

Notice of Annual General Meeting and Explanatory Statement



The 135th Annual General Meeting of Bank of Queensland Limited (Bank) will be held at the Sofitel Hotel, 249 Turbot Street, Brisbane on Thursday, 10 December 2009 at 10.00am.

AGENDA

1. Financial statements and reports

To receive and consider the financial statements for the year ended 31 August 2009 and the related Directors' Report and Auditor's Report.

(Refer to Item 1 of the Explanatory Statement).

2. Election of directors (ordinary resolutions)

(a) To re-elect a director, David Graham, who retires by rotation in accordance with the Constitution and, being eligible, offers himself for re-election.

(b) To re-elect a director, Carmel Gray, who retires by rotation in accordance with the Constitution and, being eligible, offers herself for re-election.

(c) To re-elect a director, John Reynolds, who retires by rotation in accordance with the Constitution and, being eligible, offers himself for re-election.

(Refer to Item 2 of the Explanatory Statement).

3. Ratification of issue of shares – DRP underwriting

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

'That for the purposes of ASX Listing Rule 7.4, the issue of 3,094,053 ordinary shares issued on 19 May 2009 under the underwriting arrangements for the Dividend Reinvestment Plan be approved.'

This resolution is subject to voting exclusions as set out at the end of this Notice.

(Refer to Item 3 of the Explanatory Statement).

4. Ratification of issue of ordinary shares – February 2009 placement

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

'That, for the purposes of ASX Listing Rule 7.4, the issue of 8,395,765 ordinary shares on 3 February 2009 be approved.'

This resolution is subject to voting exclusions as set out at the end of this Notice.

(Refer to Item 4 of the Explanatory Statement).

Notice of Annual General Meeting

5. Ratification of issue of ordinary shares – August 2009 placement

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

'That, for the purposes of ASX Listing Rule 7.4, the issue of 14,300,000 ordinary shares on 31 August 2009 be approved.'

This resolution is subject to voting exclusions as set out at the end of this Notice.

(Refer to Item 5 of the Explanatory Statement).

6. Remuneration report – non-binding resolution

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

'That the remuneration report, contained in the Bank's 2009 Annual Report, be adopted.'

The resolution is advisory only and does not bind the directors.

(Refer to Item 6 of the Explanatory Statement).

PROXIES:

1. A member who is entitled to vote at the meeting may appoint:
 - (a) one proxy if the member is only entitled to one vote; or
 - (b) one or two proxies if the member is entitled to more than one vote.
2. Where the member appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one half of the votes, in which case any fraction of votes will be disregarded.
3. A proxy need not be a member of the Bank.
4. If you require an additional proxy form, the Bank will supply it on request.
5. If a member appoints the Chairman of the meeting as the member's proxy and does not specify how the Chairman is to vote on an item of business, the Chairman will vote, as proxy for that member, in favour of that item on a poll.
6. The proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Bank at the Bank's share registry no later than 10:00 am on Tuesday, 8 December 2009:
 - (a) by post to:

Bank of Queensland Limited
C/- Link Market Services Limited
Locked Bag 1524
BRISBANE QLD 4000; or
 - (b) by delivery to:

Bank of Queensland Limited
C/- Link Market Services Limited
Level 19
324 Queen Street
BRISBANE QLD; or
 - (c) by fax on (02) 9287 0309

Alternatively, members may lodge proxy votes online, by logging in at www.linkmarketservices.com.au.

VOTING RIGHTS

All of the shares that are quoted shares at 7:00 pm on Tuesday, 8 December 2009 will be taken, for the purposes of the Annual General Meeting, to be held by the persons who held them at that time.

VOTING EXCLUSIONS

In accordance with the Listing Rules of the Australian Securities Exchange, the Bank will disregard any votes cast on resolutions 3, 4 or 5 by any person, or an associate of any person, who participated in the placement that is the subject of the resolution, unless the vote is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

DATED 6 November 2009

BY ORDER OF THE BOARD



Stacey Hester
Secretary

PROXIES

Shareholders unable to attend the meeting are urged to complete the proxy form and return it or register their appointment of proxy online as soon as possible (see proxy form for details) and in any event no later than 10.00 am on Tuesday, 8 December 2009.

INTRODUCTION

This Explanatory Statement is provided to shareholders to inform them about the business of the meeting and each of the resolutions proposed in the accompanying Notice of Meeting. The information is also provided under the requirements of the ASX Listing Rules and Corporations Act 2001 (Cth).

ITEM 1 – FINANCIAL STATEMENTS AND REPORTS

The *Corporations Act* requires the Financial Report (which includes the financial statements and Directors' declaration), the Directors' Report and the Auditor's Report to be laid before the Annual General Meeting. Shareholders will be given a reasonable opportunity at the meeting to ask questions and make comments on these reports and on the business, operations and management of the Bank.

ITEM 2 – ELECTION OF DIRECTORS

(a) Mr David Graham

Mr Graham retires by rotation in accordance with the Bank's Constitution and, being eligible, offers himself for re-election.

Mr Graham was appointed as a director of the Bank in October 2006 and was last elected in December 2006.

Mr Graham has had extensive experience in the financial sector specialising in capital markets transactions. He has been a non-executive director of a number of ASX listed companies and he is currently a non-executive director of Bandanna Energy Limited. He is Chairman of DDH Graham Limited, an advisory and funds management company he founded in 1981. DDH Graham Limited has a longstanding and successful relationship with the Bank as a provider of funding through introduced money market deposit accounts.

Mr Graham is a member of the Audit and Budget Committees.

The Board recommends that shareholders vote in favour of his re-election as a director.

(b) Ms Carmel Gray

Ms Gray retires by rotation in accordance with the Bank's Constitution and, being eligible, offers herself for re-election.

Ms Gray was appointed as a director of the Bank in April 2006 and was last elected in December 2006.

Ms Gray has had an extensive career in IT and banking. Ms Gray was Group Executive Information Technology at Suncorp from 1999 to 2004. Prior to her Suncorp appointment she was General Manager of Energy Information Solutions Pty Ltd and Managing Director of Logica Pty Ltd. Ms Gray is Chair of Information Technologies Australia Pty Ltd.

Ms Gray is a member of the Bank's Risk Committee and Chair of the Audit Committee.

The Board recommends that shareholders vote in favour of her re-election as a director.

(c) Mr John Reynolds

Mr Reynolds retires by rotation in accordance with the Bank's Constitution and, being eligible, offers himself for re-election.

Mr Reynolds was appointed as a director of the Bank in April 2003 and was last elected in December 2006.

Mr Reynolds has extensive CEO-level experience at Top 100 media and resource companies in Australia and overseas. He is Chairman of Arrow Energy Limited. He is a director of Mater Health Services Brisbane Limited and an adviser to various private companies and professional organisations.

Mr Reynolds is Chairman of the Bank's Risk Committee, a member of the Audit Committee and a member of the Bank's Remuneration & Nomination Committee.

The Board recommends that shareholders vote in favour of his re-election as a director.

ITEM 3 – RATIFICATION OF THE ISSUE OF ORDINARY SHARES UNDER DIVIDEND REINVESTMENT PLAN UNDERWRITING

3.1 Background and rationale

As part of the Bank's active management of its capital base, the Bank engaged RBS Equity Capital Markets (Australia) Limited (RBS) to partially underwrite the Bank's Dividend Reinvestment Plan (DRP) for up to 85% of the Bank's 2009 interim dividend.

On 19 May 2009, the Bank issued 3,094,053 ordinary shares by way of placement pursuant to the Dividend Reinvestment Plan Underwriting Agreement.

Together with DRP participation by shareholders, this resulted in an amount equal to the interim dividend being reinvested in the Bank's business.

Listing Rule 7.1 provides that any listed entity must not issue equity securities that total more than 15% of its fully paid ordinary shares in a 12 month period without the approval of shareholders (15% Rule). Under Listing Rule 7.4, members may ratify an issue of equity securities so that it is disregarded in determining in the future whether the Bank has reached that threshold.

The Directors are seeking shareholder ratification of this issue, so that it is not considered in calculating the capacity of the Bank to issue further securities under the 15% Rule.

3.2 Terms of the ordinary share issue

- (a) Number of ordinary shares allotted – 3,094,053.
- (b) Issue price – \$8.0488 per share (2,481,946 shares) and \$9.0901 per share (612,107 shares).
- (c) Terms of the ordinary shares – the underwritten shares were issued on the same terms as existing ordinary shares.
- (d) Allottees of ordinary shares under the issue – a nominee of RBS on behalf of RBS clients.
- (e) Use of the funds from the ordinary share issue – the Bank raised approximately \$24,900,000 from the issue. The funds raised supplemented the Bank's Tier 1 Capital for prudential purposes and the proceeds were used for the general purposes of the Bank's business.

ITEM 4 – RATIFICATION OF ISSUE OF ORDINARY SHARES – FEBRUARY 2009 PLACEMENT

4.1 Background and rationale

On 3 February 2009, the Bank issued ordinary shares to certain investors qualifying under section 708 of the *Corporations Act* in order to supplement the Bank's Tier I Capital. The Directors are seeking shareholder ratification of this issue so that it is not considered in calculating the capacity of the Bank to further issue securities under the 15% Rule.

4.2 Terms of the ordinary share issue

- (a) Number of ordinary shares allotted – 8,395,765.
- (b) Issue price – \$7.64 per share.
- (c) Terms of the ordinary shares – the shares were issued on the same terms as existing ordinary shares.
- (d) Allottees of ordinary shares under the issue – 42 institutional and exempt investors.
- (e) Use of the funds from the ordinary share issue – the Bank raised approximately \$64,000,000 from the issue. The funds raised supplemented the Bank's Tier I Capital for prudential purposes and the proceeds were used for the general purposes of the Bank's business.

ITEM 5 – RATIFICATION OF ISSUE OF ORDINARY SHARES – AUGUST 2009 PLACEMENT

5.1 Background and rationale

On 31 August 2009, the Bank issued ordinary shares to certain investors qualifying under section 708 of the *Corporations Act* in order to supplement the Bank's Tier I Capital. The Directors are seeking shareholder ratification of this issue so that it is not considered in calculating the capacity of the Bank to further issue securities under the 15% Rule.

5.2 Terms of the ordinary share issue

- (a) Number of ordinary shares allotted – 14,300,000.
- (b) Issue price – \$10.00 per share.
- (c) Terms of the ordinary shares – the shares were issued on the same terms as existing ordinary shares.
- (d) Allottees of ordinary shares under the issue – 130 institutional investors, including BRED Banque Populaire.
- (e) Use of the funds from the ordinary share issue – the Bank raised \$143,000,000 from the issue. The funds raised supplemented the Bank's Tier I Capital for prudential purposes and the proceeds were used for the general purposes of the Bank's business.

ITEM 6 – REMUNERATION REPORT (NON-BINDING RESOLUTION)

Under the *Corporations Act*, listed companies are required to put to their shareholders a resolution to adopt the remuneration report contained in the Annual Report.

The resolution is advisory only and does not bind the directors.

The remuneration report sets out the Board's policies for director and senior manager remuneration, including a discussion of the relationship of remuneration to the Bank's performance, and other information required by the *Corporations Act* about director and senior manager remuneration.