

# ASX Media Release

For the Half Year ended 31 December 2009

**COMMONWEALTH BANK OF AUSTRALIA**  
**PROFIT ANNOUNCEMENT FOR HALF YEAR ENDED 31 DECEMBER 2009**

**Sydney 29 January 2010:** The Commonwealth Bank of Australia (the Group) is scheduled to release its results for the half year ended 31 December 2009 on Wednesday 10 February 2010.

As part of its ongoing commitment to improved disclosure and increased transparency the Group is providing pro forma disclosures for the Bankwest and St Andrew's businesses for the half year ended 31 December 2008.

Pro forma comparatives are disclosed to facilitate a like-for-like comparison of the Group's financial performance for the half years ended 31 December 2009, 30 June 2009 and 31 December 2008.

Pro forma comparatives for the half year ended 30 June 2009 have not been provided as Bankwest and St Andrew's were part of the Group throughout this period. Similarly, pro forma balance sheets as at 30 June 2009 and 31 December 2008 are also not provided.

In addition, in line with changes in management responsibility, the business formerly described as "International Financial Services" has been divided into South Pacific, comprising ASB, Sovereign and the Fiji business up until the date of disposal, and Asian business which will be reported within the Other segment. Segmental reporting in the Profit Announcement (and in supporting materials) will be realigned to be consistent with this new business structure.

To assist investors understanding these changes, the Group has restated existing financial information for the half years ended 30 June 2009 and 31 December 2008 so that they are consistent with the new segment information which will be released on 10 February.

Copies of these historical figures, tabulated in a manner which is consistent with the Profit Announcement are attached to the release.

ENDS

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# Highlights

Group Performance Summary	Half Year Ended					As reported 31/12/08 \$M
	31/12/09	30/06/09	Pro forma 31/12/08	Dec 09 vs Jun 09	Dec 09 vs Dec 08	
	\$M	\$M	\$M	%	%	
Net interest income		5,643	5,073			4,543
Other banking income		2,140	2,119			2,036
<b>Total banking income</b>		7,783	7,192			6,579
Funds management income		808	1,015			1,005
Insurance income		478	453			432
<b>Total operating income</b>		9,069	8,660			8,016
Investment experience		(84)	(179)			(183)
<b>Total income</b>		8,985	8,481			7,833
Operating expenses		(4,214)	(4,008)			(3,551)
Impairment expense		(1,441)	(1,951)			(1,607)
<b>Net profit before income tax</b>		3,330	2,522			2,675
Corporate tax expense		(914)	(600)			(646)
Non-controlling interests		(14)	(16)			(16)
<b>Net profit after tax ("cash basis")</b>		2,402	1,906			2,013
Hedging and AIFRS volatility		(237)	n/a			(8)
Gain on acquisition of controlled entities		65	n/a			547
Tax on NZ structured finance transactions		-	n/a			-
Other non-cash items		(80)	n/a			21
<b>Net profit after tax ("statutory basis")</b>		2,150	n/a			2,573
<b>Represented by:</b>						
Retail Banking Services		988	1,119			1,119
Business and Private Banking		363	373			373
Institutional Banking and Markets		334	(168)			(168)
Wealth Management		111	178			175
South Pacific		173	267			267
Bankwest		113	(110)			-
Other (including Asia)		320	247			247
<b>Net profit after income tax ("cash basis")</b>		2,402	1,906			2,013
Investment experience - after tax		64	129			132
<b>Net profit after income tax ("underlying basis")</b>		2,466	2,035			2,145

Shareholder Summary	Half Year Ended					As reported 31/12/08
	31/12/09	30/06/09	Pro forma 31/12/08	Dec 09 vs Jun 09 %	Dec 09 vs Dec 08 %	
	Dividends per share - fully franked (cents)		115	n/a		
Dividend cover - cash (times)		1.4	n/a			1.2
Earnings per share (cents)						
Statutory - basic		142.2	n/a			188.4
Cash basis - basic		158.5	135.4			146.3
Dividend payout ratio (%)						
Statutory basis		82.4	n/a			65.3
Cash basis		73.7	n/a			83.6
Weighted average no. of shares - statutory basic (M)		1,490	n/a			1,352
Weighted average no. of shares - cash basic (M)		1,495	1,389			1,358
Return on equity - cash (%)		16.3	13.5			15.0

# Highlights continued

Key Performance Indicators Group	Half Year Ended					As
	31/12/09	30/06/09	Pro forma	Dec 09 vs	Dec 09 vs	reported
			31/12/08	Jun 09	Dec 08	31/12/08
				%	%	
<b>Group</b>						
Underlying profit after tax (\$M)		2,466	2,035			2,145
Net interest margin (%)		2.16	1.99			2.04
Average interest earning assets (\$M)		526,512	496,555			436,722
Average interest bearing liabilities (\$M)		496,742	467,479			410,880
Funds management income to average FUA (%)		0.98	1.12			1.11
Funds Under Administration (FUA) - average (\$M)		167,107	180,103			179,371
Insurance income to average inforce premiums (%)		50.3	50.9			50.2
Average inforce premiums (\$M)		1,916	1,766			1,708
Operating expenses to total operating income (%)		46.5	46.3			44.3
Effective corporate tax rate (%)		27.4	23.8			24.1
<b>Retail Banking Services</b>						
Cash net profit after tax (\$M)		988	1,119			1,119
Operating expenses to total banking income (%)		43.4	42.4			42.4
<b>Business and Private Banking</b>						
Cash net profit after tax (\$M)		363	373			373
Operating expenses to total banking income (%)		48.6	49.1			49.1
<b>Institutional Banking and Markets</b>						
Cash net profit after tax (\$M)		334	(168)			(168)
Operating expenses to total banking income (%)		29.5	26.9			26.9
<b>Wealth Management</b>						
Underlying profit after tax (\$M)		186	328			328
FUA - average (\$M)		161,080	173,733			173,001
Average inforce premiums (\$M)		1,500	1,372			1,314
Funds management income to average FUA (%)		0.96	1.11			1.11
Insurance income to average inforce premiums (%)		44.2	47.4			46.3
Operating expenses to net operating income (%)		68.9	57.3			56.3
<b>South Pacific</b>						
Underlying profit after tax (\$M)		181	259			259
FUA - average (\$M)		6,027	6,370			6,370
Average inforce premiums (\$M)		416	394			394
Funds management income to average FUA (%)		0.77	0.81			0.81
Insurance income to average inforce premiums (%)		59.6	50.9			50.9
Operating expenses to total operating income (%)		43.7	49.8			49.8
<b>Bankwest</b>						
Cash net profit after tax (\$M)		113	(110)			-
Operating expenses to total banking income (%)		63.6	69.5			-
<b>Capital Adequacy</b>						
Tier One (%)		8.07	n/a			8.75
Total (%)		10.42	n/a			11.39

# Group Performance Analysis

## Other Banking Income

	Half Year Ended			
	Pro forma			As
	31/12/09	30/06/09	31/12/08	reported
	31/12/09	30/06/09	31/12/08	31/12/08
	\$M	\$M	\$M	\$M
Commissions		1,050	1,024	977
Lending fees		779	649	617
Trading income		293	442	448
Other income		146	151	141
		2,268	2,266	2,183
AIFRS reclassification of net swap costs		(128)	(147)	(147)
<b>Other banking income</b>		2,140	2,119	2,036

## Insurance Income

	Half Year Ended			
	Pro forma			As
	31/12/09	30/06/09	31/12/08	reported
	31/12/09	30/06/09	31/12/08	31/12/08
	\$M	\$M	\$M	\$M
CommInsure and Other		329	328	307
Sovereign and Other		149	125	125
<b>Insurance income</b>		478	453	432

## Funds Management Income

	Half Year Ended			
	Pro forma			As
	31/12/09	30/06/09	31/12/08	reported
	31/12/09	30/06/09	31/12/08	31/12/08
	\$M	\$M	\$M	\$M
CFS GAM		331	442	442
Colonial First State		336	376	367
CommInsure and Other		102	158	157
ASB and Other		39	39	39
<b>Funds management</b>		808	1,015	1,005

## Group Performance Analysis continued

	As at				
	31/12/09	30/06/09	31/12/08	Dec 09 vs Jun 09 %	Dec 09 vs Dec 08 %
<b>Total Group Assets &amp; Liabilities</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>		
<b>Interest earning assets</b>					
Home loans including securitisation		292,206	265,694		
Less: securitisation		(12,568)	(14,769)		
Home loans excluding securitisation		279,638	250,925		
Personal		19,260	19,303		
Business and corporate		160,089	164,901		
<b>Loans, bills discounted and other receivables</b>		458,987	435,129		
Provisions for loan impairment		(4,924)	(3,578)		
Net loans, bills discounted and other receivables		454,063	431,551		
Non-lending interest earning assets		72,688	74,391		
<b>Total interest earning assets</b>		531,675	509,520		
Other assets		88,697	109,241		
<b>Total assets</b>		620,372	618,761		
<b>Interest bearing liabilities</b>					
Transaction deposits		66,599	67,392		
Saving deposits		77,496	69,508		
Investment deposits		139,395	139,748		
Other demand deposits		76,615	64,091		
<b>Total interest bearing deposits</b>		360,105	340,739		
Deposits not bearing interest		8,616	9,445		
<b>Deposits and other public borrowings</b>		368,721	350,184		
Debt issues		88,814	86,676		
Other interest bearing liabilities		43,744	51,859		
<b>Total interest bearing liabilities</b>		492,663	479,274		
Securitisation debt issues		13,005	15,723		
Non-interest bearing liabilities		83,262	93,777		
<b>Total liabilities</b>		588,930	588,774		
<b>Provisions for impairment losses</b>					
Collective provision		3,225	2,474		
Individually assessed provisions		1,729	1,134		
<b>Total provisions for impairment losses</b>		4,954	3,608		
Less off balance sheet provisions		(30)	(30)		
<b>Total provisions for loan impairment</b>		4,924	3,578		

# Business and Private Banking

## Half Year Ended 30 June 2009

	<b>Corporate Financial Services</b>	<b>Regional &amp; Agri- business</b>	<b>Local Business Banking</b>	<b>Private Bank</b>	<b>Equities &amp; Margin Lending</b>	<b>Other</b>	<b>Total</b>
	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>
Net interest income	272	111	197	55	101	41	777
Other banking income	206	62	124	53	98	8	551
Total banking income	478	173	321	108	199	49	1,328
Operating expenses							(645)
Impairment expense							(189)
Net profit before tax							494
Corporate tax expense							(131)
<b>Cash net profit after tax</b>							<b>363</b>

## Half Year Ended 31 December 2008

	<b>Corporate Financial Services</b>	<b>Regional &amp; Agri- business</b>	<b>Local Business Banking</b>	<b>Private Bank</b>	<b>Equities &amp; Margin Lending</b>	<b>Other</b>	<b>Total</b>
	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>
Net interest income	273	109	186	52	93	35	748
Other banking income	179	56	114	56	120	4	529
Total banking income	452	165	300	108	213	39	1,277
Operating expenses							(627)
Impairment expense							(120)
Net profit before tax							530
Corporate tax expense							(157)
<b>Cash net profit after tax</b>							<b>373</b>

# Institutional Banking and Markets

<b>Half Year Ended 30 June 2009</b>			
	<b>Institutional</b>		<b>Total</b>
	<b>Banking</b>	<b>Markets</b>	
	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>
Net interest income	571	192	763
Other banking income	218	259	477
<b>Total banking income</b>	<b>789</b>	<b>451</b>	<b>1,240</b>
Operating expenses			(366)
Impairment expense			(512)
Net profit before tax			362
Corporate tax expense			(28)
<b>Cash net profit after tax</b>			<b>334</b>

<b>Half Year Ended 31 December 2008</b>			
	<b>Institutional</b>		<b>Total</b>
	<b>Banking</b>	<b>Markets</b>	
	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>
Net interest income	491	199	690
Other banking income	317	155	472
<b>Total banking income</b>	<b>808</b>	<b>354</b>	<b>1,162</b>
Operating expenses			(313)
Impairment expense			(1,196)
Net profit before tax			(347)
Corporate tax expense			179
<b>Cash net profit after tax</b>			<b>(168)</b>

<b>Major Balance Sheet Items</b>	<b>As at</b>				
	<b>31/12/09</b>	<b>30/06/09</b>	<b>31/12/08</b>	<b>Dec 09 vs Jun 09 %</b>	<b>Dec 09 vs Dec 08 %</b>
	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>		
Interest earning lending assets		67,213	73,942		
Bank acceptances of customers		2,629	3,138		
Non-lending interest earning assets		30,858	27,524		
Other assets		12,500	23,428		
<b>Total assets</b>		<b>113,200</b>	<b>128,032</b>		
Certificates of deposit and other		12,725	10,702		
Investment deposits		9,008	6,841		
Due to other financial institutions		11,627	15,169		
Liabilities at fair value through Income Statement		2,598	2,416		
Debt issues		3,413	2,454		
Loan capital		644	720		
Other non-interest bearing liabilities		33,863	45,489		
<b>Total liabilities</b>		<b>73,878</b>	<b>83,791</b>		

# Wealth Management

## Half Year Ended 30 June 2009

	Colonial				Total \$M
	CFS GAM \$M	First State \$M	CommInsure \$M	Other \$M	
Funds management income	331	336	101	1	769
Insurance income	-	-	329	-	329
Total operating income	331	336	430	1	1,098
Volume expenses	(60)	(73)	(101)	-	(234)
Net operating income	271	263	329	1	864
Operating expenses	(173)	(211)	(143)	(68)	(595)
Net profit before tax	98	52	186	(67)	269
Corporate tax expense	(31)	(15)	(53)	16	(83)
Underlying profit after tax	67	37	133	(51)	186
Investment experience after tax	(62)	(6)	(11)	4	(75)
<b>Cash net profit after tax</b>	<b>5</b>	<b>31</b>	<b>122</b>	<b>(47)</b>	<b>111</b>

## Half Year Ended 31 December 2008 (Pro forma)

	Colonial				Total \$M
	CFS GAM \$M	First State \$M	CommInsure \$M	Other \$M	
Funds management income	442	376	159	(1)	976
Insurance income	-	-	328	-	328
Total operating income	442	376	487	(1)	1,304
Volume expenses	(74)	(81)	(94)	-	(249)
Net operating income	368	295	393	(1)	1,055
Operating expenses	(180)	(224)	(140)	(61)	(605)
Net profit before tax	188	71	253	(62)	450
Corporate tax expense	(48)	(21)	(67)	14	(122)
Underlying profit after tax	140	50	186	(48)	328
Investment experience after tax	(52)	5	(117)	14	(150)
<b>Cash net profit after tax</b>	<b>88</b>	<b>55</b>	<b>69</b>	<b>(34)</b>	<b>178</b>

## Half Year Ended

Summary	Pro forma				
	31/12/09 \$M	30/06/09 \$M	31/12/08 \$M	Dec 09 vs Jun 09 %	Dec 09 vs Dec 08 %
Funds under administration - average		161,080	173,733		
Funds under administration - spot		169,210	158,767		
Funds under management - average		130,818	141,247		
Funds under management - spot		138,204	128,594		
Retail Net funds flows (Australian Retail)		(349)	(952)		

## Half Year Ended

Sources of Profit from CommInsure	Pro forma				
	31/12/09 \$M	30/06/09 \$M	31/12/08 \$M	Dec 09 vs Jun 09 %	Dec 09 vs Dec 08 %
Life insurance operating margins					
Planned profit margins		79	80		
Experience variations		4	10		
Funds management operating margins		56	98		
General insurance operating margins		(6)	(2)		
Operating margins		133	186		
Investment experience after tax		(11)	(117)		
<b>Cash net profit after tax</b>		<b>122</b>	<b>69</b>		

# Wealth Management continued

## Half Year Ended 30 June 2009

	Opening	Sales/New	Lapses	Other	Closing
	Balance				Balance
Annual Inforce Premiums	31/12/08	Business		Movements	30/06/09
	\$M	\$M	\$M	\$M	\$M
Retail life	713	121	(69)	-	765
Wholesale life	403	45	(13)	-	435
General insurance	324	64	(28)	-	360
<b>Total</b>	<b>1,440</b>	<b>230</b>	<b>(110)</b>	<b>-</b>	<b>1,560</b>

## Half Year Ended 31 December 2008 (Pro forma)

	Opening	Sales/New	Lapses	Other	Closing
	Balance				Balance
Annual Inforce Premiums	30/06/08	Business		Movements	31/12/08
	\$M	\$M	\$M	\$M	\$M
Retail life	658	118	(63)	-	713
Wholesale life	366	58	(21)	-	403
General insurance	279	72	(27)	-	324
<b>Total</b>	<b>1,303</b>	<b>248</b>	<b>(111)</b>	<b>-</b>	<b>1,440</b>

## Half Year Ended 30 June 2009

	Opening	Inflows	Outflows	Net Flows	Investment	Closing
	Balance				Income &	Balance
Funds Under Administration	31/12/08	\$M	\$M	\$M	Other	30/06/09
	\$M	\$M	\$M	\$M	\$M	\$M
FirstChoice	33,172	5,314	(3,812)	1,502	1,281	35,955
Custom Solutions	5,727	945	(1,601)	(656)	270	5,341
Standalone (including Legacy)	25,565	2,172	(3,275)	(1,103)	488	24,950
<b>Retail products</b>	<b>64,464</b>	<b>8,431</b>	<b>(8,688)</b>	<b>(257)</b>	<b>2,039</b>	<b>66,246</b>
Other retail	1,252	25	(117)	(92)	(6)	1,154
<b>Australian retail</b>	<b>65,716</b>	<b>8,456</b>	<b>(8,805)</b>	<b>(349)</b>	<b>2,033</b>	<b>67,400</b>
Wholesale	39,663	15,344	(10,351)	4,993	436	45,092
Property	20,442	564	(1,405)	(841)	(879)	18,722
Other	3,308	49	(83)	(34)	(38)	3,236
<b>Domestically sourced</b>	<b>129,129</b>	<b>24,413</b>	<b>(20,644)</b>	<b>3,769</b>	<b>1,552</b>	<b>134,450</b>
Internationally sourced	29,638	5,842	(3,986)	1,856	3,266	34,760
<b>Total Wealth Management</b>	<b>158,767</b>	<b>30,255</b>	<b>(24,630)</b>	<b>5,625</b>	<b>4,818</b>	<b>169,210</b>

## Half Year Ended 31 December 2008 (Proforma)

	Opening	Inflows	Outflows	Net Flows	Investment	Closing
	Balance				Income &	Balance
Funds Under Administration	30/06/08	\$M	\$M	\$M	Other	31/12/08
	\$M	\$M	\$M	\$M	\$M	\$M
FirstChoice	38,707	5,548	(4,805)	743	(6,278)	33,172
Custom Solutions	6,257	1,231	(564)	667	(1,197)	5,727
Standalone (including Legacy)	30,774	2,514	(4,814)	(2,300)	(2,909)	25,565
<b>Retail products</b>	<b>75,738</b>	<b>9,293</b>	<b>(10,183)</b>	<b>(890)</b>	<b>(10,384)</b>	<b>64,464</b>
Other retail	1,366	29	(91)	(62)	(52)	1,252
<b>Australian retail</b>	<b>77,104</b>	<b>9,322</b>	<b>(10,274)</b>	<b>(952)</b>	<b>(10,436)</b>	<b>65,716</b>
Wholesale	52,376	6,113	(16,738)	(10,625)	(2,088)	39,663
Property	20,210	717	(931)	(214)	446	20,442
Other	3,248	459	(82)	377	(317)	3,308
<b>Domestically sourced</b>	<b>152,938</b>	<b>16,611</b>	<b>(28,025)</b>	<b>(11,414)</b>	<b>(12,395)</b>	<b>129,129</b>
Internationally sourced	32,730	3,746	(4,742)	(996)	(2,096)	29,638
<b>Total Wealth Management</b>	<b>185,668</b>	<b>20,357</b>	<b>(32,767)</b>	<b>(12,410)</b>	<b>(14,491)</b>	<b>158,767</b>

# South Pacific

## Half Year Ended 30 June 2009

	<b>ASB</b>	<b>Sovereign</b>	<b>Other</b>	<b>Subtotal</b>	<b>Fiji</b>	<b>Total</b>
	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>
Net interest income	361	-	4	365	15	380
Other banking income	206	-	-	206	(5)	201
Total banking income	567	-	4	571	10	581
Funds management income	25	-	(2)	23	-	23
Insurance income	-	123	(8)	115	8	123
Total operating income	592	123	(6)	709	18	727
Operating expenses	(237)	(80)	16	(301)	(17)	(318)
Impairment expense	(136)	-	(1)	(137)	(2)	(139)
Net profit before tax	219	43	9	271	(1)	270
Corporate tax expense	(93)	6	2	(85)	(4)	(89)
Underlying profit after tax	126	49	11	186	(5)	181
Investment experience after tax	-	-	(7)	(7)	(1)	(8)
<b>Cash net profit after tax</b>	<b>126</b>	<b>49</b>	<b>4</b>	<b>179</b>	<b>(6)</b>	<b>173</b>

## Half Year Ended 31 December 2008

	<b>ASB</b>	<b>Sovereign</b>	<b>Other</b>	<b>Subtotal</b>	<b>Fiji</b>	<b>Total</b>
	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>
Net interest income	376	-	15	391	18	409
Other banking income	212	-	(14)	198	5	203
Total banking income	588	-	1	589	23	612
Funds management income	28	-	(2)	26	-	26
Insurance income	-	96	(4)	92	9	101
Total operating income	616	96	(5)	707	32	739
Operating expenses	(283)	(84)	19	(348)	(20)	(368)
Impairment expense	(57)	-	-	(57)	(2)	(59)
Net profit before tax	276	12	14	302	10	312
Corporate tax expense	(70)	18	2	(50)	(3)	(53)
Underlying profit after tax	206	30	16	252	7	259
Investment experience after tax	-	18	(11)	7	1	8
<b>Cash net profit after tax</b>	<b>206</b>	<b>48</b>	<b>5</b>	<b>259</b>	<b>8</b>	<b>267</b>

## South Pacific continued

Sources of Profit from Insurance Activities	Half Year Ended				
	31/12/09	30/06/09	31/12/08	Dec 09 vs Jun 09 %	Dec 09 vs Dec 08 %
	\$M	\$M	\$M		
The Margin on Services profit from ordinary activities after income tax is represented by:					
Planned profit margins		35	35		
Experience variations		14	(5)		
Operating margins		49	30		
Investment experience after tax		-	18		
<b>Cash net profit after tax</b>		<b>49</b>	<b>48</b>		

Major Balance Sheet Items	As at				
	31/12/09	30/06/09	31/12/08	Dec 09 vs Jun 09 %	Dec 09 vs Dec 08 %
	\$M	\$M	\$M		
Home lending (including securitisation)		29,971	30,757		
Assets at fair value through Income Statement		5,977	5,755		
Other lending assets		13,228	13,544		
Non-lending interest earning assets		1,293	1,416		
Other assets		4,405	6,146		
<b>Total assets</b>		<b>54,874</b>	<b>57,618</b>		
Deposits		25,083	26,383		
Liabilities at fair value through Income Statement		13,303	12,722		
Debt issues		2,867	3,744		
Other liabilities		5,975	6,481		
<b>Total liabilities</b>		<b>47,228</b>	<b>49,330</b>		
<b>Balance Sheet</b>					
<b>Assets</b>					
ASB Bank		52,429	54,786		
Other		2,445	2,832		
<b>Total assets</b>		<b>54,874</b>	<b>57,618</b>		
<b>Liabilities</b>					
ASB Bank		45,284	47,069		
Other		1,944	2,261		
<b>Total liabilities</b>		<b>47,228</b>	<b>49,330</b>		

	Half Year Ended		
	31/12/09	30/06/09	Pro forma 31/12/08
	\$M	\$M	\$M
Net interest income		591	530
Other banking income		168	83
<b>Total banking income</b>		<b>759</b>	<b>613</b>
Operating expenses		(483)	(426)
Impairment expense		(113)	(344)
Net profit before tax		163	(157)
Corporate tax expense		(50)	47
<b>Cash net profit after tax</b>		<b>113</b>	<b>(110)</b>

Major Balance Sheet Items	As at				
	31/12/09	30/06/09	31/12/08	Dec 09 vs Jun 09 %	Dec 09 vs Dec 08 %
	\$M	\$M	\$M		
Home lending (including securitisation)		35,048	33,685		
Other lending assets		26,366	25,009		
Assets at fair value through Income Statement		48	5,776		
Other assets		6,865	1,726		
<b>Total assets</b>		<b>68,327</b>	<b>66,196</b>		
Transaction deposits		4,803	4,843		
Savings deposits		8,708	7,546		
Investment deposits		24,639	23,919		
Certificates of deposit and other		157	524		
Debt issues		4,903	5,221		
Due to other financial institutions		19,119	18,138		
Other liabilities		2,059	2,324		
<b>Total liabilities</b>		<b>64,388</b>	<b>62,515</b>		

## Other (including Asia)

	<b>Half Year Ended 30 June 2009</b>			
		<b>Corporate</b>	<b>Eliminations/</b>	
	<b>Asia</b>	<b>Centre</b>	<b>Unallocated</b>	<b>Total</b>
	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>
Net interest income	37	461	(7)	491
Other banking income	58	127	(93)	92
<b>Total banking income</b>	<b>95</b>	<b>588</b>	<b>(100)</b>	<b>583</b>
Funds management income	-	-	16	16
Insurance income	19	-	7	26
<b>Total operating income</b>	<b>114</b>	<b>588</b>	<b>(77)</b>	<b>625</b>
Operating expenses	(82)	(61)	-	(143)
Impairment expense	(3)	-	(23)	(26)
<b>Net profit before tax</b>	<b>29</b>	<b>527</b>	<b>(100)</b>	<b>456</b>
Corporate tax expense	(10)	(153)	22	(141)
Non controlling interests	(2)	-	(12)	(14)
<b>Underlying profit after tax</b>	<b>17</b>	<b>374</b>	<b>(90)</b>	<b>301</b>
Investment experience after tax	2	-	17	19
<b>Cash net profit after tax</b>	<b>19</b>	<b>374</b>	<b>(73)</b>	<b>320</b>

	<b>Half Year Ended 31 December 2008</b>			
		<b>Corporate</b>	<b>Eliminations/</b>	
	<b>Asia</b>	<b>Centre</b>	<b>Unallocated</b>	<b>Total</b>
	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>
Net interest income	22	249	(134)	137
Other banking income	44	103	60	207
<b>Total banking income</b>	<b>66</b>	<b>352</b>	<b>(74)</b>	<b>344</b>
Funds management income	-	-	13	13
Insurance income	18	-	6	24
<b>Total operating income</b>	<b>84</b>	<b>352</b>	<b>(55)</b>	<b>381</b>
Operating expenses	(75)	6	-	(69)
Impairment expense	(1)	-	6	5
<b>Net profit before tax</b>	<b>8</b>	<b>358</b>	<b>(49)</b>	<b>317</b>
Corporate tax expense	3	(84)	14	(67)
Non controlling interests	(1)	-	(15)	(16)
<b>Underlying profit after tax</b>	<b>10</b>	<b>274</b>	<b>(50)</b>	<b>234</b>
Investment experience after tax	1	-	12	13
<b>Cash net profit after tax</b>	<b>11</b>	<b>274</b>	<b>(38)</b>	<b>247</b>

# Notes to Financial Statements

## Note 6 Provisions for Impairment and Asset Quality

As at 30 June 2009					
	Housing Loans	Other Personal	Asset Financing	Other Commercial Industrial	Total
	\$M	\$M	\$M	\$M	\$M
<b>Loans which were neither Past Due nor Impaired</b>					
Investment Grade	166,675	2,190	974	77,329	247,168
Pass Grade	107,983	9,969	7,057	65,742	190,751
Weak	8,100	2,271	78	7,603	18,052
<b>Total loans which were neither Past Due nor Impaired</b>	<b>282,758</b>	<b>14,430</b>	<b>8,109</b>	<b>150,674</b>	<b>455,971</b>
<b>Loans which were Past Due but not Impaired</b>					
Past due 1 - 29 days	4,657	898	281	1,860	7,696
Past due 30 - 59 days	1,637	215	70	222	2,144
Past due 60 - 89 days	837	118	41	146	1,142
Past due 90 - 179 days	955	175	38	222	1,390
Past due 180 days or more	864	63	20	272	1,219
<b>Total loans past due but not impaired</b>	<b>8,950</b>	<b>1,469</b>	<b>450</b>	<b>2,722</b>	<b>13,591</b>

As at 31 December 2008					
	Housing Loans	Other Personal	Asset Financing	Other Commercial Industrial	Total
	\$M	\$M	\$M	\$M	\$M
<b>Loans which were neither Past Due nor Impaired</b>					
Investment Grade	184,803	2,576	-	84,296	271,675
Pass Grade	63,488	12,900	7,555	62,466	146,409
Weak	8,965	2,068	50	7,113	18,196
<b>Total loans which were neither Past Due nor Impaired</b>	<b>257,256</b>	<b>17,544</b>	<b>7,605</b>	<b>153,875</b>	<b>436,280</b>
<b>Loans which were Past Due but not Impaired</b>					
Past due 1 - 29 days	4,561	868	349	2,256	8,034
Past due 30 - 59 days	1,680	345	78	313	2,416
Past due 60 - 89 days	613	185	44	116	958
Past due 90 - 179 days	675	152	29	213	1,069
Past due 180 days or more	518	20	17	110	665
<b>Total loans past due but not impaired</b>	<b>8,047</b>	<b>1,570</b>	<b>517</b>	<b>3,008</b>	<b>13,142</b>

# Appendices

## 1. Net Interest Income

	Half Year Ended					As reported 31/12/08 \$M
	31/12/09	30/06/09	Pro forma 31/12/08	Dec 09 vs Jun 09	Dec 09 vs Dec 08	
	\$M	\$M	\$M	%	%	
<b>Interest Income</b>						
Loans and bills discounted		13,862	16,884			14,576
Other financial institutions		131	303			303
Cash and liquid assets		226	322			284
Assets at fair value through Income Statement		389	1,030			847
Available-for-sale investments		449	451			452
<b>Total interest income</b>		15,057	18,990			16,462
Deposits		6,578	8,806			7,638
Other financial institutions		106	964			403
Liabilities at fair value through Income Statement		472	549			549
Debt issues		1,869	3,110			2,898
Loan capital		274	488			431
<b>Total interest expense</b>		9,299	13,917			11,919
<b>Net interest income</b>		5,758	5,073			4,543

## 2. Net Interest Margin

	Half Year Ended				As reported 31/12/08 %
	31/12/09	30/06/09	Pro forma 31/12/08		
	%	%	%		
<b>Australia</b>					
Interest spread			2.04	1.71	1.79
Benefit of interest-free liabilities, provisions and equity			0.17	0.28	0.27
<b>Net interest margin</b>			2.21	1.99	2.06
<b>Overseas</b>					
Interest spread			1.32	1.33	1.33
Benefit of interest-free liabilities, provisions and equity			0.32	0.48	0.48
<b>Net interest margin</b>			1.64	1.81	1.81
<b>Total Group</b>					
Interest spread			1.95	1.66	1.72
Benefit of interest-free liabilities, provisions and equity			0.21	0.33	0.32
<b>Net interest margin</b>			2.16	1.99	2.04

## 3. Average Balances and Related Interest – pro forma

### Average Balances

	Half Year Ended 31/12/09			Half Year Ended 30/06/09			Half Year Ended 31/12/08		
	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield
	\$M	\$M	%	\$M	\$M	%	\$M	\$M	%
<b>Interest Earning Assets</b>									
Home loans excluding securitisation				262,999	7,724	5.92	240,806	9,341	7.69
Personal				19,284	1,131	11.83	21,094	1,305	12.27
Business and corporate				163,689	4,673	5.76	156,915	5,624	7.11
<b>Loans, bills discounted and other receivables</b>				445,972	13,528	6.12	418,815	16,270	7.71
Cash and liquid assets				35,578	357	2.02	28,819	625	4.30
Assets at fair value through Income Statement (excluding life insurance)				23,951	389	3.28	33,120	1,030	6.17
Available-for-sale investments				21,011	449	4.31	15,801	451	5.66
<b>Non-lending interest earning assets</b>				80,540	1,195	2.99	77,740	2,106	5.37
Total interest earning assets (excluding securitisation)				526,512	14,723	5.64	496,555	18,376	7.34
Securitisation home loan assets				13,767	320	4.69	15,982	614	7.62
Non-interest earning assets				97,585			91,473		
<b>Total average assets</b>				637,864			604,010		

	Half Year Ended 31/12/09			Half Year Ended 30/06/09			Half Year Ended 31/12/08		
	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield
	\$M	\$M	%	\$M	\$M	%	\$M	\$M	%
<b>Interest Bearing Liabilities</b>									
Transaction deposits				65,663	470	1.44	63,953	846	2.62
Saving deposits				72,815	992	2.75	65,501	1,596	4.83
Investment deposits				143,248	3,336	4.70	135,516	4,715	6.90
Certificates of deposit and other				77,526	1,919	4.99	51,563	1,649	6.34
<b>Total interest bearing deposits</b>				359,252	6,717	3.77	316,533	8,806	5.52
Payables due to other financial institutions				16,960	106	1.26	37,097	964	5.15
Liabilities at fair value through Income Statement				18,368	472	5.18	16,499	549	6.60
Debt issues				89,558	1,523	3.43	82,360	2,580	6.21
Loan capital				12,604	278	4.45	14,990	488	6.46
<b>Total interest bearing liabilities</b>				496,742	9,096	3.69	467,479	13,387	5.68
Securitisation debt issues				14,507	304	4.23	16,249	530	6.47
Non-interest bearing liabilities				96,281			88,296		
<b>Total average liabilities</b>				607,530			572,024		

# Appendices

## 3. Average Balances and Related Interest – pro forma (continued)

	Half Year Ended 31/12/09			Half Year Ended 30/06/09			Half Year Ended 31/12/08		
	Avg Bal \$M	Interest \$M	Yield %	Avg Bal \$M	Interest \$M	Yield %	Avg Bal \$M	Interest \$M	Yield %
<b>Net Interest Margin</b>									
Total interest earning assets excluding securitisation				526,512	14,723	5.64	496,555	18,376	7.34
Total interest bearing liabilities excluding securitisation				496,742	9,096	3.69	467,479	13,387	5.68
<b>Net interest income and interest spread (excluding securitisation)</b>					5,627	1.95		4,989	1.66
Benefit of free funds						0.21			0.33
<b>Net interest margin</b>						2.16			1.99

## Geographical Analysis of Key Categories

	Half Year Ended 31/12/09			Half Year Ended 30/06/09			Half Year Ended 31/12/08		
	Avg Bal \$M	Interest \$M	Yield %	Avg Bal \$M	Interest \$M	Yield %	Avg Bal \$M	Interest \$M	Yield %
<b>Loans, Bills Discounted and Other Receivables</b>									
Australia				384,716	11,508	6.03	356,970	13,706	7.62
Overseas				61,256	2,020	6.65	61,845	2,564	8.22
<b>Total</b>				445,972	13,528	6.12	418,815	16,270	7.71
<b>Non-Lending Interest Earning Assets</b>									
Australia				51,655	848	3.31	49,347	1,476	5.93
Overseas				28,885	347	2.42	28,393	630	4.40
<b>Total</b>				80,540	1,195	2.99	77,740	2,106	5.37
<b>Total Interest Bearing Deposits</b>									
Australia				317,457	5,804	3.69	276,855	7,592	5.44
Overseas				41,795	913	4.41	39,678	1,214	6.07
<b>Total</b>				359,252	6,717	3.77	316,533	8,806	5.52
<b>Other Interest Bearing Liabilities</b>									
Australia				84,901	1,732	4.11	99,781	3,398	6.76
Overseas				52,589	647	2.48	51,165	1,183	4.59
<b>Total</b>				137,490	2,379	3.49	150,946	4,581	6.02

## 7. Operating Expenses

	Half Year Ended			As reported 31/12/08 \$M
	31/12/09 \$M	30/06/09 \$M	Pro forma 31/12/08 \$M	
<b>Staff expenses</b>				
Salaries and wages		1,831	1,775	1,574
Share-based compensation		62	84	63
Superannuation contributions		36	23	8
Defined benefit superannuation plan expense		-	-	-
Provisions for employee entitlements		22	74	66
Payroll tax		95	102	93
Fringe benefits tax		19	18	17
Other staff expenses		34	77	60
<b>Total staff expenses</b>		<b>2,099</b>	<b>2,153</b>	<b>1,881</b>
<b>Occupancy and equipment expenses</b>				
Operating lease rentals		265	254	223
Depreciation:				
Buildings		15	20	14
Leasehold improvements		45	43	40
Equipment		47	45	42
Operating lease assets		21	16	16
Repairs and maintenance		42	39	38
Other		66	46	36
<b>Total occupancy and equipment expenses</b>		<b>501</b>	<b>463</b>	<b>409</b>
<b>Information technology services</b>				
Application maintenance and development		105	84	62
Data processing		104	99	98
Desktop		73	70	68
Communications		100	86	79
Amortisation of software assets		73	59	49
IT equipment depreciation		38	30	24
<b>Total information technology services</b>		<b>493</b>	<b>428</b>	<b>380</b>
<b>Other expenses</b>				
Postage		64	64	57
Stationery		49	54	51
Fees and commissions:				
Fees payable on trust and other fiduciary activities		226	227	227
Other		196	183	163
Advertising, marketing and loyalty		298	201	177
Amortisation of intangible assets (excluding software and merger related amortisation)		9	8	8
Non-lending losses		49	41	37
Other		230	186	161
<b>Total other expenses</b>		<b>1,121</b>	<b>964</b>	<b>881</b>
<b>Total expenses ("cash basis")</b>		<b>4,214</b>	<b>4,008</b>	<b>3,551</b>
<b>Defined benefit superannuation plan (income)/expense</b>		<b>(4)</b>	<b>n/a</b>	<b>18</b>
<b>Investment and restructuring</b>				
Integration expenses		112	n/a	-
Merger related amortisation		37	n/a	-
One-off expenses		32	n/a	-
<b>Total investment and restructuring</b>		<b>181</b>	<b>n/a</b>	<b>-</b>
<b>Total operating expenses</b>		<b>4,391</b>	<b>n/a</b>	<b>3,569</b>

# Appendices

## 7. Operating Expenses (continued)

Expenses by Segment	Half Year Ended					As reported 31/12/08 \$M
	31/12/09	30/06/09	Pro forma		31/12/08	
	\$M	\$M	\$M	Dec 09 vs Jun 09 %	Dec 09 vs Dec 08 %	
<b>Operating Expenses</b>						
Retail Banking Services		1,430	1,351			1,351
Business and Private Banking		645	627			627
Institutional Banking and Markets		366	313			313
Wealth Management		829	854			823
South Pacific		318	368			368
Bankwest		483	426			-
Other (including Asia)		143	69			69
<b>Total expenses ("cash basis")</b>		4,214	4,008			3,551
Defined benefit superannuation plan (income)/expense		(4)	n/a			18
Integration expenses		112	n/a			-
Merger related amortisation		37	n/a			-
One-off expenses		32	n/a			-
<b>Total expenses ("statutory basis")</b>		4,391	n/a			3,569