2026 HALF YEAR RESULTS

For the half year ended 28 February 2026

BOQ Group 2026 Half Year Results

Bank of Queensland Limited | ABN: 32 009 656 740

ASX Appendix 4D
for the half year ended 28 February 2026

Results for announcement to the market [1]

				$ million
Revenues from ordinary activities [2]	Up	**4%**	to	835
Profit from ordinary activities after tax attributable to members [2]	Down	**20%**	to	136
Profit for the period attributable to members [2]	Down	**20%**	to	136

Dividends	Record date	Paid or payable on	Amounts per security
Ordinary shares (BOQ)			
Full year ordinary dividend – fully franked	**30-Oct-25**	**21-Nov-25**	**20 cents**
Interim ordinary dividend – fully franked	**5-May-26**	**27-May-26**	**20 cents**

(1) Rule 4.2A.3. Refer to Appendix 7.1 for the cross reference index for ASX Appendix 4D.

(2) On prior corresponding period (six months ended 28 February 2025). Based on statutory profit results.

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Financial performance

For the half year ended 28 February 2026

1. Financial highlights

1.1 Reconciliation of cash earnings to statutory profit

Note on cash earnings to statutory profit

Statutory profit is prepared in accordance with the *Corporations Act 2001* and the Australian Accounting Standards, which comply with the International Financial Reporting Standards (**IFRS**). Cash earnings is a non-accounting measure commonly used in the banking industry to assist in presenting a view of the underlying earnings of Bank of Queensland Limited and its controlled entities (**BOQ** or **the Group**).

Figures disclosed in the Financial Performance report are on a cash earnings basis, unless stated as being on a statutory profit basis. The non-statutory measures have not been subject to an independent audit or review.

Cash earnings exclude several items that introduce volatility or do not reflect underlying performance of the current period. This allows for a more effective comparison of performance across reporting periods.

The exclusions from cash earnings in 1H26 relate to:

- Whole-of-loan sale (1) – held for sale accounting remeasurement;
- Branch strategy – costs relate predominantly to the amortisation of the right-to-operate assets that were acquired as part of the conversion of the Owner Managed Branch (**OMB**) network to corporate branches. In 2025, branch strategy costs primarily comprised costs associated with the conversion of the OMB network to corporate branches and optimisation of the network, including amortisation of the right-to-operate assets;
- Hedging and fair value changes – represents earnings volatility from changes in the fair value of economic hedges which represent timing differences that will reverse through earnings in the future and ineffectiveness from designated hedge accounting transactions; and
- Amortisation of acquisition fair value adjustments – these arise from the acquisition of subsidiaries.

(1) Whole-of-loan sale refers to the sale of the equipment finance portfolio. Further details can be found in the Group's ASX announcement dated 7 April 2026.

Financial performance

For the half year ended 28 February 2026

1.1 Reconciliation of cash earnings to statutory profit (continued)

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

	Half year performance				
	Feb 26 $m	Aug 25 $m	Feb 25 $m	Feb 26 vs Aug 25	Feb 26 vs Feb 25
Cash earnings after tax	**176**	200	183	(12%)	(4%)
Whole-of-loan sale	**(31)**	-	-	large	large
Branch strategy	**(8)**	(27)	(16)	(70%)	(50%)
Hedging and fair value changes	**(1)**	(2)	1	(50%)	large
Goodwill impairment	**-**	(170)	-	(100%)	-
Restructuring costs	**-**	(25)	-	(100%)	-
Remedial Action Plans	**-**	(14)	-	(100%)	-
Amortisation of acquisition fair value adjustments	**-**	-	3	-	(100%)
Statutory net profit after tax	**136**	(38)	171	large	(20%)

(b) 1H26 Non-cash earnings reconciling items

	Cash earnings Feb 26 $m	Whole-of-loan sale $m	Branch strategy $m	Hedging and fair value changes $m	Amortisation of acquisition fair value adjustments $m	**Statutory net profit Feb 26 $m**
Net interest income	**755**	-	-	-	4	**759**
Non-interest income	**77**	-	-	(1)	-	**76**
Total income	**832**	-	-	(1)	4	**835**
Operating expenses	**(553)**	(36)	(12)	-	(4)	**(605)**
Underlying profit	**279**	(36)	(12)	(1)	-	**230**
Loan impairment expense	**(20)**	-	-	-	-	**(20)**
Profit before tax	**259**	(36)	(12)	(1)	-	**210**
Income tax expense	**(83)**	5	4	-	-	**(74)**
Profit after tax	**176**	(31)	(8)	(1)	-	**136**

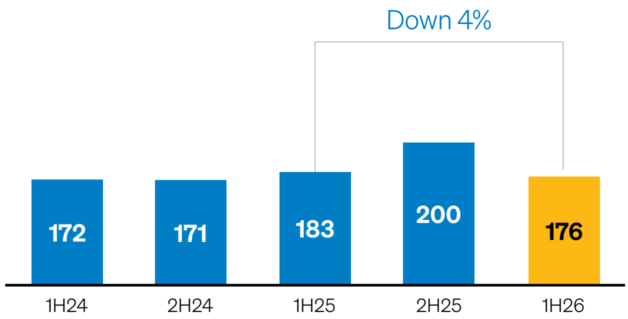
In the financial tables throughout the Financial Performance report, 'large' indicates that the absolute percentage change in the balance was greater than 200 per cent or 500 basis points or indicates the result was a gain or positive in one period and a loss or negative in the corresponding period.

Financial performance

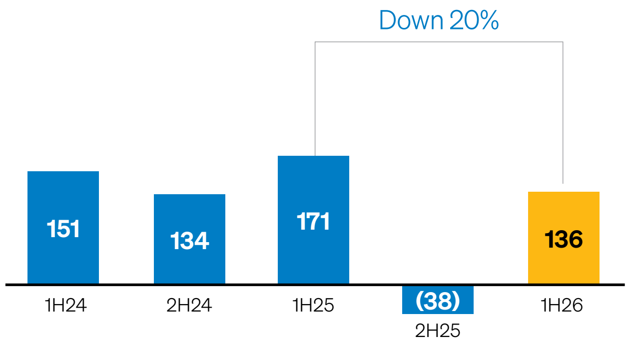
For the half year ended 28 February 2026

1.2 Financial summary

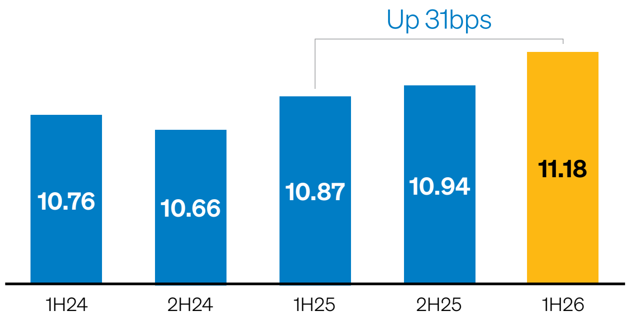
Cash earnings after tax ($m)



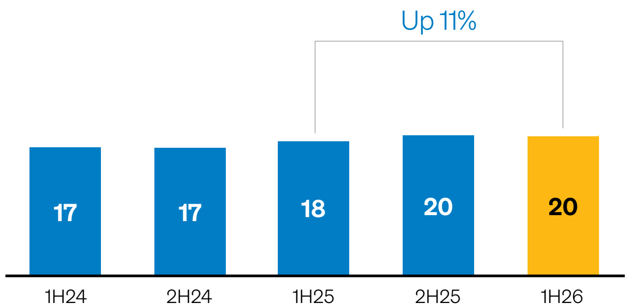
Statutory net profit after tax (**NPAT**) ($m)



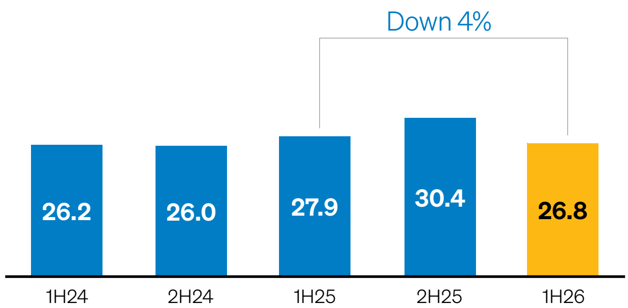
Common equity tier 1 ratio (**CET1 ratio**) (%)



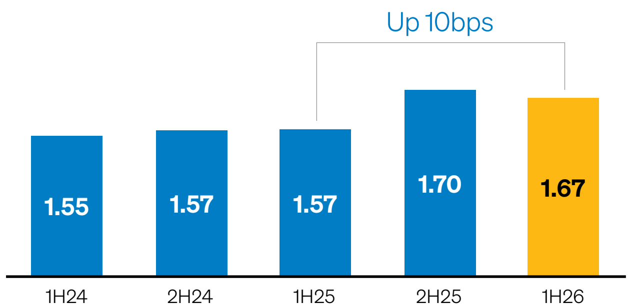
Dividends per ordinary share (cents)



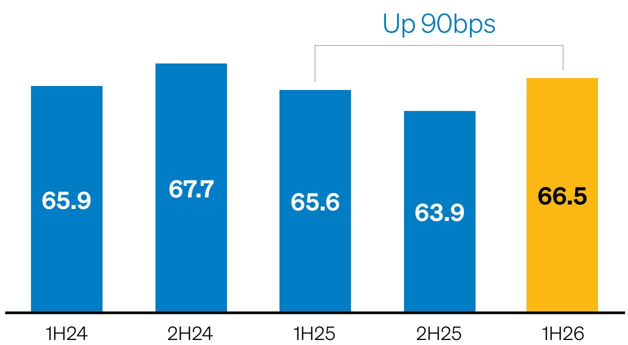
Cash basic earnings per share (**EPS**) (cents)



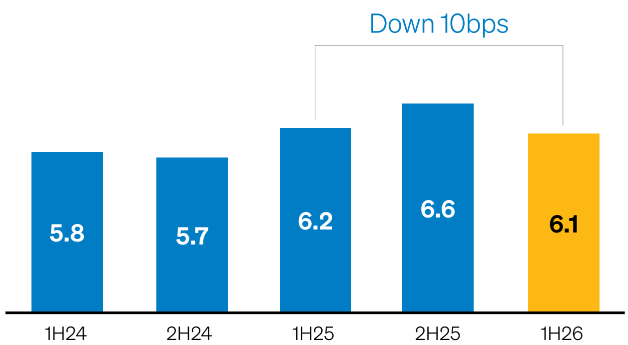
Cash net interest margin (**NIM**) (%)



Cash cost to income ratio (**CTI**) (%) (1)



Cash return on average equity (**ROE**) (%)



(1) 2H25 includes the first period of the branch conversion.

Financial performance

For the half year ended 28 February 2026

1.2 Financial summary (continued)

Net profit after tax

$176m

Cash earnings

Down four per cent on 1H25.

$136m

Statutory NPAT

Down 20 per cent on 1H25.

Cash earnings after tax decreased four per cent on 1H25 with higher underlying profit offset by an increase in loan impairment expense off a low base.

Cash net interest margin

1.67%

Up 10 basis points on 1H25 driven by the branch conversion benefits, partially offset by competition for lending and deposits. Down three basis points on 2H25 due to competition and timing impacts from cash rate movements.

Cash operating expenses

$553m

Up six per cent on 1H25 reflecting inflation, the branch conversion, investment in business bank growth and digital transformation, partially offset by productivity.

Cash loan impairment expense (**LIE**)

$20m

Loan impairment expense of $20 million in 1H26 compared to $3 million in 1H25. This increase was driven by the non-recurrence of a provision release in commercial lending in 1H25 and a return to more normalised asset finance experience.

CET1 ratio

11.18%

Up 24 basis points on 2H25 driven by cash earnings net of dividends, and mark to market gains in the available for sale reserve.

Cash ROE

6.1%

Down 10 basis points on 1H25 driven by lower cash earnings.

Cash earnings after tax of $176 million decreased four per cent on 1H25. Total income benefited from the branch conversion [(1)], while network operating costs, inflation and investment in business bank growth and digital transformation were partially offset by the Group's productivity program, delivering a two per cent increase in underlying profit. LIE increased to $20 million off a low base in 1H25. Statutory net profit after tax decreased 20 per cent on 1H25 to $136 million and includes impacts of the whole-of-loan equipment finance sale.

Net interest income

Net interest income (**NII**) of $755 million was up four per cent on 1H25. This was driven by a 10 basis point improvement in net interest margin (**NIM**), offset by a $1.7 billion decrease in average interest earning assets (**AIEA**). The increase in NIM reflected the benefits of the branch conversion, growth in business banking and optimisation of funding sources. This was partially offset by ongoing competition across both lending and deposits and a higher proportion of liquid assets. NIM was down three basis points on 2H25.

AIEA decreased two per cent on 1H25, predominantly driven by an eight per cent contraction in housing balances, reflecting the continued prioritisation of business lending growth over home lending in a competitive market. This was partially offset by 16 per cent growth in commercial lending balances as the Group's lending portfolio mix shifted from home lending to commercial lending.

Non-interest income

Non-interest income of $77 million was up 13 per cent on 1H25 driven by higher business lending fees and lower revenue share following the completion of the branch conversion.

Operating expenses

Total operating expenses of $553 million increased by $33 million or six per cent on 1H25, reflecting the branch conversion, investment in business bank growth and digital transformation. Sustained inflation and continued investment in risk and regulatory programs were materially offset by benefits from Group productivity initiatives.

Loan impairment expense

Loan impairment expense of $20 million increased by $17 million on 1H25 due to the non-recurrence of a provision release in commercial lending in 1H25, a specific provision for a single large asset finance exposure and a return to more normalised asset finance experience. This was partially offset by a provision release in retail lending due to improved arrears rates and strong housing prices. The Group remains well provisioned.

Capital management

The CET1 ratio of 11.18 per cent was 24 basis points higher than 2H25 largely due to capital generated through cash earnings, net of the final FY25 dividend paid, and mark to market gains in the available for sale reserve. At 11.18 per cent, the CET1 ratio is above the management target range of 10.25 – 10.75 per cent.

Shareholder returns

BOQ has determined to pay an ordinary dividend of 20 cents per share, which is 75 per cent of 1H26 cash earnings. The Board has set a target cash dividend payout ratio of 60-75 per cent. [(2)]

(1) Owner managed branch network converted to proprietary network on 1 March 2025

(2) The amount of any dividend paid will be at the discretion of the Board and subject to capital requirements of the business.

Financial performance

For the half year ended 28 February 2026

2. Group performance analysis

2.1 Income statement and key metrics

	Half year performance				
	Feb 26 $m	Aug 25 $m	Feb 25 $m	Feb 26 vs Aug 25	Feb 26 vs Feb 25
Net interest income	**755**	790	725	(4%)	4%
Non-interest income	**77**	74	68	4%	13%
Total income	**832**	864	793	(4%)	5%
Operating expenses	**(553)**	(552)	(520)	-	6%
Underlying profit	**279**	312	273	(11%)	2%
Loan impairment expense	**(20)**	(18)	(3)	11%	large
Profit before tax	**259**	294	270	(12%)	(4%)
Income tax expense	**(83)**	(94)	(87)	(12%)	(5%)
Cash earnings after tax	**176**	200	183	(12%)	(4%)
Statutory net profit after tax (1)	**136**	(38)	171	large	(20%)

(1) Refer to Section 1.1 (a) Reconciliation of cash earnings to statutory profit for a reconciliation of cash earnings to statutory net profit after tax.

		Half year performance				
Key metrics		**Feb 26**	Aug 25	Feb 25	Feb 26 vs Aug 25	Feb 26 vs Feb 25
SHAREHOLDER RETURNS						
Share price	$	**7.00**	7.27	6.70	(4%)	4%
Market capitalisation	$m	**4,630**	4,809	4,432	(4%)	4%
Dividends per ordinary share (fully franked)	cents	**20**	20	18	-	11%
CASH EARNINGS BASIS						
Basic earnings per share (EPS)	cents	**26.8**	30.4	27.9	(12%)	(4%)
Diluted EPS	cents	**25.3**	28.9	26.4	(12%)	(4%)
Dividend payout ratio	%	**75.1**	66.2	65.1	large	large
STATUTORY BASIS						
Basic EPS	cents	**20.7**	(5.9)	26.0	large	(20%)
Diluted EPS	cents	**20.1**	(5.9)	24.8	large	(19%)
Dividend payout ratio	%	**97.3**	large	69.6	large	large
OTHER METRICS						
Full Time Equivalent (**FTE**) – Spot (1)	#	**3,394**	3,558	3,105	(5%)	9%
Average Interest Earning Assets (**AIEA**) (2)	$m	**91,395**	91,990	93,052	(1%)	(2%)
Gross Loans and Advances (**GLA**) (2)	$m	**76,443**	77,860	79,550	(2%)	(4%)
Customer Deposits	$m	**65,275**	66,729	66,315	(2%)	(2%)
Deposit/Loan Ratio (2)	%	**85**	86	83	(100bps)	200bps
Liquidity Coverage Ratio (**LCR**) – quarterly average	%	**140.5**	142.9	141.8	(240bps)	(130bps)
LCR – half year average	%	**141.5**	142.1	143.2	(60bps)	(170bps)
Net Stable Funding Ratio (**NSFR**)	%	**123.3**	124.2	122.7	(90bps)	60bps

(1) FTE and operating expenses include the impacts of branch conversion from 2H25.

(2) Includes equipment finance assets which are classified as held for sale in the statutory financial statements.

Financial performance

For the half year ended 28 February 2026

2.1 Income statement and key metrics (continued)

		Half year performance				
Key metrics		**Feb 26**	Aug 25	Feb 25	Feb 26 vs Aug 25	Feb 26 vs Feb 25
PROFITABILITY AND EFFICIENCY MEASURES						
CASH EARNINGS BASIS						
Net profit after tax	$m	**176**	200	183	(12%)	(4%)
Underlying profit (1)	$m	**279**	312	273	(11%)	2%
NIM (2)	%	**1.67**	1.70	1.57	(3bps)	10bps
Cost to income ratio (**CTI**)	%	**66.5**	63.9	65.6	260bps	90bps
Loan impairment expense to GLA (3)	bps	**5**	5	1	-	4
Return on average equity (**ROE**)	%	**6.1**	6.6	6.2	(50bps)	(10bps)
Return on average tangible equity (**ROTE**) (4)	%	**7.4**	8.2	7.7	(80bps)	(30bps)
Effective Tax Rate	%	**32.0**	32.0	32.2	-	(20bps)
STATUTORY BASIS						
Net profit after tax	$m	**136**	(38)	171	large	(20%)
Underlying profit (1)	$m	**230**	43	255	large	(10%)
NIM (2)	%	**1.67**	1.71	1.59	(4bps)	8bps
CTI	%	**72.5**	95.0	68.2	large	430bps
Loan impairment expense to GLA (3)	bps	**5**	4	1	1	4
ROE	%	**4.7**	(1.3)	5.8	large	(110bps)
ROTE (3)	%	**5.7**	(1.6)	7.2	large	(150bps)
Effective Tax Rate	%	**35.2**	large	32.1	large	310bps
ASSET QUALITY						
30 days past due (**DPD**) arrears	$m	**1,258**	1,394	1,469	(10%)	(14%)
90DPD arrears	$m	**727**	815	879	(11%)	(17%)
Impaired assets	$m	**84**	94	95	(11%)	(12%)
Specific provisions to impaired assets	%	**63**	51	48	large	large
Total provision / GLA (3)	bps	**39**	39	39	-	-
CAPITAL						
CET1 ratio	%	**11.18**	10.94	10.87	24bps	31bps
Total capital adequacy ratio	%	**15.39**	15.18	15.11	21bps	28bps
Risk weighted assets (**RWA**)	$m	**40,314**	40,140	40,212	-	-

(1) Profit before loan impairment expense and tax.

(2) NIM is calculated net of offset accounts.

(3) Balances at 28 February 2026 include amounts associated with equipment finance assets held for sale.

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

Financial performance

For the half year ended 28 February 2026

2.2 Net interest income

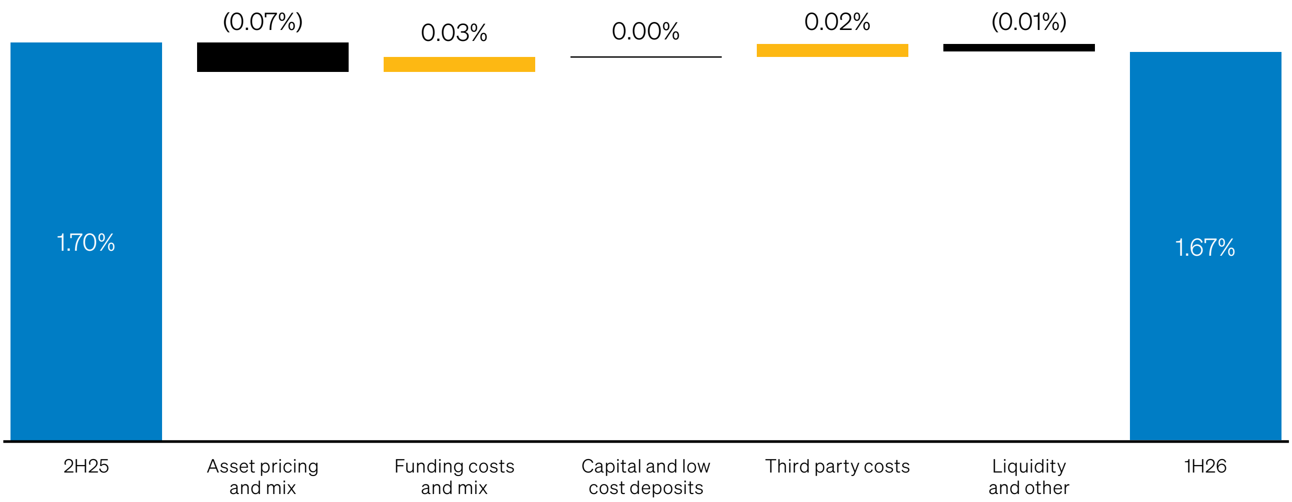
		Half year performance				
		Feb 26	Aug 25	Feb 25	Feb 26 vs Aug 25	Feb 26 vs Feb 25
Net interest income [(1)]	$m	**755**	790	725	(4%)	4%
Average interest earning assets (**AIEA**)	$m	**91,395**	91,990	93,052	(1%)	(2%)
NIM	%	**1.67**	1.70	1.57	(3bps)	10bps

(1) Refer to Section 1.1 (b) 1H26 non-cash earnings reconciling items for a reconciliation of cash net interest income to statutory net interest income.

Net interest income of $755 million was up four per cent on 1H25, driven by a 10 basis point improvement in NIM, offset by a two per cent decline in AIEA. 1H26 NIM reduced by three basis points on 2H25. AIEA decreased $1.7 billion or two per cent on 1H25 due to a contraction in home lending, reflecting the continued prioritisation of business lending growth over home lending in a competitive market. This was partially offset by growth in the commercial lending portfolio and higher liquid asset holdings.

The 10 basis point increase in NIM on 1H25 was predominantly driven by 12 basis points of benefit from the branch conversion with further benefits from mix as the Group grew higher margin commercial lending and funding mix was optimised through a reduction in wholesale funding and growth in retail deposits. This was partially offset by ongoing competition for new housing loans, commercial loans and deposits.

Net interest margin – 2H25 to 1H26



NIM in 1H26 of 1.67 per cent was down three basis points on 2H25. The key drivers of the movement within NIM are set out below.

Asset pricing and mix (-7bps): Continued competitive pressure in housing and commercial lending and the impact from the timing of cash rate changes was partially offset by improved portfolio mix as the Group focused on growing higher margin commercial loans.

Funding costs and mix (+3bps): Improved funding mix due to lower wholesale funding with further benefits from optimisation of the retail term deposits and wholesale funding portfolios.

Capital and low cost deposits (0bps): The $8.4 billion invested and uninvested capital and low-cost deposit portfolios continued to benefit from the replicating portfolio tractor rate. This was offset by the impact of a lower average cash rate on the uninvested portfolio.

Third party costs (+2bps): This was primarily driven by a one-off, non-recurring reduction in brokerage and amortisation expense.

Liquidity and other (-1bps): An increase in lower yielding, high-quality liquid assets (HQLA) balances was partially offset by improvements in wholesale and cash-bills spreads.

Financial performance

For the half year ended 28 February 2026

2.3 Non-interest income

	Half year performance				
	Feb 26 $m	Aug 25 $m	Feb 25 $m	Feb 26 vs Aug 25	Feb 26 vs Feb 25
Banking income	**43**	42	35	2%	23%
Other income	**31**	32	32	(3%)	(3%)
Trading income	**3**	-	1	large	200%
Non-interest income [1]	**77**	74	68	4%	13%

(1) Refer to Section 1.1 (b) 1H26 Non-cash earnings reconciling items for a reconciliation of cash non-interest income to statutory non-interest income.

Non-interest income of $77 million was up $9 million or 13 per cent on 1H25 and increased $3 million or four per cent on 2H25. This was driven by:

Banking income increased $8 million or 23 per cent on 1H25 largely driven by higher business lending fees and lower revenue share following the completion of the branch conversion.

Other income decreased $1 million or three per cent on 1H25 driven by transition activities temporarily impacting origination across third party credit card and insurance products, partially offset by a $3 million gain on the sale of the ME credit card portfolio.

Trading income increased $2 million on 1H25 due to increased trading activity.

Financial performance

For the half year ended 28 February 2026

2.4 Operating expenses

	Half year performance				
	Feb 26 $m	Aug 25 $m	Feb 25 $m	Feb 26 vs Aug 25	Feb 26 vs Feb 25
Salaries and on costs	**269**	279	250	(4%)	8%
Employee share programs and other	**8**	8	9	-	(11%)
Employee expenses	**277**	287	259	(3%)	7%
Information technology services	**123**	114	118	8%	4%
Amortisation – intangible assets	**43**	46	35	(7%)	23%
Depreciation – fixed assets	**1**	1	2	-	(50%)
Technology expenses	**167**	161	155	4%	8%
Marketing	**22**	22	17	-	29%
Communications, print and stationery	**13**	16	16	(19%)	(19%)
Processing costs	**10**	9	8	11%	25%
Other	**19**	13	24	46%	(21%)
Operational expenses	**64**	60	65	7%	(2%)
Occupancy expenses	**29**	30	22	(3%)	32%
Administration expenses	**16**	14	19	14%	(16%)
Total operating expenses (1)	**553**	552	520	-	6%
Cash CTI ratio (%)	**66.5**	63.9	65.6	260bps	90bps
Number of employees (**FTE**) (2)	**3,394**	3,558	3,105	(5%)	9%

(1) Refer to Section 1.1 (b) non-cash earnings reconciling items for a reconciliation of cash operating expenses to statutory operating expenses.

(2) FTE and operating expenses include the impacts of branch conversion from 2H25.

Summary

Total operating expenses of $553 million increased by $33 million or six per cent on 1H25, reflecting the branch conversion in 2H25, investment in business bank growth and digital transformation. Inflation and ongoing investment in risk and regulatory programs were largely offset by savings from productivity initiatives.

Employee expenses

Employee expenses of $277 million increased by $18 million or seven per cent on 1H25. The increase was driven by the branch conversion, inflation, investment in business bank and risk and regulatory programs. This was partially offset by benefits of transformation and simplification of the operating model.

FTE increased nine per cent on 1H25, largely due to an additional 602 FTE in 2H25 from the branch conversion. This uplift was partially offset by simplification of the operating model driving a five per cent decrease on 2H25 to 3,394 FTE.

Technology expenses

Technology expenses of $167 million increased by $12 million or eight per cent on 1H25. The increase in amortisation and information technology services reflects investment in digital transformation. Inflation and higher software licensing costs were materially offset by savings from productivity initiatives.

Operational expenses

Operational expenses of $64 million decreased by $1 million or two per cent on 1H25 driven by savings from productivity initiatives partially offset by higher marketing costs. The increase in processing costs reflects new outsourcing arrangements with strategic partners.

Occupancy expenses

Occupancy expenses of $29 million increased by $7 million or 32 per cent on 1H25 . This is due to the branch network converting and footprint costs absorbed by the Group from 2H25.

Administration expenses

Administration expenses of $16 million decreased by $3 million or 16 per cent on 1H25 primarily driven by lower consulting costs.

Financial performance

For the half year ended 28 February 2026

2.5 Investment expenditure

	Half year performance				
	Feb 26 $m	Aug 25 $m	Feb 25 $m	Feb 26 vs Aug 25	Feb 26 vs Feb 25
Expensed investment spend [1]	**28**	54	34	(48%)	(18%)
Capitalised investment spend	**49**	54	46	(9%)	7%
Total investment spend	**77**	108	80	(29%)	(4%)
Software intangible assets	**485**	460	261	5%	86%
Assets under construction	**88**	107	312	(18%)	(72%)
Total carrying value of technology assets	**573**	567	573	1%	-

(1) 2H25 includes $21 million (before tax) of costs relating to Remedial Action Plans, which are presented in statutory net profit after tax in 2H25.

Total investment expenditure of $77 million in 1H26 was $3 million, or four per cent lower than 1H25 and $31 million, or 29 per cent lower than 2H25. This reflects the Group's planned reduction in investment spend as key strategic assets were delivered or reached advanced stages of completion and the non-recurrence of costs related to the Group's Remedial Action Plans incurred in 2H25.

The carrying value of technology assets increased by $6 million, or one per cent to $573 million compared to 2H25. This largely reflects capitalisation of strategic initiatives related to the digital bank.

During 1H26, the Group continued to progress the delivery of its Remedial Action Plans with approximately 61 per cent of its milestones complete. Migration activity progressed, with over 70 per cent of ME customers now migrated to the Group's digital platform. The Group expects to complete migration of all ME customers and decommissioning of core heritage bank platforms in 2H26. During the half, the Group also launched new ME digital lending for mortgage products and term deposit offerings, delivered a cloud-based human capital management platform enhancing workforce management capabilities, and continued investment in business banking.

2.6 Lending

	As at				
	Feb 26 $m	Aug 25 $m	Feb 25 $m	Feb 26 vs Aug 25	Feb 26 vs Feb 25
Housing lending	**50,145**	52,052	54,308	(4%)	(8%)
Housing lending – APS 120 qualifying securitisation [1]	**5,117**	5,449	5,957	(6%)	(14%)
	55,262	57,501	60,265	(4%)	(8%)
Commercial lending	**14,110**	13,176	12,162	7%	16%
Asset finance	**6,966**	7,011	6,908	(1%)	1%
Consumer	**105**	172	215	(39%)	(51%)
Gross loans and advances [2]	**76,443**	77,860	79,550	(2%)	(4%)
Provisions for impairment [3]	**(298)**	(307)	(310)	(3%)	(4%)
Net loans and advances	**76,145**	77,553	79,240	(2%)	(4%)

(1) Securitised loans subject to capital relief under APRA's Prudential Standard APS 120 Securitisation (APS 120).
(2) Includes equipment finance assets which are classified as held for sale in the statutory financial statements.
(3) Includes provision for impairment associated with assets held for sale.

Gross loans and advances of $76.4 billion contracted by $1.4 billion or two per cent on 2H25. Housing lending contracted by four per cent on 2H25, reflecting lower settlement volumes as origination transitions to the digital platform and elevated run-off. Commercial lending increased seven per cent on 2H25 driven by growth across a diverse range of industries and businesses, with lending well secured by property. Asset finance contracted one per cent on 2H25 driven by cashflow finance which was placed in run-off in 2H25, and a seasonal contraction in equipment finance. Consumer lending contracted 39 per cent on 2H25 mainly due to the closure and subsequent sale of the ME credit card product.

Financial performance

For the half year ended 28 February 2026

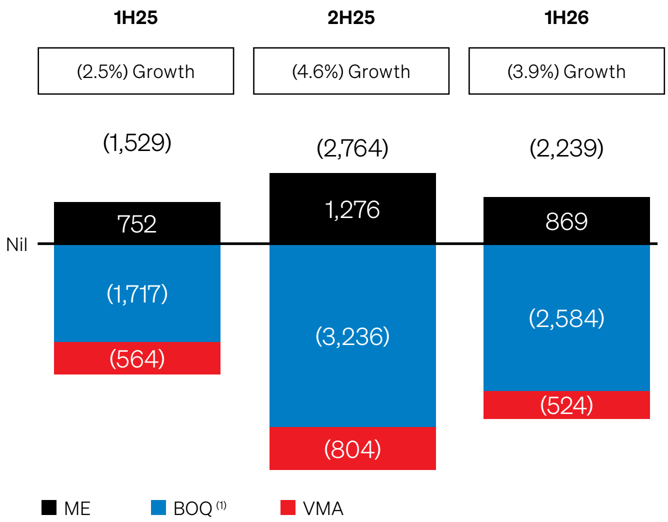
2.6 Lending (continued)

Growth in housing lending ($m)

The housing portfolio contracted by $2.2 billion or four per cent on 2H25. The 1H26 housing growth profile reflects the Group's continued prioritisation of business lending growth over home lending while origination transitions to the digital platform and portfolio run-off remains elevated.

The ME portfolio grew broadly in line with system, with an ongoing focus on optimising the acquisition mix. The contraction across VMA and BOQ reflects a combination of the decision to pause broker origination onto the legacy platform and elevated run-off.

Following the successful launch of the ME digital home loan in 1H26, the pilot of myBOQ digital home loan remains on track for delivery in 2H26. The strategic focus remained on scaling the digital platform through phased market launches, continued product and process simplification and improved customer experience.



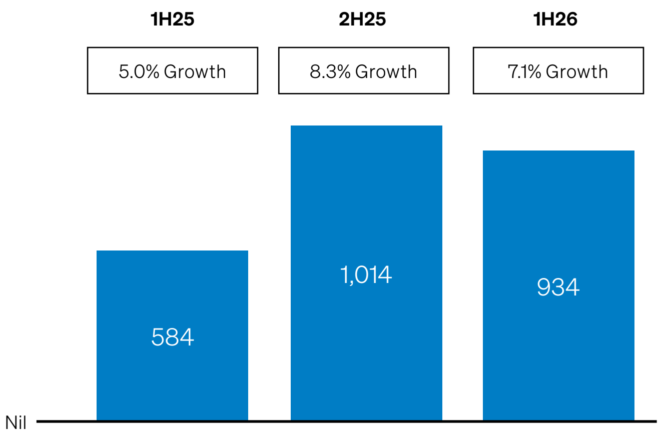
(1) BOQ includes both the BOQ Retail and BOQ Business brands including BOQ Specialist.

Growth in commercial lending ($m)

The commercial lending portfolio grew $934 million or seven per cent on 2H25, driven by growth across a diverse range of industries and businesses, with lending well secured by property. 1H26 growth was underpinned by the ongoing investment and expansion of the banker footprint and continued focus on key growth corridors.

BOQ continues to focus on specialist segments of healthcare, agribusiness and diversified industry business segments and supports both small and medium family businesses and larger commercial clients.

BOQ maintained its focus on portfolio optimisation and risk adjusted returns throughout the period.



Financial performance

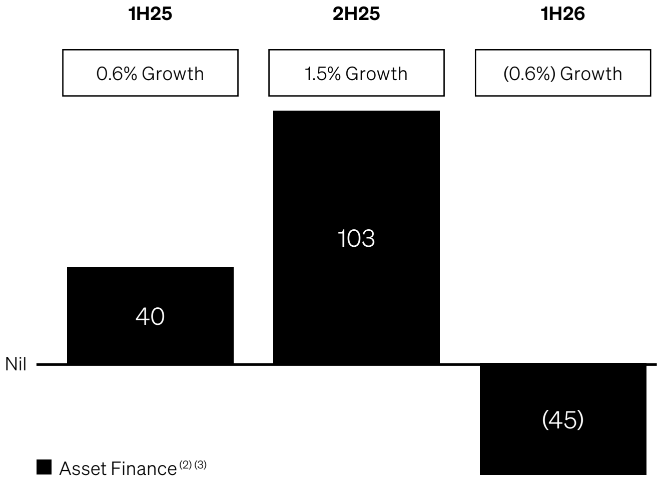
For the half year ended 28 February 2026

2.6 Lending (continued)

Growth in asset finance lending ($m)

Asset finance contracted $45 million or one per cent on 2H25, driven by contraction in the cashflow finance business, which was placed in run-off during 2H25, and a seasonal contraction in the equipment finance business, partially offset by growth in the structured finance portfolio.

Structured finance portfolio growth of $102 million reflected strong relationships across the novated leasing sector and continued demand for electric vehicles.



(2) Asset finance includes BOQ Finance and BOQ Specialist.

(3) Includes equipment finance assets which are classified as held for sale in the statutory financial statements.

2.7 Customer deposits

	As at				
	Feb 26 $m	Aug 25 $m	Feb 25 $m	Feb 26 vs Aug 25	Feb 26 vs Feb 25
Transaction accounts	**5,549**	5,422	5,351	2%	4%
Term deposits	**20,965**	22,350	23,593	(6%)	(11%)
Savings and investment accounts	**33,283**	33,551	31,718	(1%)	5%
Sub-total	**59,797**	61,323	60,662	(2%)	(1%)
Mortgage offsets [1]	**5,478**	5,406	5,653	1%	(3%)
Customer deposits	**65,275**	66,729	66,315	(2%)	(2%)
Deposit to loan ratio	**85%**	86%	83%	(100bps)	200bps

(1) Mortgage offset balances are netted against home loans for the purposes of customer interest payments.

Customer deposits

Customer deposits decreased by $1.5 billion or two per cent on 2H25 reflecting lower funding requirements. During 1H26, digital term deposits were launched on the digital platform completing the retail digital deposits product offering. Total balances on the digital platform exceed $11 billion. The Group has maintained strong funding diversification with a deposit to loan ratio of 85 per cent.

Transaction accounts and mortgage offsets

Transaction accounts increased by $0.1 billion or two per cent on 2H25, driven by growth across all brands. Mortgage offsets increased by $0.1 billion or one per cent.

Term deposits

Term deposits decreased by $1.4 billion or six per cent on 2H25 reflecting lower funding requirements, pausing term deposit origination on some legacy portfolios, whilst digital term deposits were introduced, and continued focus on customer growth in savings accounts on the digital bank.

Savings and investment accounts

Savings and investment accounts decreased by $0.3 billion on 2H25. Growth in digital deposits was offset by contraction in legacy portfolios.

Financial performance

For the half year ended 28 February 2026

3. Business settings

3.1 Asset quality

PROVISION COVERAGE		As at Feb 26	Aug 25	Feb 25	Feb 26 vs Aug 25	Feb 26 vs Feb 25
Specific provision (**SP**)	$m	**53**	48	46	10%	15%
Collective provision (**CP**)	$m	**245**	259	264	(5%)	(7%)
Total provision (1)	$m	**298**	307	310	(3%)	(4%)
SP to impaired assets	%	**63**	51	48	large	large
Total provisions / impaired assets (1)	%	**355**	327	326	large	large
CP / Total RWA	bps	**61**	65	66	(4)	(5)
Total provision / GLA (1)	bps	**39**	39	39	-	-
IMPAIRED ASSETS						
Total impaired assets	$m	**84**	94	95	(11%)	(12%)
Total impaired assets / GLA (1)	bps	**11**	12	12	(1)	(1)

(1) Balances at 28 February 2026 include amounts associated with equipment finance assets held for sale.

Provision coverage

Total provisions of $298 million reduced by $9 million or three per cent on 2H25 with a reduction in collective provision balances offset by an increase in specific provisions. Total provision coverage remained stable at 39 basis points to GLA through the half.

Specific provisions of $53 million increased by $5 million or 10 per cent on 2H25, mainly driven by one large asset finance exposure. Specific provisions across retail and commercial remained subdued in 1H26 due to strong net property values over recent years and prudent lending standards.

The collective provision of $245 million decreased $14 million or five per cent on 2H25, mainly driven by the sale of the ME credit card portfolio. Excluding the impact of the ME credit card sale, retail reduced due to a further contraction in the housing portfolio, improving arrears balances and further strength in house prices. This was offset by a small increase in commercial mainly due to portfolio growth whilst asset finance remained stable over the half.

Further refinements to existing overlays have been made to consider unique portfolio factors and industries where economic uncertainty could result in additional stress. Economic forecasts and prudent scenario weightings cater for uncertainties in the outlook and the possibility of a downturn.

Specific provisions ($m)

PORTFOLIO		Retail	Commercial	Asset finance	Total
Feb 25	$m	**5**	**21**	**20**	**46**
Realisation and other (1)	$m	2	(7)	(10)	(15)
New specific	$m	1	6	10	17
Aug 25	$m	**8**	**20**	**20**	**48**
Realisation and other (1)	$m	(3)	(5)	(11)	(19)
New specific	$m	1	2	21	24
Feb 26	$m	**6**	**17**	**30**	**53**

(1) Includes realisations and movements within existing provisions.

Financial performance

For the half year ended 28 February 2026

3.1 Asset quality (continued)

Impaired assets

BOQ impaired assets of $84 million decreased by $10 million or 11 per cent on 2H25. Reductions were observed across retail and commercial reflecting low levels of new specific provision activity, which was offset by an increase in asset finance mainly driven by one large exposure.

Impaired assets ($m)

PORTFOLIO		Retail	Commercial	Asset finance	Total
Feb 25	$m	**17**	**56**	**22**	**95**
Realisation and other [(1)]	$m	(2)	(28)	(10)	(40)
New impaired	$m	7	16	16	39
Aug 25	$m	**22**	**44**	**28**	**94**
Realisation and other [(1)]	$m	(12)	(16)	(14)	(42)
New impaired	$m	6	2	24	32
Feb 26	$m	**16**	**30**	**38**	**84**

(1) Includes realisations and movements within existing provisions.

Loan impairment expense

		Half Year Performance				
PORTFOLIO		Feb 26	Aug 25	Feb 25	Feb 26 vs Aug 25	Feb 26 vs Feb 25
Retail lending [(1)]	$m	**(7)**	(9)	12	(22%)	large
Commercial lending	$m	**3**	2	(24)	50%	large
Asset finance	$m	**24**	25	15	(4%)	60%
Total loan impairment expense [(2)]	$m	**20**	18	3	11%	large
Total loan impairment expense / GLA [(3)]	bps	**5**	5	1	-	4

(1) Retail lending includes both housing and consumer lending.

(2) Refer to Section 1.1 Reconciliation of cash earnings to statutory profit for a reconciliation of cash earnings to statutory net profit after tax.

(3) Includes equipment finance assets which are classified as held for sale in the statutory financial statements.

The loan impairment expense of $20 million increased $17 million on 1H25. This was driven by the non-recurrence of a provision release in commercial lending in 1H25 and a return to more normalised asset finance expense.

Financial performance

For the half year ended 28 February 2026

3.1 Asset quality (continued)

Arrears

Key metrics		The Group Feb 26 portfolio balance $m	Feb 26	Aug 25	Feb 25	Feb 26 vs Aug 25	Feb 26 vs Feb 25
Total lending – portfolio balance (1)	$m		**76,443**	77,860	79,550	(2%)	(4%)
30 days past due	$m		**1,258**	1,394	1,469	(10%)	(14%)
90 days past due	$m		**727**	815	879	(11%)	(17%)
			Proportion of portfolio				
30 days past due: GLAs			**1.65%**	1.79%	1.85%	(14bps)	(20bps)
90 days past due: GLAs			**0.95%**	1.05%	1.10%	(10bps)	(15bps)
BY PORTFOLIO							
30 days past due: GLAs (Retail) (2)		**55,367**	**1.76%**	1.93%	1.94%	(17bps)	(18bps)
90 days past due: GLAs (Retail) (2)			**1.00%**	1.14%	1.12%	(14bps)	(12bps)
30 days past due: GLAs (Commercial)		**14,110**	**1.10%**	1.34%	1.49%	(24bps)	(39bps)
90 days past due: GLAs (Commercial)			**0.79%**	0.74%	1.17%	5bps	(38bps)
30 days past due: GLAs (Asset finance) (1)		**6,966**	**1.88%**	1.55%	1.70%	33bps	18bps
90 days past due: GLAs (Asset finance)			**0.96%**	0.90%	0.93%	6bps	3bps

(1) Includes equipment finance assets which are classified as held for sale in the statutory financial statements.

(2) Retail arrears includes housing and consumer lending.

Total arrears have reduced throughout 1H26. The 30 days past due (**DPD**) category decreased by 14 basis points and the 90 DPD category decreased by 10 basis points compared to 2H25.

Retail arrears

Retail arrears have reduced since 2H25. The 30 DPD category decreased by 17 basis points and the 90 DPD category decreased by 14 basis points compared to 2H25. Arrears have improved as a result of easing conditions in 2025, including wage growth and interest rate reductions.

Commercial arrears

Commercial arrears reduced by 24 basis points in the 30 DPD category and increased marginally in the 90 DPD category since 2H25, as conditions remained relatively stable.

Asset finance arrears

Asset finance arrears increased by 33 basis points in the 30 DPD category and six basis points in the 90 DPD category since 2H25. The increase in 30 DPD was driven by a small number of customers and seasonality over the first half.

Financial performance

For the half year ended 28 February 2026

3.2 Funding and liquidity

BOQ's liquidity and funding risk appetite strategy is designed to support the Group's ability to meet its financial obligations as they fall due under all market conditions. Management of liquidity risk at BOQ is focused on developing a stable customer deposit base, maintaining access to diversified wholesale funding markets and disciplined management of maturity profiles. BOQ regularly stress tests its liquidity risk profile to identify vulnerabilities under a diverse range of market scenarios and to maintain an appropriate level of liquidity.

Funding and liquidity ratios	**Feb 26**	Aug 25	Feb 25	Feb 26 vs Aug 25	Feb 26 vs Feb 25
LCR – quarterly average	**140.5**	142.9	141.8	(240bps)	(130bps)
LCR – half year average	**141.5**	142.1	143.2	(60bps)	(170bps)
NSFR – spot	**123.3**	124.2	122.7	(90bps)	60bps

Liquidity coverage ratio (LCR)

BOQ's level 2 quarterly average LCR for 1H26 of 140.5 per cent decreased 240 bps from 2H25 driven by a decrease in less stable retail deposits and wholesale funding. The average level 2 LCR for 1H26 was 141.5 per cent, a decrease of 60 bps from 2H25.

APRA requires that ADIs maintain a minimum LCR of 100 per cent. BOQ manages its LCR on a daily basis and actively maintains a buffer above the regulatory minimum which is informed by BOQ's liquidity stress testing results in line with BOQ's prescribed risk appetite and policy settings.

Net stable funding ratio (NSFR)

BOQ's level 2 NSFR for 1H26 of 123.3 per cent decreased 90 bps from 2H25. The decrease was primarily due to a decrease in less stable deposits and wholesale funding.

The NSFR encourages ADIs to fund their lending activities with more stable sources of funding, thereby promoting greater balance sheet resilience. BOQ manages its NSFR on a daily basis and actively maintains a buffer above the regulatory minimum of 100 per cent, in line with BOQ's prescribed risk appetite and policy settings.

Funding

BOQ's funding strategy and risk appetite reflects the Group's business strategy and the current economic environment. Funding is optimised to allow for flexibility in managing various scenarios whilst ensuring a resilient balance sheet. The table below outlines the mix of total funding between customer deposits, short term and long term wholesale:

		As at				
Funding mix		**Feb 26**	Aug 25	Feb 25	Feb 26 vs Aug 25	Feb 26 vs Feb 25
Customer Deposits [1]	$bn	**65.3**	66.7	66.3	(2%)	(2%)
Short Term Wholesale	$bn	**10.0**	9.9	9.7	1%	3%
Long Term Wholesale [2] [3]	$bn	**15.4**	16.3	16.7	(6%)	(8%)
Total Funding	$bn	**90.7**	92.9	92.7	(2%)	(2%)

(1) The classification of customer deposits is defined as all deposits excluding those from financial institutions as defined under APS 210 Liquidity.

(2) Foreign currency balances have been translated at end of day spot rates.

(3) Includes securitised loans which are classified as held for sale in the statutory financial statements.

Financial performance

For the half year ended 28 February 2026

3.2 Funding and liquidity (continued)

Term funding issuance

In 1H26, BOQ accessed wholesale funding markets via a $750 million domestic senior unsecured issuance under its Debt Issuance Programme. BOQ's broad suite of secured and unsecured debt programs continues to deliver funding diversification benefits, enabling BOQ to support future asset growth, manage refinancing risk, and smooth term maturity profiles over the next five years.

The table below outlines term funding maturities from 2H26 to 2H31:

Term funding maturity profile (1) (2) (3)

Major Maturities ($m)	2H26	1H27	2H27	1H28	2H28	1H29	2H29	1H30	2H30	1H31	2H31
Subordinated Debt	250	-	400	-	-	-	-	250	-	-	-
Additional Tier 1	-	-	260	-	-	400	-	-	-	-	-
Covered Bonds	-	-	896	-	900	-	977	-	1,050	-	-
Senior Unsecured	900	1,600	-	-	-	750	900	-	-	-	-
Total	**1,150**	**1,600**	**1,556**	**-**	**900**	**1,150**	**1,877**	**250**	**1,050**	**-**	**-**

(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 $100 million shown but exclude 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.

Financial performance

For the half year ended 28 February 2026

3.3 Capital management

The Group's capital management aims to ensure adequate capital levels are maintained to protect deposit holders. The Group's capital is measured and managed in line with Prudential Standards issued by APRA. The Group's Internal Capital Adequacy Assessment Process (**ICAAP**) provides the framework to ensure that the Group 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 Group's capital position is monitored on a continuous basis and reported monthly to the Asset and Liability Committee and Board.

BOQ operates under APRA's revised Basel III capital framework. The Board has determined the Group will target operating within the Common Equity Tier 1 (**CET1**) range of between 10.25-10.75 per cent, in normal conditions.

Capital adequacy

	Feb 26 $m	Aug 25 $m	Feb 25 $m	Feb 26 vs Aug 25	Feb 26 vs Feb 25
QUALIFYING CAPITAL FOR LEVEL 2 ENTITIES (1)					
COMMON EQUITY TIER 1 CAPITAL					
Ordinary share capital	**5,323**	5,333	5,332	-	-
Reserves	**383**	276	386	39%	(1%)
Retained profits, including current period profits	**191**	299	336	(36%)	(43%)
Total CET1 Capital	**5,897**	5,908	6,054	-	(3%)
REGULATORY ADJUSTMENTS					
Goodwill and intangibles	**(1,003)**	(1,031)	(1,169)	(3%)	(14%)
Deferred expenditure	**(331)**	(368)	(395)	(10%)	(16%)
Other deductions	**(55)**	(118)	(120)	(53%)	(54%)
Total CET1 regulatory adjustments	**(1,389)**	(1,517)	(1,684)	(8%)	(18%)
CET1 Capital	**4,508**	4,391	4,370	3%	3%
Additional Tier 1 Capital	**660**	660	660	-	-
Total Tier 1 Capital	**5,168**	5,051	5,030	2%	3%
Provisions eligible for inclusion in Tier 2 capital	**152**	156	162	(3%)	(6%)
Tier 2 Capital	**886**	886	886	-	-
Total Tier 2 Capital	**1,038**	1,042	1,048	-	(1%)
Total Capital	**6,206**	6,093	6,078	2%	2%
Total RWA	**40,314**	**40,140**	**40,212**	**-**	**-**
CET1 ratio	**11.18%**	**10.94%**	**10.87%**	**24bps**	**31bps**
Tier 1 Capital ratio	**12.82%**	**12.58%**	**12.51%**	**24bps**	**31bps**
Total Capital adequacy ratio	**15.39%**	**15.18%**	**15.11%**	**21bps**	**28bps**

(1) APRA Prudential Standard CPS 001 'Defined terms' defines Level 2 as the Group and all of its subsidiary entities other than non-consolidated subsidiaries. The non-consolidated subsidiaries excluded from Level 2 regulatory measurements as at 28 February 2026 are listed below. Hence, the balances in the table will not directly correlate to the consolidated balance sheet.

- Bank of Queensland Limited Employee Share Plans Trust;
- Home Credit Management Pty Ltd;
- Series 2017-1 REDS Trust;
- Series 2018-1 REDS Trust;
- Series 2019-1 REDS Trust;
- Series 2023-1 REDS Trust;
- Series 2024-1 REDS Trust;
- Series 2024-2 REDS Trust;
- SMHL Series Securitisation Fund 2019-1;
- SMHL Series Private Placement Trust 2017-2;
- SMHL Series Private Placement Trust 2019-1;
- SMHL Series Private Placement 2019-2; and
- SMHL Securitisation Trust 2020-1.

Financial performance

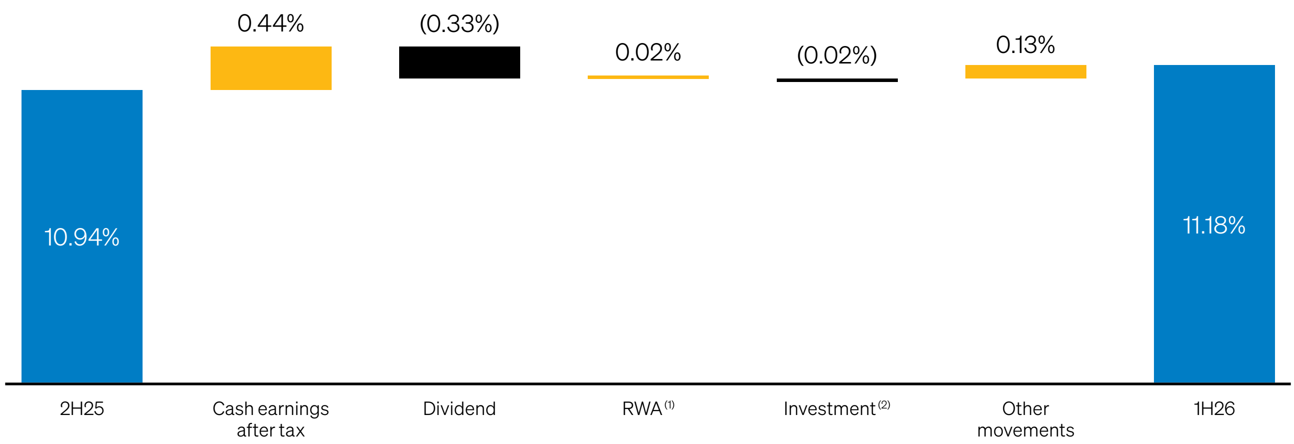
For the half year ended 28 February 2026

3.3 Capital management (continued)

The Group's CET1 ratio of 11.18 per cent increased by 24 basis points from 10.94 per cent in 2H25 due to:

- Cash earnings after tax of $176 million (44 basis points increase);
- Payment of the FY25 final dividend (33 basis points decrease);
- Increase in underlying risk weighted assets (RWA) (five basis points decrease) offset by a reduction in loan origination costs (seven basis points increase);
- Investment spend net of amortisation (two basis points decrease); and
- Other movements which increased the ratio by 13 basis points including:
  - Mark to market gains in the available for sale reserve (nine basis points increase);
  - Lower capital deductions for Deferred Tax Assets in excess of Deferred Tax Liabilities (six basis points increase);
  - Costs associated with the whole-of-loan sale, inclusive of the goodwill allocation which is CET1 neutral (three basis points decrease); and
  - Other items totalling one basis point increase.

1H26 CET1 ratio walk



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

(2) Capitalised expenses net of amortisation.

3.4 Tax expense

BOQ tax expense arising on cash earnings for 1H26 amounted to $83 million. This represented an effective tax rate of 32.0 per cent on a cash earnings basis, which is above the corporate tax rate of 30 per cent primarily due to the non-deductibility of interest payable on capital notes which were issued in FY21 and FY23.

Financial performance

For the half year ended 28 February 2026

4. Divisional performance

4.1 Retail income statement, key metrics and financial performance review

Overview

The Retail Bank meets the financial needs and services of personal customers. The division supports 1.3 million customers through a network of branches, third party intermediaries, customer call centres, digital services, and mobile mortgage specialists.

	Half year performance				
	Feb 26 $m	Aug 25 $m	Feb 25 $m	Feb 26 vs Aug 25	Feb 26 vs Feb 25
Net interest income	**392**	419	388	(6%)	1%
Non-interest income	**44**	49	45	(10%)	(2%)
Total income	**436**	468	433	(7%)	1%
Operating expenses [(1)]	**(376)**	(380)	(358)	(1%)	5%
Underlying profit	**60**	88	75	(32%)	(20%)
Loan impairment expense	**5**	7	(9)	(29%)	large
Profit before tax	**65**	95	66	(32%)	(2%)
Income tax expense	**(21)**	(31)	(21)	(32%)	-
Cash earnings after tax	**44**	64	45	(31%)	(2%)

		Half year performance				
Key metrics		**Feb 26**	Aug 25	Feb 25	Feb 26 vs Aug 25	Feb 26 vs Feb 25
PERFORMANCE INDICATORS						
CTI	%	**86.2**	81.2	82.7	500bps	350bps
Net interest income / average GLA [(2)]	%	**1.69**	1.72	1.57	(3bps)	12bps
ASSET QUALITY						
90 DPD arrears	$m	**522**	616	634	(15%)	(18%)
Impaired assets	$m	**15**	14	12	7%	25%
Loan impairment expense / GLA	bps	**(2)**	(3)	3	1	(5)
BALANCE SHEET						
GLA		**50,134**	51,623	53,465	(3%)	(6%)
Housing	$m	**50,117**	51,539	53,336	(3%)	(6%)
Other retail	$m	**17**	84	129	(80%)	(87%)
Credit risk weighted assets [(3)]	$m	**14,779**	15,319	15,792	(4%)	(6%)
Customer deposits [(4)]	$m	**34,591**	35,467	36,123	(2%)	(4%)
Term deposits	$m	**12,011**	12,989	13,780	(8%)	(13%)
Mortgage offsets	$m	**4,310**	4,160	4,236	4%	2%
Savings and investment	$m	**14,609**	14,718	14,557	(1%)	-
Transaction accounts	$m	**3,661**	3,600	3,550	2%	3%
Deposit to loan ratio	%	**69**	69	68	-	100bps

(1) The methodology for allocating indirect expenses was updated in 2H25, with a minor impact to divisional expenses, following the completion of the branch conversion on 1 March 2025.

(2) Calculated on a cash earnings basis and net of mortgage offsets.

(3) Credit RWAs reflect on balance sheet exposures.

(4) Treasury managed customer deposits are included in the Group's Other operating business unit.

Financial performance

For the half year ended 28 February 2026

4.1 Retail income statement, key metrics and financial performance review (continued)

1H26 v 1H25

Retail Bank cash earnings after tax of $44 million decreased by $1 million or two per cent on 1H25. Underlying profit decreased $15 million or 20 per cent, reflecting a $3 million or one per cent increase in total income and an $18 million or five per cent increase in operating expenses. Loan impairment expense was a release of $5 million in 1H26, compared to a $9 million expense in 1H25.

Net interest income

Net interest income of $392 million increased by $4 million or one per cent on 1H25, driven primarily by the benefits of the branch conversion, partially offset by the impact of lower housing and customer deposits balances.

Spot balance sheet movements included:

- Housing contraction of $3.2 billion or six per cent on 1H25 reflecting lower settlement volumes, whilst origination transitions to the digital platform, and elevated run-off; and
- Customer deposits decreased by $1.5 billion or four per cent on 1H25, driven by growth in savings and transaction account balances, offset by a targeted contraction in term deposits as the Group optimised funding requirements.

Net interest margin of 1.69 per cent increased by 12 basis points on 1H25, reflecting the benefits of the branch conversion, and a favourable portfolio mix. This was partially offset by continued competitive pressure across housing, lower customer deposits, and the impact of the timing of cash rate changes in 1H25.

Non-interest income

Non-interest income of $44 million decreased by $1 million or two per cent on 1H25, reflecting a temporary reduction in third-party commissions due to the transition to a new insurance provider, partially offset by benefits following the branch conversion and a gain on the sale of the ME credit card portfolio.

Operating expenses

Operating expenses of $376 million increased by $18 million or five per cent on 1H25. This was driven by expenses relating to the branch conversion, inflation, and investment in technology transformation. This was partially offset by productivity initiatives.

Loan impairment expense

Loan impairment expense was a release of $5 million in 1H26 compared to $9 million expense in 1H25. This was driven by lower collective provisions due to housing portfolio contraction, reductions in arrears and continued resilience of underlying security values.

1H26 vs 2H25

Retail Bank cash earnings after tax of $44 million decreased $20 million or 31 per cent on 2H25. Underlying profit decreased $28 million or 32 per cent, reflecting a $32 million or seven per cent decrease in total income and a $4 million or one per cent decrease in operating expenses. Loan impairment expense was a release of $5 million in 1H26, compared to a $7 million release in 2H25.

Net interest income

Net interest income of $392 million decreased by $27 million or six per cent on 2H25, driven by a three basis points decrease in net interest margin, lower housing balances, and the impact of a lower day count.

Spot balance sheet movements included:

- Housing contraction of $1.4 billion or three per cent on 2H25 due to lower settlement volumes, whilst origination transitions to the digital platform, and elevated run-off; and
- Customer deposits decreased $876 million or two per cent on 2H25, driven by a targeted contraction in term deposits and savings account balances, partially offset by growth in transaction account balances.

Net interest margin of 1.69 per cent decreased three basis points on 2H25, reflecting continued competitive pressure across housing and the impact from the timing of cash rate changes in 2H25, partially offset by a favourable portfolio mix and improved funding costs.

Non-interest income

Non-interest income of $44 million decreased by $5 million or 10 per cent on 2H25, reflecting a temporary reduction in third-party commissions associated with the transition to a new insurance provider, partially offset by a gain on the sale of the ME credit card portfolio.

Operating expenses

Operating expenses of $376 million decreased by $4 million or one per cent on 2H25 reflecting productivity initiatives, offsetting inflation and the continued investment in technology transformation.

Loan impairment expense

Loan impairment expense was a release of $5 million in 1H26, a decrease of $2 million on 2H25. This was driven by slightly lower forecast house price growth and the expectation of further increases in the cash rate.

Financial performance

For the half year ended 28 February 2026

4.2 BOQ Business income statement, key metrics and financial performance review

Overview

The BOQ Business division provides tailored business banking solutions, including commercial lending, equipment finance and leasing, foreign exchange hedging and international transfers, interest rate hedging, transaction banking, home lending and deposits for business customers.

	Half year performance				
	Feb 26 $m	Aug 25 $m	Feb 25 $m	Feb 26 vs Aug 25	Feb 26 vs Feb 25
Net interest income	**366**	374	339	(2%)	8%
Non-interest income	**29**	27	23	7%	26%
Total income	**395**	401	362	(1%)	9%
Operating expenses [(1)]	**(177)**	(172)	(162)	3%	9%
Underlying profit	**218**	229	200	(5%)	9%
Loan impairment expense	**(25)**	(25)	6	-	large
Profit before tax	**193**	204	206	(5%)	(6%)
Income tax expense	**(61)**	(65)	(66)	(6%)	(8%)
Cash earnings after tax	**132**	139	140	(5%)	(6%)

		Half year performance				
Key metrics		**Feb 26**	Aug 25	Feb 25	Feb 26 vs Aug 25	Feb 26 vs Feb 25
PERFORMANCE INDICATORS						
CTI	%	**44.8**	42.9	44.8	190bps	-
Net interest income / average GLA [(2)]	%	**2.94**	2.99	2.79	(5bps)	15bps
ASSET QUALITY						
90 DPD arrears	$m	**205**	200	245	3%	(16%)
Impaired assets	$m	**69**	80	83	(14%)	(17%)
Loan impairment expense / GLA	bps	**19**	19	(5)	-	24
BALANCE SHEET [(3)]						
GLA	$m	**26,309**	26,237	26,085	-	1%
Housing	$m	**5,145**	5,962	6,929	(14%)	(26%)
Commercial and other	$m	**14,198**	13,264	12,248	7%	16%
Asset finance	$m	**6,966**	7,011	6,908	(1%)	1%
Credit risk weighted assets [(4)]	$m	**18,820**	18,269	17,763	3%	6%
Customer deposits [(5)]	$m	**9,286**	9,556	10,141	(3%)	(8%)
Term deposits	$m	**1,248**	1,434	1,750	(13%)	(29%)
Mortgage offsets	$m	**1,169**	1,245	1,416	(6%)	(17%)
Savings and investment	$m	**4,981**	5,055	5,174	(1%)	(4%)
Transaction accounts	$m	**1,888**	1,822	1,801	4%	5%
Deposit to loan ratio	%	**35**	36	39	(100bps)	(400bps)

(1) The methodology for allocating indirect expenses was updated in 2H25, with a minor impact to divisional expenses, following the completion of the branch conversion on 1 March 2025.

(2) Calculated on a cash earnings basis and net of mortgage offsets.

(3) Includes equipment finance assets which are classified as held for sale in the statutory financial statements.

(4) Credit RWAs reflect on balance sheet exposures.

(5) Treasury managed customer deposits are included in the Group's Other operating business unit.

Financial performance

For the half year ended 28 February 2026

4.2 BOQ Business income statement, key metrics and financial performance review (continued)

1H26 vs 1H25

BOQ Business cash earnings after tax of $132 million decreased $8 million or six per cent on 1H25. Underlying profit increased $18 million or nine per cent driven by a $33 million or nine per cent increase in total income, partially offset by operating expense growth of $15 million or nine per cent. Loan impairment expense was $25 million in 1H26, an increase of $31 million on 1H25.

Net interest income

Net interest income of $366 million increased $27 million or eight per cent on 1H25, reflecting higher lending assets and a 15 basis points improvement in net interest margin.

Spot balance sheet movements included:

- Commercial and other lending growth of $2.0 billion or 16 per cent driven by growth in the healthcare sector, agribusiness and well secured commercial property lending across a diversified range of businesses;
- Asset finance growth of $58 million or one per cent supported by growth in the structured finance portfolio, partially offset by contraction in the cashflow finance portfolio of $90 million which was placed in run-off during 2H25. Excluding cash flow finance, growth was two per cent on 1H25;
- Housing contraction of $1.8 billion or 26 per cent reflecting higher run-off as economic returns were prioritised over growth in a competitive housing market; and
- Customer deposits contraction of $855 million or eight per cent, driven by a targeted reduction in term deposits as the Group optimised funding.

Net interest margin of 2.94 per cent increased 15 basis points on 1H25, reflecting the benefits of the branch conversion and favourable asset mix, partially offset by continued competitive pressure across business lending.

Non-interest income

Non-interest income of $29 million increased $6 million or 26 per cent on 1H25, reflecting higher business banking fees and financial markets revenue, alongside benefits following the branch conversion.

Operating expenses

Operating expenses of $177 million increased by $15 million or nine per cent on 1H25, driven by investment in additional frontline bankers, expenses relating to the branch conversion, inflation and technology transformation.

Loan impairment expense

Loan impairment expense of $25 million compared to a $6 million release in 1H25. This was mainly due to the non-recurrence of a provision release in commercial lending in 1H25 and asset finance expense increasing to longer run averages.

1H26 vs 2H25

BOQ Business cash earnings after tax of $132 million decreased $7 million or five per cent on 2H25. Underlying profit contracted $11 million or five per cent driven by a $6 million reduction in total income and a $5 million increase in operating expenses. Loan impairment expense was in line with 2H25.

Net interest income

Net interest income of $366 million reduced by $8 million or two per cent on 2H25 reflecting a five basis points contraction in net interest margin and the impact of a lower day count. This was partially offset by improvement in lending asset mix.

Spot balance sheet movements included:

- Commercial and other lending growth of $934 million or seven per cent driven by growth in well secured commercial property lending across a diverse range of industries and businesses;
- Asset finance contraction of $45 million or one per cent driven by seasonal contraction in the equipment finance business and placing the cashflow finance business in run off in 2H25, partially offset by growth in structured finance;
- Housing contraction of $817 million or 14 per cent reflecting higher run-off as economic returns were prioritised over growth in a competitive housing market; and
- Customer deposits contraction of $270 million or three per cent, driven by a targeted reduction in term deposits as the Group optimised funding.

Net interest margin of 2.94 per cent decreased five basis points on 2H25 reflecting continued competitive pressure across home and business lending, partially offset by favourable asset mix.

Non-interest income

Non-interest income of $29 million increased $2 million or seven per cent on 2H25, driven by higher financial markets revenue offset by lower gains from the sale of leasing equipment.

Operating expenses

Operating expenses of $177 million increased $5 million or three per cent on 2H25, driven by investment in additional frontline bankers, inflation and technology transformation.

Loan impairment expense

Loan impairment expense of $25 million in line with 2H25 driven by increased asset finance loan impairment expense.

Financial performance

For the half year ended 28 February 2026

4.3 Other income statement and financial performance review

Overview

The Other business unit includes Treasury and Group Head Office.

	Half year performance				
	Feb 26 $m	Aug 25 $m	Feb 25 $m	Feb 26 vs Aug 25	Feb 26 vs Feb 25
Net interest income / (expense)	**(3)**	(3)	(2)	-	50%
Non-interest income / (expense)	**4**	(2)	-	large	large
Total income / (loss)	**1**	(5)	(2)	large	large
Operating expenses	**-**	-	-	-	-
Underlying profit / (loss)	**1**	(5)	(2)	large	large
Loan impairment expense	**-**	-	-	-	-
Profit / (loss) before tax	**1**	(5)	(2)	large	large
Income tax (expense) / benefit	**(1)**	2	-	large	large
Cash profit / (loss) after tax	**-**	(3)	(2)	(100%)	(100%)

Financial performance review

Cash profit after tax of $0 million in 1H26 compares to cash loss after tax of $2 million in 1H25 reflecting the impact of higher treasury related gains in non-interest income.

Net interest income / (expense)

Net interest expense of $3 million in 1H26 was $1 million higher than 1H25. Net interest expense was driven largely by the recurring impact of finance costs related to the Remedial Action Plans provision and lease liabilities in line with accounting standards.

Non-interest income / (expense)

Non-interest income of $4 million was primarily driven by higher treasury related gains compared to 1H25.

4.4 Outlook (1)

The Group continues to demonstrate financial resilience with strong capital, liquidity and asset quality. There is no change to the CET1 management target range of 10.25 – 10.75% and the dividend payout ratio target range also remains unchanged at 60 – 75% of cash earnings (2).

Completion of the whole-of-loan sale is anticipated between late April and early May 2026. The transaction is expected to reduce funding by ~$3.4 billion and facilitate a return to shareholders post-sale of ~$300 million (3). Equipment finance originations and servicing through the forward flow is expected to generate capital light earnings for the Group and require no material credit risk weighting or funding, leveraging BOQ's recognised origination and servicing capabilities. BOQ retains flexibility to originate facilities onto its own balance sheet or through the forward flow arrangement.

Moderation in economic growth is expected in the second half of the 2026 financial year. Consumer and business confidence continues to be weighed down by elevated inflation, increasing cash rates and uncertainty arising from the Middle East conflict. It is expected that inflation concerns will lead to additional cash rate increases through the remainder of calendar year 2026.

Asset quality remains strong, and the low unemployment rate and increase in the savings rate should mean households are well placed to manage through the uncertainty. However, the historically low LIE experience of recent years may not persist given rising cash rates. BOQ recognises the impacts of the current environment and remains committed to supporting customers managing through uncertainty.

Elevated competition for both lending and deposits is expected to continue. BOQ intends to continue at or above system growth for commercial lending, with a focus on its target segments. As the Group transitions both customers and originations to its digital platform and expands the digital mortgage to additional channels and a broader range of home lending, it is positioning for home lending growth in the Retail Bank from FY27. Migration of ME heritage customers to the digital bank is well progressed for completion in FY26.

Further transition of the technology and business processing partnership with Capgemini is planned throughout 2H26, and is expected to expand productivity benefits. The Group's cost guidance remains unchanged and cost growth from FY25 to FY26 is still expected to be below the rate of inflation.

(1) BOQ house view. Subject to no material change in market conditions.

(2) The amount of any dividend paid will be at the discretion of the Board and subject to capital requirements of the business.

(3) Subject to market conditions, board and regulatory approvals.

Financial performance

For the half year ended 28 February 2026

5. Appendix to financial performance

5.1 Cash EPS calculations

		Half year performance				
		Feb 26	Aug 25	Feb 25	Feb 26 vs Aug 25	Feb 26 vs Feb 25
RECONCILIATION OF CASH EARNINGS FOR EPS						
Cash earnings after tax	$m	**176**	200	183	(12%)	(4%)
Cash earnings available for ordinary shareholders	$m	**176**	200	183	(12%)	(4%)
Effect of capital notes 2	$m	**7**	7	7	-	-
Effect of capital notes 3	$m	**10**	11	11	(9%)	(9%)
Cash diluted earnings available for ordinary shareholders	$m	**193**	218	201	(11%)	(4%)
WEIGHTED AVERAGE NUMBER OF SHARES (WANOS)						
Basic WANOS – ordinary shares	m	**657**	658	658	-	-
Effect of award rights	m	**7**	7	7	-	-
Effect of capital notes 2	m	**38**	35	38	9%	-
Effect of capital notes 3	m	**59**	53	60	11%	(2%)
Diluted WANOS for cash earnings EPS (1)	m	**761**	753	763	1%	-
EARNINGS PER SHARE						
Cash basic EPS – ordinary shares	cents	**26.8**	30.4	27.9	(12%)	(4%)
Cash diluted EPS – ordinary shares	cents	**25.3**	28.9	26.4	(12%)	(4%)

(1) The Group had awarded 10,818,626 employee share options as at 28 February 2026. The options were anti-dilutive during the period and therefore have not impacted diluted WANOS.

Financial performance

For the half year ended 28 February 2026

5.2 Average balance sheet and margin analysis

The following table outlines the major categories of interest earning assets and interest bearing liabilities of the Group together with the respective interest earned or paid and the average interest rate for each of 1H26, 2H25 and 1H25.

	1H26			2H25			1H25		
	Average balance $m	**Interest $m**	**Average rate %**	Average balance $m	Interest $m	Average rate %	Average balance $m	Interest $m	Average rate %
INTEREST EARNING ASSETS									
Loans and advances [1] [2]	**71,760**	**1,962**	**5.51**	73,141	2,142	5.81	74,073	2,167	5.90
Investments and other securities	**19,635**	**364**	**3.74**	18,849	387	4.07	18,979	419	4.45
Total interest earning assets	**91,395**	**2,326**	**5.13**	91,990	2,529	5.45	93,052	2,586	5.60
Non-interest earning assets									
Property, plant and equipment	**145**			159			140		
Other assets	**2,437**			2,651			2,454		
Provision for impairment	**(304)**			(310)			(307)		
Total non-interest earning assets	**2,278**			2,500			2,287		
Total assets	**93,673**			94,490			95,339		
INTEREST BEARING LIABILITIES									
Retail deposits	**61,409**	**990**	**3.25**	61,802	1,112	3.57	61,709	1,179	3.85
Wholesale deposits and borrowings [2]	**25,116**	**581**	**4.66**	25,346	627	4.91	26,281	682	5.23
Total interest bearing liabilities	**86,525**	**1,571**	**3.66**	87,148	1,739	3.96	87,990	1,861	4.27
Non-interest bearing liabilities	**1,307**			1,322			1,477		
Total liabilities	**87,832**			88,470			89,467		
Shareholders' funds	**5,841**			6,020			5,872		
Total liabilities and shareholders' funds	**93,673**			94,490			95,339		
INTEREST MARGIN AND INTEREST SPREAD									
Interest earning assets	**91,395**	**2,326**	**5.13**	91,990	2,529	5.45	93,052	2,586	5.60
Interest bearing liabilities	**86,525**	**1,571**	**3.66**	87,148	1,739	3.96	87,990	1,861	4.27
Net interest spread			**1.47**			1.49			1.33
Benefit of free funds			**0.20**			0.21			0.24
NIM – on average interest earning assets	**91,395**	**755**	**1.67**	91,990	790	1.70	93,052	725	1.57

(1) Net of average mortgage offset balances.

(2) Includes equipment finance assets which are classified as held for sale in the statutory financial statements.

6. Consolidated half year financial report

For the half year ended 28 February 2026

Directors' report

The Directors present their report together with the consolidated half year financial report of Bank of Queensland Limited (the Bank), being the Bank and its controlled entities (together referred to as **the Consolidated Entity** or **the Group**), for the half year ended 28 February 2026.

Directors' details

The Directors of the Bank at any time during or since the end of the half year and up to the date of this report are:

- Rod Finch, appointed Managing Director and Chief Executive Office (**CEO**) on 1 March 2026
- Patrick Allaway, ceased as Managing Director and CEO on 28 February 2026
- Andrew Fraser, Director since February 2024 and Chair of the Board since 24 October 2025
- Warwick Negus, ceased as a Director on 24 October 2025
- Karen Penrose, Director since November 2015
- Paul Riordan, Director since April 2025
- Mickie Rosen, Director since March 2021
- Mary Waldron, Director since November 2024

Principal activities

The principal activity of the Consolidated Entity is the provision of financial services to the community. The Bank has an authority to carry on banking business under the *Banking Act 1959*. There were no significant changes during the period in the nature of the activities of the Consolidated Entity.

Operating and Financial Review

Our Operating and Financial Review is contained in pages 4 – 29 of this report.

Regulatory developments

On 30 May 2023, the Group entered into voluntary enforceable undertakings with APRA and AUSTRAC to execute multi-year programs of work to uplift our operational resilience, risk culture, governance and Anti-Money Laundering and Counter-Terrorism Financing programs.

The Remedial Action Plans were approved by AUSTRAC and APRA on 20 October 2023 and 30 November 2023 respectively. Please see Note 6.6.3 with respect to reforms to the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (Cth) and BOQ's AUSTRAC Remedial Action Plan.

Throughout first half ended 28 February 2026, the Group has had numerous engagements with its regulators and been subject to several reviews and enquiries. This included continued engagement with ASIC about concerns it had regarding BOQ's systems and controls relating to its design and distribution obligations, breach reporting, dispute resolution, hardship and effective compensation arrangement obligations.

BOQ is working constructively with ASIC and the Independent Reviewer of this work to address the above items including the completion of a Consolidated Action Plan to demonstrate effective and sustainable compliance with its obligations. This work is progressing in alignment with agreed regulatory timeframes.

In November 2025, ASIC commenced an industry review of debt collection activities, with BOQ a selected participant. ASIC Notices were received by BOQ in January 2026, with the review to extend across 2026. ASIC has indicated the review may result in some form of public output detailing its observations, in late 2026.

On 5 December 2025, the Australian Taxation Office (**ATO**) commenced a comprehensive review of the Bank's Common Reporting Standard (CRS) reports for the calendar years ending 31 December 2022 to 31 December 2024. BOQ has provided its response to the ATO and will continue to engage with the ATO over the course of its review.

BOQ has also liaised with AFCA and APRA with respect to system migration matters during the period.

Key management and company officer changes

Key management and company officer changes during the half year and up to the date of this report were as follows.

Director changes during the half year:

- Warwick Negus ceased as an Independent Non-Executive Director and Chair of the Board effective 24 October 2025; and
- Andrew Fraser was appointed Chair of the Board effective 24 October 2025.

Management changes during the half year:

- Keith Strachan was appointed Group Executive Business Bank effective 10 October 2025;
- Patrick Allaway ceased as Managing Director and CEO on 28 February 2026; and
- Rod Finch ceased as Chief Transformation and Operations Officer, and was appointed Managing Director and CEO, effective 1 March 2026. The Chief Transformation and Operations Officer role has not been replaced with Operations realigned under the Chief Information Officer, and Strategy and Transformation responsibilities assumed by the Chief Financial Officer.

6. Consolidated half year financial report

For the half year ended 28 February 2026

Directors' report (continued)

Subsequent events

The Bank has determined an interim dividend to be paid on 27 May 2026. Further details with respect to the dividend amount per share, payment date and dividend reinvestment plan can be obtained from Note 6.2.3 of the consolidated half year financial report.

On 7 April 2026, the Group entered into an agreement with Challenger Limited to sell $3.7 billion of assets within the Group's equipment finance portfolio. Completion of the transaction is expected in the second half of the year ending 31 August 2026. Refer to Note 6.5(a) for further detail.

Subsequent to the reporting date of 28 February 2026, geopolitical uncertainty in the Middle East escalated, including an expansion of conflict and increased global instability. These developments occurred after the reporting date and are considered a non-adjusting event under AASB 110 *Events after the Reporting Period*. Accordingly, no amounts recognised in the financial statements have been adjusted.

Although no material impacts have been identified in the current reporting period, the conflict may result in future impacts on the Group's credit, market, and liquidity and funding risks. Due to the evolving nature of the situation, it is not possible to reliably estimate the financial impact, if any, on future reporting periods.

The Directors are not aware of any other matters or circumstances that have arisen in the interval between the end of the half year and up to the date of this report, or any item, event or transaction which significantly affects, or may significantly affect the operations of the Group in future years.

Management attestation

The Board has been provided with a joint written statement from the Managing Director and CEO and Chief Financial Officer confirming that, in their opinion, the accompanying financial statements and notes:

(a) have been prepared in accordance with Australian Accounting Standards; and

(b) present a true and fair view of the Group's financial position and performance as at and for the half year ended 28 February 2026.

Further, that in their opinion financial records for the Group have been properly maintained for the half year ended 28 February 2026.

The Directors' declaration can be found on page 56 of this document.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The Lead Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 32 and forms part of the Directors' report for the half year ended 28 February 2026.

Rounding of amounts

The Bank is a company of a kind referred to in ASIC Corporations Instrument 2016/191 dated 24 March 2016 and in accordance with that Instrument, amounts in this financial report and Directors' report have been rounded to the nearest million dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors:

Andrew Fraser
Chair
21 April 2026

Rod Finch
Managing Director and CEO
21 April 2026

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

Auditor's Independence Declaration

As lead auditor of Bank of Queensland Limited's financial report for the half-year ended 28 February 2026 I declare that, to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review of the financial report; and

b) no contraventions of any applicable code of professional conduct in relation to the review of the financial report.

Craig Stafford
Partner
PricewaterhouseCoopers

Sydney
21 April 2026

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Consolidated income statement

For the half year ended 28 February 2026

	Note	**Feb 26 $m**	Feb 25 $m
INTEREST INCOME:			
Effective interest income		**1,975**	2,174
Other		**351**	370
Interest expense		**(1,567)**	(1,811)
Net interest income		**759**	733
Net other operating income	6.2.1	**76**	69
Net operating income before impairment and operating expenses		**835**	802
Operating expenses		**(605)**	(547)
Impairment loss on loans and advances		**(20)**	(3)
Profit before income tax		**210**	252
Income tax expense	6.2.2	**(74)**	(81)
Profit for the period		**136**	171
PROFIT ATTRIBUTABLE TO:			
Equity holders of Bank of Queensland Limited		**136**	171
EARNINGS PER SHARE (EPS)			
Basic earnings per share – Ordinary shares (cents)		**20.7**	26.0
Diluted earnings per share – Ordinary shares (cents)		**20.1**	24.8

The consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated statement of comprehensive income

For the half year ended 28 February 2026

	Feb 26 $m	Feb 25 $m
Profit for the period	**136**	171
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX		
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges:		
Net movement taken to equity	**(36)**	(15)
Net movement transferred to profit or loss	**(4)**	(1)
Debt instruments at fair value through other comprehensive income (**FVOCI**):		
Net change in fair value	**38**	8
Net movement transferred to profit or loss	**(1)**	(2)
Equity instruments at FVOCI:		
Net change in fair value	**1**	3
Other comprehensive loss, net of income tax	**(2)**	(7)
Total comprehensive income for the period	**134**	164
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Equity holders of Bank of Queensland Limited	**134**	164

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated balance sheet

As at 28 February 2026

		Consolidated	
	Note	**Feb 26 $m**	Aug 25 $m
ASSETS			
Cash and cash equivalents		**3,225**	3,024
Due from other financial institutions		**236**	236
Derivative financial assets	6.3.3(a)	**679**	696
Financial assets at fair value through profit or loss (**FVTPL**)	6.3.3(a)	**1,033**	941
Debt instruments at FVOCI	6.3.3(a)	**15,431**	16,331
Equity instruments at FVOCI	6.3.3(a)	**8**	6
Debt instruments at amortised cost		**15**	15
Loans and advances	6.3.4	**72,574**	77,553
Assets held for sale	6.5(a)	**3,555**	4
Other assets		**320**	380
Current tax assets		**28**	82
Property, plant and equipment		**135**	156
Deferred tax assets		**52**	59
Intangible assets	6.6.1	**1,012**	1,043
Total assets		**98,303**	100,526
LIABILITIES			
Due to other financial institutions		**1,222**	1,003
Deposits		**74,107**	75,677
Derivative financial liabilities	6.3.3(a)	**256**	194
Accounts payable and other liabilities		**972**	949
Provisions		**108**	140
Borrowings	6.3.5	**15,236**	16,656
Liabilities held for sale	6.5(a)	**506**	-
Total liabilities		**92,407**	94,619
Net assets		**5,896**	5,907
EQUITY			
Issued capital	6.3.2	**5,323**	5,333
Reserves		**383**	277
Retained profits		**190**	297
Total equity		**5,896**	5,907

The consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the half year ended 28 February 2026

	Issued capital $m	Employee benefits reserve $m	Cashflow hedge reserve $m	FVOCI reserve $m	Profit reserve $m	Retained profits $m	Total equity $m
HALF YEAR ENDED 28 FEBRUARY 2026							
Balance as at 31 August 2025	5,333	57	30	(33)	223	297	5,907
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD							
Profit for the period	-	-	-	-	-	136	136
Transfers to profit reserve	-	-	-	-	244	(244)	-
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX:							
Cash flow hedges:							
Net movement taken to equity	-	-	(36)	-	-	-	(36)
Net movement transferred to profit or loss	-	-	(4)	-	-	-	(4)
Debt instruments at FVOCI:							
Net change in fair value	-	-	-	38	-	-	38
Net movement transferred to profit or loss	-	-	-	(1)	-	-	(1)
Equity instruments at FVOCI:							
Net change in fair value	-	-	-	1	-	-	1
Transfer from reserves	-	-	-	(1)	-	1	-
Total other comprehensive income / (expense)	-	-	(40)	37	-	1	(2)
Total comprehensive income / (expense) for the period	-	-	(40)	37	244	(107)	134
TRANSACTIONS WITH EQUITY HOLDERS IN THEIR CAPACITY AS EQUITY HOLDERS							
Dividends to shareholders [1]	-	-	-	-	(132)	-	(132)
Equity settled transactions	-	(3)	-	-	-	-	(3)
Treasury shares	(10)	-	-	-	-	-	(10)
Total contributions by and distributions to owners	(10)	(3)	-	-	(132)	-	(145)
Balance as at 28 February 2026	5,323	54	(10)	4	335	190	5,896

(1) The dividend reinvestment plan for the dividend paid on 21 November 2025 was satisfied through the on-market purchase of 1,661,305 shares with a value of $11 million.

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the half year ended 28 February 2025

	Issued capital $m	Employee benefits reserve $m	Share plan revaluation reserve $m	Cashflow hedge reserve $m	FVOCI reserve $m	Profit reserve $m	Retained profits $m	Total equity $m
HALF YEAR ENDED 28 FEBRUARY 2025								
Balance as at 31 August 2024	5,342	60	-	37	(37)	251	364	6,017
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD								
Profit for the period	-	-	-	-	-	-	171	171
Transfers to profit reserve	-	-	-	-	-	203	(203)	-
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX:								
Cash flow hedges:								
Net movement taken to equity	-	-	-	(15)	-	-	-	(15)
Net movement transferred to profit or loss	-	-	-	(1)	-	-	-	(1)
Debt instruments at FVOCI:								
Net change in fair value	-	-	-	-	8	-	-	8
Net movement transferred to profit or loss	-	-	-	-	(2)	-	-	(2)
Equity instruments at FVOCI:								
Net change in fair value	-	-	-	-	3	-	-	3
Transfer from reserves	-	-	-	-	(3)	-	3	-
Total other comprehensive income / (expense)	-	-	-	(16)	6	-	3	(7)
Total comprehensive income / (expense) for the period	-	-	-	(16)	6	203	(29)	164
TRANSACTIONS WITH EQUITY HOLDERS IN THEIR CAPACITY AS EQUITY HOLDERS								
Dividends to shareholders (1)	-	-	-	-	-	(112)	-	(112)
Share plan revaluation	-	-	(1)	-	-	-	-	(1)
Equity settled transactions	-	(6)	-	-	-	-	-	(6)
Treasury shares	(10)	-	-	-	-	-	-	(10)
Total contributions by and distributions to owners	(10)	(6)	(1)	-	-	(112)	-	(129)
Balance as at 28 February 2025	**5,332**	**54**	**(1)**	**21**	**(31)**	**342**	**335**	**6,052**

(1) The dividend reinvestment plan for the dividend paid on 19 November 2024 was satisfied through the on-market purchase of 1,530,045 shares with a value of $10 million.

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the half year ended 28 February 2026

	Note	Consolidated Feb 26 $m	Feb 25 $m
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		**2,317**	2,580
Fees and other income received		**84**	68
Interest paid		**(1,615)**	(1,961)
Cash paid to suppliers and employees		**(516)**	(548)
Income tax paid		**(6)**	(126)
		264	13
DECREASE IN OPERATING ASSETS:			
Loans and advances		**1,497**	921
Other financial assets		**672**	2,551
(DECREASE) / INCREASE IN OPERATING LIABILITIES:			
Deposits		**(1,574)**	(1,278)
Due to other financial institutions		**219**	36
Net cash inflows from operating activities		**1,078**	2,243
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		**(3)**	(8)
Proceeds from sale of property, plant and equipment		**1**	2
Proceeds from sale of joint arrangement		**3**	-
Proceeds from sale of ME legacy credit card portfolio		**31**	-
Proceeds from sale of equity investments		**-**	5
Payments to owner managers for right to operate intangible assets		**-**	(14)
Payments for software		**(53)**	(46)
Net cash outflows from investing activities		**(21)**	(61)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	6.3.5	**1,012**	713
Repayments of borrowings	6.3.5	**(1,698)**	(1,950)
Payments for treasury shares		**(20)**	(24)
Dividends paid		**(132)**	(112)
Payment of lease liabilities		**(18)**	(21)
Net cash outflows from financing activities		**(856)**	(1,394)
Net increase in cash and cash equivalents		**201**	788
Cash and cash equivalents at beginning of the period		**3,024**	2,927
Cash and cash equivalents at end of the period		**3,225**	3,715

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the half year ended 28 February 2026

6.1 Basis of preparation

6.1.1 Reporting entity

The Bank of Queensland Limited (**the Bank**) is a for-profit company domiciled in Australia. Its registered office is Level 3, 100 Skyring Terrace, Newstead, QLD 4006.

The consolidated interim financial statements as at and for the half year ended 28 February 2026 comprise the Consolidated Entity (or **the Group**), being the Bank and its controlled entities. The principal activity of the Group is the provision of financial services to the community.

6.1.2 Basis of accounting

The consolidated half year financial report is a general purpose interim financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* (Cth). The consolidated half year financial report does not include all the information required for a full annual financial report, and therefore cannot be expected to provide as full an understanding of the financial position and financial performance of the Group as that given by the Annual Report. As a result, this consolidated half year financial report should be read in conjunction with the consolidated annual financial report of the Group as at and for the financial year ended 31 August 2025 and any public announcements made in the period by the Group in accordance with the continuous disclosure requirements of the *Corporations Act 2001* (Cth) and the ASX Listing Rules. The financial report for the year ended 31 August 2025 is available upon request from the Bank's registered office at Level 3, 100 Skyring Terrace, Newstead QLD 4006 or at http://www.boq.com.au.

Amounts contained in this report have been rounded to the nearest million dollars, unless otherwise stated, in accordance with ASIC Corporations Instrument 2016/191.

The consolidated half year financial report is presented in Australian dollars which is the functional currency of the Group.

The consolidated half year financial report was approved by the Board of Directors on 21 April 2026.

6.1.3 Significant accounting policies

Changes in accounting policies

During the half year ended 28 February 2026, the Group revised its accounting treatment of ongoing trail commissions payable to mortgage brokers. The Bank has recognised a liability within accounts payable and other liabilities equal to the present value of expected future trail commission payments and a corresponding increase in capitalised brokerage costs in gross loans and advances. Comparative information has not been restated.

Except as noted above, the accounting policies applied by the Group in this consolidated half year financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 31 August 2025.

Where necessary, comparative information has been restated to conform to presentation in the current period. All changes have been footnoted throughout the financial statements.

6.1.4 Use of judgements and estimates

In preparing the consolidated half year financial report, management has been required to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, equity, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

The significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty are consistent with those applied to the consolidated financial statements as at and for the year ended 31 August 2025.

6.1.5 New Australian accounting standards

In September 2024, the AASB issued Australian Sustainability Reporting Standards AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and AASB S2 *Climate-related Disclosures*. As a Group 1 reporting entity, BOQ is required to prepare a Sustainability Report in accordance with the *Corporations Act 2001* (Cth) and AASB S2 for the year ending 31 August 2026. The Group does not intend to voluntarily adopt AASB S1.

AASB 18 *Presentation and Disclosure in Financial Statements*, which replaces AASB 101, was issued in June 2024 and is effective for the Group from 1 September 2027. The Group is continuing to assess the impact of adopting this standard.

AASB 2024-2 *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments*, amending AASB 7 and AASB 9, will be effective for the Group from 1 September 2026. The Group is continuing to assess the impact of adopting these amendments.

There are no other new accounting standards or amendments to existing standards that are not yet effective which are expected to have a material impact on the Group, other than those already disclosed in the 2025 Annual Report.

Notes to the financial statements

For the half year ended 28 February 2026

6.2 Financial performance

6.2.1 Net other operating income

	Feb 26 $m	Feb 25 $m
INCOME FROM OPERATING ACTIVITIES		
Customer fees and charges [1]	**35**	34
Share of fee revenue to Owner Managed branches[2]	**-**	(3)
Loyalty program expenses	**(3)**	(4)
Commissions	**16**	23
Foreign exchange income – customer based	**8**	8
Profit on sale of ME credit card portfolio[3]	**3**	-
Net gain from financial instruments and derivatives at fair value	**2**	1
Other income	**15**	10
Total net other operating income	**76**	69

(1) Customer charges on lending, banking and leasing products.

(2) During the year ended 31 August 2025, BOQ converted all 114 owner managed branches to corporate branches. For further detail, refer to the 2025 Annual Report.

(3) In February 2026, the Group sold its ME legacy credit card portfolio, with a total carrying value of $42 million.

6.2.2 Income tax expense

The Group's effective tax rate for the half year ended 28 February 2026 was 35.2 per cent and for the half year ended 28 February 2025 was 32.1 per cent. This is above the corporate tax rate of 30%, primarily attributable to the loss recognised upon classification of the equipment finance portfolio as held for sale, as well as the interest payable on capital notes. Both are non-deductible for tax purposes.

Notes to the financial statements

For the half year ended 28 February 2026

6.2.3 Dividends

	Feb 26		Feb 25	
	Cents per share	**$m**	Cents per share	$m
ORDINARY SHARES				
Final 2025 dividend paid 21 November 2025 (2024: 19 November 2024)	**20**	**132**	17	112

All dividends paid on ordinary shares have been fully franked.

Since the end of the period, the Directors have determined the following dividends:

	Cents per share	**$m**
Interim 2026 ordinary share dividend	**20**	**132**

The interim ordinary share dividend payment will be fully franked and paid on 27 May 2026 to owners of ordinary shares at the close of business on 5 May 2026 (record date). Shares will be quoted ex-dividend on 4 May 2026.

Dividend reinvestment plan

The dividend reinvestment plan (**DRP**) provides ordinary shareholders with the opportunity to reinvest all or part of their entitlement to a dividend into additional ordinary shares.

The price for shares issued or transferred under the DRP is the Market Price less such discount (if any) as the Directors may determine from time to time and notify the ASX (rounded to the nearest cent).

Market price is the arithmetic average, rounded to four decimal places, of the daily volume weighted average price of:

- all shares sold in the ordinary course of trading on the ASX automated trading system; and
- where shares are sold on trading platforms of Australian licensed financial markets operated by persons other than ASX, all shares sold in the ordinary course of trading on such of those trading platforms determined by the Board from time to time, during the 10 trading day period commencing on the second trading day after the record date in respect of the relevant dividend.

The calculation of the daily volume weighted average price shall not include certain transactions, as outlined in the DRP terms and conditions. If, after this calculation, there is a residual balance, that balance will be carried forward (without interest) and added to the next dividend for the purpose of calculating the number of shares secured under the DRP at that time.

Shares issued or transferred under the DRP will be fully-paid and rank equally in all respects with existing shares.

The last date for election to participate in the DRP for the 2026 interim dividend is 6 May 2026.

Notes to the financial statements

For the half year ended 28 February 2026

6.2.4 Operating segments

Segment information

The Group determines and presents operating segments based on the information that is provided internally to its Managing Director and CEO, the Group's chief operating decision maker (**CODM**).

The Group's operating segments comprise the following:

- **Retail Bank** – retail banking solutions provided to customers through a network of BOQ branches, ME and Virgin Money distribution channels, digital platforms, and third party intermediaries; and
- **BOQ Business** – tailored business banking solutions, including commercial lending, equipment finance and leasing, foreign exchange hedging and international transfers, interest rate hedging, transaction banking, home lending and deposit solutions for business customers.

Geographic information

The business segments operate primarily in Australia.

Presentation

The following table presents income, profit and certain asset and liability information regarding the Group's operating segments. Inter-segment revenue and expenses and transfer pricing adjustments are reflected in the performance of each operating segment. Other column includes Treasury and Group Head Office operations, as well as statutory basis adjustments not attributable to one of the segments.

	Half year ended 28 February 2026				Half year ended 28 February 2025			
	Retail Bank $m	**BOQ Business $m**	**Other [(1)] $m**	**Total $m**	Retail Bank $m	BOQ Business $m	Other [(1)] $m	Total $m
CASH BASIS								
Income								
Net interest income [(2)]	**392**	**366**	**(3)**	**755**	388	339	(2)	725
Non-interest income	**44**	**29**	**4**	**77**	45	23	-	68
Total income	**436**	**395**	**1**	**832**	433	362	(2)	793
Operating expenses	**(376)**	**(177)**	**-**	**(553)**	(358)	(162)	-	(520)
Underlying profit	**60**	**218**	**1**	**279**	75	200	(2)	273
Loan impairment (loss) / gain	**5**	**(25)**	**-**	**(20)**	(9)	6	-	(3)
Segment cash profit / (loss) before tax	**65**	**193**	**1**	**259**	66	206	(2)	270
Income tax expense	**(21)**	**(61)**	**(1)**	**(83)**	(21)	(66)	-	(87)
Segment cash profit / (loss) after tax [(3)]	**44**	**132**	**-**	**176**	45	140	(2)	183
STATUTORY BASIS ADJUSTMENTS								
Whole-of-loan sale [(4)]	**-**	**(31)**	**-**	**(31)**	-	-	-	-
Branch Strategy [(5)]	**(6)**	**(2)**	**-**	**(8)**	(12)	(4)	-	(16)
Hedging and fair value changes	**-**	**-**	**(1)**	**(1)**	-	-	1	1
Amortisation of acquisition fair value adjustments	**-**	**-**	**-**	**-**	-	-	3	3
Statutory net profit / (loss) after tax	**38**	**99**	**(1)**	**136**	33	136	2	171
BALANCE SHEET								
Loans and advances [(6)]	**50,061**	**22,513**	**-**	**72,574**	53,363	25,877	-	79,240
Deposits [(7)]	**34,591**	**9,286**	**30,230**	**74,107**	36,123	10,141	28,688	74,952

(1) This is not reported internally to the Group's CODM as an operating segment.

(2) Interest income and interest expense are disclosed in this note on a net interest income basis. This is in line with the information provided internally to the Group's CODM.

(3) This excludes a number of items that introduce volatility and / or one-off distortions of the current period performance.

(4) In April 2026, the Group entered into a capital partnership agreement which includes a whole-of-loan sale of the Group's equipment finance portfolio. For further detail, refer to Note 6.5(a).

(5) Branch strategy costs relate predominantly to the amortisation of the right-to-operate assets that were acquired as part of the conversion of the OMB network to corporate branches. In 2025, branch strategy costs primarily comprised costs associated with the conversion of the OMB network to corporate branches and optimisation of the network, including amortisation of the right-to-operate assets.

(6) BOQ Business segment loans and advances are presented net of $3.6 billion classified as held for sale as part of the planned whole-of-loan sale (refer to Note 6.5(a)).

(7) Treasury managed deposits are included in Other.

Notes to the financial statements

For the half year ended 28 February 2026

6.3 Capital and balance sheet management

6.3.1 Capital management

The Group's capital management aims to ensure adequate capital levels are maintained to protect deposit holders. The Group's capital is measured and managed in line with Prudential Standards issued by APRA. The Group's Internal Capital Adequacy Assessment Process (**ICAAP**) provides the framework to ensure that the Group 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 Group's capital position is monitored on a continuous basis and reported monthly to the Asset and Liability Committee and Board. BOQ operates under APRA's revised Basel III capital framework. The Board has determined that BOQ will target to operate within the Common Equity Tier 1 (**CET1**) range of between 10.25–10.75 per cent, in normal operating conditions.

6.3.2 Issued capital

(a) Ordinary shares

	Feb 26 No of shares	Aug 25 No of shares
MOVEMENTS DURING THE PERIOD		
Balance at the beginning of the period – fully paid	**661,469,455**	661,469,455
Balance at the end of the period – fully paid	**661,469,455**	661,469,455
TREASURY SHARES (INCLUDED IN ORDINARY SHARES ABOVE)		
Balance at the beginning of the period	**3,981,555**	2,833,720
Net acquisitions and disposals during the period	**1,670,758**	1,147,835
Balance at the end of the period	**5,652,313**	3,981,555

Notes to the financial statements

For the half year ended 28 February 2026

6.3.3 Financial instruments

(a) Fair value hierarchy

The Group measures fair values using the following fair value hierarchy and valuation techniques, which reflect the significance of the inputs used in making the measurements:

- **Level 1:** This category includes assets and liabilities for which the valuation is determined from inputs based on unadjusted quoted market prices in active markets for identical instruments.
- **Level 2:** This category includes assets and liabilities for which the valuation is determined from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly. This includes the use of discounted cash flow analysis, option pricing models and other market accepted valuation models.
- **Level 3:** This category includes assets and liabilities for which the valuation includes inputs that are not based on observable market data. This includes equity instruments where there are no quoted market prices.

The table below analyses financial instruments carried at fair value, by the valuation method:

	Feb 26			
Consolidated	**Level 1 $m**	**Level 2 $m**	**Level 3 $m**	**Total $m**
FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE				
Derivative financial assets	**-**	**679**	**-**	**679**
Financial assets at FVTPL	**-**	**1,033**	**-**	**1,033**
Debt instruments at FVOCI	**10,893**	**4,538**	**-**	**15,431**
Equity Instruments at FVOCI	**8**	**-**	**-**	**8**
Total assets measured at fair value	**10,901**	**6,250**	**-**	**17,151**
Derivative financial liabilities	**-**	**(256)**	**-**	**(256)**
Net financial instruments at fair value	**10,901**	**5,994**	**-**	**16,895**

	Aug 25			
Consolidated	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE				
Derivative financial assets	-	696	-	696
Financial assets at FVTPL	-	941	-	941
Debt instruments at FVOCI	11,139	5,192	-	16,331
Equity Instruments at FVOCI [(1)]	6	-	-	6
Total assets measured at fair value	11,145	6,829	-	17,974
Derivative financial liabilities	-	(194)	-	(194)
Net financial instruments at fair value	11,145	6,635	-	17,780

(1) A portion of equity investments at FVOCI was disposed of during the period. The remaining portion of the same equity instrument was listed in an active market during the period, resulting in the movement from Level 3 to Level 1. Remaining equity investments remain as Level 3 in the current period.

There was no movement between levels during the current period.

(b) Valuation techniques used to derive Level 2 and Level 3 fair values

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data where it is available and rely as little as possible on the entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves; and
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Notes to the financial statements

For the half year ended 28 February 2026

6.3.3 Financial instruments (continued)

(c) Comparison of fair value to carrying amounts

The table below discloses the fair value of financial instruments held at amortised cost:

Consolidated	Carrying value Feb 26 $m	Carrying value Aug 25 $m	Fair value Feb 26 $m	Fair value Aug 25 $m
ASSETS CARRIED AT AMORTISED COST				
Loans and advances	**72,574**	77,553	**72,492**	77,608
Total assets carried at amortised cost	**72,574**	77,553	**72,492**	77,608
LIABILITIES CARRIED AT AMORTISED COST				
Deposits	**(74,107)**	(75,677)	**(74,151)**	(75,667)
Borrowings including subordinated notes	**(15,236)**	(16,656)	**(15,225)**	(16,641)
Total liabilities carried at amortised cost	**(89,343)**	(92,333)	**(89,376)**	(92,308)

The fair value hierarchy classification of instruments held at amortised cost:

- Loans and advances – Level 3; and
- Deposits and borrowings – Level 2.

6.3.4 Loans and advances

	Feb 26 $m	Aug 25 $m
Loans and advances (1)(2)	**76,705**	78,110
Less:		
Unearned finance lease income	**(262)**	(250)
Gross loans and advances	**76,443**	77,860
Specific provision for impairment	**(53)**	(48)
Collective provision for impairment	**(245)**	(259)
Net loans and advances (including assets classified as held for sale)	**76,145**	77,553
Less: Net loans and advances classified as held for sale (3)	**(3,571)**	-
Total loans and advances	**72,574**	77,553

(1) During the half year ended 28 February 2026, the Group revised its accounting treatment of ongoing trail commission payable to mortgage brokers and recognised a liability within accounts payable and other liabilities equal to the present value of expected future trail commission payments and a corresponding increase in capitalised brokerage costs in gross loans and advances. The balance of the capitalised brokerage costs as at 28 February 2026 was $107 million for the Group. Comparative information has not been restated.

(2) In February 2026, the Group sold its ME legacy credit card portfolio, with a total carrying value of $42 million.

(3) As at reporting date, a whole-of-loan sale process for the Group's equipment finance portfolio is considered highly probable. The portfolio is considered held for sale in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*. The assets and liabilities held for sale are recorded in separate line items in the balance sheet. Refer to Note 6.5(a) for further detail.

Notes to the financial statements

For the half year ended 28 February 2026

6.3.4 Loans and advances (continued)

Expected Credit Losses (ECL)

The following table discloses the breakdown of the Group's ECL by component for the half year ended 28 February 2026:

Consolidated	**Stage 1 – 12 month ECL $m**	**Stage 2 – Lifetime ECL $m**	**Stage 3 – Lifetime & Specific ECL $m**	**Total $m**
Balance as at 1 September 2025	**70**	**105**	**132**	**307**
Transfers during the period to:				
Stage 1	**25**	**(17)**	**(8)**	**-**
Stage 2	**(6)**	**14**	**(8)**	**-**
Stage 3	**(2)**	**(7)**	**9**	**-**
New provisions	**16**	**5**	**3**	**24**
Increased provision	**7**	**47**	**51**	**105**
Write-back of provisions no longer required	**(50)**	**(37)**	**(33)**	**(120)**
Amounts written off, previously provided for	**-**	**-**	**(18)**	**(18)**
Balance as at 28 February 2026 (1)	**60**	**110**	**128**	**298**

Consolidated	Stage 1 – 12 month ECL $m	Stage 2 – Lifetime ECL $m	Stage 3 – Lifetime & Specific ECL $m	Total $m
Balance as at 1 March 2025	69	117	124	310
Transfers during the period to:				
Stage 1	3	(2)	(1)	-
Stage 2	(3)	5	(2)	-
Stage 3	(1)	(1)	2	-
New provisions	12	12	1	25
Increased provisions	-	(7)	31	24
Write-back of provisions no longer required	(10)	(19)	(7)	(36)
Amounts written off, previously provided for	-	-	(16)	(16)
Balance as at 31 August 2025	70	105	132	307

(1) The balance as at 28 February 2026 includes ECL associated with assets held for sale. Refer to Note 6.5(a) for further detail.

Notes to the financial statements

For the half year ended 28 February 2026

6.3.4 Loans and advances (continued)

The table below discloses the effect of movements in the gross carrying value of loans and advances in the different stages of the ECL model during the half year ended 28 February 2026:

Consolidated	Stage 1 – 12 month ECL $m	Stage 2 – Lifetime ECL $m	Stage 3 – Lifetime & Specific ECL $m	Stage 3 – POCI Loans $m	Total (1) $m
Gross carrying amount as at 1 September 2025	58,218	18,241	1,283	118	77,860
Transfers during the period to:					
Stage 1	3,365	(3,317)	(48)	-	-
Stage 2	(6,657)	6,858	(201)	-	-
Stage 3	(143)	(291)	434	-	-
New loans and advances originated or purchased	9,149	160	27	-	9,336
Loans and advances derecognised during the period including write-offs	(7,770)	(2,703)	(267)	(13)	(10,753)
Gross carrying amount as at 28 February 2026	56,162	18,948	1,228	105	76,443
Provision for impairment	(60)	(110)	(128)	-	(298)
Net carrying amount as at 28 February 2026 (2)	56,102	18,838	1,100	105	76,145

Consolidated	Stage 1 – 12 month ECL $m	Stage 2 – Lifetime ECL $m	Stage 3 – Lifetime & Specific ECL $m	Stage 3 – POCI Loans $m	Total (1) $m
Gross carrying amount as at 1 March 2025	61,504	16,709	1,207	130	79,550
Transfers during the period to:					
Stage 1	12	(4)	(8)	-	-
Stage 2	(1,991)	2,077	(86)	-	-
Stage 3	(207)	(97)	304	-	-
New loans and advances originated or purchased	7,137	1,661	47	-	8,845
Loans and advances derecognised during the period including write-offs	(8,237)	(2,105)	(181)	(12)	(10,535)
Gross carrying amount as at 31 August 2025	58,218	18,241	1,283	118	77,860
Provision for impairment	(70)	(105)	(132)	-	(307)
Net carrying amount as at 31 August 2025	58,148	18,136	1,151	118	77,553

(1) The amounts presented above are inclusive of unearned finance lease income.

(2) The net carrying amount as at 28 February 2026 includes assets held for sale. Refer to Note 6.5(a) for further detail.

Purchased or originated credit-impaired (**POCI**) loans are financial assets that are purchased or originated as being credit impaired. The ECL for POCI assets is measured at an amount equal to the lifetime ECL. However, the amount recognised as a loss allowance for these assets is not the total amount of lifetime ECLs, but instead the changes in lifetime ECLs since initial recognition of the asset.

The loss allowance associated with the POCI loans amounted to a reduction of $0.3 million for the half year ended 28 February 2026 and was taken directly to the balance of the gross carrying value of loans and advances. No new POCI loans were recognised in the half year ended 28 February 2026.

Notes to the financial statements

For the half year ended 28 February 2026

6.3.4 Loans and advances (continued)

ECL model methodology, estimates and assumptions

The Group's reported ECL of $298 million was determined by taking into account the facts, circumstances and forecasts of future economic conditions and supportable information available at the reporting date. The fundamental credit model mechanics and methodology underpinning the Group's calculation of ECL have broadly remained consistent with prior periods, including economic and model overlays reflecting the uncertainty at that time.

In accordance with AASB 9 *Financial Instruments,* the ECL reflects an unbiased and probability-weighted amount, determined by the evaluation of a range of possible forward looking economic outcomes, rather than being based on a best or worst case scenario. The inclusion of a forward-looking component in the model anticipates changes in the economic outlook, and is an important component of the provisioning process.

The Group considers four forward-looking macro-economic scenarios (base, upside, downside and severe downside) over the next three years. The scenarios are then probability weighted to ensure ECL appropriately captures forward looking effects and considers the range of possible economic outcomes.

The scenarios, including their underlying indicators, are developed using a combination of publicly available data and internal forecasts to form the initial baseline. The scenarios are refined through consultation with internal specialists and benchmarking to external data from reputable sources, which includes forecasts published from a range of market economists and official data sources, including major central banks.

Economic outlook factors that are taken into consideration include, but are not limited to, unemployment, interest rates, gross domestic product, commercial and residential property price indices, and require an evaluation of both the current and forecast direction of the macro-economic cycle.

Incorporating forward looking information, including macro-economic forecasts, increases the degree of judgement required to assess how changes in these data points will affect ECLs. The methodologies and assumptions, including any forecasts of future economic conditions, are reviewed regularly.

- **Base case scenario:** This scenario reflects BOQ's forward looking economic assumptions where inflation peaks during mid-2026 and subsequently falls inside the RBA target band toward the latter half of 2027. Cash rate remains above 4% until 2028. Unemployment rises gradually from current levels, while GDP growth falls to below 2% by the end of 2026 before stabilising. Residential property prices are expected to see further increases through to 2028. Base case assumptions are supported by RBA forecasts where available.
- **Upside scenario:** This scenario represents a slight to moderate improvement on the economic conditions from the base case.
- **Downside scenario:** This scenario sees economic headwinds and trade tensions escalating and GDP, as a result, contracts and only returns to growth towards the end of 2028. Inflation and unemployment rates rise faster and peak higher (and for longer) than the base case, with interest rates needing to remain at higher levels to reduce inflation. Residential and commercial property prices contract under this scenario.
- **Severe downside scenario:** This scenario also represents downturn economic outcomes and accounts for the potential impact of lower likelihood but higher severity macro-economic conditions.

Notes to the financial statements

For the half year ended 28 February 2026

6.3.4 Loans and advances (continued)

ECL model methodology, estimates and assumptions (continued)

The table below provides a summary of macro-economic assumptions used in the base and downside scenarios as at 28 February 2026:

	Base			Downside		
Macro-economic assumptions [1]	**2026 %**	2027 %	2028 %	**2026 %**	2027 %	2028 %
GDP (YoY)	**1.8**	1.6	1.6	**(0.1)**	(0.4)	0.4
Unemployment	**4.3**	4.5	4.6	**5.6**	7.4	7.5
Residential Property Price growth/(reduction) (YoY)	**5.7**	4.7	4.7	**(3.9)**	(10.4)	(4.6)
Commercial Property Price growth/(reduction) (YoY)	**2.3**	0.6	0.6	**(6.6)**	(13.3)	(7.6)
Cash Rate	**4.2**	4.3	4.2	**5.0**	4.9	4.6

(1) The forecasts in the table reflect calendar year end numbers for 2026 and 2027 and June for 2028.

In determining the reported ECL of $298 million, the Group has taken into account the facts, circumstances and forecasts of future economic conditions and supportable information available at the reporting date. Provisioning assumption updates have been made during 1H26 which include a complete review of overlays and adjustments, which are held for external factors not captured in the core models, including specific industry or portfolio stresses and uncertainties related to model precision, as well as a review of scenarios and scenario weightings to cater for economic uncertainties. Key drivers of management overlays remain related to emerging risks associated with construction, retail trade, accommodation and food services, rental hiring and real estate services, and transport, postal and warehousing.

The final ECL reflects an unbiased and probability-weighted amount, determined by the evaluation of a range of possible forward-looking economic outcomes, rather than being based on a best or worst case scenario. The table below shows weightings applied to derive the probability weighted ECL, utilising the most up to date macro-economic information available as at the reporting date.

	Upside		Base		Downside		Severe	
	Feb 26	Aug 25	**Feb 26**	Aug 25	**Feb 26**	Aug 25	**Feb 26**	Aug 25
Weighting (%)	**5**	5	**50**	50	**30**	30	**15**	15

Sensitivity of provisions for impairment

The ECL reflects an unbiased and probability-weighted amount across a range of macro-economic scenarios as described above. The following table compares the reported ECL to approximate levels of ECL under each scenario assuming a 100 per cent weighting was applied to each scenario with all other assumptions held constant. Only collective provisions vary by scenario, specific provisions are held constant for the purposes of this table.

	Consolidated Feb 26 $m	Consolidated Aug 25 $m
Reported probability weighted ECL	**298**	307
100% Upside scenario	**221**	228
100% Base case scenario	**230**	237
100% Downside scenario	**322**	328
100% Severe Downside scenario	**504**	523

Sensitivity of provisions for impairment to SICR assessments

If one per cent of Stage 1 credit exposures as at 28 February 2026 were included in Stage 2, provisions for impairment would increase by approximately $5 million for the Group (31 August 2025: $8 million) based on applying coverage ratios by stage to the movement in the gross exposure by stage.

Notes to the financial statements

For the half year ended 28 February 2026

6.3.5 Borrowings

The Consolidated Entity recorded the following movements on borrowings:

	Securitisation liabilities (1) $m	Covered bonds liabilities (2) (3) $m	EMTN program(3) $m	Senior unsecured notes $m	ECP program (3) $m	Subordinated notes $m	Capital notes (4) $m	Total $m
HALF YEAR ENDED 28 FEBRUARY 2026								
Balance at the beginning of the period	**6,245**	**4,107**	**16**	**4,387**	**348**	**898**	**655**	**16,656**
Proceeds from issues / new funding	**-**	**-**	**-**	**750**	**262**	**-**	**-**	**1,012**
Repayments	**(440)**	**-**	**(15)**	**(990)**	**(253)**	**-**	**-**	**(1,698)**
Amortisation of deferred costs (5)	**1**	**1**	**-**	**1**	**-**	**-**	**1**	**4**
Foreign exchange translation (5)	**-**	**(232)**	**(1)**	**-**	**(5)**	**-**	**-**	**(238)**
Classified as liabilities held for sale (6)	**(500)**	**-**	**-**	**-**	**-**	**-**	**-**	**(500)**
Balance at the end of the period	**5,306**	**3,876**	**-**	**4,148**	**352**	**898**	**656**	**15,236**

	Securitisation liabilities (1) $m	Covered bonds liabilities (2) (3) $m	EMTN program(3) $m	Senior Unsecured notes $m	ECP program(3) $m	Subordinated notes $m	Capital notes (4) $m	Total $m
HALF YEAR ENDED 28 FEBRUARY 2025								
Balance at the beginning of the period	7,618	3,798	15	5,175	280	648	653	18,187
Proceeds from issues / new funding	-	-	-	300	163	250	-	713
Repayments	(821)	-	-	(940)	(189)	-	-	(1,950)
Amortisation of deferred costs (5)	-	1	-	1	-	-	1	3
Foreign exchange translation (5)	-	51	-	-	4	-	-	55
Balance at the end of the period	6,797	3,850	15	4,536	258	898	654	17,008

(1) Securitisation liabilities are secured by a floating charge over securitised assets for amounts owing to note holders and any other secured creditors of the securitisation vehicles.

(2) Covered bonds liabilities are secured by a charge over a pool of loans and advances and guaranteed by the covered bond guarantor.

(3) At the end of the period, the Group held borrowings in the following currencies: Covered Bonds EUR €1.8bn (Feb 2025: EUR €1.2bn), EMTN Program EUR nil (Feb 2025: EUR €9m), ECP Program EUR €15m (Feb 2025: USD $70m and EUR €30m). All other balances are denominated in Australian dollars.

(4) **Capital notes 2**
On 30 November 2020, the Bank issued 2,600,000 Capital notes 2 at a price of $100 per note. Capital notes 2 are perpetual and convertible notes issued by BOQ, with preferred, discretionary, non-cumulative distributions. They are not guaranteed or secured. As at 28 February 2026, 2,600,000 Capital notes 2 were outstanding. Capital notes 2 must convert into ordinary shares on 15 May 2029 if certain mandatory conversion conditions are satisfied, unless they are converted or redeemed earlier. Where the mandatory conversion conditions are satisfied, a holder will receive a number of ordinary shares per Capital note 2 based on the volume weighted average price of ordinary shares during a specified period. Capital notes 2 must also convert to ordinary shares of the Bank with the occurrence of a loss absorption event or an acquisition event. BOQ may elect to convert, redeem or resell Capital notes 2 on 14 May 2027 or following a regulatory or tax event. BOQ may also elect to convert all Capital notes 2 following a potential acquisition event. These options are subject to APRA's prior written approval and certain conditions being satisfied. In a winding up of the Bank, Capital notes 2 will rank for payment of capital ahead of ordinary shares, equally with Capital notes 3 and other equal ranking instruments, but behind the claims of all senior ranking creditors, including depositors and unsubordinated and subordinated creditors. Capital notes 2 are additional tier 1 capital and form part of the Group's capital adequacy.
Capital notes 3
On 14 November 2022, the Bank issued Capital notes 3 at a price of $100 per note. Capital notes 3 are non-cumulative, perpetual, convertible, unguaranteed and unsecured notes with discretionary distributions, issued by BOQ. As at 28 February 2026, 4,000,000 Capital notes 3 were outstanding. Capital notes 3 must convert into ordinary shares on 16 June 2031 if certain mandatory conversion conditions are satisfied, unless they are converted or redeemed earlier. Where the mandatory conversion conditions are satisfied, a holder will receive a number of ordinary shares per Capital note 3 based on the volume weighted average price of ordinary shares during a specified period. Capital notes 3 must also convert to ordinary shares of the Bank with the occurrence of a loss absorption event or an acquisition event. BOQ may elect to convert, redeem or resell Capital Notes 3 on 15 December 2028, 15 March 2029 and 15 June 2029 or following a regulatory or tax event. BOQ may also elect to convert all Capital notes 3 following a potential acquisition event. These options are subject to APRA's prior written approval and certain conditions being satisfied. In a winding up of the Bank, Capital notes 3 will rank for payment of capital ahead of ordinary shares, equally with Capital notes 2 and other equal ranking instruments, but behind the claims of all senior ranking creditors, including depositors and unsubordinated and subordinated creditors. Capital notes 3 are additional tier 1 capital and form part of the Group's capital adequacy.

(5) Amortisation of deferred costs and foreign exchange translation are non-cash movements. Foreign exchange translation movements are 100 per cent hedged.

(6) Relates to securitisation liabilities that form part of the held for sale disposal group. Refer to Note 6.5(a) for further information.

Notes to the financial statements

For the half year ended 28 February 2026

6.4 Controlled entities

(a) Entities closed during the year

The following trust has exercised their clean-up call option during the half year ended 28 February 2026:

- Series 2021-1 REDS EHP Trust clean up call option was exercised on 15 October 2025.

The following trusts were closed during the half year ended 28 February 2026:

- SMHL Series Private Placement 2014-2
- SMHL Series Securitisation Fund 2016-1
- SMHL Series Securitisation Fund 2017-1
- SMHL Series Securitisation Fund 2018-2.

6.5 Assets and liabilities held for sale

(a) Capital partnership

On 28 August 2025, the Group announced that it was exploring a whole-of-loan sale process of its equipment finance portfolio (the 'Capital partnership'). On 7 April 2026, the Group entered into a partnership with Challenger Limited which includes a whole-of-loan sale of $3.7 billion of the Group's equipment finance portfolio, along with the establishment of an off-balance sheet forward flow origination and servicing agreement for the sold portfolio and ongoing equipment finance lending. Completion of the transaction is expected in the second half of the year ending 31 August 2026, subject to regulatory approvals.

The transaction was highly probable at the balance date, and met the criteria of being held for sale under AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* (**AASB 5**). Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and are presented separately from the other assets and liabilities in the consolidated balance sheet.

The assets and liabilities classified as held for sale under the Capital partnership form part of a disposal group in accordance with AASB 5 requirements. The asset finance and leasing portfolio is comprised of fixed rate loans and leases. As the disposal group represents part of the Business Bank Cash-Generating Unit (**CGU**), $20 million of goodwill previously allocated to the Business Bank CGU has been included in the carrying amount of the disposal group.

The securitisation liabilities classified as held for sale relate to a portion of the held for sale equipment finance portfolio equitably assigned to a REDS EHP trust.

On classification to held for sale, a loss of $36 million was recognised in the consolidated income statement within operating expenses. This loss reflects the estimated shortfall between the carrying value of the disposal group and its fair value less costs to sell.

The disposal group will be remeasured at the lower of its carrying amount and fair value less costs to sell at each reporting period until finalisation. On completion of the transaction, the consideration received will be net of costs incurred in establishing new interest rate swaps for the sold portfolio, adjusted for prevailing interest rates.

The disposal group is considered a Level 3 in the fair value hierarchy.

The following table details the components of the disposal group classified as held for sale:

	Feb 26 $m
Assets held for sale	
Net asset finance and leasing	**3,571**
Goodwill	**20**
Less: Impairment of disposal group	**(36)**
Total assets held for sale	**3,555**
Liabilities held for sale	
Securitisation liabilities	**500**
Net deferred tax liability	**6**
Total liabilities held for sale	**506**

Notes to the financial statements

For the half year ended 28 February 2026

(a) Capital partnership (continued)

Forward-flow arrangement

Following completion of the whole-of-loan sale, the Group will continue to originate and service the equipment finance assets with flexibility to originate on balance sheet or through the forward-flow arrangement. In its capacity as servicer of both the back-book and the forward-flow receivables, the Group will remain responsible for day-to-day operational activities and will receive ongoing servicing fee income and small residual profit share. The forward flow agreement is for an initial 12-month term, extendable by agreement between the parties.

(b) Accounting for joint arrangements previously classified as held for sale

In the first half of 2025, the Group determined to sell its investments in the Brighton, Dalyellup, and Provence 2 joint arrangements. These property development projects, located in Western Australia, were originally acquired through the Home Building Society acquisition in 2007. The Provence 2 and Dalyellup arrangements have since been sold, with the Dalyellup sale completed in the first half of 2026. The Provence joint arrangement is not held for sale, it is completed and dormant and is planned to be wound up prior to the end of the financial year ending 31 August 2026. The Group has decided to retain its investment in the Brighton arrangement.

As a result, as at February 2026, the Brighton arrangement has been reclassified from held for sale under AASB 5 to an investment accounted under the equity accounting method in accordance with AASB 128 *Investments in Associates and Joint Ventures*. The investment in the Brighton arrangement was remeasured on reclassification to $2 million, and forms part of the other assets line item in the consolidated balance sheet.

6.6 Other notes

6.6.1 Intangible assets

Intangible assets consist of goodwill, customer related intangibles and brands, computer software, assets under construction and right to operate assets (Owner-managed branch (**OMB**) conversion).

Intangible assets are reviewed for indicators of impairment periodically and tested for impairment when any such indication exists. Irrespective of whether there is any indication of impairment, goodwill, intangible assets with an indefinite life and assets under construction that are yet to commence amortisation are tested for impairment annually in the second half of the year.

The results of the Group's last annual impairment test are set out in Note 4.1 to the 2025 Financial Report, including details about the testing approach and sensitivity of outcomes to changes in key testing inputs.

For the half year ended 28 February 2026, the Group carried out an assessment in accordance with AASB 136 *Impairment of Assets* to determine whether any indicators of impairment existed in respect of its intangible assets. No indicators of impairment were identified. The Group also undertook a review of its computer software intangible assets to assess potential obsolescence and to consider whether any revisions to estimated useful lives were required. This review did not identify any material obsolescence or impairment. There were some revisions to estimated useful lives with no material impact to the Group.

Goodwill

As at 28 February 2026, the Group had $377 million of goodwill, pertaining only to the Business Bank CGU (31 August 2025: $397 million).

$20 million of goodwill relating to the Business Bank CGU has been classified as assets held for sale as part of the whole-of-loan sale. Refer to Note 6.5(a) for further detail.

6.6.2 Related parties

The terms of arrangements for all related parties are consistent with those disclosed in the 2025 Annual Report.

The terms and conditions of the transactions entered into with Key Management Personnel (**KMP**) and their related parties were no more favourable than those available, or which might reasonably be expected to be available on similar transactions to non-related entities, on an arm's length basis.

Notes to the financial statements

For the half year ended 28 February 2026

6.6.3 Provisions and contingent liabilities

Provision for Remedial Action Plans (RAPs)

On 30 May 2023, the Group entered into voluntary enforceable undertakings with APRA and AUSTRAC to execute a multi-year program of work to uplift our operational resilience, risk culture, governance and Anti-Money Laundering and Counter-Terrorism Financing program. The enforceable undertakings are court enforceable.

The undertaking with APRA addresses remediation of weaknesses in the Group's risk management practices, controls, systems, governance and risk culture (**the APRA EU**). APRA has also determined to apply a capital adjustment to the Group's minimum capital requirements, adding $50 million to the Group's operational risk capital requirement (applied as of 30 May 2023).

The adjustment reduced the Group's Level 2 CET1 ratio by approximately 17bps. The Group may apply for removal of all or part of the capital adjustment when it concludes that it can demonstrate compliance to APRA's satisfaction with commitments in respect of ongoing remediation and the APRA EU.

The enforceable undertaking with AUSTRAC addresses remediation of issues in respect of the Group's anti-money laundering and counter-terrorism financing program (**the AUSTRAC EU**).

The commitments entered into with APRA and AUSTRAC will continue the work commenced under the Remedial Action Plans announced to the market on 14 April 2023 .

As at 28 February 2026, the balance of the provision is $24m. To date the Group has recognised a cumulative provision of $96 million. This amount incorporates the unwinding of the discount, which has been recognised as a finance cost.

As previously disclosed, a number of risks and uncertainties exist for which assumptions have been made in estimating the provision required, including:

- Scope: The provision has been based on matters currently identified that require uplift. It is possible that additional matters are identified as a result of further analysis or required by regulators that could increase the scope and cost of the program.
- Nature and extent of work required to address the matters identified: It has been necessary to estimate the work required to deliver on requirements based on plans at different levels of development. Allowance has been made for this uncertainty informing the estimate, however it is possible that as work proceeds the scope and cost of the program required is different to the estimate.
- Resources required to deliver the work: As outlined above, the provision has been made for the additional expenditure to the Group necessary to deliver the required uplift such as external support, contractors and independent assurance providers. This has required estimation of the extent and cost of additional resources required based on an assumption of the Group's capacity to deliver a significant proportion of the activities with its existing and planned internal resources.

The Group appointed Grant Thornton as External Auditor for the purpose of the AUSTRAC EU and as Independent Reviewer for the purpose of APRA EU.

Throughout the first half of the year, BOQ has continued to execute the actions and deliverables required by the RAPs, completing, and closing numerous deliverables across the design, implementation and embed phases.

The appointed Independent Reviewers of the Remedial Action Plans continue to oversee and validate closure of activities for both RAPs. To the date of this report, both programs have submitted four reports from these parties to APRA and AUSTRAC respectively. Reports will continue to be produced and submitted to APRA and AUSTRAC every four months in accordance with the conditions of the CEUs.

Pay and entitlements review

In 2020 BOQ commenced a review of payments to employees covering Superannuation Guarantee compliance and whether correct payments have been made to employees under successive BOQ Enterprise Agreements, being 2010, 2014 and 2018. BOQ has made remediation payments for base wage, lump-sum entitlement, superannuation and interest for active and former employees.

In the first half of 2026, BOQ received notice from the Fair Work Ombudsman that the matter is now closed. As at 28 February 2026, a provision remains of $2 million (2025: $2 million) for unclaimed money and associated costs.

Notes to the financial statements

For the half year ended 28 February 2026

6.6.3 Provisions and contingent liabilities (continued)

Legal claims, remediation, compensation claims and regulatory enforcement

The BOQ Group is committed to strengthening, simplifying, digitising and optimising its business to deliver improved outcomes for our customers, people, shareholders and valued partners.

The Group has continued to engage with APRA and AUSTRAC as the Group has progressed through its Remedial Action Plans. Any identified areas for uplift, including delays in meeting deliverables under the Remedial Action Plans, have been discussed with relevant regulators, root cause analysis undertaken and BOQ is continuing work to address those items.

While it is uncertain whether AUSTRAC or APRA will take any enforcement action (either in relation to the matters referred to in the enforceable undertakings or other matters), neither regulator has indicated to the Group that it intends to do so as at the date of this report.

The Group is exposed to contingent risks and liabilities arising from the delivery of its required activities under the Remedial Action Plans. The Group's potential liability in relation to these matters remains uncertain (and cannot be accurately assessed).

On 10 December 2024, the Anti-Money Laundering and Counter-Terrorism Financing Amendment Act 2024 (the 'Reforms') received Royal Assent with the final Rules and amendments released on 24 March 2026, with a Legislative effective date (current reporting entities) of 31 March 2026. BOQ anticipates that the Reforms will require changes to data, systems and processes and continues to engage with industry bodies and AUSTRAC regarding Transitional Rules that set out the industry wide parameters when considering compliance timeframes for the Reforms.

There is a risk that from time to time, the Group does not comply with its legal, regulatory obligations or causes customer impact. In some cases where the Group does not comply or causes material customer harm, remediation programs may be undertaken. The Group also undertakes ongoing compliance activities, including breach reporting, reviews of products provided to its customers, and second line assurance and internal audit reviews. Some of these activities may identify weaknesses that result in remediation programs. Where relevant, the Group consults with the respective regulator on these matters.

Financial services regulators also periodically engage with the Group, as part of their supervisory and regulatory roles. For example, our regulators or other independent bodies may carry out reviews or audits of our compliance requirements or request certain information from us as part of an inquiry or investigation.

Throughout first half ended 28 February 2026, the Group has had numerous engagements with its regulators and been subject to several reviews and enquiries. This included continued engagement with ASIC about concerns it had regarding BOQ's systems and controls relating to its design and distribution obligations, breach reporting, dispute resolution, hardship, and effective compensation arrangement obligations. BOQ is working constructively with ASIC and the Independent Reviewer of this work to address the above items including the completion of a Consolidated Action Plan to demonstrate effective and sustainable compliance with its obligations. This work is progressing in alignment with agreed regulatory timeframes.

In November 2025, ASIC commenced an industry review of debt collection activities, with BOQ a selected participant. ASIC Notices were received by BOQ in January 2026, with the review to extend across 2026. ASIC has indicated the review may result in some form of public output detailing its observations, in late 2026.

On 5 December 2025, the ATO commenced a comprehensive review of Bank of Queensland Limited's Common Reporting Standard (CRS) reports for the calendar years ending 31 December 2022 to 31 December 2024. BOQ has provided its response to the ATO and may engage further with the ATO over the course of its review.

BOQ has also liaised with AFCA and APRA with respect to system migration matters during the period.

There is a risk that, regulators may seek to commence proceedings, seek to impose fines or sanctions, or take other administrative or enforcement action in relation to the Group's compliance with relevant laws and regulations. The Group has not been informed of any current intention by its regulators to do so. There is also the risk that the Group incurs increased costs in people, processes and systems to meet regulators' requirements or expectations. The outcomes and total costs associated with these possible exposures remain uncertain.

The Group could be engaged in a range of litigation matters at any given time. The Group (like all entities in the banking and finance sector) is exposed to the risk of litigation and there can be no assurance that significant litigation will not arise in the future.

The outcome of legal proceedings, and total costs associated with exposure to litigation, remains uncertain. Where relevant, expert legal advice is obtained and, in the light of such advice, provisions or disclosures as deemed appropriate are made.

BOQ is engaging with five former Owner Managers who have lodged disputes with AFCA. It is possible that former Owner Managers may choose to launch legal proceedings regarding BOQ exercising its right to terminate the Owner Managed Branch Agency Agreements. As at 21 April 2026, no legal proceedings had been served.

Notes to the financial statements

For the half year ended 28 February 2026

6.6.4 Commitments

Lease commitments

The Group has entered into a lease commitment for new office premises in Brisbane commencing 1 February 2027. Future minimum lease payments under this agreement amount to $74 million.

6.6.5 Events subsequent to balance date

The Bank has determined an interim dividend to be paid on 27 May 2026. Further details with respect to the dividend amount per share, payment date and dividend reinvestment plan can be obtained from Note 6.2.3 of the consolidated half year financial report.

On 7 April 2026, the Group entered into an agreement with Challenger Limited to sell $3.7 billion of assets within the Group's equipment finance portfolio. Completion of the transaction is expected in the second half of the year ending 31 August 2026. Refer to Note 6.5(a) for further detail.

Subsequent to the reporting date of 28 February 2026, geopolitical uncertainty in the Middle East escalated, including an expansion of conflict and increased global instability. These developments occurred after the reporting date and are considered a non-adjusting event under AASB 110 Events after the Reporting Period. Accordingly, no amounts recognised in the financial statements have been adjusted.

Although no material impacts have been identified in the current reporting period, the conflict may result in future impacts on the Group's credit, market, and liquidity and funding risks. Due to the evolving nature of the situation, it is not possible to reliably estimate the financial impact, if any, on future reporting periods.

The Directors are not aware of any other matters or circumstances that have arisen in the interval between the end of the half year and up to the date of this report, or any item, event or transaction which significantly affects, or may significantly affect the operations of the Group in future years.

Directors' declaration

In the opinion of the Directors of Bank of Queensland Limited:

(a) the consolidated financial statements and accompanying notes for the half year ended 28 February 2026, as set out on pages 33 to 55 are in accordance with the *Corporations Act 2001* (Cth), including that they:

(i) give a true and fair view of the financial position of the Consolidated Entity as at 28 February 2026 and of its performance, for the half year ended on that date;

(ii) comply with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* (Cth); and

(b) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Andrew Fraser
Chair
21 April 2026

Rod Finch
Managing Director and CEO
21 April 2026

Independent auditor's report

Independent auditor's review report to the members of Bank of Queensland Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Bank of Queensland Limited (the Bank) and the entities it controlled during the half-year (together the Group), which comprises the consolidated balance sheet as at 28 February 2026, the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and consolidated income statement for the half-year ended on that date, selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Bank of Queensland Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 28 February 2026 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with *ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity (ASRE 2410)*. Our responsibilities are further described in the Auditor's responsibilities for the review of the half-year financial report section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Independent auditor's report

Responsibilities of the directors for the half-year financial report

The directors are responsible for the preparation of the half-year financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 28 February 2026 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers

PricewaterhouseCoopers

Stafford

Craig Stafford
Partner

Sydney
21 April 2026

7. Appendices

7.1 ASX Appendix 4D

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Foreign entities (Rule 4.2A.3 Item No. 8)	Not applicable
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Details of associates and joint venture entities (Rule 4.2A.3 Item No. 7)	Ownership interest held (%)
JOINT ARRANGEMENTS (1)	
Ocean Springs Pty Ltd (Brighton)	9.31
Dalyellup Beach Pty Ltd (Dalyellup) (2)	-
East Busselton Estate (Provence)	25.00

	As at		
Net tangible assets per security (Rule 4.2A.3 Item No. 3)	**Feb 26**	Aug 25	Feb 25
Net tangible assets per ordinary share ($) (3)	**7.38**	7.35	7.37

(1) The principal activity of the joint venture entities is land subdivision, development and sale. These investments were acquired as part of the Home Building Society acquisition in 2007. Refer to Note 6.5(b).

(2) During the period ended 28 February 2026, the Group disposed of its interest in Dalyellup Beach Pty Ltd (Dalyellup).

(3) Represents net assets excluding intangible assets divided by ordinary shares on issue at the end of the period.

Glossary

TERM	DESCRIPTION
Anti-money laundering (**AML**)	The prevention of money laundering, being the process of moving money or property through the economy in a way that hides its illegal origins or intended criminal purpose.
APRA prudential standard (**APS**)	Prudential standards issued by APRA which are applicable to ADIs.
Asset backed securities (**ABS**)	A financial security which is collateralised by the pledge of a pool of assets such as but not limited to loans, leases and credit card debt.
Australian Accounting Standards Board (**AASB**)	An independent government agency responsible for developing, issuing and maintaining accounting standards in Australia.
Australian Prudential Regulation Authority (**APRA**)	The prudential regulator of the Australian financial services industry. APRA is an independent statutory authority that supervises institutions across banking, insurance and superannuation and promotes financial system stability in Australia.
Australian Securities & Investments Commission (**ASIC**)	Australia's corporate, markets and financial services regulator.
Australian Securities Exchange (**ASX**)	ASX is a multi-asset class, vertically integrated exchange group that functions as a market operator, clearing house and payments system facilitator. It oversees compliance with its operating rules, promotes standards of corporate governance among Australia's listed companies and helps educate retail investors.
Australian Transactions Reports and Analysis Centre (**AUSTRAC**)	Australia's financial intelligence unit and anti-money laundering (**AML**) and counter-terrorism financing (**CTF**) regulator.
Australian Taxation Office **(ATO)**	An Australian statutory agency and the principal revenue collection body for the Australian Government. The ATO has responsibility for administering the Australian federal taxation system, superannuation legislation, and other associated matters.
Authorised deposit-taking institution (**ADI**)	A body corporate which is authorised to carry on banking business in Australia under the *Banking Act 1959* (Cth).
Available stable funding (**ASF**)	The portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year.
Average interest earning assets (**AIEA**)	Average balance over the period for a bank's assets that accrue interest income.
Banking Code Compliance Committee (**BCCC**)	An independent body that monitors banks' compliance with the Banking Code of Practice.
Bank of Queensland Limited (**the Bank** or **BOQ**)	The Bank is a for-profit entity primarily involved in providing retail banking, business banking and leasing finance products to its customers.
Basel III	A global regulatory framework to improve the regulation, supervision and risk management within the banking system developed by the Basel Committee on Banking Supervision.
Basis points (**bps**)	One per cent of one per cent (0.01 per cent).
Capital notes 2 (**BOQPF**) & Capital notes 3 (**BOQPG**)	Perpetual, convertible, unguaranteed and unsecured notes issued by BOQ, with preferred, discretionary, non-cumulative distributions. Capital Notes may convert into common shares in certain circumstances as described in the offer documentation of the notes.
Cash-Generating Unit (**CGU**)	The smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The CGUs represent the Consolidated Entity's operating segments – Retail Bank and BOQ Business.
Collective Provision (**CP**)	An allowance for impairment loss of financial assets that are collectively assessed for impairment in accordance with AASB 9 *Financial Instruments*.

Glossary

TERM	DESCRIPTION
Common equity tier 1 (**CET1**)	Capital that is recognised as the highest quality component of capital under APS.
Common equity tier 1 ratio (**CET1 ratio**)	CET1 capital divided by total RWA calculated in accordance with relevant APS.
Commercial Real Estate (**CRE**)	Businesses whose primary purpose is the investment in the construction and / or development of commercial real estate.
Consolidated Entity (**the Group** or **BOQ**)	BOQ and its subsidiaries.
Corporations Act 2001	The *Corporations Act 2001* (Cth).
Corporation Regulations 2001	The Corporations Regulations 2001 made under the *Corporations Act 2001* (Cth).
Cost to income (**CTI**) ratio	Operating expenses divided by total income.
Counter terrorism financing (**CTF**)	The prevention of the financing of terrorism, including the financing of terrorist acts, and of terrorists and terrorist organisations.
Court Enforceable Undertakings (**CEUs**)	Legally binding undertakings that have been accepted by APRA and AUSTRAC and are enforceable in a court.
Covered bond guarantor	Perpetual Corporate Trust Limited ABN 99 000 341 533, incorporated with limited liability in the Commonwealth of Australia and having its registered office at Level 18, 123 Pitt Street, Sydney, NSW 2000, as trustee of the BOQ Covered Bond Trust and the BOQ Soft Bullet Covered Bond Trust (the Trustee).
Days past due (**DPD**)	A metric measuring the number of days a loan or lease payment is overdue measured as either the calendar days since first missing a payment or the total arrears balance divided by the daily repayment amount.
Dividend payout ratio	Dividends paid on ordinary shares divided by earnings.
Dividend reinvestment plan (**DRP**)	A plan which provides shareholders with the opportunity to convert all or part of their entitlement to a dividend into shares.
Earnings per share (**EPS**)	Measure of earnings attributed to each equivalent ordinary share. This is calculated by dividing the company's earnings by the weighted average number of shares on issue in accordance with AASB 133 *Earnings per Share*.
Effective tax rate	Income tax expense divided by profit before tax.
Expected credit loss (**ECL**)	Estimated credit losses, using a forward looking impairment methodology, accounted for in accordance with AASB 9 *Financial Instruments*.
Euro Medium Term Note (**EMTN**)	An offshore medium term note program.
Eurocommercial paper program (**ECP**)	An offshore short term commercial paper program.
Fair value through other comprehensive income (**FVOCI**)	Classification and measurement of financial assets under AASB 9 *Financial Instruments*. A financial asset is measured at FVOCI if it is held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. The contractual cash flows must be solely payments of principal and interest.
Fair value through profit or loss (**FVTPL**)	Classification and measurement of financial assets under AASB 9 *Financial Instruments*. For financial assets measured at FVTPL all changes in fair value are recognised in the income statement. FVTPL includes financial assets that are held for trading.
Full time equivalent (**FTE**)	A calculation based on number of hours worked by full and part time employees as part of their normal duties.

Glossary

TERM	DESCRIPTION
Gross domestic product (**GDP**)	Total monetary value of all goods and services produced in a country.
Gross loans and advances (**GLA**)	The principal amount of loans and advances provided, gross of provisions and deferred fee income and including any accrued interest.
High quality liquid asset (**HQLA**)	Comprised of the Bank's notes and coins, central bank balances able to be drawn down and marketable securities representing claims on or guaranteed by the Australian Government or Semi-Government authorities.
Impaired assets	Exposures that have deteriorated to the point where full collection of principal and interest is in doubt.
Intangible asset	An identifiable, non-monetary asset which lacks physical substance.
Interest bearing liabilities	The Bank's liabilities that accrue interest expense.
Internal Capital Adequacy Assessment Process (**ICAAP**)	A framework introduced by APRA to be used by regulated financial institutions, to aid the institutions in understanding their risk profile and capital needs to support it.
International Financial Reporting Standards (**IFRS**)	Standards and interpretations issued by the International Accounting Standards Board.
Issued capital	Value of securities allotted in a company to its shareholders.
Liquid assets	All unencumbered RBA repurchase eligible liquid assets including HQLA.
Liquidity coverage ratio (**LCR**)	The ratio represents the level of unencumbered high quality liquid assets available to meet obligations over a 30-day period, under a regulator defined liquidity stress scenario.
Loan Impairment Expense (**LIE**)	Loan impairment reflects changes in our estimates of expected loan losses as well as bad debts incurred during the year net of any recoveries.
Loan to Value Ratio (**LVR**)	The ratio between the loan amount and the appraised value of the underlying asset.
Loss given default (**LGD**)	Loss incurred by a bank when a customer defaults on a loan represented as a percentage of the total exposure at the time of default.
ME	ME is a brand owned by Bank of Queensland Limited, offering primarily home loan products and everyday transaction and online savings accounts.
Net cash outflow (**NCO**)	Represents the total expected cash outflows minus total expected cash inflows under a prescribed stress scenario for the subsequent 30 calendar days.
Net Interest income (**NII**)	The amount of interest income earned less interest expense incurred during the period.
Net interest margin (**NIM**)	Net interest income divided by average interest-earning assets.
Net profit after tax (**NPAT**)	The total profit of a company after all expenses, including taxes, have been deducted from total revenue.
Net stable funding ratio (**NSFR**)	An APRA regulatory liquidity requirement that ensures a bank maintains a stable, long-term funding structure. It compares the amount of available stable funding (ASF) a bank has to the amount of required stable funding (RSF) needed to support its assets and off-balance-sheet activities.
Net tangible assets (**NTA**)	Calculated as the total assets of a company minus any intangible assets such as goodwill, less all liabilities.
Net Tier 1 Capital ratio	Total Tier 1 Capital divided by total RWA calculated in accordance with relevant APS.

Glossary

TERM	DESCRIPTION
Non-interest earning assets	Assets that do not accrue interest income.
Owner-managed branch (**OMB**)	A BOQ branch operated by a franchisee. All OMBs converted to corporate branches on or before 1 March 2025.
Purchased or originated credit impaired (**POCI**) assets	Financial assets that are purchased or originated as being credit impaired.
REDS	Term to describe the BOQ REDS securitisation programmes.
Reserve Bank of Australia (**RBA**)	Australia's central bank that derives its functions and powers from the *Reserve Bank Act 1959* (Cth).
Remedial Action Plans (**RAPs**)	Programs to strengthen BOQ's operational resilience, risk culture and AML/CTF governance and compliance.
Return on average equity (**ROE**)	Net profit divided by average shareholder equity. Shareholder equity includes capital, retained earnings and the profit reserve, but excludes other reserves.
Return on average tangible equity (**ROTE**)	Net profit divided by average shareholder equity excluding intangible assets. Shareholder equity includes capital, retained earnings and the profit reserve, but excludes other reserves.
Risk weighted assets (**RWA**)	A quantitative measure of various risks including credit, operational, market and securitisation as defined by APS.
Significant Increase in Credit Risk (**SICR**)	A significant change in the estimated risk of default over the remaining expected life of the financial asset. SICR is assessed by comparing the risk of a default occurring over the expected life of a financial asset at the reporting date compared to the corresponding risk of default at origination.
SMHL	Term to describe the ME securitisation programs.
Specific Provision (**SP**)	A targeted financial allowance established to cover expected losses on particular, individually identified assets, such as loans or receivables.
Tier 1 capital	The aggregate of Common Equity Tier 1 (**CET1**) capital and instruments that meet the criteria for inclusion as Additional Tier 1 (**AT1**) capital set out in APS 111 Capital Adequacy: Measurement of Capital.
Tier 2 capital	Comprises other components of capital that, to varying degrees, do not meet the requirements of Tier 1 capital but nonetheless contribute to the capital strength of an ADI.
Total capital adequacy ratio	Total capital divided by total RWA calculated in accordance with relevant APS.
Treasury shares	Shares that the Bank has issued but are held by a trust included within the Bank's consolidated results. Treasury shares are not considered shares outstanding and are not included in 'per share' calculations.
Virgin Money Australia (**VMA** or **Virgin Money**)	A business operated by BOQ, encompassing Virgin Money Australia Pty Ltd and its subsidiaries, as well as Virgin Money Australia products sold by the Bank. The VMA products offered by the Group include home loans, transaction and savings accounts and the provision of other financial services (e.g. credit cards, insurance and superannuation) on behalf of business partners.
Weighted average number of shares (**WANOS**)	Calculated in accordance with AASB 133 *Earnings per Share.*

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GROUP