

## Start of Transcript

**Anton Greller:** Welcome to the 2024 Annual General Meeting of Bank of Queensland Limited. My name is Anton Greller, I am a manager in our contact centre and the Chair of BOQ's Proudly ME affinity group. It is my privilege to welcome you to today's proceedings.

Before commencement of the meeting, on behalf of the BOQ Group I would like to acknowledge Aboriginal and Torres Strait Islander people as the First Australians and Traditional Custodians of the land on which we meet today, the Yuggera and Turrbal people. The Board would also like to extend their respects, to Elders past and present and to all First Nations people with us across Australia today.

For those joining us in person, you are seated in the ballroom of the Sofitel Hotel in Meanjin (Brisbane). In the unlikely event of an emergency, please follow instructions over the speaker and follow direction from the Sofitel staff. If a fire alarm does sound, please prepare to evacuate but wait until a member of Sofitel staff is present, to inform you about the decision made and if necessary to direct you to the safest fire exit. The emergency evacuation assembly point is at Railway Plaza, in between Turbot and Ann Streets.

We ask that for the duration of the meeting mobile phones are turned to silent and that you do not use cameras, videos or sound recorders.

A webcast and transcript of the meeting will be available on our investor relations website following the meeting. For those viewing the meeting online today, there is an option as set out in the notice of meeting to submit questions online. These can only be submitted by shareholders, proxy holders or corporate representatives.

Shareholders viewing the webcast who wish to submit a question or comment online now or during the meeting, can do so by selecting the ask a question button located at the bottom of your screen. You will need to validate yourself with your shareholder number, then select the item of business your question relates to, type in your question and press submit. Online questions are limited to 512 characters. If you exceed the limit, you will be unable to submit your question and you'll be asked to revise your question.

Your question will then be placed in a queue and addressed at the relevant item of business to which your question relates. To assist with the efficient conduct of the meeting, online questions may be aggregated based on their subject matter so that they may be answered together. While providing as much context as is appropriate in the circumstances, lengthy questions may be summarised.

We encourage you to begin submitting your online questions now. Thank you for joining us today. The Chair of Bank of Queensland Limited will now address shareholders.

**Warwick Negus:** Good morning everyone, my name is Warwick Negus. A warm welcome to shareholders to the 2024 Annual General Meeting of the Bank of Queensland Limited. Both to those who are joining us in person today and those listening to these proceedings via our webcast including interstate and overseas.

The Company Secretary has confirmed that a quorum is present, it is 10:02am and accordingly I declare the Annual General Meeting open. I will take the notice of meeting as read. I will now make some introductions. Seated to my right and your left, are our Chief Financial Officer, Racheal Kellaway, Non-Executive Director Ms Mickie Rosen who is Chair of our Transformation and Technology Committee who is standing for re-election today.

Non-Executive Director Deb Kiers who is Chair of the People, Culture and Remuneration Committee who is also standing for election today. Finally Non-Executive Director Bruce Carter, Chair of the Risk Committee who will retire at the conclusion of today's meeting.

To my left and your right are Managing Director and Chief Executive Officer Patrick Allaway, Non-Executive Director Miss Karen Penrose who is Chair of the Audit Committee, Non-Executive Director Mary Waldron who is standing for election today, Non-Elective Director Andrew Fraser who is standing for election today and General Counsel and Company Secretary, Miss Fiona Daly.

Mr Craig Stafford of PwC the Company's external auditor, is in attendance today and he is seated in front of me. Mr Stafford will be available to answer questions regarding the conduct of the audit, the content and preparation of the audit report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit. The Company's senior members of management are with us today and are seated directly in front of me.

I would now like to outline the format of the meeting. First, I will give an address as your Chair, secondly we will hear from our Managing Director, Patrick Allaway. We have considered questions received from shareholders in advance of the meeting and sought to address the common themes within our addresses. We will then turn to the business of the meeting, during which we will look to answer questions I'm sure you may have.

Those attending in person, if you are holding a blue or yellow admission card and you wish to ask a question or make a comment today, please wait for the relevant item of business to be called and then make your way towards the middle of each aisle, where an attendant with a microphone will assist you. Please present your admission card and provide the attendant with your name.

As previously mentioned, this meeting is being webcast, so I ask that you keep your questions brief and to the point so that viewers can hear the question clearly. Questions on customer or personal shareholding matters will not be put to the meeting. You will be contacted after the conclusion of the meeting to ensure you receive individual support that you may require.

Shareholders should also be aware that defamatory, repetitive or domineering questions or questions that are not relevant to the Company or to the items of business being considered at the meeting, will not be put to the meeting. Due to time constraints, we may run out of time to answer all of your questions at the meeting. If that happens, we will endeavour to answer your questions via email following the meeting.

Our Annual General Meeting is an event that the Board looks forward to every year. This gives us a chance to hear directly from our shareholders and respond to your questions, I expect that there are a lot of different issues to be discussed today. Today is an important opportunity for a broad range of BOQ shareholders to ask us questions on the issues that are of interest to you.

I once again ask that you keep your questions brief and avoid repeating issues that have already been covered. Could you please ask no more than two questions at a time, to give all shareholders an opportunity to be heard. I reserve the right to limit the time each shareholder has to ask their questions.

2024 has been a momentous year for your bank, as we marked 150 years of the Bank of Queensland. That's 150 years of serving the community, funding the growth aspirations of businesses and assisting households to achieve their home ownership and personal savings goals. As we look back on our history, we value the opportunities we have had to make a positive impact on the lives of many Australians. While we celebrated our history during FY24, your Board and management remained firmly focused on the future.

This year was critical in resetting the Group for long term success. Our strategy of building a simpler, specialist bank that meets the evolving needs of our valued customers, provides a better people experience and strong returns for our shareholders, is well progressed. The Board is committed to this strategy and confidence in the management team to deliver it.

The financial landscape for FY24 remained challenging with continued margin compression, high inflation, and elevated competition for deposits. Patrick will speak to the financial results in more detail shortly, but specifically on capital, we ended the year with a Tier 1 capital ratio of 10.7%. The Board determined to pay a fully franked, final dividend of \$0.17 per share, being a full year dividend of \$0.34 per share, which is a yield of 5.4% on the year end share price and a full year payout ratio on cash earnings of 65.4%.

We were pleased to return \$250 million of capital to shareholders through dividends this year. On the broader economic and operating context, there is no doubt consumers are feeling the impacts of higher cash rates and inflation. While the lending portfolio is continuing to show resilience, a portion of our customers are needing greater support with their borrowing and we continue to provide that support.

Another key impact on our customers this year has been the continuing prevalence of scams, with Australian reporting more than 600,000 scams in the last year. We are committed to a whole of ecosystem approach, have joined the Australian Banking Association's Scam-Safe Accord and are uplifting defences. The landscape is everchanging and we recognise the need to keep pace with increasing sophistication of scams.

The continued digitisation of the bank will provide greater security for our customers. The build of our end-to-end digital bank has been defence by design, so customers not only experience an easier and simpler banking experience than on the legacy platform, but it is stronger for the benefit of customers, with less reliance on manual controls.

This build is also compliant by design and will support our organisation-wide risk culture and operational resilience project, what we call Program rQ. This is addressing the court enforceable undertaking with one of our key regulators, APRA. It is also providing a platform for ongoing sustainable change in the way this bank takes and manages risk.

We agreed a remedial action plan this year and importantly, we are committed to getting the risk transformation right. We aren't rushing, we are thinking deeply and challenging ourselves and management on the design and implementation of the program. It is independently reviewed by a third party.

Similarly, the second court enforceable undertaking we are subject to with another key regulator, AUSTRAC is being addressed by a remedial action plan which was agreed this year. The program which will uplift our compliance with anti-money laundering and counter terrorism financing requirements, is on track and is also subject to independent assurance.

The Board recognises that while there is still significant work to be done, the Group is already benefiting from the improvements that have been made to date. Particularly with respect to the improvements made in Board reporting. We are clearly articulating the tone from the top, the Board has deep engagement with the executive team and senior leaders across the Business. We are pleased with the progress that has been made against the two remedial action plans.

On the composition of the Board, we continue to refresh the Board in a considered manner, to ensure that we have the right mix of skills and experience among directors, to maintain good governance. Dr Jenny Fagg retired from the Board last month. Jenny's experience and strategic thinking has helped shape the path forward for BOQ and we thank her for her contribution to the business.

After more than a decade on the Board - 11 years - as I advised was the intention last year, Bruce Carter retires as a Director, at the completion of today's AGM. He has made a strong and enduring contribution to discussions in the boardroom and played an important role for the Business as the Chair of our Risk Committee. On behalf of the Board, we thank Bruce and Jenny for their dedication and commitment to BOQ and we wish them well for the future.

We also welcomed two new faces to the board table, with the appointment of Andrew Fraser and Mary Waldron as Independent Non-Executive Directors who are both up for election today. Andrew brings a wealth of experience across government, sports, superannuation, construction and education and notably has strong ties to Queensland.

Mary adds significant expertise in risk, audit, governance, financial transformation and regulatory experience to the BOQ Board. Both of them will speak to you regarding their election, later in the meeting. As I consider the long-term challenges which impact on our people, customers and communities, I am pleased that we have achieved our commitment to the environment by sourcing 100% equivalent of electricity demands from renewable sources.

We have also recently joined the Net Zero Banking Alliance and became a signatory to the UNEP FI's Principles for Responsible Banking. On our positive impact in the community, we have been proud to continue supporting our key community partners, who provide assistance and essential services to vulnerable Australians and First Nations youth.

In collaboration with three of our community partners, Orange Sky Australia, the Clontarf Foundation and Stars Foundation, our vehicle of kindness travelled 1,350 kilometres from Brisbane, to Bundaberg, to Townsville, reflecting our philosophy of a meaningful community connection.

Our reconciliation action plan is in its second year and a particular highlight this year was the Group's introduction of Aboriginal and Torres Strait Islander cultural leave and the further roll-out of financial literacy programs, to over 300 First Nations teenagers.

Recent media reports about a new bank levy have rightly concerned our shareholders. BOQ supports well considered policies with thorough consultation, that will support Australians, particularly those experiencing vulnerability and their unique need for both physical branches and access to cash. However, the proposed levy as reported, is inequitable and disproportionate, affecting mid-tier and international banks, potentially hindering competition, productivity and innovation.

It contrasts with the government's welcome competition and productivity initiatives. Mid-tier banks like BOQ, already facing higher regulatory and funding costs, would be disproportionately affected, entrenching larger banks' dominance and harming consumers. As we understand it, this has not been announced as policy. We will continue to advocate for a comprehensive consultation to any proposal, to support access to banking services in regional areas.

Looking ahead, we remain confident in Patrick and the management team to deliver on the strategy. The refocus on growth in the business bank, leveraging the strength of the franchise and deep relationships, along with the investment into the digital bank now starting to be realised, supports improved shareholder returns.

While we are starting to see the benefits of the strategy from a customer perspective, it is not yet being entirely reflected in shareholder returns. As a shareholder myself, I am encouraged by recent share price performance, and confident that the decisions being made will benefit shareholders, and indeed all of our stakeholders. Thank you for your trust in BOQ.

I will now invite the Managing Director and Chief Executive Officer, Patrick Allaway to address the shareholders.

**Patrick Allaway:** Thank you Warwick and a warm welcome to everyone here in Brisbane today. But also, all of you that are online joining us at our AGM. I know many of you have travelled a long way to join us today and we really appreciate your support for BOQ. I'm very honoured to be speaking to you today as CEO in this milestone 150th year for BOQ.

I wanted to open by acknowledging that we have now navigated through a difficult two years. This has necessitated very difficult decisions to address our operating model, to provide a sustainable future for BOQ. We have a clear strategy to transform to a simpler, specialist bank and are now starting to see the benefits of that transformation, with a superior customer experience on our new banking platform and a more optimistic outlook for shareholder returns.

Our 150-year anniversary has given us a moment to reflect on the evolution of the Group over that time, what makes BOQ unique and how we ensure we leverage our competitive strengths for a prosperous future. We are operating in an increasingly dynamic market with many disruptive forces driven by technology, changing consumer habits, competition and regulation. We need to embrace change as a way of doing business and accept that operating models that have served us well in the past, may not be sustainable in the future.

As I've said, the future of BOQ is a simpler, specialist bank, differentiating from the majors, leveraging our smaller size and agility to disrupt traditional banking models that are structurally challenged. We are making decisions that will fundamentally change the way we operate, to reflect changed consumer preferences, lower our cost to serve, optimise our use of capital and grow our return on equity.

Our future state customer proposition is centred on digital retail banking, deep relationship banking in specialist business sectors and our strong Queensland heritage.

Turning to our FY24 financial results. Our financial results reflect these dynamic market shifts with elevated competition, investment in our transformation, cost inflation and increased regulatory impost. Against this backdrop, we delivered cash earnings after tax of \$343 million and a statutory net profit after tax of \$285 million.

There were two material adjustments to the statutory profit for the year, \$33 million in restructuring costs as we simplified our operating model and \$22 million relating to the sale of the New Zealand asset portfolio, both items in line with our strategy. Net interest margin stabilised in the second half after three consecutive halves of decline. We again stood back from uneconomic home lending and prioritised economic return, over growth.

We recycled lower returning capital to accelerate the growth of our business bank in our specialist segments in the second half. We managed expenses for the year below inflation, with a 2.9% growth in underlying costs. With the foundational build of our new digital banking platform now largely complete, our transformation investment spend has now peaked, with a 21% reduction in FY24 and a further material reduction anticipated in FY25.

Our financial resilience remains robust with capital at the top end of our target range, prudent liquidity levels through the repayment of the RBA term funding facility, and historically high deposit funding as a percentage of total funding. The quality of the credit portfolio remains sound. Loan impairment expense was again subdued, supported by strong asset prices and low provision activity. Recognising some

uncertainty remains, we have maintained a prudent 45% weighting to a downside or severe downside economic outcome in our modelling.

Turning now to our strategy. We are delivering against our four strategic pillars of strengthen, simplify, digitise and optimise, with strong execution proof points in FY24. We have strengthened our financial and operational resilience and are delivering against our remedial action plans. Our relationship with our regulators is transparent and productive, and our remedial action plans will deliver a stronger, better bank.

Last year when I spoke to you, I talked about how we are shifting to a more integrated bank, with a shared service model and a lower operating cost. We have made good progress in simplifying our operating model. We recently increased our FY26 productivity target to \$250 million and announced plans to simplify our distribution channels, through the conversion of our branch franchise model.

While these changes to our operating model are necessary decisions for the ongoing sustainability of the BOQ Group, I do want to acknowledge that they impact on people, and we appreciate that these decisions are difficult for those impacted. I also express my gratitude to all of our owner managers for their contribution to BOQ over the last 22 years.

We disclosed in October that we have received a dispute notice from some owner managers. We will continue to work closely with the 63 owner managers who are in dispute. Pleasingly, we have progressed with conversion agreements earlier than anticipated for 30% of our owner manager branches and have converted 8 branches this week. We have received positive responses for employment expressions of interest from both owner managers and their employees.

On digitising BOQ, FY24 was a significant year of execution. The foundational build of our end-to-end digital bank is largely complete. We now have over 400,000 customers active on our digital platforms and are in the process of migrating ME customers, targeting the decommissioning of the ME heritage bank in FY26.

We are finalising the migration pathway and decommissioning of our complex BOQ heritage systems as we transition to a simpler, lower cost to serve, digital retail bank. The experience on the new digital platform far exceeds that of the legacy bank, and we are excited that the greater percentage of our customers will soon enjoy that improved banking experience, as we continue migration.

We wrote our first digital mortgage in August of this year and will continue rolling out this product through FY25, before scaling and returning mortgage growth to growth in FY26. The digital mortgage delivers a superior customer experience, will accelerate time to yes, will halve our cost to originate a loan, reduce processing times by two thirds, and allow us to grow commoditised home lending, with a higher return on equity.

Moving now to how we are optimising BOQ and improving shareholder returns. We are targeting a revised return on equity of 8% and a cost to income ratio of 56%, in FY26. These are interim targets, and our aspiration is to materially grow returns beyond those targets.

There are four key components to delivering improved shareholder returns. Firstly, our \$250 million productivity target from simplifying operations, distribution channels and decommissioning the ME legacy platform. Second, is shifting our portfolio mix through recycling capital away from lower returning lending, into higher returning specialist business lending, where we have a competitive advantage.

Thirdly, we will commence scaling the digital bank in FY26, growing proprietary channels, improving our funding mix with increased low-cost deposits and starting to scale the digital mortgage. Finally, we will grow capital light, non-interest income.

Moving now to our customer commitments. We are putting customers at the heart of everything that we do. We recognise that customers have a choice in who they bank with and that we need to continue to earn that choice, by delivering a trusted, consistent, differentiated experience, supporting their day-to-day banking needs.

We recognise that we don't get it right all the time and are on a continuous improvement journey. As I have said before, we are structuring BOQ to service customers the way they wish to be served. Customers seeking a fast and self-service digital experience will be served through our retail digital channel and contact centre. Those with more complex or business banking needs, will be served through our relationship bankers across our head office and corporate branch networks.

We are supporting our customers in times of need, with some feeling the impacts of higher rates for longer and sustained cost of living pressures. We have proactively supported customers in managing from fixed to variable rates, customers in hardship and vulnerable Australians. Our dedicated financial difficulty assistance team supported over 3,500 customers with their lending, and we continue to encourage customers to speak with us if they are struggling.

As Warwick mentioned, we have invested in technology to keep customers safe from fraud and scams. We have joined an industry-wide approach through the Australian Banking Association and enhanced communication to customers, to warn them of potential scams. This year we prevented and recovered more losses to customers from scams than ever before.

Moving now to our people. We have a quality team focused on delivering better outcomes for our customers. Our people engagement index has held steady at 71%, during a period of difficult transformational decisions for our operating model. We are seeing a strong uplift in leadership, safety to speak up, risk culture metrics and an understanding of what needs to be done, to deliver the strategy.

We are striving for a step-change in our cultural performance, as an important part of our transformation. During the year, we articulated our cultural aspirations and reinforced our focus on embedding practices and behaviours that put customers first, prioritise achieving sustainable performance and outcomes, and embrace agile ways of working. To support this cultural shift, we have reset how we measure and reward performance in FY25, to better align with employee roles, delivering outcomes and market practices.



Looking ahead, we expect some improvement in the Australian economy in FY25, supported by strong fundamentals and anticipated lower cash rates. The strength of that improvement remains uncertain, with increasing geopolitical uncertainty, low productivity and increasing consumer and business caution. We remain positive about the growth prospects for Queensland over the next few years.

We will be recycling and reallocating capital and putting on additional bankers to support this growth. We will leverage our 150-year heritage and competitive advantage in supporting Queensland businesses and are proud to be the last standing, listed Queensland bank.

Our outlook for FY25 remains unchanged from our commentary at the FY24 results. We're targeting broadly flat total cost growth in FY25, and an uplift in revenues from the growth in our business bank and the owner-manager conversion in the second half. We've now brought on 19 new business bankers with a strong deal pipeline and good conversion rates. Our housing portfolio is continuing to reduce, as we recycle this capital into higher returning business lending. We anticipate stable margins in the first half.

Loan impairment expense is expected to increase, reflecting this later stage of the higher rate cycle and higher rates for longer. We'll continue to target capital management within our target ratio of 10.25% to 10.75%, and expect dividends to be paid within our target payout ratio of 60% to 75% of cash earnings after tax.

In closing, I'd like to acknowledge the patience and support of you, our shareholders, as we manage through a difficult two years. As I've previously said, transformations are difficult. They take time, and rely on trust in the management team. We take that responsibility very seriously, and are absolutely committed to improving our customer experience and shareholder returns.

While our share price is materially up on this time from last year, we continue to trade at a discount to book value, with an opportunity for improved shareholder returns if we deliver on our FY26 targets. There are many factors that are outside of our control. However, we remain sharply focused on the disciplined execution of our strategy to transform BOQ, and will continue to control what we can control.

I'd like to take this opportunity to thank our Board for their continued support, our executive team and our people for their dedication and commitment to shaping the future of BOQ, our customers for choosing to bank with us, and to you, our shareholders, for your ongoing investment in BOQ. Before I pass back to the Chair for the formal end of the business, I'd also like to wish all of you a safe and happy festive season with your families. Thank you for joining us.

**Warwick Negus:** Thank you, Patrick. We now come to the formal business of the meeting. Before we proceed, there are a few more procedural matters which I must draw to your attention. Each item of business listed in the notice of meeting will be discussed in turn, and members will have the opportunity to ask questions on that item of business. We will endeavour to answer your questions as best we can.

To ensure all shareholders have an opportunity to ask a question today, please save your questions on the individual items until we reach that specific item of business. I also ask that questions be confined to

the business of the meeting. A reminder that you can log online questions at any time. However, we will hold off on raising those related to a particular item of business until we are at that point of considering that item.

Again, I request that you please ask no more than two questions at a time, to give all shareholders an opportunity to be heard. To facilitate an orderly discussion, I will first spend some time addressing questions from shareholders physically in attendance. I will then move to written questions received via the online platform. Please direct all questions to me as Chair, in the first instance. directors and members of senior management will also be available for a time after the meeting, to answer more specific questions that you may have.

In terms of voting, all eligible shareholders and proxy holders will have been issued yellow voting cards on entering the meeting, upon which a vote can be recorded against each resolution. If you are both a shareholder and proxy holder, it's important that you complete two voting cards, one as a shareholder and the second as a proxy. Please raise your hand if you have the wrong voting card, and a member of the Link team will come to assist.

Following questions on each resolution, details of the proxy votes that have been received by the Company will be displayed on the screen behind me. Any open proxies that I have received, subject to the voting restriction detailed in the notice of meeting on items 2 to 6 able to be voted, will be voted in favour of each resolution, and against item 7 if that item were to be put to the meeting. Voting on all items will be conducted by poll unless otherwise indicated.

In respect of the conduct of the polls, I appoint Christopher Healey of Link Market Services as the returning officer. Link Market Services attendants will be available to collect your voting cards at the end of the meeting, and will be available at the exits from this room.

Results of the individual votes will be published on the ASX and the BOQ website as soon as they have been verified. Please keep your voting cards with you until all resolutions have been voted on. If you need to leave the meeting early, you can place your completed voting card in one of the ballot boxes at the exit. If you have any questions, please see a Link Market Services team member.

We will now proceed to the first item of business. The first item of business listed in the notice of meeting is to receive and consider the financial report, directors' report, and auditor's report for the Company for the financial year ended 31 August 2024. Although voting is not required on this item, shareholders have the opportunity to ask questions or make comments about the reports and on the business, operations, and management of the Company.

Shareholders can also take this opportunity to ask Craig Stafford of PwC, the Company's external auditor, questions on the conduct of the audit, the content and preparation of the audit report, the accounting policies adopted by the Company in relation to the preparation of the financial statements, and the independence of the auditor in relation to the conduct of the audit. If you are holding a blue or yellow

admission card, and would like to ask a question, please now move to the middle of the aisle, and provide your name to the attendant so that they can introduce you.

**Moderator:** Chair, introducing Spiro Arkouzis, shareholder.

**Warwick Negus:** Thank you. Spiro.

**Spiro Arkouzis: (Shareholder)** Thank you. Thank you. Good morning, Mr Chairman. Good morning, Board. Good morning, Mr Allaway. Firstly, I'd like to thank an exceptional report for the annual report. That was excellent. A couple of ideas that I'd like to impart with you as potential ideas for the future for the uplift in revenue.

As the importance of our customers and customer service is vital, as is all our team members in BOQ, our customers are our biggest marketing process. Apart from the business that they bring, they will also speak to other people, friends, and families.

I think it would be pertinent to bring this up that if we can somehow incentivise customers introducing more business to BOQ, which I think that that would also have an impact on our revenue at the end of the financial year. That was my first point that I'd like to share with you. Thank you for all your wonderful work. I'd also like to thank Bruce Carter for his outstanding contribution. Well done, Bruce.

The next part, as we've seen over the last number of years, we're seeing that the larger banking groups are merging or acquiring the smaller banking entities. It seems to be a process that is a foregone conclusion in many ways. Now, in anticipation of these things happening in the future, it's almost like an interview process.

If I can just speak openly, if there is this as an agenda, which potentially may have a lot of uplift for the shareholders in the future, if you, Patrick, and yourself, Warwick, interview the larger banks on who would be a good suitor for the future, if that is part of the agenda, that the shareholders would be rewarded with a premium on their shares.

There would also be a larger pool of funding available, if those mergers do happen down the track, and also buying back the private branches to expand this in the future. Is there something on the horizon that we, as shareholders, may not be aware of, or is this something on your agenda for the next two to five years?

**Warwick Negus:** Spiro, thank you for the questions. On the first point, the suggestion that you make with respect to referrals, we'll obviously take that on board. Thank you. On the second, we don't comment on M&A activity.

But, as you will know, there's a pretty robust competition authority in Australia, and that the government is intent on ensuring that there is robust competition for all players in financial services, and has reiterated the importance of mid-tier banks, which is us, and there are other mid-tier banks as well. So our focus and

our agenda is on ensuring that we're able to deliver good outcomes for our customers and, in turn, our shareholders. So it's not on the agenda for us at this point.

**Spiro Arkouzis: (Shareholder)** Mr Chairman, is it all right if I could ask Mr Allaway the same question? Patrick, is there something on the agenda from where you sit of an acquisition by a major bank in the future, if I may, if you indulge me?

**Patrick Allaway:** Thank you for your question, Spiros. As Warwick said, we don't comment on M&A. We've just celebrated our 150-year anniversary. We are fiercely independent, as a long-standing Queensland bank, and we continue to be that way.

**Spiro Arkouzis: (Shareholder)** Thank you, Patrick. Just before I conclude, in this process of moving forward and building a bigger business, if we can think bigger and outside of the square, if and when we can organise larger tranches of funding, whether it's in Australia or externally from the US, Canada, potentially Switzerland, whether that's a \$5 billion tranche, \$10 billion, up to \$50 billion, to be able to lend more in the housing sector and also more in the commercial sector, would you be looking at that as a favourable option if that is better than the cash rate here in Australia?

**Warwick Negus:** Look, we look at all options for funding ourselves. As you know, in the years following COVID, the capital markets have been problematic, but they're coming back to life now. So I think, when we consider new options for funding, we're looking at all markets and all opportunities, and trying to optimise our balance sheet.

**Spiro Arkouzis: (Shareholder)** That could be a potential for increasing the share price over \$10? Anyway, thank you, Mr Chairman. Thank you, Patrick.

**Warwick Negus:** Thank you, Spiro. I would like to emphasise that Patrick's agenda on M&A and my agenda on M&A is the same agenda.

**Moderator:** Good morning, Mr Chair. Introducing proxy holder Paul Donohue from Australia's Shareholder Association.

**Warwick Negus:** Thank you. Welcome, Paul.

**Paul Donohue: (Australian Shareholders' Association, Representative)** Thank you. As I just said, my name's Paul Donohue, and I'm assisted today by Noel Ambler, and we're here to represent the Australian Shareholders' Association. We're holding one million proxy votes from 119 retail shareholders, worth in the ballpark of about \$7 million.

My question is about the change in your branch network model, specifically the payback period. Bank of Queensland is converting all 114 owner-managed branches to corporate branches, and it's forecast to cost somewhere between \$115 million and \$125 million, monetised over four years. So my question is, how long do you think it will take until that cost is recouped, given you must be expecting some benefits from that change?

**Warwick Negus:** We are converting, and it's public knowledge that we've announced that we're converting our owner-managed branches back to corporate ownership, and \$115 million to \$125 million was the approximate cost that we have announced. The payback is not really the intent of the program. The issue is that we are in a very competitive environment. We are developing a digital capability, and in the process of migrating customers into that digital environment. So the intent is to provide a much better outcome for our customers.

In a digital environment, they have more functionality, are able to solve problems themselves, have a much better experience, and is a lower cost to serve for us. So I think if you look at the whole package of this Organisation, in a digital environment, we'll become a more profitable environment, and able to continue to offer products that return profit. So I think you've got to look at it in a more wholesome way rather than just a specific branch strategy.

**Paul Donohue: (Australian Shareholders' Association, Representative)** Thank you.

**Warwick Negus:** Thank you.

**Moderator:** Mr Chair, introducing a shareholder, Craig Caulfield.

**Warwick Negus:** Craig, good morning.

**Craig Caulfield: (Shareholder)** Good morning, Chairman, and good morning to the Board and to the shareholders. If I could start, on the back of what the previous gentleman said, taking over the owner-managed branches I think is one of the critical things. Bank of Queensland's reputation has been quite poor in previous years and compared with other banks, and there's been lots of problems there, and that's reflected in the regulators making enquiries.

So I think it was quite a courageous step to say that we will take back, purchase the owner-operated franchises. I think in that model, there were greater risks, there was harder governance, harder oversight. You couldn't really see right through what was happening. So I think that's a step to be applauded, albeit that there's going to be some difficulties dealing with particular owner-managers and doing that fairly. What do you see are perhaps your three biggest reasons why you decided to run that route now? You could have done that earlier. Why have you decided to do that now?

**Warwick Negus:** For 22 years, we ran a franchise system with our branches, and there were 114 owner-managed branches. We reviewed the strategy earlier in 2024, to see whether this could be part of our future.

The reason for converting, principally, and to the answer that I gave Paul as well, we're in a very competitive environment. We have a number of very large competitors that are making it difficult for us to lend money in mortgages at profitable rates. At the same time, we are building a digital capability, and migrating customers out of our legacy banking environment, into the digital environment, where, as I said before, it's a lower cost to serve, and it's a better outcome for our customers.

That's where the strategy is taking us. I'm not talking about the business bank at this point in time; I'm talking about our retail banking operations. With corporate-owned branches, we can align much better with our strategy, and it will allow us to more directly look after the customers that want a physical presence with us. For those customers who are happy in the digital environment, they're getting a better outcome as well.

So there was a whole bunch of reasons that led to this. It wasn't specifically just a branch decision; it was about where the strategy of the bank is, how we can deliver better returns over time. I think you're right, it's a brave decision, because this organisation had gone with the franchise system for 22 years. I think Patrick's going to add a point as well.

**Patrick Allaway:** Thank you for your question. I think it's really important that we acknowledge the contribution that our owner-managers have made to BOQ over the last 20 years, so I did want to publicly acknowledge that. Also I wanted to acknowledge that it's a very difficult decision for them to make this change.

I think, in addition to the comments that Warwick's made, you obviously raised the compliance issues associated with that, and the franchise model is far more complicated in the increased regulatory environment that we're in, to achieve the compliance that we need. But I think, also, what's really, really important is this is a really big growth opportunity for us.

We're actually looking to grow in growth corridors in Queensland. Under the current structure, we can't invest bankers in those branches to do that. When we own the branches, we will actually be able to invest bankers in key regions within Queensland, to continue to grow our business as well. So I just wanted to add that to Warwick's statement.

**Warwick Negus:** Thanks, Patrick.

**Craig Caulfield: (Shareholder)** Thank you. Just one further question on the back of that. Considering your move to digital, is one thing, and owner-operated branches, is it your intention to close branches that you're taking back? What's your branch projections over the next five years?

**Warwick Negus:** What we have said publicly is there will be some branch rationalisation, particularly where we have multiple branches in regional locations where it just isn't feasible for us to have two or three. So there will be some rationalisation. We have announced that. But there's not an intention to have a wholesale closing of the branch network.

**Craig Caulfield: (Shareholder)** So you'll largely keep most of the branches there, keep most of the region serviced, albeit a region might have multiple branches?

**Warwick Negus:** Look, I think we're most influenced by our customer preferences. If the customers are telling us that they want an online relationship with us, then we will respond to that. 99% of our transactions are done online now, and so the frequency of visitation to branches has declined for a lot of

years. I think the major determinant of what we do in the next five years will be what the preference is of our customers.

**Craig Caulfield: (Shareholder)** I would just comment on the 99% coming from the ABA. I do know that that excludes certain measurements. I've been into bank branches, and I've joined queues, where it takes a long time to see someone.

So when I think of I'm in a queue, and all of the banks are saying we're going digital, what is not included in those figures, what's a misleading omission is the people that go into a branch to say, I'd like to report a scam. I've got a question about my cheque account. I'd like to open an account up. They're not included. Looking at purely transactions is not the best method to look at the viability of branches versus digital. Thank you.

**Warwick Negus:** Thanks, Craig.

**Moderator:** Mr Chairman, introducing shareholder Paul Blackmore.

**Warwick Negus:** Paul, good morning.

**Paul Blackmore: (Finance Sector Union, Representative)** Good morning. Paul Blackmore from the Finance Sector Union. We represent bank workers across Australia, including at BOQ Group in owner-managed branches and in the corporate environment. My first question is about them.

After your sudden decision to take over the owner-managed branches, workers have had to contend with this uncertainty as to their continued employment, and had continued questions from BOQ customers as to whether their branches will remain open.

Since then, as you've outlined earlier, you undertook a process, calling on expressions of interest from staff at those owner-managed branches, to transition across to BOQ corporate branches, with formal offers made to staff in recent weeks.

What BOQ failed to do was to advise staff that if they didn't do this expression of interest process, they wouldn't retain their employment. So the outcome of this process is that BOQ has not retained all of the owner-managed staff. I think the approximation is about 580 of the 785 impacted staff will transition into roles within BOQ corporate. That leaves about 200 staff that haven't been offered roles, and they're not technically, a lot of them, entitled to redundancy payments because their owner-managers employ less than 15 people.

My questions are this. Why has the bank chosen not to guarantee the jobs of all of those employees across the owner-managed branches through this takeover into corporate control? The follow-up question to it is, is it a part of a sneaky strategy, to avoid paying redundancy payments to workers by picking and choosing the ones that you want to keep, prior to the transfer of the branches coming into corporate control?

**Warwick Negus:** Paul, thank you for the question. As you rightly pointed out, once we announced that we were converting the franchises back to corporate ownership, we did conduct an expression of interest amongst our staff, amongst the employees of the owner-managed branches.

We were reasonably confident that all employees knew that there was an expression of interest, and if they were interested in employment with the bank, then they would need to apply. Having said that, if there are employees out there who feel that they have missed out, then they are most welcome to apply to the bank and come – we can refer them straight to the respective state manager.

I don't agree that people have been deliberately left out. There are also, in the 200 that you mentioned, there are plenty that don't want to come and work for BOQ, and have made an active choice not to make an application, and we do know that for a fact. I think, on those numbers, that's kind of where we are.

If anyone has been left out, they now know that if they think that they've missed out on the expression of interest, they can certainly come back to us. It was not a deliberate strategy to avoid paying redundancy benefits. These people are employees of the owner-managers. They are not actually employees of ours.

In coming across to the Bank of Queensland as employees, obviously, we will restore their benefits. For those who are not coming, who don't want to come, or in locations, or whose capabilities, experience are not in line with what we want, then the responsibility is with the owner-managers themselves.

**Paul Blackmore: (Finance Sector Union, Representative)** I've just got a follow-up question. It's similar to the gentleman's questions around the bank branch closures. Through this expression of interest process, we've identified, through discussions with our members, some branches which we believe haven't had anyone redeployed to, yet there's been no announcement that they're going to be closed.

I want to test your response earlier about the closure of the owner-managed branches. I'm a little bit confused. You said in August, you were going to transfer all 114. We know of two so far that have closed, being I think Werribee and Tamworth. That leaves 112. I'm aware of maybe half a dozen, so far, which haven't had people redeployed into them through this expression of interest process. What is the plan, come March 25, with those branches that don't have staff attached to them? Are you closing them?

**Warwick Negus:** Like I said before, there will be a rationalisation, and we have announced that already, that there will be branches that are located in proximity to other branches, especially in urban areas, then there will be that rationalisation. We will endeavour to employ as many employees of the owner-managed branches as we can. But there are going to be owner-managed branches and owner-managers themselves who do not want to continue operating a business, and it may be more relevant in some of those locations to not continue. I think Tamworth is a good example.

**Paul Blackmore: (Finance Sector Union, Representative)** I'm just going to go to the point you made earlier about people making the decision not to stay with BOQ. They've only come to that decision because you've forced the choice on them.

**Warwick Negus:** I don't necessarily agree with that.



**Paul Blackmore: (Finance Sector Union, Representative)** You've decided to take over...

**Warwick Negus:** I'll let Patrick answer in some additional detail.

**Patrick Allaway:** I'll make a couple of comments. First of all, as Warwick said, we are making decisions around our branch structure to align it with our strategy. Where we do not have a branch, we are looking to provide opportunities for people in other areas as well. So it's not necessarily the case that if we make a decision to consolidate branches that there wouldn't be a role for people.

But I think what's really, really important is that we are making really difficult decisions about our operating model to make sure that we've got a sustainable future for our customers, for our people, and our shareholders.

That will require us, in the current operating environment, to consolidate our network, to align better with the way our customers wish to be served. It does mean that there will be some consolidation, and there may be roles for some people that are not available. They are really, really difficult decisions. We understand that.

But we're being very transparent about what we're doing, and we've made a very clear statement to the market in August, and we will continue to work closely with our owner-managers and their employees to provide opportunities for them.

**Paul Blackmore: (Finance Sector Union, Representative)** Thank you. I'll give someone else another opportunity now.

**Warwick Negus:** Thanks, Paul.

**Moderator:** Thank you, Mr Chair. Introducing shareholder, Michael Sanderson.

**Warwick Negus:** Welcome, Michael.

**Michael Sanderson: (Shareholder)** Thank you very much. Just a bit of housekeeping to start with. I'd like to point out section 250S of the Corporations Act. It relates to questions and comments by members on the Company management at an AGM.

The Chair of the AGM must allow a reasonable opportunity for members as a whole at the meeting to ask questions about or make comments on management of the Company. Item (2) of that, it is an offence, based on subsection (1), is an offence of strict liability. To define a definition of strict liability, you've got to go to 6.1 of the Criminal Code, so it must be pretty serious.

One comment I'd like to make, the amount of text allowed on online questions is rather restrictive. Now, it's virtually twice the size of a Tweet. I believe that is, I would consider, an unreasonable thing. Anyway, that's a comment. It's just...

**Warwick Negus:** Thank you.

**Michael Sanderson: (Shareholder)** My first question, I've been asked by Mr Krepp, who was here last...

**Warwick Negus:** Selwyn?

**Michael Sanderson: (Shareholder)** Yes, Selwyn. Unfortunately, he can't be here today due to extreme stress over many, many years on his bank-related matters. He's suffered from coronary heart disease, and was subject to open-heart surgery. He's currently in hospital, and wasn't able to participate online. So he's asked me to ask his question on his behalf.

Mr Krepp thanks BOQ for its engagement regarding his question asked at the last AGM. However, an impasse was reached when BOQ officers deflected, and would not answer his questions regarding the charging of costs to consumers whilst in complaint/dispute.

When a matter is active in the court, clearly, there is an active dispute. To clarify, section 35.1(a) and 36(a) of the Code of Banking Practice 2004 that specifies disputes must be free of charge. For further clarification, the Code Compliance Monitoring Committee Bulletin No. 8 states – and I quote – from the date notified of the complaint, no legal costs may be charged to the customer relating to the resolution of the complaint/dispute. That's a direct quote.

It would seem that BOQ officers Kristy Rowe and Jessica Smith cannot or are unable to answer the question. Both Mr Negus and Mr Allaway were cc'd to the conversation. Mr Krepp's question is, can they confirm that it is a breach of the Code to charge any legal costs to a consumer whilst there is an ongoing complaint/dispute?

**Warwick Negus:** Michael, thank you for the question. I'm sorry to hear that Selwyn is unwell. I have been following the communication between us and him as that has played out since the last AGM. Obviously, we're not going to discuss his personal matter, but we have answered his question.

**Michael Sanderson: (Shareholder)** No, there's nothing personal. It's just an interpretation of the Code.

**Warwick Negus:** We have responded to his question. I actually think we've responded to his question five times now, and we think we have actually answered his question.

**Michael Sanderson: (Shareholder)** Well, can you put on the record here – I'll repeat the question again because it hasn't been answered. I've been privy to the email. Can you confirm that it is a breach of the Code to charge any legal costs to a consumer whilst there is an ongoing complaint/dispute? It's a simple yes or no.

**Warwick Negus:** We'll note the question.

**Michael Sanderson: (Shareholder)** No, no, no, no. We want an answer – an answer, please.

**Warwick Negus:** You're reading something from the Code to me. I'm happy to talk to you about it...

**Michael Sanderson: (Shareholder)** I have hard copies here I'm quite...

**Warwick Negus:** ...and we have answered Selwyn's question. Selwyn knows that we've answered his question.

**Michael Sanderson: (Shareholder)** No, he doesn't. That's why he's asked me to ask the question. This is not reasonable.

**Warwick Negus:** We have answered his question, Michael.

**Michael Sanderson: (Shareholder)** No, you haven't. Anyway, a quick question, and my second one, relates to scams. I can't find anything in the report. What percentage of scams are digital, and what percentage are non-digital?

**Warwick Negus:** That's a good question.

**Patrick Allaway:** Thank you, Michael. I don't have the answer to that question offhand, but we'll take it offline, and we will respond to you, and get you some feedback on that.

**Michael Sanderson: (Shareholder)** Might I suggest that the vast majority are digital?

**Patrick Allaway:** I think that's obvious. Certainly, there are a number of bad actors out there and, as technology has advanced, they're using very sophisticated ways to do that. But I would say, on our digital bank, our customers are more protected than they are on our heritage bank. So, we have advanced technologies on digital bank that are providing greater protections for customers. But I will get you the information.

**Michael Sanderson: (Shareholder)** It would be logical to suggest that face-to-face banking is a lot safer than digital?

**Warwick Negus:** I'm not sure that that's right.

**Patrick Allaway:** As Warwick said, 99% of transactions in Australia are digital.

**Michael Sanderson: (Shareholder)** That's not the question.

**Patrick Allaway:** Look, you have an opinion.

**Michael Sanderson: (Shareholder)** I'm asking a question.

**Patrick Allaway:** What I'm telling you is that our customers are safer on our digital banking platform because of the technology that we have on that platform.

**Michael Sanderson: (Shareholder)** Okay.

**Patrick Allaway:** Thank you.

**Warwick Negus:** To number 2, please.

**Moderator:** Introducing Peter Starr, proxy holder and shareholder, Mr Chair.

**Warwick Negus:** Go ahead, Peter.

**Peter Starr: (Shareholder)** Good morning, Warwick, and good morning, Patrick. First of all, good morning, ladies and gentlemen, and to you, the shareholders. It's really important that you're here. I'd like

to ask – if you have questions, and you're not sure how to ask the question, I'm happy to ask on your behalf or, by all means, please come and ask the questions. It's really important. It's your opportunity, folks.

For those who don't know me, my name's Peter Starr. Warwick, I've got more than two cards. I've got proxy holder cards, my own personal listing, and my corporate listing. That's fine. First question is, I want to know, did we participate in the government bonds like Commonwealth Bank, ANZ, NAB? That's the first question. Did we have a share of that pie, the bonds that the government were doing? You're aware of what I'm...

**Warwick Negus:** You mean, did we participate in the issuance of bonds by the RBA?

**Peter Starr: (Shareholder)** Yes, correct.

**Warwick Negus:** No. We don't have a capital markets business.

**Patrick Allaway:** Peter, we buy government bonds, but we do not issue government bonds.

**Peter Starr: (Shareholder)** Secondly, following up from that, do we have, within our Bank, a dealers room or a settlement room?

**Patrick Allaway:** Yes, we do. In Brisbane, we have a separate room where our financial markets team sit, and we have one in Sydney as well.

**Peter Starr: (Shareholder)** To follow up from that, could I at least get some clarification that we haven't got the issues that we've seen out of the debacle from ANZ, and what the hell was going on in the dealers room, sex, drugs, and rock and roll? I want some clarification that within BOQ, in our settlement or dealers rooms, that everything is A-okay, and everything is fine and above board. That's the first question.

**Warwick Negus:** I can confirm that that's not a type of business that we conduct. So, no, it would not have happened at BOQ.

**Peter Starr: (Shareholder)** Well, I'm very grateful to hear that, Warwick, on behalf of the shareholders that I represent.

**Warwick Negus:** No sex and drugs and rock and roll at BOQ.

**Peter Starr: (Shareholder)** I'm very happy to hear it.

**Warwick Negus:** Maybe rock and roll.

**Peter Starr: (Shareholder)** Point taken. Coming back to this decision now that the Board has taken, for 22 years, the franchise model has served BOQ, and have always had the corporate alongside it. For the benefit of ladies and gentlemen in the room, I've brought a number of my clients to BOQ, and Mr Allaway is aware of that. Obviously, I'm fielding a lot of questions and heat about exactly what's going on.

One of the main things here is that if you've had a model that served the bank well, and created profit and dividends that the mum and dad shareholders behind me have had, all of a sudden, we've decided to

change that. It's caused a lot of upheaval, because I've fielded direct questions – without naming names, as Mr Allaway would say to me.

But if we could just have a little bit more clarification about this, because you're saying some of the banks you've settled – I can understand if we're going to merge banks where we've got two in the same town, I understand all that, and have one.

My concern here is that what about in parts of, like, Western Australia, or what about parts in South Australia? Obviously, in Queensland, we're very strong, and that's fine and good. I have no issue with any of that. But the franchise model brought good profit, and that was able to pay good dividends to the shareholders.

Now, I'm not going to talk about the share price right now, but I am later. The rationale behind this, and how the people within the branches – I think was raised by Paul – is of a concern to me as well, I can assure you, because I've fielded a lot of questions and a lot of personal stories. I'm sure Mr Allaway can testify, I wear my heart on my sleeve, and I'm not afraid to ask the questions.

If we could just get a little bit more clarification about this, because the concern I have is, where we have a presence in Western Australia, so suddenly we'll have no presence in Western Australia, or if we have a presence – the presence in South Australia, we won't have a presence anymore. That concerns me, so if we could have some feedback on that, I'd really appreciate that.

**Warwick Negus:** Let me answer part of it, and Patrick can offer some additional detail. We have had customer enquiry as to how they will be affected upon the conversion to corporate ownership of the branches. So, for a very large number, the branches will continue to exist.

In fact, with owner-managed branch staff coming to work for BOQ, they'll be the same faces doing the same things in most of those branches. So, for the customers, and particularly the customers who do go into those particular branches, they will not see a difference. So we've been able to give our customers a reassurance.

For a large number of customers, migrating to a digital capability is really where they're telling us they want to be. The visitation to branches has decreased dramatically in the last decade, and we've experienced that as well. Giving our customers better functionality, better online functionality, able to solve problems such as changing PIN numbers, opening accounts, closing accounts online, they're telling us that that's what they really want.

With the launch of a digital mortgage, they're able to either use a broker or do direct, do online, to apply for a mortgage. These are the things that, to remain competitive in a marketplace with big banks, these are the things that our customers are telling us that they want from us. Maybe I'll pass to Patrick.

**Patrick Allaway:** Peter, thank you for your question. Also, thank you for the referral business that you've referred to BOQ through our network. I do know that you know a number of our owner-managers, and we do appreciate the support that you've given to BOQ through that referral business.

Look, I just wanted to make a couple of comments. First of all, this is a really big change for our owner-manager network, and I think we want to acknowledge that. It's a model that has served us very well, as Warwick said, for 22 years.

I think, as we look at the future state of banking, and where we are, and what's most important that we can ensure that we've got a sustainable bank to continue to service our customers, to employ our people, and to provide returns for our shareholders. It's a model that's not sustainable for us today, and that's a function of a number of things.

We've seen the largest margin compression that we've seen in banking history over the last 18 months. That channel is the most expensive channel for us to distribute to customers. We want to align that channel to service our customers the way they wish to be served. We will have a presence in Western Australia. We are going to have a presence in South Australia.

We acknowledge that this is a very difficult decision for our owner-managers. The majority of our owner-managers will end up working for BOQ, and the vast majority of their people will end up working for BOQ. We think it's a better model to sustain the future of BOQ going forward. At the same time, we're going to work very closely with those impacted, to ensure a smooth transition, both for the people involved but also our customers.

**Peter Starr: (Shareholder)** I thank you for the answer there, Patrick, because I just wanted to share personally with you guys, and with the rest of the room, I have fielded thousands and thousands of phone calls and messages since this was announced, and you know that for a fact. So I'll hold you to those words, as you well know, having a lot to do with the Royal Commission.

For those in the room, ladies and gentlemen, Mr Craig Caulfield had a lot to do with the Banking Royal Commission too, and has since had a thing about model litigant – banks adopt model litigant principles for disputes with customers. So I thank you how you've answered that.

I just want to really reiterate here that it is so important because there are so many good owner-managers who have served BOQ and have brought, you know, customers come to them. I have a customer in Western Australia who's in the Defence Force, and BOQ looked after them, no issue, especially the owner-manager – especially the owner-manager.

**Patrick Allaway:** We'll continue to look after them, Peter.

**Peter Starr: (Shareholder)** All right. Thank you.

**Warwick Negus:** Thanks, Peter. I'm going to move to some online questions now, through [Jess].

**Operator:** Thank you, Chair. The first two questions are also related to branches. The first question is from Henryk Kay. With relation to branches, rather than close them, why not relocate them?

**Warwick Negus:** Is there a second question on branches from the same shareholder?

**Operator:** A different shareholder. The second question is from Ronald James Guy. It says, many banks have been closing down regional outlets. Is there an opportunity for BOQ to provide services in the regional areas where internet and digital communication is not always possible or reliable? Sometimes face-to-face contact is important, and highlights the problem of large distances. If you look at the recent outage in Broken Hill, face-to-face and cash are king.

**Warwick Negus:** On the relocation opportunity, we have looked to be in the best possible locations for this Bank, relative to customers, relative to our competitors. I think relocation is always an opportunity for us, and we'll continue to look at those.

On the second question on branches, we recognise that we need to be there to look after clients in remote locations. That's something that we discuss not only with our customers but also with our regulators, and take that responsibility very seriously. As we go through this process, having an ear and an eye to the needs of our remote customers and our more vulnerable customers, and them wanting to have a physical contact with us, will be definitely part of the way our thinking evolves.

**Operator:** Thank you, Chair. The next question is regarding arms transfers and conflict in the Middle East. It comes from Ronald James Guy. Is there any risk in regard to investment advice and financial products of BOQ that may include companies in breach of ICC, International Criminal Court, ruling all states must refrain from arms transfers if it is a clear risk that these arms will be used to commit such violations of humanitarian law? For example, Norwegian Pension Fund has divested from Caterpillar and Chevron.

**Warwick Negus:** The answer is, no, there is no risk. We're not an investment company. We don't offer investments like that. We don't have investment products like that. We lend money to our clients. We have restricted lists and restricted country lists, like any bank in Australia. There is no risk that our customers would be affected in any way from something like that.

**Operator:** Thank you, Chair. The final online question for this section is related to BOQ's 150-year anniversary. It comes from Henryk Kay. With this year being a special year, 150 years, how about publishing a book about the bank's history and something on the bank's website? This would help to promote the bank to prospective and existing customers.

**Warwick Negus:** It's a really good idea. We're looking for additional ways to celebrate, to make sure that our customers, our staff, and all the people, all the stakeholders involved with the Bank of Queensland recognise that this is a very significant milestone. Thank you for the suggestion.

**Patrick Allaway:** Warwick, I will say, we have employed someone and commissioned someone to write our history. It's a very colourful history, which is a great opportunity for us to publish something. So we'll take that suggestion on board.

**Moderator:** Mr Chair, reintroducing Spiro Arkouzis.

**Warwick Negus:** Spiro.

**Spiro Arkouzis: (Shareholder)** Mr Chairman, good morning again to our institutional investors, our retail investors, and the Board. On a lighter note, coming back to that comment regarding the history of 150 years, would it be possible that Bank of Queensland could set up a portal where customers over the last 20, 30, 50 years, and maybe longer, could actually send in stories to help on the history, which may be, when one person is mapping it, may be a little difficult. But when you're getting information from all over Australia, that may help with a much better story, much wide-ranging story.

**Warwick Negus:** That's a good suggestion.

**Spiro Arkouzis: (Shareholder)** To my questions. In relation to the outstanding customer service that Bank of Queensland provide, what training and ongoing training to continue and improve that outstanding service? Can you put a bit of light on that, please, Warwick?

**Warwick Negus:** With any of our employees who have direct physical contact, online contact, telephone contact with our customers, they are extensively trained and are constantly updated in the knowledge of products, knowledge of issues that customers may have in certain areas. A lot of the calls are really about facilitating solutions for problems. The training that we give our frontline people is extensive.

**Spiro Arkouzis: (Shareholder)** Which leads me to the point is, when customers do get in some sort of financial difficulty, how does Bank of Queensland assist – with empathy and understanding, because everybody's circumstances are different – with providing solutions and also a timeframe that is manageable? How is that being improved for the customer? Then that'll lead me into my final point.

**Warwick Negus:** Hardship, I think you're referring – we call it hardship. Customers experience hardship in different ways, through loss of employment. There's no one form of that. First of all, our staff are trained in how to recognise it, and how to engage with those customers, to try and come up with a solution.

There are many solutions, whether it's reprogramming alone, amortising interest, making it longer, trying to do something for that particular customer to come up with a solution for them that recognises the hardship that they're experiencing.

**Spiro Arkouzis: (Shareholder)** Wonderful, wonderful. In relation to legacy issues with customers that are trying to find resolutions, how do we get to the point – because, as shareholders, we are running a business, but, at the same time, those customers are also our marketing tool. We basically don't want to have the repeat of problems coming up and biting us each year.

The idea is to resolve these issues quickly, and find solutions that are proactive, that are mutually beneficial to all, Bank of Queensland as a bank, and also for the customer, because our reputation is vital out there. We don't want that hampered by negative press, because we want to see that share price go north of \$10. So can you give me a bit of light on that, please, Warwick?

**Warwick Negus:** Me too. I think the vast majority of customer issues are resolved in the first instance, whether that's in the branch or on the phone. We're able to resolve problems very quickly. Our aim is to resolve problems as quickly as possible. Sometimes, it's just not always the case. The way we train



people is to try and resolve them as quickly and as conveniently for the customer as we can. I mean, it's hard to speak homogeneously about this because problems are all...

**Spiro Arkouzis: (Shareholder)** I understand.

**Warwick Negus:** There's such a breadth.

**Spiro Arkouzis: (Shareholder)** I was aiming that at legacy issues that are longer than two and five years old. Anyway, that's okay. You've done a great job. Thank you for answering as best as you can those questions, so thank you.

**Warwick Negus:** Thank you, Spiro. Does Craig have a question over there?

**Moderator:** Mr Chair, reintroducing Craig Caulfield.

**Craig Caulfield: (Shareholder)** Thank you again. Thank you to Peter Starr for mentioning the model litigant principles. I've got a dual aspect here, and if you can consider this in the context of the owner-managers that you're still aiming to purchase and the ones that might be unresolved at the moment. Two things that would assist them. One is, could you just reconfirm that you subscribe to model litigant principles?

I worked with 13 banks, of which 11 – including BOQ and Patrick – agreed to model litigant principles. So I very much appreciated that. When it gets to a legal dispute, the model litigant principles kick in as fairness principles. So that is one I would like you to just confirm.

Secondly, we've seen with some big companies, such as Optus and indeed PricewaterhouseCoopers, that when you're in legal disputes, obtaining documents, et cetera, legal professional privilege is used. Now, in the case of PwC, at the parliamentary inquiry, there was a lot of documents that PwC said, no, we won't provide. They are legal professional privilege. It turned out that two-thirds of those hundreds of documents should have been provided.

If we look at Optus, Optus had legal advice. Their data breach, widespread that affected millions of people. They withheld information. Later, through the Federal Court, they had to provide it. Why I mention it here is, if you're in dispute, and it ties in with model litigant principles, is there's a fairness to providing any documents that are required by both parties. So could you confirm or debate that model litigant principles is on foot...

**Warwick Negus:** Well, I can confirm that.

**Craig Caulfield: (Shareholder)** ...and legal professional privilege...

**Warwick Negus:** I can confirm that, Craig. But we're a bit earlier into this process, you know, the examples that you gave of other companies. We have a notice of dispute from a number of our – from one group of owner-managers, and that's been talked about in the media as well. We are in the process of now engaging meaningfully and openly with each of those representatives or managers themselves

directly. We're not acquiring their businesses; we're converting the franchise agreement. We're ending a franchise agreement, and going back to corporate operations. So we're not exactly buying a business.

**Craig Caulfield: (Shareholder)** That didn't really answer the – I think you answered the model litigant principles, yes, you subscribe and that's on foot.

**Warwick Negus:** The answer was yes to that, yes.

**Craig Caulfield: (Shareholder)** Particularly, that applies to the external lawyers dealing. But the legal professional privilege, will you be fair? Can there be, you know, when – there's going to be some disputes. We're talking to the future. We're not talking now. So that when there's an argument, and they require some documents, that you will look at that on a fair basis. There are some documents that you – are available...

**Warwick Negus:** The answer is, yes, absolutely, yes.

**Craig Caulfield: (Shareholder)** Thank you.

**Warwick Negus:** Okay. Back to Paul. Do you have a – over here, sorry.

**Moderator:** Thank you, Mr Chair. Introducing proxy holder and shareholder, Noel Ambler from ASA.

**Warwick Negus:** Hi, Noel.

**Noel Ambler: (Australian Shareholders' Association, Representative)** Good morning. Very simple question. As you're now well into the different arrangements, what's your net promoter score?

**Warwick Negus:** For which part of the business?

**Noel Ambler: (Australian Shareholders' Association, Representative)** Well, let's just go to the major part of the business rather than the digital banking, just the overall net promoter score, which really reflects on how the public are relating to your moves.

**Warwick Negus:** I'm not sure that we've tested the net promoter score in the aftermath of actually announcing a conversion. The net promoter score is affected by lots of things. I think the conversion of the owner-manager branches hasn't actually resulted in any change or change to the customer experience at all at this point in time. So I'm not sure that there will be a change in that.

**Noel Ambler: (Australian Shareholders' Association, Representative)** We'll wait with bated breath.

**Warwick Negus:** Patrick?

**Patrick Allaway:** Maybe I can answer your question. At the full year results, we did announce that our net promoter score for myBOQ was 25, and for our legacy bank was 12. There's been no update since the full year results were announced in October.

**Noel Ambler: (Australian Shareholders' Association, Representative)** We'll wait upon the next one.

**Moderator:** Re-introducing Paul Blackmore, proxy holder for the FSU.

**Warwick Negus:** Yes, Paul.

**Paul Blackmore: (Finance Sector Union, Representative)** I've got a question about staff in BOQ corporate, so moving away from my previous questions on owner-manager branches. Over the past two financial years, BOQ has cut up to 600 jobs across BOQ corporate from its workforce, so about between 10% to 20% of total workforce.

It's caused great uncertainty and concern across the workforce, coupled with the changes we're seeing in the owner-manage branch environment as well. So many workers have got a concern about their ongoing job security. What assurances can you provide to your staff that remain that their jobs are safe and they won't be next on the chopping block?

**Warwick Negus:** What we're trying to do is to be open and transparent with our employees on the direction of the Company. I go back to my original comments about a digital capability for the Bank of Queensland, and the migration of our customers into that environment. We are continuing to invest in people and new capabilities within the Organisation.

There has been significant change. We don't offer guarantees. No company offers a guarantee. But as the Company evolves, and we further develop our digital capabilities, then there are new opportunities for our corporate employees.

**Paul Blackmore: (Finance Sector Union, Representative)** You've spoken about digital capabilities. I actually haven't heard anyone talk about artificial intelligence today. What is BOQ's plan around the implementation of AI?

**Warwick Negus:** We are using artificial intelligence in a number of areas. We ran a pilot project with Copilot, Microsoft Copilot, with about 300 employees. The initial results of that showed productivity improvements of between 20% and 50%. So there are areas that we can use AI in terms of productivity internally, better response rates to customers, better products. There's lots of areas, but we have to recognise we're not an enormous organisation and we can't invest enormous amounts in AI. But we're adopting AI either directly in some of those other areas that I mentioned, or indirectly through the service providers that we're working with, like the Microsoft's of this world.

**Paul Blackmore: (Finance Sector Union, Representative)** We're keen to work with employers because we see that productivity benefit and we want to see that returned back into our member's hands. Is that something that you'd commit to is engaging with the FSU about your adoption of AI as it relates to the impact on workers?

**Warwick Negus:** We always commit to being open and working with you.

**Paul Blackmore: (Finance Sector Union, Representative)** I'm pleased to hear that. I just have one final comment, it's about the 150-year history book. If at the end it said, and they guaranteed all the branches would remain open and no jobs were cut, it's a book I'd read. Thanks.

**Warwick Negus:** Thank you.

**Moderator:** Mr Chair, reintroducing Peter Starr.

**Warwick Negus:** Peter.

**Peter Starr:** Thank you, Warwick. Just in light of the – you might want to give a comment – digital environment does not lead to customer service excellence and customer loyalty.

**Warwick Negus:** Would you like me to comment on that?

**Peter Starr:** I would, thank you.

**Warwick Negus:** You're right, that's a blanket statement. When we talk about, and Patrick talked about the NPS, the net promoter scores for our myBOQ versus the legacy system, and the myBOQ was a better net promoter score. What it does is that it allows us to deliver products with more capability, that are easier to access, easier to open, to close, to make adjustments, to make payments, and you can incorporate that into your everyday living.

So I think we're also trying to be competitive as well, and our competitors are also offering similar sorts of products. So we're showing so far that the experience of our customers is a better experience, and they appreciate being able to solve problems themselves, either through the actual online capability itself, through things like [chatbots] et cetera. So the functionality that we provide is far greater for our customers in an online environment.

**Peter Starr:** So just a follow-up from that, I take it that if you've got the customers using the digital, but then you've got other customers who want to come to the branch, and I happen to be in that category where I prefer my clients to go into a branch. But we are all doing digital, to be fair to everyone in the room. The feedback I have from my clients is it is a much better experience when they sit down and talk face-to-face with somebody and I can only give you that honest feedback, I can't make it up, that's the feedback I get.

**Warwick Negus:** Thank you.

**Peter Starr:** One other question, when we had Mr George Fraser there and this brilliant idea, let's purchase ME Bank, and we purchased it and I'd just like someone to try and tell me has that been such a great purchase. Because from where I sit in the chair, I don't see it has been a great benefit to BOQ. It might have been a great benefit to ME Bank, but it wasn't a great benefit to BOQ and BOQ shareholders. I say this because I had a front row view when Westpac and the St George, and what they've done now is put Westpac and St George together, which the feedback in general there has been really good, so Westpac you go in and St George where they've got the branches together, a lot of the feedback there is so positive.

So can you guys try to explain to not just me but the rest of the shareholders in the room, what's the plan now for ME Bank now that we brought it at I believe was a higher multiple in earnings than we should've paid, and where's that going to sit, please.

**Warwick Negus:** So Peter, the original assumptions on the synergies that were available to us on the acquisition have been captured and those benefits, we have enjoyed those benefits that were the original assumptions. The second thing that I would add to that is the scale that it has given us, particularly in mortgages, has allowed us to invest in new capability that as a smaller bank, BOQ on its own, may not have been able to do.

Then the final point is that the pockets of excellence that existed within the employees at ME Bank, we don't really talk about them as being ME Bank employees, the BOQ employees, the pockets of excellence have been able to share that expertise right across the network. So maybe it's too early to tell, but there are a range of benefits that we enjoy now as a much larger entity. Patrick has some additional points.

**Patrick Allaway:** So Peter, thank you for your question. I think there's just a couple of reflections as well. There was very little overlap in the customer base from ME, so we've added close to 450,000 customers from ME to BOQ. I think the key benefits for us is it's a broker channel and it is the only growth channel on our mortgage portfolio at the moment across all of our channels. So you are seeing BOQ able, through the ME brand, and through the ME broker channel, to grow its mortgage portfolio. You're not seeing that on the BOQ brand and the VMA brand at the moment.

So that diversification has given us the opportunity to grow in a very difficult market. I think the other thing that we've said is that ME will be the first brand that we will actually decommission and migrate all of our customers off the legacy ME platform onto our digital platform. So that will be a material proof point of a pure end-to-end digital bank. ME never had any branches, and so we will have one of the largest digital banks at scale in Australia with a great proof point for our future state.

So we're excited about the prospects that's bringing us, but it also gives us a diversification in our portfolio as well.

**Peter Starr:** Just one quick follow up on that. Obviously a lot of the customer now, we've got banks getting rid of ATMs, because some years ago during the Royal Commission it talked about well if you use your Commonwealth bank card in a Westpac you're charged \$2.50 or \$2.80, and all the four big majors thought let's fix this, we'll give it to this issue where we won't charge. I'm sure everyone in the room knows, if you use your card at Commonwealth and you go to an ANZ, NAB or Westpac, you're not charged a fee.

But what's happening now with your machines is that - if you could explain - because the concern not just for me but for the general mum and dad, people who are shareholders and audience and customers, is what machines we can use without getting a fee, first up, and if they're private machines can you name those machines?

**Patrick Allaway:** So Peter, there are varying fees across different banks. I can't tell you which machines across Australia charge you which fees, but I'm sure we would have someone within our organisation that could do that, so I'll come back and respond to that question.

**Peter Starr:** I would appreciate if we could publish that because I think it's really important, because I think it's unfair for BOQ customers. I know we used to be able – I think it was the RediBank where we weren't charged a fee. So I just think it's important for the BOQ customers to need to access. I know we do have some BOQ machines, so you don't pay the fee, but if you could come back on that, that would be really great, thank you.

**Patrick Allaway:** Thanks Peter.

**Warwick Negus:** Thanks Peter.

**Moderator:** Mr Chair, introducing Kieran Barlash, proxy holder and shareholder.

**Warwick Negus:** Thank you, welcome.

**Kieren Barlash: (Shareholder)** Morning to the Board. I just have one observation to make and then I have a question after that. The franchise branches that have been in existence with BOQ inherently, in my opinion, it is a risk with the additional legislation that's coming out, and regulation that's coming out. One classic example will be the anti-money laundering and AUSTRAC as we all have been particularly strong on that. So I think it was a no-brainer to get rid of that to reduce the inherent risk with the bank.

On another point that I've got, with the recent employment legislation coming out, it is a fact that labour productivity has gone down quite significantly. In what way is the Group undertaking to ensure that we remain competitive and perhaps exceed those relative to the other banks.

**Warwick Negus:** It's a good question, thank you. Productivity has been something that we've given a great deal of thought to. Patrick mentioned in his speech, the opportunity to decommission legacy components of the bank, and those legacy components are reasonably labour intensive, and create operational risk for an organisation like ours. I know I've talked about the digital solution as being a solution, but the digital solution is less labour intensive and helps us to manage things like operational risk much more effectively.

So there will be a productivity benefit for us in the future and a lower cost to serve, as we migrate our customers into that more modern environment. So productivity should go up significantly in the future.

**Moderator:** Thank you Chair, reintroducing shareholder Michael Sanderson.

**Warwick Negus:** Thanks Michael.

**Michael Sanderson: (Shareholder)** Two quick questions. There was only one mention of ATMs in the annual report, PwC's assurance statement on sustainability report states BOQ have 258 ATMs. Is it BOQ's intention to get rid of ATMs? Is it BOQ plan to go full digital and cashless?

**Warwick Negus:** There is no intention to go cashless, none whatsoever, and ensuring that our customers have access to cash, either through our networks or through relationship networks is definitely part of the thinking. So we're not going to make it more difficult for our customers to access cash.

**Michael Sanderson: (Shareholder)** Are you getting rid of BOQ ATMs?

**Warwick Negus:** We don't have a current plan to get rid of our BOQ ATMs.

**Michael Sanderson: (Shareholder)** Second question, it was reported recently in order to transform culture, BOQ is cutting bonuses to junior staffers, this would mean senior bankers and executives will draw from a bigger pool, to introduce greater consistency with market practice, this is a quote. Is this not management and executive greed and hypocrisy? Due to the APRA and AUSTRAC and other failures, why aren't bonuses to senior staff and executives being cut, or even eliminated?

**Warwick Negus:** So I think there were two things there that you were asking about. One was cutting bonuses to...

**Michael Sanderson: (Shareholder)** Junior, cutting bonuses to junior staff.

**Warwick Negus:** Yes, and so we have done that for levels one through four, and the bonuses for the senior staff are positioned as incentives to deliver on things like the transformation, and all of the things that I've talked about today, the migration, the decommissioning of systems, et cetera. We found that for the junior staff they're not directly involved in some of those things, and by cutting the bonus we have replaced that with a 2.5% permanent increase which is roughly equivalent to where their bonuses were previously. So we've incorporated that into their fixed remuneration with effect from January, and they've been notified of that.

**Michael Sanderson: (Shareholder)** Based on past failures of management and executives due to APRA, AUSTRAC and others, why aren't...

**Warwick Negus:** We did do that last year, and if you recall the remuneration report last year contained all of the measures that we had undertaken as a result of the poor risk outcomes of the organisation. It also resulted in changes to a number of senior executives as well.

**Michael Sanderson: (Shareholder)** I just find it difficult in this day and age that people just can't work for a salary and do a good job, why they need a bonus to – anyway, that's my two questions in this block, I've got four more to go, be warned.

**Warwick Negus:** Okay, I look forward to it.

**Moderator:** Mr Chair, introducing a shareholder, Rad Piljik.

**Rad Piljik: (Shareholder)** Good morning gentlemen, and everyone.

**Warwick Negus:** Welcome.

**Rad Piljik: (Shareholder)** My question basically is not just related to Bank of Queensland, it's just the banking industry. I find it very difficult with people coming up, there's a lot of people willingly participating in the digital atmosphere. What I believe is causing the rise in participation factor is more people being corralled through duress and also through the closure of banks. Sorry, I don't normally like speaking – but the true indication is does anyone follow this data and find out how many people participate after hours, after 5:00pm, because that would be a true indication of people actually voluntarily using the digital environment.

**Warwick Negus:** It's a good question. I don't know what proportion of our transactions would occur outside of banking hours, I don't know.

**Patrick Allaway:** I haven't got that number with me.

**Rad Piljik: (Shareholder)** No, I didn't expect it, but I'm just saying from my, because I'm a person who tries to keep his digital footprint to a minimum, because I don't find this technology safe, it's more like in a share market terminal, most of the security is like a lagging indicator. Usually the security comes after something happens. The other question I want to know is, I used to work in the technology area, and I find that this technology is unique. Usually when you introduce a new form of technology, you try to gain internal efficiency and profiteer from internally.

But with this technology, you people are relying on my equipment for a portion of your profit. My internet, my ISP and that, and no previous technology ever used that, relied on it. So I should charge you a leasing fee.

**Warwick Negus:** I don't actually hear a question there. It sounded like more of a comment. You and I talked about technology last year as well.

**Rad Piljik: (Shareholder)** I think I may have, yes. So I find that, you know, those figures are a bit dodgy. The other question I want to know, the bank says if you get caught up with scammers, ring up straight away. All the websites, most of the telephones are missing. There's no hope of ever blocking anything if you have been scammed.

**Warwick Negus:** Well, we try to make it obvious how to contact us directly in the event of a scam. So we have scam hotlines and all sorts of things.

**Rad Piljik: (Shareholder)** So you get on straight away, do you reckon?

**Warwick Negus:** Well, I hope so. Yes, I hope you don't get scammed for starters.

**Rad Piljik: (Shareholder)** No, well, I won't because I live at my banking through the digital world. I rarely do anything on a bank, on the digital part.

**Warwick Negus:** Thank you.

**Moderator:** Thank you, Mr Chair. Reintroducing Paul Donohue from ASA.



**Paul Donohue: (Australian Shareholders' Association, Representative)** I've got another technology-related question. We're in the fourth year of BOQ's ambitious technology transformation. As I understand it, the targets state cloud-based core banking platforms are in place, new digital mortgage solutions being piloted with full-scale use planned for FY25. We've talked a bit about that earlier. But having the platforms in place is not the same as having all your customers and their accounts on new platforms, and you've also touched on the migration.

My question is, what percentage of customers and accounts are using the new platforms, and ideally I'm seeking clear numbers like X% of deposit accounts, Y% of loans, and Z% of customers on the new platform.

**Warwick Negus:** So talking about us specifically, you're right, the target platforms are largely built, and we are in the process now of migrating customers. We're doing them strategically and in a measured and very careful way. And we're a long way through the ME Bank deposit customers in moving to that new environment. So it will take a reasonable amount of time for us to get our customers across there. But what proportion of our existing accounts have moved across, it would probably be...

**Patrick Allaway:** I can answer a question. So at the full year we actually announced 26% of our customers deposits were on the new platform. We've obviously had a significant migration over the last couple months since those results. We're now getting very close to 40% of customers on the new platform. Now that's for deposits, obviously on the asset side of the balance sheet for loans and liabilities, as we roll out the digital mortgage we will start to transfer those customers onto the platform as well.

But we are looking to complete the migration of ME Bank customers at the end of this year and decommission in '26, so that means all me customers in '26 will be off our legacy platforms.

**Paul Donohue: (Australian Shareholders' Association, Representative)** Are the other brands to follow after that?

**Patrick Allaway:** So, we have a pathway for BOQ, we haven't announced to the market as to what the timing of that is, but clearly our objective is we know the experience for customers is far superior on the new platform, so the objective is just to migrate customers as quickly as we can.

**Paul Donohue: (Australian Shareholders' Association, Representative)** So just reiterating the point, it's a long drawn out process and that's understandable, but the risk is there's a reason why you're moving to a new platform, because the old legacy platforms are potentially unstable, expensive to maintain, hard to keep up to date with compliance and regulations. So the longer that transition drags out, the longer you have that additional cost at risk.

**Patrick Allaway:** No, I think that's a really important point, Paul, and we're absolutely aware of that, and we are moving as fast as we can to ensure it's a seamless experience for our customers with no risk.

**Paul Donohue: (Australian Shareholders' Association, Representative)** Thank you.

**Warwick Negus:** Thank you.

**Moderator:** Mr Chair, reintroducing Spiro Arkouzis.

**Warwick Negus:** Spiro.

**Spiro Arkouzis: (Shareholder)** Thank you, Mr Chairman. Just coming back and focusing on the business of Bank of Queensland. Is there a figure in your mind insofar as funding that would be required to gain a pool, as I do have some sort of connections globally in the financial markets, and I would be happy to be a facilitator in those introductions and connections if you were to say, look, we would be happy to gain a pool of \$5 billion, \$10 billion or \$20 billion to lend into the market.

It's only to facilitate the business so that there is consistent revenues that are growing, so that when we're here next year, we are seeing greater than \$6.98 a share. So I'm focused on the business as I have been on customer service and equally on staff culture and training. So is there a figure, if I can ask you Mr Allaway, is there a figure that you'd say, look, we would be delighted to discuss this point after our meeting of the AGM or down the track that could facilitate Bank of Queensland for the future?

**Paul Allaway:** So thank you for your offer and I'd love to talk to you afterwards. So we have about \$80 billion in assets that we fund every year. About \$67 billion of that funding comes from our deposit base, so our shareholders here in the room and our customers around Australia. The rest comes from wholesale funding. The funding that we elect is really based on the cost of that funding because ultimately that drives our margin. So if you have opportunities to introduce us to pools of capital that will provide us with opportunities to optimise our funding, we'd love to speak to you, so thank you.

**Spiro Arkouzis: (Shareholder)** Thank you, Mr Allaway. Thank you, Mr Chairman.

**Warwick Negus:** Thank you.

**Moderator:** Mr Chair, introducing David Tilder, shareholder.

**Warwick Negus:** David.

**David Tilder: (Shareholder)** Good morning. People crave human contact. That's a theme I've seen a lot over the last, say, half hour or so. Now, when ME Bank was a Union bank, I know the organisers that travel around the countryside sometimes, incredible distances, as any Union members would tell you, and Union members would, during lunchtime, go off to a Union meeting and they'd come away with a credit card or a home loan.

You can't go to workplaces now, of course, but has the bank given any consideration when they're closing branches to have circuit bankers going around so that you're in a shopping centre on the first Thursday of every month, or you're in a Town Hall, because they can cover enormous amounts of distance and it gives the bank a face. Digital banking doesn't give the bank a face. Thank you.

**Warwick Negus:** David, mobile bankers are a very important part of how we distribute and it remains an important part. I think for ME Bank it was. ME Bank never had any branches, but was able to distribute through a lot of mechanisms like the ones that you're including. So that remains an important part for us.

**David Tilder: (Shareholder)** Okay, thank you.

**Moderator:** Mr Chair, introducing Aloysius Joseph.

**Warwick Negus:** Welcome.

**Aloysius Joseph: (Shareholder)** Thank you. I've heard a lot of things moving towards digital and things like that. Is there a strategy to manage the risk of quantum computing, and if so, do we believe that the systems in place now are post-quantum ready, as the term is in the industry?

**Warwick Negus:** No, I don't think we have a strategy for quantum computing at this point in time. I would like to think that maybe in future years or generations we are, because it will dramatically speed up the speed of doing everything. But no, we don't have a capability, or I don't know that we have any thinking around quantum computing at this point in time.

**Aloysius Joseph: (Shareholder)** The industry is saying that quantum computing could hit us as soon as three to five years at the earliest, with a projection of 10 to 15. I think it would be something that you as a Board should be thinking about to be ready and agile enough to manage it.

**Warwick Negus:** I think it's an interesting point that you make. We work extensively with some of the big technology companies of the world like Microsoft. My guess is that they will be early adopters of new technologies like that, and will be able to share the benefits of that with companies like us. So we do have strategic relationships that I hope are the gateway to new capabilities in the future.

**Aloysius Joseph: (Shareholder)** Thank you.

**Warwick Negus:** Thank you.

**Moderator:** Mr Chair, re-introducing Peter Starr.

**Warwick Negus:** Peter.

**Peter Starr: (Shareholder)** Technology folks, don't you love it. Thank you. Just following up from what the Australian Shareholders' Association representative, Paul, said in relation to this digital transformation. Now, I'm also aware of how long this has been going on. Maybe for those in the room, the reason this has had to happen, I mean, this never happened under previous CEOs and Chairmen of Bank of Queensland, they never served the shareholders very well at all.

Now, I don't expect anybody up there who's sitting there who knows any of the names, but certainly Mr Sutton, when he was sat in that chair that Mr Allaway is sitting in, did not serve the shareholders here in this room very well at all. Because there was nothing done to the digital platform, it was just left in abeyance and, I mean, the mess that you guys have had to clean up is because of that guy. Now, I can

say it, you might not want to agree with it, but I'm telling you, when I speak and say something, I'm pretty right on the mark. First thing.

So secondly, on this platform now, I know one of my clients is saying, oh Peter, because the home loan I have, they can't, that's one of the issues. So could you just explain that a little bit better, because I don't think it was quite clear when Paul from the ASA was speaking in relation to that. Because I know my own client has said, Peter, there's still this issue, I can't pay my home loan on the old platform and it's got to come over to the new one, when's that going to happen?

I know this is a thing that people are thinking about, the amount that we spent on this to fix this problem, because people in the past who have sat in your two chairs gentlemen had their eyes shut, their ears with fingers in their ears and not listening to what should have been done.

**Patrick Allaway:** Peter, thank you for the question. So your customers should be able to pay their loan off any platform, whether it's the digital or legacy bank. So there's no differentiation from that perspective. They can elect where the direct debit for their home loan comes from. I think what they might be referring to at the moment is the digital platform is savings and transaction accounts at the moment. In time, as we've said, we will migrate all of our lending onto that platform as well.

So ME Bank will be done first, so BOQ will come second. But the intention is for all of their banking to be on the same future state modern digital platform.

**Peter Starr: (Shareholder)** Yes, you are right. It's in relation to that paying of the loan because it's the legacy issue from BOQ, not from ME. I'm not coming from an ME's point of bank here. It's specifically the thing from the BOQ perspective. Again, the money that's been spent now, the people that have sat in your two chairs previous should have done a lot better job.

**Warwick Negus:** Thanks Peter. I think we have one more question on the online platform. I'm just reminding everyone, we still have six more resolutions to get through. Go ahead.

**Moderator:** Thank you, Chair. This question is from Terry Gavin. In regard to your comment that in the purchasing of ME to leverage staff experience and knowledge to assist BOQ, can you explain why these same staff were recently made redundant?

**Warwick Negus:** There were redundancies made that we've been referring to this morning. There were no more redundancies that arose in Melbourne or Sydney or Brisbane. The redundancies that happened in the organisation were right across the network. But I can reiterate that there were pockets of excellence, are pockets of excellence in various areas within the ME Bank office in Melbourne, and that remains the case. One question over there.

**Moderator:** Mr Chair, reintroducing Craig Caulfield.

**Warwick Negus:** Craig.

**Craig Caulfield: (Shareholder)** Oh, thank you. This is for the auditor at your discretion, whether that can be answered there. I'm looking at page 75 in the annual report, and I'm pleased to see some of the subject matter, number of financial difficulties, number of branches, number of ATMs is now audited and listed there. Can that be broken down a little further in terms of complaints? What would be good to see is it gives a percentage, but what is the number of complaints? How many complaints go to the customer advocate? How many of those complaints go to AFCA, and how many complaints end up in court? I have raised this at other AGMs and it would be a good standard to compare banks across the board. So is that possible? That's the first question. Do you want me to ask the second?

**Warwick Negus:** On that one, I think we can look to provide greater detail in the future if that would be helpful.

**Craig Caulfield: (Shareholder)** Yes, that would be good, and I think APRA is looking for that type of detail too, so that would go hand in hand. Thank you very much. The second part of my question is in relation to the loan application files. How many loan application files does the auditor interrogate looking for anomalies, sometimes called liar loans, but it might be where there's a mistake, it might be where the customer is [unclear] figure, it could be where the bank has, or it could be where the broker has.

How many loans are interrogated and how many of those loans that are 90 days in arrears where I think would be leading, how many of those are interrogated by the auditor?

**Warwick Negus:** Thanks Craig. I'm looking to the other Craig. You didn't think you were going to get asked a question, but you've been asked a question, so can we get the microphone to Craig Stafford please? Thank you.

**Craig Stafford:** Thanks Chair and thank you. Thank you for the question. We don't often get asked and so very pleased to be asked. It might help if I preface this with just a bit of context around relative roles and responsibilities here. So to start with, management at the bank is responsible for the preparation and presentation of financial statements and those need to comply with the Corps Act and Australian accounting standards.

The Board then approves those financial reports which includes their fair presentation, and then my role as your auditor is to form an independent opinion on whether those financial statements have in all material respects being prepared in accordance with the Corporations Act and Australian accounting standards. An important piece there is that we're forming an opinion on the financial statements taken as a whole and we don't express any views on individual components of that.

Getting to some specifics of what you've asked though. In our audit opinion, we do give a bit more detail around the work that we've done on certain areas that were more significant to the audit. One of those areas is in provisions for expected credit losses, where we will - I'm not sure we comment specifically on how much testing we have done on arrears information, for example, but we certainly outline a number of

procedures we've done to assess the amount that the bank has set aside for provisions for losses from loans.

So I think that's probably as much as I can give you on specifics on arrears, but certainly it is an area that we look at. When it comes to your question around the extent to which we look at origination documentation, looking for anomalies, we certainly include in our testing approaches a piece where we'll look at what's in the banking systems, what was in the original loan application document, have things flowed through correctly and been captured correctly.

We will also look at the bank's controls to ensure the accuracy of that initial capture. We also consider the bank's activities as they relate to integrity of that information, checks that take place over the course of the initial credit assessments, et cetera, which include consideration of the evidence that's been provided by loan applicants and whether that evidence is supportable. I hope that goes some way to answering your question.

**Craig Caulfield: (Shareholder)** No, it doesn't. If I can come back, I put these questions to NAB and I put it to CBA, and I'll give you their answers. NAB said, we do not interrogate any loan application files, so there's no looking into the loan application files. That came from the chairman at Commonwealth Bank. I asked the same question that I'm asking here and I've asked there, and Matt Comyn answered. My question actually said, do you interrogate at least 10 loan application files through the auditor, and he said, I can assure you we do at least 100.

So I'm looking for you to say, we don't interrogate the loan application files at all, we've got our general overlays that we're looking at, or we do interrogate loan application files. I was extending upon that with saying, look into the 90 days in arrears. A background Craig to that, from Craig to Craig, is that UBS reports that there are \$200 billion of liar loans. It varies year to year, and that is a significant amount that the regulators would be interested in, and I never hear the auditor being questioned over it.

So I think that if I was a Director or if I was on the Board I would want to say auditor, I want you to look at it. Now I'm not sure of the protocols, does it require the Board to ask you to look at it, or are you at liberty to simply say regardless of what the Board wants, I'm going to look into this. So I would like to know more granularly how many you look at, how many loan application files for fraud particularly, or errors. They may be deliberate or they may be inadvertent in one way or another.

**Craig Stafford:** Happy for me to continue?

**Warwick Negus:** Yes.

**Craig Stafford:** I can't off the top of my head give specifics on numbers. We perform an assessment of the risks to material misstatement of the accounts. In considering those risks we include the risk of fraud and we try to assess where in the bank's operations those risks of fraud are most likely to arise. We are certainly very aware of the risk at industry level of misrepresentation at loan application stage. So we obtain an understanding of the banks processes and controls as they relate to that particular risk.

I'd love to, but honestly, I can't give a view on the extent to which we've done work specifically on that point and reported back on that point, because as I say our remit in this context here is simply that we're reporting on whether the financial statements taken as a whole are materially correct. So I can't give you much more detail on that, more than happy to have a chat afterwards around the nature of the work that we do, but we do do work. It's not that we don't touch those origination files, we do work over them.

Our sample sizes are in the hundreds, but that goes to the integrity of the information that's been captured at that front end.

**Craig Caulfield: (Shareholder)** I'm still not really clear. I still think you're talking high level, and when you just said we capture hundreds, do you mean we look at hundreds of loan application files for fraud? I'm still not clear on that. Just to elaborate further, the auditor for the Commonwealth Bank that said, through Matt Comyn, yes, it's at least 100 files that we individually look at the loan application files. Is your company PricewaterhouseCoopers?

**Craig Stafford:** Yes, sir. We would look over hundreds of loan application files.

**Craig Caulfield: (Shareholder)** For BOQ?

**Craig Stafford:** Yes.

**Craig Caulfield: (Shareholder)** For fraud?

**Craig Stafford:** Not specifically for fraud. We will look at the information taken as a whole. We will look at specific data points in each of those files, and assess whether those data points have been captured accurately in the system, and the processes that management's undertaken to assess the integrity of those data points.

**Craig Caulfield: (Shareholder)** Well, I would just suggest that a deeper dive is required. If we've got at BOQ an APRA inquiry, a court enforceable undertaking, in AUSTRAC a court enforceable undertaking, some things have gone wrong. If I was a Director, I would be saying, I want to dig deeper and let's look into those files on a granular basis.

The second part would just be to say, do you use artificial intelligence, or how much do you use artificial intelligence? Two years ago at the ANZ AGM, the CEO, Mr Elliott said, yes, we found 2,000 applications that had anomalies in using artificial intelligence.

**Warwick Negus:** Craig, perhaps I could ask Karen, who's the Chair of our Audit Committee, to comment as well.

**Craig Caulfield: (Shareholder)** Sure. Thank you.

**Karen Penrose:** We'll come back to you afterwards, but what I would like to say is that in our retail book, in our home loan applications, you'll be aware of what we otherwise call Three Lines of Defence. There is a very active review in our line 1 with our risk team, and then there's a line 2 review, plus we have an

internal audit review as well. There are different stages of review to look for some of the anomalies that you refer to, but I'll talk to you after as well.

**Craig Caulfield: (Shareholder)** I appreciate the Three Lines of Defence, and I think there are failures within the Three Lines of Defence. That's why there's reports of \$200 billion of loans. I think something extra needs to be done here, but happy to talk to you later. Thank you very much.

**Karen Penrose:** Thank you.

**Warwick Negus:** Thanks, Craig. Thanks for making the point.

**Moderator:** Thank you, Mr Chair. Introducing shareholder, Derek Clawson.

**Warwick Negus:** Welcome.

**Derek Clawson: (Shareholder)** Thank you, Mr Chair. I am both a customer and a shareholder from Western Australia. I am interested in your digital transformation process. I think it presents both an opportunity and a threat in that Australia's most digitised bank, I had the opportunity to make an on-chat inquiry of them yesterday, and I was number 62 in the queue and had to sit there and spend my time trying to get an answer to a very simple question. I think many, many shareholders and customers with banks, are sick of this process.

I'm also a client of the Bendigo Bank, and specifically their rural branch division. They are very, very easy to contact. Unfortunately, the rural branch is being integrated into Bendigo Bank, but at the same time, I think Bendigo has benefited greatly through its contactability. In 2016, I invested in BOQ shares and Bendigo Bank shares; you will notice the difference nowadays. I think there is a much higher degree of client satisfaction with Bendigo than there probably is with the contactability of BOQ. I really am making a speech here, but the question I raise is, are you considering how contactable friendly, you are making yourselves in your digital transformation?

**Warwick Negus:** Your point is well made, and welcome, from Western Australia. Not just the ability to speak to someone live, we have customers that want to be able to solve their own problems themselves through the functionality that is available online. Your point is well made. We have a contact centre, we have numerous contact centres, and we have metrics that we rate our executives on; on how long it takes to answer the phone, how long it takes to resolve a problem, et cetera. It's absolutely at the forefront that we're able to deal with people live and in-person.

**Derek Clawson: (Shareholder)** I think it's so important that you as a business appreciate the value of your customer's time, because if you're trying to do business from Western Australia, you already are at a disadvantage. You have quite a presence in Western Australia, so that's a challenge for you there. Many of us, I'm a farmer, so my day is spent busily. I don't want to waste my time sitting on a phone dealing with Telstra or any of the people that I expect service from.

**Warwick Negus:** It's a good point. Thank you for making it.



**Moderator:** Thank you, Mr Chair. Reintroducing Michael Sanderson.

**Warwick Negus:** Michael?

**Michael Sanderson: (Shareholder)** Dragging on a bit, isn't it? You must be in trouble. This goes to the question of financial abuse. In response to questions of the parliamentary joint committee on corporations and financial services inquiry, into financial services regulation framework, in relation to financial abuse, I was wrong. BOQ AFCA advocate, Ben Griffin stated, our approach to financial abuse is informed by the lived experience of victim survivors, and involves both preventative measures and responsive actions; ensuring that we provide comprehensive support for our customers.

Financial abuse extends beyond financial loss. It can also erode dignity and wellbeing of victims creating lasting, emotional and psychological harm. These are weasel words. As a financial abuser itself, BOQ does not adhere to these standards. Rather, it hides behind the not so independent toe cutter AFCA, itself an abuser. When will BOQ practice what it preaches and repair their own customer complaints process, and stop hiding behind and sending cases to the bank's advocate, AFCA? When will BOQ sack Advocate Ben Griffin, and reestablish a competent, approachable, customer advocate such as Tanya Aaskov?

**Warwick Negus:** That's a long question. Let me start by just reiterating that on financial abuse, recognising financial abuse is the most valuable thing that we can do. Ensuring that the frontline staff who are seeing people on a daily basis, speaking to people, seeing what type of transactions are occurring and raising issues internally, identifying these things, that is the first step for us in making sure that we are robust in our ability to do that and minimising financial abuse. Unfortunately, it occurs. You know that it occurs.

I'm not going to make comments about individual staff members. We value our staff members, and I know that all of the staff members that you've mentioned do as much as they humanly can to act, particularly for our customer advocate, on behalf of the customers. AFCA also plays an important role here.

**Michael Sanderson: (Shareholder)** I will leave it where it sits. This one relates to BOQ scandals. This question relates to BOQ Board competence and wilful blindness. APRA recently imposed enforceable undertaking due to systemic weakness in BOQ's risk management and risk culture, AUSTRAC also. BOQ also has a reputation for screwing over its customers, but protects the officers that do the screwing. For example, Sean Cawley, otherwise known as Creepy Cawley, the secretive Rodney Taylor, who bullies and intimidates, stellar performer Mark Wiggins, who doesn't do the required loan paperwork and lies in court, then suddenly disappears.

**Warwick Negus:** Michael, have you got a question?

**Michael Sanderson: (Shareholder)** I'll get there. Also, the current Managing Director and CEO, rather than address BOQ bastardry, makes a \$50,000 shut up and go away offer, and tells a loyal paying customer whose life is destroyed, to get a life. He then claims of vindication via AFCA, whose own internal documentation says BOQ failed to display the care and skill of a prudent, diligent banker. When will this

Board remove the blinkers and address systemic issues, its own incompetence, wilful blindness, and properly address past wrongs?

**Warwick Negus:** I'm not sure exactly what the question is. A number of the names that you mentioned are long since been associated with this organisation.

**Michael Sanderson: (Shareholder)** The damage remains.

**Warwick Negus:** I can't change history, Michael.

**Michael Sanderson: (Shareholder)** You can fix the present.

**Warwick Negus:** That's what we're doing.

**Michael Sanderson: (Shareholder)** No, you're not.

**Warwick Negus:** Is there another question?

**Michael Sanderson: (Shareholder)** I have other questions but that's my two, and I thought I'll leave it to somebody else. I've got two more and that's it.

**Warwick Negus:** I'm looking to the room to see whether we would like to move on to the next resolution.

Let's move on. I declare that the reports have been received and considered. Thank you. Item 2 is a non-binding resolution which seeks shareholder approval to adopt the remuneration report, which is contained on pages 114 to 147 of this year's annual report.

The remuneration report sets out the Board's policies for Director and senior manager remuneration, including a discussion of the relationship of remuneration to BOQ's performance, and other information required by the Corporations Act about Director and senior manager compensation. This year's report also shares the way in which remuneration outcomes have been impacted to reflect accountability for our challenges, together with our progress and achievements against our people and culture strategies. The Board recognises the first strike received against the remuneration report last year, and has made changes to the Company's remuneration framework as set out in the annual report, and summarised in the notice of meeting.

Although the vote on the REM report is only advisory, the Board takes the outcome of this vote seriously, and will take into consideration when determining the Company's remuneration policy in the year ahead, and will look to reevaluate the structure and disclosure of the Company's remuneration arrangements in response to the views expressed by shareholders. I note that if 25% of the votes validly cast on the resolution in this item of business are against the resolution, I am required to put to the meeting a further resolution at the end of the meeting, that the shareholders consider whether a further meeting should be held to re-elect all members of the Board other than the CEO, so-called a spill resolution. Is there anyone who would like to ask a question in relation to the remuneration report?

**Moderator:** Thank you, Mr Chair. Reintroducing Paul Donohue from ASA.

**Warwick Negus:** Yes, Paul.

**Paul Donohue: (Australian Shareholders' Association, Representative)** Thank you. I'll try and keep this focused. My question's about the Group's scorecard weightings. The portions of the at risk remuneration are based on a group scorecard, and that has 20 measures grouped into four strategic pillars such as customer experience strength and et cetera. The annual report talks about the weighting of each pillar, but I couldn't find anything in there about weighting of the individual measures. My question is, does each measure rank equally? There seems to be a wide range in the importance from Net Promoter Score at one end of the scale, to bank liquidity ratios at the other end, and clearly, those two things aren't equal in measure. Is there a weighting?

**Warwick Negus:** The answer is no, they're not equally weighted at all. I think we can probably improve on that disclosure in future years, because I think we talked about it previously. We obviously want a large component of financial measures in there, and when including some of the individual KPIs for executives, it does come to 50% financial, 50% non-financial, but the individual components are not equally weighted.

**Paul Donohue: (Australian Shareholders' Association, Representative)** They're not equally weighted; there is a weighting but it's not disclosed. Is that correct?

**Warwick Negus:** That's right. Thank you. Over here.

**Moderator:** Mr Chair, reintroducing Craig Caulfield.

**Warwick Negus:** Yes, Craig.

**Craig Caulfield: (Shareholder)** Thank you again. Looking at page 122, the REM report, the Group's scorecard, I would reiterate Paul's comments though I had trouble trying to find the weightings of different things. You may recall from previous AGMs, I'm particularly interested in Net Promoter Score, to find out how that is weighted. I couldn't. But you have acknowledged that there will be uplifts in that disclosure in future reports?

**Warwick Negus:** Yes.

**Craig Caulfield: (Shareholder)** That would be good. Where I look at strategic pillar customer and people experience, that's the only one that was partially delivered. I would note that that's the second lowest of five categories, so getting a two. I cannot imagine any bank in any annual report ever saying we achieved not delivered category 1. If that's the case, this is the lowest category that you could get, customer and people experience. That's coming across in the room that there are failures in customer experiences. You've got a APRA and AUSTRAC that have got their court enforceable undertakings at the moment, and that's on a high level. That's on a macro scale. I've seen that ASIC has some interrogation with you, not an enforceable undertaking as I understand, but ASIC is looking at things.

I would like to say then on a micro scale, I don't think that the Sanderson case has been adequately addressed. I know that you will have another view that you think it has been adequately addressed, but

what I would say is, I know that BOQ is going through a refreshment and you're working in tandem with APRA. You're using the APRA identified failures, as I read the annual report, to say that, we're using this to uplift everything. Not just to respond to APRA, but we're just going to simply do a better job across the board. We've got several new directors; it seems like the directors have been uplifted.

I think it is worth having a review - a solution to the Sanderson case is to simply say, we will have a mediation and we will fund it equitably. That's my view. That might not be your view, nor might it be the Sanderson's view. I know that it's not just Michael that attends here each year and his frustration comes through. Surely, you would want that to be resolved for BOQ and for the Sanderson's.

I think there is a way forward. I think having a properly funded mediation, not a [neutered] mediation, where both parties present their cases. It's a dispute that you're going to say, we've looked at, we can't resolve. I'm with Michael. I don't think you've looked at it properly. AFCA did say you didn't have the prudence of diligent bankers. The refreshed board with your refreshed outlook, and the fact that your customer people experience is the lowest you could possibly do, I think re-look at that, please.

**Warwick Negus:** Craig, thank you for the suggestion. I'm not going to go into the Sanderson case again. We've discussed that over the years, and we're not going to come to a resolution here at this AGM. Let's not go into individual cases at this point.

**Craig Caulfield: (Shareholder)** Could I simply say for you to, not now, but just at a Board level yourself separately with new Board members involved, candidly discuss it to see - one of the things that comes up for directors is to be challenging. You're going to have - within your own group, you're a fortified front here, but when you go and have your directors' meeting, hopefully there's a lot of debate there. I would like that item to be debated. That's not to give an answer now, that's not to give an undertaking, other than to say, at a Board level, we will re-look at that.

**Warwick Negus:** Thank you for the suggestion.

**Craig Caulfield: (Shareholder)** Thank you.

**Warwick Negus:** I don't believe we have any more questions. There are no online questions on this item of business. We'll now put the resolution to adopt the remuneration report of the Company for the financial year ended 31 August, to the meeting. Certain persons are unable to vote on this item 2, consistent with the voting restrictions set out for this item in the notice of meeting. The Board, noting that each Director has a personal interest in their own remuneration, recommends that shareholders vote in favour of item 2.

Displayed on the screen behind me are the details of the proxies received in relation to item 2. As you can see from the proxy votes displayed on the screen, more than 75% of votes cast are in favour of adoption of the remuneration report. As the votes cast today are unlikely to resolve in 25% of total votes cast against, conditional item 7, the spill resolution, will not be put to a vote today. Please record your vote on your yellow voting card by ticking the for against or abstain box. Again, voting cards will be collected at the end of the meeting once all items of business have been put to the meeting.

I'll now move to item 3, which relates to the re-election of two of our existing directors, with each resolution being determined separately as ordinary resolutions. Mickie Rosen, Ms Rosen retires on rotation in accordance with the Company's constitution and stands for re-election at the meeting. The biographical details of Ms Rosen are set out in the explanatory statement that accompanies the notice of meeting, and in the directors' report on page 44 of this year's annual report. Ms Rosen will provide the meeting with a brief address with respect to her request for re-election. In accordance with BOQ's policy on the independence of directors, the Board has determined that Ms Rosen remains an Independent Director. I'll now ask Ms Rosen to address the meeting.

**Mickie Rosen:** Thank you, Warwick, and good afternoon everyone. My name is Mickie Rosen. It's a privilege to be here with you today to stand for re-election for my second term as a Director of BOQ. In preparing for today's AGM, I reflected on the fact that in December 2021, when I stood for election for my first term, the AGM was held virtually. The borders were closed due to the pandemic, and I joined from California, where I live.

On the one hand, that feels like it was just yesterday. On the other hand, it feels like long ago, and that we've come a long way. This is exactly how I feel about BOQ. I joined the Board in March of 2021, and I became Chair of the Transformation and Technology Committee in August of 2021. Three and a half years ago, we were not only in the pandemic, but we were also in a different economic and banking environment. BOQ was very early in its transformation.

Since, we have faced a prolonged period of an uncertain economy, industry headwinds, and BOQ has faced our own challenges. That said, we have emerged stronger, with a clear and bold strategy, to be a simpler specialist bank; through strengthening, simplifying, digitising, and optimising BOQ. We have demonstrated our ability to execute, delivering new customer experiences including digital mortgages, as well as migrating ME customers to our target platform.

We are also delivering against our remedial action plans and our productivity targets, while simultaneously shifting our culture and building new capabilities. Transformations take time. They are difficult. They require hard work, fortitude and resilience. I don't think any of us would say that the BOQ experience has been an exception.

We also know that transformations can be incredibly rewarding. We know we are still on our journey with a lot of hard work ahead. That said, we know where to go, how to get there, we have the capabilities, and we are committed. I have conviction that if I'm lucky enough to be here in front of you three years from now, we will look back together and think, it feels like it's been a blink of an eye, but boy, we have come a long, long way. If I'm elected today, I commit to serving you, our shareholders, as well as our customers, our community, and our team, to the best of my abilities. Thank you for your consideration.

**Warwick Negus:** Thank you, Mickie. The Board, with Ms Rosen abstaining, recommends the shareholders vote in favour of Ms Rosen's re-election as a Director of the Company. Is there anyone who wishes to ask a question? I see Peter standing there, so I assume the answer is yes.

**Moderator:** Peter Starr.

**Warwick Negus:** Peter?

**Peter Starr: (Shareholder)** Thank you kindly, Warwick. Ladies and gentlemen, I'd just like to say this on behalf of the shareholders that I represent and the business that I've brought to the bank; and I thank Mr Allaway for acknowledging that. I'd just like to say, we'll definitely be voting - for those of you who don't know, Mickie, she's an exceptional talent as far as what we're going through in the digital platform.

I know she sits on the board of Nine and she's a credit there as well. On behalf of the people I represent, and I'd like to think the people in the room here, you certainly will have my support. I've got a lot of cards to fill out there, Mickie, but I'll be filling them out in favour of you. We might save that song, Mickie, you and I talked about the end of the meeting, but I wish you sincerely well. I know you really apply yourself about the technology and about your expertise there, so I think that it's a credit to the shareholders to have you there, Mickie.

**Warwick Negus:** Thank you, Peter. Do we have a question again from Craig?

**Moderator:** Mr Chair, introducing Craig Caulfield.

**Craig Caulfield: (Shareholder)** Not so much a question as a statement. Your background with Yahoo, Fox, Disney, Hulu, and Fandango, 30 years in technology, director at Nine, Domain and Fairfax, with your background at McKinsey and an MBA from Harvard, I'm certainly supporting you. That would be great for where BOQ's going. Thank you.

**Warwick Negus:** I appreciate the support. Thank you, Craig. I have a question over here as well from Paul.

**Moderator:** Thank you, Mr Chair. Paul Donohue from ASA.

**Paul Donohue: (Australian Shareholders' Association, Representative)** I'll just jump on the conga line and say, we had the opportunity to speak to Mickie last year after the AGM; we discussed a number of technology issues. We were really impressed with the breadth of her knowledge, so we have no hesitation in voting for her.

**Warwick Negus:** Thank you, Paul. Well done, Mickie. I'll now put the resolution in item 3A to re-elect Ms Rosen as a Director, to the meeting. Displayed on the screen behind me are the details of the proxies received in relation to this item. Please record your vote on the voting card. Sorry, there was another question.

**Moderator:** Thank you, Mr Chair. Reintroducing Michael Sanderson.

**Warwick Negus:** Michael, you have a question on Ms Rosen?

**Michael Sanderson: (Shareholder)** Yes. Mickie, I'd like to vote for you. Are you prepared to read a five-page document that's got supporting information in relation to my case, and make an assessment in your own mind as a member of the BOQ Board?

**Warwick Negus:** I think you can ask that question through me, Michael, and we're not going to go into individual cases, please.

**Michael Sanderson: (Shareholder)** It's a simple question.

**Warwick Negus:** I'm not going to ask one Director to do something, to read a piece of paper. Come on.

**Michael Sanderson: (Shareholder)** Not come on. I'm just asking a member of the Board to review a five-page document.

**Warwick Negus:** The Board is familiar with the case that you're talking about. The Board is familiar with it and we have discussed it.

**Michael Sanderson: (Shareholder)** I bet you they're not. They're not familiar from my perspective. They may have a sanitised view and a presentation. It goes to financial abuse.

**Warwick Negus:** Thank you.

**Michael Sanderson: (Shareholder)** Mickie, you're not prepared to answer?

**Warwick Negus:** The question comes through me, Michael, and I'm answering on behalf of all of the directors on this Board. We have looked at your case previously.

**Michael Sanderson: (Shareholder)** Disappointing.

**Warwick Negus:** I don't need Mickie to answer individually. Thank you.

**Michael Sanderson: (Shareholder)** You don't, I might though.

**Warwick Negus:** Please record your vote and we will move to item 3B, which is the election of Deb Kiers. Ms Kiers retires on rotation in accordance with the Company's constitution and stands for re-election at this meeting. The biographical details for Ms Kiers are set out in the explanatory statement that accompany the notice of meeting and in the directors' report on page 43. Ms Kiers will provide the meeting with a brief address with respect to her request for re-election. In accordance with our policy on independence of directors, the Board has determined that Ms Keirs remains an Independent Director. I'll now ask Ms Kiers to address the meeting.

**Deb Kiers:** Thank you Warwick, and good afternoon to all of you who are here in-person, and to those of you who are joining us online. I appreciate your consideration of my re-election to the Board of the Bank of Queensland. I've had the privilege to serve on the Board since August 2021, and I've had the additional privilege of Chairing the People Culture and Remuneration Committee since mid-last year. I also continue to serve on the board of IFM investors, where I'm the chair of the responsible investment and sustainability committee, and I am the chair of the Tiverton Agriculture Impact Fund.

Prior to becoming a Non-Executive Director, I spent much of my career in advisory and consulting work in Australia and North America, with companies who were taking on complex transformations of their enterprises in the face of industry disruptions and structural changes, much similarity with what BOQ has been facing into.

I value the opportunity to contribute to this experience and learning, in particular, regarding what it takes to transform organisational culture, to develop performance measures and incentives, to align with new business and operating models, and to uplift leadership capabilities. I believe these are all critical enablers for the successful delivery of bold and ambitious strategies.

I also joined the BOQ Board out of my conviction that Australia needs a strong, competitive and diversified banking and financial services industry, and I believe that BOQ is a critical part of this effort. BOQ's strategy to become a simpler, specialist bank outlines a clear path to better outcomes for our customers and uplifting shareholder returns.

As you know, 2023 was a challenging year for BOQ. 2024, however, has seen significant progress and proof points against delivering our strategic pillars, and I won't go into the examples that have already been mentioned by Patrick and Warwick. As Chair of the People, Culture and Rem Committee, I've really enjoyed the opportunity to meet with and listen to many of our shareholders. This has informed our efforts to strengthen the alignment of our remuneration frameworks, with delivering returns for shareholders as well as motivating and appropriately rewarding BOQ's leaders.

I would like to acknowledge the talented executives and people we have at BOQ. Transformations of this scale are definitely challenging and require discipline and bold leadership. Our people are committed to the long-term success of the bank and work tirelessly to innovate and differentiate BOQ, to deliver for our customers and our shareholders. Thank you for your ongoing support. I would be proud to continue to work to ensure a strong and sustainable future for BOQ. Thank you.

**Warwick Negus:** Thank you Deb. The Board, with Ms Kiers abstaining, recommends that shareholders vote in favour of Ms Kiers re-election as a Director of the Company. Is there anyone who would like to ask a question in relation to this item of business?

I will now put the resolution on item 3B, to re-elect Ms Kiers as a Director, to the meeting. Displayed on the screen behind me are the details of the proxies received in relation to this item. Please record your vote on the voting card.

We now proceed to item 4, which relates to the separate elections of Mr Andrew Fraser and Ms Mary Waldron, each as the Director of the Company, as ordinary resolutions. I will introduce each resolution and you will have the opportunity to hear comments from each of our new directors. Shareholders and proxy holders will have the opportunity to ask questions on each resolution.

Mr Andrew Fraser was appointed to the Board in February 2024, and is seeking to be re-elected as a Director of the Company at this year's meeting. The biographical details for Mr Fraser are set out in the



explanatory statement that accompanies the notice of meeting and in the directors' report on page 43, of the annual report. In accordance with BOQ's policy on independence, the Board has determined that Mr Fraser is an Independent Director, and I will now ask Andrew to address the meeting.

**Andrew Fraser:** Thank you Chair and good afternoon shareholders. I'm submitting myself for your consideration to be elected to the Board of Directors of BOQ. After being approached by a recruitment firm late last year, I was appointed to the Board in accordance with the Company's constitution in February. In my view, BOQ is an important Company with a proud 150 year history, including a foundational strength here in Queensland, and the clear opportunity to play an important role in the evolving banking landscape of the future.

There are challenges, well-known and understood, and there are also opportunities. For shareholders, of which I'm one, there's a clear pathway as both the Chair and CEO have set out today. That pathway requires excellence in execution by the Company, and clear governance leadership at the Board table. I'm bringing a breadth and depth of experience to the Board table; experience as a director across a range of industries, organisations, and companies of different scale, and different operating models across different sectors of the economy; both across the public, private, and charitable sectors. This includes nearly a decade of experience in financial services.

Capability of course needs to be matched with capacity. My decision to join the Board was based on a fundamental assessment of having the time to dedicate to the task of being a part of the capability that the Board needs, to forge a path that draws on the strength of 150 years, and embraces the opportunity to prosper as a profitable bank that drives growth, both in the broader economy and for shareholders. I thank you for your consideration.

**Warwick Negus:** Thank you. Andrew. The Board, with Mr Fraser abstaining, recommends that shareholders vote in favour of his election as a Director of the Company. Is there anyone, I see three, who wishes to ask a question on this item?

**Moderator:** Mr Chair, Peter Starr.

**Peter Starr: (Shareholder)** I'll be very brief. Just through you, Warwick, I noticed that Mr Fraser held the position of treasurer I believe, in the Queensland government for two elections. I think that should serve the Board good. Welcome.

**Warwick Negus:** Thank you, Peter. We'll go to Craig then.

**Moderator:** Craig Caulfield.

**Craig Caulfield: (Shareholder)** Thank you, Chair, and thank you Mr Fraser for volunteering your services. You've had an illustrious career. I think you're a stellar appointment and I very much welcome you to the Board. I do have one concern, and that is the number of roles that you have. I viewed other directors at other AGMs and one in particular had a lot of roles, and subsequently had to leave a couple of different roles. I won't name that person.

A Director of BOQ then Chair of Australian Retirement Trust, that's a big role. Director of Brisbane Broncos, president of Motorsport Australia, chair of Orange Sky, director of two other charities, chancellor of Griffith University, and you're a member of five of the committees; I'm not sure if that's all of the committees. That is a lot. Now I know that there's an annual undertaking that, Chair, you receive an undertaking and you sign that off to say yes. I'm just saying, I've watched those undertakings before and I've watched them fall later. I'm not expecting that here. My observation question is, would you reconsider a couple of your roles? It just seems a lot to dedicate yourself to. I'd be interested in some feedback through the Chair.

**Andrew Fraser:** Thanks Craig, and thanks for the question. A couple of observations from me, as you point out, I chair Australian Retirement Trust, and along with BOQ and the Brisbane Broncos, which is listed, they are certainly significant commercial appointments. I choose to dedicate and volunteer my time to three entities; being Orange Sky which I chair, the president of Motorsport Australia. I could volunteer as someone out on shift with Orange Sky, but I also volunteer my time at the board table, as well as you point out, serving as chancellor of Griffith University, which is my alma mater.

I can do better than say I'll consider it. I actually finished one of the roles on one of the other charities on Wednesday last week. I hope that gives you assurance that the way I spend my time is dedicated absolutely to the interests of BOQ, and gives you perspective on how I choose to spend some of my weekend time as well. Motorsport and Rugby League are great sports that I've always loved, and I've turned them into both volunteering and work. There's a separate discussion about whether you should get involved in your passions to be had.

**Craig Caulfield: (Shareholder)** Thank you very much for explaining that.

**Warwick Negus:** Thanks, Craig. Paul?

**Moderator:** Thank you, Mr Chair. Paul Donohue.

**Paul Donohue: (Australian Shareholders' Association, Representative)** My question is similar to the previous speaker, so let me know if you think it's too similar. Most of Mr Fraser's roles are outside of listed entities and the number we don't think is excessive. As I understand, the chancellor with Griffith University is largely ceremonial. Is that correct?

**Andrew Fraser:** It's both ceremonial; you get to wear the hat and the robe to do graduations, but it also involves a governance role.

**Paul Donohue: (Australian Shareholders' Association, Representative)** Fair enough. With the ASA, we have guidelines on how many roles on boards we like directors to have. The concern is not so much whether you can manage the workload when things are going smoothly, but it's during a crisis. Given that you're the chair of Australian Retirement Trust, and the laser beam focus of public and political anger seems to be moving from banks to supermarkets, and then on to superannuation trusts, and we're seeing talking about mishandling insurance claims, outsourcing customer obligations, and calls for tighter

regulation of super funds, hypothetically, if there was a crisis at a Australian Retirement Trust, would that impact your ability to dedicate enough time to Bank of Queensland? Are you confident you could juggle those two things at once?

**Andrew Fraser:** I remain absolutely confident that I can dedicate the time needed in good times and in less good times at the organisations. I'm happy to share the undertaking that I gave to colleagues and to Warwick as the Chair. That if I ever felt that the extent of the other things I do impacted on my ability to serve BOQ, then I'd make other arrangements. I'm entirely confident that I can give the time and the dedication that BOQ deserves and requires.

**Paul Donohue: (Australian Shareholders' Association, Representative)** Excellent. Thank you very much.

**Warwick Negus:** Thanks Paul, thank you, Andrew. I now put the resolution of item 4 to the meeting, to elect Mr Fraser as a Director. Displayed on the screens behind me are the details of the proxies received in relation to this item. Please record your vote on the voting card.

Item 4B, Ms Mary Waldron. Ms Waldron was appointed to the Board in November 2024, last month, is seeking to be elected as a Director of the Company at this year's meeting. The biographical details for Ms Waldron are set out in the explanatory statement that accompanied the notice of meeting. In accordance with BOQ's policy on independence, the Board has determined that Mary is an Independent Director and I now ask her to address the meeting.

**Mary Waldron:** Thanks Warwick for your introduction. I'm really pleased to be here at my first BOQ AGM, and here in Queensland, seeking your support to be elected to the Board of the Bank of Queensland Group. I thought I'd share a little bit about myself and what I hope I will bring to the bank.

Currently I'm an independent, non-executive director, and chair of the risk compliance and audit committee at Zurich Financial Services, both a general and life insurer. I'm an independent, non-executive director and chair of the audit and finance committee at Crown Melbourne. I'm a director and chair of governance committee at the Melbourne Symphony Orchestra. I was previously a director at Chartered Accountants Australia and New Zealand, chairman for the Centre for Ethical Leadership advisory board, and also a number of other not-for-profits.

Professionally, I have global executive experience and leadership in risk, regulation, business technology and transformation. I have spent 35 years previously as a chartered accountant consulting to Australian listed, government, and private companies, as a former partner of Arthur Andersen, Ernst and Young and PwC, where I also held senior executive leadership roles.

I share that experience as I always ask myself before I join an organisation, what value can I bring? It's been a core of my career and guided my decisions. I ask myself, how could I bring value, bring my executive and board experience to the bank across the four strategic pillars? A few examples stood out. I understand and have deep experience and a lot of scar tissue in responding to the challenge of changing

stakeholder, regulatory and environmental expectations, but most importantly, how we respond to those expectations.

I've already spent a lot of time understanding and reading the status and plans around the court enforceable undertakings, and the remedial action plans with AUSTRAC and APRA. At the same time, I'm acutely aware of the need to grow our business. It's not either or, it's both; grow and meet our obligations. I've personally led complex digital transformations and change management projects, and I know it's hard, but I know it's worthwhile.

I understand and have firsthand experience around the risks around growth agendas and the risks around transformation agendas, that they constantly change. Importantly, I also focus on the risk of doing nothing and not making the necessary strategic choices. For me personally, however, apart from the skills and capabilities, it's the leadership, the people, and the culture that drive the success of a strategy. This was key to my thought process and due diligence before standing in front of you here today.

So much has already been delivered and achieved by your leadership team. Over the last month or so, as I have met with the team, I've been even more impressed by their commitment, their energy to delivering on the vision and strategy of BOQ. I hope to continue to add to that journey, to you as shareholders, and I'm committed to delivering shareholder transparency, as your Board and CEO have been doing.

On a personal note, I've lived in Australia since 1992. I moved here from Ireland; I know a number of you have asked about my accent. I've been married to [Malcolm], a GP, for 32 years next week; I probably need to remind him. We have two children, [Alexandra] and [Dylan]. Thank you. I look forward to meeting and chatting with you over coffee later today. If I have your support, I commit to working hard for you and for all of the bank's stakeholders. Thank you very much.

**Warwick Negus:** Thank you, Mary. The Board, with Ms Waldron abstaining, recommends that shareholders vote in favour of her election as a Director of the Company. Is there anyone who would like to ask a question on this item of business? No. I'll put the resolution in item 4B to elect Ms Waldron as a Director, to the meeting. Displayed on the screen behind me are the details of the proxies received in relation to this item. Please record your vote on the voting card.

Item 5 is an ordinary resolution which relates to the grant of securities to Mr Patrick Allaway, our Managing Director and Chief Executive Officer, as part of his FY25 long-term variable reward. The terms and conditions attaching to the securities are outlined in detail in the explanatory statement accompanying the notice of meeting. Is there anyone who would like to ask a question in relation to this item of business?

**Moderator:** Mr Chair, introducing Craig Caulfield.

**Warwick Negus:** Craig, you go first and then Peter.

**Craig Caulfield: (Shareholder)** Thank you very much. I'm not supporting this rem item, nor am I against this REM item. I just wanted to make some comments. It's reiterating what we'd heard before, that I'd said and others have said, is that the measurements are opaque. I can't really see into them properly, and that

should have had an uplift. What I would be aware of is that last year, you had more than 25% vote against on the REM report. You've duly had a lot of conversations to make sure that it goes through this year. Those conversations are often with the large shareholders. For the small shareholders, we don't get those meetings and we read the annual report, and we can't see through it. That's a difficult side. That's all I really have to say there.

**Warwick Negus:** Thanks Craig. Look, we have engaged with smaller shareholders in relation to the REM report this year as well. I think specifically, you're talking about in the FY25 long-term incentive, is the non-financial measures. Which specifically relate to the topic that we've been talking about today, which is the completion of the migration of customers from our legacy environment, and the completion of the decommissioning of our legacy systems. These are long-term incentives. Patrick will be quite an old person when these things vest, and so we expect those things to be completed in that period of time. Perhaps we could have given more detail. I acknowledge that.

**Craig Caulfield: (Shareholder)** When you have the engagement with the large shareholders, there's a very big focus on financial compensation. I noticed it the LTVR changed from 50-50, if I'm correct, to 70-30.

**Warwick Negus:** That's correct, yes.

**Craig Caulfield: (Shareholder)** That's not how the regulator thinks, albeit that it would've been approved by the regulator. I know John Lonsdale's spoken of non-financial metrics, I like to see them there. I'd like to protest against those big shareholders that are very monetary oriented. I like to see the non-financial metrics that I believe do ultimately flow through to the financial metrics; it's just simply not as direct. Thank you.

**Warwick Negus:** Thank you. Peter?

**Moderator:** Mr Chair, Peter Starr, shareholder.

**Peter Starr: (Shareholder)** Just following up from what Mr Caulfield, who's a colleague of mine, has said, I know we struggle with these things too. If we could get some better clarification, it's really important, Warwick. I want to leave this comment, and something that Mr Allaway, Patrick said to me, one of the big things that will be judged in all of this is this transformation platform. It's one thing. The most important thing here is what you're doing with retaking back the franchise models back into corporate. I'll tell you, I'll rally support to vote down another REM report if it has to be, and I hope that's not the case because hand on heart, Patrick, I'll certainly be watching, I know others will too, how people are treated in this whole process.

The publicity or the negativity, and how this is all handled, is going to impact BOQ and especially the share price. I want to see the share price get back up to - in August 2021, it was \$9.78, [unclear] a very good year. Well, that's what I focus on folks. It's really important here. I'm certainly, Patrick, going to be

watching. I say to you, with hand on my heart, that I want to see that the franchise people - and some of them have been 22 years a franchise model. It's just really important.

**Warwick Negus:** Peter, we appreciate your comments. Thank you.

If there are no more questions, I will now put the resolution of the grant of securities to our Chief Executive on the terms set out in item 5 to the meeting. The Company will disregard any votes cast on item 5 consistent with the voting restrictions set out in the notice of meeting. The Board, with Mr Allaway abstaining, recommends that shareholders vote in favour. Displayed on the screen are the details of the proxies received in relation to this item. Please note your vote on the voting card.

Item six is an ordinary resolution which relates to the approval for the grant of equity securities under the BOQ equity incentive plan. The terms and conditions attaching to the securities are outlined in detail in the explanatory statement accompanying the notice of meeting. Is there anyone who would like to ask a question? This relates to having the ability to use these in future years for remuneration. I see Craig getting ready. Craig, go ahead.

**Moderator:** Introducing Craig.

**Craig Caulfield: (Shareholder)** Thank you again. I wonder if there's not more questions because people can't quite understand item 6; 12.5 million securities, if I'm correct and correct me where I'm wrong, if a security's worth \$7, that's \$84 million. Is that \$84 million that you have in reserve for remuneration into the pool for the senior executives, including the CEO?

**Warwick Negus:** Essentially, yes, would be used over many years. We need shareholder approval for this because we're issuing new securities and we would use them for remuneration in future years. When it comes to actually earning of those securities, then it obviously comes back through the remuneration report, and again, gets judged by the shareholders. All this does is give us the ability to use shares in future for remuneration, but they still have to be earned.

**Craig Caulfield: (Shareholder)** Thank you. Just two clarifications. Am I correct to say this is not extra remuneration?

**Warwick Negus:** No.

**Craig Caulfield: (Shareholder)** This is just allowing you to funnel it to the standard remuneration?

**Warwick Negus:** That's correct, yes.

**Craig Caulfield: (Shareholder)** Secondly, there was something about three years. Does this mean it can only be used in three years? Because the way you put it was, this is for future years. This is if for five years, 10 years? How does the three years come in?

**Warwick Negus:** It's a three-year approval, and if they're not used in that period of time, we will return for another approval.

**Craig Caulfield: (Shareholder)** Renew that. Well, thank you for explaining.

**Moderator:** Mr Chair, Spiro.

**Spiro Arkouzis: (Shareholder)** Mr Chairman, with the 12.5 million shares or securities that will be approved within three years as remuneration, will Bank of Queensland at a point, once those securities are passed on as payment, will you also be buying back shares to bolster your own position as they are remunerations, like other companies have done?

**Warwick Negus:** We'll only be issuing the securities when we need them. This gives us permission to issue securities up to that number in the event that they're needed for remuneration. We're not going to issue 12 million securities because we've got to pay a dividend on 12 million securities. These, it needs to be earned over these next few years.

**Spiro Arkouzis: (Shareholder)** Understood. At the same time, when you're paying them out, will you also be buying back stock to either neutralise or cancel them out?

**Warwick Negus:** Not necessarily.

**Spiro Arkouzis: (Shareholder)** Thank you.

**Warwick Negus:** Were there no other questions in relation to this item? I'll now put the resolution to issue up to a maximum of 12.5 million securities under our equity incentive plan In item 6, to the meeting. The Company will disregard any votes cast in item 6 consistent with our voting restrictions set out in the notice of meeting. The Board recommends that shareholders vote in favour of this resolution. Displayed on the screen are the details of the proxies received. Please record your vote.

That completes the business of today's meeting as set out in the notice of meeting. I'm looking to Jess to see if there are any further online. I'm getting the no. Before I close the meeting, are there any final general questions from the floor? Please?

**Moderator:** Mr Chair, introducing Rad Piljik.

**Rad Piljik: (Shareholder)** I'm just making inquiries. Since there's nothing in the Corporation Act that says that it's compulsory to hold a hybrid meeting like the AGM, I'm sort of making a suggestion. Would the Company consider actually changing the constitution where it would basically that Bank of Queensland will always hold a hybrid AGM as being the default AGM style? The only time it can go to virtual is when a Federal Health Minister decrees it or a State Health Minister decrees it. Can we possibly change that in our constitution? I think it has to be voted in.

**Warwick Negus:** If we were to change it, I would have to bring that back as another resolution to an AGM. First of all, we're committed to in-person AGMs and we're committed to hybrid a AGMs.

**Rad Piljik: (Shareholder)** There's no guarantee. The Corporation Act, they failed to - from my reading, when they first proposed a hybrid meeting, a lot of the input was that most of the shareholders and the participants felt like the hybrid was going to be the standard, but it was never written into the Corporation

Act. My understanding is, the Corporation Act says that it's up to the company's constitution to make that a default. I would prefer to see something written into the constitution along the lines that I just mentioned.

**Warwick Negus:** We'll take it under advisement. We're obviously committed to an AGM and obliged to hold an Annual General Meeting, but we'll take that under advisement. Thank you for the suggestion.

We ask that you place your voting card in one of the ballot boxes at the back of the room, or held by one of the representatives from Link after the meeting has concluded. If you have any questions about how to record your vote, please ask one of the Link Market Services attendants who are standing there at the room with their boxes. The poll will close in 15 minutes, at which point, the meeting will be closed.

The results of items 2 through 7 will be notified to the ASX in accordance with the Corporations Act, and will be placed on the Company's website as soon as they have been verified. On behalf of the Board and the Company, I would really like to thank you for your attendance today. I wish you all the best for the Christmas season. I now declare this meeting closed. Thank you.

**END OF TRANSCRIPT**