

Figures are denoted in \$A Millions unless otherwise stated

RESTRICTED SECRET	Half Year Performance				Financial Year Performance	
	1H/11	2H/11	1H/12	2H/12	FY2011	FY2012
Assets						
Assets under management						
Loans - net of specific and collective provision for doubtful debts	32,386.0	33,276.1	33,514.7	34,147.2	33,276.1	34,147.2
Liquid assets	5,920.6	5,712.1	5,615.5	6,479.6	5,712.1	6,479.6
Other assets	888.3	912.6	954.3	1,131.2	912.6	1,131.2
Total balance sheet assets	39,194.9	39,900.8	40,084.5	41,758.0	39,900.8	41,758.0
Securitised assets (off balance sheet)	137.2	-	-	-	-	-
Total assets under management	39,332.1	39,900.8	40,084.5	41,758.0	39,900.8	41,758.0
Loans under management (before collective provisions)						
Housing	23,390.4	24,149.4	24,625.6	25,366.1	24,149.4	25,366.1
Commercial	5,173.7	5,252.4	5,209.3	5,095.1	5,252.4	5,095.1
BOQ Finance	3,736.4	3,683.5	3,683.3	3,655.2	3,683.5	3,655.2
Consumer	303.5	270.9	238.6	223.4	270.9	223.4
Total loans under management (before collective provisions)	32,604.0	33,356.2	33,756.8	34,339.8	33,356.2	34,339.8
Housing	72%	72%	73%	74%	72%	74%
Commercial	16%	16%	15%	14%	16%	14%
BOQ Finance	11%	11%	11%	11%	11%	11%
Consumer	1%	1%	1%	1%	1%	1%
Balance sheet loans (before collective provisions)						
Housing	23,390.4	24,149.4	24,625.6	25,366.1	24,149.4	25,366.1
Commercial	5,173.7	5,252.4	5,209.3	5,095.1	5,252.4	5,095.1
BOQ Finance	3,599.2	3,683.5	3,683.3	3,655.2	3,683.5	3,655.2
Consumer	303.5	270.9	238.6	223.4	270.9	223.4
Total balance sheet loans (before collective provisions)	32,466.8	33,356.2	33,756.8	34,339.8	33,356.2	34,339.8
Housing	72%	72%	73%	74%	72%	74%
Commercial	16%	16%	15%	14%	16%	14%
BOQ Finance	11%	11%	11%	11%	11%	11%
Consumer	1%	1%	1%	1%	1%	1%
Lending approvals						
Housing	3,763.0	3,641.0	3,794.0	3,881.0	7,404.0	7,675.0
Commercial	889.0	1,076.0	761.0	606.0	1,965.0	1,367.0
BOQ Finance	837.0	1,349.0	1,184.0	1,282.0	2,186.0	2,466.0
Consumer	140.0	91.0	69.0	72.0	231.0	141.0
Total lending approvals	5,629.0	6,157.0	5,808.0	5,841.0	11,786.0	11,649.0
Funding						
Shareholders' equity	2,280.0	2,377.9	2,245.2	2,703.5	2,377.9	2,703.5
Perpetual Equity Preference Shares (PEPS)	195.7	195.7	195.7	195.7	195.7	195.7
Retail deposits	19,201.6	20,317.9	21,099.0	22,270.0	20,317.9	22,270.0
Wholesale deposits	9,812.2	9,308.7	8,777.0	8,901.9	9,308.7	8,901.9
Borrowings (including subordinated notes, securitisation liabilities and hybrid debt)	6,736.6	6,651.0	6,845.4	6,688.1	6,651.0	6,688.1
Other liabilities	968.8	1,049.6	922.2	998.8	1,049.6	998.8
Total funding	39,194.9	39,900.8	40,084.5	41,758.0	39,900.8	41,758.0
Retail deposit funding %	66%	69%	71%	71%	69%	71%
Wholesale deposit funding %	34%	31%	29%	29%	31%	29%
Retail funding as a % of total deposits and borrowings	54%	56%	57%	59%	56%	59%
Growth Measures						
Increase / (decrease) in loans under management (before collective provisions)						
Housing	727.2	759.0	476.2	740.5	1,486.2	1,216.7
Commercial	63.7	78.7	(43.1)	(114.2)	142.4	(157.3)
BOQ Finance	(174.8)	(52.9)	(0.2)	(28.1)	(227.7)	(28.3)
Consumer	(15.2)	(32.6)	(32.3)	(15.2)	(47.8)	(47.5)
Total increase in loans under management	600.9	752.2	400.6	583.0	1,353.1	983.6
Loans under management growth / (decline) ⁽¹⁾						
Housing	8.1%	6.6%	5.3%	5.0%	6.6%	5.0%
Commercial	(3.3%)	2.8%	0.7%	(3.0%)	2.8%	(3.0%)
BOQ Finance	62.0%	(5.8%)	(1.4%)	(0.8%)	(5.8%)	(0.8%)
Consumer	(7.5%)	(15.0%)	(21.4%)	(17.5%)	(15.0%)	(17.5%)
Total growth in loans under management	7.5%	4.2%	3.5%	2.9%	4.2%	2.9%
Increase in total assets (under management)	520.8	568.7	183.7	1,673.5	1,089.5	1,857.2
Asset growth (under management) ⁽¹⁾	8.9%	2.8%	1.9%	4.7%	2.8%	4.7%
Increase in total assets (on balance sheet)	597.1	705.9	183.7	1,673.5	1,303.0	1,857.2
Asset growth (on balance sheet) ⁽¹⁾	9.7%	3.4%	2.3%	4.7%	3.4%	4.7%
Increase in retail deposits	1,118.3	1,116.3	781.1	1,171.0	2,234.6	1,952.1
Retail deposit growth ⁽¹⁾	13.4%	12.4%	9.9%	9.6%	12.4%	9.6%

⁽¹⁾ Growth measures are calculated from the prior comparable period.

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RESTRICTED SECRET	Half Year Performance				Financial Year Performance	
	1H/11	2H/11	1H/12	2H/12	FY2011	FY2012
Financial Performance						
Net Interest Income	310.1	318.3	326.0	330.4	628.4	656.4
Banking Income	50.4	50.5	48.7	49.9	100.9	98.6
Other Income	13.1	22.8	8.4	12.2	35.9	20.6
Insurance Income	19.4	21.5	20.2	21.1	40.9	41.3
Total Non-Interest Income	82.9	94.8	77.3	83.2	177.7	160.5
Total Income	393.0	413.1	403.3	413.6	806.1	816.9
Operating Costs	44.2	45.4	42.9	45.4	89.6	88.3
IT Costs	35.5	31.4	35.0	41.2	66.9	76.2
Occupancy Costs	13.5	13.6	15.4	15.5	27.1	30.9
Employee Costs	75.3	79.5	78.2	81.8	154.8	160.0
Administrative Expenses	9.0	11.3	9.9	8.1	20.3	18.0
Total Expenditure	177.5	181.2	181.4	192.0	358.7	373.4
Normalised underlying Profit before Tax	215.5	231.9	221.9	221.6	447.4	443.5
Collective Provisions	27.7	(0.7)	162.0	11.2	27.0	173.2
Specific Provisions & Write-Offs	106.7	66.8	165.7	62.1	173.5	227.8
Loan Impairment Expense	134.4	66.1	327.7	73.3	200.5	401.0
Normalised operating Profit/(Loss) before Income Tax	81.1	165.8	(105.8)	148.3	246.9	42.5
Tax Expense / (Benefit)	23.7	46.6	(33.4)	45.3	70.3	11.9
Normalised cash profit / (loss) after tax	57.4	119.2	(72.4)	103.0	176.6	30.6
<u>Add / (subtract): significant items after tax:</u>						
Amortisation of customer contracts (acquisition)	(3.1)	(3.1)	(5.6)	(4.9)	(6.2)	(10.5)
Amortisation of fair value adjustments (acquisition)	(1.8)	(1.7)	(1.9)	(2.0)	(3.5)	(3.9)
Hedge ineffectiveness	(1.6)	2.6	(3.0)	(0.3)	1.0	(3.3)
Integration / due diligence costs	(2.2)	(1.9)	(1.1)	0.1	(4.1)	(1.0)
Asset impairment	-	-	(6.6)	-	-	(6.6)
Government guarantee break fee	-	(4.3)	-	(2.2)	(4.3)	(2.2)
Flood Impact	(0.7)	(0.1)	-	-	(0.8)	-
Legacy items	-	-	-	(14.9)	-	(14.9)
Restructuring costs	-	-	-	(5.3)	-	(5.3)
Statutory Net Profit / (Loss) after Tax	48.0	110.7	(90.6)	73.5	158.7	(17.1)
Profitability Measures						
Increase / (decrease) in normalised cash underlying profit / (loss) (before tax and impairment) ^{(1) (2) (3)}	25.8	42.6	6.4	(10.3)	68.4	(3.9)
Normalised underlying profit / (loss) growth / (decline) ^{(1) (2)}	13.6%	22.5%	3.0%	(4.4%)	18.0%	(0.9%)
Increase / (decrease) in statutory net profit / (loss) after tax ⁽²⁾	(42.9)	19.7	(138.6)	(37.2)	(23.2)	(175.8)
Statutory net profit / (loss) growth / (decline) after tax ⁽²⁾	(47.2%)	21.6%	(288.8%)	(33.6%)	(12.8%)	(110.8%)
Increase / (decrease) in normalised cash profit / (loss) after tax ^{(1) (2)}	(39.8)	19.4	(129.8)	(16.2)	(20.4)	(146.0)
Normalised cash profit / (loss) growth / (decline) after tax ^{(1) (2)}	(40.9%)	19.4%	(226.1%)	(13.6%)	(10.4%)	(82.7%)
Statutory profit / (loss) after tax / average total assets ⁽⁴⁾	0.3%	0.6%	(0.5%)	0.4%	0.4%	0.0%
Total operating expenses/average total assets ⁽⁴⁾	1.0%	1.0%	1.0%	1.1%	1.0%	1.0%
Statutory cost to income ratio	47.8%	46.2%	49.7%	55.3%	47.0%	52.5%
Normalised cash cost to income ratio ⁽¹⁾	45.2%	43.9%	45.0%	46.4%	44.5%	45.7%
Normalised non-interest income/normalised total income ⁽¹⁾	21.1%	22.9%	19.2%	20.1%	22.0%	19.6%
Statutory effective tax rate (%)	29.2%	28.1%	29.3%	32.4%	28.4%	11.4%
Margin Analysis						
Interest rate margin	1.98%	1.98%	2.01%	1.97%	1.97%	1.99%
Impact of payments to 3rd parties	(0.34%)	(0.35%)	(0.34%)	(0.34%)	(0.34%)	(0.34%)
Statutory net interest margin	1.64%	1.63%	1.67%	1.63%	1.63%	1.65%
Add back : Amortisation of fair value adjustment (acquisition)	0.01%	0.01%	0.01%	0.01%	0.02%	0.02%
Normalised cash net interest margin	1.65%	1.64%	1.68%	1.64%	1.65%	1.67%

⁽¹⁾ Normalised measures exclude significant, non-recurring and non-cash items detailed on page 2 of this annexure.

⁽²⁾ Growth / (decline) measures are calculated from the prior comparable period.

⁽³⁾ The increase / (decrease) in underlying profit / (loss) excludes significant items.

⁽⁴⁾ Measures have been annualised where appropriate.

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RESTRICTED SECRET	Half Year Performance				Financial Year Performance	
	1H/11	2H/11	1H/12	2H/12	FY2011	FY2012
Return Analysis ⁽¹⁾						
ROE - weighted average	4.5%	9.9%	(8.0%)	5.9%	7.2%	(0.7%)
ROE - normalised cash ⁽¹⁾	5.3%	10.6%	(6.4%)	8.2%	8.0%	1.3%
ROA - average	0.2%	0.6%	(0.5%)	0.4%	0.4%	0.0%
ROA - average - normalised cash ⁽¹⁾	0.3%	0.6%	(0.4%)	0.5%	0.4%	0.1%
RORWA	0.5%	1.1%	(0.9%)	0.7%	0.8%	(0.1%)
RORWA - normalised cash ⁽¹⁾	0.6%	1.2%	(0.7%)	1.0%	0.9%	0.1%
Per Share Data						
EPS Calculation						
Reconciliation of earnings / (loss) for normalised cash EPS						
Normalised cash profit / (loss) after tax	57.4	119.2	(72.4)	103.0	176.6	30.6
Less: PEPS dividends	(4.8)	(4.9)	(5.0)	(4.6)	(9.7)	(9.6)
Normalised basic earnings / (loss) available for ordinary shareholders	52.6	114.3	(77.4)	98.4	166.9	21.0
Add back :						
- RePS dividends ⁽²⁾	-	0.3	-	-	0.3	-
- Convertible note dividends ⁽²⁾	-	4.6	-	-	9.2	-
- PEPS dividends ⁽²⁾	4.8	4.9	-	-	9.7	-
Normalised diluted earnings / (loss) available to ordinary shareholders	57.4	124.1	(77.4)	98.4	186.1	21.0
Reconciliation of earnings / (loss) for statutory EPS						
Net Profit / (loss) after tax (statutory)	48.0	110.7	(90.6)	73.5	158.7	(17.1)
Less: PEPS dividends	(4.8)	(4.9)	(5.0)	(4.6)	(9.7)	(9.6)
Statutory basic earnings / (loss) available for ordinary shareholders	43.2	105.8	(95.6)	68.9	149.0	(26.7)
Add back :						
- RePS dividends ⁽²⁾	-	0.3	-	-	0.3	-
- Convertible note dividends ⁽²⁾	-	4.6	-	-	9.2	-
- PEPS dividends ⁽²⁾	-	4.9	-	-	9.7	-
Statutory diluted earnings / (loss) available to ordinary shareholders	43.2	115.6	(95.6)	68.9	168.2	(26.7)
Weighted average number of shares (WANOS):						
- Basic WANOS ⁽³⁾	231.8	234.0	239.9	263.8	234.0	263.8
Add: Effect of SMOP and award rights	0.8	0.8	-	1.3	0.8	1.3
Add: Effect of converting preference shares	-	22.8	-	-	22.8	-
Add: Effect of convertible notes ⁽²⁾	-	21.2	-	-	21.2	-
- Diluted WANOS for normalised cash EPS	232.6	278.8	239.9	265.1	278.8	265.1
- Basic WANOS ⁽³⁾	231.8	234.0	239.9	263.8	234.0	263.8
Add: Effect of SMOP and award rights	0.8	0.8	-	1.3	0.8	1.3
Add: Effect of converting preference shares	-	22.8	-	-	22.8	-
Add: Effect of convertible notes ⁽¹⁾	-	21.2	-	-	21.2	-
- Diluted WANOS for statutory EPS	232.6	278.8	239.9	265.1	278.8	265.1
Statutory basic earnings / (loss) per share (c) ⁽⁶⁾	18.6	45.2	(39.8)	26.1	63.6	(10.2)
Statutory diluted earnings / (loss) per share (c) ⁽⁶⁾	18.6	41.5	(39.8)	26.0	60.3	(10.2)
EPS growth / (decline) (basic) ⁽⁴⁾	(55.0%)	11.9%	(314.0%)	(42.3%)	(22.2%)	(116.0%)
EPS growth / (decline) (diluted) ⁽⁴⁾	(52.3%)	9.2%	(314.0%)	(37.3%)	(21.7%)	(116.9%)
Normalised basic cash earnings / (loss) per share (c) ^{(1) (6)}	22.7	48.8	(32.3)	37.3	71.3	7.9
Normalised diluted cash earnings / (loss) per share (c) ^{(1) (6)}	24.7	44.5	(32.3)	37.1	66.7	7.9
Ordinary dividend per share (c)	26.0	28.0	26.0	26.0	54.0	52.0
Franking percentage - all dividends	100%	100%	100%	100%	100%	100%
Franking credits (consolidated)	96.5	127.3	129.3	124.9	127.3	124.9
NTA per share (\$)	7.60	7.95	7.30	6.94	7.95	6.94
Dividend yield ⁽⁵⁾	5.32%	7.43%	7.12%	6.83%	7.22%	6.89%
Statutory payout ratio - ordinary shares	120%	57%	n/a	109%	77%	n/a
Normalised cash payout ratio - ordinary shares ⁽¹⁾	100%	53%	n/a	78%	69%	n/a
DRP takeup % (before underwriting)	50%	52%	38%	n/a	51%	n/a
Total ordinary shares on issue - period end	222.1	225.4	229.6	308.8	225.4	308.8
Ordinary shares (at record date)	222.1	225.4	304.0	308.8	225.4	308.8
Share price - period end (\$)	9.85	7.48	7.34	7.55	7.48	7.55

⁽¹⁾ Normalised measures exclude significant, non-recurring and non-cash items detailed on page 2 of this annexure.⁽²⁾ The Bank is required to perform a trigger test at each balance date to determine whether the RePS, PEPS or convertible notes are dilutive. The PEPS and convertible notes are all non dilutive at 31 August 2012.⁽³⁾ FY2011 basic and diluted earnings per share have been adjusted for the effect of the rights issue that occurred during the current financial year.⁽⁴⁾ Growth / (decline) measures are calculated from the prior comparable period.⁽⁵⁾ Measures have been annualised where appropriate.⁽⁶⁾ Amalgamation of first half and second half FY12 EPS is not reflective of FY2012 EPS due to the impact of the significantly increased share count in the second half.

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RESTRICTED SECRET	Half Year Performance				Financial Year Performance	
	1H/11	2H/11	1H/12	2H/12	FY2011	FY2012
Asset Quality						
Specific bad and doubtful debt provision	139.7	173.7	249.3	220.3	173.7	220.3
Collective bad and doubtful debt provision	80.8	80.1	242.1	192.6	80.1	192.6
General reserve for credit losses	57.2	67.0	70.1	70.2	67.0	70.2
Total bad and doubtful debt provision and general reserve for credit losses	277.7	320.8	561.5	483.1	320.8	483.1
Collective provision plus general reserve as a % of risk weighted assets	0.60%	0.60%	0.96%	0.97%	0.60%	0.97%
Total specific provision/total impaired assets	33.0%	39.1%	43.1%	41.9%	39.1%	41.9%
Total provision coverage of impaired assets (times)	0.50	0.55	0.72	0.68	0.55	0.68
Total impaired assets/average shareholders' equity	17.3%	17.6%	23.1%	19.7%	17.8%	19.2%
Total impaired assets/non-securitised lending (at risk)	1.71%	1.71%	2.21%	1.99%	1.71%	1.99%
Total impaired assets	423.2	444.3	578.7	525.3	444.3	525.3
Loans 90 days past due (non-securitised)	326.5	426.0	331.3	297.4	426.0	297.4
Loans 90 days past due (securitised)	45.5	56.9	59.9	49.2	56.9	49.2
Total loans 90 days past due	372.0	482.9	391.2	346.6	482.9	346.6
Total loans 90 days past due as a % of risk weighted assets	2.0%	2.4%	1.9%	1.6%	2.4%	1.6%
Bad debts written off to specific provisions	27.5	32.8	78.3	114.9	60.3	193.2
Unwind Interest	-	-	11.8	11.0	-	22.8
Transfers from collective provision	-	-	-	(34.8)	-	(34.8)
Movement in specific provision	79.2	34.0	75.6	(29.0)	113.2	46.6
Underlying specific bad and doubtful debts	106.7	66.8	165.7	62.1	173.5	227.8
Impairment losses written off	-	-	-	25.9	-	25.9
Transfers to specific provision	-	-	-	34.8	-	34.8
Movement in collective provision	27.7	(0.7)	162.0	(49.5)	27.0	112.5
Underlying collective bad and doubtful debts	27.7	(0.7)	162.0	11.2	27.0	173.2
Impairment on loans and advances (Refer to P&L detail)	134.4	66.1	327.7	73.3	200.5	401.0
Capital Ratio Data						
Risk weighted assets	18,946.3	20,524.6	20,671.4	21,098.1	20,524.6	21,098.1
Fundamental tier 1 capital	2,211.1	2,279.8	2,143.9	2,614.7	2,279.8	2,614.7
Residual tier 1 capital ⁽¹⁾	195.7	195.7	195.7	195.7	195.7	195.7
Tier 1 capital deductions	(747.6)	(757.3)	(820.1)	(812.3)	(757.3)	(812.3)
Net tier 1 capital	1,659.2	1,718.2	1,519.5	1,998.1	1,718.2	1,998.1
Upper tier 2 capital	114.1	127.3	200.8	192.7	127.3	192.7
Lower tier 2 capital	491.5	539.6	544.9	499.9	539.6	499.9
Tier 2 capital deductions	(41.8)	(40.8)	(39.7)	(31.5)	(40.8)	(31.5)
Net tier 2 capital	563.8	626.1	706.0	661.1	626.1	661.1
Total regulatory capital base	2,223.0	2,344.3	2,225.5	2,659.2	2,344.3	2,659.2
APRA capital adequacy calculations						
Fundamental tier 1 capital	11.7%	11.1%	10.4%	12.4%	11.1%	12.4%
Residual tier 1 capital	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Tier 1 capital deductions	(4.0%)	(3.7%)	(4.0%)	(3.9%)	(3.7%)	(3.9%)
Net tier 1 capital	8.7%	8.4%	7.4%	9.5%	8.4%	9.5%
Upper tier 2 capital	0.6%	0.6%	1.0%	0.9%	0.6%	0.9%
Lower tier 2 capital	2.6%	2.6%	2.6%	2.4%	2.6%	2.4%
Tier 2 capital deductions	(0.2%)	(0.2%)	(0.2%)	(0.2%)	(0.2%)	(0.2%)
Net tier 2 capital	3.0%	3.0%	3.4%	3.1%	3.0%	3.1%
Total capital adequacy ratio	11.7%	11.4%	10.8%	12.6%	11.4%	12.6%
Other Information (Actual numbers)						
Number of corporate branches	52	51	52	53	51	53
Number of Owner Managed Branches - QLD	117	118	118	119	118	119
Number of Owner Managed Branches - NSW/ACT	42	42	42	42	42	42
Number of Owner Managed Branches - VIC	29	30	31	36	30	36
Number of Owner Managed Branches - WA	14	14	14	13	14	13
Number of Owner Managed Branches - NT	1	1	2	2	1	2
Number of Owner Managed Branches - TAS	2	2	2	2	2	2
Number of Owner Managed Branches - SA	1	1	1	1	1	1
Number of transaction centres - QLD	11	11	10	9	11	9
Total number of branches and transaction centres	269	270	272	277	270	277
Number of BOQ owned ATMs	259	262	267	267	262	267
Number of BOQ branded ATMs ⁽²⁾	2,453	260	335	412	260	412
Total BOQ branded ATMs	2,712	522	602	679	522	679
Number of redi ATMS (fee free for BOQ customers)	3,409	3,376	3,467	3,037	3,376	3,037
Number of BOQ branded EFTPOS machines	8,704	8,412	8,500	8,947	8,412	8,947
Number of employees (FTE)	1,353	1,420	1,458	1,448	1,420	1,448

⁽¹⁾ Residual Tier 1 capital includes the PEPS.⁽²⁾ BOQ terminated its agreement with Customers Limited and entered into an agreement to join the Redi ATM Scheme in September 2010.