

APRA BASEL III Pillar 3 Disclosures

QUARTER ENDED 31 MAY 2016

26 July 2016

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 31 May 2016 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 to 11.9% as at May 2016 from 12.5% as at February 2016.

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CAPITAL STRUCTURE

	May 16	February 16
	\$m	\$m
Common Equity Tier 1 Capital		
Paid-up ordinary share capital	3,245	3,190
Reserves	(13)	(9)
Retained earnings, including current year earnings	222	290
Total Common Equity Tier 1 Capital	3,454	3,471
Regulatory Adjustments		
Goodwill and intangibles	(864)	(865)
Deferred expenditure	(158)	(148)
Other deductions	(28)	(42)
Total Regulatory Adjustments	(1,050)	(1,055)
Net Common Equity Tier 1 Capital	2,404	2,416
Additional Tier 1 Capital	450	450
Total Tier 1 Capital	2,854	2,866
Tier 2 Capital		
Tier 2 Capital	253	323
General reserve for credit losses	228	231
Total Tier 2 Capital	481	554
Total Capital Base	3,335	3,420

TABLE 3: CAPITAL ADEQUACY

Risk Weighted Assets	May 16 \$m	February 16 \$m
Subject to the Standardised Approach		
Corporate	-	-
Government	7	7
Bank	320	204
Residential Mortgage	12,858	12,629
Other retail	11,880	11,685
Other	72	73
Total On-Balance Sheet Assets and Off-Balance Sheet Exposures	25,137	24,598
Securitisation Exposures ⁽¹⁾	148	160
Market Risk Exposures	180	254
Operational Risk Exposures	2,455	2,455
Total Risk Weighted Assets	27,920	27,467
Capital Ratios		
	%	%
Level 2 Total Capital Ratio	11.9	12.5
Level 2 Common Equity Tier 1 Capital Ratio	8.6	8.8
Level 2 Net Tier 1 Capital Ratio	10.2	10.4

Notes:

(1) Refer to Table 5 for securitisation exposures.

TABLE 4: CREDIT RISK

Exposure Type	Gross Credit Exposure ⁽¹⁾		Average Gross Credit Exposure	
	\$m		\$m	
	May 16	February 16	May 16	February 16
Cash and due from financial institutions	1,573	1,087	1,330	1,043
Debt securities	2,163	2,179	2,171	2,159
Loans and advances	41,734	40,769	41,251	40,033
Off-balance sheet exposures for derivatives	25	12	19	21
Other off-balance sheet exposures ⁽²⁾	389	463	426	452
Other	60	60	60	61
Total Exposures	45,944	44,570	45,257	43,769

Portfolios subject to the Standardised approach	Gross Credit Exposure ⁽¹⁾		Average Gross Credit Exposure	
	\$m		\$m	
	May 16	February 16	May 16	February 16
Corporate	-	-	-	-
Government	2,323	2,199	2,261	2,139
Bank	1,719	1,178	1,448	1,153
Residential Mortgage	29,972	29,440	29,706	28,853
Other retail	11,858	11,700	11,779	11,567
Other	72	53	63	57
Total Exposures	45,944	44,570	45,257	43,769

Notes:

(1) Gross credit exposures reflect credit equivalent amounts.

(2) Other off-balance sheet exposures largely relate to customers 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)

May 16

Portfolios subject to the Standardised approach	Impaired loans ⁽¹⁾ \$m	Past due loans > 90 days ⁽²⁾ \$m	Specific provision balance \$m	Charges for specific provision \$m	Write-offs \$m
Corporate	-	-	-	-	-
Government	-	-	-	-	-
Bank	-	-	-	-	-
Residential Mortgage	307	139	37	(1)	3
Other retail	146	107	82	4	15
Other	-	-	-	-	-
Total	453	246	119	3	18

February 16

Portfolios subject to the Standardised approach	Impaired loans ⁽¹⁾ \$m	Past due loans > 90 days ⁽²⁾ \$m	Specific provision balance \$m	Charges for specific provision \$m	Write-offs \$m
Corporate	-	-	-	-	-
Government	-	-	-	-	-
Bank	-	-	-	-	-
Residential Mortgage	278	132	37	(5)	6
Other retail	149	112	78	(1)	16
Other	-	-	-	-	-
Total	427	244	115	(6)	22

	May 16 \$m	February 16 \$m
Statutory equity reserve for credit losses	81	81
Collective provision	147	150
APRA General reserve for credit losses	228	231

Notes:

	May 16 \$m	February 16 \$m
(1) Reconciliation of impaired loans		
Impaired Assets per Table 17: Credit Risk	453	427
Add: Impaired assets in off-balance sheet securitisation trusts	31	27
Less: Restructured facilities included in APS 220	249	214
Impaired Assets per Accounting Standards	235	240

(2) Excludes assets in off-balance sheet securitisation trusts as required under APS 220.

TABLE 5: SECURITISATION EXPOSURES

Exposure Type	May 16		February 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	(55)	-	(65)	-
Securities held in the trading book	-	-	-	-
Liquidity facilities	-	-	(4)	-
Funding facilities	-	-	-	-
Swaps	(1)	-	2	-
Other ⁽¹⁾	36	-	(33)	-
Total	(20)	-	(100)	-

May 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 ⁽¹⁾ \$m
On-balance sheet securitisation exposure retained or purchased	551	-	14	6	-	4,302
Off-balance sheet securitisation exposure	-	-	-	-	71	-
Total	551	-	14	6	71	4,302

February 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 ⁽¹⁾ \$m
On-balance sheet securitisation exposure retained or purchased	606	-	14	6	-	4,266
Off-balance sheet securitisation exposure	-	-	-	-	72	-
Total	606	-	14	6	72	4,266

Notes:

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