Profit Announcement

For the full year ended 30 June 2012

CommonwealthBank

COMMONWEALTH BANK OF AUSTRALIA
ACN 123 123 124 | 15 AUGUST 2012

ASX Appendix 4E

Results for announcement to the market [(1)]

Report for the year ended 30 June 2012	**$M**	
Revenue from ordinary activities	47,193	Up 2%
Profit/(loss) from ordinary activities after tax attributable to Equity holders	7,090	Up 11%
Net profit/(loss) for the period attributable to Equity holders	7,090	Up 11%
Dividends (distributions)		
Final Dividend - fully franked (cents per share)		197
Interim Dividend - fully franked (cents per share)		137
Record date for determining entitlements to the dividend		24 August 2012

(1) Rule 4.3A.

This preliminary final report is provided to the ASX under Rule 4.3A. Refer to Appendix 17 ASX Appendix 4E for disclosures required under ASX Listing Rules.

This report should be read in conjunction with the 30 June 2012 Annual Financial Report of the Commonwealth Bank of Australia and any public announcements made in the period by the Group in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules.

Important dates for shareholders

Full Year Results Announcement	15 August 2012
Ex-dividend Date	20 August 2012
Record Date	24 August 2012
Final Dividend Payment Date	5 October 2012
Annual General Meeting	30 October 2012
2013 Interim Results Date	13 February 2013

For further information contact:

Investor Relations
Warwick Bryan
Phone: (02) 9118 7112
Email: warwick.bryan@cba.com.au

All figures relate to the full year ended 30 June 2012 and comparatives for the full year ended 30 June 2011 unless stated otherwise. The term “prior year” refers to the full year ended 30 June 2011, while the term “prior half” refers to the half year ended 31 December 2011.

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MEDIA RELEASE

CAN

COMMONWEALTH BANK OF AUSTRALIA DELIVERS A GOOD RESULT IN AN UNCERTAIN ENVIRONMENT

Highlights of 2012 Result

- Statutory net profit after tax (NPAT) of $7,090 million – up 11 per cent on prior year;
- Cash NPAT of $7,113 million – up 4 per cent on prior year;
- Disciplined approach to cost management with continued investment in technology and productivity initiatives;
- Fully franked final dividend of $1.97 per share, - up 5 per cent on prior year's final dividend;
- Return on Equity (cash basis) of 18.6 per cent;
- Customer deposits up $30 billion to $379 billion – now representing 62 per cent of Group total funding;
- Capital, funding and provisioning all remain strong - holding liquid assets of $135 billion as at 30 June 2012; and
- Group in strong position with a well-managed, diversified business portfolio and a robust, stable financial platform.

	2012	2012 v 2011
Statutory NPAT ($m)	7,090	11%
Cash NPAT ($m)	7,113	4%
Cash EPS (cents)	449.4	2%
Final Dividend ($ per share)	1.97	5%
Return on Equity – Cash	18.6	(90) bpts

Except where otherwise stated, all figures relate to the full year ended 30 June 2012. The term "prior year" refers to the full year ended 30 June 2011, while the term "prior half" refers to the half year ended 31 December 2011. Unless otherwise indicated all comparisons are to the "prior year".

For an explanation of, and reconciliation between, Statutory and Cash NPAT refer to pages 2, 3 and 11 of the Group's Profit Announcement for the year ended 30 June 2012 available on www.commbank.com.au/shareholders.

MEDIA RELEASE

CAN

SYDNEY, 15 AUGUST 2012: The Commonwealth Bank of Australia (the Group) today announced its results for the financial year ended 30 June 2012. The Group's statutory NPAT was $7,090 million, which represents an 11 per cent increase on the prior year. Cash NPAT was $7,113 million, an increase of 4 per cent on the prior year. Cash Return on Equity was 18.6 per cent.

The Board declared a final dividend of $1.97 per share - an increase of 5 per cent on the prior year's final dividend. The total dividend for the year was $3.34 per share – up 4 per cent on the prior year. The cash dividend payout ratio was 75 per cent, consistent with the Board's target payout ratio of between 70 and 80 per cent of cash NPAT. The final dividend will be fully franked and will be paid on 5 October 2012. The ex-dividend date is 20 August 2012.

The Group's Dividend Reinvestment Plan will continue to operate without a discount.

Commenting on the result, Group CEO Ian Narev said: "This is a good result given the uncertain environment in which we are operating. As expected, revenue growth was subdued reflecting ongoing caution from both our retail and corporate customers. This translated into lower credit growth and greater pressure on market sensitive businesses. In addition, higher funding costs have put pressure on margins as competition for domestic deposits intensifies and wholesale funding continues to be expensive. Despite this environment, cash ROE remained healthy at 18.6 per cent. We are also particularly pleased that we have continued to invest for the long-term, while maintaining our momentum."

"We have worked hard at tailoring our cost base to this new lower growth environment. The significant investment we have made in technology over the last five years has helped us meet this challenge to improve our productivity. Two businesses which benefit most from our Core Banking Modernisation programme, Retail Banking Services and Business and Private Banking, have again reduced their respective cost to income ratios."

"While many of our customers are facing challenges, this is not translating into a deterioration of credit quality. However, given the uncertain outlook for both the global and domestic economies, we remain cautious with a strong balance sheet with high levels of capital, provisioning and liquidity."

Key components of the result include:

- Continued focus on delivering better services for customers with significant progress towards attaining the Group's goal of being number one in customer satisfaction;
- Continued growth in the Australian banking businesses, despite modest system credit growth, with average interest earning assets up $32 billion to $630 billion;
- Strong growth in retail and business average interest bearing deposits[1] – up $30 billion to $355 billion, resulting in customer deposits as a proportion of total Group funding improving to 62 per cent;
- Earnings in markets based businesses of Wealth Management and Institutional Banking and Markets being impacted by uncertainty in global financial markets;
- Continued margin pressure, particularly from higher retail deposit costs, with Group net interest margin (NIM) down 3 basis points on the prior year, and down 6 basis points on the prior half;
- Prudent management of operating expenses, with modest cost growth of 3 per cent year on year and costs down marginally half on prior half;
- A 15 per cent decline in loan impairment expense, with conservative provisioning levels retained. Total provisioning, at 30 June 2012, was $4.85 billion with the economic overlay unchanged from the prior year. Credit quality continued to improve with Troublesome and Impaired Assets down by 15 per cent;
- The maintenance of the Group's strong capital base with a Basel II Tier One ratio and Common Equity Tier One (CET1) ratio of 10.0 per cent and 7.8 per cent respectively. The Basel III Internationally Harmonised CET1 ratio was 9.8 per cent;
- Substantial on-going investment in long term growth. The Group invested almost $1.3 billion over the period on a tightly managed set of growth initiatives focusing on technology, productivity, organic retail banking growth in Indonesia, China and Vietnam and Wealth Management domestic and global distribution.

The Group is one of only a number of global banks in the 'AA' ratings category. Despite global financial market disruptions during the year, the Group is well funded.

In recognition of the continued uncertainty in the economic and regulatory outlook, the Group retained high levels of liquid assets throughout the year.

[1] Includes transactions, savings and investment average interest bearing deposits.

MEDIA RELEASE

Turning to the outlook for the 2013 financial year Mr Narev said: “The Group remains positive about the medium to long term outlook for Australia. However, the global economy remains uncertain. It is difficult to see the catalyst for alleviating the uncertainty which will continue to affect consumer and corporate confidence. So, in the near term, we expect current revenue trends to continue, and we will retain conservative business settings.”

“Against this backdrop, the Group will continue to operate in a disciplined and prudent manner with the focus on driving sustainable improvements in business performance and investing in our long-term strategic priorities. We are confident that our customer focused strategy positions the Group well for the long term.”

Ends

Media contact:
Bryan Fitzgerald
Head of Communications
Ph: (02) 9117 7047
Mobile: 0414 789 649

MEDIA RELEASE

	Full Year Ended			Half Year Ended		
	30/06/12 $M	30/06/11 $M	Jun 12 vs Jun 11 %	30/06/12 $M	31/12/11 $M	Jun 12 vs Dec 11%
Highlights						
Retail Banking Services	**2,934**	2,854	3	**1,495**	1,439	4
Business and Private Banking	**1,067**	1,030	4	**516**	551	(6)
Institutional Banking and Markets	**1,060**	1,004	6	**513**	547	(6)
Wealth Management	**569**	642	(11)	**297**	272	9
New Zealand	**490**	470	4	**232**	258	(10)
Bankwest	**524**	463	13	**256**	268	(4)
Other	**469**	372	26	**228**	241	(5)
Net profit after income tax ("cash basis") (1)	**7,113**	**6,835**	**4**	**3,537**	**3,576**	**(1)**
Net profit after income tax ("statutory basis") (2)	**7,090**	**6,394**	**11**	**3,466**	**3,624**	**(4)**

	Full Year Ended			Half Year Ended		
	30/06/12	30/06/11	Jun 12 vs Jun 11 %	30/06/12	31/12/11	Jun 12 vs Dec 11 %
Key Shareholder Ratios						
Earnings per share (cents) ("cash basis") - basic	**449.4**	438.7	2	**222.2**	227.2	(2)
Return on equity (%) ("cash basis")	**18.6**	19.5	(90) bpts	**18.1**	19.2	(110) bpts
Return on assets % ("cash basis")	**1.0**	1.0	-	**1.0**	1.0	-
Dividend per share (cents) – fully franked	**334**	320	4	**197**	137	44
Dividend payout ratio (%) ("cash basis")	**75.0**	73.2	180 bpts	**89.2**	60.9	large
Other Performance Indicators						
Total interest earning assets ($M) (3)	**644,530**	604,080	7	**644,530**	631,908	2
Funds Under Administration – spot ($M)	**201,689**	196,551	3	**201,689**	192,168	5
Net interest margin (%) (3)	**2.09**	2.12	(3) bpts	**2.06**	2.12	(6) bpts
Operating expenses to total operating income (%)	**46.0**	45.5	50 bpts	**46.2**	45.8	40 bpts

(1) Net Profit after income tax ("cash basis") – represents net profit after tax and non-controlling interests before Bankwest non-cash items, the gain/loss on disposal of controlled entities/investments, treasury shares valuation adjustment, Count Financial Limited acquisition costs and unrealised gains and losses related to hedging and IFRS volatility. This is Management's preferred measure of the Group's financial performance.

(2) Net Profit after income tax ("statutory basis") – represents net profit after tax and non-controlling interests, Bankwest non-cash items, the gain/loss on disposal of controlled entities/investments, treasury shares valuation adjustment, Count Financial Limited acquisition costs and unrealised gains and losses related to hedging and IFRS volatility. This is equivalent to the statutory item "Net profit attributable to Equity holders of the Bank".

(3) Comparative information has been restated to conform to presentation in the current period.

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Section 2 - Highlights

Highlights

Group Performance Highlights

Net Profit after Income Tax	Full Year Ended 30/06/12 $M	Full Year Ended 30/06/11 $M	Half Year Ended 30/06/12 $M	Half Year Ended 31/12/11 $M
Statutory basis	**7,090**	6,394	**3,466**	3,624
Cash basis	**7,113**	6,835	**3,537**	3,576

The Group's net profit after tax ("statutory basis") for the year ended 30 June 2012 was $7,090 million, up 11% on the prior year.

Return on Equity ("statutory basis") was 18.7% and Earnings per share ("statutory basis") was 448.9 cents, up 9% on the prior year.

The Management Discussion and Analysis discloses the net profit after tax on both a "statutory basis" and a "cash basis". The statutory basis is prepared in accordance with the Corporations Act 2001 and the Australian Accounting Standards, which comply with International Financial Reporting Standards (IFRS). The cash basis is used by Management to present a clear view of the Group's underlying operating results, excluding a number of items that introduce volatility and/or one-off distortions of the Group's current period performance. These items, such as hedging and IFRS volatility, are calculated consistently year on year and do not discriminate between positive and negative adjustments. A list of items excluded from statutory profit is provided in the reconciliation of the Net profit after tax ("cash basis") on page 3 and described in greater detail on page 11.

The Group has achieved another solid financial result in a challenging environment, characterised by subdued credit growth, fragile business and consumer confidence, elevated funding costs and continuing volatility in global markets.

The Group's focus on building long term competitive advantage, combined with a strong financial platform, diversified business model and strong risk management culture enabled it to effectively manage these unpredictable economic conditions, maintain momentum and generate sustainable returns.

Operating income growth was impacted by the low credit growth environment, increased funding costs and competitive lending and deposit markets. The Markets and Wealth Management businesses also faced challenging market conditions.

Operating expense growth has been contained through disciplined cost management, without disrupting investment in the underlying businesses, including the effective execution of the Core Banking Modernisation initiative. The long-term commitment to productivity to improve customers' experience and Group efficiency is a key strategic priority.

Loan impairment expense decreased, mainly reflecting a reduction in new impaired single name exposures within Institutional Banking and Markets. Economic overlays were maintained, reflecting the Group's conservative approach to provisioning as business conditions remain challenging for some of the Group's customers.

Net profit after tax ("cash basis") for the year ended 30 June 2012 was $7,113 million, which represented an increase of 4% on the prior year. Cash earnings per share increased 2% to 449.4 cents per share.

Return on Equity ("cash basis") for the year ended 30 June 2012 was 18.6%, down 90 basis points on the prior year, reflecting increased profitability offset by a further strengthening of capital.

Capital

The Group further strengthened its capital position at 30 June 2012 under the existing Basel II methodology with Common Equity Tier One (CET1) and Tier One Capital ratios of 7.8% and 10.0% respectively.

Under the application of Basel III, which is to be implemented from 1 January 2013, the Group has a CET1 ratio of 9.8% as at 30 June 2012 as measured on a fully internationally harmonised basis. This is well above the minimum prescribed at 1 January 2013 of 4.5% and compares favourably to international peers.

The Board has approved a Basel III CET1 internationally harmonised target ratio of greater than 9%. This is discussed in more detail on page 16.

Funding

The Group remains well funded, enabling it to provide ongoing support to customers, despite the continuing impact of the European sovereign debt crisis. However, wholesale and domestic deposit funding remains expensive and continues to place pressure on the Group's net interest margin. While system credit growth remained subdued, the Group satisfied a higher proportion of its funding requirements from domestic deposits.

Customer deposits increased to $379 billion as at 30 June 2012, up $30 billion over the prior year. Customer deposits represented 62% of the Group's total funding source at 30 June 2012, up from 61% in the prior year.

Covered bonds also became a more significant contributor to the Group's funding following the amendment to banking regulations in October 2011 which allows Australian banks to issue covered bonds.

Dividends

The final dividend declared was $1.97 per share, up 5% on the prior year. The total dividend for the year ended 30 June 2012 was $3.34 per share, taking the dividend payout ratio ("cash basis") to 75%.

The final dividend payment will be fully franked and paid on 5 October 2012 to owners of ordinary shares at the close of business on 24 August 2012 (record date). Shares will be quoted ex–dividend on 20 August 2012.

Outlook

The Group remains positive about the medium to long term outlook for Australia. However, the global economy remains uncertain. It is difficult to see the catalyst for alleviating the uncertainty which will continue to affect consumer and corporate confidence. In the near term, the Group expects current revenue trends to continue, while retaining conservative business settings.

Against this backdrop, the Group will continue to operate in a disciplined and prudent manner, focused on driving sustainable improvements in business performance and investing in long-term strategic priorities. The Group is confident that our customer focused strategy positions the business well for the long term.

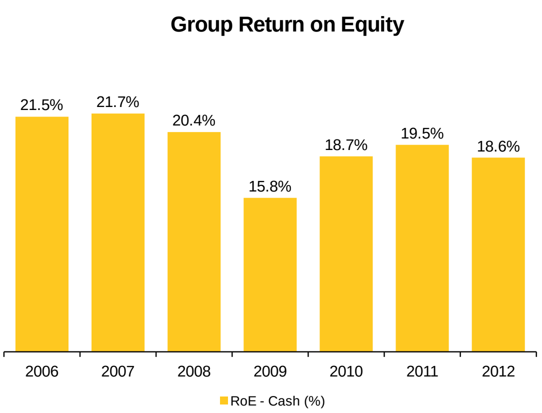
Group Performance Summary	Full Year Ended 30/06/12 $M	Full Year Ended 30/06/11 $M	Jun 12 vs Jun 11 %	Half Year Ended 30/06/12 $M	Half Year Ended 31/12/11 $M	Jun 12 vs Dec 11 %	Statutory Full Year Ended 30/06/12 $M	Statutory Jun 12 vs Jun 11 %
Net interest income [1]	**13,157**	12,645	4	**6,513**	6,644	(2)	**13,122**	4
Other banking income [1]	**3,927**	3,996	(2)	**2,000**	1,927	4	**4,089**	12
Total banking income	**17,084**	16,641	3	**8,513**	8,571	(1)	**17,211**	6
Funds management income	**1,957**	2,041	(4)	**980**	977	-	**1,940**	(5)
Insurance income	**960**	856	12	**459**	501	(8)	**1,233**	10
Total operating income	**20,001**	19,538	2	**9,952**	10,049	(1)	**20,384**	5
Investment experience	**149**	121	23	**93**	56	66	**n/a**	n/a
Total income	**20,150**	19,659	2	**10,045**	10,105	(1)	**20,384**	5
Operating expenses	**(9,196)**	(8,891)	3	**(4,594)**	(4,602)	-	**(9,331)**	3
Loan impairment expense	**(1,089)**	(1,280)	(15)	**(544)**	(545)	-	**(1,089)**	(15)
Net profit before tax	**9,865**	9,488	4	**4,907**	4,958	(1)	**9,964**	10
Corporate tax expense [2]	**(2,736)**	(2,637)	4	**(1,363)**	(1,373)	(1)	**(2,858)**	8
Non-controlling interests [3]	**(16)**	(16)	-	**(7)**	(9)	(22)	**(16)**	-
Net profit after tax ("cash basis")	**7,113**	6,835	4	**3,537**	3,576	(1)	**n/a**	n/a
Hedging and IFRS volatility	**124**	(265)	large	**9**	115	(92)	**n/a**	n/a
Other non-cash items [4]	**(147)**	(176)	(16)	**(80)**	(67)	19	**n/a**	n/a
Net profit after tax ("statutory basis")	**7,090**	6,394	11	**3,466**	3,624	(4)	**7,090**	11
Represented by:								
Retail Banking Services	**2,934**	2,854	3	**1,495**	1,439	4		
Business and Private Banking	**1,067**	1,030	4	**516**	551	(6)		
Institutional Banking and Markets	**1,060**	1,004	6	**513**	547	(6)		
Wealth Management	**569**	642	(11)	**297**	272	9		
New Zealand	**490**	470	4	**232**	258	(10)		
Bankwest	**524**	463	13	**256**	268	(4)		
Other	**469**	372	26	**228**	241	(5)		
Net profit after tax ("cash basis")	**7,113**	6,835	4	**3,537**	3,576	(1)		
Investment experience - after tax	**(89)**	(81)	10	**(53)**	(36)	47		
Net profit after tax ("underlying basis")	**7,024**	6,754	4	**3,484**	3,540	(2)		

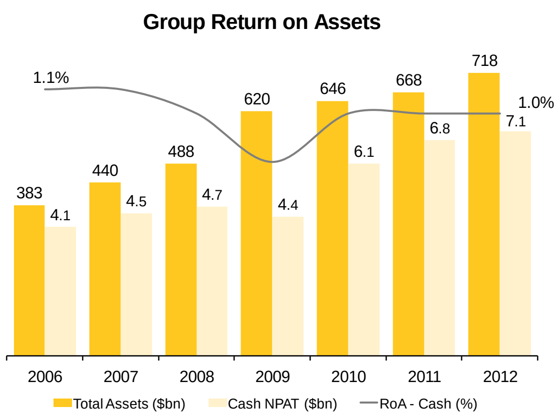
(1) Comparative information has been reclassified to conform with presentation in the current period. Refer to Appendix 23 for details.

(2) For purposes of presentation, Policyholder tax expense components of Corporate tax expense are shown on a net basis (30 June 2012: $122 million, 30 June 2011: $166 million and for the half years ended 30 June 2012: $82 million and 31 December 2011: $40 million).

(3) Non-controlling interests include preference dividends paid to holders of preference shares in ASB Capital Limited and ASB Capital No.2 Limited.

(4) Refer to Appendix 18 for details.





Highlights continued

Shareholder Summary	Full Year Ended 30/06/12	30/06/11	Jun 12 vs Jun 11 %	Half Year Ended 30/06/12	31/12/11	Jun 12 vs Dec 11 %
Dividends per share - fully franked (cents)	**334**	320	4	**197**	137	44
Dividend cover - cash (times)	**1. 3**	1. 4	(7)	**1. 1**	1. 6	(31)
Earnings per share (cents) (1)						
Statutory basis - basic	**448. 9**	411. 2	9	**218. 1**	230. 8	(6)
Cash basis - basic	**449. 4**	438. 7	2	**222. 2**	227. 2	(2)
Dividend payout ratio (%) (1)						
Statutory basis	**75. 2**	78. 3	(310)bpts	**91. 1**	60. 1	large
Cash basis	**75. 0**	73. 2	180 bpts	**89. 2**	60. 9	large
Weighted average no. of shares ("statutory basis") - basic (M) (1) (2)	**1,570**	1,545	2	**1,579**	1,561	1
Weighted average no. of shares ("cash basis") - basic (M) (1) (2)	**1,573**	1,548	2	**1,583**	1,564	1
Return on equity ("cash basis") (%) (1)	**18. 6**	19. 5	(90)bpts	**18. 1**	19. 2	(110)bpts
Return on equity ("statutory basis") (%) (1)	**18. 7**	18. 4	30 bpts	**17. 9**	19. 6	(170)bpts

(1) For definitions refer to Appendix 24.

(2) Fully diluted EPS and weighted average number of shares are disclosed in Appendix 20.

Credit Ratings	Long–term	Short–term	Outlook
Fitch Ratings(1)	AA-	F1+	Stable
Moody's Investor Services	Aa2	P-1	Stable
Standard & Poor's	AA-	A-1+	Stable

(1) On 24 February 2012, Fitch Ratings downgraded the long term credit rating of the Bank to 'AA-', with all major domestic peer banks also rated 'AA-'.

Market Share Percentage [1]	30/06/12 %	31/12/11 %	30/06/11 %
	As at		
Home loans	**25.7**	25.9	25.8
Credit cards [2] [3]	**23.4**	23.7	23.0
Personal lending (APRA and other Household) [4]	**14.8**	14.6	14.8
Household deposits	**28.9**	29.4	30.0
Retail deposits [5]	**26.0**	26.4	26.9
Business Lending - APRA [2]	**17.5**	17.6	18.0
Business Lending - RBA [2]	**17.0**	16.9	16.7
Business Deposits - APRA [2]	**20.4**	20.5	20.8
Asset Finance	**13.6**	13.7	13.9
Equities trading	**5.5**	5.8	5.9
Australian Retail - administrator view [2] [6]	**15.1**	15.0	15.1
FirstChoice Platform [2] [6]	**11.6**	11.6	11.5
Australia (total risk) [2] [6]	**13.4**	13.2	12.5
Australia (individual risk) [6]	**13.3**	13.3	13.4
NZ Lending for housing	**21.6**	22.0	22.1
NZ Retail Deposits [2]	**20.6**	21.0	21.3
NZ Lending to business [2]	**9.0**	9.0	8.8
NZ Retail FUM [2]	**18.8**	15.1	14.5
NZ Annual inforce premiums	**30.3**	30.2	30.1

(1) For market share definitions refer to Appendix 25.

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

(3) As at 31 May 2012.

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

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

(6) As at 31 March 2012.

Highlights continued

Key Performance Indicators	Full Year Ended			Half Year Ended		
	30/06/12	30/06/11	Jun 12 vs Jun 11 %	30/06/12	31/12/11	Jun 12 vs Dec 11 %
Group						
Statutory net profit after tax ($M)	**7,090**	6,394	11	**3,466**	3,624	(4)
Cash net profit after tax ($M)	**7,113**	6,835	4	**3,537**	3,576	(1)
Net interest margin (%) (1)	**2. 09**	2. 12	(3)bpts	**2. 06**	2. 12	(6)bpts
Average interest earning assets ($M) (1)	**629,685**	597,406	5	**636,547**	622,898	2
Average interest bearing liabilities ($M) (1)	**590,654**	559,095	6	**595,873**	585,492	2
Funds management income to average FUA (%)	**0. 99**	1. 04	(5)bpts	**0. 98**	1. 00	(2)bpts
Funds Under Administration (FUA) - average ($M)	**198,115**	196,254	1	**200,960**	194,421	3
Insurance income to average inforce premiums (%)	**42. 2**	41. 5	70 bpts	**39. 1**	45. 7	large
Average inforce premiums ($M)	**2,276**	2,063	10	**2,363**	2,180	8
Operating expenses to total operating income (%)	**46. 0**	45. 5	50 bpts	**46. 2**	45. 8	40 bpts
Effective corporate tax rate (%)	**27. 7**	27. 8	(10)bpts	**27. 8**	27. 7	10 bpts
Retail Banking Services						
Cash net profit after tax ($M)	**2,934**	2,854	3	**1,495**	1,439	4
Operating expenses to total banking income (%)	**38. 1**	38. 6	(50)bpts	**38. 0**	38. 3	(30)bpts
Business and Private Banking						
Cash net profit after tax ($M)	**1,067**	1,030	4	**516**	551	(6)
Operating expenses to total banking income (%)	**43. 4**	43. 9	(50)bpts	**43. 9**	42. 9	100 bpts
Institutional Banking and Markets						
Cash net profit after tax ($M)	**1,060**	1,004	6	**513**	547	(6)
Operating expenses to total banking income (%)	**36. 3**	33. 6	270 bpts	**36. 0**	36. 5	(50)bpts
Wealth Management						
Cash net profit after tax ($M)	**569**	642	(11)	**297**	272	9
FUA - average ($M)	**189,699**	188,866	-	**192,325**	186,266	3
Average inforce premiums ($M)	**1,806**	1,612	12	**1,889**	1,724	10
Funds management income to average FUA (%)	**1. 00**	1. 05	(5)bpts	**0. 99**	1. 01	(2)bpts
Insurance income to average inforce premiums (%)	**38. 3**	38. 8	(50)bpts	**34. 8**	42. 0	large
Operating expenses to net operating income (%) (2)	**67. 1**	61. 6	large	**67. 4**	66. 9	50 bpts
New Zealand						
Cash net profit after tax ($M)	**490**	470	4	**232**	258	(10)
FUA - average ($M)	**8,416**	7,388	14	**8,635**	8,155	6
Average inforce premiums ($M)	**470**	451	4	**474**	456	4
Funds management income to average FUA (%)	**0. 52**	0. 54	(2)bpts	**0. 54**	0. 51	3 bpts
Insurance income to average inforce premiums (%)	**48. 3**	46. 8	150 bpts	**47. 1**	50. 6	(350)bpts
Operating expenses to total operating income (%)	**50. 9**	51. 1	(20)bpts	**51. 6**	50. 1	150 bpts
Bankwest						
Cash net profit after tax ($M)	**524**	463	13	**256**	268	(4)
Operating expenses to total banking income (%)	**51. 2**	53. 0	(180)bpts	**51. 9**	50. 5	140 bpts
Capital (Basel II)						
Common Equity Tier One (%)	**7. 82**	7. 66	16 bpts	**7. 82**	7. 67	15 bpts
Tier One (%)	**10. 01**	10. 01	-	**10. 01**	9. 90	11 bpts
Total Capital (%)	**10. 98**	11. 70	(72)bpts	**10. 98**	11. 11	(13)bpts

(1) Comparative information has been reclassified to conform with presentation in the current period. Refer to Appendix 23 for details.

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

Contents

Section 3 - Group Performance Analysis

Group Performance Analysis

Financial Performance and Business Review

The Group's net profit after tax ("cash basis") for the year ended 30 June 2012 was $7,113 million, which represented a 4% increase on the prior year.

Earnings per share ("cash basis") increased 2% on the prior year to 449.4 cents per share, whilst Return on Equity ("cash basis") decreased 90 basis points to 18.6%.

The Group delivered a solid financial performance in a challenging environment impacted by ongoing volatility and uncertainty in global markets. This result reflects the Group's financial strength and continued momentum despite the subdued credit growth environment, the impact of increased domestic deposit and wholesale funding costs, and difficult trading conditions for the markets-related businesses. Key elements of the Group result included:

- Net interest income increased 4% to $13,157 million, reflecting a 5% increase in average interest earning assets, partly offset by a three basis point decline in net interest margin;
- Other banking income decreased 2% to $3,927 million, driven by lower equities trading volumes and Markets trading income, including an unfavourable counterparty fair value adjustment, partly offset by higher credit card interchange income and Institutional lending fee growth;
- Funds management income decreased 4% to $1,957 million, impacted by declining investment markets, a higher proportion of customer funds invested into cash, fixed interest and deposit products, reflecting cautious investor sentiment and the managed contraction of the CommInsure closed investment portfolios;
- Insurance income increased 12% to $960 million, driven by 10% average inforce premium growth, partly offset by higher domestic claims;
- Operating expenses increased 3% to $9,196 million, driven by inflation-related salary increases, property transition costs related to the new Sydney CBD office premises and higher compliance costs. This was partly offset by the continued focus on productivity initiatives to improve customer experience and Group efficiency; and
- Loan impairment expense decreased 15% to $1,089 million, mainly reflecting a reduction in new impaired single name exposures within Institutional Banking and Markets. Economic overlays remain unchanged reflecting the Group's conservative approach to provisioning as business conditions remain challenging for some of the Group's customers.

The Group's net profit after tax ("cash basis") for the half year ended 30 June 2012 decreased 1% over the prior half. The result was impacted by a six basis point reduction in net interest margin driven by higher funding costs. The life insurance businesses were also impacted by unfavourable claims.

More comprehensive disclosure of performance highlights by key business segments is contained on pages 20-38.

Net Interest Income

Net interest income increased by 4% on the prior year to $13,157 million. This was a result of growth in average interest earning assets of 5% partly offset by a three basis point decline in net interest margin to 2.09%.

Net interest income decreased by 2% on the prior half driven by a six basis point decline in net interest margin due to higher wholesale and domestic deposit funding costs. This was partly offset by a 2% increase in average interest earning assets.

Average Interest Earning Assets

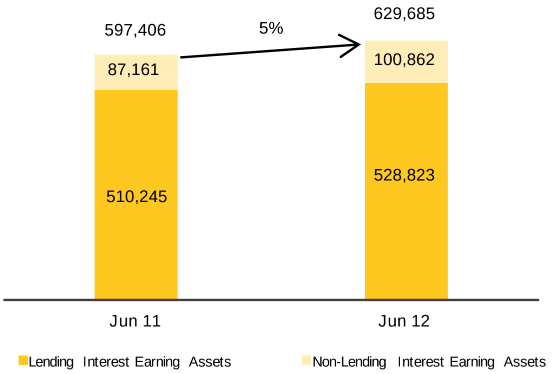
Average interest earning assets increased by $32 billion on the prior year to $630 billion, reflecting an $18 billion increase in average lending interest earning assets and a $14 billion increase in average non-lending interest earning assets.

Home loan average balances increased by $15 billion or 5% since 30 June 2011 to $343 billion.

Average balances for business and corporate lending increased by $3 billion since 30 June 2011 to $165 billion, largely driven by growth in Institutional lending.

Average non-lending interest earning assets increased $14 billion since 30 June 2011 to $101 billion due to higher levels of liquid assets driven by conservative business settings and balance sheet growth.

Average Interest Earning Assets ($M)



Net Interest Margin

The Group's net interest margin decreased three basis points compared to the prior year to 2.09%.

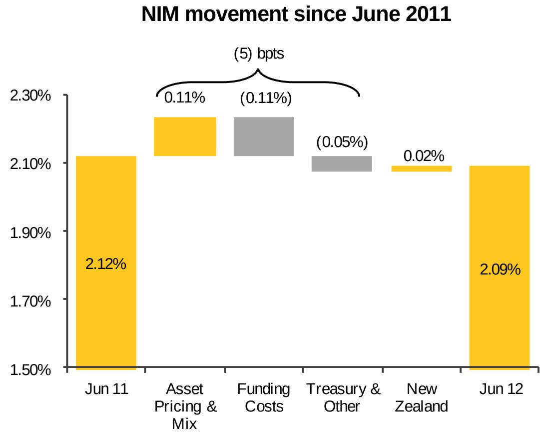
The Australian contribution to Group net interest margin decreased five basis points. The key drivers were:

Asset pricing and mix: Increase in margin of 11 basis points, reflecting the repricing of the lending portfolios in response to the sustained increase in both wholesale and deposit funding costs.

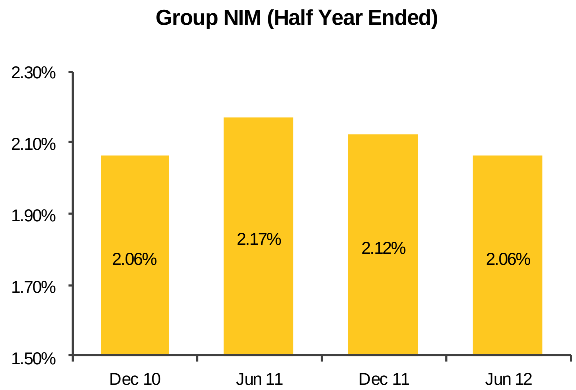
Funding costs: Decrease in margin of 11 basis points reflecting continued increases in wholesale funding costs, ongoing intense competition for deposits and the falling cash rate environment.

Treasury and other: Decrease of five basis points, driven by holding higher levels of liquid assets.

New Zealand's contribution to the Group's net interest margin increased two basis points. This reflected the benefit from fixed rate loan repricing and the continued shift in portfolio mix as customers switched from fixed to variable rate home loans.



Over the last six months, net interest margin decreased six basis points compared to the prior half to 2.06%. This was mainly due to the impact of higher domestic deposit and wholesale funding costs, partly offset by asset repricing.



Other Banking Income

	Full Year Ended		Half Year Ended	
	30/06/12	30/06/11	30/06/12	31/12/11
	$M	$M	$M	$M
Commissions	**1,997**	1,946	**988**	1,009
Lending fees (1)	**997**	982	**536**	461
Trading income	**522**	717	**281**	241
Other income	**411**	351	**195**	216
Total	**3,927**	3,996	**2,000**	1,927

(1) Comparative information has been restated for the reclassification of bank bill facility fee income to Net interest income to conform with presentation in the current period. Refer to Appendix 23 for details.

Other banking income decreased 2% on the prior year to $3,927 million driven by:

- Commissions: increased 3% on the prior year to $1,997 million, including higher credit card interchange income with the continued success of the Diamond Awards card driving customer growth, increased foreign exchange volumes and higher home loan package fee income. This was partly offset by a decrease in brokerage income due to lower retail trading volumes, reflecting subdued market trading conditions;
- Lending fees: increased 2% on the prior year to $997 million, driven by higher fees from strong balance growth in Institutional lending, higher syndication fees and customer growth in overdrafts. This was partly offset by the abolition of home loan switching and deferred establishment fees;
- Trading income: decreased 27% on the prior year to $522 million. This was due to lower Markets income impacted by adverse trading conditions and unfavourable counterparty fair value adjustments from widening credit spreads and the decreasing interest rate environment; and
- Other income: increased 17% on the prior year to $411 million mainly due to gains from the sale of Sydney CBD properties previously held by the Group, and higher equity accounted income from the Bank of Hangzhou.

Other banking income increased 4% on the prior half, including higher fees in Institutional Banking and Markets and customer growth in overdrafts. Treasury and Markets earnings improved compared to the prior half, partly offset by unfavourable counterparty fair value adjustments.

Funds Management Income

	Full Year Ended		Half Year Ended	
	30/06/12	30/06/11	30/06/12	31/12/11
	$M	$M	$M	$M
CFSGAM	**883**	907	**435**	448
Colonial First State	**845**	860	**431**	414
CommInsure	**160**	208	**77**	83
New Zealand and Other	**69**	66	**37**	32
Total	**1,957**	2,041	**980**	977

Funds management income decreased 4% on the prior year to $1,957 million impacted by:

- A 2% decrease in average funds under management (FUM) to $147 billion, impacted by declining investment markets (ASX200 Index down 11%; MSCI Emerging Markets Index (AUD) down 14%);
- A higher proportion of customer funds invested into cash, fixed interest and deposit products, reflecting cautious investor sentiment;
- The managed contraction of the CommInsure closed investment portfolios; partly offset by
- The contribution from the Count Financial business acquired in November 2011.

FirstChoice and FirstWrap continued to increase market share and the acquisition and integration of Count Financial resulted in further expansion of the distribution footprint.

Funds management income to average funds under administration (FUA) margin decreased by five basis points to 0.99%, impacted by the shift in business mix to cash, fixed interest and deposit products.

Group Performance Analysis continued

Insurance Income

	Full Year Ended		Half Year Ended	
	30/06/12	30/06/11	30/06/12	31/12/11
	$M	$M	$M	$M
CommInsure	691	625	327	364
New Zealand and Other	269	231	132	137
Total	960	856	459	501

Insurance income increased by 12% on the prior year to $960 million driven by:

- Average inforce premium growth of 10% to $2,276 million;
- Improved life insurance claims experience and lapse rates in New Zealand; partly offset by
- Higher domestic life and general insurance claims.

Insurance income decreased 8% compared to the prior half driven by higher claims, partly offset by an 8% increase in average inforce premiums.

Operating Expenses

	Full Year Ended		Half Year Ended	
	30/06/12	30/06/11	30/06/12	31/12/11
	$M	$M	$M	$M
Staff expenses	4,947	4,787	2,469	2,478
Occupancy and Equipment expenses	1,056	993	535	521
IT Services expenses	1,159	1,193	578	581
Other expenses	2,034	1,918	1,012	1,022
Total	9,196	8,891	4,594	4,602

Operating expenses increased 3% on the prior year to $9,196 million. The key drivers were:

- Staff expenses: increased by 3% to $4,947 million, driven by inflation-related salary increases, growth in offshore businesses and higher defined benefit superannuation plan expense, partly offset by productivity improvements;
- Occupancy and Equipment expenses: increased by 6% to $1,056 million, largely impacted by the transition to the new office premises at Darling Quarter in the Sydney CBD and Bankwest Place in Perth, inflation-related rent reviews and higher operating lease depreciation;
- Information Technology Services expenses: decreased by 3% to $1,159 million, driven by disciplined vendor expense management, efficiency gains from on demand infrastructure improvements and de-commissioning of legacy systems;
- Other expenses: increased by 6% to $2,034 million, impacted by higher compliance and credit card rewards programme expenses.

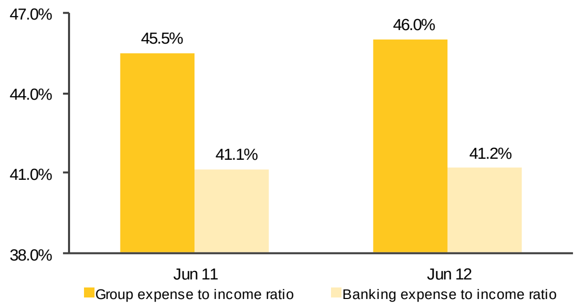
Operating expenses were slightly lower compared to the prior half reflecting disciplined cost management, lower compliance expenses and the continued focus on productivity initiatives.

Group Expense to Income Ratio

The Group expense to income ratio increased by 50 basis points over the prior year to 46.0%. The Banking expense to income ratio increased ten basis points on the prior year to 41.2%.

These ratios reflect lower relative income growth, partly offset by the continued focus on technology and operating efficiencies, underpinned by the long term commitment to productivity.

Group Expense to Income Ratio



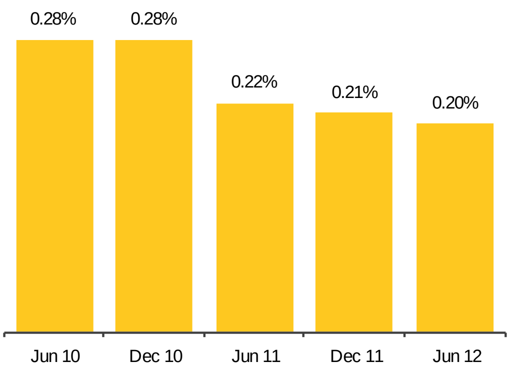
Loan Impairment Expense

Loan impairment expense for the year was $1,089 million, which represented 21 basis points of average gross loans and acceptances. Loan impairment expense decreased 15% on the prior year, largely driven by:

- A substantial decrease in loan impairment expense for the Institutional Banking and Markets business due to a reduction in new impaired single name exposures;
- A reduction in Bankwest's loan impairment expense as higher risk business loans continued to run-off; partly offset by
- Higher Retail Bank loan impairment expense, primarily due to increased write-offs in the unsecured retail portfolio.

Loan impairment expense of $544 million for the half year ended 30 June 2012, was slightly lower than the prior half and represented 20 basis points of average gross loans and acceptances (annualised).

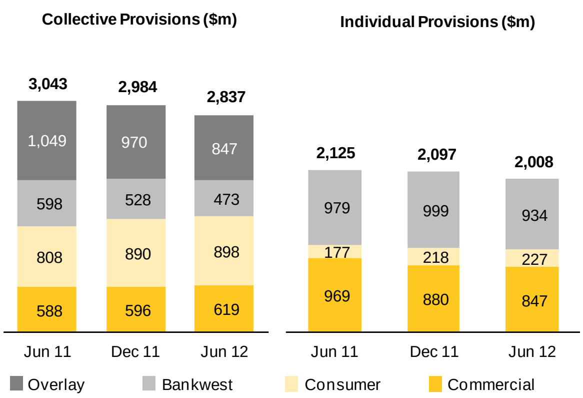
Half Year Impairment Expense annualised as a % of Average Gross Loans and Acceptances



Provisions for Impairment

The Group maintains a prudent and conservative approach to provisioning, with total provisions for impairment losses of $4,845 million as at 30 June 2012, which is a 6% reduction on 30 June 2011. The current level of provision reflects:

- Lower Commercial and Bankwest individually assessed provisions as the level of impaired commercial assets reduced over the year;
- The reduction of Bankwest collective provisions as higher risk business loans continued to run-off; and
- A reduction in management overlays, with economic overlays unchanged since 30 June 2011.



Taxation Expense

The corporate tax expense was $2,736 million, representing an effective tax rate of 27.7%.

The effective tax rate is below the Australian company tax rate of 30% primarily as a result of the profit earned by the offshore banking unit and in offshore jurisdictions that have lower corporate tax rates.

Non-Cash Items Included in Statutory Profit

Non-cash items are excluded from net profit after tax ("cash basis"), which is Management's preferred measure of the Group's financial performance, as they tend to be non-recurring in nature or not considered representative of the Group's ongoing financial performance. The impact of these items on the Group's net profit after tax ("statutory basis") is outlined below and is treated consistently with prior period disclosures.

Hedging and IFRS Volatility

Hedging and IFRS volatility includes unrealised fair value gains or losses on economic hedges that do not qualify for hedge accounting under IFRS, including:

- Cross currency interest rate swaps hedging foreign currency denominated debt issues; and
- Foreign exchange hedges relating to future New Zealand earnings.

Hedging and IFRS volatility also includes unrealised fair value gains or losses on the ineffective portion of economic hedges that qualify for hedge accounting under IFRS.

Fair value gains or losses on all of these economic hedges are excluded from cash profit since the asymmetric recognition of the gains or losses does not affect the Group's performance over the life of the hedge. A $124 million after tax gain was recognised in statutory profit for the year ended 30 June 2012 (2011: $265 million after tax loss).

Bankwest Non-Cash Items

Merger related amortisation: The acquisition of Bankwest resulted in the recognition of fair value adjustments on certain financial instruments, core deposits and brand name intangible assets that will be amortised over their useful lives. An $89 million after tax expense was recognised for the year ended 30 June 2012 (30 June 2011: $81 million after tax expense).

Integration expenses: The integration of the Bankwest business into the Group was completed as of 30 June 2011. There were no expenses incurred during the current year (30 June 2011: $66 million after tax).

These 2011 expenses were not recognised in cash profit as they were not representative of the Group's expected ongoing financial performance.

Count Financial Limited Acquisition Costs

During the year the Group acquired 100% of the issued share capital of Count Financial Limited (Count Financial), an independent, accountant-based financial advice business. As part of the acquisition, the Group incurred retention, advisory and other expenses totalling $60 million ($43 million after tax). These items are not recognised in cash profit as they are not representative of the Group's expected ongoing financial performance.

Gains/losses on Disposal of Controlled Entities/ Investments

There were no non-cash gains/losses relating to disposals of controlled entities/investments included in the statutory profit for the current year (2011: $7 million after tax loss mainly representing the loss on sale of the St Andrew's insurance business).

Treasury Shares Valuation Adjustment

Under IFRS, CBA shares held by the Group in the managed funds and life insurance businesses are defined as treasury shares and are held at cost. Unrealised gains or losses are recognised in cash profit representing the underlying performance of the asset portfolio attributable to the wealth and life insurance businesses. These unrealised gains or losses are reversed as a non-cash item for statutory reporting purposes. A $15 million after tax gain was included in cash profit in the year ended 30 June 2012 (2011: $22 million after tax gain).

Policyholder Tax

Policyholder tax is included in the Wealth Management business results for statutory reporting purposes. In the year ended 30 June 2012, tax expense of $122 million (2011: $166 million tax expense), funds management expense of $9 million (2011: $62 million income) and insurance income of $131 million (2011: $104 million income) was recognised. The gross up of these items is excluded from cash profit as they do not reflect the underlying performance of the business which is measured on a net of policyholder tax basis.

Core Banking Modernisation

During the year, the Group invested $368 million on the Core Banking Modernisation initiative which continues to make significant progress. Highlights over the year include:

- Migration of the majority of business deposit and transaction accounts onto the new platform, allowing customers to enjoy the benefits of real-time banking, including everyday settlement;
- Implementation of functionality which will enable the migration of existing commercial loan accounts, as well as improved features for new accounts; and
- Implementation of SAP Business Partner as the Group's new core customer information store, providing the Group with streamlined customer-centric processes.

Credit Quality

During the year ended 30 June 2012, the credit quality of the business and corporate portfolios gradually improved as reflected in the reduction of the Group's troublesome and impaired assets.

The retail portfolios arrears improved over the year. 30+ day home loan arrears reduced from 1.94% to 1.69% and 90+ day arrears reduced from 1.03% to 0.88%. Home loan arrears declined across all businesses reflecting the impact of natural disasters in prior years and increased collections effectiveness.

Unsecured retail arrears also improved with Credit Card 30+ days arrears falling from 2.99% to 2.63% over the year, and 90+ days arrears reducing from 1.20% to 1.07%. Personal loans arrears also showed improvement over the year with 30+ days arrears falling from 3.07% to 2.77% and 90+ days arrears decreasing from 1.26% to 1.12%.

Gross impaired assets were $4,499 million as at 30 June 2012, a reduction of 15% over the prior year. Gross impaired assets as a proportion of gross loans and acceptances of 0.83% reduced by 19 basis points compared to 30 June 2011. The impaired asset portfolio remains well provisioned with provision coverage of 44.6%.

	Full Year Ended			Half Year Ended		
			Jun 12 vs			Jun 12 vs
Other Credit Quality Metrics	30/06/12	30/06/11	Jun 11 %	30/06/12	31/12/11	Dec 11 %
Gross loans and acceptances ($M)	**542,097**	518,075	5	**542,097**	530,899	2
Risk weighted assets (RWA) ($M)	**302,787**	281,711	7	**302,787**	297,705	2
Credit risk weighted assets ($M)	**261,429**	246,742	6	**261,429**	258,446	1
Gross impaired assets ($M)	**4,499**	5,297	(15)	**4,499**	4,692	(4)
Net impaired assets ($M)	**2,491**	3,172	(21)	**2,491**	2,595	(4)
Collective provision as a % of credit risk weighted assets	**1. 09**	1. 23	(14)bpts	**1. 09**	1. 15	(6)bpts
Total provisions as a % of credit risk weighted assets	**1. 85**	2. 09	(24)bpts	**1. 85**	1. 97	(12)bpts
Individually assessed provisions for impairment as a % of gross impaired assets	**44. 63**	40. 12	451 bpts	**44. 63**	44. 69	(6)bpts
Impairment expense annualised as a % of average gross loans and acceptances	**0. 21**	0. 25	(4)bpts	**0. 20**	0. 21	(1)bpt

Review of Group Assets and Liabilities

Asset growth of $50 billion or 8% over the prior year was driven by an increase in home lending, business and corporate lending, and non-lending interest earning assets. The increase in non-lending interest earning assets reflects higher liquid asset holdings as the Group maintained its conservative business settings.

The continued low credit growth environment, together with strong deposit growth, has allowed the Group to satisfy its funding requirements mainly through deposits. Customer deposits made up 62% of total funding as at 30 June 2012 (30 June 2011: 61%).

Home Loans

Home loan balances increased by $15 billion to $351 billion as at 30 June 2012, reflecting a 4% increase on the prior year. This outcome was the result of subdued system credit growth and intense price competition. The Group continues to maintain its competitive position through focusing on profitable growth and delivering excellent customer service.

Personal Loans

Personal loans, including credit cards, margin lending and other personal loans, increased 1% over the prior year to $21 billion. Strong growth in credit card balances and personal loans was driven by new product offerings and successful campaigns, including the Diamond Awards credit card launched in the first half of the year. This was partly offset by lower margin lending balances reflecting conservative investor sentiment as equity markets remained volatile over the year.

Business and Corporate Loans

Business and corporate loans increased $9 billion to $169 billion as at 30 June 2012, a 6% increase on the prior year. This was driven by strong growth in Institutional lending balances.

Non-lending Interest Earning Assets

Non-lending interest earning assets increased $16 billion to $104 billion as at 30 June 2012, an 18% increase on the prior year. This was driven by higher liquid asset balances held as a result of balance sheet growth and prudent business settings.

Other Assets

Other assets including derivative assets, insurance assets and intangibles, increased by $10 billion to $74 billion as at 30 June 2012, a 15% increase on the prior year. This increase reflected higher derivative asset balances driven by volatility in interest rate and foreign exchange markets.

Interest Bearing Deposits

Interest bearing deposits increased $37 billion to $428 billion as at 30 June 2012, a 9% increase on the prior year.

Continued global market volatility and customer preference for lower risk investments, together with targeted campaigns in a highly competitive market, resulted in growth of $21 billion in investment deposits, $7 billion in savings deposits, $4 billion in transaction accounts and a $4 billion increase in other demand deposits.

Interest bearing deposit growth slowed to 1% since 31 December 2011 due to intense competition for deposits.

Debt Issues

Debt issues increased $5 billion to $134 billion as at 30 June 2012, a 4% increase on the prior year. While deposits satisfied the majority of the Group's funding requirements during the year, strong access was maintained to both domestic and international wholesale debt markets.

Following the introduction of the Covered Bond legislation in October 2011, the Group completed several Covered Bond transactions across a range of tenors and currencies, raising $13 billion during the second half of the year.

Other Interest Bearing Liabilities

Other interest bearing liabilities, including loan capital, liabilities at fair value through the income statement and amounts due to other financial institutions, increased $1 billion to $39 billion as at 30 June 2012, a 2% increase on the prior year.

Non-interest Bearing Liabilities

Non-interest bearing liabilities, including derivative liabilities and insurance policy liabilities, increased by $4 billion to $75 billion as at 30 June 2012, a 5% increase on the prior year. This was largely due to derivative liabilities hedging term debt impacted by foreign exchange volatility.

Group Performance Analysis continued

Total Group Assets & Liabilities	30/06/12 $M	31/12/11 $M	30/06/11 $M	Jun 12 vs Dec 11 %	Jun 12 vs Jun 11 %
	As at				
Interest earning assets					
Home loans [1]	**350,633**	343,100	335,841	2	4
Personal	**21,057**	20,907	20,943	1	1
Business and corporate [2]	**168,536**	164,893	159,154	2	6
Loans, bills discounted and other receivables [3]	**540,226**	528,900	515,938	2	5
Non-lending interest earning assets	**104,304**	103,008	88,142	1	18
Total interest earning assets	**644,530**	631,908	604,080	2	7
Other assets [1] [2] [3]	**73,699**	70,078	63,819	5	15
Total assets	**718,229**	701,986	667,899	2	8
Interest bearing liabilities					
Transaction deposits	**83,401**	82,186	79,466	1	5
Savings deposits	**88,982**	89,194	81,680	-	9
Investment deposits	**197,138**	188,917	176,100	4	12
Other demand deposits	**58,852**	62,052	54,613	(5)	8
Total interest bearing deposits	**428,373**	422,349	391,859	1	9
Debt issues [4]	**134,429**	130,039	129,386	3	4
Other interest bearing liabilities	**38,704**	37,844	37,950	2	2
Total interest bearing liabilities	**601,506**	590,232	559,195	2	8
Non-interest bearing liabilities [4]	**75,151**	72,879	71,417	3	5
Total liabilities	**676,657**	663,111	630,612	2	7
Provisions for impairment losses					
Collective provision	**2,837**	2,984	3,043	(5)	(7)
Individually assessed provisions	**2,008**	2,097	2,125	(4)	(6)
Total provisions for impairment losses	**4,845**	5,081	5,168	(5)	(6)
Less: Off balance sheet provisions	**(18)**	(21)	(21)	(14)	(14)
Total provisions for loan impairment	**4,827**	5,060	5,147	(5)	(6)

(1) Comparative information has been restated for the reclassification of Securitised home loans from Other assets to Home loans to conform with presentation in the current period.

(2) Comparative information has been restated for the reclassification of Bank acceptances of customers from Other assets to Business and corporate to conform with presentation in the current period.

(3) Loans, bills discounted and other receivables excludes provisions for impairment which are included in Other assets.

(4) Comparative information has been restated for the reclassification of Bank acceptances and Securitised debt issues from Non-interest bearing liabilities to Debt issues.

Contents

Section 4 – Capital and Dividends

Capital and Dividends

Capital Management

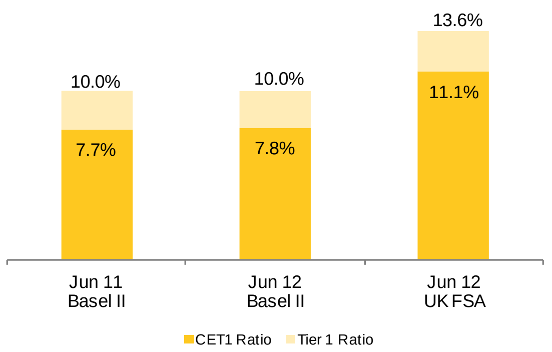
Basel II Regulatory Capital – Current Environment

The Group maintains a strong capital position with ratios well in excess of APRA and the Board Approved minimum levels at all times throughout the year ended 30 June 2012.

The Group's Common Equity Tier One (CET1) and Tier One ratios as at 30 June 2012 were 7.8% and 10.0% respectively. Tier One Capital remained flat compared to the prior year with a solid profit performance offset by an increase in Risk Weighted Assets, including the adoption of stricter regulatory requirements under Basel 2.5.

The Group's CET1 and Tier One ratios as at 30 June 2012 under the Financial Services Authority (the UK regulator) method were 11.1% and 13.6% respectively.

Refer to Appendix 14 for further details.



Basel III Regulatory Capital

From 1 January 2013, the Group will adopt the Basel III measurement and monitoring of regulatory capital.

In December 2010, the Basel Committee on Banking Supervision (BCBS) published a discussion paper on banking reforms to address issues which led to the Global Financial Crisis and to position banks for future crises. The objectives of the capital reforms are to increase the quality, consistency and transparency of capital, to enhance the risk coverage framework, and to reduce systemic and pro-cyclical risk. The major reforms are to be phased in from 1 January 2013 to 1 January 2019.

In March 2012, Australian Prudential Regulation Authority (APRA) published a discussion paper and draft prudential standards relating to the implementation of the Basel III capital reforms in Australia. APRA proposes to adopt a more conservative approach than the minimum standards published by the BCBS and to adopt an accelerated timetable for implementation.

The APRA draft prudential standards require a minimum CET1 ratio of 4.5% effective from 1 January 2013. An additional CET1 capital conservation buffer of 2.5% will be implemented on 1 January 2016, bringing the minimum CET1 requirement to 7%. The BCBS advocates the same minimum requirements, but implementation is to be phased in over an extended timeframe up to 1 January 2019.

It is expected that APRA will publish a final set of prudential standards later this calendar year.

Implementation of Basel III Capital Reforms

The Board has set a target of holding greater than 9% of CET1, as defined under the internationally harmonised BCBS rules.

The Group's internationally harmonised CET1 ratios are calculated based on full adoption of the Basel III capital reforms, which will not come into effect until 2019 for most banks.

Adoption of a CET1 target based on internationally harmonised principles will enable a more meaningful comparison of the Group's capital levels relative to its international peers.

In establishing a CET1 target of greater than 9%, the Board undertook a detailed analysis of a range of factors including:

- The higher CET1 capital requirements applicable under Basel III;
- The economic capital requirements of the Group;
- The results of various stress tested scenarios which have been used to establish appropriate buffers above minimum regulatory requirements; and
- Consideration of capital levels across global peers.

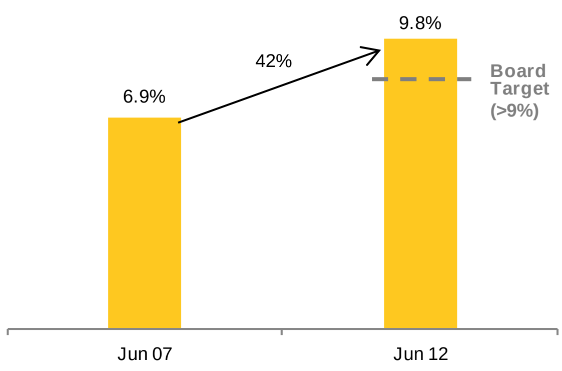
In setting such a high CET1 target (greater than 9%), the Group would expect that in times of severe stress, the CET1 capital may fall below this level. If this happens for a material period, the Group can deploy a range of capital management initiatives to restore capital levels. This reflects the lower relative profit volatility of the Group due to lower exposure to global investment banking and the higher exposure to stable, low risk mortgages and the broader retail banking market.

Whilst the Group has set a CET1 target, consistent with the proactive approach to management of capital, the Group keeps targets under continuing review, assessing the Group's financial experience and outlook against the volatile external environment, as well as the continuing evolution of the regulatory regime.

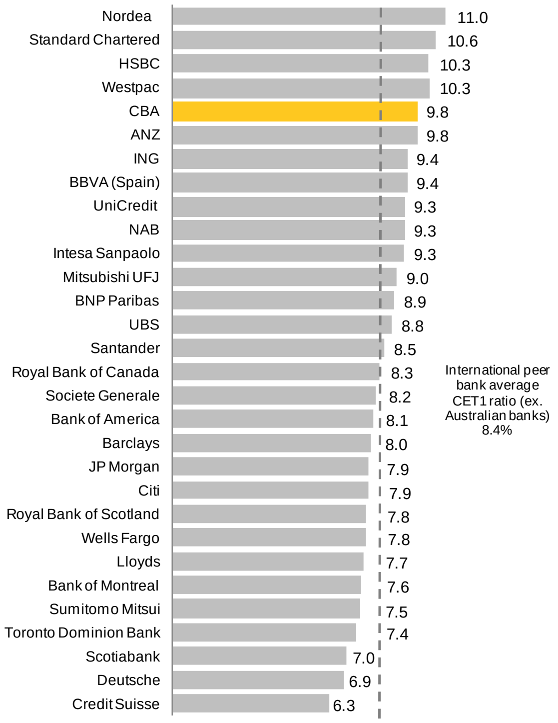
Basel III Capital (Internationally Harmonised) as at 30 June 2012

The Group is well positioned to meet the Board approved internationally harmonised Common Equity target with a CET1 ratio of 9.8% as at 30 June 2012.

The Group has adopted a conservative and proactive approach to capital management and this is reflected in the overall strength of its capital position. The CET1 ratio (on an internationally harmonised basis) has increased by over 40% since the Global Financial Crisis (June 2007).



The Group's 30 June 2012 internationally harmonised CET1 ratio of 9.8%, places it well above the average of its international peers (approximately 8.4%).



Source: Morgan Stanley - based on last reported CET1 ratios as at 13 August 2012 assuming Basel III capital reforms are fully implemented. The peer group comprises listed commercial banks with total assets in excess of A$400 billion who have disclosed fully implemented Basel III ratios, or provided sufficient disclosure for Morgan Stanley Equity Research to estimate the ratios.

Basel III Capital (APRA) as at 30 June 2012

The Group has a CET1 ratio of 7.5% under the Basel III APRA draft prudential standards, above the minimum ratio of 4.5%.

The differences in the Basel III APRA and the Basel III internationally harmonised CET1 ratios include:

Deductions

- APRA requires a full deduction to be taken against CET1 for equity investments (including investments in insurance and funds management operations) and deferred tax assets. On an internationally harmonised basis, such items are concessionally risk weighted if they fall below prescribed thresholds.

Risk Weighted Assets

- APRA requires capital to be held for Interest Rate Risk in the Banking Book (IRRBB). There is no similar requirement on an internationally harmonised basis; and
- APRA requires a minimum Loss Given Default (LGD) floor of 20% to be applied to mortgages.

Other Regulatory Changes

General and Life Insurers

In May 2012, APRA released a number of draft and final prudential standards with respect to capital requirements for general and life insurers. Final versions of the remaining prudential standards are expected to be released by APRA before the end of this calendar year. Implementation of the majority of the reforms is scheduled for 1 January 2013.

Superannuation Funds Management

APRA has released draft prudential standards that will introduce new financial requirements for registered superannuation trustees. Final prudential standards are expected to be released before the end of this calendar year, with the new requirements to be implemented on 1 July 2013.

In November 2011, the Australian Securities and Investments Commission (ASIC) released new financial requirements that apply to Responsible Entities. These new requirements, which are not expected to have a material impact, will become effective on 1 November 2012.

Supervision of Conglomerate Groups

APRA released a discussion paper titled “Supervision of Conglomerate Groups” in March 2010. APRA is seeking to extend its current prudential supervision framework to Conglomerate Groups that have material operations in more than one APRA regulated industry and/or have one or more material unregulated entities. The aims of the Level 3 proposals are to ensure that a Conglomerate Group holds adequate capital to protect the APRA regulated entities from potential contagion and other risks within the Group.

Draft capital standards are expected to be released before the end of the calendar year, with implementation expected from 1 January 2014.

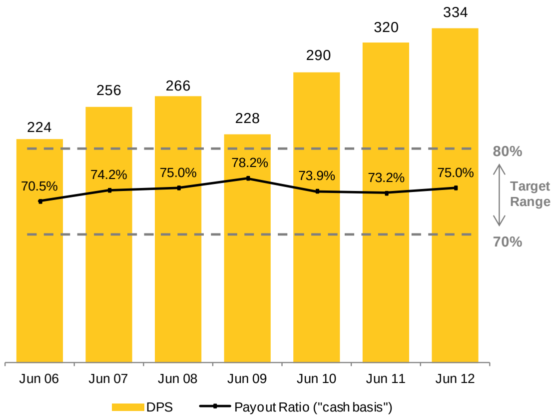
Dividends

Final Dividend for the Year Ended 30 June 2012

A final dividend of $1.97 per share was declared, an increase of 5% on the prior year. The total dividend for the year ended 30 June 2012 was $3.34 per share, up 4% on the prior year, taking the payout ratio (“cash basis”) for the year to 75%.

The final dividend will be fully franked and will be paid on 5 October 2012 to owners of ordinary shares at the close of business on 24 August 2012 (record date). Shares will be quoted ex-dividend on 20 August 2012.

Full Year Dividend History (cents per share)



Dividend Reinvestment Plan (DRP)

The DRP will continue to operate but no discount will be applied to shares issued under the plan for the final dividend.

Dividend Policy

As part of the review of its Capital policy the Board has also reviewed its dividend policy. The Group will seek to:

- Pay cash dividends at strong and sustainable levels;
- Target a payout ratio of 70% to 80%; and
- Maximise the use of its franking account by paying fully franked dividends.

The payout ratio for interim dividends will be increased in future periods to approximately 70% of interim profit to ensure a more even distribution of dividends across the year.

Consideration will be given in future periods to minimise the dilutive impact of the DRP through the on-market purchase of the number of shares required to satisfy the DRP participation.

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Contents

Section 5 - Divisional Performance

Retail Banking Services

Financial Performance and Business Review

Retail Banking Services cash net profit after tax for the full year ended 30 June 2012 was $2,934 million, which represented an increase of 3% on the prior year. The result reflected subdued volume growth, an ongoing focus on efficiency, a slight decrease in net interest margin, and an increase in loan impairment expense, particularly in the first half.

Cash net profit after tax increased 4% compared to the prior half, with income down 1%, offset by lower operating expenses and loan impairment expense.

Banking Income

Net interest income was $6,342 million, an increase of 2% on the prior year. The consumer finance portfolio performed strongly with above system volume growth, resulting from product innovation and in-branch and online campaigns. Lower demand for secured credit, and increased wholesale funding costs coupled with competitive pricing resulted in flat net interest income growth for both home lending and deposits.

Other banking income increased 7% to $1,410 million, due to higher net interchange fee income for credit cards and deposits, and strong foreign exchange sales. This was partly offset by a decline in home lending fees following the abolition of certain fees.

Net interest income decreased 1% compared to the prior half as average home loan volume growth of 2% was more than offset by the increased cost of wholesale and retail deposit funding.

Other banking income was flat compared to the prior half, as higher net interchange income was offset by declining home lending fees.

Home Loans

Home loan income for the year ended 30 June 2012 was $2,892 million, slightly lower than the prior year. Average volume growth was 3%, with new business remaining subdued across the broader market. Net interest margin fell as the increase in wholesale funding costs was not matched by variable rate re-pricing. Other banking income decreased by 5%, primarily due to the removal of re-financing fees from March 2011.

Home Loan income decreased 3% compared to the prior half as funding costs increased, particularly in the quarter ended March 2012.

Consumer Finance

Consumer finance income for the year ended 30 June 2012 was $1,896 million, an increase of 11% on the prior year. Volume growth in both credit cards and personal lending was strong, driven by continued success of new products and campaigns. Credit cards and personal loans margins both improved, the latter through an increased focus on risk based pricing strategies.

Other banking income increased 12%, primarily reflecting the penetration of Amex companion credit cards and strong growth of the Diamond Awards credit card which attracts higher interchange fees.

Consumer finance income increased 7% compared to the prior half due to continued volume growth and margin improvement across both the credit card and personal loan portfolios.

Retail Deposits

Retail deposit income for the year ended 30 June 2012 of $2,612 million was slightly up on the prior year. Average balance growth was strong at 9%, with the majority of the growth in term deposit products. Deposit margins decreased during the year, impacted by the falling cash rate environment, unfavourable mix impacts as customers shifted to higher yielding products and continued competitive market pressure.

Other banking income increased 3% due to a decrease in debit scheme interchange expenses following structural changes in the industry.

Distribution (1)

Distribution income increased 15% on the prior year to $352 million. This was driven by strong demand for foreign currency and a continued increase in product penetration. Average products per customer was 2.83, which remains the highest of the major banks(2).

Operating Expenses

Operating expenses for the year were $2,957 million, up 2% on the prior year. The increase was primarily driven by continued investment in technology through the Core Banking Modernisation initiative, the Branch Refurbishment programme, as well as staff and property inflationary pressures. This was partially offset by efficiency gains achieved through a continued focus on productivity and streamlining of business processes, resulting in improved service measures.

Customer satisfaction remained at record levels(3), with strong performance across all retail channels.

Expenses decreased 2% compared to the prior half due to productivity gains and continued tight management of discretionary spend.

The expense to income ratio was 38.1%, an improvement of 50 basis points against the prior year.

This strong cost discipline allowed for continued investment in key strategic projects to simplify everyday banking for customers. These award winning online and mobile banking services(4) included the release of CommBank Kaching(TM) and continued enhancements to NetBank.

Loan Impairment Expense

Loan impairment expense for the year ended 30 June 2012 was $623 million, an increase of 12% on the prior year.

This result was driven by increased write-offs related to prior year growth combined with continued challenging economic conditions. Personal loan growth remained strong, offset by lower relative growth in home loan and credit card portfolios and improvements in arrears across all portfolios.

Loan impairment expense decreased 29% compared to the prior half, due to continued improvements in arrears and reduced provisioning in the home loan portfolio.

(1) Distribution includes income associated with the sale of foreign exchange products, and commissions received from the distribution of business banking and wealth management products through the retail network.

(2) Roy Morgan Research, Australians 18+, Average Banking and Finance products held at the bank per Banking and Finance customers, 6 months to June 2012. Major Banks include the CBA, Westpac, NAB and ANZ.

(3) Roy Morgan Research. Australians 14+, CBA MFI Satisfaction score, 6 months to June 2012.

(4) AMBER Awards - “Best Online Bank” and “Best Mobile Banking”.

	Full Year Ended 30 June 2012				
	Home Loans $M	Consumer Finance [1] $M	Retail Deposits $M	Distribution $M	Total $M
Net interest income	2,703	1,424	2,215	-	6,342
Other banking income	189	472	397	352	1,410
Total banking income	2,892	1,896	2,612	352	7,752
Operating expenses					(2,957)
Loan impairment expense					(623)
Net profit before tax					4,172
Corporate tax expense					(1,238)
Cash net profit after tax					2,934

	Full Year Ended 30 June 2011				
	Home Loans $M	Consumer Finance [1] $M	Retail Deposits $M	Distribution $M	Total $M
Net interest income	2,706	1,281	2,222	-	6,209
Other banking income	198	422	387	305	1,312
Total banking income	2,904	1,703	2,609	305	7,521
Operating expenses					(2,903)
Loan impairment expense					(558)
Net profit before tax					4,060
Corporate tax expense					(1,206)
Cash net profit after tax					2,854

	Half Year Ended 30 June 2012				
	Home Loans $M	Consumer Finance [1] $M	Retail Deposits $M	Distribution $M	Total $M
Net interest income	1,331	744	1,078	-	3,153
Other banking income	91	238	200	176	705
Total banking income	1,422	982	1,278	176	3,858
Operating expenses					(1,467)
Loan impairment expense					(258)
Net profit before tax					2,133
Corporate tax expense					(638)
Cash net profit after tax					1,495

	As at				
Balance Sheet	30/06/12 $M	31/12/11 $M	30/06/11 $M	Jun 12 vs Dec 11 %	Jun 12 vs Jun 11 %
Home loans	**269,543**	265,244	260,583	2	3
Consumer finance [1]	**15,035**	14,672	13,989	2	7
Other assets	**176**	37	201	large	(12)
Total assets	**284,754**	279,953	274,773	2	4
Transaction deposits	**19,505**	19,507	19,357	-	1
Savings deposits	**63,311**	63,709	59,127	(1)	7
Investments and other deposits	**96,742**	90,176	83,951	7	15
Deposits not bearing interest	**3,136**	3,244	3,057	(3)	3
Other liabilities	**2,708**	2,418	2,926	12	(7)
Total liabilities	**185,402**	179,054	168,418	4	10

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

Business and Private Banking

Financial Performance and Business Review

Business and Private Banking achieved a cash net profit after tax of $1,067 million for the year ended 30 June 2012, which represented a 4% increase on the prior year. The major driver of this result was business banking income growth of 5%, partly offset by a 12% decrease in Equities and Margin Lending income. The result was further strengthened by disciplined expense management together with lower impairment expense, which reflected the sound quality of the portfolio.

Cash net profit after tax decreased 6% compared to the prior half. Banking income was 2% lower with the benefit of effective margin management being offset by lower sales of risk management related products. Income from Equities and Margin Lending decreased 9% due to cautious investor sentiment. Expenses decreased 1% on the prior half reflecting the benefits of productivity initiatives.

Banking Income

Net interest income of $2,231 million increased 5% on the prior year, driven by solid growth in deposit balances. Net interest margin improved as a result of higher lending product margins. This was partly offset by the impact of intense competition for deposits.

Other banking income of $866 million decreased 4% on the prior year. Strong growth in the sale of risk management related products and foreign exchange products, was offset by a decrease in merchant acquiring income driven by structural industry changes and changes in consumer product preferences. While equities trading yields were higher, this was more than offset by a 24% decrease in average volumes.

Net interest income increased 1% on the prior half driven by modest balance growth, partly offset by lower deposit margins, reflecting customer demand for higher yield products, intense competition, and decreasing cash rates.

Other banking income decreased 13% compared to the prior half, driven by lower sales of risk management related products. Equities trading income was also lower with average volumes declining 18% compared to the prior half.

Corporate Financial Services

Corporate Financial Services income increased 10% on the prior year to $1,086 million. Lending income increased 17% on the prior year, driven by 10% growth in balances reflecting continued customer demand for market rate linked products and higher new business margins.

Deposit income increased 4% on the prior year reflecting 7% growth in balances offset by declining margins which were impacted by strong competition for deposits and customer demand for higher yield products. Interest and exchange rate volatility resulted in strong demand for risk management related products with revenue increasing significantly on the prior year.

Regional and Agribusiness Banking

Regional and Agribusiness Banking income increased 9% on the prior year to $489 million. Lending income increased 10% on the prior year, including modest growth in balances and higher new business margins.

Deposit income increased 5% driven by balance growth of 11%, partly offset by lower margins due to customer demand for higher yield products. Income from the sale of risk management related products increased on the prior year.

Local Business Banking

Local Business Banking income increased 5% on the prior year to $850 million. Deposit income increased 10% reflecting 13% growth in deposit balances, partly offset by lower deposit margins, driven by customer demand for higher yield products. Asset finance income increased 24% due to a 6% increase in balances and higher new business margins.

Lending income increased 5% on the prior year, driven by modest balance growth and higher new business margins. Income from merchant acquiring activities decreased 18% following structural changes in the industry and a change in consumer product preferences.

Private Bank

Private Bank income increased 1% on the prior year to $251 million. Home lending balances increased 5% with higher funding costs impacting margins. Advisory income increased 10%, driven by a 20% increase in funds under advice and the benefit of higher advice fees.

Deposit income was flat with customer demand for higher yield deposit products offset by balance growth of 1%.

Equities and Margin Lending

Equities and Margin Lending income decreased 12% on the prior year to $362 million. This was due to a 24% decrease in equities trading volumes as markets were affected by cautious investor sentiment. CommSec held market share and increased yields, with a higher average value per trade undertaken, despite lower volumes.

Margin lending average balances decreased 20% due to customers deleveraging and subdued investor appetite for this product, reflecting the uncertainty in equity markets. Deposit income increased 8% as investors exchanged equities for cash.

Operating Expenses

Operating expenses of $1,344 million increased 1% on the prior year reflecting disciplined expense management. The focus on productivity initiatives, including call centre consolidation and the wind-down of the receivables finance business, assisted in containing cost growth. This was offset by salary related inflation and higher volume related expenses due to strong sales of risk management related products.

Operating expenses decreased 1% compared to the prior half, reflecting the realisation of productivity initiatives. Lower volume related expenses were partly offset by continued investment in the business, including Core Banking Modernisation which has enhanced customer experience through the benefits of real time banking and everyday settlement.

Loan Impairment Expense

Loan impairment expense of $227 million decreased 13% on prior year, supported by the strong underlying quality of the business lending portfolio.

Loan impairment expense increased 6% on the prior half due to lower write backs compared to the prior half.

Loan impairment expense as a percentage of gross loans and acceptances decreased by five basis points on the prior year to 28 basis points.

	Full Year Ended 30 June 2012						
	Corporate Financial Services $M	Regional & Agri-business $M	Local Business Banking $M	Private Bank $M	Equities & Margin Lending $M	Other $M	Total $M
Net interest income	819	397	611	187	168	49	2,231
Other banking income	267	92	239	64	194	10	866
Total banking income	1,086	489	850	251	362	59	3,097
Operating expenses							(1,344)
Loan impairment expense							(227)
Net profit before tax							1,526
Corporate tax expense							(459)
Cash net profit after tax							1,067

	Full Year Ended 30 June 2011 (1)						
	Corporate Financial Services $M	Regional & Agri-business $M	Local Business Banking $M	Private Bank $M	Equities & Margin Lending $M	Other $M	Total $M
Net interest income	760	373	580	186	179	56	2,134
Other banking income	224	75	233	63	234	76	905
Total banking income	984	448	813	249	413	132	3,039
Operating expenses							(1,335)
Loan impairment expense							(261)
Net profit before tax							1,443
Corporate tax expense							(413)
Cash net profit after tax							1,030

	Half Year Ended 30 June 2012						
	Corporate Financial Services $M	Regional & Agri-business $M	Local Business Banking $M	Private Bank $M	Equities & Margin Lending $M	Other $M	Total $M
Net interest income	415	201	308	92	84	21	1,121
Other banking income	118	42	116	31	88	9	404
Total banking income	533	243	424	123	172	30	1,525
Operating expenses							(669)
Loan impairment expense							(117)
Net profit before tax							739
Corporate tax expense							(223)
Cash net profit after tax							516

	As at				
Balance Sheet	30/06/12 $M	31/12/11 $M	30/06/11 $M	Jun 12 vs Dec 11 %	Jun 12 vs Jun 11 %
Interest earning lending assets (excluding margin loans) (2)	**78,029**	78,216	77,545	-	1
Non-lending interest earning assets	**365**	462	480	(21)	(24)
Margin loans	**3,287**	3,546	4,213	(7)	(22)
Other assets (3)	**476**	261	690	82	(31)
Total assets	**82,157**	82,485	82,928	-	(1)
Transaction deposits	**51,973**	51,382	49,309	1	5
Savings deposits	**5,669**	5,888	5,720	(4)	(1)
Investments deposits	**41,468**	41,846	41,650	(1)	-
Certificates of deposit and other	**41**	60	57	(32)	(28)
Due to other financial institutions	**1,042**	449	403	large	large
Debt issues (4)	**9,070**	9,928	9,808	(9)	(8)
Other non-interest bearing liabilities (3)	**5,738**	5,783	6,341	(1)	(10)
Total liabilities (5)	**115,001**	115,336	113,288	-	2

(1) Comparative information has been reclassified to conform with presentation in the current period. Refer to Appendix 23 for details.

(2) Comparative information has been restated to include Bank acceptances of customers to conform with presentation in the current period (30 June 2012: $9.1 billion; 31 December 2011: $9.9 billion; 30 June 2011: $9.8 billion).

(3) Other assets include intangible assets, and Other non-interest bearing liabilities include non-interest bearing deposits.

(4) Debt issues include Bank acceptances.

(5) Includes deposits relating to Institutional Banking and Markets as well as Business and Private Banking customers.

Institutional Banking and Markets

Financial Performance and Business Review

Institutional Banking and Markets achieved a cash net profit after tax of $1,060 million for the year ended 30 June 2012, which represented a 6% increase on the prior year. The result was driven by improved momentum in lending balance growth, transactional banking deposit volume growth and lower loan impairment expense. This was partly offset by weaker performance in the trading book, which was significantly impacted by unfavourable counterparty fair value adjustments.

Cash net profit after tax decreased 6% on the prior half. The decrease was driven by unfavourable counterparty fair value adjustments and higher impairment expense as individually assessed provisions increased. This was partly offset by an increase in fees from the Asset Leasing business and growth in lending balances.

Banking Income

Net interest income increased 6% on the prior year to $1,409 million. This increase was driven by growth in lending assets, a strong performance in the offshore Markets business, solid Asset Leasing balance growth in the UK and higher deposit volumes from transactional banking customers. This was partly offset by lower deferred fees recognised from the early repayment of debt facilities.

Other banking income was $937 million, a decrease of 18% on the prior year. This result was impacted by a weaker performance in the trading book, particularly in the first quarter, and the unfavourable impact of counterparty fair value adjustments. This was partly offset by an increase in lending and leasing fees, and strong growth in customer activity in the Markets business.

Net interest income was slightly up on the prior half due to lending asset growth partly offset by the impact of higher wholesale funding costs.

Other banking income increased 4% on the prior half, driven by increased fees from the Asset Leasing and Institutional Lending businesses as a result of higher deal flow and lending growth. This was partly offset by weaker Markets income, including the unfavourable impact of widening credit spreads on counterparty fair value adjustments.

Institutional Banking

Net interest income increased 5% on the prior year to $1,172 million due to strong momentum in lending growth with Institutional Banking balances increasing 19% since 30 June 2011. Balance growth was generated from a diverse range of industries, with particular success in the investment grade commercial property and natural resources sectors. The Asset Leasing business also experienced solid offshore loan growth.

Additionally, deposit volumes increased 5% driven by a strong focus on new and existing Transaction Banking customers.

Other banking income increased 7% on the prior year to $801 million driven by solid progress in the Asset Leasing business and growth in fees as lending volumes increased. In addition, the Equity and Advisory Solutions Group benefitted from a gain on the sale of an equity investment in a domestic school and a UK hospital Public Private Partnership (PPP).

Markets

Net interest income increased 8% on the prior year to $237 million primarily due to strong offshore performance in the interest rates business.

Other banking income decreased 65% on the prior year to $136 million due to the adverse market conditions arising from the downgrade of the US sovereign credit rating in the first quarter and ongoing European sovereign debt concerns. In addition, the decrease in income was significantly impacted by unfavourable counterparty fair value adjustments of $121 million for the year ended 30 June 2012 compared to the favourable counterparty adjustment in the prior year of $94 million. This impact was primarily as a result of the falling interest rate environment and widening credit spreads.

The weaker trading outcome was partly offset by a strong performance in sales of Markets products, particularly in interest rates and foreign exchange hedging.

Operating Expenses

Operating expenses increased 3% on the prior year to $851 million. Excluding the impact of higher depreciation expenses related to growth in the Asset Leasing business, operating expenses increased 2%.

The business continued to invest in a number of focused areas, including Transaction Banking initiatives, to enhance customer service, as well as the Group's foreign exchange platform which has contributed to a 32% increase in foreign exchange sales volumes compared to the prior year.

Expenses were in line with the prior half as increased depreciation costs related to growth in the Asset Leasing business, and higher investment in technology were offset by a disciplined approach to cost management across the business.

Investment in people both domestically and offshore underpins the strategy to deliver Total Capital Solutions to clients.

Loan Impairment Expense

Loan impairment expense of $153 million was 53% lower than the prior year, driven by a decrease in new single name exposures.

Loan impairment expense increased $87 million on the prior half, largely driven by a small number of new impaired assets.

The overall credit rating of the Institutional lending portfolio has remained stable.

Corporate Tax Expense

The corporate tax expense for the year ended 30 June 2012 was $282 million. The effective tax rate of 21% is lower than the prior year and benefitted from a higher proportion of profit generated in offshore jurisdictions that have lower corporate tax rates.

	Full Year Ended 30 June 2012		
	Institutional Banking $M	Markets $M	Total $M
Net interest income	1,172	237	1,409
Other banking income	801	136	937
Total banking income	1,973	373	2,346
Operating expenses			(851)
Loan impairment expense			(153)
Net profit before tax			1,342
Corporate tax expense			(282)
Cash net profit after tax			1,060

	Full Year Ended 30 June 2011 (1)		
	Institutional Banking $M	Markets $M	Total $M
Net interest income	1,112	219	1,331
Other banking income	748	388	1,136
Total banking income	1,860	607	2,467
Operating expenses			(828)
Loan impairment expense			(324)
Net profit before tax			1,315
Corporate tax expense			(311)
Cash net profit after tax			1,004

	Half Year Ended 30 June 2012		
	Institutional Banking $M	Markets $M	Total $M
Net interest income	589	116	705
Other banking income	414	63	477
Total banking income	1,003	179	1,182
Operating expenses			(426)
Loan impairment expense			(120)
Net profit before tax			636
Corporate tax expense			(123)
Cash net profit after tax			513

	As at				
Balance Sheet	30/06/12 $M	31/12/11 $M	30/06/11 $M	Jun 12 vs Dec 11 %	Jun 12 vs Jun 11 %
Interest earning lending assets (2)	**56,466**	53,067	49,022	6	15
Non-lending interest earning assets	**34,267**	33,614	32,664	2	5
Other assets (3)	**35,463**	34,474	30,342	3	17
Total assets	**126,196**	121,155	112,028	4	13
Certificates of deposit and other	**12,440**	11,297	8,241	10	51
Investments deposits	**12,200**	10,177	6,982	20	75
Due to other financial institutions	**15,856**	14,060	13,457	13	18
Liabilities at fair value through Income Statement	**2,754**	5,245	4,234	(47)	(35)
Debt issues (4)	**1,487**	2,825	4,415	(47)	(66)
Loan capital	**564**	556	544	1	4
Other non-interest bearing liabilities (3)	**29,361**	28,815	25,758	2	14
Total liabilities	**74,662**	72,975	63,631	2	17

(1) Comparative information has been reclassified to conform with presentation in the current period. Refer to Appendix 23 for details.

(2) Comparative information has been restated to include Bank acceptances of customers to conform with presentation in the current period (30 June 2012: $0.6 billion; 31 December 2011: $0.8 billion; 30 June 2011: $0.9 billion).

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

(4) Debt issues include Bank acceptances.

Wealth Management

Financial Performance and Business Review

Cash net profit after tax for the year ended 30 June 2012 was $569 million, which represented an 11% decrease on the prior year. The result reflects continued weakness in global investment markets, which was partly offset by a solid insurance performance.

The funds businesses delivered a resilient result with Funds under Administration up 2% to $193 billion, despite significant pressure on investment markets. Market conditions resulted in strong investor flows weighted towards less volatile asset classes, reflecting low investor risk appetite. The insurance businesses experienced inforce premium growth of 20% to $1,971 million, benefitting from new business and improved cross-sell in aligned retail channels.

The business continued to invest in growth and productivity initiatives. These included the expansion of global and domestic fund management capabilities and distribution, the acquisition of Count Financial Limited (Count Financial) and improvements to insurance claims processing. In addition, the business continues to prepare for regulatory change.

CFS Global Asset Management (CFSGAM)

Underlying profit after tax was $234 million, a 15% decrease on the prior year. The result reflects slightly lower Funds under Management (FUM) and continued investment to support global growth initiatives across the US, Europe and Australasia.

FUM as at 30 June 2012 was $146 billion, down 2% on the prior year, reflecting the uncertainty in global equity markets. This performance compared favourably with the ASX 200 and MSCI Emerging Markets[1] indices, which fell 11% and 14% respectively over the same period.

Investment performance was sound with 67% of funds outperforming investment benchmarks over a three year period. However, persistent uncertainty in the global economic outlook continued to shift investor preference towards cash and fixed interest products over equities, now representing 73% of total inflows (30 June 2011: 64%). During the year, the business continued to diversify and expanded its footprint globally, opening offices in Paris, Frankfurt and New York, with 55% of revenue now sourced offshore. Despite the global economic conditions, Global Equities FUM was resilient and the newly formed Emerging Markets Debt team sourced over $500 million in Funds under Management in its first nine months.

Cash net profit after tax of $245 million represented a decrease of 13% on the prior year.

Cash net profit after tax in the second half decreased 9% to $117 million reflecting lower performance fees partly offset by disciplined expense management.

Colonial First State (CFS)

Underlying profit after tax was $106 million, a 25% decrease on the prior year. The result reflects continued weakness in market conditions, increased compliance related costs and remediation expenses.

The CFS flagship platforms FirstChoice and FirstWrap continued to grow market share, attracting 34% share of market net flows[2]. FirstChoice retained the position of the largest platform and increased its market share to 11.6%[2] as at 31 March 2012. Equity market weakness contributed to strong investment flows into cash, fixed interest and deposit products.

The acquisition and integration of Count Financial resulted in CFS expanding its distribution footprint to become the second largest adviser network in the market[3].

Cash net profit after tax of $119 million represented a decrease of 17% on the prior year.

Cash net profit after tax in the second half was up 98% to $79 million. The result reflects lower restitution costs and an increased contribution from Count Financial.

CommInsure

Underlying profit after tax was $246 million, a 3% decrease on the prior year. The business achieved strong inforce premium growth across all insurance lines of business, reflected in insurance income growth of 11%. However, this was partly offset by the impact of the run-off of the closed investment portfolios.

Retail Life Insurance results were mixed, with premium income up 11% on the prior year. Inforce premiums as at 30 June 2012 were $815 million, up 10% on the prior year, supported by solid sales from Bank channels, with overall sales growing by 21%. However, in the current economic environment, the industry continued to see deterioration in claims experience as well as an increase in lapses.

The Wholesale Life Insurance business generated strong inforce premiums growth of 41%, mainly due to the acquisition of new business and solid organic growth in existing business.

General Insurance income benefitted from lower event claims and strong inforce premium growth of 16%. During the year, the motor claims handling process was successfully integrated into CommInsure claims management.

Funds management income declined 23% to $160 million, reflecting the managed contraction of the closed portfolios and constrained growth in open business due to uncertain markets.

Cash net profit after tax of $299 million represented a decrease of 2% on the prior year.

Cash net profit after tax in the second half decreased 2% to $148 million mainly due to poor Life claims experience partly offset by improved returns on shareholder capital.

Operating Expenses

Operating expenses increased 7% on the prior year to $1,369 million. This reflects organic offshore growth in CFSGAM, preparation for regulatory changes and the acquisition of Count Financial. Employee numbers increased on the prior year as distribution investment gained momentum.

Productivity and process excellence remained a key focus with a systematic roll out of programmes. These initiatives resulted in productivity improvements across call centres and operations, providing better customer experience and turnaround times.

Operating expenses increased 1% compared to the prior half reflecting disciplined expense management.

Investment Experience

Investment Experience after tax increased 26% on the prior year to $77 million, reflecting improved returns on shareholder capital partly offset by unfavourable mark to market revaluations on the Guaranteed Annuity portfolio.

Investment Experience after tax increased to $54 million compared to the prior half due to favourable mark to market revaluations on the Guaranteed Annuity portfolio.

(1) MSCI Emerging Markets Index (AUD).

(2) Plan for Life quarterly release.

(3) March 2012 Rainmaker quarterly release.

	Full Year Ended 30 June 2012				
	CFSGAM $M	Colonial First State $M	CommInsure $M	Other $M	Total $M
Funds management income	883	845	160	-	1,888
Insurance income	-	-	691	-	691
Total operating income	883	845	851	-	2,579
Volume expenses	(140)	(192)	(208)	-	(540)
Net operating income	743	653	643	-	2,039
Operating expenses	(439)	(505)	(292)	(133)	(1,369)
Net profit before tax	304	148	351	(133)	670
Corporate tax expense	(70)	(42)	(105)	39	(178)
Underlying profit after tax	234	106	246	(94)	492
Investment experience after tax	11	13	53	-	77
Cash net profit after tax	245	119	299	(94)	569

	Full Year Ended 30 June 2011				
	CFSGAM $M	Colonial First State $M	CommInsure $M	Other $M	Total $M
Funds management income	907	860	209	(1)	1,975
Insurance income	-	-	625	-	625
Total operating income	907	860	834	(1)	2,600
Volume expenses	(151)	(171)	(199)	-	(521)
Net operating income	756	689	635	(1)	2,079
Operating expenses	(391)	(489)	(276)	(124)	(1,280)
Net profit before tax	365	200	359	(125)	799
Corporate tax expense	(90)	(59)	(105)	36	(218)
Underlying profit after tax	275	141	254	(89)	581
Investment experience after tax	6	2	51	2	61
Cash net profit after tax	281	143	305	(87)	642

	Half Year Ended 30 June 2012				
	CFSGAM $M	Colonial First State $M	CommInsure $M	Other $M	Total $M
Funds management income	435	431	77	-	943
Insurance income	-	-	325	2	327
Total operating income	435	431	402	2	1,270
Volume expenses	(71)	(74)	(102)	(1)	(248)
Net operating income	364	357	300	1	1,022
Operating expenses	(215)	(254)	(149)	(71)	(689)
Net profit before tax	149	103	151	(70)	333
Corporate tax expense	(38)	(29)	(45)	22	(90)
Underlying profit after tax	111	74	106	(48)	243
Investment experience after tax	6	5	42	1	54
Cash net profit after tax	117	79	148	(47)	297

Wealth Management continued

Summary	Full Year Ended 30/06/12 $M	30/06/11 $M	Jun 12 vs Jun 11 %	Half Year Ended 30/06/12 $M	31/12/11 $M	Jun 12 vs Dec 11 %
Funds under administration - average (1)	**189,699**	188,866	-	**192,325**	186,266	3
Funds under administration - spot (1)	**192,781**	188,511	2	**192,781**	184,045	5
Funds under management - average (1)	**146,742**	150,396	(2)	**147,412**	145,385	1
Funds under management - spot (1)	**146,220**	148,639	(2)	**146,220**	141,930	3
Retail Net funds flows (Australian Retail)	**194**	(349)	large	**703**	(509)	large

Funds Under Management (FUM) (1)	Full Year Ended 30/06/12 $M	30/06/11 $M	Jun 12 vs Jun 11 %	Half Year Ended 30/06/12 $M	31/12/11 $M	Jun 12 vs Dec 11 %
Australian equities	**18,366**	22,336	(18)	**18,366**	18,391	-
Global equities	**50,003**	50,860	(2)	**50,003**	47,955	4
Cash and fixed interest	**54,242**	50,946	6	**54,242**	51,849	5
Property and Infrastructure (2)	**23,609**	24,497	(4)	**23,609**	23,735	(1)
Total	**146,220**	148,639	(2)	**146,220**	141,930	3

Sources of Profit from CommInsure	Full Year Ended 30/06/12 $M	30/06/11 $M	Jun 12 vs Jun 11 %	Half Year Ended 30/06/12 $M	31/12/11 $M	Jun 12 vs Dec 11 %
Life insurance operating margins						
Planned profit margins	**170**	164	4	**89**	81	10
Experience variations	**(46)**	(36)	28	**(42)**	(4)	large
Funds management operating margins	**89**	112	(21)	**44**	45	(2)
General insurance operating margins	**33**	14	large	**15**	18	(17)
Operating margins	**246**	254	(3)	**106**	140	(24)
Investment experience after tax	**53**	51	4	**42**	11	large
Cash net profit after tax	**299**	305	(2)	**148**	151	(2)

Annual Inforce Premiums - Risk Business	Full Year Ended 30 June 2012: Opening Balance 30/06/11 $M	Sales/New Business $M	Lapses $M	Other $M	Closing Balance 30/06/12 $M
Retail life	743	216	(144)	-	815
Wholesale life	461	263	(73)	-	651
General insurance	436	120	(51)	-	505
Total	1,640	599	(268)	-	1,971

Annual Inforce Premiums - Risk Business	Full Year Ended 30 June 2011: Opening Balance 30/06/10 $M	Sales/New Business $M	Lapses $M	Other $M	Closing Balance 30/06/11 $M
Retail life	677	178	(112)	-	743
Wholesale life	428	97	(64)	-	461
General insurance	408	100	(72)	-	436
Sub-total	1,513	375	(248)	-	1,640
St Andrew's Insurance (3)	71	-	-	(71)	-
Total	1,584	375	(248)	(71)	1,640

Annual Inforce Premiums - Risk Business	Half Year Ended 30 June 2012: Opening Balance 31/12/11 $M	Sales/New Business $M	Lapses $M	Other $M	Closing Balance 30/06/12 $M
Retail life	781	108	(74)	-	815
Wholesale life	558	130	(37)	-	651
General insurance	468	62	(25)	-	505
Total	1,807	300	(136)	-	1,971

(1) FUM & FUA do not include the Group's interest in the China Cinda JV.
(2) This asset class includes wholesale and listed property trusts as well as indirect listed property securities funds which are traded through the ASX.
(3) The St. Andrew's insurance business was sold effective 1 July 2010.

Funds Under Administration	Full Year Ended 30 June 2012 Opening Balance 30/06/11 $M	Inflows $M	Outflows $M	Net Flows $M	Investment Income & Other (6) $M	Closing Balance 30/06/12 $M
FirstChoice	49,118	13,955	(12,272)	1,683	(787)	50,014
Custom Solutions (1)	7,436	4,410	(2,739)	1,671	(26)	9,081
Standalone (including Legacy) (2)	20,640	2,686	(5,743)	(3,057)	(315)	17,268
Retail products (3)	77,194	21,051	(20,754)	297	(1,128)	76,363
Other retail (4)	1,105	35	(138)	(103)	(1)	1,001
Australian retail	78,299	21,086	(20,892)	194	(1,129)	77,364
Wholesale	39,624	22,752	(19,641)	3,111	708	43,443
Property	18,908	187	(311)	(124)	(90)	18,694
Other (5)	3,083	29	(140)	(111)	460	3,432
Domestically sourced	139,914	44,054	(40,984)	3,070	(51)	142,933
Internationally sourced	48,597	9,460	(8,294)	1,166	85	49,848
Total Wealth Management	188,511	53,514	(49,278)	4,236	34	192,781

Funds Under Administration	Full Year Ended 30 June 2011 Opening Balance 30/06/10 $M	Inflows $M	Outflows $M	Net Flows $M	Investment Income & Other (6) $M	Closing Balance 30/06/11 $M
FirstChoice	43,640	13,690	(11,194)	2,496	2,982	49,118
Custom Solutions (1)	6,114	2,496	(1,599)	897	425	7,436
Standalone (including Legacy) (2)	22,942	3,589	(7,210)	(3,621)	1,319	20,640
Retail products (3)	72,696	19,775	(20,003)	(228)	4,726	77,194
Other retail (4)	1,153	39	(160)	(121)	73	1,105
Australian retail	73,849	19,814	(20,163)	(349)	4,799	78,299
Wholesale	41,050	18,658	(23,069)	(4,411)	2,985	39,624
Property	17,167	1,948	(352)	1,596	145	18,908
Other (5)	3,033	33	(156)	(123)	173	3,083
Domestically sourced	135,099	40,453	(43,740)	(3,287)	8,102	139,914
Internationally sourced	44,515	12,857	(9,462)	3,395	687	48,597
Total Wealth Management	179,614	53,310	(53,202)	108	8,789	188,511

Funds Under Administration	Half Year Ended 30 June 2012 Opening Balance 31/12/11 $M	Inflows $M	Outflows $M	Net Flows $M	Investment Income & Other (6) $M	Closing Balance 30/06/12 $M
FirstChoice	47,539	6,811	(6,070)	741	1,734	50,014
Custom Solutions (1)	7,910	2,294	(1,330)	964	207	9,081
Standalone (including Legacy) (2)	17,758	1,350	(2,307)	(957)	467	17,268
Retail products (3)	73,207	10,455	(9,707)	748	2,408	76,363
Other retail (4)	1,018	19	(64)	(45)	28	1,001
Australian retail	74,225	10,474	(9,771)	703	2,436	77,364
Wholesale	40,660	9,815	(8,249)	1,566	1,217	43,443
Property	19,026	4	(173)	(169)	(163)	18,694
Other (5)	3,255	14	(61)	(47)	224	3,432
Domestically sourced	137,166	20,307	(18,254)	2,053	3,714	142,933
Internationally sourced	46,879	4,471	(4,536)	(65)	3,034	49,848
Total Wealth Management	184,045	24,778	(22,790)	1,988	6,748	192,781

(1) Custom Solutions includes the FirstWrap product.

(2) Includes cash management trusts.

(3) Retail Funds that align to Plan for Life market share releases.

(4) Includes regular premium plans. These retail products are not reported in market share data.

(5) Includes life company assets sourced from retail investors but not attributable to a funds management product.

(6) Includes foreign exchange gains and losses from translation of internationally sourced business.

New Zealand

Financial Performance and Business Review

New Zealand[1] cash net profit after tax[2] for the year ended 30 June 2012 was NZ$638 million, which represented an increase of 9% on the prior year. The result was driven by a solid performance from ASB Bank with net interest margin improvement and lower loan impairment expense. This was partly offset by a lower contribution from Sovereign due to the impact of unfavourable actuarial policy liability valuations.

Cash net profit after tax[2] decreased 10% to NZ$302 million on the prior half due to higher operating and loan impairment expenses together with the impact of unfavourable policy liability valuations.

ASB Bank

ASB Bank cash net profit after tax[2] for the year ended 30 June 2012 was NZ$580 million, up 15% on the prior year, primarily driven by an improved net interest margin and lower loan impairment expense.

Cash net profit after tax[2] was down 8% on the prior half with higher net interest income offset by higher loan impairment and operating expenses.

Banking Income

Net interest income was NZ$1,223 million, an increase of 10% on the prior year benefitting from fixed rate loan repricing and a shift in customer preference to higher margin variable loans. Wholesale funding costs continued to increase as a result of global market uncertainty, with retail deposit margins remaining flat. Volume growth in customer deposits was solid, with lending growth subdued in a low credit growth environment.

Other banking income was NZ$323 million, down 12% on the prior year. This included lower trading income and lower transaction and lending fees, which were partly offset by a focus on bancassurance sales with an increase in income over the prior year.

Home Loans

Home loan balances of NZ$37 billion remained flat on the prior year reflecting the low credit growth environment. Home loan margins have benefitted from the repricing of fixed rate loans and the shift from fixed rate to variable rate loans. The shift to variable rate loans subsided in recent months with both existing and new customers taking up fixed rate loans in a greater proportion. The proportion of the portfolio which was variable rate in nature at 30 June 2012 was 63% (31 December 2011: 63%; 30 June 2011: 59%).

Business Loans

Business loan balances increased 4% on the prior year to NZ$15 billion, driven by solid growth in lending volumes in the second half of the year. Margins improved to more normalised levels as low margin fixed rate loans have repriced.

Customer Deposits

Customer deposit balances of NZ$37 billion have increased 4% on the prior year, outpacing lending growth, and reflecting customer demand for low risk investments. There has been a continued focus on profitable deposit growth notwithstanding the highly competitive market. The portfolio mix change, as customers move towards higher yielding products, has unfavourably impacted margins.

Operating Expenses

Operating expenses for the full year ended 30 June 2012 were NZ$743 million, up 1% on the prior year. The increase was attributable to business restructuring, together with inflation related staff and property expenses. Strategic initiatives to improve customer experience have delivered efficiency improvements, including further customer migration to online statements and smartphone payment applications. The expense to income ratio was 46.6%, down 140 basis points on the prior year.

Operating expenses increased 9% on the prior half driven by higher systems, marketing and business restructuring costs.

Loan Impairment Expense

Loan impairment expense for the year ended 30 June 2012 was NZ$47 million, a decrease of 35% on the prior year. This result benefitted from the non-recurrence of the Christchurch Earthquake provision raised in the prior year, as arrears and hardship levels in Christchurch improved. In addition, arrears rates across the rest of the Retail portfolio were relatively stable, with a slight improvement in 90+ day arrears rates.

Loan impairment expense increased NZ$19 million on the prior half. The first half benefitted from improvement in the Rural portfolio, with lending portfolios stabilising in the second half.

Sovereign

Cash net profit after tax[2] for the year ended 30 June 2012 was NZ$52 million, down 40% on the prior year. The decline in profit was impacted by unfavourable actuarial policy liability valuations, including a decrease in New Zealand Government bond rates. Business performance was sound, including solid inforce premium growth, partly offset by an associated increase in commission expense.

Cash net profit after tax[2] was down 67% on the prior half, also impacted by unfavourable actuarial policy liability valuations.

Insurance Income

Insurance income of NZ$274 million was up 7% on the prior year with favourable claims experience, strong persistency and inforce premium growth of 7%. The inforce premium growth was driven by a solid increase in new business and improved lapse rates.

Operating Expenses

Operating expenses of NZ$229 million were up 5% on the prior year, driven by increased renewal commission expense due to growth in inforce premiums. Excluding commission expenses, operating expenses were up 2% on the prior year reflecting disciplined expense management.

(1) The New Zealand result incorporates ASB Bank and Sovereign Insurance businesses. The CBA Branch results relating to the Institutional Banking and Markets business in New Zealand are not included.

(2) Includes allocated capital charges and other CBA costs.

	Full Year Ended 30 June 2012				
	ASB	Sovereign	Other (1)	Total	Total
	NZ$M	NZ$M	NZ$M	NZ$M	A$M
Net interest income	1,223	-	(13)	1,210	944
Other banking income (2)	323	-	(36)	287	214
Total banking income	1,546	-	(49)	1,497	1,158
Funds management income	50	-	7	57	44
Insurance income	-	274	18	292	227
Total operating income	1,596	274	(24)	1,846	1,429
Operating expenses	(743)	(229)	40	(932)	(727)
Loan impairment expense	(47)	-	-	(47)	(37)
Net profit before tax	806	45	16	867	665
Corporate tax expense	(226)	18	(1)	(209)	(159)
Underlying profit after tax	580	63	15	658	506
Investment experience after tax	-	(11)	(9)	(20)	(16)
Cash net profit after tax	580	52	6	638	490

	Full Year Ended 30 June 2011				
	ASB	Sovereign	Other (1)	Total	Total
	NZ$M	NZ$M	NZ$M	NZ$M	A$M
Net interest income	1,107	-	(10)	1,097	840
Other banking income (2)	367	-	(30)	337	286
Total banking income	1,474	-	(40)	1,434	1,126
Funds management income	54	-	(2)	52	40
Insurance income	-	257	19	276	211
Total operating income	1,528	257	(23)	1,762	1,377
Operating expenses	(733)	(218)	32	(919)	(704)
Loan impairment expense	(72)	-	-	(72)	(54)
Net profit before tax	723	39	9	771	619
Corporate tax expense	(219)	34	-	(185)	(150)
Underlying profit after tax	504	73	9	586	469
Investment experience after tax	-	13	(11)	2	1
Cash net profit after tax	504	86	(2)	588	470

	Half Year Ended 30 June 2012				
	ASB	Sovereign	Other (1)	Total	Total
	NZ$M	NZ$M	NZ$M	NZ$M	A$M
Net interest income	621	-	(5)	616	481
Other banking income (2)	162	-	(19)	143	106
Total banking income	783	-	(24)	759	587
Funds management income	26	-	4	30	23
Insurance income	-	134	8	142	111
Total operating income	809	134	(12)	931	721
Operating expenses	(388)	(116)	28	(476)	(372)
Loan impairment expense	(33)	-	-	(33)	(26)
Net profit before tax	388	18	16	422	323
Corporate tax expense	(110)	5	(1)	(106)	(80)
Underlying profit after tax	278	23	15	316	243
Investment experience after tax	-	(10)	(4)	(14)	(11)
Cash net profit after tax	278	13	11	302	232

(1) Other includes ASB and Sovereign funding entities and elimination entries between Sovereign and ASB.

(2) Total Other banking income disclosed in AUD includes realised gains or losses associated with the hedge of the New Zealand operations.

New Zealand continued

Balance Sheet	30/06/12 NZ$M	31/12/11 NZ$M	As at 30/06/11 NZ$M	Jun 12 vs Dec 11 %	Jun 12 vs Jun 11 %
Home lending	**37,410**	37,382	37,444	-	-
Assets at fair value through Income Statement	**2,200**	2,560	4,165	(14)	(47)
Other lending assets	**15,808**	15,332	15,148	3	4
Non-lending interest earning assets	**4,841**	7,336	4,003	(34)	21
Other assets	**5,380**	5,100	4,597	5	17
Total assets	**65,639**	67,710	65,357	(3)	-
Customer deposits [(1)]	**36,696**	36,552	35,117	-	4
Debt issues	**6,309**	6,654	6,910	(5)	(9)
Other interest bearing liabilities [(2)]	**11,139**	12,893	11,484	(14)	(3)
Non-interest bearing liabilities	**6,099**	6,439	6,673	(5)	(9)
Total liabilities	**60,243**	62,538	60,184	(4)	-
Assets					
ASB Bank	**63,392**	65,451	63,050	(3)	1
Other	**2,247**	2,259	2,307	(1)	(3)
Total assets	**65,639**	67,710	65,357	(3)	-
Liabilities					
ASB Bank	**59,206**	61,430	59,103	(4)	-
Other	**1,037**	1,108	1,081	(6)	(4)
Total liabilities	**60,243**	62,538	60,184	(4)	-

Sources of Profit from Insurance Activities	Full Year Ended 30/06/12 NZ$M	30/06/11 NZ$M	Jun 12 vs Jun 11 %	Half Year Ended 30/06/12 NZ$M	31/12/11 NZ$M	Jun 12 vs Dec 11 %
The Margin on Services profit from ordinary activities after income tax is represented by:						
Planned profit margins	**60**	58	3	**30**	30	-
Experience variations	**3**	15	(80)	**(7)**	10	large
Operating margins	**63**	73	(14)	**23**	40	(43)
Investment experience after tax	**(11)**	13	large	**(10)**	(1)	large
Cash net profit after tax	**52**	86	(40)	**13**	39	(67)

New Zealand - Funds Under Administration	Full Year Ended 30/06/12 NZ$M	30/06/11 NZ$M	Jun 12 vs Jun 11 %	Half Year Ended 30/06/12 NZ$M	31/12/11 NZ$M	Jun 12 vs Dec 11 %
Opening balance	**10,407**	8,771	19	**10,679**	10,407	3
Inflows	**2,477**	2,528	(2)	**1,314**	1,163	13
Outflows	**(1,627)**	(1,529)	6	**(875)**	(752)	16
Net Flows	**850**	999	(15)	**439**	411	7
Investment income & other	**120**	637	(81)	**259**	(139)	large
Closing balance	**11,377**	10,407	9	**11,377**	10,679	7

New Zealand - Annual Inforce Premiums	Full Year Ended 30/06/12 NZ$M	30/06/11 NZ$M	Jun 12 vs Jun 11 %	Half Year Ended 30/06/12 NZ$M	31/12/11 NZ$M	Jun 12 vs Dec 11 %
Opening balance	**584**	554	5	**604**	584	3
Sales/New business	**98**	87	13	**48**	50	(4)
Lapses	**(58)**	(55)	5	**(29)**	(29)	-
Other movements	**(1)**	(2)	(50)	**-**	(1)	(100)
Closing balance	**623**	584	7	**623**	604	3

(1) Customer deposits including all interest bearing deposits carried at amortised cost or as liabilities at fair value through Income Statement.
(2) Includes NZ$6.6 billion due to Group companies (31 December 2011: NZ$6.3 billion; 30 June 2011: NZ$6.3 billion).

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Bankwest

Financial Performance and Business Review

Bankwest cash net profit after tax for the year ended 30 June 2012 was $524 million, up 13% on the prior year. The result was driven by a 1% increase in banking income due to strong home lending growth, a 2% decrease in operating expenses benefitting from productivity initiatives, and a 44% decrease in loan impairment expense supported by improved business lending credit quality.

Cash net profit after tax for the half year ended 30 June 2012 decreased 4% compared to the prior half. This result was mainly due to a 4% decrease in income reflecting increased wholesale funding costs and lower deposits margins.

Banking Income

Net interest income of $1,457 million increased 3% compared to the prior year. This was mainly driven by above system home loan volume growth despite the subdued credit growth environment and competitive market.

Other banking income of $207 million decreased 6% compared to the prior year due to customer preference for low fee accounts, lower new business volumes and the impact of unfavourable counterparty fair value adjustments.

Net interest income decreased 5% compared to the prior half, due to increased wholesale funding costs and lower deposit margins, in part driven by the lower cash rate environment. These were partially offset by home loan repricing.

Other banking income increased 1% compared to the prior half, due to higher lending fee income.

Home Loans

Home loan balances increased to $51 billion, up 12% on the prior year, which was significantly higher than system growth of 5%. This was driven by a competitive product proposition, with strong growth in the premium select home loan product, targeted marketing campaigns and the continued expansion and maturity of the East Coast branch network.

Home loan margins declined compared to the prior year as repricing initiatives were offset by the increase in wholesale funding costs. Margins also decreased compared to the prior half as funding costs continued to increase.

Business Loans

Business loan balances decreased to $20 billion, down 2% on the prior year. The decrease was due to the continued run off of pre-acquisition higher risk loans. Excluding the pre-acquisition higher risk loans, balances increased 7% over the prior year and grew ahead of system growth.

Business loan margins were flat compared to the prior year but decreased compared to the prior half due to higher funding costs.

Customer Deposits

Solid growth in deposit balances reflected customer preferences for lower risk investments as a result of uncertainty driven by ongoing global market volatility.

Retail deposit balances increased to $17 billion, up 7% on the prior year. Margins decreased as a result of both increased competition and lower cash rates.

Business deposit balances increased 5% on the prior year to $28 billion, mainly as a result of growth in money market and term deposits. Margins decreased driven by strong competition, particularly for money market deposits.

Operating Expenses

Operating expenses of $852 million decreased 2% on the prior year reflecting lower staff costs. This was the result of productivity gains from business wide efficiency initiatives which included a new call centre model and the consolidation of loan processing functions to a single area. Lower staff costs were partly offset by higher home loan volume related expenses.

Other key productivity initiatives include the relocation of the Bankwest corporate headquarters to Bankwest Place and the adoption of an activity based working model which reduced office space requirements.

The expense to income ratio of 51.2% continued to improve, down 180 basis points compared to the prior year, reflecting an ongoing focus on productivity.

Operating expenses decreased 2% compared to the prior half due to lower IT expenses and disciplined expense management.

Despite the reduction in operating expenses compared to the prior half, the expense to income ratio increased 140 basis points in the second half as income was impacted by escalation in wholesale and deposit funding costs.

Loan Impairment Expense

Loan impairment expense was $61 million, down 44% compared to the prior year. This reflects the improving credit quality of the book.

Home Loans and Credit Card 90+ day arrears decreased compared to the prior year as a result of strong collections processes along with improvements in credit quality.

	Full Year Ended			Half Year Ended		
	30/06/12 $M	30/06/11 $M	Jun 12 vs Jun 11 %	30/06/12 $M	31/12/11 $M	Jun 12 vs Dec 11 %
Net interest income	**1,457**	1,420	3	**709**	748	(5)
Other banking income	**207**	220	(6)	**104**	103	1
Total banking income	**1,664**	1,640	1	**813**	851	(4)
Operating expenses	**(852)**	(869)	(2)	**(422)**	(430)	(2)
Loan impairment expense	**(61)**	(109)	(44)	**(23)**	(38)	(39)
Net profit before tax	**751**	662	13	**368**	383	(4)
Corporate tax expense	**(227)**	(199)	14	**(112)**	(115)	(3)
Cash net profit after tax	**524**	463	13	**256**	268	(4)

	As at				
Balance Sheet	30/06/12 $M	31/12/11 $M	30/06/11 $M	Jun 12 vs Dec 11 %	Jun 12 vs Jun 11 %
Home lending	**50,998**	48,668	45,673	5	12
Other lending assets	**22,255**	22,479	22,722	(1)	(2)
Other assets	**9,342**	8,895	8,433	5	11
Total assets	**82,595**	80,042	76,828	3	8
Transaction deposits	**9,055**	8,596	8,731	5	4
Savings deposits	**7,333**	7,718	7,033	(5)	4
Investments deposits	**28,692**	28,892	26,956	(1)	6
Certificates of deposit and other	**264**	282	59	(6)	large
Debt issues	**9,414**	9,588	9,064	(2)	4
Due to other financial institutions (1)	**18,854**	16,272	16,644	16	13
Other liabilities	**2,958**	2,972	3,068	-	(4)
Total liabilities	**76,570**	74,320	71,555	3	7

(1) Includes amounts due to Group companies (30 June 2012: $18.7 billion; 31 December 2011: $16.2 billion; 30 June 2011: $16.5 billion).

Other

Financial Performance and Business Review

IFS Asia

International Financial Services Asia (IFS Asia) incorporates the Asian retail and SME banking operations (Indonesia, China, Vietnam and India), investments in Chinese and Vietnamese retail banks, the joint venture Chinese life insurance business and the life insurance operations in Indonesia. It does not include the Business and Private Banking, Institutional Banking and Markets and Colonial First State Global Asset Management businesses in Asia.

IFS Asia cash net profit after tax for the year ended 30 June 2012 was $79 million, an increase of 49% over the prior year. The result was characterised by strong contributions from the Bank of Hangzhou and the proprietary banking and insurance businesses in Indonesia.

IFS Asia cash net profit after tax for the half year ended 30 June 2012 was up 14% compared to the prior half, driven by a higher contribution from the Bank of Hangzhou.

Banking Income

Net interest income increased 24% over the prior year to $99 million, due to strong lending growth and higher margins in PT Bank Commonwealth in Indonesia. Lending balances increased 37% during the year, and are now in excess of $1 billion. The consumer, business and SME portfolio balance growth amounted to 93%, 89% and 62% respectively. Expansion of the Group's footprint in Indonesia continued during the year with eight new PT Bank Commonwealth branches being opened, bringing the total number of branches to 92.

Two additional China County banks were opened during the year, bringing the total number of proprietary banks in China to five. While still a number of years away from achieving critical mass, lending balances continued to grow strongly.

The proprietary banking businesses in India and Vietnam also continue to grow steadily.

Proprietary customer numbers in Asia increased by 22% to 292,000 compared to the prior year.

Other banking income increased 18% to $146 million driven by a strong equity accounted profit contribution from the Bank of Hangzhou, benefitting from lending growth and higher margins. The result also included strong wealth management, bancassurance and treasury income growth from the Indonesian retail banking business. This was partially offset by a lower contribution to earnings from Qilu Bank as a result of the ongoing impact of a prior year fraud incident.

Insurance Income

Insurance income increased 43% to $67 million, reflecting strong growth in sales volumes at PT Commonwealth Life in Indonesia. Inforce premium income grew 39% on the prior year. PT Commonwealth Life also opened four new life offices, bringing the total to 28.

The BoCommLife joint venture in China also grew steadily, with inforce premium income up 38% on the prior year.

Operating Expenses

Operating expenses were up 15% to $212 million, reflecting higher volume related expenses in line with sales growth in the Indonesian insurance business, and the continued investment in Indonesia and China.

Operating expense growth slowed in the current half to 2%, with higher volume related expenses partly offset by disciplined expense management.

Corporate Centre

Corporate Centre includes the results of unallocated Group support functions such as Investor Relations, Group Strategy, Secretariat, Group Tax and Treasury.

Treasury is primarily focused on the management of the Group's interest rate risk, funding and liquidity requirements, and management of the Group's capital. The Treasury function includes:

- Portfolio Risk Management: manages the interest rate risk of the Group's non-traded balance sheet using transfer pricing to consolidate risk into Treasury and hedging the residual mismatch between assets and liabilities using swaps, futures and options; and manages the Group's prudential liquidity requirements;
- Group Funding: manages the Group's long and short term wholesale funding requirements; and
- Capital and Regulatory Strategy: manages the Group's capital requirements.

Corporate Centre cash net profit after tax for the year ended 30 June 2012 was $386 million, a 4% decrease on the prior year.

Total banking income increased 7% to $867 million driven by:

- Higher income from the increase in the liquid asset portfolio held as a result of balance sheet growth and conservative business settings; partially offset by
- Reduced earnings on unallocated capital due to the lower interest rate environment.

Operating expenses increased 29% to $344 million compared to the prior year mainly driven by a $31 million increase in the defined benefit superannuation plan expense and the impact of the transition to the new office premises at Darling Quarter in the Sydney CBD.

Eliminations/Unallocated

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

Eliminations/Unallocated cash net profit after tax increased by $88 million on the prior comparative period including the gains from the sale of Sydney CBD properties previously held by the Group.

	Full Year Ended 30 June 2012			
	IFS Asia $M	Corporate Centre $M	Eliminations (1)/ Unallocated $M	Total $M
Net interest income	99	729	(54)	774
Other banking income	146	138	9	293
Total banking income	245	867	(45)	1,067
Funds management income	-	-	25	25
Insurance income	67	-	(25)	42
Total operating income	312	867	(45)	1,134
Operating expenses	(212)	(344)	-	(556)
Loan impairment expense	(11)	-	23	12
Net profit before tax	89	523	(22)	590
Corporate tax expense	(7)	(137)	11	(133)
Non-controlling interests	(4)	-	(12)	(16)
Underlying profit after tax	78	386	(23)	441
Investment experience after tax	1	-	27	28
Cash net profit after tax	79	386	4	469

	Full Year Ended 30 June 2011			
	IFS Asia $M	Corporate Centre $M	Eliminations (1)/ Unallocated $M	Total $M
Net interest income	80	718	(87)	711
Other banking income	124	94	(81)	137
Total banking income	204	812	(168)	848
Funds management income	-	-	26	26
Insurance income	47	-	(27)	20
Total operating income	251	812	(169)	894
Operating expenses	(184)	(267)	-	(451)
Loan impairment expense	(10)	-	36	26
Net profit before tax	57	545	(133)	469
Corporate tax expense	(5)	(142)	47	(100)
Non-controlling interests	(2)	-	(14)	(16)
Underlying profit after tax	50	403	(100)	353
Investment experience after tax	3	-	16	19
Cash net profit after tax	53	403	(84)	372

	Half Year Ended 30 June 2012			
	IFS Asia $M	Corporate Centre $M	Eliminations (1)/ Unallocated $M	Total $M
Net interest income	51	364	(71)	344
Other banking income	76	119	9	204
Total banking income	127	483	(62)	548
Funds management income	-	-	14	14
Insurance income	33	-	(12)	21
Total operating income	160	483	(60)	583
Operating expenses	(107)	(194)	-	(301)
Loan impairment expense	(5)	-	5	-
Net profit before tax	48	289	(55)	282
Corporate tax expense	(3)	(77)	22	(58)
Non-controlling interests	(2)	-	(5)	(7)
Underlying profit after tax	43	212	(38)	217
Investment experience after tax	(1)	-	12	11
Cash net profit after tax	42	212	(26)	228

(1) Represents Group wide eliminations.

Investment Experience

Investment Experience	Full Year Ended 30/06/12 $M	30/06/11 $M	Jun 12 vs Jun 11 %	Half Year Ended 30/06/12 $M	31/12/11 $M	Jun 12 vs Dec 11 %
Wealth Management	**108**	83	30	**75**	33	large
New Zealand	**(11)**	1	large	**(5)**	(6)	(17)
Other	**52**	37	41	**23**	29	(21)
Investment experience before tax	**149**	121	23	**93**	56	66
Corporate tax expense	**(60)**	(40)	50	**(40)**	(20)	100
Investment experience after tax	**89**	81	10	**53**	36	47

Shareholder Investment Asset Mix (%)	As at 30 June 2012 Australia [1] %	New Zealand %	Asia %	Total %
Local equities	-	-	-	-
International equities	-	-	-	-
Property	11	-	-	9
Sub-total	11	-	-	9
Fixed interest	21	62	96	31
Cash	68	38	4	60
Sub-total	89	100	100	91
Total	100	100	100	100

Shareholder Investment Asset Mix ($M)	As at 30 June 2012 Australia [1] $M	New Zealand $M	Asia $M	Total $M
Local equities	10	1	-	11
International equities	-	1	-	1
Property	251	-	-	251
Sub-total	261	2	-	263
Fixed interest	462	363	98	923
Cash	1,566	224	4	1,794
Sub-total	2,028	587	102	2,717
Total	2,289	589	102	2,980

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

Contents

Section 6 – Financial Statements

Financial Statements

Consolidated Income Statements

For the year ended 30 June 2012

		Full Year Ended		Half Year Ended	
		30/06/12	30/06/11	30/06/12	31/12/11
	Appendix	$M	$M	$M	$M
Interest income	1	**38,258**	37,477	**18,786**	19,472
Interest expense	1	**(25,136)**	(24,883)	**(12,294)**	(12,842)
Net interest income	1	**13,122**	12,594	**6,492**	6,630
Other banking income	5	**4,089**	3,643	**2,010**	2,079
Net banking operating income		**17,211**	16,237	**8,502**	8,709
Funds management income		**1,959**	1,996	**978**	981
Investment revenue / (expense)		**226**	854	**361**	(135)
Claims and policyholder liability (expense) / revenue		**(245)**	(808)	**(356)**	111
Net funds management operating income		**1,940**	2,042	**983**	957
Premiums from insurance contracts		**2,114**	1,884	**1,108**	1,006
Investment revenue		**547**	547	**329**	218
Claims and policyholder liability expense from insurance contracts		**(1,428)**	(1,313)	**(826)**	(602)
Net insurance operating income		**1,233**	1,118	**611**	622
Total net operating income before impairment and operating expenses		**20,384**	19,397	**10,096**	10,288
Impairment expense	9	**(1,089)**	(1,280)	**(544)**	(545)
Operating expenses	6	**(9,331)**	(9,060)	**(4,649)**	(4,682)
Net profit before income tax		**9,964**	9,057	**4,903**	5,061
Corporate tax expense	7	**(2,736)**	(2,481)	**(1,348)**	(1,388)
Policyholder tax expense	7	**(122)**	(166)	**(82)**	(40)
Net profit after income tax		**7,106**	6,410	**3,473**	3,633
Non-controlling interests		**(16)**	(16)	**(7)**	(9)
Net profit attributable to Equity holders of the Bank		**7,090**	6,394	**3,466**	3,624

	Full Year Ended		Half Year Ended	
	30/06/12	30/06/11	30/06/12	31/12/11
	Cents per Share			
Earnings per share:				
Basic	**448. 9**	411. 2	**218. 1**	230. 8
Diluted	**432. 9**	395. 1	**210. 3**	222. 1

Consolidated Statements of Comprehensive Income

For the year ended 30 June 2012

	Full Year Ended		Half Year Ended	
	30/06/12	30/06/11	30/06/12	31/12/11
	$M	$M	$M	$M
Profit from ordinary activities after income tax for the period	**7,106**	6,410	**3,473**	3,633
Other comprehensive income/(expense):				
Actuarial gains and losses from defined benefit superannuation plans net of tax	**(223)**	(89)	**197**	(420)
Gains and losses on cash flow hedging instruments:				
Recognised in equity	**730**	(754)	**20**	710
Transferred to Income Statement	**758**	769	**565**	193
Gains and losses on available-for-sale investments:				
Recognised in equity	**(349)**	124	**61**	(410)
Transferred to Income Statement on disposal	**(81)**	(24)	**(28)**	(53)
Revaluation of properties	**32**	6	**28**	4
Foreign currency translation reserve	**202**	(546)	**191**	11
Income tax on items transferred directly to/from equity:				
Foreign currency translation reserve	**(12)**	16	**(4)**	(8)
Available-for-sale investments revaluation reserve	**122**	(28)	**(13)**	135
Revaluation of properties	**(5)**	-	**(5)**	-
Cash flow hedge reserve	**(442)**	-	**(175)**	(267)
Other comprehensive income/(expense) net of income tax	**732**	(526)	**837**	(105)
Total comprehensive income for the period	**7,838**	5,884	**4,310**	3,528
Total comprehensive income for the period is attributable to:				
Equity holders of the Bank	**7,822**	5,868	**4,303**	3,519
Non-controlling interests	**16**	16	**7**	9
Total comprehensive income for the period	**7,838**	5,884	**4,310**	3,528

Financial Statements continued

Consolidated Balance Sheets

As at 30 June 2012

		As at		
		30/06/12	31/12/11	30/06/11
Assets	Appendix	$M	$M	$M
Cash and liquid assets		**19,666**	19,220	13,241
Receivables due from other financial institutions		**10,886**	8,428	10,393
Assets at fair value through Income Statement:				
Trading		**13,816**	16,512	20,469
Insurance		**14,525**	14,410	14,998
Other		**980**	1,227	824
Derivative assets		**38,937**	37,191	30,317
Available-for-sale investments		**60,827**	59,971	45,171
Loans, bills discounted and other receivables	8	**525,682**	513,108	500,057
Bank acceptances of customers		**9,717**	10,732	10,734
Property, plant and equipment		**2,503**	2,448	2,366
Investment in associates		**1,898**	1,863	1,712
Intangible assets	16	**10,281**	10,026	9,603
Deferred tax assets		**980**	1,471	1,300
Other assets		**7,517**	5,345	6,681
		718,215	701,952	667,866
Assets held for sale		**14**	34	33
Total assets		**718,229**	701,986	667,899

Liabilities				
Deposits and other public borrowings	10	**437,655**	431,827	401,147
Payables due to other financial institutions		**22,126**	17,424	15,899
Liabilities at fair value through Income Statement		**6,555**	9,986	10,491
Derivative liabilities		**39,221**	38,212	33,976
Bank acceptances		**9,717**	10,732	10,734
Current tax liabilities		**1,537**	1,428	1,222
Deferred tax liabilities		**338**	394	301
Other provisions		**1,224**	1,255	1,277
Insurance policy liabilities		**12,994**	12,881	13,652
Debt issues		**124,712**	119,307	118,652
Managed funds units on issue		**995**	1,028	1,048
Bills payable and other liabilities		**9,561**	8,204	10,652
		666,635	652,678	619,051
Loan capital		**10,022**	10,433	11,561
Total liabilities		**676,657**	663,111	630,612
Net assets		**41,572**	38,875	37,287

Shareholders' Equity				
Share capital:				
Ordinary share capital	15	**25,175**	24,651	23,602
Other equity instruments		**939**	939	939
Reserves		**1,571**	829	392
Retained profits	17	**13,356**	11,928	11,826
Shareholders' equity attributable to Equity holders of the Bank		**41,041**	38,347	36,759
Non-controlling interests		**531**	528	528
Total Shareholders' equity		**41,572**	38,875	37,287

Consolidated Statements of Changes in Equity

For the year ended 30 June 2012

	Ordinary share capital $M	Other equity instruments $M	Reserves $M	Retained profits $M	Shareholders' equity attributable to Equity holders of the Bank $M	Non-controlling interests $M	Total Shareholders' equity $M
As at 31 December 2010	23,083	939	269	10,534	**34,825**	524	**35,349**
Total comprehensive income for the period	-	-	265	3,161	**3,426**	7	**3,433**
Transactions with equity holders in their capacity as equity holders:							
Dividends paid	-	-	-	(2,057)	**(2,057)**	-	**(2,057)**
Dividend reinvestment plan (net of issue costs)	511	-	-	-	**511**	-	**511**
Other equity movements:							
Share based payments	-	-	35	-	**35**	-	**35**
Purchase of treasury shares	(67)	-	-	-	**(67)**	-	**(67)**
Sale and vesting of treasury shares	74	-	-	-	**74**	-	**74**
Other changes	1	-	(177)	188	**12**	(3)	**9**
As at 30 June 2011	23,602	939	392	11,826	**36,759**	528	**37,287**
Total comprehensive income for the period	-	-	315	3,204	**3,519**	9	**3,528**
Transactions with equity holders in their capacity as equity holders:							
Dividends paid	-	-	-	(2,945)	**(2,945)**	-	**(2,945)**
Dividend reinvestment plan (net of issue costs)	832	-	-	-	**832**	-	**832**
Other equity movements:							
Share based payments	2	-	(40)	-	**(38)**	-	**(38)**
Issue of shares (net of issue costs)	237	-	-	-	**237**	-	**237**
Purchase of treasury shares	(73)	-	-	-	**(73)**	-	**(73)**
Sale and vesting of treasury shares	51	-	-	-	**51**	-	**51**
Other changes	-	-	162	(157)	**5**	(9)	**(4)**
As at 31 December 2011	24,651	939	829	11,928	**38,347**	528	**38,875**
Total comprehensive income for the period	-	-	640	3,663	**4,303**	7	**4,310**
Transactions with equity holders in their capacity as equity holders:							
Dividends paid	-	-	-	(2,181)	**(2,181)**	-	**(2,181)**
Dividend reinvestment plan (net of issue costs)	531	-	-	-	**531**	-	**531**
Other equity movements:							
Share based payments	-	-	41	-	**41**	-	**41**
Purchase of treasury shares	(23)	-	-	-	**(23)**	-	**(23)**
Sale and vesting of treasury shares	16	-	-	-	**16**	-	**16**
Other changes	-	-	61	(54)	**7**	(4)	**3**
As at 30 June 2012	25,175	939	1,571	13,356	**41,041**	531	**41,572**

	Full Year Ended		Half Year Ended	
	30/06/12	30/06/11	30/06/12	31/12/11
	Cents per Share			
Dividends per share attributable to shareholders of the Bank:				
Ordinary Shares	**334**	320	**197**	137
Trust preferred securities	**5,989**	6,020	**3,043**	2,946

Consolidated Statements of Cash Flows [(1)]

For the year ended 30 June 2012

		Full Year Ended	
		30/06/12	30/06/11
	Appendix	$M	$M
Cash flows from operating activities			
Interest received [(2)]		**38,337**	37,134
Interest paid [(2)]		**(25,456)**	(24,464)
Other operating income received [(2)]		**5,133**	5,240
Expenses paid		**(8,537)**	(8,474)
Income taxes paid		**(2,372)**	(2,370)
Net cash inflows/(outflows) from assets at fair value through Income Statement (excluding life insurance)		**2,328**	4,452
Net inflows/(outflows) from liabilities at fair value through Income Statement:			
Life insurance:			
Investment income		**791**	552
Premiums received [(3)]		**2,138**	2,200
Policy payments [(3)]		**(3,032)**	(3,374)
Other liabilities at fair value through Income Statement		**(3,603)**	(4,317)
Cash flows from operating activities before changes in operating assets and liabilities		**5,727**	6,579
Changes in operating assets and liabilities arising from cash flow movements			
Movement in available-for-sale investments:			
Purchases		**(76,408)**	(62,733)
Proceeds from sale		**12,375**	4,440
Proceeds at or close to maturity		**50,490**	45,417
Net change in deposits with regulatory authorities		**(15)**	(72)
Net increase in loans, bills discounted and other receivables		**(25,754)**	(11,489)
Net decrease in receivables due from other financial institutions not at call		**3,385**	1,115
Net (increase) in securities purchased under agreements to resell		**(498)**	(2,834)
Life insurance business:			
Purchase of insurance assets at fair value through Income Statement		**(2,189)**	(4,101)
Proceeds from sale/maturity of insurance assets at fair value through Income Statement		**3,291**	5,914
Net (increase)/decrease in other assets		**(61)**	201
Net increase in deposits and other public borrowings		**35,750**	31,893
Net (decrease)/increase in payables due to other financial institutions not at call		**(10,315)**	5,112
Net increase/(decrease) in securities sold under agreements to repurchase		**1,183**	(1,698)
Net increase/(decrease) in other liabilities		**155**	(575)
Changes in operating assets and liabilities arising from cash flow movements		**(8,611)**	10,590
Net cash (used in)/provided by operating activities	19 (a)	**(2,884)**	17,169
Cash flows from investing activities			
Payments for acquisition of controlled entities	19 (e)	**(125)**	-
Net proceeds from disposal of controlled entities	19 (c)	**-**	19
Net proceeds from disposal of entities and businesses (net of cash disposals)		**21**	15
Dividends received		**52**	26
Proceeds from sale of property, plant and equipment		**25**	27
Purchases of property, plant and equipment		**(584)**	(443)
Payments for acquistions of investments in associates/joint ventures		**(85)**	(164)
Purchase of intangible assets		**(585)**	(533)
Sale of assets held for sale		**-**	12
Net cash used in investing activities		**(1,281)**	(1,041)

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

(2) Comparatives have been restated for the reclassification of bank bill facility fee income and IFRS reclassification of net swap costs from Other banking income into Net interest income.

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

Consolidated Statements of Cash Flows [1] (continued)

For the year ended 30 June 2012

		Full Year Ended	
		30/06/12	30/06/11
	Appendix	$M	$M
Cash flows from financing activities			
Proceeds from the issue of shares (net of issue costs)		**2**	6
Dividends paid (excluding Dividend Reinvestment Plan)		**(3,748)**	(4,188)
Net proceeds from issuance of debt securities [2]		**3,512**	(8,321)
Purchase of treasury shares		**(96)**	(69)
Sale of treasury shares		**19**	73
Issue of loan capital		**-**	-
Redemption of loan capital		**(1,775)**	(1,064)
Other [3]		**267**	(120)
Net cash used in financing activities		**(1,819)**	(13,683)
Net (decrease)/increase in cash and cash equivalents		**(5,984)**	2,445
Effect of foreign exchange rates on cash and cash equivalents [3]		**131**	566
Cash and cash equivalents at beginning of year		**7,928**	4,917
Cash and cash equivalents at end of year	19 (b)	**2,075**	7,928

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

(2) Proceeds from debt issues are presented on a net basis, in line with how the Group manages its funding activities.

(3) Comparative information has been restated to conform with presentation in the current period.

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Contents

Section 7 - Appendices

Appendices

1. Net Interest Income

	Full Year Ended			Half Year Ended		
	30/06/12 $M	30/06/11 $M	Jun 12 vs Jun 11 %	30/06/12 $M	31/12/11 $M	Jun 12 vs Dec 11 %
Interest Income (1)						
Loans and bills discounted	**34,709**	34,373	1	**17,090**	17,619	(3)
Other financial institutions	**102**	113	(10)	**48**	54	(11)
Cash and liquid assets	**330**	270	22	**158**	172	(8)
Assets at fair value through Income Statement	**621**	851	(27)	**221**	400	(45)
Available-for-sale investments	**2,496**	1,870	33	**1,269**	1,227	3
Total interest income ("statutory basis")	**38,258**	37,477	2	**18,786**	19,472	(4)
Interest Expense (1)						
Deposits	**17,633**	16,957	4	**8,588**	9,045	(5)
Other financial institutions	**185**	222	(17)	**86**	99	(13)
Liabilities at fair value through Income Statement	**320**	510	(37)	**124**	196	(37)
Debt issues	**6,492**	6,622	(2)	**3,254**	3,238	-
Loan capital	**506**	572	(12)	**242**	264	(8)
Total interest expense ("statutory basis")	**25,136**	24,883	1	**12,294**	12,842	(4)
Net interest income ("statutory basis")	**13,122**	12,594	4	**6,492**	6,630	(2)

Net Interest Income – Reconciliation of Cash to Statutory Basis

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

	Full Year Ended			Half Year Ended		
	30/06/12 $M	30/06/11 $M	Jun 12 vs Jun 11 %	30/06/12 $M	31/12/11 $M	Jun 12 vs Dec 11 %
Total interest income ("cash basis") (1)	**38,301**	37,503	2	**18,811**	19,490	(3)
Fair value adjustment interest income	**(26)**	(26)	-	**(13)**	(13)	-
Hedging and IFRS volatility	**(17)**	-	large	**(12)**	(5)	large
Total interest income ("statutory basis") (1)	**38,258**	37,477	2	**18,786**	19,472	(4)
Total interest expense ("cash basis") (1)	**25,144**	24,858	1	**12,298**	12,846	(4)
Hedging and IFRS volatility	**(8)**	25	large	**(4)**	(4)	-
Total interest expense ("statutory basis") (1)	**25,136**	24,883	1	**12,294**	12,842	(4)

(1) Certain comparative information has been restated for the reclassification of bank bill facility fee income and IFRS reclassification of net swap cost from Other banking income into Interest income and Interest expense to conform with presentation in the current period. Refer to Appendix 23 for details.

2. Net Interest Margin

	Full Year Ended		Half Year Ended	
	30/06/12	30/06/11	30/06/12	31/12/11
	%	%	%	%
Australia (1)				
Interest spread (2)	**1. 85**	1. 86	**1. 81**	1. 89
Benefit of interest-free liabilities, provisions and equity (3)	**0. 28**	0. 30	**0. 29**	0. 28
Net interest margin (4)	**2. 13**	2. 16	**2. 10**	2. 17
New Zealand (1)				
Interest spread (2)	**1. 75**	1. 55	**1. 78**	1. 73
Benefit of interest-free liabilities, provisions and equity (3)	**0. 34**	0. 35	**0. 36**	0. 32
Net interest margin (4)	**2. 09**	1. 90	**2. 14**	2. 05
Other Overseas (1)				
Interest spread (2)	**1. 30**	1. 09	**1. 38**	1. 21
Benefit of interest-free liabilities, provisions and equity (3)	**0. 06**	0. 04	**0. 06**	0. 06
Net interest margin (4)	**1. 36**	1. 13	**1. 44**	1. 27
Total Group (1)				
Interest spread (2)	**1. 82**	1. 83	**1. 79**	1. 86
Benefit of interest-free liabilities, provisions and equity (3)	**0. 27**	0. 29	**0. 27**	0. 26
Net interest margin (4)	**2. 09**	2. 12	**2. 06**	2. 12

(1) Comparative information has been restated for the reclassification of bank bill facility fee income and IFRS reclassification of net swap costs from Other banking income into Net interest income; the inclusion of securitisation net interest income; and the inclusion of Bank acceptances of customers and Securitised home loans in Interest earning assets to conform with presentation in the current period. Refer to Appendix 23 for details.

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

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

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

3. Average Balances and Related Interest

The following table lists the major categories of interest earning assets and interest bearing liabilities of the Group together with the respective interest earned or paid and the average interest rate for the years ended 30 June 2012 and 30 June 2011 as well as half years ended 30 June 2012, 31 December 2011 and 30 June 2011. Averages used were predominantly daily averages. Interest is accounted for based on product yield, while all trading gains and losses are disclosed as trading income within Other banking income.

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

The New Zealand and Other Overseas components comprises overseas branches of the Bank and overseas domiciled controlled entities.

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

The official cash rate in Australia decreased by 125 basis points during the year while rates in New Zealand were unchanged.

	Full Year Ended 30/06/12			Full Year Ended 30/06/11		
	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield
Interest Earning Assets [(1)]	$M	$M	%	$M	$M	%
Home loans	343,022	22,466	6. 55	327,939	22,228	6. 78
Personal [(2)]	20,870	2,721	13. 04	20,673	2,627	12. 71
Business and corporate	164,931	9,557	5. 79	161,633	9,544	5. 90
Loans, bills discounted and other receivables	528,823	34,744	6. 57	510,245	34,399	6. 74
Cash and other liquid assets	28,034	432	1. 54	26,542	383	1. 44
Assets at fair value through Income Statement (excluding life insurance)	17,518	621	3. 54	21,656	851	3. 93
Available-for-sale investments	55,310	2,504	4. 53	38,963	1,870	4. 80
Non-lending interest earning assets	100,862	3,557	3. 53	87,161	3,104	3. 56
Total interest earning assets [(3)]	629,685	38,301	6. 08	597,406	37,503	6. 28
Non-interest earning assets	77,061			62,699		
Total average assets	706,746			660,105		

	Full Year Ended 30/06/12			Full Year Ended 30/06/11		
	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield
Interest Bearing Liabilities [(1)]	$M	$M	%	$M	$M	%
Transaction deposits	79,742	1,621	2. 03	73,743	1,633	2. 21
Saving deposits	87,458	3,230	3. 69	80,622	3,158	3. 92
Investment deposits	188,098	9,615	5. 11	171,241	9,006	5. 26
Certificates of deposit and other	62,424	3,167	5. 07	60,263	3,160	5. 24
Total interest bearing deposits	417,722	17,633	4. 22	385,869	16,957	4. 39
Payables due to other financial institutions	18,742	185	0. 99	14,675	222	1. 51
Liabilities at fair value through Income Statement	9,504	320	3. 37	13,255	510	3. 85
Debt issues	133,573	6,492	4. 86	132,922	6,590	4. 96
Loan capital	11,113	514	4. 63	12,374	579	4. 68
Total interest bearing liabilities	590,654	25,144	4. 26	559,095	24,858	4. 45
Non-interest bearing liabilities	76,843			64,941		
Total average liabilities	667,497			624,036		

(1) Certain comparative information has been restated for the reclassification of bank bill facility fee income and IFRS reclassification of net swap costs from Other banking income into Net interest income; the inclusion of securitisation net interest income; the inclusion of Bank acceptances of customers and Securitised home loans in Interest earning assets; and the inclusion of Securitised debt issues and Bank acceptances in Interest bearing liabilities to conform with presentation in the current period. Refer to Appendix 23 for details.

(2) Personal loans include personal loans, credit cards, and margin loans.

(3) Used for calculating Net interest margin.

3. Average Balances and Related Interest (continued)

Net Interest Margin [1]	Full Year Ended 30/06/12 Avg Bal $M	Interest $M	Yield %	Full Year Ended 30/06/11 Avg Bal $M	Interest $M	Yield %
Total interest earning assets	629,685	38,301	6. 08	597,406	37,503	6. 28
Total interest bearing liabilities	590,654	25,144	4. 26	559,095	24,858	4. 45
Net interest income and interest spread		13,157	1. 82		12,645	1. 83
Benefit of free funds			0. 27			0. 29
Net interest margin			2. 09			2. 12

Geographical Analysis of Key Categories

	Full Year Ended 30/06/12 Avg Bal $M	Interest $M	Yield %	Full Year Ended 30/06/11 Avg Bal $M	Interest $M	Yield %
Loans, Bills Discounted and Other Receivables [1]						
Australia	475,066	31,720	6. 68	458,025	31,295	6. 83
New Zealand [2]	44,347	2,691	6. 07	44,235	2,823	6. 38
Other Overseas [2]	9,410	333	3. 54	7,985	281	3. 52
Total	528,823	34,744	6. 57	510,245	34,399	6. 74
Non-Lending Interest Earning Assets [1]						
Australia	69,696	3,162	4. 54	59,297	2,731	4. 61
New Zealand [2]	7,428	180	2. 42	6,746	184	2. 73
Other Overseas [2]	23,738	215	0. 91	21,118	189	0. 89
Total	100,862	3,557	3. 53	87,161	3,104	3. 56
Total Interest Bearing Deposits [1]						
Australia	371,365	16,173	4. 36	343,927	15,546	4. 52
New Zealand [2]	27,945	1,274	4. 56	23,658	1,229	5. 19
Other Overseas [2]	18,412	186	1. 01	18,284	182	1. 00
Total	417,722	17,633	4. 22	385,869	16,957	4. 39
Other Interest Bearing Liabilities [1]						
Australia	141,244	7,068	5. 00	142,956	7,335	5. 13
New Zealand [2]	12,655	347	2. 74	16,038	500	3. 12
Other Overseas [2]	19,033	96	0. 50	14,232	66	0. 46
Total	172,932	7,511	4. 34	173,226	7,901	4. 56

(1) Certain comparative information has been restated for the reclassification of bank bill facility fee income and IFRS reclassification of net swap costs from Other banking income into Net interest income; the inclusion of securitisation net interest income; the inclusion of Bank acceptances of customers and Securitised home loans in Interest earning assets; and the inclusion of Securitised debt issues and Bank acceptances in Interest bearing liabilities to conform with presentation in the current period. Refer to Appendix 23 for details.

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

3. Average Balances and Related Interest (continued)

Interest Earning Assets (1)	Half Year Ended 30/06/12 Avg Bal $M	Interest $M	Yield %	Half Year Ended 31/12/11 Avg Bal $M	Interest $M	Yield %	Half Year Ended 30/06/11 Avg Bal $M	Interest $M	Yield %
Home loans	**346,841**	**10,935**	**6. 34**	339,245	11,531	6. 76	330,592	11,259	6. 87
Personal (2)	**21,034**	**1,373**	**13. 13**	20,709	1,348	12. 95	21,009	1,348	12. 94
Business and corporate	**166,388**	**4,799**	**5. 80**	163,490	4,758	5. 79	160,458	4,710	5. 92
Loans, bills discounted and other receivables	**534,263**	**17,107**	**6. 44**	523,444	17,637	6. 70	512,059	17,317	6. 82
Cash and liquid assets	**28,638**	**206**	**1. 45**	27,437	226	1. 64	25,832	190	1. 48
Assets at fair value through Income Statement (excluding life insurance)	**14,135**	**221**	**3. 14**	20,864	400	3. 81	20,475	400	3. 94
Available-for-sale investments	**59,511**	**1,277**	**4. 32**	51,153	1,227	4. 77	42,236	1,017	4. 86
Non-lending interest earning assets	**102,284**	**1,704**	**3. 35**	99,454	1,853	3. 71	88,543	1,607	3. 66
Total interest earning assets (3)	**636,547**	**18,811**	**5. 94**	622,898	19,490	6. 22	600,602	18,924	6. 35
Non-interest earning assets	**77,514**			76,612			68,320		
Total average assets	**714,061**			699,510			668,922		

Interest Bearing Liabilities (1)	Half Year Ended 30/06/12 Avg Bal $M	Interest $M	Yield %	Half Year Ended 31/12/11 Avg Bal $M	Interest $M	Yield %	Half Year Ended 30/06/11 Avg Bal $M	Interest $M	Yield %
Transaction deposits	**79,546**	**761**	**1. 92**	79,937	860	2. 14	75,047	841	2. 26
Saving deposits	**88,620**	**1,534**	**3. 48**	86,308	1,696	3. 91	81,670	1,607	3. 97
Investment deposits	**192,332**	**4,765**	**4. 98**	183,909	4,850	5. 25	175,815	4,701	5. 39
Certificates of deposit and other	**61,571**	**1,528**	**4. 99**	63,267	1,639	5. 15	60,391	1,490	4. 98
Total interest bearing deposits	**422,069**	**8,588**	**4. 09**	413,421	9,045	4. 35	392,923	8,639	4. 43
Payables due to other financial institutions	**19,979**	**86**	**0. 87**	17,517	99	1. 12	15,124	104	1. 39
Liabilities at fair value through Income Statement	**8,434**	**124**	**2. 96**	10,562	196	3. 69	11,191	195	3. 51
Debt issues	**134,785**	**3,254**	**4. 85**	132,377	3,238	4. 87	130,349	3,237	5. 01
Loan capital	**10,606**	**246**	**4. 66**	11,615	268	4. 59	11,799	281	4. 80
Total interest bearing liabilities	**595,873**	**12,298**	**4. 15**	585,492	12,846	4. 36	561,386	12,456	4. 47
Non-interest bearing liabilities	**77,758**			75,938			70,868		
Total average liabilities	**673,631**			661,430			632,254		

(1) Certain comparative information has been restated for the reclassification of bank bill facility fee income and IFRS reclassification of net swap costs from Other banking income into Net interest income; the inclusion of securitisation net interest income; the inclusion of Bank acceptances of customers and Securitised home loans in Interest earning assets; and the inclusion of Securitised debt issues and Bank acceptances in Interest bearing liabilities to conform with presentation in the current period. Refer to Appendix 23 for details.

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

(3) Used for calculating Net interest margin.

3. Average Balances and Related Interest (continued)

Net Interest Margin [1]	Half Year Ended 30/06/12 Avg Bal $M	Interest $M	Yield %	Half Year Ended 31/12/11 Avg Bal $M	Interest $M	Yield %	Half Year Ended 30/06/11 Avg Bal $M	Interest $M	Yield %
Total interest earning assets	636,547	18,811	5. 94	622,898	19,490	6. 22	600,602	18,924	6. 35
Total interest bearing liabilities	595,873	12,298	4. 15	585,492	12,846	4. 36	561,386	12,456	4. 47
Net interest income and interest spread		6,513	1. 79		6,644	1. 86		6,468	1. 88
Benefit of free funds			0. 27			0. 26			0. 29
Net interest margin			2. 06			2. 12			2. 17

Geographical analysis of key categories

	Half Year Ended 30/06/12 Avg Bal $M	Interest $M	Yield %	Half Year Ended 31/12/11 Avg Bal $M	Interest $M	Yield %	Half Year Ended 30/06/11 Avg Bal $M	Interest $M	Yield %
Loans, Bills Discounted and Other Receivables [1]									
Australia	479,738	15,589	6. 53	470,445	16,131	6. 82	460,912	15,838	6. 93
New Zealand [2]	44,541	1,341	6. 05	44,156	1,350	6. 08	43,109	1,343	6. 28
Other Overseas [2]	9,984	177	3. 57	8,843	156	3. 51	8,038	136	3. 41
Total	534,263	17,107	6. 44	523,444	17,637	6. 70	512,059	17,317	6. 82
Non-Lending Interest Earning Assets [1]									
Australia	70,635	1,504	4. 28	68,767	1,658	4. 80	60,665	1,428	4. 75
New Zealand [2]	7,453	89	2. 40	7,403	91	2. 45	6,699	87	2. 62
Other Overseas [2]	24,196	111	0. 92	23,284	104	0. 89	21,179	92	0. 88
Total	102,284	1,704	3. 35	99,454	1,853	3. 71	88,543	1,607	3. 66
Total Interest Bearing Deposits [1]									
Australia	374,237	7,847	4. 22	368,525	8,326	4. 49	351,272	7,965	4. 57
New Zealand [2]	28,832	643	4. 48	27,066	631	4. 64	23,758	588	4. 99
Other Overseas [2]	19,000	98	1. 04	17,830	88	0. 98	17,893	86	0. 97
Total	422,069	8,588	4. 09	413,421	9,045	4. 35	392,923	8,639	4. 43
Other Interest Bearing Liabilities [1]									
Australia	142,432	3,499	4. 94	140,070	3,569	5. 07	138,280	3,546	5. 17
New Zealand [2]	11,818	159	2. 71	13,484	188	2. 77	15,987	245	3. 09
Other Overseas [2]	19,554	52	0. 53	18,517	44	0. 47	14,196	26	0. 37
Total	173,804	3,710	4. 29	172,071	3,801	4. 39	168,463	3,817	4. 57

(1) Certain comparative information has been restated for the reclassification of bank bill facility fee income and IFRS reclassification of net swap costs from Other banking income into Net interest income; the inclusion of securitisation net interest income; the inclusion of Bank acceptances of customers and Securitised home loans in Interest earning assets; and the inclusion of Securitised debt issues and Bank acceptances in Interest bearing liabilities to conform with presentation in the current period. Refer to Appendix 23 for details.

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

4. Interest Rate and Volume Analysis

Interest Earning Assets [1]	Full Year Ended Jun 12 vs Jun 11 Volume $M	Rate $M	Total $M	Full Year Ended Jun 11 vs Jun 10 Volume $M	Rate $M	Total $M
Home loans	1,005	(767)	238	1,203	2,608	3,811
Personal	25	69	94	65	186	251
Business and corporate	193	(180)	13	(543)	742	199
Loans, bills discounted and other receivables	1,237	(892)	345	629	3,632	4,261
Cash and liquid assets	22	27	49	18	32	50
Assets at fair value through Income Statement (excluding life insurance)	(154)	(76)	(230)	(42)	108	66
Available-for-sale investments	763	(129)	634	459	177	636
Non-lending interest earning assets	486	(33)	453	341	411	752
Total interest earning assets	1,995	(1,197)	798	1,199	3,814	5,013

Interest Bearing Liabilities [1]	Full Year Ended Jun 12 vs Jun 11 Volume $M	Rate $M	Total $M	Full Year Ended Jun 11 vs Jun 10 Volume $M	Rate $M	Total $M
Transaction deposits	127	(139)	(12)	130	320	450
Saving deposits	260	(188)	72	60	701	761
Investment deposits	874	(265)	609	1,093	1,751	2,844
Certificates of deposit and other	112	(105)	7	(666)	(301)	(967)
Total interest bearing deposits	1,372	(696)	676	789	2,299	3,088
Payables due to other financial institutions	51	(88)	(37)	(1)	59	58
Liabilities at fair value through Income Statement	(135)	(55)	(190)	(114)	(54)	(168)
Debt issues	31	(129)	(98)	24	1,342	1,366
Loan capital	(58)	(7)	(65)	(72)	104	32
Total interest bearing liabilities	1,373	(1,087)	286	627	3,749	4,376

(1) The volume and rate variances for total interest earning assets and total interest bearing liabilities have been calculated separately (rather than being the sum of the individual categories).

4. Interest Rate and Volume Analysis (continued)

Change in Net Interest Income [1]	Full Year Ended Jun 12 vs Jun 11 Increase/(Decrease) $M	Full Year Ended Jun 11 vs Jun 10 Increase/(Decrease) $M
Due to changes in average volume of interest earning assets	679	422
Due to changes in interest margin	(167)	215
Change in net interest income	512	637

Geographical analysis of key categories [2]	Full Year Ended Jun 12 vs Jun 11			Full Year Ended Jun 11 vs Jun 10		
	Volume $M	Rate $M	Total $M	Volume $M	Rate $M	Total $M
Loans, Bills Discounted and Other Receivables						
Australia	1,151	(726)	425	955	3,560	4,515
New Zealand	7	(139)	(132)	(177)	(70)	(247)
Other Overseas	51	1	52	(71)	64	(7)
Total	1,237	(892)	345	629	3,632	4,261
Non-Lending Interest Earning Assets						
Australia	476	(45)	431	398	368	766
New Zealand	18	(22)	(4)	(17)	(18)	(35)
Other Overseas	24	2	26	14	7	21
Total	486	(33)	453	341	411	752
Total Interest Bearing Deposits						
Australia	1,218	(591)	627	827	2,326	3,153
New Zealand	209	(164)	45	5	(144)	(139)
Other Overseas	1	3	4	(5)	79	74
Total	1,372	(696)	676	789	2,299	3,088
Other Interest Bearing Liabilities						
Australia	(87)	(180)	(267)	518	1,149	1,667
New Zealand	(100)	(53)	(153)	(40)	(215)	(255)
Other Overseas	24	6	30	(79)	(45)	(124)
Total	(13)	(377)	(390)	(167)	1,455	1,288

(1) "Volume" reflects the change in net interest income over the period due to balance growth (assuming rates were held constant), and "Rate" reflects the change due to movements in yield (assuming volumes were held constant).

(2) The volume and rate variances for total interest earning assets and total interest bearing liabilities have been calculated separately (rather than being the sum of the individual categories).

4. Interest Rate and Volume Analysis (continued)

	Half Year Ended Jun 12 vs Dec 11			Half Year Ended Jun 12 vs Jun 11		
	Volume	Rate	Total	Volume	Rate	Total
Interest Earning Assets [1]	$M	$M	$M	$M	$M	$M
Home loans	249	(845)	(596)	533	(857)	(324)
Personal	22	3	25	2	23	25
Business and corporate	86	(45)	41	174	(85)	89
Loans, bills discounted and other receivables	358	(888)	(530)	732	(942)	(210)
Cash and liquid assets	9	(29)	(20)	20	(4)	16
Assets at fair value through Income Statement (excluding life insurance)	(117)	(62)	(179)	(111)	(68)	(179)
Available-for-sale investments	191	(141)	50	394	(134)	260
Non-lending interest earning assets	51	(200)	(149)	240	(143)	97
Total interest earning assets	419	(1,098)	(679)	1,097	(1,210)	(113)

	Half Year Ended Jun 12 vs Dec 11			Half Year Ended Jun 12 vs Jun 11		
	Volume	Rate	Total	Volume	Rate	Total
Interest Bearing Liabilities [1]	$M	$M	$M	$M	$M	$M
Transaction deposits	(4)	(95)	(99)	47	(127)	(80)
Saving deposits	42	(204)	(162)	128	(201)	(73)
Investment deposits	215	(300)	(85)	425	(361)	64
Certificates of deposit and other	(43)	(68)	(111)	29	9	38
Total interest bearing deposits	182	(639)	(457)	616	(667)	(51)
Payables due to other financial institutions	12	(25)	(13)	27	(45)	(18)
Liabilities at fair value through Income Statement	(35)	(37)	(72)	(44)	(27)	(71)
Debt issues	59	(43)	16	109	(92)	17
Loan capital	(23)	1	(22)	(28)	(7)	(35)
Total interest bearing liabilities	220	(768)	(548)	738	(896)	(158)

(1) The volume and rate variances for total interest earning assets and total interest bearing liabilities have been calculated separately (rather than being the sum of the individual categories).

4. Interest Rate and Volume Analysis (continued)

Change in Net Interest Income (1)	Half Year Ended Jun 12 vs Dec 11 Increase/(Decrease) $M	Jun 12 vs Jun 11 Increase/(Decrease) $M
Due to changes in average volume of interest earning assets	144	379
Due to changes in interest margin	(203)	(334)
Due to variation in time period	(72)	-
Change in Net Interest Income	(131)	45

Geographical analysis of key categories (2)	Half Year Ended Jun 12 vs Dec 11			Half Year Ended Jun 12 vs Jun 11		
	Volume $M	Rate $M	Total $M	Volume $M	Rate $M	Total $M
Loans, Bills Discounted and Other Receivables						
Australia	313	(855)	(542)	632	(881)	(249)
New Zealand	11	(20)	(9)	43	(45)	(2)
Other Overseas	21	-	21	35	6	41
Total	358	(888)	(530)	732	(942)	(210)
Non-Lending Interest Earning Assets						
Australia	45	(199)	(154)	225	(149)	76
New Zealand	1	(3)	(2)	9	(7)	2
Other Overseas	4	3	7	14	5	19
Total	51	(200)	(149)	240	(143)	97
Total Interest Bearing Deposits						
Australia	125	(604)	(479)	501	(619)	(118)
New Zealand	41	(29)	12	119	(64)	55
Other Overseas	6	4	10	6	6	12
Total	182	(639)	(457)	616	(667)	(51)
Other Interest Bearing Liabilities						
Australia	59	(129)	(70)	106	(153)	(47)
New Zealand	(24)	(5)	(29)	(61)	(25)	(86)
Other Overseas	3	5	8	12	14	26
Total	38	(129)	(91)	122	(229)	(107)

(1) "Volume" reflects the change in net interest income over the period due to balance growth (assuming rates were held constant), and "Rate" reflects the change due to movements in yield (assuming volumes were held constant)."Variation in time periods" only applies to reporting periods of differing lengths (e.g. between half years).

(2) The volume and rate variances for total interest earning assets and total interest bearing liabilities have been calculated separately (rather than being the sum of the individual categories).

5. Other Banking Income

	Full Year Ended			Half Year Ended		
	30/06/12 $M	30/06/11 $M	Jun 12 vs Jun 11 %	30/06/12 $M	31/12/11 $M	Jun 12 vs Dec 11 %
Lending fees [1]	**997**	982	2	**536**	461	16
Commissions	**1,997**	1,946	3	**988**	1,009	(2)
Trading income	**522**	717	(27)	**281**	241	17
Net gain on disposal of available-for-sale investments	**81**	24	large	**28**	53	(47)
Net gain/(loss) on disposal of other non-fair valued financial instruments	**2**	(4)	large	**1**	1	-
Net gain/(loss) on sale of property, plant and equipment	**39**	(6)	large	**41**	(2)	large
Net hedging ineffectiveness	**39**	4	large	**(24)**	63	large
Net gain/(loss) on other fair valued financial instruments: [1]						
Fair value through Income Statement	**48**	(2)	large	**1**	47	(98)
Non-trading derivatives	**85**	(301)	large	**23**	62	(63)
Dividends	**6**	5	20	**4**	2	100
Other	**273**	278	(2)	**131**	142	(8)
Total other banking income	**4,089**	3,643	12	**2,010**	2,079	(3)

Other Banking Income – Reconciliation of Cash and Statutory Basis

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

	Full Year Ended			Half Year Ended		
	30/06/12 $M	30/06/11 $M	Jun 12 vs Jun 11 %	30/06/12 $M	31/12/11 $M	Jun 12 vs Dec 11 %
Other banking income ("cash basis") [1]	**3,927**	3,996	(2)	**2,000**	1,927	4
Revenue hedge of New Zealand operations - unrealised	**10**	(2)	large	**(8)**	18	large
Loss on disposal of controlled entities/investments	**-**	(7)	(100)	**-**	-	-
Hedging and IFRS volatility	**152**	(344)	large	**18**	134	(87)
Other banking income ("statutory basis") [1]	**4,089**	3,643	12	**2,010**	2,079	(3)

(1) Comparative information has been restated for the reclassification of bank bill facility fee income and IFRS reclassification of net swap costs from Other banking income to Net interest income to conform with presentation in the current period. Refer to Appendix 23 for details.

6. Operating Expenses

	Full Year Ended			Half Year Ended		
	30/06/12 $M	30/06/11 $M	Jun 12 vs Jun 11 %	30/06/12 $M	31/12/11 $M	Jun 12 vs Dec 11 %
Staff Expenses						
Salaries and wages	**4,136**	4,015	3	**2,057**	2,079	(1)
Share-based compensation	**185**	156	19	**95**	90	6
Superannuation - defined contribution plans	**42**	48	(13)	**26**	16	63
Superannuation - defined benefit plan	**168**	137	23	**88**	80	10
Provisions for employee entitlements	**101**	120	(16)	**45**	56	(20)
Payroll tax	**213**	213	-	**104**	109	(5)
Fringe benefits tax	**35**	38	(8)	**17**	18	(6)
Other staff expenses	**67**	60	12	**37**	30	23
Total staff expenses	**4,947**	4,787	3	**2,469**	2,478	-
Occupancy and Equipment Expenses						
Operating lease rentals	**585**	532	10	**296**	289	2
Depreciation:						
Buildings	**37**	35	6	**20**	17	18
Leasehold improvements	**107**	103	4	**51**	56	(9)
Equipment	**76**	82	(7)	**40**	36	11
Operating lease assets	**50**	42	19	**27**	23	17
Repairs and maintenance	**90**	87	3	**45**	45	-
Other	**111**	112	(1)	**56**	55	2
Total occupancy and equipment expenses	**1,056**	993	6	**535**	521	3
Information Technology Services						
Application maintenance and development	**322**	324	(1)	**172**	150	15
Data processing	**241**	267	(10)	**122**	119	3
Desktop	**105**	120	(13)	**41**	64	(36)
Communications	**226**	221	2	**109**	117	(7)
Amortisation of software assets	**183**	183	-	**90**	93	(3)
IT equipment depreciation	**82**	78	5	**44**	38	16
Total information technology services	**1,159**	1,193	(3)	**578**	581	(1)
Other Expenses						
Postage	**112**	112	-	**55**	57	(4)
Stationery	**85**	84	1	**44**	41	7
Fees and commissions:						
Fees payable on trust and other fiduciary activities	**563**	537	5	**290**	273	6
Other	**310**	318	(3)	**122**	188	(35)
Advertising, marketing and loyalty	**459**	457	-	**229**	230	-
Amortisation of intangible assets (excluding software and merger related amortisation)	**18**	16	13	**10**	8	25
Non-lending losses	**81**	83	(2)	**43**	38	13
Other	**406**	311	31	**219**	187	17
Total other expenses	**2,034**	1,918	6	**1,012**	1,022	(1)
Investment and Restructuring						
Integration expenses (1)	**60**	94	(36)	**17**	43	(60)
Merger related amortisation (2)	**75**	75	-	**38**	37	3
Total investment and restructuring	**135**	169	(20)	**55**	80	(31)
Total operating expenses	**9,331**	9,060	3	**4,649**	4,682	(1)

(1) The current year comprises expenses related to the Count Financial Limited acquisition. The prior year comprises expenses related to the Bankwest integration.

(2) Merger related amortisation relates to Bankwest core deposits and customer lists.

7. Income Tax Expense

	Full Year Ended		Half Year Ended	
	30/06/12	30/06/11	30/06/12	31/12/11
	$M	$M	$M	$M
Profit before Income Tax	**9,964**	9,057	**4,903**	5,061
Prima facie income tax at 30%	**2,989**	2,717	**1,471**	1,518
Effect of amounts which are non deductible/(assessable) in calculating taxable income:				
Taxation offsets and other dividend adjustments	**(3)**	(7)	**-**	(3)
Tax adjustment referable to policyholder income	**86**	116	**58**	28
Tax losses not previously brought to account	**(28)**	(6)	**(14)**	(14)
Offshore tax rate differential	**(83)**	(55)	**(51)**	(32)
Offshore banking unit	**(36)**	(17)	**(19)**	(17)
Investment allowance	**-**	(2)	**-**	-
Effect of changes in tax rates (1)	**-**	3	**-**	-
Income tax under/(over) provided in previous years	**22**	(71)	**37**	(15)
Other	**(89)**	(31)	**(52)**	(37)
Total income tax expense	**2,858**	2,647	**1,430**	1,428
Corporate tax expense	**2,736**	2,481	**1,348**	1,388
Policyholder tax expense/(benefit)	**122**	166	**82**	40
Total income tax expense	**2,858**	2,647	**1,430**	1,428
Effective Tax Rate	**%**	**%**	**%**	**%**
Total – corporate	**27. 8**	27. 9	**28. 0**	27. 6
Retail Banking Services – corporate	**29. 7**	29. 7	**29. 9**	29. 4
Business and Private Banking – corporate	**30. 1**	28. 6	**30. 2**	30. 0
Institutional Banking and Markets – corporate	**21. 0**	23. 7	**19. 3**	22. 5
Wealth Management – corporate	**27. 3**	28. 1	**27. 0**	27. 7
New Zealand - corporate (1)	**25. 4**	24. 0	**27. 1**	23. 9
Bankwest - corporate	**33. 1**	34. 7	**36. 1**	29. 9

(1) The New Zealand corporate tax rate reduced from 30% to 28% for tax years starting on or after 1 April 2011. This change is effective for the Group from 1 July 2011.

8. Loans, Bills Discounted and Other Receivables

	As at		
	30/06/12	31/12/11	30/06/11
	$M	$M	$M
Australia			
Overdrafts	**21,497**	21,671	21,930
Home loans	**320,570**	313,940	306,250
Credit card outstandings	**11,149**	11,088	10,798
Lease financing	**4,250**	4,428	4,404
Bills discounted	**16,777**	15,322	14,820
Term loans	**102,250**	100,315	96,097
Other lending	**625**	1,004	1,310
Other securities	**7**	5	4
Total Australia	**477,125**	467,773	455,613
New Zealand			
Overdrafts	**697**	448	502
Home loans	**29,326**	28,434	28,927
Credit card outstandings	**603**	590	572
Lease financing	**358**	378	388
Term loans	**14,016**	13,493	13,460
Total New Zealand	**45,000**	43,343	43,849
Other Overseas			
Overdrafts	**194**	159	127
Home loans	**737**	726	664
Lease financing	**120**	103	80
Term loans	**9,204**	8,063	7,008
Total Other Overseas	**10,255**	9,051	7,879
Gross loans, bills discounted and other receivables	**532,380**	520,167	507,341
Less:			
Provisions for Loan Impairment:			
Collective provision	**(2,819)**	(2,963)	(3,022)
Individually assessed provisions	**(2,008)**	(2,097)	(2,125)
Unearned income:			
Term loans	**(1,032)**	(1,136)	(1,153)
Lease financing	**(839)**	(863)	(984)
	(6,698)	(7,059)	(7,284)
Net loans, bills discounted and other receivables	**525,682**	513,108	500,057

9. Provisions for Impairment and Asset Quality

	As at 30 June 2012				
	Home Loans $M	Other Personal $M	Asset Financing $M	Other Commercial Industrial $M	Total $M
Loans which were neither past due nor impaired					
Investment Grade	216,360	4,074	526	95,955	316,915
Pass Grade	109,800	13,417	7,829	46,088	177,134
Weak	13,783	3,603	77	3,818	21,281
Total loans which were neither past due nor impaired	339,943	21,094	8,432	145,861	515,330
Loans which were past due but not impaired (1)					
Past due 1 - 29 days	4,405	781	110	1,007	6,303
Past due 30 - 59 days	1,786	193	52	154	2,185
Past due 60 - 89 days	983	111	15	101	1,210
Past due 90 - 179 days	1,204	194	4	137	1,539
Past due 180 days or more	1,240	21	9	169	1,439
Total loans past due but not impaired	9,618	1,300	190	1,568	12,676

	As at 30 June 2011				
	Home Loans $M	Other Personal $M	Asset Financing $M	Other Commercial Industrial $M	Total $M
Loans which were neither past due nor impaired (2)					
Investment Grade	197,250	3,827	780	80,431	282,288
Pass Grade	114,903	14,460	8,373	47,175	184,911
Weak	12,158	3,110	170	5,227	20,665
Total loans which were neither past due nor impaired	324,311	21,397	9,323	132,833	487,864
Loans which were past due but not impaired (1)					
Past due 1 - 29 days	4,575	749	87	1,419	6,830
Past due 30 - 59 days	1,952	193	29	226	2,400
Past due 60 - 89 days	1,045	121	18	155	1,339
Past due 90 - 179 days	1,494	204	25	193	1,916
Past due 180 days or more	1,553	28	17	244	1,842
Total loans past due but not impaired	10,619	1,295	176	2,237	14,327

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

(2) Certain comparative information has been reclassified to conform with presentation in the current period.

9. Provisions for Impairment and Asset Quality (continued)

	Full Year Ended		Half Year Ended	
	30/06/12	30/06/11	30/06/12	31/12/11
	$M	$M	$M	$M
Movement in Impaired Asset Balances				
Gross impaired assets - opening balance	**5,297**	5,216	**4,692**	5,297
New and increased	**3,929**	4,619	**2,128**	1,801
Balances written off	**(1,687)**	(1,798)	**(758)**	(929)
Returned to performing or repaid	**(3,040)**	(2,740)	**(1,563)**	(1,477)
Gross impaired assets - closing balance (1)	**4,499**	5,297	**4,499**	4,692

(1) Includes $4,374 million of loans and advances and $125 million of other financial assets (30 June 2011: $5,150 million of loans and advances and $147 million of other financial assets).

	As at	
	30/06/12	30/06/11
	$M	$M
Impaired Assets by Size of Asset (1)		
Less than $1 million	**1,106**	1,044
$1 million to $10 million	**1,469**	1,543
Greater than $10 million	**1,924**	2,710
Gross impaired assets	**4,499**	5,297
Less individually assessed provisions for impairment	**(2,008)**	(2,125)
Net impaired assets	**2,491**	3,172

(1) Comparative information has been reclassified to conform with the presentation in the current period.

	As at	
	30/06/12	30/06/11
	%	%
Asset Quality Ratios		
Gross impaired assets as a percentage of gross loans and acceptances	**0. 83**	1. 02
Loans 90 or more days past due but not impaired as a percentage of gross loans and acceptances	**0. 55**	0. 73

9. Provisions for Impairment and Asset Quality (continued)

Provisioning Policy

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

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

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

	Full Year Ended		Half Year Ended	
	30/06/12	30/06/11	30/06/12	31/12/11
	$M	$M	$M	$M
Provisions for impairment losses				
Collective provision				
Opening balance	**3,043**	3,461	**2,984**	3,043
Net collective provision funding	**312**	45	**111**	201
Impairment losses written off	**(740)**	(646)	**(384)**	(356)
Impairment losses recovered	**228**	206	**127**	101
Other	**(6)**	(23)	**(1)**	(5)
Closing balance	**2,837**	3,043	**2,837**	2,984
Individually assessed provisions				
Opening balance	**2,125**	1,992	**2,097**	2,125
Net new and increased individual provisioning	**1,202**	1,602	**662**	540
Write-back of provisions no longer required	**(425)**	(367)	**(229)**	(196)
Discount unwind to interest income	**(122)**	(147)	**(59)**	(63)
Other	**365**	374	**187**	178
Impairment losses written off	**(1,137)**	(1,329)	**(650)**	(487)
Closing balance	**2,008**	2,125	**2,008**	2,097
Total provisions for impairment losses	**4,845**	5,168	**4,845**	5,081
Less: Off balance sheet provisions	**(18)**	(21)	**(18)**	(21)
Total provisions for loan impairment	**4,827**	5,147	**4,827**	5,060

	Full Year Ended		Half Year Ended	
	30/06/12	30/06/11	30/06/12	31/12/11
	%	%	%	%
Provision Ratios				
Collective provision as a % of credit risk weighted assets	**1. 09**	1. 23	**1. 09**	1. 15
Total provisions as a % of credit risk weighted assets	**1. 85**	2. 09	**1. 85**	1. 97
Individually assessed provisions for impairment as a % of gross impaired assets	**44. 63**	40. 12	**44. 63**	44. 69
Total provisions for impairment losses as a % of gross loans and acceptances	**0. 89**	1. 00	**0. 89**	0. 96

	Full Year Ended		Half Year Ended	
	30/06/12	30/06/11	30/06/12	31/12/11
	$M	$M	$M	$M
Loan Impairment Expense				
Net collective provisioning funding	**312**	45	**111**	201
Net new and increased individual provisioning	**1,202**	1,602	**662**	540
Write-back of individually assessed provisions	**(425)**	(367)	**(229)**	(196)
Total loan impairment expense	**1,089**	1,280	**544**	545

10. Deposits and Other Public Borrowings

	As at		
	30/06/12	31/12/11	30/06/11
	$M	$M	$M
Australia			
Certificates of deposit	**45,839**	50,093	45,544
Term deposits	**152,543**	148,135	137,192
On demand and short term deposits	**176,866**	175,519	169,190
Deposits not bearing interest	**7,530**	7,757	7,630
Securities sold under agreements to repurchase	**5,245**	3,600	3,696
Total Australia	**388,023**	385,104	363,252
New Zealand			
Certificates of deposit	**254**	255	355
Term deposits	**17,710**	16,531	15,940
On demand and short term deposits	**10,732**	10,735	8,083
Deposits not bearing interest	**1,661**	1,648	1,565
Securities sold under agreements to repurchase	**-**	80	262
Total New Zealand	**30,357**	29,249	26,205
Other Overseas			
Certificates of deposit	**7,002**	7,419	4,345
Term deposits	**11,266**	9,027	6,364
On demand and short term deposits	**916**	938	783
Deposits not bearing interest	**91**	74	93
Securities sold under agreements to repurchase	**-**	16	105
Total Other Overseas	**19,275**	17,474	11,690
Total deposits and other public borrowings	**437,655**	431,827	401,147

Appendices

11. Financial Reporting by Segments

	Full Year Ended 30 June 2012							
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Management	New Zealand	Bankwest	Other	Total
	$M	$M	$M	$M	$M	$M	$M	$M
Net interest income	6,342	2,231	1,409	-	944	1,457	774	**13,157**
Other banking income	1,410	866	937	-	214	207	293	**3,927**
Total banking income	7,752	3,097	2,346	-	1,158	1,664	1,067	**17,084**
Funds management income	-	-	-	1,888	44	-	25	**1,957**
Insurance income	-	-	-	691	227	-	42	**960**
Total operating income	7,752	3,097	2,346	2,579	1,429	1,664	1,134	**20,001**
Investment experience (1)	-	-	-	108	(11)	-	52	**149**
Total income	7,752	3,097	2,346	2,687	1,418	1,664	1,186	**20,150**
Operating expenses (2)	(2,957)	(1,344)	(851)	(1,909)	(727)	(852)	(556)	**(9,196)**
Loan impairment expense	(623)	(227)	(153)	-	(37)	(61)	12	**(1,089)**
Net profit before tax	4,172	1,526	1,342	778	654	751	642	**9,865**
Corporate tax expense	(1,238)	(459)	(282)	(209)	(164)	(227)	(157)	**(2,736)**
Non-controlling interests	-	-	-	-	-	-	(16)	**(16)**
Net profit after tax ("cash basis")	2,934	1,067	1,060	569	490	524	469	**7,113**
Hedging and IFRS volatility	-	-	-	-	28	(4)	100	**124**
Other non-cash items	-	-	-	(58)	-	(89)	-	**(147)**
Net profit after tax ("statutory basis")	2,934	1,067	1,060	511	518	431	569	**7,090**
Additional information								
Intangible asset amortisation	(36)	(45)	(9)	(8)	(24)	(84)	(70)	**(276)**
Depreciation	(8)	(16)	(52)	(4)	(26)	(31)	(215)	**(352)**
Balance Sheet								
Total assets	284,754	82,157	126,196	20,643	51,456	82,595	70,428	**718,229**
Acquisition of property, plant and equipment, intangibles and other non-current assets	6	8	254	287	48	93	198	**894**
Investment in associates	71	28	6	822	-	-	971	**1,898**
Total liabilities	185,402	115,001	74,662	21,081	47,226	76,570	156,715	**676,657**

(1) Investment experience is presented on a pre-tax basis.

(2) Operating expenses include volume related expenses.

11. Financial Reporting by Segments (continued)

	Full Year Ended 30 June 2011							
	Retail Banking Services $M	Business and Private Banking [1] $M	Institutional Banking and Markets [1] $M	Wealth Management $M	New Zealand $M	Bankwest $M	Other [2] $M	Total $M
Net interest income	6,209	2,134	1,331	-	840	1,420	711	**12,645**
Other banking income	1,312	905	1,136	-	286	220	137	**3,996**
Total banking income	7,521	3,039	2,467	-	1,126	1,640	848	**16,641**
Funds management income	-	-	-	1,975	40	-	26	**2,041**
Insurance income	-	-	-	625	211	-	20	**856**
Total operating income	7,521	3,039	2,467	2,600	1,377	1,640	894	**19,538**
Investment experience [3]	-	-	-	83	1	-	37	**121**
Total income	7,521	3,039	2,467	2,683	1,378	1,640	931	**19,659**
Operating expenses [4]	(2,903)	(1,335)	(828)	(1,801)	(704)	(869)	(451)	**(8,891)**
Loan impairment expense	(558)	(261)	(324)	-	(54)	(109)	26	**(1,280)**
Net profit before tax	4,060	1,443	1,315	882	620	662	506	**9,488**
Corporate tax expense	(1,206)	(413)	(311)	(240)	(150)	(199)	(118)	**(2,637)**
Non-controlling interests	-	-	-	-	-	-	(16)	**(16)**
Net profit after tax ("cash basis")	2,854	1,030	1,004	642	470	463	372	**6,835**
Hedging and IFRS volatility	-	-	-	-	(16)	(33)	(216)	**(265)**
Other non-cash items	-	-	-	(34)	-	(137)	(5)	**(176)**
Net profit after tax ("statutory basis")	2,854	1,030	1,004	608	454	293	151	**6,394**
Additional information								
Intangible asset amortisation	(29)	(58)	(11)	(3)	(26)	(88)	(58)	**(273)**
Depreciation	(10)	(23)	(43)	(4)	(24)	(36)	(200)	**(340)**
Balance Sheet								
Total assets	274,773	82,928	112,028	20,672	50,491	76,828	50,179	**667,899**
Acquisition of property, plant and equipment, intangibles and other non-current assets	7	15	138	4	46	45	236	**491**
Investment in associates	71	33	12	765	-	-	831	**1,712**
Total liabilities	168,418	113,288	63,631	19,921	46,493	71,555	147,306	**630,612**

(1) Comparative information has been restated for the impact of the reclassification of bank bill facility fee income from Other banking income to Net interest income to conform with presentation in the current period. Refer to Appendix 23 for details.

(2) Comparative information has been restated for the reclassification of IFRS net swap costs from Other banking income to Net interest income to conform with presentation in the current period. Refer to Appendix 23 for details.

(3) Investment experience is presented on a pre-tax basis.

(4) Operating expenses include volume related expenses.

11. Financial Reporting by Segments (continued)

	Half Year Ended 30 June 2012							
	Retail Banking Services $M	Business and Private Banking $M	Institutional Banking and Markets $M	Wealth Management $M	New Zealand $M	Bankwest $M	Other $M	Total $M
Net interest income	3,153	1,121	705	-	481	709	344	**6,513**
Other banking income	705	404	477	-	106	104	204	**2,000**
Total banking income	3,858	1,525	1,182	-	587	813	548	**8,513**
Funds management income	-	-	-	943	23	-	14	**980**
Insurance income	-	-	-	327	111	-	21	**459**
Total operating income	3,858	1,525	1,182	1,270	721	813	583	**9,952**
Investment experience (1)	-	-	-	75	(5)	-	23	**93**
Total income	3,858	1,525	1,182	1,345	716	813	606	**10,045**
Operating expenses (2)	(1,467)	(669)	(426)	(937)	(372)	(422)	(301)	**(4,594)**
Loan impairment expense	(258)	(117)	(120)	-	(26)	(23)	-	**(544)**
Net profit before tax	2,133	739	636	408	318	368	305	**4,907**
Corporate tax expense	(638)	(223)	(123)	(111)	(86)	(112)	(70)	**(1,363)**
Non-controlling interests	-	-	-	-	-	-	(7)	**(7)**
Net profit after tax ("cash basis")	1,495	516	513	297	232	256	228	**3,537**
Hedging and IFRS volatility	-	-	-	-	-	9	-	**9**
Other non-cash items	-	-	-	(26)	-	(54)	-	**(80)**
Net profit after tax ("statutory basis")	1,495	516	513	271	232	211	228	**3,466**
Additional information								
Intangible asset amortisation	(16)	(21)	(5)	(5)	(12)	(42)	(37)	**(138)**
Depreciation	(4)	(8)	(28)	(2)	(13)	(16)	(111)	**(182)**
Balance Sheet								
Total assets	284,754	82,157	126,196	20,643	51,456	82,595	70,428	**718,229**
Acquisition of property, plant and equipment, intangibles and other non-current assets	1	8	130	-	25	62	89	**315**
Investment in associates	71	28	6	822	-	-	971	**1,898**
Total liabilities	185,402	115,001	74,662	21,081	47,226	76,570	156,715	**676,657**

(1) Investment experience is presented on a pre-tax basis.

(2) Operating expenses include volume related expenses.

11. Financial Reporting by Segments (continued)

Geographical Information Financial Performance & Position [1]	Full Year Ended 30/06/12 $M	30/06/12 %	30/06/11 $M	30/06/11 %
Income				
Australia	**41,809**	**88. 6**	40,986	88. 4
New Zealand	**3,708**	**7. 9**	3,819	8. 2
Other locations [2]	**1,676**	**3. 5**	1,596	3. 4
Total income	**47,193**	**100. 0**	46,401	100. 0
Non-Current Assets				
Australia	**13,594**	**92. 6**	12,706	92. 9
New Zealand	**917**	**6. 2**	852	6. 2
Other locations [2]	**171**	**1. 2**	123	0. 9
Total non-current assets [3]	**14,682**	**100. 0**	13,681	100. 0

(1) The geographical segment represents the location in which the transaction was recognised. Certain comparative information has been reclassified to conform with presentation in the current period.

(2) Other locations include: United Kingdom, United States, Japan, Singapore, Malta, Hong Kong, Indonesia, China and Vietnam.

(3) Non-current assets includes property, plant and equipment, investments in associates and joint ventures and intangibles.

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

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

The Group's approach to risk management including governance, management, appetite, policies and procedures are described in the Risk Management section of the 30 June 2012 Annual Report of the Group.

Additionally, further disclosures in respect of capital adequacy and risk are provided in the Pillar 3 document.

Credit Risk

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

Below is a breakdown of the Group's committed exposure across industry, region and commercial credit quality.

By Industry (1)	30/06/12 %	31/12/11 %	30/06/11 %
Agriculture, forestry and fishing	**2. 1**	2. 1	2. 2
Banks	**11. 1**	10. 9	11. 6
Business services	**1. 0**	0. 9	0. 9
Construction	**0. 9**	1. 0	1. 0
Consumer	**52. 8**	52. 7	53. 1
Culture and recreational services	**1. 0**	0. 9	0. 7
Energy	**1. 1**	1. 0	1. 0
Finance - Other	**3. 5**	3. 7	3. 6
Health and community service	**0. 7**	0. 7	0. 8
Manufacturing	**2. 1**	2. 0	2. 0
Mining	**1. 0**	1. 0	0. 8
Property	**6. 5**	6. 3	6. 3
Retail trade and wholesale trade	**2. 4**	2. 6	2. 4
Sovereign	**7. 5**	7. 9	7. 3
Transport and storage	**1. 5**	1. 5	1. 4
Other	**4. 8**	4. 8	4. 9
	100. 0	100. 0	100. 0

By Region (1)	30/06/12 %	31/12/11 %	30/06/11 %
Australia	**79. 7**	80. 8	80. 0
New Zealand	**8. 1**	8. 1	8. 3
Europe	**5. 2**	4. 6	6. 0
Americas	**4. 5**	4. 1	3. 5
Asia	**2. 4**	2. 3	2. 1
Other	**0. 1**	0. 1	0. 1
	100. 0	100. 0	100. 0

(1) Committed exposures by industry and region are disclosed on a gross basis (calculated before collateralisation).

12. Integrated Risk Management (continued)

Credit Risk (continued)

Commercial Portfolio Quality (1)	30/06/12 %	31/12/11 %	30/06/11 %
AAA/AA	**31**	34	33
A	**19**	17	17
BBB	**18**	16	15
Other	**32**	33	35
	100	100	100

(1) Committed exposures by commercial credit quality is disclosed on a gross basis (calculated before collateralisation).

As a measure of individually risk-rated commercial portfolio exposure (including finance and insurance), the Group has 68% of commercial exposures at investment grade quality.

Included in the Group's European exposures is $1,279 million of exposure to Spain, Ireland, Italy and Greece. The exposure comprises $250 million Italian Sovereign, $159 million Italian and Spanish banks (primarily short term deposits) and $870 million of predominantly Irish and Spanish counterparties (primarily secured by residential and other security). The Group has less than $16 million of corporate exposure to Greece and insignificant exposure to Portugal.

Market Risk

Market risk in the Balance Sheet is discussed within Note 39 of the 2012 Annual Report.

Value at Risk (VaR)

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

VaR is modelled at a 97.5% confidence level over a 1 day holding period for Trading Book positions and over a 20 day holding period for the Life Insurance business, Non-Traded Equity and Interest Rate Risk in the Banking Book.

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

	Average VaR			
Traded Market Risk (1) (2)	30/06/12 $M	31/12/11 $M	30/06/11 $M	31/12/10 $M
Risk Type				
Interest rate risk	**5. 9**	4. 5	6. 5	7. 2
Foreign exchange risk	**1. 0**	1. 1	2. 1	2. 0
Equities risk	**1. 9**	2. 5	1. 6	1. 9
Commodities risk	**1. 2**	1. 3	1. 3	1. 1
Credit spread risk	**2. 5**	3. 2	2. 7	3. 8
Diversification benefit	**(6. 9)**	(6. 5)	(7. 6)	(8. 5)
Total general market risk	**5. 6**	6. 1	6. 6	7. 5
Undiversified risk	**3. 3**	3. 5	3. 2	3. 5
ASB Bank	**2. 0**	2. 5	1. 3	1. 8
Bankwest	**0. 1**	0. 1	0. 1	0. 1
Total	**11. 0**	12. 2	11. 2	12. 9

(1) Average VaR is at 1 day 97.5% confidence, and is calculated for each six month period.

(2) Certain comparative information has been reclassified to conform with presentation in the current period.

12. Integrated Risk Management (continued)

Market Risk (continued)

Non-Traded VaR in Australian Life Insurance Business (20 day 97.5% confidence)	Average VaR (3) 30/06/12 $M	31/12/11 $M	30/06/11 $M	31/12/10 $M
Shareholder funds (1)	**20.4**	26.1	28.1	26.4
Guarantees (to Policyholders) (2)	**25.9**	35.4	35.6	51.7

(1) VaR in relation to the investment of Shareholder Funds.

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

(3) Half year ended.

Non-Traded Equity

Non-traded equity includes all equity instruments outside the trading portfolio with the exception of structural and strategic holdings integral to the Group's operations.

Non-Traded Equity Risk VaR (20 day 97.5% confidence)	As at VaR 30/06/12 $M	VaR 31/12/11 $M	VaR 30/06/11 $M	VaR 31/12/10 $M
VaR	**94.0**	99.0	67.0	95.5

Interest Rate Risk in the Banking Book

Interest rate risk in the Banking Book is discussed within Note 39 of the 2012 Annual Report.

(a) Next 12 Months' Earnings.

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

Net Interest Earnings at Risk (1)		30/06/12 $M	31/12/11 $M	30/06/11 $M	31/12/10 $M
Average monthly exposure	AUD	**92.7**	211.8	168.4	157.5
	NZD	**14.4**	27.0	12.3	6.3
High month exposure	AUD	**140.9**	284.3	241.2	209.6
	NZD	**18.3**	32.5	26.1	7.9
Low month exposure	AUD	**40.7**	154.0	74.3	76.1
	NZD	**11.5**	18.0	1.1	2.5

(1) Half year ended.

(b) Economic Value.

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

Non-Traded Interest Rate Risk (1)	Average VaR (3) 30/06/12 $M	31/12/11 $M	30/06/11 $M	31/12/10 $M
AUD Interest rate risk	**104.2**	142.7	116.4	136.6
NZD Interest rate risk (2)	**1.4**	1.3	2.4	1.1

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

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

(3) Half year ended.

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12. Integrated Risk Management (continued)

Funding Sources

The following table provides the funding sources for the Group including customer deposits, short term wholesale funding, long term funding with less than one year residual maturity and long term funding greater than one year residual maturity. Shareholders' equity is excluded from this view of funding sources other than the USD trust preferred securities which are classified as other equity instruments in the statutory balance sheet.

	As at				
	30/06/12 $M	31/12/11 $M	30/06/11 $M	Jun 12 vs Dec 11 %	Jun 12 vs Jun 11 %
Transaction deposits	**83,401**	82,186	79,466	1	5
Savings deposits	**88,982**	89,194	81,680	-	9
Investment deposits	**197,138**	188,917	176,100	4	12
Other customer deposits (1)	**9,778**	10,167	11,975	(4)	(18)
Total customer deposits	**379,299**	370,464	349,221	2	9
Wholesale funding					
Short term					
Certificates of deposit	**31,831**	35,678	30,608	(11)	4
Bank acceptances	**9,717**	10,732	10,475	(9)	(7)
ECP commercial paper programme	**8,017**	8,629	9,867	(7)	(19)
US commercial paper programme	**28,200**	33,001	28,614	(15)	(1)
Securities sold under agreements to repurchase	**5,245**	3,696	4,062	42	29
Other (2)	**25,481**	23,298	21,292	9	20
Total short term funding	**108,491**	115,034	104,918	(6)	3
Total long term funding - less than one year residual maturity (3)	**25,715**	32,391	28,674	(21)	(10)
Long term - greater than one year residual maturity (3)					
Transferable certificates of deposit (4)	**19,068**	19,580	15,901	(3)	20
Euro medium term note programme	**25,586**	26,213	28,910	(2)	(11)
US medium term note programme	**23,753**	23,622	28,658	1	(17)
Covered bond programmes	**12,574**	-	-	large	large
Other debt issues (5)	**7,403**	4,956	6,170	49	20
Securitisation	**6,240**	6,901	7,490	(10)	(17)
Loan capital	**7,520**	7,481	9,519	1	(21)
Other	**1,494**	981	974	52	53
Total long term funding - greater than one year residual maturity	**103,638**	89,734	97,622	15	6
IFRS MTM and derivative FX revaluations	**(5,417)**	(6,975)	(11,012)	(22)	(51)
Total wholesale funding	**232,427**	230,184	220,202	1	6
Total funding	**611,726**	600,648	569,423	2	7
Reported as					
Deposits and other public borrowings	**437,655**	431,827	401,147	1	9
Payables due to other financial institutions	**22,126**	17,424	15,899	27	39
Liabilities at fair value through income statement	**6,555**	9,986	10,491	(34)	(38)
Bank acceptances	**9,717**	10,732	10,734	(9)	(9)
Debt issues	**124,712**	119,307	118,652	5	5
Loan capital	**10,022**	10,433	11,561	(4)	(13)
Share capital - other equity instruments	**939**	939	939	-	-
Total funding	**611,726**	600,648	569,423	2	7

(1) Other customer deposits primarily consist of non-interest bearing deposits and deposits held at fair value through the income statement.

(2) Includes short sales, due to other financial institutions, debt issues with original maturity/call date less than one year.

(3) Residual maturity of long term wholesale funding included in Debt issues, Loan capital and Share capital – other equity instruments, is the earlier of the next call date or final maturity.

(4) Includes long term domestic debt programme (included within certificates of deposit, refer to Appendix 10).

(5) Includes debt included in liabilities at fair value through income statement.

12. Integrated Risk Management (continued)

Funding Sources (continued)

Customer deposits accounted for 62% of total funding at 30 June 2012, compared to 61% in the prior year. Customer deposit growth of 9% since June 2011 has seen the Group satisfy a significant proportion of its funding requirements from deposits. The remaining 38% of total funding comprises various wholesale debt issuance. The Group's total wholesale funding was $232 billion at 30 June 2012, a 6% increase over the prior year reflecting both an outright increase in long term wholesale debt issuance and the impact of the weakening Australian dollar on foreign currency denominated term debt.

Short term wholesale funding, being debt with an original maturity of less than 12 months, includes Certificates of deposit, Bank Acceptances and debt issued under Euro and US Commercial paper programmes by CBA, Bankwest and ASB. Short term wholesale funding of $108 billion at 30 June 2012 increased 3% over the prior year and represented 47% of total wholesale funding as at 30 June 2012 compared to 48% at 30 June 2011.

The Group continues to maintain strong access to both domestic and international wholesale debt markets, completing transactions in USD, EUR, AUD, NOK, CHF and JPY during the year. Following the introduction of Covered Bond (CB) legislation in Australia in October 2011, the Group completed several CB transactions across a range of tenors and currencies. The Group also issued its first US dollar denominated bond under its CBA New York Branch 3(a)(2) programme.

The Group maintained a conservative maturity profile for wholesale debt. The Weighted Average Maturity (WAM) of new long term wholesale debt issued during the year ended 30 June 2012 was 5.0 years. The WAM of outstanding long-term wholesale debt increased to 3.7 years at 30 June 2012, up from 3.6 years at 30 June 2011.

Refer to Note 40 of the 2012 Annual Report for further details on Liquidity and Funding risk.

13. Counterparty and Other Credit Risk Exposures

Special Purpose and Off-balance Sheet Entities

The Group invests in or establishes Special Purpose Entities (SPE's) in the ordinary course of business, primarily to provide funding and financial services for its customers. These SPE's are consolidated in the Financial Statements if they meet the criteria of control as outlined in Note 1 to the Financial Statements of the 2012 Annual Report. The definition of control depends upon substance rather than form and accordingly, determination of the existence of control involves management judgement. The Group assesses whether an SPE should be consolidated based on whether the majority of risks and rewards in the entity pass to the Group.

Some of the SPE's with which the Group is involved are detailed below, including the reason for their establishment and the control factors associated with the Group's interest in them. The Group does not bear the majority of residual risks and rewards of the SPE's which are not consolidated.

Securitisation Vehicles

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

Structured Finance Entities

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

Asset-backed Securities

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

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

Leveraged Finance

The Group provides debt financing to companies acquired by private equity firms. These companies are typically highly leveraged. Target businesses are those with operations in Australia and New Zealand with stable and established earnings and the ability to reduce borrowing levels.

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

Hedge Funds

There were no material movements in exposures to hedge funds since 30 June 2011 and these exposures are not considered to be material.

Collateralised Debt Obligations (CDO's) and Credit Linked Notes

The Group has no material direct or indirect exposure to CDO's or credit linked notes.

Lenders Mortgage Insurance

Lenders mortgage insurance is provided by Genworth Financial Mortgage Insurance Pty Ltd and QBE Lenders Mortgage Insurance Ltd. The annualised expected loss claim, representing the total value of claims that would be due from these providers to the Group, on the basis of current market conditions, is approximately $116 million from Genworth and $10 million from QBE.

Monoline insurers

The underlying debt instruments that have been wrapped by monoline insurers are predominantly Australian domiciled and have stand alone ratings ranging from BBB- to A-. As at 30 June 2012 the Group had $188 million in exposures to these instruments (30 June 2011: $159 million).

13. Counterparty and Other Credit Risk Exposures (continued)

Securitisation Vehicles

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

	Loans		Associated Liabilities	
	30/06/12	30/06/11	30/06/12	30/06/11
	$M	$M	$M	$M
Securitisation programmes				
Residential mortgages [(1)]	**9,279**	11,296	**7,858**	9,424
Total securitisation programmes	**9,279**	11,296	**7,858**	9,424
Covered bond programmes				
Residential mortgages	**22,358**	-	**12,789**	-
Total covered bond programmes	**22,358**	-	**12,789**	-
Total securitisation and covered bond programmes	**31,637**	11,296	**20,647**	9,424

(1) These loans and associated liabilities have been included on the basis that the associated liabilities are issued externally.

The table below provides a breakdown of exposures to the securitisation vehicles and covered bond SPE's that the Group has established.

	Funded		Unfunded [(1)]		Total	
	30/06/12	30/06/11	30/06/12	30/06/11	30/06/12	30/06/11
Exposure to securitisation SPE's	$M	$M	$M	$M	$M	$M
Residential mortgage backed securities held for potential repurchase with central banks	**72,192**	43,662	**-**	-	**72,192**	43,662
Other residential mortgage backed securities	**3,535**	2,125	**-**	-	**3,535**	2,125
Derivatives [(2)]	**1,519**	1,478	**-**	-	**1,519**	1,478
Liquidity support & other facilities	**884**	1,061	**972**	872	**1,856**	1,933
Total exposure to securitisation SPE's	**78,130**	48,326	**972**	872	**79,102**	49,198

(1) Unfunded amounts apply to financial arrangements the Group holds with securitisation SPE's that the SPE is yet to draw on.

(2) Derivatives are measured on the basis of Potential Credit Exposure (PCE), a credit risk measurement of maximum risk over the term of the transaction, or current fair value where PCE is not avaliable.

13. Counterparty and Other Credit Risk Exposures (continued)

Asset-backed Securities [1]

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

Summary of asset-backed securities	Carrying Amount 30/06/12 $M	Carrying Amount 30/06/11 $M
Commercial mortgage backed securities	**32**	71
Residential mortgage backed securities	**4,493**	2,791
Total	**4,525**	2,862

Asset-backed Securities by Underlying Asset [1]

	Trading portfolio		AFS portfolio [2]		Other		Total	
	30/06/12	30/06/11	30/06/12	30/06/11	30/06/12	30/06/11	30/06/12	30/06/11
	$M	$M	$M	$M	$M	$M	$M	$M
Sub-prime	**-**	-	**-**	-	**-**	-	**-**	-
Non-conforming (Alt-A)	**1**	1	**-**	6	**-**	-	**1**	7
Prime mortgages	**23**	54	**4,191**	2,414	**278**	316	**4,492**	2,784
Other assets	**-**	-	**32**	71	**-**	-	**32**	71
Total	**24**	55	**4,223**	2,491	**278**	316	**4,525**	2,862

Asset-backed Securities by Credit Rating and Geography [1]

	AAA & AA		A		BBB		BB and below including not rated		Total	
	30/06/12	30/06/11	30/06/12	30/06/11	30/06/12	30/06/11	30/06/12	30/06/11	30/06/12	30/06/11
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
Australia	**4,161**	2,479	**29**	24	**10**	12	**15**	-	**4,215**	2,515
Europe	**-**	-	**-**	-	**-**	-	**278**	316	**278**	316
UK	**-**	-	**32**	31	**-**	-	**-**	-	**32**	31
Total	**4,161**	2,479	**61**	55	**10**	12	**293**	316	**4,525**	2,862

Warehousing financing facilities	Funded Commitments 30/06/12 $M	Funded Commitments 30/06/11 $M	Unfunded Commitments 30/06/12 $M	Unfunded Commitments 30/06/11 $M	Total 30/06/12 $M	Total 30/06/11 $M
Australia	**3,361**	2,980	**1,328**	1,627	**4,689**	4,607
New Zealand	**605**	517	**28**	43	**633**	560
Europe	**298**	320	**-**	-	**298**	320
Total	**4,264**	3,817	**1,356**	1,670	**5,620**	5,487

Commercial paper standby liquidity facilities [3]	Funded Commitments 30/06/12 $M	Funded Commitments 30/06/11 $M	Unfunded Commitments 30/06/12 $M	Unfunded Commitments 30/06/11 $M	Total 30/06/12 $M	Total 30/06/11 $M
Standby liquidity facilities	**19**	-	**200**	300	**219**	300

(1) Comparative information has been reclassified to conform with presentation in the current period.

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

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

13. Counterparty and Other Credit Risk Exposures (continued)

Leveraged Finance [1]

The tables below are an analysis of the credit exposures arising from providing leverage finance to entities acquired by private equity firms.

Exposure by Industry [2]

	Funded exposure		Unfunded commitments		Total gross exposure		Individual provision		Net exposure	
	30/06/12	30/06/11	30/06/12	30/06/11	30/06/12	30/06/11	30/06/12	30/06/11	30/06/12	30/06/11
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
Retail	**113**	181	**20**	29	**133**	210	**(2)**	-	**131**	210
Manufacturing	**203**	206	**35**	23	**238**	229	**(33)**	(18)	**205**	211
Media	**84**	154	**29**	13	**113**	167	**-**	-	**113**	167
Healthcare	**158**	136	**21**	21	**179**	157	**-**	-	**179**	157
Equipment hire	**87**	80	**10**	-	**97**	80	**-**	-	**97**	80
Financial services	**59**	28	**4**	5	**63**	33	**-**	-	**63**	33
Other	**338**	175	**56**	25	**394**	200	**(34)**	-	**360**	200
Total	**1,042**	960	**175**	116	**1,217**	1,076	**(69)**	(18)	**1,148**	1,058

Exposure by Geography [2]

	Funded exposure		Unfunded commitments		Total gross exposure		Individual provision		Net exposure	
	30/06/12	30/06/11	30/06/12	30/06/11	30/06/12	30/06/11	30/06/12	30/06/11	30/06/12	30/06/11
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
Australia	**876**	813	**156**	102	**1,032**	915	**(35)**	(18)	**997**	897
New Zealand	**166**	147	**19**	14	**185**	161	**(34)**	-	**151**	161
Total	**1,042**	960	**175**	116	**1,217**	1,076	**(69)**	(18)	**1,148**	1,058

(1) Transactions sponsored by private equity investors which are considered highly leveraged relative to the norms of the respective industry.
(2) Excludes derivative exposures of $119 million (30 June 2011: $105 million).

	As at	
	30/06/12	30/06/11
Movements in individual provisions	$M	$M
Opening balance	**(18)**	(18)
Movements in the year	**(51)**	-
Total individual provisions	**(69)**	(18)

Appendices

14. Capital

Current Regulatory Framework

The Bank is an Authorised Deposit taking Institution (ADI) and is subject to regulation by APRA under the authority of the Banking Act 1959. APRA has set minimum regulatory capital requirements for banks that are consistent with the International Convergence of Capital Measurement and Capital Standards: A Revised Framework (Basel II) issued by the BCBS. These requirements define what is acceptable as capital and provide methods of measuring the risks incurred by the Bank.

The regulatory capital requirements are measured for the Extended Licence Entity Group ("Level One", comprising the Bank and APRA approved subsidiaries) and for the Bank and all of its banking subsidiaries, which includes both Bankwest and ASB Bank ("Level Two" or the "Group").

All subsidiary entities which are consolidated for accounting purposes are included within the Group capital adequacy calculations except for:

- The insurance and funds management operations; and
- The entities through which securitisation is conducted.

Regulatory capital is divided into Tier One and Tier Two Capital. Tier One Capital primarily consists of Shareholders' Equity plus other capital instruments acceptable to APRA, less goodwill and other prescribed deductions. Tier Two Capital is comprised primarily of hybrid and debt instruments acceptable to APRA less any prescribed deductions. Total Capital is the aggregate of Tier One and Tier Two Capital.

Capital adequacy is measured by means of a risk based capital ratio. The capital ratios reflect capital as a percentage of total Risk Weighted Assets (RWA). RWA represents a risk weighted assessment of the Group's assets and other related exposures.

The Group has a range of instruments and methodologies available to effectively manage capital. These include share issues and buybacks, dividend and DRP policies, hybrid capital raising and dated and undated subordinated debt issues. All major capital related initiatives require approval of the Board.

The Group's capital ratios throughout the 2011 and 2012 financial years were in compliance with both APRA minimum capital adequacy requirements and the Board Approved minimum.

The Bank is required to inform APRA immediately of any breach or potential breach of its minimum prudential capital adequacy requirements, including details of remedial action taken or planned to be taken.

Banks may not pay dividends if, immediately after payment, they are unable to meet the minimum capital requirements. APRA does not permit banks to pay dividends from retained profits without prior approval.

Basel II Regulatory Framework

The Basel II framework consists of three pillars:

- Pillar 1 – defines the rules for calculating the minimum regulatory capital requirements;
- Pillar 2 – addresses the supervisory review process; and
- Pillar 3 – specifies public disclosure requirements.

The Group, excluding Bankwest, was granted advanced Basel II accreditation by APRA on 10 December 2007.

The Advanced Internal Ratings Based Approach (AIRB) for credit risk and the Advanced Measurement Approaches (AMA) for operational risk were adopted in the calculation of RWA from 1 January 2008.

Interest Rate Risk in the Banking Book (IRRBB), which relates to the risk that the Bank's profit derived from net interest income is adversely impacted from changes to interest rates. IRRBB was included in the calculations of RWA from 1 July 2008. This is not a requirement under the Basel II Pillar 1 framework.

Basel II enhancements announced in July 2009, relating to securitisation and market risk were implemented on 1 January 2012.

The work undertaken for the Bank to achieve the advanced accreditation has provided the Group with increased sophistication in risk measurement and management. This has increased the flexibility with which the Group manages its decision making and capital management.

Regulatory Capital Requirements for Other Major ADI's in the Group

ASB Bank Limited

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

ASB had a Tier One ratio of 11.67% and a Total Capital ratio of 12.57% at 30 June 2012. ASB Bank was in compliance with its regulatory capital requirements at all times during the year.

Bankwest

Bankwest currently operates as a stand-alone Bank under Basel II standardised status and is separately regulated by APRA. In line with APRA's regulations which require Australian subsidiaries of major banks to operate under the same licence as their parent, Bankwest is expected to relinquish its Australian ADI licence in October 2012. This event will have no impact on the Group's capital levels as Bankwest is already included within the Group's capital numbers.

There is a separate programme to extend the Group's advanced accreditation to include the assets of Bankwest. Bankwest's Tier One ratio was 8.48% and Total Capital was 12.04% at 30 June 2012. Bankwest was in compliance with its regulatory capital requirements at all times during the year.

Insurance and Funds Management Business

The Group's insurance and funds management companies held $1,318 million of assets in excess of regulatory solvency requirements at 30 June 2012 (31 December 2011: $1,108 million; 30 June 2011: $1,014 million). In addition, these companies held assets in excess of regulatory capital requirements as at 30 June 2012.

Pillar 3 Disclosures

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

14. Capital (continued)

Capital Management

The Group maintains a strong capital position with the capital ratios well in excess of APRA minimum capital adequacy requirements (Prudential Capital Ratio (PCR)) and the Board Approved minimum levels at all times throughout the year ended 30 June 2012.

The Group's Common Equity Tier 1 (CET1), Tier One and Total Capital ratios (which include ASB Bank and Bankwest) as at 30 June 2012 were 7.82%, 10.01% and 10.98% respectively.

The Group's CET1 and Tier One Capital ratios increased by 15 and 11 basis points respectively over the prior half. This was primarily driven by capital generated from earnings (net of dividend and DRP) partially offset by the adoption of Basel II enhancements related to market risk and securitisation ("Basel 2.5"), which came into effect 1 January 2012.

The Group's Total Capital ratio decreased 13 basis points over the prior half to 10.98%, with the benefits from the improvement in Tier One Capital, offset by the planned redemption of Lower Tier Two instruments.

Compared to the prior year, the Group's CET1 Capital ratio increased 16 basis points, whilst Tier One Capital remained flat, with a solid profit performance offset by an increase in RWA.

Total Capital decreased 72 basis points compared to the prior year, primarily driven by the planned redemption of a number of Lower Tier Two Instruments.

RWA were $303 billion at 30 June 2012, an increase of $21 billion since 30 June 2011, primarily driven by a corporate lending volume related increase in credit RWA.

Under the application of Basel III, which is due to be implemented from 1 January 2013, the Group's 30 June 2012 CET1 ratio is 9.8%, as measured under the internationally harmonised basis and is 7.5% based on APRA's proposed Basel III methodology.

The Group's CET1, Tier One and Total Capital ratios as at 30 June 2012 under the Financial Services Authority (the UK regulator) method of calculating regulatory capital as a percentage of RWA were 11.1%, 13.6% and 14.1% respectively. This has been provided for comparative purposes as the Group is not regulated by the Financial Services Authority.

Capital Initiatives

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

Tier One Capital

- The allocation of $832 million of ordinary shares in order to satisfy the DRP in respect of the final dividend for the 2010/2011 financial year, representing a participation rate of 28.4%;
- The issue of $237 million of ordinary shares associated with the acquisition of Count Financial Limited in December 2011; and
- The allocation of $531 million of ordinary shares in order to satisfy the DRP in respect of interim dividend for the 2011/2012 financial year, representing a participation rate of 24.5%.

Tier Two Capital

- Redemption of four separate subordinated Lower Tier Two debt issues totalling $1,361 million in the December 2011 half year; and
- Redemption of a further two separate subordinated Lower Tier Two debt issues totalling $500 million in May 2012.

	As at		
	30/06/12	31/12/11	30/06/11
Risk Weighted Capital Ratios (Basel II)	%	%	%
Common Equity Tier One (1)	**7. 82**	7. 67	7. 66
Tier One	**10. 01**	9. 90	10. 01
Tier Two	**0. 97**	1. 21	1. 69
Total Capital	**10. 98**	11. 11	11. 70

	As at		
	30/06/12	31/12/11	30/06/11
Regulatory Capital (Basel II)	$M	$M	$M
Fundamental Tier One Capital After Deductions	**23,664**	22,837	21,575
Total Tier One Capital	**30,299**	29,473	28,213
Total Tier Two Capital	**2,939**	3,588	4,749
Total Capital	**33,238**	33,061	32,962

	As at		
	30/06/12	31/12/11	30/06/11
Risk Weighted Assets (Basel II)	$M	$M	$M
Credit risk exposures	**261,429**	258,446	246,742
Traded market risk	**4,842**	3,105	3,162
Interest rate risk in the banking book	**9,765**	11,525	9,699
Operational risk	**26,751**	24,629	22,108
Total risk weighted assets	**302,787**	297,705	281,711

(1) Represents Fundamental Tier One Capital net of Tier One deductions.

14. Capital (continued)

Regulatory Capital (Basel II)	As at 30/06/12 $M	31/12/11 $M	30/06/11 $M
Ordinary Share Capital	**25,175**	24,651	23,602
Treasury shares (1)	**323**	316	294
Ordinary Share Capital and Treasury Shares	**25,498**	24,967	23,896
Other Equity Instruments	**939**	939	939
Trust Preferred Securities 2006 (2)	**(939)**	(939)	(939)
Total Other Equity Instruments	**-**	-	-
Reserves (3)	**1,571**	829	392
Cash flow hedge reserve	**(644)**	(234)	402
Employee compensation reserve	**(136)**	(95)	(135)
Asset revaluation reserve	**(195)**	(191)	(191)
Available-for-Sale investments reserve (4)	**-**	-	(245)
Foreign currency translation reserve related to non-consolidated subsidiaries	**171**	153	149
Total Reserves	**767**	462	372
Retained Earnings and current period profits	**13,356**	11,928	11,826
Expected dividend (5)	**(3,137)**	(2,166)	(2,930)
Estimated reinvestment under Dividend Reinvestment Plan (6)	**784**	542	733
Retained earnings adjustment for non-consolidated subsidiaries (7)	**(126)**	35	227
Other	**(219)**	(178)	(189)
Net Retained Earnings	**10,658**	10,161	9,667
Non-controlling Interest (8)	**531**	528	528
ASB Perpetual Preference Shares (8)	**(505)**	(505)	(505)
Non-controlling interests less ASB Perpetual Preference Shares	**26**	23	23
Total Fundamental Tier One Capital	**36,949**	35,613	33,958

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

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

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

(4) As at 30 June 2012, the Available-for-Sale reserve had a deficit balance of $63 million, resulting in the requirement to recognise this deficit in the regulatory Capital Calculations (31 December 2011: $83 million deficit).

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

(6) DRP in respect of the June 2012 final dividend is to be satisfied through the issue of shares, with the assumed reinvestment rate based on reinvestment experience as approved by APRA. The DRP in respect of both the December 2011 interim and June 2011 final dividend was satisfied by the issue of shares.

(7) Represents cumulative current year profit and retained earnings adjustment for subsidiaries not consolidated for regulatory purposes. This includes adjustments to the extent to which retained earnings from non-consolidated subsidiaries have not been repatriated to the Bank in dividends (June 2012: $878 million, December 2011: $717 million, June 2011: $525 million). The retention of these profits are used to fund the future growth of these operations. This has been offset by the one-off write back adjustments upon adoption of IFRS of $752 million.

(8) Non-controlling interest classified as Tier One Innovative Capital under Basel II regulations. Comprised predominantly of ASB Perpetual Preference Shares of NZ$550 million issued by New Zealand subsidiary entities. These shares are non-redeemable and carry limited voting rights.

14. Capital (continued)

Regulatory Capital (Basel II)	As at 30/06/12 $M	31/12/11 $M	30/06/11 $M
Tier One Capital Deductions - 100%			
Goodwill and other intangibles (excluding software) [(1)]	**(8,581)**	(8,546)	(8,306)
Capitalised expenses	**(263)**	(240)	(252)
Capitalised computer software costs	**(1,700)**	(1,480)	(1,297)
Defined benefit superannuation plan surplus [(2)]	**-**	-	(53)
General reserve for credit losses top up [(3)]	**(209)**	(183)	(132)
Deferred tax	**(548)**	(383)	(287)
Tier One Capital deductions - 100%	**(11,301)**	(10,832)	(10,327)
Tier One Capital Deductions - 50% [(4)]			
Equity investments in other entities [(5)]	**(612)**	(638)	(639)
Equity investments in non-consolidated subsidiaries (net of intangibles) [(6)]	**(629)**	(594)	(526)
Expected impairment losses (before tax) in excess of eligible credit provisions (net of deferred tax) [(7)]	**(630)**	(646)	(817)
Other deductions [(5)]	**(113)**	(66)	(74)
Tier One Capital deductions - 50%	**(1,984)**	(1,944)	(2,056)
Total Tier One Capital Deductions	**(13,285)**	(12,776)	(12,383)
Fundamental Tier One Capital After Deductions	**23,664**	22,837	21,575
Residual Tier One Capital			
Innovative Tier One Capital			
Non-cumulative preference shares [(8)]	**2,625**	2,626	2,598
Non-controlling Interests [(9)]	**505**	505	505
Eligible loan capital	**98**	98	128
Total Innovative Tier One Capital	**3,228**	3,229	3,231
Non-Innovative Residual Tier One Capital [(10)]	**3,407**	3,407	3,407
Total Residual Tier One Capital	**6,635**	6,636	6,638
Total Tier One Capital	**30,299**	29,473	28,213

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

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

(3) Capital deduction at 30 June 2012 of $209 million after tax (31 December 2011: $183 million, 30 June 2011: $132 million) to ensure the Group has sufficient provisions and capital to cover credit losses estimated to arise over the full life of the individual facilities, as required by APS 220.

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

(5) Represents the Group's non-controlling interest in other entities. Prior period comparatives restated with reclassification between equity investments and other deductions.

(6) Represents the net equity within the non-consolidated subsidiaries (primarily the Colonial Group) which is deducted 50% from Tier One and 50% from Tier Two Capital. This deduction is net of $1,214 million in Non-Recourse Debt issued by Colonial Finance Limited (31 December 2011: $1,880 million; 30 June 2011: $1,452 million) and $1,000 million in Colonial Group Subordinated Notes issued in April 2012. The Colonial Hybrid issue of $700 million was redeemed in two equal tranches, $350 million in April 2012 and $350 million in November 2011.

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

(8) APRA approved Innovative Tier One Capital instruments (PERLS III and Trust Preferred Securities 2003 and 2006).

(9) Non-controlling interest classified as Tier One Innovative Capital under Basel II regulations. Comprised predominantly of ASB Perpetual Preference Shares of NZ$550 million issued by New Zealand subsidiary entities. These shares are non-redeemable and carry limited voting rights.

(10) Comprises PERLS IV $1,465 million (less costs) issued by the Bank in July 2007 and PERLS V $2,000 million (less costs) issued by the Bank in October 2009. These have been approved by APRA as Tier One Non-Innovative Capital instruments.

14. Capital (continued)

Regulatory Capital (Basel II)	As at 30/06/12 $M	31/12/11 $M	30/06/11 $M
Tier Two Capital			
Upper Tier Two Capital			
Prudential general reserve for credit losses (net of tax) [1]	**595**	631	620
Asset revaluation reserve [2]	**88**	86	86
Upper Tier Two note and bond issues	**358**	368	336
Other	**176**	151	124
Total Upper Tier Two Capital	**1,217**	1,236	1,166
Lower Tier Two Capital			
Lower Tier Two note and bond issues [3] [4]	**3,726**	4,314	5,728
Holding of own Lower Tier Two Capital	**(20)**	(18)	(89)
Total Lower Tier Two Capital	**3,706**	4,296	5,639
Tier Two Capital Deductions			
50% Deductions from Tier Two Capital [5]	**(1,984)**	(1,944)	(2,056)
Total Tier Two Capital	**2,939**	3,588	4,749
Total Capital	**33,238**	33,061	32,962

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

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

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

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

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

Risk Weighted Assets (Basel II)	As at 30/06/12 $M	31/12/11 $M	30/06/11 $M
Credit Risk			
Subject to Advanced IRB approach			
Corporate	**49,331**	45,983	39,180
SME Corporate	**22,319**	22,155	22,471
SME Retail	**4,071**	4,486	4,435
Sovereign	**3,003**	3,201	2,517
Bank	**7,619**	7,925	7,216
Residential mortgage	**54,545**	53,844	55,709
Qualifying revolving retail	**6,703**	6,491	6,398
Other retail	**8,462**	8,116	7,253
Impact of the regulatory scaling factor [1]	**9,363**	9,132	8,711
Total risk weighted assets subject to Advanced IRB approach	**165,416**	161,333	153,890
Specialised lending exposures subject to slotting criteria	**36,141**	36,915	35,990
Subject to Standardised approach			
Corporate	**10,430**	9,950	8,048
SME Corporate	**6,580**	6,803	7,389
SME Retail	**4,836**	4,230	4,461
Sovereign	**107**	308	103
Bank	**1,243**	1,303	1,238
Residential mortgage	**25,705**	24,660	23,515
Other retail	**2,559**	2,627	2,574
Other assets	**3,240**	5,215	4,751
Total risk weighted assets subject to standardised approach	**54,700**	55,096	52,079
Securitisation	**2,833**	2,695	2,670
Equity exposures	**2,339**	2,407	2,113
Total risk weighted assets for credit risk exposures	**261,429**	258,446	246,742
Traded market risk	**4,842**	3,105	3,162
Interest rate risk in the banking book	**9,765**	11,525	9,699
Operational risk	**26,751**	24,629	22,108
Total risk weighted assets [2]	**302,787**	297,705	281,711

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

(2) RWA include the consolidation of Bankwest which operates under the Basel II Standardised methodology.

15. Share Capital

Ordinary Share Capital	Full Year Ended 30/06/12 $M	Full Year Ended 30/06/11 $M	Half Year Ended 30/06/12 $M	Half Year Ended 31/12/11 $M
Opening balance (excluding Treasury Shares deduction)	**23,896**	23,379	**24,967**	23,896
Issue of shares (1)	**237**	-	**-**	237
Dividend reinvestment plan: Final dividend prior year (2)(3)	**832**	-	**-**	832
Dividend reinvestment plan: Interim dividend (4)	**531**	511	**531**	-
Exercise of executive options under employee share ownership shemes	**2**	6	**-**	2
Closing balance (excluding Treasury Shares deduction)	**25,498**	23,896	**25,498**	24,967
Less: Treasury Shares (5)	**(323)**	(294)	**(323)**	(316)
Closing balance	**25,175**	23,602	**25,175**	24,651

(1) The Group acquired 100% of the issued share capital of Count Financial Limited during the year for a purchase consideration of $372 million. This was in part funded by the issue of $237 million of ordinary shares.

(2) The gross dividend entitlement in respect of the DRP for the 2010/2011 final dividend was $831 million, with $832 million ordinary shares issued under the plan rules, which include the carry forward of DRP balances from previous dividends.

(3) The DRP in respect of the 2009/2010 final dividend was satisfied in full through the on market purchase and transfer of $679 million of shares to participating shareholders.

(4) The gross dividend entitlement in respect of the DRP for the 2010/2011 interim dividend was $531 million, with $531 million ordinary shares issued under the plan rules.

(5) Relates to Treasury shares held within Life Insurance Statutory funds and the employee share scheme trust.

Shares on Issue	Full Year Ended 30/06/12 Number	Full Year Ended 30/06/11 Number	Half Year Ended 30/06/12 Number	Half Year Ended 31/12/11 Number
Opening balance (excluding Treasury Shares deduction)	**1,558,637,244**	1,548,737,374	**1,581,280,593**	1,558,637,244
Issue of shares (1)	**5,042,949**	-	**-**	5,042,949
Dividend reinvestment plan issue: (2)				
2010/2011 Interim dividend fully paid ordinary shares $52.92	**-**	9,682,670	**-**	-
2010/2011 Final dividend fully paid ordinary shares $47.48	**17,524,300**	-	**-**	17,524,300
2011/2012 Interim dividend fully paid ordinary shares $48.81	**10,874,187**	-	**10,874,187**	-
Exercise of executive option plan	**76,100**	217,200	**-**	76,100
Closing balance (excluding Treasury Shares deduction)	**1,592,154,780**	1,558,637,244	**1,592,154,780**	1,581,280,593
Less: Treasury Shares (3)	**(6,874,405)**	(6,363,549)	**(6,874,405)**	(6,774,861)
Closing balance	**1,585,280,375**	1,552,273,695	**1,585,280,375**	1,574,505,732

(1) The Group acquired 100% of the issued share capital of Count Financial Limited during the year for a purchase consideration of $372 million. This was in part funded by the issue of 5,042,949 ordinary shares.

(2) The DRP in respect of the 2009/2010 final dividend was satisfied in full through the on market purchase and transfer of 13,123,121 shares to participating shareholders.

(3) Relates to Treasury shares held within the Life Insurance Statutory funds and the employees share scheme trust.

Dividend Franking Account

After fully franking the final dividend to be paid for the year, the amount of credits available at the 30% tax rate as at 30 June 2012 to frank dividends for subsequent financial years, is $390 million (December 2011: $435 million; June 2011: $510 million). This figure is based on the franking accounts of the Bank at 30 June 2012, adjusted for franking credits that will arise from the payment of income tax payable on profits for the year, franking debits that will arise from the payment of dividends proposed and franking credits that the Bank may be prevented from distributing in subsequent financial periods. The Bank expects that future tax payments will generate sufficient franking credits for the Bank to be able to continue to fully frank future dividend payments. These calculations have been based on the taxation law as at 30 June 2012.

Dividends

The Directors have declared a fully franked final dividend of 197 cents per share amounting to $3,137 million. There is no foreign conduit income attributed to the final dividend. The dividend will be payable on 5 October 2012 to shareholders on the register at 5:00pm EST on 24 August 2012.

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

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

Dividend Reinvestment Plan

The Bank expects to issue around $784 million of shares in respect of the DRP for the final dividend for the year ended 30 June 2012.

Record Date

The register closes for determination of dividend entitlement and for participation in the DRP at 5:00pm EST on 24 August 2012 at Link Market Services Limited, Locked Bag A14, Sydney South, NSW 1235.

Ex-Dividend Date

The ex-dividend date is 20 August 2012.

16. Intangible Assets

	As at		
	30/06/12	31/12/11	30/06/11
	$M	$M	$M
Goodwill			
Purchased goodwill	**7,705**	7,624	7,399
Closing balance	**7,705**	7,624	7,399
Computer Software Costs			
Cost	**2,462**	2,182	1,895
Accumulated amortisation	**(758)**	(698)	(598)
Accumulated impairment	**(4)**	(4)	-
Closing balance	**1,700**	1,480	1,297
Core Deposits (1)			
Cost	**495**	495	495
Accumulated amortisation	**(248)**	(213)	(178)
Closing balance	**247**	282	317
Management Fee Rights (2)			
Cost	**316**	316	311
Closing balance	**316**	316	311
Brand Names (3)			
Cost	**190**	190	186
Closing balance	**190**	190	186
Other Intangibles (4)			
Cost	**255**	253	203
Accumulated amortisation	**(132)**	(119)	(110)
Closing balance	**123**	134	93
Total intangible assets	**10,281**	10,026	9,603

(1) Core deposits represent the value of the Bankwest deposit base compared to the avoided cost of alternative funding sources such as securitisation and wholesale funding. This asset was acquired on 19 December 2008 with a useful life of seven years based on the weighted average attrition rates of the Bankwest deposit portfolio.

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

(3) Brand names predominantly represent the value of royalty costs foregone by the Group through acquiring the Bankwest brand name. The royalty costs that would have been incurred by an entity using the Bankwest brand name are based on an annual percentage of income generated by Bankwest. This asset has an indefinite useful life, as there is no foreseeable limit to the period over which the brand name is expected to generate cash flows. The asset is not subject to amortisation, but is subject to annual impairment testing. No impairment was required as a result of this test. The Count Financial Limited brand name ($4 million) is amortised over the estimated useful life of 20 years.

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

17. ASX Appendix 4E

Consolidated Retained Profits Reconciliation (Rule 4.3A Item No. 6)

	Full Year Ended	
	30/06/12	30/06/11
	$M	$M
Retained Profits		
Opening balance	**11,826**	9,938
Actuarial losses from defined benefit superannuation plans	**(223)**	(89)
Realised gains and dividend income on treasury shares (1)	**13**	20
Operating profit attributable to Equity holders of the Bank	**7,090**	6,394
Total available for appropriation	**18,706**	16,263
Transfers (to)/from general reserve	**(223)**	270
Transfers from employee compensation reserve	**(1)**	-
Interim dividend - cash component	**(1,635)**	(1,532)
Interim dividend - dividend reinvestment plan (2)	**(531)**	(513)
Final dividend - cash component	**(2,099)**	(2,633)
Final dividend - dividend reinvestment plan (2)	**(831)**	-
Other dividends	**(30)**	(29)
Closing balance	**13,356**	11,826

(1) Relates to Treasury Shares held within Life Insurance Statutory funds and the employee share scheme trust.

(2) The declared dividend includes an amount attributable to DRP of $531 million (interim 2011/2012) and $831 million (final 2010/2011). These amounts have been issued in ordinary shares under the plan rules. The DRP in respect of the 2009/2010 final dividend was satisfied in full through an on market purchase and transfer of $679 million of ordinary shares to participating shareholders.

Details of Entities over which Control was Gained during the Year (Rule 4.3A Item No. 10)

	Date Control Gained	Ownership Interest Held (%)
Count Financial Limited	29 November 2011	100%

Appendices

17. ASX Appendix 4E (continued)

Details of Associates and Joint Ventures (Rule 4.3A Item No. 11)

As at 30 June 2012	Ownership Interest Held (%)
Acadian Asset Management (Australia) Limited	50%
Aegis Correctional Partnership Pty Limited	50%
Aegis Correctional Partnership Trust	50%
Aegis Securitisation Nominees Pty Limited	50%
Aegis Securitisation Trust	50%
Aspire Schools Financing (Qld) Pty Limited	50%
Aspire Schools Holdings (Qld) Pty Limited	50%
Equigroup Pty Limited	50%
Sentinel Finance Holding Trust	50%
Sentinel Financing Holdings Pty Limited	50%
Sentinel Financing Pty Limited	50%
Sentinel Partnership Pty Limited	50%
First State Cinda Fund Management Company Limited	46%
BoCommLife Insurance Company Limited	38%
Countplus Limited	37%
Aussie Home Loans Pty Limited	33%
International Private Equity Real Estate Fund	33%
Vipro Pty Limited	33%
First State European Diversified Investment Fund	30%
452 Capital Pty Limited	30%
Cardlink Services Limited	25%
Cash Services Australia Pty Limited	25%
Paymark Limited (1)	25%
Bank of Hangzhou Co., Ltd.	20%
Qilu Bank Co., Ltd.	20%
Vietnam International Commercial Joint Stock Bank	20%
Payments NZ Limited	19%
Interchange and Settlement Limited	12%
CFS Retail Property Trust (2)	8%
Commonwealth Property Office Fund (2)	6%

(1) Formerly known as Electronic Transaction Services Limited.

(2) The consolidated entity has significant influence due to its relationship as a Responsible Entity.

Other Significant Information (Rule 4.3A Item No.12)

There are no other significant events since 30 June 2012 that have materially affected the financial position or performance of the Group.

Foreign Entities (Rule 4.3A Item No. 13)

Not Applicable.

Compliance Statement

This preliminary final report for the year ended 30 June 2012 is prepared in accordance with the ASX listing rules. It should be read in conjunction with any announcements to the market made by the Group during the year.

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

This report is based on accounts which have been audited. The audit report, which is unmodified, will be made available with the Commonwealth Bank of Australia's Annual Report on 20 August 2012. The Annual Report is currently being finalised in publishable form.

John Hatton

Company Secretary

15 August 2012

18. Profit Reconciliation

	Full Year Ended 30 June 2012							
	Net profit after tax "cash basis"	Hedging and IFRS volatility	Bankwest non-cash items [1]	Count Financial acquisition costs	Treasury shares valuation adjustment	Policyholder tax	Investment experience	Net profit after tax "statutory basis"
Profit Reconciliation	$M	$M	$M	$M	$M	$M	$M	$M
Group								
Net interest income	13,157	(9)	(26)	-	-	-	-	13,122
Other banking income	3,927	162	-	-	-	-	-	4,089
Total banking income	17,084	153	(26)	-	-	-	-	17,211
Funds management income	1,957	-	-	-	(15)	(9)	7	1,940
Insurance income	960	-	-	-	-	131	142	1,233
Total operating income	20,001	153	(26)	-	(15)	122	149	20,384
Investment experience	149	-	-	-	-	-	(149)	-
Total income	20,150	153	(26)	-	(15)	122	-	20,384
Operating expenses	(9,196)	-	(75)	(60)	-	-	-	(9,331)
Loan impairment expenses	(1,089)	-	-	-	-	-	-	(1,089)
Net profit before tax	9,865	153	(101)	(60)	(15)	122	-	9,964
Corporate tax expense	(2,736)	(29)	12	17	-	(122)	-	(2,858)
Non-controlling interests	(16)	-	-	-	-	-	-	(16)
Net profit after tax	7,113	124	(89)	(43)	(15)	-	-	7,090

(1) Includes merger related amortisation through net interest income of $26 million; merger related amortisation through operating expense of $75 million; and an income tax benefit of $12 million.

18. Profit Reconciliation (continued)

	Full Year Ended 30 June 2011							
	Net profit after tax "cash basis" (1)	Hedging and IFRS volatility	Bankwest non-cash items (2)	Loss on disposal of controlled entities/ investments	Treasury shares valuation adjust-ment	Policyholder tax	Investment experience	Net profit after tax "statutory basis" (1)
Profit Reconciliation	$M	$M	$M	$M	$M	$M	$M	$M
Group								
Net interest income	**12,645**	(25)	(26)	-	-	-	-	**12,594**
Other banking income	**3,996**	(346)	-	(7)	-	-	-	**3,643**
Total banking income	**16,641**	(371)	(26)	(7)	-	-	-	**16,237**
Funds management income	**2,041**	-	-	-	(24)	62	(37)	**2,042**
Insurance income	**856**	-	-	-	-	104	158	**1,118**
Total operating income	**19,538**	(371)	(26)	(7)	(24)	166	121	**19,397**
Investment experience	**121**	-	-	-	-	-	(121)	**-**
Total income	**19,659**	(371)	(26)	(7)	(24)	166	-	**19,397**
Operating expenses	**(8,891)**	-	(169)	-	-	-	-	**(9,060)**
Loan impairment expenses	**(1,280)**	-	-	-	-	-	-	**(1,280)**
Net profit before tax	**9,488**	(371)	(195)	(7)	(24)	166	-	**9,057**
Corporate tax expense	**(2,637)**	106	48	-	2	(166)	-	**(2,647)**
Non-controlling interests	**(16)**	-	-	-	-	-	-	**(16)**
Net profit after tax	**6,835**	(265)	(147)	(7)	(22)	-	-	**6,394**

(1) Comparative information has been restated for the reclassification of bank bill facility fee income and IFRS reclassification of net swap cost from Other banking income into Net interest income to conform with presentation in the current period. Refer to Appendix 23 for details.

(2) Includes merger related amortisation through net interest income of $26 million; merger related amortisation through operating expense of $75 million; integration expenses of $94 million; and income tax benefit of $48 million.

18. Profit Reconciliation (continued)

	Half Year Ended 30 June 2012							
	Net profit after tax "cash basis"	Hedging and IFRS volatility	Bankwest non-cash items [1]	Count Financial acquisition costs	Treasury shares valuation adjustment	Policyholder tax	Investment experience	Net profit after tax "statutory basis"
Profit Reconciliation	$M	$M	$M	$M	$M	$M	$M	$M
Group								
Net interest income	6,513	(8)	(13)	-	-	-	-	6,492
Other banking income	2,000	10	-	-	-	-	-	2,010
Total banking income	8,513	2	(13)	-	-	-	-	8,502
Funds management income	980	-	-	-	(20)	24	(1)	983
Insurance income	459	-	-	-	-	58	94	611
Total operating income	9,952	2	(13)	-	(20)	82	93	10,096
Investment experience	93	-	-	-	-	-	(93)	-
Total income	10,045	2	(13)	-	(20)	82	-	10,096
Operating expenses	(4,594)	-	(38)	(17)	-	-	-	(4,649)
Loan impairment expenses	(544)	-	-	-	-	-	-	(544)
Net profit before tax	4,907	2	(51)	(17)	(20)	82	-	4,903
Corporate tax expense	(1,363)	7	(3)	7	4	(82)	-	(1,430)
Non-controlling interests	(7)	-	-	-	-	-	-	(7)
Net profit after tax	3,537	9	(54)	(10)	(16)	-	-	3,466

(1) Includes merger related amortisation through net interest income of $13 million; merger related amortisation through operating expenses of $38 million; and income tax expense of $3 million.

19. Notes to the Statements of Cash Flows

(a) Reconciliation of Net Profit after Income Tax to Net Cash (used in) / provided by Operating Activities [1]

	Full Year Ended	
	30/06/12	30/06/11
	$M	$M
Net profit after income tax	7,106	6,410
Decrease/(increase) in interest receivable	79	(224)
(Decrease)/increase in interest payable	(320)	476
Net decrease in assets at fair value through Income Statement (excluding life insurance)	3,391	2,697
Net gain on sale of controlled entities and associates	(21)	(7)
Net gain on sale of investments	(1)	(1)
Net increase in derivative assets/liabilities [1]	(663)	(79)
Net (gain)/loss on sale of property, plant and equipment	(39)	6
Equity accounting profit	(120)	(141)
Loan impairment expense	1,089	1,280
Depreciation and amortisation (including asset write downs)	628	613
Decrease in liabilities at fair value through Income Statement (excluding life insurance)	(4,321)	(4,851)
(Decrease)/increase in other provisions	(69)	80
Increase in income taxes payable	37	105
Increase in deferred tax liabilities	152	80
Decrease/(increase) in deferred tax assets	349	(30)
Decrease/(increase) in accrued fees/reimbursements receivable	18	(1)
Increase/(decrease) in accrued fees and other items payable	64	(99)
(Decrease)/increase in life insurance contract policy liabilities	(1,157)	835
(Decrease)/increase in cash flow hedge reserve	(58)	15
Decrease in fair value on hedged items	(318)	(427)
Changes in operating assets and liabilities arising from cash flow movements	(8,611)	10,590
Other	(99)	(158)
Net cash (used in) / provided by operating activities	(2,884)	17,169

(1) Comparative information has been restated to conform with presentation in the current period.

(b) Reconciliation of Cash

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

	As at	
	30/06/12	30/06/11
	$M	$M
Notes, coins and cash at banks	8,508	5,424
Other short term liquid assets	4,095	1,301
Receivables due from other financial institutions – at call [1]	10,597	7,261
Payables due to other financial institutions – at call [1]	(21,125)	(6,058)
Cash and cash equivalents at end of year	2,075	7,928

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

19. Notes to the Statements of Cash Flows (continued)

(c) Disposal of Controlled Entities – Fair Value of Asset Disposal

The Group disposed of certain St Andrew's operations effective 1 July 2010.

	Full Year Ended	
	30/06/12	30/06/11
	$M	$M
Net assets	-	60
Loss on sale (excluding realised foreign exchange losses and other related costs)	-	(10)
Cash consideration received	-	50
Less cash and cash equivalents disposed	-	(31)
Net cash inflow on disposal	-	19

(d) Non-Cash Financing and Investing Activities

	Full Year Ended	
	30/06/12	30/06/11
	$M	$M
Shares issued under the Dividend Reinvestment Plan (1)(2)	1,363	511

(1) The declared dividend includes an amount attributable to DRP of $531 million (interim 2011/2012) and $832 million (final 2010/2011). These amounts have been issued in ordinary shares under the plan rules.

(2) The DRP in respect of the final dividend for 2009/2010 was satisfied in full by an on market purchase and transfer of $679 million of shares to participating shareholders.

(e) Acquisition of Controlled Entities

The Group gained control of Count Financial Limited (Count Financial) on 29 November 2011. The Group subsequently acquired 100% of the issued share capital on 9 December 2011. Count Financial is an independent, accountant-based financial advice business. This acquisition will support the Group in growing its distribution capabilities through the expansion of its adviser network.

The fair value of the identifiable assets acquired and liabilities assumed at the acquisition date are as follows:

	Full Year Ended	
	30/06/12	30/06/11
	$M	$M
Net identifiable assets at fair value	140	-
Add: Goodwill	232	-
Purchase consideration transferred	372	-
Less: Cash and cash equivalents acquired	(10)	-
	362	-
Less: Non-cash consideration	(237)	-
Net cash outflow on acquisition	125	-

20. Analysis Template

Profit Summary - Input Schedule	Full Year Ended		Half Year Ended	
	30/06/12	30/06/11	30/06/12	31/12/11
	$M	$M	$M	$M
Net interest income [(1)]	**13,157**	12,645	**6,513**	6,644
Other banking income [(1)]	**3,927**	3,996	**2,000**	1,927
Total banking income	**17,084**	16,641	**8,513**	8,571
Funds management income	**1,957**	2,041	**980**	977
Insurance income	**960**	856	**459**	501
Total operating income	**20,001**	19,538	**9,952**	10,049
Investment experience	**149**	121	**93**	56
Total income	**20,150**	19,659	**10,045**	10,105
Operating Expenses				
Retail Banking Services	**(2,957)**	(2,903)	**(1,467)**	(1,490)
Business and Private Banking	**(1,344)**	(1,335)	**(669)**	(675)
Institutional Banking and Markets	**(851)**	(828)	**(426)**	(425)
Wealth Management - operating expenses	**(1,369)**	(1,280)	**(689)**	(680)
Wealth Management - volume expenses	**(540)**	(521)	**(248)**	(292)
New Zealand	**(727)**	(704)	**(372)**	(355)
Bankwest	**(852)**	(869)	**(422)**	(430)
Other	**(556)**	(451)	**(301)**	(255)
Total operating expenses	**(9,196)**	(8,891)	**(4,594)**	(4,602)
Profit before loan impairment expense	**10,954**	10,768	**5,451**	5,503
Loan impairment expense	**(1,089)**	(1,280)	**(544)**	(545)
Net profit before income tax	**9,865**	9,488	**4,907**	4,958
Corporate tax expense	**(2,736)**	(2,637)	**(1,363)**	(1,373)
Operating profit after tax	**7,129**	6,851	**3,544**	3,585
Non-controlling interests	**(16)**	(16)	**(7)**	(9)
Net profit after tax ("cash basis")	**7,113**	6,835	**3,537**	3,576
Treasury shares valuation adjustment (after tax)	**(15)**	(22)	**(16)**	1
Hedging and IFRS volatility (after tax)	**124**	(265)	**9**	115
Gain/(loss) on disposal of controlled entities/investments (after tax)	**-**	(7)	**-**	-
Bankwest non-cash items (after tax)	**(89)**	(147)	**(54)**	(35)
Count Financial acquisition costs (after tax)	**(43)**	-	**(10)**	(33)
Net profit after tax ("statutory basis")	**7,090**	6,394	**3,466**	3,624
Total Operating Income				
Retail Banking Services	**7,752**	7,521	**3,858**	3,894
Business and Private Banking	**3,097**	3,039	**1,525**	1,572
Institutional Banking and Markets	**2,346**	2,467	**1,182**	1,164
Wealth Management (net of volume expenses)	**2,039**	2,079	**1,022**	1,017
New Zealand	**1,429**	1,377	**721**	708
Bankwest	**1,664**	1,640	**813**	851
Other	**1,134**	894	**583**	551

(1) Comparative information has been reclassified to conform with presentation in the current period. Refer to Appendix 23 for details.

20. Analysis Template (continued)

Profit Summary - Input Schedule	Full Year Ended 30/06/12 $M	Full Year Ended 30/06/11 $M	Half Year Ended 30/06/12 $M	Half Year Ended 31/12/11 $M
Other Data				
Net interest income [(1)]	**13,157**	12,645	**6,513**	6,644
Average interest earning assets [(1)]	**629,685**	597,406	**636,547**	622,898
Average net assets [(2)]	**39,245**	36,069	**40,224**	38,081
Average non-controlling interests [(2)]	**529**	525	**530**	528
Average other equity instruments [(2)]	**939**	939	**939**	939
Average treasury shares [(2)]	**(311)**	(298)	**(320)**	(306)
Distributions - other equity instruments	**42**	42	**22**	20
Interest expense (after tax) - Perls III	**48**	50	**23**	25
Interest expense (after tax) - Perls IV	**44**	46	**21**	23
Interest expense (after tax) - Perls V	**85**	87	**40**	45
Interest expense (after tax) - TPS	**22**	22	**11**	11
Interest expense (after tax) - Convertible notes	**-**	30	**-**	-
Weighted average number of shares - statutory basic (M)	**1,570**	1,545	**1,579**	1,561
Weighted average number of shares - statutory diluted (M)	**1,674**	1,668	**1,683**	1,669
Weighted average number of shares - cash basic (M)	**1,573**	1,548	**1,583**	1,564
Weighted average number of shares - cash diluted (M)	**1,677**	1,671	**1,687**	1,672
Weighted average number of shares - Perls III (M)	**23**	24	**23**	24
Weighted average number of shares - Perls IV (M)	**29**	29	**29**	30
Weighted average number of shares - Perls V (M)	**40**	40	**40**	41
Weighted average number of shares - TPS (M)	**11**	11	**11**	12
Weighted average number of shares - Convertible notes (M)	**-**	17	**-**	-
Weighted average number of shares - Executive options (M)	**1**	2	**1**	1
Dividends per share (cents) - fully franked	**334**	320	**197**	137
No. of shares at end of period excluding Treasury Shares deduction (M)	**1,592**	1,559	**1,592**	1,581
Funds Under Administration (FUA) - average	**198,115**	196,254	**200,960**	194,421
Average inforce premiums	**2,276**	2,063	**2,363**	2,180
Net assets	**41,572**	37,287	**41,572**	38,875
Total intangible assets	**10,281**	9,603	**10,281**	10,026
Non-controlling interests	**531**	528	**531**	528
Other equity instruments	**939**	939	**939**	939

(1) Comparative information has been reclassified to conform with presentation in the current period. Refer to Appendix 23 for details.

(2) Average of reporting period balances.

20. Analysis Template (continued)

Ratios - Output Summary	Full Year Ended 30/06/12 $M	Full Year Ended 30/06/11 $M	Half Year Ended 30/06/12 $M	Half Year Ended 31/12/11 $M
EPS				
Net profit after tax ("cash basis")	**7,113**	6,835	**3,537**	3,576
Less distribution - other equity instruments	**(42)**	(42)	**(22)**	(20)
Adjusted profit for EPS calculation	**7,071**	6,793	**3,515**	3,556
Average number of shares (M)	**1,573**	1,548	**1,583**	1,564
Earnings per share basic ("cash basis") (cents) (1)	**449. 4**	438. 7	**222. 2**	227. 2
Interest expense (after tax) - Perls III	**48**	50	**23**	25
Interest expense (after tax) - Perls IV	**44**	46	**21**	23
Interest expense (after tax) - Perls V	**85**	87	**40**	45
Interest expense (after tax) - TPS	**22**	22	**11**	11
Interest expense (after tax) - Convertible notes	**-**	30	**-**	-
Profit impact of assumed conversions (after tax)	**199**	235	**95**	104
Weighted average number of shares - Perls III (M)	**23**	24	**23**	24
Weighted average number of shares - Perls IV (M)	**29**	29	**29**	30
Weighted average number of shares - Perls V (M)	**40**	40	**40**	41
Weighted average number of shares - TPS (M)	**11**	11	**11**	12
Weighted average number of shares - Convertible notes (M)	**-**	17	**-**	-
Weighted average number of shares - Executive options (M)	**1**	2	**1**	1
Weighted average number of shares - dilutive securities (M)	**104**	123	**104**	108
Adjusted cash profit for EPS calculation	**7,071**	6,793	**3,515**	3,556
Add back profit impact of assumed conversions (after tax)	**199**	235	**95**	104
Adjusted diluted profit for EPS calculation	**7,270**	7,028	**3,610**	3,660
Average number of shares (M)	**1,573**	1,548	**1,583**	1,564
Add back weighted average number of shares (M)	**104**	123	**104**	108
Diluted average number of shares (M)	**1,677**	1,671	**1,687**	1,672
Earnings per share diluted ("cash basis") (cents) (1)	**433. 4**	420. 6	**214. 2**	218. 7
Net profit after tax ("statutory basis")	**7,090**	6,394	**3,466**	3,624
Less distribution - other equity instruments	**(42)**	(42)	**(22)**	(20)
Adjusted profit for EPS calculation	**7,048**	6,352	**3,444**	3,604
Average number of shares (M)	**1,570**	1,545	**1,579**	1,561
Earnings per share basic ("statutory basis") (cents) (1)	**448. 9**	411. 2	**218. 1**	230. 8
DPS				
Dividends				
Dividends per share (cents)	**334**	320	**197**	137
No of shares at end of period (M)	**1,592**	1,559	**1,592**	1,581
Total dividends	**5,303**	4,975	**3,137**	2,166
Dividend payout ratio ("cash basis")				
Net profit after tax ("cash basis")	**7,113**	6,835	**3,537**	3,576
NPAT - available for distribution to ordinary shareholders	**7,071**	6,793	**3,515**	3,556
Total dividends	**5,303**	4,975	**3,137**	2,166
Payout ratio ("cash basis") (%)	**75.0**	73.2	**89.2**	60.9
Dividend cover				
NPAT - available for distribution to ordinary shareholders	**7,071**	6,793	**3,515**	3,556
Total dividends	**5,303**	4,975	**3,137**	2,166
Dividend cover ("cash basis") (times)	**1.3**	1.4	**1.1**	1.6

(1) EPS calculations based on actual NPAT, interest expense, distributions and number of shares prior to rounding to the nearest million.

20. Analysis Template (continued)

Ratios - Output Summary	Full Year Ended 30/06/12 $M	Full Year Ended 30/06/11 $M	Half Year Ended 30/06/12 $M	Half Year Ended 31/12/11 $M
ROE				
Return on equity ("cash basis")				
Average net assets	**39,245**	36,069	**40,224**	38,081
Less:				
Average non-controlling interests	**(529)**	(525)	**(530)**	(528)
Average other equity instruments	**(939)**	(939)	**(939)**	(939)
Average equity	**37,777**	34,605	**38,755**	36,614
Add average treasury shares	**311**	298	**320**	306
Net average equity	**38,088**	34,903	**39,075**	36,920
Net profit after tax ("cash basis")	**7,113**	6,835	**3,537**	3,576
Less distribution - other equity instruments	**(42)**	(42)	**(22)**	(20)
Adjusted profit for ROE calculation	**7,071**	6,793	**3,515**	3,556
Return on equity ("cash basis") (%)	**18. 6**	19. 5	**18. 1**	19. 2
Return on equity ("statutory basis")				
Average net assets	**39,245**	36,069	**40,224**	38,081
Average non-controlling interests	**(529)**	(525)	**(530)**	(528)
Average other equity interests	**(939)**	(939)	**(939)**	(939)
Average equity	**37,777**	34,605	**38,755**	36,614
Net profit after tax ("statutory basis")	**7,090**	6,394	**3,466**	3,624
Less distribution other equity instruments	**(42)**	(42)	**(22)**	(20)
Adjusted profit for ROE calculation	**7,048**	6,352	**3,444**	3,604
Return on equity ("statutory basis") (%)	**18. 7**	18. 4	**17. 9**	19. 6

20. Analysis Template (continued)

Ratios - Output Summary	Full Year Ended 30/06/12 $M	Full Year Ended 30/06/11 $M	Half Year Ended 30/06/12 $M	Half Year Ended 31/12/11 $M
Productivity				
Group operating expenses to total operating income ratio				
Operating expenses	**9,196**	8,891	**4,594**	4,602
Total operating income	**20,001**	19,538	**9,952**	10,049
Operating expenses to total operating income (%)	**46. 0**	45. 5	**46. 2**	45. 8
Retail Banking Services operating expenses to total banking income ratio				
Operating expenses	**2,957**	2,903	**1,467**	1,490
Total banking income	**7,752**	7,521	**3,858**	3,894
Operating expenses to total banking income (%)	**38. 1**	38. 6	**38. 0**	38. 3
Business and Private Banking operating expenses to total banking income ratio				
Operating expenses	**1,344**	1,335	**669**	675
Total banking income	**3,097**	3,039	**1,525**	1,572
Operating expenses to total banking income (%)	**43. 4**	43. 9	**43. 9**	42. 9
Institutional Banking and Markets operating expenses to total banking income ratio				
Operating expenses	**851**	828	**426**	425
Total banking income	**2,346**	2,467	**1,182**	1,164
Operating expenses to total banking income (%)	**36. 3**	33. 6	**36. 0**	36. 5
Wealth Management operating expenses to net operating income ratio				
Operating expenses	**1,369**	1,280	**689**	680
Net operating income	**2,039**	2,079	**1,022**	1,017
Operating expenses to net operating income (%)	**67. 1**	61. 6	**67. 4**	66. 9
New Zealand operating expenses to total operating income ratio				
Operating expenses	**727**	704	**372**	355
Total operating income	**1,429**	1,377	**721**	708
Operating expenses to total operating income (%)	**50. 9**	51. 1	**51. 6**	50. 1
Bankwest operating expenses to total banking income ratio				
Operating expenses	**852**	869	**422**	430
Total banking income	**1,664**	1,640	**813**	851
Operating expenses to total banking income (%)	**51. 2**	53. 0	**51. 9**	50. 5
Net Tangible Assets (NTA) per share				
Net assets	**41,572**	37,287	**41,572**	38,875
Less:				
Intangible assets	**(10,281)**	(9,603)	**(10,281)**	(10,026)
Non-controlling interests	**(531)**	(528)	**(531)**	(528)
Other equity instruments	**(939)**	(939)	**(939)**	(939)
Total net tangible assets	**29,821**	26,217	**29,821**	27,382
No. of shares at end of period (M)	**1,592**	1,559	**1,592**	1,581
Net tangible assets (NTA) per share ($)	**18. 73**	16. 82	**18. 73**	17. 32

21. Summary

Group		Full Year Ended 30/06/12	30/06/11	Jun 12 vs Jun 11 %	Half Year Ended 30/06/12	31/12/11	Jun 12 vs Dec 11 %
Net profit after tax ("cash basis")	$M	**7,113**	6,835	4	**3,537**	3,576	(1)
Treasury shares valuation adjustment (after tax)	$M	**(15)**	(22)	(32)	**(16)**	1	large
Hedging and IFRS volatility (after tax)	$M	**124**	(265)	large	**9**	115	(92)
Loss on disposal of controlled entities/investments (after tax)	$M	**-**	(7)	(100)	**-**	-	-
Bankwest non-cash items (after tax)	$M	**(89)**	(147)	(39)	**(54)**	(35)	54
Count Financial acquisition costs (after tax)	$M	**(43)**	-	large	**(10)**	(33)	(70)
Net profit after tax ("statutory basis")	$M	**7,090**	6,394	11	**3,466**	3,624	(4)
Earnings per share ("cash basis") - basic	cents	**449. 4**	438. 7	2	**222. 2**	227. 2	(2)
Dividends per share	cents	**334**	320	4	**197**	137	44
Dividends payout ratio ("cash basis")	%	**75. 0**	73. 2	180 bpts	**89. 2**	60. 9	large
Common equity	%	**7. 82**	7. 66	16 bpts	**7. 82**	7. 67	15 bpts
Tier One Capital	%	**10. 01**	10. 01	-	**10. 01**	9. 90	11 bpts
Total Capital	%	**10. 98**	11. 70	(72)bpts	**10. 98**	11. 11	(13)bpts
Number of full time equivalent staff	No.	**44,844**	46,060	(3)	**44,844**	45,810	(2)
Return on equity ("cash basis")	%	**18. 6**	19. 5	(90)bpts	**18. 1**	19. 2	(110)bpts
Return on equity ("statutory basis")	%	**18. 7**	18. 4	30 bpts	**17. 9**	19. 6	(170)bpts
Weighted average number of shares ("statutory basis") - basic	M	**1,570**	1,545	2	**1,579**	1,561	1
Net tangible assets per share	$	**18. 73**	16. 82	11	**18. 73**	17. 32	8
Net interest income (1)	$M	**13,157**	12,645	4	**6,513**	6,644	(2)
Net interest margin (1)	%	**2. 09**	2. 12	(3)bpts	**2. 06**	2. 12	(6)bpts
Other banking income (1)	$M	**3,927**	3,996	(2)	**2,000**	1,927	4
Other banking income/total banking income (1)	%	**23. 0**	24. 0	(100)bpts	**23. 5**	22. 5	100 bpts
Operating expenses to total operating income	%	**46. 0**	45. 5	50 bpts	**46. 2**	45. 8	40 bpts
Average interest earning assets (1)	$M	**629,685**	597,406	5	**636,547**	622,898	2
Average interest bearing liabilities (1)	$M	**590,654**	559,095	6	**595,873**	585,492	2
Loan impairment expense	$M	**1,089**	1,280	(15)	**544**	545	-
Impairment expense annualised as a % of average gross loans and acceptances	%	**0. 21**	0. 25	(4)bpts	**0. 20**	0. 21	(1)bpt
Individually assessed provisions for impairment as a % of gross impaired assets	%	**44. 63**	40. 12	451 bpts	**44. 63**	44. 69	(6)bpts
Risk weighted assets	$M	**302,787**	281,711	7	**302,787**	297,705	2
Retail Banking Services							
Cash net profit after tax	$M	**2,934**	2,854	3	**1,495**	1,439	4
Operating expenses to total banking income	%	**38. 1**	38. 6	(50)bpts	**38. 0**	38. 3	(30)bpts
Business and Private Banking							
Cash net profit after tax	$M	**1,067**	1,030	4	**516**	551	(6)
Operating expenses to total banking income	%	**43. 4**	43. 9	(50)bpts	**43. 9**	42. 9	100 bpts
Institutional Banking and Markets							
Cash net profit after tax	$M	**1,060**	1,004	6	**513**	547	(6)
Operating expenses to total banking income	%	**36. 3**	33. 6	270 bpts	**36. 0**	36. 5	(50)bpts

(1) Comparative information has been reclassified to conform with presentation in the current period. Refer to Appendix 23 for details.

21. Summary (continued)

		Full Year Ended			Half Year Ended		
		30/06/12	30/06/11	Jun 12 vs Jun 11 %	30/06/12	31/12/11	Jun 12 vs Dec 11 %
Wealth Management							
Cash net profit after tax	$M	**569**	642	(11)	**297**	272	9
Underlying profit after tax	$M	**492**	581	(15)	**243**	249	(2)
Investment experience after tax	$M	**77**	61	26	**54**	23	large
Funds Under Administration - (average)	$M	**189,699**	188,866	-	**192,325**	186,266	3
Funds Under Administration - (spot)	$M	**192,781**	188,511	2	**192,781**	184,045	5
Net funds flow	$M	**4,236**	108	large	**1,988**	2,248	(12)
Average inforce premiums	$M	**1,806**	1,612	12	**1,889**	1,724	10
Annual Inforce premiums - (spot)	$M	**1,971**	1,640	20	**1,971**	1,807	9
Funds management income to average FUA	%	**1. 00**	1. 05	(5)bpts	**0. 99**	1. 01	(2)bpts
Insurance income to average inforce premiums	%	**38. 3**	38. 8	(50)bpts	**34. 8**	42. 0	large
Operating expenses to net operating income	%	**67. 1**	61. 6	large	**67. 4**	66. 9	50 bpts
New Zealand							
Cash net profit after tax	$M	**490**	470	4	**232**	258	(10)
Underlying profit after tax	$M	**506**	469	8	**243**	263	(8)
Funds Under Administration - (average)	$M	**8,416**	7,388	14	**8,635**	8,155	6
Funds Under Administration - (spot)	$M	**8,908**	8,040	11	**8,908**	8,123	10
Average inforce premiums	$M	**470**	451	4	**474**	456	4
Inforce premiums - spot	$M	**488**	451	8	**488**	460	6
Funds management income to average FUA	%	**0. 52**	0. 54	(2)bpts	**0. 54**	0. 51	3 bpts
Insurance income to average inforce premiums	%	**48. 3**	46. 8	150 bpts	**47. 1**	50. 6	(350)bpts
Operating expenses to total operating income	%	**50. 9**	51. 1	(20)bpts	**51. 6**	50. 1	150 bpts
Bankwest							
Cash net profit after tax	$M	**524**	463	13	**256**	268	(4)
Operating expenses to total banking income	%	**51. 2**	53. 0	(180)bpts	**51. 9**	50. 5	140 bpts

22. Foreign Exchange Rates

Exchange Rates Utilised (1)	Currency	As at 30/06/12	31/12/11	30/06/11
AUD 1.00 =	USD	**1.0181**	1.0159	1.0740
	EUR	**0.8079**	0.7855	0.7410
	GBP	**0.6509**	0.6591	0.6677
	NZD	**1.2756**	1.3147	1.2944
	JPY	**80.9160**	78.7664	86.3984

(1) End of day, Sydney time.

23. Disclosure Changes

In 2012, the Group has made the following disclosure changes within this Profit Announcement.

Income Reclassifications

Bank acceptance facility fees have been reclassified from other banking income to net interest income, in order to align the accounting and economic treatment of these fees, which constitute part of the total effective yield of the underlying Bank Bills. Comparative information has been reclassified to conform with presentation in the current period.

Net accrual swap costs of economic hedges not in IFRS hedge accounting relationships have been reclassified from other banking income to net interest income, in order to align the accounting treatment to the economic purpose of these hedges. Comparative information has been reclassified to conform with presentation in the current period.

The following table outlines these income reclassification changes as presented in the Group Performance and Divisional Performance sections.

	Full Year Ended 30 June 2011				
	As previously reported $M	Bank acceptance facility fees $M	IFRS reclassification of net swap costs (1) $M	Total $M	Reclassified disclosure $M
Group Performance Summary ("cash basis")					
Net interest income	12,658	485	(498)	(13)	12,645
Other banking income	3,983	(485)	498	13	3,996
Total	16,641	-	-	-	16,641
Divisional Performance ("cash basis")					
Business and Private Banking	1,687	447	-	447	2,134
Institutional Banking and Markets	1,293	38	-	38	1,331
Net interest income (Group)	12,658	485	(498)	(13)	12,645
Business and Private Banking	1,352	(447)	-	(447)	905
Institutional Banking and Markets	1,174	(38)	-	(38)	1,136
Other banking income (Group)	3,983	(485)	498	13	3,996

	Half Year Ended 31 December 2011				
	As previously reported $M	Bank acceptance facility fees $M	IFRS reclassification of net swap costs (1) $M	Total $M	Reclassified disclosure $M
Group Performance Summary ("cash basis")					
Net interest income	6,551	274	(181)	93	6,644
Other banking income	2,020	(274)	181	(93)	1,927
Total	8,571	-	-	-	8,571
Divisional Performance ("cash basis")					
Business and Private Banking	852	258	-	258	1,110
Institutional Banking and Markets	688	16	-	16	704
Net interest income (Group)	6,551	274	(181)	93	6,644
Business and Private Banking	720	(258)	-	(258)	462
Institutional Banking and Markets	476	(16)	-	(16)	460
Other banking income (Group)	2,020	(274)	181	(93)	1,927

(1) The IFRS reclassification of net swap costs impacts the Other segment.

23. Disclosure Changes (continued)

Securitisation Reclassification

Securitised home loans, debt issues and related interest income/expense has been reclassified into interest earning assets and interest bearing liabilities, in order to align the accounting and economic disclosure of these instruments for reporting net interest margin. Comparative information has been reclassified to conform with presentation in the current period.

The following table outlines both the securitisation and income reclassification changes as presented in Appendix 3.

Average Balances and Related Interest	As previously reported	Securitisation	Bank acceptance facility fees	IFRS reclassification of net swap costs	Total	Reclassified disclosure
Full Year Ended 30 June 2011						
Net interest income ($M)	**12,601**	57	485	(498)	44	**12,645**
Average interest earning assets ($M)	**576,369**	9,705	11,332	-	21,037	**597,406**
Net interest margin (%) (1)	**2.19%**					**2.12%**
Half Year Ended 31 December 2011						
Net interest income ($M)	**6,511**	40	274	(181)	133	**6,644**
Average interest earning assets ($M)	**601,244**	10,770	10,884	-	21,654	**622,898**
Net interest margin (%) (1)	**2.15%**					**2.12%**
Half Year Ended 30 June 2011						
Net interest income ($M)	**6,461**	27	251	(271)	7	**6,468**
Average interest earning assets ($M)	**578,982**	10,087	11,533	-	21,620	**600,602**
Net interest margin (%) (1)	**2.25%**					**2.17%**

(1) Excluding the impact of the IFRS reclassification of net swap costs, previously reported underlying Group NIM for the year ended 30 June 2011 was 2.10%; half year ended 31 December 2011 was 2.09%; and half year ended 30 June 2011 was 2.15%.

24. Definitions

Term	Description
Bankwest	Bankwest is a full service bank active in all domestic market segments, with lending diversified between the business, rural, housing and personal markets, and offering a full range of deposit products.
Business and Private Banking	Business and Private Banking provides specialised banking services to relationship managed business and Agribusiness customers, private banking to high net worth individuals and margin lending and trading through CommSec. In addition commission is received for the distribution of retail banking products through the Business and Private Banking network.
Corporate Centre and Group wide Eliminations/Unallocated	Corporate Centre includes the results of unallocated Group support functions such as Investor Relations, Group Strategy, Group Tax, Secretariat and Treasury. Group wide Eliminations/Unallocated includes intra-group elimination entries arising on consolidation, centrally raised provisions and other unallocated revenue and expenses.
Customer satisfaction – external survey	This represents satisfaction with Main Financial Institution (MFI) based on the relationship with the financial institution as measured by Roy Morgan Research. The figures are six months rolling averages and are based on respondents aged 14+. The measure is the percentage of customers who answered as being either "very satisfied" or "fairly satisfied" with their MFI.
Dividend payout ratio	Dividends paid on ordinary shares divided by earnings (earnings are net of dividends on other equity instruments).
DRP	Dividend reinvestment plan.
DRP participation	The percentage of total issued capital participating in the dividend reinvestment plan.
Earnings per share	Calculated in accordance with AASB 133: Earnings per Share.
Expense to income ratio	Represents operating expenses as a percentage of total operating income.
Institutional Banking and Markets	Institutional Banking and Markets services the Group's major corporate, institutional and government clients using a relationship management model based on industry expertise and local insights. The Total Capital Solutions offering includes debt and equity capital raising, financial and commodities price risk management and transactional banking capabilities. Institutional Banking and Markets has international operations in London, Malta, New York, New Zealand, Singapore, Hong Kong, Japan and Shanghai.
Interest Rate Risk in the Banking Book	Interest rate risk in the banking book is the risk that the Bank's profit derived from Net Interest Income (interest earned less interest paid), in current and future periods, is adversely impacted from changes in interest rates. This is measured from two perspectives; firstly by quantifying the change in the net present value of the balance sheet's future earnings potential and secondly, as the anticipated change to the Net Interest Income which is reported in the Bank's Income Statement. The APS117 IRRBB regulatory capital requirement is calculated using the net present value approach.
IFS Asia	IFS Asia incorporates the Asian retail and SME banking operations (Indonesia, China, Vietnam and India), investments in Chinese and Vietnamese retail banks, the joint venture Chinese life insurance business and life insurance operations in Indonesia. It does not include the Business and Private Banking, Institutional Banking and Markets and Colonial First State Global Asset Management businesses in Asia.
Net profit after tax ("Cash basis")	Represents net profit after tax and non-controlling interests before Bankwest non-cash items, the gain/loss on disposal of controlled entities/investments, treasury shares valuation adjustment, Count Financial acquisition costs and unrealised gains and losses related to hedging and IFRS volatility. This is Management's preferred measure of the Group's financial performance.
Net profit after tax ("Statutory basis")	Represents net profit after tax and non-controlling interests, Bankwest non-cash items, the gain/loss on disposal of controlled entities/investments, treasury shares valuation adjustment, Count Financial acquisition costs and unrealised gains and losses related to hedging and IFRS volatility. This is equivalent to the statutory item "Net profit attributable to Equity holders of the Bank".
Net profit after tax ("Underlying basis")	Represents net profit after tax ("cash basis") excluding investment experience.
Net tangible assets per share	Net assets excluding intangible assets, non-controlling interests, and other equity instruments divided by ordinary shares on issue at the end of the period.
New Zealand	New Zealand includes the Banking, Funds Management and Insurance businesses operating in New Zealand (excluding the international business of Institutional Banking and Markets).
Operating expense to net operating income ratio	Represents operating expenses (excluding volume expenses) as a percentage of total operating income less volume expenses.
Other Overseas	Represents amounts booked in branches and controlled entities outside Australia and New Zealand.

24. Definitions (continued)

Term	Description
Retail Banking Services	Retail Banking Services includes both the manufacturing of home loan, consumer finance and retail deposit products and the sales and servicing of all Retail bank customers. In addition commission is received for the distribution of business and wealth management products through the retail distribution network.
Return on average shareholders' equity – Cash basis	Based on cash net profit after tax and non-controlling interests less other equity instruments' distributions applied to average shareholders' equity, excluding non-controlling interests, other equity instruments and treasury shares.
Return on average shareholders' equity – Statutory basis	Based on net profit after tax ("statutory basis") less other equity instruments' distributions applied to average shareholders' equity, excluding non-controlling interests and other equity instruments.
Staff numbers	Staff numbers include the full time equivalent number of all permanent full time staff, part time staff equivalents and external contractors employed through third party agencies.
Wealth Management	Wealth Management includes the Global Asset Management (including operations in Asia and Europe), Platform Administration and Financial Advice, as well as Life and General Insurance businesses of the Australian operations.
Weighted average number of shares ("Cash basic")	Includes an adjustment to exclude "Treasury Shares" related to investment in the Bank's shares held by the employee share scheme trust.
Weighted average number of shares ("Statutory basic")	Includes an adjustment to exclude "Treasury Shares" related to investments in the Bank's shares held by both the life insurance statutory funds and by the employee share scheme trust.

25. Market Share Definitions

Retail Banking Services

Home Loans	CBA Total Housing Loans (APRA) + CBA Securitised Housing Loans (APRA) + Home Path Balance	Total Housing Loans (incl securitisations) (from RBA which includes NBFI's unlike APRA) (1)
Credit Cards	CBA Personal Credit Card Lending (APRA)	Credit Cards excluding those issued to Business with Interest Free + without Interest Free (from RBA which includes NBFI's unlike APRA) (1)
Personal Lending (Other Household Lending)	CBA Term Personal Lending + 88% of Margin Lending balances + Personal Leasing + Revolving credit	Other Loans to Households (APRA)
Household Deposits	Total transaction and investment account deposit balances recorded on the domestic books of CBA from individual Australian residents excluding self-managed superannuation funds (as per APRA definitions)	Total Bank Household Deposits (from APRA monthly banking statistics)
Retail Deposits	CBA Deposits from Residents excluding those by Banks and Governments and also excluding FX AUD equivalent	Total RBA: Current Deposits with banks + Term (excl CD's) + Other with banks (from RBA monthly bulletin statistics) (1)

Business Market Share

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

Wealth Management

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

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

Appendices

25. Market Share Definitions (continued)

New Zealand

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

Bankwest

Home Loans	Bankwest Total Housing Loans (APRA) + Bankwest Securitised Housing loans (APRA)
	Total Housing Loans (incl securitisations) (from RBA which includes NBFI's unlike APRA) (1)
Business Lending (APRA)	Loans and advances to residents that are recorded on the domestic books of Bankwest within the non-financial corporations sector, where this sector comprises private trading corporations, private unincorporated businesses and commonwealth, state, territory and local government non-financial corporations (as per lending balances submitted to APRA in ARF 320.0)
	Total loans and advances to the non-financial corporations sector for all licensed banks that submit to APRA
Business Lending (RBA)	Bankwest business lending and credit (specific 'business lending' categories in lodged APRA returns – ARF 320.0 Statement of Financial Position Domestic Book and ARF 320.4 Accepted and Endorsed Bills)
	Total of business lending and credit to the private non-financial sector by all financial intermediaries (sourced from RBA table Lending & Credit Aggregates which is in turn sourced from specific 'business lending' categories in lodged APRA returns - 320.0, 320.1 and 320.4) (includes bills on issue and securitised business loans) (1)
Credit Cards	Bankwest Personal Credit Card Lending (APRA)
	Credit Cards excluding those issued to Business with Interest Free + without Interest Free (from RBA which includes NBFI's unlike APRA) (1)
Personal Lending (Other Household Lending)	Bankwest Term Personal Lending + Margin Lending net balances + Personal Leasing + Revolving credit
	Other Loans to Households (APRA)
Household Deposits	Total transaction and investment account deposit balances recorded on the domestic books of Bankwest from individual Australian residents excluding self-managed superannuation funds (as per APRA definitions)
	Total Bank Household Deposits (from APRA monthly banking statistics)
Business Deposits (APRA)	Total transaction and non-transaction account deposit balances recorded on the domestic books of Bankwest from residents within the non-financial corporations sector, where this sector comprises private trading corporations, private unincorporated businesses and commonwealth, state, territory and local government non-financial corporations (as per deposit balances submitted to APRA in ARF 320.0)
	Total transaction and non-transaction deposit balances from the non-financial corporations sector for all licensed banks that submit to APRA
Retail Deposits	BWA Deposits from Residents excluding those by Banks, other ADIs and Governments and also excluding FX AUD equivalent
	Total RBA: Current Deposits with banks + Term (excl CD's) + Other with banks (from RBA monthly bulletin statistics)

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