



PegaWorld

JUNE 7-9 | LAS VEGAS

PEGAWORLD.COM



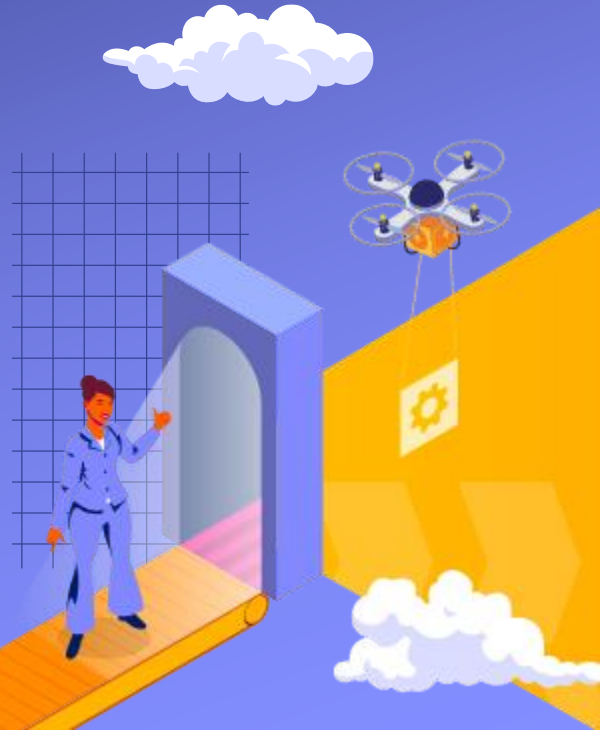
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Approved! Bank of Queensland's Leading Edge Lending Revolution

Multi-brand · Omni-channel · Approved in Hours

Michael Sokolich & Cathy Liu | Bank of Queensland



Who Are We?



Michael Sokolich

**Head of Everyday Banking and Home Lending
Transformation**



Cathy Liu

Program Director, Retail Banking Technology

BOQ Group

Founded 1874

150 Years of Banking. One Group. Diversified Businesses.



BUSINESS DIVISIONS

Retail Bank

BOQ · Virgin Money · ME Bank

2.16% housing share. Home loans, deposits & digital banking.

\$55.2B

Home Loan Book H1 FY26

BOQ Business

Commercial Lending · Transaction Banking

Specialist SME banking, Healthcare, agriculture & commercial property.

\$132M

Cash Earnings H1 FY26

BOQ Specialist

Medical · Dental · Veterinary

Australia's leading specialist bank for health professionals. 25+ years of service.

25+ yrs

Specialist Banking

BOQ Finance

Equipment · Asset Leasing · Cash Flow

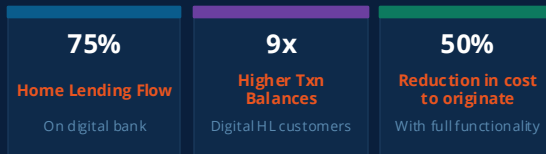
Tailored equipment & asset finance for businesses.

\$7B

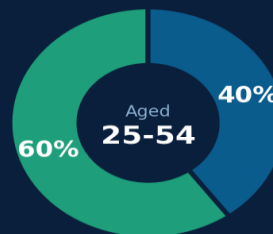
Asset Book

RETAIL BANK

Home Lending & CX | H1 FY26 Results

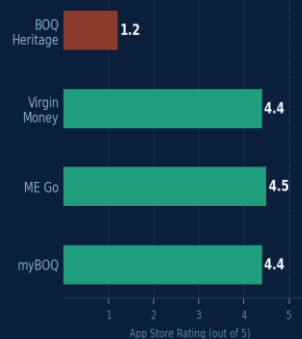


DIGITAL CUSTOMER PROFILE



Aged 25-54 60%
Other ages 40%

APP STORE RATINGS (Apple App Store, May 2026)



✓ ME Heritage migration complete; legacy core systems to be decommissioned

⚙️ Full retail product set on the Digital Bank: home loans, deposits, term deposits



The Burning Platform

Legacy lending wasn't just slow. It was structurally broken.

The old world

- ✗ Weeks to a lending decision
- ✗ Siloed systems that involved manual hand-offs between broker, banker, and third parties
- ✗ Manual KYC and identity verification requiring paper-based ID checks with no digital pathways
- ✗ Manual valuations and property title searches, days of wait time baked into every application
- ✗ No true end-to-end e-signing with fragmented customer journey- loan contracts partially required wet-signatures
- ✗ Broker and direct channels had completely different processes
- ✗ Risk controls and speed seen as mutually exclusive



The market pressure

The competitive set had shifted dramatically. It wasn't just challenger banks anymore. Major banks had launched digital pure-play arms — approving home loans in hours, with no branch visit, no paperwork, full transparency. The bar had been reset. BOQ had to respond.

What customers now expect:

- ✓ Hours, not weeks, to decision
- ✓ Real-time application status transparency
- ✓ No branch visit required
- ✓ Seamless digital end-to-end experience

BOQ needed to transform. Not iterate. We needed the platform to do it.

Why Pega?

We needed a platform that could do three things at once.



Multi-brand, multi-channel from a single platform



ARCHITECTURE

BOQ Group operates multiple retail brands — BOQ, ME Bank, Virgin Money Australia. Pega gave us a single origination engine that could serve all brands. One platform, three brands, two channels.



World-class CX and rigorous risk controls — together

DECISIONING

Pega's workflow engine, business rules, and integration framework connected 10+ partner systems — KYC, fraud screening, credit decisioning, valuation, title search, document generation, and core banking into a single orchestrated flow. Sequential and parallel processing means while a valuation is being ordered, KYC is running. While title is being searched, credit is completing. The deal keeps moving.



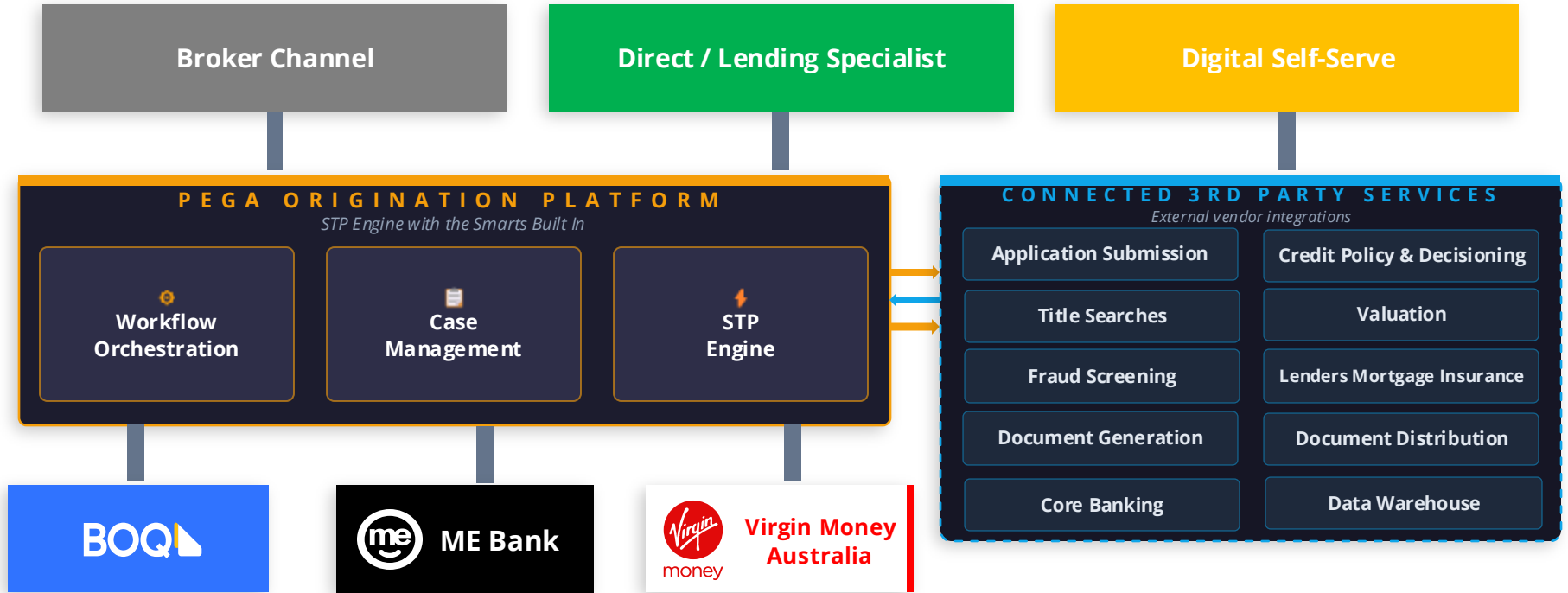
Straight-through processing with minimal human touch

AUTOMATION

For the right applications with clean data and within policy, Pega orchestrates every step automatically: verification, assessment, approval, offer document generation. Hours, not weeks. Humans step in only when judgement is required.

The Architecture of a Modern Australian Retail Bank

One platform. Multiple brands. Multiple channels. One truth.



Each brand has its own product configuration, pricing rules, and customer experience — all served from the same Pega.

Key Enablers for Our Delivery

*Digital Home Loan Origination
Transformation | PEGA Platform*

Delivering Australia's next-generation PEGA-powered home loan origination platform - integrating 10+ vendor services across credit, valuations, fraud detection, digital documents generation & distribution and core banking home loans products

Three foundational enablers drove sustained delivery performance and long-term platform value.



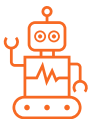
Re-usable Solutions

A shared architecture, Common Data Model, API integration frameworks, and similar business processes across brands and channels eliminates solution duplications, variations and accelerates future product delivery.



Iterative Process Optimisation

Continuous refinement of workflows ensures every process is optimised before automation. This iterative discipline delivers higher data quality, optimised business processes and reduced rework cycles at scale.



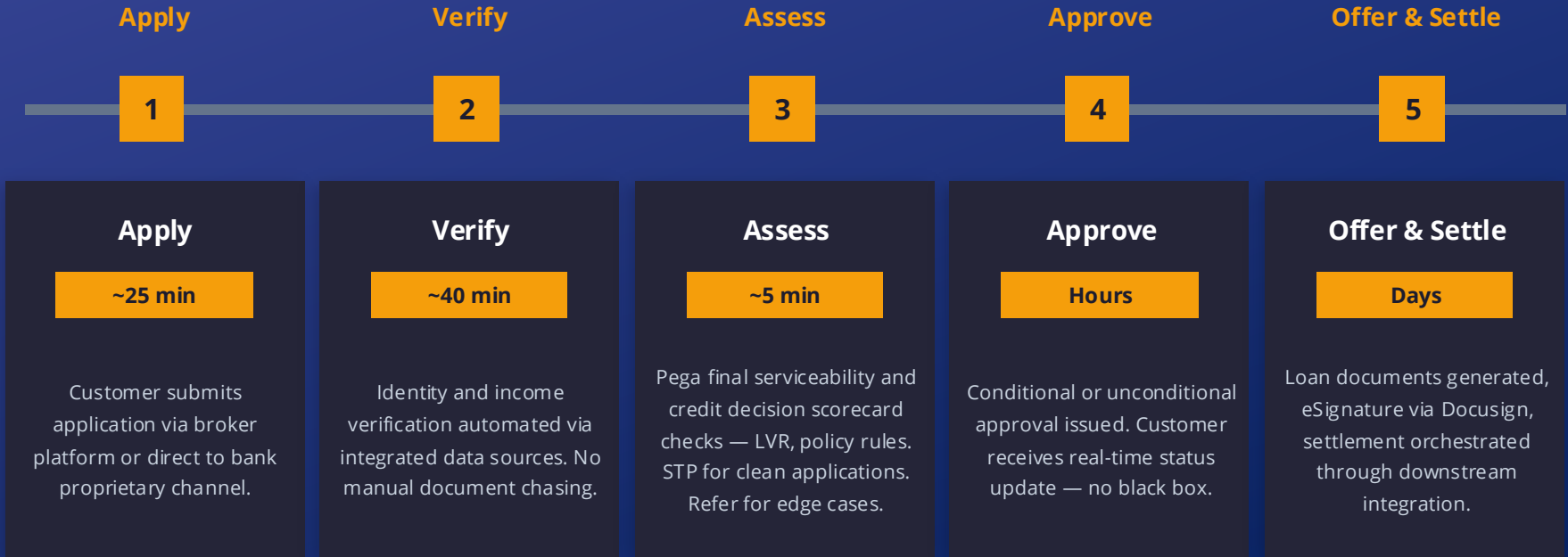
Disciplined Automation & Platform Upgrades

Enforced strict automation standards and orchestrated regular PEGA platform upgrades. This disciplined governance guarantees fast, regular releases and out of box/minimised customisation is maintained.



The Journey

From first click to 'Approved!' – in hours.



Great CX and Rigorous Risk Controls Can Co-exist

The industry said you had to choose. We proved you don't.



Banker and Customer Experience

Real-time status updates

No more 'call us to check' — brokers, bankers, and customers get notified at every step of the application journey.

Simplified product suite

Simplified product suite home loan constructs are deliberately consistent, differentiated only by what matters most to each brand's target customers.

Sub-hour response for clean apps

Eligible customers get a conditional approval decision within an hour of submitting a home loan application.

AND



Risk Controls

Pega business rules engine

Brand- and channel-aware rules dynamically drive pricing, credit scorecards, communications, and compliant document distribution.

Dynamic exception handling

Out-of-policy cases routed to the right assessor with full context. No falling through cracks.

Automated compliance checks

Regulatory and risk requirements baked in responsible lending, fraud screening, NCCP, and KYC; not bolted on after.

Pega's low-code, AI-enabled workflow platform, combining flexible architecture, Blueprint AI, and proven delivery patterns let us embed compliance by design while delivering a best-in-class banker experience with speed and agility.

The Revolution in Numbers

From weeks to hours. From opaque to transparent. From legacy to leading edge.

60%

apps unconditionally approved in 3 days

Up to 60% of applications unconditionally approved within 3 days

18 to 4

Broker hand-offs

Broker handoffs reduced from 18 to 4

120+ to 2

Product simplification

Hundreds of legacy products simplified into 2 digital products

~20%

Cost efficiency

Total cost to originate reduced by 20%, with projected savings forecast to increase

BEFORE vs AFTER

BEFORE

- ✗ Weeks to a decision
- ✗ Siloed, brand-by-brand systems
- ✗ Manual credit assessment
- ✗ Opaque 'call to check'

AFTER

- ✓ Hours for clean applications
- ✓ Single Pega platform across all brands
- ✓ Automated policy engine with STP
- ✓ Real-time status at every step

Key Lessons Learned

Digital Home Loan Origination Transformation | PEGA Platform

Reflections from building Australia's next-generation PEGA-powered home loan origination platform — integrating 10+ vendor systems across credit, valuation, fraud detection, digital documents generation & distribution and core banking home loans products

Three critical lessons that we could have done differently.



01. Architectural Complexity Multiplied Delivery Risk

Overly granular microservices architecture significantly compounded delivery complexity, multiplying integration touchpoints across 10+ vendors, extending timelines, and creating persistent production support overhead.



02. Early Focused Testing: A Missed Opportunity

Earlier focused testing would have surfaced Home Loan core system defects sooner, materially reducing late-stage remediation risk. However, we only conducted the end-to-end testing until origination system was fully built.



03. Home Loan Servicing Readiness Lagged Origination

Delivery focus on origination left servicing under-resourced. The post-launch migration pivot exposed a critical gap: existing loan servicing demand outpaced the readiness of the new platform loan servicing capability, impacting business outcomes.



Not just a loan decision. A new standard for home lending.

✓ APPROVED!
BOQ now delivers challenger-bank speed with enterprise-grade risk controls from a single Pega workflow platform, across three brands, two channels.

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