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# 1H26 INVESTOR MATERIALS

Half year ended 28 February 2026



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# Contents

1H26 Results Presentation	4
Transformation Detail	31
Divisional Results	34
Portfolio Quality	39
Funding & Liquidity	47
Economic Assumptions	54
About BOQ Group	57
Abbreviations	62

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# 1H26 RESULTS PRESENTATION

**22 APRIL 2026**

Half year ended 28 February 2026



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Merinda Walters '17

**BOQ Group acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Custodians of the land where we live and work. We pay our respects to Elders past and present.**

This artwork was commissioned through Merinda Walters, a proud Kamilaroi woman.

Titled Burrul gi-gi magula (Growing Together), this story represents a celebration of the past 150 years of BOQ and a promise for the future.

# Agenda

## Introduction

**Jessica Smith**, General Manager Investor Relations & Corporate Affairs

## Results overview

**Rod Finch**, Managing Director & Chief Executive Officer

## Financial detail

**Racheal Kellaway**, Chief Financial Officer

## Outlook

**Rod Finch**, Managing Director & Chief Executive Officer

## Q&A

**Rod Finch**, Managing Director & Chief Executive Officer

**Racheal Kellaway**, Chief Financial Officer

**Executive Team & Senior Leaders**

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# RESULTS OVERVIEW

Rod Finch  
Managing Director & Chief Executive Officer



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# Overview

Delivering on strategy, prioritising resilience and stability to support long-term growth

- 1. Supporting our customers and communities during a period of increased economic uncertainty**
- 2. Continued momentum delivering on strategic commitments**
  - > Scaling growth on our digital bank, ME customer migration
  - > Disciplined focus on productivity and reducing operational complexity
  - > Transitioning Remedial Action Plans into embed phase
  - > Growing capital-light income, supported by the capital partnership<sup>4</sup>
  - > Recycling lower-returning home lending capital into higher-returning specialist business segments
- 3. Financially resilient with strong liquidity, surplus capital and sound asset quality**

## Progress against strategic priorities

Core digital bank build complete ✓	Digital bank home lending flow <sup>1</sup> <b>75%</b>	ME customers migrated <sup>2</sup> <b>85%</b>
Retail customers on digital bank <sup>3</sup> <b>72%</b>	Productivity initiatives delivered <sup>5</sup> <b>~65%</b>	Capital partnership announced <sup>4</sup> ✓
RAP activities completed <b>61%</b>	Branch conversion completed ✓	Business bankers increased <b>51%</b>

(1) Home lending flow on the digital bank as at March 2026

(2) Includes customer cohort migrated post balance date in March 2026

(3) Includes active deposit, linked credit cards, and home loan customers as at March 2026

(4) Refers to whole-of-loan sale and forward flow origination and servicing agreement with Challenger Limited. Further detail has been provided in BOQ's 1H26 Interim Report and its disclosure to the ASX dated 7 April 2026

(5) Based on run rate benefits as at February 2026

# 1H26 results

Disciplined execution in a competitive environment

## Key financial results (\$m)

	1H26	1H26 v 1H25
Total income	832	5% ▲
Operating expenses	(553)	6% ▲
<b>Underlying profit</b>	<b>279</b>	<b>2%</b> ▲
Loan impairment expense	(20)	large ▲
<b>Profit before tax</b>	<b>259</b>	<b>(4%)</b> ▼
Income tax expense	(83)	-
<b>Cash earnings after tax</b>	<b>176</b>	<b>(4%)</b> ▼
<b>Statutory net profit after tax</b>	<b>136</b>	<b>(20%)</b> ▼
Return on average tangible equity <sup>1</sup> (%)	7.4	(30bps) ▼
Return on average equity (%)	6.1	(10bps) ▼
Basic cash earnings per share (cents)	26.8	(4%) ▼
Cost to income ratio (%)	66.5	90bps ▲
CET1 ratio (%)	11.18	31bps ▲
Dividends per ordinary share (fully franked) <sup>2</sup> (cents)	20.0	11% ▲

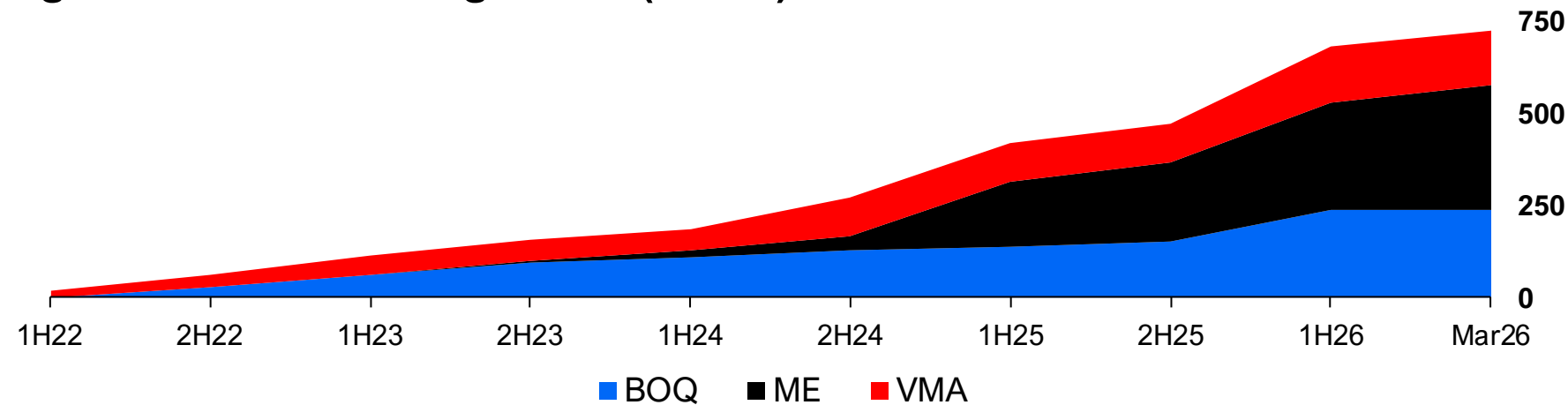
(1) Based on net profit applied to average shareholders' equity, less goodwill and identifiable intangible assets

(2) The dividend will be fully franked, and the dividend reinvestment plan will operate with no discount and is expected to be satisfied in full by an on-market purchase of shares

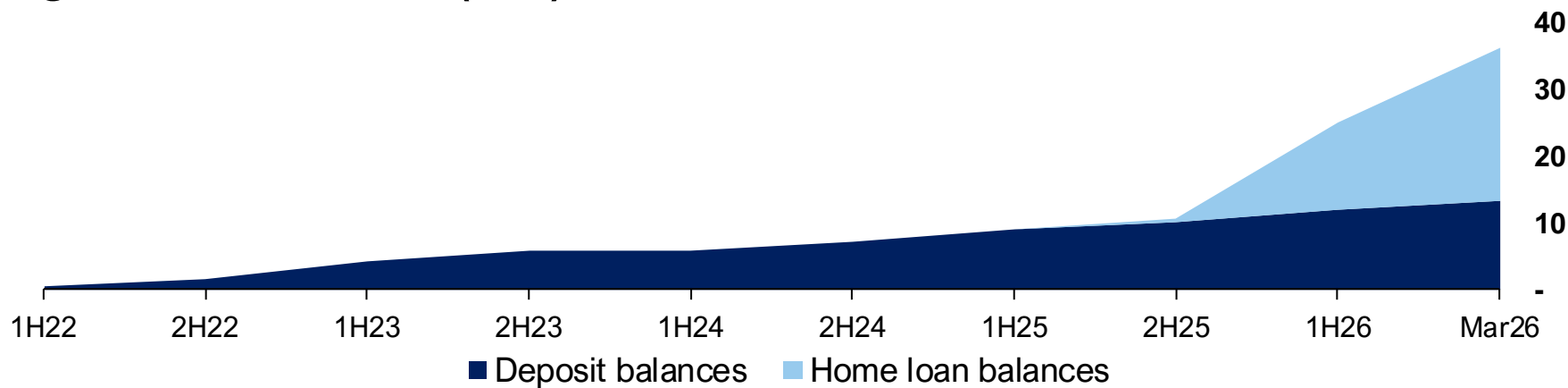
# Digital bank growth

Scaling growth on our digital platforms, improving customer experience and retail banking economics

Digital bank customer growth<sup>1</sup> (# '000)



Digital bank balances (\$bn)



<b>72%</b> Active retail customers on digital bank <sup>1</sup>	<b>60%</b> Active digital bank customers aged between 25 - 54
<b>4.4</b> Average app store ratings as at 14 April 2026	<b>50%</b> Reduction in cost to originate at scale on track <sup>2</sup>
<b>75%</b> Home lending flow on digital bank	<b>87%</b> New personal deposits originated on digital bank <sup>3</sup>
<b>41%</b> Group mortgages on digital bank	<b>9x</b> Higher transaction balances for digital bank HL customers <sup>4</sup>

Note: All data points are post-balance date as at 31 March 2026 unless otherwise stated

(1) Includes active deposit, linked credit cards, and home loan customers

(2) Future functionality releases scheduled through 2H26 and FY27

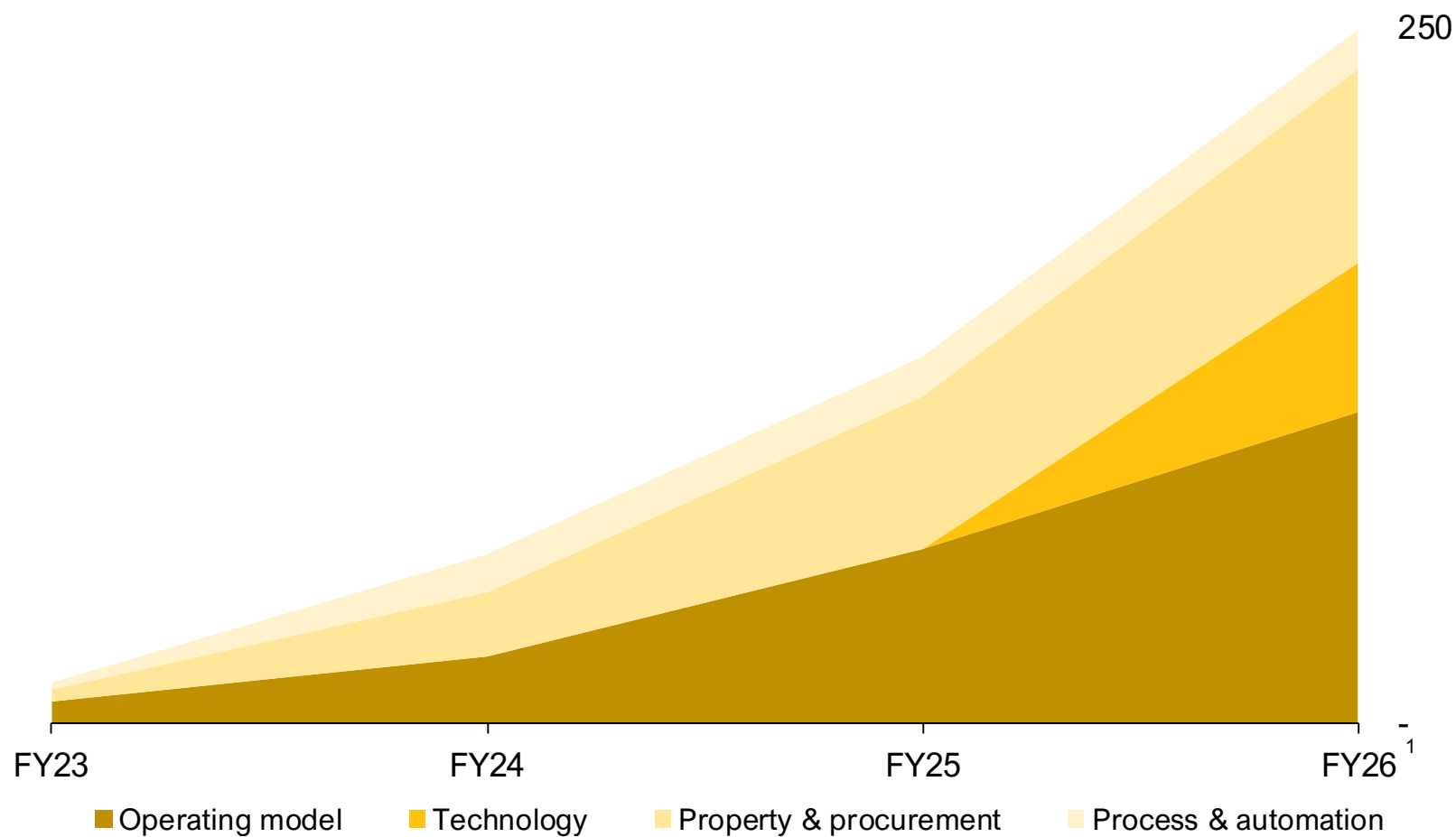
(3) Retail customers through to 31 March 2026, excluding offsets

(4) Average transaction account balance of new to bank digital home loan account customers vs standalone transaction accounts September 2025 to March 2026

# Productivity program progress

Disciplined focus on productivity and reducing operational complexity

## FY26 \$250m productivity program



<b>OPERATING MODEL</b>	Cumulative ~850 FTE reduction ~11% cost reduction per customer operations FTE <sup>2</sup> Exited non-core portfolios
<b>TECHNOLOGY</b>	91% of target state IT applications now on the cloud 24% reduction in number of technology assets 8 down to 4 core banking systems
<b>PROPERTY &amp; PROCUREMENT</b>	42% reduction in corporate property space Optimised branch network CapGemini partnership for IT and business processing
<b>PROCESS &amp; AUTOMATION</b>	Scaling responsible AI capability Core retail proposition now live on digital platform Simplified distribution channels

Note: Profile is indicative and subject to changing prioritisation

(1) FY26 totals include full program benefits that are expected to be realised in P&L in FY27, including full impacts of ME decommissioning and Capgemini partnership benefits

(2) 2Q26 compared to FY25. Further reductions anticipated as partnership is fully embedded

# Capital partnership

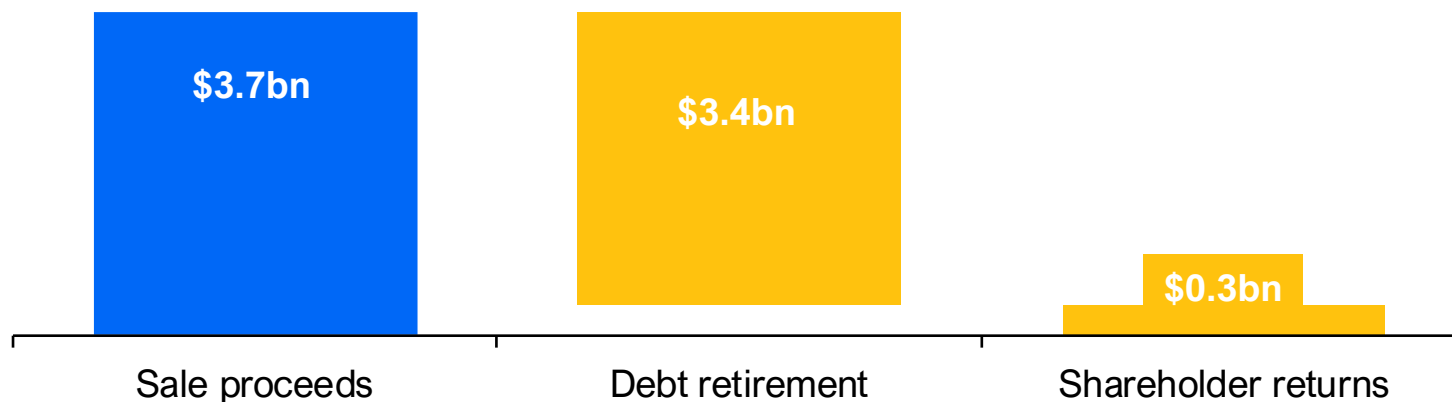
Releasing capital from a capital-intensive and cyclical portfolio, enabling sustainable future growth

## Whole-of-loan sale

- > \$3.7bn of equipment finance assets fully derecognised from BOQ's balance sheet<sup>1</sup>
- > Ownership of assets, funding and credit risk transferred to Challenger
- > BOQ receives capital-light fee income through continued servicing of the assets
- > Proceeds of sale will enable reduction of higher-cost funding and planned capital return to shareholders<sup>2</sup>:
  - > Special dividend
  - > On-market share buy-back

## Forward flow agreement

- > Leverages BOQ's strong existing origination and servicing capability
- > No impact on existing customers, all new customer relationships will be managed by BOQ
- > Enables scalable customer offering, without balance sheet concentration restraints
- > Generates capital-light fee income from origination and servicing of new equipment finance lending
- > Funding and credit risk assumed by Challenger
- > Flexibility retained for BOQ to originate assets on-balance sheet where appropriate



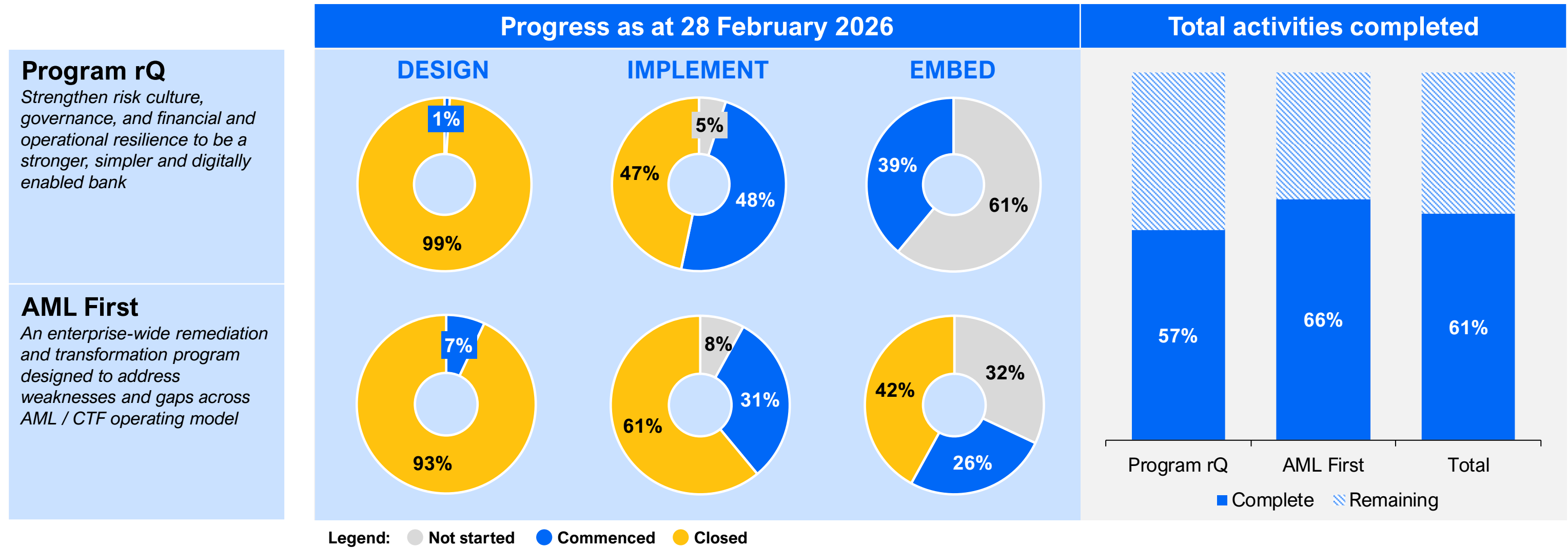
(1) The final whole-of-loan sale amount at completion may be higher or lower depending on whether the newly originated assets in the intervening period are sold under the whole-of-loan sale or the forward flow agreement  
 (2) Subject to market conditions, Board and regulatory approvals

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# Remedial action plan progress

Strong progress with 61% of total activities complete, both programs transitioning into embed

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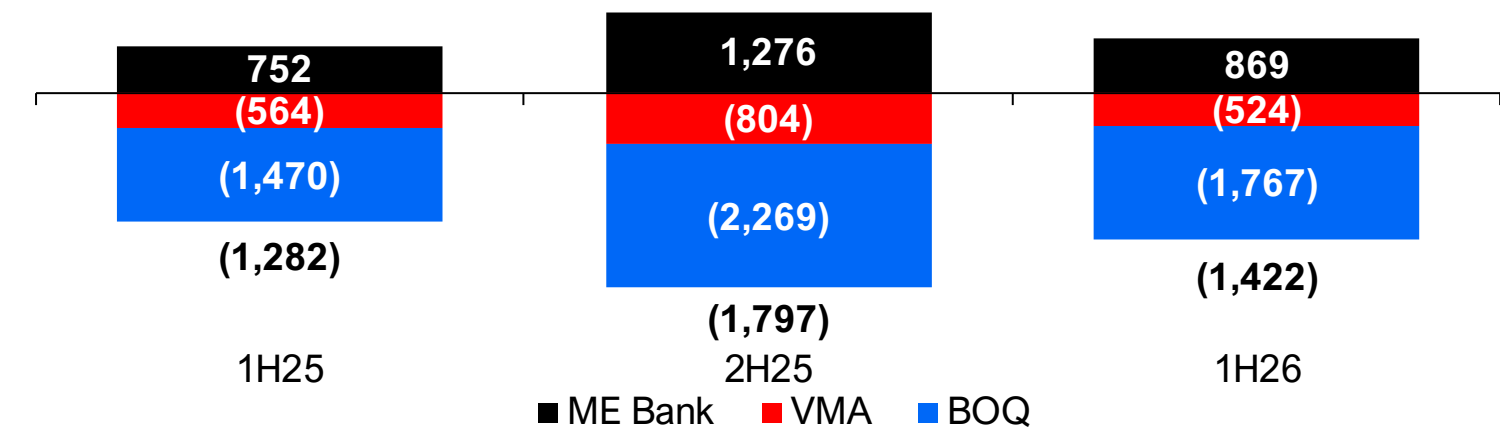
# Retail banking overview

Resetting our retail banking economics and returns through scaling our low cost to serve digital bank

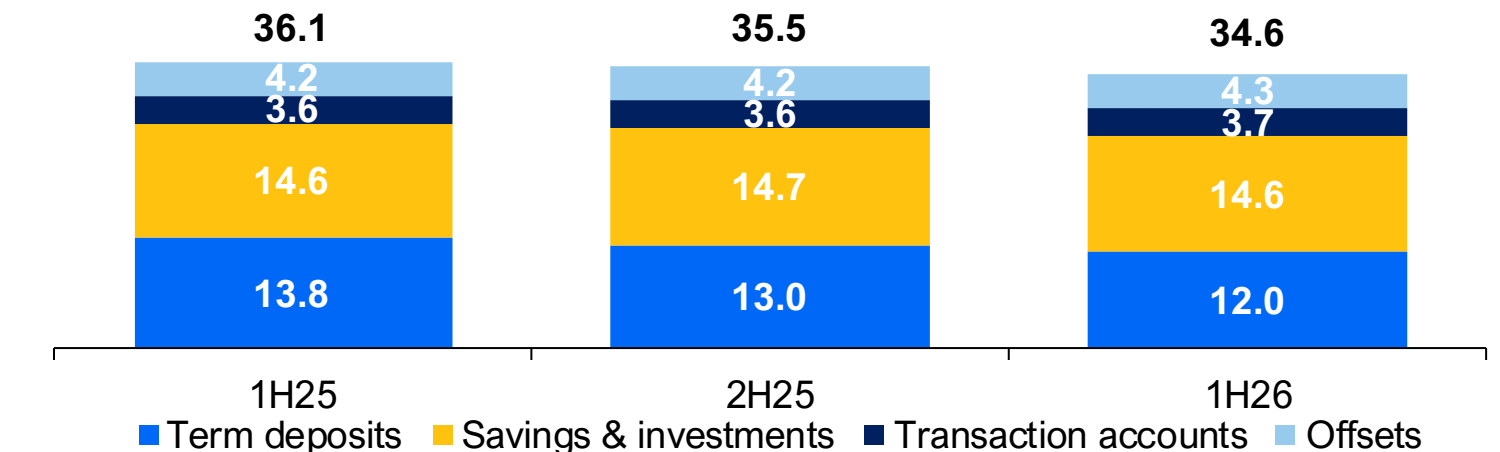
## Summary

- > Reshaping economics of home lending through:
  - Lower cost to originate and serve on the digital bank
  - Higher-returning proprietary channel and optimised distribution footprint post branch conversion
  - Portfolio run-off reflecting simplification of distribution channels and transition from legacy platform
  - Funding actively optimised during portfolio run-off
- > Branch performance stabilising on a smaller, more efficient footprint with 15% increased application volumes in the half
- > Strong asset quality with a low mix of high DTI and high LVR lending
- > Deploying AI in customer operations to drive lower cost and improve customer experience
- > Home lending contraction easing, with growth expected in FY27 focused on digital proprietary and broker channels

## Home lending growth (\$m)



## Deposit funding (\$bn)



# Business banking overview

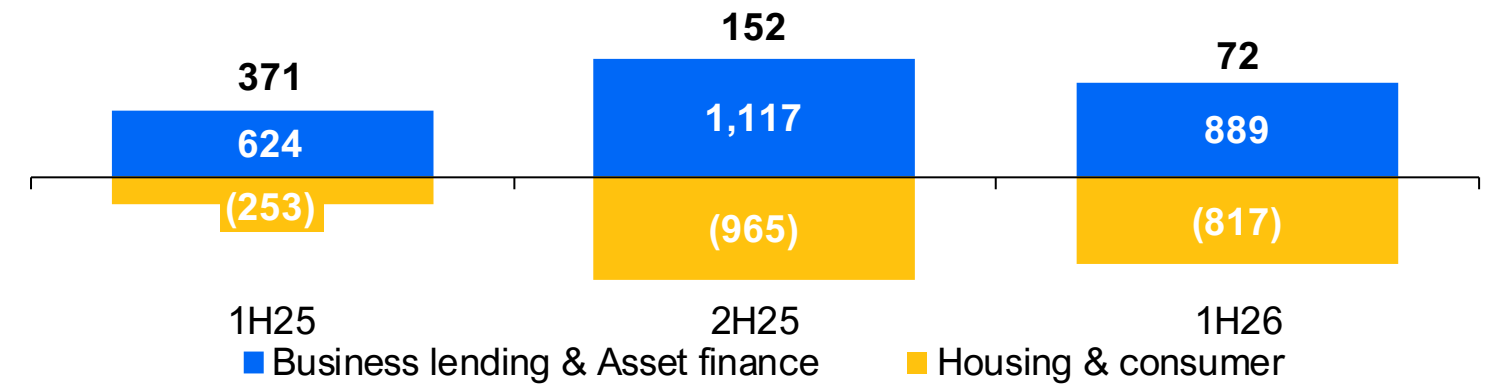


Growth through focused execution on targeted higher-returning specialist segments

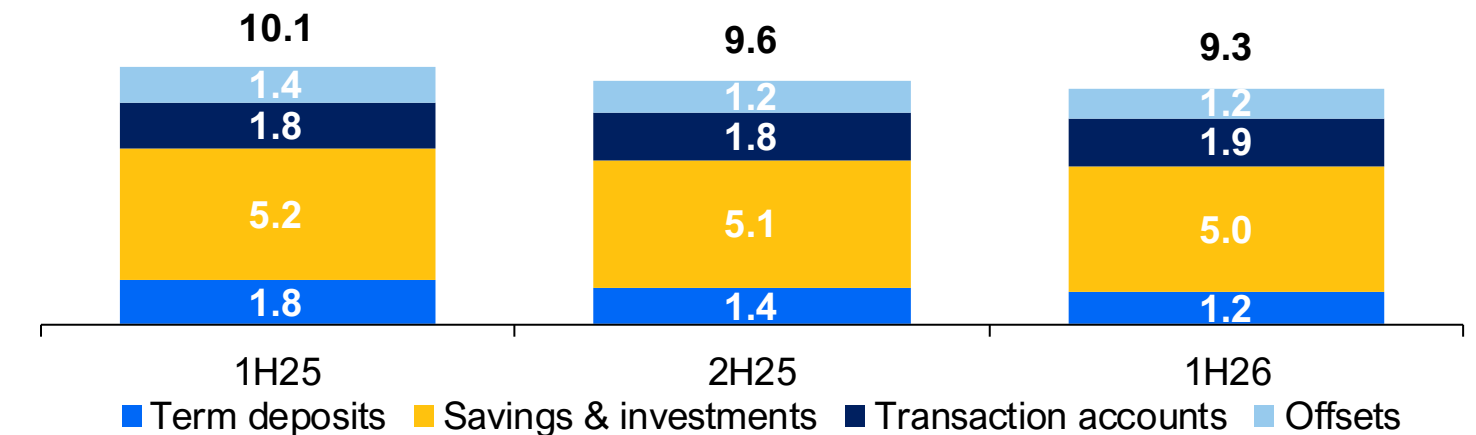
## Summary

- > Prioritising risk adjusted returns over volume growth in a competitive market
- > Above system commercial lending growth of 7% driven by continued focus on healthcare, agribusiness, and well-secured commercial property<sup>1</sup>
- > Housing contraction reflects higher run-off in line with strategy, as economic returns were prioritised over volume growth
- > Branch conversion enabling banker deployment in key growth corridors, supporting regional SME customers
- > Deploying AI in commercial lending to drive higher banker productivity
- > Capital partnership announced for whole-of-loan sale of \$3.7bn<sup>2</sup> equipment finance assets and forward flow arrangement

## Lending growth (\$m)



## Deposit funding (\$bn)



(1) Compared to APRA Monthly Banking Statistics September 2025 to February 2026

(2) The final whole-of-loan sale amount at completion may be higher or lower depending on whether the newly originated assets in the intervening period are sold under the whole-of-loan sale or the forward flow agreement

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# Living our purpose and values

Building on our 150-year Queensland heritage, supporting our customers, communities and people

## Customer & communities



- Deploying business bankers in regional growth corridors following conversion to a proprietary branch channel
- Returning head office back to Brisbane CBD
- Supported our communities through key community partnerships, including our primary partnership with Orange Sky

## Our people



- Strengthened change leadership and coaching ability through Group-wide deployment of our senior leadership program
- Accelerated future-ready capability with the launch of BOQ's AI Academy, powered by LinkedIn Learning
- Sustained a strong Risk Culture Index of 72%, supporting disciplined execution and sustainable performance

## Sustainability



- Preparing for mandatory climate-related financial disclosures in FY26 Annual Report
- Continued engagement with industry, regulators and stakeholders

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# FINANCIAL DETAIL

Racheal Kellaway  
Chief Financial Officer



# Financial performance

Financial performance reflects short-term discipline for long-term growth

## Key financial results (\$m)

	1H26	2H25	1H26 v 2H25	1H25	1H26 v 1H25
Net interest income	755	790	(4%) ▼	725	4% ▲
Non-interest income	77	74	4% ▲	68	13% ▲
<b>Total income</b>	<b>832</b>	<b>864</b>	<b>(4%) ▼</b>	<b>793</b>	<b>5% ▲</b>
Operating expenses	(553)	(552)	0% —	(520)	6% ▲
<b>Underlying profit</b>	<b>279</b>	<b>312</b>	<b>(11%) ▼</b>	<b>273</b>	<b>2% ▲</b>
Loan impairment expense	(20)	(18)	11% ▲	(3)	large ▲
<b>Cash earnings after tax</b>	<b>176</b>	<b>200</b>	<b>(12%) ▼</b>	<b>183</b>	<b>(4%) ▼</b>

# Non-cash items

Statutory adjustments reflect strategic decisions made to strengthen, simplify, and optimise the business

## Reconciliation of cash earnings to statutory net profit after tax (\$m)

	1H26	2H25	1H25
<b>Cash earnings after tax</b>	<b>176</b>	<b>200</b>	<b>183</b>
Whole-of-loan sale <sup>1</sup>	(31)	-	-
Goodwill impairment <sup>2</sup>	-	(170)	-
Branch strategy <sup>3</sup>	(8)	(27)	(16)
Restructuring costs <sup>4</sup>	-	(25)	-
Remedial action plans <sup>5</sup>	-	(14)	-
Hedging and fair value changes	(1)	(2)	1
Amortisation of acquisition fair value adjustments	-	-	3
<b>Statutory net profit after tax</b>	<b>136</b>	<b>(38)</b>	<b>171</b>

(1) Whole-of-loan sale refers to the sale of assets and associated liabilities within the equipment finance portfolio to Challenger Limited. Further detail has been provided in BOQ's 1H26 Interim Report and its disclosure to the ASX dated 7 April 2026

(2) Further detail has been provided in BOQ's FY25 Annual Report and its disclosure to the ASX dated 3 October 2025

(3) Costs of converting the Owner Managed branch network to corporate branches by March 2025 and costs associated with the optimisation of the network. Further detail has been provided in BOQ's FY25 Annual Report and its disclosure to the ASX dated 22 August 2024

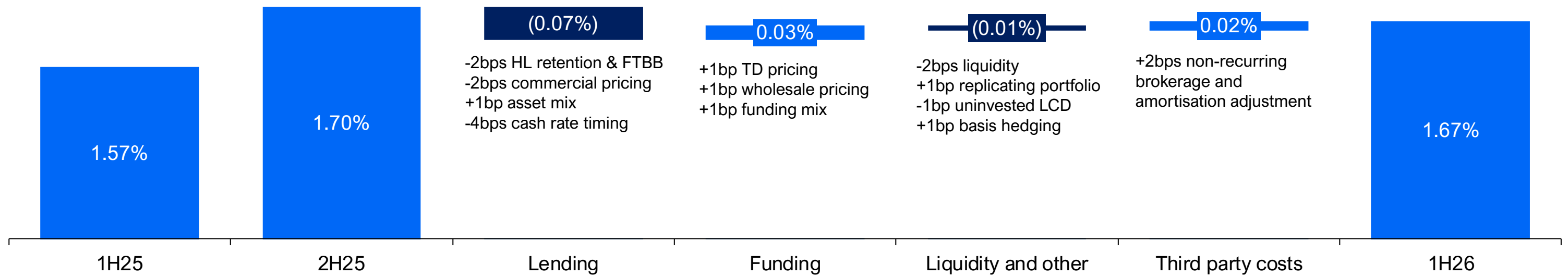
(4) Further detail has been provided in BOQ's FY25 Annual Report and its disclosure to the ASX dated 28 August 2025

(5) Further detail has been provided in BOQ's FY25 Annual Report and its disclosure to the ASX dated 28 August 2025

# Net interest margin

Competitive pressures partially offset by balance sheet management

## Net interest margin (%)



## 2H26 considerations

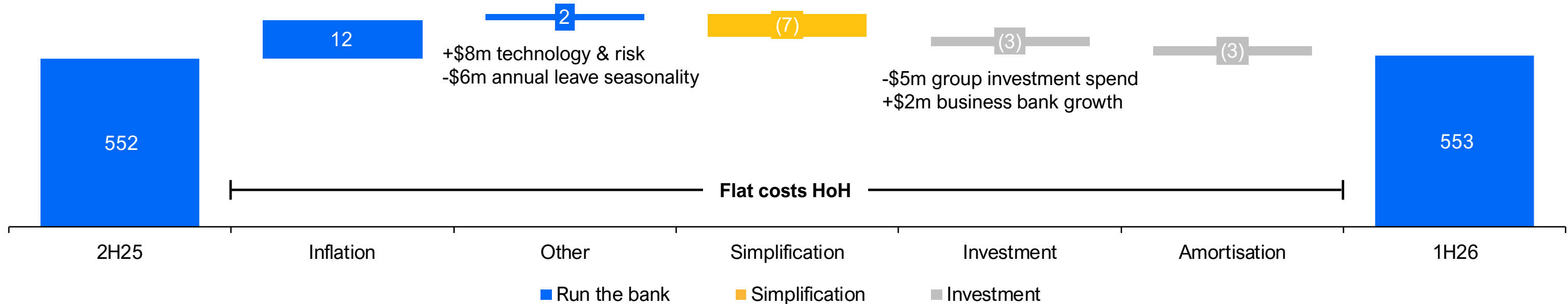
- > Benefits from an increasing cash rate environment
- > Competition partly offset by mix benefits
- > Increasing funding cost benefits; tailwinds from TD spreads, deposit pricing and funding mix
- > Replicating portfolio and hedging benefits
- > Optimising liquidity post equipment finance sale
- > Non-recurrence of third-party cost benefit

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# Operating expenses

Flat costs demonstrate consistent cost discipline

## Operating expenses (\$m) – 2H25 to 1H26



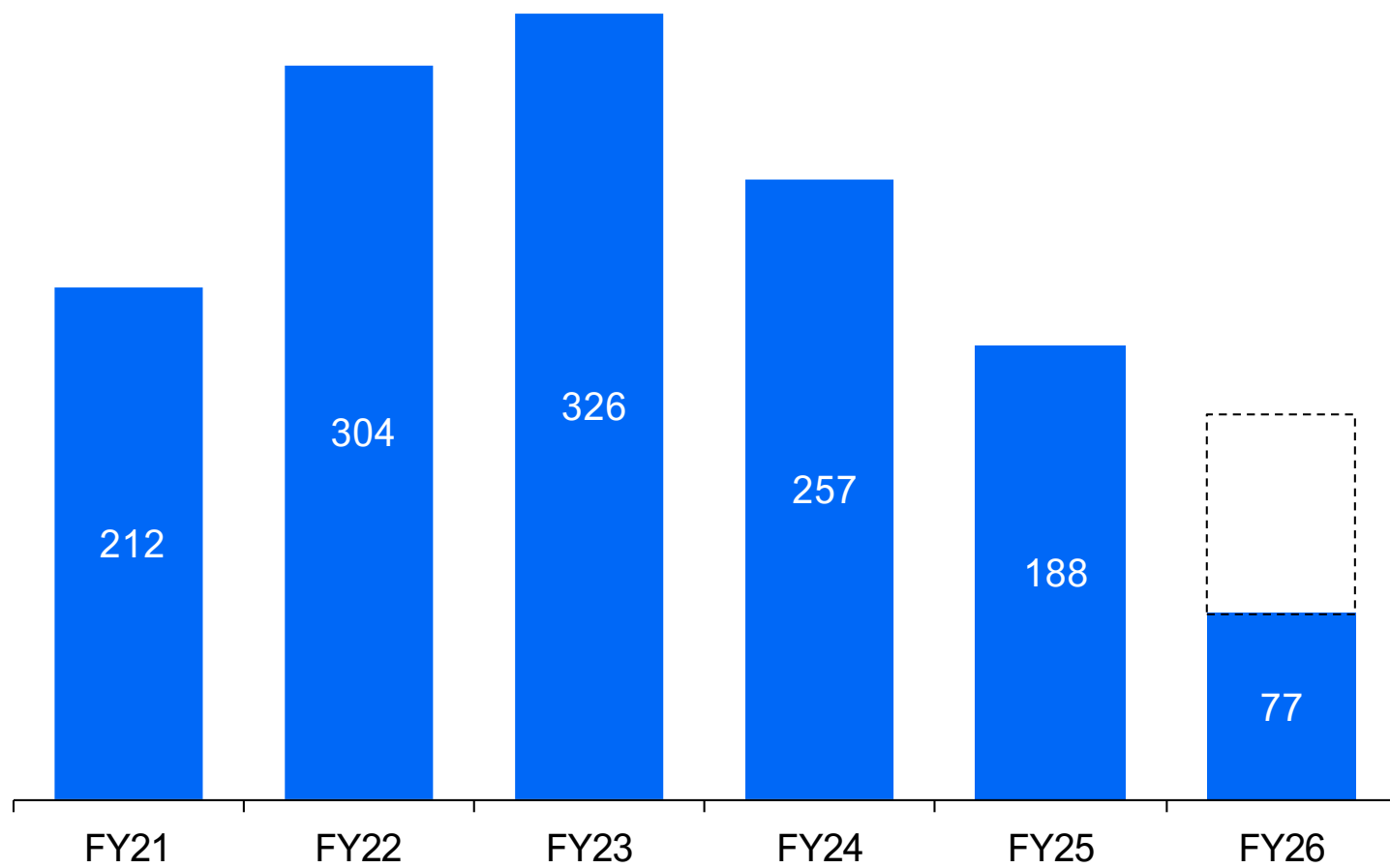
## FY26 considerations

- > Annual cost growth below inflation, including full-year impacts from the branch conversion and increasing amortisation
- > Transition costs relating to IT and business processing
- > Continued investment in the business bank
- > Simplification benefits, full impacts of ME decommissioning and Capgemini partnership in FY27

# Transformation investment

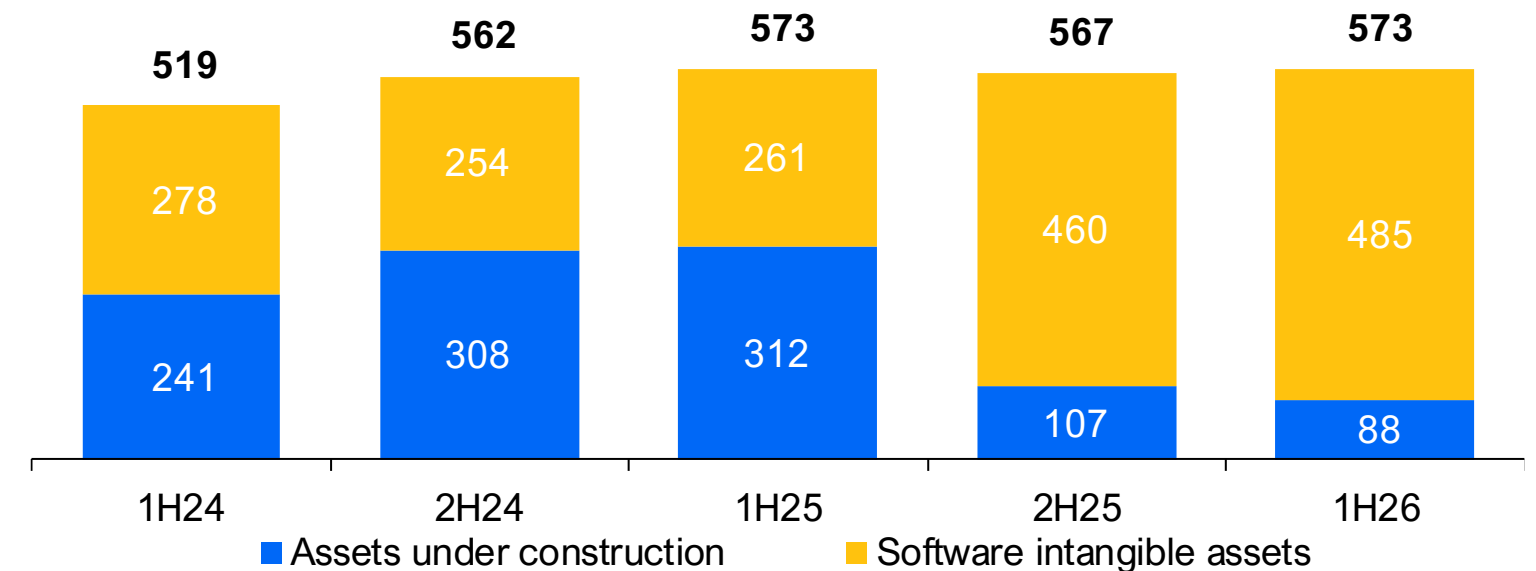
Ongoing disciplined investment following digital bank build completion

Investment spend (\$m)



Software intangible asset balances (\$m)

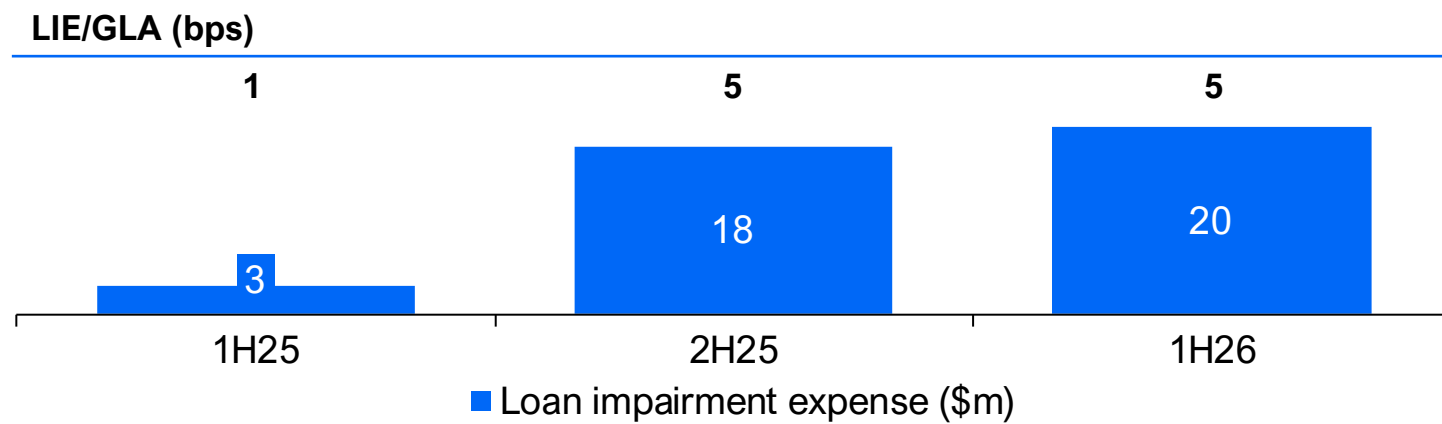
	1H26	2H25	1H26 v 2H25
Software intangible assets	485	460	5%
Assets under construction	88	107	(18%)
<b>Total carrying value of technology assets</b>	<b>573</b>	<b>567</b>	<b>1%</b>



# Portfolio quality

Portfolio quality remains resilient across all portfolios

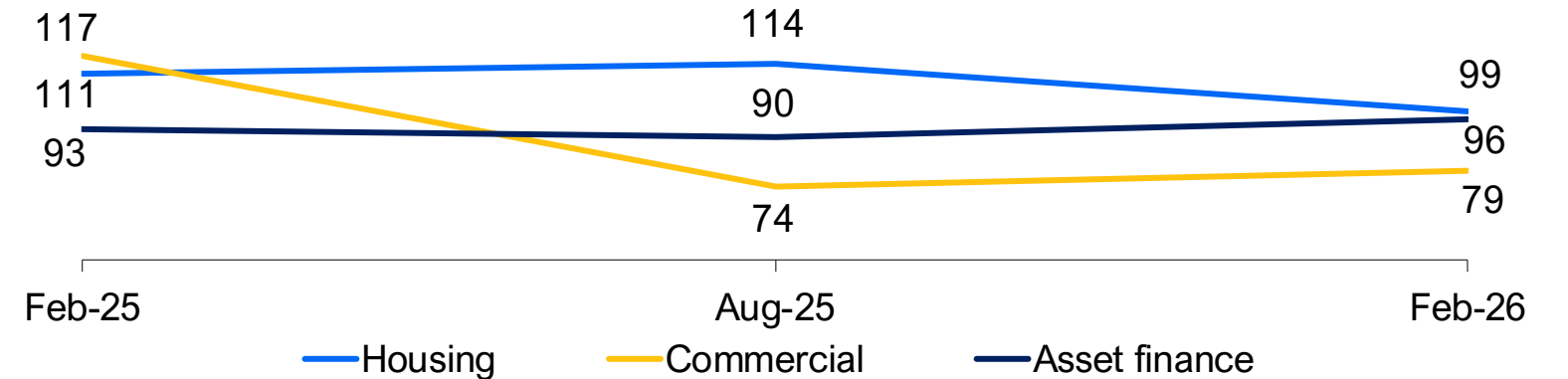
## Loan impairment expense



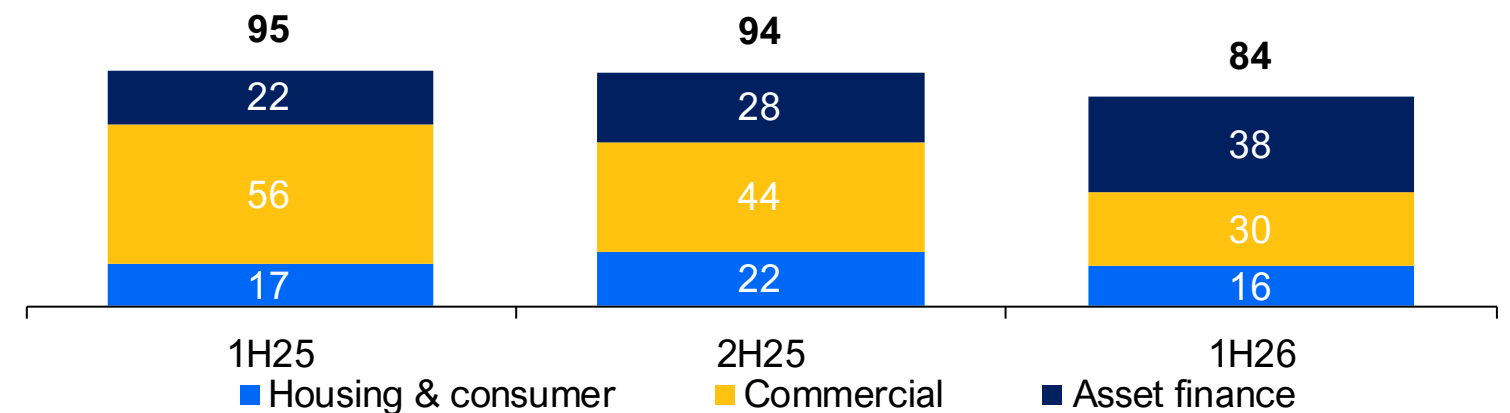
## Loan impairment expense by portfolio (\$m)

	1H25	2H25	1H26
Housing & consumer	12	(9)	(7)
Commercial	(24)	2	3
Asset finance	15	25	24

## Housing, asset finance and commercial arrears 90DPD (bps)



## Impaired assets (\$m)



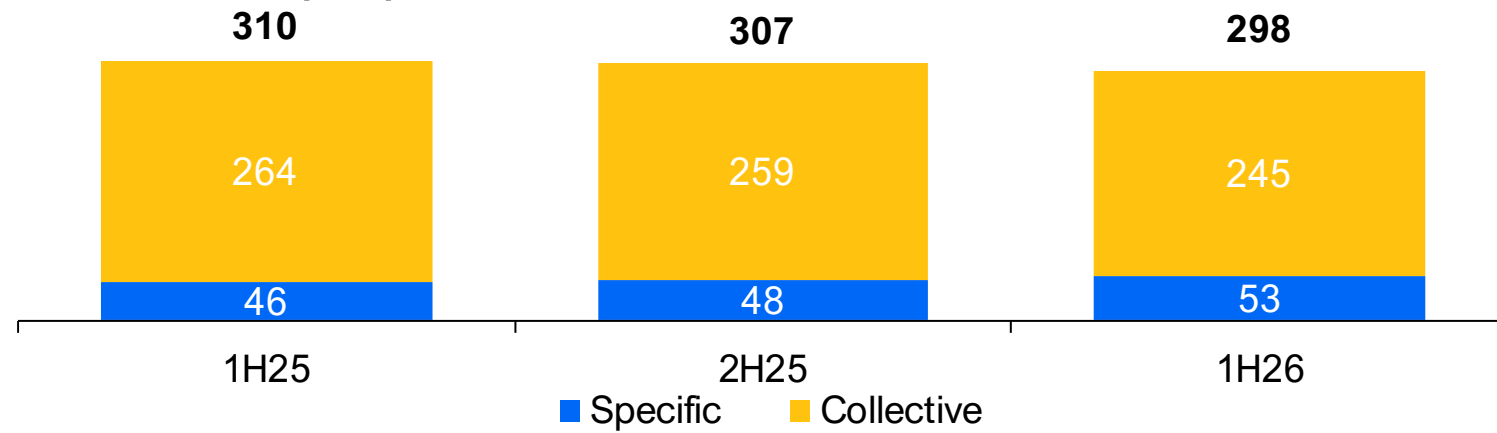
Note: Balances at 28 February 2026 include amounts associated with equipment finance assets held for sale

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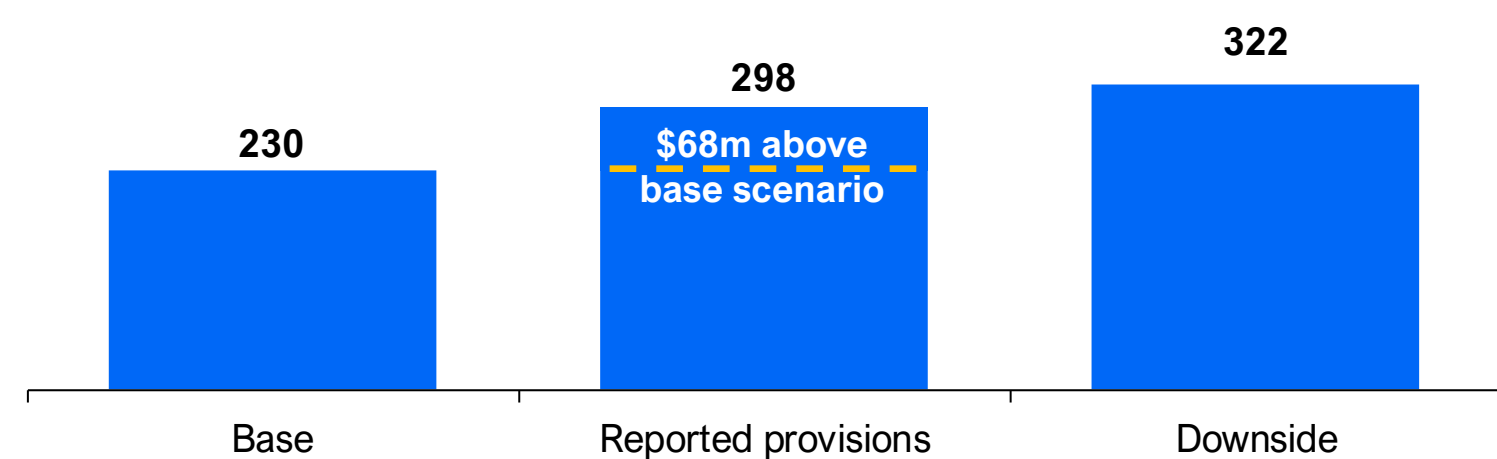
# Provisioning

Strong provisioning coverage for a range of economic scenarios

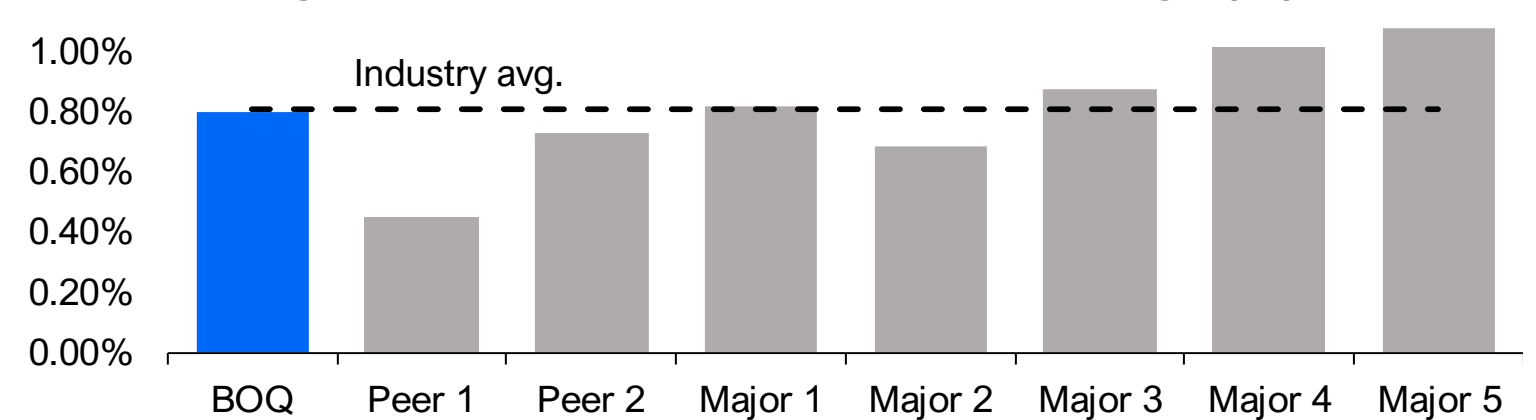
Provisions<sup>1</sup> (\$m)



Provision scenarios (Feb-26) (\$m)



Provisioning to standardised credit RWA coverage (%)



Economic forecasts<sup>2</sup> (calendar year) (%)

	Base		Downside	
	2026	2027	2026	2027
GDP (YoY growth %)	1.8	1.6	(0.1)	(0.4)
Unemployment rate (%)	4.3	4.5	5.6	7.4
Residential property prices (cumulative % change)	5.7	4.7	(3.9)	(10.4)
Commercial property prices (cumulative % change)	2.3	0.6	(6.6)	(13.3)
Cash Rate (%)	4.2	4.3	5.0	4.9

Note: Balances at 28 February 2026 include amounts associated with equipment finance assets held for sale

(1) 1H26 collective provision includes -\$8m from the sale of the ME credit card portfolio

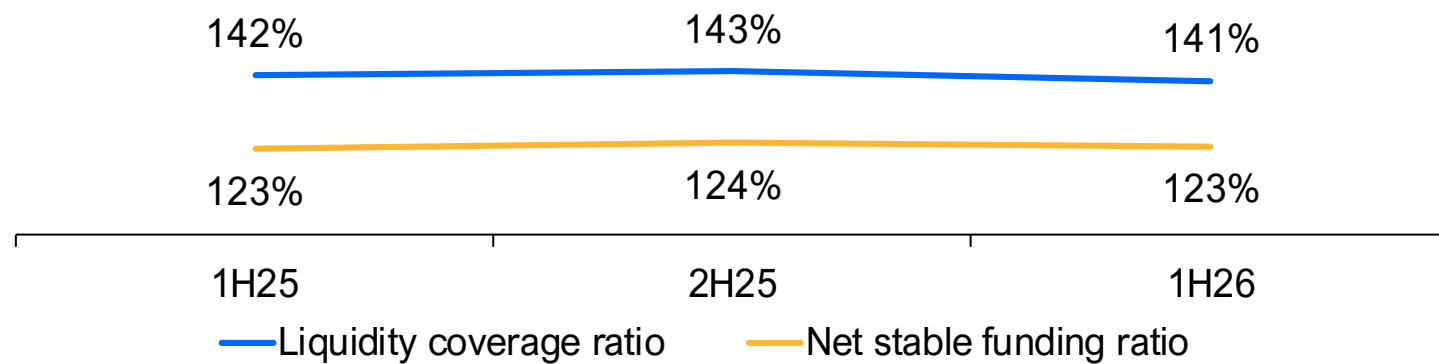
(2) The forecasts in the table reflect calendar year end numbers for 2026 and 2027, and were prepared as at February 2026, based on RBA and market consensus at the time and for the purpose of collective provision updates

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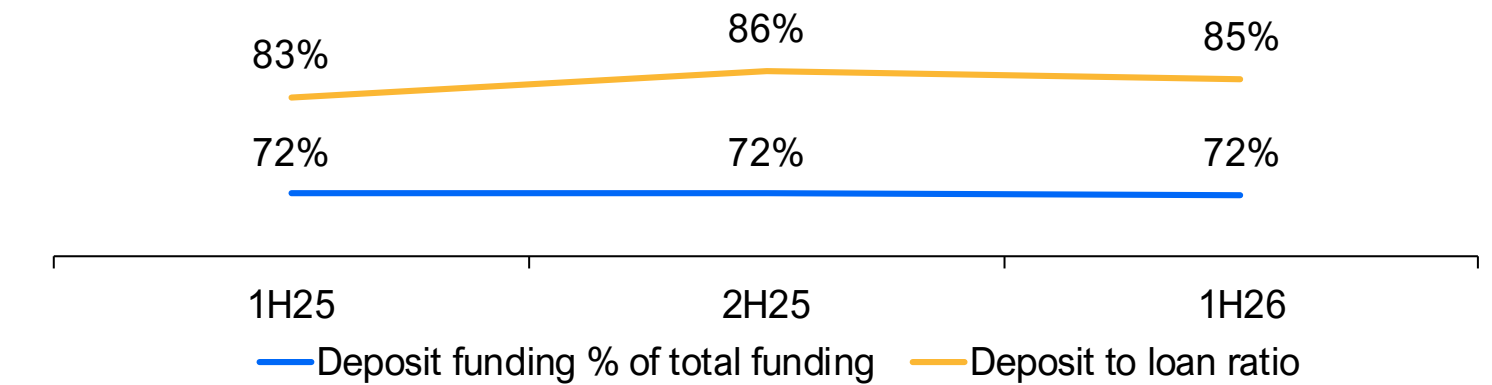
# Funding & liquidity

Strong funding and liquidity settings

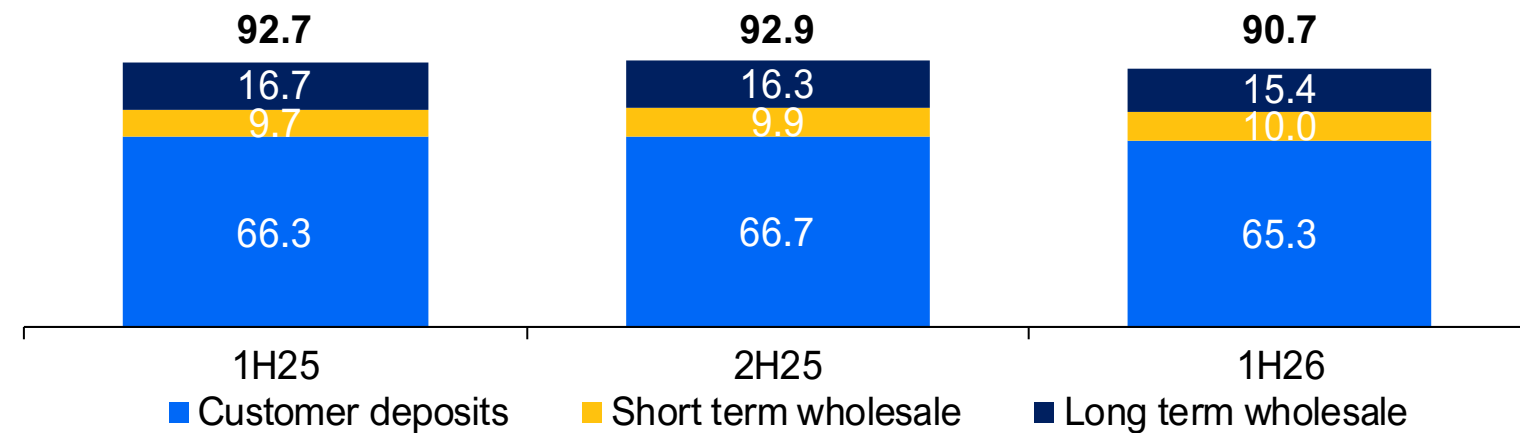
## Liquidity strength<sup>1</sup>



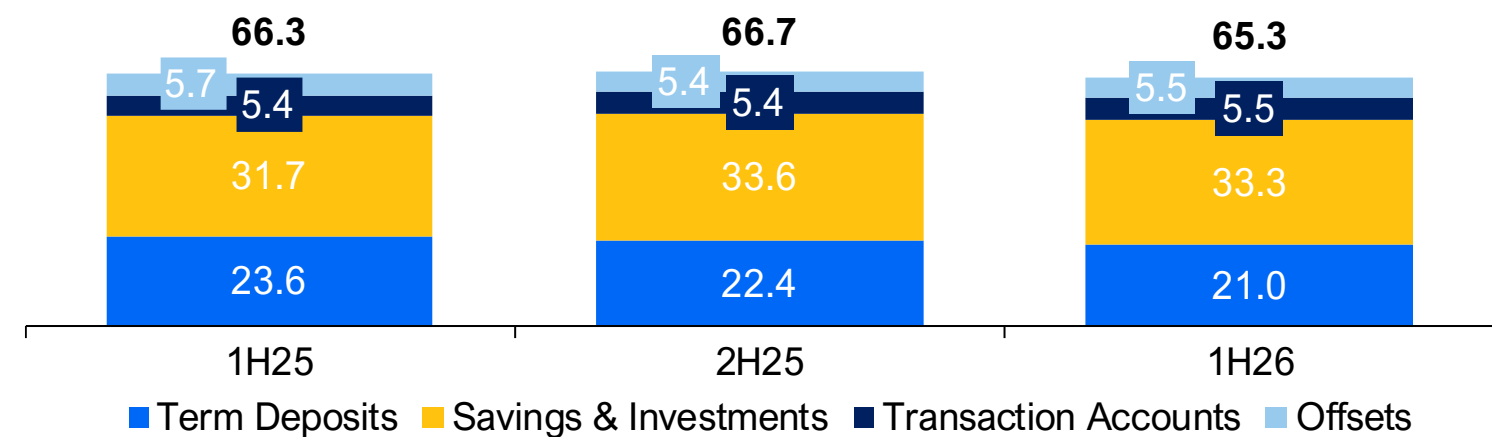
## Funding strength



## Funding mix (\$bn)



## Customer deposit balances (\$bn)



(1) Liquidity coverage ratio reported on a quarterly average basis and net stable funding ratio reported on a spot basis

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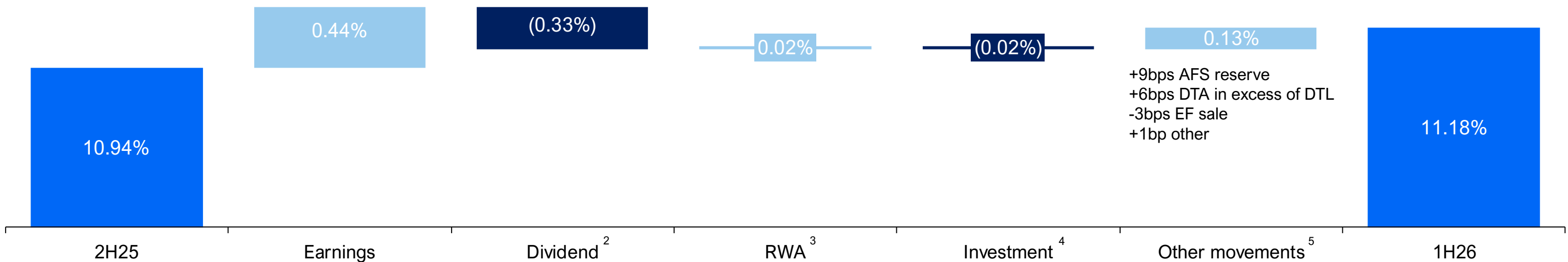
# Capital strength

Strong capital position, 20c fully franked interim dividend

## Summary

- > Whole-of-loan sale capital release to be returned to shareholders through an on-market buyback of shares and special dividend<sup>1</sup>
- > CET1 ratio managed above the top end of the management target range of 10.25–10.75%
- > The DRP will operate with no discount and is expected to be satisfied in full by an on-market purchase of shares
- > Strong position supporting resilience, the capacity to continue to transform the business, and growth of higher-returning assets

## CET1 (%) – 2H25 to 1H26



Note: CET1 includes a \$50m capital overlay as determined by APRA in relation to BOQ's Court Enforceable Undertaking

(1) Subject to market conditions, Board and regulatory approvals

(2) 2H25 dividend of 20c, DRP operated with no discount and was satisfied in full by an on-market purchase of shares. Participation was 8.6%

(3) RWA includes loan origination costs and movements in capital relief securitisations

(4) Capitalised investment spend net of amortisation

(5) Other movement includes mark-to-market gains in the available for sale reserve, lower capital deductions for Deferred Tax Assets in excess of Deferred Tax Liabilities, and costs associated with the whole-of-loan sale

# Capital partnership

Estimated FY26 impacts dependent on timing of completion and execution of capital return

## Impact on FY26 outlook

- › Completion of the whole-of-loan sale is anticipated between late April and early May 2026
- › Transaction expected to be broadly neutral to FY26 cash earnings
- › Full ROE and EPS benefit expected to build from FY27

	FY26 range	Considerations
Net interest income	-\$16m to -\$12m	Forfeiture of interest income, interest expense savings from funding optimisation, and benefit from interest rate hedge <sup>1</sup>
Non-interest income	+\$8m to +\$10m	Servicing and origination fees predominantly from portfolio sale and assumptions on acquisition volumes through forward flow
Total income	-\$8m to -\$2m	
Operating expense	<i>No impact</i>	No material near-term impact, BOQ continues to service customers using existing operations
Loan impairment expense	+\$5m to +\$7m	Avoided credit losses due to the transfer of credit risk, loss rate based on current long run average for the portfolio
Cash earnings after tax	-\$2m to +\$4m	Based on assumptions at announcement, subject to timing of transaction completion and execution of the capital return
Non-cash items	-\$55m to -\$45m	Reflects one-off items, not indicative of ongoing earnings impact <sup>2</sup>
Cash return on average equity	+15bps to +25bps	Subject to timing of completion, final size of capital return calculated at completion; split and timing of capital return (special dividend/share buy-back) <sup>3</sup>

(1) Final financial position is subject to movements in swap rates driven by market conditions, including volatility from the current geopolitical environment. These impacts will be materially known at completion

(2) It is expected there may be further statutory impacts recognised in 2H26, upon completion of the transaction

(3) Subject to market conditions, Board and regulatory approvals

# OUTLOOK

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# Outlook

- › Highly unpredictable geopolitical environment, increasing risks to the economic and financial outlook
- › Ongoing support for customers in managing through uncertain times
- › Continued elevated competition for quality lending and deposits
  - Targeting growth at system in commercial lending
  - Home lending contraction easing, return to growth anticipated in FY27
  - Wholesale funding market volatility with the potential to impact competition for deposits
- › Tailwinds to margin; cash rate uncertainty
- › Targeting sub inflation annual cost growth, including amortisation and the full-year impact of the branch conversion
- › Historically low LIE experience of recent years may not persist, given rising cash rates in the current economic climate
- › Capital partnership to be completed
- › No change to management CET1 or dividend payout target range<sup>1,2</sup>
















(1) CET1 target range of 10.25–10.75%

(2) Dividend payout range of 60 – 75% of cash earnings, the amount of any dividend will be at the discretion of the Board

# Simpler, specialist bank

Executing transformation to unlock sustainable returns

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					OPTIMISE	
<b>STRENGTHEN</b>	 RAPs finalised & submitted	 Regulatory approval & program mobilisation	 Risk culture dashboards deployed	 BAU risk maturity embedded	 Operational risk overlay removal	<ul style="list-style-type: none"> <li>&gt; Financially and operationally resilient</li> <li>&gt; Improved risk culture</li> <li>&gt; Embedded accountability &amp; governance</li> </ul>
<b>SIMPLIFY</b>	 Productivity program launched	 ME integration completed	 Branch conversion completed	 Retail customer migration complete	 Heritage bank decommissioning	<ul style="list-style-type: none"> <li>&gt; Better customer and banker outcomes</li> <li>&gt; Reduced complexity</li> <li>&gt; Improved resilience &amp; control environment</li> </ul>
<b>DIGITISE</b>	 All digital brands launched	 Capgemini partnership	 Digital mortgage market release	 Digital mortgage scale achieved	 Retail bank fully digital	<ul style="list-style-type: none"> <li>&gt; Improved customer experience</li> <li>&gt; Lower cost to originate and serve</li> <li>&gt; Cloud-enabled and AI ready</li> </ul>

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# TRANSFORMATION DETAIL



# Strengthen | Remedial action plans key terms

## Court Enforceable Undertakings – Key Terms

### Remedial Action Plans finalised and submitted:

- > Addressing underlying weaknesses
- > Setting clear and measurable actions
- > Timeline for completion and clear accountabilities that are specific, measurable and achievable

### Independent review:

- > Appointment of Independent reviewer to report on appropriateness of APRA EU Remedial Action Plan and progress
- > Appointment of external auditor to periodically report on the AUSTRAC EU Remedial Action Plan has been finalised to the satisfaction of AUSTRAC

### Accountability

- > Ensure accountability for the remediation activities in the performance scorecards of accountable and responsible persons specified in the plan and other staff

### 2022

- > Internal and independent reviews
- > APRA Prudential review
- > New strategic priority to Strengthen BOQ, acknowledging uplift in risk maturity is required

### 2023

- > Increased financial resilience: higher CET1 and LCR
- > Raised \$60m provision for Remedial Action Plans
- > Court Enforceable Undertakings to APRA and AUSTRAC
- > Remedial Action Plans formulated and submitted to regulators
- > AML First Program mobilised and operating
- > Executive and Board consequence management

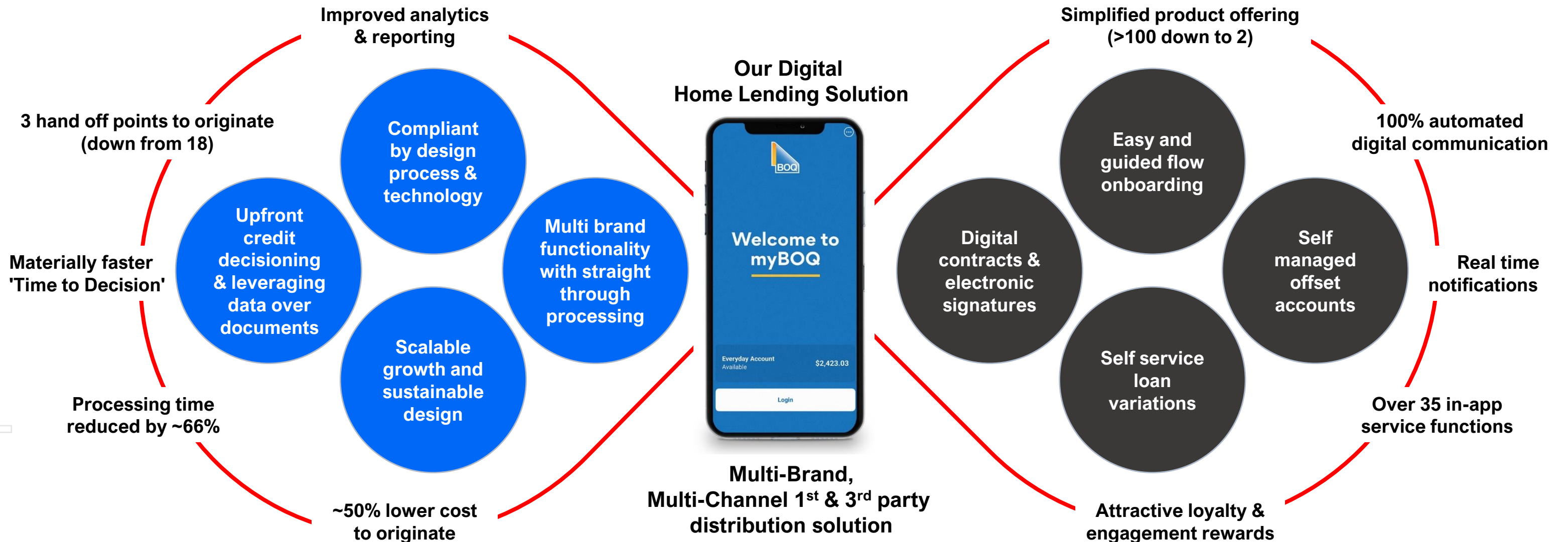
### 2024+

- > Design, implement and embed
- > Finalise Remedial Action Plans
- > Strengthen the Bank

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# Digitise | Lending

An omni-channel offering with digitised processing, seamless customer origination and servicing experience








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# DIVISIONAL RESULTS

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# Divisional performance

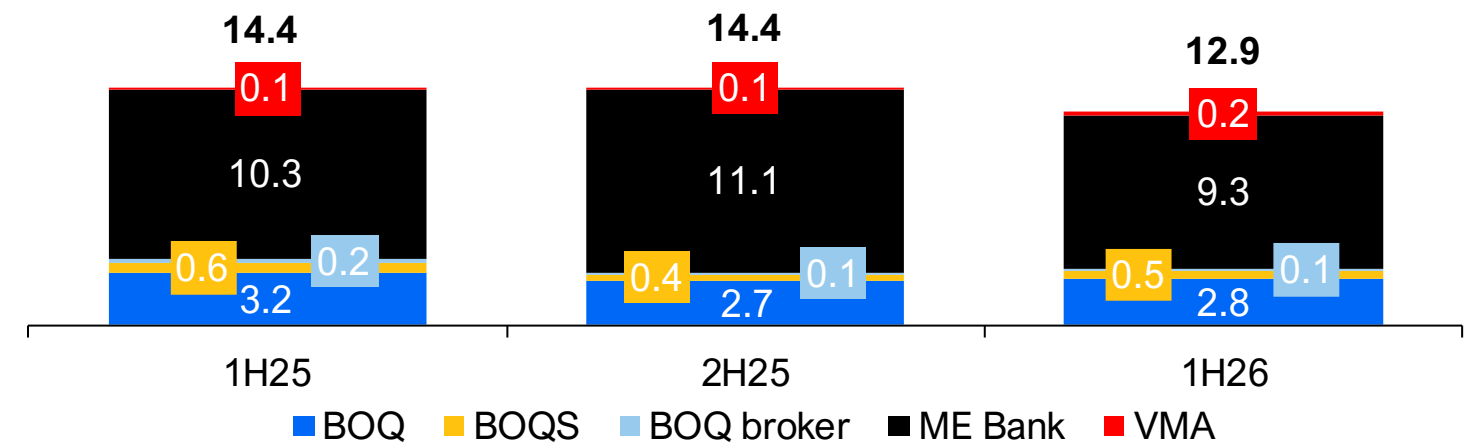
	Retail   				Business  			
	1H26	1H25	1H26 v 1H25		1H26	1H25	1H26 v 1H25	
Net interest income	392	388	1%	▲	366	339	8%	▲
Non-interest income	44	45	(2%)	▼	29	23	26%	▲
<b>Total income</b>	<b>436</b>	<b>433</b>	<b>1%</b>	<b>▲</b>	<b>395</b>	<b>362</b>	<b>9%</b>	<b>▲</b>
Operating expenses	(376)	(358)	5%	▲	(177)	(162)	9%	▲
<b>Underlying profit</b>	<b>60</b>	<b>75</b>	<b>(20%)</b>	<b>▼</b>	<b>218</b>	<b>200</b>	<b>9%</b>	<b>▲</b>
Loan impairment expense	5	(9)	large	▼	(25)	6	large	▲
<b>Profit before tax</b>	<b>65</b>	<b>66</b>	<b>(2%)</b>	<b>▼</b>	<b>193</b>	<b>206</b>	<b>(6%)</b>	<b>▼</b>
Income tax expense	(21)	(21)	0%		(61)	(66)	(8%)	
<b>Cash earnings after tax</b>	<b>44</b>	<b>45</b>	<b>(2%)</b>	<b>▼</b>	<b>132</b>	<b>140</b>	<b>(6%)</b>	<b>▼</b>

# Home lending performance

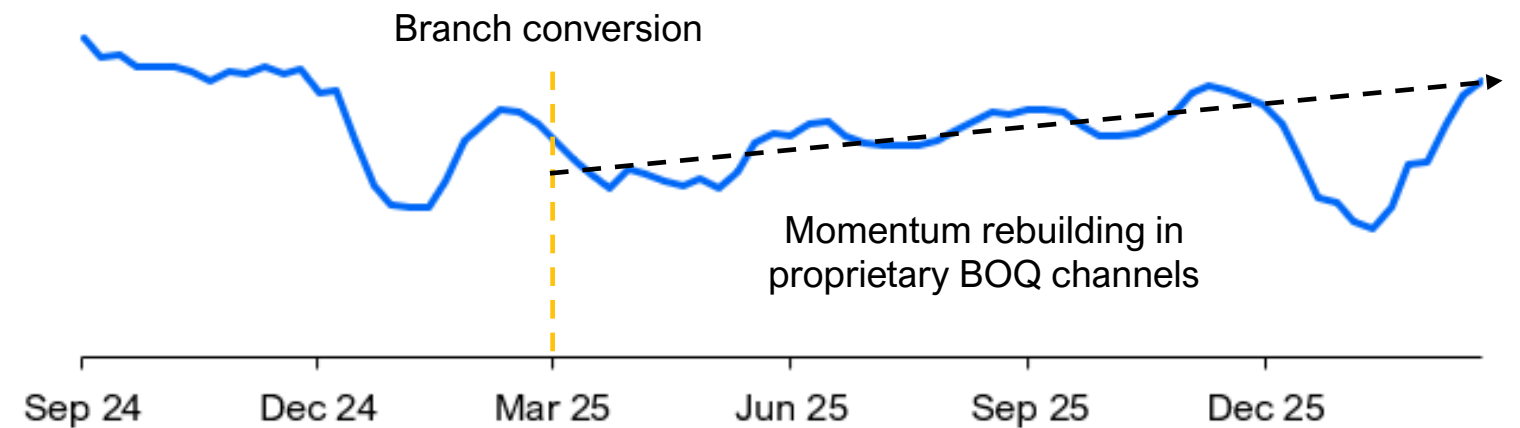
## Housing metrics

	Portfolio	1H26 Flow
LVR > 90% (%)	0.9	0.6
LVR > 80% (%)	7.5	5.5
90 Days past due (bps)	99	-
Interest only % (excl. construction)	10	13
Investor (%)	29	32
PAYG (%)	81.7	88.3
DTI >=6x (%)	-	2.1
Fixed (%)	9	7
Broker (%)	55	71
BOQ system growth <sup>1</sup>	-	Negative
ME system growth <sup>1</sup>	-	0.8x
Overall BOQ Group system growth <sup>3</sup>	-	Negative
Serviceability buffer	Customer repayment ability assessed on the higher of the minimum floor rate which is currently 5.75% or actual customer interest rate plus buffer of 3%	

## Housing application volumes (# '000)<sup>2</sup>



## BOQ proprietary application volumes



(1) Multiple based on YTD system to February 2026, APRA monthly banking statistics

(2) VMA stopped accepting home loan applications for new customers through broker channel from 1 September 2023, BOQ stopped accepting home loan applications for new customers through broker channel from 1 September 2024

# Lending to households (APRA data)

	Lending to Households (APRA)			Multiple (APRA)			Market share
	YTD (A)	3M (A)	1M	YTD	3M	1M	
Major 1	26.02%	23.29%	1.60%	3.7	3.6	4.1	6.95%
International 1	13.58%	12.48%	0.59%	1.9	1.9	1.5	2.98%
Major 2	7.47%	6.48%	0.35%	1.1	1.0	0.9	25.39%
International 2	7.19%	2.91%	-0.16%	1.0	0.5	Neg	1.42%
<b>System</b>	<b>7.01%</b>	<b>6.43%</b>	<b>0.39%</b>				
Major 3	6.73%	6.42%	0.37%	1.0	1.0	0.9	20.70%
<b>ME</b>	<b>5.67%</b>	<b>4.28%</b>	<b>-0.35%</b>	<b>0.8</b>	<b>0.7</b>	<b>Neg</b>	<b>1.23%</b>
Major 4	5.03%	4.61%	0.26%	0.7	0.7	0.7	14.12%
Regional 1	4.31%	5.28%	0.14%	0.6	0.8	0.4	2.36%
Major 5	2.18%	1.43%	0.20%	0.3	0.2	0.5	13.19%
Regional 2	-1.83%	0.28%	0.18%	Neg	0.0	0.5	2.59%
<b>BOQ + ME</b>	<b>-7.64%</b>	<b>-7.47%</b>	<b>-1.00%</b>	<b>Neg</b>	<b>Neg</b>	<b>Neg</b>	<b>2.16%</b>
<b>BOQ</b>	<b>-22.71%</b>	<b>-21.91%</b>	<b>-1.84%</b>	<b>Neg</b>	<b>Neg</b>	<b>Neg</b>	<b>0.93%</b>

Source: APRA Monthly Banking Statistics September 2025 to February 2026

Note: Majors comprise CBA, NAB, WBC, ANZ and Macquarie, Regionals comprise SUN and BEN and Internationals comprise HSBC and ING

# Lending to business (APRA data)

	Lending to Businesses (APRA)			Multiple (APRA)			Market share
	YTD (A)	3M (A)	1M	YTD	3M	1M	
International 1	14.76%	15.56%	-0.55%	1.5	1.7	Neg	1.15%
Major 1	14.51%	12.81%	0.44%	1.5	1.4	0.7	20.50%
Regional 1	14.43%	17.88%	1.23%	1.5	2.0	1.9	1.04%
Major 2	13.48%	6.57%	0.59%	1.4	0.7	0.9	2.03%
Major 3	13.43%	12.96%	0.81%	1.4	1.4	1.2	21.70%
International 2	12.77%	25.77%	9.43%	1.3	2.9	14.3	0.24%
Major 4	9.96%	8.90%	1.02%	1.0	1.0	1.6	25.21%
<b>BOQ</b>	<b>9.84%</b>	<b>5.30%</b>	<b>0.61%</b>	<b>1.0</b>	<b>0.6</b>	<b>0.9</b>	<b>1.38%</b>
<b>System</b>	<b>9.53%</b>	<b>8.95%</b>	<b>0.66%</b>				
Regional 2	2.32%	-2.18%	0.27%	0.2	Neg	0.4	1.47%
Major 5	-1.63%	1.37%	-0.11%	Neg	0.2	Neg	14.26%
Regional 3	-6.40%	-7.59%	-0.68%	Neg	Neg	Neg	1.13%
International 3	-8.75%	-6.28%	1.01%	Neg	Neg	1.5	1.85%

Source: APRA Monthly Banking Statistics September 2025 to February 2026

Note: Majors comprise CBA, NAB, WBC, ANZ and Macquarie, Regionals comprise SUN, JDO and BEN and Internationals comprise HSBC, Rabobank and ING

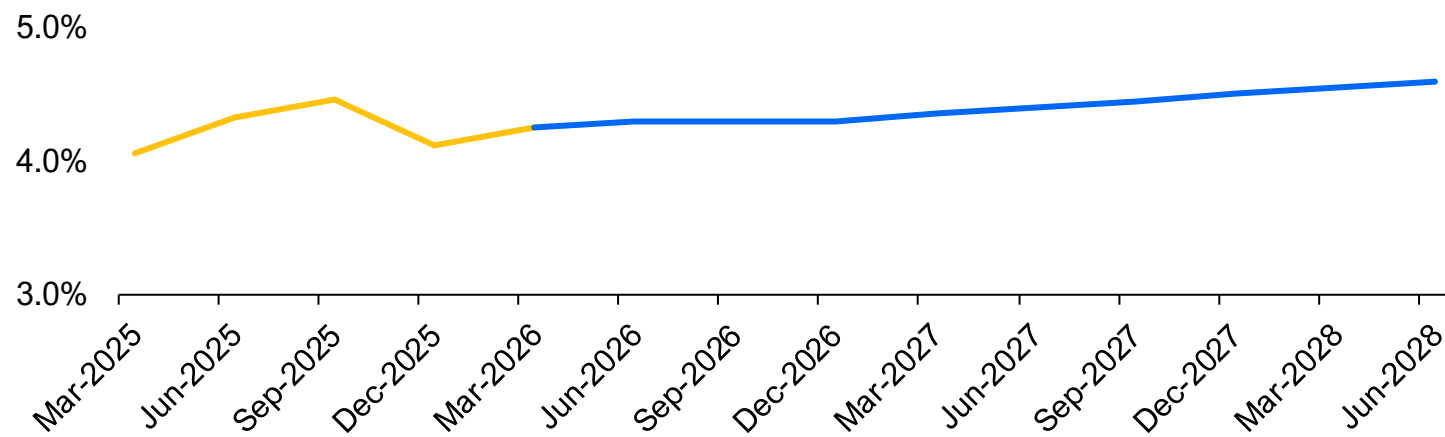
# PORTFOLIO QUALITY

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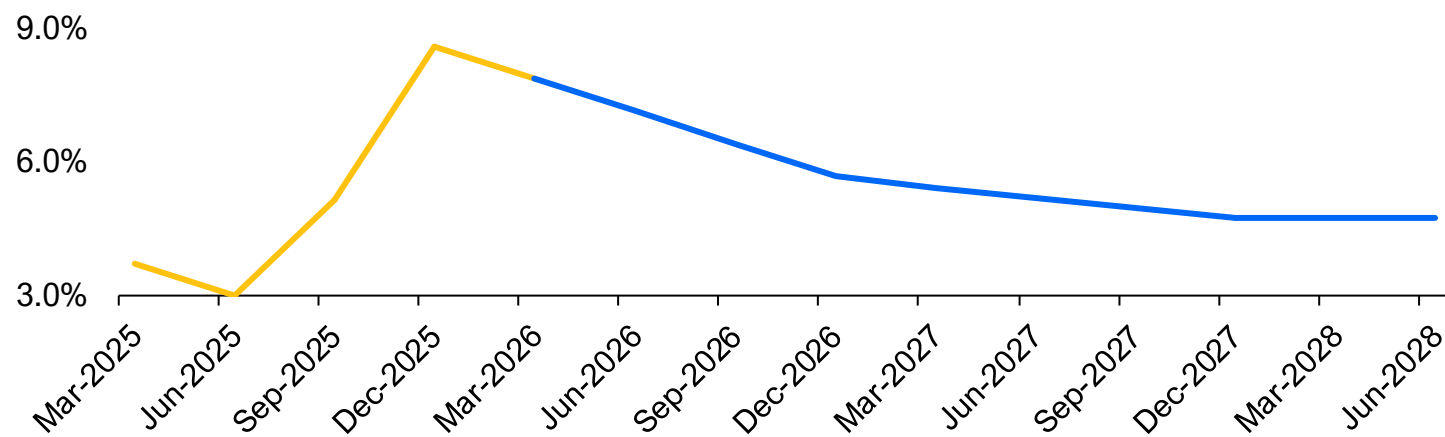


# Collective provisioning

## Unemployment rate (%)



## House price index (%)



## Economic forecasts<sup>1</sup> (calendar year) (%)

	Base			Downside		
	2026	2027	2028	2026	2027	2028
GDP (YoY growth %)	1.8	1.6	1.6	(0.1)	(0.4)	0.4
Unemployment rate (%)	4.3	4.5	4.6	5.6	7.4	7.5
Residential Property Prices (cumulative % change)	5.7	4.7	4.7	(3.9)	(10.4)	(4.6)
Commercial Property Prices (cumulative % change)	2.3	0.6	0.6	(6.6)	(13.3)	(7.6)
Cash Rate (%)	4.2	4.3	4.2	5.0	4.9	4.6

## Scenario weights

	Upside		Base		Downside		Severe	
	Feb-26	Aug-25	Feb-26	Aug-25	Feb-26	Aug-25	Feb-26	Aug-25
Weighting	5%	5%	50%	50%	30%	30%	15%	15%

(1) The forecasts in the table reflect calendar year end numbers for 2026 and 2027 and June for 2028, and were prepared as at February 2026, based on RBA and market consensus at the time and for the purpose of collective provision updates

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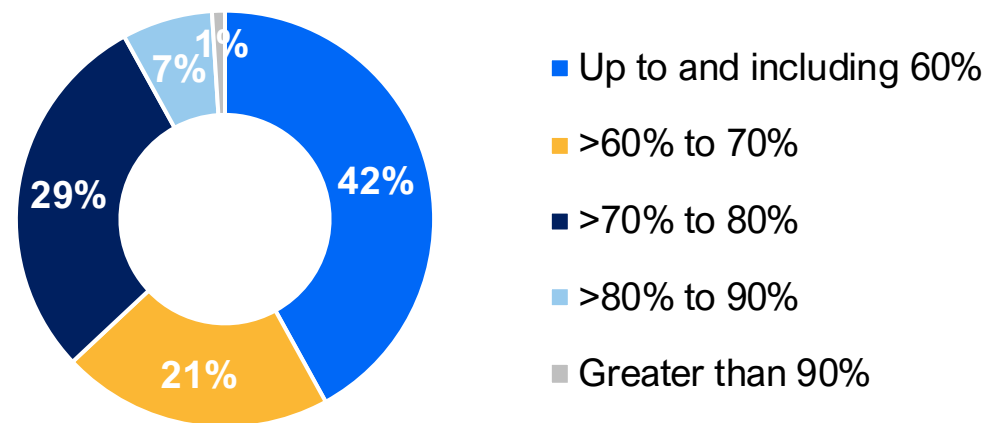
# Housing loan portfolio

Diversified portfolio with conservative LVR lending

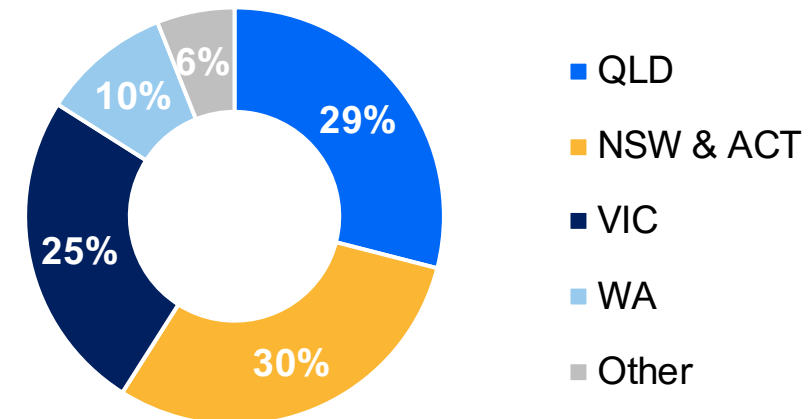
## Summary

- > Housing portfolio diversified across geography and channel
- > ~99% of customers with LVR =<90%, with 1H26 flow above 90% at 0.6%
- > ~92% of customers with LVR =<80%, with 1H26 flow above 80% at 5.5%

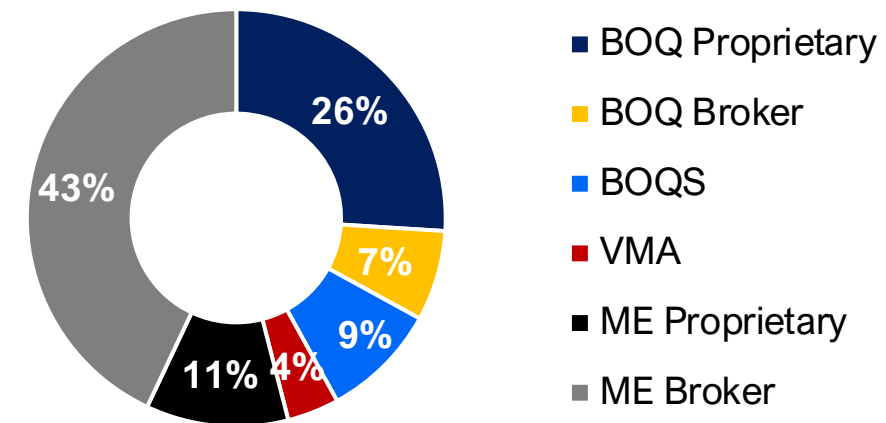
## Housing portfolio by LVR (%)



## Housing portfolio by geography (%)



## Housing portfolio by channel (%)



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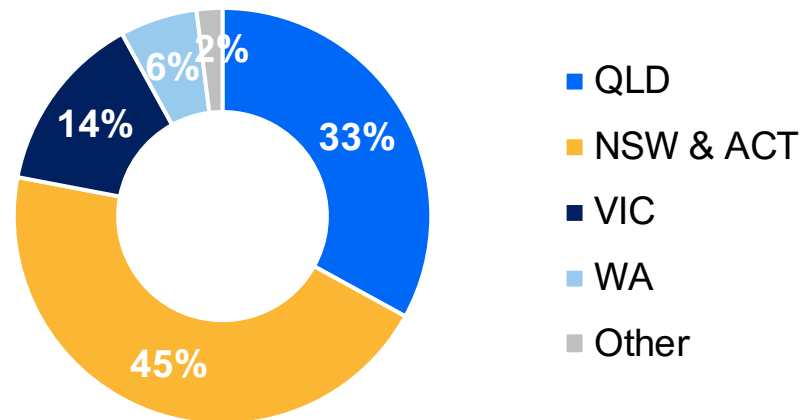
# Commercial portfolio

Balanced portfolio with controlled risk exposures

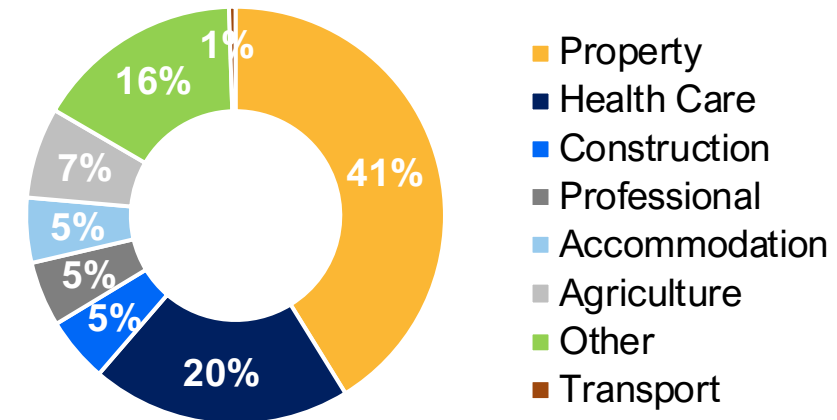
## Summary

- > Credit quality metrics remain stable with no material deterioration observed
- > Commercial portfolio diversified geographically and by industry, supporting portfolio risk profile
- > Property and construction industry segments are well diversified and performing well with no material indication of stress. These segments will continue to be monitored given current market conditions

Commercial by geography (%)



Commercial by industry (%)



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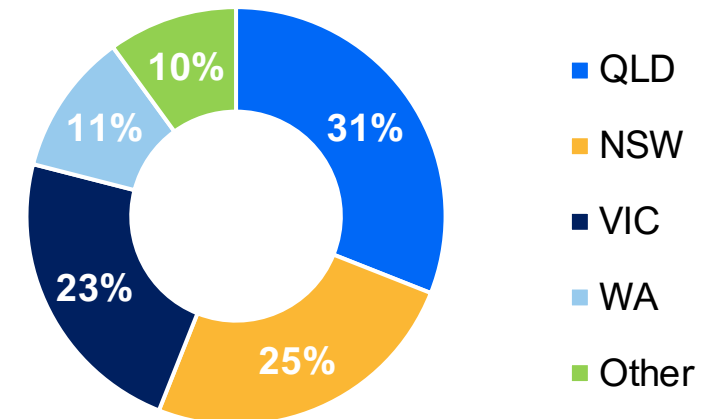
# Asset finance portfolio

Strong diversification across assets, industries and channels

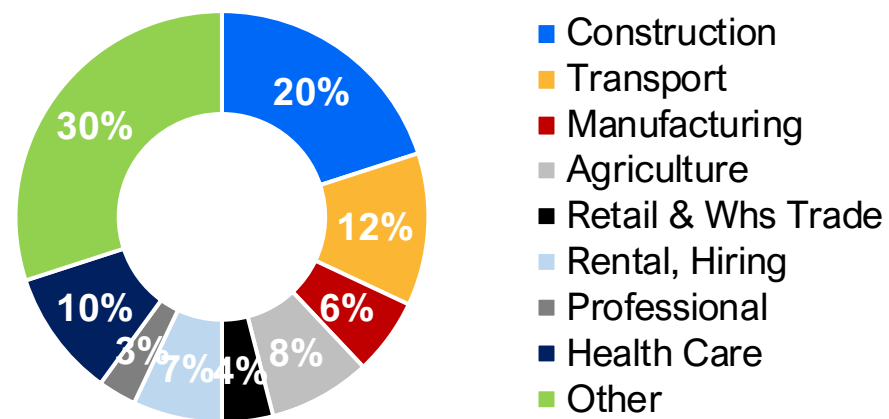
## Summary

- > Broad industry spread reducing concentration of asset finance portfolio
- > Asset finance portfolio diversified across geography and channel
- > \$3.7bn equipment finance assets sold post balance date as part of the capital partnership with Challenger<sup>1,2</sup>

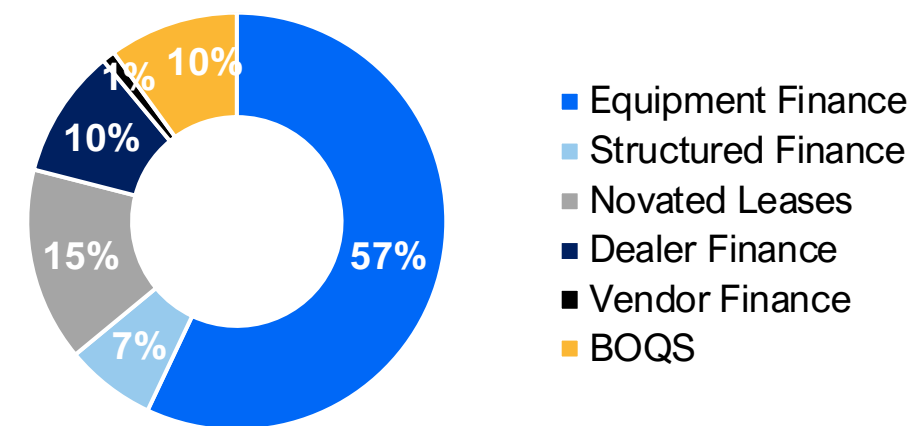
## Asset finance by geography (%)



## Asset finance by industry (%)



## Asset finance by channel (%)



(1) Refers to whole-of-loan sale and forward flow origination and servicing agreement with Challenger Limited. Further detail has been provided in BOQ's 1H26 Interim Report and its disclosure to the ASX dated 7 April 2026  
 (2) The final whole-of-loan sale amount at completion may be higher or lower depending on whether the newly originated assets in the intervening period are sold under the whole-of-loan sale or the forward flow agreement

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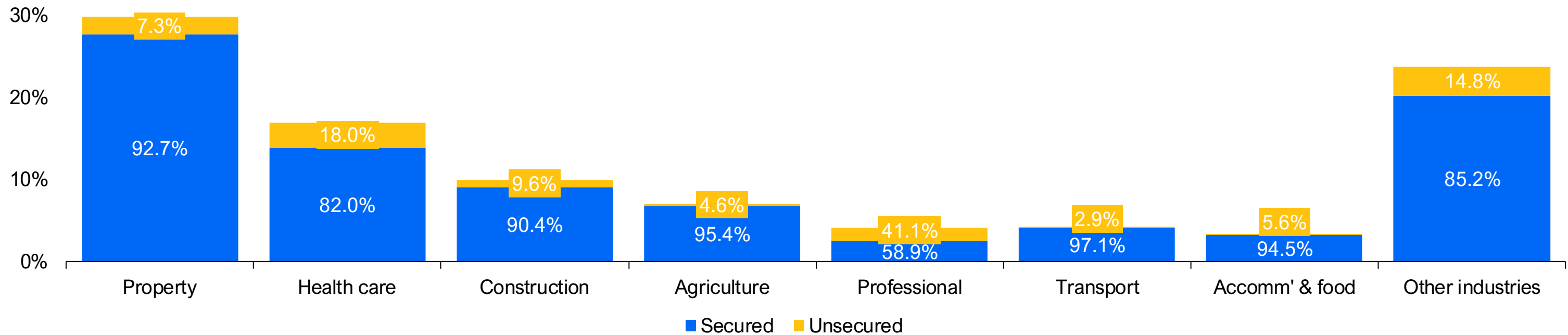
# Business Bank lending portfolio

Well diversified and underpinned by quality security

## Summary

- › Business Bank portfolio diversified geographically with a diverse channel mix
- › The portfolio is well secured with ~12% of unsecured lending
- › Losses remain low, however some sectors are being closely monitored given the outlook

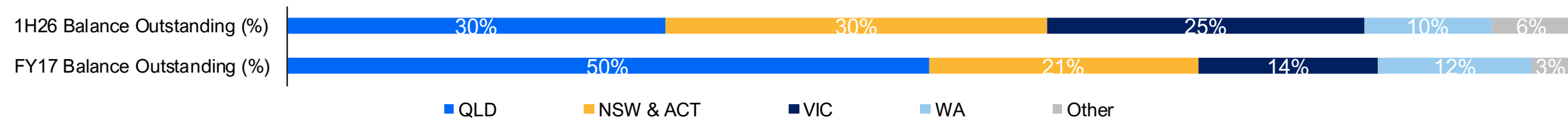
## Business portfolio security status by industry



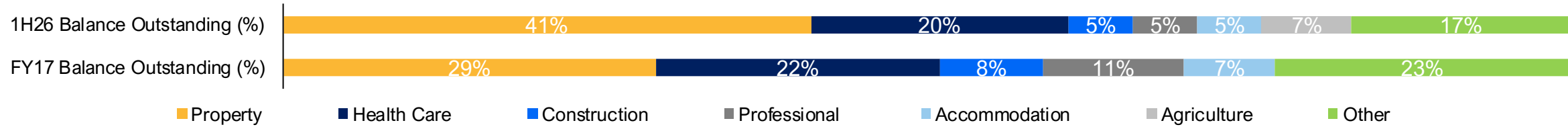
# Industry and geographic split over time

Enhanced diversification over time

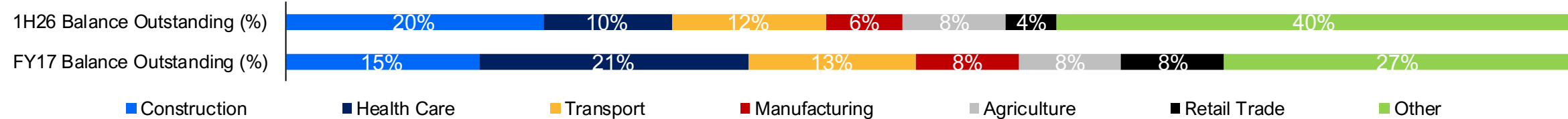
## Housing loans - geographic split over time<sup>1</sup> (%)



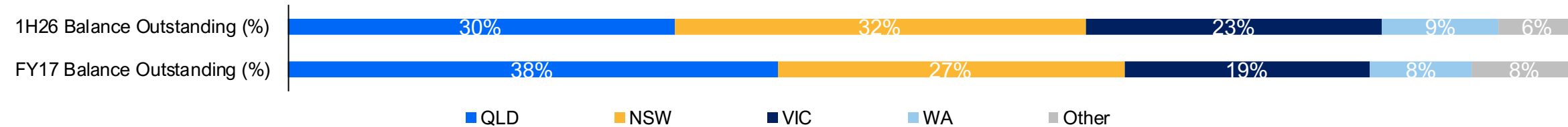
## Commercial - industry segments over time (%)



## Asset finance - industry segments over time (%)



## Total lending - geographic split over time<sup>2</sup> (%)



(1) FY17 has not been restated to include ME

(2) Excludes consumer

# Emerging risks to portfolio quality

## Macro economic environment

- › Geopolitical uncertainty, particularly developments in the Middle East, is the major risk facing the domestic economy
- › Inflation is a significant issue for both households and businesses
- › Additional cash rate increases are expected in 2026
- › We anticipate low single-digit house price growth in 2026 albeit with a mixed performance across the country, affordability remains a concern
- › Heightened valuations means financial markets are vulnerable to any significant change to the economic outlook

## Outlook for credit losses

- › LIE remains low levels by historical standards and provisions have been stable
- › BOQ has retained its collective provision scenario weights with 45% weighting to downside scenarios. Downside weightings cater for the impact of potential downturns on loss experience, including potential stagflation scenarios
- › Overlays in place for key industries expected to be impacted by economic uncertainty and any segments of the portfolio undergoing stress
- › The historically low LIE experience of recent years may not persist with rising cash rates in the current economic climate
- › With a well-secured portfolio and prudent provisioning levels, BOQ is well positioned for a changing credit loss environment

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# FUNDING & LIQUIDITY

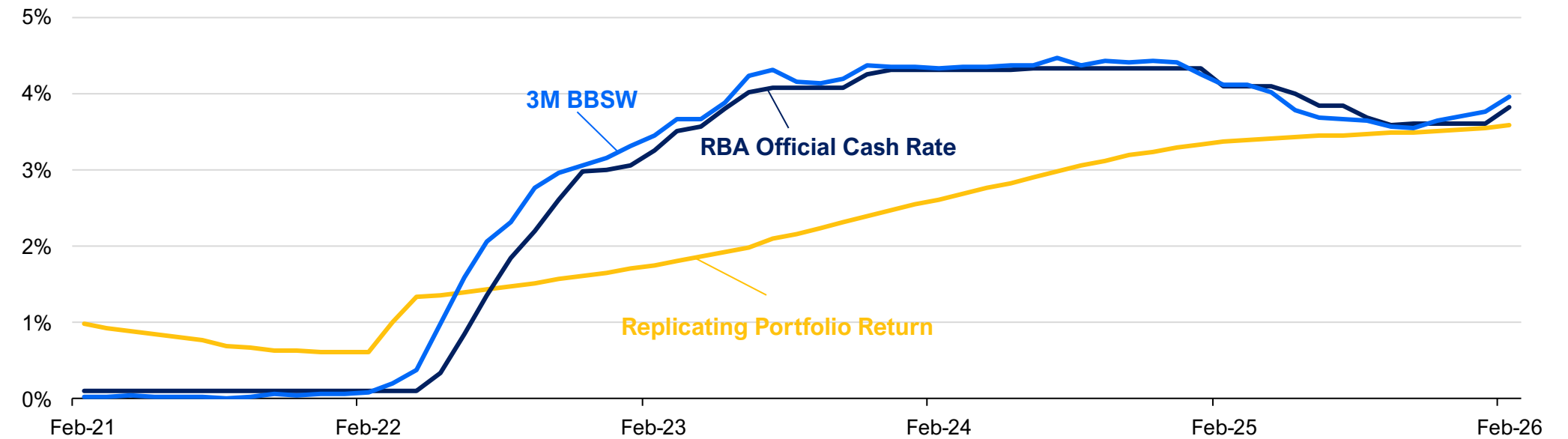


# Replicating portfolio

## Summary

- > The replicating portfolio is a tool to manage interest rate risk
- > Capital portion tenor has reduced from five years to three years
- > Low-cost deposit portion remains at five years to align to the behaviour of the underlying deposits
- > The portfolio had zero impact on NIM in 1H26
- > For every 0.25% increase in the RBA cash rate, the uninvested capital and low-cost deposit portfolio will increase NIM by less than 1bp

## Replicating portfolio



	2H25 Balance (\$bn)	1H26 Balance (\$bn)	1H26 Avg. Return	Exit Return Rate	Investment Term
Capital	4.1	4.1	3.60%	3.66%	3 years <sup>1</sup>
Low-cost deposits	4.2	4.3	3.46%	3.52%	5 years
<b>Total replicating portfolio</b>	<b>8.3</b>	<b>8.4</b>	3.53%	3.59%	4 years
Uninvested capital and low-cost deposits	2.8	2.8	3.72%	3.92%	3 months <sup>2</sup>

(1) 2H25 investment term for capital was five years, this was reduced to three years late in October 2025  
 (2) Invested at the overnight cash rate plus nine-month average of the three-month Bills/OIS spread for a nine-month tenor

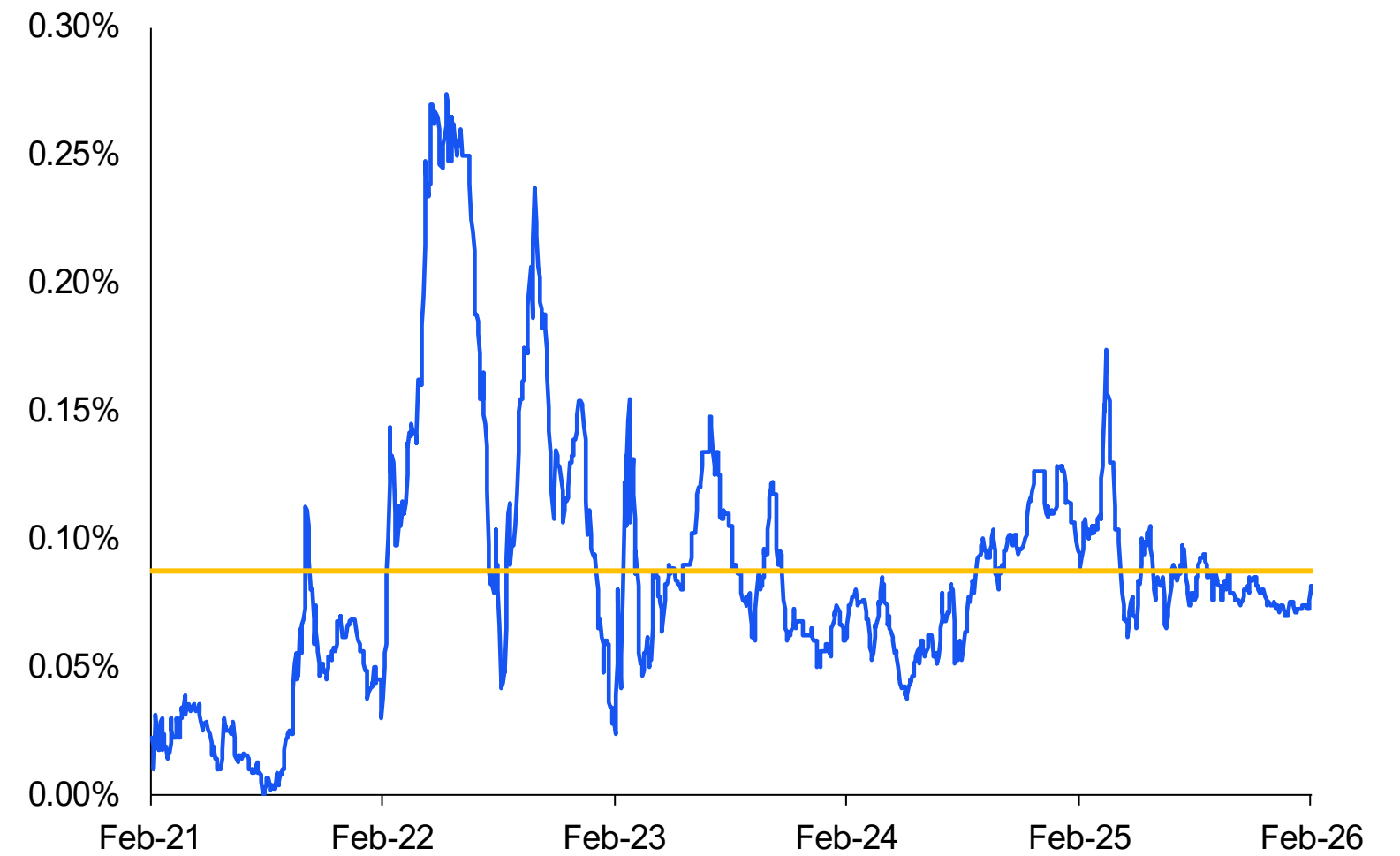
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# Hedging costs - basis risk

## Summary

- › BOQ's basis risk exposure fell in 1H26 due to at-call deposit growth outpacing growth in variable rate assets
- › Hedging costs contributed 1bp to NIM in 1H26
- › Current sensitivity is 1bp of NIM for every 10bps change in basis spread

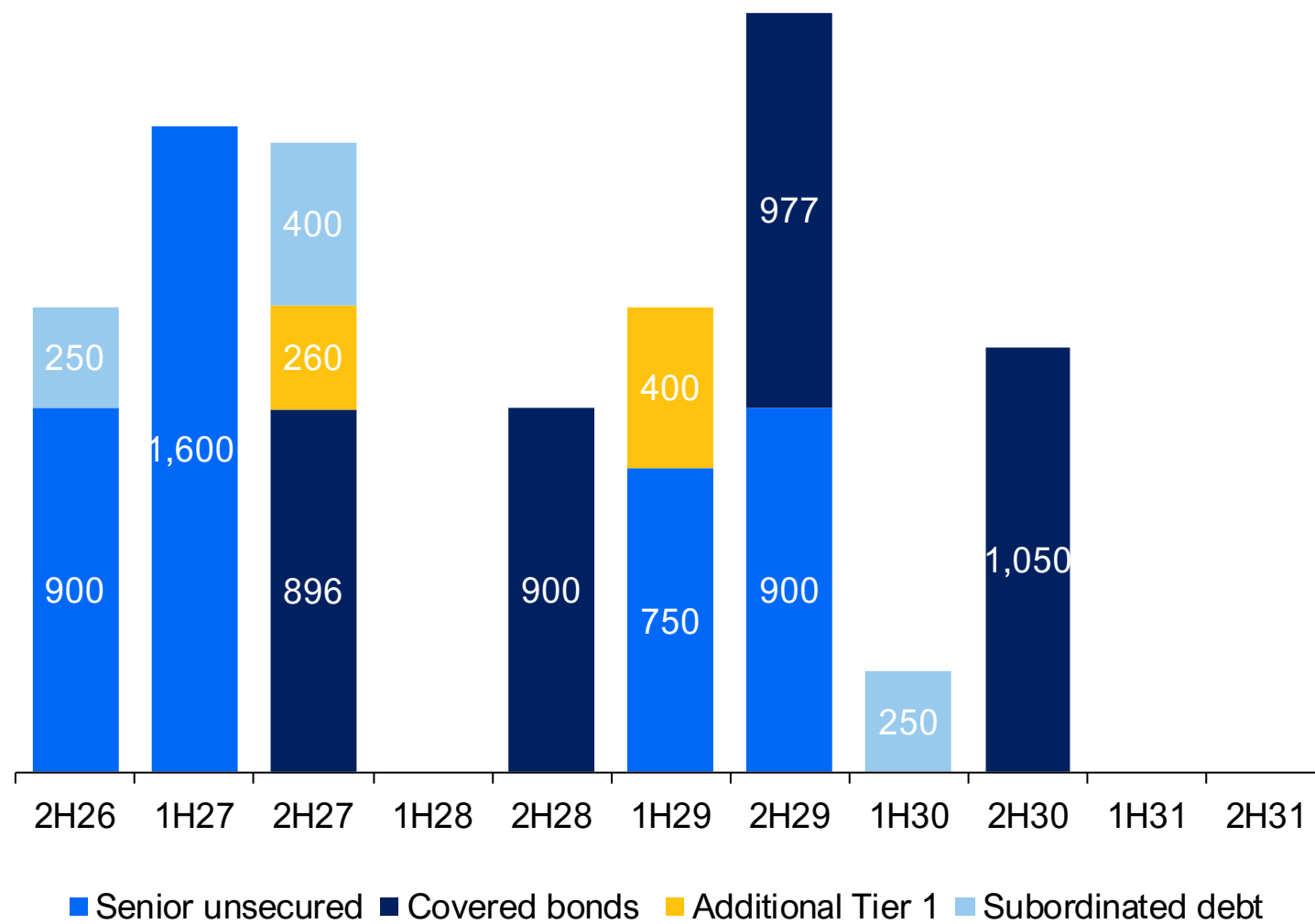
Long-term basis risk avg - 9 bps



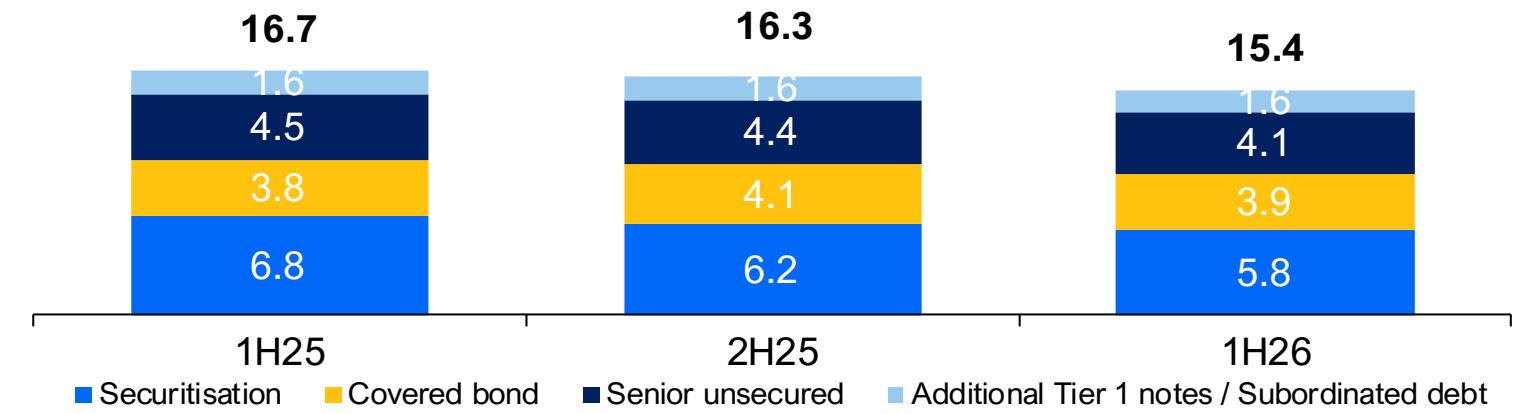
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# Funding

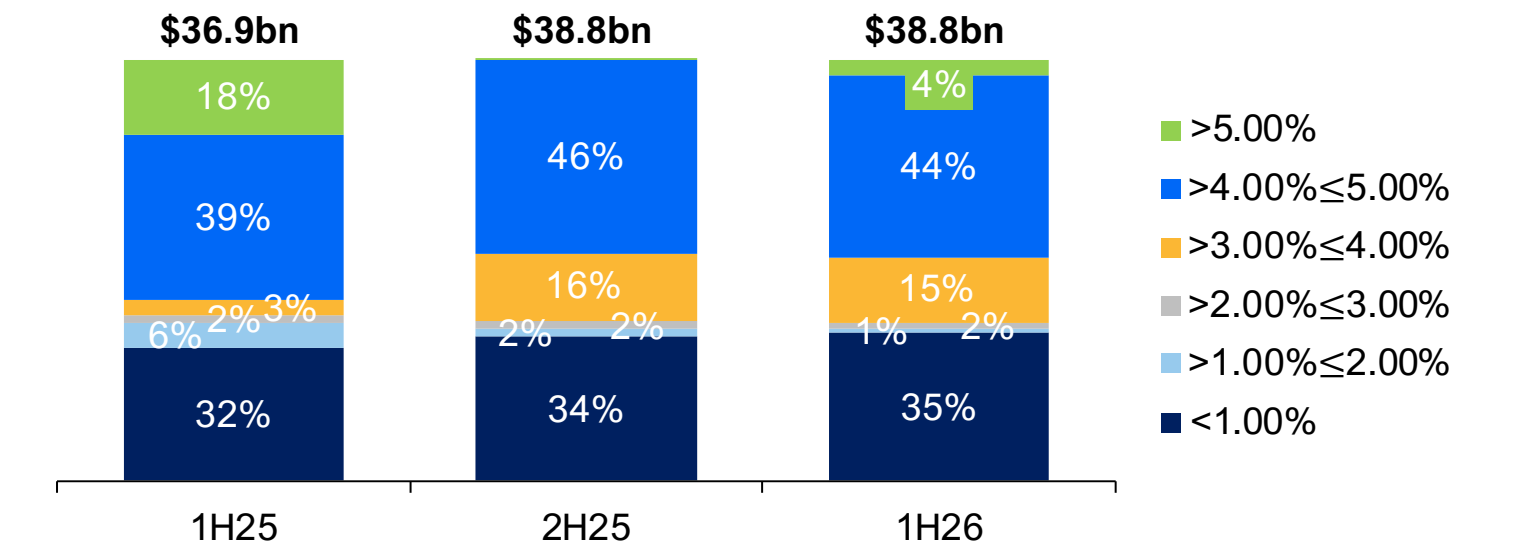
Major maturities<sup>1, 2, 3</sup> (\$m)



Long term wholesale funding (\$bn)



Customer at-call deposit funding costs<sup>4</sup>



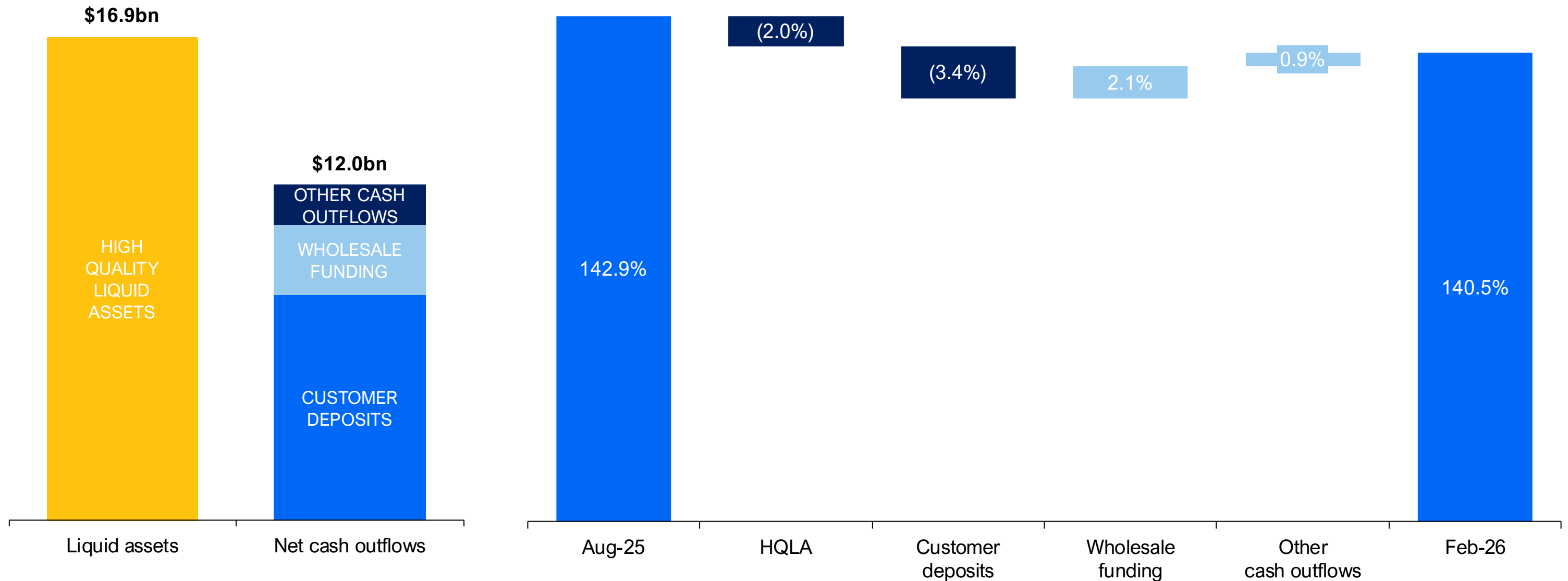
(1) Any transaction issued in a currency other than AUD is shown in the applicable AUD equivalent hedged amount  
 (2) Senior unsecured maturities greater than or equal to \$100m shown but excludes private placements  
 (3) Redemption of subordinated debt notes and additional tier 1 notes at the scheduled call date is at BOQ's option and is subject to obtaining prior written approval from APRA  
 (4) Customer at-call deposits includes retail and commercial transaction and savings, and treasury retail accounts. Excludes offset accounts and term deposits

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# Liquidity coverage ratio (LCR)

LCR (Feb-26) – 140.5%

LCR waterfall (Aug-25 to Feb-26)



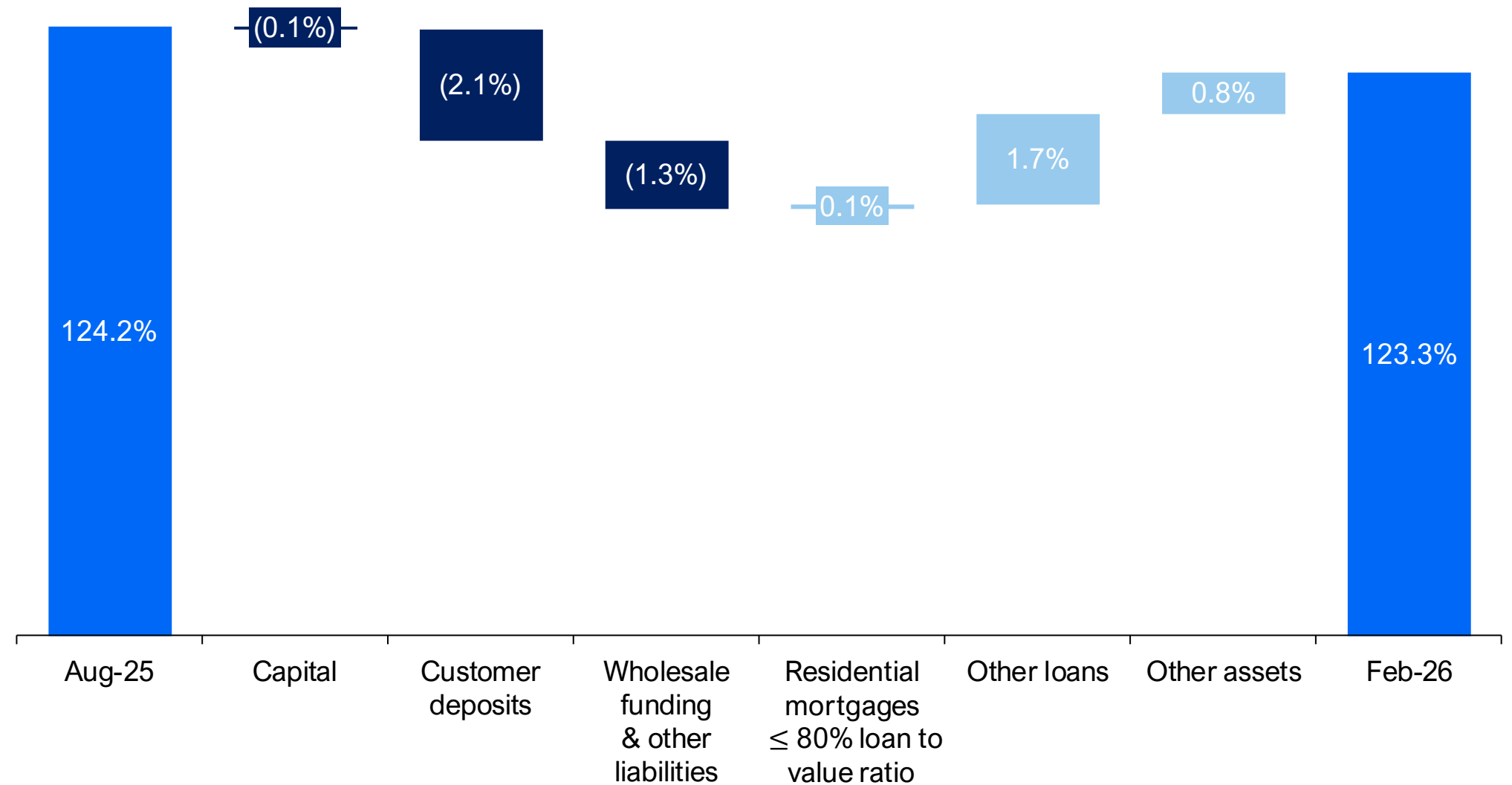
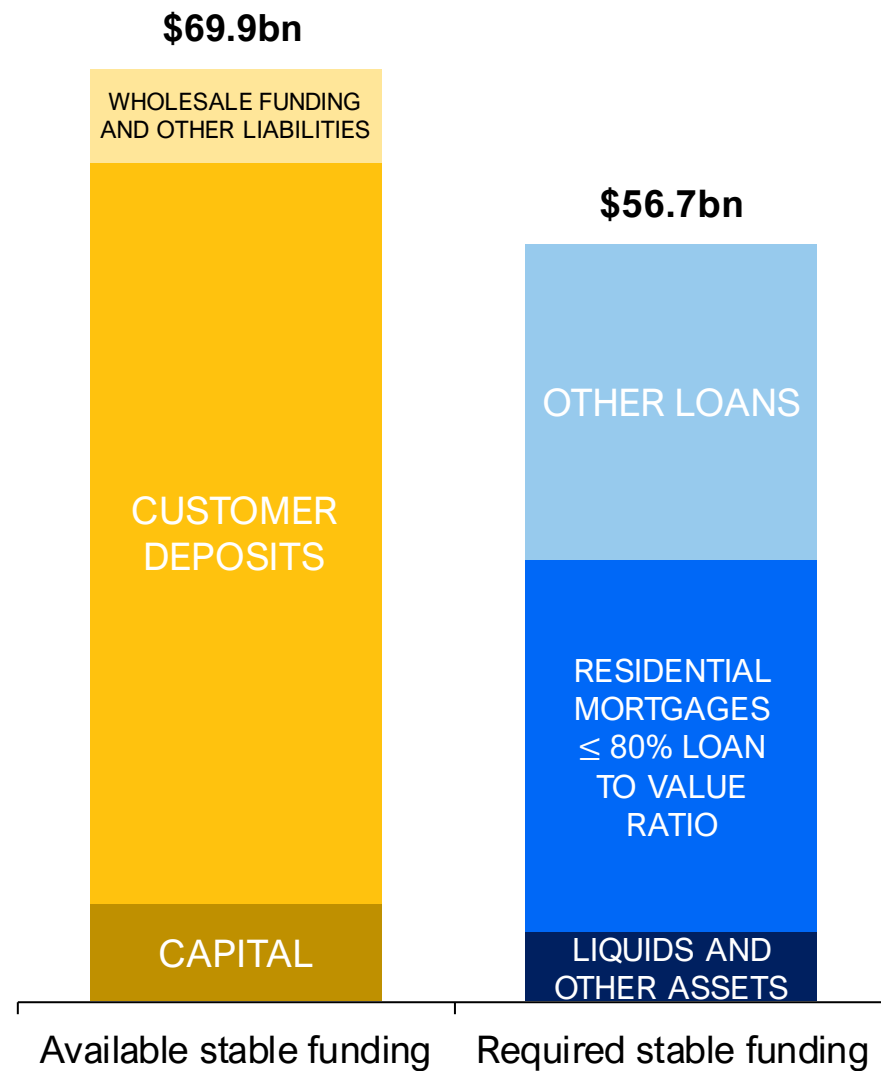
Note: Liquidity coverage ratio reported on a quarterly average basis

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# Net stable funding ratio (NSFR)

NSFR (Feb-26) – 123.3%

NSFR waterfall (Aug-25 to Feb-26)



Note: Net stable funding ratio reported on a spot basis

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# Credit rating

## Current debt ratings<sup>1</sup>

Rating Agency	Short Term	Long Term	Outlook
S&P	A-2	A-	Negative
Fitch	F2	A-	Stable
Moody's	P-2	Baa1	Stable

(1) The Bank monitors rating agency developments closely and is rated by Standard & Poor's (S&P), Fitch Ratings and Moody's Investor Service

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# ECONOMIC ASSUMPTIONS

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# Macro economic environment<sup>1</sup>

The economic outlook is highly uncertain

## Macro economic

- › Some slowing in economic growth and a rise of inflation is likely due to the Middle East conflict
- › The combination of higher interest rates and rising inflation will moderate consumer spending
- › The labour market remains historically strong
- › Growth in CapEx spending is likely, notably in areas related to technology
- › We expect further increases in the cash rate this financial year
- › Global developments are the principal cause of uncertainty for the economic outlook

(1) BOQ house view

# Housing, business lending and deposit outlook<sup>1</sup>

The economic outlook is highly uncertain

## Housing outlook

- > Higher inflation and interest rates are weighing upon consumer sentiment
- > Affordability remains a significant issue in the housing market
- > Interest rate rises and moderating household real disposable growth will slow the rise in house prices over the remainder of calendar-year 2026
- > The unemployment rate is expected to remain low in the second half of this financial year with a modest rise projected for the following financial year

## Business lending outlook

- > Firms reported decent growth in orders in the March quarter, developments in the global economy are impacting business confidence
- > Cost inflation remains a key issue for many firms, most recently the rise of energy prices
- > Worker availability remains a constraint for some sectors although less of a problem than in 2022-23

## Deposits outlook

- > Moderating national income growth will act to slow the growth in savings
- > This will be partially offset by higher interest rates increasing the attractiveness of deposits

(1) BOQ house view

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# ABOUT BOQ GROUP



# BOQ Group

Supporting customers for over 150 years with differentiated brands attracting niche segments

## Our differentiators

- › Proud 150-year Queensland heritage
- › Highly specialised bankers serving niche industry segments
- › Unique brand propositions
- › Innovative digital offering
- › Agility and proven execution capability

## Our distinctive brands

Retail



Makes sense to ME



Rewardingly Rewarding

Business



## Key statistics for 1H26

~1.4m Customers	~560k BOQ ~400k VMA ~300k ME	~10k BOQ Business ~30k Specialist ~70k Finance ~50k Retail SME	
107 Branches	76 Mobile & Direct Bankers	~3.6k Employees	\$142b Footings <sup>1</sup>
85% Deposit to loan ratio	2.16% <sup>2</sup> Market share - Housing	1.38% <sup>2,3</sup> Market share - Business	

(1) Footings refer to gross loans and advances plus customer deposits

(2) Internal BOQ Analysis and APRA monthly authorised deposit-taking institution statistics excluding International banks, February 2026

(3) Excludes BOQ Asset Finance

BUILDING  
**SOCIAL CAPITAL**  
THROUGH BANKING.

**To be the bank  
customers choose.**

**STRENGTHEN**

**SIMPLIFY**

**DIGITISE**

**OPTIMISE**



**Exceptional customer & people experience.**



**Digital  
Banking**



**Relationship  
Banking**



**Digitally enabled,  
Data informed**



**Risk  
Intelligence**



**Transformational  
Leadership**

**Purpose.**  
*Why we exist*

**Vision.**  
*Where we are headed*

**Strategy.**  
*What we will deliver*

**Capabilities.**  
*How we will deliver*

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# How we create value



## Customer

Personalised experiences delivered through digital and relationship banking



## Finance

Access to funding through customer deposits, wholesale debt and capital markets to support operations and execute our strategy



## Technology & Data Capabilities

Building new capabilities and leveraging our strategic partnerships to modernise and digitise the Group, providing great customer and people experiences more securely and effectively



## Community

Passionate bankers embedded in the community forming strong community relationships and supporting vulnerable Australians



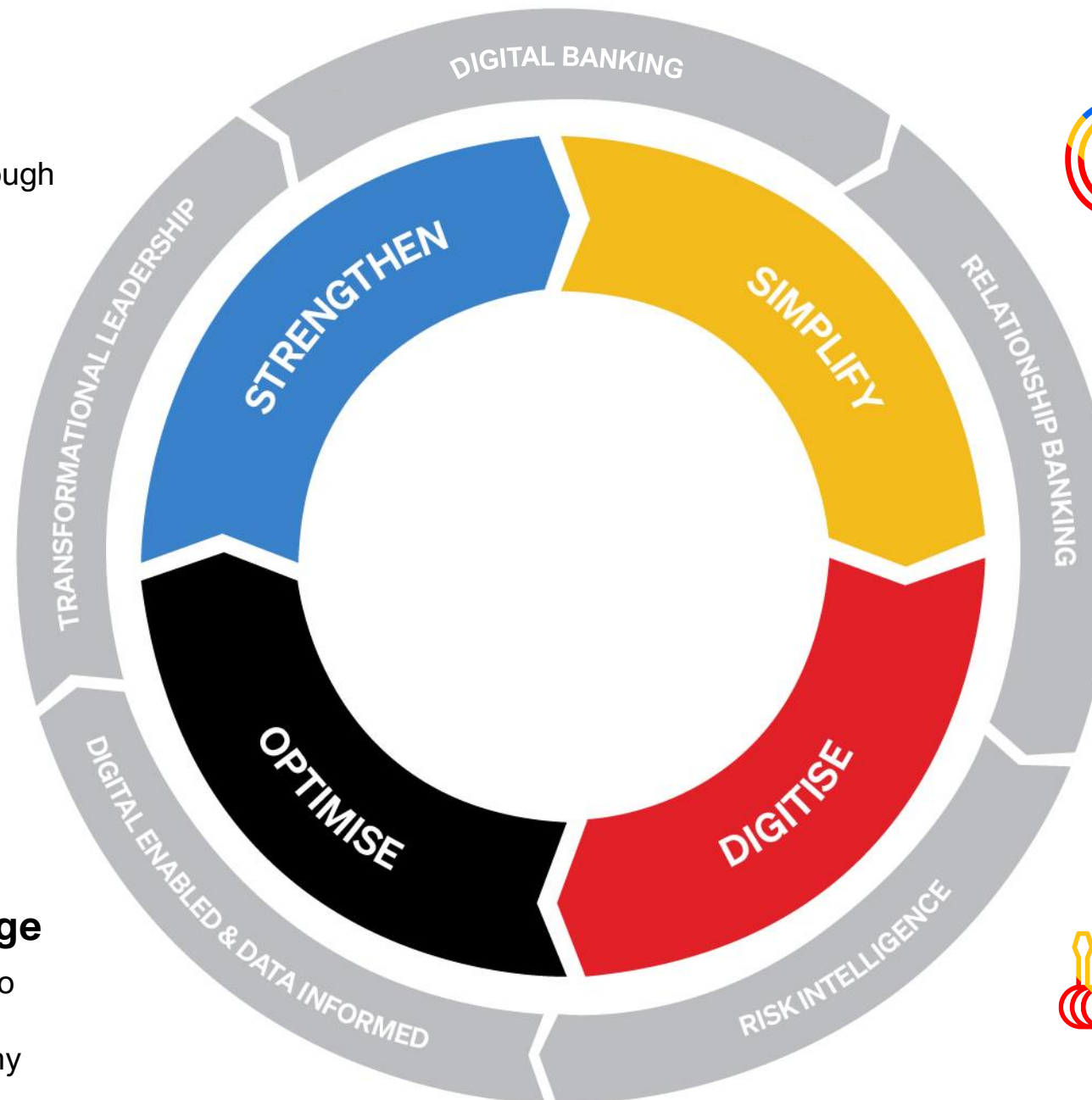
## Environment & Climate Change

Responsible corporate citizen, seeking to support customer transitions to a more resilient, lower carbon-intensive economy



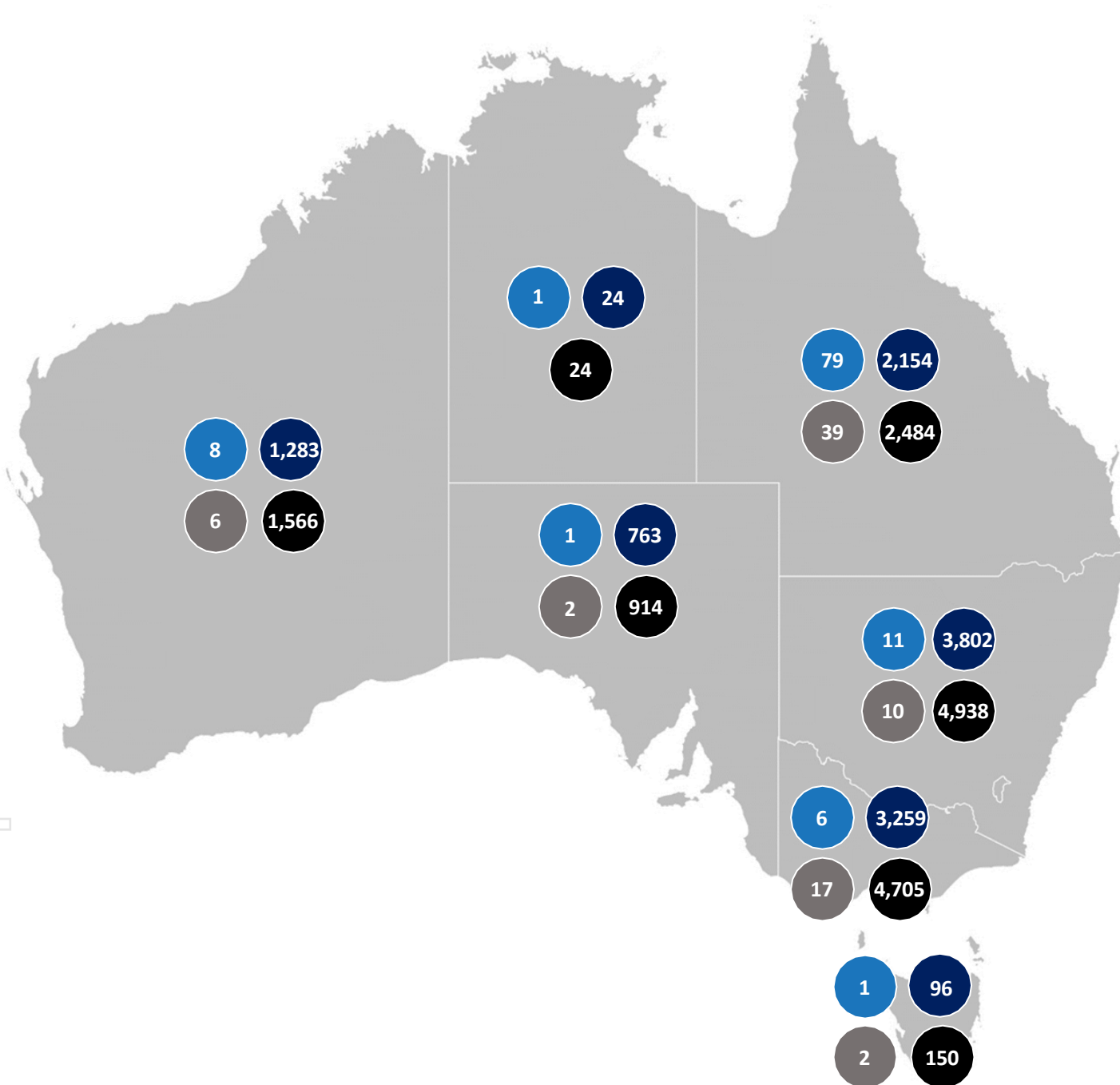
## People

Diverse and engaged workforce, building future fit capabilities



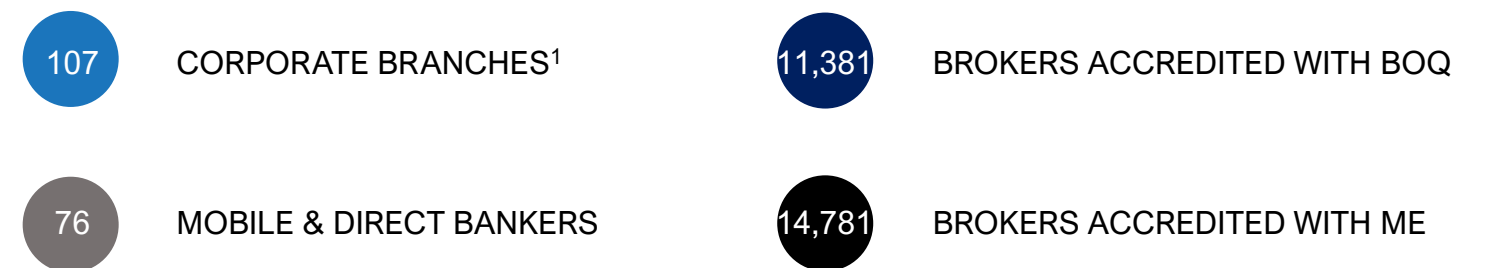
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# Distribution network



## Summary as at 28 February 2026

	Corporate	Trans. Centre	Total
<b>31 August 2025</b>	103	8	<b>111</b>
<b>28 February 2026</b>	99	8	<b>107</b>



Note: VMA stopped accepting home loan applications for new customers through the broker channel from 1 September 2023  
 Note: New South Wales includes branches, mobile bankers, and brokers accredited with BOQ and ME located in the ACT  
 (1) Includes 99 branches and 8 transaction and service centres

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# ABBREVIATIONS



# Abbreviations

1H: First half of financial year

2H: Second half of financial year

90DPD: 90 days past due

AFS: Available-for-sale

AI: Artificial Intelligence

AML: Anti-Money Laundering

APRA: Australian Prudential Regulation Authority

ASX: Australian Securities Exchange

AUD: Australian Dollar

AUSTRAC: Australian Transaction Reports and Analysis Centre

Avg: Average

BBSW: Bank Bill Swap Rate

BOQ: Bank of Queensland

BOQF: Bank of Queensland Finance

BOQS: Bank of Queensland Specialist

Bps: Basis points

CBD: Central business district

CET1: Common Equity Tier 1

CTI: Cost-to-income ratio

CTF: Counter Terrorism Financing

DTA: Deferred tax asset

DTI: Debt-to-income ratio

DTL: Deferred tax liability

DPD: Days past due

DRP: Dividend Reinvestment Plan

EF: Equipment finance

EU: Enforceable Undertaking

FTBB: Front-to-back book

FTE: Full Time Equivalent

FY: Financial year

GDP: Gross Domestic Product

GLA: Gross Loans & Advances

HL: Home Loan

HoH: Half-on-half

HQLA: High Quality Liquid Assets

IT: Information technology

LCD: Low-cost deposits

LCR: Liquidity Coverage Ratio

LIE: Loan Impairment Expense

LVR: Loan-to-Valuation Ratio

NIM: Net Interest Margin

NPAT: Net Profit After Tax

NSFR: Net Stable Funding Ratio

OIS: Overnight Index Swap

PAYG: Pay As You Go

RAP: Remedial Action Plans

RBA: Reserve Bank of Australia

ROE: Return on equity

ROTE: Return on tangible equity

RWA: Risk-weighted assets

SME: Small and Medium Enterprises

TD: Term deposit

VMA: Virgin Money Australia

YoY: Year-on-year

YTD: Year-to-Date