

### Australian Prudential Regulation Authority (APRA) Prudential Standard 330 disclosure

The disclosure is on a consolidated basis being BOQ Specialist Limited and the entities it controls.

The information provided below is as at 31 March 2015.

**Table 1: Capital disclosure**

	A\$'mn
<b><u>Tier 1 capital</u></b>	
Paid-up ordinary share capital	330.0
Retained earnings, including current year earnings	69.2
Other reserves	0.5
<b>Common equity tier 1 capital before regulatory adjustments</b>	<b>399.7</b>
<b><u>Common equity tier 1 capital: regulatory adjustments</u></b>	
Goodwill	(44.4)
Other intangibles	-
Cash flow hedge reserve	-
Deferred tax assets arising from temporary differences	-
Investments in commercial (non-financial) entities that are deducted	-
Other	(2.2)
<b>Total regulatory adjustments applied to common equity tier 1</b>	<b>(46.6)</b>
<b>Common equity tier 1 capital</b>	<b>353.1</b>
<b>Additional tier 1 capital</b>	-
<b>Tier 1 capital</b>	<b>353.1</b>
<b><u>Tier 2 capital: instruments and provisions</u></b>	
Directly issued capital instruments subject to phase out from tier 2	50.1
Provisions	14.5
<b>Tier 2 capital before regulatory adjustments</b>	<b>64.6</b>
<b>Tier 2 capital: regulatory adjustments</b>	-
<b>Tier 2 capital</b>	<b>64.6</b>
<b>Total capital</b>	<b>417.7</b>

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**Table 2: Regulatory Capital instruments**

	<b>AUD 50mn</b>
Issuer	BOQ Specialist Limited
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS0868416495
Governing law(s) of the instrument	Australia
<b>Regulatory treatment:</b>	
Transitional Basel III rules	Tier 2
Post-transitional Basel III rules	non-complying capital instrument
Eligible at solo/group/group & solo	Group & Solo
Instrument type (ordinary shares/preference shares/subordinated notes/other)	Subordinated notes
Amount recognised in Regulatory Capital (Currency in mil, as of most recent reporting date)	AUD40m
Par value of instrument	AUD50m
Accounting classification	Liability - amortised cost
Original date of issuance	20/12/2012
Perpetual or dated	Dated
Original maturity date	20/12/2022
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	20/12/2017
Subsequent call dates, if applicable	Each Interest Payment Date from and including 20-Dec-17 until, and including, the Maturity Date.
Coupons/dividends	
Fixed or floating dividend/coupon	Floating
Coupon rate and any related index	Monthly BBSW + 550bps
Existence of a dividend stopper	No
Fully discretionary, partially discretionary or mandatory	Mandatory
Existence of step up or other incentive to redeem	No
Noncumulative or cumulative	Cumulative
Convertible or non-convertible	Non convertible
If convertible, conversion trigger (s)	N/a
If convertible, fully or partially	N/a
If convertible, conversion rate	N/a
If convertible, mandatory or optional conversion	N/a
If convertible, specify instrument type convertible into	N/a
If convertible, specify issuer of instrument it converts into	N/a
Write-down feature	No
If write-down, write-down trigger(s)	N/a
If write-down, full or partial	N/a
If write-down, permanent or temporary	N/a
If temporary write-down, description of write-up mechanism	N/a
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to payment of any amounts due and payable to Senior Creditors.
Non-compliant transitioned features	No
If yes, specify non-compliant features	N/a

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**Table 3: Capital adequacy**

	<b>Risk weighted assets A\$'mn</b>
Short-term claims on institutions and corporates	66.8
Institutions	42.3
Secured on real estate property	564.3
Corporates	9.3
Retail	2,599.3
Securitised exposures	6.3
Counterparty risk on trading positions	-
Credit value adjustment	-
All other	7.5
	<b>3,295.7</b>
Market risk	<b>0.0</b>
Operational risk	<b>196.3</b>
<b>Total risk weighted assets and capital requirement</b>	<b>3,492.0</b>

<b>Capital ratios</b>	
Total capital adequacy ratio	<b>12.0%</b>
Tier 1 ratio	10.1%
Common equity tier 1 ratio	10.1%
Capital adequacy ratio - pre operational risk	<b>12.7%</b>
Tier 1 ratio - pre operational risk	10.7%
Common equity tier 1 ratio - pre operational risk	10.7%

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**Table 4: Credit Risk**

A\$'mn	Gross exposure	* Average gross exposure
<b>Credit and counterparty risk exposure by type</b>		
Cash and balances at central banks	20.7	21.5
Loans and advances to banks	248.8	204.0
Sovereign debt securities	55.5	55.5
Bank debt securities	252.9	263.9
Loans and advances to customers	3,159.1	3,036.7
All other	16.8	13.6
<b>Total on-balance sheet exposures</b>	<b>3,753.9</b>	<b>3,595.2</b>
Guarantees entered into in the normal course of business	25.9	25.6
Commitments to provide credit	10.8	11.2
<b>Total off-balance sheet exposures</b>	<b>36.8</b>	<b>36.8</b>
<b>Total credit and counterparty exposures pre collateral and other credit enhancements</b>	<b>3,790.6</b>	<b>3,632.0</b>
<b>General reserve for credit losses</b>	<b>14.5</b>	

A\$'mn	TOTAL	Claims secured by residential mortgage	Other retail	Corporate	Bank	Government	And all other
Impaired facilities	6.5	-	1.8	4.8	-	-	-
Past due facilities > 90 days	0.9	-	0.9	0.0	-	-	-
<b>Total</b>	<b>7.5</b>	<b>-</b>	<b>2.7</b>	<b>4.8</b>	<b>-</b>	<b>-</b>	<b>-</b>
Specific provision	1.8	-	0.8	1.0	-	-	-
Charges for specific provisions for the quarter	-	-	-	-	-	-	-
Net write-offs / (recoveries) during the quarter	(1.4)	-	(0.6)	(0.8)	-	-	-

**Table 5: Securitisation exposures**

Securitisation activity for the period 1 January 2015 to 31 March 2015: Exposure type	Gross exposure A\$'mn
	-
<b>Off-balance sheet securitisation exposures as at 31 March 2015:</b>	<b>-</b>