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ME Bank accepts BOQ offer - a notification to all SMHL stakeholders

**23 February 2021**

**ME BANK ACCEPTS BOQ OFFER**

I am pleased to confirm that Member Equity Bank Limited's ABN 56 070 887 679 ('**ME Bank**') shareholders have unanimously agreed to accept an acquisition offer from Bank of Queensland Limited ABN 32 009 656 740 ('**BOQ**').

Importantly, BOQ has agreed that the ME brand, people, operations, and Melbourne presence will be retained, reflecting BOQ's multi-brand strategy and the commitment of both banks to retain their common customer-centric ethos and values.

This will not affect or change current customers' current accounts or arrangements, nor their relationship with ME Bank.

We are confident that today's decision will be of benefit to the customers and employees of both ME Bank and BOQ, and the Australian banking sector generally.

Please find a copy of ME's media release in the **Annex**.

**WE APPRECIATE THE SUPPORT OF STAKEHOLDERS AND PARTNERS**

We appreciate your continued support as ME becomes WE.

Should you wish to discuss this matter or any other item relating to your partnership with ME Bank, please feel free to contact your ME Bank contact or reach out to ME Bank's Investor Relations team at [ME.InvestorReporting@mebank.com.au](mailto:ME.InvestorReporting@mebank.com.au).

**KEN CHRISTIE**  
INTERIM CHIEF FINANCIAL OFFICER

Annex – ME Bank’s media release dated 22 February 2021



22/02/2021

## **ME becomes WE**

ME Bank today announced that it would join the Bank of Queensland (BOQ) family, creating a genuine banking alternative powerhouse.

ME Bank's shareholders have unanimously agreed to accept a \$1.325 billion all-cash offer from BOQ, one of Australia's leading regional banks.

The ME brand, people, operations, and Melbourne-based presence will be retained, reflecting BOQ's multi-brand strategy and the commitment of both banks to retain their common customer-centric ethos and values.

The transaction is expected to be finalised by August and ME Bank emphasised it will not affect or change existing customers' accounts or arrangements, nor their relationship with ME Bank.

ME Bank's shareholders, who represent 26 of Australia's industry super funds, unanimously endorsed BOQ's offer, which was recommended by the Board.

The Chairman of ME Bank, Mr James Evans, said: "The Board determined that the proposal from BOQ, which highly values what has been built by ME, was in the best interests of our shareholders and the transaction was unanimously supported by them.

"Today's decision represents a permanent shift for the better in the Australian banking landscape. This agreement brings together two culturally aligned organisations to form what will be an enhanced and influential banking alternative for customers.

"The increased scale and complementary offerings will benefit customers and employees alike. The combined group will be able to offer a wider network of service options, deeper resources, and the added reassurance that comes with a larger banking organisation.

"BOQ and ME are a natural fit. They are both home-grown banks with a range of simple and easy to understand banking products. They both offer a genuine alternative to the big banks. And importantly, they also share a common language, and that's the language of customers," said Mr Evans.

The benefits of greater scale will enable ME Bank to compete more effectively in the increasingly competitive banking market in Australia. It will give ME Bank access to additional capital, funding, and expertise to support and invest in the delivery of improved products and services for ME Bank's customers. ME Bank employees will also be able to benefit from the enhanced opportunities that exist within a larger business.

Mr Evans commented: "We are pleased that under the proposal, the ME Bank brand and operations will be maintained. We believe ME has a valuable and compelling brand, as well as a very strong operating model. ME customers will be able to enjoy the same simple and straightforward products and services we know they expect from ME Bank, along with the additional benefits of being part of a bigger bank."

The all-cash offer price of \$1.325 billion represents 1.15 times ME's net tangible assets.

BOQ Group today welcomed the decision of ME Bank shareholders to accept the offer. BOQ Group Managing Director and CEO, George Frazis, said: "We are truly excited to be able to welcome ME Bank customers and team members to the BOQ Group family. There is no doubt this is a tailor-made match because of our common objectives and customer-first cultures.

“Our multi-brand strategy at BOQ means that the ME brand will be maintained, and their people will be able to continue doing what they do best – offering simple and straightforward banking products and terrific service to their customers. We are looking forward to the future with ME Bank on board.”

Mr Evans concluded: “ME Bank was originally formed 27 years ago by a group of Australian super funds who saw the need for a bank to help everyday Australians get ahead. ME was the original challenger bank, and an online banking pioneer in Australia. ME’s track record of customer growth shows that it has indeed struck a chord with the people we originally set out to help.

“Our shareholders are proud of the organisation that ME Bank is today, and they are confident that the strong alignment in values and purpose between ME and BOQ will make BOQ a great home for the ME brand. We are confident that today’s decision will be of benefit to the customers and employees of both ME Bank and BOQ, and the Australian banking sector generally.”

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