BOQ GROUP

FY26 INVESTOR MATERIALS

Full year ended 31 August 2026

BOQ | me | Virgin money | BOQ SPECIALIST | BOQ FINANCE

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FY26 RESULTS PRESENTATION

15 OCTOBER 2026
Full year ended 31 August 2026

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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

RESULTS OVERVIEW

Rod Finch
Managing Director & Chief Executive Officer

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Overview

Financials

$358m
Cash NPAT excl. notables
▼ 7% (FY25: $383m)

1.70%
Net interest margin
▲ 6bps (FY25: 1.64%)

20c final dividend
15c special dividend
Total dividends[1] for the year: 55c

11.64%
CET1 ratio
▲ 70bps (FY25: 10.94%)

Balance sheet

$18,950m
Business lending
▲ 14% normalised[2] (FY25: $20,187m)

~$3,600m
Whole-of-loan sale[3]
▲ Capital-light income

$52,868m
Home lending
▼ 8% (FY25: $57,501m)

$62,904m
Customer deposits
▼ 6% (FY25: $66,729m)

Transformation

100%
ME migration complete, with all customers off the heritage platform

68%
Retail customers now on the digital bank[4]

74%
RAP activities completed, transitioning to embed

22%
Reduction in cost to originate home lending customers[5]

Customers & community

~1.4m customers
Choosing BOQ Group for their everyday banking and business needs

102 branches
Aligned to our Queensland heritage and changing customer behaviours

~$2m
Raised for our communities through key partnerships including:

OrangeSky Australia · Ekka Royal Queensland Show · Queensland Rugby

(1) FY26 dividends include: 20c interim dividend, 15c special dividend and 20c final dividend.
(2) Normalised business lending growth excluding the ~$3.6bn reduction in equipment finance assets as part of the whole-of-loan sale with Challenger Limited.
(3) Refers to the whole-of-loan sale and forward flow origination and servicing agreement with Challenger Limited. Further detail has been provided in BOQ's FY26 Annual Report and its disclosures to the ASX dated 7 April 2026 and 1 May 2026.
(4) Includes active deposit, linked credit cards and home loan customers. FY26 reflects updated methodology following identification of a historical reporting error in previously disclosed metrics.
(5) Reduction in cost to originate across 4Q26 against FY22 baseline. 50% reduction in cost to originate at scale on track, future functionality releases scheduled through FY27.

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FY26 results

Cost discipline maintained and capital strengthened through another year of transformation

Key financial results ($m)

	FY26	FY26 v FY25	
Total income	1,679	1%	▲
Operating expenses excl. notable items	(1,098)	2%	▲
Less: Notable expense items[1]	(47)	large	
Operating expenses	(1,145)	7%	▲
Underlying profit	**534**	**(9%)**	▼
Loan impairment expense	(54)	157%	▲
Profit before tax	**480**	**(15%)**	▼
Income tax expense	(155)	(14%)	
Cash earnings after tax	**325**	**(15%)**	▼
Add back: Notable items after tax[1]	33	-	
Cash earnings after tax excl. notable items	**358**	**(7%)**	▼
Statutory net profit after tax	**250**	**88%**	▲
Return on average tangible equity[2,3] (%)	7.3	(60bps)	▼
Return on average equity[2] (%)	6.1	(30bps)	▼
Basic cash earnings per share[2] (cents)	54.4	(7%)	▼
Cost to income ratio[2] (%)	65.4	70bps	▲
CET1 ratio (%)	11.64	70bps	▲
Dividends per ordinary share (fully franked)[4] (cents)	40.0	5%	▲

(1) Notable items include impairment charges related to aged technology assets and low value corporate and branch network assets.
(2) Based on a cash earnings basis excluding notable items.
(3) Based on net profit applied to average shareholders' equity, less goodwill and identifiable intangible assets.
(4) 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.

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Transformation to a simpler, specialist bank

Transformation to date has delivered the foundations of a simpler, specialist bank

FY23
Strategic roadmap defined

- Strategy established
- RAPs finalised and submitted; programs mobilised
- ME integration completed

FY24 – FY25
Reducing complexity

- Branch conversion completed
- Digital mortgage launched
- Capgemini partnership announced

FY26
Foundations of a simpler, specialist bank

- ME migration complete, decommissioning underway
- Capital partnership established
- Transitioning from remediation to embed

	Core banking platforms	Branches located in Queensland	Target state IT applications on cloud	Retail customers on digital bank[1]	Reduction in corporate property	Technology assets decommissioned	Total RAP activities completed
FY23	8	65%	53%	<20%	-	-	-
FY26	**4**	**74%**	**>90%**	**68%**	**40%**	**41%**	**74%**

(1) Includes active deposit, linked credit cards and home loan customers. FY26 reflects updated methodology following identification of a historical reporting error in previously disclosed metrics.

Our strategy

The next phase of our strategy, building on a simpler, specialist bank

OUR VISION

To be the bank customers choose

OUR STRATEGY

To be a simple, specialist bank

Strategic pillars

How we deliver a sustainable return to growth

GROW
our customer relationships

Winning in our chosen business and retail segments:

- Growing deposit franchise
- Family-owned businesses
- Everyday Australians
- Accessing growth in home state

OPTIMISE
the bank economics

Allocate capital with discipline:

- Cost and margin discipline
- Balance sheet mix
- Capital-light income growth
- Optimising funding mix

REWIRE
the bank for the future

Simplify and scale:

- Decommissioning heritage platforms
- Modern technology and data platform
- Simplified operations; fewer products and processes

ACCELERATE
the culture shift

Owning the outcome:

- Creating superior customer experiences
- Risk embedded in how we do business
- A more engaged, capable and AI-enabled workforce

Grow our customer relationships | Business bank

Winning in the segments we choose to serve

Industry segments

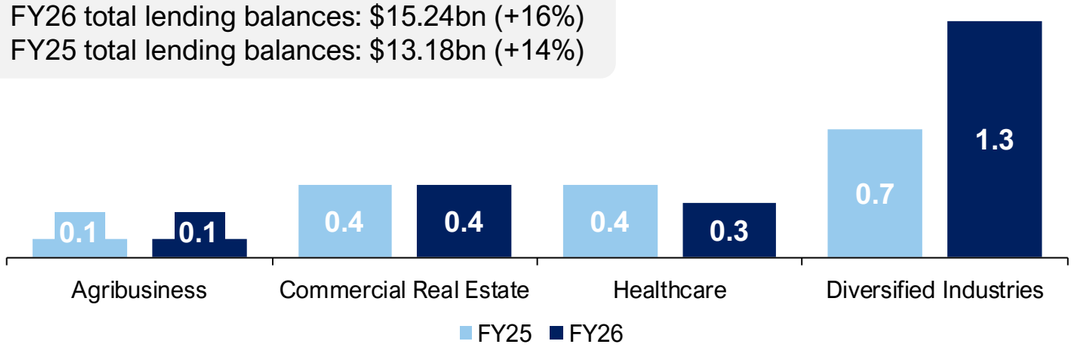
- Serving industries where we have deep specialist capability
- Growth across targeted industry segments
- National footprint across our segments
- Scaling equipment finance lending through capital-light Challenger partnership

Customer segments

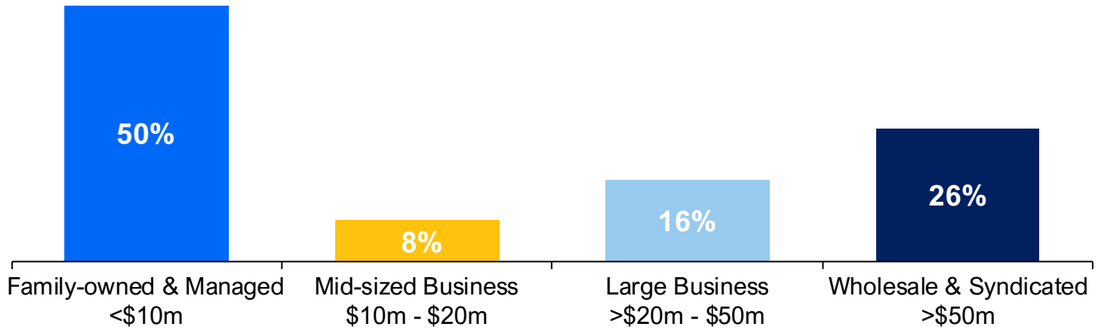
- Banker-led relationships, served through our specialised relationship bank
- 50% of commercial lending to family-owned and managed (<$10m) businesses
- Leveraging co-located retail and business branches
- Growing with our customers' growth aspirations
- Selective participation in wholesale and syndicated lending

Commercial lending growth by industry segment[1] ($bn)

FY26 total lending balances: $15.24bn (+16%)
FY25 total lending balances: $13.18bn (+14%)



Commercial lending customer segments[2] (FY26)

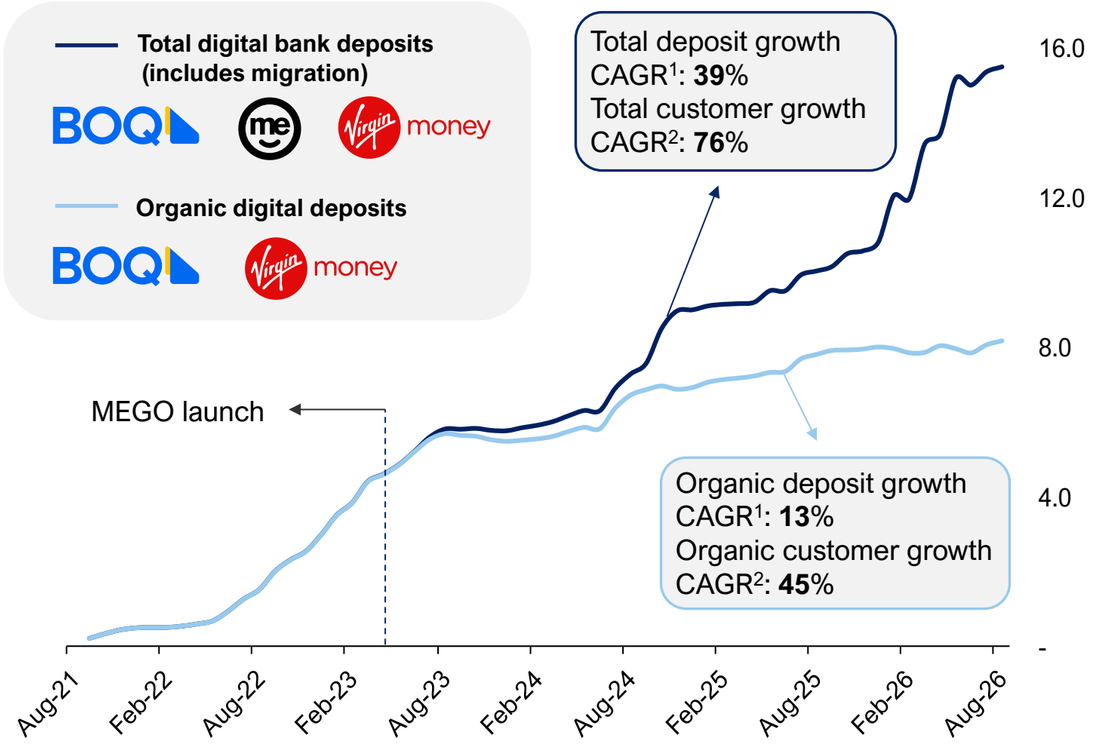


(1) Growth rates are on an internal view of customer segments and not industry ANZSIC categorisation.
(2) Total customer exposure. Excludes home, consumer and asset finance lending.

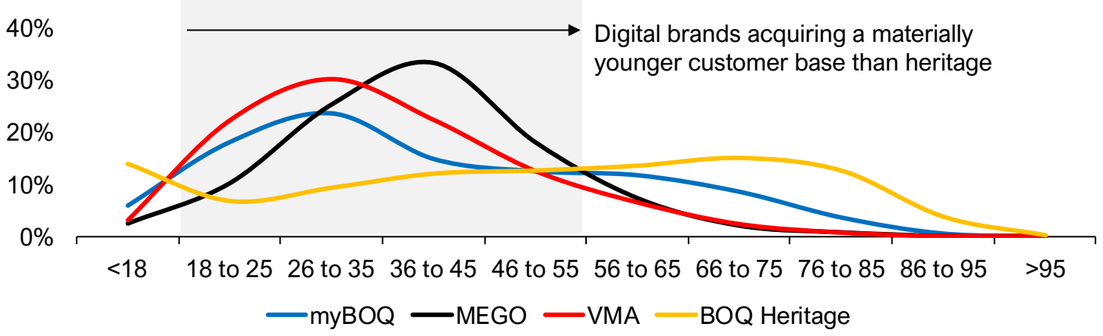
Grow our customer relationships | Retail bank

Customer deposit franchise strategy gaining momentum

Digital deposit balances ($bn)



Age of new-to-bank transaction customers[3]



45%
Organic customer growth CAGR[2] (excl. migration)

88%
Home lending applications processed on digital platform in August 2026

1.6x
Higher MFI penetration among digital customers compared with heritage

5.5x
Higher transaction balances for digital home loan customers[4]

(1) Total digital bank deposits (BOQ, ME, VMA) compound annual growth rate (CAGR) from Aug-23 to Aug-26. Organic digital deposit growth (BOQ & VMA) compound annual growth rate (CAGR) from Aug-23 to Aug-26.
(2) Total customer (BOQ, ME, VMA) CAGR from Aug-23 to Aug-26. Organic customer growth (BOQ & VMA) CAGR from Aug-23 to Aug-26.
(3) Age distribution of new-to-bank primary account transaction customers who opened a transaction account during FY26, on either the digital bank or the BOQ heritage platform. Excludes ME customers migrated to the digital bank.
(4) Average transaction account balance of new digital home loan customers vs standalone transaction accounts in FY26.

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Rewire the bank for the future

Converting transformation into operating leverage

Platform simplification

Digital bank
- Core digital bank build complete
- Three brands on one platform
- End-to-end core retail proposition

ME migration complete
- ~350,000 customers
- ~$29bn home lending
- ~$6.9bn deposits

Technology stack
- Data on a modern, cloud-enabled, AI-ready platform
- Strategic partnerships with Microsoft and Capgemini

Digital at scale

Digital Heritage

Retail customers[1]

Mortgage application flow[2]

Deposit originations[2]

Operating leverage

22%
Reduction in cost to originate home lending customers[3]

2 to 8
Increase in co-located retail and business branches

8%
Increase in home loan applications per branch[4]

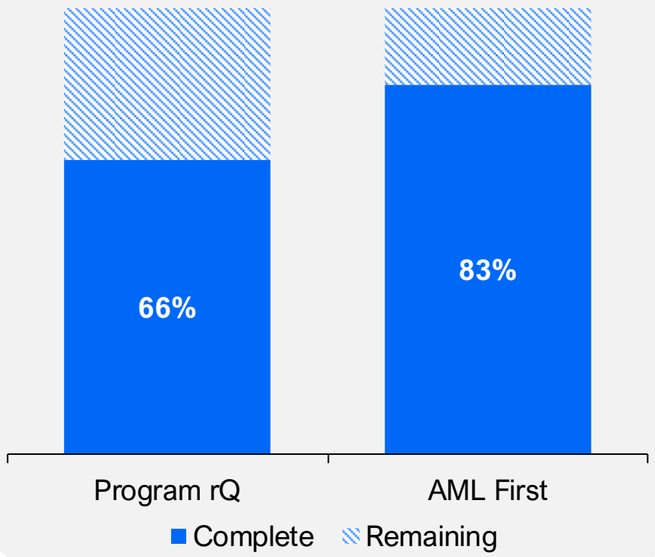
17%
Growth in business bank settlements per FTE on FY23

(1) Includes active deposit, linked credit cards and home loan customers. FY26 reflects updated methodology following identification of a historical reporting error in previously disclosed metrics.
(2) Mortgage applications and deposit originations in August 2026.
(3) Reduction in cost to originate across 4Q26 against FY22 baseline. 50% reduction in cost to originate at scale on track, future functionality releases scheduled through FY27.
(4) Average weekly value of home loan applications per branch, 2H26 compared with the prior corresponding period (2H25).

Accelerate the culture shift

Embedding accountability, capability and performance

Risk embedded in how we do business



Owning the outcome

+81 Digital Home Loan Banker NPS[1]

- **$7.5m** in scam and online fraud losses prevented or recovered for customers
- **3,877** customers supported through hardship
- **>99%** fraudulent deposit account onboarding intervention rate

Engaged, capable and AI-enabled workforce

72% People Experience Index

- **77%** Risk Culture Index, reflecting the uplift in capability through Program rQ
- **~75%** of employees actively using AI tools, **>100** AI agents built in-house
- New Enterprise Agreement finalised, endorsed by **92%** of voting employees

(1) August 2026 spot NPS for VMA and ME mobile bankers. August 2026 spot NPS for Digital Home Loan through the broker channel was +76.

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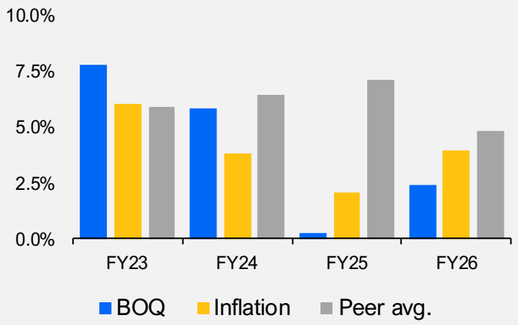
Optimise the bank economics

Disciplined balance sheet and capital management

Cost discipline

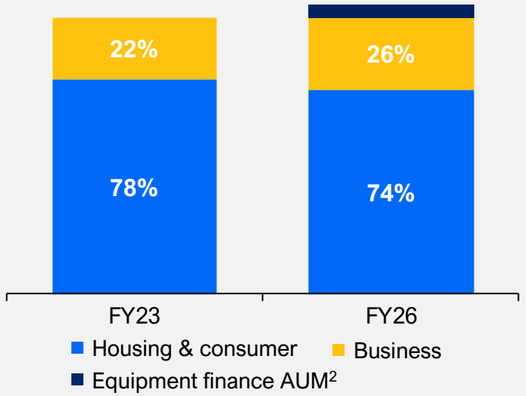
- Operating model simplification
- Improved unit economics and reduction in fixed costs
- Productivity offsetting inflation

Cost growth vs inflation[1]



Balance sheet mix

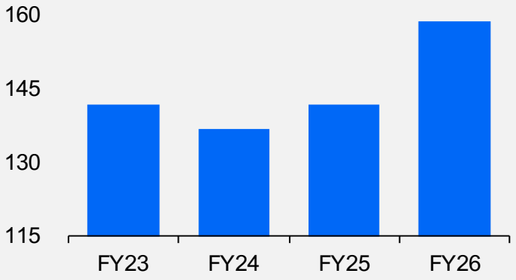
- Home lending recycled
- Business lending weighting up
- Scaling equipment finance lending



Capital-light income

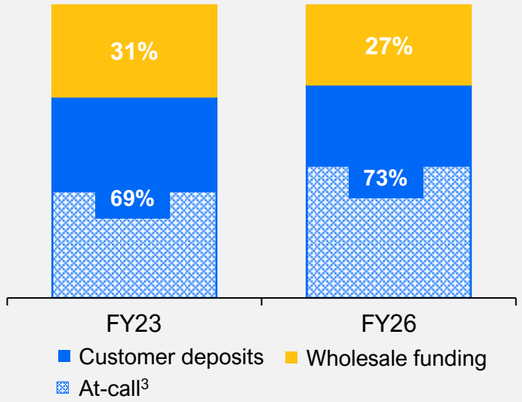
- New fee income stream established
- Growth without balance sheet or capital constraints

Non-interest income ($m)



Improved funding mix

- Acquisition through digital channels
- Launching business deposit product
- Reduced wholesale reliance



Building a pathway to improved and more sustainable returns

(1) Headline inflation based on quarterly ABS/RBA CPI data for the financial year ended June. BOQ and peer cost growth excludes notable items. Peers include ANZ, BEN, CBA, NAB and WBC. FY26 peer cost growth only includes those who have reported FY26 results.
(2) Relates to the equipment finance assets sold under the whole-of-loan sale with Challenger Limited.
(3) Customer at-call deposits include transaction and savings & investment accounts. Excludes offset accounts and term deposits.

BOQ GROUP

Serving our communities

Building on our 152-year Queensland heritage, supporting our customers and communities

Customers

- ~1.4m customers choosing BOQ for their everyday banking and business needs
- Deploying business bankers in regional growth corridors following conversion to a proprietary branch channel

Communities

- ~$2m raised for our communities through community partnerships, including our primary partnership with Orange Sky
- New head office in Brisbane CBD
- 102 branches across the network, aligned to our Queensland heritage and changing customer behaviours

Sustainability

- Continued engagement with industry, regulators and stakeholders
- Completed the first mandatory climate-related disclosures included in the FY26 Annual Report
- Novated leasing applications for electric vehicles increased to over half by end of FY26

FINANCIAL DETAIL

Racheal Kellaway
Chief Financial Officer

BOQ GROUP

Financial performance

Second half earnings growth on improved margin, higher non-interest income and disciplined cost management

Key financial results ($m)

	FY26	FY25	FY26 v FY25		2H26	1H26	2H26 v 1H26	
Net interest income	1,520	1,515	0%	–	765	755	1%	▲
Non-interest income	159	142	12%	▲	82	77	6%	▲
Total income	**1,679**	**1,657**	**1%**	▲	**847**	**832**	**2%**	▲
Operating expenses excl. notable items	(1,098)	(1,072)	2%	▲	(545)	(553)	(1%)	▼
Underlying profit excl. notable items	**581**	**585**	**(1%)**	▼	**302**	**279**	**8%**	▲
Loan impairment expense	(54)	(21)	157%	▲	(34)	(20)	70%	▲
Cash earnings after tax excl. notable items	**358**	**383**	**(7%)**	▼	**182**	**176**	**3%**	▲
Less: Notable items after tax	(33)	-	large		(33)	-	large	
Cash earnings after tax	**325**	**383**	**(15%)**	▼	**149**	**176**	**(15%)**	▼

Note: Cash earnings excluding notable items is presented as the key measure of the Group's underlying performance, adjusting for items considered not reflective of ongoing business activities and improving comparability across periods. FY26 notable items include impairment charges related to aged technology assets and low value corporate and branch network assets ($33m after tax). The following slides provide detail on all adjustments.

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Non-cash items

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

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

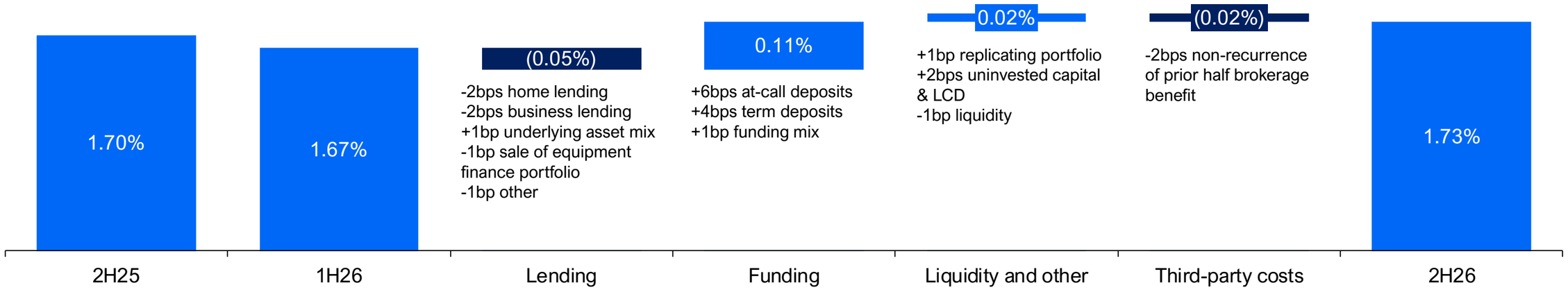
	FY26	FY25	2H26	1H26
Cash earnings after tax	**325**	**383**	**149**	**176**
Whole-of-loan sale[1]	(52)	-	(21)	(31)
Branch strategy[2]	(22)	(43)	(14)	(8)
Amortisation of acquisition fair value adjustments	(1)	3	(1)	-
Hedging and fair value changes	-	(1)	1	(1)
Goodwill impairment[3]	-	(170)	-	-
Restructuring costs[4]	-	(25)	-	-
Remedial action plans[4]	-	(14)	-	-
Statutory net profit after tax	**250**	**133**	**114**	**136**

(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 FY26 Annual Report and its disclosures to the ASX dated 7 April 2026 and 1 May 2026.
(2) 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 and FY26 Annual Reports and its disclosure to the ASX dated 22 August 2024.
(3) Further detail has been provided in BOQ's FY25 Annual Report and its disclosure to the ASX dated 3 October 2025.
(4) Further detail has been provided in BOQ's FY25 Annual Report and its disclosure to the ASX dated 28 August 2025.

Net interest margin

Funding optimisation and higher interest rates driving second half margin expansion

Net interest margin (%)



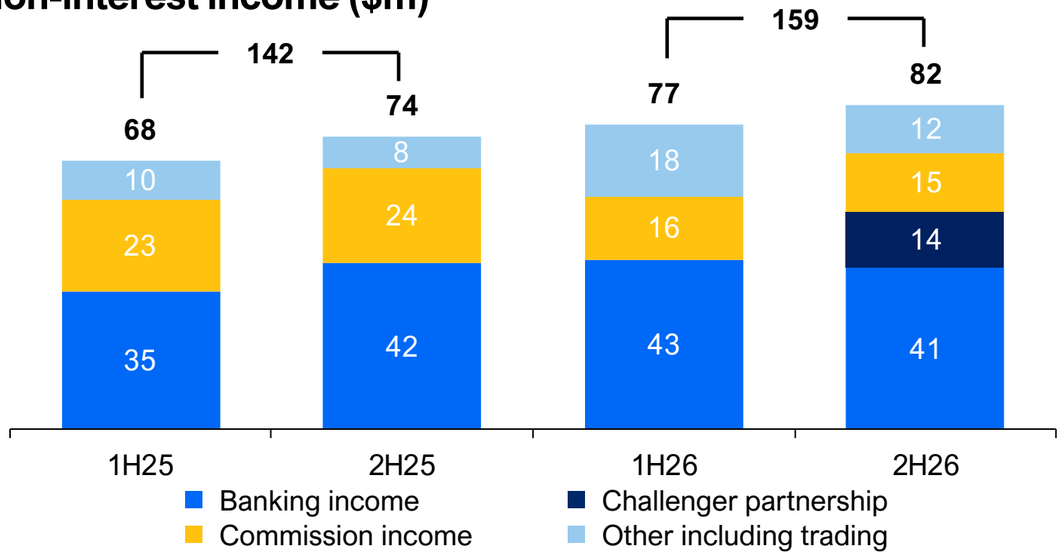
1H27 considerations

- Impact of September rate rise, possibility remains for a further increase this financial year
- Continued competition in home and commercial lending, partly offset by mix benefits
- Funding requirements as home lending growth returns
- Positive contribution from replicating portfolio, uninvested capital and low-cost deposits and liquidity
- Broadly neutral third-party costs
- No further material impacts from equipment finance portfolio

Non-interest income

New and expanded partnerships growing capital-light income

Non-interest income ($m)



FY27 considerations

- Full-year run-rate benefit of capital partnership
- Commission income to normalise following partner transition
- Broadly stable banking income

Capital partnership

- Customer relationship managed by BOQ, leveraging origination and servicing capability
- Whole-of-loan sale completed, forward flow agreement in place

White label products

- Expanding the BOQ and Virgin Money customer relationship through partner products:
  - General insurance
  - Superannuation
  - Credit cards

Loyalty & distribution

- Access to Virgin Australia's Velocity Frequent Flyer members
- Virgin Money Velocity offering expanded from credit cards to now include home loans and transaction accounts, rewarding main-bank behaviour

Capital partnership

Commencement of partnership with Challenger, supporting capital and funding optimisation

Overview

- ~$3.6bn equipment finance whole-of-loan sale completed 1 May 2026, with BOQ retaining origination, servicing and customer relationships
- Entered into forward flow arrangement with returns at target in first four months
- FY26 cash earnings impacts broadly neutral, in line with guidance
- ~$295m capital return to shareholders
  - Special dividend of 15c ($99m) paid 24 August 2026
  - On-market buy-back of up to $196m commenced 25 August 2026, with ~$11m purchased as at 31 August 2026
- Capital management plan benefiting ROE and EPS in FY27[2]
- Supported the optimisation of funding

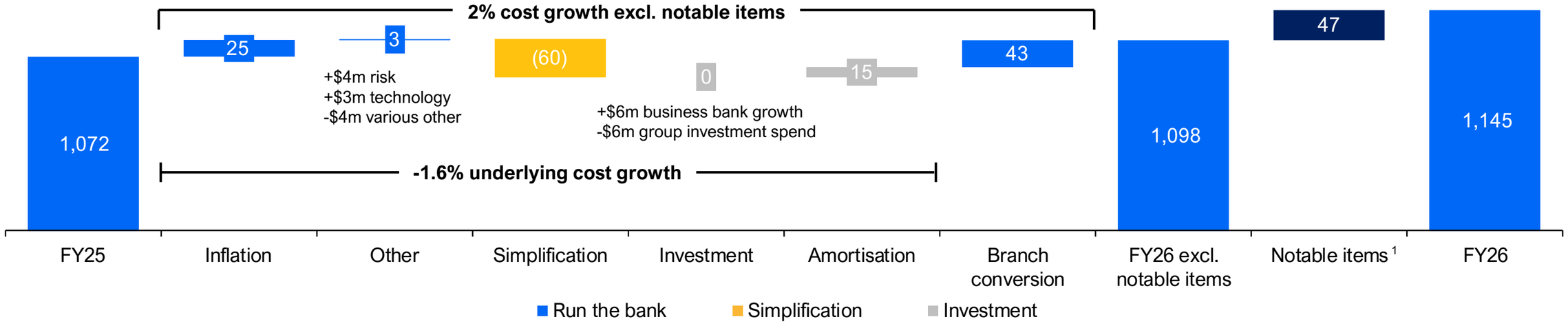
	FY26 range[1]	FY26 actuals
Net interest income	-$16m to -$12m	-$14m
Non-interest income	+$8m to +$10m	+$14m
Total income	-$8m to -$2m	*No impact*
Operating expense	*No impact*	*No impact*
Loan impairment expense	+$5m to +$7m	+$4m
Cash earnings after tax	-$2m to +$4m	+$3m
Non-cash items	-$55m to -$45m	-$52m
Cash return on average equity	+15bps to +25bps	*Negligible*

(1) As outlined in BOQ's 1H26 Investor Materials.
(2) ROE and EPS expectations remain subject to market conditions relating to the planned buy-back.

Operating expenses

Sub-inflation cost growth with simplification program supporting a reduction in underlying costs

Operating expenses ($m)



FY27 considerations

- Continued inflation, including the first year of a new EBA
- Higher cloud consumption and software licensing costs
- Continued investment in risk and regulatory embedment
- Benefits of ME decommissioning and Capgemini partnership
- Continued simplification and operating model productivity
- Leveraging the cost base to support growth

(1) Notable items include impairment charges related to aged technology assets and low value corporate and branch network assets.

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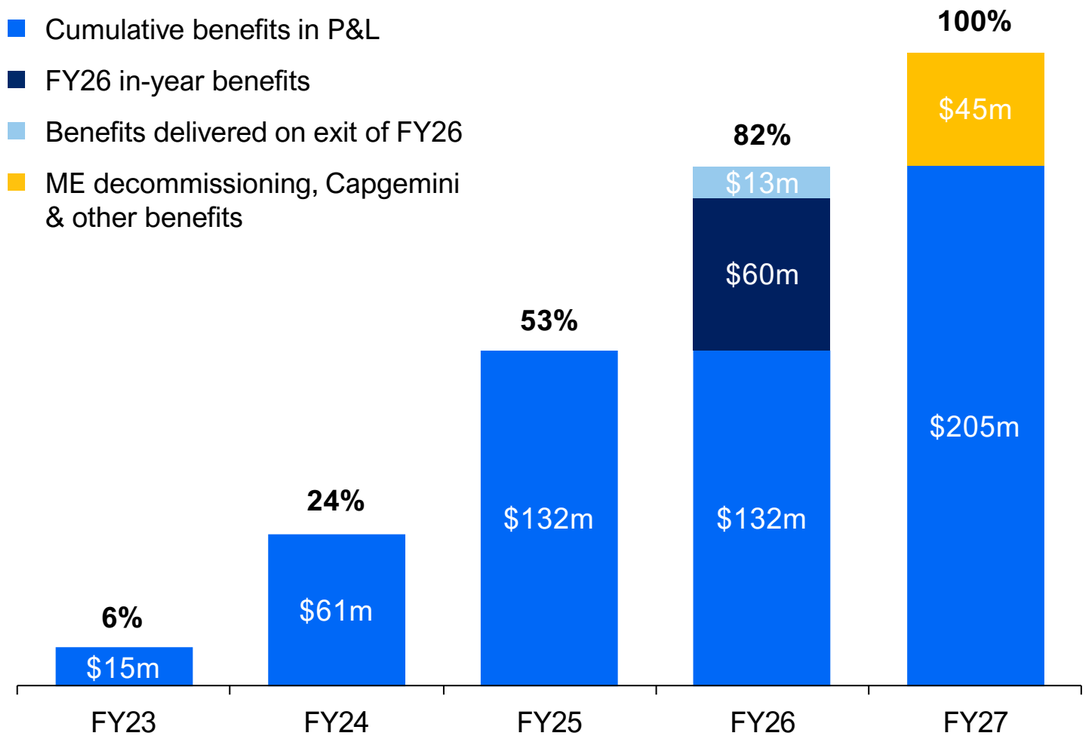
Productivity program

Ambitious simplification program on track to deliver $250m of savings

$250m productivity program



Program status

- 82% of benefits delivered on exit of FY26
- 77% of benefits now delivered in P&L
- FY27 benefits from ME decommissioning and Capgemini partnership
- Program commenced in FY23 with $200m target, increased to $250m in 2H24

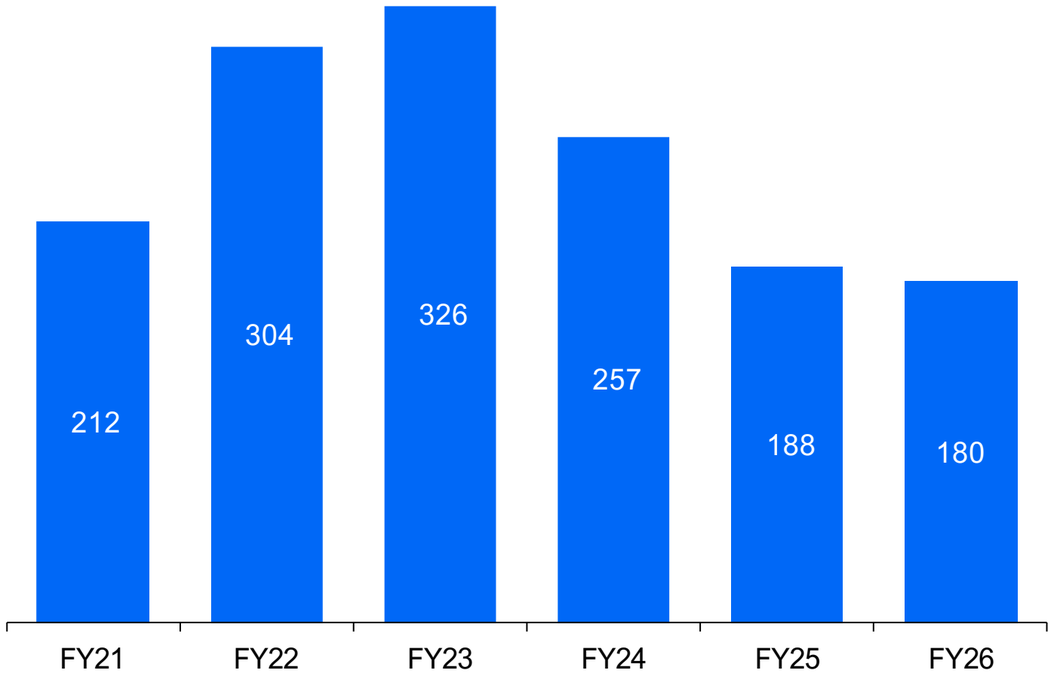
FY26 initiatives

- Operating model: run-rate benefits from FY25 and FY26 simplification
- Technology: transition to Capgemini for IT and business processing
- Property and procurement: branch network optimisation, corporate property subleases, telecommunications re-contracting
- Process & automation: simplifying ME heritage processing following migration to the digital bank

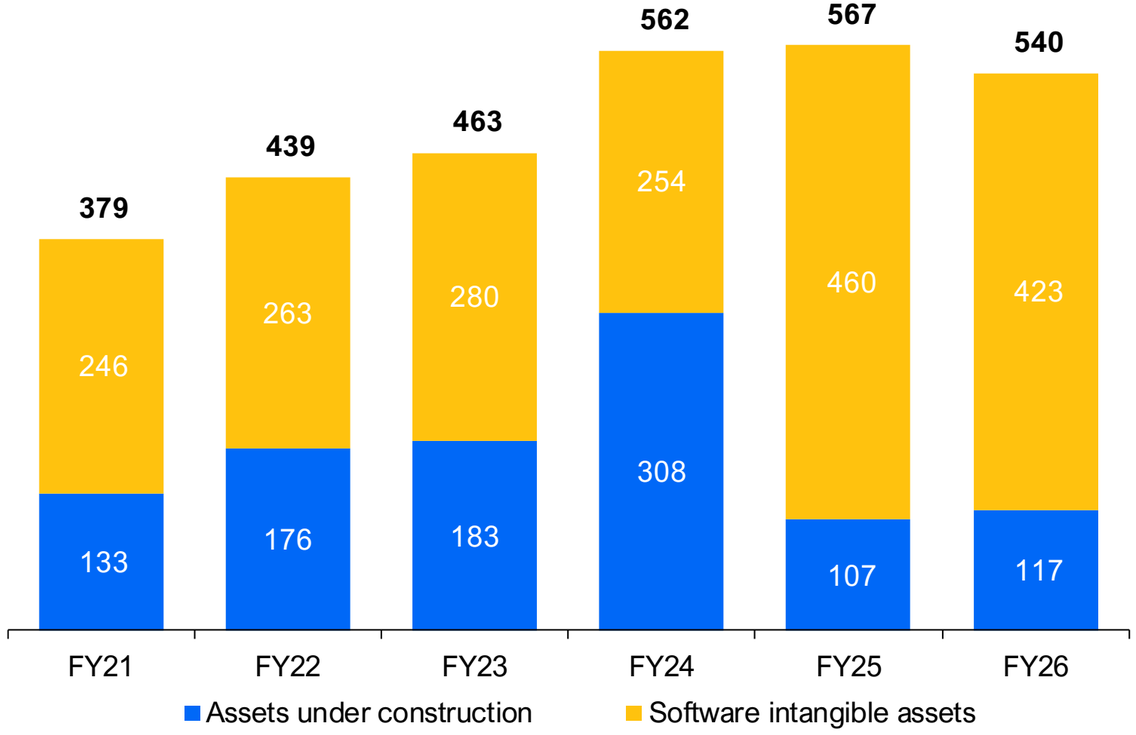
Transformation investment

Transformation investment past the peak with foundational programs delivered

Investment spend ($m)



Software intangible asset balances ($m)



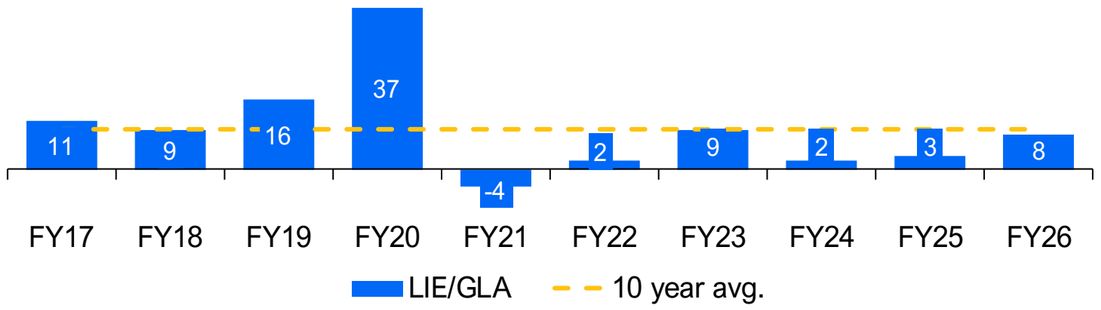
Portfolio quality

Impairment expense normalising off a low base, actual impaired assets reduced

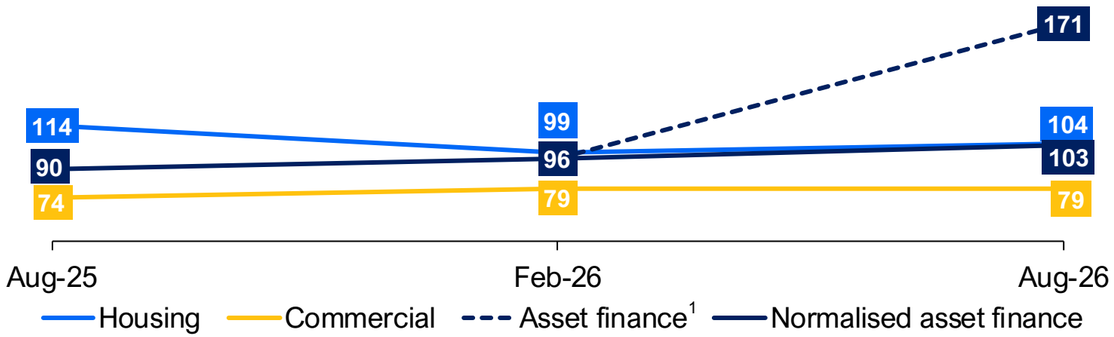
Loan impairment expense ($m)

	1H25	2H25	1H26	2H26
Housing & consumer	12	(9)	(7)	12
Commercial	(24)	2	3	7
Asset finance	15	25	24	15
Total	**3**	**18**	**20**	**34**

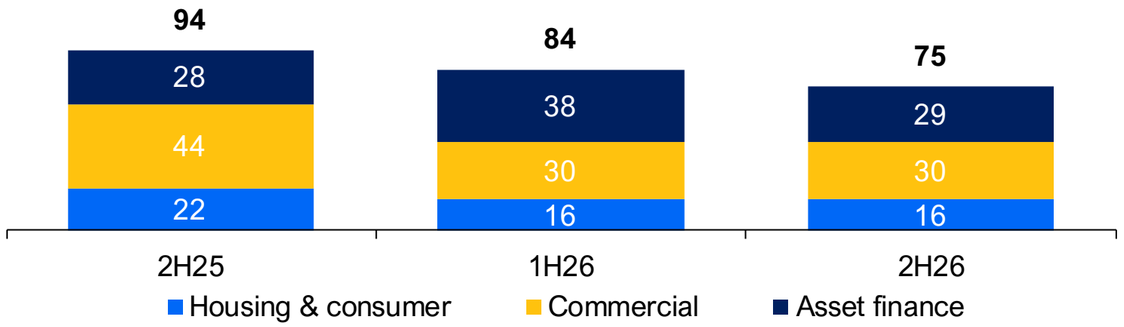
Loan impairment expense/GLA (bps)



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



Impaired assets ($m)

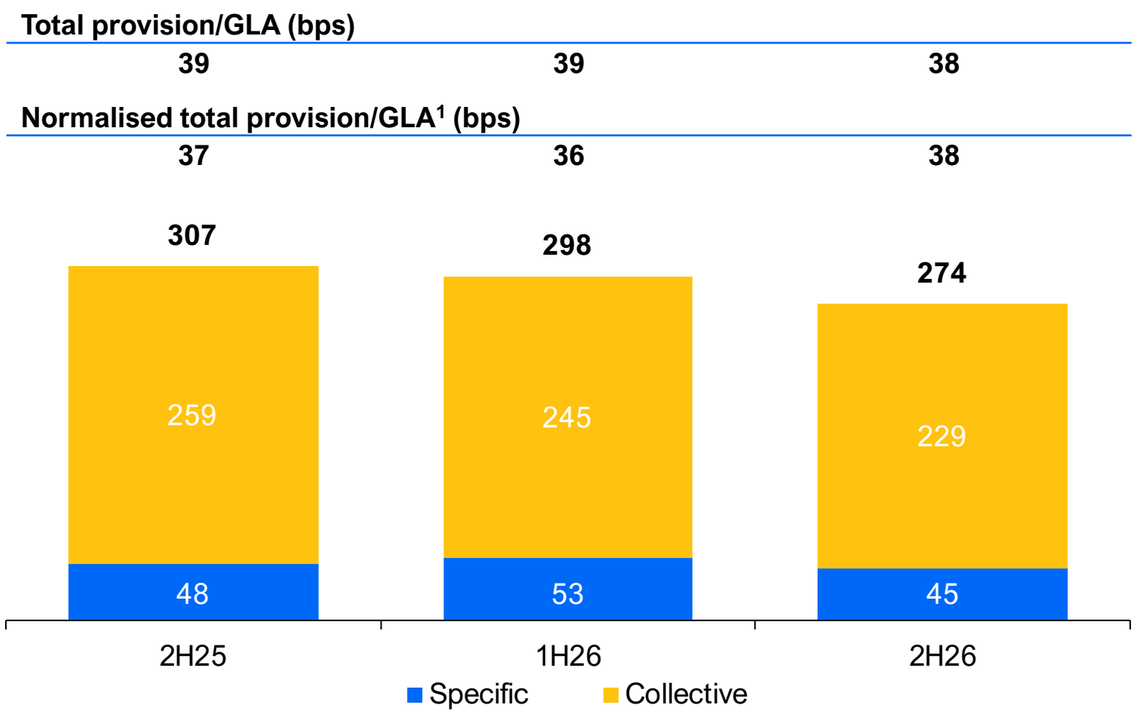


(1) The increase in the asset finance 90 DPD arrears rate reflects the reduction in GLAs following the ~$3.6bn equipment finance whole-of-loan sale, and a small number of individual exposures. Normalising for the reduction, the 90 DPD arrears rate was 103bps.

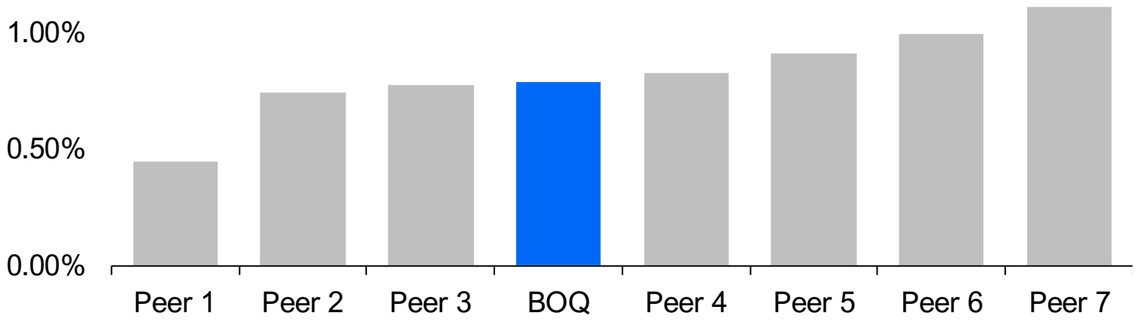
Provisioning

Coverage ratios maintained, reflecting a prudent approach to economic uncertainty

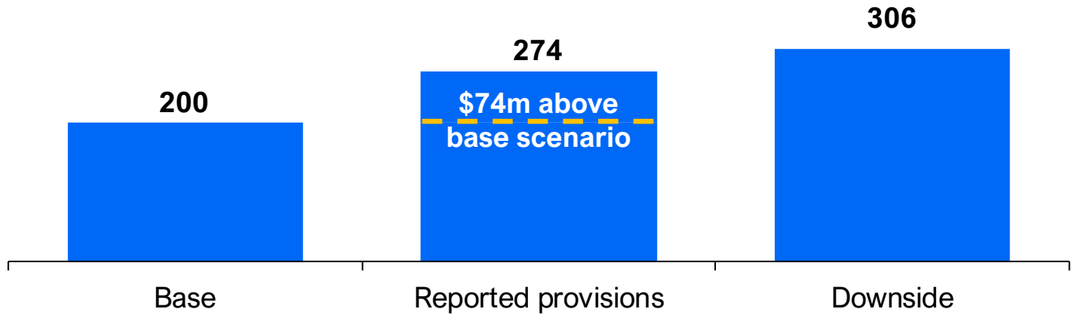
Provisions ($m)



Provisioning to standardised credit RWA coverage (%)



Provision scenarios (as at August 2026) ($m)

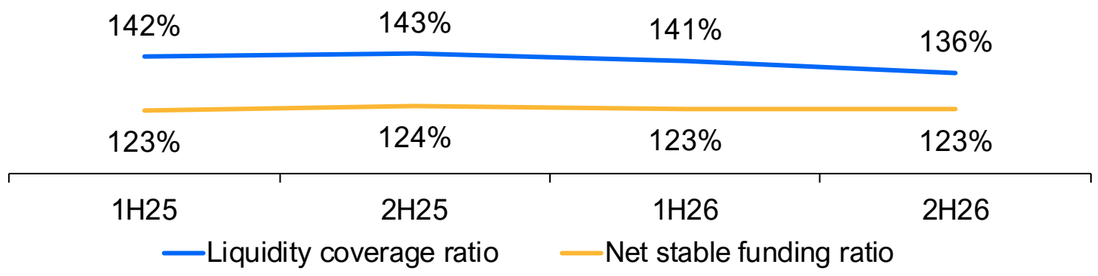


(1) Prior periods have been adjusted to exclude equipment finance and ME unsecured portfolios subsequently sold.

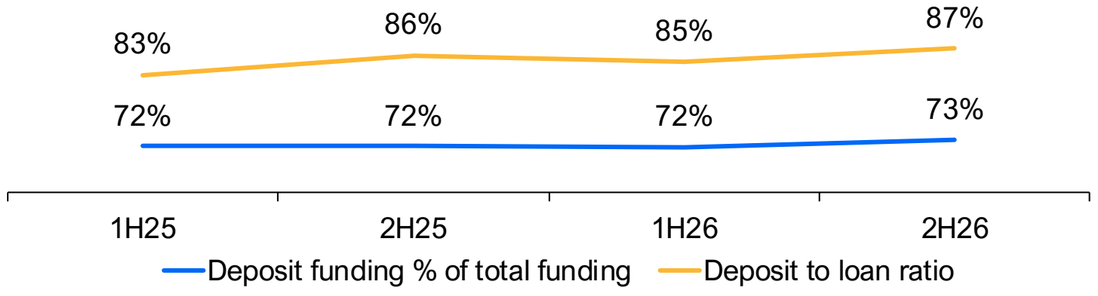
Funding & liquidity

Funding discipline with reduced wholesale reliance and improving deposit mix

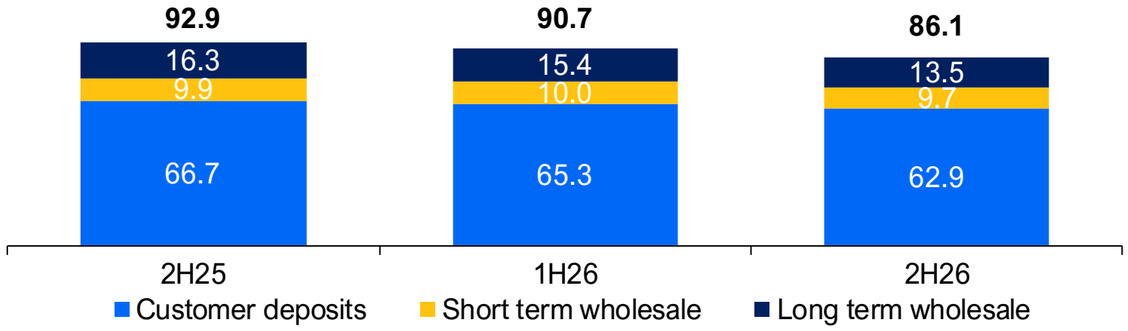
Liquidity & NSFR[1]



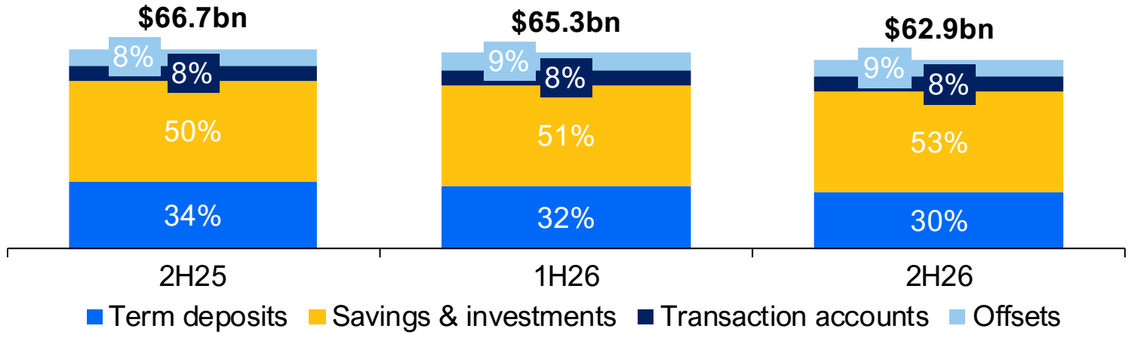
Deposit funding



Funding mix ($bn)



Customer deposits



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

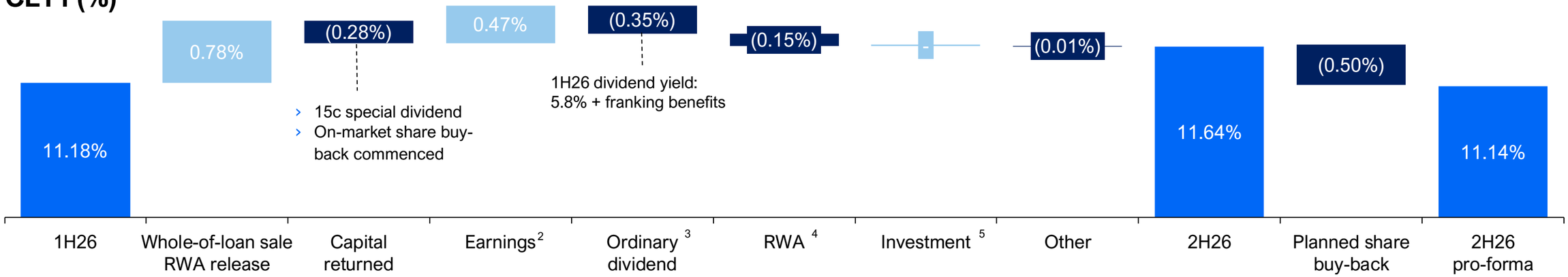
Capital strength

Capital return to shareholders and CET1 maintained above the management target range

Summary

- Capital management following whole-of-loan sale; 15c special dividend paid and commencement of on-market buy-back of shares[1]
- 20c fully franked final dividend (6.1% annualised dividend yield), the DRP will operate with no discount and is expected to be satisfied in full by an on-market purchase of shares
- CET1 ratio managed above the top end of the management target range of 10.25–10.75%
- Strong position supporting resilience, the capacity to continue to transform the business, and a sustainable return to growth

CET1 (%)



Note: CET1 includes a $50m capital overlay as determined by APRA in relation to BOQ's Court Enforceable Undertaking.
(1) Special dividend of 15c paid on 24 August 2026. Share buy-back commenced 25 August 2026, as at 31 August ~$11m of shares have been purchased out of the planned $196m.
(2) Earnings excl. notable items.
(3) 1H26 dividend of 20c, DRP operated with no discount and was satisfied in full by an on-market purchase of shares. Participation was 8.5%.
(4) RWA includes loan origination costs and movements in capital relief securitisations.
(5) Capitalised expenses net of amortisation.

OUTLOOK

FY27 outlook

- Continued elevated competition for quality lending and deposits
  - Targeting commercial lending growth comparable to FY26
  - Sustainable return to home lending growth in FY27
  - Uncertainty in markets has the potential to drive higher costs for funding
- Modest 1H27 NIM uplift, subject to market conditions
- Strong uplift in non-interest income expected, benefiting from full run-rate of capital partnership
- Targeting flat cost growth; benefits from ME decommissioning and Capgemini partnership
- Relatively stable loan impairment expense
- Share buy-back expected to be completed during FY27[1]
- No change to target CET1 or dividend payout ranges[2,3]
- Unpredictable geopolitical environment, risks to the economic and financial outlook
- Ongoing support for customers managing through a period of higher interest rates and cost-of-living pressures

(1) Subject to market conditions.
(2) CET1 target range of 10.25–10.75%.
(3) Dividend payout range of 60–75% of cash earnings. The amount of any dividend will be at the discretion of the Board.

DIVISIONAL RESULTS

Divisional performance

	Retail				Business			
	FY26	FY25	FY26 v FY25		FY26	FY25	FY26 v FY25	
Net interest income	807	807	0%	—	722	713	1%	▲
Non-interest income	84	94	(11%)	▼	72	50	44%	▲
Total income	891	901	(1%)	▼	794	763	4%	▲
Operating expenses excl. notable items	(746)	(738)	1%	▲	(352)	(334)	5%	▲
Less: Notable expense items[1]	(35)	-	large		(12)	-	-	
Operating expenses	(781)	(738)	6%	▲	(364)	(334)	9%	▲
Underlying profit	110	163	(33%)	▼	430	429	0%	—
Loan impairment expense	(9)	(2)	large	▲	(45)	(19)	137%	▲
Profit before tax	101	161	(37%)	▼	385	410	(6%)	▼
Income tax expense	(32)	(52)	(38%)		(124)	(131)	(5%)	
Cash earnings after tax	**69**	**109**	**(37%)**	▼	**261**	**279**	**(6%)**	▼
Add back: Notable items after tax	25	-	large		8	-	large	
Cash earnings after tax excl. notable items	**94**	**109**	**(14%)**	▼	**269**	**279**	**(4%)**	▼

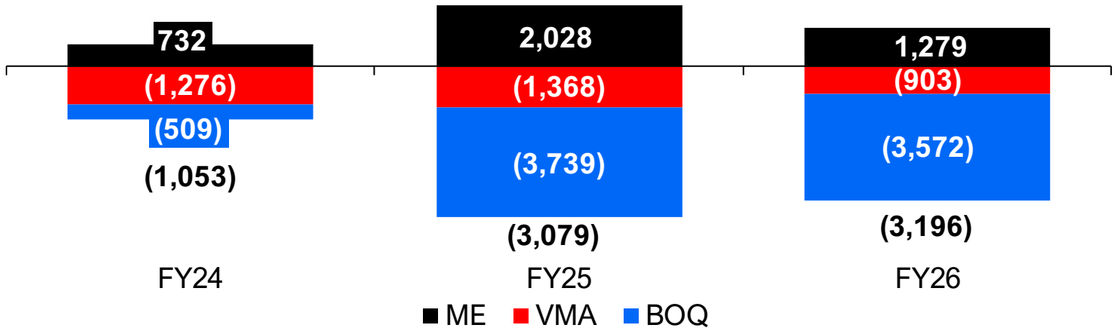
(1) Notable items include impairment expenses related to the write-off of aged technology assets and low value corporate and branch network assets.

Retail banking overview

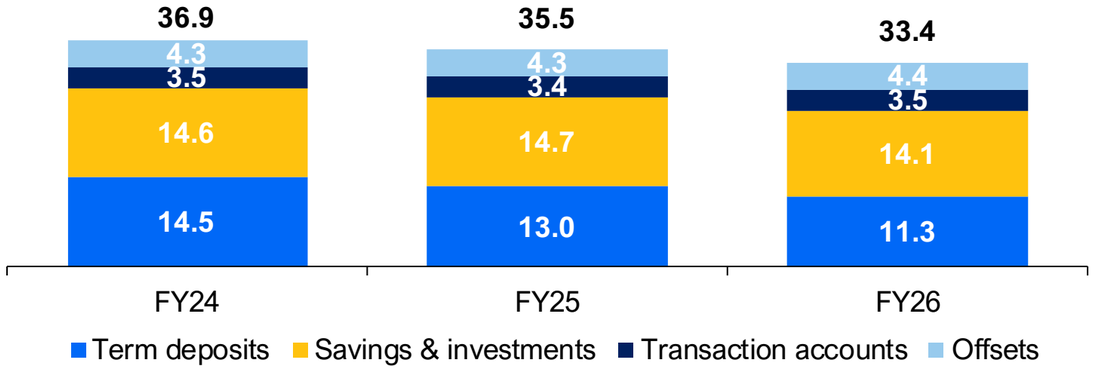
Overview

- ME migration complete, with ~350k customers migrated off the heritage platform and ~$29bn of home loans now on the digital bank
- Home lending contraction reflects lower settlement volumes and higher run-off from closure of legacy channels and the continued transition to the digital platform, partly offset by ME broker growth
- Deposits optimised for a lower funding requirement, with term deposit run-off and targeted growth in digital at-call deposits
- Digital bank scaling with 88% of home lending application flow and 87% of deposit originations occurring on the digital bank in August
- Application volumes of $5.2bn in 4Q26, the highest quarter in two years, building momentum for a return to growth
- Virgin Money Velocity offering expanded from credit cards to now include home loans and transaction accounts, rewarding main-bank behaviour

Lending growth ($m)



Deposit funding ($bn)

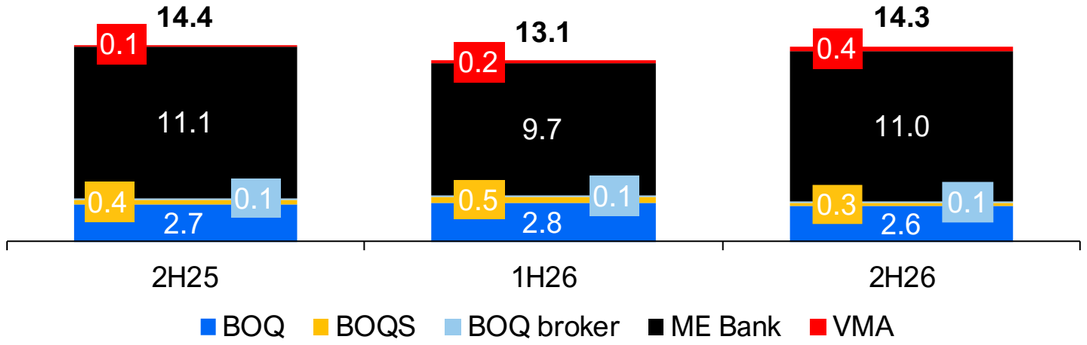


Home lending performance

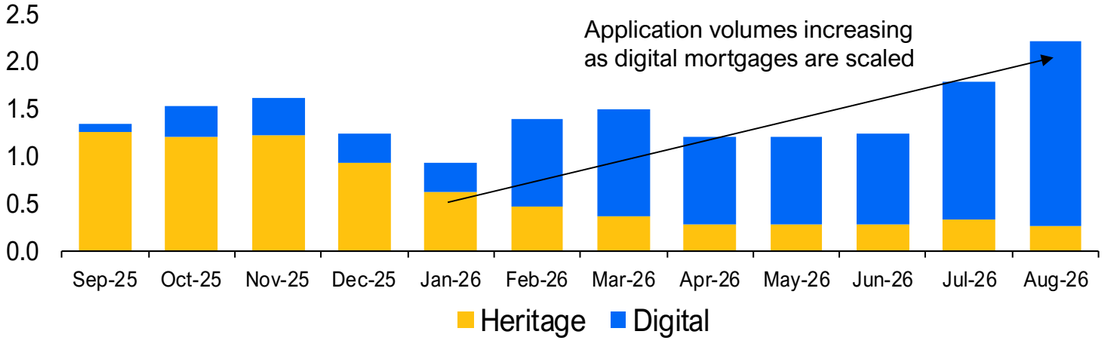
Housing metrics

	Portfolio	FY26 Flow
LVR > 90% (%)	0.8	0.7
LVR > 80% (%)	6.7	4.7
90 days past due (bps)	104	-
Interest only % (excl. construction)	10	17
Investor (%)	30	35
PAYG (%)	81.9	86.4
DTI >=6x (%)	-	2.8
Fixed (%)	7	6
Broker (%)	58	72
BOQ system growth[1]	-	Negative
ME system growth[1]	-	0.7x
Overall BOQ Group system growth[1]	-	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 by channel (# '000)[2]



Housing application volumes by platform ($bn)



(1) Multiple based on YTD system to August 2026, APRA monthly banking statistics. Growth rates and multiples adjusted to add back ~$15bn of residential mortgages transferred out of the APRA ADI population in August 2026 following a major bank portfolio sale to a non-ADI. This presents underlying growth and market share on a like-for-like basis.

(2) 1H26 application volumes updated to include previously misidentified digital applications. VMA stopped accepting home loan applications for new customers through the broker channel from 1 September 2023. BOQ stopped accepting home loan applications for new customers through the broker channel from 1 September 2024.

BOQ GROUP

Lending to households (APRA data)

	Lending to Households (APRA)			Multiple (APRA)			
	YTD (A)	3M (A)	1M	YTD	3M	1M	Market share
Major 1	24.83%	16.81%	1.06%	3.8	3.4	3.5	7.46%
International 1	9.90%	7.34%	0.61%	1.5	1.5	2.0	2.98%
Major 2	6.85%	6.07%	0.41%	1.0	1.2	1.3	25.41%
System	6.56%	5.02%	0.30%				
Major 3	5.97%	3.42%	0.25%	0.9	0.7	0.8	20.61%
ME	4.59%	7.09%	1.03%	0.7	1.4	3.4	1.21%
Major 4	4.39%	6.63%	0.38%	0.7	1.3	1.3	13.23%
Major 5	4.31%	2.19%	0.06%	0.7	0.4	0.2	13.96%
International 2	2.59%	-5.87%	-1.35%	0.4	Neg	Neg	1.37%
Regional 1	0.52%	-0.11%	-0.14%	0.1	Neg	Neg	2.56%
Regional 2	-0.34%	-4.81%	-0.48%	Neg	Neg	Neg	2.24%
BOQ + ME	-7.57%	-4.91%	0.00%	Neg	Neg	Neg	2.01%
BOQ	-21.34%	-21.72%	-1.52%	Neg	Neg	Neg	0.80%

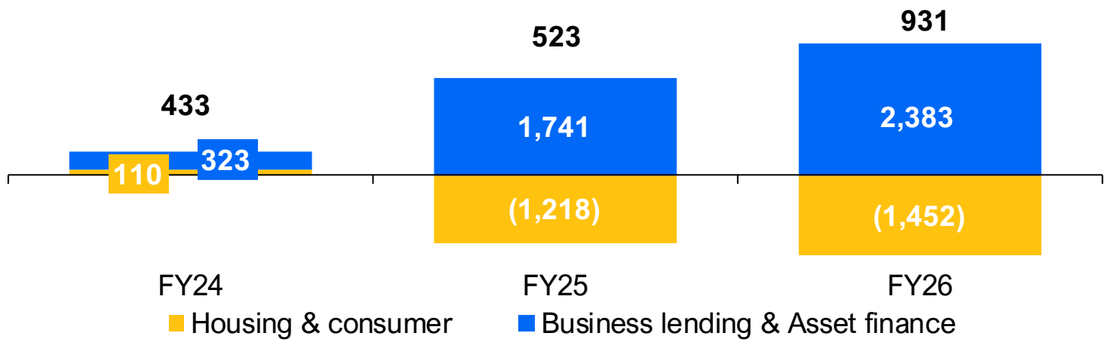
Source: APRA Monthly Banking Statistics September 2025 to August 2026.
Note: Majors comprise CBA, NAB, WBC, ANZ and Macquarie, Regionals comprise SUN and BEN and Internationals comprise HSBC and ING.
Note: Growth rates and multiples adjusted to add back ~$15bn of residential mortgages transferred out of the APRA ADI population in August 2026 following a major bank portfolio sale to a non-ADI. This presents underlying growth and market share on a like-for-like basis.

Business banking overview

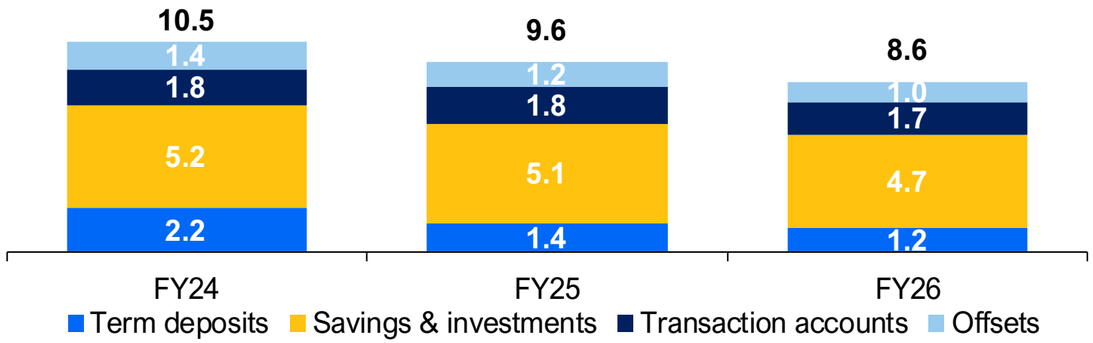
Overview

- Second half cash earnings, excluding notable items, increased 4%, reflecting lower loan impairment expense in the asset finance portfolio
- Commercial lending grew 16% in FY26 across a diverse range of industries and businesses, with lending well secured by property
- Continued focus and growth across specialist segments including healthcare, agribusiness and diversified industries, supporting family-owned and managed businesses
- 42 bankers onboarded since FY24, contributing 44% of FY26 commercial lending growth
- Asset finance grew 5% excluding the whole-of-loan sale, led by growth in novated leasing
- Capital partnership completed, generating capital-light income by leveraging the Group's equipment finance origination and servicing capability

Lending growth[1] ($m)



Deposit funding ($bn)



(1) Excludes ~$3.6bn equipment finance whole-of-loan sale to Challenger Limited.

BOQ GROUP

Lending to business (APRA data)

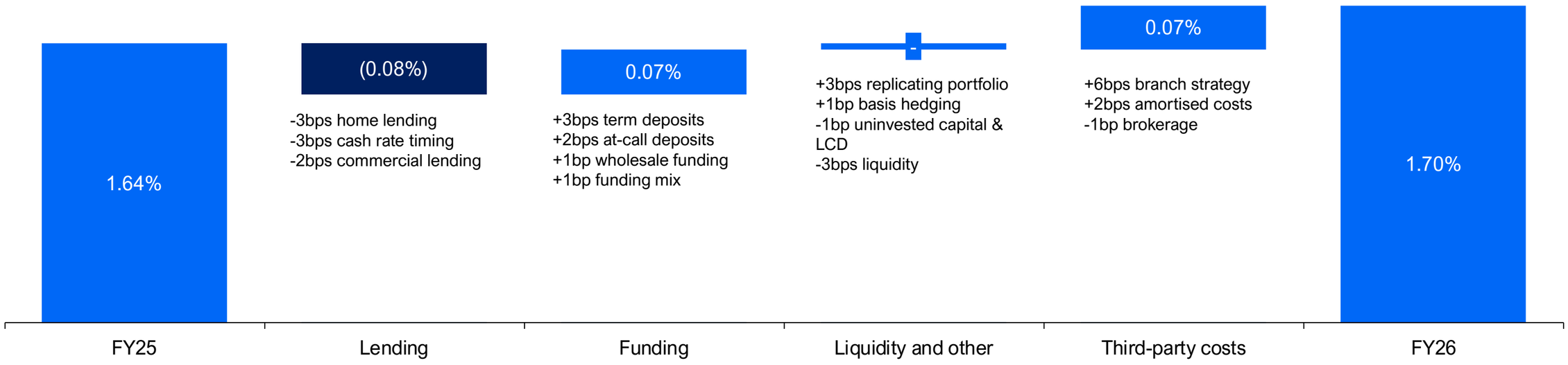
	Lending to Businesses (APRA)			Multiple (APRA)			
	YTD (A)	3M (A)	1M	YTD	3M	1M	Market share
International 1	19.71%	21.07%	-3.71%	1.6	1.5	Neg	1.19%
Regional 1	19.50%	20.94%	1.15%	1.6	1.5	1.1	1.08%
Major 1	15.80%	19.22%	1.64%	1.3	1.4	1.5	21.93%
Major 2	14.22%	13.01%	0.39%	1.1	0.9	0.4	20.33%
System	12.49%	13.92%	1.06%				
Major 3	11.96%	10.91%	0.72%	1.0	0.8	0.7	25.04%
BOQ	11.12%	9.71%	0.76%	0.9	0.7	0.7	1.36%
Regional 2	10.04%	20.62%	1.34%	0.8	1.5	1.3	1.49%
International 2	9.54%	21.14%	9.32%	0.8	1.5	8.8	0.23%
Major 4	7.59%	-7.37%	0.17%	0.6	Neg	0.2	1.90%
Major 5	7.23%	17.45%	2.00%	0.6	1.3	1.9	14.36%
International 3	2.74%	9.60%	-0.50%	0.2	0.7	Neg	1.85%
Regional 3	-5.53%	0.44%	0.46%	Neg	0.0	0.4	1.03%

Source: APRA Monthly Banking Statistics September 2025 to August 2026.
Note: Majors comprise CBA, NAB, WBC, ANZ and Macquarie, Regionals comprise SUN, JDO and BEN and Internationals comprise HSBC, Rabobank and ING.

NET INTEREST MARGIN

Net interest margin – FY25 to FY26

Net interest margin (%) – FY25 to FY26

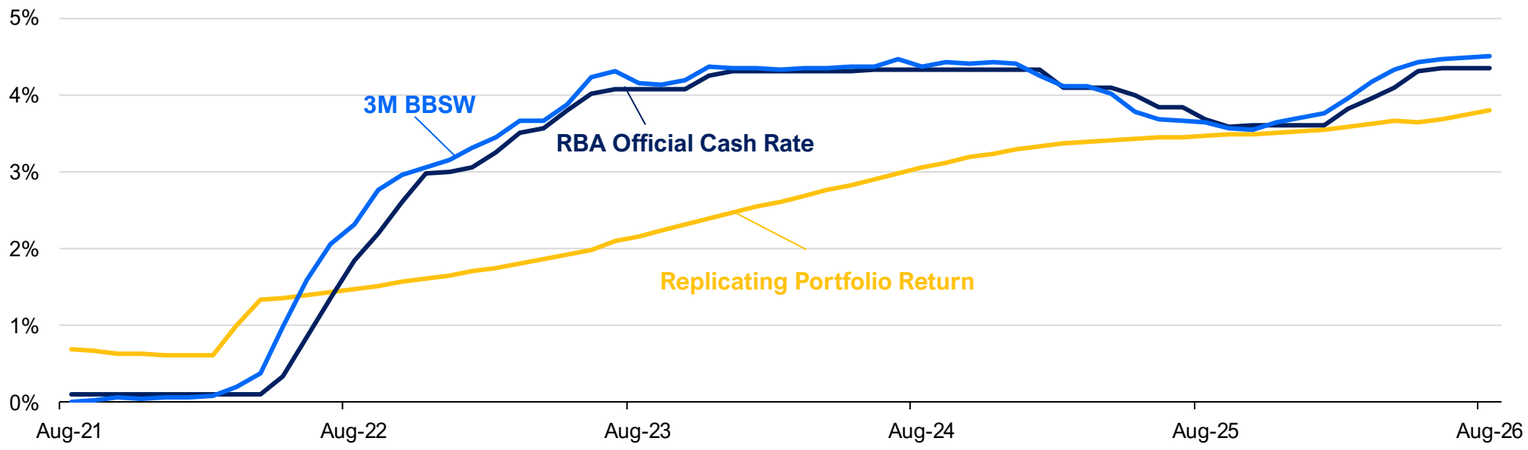


Replicating portfolio

Summary

- The replicating portfolio is a tool to smooth earnings through the interest rate cycle
- Capital tenor remains at three years
- Low-cost deposit tenor remains at five years to align to the behaviour of the underlying deposits
- The replicating portfolio and uninvested capital and low-cost deposits contributed three basis points to NIM in 2H26
- 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



	1H26 Balance ($bn)	2H26 Balance ($bn)	2H26 Avg. Return	Exit Return Rate	Investment Term
Capital	4.1	4.1	3.76%	3.89%	3 years
Low-cost deposits	4.3	4.3	3.64%	3.71%	5 years
Total replicating portfolio	**8.4**	**8.4**	3.70%	3.80%	4 years
Uninvested capital and low-cost deposits	2.8	2.5	4.34%	4.42%	3 months[1]

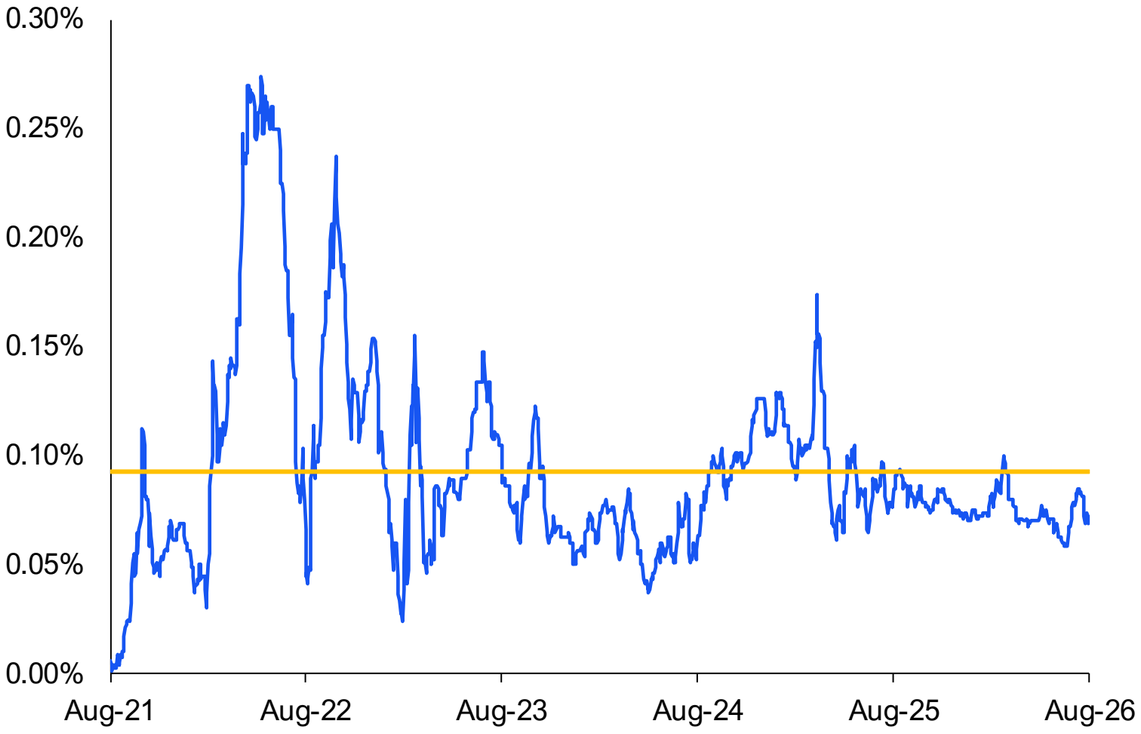
(1) Invested at the overnight cash rate plus nine-month average of the three-month Bills/OIS spread for a nine-month tenor.

Hedging costs - basis risk

Summary

- BOQ's basis risk exposure fell in 2H26 due to the balance of variable rate assets falling more than at-call deposits
- Hedging costs contributed ~1bp to NIM in 2H26
- Current sensitivity is 1bp of NIM for every 10bps change in basis spread

Long-term basis risk avg - 9 bps

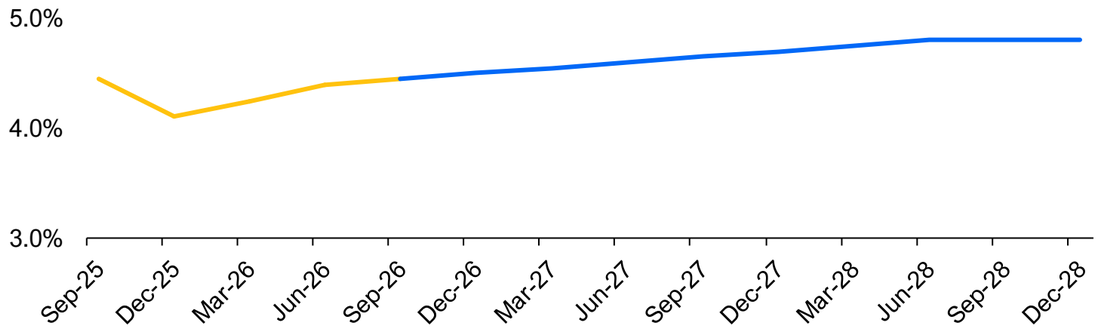


PORTFOLIO QUALITY

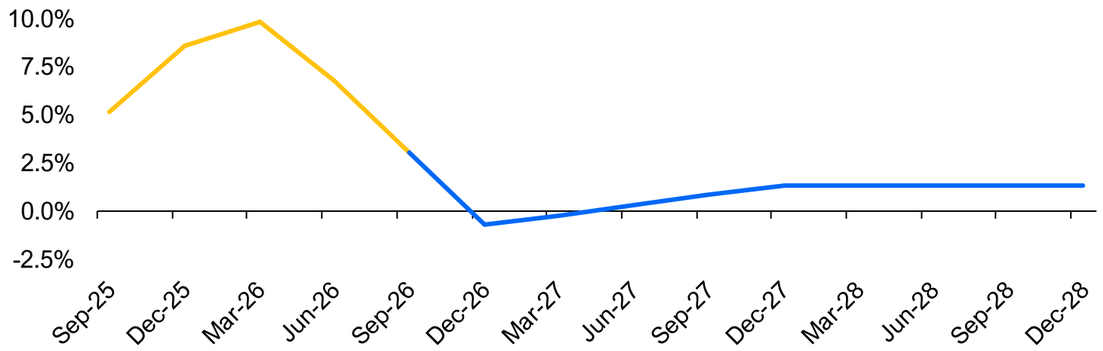
BOQ GROUP

Collective provisioning

Unemployment rate (%)



House price index (%)



Economic forecasts[1] (calendar year) (%)

	Base			Downside		
	2026	2027	2028	**2026**	2027	2028
GDP (YoY growth %)	**1.4**	1.6	1.8	**0.4**	(1.2)	0.6
Unemployment rate (%)	**4.5**	4.7	4.8	**5.0**	7.4	7.8
Residential property prices (YoY % change)	**(0.7)**	1.4	1.4	**(2.4)**	(13.7)	(8.0)
Commercial property prices (YoY % change)	**2.1**	3.9	3.9	**(3.3)**	(15.1)	(7.1)
Cash rate (%)	**4.4**	4.5	4.4	**4.5**	3.7	3.4

Scenario weights

	Upside		Base		Downside		Severe	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025
Weighting	**5%**	5%	**50%**	50%	**30%**	30%	**15%**	15%

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

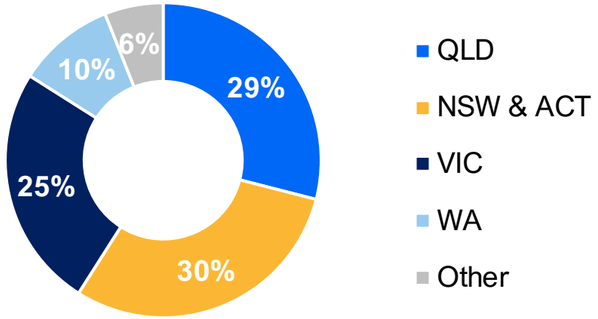
Housing loan portfolio

Diversified portfolio with conservative LVR lending

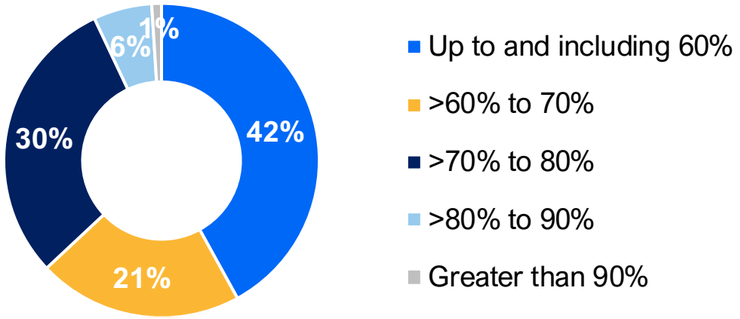
Summary

- Housing portfolio diversified across geography and channel
- ~99% of customers with LVR =<90%, with FY26 flow above 90% at 0.7%
- ~93% of customers with LVR =<80%, with FY26 flow above 80% at 4.7%

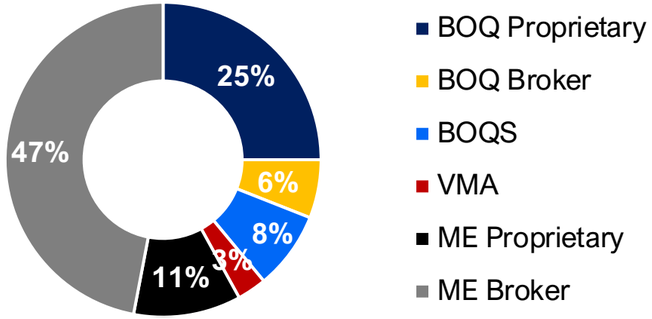
Housing portfolio by geography (%)



Housing portfolio by LVR (%)



Housing portfolio by channel (%)



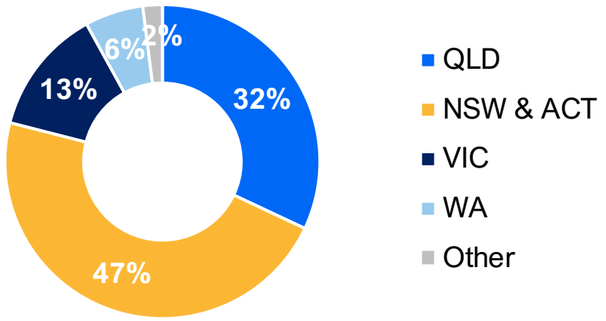
Commercial portfolio

Balanced portfolio with controlled risk exposures

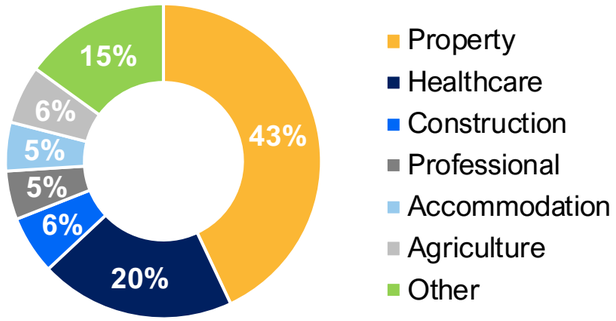
Summary

- Commercial portfolio diversified geographically and by industry
- Credit quality remains sound, with no material deterioration observed. 30 DPD arrears down 20bps on FY25 and a modest 5bps increase in 90 DPD
- Property portfolio weighted to investment lending, with minimal development exposure and strong security coverage
- Property and construction industry segments continue to be closely monitored

Commercial by geography (%)



Commercial by industry[1] (%)



(1) Based on industry ANZSIC categorisation.

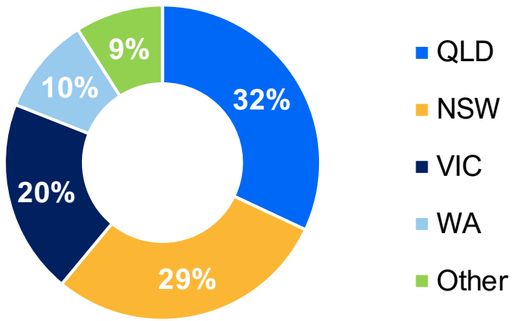
Asset finance portfolio

Rebased portfolio following the capital partnership, weighted to novated leasing

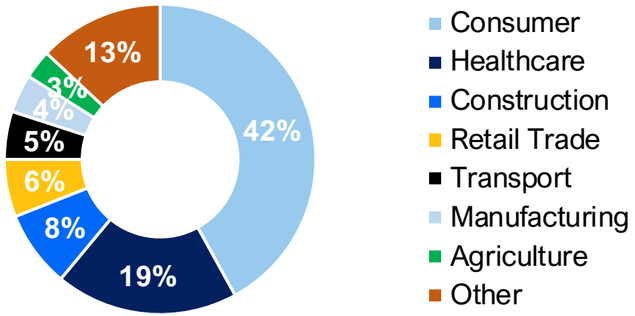
Summary

- ~$3.6bn equipment finance whole-of-loan sale to Challenger completed in May 2026, with BOQ continuing to originate and service equipment finance supported by the forward flow arrangement
- Asset finance portfolio remains diversified across geography and channel, with a stronger weighting to novated leasing
- Arrears rates elevated on a smaller portfolio, with arrears balances lower

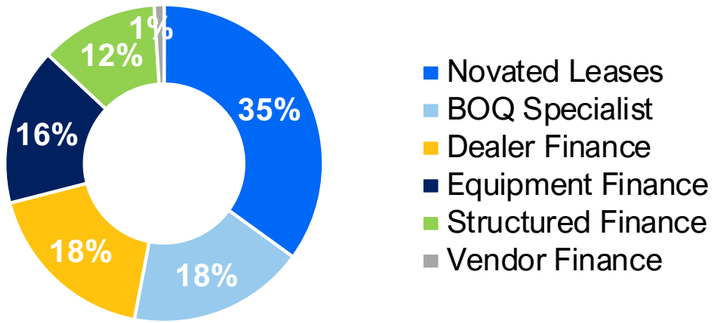
Asset finance by geography (%)



Asset finance by industry[1] (%)



Asset finance by channel (%)



(1) Based on industry ANZSIC categorisation.

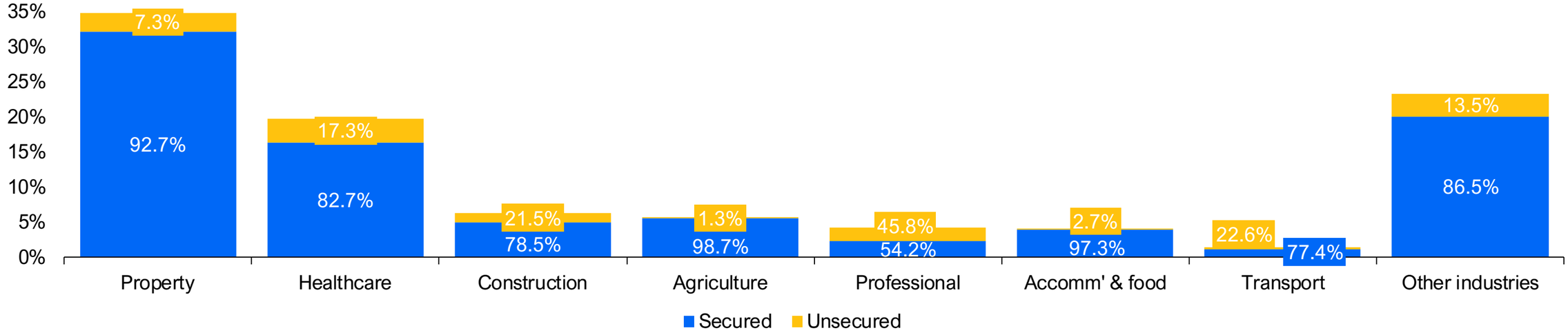
Business bank lending portfolio

Well diversified and underpinned by quality security

Summary

- Business bank portfolio diversified geographically with a diverse channel mix
- The portfolio is well secured with ~13% unsecured lending
- Commercial loss rates remain well below long-run averages, with asset finance losses elevated on a smaller portfolio

Business portfolio security status by industry[1]



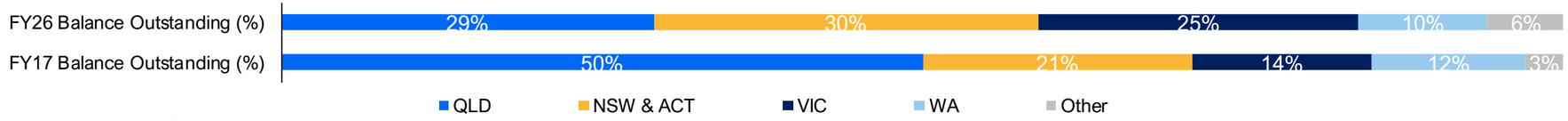
(1) Based on industry ANZSIC categorisation.

BOQ GROUP

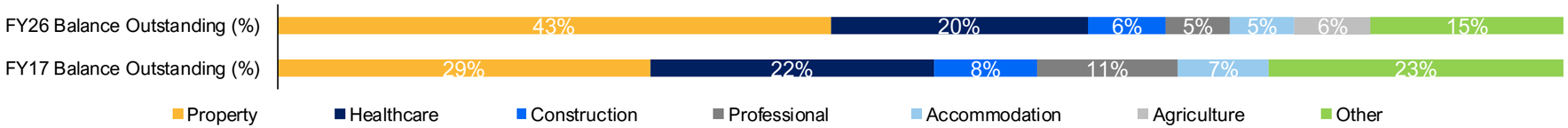
Industry and geographic split over time

Enhanced diversification over time

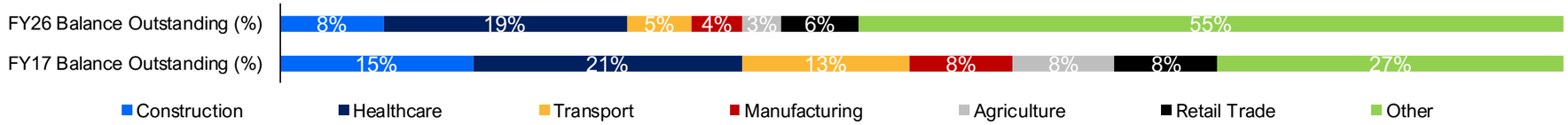
Housing loans - geographic split over time[1] (%)



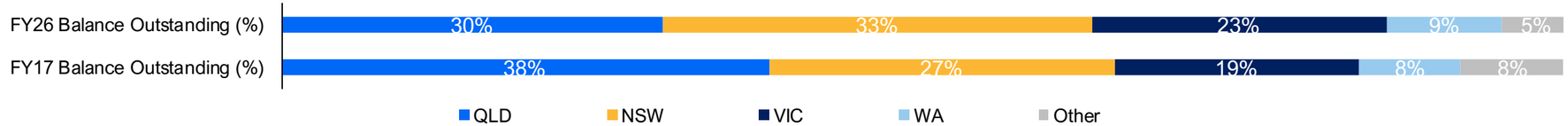
Commercial - industry segments over time (%)



Asset finance - industry segments over time (%)



Total lending - geographic split over time[2] (%)



(1) FY17 has not been restated to include ME.
(2) Excludes consumer.

BOQ GROUP

Emerging risks to portfolio quality

Macroeconomic environment

- Higher energy costs and rising interest rates will likely slow the economy further in FY27
- Cost-of-living pressures continue to weigh upon consumer and business confidence
- Cash rates likely to have peaked, possibility remains of further increase this financial year; reductions are not expected before calendar year 2028
- Declining house prices
- Transport and construction sectors showing signs of stress

Outlook for credit losses

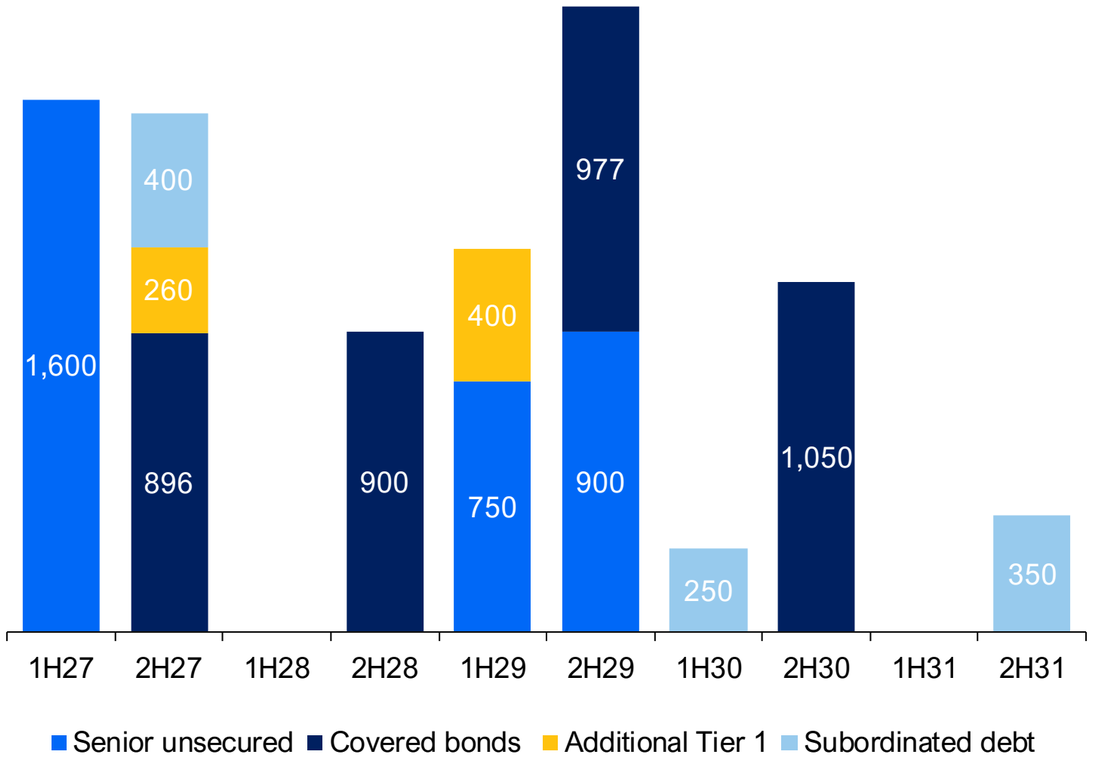
- LIE increased from a low base, with retail and commercial loss rates remaining well below long-run averages
- Collective provision scenario weights retained, with 45% weighting to downside scenarios and the severity of these scenarios increased
- Overlays in place for key industries expected to be impacted by economic uncertainty and any segments of the portfolio undergoing stress
- Low unemployment and resilient mortgage repayment buffers, with a well-secured portfolio and prudent provisioning, position BOQ well for a changing credit loss environment

FUNDING & LIQUIDITY

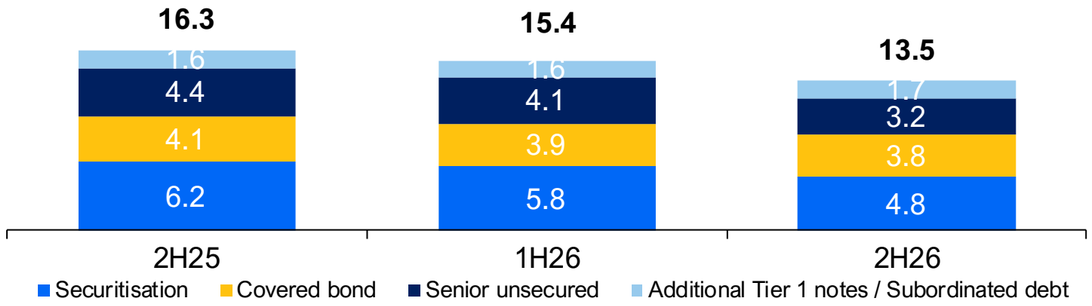
BOQ GROUP

Funding

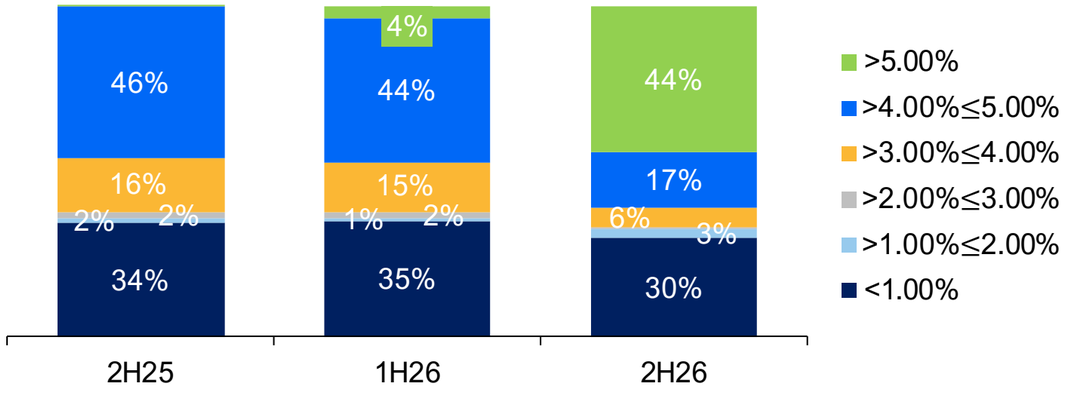
Major maturities[1, 2, 3] ($m)



Long term wholesale funding ($bn)



Customer at-call deposit funding costs[4]



(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 include retail and commercial transaction and savings & investment accounts, and treasury retail accounts. Excludes offset accounts and term deposits.

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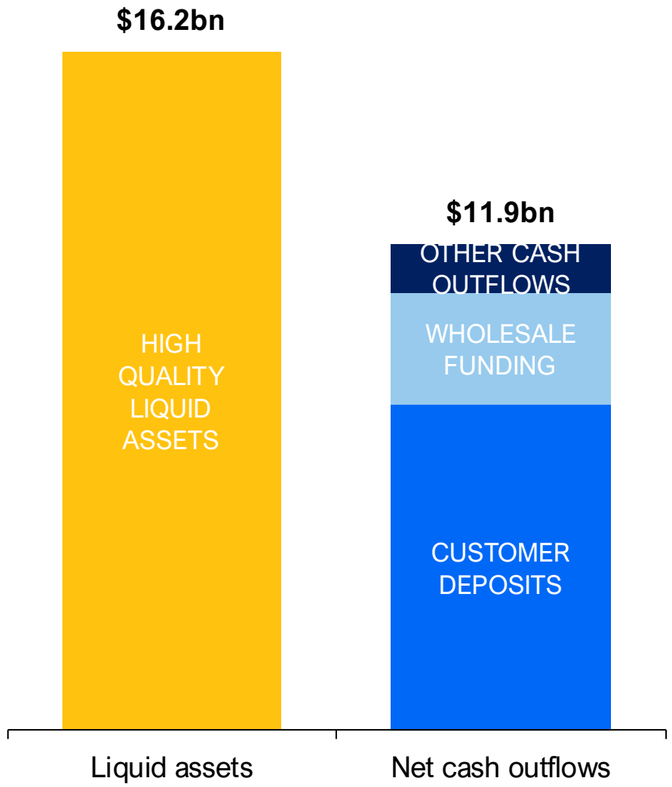
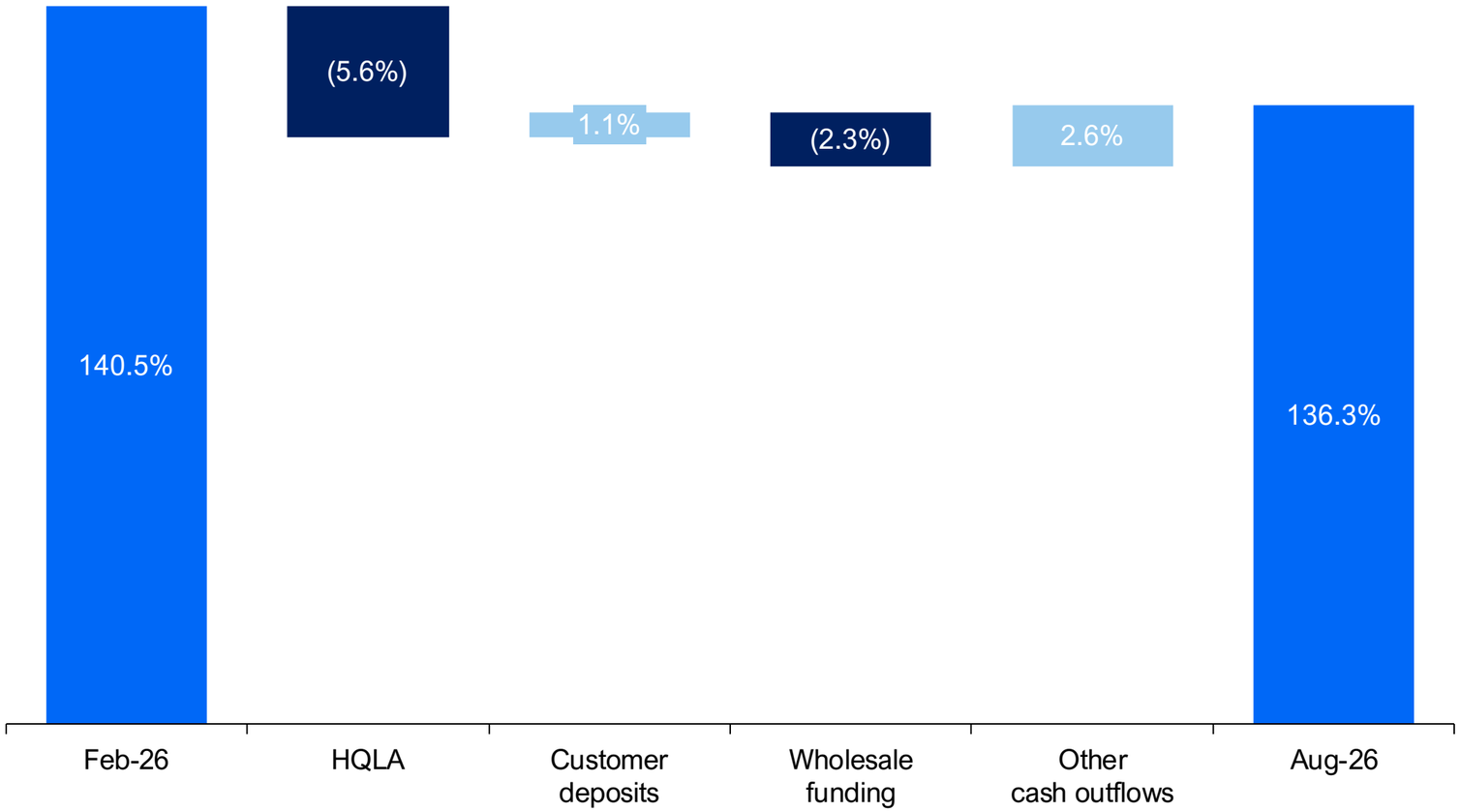
Liquidity coverage ratio (LCR)

LCR (Aug-26) – 136.3%



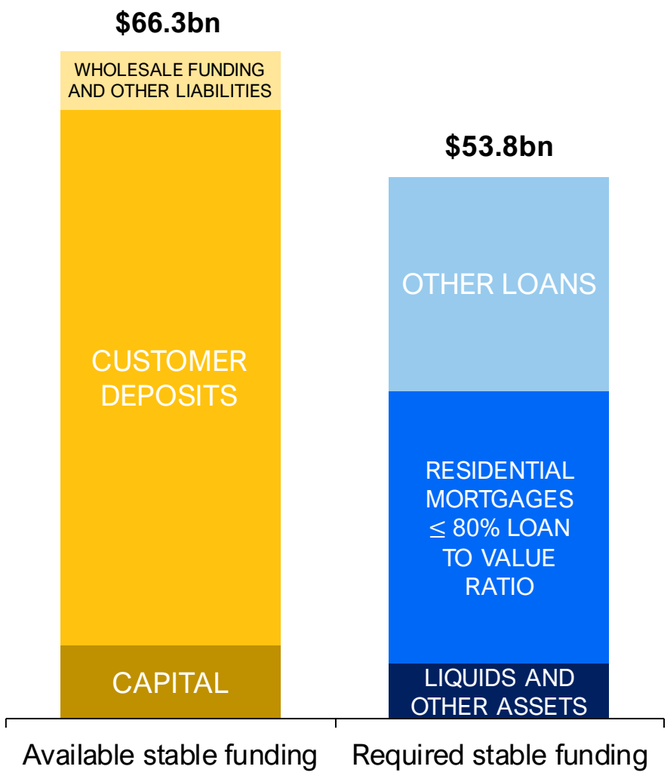
LCR waterfall (Feb-26 to Aug-26)



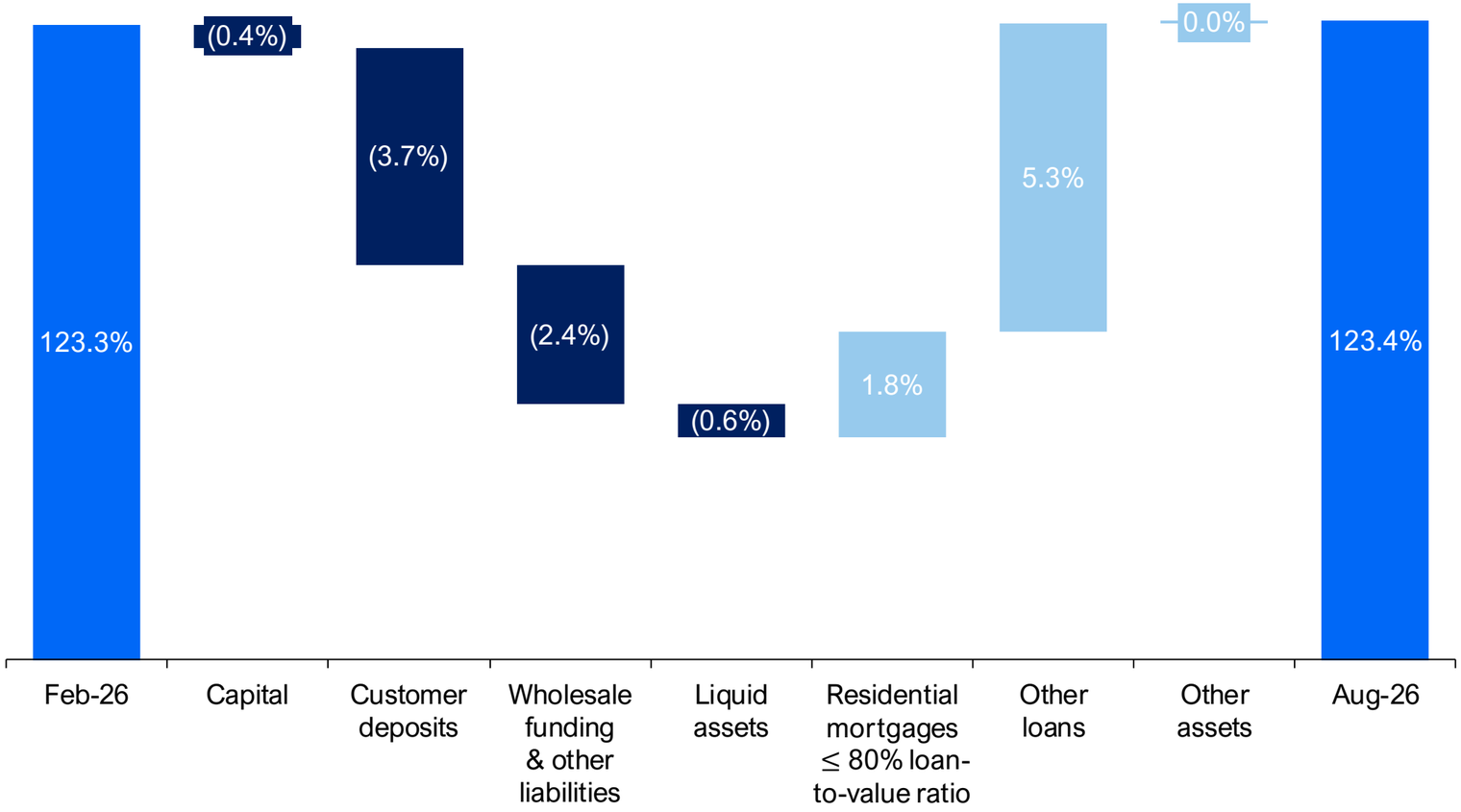
Note: Liquidity coverage ratio reported on a quarterly average basis.

Net stable funding ratio (NSFR)

NSFR (Aug-26) – 123.4%



NSFR waterfall (Feb-26 to Aug-26)



Note: Net stable funding ratio reported on a spot basis.

Credit rating

Current debt ratings[1]

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 Investors Service.

ECONOMIC ASSUMPTIONS

Macroeconomic environment[1]

The economic outlook is uncertain

Macroeconomic overview

- Economic growth is likely to moderate in the coming financial year due to higher inflation and interest rates
- The labour market is softening from a historically strong level
- Decent growth in capital expenditure is likely, notably in technology-related areas
- Cash rates likely to have peaked, possibility remains of further increase this financial year
- The inflation outlook and global developments are the principal causes of uncertainty

(1) BOQ house view.

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Housing, business lending and deposit outlook[1]

The economic outlook is uncertain

Housing outlook

- Higher inflation and interest rates are weighing upon consumer sentiment
- Affordability remains a significant issue in the housing market despite the recent decline in house prices
- House prices are likely to remain under pressure at least until there is a change in the interest rate cycle
- A further modest rise in the unemployment rate is projected for this financial year

Business lending outlook

- Surveys point to business trading conditions being a little below average
- Cost inflation is the key issue for many firms, particularly higher energy prices
- Worker availability remains a constraint for some sectors although it is less of a problem than in 2022-23

Deposits outlook

- Moderating national income growth will likely slow the growth in deposits in the coming year
- This will be partially offset by higher interest rates increasing the attractiveness of deposits for households

(1) BOQ house view.

ABOUT BOQ GROUP

BOQ Group

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

Our differentiators

- Proud 152-year Queensland heritage
- Highly specialised bankers serving niche industry segments
- Unique brand propositions
- Innovative digital offerings at scale in cloud
- Agility and proven execution capability

Our distinctive brands

Retail

- BOQ – Bank of Queenslanders
- me – Makes sense to ME
- Virgin money – Rewardingly Rewarding

Business

- BOQ SPECIALIST
- BOQ FINANCE

Key statistics for FY26

~1.4m Customers	**~550k** BOQ **~390k** VMA **~280k** ME	**~10k** BOQ Business **~30k** Specialist **~70k** Finance **~50k** Retail SME

102 Branches	**76** Mobile & Direct Bankers	**~3.5k** Employees	**$135bn** Footings[1]

87% Deposit to loan ratio	**2.01%**[2] Market share - Housing	**1.36%**[2,3] 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, August 2026. Growth rates and multiples adjusted to add back ~$15bn of residential mortgages transferred out of the APRA ADI population in August 2026 following a major bank portfolio sale to a non-ADI. This presents underlying growth and market share on a like-for-like basis.
(3) Excludes BOQ Asset Finance.

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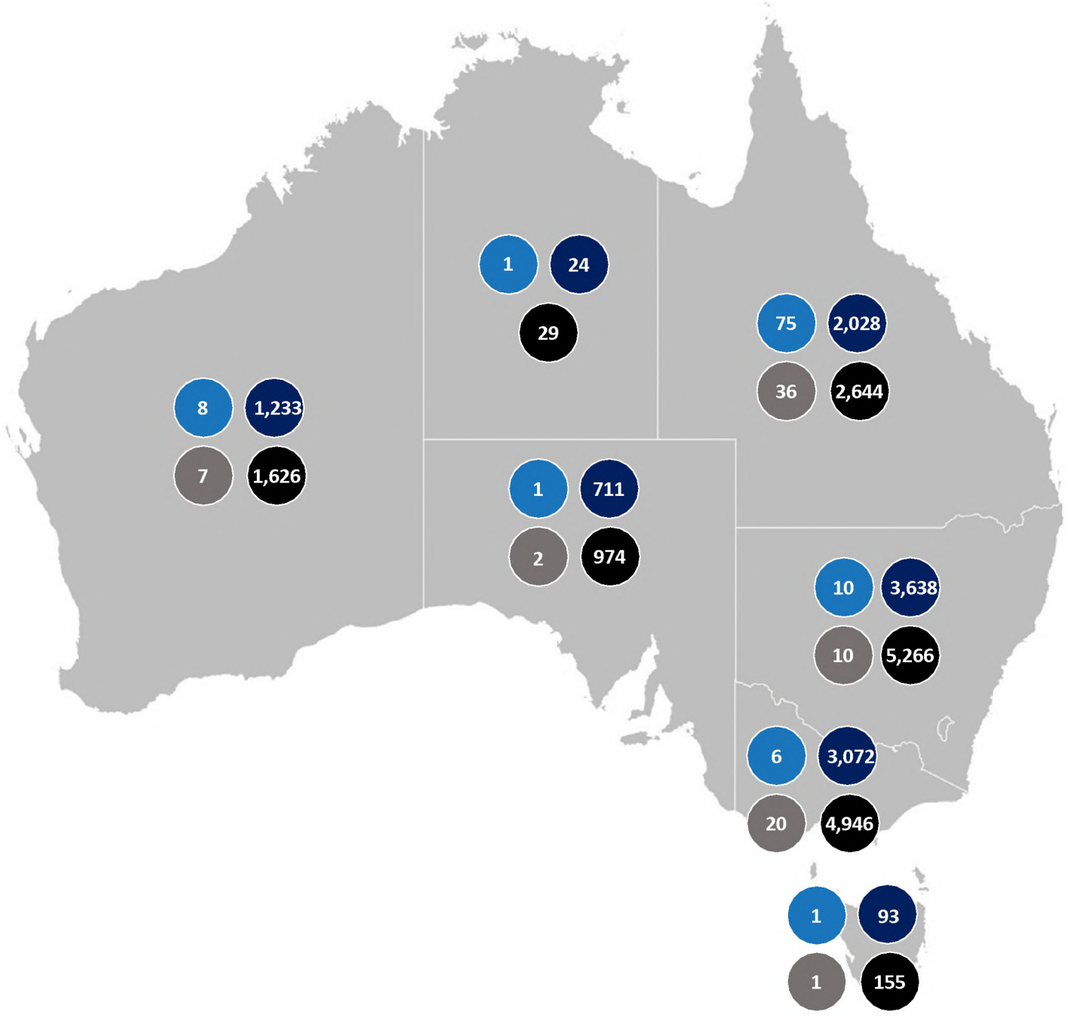
Distribution network



Summary as at 31 August 2026

	Corporate	Trans. Centre	Total
28 February 2026	99	8	**107**
31 August 2026	94	8	**102**

102 CORPORATE BRANCHES[1]

10,799 BROKERS ACCREDITED WITH BOQ

76 MOBILE & DIRECT BANKERS

15,640 BROKERS ACCREDITED WITH ME

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 94 branches and 8 transaction and service centres.

ABBREVIATIONS

Abbreviations

1H: First half of financial year
1M: One month
2H: Second half of financial year
3M: Three months
4Q: Fourth quarter of the financial year
ABS: Australian Bureau of Statistics
ADI: Authorised deposit-taking institution
AI: Artificial intelligence
AML: Anti-money laundering
ANZSIC: Australian and New Zealand Standard Industrial Classification
APRA: Australian Prudential Regulation Authority
ASX: Australian Securities Exchange
AUD: Australian dollar
AUM: Assets under management
Avg: Average
BBSW: Bank Bill Swap Rate
BOQ: Bank of Queensland
BOQS: Bank of Queensland Specialist
bps: Basis points
CAGR: Compound annual growth rate
CBD: Central business district
CET1: Common Equity Tier 1
CPI: Consumer Price Index
DPD: Days past due
DRP: Dividend Reinvestment Plan
DTI: Debt-to-income ratio
EBA: Enterprise bargaining agreement
EPS: Earnings per share
FTE: Full time equivalent
FY: Financial year
GDP: Gross domestic product
GLA: Gross loans & advances
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-value ratio
MFI: Main financial institution
NIM: Net interest margin
NPAT: Net Profit After Tax
NPS: Net Promoter Score
NSFR: Net Stable Funding Ratio
OIS: Overnight index swap
P&L: Profit and loss
PAYG: Pay-as-you-go
RAP: Remedial Action Plans
RBA: Reserve Bank of Australia
ROE: Return on equity
RWA: Risk-weighted assets
SME: Small and medium enterprises
VMA: Virgin Money Australia
YoY: Year-on-year
YTD: Year-to-date