

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER'S ADDRESS – 2025 ANNUAL GENERAL MEETING

Tuesday, 2 December 2025, Brisbane: In accordance with ASX Listing Rule 3.13.3, following is the address to be given by Patrick Allaway, Managing Director and Chief Executive Officer of Bank of Queensland Limited, at the Bank's 2025 Annual General Meeting (**AGM**). The webcast of the AGM can be viewed at <https://meetings.openbriefing.com/agm/BOQAGM25/register>

The address should be read in conjunction with BOQ's 2025 Annual General Meeting presentation (available at www.boq.com.au).

At the 2022 AGM, we announced the reset of our strategy, to focus on strengthening, simplifying, digitising and optimising the performance of BOQ, to deliver improved experiences for our customers, and value for our shareholders. We said that transformations of this scale are difficult, and would take time, with interim lower returns, due to the increased investment required in the business and anticipated escalating industry headwinds.

When we met this time last year, we said that we expected to see benefits of our transformation to a simpler specialist bank, starting to emerge in 2025. I am pleased to report that while we are on a continuous improvement journey, with more to do, we made strong progress in 2025: We are a stronger bank both financially and operationally. We simplified our operations and distribution channels. The digital bank is now largely built, with 44% of our retail customers enjoying an improved banking experience on the new platform. We delivered improved financial performance, with cash earnings up 12%, a 70bp uplift in our return on equity and 210bp reduction in our cost to income ratio.

I will start with some comments on customer experience and trust. We understand that Australians have a wide range of choices regarding where they bank. BOQ provides an important and differentiated banking alternative, centred on our Queensland heritage and specialist sector capabilities.

We are earning customer trust by improving experiences on our digital bank, providing valued expertise from our specialist bankers, responding faster to customer needs, and through ongoing investment in protecting customers against scams and fraud.

This year has presented challenges for households and businesses, with sustained inflation and cost of living pressures, and limited relief from cash rate reductions. We continue to support customers and communities in navigating this environment and have improved support for those facing financial difficulty.

We partnered with Way Forward, a free, not-for-profit debt help service, and through the efforts of our people, donated over \$200,000 to our key community partner, Orange Sky Australia, which supports vulnerable Australians in times of need.

Our customer base grew by 3% during the 2025 financial year, reaching 1.5 million.

Building on our foundational strength in Queensland, we launched the 'Bank of Queenslanders' campaign, to leverage our heritage and competitive advantage in supporting Queenslanders. We invested in new bankers and marketing, and announced partnerships with the Royal Queensland Show, the Ekka, and Queensland Rugby Union.

Our cultural transformation is focused on shifting to our target state of customer first, outcomes driven and agile in our ways of working, and is an important enabler to our future success.

We are starting to see improvement across our culture index measures. We continue to prioritise the experience of our people, and our people engagement index rose by 2 percentage points compared to 2024, during a period of significant change.

We are also monitoring risk culture as a key measure for the bank and are building stronger operational foundations, to ensure we deliver improved operational resilience and risk maturity. Our multi-year remedial action plans are well progressed, with 44% of activities now closed.

Moving now to an overview of our retail bank transformation, to deliver a digitally enhanced, simpler, and intuitive customer experience. This is being delivered through the build of our digital bank and simplification of distribution channels, to support our customers' banking preferences.

These improvements are making banking with BOQ more convenient and efficient, reinforcing our commitment to putting customers at the centre of everything we do.

We have started rolling out our digital mortgage offering, with conditional approval for standard home loans in less than 90 seconds and unconditional approval on the same day.

Migrating all retail customers from heritage banking platforms on to the new digital bank is well underway, and we are progressing with the ME customer cohort first, which will be completed in 2026.

Migration is a complex phase of our transformation, and we are managing it carefully to minimise interim disruption to our customers. We recognise that change is difficult and are focussed on supporting customers through this transition, to what we know is a materially improved experience on the new banking platform.

Once complete, all retail customers will be on our end-to-end digital bank, providing a superior customer experience, reducing operational complexity and risks, and lowering operating cost ratios, as we retire our old systems.

In addition to this digital transformation progress, we have simplified our distribution channels by converting our franchise branch network to a corporate proprietary channel in March this year.

This has enabled us to allocate more bankers to growth corridors and improve returns on business generated through this channel. We also realigned our branch network, to match customer banking preferences, and consolidated branches located close together.

While the role of branches evolves, we remain committed to maintaining a physical presence, predominantly in Queensland, to complement our digital strategy and relationship driven business bank.

Moving now to some comments on the successful growth of our business bank.

Commercial lending increased by \$1.6 billion, representing a 14% growth rate supporting our business customers. Our business bank focuses on specialist sectors, where we can differentiate support to our customers, particularly in healthcare, agriculture and assisting small to medium businesses with well-secured owner-occupied commercial property.

We are investing in new bankers, supporting our accelerated growth strategy. Our co-located business banker and retail branch pilot has been a great success, and we are now rolling out this model through growth corridors in Queensland to support our expected strong growth across the state over the next decade.

We made two announcements in August this year, which are material shifts in the way we operate. We announced a new strategic partnership with CapGemini, a global technology leader, to leverage their core technology, business processing and artificial intelligence (AI) capabilities. This will further simplify our operating model, digitise processes, support scalable growth and improve our customer experience.

This partnership complements our existing strong relationship with Microsoft and will help us accelerate automation and leverage AI. It will also equip our people with the skills and tools needed to thrive in a rapidly evolving technology landscape, enabling them to deliver greater value for our customers.

We also announced in August that we were exploring partnerships with capital providers who have a lower cost of capital than BOQ, or a higher risk appetite for certain credit assets. We are currently in a live transaction process to procure a capital partner divesting up to \$3.8 billion of equipment finance loans off our balance sheet and entering into a servicing agreement for BOQ to continue originating these assets, to meet our customer growth aspirations.

To be clear, we are not selling the equipment finance business, which remains core to our strategy. Rather, this model would allow BOQ to transfer a portfolio of assets, releasing capital, funding and credit risk, while continuing to support customer growth and earn service fees.

If successful, we will consider further ways to optimise our balance sheet performance and pursue capital-light growth with other asset portfolios.

Some comments on our financial performance. This year's improved financial performance reflects sound management of both margin and expenses, with benefits from our transformation strategy emerging.

We have recycled uneconomic home lending growth and redirected capital towards business banking segments where we hold a strong competitive advantage with higher returns. We have maintained discipline with expenses and upheld prudent capital and liquidity settings. Asset quality and productivity initiatives underpinned a 12% increase in FY25 cash profit after tax to \$383 million, alongside improved return on equity and cost-to-income metrics.

Moving now to the outlook.

While we have made considerable progress in advancing our transformation agenda and strengthening our position, it is important to acknowledge the challenging external environment in which we operate.

Increasing global risks and persistent industry headwinds necessitate a measured approach as we look ahead to the 2026 financial year. These factors prompt us to maintain a cautious outlook, as uncertainties in the broader market may impact our growth trajectory and operational performance.

We remain vigilant and committed to navigating these challenges, ensuring BOQ continues to deliver value for our stakeholders, while safeguarding our resilience and adaptability.

Against this unpredictable backdrop and accelerated competition, we will maintain our focus on returns over volume growth, prudent risk settings, with a strong capital and liquidity position and a well-secured credit portfolio.

BOQ Group

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We reiterate the guidance we gave at our recent financial results presentation, that total cost growth for the full year 2026 is expected to be sub-inflation. Given the timing of productivity initiatives, we are anticipating that when compared to the second half 2025, first half 2026 expense growth will be broadly in line with inflation.

We are slowing the deliberate decline in our home lending portfolio as we shift to a higher returning proprietary model, and continued strong growth in commercial lending.

We welcome the Council of Financial Regulators' recommendations for a fairer playing field for smaller banks. If enacted, they would have a meaningful impact on BOQ's ability to compete and provide Australians with a compelling banking alternative to the major banks.

In closing, I want to restate, we are delivering on our commitments, with improved performance in 2025. Despite our cautious outlook, reflecting external market factors, we remain focussed on what we can control, through the continued disciplined execution of our transformation strategy.

Our agility, proven execution capability, willingness to confront challenges and make bold decisions will remain central to our ongoing evolution and success.

I am proud to work alongside a team committed to transforming BOQ Group into a simpler, specialist bank delivering improved customer outcomes and shareholder returns.

I would like to take this opportunity to thank the Board for their support and congratulate Andrew on his appointment as Chair. We are excited for the next chapter of BOQ, under his leadership.

ENDS

Authorised for release by: The Company Secretary of Bank of Queensland