were a few challenges along the way with installing the induction cooktop. After replacing a few pots and pans, Heather is now a convert.

"I wasn't sure how it would work at first, but I love cooking with it, and it's so easy to clean!"

Their new heat pump hot water system runs between 10am and 3pm which are peak solar hours, meaning they can make the most of the energy they generate.

"We basically get free hot water," Pete said.

The installer they acquired through BOOM! Power was also able to source a rust-resistant unit suited to their beachside location.

Now their solar panels power the heat pump, induction cooktop, reverse-cycle air conditioning and other appliances during the day. Two utility connections are now one and their bill is little more than the daily supply charge, around $30 a month. They're looking at installing battery storage as their next step.

With their home now fully electric, Pete and Heather were also eligible to apply for a Bank Australia Clean Energy Home Loan.

For anyone considering electrifying their home, Pete's advice is simple:

"Just go for it. It's been a real win-win and having BOOM! Power on our side, supported by Bank Australia, made it even easier."

Climate risks

In 2026 we made improvements to our assessment of climate-related risks to our business. These improvements included work to inform the climate resilience assessment described on page 21 of the 2026 Sustainability Report.

This year we undertook our first formal analysis of climate-related transition risk in the residential mortgage portfolio. We also assessed climate-related physical risk in our residential mortgage portfolio, building on work undertaken by Bank Australia in 2023 and Qudos Bank in 2022. You can see the summary of this analysis on page 32 of the 2026 Sustainability Report.

We'll continue to focus on building capability over time to integrate climate into our risk management processes.

Climate engagement

Environment Victoria, Renew and Sweltering Cities – We provided these organisations with impact fund grants to support a clean energy transition for everyone. Read about the partnerships on page 90.

Seed – We renewed our long-term partnership with Seed Indigenous Youth Climate Network (Seed), helping to build a strong and connected movement of Aboriginal and Torres Strait Islander young people for climate justice. You can read more about our partnership with Seed on page 74.

RACE for 2030 – We continued our collaboration with the industry-led cooperative research centre for energy and carbon transition, and their research project led by RMIT focusing on driving energy upgrades in private rental homes.

Climate Action Week – In March 2026 we sponsored Sydney Climate Action Week 2026 (CAWSYD26). Organised by the Climate Action Foundation in partnership with the City of Sydney, CAWSYD26 showcased a series of community-led events across Sydney from all aspects of the climate action ecosystem. CAWSYD26 is one of Australia's largest platforms showcasing how community, industry and government can work together to accelerate climate action.

Gippsland New Energy Conference – We supported this conference as part of our commitment to decarbonising and electrifying homes in the Latrobe Valley.

Business for 75 campaign – We joined a group of Australian businesses, investors and organisations calling on the Australian government to commit to an emissions reduction target of at least 75% by 2035.

This year we ran 4 Climate Fresk workshops for our teams, with 25 employees participating in the workshops across our Melbourne and Sydney offices. Climate Fresk is an interactive, science-based workshop that helps participants build a clear understanding of the causes, impacts, and interconnections of climate change. These workshops helped our teams to develop a systems-level understanding of climate change, explore practical climate solutions, and discuss actions they can take in their own lives.

This year we shared over 270 pieces of climate-related content with our customers across our social channels, as well as climate-related content across our other owned channels including blogs, emails and newsletters. This content generated a combined 841,967 impressions across Bank Australia and Qudos Bank channels.

This year:

$365,000

impact fund support of climate action.

841,967

impressions across our climate-related content and communication.

We run on

100%

renewable electricity.

Case study

Our role in the climate transition

We work with communities, not-for-profits and other organisations to contribute to collective solutions that deliver long-term environmental and social impact. This work supports positive outcomes for our customers, as well as the broader community, and helps ensure the clean energy transition is fair for everyone.

This year, Bank Australia provided funding to several organisations addressing the climate crisis from different angles, with the collective aim of supporting a diverse range of communities in the energy transition while working towards a clean energy future for all.

To help educate and empower communities at a grassroots level on household electrification, we partnered with Environment Victoria, providing a $100,000 grant from our impact fund. This year, funding supported programs delivered by the organisation to help more Victorian households switch to efficient, all-electric homes.

Electrifying homes is a key part of our climate action strategy, and we want to see this work scaled across Victoria and the rest of Australia.

"Too many people are missing out on the benefits of our clean energy transition – communities hit hardest by the cost of living, culturally diverse households and renters among them," said Joy Toose, Environment Victoria's Climate Campaign Manager. "We've partnered with Neighbourhood Houses Victoria to change that: bringing together the right expertise and trusted local neighbourhood houses so households can make informed decisions about going electric. It's a model we'd love to see replicated right across Australia."

We also partnered with Renew, a not-for-profit organisation working to transform Australian homes for climate and energy resilience. Our partnership with Renew and its Sustainable House Day event was supported by a $100,000 impact fund grant.

Sustainable House Day creates a platform for homeowners to share their electrified home with others, helping people discover ways to make their homes more efficient, affordable and climate ready. It's built on the idea that peer-to-peer interactions are an effective way of inspiring people to make efficient upgrades to their own homes. Read more about the partnership with Renew on page 44.

We also partnered with Sweltering Cities, Australia's national advocacy organisation focused on extreme heat at the intersection of climate justice, inequality and health. Bank Australia provided $50,000 in funding to support their work in mobilising communities, strengthening evidence and advancing climate-safe housing, particularly for renters.

"Sweltering Cities is focused on talking to and helping everyday people tell their stories and make their voices heard in policy conversations," explains Executive Director of Sweltering Cities, Emma Bacon.

We're proud to be supporting our partners to deliver this important work across a diverse range of communities, helping move towards an inclusive and fair energy transition.

Our nature and biodiversity strategy

Nature and biodiversity is a priority impact area for Bank Australia. We are pleased to share the progress of our nature and biodiversity strategy this year.

Nature and biodiversity underpin life and research shows that healthy ecosystems are one of our strongest natural defences against climate change. Our vision is a 2030 where nature is protected and recovering. Supporting the transition to a nature positive economy will help us get there. Specifically, 'nature positive' describes halting and reversing biodiversity loss by 2030, putting nature on a path to full and ongoing recovery by 2050.

We all depend on nature and we all have a role to play in securing a healthy planet for future generations. We know our commitment to delivering our nature and biodiversity strategy is important to our customers.

As a customer-owned bank, we demonstrate leadership and engagement through our products, services and core impact initiatives. This year our nature and biodiversity strategy has been focused on the ongoing management of the Bank Australia conservation reserve and providing support towards our impact partnerships through lending and community customer grants.

An example of this is the $15 million loan alongside support from the Clean Energy Finance Corporation to the Nari Nari Tribal Council, supporting ecological restoration and cultural management of the Great Cumbung. The Great Cumbung is one of Australia's most significant freshwater wetlands, which play a critical role in storing carbon and regulating greenhouse gases. This loan will help to enable the Nari Nari Tribal Council to restore this ecosystem and investigate a possible wetland carbon methodology, delivering measurable carbon sequestration and long-term biodiversity benefits. Read more about our impact loan to the Nari Nari Tribal Council on page 49.

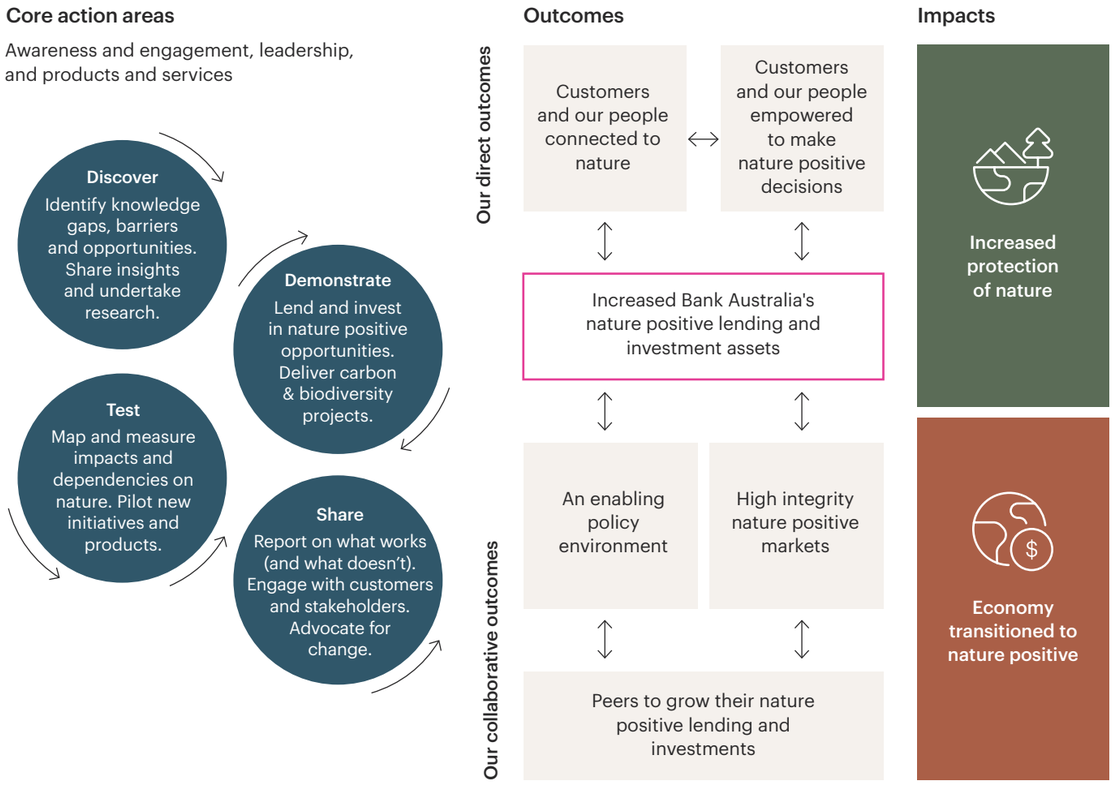
This year we also focused on awareness and engagement opportunities, sponsoring Climate Action Week Sydney 2026, and supporting Australian Bird of the Year – the biennial poll by BirdLife Australia and the Guardian Australia. We also held employee beach clean-up volunteering opportunities with Parley for the Oceans. You can read more about our employee volunteering on page 64.

We've been scoping out where our upstream, direct, and downstream impacts and dependencies on nature exist using the Taskforce on Nature-related Financial Disclosures (TNFD) framework. We've included our third disclosure using this framework in Appendix 7: Nature and biodiversity.

In 2026, Trust for Nature took on the role of land manager of our conservation reserve, with work underway to update the vision for the reserve.

Our nature and biodiversity strategy will continue to focus on working towards strengthening outcomes that result in more of nature being protected and restored, and transitioning to a nature positive economy through the ongoing stewardship of our reserve.

Our theory of change for nature and biodiversity



Caring for our conservation reserve

We are the first bank in Australia to care for a conservation reserve, spanning 2,117 hectares in Western Victoria.

The work on our conservation reserve demonstrates our commitment to addressing our customers' priorities of climate action and nature and biodiversity. We work in collaboration with Trust for Nature and the Barengi Gadjin Land Council (BGLC) to protect and manage the biodiversity and cultural values of the 4 sites (Salvana, Minimay, Booroopki, and Ozenkadnook) on our conservation reserve. BGLC represents the Traditional Owners and Custodians of the reserve, the Wotjobaluk, Jaadwa, Jadawadjali, Wergaia, and Jupagulk peoples of the Wotjobaluk Nations.

Helping native species thrive

An integral part of our work on the conservation reserve is our on-the-ground ecological monitoring, providing us with a deeper understanding of the land and potential solutions that will benefit communities, economies, and the value of nature.

This year we held 3 employee tours to our conservation reserve, taking 59 employees (including Bank Australia Board members) out to the reserve visiting Minimay and Salvana properties.

Our key role on the conservation reserve is the stewardship of the land, including the protection of native plants and animals, along with reducing the negative impacts of invasive plant and animal species.

Employees took to the tools and built 26 nest boxes as part of a workshop facilitated by Landcare during our November trip. Over the coming year, these nest boxes will be placed across our Minimay reserve to support a range of species from galahs to Western pygmy possums and microbats.

While signs of regeneration are present, some of the invasive weeds on the reserve are very persistent and difficult to eradicate, such as the South African weed orchid (Disa bracteata) and stinkwort (Dittrichia graveolens). During the April and May employee trips to our Minimay property, our team were equipped with weeding tools to assist with digging out these invasive weeds.

Across all trips, we were joined by the Trust for Nature team, who spoke to us about the importance of private land conservation. During 2026 trips, we were Welcomed to Country by the BGLC.

As part of our efforts to protect and restore biodiversity on our Minimay property, employees helped map and measure remnant buloke trees (Allocasuarina luehmannii) during the trips. Using a forestry diameter tape (D-tape) to measure trunk circumference and estimate age, participants gathered valuable data on this threatened species, which has been heavily cleared across the Wimmera region since European settlement. The surveys revealed several remarkable specimens estimated to be more than 300 years old.

After attending the conservation reserve employee trip, 96% of attendees reported that they strongly agree they have an increased understanding in the ways our investment in the reserve aligns with the bank's values and purpose. Feedback from the post-trip survey also shows that 94% of attendees strongly agree that they feel more confident speaking to stakeholders and customers about the reserve following the trip.

Nest boxes built by our team during the November employee trip.

Managing Director, Damien Walsh, pays respects to one of our older buloke residents.

Learning and development team member Rachael and Board member Simon O'Connor, measuring a buloke with a D-tape.

Supporting our conservation partners

This year we continued to grow our nature-aligned impact lending, supporting organisations working to protect, restore and sustainably manage natural landscapes across Australia.

Through these loans we aim to create long-term outcomes for nature, while supporting regional communities and First Nations leadership in caring for Country. Reducing our impact on nature through our lending and investment opportunities can help us learn what may be possible.

We're proud to have supported organisations including:

- Nari Nari Tribal Council – we provided a $15 million impact loan in partnership with the Clean Energy Finance Corporation to support the acquisition and restoration of The Great Cumbung in NSW. The project aims to improve wetland health, strengthen habitat for native species and support First Nations-led stewardship of Country.
- Bidyadanga Aboriginal Community – this year a loan was provided to Pijarta Produce, part of Bidyadanga Aboriginal Community Group, to enable increased production, profitability and sustainability of the farming operations at Shamrock Gardens Melon farm.
- Nature Glenelg Trust – we provided an impact loan to help expand the Wirey Swamp Restoration Reserve in Western Victoria. By protecting and restoring wetlands and native habitat, the project aims to give threatened species such as the Growling Grass Frog a better chance to thrive while improving biodiversity outcomes across the broader landscape.

As we develop our nature-positive products and services, we can collaboratively take steps towards improvements for nature.

Photo: Murray Fredericks

Nature awareness and engagement

Speaking out about the impact companies can have on the protection and stewardship of ecosystems is an important component of our nature and biodiversity strategy.

By advocating for change that supports a nature-positive economy, and sharing what we've learned, we can influence our sector and increase awareness of what's possible for other landholders in Australia.

This past year we worked to increase our ongoing participation in the broader discussion around protecting Australia's nature and biodiversity, with a focus on influencing our sector and driving change.

We participated in global and local conferences throughout the year to share insights on our nature positive approach, including sponsoring Climate Action Week Sydney and the Australian Conservation Land Alliance Conservation Finance Intensive. Our Manager, Nature and Biodiversity, undertook additional speaking engagements at the Responsible Investment Association Australasia Conference, and was interviewed by a range of media including Trust for Nature's quarterly newsletter.

Case study

Our partnership with Trust for Nature

We're proud to be the first Australian bank with a conservation reserve. Since starting the project in 2008, our reserve has grown and now protects 2,117 hectares on Wotjobaluk Country in Western Victoria. This year, we welcomed a new partnership with Trust for Nature to manage the reserve, strengthening our shared commitment to protecting and managing the reserve's biodiversity and cultural values.

The conservation reserve includes 4 properties, Minimay, Salvana, Ozenkadnook and Booroopki, which together provide habitat for 251 native plant species and 283 native animal species. Among these are endangered species, including the critically endangered South-eastern Red-tailed Black-Cockatoo.

The reserve protects important woodlands and heathlands, including the endangered Buloke Woodland, which is a critical food source for the South-eastern Red-tailed Black-Cockatoo. Other threatened species found on the reserve include Diamond Firetails, the Fiery Jewell Butterfly and the Coloured Spider-Orchid. Located adjacent to the Little Desert National Park, the properties also help connect habitat across the landscape, creating wildlife corridors for wildlife to move in between.

Under the new partnership, Trust for Nature will manage the reserve in collaboration with Traditional Owners from the Wotjobaluk, Jaadwa, Jadawadjali, Wergaia and Jupagulk peoples, represented by the Barengi Gadjin Land Council (BGLC).

Trust for Nature is one of Australia's oldest conservation organisations, established to protect habitat on private land. Trust for Nature will support us to continue to improve habitat on the reserve, including weed and pest animal control, habitat monitoring, revegetation and the installation of nest boxes.

"Bank Australia's conservation reserve shows the impact we can achieve through partnering to protect habitat forever. It's phenomenal to see how much the landscape at the reserve has transformed over the past decade – it's a powerful reminder of what long term conservation really means. Conservation works on long time frames: ancient trees centuries old now stand beside young ones just reaching maturity, destined to shape this landscape long after our lifetimes. We're thrilled to continue working with Bank Australia to care for this extraordinary place," said Steven Lynch, Director of Conservation at Trust for Nature.

"The conservation reserve is one of the ways we're using the business of banking to create a healthier planet," said Jane Kern, Head of Impact Management at Bank Australia. "Our partnership with Trust for Nature ensures the reserve continues to be a thriving and collaborative example of science based conservation in action."

Appendices

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Appendix 1: Materiality assessment

The table below provides details of how each material topic identified during the materiality assessment is addressed in this report, relevant information related to these topics, and location of these disclosures in the impact report.

Climate change

Implementing our climate action strategy alongside our other goals of climate justice and developing climate positive products and services.

Relevant information / metric

Operational and financed emissions scope 1, 2 & 3

Climate action strategy

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Governance and risk management

Governance structures and leadership that set clear expectations related to our purpose and strategy, and behave in line with our values. Managing events that disrupt our business and taking a prudent approach to risk management and compliance.

Relevant information / metric

Evidence of a strong risk culture and compliance with all material aspects of the risk appetite statement

Meets all legal, regulatory and prudential requirements

Section / page

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Responsible banking

Using the business of banking to create a positive impact through the people, businesses and projects that we lend to and invest in.

Relevant information / metric

Impact assets as a % of total assets

Responsible banking policy

Section / page

Our business / Here's how it works	Page 13 ⟶
Our customers / Responsible banking	Page 43 ⟶
Our customers / Impact finance	Page 46 ⟶
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Fraud and cybersecurity

Preventing fraud and cybersecurity events through investments in technology, monitoring, building staff capability, increasing customer awareness and providing customer support when needed.

Relevant information / metric

Cybersecurity training

Scam cases

Card fraud incidents

Digital fraud cases

Section / page

Our customers / Providing scams and fraud support	Page 32 ⟶
Our customers / Our customers' data privacy	Page 33 ⟶

Nature and biodiversity

Implementing our nature and biodiversity strategy, including managing our conservation reserve to protect biodiversity and regenerate nature. Developing nature positive products and services.

Relevant information / metric

TNFD Report

Nature and biodiversity strategy

Impact assets as a % of total assets

Responsible banking policy

Capex, financing or investment to nature positive

Section / page

Our customers / Impact finance	Page 46 ⟶
Our community / Impact fund	Page 69 ⟶
Our planet / Our nature and biodiversity strategy	Page 91 ⟶
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Resilient bank

A financially resilient bank with strong governance and leadership, which is true to its purpose and invests in the capability and wellbeing of its staff.

Relevant information / metric

Total assets

Loan growth

Deposit growth

Net profit after tax

Customer owners' funds

Cost as a percentage of income

Capital adequacy ratio

Loans 30 days or more in arrears

Section / page

Our 2026 financials	Page 20 ⟶
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2026 Financial Report	⟶

Affordable and accessible housing

Investing in affordable and accessible housing.

Relevant information / metric

Impact assets as a % of total assets

Responsible banking policy

Section / page

Our business / Measuring our progress	Page 18 ⟶
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Health, safety and wellbeing

Creating a workplace with fair employment practices and a safe and healthy environment that promotes staff wellbeing.

Relevant information / metric

Workplace health and safety (WHS) incidents and injuries affecting staff

WHS hazards, incidents and injuries affecting customers

Days lost to injury

Section / page

Our people / Health and safety section	Page 61 ⟶
Appendix 4: Our people and culture	Page 115 ⟶

Business conduct and ethics

Operating ethically and transparently, showing accountability and being a purpose-driven organisation for the wellbeing of our customers and employees.

Relevant information / metric

Banking Code of Practice and Customer Owned Banking Code of Practice

Responsible banking policy

Section / page

Our customers / Our customers' data privacy	Page 33 ⟶
Our people / Business conduct and ethics	Page 63 ⟶

Data privacy

Protecting and keeping customers' personal information, including financial information, secure.

Relevant information / metric

Banking Code of Practice and Customer Owned Banking Code of Practice

Section / page

Our customers / Our customers' data privacy	Page 33 ⟶

Customer satisfaction	
Keeping our customers satisfied with the bank and the service they received from our team. Delivering on our promise to be a good bank and a force for good.	**Relevant information / metric** Customer satisfaction score Product Review score Customer complaints **Section / page** Our customer complaints / Customer satisfaction — Page 29 ⟶ Appendix 3: Our customer profile — Page 113 ⟶

Supporting our customers	
Supporting our customers to use their money to create a world where people and the planet thrive, offering fair and competitive rates and fees and supporting our customers with their financial wellbeing.	**Relevant information / metric** Financial hardship assistance Customer satisfaction with overall financial situation **Section / page** Our customers / Customer rates and fees — Page 29 ⟶ Our customers / Supporting our customers in financial hardship — Page 36 ⟶ Appendix 3: Our customer profile — Page 113 ⟶

Appendix 2: How we're governed

Good corporate governance and sound risk management practices are a fundamental part of the culture and business of the bank. The key aspects of our corporate governance framework and risk management practices are set out below.

This is the first year we have reported on Bank Australia Limited following the transfer of the Qudos Bank business to Bank Australia on 1 July 2025.

Following the merger of Qudos Bank, in November 2025 Bank Australia acquired and fully integrated the banking business of Australian Unity Bank Limited.

As a mutual, Bank Australia is wholly owned by its customers. Each customer holds one member share, granting them equal voting rights. As there are no institutional or professional shareholders, there is no one customer or customer group that can be considered as a substantial shareholder. Profits generated are reinvested into better products and services for the benefit of members, instead of being distributed to shareholders as dividends.

The Board is accountable to its customers, as it is its customers who elect the majority of the independent non-executive Directors and vote on issues at the bank's general meetings.

The Board is responsible for the governance of Bank Australia and for its sound and prudential management, ensuring that the bank establishes and implements risk management frameworks and processes with the ultimate objective of creating a sound risk culture.

The Board:

- establishes corporate objectives
- develops, with management, the corporate culture, strategy and policy
- appoints the Managing Director and evaluates their performance
- provides oversight for Bank Australia's operations and ensures they align with its values
- ensures the appropriate control frameworks are in place, including the capital structure
- is responsible for compliance with APRA's prudential standards, the Corporations Act 2001 (Cth) and other regulatory and legislative requirements
- approves the budget
- sets risk appetite.

The Board:

- as at 30 June 2026 consisted of 11 Directors, including 8 independent non-executive member-elected Directors, 2 independent non-executive Board-appointed Directors and the executive Managing Director.
- met 9 times this year, and also met for the Annual General Meeting and annual Board planning.
- has established committees, which met as follows: Risk (6 times), Audit (4 times), Governance and Remuneration (4 times), Nominations (2 times) this year. The Integration Committee met 4 times in 2026, but was disbanded as of 30 June 2026.
- has limited Directors' tenure to 9 years (except in respect of former directors appointed before the merger with Qudos Mutual Limited who have a maximum tenure of 12 years). The average tenure of the independent non-executive Directors of Bank Australia at the end of this financial year was 5.7 years.

With effect from 26 November 2026, the number of Directors serving on the Board will be reduced from 11 to 8, comprising 7 independent non-executive Directors (5 member-elected and 2 Board-appointed) and the executive Managing Director.

All Directors, with the exception of the Managing Director, are appointed on 3-year terms. At the end of every term, each Director may be eligible for re-election or re-appointment (as the case may be) if they qualify. Directors may serve a maximum of three 3-year terms.

The election and re-election of Directors by members takes place via a member vote at the Annual General Meeting.

The Board may also appoint or reappoint Directors at its discretion, so long as there remains a majority of member-elected directors at all times.

Each candidate for the position of Director is expected to have the following mandatory competencies:

- a comprehensive understanding of the roles and responsibilities of a Director, including the regulations required in the financial sector
- the ability to understand retail and commercial banking risks, including risk identification and monitoring of risk mitigation
- experience in an organisation (or organisations) of comparable scale and complexity to Bank Australia
- a commitment to mutuality values, sustainability and responsible banking principles, including the ability to be seen as a role model for the Company's brand through the demonstration of their actions and behaviours
- the ability to evaluate, form conclusions and apply good judgement
- the ability to understand the Company's strategy
- the capacity and willingness to undertake continuous professional development and learning to acquire and update skills and knowledge relevant to the role of Director of the Company
- good financial literacy
- an understanding of their obligations as an Accountable Person under the Financial Accountability Regime (FAR), namely to:
  - act with honesty and integrity, and with due skill, care and diligence
  - deal with APRA in an open, constructive and co-operative way
  - take reasonable steps in conducting those responsibilities to prevent matters from arising that would adversely affect the prudential standing or prudential reputation of the Company
  - take reasonable steps to prevent matters arising that would result in a material contravention by the accountable entity of any of the laws specified under s21(d) of the FAR act.

The Board has the discretion to determine other mandatory or desirable criteria to meet the skill requirements of the Board.

In addition, for the 2026 Director-election process, nominating candidates are required to have the following additional competencies in order to meet a desired skills mix on the Board:

- Audit Committee Chair experience
- Merger and acquisition experience

All candidates nominating for a Board position, including existing Directors seeking re-election and/or re-appointment meet with the Nominations Committee to be assessed as fit and proper and to demonstrate the mandatory competencies. The Board, led by the Chair, regularly considers the skills represented by the Directors to ensure that the mix of skills remains appropriate to achieve Bank Australia's objectives. The Board comprises Directors with a broad range of experience, expertise and diversity in background and gender. The Board is subject to an annual review of its performance to ensure that it continuously identifies opportunities for development.

The Board may seek advice from external third parties in areas of expertise where they recognise they would benefit from such expertise.

For further information about Board of Director accountability please refer to our website.

Remuneration

For information about our approach to remuneration including our policy, collective remuneration and base remuneration, professional development expectations and our Remuneration Report refer to the 2026 Financial Report (section 6. Remuneration).

Avoidance of conflicting personal interests

Directors must disclose their personal interests when there is a potential conflict regarding any contracts or holdings. Conflicting personal interests may include but are not limited to their personal financial interests; related party transactions; external directorships; political or commercial relationships; or gifts, benefits, or hospitality that may impair independence.

Directors are responsible for identifying and reporting any conflict of interest. Directors are required to disclose the nature of their conflict as soon as possible once they become aware that such a conflict exists or is reasonably likely to have the potential to exist, with respect to any matter that is the subject of Board consideration or a decision by the Company.

Chair

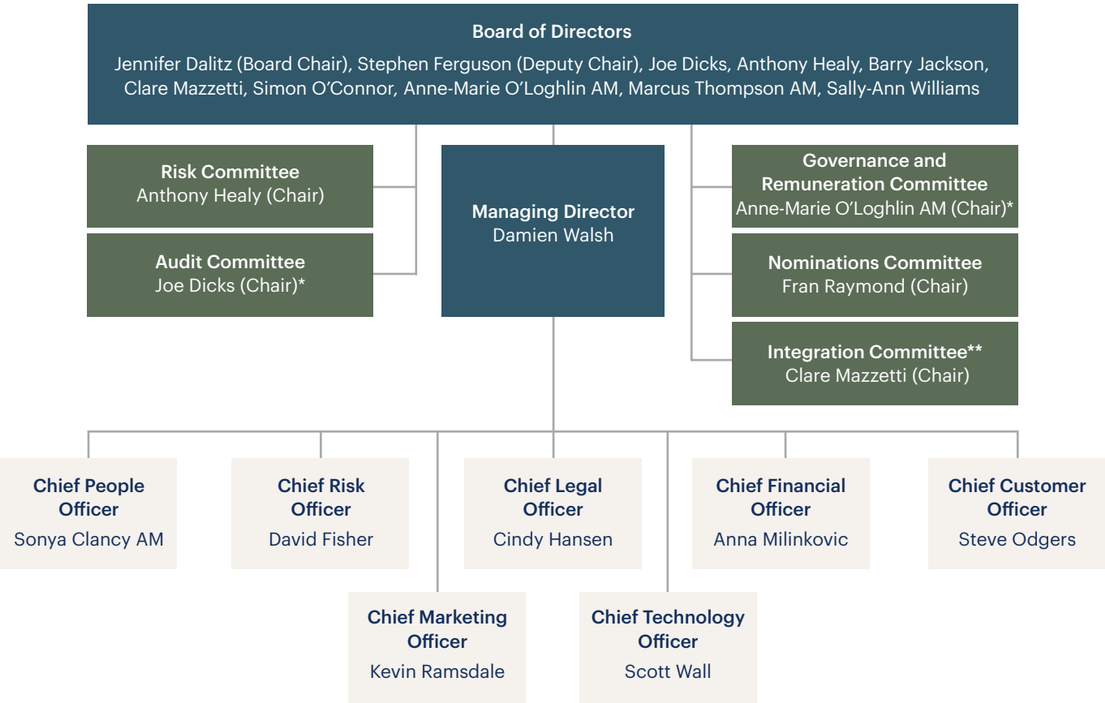
The Chair is an independent non-executive Director, who is responsible for the efficient conduct of the Board's meetings, setting the agenda, facilitating the work of the Board at its meetings and ensuring that the procedures and standards of the Board are observed.

Managing Director

The executive Managing Director is charged with Bank Australia's day-to-day leadership and management, supported by the executive leadership team that oversees Bank Australia's primary operations. Together, the Managing Director and the executive leadership team are responsible for embedding culture and sustainability principles within the business and delivering customer service strategy and leadership, product development, risk management, commercial oversight, stakeholder engagement, community partnerships, and communications.

Our 2026 Financial Report includes a profile of each of our Directors.

Our Board and executive team (as at 30 June 2026)



The standing committees of the Board include:

Risk Committee – For the oversight, monitoring and supervision of the Company's risk management practices. It fulfils Bank Australia's obligations under Prudential Standard CPS 510 (Governance) requiring a Board Risk Committee with specific responsibilities. The Risk Committee meets 6 times per year.

Audit Committee – For the oversight, monitoring and supervision of the financial reporting process and internal and external assurance. It fulfils Bank Australia's obligations under Prudential Standard CPS 510 (Governance) requiring a Board Audit Committee with specific responsibilities. The Audit Committee meets 4 times per year.

Governance and Remuneration Committee – To ensure the Company has a strong and effective governance framework, fulfils the responsibilities of a Board Remuneration Committee and conducts its affairs with a high degree of integrity. It fulfils Bank Australia's obligations under Prudential Standard CPS 511 (Remuneration) requiring a Board Remuneration Committee with specific responsibilities. The Governance and Remuneration Committee meets 4 times per year.

* On July 1 2026, Stephen Ferguson replaced Joe Dicks as Chair of the Audit Committee and Simon O'Connor replaced Anne-Marie O'Loughlin AM as Chair of the Governance and Remuneration Committee.

** The Integration Committee disbanded on June 30 2026.

Nominations Committee – To provide the Board with its determinations on the fitness and propriety of potential candidates for the office of Director in accordance with the Fit and Proper Policy and Constitution. The Nominations Committee consists of 2 independent non-director members plus the Board Chair (or an alternative director if the Board Chair is seeking re-election). The Nominations Committee meets as required.

Integration Committee (disbanded at the end of June 2026) – For the oversight, monitoring and supervision of the Company's integration of the merger between Bank Australia Ltd and Qudos Mutual Limited. The Integration Committee oversees merger integration activities, monitors timing, progress, budget and associated risks, validates the Day 2 Operating Model, and reports regularly to the Board on merger integration matters and recommendations. The Integration Committee met 4 times this year, and was chaired by Director, Clare Mazzetti.

External auditor

Ernst and Young (EY) are the statutory auditor of Bank Australia and have been appointed under terms of engagement to conduct an audit of the financial report and to report to members in accordance with the requirements set out in the Corporations Act for the year under review. The audit report is provided together with the year-end financial report.

At each Annual General Meeting, a representative from EY attends the meeting to answer any questions from members on the conduct of the audit, the preparation and content of the auditor's report, accounting policies adopted in the preparation of the financial statements and EY's independence in relation to the conduct of the audit of the bank's financial statements. EY also performs non-financial assurance procedures over selected performance metrics disclosed in the impact report. Refer to Appendix 8 for further information.

Internal audit

Bank Australia's internal audit function provides independent, objective assurance and consulting services to Bank Australia's operations. PricewaterhouseCoopers (PwC) have been appointed to act as Bank Australia internal audit function.

PwC assesses whether Bank Australia's framework of risk management, control and governance processes are adequate and functioning in a manner that supports various aims, including:

- the appropriate identification, reporting and management of risks
- the accuracy, reliability and relevance of financial, managerial and operating information
- compliance of employees' actions with policies, standards, procedures, and applicable laws and regulations.

Compliance

Bank Australia has a well-developed and implemented compliance framework supported by experienced compliance managers. The focus of this function is to ensure ongoing compliance with all laws and regulatory requirements with particular attention to industry specific obligations.

How we're regulated

Bank Australia is committed to maintaining high standards of corporate governance, and while not publicly listed, actively applies a governance framework that reflects the Corporate Governance Principles and Recommendations issued by the ASX Corporate Governance Council.

Bank Australia is an authorised deposit-taking institution regulated by the Australian Prudential Regulation Authority (APRA). APRA is an independent statutory authority responsible for prudential supervision across banking, insurance and superannuation.

As part of its obligations, Bank Australia is required to maintain adequate liquidity and funding arrangements to support its ongoing operations and meet regulatory requirements. This includes maintaining a diversified portfolio of high-quality liquid assets and other eligible investments, which may include government securities, bank-issued securities and other approved liquid assets.

Bank Australia also holds an Australian Financial Services License and an Australian Credit License and is regulated by ASIC in relation to its obligations under the Corporations Act 2001 and credit legislation.

Bank Australia is a mutual entity under Section 51M of the Corporations Act 2001 (Cth) and is therefore organised on the basis of the Principles of Mutuality.

Bank Australia is also subject to oversight by various state, territory and Commonwealth regulators across its operations and workforce.

Appendix 3: Our customer profile

This appendix contains information about our customer numbers and demographics. All data is reported as at 30 June unless otherwise stated. Prior year data points are for Bank Australia only. The integration of Qudos Bank and Australian Unity Bank data from 2026 reflects the increased scale of our organisation, therefore this data may not be directly comparable to prior years.

Customer numbers and demographics, 2022 – 2026

	2026	2025	2024	2023	2022
Number of customers					
Total customers	338,715	196,160	192,261	186,863	184,288
New customers	53,897[1]	14,606	17,381	16,630	21,490
Customers joining through merger[2]	104,119	0	681	0	0
Customers who left the bank[3]	15,461	10,707	11,983	14,055	13,412
Net customer growth	38,436	3,899	5,398	2,575	8,078
Customer retention rate[4]	95%	95%	93%	92%	92%
Customer locations					
Victoria	42.3%	57.1%	57.8%	58.1%	58.9%
New South Wales	29.5%	16.9%	16.8%	16.4%	16.2%
Queensland	12.9%	11.1%	11.0%	10.6%	10.5%
Australian Capital Territory	3.3%	4.7%	4.7%	4.6%	4.5%
South Australia	3.3%	3.4%	3.3%	3.2%	3.0%
Western Australia	5.7%	4.0%	3.8%	3.2%	2.9%
Tasmania	1.4%	1.6%	1.6%	1.5%	1.4%
Northern Territory	0.4%	0.5%	0.5%	0.5%	0.4%
Other	1.1%	0.7%	0.5%	2.0%	2.1%
Customer age					
Average age of customers (years)	51	49	49	49	48
Average age of new customers (years)	47	38	42	38	36

Notes on our customer numbers and demographics

1 Includes 31,052 customers that joined via the acquisition of Australian Unity Bank.

2 This includes customers joining Bank Australia Limited from Qudos Bank in July 2025 who were active on 30 June 2026 and customers from Lithuanian Co-operative Credit Society 'Talka' Limited to Bank Australia in April 2024 and who were active on June 30 2024.

3 Does not include customers who joined and left in the same financial year.

4 This includes customers who choose to leave, including to consolidate their banking providers, and those who are exited due to fraudulent activity or poor behaviour including aggression towards our staff members, and account dormancy for an extended period.

Customer profile, 2022 – 2026

	2026	2025	2024	2023	2022
Customer satisfaction					
Customer satisfaction[1]	80%	91%	88%	89%	88%
Net Promoter Score[1]	24.5	15.6	12.1	38.4	42.2
Customer complaints[2]	5,783	2,262	3,072	1,684	1,704
Customer complaints as a share of total customers	1.7%	1.2%	1.6%	0.9%	0.9%
Financial wellbeing					
Customer satisfaction with overall financial situation	66%	75%	68%	64%	73%
Hardship					
Loans granted financial hardship assistance[3]	427	223	178	119	170
Serving our customers					
Average time taken to answer calls in our contact centre[4]	7 minutes 51 seconds	2 minutes 9 seconds	6 minutes 1 second	5 minutes 19 seconds	9 minutes 24 seconds

Notes on our customer profile

1 Customer satisfaction and Net Promoter Scores (NPS) were determined based on a survey of Bank Australia and Qudos Bank customers, with the help of a third party research agency. A representative sample of 4,738 customers were asked how satisfied they are with Bank Australia on an 11-point scale (0 – 10). Scores of 6+ (satisfied or extremely satisfied) are used to calculate overall satisfaction. These 4,738 customers were also surveyed to determine the NPS, which is the likelihood that customers will recommend us to others. Our NPS this year has improved to +24.5 (from +15.6 in 2025), reflecting stronger customer advocacy. We will continue to focus on listening to customer feedback and improving the customer experience.

2 Our approach to responding to customer complaints is discussed on page 38. 71% of complaints were resolved within 1 day and 86% of complaints were resolved within 5 days.

3 The increase in the number of loans granted financial hardship assistance was due to the merging of the two banks' loan portfolios, a challenging economic environment and customers showing greater awareness of the hardship support we can provide. The main factors leading to customers seeking such support were unemployment and cost of living pressures. Our approach is discussed on page 36.

4 Our response times in contact centres are discussed on page 27.

Appendix 4: Our people and culture

This appendix contains information about our people and our culture activities in 2026. All data is reported as at 30 June unless otherwise stated. Prior year data points are for Bank Australia only. The integration of Qudos Bank and Australian Unity Bank data from 2026 reflects the increased scale of our organisation, therefore this data may not be directly comparable to prior years. For further information about our gender data please refer to Workplace Gender Equality Agency (WGEA) reporting on the WGEA website.

Our workforce summary, 2022-2026

	2026	2025	2024	2023	2022
Total staff[1]	900	610	613	591	527
Female	501	330	340	346	319
Male	399	280	273	244	207
Non-specific	0	0	0	1	1
Full-time equivalents (FTEs)[2]	841	570	575	542	487
Employee turnover rate[3] (continuing)	19.2%	16.8%	17.5%	13.9%	23.1%
Absentee rate[4]	3.8%	3.8%	3.7%	3.6%	3.5%
Occupational health and safety hazards, incidents and injuries affecting staff[5]	140	141	108	101	29
Occupational health and safety hazards, incidents and injuries affecting customers[5]	8	5	7	8	4
Days lost to injury[6]	499	69	20	154	109
Number of staff who took paid parental leave[7]	40	31	35	40	30
Staff engagement survey score[8]	n/a	56%	66%	70%	72%

Notes on people and culture summary figures

1 Total staff figure includes employees on parental leave, extended sick leave, casual, fixed term contracts, and trainees. Excludes Board Directors. Most staff worked full time (86.4%) followed by those who worked part-time (8.9%), those on a contract (3.9%), trainees (0.2%) and casual staff (0.2%). These figures are broadly similar to those reported in 2025.

2 This excludes staff on parental leave, extended leave and Board Directors. The increase in FTE is largely due to Qudos Bank and Australian Unity Bank staff becoming part of Bank Australia Limited and filling vacant positions in the merged organisational structure.

3 Voluntary separations of permanent staff only. Does not include redundancies. This metric differs from annualised continuing regrettable staff turnover, which was 14.3% in 2026.

4 This is an annualised rate and includes staff on extended sick leave and unpaid sick leave. A new methodology was introduced in 2023 resulting in the 2022 figure being restated (was previously reported as 2.8%).

5 There were 140 hazards, occupational health and safety incidents and injuries affecting staff recorded. This was made up of 82 hazards, (56 of which were psychosocial), 20 near misses and 23 injuries 6 of which were psychosocial in nature and the remaining related to factors such as slips, trips, falls, minor cuts. There were 8 customer incidents reported, all of which were minor customer injuries.

6 The increase in days lost to injury in 2026 compared to 2025 is due to inherited claims from the merger and longer recovery periods due to the type of injury sustained.

7 Our parental leave figure refers to leave that is taken and paid by Bank Australia. In July 2025, Bank Australia increased paid parental leave for all eligible employees to 18 weeks, regardless of primary/secondary carer status.

8 Due to our focus on integrating staff into the merged organisation, staff engagement was not measured in 2026. Plans are in place to conduct a staff engagement survey during 2027.

Employee gender split by type of employment, 2026[1]

Employee type	Gender	FTE	% of total
Full-time staff	Female	384	51%
	Male	368	49%
	Non-binary	0	0%
Part-time staff	Female	43.5	93%
	Male	3.3	7%
	Non-binary	0	0%
Trainees	Female	0	0%
	Male	2.6	100%
	Non-binary	0	0%
Contract staff (full-time)	Female	15	44%
	Male	19	56%
	Non-binary	0	0%
Contract staff (part-time)	Female	3.9	100%
	Male	0	0%
	Non-binary	0	0%
Casual staff (head count)*	Female	2*	100%
	Male	0*	0%
	Non-binary	0*	0%
Casual staff (FTE)	Total	1.3	100%

1 Note: These figures do not include non-executive (Board) Directors.

Role classification

We classify roles across the bank based on the WGEA classification of roles: frontline staff (this includes sales workers), clerical/administrative staff, professionals, other managers, senior managers, general managers and executives. The WGEA data presented on this page is accurate, as of 31 March 2026. To align to our WGEA reporting we have included all levels of the workforce in the Staff by role classification and Employee gender split by role classification (page 60) charts. All other data excludes non-executive Directors.

Staff, by role classification, 2026 (as at 31 March 2026)

Role	Number	% of total
Non-executive Directors	10	1%
Managing Director	1	<1%
Executives	7	1%
General managers	40	5%
Other managers	101	11%
Professionals	219	25%
Clerical and administrative	405	46%
Frontline staff	99	11%
Total	**882**[1]	

1 Percentage calculated based on headcount within each role category.

Appendix 5: Bank Australia impact fund

This appendix contains information about our impact fund activities as at 30 June unless otherwise stated.

Funding summary, 2022 – 2026[1]

	2026	2025	2024	2023	2022
Opening balance of the impact fund as at 1 July	$1.8m	$1.3m	$1.8m	$1.9m	$1.6m
Funding allocated to Bank Australia impact fund (up to 4% after tax profits)	$2.8m	$1.5m	$0.5m	$2.1m	$1.4m
Spend from Bank Australia impact fund	$1.2m	$1.0m	$1.1m	$2.3m	$1.0m
Balance of Bank Australia impact fund as of 30 June	$3.4m	$1.8m	$1.3m	$1.8m	$1.9m

1 Totals may vary due to rounding.

Bank Australia impact fund projects, 2026

Impact area	Organisation	Program	Amount
Major grants and partnerships			
Climate action	Environment Victoria	Get off Gas	$100,000
Climate action	RACE for 2030	Rental Research Project	$15,000
Climate action	Renew Australia	Sustainable House Day	$100,000
Climate action	Seed Indigenous Youth Climate Network	Supporting First Nations youth climate justice and advocacy	$75,000
Climate action	Sweltering Cities	Rental standards consultation	$50,000
First Nations Recognition and Respect	DJAARA (Dja Dja Wurrung Clans Aboriginal Corporation)	Galk-galk Dhelkunya Forest Gardening program	$75,000
First Nations Recognition and Respect	Common Threads	The Walk for Truth	$75,000
Nature and biodiversity	Trust for Nature	Bank Australia conservation reserve	$250,000
Nature and biodiversity	Australian Land Conservation Alliance	Conservation Finance Project	$50,000

Impact area	Organisation	Program	Amount
Community customer grants			
Climate action	Green Music Australia	Cleaner Campsites – Music Festival Waste Reduction	$25,000[1]
Disability inclusion	Cheltenham Community Centre	Community Activities for People with Disability	$25,000[1]
Family violence	Lifeline Loddon Mallee Limited	Domestic Violence Prevention through training	$22,500[1]
First Nations Recognition and Respect	Djakamirr Co-op Ltd	MAYPILAMA Premiere: Yolŋu Voices on the Big Screen	$25,000[1]
First Nations Recognition and Respect	Great Southern Reef Foundation	Great Southern Reef Sea Country Stories	$15,000[1]
Gender equality	Women of Colour Australia (WoCA)	WoCMentorWoC	$25,000[1]
Just and fair economy	Open Table	Open Pantry	$25,000[1]
Nature and biodiversity	ECOllaboration Ltd	River Patrol	$10,000[1]
Nature and biodiversity	Wildlife Unlimited	Spot-tailed Quoll recovery in east Gippsland	$24,900[1]
Refugees and people seeking asylum	Meals With Impact Foundation Limited	Path to Employment – Bank Australia Round	$25,000[1]
Universal access to education	Prace Ltd	Future Fit: Supporting young people beyond school	$20,798[1]
Universal access to education	Rethink Recycling Co-op LTD	Rethink Circular Lab – Portable STEM Recycling Lab	$11,802[1]
Universal access to education	The Footpath Library	Literacy Kits for Children in Crisis Accommodation	$20,000[1]
Universal access to education	The Reconnect Project	Equity in Education: Tech for Tassie	$25,000[1]
Other			
Nature and biodiversity	Country Fire Authority	Donations to the 6 Fire Brigades local to Bank Australia conservation reserve	$15,000[1]
Nature and biodiversity	Wimmera Catchment Management Authority	Biodiversity Forum	$7,500
Other	STRYDE4	Charity Challenge	$8,800[1]
2026 GST			$65,395
Total spend from impact fund			**$1,186,695**

1 GST was not applicable to this grant or donation.

Appendix 6: Our lending and investments

This appendix contains information on our lending and investment activities for 2026 with particular focus on our impact assets as at 30 June unless otherwise stated. For full reporting of our balance sheet, see our 2026 Financial Report.

Impact assets ($m) by channel

Assets	2026	2025	2024	2023	2022
Total impact assets	**$2,561**	**$2,809**	**$2,245**	**$1,791**	**$1,390**
Total assets[1]	$21,360	$12,333	$11,747	$10,524	$9,672
Impact asset ratio[2]	**12.0%**	**22.8%**	**19.1%**	**17.0%**	**14.4%**
Retail impact lending	**$1,429**	**$1,811**	**$1,405**	**$1,162**	**$883**
Total retail lending[3]	$17,244	$9,381	$8,884	$7,773	$7,063
Retail impact lending ratio	**8.3%**	**19.3%**	**15.8%**	**14.9%**	**12.5%**
Commercial impact lending	**$275**	**$298**	**$254**	**$180**	**$141**
Total commercial lending[3]	$380	$472	$451	$370	$409
Commercial impact lending ratio	**72.3%**	**63.2%**	**56.4%**	**48.7%**	**34.5%**
Treasury impact investments	**$857**	**$701**	**$586**	**$450**	**$366**
Total treasury investments[3]	$3,539	$2,043	$2,045	$1,935	$1,866
Treasury impact investments ratio	**24.2%**	**34.3%**	**28.7%**	**23.2%**	**19.6%**

1 Total assets includes tax assets and does not include tax liabilities. In the Financial Statements tax assets and liabilities are netted off and shown as either a net asset or liability.

2 This is the proportion of total assets that are impact assets. Details on our impact asset ratio and changes as a result of reviewing definitions are on page 47.

3 The breakdown of assets provided are a subset of total assets and will not agree to total assets above.

Impact assets ($m) by triple bottom line

Impact assets	2026	2025	2024	2023	2022
People					
Total balance	$499	$429	$342	$214	$187
% of impact assets	19.5%	15.3%	15.3%	11.9%	13.5%
% of total assets	2.3%	3.5%	2.9%	2.0%	1.9%
Planet					
Total balance	$1,133	$1,399	$1,156	$1,022	$855
% of impact assets	44.2%	49.8%	51.5%	57.1%	61.5%
% of total assets	5.3%	11.3%	9.8%	9.7%	8.8%
Prosperity					
Total balance	$929	$981	$746	$555	$348
% of impact assets	36.3%	34.9%	33.2%	31.0%	25.0%
% of total assets	4.3%	8.0%	6.4%	5.3%	3.6%

Some of the impact finance portfolio highlights achieved through our retail and commercial lending are listed below.

Impact lending highlights by triple bottom line

People	Portfolio value ($m)	Portfolio highlights
People		
Disability housing	$110.8	Supported the development, acquisition or operation of over 80 specialist homes, with capacity to accommodate 160 people with disability. Of these homes, 74 are existing homes and 11 are homes under development.
Community housing	$117.1	Supported community housing providers to build, acquire or operate over 1,400 homes, with capacity to accommodate over 2,900 people in need living primarily in Queensland, South Australia and Victoria.
Commercial property	$30.5	Supported 9 organisations working across: education, support for people living with disability, social support services for marginalised groups including migrants and young mothers.
Purpose-driven organisations	$5.7	Supported 4 organisations providing vital services and advocacy in areas such as: conservation, education, welfare services and social inclusion.
Planet		
Green homes	$416.0	Provided loans to 766 customers to build, buy or renovate green homes. 703 properties are on our Clean Energy Home Loan product, and their homes have: • 8-star average NatHERS rating • 2300kW of total solar PV capacity across 320 systems installed • 813kWh of total battery storage capacity across 75 systems installed • 628 energy efficiency upgrades, including: hot water heat pumps, air conditioning systems, energy usage monitors, thermal windows, insulation upgrades, induction cooktops, ceiling fans, EV chargers and pool pumps.
Prosperity		
Affordable mortgage programs	$928.8	Provided loans to over 2,430 customers eligible for government sponsored and administered affordable housing programs to buy their own home. This includes 14 First Nations customers.

Lending portfolio and responsible banking policy screening

Our commercial lending portfolio is subject to screening under our responsible banking policy. For details of the sectors to which we lend, please refer to our 2026 Financial Report.

We hold money in liquid investments to ensure we have access to a sufficient amount of money to meet our customers' needs, as well as to meet the requirements of our regulator, the Australian Prudential Regulation Authority. These investments include bonds from other banks, governments and other organisations. Where possible, we invest in green, social or sustainability bonds from these issuers. For other bonds from these issuers, it is not possible to determine the exact purpose of every dollar invested.

Loans to excluded sectors

We originated no new loans to excluded sectors in 2026. Our current responsible banking policy states that we do not provide new loans to businesses whose primary purpose is to train horses or greyhounds for the purposes of racing and for gambling and entertainment. We have 2 older loan accounts that are classified as horse or dog racing that pre-date our current responsible banking policy. The balance on these accounts is less than $4,000 as at 30 June 2026.

Appendix 7: Nature and biodiversity

2026 Taskforce on Nature-related Financial Disclosures Report

This is our third disclosure using the framework of the Taskforce on Nature-related Financial Disclosures (TNFD), covering Bank Australia Limited.

1. Governance

Here is Bank Australia's governance structure for nature and biodiversity.

Board of Directors

Bank Australia's Board Delegations of Authority states that all public commitments that Bank Australia makes are to be approved by the Board. This includes Bank Australia's nature and biodiversity strategy and related commitments. The Board approves the bank's risk management framework and risk appetite statement. Our Board has oversight of implementation of our nature and biodiversity strategy, including 6-monthly progress updates. In the reporting period, it approved our 2025 Impact Report that contained our second disclosure using the TNFD.

Audit Committee

The Board's Audit Committee is responsible for approval of the annual impact report, including this disclosure.

Risk Committee

The Board's Risk Committee has oversight of our risk appetite statement, which includes tracking progress against public commitments like our nature and biodiversity strategy, and management of risks to our conservation reserve properties.

Management

The Board delegates responsibility for sustainability, including development and implementation of the bank's impact strategies and the conservation reserve management plan to management, including the Managing Director and Chief Legal Officer.

Executive Responsible Banking Committee

Our executive Responsible Banking Committee approves the execution of the nature and biodiversity strategy and is kept informed on its progress through quarterly reporting. The committee includes all members of Bank Australia's executive.

Key roles

Day-to-day work on our nature and biodiversity strategy is led by the Head of Impact Management and Manager Nature and Biodiversity. Because nature relates to our other impact priority areas, they work closely with our Manager Climate Action Strategy, and Manager Impact Integrity. Our Impact Lending team leads our work to grow our nature lending in collaboration with the Manager Nature and Biodiversity.

Engagement with First Nations Peoples

We know engagement with First Nations Peoples, local communities, and other affected stakeholders is important for understanding the full scope of nature-related risks and opportunities we need to build into our overall approach. This disclosure currently includes information on our approach to engagement with First Nations Peoples, which is grounded in our First Nations Recognition and Respect strategy. This strategy outlines our vision to 2030 for walking together towards First Nations justice, reconciliation and self-determination.

Many nature-related impacts, particularly those associated with land use change, biodiversity loss, and ecosystem degradation, occur on or near Country that holds deep cultural, spiritual, and ecological significance for First Nations Peoples.

At our conservation reserve, we work in partnership with the Barengi Gadjin Land Council, who represent the Wotjobaluk Nations, in the stewardship of the reserve and thank them for their guidance and wisdom. In 2026 we met on the reserve twice with Traditional Owners to discuss and plan cultural burning events, which will take place after this reporting period. We also engaged the Barengi Gadjin Land Council to conduct Welcome to Country ceremonies on our employee trips to the conservation reserve.

For our commercial lending, our impact lending team seeks out and supports loans for First Nations groups that have identified self-determination projects. For more information refer to page 75.

Our Board and our executive Responsible Banking Committee are informed about these activities as part of our regular reporting on our nature and biodiversity and First Nations Recognition and Respect strategies.

We know we have more work to do. Looking ahead, we are committed to:

- establishing stronger partnerships with First Nations organisations and Traditional Owner groups
- building internal capability to engage respectfully and effectively.

This is a long-term journey, and we are committed to listening, learning, and improving our practices.

Stakeholder engagement

Customer engagement is a core component of Bank Australia's governance approach, reflecting our customer-owned model. As a mutual bank, customers are not only service users but also members with a formal voice in governance, including electing the Board and shaping strategic priorities.

We actively engage customers through biennial customer impact surveys (typically reaching ~2,000 participants), which help inform our impact strategy prior to Board consideration; our 2025 survey indicated that 74% of customers are concerned about nature and biodiversity loss, reinforcing the importance of integrating nature into decision-making.

Customer insights are complemented by direct action through our impact fund, which allocates up to 4% of Bank Australia's after tax profit to social and environmental projects, including initiatives that protect and restore nature. This includes funding for the conservation reserve, nature-related projects run by other organisations, and the annual community customer grants program that supports customer-led environmental projects. In 2026:

- $107,400 of the impact fund went towards nature and biodiversity projects (excluding the conservation reserve)
- $34,900 of community customer grants were tackling nature and biodiversity related issues and opportunities (total of 2 projects).

Together, these engagement mechanisms ensure that customer perspectives both shape and drive our response to nature-related risks and opportunities.

2. Strategy

Our approach to nature

Nature-related materiality

At Bank Australia, we recognise that a healthy environment underpins strong communities, a resilient economy and the long-term value of our lending portfolio. For our third disclosure using the TNFD, we have applied a structured and proportionate approach to identify and prioritise nature-related dependencies, impacts, risks and opportunities that are most relevant to our business and our purpose.

Our approach builds on the governance, risk management and materiality processes already in place for climate-related financial disclosures and has been adapted to reflect TNFD's focus on impacts on nature and potential implications for financial risk and opportunity over time.

Scope and focus

Our nature-related materiality assessment covers:

- direct operations, including our offices and branches and Bank Australia's conservation reserve on Wotjobaluk Country in western Victoria; and
- downstream activities, primarily our residential mortgage portfolio and other lending activities.

This reflects where we expect our most significant nature-related dependencies, impacts, risks and opportunities to arise, given our retail banking business model. Upstream suppliers are considered qualitatively at this stage and will be assessed in more detail over time.

How we assessed materiality

Our approach is informed by the TNFD LEAP framework (Locate, Evaluate, Assess, Prepare) and has involved the following steps:

Identifying nature-related issues

We identified potential nature-related dependencies, impacts, risks and opportunities by using recognised tools and datasets (including ENCORE and relevant Australian federal and state datasets) to understand ecosystems, impact drivers and dependencies relevant to the locations of our operations and lending portfolio. This included consideration of land use, biodiversity, freshwater and other nature-related issues relevant to Australia.

Evaluating impacts and dependencies on nature

We considered the potential significance of our impacts on nature and our dependencies on ecosystem services, taking into account factors such as scale, severity, ecosystem vulnerability and whether impacts are direct (such as land management of the conservation reserve) or indirect (such as impacts associated with financed real estate and construction activities).

Identifying potential pathways to financial relevance

As part of our TNFD implementation, we have begun to explore at a conceptual level how nature-related dependencies and impacts could give rise to financial risks or opportunities for the bank over time. This includes considering potential indirect pathways through which ecosystem degradation or regulatory change could affect customers or asset quality.

Prioritisation and validation

Nature-related issues were prioritised based on their potential significance for nature and their relevance to our business model. Findings will be shared and discussed across relevant teams including impact, risk, credit and strategy.

Materiality judgement

In line with TNFD guidance, Bank Australia is intending to apply an International Sustainability Standards Board approach to materiality as the foundation for identifying nature-related matters that could reasonably be expected to affect the bank's prospects, similar to the approach we use for our climate disclosures. As a customer-owned bank with a purpose-driven strategy, we also consider the impacts our activities may have on nature, community and stakeholders. Accordingly, we apply a double materiality lens that considers both the effects we may have on nature and the effects nature-related issues may have on the bank. There's a lot more work to be done to understand which types of nature-related dependencies, impacts, risks and opportunities could affect our prospects in the future. Materiality judgements are based on informed judgement and consider:

- the scale, severity and potential irreversibility of impacts on ecosystems
- the extent of our dependence on affected ecosystem services
- the potential for nature-related issues to influence our business over time, and
- relevance to key stakeholders, including First Nations Peoples, customers and communities.

Where uncertainty exists, we prioritise transparency and clearly identify limitations and areas for further development.

Nature-related materiality is assessed alongside, but distinct from, climate-related materiality. While climate change is a key driver of nature loss and ecosystem degradation, our TNFD approach explicitly considers nature specific pathways such as land use change, biodiversity loss and water stress. We intend to progressively integrate the interactions between climate and nature risks over time.

Our TNFD materiality approach will continue to evolve. Future reporting periods will focus on strengthening portfolio level analysis, improving the linkage between nature exposure and financial risk, expanding the use of geospatial data to identify priority locations, and embedding nature-related considerations more deeply into risk and credit processes.

Impacts and dependencies

In 2025 we used ENCORE to understand the nature-related impacts and dependencies of our three value chain segments: our direct operations, our existing residential home loan portfolio, and lending for new home construction and renovations.

In 2026 we have extended this analysis to cover our commercial real estate lending portfolio across 16 sectors. This broader view gives us a more complete picture of where our lending activities may be connected to nature, where we may be indirectly impacting nature, and where we may have opportunities to support more nature positive outcomes.

We continue to be in the discovery phase of this work. We will use these results to guide how we can better support our operations and customers on our vision to a 2030 where nature is protected and recovering.

About ENCORE

ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) is a tool developed by Global Canopy, UNEP FI and UNEP-WCMC. It is a sector-level screening tool telling us where nature connections are possible, not where they are certain. It maps the links between economic activities and the ecosystems they depend on and affect. In September 2025 ENCORE released an updated version of its knowledge base with updated scientific data and revised sector classifications. Our 2026 analysis uses this September 2025 version.

With the updated ENCORE dataset, there were no changes to nature impacts from 2025 (Table 1).

Table 1. Bank Australia impacts to nature heat map

Pressure category	Our direct operations	Loans for existing residential properties	Additional for new homes in greenfield areas, renovations and construction
Volume of water use	Very low	Low	Low
Area of freshwater use	–	–	Medium
Area of seabed use	–	–	Medium
Area of land use	Low	Low	Low
Emissions of GHG	Low	Very low	High
Emissions non-GHG air pollutants	Very low	Very low	Low
Emissions toxic pollutants	Low	Low	High
Emissions nutrient pollutants	–	–	–
Generation of solid waste	Very low	Very low	Medium
Disturbances (noise, light)	Low	Low	Very high
Introduction invasive species	–	–	Low
Other biotic resource extraction	–	–	–
Other abiotic resource extraction	–	–	–

Rating legend	
Very high	Almost certain / very severe
High	Likely / severe
Medium	Possible / moderate
Low	Unlikely / minor
Very low	Rare / negligible
–	Not determined – insufficient evidence

For our 2026 disclosure, we also assessed nature dependencies using ENCORE, and compared any changes to 2025. There were 2 important nature dependency changes relevant to our disclosure (Table 2).

1. **Soil and sediment retention** (the ability of healthy ecosystems to hold soil in place and prevent erosion) was previously rated as a low dependency. It is now rated at a medium dependency. This reflects growing scientific evidence that property values and infrastructure stability are increasingly sensitive to soil health, particularly as rainfall patterns become more variable due to climate change.
2. **Visual amenity services** (the contribution that healthy landscapes make to the attractiveness and liveability of an area) is now rated as very high dependency for real estate activities. This was not identified as a dependency in 2025 (it was a new addition to the ENCORE database). It reflects the well-established relationship between natural environments and property values: homes near parks, waterways, and green space tend to command higher prices.

These 2 updated ratings reinforce the connection between nature and the value of homes we finance. As we develop our approach, we will focus in the first instance on opportunities to engage customers located near highly sensitive ecosystems. We will also consider how these changes could affect property values over time.

Table 2. Bank Australia dependencies on nature comparison between 2025 and 2026

Ecosystem service	Our direct operations		Loans for existing residential properties		Additional for new homes in greenfield areas, renovations and construction	
	2025	2026	2025	2026	2025	2026
Water supply	Very low	Very low	Very low	Very low	Medium	Medium
Water purification	–	–	–	–	Medium	Medium
Flood mitigation services	Very low	Very low	Very low	Very low	Medium	Medium
Soil and sediment retention	Very low	Very low	Low	Medium	High	High
Global climate regulation	Very low	Very low	Very low	Very low	Medium	Medium
Local climate regulation	Low	Low	Low	Low	Low	Low
Storm mitigation	Very low	Very low	Low	Low	Medium	Medium
Water flow regulation	Very low	Very low	Very low	Very low	Medium	Medium
Rainfall pattern regulation	–	–	–	–	Very high	Very high
Air filtration	–	–	Very low	Very low	Very low	Very low
Solid waste remediation	–	–	–	–	Very low	Very low
Biological control	–	–	–	–	–	–
Dilution (atmosphere/ecosystem)	–	–	–	–	Low	Low
Noise attenuation	–	–	Very low	Very low	Very low	Very low
Visual amenity services	–	–	–	Very high	–	–
Nursery and habitat maintenance	–	–	–	–	–	–
Biomass provisioning	–	–	–	–	–	–

Understanding our commercial lending portfolio

For the first time we have run an ENCORE screening analysis across the sectors represented in our commercial lending portfolio. Our commercial lending is relatively small, representing 1.8% (2.4% in 2025) of our total assets but it reaches a diverse range of sectors.

Because ENCORE uses the International Standard Industrial Classification (ISIC), and our reporting uses the Australian and New Zealand Standard Industrial Classification (ANZSIC), we worked through a crosswalk to match each Australian sector to its closest ISIC equivalent. Where the match was not direct, particularly for broad sectors like manufacturing, we have applied appropriate caution in interpreting the results.

We found that most sectors tend to have low to medium impact and dependency ratings. Agriculture, forestry and fishing is by far the highest nature profile of any sector in our portfolio, with the following ENCORE ratings:

- very high impact ratings for nutrient pollution, land use, water use and introduction of invasive species
- very high dependencies on rainfall pattern regulation, soil quality, global climate regulation and pollination.

This reflects the fundamental relationship between primary industries and healthy ecosystems. Our exposure to this sector is relatively small ($6.6 million gross commercial exposure, 0.04% of the bank's total gross exposure, the fifth highest of our commercial lending sectors) and focused on conservation and First Nations land acquisition lending, which we consider nature positive in intent.

Expanding our ENCORE analysis is one part of how we are building our understanding of nature-related risk and opportunity across the bank. These findings will feed into our work to strengthen risk and impact management section of our TNFD disclosure in future years.

Understanding our financed impacts to nature

In 2024, we began work to deepen our understanding of how our direct and downstream operations may interact with nature by expanding our analysis beyond sector-level screening to consider the location of financed assets. In 2026, we deepened this work by undertaking a geospatial assessment of our residential and commercial loan portfolio to identify where financed properties may overlap with areas of ecological significance, including protected areas, wetlands, groundwater-dependent ecosystems and native vegetation communities. The assessment applied an impact risk-based methodology that considered both the environmental sensitivity of a location and the type of land use associated with the financed asset, helping us identify locations where there may be higher potential for impacts (positive and negative) on nature.

Our initial assessment found that most financed properties were associated with low potential impacts on nature, with approximately 93.8% classified as negligible potential impact (Figure 1). A smaller subset of properties were identified in locations with higher ecological sensitivity and will form the focus of our future analysis and engagement activities.

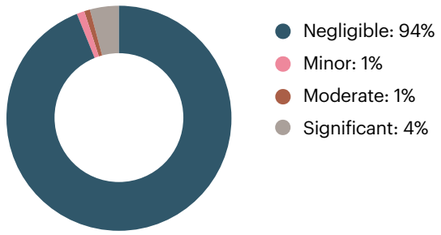


Figure 1. Distribution of potential nature impacts in the financed property portfolio, 2026

Figure 1 illustrates the distribution of potential nature impacts across Bank Australia's financed property portfolio, based on a geospatial assessment of proximity to protected areas, wetlands, groundwater-dependent ecosystems and native vegetation communities. As we refine this work using updated portfolio data, we will use the results to inform future risk assessment, customer engagement and the development of nature positive opportunities.

Nature-related opportunities

Nature-related opportunities remain a key aspect of Bank Australia's purpose. Through our conservation reserve, impact lending activities and customer demand for environmental action, we see opportunities to contribute to nature protection and restoration while supporting long-term economic and community resilience, as outlined in our nature and biodiversity strategy.

Conservation reserve

As part of our ongoing stewardship of the Bank Australia conservation reserve, we completed our first reserve-wide assessment of habitat condition using CSIRO's Habitat Condition Assessment System (HCAS) (with thanks to our partners, Trust for Nature, in analysing and interpreting results). HCAS is a satellite-derived measure of ecosystem condition that scores habitat on a scale from 0 to 1, where 0 represents habitat removal and 1 represents a condition comparable to a healthy reference ecosystem. The assessment provides a consistent and repeatable measure of ecosystem condition across the reserve and enables changes to be tracked over time (Table 3).

Table 3. Habitat condition trends across Bank Australia's conservation reserve properties using CSIRO's HCAS

Conservation reserve property	Current condition (2022)*	Pre-purchase mean condition	Post-purchase mean condition	Change between mean pre- and post-purchase condition
Salvana	0.68	0.61	0.68	+0.07
Booroopki	0.48	0.44	0.48	+0.04
Ozenkadnook	0.54	0.49	0.56	+0.07
Minimay	0.55	0.39	0.50	+0.12
Minimay North	0.37	0.24	0.32	+0.08

* Habitat condition scores are based on CSIRO's latest nationally consistent HCAS dataset, which is available to 2022, meaning reported scores may not yet reflect changes in habitat condition that have occurred since then.

Note: Pre-purchase mean condition represents the average HCAS score for the period prior to Bank Australia's acquisition of the property. Post-purchase mean condition represents the average HCAS score from the year of acquisition through to the most recent assessment available. Change is the difference between the pre-purchase and post-purchase mean condition scores, with positive values indicating an improvement in habitat condition since acquisition.

The assessment found that all reserve properties recorded improvements in average habitat condition following acquisition by Bank Australia. The observed improvements in habitat condition are supported by independent ecological monitoring undertaken across the reserve. Monitoring undertaken in 2023 found that the reserve is progressing positively towards its long-term conservation objectives, including maintaining and improving the condition of remnant native vegetation, supporting threatened plant and animal species, and enhancing previously degraded land through revegetation and habitat restoration. All 3 objectives were assessed as being on track. While monitoring is showing positive progress, nature restoration is slow and patient work that the bank has been undertaking for 18 years, demonstrating the importance of protecting existing habitat and ecosystems.

While ecosystem condition is influenced by multiple factors, including seasonal conditions and climate variability, the combined findings from satellite-based habitat assessment and field-based ecological monitoring indicate a positive trajectory for nature across the reserve. Together, these results suggest that the long-term protection of the reserve, combined with active management interventions such as revegetation, pest plant and animal control, habitat enhancement, wetland restoration and cultural land management practices, are contributing to the maintenance and recovery of native ecosystems and biodiversity.

We see opportunities to continue to evolve ecological research, monitoring and innovation on the reserve that contributes to broader understanding of biodiversity conservation and restoration. In the coming years we will explore building partnerships with research institutions, conservation organisations and Traditional Owners who can help generate new knowledge, improve management outcomes and share learnings.

Engagement and awareness through citizen science

We see opportunities to engage our customers more directly in nature and biodiversity outcomes. This year we supported Australian Bird of the Year, delivered in partnership with BirdLife Australia and Guardian Australia, to help raise awareness of biodiversity loss while supporting citizen science, conservation and nature connection. We will explore opportunities to build on these partnerships and initiatives to contribute to monitoring and community engagement activities.

Growing nature positive finance

Our impact lending activities demonstrate how finance can support nature recovery at scale. In 2026 we supported projects including the Nari Nari Tribal Council's acquisition of the Great Cumbung and the Australian Conservation Land Alliance's Conservation Finance Initiative. These projects support landscape-scale conservation, restoration and First Nations stewardship of Country. As part of our commitment to growing nature-positive finance, we supported $20.3 million in nature-positive lending assets as at 30 June 2026, demonstrating how finance can help enable conservation, restoration and stewardship outcomes. Looking ahead, we see opportunities to continue to grow nature positive lending, strengthen partnerships with First Nations organisations, and support the development of emerging markets and financing mechanisms that incentivise nature restoration and protection.

3. Risk and impact management

In 2026 we reviewed the initial assessment of nature-related dependencies and impacts we had conducted the prior year. In particular, we incorporated changes made to the ENCORE tool (including the September 2025 data updates) and made updates to our assessment where needed.

As part of our evolving TNFD approach, we have strengthened our process for identifying and assessing nature-related impacts within our lending portfolio. In addition to our portfolio-wide ENCORE screening, we use location-based analysis to understand where financed activities may intersect with environmentally sensitive areas. The results of these assessments are used to prioritise areas for further review and inform the ongoing development of our nature-related risk management approach. At this stage, the analysis is intended as a screening tool and does not represent a measure of actual impacts or credit risk. We continue to build our understanding of how nature-related dependencies and impacts may translate into physical, transition and reputational risks over time.

Bank Australia's overall risk management framework includes risks about delivering on purpose, and our nature and biodiversity strategy is one of the public commitments we track as part of managing this risk.

Risk management also includes risks specific to our conservation reserve properties. We manage these risks through our annual work plan for the properties, which include fire break maintenance, pest plant and animal control programs, and cultural burning.

Our TNFD reporting represents a significant step forward in nature-related disclosure and impact assessment. However, several areas remain at an early stage of maturity, including quantitative targets, detailed risk assessment, financial linkage analysis, scenario testing and the integration of findings into management decision-making. These limitations are recognised and reflect a deliberate focus during this reporting cycle on establishing foundational impact assessment. Future reporting will build on this foundation as risk, financial and strategic analyses mature.

4. Metrics and targets

The metrics in Table 4 help us assess our interactions with nature, including our impacts and dependencies, and support our understanding of nature-related risks and opportunities across our operations, lending activities and conservation reserve.

Table 4. TNFD core metrics used to monitor Bank Australia's nature-related impacts, dependencies, risks and opportunities

TNFD Metric	Metric category	Indicator	Metric description	Scope (direct/ upstream/ downstream)	2026 metric
C0.0	Climate change	GHG emissions	Refer to ISSB's IFRS S2 Climate-related Disclosures Standard (Scope 1, 2, 3 as applicable)	Direct	We have disclosed our GHG emissions in the 2026 Sustainability Report
C1.0	Land/freshwater/ ocean-use change	Total spatial footprint	Total spatial footprint (ha): total surface area controlled/managed	Direct – conservation reserve	2,117
C1.1	Land/freshwater/ ocean-use change	Extent of ecosystem conserved/restored/ sustainably managed	Extent conserved/restored voluntarily (ha)	Direct – conservation reserve	2,117
C1.1	Land/freshwater/ ocean-use change	Extent of ecosystem conserved/restored/ sustainably managed	Extent conserved/restored voluntarily (ha)	Indirect – impact lending	34,073
C2.2	Pollution/pollution removal	Waste generation and disposal	Weight of non-hazardous waste (tonnes) generated/disposed (incinerated – with/without energy recovery; landfill; other) and diverted (reused, recycled, other recovery)	Direct	10.51 tonnes of waste generated in our operations
C2.3	Pollution/pollution removal	Plastic footprint	Packaging % that is reusable, compostable, technically recyclable and recyclable in practice & at scale	Direct	99,817 Bank cards with 100% recycled plastic card bodies[1] issued
C3.0	Resource use/ replenishment	Water withdrawal and consumption from areas of water scarcity	Water withdrawal & consumption (m^3) from areas of water scarcity, including identification of source (surface, groundwater, seawater, produced, third-party)	Direct	6,027 m^3 consumed in our operations

1 Some functional components including the chip, hologram and magnetic strip cannot be sourced as recycled plastic.

TNFD Metric	Metric category	Indicator	Metric description	Scope (direct/ upstream/ downstream)	2026 metric
C5.0	State of nature	Ecosystem condition	CSIRO Habitat Condition Assessment Score	Direct – conservation reserve	Page 131
C7.3a	Opportunity – Capex/finance	Capex/financing/ investment to nature positive	Amount of capital expenditure, financing or investment deployed towards conservation stewardship	Direct – conservation reserve	$250,000
C7.3b	Opportunity – Capex/finance	Capex/financing/ investment to nature positive	Amount of capital expenditure, financing or investment deployed towards nature-related lending	Direct – impact lending	$20,281,990

Table 5. Additional TNFD metrics and financial institution indicators used to monitor Bank Australia's nature-related impacts, dependencies, risks and opportunities

TNFD metric	Metric category	Indicator	Metric description	Scope (direct /upstream/ downstream)	2026 metric
FI.CO.0	Financial institution metrics	Exposure to sectors with material nature dependencies/ impacts	Portfolio exposure to TNFD-defined priority sectors (heatmap-based)	Downstream	ENCORE findings Page 125
FI.CO.1	Financial institution metrics	Exposure to sensitive locations	Portfolio exposure to companies with assets/activities in sensitive locations	Downstream	4.56%
A2.2	Driver of nature change: pollution/ pollution removal	Pollutants removed	Debris and plastic waste removed from coastal communities by Bank Australia staff (Parley beach clean-ups)	Upstream/direct	350kg

10-year conservation reserve strategy

In 2017, Bank Australia launched its conservation reserve strategy in partnership with Greening Australia and Trust for Nature. The strategy set a 10-year vision to protect and restore nature on our conservation reserve and deliver positive outcomes for biodiversity on behalf of our customers. Progress against the strategy has been reported annually through our impact report.

As the strategy concludes in 2026, it is an opportunity to reflect on a decade of achievement. Over the past 10 years, the reserve has doubled in size, habitat condition has improved across the properties, revegetation and restoration programs have enhanced biodiversity, and threatened plant and animal species continue to be protected and monitored. We have also strengthened partnerships with conservation organisations, Traditional Owners and researchers, while helping connect our customers, employees and broader community with nature.

An assessment of the strategy found that 12 of the 14 goals were achieved, with one goal partially achieved and one not achieved. Highlights included measurable improvements in habitat condition across all reserve properties, an increase in native animal species recorded on the reserve from 233 to 283 species, ongoing protection of threatened species, implementation of cultural land management practices and strong customer support for the reserve.

The completion of the strategy marks the beginning of the next chapter for our conservation reserve. Future reserve objectives will be integrated into Bank Australia's nature and biodiversity strategy, ensuring the reserve continues to support biodiversity outcomes, demonstrate nature stewardship and contribute to our broader vision of a nature-positive future.

Table 6. Progress against our 10-year conservation reserve strategy

Goal	Status	Key measure of success	Evidence of achievement
1.1 Maintain or improve the quality of at least 600 ha of conservation reserve habitat to support threatened species	Achieved	All reserve properties (2,217ha) showed measurable improvement in habitat condition (+0.04 to +0.12)	Habitat condition metrics, assessed using CSIRO's Habitat Condition Assessment System (HCAS), shows that habitat condition improved at all properties following Bank Australia management. Minimay improved from 0.39 to 0.50 (+0.12), Ozenkadnook from 0.49 to 0.56 (+0.07), Booroopki from 0.44 to 0.48 (+0.04), Minimay North from 0.24 to 0.32 (+0.08), and Salvana from 0.61 to 0.68 (+0.07).
1.2 Support and increase populations of five threatened animals and five threatened plants	Achieved	11 threatened animal species and 10 threatened plant species recorded; a total of 283 native animal species documented across the reserve	FY23 surveys recorded 283 native animal species, compared with 233 species in FY17. Monitoring detected 11 threatened animal species and 10 threatened plant species, including Red-tailed Black Cockatoo, Fiery Jewel Butterfly, Hooded Robin, Diamond Firetail, Buloke, Paper Flower and Slender Cup Flower. The FY23 assessment concluded Goal 1.2 was on track.
1.3 Enhance revegetation across 200 ha of degraded land to provide habitat for at least five other wildlife species	Achieved	167 ha revegetated at Salvana; 115 ha log reinstatement; 30 ha cultural burning; threatened birds using revegetated habitat	FY23 monitoring concluded Goal 1.3 was on track.
1.4 Integrate social and Indigenous ecological knowledge into management	Achieved	Cultural burning delivered; Traditional Owner involvement ongoing	Cultural burning was undertaken in partnership with Barengi Gadjin Land Council and CFA. Ongoing ranger visits to Minimay and Ozenkadnook and continued planning for future cultural stewardship activities. Next cultural burning planned for early FY27.
2.1 Revegetate and manage the reserve to maximise habitat and biodiverse carbon storage	Achieved	Reserve expanded by 1,100 ha at Salvana; 190 ha revegetated; extensive restoration works continuing	Acquisition of Salvana (1,100 ha) doubled the size of the reserve. Approximately 190 ha of Salvana was revegetated in 2022 and ongoing weed control, pest control and restoration activities are maintaining native vegetation and improving carbon storage potential.

Goal	Status	Key measure of success	Evidence of achievement
2.2 Provide climate-resilient habitat for priority threatened species	Achieved	Threatened species continue to occur across reserve; habitat expansion recorded	FY23 monitoring confirmed ongoing presence of priority threatened species including Red-tailed Black Cockatoo, Fiery Jewel Butterfly, Diamond Firetail and Hooded Robin. Expanding habitat records and continued observations of these species across the reserve. The introduction of cool cultural burns has reduced fuel load across the reserve, supporting bushfire resilience in a warming climate.
3.1 Implement and celebrate Indigenous land management practices and stories	Achieved	Cultural burning implemented, cultural surveys completed and ongoing Traditional Owner engagement	Cultural burns have been delivered and their ecological benefits observed. In 2019 Barengi Gadjin Land Council were commissioned to conduct a cultural heritage survey, to identify culturally significant sites across the reserve. Planning and engagement with Barengi Gadjin Land Council continues, with Traditional Custodian involvement expanding into broader stewardship discussions.
3.2 Run one annual community project linked to a customer social priority	Not achieved	No project reported	This action was reassessed and a decision was made not to progress it.
3.3 Engage the local community, including children	Partially achieved	Strong stakeholder engagement maintained, but limited evidence of direct community/children engagement	Ongoing engagement occurred with neighbours, BirdLife Australia, Parks Victoria, DEECA, Wimmera CMA, local CFAs and the Red-tailed Black Cockatoo Recovery Team. However, evidence of direct engagement with children and broader local community activities wasn't progressed.
4.1 Inform corporate and banking audiences about the reserve annually	Achieved	Multiple presentations and industry events each year	The reserve has been presented at numerous industry forums, media and publications including the Global Nature Positive Summit, Sydney Climate Action Week, Responsible Investment Association Australasia Conference, Carbon Farming Forum, IUCN conservation finance events and biodiversity seminars.
4.2 Develop partnerships with at least three research institutions or conservation networks	Achieved	More than five active conservation and research partnerships	Partnerships include the Red-tailed Black Cockatoo Recovery Team, Australian Acoustic Observatory, QUT, Parks Victoria, DEECA, Greening Australia and Trust for Nature, substantially exceeding the goal.

Goal	Status	Key measure of success	Evidence of achievement
5.1 Achieve 60% customer awareness of the conservation reserve	Achieved	Customers demonstrate very high awareness of nature issues and strong support for Bank Australia's nature initiatives; 92% supported Bank Australia maintaining the conservation reserve	The 2024 Nature & Climate Survey (n=2,500 customers) found that 72% aware of species extinction. Customers responding to the survey demonstrated strong knowledge of nature issues and realistic understanding of environmental decline, with 49% rating Australia's environment as poor or very poor. Importantly, 92% supported Bank Australia maintaining the conservation reserve, indicating substantial awareness and support for the reserve's purpose and role. Stories about the reserve were shared through social media, website, blogs and internal channels.
5.2 Increase the number of customers who identify the reserve as a reason for joining Bank Australia	Achieved	Nature/biodiversity identified as a leading customer concern	The 2025 Customer Values Survey found biodiversity protection is the most important social and environmental issue for customers, indicating continued customer value alignment with the reserve. The 2024 Nature & Climate Survey found that customers also strongly support conservation finance initiatives, with 79% strongly supporting conservation-focused term deposits and loans and 73% strongly supporting conservation property finance.
5.3 At least 10% of staff visit the reserve each year	Achieved	38 staff attended in 2025 (approximately 12% of staff) 59 staff attended in 2026 (workforce significantly increased due to Qudos merger representing 7% of staff, within target when adjusted for merged entity)	Post-trip surveys reveal that staff feel more connected to the bank's purpose and have a better understanding of the conservation reserve following the visits.

Appendix 8: Assurance statement

Shape the future with confidence

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Independent auditor's review report to Management and the Directors of Bank Australia Limited

Conclusion

We have conducted a review of the following information in the Impact Report of Bank Australia Limited (the Company) for the year ended 30 June 2026 (the 'subject matter'):

Subject matter	Criteria	Location in Impact Report
We don't lend to the fossil fuel industry	Bank Australia's publicly disclosed criteria	Impact, Paragraph 1, Page 17 Impact finance, Paragraph 2, Page 46 Climate action, Paragraph 6, page 81
We don't fund the arms industry	Bank Australia's publicly disclosed criteria	Impact finance, Paragraph 2, Page 46
We don't lend to intensive animal farming	Bank Australia's publicly disclosed criteria	Impact finance, Paragraph 2, Page 46
Employees completing cybersecurity training	Bank Australia's publicly disclosed criteria	Protecting our customers from scams and fraud, Paragraph 2, Page 7 Learning and development, Paragraph 5, page 57
Customer satisfaction	Bank Australia's publicly disclosed criteria	2026 in numbers, Paragraph 8, Page 3 Measuring our progress, Table 1, Page 18 Customer satisfaction, Paragraph 1, Page 29 Customer profile, 2022 - 2026, Table 1, Page 114
Nature-related opportunities – TNFD Core Metric C7.3	Recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), TNFD September 2023	Our conservation reserve, Paragraph 1, Page 70 Community customer grants, Paragraph 6, Page 71 Table 1, Page 134

Based on the procedures we have performed and the evidence we have obtained, we have not become aware of any matter in the course of our review that makes us believe that the subject matter outlined above for the Company is not prepared, in all material respects, in accordance with the criteria for the year ended 30 June 2026.

Shape the future with confidence

Basis for conclusion

Our review has been conducted in accordance with ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the Auditing and Assurance Standards Board. Our review includes obtaining limited assurance about whether the subject matter is free from material misstatement.

The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the *Summary of the work performed* section of our report.

Our responsibilities under ASSA 5000 are further described in the *Auditor's responsibilities* section of our report.

We are independent of the Company in accordance with the ethical requirements of *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024) (the Code), that is relevant to review of the subject matter of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our firm applies Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

Comparative information was not subject to an assurance engagement in the prior period. In connection with our review on the subject matter, our responsibility is to determine whether the comparative information is appropriately presented, by evaluating its consistency with the disclosures presented in the prior period and the consistency of the criteria with the criteria applied in the current period. Our conclusion is not modified in respect of this matter.

Other information

The Management of the Company are responsible for the other information. The other information comprises the Company's Impact Report but does not include the subject matter, and our review report thereon.

Our conclusion on the subject matter does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our review of the subject matter, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the subject matter, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a

material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities for the subject matter

The Management of the Company are responsible for:

- The identification, selection and development of suitable criteria;
- The preparation of the subject matter in accordance with the criteria; and
- Designing, implementing and maintaining such internal control necessary to enable the preparation of the subject matter, in accordance with the criteria that is free from material misstatement, whether due to fraud or error.

Inherent limitations

Our report does not extend to any disclosures or assertions made by Bank Australia Limited relating to future performance plans and/or strategies disclosed in the Impact Report.

Auditor's responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the subject matter, defined in the *Conclusion* section of our report, is free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the subject matter.

As part of a review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the subject matter. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error.

In conducting our review, the procedures we performed included, but were not limited to:

- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the subject matter during the reporting period
- Assessed the appropriateness of the reporting boundaries applied
- Undertook analytical review procedures to support the reasonableness of the subject matter
- Agreed the subject matter disclosures made in the report with the underlying records
- Evaluated the presentation and disclosure of the subject matter against the requirements of the criteria

Use of our Assurance Report

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than Management and the Directors of Bank Australia Limited or for any purpose other than that for which it was prepared.

Ernst + Young

Ernst & Young

Murray Anderson
Partner
Melbourne
24/09/2026

Appendix 9: Public commitments

The table below provides an overview of annual progress against the bank's public commitments related to impact. The merger between Bank Australia and Qudos Bank committed the merged entity to maintaining Bank Australia's public commitments. Overall, progress against maintaining and advancing public commitments during the year was strong.

Commitment	Commitment description	Progress in 2026
Climate action		
Climate action strategy	***Decarbonisation*** We will achieve net zero operations and portfolio by 2035 We will have a validated 2030 science based target We will explore directly investing in projects that draw down emissions	Due to the size of the merger between Bank Australia and Qudos Bank, the emissions base year needed to be reviewed and the targets reset. This was a large area of focus during the year. In June 2026, the Board approved the bank's revised climate action strategy, which includes updated emissions reduction targets and the bank's climate-related transition plan designed to achieve them. As part of the 2026 climate action strategy, the 'net zero by 2035' target is being replaced with three new emissions reduction targets from a 2026 baseline: • Residential mortgage portfolio: 70% emissions reduction by 2035 • Motor vehicle loan portfolio: 40% emissions reduction by 2035 • Operational emissions: 40% emissions reduction by 2035 In 2025, we paused work on exploring directly investing in projects that draw down emissions and this remained paused in 2026.
	Customer action We offer support and products to assist our customers to better understand and reduce their emissions	The bank continued its focus on supporting customers to electrify their homes. It continued offering the BOOM! Power digital energy assessment to customers in most locations around Australia, featuring it in the bank's app, and the Electrify Your Home hub on the Bank Australia website. The bank re-introduced the Clean Energy Home Loan – Renovate option after needing to pause the product in 2025 due to very high demand.
	Protection of nature We are a leading voice on corporate conservation to draw down carbon from the atmosphere, while protecting and preparing our conservation reserve for a warmer climate	This commitment is now included in our nature and biodiversity strategy, launched in 2024.
Climate action strategy	***Climate justice*** We are actively supporting the economy in the Latrobe Valley as it transitions from fossil fuels We are seeking guidance and leadership from First Nations voices on climate action	The bank continued to be an employer in the Latrobe Valley, with 17.9% of the bank's workforce in the region. We also supported the Gippsland New Energy Conference for the fourth year running, a locally led event focused on the clean energy transition in the region. We continued to support Seed, the Indigenous Youth Climate Network, a First Nations-led organisation that campaigns nationally on climate action. Via our First Nations Recognition and Respect strategy, we continued to explore links between First Nations and climate, including supporting DJAARA's Forest Gardening program via the impact fund.
	Climate risk We will assess, disclose and manage the risk posed to our business from a changing climate	The bank placed significant focus on aligning to the new AASB S2 standards, in preparation for its first mandatory Sustainability Report. This includes assessment of the bank's climate-related risks and opportunities.
Car loans	We will cease funding car loans for new fossil fuel cars from 2025	This commitment continued and was extended to the Qudos Bank brand following the merger. The bank aims to extend this commitment to all types of lending, not just to car loans. During the year, there were two instances in which the bank funded a new fossil fuel vehicle on a loan product other than a car loan due to process error.
Carbon neutrality	We calculate and offset the carbon emissions generated through the operations of the bank	In May 2026, Bank Australia's Board made the decision to step away from the Climate Active program and cease carbon neutrality. In July 2026, the Federal Government announced it was winding up the Climate Active program during 2027, following a review commenced in 2023.
RE100	We will continue running on 100% renewable electricity	The bank continued to run on 100% renewable electricity in 2026.
BCCM climate declaration	Collective commitment to climate action	This commitment is covered through general delivery of climate action strategy.
GABV climate change commitment	Collective commitment to climate action	This commitment is covered through general delivery of climate action strategy.

Commitment	Commitment description	Progress in 2026
Nature and biodiversity		
Conservation reserve 10-year vision	Selection of targets as per the 10-year vision document (2017-2026)	Good progress was made against the conservation reserve 10-year vision during its final year. Most targets were well addressed over the period of the vision; some select targets were not progressed as they were deprioritised or changed with the 2021 acquisition of Salvana. See Appendix 7: Nature and biodiversity for more detailed reporting on progress in 2026. The bank has commenced discussions with Trust for Nature about the next phase of reserve planning, and future targets for the reserve will be reported via the bank's nature and biodiversity strategy.
Nature and biodiversity strategy	Increase % of our people and customers connected with nature Increase influence on positive attitudes and behaviours for nature Increase condition and extent of nature and biodiversity Increase nature positive assets out of total assets Pilot the Taskforce on Nature-related Financial Disclosures (TNFD) and be a TNFD Adopter	During the year, over 10% of the bank's staff was involved in opportunities to connect with nature, including trips to the conservation reserve, and beach clean-ups organised in conjunction with Parley for the Oceans, the supplier of 64% of the recycled plastic for the Bank Australia brand bank cards. The bank continued its work on the conservation reserve to increase the condition of nature, and funded a small number of new loans that supported organisations to protect nature (see Appendix 7: Nature and biodiversity). It continued building relationships in the nature sector via its impact fund support for the Australian Land Conservation Alliance's conservation finance program. The bank's third TNFD disclosure is included in Appendix 7: Nature and biodiversity.
First Nations Recognition and Respect		
First Nations Recognition and Respect strategy	Increase partnerships with First Nations organisations Increase First Nations impact lending portfolio Increase spend on First Nations businesses Support for Uluru Statement from the Heart – Voice, Treaty, Truth Establish a First Nations Leadership Group	The bank continued existing partnerships with Seed Indigenous Youth Climate Network and DJAARA. It also supported the National Walk for Truth, in line with its commitment to the Uluru Statement from the Heart. The bank funded a new $15m loan to the Nari Nari Tribal Council to purchase the 34,000 hectare Great Cumbung property, with backing from the Clean Energy Finance Corporation (see page 49). The bank continued its membership of Supply Nation, Australia's largest directory of First Nations businesses. In 2026 we engaged 14 First Nations suppliers, with a combined spend of $192k. Implementation of the First Nations Leadership Group has been delayed and will be reviewed in 2027.

Commitment	Commitment description	Progress in 2026
Other commitments		
Impact asset target	The bank did not have an active impact asset target in 2026, but had committed to rebaselining and setting targets following merger	Impact assets grew to $2.6b/12.0% of total assets by 30 June 2026 (up from $2.1b/11.3% on 1 July 2025). See page 47 for more details on our impact assets in 2026.
Bank Australia impact fund	To invest up to 4% of annual after tax profits into projects that create positive social and environmental change	The impact fund contribution was 4% of after tax profits – a total of $2.8m. Appendix 5: Bank Australia impact fund includes details of all projects funded in 2026.
B Corp	To remain certified as a B Corporation	Bank Australia remained a certified B Corporation and preparation has commenced for the next recertification.
GABV	To operate in alignment with the GABV's agreed principles of values-based banking	Bank Australia has remained a member of the GABV and continued to operate in line with the principles of values-based banking.
Responsible banking policy	To follow the screening guidelines for what we do and don't fund as per our responsible banking policy	Bank Australia continued to follow its responsible banking policy.
Create and keep jobs in Australia	To create and keep all employment with Bank Australia in Australia, with a focus on generating employment in regional Australia	The bank continued to have all its operations in Australia, including regional locations in Moe, Traralgon and Bendigo.
No executive bonuses	We don't pay bonuses or sales-based commissions to any of our employees, including executives	The bank continued to not pay executive bonuses. Refer to Our approach to remuneration on page 63.

Appendix 10: GRI content index

Disclosure	Description	Section	Page	Assurance
The organisation and its reporting practices				
2-1	Organisational details	Our reporting approach / Our annual impact report	9	No
2-2	Entities included in the organization's sustainability reporting	Our reporting approach / Our annual impact report	9	No
2-3	Reporting period, frequency and contact point	Our reporting approach / Our annual impact report	9	No
2-5	External assurance	Appendix 8: Assurance statement	136	No
Activities and workers				
2-6	Activities, value chain and other business relationships	Our business / Here's how it works	13	No
2-7	Employees	Appendix 4: Our people and culture	115	No
2-8	Workers who are not employees	Appendix 4: Our people and culture	115	No
Governance				
2-9	Governance structure and composition	Our business / Governance and risk management Appendix 2: How we're governed 2026 Financial Report 2026 Sustainability Report	25 107	No
2-10	Nomination and selection of the highest governance body	Our Business / Governance and risk management Appendix 2: How we're governed 2026 Financial Report	25 107	No
2-11	Chair of the highest governance body	Our Business / Governance and risk management Appendix 2: How we're governed 2026 Financial Report	25 107	No
2-12	Role of the highest governance body in overseeing the management of impacts	Our Business / Governance and risk management Appendix 2: How we're governed 2026 Financial Report	25 107	No
2-13	Delegation of responsibility for managing impacts	Our Business / Governance and risk management Appendix 2: How we're governed 2026 Financial Report	25 107	No
2-14	Role of the highest governance body in sustainability reporting	Our Business / Governance and risk management Appendix 2: How we're governed	25 107	No

Disclosure	Description	Section	Page	Assurance
2-15	Conflicts of interest	Appendix 2: How we're governed 2026 Financial Report	107	No
2-17	Collective knowledge of the highest governance body	Message from our Chair and Managing Director 2026 Sustainability Report	4	No
2-18	Evaluation of the performance of the highest governance body	Appendix 2: How we're governed	107	No
2-19	Remuneration policies	2026 Financial Report Appendix 2: How we're governed	 107	No
2-20	Process to determine remuneration	2026 Financial Report Appendix 2: How we're governed Business conduct and ethics / Our approach to remuneration	 107 63	No
Strategy, policies and practices				
2-21	Annual total compensation ratio	Business conduct and ethics / Our approach to remuneration	63	No
2-22	Statement on sustainable development strategy	Message from our Chair and Managing Director Our business	4 12	No
2-23	Policy commitments	Message from our Chair and Managing Director Our business / Here is how it works / Our strategy, purpose and values	4 15	No
2-24	Embedding policy commitments	Message from our Chair and Managing Director Our business / Our strategy, purpose and values Appendix 2: How we're governed	4 15 107	No
2-25	Processes to remediate negative impacts	Our reporting approach / Our materiality process	10	No
2-28	Membership associations	Our community / The company we keep	79	No
Stakeholder engagement				
2-29	Approach to stakeholder engagement	Message from our Chair and Managing Director Our people / Engaging our people Our customers	4 55 26	No

Disclosure	Description	Section	Page	Assurance
Disclosure of material topics				
3-1	Process to determine material topics	Our reporting approach / Our materiality process	10	No
3-2	List of material topics	Our reporting approach / Our materiality process	10	No
3-3	Management of material topics	Our reporting approach / Our materiality process	10	No
Biodiversity				
101-1	Policies to halt and reverse biodiversity loss	Our planet / Our nature and biodiversity strategy Appendix 7: Nature and biodiversity	91 123	No
Economic performance				
201-1	Direct economic value generated and distributed	Our 2026 financials Our customers / Our impact finance Our community / Our impact fund 2026 Financial Report	20 46 69	No
201-2	Financial implications and other risks and opportunities due to climate change	Our planet / Climate action 2026 Sustainability Report	81	No
Emissions				
305-1	Direct (Scope 1) GHG emissions	Our planet / Climate action 2026 Sustainability Report	81	Yes
305-2 Energy indirect (Scope 2) GHG emissions	305-2 Energy indirect (Scope 2) GHG emissions	Our planet / Climate action 2026 Sustainability Report	81	Yes
305-3 Other indirect (Scope 3) GHG emissions	305-3 Other indirect (Scope 3) GHG emissions	Our planet / Climate action 2026 Sustainability Report	81	Yes
305-4 GHG emissions intensity	305-4 GHG emissions intensity	Our planet / Climate action 2026 Sustainability Report	81	No
305-5 Reduction of GHG emissions	305-5 Reduction of GHG emissions	Our planet / Climate action 2026 Sustainability Report	81	No

Disclosure	Description	Section	Page	Assurance
Employment				
401-3 Parental leave	401-3 Parental leave	Appendix 4: Our people and culture	115	No
Occupational health and safety				
403-9 Work-related injuries	403-9 Work-related injuries	Our people / Health and safety	61	No
403-10 Work-related ill health	403-10 Work-related ill health	Our people / Health and safety	61	No
Training and education				
404-2 Programs for upgrading employee skills and transition assistance programs	404-2 Programs for upgrading employee skills and transition assistance programs	Growth and opportunity for our people	56	Yes
Diversity and equal opportunity				
405-1 Diversity of governance bodies and employees	405-1 Diversity of governance bodies and employees	Our people / Creating an inclusive workplace culture	59	No
405-2 Ratio of basic salary and remuneration of women to men	405-2 Ratio of basic salary and remuneration of women to men	Our people / Gender equality in our team	60	No
Local communities				
413-1 Operations with local community engagement, impact assessments, and development programs	413-1 Operations with local community engagement, impact assessments, and development programs	Our community / Our impact fund	69	No
Supplier social assessment				
414-1 New suppliers that were screened using social criteria	414-1 New suppliers that were screened using social criteria	Our community / Strengthening our supply chain	77	No

Glossary

Term	Description
Arrears	The repayment that is still outstanding after the payment due date has passed
Australian Credit Licence (ACL)	Authorisation to provide services as a credit provider in Australia. National legislation defines credit activity, including activity related to credit contracts, consumer leases, related mortgages and guarantees, and credit assistance services
Authorised deposit-taking institution (ADI)	Corporations authorised under the Banking Act 1959 (Cth), including banks, building societies and credit unions that must meet certain criteria
Australian Financial Services Licence	Authorisation to offer and provide consumers with specified financial products and services in accordance with ASIC compliance standards
Australian Prudential Regulation Authority (APRA)	An independent Commonwealth statutory authority that administers the Banking Act 1959 (Cth) and sets prudential requirements for ADIs, including monitoring their lending activities
Australian Securities and Investments Commission (ASIC)	An independent Commonwealth statutory authority that protects consumers, investors and creditors by licensing and monitoring financial services organisations and their representatives. ASIC regulates mutual ADIs as companies under the Corporations Act 2001 (Cth)
Australian Sustainability Reporting Standards	The Australian Sustainability Reporting Standards (ASRS) are a set of proposed standards developed by the Australian Accounting Standards Board to guide organisations in disclosing sustainability-related information, particularly climate-related financial risks and opportunities
Baseline	A baseline is a reference point with which current emissions can be compared. When an inventory baseline is used as a basis for tracking progress towards a reduction target it is referred to as a target baseline
Capital adequacy ratio	The percentage of a bank's adjusted capital compared to its risk-weighted assets, as per Prudential Standard APS110
Clean Energy Home Loan	Our loan product that incentivises customers to create more sustainable homes. Customers are rewarded with a reduced rate on their mortgage for buying, building or upgrading an energy-efficient home
Cuscal	An ADI regulated by APRA, which provides payment services to Australian ADIs
Customer	An account holder. Customers also hold one share in Bank Australia
Cybersecurity/information security	The preservation of the confidentiality, integrity and availability of the bank's information assets including customer and financial data assets
Emissions / GHG	Emissions refer to the 7 greenhouse gases (GHG) under the Kyoto Protocol accounted for in an emissions inventory. These are expressed as tonnes of carbon dioxide equivalent (tCO_2e)
Emissions inventory	An annual record of emissions within an organisation's organisational and operational reporting boundary
Emission reduction target/s	A time bound future emission reduction goal expressed as a percentage calculated from the selected base year. For example, reduce scope 1 and 2 emissions 43% by 2035 from a 2020 base year

Term	Description
Global Reporting Initiative (GRI) Standards	The current version of global voluntary guidelines for companies to report their sustainability performance
Greenhouse Gas (GHG) Protocol	A set of global GHG accounting standards used to prepare an annual emissions inventory
Hardship	Unexpected circumstances where a borrower requires financial hardship assistance from the bank which may include a repayment pause or a loan restructure
Incident (workplace health and safety related)	A workplace health and safety event that affects staff but does not result in physiological or psychological change. It includes when a person or process is impacted by a hazard (for example, when a person trips on a broken floor tile). It does not include near misses (for example, when a plywood sign falls from its mounting but does not hit a person). The total number of incidents includes injury numbers
Impact finance	Finance that is mobilised to create measurable positive social and/or environmental impact, while delivering a return on investment
Inflation	An increase in the level of prices of the goods and services that households typically buy
Liquidity	The availability of cash in the near future after taking account of financial commitments over this period
Materiality	In this report materiality is the threshold at which issues become sufficiently important that they should be reported
Mutual bank	A bank that evolved from the credit union movement and is guided by the 7 International Cooperative Principles. Customer-owned banks exist to benefit their customers, not to deliver profits to external investors
Net profit after tax	The amount of profit achieved after tax
Percentage of loan portfolio in arrears	The percentage of delinquent loans 30 days or more in arrears to the total loan portfolio. This includes delinquent loans greater than or equal to 90 days past due that are categorised as non-performing loans
Responsible banking policy	Our Board-approved policy that sets out what we do and don't fund
Scope 1	Direct emissions from an organisation's operations, including company vehicles and buildings. Scope 1 is typically produced through the combustion of fossil fuels within the organisational boundary, e.g. petrol used in fleet vehicles
Scope 2	Indirect energy related emissions from purchased electricity, steam, heating and cooling (i.e. energy produced outside the organisation's control boundary but used within the organisation)
Scope 3	Indirect emissions within the organisation's value chain. Scope 3 emissions are subject to relevancy testing to determine which sources should be included in the operational boundary

Abbreviations

Term	Description
ABA	Australian Banking Association
ACL	Australian Credit Licence
ACN	Australian Company Number
ADI	Authorised deposit-taking institution
AFCA	Australian Financial Complaints Authority
APRA	Australian Prudential Regulation Authority
ASIC	Australian Securities and Investments Commission
ASRS	Australian Sustainability Reporting Standards
BCCM	Business Council of Cooperatives and Mutuals
COBA	Customer Owned Banking Association
EY	Ernst and Young
GABV	Global Alliance for Banking on Values
GRI	Global Reporting Initiative
GST	Goods and services tax
TNFD	Taskforce on Nature-related Financial Disclosures

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