

APRA BASEL III Pillar 3 Disclosures

QUARTER ENDED 31 MAY 2015

27 July 2015

This report has been prepared by Bank of Queensland Limited (BOQ) to meet its disclosure requirements under the Australian Prudential Regulation Authority (APRA) Australian Prudential Standard (APS) 330 Capital Adequacy: Public Disclosure. It has been prepared using 31 May 2015 data.

Key points

The disclosures provided within have been prepared in accordance with the changes to APRA's capital rules (effective 1 January 2013). The Bank's Total Capital ratio has increased to 12.4% as at May 2015 from 12.0% at February 2015.

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TABLE 16: CAPITAL ADEQUACY

Risk Weighted Assets (\$m)	May 15	February 15
Subject to the Standardised approach		
Government	7	10
Bank	310	392
Residential mortgage	11,483	11,426
Other retail	11,725	11,388
Other	80	84
Total on balance sheet assets and off balance sheet exposures	23,605	23,300
Securitisation exposures⁽¹⁾	196	216
Market risk exposures	233	282
Operational risk exposures	2,259	2,259
Total Risk Weighted Assets	26,293	26,057
Capital ratios		
	%	%
Level 2 Total Capital ratio	12.4	12.0
Level 2 Common Equity Tier 1 Capital ratio	8.7	8.8
Level 2 Net Tier 1 Capital ratio	10.4	10.0

Note:

(1) Refer to Table 18 for securitisation exposures.

TABLE 17: CREDIT RISK

Exposure Type	Gross Credit Exposure ⁽¹⁾ (\$m)		Average Gross Credit Exposure (\$m)	
	May 15	February 15	May 15	February 15
Cash and due from financial institutions	1,177	1,244	1,210	1,133
Debt securities	2,216	2,423	2,320	2,572
Loans and advances	37,382	36,856	37,118	36,470
Off balance sheet exposures for derivatives	38	94	66	111
Other off balance sheet exposures ⁽²⁾	447	387	417	684
Other	64	67	66	62
Total exposures	41,324	41,071	41,197	41,032

Portfolios subject to Standardised approach	Gross Credit Exposure ⁽¹⁾ (\$m)		Average Gross Credit Exposure (\$m)	
	May 15	February 15	May 15	February 15
Government	1,894	1,969	1,931	2,058
Bank	1,574	1,844	1,709	1,803
Residential Mortgage	26,060	25,794	25,927	25,876
Other retail	11,716	11,380	11,548	11,215
Other	80	84	82	80
Total exposures	41,324	41,071	41,197	41,032

Notes:

(1) Gross credit exposures reflect credit equivalent amounts.

(2) Other off balance sheet exposures largely relate to customer commitments. Subsequent to clarification by APRA, the Bank has adopted the concessional treatment available on housing approvals resulting in reduced exposure levels.

TABLE 17: CREDIT RISK (CONTINUED)

May 15

Portfolios subject to the Standardised approach	Impaired loans ⁽¹⁾ \$m	Past due loans > 90 days ⁽²⁾ \$m	Specific provision balance \$m	Charges for specific provision \$m	Write-offs \$m
Corporate	-	-	-	-	-
Government	-	-	-	-	-
Bank	-	-	-	-	-
Residential Mortgage	273	158	40	(5)	2
Other retail	151	91	92	3	15
Other	-	-	-	-	-
Total	424	249	132	(2)	17

February 15

Portfolios subject to the Standardised approach	Impaired loans ⁽¹⁾ \$m	Past due loans > 90 days ⁽²⁾ \$m	Specific provision balance \$m	Charges for specific provision \$m	Write-offs \$m
Corporate	-	-	-	-	-
Government	-	-	-	-	-
Bank	-	-	-	-	-
Residential Mortgage	264	151	46	(1)	7
Other retail	160	94	88	(3)	16
Other	-	-	-	-	-
Total	424	245	134	(4)	23

	May 15 \$m	February 15 \$m
Statutory equity reserve for credit losses	70	70
Collective provision	144	141
APRA General reserve for credit losses	214	211

Notes:

(1) Includes restructured facilities (hardship accounts) and excludes impaired assets in off balance sheet securitisation trusts as required under APS 220

(2) Excludes assets in off balance sheet securitisation trusts as required under APS 220

TABLE 18: SECURITISATION EXPOSURES

Exposure Type	May 15		February 15	
	Securitisation Activity \$m	Gain or Loss on Sale \$m	Securitisation Activity \$m	Gain or Loss on Sale \$m
Securities held in the banking book	(76)	-	(77)	-
Securities held in the trading book	-	-	-	-
Liquidity facilities	(4)	-	-	-
Funding facilities	(2)	-	-	-
Swaps	(4)	-	7	-
Other ⁽¹⁾	(45)	-	1,059	-
Total	(131)	-	989	-

May 15

Securitisation Exposure	Securities held in the banking book \$m	Securities held in the trading book \$m	Liquidity facilities \$m	Funding facilities \$m	Swaps \$m	Other ⁽¹⁾ \$m
On-balance sheet securitisation exposure retained or purchased	792	-	25	6	-	4,226
Off-balance sheet securitisation exposure	-	-	-	-	78	-
Total	792	-	25	6	78	4,226

February 15

Securitisation Exposure	Securities held in the banking book \$m	Securities held in the trading book \$m	Liquidity facilities \$m	Funding facilities \$m	Swaps \$m	Other ⁽¹⁾ \$m
On-balance sheet securitisation exposure retained or purchased	868	-	29	8	-	4,272
Off-balance sheet securitisation exposure	-	-	-	-	82	-
Total	868	-	29	8	82	4,272

Notes:

(1) Exposures relate to notes held in the Bank's on balance sheet securitisation vehicles.