



2025–2026
Annual Report

RACQ

About RACQ

RACQ is one of Australia’s most trusted brands owned by and working for the benefit of our almost 1.8m members. Our purpose, ‘To drive a better future for all Queenslanders’, is at the core of everything we do. It guides our strategy, operations, products, and the way our people show up every day on the road, on the phone and in our stores supporting members with their insurance, roadside, banking, travel, solar energy and battery needs.

About this report

Our FY26 Annual Report provides an overview of our financial and non-financial performance for the period of 1 July 2025 to 30 June 2026. For the first time, the report includes mandatory climate-related financial disclosures in line with the Australian Sustainability Reporting Standard for the same period.



Acknowledgement of Country

RACQ acknowledges the Traditional Custodians of the Countries throughout Queensland and recognises their continuing connections to lands, waters, and skies. We pay our respects to all Aboriginal and Torres Strait Islander cultures, and to Elders past and present.

RACQ is proud to operate in a nation that is home to the oldest continuous culture on Earth, dating back more than 65,000 years and continues today.

However, we recognise there is still much work for us to do to achieve meaningful reconciliation. We acknowledge that reconciliation must live in the hearts, minds, and actions of all Australians as we move forward, creating a nation strengthened by respectful relationships. In partnership with Aboriginal and Torres Strait Islander peoples and communities, RACQ has committed to become part of the solution through our Innovate 2.0 Reconciliation Action Plan.

RACQ Community Assistance Project in Yarrabah (July 2025).

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Cover Image: RACQ Auto stores offer a range of services for members, including car window replacement.

FY26 Highlights

Member

1.79m

members

715,700

Roadside Assistance jobs¹

\$486.1m

RACQ Bank loans funded

Operations

\$43.3m

net surplus after tax²

\$1.5b

total net assets

\$495.5m

total revenue

People

1,812

employees

74%

employee engagement score
(in line with FY25 score)³

52.8%

women in leadership roles

Community

\$5.7m

provided to charities and communities across the State⁴

4,222

community volunteer hours through RACQ initiatives⁵

69,168

participants in RACQ road safety education programs⁶

Environment

100%

renewable electricity coverage⁷

140

public EV charging sites supported by RACQ sponsorships and investments⁸

1,600

residential solar and battery systems installed by RACQ Solar⁹

Governance

Commenced 25-year strategic partnership with IAG and announced the sale of RACQ's banking business

84.2

RepTrak score¹⁰

Completed multi-year Risk Transformation Program



¹ Total Roadside jobs (includes roadside, towing, member, community and business/commercial events).

² Statutory net surplus after tax.

³ Data provided on a voluntary basis through the annual confidential employee Your Voice survey in March 2026.

⁴ Includes community sponsorships, donations, investments in RACQ owned regional EV charging assets, RACQ education programs, RACQ Foundation grants and assistance projects and volunteering by RACQ employees, RACQ members and trade. Does not include commercial sponsorships or RACQ enabled employee and member fundraising activities.

⁵ Includes RACQ employees, RACQ members and trade volunteers.

⁶ Includes road safety education programs delivered in-person or virtually.

⁷ GreenPower and Large-scale Generation Certificates (LGCs) are recognised and regulated under Australian renewable energy schemes. In FY26, 100% of RACQ's electricity was covered through the purchase of GreenPower, LGCs and electricity generated from rooftop solar systems at two RACQ sites. GreenPower was used where RACQ holds the electricity contract and LGCs where RACQ does not hold the electricity contract.

⁸ Includes RACQ sponsored Queensland Electric Super Highway, RACQ owned EV charging stations, and co-branded EV charging stations located in QLD and Northern NSW owned and operated by Evie Network.

⁹ Includes solar and battery systems installed together or separately in Queensland during FY26.

¹⁰ Average FY26 monthly score. RepTrak measures the reputation of the largest companies operating nationally every quarter, noting scores of 80 and above are in the excellent category.

Message from President and Chair

Leona Murphy OAM

The past year has been a demanding one for many Queenslanders – cost-of-living pressures, including higher electricity and fuel prices, insurance premiums and interest rates, have tested household budgets, while a devastatingly high road toll has affected families across the State.

Moments like these are exactly when your Club needs to show up. As I reflect on my fourth year as your President and Chair, I am grateful for the trust you place in RACQ and proud of how your Club has responded.

Through every challenge, our actions have been guided by a clear sense of purpose, to drive a better future for all Queenslanders.

Against this backdrop of change, your Club has remained focused on what truly counts: supporting members today, strengthening our foundations and investing in RACQ to serve Queenslanders with confidence and relevance well into the future.

Financially strong to serve members

Over the year, the Group made a significant investment in RACQ’s transformation agenda, while managing the separation costs arising from the sale of the insurance and banking businesses. As a result, the Group delivered an after-tax profit of \$43.3m, paving the way for a simpler, modern, and member-focused mutual.

We made the strategic decision to sell our retail lending and deposit business to Bendigo Bank, providing members with access to a broader range of products, a larger physical footprint and enhanced digital banking services.

This, together with our 25-year strategic partnership with IAG, puts RACQ in its strongest-ever financial position, giving us the capacity and confidence to keep investing in our future.

Importantly, the proceeds from the IAG transaction enabled us to reduce roadside assistance prices by approximately 10%, helping to provide cost-of-living relief for our members.

We are also working towards establishing a \$100m perpetual community fund to provide a sustainable source of capital to support our Community Impact Strategy.

In addition to the \$100m perpetual community fund, RACQ is matching this by donating the investment returns from a further \$100m (held in addition to the perpetual fund). Together with a substantial donation each year from RACQ’s annual profits, these funds will significantly bolster our community work.

During the year, we also completed our three-year Risk Transformation Program. This work has strengthened RACQ’s risk management capability and resulted in a stronger organisation – one that supports effective decision-making, innovation and growth, while enabling us to adapt, learn and respond effectively as circumstances change.

Partnerships to expand impact

At RACQ, reducing Queensland’s road toll remains our highest priority. We continue to champion safer driver behaviour through impactful advocacy partnerships and introduced a new innovative education initiative to empower parents as they mentor young drivers.

These are some examples that reflect our commitment to building a stronger culture of road safety across the State that supports

informed decision-making, encourages safer behaviours and ultimately helps save lives.

We proudly teamed up with local councils, First Nations communities and other like-minded organisations to deliver six community assistance projects. These initiatives provided rewarding volunteering opportunities for our people and our members while strengthening local communities in building their resilience.

The Member Benefits program delivered \$22.5m in savings, enabling members to enjoy valuable benefits across fuel, groceries and an extensive range of everyday essentials.

We further strengthened member value through new partnerships that offered unique experiences – from the global Royal Edinburgh Military Tattoo to events at the Brisbane Entertainment Centre and discounted Queensland Ballet performances.

Looking towards 2032

Our strategy is focused on where we can add the most value to our members and reflects how mobility, home life and energy use are changing across Queensland.

We are making RACQ simpler and more efficient so that when you need us, we’re easier to reach, faster to respond and more helpful than ever. We are committed to ensuring RACQ evolves to better meet our members’ needs for the next 100 years and beyond.

To achieve this, we are investing in technology to improve the way we support our members, as we prioritise building a network of products, services and partnerships that keeps RACQ relevant, trusted and of value to our members.

Board and executive updates

As RACQ evolves, so too does its leadership. In FY26, we welcomed Liz Savage to the board. Liz brings deep expertise in customer experience, marketing and tourism, which will be invaluable as we build RACQ’s future for members.

I also wish to acknowledge Deputy CEO Glenn Toms for his outstanding service over 36 years across a wide range of roles. He has made an enduring contribution to RACQ and the board and I sincerely thank him and wish him well.

In closing

It’s a privilege to lead an organisation that has earned the trust of generations of Queenslanders, and to witness first-hand the resilience, generosity and strength of our communities.

With RACQ’s foundations stronger than ever, and with you, our members, at the centre of every decision we make, I’m confident in what lies ahead. RACQ is well positioned to adapt to change and help shape our future business in ways that benefits all Queenslanders.

Thank you to our exceptional people, my fellow directors and, most importantly, you, our members, for your continued trust and loyalty. Together, we are building a Queensland where everyone can move and live safely, securely and sustainably.

Leona Murphy OAM
President and Chair

Message from Managing Director and CEO

David Carter



The year marked another significant step in RACQ’s transformation. The decisions we made to simplify our business were guided by a strong commitment to our members and communities, and a clear focus to position your Club for long-term success.

We are enabling this through a multi-year, multi-million-dollar investment in new technologies and capabilities that allow us to enhance the experiences, products and services we deliver to our members and scale our community efforts.

Key operational highlights

Your Club delivered a solid financial result in FY26, reporting a net profit after tax of \$43.3m. RACQ’s business lines generated a commercial operating surplus after tax of \$96.6m, including \$21.2m from RACQ Insurance for the period to 31 August 2025. This commercial result enabled RACQ to provide benefits back to members and the Queensland community totalling \$20.0m after tax. The reported result also reflects the net impact of the insurance disposal, bank separation and transaction costs, which reduced the result by \$33.3m after tax.

This result highlights the positive performance of our commercial businesses and the stability provided by our strategic insurance partnership with IAG through another season of severe weather.

The partnership with IAG is delivering in line with expectations and supports our ambition for RACQ Insurance to become the State’s largest insurer. Together, we ensured a smooth transition for our members and insurance employees and continued to provide transition services support to RACQ Insurance as we complete embedment of our insurance operations within IAG.

The severe hailstorms which hit South East Queensland in October and November resulted in 25,324 claims. Together with IAG, our focus

remained firmly on supporting our insurance members who were affected.

At the same time, we acknowledge the impact that multiple years of severe weather and inflation are having on insurance premium increases and we will continue to work with our members on how they can manage their premiums.

The sale of our retail lending and deposit business to Bendigo Bank is underway, with member communications issued and regulatory approvals pending.

Our roadside portfolio is growing, supported by digital enhancements such as our Join on Road initiative. Additionally, we responded to 715,700 roadside assistance jobs during the year, including 182,159 in regional and remote Queensland. With one of the State’s most extensive roadside assistance networks, we’re there for motorists when they need us most. RACQ has also provided fuel subsidies for our Assistance contractor network to ensure we are there for our members when they need us.

We now have 12 Auto stores across South East Queensland carrying out more than 100,000 services in FY26.

Our retail solar and battery business continued to grow, supported by government rebates and strengthened installation capability.

Key advocacy achievements

During the year, we stepped up our advocacy on behalf of Queenslanders. We contributed to the State Government’s e-mobility inquiry, calling for stronger rider protection, more enforcement and education, and pleasingly, the Government adopted the majority of our recommendations.

To address the rising road toll, we launched our Get Serious on Road Safety campaign to influence driver behaviour, calling for tougher impoundment laws and increased roadside alcohol and drug testing.

To help address vehicle theft and joy riding, we developed a first-of-its-kind Vehicle Security Standard to assess how well vehicles are protected against theft.

We also continued to push for fairer fuel prices, including proposed fuel market regulation. As the Middle East conflict contributed to petrol and diesel price volatility, we referred fuel companies to the ACCC for early price hikes and provided our members with trusted advice, real-time fuel data, and tools to help them save at the bowser.

Our people

Following Glenn Toms’ decision to step away from his role as Deputy CEO, RACQ implemented a new Executive Leadership Team (ELT) structure. On behalf of the ELT, I would like to thank Glenn for his terrific contribution to the Club over many years.

During the year, Rebecca Roberts joined the ELT as Chief Strategy Officer, alongside other internal appointments: David Harrys as Chief Member and Growth Officer, and Mark Boswell as Chief Operations Officer. Former Chief Purpose Officer MJ Bellotti was appointed Chief Executive Community and Megan O’Connor stepped into the role of Chief People Officer.

To reaffirm our commitment to reconciliation and First Nations people, during the year we published our Innovate 2.0 Reconciliation Action Plan. This stage is about deepening the work already underway and continuing to foster an organisation that understands the strength of Aboriginal and Torres Strait Islander cultures, communities and voices.

At RACQ, our people remained our greatest asset with employee engagement of 74%, equal to last year’s result.

I would like to thank our people for their commitment to our organisation and unwavering support for our members.

In closing

The Club will continue to incur expenses related to insurance and banking through the next financial year as we decommission technology systems and address overhead expenses previously supporting these activities. In striking a balance between member support, performance and reinvestment, FY27 is expected to deliver a more modest surplus as we continue to invest in the Club’s future.

At RACQ our work is purposeful. We’re reshaping the Club to better meet members’ needs, adapt to change, and drive a better future for all Queenslanders.

That commitment remains at the heart of everything we do, and it guides every decision as we evolve into a modern mutual.

Together, we’re building a stronger, more resilient RACQ that is ready for the challenges and opportunities ahead. I look forward to delivering even greater value for you, our members, and communities in the years to come.

David Carter
Managing Director and CEO

Building a Stronger RACQ for Members

FY26 marked a significant milestone in RACQ’s transformation, with the completion of the sale of RACQ’s insurance business and the announced sale of RACQ Bank’s retail lending and deposit business.

Together, these transactions strengthen RACQ’s financial position and enable the Club to focus on delivering greater value for members through roadside assistance, motoring services, travel, home energy solutions, advocacy and community investment.

A stronger balance sheet has already enabled RACQ to reduce roadside assistance prices by approximately 10% from 1 January 2026, delivering immediate value to members at a time when many Queensland households continue to face cost-of-living pressures.

The transactions also provide RACQ with the capacity to expand its investment in Queensland communities, helping deliver positive outcomes for members and the communities in which they live.

Over the next two years, RACQ will continue investing in the future of the Club. This includes simplifying operations and upgrading key technology platforms to deliver a better experience for members and improve the efficiency of the organisation.

RACQ also intends to invest in new and enhanced products and services that support members’ evolving mobility, energy and lifestyle needs, helping ensure the Club remains relevant and valuable for future generations.

While these initiatives will require significant investment and are expected to impact financial results in the short term, RACQ enters this period from a position of strength.

RACQ is confident these investments will create a simpler, more efficient and more sustainable organisation that is well positioned to deliver long-term value for members and continue supporting Queenslanders for generations to come.

RACQ is progressing its 2032 strategy with a focus on improved member value, and the delivery of lasting value for Queensland.

Our purpose

To drive a better future for all Queenslanders

Our vision

We are the trusted partner for our members providing solutions to move and live safely, securely and sustainably

Our members

We strive to deliver member value that increases the engagement and connection of our members, providing excellent services and unique experiences

Our focus

Mobility

We provide motor insurance and mobility solutions to help our members move safely, securely, and sustainably.

Home

We provide home insurance and energy solutions for our members, through solar, batteries, and EV charging.

Community

We are guiding a long-term purpose-led approach to improving safety, resilience, and inclusion for Queensland communities.

Our values



Show Care



Own It



Embrace Learning



Deliver Excellence

Insurance partnership

- On 1 September 2025, RACQ commenced a 25-year strategic partnership with IAG, one of Australia’s leading general insurers. The partnership is designed to deliver long-term value for RACQ members through access to high-quality insurance products and enhanced digital experiences.
- IAG holds responsibility for claims management, product design and pricing, while RACQ maintains the role of marketing, sales and member services.
- During the year, RACQ and IAG made progress against key milestones in the multi-year transition program, with both organisations focused on maintaining continuity of service and minimising disruption for RACQ Insurance policy holders.
- At the same time, RACQ and IAG continued to work together to support our members impacted by severe weather events across the State.



Hailstorms in South East Queensland in October/November last year caused significant damage to cars and properties.



It was business as usual for RACQ Bank’s mobile lenders following the announcement of the sale of our retail lending and deposit business to Bendigo Bank.

Bank transaction

- On 4 December 2025, RACQ announced the sale of its retail lending and deposit business to Bendigo Bank.
- RACQ Bank members will benefit from being part of a significantly larger bank, with more than 70 branches across Queensland, a broader range of products and services and strong connections to local communities.
- Upon completion of the transaction, all current RACQ Bank member accounts will be transferred to Bendigo Bank, providing members with access to its full range of banking products and services.
- RACQ and Bendigo Bank are working closely to ensure members are well supported through this change, with the overall transition designed to provide value for members. We will continue to communicate directly with RACQ Bank members throughout the transition.
- The transaction remains subject to regulatory approvals and is expected to be completed in the first half of FY27.

Supporting our Members

RACQ remains committed to delivering trusted products and services to almost 1.8m members while rewarding them with memorable experiences and valuable benefits.

Meeting member needs

As cost-of-living and inflationary pressures persist including rising insurance premiums, RACQ remains focused on improving our systems and processes to respond to members’ needs, expectations, and complaints resolution.

In FY26, our roadside assistance fleet responded to 715,700 calls across the State, helping 91.5% of motorists get back on the road with an average response time of 34.7 minutes¹. Our fleet also responded to 1,651 community calls to rescue children and pets locked in vehicles.

We expanded our Auto store locations in South East Queensland to 12, opening new sites at Eagle Farm, Molendinar (on the Gold Coast) and Caboolture and relocating to a larger site in Toowoomba. We invested in advanced diagnostic and ADAS recalibration technologies to help members get back on the road safely, quickly and with confidence.

Delivering member value through partnerships

As Queensland’s largest Club, members benefited from a wide range of discounts across fuel, groceries, entertainment, shopping and travel, delivering valuable savings at a time of rising costs.

We rewarded members with access to some of Queensland’s most sought-after events through partnerships with the Brisbane Entertainment Centre, The Royal Edinburgh Military Tattoo, Queensland Ballet and the Brisbane Bullets.

Under our new RACQ Insurance distribution model, we remained focused on supporting members affected by severe weather across Queensland, providing on-the-ground assistance through our dedicated frontline teams and the deployment of our Mobile Member Centre to various flood-affected locations.

RACQ Bank also issued \$486.1m in new lending in FY26.

Through RACQ Solar, we helped Queenslanders benefit from the Federal Government’s Cheaper Home Batteries Program by providing clear guidance on eligibility and benefits, installing systems, and ensuring our members make informed decisions about their long-term renewable energy needs.

We launched a new partnership with accommodation provider EVT to deliver added value for members, providing travel benefits including discounted gift cards across the Rydges and QT hotel brands.

RACQ strengthened support for tourism across regional Queensland through a new partnership with Tourism and Events Queensland, giving members access to travel giveaways through our Road Ahead magazine as well as delivering the ‘Regional Rewards’ campaign to encourage travel to regional areas.

FY26 Commitments	Performance	Status
Expand Auto services to deliver greater member value and convenience	RACQ Auto increased service capacity across South East Queensland by opening three new stores in FY26, with additional service trials planned next year to extend support for members.	●
Help members benefit from Federal Government rebates on solar panels and batteries through RACQ Solar	Installed 1,600 residential solar and battery systems through RACQ Solar while helping members benefit from the Federal Government’s Cheaper Home Batteries Program.	●
Reduce the price of roadside assistance products	To help relieve cost-of-living pressures, the price of roadside assistance products decreased by approximately 10% for members renewing after 1 January 2026.	●

● Achieved ● Partially achieved ● Not yet achieved

FY27 member priorities

- Invest in technology systems and digital platforms to deliver improved member experiences.
- Grow the automotive products and services portfolio with targeted member benefit offers.
- Increase the number of member entertainment experiences including new opportunities for regional members through our partnerships.

¹ Average response time is from when the event was accepted to when the patrol arrived. This metric is for roadside only and excludes towing.



Case Study

Delivered 32,143 entertainment experiences for our members in FY26¹

RACQ members John and Jean McCartney won two VIP passes to see The Royal Edinburgh Military Tattoo in Brisbane.

Key Metrics

	FY26	FY25
Total number of members	1,788,662	1,754,855
Net promoter score (member relationship) ²	69.0	67.6
Member Benefits program savings ³	(\$) 22,522,070	21,881,008 ⁴
Member complaints and dispute resolution ⁵		
Total complaints ⁶	36,783	56,760
Total complaints resolved in 5 days ⁶	(%) 90.4	81.4
Total complaints resolved in 30 days ⁶	(%) 98.5	95.4
Total AFCA complaints ⁷		
Insurance AFCA complaints ⁸	181	1,076
Bank AFCA complaints	27	26

¹ Combined member entertainment experiences delivered to members and their friends and families under the Brisbane Entertainment Centre Principal Hospitality Partner agreement, including total Members Lounge access. Additional member value was delivered through discount opportunities with partnerships such as Brisbane Bullets, Queensland Ballet and The Royal Edinburgh Military Tattoo. Primary recipient (Member “winner” or “purchaser” or “card presenter”) estimate quantity 8,394.

² Average FY26 monthly score. Net Promoter Score (NPS) is a proprietary model developed by Bain and Co, which measures customer loyalty. NPS results are measured via a survey question and reported on a range from -100 to 100 with higher scores evidencing more positive customer loyalty.

³ Savings are based on FY26 sales data from third-party discount providers and include GST. Where provider data was unavailable, best estimates have been made.

⁴ The FY25 savings have been recalculated using the same methodology as FY26. As a result, FY25 program savings have increased to \$21,881,008. This recalculated number remains dependent on data provided by third party providers.

⁵ Complaints under the General Insurance Code of Practice means an expression of dissatisfaction made to us, related to our products or services, our staff, or the handling of a Complaint where a response or resolution is explicitly or implicitly expected or legally required. A Complaint also includes such expressions of dissatisfaction made about us on a social media channel or account owned or controlled by us, where the person making the Complaint is both identifiable and contactable.

⁶ Reporting of insurance-related complaints has been adjusted due to the sale of RACQ Insurance to IAG (effective 1 September 2025). Under the terms of the strategic partnership, RACQ manages certain types of complaints on behalf of RACQ Insurance including pricing complaints due to rising insurance premiums that the sector is experiencing. System data was extracted on 1 July 2026. These figures may change due to any back-dated changes or reopened complaints, therefore are only accurate as of that date. All Insurance-related complaints have been counted up to and including 31 August 2025. From 1 September 2025 onwards, only those insurance-related complaints that were lodged or managed by RACQ have been counted.

⁷ Number of Insurance AFCA cases from 1 July to 31 August 2025 provided by RACQ Insurance on 26 June 2026. Remaining Insurance and Bank data sourced directly from the Australian Financial Complaints Authority (AFCA) portal on 1 July 2026.

⁸ From 1 September 2025, only AFCA complaints related to RACQ Distribution Services Pty Ltd are included.

Advocating for Members

Advocating on the issues that matter most to our members remained a priority, as we worked to influence meaningful change that improved the lives of Queenslanders.

Building a safer Queensland

In response to the State’s escalating road safety crisis, we launched our ‘Get Serious on Road Safety’ campaign, calling for stronger enforcement and tougher penalties to reduce fatalities and serious injuries. The State Government subsequently committed to key measures aligned with RACQ’s advocacy, including increased on-road police presence, expanded drug and alcohol testing, tougher penalties for high-risk offenders and safer roads.

Our submission to Queensland’s Parliamentary Inquiry into e-mobility safety called for stronger rider protection, enforcement and education to support safer integration of e-mobility devices into our transport system. Of the Committee’s 28 recommendations released in March, 24 aligned with

RACQ’s advocacy position, including cracking down on dangerous devices, improving data collection, enhancing import and sale controls and investing in safer pathways.

As part of broader efforts to address the high level of vehicle theft and joy riding, RACQ developed a first-of-its-kind Vehicle Security Standard to assess how well vehicles are protected from theft. The standard earned global recognition from the Fédération Internationale de l’Automobile¹ for leadership in next-generation vehicle security and road-safety innovation.

Improving affordability

We continued our advocacy for fairer fuel prices by engaging QUT’s Centre for Data Science to model the potential impacts of regulatory options for Queensland’s fuel market. Using analytical and agent-based modelling, the project assesses current market dynamics and future changes driven by

electrification and low-carbon fuels. The project is jointly funded by RACQ, QUT and the iMOVE CRC.

We also advocated for greater fuel price regulation for Queenslanders, including referring major fuel retailers to the ACCC after sudden and unjustified petrol price hikes days after Middle East conflict broke out.

FY26 Commitments	Performance	Status
Advocate for road safety reforms to reduce Queensland’s road toll and serious injury	We led a public ‘Get Serious on Road Safety’ campaign for tougher action on Queensland’s worsening road safety crisis. While the Government has taken action aligned to our campaign calls, such as a commitment for more road policing and greater consequences for serious and repeat traffic offenders, RACQ will continue to advocate for reforms such as vehicle impoundment and more roadside testing. We also await a formal road safety plan from the Queensland Government.	●
Advocate for fairer fuel pricing for Queenslanders	We have acted on the Queensland Government’s intention to consider RACQ’s proposal by commissioning new modelling with QUT experts. The Queensland Opposition has also moved a Private Members Bill in Queensland Parliament that would legislate for affordable fuel regulation and we have appeared before a Parliamentary Committee to discuss the merits of the regulation. The Queensland Government is still considering this matter.	●
Advocate for enhanced rider protection for e-mobility	We led calls for stronger protection measures for e-mobility devices, including mandatory full-face helmets for stand-up e-scooter riders and safer design standards for shared fleets. State Parliament has since passed reforms introduced by the State Government which legislate key recommendations of the State Development, Infrastructure and Works Committee.	●

● Achieved ● Partially achieved ● Not yet achieved

FY27 advocacy priorities²

- Advocate for road safety reforms to reduce Queensland’s road toll and serious injury.
- Advocate for fairer fuel pricing for Queenslanders.
- Advocate for improved public transport and roads to address South East Queensland’s worsening congestion.

¹ Fédération Internationale de l’Automobile is the governing body of motor sport and promotes safe, sustainable and accessible mobility for all road users across the world.
² The priorities are subject to further consultation with members in FY27.



Case Study

Get Serious on Road Safety

We joined the Royal Australasian College of Surgeons, Safer Australian Roads and Highways and Queensland Trucking Association to launch a powerful campaign with the goal of saving lives on Queensland roads.

Supporting our People

Our people are at the heart of everything we do, shaping a culture that empowers growth, champions inclusion and enables us to adapt so we can deliver the best experience for our members.

Setting our people up for success

RACQ’s Executive Leadership Team (ELT) replaced the Group Executive (GEX) model, and builds on existing strengths to further clarify accountabilities, support aligned decision making, and enhance delivery of value for members.

To build capability, capacity and improve efficiency, we implemented an AI Champions program that supports our people to understand and apply AI tools effectively in their day-to-day work.

Our FY26 ‘Your Voice’ survey reflected a 74% engagement score (equal to last year) and 90% participation rate. The survey told us our people continue to feel proud of working at RACQ and being supported by their direct leader.

RACQ released its second Innovate RAP, marking the next stage of our reconciliation journey by deepening the work already underway and continuing to foster an organisation that understands, respects and values the strengths of First Nations cultures, communities and voices.

To help ease cost-of-living pressures for our people during a period of rising fuel and travel costs linked to the Middle East conflict, RACQ introduced a fuel allowance for eligible employees.

Priorities of employee groups



Affinity

Build on momentum achieved through gaining Bronze tier status in the AWEI, using AWEI Advanced criteria as guidance towards best practice LGBTQ+ workplace inclusion.



EnAble

Maintain progress towards building a disability confident workforce and organisation through meeting the final commitments of our current Disability Inclusion Action Plan and looking to what comes next in creating disability access, equity and inclusion at RACQ.



RAP

Continue to deliver the commitments set out in our Innovate 2.0 Reconciliation Action Plan and progress our reconciliation journey.

FY26 Commitments	Performance	Status
Gain baseline data on workforce capabilities needed for the future	We assessed the capability of our senior leaders and manager cohort to establish a baseline understanding of our talent pipeline and identify key capability gaps. In FY27, we will assess capability gaps more broadly across the business, focusing on the capabilities critical to delivering our strategy.	●
Embed and enhance RACQ’s employee value proposition (EVP) to attract, enhance and retain core talent	During the year, RACQ prioritised initiatives that directly supported employees through a period of organisational change. While work on the enhanced EVP progressed during the year, a decision was made to defer the finalisation and rollout to FY27.	●
Develop RACQ’s Innovate 2.0 Reconciliation Action Plan in consultation with First Nations employees, partners and stakeholders	In February 2026, we released RACQ’s Innovate 2.0 Reconciliation Action Plan, reaffirming our commitment to reconciliation with First Nations people and communities.	●

● Achieved ● Partially achieved ● Not yet achieved

FY27 our people priorities

- Implement People and Culture transformation initiatives following the sale of the insurance and banking businesses.
- Progress the implementation of a new Human Resources Information System.
- Launch RACQ’s Employee Value Proposition (EVP) to attract, enhance, and retain core talent.



Contact Centre team member at Eight Mile Plains office

Key Metrics

		FY26	FY25
Employee engagement score	(%)	74	74
Lost time injury frequency rate (per million work hours) ¹	(hrs)	2.1	3.6
Time to report injuries (within 24 hours) ¹	(%)	95.2	94.8
Women on the board ²	(%)	37.5	38.0
Women in leadership roles (Manager and above) ²	(%)	52.8	52.0
Gender balance across organisation - women ²	(%)	54.7	50.5
WGEA Gender pay gap ²	(%)	14.3	14.1

		FY26	FY25
Employees who identify as Aboriginal and/or Torres Strait Islander ³	(%)	1.9	1.9
Employees who identify as gender diverse (non-binary and other gender identities) ³	(%)	0.9	0.8
Employees who identify as LGBTQ+ ³	(%)	4.9	6.3
Employees who identify as neurodiverse ³	(%)	11.9	12.5
Employees who identify as culturally, linguistically and/or ethnically diverse ³	(%)	20.3	21.1
Employees who identify as people with disability or protected condition ⁴	(%)	11.3	11.9



Thanks Glenn

In June 2026, Glenn Toms stepped down from his position as a senior executive of the Club.

From being appointed the Club’s youngest executive to establishing the long-running LifeFlight (formerly CareFlight) aero-rescue sponsorship, Glenn consistently sought practical ways for RACQ to make a meaningful difference to Queenslanders when they needed us most.

Since joining the Club in 1990, Glenn has built a reputation for innovation that improved member service at scale - most notably through the creation of the Mobile Member

Centre, which has been instrumental in supporting members through natural disasters and major events for more than two decades.

His legacy also includes expanding automotive and roadside assistance offerings and helping establish RACQ’s Mobility Centre at Mt Cotton as an industry-leading driver training facility.

He also developed stronger teams, enduring assets and services that will benefit members for years to come.

¹ Calculated on rolling 12-month average. Data applies to all Group functions.
² As reported in annual WGEA Gender Equity Report on 1st June 2026.
³ Data provided on a voluntary, self-identified basis through the annual confidential Your Voice survey in March 2026. As the survey captures a moment in time and is voluntary, some fluctuation in this metric year-on-year is expected.
⁴ ‘Protected condition’ refers to conditions protected under the Disability Discrimination Act 1992.

Supporting our Community

RACQ is working towards establishing a \$100m perpetual community fund to provide a sustainable source of capital to support our Community Impact Strategy, laying the foundation for future partnerships that will help build greater resilience and enhance safer, inclusive mobility for all Queenslanders.

During the year, RACQ implemented a Community Impact Strategy to guide a long-term, purpose-led approach to improving safety, resilience and inclusion for Queensland communities.

The strategy will deliver meaningful outcomes against three important pillars: Road Safety, Inclusive Transition and Social Resilience.

In addition to the \$100m perpetual community fund, RACQ is matching this by donating the investment returns from a further \$100m (held in addition to the perpetual fund). Together with a substantial donation each year from RACQ's annual profits, these funds will significantly bolster our community work.

Community Impact Strategy

Road Safety

Our ambition: For Queensland to lead the world in road safety, because everyone deserves to get home safely

RACQ continues to prioritise reducing Queensland's road toll through education, advocacy and partnerships, including the RACQ and QUT Guimarães Memorial Scholarship, which funds research to make roads safer for children and encourage active transport, and ongoing support for the FOGS ARTIE Academy Driver Licensing Program, helping Aboriginal and Torres Strait Islander students gain their provisional licence.

Inclusive Transition

Our ambition: To leave no one behind in Queensland's shift to cleaner energy, because every community deserves to share the benefits

To support an inclusive transition to cleaner energy, we are planning to expand EV charging infrastructure across regional Queensland and helping communities become more resilient. In partnership with Community Power Agency, we launched Queensland's first Resilient Energy Centres program, funding up to \$50,000 in renewable energy upgrades per community club so they can power essential services during natural disasters.

Social Resilience

Our ambition: To lead the nation in volunteering because helping hands build stronger, connected and resilient communities

By offering more volunteer opportunities to our people and members, we aim to rebuild volunteer participation across Queensland, because the more hands we have, the more we can strengthen resilient, connected communities. In FY26, RACQ partnered with local councils, First Nations communities and other like-minded organisations to offer volunteering opportunities for employees, RACQ members and trade partners who contributed 4,222 hours.

FY26 Commitments	Performance	Status
Support community clubs and charities to build back better after natural disasters	Provided \$11m in community resilience grants in FY26 to help build greater disaster resilience.	●
Support community clubs and charities with solar and/or battery upgrades, enabling energy savings and resilience	We provided funding for solar and battery projects as part of resilient grants in FY26 and launched Queensland's first Resilient Energy Centre program, with a number of community clubs and charities applying for support.	●
Develop content to support parents and other mentors of learner drivers as we advance our road safety education program	Launched a new education program titled 'The Coaching Lane: The Learner Launchpad', in consultation with parents. The course offers in-person sessions to encourage discussions about road safety between supervisors and learner drivers.	●

● Achieved ● Partially achieved ● Not yet achieved



RACQ volunteers at Yarrabah

RACQ's Community Assistance Program supported disaster and social resilience volunteering projects across the State including Yarrabah and Etheridge, in the far north, Julia Creek in the north west, Mulgowie and Algester in the south east, and Thargomindah in the south west. Additional volunteering opportunities were offered to our people through partnerships with The Salvation Army and FareShare Australia.

As part of implementing RACQ's Community Impact Strategy, the RACQ board made the decision to align RACQ's governance framework. As a result, the RACQ Foundation board was discontinued during FY26. We take this opportunity to thank independent Foundation board members Bronwyn Morris AM, Wally Tallis and Anna Cochrane for their contribution and dedication to supporting the Foundation and Queensland communities. We look forward to building on their legacy with the implementation of our new community strategy.

Thank you to our supporters and partners for their contributions to RACQ community programs in FY26.

Key Metrics

		FY26	FY25
Total community Investment	(\$)	5,690,011	6,459,875
RACQ volunteering hours	(hrs)	4,222	7,874
Participants in RACQ Road Safety Education programs		69,168	58,713

FY27 community priorities

- Mobilise member volunteers to support community organisations across Queensland.
- Support community clubs and/or charities with energy resilience upgrades, including solar and battery solutions.
- Develop a behaviour change program and launch the first media campaign to improve road safety.

Our Environment

RACQ is focused on reducing its environmental impact through responsible operations and cleaner energy, while supporting members with solar and battery solutions.

Supporting our members and their communities

RACQ helped deliver the remaining EV charging stations at Cairns, Mitchell and Sarina as part of the Queensland co-funded QRIDA program, supporting the expansion of regional charging infrastructure across the State. This takes the total number of RACQ co-funded QRIDA charging sites to seven, adding to chargers located in Toowoomba, Gladstone, Bundaberg and Hervey Bay. These assets have been subsequently sold to Evie Networks.

Our partnership and partial ownership of Evie Networks continued to support members transitioning to electric vehicles by providing discounts

at 86 chargers across Queensland and northern New South Wales, making charging more affordable, accessible and convenient.

In FY26, RACQ Solar installed 1,600 residential solar and battery systems, supporting members in improving their home energy efficiency.

We partnered with Healthy Land and Water and Brisbane Sustainability Agency on community projects that use nature-based solutions to improve flood resilience, support waterway health and enhance local environments.

Reducing our environmental impact

In FY26, RACQ progressed the electrification of its fleet, including installing eight new EV chargers for fleet use at the Eight Mile Plains office, complementing existing chargers available for staff-owned electric vehicles.

We continued trials to identify a suitable electric roadside assistance vehicle capable of carrying tools, batteries, fuel and equipment over long distances. While progress has been made, further work is required to ensure these vehicles can meet operational requirements at scale.

Following the completion of a waste audit in FY26, we are assessing opportunities with waste contractors for viable, cost-effective options to recycle automotive glass from our Auto operations.

RACQ continues to progress the electrification of its fleet, while recognising that transition timelines are influenced by the availability and maturity of suitable vehicle and charging technologies.

FY26 Commitments	Performance	Status
Continue to reduce RACQ's operational emissions through purchasing renewable energy certificates and increasing the number of EVs in our fleet	In FY26, 100% of RACQ's electricity was from emissions-free renewable sources including GreenPower and rooftop solar at two RACQ sites or otherwise covered by the purchases of LGCs ¹ . The fleet transition continued with nine new electric vehicles added in FY26. As outlined in our Climate Report, RACQ has revised its emissions reduction pathway and will increase the use of high-quality carbon offsets from FY30 to address residual emissions as vehicle technology continues to evolve.	●
Complete RACQ waste audit and implement waste reduction initiatives	A FY26 waste audit found approximately 82% of operational waste was recycled or diverted from landfill, with automotive glass recycling identified as an area for improvement.	●
Advocate for greater EV charging in regional and rural areas to encourage road tourism and ensure all Queenslanders can participate in the EV transition	RACQ has advocated to Queensland Government and Energy Queensland for improvements and upgrades to the Queensland Electric Super Highway to support EV transition in regional Queensland and to encourage road tourism. However, more action is required to improve regional EV charging infrastructure so all Queenslanders can participate in the EV transition.	●

● Achieved ● Partially achieved ● Not yet achieved

FY27 environment priorities

- Improve measurement of RACQ's scope 3 emissions.
- Maintain emissions-free renewables for 100% of RACQ's electricity use.
- Continue to trial emerging electric vehicles to support the transition of RACQ's service fleet.

¹ GreenPower and Large-scale Generation Certificates (LGCs) are recognised and regulated under Australian renewable energy schemes. In FY26, 100% of RACQ's electricity was covered through the purchase of GreenPower, LGCs and electricity generated from rooftop solar systems at two RACQ sites. GreenPower was used where RACQ holds the electricity contract and LGCs where RACQ does not hold the electricity contract.



Electrification trial underway

A trial of the LDV eDeliver 7 van is underway to evaluate its viability as an option for the transition of RACQ's Roadside Assistance fleet.

Our Governance

RACQ continued to strengthen its governance framework through our Risk Transformation Program, focused on uplifting risk management practices, processes and systems, while also evolving to support the implementation of our new Community Impact Strategy.

RACQ is committed to operating its business with integrity and high standards of corporate governance and ethical conduct, with directors and management accountable for fostering a culture aligned to our purpose, vision and values, and supporting the long-term interests of members. Proudly, the Club maintained its excellent reputation score which strengthened year-on-year. The Royal Automobile Club of Queensland Limited is a public company limited by guarantee and governed by its

Enhancing our governance framework

In FY26, RACQ established governance and oversight over the new 25-year strategic partnership with IAG, and ongoing transition activities, to ensure member outcomes and strategic intent is met.

The board has active oversight over the governance and transition arrangements of RACQ’s lending and deposit business to Bendigo Bank to ensure strong member outcomes, regulatory compliance and continuity of banking services. Until completion of the transaction, RACQ Bank continues to operate under RACQ’s existing governance and prudential frameworks.

We also introduced updated governance measures to support the delivery of the Community Impact Strategy and we are establishing a new ACNC-registered charity with a directors in common model and unified framework. We are working towards the creation of a \$100m perpetual community fund which will ensure ongoing funding for Queensland community initiatives.

constitution, the Corporations Act 2001 (Cth), principles of mutuality, and where applicable, industry-specific regulation including the Banking Act 1959 (Cth) and APRA prudential standards.

The Board has adopted a governance framework based on recognised good-practice models, tailored to RACQ’s scale and operations, to support regulatory compliance and create long-term value for members.

This builds upon the success of the former RACQ Foundation and establishes a more empowered and consistent structure reflective of RACQ’s current focus and aligned with best practice governance standards.

An Investment Committee was created to support the board in overseeing RACQ’s investment strategy and capital allocation, aligned with RACQ’s strategic objectives and risk appetite.

We strengthened governance practices by completing a multi-year Risk Transformation Program in June 2026, enhancing risk culture, accountability and regulatory compliance. The board continues to monitor governance best practice to ensure our framework remains contemporary and fit for purpose.

For further information, please refer to the RACQ Corporate Governance Statement published at racq.com.au.



RACQ Risk Transformation Program team at our Eight Mile Plains office.

FY26 Commitments	Performance	Status
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Embed and continue IAG partnership transaction activities	On 1 September 2025, RACQ commenced a 25-year strategic partnership with IAG under which IAG holds responsibility for claims management, product design and pricing for RACQ Insurance, while RACQ holds responsibility for marketing, sales and member services.	
Embed Risk Transformation Program	RACQ has completed its multi-year Risk Transformation Program, which began in July 2023 and delivered 92 activities across eight workstreams. External assurance confirmed the work as complete and effective, with APRA confirming closure of the program.	

Achieved Partially achieved Not yet achieved

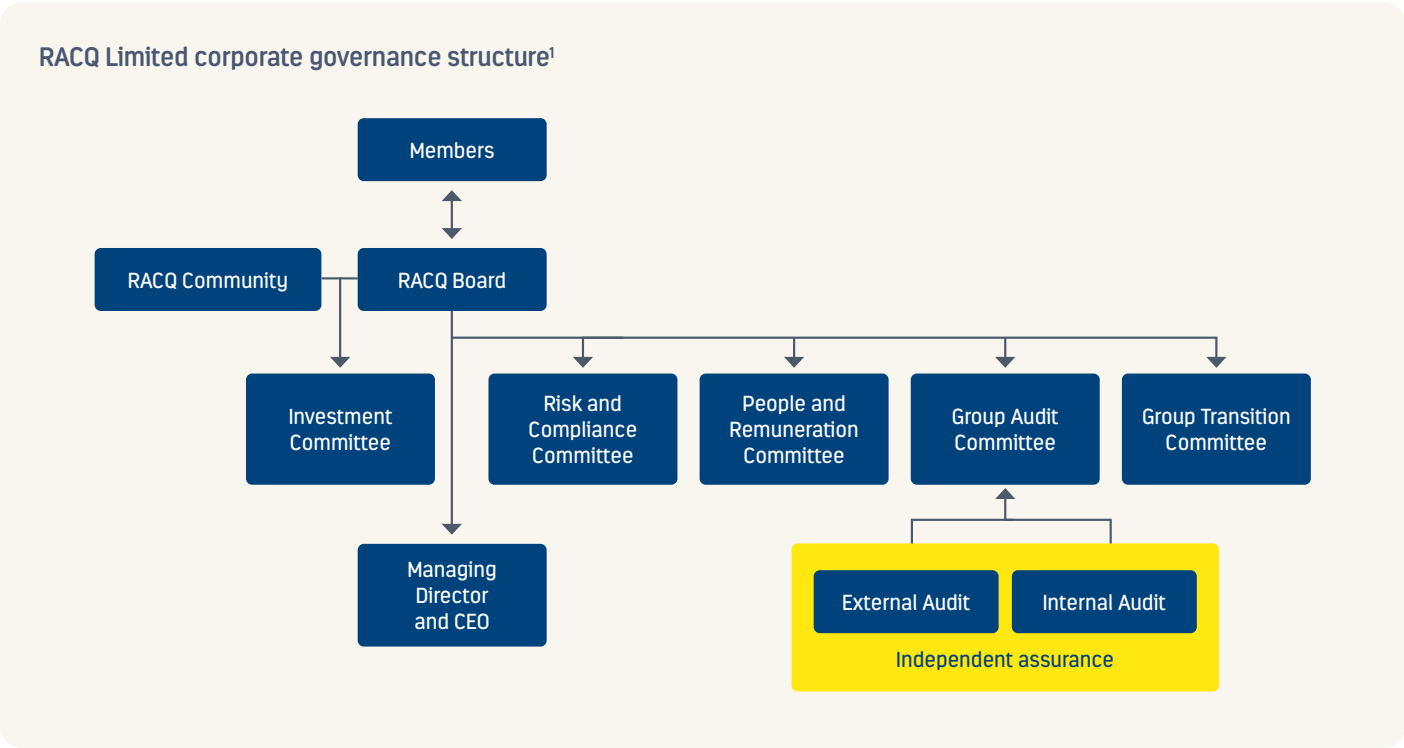
FY27 governance priorities

- Complete RACQ Bank divestment transition.
- Embed Community Impact governance and investment oversight.

Key Metrics

		FY26	FY25
Political event engagement contributions ¹	(\$)	0	27,000
RepTrak score		84.2	83.2

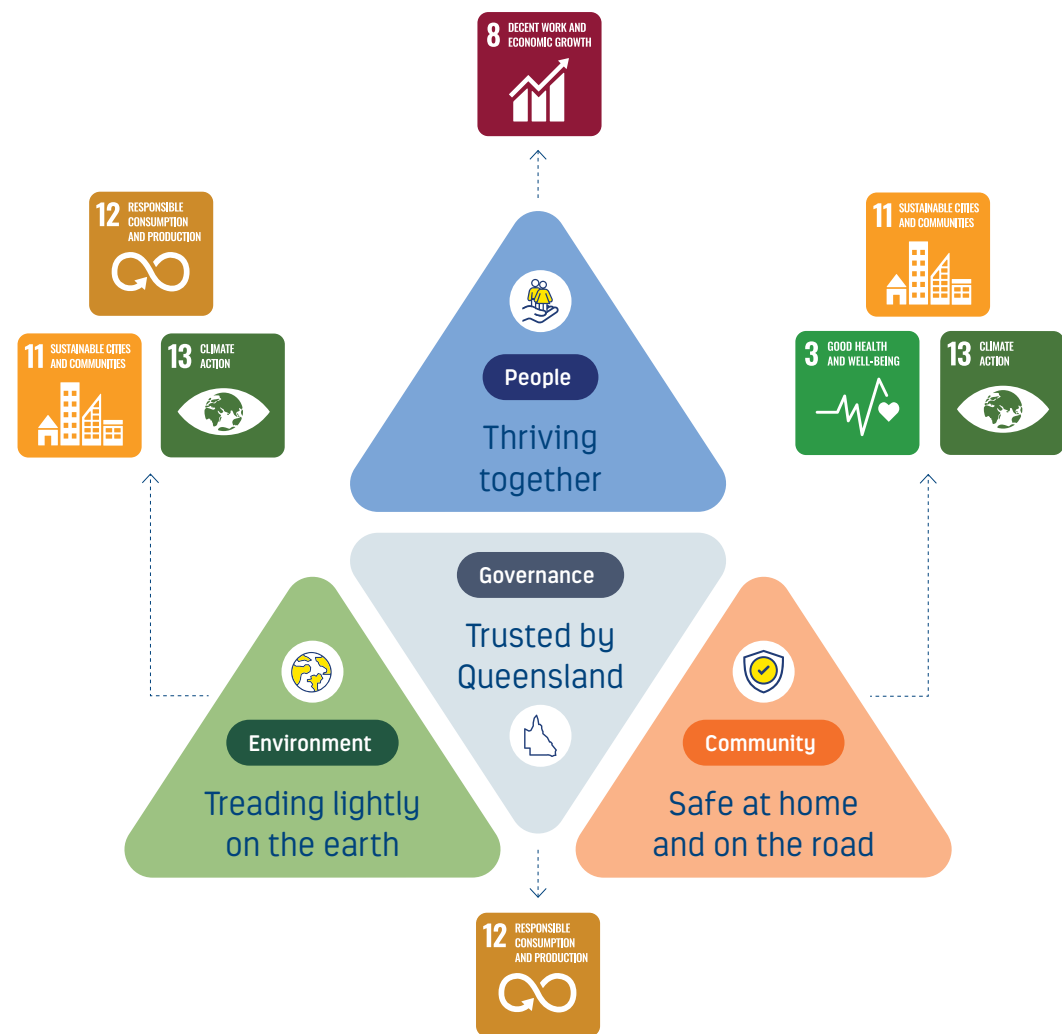
¹ As part of our political and government engagement policy RACQ attends key political events which may constitute a donation to a party. The purpose of attendance is to engage with decision-makers to voice our advocacy priorities and continue to influence government policies, programs, and services for the benefit of our members and community. RACQ has committed to report political event engagements annually and will comply with government reporting thresholds through the Political Donations Register maintained by the Australian Electoral Commission and Queensland Electoral Commission.



¹ This diagram represents the corporate governance framework for The Royal Automobile Club of Queensland Limited (RACQL) during FY26. The broader RACQ Group companies (including the Bank subsidiary) has an expanded governance framework that addresses the requirements of the applicable APRA prudential standards and regulations.

Our Sustainability Framework

RACQ's 'A Force for Good' framework is made up of four key pillars that capture the Club's sustainability activities, including areas of focus, outcomes, metrics, and our alignment to the United Nations Sustainable Development Goals (SDGs). The progress made against these pillars is reported annually in this report.



Our focus areas

- People**

Thriving together

Focus Areas:

 - Improving member satisfaction, experience and benefits
 - Building on our diverse and inclusive culture
- Community**

Safe at home and on the road

Focus Areas:

 - Advocating for safe driving and safer, connected roads
 - Supporting climate-resilient communities
- Environment**

Treading lightly on the earth

Focus Areas:

 - Supporting Queensland's transition to a low-carbon future
 - Working toward net-zero, resilient and circular operations as technology emerges
- Governance**

Trusted by Queensland

Focus Areas:

 - Renewing and innovating our business model
 - Leading with integrity and transparency

Our contribution to the United Nations Sustainable Development Goals

The United Nations developed and adopted SDGs in 2015 to achieve a more sustainable future for all by 2030. Many companies and industries around the world have aligned their sustainability aspirations with the SDGs and use them as a benchmark to track their progress. Further details can be found on the United Nations website.

There are 17 sustainability goals which consist of 169 targets. Below are the five that RACQ is aligning to:

 3 GOOD HEALTH AND WELL-BEING	 8 DECENT WORK AND ECONOMIC GROWTH	 11 SUSTAINABLE CITIES AND COMMUNITIES	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	 13 CLIMATE ACTION
Working to reduce the number of deaths and injuries from road traffic accidents. SDG Target 3.6 69,168 participants in RACQ road safety programs across Queensland 185 students participated in the ARTIE Academy Learner Drivers Licensing Program, with 36 students securing their Learner Licence and 61 their Provisional Licence Campaigned for a safer approach to e-mobility in Queensland by influencing the Parliamentary Inquiry and subsequent legislation	Providing equal employment opportunities and access to financial services. SDG Target 8.5 SDG Target 8.10 74% employee engagement score \$1.2m invested in employee external training and development 52.8% women in leadership roles	Contribution towards safe, affordable, accessible, and sustainable transport. SDG Target 11.2 140 public EV charging sites supported by RACQ sponsorships and investments Partial owner of Chargefox - EV charging network ¹ Partnership and partial owner of Evie Networks, one of Australia's leading electric vehicle DC fast charging networks Continued to campaign for fair fuel in Queensland by advocating for pricing regulation of the fuel retail market	Supporting responsible consumption and production patterns for our operations and supply chain. SDG Target 12.5 SDG Target 12.6 100% Renewable electricity coverage ² 8 EV chargers installed at Eight Mile Plains office accessible to RACQ fleet 82% Operational waste recycled or diverted from landfill	Improving mitigation and strengthening resilience and adaptive capacity to climate-related hazards and natural disasters. SDG Target 13.1 SDG Target 13.3 \$1.1m resilience grants provided Launched Resilient Energy Centre program, to support communities to become more energy resilient during times of disaster Extended partnership with FareShare Australia to supply food to disaster affected communities

¹ Partial ownership through Australian Motoring Services.
² GreenPower and Large-scale Generation Certificates (LGCs) are recognised and regulated under Australian renewable energy schemes. In FY26, 100% of RACQ's electricity was covered through the purchase of GreenPower, LGCs and electricity generated from rooftop solar systems at two RACQ sites. GreenPower was used where RACQ holds the electricity contract and LGCs where RACQ does not hold the electricity contract.



Climate Report

This Climate Report presents RACQ’s mandatory climate-related disclosures for the financial year ended 30 June 2026. It has been prepared in accordance with Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures* (AASB S2) and the *Corporations Act 2001* (Cth).

The disclosures describe how climate-related risks and opportunities are being integrated into RACQ’s governance, strategy, risk management, metrics and targets, and how these factors inform decision making and longer term planning.

In FY26, RACQ completed its first year of mandatory climate reporting, supported by initial climate risk and scenario analysis. This work has informed the identification of climate-related risks and opportunities considered most relevant to the business and its members, including those arising from physical climate impacts and the transition to a lower carbon economy.

In FY26, RACQ revised its greenhouse gas emissions reduction target. The previous target was to reduce Scope 1 and 2 emissions by 90% by 2030, against a FY20 baseline. RACQ now aims to achieve carbon neutrality for these emissions by FY30 and remains committed to achieving net-zero as technology emerges.

This change reflects the slower-than-anticipated progress of RACQ’s fleet electrification program due to the uncertainty that suitable vehicles and charging infrastructure will be available in time to support the service fleet at the scale required (see section 2.6 for further information).

To achieve carbon neutrality, RACQ plans to purchase high-quality carbon offsets for any remaining Scope 1 and 2 emissions from FY30 onwards. This is intended to be a temporary measure while technology matures and RACQ establishes a credible revised net-zero target.

RACQ recognises that its climate-related practices, particularly in relation to scenario analysis, emissions reducing actions and the integration of climate considerations into broader business processes are still maturing. Accordingly, these disclosures represent a snapshot of RACQ’s current best estimate at the date of reporting.

1.0 Basis of preparation

1.1 Reporting entity

This Climate Report has been prepared for The Royal Automobile Club of Queensland Limited and its subsidiaries (together referred to as RACQ or the

Group) and should be read in conjunction with the Consolidated Financial Statements for the same reporting entity.

1.2 Reporting period and connected information

This report presents RACQ’s climate-related information for the year ended 30 June 2026, which is consistent with the reporting period of the Consolidated Financial Statements.

The Climate Report is linked to other information in the FY26 Annual Report to provide a connected view of climate-related risks and opportunities and their potential impacts.

1.3 Assumptions, judgements and estimates

The preparation of this report includes assumptions, judgements and estimates, applied on a basis consistent with those used in the Consolidated Financial Statements. Key assumptions and estimates relating to climate-related metrics and targets are disclosed where relevant.

1.4 Presentation currency

Climate-related financial information is presented in Australian dollars, rounded to the nearest thousand unless otherwise stated.

1.5 Transition reliefs

RACQ has applied the following reliefs in Appendix C of AASB S2 for this first reporting year: relief from presenting comparative information and relief from disclosing Scope 3 greenhouse gas emissions.

1.6 Sale of RACQ Bank retail lending and deposit business

RACQ has decided to sell its retail lending and deposit business to Bendigo Bank (refer to note 5.0 Discontinued operations and assets and liabilities held for sale – RACQ Bank retail lending and deposit business in the financial statements later in this Annual Report). Subject to regulatory approval, this is expected to occur in FY27.

Up until this point in time and including all FY26, Scope 1 and 2 greenhouse gas emissions that result from RACQ Bank operations are included in this disclosure.

RACQ Bank was included in the qualitative analysis of risks covered in this disclosure. It was not included in the quantitative analysis as it was not considered part of future strategy or prospects for RACQ.

1.7 Scope for identifying risks and opportunities

Climate impacts do not affect all parts of RACQ equally. This report focuses on those areas of the business and value chain where climate change could reasonably be expected to affect RACQ’s prospects, future performance, resilience and member outcomes.

For risks and opportunities, this includes:

- Roadside Assistance, including service delivery and contractor networks
- RACQ Auto, including workshops and supporting suppliers
- RACQ Solar, including installer and supplier relationships linked to RACQ’s energy offerings
- RACQ Bank, prior to divestment
- RACQ Distribution Services Pty Ltd, which is limited to RACQ’s member-facing insurance distribution activities, excluding underwriting, pricing and capital management activities

Other activities were considered as part of the scoping process but excluded climate-related impacts that are not reasonably expected to influence RACQ’s prospects. This includes RACQ owned buildings and non-operated or passive investments where RACQ does not control operations.

1.8 Scope for measuring emissions

Scope 1 and 2 greenhouse gas emissions are disclosed for the reporting period, Scope 3 emissions are not disclosed (see section 1.5 above). The organisational boundary for Scope 1 and 2 is limited to activities directly operated or controlled by RACQ. Scope 1 and 2 emissions from RACQ-owned and controlled vehicles, sites and electricity use are included. Based on operational control assessment, Scope 1 and 2 emissions from partly owned entities including RACQ Solar and emissions from roadside assistance contractors are excluded from this boundary and treated as Scope 3 (see section 1.9 Judgement below for further information).

1.9 Judgement

Judgement has been applied in determining the relevance, reliability and usefulness of information disclosed, including defining the reporting boundaries and the treatment of contractor activities such as:

- Identifying material climate-related risks, opportunities with regard to their potential influence on RACQ’s strategy, financial position and performance
- Determining the approach to climate-related scenario analysis
- Selecting methodologies, assumptions and emission factors for measurement of greenhouse gas emissions

In contrast to RACQ’s own vehicle fleet which is included in Scope 1, emissions from roadside assistance contractor vehicles have been excluded from the reporting boundary for FY26. This represents a key judgement by management in applying the operational control criteria under the Greenhouse Gas (GHG) Protocol to contractor arrangements.

The exclusion reflects the limited level of operational control RACQ has over contractors and their vehicles. RACQ does not have the authority to introduce and implement operating policies across contractor businesses as a whole. Contractor vehicles are not owned by RACQ, they are not purchased by RACQ and there is minimal to no control exercised by RACQ over which types of fuel and vehicle models are operated.

Contractor fleet emissions are recognised as part of RACQ’s broader supply chain. These emissions will be included in Scope 3 disclosures from FY27.

1.10 Measurement uncertainty

Measurement uncertainty arises from data limitations, estimation methodology, external factors and the inherent uncertainty of forward looking information.

Uncertainty	Description
Greenhouse gas emissions	Emissions estimates are subject to data quality limitations, standard emission factors and the use of estimation methods where data is incomplete.
Climate scenario analysis	Analysis is based on assumptions about future policy, technology, markets and physical impacts, all of which are uncertain.
Financial effects of climate risks and opportunities	Financial impact estimates are limited by data gaps, modelling constraints and uncertainty around the timing and scale of climate risks and opportunities.
Resilience assessment	Assessments rely on judgements and assumptions about future operating conditions, regulation and adaptation responses, which may change over time.

2.0 Strategy

2.1 Overview

Guided by our purpose to drive a better future for all Queenslanders, RACQ seeks to deliver long-term value to members while responding to a changing operating environment.

More frequent and severe weather and the transition to a lower-carbon economy is increasingly affecting how our members move and live. As a result, RACQ is evolving its strategy to manage related risks and opportunities that may affect our operations, members and financial performance.

RACQ has taken strategic steps to address climate-related risks and opportunities, and its approach to managing these matters, particularly climate scenario analysis, will continue to evolve as capability and experience mature.

Climate-related considerations are reflected in RACQ’s 2032 strategy (see earlier section ‘Building a Stronger RACQ for Members’ on pages 10-11 in this Annual Report). including the development of mobility and home solutions that support emissions reduction, energy resilience and affordability as Queensland transitions toward renewable energy and electrified transport.

RACQ considers climate-related risks and opportunities across short, medium and long-term time horizons, embedded across risk identification, scenario analysis, strategic responses and target setting:

- Short term (3 years): aligned with RACQ’s business planning and budgeting cycle
- Medium term (6 years): aligned with RACQ’s 2032 strategy
- Long term (24 years): aligned with widely adopted global and national transition pathways to 2050.

Climate-related risks and opportunities may increasingly affect RACQ’s strategy, business model and value chain across its core activities, including Roadside Assistance, RACQ Distribution Services Pty Ltd and RACQ Bank (until sale), as well as emerging business lines in energy-related services such as RACQ Solar and community support activities.

2.2 Climate-related risks and opportunities

RACQ has identified climate-related risks and opportunities that could reasonably affect the business within the defined time horizons. This work was informed by RACQ’s first climate scenario analysis undertaken in FY26 with support from external climate risk specialists. The decision was made to focus on matters relevant to RACQ’s continuing operations and prospects.

The scenario analysis considered two plausible, strategically relevant climate scenarios, drawing on recognised global climate pathways (Representative Concentration Pathways (RCPs) from the fifth Assessment Report of the Intergovernmental Panel on Climate Change), considered

in the context of the Paris Agreement. It was used to support structured discussion and judgement, rather than to predict outcomes or produce precise forecasts.

As a first-year analysis, the risks and opportunities identified reflect RACQ’s current data availability, analytical capability and organisational maturity. RACQ expects to refine and evolve its approach over time as methodologies mature, additional data becomes available and insights from future reporting cycles are included.

2.2.1 Climate change scenarios used in analysis of climate-related risks and opportunities

Scenario	Green Road Mitigated climate change scenario	Hot House Unmitigated strong climate change scenario
	Low global warming scenario Global average temperature limited to 1.5°C warming Low physical risk High transition risk  The Green Road < 1.5°C Rapid transition after 2030 to achieve net zero emissions by 2050 globally by assuming relative sectoral contributions to emissions remain constant on the path to net zero within Australia.	High global warming scenario Increase in global average temperature that well exceeds 2°C warming High physical risk Low transition risk  Hot House 4.2°C by 2100 Emissions continue to rise resulting in high temperature outcomes and more extreme climate change impacts. Physical climate change causes economic impact but there is no economic change related to transition.
Assumptions and basis of scenarios	- Based on the RCP 2.6 climate change scenario - Strong, coordinated global action; industries with higher emissions intensity decarbonise faster to achieve net zero by 2050. - Moderate increase in extreme weather; risks mitigated by early emissions reduction. - Rapid shift to renewables and electrification; fossil fuel use declines sharply. - Accelerated innovation and deployment of clean technologies (e.g., EV, solar, storage, household electrification). - Strong demand for sustainable products and services; rapid behavioural change. - Managed transition; at a national level green job creation offsets losses in high-emissions sectors. - Climate risk fully priced into financial markets; capital shifts towards sustainable assets. - Queensland benefits from early mitigation efforts; physical risks are moderated.	- Based on the RCP 8.5 climate change scenario - Delayed or fragmented policy response; no new emissions regulation. - Significant rise in frequency and severity of extreme weather events (e.g. cyclones, floods, severe storms), alongside worsening chronic climate impacts (e.g. prolonged heatwaves and heat stress). - Continued reliance on fossil fuels; slow uptake of clean energy technologies (e.g. distributed solar, storage, EVs). - Limited innovation and uptake of clean technologies across industry and infrastructure. - Minimal change in consumer preferences; continued reliance on traditional services (e.g. internal combustion vehicles, grid only energy). - Higher economic disruption from disasters; increased inequality and social stress, particularly for vulnerable and regional communities. - Rising insurance premiums and reduced coverage in high-risk areas; increased uninsured losses. - Queensland experiences more frequent and severe natural disasters, with infrastructure and communities facing escalating adaptation costs (e.g. heat resilient buildings, flood mitigation).

2.2.2 Climate-related risks

Climate-related risks		Timeframe	Affected area / value-chain	Mitigation / enablers
Risk 1	Physical Risk: Workforce health, safety and service disruption from compounding weather events and extreme heat Increased frequency and severity of extreme heat, combined with compounding extreme weather events (heatwaves, storms and flooding), leading to heightened health and safety risks for roadside assistance (including heat stress and increased likelihood of incidents), as well as disruption to RACQ’s ability to meet roadside service levels due to workforce availability constraints, access limitations and asset disruption. These impacts may result in member dissatisfaction and reputational damage.	Medium to long term	Members Roadside Assistance (Operations, Products & Workforce)	- WHS policies - Frontline safety procedures - Incident reporting and operational oversight - Business continuity planning - Surge response capability - Member communications and complaints processes
Risk 2	Transition Risk: Skills and capability constraints from rapid electric vehicle uptake The transition to a low-carbon economy, including evolving technical, safety and regulatory requirements associated with electric vehicles and energy-related services, may exacerbate skilled trade shortages across the economy, increasing competition for electricians, technicians and other specialist roles required to support emerging technologies and services. This may constrain RACQ’s ability to attract, train and retain appropriately skilled workers across roadside assistance and related operations, creating a risk of service disruption, increased costs and reduced operational flexibility as demand for new capabilities grows.	Medium to long term	Members Roadside Assistance (Operations & Workforce)	- Existing EV roadside assistance capability - Frontline training and upskilling - Operational guidance for EV servicing
Risk 3	Transition Risk: Member affordability pressures from the net-zero transition Cost-of-living pressures associated with the net-zero transition including costlier supply chains, transport fuel costs, higher energy and technology costs, and diminished incomes or job losses, particularly in emissions-intensive sectors or regions may reduce members’ ability to afford RACQ products and services. This may impact membership growth and retention and influence demand for RACQ offerings during the transition to a low-carbon economy.	Short to medium term	Members Roadside Assistance (Products)	- Member affordability embedded in product design - Member energy bill savings that result from RACQ Solar products - Advocacy activities - Hardship and support programs - Member communications
Risk 4	Physical Risk: Climate-driven financial stress on members impacting insurance affordability and banking outcomes Increased frequency and severity of extreme weather events may drive higher insurance premiums, reduced coverage and under insurance, contributing to broader financial stress for members. These affordability pressures may reduce members’ ability to maintain insurance coverage and other RACQ products and services, impacting insurance distribution outcomes and membership retention. RACQ is also exposed to reputational risk if insurance claims management does not meet brand standards. This may erode member trust, preference for insurance products and ultimately, impact loyalty and renewal rates. In parallel, physical climate impacts may increase credit risk in the banking portfolio (until sale), including higher arrears and default risk following property damage, under insurance or construction disruption, and may give rise to social licence risks where hardship outcomes emerge following climate-related events.	Short to medium term	Members Insurance distribution RACQ Bank (Lending & Credit) – until sale	- Member affordability considerations in product design - Advocacy activities - Hardship and support programs - Portfolio oversight - Credit risk framework - Lending policies and insurance requirements



2.2.3 Climate-related opportunities

Climate-related opportunities		Timeframe	Affected area / value-chain	Mitigation / enablers
Opportunity 1	Supporting Queensland’s transition to a low-carbon future As transport and energy systems transition, RACQ has an opportunity to strengthen its relevance and long-term member value by supporting the shift to electric mobility and home renewable energy. This includes expanding EV-ready roadside assistance, partnering in charging infrastructure, growing RACQ Solar and related energy services, and supporting members through education and trusted advice. Together, these actions position RACQ to meet evolving member needs and capture growth opportunities as Queensland transitions to a low-carbon future.	Short to long term	Roadside Assistance (Operations)	• EV charging investments and partnerships • EV ready roadside assistance capability • RACQ Solar services supporting home renewable energy and EV charging • Member education and engagement programs
			RACQ Solar & Energy Services	
			Members	
Opportunity 2	Working towards net-zero, resilient and circular operations RACQ has an opportunity to reduce operational emissions while improving long-term cost efficiency and resilience through fleet electrification and renewable electricity procurement. In parallel, there is scope to reduce waste and landfill impacts from roadside assistance operations and explore circular economy opportunities, including recycling of materials and the future reuse, repurposing or recycling end of life batteries as markets and technologies mature. These actions support RACQ’s net zero ambitions while strengthening operational sustainability.	Short to long term	Roadside Assistance (Assets & Fleet)	• Fleet electrification activity • Renewable electricity procurement • Waste practices improvement
			Supply chain	
			Roadside Assistance (Operations)	

2.3 Anticipated financial effects and climate resilience

RACQ undertook a quantitative climate scenario analysis of risks to the Roadside Assistance business identified in the qualitative analysis – risks 1 to 3 in table 2.2.2 detailed earlier in this disclosure.

The analysis quantified the impact on RACQ’s financial performance, position and cash flows. This impact is modelled against the baseline of 2025 calendar year actuals (CY25 baseline). To isolate climate impacts

from other trends in the scenario analysis, RACQ assumed a broadly consistent geographic distribution of membership and broadly consistent mix of Roadside Assistance products and services over the long term. A quantitative analysis has not been undertaken on the opportunities identified in table 2.2.3 as these opportunities are expected to generate additional revenue over time, improving RACQ’s financial position.

Results from the quantitative analysis:

Risk 1:

Disruptions from extreme weather events and heat stress impacts pose a risk to maintaining member services and revenue resulting from these services.

Using data from external specialists, RACQ estimated the additional member cancellations due to service delays caused by worsening flood, cyclone and storm impact up to 2050. RACQ also considered areas where members and employees may face increases in heat stress.

Service delays from extreme heat and compounding weather events were not significant enough to result in material number of additional member cancellations that would lead to a material reduction in Roadside Assistance revenue.

RACQ maintains high member engagement and satisfaction levels help to minimise membership cancellations. While rising temperatures may shift member travel patterns in Australia, these changes are expected to redistribute rather than eliminate demand for Roadside Assistance products.

Risk 2:

Demand for skilled trades in new climate-transition-related industries could exacerbate skills shortages in motor trades, leading to moderate increases in wage costs compared to average wage inflation and reducing financial performance.

From the quantitative analysis, the largest impact was a 27% reduction in Roadside Assistance annual net surplus after tax in the medium term.

As part of its existing strategy, RACQ expects to manage this risk through collaboration with industry bodies to encourage new trainees for the sector, reducing exposure to this risk over time and limiting its financial impact, such that it is not expected to have a material impact on annual surplus after tax by 2050.

Risk 3:

Pressure on household budgets in parts of Queensland dominated by emissions intensive industries could increase due to decarbonisation, resulting in reduced members and loss of revenue for RACQ.

RACQ used economic modelling of transition impacts at Statistical Area Level 4 (SA4) performed by external specialists. In this analysis, Queensland’s relatively high exposure to emissions intensive industries gives rise to increasing levels of unemployment.

From this analysis, the medium-term impact was a 4% reduction in Roadside Assistance annual net surplus after tax in the medium term, which is not financially material for RACQ.

Risk 4:

RACQ Insurance and Bank were considered qualitatively only – risk 4 in table 2.2.2 earlier – and were not progressed to quantitative analysis, reflecting the pending sale of RACQ Bank and changes to the RACQ insurance business (refer to note 5.0 Discontinued operations and assets and liabilities held for sale in the financial statements later in this Annual Report).

To analyse anticipated climate change effects on financial performance, RACQ considered the range of quantified impacts. Overall, the analysis for risks 1 to 3 above shows that RACQ can anticipate a reduction in annual net surplus after tax and cash flows (against the CY25 baseline) of between 0% and 31% in the medium term up to FY32.

Primarily, this is due to pressures on demand for skilled trades as reflected in Risk 2. In the long term, RACQ expects labour markets to adjust through government and other incentives.

Current financial effects

Climate-related risks and opportunities described earlier have not had a material impact on RACQ’s financial performance and position in FY26. RACQ has also not identified any significant risk of material adjustment to the carrying value of assets and liabilities in the next reporting period.

Climate Resilience

Subject to further quantitative analysis of the RACQ insurance business, the climate scenario analysis undertaken in FY26 demonstrates that climate-related risks are not expected to have a material impact on RACQ’s financial position through to 2050. This reflects both the expectation that key climate-related risks will be progressively mitigated through adaptation actions implemented by RACQ and broader market adjustment over time, and RACQ’s existing financial capacity to absorb residual impacts as those risks emerge. Supported by its strong capital position, RACQ anticipates maintaining adequate resilience to climate change impacts over the long term.

2.4 Strategic actions already implemented

RACQ Insurance’s exposure to a changing climate in Queensland and Northern NSW continues to influence the economic and operating context in which RACQ operates, including the long-term sustainability of insurance markets. Climate-related risks, such as more frequent and severe flood, storm and heat events, have contributed to higher and more volatile claims costs across the insurance sector, creating ongoing challenges in balancing affordability for members with the financial sustainability of insurance operations.

During FY26, RACQ completed the sale of its insurance business to Insurance Australia Group (IAG), establishing a 25-year strategic distribution partnership. Under this arrangement, IAG holds responsibility for claims management, product design and pricing, while RACQ maintains the role of marketing, sales and member services.

This transaction reshaped RACQ’s business mix and risk profile. While RACQ no longer bears insurance underwriting or capital risk, it retains exposure to insurance affordability outcomes through its distribution role, where climate-related physical risks may influence premiums, demand and member outcomes.

Also during FY26, RACQ announced the sale of its retail lending and deposit business to Bendigo Bank as part of a broader strategy to simplify the Group’s portfolio and focus on core activities aligned to long-term value creation for members.

Forward looking climate-related disclosures in this report reflect RACQ’s continuing operations.

2.5 Climate Action Plan

Climate-related risks and opportunities are addressed through RACQ’s Climate Action Plan (CAP), which supports our long-term strategy by embedding climate considerations into decision making, operational priorities and member outcomes.

The CAP responds to material climate-related risks and opportunities identified through RACQ’s enterprise risk management and climate scenario analysis processes. It focuses on actions within RACQ’s operational control, and areas where RACQ can influence outcomes for members and communities.

The CAP is structured around three pillars:

Pillar 1: Supporting Queensland’s transition to a low carbon future	
Purpose: Support members to reduce emissions and manage transport and energy transition risks while keeping RACQ relevant as mobility and energy systems change.	Key actions (current and ongoing): • Provide access to clean energy solutions for members (solar, batteries, EV charging) • Build EV ready roadside assistance capability and workforce skills • Monitor and respond to regulatory and policy changes affecting energy services
Pillar 2: Working toward net-zero, resilient and circular operations as technology emerges	
Purpose: Reduce operational emissions and transition risk while maintaining safe, reliable and cost resilient operations.	Key actions (current and ongoing): • Shift towards 100% renewable electricity • Transition fleet in line with technology readiness • Explore operational waste and emissions reduction • Protect workplace health and safety under extreme heat and hazardous weather • Enhance climate disclosures including Scope 3 emissions
Pillar 3: Supporting inclusive and climate resilient communities	
Purpose: Reduce climate related risks for communities by enabling an inclusive transition, strengthening social resilience through volunteering, and continuing support during disasters.	Key actions (current and ongoing): • Support an inclusive transition by enabling access to regional destination EV charging and community energy solutions that improve energy resilience • Strengthen social resilience through volunteering and capacity building for community organisations • Maintain member communications and service continuity during extreme events

Progress on some of these key actions is detailed in earlier sections in this Annual Report – ‘Supporting our community’ (page 20) and ‘Our environment (page 22).

For other CAP actions, RACQ has prioritised building foundational capability, governance and partnerships, with additional targets and metrics to be developed as data quality and understanding of value chain impacts improve.

2.6 Changes to emissions reduction target

During FY26, RACQ revised its Scope 1 and 2 greenhouse gas emissions target – 90% reduction by 2030 from a FY20 baseline to carbon neutrality by FY30, recognising that fleet electrification is progressing more slowly than originally anticipated. However, we remain committed to net-zero as technology emerges.

To achieve carbon neutrality, RACQ will significantly increase its purchase of high-quality carbon offsets for any remaining Scope 1 and 2 emissions from FY30 onwards.

This is intended as a temporary strategy while technology continues to develop to better support electrification and until RACQ can credibly adopt a revised net-zero target.

RACQ has actively tested electric and alternative vehicle options for its service fleet over recent years. These trials have highlighted the current limitations of available technologies for RACQ’s operational requirements.

Electrifying RACQ’s roadside assistance and other service vehicles is challenging because these vehicles carry heavy equipment needed to deliver services to members, reducing their range and increasing charging

3.0 Governance

The table below summarises the current allocation of climate-related roles and responsibilities across RACQ. This structure continues to evolve as RACQ’s management of climate-related risks and opportunities develops over time.

Board				
Oversight of climate-related risks and opportunities as part of broader oversight of strategy, risk and long-term sustainability. Approves climate-related targets and the CAP and considers climate-related matters escalated by management or board committees.				
Board committees				
Risk and Compliance Committee		Group Audit Committee		
Oversees the effectiveness of frameworks for identifying, assessing and managing financial and non-financial risks, including integration of climate-related risks into the Enterprise Risk Management Framework and escalation to the board where required.		Oversees the integrity of financial reporting, internal controls, compliance and climate-related financial disclosures, including the processes and controls supporting climate-related information.		
Management responsibilities				
Managing Director & CEO	Chief Executive Community	Chief Financial Officer	Chief Risk Officer	Deputy CEO¹ & Chief Executive Banking
Accountable for executive oversight of climate-related matters and embedding climate considerations into RACQ's strategy, culture and decision making.	Responsible for coordination and oversight of RACQ's climate-related strategy and initiatives, including alignment with purpose, sustainability priorities and business activities, and for identifying, assessing, managing and monitoring RACQ's climate-related risks and opportunities.	Responsible for incorporating climate-related matters into financial reporting and ensuring alignment with financial reporting processes and controls.	Responsible for maintaining and overseeing RACQ's Risk Management Framework, providing effective challenge to activities and decisions that may materially affect RACQ's risk profile, and supporting oversight of climate-related risk management and reporting.	Responsible for implementing climate-related actions and managing climate-related risks and opportunities within their respective business areas, consistent with RACQ's strategy, risk appetite and governance arrangements.
Management committees				
Climate Action Steering Committee		Executive Risk & Compliance Committee		
Coordinates implementation of the CAP, monitors progress against climate related initiatives and targets and provides recommendations to the Executive Leadership Team (ELT) to inform climate related decisions.		Provides executive level oversight of material risks, including climate-related risks, and supports integration of climate considerations into enterprise wide risk management and decision making processes.		

3.1 Oversight of climate-related risk and opportunities

Oversight of climate-related risks and opportunities is embedded within the board’s broader responsibilities for strategy, risk management and long-term sustainability, rather than managed through a standalone climate governance framework. Climate change is considered through RACQ’s existing strategy and risk management processes.

The board has approved changes to RACQ’s climate-related targets and CAP and receives updates on climate-related matters from management at least annually. Additional updates may be provided periodically where relevant. Board committees support the board’s oversight of climate-related matters within their respective mandates.

requirements. RACQ does not have sufficient confidence that available electric vehicle and charging solutions can yet meet the operational requirements of the service fleet at the scale required to achieve a 90% emissions reduction by 2030.

This challenge for RACQ service vehicles, which make up more than 70% of the fleet, contrasts with the much less difficult transition for typical passenger vehicles, which are easier to switch to electric drivetrains in terms of weight, range, charging and affordability.

This change was foreshadowed in previous RACQ statements that ‘if fleet transition to net-zero is not feasible by 2030 because alternative vehicle technologies are not tested and proven, RACQ will use offsets as a secondary strategy’ (as disclosed in FY25 Annual Report and FY24 For the Greater Good Report).



¹ In June 2026, the Deputy CEO was replaced by the Chief Operations Officer in their role and responsibility for climate-related governance.

Where climate-related risks and opportunities are considered by the board, board committees or management, they are assessed through the existing RACQ strategy and risk frameworks. Strategic considerations include strategic alignment, risk, potential value creation and competitive positioning. Risk considerations focus on the potential impact and likelihood of risks relative to RACQ’s risk appetite. These processes may identify trade-offs between financial, member, operational, risk and sustainability outcomes, which are considered as part of established decision making and escalation pathways.

3.2 Climate-related skills and experience

Board, committee and management capability is supported through access to external expertise. The People and Remuneration Committee supports the board by overseeing people and workforce capability matters and monitoring whether additional skills or development may be required.

While some board members have climate-related knowledge and experience, climate-related skills are not currently specified as a distinct element within the board skills matrix. Board capability in this area continues to evolve over time. From FY27, sustainability and climate-related considerations will be incorporated into the board skills matrix as part of broader governance, risk and compliance capability criteria.

3.3 Remuneration

In FY26, climate-related performance metrics were not included in executive remuneration arrangements. From FY27, climate-related performance metrics will be incorporated into executive remuneration arrangements for the Managing Director and Chief Executive Officer.

4.0 Risk management

RACQ’s approach to managing climate-related risks and opportunities is developing.

These risks and opportunities are considered within RACQ’s Enterprise Risk Management Framework (RMF), which is used to identify, assess and monitor risks across the organisation. The RMF is aligned with APRA CPS 220 and ISO 31000. Climate-related matters are managed through these existing processes rather than through a standalone climate specific framework.

Within the risk taxonomy, climate-related risks are reflected within the Environmental, Social and Governance (ESG) material risk category. Climate

change is also recognised as a potential driver of other material risks across RACQ. The taxonomy includes climate-related risk types such as Climate Impact Identification Risk and Climate Response and Transition Risk. Where identified, climate-related risks are recorded in the risk management system and assigned to risk owners for monitoring and reporting through established processes.

Risks are assessed using standard risk assessment methodology, which considers likelihood and potential impact to determine an inherent risk rating. Existing controls are then assessed to determine residual risk. Target risk ratings may also be set; for emerging risks, these ratings may be indicative and subject to change as understanding improves over time.

The Risk Appetite Statement provides a reference point for evaluating climate-related risks. Monitoring and escalation occur through established risk reporting and governance forums where required.

Climate-related scenario analysis is an emerging input into RACQ’s risk identification and assessment processes. Scenario analysis supports the understanding of potential future physical and transition impacts and informs the identification of Climate Impact Identification Risk and Climate Response and Transition Risk. These risks are forward looking in nature and not currently reflected as discrete entries within RACQ’s risk taxonomy.

In FY26, RACQ undertook its first qualitative and quantitative climate scenario analysis with support from external specialists. This analysis focused on understanding the potential implications of possible future climate pathways for RACQ’s strategy, operations and member products and services.

Climate-related opportunities are considered through the Strategy Development Framework and are assessed based on strategic alignment, risk, potential value creation and competitive positioning.

5.0 Metrics and targets

5.1 Operational emissions

Greenhouse gas emissions are measured in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (GHG Protocol). RACQ applies the operational control approach to define its organisational boundary, covering subsidiaries, assets and activities over which it has operational control and can influence emissions producing activities.

5.2 Climate-related risk and opportunity exposure

RACQ has identified climate related physical and transition risks, as well as related opportunities, through its risk management processes (see earlier section 2.2). At the reporting date, RACQ has not quantified the amount and percentage of assets or business activities vulnerable to climate risks or aligned to climate related opportunities.

However, based on the qualitative assessment noted above, RACQ considers its vulnerability to be limited in the short term as the impacts of the climate-related risks and opportunities are concentrated on medium term horizons. The Group expects to address these risks through its strategy and sustainability initiatives to build resilience. The Group intends to further develop quantitative assessment capabilities over time.

5.3 Application of carbon pricing in decision-making

RACQ does not use an internal carbon price for capital allocation, investment decisions, transfer pricing or scenario analysis.

5.4 Climate-related targets and contributing actions

In FY26, RACQ revised its greenhouse gas emissions reduction target. RACQ now aims to achieve carbon neutrality for Scope 1 and 2 emissions by FY30. To achieve carbon neutrality, RACQ plans to purchase high-quality carbon offsets for any remaining Scope 1 and 2 emissions from FY30 onwards. See earlier section 2.6 Changes to emissions reduction target for further information on this.

Given this revision, RACQ is not currently aligned to a specific external decarbonisation pathway or the Paris Agreement, nor has a sectoral decarbonisation approach been applied.

In FY26, RACQ purchased GreenPower and LGCs for 100% of its electricity use in Scope 2. This has resulted in total market-based emissions being 51% or 3,334 tonnes lower in FY26 than they would otherwise be if there was no GreenPower and LGC purchasing.

Contributing action	Source all RACQ electricity consumption from renewable sources	Transition RACQ fleet toward low emissions and electric vehicles
Metric	Percentage of electricity from renewable sources	Number of electric and low-emissions vehicles in the RACQ-owned fleet
Objective	Reduction of Scope 2 greenhouse gas emissions towards net zero operations	Reduction of Scope 1 greenhouse gas emissions towards net zero operations
Scope	Operational control boundary	Operational control boundary
Milestones and interim targets	Maintain GreenPower and LGC purchasing for 100% of electricity use in Scope 2	Increase electric and low emissions vehicles as technology becomes feasible and viable

6.0 Directors’ declaration

In the opinion of the directors of The Royal Automobile Club of Queensland Limited (the Company), I state that the Company has taken reasonable steps to ensure that the substantive provisions of the Climate Report of the Company and its subsidiaries (collectively the Group) for the year ended 30 June 2026, as presented on pages 26 to 35, are in accordance with the *Corporations Act 2001*, including:

- a. Complying with Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures and any further requirements determined under section 296C(2) of the *Corporations Act 2001*; and
- b. Containing the climate statement disclosures required by section 296D of the *Corporations Act 2001*.

Made in accordance with a resolution of the directors of the Royal Automobile Club of Queensland Limited pursuant to section 296A(6) of the *Corporations Act 2001*, as modified by section 1707C(2) of the *Corporations Act 2001*.

On behalf of the board:

Leona Murphy OAM
President & Chair

11 August 2026

Operational emissions:

Emissions type	FY26	Inclusions	Calculation methodology
Scope 1	3,144	Scope 1 includes emissions from: • diesel and unleaded petrol that fuels RACQ fleet vehicles at RACQ sites – does not include Roadside Assistance contractors’ vehicles that are not part of RACQ’s fleet (see earlier section 1.9 for further information) • refrigerant gas used in maintenance of building air-conditioning systems	Emissions are calculated under the GHG Protocol using emissions factors from the Australian National Greenhouse Accounts Factors (NGA) and activity data. Activity data includes fuel and electricity account data and invoices. Emissions are reported gross (no offsets) in tonnes of carbon dioxide-equivalent (tCO2e or tonnes). • Scope 1 is calculated using fuel- and gas-specific NGA factors. • Scope 2 (market-based) reflects RACQ’s additional renewable electricity purchases of GreenPower and Large Generation Certificates (LGCs) to match RACQ’s electricity consumption; emissions are zero for electricity covered by these instruments. • Scope 2 (location-based) is calculated using NGA grid electricity factors and does not include RACQ’s additional renewable electricity purchases. Where activity data is unavailable, emissions are estimated using reasonable, conservative methods (for example, extrapolating from adjacent periods) to avoid materially understating emissions.
Scope 2 market-based (location-based)	0 (2,722)	Scope 2 includes emissions from: • electricity use for RACQ-owned buildings and facilities including IAG’s electricity use at RACQ’s Eight Miles Plains office • electricity use in buildings where RACQ is a tenant	
Total market-based (location-based)	3,144 (5,866)		
			FY26 emissions include estimates for some data not available when the Annual Report was approved for publication. Estimates account for about 17% (986 tonnes) of the 5,866 tonnes total.

Independent auditor's review report to the members of The Royal Automobile Club of Queensland Limited

Conclusion

We have conducted a review of the following information in the climate report of The Royal Automobile Club of Queensland Limited (the Company) and its subsidiaries (collectively the Group) for the year ended 30 June 2026 (the 'selective sustainability information') as required by Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB):

Selective sustainability information	Criteria: Reporting requirement of AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D)	Location in climate report
Governance	Paragraph 6	Section 3.0 Governance
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Within the Section 2.2.2 Climate-related risks - Column titled Climate-related risks Within the Section 2.2.3 Climate-related opportunities - Column titled Climate relates opportunities
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Section 5.1 Operational emissions

The requirements of AASB S2 identified in the table above form the criteria relevant to the selective sustainability information and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

We have not become aware of any matter in the course of our review that makes us believe that the selective sustainability information specified in the table above does not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*.

Basis for conclusion

Our review has been conducted in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the AUASB. Our review includes obtaining limited assurance about whether the selective sustainability information is free from material misstatement.

In applying the relevant criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the *Summary of the Work performed* section of our report.

Our responsibilities under ASSA 5000 are further described in the *Auditor's responsibilities* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the Act and the ethical requirements of *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024) (the Code) that are relevant to reviews of the selective sustainability information of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

Our firm applies Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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

Other information

The directors of the Company are responsible for the other information. The other information comprises the Company's Annual Report, but does not include the selective sustainability information and our review report thereon.

Our conclusion on the selective sustainability information does not cover the other information and we do not express any form of assurance conclusion thereon. We have issued a separate auditor's report on the Financial Report.

In connection with our review of the selective sustainability information, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the selective sustainability information, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, 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 for the selective sustainability information

The directors of the Company are responsible for:

- The preparation of the selective sustainability information in accordance with the Act; and

- Designing, implementing and maintaining such internal control necessary to enable the preparation of the selective sustainability information, in accordance with the Act that is free from material misstatement, whether due to fraud or error.

Inherent limitations

As discussed in Section 1.0 of the Report, climate-related risk management is an emerging area, and often uses data and methodologies that are developing and uncertain. The Report contains forward looking statements, including climate-related scenarios, targets, assumptions, climate projections, forecasts, statements of future intentions and estimates and judgements that have not yet occurred and may never occur. We do not provide assurance on the achievability of this prospective information.

Greenhouse gas emissions quantification is subject to significant measurement uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The comparability of sustainability information between entities and over time may be affected by inconsistencies in the methods to estimate or measure those emissions, due to different, but acceptable, methods applied.

Auditor's responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the selective sustainability information, defined in the *Conclusion* section of our report, is free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the selective sustainability information.

As part of a review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the selective sustainability information. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error.

In conducting our review, the procedures we performed included, but were not limited to:

- Considered the completeness of the Group's assessment of climate-related risks and opportunities
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the selective sustainability information during the reporting period
- Read minutes of relevant committees to understand matters discussed and decisions made with respect to climate-related disclosures
- Assessed the appropriateness of the reporting boundaries applied
- Undertook analytical review procedures to support the reasonableness of the selective sustainability information
- Evaluated the appropriateness of emission factors applied in the greenhouse gas emission processes
- Agreed the selective sustainability information disclosures made in the report with the underlying records
- Evaluated the presentation and disclosure of the selective sustainability information against the requirements of AASB S2

Ernst & Young

Ernst & Young

Amy Cinquini

Amy Cinquini
Partner
Brisbane
11 August 2026



Part C

Financial Report

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RACQ Directors’ Report

The directors present their report, together with the consolidated financial report of the Group comprising The Royal Automobile Club of Queensland Limited (RACQ) and its controlled entities, for the year ended 30 June 2026 and the Auditor’s Report thereon.

Directors

The names of directors in office during the year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

- Leona C Murphy (President and Chair)
 - David A Carter (Managing Director)
 - Annabel L Dolphin
 - William J Fellowes
 - Andrew G Moore
- Mark R Rearick
 - Richard B Umbers
 - Elizabeth A Savage (appointed 15 September 2025)
 - Robert Hubbard (ceased 15 September 2025)
 - Sarah J Pearson (ceased 22 October 2025)

Further information on directors is contained in the RACQ Directors section on pages 46 to 47. This section also includes their qualifications, experience and responsibilities.

Directors’ meetings

The number of directors’ meetings (including meetings of committees of directors), and each RACQ director’s attendance at those meetings during the financial year, were:

	RACQ Limited Board		Group Audit Committee		Risk and Compliance Committee		People and Remuneration Committee ¹		Group Transition Committee		Investment Committee ²	
	A	H	A	H	A	H	A	H	A	H	A	H
Leona C Murphy	12	12	-	-	-	-	-	-	3	4	-	-
David A Carter	12	12	-	-	-	-	-	-	-	-	-	-
Annabel L Dolphin	12	12	2	2	4	4	4	4	7	7	-	-
William J Fellowes	12	12	6	6	4	4	-	-	-	-	1	1
Andrew G Moore	12	12	-	-	3	3	3	4	7	7	1	1
Mark R Rearick	11	12	6	6	1	1	4	4	-	-	1	1
Richard B Umbers	12	12	6	6	4	4	1	1	-	-	-	-
Elizabeth A Savage	9	9	2	2	-	-	3	3	1	1	1	1
Robert Hubbard	3	3	2	2	1	1	-	1	1	2	-	-
Sarah J Pearson	4	5	2	2	-	-	1	2	-	-	-	-

All directors may attend board committee meetings even if they are not a member of the relevant committee. The table above excludes the attendance of those directors who attended meetings of board committees of which they are not a member.

A - meetings attended during the financial year.
H - meetings held during the financial year while the director held office for which the director was eligible to attend.

- ¹ The People and Purpose Committee was replaced during the year with the People and Remuneration Committee.
- ² The Investment Committee was established during the year to assist the board to govern and oversee its capital and investments.

Company Secretary

Matthew Payten was the RACQ’s Company Secretary in office as at the end of the financial year. The qualifications and experience of the Company Secretary are outlined on page 46.

Objectives and strategy

RACQ’s purpose is to drive a better future for all Queenslanders. The Group’s objective is to deliver its 2032 Strategy and vision of being the trusted partner for our members providing solutions to move and live safely, securely and sustainably.

RACQ’s strategy focuses on creating greater value for members by expanding the products, services and advice we offer, supported by deeper insights, personalisation and a connected experience across the member lifecycle. Through this approach, the Group seeks to strengthen member engagement, loyalty and long-term growth.

To deliver its strategy, RACQ is investing in data, digital, AI and technology capabilities, people and organisational effectiveness, and initiatives that improve financial sustainability and operational performance. RACQ also aims to expand its role within the broader mobility ecosystem and increase its impact in the Queensland community through advocacy, partnerships and targeted social impact initiatives.

During FY27, RACQ’s strategic priorities include completing the separation of its Insurance and Banking businesses, simplifying operations and progressing the Group Transformation Program.

Principal activities

RACQ is a public company limited by guarantee, incorporated and domiciled in Australia. RACQ’s principal activities during the year included the provision of roadside assistance, motoring services, general insurance distribution, banking, travel and solar products.

There were no significant changes in the nature of the Group’s activities during the year, other than as set out in the ‘Significant changes in state of affairs’ section below.

Measurement of performance

Throughout the year, RACQ continued to deliver value for members across its motoring, insurance distribution, assistance and banking services, while maintaining a strong focus on advocacy for safer roads and supporting more resilient communities amid increasing climate risk. Performance was measured against the organisation’s key objectives and priorities as outlined in the ‘RACQ Group Plan’. These objectives focused on strengthening market position and growth, deepening member intimacy, simplifying operations and driving operational excellence, delivering the foundations required for future success, and embedding a culture of transformation across the organisation. A comprehensive suite of key performance measures supported each objective, encompassing member and product metrics, key financial measures and ratios, operational performance indicators, and employee engagement outcomes.

Significant changes in state of affairs

Sale of RACQ Insurance Limited

On 1 September 2025, RACQ completed its sale of 90% of the ordinary shares in RACQ Insurance Limited to Insurance Australia Group Limited (IAG), with the option for IAG to acquire the remaining 10% after two years on consistent terms. RACQ and IAG have also entered into a 25-year strategic partnership relating to the delivery of RACQ general insurance products and services for RACQ members and Queenslanders.

This change does not affect RACQ’s commitment to providing Queenslanders with motor and home insurance products now and into the future. By working together, the strategic partnership will strengthen and broaden RACQ Insurance’s proposition, providing members with high-quality products and enhanced digital capabilities.

Under the arrangement, IAG holds responsibility for claims management, product design and pricing, while RACQ maintains the role of marketing, sales and member services.

Sale of RACQ’s retail banking business

On 3 December 2025, RACQ executed an asset sale and purchase agreement with Bendigo and Adelaide Bank Limited (Bendigo Bank) for the sale of RACQ Bank’s retail loan and deposit portfolios. Completion is expected during FY27, and is subject to customary conditions precedent, including regulatory approval obtained through prescribed processes.

RACQ Bank members will benefit from being part of a significantly larger bank, with more than 70 branches across Queensland, a broader range of products and services and strong connections to local communities.

Continuing operations

The insurance and banking businesses relied on a range of corporate overhead and shared services provided across the RACQ Group to support the delivery of their products and services to members. The costs of providing these services were charged to the insurance and banking businesses. While the insurance business has been sold, some of these support activities continue, including those provided to RACQ Insurance Limited under temporary transitional service arrangements for which RACQ recovers its costs.

RACQ continues to incur corporate overhead and shared service costs that previously supported the insurance and banking businesses. These costs are expected to reduce over time through transformation initiatives planned for FY27 and FY28. Because these costs relate to activities that remain within RACQ following the sale of the insurance business and the planned sale of the banking business, they are reported as part of continuing operations. Costs directly associated with the separation and disposal processes, including restructuring and technology decommissioning activities, have been reported within discontinued operations in accordance with Accounting Standards.

The Directors expect RACQ’s continuing operations, excluding these costs, to remain profitable.

Risk management

RACQ maintains a Risk Management Framework designed to identify, assess and manage material risks that may impact the achievement of its strategic objectives and future financial performance. The framework is supported by the Group Risk Management Strategy, Risk Appetite Statements and supporting policies and procedures.

RACQ adopts a structured risk management process supported by the three lines of accountability model. Material risks and emerging risks are regularly reviewed by management and the board through a multi-layered governance framework.

The board is responsible for setting RACQ’s risk appetite and overseeing the effectiveness of the Risk Management Framework, including forming a view of risk culture and ensuring that material risks are managed within approved tolerances. Management is responsible for embedding risk management practices into strategy development, business planning, capital allocation and operational activities, and for monitoring and managing material risks consistent with board-approved settings.

Material risks affecting future financial performance

RACQ’s future financial performance may be affected by a range of internal and external risks. The most significant of these are set out below.

Strategic risk

RACQ is undertaking significant strategic change which exposes the Group to execution risk, including the risk that planned initiatives are not delivered within expected timeframes, cost parameters or performance outcomes. The board oversees strategy execution risk.

Risk Transformation Program

RACQ has completed its multi-year Risk Transformation Program, which began in July 2023 and delivered 92 activities across eight workstreams. External assurance confirmed the work as complete and effective, with APRA confirming closure of the program.

Insurance transition and strategic partnership

RACQ has progressed its Insurance Transition Program, including the separation of underwriting activities, the establishment of new governance arrangements and the implementation of revised service delivery and commercial frameworks. The scale and complexity of these activities, including reliance on third party partners and the achievement of key transition milestones, may impact operational stability, cost outcomes and the realisation of expected strategic and financial benefits.

Exit from retail banking activities

RACQ is progressing the sale and migration of its retail banking portfolios and the subsequent wind down of RACQ Bank. This includes the activities under a jointly agreed migration plan for the transfer of member loans and deposits to Bendigo Bank, the cessation of banking operations and the decommissioning of core technology systems. Execution risk arises from the complexity of these activities and dependency on third parties, which may impact completion timelines, transitional costs and financial outcomes.

Group transformation program

RACQ is undertaking a multi-year Transformation Program to reposition the Group as a modern, member-centric mutual, focused on simplifying the operating model, modernising technology and improving efficiency and member outcomes. The program integrates the Transformation, Insurance and Bank Transition Programs and is being delivered through stages over several years.

The scale, duration and interdependencies of these initiatives, together with reliance on third party providers and the concurrent execution of significant transition activities, give rise to material execution and change management risks. These include the risk that initiatives may not be delivered within expected timeframes or cost parameters, or that anticipated benefits may not be fully realised. If these risks materialise, they could result in increased operating costs, disruption to business operations and variability in future financial performance.

Capital and investment risk

RACQ’s financial performance is sensitive to the management of its capital position, liquidity and investment portfolio. The Group manages its material capital base and deploys investible funds in accordance with its Capital Management Plan and associated investment policies.

Risks arise from the allocation of capital to strategic initiatives, movements in investment markets, and maintaining adequate capital and liquidity to meet obligations, including prudential requirements applicable to the banking business through to the return of the Authorised Deposit-Taking Institution licence. Ineffective capital allocation or adverse market conditions may impact investment returns, earnings volatility and financial resilience.

Climate risk

Climate-related risks may affect RACQ’s operations, cost base and member demand over time. These include physical risks, such as the increasing frequency and severity of extreme weather events in Queensland impacting operations and service delivery, and transition risks arising from changes in regulation, technology, market dynamics and community expectations.

These factors may influence operating costs, asset values, pricing of products and services, and the long-term viability of certain activities, and as a result, may impact RACQ’s financial performance.

Climate-related risks and the mitigation of these risks are further detailed earlier in Part B of this Annual Report as part of the Climate Report.

Social risk

The rising cost of living and broader economic conditions may reduce the affordability of RACQ’s products and services for RACQ members, which may impact demand, product mix and revenue growth.

At the same time, RACQ is experiencing increases in input costs, including regulatory, technology and supply chain costs. Cost increases will impact the pricing of RACQ’s products and services to ensure the financial sustainability of the Group, as will the ability of our members to afford the products and services that RACQ offers.

People Risk

RACQ’s ability to deliver its strategy is dependent on attracting, retaining and developing appropriately skilled employees, particularly during a period of significant organisational change.

A competitive labour market, coupled with evolving workforce expectations and changing skill requirements, may impact RACQ’s ability to maintain critical capabilities. This may reduce the effectiveness of strategic execution, increase costs associated with workforce management and impact overall operational performance. Investment in the evolution of RACQ’s employee value proposition will reduce this risk.

Technology, Cyber Security and Data Risk

RACQ is exposed to risks associated with the security, resilience and performance of its technology and data environments. This includes cyber security risk, data governance risk and the reliability of critical systems and infrastructure.

A significant cyber incident or systems failure could result in operational disruption, loss of sensitive information, regulatory consequences, remediation costs, reputational damage and member harm. These impacts may adversely affect revenue, increase costs and reduce member trust.

RACQ continues to enhance the security of technology and data systems and infrastructure capabilities to better protect members and its business. Our priority has been on the strengthening of controls, uplifting capability and alignment with future state technologies. There is increased focus on cyber awareness and validation of incident response plans, with ongoing delivery of the cyber roadmap aligned with our security strategy to secure data for members and for the business. As a key organisational risk, cyber continues to be a focus for board and management, particularly with the increasing frequency of cyber-attacks across the industries we operate in.

Artificial Intelligence Risk

RACQ is investing in artificial intelligence (AI) capabilities to enhance member experience and improve operational efficiency. The increasing use of AI and AI-enabled systems introduces risks including inaccurate or unintended outcomes, privacy and data security breaches, regulatory non-compliance, operational disruption, financial loss and reputational damage. Changes in the regulatory environment and the evolving nature of AI technology may also impact RACQ’s ability to realise the expected benefits

from these investments. RACQ will continue to enhance its management of these risks through its Risk Management Framework and AI governance arrangements, which are designed to identify, assess, monitor and mitigate AI-related risks as new functionality and systems are delivered. This includes the implementation of appropriate controls, testing and assurance activities to support the responsible and effective use of AI across the organisation.

Director compensation

Non-executive directors are remunerated to recognise the responsibilities, accountabilities and associated risks of directors and for being members of board committees. Directors are remunerated by way of a base fee plus superannuation, plus additional fees for committee membership, where appointed as chair of the board or of a committee, or (where needed) for duties outside the scope of the ordinary duties of a director. Payment is by way of a single group fee for all appointments.

The Constitution of RACQ specifies that the aggregate remuneration paid to all directors for services as a director shall not exceed the Maximum Aggregate Remuneration, as approved by members. At the Annual General Meeting on 23 October 2023, members approved the annual indexation of the Maximum Aggregate Remuneration on 1 July each year, with reference to the most relevant index and period published by the Australian Bureau of Statistics.

For the financial year ended 30 June 2026, the Maximum Aggregate Remuneration for director fees was \$2,028,749 (2025: \$1,981,200). During the year, non-executive directors received the following fees (including superannuation) for their services as a director:

	Board	Committees	Total director fees
2026	\$	\$	\$
Non-Executive Directors			
Leona C Murphy	336,915	-	336,915
Annabel L Dolphin	139,875	59,795	199,670
William J Fellowes	139,875	46,699	186,574
Andrew G Moore	139,875	55,971	195,846
Mark R Rearick	139,875	46,183	186,058
Richard B Umbers	139,875	32,109	171,984
Elizabeth A Savage ¹	103,409	25,895	129,304
Robert Hubbard ²	31,198	8,713	39,911
Sarah J Pearson ³	49,917	9,759	59,676
Duncan Brain ⁴	15,025	10,456	25,481
Total 2026	1,235,839	295,580	1,531,419
Total 2025	1,382,836	307,730	1,690,566

1 – Appointed as Director on 15 September 2025.
2 – Ceased as Director on 15 September 2025.
3 – Ceased as Director on 22 October 2025.
4 – Ceased as Director of RACQ on 31 December 2024, however continued to hold directorship on RACQ Insurance Limited and Club Insurance Holdings Pty Ltd until 1 September 2025.

The directors of RACQ are also directors of the APRA-regulated subsidiaries within the RACQ Group and are not separately remunerated for their services to those subsidiary companies. After ceasing as a director of RACQ Limited on 31 December 2024, Mr Duncan Brain continued to receive director fees for his role as a director of RACQ Insurance Limited until his resignation on 1 September 2025.

In accordance with the Constitution of RACQ, and at the approval of the board, non-executive directors can be paid extra remuneration for special attention to the business of RACQ, or who otherwise performs services which are considered outside the scope of the ordinary duties of a director of RACQ. As outlined in rule 9.14(j) of the Constitution, amounts paid for these additional services do not form part of the Maximum Aggregate Remuneration. Additional remuneration paid under this rule during the year ended 30 June 2026 was as follows:

- \$4,531 (2025: \$29,256) was paid by RACQ to Mr Andrew Moore for services as a director of an external company as a nominee of RACQ Group.

The table and narrative above does not include the executive remuneration of any director who is the Managing Director or an Executive Director, as these amounts do not form part of the Maximum Aggregate Remuneration in accordance with rule 9.14(l) of the Constitution.

Executive remuneration

RACQ’s approach to executive remuneration is outlined in the Group Remuneration Policy as approved by the board. The policy outlines that RACQ aims to provide market competitive remuneration for its executives, balancing priorities between members, financial sustainability, people and risk to support RACQ’s 2032 strategic objectives.

The remuneration of Group executives is considered on an annual basis by the People & Remuneration Committee, which makes annual recommendations to the board for approval. The committee periodically engages an external remuneration consultant to assist in determining the amount or elements of executive remuneration.

Executive remuneration includes a combination of fixed annual and variable rewards and a one-off long-term incentive plan. A portion of the fixed reward is deferred and at risk based on behaviours and alignment to RACQ values. Variable rewards are performance-based and align to the achievement of organisational and personal objectives and are partially deferred to support longer-term decision making and retention. The long-term incentive plan was established in October 2022 to a restricted group of senior executives to recognise and reward the outcomes of the successful delivery of programs over a four-year period including completion of RACQ’s Pricing Promises remediation program, Risk Transformation Program and the strategic review of RACQ Insurance. The plan will vest in October 2026, with payment of grants to be determined based on the board’s assessment of performance outcomes.

Members’ guarantee

RACQ is a company limited by guarantee and has no share capital. In the event of winding up, all classes of members are liable to the amount of \$2.00 per member. As at 30 June 2026, RACQ had 1,788,662 guaranteeing members resulting in a total contribution of \$3,577,324 upon winding up.

Lead auditor’s independence declaration

The Lead Auditor’s Independence Declaration is set out on page 49 and forms part of the Directors’ Report for the year ended 30 June 2026.

Rounding off

RACQ is a company of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2026/183*, and in accordance with that instrument, amounts in the Directors’ Report and the consolidated Financial Report have been rounded off to the nearest one thousand dollars, unless otherwise indicated.

Corporate governance

RACQ’s Corporate Governance Statement is available in the Governance and policies section on RACQ’s website.

Signed in accordance with a resolution of the RACQ Directors.

Leona Murphy OAM
President and Chair
11 August 2026

RACQ Directors

Leona C Murphy OAM

(President and Chair) B.Com, GAICD

RACQ Limited Elected Director – South East Queensland

Leona has been a Director of RACQ Limited since 2018, and President and Chair since November 2022. She is Chair of the Members Banking Group Limited (RACQ Bank), Club Finance Holdings Limited, RACQ Community and is a member of the Group Transition Committee.

Leona brings more than 30 years’ experience in the insurance and financial services sectors, having held senior executive positions for several ASX-listed companies. She is currently a Director of Liberty Financial Limited, Chair of Helia Group Limited, independent member of the Griffith University Audit and Risk Committee and a Board member and Ambassador for the Climate Ready Initiative. She previously held the role of Co-Chair of the United Nations Environment Programme Finance Initiative for Sustainable Insurance.



David Carter

B.Com, FCPA, FCSI, G.Dip Fin Planning, G.Dip Applied Finance and Investment, GAICD

Managing Director & Chief Executive Officer (MD&CEO)

David joined RACQ in March 2020 and is responsible for leading the Club to deliver long-term, sustainable value to its members. With more than 30 years’ experience helping guide financial services institutions, including Suncorp Group and ANZ Limited, to success, David has a strong connection to his home state of Queensland.

David is a Director of RACQ Limited, Members Banking Group Limited (RACQ Bank), Club Finance Holdings Limited and RACQ Community. He has also held several director roles on company boards and industry associations in Australia and New Zealand. He is currently the RACQ representative director of the Australian Automobile Association (AAA), Australian Motoring Services (AMS), Chargefox and GEM Energy Australia Pty Ltd.



Annabel L Dolphin

BBus (Mgmt), Dip NSL, GAICD, CAHRI

RACQ Limited Elected Director – Regional Queensland

Annabel Dolphin has been a Director of RACQ Limited since 2019. She is also a Director of Members Banking Group Limited (RACQ Bank), Club Finance Holdings Limited and RACQ Community. Annabel is Chair of the Risk and Compliance Committees and is a member of the Audit Committees, People and Remuneration Committee and Group Transition Committee.

Annabel brings more than 25 years’ experience specialising in strategic human resources, organisational design and culture change across a diverse range of sectors. She is a Director of Wander Beyond Pty Ltd, leading an award-winning group of travel agencies in Queensland, and a Director of Dolphin Ventures Pty Ltd, where she supports regional businesses through independent advisory board roles. Annabel is President of the Saints Netball Club Mackay Inc. and brings strong governance experience, including having served as a Non-Executive Director of Tourism Australia and Chairperson of TAFE Queensland.



William (Will) J Fellowes

B.Com, GradDipCA, GAICD

RACQ Limited Elected Director – Regional Queensland

Will was elected Director of RACQ Limited in November 2021. He is a Director of Members Banking Group Limited (RACQ Bank), Club Finance Holdings Limited and RACQ Community. Will is also Chair of the Audit Committees and is a member of the Risk and Compliance Committees and Investment Committee.

Will brings more than 20 years of professional experience, complemented by over a decade of governance experience across board and committee roles. He offers deep expertise in audit, risk, financial oversight and assurance, with a strong focus on governance, accountability and organisational performance. He spent more than 16 years at PwC, advising multinational clients, ASX-listed organisations, government entities and private companies across a diverse range of industries, providing strategic insight and rigorous financial stewardship.



Andrew G Moore

BEcon, BSc, MBA (INSEAD), CA, F FIN, GAICD

RACQ Limited Appointed Director

Andrew has been a Director of RACQ Limited since 2020. He is a Director of Members Banking Group Limited (RACQ Bank), Club Finance Holdings Limited and RACQ Community. He is Chair of the Group Transition Committee and is a member of the People and Remuneration Committee and Investment Committee.

Andrew is an experienced financial services executive with more than 30 years’ domestic and global experience. He is also a director of Helia Group Limited.



Elizabeth (Liz) Savage

BEng, MSc, MAICD

RACQ Limited Elected Director – South East Queensland

Liz commenced as a Director of RACQ Limited in September 2025. She is Director of Members Banking Group Limited (RACQ Bank), Club Finance Holdings Limited and RACQ Community. Liz is Chair of the People and Remuneration Committee and a member of the Investment Committee.

Liz has more than 30 years’ experience leading dynamic businesses in the travel and tourism industry through growth and change. Liz is a Non-Executive Director at Intrepid Travel, North Queensland Airports, Auckland Airport and Australian Sailing. She holds a Master’s in Aviation Management, a Bachelor’s in Aeronautical Engineering and is a member of the Australian Institute of Company Directors.



Mark Rearick

BS (Engineering), MS (Engineering), MBA, GAICD

RACQ Limited Appointed Director

Mark was appointed a Director of RACQ Limited in May 2025. He is a Director of Members Banking Group Limited (RACQ Bank), Club Finance Holdings Limited and RACQ Community. He is Chair of the Investment Committee and is a member of the People and Remuneration Committee, Audit Committees and the Risk and Compliance Committees.

Mark is a Non-Executive Director for U Ethical Investors and Are Able and serves as an Associate Professor of Practice at the Monash Business School. Mark holds an MBA in Accounting and Finance and a Master’s Degree in Mechanical Engineering from the University of Michigan. He is a Graduate of the Australian Institute of Company Directors.



Richard B Umbers

BSc, MSc, GAICD

RACQ Limited Appointed Director

Richard was appointed a Director of RACQ Limited in May 2025. He is a Director of Members Banking Group Limited (RACQ Bank), Club Finance Holdings Limited and RACQ Community. Richard is also a member of the Risk and Compliance Committees, Audit Committees and the People and Remuneration Committee.

Richard is an experienced CEO and board member, with a background in supporting or leading large customer-oriented and operationally driven organisations through times of significant change. He is currently a Beachhead Advisor to New Zealand Trade and Enterprise and previously held senior executive roles at Ryman Healthcare, Kaufland, and Myer.



Company Secretary

Matthew Payten

MEmpLaw, LLB, BCom, G.Dip Applied Finance and Investment, GAICD, FGIA

Matthew commenced in the role of Company Secretary and General Counsel for the RACQ Group in October 2023, having worked for RACQ since 2016 in various legal and human resources roles. He leads a team focused on the provision of commercial legal and governance services, including managing all matters associated with the efficient and effective operation of the boards and committees of the Group. With over 25 years of legal experience, prior to RACQ, Matthew worked both domestically and internationally in a variety of executive roles in the resources sector and in private legal practice.

Information on the RACQ directors is set out above, including qualifications, experience and particular responsibilities as at the date of this report. For full details visit [racq.com](https://www.racq.com).



Executive Leadership Team

The RACQ Group is organised along its main operating divisions, each of which is headed by a member of the Executive Leadership Team (ELT), who are direct reports to the MD&CEO. As at the date of this report, the ELT comprise of the following:

Chief Member & Growth Officer – David Harrys
BCom, MBA, FCSI, GAICD

Chief Financial Officer – Stephen Burton
BCom, FCA

Chief People Officer – Megan O’Connor
GradCert HRM

Chief Audit Officer – Wendy Parker
BCom (Law, Economics), BAcc, Chartered Accountant CA(SA), GAICD

Chief Strategy Officer – Rebecca Roberts
BBusMan, BCom

Managing Director & Chief Executive Officer – David Carter
BCom, FCPA, FCSI , G.Dip Fin Planning,
G.Dip Applied Finance and Investment, GAICD

Chief Executive Community – Mary-Jane (MJ) Bellotti
MBA, GAICD

Chief Executive Banking – Bernard (Barney) Burke
BCom, CA

Chief Risk Officer – Ailsa Heise
BBus, FCPA, GAICD

Chief Transformation Officer – Amanda Adams

Chief Technology Officer – Ben Johnston
B. Eng.

Chief Operations Officer – Mark Boswell
MBA, AdvDip (IT), GAICD

Detailed profiles of each ELT member are available at racq.com.au/about-us/corporate/executive-leadership-team¹

¹ Glenn Toms stepped away from his Deputy CEO role on 19 June 2026 with David Harrys and Mark Boswell joining the ELT on that date.



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Auditor’s independence declaration to the directors of The Royal Automobile Club of Queensland Limited

As lead auditor for the audit of the financial report of The Royal Automobile Club of Queensland Limited and for the review of the selective sustainability information in the climate report for the financial year ended 30 June 2026, I declare 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 audit and review;
- b. No contraventions of any applicable code of professional conduct in relation to the audit and review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit and review.

This declaration is in respect of The Royal Automobile Club of Queensland Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Amy Cinquini

Amy Cinquini
Partner
11 August 2026

Consolidated Statement of Comprehensive Income

For the financial year ended 30 June 2026

	Note	2026 \$'000	2025 ¹ \$'000
Revenue			
Revenue from contracts with members and customers	4.1	447,519	294,785
Investment income	4.3	40,905	9,785
Other income		7,068	4,434
Total revenue		495,492	309,004
Expenses			
Payments to contractors for assistance services		(98,517)	(94,720)
Employee benefits expense	4.4	(210,841)	(216,484)
Other operating expenses	4.5	(189,759)	(171,116)
Depreciation and amortisation expense		(18,972)	(23,117)
Total expenses		(518,089)	(505,437)
Net gains on financial assets	4.3	9,678	13,579
Net gains on disposal of business assets		2,687	5,940
Share of profit (loss) in associates and joint ventures	7.9	(525)	1,271
Deficit before income tax		(10,757)	(175,643)
Income tax benefit	4.6.1	5,167	43,651
Surplus (deficit) after tax from continuing operations		(5,590)	(131,992)
Surplus after tax from discontinued operations ²	5.1	48,878	180,035
Surplus for the year		43,288	48,043
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Net gains (losses) on equity investments at fair value through other comprehensive income		(16,500)	12,320
Related income tax benefit (expense)	4.6.1	4,950	(3,696)
Total other comprehensive income (loss) for the year		(11,550)	8,624
Total comprehensive income for the year		31,738	56,667

1. Comparative information has been re-presented for discontinued operations (RACQ Insurance and RACQ Bank) as detailed in note 5.1.

2. The statutory presentation of discontinued operations reflects the requirement to reallocate costs between operations. As a result, corporate overhead and shared services expense allocations previously charged to RACQ Insurance and RACQ Bank of \$39.6 million after tax in FY26 (FY25: \$123.7 million) are retained within continuing operations. This presentation has no impact on the Group's total surplus for the year.

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the Notes to the Consolidated Financial Statements set out on pages 54 to 87.

Consolidated Balance Sheet

As at 30 June 2026

	Note	2026 \$'000	2025 \$'000
Assets			
Current assets			
Cash and cash equivalents		146,734	80,647
Trade and other receivables	6.2.2	35,543	26,269
Financial assets	6.1	1,074,178	1,082,372
Loans and advances		-	681,298
Reinsurance contract assets		-	389,401
Current tax receivable		1,421	-
Other assets		25,035	23,104
Total current assets		1,282,911	2,283,091
Non-current assets			
Trade and other receivables	6.2.2	3,121	1,633
Financial assets	6.1	226,828	1,057,900
Loans and advances		-	1,990,873
Equity-accounted investments	7.9	2,803	3,728
Property, plant and equipment	7.1	75,317	78,441
Goodwill and other intangible assets	7.2	1,884	242,906
Reinsurance contract assets		-	218,258
Deferred tax assets	4.6.2	76,639	62,312
Other assets		14,439	8,489
Total non-current assets		401,031	3,664,540
Assets held for sale – RACQ Bank ¹	5.3	3,009,635	-
Total assets		4,693,577	5,947,631
Liabilities			
Current liabilities			
Trade and other payables	6.2.3	52,096	94,988
Current tax payable		-	33,972
Insurance contract liabilities		-	773,322
Provisions	7.4.1	99,594	17,085
Deposits		-	2,669,016
Contract liabilities	4.1.1	91,693	99,186
Borrowings		-	66,032
Employee benefit liabilities	4.4.1	41,628	54,158
Total current liabilities		285,011	3,807,759
Non-current liabilities			
Trade and other payables	6.2.3	16,365	16,000
Insurance contract liabilities		-	442,292
Provisions	7.4.1	1,449	200
Deposits		-	17,048
Borrowings		-	150,000
Employee benefit liabilities	4.4.1	8,422	11,401
Deferred tax liability	4.6.2	16,086	68,992
Total non- current liabilities		42,322	705,933
Liabilities directly associated with assets held for sale – RACQ Bank ¹	5.3	2,900,567	-
Total liabilities		3,227,900	4,513,692
Net assets		1,465,677	1,433,939
Accumulated funds			
Retained surplus		1,455,167	1,411,458
Reserves		10,510	22,481
Total accumulated funds		1,465,677	1,433,939

1. In accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, comparatives have not been restated for the RACQ Bank disposal group. The Consolidated Balance Sheet is to be read in conjunction with the Notes to the Consolidated Financial Statements set out on pages 54 to 87.

Consolidated Statement of Changes in Accumulated Funds

For the financial year ended 30 June 2026

2026	Retained surplus \$'000	Investment revaluation reserve \$'000	Merger reserve \$'000	Total accumulated funds \$'000
Balance as at 1 July 2025	1,411,458	3,852	18,629	1,433,939
Surplus for the year	43,288	-	-	43,288
Other comprehensive income (loss) for the year	-	(11,550)	-	(11,550)
Total comprehensive income (loss) for the year	43,288	(11,550)	-	31,738
Transfers				
Transfers from investment revaluation reserve	421	(421)	-	-
Total transfers	421	(421)	-	-
Balance as at 30 June 2026	1,455,167	(8,119)	18,629	1,465,677
2025				
Balance as at 1 July 2024	1,357,986	657	18,629	1,377,272
Surplus for the year	48,043	-	-	48,043
Other comprehensive income for the year	-	8,624	-	8,624
Total comprehensive income for the year	48,043	8,624	-	56,667
Transfers				
Transfers from investment revaluation reserve	5,429	(5,429)	-	-
Total transfers	5,429	(5,429)	-	-
Balance as at 30 June 2025	1,411,458	3,852	18,629	1,433,939

The Consolidated Statement of Changes in Accumulated Funds is to be read in conjunction with the Notes to the Consolidated Financial Statements set out on pages 54 to 87.

Consolidated Statement of Cash Flows

For the financial year ended 30 June 2026

Note	2026 \$'000	2025 \$'000
Cash flows from operating activities		
Receipts from members and customers	454,551	300,431
Insurance premiums received	265,620	1,682,070
Reinsurance recoveries received	130,811	445,171
Insurance investment income received	11,445	61,176
Banking interest received	158,562	158,931
Payments to suppliers and employees	(588,221)	(486,201)
Reinsurance premiums paid, net of ceding commission received	(133,826)	(545,433)
Acquisition costs paid	(17,342)	(111,722)
Claims and other insurance service expenses paid	(263,057)	(1,371,027)
Remediation paid	(1,261)	(31,030)
Banking interest paid	(92,313)	(97,139)
Income taxes (paid) received	(41,063)	(14,324)
Net movement in operating assets and liabilities associated with discontinued operations – RACQ Bank		
Loans and advances	40,831	(230,001)
Deposits	62,749	254,342
Net cash flows provided by (used in) operating activities	7.5.1(12,514)	15,244
Cash flows from investing activities		
Proceeds from sale of RACQ Insurance ¹	814,731	-
Taxes paid in relation to disposal of RACQ Insurance	(129,051)	-
Net proceeds from other investing activities and asset sales	41,829	45,732
Proceeds from sale or maturity of financial assets	1,854,819	17,041,526
Payments for financial assets	(2,423,464)	(17,216,569)
Proceeds (payments) for property, plant and equipment	(7,865)	49,211
Net cash flows (used in) from investing activities	150,999	(80,100)
Cash flows from financing activities		
Repayments of principal for lease liabilities	(7,399)	(5,169)
Proceeds from borrowings	-	80,000
Repayments of borrowings	(65,000)	(55,000)
Net cash flows from (used in) financing activities	(72,399)	19,581
Net increase (decrease) in cash and cash equivalents	66,087	(45,005)
Cash and cash equivalents at the beginning of the year	80,647	125,652
Cash and cash equivalents at the end of the year	146,734	80,647

¹ Excludes \$72.3 million of cash and cash equivalents divested upon the completion of the RACQ Insurance sale.
The Consolidated Statement of Cash Flows is inclusive of discontinued operations and is to be read in conjunction with the accompany note 5.
The Consolidated Statement of Cash Flows is to be read in conjunction with the Notes to the Consolidated Financial Statements set out on pages 54 to 87.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2026

1.0 Basis of preparation

Reporting entity

The Royal Automobile Club of Queensland Limited ('RACQ' or the 'Company') is a company limited by guarantee domiciled and incorporated in Australia. The Company's registered office is 2649 Logan Road, Eight Mile Plains, Queensland, 4113.

The Consolidated Financial Statements comprise the Company and its subsidiaries (together referred to as 'RACQ Group' or the 'Group') and were authorised for issue by the Board of Directors on 11 August 2026.

The Company is a for-profit entity for the purposes of preparing the financial statements. The Group's principal activities during the financial year were the provision of assistance and retail banking products and services to members, and the distribution of insurance products.

Statement of compliance

The Consolidated Financial Statements are general purpose financial statements that has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The Consolidated Financial Statements comply with International Financial Reporting Standards (IFRS) and Interpretations issued by the International Accounting Standards Board (IASB). The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

Material accounting policy information has been included in the relevant note to which the policies relate. The accounting policies have been applied consistently to all periods presented in these consolidated financial statements. Certain comparative amounts have been re-presented to conform with changes in presentation in the current financial year.

Sale of RACQ Insurance

On 28 November 2024, RACQ and Insurance Australia Group Limited (IAG) entered into a 25-year strategic partnership for the provision of general insurance products and services to RACQ members and Queenslanders. Under this arrangement, a Sale and Purchase Agreement (SPA) was executed for IAG to acquire 90% of the ordinary shares in RACQ Insurance Limited, with an option to acquire the remaining 10% in two years on consistent terms.

The transaction received regulatory approval from APRA and the Federal Treasurer on 11 July 2025 under the *Financial Sector (Shareholdings) Act 1998 (Cth)* and the *Insurance Acquisitions and Takeovers Act 1991 (Cth)*. The transaction completed on 1 September 2025.

As a result of the transaction, RACQ ceased to control RACQ Insurance Limited from 1 September 2025. Accordingly, the results of RACQ Insurance Limited have been included in the Group's consolidated financial statements up to the date of completion. In accordance with AASB 5 *Non-current Assets for Sale and Discontinued Operations* (AASB 5), the insurance operations are presented as a discontinued operation for the year ended 30 June 2026, with comparative information re-presented where applicable.

As part of the sale, the RACQ Group provided warranties and indemnities to IAG under the SPA, which are disclosed as contingent liabilities in note 7.4.2.

Exit of RACQ Bank

On 3 December 2025, RACQ entered into an Asset Sale and Purchase Agreement with Bendigo and Adelaide Bank Limited for the sale of Members Banking Group Limited's (RACQ Bank) retail loan and deposit portfolios.

This transaction forms part of a coordinated plan by the Group to exit retail banking operations. The plan includes the transfer of member loan and deposit portfolios, decommissioning of banking systems, and the orderly wind-up of RACQ Bank, including the voluntary revocation of its authorised deposit-taking institution (ADI) licence following Completion and wind-up activities. Completion of the transaction is expected to occur in FY27, subject to satisfaction of customary conditions precedent, including regulatory approval.

As at 30 June 2026, management has assessed that the retail banking operations meet the criteria for classification as a disposal group held for sale and as a discontinued operation in accordance with AASB 5. Accordingly, the assets and liabilities of the banking operations have been classified as held for sale, and the results of the banking operations have been presented separately as a discontinued operation, with comparative information re-presented where applicable.

Basis of measurement

The Consolidated Financial Statements are presented in Australian dollars and have been prepared on the historical cost basis, except where the application of fair value measurement is required by the relevant accounting standards.

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* dated 27 March 2026 and all financial information presented has been rounded off to the nearest thousand dollars, unless otherwise stated.

Where necessary, comparatives have been re-presented to conform to changes in presentation in the current financial year. This includes:

- Changes arising from the classification of RACQ Bank's banking operations as a disposal group held for sale and a discontinued operation in accordance with AASB 5, refer to note 5.
- In the Consolidated Statement of Comprehensive Income and respective notes, comparative information has been re-presented to present the post-tax results of discontinued operations as a single line item, separate from continuing operations. This includes the results and gain on sale of RACQ Insurance Limited, which has been classified as discontinued operations and includes its trading activity up to the date of completion on 1 September 2025.
- In the Consolidated Balance Sheet, the disposal groups have been classified as held for sale as at 30 June 2026, and comparative information has not been re-presented in accordance with AASB 5.

Significant estimates, judgements and assumptions

In preparing these Consolidated Financial Statements, management has made certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is provided in the following notes:

- Held for sale classification of RACQ Bank (note 5)
- Gain on sale of RACQ Insurance and associated income tax expense (note 4.6 and note 5)
- Fair value of financial instruments (note 6.1.2)
- Provisions and contingent liabilities (note 7.4)

Basis of consolidation

(i) Subsidiaries

The Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2026. Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases.

(ii) Interests in equity-accounted investees

The Group's interest in equity-accounted investees comprise interest in associates and joint ventures. Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised profit or losses, are eliminated in preparing the Consolidated Financial Statements.

2.0 New Australian accounting standards and amendments

The Group has applied all new and amended Australian Accounting Standards that are mandatory for financial reporting periods beginning on or after 1 July 2025. Except as outlined below, the adoption of these standards did not have a material impact on the Group's Consolidated Financial Statements or disclosures.

AASB S2 *Climate-related Disclosures*

AASB S2 *Climate-related Disclosures* (AASB S2) establishes mandatory requirements for entities to disclose information on governance, strategy, risk management, and metrics and targets associated with climate-related risks and opportunities. The standard applies to the Group for the reporting period ending 30 June 2026. Further details are set out in the Climate Report on pages 26 to 35, which has been prepared in accordance with AASB S2.

3.0 Standards and amendments issued not yet effective

As at the date of this financial report, there are several new or amended Australian Accounting Standards that will be mandatory in future financial years. Except as outlined below, none are expected to have a material impact on the Group's Consolidated Financial Statements.

AASB 18 *Presentation and Disclosure in Financial Statements*

AASB 18 *Presentation and Disclosure in Financial Statements* (AASB 18) has been issued to improve how entities communicate in their financial statements, with particular focus on information about financial performance in the statement of profit or loss. AASB 18 introduces three new categories for classification of all income and expenses in the statement of profit or loss: operating, investing and financing. AASB 18 will replace AASB 101 *Presentation of Financial Statements*. This new standard will be effective for the Group's consolidated financial statements from 1 July 2027. The Group is still to consider the impacts of the new disclosure requirements.

4.0 Financial performance

4.1 Revenue from contracts with members and customers

The Group derives revenue from the transfer of goods and services over time and at a point in time from:

	2026 \$'000	2025 \$'000
Revenue from assistance activities	231,465	227,219
Revenue from sale of goods	74,928	52,277
Insurance distribution commissions	91,125	-
Transitional services revenue	36,227	-
Trade towing revenue	7,303	6,983
Advertising revenue	1,054	1,040
Fee and other revenue	5,417	7,266
Total	447,519	294,785
Timing of revenue recognition		
At a point in time	218,759	103,566
Over time	228,760	191,219
Total	447,519	294,785

4.1.1 Assets and liabilities related to contracts with members

The Group has recognised the following assets and liabilities related to contracts with members:

	2026 \$'000	2025 \$'000
Trade and other receivables	24,137	11,122
Expected credit loss	(123)	(115)
Net trade and other receivables	24,014	11,007
Contract liabilities	(91,693)	(99,186)

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in the given year.

	2026 \$'000	2025 \$'000
Revenue recognised in the current period that was included in the contract liability balance at the beginning of the period		
Assistance activities	99,186	95,459

4.2 Accounting policies for revenue from contracts with members and customers

(i) Assistance activities

The majority of revenue from assistance activities is derived from the sale of roadside assistance policies. Member subscriptions for policies are fixed and received in advance, giving rise to contract liabilities for the unexpired period of the subscription term. The earned portion of subscriptions received is recognised as revenue evenly over the life of the underlying policy (usually one year) and deducted from contract liability balances.

The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense incremental costs to obtain the subscription because the amortisation period of the asset that the Group otherwise would have used is one year or less.

(ii) Sale of goods

Revenue from the sale of goods is derived from the sale of products that complement assistance services, and is recognised at the point in time when control of the products has transferred to the customer, being the time when the products are delivered.

(iii) Insurance distribution commission revenue

The Group earns commission revenue from the distribution of insurance policies under a strategic alliance arrangement. The Group acts as an agent and recognises revenue on a net basis representing commission earned. Commission revenue is recognised at a point in time when the Group satisfies its performance obligation, being when an insurance policy is bound and the Group has a right to consideration. Revenue is measured at the contractual commission rate applied to eligible premiums and includes an estimate of variable consideration for cancellations and refunds, constrained to amounts that are highly probable not to reverse. Revenue is recognised net of GST.

(iv) Transitional services revenue

Revenue from transitional services is recognised as the services are provided over time in accordance with the underlying contractual arrangements.

(v) Other revenue and contract costs

Other revenue is recognised on an accrual basis once a right to receive consideration has been attained or when service to the customer has been rendered.

4.3 Investment income

	2026 \$'000	2025 \$'000
<i>Interest income</i>		
Financial assets at amortised cost	30,131	5,099
Financial assets at fair value through profit or loss	10,774	4,686
Total investment income	40,905	9,785
<i>Net gains on:</i>		
Initial recognition of retained interest in former associate as a financial asset	-	10,602
Financial assets at fair value through profit or loss	9,678	2,977
Net gains on financial assets	9,678	13,579

Investment income is comprised of interest income on term deposits, funds invested and dividend income. Interest income on assets at amortised cost is recognised using the effective interest method. Dividends and distribution income are recognised when the right to receive income is established.

Net gains/(losses) on financial assets are comprised of net gain/(losses) on the disposal of financial assets and changes in the fair value of financial assets held at fair value through profit or loss.

4.4 Employee benefits

	2026 \$'000	2025 \$'000
Wages and salaries and other staff costs	189,959	188,970
Defined contribution superannuation expenses	20,882	27,514
Total employee benefits expense	210,841	216,484

4.4.1 Employee benefits liabilities

	2026 \$'000	2025 \$'000
Liability for annual leave	14,347	19,268
Liability for long service leave	16,272	20,950
Other employee benefit liabilities	19,431	25,341
Total employee benefit liabilities	50,050	65,559
Current	41,628	54,158
Non-current	8,422	11,401
Total employee benefit liabilities	50,050	65,559

Accounting policies

(i) Short-term employee benefits

Short-term employee benefits represent the amount that the Group has a present obligation to pay resulting from employees' services provided up to the reporting date, which are expected to be wholly settled within twelve months of the reporting date. They are measured at undiscounted amounts based on wage and salary rates that the Group expects to pay when the liability is settled, including related on-costs, such as workers' compensation insurance and payroll tax.

(ii) Long-term employee benefits

The Group's obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The benefit is calculated using expected future increases in wage and salary rates, including related on-costs and expected settlement dates, and is discounted using high quality corporate bond rates to determine its present value. Re-measurements are recognised in surplus in the period in which they arise.

(iii) Superannuation

Obligations for contributions to defined contribution superannuation funds are recognised as an expense as the related services are provided.

4.5 Other operating expenses

	2026 \$'000	2025 \$'000
Technology and communications	62,266	55,335
Contractors and professional services	42,226	29,716
Marketing and advertising	21,631	16,686
Motor vehicle and consumables expense	19,297	16,450
Other fee and commission expense	11,659	14,237
Postage and printing	8,129	8,784
Property and related occupancy costs	8,730	7,986
Other expenses	15,821	21,922
Total other operating expenses	189,759	171,116

4.6 Income tax

4.6.1 Income tax expense

Income tax expense comprises current and deferred tax and is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the

tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

The Company and its wholly owned Australian resident entities are not part of a tax-consolidated group. Consequently, each entity is separately assessed for tax.

The Royal Automobile Club of Queensland Limited is a company limited by guarantee and is unable under the *Corporations Act 2001* to pay dividends and accordingly is unable to utilise or distribute the franking account credits.

	2026 \$'000	2025 \$'000
Reconciliation of prima facie to actual income tax expense		
Deficit before tax from continuing operations	(10,756)	(175,643)
Surplus before tax from discontinued operations	81,664	342,030
Surplus before income tax	70,908	166,387
Prima facie tax expense calculated at 30% (2025: 30%)	21,272	49,916
Adjust for tax effect of:		
- Non-deductible expenses	3,572	4,606
- Assessable income	137	285
- Non-assessable income	385	(2,546)
- Tax offset for franked dividends	(153)	(287)
- Foreign income tax offsets	-	(385)
- Recognition of previously unrecognised (derecognition of previously recognised) temporary differences	5,892	66,326
- Prior year (over) under provision	(3,485)	436
Total income tax expense on pre-tax surplus	27,620	118,351
Total tax expense (benefit) on pre-tax surplus (deficit) from continuing operations	(5,167)	(43,651)
Total tax expense on pre-tax surplus from discontinued operations	32,787	162,002
Income tax expense recognised in net surplus consists of:		
Current tax expense		
Current tax movement	108,578	47,179
Adjustments in respects of previous year	(220)	531
Total current tax expense	108,358	47,710
Deferred tax		
Origination and reversal of temporary differences	(80,738)	70,641
Total deferred income tax (benefit) expense	(80,738)	70,641
Total income tax expense	27,620	118,351
Deferred tax recognised directly in equity		
Relating to equity investments designated at FVOCI	4,950	(3,696)
Total income tax (benefit) expense recognised directly in equity	4,950	(3,696)

Income tax expense on sale of subsidiary

During the current financial year, the Group completed the disposal of its investment in subsidiary, RACQ Insurance Limited. As a result of this transaction, an income tax expense of \$39.2 million has been incurred in FY26, which is net of the reversal of the deferred tax liability on investment in subsidiary recognised in the prior financial year.

The determination of the income tax expense required the application of complex income tax legislation and involved significant judgement. In particular, judgement was required in relation to the interpretation and application of relevant tax law to the specific transaction structure, the determination of the tax cost base of the investment disposed and the treatment of transaction-related adjustments not yet resolved, and associated tax positions.

The Group has engaged with the Australian Taxation Office on a Private Binding Ruling in relation to the tax treatment of certain aspects of the transaction. At the reporting date, this process remains ongoing and the final outcome is not yet known.

4.6.2 Recognised deferred tax assets and liabilities

A deferred tax asset is recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable surplus will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and when the deferred tax balances relate to the same taxation authority. Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Property, plant and equipment and intangibles	32,084	19,439	(21)	(778)	32,063	18,661
Trade and other payables	2,656	5,021	-	-	2,656	5,021
Financial assets	2,705	218	(25,261)	(15,392)	(22,556)	(15,174)
Investment in subsidiary	-	-	-	(64,720)	-	(64,720)
Claims handling costs on outstanding claims	-	19,331	-	-	-	19,331
Insurance contract liabilities	-	-	-	(5,505)	-	(5,505)
Employee benefits	10,392	14,350	-	-	10,392	14,350
Provisions	24,194	7,265	-	-	24,194	7,265
Other items	7,829	6,101	(5,048)	(3,979)	2,781	2,122
Tax offsets carried forward	5,719	5,719	-	-	5,719	5,719
Tax losses recognised	5,304	6,250	-	-	5,304	6,250
Deferred tax assets (liabilities)	90,883	83,694	(30,330)	(90,374)	60,553	(6,680)
Set off of tax	(14,244)	(21,382)	14,244	21,382	-	-
Net deferred tax assets (liabilities)	76,639	62,312	(16,086)	(68,992)	60,553	(6,680)

Tax losses carried forward

The deferred tax assets for the Group include an amount of \$5.3 million (2025: \$6.3 million) which relates to carry forward tax losses within the controlled entities of the Group. These entities had incurred tax losses in recent years, however, have returned to profitability. Deferred tax assets will be recoverable using the estimated future taxable income based on the Board approved budget and forecasts for the Group. The losses can be carried forward indefinitely and have no expiry date. On this basis, it is considered probable that future taxable profits are available against which such losses can be used.

5.0 Discontinued operations and assets and liabilities held for sale

During the financial year, the Group completed the sale of RACQ Insurance Limited and announced the sale of its retail banking business. Both operations represent major lines of business and meet the definition of a discontinued operation under AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* (AASB 5). In accordance with AASB 5, the post-tax results of discontinued operations are presented as a single combined line item on the face of the consolidated statement of comprehensive income, with comparative information re-presented on the same basis. The results of each discontinued operation are disclosed separately below.

RACQ Insurance

On 1 September 2025, Club Insurance Holdings Pty Ltd (CIH), a wholly owned subsidiary of RACQ, completed the sale of 90% of the ordinary shares in RACQ Insurance Limited (RACQ Insurance) to IAG Limited pursuant to the Sale and Purchase Agreement dated 28 November 2024. Upon completion, the Group ceased to control RACQ Insurance and deconsolidated the entity from the RACQ Group in accordance with AASB 10 *Consolidated Financial Statements* (AASB 10).

CIH retains a 10% interest in RACQ Insurance, subject to a call option held by IAG exercisable no earlier than two years following completion. The retained interest does not confer significant influence over RACQ Insurance. The call option is classified as a financial asset and measured at fair value through profit or loss. Refer to note 6.1.

On deconsolidation, the Group recognised the fair value of consideration received, the fair value of the retained interest, and derecognised the net assets of RACQ Insurance at their carrying amounts. The resulting net gain on disposal, after directly attributable transaction and separation costs and the related tax effect, is included in the result from discontinued operations. The final consideration received is subject to transaction-related adjustments not yet resolved. As at 30 June 2026, these adjustments have been estimated and the net amount is reflected in the gain on disposal.

The financial results of RACQ Insurance for the period 1 July 2025 to 1 September 2025 are presented within discontinued operations. The consolidated balance sheet at 30 June 2026 does not include the assets and liabilities of RACQ Insurance. In accordance with AASB 5, comparative balance sheet information has not been re-presented.

In addition, other warranties and indemnities provided to IAG under the SPA and Transitional Services Agreement are disclosed as contingent liabilities in note 7.4.2.

Sale of RACQ Bank retail lending and deposit business

On 3 December 2025, Members Banking Group Limited (RACQ Bank) executed an Asset Sale and Purchase Agreement with Bendigo and Adelaide Bank Limited for the sale of its retail lending and deposit portfolios. Completion is expected during FY27, and is subject to customary conditions precedent, including regulatory approval obtained through prescribed processes.

The assets and liabilities of the banking business that meet the classification criteria of AASB 5 have been classified as a disposal group held for sale and are presented separately in the consolidated balance sheet. The disposal group comprises assets and liabilities associated with the banking operations expected to be transferred as part of the Bendigo transaction, as well as certain items that will not transfer. This treatment reflects management’s commitment to a plan to exit the banking business in its entirety, including the surrender of the banking licence following completion of the transfer of the retail loan and deposit portfolios. Comparative balance sheet information has not been re-presented. The banking operations, being a major line of business, meet the definition of a discontinued operation and the financial results for the current financial year are presented within the single line item for discontinued operations, with comparatives re-presented.

The disposal group comprises financial instruments within the scope of AASB 9 *Financial Instruments* (AASB 9). In accordance with AASB 5, these financial assets and liabilities continue to be measured under AASB 9 at the reporting date rather than at the lower of carrying amount and fair value less costs to sell. Non-financial assets within the disposal group are measured at the lower of carrying amount and fair value less costs to sell.

A provision for restructuring and separation costs directly attributable to the exit of banking operations has been recognised in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* (AASB 137) and is disclosed in note 7.4.1.

5.1 Surplus from discontinued operations

The table below presents the profit from discontinued operations for the financial year ended 30 June 2026 and the comparative period.

	2026 \$'000	2025 \$'000
RACQ Insurance		
Insurance revenue	243,886	1,382,632
Insurance service expense	(138,617)	(1,007,197)
Reinsurance recoveries	39,049	459,978
Reinsurance premium expense	(95,500)	(558,459)
Insurance finance expense	(1,138)	(40,995)
Reinsurance finance income	878	20,994
Investment interest and dividend income	9,670	58,466
Other income	266	3,352
Net gain (losses) on financial assets	(1,826)	22,501
Insurance result before tax ¹	56,668	341,272
Income tax expense	(17,387)	(103,472)
Insurance result after tax	39,281	237,800
Gain on sale of discontinued operation	93,921	-
Income tax on gain on sale of discontinued operation ²	(27,236)	(65,573)
Transaction and separation costs net of tax ³	(56,370)	(20,516)
Surplus from discontinued operation – RACQ Insurance (a)	49,596	151,711
RACQ Bank		
Banking interest income	158,562	158,931
Banking interest expense	(93,036)	(94,618)
Net banking interest income	65,526	64,313
Fee and commission revenue	2,068	2,125
Operating expenses	(7,213)	(5,991)
Employee benefits expense	(17,895)	(16,934)
Credit and other financial asset impairment reversal (loss)	220	(411)
Banking result before tax ¹	42,706	43,102
Income tax expense	(12,740)	(12,460)
Banking result after tax	29,966	30,642
Transaction and separation costs net of tax ³	(30,684)	(2,318)
Surplus (loss) from discontinued operation – RACQ Bank (b)	(718)	28,324
Surplus after tax for discontinued operations (a + b)	48,878	180,035

1. The statutory presentation of discontinued operations reflects the requirement to reallocate costs between operations. As a result, corporate overhead and shared services expense allocations previously charged to RACQ Insurance and RACQ Bank of \$39.6 million after tax in FY26 (FY25: \$123.7 million) are retained within continuing operations. This presentation has no impact on the Group’s total surplus for the year.

2. The income tax expense recognised in relation to the gain on disposal of the discontinued operation is subject to significant estimation uncertainty. This reflects the complexity of the underlying transaction and the application of relevant tax legislation to determine the final assessable gain and associated tax outcomes. Refer to note 4.6.1 for further details.

3. Transaction and separation activities associated with the discontinued operations of RACQ Insurance and RACQ Bank involve significant judgement and estimation. This includes the identification and measurement of costs required to separate, transition and exit these operations, including recognition of related provisions. Further detail is provided note 7.4.1.

5.2 Cash flows from (used in) discontinued operations

The table below presents the net cash from (used in) operating, investing and financing activities for discontinued operations for the year ended 30 June 2026 and the comparative period. It includes the incurred transaction and separation costs, which are part of the net cash used in investing activities.

	2026 \$'000	2025 \$'000
RACQ Insurance		
Net cash from (used in) operating activities	(158,665)	108,168
Net cash from (used in) investing activities	187,870	157,751
Net cash from (used in) financing activities	(100,000)	(148,500)
Net cash flows from (used in) - RACQ Insurance Limited (a)	(70,795)	117,419
RACQ Bank		
Net cash from (used in) operating activities	167,291	38,619
Net cash from (used in) investing activities	11,666	(31,541)
Net cash from (used in) financing activities	(65,000)	5,000
Net cash flows from (used in) - RACQ Bank (b)	113,957	12,078
Net cash flows from (used in) discontinued operations (a + b)	43,162	129,497

5.3 Assets and liabilities held for sale – RACQ Bank

	2026 \$'000
Other financial assets at amortised cost	376,643
Loans and advances	2,631,560
Deferred tax assets	1,432
Total assets held for sale	3,009,635
Deposits	(2,749,794)
Borrowings	(150,773)
Total liabilities held for sale	(2,900,567)
Net assets held for sale	109,068

Accounting policies

As at 30 June 2026, assets and liabilities held for sale were measured at the lower of Members Banking Group’s carrying amount and fair value less costs to sell. Accounting policies of assets and liabilities exempt from this requirement are included in the following notes:

- Financial assets (refer to note 6.1)
- Deferred tax assets and liabilities (refer to note 4.6.2)
- Loans and advances (refer below)
- Deposits (refer below)
- Borrowings (refer below)

Loans and advances

Loans and advances are financial assets held within a business model whose objective is to collect contractual cash flows. The contractual cash flows for loans and advances are solely payments of principal and interest on the principal amount outstanding. These instruments are accordingly measured at amortised cost in accordance with AASB 9.

Loans and advances are recognised at settlement date when loan funding is provided to the borrower. They are initially recognised at their fair value plus directly attributable transaction costs. Subsequent to initial recognition, they are measured at their amortised cost using the effective interest rate method and presented net of provision for impairment. Refer to Note 7.4.1 for the accounting policy on the provision for impairment.

Deposits

Deposits are initially measured at fair value plus transaction costs, and subsequently measured at their amortised cost using the effective interest method. Interest expense on deposits is recognised on an accrual basis. Interest accrued at reporting date is shown as part of deposits.

Borrowings

Borrowings are initially measured at fair value plus transaction costs, and subsequently measured at their amortised cost using the effective interest method. Interest expense on borrowings is recognised on an accrual basis. Interest accrued at reporting date is shown as part of borrowings.

5.4 Provision for impairment on financial assets from discontinued operation

	Stage 1 Collective Provision 12-month ECL	Stage 2 Collective Provision Lifetime ECL	Stage 3 Collective Provision Lifetime ECL	Stage 3 Specific Provision Lifetime ECL	Total
\$'000 – ECL					
ECL allowance as at 1 July 2025	1,382	219	316	551	2,468
Transfer to (from) Stage 1	458	(132)	(212)	(114)	-
Transfer to (from) Stage 2	(5)	31	-	(26)	-
Transfer to (from) Stage 3	(4)	(42)	4	42	-
New and increased provisions (net of releases)	(546)	173	94	76	(203)
Write-offs from specific provisions	-	-	-	(61)	(61)
ECL allowance as at 30 June 2026	1,285	249	202	468	2,204
ECL allowance as at 1 July 2024	983	176	408	586	2,153
Transfer to (from) Stage 1	385	(89)	(190)	(106)	-
Transfer to (from) Stage 2	(3)	24	(8)	(13)	-
Transfer to (from) Stage 3	(5)	(12)	11	6	-
New and increased provisions (net of releases)	22	120	95	183	420
Write-offs from specific provisions	-	-	-	(105)	(105)
ECL allowance as at 30 June 2025	1,382	219	316	551	2,468

Credit and other financial asset impairment (loss) reversal

	2026 \$'000	2025 \$'000
Net collective provision - loans and advances	181	(351)
Net specific provision - loans and advances	22	(70)
Bad debts recovered - loans and advances	33	9
Impairment reversal of other financial assets	(16)	1
Total credit and other financial asset impairment (loss) reversal	220	(411)

Recognition and measurement

Overview of the ECL principles

The ECL methodology used for determining impairment provisions under AASB 9 applies to all loans and advances and other debt financial assets not held at fair value. The ECL methodology is forward-looking and does not require evidence of an actual loss event for impairment provisions to be recognised.

The Group applies a three-stage approach to measuring ECLs.

Stage	Loan classification	Provision assessment	ECL measurement basis
Stage 1 – Performing	Performing loans	Collective	12 months ECL – on origination, financial assets recognise an ECL provision equivalent to credit losses expected to arise from defaults occurring over the next 12 months.
Stage 2 – SICR	Loans that have experienced a significant increase in credit risk (SICR)	Collective	Lifetime ECL – financial assets that have experienced a SICR recognise an ECL provision equivalent to credit losses expected to arise from defaults occurring over the remaining life of financial assets.
Stage 3 – Default	Non-performing loans (not credit impaired)	Collective	Lifetime ECL – financial assets that are in default recognise a lifetime ECL provision. Where the loan is not credit impaired, provision determined on a collective basis within the ECL model.
	Impaired loans	Specific	Lifetime ECL – loans that are in default and each loan’s individual assessment for impairment results in shortfall, based on the estimated future cash flows of the exposure.

On origination, all exposures are performing loans and are allocated to Stage 1. At each reporting date, the Group assesses the credit risk of exposures in comparison to the risk at origination, to determine the applicable ECL stage for each exposure. If the credit risk of an exposure has increased significantly since origination, it will migrate to Stage 2. Should an exposure enter default, it will migrate to Stage 3. The definitions of SICR and default are outlined below.

Significant increase in credit risk

SICR is assessed by comparing the risk of default occurring over the expected life of a financial asset at reporting date to the corresponding risk of default at origination. In assessing SICR, the Group considers internally available information, external data and forecast information.

For loans and advances, the Group considers contractual payments that are 30 days past due, or an exposure being accepted for financial hardship relief as the primary indicators of SICR.

Default and write-offs

Default occurs when it is unlikely that a borrower will meet contractual credit obligations in full, or when the exposure enters 90 days past due. Exposures in default are classified as credit impaired when there is doubt as to whether the full amounts due, including interest and other payments, will be received in a timely manner.

Loans are written off when there is no reasonable expectation of recovery. Loans are written off against the related ECL provision on completion of the internal recovery action and when all reasonable expected recoveries have been collected. If no provision for impairment has previously been recognised, write-offs for bad debts are recognised as expenses in the Consolidated Statement of Comprehensive Income. When a subsequent event results in the recovery of an impairment loss, this is recognised through the Consolidated Statement of Comprehensive Income.

Measuring ECL – Collective provisions

The ECL is a probability-weighted expected credit loss estimated by evaluating a range of possible scenarios. Taking into consideration the time value of money, historical losses, current loan portfolio information and current and forecast economic conditions.

The Group uses a collective provision model to calculate ECLs for each significant portfolio: housing loans, personal loans (secured and unsecured), revolving credit and commercial loans.

The amount of ECL is the product of the following credit risk factors:

Probability of default (PD)	The likelihood that a borrower will default over a given period
Loss given default (LGD)	The amount that is not expected to be recovered following default
Exposure at default (EAD)	The expected balance sheet exposure in the event of default

Measuring ECL – Specific provisions

Secured exposures (residential mortgages and secured personal loans) that are in default and not well secured are subject to an individual provision assessment. Impairment provisions on these exposures are calculated as the difference between the carrying amount of the defaulted loan and the present value of future cash flows from realisation of security, after making an allowance for realisation costs (real estate and legal fees).

Forward-looking information

The credit risk factors of PD and LGD used in the ECL model are point-in-time estimates based on current conditions and adjusted to include the impact of unbiased, probability-weighted forecast economic scenarios. These economic scenarios were built using macro-economic factors most closely correlated with the Group’s historical credit losses, namely the unemployment rate, annual change in gross domestic product (GDP) and the Brisbane house price index. The weights assigned to each scenario are based on management’s best estimate of the proportion of potential future loss events that each scenario represents.

The Group uses the following four alternative forward-looking scenarios in estimating ECL:

Weightings	30 June 2026	30 June 2025	Considerations at 30 June 2026
Baseline scenario	45%	45%	Reflects current economic conditions and is largely aligned with the Reserve Bank of Australia’s (RBA) latest economic forecasts.
			Unemployment rate is expected to rise slightly in 2026 to 4.3%.
			Annual GDP growth is expected to reduce to 1.7% in 2026.
Downside	40%	40%	House prices forecast for Brisbane is expected to increase by 9.0% in 2026 followed by a further uplift of 4.0% in 2027.
			Derived from the baseline. Assumes negative impacts of greater global uncertainty resulting in lower investment and household spending that poses a downside risk to domestic economic activity.
			Unemployment rate being 2.0% unfavourable and annual GDP 1.0% unfavourable to baseline.
Upside	5%	5%	Derived from the baseline. however, assumes a faster recovery in GDP, and therefore lower unemployment and higher increases in the house price index.
			Unemployment rate and annual GDP being 1.0% favourable compared to baseline.
			Derived taking into consideration the results of APRA’s stress testing of banks during COVID-19 in December 2020. The economic conditions underlying the stress tests were based on very severe forward-looking economic assumptions, well beyond the impact of COVID-19. The scenario developed by APRA composed of a very large fall in economic activity, with GDP falling by 15.0%, unemployment rising to over 13.0% and national house prices falling by over 30.0% over a 3-year period.
Severe downturn	10%	10%	

Lifetime of loans

Exposures allocated to Stage 2 and Stage 3 of the ECL are determined on a lifetime expected loss basis. The Group estimates the expected lives of financial instruments with reference to each loan portfolio’s historical behavioural term and does not exceed the maximum contractual period.

ECL governance

Members Banking Group Limited’s (RACQ Bank) Credit Risk Committee reviews the ECL methodology and model at least annually, taking into consideration actual loan loss experience and changes in underlying loan portfolios. Where deemed necessary, credit risk parameters may be recalibrated.

RACQ Bank’s Asset and Liability Committee is responsible for reviewing and approving the macro-economic forecast scenarios and associated probability weightings on a regular basis.

Management adjustments and overlays may be made to impairment provisions to account for circumstances where known or emerging risks have not been captured in the ECL modelling process. RACQ Bank’s Credit Risk Committee is responsible for approving such adjustments.

ECL Sensitivity

The table below discloses the collectively assessed provision outcomes assuming a 100% weighting is applied to the relevant scenario, all other assumptions held constant.

Scenario Outcomes	30 June 2026 \$’000	30 June 2025 \$’000
Baseline scenario	1,272	1,216
Downside	1,434	1,384
Upside	1,156	1,106
Severe downturn	1,864	1,893

6.0 Balance sheet and risk management

6.1 Financial assets

	2026 \$'000	2025 \$'000
<i>Amortised cost</i>		
Deposits with ADIs	873,371	472,245
<i>Financial assets held at fair value through profit or loss</i>		
Unit trusts	275,488	229,847
Hybrid securities	-	6,265
Debt securities	-	1,375,917
Equity securities – shares in unlisted entities	98,333	-
<i>Designated at fair value through OCI</i>		
Equity securities – shares in listed and unlisted entities	53,814	55,998
Total financial assets	1,301,006	2,140,272
Current	1,074,178	1,082,372
Non-current	226,828	1,057,900
Total financial assets	1,301,006	2,140,272

Accounting policies for financial assets are provided in Note 6.3.

On 1 September 2025, the Group disposed of 90% of its interest in RACQ Insurance Limited, resulting in a loss of control and deconsolidation. In accordance with AASB 10, the fair value of the retained 10% equity interest was included as part of the consideration in determining the total gain on disposal recognised in profit or loss. The Group has assessed that it does not have significant influence over the investee and, accordingly, the retained interest is classified as a financial asset. On initial recognition, the investment was measured at fair value and is subsequently measured at fair value through profit or loss in accordance with AASB 9.

The retained interest is subject to a call option held by IAG, exercisable from 1 September 2027, with a contractually defined exercise price comprising a fixed base amount and specified adjustments. The valuation is classified as a Level 1 measurement.

6.1.1 Fair value hierarchy

The Group measures fair values of financial instruments using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1	Quoted closing prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

6.1.2 Financial instruments measured at fair value

The following table presents the financial instruments that are measured at fair value categorised by fair value hierarchy:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2026				
Financial assets at fair value through profit or loss				
Unit trusts	-	275,488	-	275,488
Hybrid securities	-	-	-	-
Equity securities – shares in unlisted entities	98,333	-	-	98,333
Financial assets designated at fair value through OCI				
Financial assets designated at fair value through OCI	288	15,152	38,374	53,814
	98,621	290,640	38,374	427,635
2025				
Financial assets at fair value through profit or loss				
Unit trusts	-	229,847	-	229,847
Hybrid securities	6,265	-	-	6,265
Debt securities	151	1,375,766	-	1,375,917
Financial assets designated at fair value through OCI				
Equity securities – shares in listed and unlisted entities	-	-	55,998	55,998
	6,416	1,605,613	55,998	1,668,027

During the financial year, the Group did not have transfers between Levels 1, 2 and 3 of the fair value hierarchy.

Reconciliation of balances in level 3 of the fair value hierarchy

The following table summarises the movements in Level 3 of the fair value hierarchy for financial assets, measured at fair value on a recurring basis. Refer to note 6.1.5 for further information regarding Level 3 fair value measurement.

	2026 \$'000	2025 \$'000
Balance at the beginning of the financial year	55,998	13,957
Additions	-	20,225
Transfers into Level 3 ¹	-	19,701
Fair value movements recognised in OCI	(17,624)	9,299
Disposals	-	(7,184)
Balance at the end of the financial year	38,374	55,998

¹ Assets transferred into Level 3 are presented as if the assets were transferred at the beginning of the financial year.

6.1.3 Financial instruments not measured at fair value

The table below sets out the fair value of financial instruments not measured at fair value after initial recognition or where their carrying value is not a reasonable approximation of fair value, and categorises them by the level in the fair value hierarchy as defined above.

	Fair Value				Carrying Amount
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	\$'000
2026					
Financial Assets					
Financial assets at amortised cost – continuing operations	-	858,379	-	858,379	873,371
Financial assets at amortised cost – discontinued operation	-	375,152	-	375,152	376,643
Loans and advances ¹	2,634,908	-	-	2,634,908	2,631,560
	2,634,908	1,233,531	-	3,868,439	3,881,574
Financial Liabilities					
Deposits ¹	(2,749,223)	-	-	(2,749,223)	(2,749,794)
Borrowings ¹	-	(153,253)	-	(153,253)	(150,773)
	(2,749,223)	(153,253)	-	(2,902,476)	(2,900,567)
2025					
Financial Assets					
Financial assets at amortised cost	-	475,928	-	475,928	472,245
Loans and advances	-	-	2,686,212	2,686,212	2,672,171
	-	475,928	2,686,212	3,162,140	3,144,416
Financial Liabilities					
Deposits	-	(2,688,557)	-	(2,688,557)	(2,686,064)
Borrowings	-	(223,815)	-	(223,815)	(216,032)
		(2,912,372)	-	(2,912,372)	(2,902,096)

¹ Represent assets and liabilities reclassified to held for sale effective 30 June 2026, refer to note 5.3.

6.1.4 Valuation approach

The following methods and assumptions are used to determine the fair values of financial assets and financial liabilities:

Cash and cash equivalents	The carrying values approximate their fair value as they are short term in nature or are receivable on demand.
FVOCI / FVTPL	For investments traded in an active market, fair value is determined by reference to quoted bid price or redemption price for similar instruments at the reporting date.
	For investments in listed and unlisted equities that are not traded on an active market, the fair value has been determined using valuation techniques that required the use of observable inputs, such as recent share transactions, or unobservable inputs. The Group uses its judgement in determining fair value, making assumptions with respect to illiquidity and potential market participants in the event the shares were to be sold.
	Refer to note 6.1.5 for further information regarding Level 3 fair value measurement.
Assets measured at amortised cost	The fair value of these assets was determined using discounted cash flow models based on the maturity of the debt instruments. The discount rates applied were based on the 30 June 2026 benchmark rates on offer for the remaining term of each instrument.
Deposits	The net fair value for term deposits was calculated by using discounted cash flow models based upon maturity of the deposits. The discount rates applied were based on the 30 June 2026 benchmark rates on offer for the remaining term of each instrument. The fair value of non-interest bearing, at call and variable rate deposits approximates the carrying value as at 30 June 2026.

6.1.5 Level 3 fair value measurement

The Group holds unlisted equity investments classified as Level 3 in the fair value hierarchy, reflecting the absence of quoted market prices and the limited availability of observable inputs. These investments are held for long-term strategic purposes and are not intended for active trading. Fair value is measured on a recurring basis using valuation techniques that incorporate both investee-specific performance indicators and relevant market-based factors.

Given the lack of recent observable market transactions, the Group adopts valuation techniques that assess each investment’s current financial position and operating performance relative to the most recent arm’s length transaction available or independent valuation for that investment. This includes consideration of key financial metrics such as profitability performance, normalised or adjusted earnings and changes in net asset value.

The Group believes these valuation techniques provide a reasonable basis for estimating fair value in the absence of more recent market data. These techniques involve significant management judgement but do not rely on specific quantitative unobservable inputs that are individually meaningful or reasonably variable for sensitivity disclosure. Accordingly, no sensitivity analysis has been presented.

Fair values are reviewed annually and adjusted if there is evidence of a material change in the investee’s underlying fundamentals or relevant market conditions.

6.2 Financial risk management

The Group’s activities expose it to a variety of financial risks, including credit risk, liquidity risk and market risk. During the financial year, the Group’s exposure to financial risk changed significantly following the sale of RACQ Insurance Limited and the planned exit of RACQ Bank’s retail banking operations.

Following completion of the sale of 90% of RACQ Insurance Limited on 1 September 2025, the insurance operations were deconsolidated from the Group and exposures associated with insurance underwriting activities are no longer reflected in the Group’s financial risk profile.

On 3 December 2025, RACQ Bank entered into an agreement for the sale of its retail lending and deposit portfolios. As at 30 June 2026, the banking operations continue to be recognised as a disposal group held for sale and, accordingly, the Group remains exposed to the credit, liquidity and market risks associated with those banking portfolios until completion of the transaction.

The financial risk management disclosures in this note reflect the Group’s financial risk profile as at 30 June 2026, having regard to these changes.

6.2.1 Overview

The Group applies a consistent and integrated approach to enterprise risk management. The Group Risk Management Framework (RMF) sets out the minimum standards and expectations for the management of financial risks across the Group. The framework comprises the Group Risk Management Strategy, Risk Appetite Statements, business plans, policies and procedures for the management of material risks, a designated risk management function, Internal Capital Adequacy Assessment Processes, and the management information system.

The Board of Directors, including the Board for each of the regulated entities, Club Finance Holdings Limited and Members Banking Group Limited (RACQ Bank), have overall responsibility for the establishment and oversight of the risk management framework. Each Board has established Committees which assist their respective Boards with the fulfilment of its responsibilities and to increase the effectiveness of its governance oversight of the Group:

- (i) the RACQ Limited and Bank Risk and Compliance Committees (RCC) - Assist the boards by providing an objective oversight of the implementation and operation of RACQ’s risk management frameworks to satisfactorily address the existing and emerging financial and non-financial risks of the Group.
- (ii) the Group and Bank Audit Committees (AC) - Assist the boards by providing an objective review of the effectiveness of the risk management frameworks, financial reporting and audit processes, inclusive of the system of internal controls and compliance.
- (iii) the People and Remuneration Committee (PRC) - Assists the boards to ensure the RACQ Group has appropriate remuneration, people and nomination frameworks, policies and practices that creates an organisational culture in accord with RACQ’s values.
- (iv) the Group Transition Committee – Assists the boards to oversee the transition of the RACQ Group, and the long-term strategic alliance for the distribution of insurance.
- (v) the Investment Committee – Assists the boards to govern and oversee its capital and investments ensuring disciplined, transparent and compliant decision-making.

To exercise their oversight of material financial risks, senior management has established a multi-layered approach consisting of:

- (i) Executive oversight of all material risks through the Group Executive Risk & Compliance Committee, supported by the Bank Executive Risk & Compliance Committee.
- (ii) Risks specific to the insurance distribution arrangements under the strategic alliance are overseen by the Insurance Partnership Executive Risk & Compliance Committee.
- (iii) Technical oversight of all material financial risks for the Group through:

a. Group and Bank Asset and Liability Committees (ALCOs), responsible for oversight of capital and balance sheet risks including treasury credit, liquidity, funding, and market risk.

b. Bank Credit Risk Committee, responsible for oversight of the Bank’s credit risk including ensuring it operates within the Credit Risk Management Strategy, regular monitoring of credit quality, concentrations, arrears, policy exceptions/breaches and portfolio stress testing during the transition period through to completion of the sale.

c. Member Assistance Portfolio Committee, responsible for oversight of assistance service delivery risk, including roadside assistance and RACQ Auto product design and pricing, distribution, supplier/ contractor management and claims management.

d. Model Technical Risk Committee, responsible for oversight of model risk and model governance, including the development, validation and performance monitoring of models used in financial reporting, capital adequacy, pricing, provisioning and risk management.

RACQ Group adopts a three lines of accountability model to support effective risk governance through clarity of responsibilities and independent oversight. The three lines are:

1st Line of Accountability	The business owns, identifies, understands, assesses and manages their risk and compliance, in line with policy and procedures that reflect the Boards’ risk appetite.
2nd Line of Accountability	Risk and Compliance functions own and maintain effective risk and compliance frameworks, systems and policies.
3rd Line of Accountability	Internal Audit provides independent and objective assurance over the adequacy and effectiveness of governance, risk management and internal control frameworks.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

6.2.2 Credit risk

Credit risk is the risk of financial loss to the Group if a member or counterparty fails to meet its contractual obligations.

The Group has an established Credit Risk Management Framework, which incorporates the strategies, policies and operating standards that documents how RACQ Limited identifies, measures, monitors, mitigates and reports its credit risk. The framework consists of:

Board Risk Appetite Statement (RAS)	Provides a statement of the Board’s overall credit risk tolerance.
Credit Risk Management Strategy (CRMS)	Sets out the strategies, policies, processes and governance for managing credit risk within the RACQ Bank Board’s risk appetite for lending, including the key operating standards and responsibilities relating to the assessment, approval, management, reporting and monitoring of credit risk.
Liquidity Management Policies (LMP)	Sets out the strategies, policies and processes for managing Group, Insurance and Bank’s exposure limits and risk concentration to investment and derivative counterparties, in accordance with the boards’ risk appetite and APRA prudential standards.

Credit risk for the Group (excluding the RACQ Bank disposal group, which is disclosed separately below) arises principally from investments in term deposits held with authorised deposit-taking institutions, managed investment trusts, hybrid securities and cash at bank. Following the completion of the sale of RACQ Insurance Limited on 1 September 2025, the Group deployed the sale proceeds into a diversified portfolio of term deposits and managed investment trusts in accordance with the Group Investment Policy. The Group no longer holds reinsurance contract assets or financial instruments associated with general insurance activities.

Credit risk is mitigated by investing with counterparties and in instruments that comply with credit quality thresholds outlined in the Board-approved Group Investment Policy, maintaining diversification across counterparties and asset classes. Exposure to credit risk is monitored on a regular basis by management through the Group ALCO.

As at 30 June 2026, the Group’s investment portfolio is concentrated in term deposits held with Australian major banks and investments in managed investment trusts. The Group manages concentration risk through counterparty and sector exposure limits set out in the Group Investment Policy, which prescribe maximum exposure limits by credit rating and individual counterparty.

The following table provides information regarding the credit risk exposure of the Group’s financial assets (excluding the RACQ Bank disposal group) classified according to Standard & Poor’s credit ratings. Short-term ratings are applied to cash and cash equivalents and long-term ratings are applied to other financial assets.

	Neither past due nor impaired					Past due but not impaired \$’000	Impaired \$’000	Total \$’000
	AAA \$’000	AA+ to AA- \$’000	A+ to A- \$’000	Below A- \$’000	Not Rated \$’000			
2026								
Cash and cash equivalents	-	20,503	-	-	34	-	-	20,537
Trade and other receivables								
Current trade and other receivables	-	-	-	-	35,543	-	-	35,543
Non-current trade and other receivables	-	-	-	-	3,121	-	-	3,121
Total Trade and other receivables	-	-	-	-	38,664	-	-	38,664
Financial assets – amortised cost	-	873,371	-	-	-	-	-	873,371
Reinsurance contract assets	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-
Total	-	893,874	-	-	38,698	-	-	932,572
2025								
Cash and cash equivalents	-	38,901	1,728	-	482	-	-	41,111
Trade and other receivables								
Current trade and other receivables	-	-	-	-	26,269	-	-	26,269
Non-current trade and other receivables	-	-	-	-	1,633	-	-	1,633
Total Trade and other receivables	-	-	-	-	27,902	-	-	27,902
Financial assets – amortised cost	-	-	-	-	-	-	-	-
Reinsurance contract assets	177,274	378,160	52,062	163	-	-	-	607,659
Debt securities	391,297	652,684	249,676	71,813	10,447	-	-	1,375,917
Total	568,571	1,069,745	303,466	71,976	38,831	-	-	2,052,589

The carrying amount of the relevant asset classes in the Consolidated Balance Sheet represents the maximum amount of credit exposures as at reporting date.

(i) Term deposits

Term deposits are held with Australian major banks and other authorised deposit-taking institutions in accordance with the Group Investment Policy. The policy details the approved counterparties, maximum exposure limits by credit rating and individual issuer, and the minimum credit quality thresholds for investment. The Group limits its exposure to credit risk by investing only with counterparties that meet credit rating requirements, which are reviewed on a regular basis. Given these exposure limits and the credit quality of the counterparties, management does not expect any counterparty to fail to meet its obligations.

(ii) Managed investment trusts

Managed investment trusts comprise investments in cash-enhanced, fixed income and unlisted infrastructure funds. Where available, the credit quality disclosed in the table above reflects a look-through assessment of the weighted average credit quality of the underlying assets within each fund, as reported by the relevant fund manager. Certain unlisted investment trusts

are not rated by external credit rating agencies and are disclosed as “Not rated” in the table above. The credit risk associated with these instruments is managed in accordance with the applicable investment mandates and is monitored by the Group ALCO.

Banking operations – disposal group

Credit risk within the RACQ Bank disposal group arises principally from loans and advances to members, liquid investments held at amortised cost and cash at bank. As the Bank’s retail lending and deposit portfolios have been classified as a disposal group held for sale, credit risk management activities are focused on preserving asset quality and managing exposures through to completion of the sale, rather than ongoing lending operations.

Credit risk for loans and advances is managed in accordance with the Credit Risk Management Strategy approved by the RACQ Bank Board. Executive oversight through the Bank Credit Risk Committee monitors the Bank’s credit risk profile and provides recommendations on credit-related matters to the Bank Risk and Compliance Committee.

(iii) Loans and Advances

Maximum credit risk exposure

RACQ Bank’s maximum exposure to credit risk at the reporting date in relation to loans and advances is \$2,653.9 million (2025: \$2,725.2 million). This represents the gross carrying amount before collateral and does not consider the value of any collateral or other security held, or financial liabilities that carry a legally recognised right of set-off against certain financial assets.

Credit quality analysis

Loan-to-valuation (LVR) ratios – Residential mortgage lending

Gross carrying amount 2026	ECL Stage 1 \$’000	ECL Stage 2 \$’000	ECL Stage 3 \$’000	Total \$’000
LVR 0% - 60%	1,455,521	2,428	2,093	1,460,042
LVR 60.01% - 80%	845,072	581	3,293	848,946
LVR 80.01% - 90%	146,148	-	-	146,148
LVR 90.01% - 100%	66,060	-	-	66,060
LVR > 100%	-	-	-	-
	2,512,801	3,009	5,386	2,521,196
2025				
LVR 0% - 60%	1,369,645	2,998	3,274	1,375,917
LVR 60.01% - 80%	913,251	985	4,478	918,714
LVR 80.01% - 90%	185,940	573	-	186,513
LVR 90.01% - 100%	70,526	-	549	71,075
LVR > 100%	302	-	-	302
	2,539,664	4,556	8,301	2,552,521

Valuation amounts used in these calculations are based on the latest security values, which are obtained at the time the loans were originated or other times in accordance with credit policy.

Past due and impaired loans

A loan or overdraft is past due when the counterparty has failed to make a payment when contractually due. Past due does not mean that a counterparty will never pay but it can trigger various actions such as renegotiation, enforcement of covenants, or legal proceedings. Weekly reports monitor loan repayments to detect delays in repayments and recovery action is undertaken where appropriate.

Details on how impairment provisions are considered on loans that are past due or impaired are outlined in note 5.4.

The following table shows the credit quality of loans and advances by impairment class:

	2026 \$’000	2025 \$’000
Performing loans	2,573,105	2,600,841
Past due but not impaired	59,735	71,572
Collective provision for impairment	(1,736)	(1,917)
Net performing and past due loans not impaired	2,631,104	2,670,496
Gross impaired loans	492	586
Specific provision for impairment	(468)	(551)
Net impaired loans	24	35
Unamortised loan fees	432	1,640
Net loans and advances	2,631,560	2,672,171

The following table represents an ageing analysis of loans past due but not impaired as at the end of the reporting period:

Gross carrying amount	1-29 days \$’000	30-89 days \$’000	90-179 days \$’000	180+ days \$’000	Total \$’000
2026					
Past due but not impaired	51,230	2,951	1,076	4,478	59,735
2025					
Past due but not impaired	57,884	4,991	5,352	3,345	71,572

Collateral management

95.5% (2025: 95.3%) of the Bank’s loans and advances are residential mortgage loans secured by residential property in Australia. Residential Lenders Mortgage Insurance is obtained in accordance with credit policy, generally for new residential mortgage loans with an LVR in excess of 80%.

The following table shows the collateral against gross loans and advances to members:

	2026 \$’000	2025 \$’000
Loans and advances with collateral	2,622,290	2,660,038
Loans and advances with no collateral	11,042	12,961
Total gross loans and advances	2,633,332	2,672,999

Collateral is held in the form of mortgage interests over property, other registered securities over assets, mortgage insurance and guarantees. The fair value of collateral is measured at the time of providing the loan or advance and is not updated except when a loan enters default or when the member seeks a variation to the loan contract.

Concentration risk

RACQ Bank holds no significant concentrations of exposures to individual members. The Bank has a concentration of loans to members employed in the education industry, reflecting its origins as a provider of banking services to that sector. Loans and advances to members employed in the education industry amounted to \$4670 million or 18% of gross loans and advances (2025: \$494.8 million or 19%). The concentration is considered acceptable on the basis that the education industry is essential and stable, and the exposure is diversified amongst many employers, including government.

All loans and advances are within Australia, with the major exposure being to home loans in Queensland, reflecting 94.5% (2025: 95.3%) of total home loans.

Other financial assets at amortised cost

The Bank holds a portfolio of cash and liquid investments at amortised cost, in accordance with the Bank Liquidity Management Strategy approved by the RACQ Bank Board.

The carrying values (net of expected credit loss provision) of cash and liquid investments associated with each credit quality category for RACQ Bank are listed below.

Standard & Poor’s long-term rating or equivalent	2026 \$’000	2025 \$’000
ADIs – rated AA- and above	270,024	210,197
ADIs – rated A- and above, but below AA-	115,437	125,427
ADIs – rated BBB- and above, but below A-	116,757	91,417
Total	502,218	427,041

6.2.3 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group maintains a prudent approach to managing liquidity risk by ensuring, as far as possible, that it will have sufficient liquid assets on a daily basis to meet its payment obligations when due, under both normal and stressed conditions, without incurring unacceptable losses.

The Group has an established liquidity risk management framework, which incorporates the strategies, policies, plans and operating standards that document how the Group identifies, measures, monitors, mitigates and reports its liquidity risk. The framework consists of:

Risk Appetite Statements (RAS)	Provides a statement of the Boards’ overall funding and liquidity risk tolerance.
Liquidity Management Policies (LMP)	Sets out the strategies, policies, and processes for managing liquidity and funding risk within the boards’ risk appetite, including the key operating standards and responsibilities relating to the management, reporting, and monitoring of funding sources and liquidity governance.
Contingency Funding Plans	Sets out the formal contingency funding plan articulating the available contingency funding sources, their timeliness and amounts available to the Bank and the escalation and prioritisation process to utilise contingent funding sources in a timely manner across a variety of scenarios.

The Boards are ultimately responsible for the sound and prudent management of the Group’s liquidity risk. All elements of the liquidity risk management framework are reviewed on an annual basis and approved by the Boards.

The Group manages liquidity risk by:

- holding minimum levels of cash within the trading bank accounts to ensure sufficient funds are available to meet daily obligations;
- maintaining minimum levels of liquid investments in financial assets that can be readily converted to cash at short notice;
- actively monitoring the maturity profiles of financial assets and liabilities to maintain alignment with expected cash flow timing and liquidity needs; and
- managing the liquidity position of the RACQ Bank disposal group through the transition period, including monitoring deposit outflows and ensuring adequate liquid assets are maintained to meet obligations as they fall due through to completion of the sale.

Banking operations – disposal group

Liquidity risk associated with the RACQ Bank disposal group will continue to be managed through to completion of the sale of the retail lending and deposit portfolios. RACQ Bank monitors short-term and forecast cash flows, deposit flows, contractual maturity profiles and prudential liquidity requirements on an ongoing basis. Liquidity is managed through the maintenance of liquid asset holdings, committed and contingent funding arrangements, and access to eligible reserve liquidity facilities.

RACQ Bank also maintains a self-securitisation structure through Arrow Funding Trust No. 1, under which residential mortgage-backed securities have been issued to RACQ Bank and may be eligible for repurchase with the Reserve Bank of Australia for emergency liquidity assistance. This arrangement continues to form part of RACQ Bank’s contingency funding plan during the transition period.

The following table represents the Group’s contractual maturities of financial liabilities. Contractual cash flows are at undiscounted values (including future interest expected to be paid). Accordingly, these values may not agree to the carrying amount.

	Carrying Amount		Gross Nominal Outflows		Within 1 month		1-3 months		3-12 months		1-5 years	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Financial Liabilities												
Trade & other payables	68,461	110,988	68,461	110,988	45,430	78,284	1,239	1,051	5,427	15,653	16,365	16,000
Financial liabilities held of sale:												
Deposits	2,749,794	2,686,064	2,769,312	2,702,728	1,735,028	1,760,870	430,608	394,606	587,752	527,288	15,924	19,964
Borrowings	150,773	216,032	163,002	235,792	773	1,032	1,495	1,877	75,854	72,378	84,880	160,505
Total Financial Liabilities	2,969,028	3,013,084	3,000,775	3,049,508	1,781,231	1,840,186	433,342	397,534	669,033	615,319	117,169	196,469
Off-balance sheet positions												
Undrawn commitments	327,003	366,704	327,003	366,704	327,003	366,704	-	-	-	-	-	-

At the reporting date, the Group maintains borrowing facilities associated with the banking operations classified as held for sale. These facilities are not expected to be utilised for ongoing funding purposes, as the Group is progressing a managed wind-down of the banking operations. Accordingly, these facilities do not represent a source of liquidity available to the Group’s continuing operations.

6.2.4 Market Risk

Market risk is the risk that changes in market prices, such as interest rates, credit spreads, asset prices and equity prices, will affect the Group’s income or the value of its holdings of financial instruments.

The Boards of Directors review and approve the Group Investment Policy annually, which incorporates investment strategies and mandates. The performance of all investment managers (both external and internal), including compliance with investment guidelines stipulated within the investment strategies and mandates, is reviewed on a regular basis by management and Boards of Directors. The Group and Bank ALCOs are responsible for capital and balance sheet risk including treasury credit, liquidity, interest rate and market risk.

Following the completion of the sale of RACQ Insurance, the nature of the Group’s exposure to market risk has materially changed. The Group’s market risk profile is no longer driven by the asset-liability matching requirements

of an insurance portfolio, but rather by the investment return and capital preservation characteristics of the Group’s investment portfolio, together with market risk exposures within RACQ Bank.

(i) Interest rate risk

Interest rate risk is the risk that the Group is impacted by significant changes in interest rates, and arises primarily from the Group’s investment in term deposits.

The Group manages interest rate risk by maintaining a short-term maturity profile across its term deposit portfolio. Interest rate risk is monitored on a regular basis by the Group ALCO.

The following table demonstrates the sensitivity of the Group’s continuing operations financial assets to a reasonable possible change in interest rates, with all other variables held constant.

2026				2025		
	Exposure at 30 June \$'000	Change in interest rate bps	Profit (loss) after tax \$'000	Exposure at 30 June \$'000	Change in interest rate bps	Profit (loss) after tax \$'000
Term deposits	860,534	+100 bps	6,024	472,245	+100 bps	3, 306
		-100 bps	(6,024)		-100 bps	(3, 306)

Term deposits are held at amortised cost with fixed interest rates. A change in market interest rates does not affect the carrying value or interest income recognised on existing term deposits during their term. Interest rate risk arises on reinvestment at maturity, which is not reflected in this sensitivity analysis.

Banking operations (RACQ Bank disposal group)

The Group is exposed to interest rate risk within the RACQ Bank disposal group due to an underlying mismatch in the timing of interest rate repricing across banking book exposures. The Bank’s board-approved Market Risk Management Strategy establishes the framework for the management of the Bank’s market and investment risk, specifically its interest rate risk in the banking book (IRRBB) arising from retail banking activities. Interest rate risk is monitored by the Bank ALCO through to completion of the sale of the Bank’s retail lending and deposit portfolios.

RACQ Bank uses the Value at Risk (VaR) methodology to estimate the level of interest rate risk within the portfolio. The Board has approved limits for the maximum tolerable exposure to market risk.

VaR measures the theoretical loss in the economic value of the balance sheet based on historical movements in interest rates. The VaR model uses a historical simulation approach with underlying assumptions including a 20-day (2025: 20-day) holding period at a 99% (2025: 99%) confidence level for a 1,500-day (2025: 1,500-day) observation period.

RACQ Bank	2026 \$'000	2025 \$'000
VaR Exposure at the end of the financial year	539	1,990
Average VaR exposure during the financial year	1,023	1,446

(ii) Price risk

Price risk is the risk of loss in current and future earnings from adverse moves in asset prices or equity prices and arises from the Group’s investments in Australian equities, unit trusts, and other financial assets classified as FVOCI and FVTPL.

Price risk is managed through diversification across asset classes and through the Group Investment Policy which sets asset allocation ranges and concentration limits. The performance and risk profile of the investment portfolio is monitored on a regular basis by management through the Group ALCO.

The following table demonstrates the sensitivity of the Group’s price risk exposures to a reasonable possible change in global market prices, with all other variables held constant.

2026				2025		
	Exposure at 30 June \$'000	Change in equity prices %	Profit (loss) after tax \$'000	Exposure at 30 June \$'000	Change in equity prices %	Profit (loss) after tax \$'000
Equity securities	152,147	+10%	10,650	55,998	+10%	3,920
		-10%	(10,650)		-10%	(3,920)
Unit trusts and hybrid securities	275,488	+10%	19,284	236,112	+10%	16,528
		-10%	(19,284)		-10%	(16,528)

6.2.5 Group capital management

The Group’s capital management objective is to maintain sufficient capital to protect the interests of all members and regulators while also efficiently deploying capital and managing risk. As a company limited by guarantee, The Royal Automobile Club of Queensland Limited has no shareholders or owners. All surpluses are therefore used to develop the Group’s business for the benefit of the members.

The Board of Directors’ policy is to hold the level of capital that is judged to be prudent and sustainable within the bounds of the Group’s risk appetite, the restrictions imposed by the Group’s legal structure and the fulfilment of the Group’s purpose. On this basis, the RACQ Group aims to achieve a balance between:

- Maintaining sufficient capital to protect the Group from material and unexpected financial shocks;
- Ensuring that there is sufficient provisioning for future capital requirements; and
- Management of excess capital for the benefit of members.

Capital consists of total accumulated funds as shown on the Consolidated Balance Sheet.

The Royal Automobile Club of Queensland Limited has entered into a Deed of Support with its subsidiary, Members Banking Group Limited, to provide additional capital, if and to the extent it is required for the subsidiary to maintain its capital adequacy in accordance with the externally imposed capital requirements as set by APRA. This Deed of Support will remain in place until the sale of the Bank’s retail portfolios has been completed, banking operations have been wound down and the ADI licence has been voluntarily revoked. Further details of the Bank’s regulatory capital position are set out below.

Banking disposal group – regulatory capital management

As Members Banking Group Limited (RACQ Bank) is an ADI regulated by APRA, it must maintain a minimum level of capital adequacy.

The Banking Group (including RACQ Bank, The Arrow Funding Trust No. 1 and Club Finance Holdings Limited) maintains sufficient capital resources to support its obligations and operating requirements and to ensure continuous compliance with externally and internally imposed capital ratios through to completion of the sale of the Bank’s retail lending and deposit portfolios, the subsequent wind-down of banking operations and the voluntary revocation of the ADI licence.

The adequacy of the Banking Group’s capital is managed in accordance with the APRA prudential standards. To manage, monitor and report regulatory and economic capital, the Banking Group has an Internal Capital Adequacy Assessment Process (ICAAP) Summary Statement and Policy Document, which sets out the objectives, processes, responsibilities and reporting requirements for the ICAAP, and an ICAAP Annual Report, which sets out the results of the annual assessment process. The ICAAP is approved by the RACQ Bank Board on an annual basis.

The Banking Group’s capital position is monitored and reported monthly to the RACQ Bank Board. The capital ratios throughout the current and prior financial year complied with APRA minimum capital adequacy requirements and ICAAP minimums approved by the RACQ Bank Board.

The following table represents the regulatory capital position of the Level 2 Banking Group:

Level 2 Banking Group	2026 \$’000	2025 \$’000
Common Equity Tier 1 Capital	196,365	189,173
Tier 2 Capital	1,762	1,823
APRA Capital base	198,127	190,996
Risk weighted assets	1,045,460	1,104,740
Tier 1 Capital Ratio	18.8%	17.1%
Tier 1 Capital Ratio	0.2%	0.2%
Total Capital Ratio	19.0%	17.3%

Throughout the financial year, RACQ Bank has maintained a capital ratio in excess of the Board approved capital target of 14.75%. A capital injection trigger is set between management’s capital target and the prudential minimum. Should the capital position fall below this, the Bank Recovery and Exit Plan will be enacted with a potential injection of capital to restore capital levels to that equal or above the trigger point as required. The Boards, together with management, will consider the outlook for capital in arriving at the appropriate restored capital level.

Excess capital is available for distribution to the shareholder and dividends are considered by management when the capital position exceeds the target capital level. Dividend payments cannot reduce the capital position to below the trigger point and are evaluated throughout the year.

6.3 Accounting policies for financial assets and financial liabilities

Non-derivative financial assets

Initial recognition and measurement

Financial assets are classified as amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15 *Revenue from Contracts with Customers* (AASB 15). Refer to the accounting policies in note 4.2.

For a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest’ (SPPI) on the principal amount outstanding. The assessment is referred to as the SPPI test and is performed at an instrument level.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, the Group has financial assets in the following categories:

- Financial assets at amortised cost (deposits with ADIs);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses through profit or loss upon derecognition (equity instruments);
- Financial assets mandatorily held at fair value through profit or loss; and
- Financial assets designated at fair value through profit or loss.

(i) Financial assets at amortised cost (deposits and bills)

The Group’s financial assets at amortised cost include trade receivables, selected notes and deposits with ADIs. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(ii) Financial assets at fair value through other comprehensive income (OCI)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* (AASB 132) and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains or losses on these instruments are never recycled to profit or loss and are recognised directly in OCI and presented within equity in the investment revaluation reserve. Dividends are recognised as investment income in the Surplus/(Deficit) for the year when the right of payment has been established except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group has elected to classify irrevocably its listed and non-listed equity investments, except for assets backing insurance liabilities and equity-accounted investees under this category.

(iii) Financial assets at fair value through profit or loss

Financial assets held at fair value through profit or loss include financial assets held for trading, or financial assets required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets held at fair value through profit or loss are carried in the Consolidated Balance Sheet at fair value with net changes in fair value recognised in the Surplus/(Deficit) for the year.

(iv) Trade and other receivables

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15. Refer to the accounting policies in Note 4.2 for Revenue from contracts with members and customers.

(v) Impairment of financial assets at amortised cost (excluding loans and advances)

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over

the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Non-derivative financial liabilities

(i) Trade and other payables

Trade and other payables are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method. Trade and other payables are unsecured, non-interest bearing and are usually settled within 30 days.

6.4 Accounting policies for reserves

(i) Investment revaluation reserve

The investment revaluation reserve records changes in fair value of financial assets at fair value through other comprehensive income.

(ii) Merger reserve

The excess of the fair value of assets acquired over liabilities assumed in a merger of mutual interests for RACQ Bank is taken directly to accumulated funds as a merger reserve.

7.0 Other notes

7.1 Property, plant and equipment

	Freehold land \$'000	Buildings and leasehold improvements \$'000	Plant and equipment \$'000	Capital works in progress \$'000	Total \$'000
At 30 June 2026					
Cost	13,128	70,320	36,965	2,391	122,804
Accumulated depreciation	-	(31,073)	(16,414)	-	(47,487)
Net book value at 30 June 2026	13,128	39,247	20,551	2,391	75,317
Year ended 30 June 2026					
Opening net book value	13,128	41,309	20,621	3,383	78,441
Additions	-	4,707	5,178	2,359	12,244
Disposals	-	(2,471)	(1,267)	-	(3,738)
Transfers	-	409	2,942	(3,351)	-
Depreciation	-	(4,707)	(6,923)	-	(11,630)
Net book value at 30 June 2026	13,128	39,247	20,551	2,391	75,317
At 30 June 2025					
Cost	13,128	70,872	33,689	3,383	121,072
Accumulated depreciation	-	(29,563)	(13,068)	-	(42,631)
Net book value at 30 June 2025	13,128	41,309	20,621	3,383	78,441
Year ended 30 June 2025					
Opening net book value	13,128	95,728	19,406	5,778	134,040
Additions	-	4,452	6,541	3,251	14,244
Disposals	-	(55,783)	(2,017)	-	(57,800)
Transfers	-	2,214	3,432	(5,646)	-
Depreciation	-	(5,302)	(6,741)	-	(12,043)
Net book value at 30 June 2025	13,128	41,309	20,621	3,383	78,441
Remaining useful life	Indefinite	40 years or lease term, if shorter	2 – 20 years	n/a	

Accounting policies

(i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the expenditure will flow to the Group, and its cost can be measured reliably. Repairs and maintenance costs are expensed as they are incurred.

(ii) Depreciation

Depreciation is recognised on a straight-line basis over the estimated useful life of the property, plant and equipment. Land is not depreciated. Depreciation methods, useful lives and residual values are reassessed at each reporting date.

(iii) Impairment

Property, plant and equipment that is subject to depreciation is reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable.

7.2 Goodwill and other intangible assets

	Goodwill \$'000	Customer relationships \$'000	Outstanding claims fair value adjustment \$'000	Software \$'000	Total \$'000
Year ended 30 June 2026					
Opening net book value	240,023	9	234	2,640	242,906
Disposals	(238,208)	-	(216)	(424)	(238,848)
Transfers	-	-	-	-	-
Amortisation	-	(5)	(18)	(2,151)	(2,174)
Net book value at 30 June 2026	1,815	4	-	65	1,884
Year ended 30 June 2025					
Opening net book value	241,756	17	345	28,772	270,890
Additions	-	-	-	-	-
Transfers	-	-	-	-	-
Amortisation	-	(8)	(111)	(26,132)	(26,251)
Impairment expense	(1,733)	-	-	-	(1,733)
Net book value at 30 June 2025	240,023	9	234	2,640	242,906
Maximum remaining useful life	Indefinite	1 year	n/a	1 year	

During the year, the Group derecognised goodwill allocated to the General Insurance cash-generating unit following the completion of the sale of RACQ Insurance Limited on 1 September 2025. As the Group ceased to control RACQ Insurance Limited from that date, the related goodwill was derecognised as part of the net assets disposed and included in determining the gain on disposal presented within discontinued operations. Refer to note 5.

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's cash generating units (CGU). The carrying amount of the CGU is then compared to its recoverable amount.

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or CGU is the greater of its fair value less costs of disposal (FVLCD) and value in use (VIU). An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. An impairment loss in respect of goodwill is not reversed.

No impairment loss was recognised in respect of goodwill during the current financial year.

Accounting policies

(i) Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment.

(ii) Software assets

Software assets include acquired or internally generated software. These assets have finite useful lives and are measured at cost less accumulated amortisation and accumulated impairment.

(iii) Software-as-a-service (SaaS) arrangements

SaaS arrangements are arrangements in which the Group does not control the underlying software. Where costs incurred to configure or customise SaaS arrangements result in the creation of an identifiable resource controlled by the Group, such costs are recognised as a separate intangible software asset and amortised over the useful life of the software on a straight-line basis. Where such costs do not result in the recognition of an intangible asset, they are recognised as expenses when the supplier provides the services or, where the costs do not provide a distinct service, over the duration of the SaaS contract.

(iv) Amortisation

Except for goodwill, intangible assets are amortised over the estimated useful life of the intangible asset from the date the asset is available for use. Amortisation methods, useful lives and residual values are reassessed at each reporting date.

7.3 Transactions with related parties

7.3.1 Key management personnel compensation

	2026 \$	2025 \$
Short-term employee benefits	3,933,379	4,592,162
Post-employment benefits	215,738	227,934
Other long-term benefits	647,210	712,549
Termination & other benefits	-	-
Total key management personnel compensation	4,796,327	5,532,645

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The roles considered KMP for the year ended 30 June 2026 are the Directors of the Company, the Managing Director & Chief Executive Officer and the Chief Financial Officer. The number of roles considered KMP as at 30 June 2026 is 9 (30 June 2025: 10 roles).

KMP compensation for executives includes a combination of fixed annual and variable rewards and a long-term incentive plan. A portion of the fixed reward is deferred and at risk based on behaviours and alignment to RACQ values. Variable rewards are performance based and align to the achievement of organisational and personal objectives and are partially deferred to support longer-term decision making and retention. A long-term incentive plan was established in October 2022 to a restricted group of senior executives to recognise and reward the outcomes of the successful delivery of programs over a four-year period including completion of the Club's Pricing Promises remediation program, Risk Transformation Program and the strategic review of RACQ Insurance. The plan will vest in October 2026, with payment of grants to be determined based on the Board's assessment of performance outcomes.

7.3.2 Transactions with KMP and their close family members

KMP of the Group may obtain assistance, banking and other products and services from the Company or its controlled entities, on the same terms and conditions as those obtained by Company employees and are trivial or domestic in nature.

The table below presents loans and overdrafts issued by RACQ Bank to KMP and their close family members as at 30 June 2026:

	2026 \$	2025 \$
The aggregate gross carrying amount of loans	440,088	1,283,095
The aggregate amount of revolving and other credit facilities (including redraws) available	-	173
Provision for impairment	(1)	(63)
Interest earned on loans and revolving credit facilities during the year	33,969	74,788

All loans and overdrafts to KMP and their close family members have been undertaken on normal terms and conditions in accordance with RACQ Bank's standard lending policies. There are no loans with KMP and their close family members that are in arrears or impaired as at the end of the financial year. All loans are classified as Stage 1 within the ECL methodology. No loans have been written off during the financial year.

The table below presents deposits held in RACQ Bank by KMP and their close family members as at 30 June 2026:

	2026 \$	2025 \$
The aggregate carrying amount of deposits	7,415	272,471
Total interest paid on these deposits during the year	530	8,159

RACQ Bank's policy for receiving deposits from KMP and their close family members is that transactions are approved, deposits accepted and interest paid on terms and conditions that are no more favourable than those available to members of RACQ.

Other sales to and purchases from related parties including KMP are made on terms equivalent to those that prevail in arm's length transactions. Other outstanding balances at reporting date are unsecured and interest free and settlement occurs in cash.

7.3.3 Transactions with associates and joint ventures

Various transactions occur between the Group and minority owned entities, details of which are as follows:

	(Revenue) / Expense		Receivable/ (Payable)	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Provision of services				
Joint ventures	(1,691)	(1,130)	2,160	3,146
Associates	-	(20)	-	-
Other related parties	(2,316)	(995)	4,984	2,866
Purchase of services				
Joint ventures	753	981	-	-
Associates	-	93	-	-
Other related parties	6,034	5,488	-	-
Capital contribution to associates	-	-	-	-
Dividend income from associates	-	-	-	-
Interest income from other related parties	(235)	(167)	36	43

The Group holds a 33.3% interest in Australian Club Consortium Pty Ltd which wholly owns ACC CAD Pty Ltd (ACC CAD). ACC CAD has entered into several agreements with third party suppliers under which ACC CAD has procured software, products and services for an on behalf of the other participating automobile clubs to implement and support the Common Australian Roadside Solution (CARS). Under a Shareholders agreement between ACC CAD and each participating automobile club, each participant is required to enter into a user agreement with ACC CAD in respect of the use of CARS. Shareholder loan agreements are in place to provide funding to ACC CAD. The loan repayment term is 10 years with interest calculated monthly on the outstanding principal balance based on the Bank Bill Swap rate (BBSW) plus 2%. Interest is fixed between each repayment date (six monthly) and is reset at each repayment date (six monthly).

7.4 Provisions and contingent liabilities

7.4.1 Provisions

	Restructuring, transition and separation provisions \$'000	Other provisions \$'000	Total \$'000
Balance at the beginning of the financial year	-	17,285	17,285
Additions	127,143	2,282	129,425
Provisions used during the year	(30,812)	(5,885)	(36,697)
Release of provision	-	(71)	(71)
Derecognised on disposal of subsidiary	-	(8,899)	(8,899)
Balance at the end of the financial year	96,331	4,712	101,043
Current	94,882	4,712	99,594
Non-current	1,449	-	1,449
Balance at the end of the financial year	96,331	4,712	101,043

RACQ Group recognises provisions when:

- There is a present obligation (legal or constructive) as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the Group's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

Restructuring and separation provision – RACQ Bank exit

The Group has recognised a provision for costs directly attributable to its committed plan to exit banking activities, including separation, decommissioning and wind-up activities associated with the sale of RACQ Bank's retail loan and deposit portfolios and the subsequent closure of RACQ Bank's operations. The provision includes expenditure necessarily entailed by the restructuring and not associated with the Group's ongoing activities. The provision is expected to be utilised predominantly over period FY27 aligned to the planned execution of the bank exit activities.

The provision predominantly comprises: (i) employee termination benefits for roles that will cease as a direct consequence of the exit decision; (ii) decommissioning and wind up costs for banking systems and operating

The Group has a contract for services agreement with Members Travel Group Pty Ltd in which RACQ provides corporate support to the joint venture. The contract covers IT services, marketing and digital support. The transactions are charged under normal commercial terms.

The Group has agreements with GEM Energy Australia Pty Ltd (GEM) in which RACQ provides corporate support to the joint venture. The corporate support covers administration, brand and marketing and IT support which are charged under commercial terms. Shareholder loan agreements are in place to provide working capital funding to GEM. The loans are short-term with interest calculated quarterly on the outstanding principal balance based on the Reserve Bank of Australia Cash Rate Target plus 0.5%.

model components that will no longer be used; and (iii) unavoidable costs to exit contracts that become onerous as a direct result of the exit plan.

The recognition and measurement of this provision involves judgement and estimation uncertainty, including: (i) scoping of costs that are directly attributable and necessarily entailed by the restructuring; (ii) timing of expected cash outflows, including completion of the portfolio sale and sequencing of decommissioning activities; and (iii) estimates of termination, contract exit and supplier costs based on current information and contractual arrangements. Actual outcomes may differ from these estimates and could result in changes to the provision in future reporting periods.

Transition and separation provisions – RACQ Insurance

The Group has recognised a provision for costs directly attributable to transition and separation activities arising from the sale of RACQ Insurance Limited. The provision includes costs associated with the separation of RACQ Insurance from the Group, the transitional operating arrangements, and obligations arising under the sale, including warranties and indemnities. The provision includes expenditure directly attributable to the transaction and not associated with the Group's ongoing activities. The recognition and measurement of this provision involves judgement and estimation uncertainty, including: (i) scoping of costs that are directly attributable to the sale and separation of RACQ Insurance; (ii) timing of expected cash outflows, including completion of transition activities and satisfaction of separation obligations; and (iii) estimates of employee, supplier, system separation and transitional service costs based on current information and contractual arrangements. Actual outcomes may differ from these estimates and could result in changes to the provision in future reporting periods.

Other provisions

Included within other provisions are amounts relating to ongoing compliance reviews and remediation programs. The Group conducts regular assessments of its products, services, customer interactions, and charging practices to ensure alignment with legal and regulatory obligations. Certain reviews have resulted in, or are in the process of being assessed for, remediation activities relating to past conduct.

7.4.2 Contingent liabilities

A contingent liability is disclosed where a legal or constructive obligation is possible, but not probable, or where the obligation is probable, but the financial impact of the event is unable to be reliably measured.

From time to time the Group may be subject to various claims and litigation from third parties in the normal course of its business. The directors have given consideration to such matters which are or may be subject to claims or litigation at year end and are of the opinion that any such liabilities arising over and above what has already been provided for in the financial statements from such action is not considered material.

In the ordinary course of business, RACQ receives enquiries from various regulators and government bodies. In accordance with the relevant accounting standards, should the Group become aware that an enquiry is developing further or if any regulatory or government action is taken against the Company, appropriate disclosure is made.

Sale of RACQ Insurance

As part of the sale of RACQ Insurance Limited, the Group provided customary warranties and indemnities to the purchaser under the Sale and Purchase Agreement, which give rise to contingent liabilities at the reporting date. These obligations relate principally to business, regulatory, tax and other specified matters, and are subject to customary limitations, excluding matters disclosed prior to Completion.

The potential financial impact of these arrangements is contingent on the occurrence of future events and cannot be predicted with certainty. Where an outflow of economic benefits is considered probable and can be reliably estimated, a provision has been recognised.

Subject to the above, where it is determined that the disclosure of information in relation to a contingent liability can be expected to prejudice the position of the Group in a dispute, accounting standards allow the Group not to disclose such information.

7.5 Notes to the Consolidated Statement of Cash Flows

7.5.1 Reconciliation of cash flows from operating activities

	2026 \$'000	2025 \$'000
Surplus for the year	43,288	48,043
<i>Add (less) items classified as investing activities</i>		
(Gain) loss on disposal of business assets	(96,609)	(5,964)
Investment income	(7,833)	(36,579)
Investment interest income	(39,131)	(7,076)
Rental income	-	(1,791)
<i>Add (less) non-cash items</i>		
Impairment loss (reversal) on loans and advances	(220)	411
Other non-cash items	3,217	6,217
Depreciation and amortisation expense	19,768	38,754
Share of (profit) loss in associates and joint ventures	525	(1,271)
Net release of remediation and other provisions	(71)	(8,741)
Net cash flows from operating activities before change in operating assets and liabilities	(77,066)	32,003
<i>Changes in operating assets and liabilities</i>		
Trade and other receivables	(2,123)	(5,812)
Reinsurance contract assets	54,764	17,227
Loans and advances	40,875	(229,591)
Other assets	(7,585)	447
Contract liability	(7,493)	3,727
Trade and other payables	9,894	14,802
Insurance contract liabilities	(102,078)	(160,254)
Deposits	62,749	251,810
Provision for employee benefits	(7,428)	11,552
Deferred tax balances	(68,666)	74,337
Income tax payable	(2,094)	33,319
Provisions	93,737	(28,323)
Net cash flows from operating activities	(12,514)	15,244

Cash flows from operating activities are inclusive of discontinued operations and is to be read in conjunction with the accompany note 5.

7.5.2 Cash and cash equivalents

Cash includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid financial assets with original maturities of three months or less that are readily convertible to known amounts of cash. These are used by the Group in the management of its short-term commitments.

The RACQ Bank disposal group includes restricted balances of \$51.9 million (2025: \$35.6 million) relating to the activities of RACQ Bank’s self-securitisation vehicle (Arrow Funding Trust No. 1) which operates as a contingent liquidity facility and are not available to the Group.

7.6 Commitments

Capital commitments

Commitments not provided for in the financial statements and payable:				
	<1 Year \$'000	1-5 Years \$'000	5+ Years \$'000	Total \$'000
2026				
Capital commitments	10,800	-	-	10,800
2025				
Capital commitments	6,600	-	-	6,600

The above table reflects the Group’s contractual commitments for the acquisition of property, plant and equipment and intangible assets as at 30 June 2026, but not provided for in the consolidated balance sheet.

Credit commitments and guarantees

Credit commitments and guarantees that have been approved but not funded or drawn at the end of the financial year were as follows:

	2026 \$'000	2025 \$'000
Loans approved but not funded	20,608	52,207
Undrawn overdraft and line of credit facilities	53,633	62,401
Amounts available for redraw	252,571	251,906
Guarantees	191	190
	327,003	366,704

7.7 Auditor’s remuneration

The following services were provided by the Group’s auditor, EY:

	2026 \$	2025 \$
Audit services:		
Audit of the financial report	749,000	1,022,872
Other regulatory audit services	230,750	387,989
Total audit services	979,750	1,410,861
Audit related services:		
Other assurance services	157,500	508,053
Total audit related services	157,500	508,053
Total auditor’s remuneration	1,137,250	1,918,914

7.8 Group structure

7.8.1 Parent entity disclosures

The parent entity, The Royal Automobile Club of Queensland Limited, is a company limited by guarantee and has no share capital. In the event of winding up, members are liable to the amount of \$2.00 per member at a total contribution of \$3,577,324 (2025: \$3,456,922).

The Royal Automobile Club of Queensland Limited	2026 \$'000	2025 \$'000
Surplus for the year	7,819	2,787
Other comprehensive income	-	-
Total comprehensive surplus for the year	7,819	2,787

The Royal Automobile Club of Queensland Limited	2026 \$'000	2025 \$'000
Financial position of the Company:		
Current assets	498,692	452,446
Total assets	1,138,386	1,094,710
Current liabilities	(451,053)	(415,196)
Total liabilities	(451,053)	(415,196)
<i>Total accumulated funds of the Company comprising of:</i>		
Reserves	166,467	166,467
Retained surplus	520,866	513,047
Total accumulated funds	687,333	679,514

Parent entity guarantees in respect of debts of its subsidiaries

The parent entity has entered a Deed of Cross Guarantee (the Deed) with the effect that the Company guarantees debts in respect of its subsidiaries. Further details, including the subsidiaries subject to the Deed, are disclosed in Note 78.2 and 78.3.

RACQ Limited has guaranteed certain obligations of Club Insurance Holdings Pty Ltd and Members Banking Group Limited under the respective sale agreements for RACQ Insurance and RACQ Bank businesses. No claims had been made under the guarantees as at 30 June 2026 and no liability has been recognised. The guarantees remain subject to the contractual claim periods and liability caps contained in the respective agreements.

Parent entity commitments and contingent liabilities

As at 30 June 2026, the parent entity held no operating lease commitments (2025: nil).

There are no parent entity contingent liabilities (2025: nil).

7.8.2 Controlled entities

The Group structure and the interest held in each controlled entity is as follows:

	Interest held	
	2026 %	2025 %
RACQ Operations Pty Ltd ¹	100	100
RACQ Investments Pty Ltd	100	100
RACQ-Queensland Driving Excellence Centre Pty Ltd	100	100
Automotive Assistance Services Pty Ltd	100	100
RACQ Distribution Services Pty Ltd	100	100
VCT Travel Pty Ltd (formerly Q Garage Pty Ltd)	100	100
Basecamp No.2 Pty Ltd	100	100
RACQ Investments No.2 Pty Ltd ¹	100	100
Club Insurance Holdings Pty Ltd ^{1,2}	100	100
RACQ Insurance Limited ³	10	100
Club Finance Holdings Limited	100	100
Members Banking Group Limited	100	100
Arrow Funding Trust No.1	100	100
RACQ Community Pty Ltd (formerly RACQ Foundation Pty Ltd)	100	100
RACQ Community Operations Ltd	100	100
RACQ Community Fund (formerly RACQ Foundation Fund)	100	100
RACQ Community Trust (formerly RACQ Foundation Trust)	100	100
RACQ Road Safety Ptd Ltd (formerly Basecamp Innovations Pty Ltd)	100	100

1. Subsidiaries are parties to the Deed of Cross Guarantee, as provided in note 7.8.3.

2. 50% of the shares in Club Insurance Holdings Pty Ltd are held by RACQ Investments Pty Ltd, and 50% of the shares in Club Insurance Holdings Pty Ltd are held by RACQ Investments No.2 Pty Ltd.

3. 90% of RACQ Insurance Limited was disposed on 1 September 2025 and control ceased on this date, refer to note 5 for further details.

7.8.3 Deed of cross guarantee

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, the Company’s subsidiaries, RACQ Operations Pty Ltd, RACQ Investments No.2 Pty Ltd and Club Insurance Holdings Pty Ltd are relieved from the *Corporations Act 2001* requirements for preparation, audit, and lodgment of a financial report, and a directors’ report. A condition of the instrument is the Company and these subsidiaries enter into a Deed of Cross Guarantee (the Deed). The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the *Corporations Act 2001*. If a winding up occurs under other provisions of the *Corporations Act 2001*, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

A Consolidated Statement of Comprehensive Income and Consolidated Balance Sheet, comprising the Company and controlled entities which are party to the Deed, after eliminating all transactions between parties to the Deed, are as follows:

Consolidated Statement of Comprehensive Income for the year ended 30 June 2026

Consolidated parties to the Deed		
	2026 \$’000	2025 \$’000
Revenue		
Revenue from contracts with members and customers	456,243	525,248
Investment income	93,828	200,709
Total Revenue	550,071	725,957
Expenses		
Employee benefits expense	(243,687)	(327,129)
Other operating expenses	(351,254)	(263,979)
Total expenses	(594,941)	(591,108)
Share of profit (loss) in associates and joint ventures	(525)	1,271
Gain on disposal of business assets	2,686	6,193
Gain on disposal of subsidiary	72,724	-
Surplus before income tax	30,015	142,313
Income tax expense/(benefit)	(10,984)	10,186
Surplus for the year	19,031	152,499
Total other comprehensive income (loss) for the year, net of income tax	(11,971)	-
Total comprehensive income for the year	7,060	152,499

Club Insurance Holdings Pty Ltd was added as a party to the Deed during the current financial year following the revocation of its APRA licence. Comparative information has not been restated.

Gain on disposal of subsidiary includes the gain recognised by Club Insurance Holdings Pty Ltd on the disposal of RACQ Insurance Limited to IAG during the year of \$72.3 million. This gain reflects the sale of 90% of the ordinary shares in RACQ Insurance Limited and has been presented within the consolidated results of the parties to the Deed of Cross Guarantee.

Consolidated Balance Sheet as at 30 June 2026

Consolidated parties to the Deed		
	2026 \$’000	2025 \$’000
Assets		
Cash and cash equivalents	16,254	10,369
Trade and other receivables	89,557	112,237
Financial assets	1,866,328	1,631,881
Property, plant and equipment	56,614	61,256
Right of use assets	14,439	14,142
Deferred tax assets	89,724	48,361
Intangible assets	-	2,560
Other assets	23,695	21,673
Equity-accounted investments	2,803	3,728
Current tax receivable	3,972	43
Total assets	2,163,386	1,906,250
Liabilities		
Trade and other payables	66,757	41,684
Provisions	102,777	8,478
Contract liability	91,676	99,186
Employee benefits	48,317	64,388
Lease liability	21,079	19,059
Deferred tax liability	30,502	3,320
Total liabilities	361,108	236,115
Net assets	1,802,278	1,670,135
Accumulated funds		
Reserves	329,176	341,146
Retained surplus	1,473,102	1,328,989
Total accumulated funds	1,802,278	1,670,135

7.9 Equity-accounted investments

One associate (2025: one) and two joint ventures (2025: two) were accounted for in the consolidated financial statements using the equity method.

	Joint Ventures		Associates		Total equity-accounted investments	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Individually immaterial interests in joint ventures and associates						
Aggregate carrying amount	2,481	2,548	322	1,180	2,803	3,728
Aggregate amount of the Group's share of:						
(Loss) surplus from continuing operations	67	433	(592)	838	(525)	1,271
Other comprehensive income	-	-	-	-	-	-
Total comprehensive (loss) income	67	433	(592)	838	(525)	1,271

7.10 Events subsequent to reporting date

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

Consolidated Entity Disclosure Statement

As at 30 June 2026

Entity name	Entity type	Body corporate country of incorporation	Body corporate % of share capital held	Country of tax residence
The Royal Automobile Club of Queensland Limited	Body corporate	Australia		Australia
RACQ Operations Pty Ltd	Body corporate	Australia	100%	Australia
RACQ Investments Pty Ltd	Body corporate	Australia	100%	Australia
RACQ-Queensland Driving Excellence Centre Pty Ltd	Body corporate	Australia	100%	Australia
Automotive Assistance Services Pty Ltd	Body corporate	Australia	100%	Australia
RACQ Distribution Services Pty Ltd	Body corporate	Australia	100%	Australia
VCT Travel Pty Ltd	Body corporate	Australia	100%	Australia
Basecamp No. 2 Pty Ltd	Body corporate	Australia	100%	Australia
RACQ Investments No.2 Pty Ltd	Body corporate	Australia	100%	Australia
Club Insurance Holdings Pty Ltd	Body corporate	Australia	100%	Australia
Club Finance Holdings Limited	Body corporate	Australia	100%	Australia
Members Banking Group Limited	Body corporate	Australia	100%	Australia
Arrow Funding Trust No.1	Trust	N/A	N/A	Australia
RACQ Community Pty Ltd	Body corporate	Australia	100%	Australia
RACQ Community Fund ¹	Trust	N/A	N/A	Australia
RACQ Community Trust	Trust	N/A	N/A	Australia
RACQ Community Operations Ltd	Body Corporate	Australia	100%	Australia
RACQ Road Safety Pty Ltd	Body Corporate	Australia	100%	Australia

¹ Entity is an Australian tax resident and is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997 due to its registration as a charity with the Australian Charities and Not-for-profits Commission.

Basis of preparation

Key assumptions and judgments

Determination of Tax Residency

Section 295 (3A) of the Corporation Acts 2001 requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. For the purposes of this section, an entity is an “Australian resident” at the end of a financial year if the entity is:

- a. an Australian resident (within the meaning of the *Income Tax Assessment Act 1997*) at that time; or
- b. a resident trust estate (within the meaning of Division 6 of Part III of the *Income Tax Assessment Act 1936*) in relation to the year of income (within the meaning of that Act) that corresponds to the financial year.

The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent.

In determining that all the Group’s entities on the CEDS have Australian tax residency, the Group has applied the following interpretations:

- Australian tax residency: The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation’s public guidance in *Tax Ruling TR 2018/5*.

All entities listed on the CEDS are incorporated (where applicable) in Australia, operate their business within Australia, and have their central management and control within Australia.

Directors’ Declaration

In the opinion of the directors of The Royal Automobile Club of Queensland Limited (the Company):

- a. a) The consolidated financial statements and notes, set out on pages 50 to 86 are in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Group’s financial position as at 30 June 2026 and of its performance for the financial year ended on that date; and
 - ii. complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- c. The Consolidated Entity Disclosure Statement required by section 295(3A) of the *Corporations Act 2001* and included on page 87 is true and correct.
- d. There are reasonable grounds to believe that the Company and the subsidiaries identified in Note 7.8.2 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those controlled entities pursuant to *ASIC Corporations (Wholly owned Companies) Instrument 2016/785*.

The directors draw attention to Note 1 to the Consolidated Financial Statements, which includes a statement of compliance with International Financial Reporting Standards issued by the International Accounting Standards Board.

Signed in accordance with a resolution of the Directors:



Leona Murphy OAM
President and Chair

11 August 2026



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Independent auditor’s report to the members of The Royal Automobile Club of Queensland Limited

Opinion

We have audited the financial report of The Royal Automobile Club of Queensland Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 30 June 2026, the consolidated statement of comprehensive income, consolidated statement of changes in accumulated funds and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2026 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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 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 and 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.

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

Information other than the financial report and auditor’s report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company’s Annual Report other than 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 in this auditor’s report. We have issued a separate auditor’s report on selective sustainability information included in the Climate 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, 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 directors for the financial report

The directors of the Company are responsible for the preparation of:

- ▶ The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- ▶ The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

- ▶ The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ▶ The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Ernst & Young

Amy Cinquini

Amy Cinquini
Partner
Brisbane
11 August 2026

Glossary of Terms

ACCC – Australian Competition and Consumer Commission

ACNC – Australian Charities and Not-for-profits Commission

ADAS – Advanced Driver Assistance Systems

APRA – Australian Prudential Regulation Authority

AWEI – Australian Workplace Equality Index

EVs – Electric Vehicles

FOGs – Former Origin Greats

GHG – Greenhouse Gas

IAG – Insurance Australia Group

iMove CRC – iMove Cooperative Research Centre

LGC – Large-scale Generation Certificates

QRIDA – Queensland Rural and Industry Development Authority

QUT – Queensland University of Technology

RAP – Reconciliation Action Plan

RCPs – Representative Concentration Pathways

SA4 – Statistical Area Level 4

WGEA – Workplace Gender Equality Agency

Corporate directory

Club Patron
Her Excellency the Honourable Dr Jeannette Young AC PSM,
Governor of Queensland

President and Chair – Leona C Murphy OAM
BCom, GAICD

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