



bank different™

# Bank of Queensland Limited

## APRA Basel II Pillar 3 Disclosures

27 January 2009

---

The Basel II Capital Accord principles took effect in Australia on 1 January 2008. The framework for the application of Basel II in Australia is comprised of three pillars:

- Pillar 1: More sophisticated calculation of minimum capital requirements;
- Pillar 2: Institutions' own assessments of their capital adequacy and enhanced supervision of capital management; and
- Pillar 3: Materially increased disclosure requirements.

The Bank of Queensland Limited Group ("the Group") commenced reporting its regulatory disclosures to APRA under the requirements of Pillar 1 from January 2008 using the Standardised approach. The Group has also implemented the Pillar 2 regime including documentation of its Internal Capital Adequacy Assessment Process ("ICAAP") and increased management supervisory review and assessment.

The Pillar 3 requirements mandated by APRA prudential standard APS 330, 'Capital Adequacy: Public Disclosure of Prudential Information', involve the disclosure of regulatory capital structure, capital adequacy and credit risk information.

The Bank of Queensland Group Pillar 3 disclosures below have been prepared using 30 November 2008 data in accordance with APRA's requirements. Bank of Queensland will be updating components of its Pillar 3 disclosures on a quarterly basis, with additional disclosures provided on a semi-annual basis in alignment with the Group's annual and half year reporting periods.

**Table 16: Capital Adequacy**

	<b>Risk Weighted Assets \$m</b>
<b>Subject to the Standardised approach</b>	
Corporate	-
Government	2.0
Bank	185.2
Residential Mortgage	6,669.4
Other retail	6,440.0
Other	42.6
<b>Total capital requirement subject to the Standardised approach</b>	<b>13,339.2</b>
<b>Credit risk capital requirement relating to securitisation exposures</b>	<b>100.7</b>
<b>Market risk minimum capital requirement</b>	<b>197.4</b>
<b>Operational risk minimum capital requirement</b>	<b>960.6</b>
<b>Total RWA and capital requirement</b>	<b>14,597.9</b>
<b>Capital ratios</b>	<b>%</b>
Level 2 Total capital ratio	<b>10.3</b>
Level 2 Tier 1 capital ratio	<b>7.5</b>

**Table 17: Credit Risk**

<b>Exposure Type</b>	<b>Gross Credit Exposure \$m</b>	<b>Average Gross Credit Exposure \$m</b>
Cash and due from financial institutions	460.5	391.5
Debt securities	314.9	415.2
Loans and advances	21,037.6	20,553.2
Non market off balance sheet exposures	923.4	935.9
On market off balance sheet exposures	13,973.5	12,439.1
Other	30.9	30.3
<b>Total exposures</b>	<b>36,740.8</b>	<b>34,765.2</b>

<b>Portfolios subject to Standardised approach</b>	<b>Gross Credit Exposure \$m</b>	<b>Average Gross Credit Exposure \$m</b>
Corporate	-	-
Government	71.3	55.2
Bank	14,690.9	13,204.3
Residential Mortgage	14,880.5	14,560.1
Other retail	7,067.2	6,915.2
Other	30.9	30.4
<b>Total exposures</b>	<b>36,740.8</b>	<b>34,765.2</b>

<b>Portfolios subject to the Standardised approach</b>	<b>Impaired loans \$m</b>	<b>Past due loans &gt; 90 days \$m</b>	<b>Specific provision balance \$m</b>	<b>Charges for specific provision \$m</b>	<b>Write-offs \$m</b>
Corporate	-	-	-	-	-
Government	-	-	-	-	-
Bank	-	-	-	-	-
Residential Mortgage	4.9	109.2	1.8	(1.3)	1.4
Other retail	26.3	83.2	15.0	(0.6)	6.3
Other	-	-	-	-	-
<b>Total</b>	<b>31.2</b>	<b>192.4</b>	<b>16.8</b>	<b>(1.9)</b>	<b>7.7</b>

	<b>Balance \$m</b>
<b>General reserve for credit losses</b>	74.6