



Bank of Queensland Limited
ABN 32 009 656 740
100 Skyring Terrace, Newstead 4006
GPO Box 898, Brisbane 4001
Telephone (07) 3212 3333
Facsimile (07) 3212 3409
www.boq.com.au

ASX RELEASE

9 February 2016

BOQ REFINES OPERATING MODEL

BOQ has today announced that it is embarking on a program to reshape its organisational structure to better affect BOQ Group's strategy.

Managing Director & Chief Executive Officer Jon Sutton said the size and shape of BOQ's business had changed significantly over the last three years as the Group had grown organically and through acquisition.

"We have redefined our strategy over the last 12 months and need to ensure our organisational structure continues to support this strategy," Mr Sutton said.

"We are building a more flexible and efficient operating model, which is increasingly important given the accelerated pace of change in financial services. This will also improve the way we work by reducing duplication and manual processes and will assist us in finding better ways to share capabilities across the Group."

To enable these organisational changes to be implemented, an investment in the order of \$15m (pre-tax) is anticipated to be incurred over the course of FY16. This expense will not be excluded from Cash Earnings in FY16. The investment required to implement the change initiatives should deliver 100% payback through cost savings within 12 months.

"We expect this investment in fine-tuning our operating model will help accelerate our path towards a Cost to Income ratio in the low 40% range in the years ahead." Mr Sutton said.

"The uncertainty in the global economic outlook over recent months has resulted in a significant increase in volatility in funding markets. While strong competition for new business remains, this creates headwinds for our margin outlook. The challenges of this market reinforce the need for us to be more nimble and efficient to ensure we can take advantage of opportunities as they arise."

BOQ will report its half year results for the period ending 29 February 2016 on 7 April 2016.

For further information please call:

Media:

Jamin Smith, Head of Media Relations
P: 07 3212 3018 E: jamin.smith@boq.com.au

Analysts:

Daniel Ryan, Head of Investor Relations
P: 07 3212 3990 E: daniel.ryan@boq.com.au