

ASX RELEASE



100 Skyring Terrace
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PERFORMANCE UPDATE

Tuesday, 7 December 2021, Brisbane: Bank of Queensland Limited (**BOQ**) today provided an update on business performance ahead of the Annual General Meeting scheduled for 10am (AEST).

Managing Director and CEO George Frazis noted “BOQ continues to execute on its strategy, digital transformation and the ME Bank integration. We remain firmly focused on delivering against our strategy to transform BOQ into a digital bank with a personal touch.”

BOQ reconfirms the FY22 guidance of at least 2% positive jaws.

BOQ’s growth momentum has continued throughout 1Q22, with strong application volumes across both the housing and business lending portfolios. The BOQ, VMA and BOQS housing portfolio increased by c.\$1bn for the quarter, continuing above market growth, and ME returned to growth for the month of November, with application volumes in the first quarter up 62% compared to the FY21 average.

Business Banking lending grew by c.\$200m in 1Q22, with the asset finance business also performing well.

The growth in retail and business remains disciplined and high quality, with low levels of >90% LVR lending in mortgages and a focus on SMEs in the business bank.

The industry has experienced NIM headwinds in 1Q22 as a result of tougher trading conditions, including yield curve volatility arising post the RBA removal of yield curve control, intense price competition, increased fixed rate lending and higher liquid asset balances. This will result in a slightly lower FY22 NIM than previously guided.

Given our ongoing focus on delivering positive jaws, FY22 expenses are now expected to be c.1% lower than FY21, reflecting additional productivity benefits. A greater proportion of the additional cost reduction will be realised in the second half. The ME Bank integration program remains on track, with approximately \$23m of full year synergies delivered during 1Q22 from operating model changes, consolidation of the investment roadmaps and early supply chain benefits.

ENDS

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

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