Determined to offer strength in uncertain times.

Profit Announcement

For the full year ended 30 June 2009

12 August 2009

Commonwealth Bank of Australia ACN 123 123 124

Determined to be different

ASX Appendix 4E

Results for announcement to the market [(1)]

Report for the full year ended 30 June 2009	**$M**	
Revenue from ordinary activities	39,433	Up 6%
Profit/(loss) from ordinary activities after tax attributable to Equity holders	4,723	Down 1%
Net profit/(loss) for the period attributable to Equity holders	4,723	Down 1%
Dividends (distributions)		
Final Dividend - fully franked (cents per share)		115
Interim Dividend - fully franked (cents per share)		113
Record date for determining entitlements to the dividend		21 August 2009

(1) Rule 4.2C.3

Refer to Appendix 19 ASX Appendix 4E on page 77, for disclosures required under ASX Listing Rules.

This report should be read in conjunction with the 30 June 2009 Annual Financial Report of the Group and any public announcements made in the period by the Group in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules.

Important Dates for Shareholders

Full Year Results Announcement	12 August 2009
Ex-dividend Date	17 August 2009
Record Date	21 August 2009
Final Dividend Payment Date	1 October 2009
Annual General Meeting	12 November 2009
2010 Interim Results Date	10 February 2010

For further information contact:

Investor Relations

Warwick Bryan
Phone: 02 9378 5979
Facsimile: 02 9378 3698

On 19 December 2008, the Group acquired 100% of the share capital of Bank of Western Australia Limited ("Bankwest") and St Andrew's Australia Pty Ltd ("St Andrew's"). The information contained in this report includes the results of Bankwest and St Andrew's from the date of acquisition.

All figures relate to the full year ended 30 June 2009 and comparatives to the full year ended 30 June 2008 unless stated otherwise. The term "prior year" refers to the full year ended 30 June 2008, while the term "prior half" refers to the half year ended 31 December 2008, unless otherwise stated.

Group Performance

Divisional Performance

Financial Statements & Appendices

Highlights

Group Performance Highlights

Net Profit after Income Tax	Full Year Ended 30/06/09 $M	Full Year Ended 30/06/08 $M	Half Year Ended 30/06/09 $M	Half Year Ended 31/12/08 $M
Statutory basis	**4,723**	4,791	**2,150**	2,573
Cash basis	**4,415**	4,733	**2,402**	2,013
Underlying basis ex Bankwest	**4,498**	4,746	**2,353**	2,145

The Group's net profit after tax ("statutory basis") for the full year ended 30 June 2009 was $4,723 million, which represents a decrease of 1% on the prior year. Included in this result as non-cash items were hedging and AIFRS volatility losses of $245 million after tax and the gain recognised on acquisition of Bankwest of $612 million after tax.

Net profit after tax ("cash basis") for the full year was $4,415 million, which represents a decrease of 7% on the prior year. Excluding Bankwest, net profit after tax ("cash basis") decreased 9%. This result was impacted by a significant increase in impairment expense during the year.

Cash earnings per share decreased 14% on the prior year to 305.6 cents per share. Return on Equity ("cash basis") for the year ended 30 June 2009 was 15.8%, reflecting in part the Group's strengthened capital position.

Group Performance excluding Bankwest

The acquisition of Bankwest and St Andrew's at a substantial discount to fair value created a one-off gain of $612 million. For ease of comparison the results of Bankwest, which was only owned for six months and contributed $113 million to cash profit after tax, have been excluded from the following commentary.

The Group's net profit after tax ("underlying basis") was $4,498 million, representing a 5% decrease on the prior year.

In a challenging market environment and slowing economic conditions the Group's operating performance has been solid. Operating income growth has been strong, up 14% on the prior year, whilst operating expense growth was up 4% on the prior year. This resulted in a 430 basis point improvement in the expense to income ratio to 44.6%.

Drivers of the Group's financial performance were:

- Net interest income growth of 21% on the prior year, reflecting solid lending and deposit growth and an eight basis point improvement in underlying margins;
- Other banking income growth of 21% on the prior year, as a result of strong trading income, early repayment fees received from customers exiting fixed rate loans and higher commissions and lending fees;
- Funds management income decline of 21% on the prior year, due to the adverse impact of the investment market downturn on Funds under administration and timing of asset sales;
- Insurance income growth of 9% on the prior year, following a 19% increase in average inforce premiums; and
- Operating expense growth of 4% on the prior year, reflecting the Group's continued disciplined expense management.

Offsetting this solid operating performance was a significant increase in impairment expense on the prior year to $2,935 million. This outcome reflects higher retail and corporate provisioning, increased management overlay and additional provisions taken to cover a small number of single name corporate exposures in the first half. The increase in impairment expense reflects both the cyclical deterioration in portfolio quality and the Group's conservative provisioning.

The Group's net profit after tax ("underlying basis") for the half year ended 30 June 2009 was $2,353 million, up 10% on the prior half. The increase reflects solid volume growth, improved margins and a lower second half impairment expense, partly offset by reduced funds management income due to adverse investment markets and higher operating expenses.

Other performance highlights relating to strategic priorities that position the Group well for the medium to long term include:

- Improvement in both retail and business customer satisfaction relative to industry peers over the year;
- The purchase of a strategic interest in Aussie Home Loans, a leading player in the Australian mortgage broker market;
- Restructure of the Premium Business Services division into Business & Private Banking and Institutional Banking & Markets, enabling the Group to further improve its focus on supporting and servicing these diverse customer segments;
- Continued progress on the Core Banking Modernisation project which is tracking ahead of schedule; and
- Continued improvements in People Engagement Workplace survey results (Source: Gallup).

Capital

The Group maintained its cautious and conservative approach in the current economic environment by maintaining a strong capital position. This was reflected in a Tier One capital ratio of 8.07% at 30 June 2009. The Bank is also one of only eight AA rated banks worldwide.

Dividends

The final dividend declared was $1.15 per share, a reduction of 25% on the prior year in response to continued uncertainty in the global and domestic economies. The total dividend for the year to 30 June 2009 was $2.28, taking the dividend payout ratio ("cash basis") to 78.2%.

The final dividend payment will be fully franked and will be paid on 1 October 2009 to owners of ordinary shares at the close of business on 21 August 2009 ("record date"). Shares will be quoted ex–dividend on 17 August 2009.

The Bank issued $405 million of shares to satisfy shareholder participation in the Dividend Reinvestment Plan ("DRP") in respect of the interim dividend for 2008/09.

Outlook

The 2009 financial year has been a challenging one and the outlook remains uncertain. However, the Australian economy has been more resilient than many had predicted a year ago and it is pleasing to see that there is some evidence of the beginnings of an economic recovery and improvements in business and consumer confidence but there are still significant risks on the downside.

Despite these positive signs, overall credit growth in Australia is expected to slow through 2010 and economic conditions are likely to remain challenging for the Group and many of its customers in the coming year. Accordingly the Group will retain its conservative business settings maintaining appropriate levels of capital, liquidity and provisioning. The Group will also continue with its cautious approach to the management of credit and market risk.

Group Performance Summary	Full Year Ended 30/06/09 $M	Full Year Ended 30/06/08 $M	Jun 09 vs Jun 08 %	Half Year Ended 30/06/09 $M	Half Year Ended 31/12/08 $M	Jun 09 vs Dec 08 %	Full Year Ended Incl. Bankwest [(4)] 30/06/09 $M
Net interest income	**9,595**	7,907	21	**5,052**	4,543	11	**10,186**
Other banking income	**4,008**	3,312	21	**1,972**	2,036	(3)	**4,176**
Total banking income	**13,603**	11,219	21	**7,024**	6,579	7	**14,362**
Funds management income	**1,813**	2,307	(21)	**808**	1,005	(20)	**1,813**
Insurance income	**910**	832	9	**478**	432	11	**910**
Total operating income	**16,326**	14,358	14	**8,310**	8,016	4	**17,085**
Investment experience	**(267)**	(17)	large	**(84)**	(183)	54	**(267)**
Total income	**16,059**	14,341	12	**8,226**	7,833	5	**16,818**
Operating expenses	**7,282**	7,021	4	**3,731**	3,551	5	**7,765**
Impairment expense	**2,935**	930	large	**1,328**	1,607	(17)	**3,048**
Net profit before income tax	**5,842**	6,390	(9)	**3,167**	2,675	18	**6,005**
Corporate tax expense [(1)]	**1,510**	1,626	(7)	**864**	646	34	**1,560**
Minority interests [(2)]	**30**	31	(3)	**14**	16	(13)	**30**
Net profit after tax excluding Bankwest ("cash basis")	**4,302**	4,733	(9)	**2,289**	2,013	14	**4,415**
Bankwest net profit after tax ("cash basis")	**113**	-	large	**113**	-	large	**n/a**
Net profit after tax ("cash basis")	**4,415**	4,733	(7)	**2,402**	2,013	19	**4,415**
Hedging and AIFRS volatility	**(245)**	(42)	large	**(237)**	(8)	large	**(245)**
Gain on acquisition of controlled entities	**612**	-	large	**65**	547	(88)	**612**
Other non-cash items [(3)]	**(59)**	100	large	**(80)**	21	large	**(59)**
Net profit after tax ("statutory basis")	**4,723**	4,791	(1)	**2,150**	2,573	(16)	**4,723**
Represented by:							
Retail Banking Services	**2,107**	1,911	10	**988**	1,119	(12)	
Business and Private Banking	**736**	721	2	**363**	373	(3)	
Institutional Banking and Markets	**166**	771	(78)	**334**	(168)	large	
Wealth Management	**286**	737	(61)	**111**	175	(37)	
International Financial Services	**470**	581	(19)	**192**	278	(31)	
Other	**537**	12	large	**301**	236	28	
Net profit after tax excluding Bankwest ("cash basis")	**4,302**	4,733	(9)	**2,289**	2,013	14	
Investment experience - after tax	**196**	13	large	**64**	132	(52)	
Net profit after tax excluding Bankwest ("underlying basis")	**4,498**	4,746	(5)	**2,353**	2,145	10	
Bankwest net profit after tax	**113**	-	large	**113**	-	large	
Net profit after tax ("underlying basis")	**4,611**	4,746	(3)	**2,466**	2,145	15	

(1) For purposes of presentation, Policyholder tax (benefit)/expense components of Corporate tax expense are shown on a net basis for the years ended 30 June 2009: ($164) million, 30 June 2008: ($115) million and for the half years ended 30 June 2009: $31 million and 31 December 2008: ($195) million.

(2) Minority interests include preference dividends paid to holders of preference shares in ASB Capital.

(3) Refer to Appendix 20, page 79 for details.

(4) Includes the Bankwest result from the date of acquisition by profit and loss line item.

Highlights continued

Shareholder Summary	Full Year Ended 30/06/09	30/06/08	Jun 09 vs Jun 08 %	Half Year Ended 30/06/09	31/12/08	Jun 09 vs Dec 08 %
Dividends per share - fully franked (cents)	**228**	266	(14)	**115**	113	2
Dividend cover - cash (times)	**1. 3**	1. 3	-	**1. 4**	1. 2	17
Earnings per share (cents) (1)						
Statutory basis - basic	**328. 5**	363. 0	(10)	**142. 2**	188. 4	(25)
Cash basis - basic	**305. 6**	356. 9	(14)	**158. 5**	146. 3	8
Dividend payout ratio (%)						
Statutory basis	**73. 1**	74. 1	(100)bpts	**82. 4**	65. 3	large
Cash basis	**78. 2**	75. 0	320bpts	**73. 7**	83. 6	large
Weighted average no. of shares - statutory basic (M) (1)	**1,420**	1,307	9	**1,490**	1,352	10
Weighted average no. of shares - cash basic (M) (2)	**1,426**	1,313	9	**1,495**	1,358	10
Return on equity - cash (%)	**15. 8**	20. 4	(460)bpts	**16. 3**	15. 0	130bpts

(1) For definitions refer to Appendix 27, page 93.

(2) Fully diluted EPS and weighted average number of shares (fully diluted) are disclosed in Appendix 22, page 86.

Balance Sheet Summary	As at 30/06/09 $M	31/12/08 $M	30/06/08 $M	Jun 09 vs Dec 08 %	Jun 09 vs (3) Jun 08 %
Lending assets (1)	**473,715**	449,861	369,597	5	28
Total assets	**620,372**	618,761	487,572	-	27
Total liabilities	**588,930**	588,774	461,435	-	28
Shareholders' Equity	**31,442**	29,987	26,137	5	20
Assets held and Funds Under Administration (FUA)					
On Balance Sheet:					
Banking assets	**596,919**	595,051	461,944	-	29
Insurance Funds Under Administration	**15,407**	16,174	17,345	(5)	(11)
Other insurance and internal funds management assets	**8,046**	7,536	8,283	7	(3)
	620,372	618,761	487,572	-	27
Off Balance Sheet:					
Funds Under Administration (2)	**159,927**	148,275	173,960	8	(8)
Total assets held and FUA	**780,299**	767,036	661,532	2	18

(1) Lending assets comprise Loans, Bills Discounted, and Other Receivables (gross of provisions for impairment and excluding securitisation) and Bank acceptances of customers.

(2) Includes Funds Under Administration balances relating to St Andrew's Australia Pty Ltd of $823 million as at 30 June 2009.

(3) Growth is inflated as the balance sheet as at 30 June 2008 does not include Bankwest.

The impact of the acquisition of Bankwest on the Group's Balance Sheet is set out in Appendix 23, page 89.

Market Share Percentage [1]	As at Group (ex Bankwest and St Andrew's) 30/06/09	31/12/08	30/06/08	Group (inc Bankwest and St Andrew's) 30/06/09	31/12/08
Home loans	**21. 9**	20. 3	19. 3	**25. 1**	23. 3
Credit cards [3]	**18. 7**	18. 3	18. 1	**21. 8**	20. 9
Personal lending (APRA and other Household) [4] [6]	**13. 6**	14. 2	15. 8	**15. 7**	20. 3
Household deposits	**28. 8**	29. 1	29. 1	**32. 3**	32. 6
Retail deposits [5]	**22. 6**	23. 2	23. 4	**26. 6**	27. 3
Business Lending - APRA [2]	**13. 6**	13. 6	13. 8	**19. 4**	18. 9
Business Lending - RBA [2]	**13. 7**	13. 7	13. 6	**17. 0**	16. 9
Business Deposits - APRA [2]	**15. 7**	16. 4	15. 8	**20. 8**	21. 3
Asset Finance	**13. 6**	12. 8	12. 7	**13. 6**	12. 8
Equities trading (CommSec) [2]	**6. 4**	6. 0	6. 3	**6. 4**	6. 0
Australian Retail - administrator view [2]	**14. 2**	13. 9	13. 9	**14. 4**	14. 1
FirstChoice Platform [2]	**9. 9**	9. 8	9. 7	**9. 9**	9. 8
Australia (total risk) [2]	**14. 6**	14. 7	14. 7	**15. 4**	15. 5
Australia (individual risk) [2]	**13. 3**	13. 3	13. 2	**14. 5**	14. 5
NZ Lending for housing	**23. 3**	23. 4	23. 3	**23. 3**	23. 4
NZ Retail Deposits	**21. 2**	21. 6	21. 2	**21. 2**	21. 6
NZ Lending to business	**8. 8**	8. 5	8. 7	**8. 8**	8. 5
NZ Retail FUM	**20. 3**	20. 1	16. 4	**20. 3**	20. 1
NZ Annual inforce premiums	**31. 7**	31. 7	31. 7	**31. 7**	31. 7

(1) For market share definitions refer to Appendix 28, page 94.

(2) Prior periods have been restated in line with market updates.

(3) As at 31 May 2009.

(4) Personal lending market share includes personal loans and margin loans.

(5) In accordance with RBA guidelines, these measures include some products relating to both the Retail and Corporate segments.

(6) During the half year to 30 June 2009, Bankwest market share was impacted by a reclassification of balances from personal lending to home loans. Comparatives have not been restated.

Highlights continued

Key Performance Indicators - Group	Full Year Ended 30/06/09	Full Year Ended 30/06/08	Jun 09 vs Jun 08 %	Half Year Ended 30/06/09	Half Year Ended 31/12/08	Jun 09 vs Dec 08 %
Group						
Underlying profit after tax ($M) (1)	**4,611**	4,746	(3)	**2,466**	2,145	15
Net interest margin (%)	**2. 10**	2. 02	8 bpts	**2. 16**	2. 04	12 bpts
Average interest earning assets ($M) (2)	**481,248**	385,667	25	**526,512**	436,722	21
Average interest bearing liabilities ($M) (2)	**453,458**	362,249	25	**496,742**	410,880	21
Funds management income to average FUA (%)	**1. 04**	1. 19	(15)bpts	**0. 98**	1. 11	(13)bpts
Funds Under Administration (FUA) - average ($M)	**173,872**	194,156	(10)	**167,001**	179,371	(7)
Insurance income to average inforce premiums (%)	**50. 6**	55. 1	(450)bpts	**51. 1**	50. 2	90 bpts
Average inforce premiums ($M)	**1,798**	1,511	19	**1,885**	1,708	10
Operating expenses to total operating income (%)	**45. 4**	48. 9	(350)bpts	**46. 5**	44. 3	220 bpts
Effective corporate tax rate (%)	**26. 0**	25. 4	60 bpts	**27. 4**	24. 1	330 bpts
Retail Banking Services						
Cash net profit after tax ($M)	**2,107**	1,911	10	**988**	1,119	(12)
Operating expenses to total banking income (%)	**42. 9**	46. 1	(320)bpts	**43. 4**	42. 4	100 bpts
Business and Private Banking						
Cash net profit after tax ($M)	**736**	721	2	**363**	373	(3)
Operating expenses to total banking income (%)	**48. 8**	50. 5	(170)bpts	**48. 6**	49. 1	(50)bpts
Institutional Banking and Markets						
Cash net profit after tax ($M)	**166**	771	(78)	**334**	(168)	large
Operating expenses to total banking income (%)	**28. 3**	34. 1	large	**29. 5**	26. 9	260 bpts
Wealth Management						
Underlying profit after tax ($M) (1)	**514**	789	(35)	**186**	328	(43)
FUA - average ($M) (3)	**167,677**	186,696	(10)	**160,974**	173,001	(7)
Average inforce premiums ($M) (3)	**1,405**	1,136	24	**1,469**	1,314	12
Funds management income to average FUA (%)	**1. 03**	1. 20	(17)bpts	**0. 96**	1. 11	(15)bpts
Insurance income to average inforce premiums (%)	**45. 3**	49. 0	(370)bpts	**45. 2**	46. 3	(110)bpts
Operating expenses to net operating income (%) (4)	**62. 0**	52. 7	large	**68. 9**	56. 3	large
International Financial Services						
Underlying profit after tax ($M) (1)	**467**	555	(16)	**198**	269	(26)
FUA - average ($M)	**6,195**	7,460	(17)	**6,027**	6,370	(5)
Average inforce premiums ($M)	**393**	375	5	**416**	394	6
Funds management income to average FUA (%)	**0. 79**	0. 64	15 bpts	**0. 77**	0. 81	(4)bpts
Insurance income to average inforce premiums (%)	**66. 4**	67. 2	(80)bpts	**68. 8**	59. 9	large
Operating expenses to total operating income (%)	**50. 7**	51. 9	(120)bpts	**47. 6**	53. 8	large
Bankwest						
Cash net profit after tax ($M)	**113**	-	large	**113**	-	large
Operating expenses to total banking income (%)	**63. 6**	-	large	**63. 6**	-	large
Capital Adequacy - (Basel II)						
Tier One (%)	**8. 07**	8. 17	(10)bpts	**8. 07**	8. 75	(68)bpts
Total (%)	**10. 42**	11. 58	(116)bpts	**10. 42**	11. 39	(97)bpts

(1) Cash net profit after tax less Investment experience after tax.

(2) Average interest earning assets and average interest bearing liabilities have been adjusted to remove the impact of securitisation. Average interest earning assets and interest bearing liabilities relating to Bankwest have been included for the full and half years to 30 June 2009.

(3) Average funds under administration and average inforce premiums relating to St Andrew's have been included from date of acquisition.

(4) Net operating income represents total operating income less volume expenses.

Key Performance Indicators - Excluding Bankwest	Full Year Ended 30/06/09	Full Year Ended 30/06/08	Jun 09 vs Jun 08 %	Half Year Ended 30/06/09	Half Year Ended 31/12/08	Jun 09 vs Dec 08 %
Underlying profit after tax ($M)	**4,498**	4,746	(5)	**2,353**	2,145	10
Net interest margin (%)	**2. 11**	2. 02	9 bpts	**2. 18**	2. 04	14 bpts
Average interest earning assets ($M)	**450,830**	385,667	17	**465,173**	436,722	7
Average interest bearing liabilities ($M)	**425,395**	362,249	17	**440,149**	410,880	7
Operating expenses to total operating income (%)	**44. 6**	48. 9	(430) bpts	**44. 9**	44. 3	60 bpts

Financial Performance and Business Review

In order to enhance the understanding and comparability of financial information between periods, commentary in the Financial Performance and Business Review excludes Bankwest unless otherwise stated. The results for St Andrew's have been included but are not material to the Group's result.

The Group's net profit after tax ("underlying basis") for the full year ended 30 June 2009 was $4,498 million, which represents a 5% decrease on the prior year.

The performance during the year was underpinned by:

- Solid growth in lending and deposit balances, with home lending up 19% to $257 billion, business lending up 6% to $135 billion, and domestic deposits up 23% to $287 billion since June 2008;
- Underlying net interest margin improvement of eight basis points since June 2008;
- Decline in average funds under administration of 10%, reflecting the adverse impact of volatile investment markets and outflows of short-term cash mandates;
- CommInsure inforce premium growth of 25% since June 2008 to $1,560 million, with both Life and General insurance businesses experiencing strong volumes; partly offset by
- Operating expense growth of 4%, reflecting continued investment in people and technology as well as higher occupancy and volume expenses; and
- Significantly higher loan impairment provisioning levels, reflecting a cyclical deterioration in portfolio quality and the Group's prudent and conservative approach to provisioning.

The Group's net profit after tax ("underlying basis") for the half to 30 June 2009 increased by 10% on the prior half to $2,353 million. The second half increase reflects a continuation of themes from the first half and a lower second half impairment expense.

More comprehensive disclosure of performance highlights by key business segments is contained on pages 16-31.

Net Interest Income

Net interest income increased by 21% on the prior year to $9,595 million. The increase was a result of continued strong growth in average interest earning assets of 17% together with an eight basis point improvement in underlying net interest margin.

Net interest income increased by 11% on the prior half to $5,052 million. The increase was driven by strong growth in average interest earning assets of 7% and a 14 basis point improvement in underlying net interest margin.

Factors impacting net interest margin are discussed on page 8.

Average Interest Earning Assets

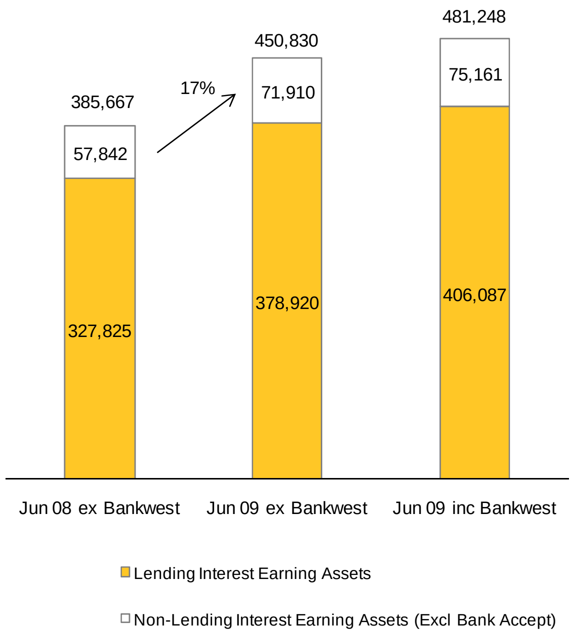
Average interest earning assets increased by $65 billion on the prior year to $451 billion, reflecting a $51 billion increase in average lending interest earning assets and a $14 billion increase in average non-lending interest earning assets.

Home loan average balances excluding the impact of securitisation increased by $33 billion since June 2008 to $223 billion, following above market volume growth whilst tightening credit standards.

Average balances for business and corporate lending increased by $20 billion since June 2008 to $137 billion, largely due to growth in Institutional Banking & Markets.

The growth of $14 billion in average non-lending interest earning assets reflects higher levels of liquid assets held in response to uncertain economic and financial market conditions as well as additional liquid assets acquired to fund Bankwest's operations upon acquisition.

Average Interest Earning Assets ($M)



Group Performance Analysis continued

Net Interest Margin

Underlying net interest margin improved eight basis points on the prior year. Key drivers of the improvement in underlying margin were:

Asset Pricing: Overall increase in margin of 13 basis points, reflecting the impact of repricing on home loans (four basis points), personal lending (six basis points) and business lending (three basis points). This has been in response to higher funding costs and increased credit risk.

Deposit pricing: Deposit margins decreased 24 basis points due to strong price competition for retail deposits and the decline in the official cash rate.

Mix and Liquids: Average liquid asset holdings increased $14 billion since June 2008, resulting in six basis points of margin decline. This was driven by higher levels of liquid assets held in response to uncertain economic and financial market conditions (five basis points) together with liquid assets acquired to fund the Bankwest operations upon acquisition (one basis point).

The adverse impact of higher relative growth in lower margin home loans contributed one basis point of margin contraction.

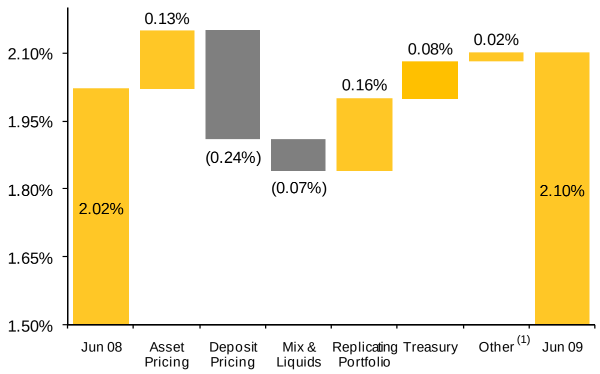
Replicating portfolio: As deposit margins have been adversely impacted by the declining cash rate environment the replicating portfolio has acted as a "buffer" and contributed 16 basis points to margin.

Treasury: Increase of eight basis points driven by higher earnings due to the free funding benefit of $5 billion from capital raised during the year (four basis points) and Treasury gains generated through the management of short dated interest rate exposures (four basis points).

Other: Increase of two basis points driven by higher margins in offshore business units (four basis points), partly offset by lower margins in ASB (two basis points).

NIM movement since June 2008

Additional information, including the average balances, is set out on pages 40 to 46.



(1) Includes one basis point reduction from Bankwest and one basis point increase from AIFRS volatility.

Other Banking Income

	Full Year Ended		Half Year Ended	
	30/06/09	30/06/08	30/06/09	31/12/08
	$M	$M	$M	$M
Commissions	**1,961**	1,827	**984**	977
Lending fees	**1,348**	976	**731**	617
Trading income	**720**	546	**272**	448
Other income	**254**	228	**113**	141
	4,283	3,577	**2,100**	2,183
AIFRS reclassification of net swap costs	**(275)**	(265)	**(128)**	(147)
Other banking income ex Bankwest	**4,008**	3,312	**1,972**	2,036
Bankwest	**168**	-	**168**	-
Other banking income	**4,176**	3,312	**2,140**	2,036

Excluding the impact of AIFRS non-trading derivative volatility and Bankwest, other banking income increased 20% over the year.

Factors impacting Other banking income were:

- Commissions: increased by 7% on the prior year to $1,961 million. This outcome reflects portfolio growth, the benefit of increased collection rates in credit cards and personal lending and higher credit card loyalty reward income (offset by an increase in operating expenses). CommSec brokerage commissions were lower following weaker volumes;
- Lending fees: increased by 38% on the prior year to $1,348 million. The increase was due to growth in retail, corporate and institutional lending fees arising from higher lending volumes, together with $244 million of early repayment fees received from customers exiting fixed rate loans. The associated costs from the unwind of swaps related to these fixed rate loans will largely be incurred over the next three years;
- Trading income: increased by 32% on the prior year to $720 million. The increase was driven by higher foreign exchange and interest rate trading income generated from volatile market conditions together with Treasury income derived through the management of short dated interest rate risk exposures; and
- Other income: increased by 11% on the prior year to $254 million, reflecting additional equity accounted profits from investments in Asia, together with higher operating lease rentals.

Excluding the impact of AIFRS volatility and Bankwest, other banking income in the current half decreased 4% on the prior half to $2,100 million. This outcome was the result of lower trading income in the second half following the adverse impact of the steepening yield curve on Treasury earnings, partly offset by higher early repayment fees received from customers exiting fixed rate loans.

Funds Management Income

	Full Year Ended		Half Year Ended	
	30/06/09	30/06/08	30/06/09	31/12/08
	$M	$M	$M	$M
CFS GAM	**773**	1,068	**331**	442
Colonial First State	**696**	884	**329**	367
CommInsure and Other	**266**	281	**109**	157
ASB and Other	**78**	74	**39**	39
Funds management income	**1,813**	2,307	**808**	1,005

Funds management income decreased by 21% on the prior year to $1,813 million. The decline was due to a reduction in average funds under administration and funds under management, both down 10% on the prior year, reflecting the adverse impact of falling investment markets and outflows of short term cash mandates from institutional investors.

Funds under administration (spot) as at 30 June 2009 was $175 billion, representing an 8% decrease since 30 June 2008. The fall in funds under administration compares favourably with the ASX 200 and MSCI World (AUD) indices, which fell 24% and 16% respectively over the same period, reflecting the Group's diversification by asset class and geography.

Funds management income to average FUA decreased by 15 basis points on the prior year to 1.04% due to seed asset sales in the prior year and the adverse impact of higher levels of low margin short term cash mandates in the current year.

Funds management income in the current half decreased 20% on the prior half due to similar themes as those described above.

Insurance Income

	Full Year Ended		Half Year Ended	
	30/06/09	30/06/08	30/06/09	31/12/08
	$M	$M	$M	$M
CommInsure and Other	**636**	557	**329**	307
Sovereign and Other	**274**	275	**149**	125
Insurance income	**910**	832	**478**	432

Insurance income increased by 9% on the prior year to $910 million. The increase was a result of growth in average inforce premiums of 19% due to strong sales in Life and General insurance, partly offset by higher retail and wholesale life claims.

Insurance income in the current half increased 11% on the prior half following 10% growth in average inforce premiums.

Operating Expenses

Operating expenses increased by 4% over the prior year to $7,282 million. The increase was driven by:

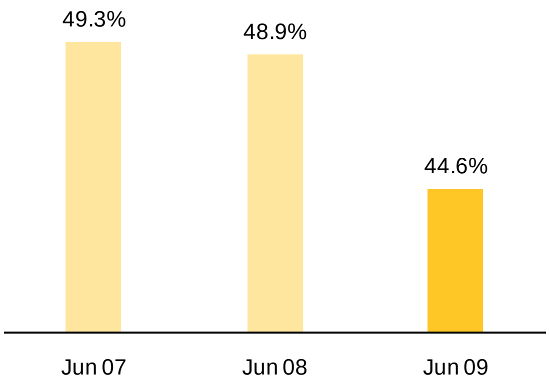
- Continued investment in people and technology;
- Higher volume related expenses resulting from strong growth in inforce premiums, an increase in depreciation charges relating to operating leases and additional credit card loyalty program costs (offset in other banking income); and
- Higher occupancy expenses following market rent increases and one-off costs relating to the relocation of offices to Sydney Olympic Park and Darling Park.

Gross investment continued to be strong, up 5% on the prior year to $1,075 million. This includes spend on Core Banking Modernisation, Finest Online and the branch refurbishment program, together with other key strategic initiatives.

Operating expenses in the current half increased 5% on the prior half to $3,731 million. Excluding the impact of additional card loyalty costs, expenses increased 3%.

Group Expense to Income Ratio (excluding Bankwest)

The expense to income ratio improved by 430 basis points over the prior year to 44.6%. The improvement reflects the Group's strong income growth combined with a continued focus on operational efficiencies, including mortgage and commercial loans processed per full time equivalent up by 25% and 17% respectively.



Group Performance Analysis continued

Impairment Expense

Impairment expense for the year was $2,935 million, representing 72 basis points of average gross loans and acceptances. This expense reflects a write off of listed notes issued by ABC Learning Limited (nine basis points), the Group's exposure to a small number of single name corporate customers (10 basis points), an increase in management overlay (12 basis points), and higher retail and corporate collective and individual provisioning (41 basis points).

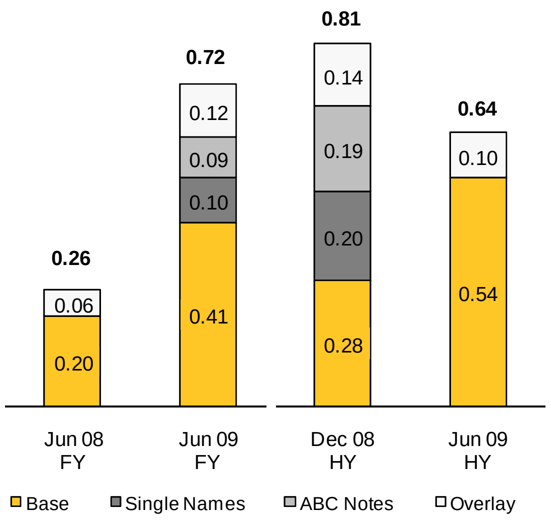
Home loan arrears over 90 days and personal lending arrears have increased on the prior year with deterioration in the second half. Credit card arrears deteriorated over the year, although have stabilised in the second half. As a result of higher arrears levels, additional resources have been deployed to collections. Credit policies for all retail products have also been tightened.

The corporate lending portfolio has been significantly impacted by a large increase in individual and collective provisioning due to a number of single name exposures. In addition, corporate collective provisioning has increased in response to a number of downgrades and adverse migration in credit ratings across the portfolio as a result of the deteriorating domestic economy.

Impairment expense for the current half decreased $279 million on the prior half to $1,328 million.

Gross impaired assets (excluding Bankwest) increased significantly over the prior year to $2,844 million.

Impairment Expense as a % of Average Gross Loans and Acceptances



Provisions for Impairment

The Group maintains a prudent and conservative approach to provisioning, with total provisions for impairment losses including Bankwest at 30 June 2009 of $4,954 million. This represents a $1,346 million increase since December 2008 and $3,209 million increase since June 2008. The current level reflects:

- The low risk, high quality nature of the home lending portfolio which represented 61% of lending assets excluding securitisation at 30 June 2009;
- Significantly increased specific provisioning in the corporate portfolio resulting from the deterioration in market conditions and exposure to a number of single name corporate customers;
- Higher collective provisioning following an increase in retail arrears and adverse migration in corporate credit ratings;
- A management overlay of $1,320 million to cover the impact of economic conditions, and other risks;
- No direct exposure to US sub-prime or non-recourse mortgages; and
- No material exposure to Collateralised Debt Obligations ("CDO's").

Taxation Expense

The corporate tax expense was $1,510 million, representing an effective tax rate of 25.8%. The effective tax rate was below the expected long term underlying effective tax rate of between 26.0% and 27.5% due to:

- Investment allowance deductions;
- An increased domestic impairment expense that resulted in a higher proportion of profit coming from offshore jurisdictions which have lower corporate tax rates compared to Australia; and
- Tax benefits from structured finance transactions that was offset by an equivalent reduction in pre-tax operating income.

Total Group Assets & Liabilities	As at 30/06/09 $M	31/12/08 $M	30/06/08 $M	Jun 09 vs Dec 08 %	Jun 09 vs Jun 08 % [4]
Interest earning assets					
Home loans including securitisation	**292,206**	265,694	215,743	10	35
Less: securitisation	**(12,568)**	(14,769)	(11,676)	(15)	8
Home loans excluding securitisation	**279,638**	250,925	204,067	11	37
Personal	**19,260**	19,303	20,265	-	(5)
Business and corporate	**160,089**	164,901	126,987	(3)	26
Loans, bills discounted and other receivables [1]	**458,987**	435,129	351,319	5	31
Provisions for loan impairment	**(4,924)**	(3,578)	(1,713)	38	large
Net loans, bills discounted and other receivables	**454,063**	431,551	349,606	5	30
Non-lending interest earning assets	**72,688**	74,391	49,385	(2)	47
Total interest earning assets	**531,675**	509,520	400,704	4	33
Other assets [2]	**88,697**	109,241	86,868	(19)	2
Total assets	**620,372**	618,761	487,572	-	27
Interest bearing liabilities					
Transaction deposits	**66,117**	66,685	59,917	(1)	10
Saving deposits	**79,736**	71,611	53,420	11	49
Investment deposits	**135,314**	136,085	98,745	(1)	37
Other demand deposits	**78,938**	66,358	44,014	19	79
Total interest bearing deposits	**360,105**	340,739	256,096	6	41
Deposits not bearing interest	**8,616**	9,445	7,610	(9)	13
Deposits and other public borrowings	**368,721**	350,184	263,706	5	40
Debt issues	**88,814**	86,676	73,785	2	20
Other interest bearing liabilities	**43,744**	51,859	44,756	(16)	(2)
Total interest bearing liabilities	**492,663**	479,274	374,637	3	32
Securitisation debt issues	**13,005**	15,723	12,032	(17)	8
Non-interest bearing liabilities [3]	**83,262**	93,777	74,766	(11)	11
Total liabilities	**588,930**	588,774	461,435	-	28
Provisions for impairment losses					
Collective provision	**3,225**	2,474	1,466	30	large
Individually assessed provisions	**1,729**	1,134	279	52	large
Total provisions for impairment losses	**4,954**	3,608	1,745	37	large
Less off balance sheet provisions	**(30)**	(30)	(32)	-	(6)
Total provisions for loan impairment	**4,924**	3,578	1,713	38	large

(1) Gross of provisions for impairment which are included in Other assets.

(2) Other assets include Bank acceptances of customers, derivative assets, and provisions for impairment, securitisation assets, insurance assets and intangibles.

(3) Non-interest bearing liabilities include derivative liabilities and insurance policy liabilities.

(4) Growth rate is inflated as the balance sheet as at 30 June 2008 does not include Bankwest.

For a more detailed analysis of the Bankwest contribution to the Group balance sheet refer to Appendix 23, page 89.

Credit Ratings	Long–term	Short–term	Outlook
Fitch Ratings	AA	F1+	Stable
Moody's Investor Services	Aa1	P-1	Negative
Standard & Poor's	AA	A-1+	Stable

The Group continues to maintain a strong capital position that is reflected in its credit ratings which remained unchanged for the year. Additional information regarding the Bank's capital is disclosed in Appendix 14, pages 67 to 71.

Acquisition of Bankwest and St Andrew's

Acquisition Overview

The Group acquired 100% of the share capital of the Bank of Western Australia Limited ("Bankwest") and St Andrew's Australia Pty Ltd ("St Andrew's") on 19 December 2008.

Bankwest operates in the domestic market providing a comprehensive range of products, focusing on the small business banking and retail segments.

Since acquisition, Bankwest has continued to expand its customer base. As at 30 June 2009 Bankwest provided services to more than 960,000 retail customers and 26,000 business clients, through an extensive network of 135 retail branches, 78 Business Banking centres, direct and third party distribution channels, agencies and electronic, telephone and internet banking facilities.

St Andrew's provides life insurance and wealth management products to the Australian marketplace. Its range of products is similar to those provided by the Group's existing Wealth Management business.

The acquisition of Bankwest provides the Group with a significant opportunity to further develop its business in the Western Australian market. It complements the Group's existing operations and delivers additional growth opportunities in key market segments, as well as enhanced product and service delivery opportunities to customers.

The Group's Executive Committee and Bankwest Board are committed to delivering sustainable growth of the business in line with the Group's existing strategic priorities. Bankwest will continue to operate under the retained brand name, with a separate Board of Directors.

Acquisition Accounting

Following the finalisation of the fair value of assets and liabilities acquired, the gain on acquisition was $983 million before tax and has been treated as a non-cash item. The gain is significantly higher than the $660 million indicated at the time the acquisition was announced, due to the increase in the final fair value of net assets acquired, including $719 million of intangible assets. This is despite an increase of $1,059 million to the collective and individual provisions arising from the acquisition.

As part of the acquisition, fair value adjustments relating to fixed interest assets and liabilities and intangible assets subject to amortisation were recognised. Due to the significant size and non-recurring nature of these adjustments, the amortisation of the adjustments will be treated as non-cash and recognised over the assets and liabilities remaining useful lives.

Further details on the acquisition are disclosed in Appendix 18, page 76.

Purchase Consideration as at 30 June 2009	$M
Original purchase price	2,100
Additional purchase price adjustment	26
Costs relating to acquisition	37
Purchase consideration	2,163
Fair value of net identifiable assets acquired	3,676
Less: preference share placement	(530)
Gain on acquisition	983
Income tax expense	(371)
Gain on acquisition after tax	**612**

Integration Progress

The integration of Bankwest and St Andrew's into the Group is progressing smoothly. The initial phase is focused on aligning the operations of Bankwest and the Group across the country, and consolidating systems and processes for efficiency.

The operations of St Andrew's are run as part of the Group's Wealth Management business. The integration of St Andrew's will enable existing customers to benefit from a wide range of investment platforms and product offerings.

During the half year to 30 June 2009, several key integration milestones have been achieved, including:

- Reciprocal ATM access, with customers of both the Commonwealth Bank and Bankwest having access to more than 4,000 ATMs, the largest network of any bank nationally, without paying any additional fees;
- Established an integration/synergy program including a cross business steering group;
- Commenced restructuring activities;
- Initiated a review of major contracts and licences to identify savings through additional buying power, notably for large IT licensing arrangements;
- Established initial technology links; and
- Delivered a directional target operating model for Bankwest.

Integration Expenses and Synergies

Total integration expenditure for the initial phase is anticipated to be $313 million. The expenditure will be incurred over three years and due to its size and non-recurring nature it will be treated as a non-cash item.

The amount of integration expenditure for the six months to 30 June 2009 was $112 million.

Integration Expenditure for the year ended 30 June 2009	$M
Restructuring	16
Property	7
Operations	24
IT expenditure	60
Other	5
Total	**112**

Anticipated cost synergies have increased from an annualised run rate (by 2012) of $220 million to $250 million. This includes benefits associated with restructuring, cessation of the East Coast store rollout and other IT and property synergies. A low risk approach to the integration is being adopted that focuses on minimising distraction while maximising customer and business outcomes.

Prudent Risk Management

Whilst the Group has experienced effects from the global financial crisis, with impairment expense and provisions increasing over the course of the year, the Group's approach to risk management has it well positioned to offer continued strength.

The Group's primary credit exposures are in Australia with selective credit exposure to counterparts in other countries. Regardless, the Group's lending practices are based on sound measures that spread risk by providing finance to a broad consumer and business base, large and small, across various sectors.

The strength of the Group's risk management in uncertain times has been reflected in the recognition of the Group's overall asset quality and capital position. In particular, of the world's biggest banks, the Group remains in a select few with a AA credit rating and is ranked one of the most profitable banks in the world.

At the same time, whilst credit conditions and lending standards have tightened, this strength has allowed the Group to continue to lend to credit worthy customers, thereby facilitating credit flow in support of the Australian and New Zealand economies.

Principles for Risk Management

The Group has in place an independent risk management function with a strong risk culture that requires business areas to embed risk professionals in their areas and engage them fully when assessing new business and other risks, particularly when a client falls on hard times.

The Group's risk culture is to take risks that are adequately rewarded and that support its aspiration of achieving solid and sustainable growth in shareholder value at a rate equal to or above the best of the major banking groups in Australia.

Supporting this culture, the Group requires that managers:

- Operate responsibly, meeting the financial service needs of its customers, providing excellent customer service, and maintaining impeccable professional standards and business ethics;
- Make business decisions only after careful consideration of risk;
- Understand the risks it takes on, increasing exposure to new strategic initiatives/products only as sufficient experience and insight is gained;
- Exercise disciplined moderation in risk taking underpinned with strength in capital, funding and liquidity;
- Diligently strive to protect and enhance its reputation whilst being intolerant of regulatory and compliance breaches or risks associated with its people;
- Maintain a control environment that, within practical constraints, minimises risks; and
- Promote a culture aimed at the achievement of best practice in the recognition, assessment, management and pricing of risk.

Integrated Risk Management

The Group's view of risk is primarily based on an internal view of losses should extreme events happen and is the primary driver of how capital is allocated. The Group sets goals and budgets, then measures the performances of businesses substantively based on "profit after charge for capital" measures. The Group firmly believes that this risk-adjusted return orientation guides decisions that earn appropriate rates of return on every dollar of risk taken.

The principal risk types managed by the Group are Credit Risk, Market Risk, Liquidity and Funding Risk, Operational Risk, Strategic Business Risk, Insurance Risk and Compliance Risk.

The Group has in place an integrated risk management framework to identify, assess, manage and report these risks and risk adjusted returns on a consistent and reliable basis. This framework requires each business to own the outcome of its risk-taking activities and benefit from the resulting risk adjusted returns.

Risk Management Initiatives

The Group continues building its risk culture. To better integrate the management of the risks faced during the year, the Group has taken actions to:

- Upgrade its risk management organisation structure and refined the Board Risk Committee charter to further emphasise the importance of independent risk management;
- Further develop and refine the Group's risk appetite to better define the types and degrees of risk that the Group is willing to accept. This is in line with the Board's view that a well articulated risk appetite is important in giving the Group's stakeholders a clear expectation as to how the Group will operate from a risk taking perspective;
- Embedded stress testing in the business forecasting process and recognised the pro-cyclicality effects of risk rating migrations on the calculation of risk weighted assets. The Group has regularly carried out stress testing across its various businesses and principal risk types during the year to provide a comprehensive view of the potential capital requirements of the Group under specific stress scenarios. This process assists the Group in managing its capital through the economic cycle;
- Benchmark and align its policy framework against prudential standards as well as potential developments in Australian and international standards and best practice generally. This has included completing reviews of policies relating to Credit Risk (particularly relating to country, industry and large exposure concentration policies as well as risk model oversight), Operational Risk, Compliance Risk and Market Risk. Liquidity and Funding Risk policy was also reviewed and the main parameter settings confirmed as being appropriate for the economic conditions; and
- Integrate risk management for the Group's Wealth Management and New Zealand subsidiaries and is aligning Bankwest to the Group's risk management framework.

This page has been intentionally left blank

Asset Quality - Group	Full Year Ended 30/06/09	Full Year Ended 30/06/08	Jun 09 vs Jun 08 % (3)	Half Year Ended 30/06/09	Half Year Ended 31/12/08	Jun 09 vs Dec 08 %
Gross loans and acceptances ($M)	**488,500**	383,502	27	**488,500**	466,868	5
Risk weighted assets ("RWA") - Basel II ($M)	**288,836**	205,501	41	**288,836**	239,289	21
Credit risk weighted assets ($M)	**258,453**	187,440	38	**258,453**	221,231	17
Gross impaired assets ($M)	**4,210**	683	large	**4,210**	2,714	55
Net impaired assets ($M)	**2,481**	404	large	**2,481**	1,580	57
Collective provision as a % of risk weighted assets - Basel II (1)	**1. 12**	0. 71	41 bpts	**1. 12**	0. 89	23 bpts
Collective provision as a % of credit risk weighted assets - Basel II (1)	**1. 25**	0. 78	47 bpts	**1. 25**	0. 97	28 bpts
Collective provision as a % of gross loans and acceptances	**0. 66**	0. 38	28 bpts	**0. 66**	0. 53	13 bpts
Individually assessed provisions for impairment as a % of gross impaired assets	**41. 1**	40. 8	30 bpts	**41. 1**	41. 8	(70)bpts
Impairment expense annualised as a % of average RWA - Basel II (1) (2)	**1. 25**	0. 46	79 bpts	**1. 03**	1. 43	(40)bpts
Impairment expense annualised as a % of average gross loans and acceptances	**0. 68**	0. 26	42 bpts	**0. 61**	0. 81	(20)bpts

Asset Quality - Excluding Bankwest	Full Year Ended 30/06/09	Full Year Ended 30/06/08	Jun 09 vs Jun 08 %	Half Year Ended 30/06/09	Half Year Ended 31/12/08	Jun 09 vs Dec 08 %
Gross loans and acceptances ($M)	**430,650**	383,502	12	**430,650**	408,174	6
Risk weighted assets ("RWA") - Basel II ($M)	**246,001**	205,501	20	**246,001**	239,289	3
Credit risk weighted assets ($M)	**218,664**	187,440	17	**218,664**	221,231	(1)
Gross impaired assets ($M)	**2,844**	683	large	**2,844**	1,944	46
Net impaired assets ($M)	**1,735**	404	large	**1,735**	1,048	66
Collective provision as a % of risk weighted assets - Basel II	**0. 93**	0. 71	22 bpts	**0. 93**	0. 80	13 bpts
Collective provision as a % of credit risk weighted assets - Basel II	**1. 04**	0. 78	26 bpts	**1. 04**	0. 86	18 bpts
Collective provision as a % of gross loans and acceptances	**0. 53**	0. 38	15 bpts	**0. 53**	0. 47	6 bpts
Individually assessed provisions for impairment as a % of gross impaired assets	**39. 0**	40. 8	(180) bpts	**39. 0**	46. 1	large
Impairment expense annualised as a % of average RWA - Basel II (2)	**1. 27**	0. 46	81 bpts	**1. 10**	1. 43	(33) bpts
Impairment expense annualised as a % of average gross loans and acceptances	**0. 72**	0. 26	46 bpts	**0. 64**	0. 81	(17) bpts

(1) The ratio at 31 December 2008 has been adjusted to include an estimate of Bankwest risk weighted and credit risk weighted assets.

(2) For the full year ended 30 June 2008, this ratio uses a simple average pro-forma Basel II RWA at 31 December 2007 and actual Basel II RWA at 30 June 2008.

(3) Growth rate is inflated as 30 June 2008 does not include Bankwest.

Retail Banking Services

Financial Performance and Business Review

Retail Banking Services performed strongly over the year ended 30 June 2009 with cash net profit after tax of $2,107 million, increasing 10% on the prior year. The result was underpinned by strong sales and volume growth in key product lines, disciplined cost management and a higher impairment expense.

Customer service remains a key focus, with the business recording the largest improvement in customer satisfaction scores amongst local peers, increasing 2.9% on the prior year to 73.0%[1]. Weekly customer experience surveys have also shown a significant improvement across all major channels.

A number of initiatives have been implemented that have contributed to this achievement. Highlights include:

- Enhancements to NetBank and the launch of mobile phone banking providing more convenience to our customers;
- Removal of a direct charge by the Group for our customers using non-CBA ATMs, and free access to over 4,000 CBA and Bankwest ATMs for Group customers;
- Over 1.6 million customers signing up to Online Statements;
- The purchase of a 33% holding in Aussie Home Loans Pty Limited, and the acquisition of $2.25 billion of Wizard originated home loans following Aussie's purchase of the Wizard brand and distribution network;
- Offering access to more than 1,000 branches across Australia with a continued focus on branch refurbishment;
- The launch of Australia's only "60 minute" home loan, where eligible customers can obtain a completed home loan within an hour of walking into a branch; and
- A home loan "repayment holiday" of up to 12 months for customers who lose their jobs due to the current economic downturn and assistance packages for victims of Victorian bushfire and NSW and Queensland floods.

The success of these initiatives is reflected in:

- The Group's retail products received 28 five star ratings from CANSTAR CANNEX and the Branch and ATM network was named the most comprehensive in recognition of the Group's reach and accessibility to customers;
- A number of awards for the NetBank online banking service, including Money Magazine's Online Bank of the year; and
- 2009 "Lender of the Year" at the annual Mortgage and Finance Association of Australia (MFAA) industry awards.

In addition, a record number of staff across the business participated in the annual People & Culture Survey with results showing that the business is supported by an engaged group of people.

Home Loans

Home loan income increased 32% on the prior year to $1,742 million. Strong balance growth of 21%, compared to market growth of 7%, was achieved through "flight-to-quality", increased lending capability in the branch network and significant presence in the broker market, while credit standards were tightened. In addition, CBA continues to offer the equal lowest priced standard variable home loans amongst local peers. Margins have benefited through a considered approach to repricing but continue to be impacted by higher funding costs. Other banking income was up 18% on prior year, underpinned by increased volumes and package fee collection rates.

(1) Source: Roy Morgan Research satisfaction with Main Financial Institution (MFI) six monthly moving averages based on respondents aged 14+. Represents the percentage of customers who answered as being either very or fairly satisfied.

Consumer Finance

Consumer Finance income increased 28% on the prior year to $1,441 million. This includes the impact of higher income relating to loyalty redemptions following changes to the Qantas Frequent Flyer program (offset in expenses). Excluding the impact of higher loyalty income, growth was 22% on the prior year and 10% on the prior half. The focus on profitable growth has resulted in sustainable balance growth as well as improved margins to offset increased funding costs and risk. Other banking income increased 21% on the prior year excluding loyalty income, mainly as a result of increased collection rates and an uplift in interchange income.

Retail Deposits

Deposit income of $3,069 million was in line with the prior year. Balances grew 16%, reflecting both "flight-to-quality" and a shift to more conservative style investment products. This was marginally below market growth due to strong price competition. However, the Group has maintained its number one market share position with a significant gap to the next competitor. Transaction account balances grew 11%, with personal account openings across all channels up 30% on the prior year, supported by new product offerings such as the Debit MasterCard.

During the second half margins were negatively impacted by declining cash rates (net of replicating portfolio benefit) and intense competition. Other banking income decreased 10% on the prior half mainly as a result of a reduction in ATM fees following the introduction of direct charging.

Distribution

Commissions received primarily from the distribution of business banking, wealth management, and foreign exchange products through the retail distribution network increased 29% on the prior year. This was mainly due to increased focus on foreign exchange volumes and general insurance cross sell initiatives. Cross-sell has improved due to enhanced skills in the branch network and record numbers of needs analysis conversations conducted with customers.

Operating Expenses

Operating expenses increased 6% on the prior year, mainly due to higher credit card loyalty costs. Excluding loyalty, operating expense growth was 2% with staff and occupancy cost increases partly offset by productivity improvements. Operating expenses for the second half excluding loyalty increased only 1% on the prior half despite increased staff costs as a result of higher home loan volumes and continued focus on collections and origination criteria to manage asset quality. The expense to income ratio for the year has decreased to 42.9%, a productivity improvement of 7%.

Impairment Expense

Impairment expense, including provision for Storm Financial customer remediation, increased significantly on the prior year to $699 million. Increased volumes and higher arrears due to deteriorating economic conditions both contributed to the underlying increase. Home and personal lending arrears over 90 days increased on the prior year, with deterioration in the second half. Credit card arrears increased significantly in the first half of the year, but have stabilised in the second half. Additional resources have been allocated to collections, resulting in fewer arrears flowing into losses. Credit policies for all products have been tightened.

	Full Year Ended 30 June 2009				
	Home Loans	Consumer Finance [1]	Retail Deposits	Distribution	Total
	$M	$M	$M	$M	$M
Net interest income	1,575	958	2,392	-	4,925
Other banking income	167	483	677	224	1,551
Total banking income	1,742	1,441	3,069	224	6,476
Operating expenses					2,781
Impairment expense					699
Net profit before tax					2,996
Corporate tax expense					889
Cash net profit after tax					2,107

	Full Year Ended 30 June 2008				
	Home Loans	Consumer Finance [1]	Retail Deposits	Distribution	Total
	$M	$M	$M	$M	$M
Net interest income	1,178	779	2,381	-	4,338
Other banking income	141	346	679	173	1,339
Total banking income	1,319	1,125	3,060	173	5,677
Operating expenses					2,619
Impairment expense					331
Net profit before tax					2,727
Corporate tax expense					816
Cash net profit after tax					1,911

	Half Year Ended 30 June 2009				
	Home Loans	Consumer Finance [1]	Retail Deposits	Distribution	Total
	$M	$M	$M	$M	$M
Net interest income	856	511	1,146	-	2,513
Other banking income	85	265	321	108	779
Total banking income	941	776	1,467	108	3,292
Operating expenses					1,430
Impairment expense					462
Net profit before tax					1,400
Corporate tax expense					412
Cash net profit after tax					988

	As at				
	30/06/09	31/12/08	30/06/08	Jun 09 vs	Jun 09 vs
Major Balance Sheet Items	$M	$M	$M	Dec 08 %	Jun 08 %
Home loans (including securitisation)	**226,457**	200,460	186,942	13	21
Consumer finance [1]	**12,064**	11,737	11,428	3	6
Total assets	**238,521**	212,197	198,370	12	20
Home loans (net of securitisation)	**217,855**	190,381	175,266	14	24
Transaction deposits	**20,335**	20,315	18,267	-	11
Savings deposits	**55,334**	50,005	44,261	11	25
Investments and other deposits	**60,817**	62,778	55,388	(3)	10
Deposits not bearing interest	**2,858**	2,882	2,305	(1)	24
Total liabilities	**139,344**	135,980	120,221	2	16

(1) Consumer Finance includes personal loans and credit cards.

Business and Private Banking

Financial Performance and Business Review

Business and Private Banking services the unique financial needs of a range of business customers, from small business to medium sized corporate and agribusiness sectors through a range of product offerings including business loans, deposits, global markets products and asset finance facilities. In addition, private banking services are provided to high net worth individuals. The Equities and Margin Lending business offers a range of investment and cash products, including online broking services to retail and wholesale customers.

Business and Private Banking achieved a cash net profit after tax of $736 million, which represents a 2% increase on the prior year. This result was impacted by a significant increase in impairment expense during the year.

The operating performance of the business was strong with total banking income increasing 9% on the prior year, driven by strong business lending and deposit volumes particularly in the first half of the year and effective margin management. Profit in the second half of the year decreased 3% on the first half largely due to a higher impairment expense.

The continued focus on improving customer service levels has been reflected in the June 2009 TNS Business Finance Monitor(1). The Group is now closer to the number one peer bank(2) in terms of business customer satisfaction ratings, with the gap contracting from 10.4% at June 2008 to 5.1% at June 2009.

Other performance highlights during the year included:

- The launch of the Group's Small Business Investment Package, announced in March 2009, including the Business Banking Support Line, a dedicated financial support service to help small business and agribusiness customers during the challenging economic conditions;
- The introduction of eVolve, a new product which provides small business customers with e-commerce functionality including virtual shop-front and online payment facilities;
- The introduction of SuperGear, a solution for self managed Super Funds wishing to invest in property;
- Continued development of our industry-leading transaction banking capability through CommBiz saw the integration of trade finance, FX and money market trading products as well as Global Cash Management functionality onto the platform. The CommBiz client base grew 20% in the year and transaction numbers grew by 39%; and
- Achievement of record asset finance volumes with new business market share increasing 7% on the prior year to 21%.

Corporate Financial Services

Corporate Financial Services income increased 11% on the prior year to $951 million. There has been significant investment in people, systems & processes to deliver better customer service, including the opening of a further three new Business Banking Centres during the year. The continued focus on assisting customers during more challenging times, through proactive contact and delivering solutions tailored to customer needs has led to improved customer satisfaction scores over the year. There has also been a strong focus on industry specialisation and advisory services to niche industries, including accounting, legal, franchising and healthcare.

Regional and Agribusiness Banking

Regional and Agribusiness Banking income has increased by 10% on the prior year to $307 million. This result has been assisted by increased volumes from interest rate hedging and commodity linked products. Regional and Agribusiness has recently expanded to include some regionally based Local Business Banking and Corporate Financial Services teams. This better aligns all business banking staff under one team in regional areas and provides a greater focus on customer service.

Local Business Banking

Local Business Banking income increased by 15% on the prior year to $613 million. The business continued embedding its distinctive support model, including a personalised, 24 hour 7 days a week support centre, and continued roll-out of Business Bankers in branches – over 80% of the branch network is supported by a designated Business Banker.

Private Bank

Private Bank income increased by 14% on the prior year to $208 million. This result has been driven by strong deposit and home lending growth, slightly offset by declining revenue from the advisory business due to the weakened market conditions.

During the year two new offices were opened to service the needs of high net worth customers. The continued focus on customer satisfaction has seen the Private Bank being recognised in the Australian Private Banking Council Awards, winning "Best Private Bank" for high net worth customers with investible assets of between $1m - $10m.

Equities and Margin Lending

Equities and Margin Lending income decreased by 3% on the prior year to $403 million, impacted by the equity market downturn and a 42% decline in margin lending balances. This has been partly offset by continued balance growth in the new integrated CommSec cash management products.

CommSec's position as market leader has been recognised by its winning major industry awards. It is the only online broker to be awarded a five star rating by CANSTAR CANNEX for both its online share trading, and margin lending products. CommSec also won the AFR/Smart Investor Blue Ribbon Award for Online Broker of the Year - Fully Featured, and key awards from Money Magazine including "Best Innovative Product" for the CommSec Cash Management offering. CommSec continues to be a global innovator in mobile technologies by winning an international Webby award for its iPhone application.

Integration of the IWL business, rebranded Core Equity Services, is progressing well, with the launch of the first phase of its new equities trading platform.

Operating Expenses

Operating expenses of $1,272 million increased by 6% on the prior year. This result was driven by increased IT costs relating to system improvements together with the full year impact of IWL Limited.

Impairment Expense

Impairment expense increased significantly on the prior year, due to the impact of the deterioration in the domestic environment on small to medium sized businesses. The growth in impairment expense includes higher individual provision charges together with some adverse migration in credit ratings across the portfolio contributing to an increase in collective provisions. In addition, provision has been made for losses arising from margin lending to clients of Storm Financial.

(1) Measured all businesses with annual turnover to $100 million (excluding agribusinesses), 12 months rolling average.

(2) Peer banks include NAB, ANZ, WBC and St George.

	Full Year Ended 30 June 2009						
	Corporate Financial Services $M	Regional & Agri-business $M	Local Business Banking $M	Private Bank $M	Equities & Margin Lending $M	Other $M	Total $M
Net interest income	590	205	389	108	177	56	1,525
Other banking income	361	102	224	100	226	67	1,080
Total banking income	951	307	613	208	403	123	2,605
Operating expenses							1,272
Impairment expense							309
Net profit before tax							1,024
Corporate tax expense							288
Cash net profit after tax							736

	Full Year Ended 30 June 2008						
	Corporate Financial Services $M	Regional & Agri-business $M	Local Business Banking $M	Private Bank $M	Equities & Margin Lending $M	Other $M	Total $M
Net interest income	481	174	285	89	158	64	1,251
Other banking income	375	105	249	93	259	53	1,134
Total banking income	856	279	534	182	417	117	2,385
Operating expenses							1,205
Impairment expense							167
Net profit before tax							1,013
Corporate tax expense							292
Cash net profit after tax							721

	Half Year Ended 30 June 2009						
	Corporate Financial Services $M	Regional & Agri-business $M	Local Business Banking $M	Private Bank $M	Equities & Margin Lending $M	Other $M	Total $M
Net interest income	298	106	200	53	85	35	777
Other banking income	184	53	111	51	107	45	551
Total banking income	482	159	311	104	192	80	1,328
Operating expenses							645
Impairment expense							189
Net profit before tax							494
Corporate tax expense							131
Cash net profit after tax							363

	As at				
Major Balance Sheet Items	30/06/09 $M	31/12/08 $M	30/06/08 $M	Jun 09 vs Dec 08 %	Jun 09 vs Jun 08 %
Interest earning lending assets (excluding margin loans)	**55,042**	53,663	50,115	3	10
Bank acceptances of customers	**12,099**	11,594	13,513	4	(10)
Non-lending interest earning assets	**1,311**	1,150	115	14	large
Margin loans	**4,569**	5,192	7,815	(12)	(42)
Other assets (1)	**1,794**	416	2,047	large	(12)
Total assets	**74,815**	72,015	73,605	4	2
Transaction deposits	**39,379**	39,217	39,763	-	(1)
Savings deposits	**4,982**	4,369	3,088	14	61
Investment deposits	**30,243**	31,292	26,215	(3)	15
Certificates of deposits and other	**172**	114	84	51	large
Due to other financial institutions	**2,101**	443	935	large	large
Other non-interest bearing liabilities (1)	**17,922**	17,413	19,592	3	(9)
Total liabilities	**94,799**	92,848	89,677	2	6

(1) Other assets include intangible assets and Other non-interest bearing liabilities include bank acceptances.

Institutional Banking and Markets

Financial Performance and Business Review

Institutional Banking and Markets services the Group's major corporate, institutional and government clients, creating customised solutions based on specific needs, industry trends and market conditions. The Total Capital Solutions offering includes debt and equity capital raising, financial risk management and transactional banking capabilities. Institutional Banking and Markets also has wholesale banking operations in London, Malta, New York, New Zealand, Singapore, Hong Kong and Japan.

Customer Satisfaction continues to be a key focus. Several successful customer orientated initiatives implemented in the year ended 30 June 2009 were recognised in the bi-annual, April 2009, East & Partners' Institutional Banking & Markets report. This report rated Institutional Banking and Markets best in the market for the third year running under the categories of "Understanding Customers' Business" and "Loyalty to the Relationship." The division also ranked ahead of its domestic peers in the other key satisfaction categories of "Understanding Customers' Industry Sector", "Relationship Management" and "Quality of People."

Institutional Banking and Markets achieved cash net profit after tax of $166 million for the year ended 30 June 2009, which represented a decrease of 78% on the prior year as a result of a significant increase in impairment expense during the year.

The underlying performance remains strong with operating income up 37% to $2,402 million. This was a positive result in a challenging market and a reflection of:

- The ability to focus on meeting customer's capital management requirements by offering a full range of capital solutions during uncertain times;
- Improved net interest margins across the loan portfolio reflecting market and risk conditions; and
- Targeted lending interest earning asset growth, achieved while maintaining credit disciplines to ensure high asset quality levels are preserved.

Institutional Banking and Markets continues to focus on productivity with the expense to income ratio improving from 34.1% for the prior year to 28.3% for the year ended 30 June 2009.

The cash net profit after tax for the half year ended 30 June 2009 was $334 million, up significantly on the prior half. The increase reflects the impact of improved margins and a lower second half impairment expense, partly offset by higher operating expenses.

Asset balances declined in the second half due to companies raising equity and deleveraging in response to the current market environment, together with the impact of the strengthening Australian dollar.

A number of key initiatives were implemented or approved during the year to further strengthen the Institutional Banking and Markets vision of being the leading provider of Total Capital Solutions. These include expansion of:

- Global distribution capabilities to position the Group as the leader in fixed income markets;
- Foreign Exchange capacity through investment in the product platform; and
- Institutional Equities division to meet the demand from major corporate clients seeking to raise equity capital, and to meet the needs of institutional investors.

Institutional Banking

Operating income increased 31% on the prior year to $1,536 million, driven primarily by effective margin management and focusing on meeting customers' overall financial services requirements, which has contributed to lending balance growth of 4% whilst maintaining high asset quality.

Markets

Markets income increased by 50% on the prior year to $866 million, primarily driven by strong growth in customer demand for hedging and trading activities in foreign exchange, interest rate and commodity markets.

This result was achieved by actively managing the portfolio whilst continuing to adopt a disciplined approach to risk management.

Operating Expenses

Operating expenses of $679 million increased 14% on the prior year. The increase was driven by depreciation charges relating to operating leases, higher staff costs, adverse foreign exchange effect on offshore activities and investment in infrastructure to support business growth.

Impairment Expense

Impairment expense increased significantly on the prior year to $1,708 million. Impairment expense during the year has been impacted by the write off of listed notes issued by ABC Learning Ltd and higher individual and collective provisions taken to cover a small number of single name exposures. In addition, the collective provision has increased in response to a number of downgrades across the portfolio as a result of the deteriorating global economy.

Impairment expense for the second half was lower than the first half. This was largely due to the ABC notes write off and provisions taken to cover a small number of single name exposures in the first half.

Corporate Tax Expense

The Corporate tax benefit for the year ended 30 June 2009 was $151 million. This was largely due to the increased domestic impairment expense which resulted in a higher proportion of profit coming from offshore jurisdictions that have lower corporate tax rates. In addition, the tax expense for the year benefitted from structured finance transactions, which are offset by an equivalent reduction in pre-tax operating income.

Institutional Banking and Markets continued

	Full Year Ended 30 June 2009		
	Institutional Banking $M	Markets $M	Total $M
Net interest income	1,020	433	1,453
Other banking income	516	433	949
Total banking income	1,536	866	2,402
Operating expenses			679
Impairment expense			1,708
Net profit before tax			15
Corporate tax expense			(151)
Cash net profit after tax			166

	Full Year Ended 30 June 2008		
	Institutional Banking $M	Markets $M	Total $M
Net interest income	846	151	997
Other banking income	330	425	755
Total banking income	1,176	576	1,752
Operating expenses			598
Impairment expense			259
Net profit before tax			895
Corporate tax expense			124
Cash net profit after tax			771

	Half Year Ended 30 June 2009		
	Institutional Banking $M	Markets $M	Total $M
Net interest income	547	216	763
Other banking income	208	269	477
Total banking income	755	485	1,240
Operating expenses			366
Impairment expense			512
Net profit before tax			362
Corporate tax expense			28
Cash net profit after tax			334

	As at				
Major Balance Sheet Items	30/06/09 $M	31/12/08 $M	30/06/08 $M	Jun 09 vs Dec 08 %	Jun 09 vs Jun 08 %
Interest earning lending assets	**67,213**	73,942	63,612	(9)	6
Bank acceptances of customers	**2,629**	3,138	4,765	(16)	(45)
Non-lending interest earning assets	**30,858**	27,524	18,695	12	65
Other assets (1)	**12,500**	23,428	10,582	(47)	18
Total assets	**113,200**	128,032	97,654	(12)	16
Certificate and other deposits	**12,725**	10,702	6,567	19	94
Investment deposits	**9,008**	6,841	3,513	32	large
Due to other financial institutions	**11,627**	15,169	15,724	(23)	(26)
Liabilities at fair value through the Income Statement	**2,598**	2,416	1,914	8	36
Debt issues	**11,376**	24,437	25,438	(53)	(55)
Loan Capital	**644**	720	581	(11)	11
Other non-interest bearing liabilities (1)	**33,863**	45,489	22,824	(26)	48
Total liabilities	**81,841**	105,774	76,561	(23)	7

(1) Other assets include intangible assets and derivative assets, and Other non-interest bearing liabilities include derivative liabilities.

Wealth Management

Financial Performance and Business Review

Underlying profit after tax decreased 35% on the prior year to $514 million.

The Insurance business achieved strong volume growth over the year with total Inforce Premiums up 25% to $1.6 billion at 30 June 2009.

The Funds Management businesses were impacted by sustained pressure on investment markets and while down on the prior year, market conditions showed improvements in the last quarter. Funds under Administration as at 30 June 2009 decreased 9% on the prior year to $169 billion.

Cash net profit after tax for the Wealth Management business was down 61% on the prior year to $286 million. This outcome was adversely impacted by significantly lower investment experience returns after tax, primarily due to unrealised mark to market losses from widening credit spreads on the valuation of assets backing the Guaranteed Annuities portfolio, and the impairment of listed and unlisted investments.

CFS Global Asset Management (CFS GAM)

CFS Global Asset Management provides asset management services to wholesale and institutional investors. Underlying net profit after tax of $207 million was down 50% on the prior year, impacted by the overall decline in investment markets over the year and one off gains from the sell down of seed assets in the prior year.

Funds under Management as at 30 June 2009 was $138 billion, down 10% on the prior year due to the decline in equity markets and the outflows of short-term cash mandates from institutional investors. The fall in Funds under Management compares favourably to a 24% decline in the ASX 200 and a 16% reduction in the MSCI World (AUD) indices over the year reflecting CFS GAM's diversification by asset class and geography.

Investment performance has improved relative to the market with 76% of funds outperforming benchmark over a three year period, reflecting the success of CFS GAM's research based investment philosophy.

Highlights include:

- First State Investments has consistently ranked in the top 10 for net flows in the UK reflecting the profile and performance of its suite of specialist funds;
- The property management business continues to perform well with the flagship Listed Property Funds outperforming the sector and is well positioned in a challenging economic environment; and
- The Responsible Investment team issued its first report. This report outlines activities and progress towards implementing the United Nations Principles for Responsible Investment in the business.

Cash net profit after tax was down 77% on the prior year to $93 million. This result was adversely impacted by impairment of investments in listed vehicles and other assets.

Colonial First State

Colonial First State provides product packaging, administration, distribution and advice to retail customers. Cash net profit after tax was down 54% on the prior year to $94 million.

Net operating income was down 21% on the prior year to $544 million due to lower Funds under Administration as a result of the decline in investment markets.

The FirstChoice platform performed well in a tough market with positive net flows of $2.2 billion for the year ended 30 June 2009. FirstChoice retained the number two Flagship platform position with a market share of 9.9%.

Highlights include:

- Colonial First State won the coveted awards of Best Fund Manager and Best Master Trust/Wrap Provider for FirstChoice in the 2009 Wealth Insights Service Level Survey Reports for the second consecutive year;
- Custom Solutions (previously Avanteos) awarded best full-service platform in the Investment Trends 2008 Platform report for the third consecutive year; and
- Continued development of the FirstChoice platform including the addition of cash deposit products (FirstRate Saver, FirstRate Term Deposits) plus new investment options and service enhancements.

CommInsure

CommInsure is a provider of life and general insurance. Underlying profit after tax, which excludes unrealised annuity impacts, increased 24% on the prior year to $309 million.

The life insurance business attracted strong new business volumes in both retail and wholesale lines driving 17% growth in inforce premiums to $1,132 million at 30 June 2009.

The general insurance business also experienced strong growth with Inforce Premiums up 29% to $360 million at 30 June 2009 driven by new business volumes in the motor portfolio and growth in average premiums across all lines of business.

Highlights include:

- Received the Investment Bonds, and Insurance Investment Bonds Awards, in addition to the Lifetime Annuities and Trauma Insurance Awards in the 2009 Association of Financial Advisers/Plan for Life awards; and
- Granted a coveted five-star rating from CANSTAR CANNEX on home insurance products.

Cash net profit after tax was down 16% on the prior year to $177 million. This outcome was adversely impacted by unrealised mark to market losses of $117 million after tax on the Guaranteed Annuities portfolio. Actual losses are expected to be much lower as the underlying assets in the portfolio mature and tentative signs of recovery are emerging with some first half losses starting to unwind.

St Andrew's Australia Pty Ltd

St Andrew's Australia Pty Ltd, acquired by the Group on 19 December 2008, is a domestic provider of life and general insurance and wealth management products. Cash net profit after tax of $3 million has been included in the "Other" segment and relates to the six months to 30 June 2009.

As at 30 June 2009, St Andrew's Funds under Administration of $823 million has been included in the categories of Legacy products ($164 million) and Cash Management ($659 million). Inforce Premiums of $68 million, which are classified as life insurance products, have been included as a separate category.

Operating Expenses

Total operating expenses (excluding St Andrew's) of $1,156 million decreased 4% on the prior year. Expenses have been managed in line with current market conditions while maintaining strategic investment spend.

Drivers of the expense reductions on the prior year are:

- Cost management initiatives across Wealth Management; and
- Reduced employee incentives, commensurate with lower profits.

	Full Year Ended 30 June 2009				
		Colonial			
	CFS GAM	First State	CommInsure	Other	Total
	$M	$M	$M	$M	$M
Funds management income	773	696	258	8	1,735
Insurance income	-	-	615	21	636
Total operating income	773	696	873	29	2,371
Volume expenses	134	152	183	8	477
Net operating income	639	544	690	21	1,894
Operating expenses	353	408	267	147	1,175
Net profit before tax	286	136	423	(126)	719
Corporate tax expense	79	41	114	(29)	205
Underlying profit after tax	207	95	309	(97)	514
Investment experience after tax	(114)	(1)	(132)	19	(228)
Cash net profit after tax	93	94	177	(78)	286

	Full Year Ended 30 June 2008				
		Colonial			
	CFS GAM	First State	CommInsure	Other	Total
	$M	$M	$M	$M	$M
Funds management income	1,068	884	279	2	2,233
Insurance income	-	-	557	-	557
Total operating income	1,068	884	836	2	2,790
Volume expenses	153	192	163	-	508
Net operating income	915	692	673	2	2,282
Operating expenses	369	416	321	97	1,203
Net profit before tax	546	276	352	(95)	1,079
Corporate tax expense	136	84	103	(33)	290
Underlying profit after tax	410	192	249	(62)	789
Investment experience after tax	3	14	(38)	(31)	(52)
Cash net profit after tax	413	206	211	(93)	737

	Half Year Ended 30 June 2009				
		Colonial			
	CFS GAM	First State	CommInsure	Other	Total
	$M	$M	$M	$M	$M
Funds management income	331	329	100	9	769
Insurance income	-	-	308	21	329
Total operating income	331	329	408	30	1,098
Volume expenses	60	72	94	8	234
Net operating income	271	257	314	22	864
Operating expenses	173	200	136	86	595
Net profit before tax	98	57	178	(64)	269
Corporate tax expense	31	17	50	(15)	83
Underlying profit after tax	67	40	128	(49)	186
Investment experience after tax	(62)	(6)	(12)	5	(75)
Cash net profit after tax	5	34	116	(44)	111

Wealth Management continued

Summary	Full Year Ended 30/06/09 $M	30/06/08 $M	Jun 09 vs Jun 08 %	Half Year Ended 30/06/09 $M	31/12/08 $M	Jun 09 vs Dec 08 %
Funds under administration - average	**167,677**	186,696	(10)	**160,974**	173,001	(7)
Funds under administration - spot	**169,210**	184,970	(9)	**169,210**	158,026	7
Funds under management - average	**136,604**	152,328	(10)	**130,818**	141,247	(7)
Funds under management - spot	**138,204**	152,940	(10)	**138,204**	128,594	7
Retail Net funds flows (Australian Retail)	**(1,364)**	1,888	large	**(349)**	(1,015)	66

Funds Under Management (FUM) (1)	Full Year Ended 30/06/09 $M	30/06/08 $M	Jun 09 vs Jun 08 %	Half Year Ended 30/06/09 $M	31/12/08 $M	Jun 09 vs Dec 08 %
Australian equities	**17,741**	23,502	(25)	**17,741**	16,725	6
Global equities	**35,705**	35,589	-	**35,705**	29,679	20
Cash and fixed interest	**61,395**	66,729	(8)	**61,395**	56,813	8
Property and Infrastructure (2)	**23,363**	27,120	(14)	**23,363**	25,377	(8)
Total	**138,204**	152,940	(10)	**138,204**	128,594	7

Sources of Profit from CommInsure	Full Year Ended 30/06/09 $M	30/06/08 $M	Jun 09 vs Jun 08 %	Half Year Ended 30/06/09 $M	31/12/08 $M	June 09 vs Dec 08 %
Life insurance operating margins						
Planned profit margins	**149**	145	3	**74**	75	(1)
Experience variations	**14**	12	17	**4**	10	(60)
Funds management operating margins	**156**	117	33	**58**	98	(41)
General insurance operating margins	**(10)**	(25)	60	**(8)**	(2)	large
Operating margins	**309**	249	24	**128**	181	(29)
Investment experience after tax	**(132)**	(38)	large	**(12)**	(120)	90
Cash net profit after tax	**177**	211	(16)	**116**	61	90

Annual Inforce Premiums (3)	Full Year Ended 30 June 2009 Opening Balance 30/06/08 $M	Sales/New Business $M	Lapses $M	Other (4) Movements $M	Closing Balance 30/06/09 $M
Retail life	605	205	(113)	-	697
Wholesale life	366	103	(34)	-	435
General insurance	279	136	(55)	-	360
St Andrew's	-	7	(7)	68	68
Total	1,250	451	(209)	68	1,560

Annual Inforce Premiums (3)	Full Year Ended 30 June 2008 Opening Balance 30/06/07 $M	Sales/New Business $M	Lapses $M	Other (4) Movements $M	Closing Balance 30/06/08 $M
Retail life	530	156	(81)	-	605
Wholesale life	308	91	(33)	-	366
General insurance	184	113	(39)	21	279
St Andrew's	-	-	-	-	-
Total	1,022	360	(153)	21	1,250

Annual Inforce Premiums (3)	Half Year Ended 30 June 2009 Opening Balance 31/12/08 $M	Sales/New Business $M	Lapses $M	Other (4) Movements $M	Closing Balance 30/06/09 $M
Retail life	651	108	(62)	-	697
Wholesale life	403	45	(13)	-	435
General insurance	324	64	(28)	-	360
St Andrew's	-	7	(7)	68	68
Total	1,378	224	(110)	68	1,560

(1) FUM does not include the Group's interests in the China Joint Venture, AWG plc or ENW Limited.
(2) This asset class includes direct wholesale and listed property trusts as well as indirect listed property securities funds which are traded through the ASX.
(3) Inforce premiums relate to risk business. Savings products are disclosed within Funds Management.
(4) Other movements for the current year represent balances from the acquisition of St Andrew's. Prior year represent renewals not previously included in comparatives.

Funds Under Adminstration	Full Year Ended 30 June 2009 Opening Balance 30/06/08 $M	Inflows $M	Outflows $M	Net Flows $M	Investment Income & Other (7) $M	Closing Balance 30/06/09 $M
FirstChoice	38,707	10,862	(8,617)	2,245	(4,997)	35,955
Custom Solutions (1)	6,257	2,176	(2,165)	11	(927)	5,341
Cash management (2)	2,576	2,121	(2,545)	(424)	707	2,859
Legacy products (2) (3)	27,500	1,666	(4,708)	(3,042)	(2,367)	22,091
Retail products (4)	75,040	16,825	(18,035)	(1,210)	(7,584)	66,246
Other retail (5)	1,366	54	(208)	(154)	(58)	1,154
Australian retail	76,406	16,879	(18,243)	(1,364)	(7,642)	67,400
Wholesale	52,376	21,457	(27,089)	(5,632)	(1,652)	45,092
Property	20,210	1,281	(2,336)	(1,055)	(433)	18,722
Other (6)	3,248	508	(165)	343	(355)	3,236
Domestically sourced	152,240	40,125	(47,833)	(7,708)	(10,082)	134,450
Internationally sourced	32,730	9,589	(8,728)	861	1,169	34,760
Total Wealth Management	184,970	49,714	(56,561)	(6,847)	(8,913)	169,210

Funds Under Adminstration	Full Year Ended 30 June 2008 Opening Balance 30/06/07 $M	Inflows $M	Outflows $M	Net Flows $M	Investment Income & Other (7) $M	Closing Balance 30/06/08 $M
FirstChoice	39,545	17,537	(12,610)	4,927	(5,765)	38,707
Custom Solutions (1)	5,875	2,365	(1,079)	1,286	(904)	6,257
Cash management	3,130	1,767	(2,411)	(644)	90	2,576
Legacy products (3)	34,061	2,477	(6,110)	(3,633)	(2,928)	27,500
Retail products (4)	82,611	24,146	(22,210)	1,936	(9,507)	75,040
Other retail (5)	1,577	209	(257)	(48)	(163)	1,366
Australian retail	84,188	24,355	(22,467)	1,888	(9,670)	76,406
Wholesale	34,469	37,097	(17,470)	19,627	(1,720)	52,376
Property	14,843	3,481	(1,713)	1,768	3,599	20,210
Other (6)	3,635	159	(267)	(108)	(279)	3,248
Domestically sourced	137,135	65,092	(41,917)	23,175	(8,070)	152,240
Internationally sourced	31,675	17,481	(12,042)	5,439	(4,384)	32,730
Total Wealth Management	168,810	82,573	(53,959)	28,614	(12,454)	184,970

Funds Under Adminstration	Half Year Ended 30 June 2009 Opening Balance 31/12/08 $M	Inflows $M	Outflows $M	Net Flows $M	Investment Income & Other (7) $M	Closing Balance 30/06/09 $M
FirstChoice	33,172	5,314	(3,812)	1,502	1,281	35,955
Custom Solutions (1)	5,727	945	(1,601)	(656)	270	5,341
Cash management (2)	2,299	1,367	(1,431)	(64)	624	2,859
Legacy products (2) (3)	22,525	805	(1,844)	(1,039)	605	22,091
Retail products (4)	63,723	8,431	(8,688)	(257)	2,780	66,246
Other retail (5)	1,252	25	(117)	(92)	(6)	1,154
Australian retail	64,975	8,456	(8,805)	(349)	2,774	67,400
Wholesale	39,663	15,344	(10,351)	4,993	436	45,092
Property	20,442	564	(1,405)	(841)	(879)	18,722
Other (6)	3,308	49	(83)	(34)	(38)	3,236
Domestically sourced	128,388	24,413	(20,644)	3,769	2,293	134,450
Internationally sourced	29,638	5,842	(3,986)	1,856	3,266	34,760
Total Wealth Management	158,026	30,255	(24,630)	5,625	5,559	169,210

(1) Avanteos has been rebranded Custom Solutions, which includes the FirstWrap product.
(2) St Andrew's FUA balances have been included as at 30 June 2009. This includes $164 million in legacy products and $659 million in cash management.
(3) Includes stand alone retail and legacy retail products.
(4) Retail products align to Plan for Life market release.
(5) Includes listed equity trusts and regular premium plans. These retail products are not reported in market share data.
(6) Includes life company assets sourced from retail investors but not attributable to a funds management product.
(7) Includes foreign exchange gains and losses from translation of internationally sourced business.

International Financial Services

Financial Performance and Business Review

International Financial Services incorporates the Group's banking operations in New Zealand, Indonesia, China, Fiji, Japan, India and Vietnam. It also includes life insurance and funds distribution activities in several of these countries.

Cash net profit after tax for the year was $470 million, a decrease of 19% on the prior year. After removing the impact of currency fluctuations, the decrease was 13% on the prior year. The lower result was due predominantly to increased impairment expense in ASB Bank which increased by $159 million to $193 million for the year.

ASB Bank

ASB Bank cash net profit after tax for the year was $332 million(1). Excluding the impact of realised gains on the hedge of New Zealand operations and currency fluctuations, profit reduced by 9% on the prior year. The result reflects the impacts of the downturn in the New Zealand economy which entered recession in early 2008. Balance sheet growth slowed, margins contracted due to higher funding costs and impairment expense increased sharply. Despite these challenging conditions, ASB Bank was able to grow revenue, mainly through a strong trading result. Expenses reduced from $542 million to $520 million as cost saving initiatives were implemented to offset the slowing revenue momentum. Key drivers of the result were:

- Home loan balances increased by 4% to NZD38 billion at 30 June 2009, with market share increasing to 23.3%. Business lending market share was stable at 8.8%, following 4% growth in balances to NZD7 billion over the prior year. Retail deposits grew by 8% to NZD30 billion at 30 June 2009. Market share for retail deposits was 21.2%;
- Trading income was strong, principally due to Treasury income derived through the management of short dated interest rate and foreign exchange risk exposures;
- Other banking income was impacted by the recovery of costs associated with customers exiting fixed rate mortgages as interest rates dropped sharply. Part of the cost of unwinding swap positions associated with these fixed rate loans was included in net interest income during the year, with the remainder to unwind over the next three years;
- Net interest margin declined by 23 basis points on the prior year due to higher wholesale funding costs and intense competition for retail deposits;
- In October 2008, the New Zealand government introduced a guarantee scheme for retail depositors of financial institutions. ASB Bank has opted into the scheme that includes payment of a fee to the New Zealand government, the cost of which is recorded in net interest income;
- Lower operating expenses which reduced from $542 million to $520 million as a result of cost saving initiatives; and
- Higher impairment expense of $193 million was driven by increased specific corporate provisions and higher collective provisions as a result of a general deterioration in loan arrears. Past due and impaired assets have increased from historic lows across all asset classes.

ASB Bank cash net profit after tax declined in the second half of the year largely due to an increase in impairment expense and slowing revenue growth.

Sovereign Insurance

The life insurance operations in New Zealand operate predominantly under the Sovereign brand.

Sovereign's cash net profit after tax for the year was $97 million(1), a slight increase on the prior year. The NZD result increased by 11% on the prior year. The main drivers of this result were:

- Market leading new business sales with Sovereign capturing 30.9% of new business sales market share to 30 June 2009 on a rolling 12 month basis;
- Growth in risk and health inforce premiums of 10% on the prior year;
- Positive claims experience in the lump sum disability class; and
- Lower persistency levels.

Sovereign pre-tax income in the current year has been impacted by a change in accounting treatment, which results in the recognition of a $10 million tax benefit under current New Zealand tax legislation within tax expense, offset by an equivalent reduction in Sovereign pre-tax income.

Other Asia Pacific Business

Focus on the Asia Pacific region has continued during the year. Significant developments in the region were:

- Indonesia: PT Bank Commonwealth established an additional seven branches during the year and consolidated two, bringing the total number of branches to 57 as at 30 June 2009.
- Vietnam: The Group's first branch in Vietnam was opened in August 2008 in Ho Chi Minh city;
- China: The shareholding in Qilu Bank (formerly Jinan City Commercial Bank) was increased to 20% in December 2008 from 11% at June 2008. The banking investments in China achieved strong profit growth during the year;
- India: In October 2008 the Group was granted a licence to open a branch in Mumbai; and
- Fiji: Net interest margin improved over the year, whilst there was limited deterioration in arrears.

Other net profit after tax decreased on the prior year due to lower investment experience returns and a higher effective tax rate.

Operating Expenses

Operating expenses increased by 2% over the prior year to $843 million. The main drivers of the expense increase were:

- Expanding the Group's presence in Asia, including branch openings in PT Bank Commonwealth in Indonesia, the branch opening in Vietnam and preparations for new branches in Shanghai and Mumbai;
- Depreciation of the Australian dollar against Asian currencies, offset by an appreciation against the NZD, partly offset by;
- Cost saving initiatives in ASB Bank.

(1) Represents Group Management view for the product segment rather than statutory view.

International Financial Services continued

	Full Year Ended 30 June 2009			
	ASB	Sovereign	Other	Total
	$M	$M	$M	$M
Net interest income	737	-	111	848
Other banking income	418	-	88	506
Total banking income	1,155	-	199	1,354
Funds management income	53	-	(4)	49
Insurance income	-	219	42	261
Total operating income	1,208	219	237	1,664
Operating expenses	520	164	159	843
Impairment expense	193	-	9	202
Net profit before tax	495	55	69	619
Corporate tax expense	163	(24)	10	149
Minority interests	-	-	3	3
Underlying profit after tax	332	79	56	467
Investment experience after tax	-	18	(15)	3
Cash net profit after tax	332	97	41	470

	Full Year Ended 30 June 2008			
	ASB	Sovereign	Other	Total
	$M	$M	$M	$M
Net interest income	784	-	120	904
Other banking income	317	-	66	383
Total banking income	1,101	-	186	1,287
Funds management income	57	-	(9)	48
Insurance income	-	215	37	252
Total operating income	1,158	215	214	1,587
Operating expenses	542	150	132	824
Impairment expense	34	-	9	43
Net profit before tax	582	65	73	720
Corporate tax expense	176	(6)	(7)	163
Minority interests	-	-	2	2
Underlying profit after tax	406	71	78	555
Investment experience after tax	-	25	1	26
Cash net profit after tax	406	96	79	581

	Half Year Ended 30 June 2009			
	ASB	Sovereign	Other	Total
	$M	$M	$M	$M
Net interest income	361	-	56	417
Other banking income	206	-	53	259
Total banking income	567	-	109	676
Funds management income	25	-	(2)	23
Insurance income	-	123	19	142
Total operating income	592	123	126	841
Operating expenses	237	80	83	400
Impairment expense	136	-	6	142
Net profit before tax	219	43	37	299
Corporate tax expense	93	(6)	12	99
Minority interests	-	-	2	2
Underlying profit after tax	126	49	23	198
Investment experience after tax	-	-	(6)	(6)
Cash net profit after tax	126	49	17	192

International Financial Services continued

Major Balance Sheet Items	As at 30/06/09 $M	31/12/08 $M	30/06/08 $M	Jun 09 vs Dec 08 %	Jun 09 vs Jun 08 %
Home lending (including securitisation)	**30,082**	30,781	28,347	(2)	6
Assets at fair value through Income Statement	**5,977**	5,755	5,186	4	15
Other lending assets	**13,921**	14,379	12,328	(3)	13
Non-lending interest earning assets	**2,142**	2,537	1,654	(16)	30
Other assets	**5,119**	6,778	4,119	(24)	24
Total assets	**57,241**	60,230	51,634	(5)	11
Deposits (1)	**26,167**	27,711	22,810	(6)	15
Liabilities at fair value through Income Statement	**13,303**	12,722	12,592	5	6
Debt issues	**3,015**	3,944	3,556	(24)	(15)
Other liabilities	**6,374**	6,839	3,792	(7)	68
Total liabilities	**48,859**	51,216	42,750	(5)	14
Balance Sheet					
Assets					
ASB Bank	**52,429**	54,786	46,958	(4)	12
Other	**4,812**	5,444	4,676	(12)	3
Total assets	**57,241**	60,230	51,634	(5)	11
Liabilities					
ASB Bank	**45,284**	47,069	39,231	(4)	15
Other	**3,575**	4,147	3,519	(14)	2
Total liabilities	**48,859**	51,216	42,750	(5)	14

(1) Excludes deposits held in other overseas countries (30 June 2009: $18 billion, 31 December 2008: $14 billion and 30 June 2008: $7 billion).

Sources of Profit from Insurance Activities	Full Year Ended 30/06/09 $M	30/06/08 $M	Jun 09 vs Jun 08 %	Half Year Ended 30/06/09 $M	31/12/08 $M	Jun 09 vs Dec 08 %
The Margin on Services profit from ordinary activities after income tax is represented by:						
Planned profit margins	**72**	76	(5)	**36**	36	-
Experience variations	**19**	11	73	**18**	1	large
Operating margins	**91**	87	5	**54**	37	46
Investment experience after tax	**19**	41	(54)	**-**	19	large
Cash net profit after tax	**110**	128	(14)	**54**	56	(4)

New Zealand - Funds Under Administration	Full Year Ended 30/06/09 $M	30/06/08 $M	Jun 09 vs Jun 08 %	Half Year Ended 30/06/09 $M	31/12/08 $M	Jun 09 vs Dec 08 %
Opening balance	**6,335**	8,261	(23)	**6,245**	6,335	(1)
Inflows	**1,734**	2,382	(27)	**658**	1,076	(39)
Outflows	**(1,536)**	(2,905)	(47)	**(557)**	(979)	(43)
Net Flows	**198**	(523)	large	**101**	97	4
Investment income & other	**(409)**	(1,403)	(71)	**(222)**	(187)	19
Closing balance	**6,124**	6,335	(3)	**6,124**	6,245	(2)

New Zealand - Annual Inforce Premiums	Full Year Ended 30/06/09 $M	30/06/08 $M	Jun 09 vs Jun 08 %	Half Year Ended 30/06/09 $M	31/12/08 $M	Jun 09 vs Dec 08 %
Opening balance	**371**	379	(2)	**416**	371	12
Sales/New business	**57**	54	6	**25**	32	(22)
Lapses	**(19)**	(14)	36	**(10)**	(9)	11
Other movements	**6**	(48)	large	**(16)**	22	large
Closing balance	**415**	371	12	**415**	416	-

Financial Performance and Business Review

The Group acquired 100% of the share capital of Bank of Western Australia Ltd ("Bankwest") on 19 December 2008, providing the opportunity to expand the Group's business in the Western Australian and East Coast markets.

Bankwest operates in the domestic market and is focused on providing a comprehensive range of products to the business banking and retail segments.

Since acquisition, Bankwest has continued to expand its customer base and as at 30 June 2009 provided services to more than 960,000 retail customers and 26,000 business clients through its extensive network of 135 retail branches, 78 Business Banking Centres, direct and third party distribution channels, agencies and electronic, telephone and internet banking facilities.

Bankwest is a market leader in Western Australia, having a banking relationship with more than a quarter of Western Australians. Outside Western Australia, Bankwest has established itself on the East Coast as a challenger brand in Australia.

Achievements during the period include:

- Gold award winner for six products in Money Magazine's 2009 Best of the Best Awards and the winner of their 2009 Money Minder of the year award; and
- Four retail deposit and three credit card products received a five star rating from CANSTAR CANNEX.

Retail

Retail operating income during the half year benefited from solid home loan volume growth. Home lending balances of $35 billion have increased by 4% over the half, driven by the East Coast expansion, first home buyers grant stimulus and successful customer acquisition campaigns.

Lending margins have improved following repricing initiatives implemented to partly offset increased funding costs and credit risk as arrears deteriorate.

Deposit margins have improved over the half, benefiting from effective margin management and the run off of low margin term deposits. Deposit balances have been favourably impacted by the launch of innovative new products such as Smart eSaver.

Business

Business operating income during the half was strong, supported by solid asset growth and favourable margins from improved lending pricing strategies.

Business advances and business deposits increased 6% and 5% respectively during the half to 30 June 2009.

Operating Expenses

Operating expenses for the half to 30 June 2009 were $483 million. The implementation of cost management initiatives and integration strategies has resulted in an improvement in productivity over the half. The expense to income ratio as at 30 June 2009 was 63.6%.

Impairment Expense

Impairment expense for the half year to 30 June 2009 was $113 million. To strengthen asset quality, credit risk management disciplines and improved lending practices have been implemented.

	Half Year Ended
	30/06/09
	$M
Net interest income	**591**
Other banking income	**168**
Total banking income	**759**
Operating expenses	**483**
Impairment expense	**113**
Net profit before tax	**163**
Corporate tax expense	**50**
Cash net profit after tax	**113**

	As at		
	30/06/09	31/12/08	Jun 09 vs
Major Balance Sheet Items	$M	$M	Dec 08 %
Home lending (including securitisation)	**35,048**	33,685	4
Other lending assets	**26,366**	25,009	5
Assets at fair value through income statement (1)	**48**	5,776	large
Other assets (1)	**6,865**	1,726	large
Total assets	**68,327**	66,196	3
Transaction deposits	**4,321**	4,136	4
Savings deposits	**10,948**	9,649	13
Investment deposits	**20,558**	20,256	1
Certificates of deposits and other (2)	**21,572**	16,342	32
Debt issues	**4,903**	5,221	(6)
Due to other financial institutions (3)	**27**	4,587	large
Other liabilities	**2,059**	2,324	(11)
Total liabilities	**64,388**	62,515	3

(1) Assets at fair value through income statement previously held to meet liquid asset ratio requirements have been sold during the half and placed on deposit with Group Treasury. The deposit is included in other assets.

(2) Includes amounts due to group companies of $19.1 billion at June 2009 ($13.6 billion at December 2008).

(3) Deposits held with RBA in relation to Series 2008 securitisation funding repaid in January 2009.

Other

	Full Year Ended 30 June 2009		
	Corporate Centre	Eliminations/ Unallocated	Total
	$M	$M	$M
Net interest income [1]	710	(141)	569
Other banking income [1]	230	(33)	197
Total banking income	940	(174)	766
Funds management income	-	29	29
Insurance income	-	13	13
Total operating income	940	(132)	808
Operating expenses	55	-	55
Impairment expense	-	17	17
Net profit before tax	885	(149)	736
Corporate tax expense	237	(36)	201
Minority interests	-	27	27
Underlying profit after tax	648	(140)	508
Investment experience after tax	-	29	29
Cash net profit after tax	648	(111)	537

	Full Year Ended 30 June 2008		
	Corporate Centre	Eliminations/ Unallocated	Total
	$M	$M	$M
Net interest income [1]	288	(136)	152
Other banking income [1]	(12)	(22)	(34)
Total banking income	276	(158)	118
Funds management income	-	26	26
Insurance income	-	23	23
Total operating income	276	(109)	167
Operating expenses	64	-	64
Impairment expense	-	130	130
Net profit before tax	212	(239)	(27)
Corporate tax expense	74	(129)	(55)
Minority interests	-	29	29
Underlying profit after tax	138	(139)	(1)
Investment experience after tax	-	13	13
Cash net profit after tax	138	(126)	12

	Half Year Ended 30 June 2009		
	Corporate Centre	Eliminations/ Unallocated	Total
	$M	$M	$M
Net interest income [1]	461	(7)	454
Other banking income [1]	127	(93)	34
Total banking income	588	(100)	488
Funds management income	-	16	16
Insurance income	-	7	7
Total operating income	588	(77)	511
Operating expenses	61	-	61
Impairment expense	-	23	23
Net profit before tax	527	(100)	427
Corporate tax expense	153	(22)	131
Minority interests	-	12	12
Underlying profit after tax	374	(90)	284
Investment experience after tax	-	17	17
Cash net profit after tax	374	(73)	301

(1) Excludes the impact of the reclassification of net swap costs from Net interest income to Other banking income related to certain economic hedges which do not qualify for AIFRS hedge accounting (June 2009: $275 million; June 2008: $265 million; half year to 30 June 2009: $128 million).

Corporate Centre includes the results of unallocated Group support functions such as Investor Relations, Group Strategy, Secretariat and Treasury. Cash net profit after tax increased by $510 million on the prior year, following higher Treasury income derived through the management of short dated interest rate risk exposures, early repayment fees received from customers exiting fixed rate loans (the associated swap unwind costs will be borne over the next three years) and the passing on of additional funding costs absorbed by Treasury in the first half of the prior year to the revenue generating businesses.

Eliminations/Unallocated includes intra-group elimination entries arising on consolidation, centrally raised provisions and other unallocated revenue and expenses.

Investment Experience	Full Year Ended 30/06/09 $M	30/06/08 $M	Jun 09 vs Jun 08 %	Half Year Ended 30/06/09 $M	31/12/08 $M	Jun 09 vs Dec 08 %
Wealth Management	**(317)**	(74)	large	**(95)**	(222)	57
International Financial Services	**8**	25	(68)	**(8)**	16	large
Eliminations	**42**	32	31	**19**	23	(17)
Investment experience before tax (1)	**(267)**	(17)	large	**(84)**	(183)	54
Corporate tax expense	**(71)**	(4)	large	**(20)**	(51)	(61)
Investment experience after tax	**(196)**	(13)	large	**(64)**	(132)	52

(1) Investment experience of ($267) million before tax was impacted by unrealised mark to market losses from widening credit spreads on the valuation of assets backing the guaranteed annuities portfolio of ($166) million and the impairment of listed and unlisted investments.

Shareholder Investment Asset Mix (%)	As at 30 June 2009 Australia (1) %	New Zealand %	Asia %	Total %
Local equities	1	-	-	-
International equities	-	1	10	-
Property	14	-	30	12
Sub-total	15	1	40	12
Fixed interest	31	55	58	38
Cash	54	44	2	50
Sub-total	85	99	60	88
Total	100	100	100	100

Shareholder Investment Asset Mix ($M)	As at 30 June 2009 Australia (1) $M	New Zealand $M	Asia $M	Total $M
Local equities	10	1	-	11
International equities	-	1	9	10
Property	253	-	24	277
Sub-total	263	2	33	298
Fixed interest	573	291	47	911
Cash	969	234	1	1,204
Sub-total	1,542	525	48	2,115
Total	1,805	527	81	2,413

(1) Includes Shareholders' funds in the CFS Global Asset Management, Colonial First State, CommInsure and St Andrew's businesses.

Financial Statements

Consolidated Income Statements

For the year ended 30 June 2009

		Full Year Ended		Half Year Ended	
		30/06/09	30/06/08	30/06/09	31/12/08
	Appendix	$M	$M	$M	$M
Interest income	1	**31,519**	29,234	**15,057**	16,462
Interest expense	1	**21,218**	21,327	**9,299**	11,919
Net interest income	1	**10,301**	7,907	**5,758**	4,543
Other operating income	5	**3,914**	3,559	**1,895**	2,019
Net banking operating income		**14,215**	11,466	**7,653**	6,562
Funds management income		**1,618**	2,369	**709**	909
Investment (expense)/revenue		**(859)**	(525)	**54**	(913)
Claims and policyholder liability revenue/(expense)		**731**	519	**(130)**	861
Net funds management operating income		**1,490**	2,363	**633**	857
Premiums from insurance contracts	11	**1,651**	1,373	**867**	784
Investment expense		**(232)**	(27)	**(19)**	(213)
Claims and policyholder liability expense from insurance contracts		**(650)**	(606)	**(337)**	(313)
Insurance margin on services operating income		**769**	740	**511**	258
Total net operating income		**16,474**	14,569	**8,797**	7,677
Gain on acquisition of controlled entities		**983**	-	**201**	782
Impairment expense		**3,048**	930	**1,441**	1,607
Operating expenses	6	**7,946**	7,398	**4,395**	3,551
Defined benefit superannuation plan (expense)/income		**(14)**	14	**4**	(18)
Net profit before income tax	7	**6,449**	6,255	**3,166**	3,283
Corporate tax expense	7	**1,860**	1,548	**971**	889
Policyholder tax (benefit)/expense		**(164)**	(115)	**31**	(195)
Net profit after income tax	11	**4,753**	4,822	**2,164**	2,589
Minority interests	11	**30**	31	**14**	16
Net profit attributable to Equity holders of the Bank	11	**4,723**	4,791	**2,150**	2,573

	Full Year Ended		Half Year Ended	
	30/06/09	30/06/08	30/06/09	31/12/08
	Cents per Share			
Earnings per share:				
Statutory basic	**328. 5**	363. 0	**142. 2**	188. 4
Statutory diluted	**313. 4**	348. 7	**135. 8**	173. 6
Dividends per share attributable to shareholders of the Bank:				
Ordinary shares	**228**	266	**115**	113
Trust preferred securities (TPS) - issued 8 March 2006	**8,142**	6,850	**4,389**	3,753

Consolidated Balance Sheets

As at 30 June 2009

Assets	Appendix	30/06/09 $M	31/12/08 $M	30/06/08 $M
Cash and liquid assets		**11,340**	12,588	7,736
Receivables due from other financial institutions		**14,421**	14,846	6,984
Assets at fair value through Income Statement:				
Trading		**25,401**	29,721	21,676
Insurance		**17,260**	17,974	20,650
Other		**1,677**	2,052	3,266
Derivative assets		**26,358**	43,661	18,232
Available-for-sale investments		**21,504**	17,350	11,488
Loans, bills discounted and other receivables	8	**466,631**	446,320	361,282
Bank acceptances of customers		**14,728**	14,732	18,278
Property, plant and equipment		**2,472**	2,428	1,640
Investment in associates		**1,047**	1,062	906
Intangible assets	17	**9,245**	8,486	8,258
Deferred tax assets		**1,653**	1,399	76
Other assets		**6,070**	5,511	6,492
		619,807	618,130	486,964
Assets held for sale		**565**	631	608
Total assets		**620,372**	618,761	487,572

Liabilities	Appendix	30/06/09 $M	31/12/08 $M	30/06/08 $M
Deposits and other public borrowings	10	**368,721**	350,184	263,706
Payables due to other financial institutions		**15,109**	21,682	17,672
Liabilities at fair value through Income Statement		**16,596**	16,390	15,526
Derivative liabilities		**32,134**	41,811	19,541
Bank acceptances		**14,728**	14,732	18,278
Current tax liabilities		**883**	401	768
Deferred tax liabilities		**168**	283	266
Other provisions		**1,243**	1,191	1,174
Insurance policy liabilities		**16,056**	16,897	18,495
Debt issues		**101,819**	102,399	85,817
Managed funds units on issue		**914**	350	1,109
Bills payable and other liabilities		**8,520**	7,812	7,524
		576,891	574,132	449,876
Loan capital		**12,039**	14,642	11,559
Total liabilities		**588,930**	588,774	461,435
Net assets		**31,442**	29,987	26,137

Shareholders' Equity	Appendix	30/06/09 $M	31/12/08 $M	30/06/08 $M
Share capital:				
Ordinary share capital	15	**21,642**	20,365	15,727
Other equity instruments		**939**	939	939
Reserves		**516**	958	1,206
Retained profits	19	**7,825**	7,206	7,747
Shareholders' equity attributable to Equity holders of the Bank		**30,922**	29,468	25,619
Minority interests:				
Controlled entities		**520**	519	518
Total Shareholders' equity		**31,442**	29,987	26,137

Consolidated Statement of Cash Flows [1]

For the year ended 30 June 2009

		Full Year Ended	
		30/06/09	30/06/08
	Appendix	$M	$M
Cash flows from operating activities			
Interest received		**31,745**	29,464
Interest paid		**(20,986)**	(20,786)
Other operating income received		**5,551**	5,314
Expenses paid		**(7,334)**	(6,882)
Income taxes paid		**(2,043)**	(1,905)
Net decrease/(increase) in assets at fair value through Income Statement (excluding life insurance)		**4,864**	(990)
Net increase/(decrease) in liabilities at fair value through Income Statement:			
Life insurance:			
Investment income		**275**	509
Premiums received [2]		**2,063**	2,304
Policy payments [2]		**(3,144)**	(3,789)
Other liabilities at fair value through Income Statement		**287**	810
Cash flows from operating activities before changes in operating assets and liabilities		**11,278**	4,049
Changes in operating assets and liabilities arising from cash flow movements			
Movement in available-for-sale investments:			
Purchases		**(37,200)**	(35,113)
Proceeds from sale		**4,996**	610
Proceeds at or close to maturity		**22,189**	31,974
Net change in deposits with regulatory authorities		**25**	13
Net (increase) in loans, bills discounted and other receivables		**(52,878)**	(51,570)
Net (increase) in receivables due from other financial institutions not at call		**(5,575)**	(2,621)
Net (increase)/decrease in securities purchased under agreements to resell		**(507)**	634
Life insurance business:			
Purchase of insurance assets at fair value through Income Statement		**(11,950)**	(8,719)
Proceeds from sale/maturity of insurance assets at fair value through Income Statement		**14,478**	11,159
Net increase in deposits and other public borrowings		**47,394**	49,603
Net proceeds from issuance of debt securities		**10,253**	(4,816)
Net (decrease)/increase in payables due to other financial institutions not at call		**(8,012)**	4,486
Net increase/(decrease) in securities sold under agreements to repurchase		**6,985**	(1,764)
Changes in operating assets and liabilities arising from cash flow movements		**(9,802)**	(6,124)
Net cash provided by/(used in) operating activities	21 (a)	**1,476**	(2,075)
Cash flows from investing activities			
Payments for acquisition of controlled entities	21 (e)	**(1,741)**	(241)
Proceeds from disposal of controlled entities	21 (c)	**-**	2
Dividends received		**76**	39
Proceeds from sale of property, plant and equipment		**9**	14
Purchases of property, plant and equipment		**(987)**	(482)
Payments for acquistions of investments in associates/joint ventures		**(144)**	-
(Purchase)/sale of assets held for sale		**(22)**	766
Purchase of intangible assets		**(405)**	(226)
Net (increase) in other assets		**(77)**	(24)
Net cash (used in) investing activities		**(3,291)**	(152)

(1) It should be noted that the Group does not use this accounting Statement of Cash Flows in the internal management of its liquidity positions.

(2) Represents gross premiums and policy payments before splitting between policyholders and shareholders.

Consolidated Statement of Cash Flows (1) (continued)

For the year ended 30 June 2009

	Appendix	Full Year Ended 30/06/09 $M	30/06/08 $M
Cash flows from financing activities			
Proceeds from the issue of shares (net of issue costs)		**4,830**	3
Dividends paid (excluding Dividend Reinvestment Plan) (2)		**(2,620)**	(2,351)
Net movement in other liabilities		**344**	553
Net (purchase) of treasury shares		**(14)**	(9)
Issue of loan capital		**500**	2,091
Redemption of loan capital		**(1,250)**	(7)
Other		**(54)**	128
Net cash provided by financing activities		**1,736**	408
Net (decrease) in cash and cash equivalents		**(79)**	(1,819)
Cash and cash equivalents at beginning of period		**2,265**	4,084
Cash and cash equivalents at end of period (3)	21 (b)	**2,186**	2,265

(1) It should be noted that the Group does not use this accounting Statement of Cash Flows in the internal management of its liquidity positions.

(2) Includes $98 million allocated to participants under the Dividend Reinvestment Plan in the year ended 30 June 2008.

(3) For the purposes of the Statement of Cash Flows, cash includes cash, money at short call, at call deposits with other financial institutions and settlement account balances with other banks.

Appendices

1. Net Interest Income

	Full Year Ended			
	Excluding Bankwest			Incl. Bankwest
	30/06/09 $M	30/06/08 $M	Jun 09 vs Jun 08 %	30/06/09 $M
Interest Income				
Loans and bills discounted	**26,505**	25,598	4	**28,438**
Other financial institutions	**433**	474	(9)	**434**
Cash and liquid assets	**400**	473	(15)	**510**
Assets at fair value through Income Statement	**1,227**	1,933	(37)	**1,236**
Available-for-sale investments	**901**	756	19	**901**
Total interest income	**29,466**	29,234	1	**31,519**
Interest Expense				
Deposits	**13,058**	12,393	5	**14,216**
Other financial institutions	**499**	989	(50)	**509**
Liabilities at fair value through Income Statement	**1,018**	1,129	(10)	**1,021**
Debt issues	**4,591**	6,024	(24)	**4,767**
Loan capital	**705**	792	(11)	**705**
Total interest expense	**19,871**	21,327	(7)	**21,218**
Net interest income	**9,595**	7,907	21	**10,301**

	Full Year Ended			
	Excluding Bankwest			Incl. Bankwest
	30/06/09 $M	30/06/08 $M	Jun 09 vs Jun 08 %	30/06/09 $M
Total interest income ("cash basis")	**29,466**	29,234	1	**31,505**
Fair value adjustment interest income	**-**	-	-	**14**
Total interest income ("statutory basis")	**29,466**	29,234	1	**31,519**
Total interest expense ("cash basis")	**19,871**	21,327	(7)	**21,319**
Fair value adjustment interest expense	**-**	-	-	**(138)**
Hedging and AIFRS volatility	**-**	-	-	**37**
Total interest expense ("statutory basis")	**19,871**	21,327	(7)	**21,218**

Appendices

1. Net Interest Income (continued)

	Half Year Ended			
	Excluding Bankwest			Incl. Bankwest
	30/06/09 $M	30/06/08 $M	Jun 09 vs Dec 08 %	30/06/09 $M
Interest Income				
Loans and bills discounted	**11,929**	14,576	(18)	**13,862**
Other financial institutions	**130**	303	(57)	**131**
Cash and liquid assets	**116**	284	(59)	**226**
Assets at fair value through Income Statement	**380**	847	(55)	**389**
Available-for-sale investments	**449**	452	(1)	**449**
Total interest income	**13,004**	16,462	(21)	**15,057**
Interest Expense				
Deposits	**5,420**	7,638	(29)	**6,578**
Other financial institutions	**96**	403	(76)	**106**
Liabilities at fair value through Income Statement	**469**	549	(15)	**472**
Debt issues	**1,693**	2,898	(42)	**1,869**
Loan capital	**274**	431	(36)	**274**
Total interest expense	**7,952**	11,919	(33)	**9,299**
Net interest income	**5,052**	4,543	11	**5,758**

	Half Year Ended			
	Excluding Bankwest			Incl. Bankwest
	30/06/09 $M	30/06/08 $M	Jun 09 vs Dec 08 %	30/06/09 $M
Total interest income ("cash basis")	**13,004**	16,462	(21)	**15,043**
Fair value adjustment interest income	**-**	-	-	**14**
Total interest income ("statutory basis")	**13,004**	16,462	(21)	**15,057**
Total interest expense ("cash basis")	**7,952**	11,919	(33)	**9,400**
Fair value adjustment interest expense	**-**	-	-	**(138)**
Hedging and AIFRS volatility	**-**	-	-	**37**
Total interest expense ("statutory basis")	**7,952**	11,919	(33)	**9,299**

2. Net Interest Margin

	Full Year Ended		Half Year Ended	
	30/06/09	30/06/08	30/06/09	31/12/08
	%	%	%	%
Australia				
Interest spread (1)	**1. 93**	1. 79	**2. 04**	1. 79
Benefit of interest-free liabilities, provisions and equity (2)	**0. 21**	0. 27	**0. 17**	0. 27
Net interest margin (3)	**2. 14**	2. 06	**2. 21**	2. 06
Overseas				
Interest spread (1)	**1. 32**	1. 11	**1. 32**	1. 33
Benefit of interest-free liabilities, provisions and equity (2)	**0. 40**	0. 57	**0. 32**	0. 48
Net interest margin (3)	**1. 72**	1. 68	**1. 64**	1. 81
Total Bank				
Interest spread (1)	**1. 84**	1. 68	**1. 95**	1. 72
Benefit of interest-free liabilities, provisions and equity (2)	**0. 26**	0. 34	**0. 21**	0. 32
Net interest margin (3)	**2. 10**	2. 02	**2. 16**	2. 04

(1) Difference between the average interest rate earned and the average interest rate paid on funds.

(2) A portion of the Group's interest earning assets are funded by net interest free liabilities and Shareholders' equity. The benefit to the Group of these interest free funds is the amount it would cost to replace them at the average cost of funds.

(3) Net interest income divided by average interest earning assets for the year or for the half year annualised.

3. Average Balances and Related Interest

Average balance sheet tables are presented including Bankwest for the full years ended 30 June 2009 and 30 June 2008, as well as for the half years ended 30 June 2009, 31 December 2008 and 30 June 2008. In order to enhance understanding and comparability, average balance sheet tables are also presented excluding Bankwest for the full years ended 30 June 2009 and 30 June 2008.

The following tables list the major categories of interest earning assets and interest bearing liabilities of the Group together with the respective interest earned or paid and the average interest rate. Averages used were predominantly daily averages. Interest is accounted for based on product yield, while all trading gains and losses are disclosed as Trading income within Other banking income.

Where assets or liabilities are hedged, the amounts are shown net of the hedge, however individual items not separately hedged may be affected by movements in exchange rates.

The overseas component comprises overseas branches of the Bank and overseas domiciled controlled entities.

Non-accrual loans are included in interest earning assets under loans, bills discounted and other receivables.

The official cash rate in Australia decreased by 425 basis points during the year while rates in New Zealand decreased by a total of 575 basis points.

Average Balances

	Full Year Ended 30/06/09			Full Year Ended 30/06/08		
	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield
Interest Earning Assets	$M	$M	%	$M	$M	%
Home loans excluding securitisation	**237,772**	**16,035**	**6. 74**	189,890	14,554	7. 66
Personal [1]	**19,407**	**2,356**	**12. 14**	20,391	2,319	11. 37
Business and corporate [2]	**148,908**	**9,291**	**6. 24**	117,544	7,637	6. 50
Loans, bills discounted and other receivables	**406,087**	**27,682**	**6. 82**	327,825	24,510	7. 48
Cash and other liquid assets	**31,479**	**944**	**3. 00**	17,134	947	5. 53
Assets at fair value through Income Statement (ex life insurance)	**25,298**	**1,236**	**4. 89**	28,509	1,933	6. 78
Available-for-sale investments	**18,384**	**901**	**4. 90**	12,199	756	6. 20
Non-lending interest earning assets	**75,161**	**3,081**	**4. 10**	57,842	3,636	6. 29
Total interest earning assets (excluding securitisation) [3]	**481,248**	**30,763**	**6. 39**	385,667	28,146	7. 30
Securitisation home loan assets	**12,279**	**742**	**6. 04**	13,427	1,088	8. 10
Non-interest earning assets	**93,701**			76,644		
Total average assets	**587,228**			475,738		

	Full Year Ended 30/06/09			Full Year Ended 30/06/08		
Interest Bearing	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield
Liabilities	$M	$M	%	$M	$M	%
Transaction deposits	**62,978**	**1,271**	**2. 02**	58,721	1,587	2. 70
Saving deposits	**66,313**	**2,384**	**3. 60**	54,555	2,593	4. 75
Investment deposits	**124,999**	**7,120**	**5. 70**	87,486	6,008	6. 87
Certificates of deposit and other [2]	**64,728**	**3,580**	**5. 53**	40,156	2,205	5. 49
Total interest bearing deposits	**319,018**	**14,355**	**4. 50**	240,918	12,393	5. 14
Payables due to other financial institutions	**18,845**	**509**	**2. 70**	19,406	989	5. 10
Liabilities at fair value through Income Statement	**17,426**	**1,021**	**5. 86**	15,017	1,129	7. 52
Debt issues [2]	**85,072**	**4,041**	**4. 75**	74,369	5,056	6. 80
Loan capital [2]	**13,097**	**709**	**5. 41**	12,539	792	6. 32
Total interest bearing liabilities	**453,458**	**20,635**	**4. 55**	362,249	20,359	5. 62
Securitisation debt issues	**12,842**	**684**	**5. 33**	14,005	968	6. 91
Non-interest bearing liabilities	**91,739**			74,078		
Total average liabilities	**558,039**			450,332		

(1) Personal includes personal loans, credit cards, and margin loans.

(2) Comparisons between reporting periods are impacted by the reclassification of net swap interest from Net Interest income to Other banking income related to certain economic hedges which do not qualify for AIFRS hedge accounting.

(3) Used for calculating net interest margin.

3. Average Balances and Related Interest (continued)

Average Balances

Interest Earning Assets	Half Year Ended 30/06/09 Avg Bal $M	Interest $M	Yield %	Half Year Ended 31/12/08 Avg Bal $M	Interest $M	Yield %	Half Year Ended 30/06/08 Avg Bal $M	Interest $M	Yield %
Home Loans excluding securitisation	**262,999**	**7,724**	**5. 92**	212,956	8,311	7. 74	197,771	7,767	7. 90
Personal (1)	**19,284**	**1,131**	**11. 83**	19,528	1,225	12. 44	20,655	1,204	11. 72
Business and corporate (2)	**163,689**	**4,673**	**5. 76**	134,368	4,618	6. 82	122,669	4,129	6. 77
Loans, bills discounted and other receivables	**445,972**	**13,528**	**6. 12**	366,852	14,154	7. 65	341,095	13,100	7. 72
Cash and liquid assets	**35,578**	**357**	**2. 02**	27,447	587	4. 24	17,450	427	4. 92
Assets at fair value through Income Statement (ex life insurance)	**23,951**	**389**	**3. 28**	26,623	847	6. 31	29,973	1,014	6. 80
Available-for-sale investments	**21,011**	**449**	**4. 31**	15,800	452	5. 67	12,160	381	6. 30
Non-lending interest earning assets	**80,540**	**1,195**	**2. 99**	69,870	1,886	5. 35	59,583	1,822	6. 15
Total interest earning assets (excluding securitisation) (3)	**526,512**	**14,723**	**5. 64**	436,722	16,040	7. 29	400,678	14,922	7. 49
Securitisation home loan assets	**13,767**	**320**	**4. 69**	10,815	422	7. 74	12,438	531	8. 59
Non-interest earning assets	**97,585**			89,880			77,492		
Total average assets	**637,864**			537,417			490,608		

Interest Bearing Liabilities	Half Year Ended 30/06/09 Avg Bal $M	Interest $M	Yield %	Half Year Ended 31/12/08 Avg Bal $M	Interest $M	Yield %	Half Year Ended 30/06/08 Avg Bal $M	Interest $M	Yield %
Transaction deposits	**66,243**	**470**	**1. 43**	59,766	801	2. 66	59,813	853	2. 87
Saving deposits	**75,103**	**1,027**	**2. 76**	57,666	1,357	4. 67	54,988	1,322	4. 83
Investment deposits	**139,206**	**3,266**	**4. 73**	111,024	3,854	6. 89	93,902	3,344	7. 16
Certificates of deposit and other (2)	**78,700**	**1,954**	**5. 01**	50,984	1,626	6. 33	44,128	1,345	6. 13
Total interest bearing deposits	**359,252**	**6,717**	**3. 77**	279,440	7,638	5. 42	252,831	6,864	5. 46
Payables due to other financial institutions	**16,960**	**106**	**1. 26**	20,699	403	3. 86	20,732	497	4. 82
Liabilities at fair value through Income Statement	**18,368**	**472**	**5. 18**	16,499	549	6. 60	14,331	536	7. 52
Debt issues (2)	**89,558**	**1,523**	**3. 43**	80,660	2,518	6. 19	75,836	2,662	7. 06
Loan capital (2)	**12,604**	**278**	**4. 45**	13,582	431	6. 29	12,200	414	6. 82
Total interest bearing liabilities	**496,742**	**9,096**	**3. 69**	410,880	11,539	5. 57	375,930	10,973	5. 87
Securitisation debt issues	**14,507**	**304**	**4. 23**	11,204	380	6. 73	12,915	472	7. 35
Non-interest bearing liabilities	**96,281**			87,271			75,988		
Total average liabilities	**607,530**			509,355			464,833		

(1) Personal includes personal loans, credit cards, and margin loans.

(2) Comparisons between reporting periods are impacted by the reclassification of net swap interest from Net Interest income to Other banking income related to certain economic hedges which do not qualify for AIFRS hedge accounting.

(3) Used for calculating net interest margin.

3. Average Balances and Related Interest (continued)

Average Balances

Interest Earning Assets Excluding Bankwest	Full Year Ended 30/06/09 Avg Bal $M	Interest $M	Yield %	Full Year Ended 30/06/08 Avg Bal $M	Interest $M	Yield %
Home loans excluding securitisation	**223,220**	**15,149**	**6. 79**	189,890	14,554	7. 66
Personal [(1)]	**18,617**	**2,264**	**12. 16**	20,391	2,319	11. 37
Business and corporate [(2)]	**137,083**	**8,479**	**6. 19**	117,544	7,637	6. 50
Loans, bills discounted and other receivables	**378,920**	**25,892**	**6. 83**	327,825	24,510	7. 48
Cash and other liquid assets	**28,380**	**833**	**2. 94**	17,134	947	5. 53
Assets at fair value through Income Statement (ex life insurance)	**25,151**	**1,227**	**4. 88**	28,509	1,933	6. 78
Available-for-sale investments	**18,379**	**901**	**4. 90**	12,199	756	6. 20
Non-lending interest earning assets	**71,910**	**2,961**	**4. 12**	57,842	3,636	6. 29
Total interest earning assets (excluding securitisation) [(3)]	**450,830**	**28,853**	**6. 40**	385,667	28,146	7. 30
Securitisation home loan assets	**10,118**	**613**	**6. 06**	13,427	1,088	8. 10
Non-interest earning assets	**93,133**			76,644		
Total average assets	**554,081**			475,738		

Interest Bearing Liabilities Excluding Bankwest	Full Year Ended 30/06/09 Avg Bal $M	Interest $M	Yield %	Full Year Ended 30/06/08 Avg Bal $M	Interest $M	Yield %
Transaction deposits	**60,628**	**1,229**	**2. 03**	58,721	1,587	2. 70
Saving deposits	**61,516**	**2,207**	**3. 59**	54,555	2,593	4. 75
Investment deposits	**114,763**	**6,537**	**5. 70**	87,486	6,008	6. 87
Certificates of deposit and other [(2)]	**54,636**	**3,085**	**5. 65**	40,156	2,205	5. 49
Total interest bearing deposits	**291,543**	**13,058**	**4. 48**	240,918	12,393	5. 14
Payables due to other financial institutions	**18,499**	**499**	**2. 70**	19,406	989	5. 10
Liabilities at fair value through Income Statement	**17,331**	**1,018**	**5. 87**	15,017	1,129	7. 52
Debt issues [(2)]	**85,012**	**4,038**	**4. 75**	74,369	5,056	6. 80
Loan capital [(2)]	**13,010**	**705**	**5. 42**	12,539	792	6. 32
Total interest bearing liabilities	**425,395**	**19,318**	**4. 54**	362,249	20,359	5. 62
Securitisation debt issues	**10,481**	**553**	**5. 28**	14,005	968	6. 91
Non-interest bearing liabilities	**90,652**			74,078		
Total average liabilities	**526,528**			450,332		

(1) Personal includes personal loans, credit cards, and margin loans.

(2) Comparisons between reporting periods are impacted by the reclassification of net swap interest from Net Interest income to Other banking income related to certain economic hedges which do not qualify for AIFRS hedge accounting. Bankwest intragroup borrowings and expenses have been subtracted from balance and interest calculations to more appropriately reflect the cost of funds.

(3) Used for calculating net interest margin.

3. Average Balances and Related Interest (continued)

Net Interest Margin	Full Year Ended 30/06/09 Avg Bal $M	Full Year Ended 30/06/09 Interest $M	Full Year Ended 30/06/09 Yield %	Full Year Ended 30/06/08 Avg Bal $M	Full Year Ended 30/06/08 Interest $M	Full Year Ended 30/06/08 Yield %
Total interest earning assets excluding securitisation	**481,248**	**30,763**	**6. 39**	385,667	28,146	7. 30
Total interest bearing liabilities excluding securitisation	**453,458**	**20,635**	**4. 55**	362,249	20,359	5. 62
Net interest income and interest spread (excluding securitisation)		**10,128**	**1. 84**		7,787	1. 68
Benefit of free funds			**0. 26**			0. 34
Net interest margin			**2. 10**			2. 02

Geographical analysis of key categories

	Full Year Ended 30/06/09 Avg Bal $M	Full Year Ended 30/06/09 Interest $M	Full Year Ended 30/06/09 Yield %	Full Year Ended 30/06/08 Avg Bal $M	Full Year Ended 30/06/08 Interest $M	Full Year Ended 30/06/08 Yield %
Loans, Bills Discounted and Other Receivables						
Australia	**344,534**	**23,098**	**6. 70**	273,124	20,047	7. 34
Overseas	**61,553**	**4,584**	**7. 45**	54,701	4,463	8. 16
Total	**406,087**	**27,682**	**6. 82**	327,825	24,510	7. 48
Non-Lending Interest Earning Assets						
Australia	**46,524**	**2,104**	**4. 52**	35,860	2,297	6. 41
Overseas	**28,637**	**977**	**3. 41**	21,982	1,339	6. 09
Total	**75,161**	**3,081**	**4. 10**	57,842	3,636	6. 29
Total Interest Bearing Deposits						
Australia	**278,290**	**12,228**	**4. 39**	210,294	10,400	4. 95
Overseas	**40,728**	**2,127**	**5. 22**	30,624	1,993	6. 51
Total	**319,018**	**14,355**	**4. 50**	240,918	12,393	5. 14
Other Interest Bearing Liabilities						
Australia	**82,569**	**4,450**	**5. 39**	75,093	5,287	7. 04
Overseas	**51,871**	**1,830**	**3. 53**	46,238	2,679	5. 79
Total	**134,440**	**6,280**	**4. 67**	121,331	7,966	6. 57

The overseas component comprises overseas branches of the Group and overseas domiciled controlled entities. Overseas intragroup borrowings have been adjusted into the interest spread and margin calculations to more appropriately reflect the overseas cost of funds. Non-accrual loans were included in interest earning assets under loans, bills discounted and other receivables.

In calculating net interest margin, assets, liabilities, interest income and interest expense related to securitisation vehicles have been excluded. This has been done to more accurately reflect the Group's underlying net margin.

3. Average Balances and Related Interest (continued)

Net Interest Margin	Half Year Ended 30/06/09			Half Year Ended 31/12/08			Half Year Ended 30/06/08		
	Avg Bal $M	Interest $M	Yield %	Avg Bal $M	Interest $M	Yield %	Avg Bal $M	Interest $M	Yield %
Total interest earning assets excluding securitisation	**526,512**	**14,723**	**5. 64**	436,722	16,040	7. 29	400,678	14,922	7. 49
Total interest bearing liabilities excluding securitisation	**496,742**	**9,096**	**3. 69**	410,880	11,539	5. 57	375,930	10,973	5. 87
Net interest income and interest spread (excluding securitisation)		**5,627**	**1. 95**		4,501	1. 72		3,949	1. 62
Benefit of free funds			**0. 21**			0. 32			0. 36
Net interest margin			**2. 16**			2. 04			1. 98

Geographical analysis of key categories

	Half Year Ended 30/06/09			Half Year Ended 31/12/08			Half Year Ended 30/06/08		
	Avg Bal $M	Interest $M	Yield %	Avg Bal $M	Interest $M	Yield %	Avg Bal $M	Interest $M	Yield %
Loans, Bills Discounted and Other Receivables									
Australia	**384,716**	**11,508**	**6. 03**	305,007	11,590	7. 54	285,251	10,766	7. 59
Overseas	**61,256**	**2,020**	**6. 65**	61,845	2,564	8. 22	55,844	2,334	8. 40
Total	**445,972**	**13,528**	**6. 12**	366,852	14,154	7. 65	341,095	13,100	7. 72
Non-Lending Interest Earning Assets									
Australia	**51,655**	**848**	**3. 31**	41,477	1,256	6. 01	36,874	1,220	6. 65
Overseas	**28,885**	**347**	**2. 42**	28,393	630	4. 40	22,709	602	5. 33
Total	**80,540**	**1,195**	**2. 99**	69,870	1,886	5. 35	59,583	1,822	6. 15
Total Interest Bearing Deposits									
Australia	**317,457**	**5,804**	**3. 69**	239,762	6,424	5. 31	220,459	5,806	5. 30
Overseas	**41,795**	**913**	**4. 41**	39,678	1,214	6. 07	32,372	1,058	6. 57
Total	**359,252**	**6,717**	**3. 77**	279,440	7,638	5. 42	252,831	6,864	5. 46
Other Interest Bearing Liabilities									
Australia	**84,901**	**1,732**	**4. 11**	80,275	2,718	6. 72	76,778	2,846	7. 45
Overseas	**52,589**	**647**	**2. 48**	51,165	1,183	4. 59	46,321	1,263	5. 48
Total	**137,490**	**2,379**	**3. 49**	131,440	3,901	5. 89	123,099	4,109	6. 71

The overseas component comprises overseas branches of the Group and overseas domiciled controlled entities. Overseas intragroup borrowings have been adjusted into the interest spread and margin calculations to more appropriately reflect the overseas cost of funds. Non-accrual loans were included in interest earning assets under loans, bills discounted and other receivables.

In calculating net interest margin, assets, liabilities, interest income and interest expense related to securitisation vehicles have been excluded. This has been done to more accurately reflect the Group's underlying net margin.

4. Interest Rate and Volume Analysis (excludes Bankwest)

	Full Year Ended Jun 09 vs Jun 08			Full Year Ended Jun 08 vs Jun 07		
	Volume	Rate	Total	Volume	Rate	Total
Interest Earning Assets	$M	$M	$M	$M	$M	$M
Home Loans	2,408	(1,813)	595	1,812	1,071	2,883
Personal	(209)	154	(55)	243	82	325
Business and corporate	1,239	(397)	842	1,135	465	1,600
Loans, bills discounted and other receivables	3,656	(2,274)	1,382	3,238	1,570	4,808
Cash and liquid assets	476	(590)	(114)	69	(48)	21
Assets at fair value through Income Statement (excluding life insurance)	(196)	(510)	(706)	464	(26)	438
Available-for-sale investments	343	(198)	145	20	6	26
Non-lending interest earning assets	731	(1,406)	(675)	526	(41)	485
Total interest earning assets	4,463	(3,756)	707	3,768	1,525	5,293
Securitisation home loan assets	(234)	(241)	(475)	7	72	79

	Full Year Ended Jun 09 vs Jun 08			Full Year Ended Jun 08 vs Jun 07		
	Volume	Rate	Total	Volume	Rate	Total
Interest Bearing Liabilities	$M	$M	$M	$M	$M	$M
Transaction deposits	45	(403)	(358)	208	330	538
Saving deposits	290	(676)	(386)	233	271	504
Investment deposits	1,713	(1,184)	529	918	621	1,539
Certificates of deposit and other	806	74	880	877	(60)	817
Total interest bearing deposits	2,436	(1,771)	665	2,122	1,276	3,398
Payables due to other financial institutions	(35)	(455)	(490)	372	(57)	315
Liabilities at fair value through Income Statement	155	(266)	(111)	(13)	55	42
Debt issues	615	(1,633)	(1,018)	(120)	564	444
Loan capital	28	(115)	(87)	134	94	228
Total interest bearing liabilities	3,208	(4,249)	(1,041)	2,739	1,688	4,427
Securitisation debt issues	(215)	(200)	(415)	10	64	74

	Full Year Ended	
	Jun 09 vs Jun 08	Jun 08 vs Jun 07
	Increase/(Decrease)	Increase/(Decrease)
Change in Net Interest Income	$M	$M
Due to changes in average volume of interest earning assets	1,347	1,090
Due to changes in interest margin	401	(224)
Change in net interest income (excluding securitisation)	1,748	866

"Volume" reflects the change in net interest income over the period due to balance growth (assuming rates held constant), and "Rate" reflects the change due to movements in yield (assuming volumes were held constant). "Variation in time periods" only applies to reporting periods of differing lengths (e.g. between half years). The volume and rate variances for total interest earning assets and total interest bearing liabilities have been calculated separately (rather than being the sum of the individual categories).

	Full Year Ended Jun 09 vs Jun 08			Full Year Ended Jun 08 vs Jun 07		
Geographical analysis of key categories	Volume $M	Rate $M	Total $M	Volume $M	Rate $M	Total $M
Loans, Bills Discounted and Other Receivables						
Australia	3,109	(1,848)	1,261	2,773	1,258	4,031
Overseas	535	(414)	121	451	326	777
Total	3,656	(2,274)	1,382	3,238	1,570	4,808
Non-Lending Interest Earning Assets						
Australia	407	(720)	(313)	406	(20)	386
Overseas	316	(678)	(362)	124	(25)	99
Total	731	(1,406)	(675)	526	(41)	485
Total Interest Bearing Deposits						
Australia	1,885	(1,354)	531	1,851	1,112	2,963
Overseas	593	(459)	134	244	191	435
Total	2,436	(1,771)	665	2,122	1,276	3,398
Other Interest Bearing Liabilities						
Australia	429	(1,286)	(857)	185	710	895
Overseas	263	(1,112)	(849)	265	(131)	134
Total	704	(2,410)	(1,706)	461	568	1,029

4. Interest Rate and Volume Analysis (continued)

Interest Earning Assets	Half Year Ended Jun 09 vs Dec 08 Volume $M	Rate $M	Total $M	Half Year Ended Jun 09 vs Jun 08 Volume $M	Rate $M	Total $M
Home Loans	707	(2,180)	(1,473)	1,230	(2,159)	(929)
Personal	(112)	(74)	(186)	(173)	8	(165)
Business and corporate	170	(927)	(757)	526	(794)	(268)
Loans, bills discounted and other receivables	835	(3,251)	(2,416)	1,713	(3,075)	(1,362)
Cash and liquid assets	28	(369)	(341)	195	(376)	(181)
Assets at fair value through Income Statement (excluding life insurance)	(71)	(396)	(467)	(158)	(476)	(634)
Available-for-sale investments	130	(133)	(3)	233	(165)	68
Non-lending interest earning assets	85	(896)	(811)	325	(1,072)	(747)
Total interest earning assets	914	(4,141)	(3,227)	2,089	(4,198)	(2,109)
Securitisation home loan assets	(42)	(189)	(231)	(95)	(245)	(340)

Interest Bearing Liabilities	Half Year Ended Jun 09 vs Dec 08 Volume $M	Rate $M	Total $M	Half Year Ended Jun 09 vs Jun 08 Volume $M	Rate $M	Total $M
Transaction deposits	18	(391)	(373)	18	(443)	(425)
Saving deposits	142	(649)	(507)	193	(665)	(472)
Investment deposits	216	(1,387)	(1,171)	718	(1,379)	(661)
Certificates of deposit and other	210	(377)	(167)	395	(281)	114
Total interest bearing deposits	551	(2,769)	(2,218)	1,147	(2,591)	(1,444)
Payables due to other financial institutions	(56)	(251)	(307)	(67)	(334)	(401)
Liabilities at fair value through Income Statement	50	(130)	(80)	122	(189)	(67)
Debt issues	212	(1,210)	(998)	354	(1,496)	(1,142)
Loan capital	(31)	(126)	(157)	6	(146)	(140)
Total interest bearing liabilities	670	(4,430)	(3,760)	1,505	(4,699)	(3,194)
Securitisation debt issues	(38)	(169)	(207)	(86)	(213)	(299)

Change in Net Interest Income	Half Year Ended Jun 09 vs Dec 08 Increase/(Decrease) $M	Half Year Ended Jun 09 vs Jun 08 Increase/(Decrease) $M
Due to changes in average volume of interest earning assets	298	667
Due to changes in interest margin	308	418
Due to variation in time period	(73)	-
Change in net interest income (excluding securitisation)	533	1,085

Geographical analysis of key categories	Half Year Ended Jun 09 vs Dec 08 Volume $M	Rate $M	Total $M	Half Year Ended Jun 09 vs Jun 08 Volume $M	Rate $M	Total $M
Loans, Bills Discounted and Other Receivables						
Australia	841	(2,713)	(1,872)	1,501	(2,549)	(1,048)
Overseas	(22)	(522)	(544)	202	(516)	(314)
Total	835	(3,251)	(2,416)	1,713	(3,075)	(1,362)
Non-Lending Interest Earning Assets						
Australia	84	(612)	(528)	202	(694)	(492)
Overseas	8	(291)	(283)	119	(374)	(255)
Total	85	(896)	(811)	325	(1,072)	(747)
Total Interest Bearing Deposits						
Australia	490	(2,407)	(1,917)	905	(2,204)	(1,299)
Overseas	56	(357)	(301)	257	(402)	(145)
Total	551	(2,769)	(2,218)	1,147	(2,591)	(1,444)
Other Interest Bearing Liabilities						
Australia	93	(1,099)	(1,006)	200	(1,334)	(1,134)
Overseas	25	(561)	(536)	124	(740)	(616)
Total	114	(1,656)	(1,542)	335	(2,085)	(1,750)

These volume and rate analyses were for half year periods. The calculations were based on balances over the half year. The volume and rate variances for total interest earning assets and total interest bearing liabilities have been calculated separately (rather than being the sum of the individual categories).

5. Other Banking Operating Income

	Full Year Ended			
				Incl.
	Excluding Bankwest			Bankwest
	30/06/09	30/06/08	Jun 09 vs	30/06/09
	$M	$M	Jun 08 %	$M
Loan service fees:				
From financial assets	**1,306**	933	40	**1,351**
Other	**42**	43	(2)	**45**
Commission and other fees:				
From financial liabilities	**510**	507	1	**531**
Other	**1,451**	1,320	10	**1,496**
Trading income	**720**	546	32	**741**
Net (losses)/gains on available-for-sale investments	**(12)**	309	large	**(12)**
Net loss on other non-trading instruments	**(9)**	(1)	large	**(9)**
Dividends	**14**	39	(64)	**14**
Net loss on sale of property, plant and equipment	**(11)**	(15)	27	**(11)**
Other	**269**	173	55	**314**
	4,280	3,854	11	**4,460**
Net hedging ineffectiveness	**(41)**	(58)	29	**(18)**
Net (loss)/gain on other financial instruments:				
Fair value through Income Statement	**(55)**	(9)	large	**(66)**
Derivative yield reclassification (1)	**(275)**	(265)	(4)	**(275)**
Non-trading derivatives	**(187)**	37	large	**(187)**
Total other banking operating income	**3,722**	3,559	5	**3,914**

(1) Relates to the impact of the reclassification of net swap costs from Net interest income to Other banking income related to certain economic hedges which do not qualify for AIFRS hedge accounting.

Other banking operating income – reconciliation of cash and statutory basis

The table below sets out various accounting impacts arising from the application of "AASB 139 Financial Instruments: Recognition and Measurement" to the Group's derivative hedging activities and other non-cash items.

	Full Year Ended			
				Incl.
	Excluding Bankwest			Bankwest
	30/06/09	30/06/08	Jun 09 vs	30/06/09
	$M	$M	Jun 08 %	$M
Other banking operating income ("cash basis")	**4,008**	3,312	21	**4,176**
Gain on VISA Initial Public Offering	**-**	308	(100)	**-**
Revenue hedge of New Zealand operations - unrealised	**1**	25	(96)	**1**
Hedging and AIFRS volatility	**(287)**	(86)	large	**(263)**
Total other banking operating income ("statutory basis")	**3,722**	3,559	5	**3,914**

5. Other Banking Operating Income (continued)

	Half Year Ended			
	Excluding Bankwest			Incl. Bankwest
	30/06/09 $M	30/06/08 $M	Jun 09 vs Dec 08 %	30/06/09 $M
Loan service fees:				
From financial assets	**716**	590	21	**761**
Other	**15**	27	(44)	**18**
Commission and other fees:				
From financial liabilities	**248**	263	(6)	**268**
Other	**736**	714	3	**782**
Trading income	**272**	448	(39)	**293**
Net losses on available-for-sale investments	**(12)**	-	large	**(12)**
Net loss on other non-trading instruments	**(9)**	-	large	**(9)**
Dividends	**2**	12	(83)	**2**
Net loss on sale of property, plant and equipment	**(9)**	(2)	large	**(9)**
Other	**157**	112	40	**202**
	2,116	2,164	(2)	**2,296**
Net hedging ineffectiveness	**(44)**	3	large	**(21)**
Net (loss)/gain on other financial instruments:				
Fair value through Income Statement	**(27)**	(28)	4	**(38)**
Derivative yield reclassification [1]	**(128)**	(147)	13	**(128)**
Non-trading derivatives	**(214)**	27	large	**(214)**
Total other banking operating income	**1,703**	2,019	(16)	**1,895**

(1) Relates to the impact of the reclassification of net swap costs from Net interest income to Other banking income related to certain economic hedges which do not qualify for AIFRS hedge accounting.

Other banking income – reconciliation of cash and statutory basis

The table below sets out various accounting impacts arising from the application of "AASB 139 Financial Instruments: Recognition and Measurement" to the Group's derivative hedging activities and other non-cash items.

	Half Year Ended			
	Excluding Bankwest			Incl. Bankwest
	30/06/09 $M	30/06/08 $M	Jun 09 vs Dec 08 %	30/06/09 $M
Other banking income ("cash basis")	**1,972**	2,036	(3)	**2,140**
Revenue hedge of New Zealand operations - unrealised	**35**	(34)	large	**35**
Hedging and AIFRS volatility	**(304)**	17	large	**(280)**
Total other banking operating income ("statutory basis")	**1,703**	2,019	(16)	**1,895**

6. Operating Expenses

Expenses by Segment	Full Year Ended 30/06/09 $M	30/06/08 $M	Jun 09 vs Jun 08 %	Half Year Ended 30/06/09 $M	31/12/08 $M	Jun 09 vs Dec 08 %
Operating Expenses						
Retail Banking Services	**2,781**	2,619	6	**1,430**	1,351	6
Business and Private Banking	**1,272**	1,205	6	**645**	627	3
Institutional Banking and Markets	**679**	598	14	**366**	313	17
Wealth Management	**1,652**	1,711	(3)	**829**	823	1
International Financial Services	**843**	824	2	**400**	443	(10)
Other	**55**	64	(14)	**61**	(6)	large
	7,282	7,021	4	**3,731**	3,551	5
Bankwest	**483**	-	large	**483**	-	large
Total expenses ("cash basis")	**7,765**	7,021	11	**4,214**	3,551	19
Integration expenses	**112**	-	large	**112**	-	large
Merger related amortisation	**37**	-	large	**37**	-	large
One-off expenses	**32**	-	large	**32**	-	large
Investment and restructuring	**-**	377	large	**-**	-	-
Total expenses ("statutory basis")	**7,946**	7,398	7	**4,395**	3,551	24

Capitalisation of Computer Software Costs

Capitalised computer software costs (net of amortisation) totalled $673 million as at 30 June 2009 (December 2008: $571 million and June 2008: $353 million). Expenditure in the year principally comprised development of customer focussed systems. The balance movement in the year also includes software acquired as part of the acquisition of controlled entities (refer to Appendix 18, page 76 for further details).

6. Operating Expenses (continued)

	Full Year Ended		Half Year Ended		Full Year Ended	Half Year Ended
	Excluding Bankwest				Incl. Bankwest	
	30/06/09	30/06/08	30/06/09	31/12/08	30/06/09	30/06/09
	$M	$M	$M	$M	$M	$M
Staff expenses						
Salaries and wages	**3,177**	3,097	**1,603**	1,574	**3,405**	1,831
Share-based compensation	**125**	106	**62**	63	**125**	62
Superannuation contributions	**25**	14	**17**	8	**44**	36
Provisions for employee entitlements	**87**	90	**21**	66	**88**	22
Payroll tax	**172**	162	**79**	93	**188**	95
Fringe benefits tax	**34**	32	**17**	17	**36**	19
Other staff expenses	**87**	160	**27**	60	**94**	34
Total staff expenses	**3,707**	3,661	**1,826**	1,881	**3,980**	2,099
Occupancy and equipment expenses						
Operating lease rentals	**456**	403	**233**	223	**488**	265
Depreciation:						
Buildings	**28**	27	**14**	14	**29**	15
Leasehold improvements	**80**	63	**40**	40	**85**	45
Equipment	**85**	84	**43**	42	**89**	47
Operating lease assets	**37**	20	**21**	16	**37**	21
Repairs and maintenance	**75**	81	**37**	38	**80**	42
Other	**95**	89	**59**	36	**102**	66
Total occupancy and equipment expenses	**856**	767	**447**	409	**910**	501
Information technology services						
Application maintenance and development	**152**	224	**90**	62	**167**	105
Data processing	**197**	195	**99**	98	**202**	104
Desktop	**138**	114	**70**	68	**141**	73
Communications	**171**	174	**92**	79	**179**	100
Amortisation of software assets	**110**	88	**61**	49	**122**	73
IT equipment depreciation	**55**	31	**31**	24	**62**	38
Total information technology services	**823**	826	**443**	380	**873**	493
Other expenses						
Postage	**113**	119	**56**	57	**121**	64
Stationery	**96**	98	**45**	51	**100**	49
Fees and commissions:						
Fees payable on trust and other fiduciary activities	**442**	538	**215**	227	**453**	226
Other	**359**	280	**196**	163	**359**	196
Advertising, marketing and loyalty	**442**	348	**265**	177	**475**	298
Amortisation of intangible assets (excluding software)	**17**	15	**9**	8	**17**	9
Non-lending losses	**83**	78	**46**	37	**86**	49
Other	**344**	291	**183**	161	**391**	230
Total other expenses	**1,896**	1,767	**1,015**	881	**2,002**	1,121
Total expenses ("cash basis")	**7,282**	7,021	**3,731**	3,551	**7,765**	4,214
Integration expenses (1)	**35**	-	**35**	-	**112**	112
Merger related amortisation	**-**	-	**-**	-	**37**	37
One-off expenses	**32**	-	**32**	-	**32**	32
Investment and restructuring	**-**	377	**-**	-	**-**	-
Total investment and restructuring	**67**	377	**67**	-	**181**	181
Total operating expenses	**7,349**	7,398	**3,798**	3,551	**7,946**	4,395

(1) Includes software impairment (refer to Appendix 17, page 74).

7. Income Tax Expense

	Full Year Ended		Half Year Ended	
	30/06/09	30/06/08	30/06/09	31/12/08
	$M	$M	$M	$M
Profit from ordinary activities before Income Tax				
Retail Banking Services	**2,996**	2,687	**1,400**	1,596
Business and Private Banking	**1,024**	974	**493**	531
Institutional Banking and Markets	**(17)**	909	**331**	(348)
Wealth Management	**170**	991	**108**	62
International Financial Services	**613**	767	**320**	293
Bankwest	**189**	-	**189**	-
Other [(1)]	**1,474**	(73)	**325**	1,149
Total profit from ordinary activities before income tax	**6,449**	6,255	**3,166**	3,283
Prima Facie Income Tax at 30%				
Retail Banking Services	**899**	806	**420**	479
Business and Private Banking	**307**	292	**148**	159
Institutional Banking and Markets	**(5)**	273	**99**	(104)
Wealth Management	**51**	297	**32**	19
International Financial Services	**184**	231	**96**	88
Bankwest	**57**	-	**57**	-
Other	**442**	(22)	**98**	344
	1,935	1,877	**950**	985
Tax effect of expenses that are non-deductible/income non-assessable in determining taxable profit:				
Current period				
Taxation offsets and other dividend adjustments	**(59)**	(65)	**(20)**	(39)
Tax adjustment referable to policyholder income	**(115)**	(81)	**22**	(137)
Bankwest - gain on acquisition	**76**	-	**76**	-
Tax losses recognised	**-**	(89)	**-**	-
Difference in overseas tax rates	**(55)**	(35)	**(16)**	(39)
Offshore banking unit	**(56)**	(16)	**(7)**	(49)
Investment allowance	**(28)**	-	**(28)**	-
Other	**(7)**	(36)	**(14)**	7
	(244)	(322)	**13**	(257)
Prior periods				
Other	**5**	(122)	**39**	(34)
Total income tax expense	**1,696**	1,433	**1,002**	694
Income Tax Attributable to Profit from ordinary activities				
Retail Banking Services	**889**	805	**412**	477
Business and Private Banking	**288**	280	**131**	157
Institutional Banking and Markets	**(160)**	128	**19**	(179)
Wealth Management	**111**	318	**36**	75
International Financial Services	**139**	168	**103**	36
Bankwest	**67**	-	**67**	-
Other	**526**	(151)	**203**	323
Corporate tax expense	**1,860**	1,548	**971**	889
Policyholder tax (benefit)/expense	**(164)**	(115)	**31**	(195)
Total income tax expense	**1,696**	1,433	**1,002**	694

Effective Tax Rate	%	%	%	%
Total – corporate	**28. 1**	24. 3	**31. 0**	25. 6
Retail Banking Services – corporate	**29. 7**	30. 0	**29. 4**	29. 9
Business and Private Banking – corporate	**28. 1**	28. 7	**26. 6**	29. 6
Institutional Banking and Markets – corporate	**large**	14. 1	**5. 7**	(51. 4)
Wealth Management – corporate	**30. 1**	28. 5	**42. 4**	26. 4
International Financial Services – corporate	**24. 0**	22. 2	**33. 0**	13. 5
Bankwest - corporate	**35. 4**	-	**35. 4**	-

(1) Includes a gain on acquisition of controlled entities of $983 million for the year ended 30 June 2009 (six months to 30 June 2009: $201 million; six months to 31 December 2008: $782 million).

8. Loans, Bills Discounted and Other Receivables

	30/06/09 $M	31/12/08 $M	30/06/08 $M
Australia			
Overdrafts	**17,829**	17,596	20,047
Housing loans (including securitisation)	**261,504**	234,170	186,926
Credit card outstandings	**9,055**	8,875	7,555
Lease financing	**4,572**	4,641	4,239
Bills discounted	**10,936**	10,079	5,868
Term loans [(1)]	**107,337**	110,832	83,431
Other lending [(1)]	**1,616**	1,736	1,076
Other securities	**524**	492	13
Total Australia	**413,373**	388,421	309,155
Overseas			
Overdrafts	**744**	1,345	716
Housing loans	**30,702**	31,524	28,817
Credit card outstandings	**573**	628	538
Lease financing	**541**	607	563
Term loans	**27,079**	28,845	23,916
Redeemable preference share financing	**744**	744	1,194
Other lending	**16**	22	25
Other securities	**-**	-	300
Total Overseas	**60,399**	63,715	56,069
Gross loans, bills discounted and other receivables	**473,772**	452,136	365,224
Less:			
Provisions for Loan Impairment:			
Collective provision	**(3,195)**	(2,444)	(1,434)
Individually assessed provisions	**(1,729)**	(1,134)	(279)
Unearned income:			
Term loans	**(1,134)**	(1,082)	(1,047)
Lease financing	**(1,083)**	(1,156)	(1,182)
	(7,141)	(5,816)	(3,942)
Net loans, bills discounted and other receivables	**466,631**	446,320	361,282

(1) 31 December 2008 reclassification of $4,526 million from other lending to term loans.

9. Provisions for Impairment and Asset Quality

	Group Including Bankwest 2009 (1)				
	Housing Loans $M	Other Personal $M	Asset Financing $M	Other Commercial Industrial $M	Total $M
Loans which were neither Past Due nor Impaired					
Investment Grade	149,093	1,961	968	77,116	229,138
Pass Grade	113,943	9,253	7,051	48,135	178,382
Weak	19,722	3,216	84	25,429	48,451
Loans which were neither Past Due nor Impaired	282,758	14,430	8,103	150,680	455,971
Loans which were Past Due but not Impaired (2)					
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
Total loans past due but not impaired	8,950	1,469	450	2,722	13,591

	Group Excluding Bankwest 2009 (1)				
	Housing Loans $M	Other Personal $M	Asset Financing $M	Other Commercial Industrial $M	Total $M
Loans which were neither Past Due nor Impaired					
Investment Grade	146,262	1,950	967	77,115	226,294
Pass Grade	96,405	9,024	7,047	47,919	160,395
Weak	6,152	1,844	76	3,746	11,818
Loans which were neither Past Due nor Impaired	248,819	12,818	8,090	128,780	398,507
Loans which were Past Due but not Impaired (2)					
Past due 1 - 29 days	4,200	824	281	857	6,162
Past due 30 - 59 days	1,464	193	70	126	1,853
Past due 60 - 89 days	736	105	41	85	967
Past due 90 - 179 days	829	169	38	81	1,117
Past due 180 days or more	723	63	20	103	909
Total loans past due but not impaired	7,952	1,354	450	1,252	11,008

	2008 (1)				
	Housing Loans $M	Other Personal $M	Asset Financing $M	Other Commercial Industrial $M	Total $M
Loans which were neither Past Due nor Impaired					
Investment Grade	156,110	2,631	-	70,886	229,627
Pass Grade	47,432	13,764	8,028	45,996	115,220
Weak	6,017	2,200	-	2,532	10,749
Total loans which were neither Past Due nor Impaired	209,559	18,595	8,028	119,414	355,596
Loans which were Past Due but not Impaired (2)					
Past due 1 - 29 days	3,676	746	233	1,087	5,742
Past due 30 - 59 days	1,034	192	77	146	1,449
Past due 60 - 89 days	433	90	27	92	642
Past due 90 - 179 days	497	109	21	73	700
Past due 180 days or more	349	15	1	47	412
Total loans past due but not impaired	5,989	1,152	359	1,445	8,945

(1) Gross loans include other receivables.

(2) Included in these balances are credit card facilities and other unsecured portfolio managed facilities up to 180 days past due. If they are not written off at this time they are classified as impaired.

9. Provisions for Impairment and Asset Quality (continued)

	Full Year Ended		Half Year Ended	
	30/06/09	30/06/08	30/06/09	31/12/08
	$M	$M	$M	$M
Movement in Impaired Asset Balances				
Gross impaired assets - opening balance	**683**	421	**2,714**	683
New and increased	**4,374**	1,104	**2,728**	1,646
Acquisitions	**770**	-	**-**	770
Balances written off	**(1,056)**	(470)	**(803)**	(253)
Returned to performing or repaid	**(561)**	(372)	**(429)**	(132)
Gross impaired assets - closing balance	**4,210**	683	**4,210**	2,714

	As at	
	30/06/09	30/06/08
	$M	$M
Impaired Assets by Size of Loan		
Less than $1 million	**665**	228
$1 million to $10 million	**1,014**	199
Greater than $10 million	**2,531**	256
Gross impaired assets	**4,210**	683
Less individually assessed provisions for impairment	**(1,729)**	(279)
Net impaired assets	**2,481**	404

	30/06/09	30/06/08
	%	%
Asset Quality Ratios		
Gross impaired assets as a percentage of gross loans and acceptances	**0. 86**	0. 18
Loans 90 or more days past due but not impaired as a percentage of gross loans and acceptances	**0. 53**	0. 29

Group Excluding Bankwest

	Full Year Ended		Half Year Ended	
	30/06/09	30/06/08	30/06/09	31/12/08
	$M	$M	$M	$M
Movement in Impaired Asset Balances				
Gross impaired assets - opening balance	**683**	421	**1,944**	683
New and increased	**3,689**	1,104	**2,043**	1,646
Balances written off	**(967)**	(470)	**(714)**	(253)
Returned to performing or repaid	**(561)**	(372)	**(429)**	(132)
Gross impaired assets - closing balance	**2,844**	683	**2,844**	1,944

	As at	
	30/06/09	30/06/08
	$M	$M
Impaired Assets by Size of Loan		
Less than $1 million	**480**	228
$1 million to $10 million	**540**	199
Greater than $10 million	**1,824**	256
Gross impaired assets	**2,844**	683
Less individually assessed provisions for impairment	**(1,109)**	(279)
Net impaired assets	**1,735**	404

	30/06/09	30/06/08
	%	%
Asset Quality Ratios		
Gross impaired assets as a percentage of gross loans and acceptances	**0. 66**	0. 18
Loans 90 or more days past due but not impaired as a percentage of gross loans and acceptances	**0. 47**	0. 29

9. Provisions for Impairment and Asset Quality (continued)

Provisioning Policy

Provisions for impairment are maintained at an amount adequate to cover incurred credit related losses.

For loans and receivables the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and then individually or collectively for financial assets that are not individually significant. If there is objective evidence of impairment, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the expected future cash flows discounted at the financial asset's original effective interest rate. Short term balances are not discounted.

Available-for-sale investments are subject to impairment based on their fair value.

	Full Year Ended		Half Year Ended	
	30/06/09	30/06/08	30/06/09	31/12/08
	$M	$M	$M	$M
Provisions for impairment losses				
Collective provision				
Opening Balance	**1,466**	1,156	**2,474**	1,466
Acquisitions	**250**	-	**135**	115
Net collective provision funding	**1,176**	627	**575**	601
Impairment losses written off	**(472)**	(381)	**(267)**	(205)
Impairment losses recovered	**73**	77	**34**	39
Fair value and other (1)	**732**	(13)	**274**	458
Closing balance	**3,225**	1,466	**3,225**	2,474
Individually assessed provisions				
Opening Balance	**279**	100	**1,134**	279
Acquisitions	**380**	-	**142**	238
Net new and increased individual provisioning	**1,686**	336	**948**	738
Net write-back of provisions no longer required	**(179)**	(33)	**(80)**	(99)
Discount unwind to interest income	**(45)**	(9)	**(37)**	(8)
Fair value and other (2)	**279**	7	**227**	52
Impairment losses written off	**(671)**	(122)	**(605)**	(66)
Closing balance	**1,729**	279	**1,729**	1,134
Total provisions for impairment losses	**4,954**	1,745	**4,954**	3,608
Less: Off balance sheet provisions	**(30)**	(32)	**(30)**	(30)
Total provisions for loan impairment	**4,924**	1,713	**4,924**	3,578

(1) Includes fair value adjustments related to the Bankwest acquisition of $723 million ($273 million – half year ended 30 June 2009, $450 million – half year ended 31 December 2008), of which $286 million remains.

(2) Includes fair value adjustments related to the Bankwest acquisition of $180 million, of which nil remains.

	Full Year Ended		Half Year Ended	
	30/06/09	30/06/08	30/06/09	31/12/08
	%	%	%	%
Provision Ratios				
Collective provision as a % of gross loans and acceptances	**0. 66**	0. 38	**0. 66**	0. 53
Collective provision as a % of risk weighted assets - Basel II (1)	**1. 12**	0. 71	**1. 12**	0. 89
Individually assessed provisions for impairment as a % of gross impaired assets	**41. 1**	40. 8	**41. 1**	41. 8
Total provisions for impairment losses as a % of gross loans and acceptances	**1. 01**	0. 46	**1. 01**	0. 77

(1) The ratio for 31 December 2008 has been restated to include an estimate of Bankwest risk weighted assets.

	Full Year Ended		Half Year Ended	
	30/06/09	30/06/08	30/06/09	31/12/08
Impairment Expense	$M	$M	$M	$M
Loan Impairment Expense				
Net collective provisioning funding	**1,176**	627	**575**	601
Net new and increased individual provisioning	**1,686**	336	**948**	738
Write-back of individually assessed provisions	**(179)**	(33)	**(80)**	(99)
Total loan impairment expense	**2,683**	930	**1,443**	1,240
Available-for-sale investment impairment expense	**365**	-	**(2)**	367
Total impairment expense	**3,048**	930	**1,441**	1,607

10. Deposits and Other Public Borrowings

	30/06/09 $M	31/12/08 $M	30/06/08 $M
Australia			
Certificates of deposit	**56,735**	44,356	36,981
Term deposits	**95,126**	101,627	71,637
On demand and short term deposits	**157,433**	144,873	117,712
Deposits not bearing interest	**7,135**	7,384	6,142
Securities sold under agreements to repurchase	**8,413**	10,062	1,462
Total Australia	**324,842**	308,302	233,934
Overseas			
Certificates of deposit	**9,960**	7,915	4,139
Term deposits	**22,517**	20,658	15,687
On demand and short term deposits	**9,760**	11,248	8,351
Deposits not bearing interest	**1,481**	2,061	1,468
Securities sold under agreements to repurchase	**161**	-	127
Total Overseas	**43,879**	41,882	29,772
Total deposits and other public borrowings	**368,721**	350,184	263,706

11. Financial Reporting by Segments

This note sets out segment reporting in accordance with statutory reporting requirements. Refer to the business analysis at the front of this report for detailed profit and loss accounts by segment.

Business Segment Information	Full Year Ended 30 June 2009							
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Management	International Financial Services	Bankwest	Other	Total
Income Statement	$M	$M	$M	$M	$M	$M	$M	$M
Interest income	14,859	3,144	4,713	-	4,041	2,053	2,709	**31,519**
Insurance premium and related revenue	-	-	-	1,259	392	-	-	**1,651**
Other income	1,551	752	1,278	2,236	507	192	(253)	**6,263**
Total revenue	16,410	3,896	5,991	3,495	4,940	2,245	2,456	**39,433**
Equity accounted earnings	6	3	-	41	91	-	-	**141**
Revenue from external customers	16,290	4,283	5,537	3,515	4,781	2,124	2,762	**39,292**
Revenue from other operating segments	114	(390)	454	(61)	68	121	(306)	**-**
Interest expense	5,769	2,616	1,835	-	3,109	1,347	6,542	**21,218**
Segment result before income tax	2,996	1,024	(17)	170	613	189	1,474	**6,449**
Income tax expense	889	288	(160)	(88)	174	67	526	**1,696**
Segment result after income tax	2,107	736	143	258	439	122	948	**4,753**
Minority interests	-	-	-	-	3	-	27	**30**
Segment result after income tax and minority interests	2,107	736	143	258	436	122	921	**4,723**
Less: Non-cash items	-	-	(23)	(28)	(34)	9	384	**308**
Net profit after tax ("cash basis")	2,107	736	166	286	470	113	537	**4,415**
Additional items								
Intangible asset amortisation	8	44	7	1	22	49	45	**176**
Impairment expense	699	309	1,708	-	202	113	17	**3,048**
Depreciation	11	24	38	5	41	19	164	**302**
Defined benefit superannuation expense	-	-	-	-	-	-	14	**14**
Gain on acquisition of controlled entities	-	-	-	-	-	-	983	**983**
Bankwest integration	-	-	-	-	-	76	36	**112**
Other	23	9	36	9	5	1	52	**135**
Balance Sheet								
Total assets	237,862	74,815	113,200	22,706	57,241	68,327	46,221	**620,372**
Acquisition of property, plant & equipment, intangibles and other non–current assets (1)	5	1	615	21	53	36	1,333	**2,064**
Investments in associates	71	15	3	640	318	-	-	**1,047**
Total liabilities	141,324	94,799	81,841	19,714	48,859	64,388	138,005	**588,930**

(1) Includes those acquired as part of the acquisition of controlled entities (refer to Appendix 18, page 76).

11. Financial Reporting by Segments (continued)

Business Segment Information

Income Statement	Retail Banking Services $M	Business and Private Banking $M	Institutional Banking and Markets $M	Wealth Management $M	International Financial Services $M	Bankwest $M	Other $M	Total $M
	Full Year Ended 30 June 2008							
Interest income	14,549	3,219	5,975	-	4,061	-	1,430	**29,234**
Insurance premium and related revenue	-	-	-	994	379	-	-	**1,373**
Other income	1,339	863	1,027	2,763	458	-	(3)	**6,447**
Total revenue	15,888	4,082	7,002	3,757	4,898	-	1,427	**37,054**
Equity accounted earnings	-	-	-	60	32	-	-	**92**
Revenue from external customers	15,810	4,374	6,222	3,747	4,796	-	2,013	**36,962**
Revenue from other operating segments	78	(292)	780	(50)	70	-	(586)	**-**
Interest expense	5,306	2,980	3,765	-	3,092	-	6,184	**21,327**
Segment result before income tax	2,687	974	909	991	767	-	(73)	**6,255**
Income tax expense	805	280	128	194	177	-	(151)	**1,433**
Segment result after income tax	1,882	694	781	797	590	-	78	**4,822**
Minority interests	-	-	-	-	2	-	29	**31**
Segment result after income tax and minority interests	1,882	694	781	797	588	-	49	**4,791**
Less: Non–cash Items	(29)	(27)	10	60	7	-	37	**58**
Net profit after tax ("cash basis")	1,911	721	771	737	581	-	12	**4,733**
Additional items								
Intangible asset amortisation	19	49	4	-	12	-	19	**103**
Impairment expense	331	167	259	-	43	-	130	**930**
Depreciation	10	27	18	4	39	-	127	**225**
Defined benefit superannuation expense	-	-	-	-	-	-	(14)	**(14)**
Investment and restructuring	41	22	-	-	14	-	300	**377**
Other	28	10	4	10	6	-	32	**90**
Balance Sheet								
Total assets	199,106	73,605	97,654	23,892	51,634	-	41,681	**487,572**
Acquisition of property, plant & equipment, intangibles and other non–current assets	15	420	127	8	71	-	321	**962**
Investments in associates	-	15	2	724	165	-	-	**906**
Total liabilities	122,349	89,677	76,561	20,609	42,750	-	109,489	**461,435**

11. Financial Reporting by Segments (continued)

Geographical Segments Financial Performance and Position	Full Year Ended 30/06/09 $M	 %	 30/06/08 $M	 %
Revenue				
Australia	**32,498**	**82. 4**	29,131	78. 6
New Zealand	**4,904**	**12. 4**	4,922	13. 3
Other countries (1)	**2,031**	**5. 2**	3,001	8. 1
	39,433	**100. 0**	37,054	100. 0
Non-Current Assets				
Australia	**11,909**	**89. 8**	9,929	87. 7
New Zealand	**1,005**	**7. 6**	1,129	10. 0
Other countries (1)	**343**	**2. 6**	265	2. 3
	13,257	**100. 0**	11,323	100. 0

(1) Other countries were: United Kingdom, United States of America, Japan, Singapore, Malta, Hong Kong, Grand Cayman, Fiji, Indonesia, China and Vietnam.

The geographical segment represents the location in which the transaction was booked.

12. Integrated Risk Management (Excludes Insurance and Funds Management)

The major categories of risk actively managed by the Group include credit risk, liquidity and funding risk, market risk and other operational risks.

Credit Risk

The Group uses a portfolio approach for the management of its credit risk. A key element is a well diversified portfolio. The Group uses various portfolio management tools to assist in diversifying the credit portfolio.

Below is a breakdown of the Group's committed exposure across industry, region and commercial credit quality. The 31 December 2008 view by industry and region has been restated to capture Bankwest's full committed exposure.

By Industry	30/06/09 %	31/12/08 %	30/06/08 %
Agriculture, forestry and fishing	**2.4**	2.4	2.3
Banks	**10.4**	10.8	11.8
Business services	**1.0**	1.1	0.9
Construction	**1.1**	1.0	0.8
Culture and recreational services	**0.9**	0.8	0.9
Energy	**1.5**	1.7	1.8
Finance - Other	**5.0**	6.2	7.5
Health and community service	**0.9**	0.9	0.9
Manufacturing	**2.7**	3.1	2.9
Mining	**1.0**	1.3	1.2
Property	**7.8**	8.1	6.9
Retail trade and wholesale trade	**2.6**	2.8	2.7
Sovereign	**4.0**	4.0	5.3
Transport and storage	**1.5**	1.7	1.7
Other	**5.7**	5.5	5.5
Consumer	**51.5**	48.6	46.9
	100.0	100.0	100.0

The bulk of the Group's committed exposures are concentrated in Australia and New Zealand.

By Region	30/06/09 %	31/12/08 %	30/06/08 %
Australia	**78.5**	76.6	73.1
New Zealand	**10.3**	10.5	11.3
Europe	**6.9**	7.9	10.4
Americas	**2.3**	2.7	3.0
Asia	**1.8**	1.9	1.9
Other	**0.2**	0.4	0.3
	100.0	100.0	100.0

Commercial Portfolio Quality	30/06/09 %	31/12/08 %	30/06/08 %
AAA/AA	**25**	27	36
A	**17**	18	18
BBB	**18**	19	17
Other	**40**	36	29
	100	100	100

As a measure of individually risk rated commercial portfolio exposure (including finance and insurance), the Group has 60% of commercial exposures at investment grade quality. Excluding Bankwest, 66% of commercial exposures are investment grade quality (31 December 2008: 68%).

12. Integrated Risk Management (continued)

Market Risk

Market risk in the Balance Sheet is discussed within Note 41 of the 2009 Annual Report.

Value at Risk (VaR)

The Group uses Value at Risk (VaR) as one of the measures of traded and non-traded market risk. VaR measures potential loss using historically observed market volatility and correlation between different markets.

VaR is modelled at a 97.5% confidence level over a 1-day holding period for trading book positions and over a 20-day holding period for banking book interest rate risk and insurance business market risk.

Where VaR is deemed not an appropriate method of risk measurement other risk measures have been used, as specified by the heading or accompanying footnotes of the tables provided.

Traded Market Risk [1]	Average VaR Jun 2009 $M	Average VaR Dec 2008 $M	Average VaR Jun 2008 $M
Risk Type			
Interest rate risk	**4. 70**	4. 10	3. 88
Exchange rate risk	**3. 20**	2. 00	1. 34
Implied volatility risk	**2. 10**	1. 40	1. 04
Equities risk	**0. 90**	1. 00	0. 45
Commodities risk	**0. 90**	0. 80	0. 92
Credit spread risk	**2. 60**	3. 10	4. 65
Diversification benefit	**(6. 70)**	(5. 80)	(5. 62)
Total general market risk	**7. 70**	6. 60	6. 66
Undiversified risk	**1. 40**	2. 10	3. 08
ASB Bank	**1. 10**	1. 30	1. 11
Bankwest	**0. 10**	0. 20	-
Total	**10. 30**	10. 20	10. 85

(1) VaR is at 1 day 97.5% confidence.

12. Integrated Risk Management (continued)

Non-Traded VaR in Australian life insurance business (20 day 97.5% confidence) (1)	Average VaR Jun 2009 $M	Average VaR Dec 2008 $M	Average VaR Jun 2008 $M
Shareholder funds (1)	**23.4**	28.2	25.7
Guarantees (to Policyholders) (2)	**42.8**	40.5	19.2

(1) VaR in relation to the investment of shareholder funds.

(2) VaR in relation to product portfolios where the Group has a guaranteed liability to policyholders.

Interest Rate Risk in the Balance Sheet

Interest rate risk in the balance sheet is discussed within Note 41 of the 2009 Annual Report.

(a) Next 12 months' Earnings

The potential impact on net interest earnings of a 1% parallel rate shock and the expected change in price of assets and liabilities held for purposes other than trading is as follows:

Net Interest Earnings at Risk		Jun 2009 $M	Dec 2008 $M	Jun 2008 $M
Average monthly exposure	AUD	**151.4**	161.1	28.1
	NZD	**11.0**	19.9	15.6
High month exposure	AUD	**214.1**	209.9	70.0
	NZD	**19.2**	29.0	24.3
Low month exposure	AUD	**86.5**	91.1	0.4
	NZD	**4.8**	12.3	3.9

(b) Economic Value

A 20-day 97.5% VaR measure is used to capture the economic impact of adverse changes in interest rates on all banking book assets and liabilities.

Non-Traded Interest Rate Risk (1)	Average VaR Jun 2009 $M	Average VaR Dec 2008 $M	Average VaR Jun 2008 $M
AUD Interest rate risk	**81.2**	72.8	123.6
NZD Interest rate risk (2)	**0.7**	1.1	3.8

(1) VaR is at 20 day 97.5% confidence.

(2) Relates specifically to ASB data as at month end.

13. Counterparty and Other Credit Risk Exposures

Special purpose and off-balance sheet entities

The Group invests in or establishes special purpose entities (SPEs) in the ordinary course of business, primarily to provide funding and financial services for its customers. The main type of SPEs are securitisation vehicles and structured finance entities.

These SPEs are consolidated in the Financial Statements if they meet the criteria of control as outlined in Note 1 to the Financial Statements of the 2009 Annual Report. The definition of control depends upon substance rather than form and accordingly, determination of the existence of control involves management judgement. The Group assesses whether an SPE should be consolidated based on whether the majority of risks and rewards in the entity pass to the Group.

The main types of SPEs with which the Group is involved are detailed below, including the reason for their establishment and the control factors associated with the Group's interest in them. The Group does not bear the majority of residual risks and rewards of the SPEs which are not consolidated. This appendix reflects the nature of the Group's SPEs with securitisation exposures and accordingly does not include every transaction with an SPE that the Group has entered into.

Securitisation vehicles

- Reason for establishment - Securitisation is a financing technique whereby assets are transferred to a SPE, which funds the purchase of assets by issuing securities to investors. The Group has a policy of funding diversification and assets are securitised to provide greater diversification of the Group's funding sources.
- Control factors - The Group may manage these securitisation vehicles, service assets in the vehicle, provide hedging, or provide other facilities such as liquidity facilities. The Group retains the risks associated with the provision of these services. The Group is also entitled to any residual income from the SPEs after all payments due to investors and costs of the program have been met.

Structured finance entities

- Reason for establishment - These entities are established to assist the Group's Structured Finance function with the structuring of client or Group financing. The resulting lending and investment arrangements are entered into under the Group's approved lending criteria and are subject to appropriate credit approval processes. The assets arising from these financing activities are generally included in Receivables due from other financial institutions, Available-for-sale investments or Loans, bills discounted and other receivables. Exposures in the form of guarantees or undrawn credit lines are included within Contingent liabilities and credit related commitments.
- Control factors - The Group may manage these vehicles, hold minor amounts of capital, provide financing or transact derivatives. These entities are generally consolidated by the Group.

Asset-backed securities

Asset-backed securities are debt instruments based on pools of assets which may consist of residential mortgages, commercial mortgages or other types of receivables. The Group acquires asset-backed securities primarily as part of its trading activities (classified as Trading assets), liquidity management (classified as Available-for-sale investments), or through investments in SPEs.

The primary source of repayment of the debt instruments is the cash flows from the underlying assets. Investors in the debt instruments have no recourse to the general assets of the issuer. The majority of the Group's asset-backed securities portfolio consists of notes rated at least AA- that are carried at fair value on the Balance Sheet.

Leveraged finance

The Group's Leveraged Finance area provides secured debt financing for the acquisition of companies that are typically highly leveraged, to private equity firms and other corporations with operations in Australia and New Zealand. Target businesses are those with stable and established earnings and the ability to reduce borrowing levels.

The Group's exposure is well diversified across industries and private equity sponsors. All debt facilities provided are senior with first ranking security over the cash flows and assets of the businesses.

Hedge funds

As at 30 June 2009 the Group had a net exposure of USD 20 million (June 2008: USD 4.8 million) to hedge funds, with no exposure to diversified funds that invest in hedge funds (June 2008: USD 34 million). Of the USD 20 million, there is direct exposure to hedge funds of USD 15 million with a provision held against this investment. Uncollateralised mark to market exposure to hedge funds via cross currency and interest rate swaps was $5 million at 30 June 2009 (June 2008: No material exposure). The balance of the Group's exposure is collateralised.

Collateralised debt obligations (CDOs) and credit linked notes

The Group has no material direct or indirect exposure to CDOs or credit linked notes.

Lenders mortgage insurance

Lenders mortgage insurance is provided by Genworth Financial Mortgage Insurance Pty Ltd. The annualised expected loss claim, representing the total value of claims that would be due from Genworth to the Group, on the basis of current market conditions, is approximately $30 million.

Monoline insurers

At 30 June 2009 the Group had $343 million (June 2008: $245 million) in exposures to securities wrapped by monoline insurers. The underlying debt instruments are predominantly Australian, ranging in rating from BBB- to A- with $150 million of exposure placed with a high rated institution through a total return swap.

13. Counterparty and Other Credit Risk Exposures (continued)

Securitisation vehicles

An analysis of the assets of, and exposures to, consolidated securitisation vehicles which the Group has established or manages is outlined in the tables below.

	Australia		New Zealand		Total	
	30/06/09	30/06/08	30/06/09	30/06/08	30/06/09	30/06/08
Total securitisation assets of SPEs	$M	$M	$M	$M	$M	$M
Residential mortgages - Group originated mortgage-backed securities (including those held for potential repurchase with central banks)	**43,609**	15,662	**3,218**	-	**46,827**	15,662
Residential mortgages - Group originated	**12,568**	11,676	**-**	-	**12,568**	11,676
Residential mortgages - Non-Group originated	**-**	200	**-**	-	**-**	200
Commercial mortgages	**-**	79	**-**	-	**-**	79
Other	**-**	120	**-**	-	**-**	120
Total securitisation assets of SPEs	**56,177**	27,737	**3,218**	-	**59,395**	27,737

	Funded		Unfunded		Total	
	30/06/09	30/06/08	30/06/09	30/06/08	30/06/09	30/06/08
Exposure to securitisation SPEs	$M	$M	$M	$M	$M	$M
Residential mortgage backed securities held for potential repurchase with central banks	**45,343**	15,020	**-**	-	**45,343**	15,020
Other residential mortgage backed securities	**1,486**	642	**-**	-	**1,486**	642
Other derivatives (1)	**1,411**	1,886	**-**	-	**1,411**	1,886
Liquidity support facilities	**941**	1,206	**798**	516	**1,739**	1,722
Other facilities	**90**	-	**220**	266	**310**	266
Total exposure to securitisation SPEs	**49,271**	18,754	**1,018**	782	**50,289**	19,536

(1) Derivatives are measured on the basis of Potential Credit Exposure, a credit risk measurement of maximum risk over the term of the transaction.

13. Counterparty and Other Credit Risk Exposures (continued)

Asset-backed securities

An analysis of the exposure to non-Group originated asset-backed securities and related facilities is outlined in the tables below.

Summary of asset-backed securities	Carrying Amount 30/06/09 $M	Carrying Amount 30/06/08 $M
Commercial mortgage backed securities	**98**	56
Residential mortgage backed securities	**2,763**	3,336
Other asset-backed securities	**1**	2
Total	**2,862**	3,394

Asset-backed securities by underlying asset

	Trading portfolio		AFS portfolio (1)		Other		Total	
	30/06/09	30/06/08	30/06/09	30/06/08	30/06/09	30/06/08	30/06/09	30/06/08
	$M	$M	$M	$M	$M	$M	$M	$M
Sub-prime	**-**	-	**-**	-	**-**	-	**-**	-
Non-conforming (Alt-A)	**1**	5	**34**	23	**-**	-	**35**	28
Prime mortgages	**81**	754	**1,601**	1,417	**1,046**	1,137	**2,728**	3,308
Other assets	**-**	-	**99**	58	**-**	-	**99**	58
Total	**82**	759	**1,734**	1,498	**1,046**	1,137	**2,862**	3,394

Asset-backed securities by credit rating and geography

	AAA & AA		A		BBB		BB and below including not rated		Total	
	30/06/09	30/06/08	30/06/09	30/06/08	30/06/09	30/06/08	30/06/09	30/06/08	30/06/09	30/06/08
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
Australia	**1,755**	2,201	**10**	10	**-**	-	**1**	-	**1,766**	2,211
New Zealand	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Europe	**1,046**	1,127	**-**	-	**-**	-	**-**	-	**1,046**	1,127
UK	**50**	56	**-**	-	**-**	-	**-**	-	**50**	56
Total	**2,851**	3,384	**10**	10	**-**	-	**1**	-	**2,862**	3,394

Warehousing financing facilities	Funded Commitments (2)		Unfunded Commitments		Total	
	30/06/09	30/06/08	30/06/09	30/06/08	30/06/09	30/06/08
	$M	$M	$M	$M	$M	$M
Australia	**4,819**	4,081	**2,774**	3,949	**7,593**	8,030
New Zealand	**388**	402	**13**	12	**401**	414
Europe	**346**	280	**-**	-	**346**	280
Canada	**4**	4	**-**	48	**4**	52
Total	**5,557**	4,767	**2,787**	4,009	**8,344**	8,776

Commercial paper standby liquidity facilities (3)	Funded Commitments		Unfunded Commitments		Total	
	30/06/09	30/06/08	30/06/09	30/06/08	30/06/09	30/06/08
	$M	$M	$M	$M	$M	$M
Standby liquidity facilities	**297**	245	**381**	666	**678**	911

(1) Available-for-sale investments (AFS).

(2) Includes reverse mortgage commitments of approximately $1 billion.

(3) Facilities provided to companies with operations in Australia and New Zealand.

Appendices

13. Counterparty and Other Credit Risk Exposures (continued)

Leveraged finance

The tables below provide an analysis of the credit exposures arising from providing leverage finance. This excludes all public company acquisition finance because it does not expose the Group to the same level of risk.

Exposure by industry (1)

	Funded exposure		Unfunded commitments		Total gross exposure		Individual provision		Net exposure	
	30/06/09	30/06/08	30/06/09	30/06/08	30/06/09	30/06/08	30/06/09	30/06/08	30/06/09	30/06/08
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
Retail	**147**	187	**28**	36	**175**	223	**-**	-	**175**	223
Manufacturing	**221**	183	**17**	32	**238**	215	**-**	-	**238**	215
Media	**144**	141	**7**	31	**151**	172	**-**	-	**151**	172
Healthcare	**94**	115	**8**	4	**102**	119	**-**	-	**102**	119
Equipment hire	**102**	85	**7**	31	**109**	116	**-**	-	**109**	116
Financial services	**39**	54	**4**	8	**43**	62	**-**	-	**43**	62
Other	**112**	117	**27**	31	**139**	148	**-**	-	**139**	148
Total	**859**	882	**98**	173	**957**	1,055	**-**	-	**957**	1,055

Exposure by geography (1)

	Funded exposure		Unfunded commitments		Total gross exposure		Individual provision		Net exposure	
	30/06/09	30/06/08	30/06/09	30/06/08	30/06/09	30/06/08	30/06/09	30/06/08	30/06/09	30/06/08
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
Australia	**732**	758	**94**	141	**826**	899	**-**	-	**826**	899
New Zealand	**127**	124	**4**	32	**131**	156	**-**	-	**131**	156
Total	**859**	882	**98**	173	**957**	1,055	**-**	-	**957**	1,055

(1) Excludes derivative exposures of $126 million (June 2008:$164 million).

	As at	
	30/06/09	30/06/08
Movements in individual provisions	$M	$M
Opening balance	**-**	-
Impairment expense	**-**	-
Exposures written off	**-**	-
Total individual provisions	**-**	-

14. Capital Adequacy

Risk Weighted Capital Ratios	Basel II 30/06/09 %	Basel II 31/12/08 %	Group Basel II 30/06/08 %
Tier One	**8. 07**	8. 75	8. 17
Tier Two	**2. 35**	2. 64	3. 41
Capital Base	**10. 42**	11. 39	11. 58

Regulatory Capital	Basel II 30/06/09 $M	Basel II 31/12/08 $M	Group Basel II 30/06/08 $M
Tier One Capital			
Ordinary Share Capital	**21,642**	20,365	15,727
Treasury shares (1)	**278**	287	264
Ordinary Share Capital and Treasury Shares	**21,920**	20,652	15,991
Other Equity Instruments	**939**	939	939
Trust Preferred Securities 2006 (2)	**(939)**	(939)	(939)
Reserves (3)	**516**	958	1,206
Cash flow hedge reserve	**813**	675	(341)
Employee compensation reserve	**-**	32	39
Asset revaluation reserve	**(173)**	(194)	(195)
Available-for-sale investments reserve	**55**	(72)	41
Foreign currency translation reserve related to non-consolidated subsidiaries	**12**	(32)	39
Total Reserves	**1,223**	1,367	789
Retained Earnings and Current Period Profits	**7,825**	7,206	7,747
Expected dividend (4)	**(1,747)**	(1,662)	(2,029)
Estimated reinvestment under Dividend Reinvestment Plan (5)	**507**	548	609
Gain on acquisition recognised on consolidation of Bankwest (6)	**-**	(547)	-
Retained earnings AIFRS adjustment for non-consolidated subsidiaries (7)	**752**	752	752
Other	**(181)**	(77)	(65)
Net Retained Earnings	**7,156**	6,220	7,014
Minority Interest (8)	**520**	519	518
ASB Perpetual Preference Shares	**(505)**	(505)	(505)
Minority interests less ASB Perpetual Preference Shares	**15**	14	13
Total Fundamental Tier One Capital	**30,314**	28,253	23,807

(1) Represents shares held by the Group's life insurance operations and employee share scheme trusts.

(2) Trust Preferred Securities 2006 issued 15 March 2006 of USD700 million. These instruments qualify as Tier One Innovative Capital of the Group.

(3) The Group's general reserve, capital reserve and foreign currency translation reserve (excluding balances related to non consolidated subsidiaries) qualify as Fundamental Tier One Capital.

(4) Represents expected dividends required to be deducted from current period earnings.

(5) Based on reinvestment experience related to the Bank's Dividend Reinvestment Plan (DRP) as approved by APRA.

(6) APRA prescribed that the gain on acquisition recognised on acquisition of Bankwest be excluded from capital whilst Bankwest was treated as a non-consolidated subsidiary at 31 December 2008.

(7) Represents the write back of retained earnings adjustment upon adoption of AIFRS within the non-consolidated subsidiaries. This retained earnings write back is incorporated as part of the net equity deduction of non-consolidated subsidiaries.

(8) Minority interest classified as Tier One Innovative Capital under Basel II regulations. Comprised predominately of ASB Perpetual Preference Shares of NZD550 million issued by New Zealand subsidiary entities. These shares are non-redeemable and carry limited voting rights.

14. Capital Adequacy (continued)

	Group		
	Basel II	Basel II	Basel II
	30/06/09	31/12/08	30/06/08
	$M	$M	$M
Residual Tier One Capital			
Innovative Tier One Capital			
Non-cumulative preference shares [9]	**2,762**	3,621	3,396
Minority Interests [8]	**505**	505	505
Eligible loan capital	**248**	291	209
Total Innovative Tier One Capital	**3,515**	4,417	4,110
Non-Innovative Residual Tier One Capital [10]	**1,443**	1,443	1,443
Less: Residual capital in excess of prescribed limits transferred to Upper Tier Two Capital [11]	**-**	(627)	(1,359)
Total Residual Tier One Capital	**4,958**	5,233	4,194
Tier One Capital Deductions - 100%			
Goodwill [12]	**(8,572)**	(7,915)	(8,010)
Capitalised expenses	**(257)**	(137)	(110)
Capitalised computer software costs	**(673)**	(571)	(353)
Defined benefit superannuation plan surplus [13]	**(347)**	(36)	(1,075)
Deferred tax	**(257)**	(157)	(38)
	(10,106)	(8,816)	(9,586)
Tier One Capital Deductions - 50% [14]			
Equity investments in other companies and trusts [15]	**(422)**	(506)	(561)
Equity investments in non-consolidated subsidiaries (net of intangibles) [16]	**(529)**	(519)	(376)
Investment in Bankwest [17]	**-**	(1,828)	-
Expected impairment losses (before tax) in excess of eligible credit provisions (net of deferred tax) [18]	**(654)**	(605)	(587)
Other deductions	**(250)**	(264)	(100)
	(1,855)	(3,722)	(1,624)
Total Tier One Capital Deductions	**(11,961)**	(12,538)	(11,210)
Total Tier One Capital	**23,311**	20,948	16,791

(8) Minority interest classified as Tier One Innovative Capital under Basel II regulations. Comprised predominately of ASB Perpetual Preference Shares of NZD550 million issued by New Zealand subsidiary entities. These shares are non-redeemable and carry limited voting rights.

(9) APRA approved Innovative Tier One Capital instruments (PERLS III and Trust Preferred Securities 2003 and 2006). PERLS II were redeemed in March 2009.

(10) Perpetual Exchangeable Resaleable Listed Securities (PERLS IV) of $1,465m (less costs) issued by the Bank in July 2007 and approved by APRA as Tier One Non-Innovative Capital instruments.

(11) Residual Capital eligible for inclusion as Tier One Capital is subject to an APRA prescribed limit of 25% of Tier One capital with any excess transferred to Upper Tier Two Capital. The Group was granted transitional relief to 1 January 2010 with respect to the Innovative Capital limit of 15% of Tier One capital of $765 million. This relief is to be reduced by 20% each quarter, effective from March 2009 onwards.

(12) Represents total Goodwill and other intangibles (excluding capitalised computer software costs) which is required to be deducted from Tier One Capital.

(13) In accordance with APRA regulations, the surplus (net of tax) in the Bank's defined benefit superannuation fund which is included in Shareholders' equity must be deducted from Tier One Capital.

(14) Represents 50% Tier One and 50% Tier Two Capital deductions under Basel II.

(15) Represents the Group's non-controlling interest in major infrastructure assets and unit trusts.

(16) Represents the net equity within the non-consolidated subsidiaries (primarily the Colonial group) which is deducted 50% from Tier One and 50% from Tier Two Capital. This deduction is net of $1,707 million in Non-Recourse Debt issued by Colonial Finance Limited (December 2008: $1,739 million, June 2008: $1,739 million) and the Colonial Hybrid Issue $700 million (December 2008: $700 million, June 2008: $700 million).

(17) APRA approved for Bankwest to be treated as a non-consolidated subsidiary as at 31 December 2008. As a result the capital invested into Bankwest, represented by ordinary share capital and subordinated Lower Tier Two capital, was deducted from the Group's capital, 50% Tier One and 50% Tier Two. From 1 January 2009 Bankwest has been consolidated from a regulatory capital perspective and these items are eliminated.

(18) Regulatory Expected Loss (pre tax) using stressed loss given default assumptions associated with the loan portfolio in excess of eligible credit provisions (collective provision net of tax and individually assessed provision pre tax) are deducted 50% from both Tier One and Tier Two capital.

14. Capital Adequacy (continued)

Regulatory Capital	Basel II 30/06/09 $M	Basel II 31/12/08 $M	Group Basel II 30/06/08 $M
Tier Two Capital			
Upper Tier Two Capital			
Residual capital in excess of prescribed limits transferred from Tier One Capital [1]	**-**	627	1,359
Prudential general reserve for credit losses (net of tax) [2]	**590**	-	-
Asset revaluation reserve [3]	**78**	87	88
Upper Tier Two note and bond issues	**373**	320	196
Other	**56**	42	57
Total Upper Tier Two Capital	**1,097**	1,076	1,700
Lower Tier Two Capital			
Lower Tier Two note and bond issues [4] [5]	**7,561**	8,966	6,977
Holding of own Lower Tier Two Capital	**(19)**	(11)	(40)
Total Lower Tier Two Capital	**7,542**	8,955	6,937
Tier Two Capital Deductions			
50% Deductions from Tier Two Capital [6]	**(1,855)**	(3,722)	(1,624)
Total Tier Two Capital	**6,784**	6,309	7,013
Total Capital	**30,095**	27,257	23,804

(1) Residual Capital eligible for inclusion as Tier One Capital is subject to an APRA prescribed limit of 25% of Tier One Capital with any excess transferred to Upper Tier Two Capital.

(2) Represents the after tax collective provisions and general reserve for credit losses of banking entities in the Group (including Bankwest) which operate under the Basel II Standardised methodology.

(3) APRA allows only 45% of asset revaluation reserve to be included in Tier Two Capital.

(4) APRA requires these Lower Tier Two note and bond issues to be included as if they were unhedged.

(5) For regulatory capital purposes, Lower Tier Two note and bond issues are amortised by 20% of the original amount during each of the last five years to maturity.

(6) Represents 50% Tier One and 50% Tier Two Capital deductions under Basel II rules.

14. Capital Adequacy (continued)

Risk Weighted Assets	Group Basel II 30/06/09 $M	Basel II 31/12/08 $M	Basel II 30/06/08 $M
Credit Risk			
Subject to Advanced IRB approach			
Corporate	**90,389**	93,131	81,431
Sovereign	**1,713**	2,144	1,802
Bank	**8,040**	12,510	5,292
Residential mortgage	**54,841**	45,231	39,128
Qualifying revolving retail	**5,698**	5,562	6,070
Other retail	**6,336**	5,479	5,274
Impact of the regulatory scaling factor (1)	**10,021**	9,843	8,340
Total risk weighted assets subject to Advanced IRB approach	**177,038**	173,900	147,337
Specialised lending (SL) exposures subject to slotting criteria	**22,627**	26,624	21,053
Subject to Standardised approach			
Corporate	**23,018**	6,491	5,347
Sovereign	**282**	430	84
Bank	**170**	116	320
Residential mortgage	**20,576**	316	241
Other retail	**2,398**	-	-
Other	**7,517**	8,763	9,229
Total risk weighted assets subject to standardised approach	**53,961**	16,116	15,221
Securitisation	**2,724**	2,890	3,536
Equity exposures	**2,103**	1,701	293
Total risk weighted assets for credit risk exposures	**258,453**	221,231	187,440
Market risk	**3,450**	4,138	4,501
Interest rate risk in the banking book (2)	**8,944**	-	-
Operational risk	**17,989**	13,920	13,560
Total risk weighted assets (3)	**288,836**	239,289	205,501

(1) APRA requires risk weighted assets amounts that are derived from IRB risk weight functions be multiplied by a factor of 1.06.

(2) Risk weighted assets for Interest Rate Risk in the Banking Book was not effective until 1 July 2008 and was $ nil as at 31 December 2008.

(3) 30 June 2009 Risk Weighted Assets ("RWA") include the consolidation of Bankwest which operates under the Basel II Standardised methodology. As at 31 December 2008 APRA approved Bankwest to be treated as a non consolidated subsidiary and as a result the RWA of Bankwest were not incorporated into the Group RWA numbers.

14. Capital Adequacy (continued)

Capital Management

The Group maintains a strong capital position with the capital ratios well in excess of APRA minimum capital adequacy requirements (Prudential Capital Ratio ("PCR")) and the Board Approved minimum target levels at all times throughout the period.

The Tier One Capital and Total Capital ratios as at 30 June 2009 were 8.07% and 10.42% respectively, and included the consolidation of Bankwest and the finalisation of the associated fair value accounting adjustments and purchase price.

Tier One Capital declined by 68 basis points (bps) compared to 31 December 2008, primarily influenced by the consolidation of Bankwest, growth in Risk Weighted Assets ("RWA") and the impact of foreign exchange and other balance sheet movements. This was partially offset by profit after tax (net of dividend and Dividend Reinvestment Plan ("DRP")) which contributed an additional 29 basis points in Tier One Capital.

The Group's Total Capital ratio remained strong at 10.42% albeit 97 basis points below the prior half additionally impacted by foreign exchange movements and the redemption of Lower Tier Two debt together with growth in RWA.

RWA were $289 billion at 30 June 2009, and include $43 billion associated with Bankwest. Excluding the impact of Bankwest, the increase was $7 billion or 3% since December 2008.

Capital Initiatives

The following significant initiatives were undertaken during the financial year to actively manage the Group's capital:

Tier One Capital

- Issue of $694 million ordinary shares in October 2008 to satisfy the DRP in respect of the final dividend for 2007/08;
- Issue of $2 billion ordinary shares in October 2008, via a share placement, to fund the acquisition of Bankwest and St Andrew's (52.6 million shares at $38.00 per share);
- Issue of $2 billion ordinary shares through the following share placements in December 2008; $357 million at a weighted average price of $28.37 per share and a further $1.65 billion shares at $26.00 per share;
- Issue of $405 million ordinary shares in March 2009 to satisfy the DRP in respect of the interim dividend for 2008/09; and
- Issue of $865 million ordinary shares in March 2009 with respect to the Share Purchase Plan (33.3 million shares at $26.00 per share).

The PERLS II securities ($750 million) were redeemed in March 2009, funded from proceeds of the December 2008 share placement.

Tier Two Capital

- Issue of $500 million of subordinated Lower Tier Two debt in September 2008; offset by
- $500 million of subordinated Lower Tier Two debt redeemed in February 2009.

Regulatory Update

The Group, excluding Bankwest, operates under Basel II advanced status which resulted in the advanced internal ratings based (AIRB) approach for credit risk and the advanced measurement approach (AMA) for operational risk being adopted in the calculation of RWA effective from 1 January 2008. Interest Rate Risk in the Banking Book (IRRBB) was incorporated into the calculation of RWA from 1 July 2008. The agreed methodology for measuring market risk for traded assets remained unchanged from Basel I.

Bankwest operates as a separate Authorised Deposit-taking Institution ("ADI") and is separately regulated by APRA. Bankwest operated under the existing Basel I prudential rules at 31 December 2008 and has adopted the standardised Basel II methodology effective from 1 January 2009 at which point in time it was consolidated for regulatory capital purposes. Bankwest is in the process of seeking advanced accreditation from APRA.

ASB Bank is subject to regulation by the Reserve Bank of New Zealand ("RBNZ"). RBNZ applies a similar methodology to APRA in calculating regulatory capital requirements. ASB Bank operates under Basel II advanced status.

APRA has limited the amount of Residual (25%) and Innovative Capital (15%) that qualifies as Tier One capital, with any excess transferred to upper Tier Two Capital. Innovative transitional relief of $765 million was granted by APRA. This relief, which expires on 1 January 2010, is to be reduced by 20% per quarter, effective from March 2009 onwards. As at 30 June 2009 residual capital is below the prescribed limit of 25% of Tier One Capital with no excess required to be transferred to upper Tier Two Capital.

APRA implemented transitional capital floors based on 90% of the capital required under Basel II. As at 30 June 2009 these transitional floors did not have any impact on the Group's capital levels.

Insurance and Funds Management Business

The Group's insurance and funds management companies held assets in excess of regulatory capital requirements at 30 June 2009. The Group's Australian and New Zealand insurance and funds management businesses held $1,036 million of assets in excess of regulatory solvency requirements at 30 June 2009 (31 Dec 2008: $887 million, 30 June 2008: $949 million).

Pillar 3 Disclosures

Full details on the market disclosures required under Pillar 3, per prudential standard APS 330 "Public Disclosure of Prudential Information", are provided on the Group's website.

15. Share Capital

Ordinary Share Capital	Full Year Ended 30/06/09 $M	Full Year Ended 30/06/08 $M	Half Year Ended 30/06/09 $M	Half Year Ended 31/12/08 $M
Opening balance (excluding Treasury Shares deduction)	**15,991**	14,738	**20,652**	15,991
Dividend reinvestment plan: Final dividend prior year	**694**	709	**-**	694
Dividend reinvestment plan: Interim dividend	**405**	400	**405**	-
Share issue - net of issue costs	**4,829**	141	**863**	3,966
Exercise of executive options	**1**	3	**-**	1
Closing balance (excluding Treasury Shares deduction)	**21,920**	15,991	**21,920**	20,652
Less: Treasury Shares	**(278)**	(264)	**(278)**	(287)
Closing balance	**21,642**	15,727	**21,642**	20,365

Shares on Issue	Full Year Ended 30/06/09 Number	Full Year Ended 30/06/08 Number	Half Year Ended 30/06/09 Number	Half Year Ended 31/12/08 Number
Opening balance (excluding Treasury Shares deduction)	**1,326,130,877**	1,300,583,376	**1,471,199,458**	1,326,130,877
Dividend reinvestment plan issue:				
2006/2007 Final dividend fully paid ordinary shares $54.80	**-**	12,938,969	**-**	-
2007/2008 Interim dividend fully paid ordinary shares $39.44	**-**	10,156,101	**-**	-
2007/2008 Final dividend fully paid ordinary shares $42.41	**16,372,698**	-	**-**	16,372,698
2008/2009 Interim dividend fully paid ordinary shares $28.45	**14,283,851**	-	**14,283,851**	-
Issue of shares	**161,983,643**	2,327,431	**33,317,760**	128,665,883
Exercise of executive option plan	**30,000**	125,000	**-**	30,000
Closing balance (excluding Treasury Shares deduction)	**1,518,801,069**	1,326,130,877	**1,518,801,069**	1,471,199,458
Less: Treasury Shares	**(7,192,560)**	(7,988,013)	**(7,192,560)**	(7,925,748)
Closing balance	**1,511,608,509**	1,318,142,864	**1,511,608,509**	1,463,273,710

Terms and Conditions of Ordinary Share Capital

Ordinary shares have the right to receive dividends as declared and in the event of winding up to participating in the proceeds from sale of surplus assets in proportion to the number of and amounts paid up on shares held.

A shareholder has one vote on a show of hands and one vote for each fully paid share on a poll. A shareholder may be present at a general meeting in person or by proxy or attorney, and if a body corporate, it may also authorise a representative.

Dividend Franking Account

After fully franking the final dividend to be paid for the financial year ended 30 June 2009, the amount of credits available as at 30 June 2009 to frank dividends for subsequent financial years was $758 million (June 2008: $495 million). This figure is based on the combined franking accounts of the Bank at 30 June 2009, which have been adjusted for franking credits that will arise from the payment of income tax payable on profits for the year ended 30 June 2009, franking debits that will arise from the payment of dividends proposed for the year and franking credits that the Bank may be prevented from distributing in subsequent financial periods. The Bank expects that future tax payments will generate sufficient franking credits for it to be able to fully frank future dividend payments. These calculations have been based on the taxation law as at 30 June 2009.

Dividends

The Directors have declared a fully franked final dividend of 115 cents per share amounting to $1,747 million. The dividend will be payable on 1 October 2009 to shareholders on the register at 5pm on 21 August 2009.

The Board determines the dividends per share based on net profit after tax ("cash basis") per share, having regard to a range of factors including:

- Current and expected rates of business growth and the mix of business;
- Capital needs to support economic, regulatory and credit ratings requirements;
- Investments and/or divestments to support business development;
- Competitors comparison and market expectations; and
- Earnings per share growth.

Dividend Reinvestment Plan

The Bank expects to issue around $507 million of shares in respect of the Dividend Reinvestment Plan for the final dividend for the year ended 30 June 2009.

Record Date

The register closes for determination of dividend entitlement and for participation in the DRP at 5:00pm on 21 August 2009 at Link Market Services Limited, Locked Bag A14, Sydney South, NSW 1235.

Ex-Dividend Date

The ex-dividend date is 17 August 2009.

16. Life Insurance Business

Life Insurance Contract liabilities

Appropriately qualified actuaries have been appointed in respect of each life insurance business and upon review are satisfied as to the accuracy of the policy liabilities included in this Financial Report, including compliance with the regulations of the Life Insurance Act ("Life Act") 1995 where appropriate. Details are set out in the various statutory returns of these life insurance entities.

Life Investment Contract liabilities

Investment contracts consist of a financial instrument and an investment management services element, both of which are measured at fair value. The resulting liabilities to policyholders are closely linked to the performance and the value of the assets (after tax) that back those liabilities. The fair value of such liabilities is therefore the same as the fair value of those assets, after tax on the basis charged to the policyholders.

	As at		
	30/06/09	31/12/08	30/06/08
Components of Net Policy Liabilities (1)	$M	$M	$M
Future policy benefits (2)	**20,942**	22,335	21,525
Future bonuses	**531**	806	1,182
Future expenses	**2,628**	2,983	2,510
Future shareholder profit margins	**1,811**	1,911	1,669
Future shareholder tax on profit margins	**376**	349	291
Future charges for acquisition expenses	**(696)**	(776)	(601)
Balance of future premiums	**(9,863)**	(11,001)	(8,330)
Provision for bonuses not allocated to participating policyholders	**108**	90	104
Total net policy liabilities	**15,837**	16,697	18,350

(1) Includes both investment and insurance business.

(2) Including bonuses credited to policyholders in prior years.

17. Intangible Assets

	As at 30/06/09 $M	As at 31/12/08 $M	As at 30/06/08 $M
Total Intangible Assets			
Goodwill	**7,473**	7,484	7,484
Computer software costs	**673**	571	353
Core deposits (1)	**460**	-	-
Management fee rights (2)	**311**	311	311
Brand name (3)	**186**	-	-
Other (4)	**142**	120	110
Total intangible assets	**9,245**	8,486	8,258
Goodwill			
Purchased goodwill	**7,484**	7,484	7,484
Accumulated impairment	**(11)**	-	-
Total goodwill	**7,473**	7,484	7,484
Computer Software Costs			
Cost	**1,085**	909	629
Accumulated amortisation	**(373)**	(299)	(199)
Accumulated impairment	**(39)**	(39)	(77)
Total computer software costs	**673**	571	353
Core Deposits (1)			
Cost	**495**	-	-
Accumulated amortisation	**(35)**	-	-
Total core deposits	**460**	-	-
Management Fee Rights (2)			
Cost	**311**	311	311
Total management fee rights	**311**	311	311
Brand Name (3)			
Cost	**186**	-	-
Total brand name	**186**	-	-
Other (4)			
Cost	**210**	182	159
Accumulated amortisation	**(68)**	(62)	(49)
Total other	**142**	120	110

(1) Core deposits represents the value of the Bankwest deposit base compared to the avoided cost of alternative funding sources such as securitisation and wholesale funding. This asset has a useful life of seven years based on the weighted average attrition rates of the Bankwest deposit portfolio.

(2) Management fee rights have an indefinite useful life under the contractual terms of the management agreements and are subject to an annual valuation for impairment testing purposes. No impairment was required as a result of this valuation.

(3) Brand name represents the value of royalty costs foregone by the Group through acquiring the Bankwest brand name. The royalty costs that would have been incurred by an entity using the Bankwest brand name are based on an annual percentage of income generated by Bankwest. This asset has an indefinite useful life, so is not subject to amortisation.

(4) Other includes $38 million for the value of credit card relationships acquired from Bankwest. This value represents future net income generated from the relationships that existed at Balance Sheet date. The asset has a useful life of ten years based on the attrition rates of the Bankwest credit cardholders.

17. Intangible Assets (continued)

	Full Year Ended		Half Year Ended	
	30/06/09	30/06/08	30/06/09	31/12/08
	$M	$M	$M	$M
Goodwill				
Opening balance	**7,484**	7,163	**7,484**	7,484
Additions	**-**	323	**-**	-
Disposals	**-**	(2)	**-**	-
Impairment	**(11)**	-	**(11)**	-
Total goodwill	**7,473**	7,484	**7,473**	7,484
Computer Software Costs				
Opening balance	**353**	297	**571**	353
Additions:				
From acquisitions (1)	**120**	90	**-**	120
From internal development (2)	**352**	131	**205**	147
Amortisation	**(122)**	(88)	**(73)**	(49)
Impairment	**(30)**	(77)	**(30)**	-
Total computer software costs	**673**	353	**673**	571
Core Deposits				
Opening balance	**-**	-	**-**	-
Additions:				
From acquisitions	**495**	-	**495**	-
Amortisation	**(35)**	-	**(35)**	-
Total core deposits	**460**	-	**460**	-
Management Fee Rights				
Opening balance	**311**	311	**311**	311
Total management fee rights	**311**	311	**311**	311
Brand Name				
Opening balance	**-**	-	**-**	-
Additions:				
From acquisitions	**186**	-	**186**	-
Total brand name	**186**	-	**186**	-
Other				
Opening balance	**110**	64	**120**	110
Additions:				
From acquisitions	**51**	64	**33**	18
Disposals	**-**	(3)	**-**	-
Amortisation	**(19)**	(15)	**(11)**	(8)
Total other	**142**	110	**142**	120

(1) Includes $72 million acquired as part of Bankwest acquisition.

(2) Due primarily to Core Banking Modernisation project.

18. Acquisition of Controlled Entities

On 19 December 2008, the Group acquired 100% of the share capital of Bank of Western Australia Ltd (consisting of retail and business banking), St Andrew's Australia Pty Ltd (consisting of insurance and wealth management services businesses) and HBOSA Group (Services) Pty Ltd (an internal administrative support entity) for cash consideration (inclusive of transaction costs) of $2,163 million.

Details of the purchase consideration and the gain arising on acquisition are as follows:

Purchase consideration	30/06/09 $M
Cash paid	**2,126**
Direct costs relating to the acquisition	**37**
Total purchase consideration	**2,163**
Fair value of net identifiable assets acquired	**3,676**
Less: Preference share placement	**(530)**
Gain on acquisition before tax	**983**

The gain on acquisition, has arisen after the Group's reassessment of the fair value of the acquired entities' identifiable assets, liabilities and contingent liabilities and the cost of the acquisition, and has been recognised in the Group's statutory net profit in the current period.

The assets and liabilities arising from the acquisition, reported in aggregate for the acquired entities, are as follows:

	Pre-acquisition carrying amount $M	Recognised values on acquisition $M
Cash and liquid assets	422	422
Receivables due from other financial institutions	283	283
Assets at fair value through Income Statement:		
Trading	5,907	5,907
Insurance	212	212
Derivative assets	1,014	1,014
Available-for-sale investments	3	3
Loans, bills discounted and other receivables	58,153	57,351
Property, plant and equipment	177	225
Intangible assets	98	806
Deferred tax assets	255	610
Other assets	289	288
Total assets	66,813	67,121
Deposits and other public borrowings	50,401	50,677
Payables due to other financial institutions	4,673	4,673
Liabilities at fair value through Income Statement	250	250
Derivative liabilities	512	512
Deferred tax liabilities	54	258
Other provisions	84	84
Insurance policy liabilities	202	202
Debt issues	5,221	5,221
Bills payable and other liabilities	357	357
Loan capital	1,211	1,211
Total liabilities	62,965	63,445
Net assets	3,848	3,676
Outflow of cash to to acquire business, net of cash acquired:		
Cash consideration	n/a	2,126
Direct costs relating to acquisition	n/a	37
Cash and cash equivalents in subsidiaries acquired	n/a	(422)
Cash outflow on acquisition	n/a	1,741

During the period 19 December 2008 to 30 June 2009, these operations contributed $113 million to the consolidated net profit after tax ("cash basis") and a net profit after tax of $42 million to the consolidated statutory net profit after tax for the year.

If the acquisition had occurred on 1 July 2008, the contribution to the Group's revenue would have been $1,561 million for the year and contribution to the Group's net profit after tax would have been a net loss after tax of $184 million for the year ended 30 June 2009. This pro-forma financial information uses data for the twelve month period ended 30 June 2009 and represents the historical operating results reported in accordance with the Group's accounting policies.

19. ASX Appendix 4E

Cross Reference Index

Consolidated retained profits reconciliation (Rule 4.3A Item No. 8)

	Full Year Ended	
	30/06/09	30/06/08
	$M	$M
Retained Profits		
Opening balance	**7,747**	6,367
Loyalty program adjustment	**-**	(5)
Restated opening balance	**7,747**	6,362
Actuarial (losses)/gains from defined benefit superannuation plans	**(739)**	(240)
Realised gains and dividend income on treasury shares held within the Group's life insurance statutory funds (1)	**18**	26
Operating profit attributable to Equity holders of the Bank	**4,723**	4,791
Total available for appropriation	**11,749**	10,939
Transfers (to)/from general reserve	**(193)**	(85)
Transfers from general reserve for credit losses	**-**	350
Interim dividend - cash component (2)	**(1,257)**	(1,087)
Interim dividend - dividend reinvestment plan	**(405)**	(400)
Final dividend - cash component	**(1,335)**	(1,229)
Final dividend - dividend reinvestment plan	**(694)**	(709)
Other dividends	**(40)**	(32)
Closing balance	**7,825**	7,747

(1) Relates to movements in treasury shares held within life insurance statutory funds and the employee share scheme trust.
(2) Includes $98 million of shares purchased on-market to partly satisfy the Dividend Reinvestment Plan in the year ended 30 June 2008.

Details of entities over which control was lost during the year (Rule 4.3A Item No. 10)

	Date control lost	Ownership Interest Held (%)
There was no loss of control over any entities during the year ended 30 June 2009	-	-

Appendices

19. ASX Appendix 4E (continued)

Details of associates and joint ventures (Rule 4.3A Item No. 11)

As at 30 June 2009	**Ownership interest held (%)**
Acadian Asset Management (Australia) Limited	50%
Aspire Schools (Qld) Holdings Limited	50%
CMG CH China Funds Management Limited	50%
Equigroup Pty Limited	50%
Equion Health (Barts) Limited	50%
First State Media (Ireland) Limited	50%
Five D Holdings Pty Limited	50%
Forth Health Holdings Limited	50%
John Laing Health (Pembury) Limited	50%
China Life CMG Life Assurance Company Limited	49%
First State Cinda Fund Management Company Limited	46%
Healthcare Support (Newcastle) Limited	40%
Aussie Home Loans Pty Limited	33%
International Private Equity Real Estate Fund	33%
Vipro Pty Ltd	33%
AMTD Group Company Limited	30%
452 Capital Pty Limited	30%
Cash Services Australia Pty Limited	25%
Electronic Transaction Services Limited	25%
Qilu Bank Co., Ltd	20%
Pulse International Pty Ltd	20%
Bank of Hangzhou Co. Ltd.	19.9%
Interchange and Settlement Limited	11%
FS Media Works Fund 1, LP	11%
CFS Retail Property Trust	8.9%
Commonwealth Property Office Fund	6.8%

Other significant information (Rule 4.3A Item No. 12)

David Turner will succeed John Schubert as Chairman in February 2010.

On 6 August 2009 the Group issued a 10 year, EUR 1,000 million Subordinated Note with a coupon of 5.500% as part of its ongoing funding activities.

There are no other significant events since 30 June 2009 that have materially affected the financial position or performance of the Group.

Foreign Entities (Rule 4.3A Item No. 13)

Not Applicable.

Compliance Statement

This preliminary final report for the year ended 30 June 2009 is prepared in accordance with the ASX listing rules. It should be read in conjunction with any announcements to the market made by the Group during the year.

The preliminary final report has been prepared in accordance with Accounting Standards in Australia.

The Financial Statements of the Group have been audited.

John Hatton

Company Secretary

12 August 2009

20. Profit Reconciliation

Profit Reconciliation	Net profit after tax "cash basis"	One-off expenses (1)	Hedging and AIFRS volatility	Gain on acquisition of controlled entities	Merger related amortisation	Bankwest integration expenses	Defined Benefit Superannuation expense	Treasury shares valuation adjustment	Policyholder tax	Investment experience	Net profit after tax "statutory basis"
	Full Year Ended 30 June 2009										
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
Group											
Net interest income	**10,186**	-	(37)	-	152	-	-	-	-	-	**10,301**
Other banking income	**4,176**	-	(262)	-	-	-	-	-	-	-	**3,914**
Total banking income	**14,362**	-	(299)	-	152	-	-	-	-	-	**14,215**
Funds management income	**1,813**	-	-	-	-	-	-	(33)	(139)	(151)	**1,490**
Insurance income	**910**	-	-	-	-	-	-	-	(25)	(116)	**769**
Total operating income	**17,085**	-	(299)	-	152	-	-	(33)	(164)	(267)	**16,474**
Operating expenses	**7,765**	32	-	-	37	112	-	-	-	-	**7,946**
Gain on acquisition of controlled entities	**-**	-	-	983	-	-	-	-	-	-	**983**
Defined benefit superannuation expense	**-**	-	-	-	-	-	14	-	-	-	**14**
Impairment expenses	**3,048**	-	-	-	-	-	-	-	-	-	**3,048**
Net profit before tax	**6,272**	(32)	(299)	983	115	(112)	(14)	(33)	(164)	(267)	**6,449**
Tax expense	**1,631**	(9)	(54)	371	35	(34)	(4)	(5)	(164)	(71)	**1,696**
Minority interests	**30**	-	-	-	-	-	-	-	-	-	**30**
Underlying profit after tax	**4,611**	(23)	(245)	612	80	(78)	(10)	(28)	-	(196)	**4,723**
Investment experience after tax	**(196)**	-	-	-	-	-	-	-	-	196	**-**
Net profit after tax	**4,415**	(23)	(245)	612	80	(78)	(10)	(28)	-	-	**4,723**

(1) Relates to a provision recognised with respect to a long-standing legal proceeding.

20. Profit Reconciliation (continued)

Profit Reconciliation	Full Year Ended 30 June 2008								
	Net profit after tax "cash basis"	Gain on Visa Initial Public Offering	Investment and restructuring	Defined Benefit Superannuation Income	Treasury shares valuation adjustment	Hedging and AIFRS volatility	Policyholder tax	Investment experience	Net profit after tax "statutory basis"
	$M	$M	$M	$M	$M	$M	$M	$M	$M
Group									
Net interest income	**7,907**	-	-	-	-	-	-	-	**7,907**
Other banking income	**3,312**	308	-	-	-	(61)	-	-	**3,559**
Total banking income	**11,219**	308	-	-	-	(61)	-	-	**11,466**
Funds management income	**2,307**	-	-	-	96	-	(78)	38	**2,363**
Insurance income	**832**	-	-	-	-	-	(37)	(55)	**740**
Total operating income	**14,358**	308	-	-	96	(61)	(115)	(17)	**14,569**
Operating expenses	**7,021**	-	377	-	-	-	-	-	**7,398**
Defined benefit superannuation income	**-**	-	-	14	-	-	-	-	**14**
Impairment expenses	**930**	-	-	-	-	-	-	-	**930**
Net profit before tax	**6,407**	308	(377)	14	96	(61)	(115)	(17)	**6,255**
Tax expense	**1,630**	13	(113)	5	36	(19)	(115)	(4)	**1,433**
Minority interests	**31**	-	-	-	-	-	-	-	**31**
Underlying profit after tax	**4,746**	295	(264)	9	60	(42)	-	(13)	**4,791**
Investment experience after tax	**(13)**	-	-	-	-	-	-	13	**-**
Net profit after tax	**4,733**	295	(264)	9	60	(42)	-	-	**4,791**

20. Profit Reconciliation (continued)

Profit Reconciliation	Net profit after tax "cash basis" $M	One-off expenses [1] $M	Hedging and AIFRS volatility $M	Gain on acquisition of controlled entities $M	Merger related amortisation $M	Bankwest integration expenses $M	Defined Benefit Superannuation expense $M	Treasury shares valuation adjustment $M	Policyholder tax $M	Investment experience $M	Net profit after tax "statutory basis" $M
	Half Year Ended 30 June 2009										
Group											
Net interest income	**5,643**	-	(37)	-	152	-	-	-	-	-	**5,758**
Other banking income	**2,140**	-	(245)	-	-	-	-	-	-	-	**1,895**
Total banking income	**7,783**	-	(282)	-	152	-	-	-	-	-	**7,653**
Funds management income	**808**	-	-	-	-	-	-	(89)	(1)	(85)	**633**
Insurance income	**478**	-	-	-	-	-	-	-	32	1	**511**
Total operating income	**9,069**	-	(282)	-	152	-	-	(89)	31	(84)	**8,797**
Operating expenses	**4,214**	32	-	-	37	112	-	-	-	-	**4,395**
Gain on acquisition of controlled entities	**-**	-	-	201	-	-	-	-	-	-	**201**
Defined benefit superannuation income	**-**	-	-	-	-	-	4	-	-	-	**4**
Impairment expenses	**1,441**	-	-	-	-	-	-	-	-	-	**1,441**
Net profit before tax	**3,414**	(32)	(282)	201	115	(112)	4	(89)	31	(84)	**3,166**
Tax expense	**934**	(9)	(45)	136	35	(34)	1	(27)	31	(20)	**1,002**
Minority interests	**14**	-	-	-	-	-	-	-	-	-	**14**
Underlying profit after tax	**2,466**	(23)	(237)	65	80	(78)	3	(62)	-	(64)	**2,150**
Investment experience after tax	**(64)**	-	-	-	-	-	-	-	-	64	**-**
Net profit after tax	**2,402**	(23)	(237)	65	80	(78)	3	(62)	-	-	**2,150**

(1) Relates to a provision recognised with respect to a long-standing legal proceeding.

21. Notes to the Statement of Cash Flows

21 (a) Reconciliation of Net Profit after Income Tax to Net Cash provided by/(used in) Operating Activities

	Full Year Ended	
	30/06/09	30/06/08
	$M	$M
Net profit after income tax	**4,753**	4,822
Net decrease in interest receivable	**301**	187
(Decrease)/increase in interest payable	**(54)**	449
Net decrease in assets at fair value through Income Statement (excluding life insurance)	**690**	196
Net (gain) on sale of investments	**(1)**	(1)
Net (increase) in derivative assets	**(7,789)**	(5,459)
Net loss on sale of property, plant and equipment	**11**	15
Net (gain) on sale of Visa Initial Public Offering	**-**	(127)
Equity accounting profit	**(141)**	(92)
Gain on acquisition of controlled entities	**(983)**	-
Impairment expense	**3,048**	930
Depreciation and amortisation (including asset write downs)	**519**	423
Increase/(decrease) in liabilities at fair value through Income Statement (excluding life insurance)	**661**	(884)
Increase in derivative liabilities	**13,361**	4,622
Increase in other provisions	**60**	296
Increase in income taxes payable	**521**	29
(Decrease) in deferred income taxes payable	**(355)**	(643)
(Increase)/decrease in deferred tax assets	**(967)**	178
Decrease/(increase) in accrued fees/reimbursements receivable	**41**	(153)
Increase/(decrease) in accrued fees and other items payable	**178**	(575)
Net (decrease)/increase in life insurance contract policy liabilities	**(1,025)**	184
(Decrease) in cash flow hedge reserve	**(1,651)**	(150)
Changes in operating assets and liabilities arising from cash flow movements	**(9,802)**	(6,124)
Other	**100**	(198)
Net cash provided by/(used in) operating activities	**1,476**	(2,075)

21 (b) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash, money at short call, at call deposits with other financial institutions and settlement account balances with other banks.

Notes, coins and cash at banks	**3,755**	2,476
Other short term liquid assets	**3,128**	1,309
Receivables due from other financial institutions – at call (1)	**1,889**	3,357
Payables due to other financial institutions – at call (1)	**(6,586)**	(4,877)
Cash and cash equivalents at end of year	**2,186**	2,265

(1) At call includes certain receivables and payables due from and to financial institutions within three months.

21 (c) Disposal of Controlled Entities – Fair value of asset disposal

Other assets	**-**	1
Profit on sale	**-**	1
Net cash inflow on disposal	**-**	2

21 (d) Non-Cash Financing and Investing Activities

Shares issued under the Dividend Reinvestment Plan	**1,099**	1,109

21. Notes to the Statement of Cash Flows (continued)

21 (e) Acquisition of Controlled Entities

Refer to Appendix 18 Acquisition of Controlled Entities for further details.

	As at time of acquisitions			
	Carrying value 30/06/09 $M	Fair value 30/06/09 $M	Carrying value 30/06/08 $M	Fair value 30/06/08 $M
Assets acquired:				
Cash and liquid assets	**422**	**422**	24	24
Receivables due from other financial institutions	**283**	**283**	-	-
Assets at fair value through Income Statement:				
Trading	**5,907**	**5,907**	-	-
Insurance	**212**	**212**	-	-
Derivative assets	**1,014**	**1,014**	-	-
Available-for-sale investments	**3**	**3**	112	112
Loans, bills discounted and other receivables	**58,153**	**57,351**	241	241
Property, plant and equipment	**177**	**225**	-	-
Intangible assets	**98**	**806**	4	64
Deferred tax assets	**255**	**610**	-	-
Other assets	**289**	**288**	11	11
Total assets	**66,813**	**67,121**	392	452
Deposits and other public borrowings	**50,401**	**50,677**	202	202
Payables due to other financial institutions	**4,673**	**4,673**	130	130
Liabilities at fair value through Income Statement	**250**	**250**	-	-
Derivative liabilities	**512**	**512**	-	-
Deferred tax liabilities	**54**	**258**	-	-
Other provisions	**84**	**84**	-	-
Insurance policy liabilities	**202**	**202**	-	-
Debt issues	**5,221**	**5,221**	-	-
Bills payable and other liabilities	**357**	**357**	11	30
Loan capital	**1,211**	**1,211**	-	-
Total liabilities	**62,965**	**63,445**	343	362
Net assets	**3,848**	**3,676**	49	90
Preference share placement	**-**	**(530)**	-	-
Goodwill	**-**	**-**	50	316
Gain on acquisition	**-**	**(983)**	-	-
Provision for remaining consideration	**-**	**-**	-	-
Cash consideration paid (including transaction costs)	**-**	**2,163**	-	406
Less: Cash and cash equivalents acquired	**-**	**422**	-	24
Net consideration paid	**-**	**1,741**	-	382
Less: Non-cash consideration	**-**	**-**	-	141
Net cash outflow on acquisition	**-**	**1,741**	-	241

21 (f) Financing Facilities

Standby funding lines are immaterial.

Appendices

22. Analysis Template

Profit Summary - Input Schedule	Full Year Ended 30/06/09 $M	Full Year Ended 30/06/08 $M	Half Year Ended 30/06/09 $M	Half Year Ended 31/12/08 $M	Page References
Income - Cash Basis					
Net interest income	**9,595**	7,907	**5,052**	4,543	Page 3
Other banking operating income	**4,008**	3,312	**1,972**	2,036	Page 3
Total banking income	**13,603**	11,219	**7,024**	6,579	Page 3
Funds management income	**1,813**	2,307	**808**	1,005	Page 3
Insurance income	**910**	832	**478**	432	Page 3
Operating income	**16,326**	14,358	**8,310**	8,016	Page 3
Investment experience	**(267)**	(17)	**(84)**	(183)	Page 3
Total income	**16,059**	14,341	**8,226**	7,833	Page 3
Expenses - Cash Basis					
Retail Banking Services	**2,781**	2,619	**1,430**	1,351	Page 17
Business and Private Banking	**1,272**	1,205	**645**	627	Page 19
Institutional Banking and Markets	**679**	598	**366**	313	Page 21
Wealth Management - operating expenses	**1,175**	1,203	**595**	580	Page 23
Wealth Management - volume expenses	**477**	508	**234**	243	Page 23
International Financial Services	**843**	824	**400**	443	Page 27
Other	**55**	64	**61**	(6)	Page 30
Total operating expenses	**7,282**	7,021	**3,731**	3,551	Page 3
Profit before loan impairment expense	**8,777**	7,320	**4,495**	4,282	
Loan impairment expense	**2,935**	930	**1,328**	1,607	Page 3
Profit before income tax	**5,842**	6,390	**3,167**	2,675	Page 3
Corporate tax expense	**1,510**	1,626	**864**	646	Page 3
Operating profit after tax	**4,332**	4,764	**2,303**	2,029	
Minority interest	**30**	31	**14**	16	Page 3
Net profit after tax excluding Bankwest - cash basis	**4,302**	4,733	**2,289**	2,013	Page 3
Bankwest net profit after tax	**113**	-	**113**	-	Page 3
Net profit after tax- cash basis	**4,415**	4,733	**2,402**	2,013	Page 3
Gain on Visa Initial Public Offering	**-**	295	**-**	-	Page 80
Investment and restructuring	**-**	(264)	**-**	-	Page 80
Defined benefit superannuation plan income/(expense)	**(10)**	9	**3**	(13)	Page 79
Treasury shares valuation adjustment	**(28)**	60	**(62)**	34	Page 79
Hedging and AIFRS volatility	**(245)**	(42)	**(237)**	(8)	Page 3
One-off expenses	**(23)**	-	**(23)**	-	Page 79
Acquisition related items:					
Gain on acquisition of controlled entities	**612**	-	**65**	547	Page 3
Integration expenses	**(78)**	-	**(78)**	-	Page 79
Merger related amortisation	**80**	-	**80**	-	Page 79
Net profit after tax - statutory basis	**4,723**	4,791	**2,150**	2,573	Page 3
Investment experience	**(267)**	(17)	**(84)**	(183)	Page 31
Tax expense on investment experience	**(71)**	(4)	**(20)**	(51)	Page 31
Investment experience - after tax	**(196)**	(13)	**(64)**	(132)	Page 31
Net profit after tax - underlying basis	**4,611**	4,746	**2,466**	2,145	Page 3
Total Operating Income					
Retail Banking Services	**6,476**	5,677	**3,292**	3,184	Page 17
Business and Private Banking	**2,605**	2,385	**1,328**	1,277	Page 19
Institutional Banking and Markets	**2,402**	1,752	**1,240**	1,162	Page 21
Wealth Management (net of volume expenses)	**1,894**	2,282	**864**	1,030	Page 23
International Financial Services	**1,664**	1,587	**841**	823	Page 27
Bankwest	**759**	-	**759**	-	Page 29

22. Analysis Template (continued)

Profit Summary - Input Schedule	Full Year Ended 30/06/09 $M	Full Year Ended 30/06/08 $M	Half Year Ended 30/06/09 $M	Half Year Ended 31/12/08 $M	Page References
Other Data					
Net interest income (excluding securitisation)	**10,128**	7,787	**5,627**	4,501	Page 43
Average interest earning assets (excluding securitisation)	**481,248**	385,667	**526,512**	436,722	Page 43
Average net assets (1)	**29,189**	25,406	**30,715**	28,062	Page 33
Average minority interest (1)	**519**	514	**520**	519	Page 33
Average other equity instruments (1)	**939**	939	**939**	939	Page 33
Average treasury shares (1)	**(276)**	(251)	**(282)**	(276)	Page 72
Average defined benefit superannuation plan net surplus (1)	**439**	1,185	**148**	515	-
Distributions - other equity instruments	**57**	48	**31**	26	-
Interest expense (after tax) - Perls II	**19**	30	**4**	15	-
Interest expense (after tax) - Perls III	**55**	68	**20**	35	-
Interest expense (after tax) - Perls IV	**49**	58	**18**	31	-
Interest expense (after tax) - TPS	**29**	25	**15**	14	-
Interest expense (after tax) - Convertible notes	**35**	41	**12**	23	-
Weighted average number of shares - statutory basis	**1,420**	1,307	**1,490**	1,352	Page 4
Weighted average number of shares - fully diluted - statutory	**1,548**	1,424	**1,612**	1,535	-
Weighted average number of shares - cash and underlying	**1,426**	1,313	**1,495**	1,358	Page 4
Weighted average number of shares - fully diluted - cash and underlying	**1,554**	1,430	**1,617**	1,541	-
Weighted average number of shares - Perls II	**14**	18	**8**	27	-
Weighted average number of shares - Perls III	**32**	28	**32**	42	-
Weighted average number of shares - Perls IV	**39**	36	**39**	52	-
Weighted average number of shares - TPS	**19**	13	**19**	29	-
Weighted average number of shares - Convertible notes	**24**	23	**24**	33	-
Dividends per share (cents)	**228**	266	**115**	113	Page 4
No. of shares at end of period excluding treasury shares	**1,519**	1,326	**1,519**	1,471	Page 72
Average funds under administration	**173,872**	194,156	**167,001**	179,371	Page 6
Average inforce premiums	**1,798**	1,511	**1,885**	1,708	Page 6
Net assets	**31,442**	26,137	**31,442**	29,987	Page 33
Total intangible assets	**9,245**	8,258	**9,245**	8,486	Page 33
Minority interests	**520**	518	**520**	519	Page 33
Other equity instruments	**939**	939	**939**	939	Page 33
Total Fundamental Tier One Capital	**30,314**	23,807	**30,314**	28,253	Page 67

(1) Average of reporting period balances.

22. Analysis Template (continued)

Ratios - Output Summary	Full Year Ended 30/06/09 $M	Full Year Ended 30/06/08 $M	Half Year Ended 30/06/09 $M	Half Year Ended 31/12/08 $M
EPS				
Net profit after tax - cash basis	**4,415**	4,733	**2,402**	2,013
Less distribution - other equity instruments	**57**	48	**31**	26
Adjusted profit for EPS calculation	**4,358**	4,685	**2,371**	1,987
Average number of shares (M)	**1,426**	1,313	**1,495**	1,358
Earnings per share - cash basis (cents)	**305. 6**	356. 9	**158. 5**	146. 3
Earnings per share - dilutions				
Interest expense (after tax) - Perls II	**19**	30	**4**	15
Interest expense (after tax) - Perls III	**55**	68	**20**	35
Interest expense (after tax) - Perls IV	**49**	58	**18**	31
Interest expense (after tax) - TPS	**29**	25	**15**	14
Interest expense (after tax) - Convertible notes	**35**	41	**12**	23
Profit impact of assumed conversions (after tax)	**187**	222	**69**	118
Weighted average number of shares - Perls II (M)	**14**	18	**8**	27
Weighted average number of shares - Perls III (M)	**32**	28	**32**	42
Weighted average number of shares - Perls IV (M)	**39**	36	**39**	52
Weighted average number of shares - TPS (M)	**19**	13	**19**	29
Weighted average number of shares - Convertible Notes (M)	**24**	23	**24**	33
Weighted average number of shares - Executive Options (M)	**-**	-	**-**	-
Weighted average number of shares - dilutive securities (M)	**128**	118	**122**	183
Adjusted cash profit for EPS calculation	**4,358**	4,685	**2,371**	1,987
Add back profit impact of assumed conversions (after tax)	**187**	222	**69**	118
Adjusted diluted profit for EPS calculation	**4,545**	4,907	**2,440**	2,105
Average number of shares (M)	**1,426**	1,313	**1,495**	1,358
Add back weighted average number of shares (M)	**128**	118	**122**	183
Diluted average number of shares (M)	**1,554**	1,430	**1,617**	1,541
EPS diluted - cash basis (cents)	**292. 4**	343. 1	**150. 9**	136. 6
Net profit after tax - underlying	**4,611**	4,746	**2,466**	2,145
Less distribution - other equity instruments	**57**	48	**31**	26
Adjusted profit for EPS calculation	**4,554**	4,698	**2,435**	2,119
Average number of shares (M)	**1,426**	1,313	**1,495**	1,358
Earnings per share - underlying basis (cents)	**319. 3**	357. 9	**162. 8**	156. 0

22. Analysis Template (continued)

Ratios - Output Summary	Full Year Ended 30/06/09 $M	Full Year Ended 30/06/08 $M	Half Year Ended 30/06/09 $M	Half Year Ended 31/12/08 $M
DPS				
Dividends				
Dividends per share (cents)	**228**	266	**115**	113
No of shares at end of period (M)	**1,519**	1,326	**1,519**	1,471
Total dividends	**3,409**	3,516	**1,747**	1,662
Dividend payout ratio - cash basis				
Net profit after tax - cash basis	**4,415**	4,733	**2,402**	2,013
NPAT - available for distribution to ordinary shareholders	**4,358**	4,685	**2,371**	1,987
Total dividends	**3,409**	3,516	**1,747**	1,662
Payout ratio - cash basis (%)	**78. 2**	75. 0	**73. 7**	83. 6
Dividend cover				
NPAT - available for distribution to ordinary shareholders	**4,358**	4,685	**2,371**	1,987
Total dividends	**3,409**	3,516	**1,747**	1,662
Dividend cover - cash basis	**1. 3**	1. 3	**1. 4**	1. 2
ROE				
Return on equity - cash basis				
Average net assets	**29,189**	25,406	**30,715**	28,062
Less:				
Average minority interests	**(519)**	(514)	**(520)**	(519)
Average preference shares	**(939)**	(939)	**(939)**	(939)
Average equity	**27,731**	23,953	**29,256**	26,604
Add average treasury shares	**276**	251	**282**	276
Less average defined benefit superannuation plan net surplus	**(439)**	(1,185)	**(148)**	(515)
Net average equity	**27,568**	23,019	**29,390**	26,365
Net profit after tax ("cash basis")	**4,415**	4,733	**2,402**	2,013
Less distribution - other equity instruments	**57**	48	**31**	26
Adjusted profit for ROE calculation	**4,358**	4,685	**2,371**	1,987
Return on equity - cash basis (%)	**15. 8**	20. 4	**16. 3**	15. 0
Return on equity - underlying basis				
Average net assets	**29,189**	25,406	**30,715**	28,062
Less:				
Average minority interests	**(519)**	(514)	**(520)**	(519)
Average preference shares	**(939)**	(939)	**(939)**	(939)
Average equity	**27,731**	23,953	**29,256**	26,604
Add average treasury shares	**276**	251	**282**	276
Less average defined benefit superannuation plan net surplus	**(439)**	(1,185)	**(148)**	(515)
Net average equity	**27,568**	23,019	**29,390**	26,365
NPAT ("underlying basis")	**4,611**	4,746	**2,466**	2,145
Less distribution other equity instruments	**57**	48	**31**	26
Adjusted profit for ROE calculation	**4,554**	4,698	**2,435**	2,119
Return on equity - underlying basis (%)	**16. 5**	20. 4	**16. 7**	15. 9
NIM				
Net interest income (excluding securitisation)	**10,128**	7,787	**5,627**	4,501
Average interest earning assets (excluding securitisation)	**481,248**	385,667	**526,512**	436,722
NIM (%pa)	**2. 10**	2. 02	**2. 16**	2. 04

22. Analysis Template (continued)

Ratios - Output Summary	Full Year Ended 30/06/09 $M	30/06/08 $M	Half Year Ended 30/06/09 $M	31/12/08 $M
Productivity				
Group operating expenses to total operating income ratio				
Operating expenses	**7,765**	7,021	**4,214**	3,551
Total operating income	**17,085**	14,358	**9,069**	8,016
Operating expenses to total operating income (%)	**45. 4**	48. 9	**46. 5**	44. 3
Retail Banking Services operating expenses to total banking income ratio				
Operating expenses	**2,781**	2,619	**1,430**	1,351
Total banking income	**6,476**	5,677	**3,292**	3,184
Operating expenses to total banking income (%)	**42. 9**	46. 1	**43. 4**	42. 4
Business and Private Banking operating expenses to total banking income ratio				
Operating expenses	**1,272**	1,205	**645**	627
Total banking income	**2,605**	2,385	**1,328**	1,277
Operating expenses to total banking income (%)	**48. 8**	50. 5	**48. 6**	49. 1
Institutional Banking and Markets operating expenses to total banking income ratio				
Operating expenses	**679**	598	**366**	313
Total banking income	**2,402**	1,752	**1,240**	1,162
Operating expenses to total banking income (%)	**28. 3**	34. 1	**29. 5**	26. 9
Wealth Management operating expenses to net operating income ratio				
Operating expenses	**1,175**	1,203	**595**	580
Net operating income	**1,894**	2,282	**864**	1,030
Operating expenses to net operating income (%)	**62. 0**	52. 7	**68. 9**	56. 3
International Financial Services operating expenses to total operating income ratio				
Operating expenses	**843**	824	**400**	443
Total operating income	**1,664**	1,587	**841**	823
Operating expenses to total operating income (%)	**50. 7**	51. 9	**47. 6**	53. 8
Bankwest operating expenses to total banking income ratio				
Operating expenses	**483**	-	**483**	-
Total banking income	**759**	-	**759**	-
Operating expenses to total banking income (%)	**63. 6**	-	**63. 6**	-
Net Tangible Assets (NTA) per share				
Net assets	**31,442**	26,137	**31,442**	29,987
Less:				
Intangible assets	**(9,245)**	(8,258)	**(9,245)**	(8,486)
Minority interests	**(520)**	(518)	**(520)**	(519)
Other equity instruments	**(939)**	(939)	**(939)**	(939)
Total net tangible assets	**20,738**	16,422	**20,738**	20,043
No of shares at end of period (M)	**1,519**	1,326	**1,519**	1,471
Net tangible assets (NTA) per share ($)	**13. 65**	12. 38	**13. 65**	13. 63

23. Consolidated Balance Sheet Impact of Bankwest and St Andrew's Acquisition

Consolidated Balance Sheet	Commonwealth Bank Group $M	Bankwest $M	St Andrew's $M	Eliminations $M	Commonwealth Bank Group $M
	As at 30 June 2009				
Cash and liquid assets	11,189	6,181	74	(6,104)	11,340
Receivables due from other financial institutions	14,313	108	-	-	14,421
Assets at fair value through Income Statement:					
Trading	25,400	13	-	(12)	25,401
Insurance	17,022	-	238	-	17,260
Other	1,648	35	-	(6)	1,677
Derivative assets	26,392	438	-	(472)	26,358
Available-for-sale investments	21,592	64	-	(152)	21,504
Loans, bills discounted and other receivables	406,785	60,017	-	(171)	466,631
Bank acceptances of customers	14,728	-	-	-	14,728
Property, plant and equipment	2,255	215	2	-	2,472
Investment in associates	1,047	-	-	-	1,047
Intangible assets	8,516	34	14	681	9,245
Deferred tax assets	1,649	4	-	-	1,653
Shares in and loans to controlled entities	22,334	-	-	(22,334)	-
Other assets	5,796	301	10	(37)	6,070
Assets held for sale	565	-	-	-	565
Total assets	581,231	67,410	338	(28,607)	620,372
Deposits and other public borrowings	330,394	57,261	-	(18,934)	368,721
Payables due to other financial institutions	15,082	27	-	-	15,109
Liabilities at fair value through Income Statement	16,434	4,386	-	(4,224)	16,596
Derivative liabilities	32,146	459	-	(471)	32,134
Due to controlled entities	6,089	-	-	(6,089)	-
Bank acceptances	14,728	-	-	-	14,728
Current tax liabilities	880	3	-	-	883
Deferred tax liabilities	121	-	1	46	168
Other provisions	1,147	95	1	-	1,243
Insurance policy liabilities	15,848	-	208	-	16,056
Debt issues	96,916	1,063	-	3,840	101,819
Managed fund units on issue	914	-	-	-	914
Bills payable and other liabilities	7,941	581	35	(37)	8,520
	538,640	63,875	245	(25,869)	576,891
Loan capital	11,890	-	-	149	12,039
Total liabilities	550,530	63,875	245	(25,720)	588,930
Net assets	30,701	3,535	93	(2,887)	31,442
Share capital:					
Ordinary share capital	21,642	3,207	72	(3,279)	21,642
Other equity instruments	939	-	-	-	939
Reserves	520	127	-	(131)	516
Retained profits	7,080	201	21	523	7,825
Shareholders' equity attributable to Equity holders of the Bank	30,181	3,535	93	(2,887)	30,922
Minority interests:					
Controlled entities	520	-	-	-	520
Total Shareholders' equity	30,701	3,535	93	(2,887)	31,442

24. ASB Bank Group – Statutory View

Income Statement (1)	Full Year Ended 30/06/09 NZDM	30/06/08 NZDM	30/06/09 $M	30/06/08 $M
Interest income	**4,755**	4,647	**3,888**	3,964
Interest expense	**3,775**	3,646	**3,087**	3,110
Net interest earnings	**980**	1,001	**801**	854
Other income	**532**	364	**435**	310
Total operating income	**1,512**	1,365	**1,236**	1,164
Impairment expense	**238**	40	**195**	34
Total operating income after loan impairment expense	**1,274**	1,325	**1,041**	1,130
Total operating expense	**632**	588	**517**	501
Salaries and other staff expense	**369**	346	**302**	295
Building occupancy and equipment expense	**103**	101	**84**	86
Information technology expense	**65**	54	**53**	46
Other expenses	**95**	87	**78**	74
Net surplus before taxation	**642**	737	**524**	629
Taxation	**217**	222	**177**	189
Net surplus after taxation	**425**	515	**347**	440

Balance Sheet (2)	As at 30/06/09 NZDM	30/06/08 NZDM	31/12/08 $M	30/06/08 $M
Assets				
Cash and liquid assets	**1,582**	1,155	**1,273**	914
Due from other banks	**1,213**	710	**976**	562
Money market advances	**159**	1,223	**128**	968
Securities at fair value through Income Statement	**6,176**	4,962	**4,969**	3,928
Derivative assets	**2,209**	952	**1,777**	754
Advances to customers	**53,056**	49,835	**42,684**	39,456
Property, plant and equipment	**154**	159	**124**	126
Intangible assets	**119**	56	**96**	44
Deferred taxation assets	**326**	26	**262**	21
Other assets	**236**	272	**190**	215
Total assets	**65,230**	59,350	**52,479**	46,988
Total interest earning and discount bearing assets	**62,000**	57,765	**49,879**	45,733
Liabilities				
Money and market deposits	**20,670**	20,545	**16,629**	16,266
Derivative liabilities	**4,064**	744	**3,270**	589
Deposits from customers	**29,893**	27,789	**24,049**	22,001
Due to other banks	**6,151**	5,627	**4,949**	4,455
Other liabilities	**436**	591	**351**	468
Current tax liability	**-**	26	**-**	21
Subordinated debt	**858**	829	**690**	656
Total liabilities	**62,072**	56,151	**49,938**	44,456
Shareholders' Equity				
Contributed capital - ordinary shareholder	**2,248**	1,973	**1,809**	1,562
Asset revaluation reserve	**30**	29	**24**	23
Available for sale reserve	**15**	19	**12**	15
Cash flow hedge reserves	**(498)**	27	**(401)**	21
Foreign currency translation reserve	**1**	-	**1**	-
Retained earnings	**812**	601	**653**	476
Ordinary shareholders' equity	**2,608**	2,649	**2,098**	2,097
Contributed capital - perpetual preference shareholders	**550**	550	**442**	435
Total Shareholders' equity	**3,158**	3,199	**2,540**	2,532
Total liabilities and Shareholders' equity	**65,230**	59,350	**52,478**	46,988
Total interest and discount bearing liabilities	**55,737**	52,938	**44,841**	41,911

(1) The Income Statement has been translated at AUD 1.00 = NZD 1.223 for the year ended 30 June 2009 (AUD 1.00 = NZD 1.172 for the year ended 30 June 2008).
(2) Refer to Appendix 26 for rates at which the Balance Sheet has been translated.

25. Summary

Group		Page	Full Year Ended 30/06/09	Full Year Ended 30/06/08	Jun 09 vs Jun 08 %	Half Year Ended 30/06/09	Half Year Ended 31/12/08	Jun 09 vs Dec 08 %
Net profit after tax - underlying basis	$M	3	**4,611**	4,746	(3)	**2,466**	2,145	15
Net profit after tax - cash basis	$M	3	**4,415**	4,733	(7)	**2,402**	2,013	19
Net profit after tax excluding Bankwest - cash basis	$M	3	**4,302**	4,733	(9)	**2,289**	2,013	14
Gain on Visa Initial Public Offering - after tax	$M	80	**-**	295	large	**-**	-	-
Investment and restructuring - after tax	$M	80	**-**	(264)	large	**-**	-	-
Defined benefit superannuation income/(expense) - after tax	$M	79	**(10)**	9	large	**3**	(13)	large
Treasury shares valuation adjustment - after tax	$M	79	**(28)**	60	large	**(62)**	34	large
Hedging and AIFRS volatility - after tax	$M	3	**(245)**	(42)	large	**(237)**	(8)	large
One-off expenses - after tax	$M	79	**(23)**	-	large	**(23)**	-	large
Acquisition - related items:								
Gain on acquisition of controlled entities - after tax	$M	3	**612**	-	large	**65**	547	(88)
Bankwest integration expenses - after tax	$M	79	**(78)**	-	large	**(78)**	-	large
Merger related amortisation - after tax	$M	79	**80**	-	large	**80**	-	large
Net profit after tax - statutory	$M	3	**4,723**	4,791	(1)	**2,150**	2,573	(16)
Earnings per share - cash basis - basic	cents	4	**305. 6**	356. 9	(14)	**158. 5**	146. 3	8
Dividends per share	cents	4	**228**	266	(14)	**115**	113	2
Dividend payout ratio - cash basis	%	4	**78. 2**	75.0	320 bpts	**73.7**	83.6	large
Tier One Capital - Basel II	%	6	**8. 07**	8. 17	(10)bpts	**8. 07**	8. 75	(68)bpts
Total Capital - Basel II	%	6	**10. 42**	11. 58	(116)bpts	**10. 42**	11. 39	(97)bpts
Number of full time equivalent staff	No.	-	**44,218**	39,621	12	**44,218**	45,013	(2)
Return on equity - cash	%	4	**15.8**	20.4	(460)bpts	**16.3**	15.0	130 bpts
Return on equity - underlying	%	87	**16.5**	20.4	(390)bpts	**16.7**	15.9	80 bpts
Weighted average number of shares - statutory	M	4	**1,420**	1,307	9	**1,490**	1,352	10
Net tangible assets per share	$	88	**13.65**	12.38	10	**13.65**	13.63	-
Net interest income	$M	3	**10,186**	7,907	29	**5,643**	4,543	24
Net interest margin	%	6	**2. 10**	2. 02	8 bpts	**2. 16**	2. 04	12 bpts
Other banking income ("cash basis")	$M	3	**4,176**	3,312	26	**2,140**	2,036	5
Other banking income/total banking income	%	-	**29. 1**	29. 5	(40)bpts	**27. 5**	30. 9	(340)bpts
Operating expense to total operating income	%	6	**45. 4**	48. 9	(350)bpts	**46. 5**	44. 3	220 bpts
Average interest earning assets	$M	6	**481,248**	385,667	25	**526,512**	436,722	21
Average interest bearing liabilities	$M	6	**453,458**	362,249	25	**496,742**	410,880	21
Impairment expense	$M	3	**3,048**	930	large	**1,441**	1,607	(10)
Impairment expense to average risk weighted assets - Basel II	%	15	**1. 25**	0. 46	79 bpts	**1. 03**	1. 43	(40)bpts
Impairment expense annualised as a % of average gross loans and acceptances	%	15	**0. 68**	0. 26	42 bpts	**0. 61**	0. 81	(20)bpts
Individually assessed provisions for impairment to gross impaired assets	%	15	**41. 1**	40. 8	30 bpts	**41. 1**	41. 8	(70)bpts
Risk weighted assets	$M	70	**288,836**	205,501	41	**288,836**	239,289	21
Retail Banking Services								
Cash net profit after tax	$M	3	**2,107**	1,911	10	**988**	1,119	(12)
Operating expense to total banking income	%	6	**42. 9**	46. 1	(320)bpts	**43. 4**	42. 4	100 bpts
Business and Private Banking								
Cash net profit after tax	$M	3	**736**	721	2	**363**	373	(3)
Operating expense to total banking income %	%	6	**48. 8**	50.5	(170)bpts	**48. 6**	49. 1	(50)bpts
Institutional Banking and Markets								
Cash net profit after tax	$M	3	**166**	771	(78)	**334**	(168)	large
Operating expense to total banking income %	%	6	**28. 3**	34.1	large	**29. 5**	26. 9	260 bpts

25. Summary (continued)

			Full Year Ended			Half Year Ended		
		Page	30/06/09	30/06/08	Jun 09 vs Jun 08 %	30/06/09	31/12/08	Jun 09 vs Dec 08 %
Wealth Management								
Cash net profit after tax	$M	3	**286**	737	(61)	**111**	175	(37)
Underlying profit after tax	$M	6	**514**	789	(35)	**186**	328	(43)
Investment experience after tax	$M	23	**(228)**	(52)	large	**(75)**	(153)	51
FUA - average	$M	6	**167,677**	186,696	(10)	**160,974**	173,001	(7)
FUA - spot	$M	24	**169,210**	184,970	(9)	**169,210**	158,026	7
FUA - Net funds flow	$M	25	**(6,847)**	28,614	large	**5,625**	(12,472)	large
Average inforce premiums	$M	6	**1,405**	1,136	24	**1,469**	1,314	12
Inforce premiums - spot	$M	24	**1,560**	1,250	25	**1,560**	1,378	13
Funds management income to average FUA	%	6	**1. 03**	1. 20	(17)bpts	**0. 96**	1. 11	(15)bpts
Insurance income to average inforce premiums	%	6	**45. 3**	49. 0	(370)bpts	**45. 2**	46. 3	(110)bpts
Operating expense to net operating income	%	6	**62. 0**	52. 7	large	**68. 9**	56. 3	large
International Financial Services								
Underlying profit after tax	$M	6	**467**	555	(16)	**198**	269	(26)
FUA - average	$M	6	**6,195**	7,460	(17)	**6,027**	6,370	(5)
FUA - spot	$M	28	**6,124**	6,335	(3)	**6,124**	6,245	(2)
Average inforce premiums	$M	6	**393**	375	5	**416**	394	6
Inforce premiums - spot	$M	28	**415**	371	12	**415**	416	-
Funds management income to average FUA	%	6	**0.79**	0.64	15 bpts	**0.77**	0.81	(4)bpts
Insurance income to average inforce premiums	%	6	**66. 4**	67. 2	(80)bpts	**68. 8**	59. 9	large
Operating expense to total operating income	%	6	**50. 7**	51. 9	(120)bpts	**47. 6**	53. 8	large
Bankwest								
Cash net profit after tax	$M	3	**113**	-	-	**113**	-	-
Operating expense to total banking income	%	6	**63. 6**	-	-	**63. 6**	-	-

26. Foreign Exchange Rates

Exchange Rates Utilised As at		30/06/09	31/12/08	30/06/08
AUD 1.00 =	USD	**0. 8129**	0. 6923	0. 9656
	GBP	**0. 4862**	0. 4795	0. 4841
	JPY	**77. 6450**	62. 5491	102. 0700
	NZD	**1. 2430**	1. 1908	1. 2631
	HKD	**6. 2999**	5. 3657	7. 5323
	EUR	**0. 5755**	0. 4916	0. 6113
	CAD	**0. 9366**	0. 8439	0. 9734
	CHF	**0. 8777**	0. 7327	0. 9821
	ILS	**3. 1865**	2. 6018	3. 2298
	SGD	**1. 1762**	0. 9952	1. 3145

27. Definitions

Term	Description
Bankwest	Bankwest is a full service bank active in all domestic market segments, with lending diversified between the business, rural, housing and personal markets, including a full range of deposit products.
Business and Private Banking	Business and Private Banking provides specialised banking services to relationship managed business and Agribusiness customers, private banking to high net worth individuals and margin lending and trading through CommSec. In addition commission is received for the distribution of retail banking products through the Business and Private Banking network.
Dividend payout ratio	Dividends paid on ordinary shares divided by earnings (earnings are net of dividends on other equity instruments).
DRP	Dividend reinvestment plan.
DRP participation	The percentage of total issued capital participating in the dividend reinvestment plan.
Earnings per share	Calculated in accordance with AASB 133: Earnings per Share.
Expense to income ratio	Represents operating expenses as a percentage of total operating revenue.
Institutional Banking and Markets	Institutional Banking and Markets offers a range of resources to the Group's clients to grow and manage their business, creating customised solutions based on specific needs, industry trends and market conditions. The Total Capital Solutions offering includes debt and capital markets, risk management and transactional banking to corporate and institutional clients. This segment also has wholesale banking operations in London, New York, Singapore, Hong Kong and Malta.
International Financial Services	International Financial Services includes the Banking, Funds Management and Insurance businesses operating in New Zealand, Fiji, Indonesia, China, Japan, India and Vietnam excluding the international business of Institutional Banking and Markets in New Zealand.
Net profit after tax ("Cash basis")	Represents profit after tax and minority interests before the gain on acquisition of controlled entities, merger related amortisation, integration expenses, the gain on Visa Initial Public Offering, investment and restructuring, defined benefit superannuation plan income/expense, treasury shares valuation adjustment, unrealised gains and losses related to hedging and AIFRS volatility and other one-off non-cash expenses.
Net profit after tax ("Statutory basis")	Represents profit after tax, the gain on acquisition of controlled entities, merger related amortisation, integration expenses, the gain on Visa Initial Public Offering, investment and restructuring, minority interests, defined benefit superannuation plan income/expense, treasury shares valuation adjustment, unrealised gains and losses related to hedging and AIFRS volatility and other one-off non-cash expenses. This is equivalent to the statutory item "Net profit attributable to Equity holders of the Bank".
Net profit after tax ("Underlying basis")	Represents net profit after tax ("cash basis") excluding investment experience.
Net tangible assets per share	Net assets excluding intangible assets, minority interests, preference shares and other equity instruments divided by ordinary shares on issue at the end of the period.
Operating expense to net operating income ratio	Represents operating expenses (excluding volume expenses) as a percentage of total operating income less volume expenses.
Overseas	Represents amounts booked in branches and controlled entities outside Australia.
Retail Banking Services	Retail Banking Services includes both the manufacturing of home loan, consumer finance and retail deposit products and the sales and servicing of all Retail bank customers. In addition commission is received for the distribution of business and wealth management products through the retail distribution network.
Return on average shareholders' equity – Cash basis	Based on cash net profit after tax and minority interests less other equity instruments' distributions applied to average shareholders' equity, excluding minority interests, other equity instruments, treasury shares and defined benefit superannuation plan net surplus.
Return on average shareholders' equity – Statutory basis	Based on net profit after tax ("statutory basis") less other equity instruments' distributions applied to average shareholders' equity, excluding minority interests and other equity instruments.
Staff numbers	Staff numbers include all permanent full time staff, part time staff equivalents and external contractors employed by 3rd party agencies.
Wealth Management	Wealth Management includes the Global Asset Management, Platform Administration and Life and General Insurance businesses of the Australian operations. St Andrew's is also reported as part of the Wealth Management segment.
Weighted average number of shares ("Cash basic")	Includes an adjustment to deduct from ordinary shares only those "Treasury Shares" related to the investment in the Bank's shares held by the employee share scheme trust.
Weighted average number of shares ("Statutory basic")	Includes an adjustment to exclude "Treasury Shares" related to investments in the Bank's shares held by both the life insurance statutory funds and by the employee share scheme trust.

Appendices

28. Market Share Definitions

Retail Banking Services

Home Loans	Total Household Loans (APRA) + Securitised Assets (APRA) + Homepath	Total Housing Loans (incl securitisations) (from RBA which includes NBFI's unlike APRA) (1)
Credit Cards	CBA Total Credit Card Lending (APRA)	Total Credit Cards with Interest Free + Total Credit Cards without Interest Free (from RBA which includes NBFI's unlike APRA) (1)
Personal Lending (Other Household Lending)	CBA Term Personal Lending + Margin Lending net balances + Personal Leasing + Revolving credit	Total Market Term Personal Lending + Margin Lending + Personal Leasing + Revolving credit from APRA
Household Deposits	CBA Household Deposits (as reported to APRA)	Total Bank Household Deposits (from APRA monthly banking statistics)
Retail Deposits	CBA Current Deposits + Term (excl CD's) + Other (All as reported to RBA)	Total RBA: Current Deposits with banks + Term (excl CD's) + Other with banks (from RBA monthly bulletin statistics) (1)

Business Market Share

Business Lending (APRA)	Loans to residents that are recorded on the domestic books of CBA within the non-financial corporation's sector, where this sector comprises private trading corporations, private unincorporated businesses and commonwealth, state, territory and local government non-financial corporation's (as per lending balances submitted to APRA in ARF 320.0)	Total loans to the non-financial corporation's sector for all licensed banks that submit to APRA
Business Lending (RBA)	CBA business lending and credit (specific 'business lending' categories in lodged APRA returns - 320.0, 320.1 and 320.4)	Total of business lending and credit to the private non-financial sector by all financial intermediaries (sourced from RBA table Lending & Credit Aggregates which is in turn sourced from specific 'business lending' categories in lodged APRA returns - 320.0, 320.1 and 320.4) (includes bills on issue and securitised business loans). (1)
Business Deposits (APRA)	Total transaction and non-transaction account deposit balances recorded on the domestic books of CBA from residents within the non-financial corporation's sector, where this sector comprises private trading corporations, private unincorporated businesses and commonwealth, state, territory and local government non-financial corporation's (as per deposit balances submitted to APRA in ARF 320.0)	Total transaction and non-transaction deposit balances from the non-financial corporation's sector for all licensed banks that submit to APRA
Equities Trading (CommSec)	Six months rolling average of total value of CommSec equities trades	Six months rolling average of total value of equities market trades as measured by ASX SEATS

(1) The RBA restates the total of all financial intermediaries retrospectively when required. This may be due to a change in definition, the inclusion of a new participant or correction of errors in prior returns. CBA restates its market share where the RBA total has changed based on current balances less implied percentage growth rates now reported by the RBA for previous months.

28. Market Share Definitions (continued)

Wealth Management

Australian Retail Funds	Total funds in CBA Wealth Management retail investment products (including WM products badged by other parties) / Total funds in retail investment products market (from Plan for Life)
FirstChoice Platform	Total funds in FirstChoice platform / Total funds in platform/masterfund market (from Plan for Life)
Australia (Total Life Insurance Risk)	Total risk inforce premium of all CBA Group Australian life insurance companies / Total risk inforce premium for all Australian life insurance companies (from Plan for Life)
Australia (Individual Life Insurance Risk)	(Individual lump sum + individual risk income) inforce premium of all CBA Group Australian life insurance companies / Individual risk inforce premium for all Australian life insurance companies (from Plan for Life)

International Financial Services

New Zealand Lending for housing	All ASB residential mortgages to personal customers for housing purposes (including off balance sheet) / Total New Zealand residential mortgages to personal customers for housing purposes (from New Zealand Reserve Bank)
New Zealand Lending to Business	All New Zealand dollar claims on ASB Balance Sheet excluding agriculture, Finance, Insurance, Government, Household and Non-Resident sector loans. / Total New Zealand dollar credit to the resident of business sector, based on Australia New Zealand Standard Industrial Classification (ANZSIC) excluding the following: Agriculture, Finance, Insurance, General Government, Household and Non-Resident sector loans. (from New Zealand Reserve Bank)
New Zealand Retail Deposits	All New Zealand dollar retail deposits on ASB Balance Sheet / Total New Zealand dollar deposits of all New Zealand registered banks (from New Zealand Reserve Bank)
New Zealand Retail FUM	Total ASB + Sovereign / Total Market net Retail Funds under Management (from Fund Source Research Limited)
New Zealand Inforce Premiums	Total Sovereign excluding health (inforce annual premium income + new business – exits – other) / Total inforce premium for New Zealand (from ISI statistics)

Bankwest

Home Loans	Total Household Loans (APRA) + Securitised Assets (APRA) / Total Housing Loans (incl securitisations) (from RBA which includes NBFI's unlike APRA) (1)
Business Lending (APRA)	Loans to residents that are recorded on the domestic books of Bankwest within the non-financial corporations sector, where this sector comprises private trading corporations, private unincorporated businesses and commonwealth, state, territory and local government non-financial corporations (as per lending balances submitted to APRA in ARF 320.0) / Total loans to the non-financial corporations sector for all licensed banks that submit to APRA
Credit Cards	Bankwest Total Credit Card Lending (APRA) / Total Credit Cards with Interest Free + Total Credit Cards without Interest Free (from RBA which includes NBFI's unlike APRA) (1)
Personal Lending (Other Household Lending)	Bankwest Term Personal Lending + Margin Lending net balances + Personal Leasing + Revolving credit / Total Market Term Personal Lending + Margin Lending + Personal Leasing + Revolving credit from APRA
Household Deposits	Bankwest Household Deposits (as reported to APRA) / Total Bank Household Deposits (from APRA monthly banking statistics)
Business Deposits (APRA)	Total transaction and non-transaction account deposit balances recorded on the domestic books of Bankwest from residents within the non-financial corporations sector, where this sector comprises private trading corporations, private unincorporated businesses and commonwealth, state, territory and local government non-financial corporations (as per deposit balances submitted to APRA in ARF 320.0) / Total transaction and non-transaction deposit balances from the non-financial corporations sector for all licensed banks that submit to APRA

(1) The RBA restates the total of all financial intermediaries retrospectively when required. This may be due to a change in definition, the inclusion of a new participant or correction of errors in prior returns.