

ASX RELEASE



MACQUARIE AUSTRALIA INVESTOR CONFERENCE

Thursday, 5 May 2022, Sydney: Bank of Queensland Limited's (**BOQ**) Managing Director & CEO will be delivering the attached presentation at the Macquarie Australia Conference on 5 May 2022.

ENDS

Authorised for release by: The Disclosure Committee, Bank of Queensland Limited

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MACQUARIE INVESTOR CONFERENCE

MAY 2022

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OVERVIEW

Delivering the strategic transformation.

1.

Achieving profitable growth each half, by improving the business, enabling investment in transformation

2.

ME acquisition progressing ahead of schedule and de-risked through phased approach, disciplined execution and strong governance

- a. Transformational acquisition which is strategically aligned with strong complementary trusted brands, providing scale and diversification, and on the same core banking technology path.
- b. Financially compelling – cash ROE accretive and on track to deliver \$70–80m run-rate synergies by August 2023

3.

Digital transformation creating competitive advantage through agility, lower costs and innovation, driving superior returns

4.

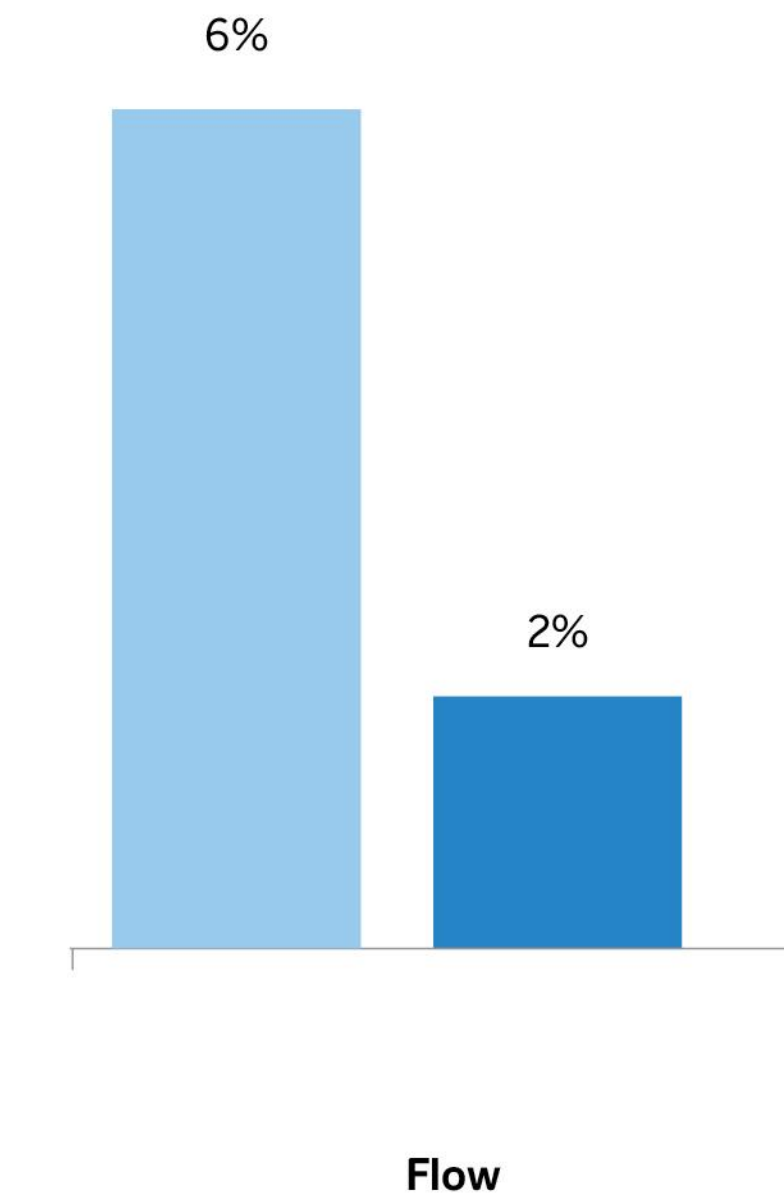
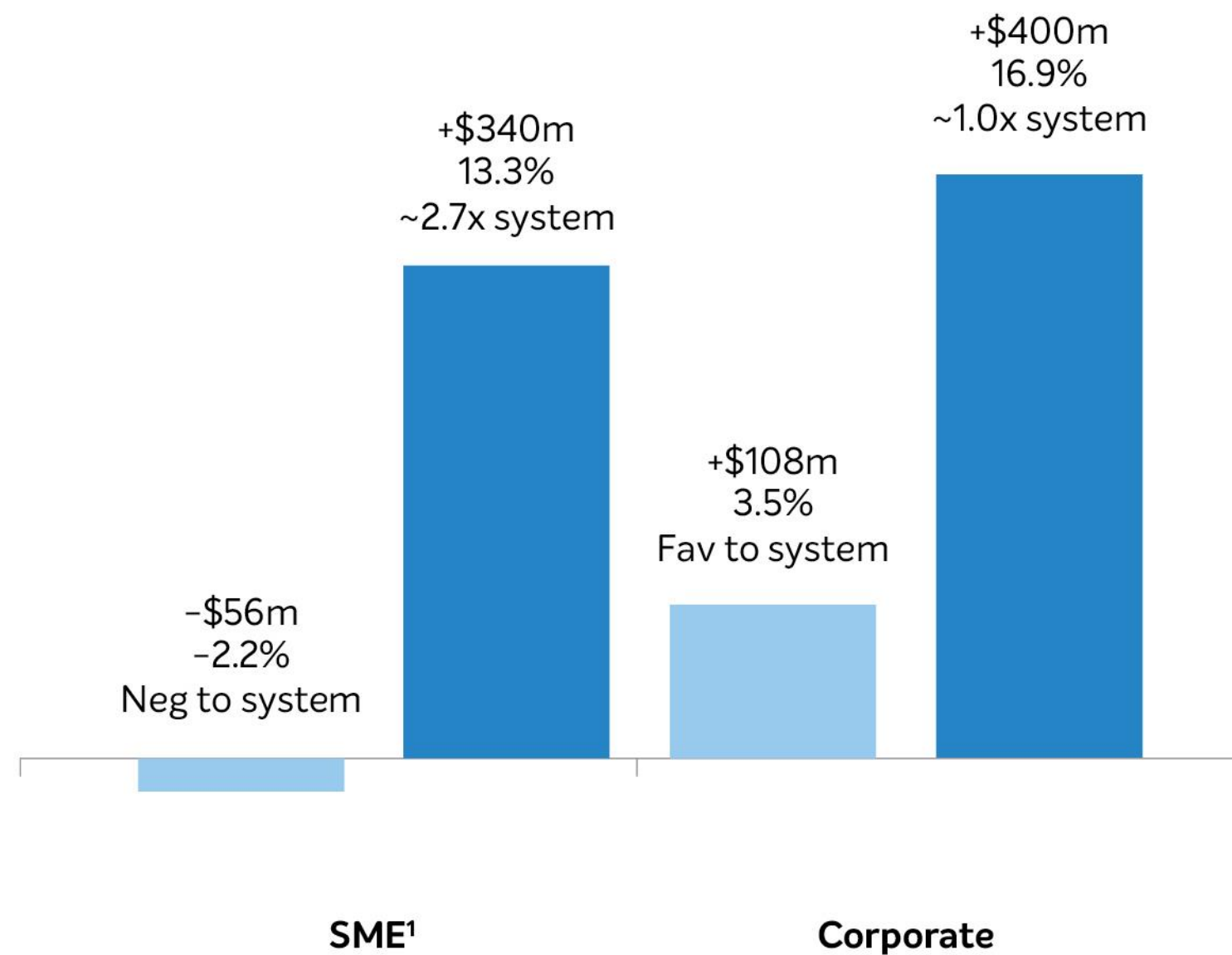
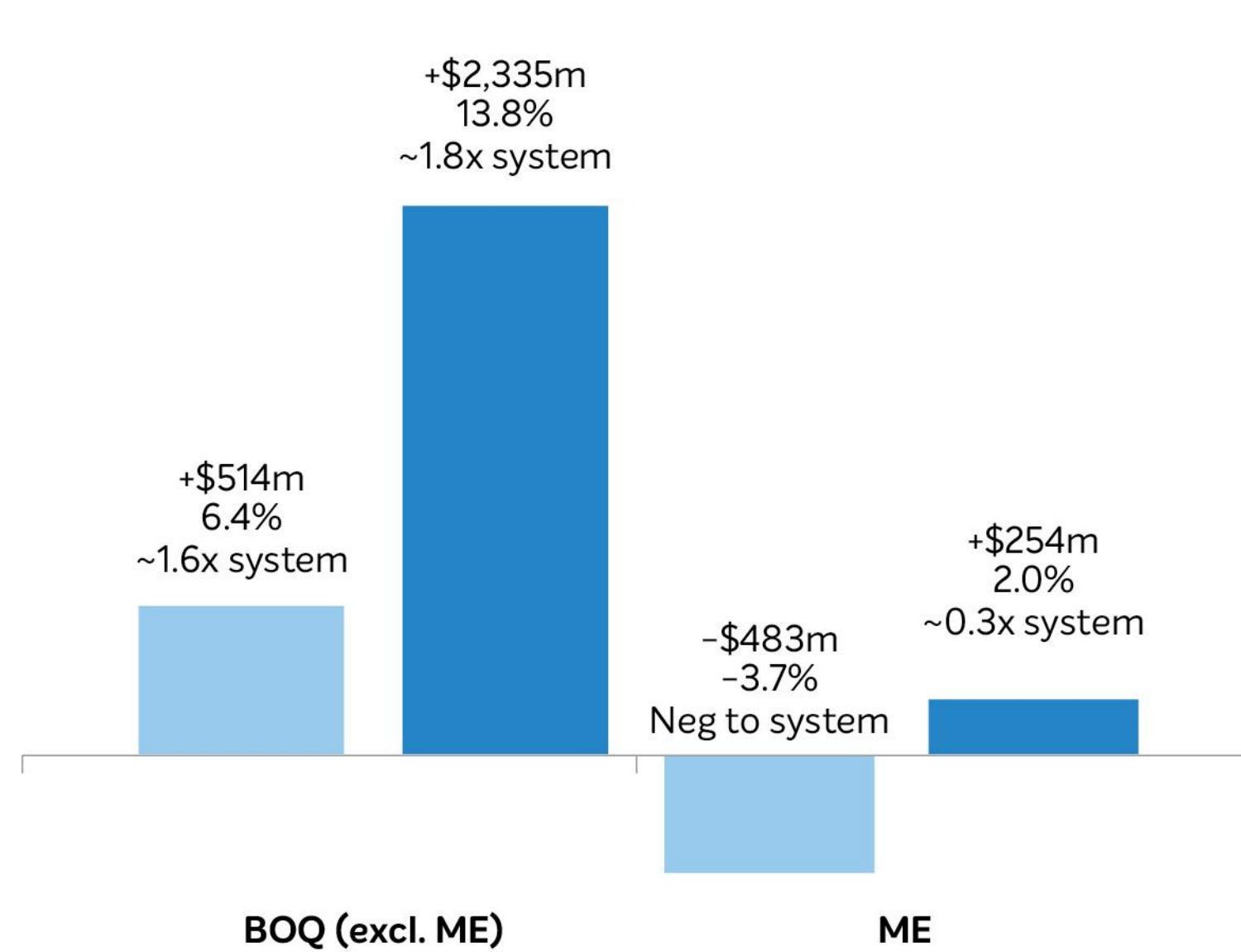
Transforming culture, strengthening risk position, with strong balance sheet and capital position

SUSTAINABLE QUALITY GROWTH ACROSS RETAIL AND BUSINESS BANKING, AND ACROSS BRANDS

Home lending growth (1H21 v 1H22)

Business lending growth (1H21 v 1H22)

Home lending LVR >90% (1H21 v 1H22)



■ 1H21 ■ 1H22

■ 1H21 ■ 1H22

■ 1H21 ■ 1H22

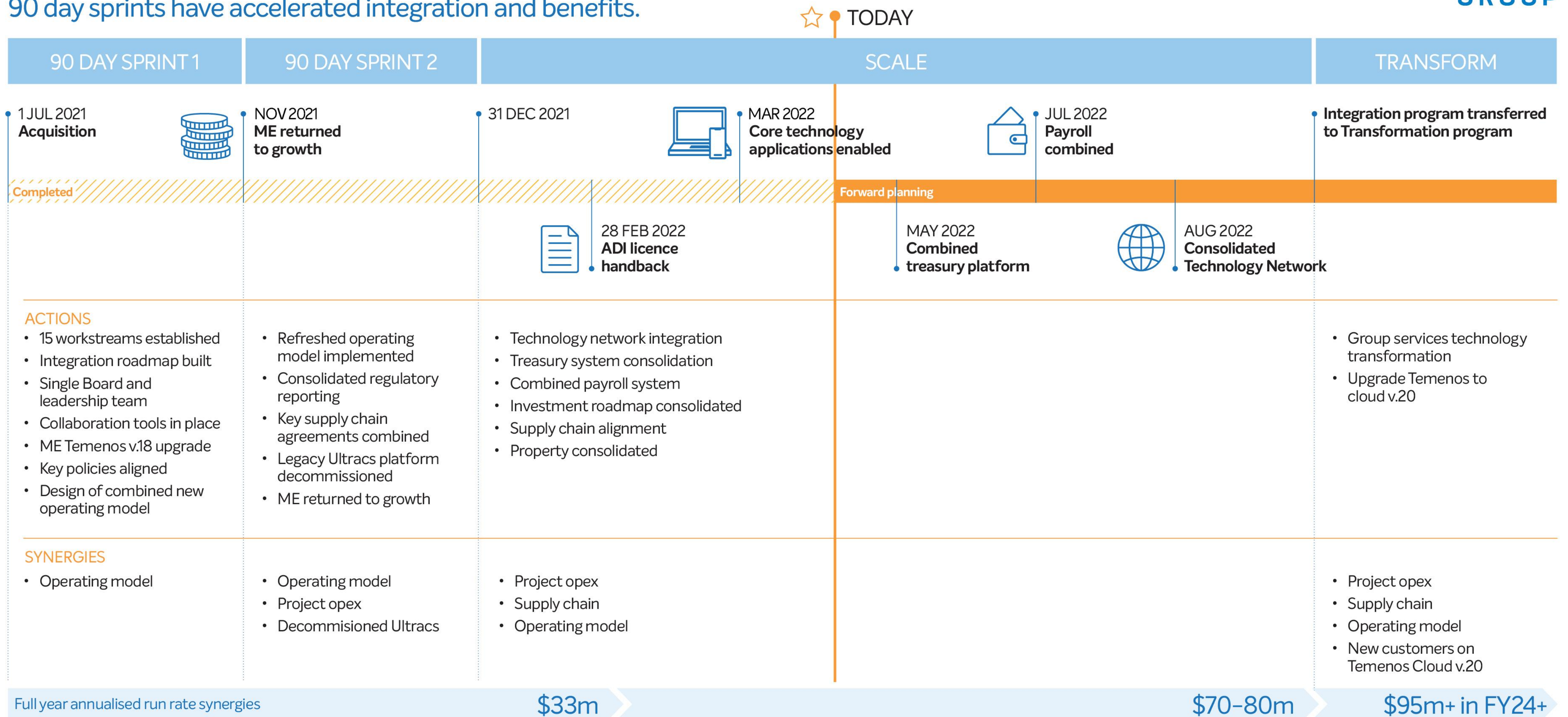
Note: Comparative periods are on a pro forma basis

Note: System growth represents RBA data as at January 2022. RBA figures include both business lending and asset finance balance growth. The RBA definition of SME will not directly correlate to the BOQ internal definition.

1. The SME portfolio of customers represents an internal view of small and medium sized businesses, with the majority of customers having lending exposure of less than \$10m

ME INTEGRATION PROGRAM

90 day sprints have accelerated integration and benefits.



DRIVING TOWARD INTEGRATION SUCCESS

Typical integration risks mitigated through phased approach, disciplined execution and strong governance.

TYPICAL RISK	Loss of customers	Not consolidating systems and the business	Loss of talent	Not achieving synergies, cost and time blowouts
PROGRAM	Return to growth above market	Business and systems integrated	Cultural transformation	Financial benefits accelerated and delivered
INITIATIVES	<ul style="list-style-type: none"> Home Buying Transformation program embedded <ul style="list-style-type: none"> More than 80 process changes Broker portal launched Product and pricing capability centralised Operations integrated 3rd party distribution under common leadership 	<ul style="list-style-type: none"> Multi-brand operating model implemented Collaboration platforms in place shared access to critical applications enabled ADI handback completed Investment roadmaps combined Upgrade to Temenos v.18 in preparation to migrate to common digital cloud-based retail bank 	<ul style="list-style-type: none"> Operating model decisions based on best talent Refresh of group purpose and values underway Talent retention program implemented Detailed and ongoing integration change and comms program in place 	<ul style="list-style-type: none"> Best in class program delivery capability Disciplined approach to implementation and governance Phased approach to reduce delivery risk 90 day sprint to drive fast start
OUTCOMES	<ul style="list-style-type: none"> ME returned to growth Improved customer, broker and banker experience Tailored customer propositions leveraging multi-brand strategy 	<ul style="list-style-type: none"> Operating under one ADI licence Key supply chain arrangements integrated Migration to Temenos v.18 completed, Ultracs retired 	<ul style="list-style-type: none"> Single Board and leadership team Consolidated operating model Top talent retained in key roles <ul style="list-style-type: none"> ~50% of tech roles in Melbourne ~18% of lending roles in Victoria¹ ~26% of marketing roles in Melbourne 	<ul style="list-style-type: none"> 1H22 P&L benefits realised Synergies accelerated and increased Integration program milestones delivered on schedule Program implementation costs within envelope

1. Excludes employees of owner managed branches

DIGITAL CLOUD-BASED RETAIL BANKING PLATFORM

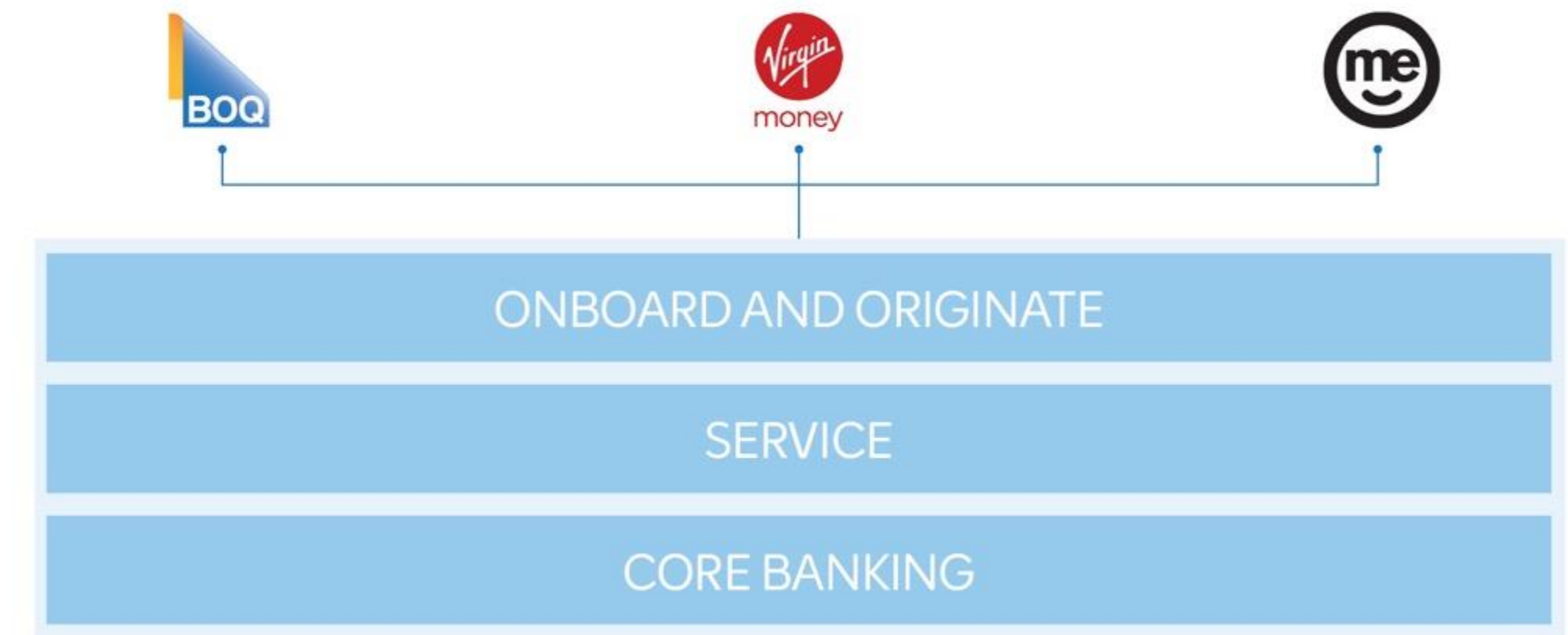
Creating competitive advantage through agility, cost and innovation

From:



- Independent legacy technology across brands
- Slow and costly to deliver customer solution and regulatory/compliance changes
- Independent, dated apps across brands
- Difficult to innovate and partner
- Multiple core banking platforms, not real time
- Only 15% automation
- 718 Legacy Applications
- Complex integration across systems

To:



- Consistent delivery of end-to-end technology
- Fast and consistent delivery of customer solutions and regulatory/compliance across all brands
- Lower unit costs, lower delivery and run costs
- All end-to-end processes fully digitised
- One Retail Core Banking platform, easily updated to new versions
- Majority of Applications in the Cloud
- API/open architecture enables partnering with best in ecosystem

DIGITAL RETAIL BANKING PLATFORM BENEFITS



Unit cost / revenue benefit / scale

- ~30% reduction in origination costs, lower run costs
- Improvement in mortgage conversion
- 50% reduction of number of technology applications
- Improved retention through extension of interaction/ services across value chain
- Able to scale growth with less cost
- Cost-to-income improved closer to majors



Customer benefits

- From app download to ready to transact in less than 5 minutes
- 75% of customer processes self-service through Apps
- Time to yes on mortgage approvals reduced to best in market and sustained during peaks
- Common platform across all brands and channels enables omni-channel servicing (start in one channel, finish in another, e.g. click to chat)
- Innovative solutions delivered quickly



Banker Benefits

- Common processes and assisted servicing across one banking platform
- Less time spent on processing and handoffs, more time with our customers



Risk Benefits

- Standardised and digitised processes delivers strengthened risk environment
- Greater use of preventative and automated controls
- Regulatory and Compliance designed in process and delivered through Cloud services
- Better information, real time across the value chain

WE ARE TRANSFORMING OUR CULTURE TO BE SUCCESSFUL AS A DIGITAL BANK THAT IS CUSTOMER OBSESSED

Building seven key characteristics

1. Personal and dynamic understanding of customer
2. Decisions that are data informed, utilising judgement and critical thinking
3. Inquisitive and challenger mindset
4. Distributed decision making with accountability that taps the collective genius
5. Agility that powers constant innovation
6. High competency and execution capability that delivers results and manages risks
7. Thinking with the heart and acting as an exemplary citizen

CULTURAL TRANSFORMATION

Cultural transformation delivering improved outcomes for our people and business, but more to do to be top quartile.

Engagement



Culture



Safe to speak up



Strategy execution



Alignment of role to strategy



We encourage collaboration and working together to achieve the best outcomes for customers

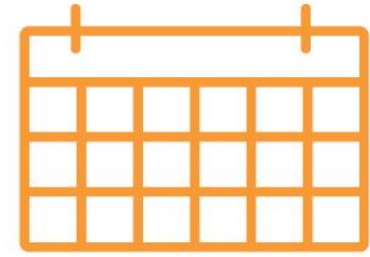


Note: The 2022 engagement and culture surveys will launch in May 2022

SUMMARY – DELIVERING THE STRATEGIC TRANSFORMATION



Achieving sustainable, profitable growth and improved returns



ME acquisition ahead of schedule and delivering strategic and financial benefits



Digital transformation creating real competitive advantage through agility, lower costs and innovation.



Highly capable leaders and people driving cultural transformation and delivering on the strategy.

THANK YOU & QUESTIONS