Shareholder review 2012

fit
focused

different

Contents

What we believe & how we will get there

We believe ‘banking’ should be simple and that everyone deserves to deal with someone they can trust.

fit

Stronger foundations

- Group-wide efficiency and effectiveness program
- Process improvements as well as structural changes
- Strengthened balance sheet and capital position
- Enhanced risk management capabilities and culture
- Operating model optimisation

focused

Customers

- Targeting retail, small business and selected commercial customers
- Refining our product range and rewarding loyalty
- Building enduring financial relationships

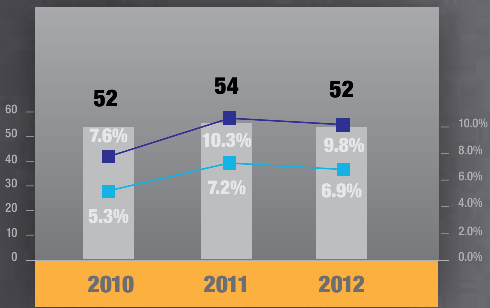
different

People and culture

- New management team of highly experienced bankers
- Embedding a positive, proactive culture with more collaboration and stronger accountability
- Bringing trust back to banking

Results overview

- Statutory net profit after tax for the second half of 2012 was $73.5 million, a significantly improved position on the first half loss, which reflected a more conservative approach to provisioning for bad and doubtful debts.
- BOQ confirmed a statutory net loss after tax for the full year to 31 August 2012 of $17.1 million, due to increased provisioning and legacy expense items.
- Normalised underlying profit before tax was $443.5 million and normalised cash net profit after tax was $30.6 million for the year.
- Normalised cash net interest margin improved despite competitive pressure in a low growth environment.
- The Bank's cost-to-income ratio increased slightly, impacted adversely by non-interest income challenges.



Dividends and yield

Dividends (cents per share) and yield (%)

- Dividend (cents per share)
- Dividend yield
- Gross dividend yield (including franking credits)

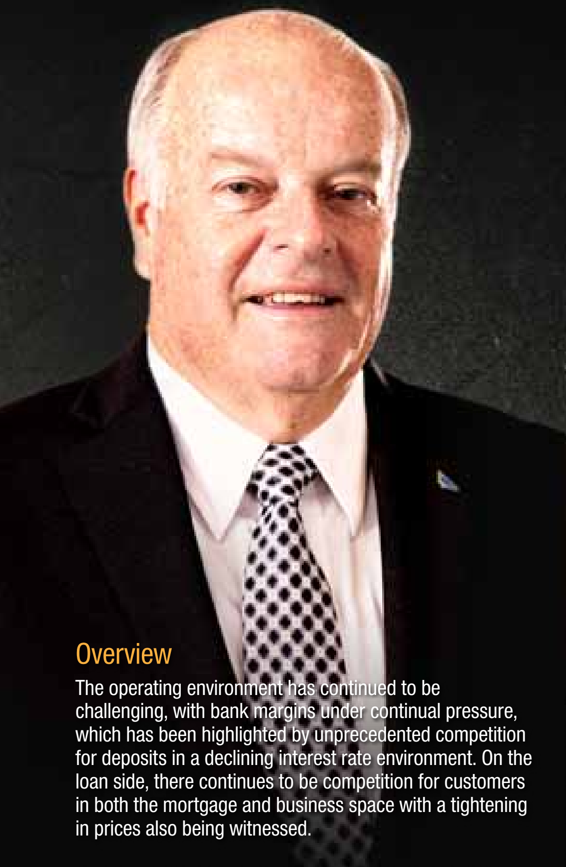
- We have achieved a fundamental change in BOQ's operations this year, including:
  - > Significantly strengthened BOQ's risk management capability and processes
  - > Changed BOQ's culture and refreshed our talent base in key areas
  - > Operational redesign to drive efficiency and operational excellence by continuing to simplify processes for staff and customers and eliminate costs from the business
  - > Strengthened our capital base and collective provisioning to 'future proof' the organisation
  - > Established a clear strategic direction for growth.
- As a reflection of the confidence in our underlying business, the Board declared a fully franked final ordinary dividend of 26 cents per share, matching the dividend paid in the prior corresponding period. This takes the full year 2012 dividend to 52 cents per share fully franked.

In assessing financial performance, Bank of Queensland Limited ("the Bank") discloses the net profit / (loss) after tax on both a 'Statutory basis' and a 'Normalised Cash basis'. The Statutory basis is prepared in accordance with the Corporations Act 2001 and the Australian Accounting Standards, which comply with International Financial Reporting Standards (IFRS). The Normalised Cash basis, which is a non-statutory measure, is used by Management to present a clear view of the Bank's underlying operating results. This excludes a number of items that introduce volatility and / or significant distortions of the Bank's current period performance, and allows for a more effective comparison of the Bank's performance across reporting periods and against peers. These items, such as amortisation of intangibles from acquisition, and accounting for economic hedges, are calculated consistently year on year and do not discriminate between positive and negative adjustments. The Bank also uses the non-statutory measure of 'Normalised Underlying Profit/(Loss)', which represents the Normalised Income less Normalised Operating Expenses, to provide users with a view on the underlying growth rate of the business before bad debt and tax expenses, which often carry volatility between periods.

Chairman's and Managing Director's letter

Neil Summerson

Chairman



Overview

The operating environment has continued to be challenging, with bank margins under continual pressure, which has been highlighted by unprecedented competition for deposits in a declining interest rate environment. On the loan side, there continues to be competition for customers in both the mortgage and business space with a tightening in prices also being witnessed.

The domestic economy has entered a low credit growth environment that has been driven by a cautious approach from consumers and business in committing to further investment utilising debt as a source of funding. Consumers have understandably been focused on deleveraging and a recent RBA report highlighted that around 40% of Australian mortgage holders were at least one year ahead of schedule in their repayments. While we have recently seen a slight uptick in auction clearance rates of in capital cities, we are still quite a way from declaring a return of consumer confidence.

Bad and doubtful debts are showing early signs of reversing the trends over the past two years, however the Bank has over 60% of its loan book in Queensland which is still experiencing economic difficulties. The high Australian dollar has been problematic for many industries in Queensland and it is expected that the dollar will not retreat from these levels for some time.

Result

It is against this backdrop that BOQ recorded a statutory full year loss after tax of $17.1 million for the year to 31 August 2012. The loss was primarily a result of a large bad and doubtful debt expense, which created increased provisions in the balance sheet, as well as a number of one-off legacy items. Pleasingly, the Bank returned to profitability in the second half of the year after a thorough review of the Bank's loan book, processes and systems.

As a result of the reviews, the Bank implemented stronger credit and collection processes and a new risk organisational structure; vastly improving the Bank's risk management capability. Mortgage arrears in the months post BOQ's full year results have continued to reduce and the loan book continues to be prudently provisioned with levels close to market leading.

The Bank's cost to income ratio has been adversely impacted by non-interest income challenges as well as an increase in technology expenses. As a result of this, a programme focused on efficiency and process redesign has been undertaken in order to make it easier for staff and customers to interact with the Bank. The outcome will be a much fitter and focused organisation that will position the Bank for sustained long-term profitability.

The housing portfolio continues to grow strongly in this challenging environment and the funding mix (measured by the ratio of deposits to loans) has improved through the course of the year improving from 56% to 59%. The Bank's capital ratios at the full year were above internal benchmarks, assisted by the support of shareholders in the equity raising earlier this year.

With the economic environment not expected to recover quickly, the Board has determined there will be no increase in Directors fees or increases to fixed remuneration for all employees earning over $100,000.

Shareholders will receive a fully franked dividend of 26 cents per share, taking the full year dividend to 52 cents per share.

Strategy

There are many challenges being a regional bank in what is an industry dominated by "the big four" banks. The most important approach the Bank has to this challenge is to focus on a few things and execute on them exceptionally well. The Bank does not have the resources available to it to be all things to all parts of the Australian economy, however what it can offer is unprecedented levels of service that is appropriate to the customers of the Bank.

There are four key areas of focus that will be undertaken:

Multi-channel optimisation

The Bank has relied exclusively on the branch network to originate loans and service customers. It is apparent that customer preferences are much wider than this and many are utilising brokers (40%+ of all home loans are from this source), mobile, online, call centres and social media. An early trial of the use of mortgage brokers will begin in March 2013 with work already underway on the other channels.

Operational Excellence

The Bank has not exploited the technology that assists in the efficient processing of loans for both retail and business customers. These processes will be overhauled through evaluating better, and more efficient, ways of doing things coupled with the use of technology. This will also assist in removing basic administrative tasks from the branch.

Risk/return balance

The majority (75%) of the Bank's loans are mortgages with an average product per customer ratio of 2.0 products. There is an opportunity to enhance the relationship with customers by improving service that, with focus, will lead to more of their banking business being entrusted to the Bank. The Bank will also expand its focus into other segments where it is felt the BOQ offering and skill set would be well suited, for example in Agribusiness and Financial Markets. A continued focus on BOQ Finance and St Andrew's Insurance and offering their services to the Bank's customers will be integral to improving the products per customer ratio as well as attracting clients from new customer segments.

Talent and capability

With a new executive team in place there is a key focus on revitalising the culture as well as ensuring the talent within the organisation is at a very high level. It is already clear that the steps taken over the past financial year have led to the recruitment of some exceptional leaders from other institutions and there is continued interest in the Bank and where it is going from talented financial services professionals.

Outlook

Over the next twelve months the Bank will be revitalising the Retail Bank, becoming a trusted multi-channel challenger brand, optimising all distribution channels with a focused approach to sales and service, managing risk for the appropriate return, ensuring asset quality is not compromised and continuing to drive further efficiencies throughout the organisation.

The building blocks are in place for growth and the focus is now on execution and delivery. The Bank is becoming operationally fit in order to deliver better service for customers and profitable growth for shareholders.

fit.

Strengthening risk management

There has been a significant strengthening of the risk management frameworks within the Bank in 2012. In particular, material changes in our approach to risk management have been implemented to the identification, reporting and management of credit risks.

A new Risk Appetite Statement has been developed and a framework established to ensure that the business strategies developed are consistent with the agreed risk appetite of the Bank. In addition, there has been a significant resetting of risk appetite in the retail and commercial lending segments

Stronger provision coverage

During 2012, the Bank substantially increased the level of specific and collective provisions held against its loan portfolios. The Bank now has a conservative level of provisions in place. These provisions provide a buffer for any future economic weakness or deterioration in property markets.

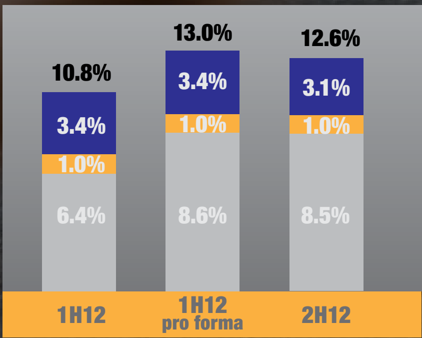
Focus on portfolio quality

A key focus of the Bank is the improvement in the credit quality in both the retail and commercial portfolios. During 2012 additional resources were committed to managing the legacy portfolio of impaired commercial and property lending exposures.

In July 2012, the Bank successfully sold a portfolio of four non-performing commercial property loans. The four loans included the Bank's three largest impaired assets at the time, which were secured by shopping centres in Queensland and Victoria.

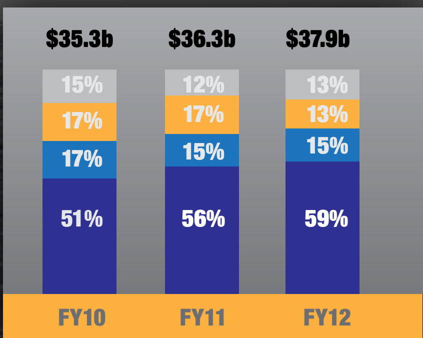
Additional measures to improve portfolio quality have included the implementation of new scorecards and underwriting standards for retail lending. These initiatives will improve the quality of new lending and lower bad and doubtful debt expense in future years.

Funding and capital



Capital adequacy

- Core Tier 1
- Hybrids
- Tier 2



Funding mix

(%)

- Retail
- Securitisation
- Long term Wholesale
- Short term Wholesale

- The Bank's capital levels at 31 August 2012 were above internal benchmarks with core equity Tier 1 level at 8.5%. This is consistent with the level following BOQ's capital raising in April 2012 and demonstrates the capacity to pay the final dividend at 26 cents per share from the second half profit.
- BOQ was able to buyback $636 million of its more expensive Government Guaranteed debt in June 2012 and an additional $364 million matured in October 2012.
- The Bank redeemed $90 million of Lower Tier 2 Convertible Subordinated Notes.
- The Bank issued $50 million of Lower Tier 2 Subordinated Notes on 20 December 2011
- Strong investor demand for BOQ's Reds ABS securitisation program in May 2012 resulted in a transaction being upsized from $500m to $700m, providing valuable funds for the Bank and improving our funding diversity.
- The retail component of our accelerated 8-for-37 pro-rata non-renounceable entitlement offer raised approximately $162 million. The Bank received very strong demand from retail shareholders for the offer and we were able to satisfy 99% of these applications in full.

  This followed the completion of the institutional component of the entitlement offer and institutional placement which raised approximately $135 million and $153 million respectively.

  Both institutions and retail shareholders were offered the same price of $6.05 per share in these offers.
- BOQ is well positioned to meet the new Basel III capital requirements that will come into effect from January 2013.

Operational excellence

A process efficiency and cost effectiveness program is underway to ensure that BOQ is fit enough to meet the challenges it faces, particularly in the current low credit growth environment.

Review of organisational spans and layers of control We have optimised our organisational structure to assist BOQ to be as efficient as possible. This resulted in approximately 100 senior management roles being removed, producing annual savings of $9 million.	✔
Shared services model We are bringing together duplicated functions across Banking, BOQ Finance & Insurance, so that one function services all our business lines, rather than separate teams. This will provide the Bank with annual savings of approximately $2 million.	***In Progress***
Back office operations consolidation We are ensuring that our non-customer facing support services are efficient, that we have simplicity in processes with no double handling. Consolidation of back office services is expected to provide $2.5 million in annual savings.	***In Progress***
End to end loan processing (Retail & Commercial) We have undertaken a detailed analysis of the complete loan process and have found that a number of improvements are required. Project teams are being formed to drive initiatives in this area over the next two years.	***In Progress***
Expense analysis (Non-Employee costs) Analysis of the expenses across the BOQ Group not related to employees, involves a review of all the major categories of vendors and suppliers to identify potential savings through changes in cost, specifications and usage. Once complete, this project is expected to provide the Bank with savings of $4 million per annum.	***In Progress***
Removing processes from the branch The administrative tasks that branches are required to conduct are being lessened, freeing up time for our front line people to focus on the quality of their customer service, while also improving response times.	***Planned***
Cost savings to fund investments in growth The cost savings obtained from the above initiatives are intended to be used to fund the Bank's growth, while we keep overall cost growth under inflation.	***Planned***

focused Customers

We are aiming to increase our customer numbers and profit by providing simple, straight forward banking with the best possible service.

Online will be a key enabler for growth, so we are broadening our IT, social media and communication capabilities. We also have many online and mobile enhancements on the way that will improve customer experience.

We are working on a compelling brand proposition, rewarding loyalty and ensuring our products are what our customers want. New product suites planned include an offering for simple family banking, a small to medium sized enterprise proposition, as well as a Wealth Management and Self Managed Super Fund offer.

A new call centre is being established in Brisbane to complement and share call volumes with our Perth call centre, which will also ensure the Bank's phone service does not experience any down time.

A new customer relationship management system is being implemented for front line employees, which will reduce the number of account creation and servicing procedures by more than 67%, freeing up our people to concentrate on providing better sales and service.

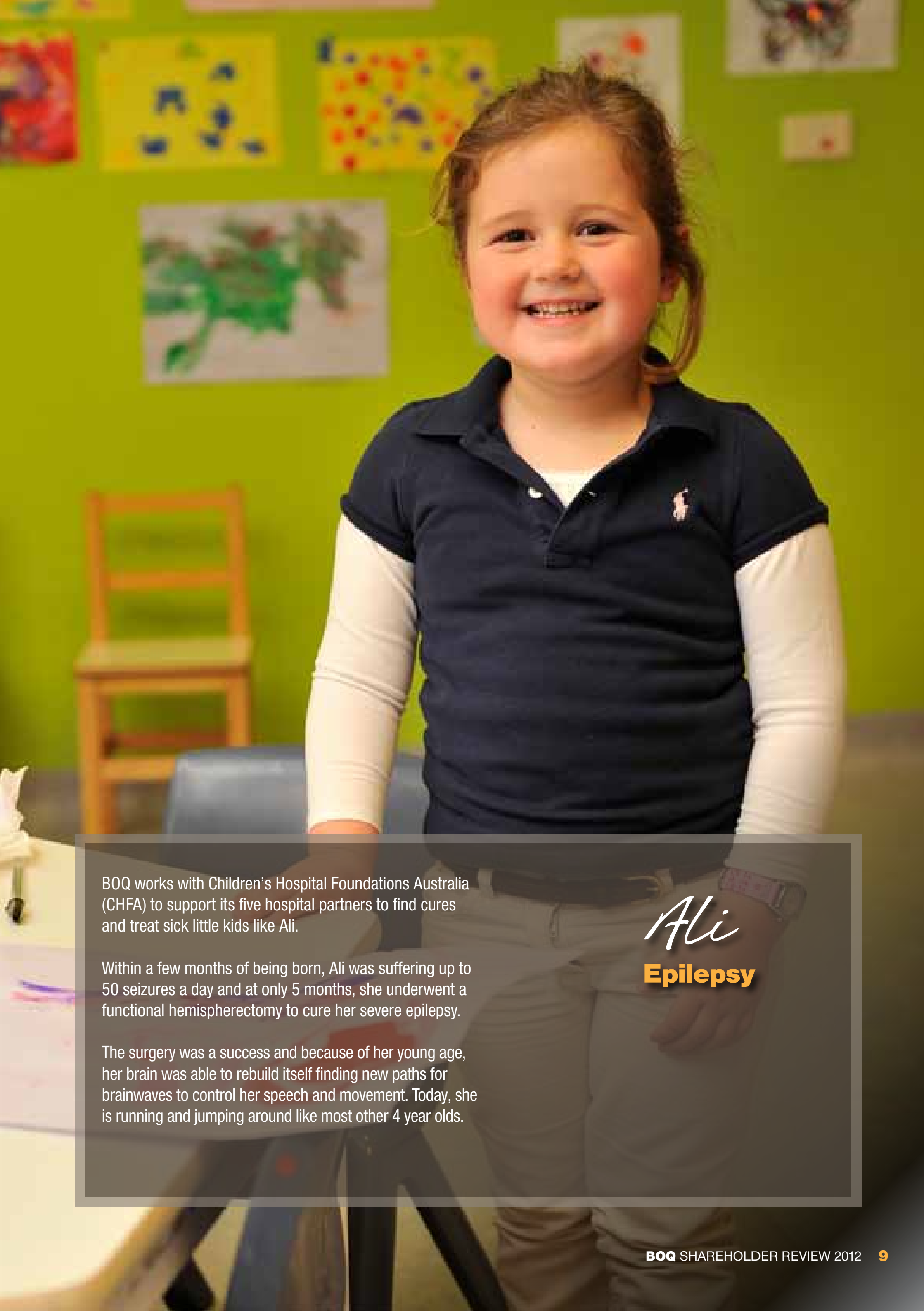
We are targeting attractive niche commercial customer segments that value relationship banking, while diversifying geographically and across industries.

Environment

- Products used in the latest branch fit-outs are chosen with sustainability in mind and include items certified by Good Environmental Choice Australia (GECA), the Forest Stewardship Council (FSC) and other authorities.
- Our new signage at branches and office locations around Australia has been designed to include energy efficient and long-lasting LED lighting. We are also investing in LED lighting to be used internally in branches.
- New switchboards at branches ensure electrical items not used for security purposes are timed to switch-off when the branch is closed and staff are not working.
- 160 tonnes of paper and cardboard were recycled by BOQ in the year to 31 August 2012, saving approximately 2,071 trees.
- BOQ plans to move its Support Centre office 2km out of Brisbane CBD to a new 5-star certified Green Star building in 2014 which also boasts a 4.5 star NABERS energy rating. BOQ will benefit from a lower carbon footprint from this building and a reduction in the energy and water used.

Community

- BOQ provides support to the Australia Red Cross to help with initiatives such as the innovative new Centre for Young People opened in Fortitude Valley in Brisbane in June 2012. The aim of the centre is to address youth homelessness and to provide intensive, individualised support to at-risk youth to help them get back onto a positive life track.
- Our employees are engaged in our Community program through Dollar-for-Dollar donation matching which has resulted in approximately $70,000 being donated to charity in the past year.
- This year's Banking on our Kids fundraising appeal raised approximately $150,000 to help sick kids get better, quicker. This appeal, which involves our people collecting donations and fundraising, has raised over $1,150,000 since the appeal started in 2004.
- BOQ sponsors the Financial Basics Foundation's online simulation game, ESSI Money, which provides high school students with an opportunity to learn about Earning, Saving, Spending and Investing. Approximately 5,000 students across the country each year compete in this financial literacy competition.
- Shareholders donated nearly $40,000 to children's hospitals around Australia this year via Investing in Hope, taking the total contributed since this program's inception in 2004 to $240,000.
- BOQ is helping The Smith Family to provide disadvantaged kids with mentoring support and financial scholarships, so that they can realise their potential through education. As part of this partnership BOQ supports the Learning for Life mentoring program and funds 120 financial scholarships for school students.
- At BOQ, we believe every child deserves a merry Christmas. That's why throughout November each year all BOQ branches nationally act as collection points for new toys and books for the Smith Family's Toy and Book Appeal.



BOQ works with Children's Hospital Foundations Australia (CHFA) to support its five hospital partners to find cures and treat sick little kids like Ali.

Within a few months of being born, Ali was suffering up to 50 seizures a day and at only 5 months, she underwent a functional hemispherectomy to cure her severe epilepsy.

The surgery was a success and because of her young age, her brain was able to rebuild itself finding new paths for brainwaves to control her speech and movement. Today, she is running and jumping around like most other 4 year olds.

Ali

Epilepsy

different

Stuart Grimshaw
CEO and MD

Anthony Rose
Chief Financial Officer

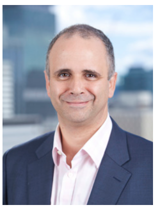
Matt Baxby
Group Executive Retail & Online Banking

Jon Sutton
Chief Operating Officer

Brendan White
Group Executive Business Banking, Agribusiness & Financial Markets

Peter Deans
Chief Risk Officer

Chris Nilon
Group Executive IT & Operations



Renato Mazza
Group Executive Insurance

Hugh Lander
Chief Executive Officer BOQ Finance

Biographies on each of the Executives are available on the BOQ website or by contacting the Bank.

Executive team

- We have appointed the right people to help us maximise opportunities, manage risks and drive the culture needed to achieve our goals.
- After BOQ's new Managing Director and CEO, Stuart Grimshaw, had the opportunity to review the business post his appointment on 1 November 2011, significant changes to BOQ's leadership team were put in place.
- The Bank needed the best possible Executive team to review and improve our business and risk management processes while also driving a new strategic direction.
- The new team of highly experienced bankers are focused, energised and determined to make this organisation the best it can be.

OMBs

- BOQ continues to maintain and support the growth of our unique Owner-Managed Branch network, whereby the branch manager is an experienced banker who owns the branch.
- Owner-Managers are also small business owners, who benefit from providing exceptional personal service in their local community for an extended period of time, so that there is longevity in the manager/customer relationship.
- The Bank has been regularly engaging with its Owner-Managers to discuss performance and risk and as a result there has been a refinement in the model structure and incentives provided.

Culture

- The new leaders of the organisation have launched a program of cultural change centred on how each and every employee can contribute to our business being fit, focused and different.
- We are changing staff behaviours, work practices and processes so to fulfil our belief that banking should be simple and everyone deserves to deal with someone they can trust.
- There is a real focus on accountability, delivery and performance while working collaboratively, by clearly defining roles and responsibilities and ensuring that our people are always acting appropriately and in an efficient manner.
- Diversity and staff engagement continues to remain a focus at all levels across the organisation.
- We will be relocating our Brisbane Support Centre in 2014 to a new, innovative environment, which will help energise our culture by providing our people with an inspiring and exciting place to work.

Board

Neil Summerson
Chairman of the Board
Independent Director

B Com, FCA, FAICD, FAIM – Age: 64
Chair of the Nomination Committee and a member of both the Budget and Audit Committees.

Stuart Grimshaw
Managing Director and
Chief Executive Officer

PMD, MBA, BCA - Age: 51

Steve Crane
Independent Director

B Com, SF Fin, FAICD - Age: 60
Chair of the Budget Committee and a member of the Risk Committee.

Roger Davis
Independent Director

B.Econ (Hons), Master of Philosophy - Age: 60
Chair of the Risk Committee and a member of both the Audit and Corporate Governance Committees.

Richard Haire
Independent Director

FAICD, FAIM - Age: 54
Chair of the Audit Committee and a member of each of the Information & Technology, Risk and Investment Committees.

Carmel Gray
Independent Director

B Bus - Age: 63
Chair of the Corporate Governance Committee and a member of each of the Risk, Nomination and the Audit Committees

John Reynolds
Independent Director

B Sc (Hons), Dip Ed FAICD, FAIM Director - Age: 69
Chair of the Investment Committee and a member of each of the Information & Technology, Nomination and Remuneration Committees.

Michelle Tredenick
Independent Director

B Sc Director - Age: 51
Chair of the Information & Technology Committee and a member of each of the Remuneration, Risk and the Investment Committees.

Biographies on each of the Board are available on the BOQ website or by contacting the Bank.

David Willis
Independent Director

B Com, ACA, ICA Director - Age: 56
Chair of the Remuneration Committee and a member of both the Corporate Governance and Budget Committees.

Remuneration overview

	Short-term $	Post-employment $	Other long-term $	Termination benefits $	Share based payments $	Total $
Executive Director						
Stuart Grimshaw[1]	1,606,399	12,980	1,426	-	193,237	1,814,042
Non-Executive Directors						
Neil Summerson	355,000	15,939	-	-	-	370,939
Steve Crane	165,417	14,888	-	-	-	180,305
Roger Davis	175,458	15,791	-	-	-	191,249
Carmel Gray	207,750	15,939	-	-	-	223,689
John Reynolds	218,208	15,939	-	-	-	234,147
Michelle Tredenick	166,651	14,981	-	-	-	181,632
David Willis	170,619	15,300	-	-	-	185,919
Richard Haire[2]	55,895	5,031	-	-	-	60,926
Former Directors						
Bill Kelty[3]	137,500	12,375	-	44,621	-	194,496
Executives						
Jon Sutton[4]	114,165	2,461	158	-	211,375	333,169
Anthony Rose[5]	74,401	1,830	108	-	143,083	219,422
Peter Deans[6]	243,026	6,695	356	-	31,104	496,062
Brendan White[7]	244,371	6,151	340	-	399,210	829,072
Matthew Baxby[8]	149,024	4,337	207	-	126,947	471,058
Chris Nilon	349,526	15,821	11,636	-	85,342	597,325
Renato Mazza	350,418	15,823	5,112	-	148,563	639,916
Former Executives						
Ram Kangatharan[9]	549,238	9,671	-	787,500	(196,344)	2,619,566
Ewan Cameron[10]	450,716	14,685	-	489,617	(110,173)	850,576
Darryl Newton[11]	275,952	10,638	-	410,345	(93,697)	624,941
David Tonuri[12]	246,683	11,242	-	329.689	(40,417)	558,324
Keith Rodwell[13]	499,912	15,579	45,789	393,750	(115,141)	900,515

[1] Appointed 1 November 2011
[2] Appointed 18 April 2012
[3] Retired 31 July 2012
[4] Appointed 2 July 2012
[5] Appointed 1 August 2012
[6] Appointed 26 March 2012
[7] Appointed 2 April 2012
[8] Appointed 17 May 2012
[9] Resigned 30 March 2012
[10] Resigned 20 July 2012
[11] Resigned 26 March 2012
[12] Resigned 11 May 2012
[13] Resigned 24 August 2012

Balance sheets

As at 31 August 2012

	Consolidated		Bank	
	2012 $m	2011 $m	**2012 $m**	2011 $m
Assets				
Cash and liquid assets	670.5	433.2	227.7	269.6
Due from other financial institutions	119.7	131.9	23.5	25.9
Other financial assets	5,689.4	5,348.0	5,776.9	5,215.7
Derivative financial instruments	276.1	148.1	276.1	126.8
Loans and advances at amortised cost	34,147.2	31,736.5	30,654.6	29,745.7
Current tax assets	0.7	-	1.5	-
Shares in controlled entities	-	-	933.1	933.1
Property, plant and equipment	31.0	31.0	26.1	25.3
Deferred tax assets	125.7	41.7	104.9	42.6
Other assets	120.9	104.4	277.9	251.9
Intangible assets	554.6	580.0	59.3	70.6
Investments accounted for using the equity method	22.2	28.7	-	-
Total assets	41,758.0	39,900.8	38,361.6	36,707.2
Liabilities				
Due to other financial institutions	177.8	169.2	177.8	169.2
Deposits	31,171.9	29,626.6	31,288.7	29,875.2
Derivative financial instruments	253.0	264.1	130.3	197.5
Accounts payable and other liabilities	450.4	429.1	404.8	387.1
Current tax liabilities	-	79.4	-	79.8
Provisions	44.1	30.2	33.5	21.5
Insurance policy liabilities	73.5	77.6	-	-
Borrowings including subordinated notes	6,688.1	6,651.0	895.3	1,123.8
Amounts due to controlled entities	-	-	2,553.6	2,340.2
Total liabilities	38,858.8	37,327.2	35,484.0	34,194.3
Net assets	2,899.2	2,573.6	2,877.6	2,512.9
Equity				
Issued capital	2,660.1	2,153.3	2,666.0	2,162.8
Reserves	106.2	115.4	105.1	81.8
Retained profits	132.9	304.9	106.5	268.3
Total Equity	2,899.2	2,573.6	2,877.6	2,512.9

5 year summary

$ millions (unless otherwise stated)	**2012 $m**	2011 $m	2010 $m	2009 $m	2008 $m
Shareholders' equity:					
Issued capital	2,660.1	2,153.3	2,057.6	1,903.1	1,439.4
Reserves and retained profits	239.1	420.3	347.2	208.3	251.5
Total equity	2,899.2	2,573.6	2,404.8	2,111.4	1,690.9
Financial position:					
Total assets under management	41,758.0	39,900.8	38,811.3	34,545.8	30,912.5
Total loans under management [1]	34,339.8	33,356.2	32,003.1	28,866.3	26,291.8
Total assets on balance sheet	41,758.0	39,900.8	38,597.8	34,012.0	29,883.2
Retail deposits	22,270.0	20,317.9	18,083.3	16,248.9	13,984.5
Wholesale deposits	8,901.9	9,308.7	10,005.2	7,948.3	6,052.0
Financial performance: [2]					
Statutory net profit/(loss)	(17.1)	158.7	181.9	141.1	138.7
Normalised underlying profit before tax [4]	443.5	447.4	379.0	315.0	250.8
Less: Impairment on loans and advances	(401.0)	(200.5)	(104.2)	(66.0)	(27.0)
Normalised cash profit before tax	42.5	246.9	274.8	249.0	223.8
Normalised cash profit after tax [3]	30.6	176.6	197.0	187.4	155.4
Shareholder performance:					
Market capitalisation at balance date	$2,331.4	1,686.0	2,120.3	2,327.7	2,377.4
Share price at balance date	$7.55	$7.48	$9.83	$11.65	$15.86
Statutory ratios:					
Net interest margin	1.65%	1.63%	1.60%	1.56%	1.67%
Capital adequacy ratio	12.6%	11.4%	11.7%	11.5%	11.0%
Cost to income ratio	52.5%	47.0%	49.0%	58.8%	59.9%
Dividend payout ratio to ordinary shareholders [6]	n/a	77%	62%	71%	79%
Net tangible assets per share	$6.94	$7.95	$7.47	$6.62	$6.01
Fully franked ordinary dividend per share	$0.52	$0.54	$0.52	$0.52	$0.73
Diluted earnings/(loss) per share	(10.2c)	60.3c	77.0c	74.4c	89.6c
Return on average ordinary equity	(0.7%)	7.2%	8.9%	9.0%	11.6%
Normalised ratios (cash basis): [4]					
Net interest margin [7]	1.67%	1.65%	1.60%	1.56%	1.67%
Cost to income ratio	45.7%	44.5%	45.8%	49.9%	56.1%
Dividend payout ratio to ordinary shareholders [6]	n/a	69%	57%	53%	71%
Diluted earnings per share	7.9c	69.8c	83.4c	98.4c	99.9c
Return on average ordinary equity	1.3%	8.0%	9.6%	11.8%	13.0%

1 Before Collective Provision for impairment.

2 Presentation of financial performance has been changed from prior year so as to provide clear reconciliation between IFRS and non-IFRS measures.

3 Normalised cash profit after tax exclude significant items (tax effected).

4 Normalised underlying profit before tax is profit before impairment on loans and advances, significant items and tax.

5 Excludes tax impact on significant items.

6 The current year dividend will be paid out of retained profits.

7 Excluding amortisation of fair value adjustments (acquisition).

Shareholder information

2012 AGM

BOQ's Annual General Meeting will be held at the Hilton, on Thursday, 13 December 2012 (registration commences at 9.15am). Enter the Hilton either via the Queen Street Mall or 190 Elizabeth Street, Brisbane.

Share registry

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Facebook: facebook.com/BOQOnline

Customer Service

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+61 7 3336 2420 (overseas)

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ACN 009 656 740

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