BANK OF QUEENSLAND LIMITED.

APRA Basel II Pillar 3 Disclosures:
Quarter ended 30 November 2012.

31 January 2013

This report has been prepared by Bank of Queensland Limited (BOQ) to meet its disclosure requirements under the Australian Prudential Regulation Authority (APRA) Australian Prudential Standard (APS) 330 Capital Adequacy: Public Disclosure of Prudential Information. It has been prepared using 30 November 2012 data.

Bank of Queensland Limited ABN 32 009 656 740. AFSL No. 244616.

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Key Points

As previously disclosed in conjunction with the completion of the $300 million issue of Convertible Preference Shares (CPS) in December 2012, the changes to APRA's capital rules (effective 1 January 2013) had a minor positive impact on the Bank's capital ratios. On a pro forma basis, adjusting for the completion of the CPS and related $180 million PEPs buyback and for the APRA capital rule changes, the Bank's Level 2 Tier 1 Capital ratio would be 10.2% and Total Capital ratio would be 13.2%.

In table 17: Credit Risk, calculation of the reported gross credit exposure in relation to off balance sheet exposures has changed. It is now being reported in terms of credit equivalents rather than as notional exposures, so as to be more reflective of actual credit exposures and to bring our reporting in line with market practice. Comparative figures have been restated. The Specific Provision balances include ineligible collective provision amounts as defined under APRA prudential guidelines.

Table 16: Capital Adequacy

Risk Weighted Assets ($'m)	Nov 12	Aug 12
Subject to the Standardised approach		
Corporate	-	-
Government	5.1	5.0
Bank	202.1	261.4
Residential Mortgage	11,298.3	11,379.1
Other retail	7,243.2	7,181.1
Other	69.8	71.2
Total capital requirement subject to the standardised approach	**18,818.5**	**18,897.8**
Credit risk capital requirement relating to securitisation exposures	**159.0**	**146.2**
Market risk minimum capital requirement	**535.2**	**292.8**
Operational risk minimum capital requirement	**1,761.3**	**1,761.3**
Total RWA and capital requirement	**21,274.0**	**21,098.1**

Capital ratios	%	%
Level 2 Total capital ratio	12.3	12.6
Level 2 Tier 1 capital ratio	9.4	9.5

Table 17: Credit Risk

Exposure Type	Gross Credit Exposure[1] ($'m)		Average Gross Credit[2] Exposure ($'m)	
	November 2012	August 2012	November 2012	August 2012
Cash and due from financial institutions	513.1	569.3	541.2	542.2
Debt securities	604.3	643.6	623.9	631.0
Loans and advances	31,538.2	31,891.6	31,714.9	31,759.3
Non market off balance sheet exposures	768.8	669.6	719.2	675.9
On market off balance sheet exposures	233.4	314.5	274.0	303.0
Other	41.2	42.5	41.9	43.2
Total exposures	**33,699.0**	**34,131.1**	**33,915.1**	**33,954.6**

Portfolios subject to Standardised approach	Gross Credit Exposure[1] ($'m)		Average Gross Credit[2] Exposure ($'m)	
	November 2012	August 2012	November 2012	August 2012
Corporate	-	-	-	-
Government	528.4	527.5	528.0	518.3
Bank	850.8	1,027.3	939.1	983.8
Residential Mortgage	25,055.5	25,373.5	25,214.4	25,249.9
Other retail	7,210.9	7,148.2	7,179.6	7,147.9
Other	53.4	54.6	54.0	54.7
Total exposures	**33,699.0**	**34,131.1**	**33,915.1**	**33,954.6**

Notes:
(1) Gross credit exposures reflect credit equivalent amounts.
(2) Average for the Quarter.

Table 17: Credit Risk (continued)

NOVEMBER 2012

Portfolios subject to the Standardised approach	Impaired loans $m	Past due loans > 90 days $m	Specific provision balance[1] $m	Charges for specific provision $m	Write-offs $m
Corporate	-	-	-	-	-
Government	-	-	-	-	-
Bank	-	-	-	-	-
Residential Mortgage	194.1	185.1	77.0	3.4	7.7
Other retail	318.0	140.9	176.4	1.6	21.0
Other	-	-	-	-	-
Total	**512.1**	**326.0**	**253.4**	**5.0**	**28.7**

AUGUST 2012

Portfolios subject to the Standardised approach	Impaired loans $m	Past due loans > 90 days $m	Specific provision balance[1] $m	Charges for specific provision $m	Write-offs $m
Corporate	-	-	-	-	-
Government	-	-	-	-	-
Bank	-	-	-	-	-
Residential Mortgage	203.6	202.2	72.7	13.7	7.4
Other retail	311.1	124.4	173.8	(68.6)	75.1
Other	-	-	-	-	-
Total	**514.7**	**326.6**	**246.5**	**(54.9)**	**82.5**

	November 2012	August 2012
General reserve for credit losses[2] ($'m)	185.1	184.2

Notes:

(1) Under APRA guidelines specific provision balance includes ineligible collective provisions which are identified with certain exposures.

(2) Includes tax effected eligible collective provisions.

Table 18: Securitisation Exposures

Exposure Type	November 12		August 12	
	Current Period Securitisation Activity $m	Gain or Loss on Sale $m	Current Period Securitisation Activity $m	Gain or Loss on Sale $m
Securities held in the banking book	4.2	-	(32.3)	-
Securities held in the trading book	-	-	-	-
Liquidity facilities	-	-	-	-
Funding facilities	1.0	-	(1.3)	-
Swaps	34.3	-	(16.2)	-
Other[1]	0.7	-	26.8	-
Total	**40.2**	**-**	**(23.0)**	**-**

NOVEMBER 2012

Securitisation Exposure	Securities held in the banking book $m	Securities held in the trading book $m	Liquidity facilities $m	Funding facilities $m	Swaps $m	Other[1] $m
On-balance sheet securitisation exposure retained or purchased	425.1	-	38.9	7.5	-	3,102.5
Off-balance sheet securitisation exposure	-	-	-	-	145.7	-
Total	**425.1**	**-**	**38.9**	**7.5**	**145.7**	**3,102.5**

AUGUST 2012

Securitisation Exposure	Securities held in the banking book $m	Securities held in the trading book $m	Liquidity facilities $m	Funding facilities $m	Swaps $m	Other[1] $m
On-balance sheet securitisation exposure retained or purchased	420.9	-	38.9	6.5	-	3,101.8
Off-balance sheet securitisation exposure	-	-	-	-	111.4	-
Total	**420.9**	**-**	**38.9**	**6.5**	**111.4**	**3,101.8**

Notes:

(1) Exposures relate to notes held in the Bank's on balance sheet securitisation vehicles.