

ASX RELEASE



2020 ANNUAL GENERAL MEETING PRESENTATION

Tuesday, 8 December 2020, Sydney: The presentation slides for Bank of Queensland Limited's (BOQ) 2020 Annual General Meeting are attached.

ENDS

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2020 ANNUAL GENERAL MEETING

8 December 2020

BANK OF QUEENSLAND LIMITED ABN 32 009 656 740. AFSL NO 244616.

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CHAIRMAN'S ADDRESS

PATRICK ALLAWAY
CHAIRMAN

- > FY20 has been a considerably challenging year - focus has been on supporting our customers, our people and our shareholders

- > Good progress against your Board's 2019 AGM commitments to achieve better outcomes for stakeholders
 - Good progress in strategy transformation
 - Maintained a strong financial and risk position
 - BOQ is well positioned for growth and improved performance

- > Committed to returning the business to profitable growth, sustainable dividends and growing long-term **shareholder value**
- > Focused on improving our **customer experience**, customer net promoter score increased to 3rd position (from 5th)
- > **Our people have performed strongly** over the past 12 months, executing against our strategy, adapting to new ways of working and maintaining support for our customers
- > Materially increased the depth of **talent and experience in leadership team** with strong execution capability
- > **Culture and governance remain key**, shifting BOQ to a purpose-led organisation and are committed to continuous improvement and excellence in corporate governance
- > Recognise the role we play in **supporting the communities and environment** in which we operate
- > Focused on improving **effectiveness and performance of the Board**

- > More to do to achieve our aspiration
- > Right team in place to manage through the operating environment uncertainty
- > Living our purpose of *creating prosperity for customers, shareholders and people through empathy, integrity and by making a difference*
- > Committed to delivering better outcomes for all stakeholders

MANAGING DIRECTOR & CEO'S ADDRESS

GEORGE FRAZIS
MANAGING DIRECTOR & CEO

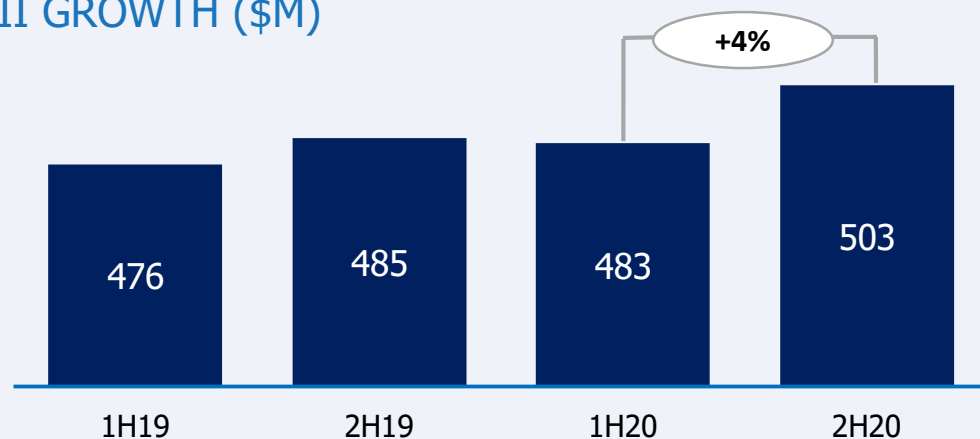
- > Focus has been on supporting our customers and people through drought, bushfires, and COVID-19
- > Achieved solid growth in a challenging year, with momentum continuing
- > Executing on our strategy as planned, digital transformation is on track
- > Completed the operating model review and delivered productivity savings
- > Leaning into a health and economic crisis that has been well managed by the Government and regulators
- > Sale of St Andrews announced, in line with the focus on simplification

FY20 RESULTS

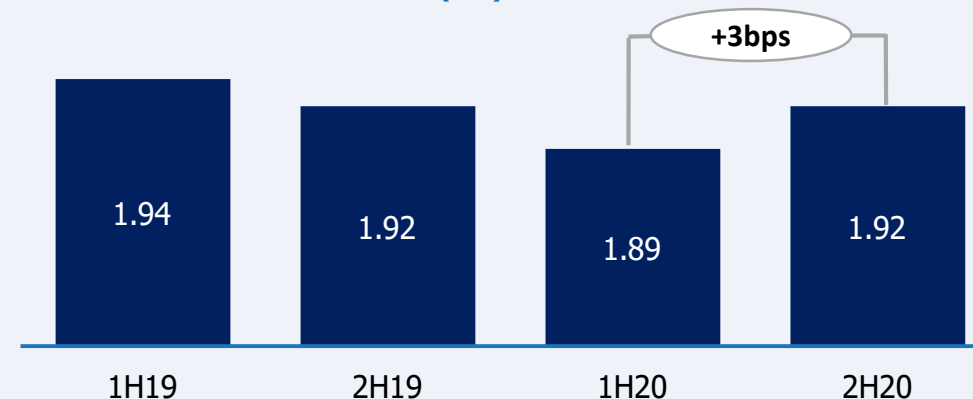
Key financial results \$ million	FY20	FY19	FY20 v FY19
Statutory net profit after tax	115	298	(61%) ▼
Cash earnings after tax	225	320	(30%) ▼
Cash return on average equity	5.4%	8.3%	(290bps) ▼
Common Equity Tier 1 ratio	9.78%	9.04%	74bps ▲
Cash earnings per share	51.1c	79.5c	(36%) ▼
Dividend per share	12c	65c	(82%) ▼

KEY ELEMENTS OF THE RESULT

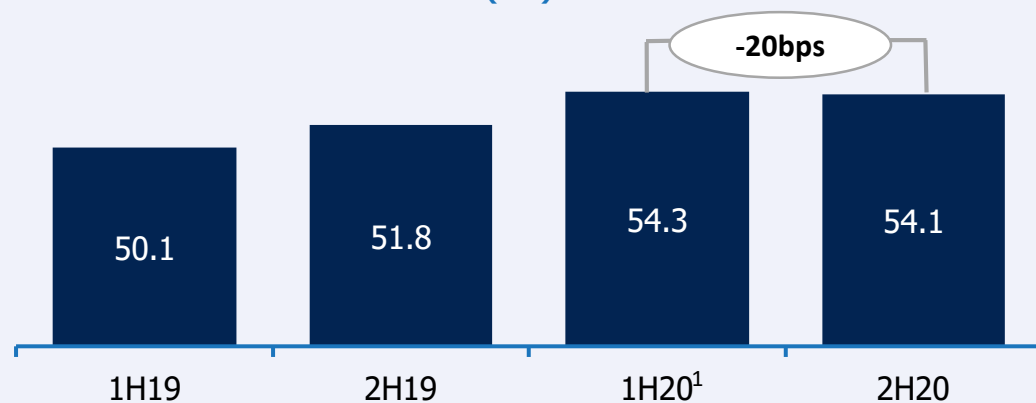
NII GROWTH (\$M)



NET INTEREST MARGIN (%)

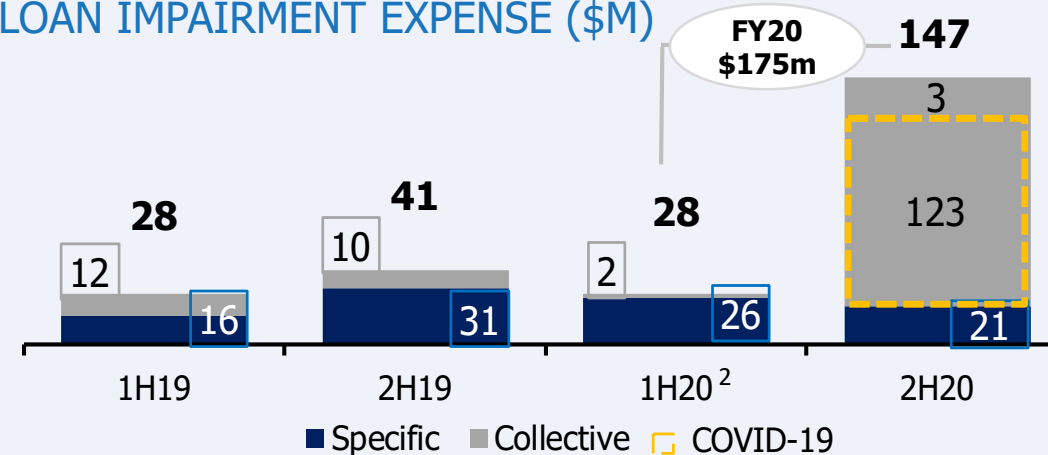


COST TO INCOME RATIO (%)



(1) Increase in costs driven by regulation and strategic investment as guided to the market

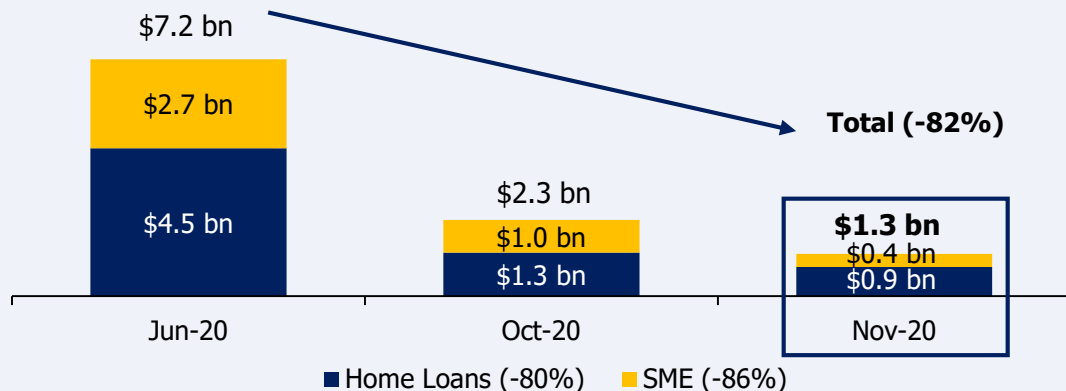
LOAN IMPAIRMENT EXPENSE (\$M)



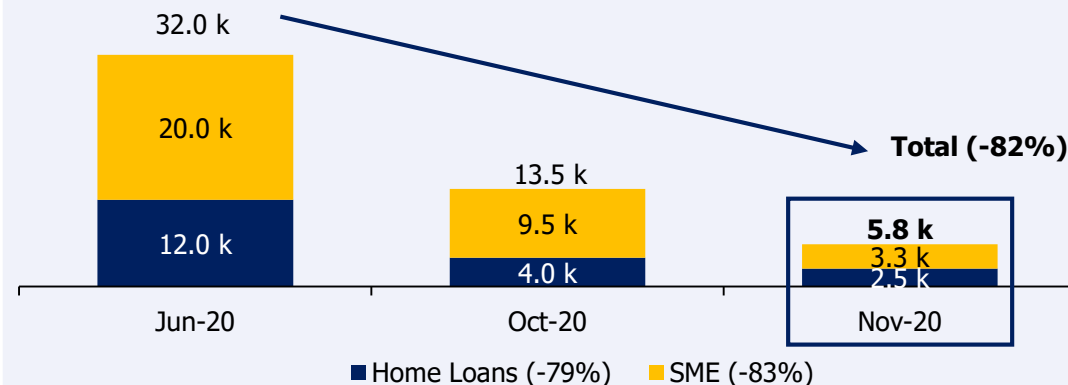
(2) 1H20 includes a \$10m collective provision overlay in respect of COVID-19

BANKING RELIEF PACKAGES NOVEMBER 2020

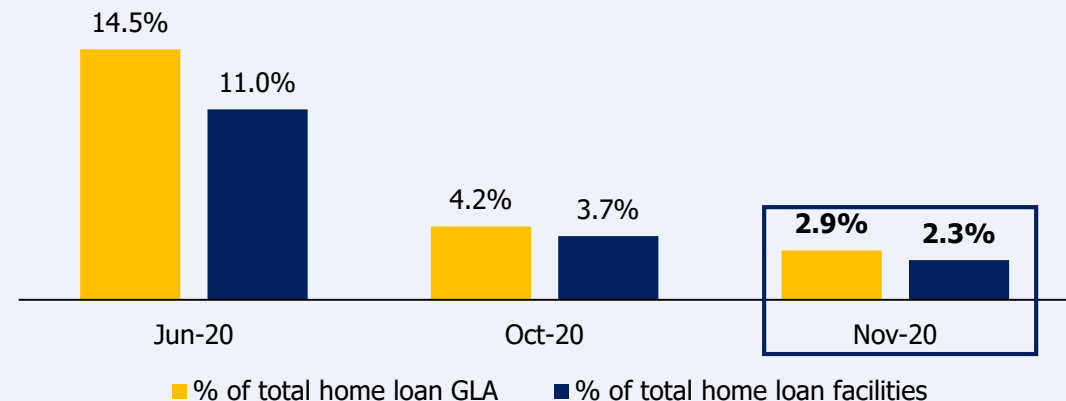
TOTAL DEFERRAL BALANCES (\$BN)



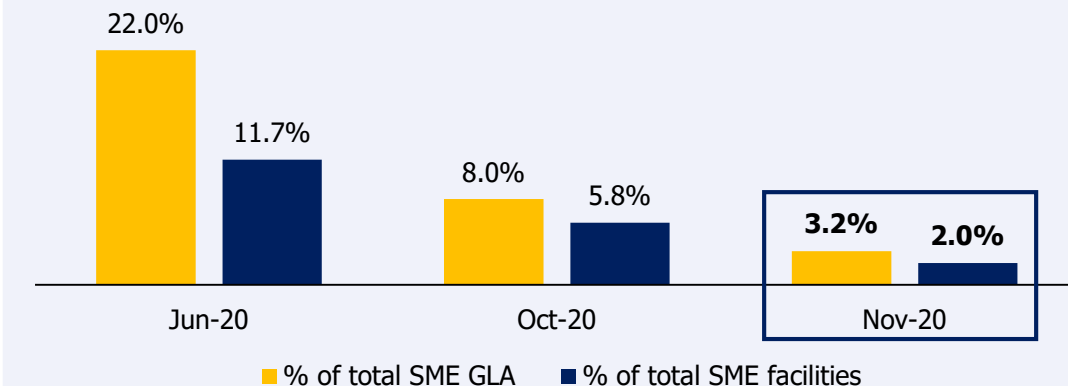
TOTAL NUMBER OF DEFERRALS



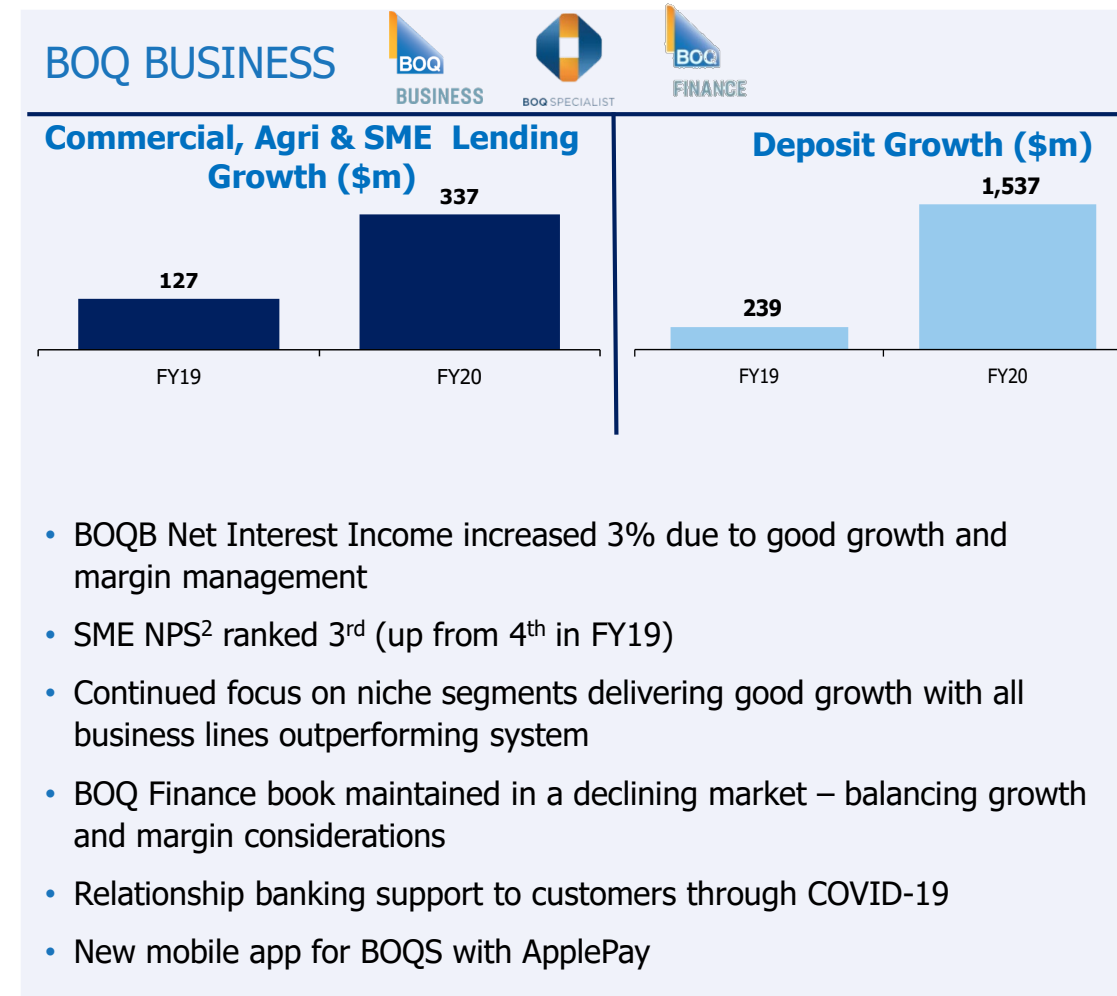
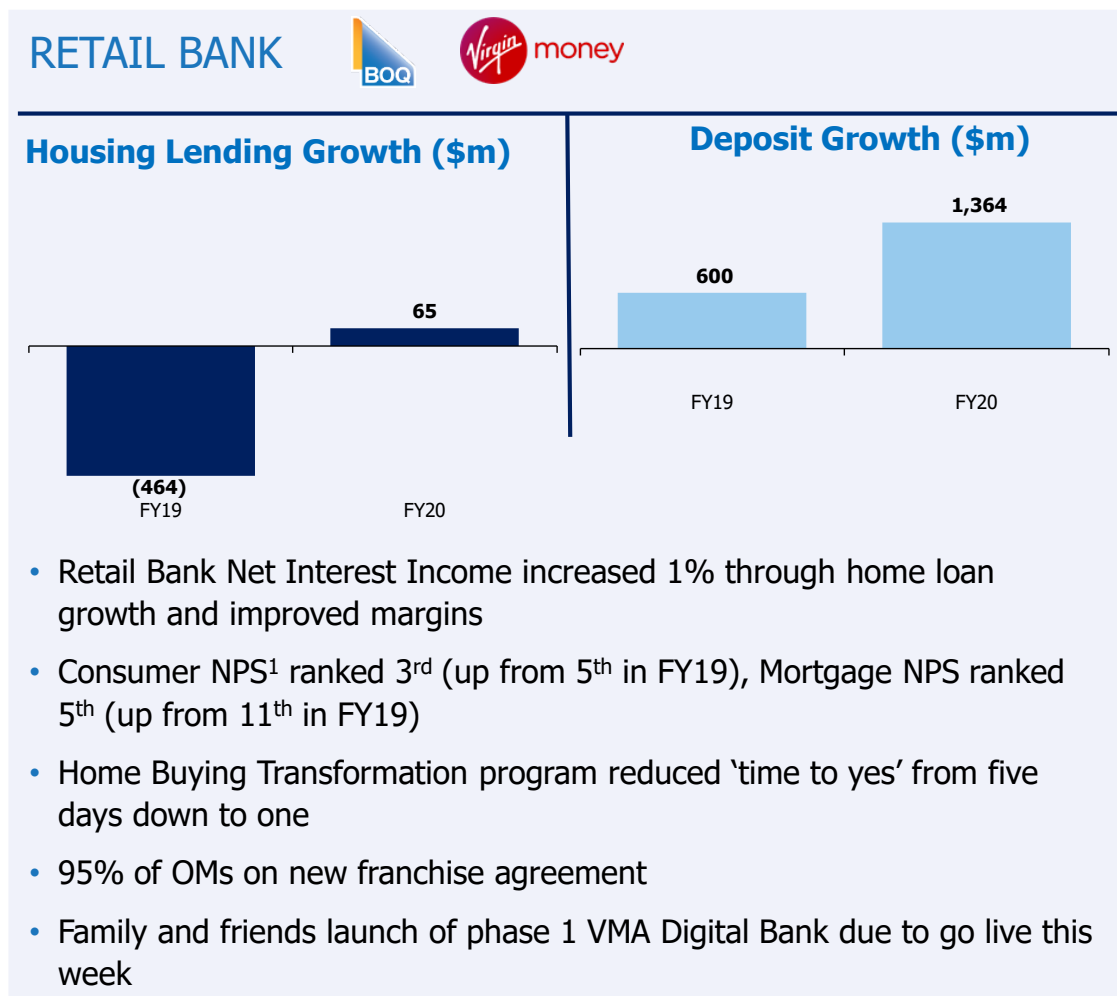
HOME LOAN DEFERRAL BALANCES (\$BN)



SME DEFERRAL BALANCES (\$BN)



DIVISIONAL ACHIEVEMENTS



(1) RFi XPRT Report, August 2020 and August 2019

(2) DBM Atlas BFSM Report August 2020. SME NPS refers to Any Financial Relationship (AFR) and businesses under \$40m turnover.

DRIVING BOQ FORWARD

	Objective	FY19	FY20
High calibre team	High calibre Executive and Senior Management	High level of Executive turnover	Key Executive roles filled with experienced leaders and strong execution capability
	Lift employee engagement	56%	59%
Delivering against key metrics	Simplified and streamlined mortgage process to reduce time to yes	+5 days	1 day
	Enhanced customer experience – uplift in customer and mortgage NPS ²	Consumer ranked 5 th Mortgage ranked 11 th Business ranked 4 th	Consumer ranked 3 rd Mortgage Ranked 5 th Business Ranked 3 rd
	Lending growth momentum – growing market share	0.2x system Housing (net growth \$141m) 1.2x system Business (net growth \$127m) ¹	0.9x system Housing (net growth \$508m) + large Business (net growth \$337m) ²
	NIM management	5bps decline	2bps decline for FY20, 3bps up 2H20 vs. 1H20
	Productivity benefits of c.\$30m p.a.	-	\$30m Increased regulatory costs and investments as guided to the market
Superior project execution capabilities	Delivering against 8 core tier 1 projects	Capital investment of \$92m Limited execution capability	Capital investment of \$100m 6 core transformation projects completed, including data centres in cloud, and VMA on track for 2020
	Strategic reset of intangibles portfolio	135 intangible assets on balance sheet	58 intangible assets on balance sheet

building the digital bank of the future



Executing on our strategy – VMA phase 1 on track for soft launch by December



Executing on our strategy



Leveraging existing scale



Partnership as a strategic advantage



Market leading technology solution



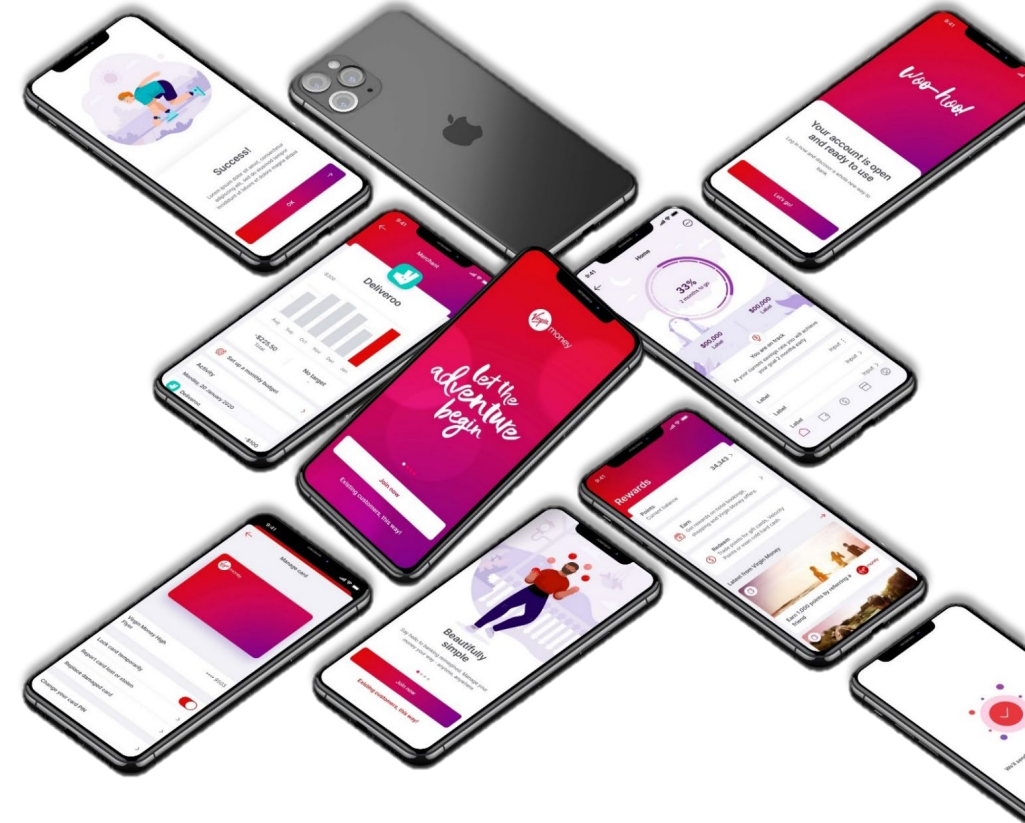
Clear roadmap for phase 2

Setting the **foundation** for BOQ's digital transformation

Cloud based core banking platform for the Retail Bank

VMA as a growth engine, **improving ROE**

Family and friends launch of phase 1 VMA digital bank to **go live this week**



- > Remain committed to executing against strategic targets
- > Uncertain outlook given COVID-19, but conditions improving and Australia relatively well placed
- > Continue to support our customers, communities and people while growing our business
- > Well provisioned for COVID-19 impacts with a strong capital position
- > Overcoming legacy structural disadvantages through the use of digital channels and partnerships
- > Expecting broadly neutral jaws in FY21
- > Committed to delivering long term shareholder value through sustainable, profitable growth and attractive returns

1. Subject to no material change in market conditions