



Your own personal bank

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

ASX RELEASE

24 December 2012

BOQ Convertible Preference Share (CPS) Offer raises \$300 million

Bank of Queensland Limited (**BOQ**) today announced that its offer of Convertible Preference Shares (**CPS**) closed on 18 December 2012 raising a total of \$300 million.

BOQ Chief Financial Officer, Mr Anthony Rose, said: "We are extremely pleased with the level of investor demand for the CPS Offer, which was upsized from an initial size of \$200 million to \$300 million.

"The issue further strengthens BOQ's balance sheet and ensures our capital ratios are market leading. The CPS qualifies as Tier 1 Capital under APRA's current prudential standards and will qualify as Additional Tier 1 Capital under APRA's Basel III capital adequacy framework, to take effect from 1 January 2013."

Mr Rose noted that while the CPS will be classified as debt for accounting purposes, dividends paid will be treated as an interest expense within BOQ's consolidated result.

Allocation policy

Valid applications received under the Reinvestment Offer and Shareholder Offer were not subject to scale back and were accepted in full. Due to the level of demand, applications received under the General Offer have not received an allocation. All applicants under the General Offer will have their Application Payments refunded (without interest) as soon as practicable.

Allocations to Syndicate Brokers under the Broker Firm Offer and Institutional Investors under the Institutional Offer were determined by BOQ pursuant to a Bookbuild held on 16 November 2012. Allocations to Broker Firm Applicants by a Syndicate Broker were at the discretion of that Syndicate Broker.

Applicants can obtain information regarding their allocation of CPS by calling their Syndicate Broker or the BOQ Offer Information Line on 1800 779 639 (within Australia) or +61 2 8280 7626 (outside Australia).

The basis for allocations is described in the attached advertisement which will be published on 27 December 2012 in the Australian Financial Review, The Australian, Sydney Morning Herald, Melbourne Age, Courier Mail and the West Australian.

Deferred settlement trading

The CPS were issued today and will begin trading on a deferred settlement basis on the ASX on 27 December 2012 under the code "BOQPD". Trading is expected to commence on a normal settlement basis on 31 December 2012.



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Holding statements

BOQ expects that Holding Statements for issuer sponsored holders and confirmations for CHESSE holders will be despatched to successful Applicants by 28 December 2012.

Any holder wishing to sell their CPS before receiving a holding statement is responsible for confirming their holding before trading by checking with their Syndicate Broker, or by contacting the BOQ Offer Information Line. Holders who sell their CPS before receiving their holding statement do so at their own risk.

CPS Dividend Rate and first Dividend payment

The record date for the first dividend period for CPS is 27 March 2013 and the first dividend is expected to be paid on 15 April 2013 (subject to Dividend Payment Tests). The Dividend Rate for each CPS for the first dividend period has been determined as follows:

Bank Bill Swap Rate	3.1183% p.a
Plus: Margin	5.10% p.a
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Equivalent unfranked dividend rate	8.2183% p.a
Multiplied by (1-tax rate)	x 0.70
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Fully franked Dividend Rate	5.7528% p.a
Fully franked Dividend payment per CPS	\$1.7652

The first Dividend Period includes 112 days from 24 December 2012 to (but excluding) 15 April 2013. Dividends are expected to be fully franked.

Maximum Conversion Number

The Pre-Issue VWAP has been calculated at \$7.1053.

For the purposes of the calculation of Conversion of CPS under the terms of issue, the Maximum Conversion Number based on the Pre-Issue VWAP is:

- 28.1480 Ordinary Shares per CPS, where Conversion occurs before 1 January 2013 or on a Mandatory Conversion Date; and
- 70.3700 Ordinary Shares per CPS, where Conversion occurs at any other time.

Participation by BOQ Directors and associates in the Offer

The number of CPS issued to BOQ Directors and their associates was 2,000 CPS. This represents 0.067% of the total number of CPS that were issued.



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ASX RELEASE

Buy-back of PEPS

BOQ completed the buy-back of Reinvested PEPS today. Accordingly, 1,801,339 PEPS reinvested in CPS under the Reinvestment Offer have been cancelled and removed from official quotation on the ASX.

Remaining PEPS will continue trading on the ASX. PEPS holders that did not participate in the Reinvestment Offer will continue holding PEPS.

Tax Ruling

As set out in the Prospectus, BOQ applied to the Australian Taxation Office (**ATO**) for a public class ruling confirming certain tax issues for certain Australian resident CPS Holders. BOQ received the ruling (CR 2012/111) on 5 December 2012 in the form expected. A copy of the class ruling is available from the ATO website (www.ato.gov.au) by searching the legal database quoting the class ruling reference.

Additional Information

If you have received an allocation through the Broker Firm Offer and require further information regarding CPS allocations or have other enquiries relating to the Offer, please contact your relevant Syndicate Broker. If you have applied through the Reinvestment Offer, Shareholder Offer or the General Offer, please call the BOQ Offer Information Line on 1800 779 639 (within Australia) or +61 2 8280 7626 (outside Australia) 8:30am to 7:30pm Sydney time Monday to Friday or visit www.boq.com.au.

Unless otherwise defined, capitalised words used in this announcement have the meaning given to them in the Prospectus.

For more information:

BOQ Offer Information Line:	Media:	Analysts:
1800 779 639 (within Australia) +61 2 8280 7626 (outside Australia) 8:30am to 7:30pm Sydney time Monday to Friday www.boq.com.au	Andrea Sackson Head of Corporate Affairs Phone: +61 7 3212 3018 Mobile +61 400 480 866 Email: andrea.sackson@boq.com.au	Sally Wehl Investor Relations Manager Phone: +61 7 3212 3463 Mobile: +61 434 583 611 Email: sally.wehl@boq.com.au



Important Notice to All Applicants Under the BOQ Convertible Preference Shares (CPS) Offer.

27 December 2012

Bank of Queensland Limited (BOQ) is pleased to announce that the offer of CPS (Offer) under the Reinvestment Offer, Shareholder Offer, Broker Firm Offer applications in respect of Reinvested PEPS and General Offer successfully closed on Thursday, 13 December 2012 and the Broker Firm Offer (excluding applications in respect of Reinvested PEPS) successfully closed on Tuesday, 18 December 2012.

3 million CPS have been issued at \$100 each. The final Offer size was \$300 million.

CPS Allocation Policy

The allocation policy for the CPS is described below:

- **Reinvestment Offer and Shareholder Offer** – Valid applications under the Reinvestment Offer and Shareholder Offer were not subject to a scale-back and have been accepted in full.
- **General Offer** – Due to the level of demand, applications received under the General Offer have not received an allocation. All applicants under the General Offer will have their Application Payments refunded (without interest) as soon as practicable.
- **Broker Firm Offer** – Allocations to Syndicate Brokers were determined pursuant to a Bookbuild held on 16 November 2012. Allocations to Broker Firm Applicants by a Syndicate Broker were at the discretion of that Syndicate Broker. Valid applications from Eligible PEPS Holders who applied under the Broker Firm Offer were not subject to scale-back and have been accepted in full.
- **Institutional Offer** – Allocations to Institutional Investors were determined pursuant to a Bookbuild held on 16 November 2012.

Applications that were accompanied by cheques that were subsequently dishonoured and online Applications for which BPAY® payments were not received have not received an allocation.

Applicants can obtain information about their allocation of CPS by calling the BOQ Offer Information Line on the number provided at the end of this notice.

Trading on ASX

CPS are expected to commence trading today, Thursday 27 December 2012, on ASX on a deferred settlement basis under the ASX code of "BOQPD"

All Applicants are responsible for confirming their holding before trading in CPS. Successful Applicants who sell their CPS before receiving their Holding Statement, do so at their own risk (even if they obtained information on their allotment from the BOQ Offer Information Line or from their Syndicate Broker).

Trading on a normal settlement basis is expected to commence on Monday, 31 December 2012.

Holding Statements

Holding Statements, which set out the number of CPS issued to each successful applicant, are expected to be despatched by Friday, 28 December 2012.

Further information

Applicants may call their Syndicate Broker or the BOQ Offer Information Line on 1800 779 639 (within Australia) or +61 2 8280 7626 (outside Australia) (Monday to Friday – 8:30am to 7:30pm Sydney time) to confirm their allocation.