

# APRA BASEL III Pillar 3 Disclosures

QUARTER ENDED 30 NOVEMBER 2016

**30 January 2017**

This report has been prepared by Bank of Queensland Limited (Bank or BOQ) to meet its disclosure requirements under the Australian Prudential Regulation Authority's (APRA) Prudential Standard APS 330: Public Disclosure. It has been prepared using 30 November 2016 data.

**Key points**

The disclosures provided within have been prepared in accordance with APRA's capital rules (effective 1 January 2013). The Bank's Total Capital Ratio has decreased to 12.2% as at November 2016 from 12.3% as at August 2016.

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## CAPITAL STRUCTURE

	30 November 16	31 August 16
	\$m	\$m
<b>Common Equity Tier 1 Capital</b>		
Paid-up ordinary share capital	3,303	3,243
Reserves	2	(18)
Retained earnings, including current year earnings	234	311
<b>Total Common Equity Tier 1 Capital</b>	<b>3,539</b>	<b>3,536</b>
<b>Regulatory Adjustments</b>		
Goodwill and intangibles	(867)	(869)
Deferred expenditure	(159)	(158)
Other deductions	(7)	15
<b>Total Regulatory Adjustments</b>	<b>(1,033)</b>	<b>(1,012)</b>
<b>Net Common Equity Tier 1 Capital</b>	<b>2,506</b>	<b>2,524</b>
<b>Additional Tier 1 Capital</b>	<b>450</b>	<b>450</b>
<b>Total Tier 1 Capital</b>	<b>2,956</b>	<b>2,974</b>
<b>Tier 2 Capital</b>		
Tier 2 Capital	252	253
General reserve for credit losses	219	221
<b>Total Tier 2 Capital</b>	<b>471</b>	<b>474</b>
<b>Total Capital Base</b>	<b>3,427</b>	<b>3,448</b>

TABLE 3: CAPITAL ADEQUACY

Risk Weighted Assets	30 November 16	31 August 16
	\$m	\$m
<b>Subject to the Standardised Approach</b>		
Government	9	9
Bank	228	301
Residential mortgage	12,377	12,485
Other retail <sup>(1)</sup>	12,475	12,338
Other	120	124
Corporate	-	-
<b>Total On-Balance Sheet Assets and Off-Balance Sheet Exposures</b>	<b>25,209</b>	<b>25,257</b>
<b>Securitisation Exposures <sup>(2)</sup></b>	<b>115</b>	<b>133</b>
<b>Market Risk Exposures</b>	<b>343</b>	<b>153</b>
<b>Operational Risk Exposures</b>	<b>2,511</b>	<b>2,511</b>
<b>Total Risk Weighted Assets</b>	<b>28,178</b>	<b>28,054</b>
<b>Capital Ratios</b>	<b>%</b>	<b>%</b>
Level 2 Total Capital Ratio	12.2	12.3
Level 2 Common Equity Tier 1 Capital Ratio	8.9	9.0
Level 2 Net Tier 1 Capital Ratio	10.5	10.6

**Notes:**

(1) Includes commercial lending and leasing.

(2) Refer to Table 5 for securitisation exposures.

TABLE 4: CREDIT RISK

Exposure Type	Gross Credit Exposure <sup>(1)</sup> \$m		Average Gross Credit Exposure \$m	
	30 November 16	31 August 16	30 November 16	31 August 16
Cash and due from financial institutions	936	1,175	1,055	1,075
Debt securities	2,941	2,880	2,910	2,941
Loans and advances	41,039	41,130	41,085	41,286
Off-balance sheet exposures for derivatives	21	27	24	26
Other off-balance sheet exposures <sup>(2)</sup>	476	431	454	410
Other	120	124	122	117
<b>Total Exposures</b>	<b>45,533</b>	<b>45,767</b>	<b>45,650</b>	<b>45,855</b>

Portfolios subject to the Standardised Approach	Gross Credit Exposure <sup>(1)</sup> \$m		Average Gross Credit Exposure \$m	
	30 November 16	31 August 16	30 November 16	31 August 16
Corporate	-	-	-	-
Government	2,638	2,491	2,564	2,407
Bank	1,310	1,641	1,476	1,680
Residential mortgage	29,005	29,195	29,100	29,583
Other retail	12,460	12,316	12,388	12,068
Other	120	124	122	117
<b>Total Exposures</b>	<b>45,533</b>	<b>45,767</b>	<b>45,650</b>	<b>45,855</b>

**Notes:**

(1) Gross credit exposures reflect credit equivalent amounts.

(2) Other off-balance sheet exposures largely relate to customer commitments. Subsequent to clarification by APRA, the Bank has adopted the concessional treatment available on housing approvals resulting in reduced exposure levels.

TABLE 4: CREDIT RISK (CONTINUED)

## 30 November 16

Portfolios subject to the Standardised Approach	Impaired Loans <sup>(1)</sup> \$m	Past Due Loans > 90 Days <sup>(2)</sup> \$m	Specific Provision Balance \$m	Charges for Specific Provision \$m	Write-Offs \$m
Corporate	-	-	-	-	-
Government	-	-	-	-	-
Bank	-	-	-	-	-
Residential mortgage	321	132	39	4	2
Other retail	137	88	77	(2)	12
Other	-	-	-	-	-
<b>Total</b>	<b>458</b>	<b>220</b>	<b>116</b>	<b>2</b>	<b>14</b>

## 31 August 16

Portfolios subject to the Standardised Approach	Impaired Loans <sup>(1)</sup> \$m	Past Due Loans > 90 Days <sup>(2)</sup> \$m	Specific Provision Balance \$m	Charges for Specific Provision \$m	Write-Offs \$m
Corporate	-	-	-	-	-
Government	-	-	-	-	-
Bank	-	-	-	-	-
Residential Mortgage	347	139	36	(2)	3
Other retail	143	82	79	(2)	20
Other	-	-	-	-	-
<b>Total</b>	<b>490</b>	<b>221</b>	<b>115</b>	<b>(4)</b>	<b>23</b>

	30 November 16 \$m	31 August 16 \$m
<b>Statutory Equity Reserve for Credit Losses</b>	<b>81</b>	<b>81</b>
Collective provision	138	140
<b>APRA General Reserve for Credit Losses</b>	<b>219</b>	<b>221</b>

## Notes:

	30 November 16 \$m	31 August 16 \$m
<b>(1) Reconciliation of impaired loans</b>		
<b>Impaired Assets per Table 17: Credit Risk</b>	<b>458</b>	<b>490</b>
Add: Impaired assets in off-balance sheet securitisation trusts	28	31
Less: Restructured facilities included in APS 220	263	289
<b>Impaired Assets per Accounting Standards</b>	<b>223</b>	<b>232</b>

(2) Excludes assets in off-balance sheet securitisation trusts as required under APS220.

TABLE 5: SECURITISATION EXPOSURES

Exposure Type	30 November 16		31 August 16	
	Securitisation Activity \$m	Gain or Loss on Sale \$m	Securitisation Activity \$m	Gain or Loss on Sale \$m
Securities held in the banking book	(43)	-	(51)	-
Securities held in the trading book	-	-	-	-
Liquidity facilities	-	-	(2)	-
Funding facilities	-	-	-	-
Swaps	(5)	-	3	-
Other <sup>(1)</sup>	(73)	-	(53)	-
<b>Total</b>	<b>(121)</b>	<b>-</b>	<b>(103)</b>	<b>-</b>

**30 November 16**

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 <sup>(1)</sup> \$m
On-balance sheet securitisation exposure retained or purchased	457	-	12	6	-	4,176
Off-balance sheet securitisation exposure	-	-	-	-	69	-
<b>Total</b>	<b>457</b>	<b>-</b>	<b>12</b>	<b>6</b>	<b>69</b>	<b>4,176</b>

**31 August 16**

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 <sup>(1)</sup> \$m
On-balance sheet securitisation exposure retained or purchased	500	-	12	6	-	4,249
Off-balance sheet securitisation exposure	-	-	-	-	74	-
<b>Total</b>	<b>500</b>	<b>-</b>	<b>12</b>	<b>6</b>	<b>74</b>	<b>4,249</b>

**Notes:**

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