



Your own personal bank

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ASX STATEMENT

17 July 2012

Update regarding debt sale transaction

Further to the statement made on 27 June 2012, BOQ has subsequently received a revised offer from Goldman Sachs to buy four loans with a face value of \$156m from the non-performing commercial property loan portfolio, which has been accepted.

The four loans include BOQ's three largest impaired assets, which are secured by three shopping centres in Queensland and Victoria. The fourth loan is a small commercial property development exposure.

The sale was concluded today and will have no material impact on the Bank's results ending 31 August 2012.

BOQ Managing Director and CEO Stuart Grimshaw said the revised offer was at a price acceptable to the Bank.

"Despite not completing a full portfolio transaction, the majority sale of the portfolio, consisting of our three largest impaired assets is a good result for BOQ.

"We are working sensibly to dispose of the asset pool.

"Whilst pleasing to have been able to make a significant reduction in impaired assets through this transaction, the outlook continues to be challenging, with no material improvement in business conditions or the commercial and residential property markets yet evident."

Ends

For more information please contact

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