



Company	Bank of Queensland
Code	BOQ
Meeting	AGM
Date	8 December 2020
Venue	Online
Monitor	Kelly Buchanan assisted by Mike Stalley and Noel Ambler. Fiona Balzer attended virtual AGM

Number attendees at meeting	unknown
Number of holdings represented by ASA	156
Value of proxies	\$6.9m
Number of shares represented by ASA	0.9m (equivalent to 10th largest holder in Top 20 list)
Market capitalisation	\$3,589m
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with Chairman Patrick Allaway, Rem Committee Chairman Warwick Negus, and General Manager Investor Relations Cherie Bell

Year of transition hit by COVID; changes hopefully lead to improved performance

It was an orderly AGM, with what appeared ample opportunity to ask questions after advice that the meeting was to be timely.

The AGM commenced with Fiona Daly, Corporate Governance and Head of Company Secretariat, outlining what attendees should expect for BOQ's virtual AGM, delivered with video. She advised troubleshooting actions that covered whether the problem originated with BOQ or an individual's connection. She also advised that in the interest of timing, each shareholder would be restricted to 3 questions per resolution and that questions previously answered or covered in the CEO and Chair's addresses, those that were repetitive or defamatory, would not be asked.

BOQ provided access to answers of previously asked question in a document available during the meeting [BOQ AGM Investor Questions](#)

This was followed by Chair Patrick Allaway introducing the board before delivering his address. Directors appeared in video and were all in one location, with adequate social distance. He committed to BOQ's highest priority being to support customers, BOQ's people and shareholders and individually addressed stakeholders. George Frazis, CEO, then delivered his address which included an outlook for 2021

You can access the [Chairman's Address to Shareholders](#), [MD & CEO's Address to Shareholders](#) and 2020 Annual General Meeting Presentation to read the details.

The first resolution to be considered was Bruce Carter's re-election to the board. He addressed the meeting by video which ASA applauds. Shares voted by proxy were directed 90.6% for his election, with a poll result of 91.8% of shares voted in favour of his re-election.

All the other resolutions passed with more than 97% of shares voted in favour on the poll.

Shareholder, Robert Hindman (spelling not confirmed), questioned the impact of equity issues to the CEO on his long-term focus. Mr Allaway stated cash incentives are more likely to support short-term thinking, and that the move to equity issues supports longer term thinking and also gives an alignment with shareholders.

Another shareholder queried how the company expected shareholders to approve the remuneration report given the deferral of the interim dividend and fall when compared to last year's dividend?

ASA's entered two questions which were within the 512-character limit but the first was redirected to other business from consideration of the financial accounts: The bank's financials have been in a downward trend for several years. Are there any positives you can share that will give hope to your long-suffering shareholders?

Mr Frazis pointed to his address and updated productivity targets and sustainable profitable growth expectations for the years to come. Mr Allaway also noted the rejuvenation of the teams charged with delivering on the strategy.

ASA's second question was entered under Resolution 5, the remuneration report and was asked during the consideration of that resolution: FY19 Cash NPAT declined by \$52m or about 14% and you paid no STI bonuses. In FY20 the result was worse with Cash NPAT declining by \$95m or nearly 30%, yet you paid out in excess of \$300,000 in STI. How can you justify any payment of STI bonuses under these circumstances? Mr Allaway again pointed to what had been covered in the addresses, the hard work and additional efforts of executives and staff and curtailing of payments and that this was considered an appropriate weighing of the balance.

John Lonsdale asked the company to publish more granular remuneration metrics. In response Mr Allaway stated BOQ is on a remuneration journey and have strong non-financial metrics. He also noted that the company felt that disclosing the targets at the start of the period would be detrimental but he expected to provide more information at end of period.

Other questions and comments covered the 1% fall in gender diversity - answered not always smooth improvement but still committed to target, the need to reward staff and workers for the survival through COVID. What happens to savings from moving to electronic communications and shifting costs to shareholders? Answer small cost reductions count and they all add up, and there was a later comment that any shareholder who asked for a posted copy received one.

Penny Williams asked given mining companies flourished while tourism industry fell – will you rethink strategy to not pursue mining exposure? Answer: we're a small bank and focussed on supporting communities and many of those are reliant on mining, but financing mining industry is not BOQ's place in market

Question why is share price down 50% despite other companies recovering? Answer outperformed bank and ASX200 indices in 2020. We are on a three to five year program to deliver sustainable, profitable growth.

Rita Mazalevskis asked a number of questions after reading out the contents of S250S of the Corporations Act which requires shareholders are given a reasonable opportunity to ask questions and make comments. The questions included the number of board members with legal experience (Patrick Allaway is only one with legal background) number of breaches for management and directors during the year (no reportable breaches), who carried out 3rd party review of board and is it available to read (will disclose name of 3rd party if they are happy to disclose); report is confidential to board but sense it was disclosed

ASA member Henry Kay asked about jobs for people over 50 and people with disability - answer corporate responsibility to process of managing costs which has restricted employment but looking for growth and open to employing people over 50 and people with disability.

Peter Starr commented that he had experienced a cyber-attack earlier this year and cyber security is really important. It was good to see Mr Allaway hand over to Craig Ryman the Chief Information Officer to discuss where BOQ is on cyber.

Self-retired Alan who relies on the dividend asked will it go up next year? Answer: can't tell you – intend to pay and hope to raise payout ratio and amount through our actions when it's appropriate to do so.

Peter Starr also asked how many legacy cases are outstanding? Question was taken on notice.

The share price fell 8c to \$7.80 on the day. The AGM was reported next day in the Australian Financial Review [Borrowers on pandemic relief shrink heavily: BoQ](#) [paywall]