

APRA BASEL III Pillar 3 Disclosures

QUARTER ENDED 31 AUGUST 2013

10 October 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. It has been prepared using 31 August 2013 data.

Key points

The disclosures provided within, have been prepared in accordance with the changes to APRA's capital rules (effective 1 January 2013). The Bank's Total Capital ratio has decreased from 12.7% in May to 12.2%. The main reason for the decrease is due to the maturity of \$170m of subordinated debt.



TABLE 15: CAPITAL STRUCTURE

	August 13 \$m	February 13 \$m
Common Equity Tier 1 Capital		
Paid-up ordinary share capital	2,562.6	2,496.5
Reserves	41.7	61.5
Retained earnings, including current year earnings	149.6	160.5
Total Common Equity Tier 1 Capital	2,753.9	2,718.5
Regulatory adjustments		
Goodwill and intangibles	(586.8)	(539.9)
Deferred expenditure	(124.5)	(121.4)
Other deductions	(182.0)	(196.4)
Total regulatory adjustments	(893.3)	(857.7)
Net Common Equity Tier 1 Capital	1,860.6	1,860.8
Additional Tier 1 Capital	300.0	314.0
Net Tier 1 Capital	2,160.6	2,174.8
Tier 2 Capital		
Tier 2 Capital	270.0	396.0
General reserve for credit losses	207.7	220.5
Total Tier 2 Capital	477.7	616.5
Total Capital Base	2,638.3	2,791.3

TABLE 16: CAPITAL ADEQUACY

Risk Weighted Assets (\$m)	August 13	May 13
Subject to the Standardised approach		
Government	4.7	4.9
Bank	301.7	249.7
Residential mortgage	11,078.5	11,318.6
Other retail	7,676.4	7,704.3
Other	73.5	75.3
Total on balance sheet assets and off balance sheet exposures	19,134.8	19,352.8
Securitisation exposures⁽¹⁾	177.3	158.1
Market risk exposures	362.1	417.7
Operational risk exposures	1,877.5	1,823.8
Total Risk Weighted Assets	21,551.7	21,752.4
Capital ratios		
	%	%
Level 2 Total Capital ratio	12.2	12.7
Level 2 Common Equity Tier 1 Capital ratio	8.6	8.5
Level 2 Net Tier 1 Capital ratio	10.0	9.9

(1) Refer to Table 18 for securitisation exposures.

TABLE 17: CREDIT RISK

Exposure Type	Gross Credit Exposure ⁽¹⁾ (\$m)		Average Gross Credit Exposure (\$m)	
	August 13	May 13	August 13	May 13
Cash and due from financial institutions	739.2	552.0	645.6	550.8
Debt securities	536.3	549.3	542.8	541.6
Loans and advances	31,934.2	32,284.5	32,109.5	31,958.1
Off balance sheet exposures for derivatives	274.0	256.9	265.5	270.6
Other off balance sheet exposures ⁽²⁾	698.6	734.2	716.4	717.0
Other	41.7	39.7	40.7	40.5
Total exposures	34,224.0	34,416.6	34,320.5	34,078.6

Portfolios subject to Standardised approach	Gross Credit Exposure ⁽¹⁾ (\$m)		Average Gross Credit Exposure (\$m)	
	August 13	May 13	August 13	May 13
Government	400.3	439.0	419.7	438.5
Bank	1,176.5	947.4	1,062.0	952.6
Residential Mortgage	24,933.5	25,293.8	25,113.6	25,034.8
Other retail	7,656.6	7,677.5	7,667.1	7,592.0
Other	57.1	58.9	58.1	60.7
Total exposures	34,224.0	34,416.6	34,320.5	34,078.6

Notes:

(1) Gross credit exposures reflect credit equivalent amounts.

(2) Other off balance sheet exposures largely relate to customer commitments.

TABLE 17: CREDIT RISK (CONTINUED)

August 13

	Impaired loans ⁽¹⁾ \$m	Past due loans > 90 days \$m	Specific provision balance \$m	Charges for specific provision \$m	Write-offs \$m
Portfolios subject to the Standardised approach					
Corporate	-	-	-	-	-
Government	-	-	-	-	-
Bank	-	-	-	-	-
Residential Mortgage	266.8	150.1	54.2	(5.2)	11.2
Other retail	232.8	130.5	118.3	(19.7)	42.0
Other	-	-	-	-	-
Total	499.6	280.6	172.5	(24.9)	53.2

May 13

	Impaired loans ⁽¹⁾ \$m	Past due loans > 90 days \$m	Specific provision balance \$m	Charges for specific provision \$m	Write-offs \$m
Portfolios subject to the Standardised approach					
Corporate	-	-	-	-	-
Government	-	-	-	-	-
Bank	-	-	-	-	-
Residential Mortgage	298.1	165.9	59.7	(1.7)	12.2
Other retail	289.4	141.0	138.7	(12.4)	37.1
Other	-	-	-	-	-
Total	587.5	306.9	198.4	(14.1)	49.3

	August 13 \$m	May 13 \$m
Statutory equity reserve for credit losses	70.2	70.2
Collective provision	137.5	141.5
APRA General reserve for credit losses	207.7	211.7

Notes:

(1) Refer to Appendix 1 for reconciliation between regulatory and statutory impaired assets.

TABLE 18: SECURITISATION EXPOSURES

Exposure Type	August 13		May 13	
	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	30.2	-	77.1	-
Securities held in the trading book	-	-	-	-
Liquidity facilities	12.9	-	-	-
Funding facilities	1.0	-	-	-
Swaps	20.6	-	(6.3)	-
Other ⁽¹⁾	(16.3)	-	125.0	-
Total	48.4	-	195.8	-

August 13

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	520.8	-	49.9	8.4	-	3,207.9
Off-balance sheet securitisation exposure	-	-	-	-	130.6	-
Total	520.8	-	49.9	8.4	130.6	3,207.9

May 13

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	490.6	-	37.0	7.4	-	3,224.2
Off-balance sheet securitisation exposure	-	-	-	-	110.0	-
Total	490.6	-	37.0	7.4	110.0	3,224.2

Notes:

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

APPENDIX 1

Reconciliation of impaired loans	August 13 \$m	February 13 \$m
Impaired assets per Table 17: Credit Risk	499.6	596.2
Add: Impaired assets in off balance sheet securitisation trusts	30.1	27.6
Less: Restructured facilities included in APS 220	148.1	145.3
Impaired assets per Investor Information	381.6	478.5