

The new BOQ and the journey to Newstead

May 2013



Bank of Queensland Limited ABN 32 009 656 740

Is it possible to actually love your job?

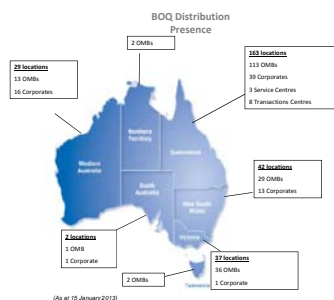
Everything you know is wrong!

- The workplace is **not** about m2/person, or ABW or occupancy ratios
- Its about people and its about a unified strategy, culture and brand.

So prepare to "Think Different" !

Overview of BOQ

- ▶ Leading regional bank listed on the Australian Securities Exchange, currently ranked in the top 100 companies by market capitalisation
- ▶ Provision of banking and insurance services primarily to retail customers and small to medium sized business
- ▶ Unique Owner-Manager Branch (OMB) franchise model

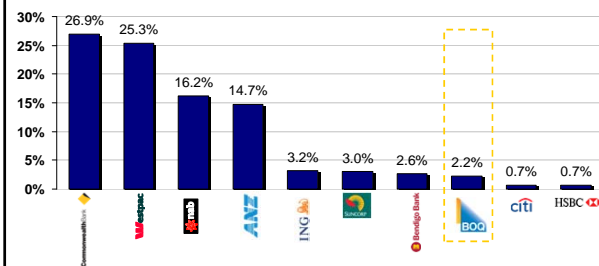


3

Bank of Queensland Limited ABN 32 009 656 740

Overview of banking landscape

Market Share
% Domestic household lending Nov 2012



Source: APRA, Credit Suisse estimates

Post GFC - we had lost our way!

- Strategy - Defensive
- Culture – Lost our mojo!
- Brand – Didn't really stand for anything
- Had put on weight around the middle!
- Lots of projects and ideas going around without a clear purpose
- Inefficient processes and backward IT systems

What Changed

- New MD in Nov 2011.
- Day 1- Res Bank drops rates – BOQ immediately passes on the full 25 points
- Day 2 – NO MORE TIES !!!
- Complete business review, strengths and weaknesses etc
- A fresh set of eyes

Result:

- BOQ had to change:
- Strategy – to be Fit, Focused and Different to the major Banks.
- Culture – CANDO: Collaborative, Accountable, No Problems, Do what we say, Open and honest.
- Brand – Now stands for something - watch this space..... May 31!!

Some tough Love

- All new executive team
- Many new senior staff recruited
- Stopped competing in fields we can't compete in
- Focus on niche markets where service is truly valued ie. Family's, SME and Agri Business
- Extensive restructures to cut middle layers of management and move to a shared services model
- Continuing efficiency drives
- Has been pretty unsettling for many.

Keeping it together

- How to keep people on board strategy culture, and brand, when an organisation is going through massive structural change? Providing a new workplace helps!
- A new home is something positive that people can focus on and be part of the development
- Its an opportunity for the organisation to show it cares about its people
- An opportunity to tangibly redefine what the organisation stands for in terms of Strategy, Culture and Brand.

Why Newstead

- 4 short listed options:
 1. 259 Queen St (Existing)
 2. The Regent
 3. Joule (Newstead)
 4. Gasworks (Newstead)
- Brand Positioning- physically located away from majors, not seen as the same. (this was a major influence on the decision)
- Larger floor plates, more campus style
- Different environment, less intense, more relaxed and more friendly than the city
- Blank canvas for design to reflect our new culture and values.
- The opportunity to create a place that inspires us to be flexible, and innovative and to provide a real alternative to the majors.

Newstead Riverpark



Part of FKPs \$1.1 billion Gasworks development at Newstead Riverpark, just 2km north of the CBD

The Gasworks precinct

- Gasworks precinct emerging as a major centre for employment, with some of the city's biggest firms - Leighton, Aecom, Watpac, John Holland, Fujitsu, Ergon and Energex - now opting to operate from Newstead rather than the CBD
- New Woolworths Shopping Centre opening July 31 including refurbishment of the Gasometer. Other tenants include James Street fresh food markets, cafes, pharmacy, medical centre, restaurant/ bar etc
- Its location just 2km from the CBD, together with its residential and worker populations, make it a highly appealing fringe choice for business and retail
- Brisbane's inner north, with the Newstead Riverpark precinct will virtually become a 'satellite CBD' when complete

Lots of amenities including a Woolies



Cafes, restaurants and medical centre



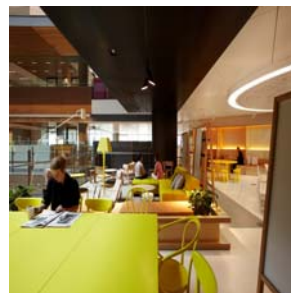
What do we want to create?

- We want a building that works for us in every respect
- **Staff focus groups** told us what our people value most in a workspace:
 - More natural light filled spaces
 - Better use of technology and smart devices throughout the building to improve communication
 - The ability to exercise at work – a gym, more bike racks, better shower facilities, recreational green space and places to exercise
 - More lifts!
 - No hot-desking!
 - Outdoor work spaces
 - More flexible meeting room options/spaces
 - Quiet zones
 - Better air quality; healthy workplace
 - Flexible working hours to fit in with family life
- We'll have five floors in our location with 2,500sqm of additional floor space, 12,500sqm in total
- Floor plates will be 50 per cent larger than we currently have here in the CBD

Gasometer View



Creative and inspiring workplace



Light-filled break out spaces



Your health and wellbeing – exercise at work!



Why not in the CBD?

- A CDB office would spread our workforce over more levels, with smaller floorplates – 8 or 9 levels
- Does not reflect the bank we want to be
- More disconnected, operating in silos

Connecting our people



Accessibility and transport

- The new site is easily accessible by rail, bus, road and river
- BOQ will work with TRANSlink to ensure we have enough services in operation to accommodate our staff movements

Quick public transport facts:

- Located within 800m of Bowen Hills Train Station
- Bowen Hills Train Station has equal status to Central Station in the CBD. All train lines service this station directly, including the express service to the Airport
- Positioned on Brisbane's highest frequency bus route, the Brisbane City Glider runs every 5 minutes during peak times
- Directly served by many of Brisbane's northern bus routes
- Easy access to the existing ferry network and the newly completed Teneriffe CityCat terminal
- Direct access to Brisbane River public walk / cycle pathways

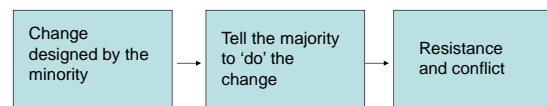
Lots of transport options



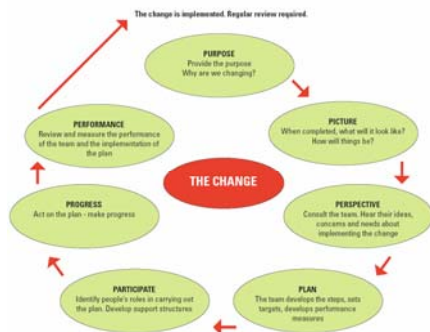
Getting staff involved

- Staff to be involved in the internal design process – they have good ideas!
- All staff can send ideas/questions to myideas@boq.com.au
- **Staff Working Group** - putting together a group of BOQ staff from across each part of the business to come together on a regular basis to share their ideas, ideas from their team and to give feedback
- It's a two year project - ample time to work with staff and address their concerns

Poor process for introducing change



7 STEPS TO SUCCESSFUL CHANGE



Change Management to date

- We've had plenty on! Really starts after the brand launch.
- Will need to work towards less paper, use of more portable devices, use of more efficient end user computing tools. Eg increased video conferencing capability, integrated room booking systems and collaboration tools, coupled with a diverse range of collaboration settings.
- Clean desk policy, centralised personal lockers away from desks, general office management protocols.
- But everyone will have a desk!

Lessons learned so far..

- Only give people tasks they can comprehend!
- The scale can intimidate so break it down and clearly allocate and make people accountable.
- People love this type of project and want to be involved! Eg compare it to a project for developing a new banking product!
- It can be driven by property if given a mandate to deliver, but total engagement of I.T. is essential as is HR and **Corporate Affairs** from a change management and culture perspective.
- It was critical to have marketing explain the new brand to the architects in advance during the design briefing stage.

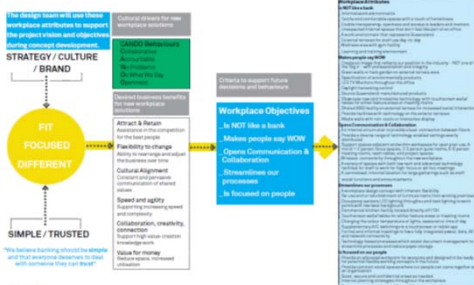
Where are we up to



Strategic Vision

2.1. Aspirational & Strategic Vision

Illustrates objectives and outcomes that support the vision



Design direction

2.2. Design Direction



Design direction continued



Design direction continued



Comparison

SR_Building Analysis
Facilities Analysis - Typical Floor

Facilities Summary
The comparison table below shows the typical floor area for each facility type across the 200 typical floor area.

Facilities Summary	200 Typical Floor			SRBC		
	Quantity	Total Area	% Area	Quantity	Total Area	% Area
Open Plan Office Space	112 Units	1120 sqm	22.5%	112 Units	1120 sqm	22.5%
Private Office	4	80 sqm	1.6%	4	80 sqm	1.6%
Reception/Waiting	7	80 sqm	1.6%	7	80 sqm	1.6%
Meeting Room	1	20 sqm	0.4%	1	20 sqm	0.4%
Kitchen	2	100 sqm	2.0%	2	100 sqm	2.0%
Store	1	10 sqm	0.2%	1	10 sqm	0.2%
Customer Lounge	3	12 sqm	0.2%	3	12 sqm	0.2%
Support Space	6	18 sqm	0.4%	6	18 sqm	0.4%

A workplace people love

- That is **the** goal!
- A new workplace can physically promote an organisations strategy, culture and brand to its staff, customers, shareholders and business partners alike.
- If we can create a workplace that people love then all of the property metrics pale into insignificance by comparison to a totally engaged group of people who are truly fit, focused and different.
- Stay tuned!