Bank of Queensland Limited
ABN 32 009 656 740

Profit announcement for the half-year ended 28 February 2009

The half-year financial report has been subject to an independent review by the external auditor

Released 9 April 2009

Contents

FINANCIAL SUMMARY

	Half-year ended				
	28/02/09	31/08/08 [1]	Increase / Decrease	29/02/08 [1]	Increase / Decrease
	$m	$m		$m	
Shareholders' Equity:					
Issued capital	1,640.0	1,439.4	14%	1,383.5	19%
Reserves and retained profits	81.1	251.5	(68%)	304.9	(73%)
Total equity	1,721.1	1,690.9	2%	1,688.4	2%
Financial Position: [2]					
Total assets under management	33,454.5	30,823.2	9%	28,436.5	18%
Total loans under management [3]	27,515.4	26,291.8	5%	24,280.7	13%
Total assets on balance sheet	32,666.9	29,793.9	10%	27,090.3	21%
Retail deposits	16,057.1	13,984.5	15%	12,875.5	25%
Wholesale deposits	6,578.2	6,052.0	9%	5,301.2	24%
Financial Performance:					
Statutory net profit	46.3	77.0	(40%)	61.7	(25%)
Cash underlying profit [4] [5]	138.9	146.3	(5%)	104.5	33%
Normalised profit for the year after tax [5]	80.5	86.1	(7%)	62.5	29%
Add: Non-cash item tax effected [6]	3.7	4.0	-	2.8	-
Normalised cash net profit after tax	84.2	90.1	(7%)	65.3	29%
Shareholder Performance:					
Market capitalisation at balance date	1,196.1	2,377.4	(50%)	2,046.8	(42%)
Share price at balance date	$6.95	$15.86	(56%)	$14.00	(50%)
Statutory Ratios:					
Net interest margin	1.52%	1.67%	(15bp)	1.62%	(10bp)
Capital adequacy ratio	10.8%	11.0%	(2bp)	10.8%	0bp
Net tangible assets per share	$5.39	$6.01	(10%)	$6.30	(14%)
Fully franked ordinary dividend per share	$0.26	$0.38	(32%)	$0.35	(26%)
Diluted earnings per share	24.5c	47.1c	(48%)	45.1c	(46%)
Normalised Ratios (cash basis) [5] [6]					
Cost to income ratio	54.3%	54.0%	3bp	58.7%	(44bp)
Dividend payout ratio to ordinary shareholders	53%	65%	-	79%	-
Diluted earnings per share	47.3c	55.3c	(14%)	47.6c	(1%)
Return on average ordinary equity	11.3%	12.9%	-	13.1%	-

(1) The prior period income statement and balances sheets have been restated in accordance with AASB 3 *Business Combinatons*. (refer to note 4)

(2) In the prior year, on acquisition of Home Building Society Ltd ("Home"), the Bank acquired $2,669.2m of loans and advances and $2,503.5m of deposits.

(3) Before Collective Provision for impairment.

(4) Underlying profit is profit before impairment on loans and advances and income tax expense.

(5) Excluding significant and non-recurring items. In the current year after tax profit includes $9.2m impairment primarily on property related equity investments, including those taken on as part of the Home acquisition, $8.2m relating to the NSW distribution restructure, $10.0m of restructuring costs for head office, $6.8m in relation to the integration of Home and other due diligence costs. In the prior year after tax profit are the negative impact of credit markets on high quality bonds held for liquidity purposes and the impact of ineffectiveness on derivatives hedging the Home balance sheet on acquisition totalling $6.1m after tax and the gain on the Visa Initial Public Offering for $6.3m which is non-recurring. Expenses include an after tax cost of $9.6m incurred in relation to the integration of Home and after tax costs of $0.5m in relation to the integration of Pioneer.

(6) Non-cash item relates to amortisation of customer contracts.

Rule 4.2A.3

Appendix 4D

Half-year report
For the period ended 28 February 2009

1. Company details and reporting period

Name of entity:	**Bank of Queensland Limited**
ABN:	32 009 656 740
Reporting Period	28 February 2009
Previous corresponding period	29 February 2008

2. Results for announcement to the market

				$m
Revenues from ordinary activities	Up	20%	to	304.0
Profit from ordinary activities after tax attributable to members	Down	25%	to	46.3
Net profit for the period attributable to members	Down	25%	to	46.3

Dividends	Amount per security	Franked amount per security
Interim dividend	26c	100%
Semi-annual dividend on:		
- Reset preference shares (RePS)	255c	255c
- Perpetual Equity Preference Shares (PEPS)	265c	265c
Previous corresponding period	35c	100%
Semi-annual dividend on:		
- Reset preference shares (RePS)	257c	257c
- Series 1 reset preference shares (S1RPS)	261c	261c
- Perpetual Equity Preference Shares (PEPS)	216c	216c

Record date for determining entitlements to the:	
- Reset preference shares (RePS)	26 March 2009
- Perpetual Equity Preference Shares (PEPS)	26 March 2009
- Ordinary dividend	5 May 2009

3. Net tangible assets per security

- 28 February 2009 - $5.39;
- 31 August 2008 - $6.01; and
- 29 February 2008 - $6.30.

4. Entities over which control has been gained or lost during the period

Nil.

5. Dividends

Refer to page 19 of the attached Statutory Financial Report for the period ended 28 February 2009.

6. Dividend reinvestment plan

The Bank of Queensland Dividend Reinvestment Plan provides shareholders with the opportunity to convert all or part of their entitlement to a dividend into new shares. Shares are issued under the Plan at a discount of 2.5% on the weighted average share price of the Bank's shares sold on the Australian Stock Exchange during the five trading days immediately following the Record Date for determination of the relevant dividend. Shares issued are fully paid and rank equally with existing fully paid ordinary shares.

7. Associates and joint venture entities

- Ocean Springs Pty Ltd – 9.31% holding;
- Dalyellup Beach Pty Ltd – 17.08% holding;
- Wanneroo North Pty Ltd – 21.42% holding;
- East Busselton Estate Pty Ltd – 25.00% holding;
- Coastview Nominees Pty Ltd – 5.81% holding; and
- Satterley Austin Cove Pty Ltd – 3.70% holding.

8. Accounting standards used for foreign entities

Not applicable

9. Dispute or qualifications if audited

The attached Half-Year Statutory Financial Report has been reviewed by the independent auditor, KPMG. There is no dispute or qualification to the financial report.

10. Half-year statutory financial report

Refer to page 7 of the attached Profit Announcement for the period ended 28 February 2009.

Sign here: ……………………………. ……………………
Company Secretary Date

Print name: Brad Edwards

BANK OF QUEENSLAND LIMITED
and its Controlled Entities

A.B.N. 32 009 656 740

CONSOLIDATED INTERIM FINANCIAL REPORT

HALF-YEAR ENDED 28 FEBRUARY 2009

CONTENTS

DIRECTORS' REPORT
Half-year ended 28 February 2009

The directors present their report together with the consolidated financial report for the half-year ended 28 February 2009 and the review report thereon.

Directors
The directors of the Bank of Queensland Limited ("the Bank") at any time during or since the end of the half-year are:

Name	Period of directorship
Neil Summerson Chairman	Director since December 1996. Chairman since August 2008.
Anthony Howarth Deputy Chairman	Director since December 2007 . Deputy Chairman since August 2008.
David Liddy Managing Director	Managing Director since April 2001.
Steve Crane	Director since December 2008
Roger Davis	Director since August 2008.
Peter Fox	Director since May 2001.
David Graham	Director since October 2006.
Carmel Gray	Director since April 2006.
Bill Kelty	Director since August 2001.
John Reynolds	Director since April 2003.

Antony Love retired 11 December 2008

Principal activities

The principal activity of the Consolidated Entity is the provision of financial services to the community. The Bank has an authority to carry on banking business under the Banking Act 1959 (Commonwealth) (as amended). There were no significant changes during the current period in the nature of the activities of the Consolidated Entity.

Review of Operations

Profitability

Profit after tax for the six months ended 28 February 2009 decreased by 25% to $46.3m compared with the February 2008 result of $61.7m.

Income

Total operating income increased by 20% during the period to $304.0m. Net interest income for the period ended 28 February 2009 increased by 22% to $226.6m from the prior comparative period result of $185.9m.

Other operating income increased by 16% to $77.4m for the period ended 28 February 2009 from $67.0m in the prior comparative period.

Net interest income

Net interest income increased by 22% to $226.6m for the period ended 28 February 2009 compared to the prior comparative period ended 29 February 2008 of $185.9m. This was a strong result given margin pressures and is a result of the Bank's ability to deliver strong asset growth and the benefit of the Home Building Society Ltd ("Home") acquisition which contributed to the increase in net interest income.

Review of operations (continued)

Other operating income

Other operating income for the period ended 28 February 2009 increased by 16% over the prior comparative period to $77.4m.

Expenses

The Bank's expenses increased by 39% for the period ended 28 February 2009 to $212.1m, from the prior comparative period result of $152.9m. However, non-operational expenses such as non-recurring Home integration costs and other due diligence costs amounting to $9.7m, impairment on primarily property related equity investments of $13.2m, restructuring costs for NSW distribution and head office of $18.7m, and amortisation of customer contracts amounting to $5.2m are included in the six months expenses. In the prior year, non-operational expenses such as non-recurring Home integration costs and other due diligence costs amounting to $1.3m, and amortisation of customer contracts amounting to $3.3m are included in the six months expenses.

If these amounts were excluded, the Bank's expenses in the six months would be $165.3m, an increase of 11% on the prior comparative period of $148.4m. This increase in costs is largely due to the prior corresponding period containing Home costs for two and one half months. The Bank has continued to focus on cost control.

Efficiency

The Bank's cash cost to income ratio has increased from the 2008 comparative period of 62.9% to 68.0% in the current period.

Adjusting for aforementioned non-recurring items, the Bank cash cost to income ratio has decreased from 58.7% in the 2008 period to 54.3% in the current period.

Asset quality and provisioning

Impairment on loans and advances
Expenses relating to impairment on loans and advances were $27.6m for the six months ended 28 February 2009, an increase of $18.4m on the prior comparative period.

Impaired assets
Impaired assets increased in gross terms to $38.3m as at 28 February 2009 from $31.6m at 31 August 2008. Impaired assets as a percentage of non-securitised loans have increased slightly at 0.19% at 28 February 2009 from 0.17% at 31 August 2008. Specific provisions have been raised for $18.5m (48%) of impaired assets.

Lending approvals and asset growth

Lending approvals for the six months ended 28 February 2009 were $6.4 billion, a decrease of $0.6 billion over the comparative 2008 approval result of $7.0 billion. This decrease of 9% is due to lower system growth as the Australian economy slows. The Bank has however continued to outperform system growth.

The lending approval growth translated into a loans under management balance of $27.5 billion, an increase of $1.2 billion from 31 August 2008 which represents growth of 9% on an annualised basis.

Of the loans under management balance of $27.5 billion, $26.7 billion is on balance sheet and $0.8 billion off balance sheet. The off balance sheet lending relates to the REDS EHP leasing trusts which are not consolidated for accounting purposes.

Retail deposit growth

Retail deposits have shown growth for the period ended 28 February 2009 and have reached $16.1 billion, an increase of $2.1 billion from 31 August 2008, which represents growth of 30% on an annualised basis.

The Bank has focused on retail deposit growth in response to the dislocation of wholesale funding markets though it should be noted that competition for retail funding has increased its relative cost, negatively impacting net interest margin.

Review of operations (continued)

Capital management

The Board has set the following capital targets:

- Tier 1 capital target range to be between 7% to 8% of risk weighted assets; and
- Total capital target to be 11.0% with a minimum of 10% to be held at all times.

The total capital adequacy at 28 February 2009 was 10.8% and Tier 1 capital was 8.0%. Residual Tier 1 Capital ("RePS", and "PEPS") comprise 20% of net Tier 1 capital.

The Bank continued with an active capital management program, including dividend reinvestment program, a share purchase plan and institutional placements. Securitisation markets continue to provide limited opportunities for capital efficient issues.

Branch network expansion

The Bank has opened 3 branches during the period to bring total branches to 267 as at 28 February 2009. Of these 267 branches, 115 are outside of Queensland. The Bank also converted 5 corporate branches into owner managed branches during the first half.

Shareholder returns

Statutory diluted earnings per share has decreased by 46% to 24.5c for the period ended 28 February 2009, compared to the period ended 29 February 2008 result of 45.1c.

Excluding the impact of non-cash and non-recurring items the Bank's diluted earnings per share would be 47.3c. The 29 February 2008 result also adjusted for non-cash and non-recurring items was 47.6c.

On this basis, the current year's diluted earnings per share decreased by 1%.

The Bank has declared an interim dividend of 26 cents per share fully franked. This is a decrease of 9 cents (26%) from the 2008 interim dividend of 35 cents.

Subsequent events

Dividends have been declared after 28 February 2009.

Other than as disclosed in this report, no matters or circumstances have arisen since the end of the financial half year and up until to the date of this report which significantly affects the operations of the Bank, the results of those operations, or the state of affairs of the Bank in subsequent years.

Lead auditor's independence declaration under section 307C of the *Corporations Act 2001*

The lead auditor's independence declaration is set out on page 10 and forms part of the directors' report for the half-year ended 28 February 2009.

Rounding of amounts

The Bank is a company of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 (as amended by Class Order 04/667 dated 15 July 2004) and in accordance with that Class Order, amounts in this financial report and directors' report have been rounded off to the nearest hundred thousand dollars, unless otherwise stated.

Dated at Brisbane this ninth day of April 2009.

Signed in accordance with a resolution of the directors:

Neil Summerson	David Liddy
Chairman	Managing Director

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Bank of Queensland Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 28 February 2009 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

John Teer
Partner

Brisbane
9 April 2009

CONSOLIDATED INTERIM INCOME STATEMENT
For the half-year ended 28 February 2009

	Note	**28 February 2009 $m**	29 February 2008 $m
Interest income	5	1,098.3	879.6
Less: Interest expense	5	871.7	693.7
Net interest income		226.6	185.9
Other operating income	5	77.4	67.0
Total operating income		304.0	252.9
Less: Expenses	6	212.1	152.9
Profit before impairment on loans and advances and tax		91.9	100.0
Less: Impairment on loans and advances	10	27.6	9.2
Profit before income tax		64.3	90.8
Less: Income tax expense	7	18.0	29.1
Profit for the period	14	46.3	61.7
Basic earnings per share – Ordinary Shares		24.8	48.6c
Diluted earnings per share – Ordinary Shares		24.5	45.1c

The consolidated interim income statement should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF RECOGNISED INCOME AND EXPENSES
For the half-year ended 28 February 2009

	Note	**28 February 2009 $m**	29 February 2008 $m
Cash flow hedges:			
Net gains / (losses) taken to equity	14	(157.4)	45.0
Net gains / (losses) transferred to income statement	14	0.2	(0.9)
Change in fair value of assets available for sale	14	3.7	(0.4)
Net income / (expense) recognised directly in equity		(153.5)	43.7
Profit for the period		46.3	61.7
Total recognised income and expense for the period		(107.2)	105.4
Attributable to:			
Equity holders of the parent		(107.2)	105.4

Other movements in equity arising from transactions with owners as owners are set out in Note 14.

The amounts recognised directly in equity are disclosed net of tax.

The consolidated interim statement of recognised income and expenses should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM BALANCE SHEET
As at 28 February 2009

	Note	**28 February 2009 $m**	31 August 2008 $m
Assets			
Cash and liquid assets		391.5	399.5
Due from other financial institutions		95.2	66.3
Other financial assets		4,254.1	3,263.9
Derivative financial instruments		444.6	22.4
Loans and advances at amortised cost	9	26,708.7	25,246.8
Property, plant and equipment		26.1	25.4
Other assets		82.7	141.3
Deferred tax assets		38.9	-
Intangible assets	16	593.4	590.6
Investments accounted for using the equity method		31.7	37.7
Total assets		32,666.9	29,793.9
Liabilities			
Due to other financial institutions		147.1	135.6
Deposits	11	22,635.3	20,036.5
Derivative financial instruments		236.2	19.7
Accounts payable and other liabilities		313.5	296.5
Current tax liabilities		3.1	6.8
Provisions		38.4	17.0
Deferred tax liabilities		-	11.4
Borrowings including subordinated notes	12	7,572.2	7,579.5
Total liabilities		30,945.8	28,103.0
Net assets		1,721.1	1,690.9
Equity			
Issued capital	13	1,640.0	1,439.4
Reserves	14	(87.2)	60.3
Retained profits	14	168.3	191.2
Total equity		1,721.1	1,690.9

The consolidated interim balance sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
For the half-year ended 28 February 2009

	28 February 2009 $m	29 February 2008 $m
Cash flows from operating activities		
Interest received	1,103.5	904.6
Fees and other income received	120.0	91.4
Dividends received	0.5	-
Interest paid	(829.2)	(681.2)
Cash paid to suppliers and employees	(188.8)	(181.8)
Operating income tax paid	(15.1)	(35.0)
Other taxes paid	-	(0.3)
	190.9	97.7
Increase in operating assets:		
Loans and advances at amortised cost	(1,491.7)	(2,647.9)
Other financial assets	(1,013.0)	(949.8)
Increase / (decrease) in operating liabilities:		
Deposits	2,614.6	2,938.5
Securitisation liabilities	(406.4)	356.5
Net cash from operating activities	(105.6)	(205.0)
Cash flows from investing activities		
Payments for property, plant and equipment	(4.6)	(3.1)
Payments for intangible assets - software	(15.1)	(7.6)
Cash distribution received from equity accounted investments	0.3	1.8
Payments for acquisition of Home Building Society Ltd	-	(66.2)
Proceeds from sale of property, plant and equipment	0.9	0.3
Net cash from investing activities	(18.5)	(74.8)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	120.3	56.8
Costs of capital issues	(2.1)	(6.4)
Proceeds from borrowings	995.1	981.4
Repayment of borrowings	(948.9)	(1,054.8)
Proceeds from issue of Perpetual Equity Preference Shares	-	200.0
Dividends paid	(48.3)	(23.6)
Net cash from financing activities	116.1	153.4
Net decrease in cash and cash equivalents	(8.0)	(126.4)
Cash and cash equivalents at beginning of year	399.5	479.1
Cash and cash equivalents at end of half year	391.5	352.7

The consolidated interim statement of cash flows should be read in conjunction with the accompanying notes.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Half-year ended 28 February 2009

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the half-year ended 28 February 2009

1. Reporting entity

Bank of Queensland Limited ("the Bank") is a company domiciled in Australia. The consolidated interim financial report of the Bank as at and for the half-year ended 28 February 2009 comprises the Bank and its subsidiaries ("the Consolidated Entity") and the Consolidated Entity's interest in equity accounted investments.

The consolidated annual financial report of the Consolidated Entity as at and for the year ended 31 August 2008 is available upon request from the Bank's registered office at Level 17, 259 Queen Street, Brisbane QLD 4000 or at www.boq.com.au.

2. Statement of compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134: *Interim Financial Reporting* and the Corporations Act 2001.

The consolidated interim financial report does not include all the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Consolidated Entity as at and for the year ended 31 August 2008.

The consolidated interim financial report was approved by the Board of Directors on 9 April 2009.

The Consolidated Entity is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005 and CO 06/51 effective 31 January 2006) and in accordance with that Class Order, amounts in this financial report and directors' report have been rounded off to the nearest hundred thousand dollars, unless otherwise stated.

3. Significant accounting policies

The accounting policies applied by the Consolidated Entity in this consolidated interim financial report are the same as those applied by the consolidated entity in its consolidated financial report as at and for the year ended 31 August 2008.

4. Use of estimates and judgements

The preparation of the interim financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the Consolidated Entity.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision only affects that period or in the period of the revision and future periods if the revision affects both current and future periods.

Restatement of acquisition accounting adjustments

The prior period income statement and balance sheets were stated using provisional entries in accordance with AASB 3 *Business Combinations*. These provisional entries have now been finalised resulting in restatement of several income statement and balance sheet items. A summary of these restatements are provided in the table below.

	29 February 2008			31 August 2008		
Income Statement	**Restated $m**	Reported $m	Increase / (Decrease)	**Restated $m**	Reported $m	Increase / (Decrease)
Amortisation of intangibles	3.3	9.6	(6.3)	7.7	26.7	(19.0)
Income tax expense	29.1	26.7	2.4	63.2	56.1	7.1
Profit for the year	61.7	57.8	3.9	138.7	126.8	11.9
Balance Sheet						
Intangible assets	567.4	561.1	6.3	590.6	571.6	19.0
Current tax asset	-	-	-	-	0.3	(0.3)
Current tax liabilities	6.2	3.8	2.4	6.8	-	6.8
Retained profits	168.8	164.9	3.9	191.2	179.3	11.9

5. Operating income

	Consolidated	
	28 February 2009	29 February 2008
	$m	$m
Interest income		
Loans and advances	981.1	775.2
Trading and other securities	117.2	104.4
Total interest income	1,098.3	879.6
Interest expense		
Retail deposits	(422.0)	(303.2)
Wholesale deposits and borrowings	(449.7)	(390.5)
Total interest expense	(871.7)	(693.7)
Net interest income	226.6	185.9
Other operating income		
Other customer fees and charges	63.5	56.6
Securitisation income [1]	1.9	3.1
Net income / (loss) from financial instruments and derivatives	7.0	(2.8)
Commission – insurance, financial planning and other	4.3	4.0
Franchise fees	1.1	1.7
Bad debts recovered	0.7	0.6
ATM branding royalties	-	4.7
Foreign exchange income – customer based	2.9	2.4
Profit on sale of property, plant and equipment	0.2	0.2
Other income	2.7	1.9
Share of fee revenue paid to Owner Managed Branches [2]	(6.9)	(5.4)
Total other revenue from ordinary activities	77.4	67.0
Total operating income	304.0	252.9

[1] Represents securitsation income from the Bank's leasing trusts which are not consolidated.
[2] Represents the share of fees paid to Owner Managed Branches.

6. Expenses

	Consolidated 28 February 2009 $m	Consolidated 29 February 2008 $m
Operating expenses		
Advertising	7.2	6.3
Commissions to Owner Managed Branches	3.5	6.3
Communications and postage	6.6	6.0
Printing and stationery	2.1	2.3
Non-lending losses	1.6	2.6
Processing costs	18.0	15.8
Amortisation – securitisation set up costs	1.1	1.0
Impairment (1)	13.2	-
Other operating expenses	7.1	4.0
	60.4	44.3
Administrative expenses		
Professional fees	5.3	2.6
Directors' fees	0.6	0.5
Other	2.6	2.0
	8.5	5.1
Computer costs		
Data processing	22.0	23.5
Amortisation – computer software (intangible)	7.8	6.9
Amortisation – technology infrastructure (intangible)	0.7	0.7
Depreciation – IT equipment	0.8	1.0
	31.3	32.1
Occupancy expenses		
Lease rental	9.3	7.6
Depreciation of plant, furniture, equipment and leasehold improvements	2.5	1.8
Other	1.0	0.8
	12.8	10.2
Employee expenses		
Salaries and wages	56.3	46.0
Fringe benefits tax	0.8	0.7
Amounts set aside to provisions for employee entitlements	0.7	1.3
Payroll tax	3.5	2.7
Equity settled transactions	2.8	3.4
Other	2.8	2.7
	66.9	56.8
Other		
Amortisation – acquired intangibles (2)	5.2	3.3
Home integration costs (3)	8.3	1.1
Restructuring expense (4)	18.7	-
Expenses	212.1	152.9

(1) Impairment primarily relating to property related equity investments.
(2) The prior period amortisation of acquired intangibles has been restated in accordance with AASB 3 Business Combinations.
(3) Relates to non-recurring integration costs associated with the acquisition of Home Building Society Ltd.
(4) Relates to the provision raised for the NSW distribution restructure and head office restructure.

7. Income tax expense

The Consolidated Entity's consolidated effective tax rate for the six months ended 29 February 2009 was 28.0%. The effective tax rate for the year ended 31 August 2008 was 30.7% and for the six months ended 29 February 2008 was 32.0%.

8. Dividends

	Half-year ended			
	28 February 2009 $m		29 February 2008 $m	
	Cents per share	$m	Cents per share	$m
Ordinary shares				
Final 2008 dividend (fully franked) paid 24 November 2008 (2008: 26 November 2007)	38	58.9	37	42.5
Preference shares recognised as liability				
Half-yearly RePS dividend (fully franked) paid 15 October 2008 (2008: 15 October 2007)	257	1.2	257	1.2
Half-yearly S1RPS dividend (fully franked) paid 20 October 2008 (2008: 22 October 2007)	261	1.7	261	1.7
		2.9		2.9
Preference shares not recognised as liabilities				
Half-yearly PEPS dividend paid on 15 October 2008 (2008: 15 April 2008)	353	7.1	-	-
Dividends not recognised in the balance sheet				
In addition to the above dividends, since half-year end the directors have proposed the following:				
Interim 2009 dividend (fully franked) expected to be paid on 19 May 2009 (2008: 16 May 2008) out of retained profits at 28 February 2009, but not recognised as a liability in the balance sheet	26	44.7	35	51.3
Half-yearly PEPS dividend (fully franked) expected to be paid on 15 April 2009 (2008: 15 April 2008) but not recognised as a liability in the balance sheet	265	5.3	216	4.3
Dividends recognised in the balance sheet				
Half-yearly RePS dividend (fully franked) expected to be paid on 15 April 2009 (2008: 15 April 2008) and recognised as a liability in the balance sheet	255	1.2	257	1.2
The prior year half-yearly S1RPS dividend (fully franked) paid on 21 April 2008 and recognised as a liability in the balance sheet	-	-	261	1.7
		58.3		58.5

9. Loans and advances at amortised cost	Consolidated 28 February 2009 $m	Consolidated 31 August 2008 $m
Residential property loans – secured by mortgages [1]	13,288.5	12,441.5
Securitised residential property loans – secured by mortgages [1]	6,150.5	5,960.4
Personal loans [1]	423.7	457.5
Overdrafts	525.9	481.8
Commercial loans [1]	4,047.9	3,956.8
Leasing finance	2,656.0	2,262.9
Gross loans and advances at amortised cost	27,092.5	25,560.9
Less:		
Unearned lease finance income	(346.2)	(279.7)
Collective provision for impairment	(19.1)	(15.7)
Specific provisions for impairment	(18.5)	(18.7)
Total loans and advances at amortised cost	26,708.7	25,246.8
Product concentration of credit risk for loans and advances at amortised cost (net of specific provision and unearned income):		
Residential	19,438.0	18,400.3
Consumer	421.9	455.7
Commercial	4,561.6	4,427.1
Leases	2,306.3	1,979.4
Total before collective provision	26,727.8	25,262.5

As at 28 February 2009, off balance sheet securitised leases under management amounted to $787.6m (2008: $1,006.3m). The leasing assets are held in certain REDS EHP Trusts. The Bank is not exposed to the majority of risk and benefits of these Trusts and the residual income units in the Trusts are held by entities not related to the Bank.

[1] In the prior year, on 18 December 2007, the Bank acquired Home Building Society Ltd which resulted in the following increase of gross loans on acquisition date totalling $2,669.2m (refer note 16):

- Residential property loans - $1,712.5m;
- Securitised residential property loans - $355.0m;
- Personal loans - $334.0m; and
- Commercial loans - $267.7m.

Asset Quality	Consolidated 29 February 2009 Balance $m	Specific Provision $m	Expected Realisation $m	31 August 2008 Balance $m	Specific Provision $m	Expected Realisation $m
a) Impaired assets						
Non-accrual loans:						
- Without specific provisions	-	-	-	-	-	-
- With specific provisions	38.3	18.5	19.8	31.6	18.7	12.9
b) Past due loans [1]	180.9	-	180.9	157.4	-	157.4

[1] Loans which are 90 or more days past due are not classified as impaired assets where the estimated net realisable value of the security is sufficient to cover the repayment of all principal and interest amounts due. Losses are not anticipated from these loans as they are adequately secured, for housing products usually by residential mortgage, and are spread across a range of customer and product groups.

10. Provisions for impairment

	Consolidated 28 February 2009 $m	Consolidated 31 August 2008 $m
Specific provision:		
Balance at the beginning of the period	18.7	6.2
Add: Expensed during the period	24.2	24.3
Add: Acquired during the period [1]	-	3.2
Less: Amounts written off against specific provision	(24.4)	(15.0)
Balance at the end of the period	18.5	18.7
Collective provision:		
Balance at the beginning of the period	15.7	7.7
Add: Expensed during the period	3.4	2.7
Add: Acquired during the period [1]	-	5.3
Balance at the end of the period	19.1	15.7
Total provisions for impairment	37.6	34.4

[1] The prior period provisions acquired relate to the acquisition of Home Building Society Ltd on 18 December 2007. (refer to Note 16).

11. Deposits

	Consolidated 28 February 2009 $m	Consolidated 31 August 2008 $m
Deposits at call [1]	9,329.8	8,039.9
Term deposits [1]	8,587.4	7,308.5
Certificates of deposit	4,718.1	4,688.1
Total	22,635.3	20,036.5
Concentration of deposits:		
Retail deposits	16,057.1	13,984.5
Wholesale deposits	6,578.2	6,052.0
Total	22,635.3	20,036.5

Deposits are well-diversified across industries and regions. All deposits are sourced in Australia.

[1] In the prior year, on 18 December 2007, the Bank acquired Home Building Society Ltd which resulted in an increase of $781.3m of call deposits and $1,722.2m of term deposits as at acquisition date. (Refer to Note 16)

12. Borrowings including subordinated notes

The Consolidated Entity recorded the following movements on borrowings including subordinated notes:

	Securitisation liabilities	EMTN Program	ECP Program	Borrowings including subordinated notes	Syndicated Loan	Preference shares	Total
	$m	$m	$m	$m	$m	$m	$m
Half-year ended 28 February 2009							
Balance at the beginning of the period	6,018.7	464.4	558.8	425.7	-	111.9	7,579.5
Proceeds from issues	209.6	-	601.4	-	311.7	-	1,122.7
Repayments	(616.0)	-	(879.0)	(59.9)	-	(64.7)	(1,619.6)
Deferred establishment costs	(1.9)	-	-	-	-	-	(1.9)
Amortisation of deferred costs	2.8	-	-	-	-	-	2.8
Foreign exchange translation	154.3	153.8	79.5	-	101.1	-	488.7
Balance at the end of the period	5,767.5	618.2	360.7	365.8	412.8	47.2	7,572.2

	Securitisation liabilities	EMTN Program	ECP Program	Borrowings including subordinated notes	Preference shares	Total
	$m	$m	$m	$m	$m	$m
Half-year ended 29 February 2008						
Balance at the beginning of the period	4,375.8	853.1	398.4	265.0	111.9	6,004.2
Recognised on acquisition of Home	365.0	-		46.0	-	411.0
Proceeds from issues	1,114.9	-	981.4	-	-	2,096.3
Repayments	(713.3)	(45.6)	(1,009.2)	-	-	(1,768.1)
Deferred establishment costs	(2.2)	-		-	-	(2.2)
Amortisation of deferred costs	1.4	-		-	-	1.4
Foreign exchange translation	(44.7)	(101.0)	(2.7)	-	-	(148.4)
Balance at the end of the period	5,096.9	706.5	367.9	311.0	111.9	6,594.2

13. Issued capital

	Consolidated 28 February 2009 $m	Consolidated 29 February 2008 $m
Issued and paid up capital		
Ordinary Shares, fully paid	1,444.3	1,188.3
Perpetual Equity Preference Shares, fully paid	195.7	195.2
Balance at end of year	1,640.0	1,383.5

	28 February 2009 $m	29 February 2008 $m
(a) ***Ordinary shares***		
Balance at the beginning of the period – 149,947,719 (2008: 113,188,223) fully paid	1,243.7	615.7
Dividend reinvestment plan – 1,769,016 shares (2008: 1,099,240)	17.7	18.9
Share issued under an Underwriting Agreement – 1,165,000 shares (2008: 1,349,489)	11.8	23.6
Exercise of options – 21,000 shares (2008: 2,954,547)	0.2	33.2
Conversion of Series 1 reset preference shares (S1RPS) to ordinary shares – 5,069,360 (2008: nil)	64.7	-
Home Acquisition – nil shares (2008: 27,603,771)	-	496.9
Share purchase plan and placement – 14,177,758 (2008: nil) [1]	106.2	-
Balance at the end of the period – 172,149,853 (2008: 146,195,270), fully paid	1,444.3	1,188.3

[1] The share purchase plan commenced on 15 December 2008 and closed on 23 January 2009. Existing shareholders as at 10 December 2008 were eligible to purchase shares from a minimum of $1,000 to a maximum of $10,000. The issue price was the lesser of a 7.5% discount to the volume weighted average market price over the five business days before and including the closing date of the new shares being issued or $10.08 which was the approximate price at which shares were issued under the Bank's most recent dividend reinvestment plan issue and partial underwriting. 5,781,993 shares were issued under this plan at an issue price of $7.64. On 3 February 2009, the Bank completed a placement of 8,395,765 ordinary shares at $7.64 to a range of institutional investors. The amount raised is net of costs $1.2m before tax.

Terms and conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of winding up of the Bank, ordinary shareholders rank after RePS and PEPS shareholders and creditors and are fully entitled to any proceeds of liquidation.

	Consolidated 28 February 2009 $m	Consolidated 29 February 2008 $m
(b) Perpetual Equity Preference Shares ("PEPS")		
Issue of PEPS – 2,000,000 (2008: 2,000,000) [1]	195.7	195.2
Balance at the end of the period	195.7	195.2

[1] Net of costs before tax.

Terms and conditions

The PEPS are fully paid, redeemable, perpetual, non-cumulative preference shares. Dividends are non-cumulative and payable semi-annually at the discretion of directors and subject to certain conditions being met, such as sufficient distributable profit. BOQ is entitled to redeem, buy-back or cancel the preference shares on a call date (5 years from issue date) and each subsequent dividend payment date, subject to the prior written approval from APRA. BOQ is also entitled to redeem the preference shares on the occurrence of a regulatory event, tax event or a control event. The preference shareholders have no right to demand redemption of the preference shares but they are entitled to receive a liquidation amount being equal to the issue price plus all dividends due but unpaid. PEPS are subordinate to all creditors and depositors, holders of RePS, and rank equally with S1RPS and ahead of ordinary shareholders for return of capital on liquidation.

14. Reserves and retained profits

	Consolidated					
	Employee benefits reserve	General reserve for credit losses	Cashflow hedge reserve	Available for sale reserve	Total reserves	Retained profits
Half-year ended 28 February 2009	$m	$m	$m	$m	$m	$m
Balance at the beginning of the period	21.3	57.9	(17.7)	(1.2)	60.3	191.2
Total recognised income and expense	-	-	(157.2)	3.7	(153.5)	46.3
Dividends to shareholders	-	-	-	-	-	(58.9)
Dividends to PEPs	-	-	-	-	-	(7.1)
Equity settled transactions	2.8	-	-	-	2.8	-
Transfers	-	3.2	-	-	3.2	(3.2)
Balance at the end of the period	24.1	61.1	(174.9)	2.5	(87.2)	168.3

	Employee benefits reserve	General reserve for credit losses	Cashflow hedge reserve	Available for sale reserve	Total reserves	Retained profits
Half-year ended 29 February 2008	$m	$m	$m	$m	$m	$m
Balance at the beginning of the period	16.1	57.5	12.4	1.6	87.6	151.0
Total recognised income and expense	-	-	44.1	(0.4)	43.7	61.7
Dividends to shareholders	-	-	-	-	-	(42.5)
Equity settled transactions	3.4	-	-	-	3.4	-
Transfers	-	1.4	-	-	1.4	(1.4)
Balance at the end of the period	19.5	58.9	56.5	1.2	136.1	168.8

15. Capital management

The Bank and Consolidated Entity's capital management strategy aims to ensure that the Consolidated Entity maintains adequate capital to act as a buffer against risks associated with activities whilst maximising returns to shareholders.

The Bank's capital is measured and managed in line with Prudential Standards issued by APRA. This regulatory capital differs from statutory capital in that certain liabilities such as preference shares are considered capital from a regulatory perspective and certain assets including goodwill and other intangibles are considered a deduction from regulatory capital.

The Bank and Consolidated Entity have a capital management plan, consistent with their overall business plans, for managing capital levels on an ongoing basis. This plan sets out:

(i) the strategy for maintaining adequate capital over time including the capital target, how the target level is to be met and the means available for sourcing additional capital when required; and
(ii) the actions and procedures for monitoring compliance with minimum regulatory capital adequacy requirements, including trigger ratios to alert management to, and avert, potential breaches of these requirements.

The capital management plan is updated at least annually and submitted to the Board for approval. Current and projected capital positions are reported to the Board and APRA on a monthly basis.

The Board has set capital targets at 8.0% of risk weighted assets as Tier 1 capital with a minimum of 7.0% and a total capital target of 11.0% with a minimum of 10% to be held at all times. The total capital adequacy ratio at 28 February 2009 was 10.8% and Tier 1 capital was 8.0%. Reset Preference Shares ("RePS" and "PEPS"), issued as hybrid capital instruments, comprise 20% of net Tier 1 capital.

Total Tier 1 capital of 8.0% is represented by 6.4% of Core Tier 1 capital and 1.6% of hybrid capital instruments, including preference shares.

15. Capital management (continued)

A summary of the consolidated capital position is shown in the table below.

Qualifying capital	Consolidated **28 February 2009 $m**	31 August 2008 $m
Tier 1		
Fundamental Tier 1		
Ordinary Share Capital	1,446.5	1,243.7
Reserves	24.1	1.2
Retained profits [(1)]	158.6	156.9
	1,629.2	1,401.8
Residual Tier 1		
Non Innovative (PEPS)	195.7	195.7
Innovative (RePS and S1RPS)	47.2	111.9
Residual Tier 1 transferred to Upper Tier 2	-	(57.4)
	242.9	250.2
Tier 1 Deductions		
Deferred Expenditure	(71.0)	(66.6)
Goodwill and other identifiable intangibles	(593.4)	(573.1)
Other deductions	(22.5)	(11.3)
	(686.9)	(651.0)
Net Tier 1 Capital	1,185.2	1,001.0
Tier 2		
Upper Tier 2		
General Reserve for Credit Losses	77.4	68.9
Residual Tier 1 transferred to Upper Tier 2	-	57.4
	77.4	126.3
Lower Tier 2		
Term subordinated debt	366.0	426.0
	366.0	426.0
Tier 2 Deductions	(22.5)	(31.4)
	(22.5)	(31.4)
Net Tier 2 Capital	420.9	520.9
Capital Base	1,606.1	1,521.9
Risk Weighted Assets	14,904.4	13,813.0
Capital Adequacy Ratio	10.8%	11.0%

[(1)] For calculation of capital adequacy retained profits includes current year's profit less accrual of expected dividends net of expected dividend reinvestment

16. Controlled Entities

(a) Acquisition of subsidiary

Prior period

On 18 December 2007, the Bank acquired all the shares of Home Building Society Ltd ("Home") for $600.2 million in a combination of cash and ordinary shares in the Bank. Home operates as an authorised deposit taking institution providing various financials services, and includes property development activity, and in the period from 18 December 2007 to 29 February 2008 contributed profit of $4.7 million. If the acquisition had occurred on 1 September 2007, management estimates that consolidated total operating income would have been $276.8 million and consolidated profit would have been $66.0 million for the six months ended 29 February 2008.

The acquisition had the following effect on the Consolidated Entity's assets and liabilities:

	Recognised values on acquisition $m	Pre-acquisition carrying amounts $m
Cash	37.2	37.2
Loans and advances	2,634.9	2,668.2
Investments accounted for using the equity method	39.2	27.7
Other financial assets	365.6	365.6
Derivative financial instruments	6.0	6.0
Property, plant and equipment	7.0	7.0
Other assets	2.8	2.8
Deferred tax assets	11.9	1.6
Intangible assets	0.5	170.2
Deposits	(2,503.5)	(2,503.5)
Borrowings including subordinated notes	(411.0)	(411.0)
Deferred tax liabilities	(10.7)	(12.4)
Accounts payable and other liabilities	(40.2)	(40.2)
Provisions	(5.5)	(4.7)
Net identifiable assets and liabilities	134.2	314.5
Goodwill and other identifiable intangibles on acquisition	466.0	
Total Consideration	600.2	
Consideration paid, satisfied in Bank ordinary shares (1)	496.9	
Consideration paid, satisfied in cash (2)	103.3	
Cash acquired	(37.1)	
Net cash outflow	66.2	

(1) Shares were issued at $18.00, based on the closing price on the day of acquisition.
(2) Includes cash of $91.6 million, option payments of $7.4 million and incidental costs of $4.3 million.

The goodwill recognised has been attributed to the cash generating unit. The Bank is required to perform annual impairment testing of goodwill and this testing will be conducted during the six months ended 31 August 2009.

During the period, the Home valuation of intangible assets was completed in line with the requirements to complete initial accounting for the acquisition within twelve months of acquisition date. The 31 August 2008 comparatives have been amended to reflect this completion of the initial accounting of the Home acquisition.

(b) Securitisation vehicles

Prior period

The Series 2007-2 REDS Trust was established during the year on 2 November 2007.

The Series 2001-2 REDS Trust securitisation vehicle was closed on 8 October 2007.

17. Segment reporting

Business segments

The Consolidated Entity comprises one segment, this being the provision of banking services and products. This determination is based on the risks involved with the provision of these services and products and the Consolidated Entity's management reporting system.

Geographical segments

The Consolidated Entity's business segment operates principally in Australia, with the majority of customers being in Queensland, with the exception of leasing assets which are spread throughout Australia and New Zealand.

18. Average balances and margin analysis

	6 Months to 28 February 2009			6 Months to 31 August 2008		
	Average Balance	**Interest**	**Average Rate**	Average Balance	Interest	Average Rate
	$m	**$m**	**%**	$m	$m	%
Interest earning assets						
Gross loans and advances at amortised cost *	26,064.7	981.1	7.59	24,151.3	1,036.6	8.54
Investments and other securities *	4,018.3	117.2	5.88	3,334.6	127.0	7.57
Total interest earning assets	30,083.0	1,098.3	7.36	27,485.9	1,163.6	8.40
Non-interest earning assets						
Property, plant and equipment	25.8			25.7		
Other assets	1,137.3			784.6		
Provision for impairment	(19.0)			(16.4)		
Total non-interest earning assets	1,144.1			793.9		
Total assets	31,227.1			28,279.8		
Interest bearing liabilities						
Retail deposits *	15,060.6	422.0	5.65	13,420.4	428.5	6.35
Wholesale deposits and borrowings *	14,058.8	449.7	6.45	12,829.8	499.8	7.75
Total interest bearing liabilities	29,119.4	871.7	6.04	26,250.2	928.3	7.02
Non-interest bearing liabilities	458.7			346.3		
Total liabilities	29,578.1			26,596.5		
Shareholders' funds	1,649.0			1,683.3		
Total liabilities and shareholders' funds	31,227.1			28,279.8		
Interest margin and interest spread						
Interest earning assets	30,083.0	1,098.3	7.36	27,485.9	1,163.6	8.40
Interest bearing liabilities	29,119.4	871.7	6.04	26,250.2	928.3	7.02
Net interest spread [1]			1.32			1.38
Net interest margin - on average interest earning assets	30,083.0	226.6	1.52	27,485.9	235.3	1.70

* Calculated on average daily balances

(1) Interest spread is calculated after taking into account third party and OMB commissions

19. Related parties

Arrangements for related parties are consistent with those disclosed in the 31 August 2008 Annual Report.

20. Contingent liabilities

There have been no material changes in contingent liabilities since 31 August 2008.

21. Subsequent events

Dividends have been declared after 28 February 2009 (refer note 8).

Other than as disclosed in this report, no matters or circumstances have arisen since the end of the financial half year and up until to the date of this report which significantly affects the operations of the Bank, the results of those operations, or the state of affairs of the Bank in subsequent years.

DIRECTORS' DECLARATION

In the opinion of the directors of Bank of Queensland Limited ("the Bank"):

(a) the financial statements and accompanying notes, set out on pages 11 to 28 are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position of the Consolidated Entity as at 28 February 2009 and of its performance, for the half-year ended on that date; and

(ii) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Bank will be able to pay its debts as and when they become due and payable.

Dated at Brisbane this ninth day of April 2009.

Signed in accordance with a resolution of the directors:

__________________	__________________
Neil Summerson	David Liddy
Chairman	Managing Director

Independent auditor's review report to the members of Bank of Queensland Limited

We have reviewed the accompanying interim financial report of Bank of Queensland Limited, which comprises the consolidated interim balance sheet as at 28 February 2009, income statement, statement of recognised income and expense and cash flow statement for the half-year period ended on that date, a statement of accounting policies and other explanatory notes 1 to 21 and the directors' declaration of the Consolidated Entity comprising the Bank and the entities it controlled at the half-year's end or from time to time during the interim period.

Directors' responsibility for the interim financial report

The directors of the Bank are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Consolidated Entity's financial position as at 28 February 2009 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As auditor of Bank of Queensland Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Bank of Queensland Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Consolidated Entity's financial position as at 28 February 2009 and of its performance for the interim period ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

KPMG

John Teer
Partner

Brisbane

9 April 2009