

SIMON PUGH & PETER WOODS

QLM Label Makers

BOQ Business Banking customers

It's personal

KATIE KOCHANSKI

BOQ customer since age 7

LYNNE POWER

BOQ Owner-Manager

Daisy Hill branch

BOQ

Shareholder Review 2010



JONAH & AMBER
Community members

SHIRLEY KOLPAK
Shareholder

BOOQ 

CONTENTS

1	Operational overview
3	Acquisitions
4	Financial highlights
7	Chairman's report
11	Managing Director's report
15	Community
17	Customers
17	Environment
18	Employees
19	Executive team
21	Your Board
25	Remuneration overview
26	Financial calendar



operational overview

BRAND RELAUNCH

In February 2010, BOQ launched a new brand promise:

your own personal bank

The new brand was the culmination of an 18 month "inside out" brand review, where both staff and customers helped to really define what makes BOQ different to the other banks. The overwhelming response was that for us, it's personal.

And it all started with this simple question. Is there such a thing as a bank that is truly personal?

- A bank that knows your name
- A bank that thinks you're important
- A bank that truly values personal relationships
- A bank you can recommend
- A bank that knows there is a much better way
- Where every customer, big or small, will feel like they own the bank and not that the bank owns them
- For everyone at BOQ, greater pride and commitment
- For our customers, BOQ would be your own personal bank

At BOQ, most of our branches are run by local Owner-Managers. This means they're running a small business, so they get what it means to deliver personal service. So we really can deliver on our promise of being your own personal bank. The brand relaunch also represented the perfect moment in time to reintroduce ourselves as BOQ, rather than the state-centric name of Bank of Queensland. Over the past decade, we have expanded right across Australia. As BOQ, we hold onto our strong heritage, but at the same time reflect our position as a more progressive and formidable national brand.



Our Owner-Managers featured in our brand relaunch advertising. This is Anthony Walker, Owner-Manager of our Penrith branch in NSW.

AWARDS FOR EXCELLENCE

- BOQ won 'Best Mobile Commerce Application' in the Ambers, an online banking review to recognise excellence in transaction based online services.
- Our Cash Management, Reverse Charges and Business Websavings Accounts have all won CANSTAR CANNEX awards in the past financial year.
- BOQ won the 'Best Value Savings in Australia' award in 2009 from CANSTAR CANNEX.

NEW ONLINE SHARE TRADING

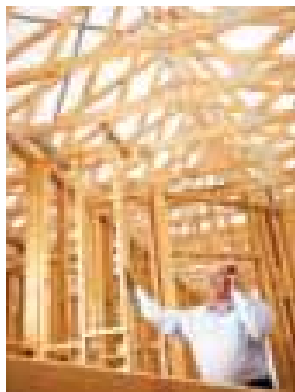
- BOQ announced a partnership with CMC Markets Stockbroking, to provide an online share trading service, to be launched in 2011.



Mairead Hodgson,
Owner-Manager,
Innaloo, WA

acquisitions

We are delivering on our strategy of reducing capital intensity and increasing margins through complementary acquisitions, and this year purchased St Andrew's Insurance (Australia) Pty Ltd and St Andrew's Life Insurance Pty Ltd as well as CIT Group (Australia) Limited and CIT Group (New Zealand) Limited.



George Kapelles,
Owner-Manager,
Werribee VIC

- St Andrew's Insurance (Australia) Pty Ltd and St Andrew's Life Insurance Pty Ltd (St Andrew's) are leading manufacturers of insurance products with a solid history of partnering with financial institutions to offer these products to their customers.
- Prior to the purchase, BOQ was already a significant customer of St Andrew's and importantly, our staff know how to successfully sell St Andrew's products.
- St Andrew's is being operated as an independent entity, in much the same way as it was profitably operating prior to our purchase.
- The St Andrew's purchase was immediately earnings per share accretive.
- CIT Group (Australia) Limited and CIT Group (New Zealand) Limited (CIT Australia and New Zealand), now BOQ Finance (Aust) Limited, and BOQ Finance (NZ) Limited are one of the foremost providers of vendor based equipment finance and leasing in Australia and New Zealand. It works with manufacturers, dealers and resellers to provide leasing and financing packages to consumers, businesses, government agencies and education providers.
- The CIT Australia and New Zealand business has been combined with BOQ's existing equipment and debtor finance businesses to form BOQ National Finance.
- The CIT acquisition was also immediately earnings per share accretive.

financial highlights

INCREASED NORMALISED CASH PROFIT

BOQ announced an increased normalised cash net profit after tax of \$197.1 million for the year ended 31 August 2010, an increase of 5% from 2009. A strong balance sheet, continued expense discipline, and high growth in lending and deposits all contributed to securing such a strong result in what has continued to be a challenging economic environment.

DIVIDEND

A final ordinary dividend of 26 cents per share will be paid, taking the full year dividend to 52 cents per share fully franked, matching the dividend paid in 2009.

CONTINUING TO REDUCE COSTS

Cost initiatives implemented throughout the 2009/10 financial year have created a more efficient and productive organisation, reflected in an improvement in costs relative to income. The Bank was pleased to report at its full year results 2010 that the normalised cash cost-to-income ratio had fallen 4.1% to 45.8%.

LENDING AND DEPOSIT GROWTH

BOQ once again outperformed the Australian banking sector in terms of lending and deposit growth, recording approximately 2.5 times more growth in loans and 1.5 times more growth in deposits than the industry average.

Jason Fraser,
Owner-Manager,
Buderim QLD



financial highlights

STRONG CAPITAL AND LIQUIDITY


The Bank maintained an exceptionally strong level of capital, higher than required by APRA and the Bank's own internal benchmarks, which will enable the Bank to capitalise on growth opportunities that are expected to progressively unfold going forward. This high level of capital was supported by:

- a record \$1.6 billion Retail Mortgage Backed Securitisation (RMBS) issue completed in August 2010, which at the time, was the largest issue of its kind completed in Australia since 2007.
- a \$150 million issue of Lower Tier 2 Convertible Notes in June 2010.
- in February 2010, BOQ saw strong investor demand for the Series 2010-1 REDS Trust RMBS which resulted in the transaction being upsized from \$500 million to \$850 million.
- Government guaranteed transactions raising \$1.25 billion in December 2009, \$250 million in January 2010 and \$1 billion in March 2010.
- the 1-for-9 pro-rata non-renounceable Entitlement Offer which was successfully completed in September 2009. The retail component of this offer raised \$110 million and followed the completion of an institutional component and placement which raised \$230 million.

\$ millions (unless otherwise stated)	2010 \$m	2009 \$m	2008 \$m	2007 \$m	2006 \$m
FINANCIAL POSITION					
Total assets under management	38,784.4	34,545.8	30,912.5	21,653.3	16,866.7
Total loans under management	31,991.8	28,866.3	26,291.8	19,224.5	15,081.4
Total assets on balance sheet	38,570.9	34,012.0	29,883.2	20,037.3	15,797.1
Retail deposits	18,083.3	16,248.9	13,984.5	9,160.9	6,867.2
FINANCIAL PERFORMANCE					
Normalised cash net profit after tax	197.1	187.4	155.4	106.1	86.7
SHAREHOLDER PERFORMANCE					
Market capitalisation at balance date	2,120.3	2,327.7	2,377.4	2,101.0	1,628.4
Share price at balance date	\$9.83	\$11.65	\$15.86	\$18.56	\$15.29
Fully franked ordinary dividend per share	\$0.52	\$0.52	\$0.73	\$0.69	\$0.57
RATIOS					
Net interest margin	1.60%	1.56%	1.67%	1.81%	1.83%
Capital adequacy ratio	11.7%	11.5%	11.0%	11.5%	12.5%
Normalised cash cost-to-income ratio ^{1,2}	45.8%	49.9%	56.1%	62.6%	64.5%

(1) Excluding significant and non-recurring items.

(2) Non cash items relate to amortisation of identifiable assets.



Lynne Power
BOQ Owner-Manager
Daisy Hill branch

I consider myself a career banker, with 28 years' banking and finance experience at a variety of financial institutions, including Westpac and St George.

I established and managed the successful set up of the largest community bank franchise (four branches) for Bendigo Bank from 2000 to 2004, but was still looking for an opportunity that would let me capitalise on my banking experience and run my own business. So in 2005 I bought the franchise of BOQ at Daisy Hill.

As an Owner-Manager I love helping my customers find banking solutions that are right for them. My customers have my mobile number and know that I am here if they need me. This is the way banking should be.

chairman's report

Over the past year the global economic recovery from the GFC has been mixed, with some countries, like Australia, seeming to recover easily, but there are many other countries still facing dire economic circumstances.

**NORMALISED
CASH NET PROFIT
AFTER TAX UP 5%**

\$ millions

106.1	155.4	187.4	197.1
-------	-------	-------	-------



The European Central Bank has extended emergency lending measures for banks and is keeping interest rates unchanged until 2011, in an effort to even out the economic recovery of the 16 nations that use the euro as their currency. Meanwhile, the US Government is trying to stimulate its economy, and tunnel out of its huge trade and budget deficits, by keeping interest rates low, thus allowing the dollar to depreciate and encouraging exports in the process.

Here in Australia, the share market has rallied, we are nearing full employment and the Australian dollar is going from strength to strength, so there are clear and obvious signs of economic improvement.

However, the impact of the GFC lives on in the banking environment - financial institutions are generally cautious on credit, system growth has slowed since June / July 2010, and house prices have stabilised.

New South Wales and Victoria have reported moderate, steady growth and while Queensland has been lagging behind other states on some economic indicators, the Bank believes the outlook is becoming much more positive, supported by growing business investment. The outlook in Western Australia is also upbeat with many major developments underway or planned that will drive growth in the local economy.

BOQ has enjoyed strong growth in these states over the past year, reinforcing the Bank's move

to re-brand from the region-specific Bank of Queensland to the more national BOQ.

Pleasingly in the 2010 financial year, the Bank grew loans 2.5 times higher and deposits 1.5 times higher than that of our competitors.

The Bank recorded a normalised profit after tax of \$197.1 million for the full year 2010, a 5% increase from 2009. A strong balance sheet, cost disciplines and the productivity of our Owner-Managed branch model, assisted to achieve this strong result.

In an effort to conserve our capital strength, the Bank announced a fully franked final dividend of 26 cents per share, taking the full year dividend to 52 cents per share, matching that paid in 2009.

In keeping with our growth strategy to expand in to higher margin and less capital intensive businesses that complement our existing network, the Bank acquired a consumer protection insurance business and a vendor finance business, both of which add to the long-term sustainability of the Bank and help us to remain a viable competitor.

The Bank's focus does remain towards retail mortgages and residentially secured SME lending, resulting in a low risk profile. SMEs are however feeling the delayed effects of the macroeconomic slowdown and this is reflected in bad debts, but we are confident that these losses have peaked and an improvement will be seen over the coming year.

chairman's report

BOARD MATTERS

As part of our process of continual improvement, the Board has recently carried out a full review of all corporate governance policies. There have also been a number of changes to the Board composition, with two directors retiring and a new director appointed.

Mr Anthony Howarth, who joined us following the acquisition of Home Building Society retired in July and Mr David Graham who has been a director for the past four years, retired in October. I am joined by fellow members of the Board in recognising both of their contributions to the Bank and wishing them all the very best for the future.

We were pleased to announce the appointment of Mr David Willis as a non-executive independent Director in February. Mr Willis has over 32 years' experience in financial services in the Asia Pacific, the UK and the US. Mr Willis' extensive experience complements the Board's current skill set and he has been providing vast assistance in strategically driving the Bank's continued growth. Mr Willis has also taken over as Chairman of the Board Remuneration Committee.

UNSOLICITED OFFERS TO BUY YOUR SHARES

Before I conclude, I must warn all shareholders about unsolicited offers to buy your shares.

The Australian Government is taking positive steps to prevent ruthless companies and individuals from offering to buy your shares. The changes to the Corporations Amendment (No 1) Bill 2010 introduced to Federal Parliament in June, will make it harder for individuals and businesses to make unsolicited offers.

Shareholders of all Australian companies should be wary that there may be a spate of unsolicited offers before the legislation

becomes effective. An unsolicited offer was made to BOQ shareholders by Direct Share Purchasing in 2010, offering to purchase BOQ shares for significantly less than their market value at that time.

If you do receive an unsolicited offer, shareholders are urged to read the documents carefully, check the current market value of their shares and obtain professional financial advice before taking any action.

OUTLOOK

The global outlook is improving, although it is expected that growth in most advanced economies will remain sluggish over the coming year, while emerging economies will experience much higher levels of growth.

It is probable that the Reserve Bank of Australia will raise interest rates over the coming year.

These higher interest rates and rising costs of living will slightly dampen consumer spending and housing market activity, but not to any extent that it will deter an improvement in GDP.

The Bank is aiming to increase our normalised cash net profit after tax for 2011 to between \$220 million to \$250 million. In striving to achieve this strong profit, the Bank will continue to look after its staff, excel on customer service, invest in the community and reward our shareholders. The Board is committed to showing gratitude to our shareholders for their support by increasing the 2011 full year dividend by 10% to 20%.

On behalf of the Board, I thank all shareholders for their loyalty over the past year and going forward.



NEIL SUMMERSON
Chairman



**Simon Pugh &
Peter Woods**
QLM Label Makers
qlm.com.au
BOQ Business
Banking customers

Our company, QLM Label Makers is a proudly Australian owned business that has grown to become one of Australia's leading label manufacturers. The road our business has taken to become a national brand has had its challenges, but plenty of rewards as well.

In 2008 QLM expanded into Asia with a 50% stake in a company, followed soon after by the complete purchase of another Asian company in 2009. With these acquisitions we were able to combine the strengths of our manufacturing base in Australia with the innovations and potential of Asian markets.

Over the years, BOQ has provided the support to make this expansion possible. Just as we aim to be a solutions partner with our clients, our BOQ Business Banker has worked with us to understand our business and to help us make better banking decisions, so we can keep making great labels.

managing director's report

I am pleased that the Bank was able to announce a record increase in normalised cash net profit after tax of \$197.1m for the full year 2010, a 5% increase from 2009, despite expected peak bad debt losses. A strong balance sheet and focus on expense discipline, along with system-beating growth in lending and deposits, all contributed to securing such a strong result.

We have continued to deliver on our commitments to the market in that we are a more efficient and productive organisation, reflected in our normalised cost-to-income ratio reducing by 4.1% to 45.8%.

We outperformed our competitors in both lending and deposit growth (1.5x and 2.5x system respectively) in the 2010 financial year, and have also increased our full year Net Interest Margin, despite funding costs putting pressure on margins.

As per our guidance, we believe bad debt losses peaked in the full year 2010, and investments in collection processes and resources are expected to improve specific portfolio performance going forward.

We have come through the GFC with a much higher capital level and stronger liquidity base. Our Tier 1 capital ratio at the end of FY10 of 8.7% remains well above APRA and internal benchmarks. In August 2010, the Bank completed the nation's biggest sale of Retail Mortgage Backed Securitisation (RMBS) since 2007*, providing room for further growth and bolt-on acquisitions.

DELIVERING ON OUR GROWTH STRATEGY

As part of our growth strategy, this year we purchased an insurance business and a vendor finance business to assist us in diversifying our income sources and reducing the capital intensity of our model.

In March 2010, BOQ signed an agreement with Commonwealth Bank to purchase St Andrew's Insurance (Australia) Pty Ltd and St Andrew's Life Insurance Pty Ltd (collectively "St Andrew's") for \$45 million, subject to post-completion adjustments. St Andrew's is a leading Australian manufacturer of consumer credit insurance products with a solid history of partnering with financial institutions to deliver insurance solutions, including the Bank over the past 6 years. The majority of St Andrew's premiums are in credit protection products, addressing a significant customer need that has been growing in light of the GFC.

This acquisition fits within the BOQ growth strategy, including income diversification through businesses with complementary products to our core mortgage distribution. We are operating the St Andrew's business as a stand-alone entity and we are targeting best in class cross selling with BOQ's customer value proposition enhanced.

In July 2010 we also completed the purchase of CIT Group (Australia) Limited and CIT Group (New Zealand) Limited (CIT Australia and New Zealand), paying a combined total for purchase consideration and refinance of debt of \$475 million.

This vendor finance business works with manufacturers, dealers and resellers to provide leasing and financing packages to consumers, businesses, government agencies and education providers.

We have created a new division, BOQ National Finance, which incorporates our new vendor finance business, as well as our existing equipment finance and debtor finance businesses. We see real synergies across these businesses with further leverage opportunities within our Owner-Managed Branch network.

NORMALISED CASH COST-TO-INCOME RATIO DOWN **4.1%**



OWNER-MANAGERS ENSURE PERSONAL SERVICE

In terms of our core retail banking business, which includes our branch network, our business bankers and direct banking, the Owner-Managed Branch (OMB) model remains central to the Bank's distribution strategy. We have had continuing success with the conversion of corporate branches to OMBs throughout the year, and this will continue. Our focus does however remain on sourcing only quality Owner-Managers and we intend to take the necessary time and care to ensure only the best bankers, and business people, become BOQ Owner-Managers.

We have such great confidence in this business model and our Owner-Managers, that in early 2010 we launched a new brand campaign in which our Owner-Managers were featured. We wanted to highlight the personal service that our Owner-Managers provide and fittingly, 'It's personal' was adopted as the guiding philosophy of all BOQ staff.

Going forward, the Bank's operating model will be based on three business lines – the core bank, BOQ National Finance, and St Andrew's insurance. It is the start of our diversification into becoming a wider financial services group, giving us momentum to achieve our goal of becoming the real alternative in Australian financial services.



EXECUTIVE TEAM ENHANCEMENTS

Over the past year we have reorganised our Group Executive structure to help us to better realise the strategic opportunities available to the Bank.

Our new Chief Financial Officer, Ewan Cameron is charged with ensuring we remain an efficient organisation that delivers on our promises to the market. The previous incumbent of this role, Ram Kangatharan was appointed to a newly created position of Chief Operating Officer in March 2010 to oversee the day-to-day operations of the Bank, including all three business lines.

Darryl Newton was appointed as the Bank's Chief Risk Officer and he will drive the Bank's significant operational and credit risk initiatives and ensure continual enhancements to our risk management function.

Keith Rodwell, previously the Managing Director of CIT Vendor Finance, Asia Pacific, was appointed to the position of Group Executive, BOQ National Finance with responsibility for vendor finance, equipment finance and debtor finance.

Renato Mazza, the Chief Executive Officer of St Andrew's Australia also joined the Group Executive team following the acquisition of St Andrew's and continues to operate the St Andrew's business.

Jim Stabback, who joined the Bank in 2008, remains in the role of Group Executive, IT & Operations, overseeing the strategic focus of the Bank's IT platform and its service delivery, along with the Bank's important outsourcing relationships with HP and Fiserv.

I am delighted to have this Executive team now in place and have every confidence that we have the necessary skills and experience to grow and enhance our Bank.

OUTLOOK

Many of the issues the Bank faced in 2010 will continue in to 2011, specifically the sustained high funding costs the industry is bearing, and the subsequent squeeze on margins.

We also have a significant pipeline of regulatory changes and projects underway. Despite this, the Bank is optimistic about FY11 and has issued the following guidance for investors.

We are aiming to continue to grow 1.5 to 2 times faster than our competitors and our focus will remain on well secured housing and SME lending as we anticipate more growth opportunities in these areas in the near term.

We will be looking to continue to convert corporate branches to OMBs and open new OMBs in high growth areas over the next couple of years. Further bolt-on acquisition opportunities are also emerging.

We will be growing and diversifying the St Andrew's business by improving sales productivity of existing corporate partners and we also intend to acquire new corporate partner relationships. With these changes we are aspiring to double the size of this business line within three to four years.

We see significant growth in the vendor finance market and the CIT acquisition and creation of BOQ National Finance provides an ideal growth platform for BOQ. We are planning to create a best in class finance company and to further develop our offering in the profitable motor vehicle finance sector.

We will be enhancing our product suite over the coming year to help us attract new customers and lower our cost of funding. This will include a new SME Business Privileges Package, a Self Managed Super Fund high interest bearing investment account and a new transaction account. We will also be offering a unique new 'Save To Win' account which will enable deposit-holders with a minimum balance to be automatically entered into a monthly cash prize draw.

In 2011 we will also be launching an online share trading service in partnership with CMC Markets Stockbroking, BOQ Trading, further enhancing customer and shareholder value.

Next year we anticipate that we will reach a profit of between \$220 million to \$250 million. We will also be looking to increase dividends to ensure we remain a rewarding investment for our shareholders.



DAVID LIDDY

Managing Director & Chief Executive Officer

A photograph of a woman with long blonde hair, wearing a pink top, smiling and holding a young child with blonde hair in a light blue shirt. They are in a crowd of people, some wearing blue and white clothing. The background is slightly blurred, suggesting a public event or gathering.

Jonah & Amber Community members

My beautiful little boy was born with vocal cord paralysis, a rare medical condition that blocked his airway and forced him to have a tracheostomy put in his throat so he could breathe. This meant that he could not cry, or giggle and needed me to clear his throat up to 40 times a day to keep him alive. I could not leave my baby for a second and the constant worry was overwhelming.

I found a surgeon in Perth who was willing to perform a laryngeal reconstructive surgery. If successful, this meant Jonah would not need the tracheostomy any more and he would be able to breathe normally through his mouth and nose and have a voice!

This surgery involves using parts of Jonah's ribs and grafting them to the vocal cords to create an airway. The operation would be life changing; the problem was we couldn't afford the travel expenses involved.

David Liddy heard of our plight and started a campaign at BOQ to get Jonah to Perth for his operation. The employees at BOQ were selling raffle tickets, holding morning teas and other fund raising all in aid of Jonah. They raised \$23,000 which was enough for the several trips to Perth for our family, accommodation and other travel expenses. After recovering from the operation, Jonah started to cry and it was so overwhelming. It was the best gift I could have had.

community

BANKING ON OUR KIDS

This year's Banking on our Kids fundraising appeal raised a record \$223,000 to help sick kids get better, quicker. The funds raised were given directly to Children's Hospital Foundations Australia (CHFA) to be shared equally between its five hospital partners around Australia and will be used in the areas of greatest need in each hospital, specifically paediatric research initiatives leading to breakthrough treatments and cures for sick and injured kids, vital hospital equipment and patient and family support services that otherwise would not exist.

THE SMITH FAMILY, iTRACK MENTORING PROGRAM

iTrack is an online mentoring program offered to senior high school students from low socioeconomic status areas. By partnering students with active members of the workforce who can offer encouragement, advice and the benefit of their experiences, iTrack helps prepare young adults for post-school life.

DOLLAR-FOR-DOLLAR PROGRAM

By matching BOQ employees' fundraising activities dollar-for-dollar (up to \$1,000 per activity), BOQ's Dollar-for-Dollar program helps our people make a real difference in their local communities. In the past financial year, BOQ has matched \$40,000 raised by our people and we believe this program is absolutely vital in supporting our people and the communities who support them.

David Liddy spent time with sick kids at the Royal Children's Hospital Brisbane.


AUSTRALIAN RED CROSS, CENTRE FOR YOUNG PEOPLE

The Red Cross Centre for Young People provides intensive, individualised support to at-risk youth to ensure they receive all the support they need to get back onto a positive life track and achieve their personal goals. The Centre's aim is to help reduce youth homelessness and BOQ is delighted to be involved with such an important and admirable goal.

FINANCIAL BASICS FOUNDATION, ESSI MONEY

Financial literacy is now recognised as almost as important as the other main cogs of education – reading, writing and arithmetic. BOQ and the Financial Basics Foundation are helping teach our kids about managing their money through a new school based competition called ESSI Money, an online game that gives high school students an opportunity to learn about Earning, Saving, Spending and Investing money in a fun and engaging way.





Jess is one of the young ambassadors who helped with this year's Banking on our Kids appeal.

customers



- BOQ has formed an alliance with Cuscal Limited to allow BOQ customers to access rediATMs, one of the largest ATM networks in Australia, which provides our customers with greater convenience and accessibility to ATMs. Most importantly, our customers can also access the ATMs on this large network, as well as any BOQ branded ATMs, all free of direct charges.
- We launched a foreign exchange payment facility during the year as an additional Internet Banking feature, making it even easier for customers to create and send international and domestic telegraphic transfers (also known as Real Time Gross Settlement), at their convenience online.
- As part of a pipeline of new products to be launched in the next six months, BOQ announced an innovative, market-leading product, called the Save To Win Account. Customers will earn a small amount of interest on their savings, plus get the chance to enter into a monthly cash draw to win a major prize of at least \$20,000 and lots of smaller prizes too.

environment

- The Bank underwent an independent carbon impact assessment which captured energy and emissions data from business units, IT applications and assets. The results showed that the Bank has a low carbon footprint, which is well below regulatory reporting thresholds.

employees

DIVERSITY IN THE WORKFORCE

In order to attract and retain a diverse workforce, the Bank is committed to providing an environment in which all employees are treated fairly and equitably. The Bank recognises that gender diversity is an important component to achieve this goal. Our current objectives and targets to ensure diversity include:

- increasing the representation of women on our Board;
- continuing to grow the number of women in senior roles;
- encouraging the participation of women in leadership programs;
- encouraging the participation of women in our Intern Program;
- ensuring that gender is not a factor in remuneration; and
- maintaining a workforce that reflects the diversity of the Australian population.



**2010 GENDER BALANCE
SENIOR MANAGEMENT**



**2010 GENDER BALANCE
WORKFORCE**

- The Bank includes environmental considerations in our supplier evaluation and selection processes.
- 132 tonnes of paper and cardboard were recycled by BOQ this financial year, saving approximately 1,723 trees.
- The Bank has been recycling obsolete mobile phone handsets, Blackberries and computer equipment.
- Vegetable-based inks and recycled paper are used in large printing jobs.
- The Bank works with transport and logistics service providers with a focus on reducing carbon emissions from fleet operations.

executive team

DAVID LIDDY
Managing Director and
Chief Executive Officer

David Liddy has over 40 years' experience in banking, including international postings in London and Hong Kong. He was appointed Managing Director of the Bank in April 2001. He has a Masters in Business Administration, is Deputy Chairman of the Australian Bankers' Association Council and Chairman of the Queensland Museum Foundation. He is also a member of the Federal Treasurer's Financial Sector Advisory Council and the Queensland Government's Smart State Council. Mr Liddy is a Senior Fellow of the Financial Services Institute of Australasia and a Fellow of the Australian Institute of Company Directors.



RAM KANGATHARAN
Chief Operating Officer

Ram Kangatharan joined the Bank as Chief Financial Officer in October 2007 and became Chief Operating Officer in March 2010. He is responsible for overseeing the day-to-day operations of the Bank and has accountability for the retail branch network, Business Banking, IT and Operations, Direct Banking, Product, Marketing, Human Resources, Legal, BOQ Insurance and BOQ Finance divisions of the Bank. Ram is a senior finance executive with global corporate experience in a range of industries including banking, consumer goods, IT, telecommunications and investments. He was most recently Vice President Global Strategy and Redesign with EDS (Electronic Data Systems) in the USA.



EWAN CAMERON
Chief Financial Officer

Ewan Cameron was appointed as the Bank's Chief Financial Officer in May 2010. Ewan works with BOQ management and Board to ensure the Bank remains an efficient organisation that delivers on our promises to the market, while also fulfilling the Bank's strategic growth ambitions. Prior to joining BOQ, Ewan held numerous CFO roles both here and overseas for a number of reputable and forward thinking organisations, where he demonstrated strong financial management and successful leadership through M&A activities.



DARRYL NEWTON

Chief Risk Officer

Darryl Newton was appointed Chief Risk Officer in June 2010. Darryl has extensive experience in managing risk for financial services companies, having spent the six years prior to joining BOQ in a variety of senior risk management roles at Westpac Bank. Previously, Darryl was a partner at Ernst & Young where he consulted on risk management issues; he has extensive experience with banking clients including Commonwealth Bank of Australia, AMP Bank, Bank of America and ING Bank.

**JIM STABBACK**Group Executive,
IT and Operations

Jim Stabback joined BOQ in September 2008 as Group Executive, IT & Operations. In this role, he oversees the strategic focus of the Bank's IT platform and its service delivery, along with the Bank's important outsourcing relationships with HP and Fiserv. Jim has over 20 years' experience managing large scale operations, technology and service delivery management in the financial services and telecommunications industries.

**KEITH RODWELL**Group Executive,
BOQ National Finance

Keith Rodwell holds the position of Group Executive, BOQ National Finance and has responsibility for vendor finance, equipment finance and debtor finance. Keith has 20 years of lending experience in Australia and Asia for both small and large ticket equipment leasing, property and franchise finance. Prior to joining BOQ he was Managing Director CIT Vendor Finance, Asia Pacific, with responsibility for Australia, New Zealand, China and the rest of Asia. Prior to this, Keith held senior roles with GE Capital and a US based alternative investment fund as well as experience in the telecommunications, oil and insurance industries. Keith has a Master of Commerce from the University of New South Wales and was a past Chairman of the Australian Equipment Lessors Association.

**RENATO MAZZA**Group Executive,
Insurance and CEO
St Andrew's

Renato Mazza has 22 years' experience in the Consumer Credit Insurance (CCI) sector having held senior management positions in Consolidated Insurance Group in London in the early 90s, the UK's then number one niche insurer in this sector. He was part of a team of six who then formed St Andrew's Group in the UK in the mid 1990s which then grew to become one of the UK's major underwriters of CCI under Bank of Scotland and HBOS ownership. Renato moved to Perth in 2005 to help with the development of St Andrew's Australian business, overseeing its integration into CommInsure, CBA's insurance business, following their acquisition of St Andrew's and Bankwest in late 2008, and later integration with BOQ.



NEIL SUMMERSON
B Com, FCA, FAICD, FAIM
Chairman – Age 62

Neil Summerson is a Chartered Accountant with 40 years' experience and is a past Chairman of the Queensland branch of the Institute of Chartered Accountants. He was formerly the Queensland Managing Partner at Ernst & Young. He is a Director of Natural Resources USA Corporation, Australian Made Campaign Limited, Australian Property Growth Limited and Property Funds Australia Limited. He is a former Chairman of the Brisbane Water Board and is currently Chairman of Motorama Holdings Pty Ltd, IDEC Pty Ltd and Australian Property Growth Fund. Mr Summerson has been a Director of the Bank since December 1996 and was appointed Chairman on 20 August 2008. Mr Summerson is Chair of the Bank's Nomination Committee and a member of the Remuneration, Budget, St Andrew's Remuneration and Audit Committees.

DAVID LIDDY
MBA, FAICD, SF Fin
Managing Director and
Chief Executive Officer – Age 60

David Liddy has over 40 years' experience in banking, including international postings in London and Hong Kong. He was appointed Managing Director of the Bank in April 2001. He has a Masters in Business Administration, is Deputy Chairman of the Australian Bankers' Association Council and Chairman of the Queensland Museum Foundation. He is also a member of the Federal Treasurer's Financial Sector Advisory Council and the Queensland Government's Smart State Council. Mr Liddy is a Senior Fellow of the Financial Services Institute of Australasia and a Fellow of the Australian Institute of Company Directors.

STEVE CRANE
B Com, SF Fin, FAICD, FAIM
Director – Age 58

Steve Crane was appointed a Director of the Bank at the Annual General Meeting on 11 December 2008. He has 40 years' experience in financial markets in Australia, including experience at both AMP and BZW Australia, where he was promoted to Managing Director – Financial Markets in 1995 and became Chief Executive in 1996. In 1998, when ABN AMRO Australia Pty Limited acquired BZW Australia and New Zealand, Steve became Chief Executive and remained in this role until his retirement in June 2003. Steve is now a member of the Advisory Council of RBS Group (Australia) and a Director of Transfield Services, nib holdings limited, APA Ethane Limited, The Sunnyfield Association, Taronga Conservation Society Australia, and Chairman of Global Valve Technology Limited. Mr Crane is a member of the Bank's Risk Committee and Corporate Governance Committee and Chair of the Budget Committee.



your board

ROGER DAVIS

**B Econ (Hons), Masters Philosophy
Director – Age 58**

Roger Davis was appointed a Director of the Bank on 20 August 2008. He has 31 years' experience in banking and investment banking in Australia, the US and Japan. He is currently a consulting Director at Rothschild Australia Limited. He was previously a Managing Director at Citigroup where he worked for over 20 years and more recently was a Group Managing Director at ANZ Bank. He is a Director of Chartis, Macquarie Office Management Ltd, Ardent Leisure Management Ltd and Ardent Leisure Ltd, Aristocrat Leisure Ltd, Territory Insurance Office and Trust Ltd. He was formerly Chair of Pengana Hedgefunds Ltd and Esanda, and a Director of ANZ (New Zealand) Limited, CitiTrust in Japan and Citicorp Securities Inc. in the USA. He has a Bachelor of Economics (Hons) degree from the University of Sydney, a Master of Philosophy degree from Oxford and is a Rhodes Scholar. Mr Davis is a member of the Risk Committee and the Nomination Committee.

DAVID GRAHAM

**B Com, B Econ (Hons), MBA, FCPA
Former Director – Age 68**

David Graham has had extensive experience in the financial sector specialising in capital markets transactions. He was appointed as a non-executive Director of the Bank in October 2006. 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. David retired as a Director of the Bank on 8 October 2010.

CARMEL GRAY

**B Bus
Director – Age 61**

Carmel Gray was appointed a Director of the Bank on 6 April 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 a member of the Bank's Risk Committee and the Chair of the Audit Committee.

ANTHONY HOWARTH, AO

**FAICD, SF Fin
Former Deputy Chairman – Age 58**

Tony Howarth was Chairman of Home Building Society Ltd which merged with the Bank in December 2007. He has worked in the banking and finance industry for over 31 years. His work has involved a number of overseas appointments. He has been the Managing Director of Challenge Bank Limited and the CEO of Hartleys Limited. He was a former Chairman of Alinta Limited (retired 24 July 2006) and is currently Chairman of Mermaid Marine Australia Limited and Non-Executive Director of AWB Limited and Wesfarmers Limited. He is also involved with a number of business and community organisations being Chairman of St John of God Health Care Group, President of the Australian Chamber of Commerce and Industry and Chair of the Committee for Perth. In addition, he is a member of the Rio-Tinto WA Future Fund, and is on the University of Western Australia's Senate. Tony retired as a Director of BOQ on 26 August 2010.



your board

BILL KELTY, AC

**B Econ
Director – Age: 62**

Bill Kelty has over 32 years' experience in industrial relations. He was appointed a Director of the Bank in August 2001 and is currently a Director of the Linfox Group and a Commissioner of the Australian Football League. He is also involved in the Foundation for Rural and Regional Taskforce and was previously Chairman of the Federal Government's Regional Development Taskforce. Mr Kelty was Secretary of the Australian Council of Trade Unions from 1983 to 2000 and a member of the Reserve Bank Board from 1988 to 1996. He is Chair of the Bank's Corporate Governance Committee and a member of the Audit Committee.

JOHN REYNOLDS

**B Sc (Hons), Dip Ed, FAICD, FAIM
Director – Age: 67**

John Reynolds was appointed a Director of the Bank in April 2003. He has had extensive CEO-level experience at top 100 media and resource companies in Australia and overseas. He was formerly Chairman of Arrow Energy Limited. He is a Director of Mater Health Services Brisbane Limited and an advisor to various private companies and professional organisations. Mr Reynolds is Chairman of the Bank's Risk Committee and a member of the Audit Committee, Remuneration Committee and Nomination Committee. He is Chair of the St Andrew's Remuneration Committee.

DAVID WILLIS

**B Com , ACA, ICA
Director – Age: 54**

David Willis has over 32 years' experience in financial services in the Asia Pacific, the UK and the US. He is a qualified Accountant in Australia and New Zealand and has had some 17 years' experience working with Australian and foreign banks. He has held senior executive roles at Westpac, HBOS Australia, Lloyds Bank Australia and Southpac Corporation; a corporate advisory business owned by The National Bank of New Zealand and Lloyds Bank. David is a Director of New Zealand Post and Kiwi Bank together with CBH (A Grain Cooperative in Western Australia). He was appointed a Director of the Bank in February 2010. He is Chair of the Remuneration Committee, a member of the Corporate Governance Committee and a member of the St Andrew's Remuneration Committee.





Shirley Kolpak
BOQ Shareholder

I have been a shareholder for a very long time. I thought bank stocks paid good dividends and that BOQ's growth profile looked good, so I purchased a relatively small amount of BOQ shares.

I was a bit worried throughout the GFC, but BOQ's share price held up remarkably well and I still received my dividends.

My daughter recently acquired some BOQ shares also. I like to know that she is thinking about her financial security now. I don't want her to have to worry about money when she gets to my age.

shareholder information

remuneration overview

	Short-term	Post-employment	Other long-term	Termination benefits	Share-based payments	Total
	\$	\$	\$	\$	\$	\$
NON-EXECUTIVE DIRECTORS						
Neil Summerson	267,500	14,584	-	-	-	282,084
Steve Crane	130,583	11,753	-	-	-	142,336
Roger Davis	133,333	12,000	-	-	-	145,333
Carmel Gray	161,500	14,106	-	-	-	175,606
Bill Kelty	130,292	11,726	-	-	-	142,018
John Reynolds	173,833	14,584	-	-	-	188,417
David Willis ¹	62,083	5,588	-	-	-	67,671
FORMER DIRECTORS						
Peter Fox ²	25,310	2,278	-	46,748	-	74,336
Anthony Howarth ³	123,352	11,102	-	-	-	134,454
David Graham ⁴	129,333	11,640	-	-	-	140,973
EXECUTIVE DIRECTORS						
David Liddy	2,202,645	50,141	70,849	-	1,096,791	3,420,426
EXECUTIVES						
Ram Kangatharan	1,359,149	25,047	3,938	-	567,021	1,955,155
Ewan Cameron ⁵	72,442	2,271	95	-	-	74,808
Jim Stabback	635,268	38,104	955	-	178,179	852,506
Darryl Newton ⁶	61,235	2,271	81	-	-	63,587
Keith Rodwell ⁷	221,667	6,450	-	-	-	228,117
Renato Mazza ⁸	108,300	1,267	1,062	-	-	110,629
Brad Edwards	505,464	24,655	4,998	-	123,682	658,799
FORMER EXECUTIVES						
Daniel Musson ⁹	210,820	12,935	-	490,672	209,251	923,678
Bruce Auty ¹⁰	102,630	12,197	-	377,671	115,041	607,539
David Marshall ¹¹	393,810	38,948	-	170,524	3,460	606,742

¹ Commenced 22 February 2010

² Resigned 25 November 2009

³ Resigned 26 July 2010

⁴ Resigned 8 October 2010

⁵ Commenced 5 July 2010

⁶ Commenced 5 July 2010

⁷ Commenced 30 June 2010

⁸ Commenced 1 July 2010

⁹ Resigned 19 March 2010

¹⁰ Resigned 18 December 2009

¹¹ Resigned 13 August 2010

financial calendar

2010

ORDINARY SHARES (BOQ)*

Ex-dividend date	12 November 2010
Record date	18 November 2010
Final dividend payment date	2 December 2010
Annual General Meeting	9 December 2010

2011

ORDINARY SHARES (BOQ)*

Interim results and interim dividend announcement	14 April 2011
Ex-dividend date	3 May 2011
Record date	9 May 2011
Interim dividend payment date	25 May 2011
Final results and final dividend announcement	13 October 2011
Ex-dividend date	9 November 2011
Record date	15 November 2011
Final dividend payment date	1 December 2011
Annual General Meeting	8 December 2011

PEPS (BOQPC)*

Announcement date	17 March 2011
Ex-dividend date	22 March 2011
Record date	28 March 2011
Payment date	15 April 2011
Announcement date	15 September 2011
Ex-dividend date	20 September 2011
Record date	26 September 2011
Payment date	17 October 2011

* Dates are subject to change.

SHARE REGISTRY

Link Market Services Limited
Level 15
324 Queen Street
Brisbane Qld 4000
Australia: 1800 779 639
International: +61 2 8280 7626
Facsimile: +61 2 9287 0303
Email: boq@linkmarketservices.com.au
Website: linkmarketservices.com.au

COMPANY DETAILS

Bank of Queensland Limited
Level 17, BOQ Centre
259 Queen Street
Brisbane Qld 4000
Telephone: +61 7 3212 3333
Facsimile: +61 7 3212 3399
Website: boq.com.au
Investor Relations: +61 7 3212 3463

CUSTOMER SERVICE

1300 55 72 72 (within Australia)
+61 7 3336 2420 (overseas)
ABN 32 009 656 740
ACN 009 656 740

E-COMMUNICATIONS

Register now to receive annual reports, dividend advices and other company information from BOQ by email. By registering for this free service, you can receive significant company announcements as they happen. Furthermore, by reducing printing, there are significant cost savings for the Bank and you are helping to save the Australian environment.

ANNUAL GENERAL MEETING

The 2010 Annual General Meeting will be held at the Sofitel Hotel, 249 Turbot Street, Brisbane on Thursday, 9 December 2010 (registration commences at 9.15am).