16 APRIL 2025

BOQ GROUP

1H25 INVESTOR MATERIALS

Half year ended 28 February 2025

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BOQ GROUP

1H25 RESULTS PRESENTATION

16 APRIL 2025

Half year ended 28 February 2025

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

Patrick Allaway, Managing Director & Chief Executive Officer

Financial detail

Racheal Kellaway, Chief Financial Officer

Summary & outlook

Patrick Allaway, Managing Director & Chief Executive Officer

Q&A

Patrick Allaway, Managing Director & Chief Executive Officer

Racheal Kellaway, Chief Financial Officer

Executive Team & Senior Leaders

RESULTS OVERVIEW

Patrick Allaway

Managing Director & Chief Executive Officer

Overview

Considerable progress transforming to a simpler, specialist bank with an enhanced customer experience and improved returns

1. **Cash and statutory earnings uplift to $183m (+6%) and $171m (+13%) respectively and 40bp ROE improvement on the prior comparative period**
2. **Stable margin, benefiting from interim focus on return over growth, while we transform the retail bank to a scalable low cost to serve digital bank**
3. **Bold and strategic decisions, balancing competing priorities across stakeholder groups**
4. **Disciplined execution of key transformation milestones through the half, delivering on what we said we would do**
5. **Continued support of our customers and communities**
6. **Financially resilient with strong capital, liquidity and asset quality to provide support during a period of increasing macroeconomic uncertainty**

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Transforming to a simpler, specialist bank

Disciplined execution of strategic initiatives, with further proof points toward improved returns

Delivering through our strategic pillars…		…for improved customer outcomes
STRENGTHEN	› Delivering on RAP milestones, with independent assurance › RAPs now >30% complete › Uplifting operational resilience	Strengthening protections for our customers, increasing fraud and scam awareness and preventing and recovering customer losses
SIMPLIFY	› Successfully completed branch conversion 1 March 2025 as planned › 22 systems decommissioned › Delivering productivity initiatives with 5% expense reduction on the prior half	Reducing end-to-end complexity for our customers, simplifying our product suite and the delivery of our services
DIGITISE	› Digital mortgage pilot complete, release to market in 2H25 › Phase one of ME migration completed, successfully migrating >140k customers › 41% of retail deposit customers[1] and $9.1bn in deposits now on the digital bank	Improved customer experiences across our digital platforms, resulting in highly engaged customers
OPTIMISE	› Recycled lower returning home lending capital › Accelerated higher returning business lending growth to 10%[2] › Growing third party non-interest income	Facilitating the growth of small and medium sized Australian businesses and improving shareholder returns

(1) Includes deposit and linked VMA credit card customers
(2) Growth rate has been annualised

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1H25 results

Disciplined execution of strategic initiatives, driving improved outcomes for our shareholders

Key financial results ($m)

	1H25	1H25 v 1H24	
Total income	793	0%	–
Operating expenses	(520)	(1%)	▼
Underlying profit	**273**	**1%**	▲
Loan impairment expense	(3)	(80%)	▼
Profit before tax	**270**	**5%**	▲
Income tax expense	(87)	-	
Cash earnings after tax	**183**	**6%**	▲
Statutory net profit after tax	**171**	**13%**	▲
Return on average tangible equity[1] (%)	7.7	50bps	▲
Return on average equity (%)	6.2	40bps	▲
Basic cash earnings per share (cents)	27.9	6%	▲
Cost to income ratio (%)	65.6	(30bps)	▼
CET1 ratio (%)	10.87	11bps	▲
Dividends per ordinary share (fully franked)[2]	18.0	6%	▲

(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

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Branch conversion

A strategic proprietary channel to drive targeted customer growth and increased returns

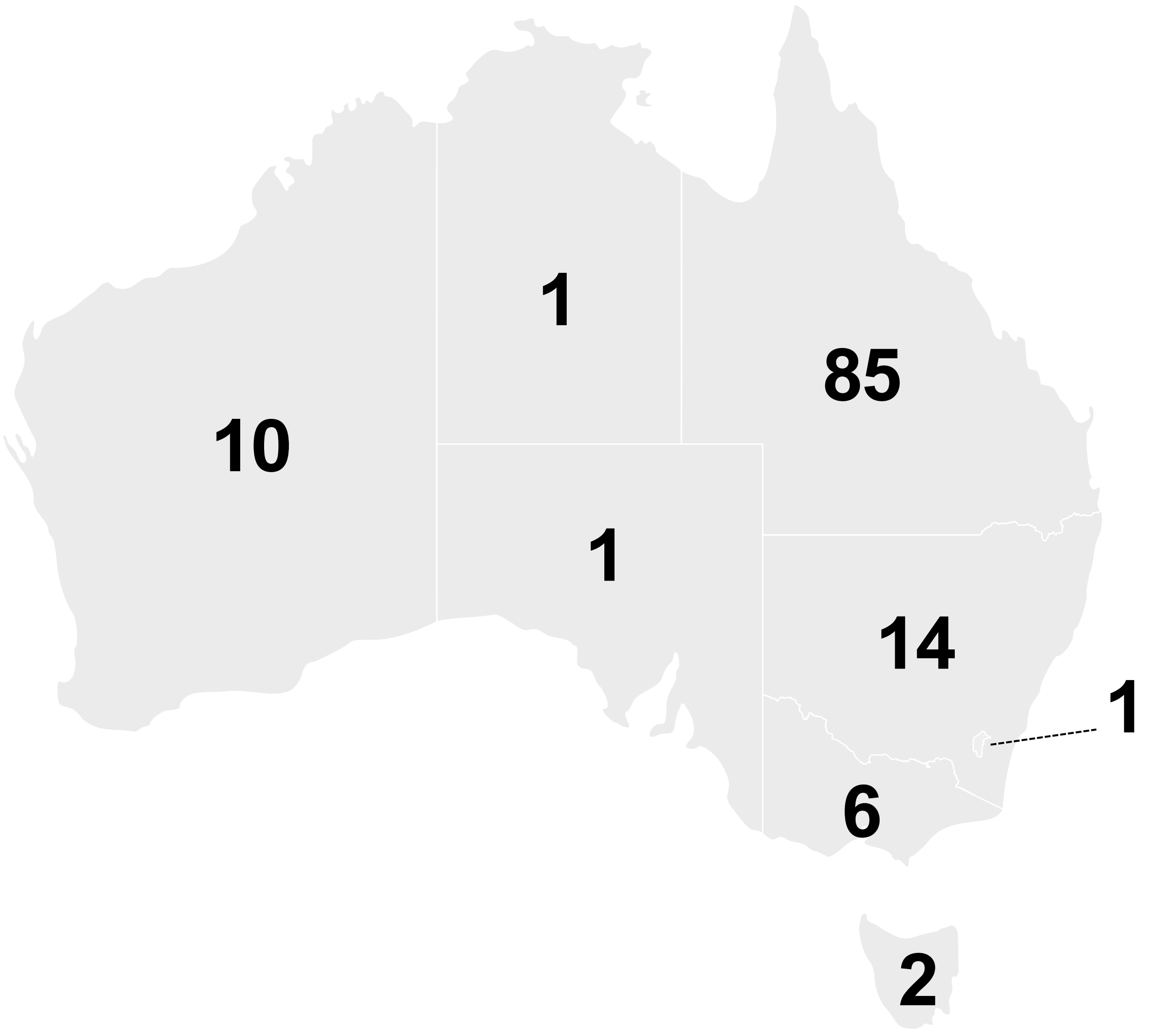
Summary

- Successfully completed branch conversion 1 March 2025 as planned
- Higher returning proprietary channel due to commission free lending
- Deposit gathering channel in-line with strategic initiatives
- Targeted growth in business bank growth corridors, focus on Queensland
- ~570 team members have joined BOQ Group
- FY26 financial metrics on target, FY26 cash NPAT benefit of ~$20m
- Continuing to work with former owners in dispute, no impact on current or future branch operations

Summary of branch movements

	OMB	Corporate	Trans. Centre[2]	Total
31 August 2024	114	17	9	**140**
1 March 2025	-	111[1]	9	**120**

(1) 18 Owner Managed branches and 2 corporate branches predominately in metropolitan locations were consolidated prior to the 1 March 2025 conversion
(2) Transaction and service centres



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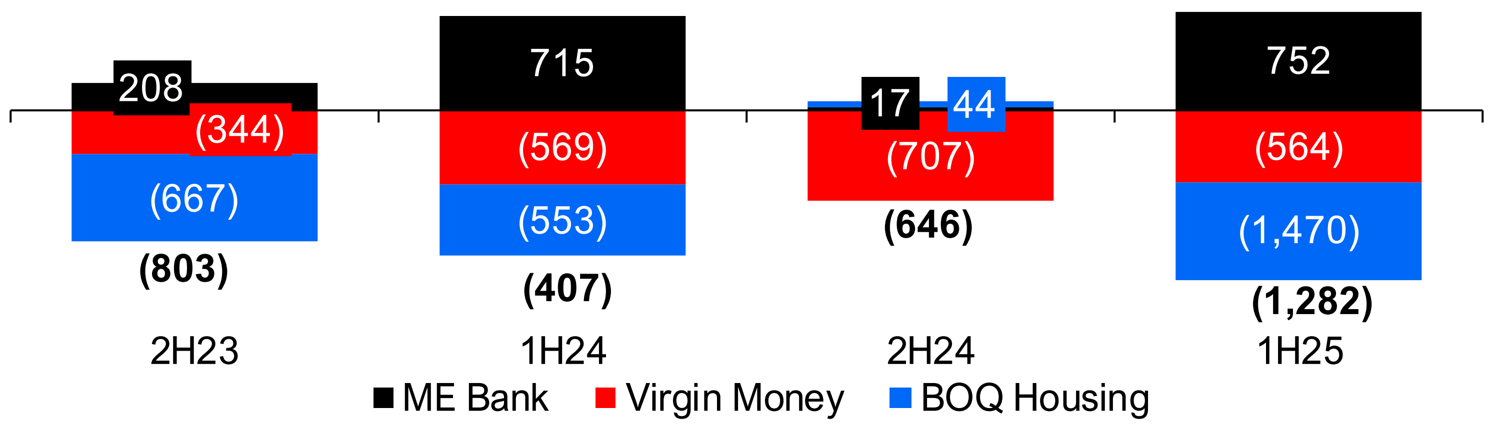
Retail banking overview

Focus on transformation and interim return over growth, as we deliver our scalable low cost to serve digital bank

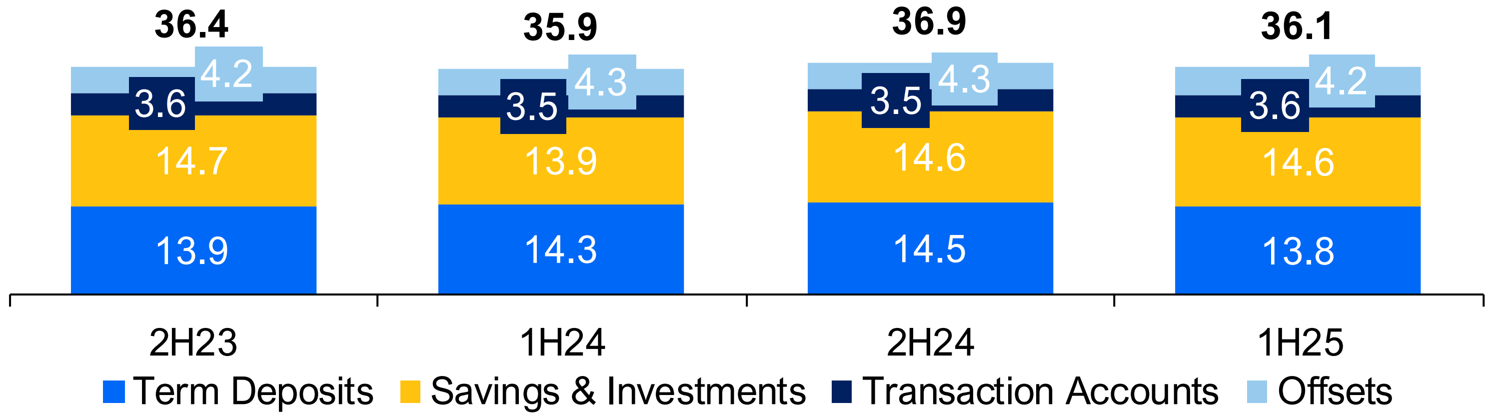
Summary

- Consistent execution of strategic initiatives
  - OMB network successfully converted 1 March 2025
  - ~140k ME customers migrated to the digital platform
- Continued moderation of home lending volumes as capital was deployed to higher returning business lending
- Growth was prioritised through lower cost to acquire ME channel
- Optimised funding mix with lower funding required
- Continued momentum in credit cards, insurance and superannuation supporting non-interest income
- Focus remains on scaling our low cost to serve digital banking platform and phased launch to market of digital mortgages
- FY25 anticipated to represent peak mortgage book contraction
- Our converted proprietary channel and digital mortgages will deliver returns above our cost of capital at current rates

Home lending growth ($m)



Deposit funding ($bn)



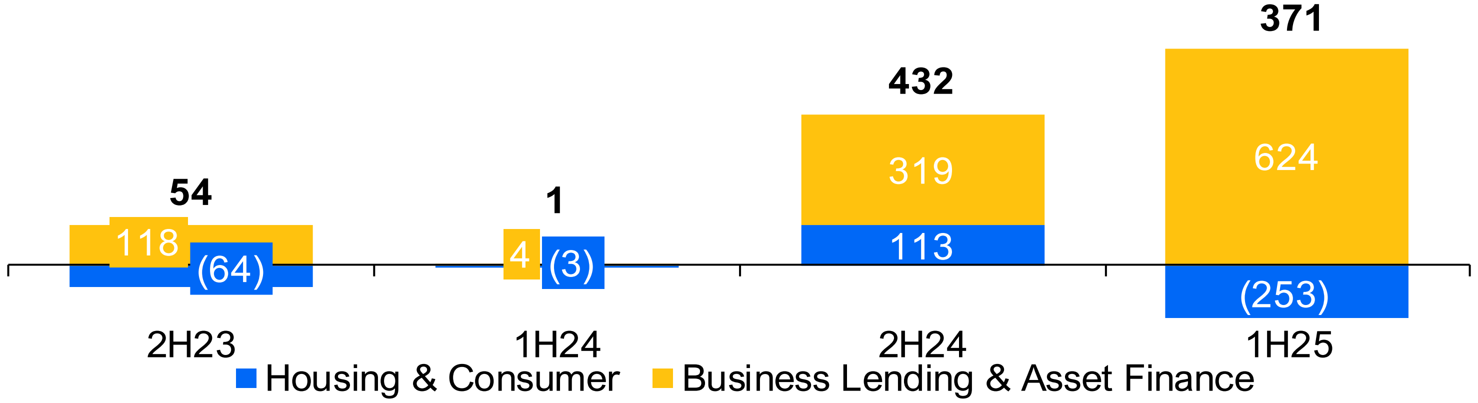
Business banking overview

Accelerated lending growth reflects focused execution on targeted specialist segments

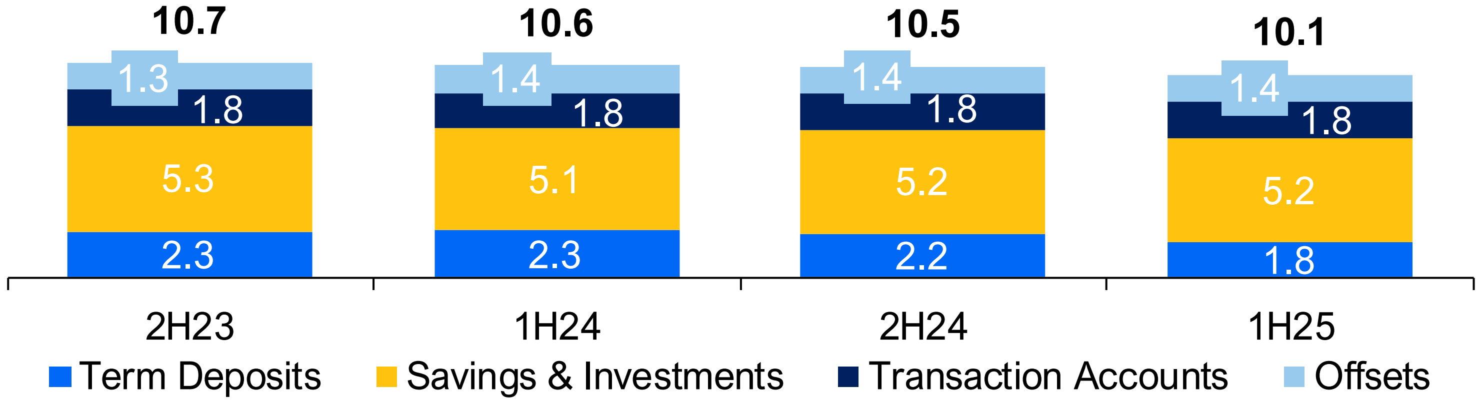
Summary

- Business lending growth of 10%[1] broadly in line with system
- Growth driven by focus on specialist sectors of healthcare, agriculture and owner-occupied commercial property
- Asset finance growth driven by strong demand in novated leasing offset by seasonal slowdown in cashflow finance and other portfolios
- Underlying margin stable in 1H25 as optimisation of funding offset impact of continued competitive pressure
- Onboarded 22 bankers in the past nine months, delivering above expectations. Additional 30 bankers planned through to FY26
- Branch conversion provides growth corridor opportunities, early success of the new model delivered $130m of business lending growth in 1H25 from a single branch

Lending growth ($m)



Deposit funding ($bn)



(1) Growth rate has been annualised

Living our purpose and values

Supporting our customers, communities and people

Customer & communities

- 150-year Queensland heritage: renewed focus on Queensland, building on our foundational strength
- Supporting the growth aspirations of ~160k businesses and helping ~210k households achieve their home ownership goals
- Providing financial difficulty assistance to over 2k customers, including support to those impacted by natural disasters
- Supporting our communities through partnerships with: Orange Sky Australia, Beyond Blue, Clontarf Foundation, Australian Wildlife Conservancy, Minus18, Stars Foundation and National Breast Cancer Foundation
- Partnership with Queensland Rugby Union and official sponsor of the Men's and Women's QLD Reds teams

Our people

- Our people experience score has held steady at 71% during a period of significant change
- Uplift in our risk mindset and behaviours with our Risk Culture Index increasing 1% to 70%
- New Culture Transformation Index implemented, providing a baseline for future culture transformation activity
- Refreshed Code of Conduct
- Improved performance framework, aligned to strategic priorities
- Launched enterprise-wide change management framework

Sustainability

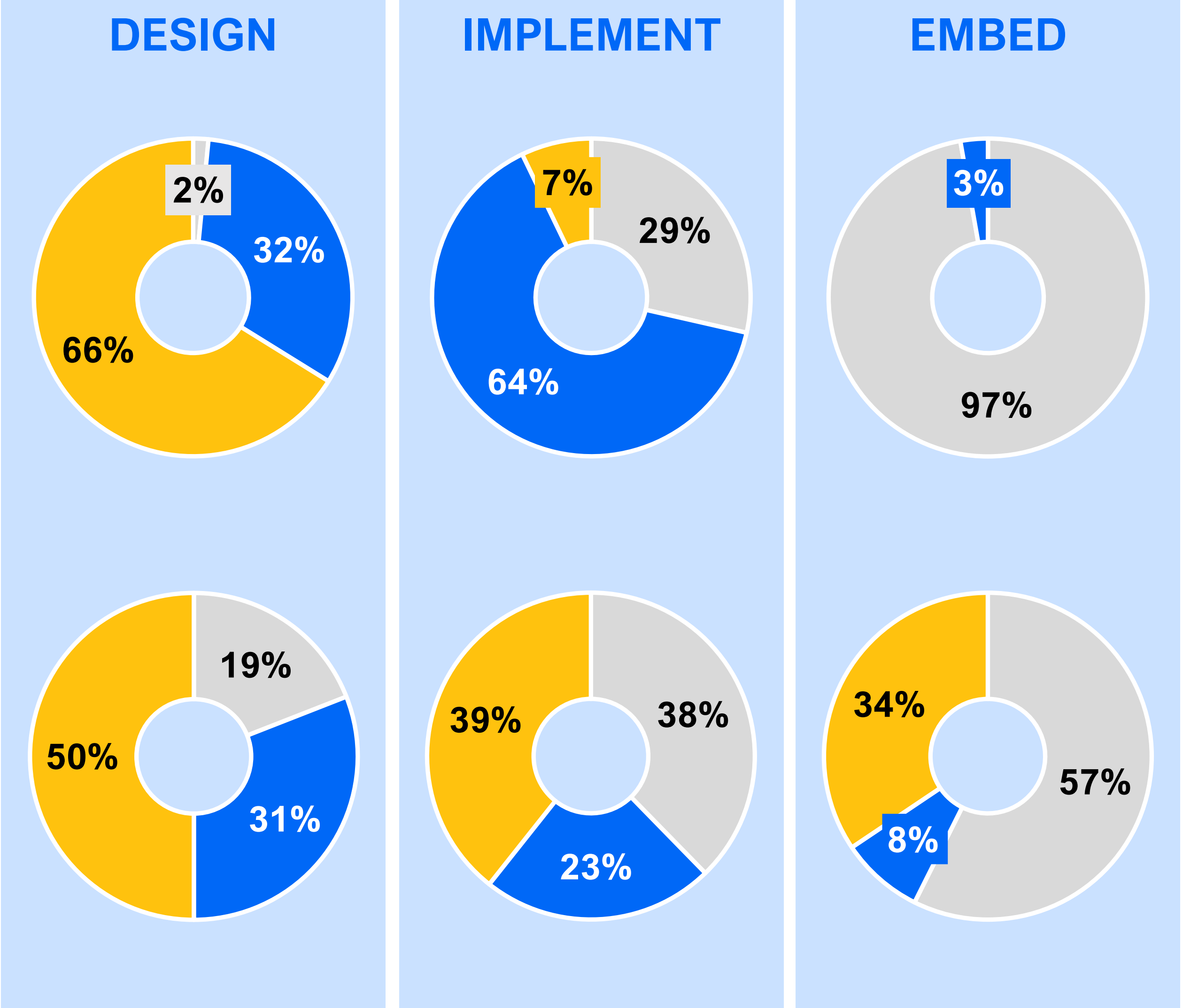
- Deepened engagement with industry, regulators and stakeholders
- Committed to the Net-Zero Banking Alliance: continued to progress implementation of the UN Principles for Responsible Banking
- Preparing for mandatory climate-related financial disclosures: enhancing governance and focusing on quantifying climate risk metrics

Strengthening BOQ

Building stronger foundations through financial and operational resilience, and improved risk culture

	Key Achievements
Program rQ *Strengthen risk culture, governance, and financial and operational resilience to be a stronger, simpler and digitally enabled bank*	✓ Material uplift in Board and management governance practices, strengthening oversight and accountability ✓ Improved transparency and timeliness of reporting, advancing enterprise decision making ✓ Launched a refreshed BOQ Code of Conduct, reinforcing a clear and consistent tone from the top ✓ Sustained proactive and open regulatory engagement ✓ Updated key frameworks for managing risk, compliance and capability ✓ Amplified risk culture measurement, reporting and action planning
AML First *An enterprise-wide remediation and transformation program designed to address weaknesses and gaps across AML / CTF operating model*	✓ Improvements across key AML and CTF processes, resulting in better outcomes ✓ Uplifted Board and senior management reporting on AML and CTF obligations to increase oversight ✓ Group wide AML and CTF awareness training released ✓ Sustained proactive and open regulatory engagement

Progress



Legend: Not started Commenced Closed

Note: As disclosed in its 1H25 Interim Report, BOQ has engaged with and expects to continue to engage with its regulators

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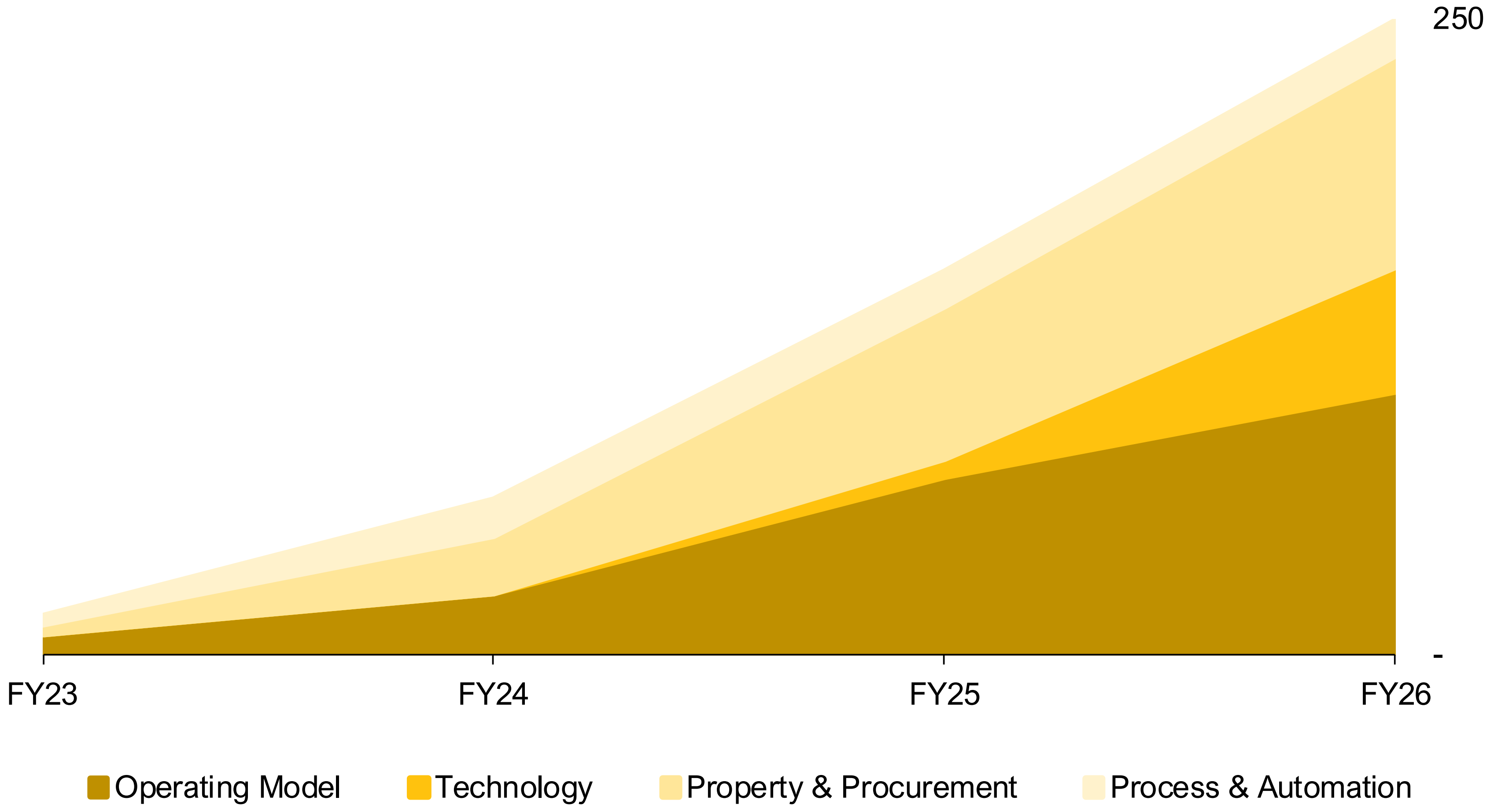
Simplifying BOQ

Reducing complexity to enable scale, using size and agility as a competitive advantage

FY26 $250m productivity target[1]



(1) Profile is indicative and subject to changing prioritisation

Focus areas

1 Operating Model
- Consolidation of shared service activities
- Review of supplier partnerships
- Simplifying/consolidating distribution channels
- Reducing spans, layers and FTE
- Further product rationalisation

2 Technology
- Completing target state build
- Decommissioning of legacy systems and heritage bank

3 Property & Procurement
- Reduce property footprint
- Review of vendors, optimising third party spend

4 Process & Automation
- Simplifying processes, providing future scale benefits
- Adopting the use of AI tools, leveraging our strategic partnership with Microsoft

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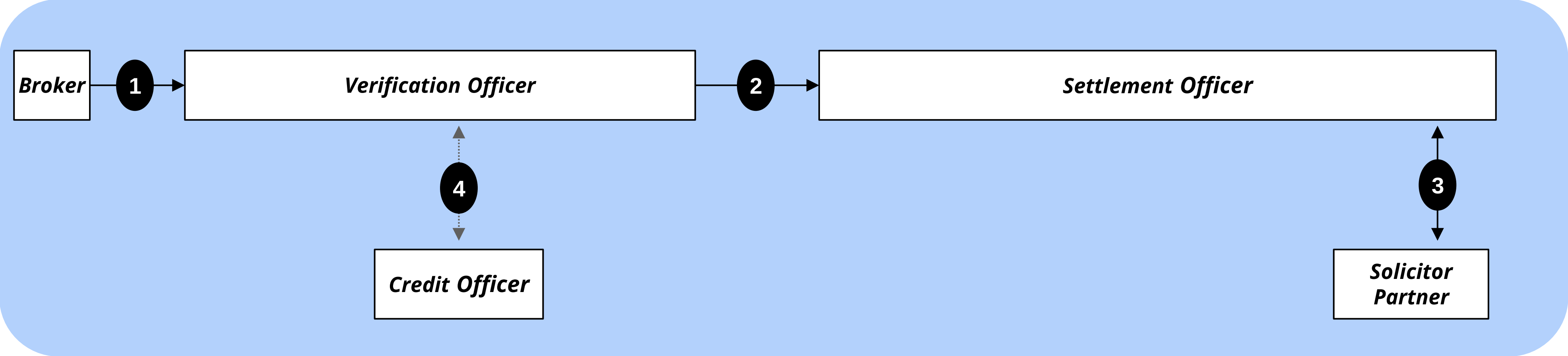
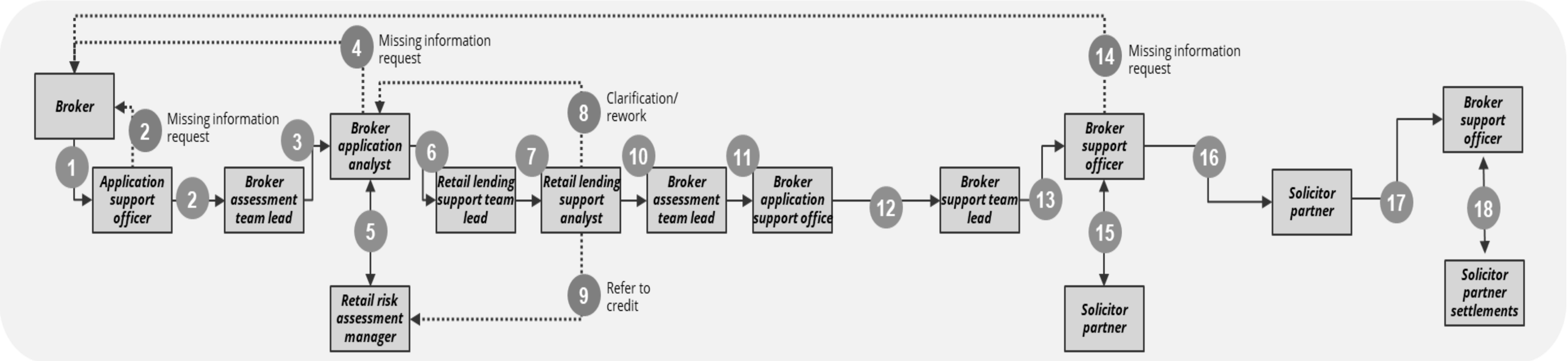
Digitising BOQ | Lending

Our digital mortgage is fast, cost-efficient, scalable and delivers a superior customer experience

CUSTOMER HOME LENDING JOURNEY

	HAND-OFFS[1]	TIME TO YES[2]	COST[3]
TO	3	<1	50%
FROM	18	20	$$





Note: Legacy process refers to VMA and BOQ legacy loan origination process
(1) 4 handoffs if a more complex loan requiring higher credit delegation
(2) Same day time to yes for simple refinance; joint applicants, PAYG, no lenders mortgage insurance and all supporting documentation provided up front
(3) Cost reduction per application origination, based on original brand and channel baseline mix

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Digitising BOQ | Deposits

Progressively scaling our digital platforms, improving our customer experience

Growing our digital platforms…

…delivering financial and customer outcomes

~55%

Customer growth with 41% of retail deposit customers[1] now on the digital platform

~$9.1bn

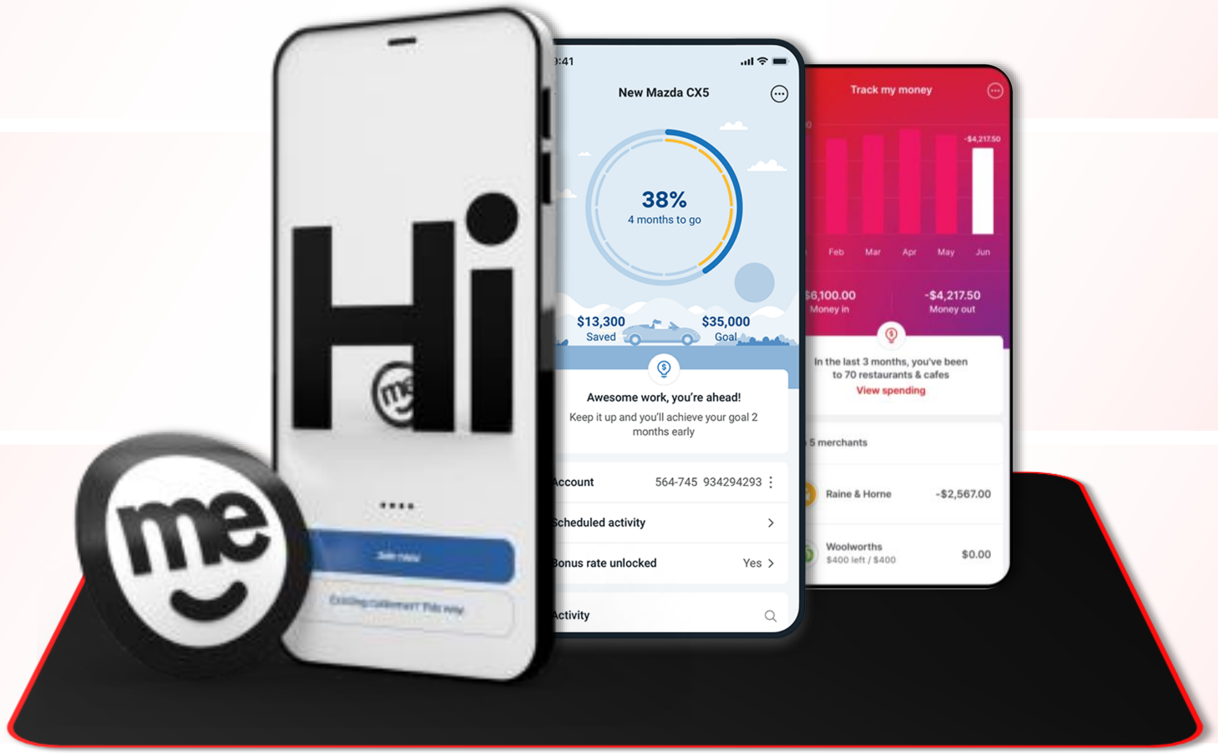
At-call deposit balances, with an average balance of ~$23k

47%

Customers aged between 25 – 45

SCALING CUSTOMER GROWTH

ENHANCED DIGITAL EXPERIENCES



~45%

Reduction in operational unit cost of customers against legacy[2]

32%

Customers engaging with our new Personal Financial Management tool

4.5 vs 1.4

Average app store ratings[3] against legacy

(1) Includes deposit and linked VMA credit card customers
(2) Once migration from all legacy platforms is complete
(3) App store ratings are based on a scale of one to five stars

Optimising BOQ

Transformation benefits improving shareholder returns, escalating into FY26

Clear pathway to FY26 8% ROE & 56% CTI targets

REVENUE

- Further accelerating the growth of our business bank and finance company, including targeted growth corridors in Queensland, demonstrated by 10% annualised growth in 1H25
- Material net-interest income uplift from branch conversion, with a 12bps positive impact to NIM from March
- Growing third party non-interest income with partners in retail banking
- Further optimising the performance of the branch network, including consolidation. Previous target was +$20m in FY26, this is on track to be exceeded

EXPENSES

- $250m productivity initiative offsetting inflation, investment, materially higher amortisation and cost of running branch network[1]
  - Simplifying our operating model and distribution channels
  - Decommissioning of legacy systems and heritage bank, moving to our future state technology stack
  - Reduction of our property footprint
  - Taking action to reduce third party spend

BALANCE SHEET

- Further optimising how we allocate our capital
- Peak home lending contraction in FY25 with higher returning growth as we phase digital mortgages and grow proprietary channels, both having materially lower acquisition costs
- Scaling lower cost funding on our digital platform

(1) All owner managed branches converted on or prior to 1 March 2025. From this date the ongoing operating cost of this channel will be incurred within BOQ's operating expenses

FINANCIAL DETAIL

Racheal Kellaway

Chief Financial Officer

BOQ GROUP

Financial performance

Disciplined execution driving earnings improvement

Key financial results ($m)

	1H25	2H24	1H25 v 2H24		1H24	1H25 v 1H24	
Net interest income	725	738	(2%)	▼	725	0%	–
Non-interest income	68	67	1%	▲	70	(3%)	▼
Total income	**793**	**805**	**(1%)**	▼	**795**	**0%**	–
Operating expenses	(520)	(545)	(5%)	▼	(524)	(1%)	▼
Underlying profit	**273**	**260**	**5%**	▲	**271**	**1%**	▲
Loan impairment expense	(3)	(5)	(40%)	▼	(15)	(80%)	▼
Cash earnings after tax	**183**	**171**	**7%**	▲	**172**	**6%**	▲
Statutory net profit after tax	**171**	**134**	**28%**	▲	**151**	**13%**	▲

Non-cash items

Statutory adjustments reflect strategic decisions made to simplify the business

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

	1H25	2H24	1H24
Cash earnings after tax	**183**	**171**	**172**
Branch strategy[1]	(16)	-	-
Restructuring costs[2]	-	(33)	-
Sale of New Zealand asset portfolio[3]	-	(3)	(19)
Hedge ineffectiveness	1	(1)	(3)
Amortisation of acquisition fair value adjustments	3	-	1
Statutory net profit after tax	**171**	**134**	**151**

(1) 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 1H25 Interim Report and also its disclosure to the ASX dated 22 August 2024
(2) Further detail has been provided in BOQ's FY24 and FY23 Annual Report and also its disclosure to the ASX dated 22 August 2024 and 29 September 2023
(3) The sale of New Zealand asset portfolio was completed on 31 March 2024. Further detail has been provided in BOQ's FY24 Annual Report and also its disclosure to the ASX dated 2 April 2024 and 2 February 2024

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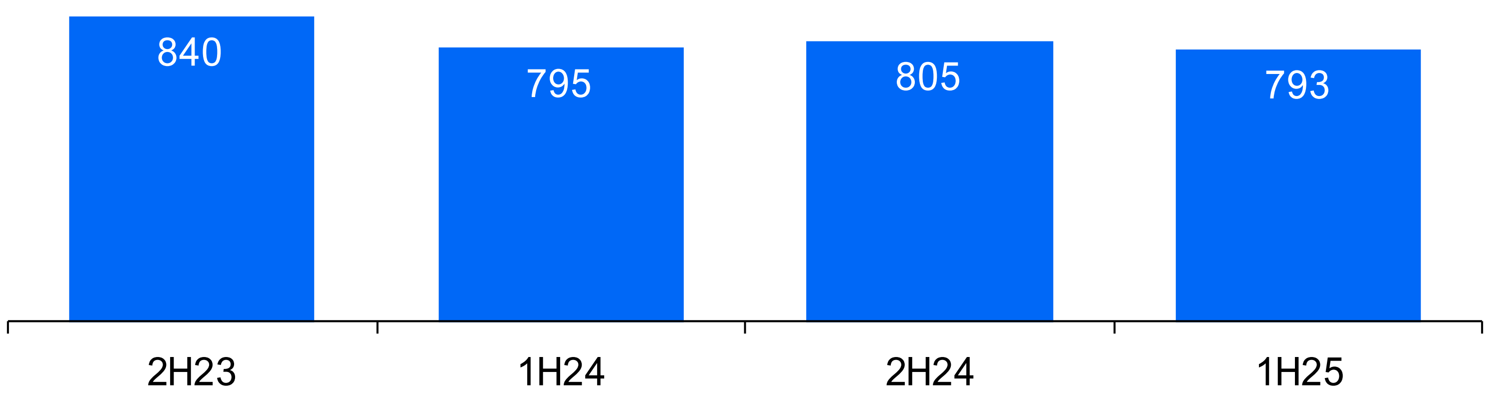
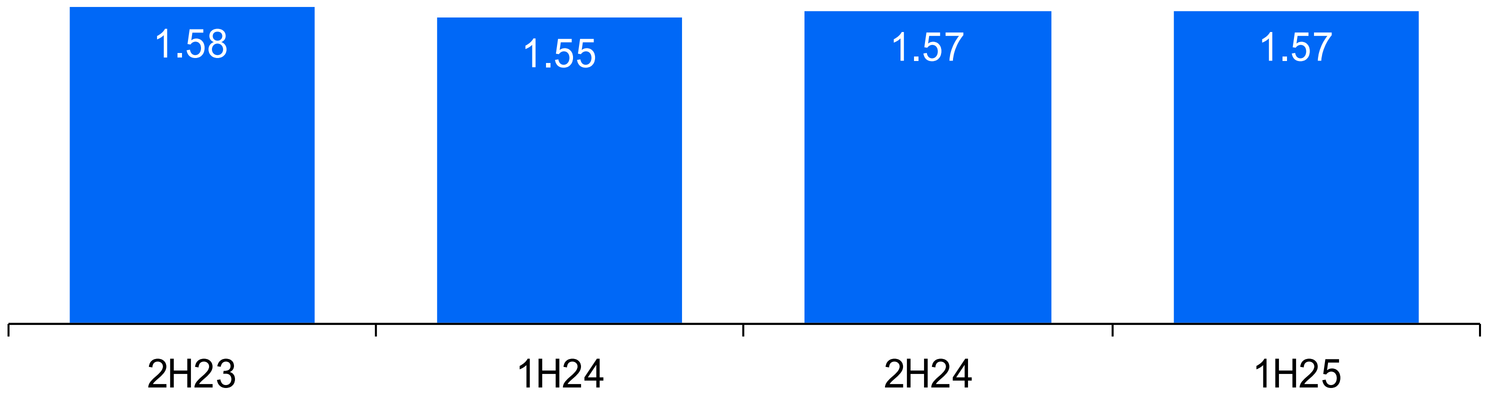
Key elements

Stable income and margin, balance sheet mix reflects growth in higher returning segments

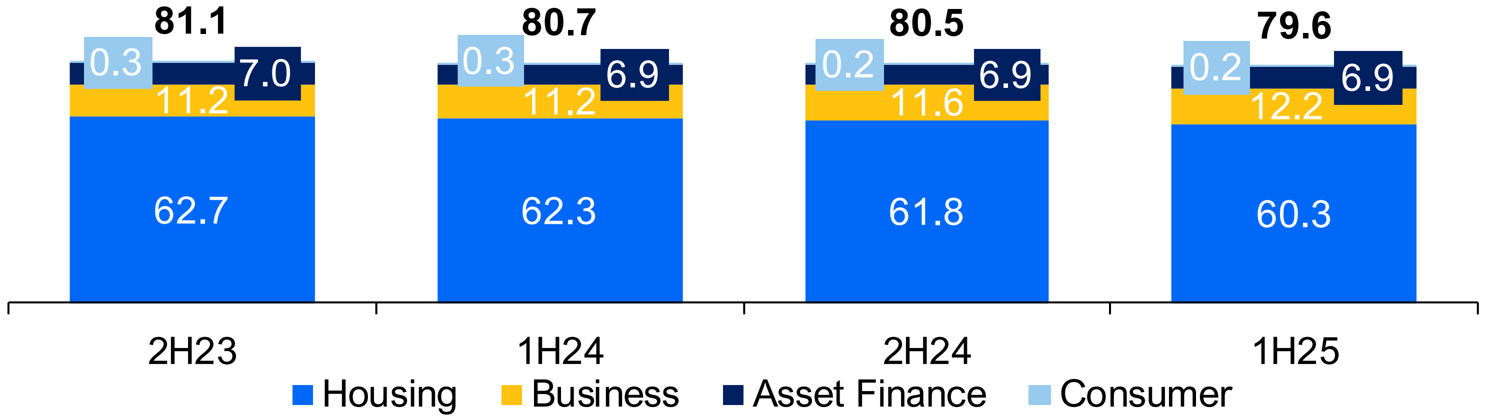
Total income ($m)



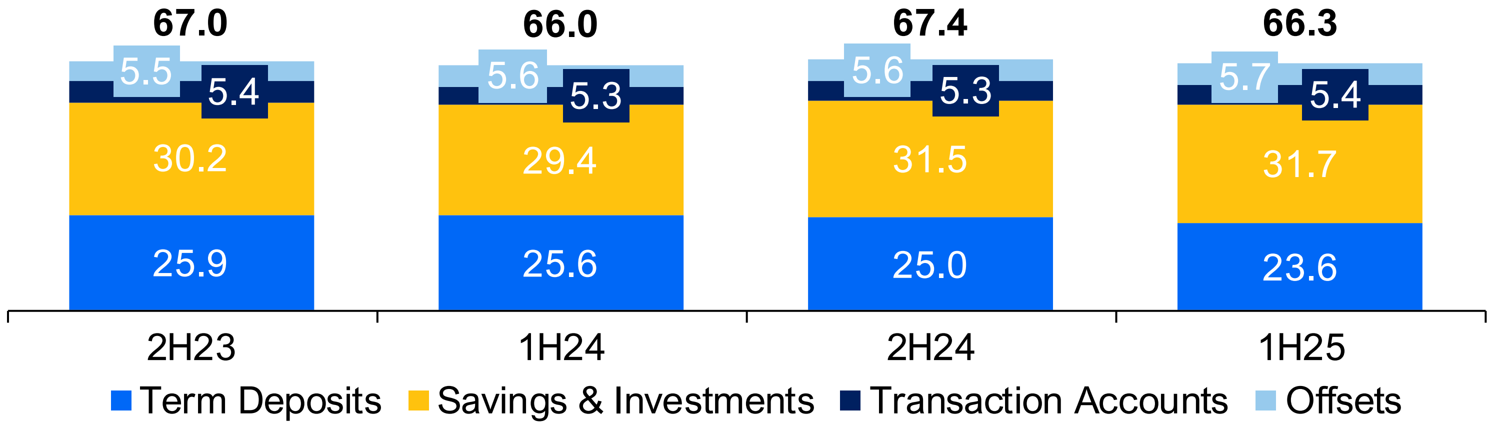
Net interest margin (%)



Lending GLAs ($bn)



Customer deposit balances ($bn)



Net interest margin

Disciplined balance sheet management resulting in resilient margin

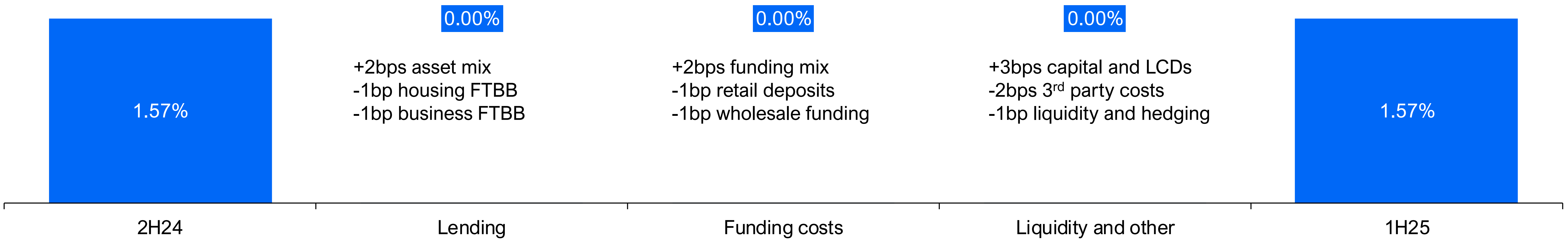
Summary

- Targeted growth in attractive lending segments, offset by competitive market dynamics
- Active funding strategy driving mix benefits, offset by modest increase in funding costs
- Tailwind from replicating portfolio, offset by higher 3rd party costs

2H25 considerations

- 12bps uplift from branch conversion
- Ongoing benefits from balance sheet optimisation
- Stable funding impacts
- Uncertainty due to cash rate movements and competitive dynamics
- Replicating portfolio benefits offset by unhedged elements, assuming a falling cash rate environment
- Modest impact due to liquidity and basis hedging

Net interest margin (%) – 2H24 to 1H25



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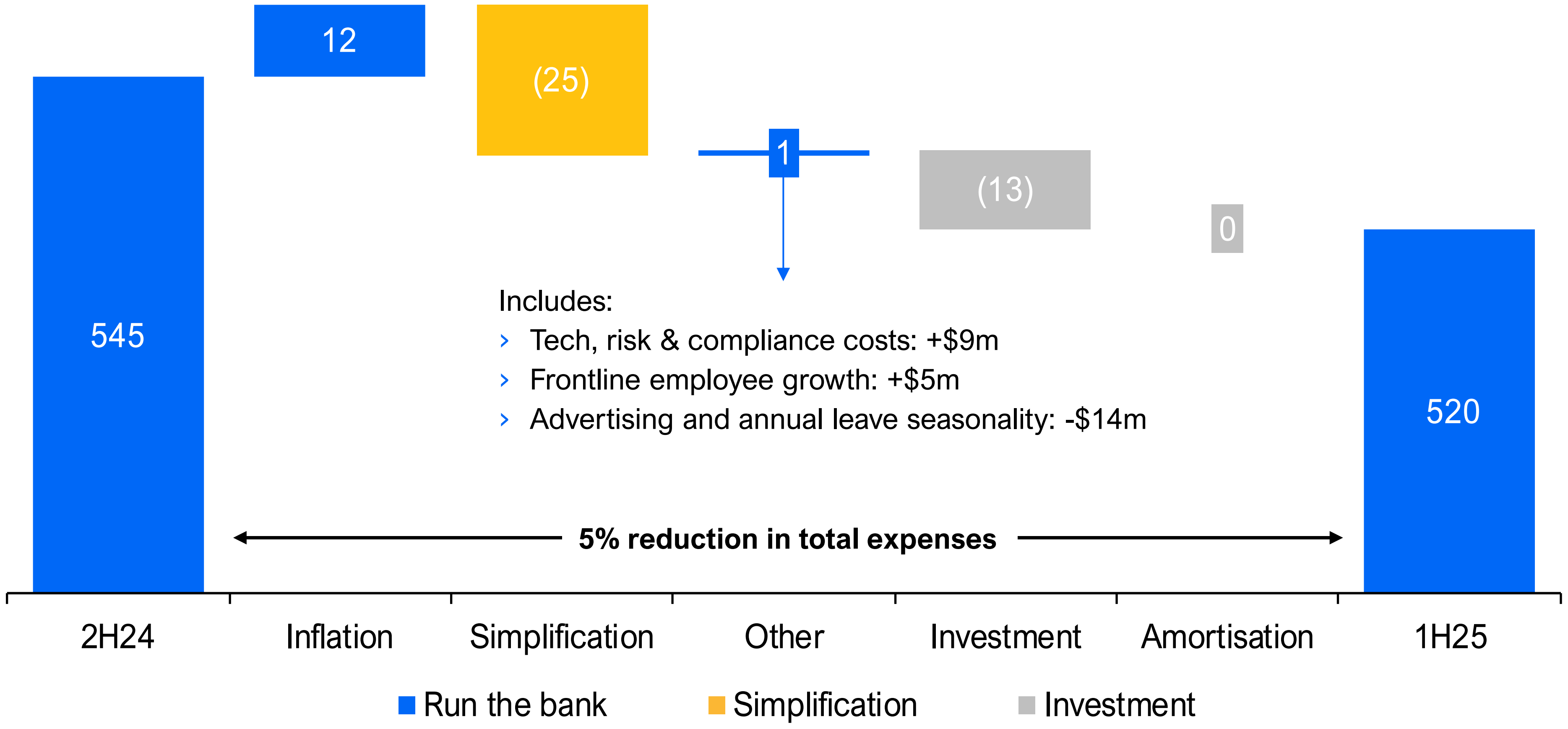
Operating expenses

Lower total costs driven by simplification benefits and lower investment spend

Operating expenses ($m)



2H25 considerations

- Maintaining FY25 cost guidance, targeting broadly flat total costs
- Persistent, but moderating inflationary pressures
- Amortisation increasing in line with delivery of transformation
- Continued investment in the business bank
- Increased costs from the branch conversion
- Simplification benefits to continue

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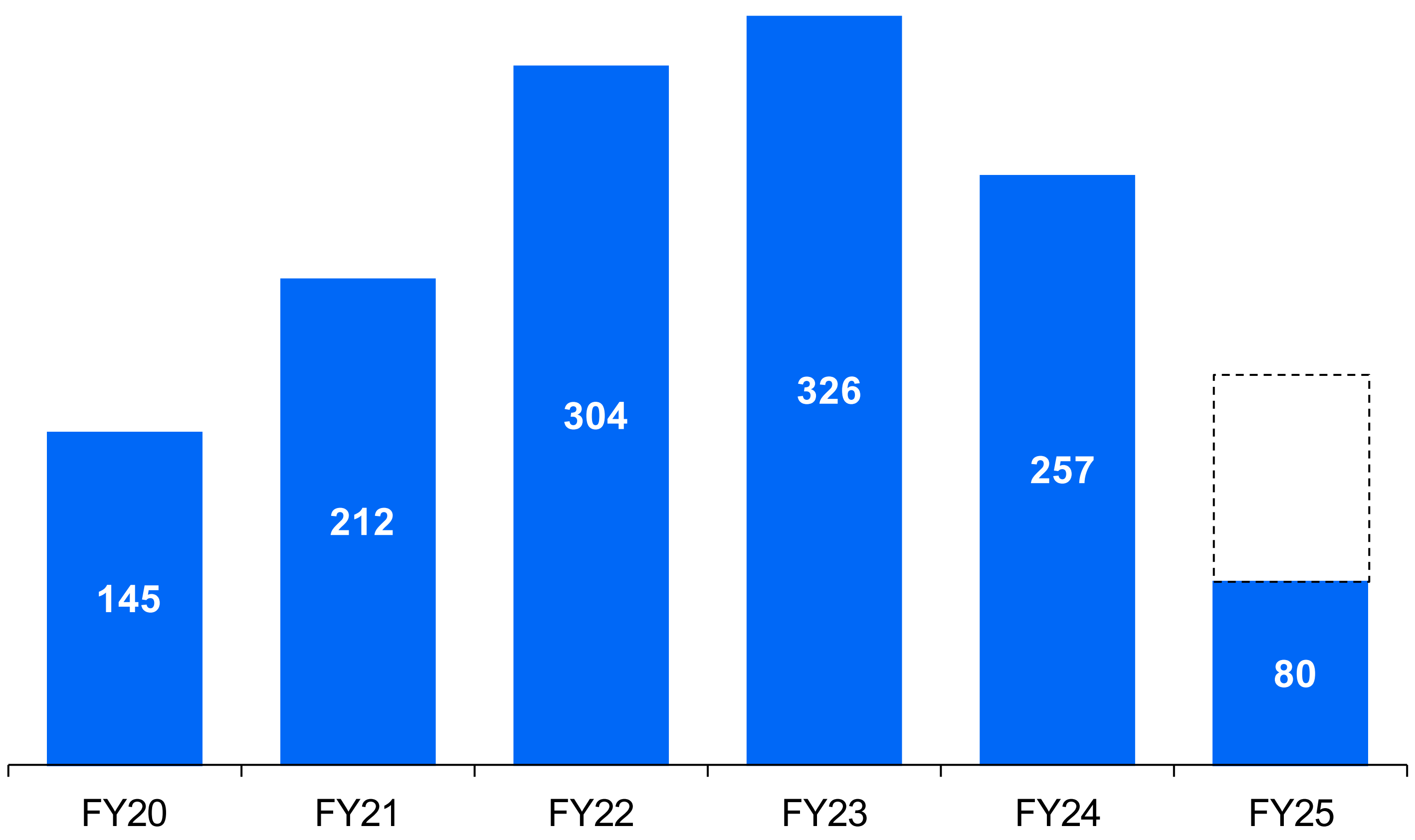
Transformation investment

Lower investment spend as the foundational digital bank build is largely complete

Investment spend ($m)



Summary

- Past the peak of investment spend
- Spend will transition to run and enhance, and support of ongoing regulatory uplifts
- Amortisation uplift in 2H25 and FY26
- Increased percentage of directly expensed investment spend

Software intangible asset balances ($m)

	1H25	2H24	1H24	1H25 vs 2H24
Software intangible assets	261	254	278	3%
Assets under construction	312	308	241	1%
Total carrying value of technology assets	**573**	**562**	**519**	**2%**

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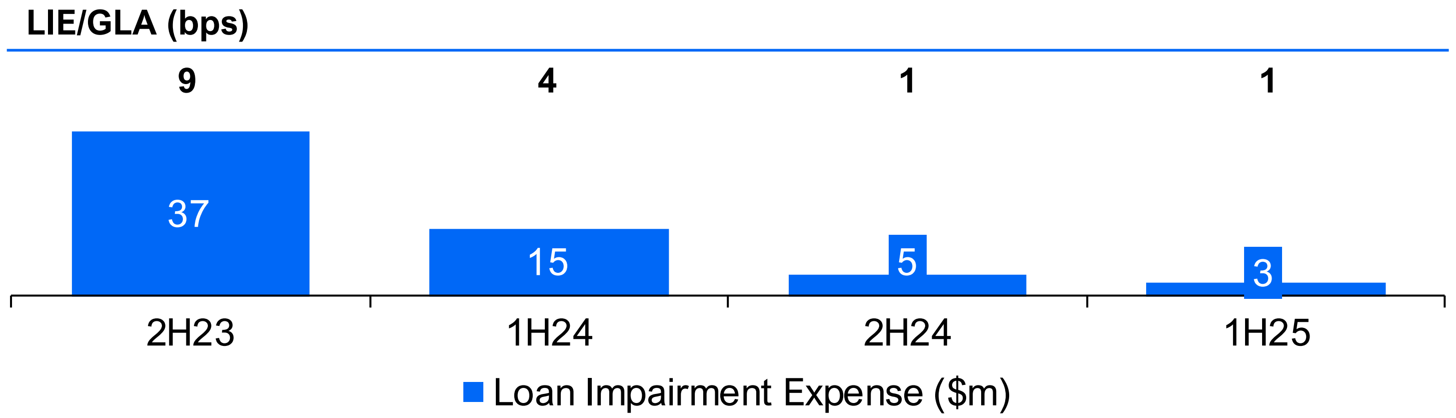
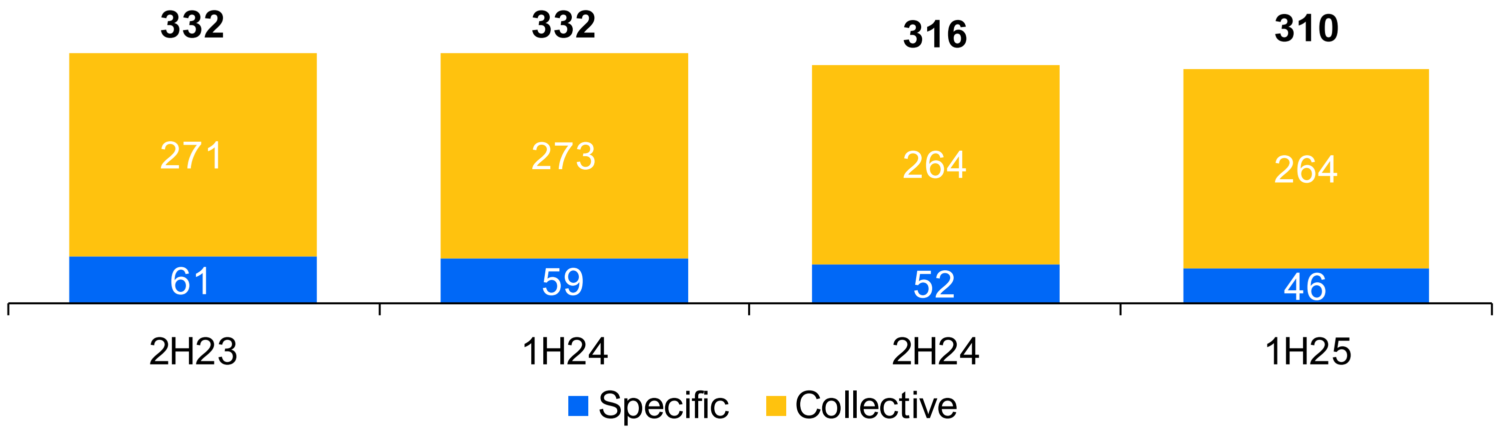
Portfolio quality

Portfolio quality remains sound, low impairment expense, lower impaired assets and broadly stable arrears

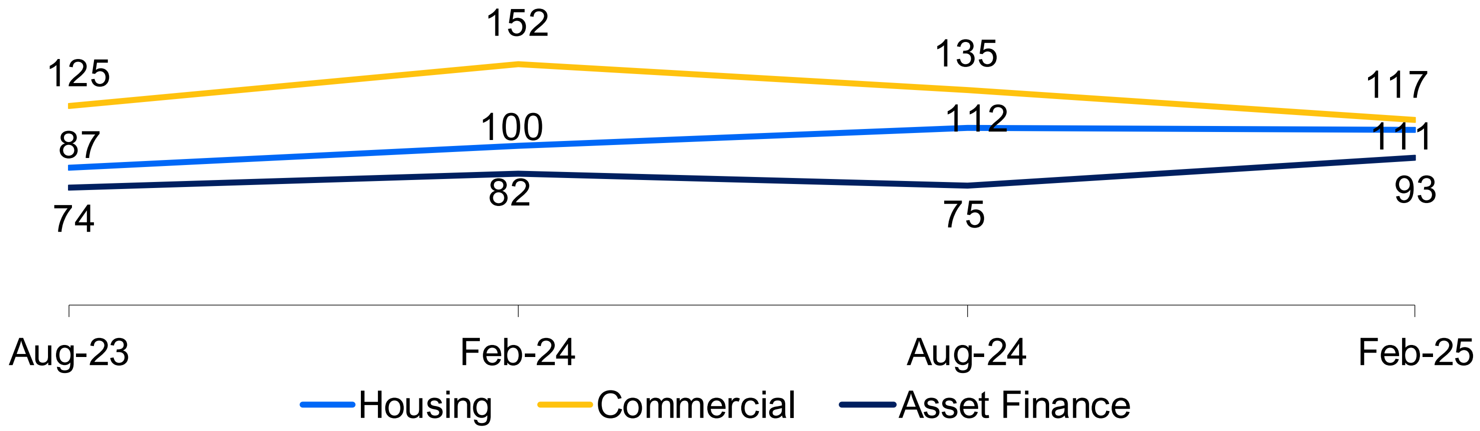
Loan impairment expense



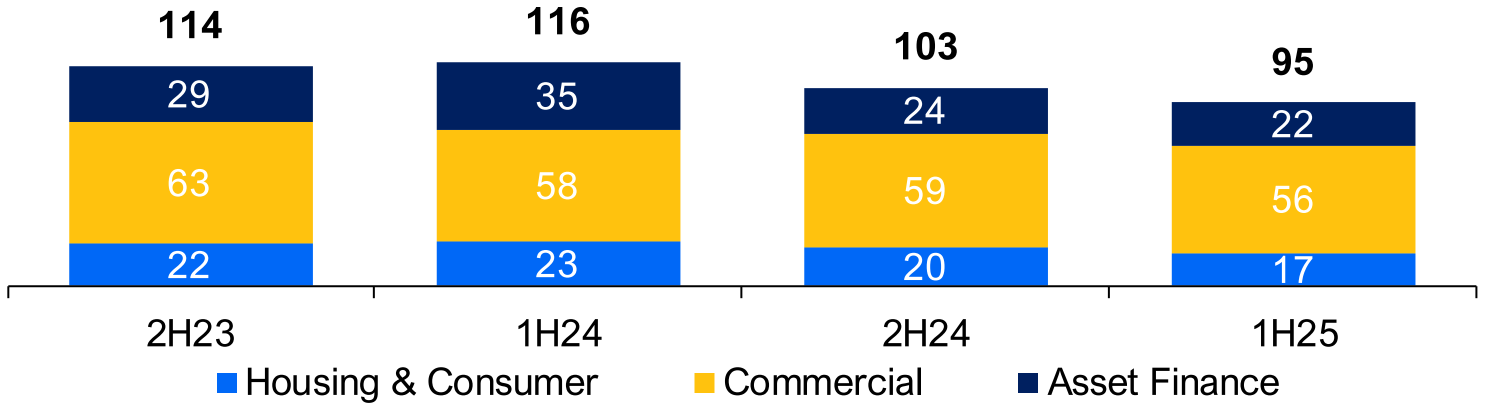
Provisions ($m)



Housing, Asset finance and Commercial arrears 90DPD (bps)



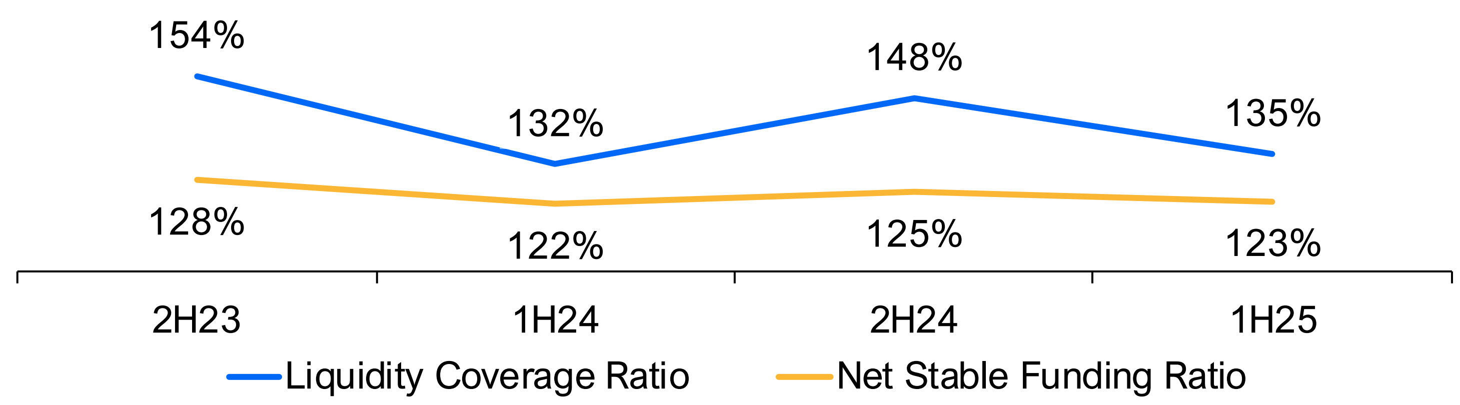
Impaired assets ($m)



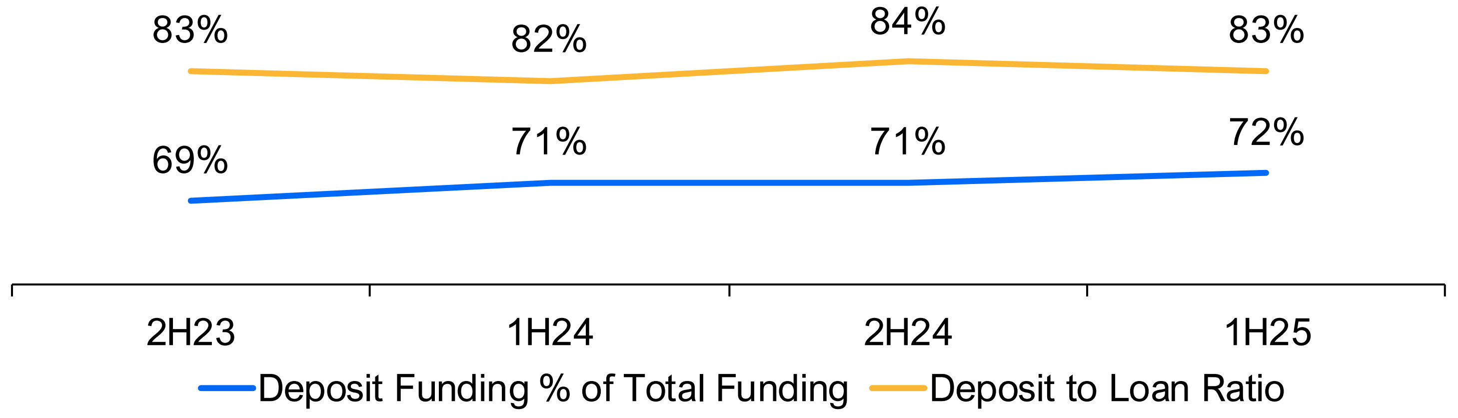
Funding & liquidity

Strong funding and liquidity settings

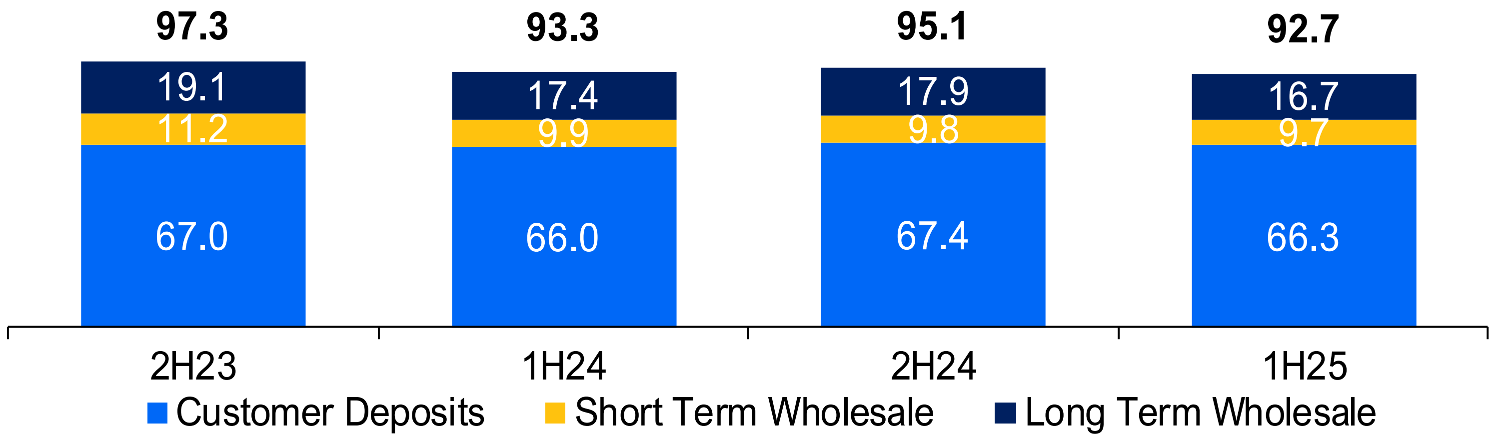
Liquidity strength[1]



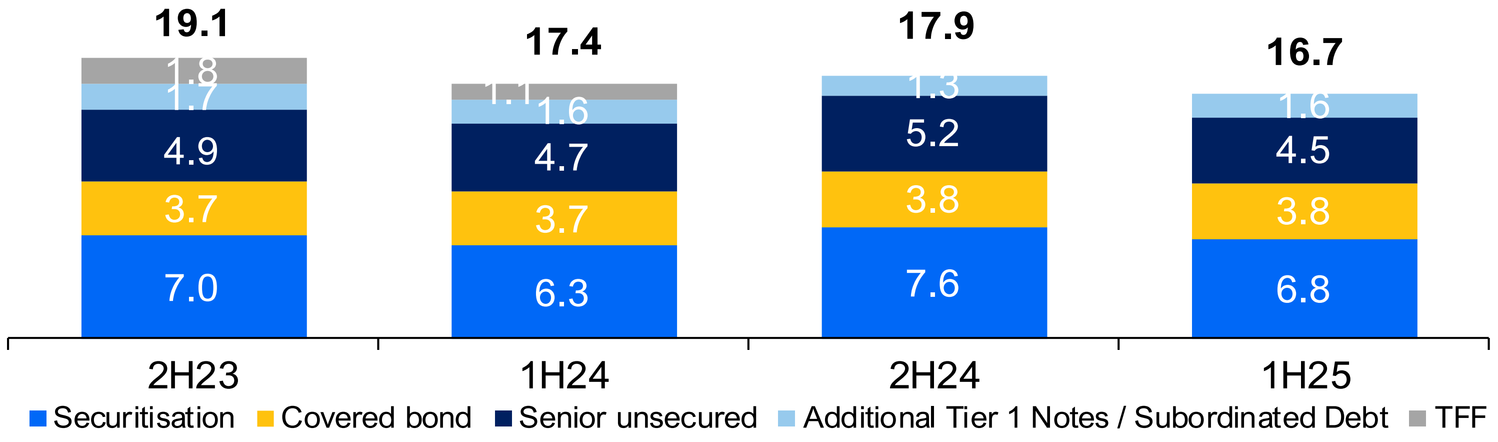
Funding strength



Funding mix ($bn)



Long term wholesale funding[2] ($bn)



(1) Liquidity coverage ratio and net stable funding ratio reported on a spot basis
(2) The increase in additional tier 1/subordinated debt was the result of a $250m domestic issuance of subordinated debt (tier 2 capital) in October 2024

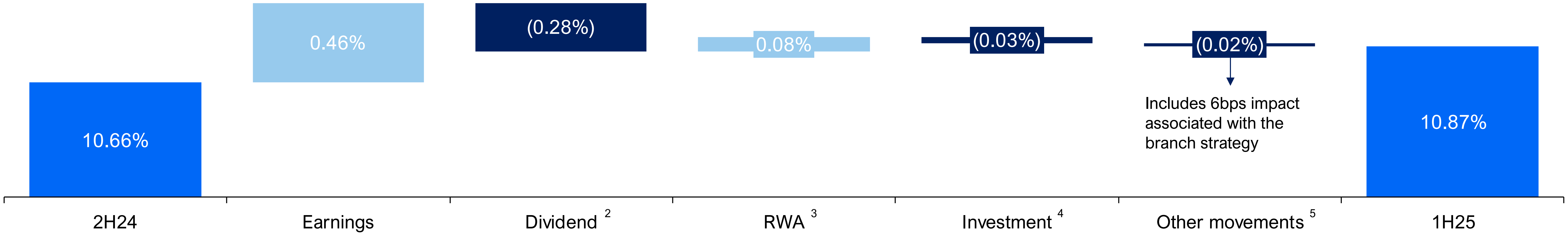
Capital strength

Strong capital position, 18c fully franked interim dividend

Summary

- CET1 ratio managed above the top end of the management target range[1]
- We expect to see a further ~15bps impact associated with the branch strategy in 2H25
- 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 (%) – 2H24 to 1H25



Note: CET1 includes a $50m capital overlay as determined by APRA in relation to BOQ's Court Enforceable Undertaking
(1) Management target range unchanged at 10.25–10.75%
(2) 2H24 dividend of 17c, DRP operated with no discount and was satisfied in full by an on-market purchase of shares. Participation was 8.9%
(3) RWA includes loan origination costs and a 6bps reduction in securitisation
(4) Capitalised expenses net of amortisation
(5) Other movement includes costs associated with the branch strategy, an expiration of a St Andrews indemnity, and the revaluation and sale of a small equity stake

SUMMARY & OUTLOOK

Summary & outlook

Summary

- Strong progress transforming to a simpler, specialist bank with enhanced customer experience
- Focusing on what we can control with disciplined execution of strategic initiatives, providing strong execution proof points
- Shifting portfolio mix to higher returning assets, leveraging the strength and competitive advantage of our specialist business bank
- High conviction in our strategy, making bold strategic decisions balancing trade-offs for the long-term benefit of all stakeholders
- Foundational digital bank build largely complete, customer migration progressing well, focus shifting to scaling digital mortgages and decommissioning legacy systems
- Continued support of customers in managing the financial burden of higher interest rates and cost of living pressures

Outlook

- Highly unpredictable macro environment, qualifying our outlook
- Entering a more volatile period with a resilient Australian economy and financial system
- Stable margins on a like-for-like basis, 12bps uplift from branch conversion
- Maintaining FY25 cost guidance, targeting broadly flat total costs year-on-year
- Clear pathway to deliver our FY26 ROE & CTI targets
- Retaining prudent risk settings across capital, liquidity and credit portfolio

ABOUT BOQ GROUP

FINANCE

SPECIALIST

BOQ GROUP

BOQ Group

Supporting customers for 150 years with differentiated brands attracting niche segments

Our differentiators

- Proud 150-year Queensland heritage
- Highly specialised bankers serving niche industry segments
- Unique brands with proud history
- Building an innovative digital offering and loyalty

Our distinctive brands

Retail

Business

Key statistics for 1H25

c. 1.5m Customers	**c. 570k** BOQ **c. 380k** VMA **c. 360k** ME	**c. 9k** BOQ Business **c. 30k** Specialist **c. 70k** Finance **c. 50k** Retail SME	
120 Branches	**51** ME Mobile & Direct Bankers	**c. 3.7k** Employees[1]	**$146b** Footings[2]
83% Deposit to loan ratio	**2.50%**[3] Market share - Housing	**1.38%**[3,4] Market share - Business	

(1) As at 1 March 2025, post balance date and branch conversion
(2) Footings refer to gross loans and advances plus customer deposits
(3) Internal BOQ Analysis and APRA monthly authorised deposit-taking institution statistics excluding International banks, February 2025
(4) Excluding BOQF

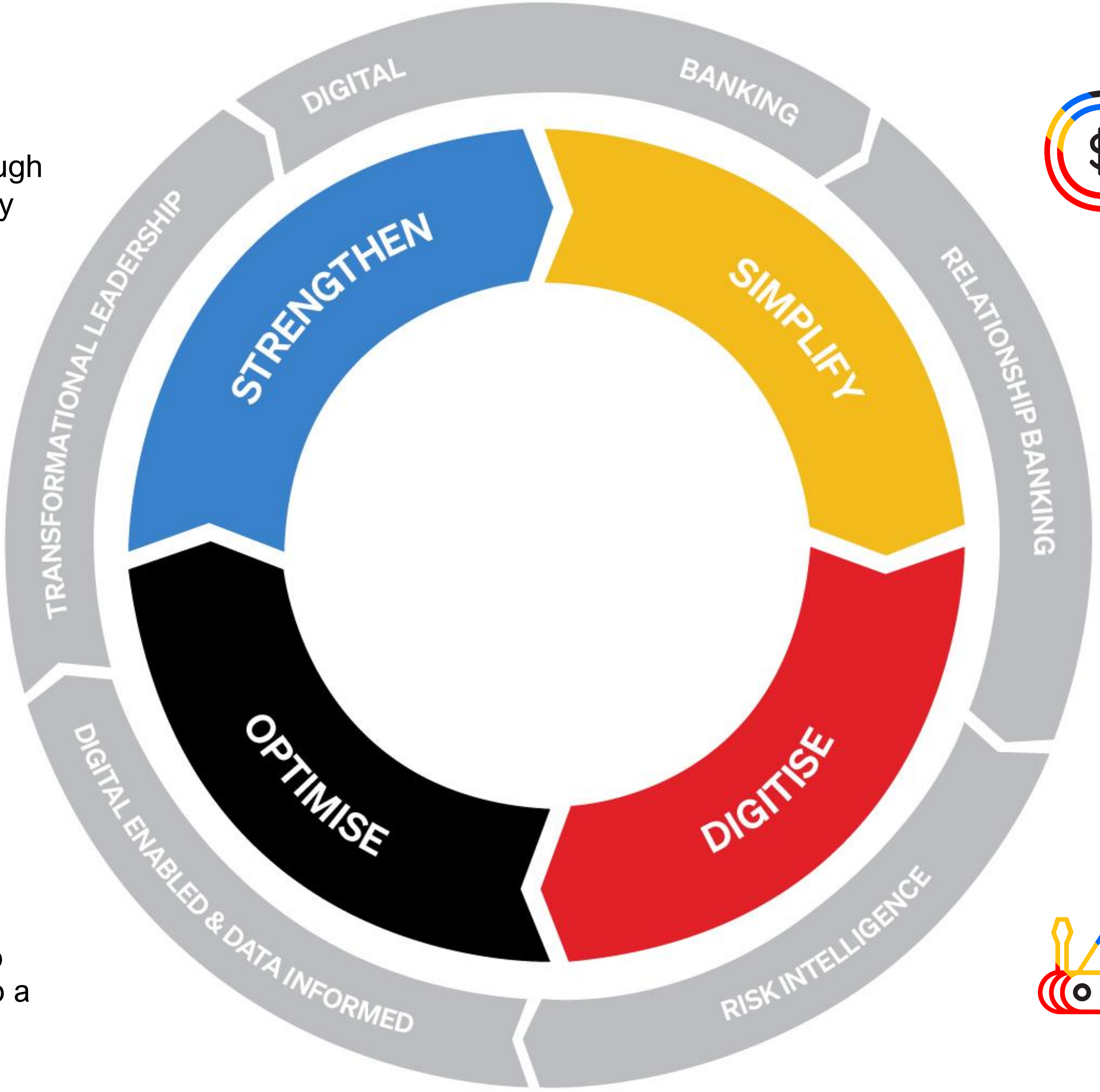
Purpose. *Why we exist*	BUILDING SOCIAL CAPITAL THROUGH BANKING.
Vision. *Where we are headed*	To be the bank customers choose.
Strategy. *What we will deliver*	STRENGTHEN · SIMPLIFY · DIGITISE · OPTIMISE Exceptional customer & people experience.
Capabilities. *How we will deliver*	Digital Banking · Relationship Banking · Digitally enabled, Data informed · Risk Intelligence · Transformational Leadership

How we create value

Customer
Personalised experiences delivered through multi-brand offering, new digital capability and BOQ's relationship model

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

Environment & Climate Change
Responsible corporate citizen, seeking to actively influence customers' transition to a more resilient, lower carbon-intensive economy



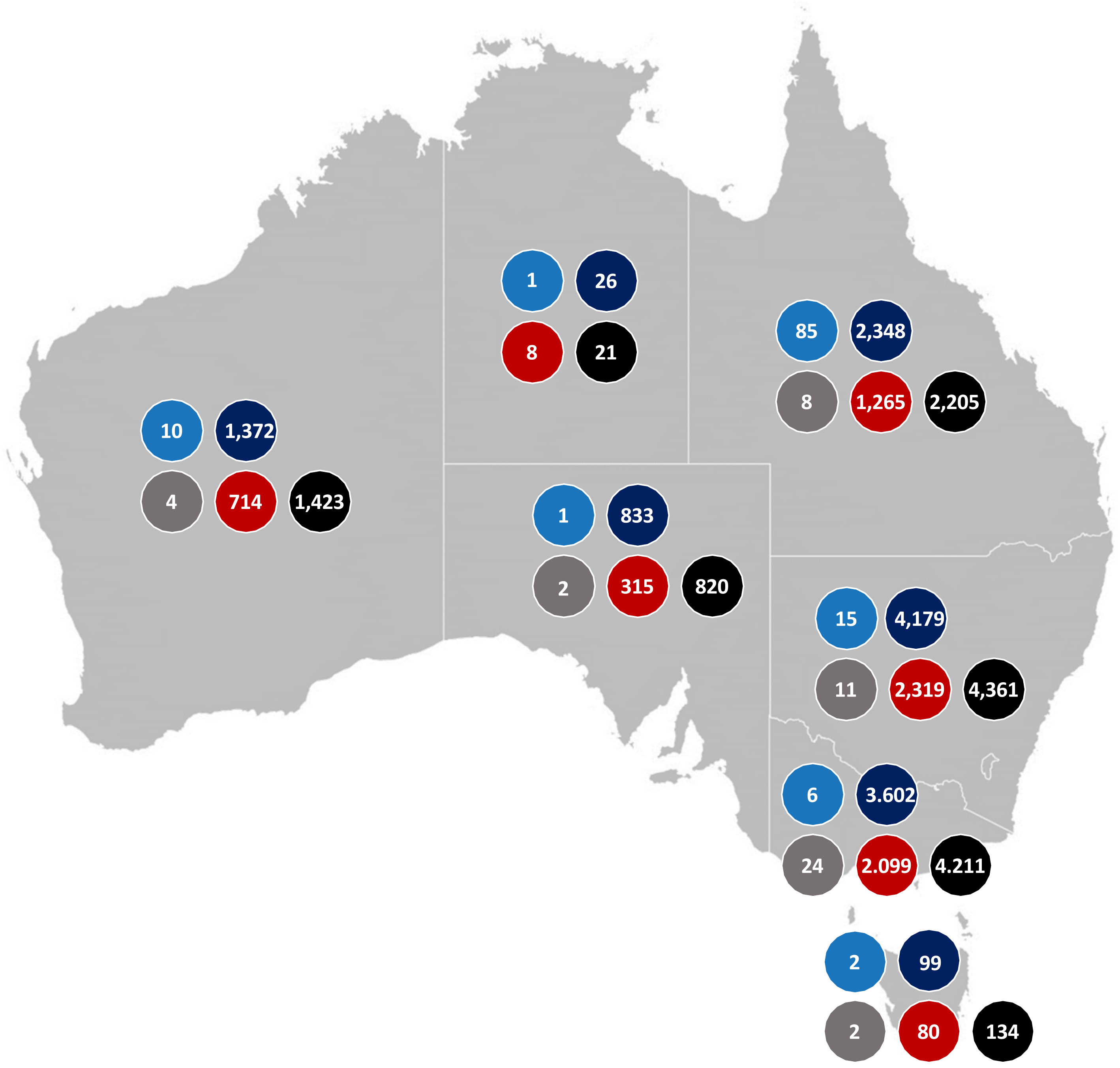
Finance
Access to funding through customer deposits, wholesale and capital markets to support operations and execute our strategy

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

People
Diverse and engaged workforce, building future fit capabilities

BOQ GROUP

Distribution network



Summary as at 1 March 2025

- 1 March 2025 branch numbers at 120 (incl. transaction and service centres)
- BOQ converted 114 of its Owner Managed branches to corporate branches
- 18 Owner Managed branches and 2 corporate branches were consolidated predominately in metropolitan locations

120	CORPORATE BRANCHES	12,459	BROKERS ACCREDITED WITH BOQ
51	ME MOBILE & DIRECT BANKERS	6,800	BROKER ACCREDITED WITH VMA
		13,175	BROKERS ACCREDITED WITH ME

TRANSFORMATION DETAIL

Our transformation

Building a simpler, specialist bank

Strategic pillars

STRENGTHEN	Improved risk culture, with strong financial and operational resilience
SIMPLIFY	Simplified bank, with improved productivity and efficiency
DIGITISE	Scalable low cost to serve digital banking platform, with improved customer experience
OPTIMISE	Focusing on our competitive advantage, delivering improved returns with a strong capital position

Exceptional customer and people experience

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

BOQ GROUP

Digitise | Roadmap

Digital strategy improving customer experience, providing strong deposit growth and lower cost to serve

Retail Bank

FY21 - 23

- VMA and BOQ transaction and savings launched on new cloud digital bank
- ME customers migrated to v.18, Ultracs decommissioned (7 apps, 51 servers)
- ME transaction and savings launched on new cloud digital bank

FY24 - 25

- Digital mortgage for all brands on new cloud digital bank
- Commence ME home loan migration to new digital bank and decommissioning of legacy platform
- Unified origination system across all retail brands
- Deposit only ME customers' migration to new digital bank commenced
- Commence payments hub build

Post FY25

- BOQ/VMA customer migration completed
- Complex home loan and retail small business migrated to BOQS
- Retire BOQ legacy systems
- Digital personal loans for all brands on new digital bank

Business Bank

FY21 - 23

- Leasing systems consolidated on latest version of InfoLease
- Upgraded internet banking capability for SMEs
- Business Bank Temenos core banking platform upgraded to latest v.22
- Enhanced working capital product capability

FY24 - 25

- Unified 360 view of customers across the Business Bank
- Commence T24 upgrade to v.24 and move to cloud
- Pilot Market Rate Loan (MRL) on T24

Post FY25

- New complex lending origination capability (complex home loan customers serviced by Business Bank)
- Integrated supply chain capability
- Digital transaction account capability for small business
- Migration of SME, Agri and Property customers to new core
- Unified origination system across all Business Bank brands
- Enhanced payments hub, enabling critical use cases

Group

FY21 - 23

- Data centres migrated to private cloud
- Intelligent data platform

FY24 - 25

- Implement Customer Experience Platform
- Real time connectivity of data insights
- Data centres migrated to public cloud

Post FY25

- Integrated cloud-based data platform enabling omni-channel personalisation
- Cloud based ERP platform (Finance & HR)

Legend Achieved On track New Reprioritised (delayed)

BOQ GROUP

Digitise | Lending

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

Improved analytics & reporting

3 hand off points to originate (down from 18)

Materially faster 'Time to Yes'

Processing time reduced by ~66%

~50% lower cost to originate

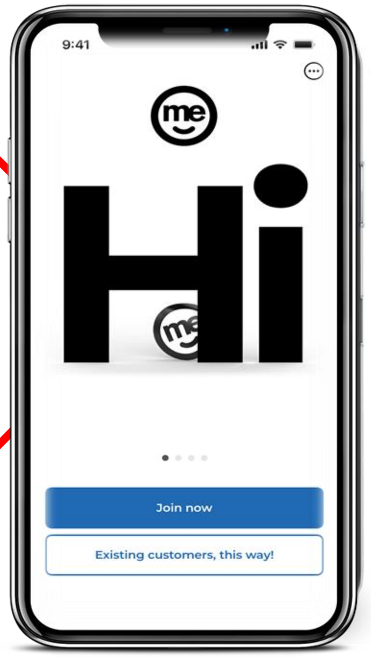
Compliant by design process & technology

Upfront credit decisioning & leveraging data over documents

Multi brand functionality with straight through processing

Scalable growth and sustainable design

Our Digital Home Lending Solution



Multi-Brand, Multi-Channel 1st & 3rd party distribution solution

Simplified product offering (>100 down to 2)

100% automated digital communication

Real time notifications

Over 35 in-app service functions

Attractive loyalty & engagement rewards

Easy and guided flow onboarding

Digital contracts & electronic signatures

Self managed offset accounts

Self service loan variations

BOQ GROUP

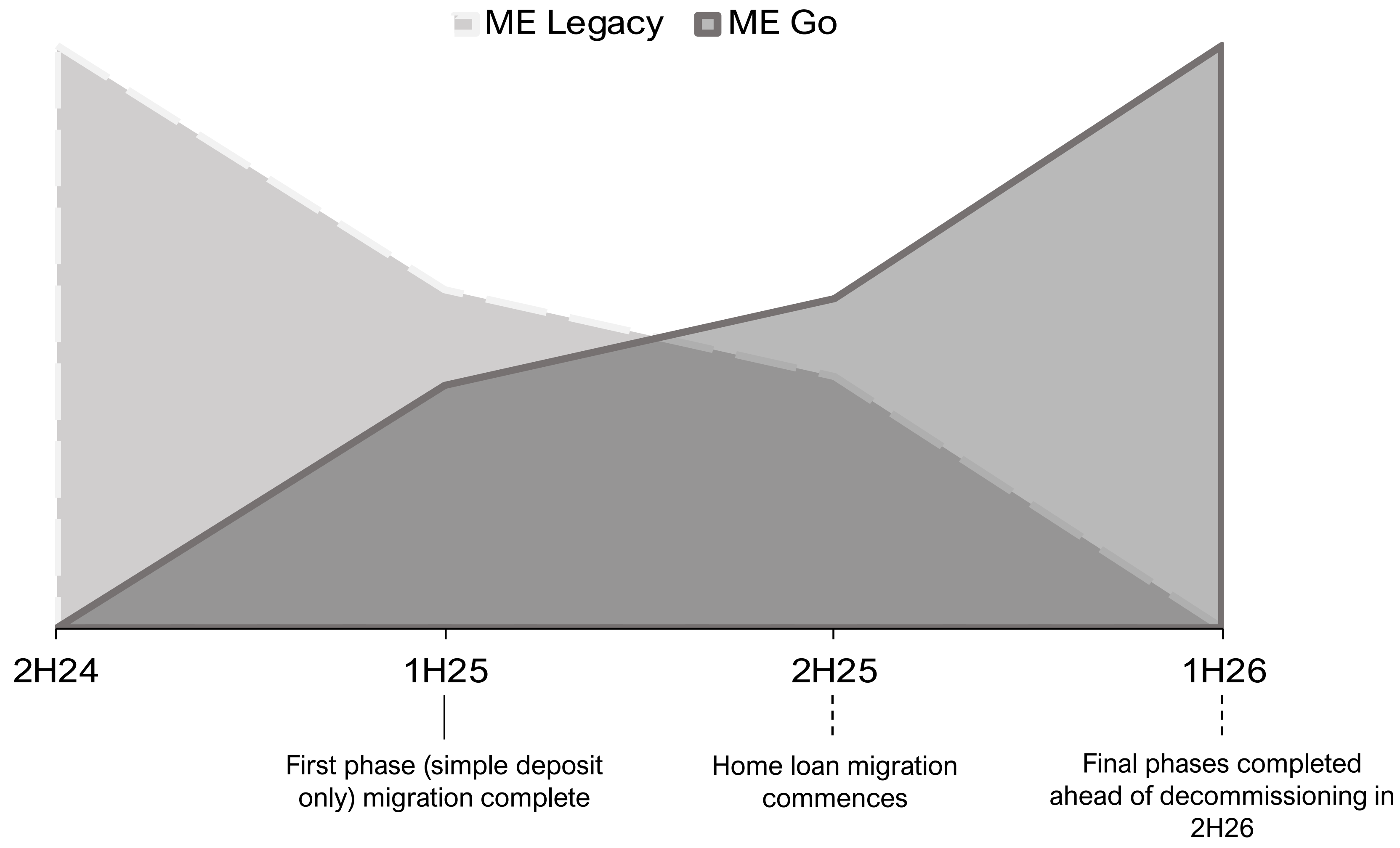
Digitise | ME Migration

Transitioning to our target future state

Summary

- First phase of the ME migration complete
- ~140k customers, 235k accounts and $1.55bn in deposits successfully migrated to the digital bank
- Minimal levels of customer attrition from the completion of phase 1, benefits already starting to be realised
- Phased home loan migration scheduled to begin in 2H25[1]
- Decommissioning in 2H26[1] to result in the consolidation of more than 10% of Group IT platforms

ME customer migration[1]



(1) Migration profile is indicative and subject to changing prioritisation

DIVISIONAL RESULTS

BOQ GROUP

Divisional performance

	Retail BOQ, me, Virgin money			Business BOQ Specialist, BOQ Finance		
	1H25	1H24	1H25 v 1H24	1H25	1H24	1H25 v 1H24
Net interest income	388	393	(1%) ▼	339	329	3% ▲
Non-interest income	45	46	(2%) ▼	23	21	10% ▲
Total income	433	439	(1%) ▼	362	350	3% ▲
Operating expenses	(358)	(366)	(2%) ▼	(162)	(158)	3% ▲
Underlying profit	75	73	3% ▲	200	192	4% ▲
Loan impairment expense	(9)	2	large ▲	6	(17)	large ▼
Profit before tax	66	75	(12%) ▼	206	175	18% ▲
Income tax expense	(21)	(25)	(16%)	(66)	(58)	14%
Cash earnings after tax	**45**	**50**	**(10%)** ▼	**140**	**117**	**20%** ▲

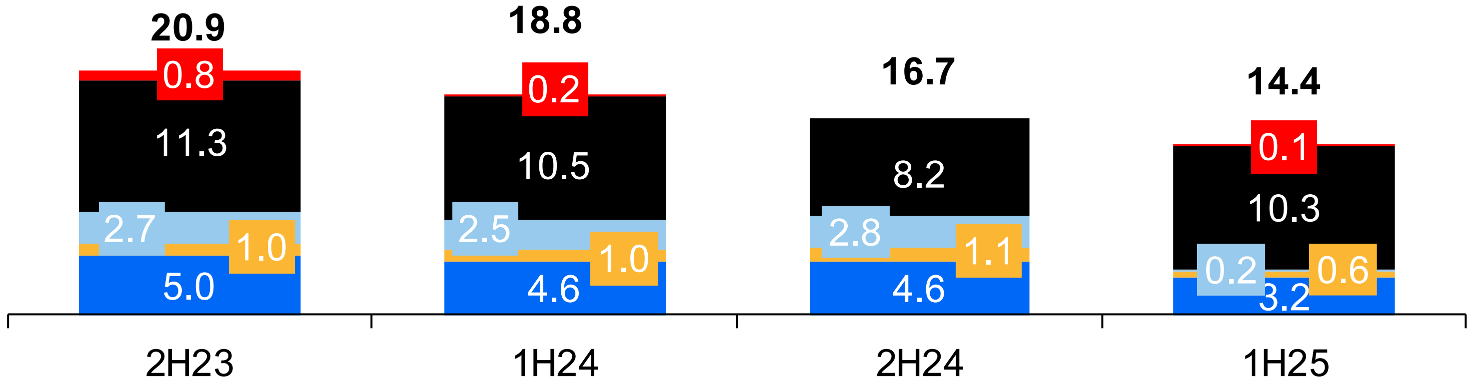
BOQ GROUP

Home lending performance

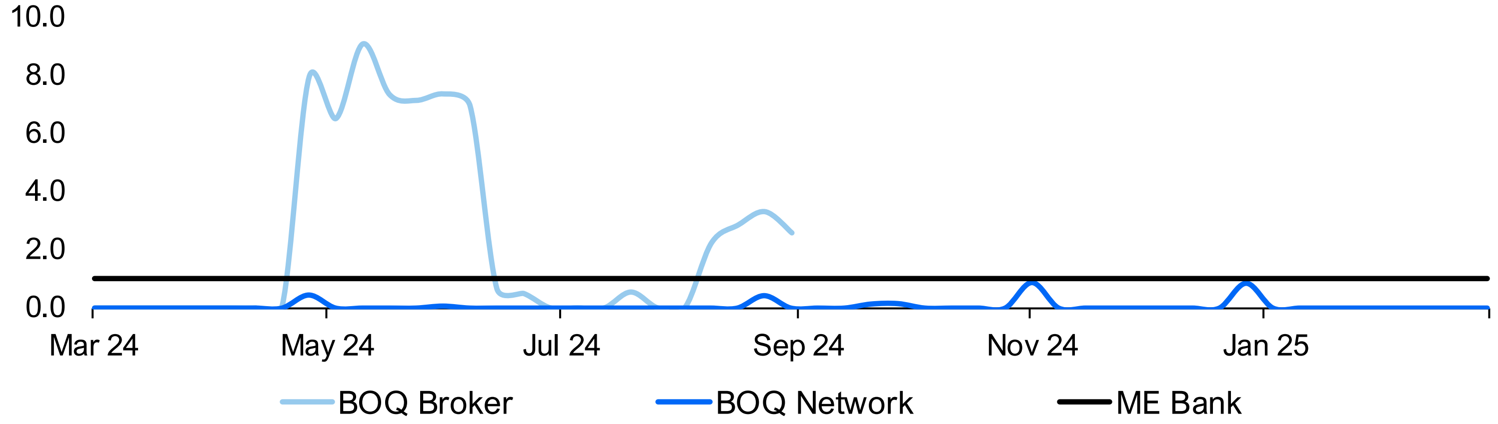
Housing metrics

	Portfolio	1H25 Flow
LVR > 90% (%)	1.6	1.0
LVR > 80% (%)	9.9	10.1
90 Days past due (bps)	111	-
Interest only % (excl. construction)	9	16
Investor %	29	31
PAYG %	80.4	85.1
DTI >=6x %	-	1.6
Fixed %	11	18
Broker %	51	60
BOQ system growth[1]	-	Negative
ME system growth[1]	-	1.0x
Overall BOQ Group system growth[3]	-	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)[2, 3]



Turnaround times – Housing (days)[3, 4]



(1) Multiple based on YTD system to February 2025, APRA monthly banking statistics
(2) 2H24 housing application volumes data reported under new process, refined to eliminate potential duplicative applications
(3) 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
(4) Conditional approval with median turnaround times reported. ME and BOQ processes have elements of automated Conditional Approval prior to verification

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	17.32%	14.76%	1.22%	3.2	3.0	3.7	5.87%
Regional 1	12.11%	11.08%	0.84%	2.2	2.2	2.6	2.82%
International 1	8.17%	6.94%	0.43%	1.5	1.4	1.3	2.77%
Major 2	5.84%	4.63%	0.30%	1.1	0.9	0.9	25.34%
ME	5.49%	9.76%	0.59%	1.0	2.0	1.8	1.22%
International 2	5.47%	6.60%	0.37%	1.0	1.3	1.1	1.41%
System	5.41%	4.99%	0.33%				
Major 3	5.30%	5.24%	0.40%	1.0	1.1	1.2	13.58%
Major 4	4.42%	4.13%	0.26%	0.8	0.8	0.8	14.28%
Regional 2	3.62%	1.22%	0.21%	0.7	0.2	0.6	2.39%
Major 5	2.76%	3.15%	0.11%	0.5	0.6	0.3	21.09%
BOQ + ME	-4.75%	-3.87%	-0.29%	Neg	Neg	Neg	2.50%
BOQ	-13.53%	-15.93%	-1.11%	Neg	Neg	Neg	1.29%

Source: APRA Monthly Banking Statistics September 2024 to February 2025
Note: Majors comprise CBA, NAB, WBC, ANZ and Macquarie, Regionals comprise SUN and BEN and Internationals comprise HSBC and ING

BOQ GROUP

Asset finance overview

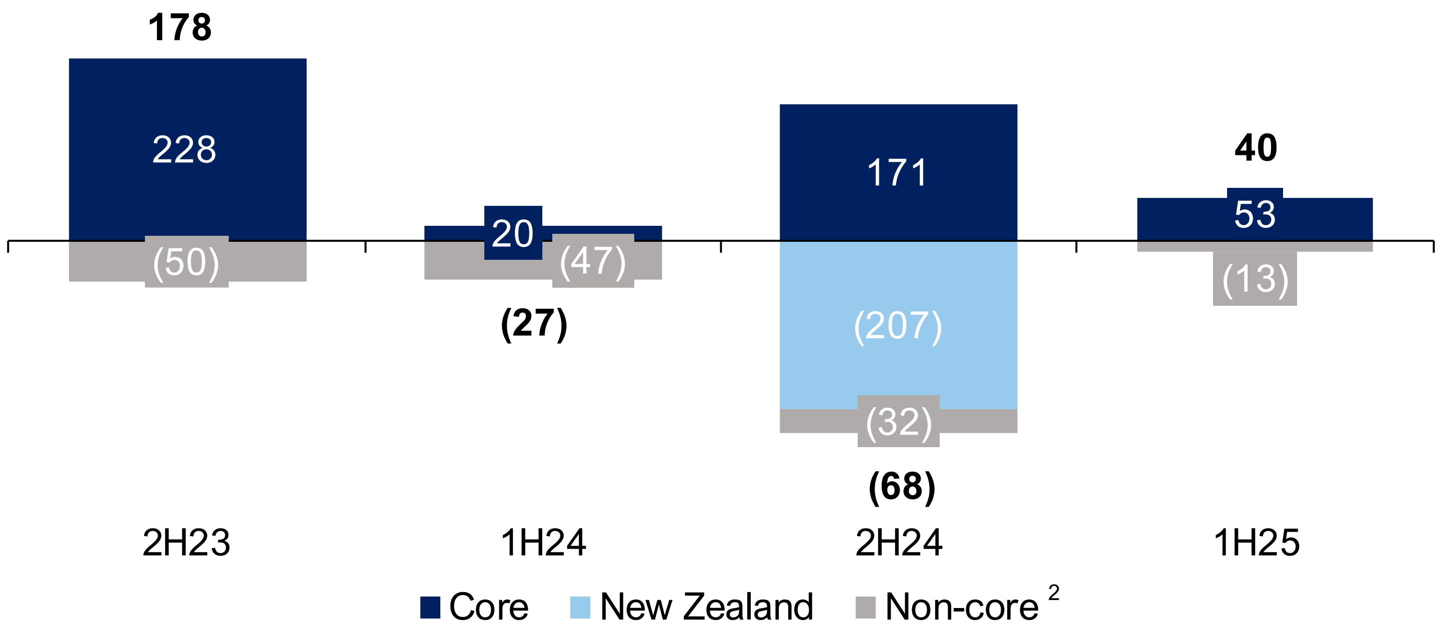
BOQ FINANCE

A strategic asset for the Group, delivering diversified asset-based lending to individual and business customers with a quality credit profile and capacity for further growth

Summary

- A $6.9bn specialist business delivering niche product capability across asset backed lending to businesses and individuals
- Quality mix of underlying assets that are well diversified across industry segments
- 1H25 growth delivered through core equipment finance business and novated leasing portfolio
- Highly seasonal business with higher growth generally delivered in 2H
- Capacity for growth with relative advantage to key competitors in cost of funding[1], scale of distribution and exposure to growth markets

Asset finance lending growth ($m)



(1) Refers to competitors who have key product lines consistent with the BOQ Finance business only and does not imply that BOQ Group total cost of funding is an advantage to full scale banks
(2) Includes the vendor finance business and movement in the New Zealand portfolio of assets prior to its sale on 31 March 2024, both of which were deemed to be non-core elements of the BOQ Business portfolio during the year

Lending to business (APRA data)

	Lending to Businesses (APRA)			Multiple (APRA)			
	YTD (A)	3M (A)	1M	YTD	3M	1M	Market share
Major 1	16.57%	16.89%	1.79%	1.6	1.6	1.5	21.53%
Major 2	13.11%	11.92%	1.51%	1.3	1.1	1.3	19.75%
System	10.49%	10.54%	1.16%				
Regional 1	9.46%	-1.00%	-0.33%	0.9	Neg	Neg	0.96%
BOQ	6.88%	10.11%	0.92%	0.7	1.0	0.8	1.38%
Major 3	6.85%	3.20%	0.11%	0.7	0.3	0.1	15.30%
Major 4	6.78%	0.83%	0.41%	0.6	0.1	0.4	2.00%
Major 5	5.64%	5.64%	0.70%	0.5	0.5	0.6	24.99%
International 1	2.33%	-38.06%	-1.26%	0.2	Neg	Neg	0.26%
Regional 2	-1.03%	-0.47%	1.45%	Neg	Neg	1.3	1.56%
International 2	-3.80%	-1.31%	1.11%	Neg	Neg	1.0	1.97%
Regional 3	-3.85%	-5.16%	0.53%	Neg	Neg	0.5	1.26%
International 3	-9.01%	3.90%	0.49%	Neg	0.4	0.4	1.25%

Source: APRA Monthly Banking Statistics September 2024 to February 2025
Note: Majors comprise CBA, NAB, WBC, ANZ and Macquarie, Regionals comprise SUN, JDO and BEN and Internationals comprise HSBC, Rabobank and ING

PORTFOLIO QUALITY

BOQ GROUP

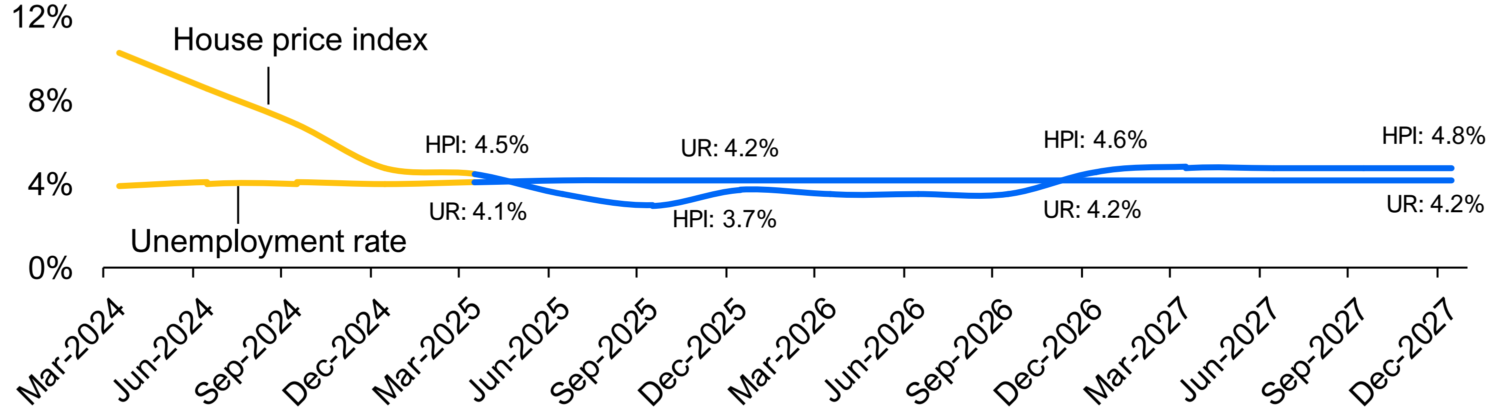
Collective provisioning

Strong provisioning maintained, reflective of current environment

Provision model assumptions

- Base case reflects BOQ's forward looking economic assumptions and is supported by RBA forecasts where available
- Downside scenario represents stagflation effects, with higher interest rates, a falling GDP and rising unemployment for the first two years
- The forward-looking nature of AASB9 means that prudent assumptions can be maintained in uncertain economic times. Assumptions are revised regularly based upon the economic outlook and portfolio positioning

House price index and unemployment rate



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

	Base			Downside		
	2025	2026	2027	2025	2026	2027
GDP (YoY growth %)	2.4	2.3	2.2	(0.4)	0.7	1.0
Unemployment rate (%)	4.2	4.2	4.2	5.4	7.2	7.3
Residential Property Prices (cumulative % change)	3.7	4.6	4.8	(8.3)	(6.4)	(3.5)
Commercial Property Prices (cumulative % change)	1.4	2.1	2.5	(12.0)	(5.8)	(4.1)
Cash Rate (%)	3.6	3.5	3.5	4.8	4.8	4.5

Scenario weights

	Upside		Base		Downside		Severe	
	Feb 25	Aug 24	Feb 25	Aug 24	Feb 25	Aug 24	Feb 25	Aug 24
Weighting	5%	5%	50%	50%	30%	30%	15%	15%

(1) Economic forecasts reflect calendar year end numbers and were prepared as at February 2025, based on RBA and market consensus at the time and prepared for the purpose of collective provision updates

BOQ GROUP

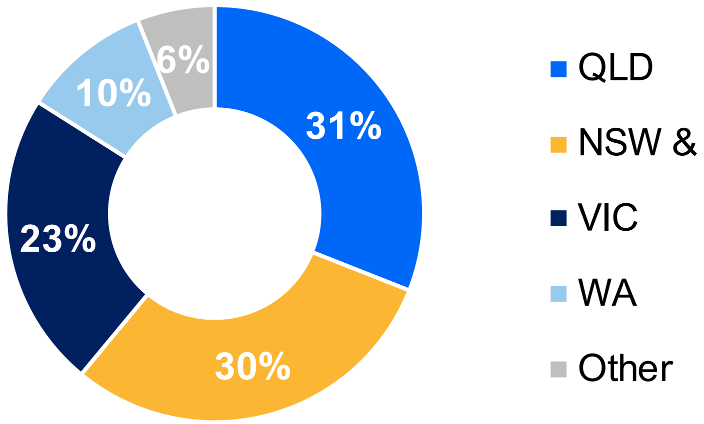
Housing loan portfolio

Diversified portfolio with conservative LVR lending

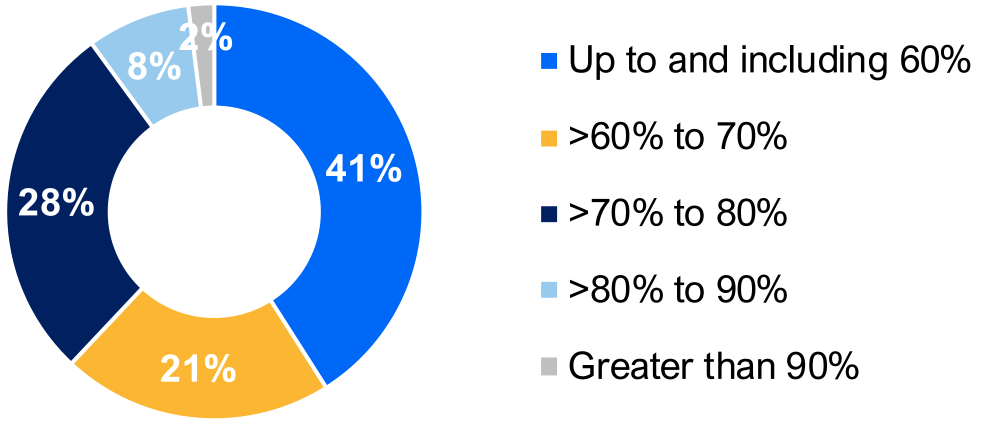
Summary

- Housing portfolio diversified across geography and channel
- ~98% of customers with LVR =<90%, with 1H25 flow above 90% at 1%
- ~90% of customers with LVR =<80%, with 1H25 flow above 80% at 10.1%

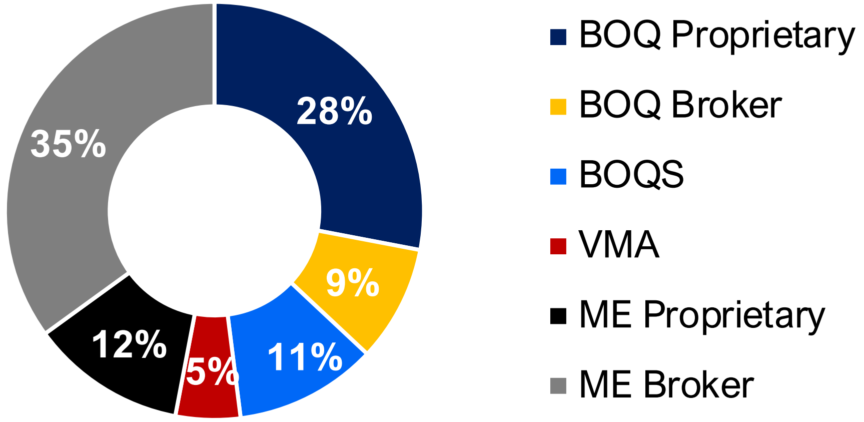
Housing portfolio by geography (%)



Housing portfolio by LVR (%)



Housing portfolio by channel (%)



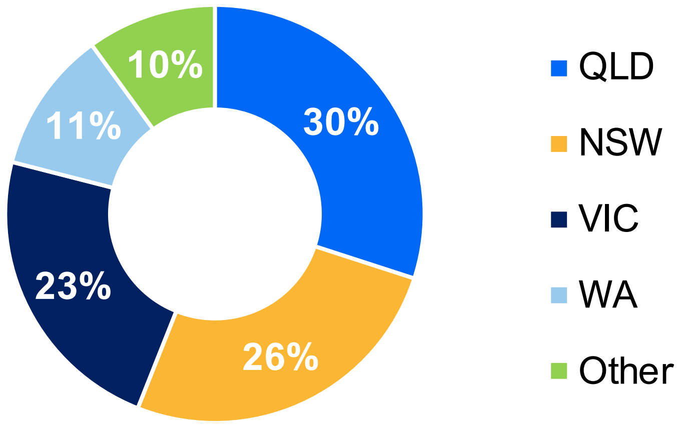
Asset finance portfolio

Portfolio remains well diversified

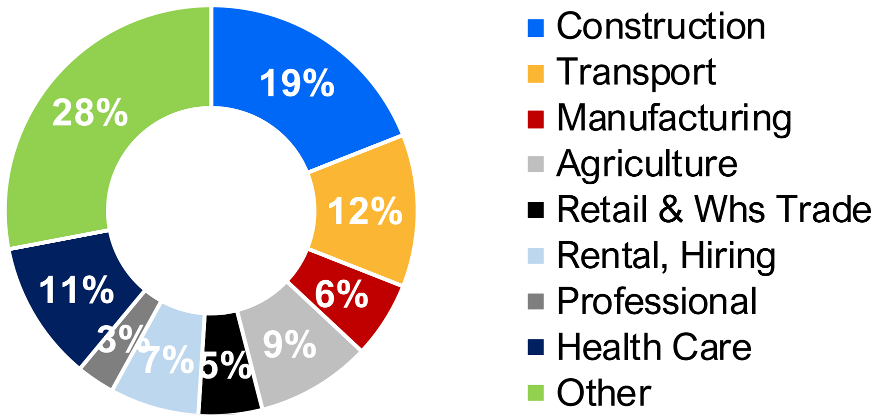
Summary

- Broad industry spread reducing concentration of asset finance portfolio
- Asset finance portfolio diversified across geography and channel

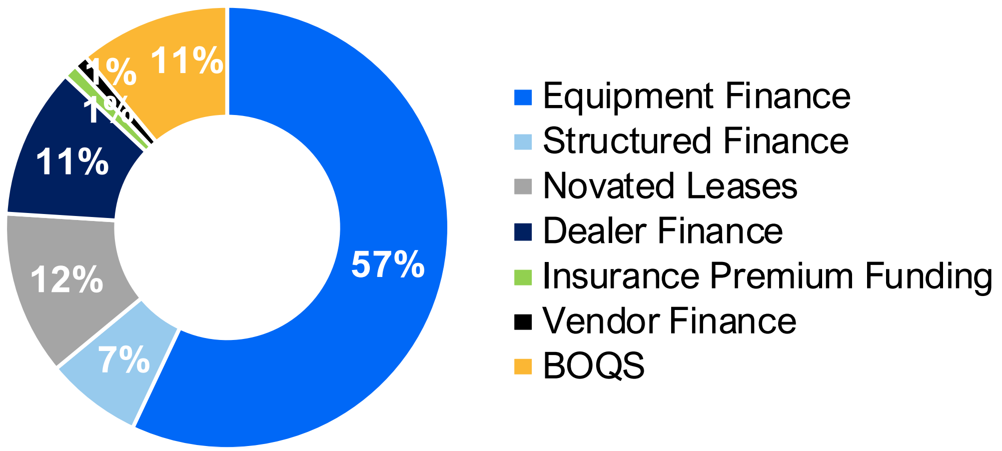
Asset finance by geography (%)



Asset finance by industry (%)



Asset finance by channel[1] (%)



(1) Reporting now includes Novated Leases and Insurance Premium Funding channels

BOQ GROUP

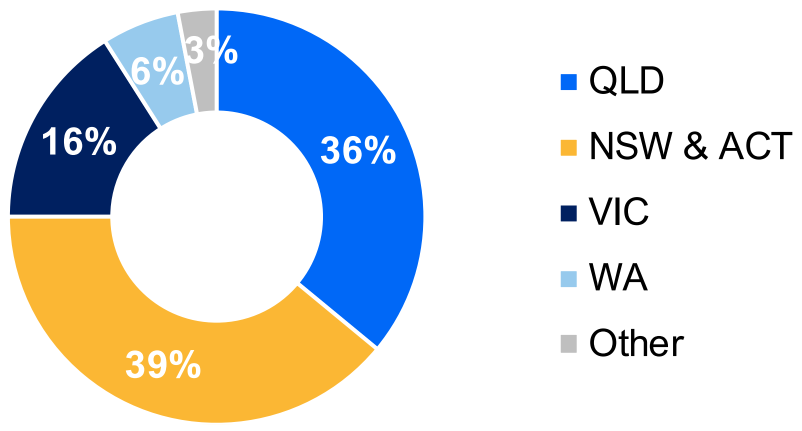
Commercial portfolio

Continued focus on target segments

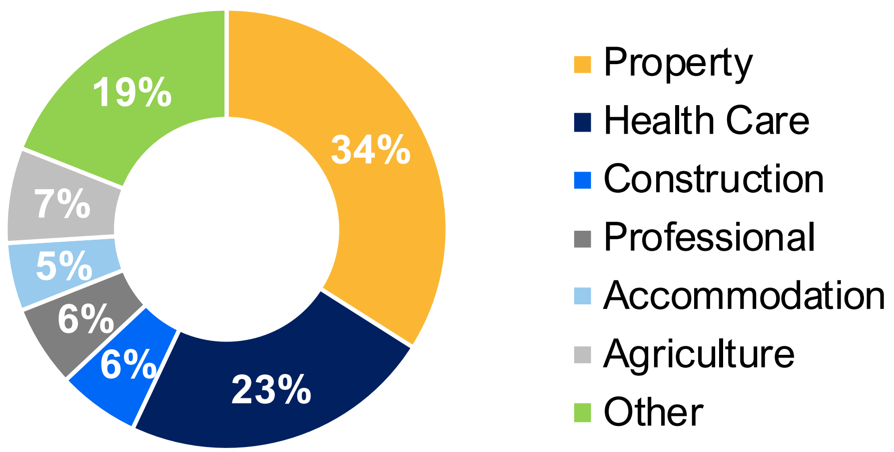
Summary

- Commercial portfolio diversified geographically
- 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 (%)



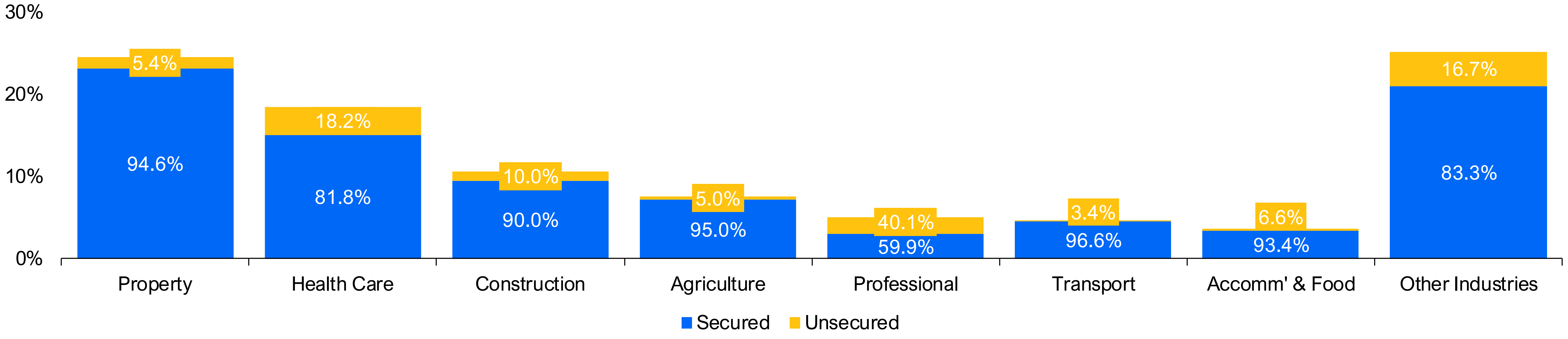
Business Bank lending portfolio

Well diversified and underpinned by quality security

Summary

- Business Bank portfolio diversified geographically with a diverse channel mix
- The portfolio is well secured with less than c.13% of unsecured lending
- No material industry stresses emerging and losses remain benign

Business portfolio security status by industry

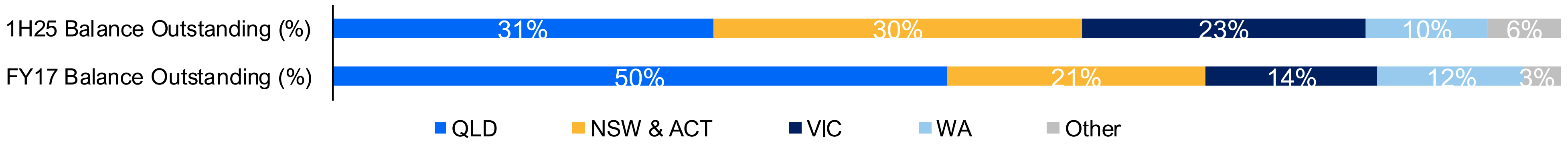


BOQ GROUP

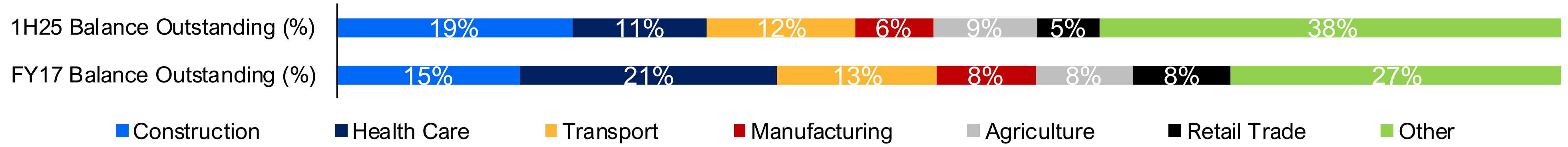
Industry and geographic split over time[1]

Enhanced diversification over time

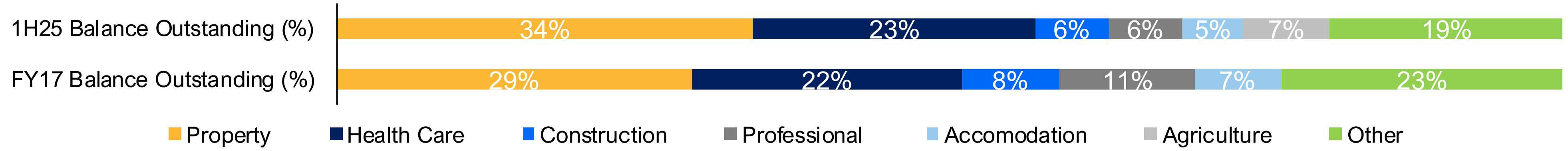
Housing loans - geographic split over time (%)



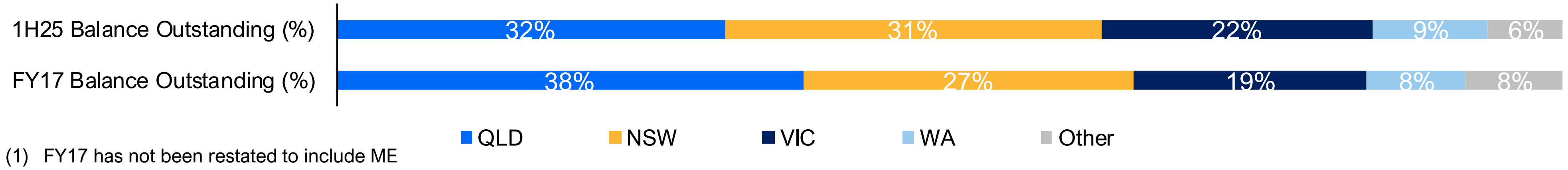
Asset finance - industry segments over time (%)



Commercial - industry segments over time (%)



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



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

Summary

- Enhanced geographic diversification, Queensland housing portfolio reducing from 50% in FY17 to 31% in 1H25
- The addition of ME has further diversified the geographic diversity of the housing portfolio
- Asset finance and Commercial lending portfolios remain diversified across a broad range of industries

Emerging risks to portfolio quality

Macro economic environment

- Modest additional reductions in the cash rate expected in 2025
- We expect moderate house price growth in 2025 albeit with a mixed performance across the country. Affordability remains a concern
- The global economy has absorbed high inflation and interest rates well. There is heightened uncertainty about how changes in US trade policy will impact the global economy
- Heightened uncertainty about the economic outlook is likely to create ongoing volatility in asset prices
- The labour market remains strong
- Business margins have been compressed from higher costs and slowing revenue growth

Outlook for credit losses

- Loan impairment expense remains at historically low levels 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
- Overlays in place for key industries expected to be impacted by the continued higher interest rate environment and any segments of the portfolio undergoing stress
  - Commercial real estate sector risks remain given economic conditions, however the outlook is improving and no material losses or increasing arrears have been observed
- Loss experience is expected to normalise from current low levels. With a well secured portfolio and prudent provisioning levels, BOQ is well positioned for a changing credit loss environment

FUNDING & LIQUIDITY

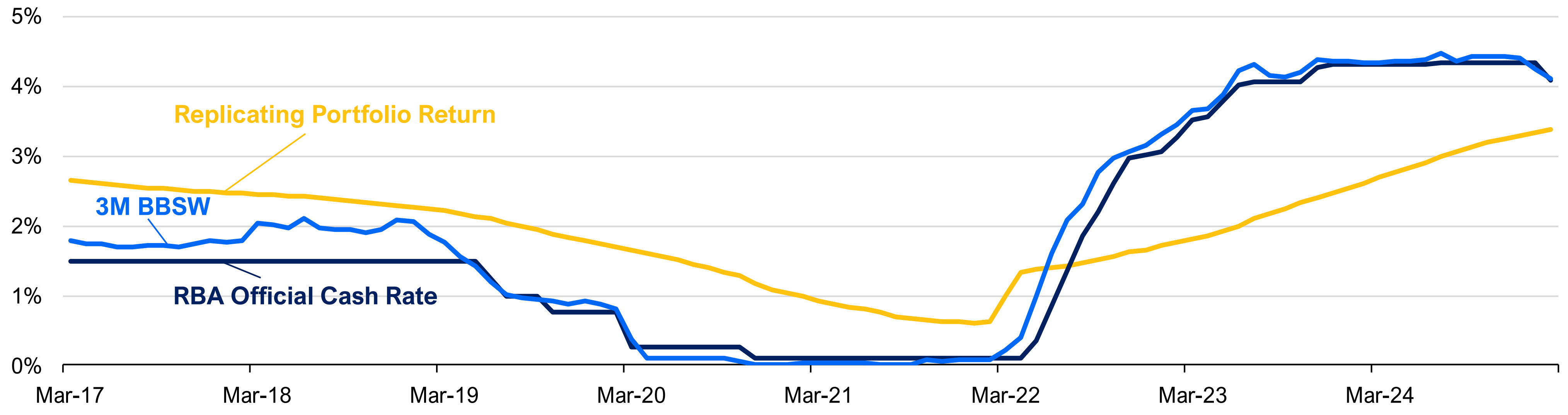
BOQ GROUP

Replicating portfolio

Summary

- The replicating portfolio is a tool to manage interest rate risk
- Replicating portfolio has an investment term of 5 years, this remains appropriate in current market conditions
- In 1H25 the portfolio contributed 3bps to NIM
- For every 0.25% decrease to the RBA cash rate, the uninvested capital and low cost deposit portfolio will decrease NIM by ~1bp

Replicating portfolio



	2H24 Balance ($bn)	1H25 Balance ($bn)	1H25 Avg. Return	Exit Return Rate	Investment Term
Capital	4.1	4.1	3.36%	3.48%	5 years
Low cost deposits	4.2	4.2	3.16%	3.26%	5 years
Total Replicating Portfolio	**8.3**	**8.3**	3.26%	3.37%	5 years

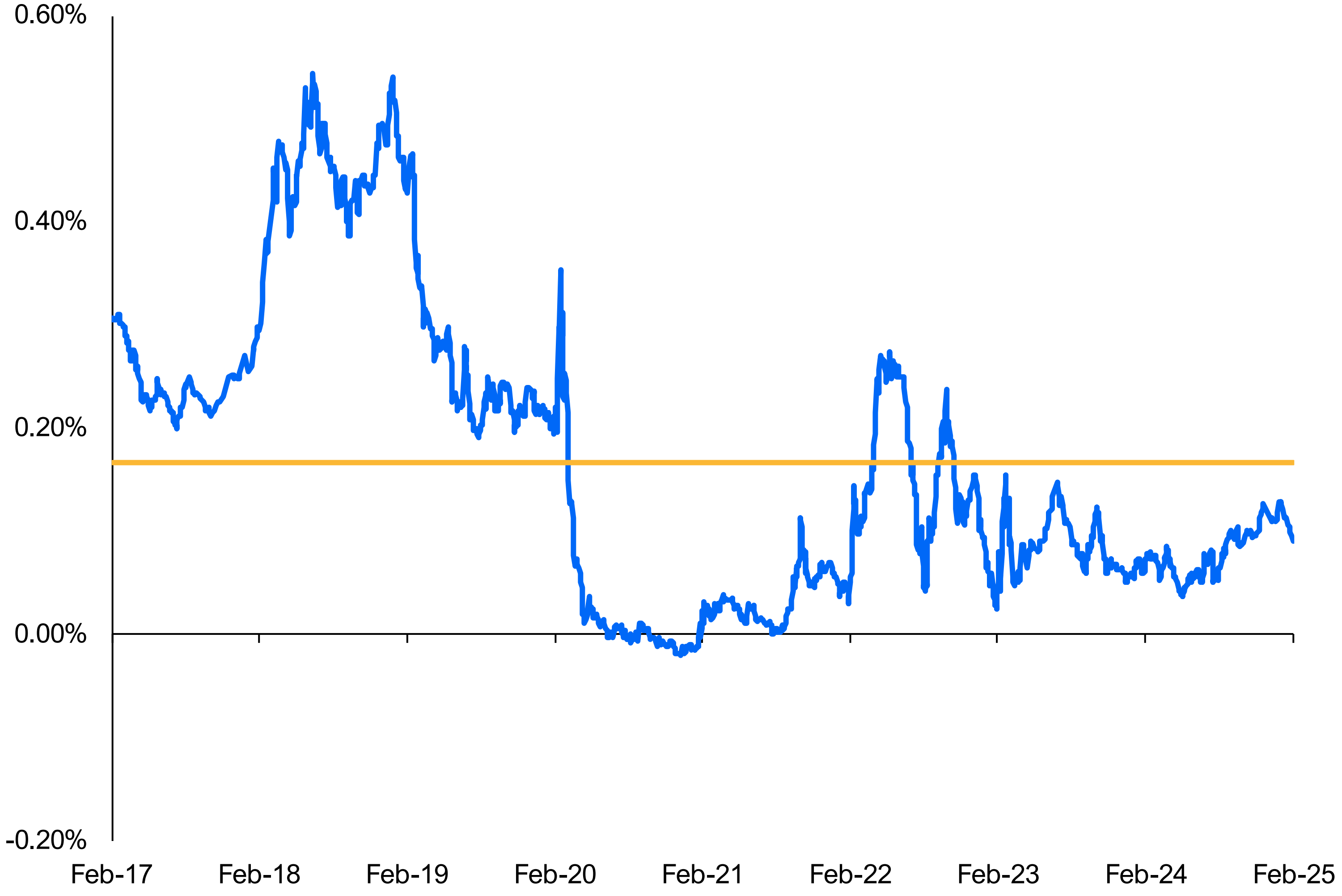
BOQ GROUP

Hedging costs - basis risk

Summary

- BOQ's basis risk exposure fell in 1H25 due to at-call deposit growth outpacing growth in variable rate assets
- The impacts of hedging costs had a negative 0.4bp NIM impact in 1H25
- Current sensitivity is c.1bp of NIM for every 10bps in basis swap spread

Long term basis risk avg - 17 bps



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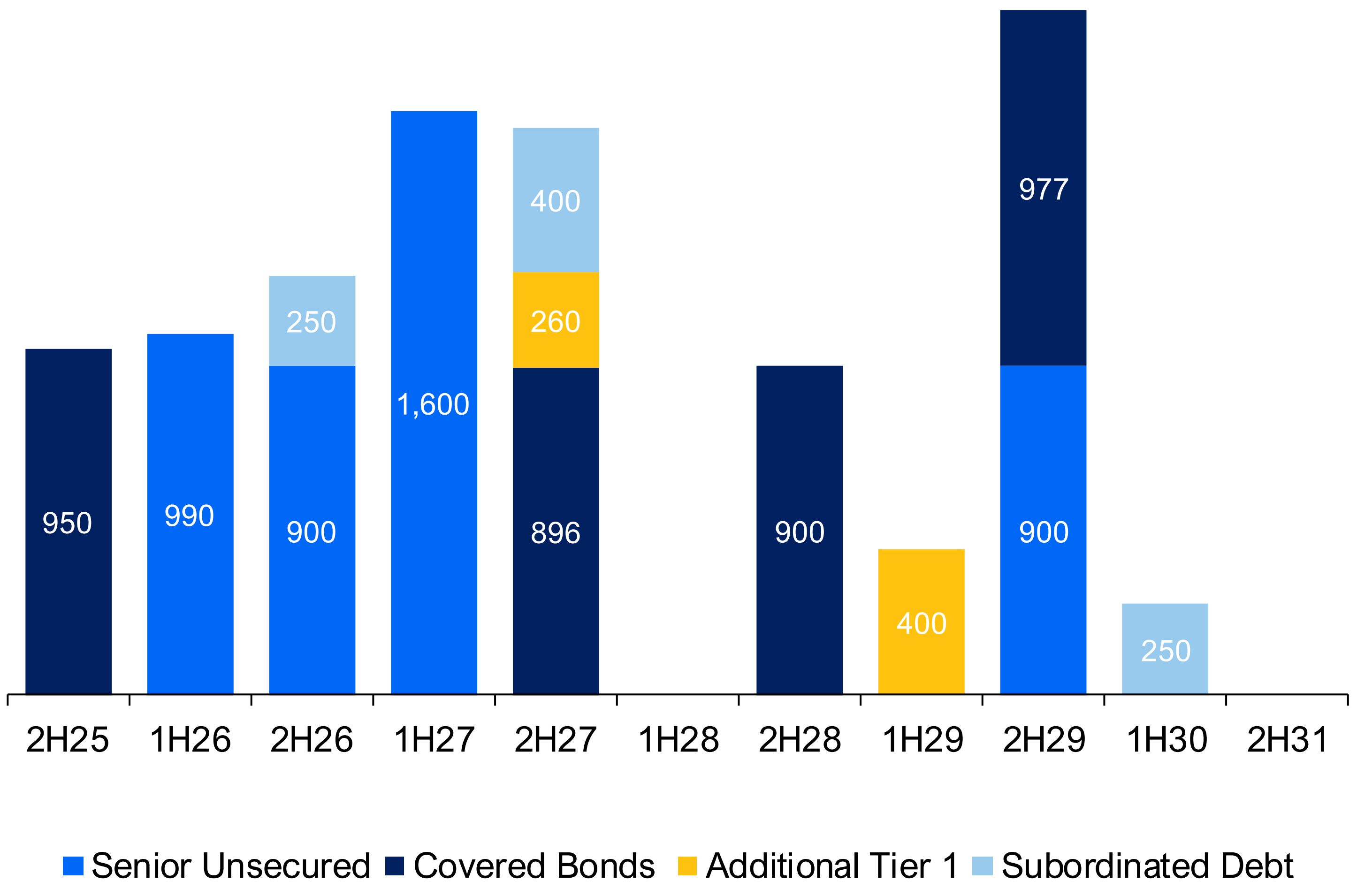
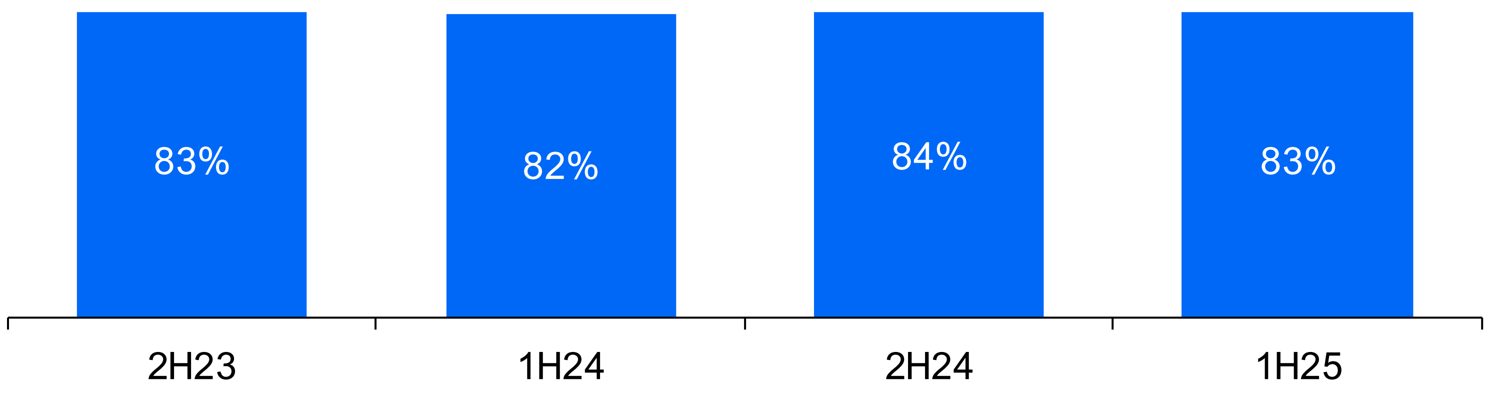
Funding

Lending activities funded through stable sources, including customer deposits and long term wholesale funding

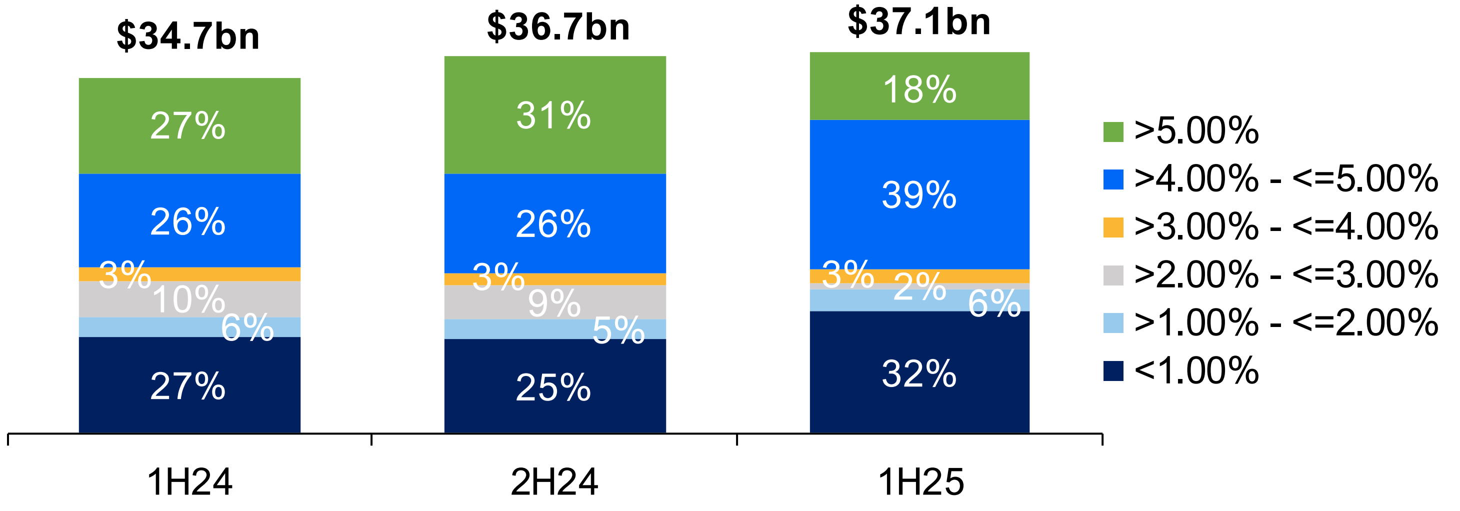
Major maturities[1, 2, 3] ($m)



Deposit to loan ratio (%)



Customer at call deposit funding costs



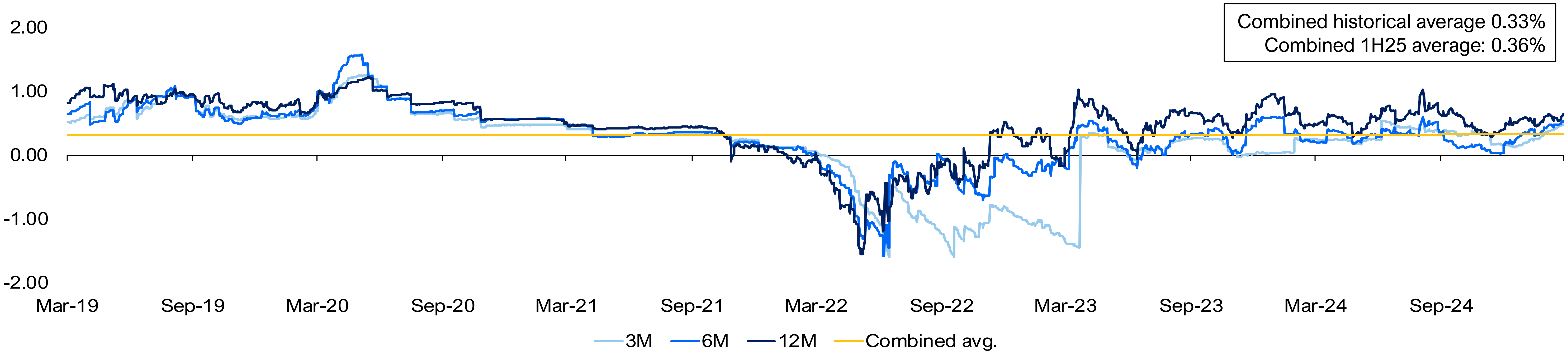
(1) Any transaction issued in a currency other than AUD is shown in the applicable AUD equivalent hedged amount
(2) Senior unsecured maturities greater than or equal to $100m shown but excludes private placements
(3) Redemption of subordinated debt notes and additional tier 1 notes at the scheduled call date is at BOQ's option and is subject to obtaining prior written approval from APRA

Term deposits

Summary

- 1H25 growth in term deposits moderated due to lower funding requirements and strategic simplification of portfolios aligned with transformation roadmap
- Term deposit and at-call acquisition pricing continued to be closely aligned through 1H25, and spreads remained normalised
- Competition for term deposits is expected to continue through 2H25, particularly in a reducing rate environment and customers attempt to maintain their yields on investments

Historical BOQ TD carded rates compared to BBSW (%)



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 Investor Service

ECONOMIC ASSUMPTIONS

BOQ GROUP

Macro economic environment[1]

Economic growth has started to improve with inflation easing

Macro economic

- Economic growth picked up in the second half of the calendar year 2024, with the labour market remaining strong
- The improvement reflected a pickup in household disposable incomes
- Inflation is anticipated to decline a little further over the coming financial year
- We expect some further reduction in the cash rate this calendar year
- There is uncertainty about the economic outlook, particularly around developments in the global economy

(1) BOQ house view

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Housing, business lending and deposit outlook[1]

Economic growth is improving with inflation moderating

Housing outlook

- A modest further rise in the unemployment rate is forecast for this year
- The improvement in disposable incomes has helped boost consumer confidence
- Affordability remains a significant issue in the housing market
- Modest growth in Australia-wide house prices is expected over the next couple of years, with performance mixed across regions
- Housing credit is projected to grow by around 6% in the coming financial year[2]

Business lending outlook

- The weakness of consumer spending has constrained the growth of order books
- Developments in the global economy may impact business confidence
- Although cost pressures are easing they remain an issue for many companies
- Worker availability remains a constraint for some sectors although less of a problem than it was in 2022-23.
- Business credit is expected to grow by around 6.5% in the 2025 financial year[2]

Deposits outlook

- Some further increase in the household saving rate is likely this year as household disposable income growth improves
- Lower interest rates could reduce the attractiveness of deposits although this could be offset by heightened volatility in the financial markets
- Deposit growth is expected to be around 6.5% in the next financial year[2]

(1) BOQ house view
(2) BOQ financial year to August 2025

ABBREVIATIONS

Abbreviations

3LOD: Three lines of defense
1H: First half of financial year
2H: Second half of the financial year
30DPD: 30 days past due
90DPD: 90 days past due
AASB: Australian Accounting Standards Board
ACIP: Applicable Customer Identification Procedures
ADI: Authorised Deposit-taking Institution
AML: Anti-Money Laundering
APRA: Australian Prudential Regulation Authority
ASIC: Australian Securities & Investments Commission
AUC: Assets Under Construction
Avg: Average
BAU: Business As Usual
BBSW: Bank Bill Swap Rate
BDD: Bad & Doubtful Debt Expense
BOQF: Bank of Queensland Finance
BOQS: Bank of Queensland Specialist
Bps: basis points
CAGR: Compound annual growth rate
CET1: Common Equity Tier 1
CP: Collective Provision
cps: cents per share
CTI: Cost-to-income ratio
CTF: Counter Terrorism Financing
DPD: Days past due
DTL: Deposit to Loan
ECDD: Enhanced Customer Due Diligence
EPS: Earnings per Share
ESA: Exchange Settlement Account
ERP: Enterprise Resource Planning
EU: Enforceable Undertaking
FTBB: Front to back book
FTE: Full Time Equivalent
FY: Financial year
GDP: Gross Domestic Product
GLA: Gross Loans & Advances
GRLC: General Reserve for Credit Losses
HQLA: High Quality Liquid Assets
LCD: Low cost deposit
LCR: Liquid Coverage Ratio
LGD: Loss Given Default
LIE: Loan Impairment Expense
LMI: Lenders Mortgage Insurance
LOC: Line of Credit
LVR: Loan to Valuation Ratio
MFI: Main Financial Institution
NIM: Net Interest Margin
NII: Net Interest Income
NM: Not meaningful
NPAT: Net Profit After Tax
NPS: Net Promoter Score
NSFR: Net Stable Funding Ratio
OCDD: Ongoing Customer Due Diligence
OMB: Owner Managed Branch
OIS: Overnight Index Swap
PAYG: Pay As You Go
PCP: Prior Corresponding Period
PD: Probability of Default
QE: Quantitative Easing
RAP: Remedial Action Plan
RBA: Reserve Bank of Australia
ROE: Return on equity
ROTE: Return on tangible equity
RWA: Risk-weighted assets
SaaS: Software as a Service
SME: Small and Medium Enterprises
STO: Strategy and Transformation Office
TD: Term deposit
TFF: Term Funding Facility
TTY: Time to yes
VMA: Virgin Money Australia
WAL: Weighted Average Life
YTD: Year to Date