BOQ GROUP
INVESTOR INFORMATION 2013 ANNUAL RESULTS

INCORPORATING THE REQUIREMENTS OF APPENDIX 4E

Bank of Queensland Limited ABN 32 009 656 740. AFSL No. 244616.

APPENDIX 4E

PRELIMINARY FINAL REPORT

For the year ended 31 August 2013

COMPANY DETAILS

Bank of Queensland Limited and subsidiaries

ABN: 32 009 656 740

Reporting period: 31 August 2013

Previous corresponding reporting period: 31 August 2012

RESULTS FOR ANNOUNCEMENT TO THE MARKET [1]

				$m
Revenues from ordinary activities [2]	Up	6%	to	855.9
Profit from ordinary activities after tax attributable to members [2]	Up	1187%	to	185.8
Profit for the year attributable to members [2]	Up	1187%	to	185.8

Dividends	Amount per security
Interim Ordinary Dividend - fully franked (cents per share)	28
Final Ordinary Dividend - fully franked (cents per share)	30
Semi-annual dividend - fully franked (cents per share):	
- Perpetual Equity Preference Shares ("PEPS") - April 2013 [3]	179
- PEPS - October 2013	217
- Convertible Preference Shares ("CPS")	177
Previous corresponding period	
Interim Ordinary Dividend - fully franked (cents per share)	26
Final Ordinary Dividend - fully franked (cents per share)	26
Semi-annual dividend - fully franked (cents per share):	
- PEPS - April 2012	234
- PEPS - October 2012	250

Record date for determining entitlements to the:	
- CPS	27 September 2013
- Ordinary dividend	13 November 2013

(1) Rule 4.3A. Refer to Appendix 9.1 for the cross reference index for ASX Appendix 4E.

(2) On prior corresponding year (twelve months ended 31 August 2012).

(3) PEPS holders who exchanged their securities for CPS received a pro-rata dividend of 69 cents per share.

The final dividend payment will be fully franked and paid on 4 December 2013 to owners of ordinary shares at the close of business on 13 November 2013 (record date). Shares will be quoted ex-dividend on 7 November 2013.

This Appendix 4E - Preliminary Final Report has not been subject to audit and there is no audit report provided. However, a substantial part of the financial information in the preliminary report has been extracted from the BOQ Group 2013 Financial report which has been audited by KPMG who have issued an unqualified audit report. The audit report forms part of the BOQ Group 2013 Annual Report. The presentation of the BOQ Group 2013 Annual Report will be finalised for lodgement with the ASX on 25 October 2013.

Company Secretary
Melissa Grundy

Date

APPENDIX 4E

Disclosure Considerations

Changes to Financial Reporting

In previous reporting years the Bank has included in its profit announcement to the market an Appendix 4E, a Financial Summary and a separate document referred to as Annexure A which contained various financial information. This Investor Information document incorporates and replaces those disclosures, providing further information to supplement the 2013 Statutory Financial Report.

Change to Cash Earnings

To better align with wider industry reporting terminology, the Bank has adopted the use of 'Cash Earnings' which was previously reported as 'Normalised Cash Profit'. The underlying calculations have remained consistent. The distinction between 'Cash Earnings' and 'Statutory Profit' is further explained below.

Change to Other Expenses

In prior years 'Other Expenses' were previously disclosed as 'Administration Expenses' and the composition of these costs have not changed.

Note on Statutory Profit and Cash Earnings

Statutory Profit is prepared in accordance with the Corporations Act 2001 and the Australian Accounting Standards, which comply with International Financial Reporting Standards ("IFRS"). The Cash Earnings provided 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 one-off distortions of the Bank's current period performance, and allows for a more effective comparison of the Bank's performance across reporting periods. Refer to 9.2 of the Appendices for the reconciliation of Statutory Profit to Cash Earnings.

Figures disclosed in this report are on a Cash Earnings basis unless stated as Statutory basis. Unless otherwise stated, all financial comparisons in this document refer to the prior half (to 28 February 2013) and the prior comparative period (to 31 August 2012).

These non-statutory measures have not been subject to review or audit.

Future performance

This Presentation contains certain "forward looking statements". Forward looking statements can generally be identified by the use of forward looking words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "will", "could", "may", "target", "plan" and other similar expressions within the meaning of securities laws of applicable jurisdictions. The forward looking statements contained in this presentation involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of BOQ, and may involve significant elements of subjective judgement as to future events which may or may not be correct.

There can be no assurance that actual outcomes will not differ materially from these forward looking statements.

1. GROUP HIGHLIGHTS

	Year End Performance			Half Year Performance		
$ million	**Aug-13**	Aug-12	Aug 13 vs Aug 12	**Aug-13**	Feb-13	Aug 13 vs Feb 13
Net Interest Income	**694.4**	656.4	6%	**359.5**	334.9	7%
Non-Interest Income	**162.4**	160.5	1%	**79.9**	82.5	(3%)
Total Income	**856.8**	816.9	5%	**439.4**	417.4	5%
Operating Expenses	**(379.4)**	(373.4)	(2%)	**(192.7)**	(186.7)	(3%)
Underlying Profit	**477.4**	443.5	8%	**246.7**	230.7	7%
Loan Impairment Expense	**(114.6)**	(401.0)	71%	**(55.1)**	(59.5)	7%
Profit before Tax	**362.8**	42.5	754%	**191.6**	171.2	12%
Income Tax Expense	**(111.9)**	(11.9)	(840%)	**(60.6)**	(51.3)	(18%)
Cash Earnings after Tax	**250.9**	30.6	720%	**131.0**	119.9	9%
PEPS distribution	**(2.7)**	(9.7)	(72%)	**(0.4)**	(2.3)	(85%)
Cash Earnings after Tax attributable to ordinary shareholders	**248.2**	20.9	1088%	**130.6**	117.6	11%
Statutory Net Profit after Tax	**185.8**	(17.1)	n/a	**85.3**	100.5	(15%)

BOQ delivered a solid financial result in 2013 with an increase in Cash Earnings after Tax for the year ended 31 August to $250.9m. This is a significant turnaround from FY12, where abnormally high loan impairment charges impacted the result of $30.6m. The return on average tangible equity for FY13 increased to 11.9%.

Basic Earnings per Share ("EPS") increased from 7.9 cents in 2012 to 79.2 cents in 2013. The second half EPS increased by 9% compared to the first half result.

The strong underlying profit result, an increase of 8% to $477.4m, was characterised by a disciplined approach to growth, margin, risk and expense management. Continuation of this approach will deliver lower risk, sustainable returns for shareholders.

Overall lending growth of 2%, or 0.6x system reflects the Bank's renewed focus on quality origination and optimising margin performance. Portfolio growth was impacted by impaired asset runoff and the planned exit of exposures outside the Bank's revised risk appetite, particularly in reducing the Bank's over concentration in the poorer performing Line of Credit product. The Bank's regional exposure to Queensland, which has lagged the national average mortgage growth over the year, also contributed to lower mortgage growth against system.

Focus on expansion of the Business Banking division has shown positive results, with commercial lending growth of 7.5% over the year. This excludes the run-off in legacy portfolios which have been actively managed in line with the Bank's revised risk appetite, delivering a significant improvement in the credit quality of the balance sheet. In a low credit growth environment where many competitors are discounting heavily to achieve growth in their mortgage portfolios, BOQ has pursued profitable growth by focusing on higher margin, higher return commercial lending to high quality Business & Agribusiness customers.

The Bank's lending growth was more than fully funded by retail deposit growth, with the deposit to loan ratio increasing 4% to 68%, and a continued reduction in reliance on wholesale funding. The Bank took the opportunity to buy back $1.2bn in Government Guaranteed debt in the August half, providing a more manageable refinancing profile and reducing funding costs. The Bank's recent credit rating upgrade to A- (Standard & Poor's) will provide the Bank with the opportunity to further improve funding diversification over time.

Net Interest Margin ("NIM") increased 2bps from the prior year, benefiting from asset mix and re-pricing, and a focus on managing deposit spreads. The Bank was disciplined in ensuring appropriate risk adjusted return hurdles are being met on new lending while reducing its reliance on the higher cost deposit segments of the market.

Operating expenses continue to be prudently managed. Full year growth of 2% was less than inflation and within management targets. Back office support activities have been consolidated, minimising duplication across the Group, while there has been continued investment in improving frontline capabilities. The majority of the increase in expenses in the second half reflects the launch of the new brand with the tagline 'It's Possible to Love a Bank'. Product review costs of $46m (pre-tax) were incurred in the second half, which have been excluded from cash earnings. The Bank has continued to further strengthen its balance sheet and its Common Equity Tier 1 Ratio of 8.63% is amongst the highest in its peer group. The marginal reduction in Common Equity Tier 1 over the second half is a result of the acquisition of Virgin Money Australia and the provision for product review which offset strong underlying organic capital generation. Refer page 19 for more details.

The Board has declared a final dividend of 30 cents per share fully franked, an increase of 2 cents per share on the first half and 4 cents per share on the previous corresponding period. The full year dividend of 58 cents per share represents a 12% increase on 2012.

2. STRATEGY AND OUTLOOK

Strategy

The Bank continues to focus and deliver under the four strategic pillars of multi-channel optimisation, risk/return balance, operational excellence along with a focus on talent, capability and culture.

In terms of multi-channel optimisation, the Bank is continuing to expand its source of originations through entry into the mortgage broker market as well as improvements to mobile banking, call centre, online and social media. A successful mortgage broker program in WA was expanded to NSW in August 2013.

In the Retail network, an enhanced balanced scorecard has been introduced for Owner Managed branches ("OMBs"). The new scorecard balances lending, deposits, cross-sales and compliance components and is aimed at providing greater alignment between the interests of Owner Managers and BOQ. It is intended that the new scorecard will form the basis of a new standardised franchise agreement to be rolled out in the 2014 year. There is also significant work underway to optimise branch mix and locations.

The recent acquisition of Virgin Money Australia will extend the Bank's reach into currently untapped, complementary market segments, providing access to and the opportunities that come with an iconic brand with proven capability in online customer acquisition, customer advocacy and product distribution.

To achieve the right balance of return for risk taken, the Bank continues to diversify the balance sheet by pursuing higher margin and higher return on equity segments in Business Banking and Agribusiness. In Business Banking, a tiered approach to origination through the Bank's distribution channels has been embedded to reflect deal complexity and seven agribusiness centres have opened across Australia during the year.

The pursuit of operational excellence has seen continued consolidation of back office operations and administrative tasks removed from branches. Work continues to improve processes and systems, particularly to reduce the turnaround time on compliant retail and business lending applications. A new Customer Relationship Management system has been successfully piloted in the Retail network and regulatory approval is currently being sought for full rollout and implementation of the system. 2014 will see work commence to digitise retail and commercial lending origination.

The Bank's focus on talent, capability and culture has seen a number of selected external recruits brought in below the executive team to complement existing talent while a review of talent across the Group has been completed. Retention of staff has improved to 19% voluntary turnover and Women in Management (levels 1 to 4) has increased from 12% in November 2012 to 22% at August 2013. A major brand refresh was launched in June 2013 with the line "Its Possible to Love a Bank" and this has resulted in an increase in national unprompted awareness of the BOQ brand. The Bank has also launched a reward and recognition program titled "Love Your Work". This is further re-focussing employees on the right behaviours, particularly in relation to collaboration, accountability and openness. This is further reflected in the external Net Promoter Score where the Bank continues to demonstrate strong customer satisfaction.

Through the continued focus on its four strategic pillars, the Bank aims to deliver above system growth targets across Retail and Business Banking by 2015 while maintaining credit and pricing discipline, and managing expense growth below inflation.

Outlook

The global business environment remains patchy but financial conditions remain supportive of economic growth. Domestically, there is still an expectation of weak demand as the Australian economy transitions away from the resources boom. However, the downside risks to the Australian economy are, to a degree, balanced by the declining Australian dollar and increasing net exports.

The demand for housing finance has continued to strengthen in NSW and WA, consistent with rising dwelling prices and lower interest rates. Queensland however, continues to lag the other states, although early signs of improvement have emerged more recently. Average house prices in most state capitals increased over the six months to June 2013 and auction clearance rates remain at high levels. This is expected to continue nationally with market confidence increasing with the change of government and supply starting to reduce. The Queensland economy is well positioned to benefit from the fall in the Australian dollar. The bank is similarly well positioned through its multichannel distribution strategy to leverage any improvement.

Whilst funding markets have improved, both in access and pricing, and the Bank's recent credit rating upgrade to A- is positive, retail product pricing remains competitive. The transition to the Basel III capital and liquidity rules will continue to be closely monitored with any negative margin impact expected to be offset by repricing initiatives.

3. KEY METRICS

Key Metrics		Year End Performance Aug-13	Aug-12	Aug 13 vs Aug 12	Half Year Performance Aug-13	Feb-13	Aug 13 vs Feb 13
Shareholder Returns							
Share Price	($)	**9.60**	7.55	27%	**9.60**	9.10	5%
Market Capitalisation	($ million)	**3,070.2**	2,331.4	32%	**3,070.2**	2,847.4	8%
Dividends per share (fully franked)	(cents)	**58.0**	52.0	12%	**30.0**	28.0	7%
Dividend yield	(%)	**6.04**	6.89	(85bps)	**6.20**	6.20	-
Cash Earnings basis							
Basic Earnings per Share ("EPS")	(cents)	**79.2**	7.9	903%	**41.3**	37.9	9%
Diluted EPS	(cents)	**76.0**	7.9	862%	**39.7**	36.1	10%
Dividend payout ratio	(%)	**73**	n/a	n/a	**73**	73	-
Statutory basis							
Basic EPS	(cents)	**58.4**	(10.2)	673%	**26.7**	31.7	(16%)
Diluted EPS	(cents)	**57.2**	(10.2)	661%	**26.6**	30.4	(13%)
Dividend payout ratio	(%)	**99**	n/a	n/a	**112**	87	25%
Profitability and efficiency measures							
Cash Earnings basis							
Net Profit After Tax	($ million)	**250.9**	30.6	720%	**131.0**	119.9	9%
Cash Earnings After Tax attributable to ordinary shareholders	($ million)	**248.2**	20.9	1087%	**130.6**	117.6	11%
Underlying Profit (1)	($ million)	**477.4**	443.5	8%	**246.7**	230.7	7%
Net Interest Margin	(%)	**1.69**	1.67	2bps	**1.72**	1.66	6bps
Cost To Income Ratio	(%)	**44.3**	45.7	1.4%	**43.9**	44.7	0.8%
Loan Impairment Expense to Gross Loans and Advances ("GLA")	(bps)	**32**	116	84bps	**31**	34	3bps
Return on Average Equity	(%)	**9.4**	1.3	810bps	**9.7**	9.2	50bps
Return on Average Tangible Equity (2)	(%)	**11.9**	1.4	1050bps	**12.3**	11.6	70bps
Statutory basis							
Net Profit / (Loss) After Tax	($ million)	**185.8**	(17.1)	n/a	**85.3**	100.5	(15%)
Net Profit / (Loss) After Tax attributable to ordinary shareholders	($ million)	**183.1**	(26.8)	(784%)	**84.9**	98.2	(13%)
Underlying Profit (1)	($ million)	**390.4**	381.7	2%	**184.9**	205.5	(10%)
Net Interest Margin	(%)	**1.69**	1.65	4bps	**1.72**	1.65	7bps
Cost To Income Ratio	(%)	**54.4**	52.5	1.9%	**58.1**	50.5	(7.6%)
Loan Impairment Expense to GLA	(bps)	**32**	116	84bps	**31**	34	3bps
Return on Average Equity	(%)	**7.0**	(0.7)	770bps	**6.3**	7.7	(140bps)
Return on Average Tangible Equity (2)	(%)	**8.9**	(0.8)	970bps	**8.0**	9.8	(180bps)

(1) Profit before loan impairment expense and tax.

(2) Based on after tax earnings applied to average shareholders' equity (excluding preference shares and treasury shares) less goodwill and identifiable intangible assets.

KEY METRICS - CONTINUED

Key Metrics		Year End Performance Aug-13	Aug-12	Aug 13 vs Aug 12	Half Year Performance Aug-13	Feb-13	Aug 13 vs Feb 13
Assets and Funding							
Total Loans Under Management (net of specific provision)	($ million)	**35,126.8**	34,339.8	2%	**35,126.8**	34,833.4	2% (1)
Retail Deposits	($ million)	**23,968.0**	22,270.0	8%	**23,968.0**	22,907.6	9% (1)
Deposit to Loan Ratio	(%)	**68**	64	4%	**68**	65	3%
Asset Quality							
30dpd Arrears (2)	($ million)	**523.0**	600.7	13%	**523.0**	657.5	20%
90dpd Arrears (2)	($ million)	**270.8**	346.6	22%	**270.8**	354.5	24%
Impaired Assets	($ million)	**381.6**	525.3	27%	**381.6**	478.5	20%
Specific Provisions to Impaired Assets	(%)	**45.8**	41.9	390bps	**45.8**	44.7	110bps
Collective Provisions to Credit Risk Weighted Assets	(%)	**0.71**	1.01	(30bps)	**0.71**	0.78	(7bps)
Capital							
Common Equity Tier 1	(%)	**8.63**	8.58	5bps	**8.63**	8.72	(9bps)
Total Capital Adequacy Ratio	(%)	**12.24**	12.56	(32bps)	**12.24**	13.08	(84bps)
Risk Weighted Assets ('RWA')	($ million)	**21,551.7**	21,098.1	2%	**21,551.7**	21,345.7	1%

(1) Measures have been annualised.

(2) 2013 arrears include hardship accounts that are not included in comparative periods (refer Section 6).

4. REVIEW OF EARNINGS PERFORMANCE

Net Interest Income

	Year End Performance			Half Year Performance		
$ million	**Aug-13**	Aug-12	Aug 13 vs Aug 12	**Aug-13**	Feb-13	Aug 13 vs Feb 13
Net Interest Income	**694.4**	656.4	6%	**359.5**	334.9	7%
Average Interest Earning Assets	**41,081.9**	39,940.1	3%	**41,081.9**	40,781.6	1%
Net Interest Margin - Cash Earnings	**1.69%**	1.67%	2bps	**1.72%**	1.66%	6bps (1)
Net Interest Margin - Statutory	**1.69%**	1.65%	4bps	**1.72%**	1.65%	7bps (1)

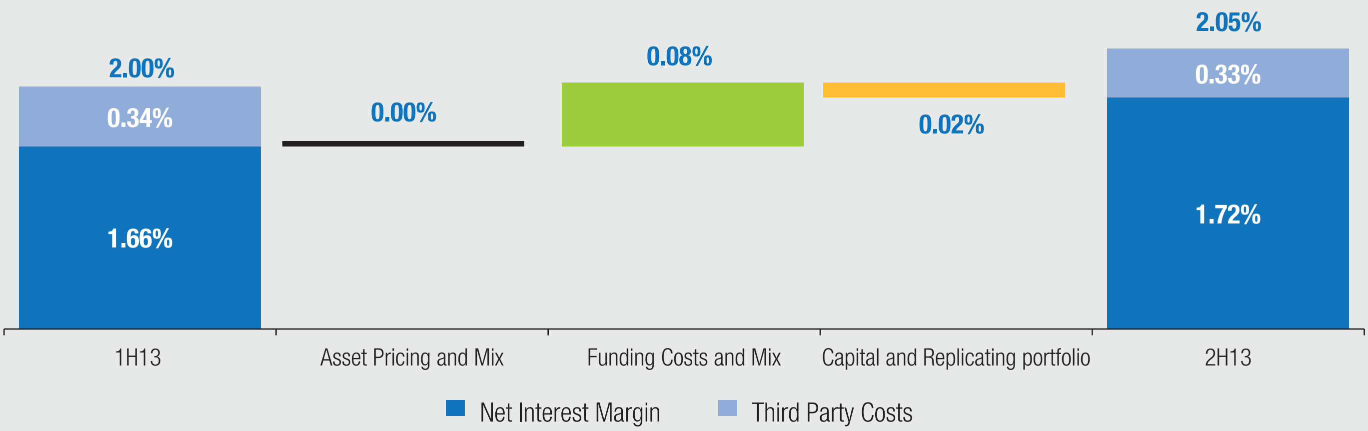
(1) Measures have been annualised.

Net Interest Income increased by 6% on the prior year to $694.4m. The result was driven by growth in average interest earning assets of 3% together with a 2bp increase in net interest margin.

Average Interest Earning Assets

Average interest earning assets increased by $0.3bn over the second half to $41.1bn. Further lending detail is provided on page 11.

NET INTEREST MARGIN - FEBRUARY 2013 TO AUGUST 2013



Net Interest Margin increased by 6bps over the half to 1.72%. This movement was attributable to a number of factors:

Asset pricing – benefits from the full period impact of asset re-pricing in the first half were offset by business mix as lower quality, but higher margin business was run-off in line with the revised risk appetite. This included $700m in the Line of Credit product.

Funding costs – Improved wholesale funding costs (ex the CPS) as well as active management of government guaranteed maturities and reduced hedging costs positively impacted NIM. Reduced reliance on the higher cost segments of the deposit market through active NIM management, also contributed to the result.

Capital & Replicating Portfolio – the investment return on the capital and low-cost deposit replicating portfolio has reduced, in line with the lower interest rate environment.

The Bank's CPS issue had a negative impact to NIM (3bps). The instrument is classified as debt, replacing the PEPS which were classified as equity for accounting purposes and hence excluded from NIM. The increased size and cost of the CPS compared to the PEPS represented just under half of the impact, and the accounting treatment reclassification effect reduced NIM by 1.6bps.

Non-Interest Income

	Year End Performance			Half Year Performance		
$ million	**Aug-13**	Aug-12	Aug 13 vs Aug 12	**Aug-13**	Feb-13	Aug 13 vs Feb 13
Banking Income	**95.5**	98.6	(3%)	**46.9**	48.6	(3%)
Other Income	**26.8**	20.6	30%	**12.5**	14.3	(13%)
Insurance Income	**40.3**	41.3	(2%)	**20.7**	19.6	6%
Virgin Money	**(0.2)**	-	n/a	**(0.2)**	-	n/a
Total Non Interest Income	**162.4**	160.5	1%	**79.9**	82.5	(3%)

Banking Income reduced slightly over the year by $3.1m or 3% which was consistent with the trend in the first half. This resulted from a reduction in transaction fees as customers utilised fee free banking products and changes introduced to exit fees in 2012.

The increase in Other Income for the year includes improved trading book performance, with the majority realised in the first half.

Virgin Money experienced a marginal loss for the four months since 1 May 2013. This is comfortably ahead of expectations at the time of acquisition, with performance reflecting both higher commissions and lower expenses.

Insurance Overview

	Year End Performance			Half Year Performance		
$ million	**Aug-13**	Aug-12	Aug 13 vs Aug 12	**Aug-13**	Feb-13	Aug 13 vs Feb 13
Gross Written Premium (net of refunds)	**75.3**	78.6	(4%)	**37.0**	38.3	(3%)
Underwriting Result	**31.8**	32.1	(1%)	**16.4**	15.4	6%
Other Insurance Income	**7.8**	8.8	(11%)	**3.8**	4.0	(5%)
Total Income	**39.6**	40.9	(3%)	**20.2**	19.4	4%
Consolidation Adjustment	**0.7**	0.4	75%	**0.4**	0.3	33%
Group Insurance Result	**40.3**	41.3	(2%)	**20.6**	19.7	5%

St Andrews Insurance experienced a 4% reduction in Gross Written Premium (net of refunds) which was the result of a lower volume of new policy sales driven by a further slowing in housing credit growth.

The underwriting result increased in the second half with improved claims experience. The slight decrease of 1% over the full year reflected higher acquisition costs, offset by lower claims. Other insurance income reduced with lower yields on the cash based investment portfolio which is consistent with the 100 basis point decline in the RBA cash rate over the year.

Operating Expenses

$ million	Year End Performance Aug-13	Aug-12	Aug 13 vs Aug 12	Half Year Performance Aug-13	Feb-13	Aug 13 vs Feb 13
Operating Expenses	**86.9**	88.3	2%	**43.0**	43.9	2%
IT Expenses	**78.7**	76.2	(3%)	**39.9**	38.8	(3%)
Occupancy Expenses	**31.7**	30.9	(3%)	**16.6**	15.1	(10%)
Employee Expenses	**162.6**	160.0	(2%)	**83.3**	79.3	(5%)
Other Expenses	**19.5**	18.0	(8%)	**9.9**	9.6	(3%)
Total Operating Expenses	**379.4**	373.4	(2%)	**192.7**	186.7	(3%)
Cost to Income Ratio	**44.3%**	45.7%	1.4%	**43.9%**	44.7%	0.8%

Total operating expenses increased by 2% to $379.4m for the full year. The increase for the second half of 3% related to a day count impact (184 days in the August half vs 181 days in the February half) and also included the second half weighting of marketing spend in relation to the brand refresh, which was outlined at the first half results announcement.

The Bank's Efficiency and Effectiveness Program delivered good results with the successful implementation of a number of initiatives (eg: shared services, back office consolidation) in the last 12 months that not only reduced costs, but improved operational effectiveness.

Employee expenses marginally increased in the second half due to higher staff numbers as the business further invests in operational capability. Included in the second half result was $3m of restructuring costs, which have historically been treated as normalised items and excluded from Cash Earnings. The redundancy costs associated with the significant organisational restructure in the first half were normalised due to the nature and scale of the exercise. Whilst some of the $3m incurred in the second half related to an underprovision of the first half allowance, the majority was reflective of business as usual restructuring activity that will no longer be normalised.

The increase in IT expenses reflected the investment in the Bank's Salesforce Customer Relationship Management system. Occupancy expenses increased because of additional costs relating to head office leases in Brisbane and Sydney and one-off costs relating to the branch network. Other expenses include the impact of one-off consultancy costs for efficiency initiatives.

A full end-to-end review of loan origination and processing across the Bank to streamline the application response time is also underway which will drive further efficiencies and improve the customer experience.

Staffing levels increased by 5% to 1,427 over the second half, with the majority project related as the Bank builds operational capability and the remainder were frontline Retail and Business banking staff. The Bank remains committed to achieving measured expense growth whilst continuing to invest in core system platforms and frontline capabilities.

Staffing levels	Year End Performance Aug-13	Aug-12	Aug 13 vs Aug 12	Half Year Performance Aug-13	Feb-13	Aug 13 vs Feb 13
Number of employees (FTE)	**1,427**	1,448	(1%)	**1,427**	1,362	5%

5. LENDING

	As at			Annualised Growth	
$ million	**Aug-13**	Feb-13	Aug-12	Aug 13 vs Feb 13	Aug 13 vs Aug 12
Housing Lending	**26,148.9**	25,906.8	25,440.1	2%	3%
Commercial Lending	**5,313.7**	5,296.4	5,224.4	1%	2%
BOQ Finance	**3,658.3**	3,641.0	3,671.3	1%	-
Consumer	**180.7**	203.1	224.3	(22%)	(19%)
Gross Loans and Advances	**35,301.6**	35,047.3	34,560.1	1%	2%
Specific and Collective Provisions	**(312.3)**	(364.2)	(412.9)	28%	24%
Net Loans and Advances	**34,989.3**	34,683.1	34,147.2	2%	2%

Housing Lending

Housing lending increased by an annualised 2% to $26.1bn over the second half. Growth continues to be prudently managed within a tighter risk framework and the new credit decisioning behavioural scorecard for mortgage originations.

The Bank continued to actively reduce over concentration to its Line of Credit product reducing its exposure by $700m (16%) over 2013 to $4.2bn at year end. This has reduced the Line of Credit from 22% of the portfolio two years ago to 16% as at August 2013. Excluding the Line of Credit reduction, the growth rate in Housing would have been 5.6% and 1.1x system.

The Bank continues to pursue geographic diversification of the portfolio. The mortgage broker offering in WA has now been extended to NSW with a view to national rollout on a measured basis. The Bank's branding refresh was launched nationally in May 2013 which has raised national brand awareness. A new simplified housing loan product was launched in September 2013. These initiatives are expected to support greater market penetration through the Bank's broadening channel presence.

Commercial Lending

Commercial lending increased to $5.3bn over the second half. Growth in the portfolio continues to be influenced by run-off in legacy portfolios which have been deemed to be outside the Bank's risk appetite and realisation of impaired assets totalling $0.3bn during the half. Excluding this, Commercial lending growth was 7.5% over the year which was 3.6x system. This is a result of investment in a renewed relationship banking team and execution of the targeted customer acquisition strategy.

The Bank continues to invest in developing its Agribusiness capability with seven new Agribusiness centres having been opened during the year. Business banking continues to focus on cross-sell opportunities into financial markets, leasing and transactional banking.

BOQ Finance

BOQ Finance assets remained flat over the year at $3.7bn, which is a positive result considering the contraction that is occurring across the industry. The business maintains leading capability in general equipment, debtor, vendor and dealer finance. A focus on selling in the retail and business banking channels of BOQ is expected to deliver above system growth in the new year.

6. ASSET QUALITY

The second half of 2013 continued the underlying improvement in the credit quality of the Bank's lending portfolio, evidenced by an improvement across key metrics.

		Year End Performance			Half Year Performance		
		Aug-13	Aug-12	Aug 13 vs Aug 12	**Aug-13**	Feb-13	Aug 13 vs Feb 13
Loan impairment expense	($ million)	**114.6**	401.0	71%	**55.1**	59.5	7%
BDD / GLA	bps	**32**	116	84bps	**31**	34	3bps
Impaired Assets	($ million)	**381.6**	525.3	27%	**381.6**	478.5	20%
30dpd Arrears	($ million)	**523.0**	600.7	13%	**523.0**	657.5	20%
90dpd Arrears	($ million)	**270.8**	346.6	22%	**270.8**	354.4	24%
Collective Provision & GRCL / RWA	bps	**110**	139	(29bps)	**110**	117	(7bps)

The table above summarises the Bank's key credit indicators with comparison against August 12 and February 13:

- Bad debt expense continued to improve over the half as a result of the improved credit management practices implemented and a tighter risk appetite framework.
- Impaired assets reduced by $97m (20%) over the half from both a reduction in new impaired assets and improved realisation performance. Significant realisations have been achieved in the greater than $5m impaired exposures which reduced by 62% over the half, with solid momentum expected to continue in the realisation profile of those assets remaining.
- Arrears performance has trended favourably in the second half, particularly in the retail portfolios. This has been driven by new collection and recovery procedures that have been implemented with assistance also provided by historically low interest rates. Commercial arrears also improved over the half and whilst trading conditions remain challenging, early identification of deteriorating loans has provided improved success in the ability to pursue early workout / exit strategies.

Loan Impairment Expense

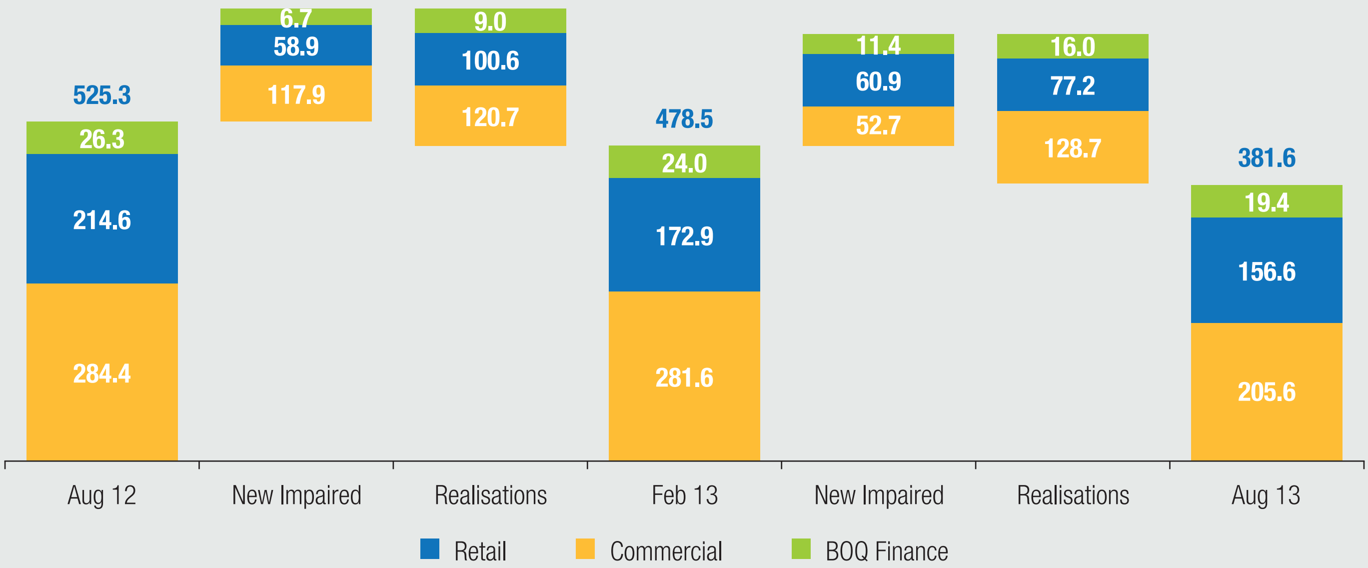
	Year End Performance			Half Year Performance		
$ million	**Aug-13**	Aug-12	Aug 13 vs Aug 12	**Aug-13**	Feb-13	Aug 13 vs Feb 13
New and movements in provisions	**(43.5)**	34.6	226%	**(35.5)**	(8.0)	344%
Bad debts written off Net of Recoveries	**195.1**	193.2	(1%)	**99.1**	96.0	(3%)
Specific Impairment Expense	**151.6**	227.8	33%	**63.6**	88.0	28%
Collective Impairment Expense	**(37.0)**	173.2	121%	**(8.5)**	(28.5)	(70%)
Total Loan Impairment Expense	**114.6**	401.0	71%	**55.1**	59.5	7%
Loan Impairment Expense: GLA	**32bps**	116bps	84bps	**31bps**	34bps	3bps

Impaired Assets

$ million	Aug-13 (As at)	Feb-13 (As at)	Aug-12 (As at)	Aug 13 vs Feb 13	Aug 13 vs Aug 12
Retail Lending	**156.6**	172.9	214.6	9%	27%
Commercial Lending	**205.6**	281.6	284.4	27%	28%
BOQ Finance	**19.4**	24.0	26.3	19%	26%
Total Impaired	**381.6**	478.5	525.3	20%	27%
Impaired Assets: GLA (bps)	**108bps**	137bps	152bps	29bps	44bps

The Bank's impaired assets have reduced by 27% this financial year resulting in a significant improvement in the asset quality of the portfolio compared to that of 12 months ago. The second half saw the commercial portfolio reduce by $76m and the retail portfolio by a further $16m. BOQ Finance continued trending favourably with a 26% ($7m) reduction from August 2012. The below graph shows a reduction in new impaired assets and improved realisations experience in the commercial portfolio.

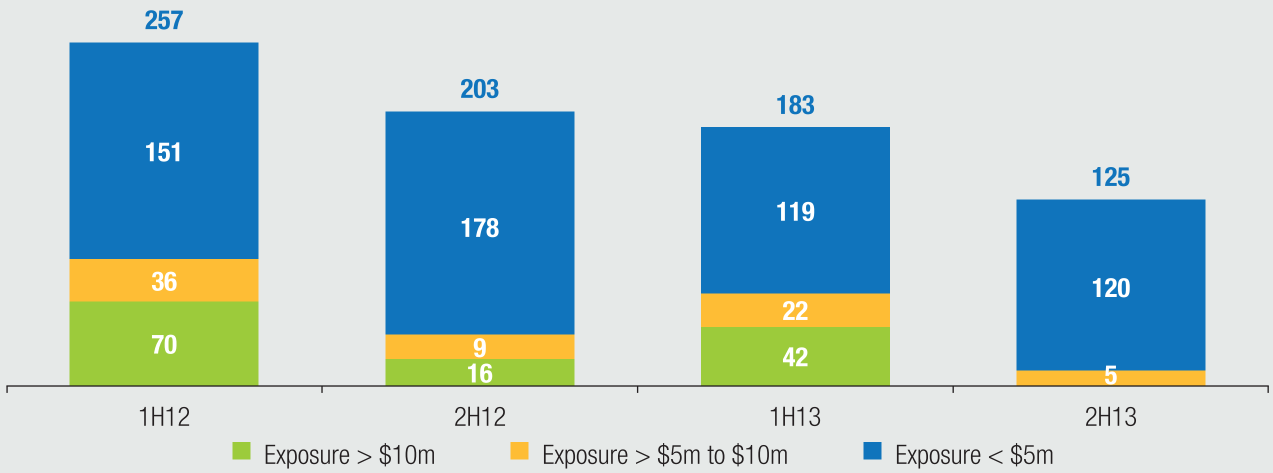
Impaired Assets ($m)



Commercial impaired assets

The Commercial impaired portfolio reduced by $79m or 28% over the year with the second half showing clear signs of a decline in the emergence of large new impaired assets. The improvement in new impaired assets is demonstrated by the fact that only one account greater than $5m shifted into impaired status in the second half of 2013. This is a significant improvement on previous periods.

New Impaired Assets ($m)



Larger Impaired Exposures

Substantial progress has been made with the Bank's larger impaired exposures. At February 2013 the Bank had five exposures greater than $10m (totalling $75m). At August 2013 only one exposure greater than $10m existed and it is currently under contract (unconditional) with settlement due in October 2013.

Business conditions remain challenging, however the accounts now shifting into impaired status are of smaller exposure size, are being identified earlier and are generally better secured than previously experienced in this bad debts cycle.

Retail impaired assets

Retail impaired assets reduced 27% over the year predominantly due to an increased level of asset realisations in the first half of the year. Improved market conditions following a benign period in the housing market has improved the time taken to complete retail impaired asset realisations. Given the current arrears profile of this portfolio, further improvements should be evident over the next twelve months, absent any unforeseen shock to the economy.

BOQ Finance impaired assets

BOQ Finance has trended favourably with the continuing improvement in portfolio quality driven by the Equipment Finance book.

Provision Coverage

$ million	As at Aug-13	Feb-13	Aug-12	Aug 13 vs Feb 13	Aug 13 vs Aug 12
Specific Provision	**174.8**	213.9	220.3	(18%)	(21%)
Collective Provision	**137.5**	150.3	192.6	(9%)	(29%)
Total Provision	**312.3**	364.2	412.9	(14%)	(24%)
General Reserve for Credit Losses ("GRCL")	**70.2**	70.2	70.2	-	-
Specific Provisons to Impaired Assets	**45.8%**	44.7%	41.9%	110bps	390bps
Total Provisions and GRCL to Impaired Assets (1)	**108.2%**	97.1%	97.7%	1110bps	1050bps
Total Provisions and GRCL to RWA (1)	**1.9%**	2.2%	2.4%	(30bps)	(50bps)

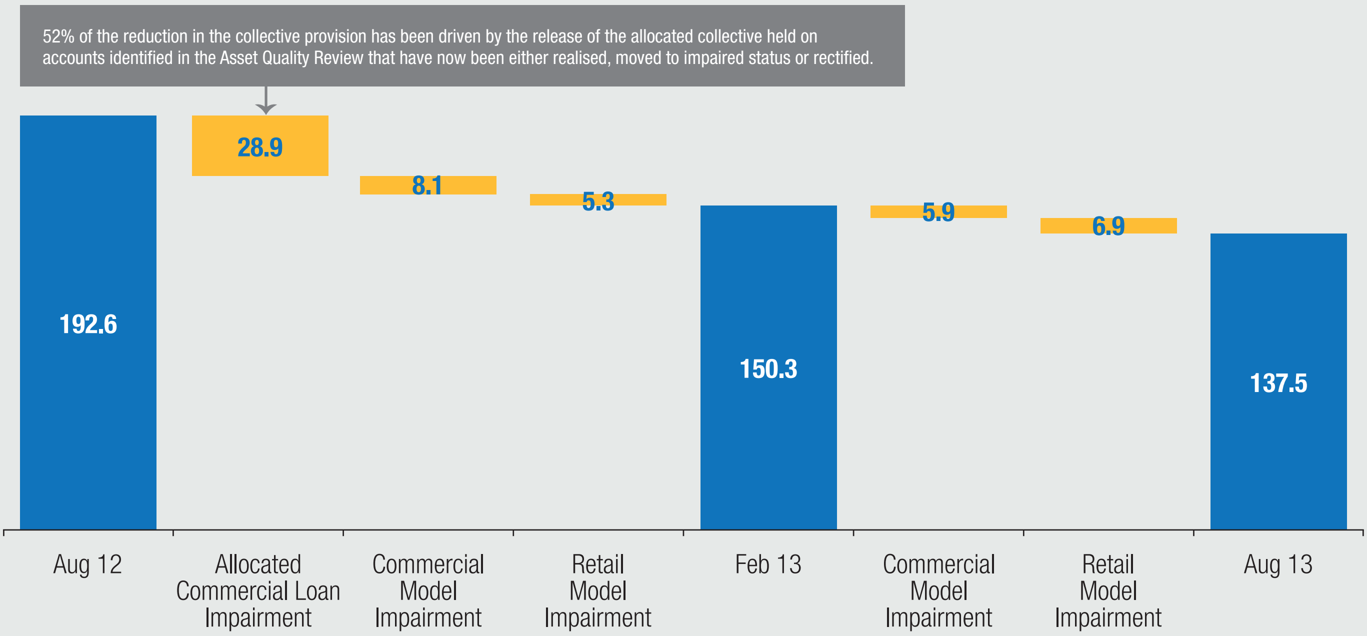
(1) GRCL gross of tax effect.

Specific provisioning levels have continued to reduce throughout the year in line with the reduction in impaired assets. Specific provision coverage of impaired assets improved to 45.8%, up from 41.9% at 31 August 2012.

A significant component of new specific provisions raised in the first half were offset by reductions in the collective provision, as two major exposures with substantial specifically allocated collective provisions were transitioned to impaired status. The second half commercial specific provision levels have reduced by $28.7m (21%) on the back of increased impaired asset realisation success.

The graph below shows the level and movement of collective provisions at August 2012, February 2013 and August 2013.

Collective Provision Walk 2013 ($m)



The first half of the year was impacted by the continued migration of commercial exposures to impaired status and utilisation of the allocated components of the collective overlay established as part of the Asset Quality Review undertaken in 2012. This included two large exposures totalling $30m and represented 25% of the first half new commercial impaired assets.

There has been a reduction in the collective provision of $12.8m (9%) over the second half driven by improving retail arrears and the external refinance of lower rated commercial accounts. The Bank's collective provisioning levels (including GRCL) remain at the top end of its peer group.

Arrears

%	Portfolio Balance $m Aug-13	As at Aug-13 (1)	Feb-13 (1)	Aug-12	Aug 13 vs Feb 13	Aug 13 vs Aug 12
By Product						
30 days past due: GLAs (Housing)	**21,945.5**	**1.06%**	1.42%	1.25%	36bps	19bps
90 days past due: GLAs (Housing)		**0.46%**	0.67%	0.70%	21bps	24bps
30 days past due: GLAs (LOC)	**4,203.4**	**2.15%**	2.68%	2.52%	53bps	37bps
90 days past due: GLAs (LOC)		**1.16%**	1.61%	1.63%	45bps	47bps
30 days past due: GLAs (Consumer)	**180.7**	**3.14%**	4.13%	4.93%	99bps	178bps
90 days past due: GLAs (Consumer)		**1.82%**	2.31%	2.79%	49bps	97bps
30 days past due: GLAs (Commercial)	**5,313.7**	**3.21%**	3.62%	3.38%	41bps	17bps
90 days past due: GLAs (Commercial)		**2.14%**	2.43%	2.10%	29bps	(4bps)
30 days past due: GLAs (BOQ Finance)	**3,658.3**	**0.67%**	0.87%	0.81%	20bps	14bps
90 days past due: GLAs (BOQ Finance)		**0.14%**	0.12%	0.17%	(2bps)	3bps
Total Lending						
30 days past due ($ million)	**35,301.6**	**523.0**	657.5	600.7	20%	13%
90 days past due ($ million)		**270.8**	354.5	346.6	24%	22%
30 days past due: GLAs		**1.5%**	1.9%	1.7%	40bps	20bps
90 days past due: GLAs		**0.8%**	1.0%	1.0%	20bps	20bps

(1) Includes hardship concession accounts not previously classified as arrears in prior periods.

In August 2012, APRA wrote to all Authorised Deposit-taking Institutions clarifying prudential reporting requirements in relation to loans where hardship concessions have been granted, in order to ensure consistency across the industry. For consistency with its regulatory reporting, the Bank has included loans with hardship concessions in the above arrears data in the February 2013 and August 2013 figures. Historical data has not been adjusted.

Retail Arrears

Retail arrears performance has continued to trend favourably over the year with a 30bps and 33bps decrease on the respective 30dpd and 90dpd arrears positions. This reflects the implementation of enhanced collection and recovery practices and has also been assisted by historically low interest rates.

Arrears in the Line of Credit ("LOC") product, whilst showing significant improvement, remain materially higher than standard mortgages. The Bank's exposure to this product segment is higher than its peer group and a conscious decision to reduce this exposure has seen the portfolio reduce from 22% of the portfolio two years ago to 16% currently. New approval criteria is in place for this product, reflecting the Bank's revised risk appetite. This decision has impacted total mortgage growth in the 2013 year.

Commercial arrears

Commercial arrears have reversed the trend of the first half to show improvements over the August half with 90dpd improving 29bps (12%) and 30dpd improving 41bps (11%). Trading conditions for small business remain challenging, however early identification of deteriorating loans has provided improved success in early intervention and managing emerging problem accounts.

7. FUNDING AND LIQUIDITY

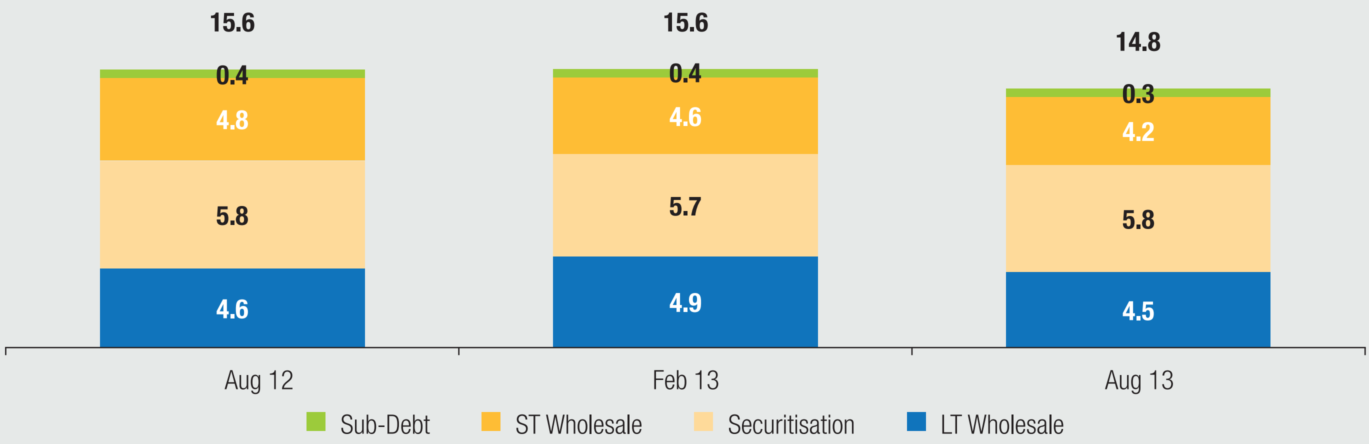
Significant progress was made over the last twelve months in strengthening the balance sheet, creating a sustainable funding profile and improving capital generation. This progress was reflected in ratings agency Standard & Poor's upgrade of BOQ's long-term credit rating from "BBB+" to "A-". This is the first time the Bank has held an "A" category rating in its history.

Retail deposits increased by $1.1bn in the half contributing to an annual increase of 8% and more than fully funding loan growth for the year. The Deposits to Lending ratio has increased by 3% over the half and at 68% remains comfortably within an operating range of 65-70%, appropriate for the Bank's balance sheet mix. The recent rating upgrade will provide further opportunity to improve the diversification and stability of the Bank's liability base.

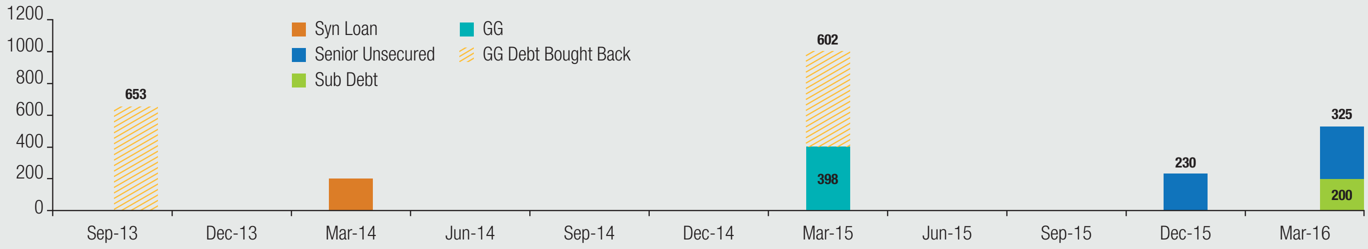
	As at			Annualised Growth	
$ million	**Aug-13**	Feb-13	Aug-12	Aug 13 vs Feb 13	Aug 13 vs Aug 12
Retail Deposits	**23,968.0**	22,907.6	22,270.0	9%	8%
Wholesale Deposits	**7,730.7**	8,717.0	8,901.9	(22%)	(13%)
Total Deposits	**31,698.7**	31,624.6	31,171.9	-	2%
Borrowings	**7,136.9**	6,850.6	6,688.1	8%	7%
Other Liabilities	**874.9**	893.2	998.8	(4%)	(12%)
Total Liabilities	**39,710.5**	39,368.4	38,858.8	2%	2%
Shareholders' Equity	**2,817.8**	2,768.4	2,703.5	4%	4%
Preference Shares	**-**	15.6	195.7	(100%)	(100%)
Total Equity	**2,817.8**	2,784.0	2,899.2	2%	(3%)
Total Liabilities and Equity	**42,528.3**	42,152.4	41,758.0	2%	2%

	As at				
	Aug-13	Feb-13	Aug-12	Aug 13 vs Feb 13	Aug 13 vs Aug 12
Retail deposit funding	**76%**	72%	71%	4%	5%
Wholesale deposit funding	**24%**	28%	29%	(4%)	(5%)
Total Loans Under Management (net of specific provision) ($'m)	**35,126.8**	34,833.4	34,339.8	1%	2%
Retail Deposits to Lending Ratio	**68%**	65%	64%	3%	4%

Wholesale Funding Mix ($bn)



Major Maturities ($m)



With the Bank successfully completing the buy back of $1.2bn of Government Guaranteed liabilities during the 2013 financial year, there are no significant refinancing towers in the wholesale liquidity profile.

Liquidity

	As at			Aug 13 vs Feb 13	Aug 13 vs Aug 12
	Aug-13	Feb-13	Aug-12		
High Quality Liquid Assets Ratio	**15.2%**	15.9%	16.4%	(70bps)	(120bps)

The Bank continues to maintain a strong liquidity position holding $5.3bn of high quality liquid assets ("HQLA") at August 2013. Whilst this is slightly lower than the February 2013 holdings of $5.5bn, average holdings over the half of $5.4bn were higher than the February half at $5.3bn. This is a substantial premium over the Bank's short term funding and provides a material buffer in the event of a market dislocation.

The Bank also maintains significant secondary holdings through its on balance sheet securitisation structure with $2.3bn currently established for immediate access in a crisis scenario. Significant further liquidity would be available with the majority of the Bank's retail lending assets eligible to be placed as collateral into the structure.

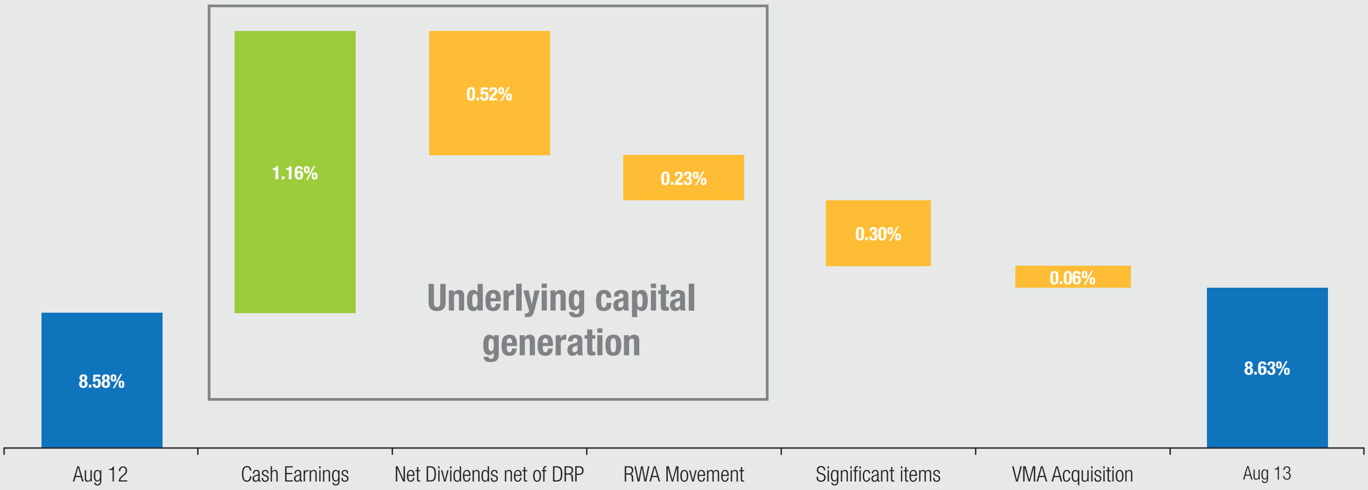
The composition of the Bank's HQLA portfolio will be positioned to meet the new APRA APS 210 liquidity rules, including the operation of the RBA's Committed Liquidity Facility, prior to their introduction on 1 January 2015.

8. CAPITAL MANAGEMENT

Capital Adequacy

	As at			Annualised Growth	
$ million	**Aug-13**	Feb-13	Aug-12	Aug 13 vs Feb 13	Aug 13 vs Aug 12
Common Equity Tier 1	**1,860.6**	1,860.8	1,802.4	-	3%
Additional Tier 1 Capital	**300.0**	314.0	195.7	(9%)	53%
Total Tier 2	**477.7**	616.5	661.1	(45%)	(28%)
Total Capital Base	**2,638.3**	**2,791.3**	**2,659.2**	**(11%)**	**(1%)**
Total RWA	**21,551.7**	21,345.7	21,098.1	2%	2%
Common Equity Tier 1 Ratio	**8.63%**	8.72%	8.58%	(9bps)	5bps
Total Capital Adequacy Ratio	**12.24%**	**13.08%**	**12.56%**	**(84bps)**	**(32bps)**

Common Equity Tier 1 Ratio - Full Year 2013



The Bank's Common Equity Tier 1 Ratio increased by 5bps over the year and continues to be amongst the highest in its peer group. The maintenance of the Bank's Common Equity Tier 1 Ratio is a key consideration in supporting S&P's recent long term rating upgrade to A-.

The Bank's cash earnings generated enough organic capital to support dividends (net of DRP) and risk weighted asset growth. Although risk weighted asset growth was subdued due to slow credit growth and the impact of securitisation, the chart above demonstrates that the Bank's earnings are capable of supporting much higher levels of asset growth.

The Bank was also able to absorb the capital impact of the acquisition of Virgin Money Australia, the Product Review provision of $46m and other significant items including restructuring costs and the Government Guarantee break fee (refer section 9.2 Reconciliation of Statutory Profit to Cash Earnings).

Basel III Changes

Effective 1 January 2013 the Basel III framework came into effect. The key impacts on the Bank's August 2013 capital position are as follows:

- Changes to instruments qualifying as what is now referred to as "Additional Tier 1 Equity". These changes effectively precluded Innovative Tier 1 instruments from qualifying as Common Equity Tier 1. Further conditions were implemented in determining qualification as Additional Tier 1 instruments and these included introduction of "Non-Viability" clauses. Transitional relief is available for instruments issued prior to the announcement of the proposed changes to regulations. The Bank was granted transitional relief in respect of the existing PEPS. These instruments were largely exchanged for CPS, qualifying as Additional Tier 1 capital and the residual PEPS were redeemed on 15 April 2013;

- Changes to instruments qualifying as Tier 2 Capital. These changes included introduction of "Non-Viability" clauses. Transitional relief on existing instruments has been approved by Australian Prudential Regulation Authority ("APRA") and this relief effectively provides a cap for existing issues that amortises the eligible amount over a 10 year period. Currently the Bank has a $17m excess of Tier 2 issues relative to the cap, hence existing issues should remain effective under the transitional relief;

- Regulatory deductions previously were deducted 50% from Tier 1 capital and 50% from Tier 2 capital and are now deducted 100% from Common Equity Tier 1. The major impact on the Bank is that the deduction for investment in non-consolidated subsidiaries (i.e. subsidiaries outside the Banking regulated group, including its investment in St Andrews Insurance) is now fully deducted from Common Equity Tier 1;
- Dividends no longer need be deducted from Common Equity Tier 1 until declared. Previously they were deducted on an accrual basis net of expected dividend reinvestment;
- Asset Revaluation Reserves previously were included as Tier 2 capital though limited to 45% of those reserves. Under the new regulations, they are Common Equity Tier 1 capital to their full extent. The Bank has some credit in its Available for Sale reserve relating to Banking Book assets that qualify now as Common Equity Tier 1 though the amounts represent less than 6bps of capital; and
- Changes to the GRCL allow for qualifying collective provisions to be grossed up for tax whereas previously they were treated net of tax. The deferred tax asset relating to these provision must now, however, be deducted from Common Equity Tier 1.

9. APPENDICES

9.1 ASX Appendix 4E

Details of associated and joint venture entities (Rule 4.2A.3 Item No. 7) [1]	Ownership interest held (%)
Ocean Springs Pty Ltd	9.31%
Dalyellup Beach Pty Ltd	17.08%
Wanneroo North Pty Ltd	21.42%
East Busselton Estate Pty Ltd	25.00%
Coastview Nominees Pty Ltd	5.81%
Provence 2 Pty Ltd	25.00%

(1) The principal activity of the joint venture entities is land subdivision, development and sale. These investments were acquired as part of the Home Building Society acquisition in 2007.

	As at		
Net tangible assets per security (Rule 4.2A.3 Item No. 3)	**Aug-13**	Feb-13	Aug-12
Net tangible assets per ordinary shares ($) [1]	**6.96**	7.08	6.94

(1) Represents net assets excluding intangible assets, preference shares and other equity instruments divided by ordinary shares on issue at the end of the period.

9.2 Reconciliation of Statutory Profit to Cash Earnings

$ million	Year End Performance Aug-13	Aug-12	Aug 13 vs Aug 12	Half Year Performance Aug-13	Feb-13	Aug 13 vs Feb 13
Cash Earnings / (Loss) after Tax	**250.9**	30.6	720%	**131.0**	119.9	9%
Amortisation of customer contracts (acquisition)	**(9.1)**	(10.5)	13%	**(4.2)**	(4.9)	14%
Amortisation of fair value adjustments (acquisition)	**(1.0)**	(3.9)	74%	**-**	(1.0)	n/a
Hedge ineffectiveness	**2.4**	(3.3)	173%	**3.1**	(0.7)	543%
Government guarantee break fee	**(5.2)**	(2.2)	(136%)	**(5.2)**	-	n/a
Integration / due diligence costs	**(3.7)**	(1.0)	(270%)	**(3.4)**	(0.3)	(1033%)
Asset impairment	**-**	(6.6)	100%	**-**	-	n/a
Legacy items	**(37.5)**	(14.9)	(152%)	**(36.0)**	(1.5)	(2300%)
Restructuring costs	**(11.0)**	(5.3)	(108%)	**-**	(11.0)	100%
Statutory Net Profit / (Loss) after Tax	**185.8**	(17.1)	1187%	**85.3**	100.5	(15%)

9.3 Earnings Per Share ("EPS") Calculations

	Year End Performance Aug-13	Aug-12	Aug 13 vs Aug 12	Half Year Performance Aug-13	Feb-13	Aug 13 vs Feb 13
Reconciliation of Cash Earnings for EPS						
Cash Earnings / (Loss) after Tax	**250.9**	30.6	720%	**131.0**	119.9	9%
Less: PEPS Dividend (1)	**(2.7)**	(9.6)	72%	**(0.4)**	(2.3)	87%
Cash Earnings / (Loss) available for ordinary shareholders	**248.2**	21.0	1067%	**130.6**	117.6	11%
Add: PEPS Dividend	**2.7**	-	n/a	**-**	2.3	n/a
Add: CPS Dividend	**11.8**	-	n/a	**8.6**	3.2	(169%)
Add: Convertible Notes (2)	**0.6**	-	n/a	**-**	0.6	n/a
Cash Diluted Earnings / (Loss) available for ordinary shareholders	**263.3**	21.0	1126%	**139.2**	123.7	13%
Weighted Average Number of Shares ("WANOS")						
- Basic WANOS	**313.5**	263.8	19%	**316.8**	310.2	2%
Add: Effect of award rights	**2.4**	1.3	(85%)	**2.2**	2.3	4%
Add: Effect of PEPS	**7.4**	-	n/a	**-**	14.7	n/a
Add: Effect of CPS	**22.0**	-	n/a	**32.1**	12.9	(149%)
Add: Effect of convertible notes (2)	**1.3**	-	n/a	**-**	2.8	n/a
- Diluted WANOS for Cash Earnings EPS	**346.6**	265.1	28%	**351.1**	342.9	2%

(1) PEPS are treated as equity whereas CPS are treated as debt for accounting purposes.

(2) Part period impact of Tier 2 bridge redeemed during this period.

9.4 Average Balance Sheet and Margin Analysis

	August 2013			August 2012		
	Average Balance $m	Interest $m	Average Rate %	Average Balance $m	Interest $m	Average Rate %
Interest earning assets						
Gross loans & advances at amortised cost	**35,054.1**	**2,085.6**	**5.95**	34,060.9	2,350.8	6.90
Investments & other securities	**6,027.8**	**213.1**	**3.54**	5,348.9	251.1	4.69
Total interest earning assets	**41,081.9**	**2,298.7**	**5.60**	39,409.8	2,601.9	6.60
Non-interest earnings assets						
Property, plant & equipment	**36.8**			31.8		
Other assets	**1,367.8**			1,125.4		
Provision for impairment	**(376.3)**			(367.8)		
Total non-interest earning assets	**1,028.3**			789.4		
Total assets	**42,110.2**			40,119.2		
Interest bearing liabilities						
Retail deposits	**22,890.9**	**897.9**	**3.92**	20,923.5	1,025.8	4.90
Wholesale deposits & Borrowings	**15,677.4**	**706.4**	**4.51**	15,850.0	918.9	5.80
Total Interest bearing liabilities	**38,568.3**	**1,604.3**	**4.16**	36,773.5	1,944.7	5.29
Non - interest bearing liabilities	**705.4**			741.6		
Total Liabilities	**39,273.7**			37,515.1		
Shareholder's funds	**2,836.5**			2,684.1		
Total liabilities & shareholders funds	**42,110.2**			40,199.2		
Interest margin & interest spread						
Interest earning assets	**41,081.9**	**2,298.7**	**5.60**	39,409.8	2,601.9	6.60
Interest bearing liabilities	**38,568.3**	**1,604.3**	**4.16**	36,773.5	1,944.7	5.29
			1.44			1.31
Net interest margin - on average interest earning assets	**41,081.9**	**694.4**	**1.69**	39,409.8	657.2	1.67

9.5 Distribution Footprint (1)

	As at			Aug 13 vs Feb 13	Aug 13 vs Aug 12
	Aug-13	Feb-13	Aug-12		
Corporate Branches	**76**	71	70	7%	9%
Owner managed branches - QLD	**108**	115	116	(6%)	(7%)
Owner managed branches - NSW/ACT	**28**	29	29	(3%)	(3%)
Owner managed branches - VIC	**32**	36	36	(11%)	(11%)
Owner managed branches - WA	**13**	13	12	-	8%
Owner managed branches - NT	**2**	2	2	-	-
Owner managed branches - TAS	**2**	2	2	-	-
Owner managed branches - SA	**1**	1	1	-	-
Transaction Centres	**8**	8	9	-	(11%)
	270	277	277	(3%)	(3%)
BOQ ATMs	**258**	264	267	(2%)	(3%)
BOQ Branded ATMs	**410**	406	412	1%	-
Redi ATMs	**2,472**	2,560	3,037	(3%)	(19%)
Total ATMs Fee Free for BOQ Customers	**3,140**	3,230	3,716	(3%)	(16%)

(1) Prior years disclosures treated branches held for intended sale to owner managers as owner managed branches. This table reflects actual ownership at balance date rather than reflecting the network intention.

9.6 Credit Rating

The following table outlines the Bank's current credit ratings and outlook:

Rating Agency	Short Term	Long Term	Outlook
Standard & Poor's	A2	A-	Stable
Fitch	F2	BBB+	Stable

Rating Agency	Short Term	Bank Deposits	Issuer Ratings	Outlook
Moody's	P2	Baa1	Baa1	Stable

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