



**Bank of
Queensland**

bank different[®]

BOQ AGM

8 DECEMBER 2005

SOFITEL HOTEL, BRISBANE



Managing Director's Presentation

BOQ AGM

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

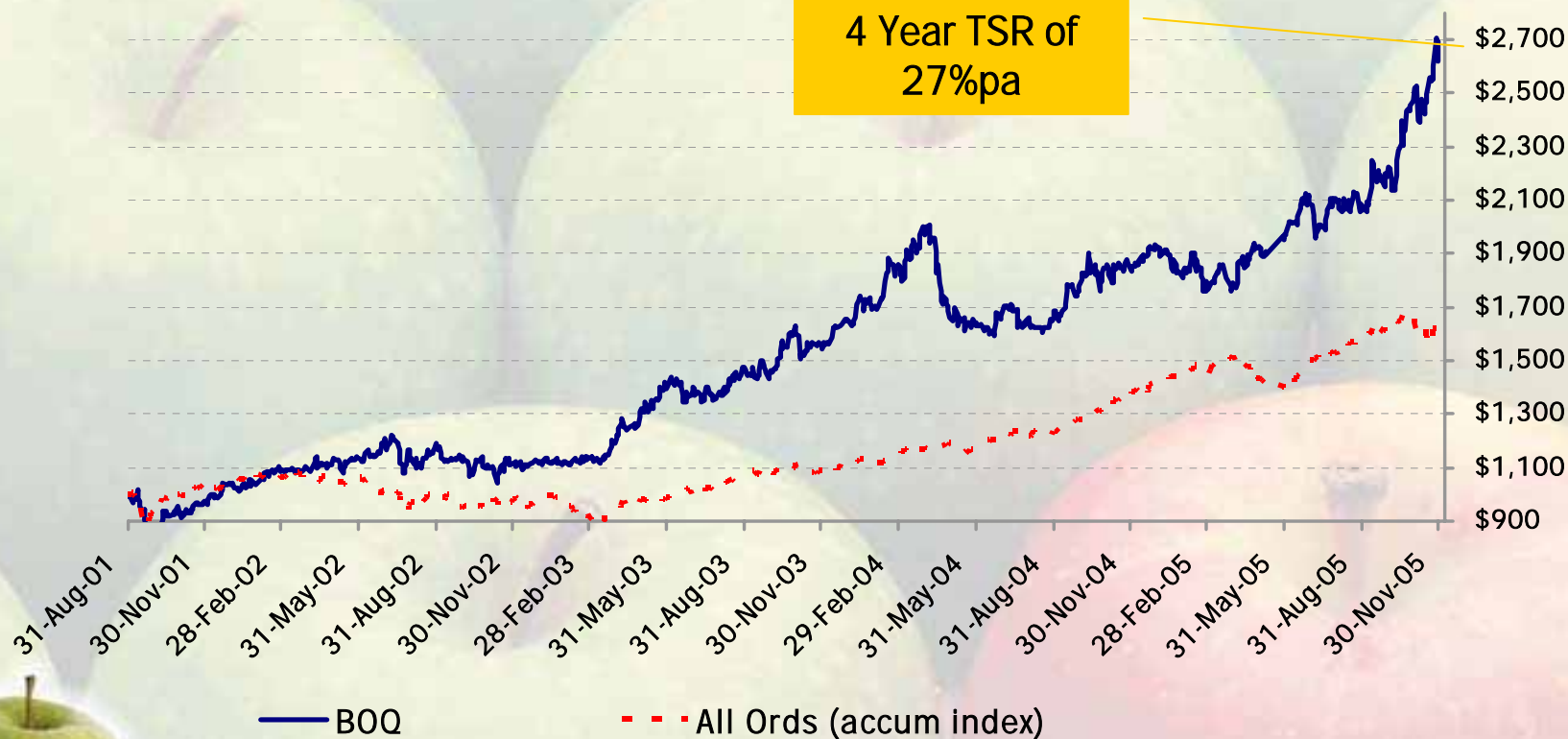
Growing Shareholder Value

Bank of
Queensland

Total Shareholder Return

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

4 Year TSR of
27%pa



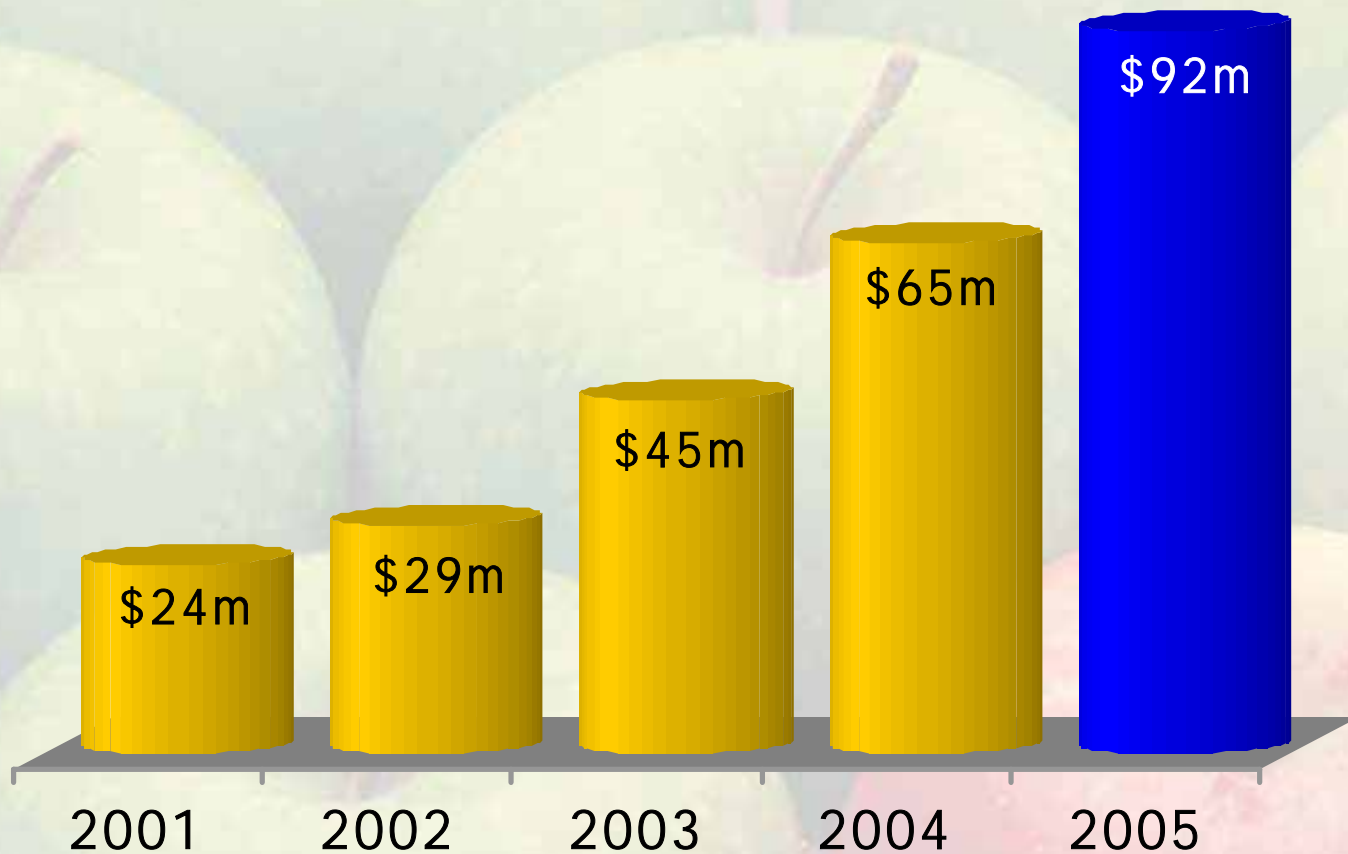
Four years of Asset Under Management Growth

Bank of Queensland



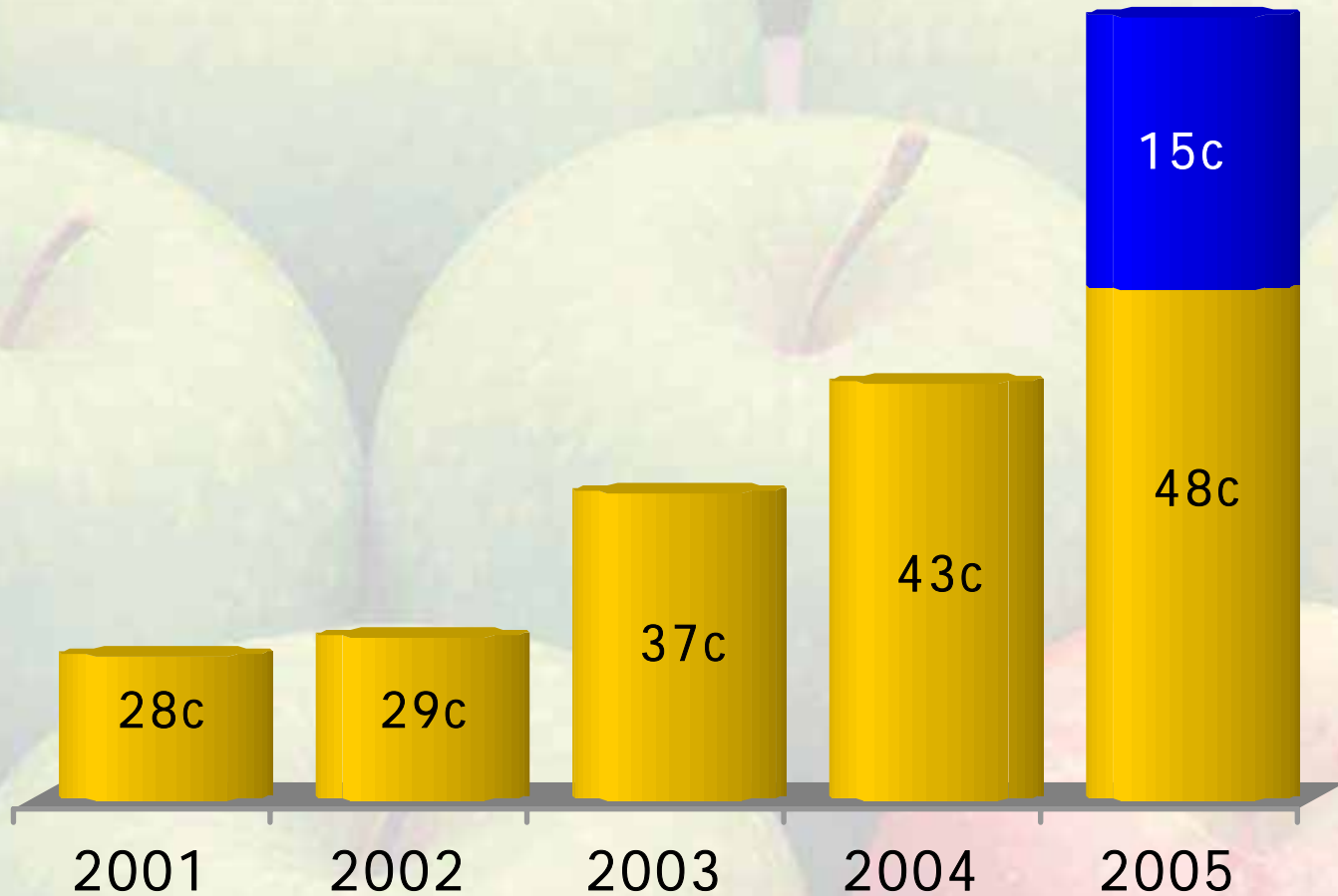
Four years of record profits

Bank of
Queensland



Four years of dividend growth

Bank of
Queensland



BOQ AGM

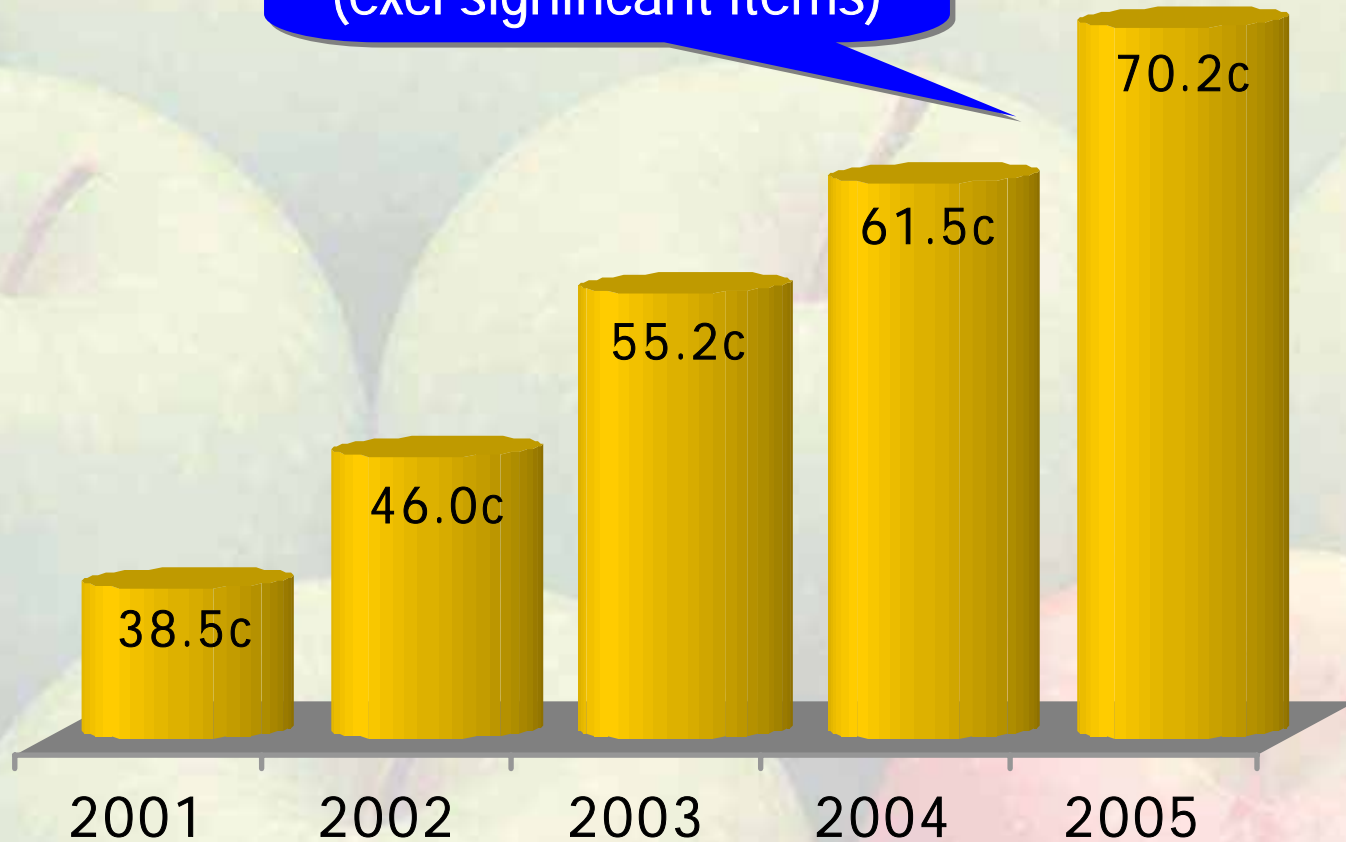
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Four years of Cash EPS Growth

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Queensland

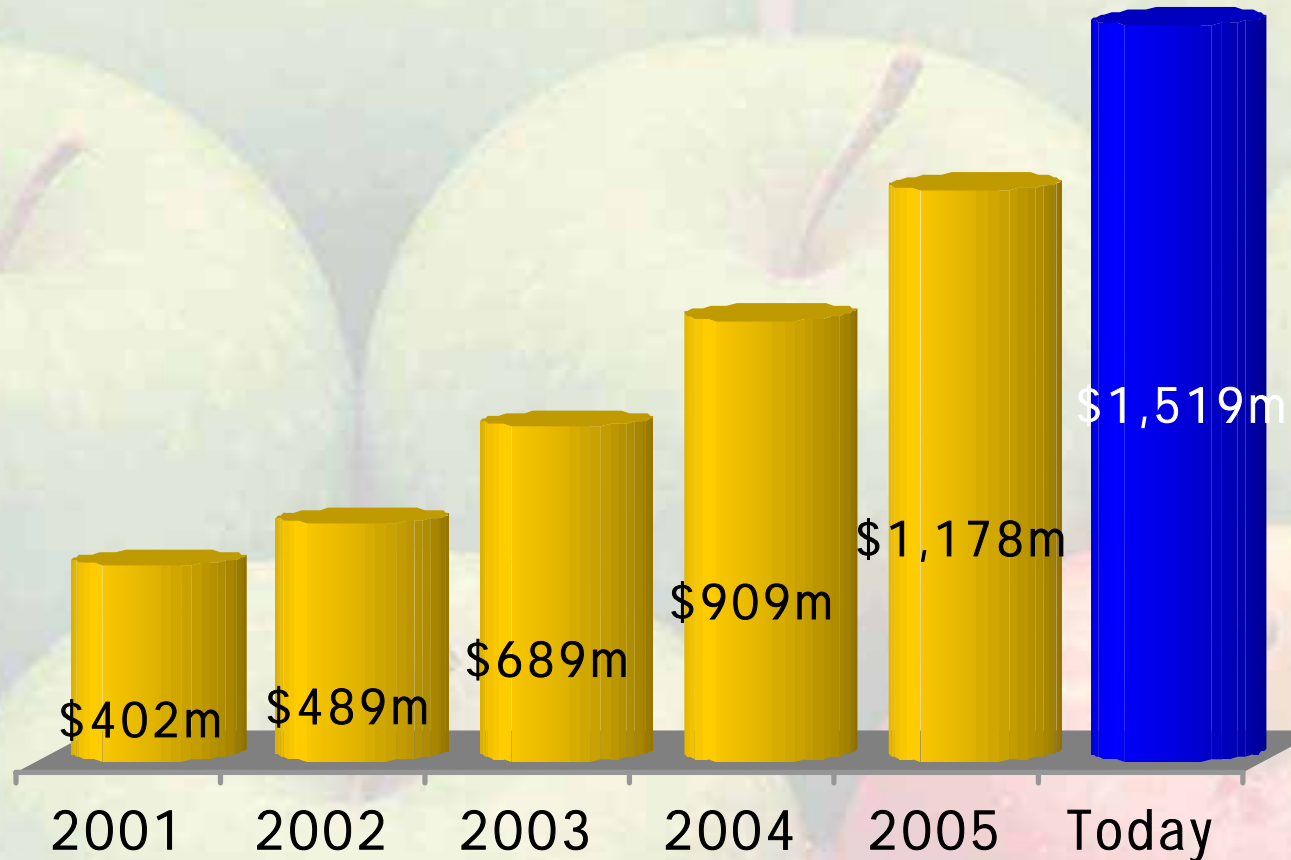
EPS growth of 14%
(excl significant items)



Cash Diluted EPS (excl significant items)

Four years of growth in Market Capitalisation

Bank of
Queensland

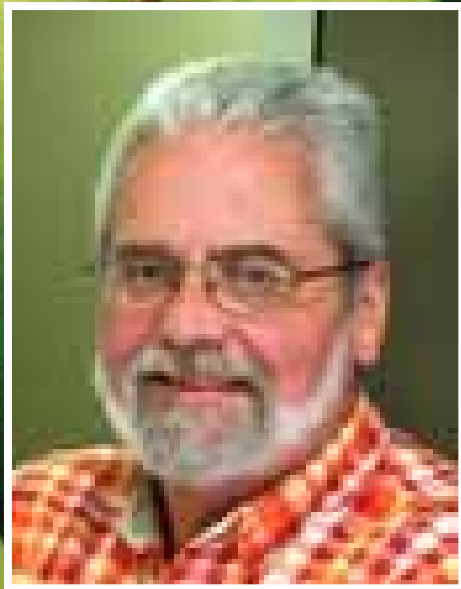


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A great company for our customers



“

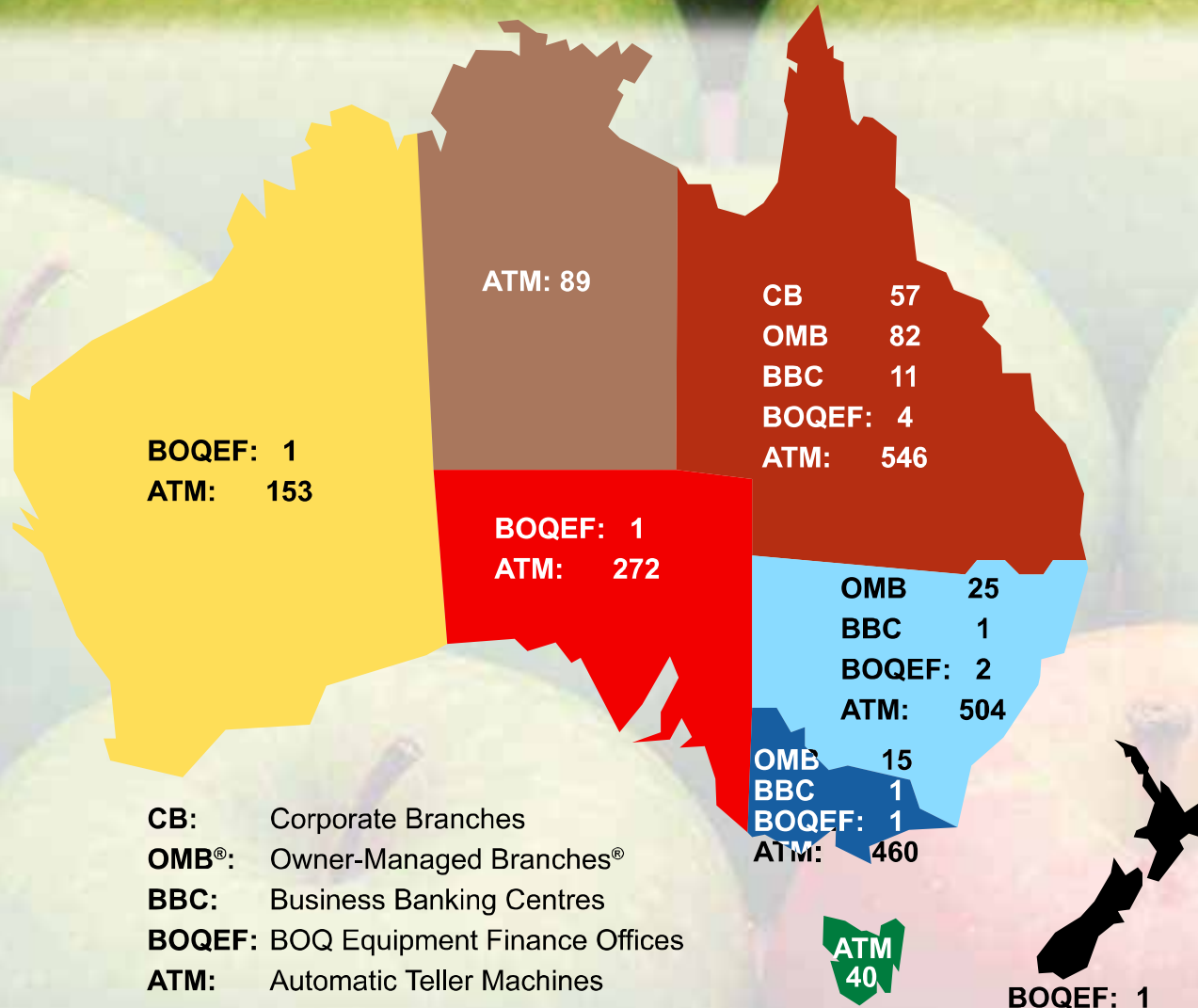
Since moving to Bank of Queensland, we have never been happier with the service. The staff are attentive, understanding, professional and unequalled in their skills.”

- 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.

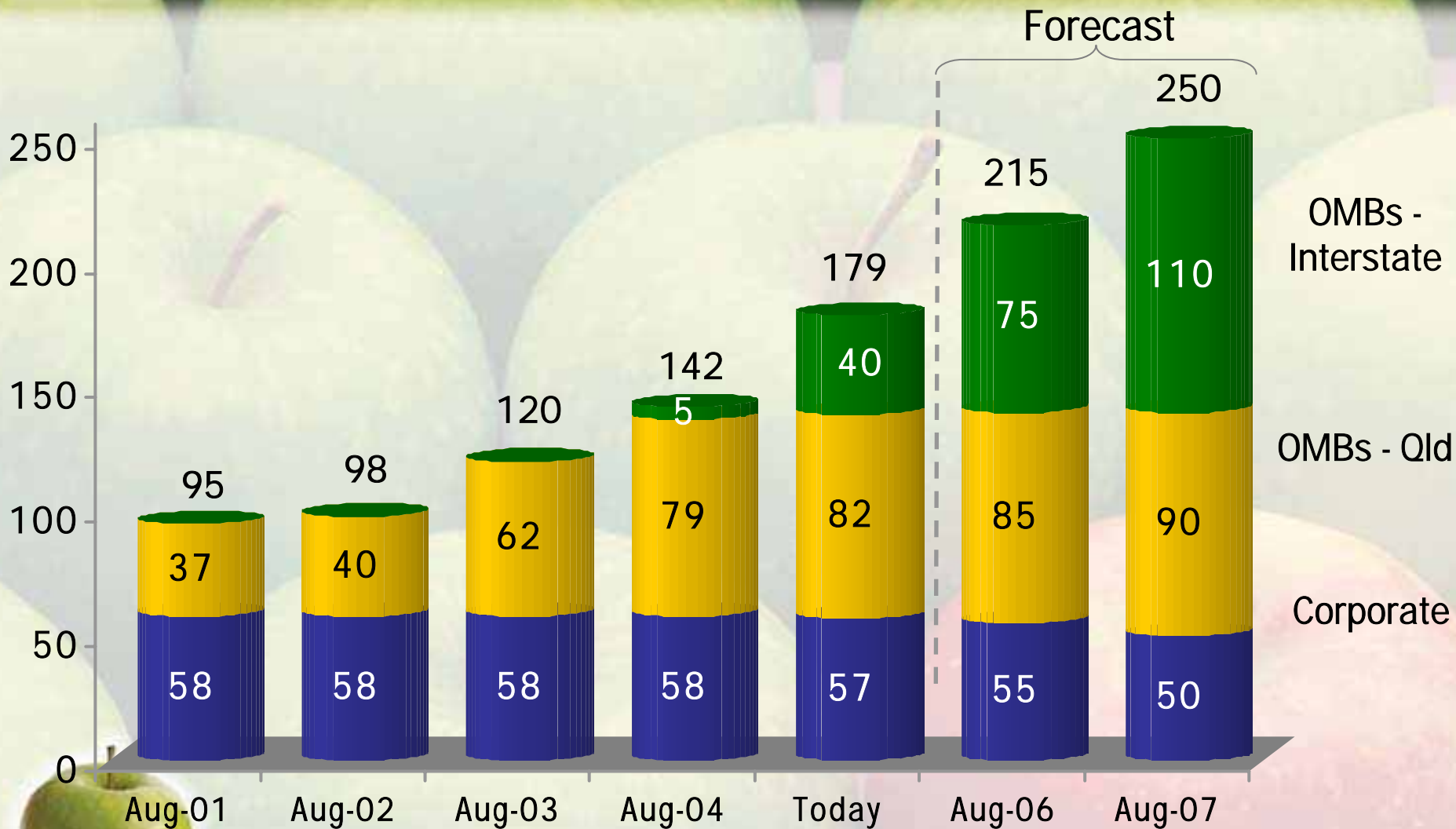
Making us more convenient



CB: Corporate Branches
OMB®: Owner-Managed Branches®
BBC: Business Banking Centres
BOQEF: BOQ Equipment Finance Offices
ATM: Automatic Teller Machines

Our Interstate Branch Expansion

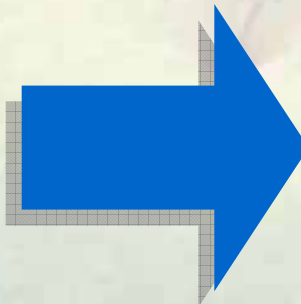
Bank of Queensland



Success of Interstate Branches

Bank of
Queensland

- ▶ 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.

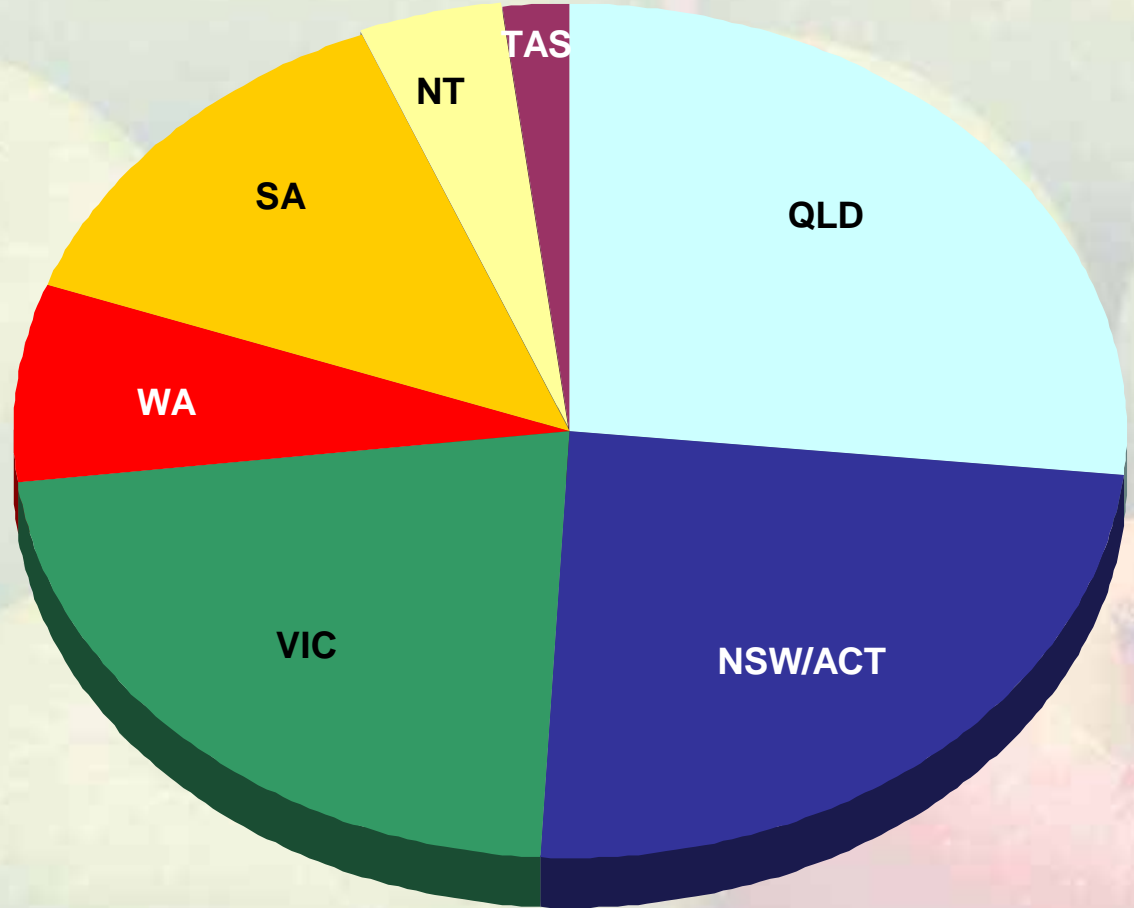


\$247m in lending
\$64m in deposits
\$311m in footings



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

Bank of
Queensland

- ▶ 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)

Bank of
Queensland

- ▶ 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%
Total For & Open:	32,970,118	99.64%
Against:	120,041	0.36%
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%
Total For & Open:	32,943,074	99.55%
Against:	148,319	0.45%
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%
Total For & Open:	18,061,631	86.06%
Against:	2,531,205	12.06%
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%
Total For & Open:	31,459,068	95.66%
Against:	1,425,133	4.34%
Abstain:	304,533	

Resolution 5: Remuneration Report

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Queensland

Proxy voting results

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



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