ASX RELEASE

BOQ GROUP

BOQ ANNOUNCES CAPITAL RETURN AND FY26 NOTABLE ITEMS

10 August 2026, Brisbane: Bank of Queensland Limited (ASX: BOQ) today announces a capital return to shareholders of approximately $295 million, comprising a fully franked special dividend and an on-market buy-back of ordinary shares.

The capital return follows the successful completion of the previously announced whole-of-loan sale of BOQ's equipment finance portfolio[1] and reflects the Group's strong capital position and commitment to delivering sustainable returns to shareholders.

The Board has declared a fully franked special dividend of 15 cents per ordinary share, and BOQ intends to undertake an on-market share buy-back of up to $196 million[2,3]. The special dividend is expected to be paid before the commencement of the on-market buy-back.

The combination of a special dividend and an on-market buy-back is intended to provide an immediate return to shareholders while supporting ongoing return on equity and earnings per share accretion.

The details of the special dividend are as follows:

Dividend amount:	15 cents per ordinary share
Ex-dividend date:	13 August 2026
Record date:	14 August 2026
Payment date:	24 August 2026

The Board has determined that for the special dividend, the Dividend Reinvestment Plan will be suspended and not apply.

BOQ reported a Common Equity Tier 1 (CET1) ratio of 11.79% as at 31 May 2026. The capital return is expected to reduce the CET1 ratio by approximately 78 basis points, resulting in a pro-forma[4] CET1 ratio of 11.01% as at 31 May 2026. The CET1 ratio management target range remains 10.25 – 10.75%.

Digital transformation update and impairment of technology and other assets

BOQ has completed the migration of ME customers to the Group's digital bank, finalising a significant multi-year transformation program that has migrated approximately 350,000 customers from the legacy core

[1] Announced on 1 May 2026.
[2] The timing and actual number of shares purchased under the buy-back will depend on market conditions, available trading windows, and other considerations. The final amount of the buy-back and the exact timing of the buy-back of any shares made from time to time will depend on a number of factors including market conditions, BOQ's prevailing share price, its future capital requirements and any unforeseen developments or circumstances that may arise in the course of the buy-back. BOQ reserves the right to suspend or terminate the buy-back at any time. Accordingly, there is no assurance that BOQ will buy-back any or all of the shares contemplated to be bought back as part of the on-market buy-back.
[3] The on-market buy-back will be undertaken in accordance with the terms specified in the Appendix 3C released by BOQ to the ASX today. It will be conducted in the ordinary course of trading over the next 12 months and will fall within the "10/12" limit permitted under the Corporations Act 2001 (Cth) and does not require shareholder approval. BOQ will immediately cancel any shares acquired by it as part of the buy-back. Merrill Lynch Equities (Australia) Limited has been appointed as the broker to carry out the on-market buy-back on BOQ's behalf.
[4] Pro-forma CET1 ratio assumes that both special dividend and on-market buy-back of shares has completed.

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banking platform to BOQ's modern digital banking platform. The completion of ME migration marks a significant milestone in the transformation to a simpler, specialist bank.

With ME migration complete, BOQ remains focused on decommissioning core ME heritage bank platforms, which is expected to be completed by the end of calendar year 2026 and contribute to the Group's productivity program benefits.

As the Group continues its transition to a modern digital infrastructure and simplifies the business, BOQ has undertaken a review of its technology and other assets. Following this review, BOQ has recognised a $47 million pre-tax ($33 million post-tax) impairment charge in 2H26, which will be reflected as a notable item in FY26 cash earnings. The charge comprises:

- $42 million pre-tax ($29 million post-tax) related to intangible assets following a reassessment of future expected economic benefits and the replacement of aged technology assets as the Group transitions to its modern digital infrastructure; and,
- $5 million pre-tax ($4 million post-tax) related to low-value tangible assets following a review of corporate and branch network assets.

Excluding this notable item, BOQ is on track to meet guidance of sub-inflation expense growth for FY26. The charge has a negligible impact on the Group's capital position. The Board intends to exclude this notable item from earnings when determining the FY26 final dividend[5]. There is no change to the dividend payout ratio target range of between 60-75% of FY26 cash earnings excluding notable items.

Managing Director and CEO, Rod Finch said:

"We are pleased to provide shareholders a return that reflects the strength of BOQ's balance sheet and our commitment to disciplined capital management. The combination of a fully franked special dividend and on-market share buy-back delivers immediate value to shareholders while supporting ongoing ROE improvement and EPS accretion.

"Completion of the ME customer migration is a critical delivery milestone in our digital transformation and enables us to focus on the decommissioning of core legacy platforms. ME customers can now transact and manage their banking on a modern, digital platform with a materially improved experience."

ENDS

Authorised for release by: The Board of Directors of Bank of Queensland Limited

[5] BOQ will release its financial results for the full year ended 31 August 2026 on Thursday 15 October 2026.

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