

ASX RELEASE



100 Skyring Terrace
Newstead QLD 4006

DIGITAL BANK INFORMATION SESSIONS

Monday, 4 July 2022, Sydney: Bank of Queensland Limited (**BOQ**) is holding information sessions over the coming days regarding the digital bank and its relationship with Temenos. The presentation follows this announcement.

ENDS

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

For further information please call:

Media

David Bold
Head of Media and Government Relations
0423 202 369 david.bold@boq.com.au

Analysts

Cherie Bell
General Manager, Investor Relations
0473 880 454 cherie.bell@boq.com.au

For personal use only

BOQGroup

Digital Bank Update.

July 2022



Important information and disclaimer.

This is a presentation of general background information about Bank of Queensland Limited and its consolidated entities (BOQ’s) activities at the date of this document. It is in summary form, does not purport to be complete and should be read in conjunction with BOQ’s other periodic and continuous disclosure announcements, including the 2022 Half Year Results Announcement (available at www.boq.com.au). All figures are presented on a cash earnings basis unless otherwise stated.

No representations are made as to the accuracy, completeness or reliability of the information contained in this presentation. The information contained in this presentation may include information derived from publicly available sources that has not been independently verified.

This presentation is not financial product advice and should not be relied upon for investment purposes. It does not take into account the investment objectives, financial situation or needs of any particular investor. Investors should consider these factors, and consult with their own legal, tax, business and/or financial advisors in connection with any investment decision. Nothing in this presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell BOQ securities in any jurisdiction.

This presentation may contain forward-looking statements about BOQ’s business and operations, strategy, market conditions, results of operations and financial condition, capital adequacy, specific provisions, potential synergies and risk management practices. These forward looking statements may be identified by the use of forward looking terminology, including the terms “believe”, “estimate”, “plan”, “target”, “project”, “anticipate”, “expect”, “intend”, “likely”, “may”, “will”, “could” or “should” or, in each case, their negative or other variations or other similar expressions, or by discussions of strategy, plans, objectives, targets, goals, future events or intentions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

There are a number of factors (which may involve known and unknown risks and uncertainties, many of which are outside the control of BOQ) that could cause actual results to differ materially from those expressed, or implied by, any forward-looking statements. These include (without limitation) a significant change in BOQ’s financial performance or operating environment, material changes to the law or applicable regulation, risks and uncertainties associated with the Australian and global economic / political environment and capital market conditions and the COVID-19 pandemic. Readers should not place undue reliance on any forward-looking statements. To the maximum extent permitted by law, responsibility for the accuracy or completeness of any forward-looking statements, whether as a result of new information, future events or results or otherwise, is disclaimed. BOQ does not undertake to update any forward-looking statements contained in this document, subject to disclosure requirements applicable to it.

**I BEGIN TODAY BY ACKNOWLEDGING THE
TRADITIONAL CUSTODIANS OF THE LAND ON WHICH
WE MEET TODAY, AND PAY MY RESPECTS TO THEIR
ELDERS PAST AND PRESENT. I EXTEND THAT RESPECT
TO ABORIGINAL AND TORRES STRAIT ISLANDER
PEOPLES HERE TODAY.**

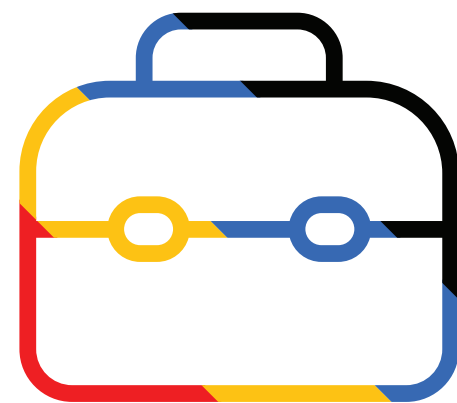
Delivering digital transformation across BOQ.



BOQ has a strong foundation from which to grow profitability



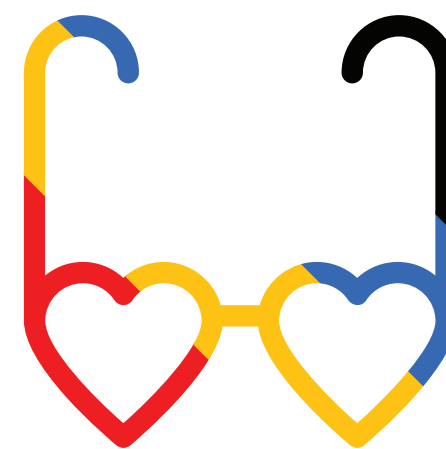
We're well progressed on our digital transformation



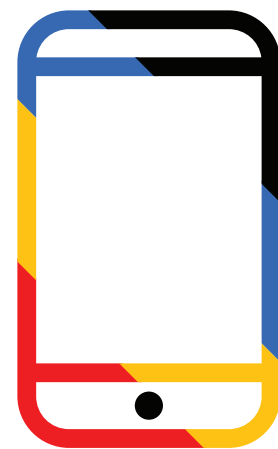
We are building a differentiated end-to-end digital bank in the cloud with open architecture



Partnering with innovative global players like Temenos, to deliver best in class technology that stays current and leading edge



Which will enable a superior customer proposition with personalised offerings



BOQ's digital bank builds clear competitive advantage and a low cost to income ratio

Our digital transformation is built on a strong foundation.

- BOQ has been serving customers for 148 years
- Ability to profitably grow above market in a quality way
- Changing competitive landscape requires a compelling customer offering
- BOQ has scale, a strong capital position and proven brands which provides the Group with a competitive advantage over new entrants

Retail Banking



Retail and SME lending, deposits, credit cards and insurance



Digital home loans, deposits, credit cards, insurance and superannuation



Home loans, personal loans, deposits and credit cards

BOQ Business



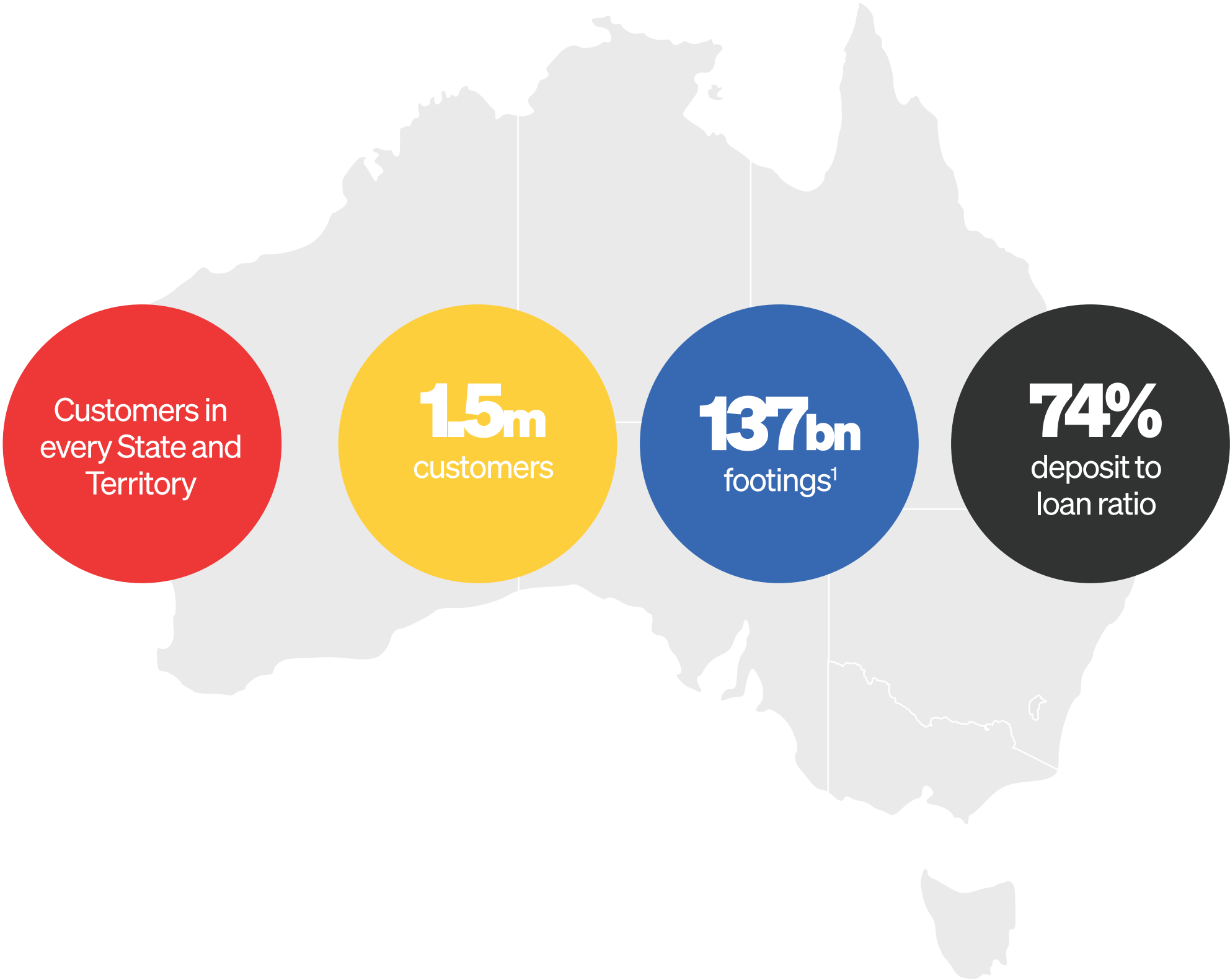
Commercial lending, deposits, financial markets and insurance



Asset finance and leasing



Lending, deposits, credit cards and leasing for medical and professional services



1. Footings means gross loans and advances plus customer deposits

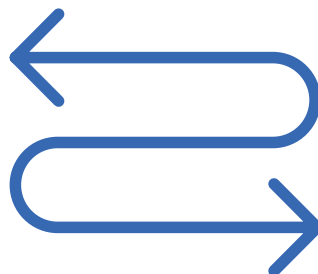
Digital transformation is key to building our competitive advantage.



Shifting customer preferences towards digital interaction



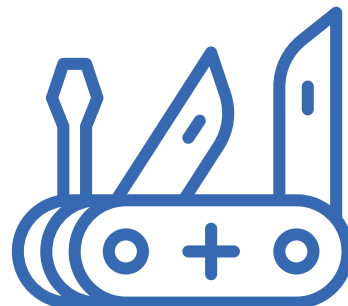
Single view of the customer through centralised core



Front to back cloud based platform enables innovation at scale and at pace



Personalised experiences for customers in real-time



Simplification and digitisation ensures the experience and processes are simple, scalable, low-cost and compliant by design

Transformation is well progressed with benefits emerging.



August 2020

Migrated legacy apps to private cloud



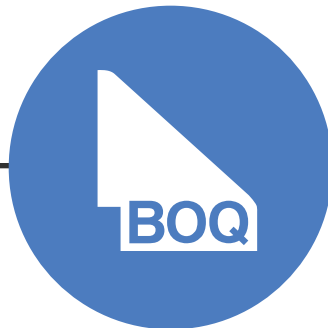
March 2021

VMA transactions, savings and credit card products on new digital cloud core



November 2021

ME Bank migration to v.18 of Temenos completed, customers migrated and Ultracs dcommissioned (April 2021)



March 2022

BOQ transaction and savings product capability on new digital cloud core

VMA*

- 27% of customers under age 35
- 94% of customers are new to bank
- average balance \$18K per customer
- 43 of 60 customer processes digitised
- \$0.5bn balances on new VMA platform

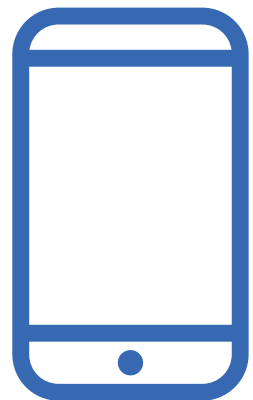
BOQ*

- 18% of customers under 30
- 45% of customers are new to bank
- average balance \$23K per customer
- to date 4million customer transactions processed (myBOQ + VMA)
- \$0.45bn balances on new BOQ platform

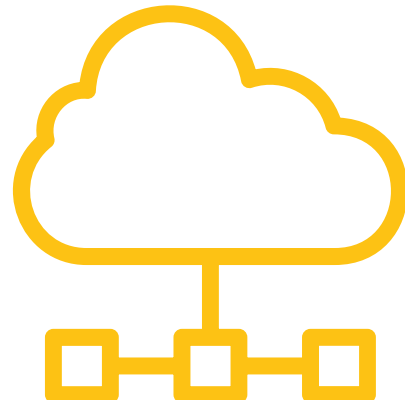
Next steps

- Upgrade and migration of ME Bank to cloud based platform
- Development of home lending product well progressed
- BOQ Business digital transformation to leverage existing private cloud version of Temenos for more complex customer needs
- Migrate all apps to public cloud and exit traditional data centres

We are building a differentiated digital bank.



More than just
a digital front end



All layers of the Retail
stack will be fully digitised
and cloud based.
No legacy layers utilised



Organising our business
to enable continuous
delivery of new features
– our people capabilities
and operating model
are evolving

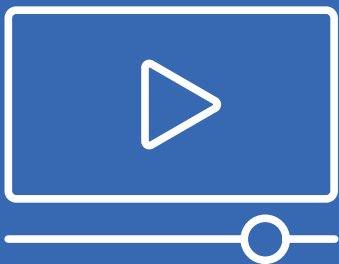


All BOQ customers
will benefit from the
transformation as will our
people and shareholders



Complex customers
to utilise private cloud
version of Temenos in
Business Bank

Leveraging strong partnerships.



Video:
Andreas Andreades
Executive Chairman, Temenos



Presentation:
Erich Gerber
President and Chief Revenue Officer, Temenos

Temenos: everyone's banking platform.

1.2 billion

individuals, families and businesses rely on Temenos. That's **30%** of the world's banking population.

3X

industry average return on equity is achieved by banks who use Temenos

3,000

customers including **41** of the top **50** global banks and **70+** challengers rely on Temenos

\$2.5 billion cumulative R&D investment 1990-2021 is the industry's highest.

2011

Temenos Cloud.

Virtual machines, Core Banking, Managed Service etc.

2020

Cloud Native.

Containers and serverless multi-product, continuous operations, cloud agnostic.

2020

Temenos Cloud Banking.

Continuous updates, composable banking, enterprise banking services, self-service, sandbox, etc.

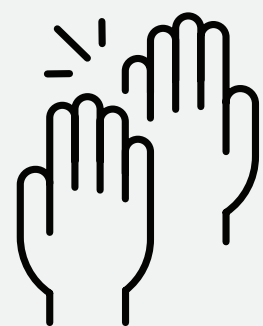
2022-2025

\$1.0B R&D.

XAI Ops, Specialist Micro clouds, Hyperplexed, architecture, Quantum computing, AR & VR, Edge computing / IOT, etc.

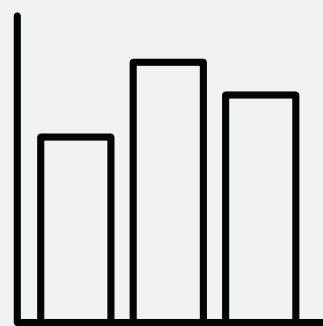
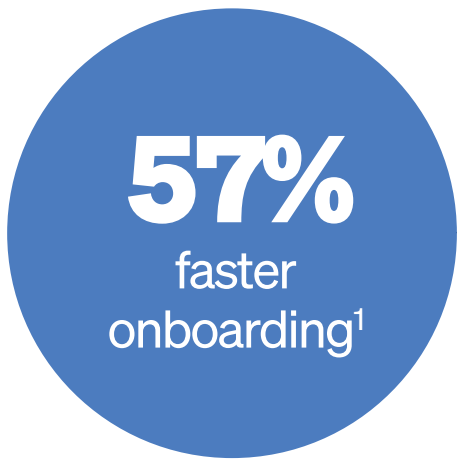
The value of everyone's banking platform.

Banks that run Temenos outperform those that don't.



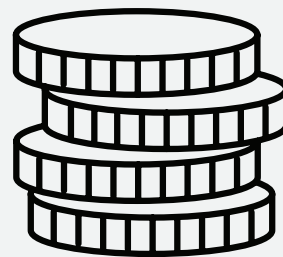
Win on Customer Experience

Hyper-personalization powered by explainable AI



Agility to Grow

Faster innovation with cloud native, API-first banking capabilities and a plug-and-play fintech ecosystem



Scale Without Limits

Improve cost-to-income ratio with unlimited scale and services delivered at a fraction of cost of legacy systems



Source: 1. Temenos CEO Navigator 2022. Sample from 102+ Banks. Refers to Digital Banking capabilities; 2. Retail banks that run Product Builder; 3. Banks running Temenos core banking; 4. Banks running Temenos front-to-back

For personal use only

Global presence.

Everyone’s banking platform.



Retail





Corporate

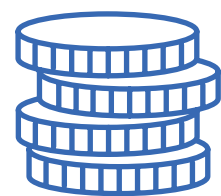




Wealth Management



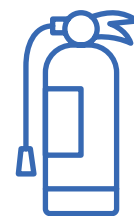
Today’s challenges for incumbents.



High operational costs

High IT integration and maintenance costs

Majority of IT spend on ‘Run the Bank’ vs ‘Change the Bank’



High operational risk

Technological obsolescence and skill shortages

Processing errors due to manual hand-offs



Poor customer service

Customer journeys with manual hand-offs

Reactive, delayed responses

Inconvenience due to outages



Long times to market

Coding and testing required to launch new products or respond to regulatory change

Long and infrequent release cycles



Poor business insights

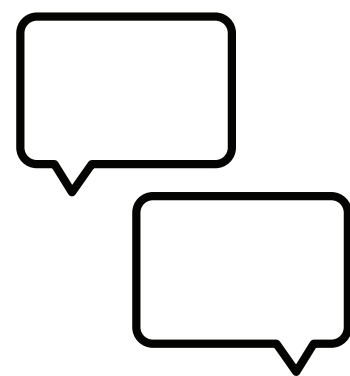
Complex and costly to extract data from multiple legacy systems

Duplication of data - no single version of the truth

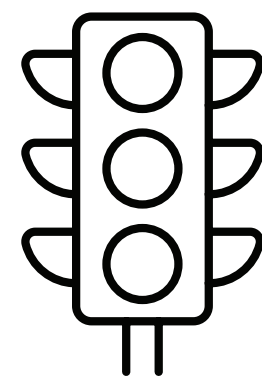
Temenos and BOQ de-risking the delivery of digital bank through:



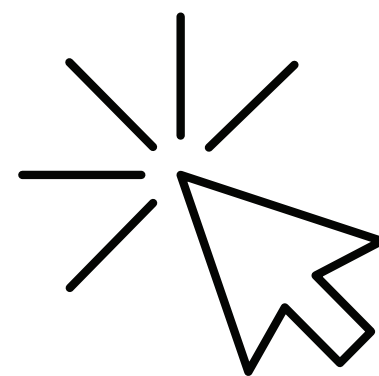
‘Adopt not adapt’
customisation of
core technology



**Strong long-term
partnerships** in place
with key providers
to secure talent and
capability



**ExCo level
accountability**
to deliver
transformation



**No migration of
complexity**, disciplined
approach to simple
operating model

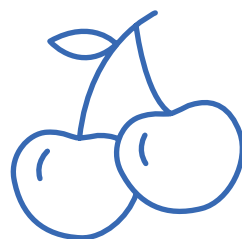
Delivering a superior experience which our customers are embracing.



Account opening completed through the app in c.4 minutes



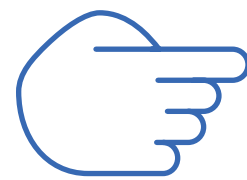
Attracting a younger customer demographic, with 20% saving towards homeownership



Unique loyalty offering



‘Locked Saver’ feature supporting customers meet their financial goals



56% of myBOQ customers have chosen to self-migrate



Awarded the Mozo award for ‘Best New Savings Account’ and ‘Best Regular Saver Account’ in 2022

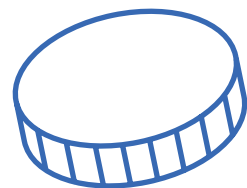
Digital transformation building a clear competitive advantage.



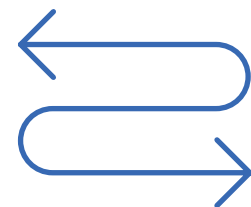
Consistent delivery of end-to-end technology



Fast and consistent delivery of customer solutions and regulatory changes across all brands



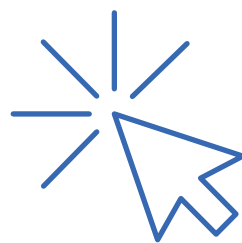
Lower unit costs, lower delivery and run costs



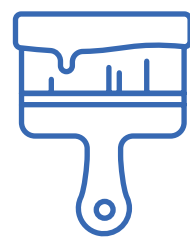
All end-to-end processes fully digitised



Significant reduction in number of systems



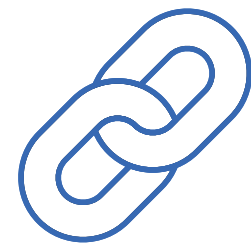
One private cloud Business Banking platform servicing complex customer needs



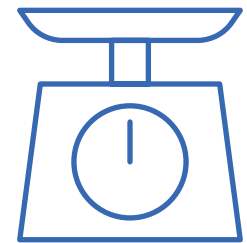
One cloud core Retail Banking platform, easily updated to new versions



Majority of apps in the cloud

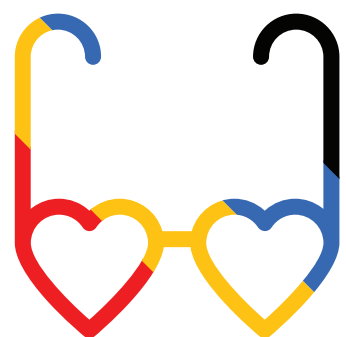


API/open architecture enables partnering with best in ecosystem



Increased capacity to scale the business

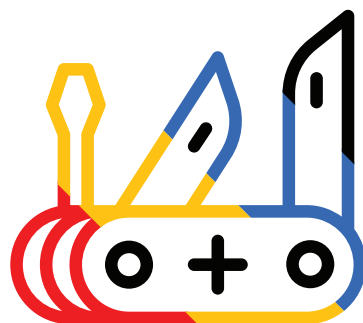
Transforming BOQ.



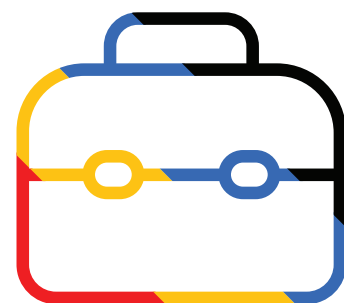
We are enhancing our distinctive purpose-lead culture to support our digital transformation



Transformations are challenging, but our phased approach has reduced our risk and enables us to deliver benefits along the roadmap.



We are delivering, with the multi-brand capability of the retail platform proven and operational.



We are building a differentiated end-to-end digital -bank with open architecture.



Partnering with innovative global players like Temenos, to deliver best in class technology.



The digital transformation will deliver BOQ with a clear competitive advantage.

Thanks