



Company	Bank of Queensland
Code	BOQ
Meeting	AGM
Date	29 November 2019
Venue	Hilton Hotel, Brisbane
Monitor	Kelly Buchanan, Mike Stalley & Noel Ambler

Number attendees at meeting	Approximately 250 attendees
Number of holdings represented by ASA	282
Value of proxies	\$10.8m
Number of shares represented by ASA	1,446,624
Market capitalisation	\$3.25B
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with chair Patrick Allaway

A fundamentally good business with a lot of work to be done

It's been a tumultuous year for BOQ, with the previous CEO retiring and a large portion of his team moving on. Following the term of an interim CEO, new CEO George Frazis took the reins in mid 2019. As well, there has been significant board renewal which will continue in the next few years. Incoming BOQ leaders reiterated BOQ's soundness but expressed the need to improve efficiencies and grow the main retail banking business. Niche businesses of BOQ Specialist, Virgin Money and BOQ Finance continue to grow at rates above system growth.

Speakers acknowledged the poor performance in the 2019 financial year (FY19) and confirmed that results of the on-going strategic review will be announced in February. Priorities include retaining key staff, board renewal and improvement, improving customer relations, continued improvement to IT systems, and staying on top of compliance issues.

At the re-election of one director, ASA again emphasised the importance of directors having "skin in the game" with directors expected to hold shares equal to one years' director's fees within 3 years of being appointed to the board. BOQ's current policy requires directors to only own up to their base fees, which is essentially about 70% of their compensation. The chair highlighted their new board fee sacrifice scheme, enabling directors to purchase shares.

Shareholders expressed disappointment that retail shareholders will only be offered a share purchase plan of \$25m in the recent \$275m capital raising. The chair indicated that they will consider accepting applications for more than the \$25m.

Special interest group “Bank Warriors” asked a number of questions relating to customers being treated badly as far back as 2002. Mr Allaway and other board members showed concern and patience.

All directors were re-elected with substantial majorities. The grant of long-term incentives to the CEO and the remuneration report received about a 7% protest vote, most likely because of the bank’s recent poor performance.

Before and after the meeting Directors moved about the room chatting with attendees who were treated to an abundance of nibbles prior to the meeting and lunch at the completion.

The Australian Financial Review reported on the meeting, with a mention of the ASA monitor’s question on BOQ’s lagging IT systems. Chair of the IT committee suggested that the bank would always be playing catch-up because it is small, and IT is expensive but reiterated that they will continue to spend more in the future.