

APRA BASEL III PILLAR 3 DISCLOSURES

Quarter Ended 31 May 2026



**BOQ
GROUP**

Bank of Queensland Limited
ABN: 32 009 656 740

**20
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INTRODUCTION.

Introduction

Bank of Queensland Limited (**BOQ Limited**) is an Authorised Deposit-taking Institution (**ADI**) regulated by the Australian Prudential Regulation Authority (**APRA**) under the authority of the Banking Act 1959.

This Pillar 3 report has been prepared by BOQ to meet its disclosure requirements set out in APRA's revised prudential standard APS 330 'Public Disclosure' (**APS 330**), effective 1 January 2025. The revised APS 330 aligns with international standards set by the Basel Committee on Banking Supervision (**BCBS**) and aims to provide sufficient information for market participants to assess the ADI's regulatory capital adequacy and risk exposures.

The disclosures in this Pillar 3 report include key prudential metrics and information relating to BOQ's risk management approach, regulatory capital, countercyclical capital buffer requirement, credit risk, counterparty credit risk, securitisation, market risk, operational risk, interest rate risk in the banking book (**IRRBB**), and liquidity. The frequency of disclosures is provided on a quarterly, semi-annual, or annual basis in accordance with the BCBS disclosure requirements.

This report is prepared on a Level 2 basis in accordance with the APS 330 prudential requirements. The Level 2 regulatory consolidated group primarily consists of BOQ (the ADI) and its subsidiaries. The group excludes specific subsidiaries which are required to be deconsolidated according to APRA definitions in CPS 001 'Defined terms' (**CPS 001**).

This report is not subject to an external audit; however, it has been prepared on a basis consistent with information submitted to APRA.

In addition to this report, the Bank's main features of capital instruments are updated on an ongoing basis and are available at the Regulatory Disclosures section of the Bank's website at the following address: <https://www.boq.com.au/shareholder-centre/financial-information/regulatory-disclosures/>

Key Points

The Bank's capital management strategy aims to ensure adequate capital levels are maintained to protect deposit holders. The Bank's capital is measured and managed in line with Prudential Standards issued by APRA. The Bank's Internal Capital Adequacy Assessment Process (**ICAAP**) provides the framework to ensure that the Bank is capitalised to meet internal capital targets and APRA's requirements. The ICAAP is reviewed regularly and submitted to the Board annually for approval. The Bank's capital position is monitored on a continuous basis and reported monthly to the Asset and Liability Committee and Board.

Capital Ratios

BOQ operates under APRA's revised Basel III capital framework. The Board has determined the Group will target to operate within the following management target ranges in normal operating conditions, these are: Common Equity Tier 1 Capital Ratio 10.25-10.75%; Tier 1 Capital Ratio 11.75-12.50% and Total Capital Ratio 13.75-14.50%.

As at 31 May 2026, BOQ's capital ratios are as follows:

- Common Equity Tier 1 Capital Ratio was 11.79% (11.18% as at 28 February 2026);
- Tier 1 Capital Ratio was 13.53% (12.82% as at 28 February 2026); and
- Total Capital Ratio was 16.24% (15.39% as at 28 February 2026).

Policy

BOQ Group's Prudential Disclosure policy is reviewed and approved by the Board on an annual basis to ensure that it remains compliant with the APS 330 prudential requirements. The policy sets out the process for assessing the appropriateness and accuracy of prudential disclosures, including their validation and frequency; and ensuring that prudential disclosures reflect the BOQ Group's actual risk profile, and are consistent with how the Board and senior management assess and manage risk more broadly.

The policy was approved by the BOQ Board on 14 October 2025.

Written Attestation

As the Chief Financial Officer of Bank of Queensland (**BOQ**), I attest that the information presented in this Pillar 3 report has been prepared by BOQ to meet its disclosure requirements set out in APRA's prudential standard APS 330 'Public Disclosure' (**APS 330**) and has been prepared in accordance with our Board-approved policy on disclosure controls and prudential disclosures.



Racheal Kellaway

Chief Financial Officer
22 July 2026

OVERVIEW OF KEY PRUDENTIAL METRICS AND RWA.

KM1: Key metrics (At Level 2 Regulatory Consolidated Group)

The following table provides an overview of key metrics related to capital and liquidity.

(AUD million)		a	b	c	d	e
		May 26	Feb 26	Nov 25	Aug 25	May 25
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	4,466	4,508	4,383	4,391	4,305
2	Tier 1	5,126	5,168	5,043	5,051	4,965
3	Total capital	6,154	6,206	6,095	6,093	6,006
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	37,885	40,314	40,625	40,140	39,872
Risk-based capital ratios as a percentage of RWA						
5	CET1 ratio (%)	11.79	11.18	10.79	10.94	10.80
6	Tier 1 ratio (%)	13.53	12.82	12.41	12.58	12.45
7	Total capital ratio (%)	16.24	15.39	15.00	15.18	15.06
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50	2.50	2.50	2.50	2.50
9	Countercyclical buffer requirement (%)	1.00	1.00	1.00	1.00	1.00
11	Total of bank CET1 specific buffer requirements (%)	3.50	3.50	3.50	3.50	3.50
12	CET1 available after meeting the bank's minimum capital requirements (%) ⁽¹⁾	7.29	6.68	6.29	6.44	6.30
Liquidity Coverage Ratio (LCR)						
15	Total high-quality liquid assets (HQLA)	16,770	16,871	17,300	17,106	16,435
16	Total net cash outflow	12,130	12,012	12,161	11,980	11,666
17	LCR ratio (%)	138.38	140.51	142.33	142.86	141.21
Net Stable Funding Ratio (NSFR)						
18	Total available stable funding	67,892	69,941	71,711	72,015	71,305
19	Total required stable funding	54,197	56,726	57,284	57,967	57,772
20	NSFR ratio (%)	125.27	123.29	125.19	124.24	123.42

(1) CET1 available after meeting the bank's minimum capital requirements is calculated as CET1 ratio of the bank, less the minimum CET1 capital requirement (4.5%) and any shortfall in meeting the Tier 1 and Total capital minimum requirements, as defined by BCBS.

KM1: Key metrics (continued)

CET1

The CET1 ratio of 11.79% as at 31 May 2026, 61 basis points higher than the previous quarter. The uplift was primarily driven by a net reduction in total RWA, capital generated from earnings and lower capital deductions; partly offset by the payment of FY26 Interim dividends.

RWA

Total RWA decreased by \$2.4 billion during the May 2026 quarter, primarily driven by a reduction in credit risk RWA following the whole-of-loan equipment finance portfolio sale to Challenger Limited on 1 May 2026 (decrease of \$2.7 billion). The transaction was assessed as a qualifying securitisation under APS 120 and met the operational requirements for regulatory capital relief. Further reductions arose from contraction in the residential mortgage portfolio (decrease of \$0.3 billion) and other securitisation-related activities, including loan substitutions and associated capital relief (decrease of \$0.2 billion). These reductions were partially offset by growth in general corporate (increase of \$0.4 billion), commercial property & ADC (land acquisition, development and construction) (increase of \$0.2 billion), leases (increase of \$0.1 billion) and higher market risk RWA (increase of \$0.1 billion).

LCR

The LCR requires an ADI to hold sufficient High Quality Liquid Assets (**HQLA**) to meet Net Cash Outflows (**NCO**) over a 30-day period, under a regulator defined liquidity stress scenario.

BOQ's average LCR over the May 2026 quarter was 138%, which is 2% lower than the previous February 2026 quarter average.

NSFR

The NSFR is defined as the ratio of the amount of Available Stable Funding to the amount of Required Stable Funding. The NSFR average over the May 2026 quarter was 125%, which is 2% higher on the prior quarter.

OV1: Overview of risk-weighted assets (RWA)

The following table presents an overview of Bank of Queensland's RWA and the related minimum capital requirements by risk type.

(AUD million)		a	b	c
		RWA		Minimum capital requirements
		May 26	Feb 26	May 26
1	Credit risk (excluding counterparty credit risk)	33,914	36,460	2,713
2	Of which: standardised approach (SA)	33,914	36,460	2,713
6	Counterparty credit risk (CCR)	207	205	17
9	Of which: other CCR	207	205	17
10	Credit valuation adjustment (CVA)	12	11	1
16	Securitisation exposures in banking book	120	125	10
19	Of which: securitisation standardised approach (SEC-SA)	120	125	10
20	Market risk	256	137	21
21	Of which: standardised approach (SA)	256	137	21
	Of which: interest rate risk	244	126	20
	Of which: specific risk	95	41	8
	Of which: general market risk	149	85	12
	Of which: interest rate options - delta-plus method	-	-	-
	Of which: equity position risk	-	-	-
	Of which: foreign exchange risk	12	11	1
24	Operational risk	3,376	3,376	270
29	Total	37,885	40,314	3,032

LIQUIDITY RISK.

LIQ1: Liquidity Coverage Ratio (LCR)

APRA requires authorised deposit-taking institutions (**ADI**) to maintain a minimum Liquidity Coverage Ratio (**LCR**) of 100%. The LCR requires an ADI to hold sufficient High Quality Liquid Assets (**HQLA**) to meet net cash outflows (**NCO**) over a 30-day period, under a regulator defined liquidity stress scenario. BOQ manages its LCR on a daily basis with a buffer above the regulatory minimum, in line with the BOQ prescribed risk appetite and management ranges.

BOQ maintains a portfolio of high quality, diversified liquid assets to facilitate balance sheet liquidity needs and meet the regulatory minimum, with appropriate additional Board and management buffers set in line with the Group risk appetite. Liquid assets are composed of HQLA (RBA balances, cash, Australian Semi-Government and Commonwealth Government securities). BOQ uses a range of funding instruments including customer deposits, short term and long-term wholesale debt instruments, securitisation and covered bonds, with the objective of lengthening tenor, diversifying funding sources and increasing the stable funding base.

BOQ's average Level 2 LCR over the May 2026 quarter was 138%, which is 2% lower than the February 2026 quarter average. On a spot basis, the LCR was between 127% and 150% with the low attributed to a reduction in HQLA. The average balance of HQLA has decreased by \$101m relative to the last quarter.

Average NCOs have increased by \$118m which was primarily driven by:

- \$162m increase in less stable deposits
- \$243m increase in unsecured wholesale funding maturities, of which:
 - \$13m increase in Non-operational deposit maturities
 - \$230m increase in unsecured debt maturities
- Offset by:
 - \$244m decrease in other contractual funding obligations as a result of reduced lending activity
 - \$11m increase in total cash inflows

The following table presents detailed information on the ratio composition for the two quarters. 63 data points were used in calculating the average figures for the May 2026 quarter and 61 data points were used in calculating the average figures for the February 2026 quarter.

LIQ1: Liquidity Coverage Ratio (LCR) (continued)

The following table provides a breakdown of our cash outflows and cash inflows, as well as its available high-quality liquid assets (HQLA), as measured and defined according to the LCR standard.

(AUD million)		a	b	a1	b1
		Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
		May 26		Feb26	
High-quality liquid assets					
1	Total HQLA		16,770		16,871
Cash outflows					
2	Retail deposits and deposits from small business customers, of which:	43,493	6,861	43,498	6,723
3	Stable deposits	14,218	711	14,691	735
4	Less stable deposits	29,275	6,150	28,807	5,988
5	Unsecured wholesale funding, of which:	6,643	4,209	6,463	3,966
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-
7	Non-operational deposits (all counterparties)	5,894	3,460	5,944	3,447
8	Unsecured debt	749	749	519	519
9	Secured wholesale funding		71		59
10	Additional requirements, of which:	7,896	1,270	8,168	1,276
11	Outflows related to derivative exposures and other collateral requirements	876	876	868	868
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Credit and liquidity facilities	7,020	394	7,300	408
14	Other contractual funding obligations	690	260	932	504
15	Other contingent funding obligations	8,464	733	9,237	747
16	TOTAL CASH OUTFLOWS		13,404		13,275
Cash inflows					
17	Secured lending (eg reverse repos)	669	-	581	-
18	Inflows from fully performing exposures	879	449	876	447
19	Other cash inflows	825	825	816	816
20	TOTAL CASH INFLOWS	2,373	1,274	2,273	1,263
		Total adjusted value		Total adjusted value	
21	Total HQLA		16,770		16,871
22	Total net cash outflows		12,130		12,012
23	Liquidity Coverage Ratio (%)		138.38		140.51

**BOQ
GROUP**