



ASX Announcement

30 January 2009

2009 Interim Profit Announcement Template

Commonwealth Bank of Australia (“the Group”) provides a template for the 2009 Interim Profit Announcement including details of minor restatements to segment information and enhanced Financial Statement disclosures.

The Group is pleased to disclose the template for its 2009 Interim Profit Announcement including a full set of financial comparatives. The template includes:

1. Changes to the presentation of segment information to reflect minor refinements to overhead and balance sheet allocation methodologies;
2. Details of the enhancements made to Financial Statement disclosures; and
3. Financial comparative tables for the 2009 Interim Profit Announcement.

The financial comparatives template for the Group’s 2009 Interim results is also available in Excel format on the website at:

www.commbank.com.au/shareholder/results

The Group is scheduled to announce its interim results on 11 February 2009. In addition to the interim results release, an excel template populated with 2009 interim results and comparatives will be published on the website.

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END OF PAPER

2009 Interim Profit Announcement Template

1. Changes to the presentation of segment information

During the current half the Group has made a number of minor refinements to the presentation of segment results. This is due to the following improvements in the segment allocation methodology:

- Reclassification of previously unallocated balance sheet items, including income tax assets and liabilities, to the appropriate revenue-generating business units, together with the associated transfer pricing adjustments;
- Improvements to the recharging of costs between revenue-generating business units to better reflect the results of cross-selling; and
- Refinement to the overhead allocation methodology between group support functions and revenue-generating business units.

The impact of these changes to each segment's key Income Statement line items and reported cash net profit after tax for the prior halves is set out below:

	Half Year Ended 30 June 2008					
	Retail Banking Services \$M	Premium Business Services \$M	Wealth Management \$M	International Financial Services \$M	Other \$M	Group \$M
Cash NPAT – as published	955	756	351	293	(7)	2,348
Restatements:						
Increase/(Decrease) in Operating income	39	(47)	(24)	(2)	34	-
(Increase)/Decrease in Operating expenses	(63)	85	43	1	(66)	-
Increase/(Decrease) in Investment experience	-	-	(31)	-	31	-
(Increase)/Decrease in Corporate tax expense	5	(9)	4	-	-	-
Cash NPAT – as restated	936	785	343	292	(8)	2,348

	Half Year Ended 31 December 2007					
	Retail Banking Services \$M	Premium Business Services \$M	Wealth Management \$M	International Financial Services \$M	Other \$M	Group \$M
Cash NPAT – as published	949	724	389	296	27	2,385
Restatements:						
Increase/(Decrease) in Operating income	41	(47)	(25)	(9)	40	-
(Increase)/Decrease in Operating expenses	(7)	27	53	-	(73)	-
Increase/(Decrease) in Investment experience	-	-	(24)	-	24	-
(Increase)/Decrease in Corporate tax expense	(8)	3	1	2	2	-
Cash NPAT – as restated	975	707	394	289	20	2,385

2. Enhanced Financial Statement Disclosures

	Change	Reason for Change	Reference
2.1	Basel II Disclosures	The Group adopted APRA's "Basel II" capital adequacy rules effective 1 January 2008. Capital adequacy disclosures in the 2009 Interim Profit Announcement will be on a Basel II basis, consistent with the 30 June 2008 Annual Report.	Note 6: Provisions for Impairment and Asset Quality Appendix 9: Capital Adequacy
2.2	Counterparty and Other Credit Risk Exposures	In accordance with recommendations from the Financial Stability Forum, the Group's 2009 Interim Announcement will provide additional disclosure on the Group's exposure to Special Purpose Entities (SPEs) – used for securitisation and structured finance purposes; asset backed securities and related facilities; leveraged finance; hedge funds; collateralised debt obligations; credit linked notes; and financial instrument insurance.	Appendix 8: Counterparty and Other Credit Risk Exposures
2.3	Presentation of Impairment Ratios	In order to align the Group's disclosures to actual practice, the classification of portfolio loan impairment provisions covering unsecured personal loans and credit card lending has been amended. These amounts, also known as "bulk provisions", have been reclassified from the individually assessed provisions to the collective provision. This has resulted in minor changes to the presentation of net impaired assets and provision coverage ratios.	Note 6: Provisions for Impairment and Asset Quality
2.4	Reconciliations	The Group has included an individual line item reconciliation, which sets out the adjustments required to reconcile the cash basis and statutory basis Income Statements.	Appendix 15: Profit Reconciliation
2.5	Investment Experience	The Income Statement line item previously referred to as "Shareholder investment returns" has been renamed "Investment experience" to align with the terminology applied by wealth management industry peers.	
2.6	BankWest	The following disclosures specifically relating to the Group's acquisition of Bank of Western Australia Ltd and St Andrew's Australia Pty Ltd will appear in the Group's 2009 Interim Announcement, released on 11 February 2009: • BankWest segment MD&A commentary and provisional balance sheet; • Consolidated Income statement: Provisional estimate of the gain on acquisition; • Note 6: Provisional estimate of the impact of BankWest impairment provisions and asset quality disclosures; • Note 8: Segment reporting – new BankWest segment (provisional balance sheet only); • Note 10: Provisional impact of acquisition disclosed within Note to the CashFlow statements; • Note 14: Acquisition of controlled entities; and also in the following appendices; • Appendix 9: Capital Adequacy; • Appendix 12: Intangible Assets; • Appendix 15: Profit Reconciliation; and • Appendix 16: Consolidated Balance Sheet Impact of BankWest and St Andrew's Acquisition	

The Group's acquisition of Bank of Western Australia Ltd and St Andrew's Australia Pty Ltd occurred on 19 December 2008. For 31 December 2008 half year reporting purposes, a provisional estimate will be made of the carrying value of the assets and liabilities acquired, the purchase price and the resulting gain on acquisition recognised within the Income Statement. No earnings from the acquired entities will be recognised within the Income Statement for the half year ended 31 December 2008. Comprehensive fair valuation procedures will then be completed during the second half of the current financial year, including an assessment of the value of intangible assets (e.g. brand and core deposit intangibles) acquired. The Financial Statements for the year ended 30 June 2009 will therefore include material retrospective adjustments to the provisional estimates recognised in the Financial Statements for the half year ended 31 December 2008. This approach has been adopted in accordance with the requirements of AASB 3: Business Combinations.

3. Financial Comparatives Tables for the 2009 Interim Profit Announcement

Group Performance Summary	Half Year Ended				
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M	Dec 08 vs Jun 08 %	Dec 08 vs Dec 07 %
Net interest income		4,008	3,899		
Other banking income		1,771	1,541		
Total banking income		5,779	5,440		
Funds management income		1,166	1,141		
Insurance income		439	393		
Total operating income		7,384	6,974		
Investment experience		(59)	42		
Total income		7,325	7,016		
Operating expenses		3,643	3,378		
Impairment expenses		597	333		
Net profit before income tax		3,085	3,305		
Corporate tax expense		721	905		
Minority interests		16	15		
Net profit after income tax ("cash basis")		2,348	2,385		
Provisional gain on acquisition of controlled entities		-	-		
Gain on Visa Initial Public Offering		295	-		
Investment and restructuring		(264)	-		
Defined benefit superannuation plan income/(expense)		13	(4)		
Treasury shares valuation adjustment		73	(13)		
Hedging and AIFRS volatility		(45)	3		
Net profit after income tax ("statutory basis")		2,420	2,371		
Represented by:					
Retail Banking Services		936	975		
Premium Business Services		785	707		
Wealth Management		343	394		
International Financial Services		292	289		
Other		(8)	20		
Net profit after income tax ("cash basis")		2,348	2,385		
Investment experience after tax		41	(28)		
Net profit after income tax ("underlying basis")		2,389	2,357		

Shareholder Summary	Half Year Ended				
	31/12/08	30/06/08	31/12/07	Dec 08 vs Jun 08 %	Dec 08 vs Dec 07 %
Dividends per share – fully franked (cents)		153	113		
Dividend cover – cash (times)		1. 1	1. 6		
Earnings per share (cents)					
Statutory – basic		182. 6	180. 4		
Cash – basic		176. 2	180. 7		
Dividend payout ratio (%)					
Statutory basis		84. 6	63. 4		
Cash basis		87. 3	63. 0		
Weighted average no. of shares – statutory basic (M)		1,314	1,300		
Weighted average no. of shares – cash basic (M)		1,319	1,306		
Return on equity – cash (%)		19. 9	20. 8		

Highlights continued

Balance Sheet Summary	As at				
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M	Dec 08 vs Jun 08 %	Dec 08 vs Dec 07 %
Lending assets		369,597	351,208		
Total assets		487,572	472,664		
Total liabilities		461,435	447,026		
Shareholders' Equity		26,137	25,638		
Assets held and Funds Under Administration (FUA)					
On Balance Sheet:					
Banking assets		461,944	445,695		
Insurance Funds Under Administration		17,345	18,940		
Other insurance and internal funds management assets		8,283	8,029		
		487,572	472,664		
Off Balance Sheet:					
Funds Under Administration		173,960	188,762		
Total assets held and FUA		661,532	661,426		

Group Performance Analysis

Key Performance Indicators	Half Year Ended				
	31/12/08	30/06/08	31/12/07	Dec 08 vs Jun 08 %	Dec 08 vs Dec 07 %
Group					
Underlying profit after tax (\$M)		2,389	2,357		
Net interest margin (%)		1.98	2.06		
Average interest earning assets (\$M)		400,678	370,819		
Average interest bearing liabilities (\$M)		375,930	348,716		
Funds management income to average funds under administration (%)		1.18	1.19		
Average funds under administration (\$M)		198,801	191,447		
Insurance income to average inforce premiums (%)		56.8	54.1		
Average inforce premiums (\$M)		1,554	1,444		
Operating expenses to total operating income (%)		49.3	48.4		
Effective corporate tax rate (%)		23.4	27.4		
Retail Banking Services					
Cash net profit after tax (\$M)		936	975		
Operating expenses to total banking income (%)		46.9	45.3		
Premium Business Services					
Cash net profit after tax (\$M)		785	707		
Operating expenses to total banking income (%)		44.0	43.1		
Wealth Management					
Underlying profit after tax (\$M)		397	392		
Average funds under administration (\$M)		191,721	183,548		
Average inforce premiums (\$M)		1,172	1,058		
Funds management income to average funds under administration (%)		1.18	1.20		
Insurance income to average inforce premiums (%)		50.8	49.1		
Operating expenses to net operating income (%)		53.8	51.6		
International Financial Services					
Underlying profit after tax (\$M)		286	269		
Average funds under administration (\$M)		7,080	7,899		
Average inforce premiums (\$M)		382	386		
Funds management income to average funds under administration (%)		0.74	0.55		
Insurance income to average inforce premiums (%)		69.5	61.8		
Operating expenses to net operating income (%)		49.8	54.2		
Capital Adequacy Ratios – (Basel II)					
Tier One (%)		8.17	8.17		
Total (%)		11.58	12.08		

Group Performance Analysis continued

Other Banking Income

	Half Year Ended		
	31/12/08	30/06/08	31/12/07
	\$M	\$M	\$M
Commissions		919	908
Lending fees		507	469
Trading income		346	200
Other income		100	128
		1,872	1,705
AIFRS reclassification of net swap costs		(101)	(164)
Other banking income		1,771	1,541

Funds Management Income

	Half Year Ended		
	31/12/08	30/06/08	31/12/07
	\$M	\$M	\$M
CFS GAM		567	501
Colonial First State		408	476
CommInsure & Other		152	129
ASB, Other & Eliminations/Unallocated		39	35
Funds management income		1,166	1,141

Insurance Income

	Half Year Ended		
	31/12/08	30/06/08	31/12/07
	\$M	\$M	\$M
CommInsure & Other		296	261
Sovereign, Other & Eliminations/Unallocated		143	132
Insurance income		439	393

Group Performance Analysis continued

Total Group Assets & Liabilities	As at				
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M	Dec 08 vs Jun 08 %	Dec 08 vs Dec 07 %
Interest earning assets					
Home loans including securitisation		215,743	203,885		
Less: securitisation		(11,676)	(13,177)		
Home loans excluding securitisation		204,067	190,708		
Personal		20,265	20,838		
Business and corporate		126,987	119,857		
Loans, advances and other receivables		351,319	331,403		
Provisions for loan impairment		(1,713)	(1,352)		
Net loans, advances and other receivables		349,606	330,051		
Non-lending interest earning assets		49,385	51,065		
Total interest earning assets		400,704	382,468		
Other assets		86,868	90,196		
Total assets		487,572	472,664		
Interest bearing liabilities					
Transaction deposits		59,917	60,210		
Savings deposits		53,420	54,659		
Investment deposits		98,745	84,328		
Other demand deposits		44,014	45,889		
Total interest bearing deposits		256,096	245,086		
Deposits not bearing interest		7,610	8,021		
Deposits and other public borrowings		263,706	253,107		
Debt issues		73,785	65,699		
Other interest bearing liabilities		44,756	49,597		
Total interest bearing liabilities		374,637	360,382		
Securitisation debt issues		12,032	13,673		
Non-interest bearing liabilities		74,766	72,971		
Total liabilities		461,435	447,026		
Provisions for impairment losses					
Collective provision		1,466	1,191		
Individually assessed provisions		279	189		
Total provisions for impairment losses		1,745	1,380		
Less: off balance sheet provisions		32	28		
Total provisions for loan impairment		1,713	1,352		

Asset Quality	Half Year Ended				
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M	Dec 08 vs Jun 08 %	Dec 08 vs Dec 07 %
Gross loans and acceptances (\$M)		383,502	366,313		
Risk weighted assets – Basel II (\$M)		205,501	198,228		
Gross impaired assets (\$M)		683	562		
Net impaired assets (\$M)		404	373		
Collective provision as a % of RWA – Basel II		0. 71	0. 60		
Collective provision as a % of credit risk weighted assets – Basel II		0. 78	0. 65		
Collective provision as a % of gross loans and acceptances		0. 38	0. 33		
Individually assessed provisions for impairment as a % of gross impaired assets		40. 8	33. 6		
Loan impairment expense annualised as a % of average risk weighted assets – Basel I		-	0. 40		
Loan impairment expense annualised as a % of average risk weighted assets – Basel II		0. 59	-		
Loan impairment expense as a % of average gross loans and acceptances annualised		0. 32	0. 19		

Retail Banking Services

Half Year Ended 31 December 2008					
	Home Loans \$M	Consumer Finance \$M	Retail Deposits \$M	Distribution \$M	Total \$M
Net interest income					
Other banking income					
Total banking income					
Operating expenses					
Impairment expense					
Net profit before tax					
Corporate tax expense					
Cash net profit after tax					

Half Year Ended 30 June 2008					
	Home Loans \$M	Consumer Finance \$M	Retail Deposits \$M	Distribution \$M	Total \$M
Net interest income	527	403	1,258	-	2,188
Other banking income	70	181	351	86	688
Total banking income	597	584	1,609	86	2,876
Operating expenses					1,349
Impairment expense					190
Net profit before tax					1,337
Corporate tax expense					401
Cash net profit after tax					936

Half Year Ended 31 December 2007					
	Home Loans \$M	Consumer Finance \$M	Retail Deposits \$M	Distribution \$M	Total \$M
Net interest income	651	376	1,123	-	2,150
Other banking income	71	165	328	87	651
Total banking income	722	541	1,451	87	2,801
Operating expenses					1,270
Impairment expense					141
Net profit before tax					1,390
Corporate tax expense					415
Cash net profit after tax					975

Major Balance Sheet Items (gross of impairment)	As at				
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M	Dec 08 vs Jun 08 %	Dec 08 vs Dec 07 %
Home loans (including securitisation)		186,942	173,784		
Consumer finance		11,428	11,027		
Total assets – Retail Banking Services products		198,370	184,811		
Home loans (net of securitisation)		175,266	160,607		
Transaction deposits		18,267	19,470		
Savings deposits		44,261	44,906		
Investment and other deposits		55,388	44,230		
Deposits not bearing interest		2,305	2,543		
Total liabilities - Retail Banking Services products		120,221	111,149		

Premium Business Services

Half Year Ended 31 December 2008

	Institutional Banking \$M	Private Client Services \$M	Corporate Financial Services \$M	Agri business \$M	Local Business Banking \$M	Eliminations \$M	Total \$M
Net interest income							
Other banking income							
Total banking income							
Operating expenses							
Impairment expense							
Net profit before tax							
Corporate tax expense							
Cash net profit after tax							

Half Year Ended 30 June 2008

	Institutional Banking \$M	Private Client Services \$M	Corporate Financial Services \$M	Agri business \$M	Local Business Banking \$M	Eliminations \$M	Total \$M
Net interest income	531	119	267	97	147	-	1,161
Other banking income	426	196	202	54	120	(8)	990
Total banking income	957	315	469	151	267	(8)	2,151
Operating expenses							947
Impairment expense							251
Net profit before tax							953
Corporate tax expense							168
Cash net profit after tax							785

Half Year Ended 31 December 2007

	Institutional Banking \$M	Private Client Services \$M	Corporate Financial Services \$M	Agri business \$M	Local Business Banking \$M	Eliminations \$M	Total \$M
Net interest income	499	121	243	81	143	-	1,087
Other banking income	383	198	196	54	90	(22)	899
Total banking income	882	319	439	135	233	(22)	1,986
Operating expenses							856
Impairment expense							175
Net profit before tax							955
Corporate tax expense							248
Cash net profit after tax							707

As at

Major Balance Sheet Items (gross of impairment)	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M	Dec 08 vs Jun 08 %	Dec 08 vs Dec 07 %
Interest earning lending assets		113,828	110,386		
Bank acceptances of customers		18,278	19,805		
Non-lending interest earning assets		18,705	21,917		
Margin loans		7,817	8,721		
Other assets		14,902	17,511		
Total assets		173,530	178,340		
Transaction deposits		39,791	38,843		
Other demand deposits		5,602	7,634		
Deposits not bearing interest		3,839	3,785		
Certificates of deposits and other		33,922	29,741		
Due to other financial institutions		16,659	16,971		
Liabilities at fair value through Income Statement		1,914	2,555		
Debt issues		25,438	25,011		
Loan Capital		581	714		
Other non-interest bearing liabilities		38,763	45,483		
Total liabilities		166,509	170,737		

Wealth Management

Half Year Ended 31 December 2008					
	CFS GAM	Colonial	CommInsure	Other	Total
	\$M	First State	\$M	\$M	\$M
Funds management income					
Insurance income					
Total operating income					
Volume expenses					
Net operating income					
Operating expenses					
Net profit before tax					
Corporate tax expense					
Underlying profit after tax					
Investment experience after tax					
Cash net profit after tax					

Half Year Ended 30 June 2008					
	CFS GAM	Colonial	CommInsure	Other	Total
	\$M	First State	\$M	\$M	\$M
Funds management income	567	408	148	4	1,127
Insurance income	-	-	294	2	296
Total operating income	567	408	442	6	1,423
Volume expenses	83	95	84	-	262
Net operating income	484	313	358	6	1,161
Operating expenses	178	205	170	72	625
Net profit before tax	306	108	188	(66)	536
Corporate tax expense	68	34	54	(17)	139
Underlying profit after tax	238	74	134	(49)	397
Investment experience after tax	3	7	(49)	(15)	(54)
Cash net profit after tax	241	81	85	(64)	343

Half Year Ended 31 December 2007					
	CFS GAM	Colonial	CommInsure	Other	Total
	\$M	First State	\$M	\$M	\$M
Funds management income	501	476	131	(2)	1,106
Insurance income	-	-	263	(2)	261
Total operating income	501	476	394	(4)	1,367
Volume expenses	70	97	79	-	246
Net operating income	431	379	315	(4)	1,121
Operating expenses	191	211	151	25	578
Net profit before tax	240	168	164	(29)	543
Corporate tax expense	68	50	49	(16)	151
Underlying profit after tax	172	118	115	(13)	392
Investment experience after tax	-	7	11	(16)	2
Cash net profit after tax	172	125	126	(29)	394

Wealth Management continued

	As at				
	31/12/08	30/06/08	31/12/07	Dec 08 vs Jun 08 %	Dec 08 vs Dec 07 %
Funds Under Management (FUM)	\$M	\$M	\$M		
Australian equities		23,502	29,618		
Global equities		35,589	40,945		
Cash and fixed interest		66,729	66,694		
Property and alternative investments		27,120	27,102		
Total		152,940	164,359		

	Half Year Ended				
	31/12/08	30/06/08	31/12/07	Dec 08 vs Jun 08 %	Dec 08 vs Dec 07 %
Funds Under Administration (FUA)	\$M	\$M	\$M		
Funds under administration – average		191,721	183,548		
Funds under administration – spot		184,970	199,834		
Funds under management – average		158,650	152,022		
Funds under management – spot		152,940	164,359		
Retail Net funds flows (Australian Retail)		279	1,609		

	Half Year Ended				
	31/12/08	30/06/08	31/12/07	Dec 08 vs Jun 08 %	Dec 08 vs Dec 07 %
Sources of Profit from Insurance Activities	\$M	\$M	\$M		
The Margin on Services profit from ordinary activities after income tax is represented by:					
Planned profit margins		74	71		
Experience variations		11	1		
Funds management operating margins		61	56		
General insurance operating margins		(12)	(13)		
Operating margins		134	115		
Investment experience after tax		(49)	11		
Cash net profit after tax		85	126		

	Half Year Ended 31 December 2008				
	Opening Balance 30/06/08	Sales/New Balances	Lapses	Other Movements	Closing Balance 31/12/08
Annual Inforce Premiums	\$M	\$M	\$M	\$M	\$M
General insurance					
Retail life					
Wholesale life					
Total					

	Half Year Ended 30 June 2008				
	Opening Balance 31/12/07	Sales/New Balances	Lapses	Other Movements	Closing Balance 30/06/08
Annual Inforce Premiums	\$M	\$M	\$M	\$M	\$M
General insurance	203	74	(19)	21	279
Retail life	568	83	(46)	-	605
Wholesale life	323	60	(17)	-	366
Total	1,094	217	(82)	21	1,250

	Half Year Ended 31 December 2007				
	Opening Balance 30/06/07	Sales/New Balances	Lapses	Other Movements	Closing Balance 31/12/07
Annual Inforce Premiums	\$M	\$M	\$M	\$M	\$M
General insurance	184	39	(20)	-	203
Retail life	530	73	(35)	-	568
Wholesale life	308	31	(16)	-	323
Total	1,022	143	(71)	-	1,094

Wealth Management continued

Half Year Ended 31 December 2008						
Funds Under Administration	Opening Balance 30/06/08 \$M	Inflows \$M	Outflows \$M	Net flows \$M	Investment Income & Other \$M	Closing Balance 31/12/08 \$M
FirstChoice						
Avanteos						
Cash management						
Legacy products						
Retail products						
Other retail						
Australian retail						
Wholesale						
Property						
Other						
Domestically sourced						
Internationally sourced						
Total Wealth Management						

Half Year Ended 30 June 2008						
Funds Under Administration	Opening Balance 31/12/07 \$M	Inflows \$M	Outflows \$M	Net flows \$M	Investment Income & Other \$M	Closing Balance 30/06/08 \$M
FirstChoice	42,814	6,613	(5,208)	1,405	(5,512)	38,707
Avanteos	6,278	1,281	(497)	784	(805)	6,257
Cash management	2,947	751	(1,200)	(449)	78	2,576
Legacy products	32,133	1,155	(2,571)	(1,416)	(3,217)	27,500
Retail Products	84,172	9,800	(9,476)	324	(9,456)	75,040
Other retail	1,340	75	(120)	(45)	71	1,366
Australian retail	85,512	9,875	(9,596)	279	(9,385)	76,406
Wholesale	54,746	9,827	(9,776)	51	(2,421)	52,376
Property	18,551	1,575	(690)	885	774	20,210
Other	3,528	95	(97)	(2)	(278)	3,248
Domestically sourced	162,337	21,372	(20,159)	1,213	(11,310)	152,240
Internationally sourced	37,497	7,610	(5,380)	2,230	(6,997)	32,730
Total Wealth Management	199,834	28,982	(25,539)	3,443	(18,307)	184,970

Half Year Ended 31 December 2007						
Funds Under Administration	Opening Balance 30/06/07 \$M	Inflows \$M	Outflows \$M	Net flows \$M	Investment Income & Other \$M	Closing Balance 31/12/07 \$M
FirstChoice	39,545	10,924	(7,402)	3,522	(253)	42,814
Avanteos	5,875	1,084	(582)	502	(99)	6,278
Cash management	3,130	1,016	(1,211)	(195)	12	2,947
Legacy products	34,061	1,322	(3,539)	(2,217)	289	32,133
Retail products	82,611	14,346	(12,734)	1,612	(51)	84,172
Other retail	1,577	134	(137)	(3)	(234)	1,340
Australian retail	84,188	14,480	(12,871)	1,609	(285)	85,512
Wholesale	34,469	27,270	(7,694)	19,576	701	54,746
Property	14,843	1,906	(1,023)	883	2,825	18,551
Other	3,635	64	(170)	(106)	(1)	3,528
Domestically sourced	137,135	43,720	(21,758)	21,962	3,240	162,337
Internationally sourced	31,675	9,871	(6,662)	3,209	2,613	37,497
Total Wealth Management	168,810	53,591	(28,420)	25,171	5,853	199,834

International Financial Services

	Half Year Ended 31 December 2008			
	ASB \$M	Sovereign \$M	Other \$M	Total \$M
Net interest income				
Other banking income				
Total banking income				
Funds management income				
Insurance income				
Total operating income				
Operating expenses				
Impairment expense				
Net profit before tax				
Corporate tax expense				
Minority interests				
Underlying profit after tax				
Investment experience after tax				
Cash net profit after tax				

	Half Year Ended 30 June 2008			
	ASB \$M	Sovereign \$M	Other \$M	Total \$M
Net interest income	402	-	69	471
Other banking income	160	-	40	200
Total banking income	562	-	109	671
Funds management income	28	-	(2)	26
Insurance income	-	107	25	132
Total operating income	590	107	132	829
Operating expenses	260	75	78	413
Impairment expense	28	-	3	31
Net profit before tax	302	32	51	385
Corporate tax expense	99	(4)	3	98
Minority interests	-	-	1	1
Underlying profit after tax	203	36	47	286
Investment experience after tax	-	17	(11)	6
Cash net profit after tax	203	53	36	292

	Half Year Ended 31 December 2007			
	ASB \$M	Sovereign \$M	Other \$M	Total \$M
Net interest income	382	-	51	433
Other banking income	157	-	26	183
Total banking income	539	-	77	616
Funds management income	29	-	(7)	22
Insurance income	-	108	12	120
Total operating income	568	108	82	758
Operating expenses	282	75	54	411
Impairment expense	6	-	6	12
Net profit before tax	280	33	22	335
Corporate tax expense	77	(2)	(10)	65
Minority interests	-	-	1	1
Underlying profit after tax	203	35	31	269
Investment experience after tax	-	8	12	20
Cash net profit after tax	203	43	43	289

International Financial Services continued

Major Balance Sheet Items (gross of impairment)	As at				
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M	Dec 08 vs Jun 08 %	Dec 08 vs Dec 07 %
Home lending		28,347	29,723		
Assets at fair value through Income Statement		5,186	7,333		
Other lending assets		12,328	11,088		
Non-lending interest earning assets		1,654	1,803		
Other assets		4,119	4,428		
Total assets		51,634	54,375		
Debt issues		3,556	2,473		
Deposits		22,810	23,971		
Liabilities at fair value through Income Statement		12,592	18,724		
Other liabilities		3,792	4,340		
Total liabilities		42,750	49,508		

Balance Sheet

Assets			
ASB Bank		46,958	49,434
Other		4,676	4,941
Total assets		51,634	54,375
Liabilities			
ASB Bank		39,231	45,542
Other		3,519	3,966
Total liabilities		42,750	49,508

Sources of Profit from Insurance Activities	Half Year Ended		
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M
The Margin on Services profit from ordinary activities after income tax is represented by:			
Planned profit margin		38	38
Experience variations		10	1
Operating margins		48	39
Investment experience after tax		9	32
Cash net profit after tax		57	71

New Zealand – Funds Under Administration	Half Year Ended		
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M
Opening balance		7,868	8,261
Inflows		1,332	1,050
Outflows		(1,837)	(1,068)
Net Flows		(505)	(18)
Investment income and Other		(1,028)	(375)
Closing balance		6,335	7,868

New Zealand – Annual Inforce Premiums	Half Year Ended		
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M
Opening balance		392	379
Sales/New Business		25	29
Lapses		(9)	(5)
Other movements		(37)	(11)
Closing balance		371	392

	As at
	31/12/08
Major Balance Sheet Items (gross of impairment)	\$M
Home lending	
Other lending assets	
Assets at fair value through Income Statement	
Other assets	
Total assets	
Deposits	
Debt Issues	
Due to other financial institutions	
Other liabilities	
Total liabilities	

Half Year Ended 31 December 2008			
	Corporate Centre \$M	Eliminations/ Unallocated \$M	Total \$M
Net interest income			
Other banking income			
Total banking income			
Funds management income			
Insurance income			
Total operating income			
Operating expenses			
Impairment expense			
Net profit before tax			
Corporate tax expense			
Minority interests			
Underlying profit after tax			
Investment experience after tax			
Cash net profit after tax			

Half Year Ended 30 June 2008			
	Corporate Centre \$M	Eliminations/ Unallocated \$M	Total \$M
Net interest income	157	(70)	87
Other banking income	36	(42)	(6)
Total banking income	193	(112)	81
Funds management income	-	13	13
Insurance income	-	11	11
Total operating income	193	(88)	105
Operating expenses	47	-	47
Impairment expense	-	125	125
Net profit before tax	146	(213)	(67)
Corporate tax expense	46	(113)	(67)
Minority interests	-	15	15
Underlying profit after tax	100	(115)	(15)
Investment experience after tax	-	7	7
Cash net profit after tax	100	(108)	(8)

Half Year Ended 31 December 2007			
	Corporate Centre \$M	Eliminations/ Unallocated \$M	Total \$M
Net interest income	131	(66)	65
Other banking income	(48)	20	(28)
Total banking income	83	(46)	37
Funds management income	-	13	13
Insurance income	-	12	12
Total operating income	83	(21)	62
Operating expenses	17	-	17
Impairment expense	-	5	5
Net profit before tax	66	(26)	40
Corporate tax expense	28	(16)	12
Minority interests	-	14	14
Underlying profit after tax	38	(24)	14
Investment experience after tax	-	6	6
Cash net profit after tax	38	(18)	20

Investment Experience

Investment Experience	Half Year Ended				
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M	Dec 08 vs Jun 08 %	Dec 08 vs Dec 07 %
Wealth Management		(77)	3		
International Financial Services		1	24		
Eliminations		17	15		
Investment experience before tax		(59)	42		
Corporate tax expense		(18)	14		
Investment experience after tax		(41)	28		

Financial Statements

Consolidated Income Statement

For the half year ended 31 December 2008

	Note	Half Year Ended		
		31/12/08	30/06/08	31/12/07
		\$M	\$M	\$M
Interest income	2		15,453	13,781
Interest expense			11,445	9,882
Net interest income			4,008	3,899
Other operating income			2,014	1,545
Net banking operating income			6,022	5,444
Funds management income	2		1,231	1,138
Investment revenue			(845)	320
Claims and policyholder liability expense			824	(305)
Net funds management operating income			1,210	1,153
Premiums from insurance contracts	2		712	661
Investment revenue			(237)	210
Claims and policyholder liability expense from insurance contracts			(182)	(424)
Insurance margin on services operating income			293	447
Total net operating income			7,525	7,044
Provisional gain on acquisition of controlled entities			-	-
Impairment expense	6		597	333
Operating expenses	3		4,020	3,378
Defined benefit superannuation plan (expense)/income			20	(6)
Net profit before income tax			2,928	3,327
Corporate tax expense	4		643	905
Policyholder tax expense/(benefit)	4		(151)	36
Net profit after income tax			2,436	2,386
Minority interests			(16)	(15)
Net profit attributable to Equity holders of the Bank			2,420	2,371

		Half Year Ended		
		31/12/08	30/06/08	31/12/07
		Cents per share		
Earnings per share:				
Statutory basic			182. 6	180. 4
Statutory diluted			175. 6	177. 7
Dividends per share attributable to shareholders of the Bank:				
Ordinary shares			153	113
Trust preferred securities (TPS) – issued 8 March 2006			3,284	3,566

Financial Statements continued

Consolidated Balance Sheet

As at 31 December 2008

Assets	Note	As at		
		31/12/08	30/06/08	31/12/07
		\$M	\$M	\$M
Cash and liquid assets			7,736	6,951
Receivables due from other financial institutions			6,984	7,779
Assets at fair value through Income Statement:				
Trading			21,676	22,321
Insurance			20,650	21,926
Other			3,266	5,540
Derivative assets			18,232	15,583
Available-for-sale investments			11,488	10,518
Loans, advances and other receivables	5		361,282	343,228
Bank acceptances of customers			18,278	19,805
Property, plant and equipment			1,640	1,490
Investment in associates			906	872
Intangible assets			8,258	8,213
Deferred tax assets			76	220
Other assets			6,492	6,960
			486,964	471,406
Assets held for sale			608	1,258
Total assets			487,572	472,664

Liabilities	Note	As at		
		31/12/08	30/06/08	31/12/07
		\$M	\$M	\$M
Deposits and other public borrowings	7		263,706	253,107
Payables due to other financial institutions			17,672	17,972
Liabilities at fair value through Income Statement			15,526	17,439
Derivative liabilities			19,541	15,507
Bank acceptances			18,278	19,805
Current tax liabilities			768	584
Deferred tax liabilities			266	848
Other provisions			1,174	875
Insurance policy liabilities			18,495	20,671
Debt issues			85,817	81,468
Managed funds units on issue			1,109	185
Bills payable and other liabilities			7,524	6,453
			449,876	434,914
Loan capital			11,559	12,112
Total liabilities			461,435	447,026
Net assets			26,137	25,638

Shareholders' Equity	Note	As at		
		31/12/08	30/06/08	31/12/07
		\$M	\$M	\$M
Share capital:				
Ordinary share capital	9		15,727	15,356
Other equity instruments	9		939	939
Reserves	9		1,206	1,673
Retained profits	9		7,747	7,159
Shareholders' equity attributable to Equity holders of the Bank			25,619	25,127
Minority interests:				
Controlled entities			518	511
Total Shareholders' equity			26,137	25,638

Financial Statements continued

Consolidated Statement of Recognised Income and Expense

For the half year ended 31 December 2008

	Half Year Ended		
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M
Actuarial gains and losses from defined benefit superannuation plans		(280)	40
Gains and losses on cash flow hedging instruments:			
Recognised in equity		9	413
Transferred to the Income Statement		(211)	(362)
Gains and losses on available-for-sale investments:			
Recognised in equity		330	(68)
Transferred to the Income Statement on disposal		(312)	-
Revaluation of properties		20	-
Exchange differences on translation of foreign operations		(543)	(105)
Income tax on items transferred directly to/from equity:			
Foreign Currency Translation Reserve		49	4
Available-for-sale investments revaluation reserve		13	31
Revaluation of properties		(5)	1
Cash flow hedge reserve		66	(14)
Net income/(expense) recognised directly in equity		(864)	(60)
Profit for the period		2,436	2,386
Total net income recognised for the period		1,572	2,326
Attributable to:			
Equity holders of the Bank		1,556	2,311
Minority interests		16	15
Total net income recognised for the period		1,572	2,326

Financial Statements continued

Consolidated Statement of Cash Flows

For the half year ended 31 December 2008

		Half Year Ended		
		31/12/08	30/06/08	31/12/07
	Note	\$M	\$M	\$M
Cash flows from operating activities				
Interest received			16,008	13,456
Interest paid			(11,661)	(9,125)
Other operating income received			2,854	2,460
Expenses paid			(3,516)	(3,366)
Income taxes paid			(687)	(1,218)
Net (increase)/decrease in assets at fair value through Income Statement (excluding life insurance)			4,146	(5,136)
Net increase/(decrease) in liabilities at fair value through Income Statement				
Life insurance:				
Investment income			106	403
Premiums received			1,130	1,174
Policy payments			(1,645)	(2,144)
Other liabilities at fair value through Income Statement			184	626
Cash flows from operating activities before changes in operating assets and liabilities				
			6,919	(2,870)
Changes in operating assets and liabilities arising from cash flow movements				
Movement in available-for-sale investments:				
Purchases			(16,357)	(18,756)
Proceeds from sale			442	168
Proceeds at or close to maturity			14,463	17,511
Lodgement of deposits with regulatory authorities			40	(27)
Net (increase) in loans, advances and other receivables			(25,751)	(25,819)
Net (increase)/decrease in receivables due from other financial institutions not at call			1,045	(3,666)
Net decrease/(increase) in securities purchased under agreements to resell			(676)	1,310
Life insurance business:				
Purchase of insurance assets at fair value through Income Statement			(3,111)	(5,608)
Proceeds from sale/maturity of insurance assets at fair value through Income Statement			4,452	6,707
Net increase in deposits and other public borrowings			17,513	32,090
Net proceeds from issuance of debt securities			3,083	(7,899)
Net increase/(decrease) in payables due to other financial institutions not at call			1,259	3,227
Net (decrease)/increase in securities sold under agreements to repurchase			(1,756)	(8)
Changes in operating assets and liabilities arising from cash flow movements				
			(5,354)	(770)
Net cash (used in)/provided by operating activities	10 (a)		1,565	(3,640)
Cash flows from investing activities				
Payment for acquisition of controlled entities	10 (e)		-	(241)
Proceeds from disposal of controlled entities			2	-
Dividends received			38	1
Proceeds from sale of property, plant and equipment			9	5
Purchases of property, plant and equipment			(295)	(187)
Payment for acquisition of investments in associates/joint ventures			-	-
Sales and (purchases) of assets held for sale			651	115
Purchases of intangible assets			(155)	(71)
Net (increase)/decrease in other assets			138	(162)
Net cash (used in)/provided by investing activities			388	(540)

Financial Statements continued

Consolidated Statement of Cash Flows (continued)

For the half year ended 31 December 2008

For the half year ended 31 December 2008		Half Year Ended		
	Note	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M
Cash flows from financing activities				
Proceeds from issue of shares (net of costs)			-	3
Dividends paid (excluding Dividend Reinvestment Plan)			(1,099)	(1,252)
Net movement in other liabilities			647	(94)
Net (purchase)/sale of treasury shares			(30)	21
Issue of loan capital			-	2,091
Redemption of loan capital			(7)	-
Other			426	(298)
Net cash provided by/(used in) financing activities			(63)	471
Net (decrease)/increase in cash and cash equivalents			1,890	(3,709)
Cash and cash equivalents at beginning of period			375	4,084
Cash and cash equivalents at end of period	10 (b)		2,265	375

Notes to the Financial Statements

Note 2 Income from Ordinary Activities

	Half Year Ended		
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M
Banking			
Interest income		15,453	13,781
Fees and commissions		1,426	1,377
Trading income		346	200
Net gains/(losses) on disposal of available-for-sale investments		310	(1)
Net losses on disposal of non-trading instruments		(1)	-
Net hedging ineffectiveness		(44)	(14)
Net (losses)/gains on other financial instruments:			
Fair value through Income Statement		(21)	12
Reclassification of net interest on swaps		(101)	(164)
Non-trading derivatives		19	18
Dividends		38	1
Net (losses) on sale of property, plant and equipment		(8)	(7)
Other income		50	123
		17,467	15,326
Funds Management, Investment contract and Insurance contract revenue			
Funds management and investment contract income including premiums		1,231	1,138
Insurance contract premiums and related income		712	661
Funds management claims and policy holder liability revenue		824	-
Investment income		-	530
		2,767	2,329
Total income from ordinary activities		20,234	17,655

Notes to the Financial Statements continued

Note 3 Operating Expenses

	Half Year Ended		
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M
Staff expenses			
Salaries and wages		1,592	1,505
Share-based compensation		57	49
Superannuation contributions		10	4
Provisions for employee entitlements		44	46
Payroll tax		77	85
Fringe benefits tax		16	16
Other staff expenses		85	75
Total staff expenses		1,881	1,780
Occupancy and equipment expenses			
Operating lease rentals		203	200
Depreciation:			
Buildings		14	13
Leasehold improvements		33	30
Equipment		43	41
Operating lease assets		11	9
Repairs and maintenance		45	36
Other		45	44
Total occupancy and equipment expenses		394	373
Information technology services			
Application maintenance and development		103	121
Data processing		95	100
Desktop		58	56
Communications		92	82
Amortisation of software assets		46	42
IT equipment depreciation		16	15
Total information technology services		410	416
Other expenses			
Postage		60	59
Stationery		49	49
Fees and commissions:			
Fees payable on trust and other fiduciary activities		281	257
Other		147	133
Advertising, marketing and loyalty		188	160
Amortisation of other intangible assets (excluding software)		11	4
Non-lending losses		46	32
Other		176	115
Total other expenses		958	809
Investment and restructuring			
Write-down of leasehold improvements		18	-
Write-down of software		77	-
Other provisions		282	-
Total investment and restructuring		377	-
Total operating expenses		4,020	3,378

Notes to the Financial Statements continued

Note 4 Income Tax Expense

	Half Year Ended		
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M
Profit from ordinary activities before Income Tax			
Retail Banking Services		1,297	1,390
Premium Business Services		930	953
Wealth Management		431	560
International Financial Services		372	395
Other		(102)	29
Net profit before income tax		2,928	3,327
Prima Facie Income Tax at 30%			
Retail Banking Services		389	417
Premium Business Services		279	286
Wealth Management		129	168
International Financial Services		112	119
Other		(30)	8
		879	998
Tax effect of non-deductible expenses/non-assessable income in determining taxable profit:			
Current period			
Taxation offsets and other dividend adjustments		(23)	(42)
Tax adjustment referable to policyholder income		(107)	26
Tax losses recognised		(89)	-
Difference in overseas tax rates		(17)	(18)
Offshore banking unit		(7)	(9)
Other		(39)	3
		(282)	(40)
Prior periods			
Other		(105)	(17)
Total income tax expense		492	941
Income Tax Attributable to Profit from Ordinary Activities			
Retail Banking Services		390	415
Premium Business Services		161	247
Wealth Management		159	159
International Financial Services		93	75
Other		(160)	9
Corporate tax expense		643	905
Policyholder tax expense		(151)	36
Total income tax expense		492	941
Effective Tax Rate		%	%
Total – corporate		20.9	27.5
Retail Banking Services – corporate		30.1	29.9
Premium Business Services – corporate		17.3	25.9
Wealth Management – corporate		27.6	29.5
International Financial Services – corporate		24.5	19.7

Notes to the Financial Statements continued

Note 5 Loans, Advances and Other Receivables

	Half Year Ended		
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M
Australia			
Overdrafts		20,047	18,973
Housing loans (including securitisation)		186,926	173,269
Credit card outstandings		7,555	7,370
Lease financing		4,239	3,839
Bills discounted		5,868	3,713
Term loans		83,431	82,579
Other lending		1,076	675
Other securities		13	5
Total Australia		309,155	290,423
Overseas			
Overdrafts		716	775
Housing loans		28,817	30,616
Credit card outstandings		538	594
Lease financing		563	508
Term loans		23,916	21,905
Redeemable preference share financing		1,194	1,194
Other lending		25	51
Other securities		300	442
Total Overseas		56,069	56,085
Gross loans, advances and other receivables		365,224	346,508
Less:			
Provisions for loan impairment:			
Collective provision		(1,434)	(1,163)
Individually assessed provisions		(279)	(189)
Unearned income:			
Term loans		(1,047)	(978)
Lease financing		(1,182)	(950)
		(3,942)	(3,280)
Net loans, advances and other receivables		361,282	343,228

Notes to the Financial Statements continued

Note 6 Provisions for Impairment and Asset Quality

As at 31 December 2008					
	Housing Loans \$M	Other Personal \$M	Asset Financing \$M	Other Commercial Industrial \$M	Total \$M
Loans and Advances which were neither Past Due nor Impaired					
Investment Grade					
Pass Grade					
Weak					
Total loans and advances which were neither past due nor impaired					
Loans and Advances which were Past Due but not Impaired					
Past due 1-29 days					
Past due 30-59 days					
Past due 60-89 days					
Past due 90-179 days					
Past due 180 days or more					
Total loans and advances past due but not impaired					

As at 30 June 2008					
	Housing Loans \$M	Other Personal \$M	Asset Financing \$M	Other Commercial Industrial \$M	Total \$M
Loans and Advances 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 and advances which were neither past due nor impaired	209,559	18,595	8,028	119,414	355,596
Loans and Advances which were Past Due but not Impaired					
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 and advances past due but not impaired	5,989	1,152	359	1,445	8,945

As at 31 December 2007					
	Housing Loans \$M	Other Personal \$M	Asset Financing \$M	Other Commercial Industrial \$M	Total \$M
Loans and Advances which were neither Past Due nor Impaired					
Investment Grade	135,123	2,466	-	59,198	196,787
Pass Grade	56,169	14,510	6,988	51,231	128,898
Weak	7,701	2,202	120	2,650	12,673
Total loans and advances which were neither past due nor impaired	198,993	19,178	7,108	113,079	338,358
Loans and Advances which were Past Due but not Impaired					
Past due 1-29 days	3,077	752	250	952	5,031
Past due 30-59 days	809	173	70	167	1,219
Past due 60-89 days	289	83	27	89	488
Past due 90-179 days	257	110	19	80	466
Past due 180 days or more	292	8	7	77	384
Total loans and advances past due but not impaired	4,724	1,126	373	1,365	7,588

Notes to the Financial Statements continued

Note 6 Provisions for Impairment and Asset Quality (continued)

	Half Year Ended		
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M
Movement in Impaired Asset Balances			
Gross impaired assets – opening balance		562	421
New and increased		538	566
Acquisitions		-	-
Balances written off		(246)	(224)
Returned to performing or repaid		(171)	(201)
Gross impaired assets – closing balance		683	562

	As at		
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M
Impaired Assets by Size of Loan			
Less than \$1 million		228	205
\$1 million to \$10 million		199	143
Greater than \$10 million		256	214
Gross impaired assets		683	562
Less individually assessed provisions for impairment		(279)	(189)
Total net impaired assets		404	373

	As at		
	31/12/08 %	30/06/08 %	31/12/07 %
Asset Quality Ratios			
Gross impaired assets as a percentage of gross loans and acceptances		0.18	0.15
Loans and advances 90 or more days past due but not impaired as a ratio of gross loans and acceptances		0.29	0.23

Notes to the Financial Statements continued

Note 6 Provisions for Impairment and Asset Quality (continued)

	Half Year Ended		
	31/12/2008 \$M	30/06/08 \$M	31/12/07 \$M
Provisions for impairment losses			
Collective provision			
Opening balance		1,191	1,156
Acquisitions		-	-
Collective provision funding		437	190
Impairment losses written off		(189)	(192)
Impairment losses recovered		37	40
Adjustments for foreign exchange movements and other items		(10)	(3)
Closing balance		1,466	1,191
Individually assessed provisions			
Opening balance		189	100
Acquisitions		-	-
New and increased provisioning		183	153
Write-back of provisions no longer required		(23)	(10)
Discount unwind to interest income		(5)	(4)
Adjustments for foreign exchange movements and other items		8	(1)
Impairment losses written off		(73)	(49)
Closing balance		279	189
Total provisions for impairment losses		1,745	1,380
Less: Off balance sheet provisions		(32)	(28)
Total provisions for loan impairment		1,713	1,352

	31/12/2008 %	30/06/08 %	31/12/07 %
Provision Ratios			
Collective provision as a % of gross loans and acceptances		0.38	0.33
Collective provision as a % of risk weighted assets - Basel II		0.71	0.60
Individually assessed provisions as a % of gross impaired assets		40.8	33.6
Total provisions for impairment losses as a % of gross impaired assets		255.5	245.6
Total provisions for impairment losses as a % of gross loans and acceptances		0.46	0.38

	Half Year Ended		
	31/12/2008 \$M	30/06/08 \$M	31/12/07 \$M
Impairment Expense			
Loan Impairment Expense			
Collective provision funding		437	190
New individually assessed provisions		183	153
Write-back of individually assessed provisions		(23)	(10)
Total loan impairment expense		597	333
Available-for-sale impairment expense		-	-
Total impairment expense		597	333

Notes to the Financial Statements continued

Note 7 Deposits and Other Public Borrowings

	As at		
	31/12/08	30/06/08	31/12/07
	\$M	\$M	\$M
Australia			
Certificates of deposit		36,981	37,292
Term deposits		71,637	58,023
On demand and short term deposits		117,712	117,045
Deposits not bearing interest		6,142	6,328
Securities sold under agreements to repurchase		1,462	2,433
Total Australia		233,934	221,121
Overseas			
Certificates of deposit		4,139	3,250
Term deposits		15,687	16,895
On demand and short term deposits		8,351	9,235
Deposits not bearing interest		1,468	1,693
Securities sold under agreements to repurchase		127	913
Total Overseas		29,772	31,986
Total deposits and other public borrowings		263,706	253,107

Notes to the Financial Statements continued

Note 8 Financial Reporting by Segments

Business Segment Information	Half Year Ended 31 December 2008						Total
	Retail Banking Services	Premium Business Services	Wealth Management	International Financial Services	BankWest	Other	
	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Income Statement							
Interest income							
Insurance premium and related revenue							
Other income							
Total revenue							
Equity accounted earnings							
Revenue from external customers							
Revenue from other operating segments							
Interest expense							
Segment result before income tax							
Income tax expense							
Segment result after income tax							
Minority interests							
Segment result after income tax and minority interests							
Less: Non-Cash items							
Net profit after tax ("cash basis")							
Non-Cash Expenses							
Intangible asset amortisation							
Impairment expense							
Depreciation							
Defined benefit superannuation plan expense							
Investment and restructuring							
Other							
Balance Sheet							
Total assets							
Acquisition of property, plant & equipment, intangibles and other non-current assets							
Investments in associates							
Total liabilities							

Notes to the Financial Statements continued

Half Year Ended 31 December 2007						
Business Segment Information	Retail Banking Services \$M	Premium Business Services \$M	Wealth Management \$M	International Financial Services \$M	Other \$M	Total \$M
Income Statement						
Interest income	6,834	4,462	-	1,969	516	13,781
Insurance premium and related revenue	-	-	470	191	-	661
Other income	651	899	1,530	308	(175)	3,213
Total revenue	7,485	5,361	2,000	2,468	341	17,655
Equity accounted earnings	-	-	32	10	1	43
Revenue from external customers	7,434	5,000	1,999	2,457	722	17,612
Revenue from other operating segments	51	361	(31)	1	(382)	-
Interest expense	2,369	3,294	44	1,489	2,686	9,882
Segment result before income tax	1,390	953	560	395	29	3,327
Income tax expense	(415)	(247)	(179)	(91)	(9)	(941)
Segment result after income tax	975	706	381	304	20	2,386
Minority interests	-	-	-	(1)	(14)	(15)
Segment result after income tax and minority interests	975	706	381	303	6	2,371
Less: Non-Cash items	-	(1)	(13)	14	(14)	(14)
Net profit after tax ("cash basis")	975	707	394	289	20	2,385
Non-Cash Expenses						
Intangible asset amortisation	9	23	-	6	8	46
Impairment expense	141	175	-	12	5	333
Depreciation	9	18	2	20	59	108
Defined benefit superannuation plan expense	-	2	-	-	4	6
Investment and restructuring						
Other	14	8	6	4	14	46
Balance Sheet						
Total assets	186,666	178,340	26,025	54,375	27,258	472,664
Acquisition of property, plant & equipment, intangibles and other non-current assets	8	370	5	38	129	550
Investments in associates	-	1	717	153	1	872
Total liabilities	112,756	170,737	22,304	49,508	91,721	447,026

Notes to the Financial Statements continued

Note 8 Financial Reporting by Segments (continued)

Geographical Segments Financial Performance	Half Year Ended			
	31/12/08 \$M	%	31/12/07 \$M	%
Revenue				
Australia			13,884	78.6
New Zealand			2,432	13.8
Other countries			1,339	7.6
			17,655	100.0
Non-current assets				
Australia			9,865	88.6
New Zealand			984	8.8
Other countries			291	2.6
			11,140	100.0

Note 9 Detailed Consolidated Statement of Changes in Equity

	Half Year Ended		
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M
Equity Reconciliations			
Ordinary Share Capital			
Opening balance		15,356	14,483
Issue of shares		-	141
Dividend reinvestment plan		400	709
Exercise of executive options under employee share ownership schemes		-	3
(Purchase)/sale and vesting of treasury shares		(29)	20
Closing balance		15,727	15,356
Other Equity Instruments			
Closing balance		939	939
Retained Profits			
Opening balance		7,159	6,367
Loyalty program adjustment		-	(5)
Restated opening balance		7,159	6,362
Actuarial (losses)/gains from defined benefit superannuation plans		(280)	40
Realised gains and dividend income on treasury shares held within the Group's life insurance statutory funds		17	9
Transfers from general reserve for credit losses		-	350
Operating profit attributable to Equity holders of the Bank		2,420	2,371
Total available for appropriation		9,316	9,132
Transfers (to)/from general reserve		(75)	(10)
Interim dividend – cash component		(1,087)	-
Interim dividend – dividend reinvestment plan		(400)	-
Final dividend – cash component		-	(1,229)
Final dividend – dividend reinvestment plan		-	(709)
Other dividends		(7)	(25)
Closing balance		7,747	7,159

Notes to the Financial Statements continued

Note 9 Detailed Consolidated Statement of Changes in Equity (continued)

	Half Year Ended		
	31/12/08	30/06/08	31/12/07
	\$M	\$M	\$M
Reserves			
General Reserve			
Opening balance		1,177	1,167
Appropriation from/(to) retained profits		75	10
Closing balance		1,252	1,177
Capital Reserve			
Opening balance		292	287
Reversal of revaluation surplus on sale of property		1	5
Closing balance		293	292
Asset Revaluation Reserve			
Opening balance		181	185
Revaluation of properties		20	-
Transfers on sale of properties		(1)	(5)
Tax on revaluation of properties		(5)	1
Closing balance		195	181
Foreign Currency Translation Reserve			
Opening balance		(301)	(200)
Currency translation adjustments of foreign operations		(506)	(49)
Currency translation on net investment hedge		(37)	(56)
Tax on translation adjustments		36	(13)
Tax on investment hedge movement		13	17
Closing balance		(795)	(301)
Cash Flow Hedge Reserve			
Opening balance		477	440
Gains/(losses) on cash flow hedging instruments:			
Recognised in equity		9	413
Transferred to the Income Statement			
Interest income		21	67
Interest expense		(232)	(429)
Tax on cash flow hedging instruments		66	(14)
Closing balance		341	477
Employee Compensation Reserve			
Opening balance		(81)	(51)
Current period movement		42	(30)
Closing balance		(39)	(81)
General Reserve for Credit Losses			
Opening balance		-	350
Appropriation to retained profits		-	(350)
Closing balance		-	-
Available-for-Sale Investments Reserve			
Opening balance		(72)	(35)
Net gains and (losses) on available-for-sale investments		330	(68)
Net gains and (losses) on available-for-sale investments transferred to the Income Statement on disposal		(312)	-
Tax on available-for-sale investments		13	31
Closing balance		(41)	(72)
Total Reserves		1,206	1,673
Shareholders' equity attributable to Equity holders of the Bank		25,619	25,127
Shareholders' equity attributable to Minority Interests		518	511
Total Shareholders' Equity		26,137	25,638

Notes to the Financial Statements continued

Note 10 Notes to the Statement of Cash Flows

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

	Half Year Ended		
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M
Net profit after income tax		2,436	2,386
Net (Increase)/decrease in interest receivable		464	(277)
Increase/(decrease) in interest payable		(200)	649
Net (increase)/decrease in assets at fair value through Income Statement (excluding life insurance)		3,085	(2,889)
Net (gain)/loss on sale of investments		(1)	-
Net (increase)/decrease in derivative assets		(2,618)	(2,841)
Net loss/(gain) on sale of property plant and equipment		6	9
Net (gain)/loss on sale of Visa Initial Public Offering		(127)	-
Equity accounting profit		(28)	(11)
Provisional gain on acquisition of controlled entities		-	-
Loan impairment expense		597	333
Depreciation and amortisation (including asset write downs)		269	154
(Decrease)/increase in liabilities at fair value through Income Statement (excluding life insurance)		(883)	(1)
Increase/(decrease) in derivative liabilities		4,279	343
(Decrease)/increase in other provisions		299	(3)
(Decrease)/increase in income taxes payable		277	(248)
(Decrease)/increase in deferred income taxes payable		(432)	(211)
Decrease/(increase) in deferred tax assets		(8)	186
Increase/(decrease) in accrued fees/reimbursements receivable		(112)	(41)
Increase/(decrease) in accrued fees and other items payable		125	(700)
Net Increase/(decrease) in life insurance contract policy liabilities		1	183
Increase in cash flow hedge reserve		(202)	52
Changes in operating assets and liabilities arising from cash flow movements		(5,354)	(770)
Other		(308)	57
Net cash (used in)/ provided by operating activities		1,565	(3,640)

(b) Reconciliation of Cash

	Half Year Ended		
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M
Notes, coins and cash at bank		2,476	3,399
Other short term liquid assets		1,309	709
Receivables due from other financial institutions – at call		3,357	2,670
Payables due to other financial institutions – at call		(4,877)	(6,403)
Cash and cash equivalents at end of half year		2,265	375

(c) Disposal of Controlled Entities

	Half Year Ended		
	31/12/2008 \$M	30/06/2008 \$M	31/12/2007 \$M
Other assets		1	-
Profit on sale		1	-
Net cash inflow on disposal		2	-

Notes to the Financial Statements continued

Note 10 Notes to the Statement of Cash Flows (continued)

(d) Non-cash financing and investing activities

	Half Year Ended		
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M
Shares issued under the Dividend Reinvestment Plan		400	709

(e) Acquisition of controlled entities

	As at time of acquisition					
	Carrying value 2008 \$M	Fair value 31/12/08 \$M	Carrying value 30/06/08 \$M	Fair value 30/06/08 \$M	Carrying value 31/12/07 \$M	Fair value 31/12/07 \$M
Assets acquired:						
Cash and liquid assets			-	-	24	24
Receivables due from other financial institutions			-	-	-	-
Assets at fair value through Income Statement:						
Trading			-	-	-	-
Insurance			-	-	-	-
Derivative assets			-	-	-	-
Available-for-sale investments			-	-	112	112
Loans, advances and other receivables			-	-	241	241
Property, plant and equipment			-	-	-	-
Intangible assets			-	-	4	64
Deferred tax assets			-	-	-	-
Other assets			-	-	11	11
Total assets			-	-	392	452
Deposits and other public borrowings			-	-	202	202
Payables due to other financial institutions			-	-	130	130
Liabilities at fair value through Income Statement			-	-	-	-
Derivative liabilities			-	-	-	-
Current tax liabilities			-	-	-	-
Deferred tax liabilities			-	-	-	-
Other provisions			-	-	-	-
Insurance policy liabilities			-	-	-	-
Debt issues			-	-	-	-
Managed fund units on issue			-	-	-	-
Bills payable and other liabilities			-	-	11	30
Loan capital			-	-	-	-
Net assets			-	-	49	90
Preference share placement			-	-	-	-
Goodwill			-	-	50	316
Provisional gain on acquisition			-	-	-	-
Provision for remaining consideration			-	-	-	-
Cash consideration paid			-	-	-	406
Less: Cash and cash equivalents acquired			-	-	-	24
Net consideration paid			-	-	-	382
Less: Non-cash consideration			-	-	-	141
Net cash outflow on acquisition			-	-	-	241

Note 11 Assets Held for Sale

Note 12 Events after the end of the Financial Period

Note 13 Contingent Liabilities

Notes to the Financial Statements continued

Note 14 Acquisition of Controlled Entities

Details of net assets acquired and the discount arising on acquisition are as follows:

Purchase consideration	\$M
Cash paid	
Direct costs relating to the acquisition	
Total purchase consideration	
Provisional fair value of net identifiable assets acquired (see below)	
Less: preference share replacement	
Provisional gain on acquisition	

	Pre-acquisition carrying amounts	Recognised values on acquisition
	\$M	\$M
Cash and liquid assets		
Receivables due from other financial institutions		
Assets at fair value through Income Statement:		
Trading		
Insurance		
Other		
Derivative assets		
Available-for-sale investments		
Loans, advances and other receivables		
Property, plant and equipment		
Intangible assets		
Deferred tax assets		
Other assets		
Total assets		
Deposits and other public borrowings		
Payables due to other financial institutions		
Liabilities at fair value through Income Statement		
Derivative liabilities		
Current tax liabilities		
Deferred tax liabilities		
Other provisions		
Insurance policy liabilities		
Debt issues		
Managed fund units on issue		
Bills payable and other liabilities		
Loan capital		
Total liabilities		
Net assets		

Outflow of cash to acquire business, net of cash acquired:	
Cash consideration	
Direct costs relating to acquisition	
Cash and cash equivalents in subsidiaries acquired	
Cash outflow on acquisition	

1. Net Interest Income

	Half Year Ended				
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M	Dec 08 vs Jun 08 %	Dec 08 vs Dec 07 %
Interest Income					
Loans		13,631	11,967		
Other financial institutions		197	277		
Cash and liquid assets		230	243		
Assets at fair value through Income Statement		1,014	919		
Available-for-sale investments		381	375		
Total interest income		15,453	13,781		
Interest Expense					
Deposits		6,864	5,529		
Other financial institutions		497	492		
Liabilities at fair value through Income Statement		536	593		
Debt issues		3,134	2,890		
Loan capital		414	378		
Total interest expense		11,445	9,882		
Net interest income		4,008	3,899		

2. Net Interest Margin

	Half Year Ended		
	31/12/08 %	30/06/08 %	31/12/07 %
Australia			
Interest spread		1.72	1.86
Benefit of interest-free liabilities, provisions and equity		0.27	0.27
Net interest margin		1.99	2.13
Overseas			
Interest spread		1.08	1.14
Benefit of interest-free liabilities, provisions and equity		0.65	0.49
Net interest margin		1.73	1.63
Total Bank			
Interest spread		1.62	1.74
Benefit of interest-free liabilities, provisions and equity		0.36	0.32
Net interest margin		1.98	2.06

Appendices

3. Average Balances and Related Interest

	Half Year Ended 31/12/08			Half Year Ended 30/06/08			Half Year Ended 31/12/07		
	Avg Bal \$M	Income \$M	Yield %	Avg Bal \$M	Income \$M	Yield %	Avg Bal \$M	Income \$M	Yield %
Interest Earning Assets									
Home loans excluding securitisation				197,771	7,767	7.90	182,095	6,787	7.41
Personal				20,655	1,204	11.72	20,130	1,115	11.02
Business and corporate				122,669	4,129	6.77	112,474	3,508	6.20
Loans, advances and other receivables				341,095	13,100	7.72	314,699	11,410	7.21
Cash and other liquid assets				17,450	427	4.92	16,821	520	6.15
Assets at fair value through Income Statement (ex life insurance)				29,973	1,014	6.80	27,061	919	6.76
Available-for-sale investments				12,160	381	6.30	12,238	375	6.10
Non-lending interest earning assets				59,583	1,822	6.15	56,120	1,814	6.43
Total interest earning assets (excluding securitisation)				400,678	14,922	7.49	370,819	13,224	7.09
Securitisation home loan assets				12,438	531	8.59	14,405	557	7.69
Non-interest earning assets				77,492			75,805		
Total average assets				490,608			461,029		

	Half Year Ended 31/12/08			Half Year Ended 30/06/08			Half Year Ended 31/12/07		
	Avg Bal \$M	Expense \$M	Yield %	Avg Bal \$M	Expense \$M	Yield %	Avg Bal \$M	Expense \$M	Yield %
Interest Bearing Liabilities									
Transaction deposits				59,813	853	2.87	57,641	734	2.53
Savings deposits				54,988	1,322	4.83	54,127	1,271	4.67
Investment deposits				93,902	3,344	7.16	81,140	2,664	6.53
Certificates of deposits and other				44,128	1,345	6.13	36,226	860	4.72
Total interest bearing deposits				252,831	6,864	5.46	229,134	5,529	4.80
Payables due to other financial institutions				20,732	497	4.82	18,094	492	5.41
Liabilities at fair value through Income Statement				14,331	536	7.52	15,696	593	7.51
Debt issues				75,836	2,662	7.06	72,918	2,394	6.53
Loan capital				12,200	414	6.82	12,874	378	5.84
Total interest bearing liabilities				375,930	10,973	5.87	348,716	9,386	5.35
Securitisation debt issues				12,915	472	7.35	15,083	496	6.54
Non-interest bearing liabilities				75,988			72,189		
Total average liabilities				464,833			435,988		

3. Average Balances and Related Interest (continued)

	Half Year Ended 31/12/08			Half Year Ended 30/06/08			Half Year Ended 31/12/07		
	Avg Bal \$M	Income \$M	Yield %	Avg Bal \$M	Income \$M	Yield %	Avg Bal \$M	Income \$M	Yield %
Net Interest Margin									
Total interest earning assets excluding securitisation				400,678	14,922	7.49	370,819	13,224	7.09
Total interest bearing liabilities excluding securitisation				375,930	10,973	5.87	348,716	9,386	5.35
Net interest income & interest spread (excluding securitisation)					3,949	1.62		3,838	1.74
Benefit of free funds						0.36			0.32
Net interest margin						1.98			2.06

Geographical Analysis of Key Categories

	Half Year Ended 31/12/08			Half Year Ended 30/06/08			Half Year Ended 31/12/07		
	Avg Bal \$M	Income \$M	Yield %	Avg Bal \$M	Income \$M	Yield %	Avg Bal \$M	Income \$M	Yield %
Loans, Advances and Other Receivables									
Australia				285,251	10,766	7.59	261,129	9,281	7.07
Overseas				55,844	2,334	8.40	53,570	2,129	7.91
Total				341,095	13,100	7.72	314,699	11,410	7.21
Non-Lending Interest Earning Assets									
Australia				36,874	1,220	6.65	34,857	1,077	6.15
Overseas				22,709	602	5.33	21,263	737	6.89
Total				59,583	1,822	6.15	56,120	1,814	6.43
Total Interest Bearing Deposits									
Australia				220,459	5,806	5.30	200,239	4,594	4.56
Overseas				32,372	1,058	6.57	28,895	935	6.44
Total				252,831	6,864	5.46	229,134	5,529	4.80
Other Interest Bearing Liabilities									
Australia				76,778	2,846	7.45	73,426	2,441	6.61
Overseas				46,321	1,263	5.48	46,156	1,416	6.10
Total				123,099	4,109	6.71	119,582	3,857	6.42

Appendices

4. Interest Rate and Volume Analysis

	Half Year Ended Dec 08 vs Jun 08			Half Year Ended Dec 08 vs Dec 07		
	Volume \$M	Rate \$M	Total \$M	Volume \$M	Rate \$M	Total \$M
Interest Earning Assets						
Home loans						
Personal						
Business and corporate						
Loans, advances and other receivables						
Cash and other liquid assets						
Assets at fair value through Income Statement (excluding life insurance)						
Available-for-sale investments						
Non-lending interest earning assets						
Total interest earning assets						
Securitisation home loan assets						

	Half Year Ended Dec 08 vs Jun 08			Half Year Ended Dec 08 vs Dec 07		
	Volume \$M	Rate \$M	Total \$M	Volume \$M	Rate \$M	Total \$M
Interest Bearing Liabilities						
Transaction deposits						
Savings deposits						
Investment deposits						
Certificates of deposits and other						
Total interest bearing deposits						
Payable due to other financial institutions						
Liabilities at fair value through Income Statement						
Debt issues						
Loan capital						
Total interest bearing liabilities						
Securitised debt issues						

	Half Year Ended	
	Dec 08 vs Jun 08 Increase/(Decrease) \$M	Dec 08 vs Dec 07 Increase/(Decrease) \$M
Change in Net Interest Income (excluding securitisation)		
Due to changes in average volume of interest earning assets		
Due to changes in interest margin		
Due to variation in time period		
Change in net interest income		

	Half Year Ended Dec 08 vs Jun 08			Half Year Ended Dec 08 vs Dec 07		
	Volume \$M	Rate \$M	Total \$M	Volume \$M	Rate \$M	Total \$M
Geographical analysis of key categories						
Loans, Advances and Other Receivables						
Australia						
Overseas						
Total						
Non-Lending Interest Earning Assets						
Australia						
Overseas						
Total						
Total Interest Bearing Deposits						
Australia						
Overseas						
Total						
Other Interest Bearing Liabilities						
Australia						
Overseas						
Total						

5. Other Operating Income

	Half Year Ended				
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M	Dec 08 vs Jun 08 %	Dec 08 vs Dec 07 %
Loan service fees:					
From financial assets		494	439		
Other		13	30		
Commissions and other fees:					
From financial liabilities		246	261		
Other		673	647		
Trading income		346	200		
Net gains/(losses) on disposal of available-for-sale investments		310	(1)		
Net (loss)/gains on disposal of other non-trading instruments		(1)	-		
Dividends		38	1		
Net (losses) on sale of property, plant and equipment		(8)	(7)		
Other income		50	123		
Net hedging ineffectiveness		2,161	1,693		
Net (losses)/gains on other financial instruments:		(44)	(14)		
Fair value through Income Statement		(21)	12		
Derivative yield reclassification		(101)	(164)		
Non-trading derivatives		19	18		
Total other operating income		2,014	1,545		

Other banking income - reconciliation of cash and statutory basis

	Half Year Ended		
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M
Other banking income ("cash basis")		1,771	1,541
Gain on Visa Initial Public Offering		308	-
Revenue hedge of New Zealand operations – unrealised		14	11
Hedging and AIFRS volatility excluding tax		(79)	(7)
Other banking income ("statutory basis")		2,014	1,545

Appendices

6. Operating Expenses

Expenses by Segment	Half Year Ended				
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M	Dec 08 vs Jun 08 %	Dec 08 vs Dec 07 %
Operating expenses					
Retail Banking Services		1,349	1,270		
Premium Business Services		947	856		
Wealth Management		887	824		
International Financial Services		413	411		
Other		47	17		
		3,643	3,378		
Investment and restructuring		377	-		
Total		4,020	3,378		

Expenses by Category	Half Year Ended				
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M	Dec 08 vs Jun 08 %	Dec 08 vs Dec 07 %
Staff					
Staff		1,881	1,780		
Occupancy and equipment		394	373		
Information technology services		410	416		
Other		958	809		
		3,643	3,378		
Investment and restructuring		377	-		
Total		4,020	3,378		

7. Integrated Risk Management (excludes Funds Management and Insurance)

By Industry	31/12/08 %	30/06/08 %	31/12/07 %
Agriculture, forestry and fishing		2.3	2.2
Banks		11.8	11.2
Business services		0.9	0.7
Construction		0.8	0.9
Culture and recreational services		0.9	1.0
Energy		1.8	1.8
Finance – Other		7.5	8.7
Health and community service		0.9	1.0
Manufacturing		2.9	2.9
Mining		1.2	1.4
Property		6.9	6.9
Retail trade and wholesale trade		2.7	2.8
Sovereign		5.3	4.3
Transport and storage		1.7	1.7
Other		5.5	5.6
Consumer		46.9	46.9
		100.0	100.0

By Region	31/12/08 %	30/06/08 %	31/12/07 %
Australia		73.1	74.3
New Zealand		11.3	12.4
Europe		10.4	8.4
Americas		3.0	2.8
Asia		1.9	1.8
Other		0.3	0.3
		100.0	100.0

Commercial Portfolio Quality	31/12/08 %	30/06/08 %	31/12/07 %
AAA/AA		36	31
A		18	19
BBB		17	20
Other		29	30
		100	100

Appendices

7. Integrated Risk Management (continued)

	Average VaR Dec 2008 \$M	Average VaR June 2008 \$M	Average VaR Dec 2007 \$M
Traded Market Risk VaR (1-day 97.5% confidence)			
Risk Type			
Interest rate risk		3.88	3.92
Exchange rate Risk		1.34	0.99
Implied volatility risk		1.04	0.86
Equities risk		0.45	0.35
Commodities risk		0.92	0.74
Credit spread risk		4.65	4.00
Diversification benefit		(5.62)	(4.80)
Total general market risk		6.66	6.06
Undiversified risk		3.08	2.33
ASB Bank		1.11	0.73
Total		10.85	9.12

	Average VaR Dec 2008 \$M	Average VaR June 2008 \$M	Average VaR Dec 2007 \$M
Non Traded Insurance Market Risk VaR (20 day 97.5% confidence)			
Total insurance business		41.6	37.8

	Dec 2008 \$M	June 2008 \$M	Dec 2007 \$M
Non Traded Residual Value Risk			
Residual value risk margin		86.0	84.5

	10% change in book value Dec 2008 \$M	10% change in book value June 2008 \$M	10% change in book value Dec 2007 \$M
Non Traded Equity Price Risk			
Business development activities		161.0	227.0

		Dec 2008 \$M	June 2008 \$M	Dec 2007 \$M
Net Interest Earnings at Risk				
Average monthly exposure	AUD		28.1	45.0
	NZ		15.6	6.9
High month exposure	AUD		70.0	57.5
	NZ		24.3	12.9
Low month exposure	AUD		0.4	29.0
	NZ		3.9	3.1

	Average VaR Dec 2008 \$M	Average VaR June 2008 \$M	Average VaR Dec 2007 \$M
Non-Traded Interest Rate VaR (20 day 97.5% confidence)			
AUD Interest rate risk		123.6	65.8
NZD Interest rate risk		3.8	4.2

8. Counterparty and Other Credit Risk Exposures

Securitisation vehicles

Below is an analysis of the assets of , and exposures to, consolidated securitisation vehicles which the Group has established or manages.

	Australia		New Zealand		Total	
	31/12/08	30/06/08	31/12/08	30/06/08	31/12/08	30/06/08
	\$M	\$M	\$M	\$M	\$M	\$M
Total securitisation assets of SPEs						
Residential mortgages – Group originated backing mortgage-backed securities (including those held for potential repurchase with central banks)		15,662		-		15,662
Residential mortgages – Group originated		11,676		-		11,676
Residential mortgages – Non-Group originated		200		-		200
Commercial mortgages		79		-		79
Other		120		-		120
Total securitisation assets of SPEs		27,737		-		27,737

	Funded		Unfunded		Total	
	31/12/08	30/06/08	31/12/08	30/06/08	31/12/08	30/06/08
	\$M	\$M	\$M	\$M	\$M	\$M
Exposure to securitisation SPEs						
Residential mortgage backed securities held for potential repurchase with central banks		15,020		-		15,020
Other residential mortgage backed securities		642		-		642
Other derivatives		1,886		-		1,886
Liquidity support facilities		1,206		516		1,722
Other facilities		-		266		266
Total exposures to securitisation SPEs		18,754		782		19,536

Appendices

8. Counterparty and Other Credit Risk Exposures (continued)

Asset-backed Securities

Below is an analysis of the exposure to non-Group originated asset-backed securities and related facilities.

Summary of asset-backed securities	Carrying amount	
	31/12/08 \$M	30/06/08 \$M
Commercial mortgage backed securities		56
Residential mortgage backed securities		3,336
Other asset-backed securities		2
Total		3,394

Asset-backed securities by underlying asset

	Trading portfolio		AFS portfolio		31/12/08 \$M	30/06/08 \$M	31/12/08 \$M	30/06/08 \$M
	31/12/08 \$M	30/06/08 \$M	31/12/08 \$M	30/06/08 \$M				
Sub-prime		-		-		-		-
Non-conforming (Alt-A)		5		23		-		28
Prime mortgages		754		1,417		1,137		3,308
Other assets		-		58		-		58
Total		759		1,498		1,137		3,394

Asset-backed securities by credit rating and geography

	AAA & AA		31/12/08 \$M	A		31/12/08 \$M	BBB		31/12/08 \$M	BB and below inc not rated		31/12/08 \$M	30/06/08 \$M	Total 30/06/08 \$M
	31/12/08 \$M	30/06/08 \$M		31/12/08 \$M	30/06/08 \$M		31/12/08 \$M	30/06/08 \$M		31/12/08 \$M	30/06/08 \$M			
Australia		2,201		10		-		-		-				2,211
New Zealand		-		-		-		-		-				-
Europe		1,127		-		-		-		-				1,127
UK		56		-		-		-		-				56
Total		3,384		10		-		-		-				3,394

Warehousing Financing Facilities	Funded Commitments		Unfunded Commitments		31/12/08 \$M	30/06/08 \$M	Total 30/06/08 \$M
	31/12/08 \$M	30/06/08 \$M	31/12/08 \$M	30/06/08 \$M			
Australia		4,081		3,949			8,030
New Zealand		402		12			414
Europe		280		-			280
Canada		4		48			52
Total		4,767		4,009			8,776

Commercial paper standby liquidity facilities	Funded Commitments		Unfunded Commitments		31/12/08 \$M	30/06/08 \$M	Total 30/06/08 \$M
	31/12/08 \$M	30/06/08 \$M	31/12/08 \$M	30/06/08 \$M			
Standby liquidity facilities		245		666			911

8. 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

	Funded exposure		Unfunded commitments		Total gross exposure		Individual provision		Net Exposure	
	31/12/08	30/06/08	31/12/08	30/06/08	31/12/08	30/06/08	31/12/08	30/06/08	31/12/08	30/06/08
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Retail		187		36		223		-		223
Manufacturing		183		32		215		-		215
Media		141		31		172		-		172
Healthcare		115		4		119		-		119
Equipment Hire		85		31		116		-		116
Financial Services		54		8		62		-		62
Other		117		31		148		-		148
Total		882		173		1,055		-		1,055

Exposure by geography

	Funded exposure		Unfunded commitments		Total gross exposure		Individual provision		Net Exposure	
	31/12/08	30/06/08	31/12/08	30/06/08	31/12/08	30/06/08	31/12/08	30/06/08	31/12/08	30/06/08
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Australia		758		141		899		-		899
New Zealand		124		32		156		-		156
Total		882		173		1,055		-		1,055

Movements in individual provision	As at	
	31/12/08	30/06/08
	\$M	\$M
Opening balance		-
Impairment expense		-
Exposures written off		-
Total individual provision		-

Appendices

9. Capital Adequacy

	Basel II	Basel II	Basel II
	31/12/08	30/06/08	31/12/07
	%	%	%
Risk Weighted Capital Ratios			
Tier One		8.17	8.17
Tier Two		3.41	3.91
Capital Base		11.58	12.08
	31/12/08	30/06/08	31/12/07
	\$M	\$M	\$M
Regulatory Capital			
Tier One Capital			
Fundamental Tier One Capital			
Total shareholders' equity		26,137	25,638
Adjustments to total shareholders' equity:			
Provisional gain on acquisition recognised on consolidation of BankWest		-	-
Expected dividend		(2,029)	(1,487)
Estimated reinvestment under Dividend Reinvestment Plan		609	400
Treasury shares		264	235
Cash flow hedge reserve		(341)	(477)
Employee compensation reserve		39	81
Asset revaluation reserve		(195)	(181)
Available-for-sale investments reserve		41	72
Foreign currency translation reserve related to non-consolidated subsidiaries		39	(13)
Deferred fees		2	54
Retained earnings		752	752
Trust Preferred Securities 2006		(939)	(939)
Minority Interests		(505)	(505)
Other		(67)	(40)
Total Fundamental Tier One Capital		23,807	23,590
Residual Tier One Capital			
Innovative Tier One Capital			
Irredeemable non-cumulative preference shares		3,396	3,451
Minority Interests		505	505
Eligible loan capital		209	236
Total Innovative Capital		4,110	4,192
Non-Innovative Residual Tier One Capital		1,443	1,443
Less residual capital in excess of prescribed limits transferred to Upper Tier Two Capital		(1,359)	(1,592)
Total Residual Tier One Capital		4,194	4,043

9. Capital Adequacy (continued)

	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M
Tier One Capital Deductions – 100%			
Goodwill		(8,010)	(8,030)
Capitalised expenses		(110)	(100)
Capitalised computer software costs		(353)	(316)
Defined benefit superannuation plan surplus		(1,075)	(1,314)
Deferred tax		(38)	(27)
		(9,586)	(9,787)
Tier One Capital Deductions – 50%			
Equity investments in other companies and trusts		(561)	(723)
Equity investments in non-consolidated subsidiaries (net of intangibles)		(376)	(296)
Investment in BankWest		-	-
Expected impairment loss (before tax) in excess of eligible credit provisions (net of deferred tax)		(587)	(536)
Other deductions		(100)	(95)
		(1,624)	(1,650)
Total Tier One Deductions		(11,210)	(11,437)
Total Tier One Capital		16,791	16,196

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9. Capital Adequacy (continued)

Regulatory Capital	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M
Tier Two Capital			
Upper Tier Two Capital			
Residual capital in excess of prescribed limits transferred from Tier One Capital		1,359	1,592
Asset revaluation reserve		88	81
Upper Tier Two note and bond issues		196	203
Other		57	45
Total Upper Tier Two Capital		1,700	1,921
Lower Tier Two Capital			
Lower Tier Two note and bond issues		6,977	7,532
Holding of Own Lower Tier Two Capital		(40)	(45)
Total Lower Tier Two capital		6,937	7,487
Tier Two Capital Deductions			
50% Deductions from Tier Two Capital		(1,624)	(1,650)
Total Tier Two Capital		7,013	7,758
Total Capital		23,804	23,954

9. Capital Adequacy (continued)

	Group		
	31/12/08	30/06/08	31/12/07
	\$M	\$M	\$M
Risk Weighted Assets			
Credit Risk			
Subject to Advanced IRB approach			
Corporate		81,431	
Sovereign		1,802	
Bank		5,292	
Residential Mortgages		39,128	
Qualifying Revolving Retail		6,070	
Other Retail		5,274	
Other		-	
Impact of the Basel II scaling factor		8,340	
Total risk weighted assets subject to Advanced IRB approach		147,337	
Specialised lending (SL) exposures subject to slotting criteria		21,053	
Subject to Standardised approach			
Corporate		5,347	
Sovereign		84	
Bank		320	
Residential Mortgage		241	
Other retail		-	
Other		9,229	
Total risk weighted assets subject to standardised approach		15,221	
Securitisation		3,536	
Equity exposures		293	
Total risk weighted assets for credit risk exposures		187,440	181,836
Market risk – Traded		4,501	4,374
Interest Rate Risk in the Banking Book		-	-
Operational risk		13,560	12,018
Total risk weighted assets		205,501	198,228

Appendices

10. Share Capital

	Half Year Ended		
	31/12/08	30/06/08	31/12/07
Ordinary Share Capital	\$M	\$M	\$M
Opening balance (excluding Treasury Shares deduction)		15,591	14,738
Dividend reinvestment plan: Final dividend prior year		-	709
Dividend reinvestment plan: Interim dividend		400	-
Issue of shares		-	141
Exercise of executive options		-	3
Closing balance (excluding Treasury Shares deduction)		15,991	15,591
Less Treasury Shares		(264)	(235)
Closing balance		15,727	15,356

	Half Year Ended		
	31/12/08	30/06/08	31/12/07
Shares on Issue	Number	Number	Number
Opening balance (excluding Treasury Shares deduction)		1,315,962,276	1,300,583,376
Dividend reinvestment plan issue:			
2006/2007 Final dividend fully paid ordinary shares at \$54.80		-	12,938,969
2007/2008 Interim dividend fully paid ordinary shares at \$39.44		10,156,101	-
2007/2008 Final dividend fully paid ordinary shares \$42.41		-	-
Issue of shares		-	2,327,431
Exercise under executive option plan		12,500	112,500
Closing balance (excluding Treasury Shares deduction)		1,326,130,877	1,315,962,276
Less Treasury Shares		(7,988,013)	(6,991,385)
Closing balance		1,318,142,864	1,308,970,891

11. Life Insurance Business

Components of Policy Liabilities	As at		
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M
Future policy benefits		21,525	22,817
Future bonuses		1,182	1,327
Future expenses		2,510	2,316
Future shareholder profit margins		1,669	1,590
Future shareholder tax on profit margins		291	251
Future charges for acquisition expenses		(601)	(576)
Balance of future premiums		(8,330)	(7,164)
Provisions for bonuses not allocated to participating policyholders		104	110
Total net policy liabilities		18,350	20,671

Appendices

12. Intangible Assets

	As at		
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M
Total Intangible Assets			
Goodwill		7,484	7,462
Computer software costs		353	316
Management fee rights		311	311
Other		110	124
Total intangible assets		8,258	8,213
Goodwill			
Purchased goodwill – Colonial		6,705	6,705
Purchased goodwill – other		779	757
Total goodwill		7,484	7,462
Computer Software Costs			
Cost		629	481
Accumulated amortisation		(199)	(165)
Accumulated write-offs		(77)	-
Total computer software costs		353	316
Management Fee Rights			
Cost		311	311
Total management fee rights		311	311
Other			
Cost		159	162
Accumulated amortisation		(49)	(38)
Total other		110	124

	Half Year Ended		
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M
Goodwill (reconciliation)			
Opening balance		7,462	7,163
Additions		24	299
Disposals		(2)	-
Closing balance		7,484	7,462
Computer Software Costs (reconciliation)			
Opening balance		316	297
Additions:			
From acquisitions		79	11
From internal development		81	50
Amortisation		(46)	(42)
Impairment		(77)	-
Closing balance		353	316
Management Fee Rights (reconciliation)			
Opening balance		311	311
Closing balance		311	311
Other (reconciliation)			
Opening balance		124	64
Additions:			
From acquisitions		-	64
Disposals		(3)	-
Amortisation		(11)	(4)
Closing balance		110	124

13. ASB Bank Group – Statutory View

Income Statement	Half Year Ended					
	31/12/08 NZDM	30/06/08 NZDM	31/12/07 NZDM	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M
Interest income		2,424	2,223		2,039	1,925
Interest expense		1,917	1,729		1,613	1,497
Net interest earnings		507	494		426	428
Other income		175	189		146	164
Total operating income		682	683		572	592
Impairment expense		35	5		29	5
Total operating income after loan impairment expense		647	678		543	587
Total operating expense		292	296		244	257
Salaries and other staff expense		171	175		143	152
Building occupancy and equipment expense		52	49		44	42
Information technology expense		28	26		23	23
Other expenses		41	46		34	40
Net surplus before taxation		355	382		299	330
Taxation		107	115		90	99
Net surplus after taxation		248	267		209	231

Balance Sheet	As at					
	31/12/08 NZDM	30/06/08 NZDM	31/12/07 NZDM	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M
Assets						
Cash and liquid assets		1,155	1,412		914	1,245
Due from other banks		710	660		562	582
Money market advances		1,223	3,351		968	2,955
Securities at fair value through Income Statement		4,962	4,485		3,928	3,955
Derivative assets		952	880		754	776
Advances to customers		49,835	44,926		39,456	39,619
Property, plant and equipment		159	151		126	133
Intangible assets		56	49		44	43
Current taxation assets		-	-		-	-
Deferred taxation assets		26	-		21	-
Other assets		272	261		215	230
Total assets		59,350	56,175		46,988	49,538
Total interest earning and discount bearing assets		57,765	54,651		45,733	48,193
Liabilities						
Money and market deposits		20,545	18,593		16,266	16,396
Derivative liabilities		744	805		589	710
Deposits from customers		27,789	26,240		22,001	23,139
Due to other banks		5,627	5,745		4,455	5,066
Other liabilities		591	469		468	415
Deferred taxation liabilities		-	106		-	93
Current tax liability		26	19		21	17
Subordinated debt		829	823		656	726
Total liabilities		56,151	52,800		44,456	46,562
Shareholders' Equity						
Contributed capital – ordinary shareholder		1,973	1,563		1,562	1,378
Asset revaluation reserve		29	27		23	24
Available for sale reserve		19	-		15	-
Cash flow hedge reserves		27	256		21	226
Foreign currency translation reserve		-	-		-	-
Accumulated surplus		601	979		476	863
Ordinary shareholders' equity		2,649	2,825		2,097	2,491
Contributed capital – perpetual preference shareholders		550	550		435	485
Total shareholders' equity		3,199	3,375		2,532	2,976
Total liabilities and shareholders' equity		59,350	56,175		46,988	49,538
Total interest and discount bearing liabilities		52,938	49,485		41,911	43,638

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No tables

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15. Profit Reconciliation

Half Year Ended 31 December 2008

Group	Net profit after tax "cash basis"	Provisional gain on acquisition of controlled entities	Defined benefit superannuation plan income / expense	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
Net Interest Income								
Other Banking Income								
Total Banking Income	-	-	-	-	-	-	-	-
Funds Management Income								
Insurance Income								
Total Operating Income	-	-	-	-	-	-	-	-
Provisional gain on acquisition of controlled entities								
Operating Expenses								
Impairment								
Net profit before tax	-	-	-	-	-	-	-	-
Tax expense								
Minority Interests								
Underlying profit after tax	-	-	-	-	-	-	-	-
Investment experience after tax								
Net profit after tax	-	-	-	-	-	-	-	-

15. Profit Reconciliation

Half Year Ended 30 June 2008									
Group	Net profit after tax "cash basis"	Gain on Visa Initial Public Offering	Investment and restructuring	Defined benefit superannuation plan income / expense	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
Net interest income	4,008	-	-	-	-	-	-	-	4,008
Other banking income	1,771	308	-	-	-	(65)	-	-	2,014
Total banking income	5,779	308	-	-	-	(65)	-	-	6,022
Funds management income	1,166	-	-	-	108	-	(94)	30	1,210
Insurance income	439	-	-	-	-	-	(57)	(89)	293
Total operating income	7,384	308	-	-	108	(65)	(151)	(59)	7,525
Operating expenses	3,643	-	377	(20)	-	-	-	-	4,000
Impairment expenses	597	-	-	-	-	-	-	-	597
Net profit before tax	3,144	308	(377)	20	108	(65)	(151)	(59)	2,928
Tax expense	739	13	(113)	7	35	(20)	(151)	(18)	492
Minority interests	16	-	-	-	-	-	-	-	16
Underlying profit after tax	2,389	295	(264)	13	73	(45)	-	(41)	2,420
Investment experience after tax	(41)	-	-	-	-	-	-	41	-
Net profit after tax	2,348	295	(264)	13	73	(45)	-	-	2,420

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15. Profit Reconciliation

Half Year Ended 31 December 2007							
Group	Net profit after tax "cash basis"	Defined benefit superannuation plan income / expense	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
Net interest income	3,899	-	-	-	-	-	3,899
Other banking income	1,541	-	-	4	-	-	1,545
Total banking income	5,440	-	-	4	-	-	5,444
Funds management income	1,141	-	(12)	-	16	8	1,153
Insurance income	393	-	-	-	20	34	447
Total operating income	6,974	-	(12)	4	36	42	7,044
Operating expenses	3,378	6	-	-	-	-	3,384
Impairment expenses	333	-	-	-	-	-	333
Net profit before tax	3,263	(6)	(12)	4	36	42	3,327
Tax expense	891	(2)	1	1	36	14	941
Minority interests	15	-	-	-	-	-	15
Underlying profit after tax	2,357	(4)	(13)	3	-	28	2,371
Investment experience after tax	28	-	-	-	-	(28)	-
Net profit after tax	2,385	(4)	(13)	3	-	-	2,371

16. Consolidated Balance Sheet Impact of BankWest and St Andrew's Acquisition

	As at 31 December 2008				
	Pre-acquisition				Commonwealth
	Commonwealth				
	Bank Group	BankWest	St Andrews	Eliminations	Bank Group
	\$M	\$M	\$M	\$M	\$M
Consolidated Balance Sheet					
Cash and liquid assets					
Receivables due from other financial institutions					
Assets at fair value through Income Statement:					
Trading					
Insurance					
Other					
Derivative assets					
Available-for-sale investments					
Loans, advances and other receivables					
Bank acceptances of customers					
Property, plant and equipment					
Investment in associates					
Intangible assets					
Deferred tax assets					
Shares in and loans to controlled entities					
Other assets					
Assets held for sale					
Total assets					
Deposits and other public borrowings					
Payables due to other financial institutions					
Liabilities at fair value through Income Statement					
Derivative liabilities					
Bank acceptances					
Current tax liabilities					
Deferred tax liabilities					
Other provisions					
Insurance policy liabilities					
Debt issues					
Managed fund units on issue					
Bills payable and other liabilities					
Loan capital					
Total liabilities					
Net assets					
Share capital:					
Ordinary share capital					
Other equity instruments					
Reserves					
Retained profits					
Shareholders' equity attributable to Equity holders of the Bank					
Minority interests:					
Controlled entities					
Total Shareholders' equity					

Appendices

17. Analysis Template

Profit Summary – Input Schedule	Half Year Ended			Page References
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M	
Income – Cash Basis				
Net interest income		4,008	3,899	
Other banking operating income		1,771	1,541	
Total banking income		5,779	5,440	
Funds management income		1,166	1,141	
Insurance income		439	393	
Operating income		7,384	6,974	
Investment experience		(59)	42	
Total income		7,325	7,016	
Expenses – Cash Basis				
Retail Banking Services		1,349	1,270	
Premium Business Services		947	856	
Wealth Management – operating expenses		625	578	
Wealth Management – volume expenses		262	246	
International Financial Services		413	411	
Other		47	17	
Total operating expenses		3,643	3,378	
Profit before loan impairment expense		3,682	3,638	
Impairment expense		597	333	
Profit before income tax		3,085	3,305	
Corporate tax expense		721	905	
Operating profit after tax		2,364	2,400	
Minority interest		16	15	
Net profit after tax – cash basis		2,348	2,385	
Provisional gain on acquisition of controlled entities		-	-	
Gain on Visa Initial Public Offering		295	-	
Investment and restructuring		(264)	-	
Defined benefit superannuation plan income/(expense)		13	(4)	
Treasury shares valuation adjustment		73	(13)	
Hedging and AIFRS volatility		(45)	3	
Net profit after tax – statutory basis		2,420	2,371	
Investment experience		(59)	42	
Tax expense on Investment experience		(18)	14	
Investment experience – after tax		(41)	28	
Net profit after tax – underlying basis		2,389	2,357	
Total Operating Income				
Retail Banking Services		2,876	2,801	
Premium Business Services		2,151	1,986	
Wealth Management (net of volume expenses)		1,161	1,121	
International Financial Services		829	758	

17. Analysis Template (continued)

Profit Summary – Input Schedule	Half Year Ended			Page References
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M	
Other Data				
Net interest income (excluding securitisation)		3,949	3,838	
Average interest earning assets		400,678	370,819	
Average net assets		25,888	25,041	
Average minority interest		515	512	
Average preference shares & other equity instruments		939	939	
Average treasury shares		(250)	(245)	
Average defined benefit superannuation plan net surplus		1,154	1,267	
Distributions – other equity instruments		23	25	
Interest expense (after tax) – Perls II		16	14	
Interest expense (after tax) – Perls III		35	33	
Interest expense (after tax) – Perls IV		32	26	
Interest expense (after tax) – TPS		13	12	
Interest expense (after tax) – Convertible notes		20	21	
Weighted average number of shares – statutory basic		1,314	1,300	
Weighted average number of shares – fully diluted – statutory		1,431	1,380	
Weighted average number of shares – cash and underlying		1,319	1,306	
Weighted average number of shares – fully diluted – cash and underlying		1,437	1,386	
Weighted average number of shares – Perls II		18	12	
Weighted average number of shares – Perls III		28	19	
Weighted average number of shares – Perls IV		36	23	
Weighted average number of shares – TPS		13	10	
Weighted average number of shares – Convertible notes		23	16	
Weighted average number of shares – Executive options		-	-	
Dividends per share (cents)		153	113	
No. of shares at end of period		1,326	1,316	
Average funds under administration		198,801	191,447	
Average inforce premiums		1,554	1,444	
Net assets		26,137	25,638	
Total intangible assets		8,258	8,213	
Minority interests		518	511	
Other equity instruments		939	939	

Appendices

17. Analysis Template (continued)

Ratios – Output Summary	Half Year Ended		
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M
EPS			
Net profit after tax – cash basis		2,348	2,385
Less distribution – other equity instruments		23	25
Adjusted profit for EPS calculation		2,325	2,360
Average number of shares (M)		1,319	1,306
Earnings per share – cash basis		176.2	180.7
Earnings per share – dilutions			
Interest expense (after tax) – Perls II		16	14
Interest expense (after tax) – Perls III		35	33
Interest expense (after tax) – Perls IV		32	26
Interest expense (after tax) – TPS		13	12
Interest expense (after tax) – Convertible notes		20	21
Profit impact of assumed conversions (after tax)		116	106
Weighted average number of shares – Perls II (M)		18	12
Weighted average number of shares – Perls III (M)		28	19
Weighted average number of shares – Perls IV (M)		36	23
Weighted average number of shares – TPS (M)		13	10
Weighted average number of shares – Convertible Notes (M)		23	16
Weighted average number of shares – dilutive securities (M)		118	80
Adjusted cash profit for EPS calculation		2,325	2,360
Add back profit impact of assumed conversions (after tax) (M)		116	106
Adjusted diluted profit for EPS calculation		2,441	2,466
Average number of shares (M)		1,319	1,306
Add back weighted average number of shares (M)		118	80
Diluted average number of shares (M)		1,437	1,386
EPS diluted – cash basis (cents)		169.9	177.9
Net profit after tax – underlying		2,389	2,357
Less distributions – other equity instruments		23	25
Adjusted profit for EPS calculation		2,366	2,332
Average number of shares (M)		1,319	1,306
Earnings per share – underlying basis (cents)		179.5	178.4

17. Analysis Template (continued)

Ratios – Output Summary	Half Year Ended		
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M
DPS			
Dividends			
Dividends per share (cents)		153	113
No of shares at end of period (M)		1,326	1,316
Total dividends		2,029	1,487
Dividend payout ratio – cash basis			
Net profit after tax – cash basis		2,348	2,385
NPAT – available for distribution to ordinary shareholders		2,325	2,360
Total dividends		2,029	1,487
Payout ratio – cash basis (%)		87.3	63.0
Dividend cover			
NPAT – available for distribution to ordinary shareholders		2,325	2,360
Total dividends		2,029	1,487
Dividend cover – cash basis		1.1	1.6
ROE			
Return on equity – cash basis			
Average net assets		25,888	25,041
Less:			
Average minority interests		(515)	(512)
Average preference shares		(939)	(939)
Average equity		24,434	23,590
Add average treasury shares		250	245
Less average defined benefit superannuation plan net surplus		(1,154)	(1,267)
Net average equity		23,530	22,568
NPAT ("cash basis")		2,348	2,385
Less distributions – other equity instruments		23	25
Adjusted profit for ROE calculation		2,325	2,360
Return on equity – cash basis (%)		19.9	20.8
Return on equity – underlying basis			
Average net assets		25,888	25,041
Average minority interests		(515)	(512)
Average preference shares		(939)	(939)
Average equity		24,434	23,590
Add average treasury shares		250	245
Less average defined benefit superannuation plan net surplus		(1,154)	(1,267)
Net average equity		23,530	22,568
NPAT ("underlying basis")		2,389	2,357
Less distribution other equity instruments		23	25
Adjusted profit for ROE calculation		2,366	2,332
Return on equity – underlying basis (%)		20.2	20.6
NIM			
Net interest income (excluding securitisation)		3,949	3,838
Average interest earning assets (excluding securitisation)		400,678	370,819
NIM (% pa)		1.98	2.06

Appendices

17. Analysis Template (continued)

Ratios – Output Summary	Half Year Ended		
	31/12/08 \$M	30/06/08 \$M	31/12/07 \$M
Productivity			
Group operating expense to total operating income ratio			
Operating Expenses		3,643	3,378
Total operating income		7,384	6,974
Operating expense to total operating income (%)		49. 3	48. 4
Retail Banking Services expense to income ratio			
Operating expenses		1,349	1,270
Total banking income		2,876	2,801
Operating expenses to total operating income (%)		46. 9	45. 3
Premium Business Services operating expense to total banking income ratio			
Operating expenses		947	856
Total banking income		2,151	1,986
Operating expenses to total operating income (%)		44. 0	43. 1
Wealth Management operating expenses to net operating income ratio			
Operating expenses		625	578
Net operating income		1,161	1,121
Operating Expense to net operating income		53. 8	51. 6
International Financial Services operating expense to total operating income ratio			
Operating expenses		413	411
Total operating income		829	758
Operating expenses to net operating income (%)		49. 8	54. 2
Net Tangible Assets (NTA) per share			
Net assets		26,137	25,638
Less:			
Intangible assets		(8,258)	(8,213)
Minority interests		(518)	(511)
Other equity instruments		(939)	(939)
Total net tangible assets		16,422	15,975
No of shares at end of period (M)		1,326	1,316
Net tangible assets (NTA) per share (\$)		12. 38	12. 14

18. Summary

Group		Half Year Ended			
		31/12/08	30/06/08	31/12/07	Dec 08 vs Jun 08% Dec 08 vs Dec 07 %
Net profit after tax – underlying basis	\$M		2,389	2,357	
Net profit after tax – cash basis	\$M		2,348	2,385	
Provisional gain on acquisition of controlled entities	\$M		-	-	
Gain on Visa Initial Public Offering	\$M		295	-	
Investment and restructuring – after tax	\$M		(264)	-	
Defined benefit superannuation plan income/(expense) – after tax	\$M		13	(4)	
Treasury shares valuation adjustment – after tax	\$M		73	(13)	
Hedging and AIFRS volatility	\$M		(45)	3	
Net profit after tax – statutory	\$M		2,420	2,371	
Earnings per share – cash basis – basic	cents		176.2	180.7	
Dividends per share	cents		153	113	
Dividend pay-out ratio – cash basis	%		87.3	63.0	
Tier One Capital – Basel II	%		8.17	8.17	
Total capital – Basel II	%		11.58	12.08	
Number of full time equivalent staff	No.		39,621	38,452	
Return on equity – cash	%		19.9	20.8	
Return on equity – underlying	%		20.2	20.6	
Weighted average number of shares – statutory	M		1,314	1,300	
Net tangible assets per share	\$		12.38	12.14	
Net Interest Income	\$M		4,008	3,899	
Net Interest Margin	%		1.98	2.06	
Other banking income (“cash basis”)	\$M		1,771	1,541	
Other banking income/total banking income	%		30.6	28.3	
Operating expense to total operating income	%		49.3	48.4	
Average interest earning assets	\$M		400,678	370,819	
Average interest earning liabilities	\$M		375,930	348,716	
Impairment expense	\$M		597	333	
Loan impairment expense to average risk weighted assets - Basel II	%		0.59	-	
Total provisions for impairment losses to gross impaired assets	%		255.5	245.6	
Individually assessed provisions for impairment to gross impaired assets	%		40.8	33.6	
Risk weighted assets	\$M		205,501	198,228	
Retail Banking Services					
Cash net profit after tax	\$M		936	975	
Operating expense to total banking income	%		46.9	45.3	
Premium Business Services					
Cash net profit after tax	\$M		785	707	
Operating expenses to total banking income	%		44.0	43.1	
Wealth Management					
Cash net profit after tax	\$M		343	394	
Underlying profit after tax	\$M		397	392	
Investment experience	\$M		(77)	3	
FUA – average	\$M		191,721	183,548	
FUA – spot	\$M		184,970	199,834	
Net funds flow	\$M		3,443	25,171	
Average inforce premiums	\$M		1,172	1,058	
Inforce premiums – spot	\$M		1,250	1,094	
Funds management income to average FUA	%		1.18	1.20	
Insurance income to average inforce premiums	%		50.8	49.1	
Operating expense to net operating income	%		53.8	51.6	
International Financial Services					
Underlying profit after tax	\$M		286	269	
FUA – average	\$M		7,080	7,899	
FUA – spot	\$M		6,335	7,868	
Average inforce premiums	\$M		382	386	
Inforce premiums – spot	\$M		371	392	
Funds management income to average FUA	%		0.74	0.55	
Insurance income to average inforce premiums	%		69.5	61.8	
Operating expense to net operating income	%		49.8	54.2	

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19. Foreign Exchange Rates

Exchange Rates Utilised		As at		
As at		31/12/08	30/06/08	31/12/07
AUD 1.00 =	USD		0.9656	0.8815
	GBP		0.4841	0.4412
	JPY		102.070	98.748
	NZD		1.263	1.134
	HKD		7.5323	6.878
	EUR		0.6113	0.5980
	CAD		0.9734	0.8619
	CHF		0.9821	0.9903
	ILS		3.2298	3.3922
	SGD		1.3145	1.2698