



**Bank of  
Queensland**

bank different<sup>®</sup>

BOQ AGM

8 DECEMBER 2005

SOFITEL HOTEL, BRISBANE



# Managing Director's Presentation

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8 DECEMBER 2005

SOFITEL HOTEL, BRISBANE

# BOQ: A Great Company

Bank of  
Queensland

- ▶ Our focus is on our key stakeholders:



- ▶ Our Shareholders



- ▶ Our Customers



- ▶ Our Employees



- ▶ Our Community

# Innovation, not stagnation

Bank of  
Queensland

- ▶ We have a vision of something different in banking
- ▶ Bank of Queensland has innovated its way to success by confronting the facts head on.
- ▶ We have been counter-intuitive – taken a different path from our competitors and been proved right.



# A great company for our shareholders



“ As a small investor, Bank of Queensland has offered strong returns over a number of years. It has the benefits of being a Bank stock, but with good growth. ”

*- Martin Cirino, Eight Mile Plains*

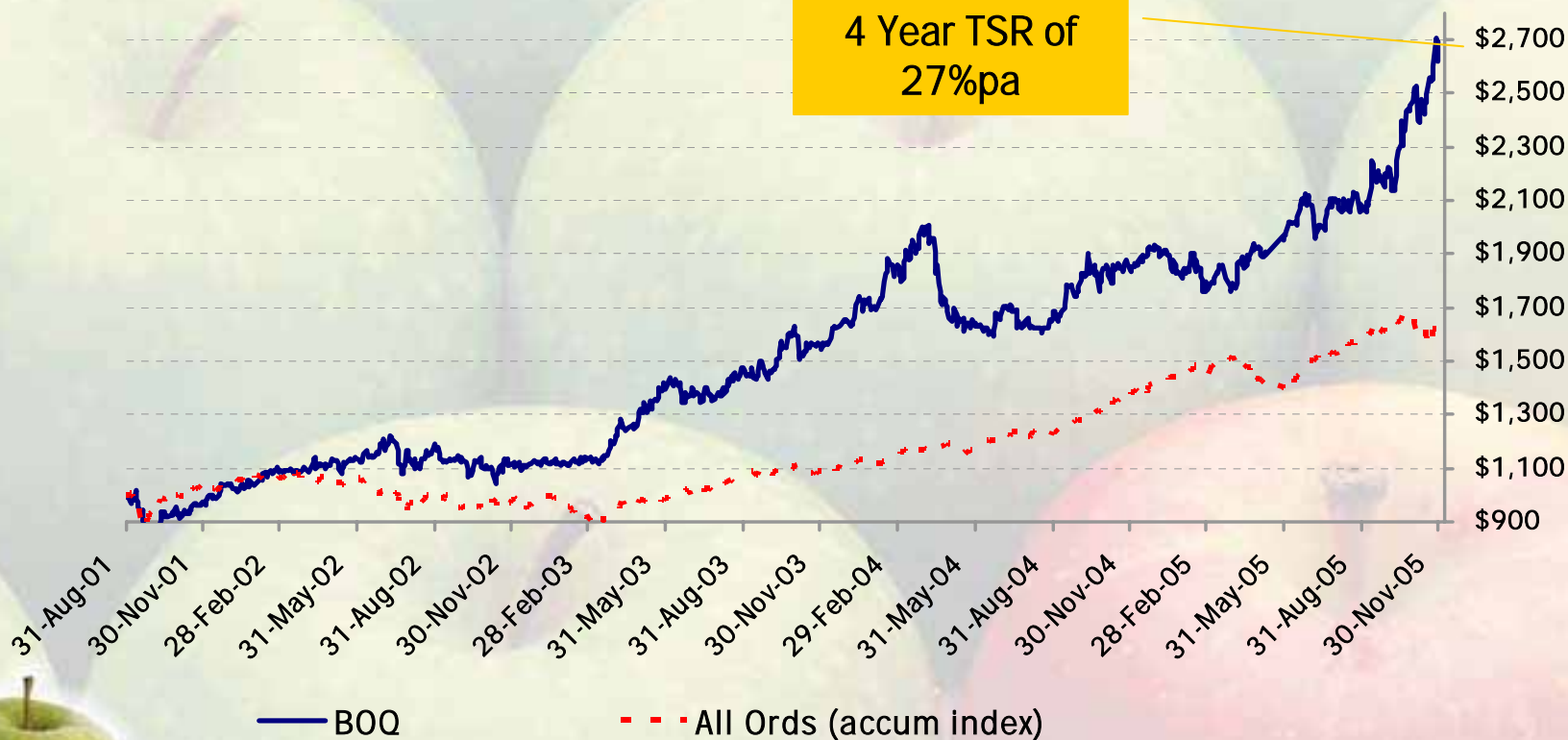
# Growing Shareholder Value

Bank of  
Queensland

## Total Shareholder Return

Total Shareholder Return on \$1,000 invested on 1 September 2001

4 Year TSR of  
27%pa



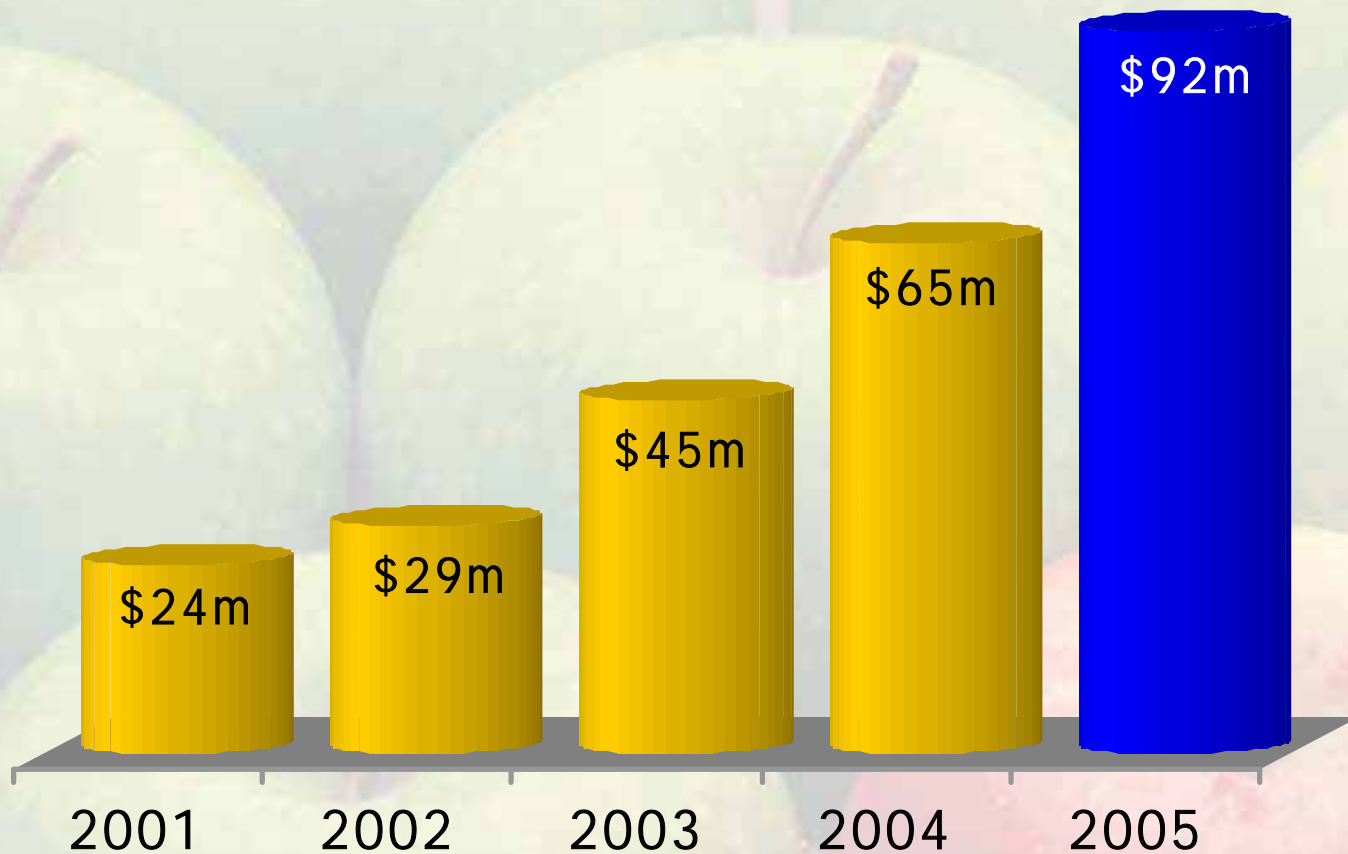
# Four years of Asset Under Management Growth

Bank of Queensland



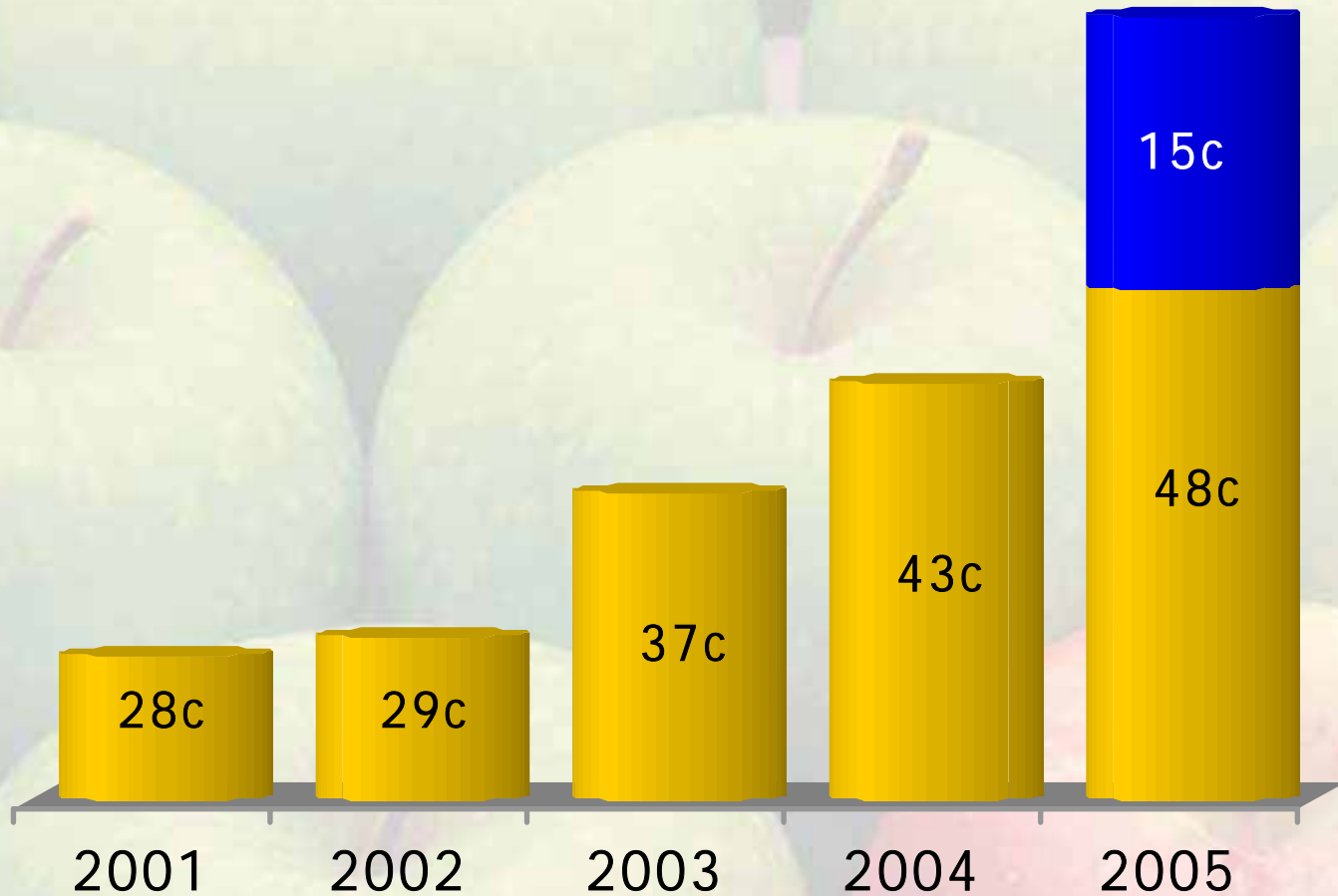
# Four years of record profits

Bank of  
Queensland



# Four years of dividend growth

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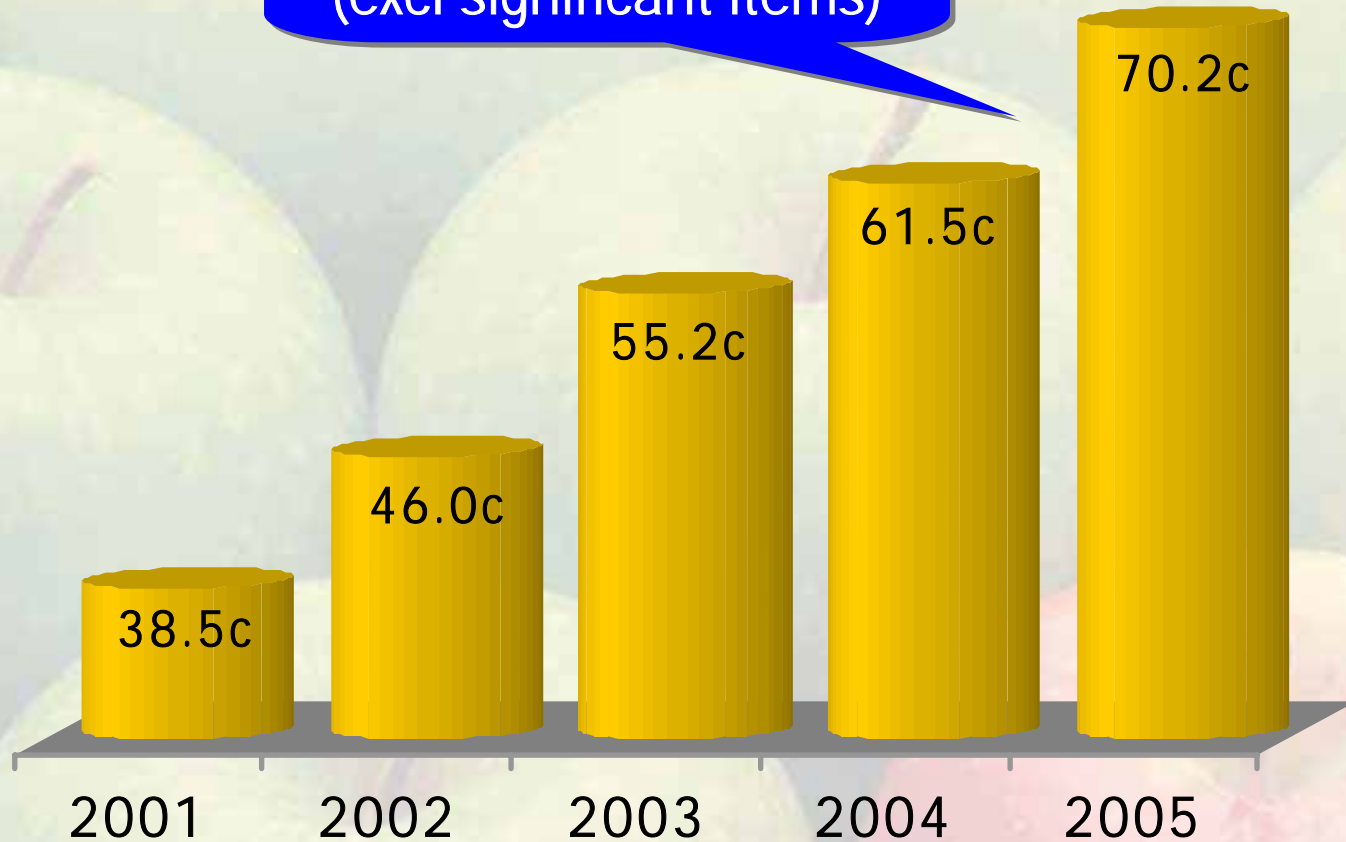
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# Four years of Cash EPS Growth

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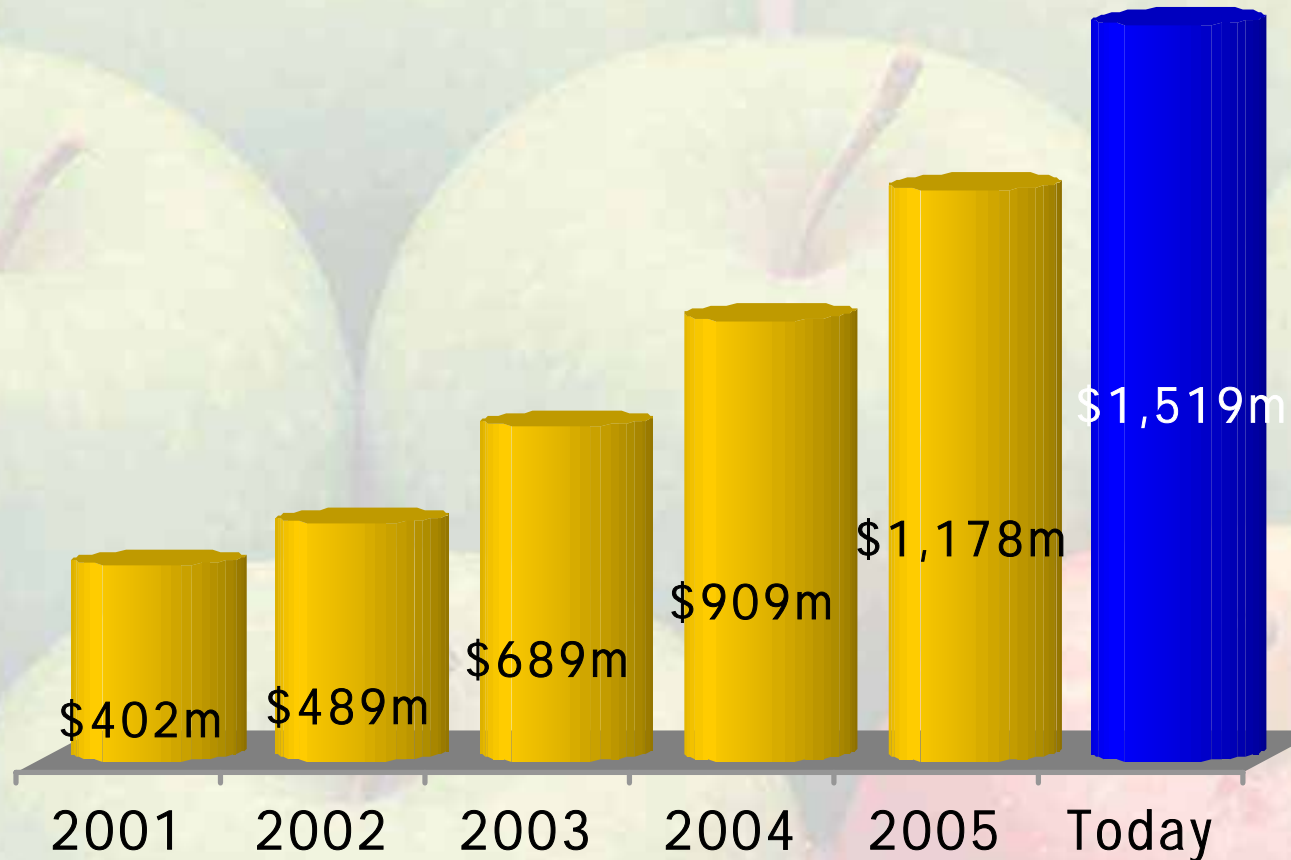
EPS growth of 14%  
(excl significant items)



Cash Diluted EPS (excl significant items)

# Four years of growth in Market Capitalisation

Bank of  
Queensland

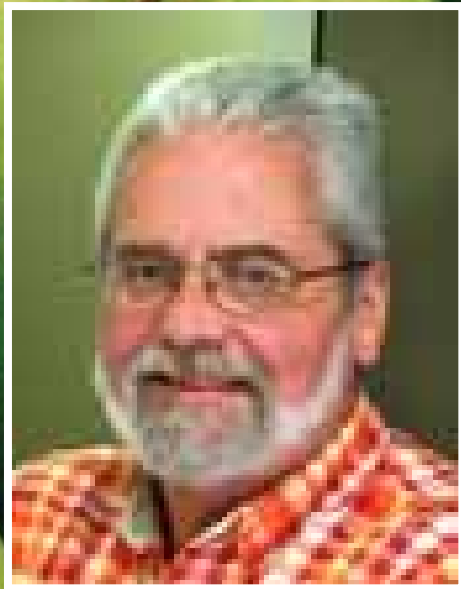


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# A great company for our customers



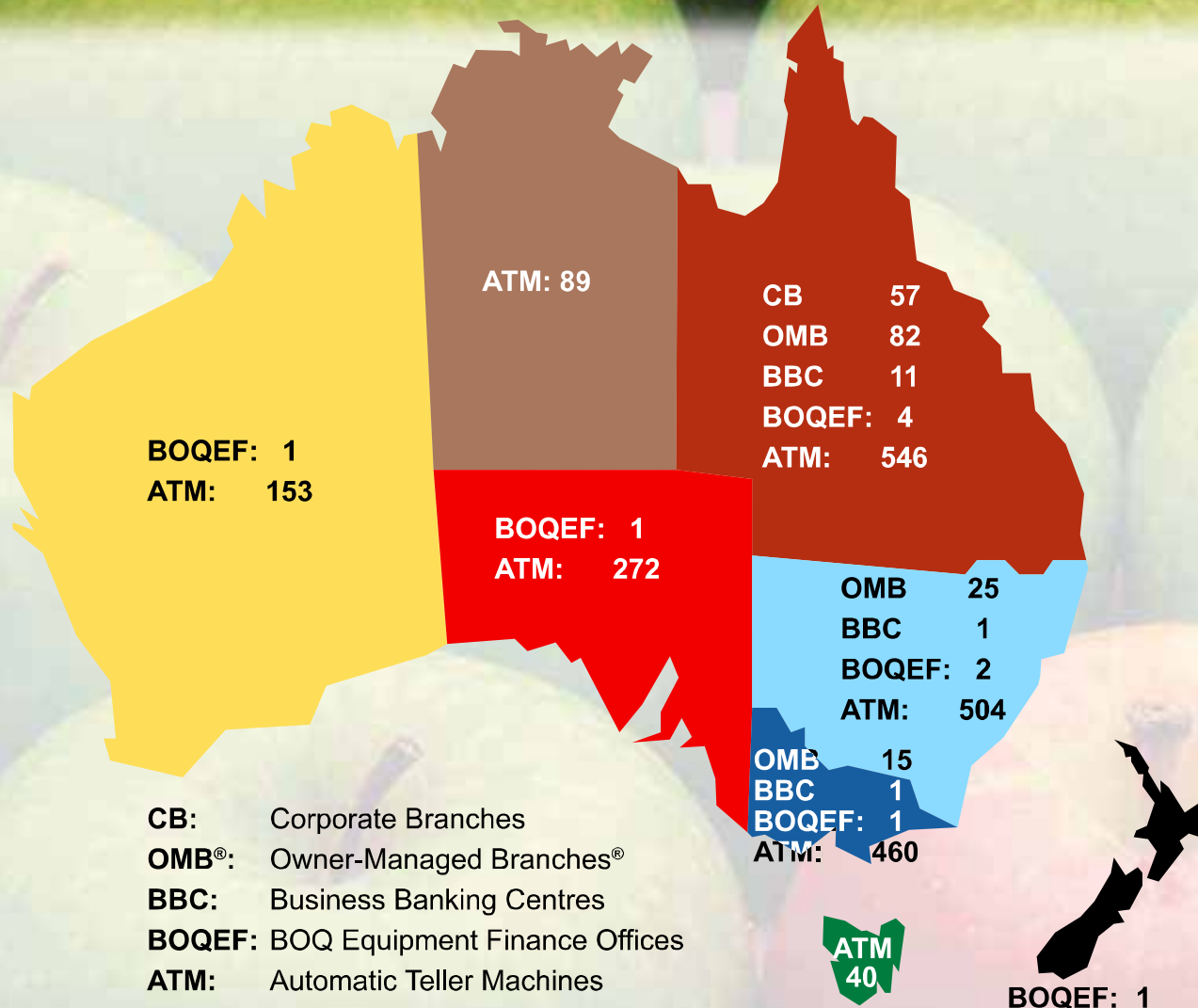
“ Since moving to Bank of Queensland, we have never been happier with the service. The staff are attentive, understanding, professional and unequalled in their skills. ”

*- John Miller, Radio 4BC*

# BOQ puts the customer first

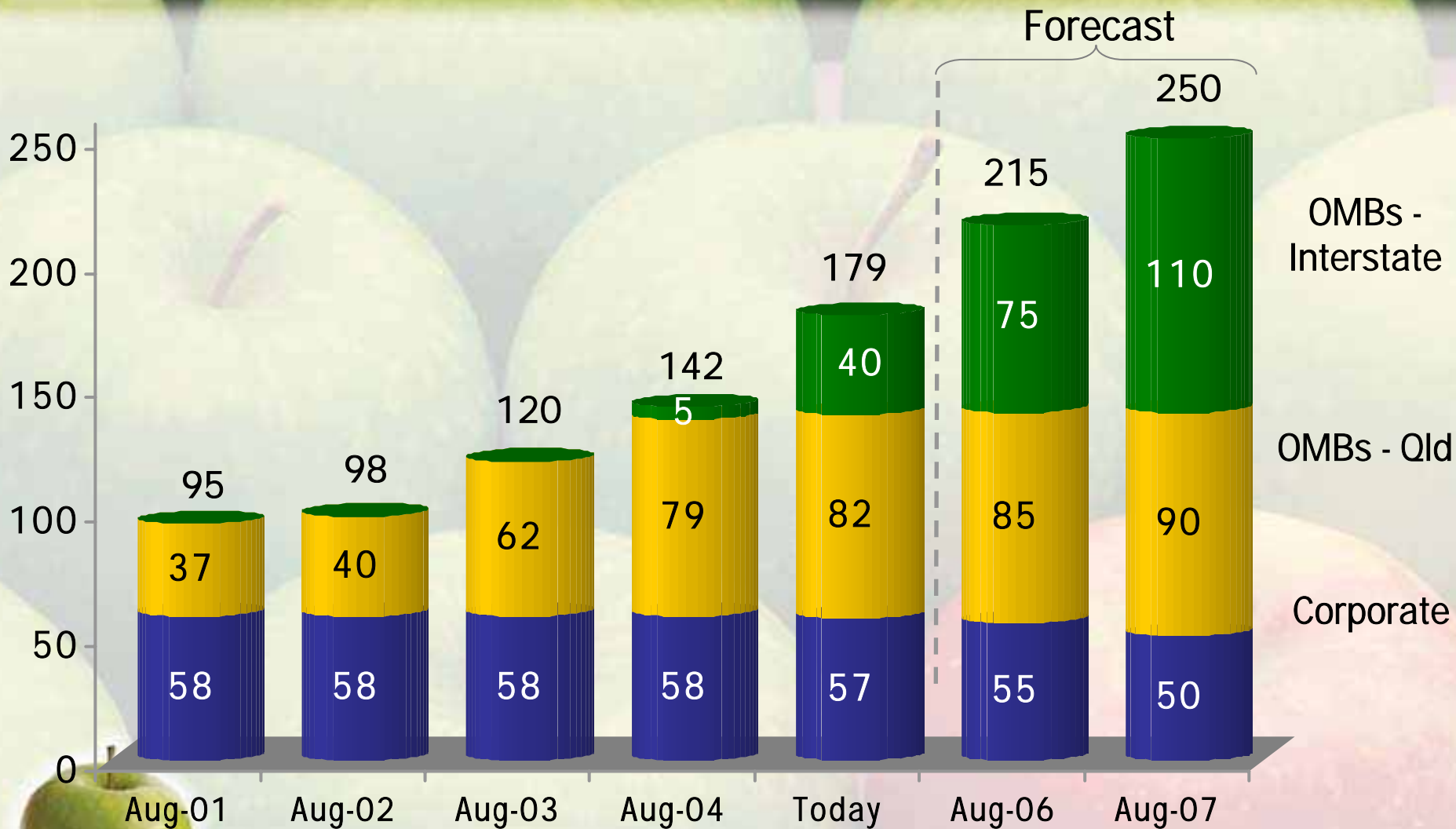
- ▶ 86 new branches opened in 4 years.
- ▶ 12 new business banking centres opened in 4 years.
- ▶ CustomerFirst initiative launched.
- ▶ Our goal – to excel in customer service.
- ▶ Customer service is our key differentiator in the market place.

# Making us more convenient



# Our Interstate Branch Expansion

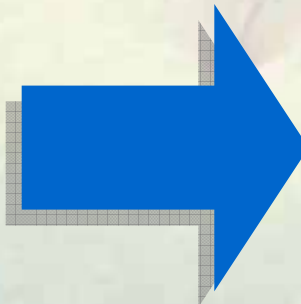
Bank of Queensland



# Success of Interstate Branches

Bank of  
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- ▶ First 5 interstate branches opened in July/August '04:
  - ▶ Byron Bay
  - ▶ Kingscliff
  - ▶ North Parramatta
  - ▶ Frankston
  - ▶ 455 Bourke St, Melbourne
- ▶ Average footings of \$62m on November 30, compared to \$52m in average footings at August 31, 2005.
- ▶ Total footings increased \$49m for 5 branches in quarter.

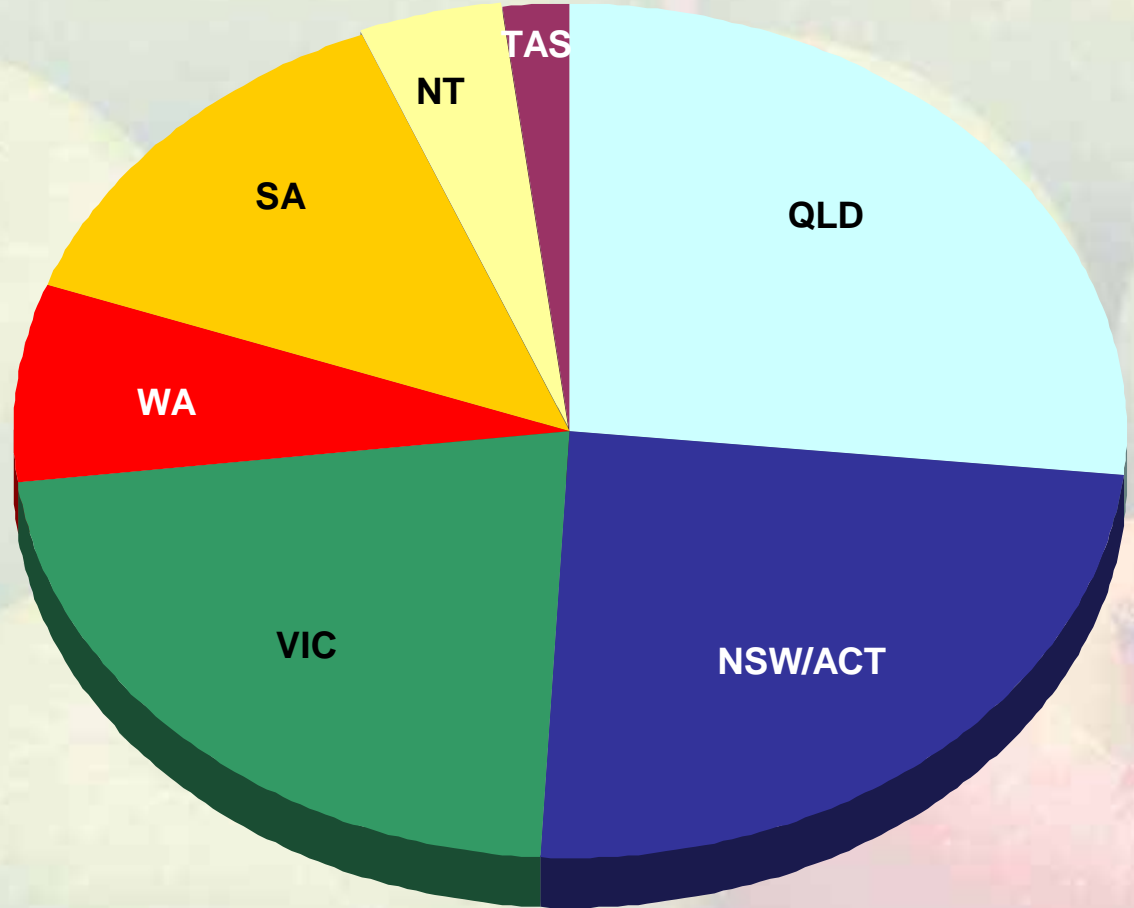


\$247m in lending  
\$64m in deposits  
\$311m in footings



# ATMs

More than 2,000 BOQ-branded ATMs



# Business Banking

Bank of  
Queensland

- ▶ 13 business banking centres.
- ▶ Overall strategy is to achieve SME dominance in chosen segments in Queensland
- ▶ Strong growth in equipment/debtor finance
  - ▶ BOQ Equipment Finance doubled sales since purchase and reached more than \$1bn in settlements.
  - ▶ Debtor finance – growth of 18% in outstandings.
- ▶ Selective interstate expansion to support branch rollout.

# Product range: A success story

- ▶ Market-leading Reverse Charges Account, launched in October, exceeded expectations with 18% increase in total new accounts since launch.
- ▶ Business Investment Account funds growth of 59% in 1st quarter.
- ▶ Revamped Cash Management Account funds growth of 13% in 1st quarter.
- ▶ Consumer Credit Insurance: Increased 1st quarter insurance income by 260% pcp

# Alliances

- ▶ Aggregation will supplement our core skills.
- ▶ Our strategy to be a strong distributor of financial products has led to key alliances including:
  - ▶ ATM network through Macquarie which provides 2000+ BOQ-branded ATMs;
  - ▶ Insurance products through Vero, St Andrews, OAMPS and CGU;
  - ▶ Distribution of deposit products through DDH Graham;
  - ▶ Traveller's cheques, overseas cash and Cash Passports through Travelex; and,
  - ▶ Wealth Management advice through Genesys.

# A great company for our employees



“

I have enjoyed a diverse career with plenty of career development over 15 years with BOQ.

BOQ values and rewards staff who go the extra mile.”

*- Glenn De Kretser, Private Bank*

# It's all about leadership

Bank of  
Queensland

- ▶ At Bank of Queensland it's all about leadership.
- ▶ We want to be leaders in:
  - ▶ Customer service
  - ▶ Employer of choice
  - ▶ Community involvement
  - ▶ Innovation in banking



# Partnerships with our staff

- ▶ An organisation that:
  - ▶ Delivers regular and timely communication.
  - ▶ Focuses on recruiting the right people.
  - ▶ Provides staff access to the top through the MD's staff hotline, focus groups and staff roadshows.
  - ▶ Rewards our people through:
    - Recognition
    - Career path
    - Development and training
    - Remuneration

# A great company for our community



“

Without the support of Bank of Queensland, Drug Arm wouldn't have been able to establish a street outreach program to help marginalised young people on the Gold Coast. ”

- Ray Crompton,  
Drug Arm Australia

# We're members of the community

- ▶ Banks forgot they were part of the community.
- ▶ BOQ's branch expansion is the most fundamental level of community support.
- ▶ Every suburb, town and region we open a new branch we add to the strength of the local community.
- ▶ Our bank managers are old-fashioned when it comes to service priorities and being members of their local communities.

# Community Partnerships

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- ▶ Based around assisting young people in the core areas of:
  - ▶ Education:
    - Financial Basics Foundation
    - Cooloola Sunshine Institute of TAFE
  - ▶ Health:
    - Juvenile Diabetes Research Foundation
    - Royal Children's Hospital Foundation
    - Variety Queensland
    - Royal Brisbane & Women's Foundation
    - Wesley Research Institute

# Community Partnerships (continued)

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- ▶ Welfare
  - Drug Arm street van (Gold Coast)
  - Red Cross Night Café
- ▶ Arts
  - Flying Arts Inc.
  - Queensland Museum Foundation
- ▶ Environment
  - BOQ River-lutionists
  - Guides Queensland



# Staff & Shareholder Initiatives

- ▶ Staff Initiatives:

- ▶ Dollar-for-Dollar Program
- ▶ MD's Award for Community Involvement
- ▶ Corporate Volunteering Program
- ▶ Workplace Giving Program

- ▶ Shareholder Initiatives:

- ▶ "Investing in Hope" – dividend donation program



# Our Future

BOQ: Remaining a great company

# Strategic Objectives

- ▶ Our key objectives are to:
  - ▶ Outperform the market and deliver strong growth across all businesses.
  - ▶ Continue the interstate branch network expansion and expanded business banking capability.
  - ▶ Drive revenue enhancement and expense reductions through PEP.
  - ▶ Scale through selective acquisitions.
  - ▶ Be #1 in customer service.

# Outlook

- ▶ Housing market has slowed, but not dramatically.
- ▶ More favourable business environment – growth is expected (particularly in SME sector).
- ▶ Very competitive market across all products.
- ▶ Interest rate stability looking likely.
- ▶ Regulatory changes (Basel II) expected to have neutral impact.
- ▶ Our focus remains on strong organic growth and selected niche acquisitions to support strategy.

# So far in 2006

- ▶ First quarter results very strong.
- ▶ Across the bank approvals are up 36% on the same quarter last year.
- ▶ Housing Approvals for first quarter 2006 FY are up 31% on first quarter last year.
- ▶ Business Banking Approvals are up 52% for first quarter 2006 compared to first quarter last year.
- ▶ Leasing Approvals are up 36% for first quarter 2006 on first quarter last year.
- ▶ Total BOQ deposits up 17% for first quarter 2006 on first quarter last year.

# Financial Goals

- ▶ Financial goals for 2006:
  - ▶ Substantially above system (1.5x–2x system) asset and deposit growth.
  - ▶ Maintain credit quality.
  - ▶ Cash EPS growth of 10%-12%.
  - ▶ Cost to income ratio of 63%.
- ▶ Medium-term financial goals:
  - ▶ Substantially outperform system growth in lending and deposits.
  - ▶ EPS growth of 10%-12% over next 3 years.
  - ▶ Improve the cost to income ratio 1% pa.

# BOQ: A Great Company

Bank of  
Queensland

- ▶ We are aiming to be an employer of choice.
- ▶ We are growing, and, through innovation, leading the market in key areas.
- ▶ We are profitable, and return value to our shareholders.
- ▶ We are active members of our local communities.
- ▶ We are Bank of Queensland: A Great Company

# Our leaders



**Robert Hines**  
Group Executive and  
Chief Financial Officer



**Donna Quinn**  
Group Executive  
Retail Banking



**Ross Norton**  
Group Executive  
Business Banking



**Jennifer Heffernan**  
Group Executive and  
Chief Operations Officer



**Bruce Auty**  
Group Executive  
Group Risk



**Jenny Brice**  
Group Executive  
Human Resources



# Resolutions

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# Resolution 2(a): To re-elect Neil Roberts as a Director

## Proxy voting results

	<i>Votes</i>	<i>%</i>
For:	18,481,380	55.85%
Open:	14,488,738	43.79%
<b>Total For &amp; Open:</b>	<b>32,970,118</b>	<b>99.64%</b>
<b>Against:</b>	<b>120,041</b>	<b>0.36%</b>
Abstain:	98,575	

# Resolution 2(b): To re-elect Antony Love as a Director

## Proxy voting results

	<i>Votes</i>	<i>%</i>
For:	18,428,738	55.69%
Open:	14,514,336	43.86%
<b>Total For &amp; Open:</b>	<b>32,943,074</b>	<b>99.55%</b>
<b>Against:</b>	<b>148,319</b>	<b>0.45%</b>
Abstain:	97,341	

# Resolution 3: Non-Executive Directors' Remuneration

## Proxy voting results

	<i>Votes</i>	<i>%</i>
For:	15,843,796	75.49%
Open:	2,217,835	10.57%
<b>Total For &amp; Open:</b>	<b>18,061,631</b>	<b>86.06%</b>
<b>Against:</b>	<b>2,531,205</b>	<b>12.06%</b>
Abstain:	333,114	

# Resolution 4: Employee Share Plan

## Proxy voting results

	<i>Votes</i>	<i>%</i>
For:	16,828,437	51.17%
Open:	14,630,631	44.49%
<b>Total For &amp; Open:</b>	<b>31,459,068</b>	<b>95.66%</b>
<b>Against:</b>	<b>1,425,133</b>	<b>4.34%</b>
Abstain:	304,533	

# Resolution 5: Remuneration Report

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## Proxy voting results

	<i>Votes</i>	<i>%</i>
For:	16,273,757	49.71%
Open:	14,646,505	44.73%
<b>Total For &amp; Open:</b>	<b>30,920,262</b>	<b>94.44%</b>
<b>Against:</b>	<b>1,820,955</b>	<b>5.56%</b>
Abstain:	447,517	



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