

Figures are denoted in \$A Millions unless otherwise stated	AIFRS Half Year Performance				AIFRS Financial Year Performance	
	1H/07	2H/07	1H/08	2H/08	2007	2008
Assets						
Assets under management						
Loans - net of specific and collective provision for doubtful debts	16,110.1	17,600.8	22,924.1	25,246.8	17,600.8	25,246.8
Liquid assets	1,814.5	2,168.1	3,430.9	3,752.1	2,168.1	3,752.1
Other assets	420.8	268.4	729.0	776.3	268.4	776.3
Total balance sheet assets	18,345.4	20,037.3	27,084.0	29,775.2	20,037.3	29,775.2
Securitised assets (off balance sheet)	874.0	1,616.0	1,346.2	1,029.3	1,616.0	1,029.3
Total assets under management	19,219.4	21,653.3	28,430.2	30,804.5	21,653.3	30,804.5
Loans under management (before collective provisions)						
Housing	11,118.2	12,809.6	16,874.5	18,423.3	12,809.6	18,423.3
Commercial	5,320.8	6,079.5	6,948.5	7,412.8	6,079.5	7,412.8
Consumer ⁽³⁾	555.3	335.4	457.7	455.7	335.4	455.7
Total loans under management (before collective provisions)	16,994.3	19,224.5	24,280.7	26,291.8	19,224.5	26,291.8
Housing	65%	67%	69%	70%	67%	70%
Commercial	32%	31%	29%	28%	31%	28%
Consumer ⁽³⁾	3%	2%	2%	2%	2%	2%
Balance sheet loans (before collective provisions)						
Housing	11,118.2	12,809.6	16,842.7	18,400.3	12,809.6	18,400.3
Commercial	4,446.8	4,463.5	5,634.1	6,406.5	4,463.5	6,406.5
Consumer ⁽³⁾	555.3	335.4	457.7	455.7	335.4	455.7
Total balance sheet loans (before collective provisions)	16,120.3	17,608.5	22,934.5	25,262.5	17,608.5	25,262.5
Housing	69%	73%	73%	73%	73%	73%
Commercial	28%	25%	25%	25%	25%	25%
Consumer ⁽³⁾	3%	2%	2%	2%	2%	2%
Lending approvals						
Housing	3,270.0	4,461.0	4,194.0	4,327.2	7,731.0	8,521.2
Commercial	2,063.0	2,749.0	2,624.0	2,410.1	4,812.0	5,034.1
Consumer	242.0	259.0	175.4	190.6	501.0	366.0
Total lending approvals	5,575.0	7,469.0	6,993.4	6,927.9	13,044.0	13,921.3
Funding						
Shareholders' equity	773.5	854.3	1,489.3	1,483.3	854.3	1,483.3
Perpetual Equity Preference Shares (PEPS)	-	-	195.2	195.7	-	195.7
Retail deposits	8,284.4	9,160.9	12,875.5	13,984.5	9,160.9	13,984.5
Wholesale deposits	3,280.7	3,559.4	5,301.2	6,052.0	3,559.4	6,052.0
Borrowings (including subordinated notes, securitisation liabilities and hybrid debt)	5,671.7	6,004.2	6,594.2	7,579.5	6,004.2	7,579.5
Other liabilities	335.1	458.5	628.6	480.2	458.5	480.2
Total funding	18,345.4	20,037.3	27,084.0	29,775.2	20,037.3	29,775.2
Retail deposit funding %	72%	72%	71%	70%	72%	70%
Wholesale deposit funding %	28%	28%	29%	30%	28%	30%
Retail funding as a % of total deposits and borrowings	48%	49%	52%	51%	49%	51%
Growth Measures						
Increase in loans under management (before collective provisions)						
Housing	1,351.2	1,691.4	4,064.9	1,548.8	3,042.6	5,613.7
Commercial	476.1	758.7	869.0	464.3	1,234.8	1,333.3
Consumer ⁽³⁾	85.6	(219.9)	122.3	(2.0)	(134.3)	120.3
Total increase in loans under management ⁽⁵⁾	1,912.9	2,230.2	5,056.2	2,011.1	4,143.1	7,067.3
Loans under management growth ⁽⁶⁾						
Housing	27.3%	31.2%	51.8%	43.8%	31.2%	43.8%
Commercial	21.7%	25.5%	30.6%	21.9%	25.5%	21.9%
Consumer ⁽³⁾	30.9%	(28.6%)	(17.6%)	35.9%	(28.6%)	35.9%
Total growth in loans under management ⁽⁵⁾	25.6%	27.5%	42.9%	36.8%	27.5%	36.8%
Increase in total assets (under management) ⁽⁵⁾	2,352.7	2,433.9	6,776.9	2,374.3	4,786.6	9,151.2
Asset growth (under management) ⁽⁶⁾	20.8%	28.4%	47.9%	42.3%	28.4%	42.3%
Increase in total assets (on balance sheet) ⁽⁵⁾	2,548.3	1,691.9	7,046.7	2,691.2	4,240.2	9,737.9
Asset growth (on balance sheet) ⁽⁶⁾	19.9%	26.8%	47.6%	48.6%	26.8%	48.6%
Increase in retail deposits ⁽⁵⁾	1,417.2	876.5	3,714.6	1,109.0	2,293.7	4,823.6
Retail deposit growth ⁽⁶⁾	29.9%	33.4%	55.4%	52.7%	33.4%	52.7%

⁽¹⁾ Measures have been annualised where appropriate.

⁽²⁾ The Bank is required to perform a trigger test at each balance date to determine whether the RePS, S1RPS or PEPS are dilutive. The RePS, S1RPS and PEPS are all dilutive at 31 August 2008.

⁽³⁾ During the 2007 financial year the bank sold its credit card portfolio.

⁽⁴⁾ Normalised measures exclude significant, non-recurring and non-cash items. In the 2007 year the significant item was the sale of the Bank's credit card portfolio which realised a pre-tax gain of \$41.6m and an after tax gain of \$29.1m. In the current financial year the non-recurring items relate to Pioneer integration costs of \$0.5m after tax, Home integration costs of \$9.6m after tax, the gain on the Visa Initial Public Offering of \$6.3m after tax, and the negative impact of credit markets on high quality bonds and ineffectiveness of derivatives hedging the Home balance sheet on acquisition totalling \$6.1m after tax. In 2007 the non-recurring items related to Bendigo due diligence costs of \$0.6m after tax and Pioneer integration costs of \$2.8m after tax. In 2006, the significant item related to a tax benefit obtained on the disposal of the Bank's previous banking platform. The non-cash items presented for all financial periods relate to the amortisation of customer contracts.

⁽⁵⁾ Balances obtained in the first half of 2008 upon acquisition of Home included gross loans and advances of \$2,669.2m, retail deposits of \$2,503.5m, collective and specific provisions totalling \$3.5m and total assets of \$3,133.7m. Balances obtained in 2007 upon acquisition of Pioneer included gross loans and advances of \$342.4m, retail deposits of \$456.3m, collective and specific provisions totalling \$1.0m and total assets of \$500.9m.

⁽⁶⁾ Growth measures are calculated from the prior comparable period.

⁽⁷⁾ RePS and S1RPS are classified as innovative hybrids for APRA reporting. PEPS are classified as non-innovative instruments for APRA reporting.

⁽⁸⁾ At 31 August 2007, the Bank held an excess amount in respect of the APRA requirement for 50% basis points of risk weighted assets. This excess was released to retained earnings on 1 January 2008 to coincide with the introduction of Basel II. All capital requirements have been calculated under the Basel II standardised approach from 1 January 2008.

⁽⁹⁾ During the current financial year, former Pioneer branches were converted to BOQ Corporate and Owner Managed Branches.

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⁽¹¹⁾ The increase in underlying profit excludes the significant item recognised upon sale of the Bank's credit card portfolio.

Figures are denoted in \$A Millions unless otherwise stated	AIFRS Half Year Performance				AIFRS Financial Year Performance	
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Financial Performance						
Net interest income	154.1	167.2	185.9	235.2	321.3	421.1
Other operating income:						
Securitisation fees	2.0	8.3	3.1	2.6	10.3	5.7
Transaction & account keeping fees	54.0	57.8	56.6	60.0	111.8	116.6
Other	14.1	10.6	12.7	24.4	24.7	37.1
Significant item - profit on sale of credit card portfolio	-	41.6	-	-	41.6	-
Less: OMB share of fees	(4.6)	(5.1)	(5.4)	(4.5)	(9.7)	(9.9)
Total operating income	65.5	113.2	67.0	82.5	178.7	149.5
Net Income from ordinary activities	219.6	280.4	252.9	317.7	500.0	570.6
Operating expenses						
Staff	53.4	57.0	56.8	70.7	110.4	127.5
Occupancy	9.2	9.0	10.2	11.6	18.2	21.8
Computer	32.0	28.9	32.1	32.4	60.9	64.5
Operating	40.3	46.9	44.3	50.2	87.2	94.5
Administration	5.7	4.8	4.9	6.8	10.5	11.7
Non-recurring integration and due diligence costs ⁽⁴⁾	-	4.8	1.3	12.7	4.8	14.0
Non-cash (amortisation of customer contracts)	1.1	1.6	9.6	17.1	2.7	26.7
Total operating expenses	141.7	153.0	159.2	201.5	294.7	360.7
Underlying profit before impairment on loans and advances and income tax	77.9	127.4	93.7	116.2	205.3	209.9
Less: Impairment on loans and advances	(9.3)	(11.6)	(9.2)	(17.8)	(20.9)	(27.0)
Profit before income tax	68.6	115.8	84.5	98.4	184.4	182.9
Less: Income tax expense	(20.2)	(34.4)	(26.7)	(29.4)	(54.6)	(56.1)
Profit after income tax	48.4	81.4	57.8	69.0	129.8	126.8
Add: Amortisation of customer contracts (after tax)	0.7	1.3	6.7	12.0	2.0	18.7
Less: Significant items (after tax)	-	(29.1)	-	-	(29.1)	-
Add: Proposed Bendigo merger costs (after tax)	-	0.6	-	-	0.6	-
Add: Pioneer integration costs (after tax)	-	2.8	0.1	0.4	2.8	0.5
Add: Home integration costs (after tax)	-	-	0.7	8.9	-	9.6
Less: Gain on Visa Initial Public Offering (after tax)	-	-	-	(6.3)	-	(6.3)
Add: Bond mark to market and hedge ineffectiveness items (after tax)	-	-	-	6.1	-	6.1
Normalised cash profit after tax⁽⁴⁾	49.1	57.0	65.3	90.1	106.1	155.4
Less: Movement in general reserve for credit losses ⁽¹⁰⁾	(3.4)	(0.2)	(1.4)	1.0	(3.6)	(0.4)
Normalised cash profit available for distribution to ordinary shareholders⁽⁴⁾	45.7	56.8	63.9	91.1	102.5	155.0
Profitability Measures						
Increase in underlying profit (before tax and impairment) ⁽¹¹⁾	5.6	7.9	7.9	22.5	27.8	46.2
Underlying profit growth	7.7%	10.1%	9.2%	24.0%	20.5%	28.2%
Increase in operating profit after tax ⁽⁶⁾	8.4	28.7	9.4	(12.4)	37.1	(3.0)
Profit growth after tax ⁽⁶⁾	21.0%	54.5%	19.4%	(15.2%)	40.0%	(2.3%)
Operating profit after tax/average total assets ⁽¹⁾	0.6%	0.8%	0.5%	0.5%	0.7%	0.5%
Total operating expenses/average total assets ⁽¹⁾	1.7%	1.6%	1.4%	1.4%	1.6%	1.4%
Cost to income ratio	64.5%	54.6%	62.9%	63.4%	58.9%	63.2%
Normalised cash cost to income ratio ⁽⁴⁾	64.0%	61.4%	58.7%	54.0%	62.6%	56.1%
Normalised non-interest income/total income	29.8%	25.5%	26.5%	26.0%	27.4%	26.2%
Effective tax rate (%)	29.4%	29.7%	31.6%	29.9%	29.6%	30.7%
Margin Analysis						
Interest rate margin	2.03%	1.97%	1.83%	1.93%	2.00%	1.89%
Impact of payments to 3rd parties	(0.18%)	(0.20%)	(0.21%)	(0.23%)	(0.19%)	(0.22%)
Net interest margin	1.85%	1.77%	1.62%	1.70%	1.81%	1.67%
Return Analysis						
ROE - weighted average	14.8%	22.4%	11.6%	9.9%	18.8%	10.6%
ROE - normalised cash	15.0%	15.7%	13.1%	12.9%	15.4%	13.0%
ROA - average	0.6%	0.8%	0.5%	0.5%	0.7%	0.5%
RORWA	1.1%	1.7%	0.9%	1.0%	1.3%	0.9%

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Per Share Data						
EPS Calculation						
Profit after income tax	48.4	81.4	57.8	69.0	129.8	126.8
Less: PEPS dividends	-	-	-	(4.3)	-	(4.3)
Basic earnings available for ordinary shareholders	48.4	81.4	57.8	64.7	129.8	122.5
Add Back:						
- RePS dividends ⁽²⁾	1.2	1.2	1.2	1.2	2.4	2.4
- S1RPS dividends ⁽²⁾	1.7	1.8	1.7	1.8	3.5	3.5
- PEPS dividends ⁽²⁾	-	-	-	4.3	-	4.3
Diluted earnings available to ordinary shareholders	51.3	84.4	60.7	72.0	135.7	132.7
Add back amortisation (tax effected):						
- Orix, Pioneer and Home customer contracts	0.7	1.3	6.7	12.0	2.0	18.7
Cash earnings	52.0	85.7	67.4	84.0	137.7	151.4
Less: Significant items	-	(29.1)	-	-	(29.1)	-
Add: Proposed Bendigo merger costs	-	0.6	-	-	0.6	-
Add: Pioneer integration costs	-	2.8	0.1	0.4	2.8	0.5
Add: Home integration costs (after tax)	-	-	0.7	8.9	-	9.6
Less: Gain on Visa Initial Public Offering (after tax)	-	-	-	(6.3)	-	(6.3)
Add: Bond mark to market and hedge ineffectiveness items (after tax)	-	-	-	6.1	-	6.1
Normalised cash earnings - used for diluted EPS	52.0	60.0	68.2	93.1	112.0	161.3
Less: Movement in general reserve for credit losses (tax effected)	(3.4)	(0.2)	(1.4)	1.0	(3.6)	(0.4)
Normalised distributable cash earnings - used for diluted EPS	48.6	59.8	66.8	94.1	108.4	160.9
Weighted average number of shares used in:						
- Basic earnings per share	109.3	112.0	127.1	149.3	110.9	137.9
Add: Effect of SMOP and Managing Director options	2.2	2.7	1.7	0.5	2.4	1.0
Add: Effect of converting preference shares	8.0	6.3	14.8	20.6	7.1	17.9
- Diluted earnings per share	119.5	121.0	143.6	170.4	120.4	156.8
Basic earnings per share (c)	44.3	72.7	45.5	43.3	117.0	88.8
Diluted earnings per share (c)	42.9	69.8	42.3	42.3	112.7	84.6
EPS growth (basic) ⁽⁶⁾	15.4%	46.0%	2.7%	(40.4%)	32.7%	(24.1%)
EPS growth (diluted) ⁽⁶⁾	14.1%	47.3%	(1.4%)	(39.4%)	32.6%	(24.9%)
Normalised diluted cash earnings per share (c) ⁽⁴⁾	43.4	49.6	47.6	55.3	93.0	102.9
Normalised diluted cash earnings per share (c) (on profits available for distribution to ordinary shareholders) ⁽⁴⁾	40.7	49.3	46.5	56.1	90.0	102.6
Ordinary dividend per share (c)	32.0	37.0	35.0	38.0	69.0	73.0
Franking percentage - all dividends	100%	100%	100%	100%	100%	100%
Franking credits (consolidated)	18.1	26.4	32.4	25.1	26.4	25.1
NTA per share (\$)	5.67	6.41	6.32	6.05	6.41	6.05
Dividend yield	4.29%	3.95%	5.03%	4.77%	3.72%	4.60%
Payout ratio - ordinary shares (excludes RePS & S1RPS)	74%	52%	89%	83%	60%	85%
Normalised cash payout ratio - ordinary shares - excludes special dividends ⁽⁴⁾	73%	75%	79%	63%	74%	70%
Cash distributable payout ratio excluding special dividends and significant items	79%	75%	80%	63%	76%	70%
DRP takeover % (before underwriting)	33%	45%	43%	n/a	39%	n/a
Total ordinary shares on issue - period end	112.0	113.2	146.2	149.9	113.2	149.9
Ordinary shares (at record date)	112.2	114.8	146.5	149.9	114.8	149.9
Share price - period end (\$)	15.04	18.56	14.00	15.86	18.56	15.86
Market cap value	1,684.5	2,101.0	2,046.8	2,377.4	2,101.0	2,377.4
<p>⁽¹⁾ Measures have been annualised where appropriate.</p> <p>⁽²⁾ The Bank is required to perform a trigger test at each balance date to determine whether the RePS, S1RPS or PEPS are dilutive. The RePS, S1RPS and PEPS are all dilutive at 31 August 2008.</p> <p>⁽³⁾ During the 2007 financial year the bank sold its credit card portfolio.</p> <p>⁽⁴⁾ Normalised measures exclude significant, non-recurring and non-cash items. In the 2007 year the significant item was the sale of the Bank's credit card portfolio which realised a pre-tax gain of \$41.6m and an after tax gain of \$29.1m. In the current financial year the non-recurring items relate to Pioneer integration costs of \$0.5m after tax, Home integration costs of \$9.6m after tax, the gain on the Visa Initial Public Offering of \$6.3m after tax, and the negative impact of credit markets on high quality bonds and ineffectiveness of derivatives hedging the Home balance sheet on acquisition totalling \$6.1m after tax. In 2007 the non-recurring items related to Bendigo due diligence costs of \$0.6m after tax and Pioneer integration costs of \$2.8m after tax. In 2006, the significant item related to a tax benefit obtained on the disposal of the Bank's previous banking platform. The non-cash items presented for all financial periods relate to the amortisation of customer contracts.</p> <p>⁽⁵⁾ Balances obtained in the first half of 2008 upon acquisition of Home included gross loans and advances of \$2,669.2m, retail deposits of \$2,503.5m, collective and specific provisions totalling \$3.5m and total assets of \$3,133.7m. Balances obtained in 2007 upon acquisition of Pioneer included gross loans and advances of \$342.4m, retail deposits of \$456.3m, collective and specific provisions totalling \$1.0m and total assets of \$500.9m.</p> <p>⁽⁶⁾ Growth measures are calculated from the prior comparable period.</p> <p>⁽⁷⁾ RePS and S1RPS are classified as innovative hybrids for APRA reporting. PEPS are classified as non-innovative instruments for APRA reporting.</p> <p>⁽⁸⁾ At 31 August 2007, the Bank held an excess amount in respect of the APRA requirement for 50% basis points of risk weighted assets. This excess was released to retained earnings on 1 January 2008 to coincide with the introduction of Basel II. All capital requirements have been calculated under the Basel II standardised approach from 1 January 2008.</p> <p>⁽⁹⁾ During the current financial year, former Pioneer branches were converted to BOQ Corporate and Owner Managed Branches.</p> <p>⁽¹⁰⁾ During the 2007 financial year the movement in the general reserve for credit losses excluded reserves obtained upon acquisition of Pioneer and reserves released upon sale of the credit card portfolio (tax effected).</p> <p>⁽¹¹⁾ The increase in underlying profit excludes the significant item recognised upon sale of the Bank's credit card portfolio.</p>						

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Asset Quality						
Specific bad and doubtful debt provision	6.0	6.2	9.6	18.7	6.2	18.7
Collective bad and doubtful debt provision	10.2	7.7	10.4	15.7	7.7	15.7
General reserve for credit losses	55.6	57.5	58.9	57.9	57.5	57.9
Total bad and doubtful debt provision and general reserve for credit losses	71.8	71.4	78.9	92.3	71.4	92.3
Collective provision plus general reserve as a % of risk weighted assets ⁽⁶⁾	0.68%	0.65%	0.50%	0.50%	0.65%	0.50%
Total specific provision/total impaired assets	64.5%	54.4%	59.3%	59.2%	54.4%	59.2%
Total provision coverage of impaired assets (times)	7.20	5.90	4.50	2.59	5.90	2.59
Total impaired assets/average shareholders' equity	1.27%	1.40%	1.28%	1.88%	1.48%	2.49%
Total impaired assets/non-secured lending (at risk)	0.08%	0.09%	0.09%	0.17%	0.09%	0.17%
Total impaired assets	9.3	11.4	16.2	31.6	11.4	31.6
Loans 90 days past due (non-secured)	85.5	82.3	100.2	137.6	82.3	137.6
Loans 90 days past due (secured)	8.9	5.9	10.4	19.8	5.9	19.8
Total loans 90 days past due	94.4	88.2	110.6	157.4	88.2	157.4
Total loans 90 days past due as a % of risk weighted assets	1.0%	0.9%	0.8%	1.1%	0.9%	1.1%
Bad debts written off to specific provisions	7.8	10.2	6.6	8.4	18.0	15.0
Movement in specific provision	0.3	0.2	3.4	9.1	0.5	12.5
Less: Movement due to acquisition of subsidiaries ⁽⁵⁾	(0.2)	-	(0.2)	(3.0)	(0.2)	(3.2)
Add: Movement due to sale of credit card portfolio	-	0.8	-	-	0.8	-
Underlying bad and doubtful debts	7.9	11.2	9.8	14.5	19.1	24.3
Movement in collective provision	2.1	(2.5)	2.7	5.3	(0.4)	8.0
Less: Movement due to acquisition of subsidiaries ⁽⁵⁾	(0.7)	(0.1)	(3.3)	(2.0)	(0.8)	(5.3)
Add: Movement due to sale of credit card portfolio	-	3.0	-	-	3.0	-
Impairment on loans and advances (Refer to P&L detail)	9.3	11.6	9.2	17.8	20.9	27.0
Capital Ratio Data						
Risk weighted assets	9,166.6	9,696.8	13,242.3	13,813.0	9,696.8	13,813.0
Fundamental tier 1 capital	708.3	768.8	1,357.8	1,401.8	768.8	1,401.8
Residual tier 1 capital	111.9	111.9	249.0	250.2	111.9	250.2
Tier 1 capital deductions	(52.2)	(53.1)	(627.9)	(651.0)	(53.1)	(651.0)
Net tier 1 capital	768.0	827.6	978.9	1,001.0	827.6	1,001.0
Upper tier 2 capital	45.6	58.0	184.8	126.3	58.0	126.3
Lower tier 2 capital	322.2	265.0	311.0	426.0	265.0	426.0
Tier 2 capital deductions	(25.6)	(31.0)	(38.7)	(31.4)	(31.0)	(31.4)
Net tier 2 capital	342.2	292.0	457.1	520.9	292.0	520.9
Total regulatory capital base	1,110.2	1,119.6	1,436.0	1,521.9	1,119.6	1,521.9
APRA capital adequacy calculations						
Fundamental tier 1 capital	7.7%	7.9%	10.2%	10.1%	7.9%	10.1%
Residual tier 1 capital	1.3%	1.1%	1.9%	1.8%	1.1%	1.8%
Tier 1 capital deductions	(0.6%)	(0.5%)	(4.7%)	(4.7%)	(0.5%)	(4.7%)
Net tier 1 capital	8.4%	8.5%	7.4%	7.2%	8.5%	7.2%
Upper tier 2 capital	0.5%	0.6%	1.4%	0.9%	0.6%	0.9%
Lower tier 2 capital	3.5%	2.7%	2.3%	3.1%	2.7%	3.1%
Tier 2 capital deductions	(0.3%)	(0.3%)	(0.3%)	(0.2%)	(0.3%)	(0.2%)
Net tier 2 capital	3.7%	3.0%	3.4%	3.8%	3.0%	3.8%
Total capital adequacy ratio ⁽⁶⁾	12.1%	11.5%	10.8%	11.0%	11.5%	11.0%
Other Information (Actual numbers)						
Number of corporate branches	49	40	47	48	40	48
Number of Owner Managed Branches - QLD	91	100	105	107	100	107
Number of Owner Managed Branches - NSW/ACT	51	55	55	54	55	54
Number of Owner Managed Branches - VIC	22	23	23	24	23	24
Number of Owner Managed Branches - WA	4	4	6	7	4	7
Number of Owner Managed Branches - NT	1	1	1	1	1	1
Number of Owner Managed Branches - TAS	1	1	2	2	1	2
Number of Owner Managed Branches - SA	-	1	1	1	1	1
Number of Pioneer corporate branches and service centres ⁽⁹⁾	21	10	-	-	10	-
Number of Home corporate branches	-	-	30	24	-	24
Number of total branches	240	235	270	268	235	268
Number of BOQ owned ATMs	218	223	240	266	223	266
Number of BOQ branded ATMs	2,370	2,216	2,289	2,377	2,216	2,377
Total BOQ branded ATMs	2,588	2,439	2,529	2,643	2,439	2,643
Number of Pioneer ATMs	24	24	-	-	24	-
Number of Home owned / branded ATMs	-	-	34	-	-	-
Number of BOQ branded EFTPOS machines	7,157	7,733	8,037	8,613	7,733	8,613
Number of employees (FTEE)	1,119	1,024	1,316	1,320	1,024	1,320

⁽¹⁾ Measures have been annualised where appropriate.

⁽²⁾ The Bank is required to perform a trigger test at each balance date to determine whether the RePS, S1RPS or PEPS are dilutive. The RePS, S1RPS and PEPS are all dilutive at 31 August 2008.

⁽³⁾ During the 2007 financial year the bank sold its credit card portfolio.

⁽⁴⁾ Normalised measures exclude significant, non-recurring and non-cash items. In the 2007 year the significant item was the sale of the Bank's credit card portfolio which realised a pre-tax gain of \$41.6m and an after tax gain of \$29.1m. In the current financial year the non-recurring items relate to Pioneer integration costs of \$0.5m after tax, Home integration costs of \$9.6m after tax, the gain on the Visa Initial Public Offering of \$6.3m after tax, and the negative impact of credit markets on high quality bonds and ineffectiveness of derivatives hedging the Home balance sheet on acquisition totalling \$6.1m after tax. In 2007 the non-recurring items related to Bendigo due diligence costs of \$0.6m after tax and Pioneer integration costs of \$2.8m after tax. In 2006, the significant item related to a tax benefit obtained on the disposal of the Bank's previous banking platform. The non-cash items presented for all financial periods relate to the amortisation of customer contracts.

⁽⁵⁾ Balances obtained in the first half of 2008 upon acquisition of Home included gross loans and advances of \$2,669.2m, retail deposits of \$2,503.5m, collective and specific provisions totalling \$3.5m and total assets of \$3,133.7m. Balances obtained in 2007 upon acquisition of Pioneer included gross loans and advances of \$342.4m, retail deposits of \$456.3m, collective and specific provisions totalling \$1.0m and total assets of \$500.9m.

⁽⁶⁾ Growth measures are calculated from the prior comparable period.

⁽⁷⁾ RePS and S1RPS are classified as innovative hybrids for APRA reporting. PEPS are classified as non-innovative instruments for APRA reporting.

⁽⁸⁾ At 31 August 2007, the Bank held an excess amount in respect of the APRA requirement for 50% basis points of risk weighted assets. This excess was released to retained earnings on 1 January 2008 to coincide with the introduction of Basel II. All capital requirements have been calculated under the Basel II standardised approach from 1 January 2008.

⁽⁹⁾ During the current financial year, former Pioneer branches were converted to BOQ Corporate and Owner Managed Branches.

⁽¹⁰⁾ During the 2007 financial year the movement in the general reserve for credit losses excluded reserves obtained upon acquisition of Pioneer and reserves released upon sale of the credit card portfolio (tax effected).

⁽¹¹⁾ The increase in underlying profit excludes the significant item recognised upon sale of the Bank's credit card portfolio.

Average Balance and Margin Analysis

	Consolidated 2008			Consolidated 2007		
	Average Balance \$m	Interest \$m	Average Rate %	Average Balance \$m	Interest \$m	Average Rate %
Interest earning assets						
Gross loans & advances at amortised cost *	22,031.0	1,811.8	8.22	16,078.0	1,200.6	7.47
Investments & other securities *	3,171.3	231.3	7.29	1,721.2	110.5	6.42
Total interest earning assets	25,202.3	2,043.1	8.11	17,799.2	1,311.1	7.37
Non-interest earnings assets						
Property, plant & equipment	23.9			20.8		
Other assets	715.4			355.2		
Provision for impairment	(20.5)			(13.8)		
Total non-interest earning assets	718.8			362.2		
Total assets	25,921.1			18,161.4		
Interest bearing liabilities						
Retail deposits *	12,354.1	731.7	5.92	8,161.1	407.4	4.99
Wholesale deposits & Borrowings *	11,831.1	890.3	7.52	9,016.3	582.4	6.46
Total Interest bearing liabilities	24,185.2	1,622.0	6.71	17,177.4	989.8	5.76
Non-interest bearing liabilities	300.1			201.0		
Total Liabilities	24,485.3			17,378.4		
Shareholder's funds	1,435.8			783.0		
Total liabilities & shareholders funds	25,921.1			18,161.4		
Interest margin & interest spread						
Interest earning assets	25,202.3	2,043.2	8.11	17,799.2	1,311.1	7.37
Interest bearing liabilities	24,185.2	1,622.0	6.71	17,177.4	989.8	5.76
Net interest spread (1)			1.40			1.61
Net interest margin - on average interest earning assets	25,202.3	421.1	1.67	17,799.2	321.3	1.81

* Calculated on average daily balances

(1) Net interest spread is calculated after taking into account third party and OMB commissions.