



Your own personal bank

Bank of Queensland Limited
ABN 32 009 656 740
259 Queen Street, Brisbane 4000
GPO Box 898, Brisbane 4001
Telephone (07) 3212 3333
Facsimile (07) 3212 3409
www.boq.com.au

ASX RELEASE

Monday, 19 November 2012

Appendix 3B

Attached is an indicative Appendix 3B for the issue of Bank of Queensland Limited (**BOQ**) Convertible Preference Shares (**CPS**) pursuant to the Prospectus lodged with ASX on 19 November 2012.

The number of CPS to be issued is indicative only. A final Appendix 3B will be provided to the ASX following the close of the offer.

For further information please call:

Media:

Andrea Sackson, Head of Corporate Affairs
P: 07 3212 3018 E: andrea.sackson@boq.com.au

Analysts:

Sally Wehl, Investor Relations Manager
P: 07 3212 3463 E: sally.wehl@boq.com.au

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Bank of Queensland Limited (BOQ)

ABN

32 009 656 740

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Convertible preference shares (CPS) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Approximately 2,500,000 CPS (but may issue more or less) |

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

Please refer to the replacement Prospectus lodged with ASIC and ASX on 19 November 2012 (**Prospectus**), in particular Sections 1 and 2 and the terms of issue of CPS at Appendix A. Capitalised terms in this Appendix 3B have the same meaning as set out in the Prospectus and the CPS Terms.

CPS are fully-paid, perpetual, convertible, unguaranteed and unsecured preference shares with preferred, discretionary, non-cumulative dividends issued by BOQ.

CPS will Mandatorily Convert into Ordinary Shares on the Mandatory Conversion Date subject to the Conversion Conditions being satisfied, unless, in accordance with the CPS Terms, the CPS have otherwise been Converted or Redeemed .

The Scheduled Mandatory Conversion Date is 15 April 2020. If any of the Conversion Conditions are not satisfied on that date, the Mandatory Conversion Date will be deferred until the next Dividend Payment Date in respect of which all of the Conversion Conditions are satisfied.

Upon Conversion on a Mandatory Conversion Date, CPS Holders will receive \$101.01 worth of Ordinary Shares per CPS based on the VWAP during the 20 Business Days on which trading in Ordinary Shares took place before that Mandatory Conversion Date.

Subject to APRA's prior written approval, BOQ may elect to Convert, Redeem or Transfer (or a combination of these) some or all of the CPS:

- on the Optional Conversion/Redemption Date of 15 April 2018; or
- following the occurrence of a Regulatory Event or Tax Event.

Subject to APRA's prior written approval, BOQ may also elect to Convert all (but not some only) of the CPS on the occurrence of a Potential Acquisition Event.

Subject to the Conversion Conditions, BOQ must Convert CPS if an Acquisition Event occurs at any time.

In addition, Conversion of the CPS into Ordinary Shares must occur immediately following the occurrence of a Capital Trigger Event or a Non-Viability Trigger Event. If BOQ cannot for any reason Convert CPS within five days after the relevant event, the CPS will be Written Off (which means the rights of CPS in respect of dividends and return of capital will be automatically changed with the result that a CPS Holder would in effect have, in respect of the CPS, the same rights to dividends and capital return as a person holding the number of Ordinary Shares the CPS Holder would have held if the Conversion had occurred).

+ See chapter 19 for defined terms.

Dividends on CPS are preferred, discretionary, non-cumulative, based on a floating rate and are subject to the Dividend Payment Tests being satisfied. Dividends are scheduled to be paid semi-annually in arrears on 15 April and 15 October and are calculated on a floating rate basis using the 180 day bank bill swap rate plus the Margin.

CPS Holders have no voting rights except in the limited circumstances described in the CPS Terms.

4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

Yes, with respect to ranking in respect of dividends and in a winding up – please see Sections 1.1 and 2.10 of the Prospectus and clause 7 of the CPS Terms.

For the payment of Dividends, CPS rank:

- (a) senior to Ordinary Shares; and
- (b) equally among themselves and with BOQ's Perpetual Equity Preference Shares (**PEPS**) and any other securities or instruments of BOQ that rank equally with the CPS in respect of dividends or distributions; and
- (c) junior to any securities or instruments of BOQ that rank senior to the CPS in respect of dividends or distributions.

In a winding up or liquidation of BOQ, CPS rank for payment of the Liquidation Sum:

- (a) senior to Ordinary Shares;
- (b) equally among themselves and with PEPS and any other securities or instruments of BOQ that rank equally with the CPS in respect of return of capital in a winding up;
- (c) junior to all BOQ's debts and liabilities to its creditors (including depositors), both unsubordinated and subordinated, other than indebtedness that by its terms ranks equally with, or junior to, the CPS in a winding-up; and
- (d) junior to any securities or instruments of BOQ that rank senior to the CPS in respect of return of capital in a winding up.

Any return in a winding up may be adversely affected if the CPS have been Converted or Written Off as a result of a Capital Trigger Event or Non-Viability Trigger Event.

The Ordinary Shares held as a result of any Conversion of CPS will, following Conversion, rank equally with existing Ordinary Shares.

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

5	Issue price or consideration	\$100 per CPS
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<p>BOQ is issuing CPS to raise funds in a manner that creates regulatory capital that satisfies APRA's prudential capital requirements.</p> <p>The proceeds of the CPS will be used for BOQ's general corporate purposes including effecting the buy-back of PEPS under the Reinvestment Offer and providing BOQ with further capacity for continued growth.</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	No
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of +securities issued without security holder approval under rule 7.1	N/A
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of securities issued under an exception in rule 7.2	N/A
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A

+ See chapter 19 for defined terms.

6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A											
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A											
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	<p>Date of entry into uncertificated holdings is expected to be 24 December 2012.</p> <p>Holding statements are expected to be despatched by 28 December 2012.</p>											
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th style="text-align: left;">Number</th> <th style="text-align: left;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">308,797,224</td> <td>Ordinary Shares</td> </tr> <tr> <td style="text-align: left;">2,000,000</td> <td>BOQ PEPS (subject to amount bought back)</td> </tr> <tr> <td style="text-align: left;">Approximately 2,500,000 (but may issue more or less)</td> <td>CPS</td> </tr> <tr> <td style="text-align: left;">24,500</td> <td>Floating Rate Term Transferable Deposits</td> </tr> </tbody> </table>	Number	+Class	308,797,224	Ordinary Shares	2,000,000	BOQ PEPS (subject to amount bought back)	Approximately 2,500,000 (but may issue more or less)	CPS	24,500	Floating Rate Term Transferable Deposits	
Number	+Class												
308,797,224	Ordinary Shares												
2,000,000	BOQ PEPS (subject to amount bought back)												
Approximately 2,500,000 (but may issue more or less)	CPS												
24,500	Floating Rate Term Transferable Deposits												

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	
	162,940	Performance Award Rights vesting October 2015 and expiring 16 December 2017
	65,432	Deferred Award Rights expiring 5 May 2017
	424,212	Performance Award Rights vesting October 2014 and expiring 16 December 2016
	442,494	Deferred Award Rights expiring 16 December 2016
	366,179	Performance Award Rights vesting October 2013 and expiring 29 November 2015
	258,599	Deferred Award Rights expiring 29 November 2015
	89,060	Performance Award Rights vesting October 2012 and expiring 24 December 2014
	22,153	Deferred Award Rights expiring 28 May 2015
	70,406	Deferred Award Rights expiring 24 December 2014
	15,647	Deferred Award Rights expiring 29 June 2014
	1,401,000	Executive Options expiring 1 November 2012
	301	Employee ordinary shares (EMP)

+ See chapter 19 for defined terms.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	<p>Dividends on CPS are preferred, discretionary, non-cumulative, based on a floating rate and are expected to be fully franked. Dividends on CPS are subject to the Dividend Payment Tests being satisfied.</p> <p>Dividends are scheduled to be paid semi-annually in arrears on 15 April and 15 October and are calculated on a floating rate basis using the 180 day bank bill swap rate plus the Margin.</p> <p>For further information, see Sections 1.1 and 2.3 of the Prospectus and clause 6 of the CPS Terms.</p>
----	--	---

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the ⁺ securities will be offered	N/A
14	⁺ Class of ⁺ securities to which the offer relates	N/A
15	⁺ Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	<p>Names of countries in which the entity has ⁺security holders who will not be sent new issue documents</p> <p><small>Note: Security holders must be told how their entitlements are to be dealt with.</small></p> <p><small>Cross reference: rule 7.7.</small></p>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

+ See chapter 19 for defined terms.

-
- 32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)? N/A
- 33 ⁺Despatch date N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	N/A	
39	Class of +securities for which quotation is sought	N/A	
40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A	
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	N/A	
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	Number	+Class
		N/A	N/A

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:Date: 19 November 2012
(~~Director~~/Company secretary)

Print name: Melissa Grundy.....

== == == == ==

+ See chapter 19 for defined terms.