

move



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bank different

move

A solid base

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A solid base

Three years in the making

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- EDS outsourcing
- Internet and EasyPhone banking
- Expanded distribution
 - New branch model
 - Opening branches
 - New Business Banking Centres
 - New ATMs
- New branding
- New employee uniforms

A strong base

Three years in the making (CONTINUED)

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- Two key acquisitions
 - UFJ
 - ATM Solutions
- New Core Banking System
- New products
- Expansion outside Queensland
- New staff training centre / programs
- New Head Office

Three years of powerful growth

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	2001	2004	%
Net Profit After Tax	\$24.1m	\$64.5m	↑268%
Underlying Profit	\$39.1m	\$106.9m	↑273%
Retail deposits	\$2.6bn	\$4.9bn	↑188%
New Loans Approved	\$2.8bn	\$7.8bn	↑279%
Assets Under Management	\$5.2bn	\$12.5bn	↑240%
Cost to Income Ratio	76.0%	63.4%	↓17%
Cash Earnings per Share	33.2c	64.5c	↑194%
Dividend per Share	28c	43c	↑154%
Market Cap value	\$402.2m	\$1.0bn	↑249%

Report card for the year

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Goals

- Strong lending and deposit growth
- Double digit EPS Growth
- Cost to income ratio of 64%
- ROE of 14%
- Continued distribution - footprint expansion

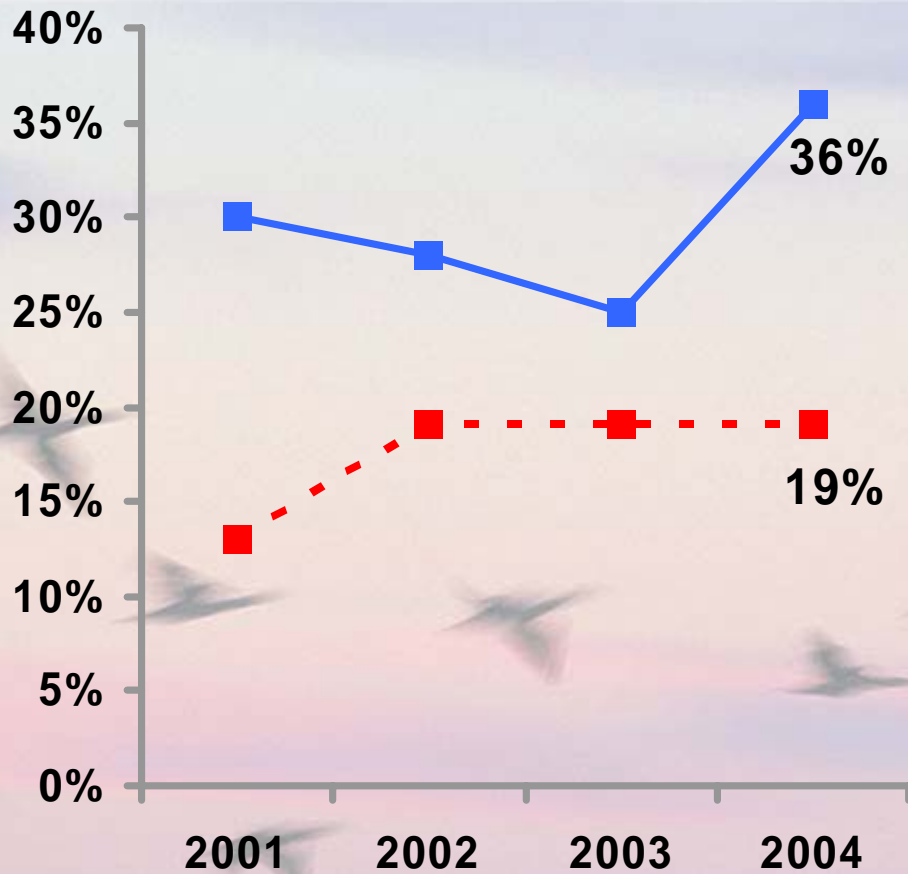
2004 Results

- Assets under management up 43%, deposits up 27% - double system growth
- 17% cash EPS growth
- 63.4% cost to income ratio
- ROE of 14.5%
- 142 branches (22 opened this year)
- 13 business banking centres (3 this year)

Loans under management

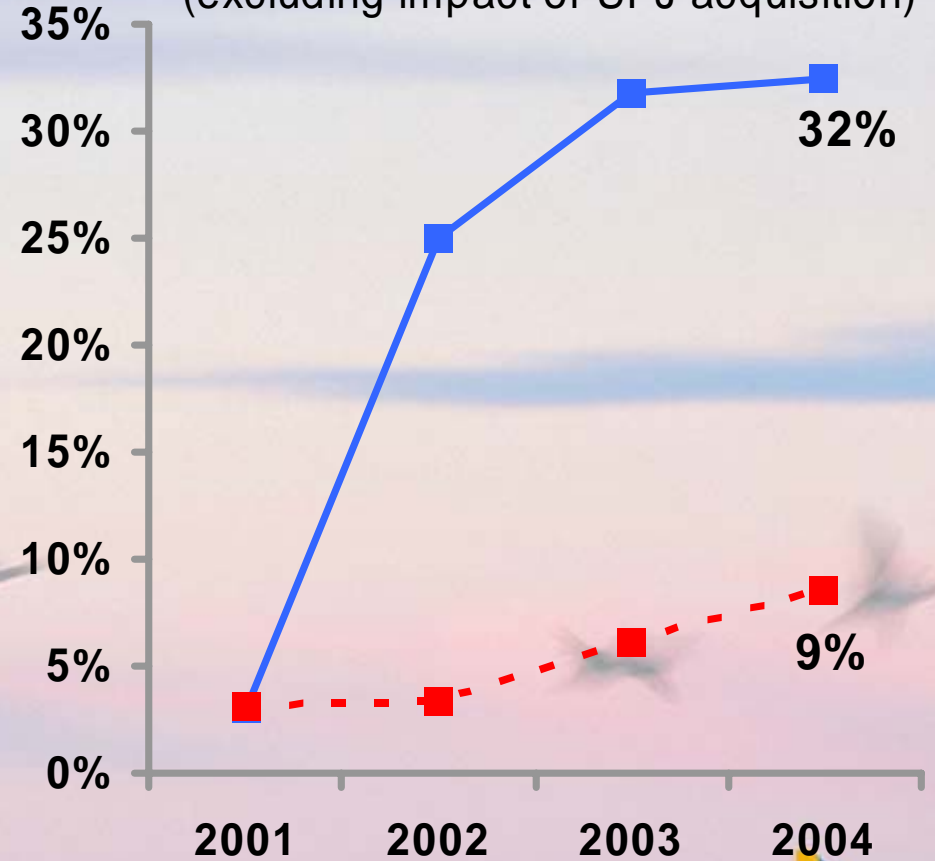
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Housing Growth



Business Growth

(excluding impact of UFJ acquisition)

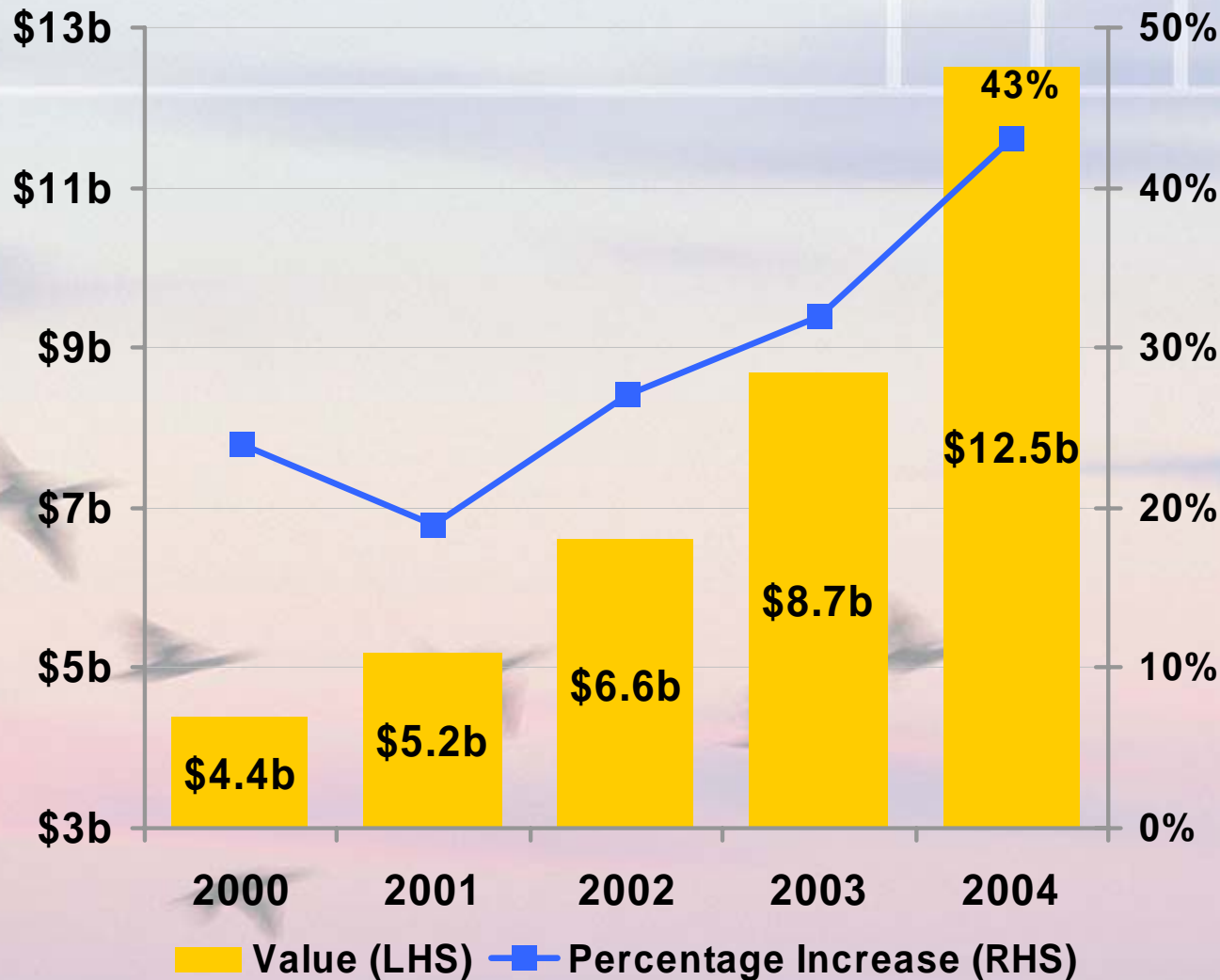


Source: RBA

—■— BOQ - ■ - System

Assets under management

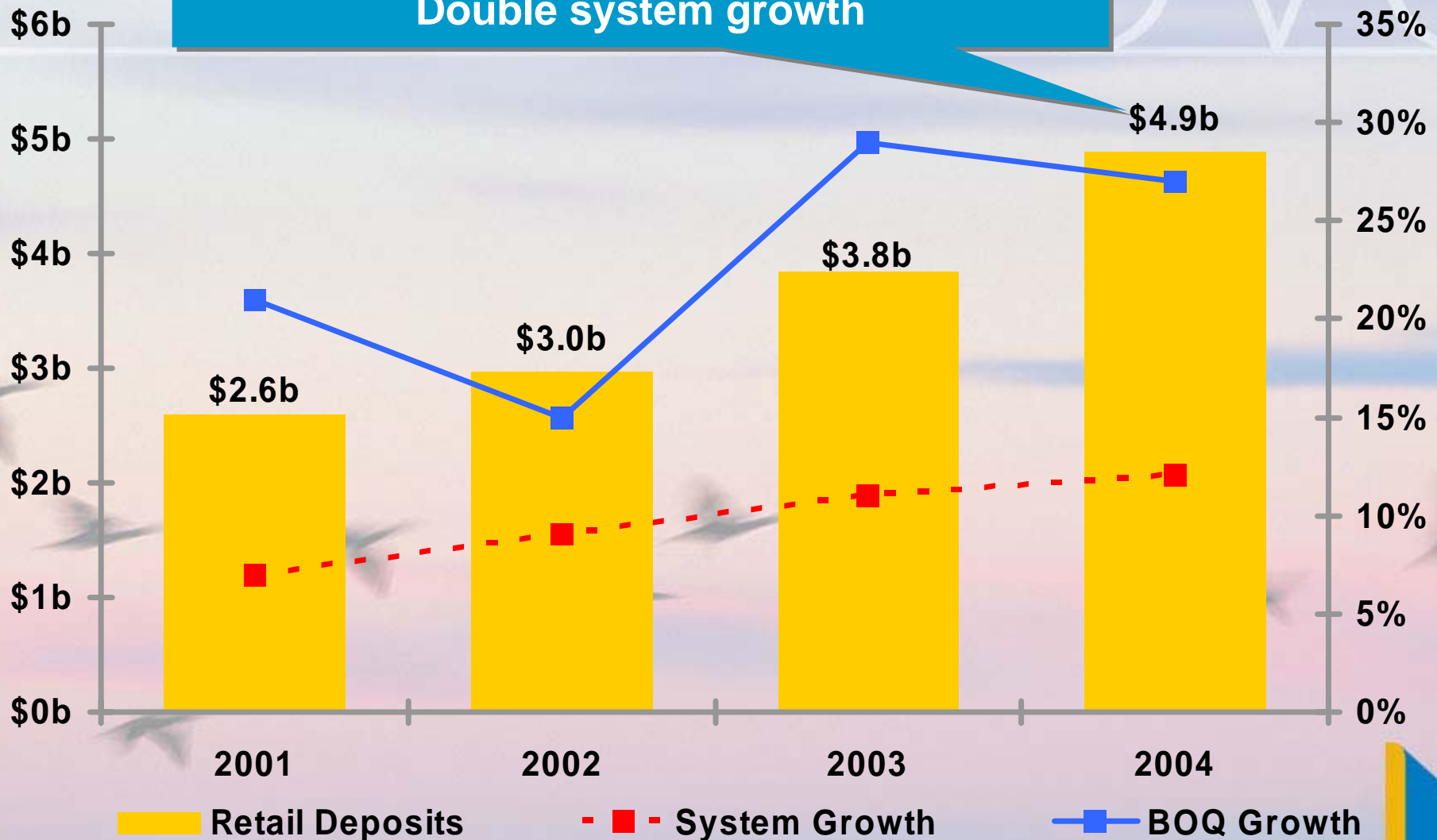
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- Housing loans under management of \$7.1b - up 36% over last year
- Business loans under management of \$3.5b - up 89% over last year (up 32% excluding UFJ acquisition)
- Total assets under management grew 43% (excluding the impact of acquisitions)

Retail deposits

Retail deposits \$4.9b, up 27% over last year.
Double system growth



Deposit market share

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Source: RBA

move

Our footprint grows

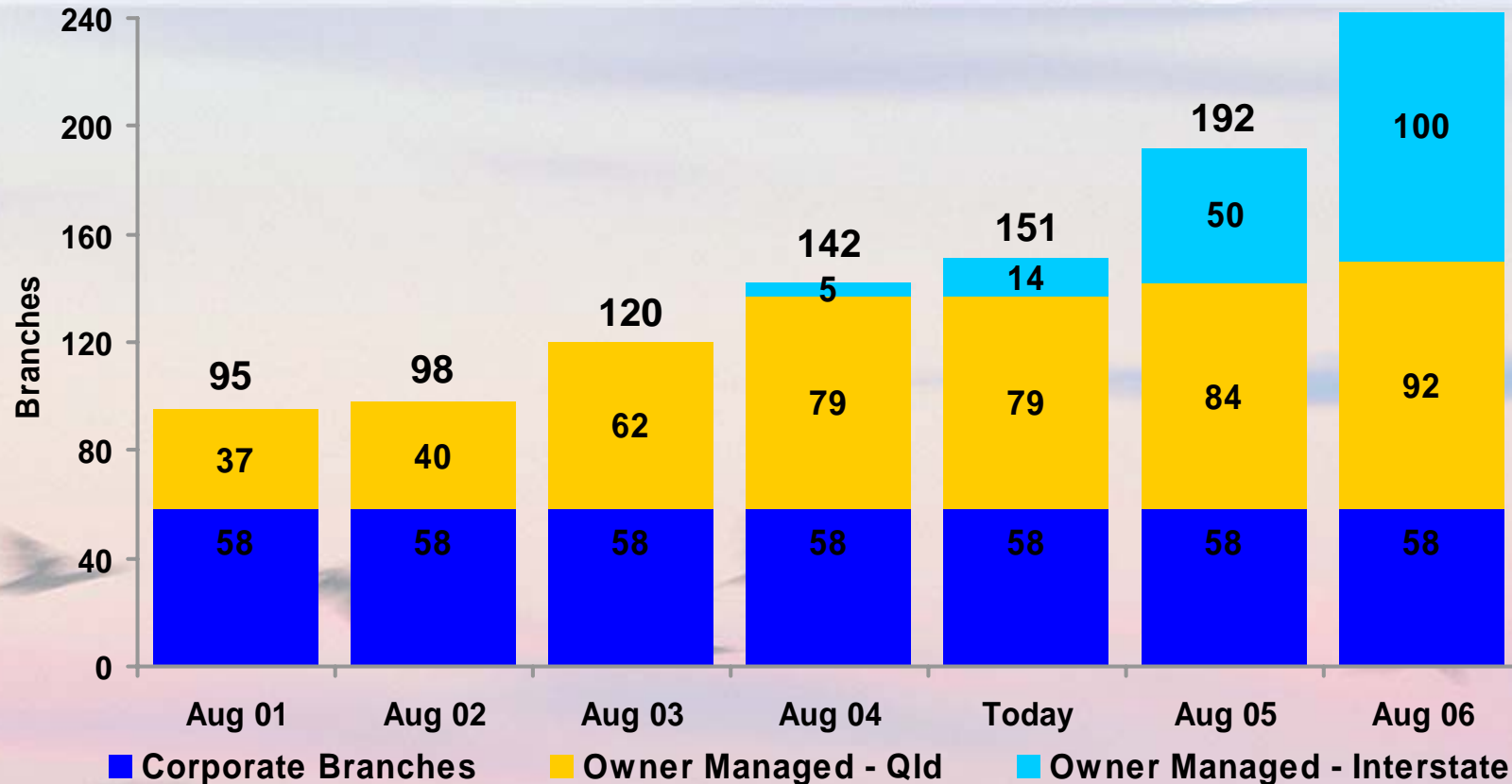
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Our branch expansion

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Forecast 



Plus: 13 dedicated business banking centres & 8 UFJ offices

Forecast: 20 Business Banking centres by 2006



BOQ Equipment Finance

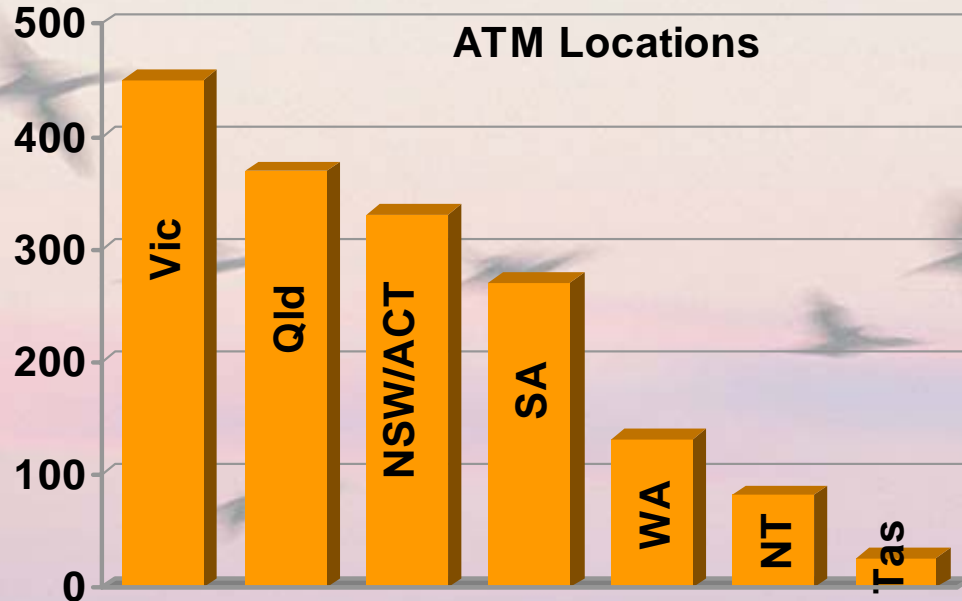
- Purchased October 2003 and renamed BOQ Equipment Finance
- BOQ now has \$1.5b in equipment finance receivables under management (12% of total lending portfolio)
- Diversified assets geographically and across industries
- Successfully completed many of the restructuring initiatives to achieve the required synergies:
 - driving benefits from increased scale and capacity in equipment finance
 - Cost-saving synergies - integrated BOQ leasing dept into the BOQEF dept, integrated systems
 - diversifying product range
- BOQEF placed third behind Macquarie Bank and Westpac at the 2004 Australian Asset Finance Association (AAFA) annual awards
- Increased focus on selling in branches

**Improved margin, increased sales by 50%,
customer numbers up 32%.**

ATM Solutions Australasia

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- ATM Solutions Australasia acquired 10 September 2003 (1,052 ATMs)
- Bank of Queensland's ATM network now exceeds 2,000 machines
 - (1,200 branded BOQ)
- Enables BOQ to directly service our customers around Australia



- Deploying 60 new ATMs per month
- 22 million transactions in 2004
- Increased the average number of transactions per ATM by 26% over the year

Core Banking System

New engine installed

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- Implemented in May 2004 replacing our 25 year old core banking system
- New system needed to support our growth aspirations and product requirements
- New products rolled out as a result of new Core Banking System
- Caused us some significant issues and inconvenience for many of our customers
- System now stable and delivering

We have the products

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- Enhanced many products
- Now more competitive
- Deposit Products
 - Overhauled all deposit products
 - CMA offers 5% on balance more than \$5K
 - rated number one in its category
 - Bonus Saver delivered with CSM
- Low rate credit card
 - 1,200 cards sold in first month
 - More competitive than major bank and Virgin low rate cards

We have the products (CONTINUED)

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■ Home Loans

- New product – Economy Home Loan
- New package – Home Loan Privileges Package

■ Commercial Insurance Pilot underway

- Will be rolled out

■ Business Banking products

- New Business Investment Account from 1 December
- Deposit range will be upgraded
- Business lending review early next year

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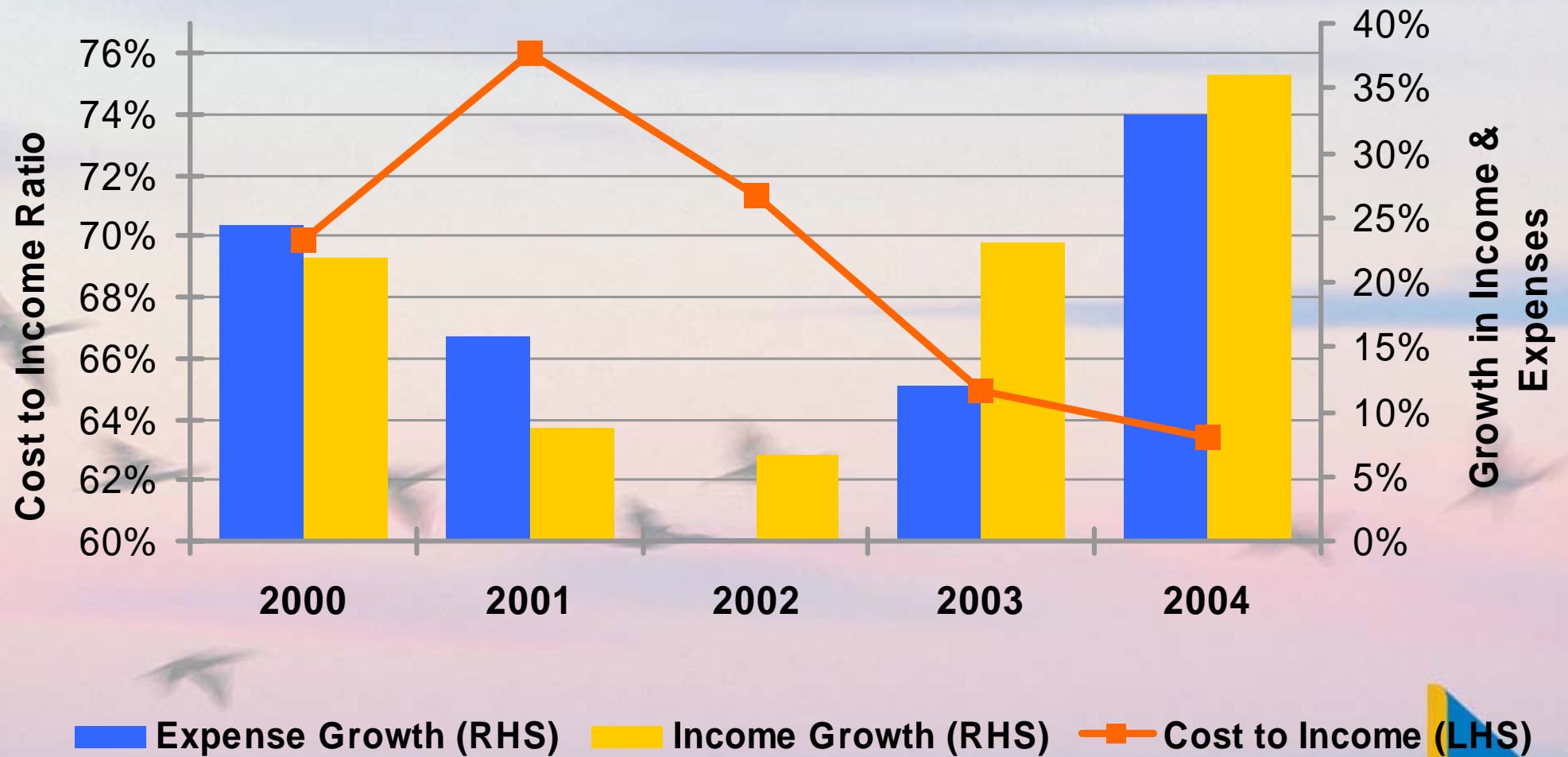
Our focus on shareholder value

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Cost to Income Ratio

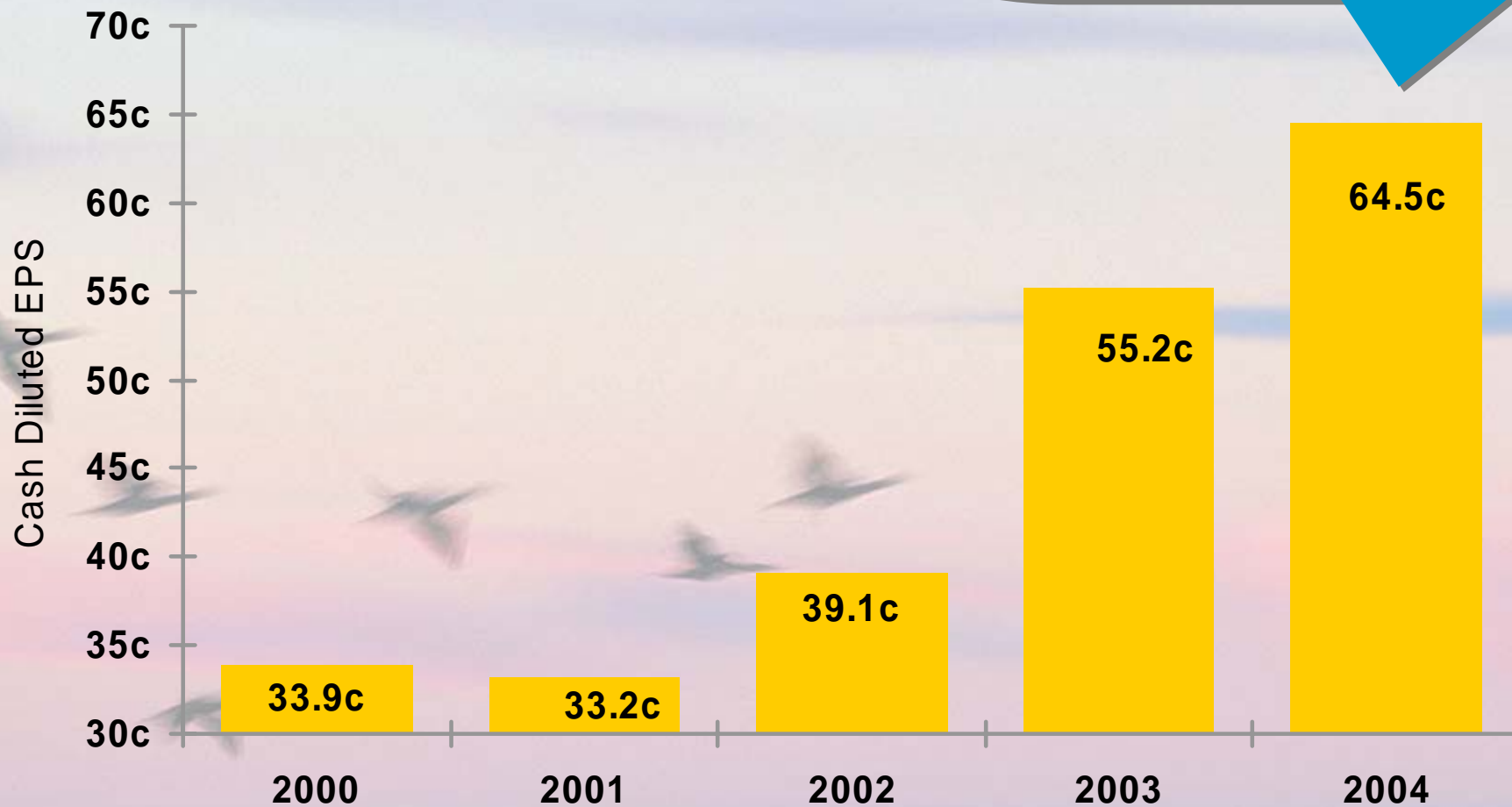
Cost to income ratio of 63.4% down from 64.9% in 2003, and a high of 76% in 2001



Cash EPS Growth

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EPS growth of 17%
(12% excl significant items)



Share price performance

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Our Share Purchase Plan success

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- SPP closed on Monday
- Raised \$50 million
- Target was \$30 to \$40 million
- BOQ will take up full amount
- 35% of shareholders took part
- Reward to our shareholders
- Result a testament to the strength of the story
- Thank you for your ongoing support

PEP & Strategy

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- First PEP was a huge success
 - contributed to \$30m in benefits
 - helped to reduce the cost-to-income ratio
- Now it's time for PEP II....
- Aim is to generate \$15m in annual run-rate benefits in the first year
 - Will involve a series of revenue enhancement and expense reduction initiatives

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We are different

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A superior brand

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- Brand awareness is a key platform to a strong brand:
 - Unprompted awareness peaked at 55% during the year
 - Tripled in less than two years
- Our customers are the most loyal:
 - Maintained the number one position for the last 12 months

Why we are different

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■ We are different because

- we have grown our market share by delivering great service
- we open branches and business banking centres
- we employ more people, not reduce them
- we want face-to-face relationships with our customers
- we offer real choice and access
- we have built a reputation as a significant force in the market, a serious challenger in the market

■ And now for our new tagline...

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A graphic element consisting of a yellow vertical bar on the left and a blue shape on the right that tapers to a point at the top and bottom, resembling a stylized 'Q' or a flag.

**Bank of
Queensland**

bank different

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A smaller version of the yellow and blue graphic element seen in the center of the slide.

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Queensland
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BOQ: a strong future

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Interstate expansion gains traction

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- Interstate Owner-Managed Branches are scoring with customers
 - Ahead of expectations with sales
 - Loan approvals and deposits already very positive
- We are on target to hit
 - 50 interstate branches by 31 August 2005
 - 100 interstate branches by 31 August 2006
- Strong interest from potential owner-managers
 - BOQ accepts about 1 in 15

Eight New South Wales / ACT branches

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Six Victorian branches

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Melbourne CBD (2)
Footscray
Geelong
Doncaster East
Armadale
Richmond
Frankston

The map shows the state of Victoria in blue. Six locations are marked with dots: Melbourne CBD (2), Footscray, Geelong, Doncaster East, Armadale, and Richmond. Frankston is also labeled but has no dot. A legend below the map indicates that orange dots represent branches 'Now open' and grey dots represent branches 'To open this year'.

● Now open ● To open this year

We are thriving in a difficult market

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- Margin pressures from last year have been tackled
- We have stopped the decline in our margin which has stabilised in the first quarter of 2005
- This is a significant result in light of the competition in the market, particularly for deposit funds
- We are now funding balance sheet growth 100% through our retail deposits

Our plan in action

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■ The Platform:

- National network of ATMs to reach 2,500 in 2006
- Branch network to reach 250 in 2006 (across Qld, NSW, Vic, ACT, and NT)
- BOQEF and Business Banking gaining ground throughout Australia
- New Head Office, new core computer system
- New product suite with market-leading CMA, low-rate credit card and home loan package
- Service culture driven by unique Owner-Managed Branch model
- The best people

The results will now flow

move

■ Financial goals for 2005:

- Substantially above system asset (1.5x system) and deposit growth (2x system)
- Maintain credit quality
- Cash EPS growth of 10%-12%
- Cost to income ratio of 63%

■ Key objectives for our 2005 financial year are to:

- Continue the interstate branch network expansion and expanded business banking capability
- Leverage infrastructure investment

The results of our planning...

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■ Medium term financial goals:

- EPS growth of 10%-12% over next three years
- Achieve a cost to income ratio of 60% by year three
- Outperform system growth

Our strategy

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■ Going forward:

- Specialist distributor focused on superior customer service
- Competitive platform provided by Core Banking System
- Interstate expansion of OMB model into NSW, Vic, ACT & NT
- Consolidation of Queensland branch network
- Grow Business Banking presence
- Selective acquisitions:
 - Equipment finance
 - Debtor finance
 - ATM distribution

Why BOQ will continue to thrive

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- Bank of Queensland is not just talking about opening branches – it is opening about 50 a year
- BOQ is not talking about improved service, it has the runs on the board and a branch model which drives superior service
- The large banks have mature networks and locked in branch structures
- BOQ is flexible, has massive growth potential, and has proved it can operate successfully outside its home State

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Our management team

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Our management team



Robert Hines
Group Executive and
Chief Financial Officer



Donna Brown
Group Executive
Retail Banking



Ross Norton
Group Executive
Business Banking



Bruce Auty
Group Executive
Group Risk



Jennifer Heffernan
Group Executive and
Chief Operations
Officer



David Saville
General Manager,
Electronic Banking and
Facilities



Sandy Deans
General Manager,
People & Performance



Len Stone
Treasurer



Paul Turner
Executive General
Manager, Managing
Director's Office

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