

## **2024 AGM Explanatory Note**

### **Agenda Item 6 – Appointment of (new) External Auditor**

The existing agreement for external audit services to BankWAW concluded during the 2024 financial year. In accordance with regulatory requirements set out by the Australian Securities and Investments Commission (ASIC) and the Australian Prudential Regulation Authority (APRA), the Board Audit Committee, under the delegation of the Board of Directors, undertook a formal tender process to appoint a new external auditor for the upcoming three-year period, commencing after the conclusion of the 2024 Annual General Meeting (AGM).

This process aligns with the obligations under section 327A of the Corporations Act 2001, which requires the appointment of an external auditor at the AGM. In addition, the process adhered to APRA's Prudential Standard APS 310: Audit and Related Matters (APS 310), which emphasises the importance of auditor independence and audit quality for authorised deposit-taking institutions (ADIs).

As part of the tender process, several audit firms were invited to submit proposals. The Board Audit Committee conducted a detailed assessment of each submission based on criteria including audit quality, industry expertise, and compliance with independence and ethical standards, in accordance with ASIC's Information Sheet 196: Audit Quality – The Role of Directors and Audit Committees (INFO 196) and APRA's regulatory requirements. Four firms were shortlisted from the submissions, and two firms were invited for interviews to further evaluate their suitability.

Following this comprehensive evaluation, the Board Audit Committee recommended KPMG as the external auditor for the next three-year period. The Board has endorsed this recommendation, confident that KPMG possesses the necessary expertise, independence, and professionalism to meet BankWAW's audit requirements.

It should also be noted that Crowe, the outgoing auditor, completed the audit of the 2024 Financial Statements and associated services. The Board acknowledges and expresses its appreciation to Crowe, along with its predecessor firms including Crowe-Horwath and WHK, for providing BankWAW with professional and high-quality audit services over many years.

Members are now asked to approve the appointment of KPMG as the external auditor for BankWAW for the next three-year period, which will be subject to final approval by ASIC in accordance with regulatory requirements.