BOQ Covered Bond Trust

ABN 29 218 800 859

Annual Report for the year ended - 31 August 2025

Contents

BOQ Covered Bond Trust
Trust Manager’s Report
31 August 2025

For the purposes of this report, the 'Trust Manager' refers to B.Q.L. Management Pty Ltd in its capacity as Trust Manager of BOQ Covered Bond Trust (the Trust). The Trust Manager has prepared this special purpose financial report.

The Trust Manager presents its report together with the financial statements of the Trust for the financial year ended 31 August 2025.

Directors

The Directors of the Trust Manager at any time during the year, and to the date of this report, are:

Name	Date of appointment
Racheal Kellaway	7 June 2022
Tim Ledingham	31 August 2021
Rachel Stock	5 April 2024

Secretaries

The secretaries of the Trust Manager at any time during the year, and to the date of this report, are:

Name	Date of appointment
Fiona Daly	30 April 2019
Ricky-Anne Lane-Mullins	17 January 2024

Principal activities

The Trust was established with the purpose of carrying on a business to provide funds for the purchase of a cover pool of assets by equitable assignment and to guarantee the covered bonds issued by Bank of Queensland Limited (BOQ).

There have been no significant changes in the nature of the principal activities of the Trust during the year.

Operating and financial review

The operating profit after income tax for the financial year ended 31 August 2025 was $38,104 thousand (2024: $154,913 thousand). As the income unitholders are presently entitled to all taxable profits, no income tax is payable by the Trust. Distributions made to the income unitholders for the year amounted to $18,247 thousand (2024: $78,570 thousand).

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since the end of the financial year and up until the date of this report, that has significantly affected, or may significantly affect the Trust's operations, the results of those operations, or the Trust's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the Trust and the expected results of operations have not been included in this report because the Trust Manager believes it would be likely to result in unreasonable prejudice to the Trust.

Environmental regulation

The Trust’s operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

Rounding

Amounts in the Trust Manager’s report have been rounded to the nearest thousand Australian dollars, unless otherwise stated.

Signed on behalf of the Manager, B.Q.L. Management Pty Ltd (BQLM), as the Manager of the Trust.

Racheal Kellaway
Director of the Manager
B.Q.L. Management Pty Ltd
Sydney, 19 November 2025

BOQ Covered Bond Trust
Statement of profit or loss and other comprehensive income
For the year ended 31 August 2025

	Note	2025 $'000	Restated 2024[1] $'000
Interest income on deemed loan to the Bank		**198,245**	328,918
Interest income on cash and cash equivalents		**9,566**	8,206
Interest expense		**(180,936)**	(246,630)
Net Interest Income		**26,875**	90,494
Other income		**2,075**	2,538
Total income		**28,950**	93,032
Operating expenses	5	**(10,703)**	(14,462)
Movement in fair value of derivatives, net of FX translation movements		**19,857**	76,343
Operating profit		**38,104**	154,913
Finance costs attributable to unitholders			
Distribution to unitholders	12	**(18,247)**	(78,570)
Movement in net liabilities attributable to unitholders		**(19,857)**	(76,343)
		-	-
Profit/(loss) for the year		**-**	-
Other comprehensive income		**-**	-
Total comprehensive income for the year		**-**	-

[1] Comparatives have been restated to reflect the prior period adjustments detailed in Note 2.

The statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

BOQ Covered Bond Trust
Statement of financial position
As at 31 August 2025

	Note	2025 $'000	Restated 2024[1] $'000
Assets			
Cash and cash equivalents	14(a)	**159,836**	188,288
Receivables	6	**14,141**	26,629
Derivative financial assets	7	**154,497**	38,667
Deemed loan to the Bank	8	**2,764,948**	3,893,985
Total assets		**3,093,422**	4,147,569
Liabilities			
Demand note liability		**1,108,461**	1,314,261
Payables	9	**28,775**	41,377
Interest bearing liabilities	10	**1,971,553**	2,827,155
Total liabilities – excluding net liabilities attributable to unitholders		**3,108,789**	4,182,793
Net liabilities attributable to unitholders	12	**(15,367)**	(35,224)

[1] Comparatives have been restated to reflect the prior period adjustments detailed in Note 2.

The statement of financial position should be read in conjunction with the accompanying notes.

BOQ Covered Bond Trust
Statement of changes in equity
For the year ended 31 August 2025

	Units on Issue $'000	Restated[1] Net liabilities attributable to unitholders $'000	Total $'000
Balance at 31 August 2023	-	-	-
Total comprehensive income for the year	-	-	-
Distributions during the year	-	-	-
Balance at 31 August 2024[1]	-	-	-
Total comprehensive income for the year	-	-	-
Distributions during the year	-	-	-
Balance at 31 August 2025	**-**	**-**	**-**

[1]Comparatives have been restated to reflect the prior period adjustments detailed in Note 2.

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

BOQ Covered Bond Trust
Statement of cash flows
For the year ended 31 August 2025

	Note	2025 $'000	Restated 2024[1] $'000
Cash flows from operating activities			
Interest and fees received		**215,159**	335,218
Interest and fees paid		**(196,806)**	(268,649)
Net cash inflow from operating activities	13(b)	**18,353**	66,569
Cash flows from investing activities			
Payments for acquisition of securitised mortgages[1]		**(400,000)**	(1,204,494)
Receipts from repayments of loans and advances[1]		**1,536,197**	1,968,742
Net cash inflow from investing activities		**1,136,197**	764,248
Cash flows from financing activities			
Issuance of demand note liability[1]		**1,350,000**	2,015,264
Repayment of demand note liability[1]		**(1,555,800)**	(1,979,517)
Repayment of interest-bearing and other liabilities		**(951,574)**	(803,972)
Distribution paid to income unit holder		**(25,628)**	(83,952)
Net cash outflow from financing activities		**(1,183,002)**	(852,177)
Net decrease in cash and cash equivalents		**(28,452)**	(21,360)
Cash and cash equivalents at the beginning of the financial year		**188,288**	209,648
Cash and cash equivalents at the end of the financial year	13(a)	**159,836**	188,288

[1] Comparatives have been restated to reflect the prior period adjustments detailed in Note 2.

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

Note 1. Reporting entity

The Trust was established by the Establishment Deed between the Trust Manager (B.Q.L. Management Pty Ltd), Issuer, Seller and Servicer (Bank of Queensland Limited – "the Bank"), the Covered Bond Guarantor and Trustee (Perpetual Corporate Trust Limited) and the Security Trustee (P.T Limited) and the Trust Deed between the Issuer (Bank of Queensland Limited – "the Bank"), the Trust Manager (B.Q.L. Management Pty Ltd) , the Covered Bond Guarantor and Trustee (Perpetual Corporate Trust Limited) and the Bond Trustee (BNY Trust Company of Australia Limited).

The Trust was established with the purpose of carrying on a business to provide funds for the purchase of a cover pool of assets by equitable assignment and to guarantee the covered bonds issued by Bank of Queensland Limited (**BOQ**).

The Trust is domiciled in Australia. The registered office of the Trust Manager, B.Q.L. Management Pty Ltd, is Level 3, BOQ Village,100 Skyring Terrace, Newstead, Queensland, 4006.

Note 2. Basis of preparation

Statement of compliance

These special purpose financial statements are prepared to assist the Trust Manager in meeting the financial reporting requirements of the Covered Bond Establishment Deed dated 24 April 2017 (as amended).

The financial statements have been prepared using the general purpose financial reporting framework and in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). For the purposes of preparing these financial statements, the Trust is classified as a for-profit entity.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

The financial report also complies with International Financial Reporting Standards (**IFRSs**) as issued by the International Accounting Standards Board (**IASB**).

New Australian accounting standards and legislative changes

AASB 18 *Presentation and Disclosure in Financial Statements*

AASB 18 *Presentation and Disclosure in Financial Statements* was issued in June 2024 and will be effective for the Group from 1 September 2027. The standard is required to be applied retrospectively and replaces AASB 101 *Presentation of Financial Statements*. AASB 18 focuses on improving information disclosed about financial performance in the income statement, with new requirements relating to the disclosure of management-defined performance measures as well as the introduction of newly defined subtotals and grouping information. The changes are aimed to improve transparency and comparability of financial information for investors. The Trust will commence assessment of the standard implementation and its impacts on financial disclosures in the next reporting period.

There are no other new standards or amendments to existing standards that are not yet effective that are expected to have a material impact on the Trust's results or financial statements.

The financial report was authorised for issue by the Trust Manager on 19 November 2025.

Basis of measurement

The financial report has been prepared on the historical cost basis except for certain assets and liabilities as described in the accounting policies below, if applicable.

Balance sheet presentation

Assets and liabilities have been presented in order of liquidity on the face of the balance sheet.

Functional and presentational currency

The financial report is presented in Australian dollars, which is the Trust's functional currency.

Rounding

Amounts in this financial report have been rounded to the nearest thousand Australian dollars, unless otherwise stated.

Note 2. Basis of preparation (continued)

Accounting estimates and judgements
The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Those areas which involve significant estimation uncertainty and critical judgements in applying accounting policies and have the most effect on the amounts recognised in the financial report are listed below along with the relevant note where the Trust's policy is described:

- Note 3(e) and Note 8: Deemed loan to the Bank - Expected Credit Losses (**ECL**)
- Note 3(g) Derivative financial instruments

Prior period restatements

<u>Accounting for Income and Capital unitholding</u>

During the year, the Trust identified that the net assets attributable to unitholders had been incorrectly classified as equity in the financial statements for the year ended 31 August 2024. Upon review, it was determined that the nature of the unitholders' interests meets the definition of financial liability.

As a result, the financial statements for the comparative period have been restated to reclassify the unitholders' interests from equity to net liabilities attributable to unitholders. In addition, amounts previously presented as distributions to unitholders have been reclassified as finance costs attributable to unitholders in the Statement of profit or loss and other comprehensive income.

The impact of this adjustment to the prior period Statement of profit or loss and other comprehensive income was as follows:
- Finance costs attributable to unitholders increased by $78,569 thousand
- Net profit decreased by $78,569 thousand
- Increase in net liabilities attributable to unitholders recorded as $76,343 thousand

The impact of these changes on the prior period Statement of financial position was as follows:
- Net liabilities attributable to unitholders increased by $35,224 thousand
- Total equity was adjusted by $35,224 thousand

The impact of these changes on the prior period Statement of changes in equity was:
- Unitholders' funds of $(35,224) thousand reclassified from equity to liabilities

<u>Presentation of cashflows</u>

During the year, the Trust identified that cash flows from the payments for acquisition of securitised mortgages, receipts from repayment of loans and advances, proceeds from the issuance of demand note liability, and repayments of demand note liability had been incorrectly presented on a net basis in the Statement of Cash Flows for the year ended 31 August 2024. Upon review, it was determined that these cash flows should be presented on a gross basis. As a result, the financial statements for the comparative period have been restated to present these cash flows on a gross basis.

Note 2. Basis of preparation (continued)

Prior period restatements (continued)

<u>Presentation of cashflows (continued)</u>

The impact of this adjustment to the prior period Statement of cash flows resulted in the following update to the disclosures;

- Decrease in ‘principal repayment/(purchase) of Deemed loan to the Bank’ of $764,248 thousand
- Increase in ‘payments for acquisition of securitised mortgages’ of ($1,204,494 thousand)
- Increase in ‘receipts from repayment of loans and advances’ of $1,968,742 thousand
- Increase in ‘issuance of demand note liability’ of $1,979,517 thousand
- Increase in ‘repayment of demand note liability’ of ($1,979,517 thousand)

Note 3. Material accounting policies

Consistency of accounting policies
The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Interest income and expenses

Interest income and expenses are recognised using effective interest rate on the interest bearing financial instruments. The effective interest rate is the rate that discounts estimated future cash flows through the expected life of the financial instruments or, where appropriate, a shorter period, to the net carrying amount of the financial instruments. When calculating the effective interest rate, the Trust estimates cash flows considering all contractual terms of the financial instrument but not future credit losses. The calculation includes all amounts paid or received by the Trust that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts. Transaction costs include mortgage loan acquisition costs such as commissions paid to intermediaries.

(b) Other income and expenses

Other income and expenses are brought to account on an accruals basis. The Trust Manager, Servicer and the Covered Bond Guarantor are entitled under the Bond Trust Deed, to be paid for certain expenses incurred in administering the Trust. The basis on which the expenses are paid is defined in the Establishment Deed. The amount paid is disclosed in the statement of profit or loss and other comprehensive income and was calculated in accordance with the Establishment Deed.

(c) Income tax

Under current legislation the Trust is not subject to income tax as the taxable income, including the assessable realised capital gains, is distributed in full to the income unitholder. The Trust fully distributes its distributable income, calculated in accordance with the Establishment Deed (as amended) and applicable taxation legislation, to the unitholder who is presently entitled to the income.

Tax Consolidation
The Trust is a member of the BOQ tax consolidated group. BOQ is the head entity in the tax consolidated group comprising all of its Australian wholly-owned subsidiaries. As head entity, BOQ prepares a single income tax return for the tax consolidated group and also maintains a single franking account. The implementation date for the tax consolidated group was 1 September 2003.

(d) Cash and cash equivalents

Cash and cash equivalents include deposits held at call with a bank or financial institution and highly liquid investments with short periods to maturity which are readily convertible to cash at the Trust Manager’s option and are subject to insignificant risk of changes in value.

Note 3. Material accounting policies (continued)

(e) Deemed loan to the Bank

The Deemed loan to the Bank represents the outstanding balance of the mortgage loans in the cover pool. The mortgage loans are recognised at fair value at acquisition date plus transaction costs that are directly attributable to the loans. Mortgage loans are subsequently measured at amortised cost using the effective interest method less any impairment loss.

The Deemed loan to the Bank thus represents the Trust's interest in the cover pool assets purchased from the Bank by equitable assignment. The sale of the cover pool assets from the Bank to the Trust does not qualify for derecognition in accordance with AASB 9 *Financial Instruments* because the sale is deemed to have failed to transfer substantially all the risks and rewards of ownership. Consequently, the Bank continues to recognise the covered pool assets and recognises a corresponding financial liability to the Trust on its statement of financial position. In turn, the Trust recognises a financial asset due from the Bank, comprising of its interest in the Deemed loan to the Bank and a corresponding financial liability to the Bank under the Intercompany Note Subscription Agreement.

The transfer of substantially all the risks and rewards of ownership is evaluated by comparing the entity's exposure, before and after the transfer, with the variability in the amounts and timing of the net cash flows of the transferred asset. An entity has retained substantially all the risks and rewards of ownership of a financial asset if its exposure to the variability of the future net cash flows from the financial asset does not change significantly as a result of the transfer.

Under the sale agreement, the Trust assumes any variability of principal cash flows from the cover pool, while the variability of the revenue cash flows, as a result of the interest rate swap agreement (refer note 3(g)) and the ownership of the capital and income unit (refer note 11), remains with the Bank.

As a result, after considering all reasonably possible variability in net cash flows, with greater weight being given to those outcomes that are more likely to occur, the Bank is deemed to have failed to transfer substantially all of the risk and rewards. The Covered Bond has a Pass Through structure which has the feature of "Dual Recourse", meaning that in the event of a default of the Bank, an investor has recourse on the Bank and on the underlying mortgages.

Loans and receivables – expected credit loss
At initial recognition, allowance is made for expected credit losses resulting from default events that are possible within the next 12 months (12-month expected credit losses). In the event of a significant increase in credit risk since origination, allowance (or provision) is made for expected credit losses resulting from all possible defaults events over the expected life of the financial instrument (lifetime expected credit losses).

Financial assets where 12-month expected credit losses are recognised are considered to be Stage 1; financial assets which are considered to have experienced a significant increase in credit risk since initial recognition are in Stage 2; and financial assets which have defaulted or are otherwise considered to be credit impaired are allocated to Stage 3.

Unlike other financial instruments, the Deemed loan to the Bank is, by construction, an instrument that incorporates credit enhancement. The interest due on Deemed loan to the Bank is only due to the extent it matches the obligation of the entity. The impairment assessment also takes into account the credit enhancement features of the covered bond structure. An impairment on the Deemed loan to the Bank would only be recognised where impairment on the underlying receivables exceeds the credit enhancement in place. Taking into account these factors, the members conclude that there is no significant increase in credit risk of the Deemed loan to the Bank since inception.

Note 3. Material accounting policies (continued)

(f) Net assets/(liabilities) attributable to unitholders

The residual income beneficiary of the Trust holds units within the Trust that was set-up at the inception of the Trust as the initial assets of the Trust.

The unitholders are entitled to the net income of the Trust following payment of Trust expenses, Trust Program Manager and Servicer fee, Trustee fee, payment to swap providers or liquidity facility providers and interest expenses of the Trust. This net income payment may further be subordinated to make any principal shortfalls. Following all payments being made under the cash flow waterfall, the unitholders are entitled to any residual. All net assets/ liabilities attributable to unit holders have been recognised as a financial liability of the Trust, rather than as equity due to the entitlement to the income and/or mandatory redemption of the units. The classification of the net assets/ liabilities attributable to unit holders does not alter the underlying economic interest of the unitholders in the net assets and comprehensive income attributable to unitholders of the Trust.

Income/(expense) not distributed is included in net assets/(liabilities) attributable to the unitholders. Movements in net assets/(liabilities) attributed to the unitholders are recognised in the income statement as finance cost.

The Trust has been structured to earn a net interest income each year. Non-cash losses are retained in the Trust and may result in the net liability position which is expected to reverse over time.

(g) Derivative financial instruments

The Trust enters into interest rate swaps with the Bank. The purpose of these swaps is to align the basis of revenue from the cover pool assets purchased under equitable assignment from the Bank (note 3(e)) to the interest expense under the financial liabilities. The interest rate swaps convert the revenue from the variable and fixed rate mortgages to a floating rate basis.

Due to the contractual characteristics of the securitisation arrangement, the interest rate swap is not separately recognised as a derivative under the accounting standards. Consequently, the interest rate swap is not measured at fair value on the balance sheet date. The net payable or receivable from the interest rate swap arrangement is recognised as a payable or receivable on the balance date, and the associated swap receipt or payment is included in the interest income derived from the underlying financial assets.

The Trust enters into external cross currency swaps to manage its exposure to interest rate and currency risk. These derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

(h) Payables

Liabilities are recognised for amounts to be paid in the future for services received. Accounts payable are non-interest bearing, stated at amortised cost and are normally settled within 30 days.

(i) Interest bearing liabilities

Interest bearing liabilities are initially recognised at fair value. Subsequent measurement is at amortised cost using the effective interest rate method.

The Trust entered into an Intercompany Note Subscription Agreement dated 4 May 2017 with BOQ to fund the purchase of the Demand Note by equitable assignment. The Intercompany Note and the Demand note liability to the Bank collectively represent the debt of the Trust.

Note 3. Material accounting policies (continued)

(j) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ('GST'), except where the amount of GST incurred (or portion of GST incurred) is not recoverable from the Australian Taxation Office ('ATO'). In these circumstances the irrecoverable GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(k) Distributions

In accordance with the Trust Deed, the Trust fully distributes its distributable income to unitholders. Such distributions are determined by reference to the taxable income of the Trust.

Note 4. Auditor's remuneration

The auditor's remuneration for the Trust is paid by the parent entity, the Bank. The following amounts were attributable to the Trust in relation to the audit, transaction testing and the securitisation set up fees for the Trust.

Fees paid to the Auditor of the Trust, PricewaterhouseCoopers:

	2025 $	2024 $
Audit services:		
Audit of financial report	**12,296**	10,003
	12,296	10,003

	2025 $'000	2024 $'000
Note 5. Operating expenses		
Servicing fee with related entities	**(7,062)**	(9,465)
Management fee with related entities	**(2,825)**	(3,786)
Guarantor fee	**(530)**	(710)
Other expenses	**(286)**	(501)
	(10,703)	(14,462)

Note 6. Receivables

Interest receivable	**5,770**	8,661
Interest collections receivable from servicer	**327**	989
Principal collections receivable from servicer	**2,441**	9,602
Interest rate swap receivable	**5,573**	7,350
Other receivables	**30**	27
	14,141	26,629

As at 31 August 2025, there were no overdue amounts from receivables (2024: Nil). All the amounts expected to be repaid within 12 months of the Balance Sheet date.

	2025 $'000	2024 $'000

Note 7. Derivative financial assets

Cross currency swap	**154,497**	38,667

Note 8. Deemed loan to the Bank

Deemed loan to the Bank	**2,764,948**	3,893,985

Details of the Trust's credit risk assessment, as well as the likelihood of loss due to credit impairment on loans and receivables, are provided in note 3(e).

Note 9. Payables

Distribution payable to income unitholder (the ultimate parent entity)	**16,422**	23,802
Interest payable to noteholders	**11,624**	16,490
Other	**729**	1,085
	28,775	41,377

All the amounts are due to be settled within twelve months of the Balance Sheet date.

Note 10. Interest bearing liabilities

Opening Covered bond liability	**2,827,155**	3,698,626
Proceeds from issuance	**-**	-
Repayments	**(950,000)**	(816,948)
FX translation	**94,398**	(54,523)
Closing Covered bond liability (1)	**1,971,553**	2,827,155

(1) The Covered bond liability represents the Australian equivalent of EUR 0.6bn issued by the Bank (2024: 0.6bn) with the remaining balance being AUD issuances.

Of the above amount, $1,971,553 is expected to be repaid after twelve months of the reporting date by the Trust.

There are Covered Bonds of EUR 600m and AUD 900m issued by BOQ in June 2022 and in May 2023 respectively, which are collateralised against loan assets of BOQ Covered Bond Trust. These are debt obligations (guaranteed by Perpetual Corporate Trust Limited) that benefit from dual recourse to both the Bank and the pool of home loans. BOQ Covered Bond Trust programme is managed by Group Treasury of the Bank and the Trust Manager administers the cover pool of home loans.

These bonds are due to mature in June 2027 and in May 2028 respectively.

Note 11. Units on issue

	No. of units	2025 $	2024 $
Income Unit	**1**	**10**	10
Capital Unit	**10**	**100**	100
	11	**110**	110

Interest of Income unitholder

The income unit holder in the Trust is the Bank. The interest of the Income Unitholder in the Trust comprises its entitlement to the net Trust income in respect of a financial year under Clause 10.6 *Entitlement of Income Unitholder* of BOQ Covered Bond Trust Establishment Deed.

Interest of Capital Unitholders

The capital unit holder in the Trust is the Bank. The interest of a Capital unitholder in the Trust comprises an interest in its proportion (being the proportion the number of capital units in respect of which it is capital unitholder bears to the total number of capital units in the Trust) of any assets of the Trust remaining after payment of any amount due to the income unitholder in satisfaction of the income unitholder's entitlement under Clause 5.3 *Interest of Income Unitholder* of BOQ Covered Bond Trust Establishment Deed.

Note 12. Net liabilities attributable to unitholders

	2025 $'000	Restated 2024[1] $'000
Movements in net liabilities attributable to unitholders		
Opening Balance	**(35,224)**	(111,567)
Total comprehensive income for the year	**38,104**	154,913
Distributions during the period	**(18,247)**	(78,570)
Closing balance	**(15,367)**	(35,224)

The Trust has recorded net liabilities attributable to unitholders of $(15,367) thousand (2024: $(35,224) thousand). The deficiency at the reporting date is solely due to the recognition of accumulated mark to market losses on derivative instruments which did not involve the outflow of cash. The derivatives have been entered into as economic hedges to match the cash inflows and cash outflows of the Trust, will be revalued each year and as the contracts mature the mark to market will be reversed over the life of the Trust. The unitholders have no obligation to fund any deficiency.

[1]Comparatives have been restated to reflect prior period adjustments detailed in Note 2.

Note 13. Notes to statement of cash flows

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash and cash equivalents	**159,836**	188,288

(b) Reconciliation of net operating income to net cash from operating activities

Profit from operating activities	**38,104**	154,913
Change in operating assets and liabilities during the financial year:		
Adjustments for non-cash items		
Gain on derivatives	**(19,857)**	(76,343)
Decrease/(increase) in receivables (excl. Principal collections)	**5,328**	(4,512)
Decrease in payables (excl. Distribution payable)	**(5,222)**	(7,489)
Net cash inflow from operating activities	**18,353**	66,569

Note 14. Financial risk management

The Trust operates within the governance and risk management frameworks of the Bank of Queensland Group (the Group). The use of financial instruments is fundamental to the Group's business of providing banking services to our customers. The associated financial risks (primarily credit, market and liquidity risks) are a significant portion of the Group's key material risks.

The Group and the Trust adopt a "managed risk" approach to its banking activities in which the articulation of a risk aware culture is prevalent throughout the Group's credit, market and liquidity risk policies and procedures. The Board of the ultimate Parent has adopted policies in relation to the assessment, management and monitoring of these risks and ownership of the frameworks within which these risks are managed reside with the Group Chief Risk Officer.

The Group Chief Risk Officer contributes towards the achievement of the Group's corporate objectives through the operationalisation and progressive development of the Group's risk management function. The continued improvement of the Group's risk management function focusses on a number of key areas, with particular emphasis on:

1. the efficiency and effectiveness of the Group's credit, market and liquidity risk management process, controls and policies to support the Bank's customer proposition in line with its risk appetite;
2. providing management and the Board with risk reporting that contributes to the further development of sound corporate governance standards;
3. implementing frameworks to support maintaining regulatory compliance; and
4. contributing to the Group achieving risk based performance management.

Group Risk is an independent function and is responsible for providing the framework, policies and procedures needed for managing credit, market and liquidity risk throughout the Group. Policies are set in line with the governing strategy and risk guidelines set by the Board.

Note 14. Financial risk management (continued)

Monitoring

The Group's enterprise risk management framework incorporates active management and monitoring of a range of risks including (but not limited to):

1. Market;
2. Credit; and
3. Liquidity.

a) Market risk

Market risk is the risk that movements in market rates and prices will result in profits or losses to the Group. The objective of market risk management is to manage and control market risk and to minimise its impact on the Group.

i. Interest rate risk management

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows of financial instruments.

In relation to the Trust, interest rate risk arises due to the pricing on the underlying mortgage assets not matching the pricing of interest bearing liabilities. Interest rate risk is the current and prospective impact of changes in interest rates to which the Trust's earnings are exposed. The Trust mitigates interest rate risk by entering into a series of interest rate swaps with the Bank by transferring cash inflows from underlying mortgage assets and in return receives cash flows based on the Bank Bill Swap rate plus a margin sufficient to meet the interest commitments on the loans from the Bank, associated swaps and fees payable. The margin payable is calculated based on a weighted average of the liabilities to the Bank for each distribution period and also includes a margin for fees, including excess servicing fees payable to the Bank.

Based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates, the impact on the Trust's profit or loss and Net asset/liabilities attributable to unitholders of a reasonable possible upwards or downwards movement in interest rates assuming that all other variables remain constant is $nil.

ii. Foreign exchange risk

Foreign currency exchange rate risk arises from the possibility that changes in foreign currency exchange rates will affect the future cash flows of financial instruments.

The Trust has interest bearing liabilities with the ultimate parent entity representing the covered bonds issued by the Bank. Intra-group loans denominated in EUR (refer to Note 10) give rise to foreign currency exchange rate risk as their carrying value in Australian dollars ("AUD") fluctuate due to changes in the foreign currency exchange rates.

The Trust mitigates foreign currency exchange rate risk by entering into cross-currency swaps whereby the Trust transfers AUD cashflows on underlying mortgage assets and in exchange receives foreign currency cash flows to meet any payments on foreign currency liabilities. The amount receivable on the cross-currency swaps for each distribution is calculated taking into account the commitments on each foreign currency interest bearing liability. This effectively aligns the AUD cash flows receivable on the underlying mortgage assets and the foreign currency cash flows payable on the foreign currency liabilities resulting in immaterial exposure to the foreign currency exchange rate risk.

Note 14. Financial risk management (continued)

b) Credit risk

Credit risk is the potential loss arising from the possibility that customers or counterparties fail to meet contractual payment obligations to the Trust as they fall due.

The Board of the Group has implemented a structured framework of policies, systems and controls to monitor and manage credit risk comprising:

- documented credit risk management principles which are disseminated to all staff involved with the lending process;
- documented Credit policies, lending standards and procedures;
- a process for approving risk, based on tiered delegated approval authorities, whereby the largest exposures are assessed by the Executive Credit Committee consisting of senior executives and senior risk managers, chaired by the Group Chief Risk Officer;
- an automated scorecard and decision strategy model for the Bank's home loan portfolio;
- a credit assurance framework that includes hindsight of credit decisions and portfolio reviews to assess credit quality; and
- a series of management reports detailing industry concentrations, counterparty concentrations, loan grades and security strength ratings.

In accordance with its treasury and financial markets risk policies, the Group employs derivative financial instruments to hedge against foreign exchange and interest rate risks that originate from its operating, financing, and investing activities. The credit risk associated with these derivative contracts is minimised because the counterparties involved are either qualifying central counterparties or reputable financial intermediaries with acceptable credit ratings, as determined by a recognised rating agency.

i. Maximum exposure to credit risk

The amounts disclosed are the maximum exposure to credit risk, before taking account of any collateral held or other credit enhancements. For financial assets recognised on the Balance Sheet, the exposure to credit risk equals their carrying amount.

ii. Credit quality

The credit quality categories of financial assets have been determined based on Standard & Poor's credit ratings, APRA risk weightings and the ultimate parents standard risk grading. The categories are classified as below:

- High grade – generally corresponds to Standard & Poor's credit ratings AAA+ to BBB-;
- Satisfactory – generally corresponds to Standard & Poor's credit rating BB+ to B;
- Weak – generally corresponds to Standard & Poor's credit ratings up to B; and
- Unrated – Loans and advances which have been classified as unrated are not secured, however these are not deemed to be weak.

The maximum exposure to credit risk and the credit quality at the reporting date was:

	2025 **$'000**	2024 $'000
High Grade		
Cash and cash equivalents	**159,836**	188,288
Receivables	**14,141**	26,629
Deemed loan to the Bank	**2,764,948**	3,893,985
Derivative financial assets	**154,497**	38,667
Total credit exposures	**3,093,422**	4,147,569

Note 14. Financial risk management (continued)

b) Credit risk (continued)

The Trust has a credit exposure of $3,093,422 thousand (2024: $4,147,569 thousand) comprising mainly of loan assets securing the Deemed loan to the Bank of $2,764,948 thousand (2024: $3,893,985 thousand). 77% (2024: 82%) of the underlying loan assets securing the Deemed loan to the Bank are less than 30 days in arrears. Details of the Trust's credit risk assessment, as well as the likelihood of loss due to credit impairment on loans and receivables, are provided in note 3(e).

c) Liquidity risk

Liquidity risk arises from the possibility that the Trust is unable to meet its financial obligations as they fall due or incurs a loss on converting a position or selling an asset for cash to meet such obligations. These obligations include the repayment of liabilities on demand or at their contractual maturity, the repayment of borrowings as they mature and the payment of interest on borrowings. The table below set out the amount of contractual maturity of financial liabilities.

		Total contractual cashflows					
31 August 2025	Carrying amount	At Call	3 months or less	3 to 12 months	1 to 5 years	Over 5 years	Total
	$,000	$,000	$,000	$,000	$,000	$,000	$,000
Financial liabilities							
Payables	28,775	-	28,775	-	-	-	28,775
Covered bond liability	1,971,553	-	10,900	27,784	2,010,137	-	2,048,821
Demand note liability	1,108,461	1,108,461	-	-	-	-	1,108,461
Total financial liabilities	3,108,789	1,108,461	39,675	27,784	2,010,137	-	3,186,057

		Total contractual cashflows					
31 August 2024	Carrying amount	At Call	3 months or less	3 to 12 months	1 to 5 years	Over 5 years	Total
	$,000	$,000	$,000	$,000	$,000	$,000	$,000
Financial liabilities							
Payables	41,377	-	41,377	-	-	-	41,377
Covered bond liability	2,827,155	-	43,713	1,026,406	2,022,706	-	3,092,825
Demand note liability	1,314,261	1,314,261	-	-	-	-	1,314,261
Total financial liabilities	4,182,793	1,314,261	85,090	1,026,406	2,022,706	-	4,448,463

As required by the Banking Act, the Trust is required to maintain an over-collateralisation of at least 3% of the bonds issues. As at 31 August 2025 the over-collateralisation is at 6% (2024: 6%). This over-collateralisation enables the Trust to collect greater interest and fee revenue from the underlying mortgages, which assists in mitigating any liquidity risk that it may face. There were no breaches of the Banking Act identified for the financial year.

These features considerably minimise the risk of the Trust defaulting in the event of a default by the Bank.

Note 15. Fair value of financial instruments

The Trust uses the Group's fair value risk management policy. 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, which are observable either directly or indirectly. This includes the use of discounted cash flow analysis, option pricing models and other market accepted valuation models; and

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.

Fair value hierarchy financial assets and liabilities measured at fair value
Management's assessment of the fair value of the derivatives financial instruments is deemed to be materially consistent with their carrying value. Derivative financial instruments are classified as Level 2 in the fair value hierarchy.

Fair value hierarchy financial assets and liabilities not measured at fair value
Management's assessment of fair value of Deemed loan to the Bank, Demand note liability and Interest bearing liabilities is deemed to be materially consistent with their carrying value. The fair value of all other financial assets and liabilities approximates their carrying values as at 31 August 2025 and 31 August 2024 due to their short-term nature.

The fair value hierarchy classification of financial asset and liabilities held at amortised cost:

- Deemed loan to the Bank – Level 3.
- Demand note liability – Level 3.
- Interest bearing liabilities – Level 2.

There was no movement between levels during the year.

Note 16. Related Party disclosures

The Trust Manager of the Bank of Queensland Covered Bond Trust is B.Q.L. Management Pty. Ltd., incorporated in Australia. The Trust Manager is a wholly owned subsidiary of Bank of Queensland Limited, incorporated in Australia.

a) Parent entity

Bank of Queensland Limited is the immediate and ultimate parent entity of the Trust.

The Directors of the Manager of the Trust at any time during the year, and to the date of this report, are:

Name	Date of appointment
Racheal Kellaway	7 June 2022
Tim Ledingham	31 August 2021
Rachel Stock	5 April 2024

b) Key management personnel (KMP)

Key management personnel are those who, directly or indirectly, have authority and responsibility for planning, directing and controlling the activities of the Trust. This includes all Executive and Non-Executive Directors.

No compensation is paid to key management personnel directly by the Trust. Total key management personnel compensation is paid by the ultimate parent entity, Bank of Queensland Limited.

Note 16. Related Party disclosures (continued)

c) Transactions with other related parties

Amounts receivable from / payable to related parties the ultimate parent entity
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2025 **$**	2024 $
Amounts receivable from related parties		
Deemed loan to the Bank - Parent entity	**2,764,948,441**	3,893,984,693
Amounts receivable - Parent entity	**14,111,036**	26,602,402
Amounts payable to related parties		
Demand note liability - Parent entity	**1,108,461,300**	1,314,260,888
Interest bearing liability - Parent entity	**1,971,553,175**	2,827,155,458
Amounts payable - Parent entity	**16,468,689**	23,936,090

Other transactions with related parties

Transaction	**Related party**		
Interest income	Parent entity	**198,244,976**	328,917,720
Interest expense	Parent entity	**49,963,583**	64,725,023
Management fees	Trust Manager	**2,824,881**	3,785,940
Servicing fees	Parent entity	**7,062,202**	9,464,851
Residual income	Parent entity	**18,246,945**	78,569,985

Management fees

The Trust pays management fees to the Trust Manager, which is a wholly owned subsidiary of the Bank. The fee is calculated as a monthly basis point charge applied to the Trust balance in the determination period.

Servicing fees

The Trust pays servicing fees to the ultimate parent entity. The fee is calculated as a monthly basis point charge applied to the Trust balance in the determination period.

Residual income

The Trust distributes residual income to the ultimate parent entity. This represents the profit remaining after all expenses and fees have been paid.

Note 17. Contingencies and commitments

Perpetual Corporate Trust Limited in its capacity as Trustee of the Trust has guaranteed payments of interest and principal under the covered bonds issued by Bank of Queensland and equivalent in amount to the covered bond liability, pursuant to a guarantee which is secured over the mortgage loans and other assets of the Trust.

The Trust has no other material contingent liabilities or commitments as at 31 August 2025 (2024: Nil).

Note 18. Events subsequent to reporting date

There has not arisen, in the interval between the end of the year and the date of this report, any item, transaction or event of a material and unusual nature, likely, in the opinion of the Trustee and Trust Manager, to affect significantly the operations of the Trust, the results of those operations, or the state of affairs of the Trust in future financial years.

BOQ Covered Bond Trust
Statement by Trust Manager
31 August 2025

In the opinion of B.Q.L. Management Pty Ltd ("BQLM") (Trust Manager):

(a) the financial statements and notes are in accordance with the Covered Bond Trust Establishment Deed dated 4 May 2017, including;

  i. complying with Australian Accounting Standards and regulations to the extent described in note 2 and 3, and

  ii. present fairly in all material respects the view of BOQ Covered Bond Trust's financial position as at 31 August 2025 and of its performance for the financial year ended on that date, and

(b) the Trust has operated during the year ended 31 August 2025 in accordance with the provisions of the BOQ Covered Bond Trust Establishment Deed dated 4 May 2017; and

(c) at the date of this statement, there are reasonable grounds to believe that the BOQ Covered Bond Trust ('the Trust') will be able to pay its debts as and when they become due and payable.

Dated in Brisbane this 19th day of November 2025.

Signed on behalf of the Trust Manager, B.Q.L. Management Pty Ltd,

Racheal Kellaway
Director of the Manager

BOQ Covered Bond Trust
Trustee's report
31 August 2025

The financial statements for the financial year ended 31 August 2025 have been prepared by the Trust Manager, B.Q.L. Management Pty Ltd, as required by the Covered Bond Trust Establishment Deed ('Establishment Deed') dated 24 April 2017.

The auditor of the Trust, PricewaterhouseCoopers, who has been appointed by the Trust Manager in accordance with the Establishment Deed, have conducted an audit of the financial statements.

Based on our ongoing program of monitoring the Trust, we believe that:

(a) the Trust has been conducted in accordance with the Trust Deed and the Establishment Deed.

(b) The Financial Report has been appropriately prepared and contains all relevant and required disclosures.

In making this statement, the Trustee has relied upon information, representations and warranties provided by the Trust Manager.

We are not aware of any material matters or significant changes in the state of affairs of the Trust occurring up to the date of this report that require disclosure in the financial statements and the notes thereto that have not already been disclosed.

Signed for and on behalf of
Perpetual Corporate Trust Limited

Signed by: Rachel Carroll

Title: Senior Client Services Manager

Dated in Sydney this 19th day of November 2025.

Independent auditor's report

To the investors of BOQ Covered Bond Trust

Our opinion

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of BOQ Covered Bond Trust (the Trust) as at 31 August 2025 and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards to the extent described in Note 2 of the financial report.

What we have audited

The financial report comprises:

- the statement of financial position as at 31 August 2025;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the notes to the financial statements, including material accounting policy information and other explanatory information;
- the Statement by Trust Manager;
- the Trustee's Report.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers, ABN 52 780 433 757
480 Queen Street, BRISBANE QLD 4000,
GPO Box 150, BRISBANE QLD 4001
T: +61 7 3257 5000, F: +61 7 3257 5999, www.pwc.com.au

Independence

We are independent of the Trust in accordance with 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 audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter – basis of accounting and restriction on distribution and use

We draw attention to Note 2 in the financial report, which describes the basis of accounting. The financial report has been prepared to assist B.Q.L. Management Pty Ltd (the Trust Manager) to meet the financial reporting requirements of the Covered Bond Trust Establishment Deed dated 24 April 2017. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for BOQ Covered Bond Trust and its investors and should not be distributed to or used by parties other than BOQ Covered Bond Trust and its investors. Our opinion is not modified in respect of this matter.

Other information

The Trustee (Perpetual Corporate Trust Limited) is responsible for the other information. The other information comprises the information included in the Annual Report for the year ended 31 August 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trust Manager and the Trustee for the financial report

The Trust Manager is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards to the extent described in Note 2 of the financial report and for such internal control as the Trust Manager determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. The Trustee has determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet the needs of the investors.

In preparing the financial report, the Trust Manager is responsible for assessing the ability of the Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trust Manager either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The Trustee is responsible for overseeing the Trust's financial reporting process.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

PricewaterhouseCoopers

Kristy van Horck

Kristy van Horck
Partner

Brisbane
19 November 2025