

BOQ 2022 Annual General Meeting

Tuesday, 6 December 2022

Speakers

Patrick Allaway, Executive Chairman

Karen Penrose, Non-Executive Director

Warwick Negus, Non-Executive Director

Fiona Daly, Company Secretary

Deborah Eckersley, Group Executive People and Culture

Cherie Bell, General Manager Investor Relations & Integration

Transcript

Fiona Daly: Good morning ladies and gentlemen. My name is Fiona Daly. I am Bank of Queensland Limited's Company Secretary. Welcome to the 2022 annual general meeting. I would like to begin by acknowledging the traditional custodians of the land on which we meet today, the Jagera and Turrbal people. The Board would also like to pay respect to Elders past, present and emerging and to all First Nations people here with us today. I also extend a warm welcome to all of our shareholders and others who are listening to these proceedings today via our webcast, particularly those who are interstate or overseas.

Before the Chairman starts the meeting I would like to briefly cover off on some points of housekeeping. Firstly, I would like to outline the emergency and safety procedures in place in the unlikely event these are required today. If a fire alarm does sound please prepare to evacuate, but wait until a member of Hilton staff is present to inform you about the decision made and if necessary, to direct you to the nearest safe exit. Please note that the fire assembly point is in front of the hotel building on Elizabeth Street.

BOQ has also initiated a COVID-safe plan for attendants today. Whilst the wearing of masks is currently not mandatory in Queensland, if you would like to wear a mask, please do. If you would like a mask and did not obtain one on the way in today, please see an attendant and they will assist you.

I would also ask that you ensure that your mobile phones are switched off for the duration of the meeting. I ask that you do not use cameras, video or sound recorders during the meeting. In addition to being able to participate in today's meeting in person, as set out in our release to the ASX on 29 November 2022 we have available today an

online questions functionality. Please note that only shareholders, proxy holders or shareholder company representatives may ask questions at this meeting.

Shareholders viewing the webcast who wish to submit a question now or during the meeting can do so by selecting the Ask A Question button located at the bottom of your screen. You will need to validate yourself with your shareholder number in order to ask your question. To then ask a question please select the item of business that your question relates to, type in your question and press submit. Those questions will be placed in a queue. Questions are limited to 512 characters. If you exceed this limit you will need to revise your question before it can be submitted.

We encourage you - anyone who is joining us online today - to submit all of your questions now. While you can submit them now, your questions won't be addressed until the item of business to which they relate comes up. Accordingly, please don't hesitate to put those questions in. We are waiting for them.

Due to time constraints, we may run out of time to answer all questions today. But if this happens we will follow up with you via email and answer your questions following the meeting. To assist with the efficient conduct of the meeting and to ensure that as many questions as possible are able to be addressed, questions may be aggregated based on their subject matter so that they can be answered together. While providing as much context as possible, lengthy questions may be summarised.

Questions submitted on customer or personal shareholding matters will not be put to the meeting. You will be contacted after the conclusion of the meeting to ensure you receive the individual support you require. Shareholders should also be aware that defamatory, repetitive or domineering questions or questions that are not relevant to the Company or the items of business being considered at the meeting, will also not be put to the meeting.

For those of us here in person today the Chairman will provide further details about how questions will be taken from the floor. It is now my very great pleasure to introduce you to Patrick Allaway, your Chairman.

Patrick Allaway: Thank you Fiona. Good morning ladies and gentlemen. My name is Patrick Allaway and it is my great privilege to be Chair of BOQ. I would like to welcome all of you to our annual general meeting. I know talking to many of you outside some of you have actually travelled a long way to come today, many interstate. So thank you for taking the effort to join us today. As Fiona said we do have an online webcast. I know that we've got many people online and we are providing them the opportunity to ask questions online. But thank you for joining us.

The Company Secretary has confirmed that a quorum is present. Accordingly I declare the annual general meeting open. A Notice of Meeting was released to the ASX on 3 November 2022 and an update was provided on 29 November 2022 regarding the withdrawal of an item of business relating to the grant of securities to the former Chief Executive Officer and Managing Director. I will take the Notice of Meeting as read.

I will now make some introductions. Seated to my right and your left are Chief Financial Officer, Racheal Kellaway; Non-Executive Director Mickie Rosen, Chair of our Transformation and Technology Committee; Non-Executive Director Warwick Negus, Chair of the People, Culture and Remuneration Committee - Warwick will also be standing for election today - Non-Executive Director Dr Jennifer Fagg.

On my left and to your right, Non-Executive Director and Lead Independent Director Karen Penrose - Karen is Chair of the Audit Committee and Karen will also be standing for election today. Non-Executive Director Mr Bruce Carter, Chair of the Risk Committee; Non-Executive Director Deborah Kiers. Obviously you have met our Company Secretary, Fiona Daly.

Mr Matthew Lunn of PwC, the Company's external auditor, is also in attendance today. Thank you for joining us Matthew. He is seated in front of me and has just stood up. Mr Lunn will be available to answer questions regarding the conduct of the audit and the content and preparation of the audit report.

The Company's senior members of our management team are also with us today and are seated directly in front of me. I welcome all of them joining the meeting.

I would now like to turn to the outline of the format of the meeting. First, I will give an address as your Executive Chairman. We have considered questions received from shareholders in advance of the meeting and sought to address the common themes in my address. I will also use my address to discuss the recent leadership change in the Company. We will then turn to the business of the meeting, during which you will have an opportunity to ask questions that you may have, including with respect to the leadership changes in the Company.

I will turn to my address.

These are very important meetings providing the opportunity for our shareholders to hear directly from BOQ on our performance, our digital transformation and the outlook ahead. Equally important is the opportunity to respond to your questions. This is especially so in the context of the Company announcing the departure of its Chief Executive Officer, George Frazis and the commencement of the search for his replacement. I know this leadership change will have come as a surprise to many of you and I want to explain the Board's decision directly to you.

We have made considerable progress on delivering our strategic plan as outlined to the market in 2020 to transform BOQ. We remain committed to this plan improving the experience for our customers, our employees by building a digital and data-led scalable Bank. This transformation is critical, not only for our competitiveness, but also to uplift our risk control environment by moving off multiple complex legacy systems and reducing our reliance on manual processes.

The digital Bank will provide a compelling value proposition increasing our return on equity and building shareholder value. An important stream of work in this plan is building a simpler and more resilient Bank with an uplift in our risk culture, frameworks,

processes and controls. The Board recognises and is committed to ensuring this is our highest priority, particularly reflecting on the more difficult economic cycle that we are about to enter.

While we respect and acknowledge the contribution George Frazis has made over his three year term with BOQ, the Board reached the conclusion that we need a different capability and a different leadership style to build a simpler and more resilient Bank. Our expectations in respect of this were made clear to George over a period of time. Having made this difficult decision we considered a number of options about how to move forward.

We recognise the immediate departure of a CEO and the associated uncertainty is not ideal. But we felt a longer transition would not be in the best interests of BOQ. We considered it would be suboptimal and destabilising for George to continue in the CEO role, knowing he did not have the ongoing support of the Board while the search for a successor was underway.

The Board also felt it was important, given the need for stability, to allow the senior executive team to focus on continuing to deliver on our plan, support the wider BOQ team and keep the attention on what is best for our customers and our shareholders. BOQ is now actively looking to appoint a new CEO as a matter of priority. Our succession planning process has been monitoring a number of quality internal candidates, but also external candidates.

We anticipate the executive search and evaluation process and the commencement of a new Managing Director and CEO will take up to nine months. During this interim period I have stepped in as Executive Chairman. Karen Penrose on my left will be appointed as the Lead Independent Director ensuring BOQ continues to have a senior independent role on the Board.

As Executive Chairman I will focus on supervising the management of the business while our executive team remains focused on execution of our strategic priorities and running the business. I recognise the increased time commitment required to undertake the Executive Chairman role and accordingly I have taken leave of absence from the Dexu and Allianz boards during this interim period. I will remain on the Adobe global advisory board which has four meetings per annum and no fiduciary responsibilities.

The strength and stability of BOQ is not about one person. It is about the capability of all of our people. We have a strong team led by our senior executive team who are well-skilled and seasoned bankers and passionate about BOQ. My appointment as Executive Chairman is of an interim nature to retain stability as I intend to return to my role on the Board in a non-executive capacity as soon as a new CEO commences. Our ambitious vision and strategy for BOQ remains unchanged. We are in a strong financial position. By strengthening our operational resilience and risk culture we will further strengthen our ability to transform in a sustainable manner.

I would like to comment on some key focus areas for the Board. Our core transformation strategy remains unchanged with an increased focus on the following priorities. Firstly,

strengthening the Bank through building a simpler and more resilient Bank. This will include continuing to work co-operatively with our regulators to advance our risk management maturity and culture and our control environment in respect of both financial and non-financial risk. While a significant amount of work has been done there is still more work to do in this area.

Secondly, the ongoing execution of the technology transformation remains key to our future position in the industry and we remain focused on delivering a digital and data-led Bank to improve the customer and employee experience and further improve our risk profile as we reduce our reliance on manual processes.

Thirdly, we will have a sharpened focus on simplification, disciplined execution and optimising returns. Optimising returns will be achieved with a focus on quality growth in key segments and achieving an acceptable return above our cost of capital.

Our final priority, we will aim to embed our purpose and values in everything that we do, making a real difference for all of our stakeholders, ensuring it drives our decision-making and all of our behaviours.

I wanted to just comment on our new purpose and values - building social capital through banking. You would have seen we announced that at the full year results. It has been a difficult year for all of our stakeholders, navigating unique circumstances as we continued to live with COVID, dealt with pressures from inflation, labour shortages and experienced rising interest rates for the first time in 11 years.

The year was also impacted by severe flooding, in particular in this part of the world, and extreme weather events across the country. These economic, health, and environmental factors have impacted the lives of many of our customers, people and the communities in which we operate. It is against this backdrop that our new purpose, building social capital through banking, was developed.

The importance of supporting each other and our customers in doing the right thing and driving improved social and environmental outcomes has never been more critical. Our new purpose and values guide our culture and the way we do business, driving appropriate conduct and making a positive difference to the lives of all of our stakeholders. We are empowering our people and in doing so we will hold them to account to deliver against our priorities.

We are further encouraging them to speak up, be curious and to challenge the status quo and to bring an inclusive and diverse voice to work. We have more work to do in strengthening our risk culture and ensuring our people understand that we are in the business of taking risks and that managing risk is everyone's business. Whilst cultural transformations take time we are pleased to see continual improvement in our employee engagement which now stands at 67% and an improvement in our culture to a more constructive style.

We recognise there is more to do and are encouraged by our steady progress. The right leadership and talent is critical to our success and we remain focused on building the

skills needed for the future through the development of a high quality, diverse and inclusive team.

I'm just going to make some comments on building a sustainable business. BOQ is committed to building a sustainable business. I am proud of our environmental commitments and our progress to date. We have continued with our carbon neutral accreditation and 54% of our energy needs are now from renewable sources. We are also committed to achieving 100% renewable energy by 2025 and have further committed to reducing our emissions by 90% for Scope 1 and 2 by 2030 compared to a 2020 baseline.

Throughout our 148 year history - in fact we are looking forward to next year - next year actually will be our 150 anniversary and we look to celebrating our proud Queensland heritage. But throughout that history the communities in which we operate have been core to our business. We acknowledge the role we play in these communities and the opportunity we have to make a positive impact.

Our owner managers are embedded within their communities through more than 100 branches with long tenure and deep relationships. Our customers are at the heart of our business and central to all of our decision-making. With many of our customers across the country impacted by severe flooding, extreme weather events, increasing cost of living and rising interest rates we are focused now more than ever on supporting our most vulnerable customers who may be facing hardship.

During the year we have continued our community partnerships with Orange Sky, Clontarf Foundation, Stars Foundation, National Breast Cancer Foundation and the Mothers' Day Classic Foundation. These organisations support vulnerable Australians, First Nations youth and breast cancer research and are firmly aligned to our purpose. I am very proud of the role our people and BOQ plays in advancing the important work in these organisations.

Some comments on progress against our strategy. Throughout the year we have continued to execute against our strategic plan, building on the solid progress we have made since 2020. The digital transformation is moving at pace. This year we launched the myBOQ app on the new digital bank platform. Completing digital deposits and payments as a first priority benefits the majority of our customers who are mostly transaction and savings deposit holders and it strategically improves our funding.

myBOQ joins our award winning Virgin Money app in offering customers digital transactions and saving account capabilities, with customers able to start transacting in under five minutes with real-time payments, automatic saving round-ups and personal financial management tools. This has resulted in an improved customer acquisition and we are now attracting nine times more deposit accounts on average per month.

ME digital deposits will be delivered in FY23. Towards the end of next year we will have commenced migrating 300,000 existing ME Bank deposit customers to the new digital Bank. Building a payments capability for retail and business banking customers is another key deliverable under this first phase. There has also been progress across the

broader transformation which includes the migration of data centre infrastructure onto the public cloud, the upgrade of the Business Bank core, and further build-out of our intelligent data platform.

The development of lending origination that will sit across retail and business banking will be a key outcome for the second phase, commencing with digital home loans followed by personal loans and business loans.

During the year, we announced a five year strategic partnership with Microsoft making BOQ the first bank in Australia and New Zealand to access Microsoft's new customer experience tools. The partnership will drive a key element of our digital strategy, allowing us to simplify our infrastructure, build new features for customers, standardise and automate more processes, and be able to deliver differentiated and personalised experiences for our customers.

Our ME Bank integration program is well progressed with ME having returned to growth and consolidated onto one ADI licence. We have completed a number of key integration streams and delivered synergies ahead of plan. Our ongoing work to provide a superior customer experience has involved enhancements to loan processing to ensure our time to yes continued to improve.

During the year our retail net promoter score improved to third position up from fifth in FY19, and our Business Bank NPS was ranked fourth. Delivery of our strategy with an increased focus on the areas I've outlined is key to delivery of long-term outcomes of a stronger and simpler organisation, optimising returns for shareholders and improving our customer and employee experience.

I just want to make some comments on our business performance and our capital management in the last financial year. Notwithstanding the difficult and highly competitive trading conditions this past year, I'm pleased to report that BOQ has again delivered a solid financial performance reporting a statutory profit of \$426 million and after tax cash earnings for the year was \$508 million, which represents earnings per share of \$0.784.

We have good business momentum in home lending growth across all our brands. Our Business Bank has also outperformed the market in small to medium sized business sectors, in line with our renewed focus on this important segment.

BOQ's \$81 billion loan book has performed well through the past 12 months. Our business lending portfolio is well diversified and well secured with minimal cash flow lending. Whilst we anticipate increased pressure on some of our retail and business customers from higher interest rates and inflation, BOQ's book is well positioned going into a more difficult trading environment.

Our end of year CT1 ratio was 9.57%, giving us a strong buffer to all regulatory requirements. The Board determined a fully franked dividend for the second half of \$0.24 per share, bringing the full year total ordinary dividend of \$0.46 per share. This is

slightly below our target power ratio, allowing for the important reinvestment in our business.

I want to make some comments on shareholder value. We acknowledge the disappointment in our share price performance. We are trading at a discount to book value and a relatively low price to earnings multiple. In our view, the value of our quality book and the material investment being made in our transformation is not currently being reflected in the share price.

The completion of our transformation will require a medium term view rather than a short term view of benefits. We believe in the medium term benefits that this will deliver and thank our shareholders for their support over this time horizon.

Your Board and Executive Team remain committed to the considerable investment in our strategy as we have high conviction in being able to generate sustainable shareholder value over the medium term and an improved customer and employee experience.

Looking ahead, we have a clear plan to further strengthen, transform, and build a digital, scalable, more competitive bank with an exceptional customer and employee experience. Our performance demonstrates that BOQ is stable and strong.

Looking ahead, Australia is relatively well placed as we move into a more uncertain economic environment. It's time to be prudent as we deal with elevated inflation, rising interest rates combined with geopolitical tensions and a weakening global economy and ongoing supply chain and labour disruptions.

With the increased focus on building a simpler, more resilient bank, we are currently reviewing our plans to enable an increased investment in strengthening our control environment. Whilst we're investing more in this area and we're operating in a high inflation environment, we will remain focused on our overall cost discipline across the Group.

We remain focused on optimising net interest margin in the near term and delivering medium term improvements in our cost to income ratio and return on equity through the delivery of our strategic plan. We are increasingly confident in a slightly positive outcome for our capital position under Basel III, which comes into effect on 1 January 2023. If that is the outcome, we will seek to preserve this benefit to support the stronger financial resilience through the more challenging economic cycle.

We recognise the importance of dividends to our shareholders and we will balance that against the resilience and strength of the Bank, the capital requirements for balance sheet growth, and our ongoing investment for our transformation.

The Board acknowledges our Executive Committee and all of our BOQ employees for their continued commitment to delivering for our customers, living our purpose, and creating long-term value for our shareholders. On behalf of the Board, thank you to all of our customers and all of our shareholders for your support for BOQ. Thank you.

Ladies and gentlemen, we now come to the formal business of the meeting. Before we proceed, there are a number of procedural matters which I must draw to your attention. As this is a shareholders meeting, only eligible shareholders, their attorneys, proxies, and authorised representatives are entitled to speak or vote at the meeting.

Each item will be discussed in turn and members will have the opportunity to ask questions on that item of business. We will endeavour to answer your questions as best we can. To ensure all shareholders have an opportunity to ask a question today, please save your questions on individual items until we reach that specific item of business, and I will also ask that questions be confined to the business of the meeting.

Directors and members of senior management will also be available for a time after the meeting to answer any more specific questions when we meet for coffee afterwards.

If you wish to ask a question, please make your way towards the middle of each aisle where an attendant with a microphone will be present to assist you. Please present your blue or yellow shareholder admission card, which denotes your right to ask questions and provide the attendant with your name.

When I call on you, the attendant will introduce you so that you may ask your question. As previously mentioned, this meeting is being webcast, so I ask that you keep your questions brief and to the point so that viewers can hear the questions clearly. Questions on customer and personal matters not relevant to the shareholders as a whole can be discussed with our customer relations and customer advocate teams after the conclusion of the meeting to ensure you receive the individual support that you require.

Anyone holding a white voting card is welcome at this meeting but is not entitled to speak or vote. In terms of voting all eligible shareholder and proxyholders will have been issued with blue voting cards on entering the meeting upon which a vote can be recorded against each resolution. If you are both a shareholder and a proxyholder it is important for you to complete two voting cards. The one you will write as a shareholder and the second as a proxy.

Following questions on each resolution, details of the proxies that have been received by the Company from shareholders will be displayed on the screens behind me. Any open proxies that have been received by the Directors subject to the voting restriction detailed in the Notice of Meeting for Item 3, and the shareholder having marked the appropriate box on the voting card, will be voted in favour of each resolution.

As set out in the Notice of Meeting, voting on all items will be conducted by poll. In respect of the conduct of the polls I appoint Mr Chris Healey of Link Market Services as returning officer. Link Market Services attendants will be available to collect your voting cards at the end of the meeting and will be available at the exits from this room.

Results of the individual votes will be published on the ASX and the BOQ website as soon as they have been verified. Please keep your voting cards with you until all resolutions have been voted on. If you need to leave the meeting early, you can place

your completed voting card in one of the ballot boxes at the exit. If you have any questions, please see a share registry team member.

Given the importance of the recent leadership changes and notwithstanding that I've already spoken about this in my speech, I expect that there will be a number of questions on this topic which shareholders may wish to ask. So I will start today with questions on our recent change in leadership before then moving to questions on the financial reports and the other items of business.

If you wish to ask a question on this subject, please move to one of the microphones now so that the attendant can introduce you. Thank you. Please go ahead.

Attendant: Mr Chairman, introducing Kelly Buchanan from the Australian Shareholders' Association.

Patrick Allaway: Thanks for joining us Kelly. Nice to see you.

Kelly Buchanan: (Shareholder, Australian Shareholders' Association) Nice to see you too. When we met with you a couple of weeks ago, we discussed the enormous amount of turnover in the executive suite last year, which was looking to us like a revolt, like it had a revolving door. You assured us that the team was now in a stable position. A week later, the Board removed the CEO and you as the Chairman are taking over his role. When can we expect this revolving door to stop spinning or maybe at least slow down?

Patrick Allaway: Thanks, Kelly. That's a very good question and I want to assure you that when we spoke to you and Warwick and I met with you, the Board had not made a decision about the CEO. That decision was made last Sunday and so it was not something I could comment on when we spoke to you.

We're certainly not comfortable with the number of executives that have left the Group, but what I can tell you is the succession within the Group that's come through the executive ranks is very strong and we have a really, really strong team.

The reason I've stepped in as Executive Chair is to attempt to achieve stability in that team, and that's very, very important. I've spoken to all of our Executive Committee as a group and individually and we will look to retain our team. We've got some really skilled bankers and hope to retain stability going forward but it's a very good question.

Kelly Buchanan: (Shareholder, Australian Shareholders' Association) Just a quick follow up. Seeing that you made the decision last Sunday, would you consider it a bit of a spur of the moment decision?

Patrick Allaway: No, that's not a spur of the moment decision. So as we said we've considered this over a period of time. We've made our expectations very clear to our CEO over a prolonged period in terms of our expectations in relation to style and the priorities from the Board.

I spoke to some of the key priorities that we are very focused on as a Board and we felt and made a final decision last Sunday that unfortunately, irrespective of all the great things that George has done for BOQ and he's made a major contribution over his last three years, that he did not have the leadership style and the skills to take us forward. Once the Board loses confidence in the CEO, we felt it was actually the right decision to make that decision immediately.

Kelly Buchanan: (Shareholder, Australian Shareholders' Association) Right. Thank you.

Attendant: Mr Chairman. Introducing Peter Starr, a proxyholder and he is a private equity advisor.

Patrick Allaway: Thank you. Good morning Peter. Thank you for joining us.

Peter Starr: (Shareholder and Proxyholder) Good morning Mr Allaway. How are you? Is it all right refer to you as Patrick?

Patrick Allaway: Absolutely.

Peter Starr: (Shareholder and Proxyholder) Thank you. Good morning ladies and gentlemen. I spoke to some of you shareholders out there. I think I spoke to John who'd been a shareholder for 20 years. I want to say to you, Patrick, and to the Board, I go along to a lot of bank AGMs and I hope all the Board's watching - these are the real people out here, the shareholders, the real people.

Some have been 20 years, some have been five years, some have been seven years. They're the real people and we want to see improvements. The previous CEO before George was a bloke called Jon Sutton, an absolute debacle and where did he come from? Comm Bank. I hope I don't see any headlines that any other executive teams are going to leave, given that some of them were recruited by George who's now gone.

I should also state that, notwithstanding that, it gets leaked to the media before it's leaked to the ASX. What sort of nonsense is that? I know it wasn't the Board and that's an absolute disgrace, an absolute disgrace under the ASX listing rules.

So I see that we've brought on Mickey there who has expertise in IT and here's a challenge Patrick, to Mickey. There's definitely IT needs to be fixed up in the Bank. I've talked about this for the last two years. So we raised capital in this bank to buy ME Bank at \$7.35. Our shares went up to \$9.80 and it was great.

Last week with all that that went on it went down to \$7 and we're tracking at \$7.22 this morning as I speak. Let me implore you and the Board that the next CEO that we get, can we make certain we've done all the due diligence and we don't hear any of this nonsense; I need Fiji Water or I need this done or I need that done. Let's live in the real world where these people, the mum and dad investors live, and my clients that I brought to the Bank. I'll have more to say later. Thank you.

Patrick Allaway: Thank you for your comments Peter. I don't think there was a question there but you've made a lot of very important comments that I might just reflect on. First of all, you talked about stability. We are very focused on stability. The Bank is stable. It's in a strong financial position and obviously we are very keen to retain the quality people that we have in the organisation.

You talked about leaks to the media. I'm very comfortable with the integrity of this Board that, as you said, there were no leaks from this Board. We cannot control what happens outside of our control. Certainly it was inappropriate and unacceptable that there was a leak to the media prior to our ASX release. I made a comment earlier in the week, it certainly wasn't the Board's narrative. The leak suggested that we've reached a mutual agreement. The leak suggested that the ex-CEO was consulting to the Bank. That is not accurate. The Board exercised its discretion to terminate the contract and George is not a consultant to the Bank.

In relation to IT legacy we've recognised for the last three years that the Bank has underinvested in its IT. We've made a considerable commitment over a six year program to make a material investment in transforming the Bank to a digital bank. We are making really strong progress with respect to that.

In relation to ME Bank, the acquisition of ME Bank was a fabulous acquisition for this Bank. It has diversified our portfolio; it's given us scale. It's given us a good even split between earnings coming from the Business Bank and the Retail Bank. Also importantly, it's given us a very good geographic diversification from a risk perspective. The integration is going well as I said earlier in my speech.

In relation to due diligence, I can assure you this Board is very diligent on assessment of criteria for the new CEO and due diligence in relation to the CEO. It conducted extensive due diligence on George Frazis. As I said to you, George did an enormous amount for this Bank over the first three years. We've just decided over a period of time that George is not the right person to lead what we're looking for going forward but thank you for your comments and questions.

Peter Starr: (Shareholder and Proxyholder) Thank you.

Patrick Allaway: Are there any further questions from the floor? No questions. Do we have any questions online?

Cherie Bell: We have no questions from participants using the online platform.

Patrick Allaway: Thank you. So I might proceed then with the next item of business. So we're now proceeding to Item 1, which is the first item of business for today. The first item listed in the Notice of Meeting is to receive and consider the Financial Report, Directors Report and Auditors Report for the Company for the financial year ended 31 August 2022.

In accordance with the Corporations Act, there is no vote on this item. This item of business provides shareholders with the opportunity to ask questions about the reports

and management of the Company. If you would like to ask a question, please provide your name to the attendant so they can introduce you. Are there any questions?

Attendant: Mr Chairman, introducing Michael, a shareholder.

Patrick Allaway: Welcome Michael. Nice to see you.

Michael Sanderson: (Shareholder) Yeah, nice to see you too. Patrick. Must have been 10 months since our last chat.

Patrick Allaway: It has been.

Michael Sanderson: (Shareholder) I'm a member of the Bank Warriors and I'd just like to acknowledge a few people that would have liked to have been here today, but due to the fact that they've got other things on, [unclear] and mortal combat with the CBA; Rita Mazalevskis, she's in WA looking after an invalid father, also studying law. Carolyn Thomson, mortal combat with the ANZ and my idiot friend here, Craig Caulfield who sold his BOQ shares and forgot about them.

Patrick Allaway: Very disappointed with that Craig.

Michael Sanderson: (Shareholder) Yes, I take up your challenge, you said stand up, speak up and challenge the status quo. That's what our people have been doing for a while now. My first question goes regarding BOQ risk going forward, with particular focus on the mandatory and contractual warranty of the Banking Code of Practice or code of banking practice. My questions are does the Board acknowledge that BOQ and its internal and external lawyers are mandatory required to comply with clause 35 of the code? If not, can you explain why not? If so, is BOQ's Board aware of any occasion where its lawyers have not fully complied with clause 35 of the code in the past?

Patrick Allaway: Thank you for that question, Michael. So absolutely it is our intention to comply with the code of practice. I'm not aware of any instance that we haven't complied, but I might refer that to our Company Secretary and Chief Legal Counsel to come back if there are any incidents that we haven't complied. But certainly I am not aware that we haven't.

Michael Sanderson: (Shareholder) I've just got a quick follow up, thank you very much. The mandatory code of the Bank - the mandatory code, the Banking Code of Practice, states that in disputes handling - will be free of charge and meet the standards set out in the Australian Standard AS 4269-1995. While in dispute, BOQ uses its credit issuing powers and routinely issues additional credit to the borrowers' loan account and charges them penalty interest to pay for their lawyers. My question is, apart from the obvious abuse of BOQ's credit issuing powers, can BOQ explain how this is not also a breach of the code and the standard?

Patrick Allaway: Look I think you're referring to a matter that is over 10 years ago.

Michael Sanderson: (Shareholder) No, no, I'm not referring to my own matter.

Patrick Allaway: Okay.

Michael Sanderson: (Shareholder) I'm referring to a general matter and it relates to other banks as well, but I'm asking the question in context of BOQ, how it treats its customers generally and I know it's an ongoing practice where if you're in litigation with a consumer, before a dispute is actually resolved, the bank issues credit to a borrower to pay for the lawyers and then charges them interest for the privilege. Surely that's a breach of the code.

Patrick Allaway: Look, I think I'll have to take that offline, Michael. I'm not aware, unless one of my executive wants to make a comment here, of that practice. What I can tell you during COVID is that we basically took the view to enable all of our customers who were suffering hardship to defer payments and there's no...

Michael Sanderson: (Shareholder) I'm not talking about deferred payments; I'm talking about when you're in dispute with a consumer charging them for the privilege of paying for the lawyers. And at the same time, these consumers are battling you in the Bank in many cases as self-litigants. It's perverse.

Patrick Allaway: Michael, I'm going to take that offline.

Michael Sanderson: (Shareholder) Okay.

Patrick Allaway: It's not a matter I've got knowledge on and I can comment on today, but we will come back to you with respect to that.

Michael Sanderson: (Shareholder) Okay, I've got some other questions, but I'll let other people have a go.

Patrick Allaway: Sure.

Michael Sanderson: (Shareholder) Thank you.

Attendant: Mr Chairman, introducing Peter Starr, a shareholder.

Peter Starr: (Shareholder) Thanks Patrick and the Board. Question I have and if you could elaborate would be helpful to not only myself but I'm sure others in the room. The ACCC took action in relation to a breach of the consumer data by BOQ. Could you please explain? That's one. Two - that was the ACCC - ASIC, also in the court of unfair contracts, two banks, was BOQ and Bendigo and Adelaide Bank and if you could elaborate on that please.

Patrick Allaway: Thank you, Peter. So we've been public about both of those and made public statements about both of those. With regard to the ACCC, we were late in delivering phase one of our open banking and we accept that and we were fined for that and we have remediated that. With respect to the unfair contracts terms and Nicholas, I might refer to you, but I understand that matter has been settled. We've reviewed all of our documentation to ensure that there are no unfair contract terms in our documentation and we have not enforced any of our unfair terms in our documentation.

But Nicholas, if you wanted to add to that, I'm welcome for you to do that. Okay, thank you.

Peter Starr: (Shareholder) I'm pleased to hear that. I'm sure the other shareholders in the room are pleased to hear that, because it's a really important point, Patrick, that you make in relation to that because unfair contracts are not good by any means, you know? Especially when the Royal Commission and what went on came out about a whole lot of banks, not just BOQ, but certainly other banks. When you've got systemic malpractice going on and nobody doing anything, it's an absolutely disgrace.

One final question in relation to this is that are there any outstanding matters from ACCC, AUSTRAC, ASIC, that you or the Board are aware of that we need to be informed of today please?

Patrick Allaway: So as you'll be aware, there was a criminal charge actioned against ME Bank. Again, that was public before we purchased ME Bank. I believe that's still ongoing, so that hasn't been resolved, but it's been well publicised. I'm just checking with our senior legal counsel as to whether there's anything else that we should disclose. I'm not aware of anything else.

Peter Starr: (Shareholder) And just on that ME issue, when are we likely to have a resolution, any idea?

Patrick Allaway: Look that's going through its process. I think it's very hard to predict how long legal issues take. I'm not sure. Peter, but I will ask someone to come back to you if we do have a fair view about when that might resolve, but I think it's very hard to predict.

Peter Starr: (Shareholder) Thank you.

Patrick Allaway: Are there any more questions from the floor?

Attendant: Mr Chairman, reintroducing Michael Sanderson, a shareholder.

Patrick Allaway: Thank you.

Michael Sanderson: (Shareholder) I'm floored that the greenies aren't here today. Generally you've got to muscle in for room. BOQ puts a lot of reliance in an organisation called the Australian and Financial Complaints Authority and you're on the record of saying they're independent, you rely on their determinations. I'd like to read you a couple of quotes from an AFCA internal report, this is AFCA advising AFCA in relation to issues. And I quote: However, in my view, the Bank has failed to display the care and skill of a prudent and diligent banker by not linking the profits of S Pty Limited by taking guarantees from S Pty Limited to secure the loan to the company; and, in my view, a prudent and diligent lender would have directly linked the revenue stream to the borrowing by interlocking guarantees; and it was poor banking practice to allow the interest only obligation to continue without a review once the notice of sale of the

business in 2009; and, finally, the Bank could have exercised greater skill and care by linking the cash flow source for the debt servicing directly to the loan.

Now I find it peculiar that this stuff never found its way to the final determination for it. How can BOQ justify or contemplate even that the Australian Financial Complaints Authority is independent, taking on board it's a limited liability company that is wholly populated by bankers and lawyers? It's, again - and I suppose the other thing you've got to question, the name, this is a joke actually, it's got to be a joke, the AFCA itself was established by a notifiable instrument by an NAB banker. And the name of the organisation is - and I just want to get this accurately, excuse me - okay, well I can't find it. But in the name it says AFCA puts consumers first. That's the joke.

Patrick Allaway: So Michael, I'm not going to comment on the decision making of AFCA. They're an independent body and it would be inappropriate for me to comment on the decision making. They are independent of the Bank and they are the body where disputes get referred to, to get resolved. You're referring to a personal matter and as I said at the beginning of the meeting, we're not going to deal with personal matters. This was a matter from 2009. I've spent an inordinate amount of time as Chairman with you on this matter, met with you and your wife and it's not appropriate for us to deal with it here. Very happy to speak with you after this.

Michael Sanderson: (Shareholder) I'm not asking about my personal case.

Patrick Allaway: You are.

Michael Sanderson: (Shareholder) No I'm not, I'm asking you to comment on an internal AFCA report.

Patrick Allaway: I've answered your question, Michael. I cannot comment on AFCA's decision making and AFCA is an independent body of the Bank.

Michael Sanderson: (Shareholder) I'll leave it there, thank you.

Patrick Allaway: Thank you. Any other questions from the floor?

Attendant: No further questions.

Patrick Allaway: Thank you. Any questions online?

Cherie Bell: We have no questions from participants using the online platform for this item of business.

Patrick Allaway: Thank you. I'm going to go to Item 2, which relates to the re-election of Directors. Three Directors, being myself, Karen Penrose and Warwick Negus, are seeking re-election at this year's meeting. The biographical details of all Directors up for election are set out in the explanatory statement that accompanied the Notice of Meeting and in the Directors' Report on pages 68-69 of the BOQ 2022 Annual Report.

Each Director standing for election will provide the meeting with a brief address. In accordance with BOQ's policy on independence of Directors, the Board has determined that each of the Directors standing for election remain independent and able to exercise independent judgment to provide an objective assessment of matters considered by the Board. All of the Directors standing for re-election retire in rotation in accordance with the Company's Constitution.

Item 2(a) of business relates to my re-election. I'd like to take the opportunity to address the meeting with regard to my election, noting that prior to its formal consideration, I will vacate the chair and ask Karen Penrose to take the chair for this item of business.

It's my privilege to stand for re-election to serve as a Director of BOQ. I was appointed as a Non-executive Director of BOQ in May 2019 and was appointed as Chairman in October 2019. I bring over 30 years of experience in financial services across financial markets, capital markets and corporate advisory. During this period, I held extensive senior executive and non-executive and corporate advisory roles across the financial services, property, media and retail sectors. My executive career was in financial services with Citibank and Swiss Bank Corporation, now UBS, working in Sydney, New York, Zurich and London.

I was Managing Director of Swiss Bank's Capital Markets and Treasury Business. It was a global role, responsible for a large global business. I also have over 15 years' experience as a Non-Executive Director, and was formerly a Non-Executive Director of Macquarie Goodman Industrial Trust, which is now Goodman Group, Metcash, Fairfax Media, Woolworths South Africa, which is a large listed entity in South Africa, David Jones, Country Road Group, Domain Group, and Nine Entertainment Group.

My passion is building and growing and transforming businesses. Through my various roles I have witnessed how technology enables new markets, models, entrants and shifts in consumer behaviour, and at the same time how incumbent players transform to compete and thrive.

I am also on the Global Advisory Board of Adobe. For those of you that don't know, Adobe is one of the 50 largest companies in the world, and one of the key leaders in digital revolution and digital transformation. The insights that I get from that Board are very helpful in our transformation journey.

At BOQ we are on our own journey of transformation and reinvention, with a focus on strengthening and simplifying the Bank, and optimising performance through a challenging and constantly changing macroeconomic environment. My goal is to govern and help build BOQ into a resilient digital bank, delivering on exceptional customer experience, and an exceptional employee experience, and growing shareholder value.

I want to thank our customers, our people, and you, our shareholders, for your support. If elected today I will commit to serve you to the best of my abilities. Thank you.

I'll now hand over to Karen to conduct the meeting.

Karen Penrose: Thanks Patrick, and good morning ladies and gentlemen. As you are aware, this item of business relates to the re-election of Mr Patrick Allaway. Mr Allaway, as he's shared with you already, joined the Board in May 2019, and was appointed Chairman in October 2019. Mr Allaway is Chair of the Board, he is Chair of your Nominations and Government Committee, and the Investment Committee. He is a member on my Audit Committee, the Risk Committee, the Technology and Transformation Committee, and the People, Culture and Remuneration Committee.

Mr Allaway was last elected as a Director of the Company in December 2019. Following recent leadership changes that we have discussed earlier, Mr Allaway was appointed as Executive Chairman on 28 November 2022 for the period of the executive search. The Board, with Mr Patrick Allaway abstaining, recommends that shareholders vote in favour of Mr Allaway's re-election as a Non-Executive Director of the Company.

Can I ask please if there is anyone on the floor who would like to ask a question in relation to this resolution?

Attendant: Mr Chairman, introducing Peter Starr, a shareholder.

Karen Penrose: Thank you. Thank you Peter.

Peter Starr: (Shareholder) Thank you Karen. So I'd just like to say that from a personal perspective and the votes I'm holding, and the clients I've brought to BOQ, came to BOQ when Patrick Allaway joined the Board. Now not that withstanding all that, you have my undivided support, and the support of the shareholders I represent, because we certainly believe in you. We wouldn't have invested in the Bank, and my clients wouldn't have taken out loans. While I'm on that point I should say hello to Guy in Perth, thank you very much for everything you've done. Also to Graham O'Kell.

So I'll be voting certainly for you. You've got a big job to do while you split the roles. It's really important, Patrick, and I say this as a friend, it's really important that the next CEO we get is aligned with everything. Thank you.

Karen Penrose: Thank you, Peter, we appreciate your comments.

Attendant: Chairman, introducing Michael Sanderson, a shareholder.

Karen Penrose: Hi Michael.

Michael Sanderson: (Shareholder) Hello again. Totally different this time, Mr Allaway, we'll see how clever you are. This goes to how things work in banks generally. Matt Comyn, I think you know, he's the CEO of the CBA, at the recent AGM confirmed, and I quote, we also do create deposits in the system. We expand money supply when we lend money. Banks have - would have been Margaret Thatcher - a magic money tree.

Please consider the following scenario. Fred Nerg purchases a house from Joe Bloggs. Both bank with BOQ. So the transaction stays within the Bank, so stay away from overnight money market and all that sort of stuff to confuse the issue. BOQ extends a

mortgage secured by the house, and Fred Nerg's personal guarantee. BOQ create a deposit, and in doing so expands money supply, in order to facilitate the loan to Fred Nerg, ceteris paribus. For those that don't understand what that is, all other things being equal.

My question is, how does BOQ, and by extension other banks, justify increasing the interest rate on Fred Nerg's and other mortgagee loans - mortgagor loans, sorry - in line with the cash rate when the cost of funds was zero? Is this profit gouging? Perhaps it's subsidising other products that the magic money tree can't be used for, or both.

Patrick Allaway: Is that a question to me, Michael?

Michael Sanderson: (Shareholder) Yes, that's...

Patrick Allaway: Look, I didn't hear a lot of your question.

Michael Sanderson: (Shareholder) I'll read it again if you like?

Patrick Allaway: But what I can - I don't need you to read it again. What I can tell you is that we make commercial decisions that are entered in the interest of our customers. We make commercial decisions that are in the interests of all of our stakeholders. Clearly we have a cost of funding that we look to get an adequate return on risk on when we lend money. If interest rates are rising, we will obviously consider the customer's position and look to manage our own return on risk. But also the customer's situation.

But I'm not sure what your question was. But what I can tell you...

Michael Sanderson: (Shareholder) I'll put it simply for you, because you are dodging the question. The cost of lending to Fred Nerg was zero, because you have the ability to create a deposit in the system at the point of lending. My question is, how do you, BOQ, justify increasing the interest rate in line with the cash rate on a loan that does not incur any borrowing costs, does not involve any depositors deposits? Or is Matt Comyn wrong? You could say, Matt Comyn hasn't got a clue what he's talking about.

Patrick Allaway: Michael, I might not be very bright, but I do not understand your question. I apologise for that, and I am very happy to talk to you after the meeting. But you've lost me completely.

Michael Sanderson: (Shareholder) I've been switched off have I? Concerned, Patrick.

Patrick Allaway: I'm happy for you to be concerned.

Michael Sanderson: (Shareholder) Thank you.

Karen Penrose: Thank you, Michael.

Attendant: There are no further questions on this item of business.

Karen Penrose: Thank you. Are there any questions from the online platform?

Cherie Bell: We have no questions from participants using the online platform for this item of business.

Karen Penrose: Thank you. I will now put the resolution to the meeting. The resolution before the meeting is to re-elect Mr Patrick Allaway, who retires in accordance with the Company's Constitution, and being eligible offers himself for re-election. Displayed on the screens behind me are the details of the proxies received in relation to the re-election of Patrick Allaway. I now cast all the proxies that I hold as Chair of the meeting. Please mark the reverse side of your voting card in relation to Mr Patrick Allaway's re-election.

I will now ask Patrick to resume the role of Chair.

Patrick Allaway: I now move to item 2(b) of business, the re-election of Karen Penrose as a Director. I will now ask Karen to address the meeting. It's a bit of musical chairs, apologies.

Karen Penrose: Thank you Chairman, and good morning again. I am Karen Penrose, and I stand before you today seeking your support for my re-election to the Board of the Bank of Queensland. Just to add a bit of colour to the details in the Notice of Meeting that you have received. I am 62, I am a mother of two adults aged 29 and 32. Whilst my home base is in Sydney, I am frequently in Brisbane and Melbourne.

Since 2014 I have been working fulltime as an Independent Non-Executive Director. I joined Bank of Queensland's Board in November of 2015. I was attracted to join the Board for many reasons. I had spent 20 years of my executive career with the Commonwealth Bank and HSBC, before returning to the corporate sector as a chief financial officer. I have seen banking from both sides, from the perspective of a banker, and a perspective of a corporate client and a retail customer. I have often said that this experience makes me a better banker.

It's also important to me that BOQ aims to build lifelong relationships with its customers, centred on improving their financial position. That we seek to provide innovative and personalised solutions. It also means a lot that BOQ has an owner-manager network, and we support our owner-managers to build their businesses in their local communities. Lastly, that BOQ is focused on delivering a cloud-based digital core banking platform.

I am your Chair of the Audit Committee of BOQ, and like my fellow Directors, I am a member of all of our Board Committees. Audit is a role that I am passionate about, partly through a love of numbers, and partly because that role and that Committee provides a window to engage with a range of talented BOQ Executives who underpin the financial health and the culture of your Company. When I joined BOQ I became a BOQ customer, and I enjoy the functionality of myBOQ. Both my children have met with their local owner-manager branch to start the process for buying their first homes.

I mentioned earlier that I work fulltime as a Non-Executive Director. Apart from my volunteer work that I do in mentoring women leaders and in community sport, I sit on three other companies who are listed in Australia. As a fulltime Non-Executive Director I

have found that it is important to get the balance right between the mix of companies and the number of directorships so that I can share my experience and contribute fully, while not taking on too much. Since 2014 I've felt I have been able to achieve that balance.

This is also something that has been tested over the past few years, with the additional workload posed by the pandemic and corporate activity in my companies. BOQ and my other listed Boards have been chosen carefully to make sure I have enough time especially as an audit chairman and now as a lead independent director to read, think and make valuable contributions at scheduled committee and Board meetings and the additional meetings that inevitably arise.

Importantly, it means that I see audit, sustainability and related issues from different perspectives which adds to my effectiveness as the Chair of the Audit Committee and I bring to BOQ my experiences in audit with other companies, some with significant global businesses all with a very regulated environment and a customer lens. I respect your consideration for my re-election and the responsibility that goes with that to work diligently with your Board for the benefit of all BOQ shareholders. Thank you.

Patrick Allaway: Thank you Karen. Karen Penrose has served on the BOQ Board since November 2015. As she noted, she's Chair of the Audit Committee and is a member of the Risk Committee, People, Culture and Remuneration Committee, the Investments Committee and the Nominations Committee, including the Transformation and Technology Committee.

Karen was appointed lead independent director of BOQ on 28 November 2022, in light of the recent leadership changes. Karen was last elected as a non-executive Director of the Company in December 2019. The Board, and with Karen abstaining, recommends that shareholders vote in favour in Karen Penrose's re-election as a non-executive Director of the Company. Is there anyone who wishes to ask a question in relation to this Resolution?

Attendant: Mr Chairman, introducing Michael Sanderson, a shareholder.

Michael Sanderson: (Shareholder) Good day Chairman.

Patrick Allaway: Welcome back Michael.

Michael Sanderson: (Shareholder) Yes. This is a macroeconomic question. Let's see how - if you are cleverer than Patrick. The first point I'd like to make out that I was your age when I lost the farm 10 years ago despite never missing a payment and the ability to pay. Just something. This is my preamble. The general public are constantly reminded by the monopoly issue of our currency, the Federal Government, that it has a trillion dollar debt. You hear that in the media all the time.

This pseudo debt represents approximately 36% of GDP. What the general public is not made aware of is the private debt that is approximately 190% of GDP which is equivalent to approximately \$5 trillion dollars of real debt, not a pseudo debt. We hear

very little, if anything, in the mainstream media or the chattering class regarding private debt. My question is apart from a debt jubilee or the issuance of more debt to pay debt which effectively is a Ponzi scheme, can BOQ explain how its share of the 5 trillion dollar of private debt could be reduced or retired?

Patrick Allaway: I'm very happy for Karen to answer that question but frankly Michael, that is not relevant to Karen's re-election. We're not here answering a quiz but if Karen would like to answer it, I'm very happy for her to answer it but it's not relevant...

Michael Sanderson: It's a macroeconomic question. I thought...

Patrick Allaway: It's absolutely not relevant to the motion at all.

Michael Sanderson: ...people on your income should know.

Patrick Allaway: But Karen, if you'd like to answer the question you're welcome to but I'm very happy to move on.

Karen Penrose: No. Michael, I'm more than happy to have a conversation with you outside of this forum but these questions are about my re-election.

Michael Sanderson: It's on your personal knowledge and your ability to hold the seat.

Patrick Allaway: Michael, I'm chairing the meeting and I form the view that it's not relevant. Thank you. Are there any other questions?

Attendant: Introducing Peter Starr, a shareholder.

Patrick Allaway: Hi Peter.

Peter Starr: (Shareholder) Hi Patrick. How are you? Just two quick questions. In relation to Karen's time at CBA, how long has she been gone from that? What are the other three Boards that she sits on please? Thank you.

Karen Penrose: Thanks Peter. I spent 10 years with Commonwealth Bank and I left in 2006 and my other three listed Boards are Estia Health which is an aged care board, Ramsay Healthcare which manages hospitals and Cochlear that produces hearing devices for people who have profound hearing loss.

Peter Starr: (Shareholder) Thank you.

Patrick Allaway: Thank you Peter. Thank you Karen. Are there any other questions from the floor? Please go ahead.

Attendant: Mr Chairman, introducing Gary Bullard who is a shareholder.

Patrick Allaway: Welcome Gary. Thank you for joining us.

Gary Bullard: (Shareholder) Thank you. Just a question for Karen. I'm an ex-auditor myself and I've had investments in banks - the bigger banks - and had a bad experience with one bank that got a red card from APRA about their monitoring of customer transactions and I was just wondering whether Karen could just outline briefly the systems and processes in place in the Bank to monitor customer activity? Because you will be aware there were a couple of major banks did have big issues with that just in the last couple of years.

Karen Penrose: Gary, thank you for your question which is a short question to a very long answer. I mean, there are in fact material processes across all of our businesses to comply with our regulatory requirements which of course are evolving over time. So BOQ has quite a well-structured system from our risk management and our operations to put those - design those processes, roll them out and embed them at the frontline in our branches.

Gary Bullard: (Shareholder) Yes. It's just that I'm raising it now because I know you're in transition and there's always a risk there that there are things that are left open for a period so I guess I was looking for some sort of guarantee that we're not going to get another surprise on that front in the next 12 to 18 months.

Patrick Allaway: Gary, I might answer that. There's no guarantees but we're on a continuous journey of lifting our risk controls. We're very focused on it. In my speech, you would have seen I referred to those priorities and compliance with our regulatory requirements is a key component of our first priority of strengthening the Bank and uplifting our risk controls. But we can never give a guarantee. The bar keeps being raised. There's active fraud in the community. There's lots of activities going on. But we are very focused on it and it's our highest priority.

Gary Bullard: (Shareholder) Okay. Thank you.

Patrick Allaway: Thank you.

Attendant: Mr Chairman, there are no further questions on this item of business.

Patrick Allaway: Thank you. Are there any questions online?

Cherie Bell: We have no questions from participants using the online platform for this item of business.

Patrick Allaway: Thank you. If there are no more questions, I'll now put the Resolution to the meeting. The Resolution before the meeting is to elect Karen Penrose who retires in accordance with the Company Constitution and being eligible offers herself for re-election. Displayed on the screens behind me are details of the proxies received in relation to the re-election of Karen Penrose. I now cast all of the proxies that I hold as Chair of the meeting. Please mark the reverse side of your voting card in relation to Karen's re-election.

I now move to Item 2C of business. The re-election of Mr Warwick Negus as a Director. I will now ask Warwick Negus to address the meeting.

Warwick Negus: Thank you Chairman and good morning shareholders, ladies and gentlemen. Thank you for considering my re-election to the Board of the Bank of Queensland for which for me is a great privilege. This will be my third re-election to the Board and should I be elected today will be my final three year term as a Director of the Company. A time when typically a director should be in a position to contribute strongly to the decision making of the Bank.

I've spent my entire working life in financial services, in investment banking and funds management in Australia and other parts of the world. I am an experienced company director and my first ASX board was in 2004 and my last executive position was as the Chief Executive of Colonial First State Global Asset Management which at the time was Australia's largest investor.

I'm Chair of the People, Culture and Remuneration Committee and I'm a member of all of the other committees including the Investment Committee which is an ad hoc committee that meets when necessary. I'd like to address my schedule of boards. A number of shareholders have given me feedback that I may be too busy. On Friday this week, I will attend the AGM of Washington H. Soul Pattinson and Co which will be my last AGM as I retire at the meeting and next week, I also retire as the Chairman of UNSW Global which is a subsidiary of the university which is in the pathways business.

So I am in the process of freeing up my schedule. They were just happening a matter of days after this AGM and I hope you take that into consideration when you cast your vote. I've always been a frequent visitor to Brisbane. In addition to being on the board of the Bank, I'm also a Director of Virgin Australia which as you know is based in Brisbane. Like many of you here today, I'm also a customer, both of BOQ and Virgin Money and a very happy customer.

I'm fully engaged at the Bank of Queensland, both with my Board colleagues and with management in my capacity as Chair of the Remuneration Committee and in all the decision making that we go through and I recognise the benefit of stability in the Board at a time when there is management transition. Thank you for your support of my two colleagues this morning and I seek your support for my re-election to the Board. Thank you.

Patrick Allaway: Thank you Warwick. Warwick Negus has served on the BOQ Board since September 2016 and as he said, he's Chair of the People, Culture and Remuneration Committee and he sits on all other committees. Mr Negus was last elected as a non-executive director of the Company in December 2019. The Board with Warwick abstaining recommends that shareholders vote in favour of Mr Negus's re-election as a non-executive director of the Company.

Is there anyone who wishes to ask a question in relation to this resolution?

Warwick, you didn't get the challenging question. I think Michael, you must have realised that Warwick was going to be able to answer those questions but thank you. Are there any questions from the floor? Are there any questions online?

Cherie Bell: We have no questions from participants using the online platform for this item of business.

Patrick Allaway: Thank you. If there are no more questions, I'll now put the resolution to the meeting. The resolution before the meeting is to re-elect Mr Warwick Negus who retires in accordance with the Company's Constitution and being eligible offers himself for re-election. Displayed on the screens behind me are details of the proxies received in relation to the re-election of Mr Warwick Negus. I now cast all of the proxies that I hold as Chair of the meeting. Please mark the reverse side of your voting card in relation to Mr Negus's re-election.

I'm going to now move onto Item 3 - the Remuneration Report. Item 3 is a non-binding resolution which seeks shareholder approval to adopt the Remuneration Report contained in the Company's 2022 Annual Report, as available on the Company's website. As noted, the resolution is advisory and does not bind the Directors. However, as many shareholders would be aware, if 25% or more of shareholders vote against the Company's Remuneration Report two years in a row, shareholders may then resolve that a further general meeting be called at which all of the Board, other than the Managing Director, must step down and submit themselves for re-election if they wish to continue on the Board.

The BOQ Remuneration Report was supported by shareholders in 2021. The Remuneration Report sets out the Board's policies for director and senior management remuneration, including a discussion of the relationship of remuneration to BOQ's performance, and other information required by the Corporations Act about director and senior manager compensation. Is there anyone who wishes to speak to this matter?

Go ahead, yes.

Attendant: Mr Chairman, reintroducing Kelly Buchanan from the ASA.

Patrick Allaway: Hi, Kelly. Thank you for joining us again.

Kelly Buchanan: (Shareholder, Australian Shareholders' Association) My pleasure. This is a little bit specific but you should manage. The Group scorecard on page 79 of the Annual Report is meant to show how the executives' short-term incentives relate to their performance for the year. It shows an outcome below the achieving level, yet the CEO and the executives received 75% to 90% of their STI, short-term incentive. Can you explain to shareholders why the executives receive such high rewards yet the bar graph shows performance below the halfway mark?

Patrick Allaway: Thank you. First of all, the CEO did not receive his award, so they weren't put to the meeting. I just wanted to confirm that they were all rescinded and that

item of business was withdrawn from today. With regard to the senior executive team, an achieving...

Kelly Buchanan: (Shareholder, Australian Shareholders' Association) Right. The senior executives were the ones who got 90%.

Patrick Allaway: That's correct. So, an achieving outcome on the scorecard would be at target and you would expect them to get their at target performance shares. As you can see, they were slightly below target and we felt that it was appropriate to reduce that by 10%.

Kelly Buchanan: (Shareholder, Australian Shareholders' Association) So, if the bar graph looks to be a halfway measure, then they would receive 100% of their short-term incentive?

Patrick Allaway: Look, the Board has discretion obviously, and retains discretion, but the expectation is that if we perform at target - and those targets are challenging targets, with very specific KPIs, both financial and non-financial targets - that the executive team would expect to receive their performance shares. The only other thing I would also note is obviously during the year the share price has fallen about 12% approximately. So, the value of those shares which are granted at the beginning of the year are also 12% less, so their effective remuneration is about 22% less than it was at the start of the year.

Kelly Buchanan: (Shareholder, Australian Shareholders' Association) Yes. Thank you.

Patrick Allaway: Thank you. Please go ahead.

Attendant: Mr Chairman, I would like to introduce Paul Blackmore, a proxyholder.

Patrick Allaway: Thank you. Welcome to the meeting, Paul.

Paul Blackmore: (Proxyholder, Finance Sector Union) Thank you. Paul Blackmore from the Finance Sector Union. Many of your employees are doing it tough as they struggle to keep up with the increasing cost of everyday goods such as groceries, fuel and housing costs as inflation soars beyond 7% and expected to remain high into next year. We've heard and we've seen the executives are getting up to 14% increases to their wages. Unfortunately, BOQ has taken a position in enterprise bargaining negotiations with their workers that would mean a cut in real terms to their pay and further cuts to terms and conditions, including redundancy provisions.

This is going to a ballot of workers next week and the FSU and their members will be campaigning vote no. So, my questions are how can BOQ justify its below-inflation wage increases for its staff while executives received hefty pay increases, and how can BOQ propose changes to redundancy entitlements to its employees whilst the former CEO leaves with a \$1.1 million golden handshake?

Patrick Allaway: Yes. I might just start with the CEO's - I think you referred to it as a golden handshake. It's not a golden handshake. The CEO has an employment services

agreement and if the Board exercises its discretion to terminate that agreement, we are obliged to give the CEO nine months' notice under the contract. The CEO effectively is on gardening leave during that period, but we have a legal obligation to pay nine months' salary. It's by no means a golden handshake, it's a legal obligation.

I might come back to your comments on executive pay. I think rather than calling out one or two executives pay, I think if you look across the average of our executive team, pay increases are much lower than that. We do benchmark our executives against the market and ensuring that we retain our talent, we pay accordingly at approximately the 50th percentile, but the numbers that you have quoted don't reflect the average pay across the executive level.

In terms of all of our employees, we've acted in good faith in the last six months in attempting to negotiate a fair outcome for our people. We do reflect very heavily on the increased cost of living and inflation. We hope that that's a temporary phenomenon but obviously there's lots of hardship in lots of communities from the increased cost of living. In May, we commenced the process in our new enterprise agreement and the outset was to achieve a fairer outcome for our employees but also a fairer outcome for all of our stakeholders, and it's important that we balance that outcome.

Clearly, if we pay too much and we pay over the top, that would cause us to take productivity initiatives and reduce employment. Our objective is to provide employment for our people and to provide them with fair benefits. Unfortunately, because we are unable to be able to reach a resolution, we think the right thing to do for our employees is to go to a vote and we will be going to a vote shortly. But I do thank you for your consideration. It's certainly something - the cost of living is something we absolutely take into account and we believe what we're putting to our employees is an absolutely fair outcome and they will have a say in voting as to whether they want to support that.

Paul Blackmore: (Proxyholder, Finance Sector Union) Just respectfully, our members don't get paid the same as you do and it's not a temporary phenomenon for them. They're feeling it now. I just have a follow-up question. How much are you getting paid for the nine months as an interim CEO?

Patrick Allaway: I don't know as yet, so I'm going to refer to my Independent Chair, but that has not been resolved. Obviously, these decisions were made very recently and I have left it to the lead Independent Director and my colleagues on the Board to make that decision independently. But Karen, I don't know if you want to make any comments?

Karen Penrose: That statement is right. There is a process to look at what that payment ought to be and under the continuous disclosure requirements when we do land on that, that will be announced to the market.

Paul Blackmore: (Proxyholder, Finance Sector Union) Well, I challenge you to try and live off of \$60,000 and a below-inflation wage increase like our members. Thank you.

Patrick Allaway: Thank you very much, Paul. Look, we are very empathetic to your members and we understand the hardship they're going through and we will be doing everything we can to be fair to give them an appropriate rise but thank you.

Attendant: Mr Chairman, introducing a shareholder, George Bornbar.

Patrick Allaway: Welcome, George.

George Bornbar: (Shareholder) Good morning, Mr Chairman. With regard to the Remuneration Report, I believe that your short-term and long-term benefits to Directors doesn't work. I think that a short-term benefit should be a minimum of three years; a long-term benefit should be over a period of seven years. You mentioned a couple of things before about the Directors being passionate about the BOQ, so that should not affect them. The stability is another thing that you mentioned, and the lifelong passion.

And just to bring to a point, I did some rough figures last night. In 2007 BOQ shares were at \$17 to \$18. They've fallen about 70% in that time to today. The NAB in the same period fell about 20%. ANZ fell about 12%. Westpac went up about 40%. Commonwealth Bank went up about 100%. So, we need incentives for you to build a foundation to build for the future. It's a bit like building a dam, it costs a lot of money to build it now but it might last for 150 years, might be returning 2% today but in 150 years it's probably returning 500%.

So, let's look at something that builds a strong foundation for the Bank and strong foundation for the Directors and the shareholders, and give them some incentive to stick with the Company. Lay the foundations today. Might not give them a short-term spike which gives them a benefit because they've had a one-year increase, doesn't do very much for the long term. We need long-term commitment from the Directors to build on a base and grow it and strengthen the business. Thank you.

Patrick Allaway: Thank you for your comments. I might just address a couple of your comments. First of all, the Directors, being the individuals that are on the Board, including myself, don't get short-term and long-term incentives. We're paid a fixed fee and from a corporate governance perspective it would be inappropriate for us to have incentives for independence reasons. So, none of the Directors get short or long-term incentives.

If you're referring to the remuneration for our executive team, we do have fixed pay, fixed remuneration as well as short-term incentives, which are performance shares, and longer-term incentives which are options. We think we've got an appropriate scheme that's aligned to building long-term shareholder value. So, none of our senior executives get cash bonuses, which is quite unusual, and they are very aligned to building long-term shareholder value with the structure of our Remuneration Report.

You make a very, very good point about building the foundations and you referred to the share price when it was at \$17. One of the issues we have today is the Company previously didn't invest in the technology and has left us a significant technology deficit. It would be very easy for this Board to pay out all of our money that we have today and

all of the capital we have today to ramp up our dividend, that would push our share price higher today, but that's not the right thing to do for the long-term viability of this Company. So, we are paying for the deficit that we've had from many years ago and making a significant investment in building a really, really important foundation for this Company for it to be competitive and viable in the long term. I absolutely support your comments.

George Bornbar: (Shareholder) Maybe you should have started that investment a bit further back.

Patrick Allaway: They should have, absolutely.

Attendant: Mr Chairman, introducing a shareholder, Peter Starr.

Patrick Allaway: Hi, Peter.

Peter Starr: (Shareholder) Hi, Patrick. How are you? Mickie, I hope you just heard what the Chairman said about IT, it's really important. I know that's why you came to the Board. It is really crucial. I've raised this, as I said, two years. Just a couple of things on remuneration if you could clarify for what the lady from the Australian Shareholders' Association asked, please, is that the remuneration that we've got to give George, I understand that and I think most people in the room understand that. I want to know about those STIs and any share bonuses and that, have they been canned, kaput?

Patrick Allaway: Thank you. All we have dealt with today in his termination contract is his nine months' notice period which I referred to earlier. All of the unvested shares that George has outstanding, the Board will be making a decision on shortly and we will come back to the market with a very clear message about what we've done. We have not had the time since Sunday to consider that, but I can assure you that we will come back with the appropriate action.

Peter Starr: (Shareholder and Proxyholder) Thank you and just a follow up please, if I may.

Patrick Allaway: Sure.

Peter Starr: (Shareholder) It's very important - and some of the other shareholders have spoken here - we talk about STIs and it's true, ladies and gentlemen, if you don't know, Directors cannot receive STIs or long term incentives. In most companies, the long term incentives is normally based between somewhere five to seven years but something that you pay the executives on is a thing called net promoter score. That needs to have a good look at because that net promoter score mate, not a very good...

Patrick Allaway: I'm glad you raised it, Peter, because we are actually just revising our Group scorecard and one of the things that we are debating - and in fact we have a Board meeting this afternoon - we will be talking about whether net promoter score is an appropriate measure. We will have a good discussion about that but thank you for raising that.

Peter Starr: (Shareholder) I'm glad you're going to have a good discussion about it because it was certainly raised at the Commonwealth Bank by one of my colleagues here, Mr Caulfield, and it was reported widely in the paper about they need to look at it at Commonwealth Bank.

So just one final thing, if I could indulge Patrick. I owe you personally a great deal of gratitude. There's probably nobody, maybe nobody on the Board knows this and maybe nobody here in the room except the two gentlemen to my right that I was hospitalised last December and fought to live for 16 days in ICU even though I was vaccinated.

You and a number of ASX Chairmen and CEOs of companies were in contact with me. So I'm very grateful. I was most concerned when your wife was diagnosed with it and had a hard time and then got it a second time. But I'm very grateful for the phone calls and that should also be extended to both Craig and to Michael who also were in contact with me. Thank you.

Patrick Allaway: It's great to see you in good health again, Peter. Absolutely, it's the least I could do to call to check on how you were, but good to see you are doing well.

Peter Starr: (Shareholder) Thank you very much.

Patrick Allaway: Please go ahead.

Attendant: Mr Chairman, introducing proxyholder, Greg Ivey.

Greg Ivey: (Proxyholder) Patrick, my question is about the departure of the recent CEO and related to remuneration. The motion that was withdrawn from the AGM, the motion about the grant of securities to the Managing Director and Chief Executive Officer. First of all I'm interested to know is it a Board decision that such a grant is made under normal circumstances or is it a recommendation from the Remuneration Committee?

Patrick Allaway: So the Remuneration Committee is comprised of all of the Board, but the Remuneration Committee does consider remuneration items first and those recommendations come to the Board but it's a Board decision.

Greg Ivey: (Proxyholder) A Board decision. Thank you. Which leads to my second question. Given that the Board was aware that the leadership style of the CEO was unsuited for the Bank and that the Board was aware that he was not a suitable person to lead the Bank going forward, how is it that the Board at the same time was going to recommend to shareholders that we approve a grant of securities to him at this AGM?

Patrick Allaway: Thank you for your question. So the Board didn't form that decision until Sunday a week ago. Clearly when we made that decision we decided to rescind the resolution. The motion of meeting goes out - how many months before?

Fiona Daly: 28 days before. So it went out on 3 November, which was well before the Board met.

Patrick Allaway: 3 November. That was well before the Board meeting and the Board had not formed a view by that time.

Greg Ivy: (Proxyholder) I think I need to respond briefly only because we are all looking forward to some refreshment. It seems to me inconceivable and inappropriate that a Board which was aware of its dissatisfaction with the CEO would still put forward a recommendation to shareholders about a grant of securities.

I think it is unconvincing for you to put forward the point of view that the Board being aware of the effectiveness of the CEO would still at the same time recommend to shareholders that he be granted those securities. I am unconvinced that the Board was supportive of the CEO and recommending a grant of securities until the very last minute and then withdrew that support for him and withdrew the recommendation for the grant of securities. That is just not credible. Thank you.

Patrick Allaway: Thank you. I might just make a comment, but I appreciate your question and comments. I can assure you that the Board takes very seriously its decisions about the grants of securities to our executives and takes performance into consideration for those.

The Board had not formed a view. It only formed a view that it had lost confidence in the CEO last Sunday. Clearly there are a number of considerations that we thought about that and once that decision was made it was entirely appropriate to do what we did but thank you for your comments. Are there anymore questions from the floor?

Attendant: There are no further questions on this item of business.

Patrick Allaway: Thank you. Any questions online?

Cherie Bell: We have two questions from online participants for this item of business. The first question comes from Yvette-Maree Marcelle who asked: executives and higher paid staff on individual contracts have generally all received a pay rise already this year. Why is it that a large proportion of the lowest paid employees have not been granted a pay rise yet? Is it fair that they are being held to ransom by BOQ only committing to a pay rise if they vote in favour of the new enterprise agreement?

Patrick Allaway: Thank you for the question. I might get Deb Eckersley, GM of human resources to respond to that.

Debra Eckersley: Thank you for the question online. We've been in - as Patrick has already said, we've been in bargaining for the last six months with our people and given we are in bargaining, there's actually requirements around what we can do during that time with our people.

So for anyone who was on an existing - is on an existing enterprise agreement, whether that be BOQ or ME Bank we were unable to pay a pay rise until we have a concluded agreement and that would be what's called a breach of good faith bargaining if we were to do so. So as much as we would have liked to do that, we were unable to do so and

that's part of the reason why we're putting the enterprise agreement to a vote next week to enable our people to vote, to have their view and then as soon as we can after that, once Fair Work has hopefully approved that and subject to the vote we'll be able to get those pay rises to our people, which is absolutely our utmost priority.

Patrick Allaway: Thank you, Deb. Are there any more online questions?

Cherie Bell: The next question comes from Evelyn Le who asked: many of BOQ's employees are doing it tough as the cost of everyday goods and services continue to go up. Yet at the same time, senior executives stand to get an average of 8% increase to their wages. How can BOQ justify wage increases that are below inflation for its workforce?

Patrick Allaway: So I responded to exactly the same question from Paul earlier and my response hasn't changed. Thank you. Any other questions?

Cherie Bell: There are no further questions.

Patrick Allaway: Thank you. If there are no more questions I'll put the resolution to the meeting. The resolution before the meeting is to adopt the Remuneration Report for the financial year ended 31 August 2022. A voting exclusion applies in relation to this item and accordingly, the Company will disregard any votes cast on Item 3 consistent with the voting restrictions set up for this item of Notice of the Meeting.

Displayed on the screens behind me are details of the proxies received in relation to Item 3. I now cast all of the proxies that I hold as Chair of the meeting. Please mark the reverse side of your voting card in relation to Item 3.

I'll now move on to Item 4. As previously noted, resolution 4 was withdrawn prior to the commencement of the meeting. The withdrawal of resolution 4 will not affect the validity of the proxy form attached to the 2022 Notice of Annual General Meeting, nor any proxy votes already submitted in respect of other resolutions. This completes the business of today's meeting as set out in the Notice of Meeting. Before I close the meeting, are there any other general questions from the floor?

Attendant: Mr Chairman, I'd like to introduce Michael, a shareholder.

Michael Sanderson: (Shareholder): Not a question. It's a request in actual fact. Last week I spent the week in Parliament House and I saw on display the power of the ABA. I don't know if you are aware, but sometime this afternoon it is expected, the Federal Government's bank, the RBA will further increase the cash rate in a vain attempt to control cost push inflation.

Now as to give some sort of contrast, Japan has a cash rate of minus 0.1%. It has an inflation rate of 3%. Its fiscal spending is 266% of GDP. Australia's cash rate is 2.85%, probably a bit higher this afternoon, with an inflation rate in excess of 7%. Total fiscal spending is a mere 36% of GDP.

My request is, based on last week's 24-hour back flip on the million dollar fine for bankers, it would seem the Federal Government will bend the knee instantly to instructions from the Australian Bankers' Association. I ask the BOQ Board to request that Anna Bligh, on behalf of BOQ mortgage holders, to instruct the Federal Treasurer to stop and reverse the not independent RBA's inept interest rate austerity and be more like Japan. That's it. Thank you.

Patrick Allaway: Thank you Michael. We'll take into consideration your request. Thank you. Are there any further questions?

Attendant: Mr Chairman, reintroducing Kelly Buchanan from the ASA.

Kelly Buchanan: (Shareholder, Australian Shareholders' Association) Thank you for taking my question. Shareholders have been living on promises about the Bank's lagging tech offerings since I started monitoring this company for the ASA 10 years ago. You've got a new app which is great, but the old accounts apparently won't be supported until sometime in FY24. Every day you linger with these primitive systems is another day the big four banks move further ahead. Can you give shareholders some comfort that this might get better?

Patrick Allaway: Thank you, Kelly, and you are absolutely right. At the moment, our banking apps are for new customers only and we have a program ahead of us. The first existing customers that we will be looking to transfer onto the new platform will be ME Bank customers and I'm expecting that that's going to happen, Rod, in late '23 and then BOQ in '24. What you need to - what is very, very important is that these things can't be done overnight and we started this program in 2020.

We are moving as fast as we can. It's a really, really high priority for us and we recognise that obviously we will not achieve our aspirations without the investment we're taking in what we're doing. I understand your impatience with the progress that's been made over the last 10 years, but as I said, there was a lack of investment in our technology for too long and we've had a really big technology deficit, but we are making very good progress in delivering against our plan and we've been very clear that the plan is going to take five to six years.

Kelly Buchanan: (Shareholder, Australian Shareholders' Association) I'm sure the shareholders will be looking forward to it actually happening.

Patrick Allaway: Thank you. Go ahead, please.

Attendant: Mr Chairman, I would like to introduce Gary Bielby, a shareholder.

Patrick Allaway: Hi, Gary.

Gary Bielby: (Shareholder) Hi, Mr Chairman. Just a question with regards to one of your slides you had up there. It was basically you said, or had written down there, anticipate a slight increase in capital buffers. What's that mean actually for shareholders?

Patrick Allaway: It means the Bank's slightly more resilient...

Gary Bielby: (Shareholder) I realise that but...

Patrick Allaway: ...where we are today. So, capital is measured on a monthly basis. As you know, APRA have brought in - well, you might not know that APRA have brought in Basel III re-weightings for the allocation of capital and what we're saying is that our capital buffers against our regulatory capital requirements will be slightly increased. Now, we have a number of options to deal with that. We could invest that in our transformation, we could return it to shareholders in dividends, but what we're saying, and I think I said in my speech, is that we intend to retain that increased buffer if we do get the benefit from it to have resilience through this difficult economic cycle.

Gary Bielby: (Shareholder) So, okay, with regard to the shareholders, my question was how it's going to affect us.

Patrick Allaway: Yes.

Gary Bielby: (Shareholder) The second question with regards to it is associated with cybercrime. Obviously, it's a big issue these days, and obviously with regards to proposed new fines the Attorney-General's promoting this issue together with class actions. The question with regards to BOQ is do you have cyber insurance?

Patrick Allaway: We do have cyber insurance, yes.

Gary Pilbey: (Shareholder) Okay.

Patrick Allaway: Any further questions from the floor?

Attendant: Mr Chairman, introducing Peter Starr, a shareholder.

Peter Starr: (Shareholder) Patrick, just following up on what that gentleman just said and probably for the rest of the shareholders and the lady from the ASA, it's really important, can you just address for the benefit of everybody in the room about what steps we're covered for with that cyber, because you personally know about one of the customers that was affected that I alerted you to because I didn't want it to get out of control on radio, and the Bank acted very good in that case so I'm pleased to say that. But for the benefit of everyone else in the room, it's really important.

A lot of older Australians here are easy to get scammed, whether it be via email. It rings up and it says it is the Bank of Queensland because when you check the number or you check it, it's NAB or it's Commonwealth Bank, and it does happen. It's funny, ladies and gentlemen, I'll share one little quick thing with you. I had a phone call on a private number and it happened to be Matt Comyn and I pulled him up on it. I said listen, Matt, you have my number, you show your number if you're going to ring me because - but it's a valid point, Patrick, because...

Patrick Allaway: Thank you, Peter. So, you're talking about personal fraud?

Peter Starr: (Shareholder and Proxyholder) Yes. I'm talking about to make certain - and this again goes to the IT issue that I've raised took and the lady from the Australian Shareholders Association has been pounding away on it too - it's really critical. This happened under Jon Sutton, the joint went to pieces. I know you came onboard and you're fixing the issues, that's why Mickie's there, and I didn't mention that D-word, Mickie.

Patrick Allaway: Mickie, you're under a lot of pressure. Thank you, Peter. So look, I might just make some comments on personal fraud because there is a significant increase in personal fraud across Australia, and as a bank we certainly have an obligation to educate our customers around personal fraud. We are in constant communication with our customers to inform them not to click on sources that they don't know where that's come from and to be very focused on protecting their passwords and access to their emails, and that's an ongoing education piece for us.

With respect to cyber, obviously we are also seeing increasing cyber attacks across the globe. It's a major issue for governments around the world, it's a major issue for large public companies, and the protection of data, in particular in personal bank accounts and individuals' personal data is an enormous focus for this Bank. We have programs in place, we have independent assurance in place, we run simulations.

We can never say never, but we are - we believe we are best practice and we continue to work at improving and ensuring that our perimeters are absolutely sound to protect against cyber. But unfortunately we're in a world where there's some very clever people about and we have to be on our toes and alert as individuals to fraud and as a large financial institution we're very focused on this; but thank you.

Peter Starr: (Shareholder) Yes, thanks for the explanation and I think it's really important, Patrick, for everybody here to hear you say that, because it's really important.

Patrick Allaway: Thank you. Are there any other questions from the floor?

Attendant: There are no further questions.

Patrick Allaway: Thank you. Are there any questions online?

Cherie Bell: We have a number of questions on the online platform. The first question comes from Stephen Hart. Approximately what is the current amount of deposits with ME Bank now compared to when ME Bank was acquired? Approximately how many customers are with ME Bank now compared to when ME Bank was acquired? Approximately what is the current amount of loans with ME Bank now compared to when ME Bank was acquired?

Patrick Allaway: So deposits have increased by \$300 million since we acquired ME Bank. We have increased the number of customers by 5,000 and loans have increased by \$1.1 billion. What I can say about loans is they were running off very quickly, particularly between the time that we signed the deal to the time that we actually had to

get the Treasury approval for the deal. That was about a six-month process. But we've returned ME Bank to growth and we've grown it - grown loans by \$1.1 billion. Thank you.

Cherie Bell: The next question comes from Stephen Hart. ME Bank offer a bonus saver deposit account paying 3%. It is significantly lower than its competitors. Some examples are MyState, paying 3.85% on a similar deposit account and Ubank also paying 3.85% on a similar deposit account. Before the recent interest rate increases, ME was only 0.25% lower than these competitors, but now it is 0.85% lower. Why is BOQ allowing ME Bank to become so uncompetitive on its bonus saving account?

Patrick Allaway: Thank you for the question and you would have seen with the growth in our deposits and our loans that ME Bank is not uncompetitive. We continued to review our pricing and respond to market movements with respect to pricing. But I can assure you that ME Bank will continue to be competitive.

Cherie Bell: The last question comes from Stephen Hart. No doubt you are aware of the recent cyberattacks or cybercrime on a telecommunications company and an insurance company operating in Australia and this resulted in customer details being released. Apparently, the insurance company didn't have insurance for this cybercrime. What assurance can the Board give that it is taking steps to address the risk of cybercrime? Is this a risk that is insurable? Does BOQ have relevant insurance for this risk?

Patrick Allaway: So I believe I've answered those questions earlier, but, yes, we do have insurance and, yes, the Board oversight of our controls with respect to cyber is front of mind and we continue to ensure we protect our customers and the data that we have, which is very important. So I don't think I can add anything more than what I said before, but thank you for the question. Any other questions?

Thank you. So we ask that you place your polling card in one of the ballot boxes at the back of the room or held by representatives from Link Market Services. Should you have any questions in regard to how to record your vote, please ask one of the Link Market Services attendants. The polls will close 15 minutes after the close of this meeting. Results of the individual votes will be notified to the ASX in accordance with the Corporations Act and will be placed on the Company's website as soon as they have been verified.

On behalf of the Board and the Company, I would like to thank you for your attendance today and before declaring the meeting closed, I would like to wish all of you a fabulous festive season. I hope you enjoy a safe holiday period with your families. I think one of the shareholders said earlier that this Company is about you, our shareholders. It's about our customers. It's about our people and our values and our focus on the community is so important to us and we thank you for supporting us as shareholders and thank you for taking the time to join us today. All the best and thank you very much.

END OF TRANSCRIPT