Profit Announcement

For the full year ended 30 June 2013

CommonwealthBank

COMMONWEALTH BANK OF AUSTRALIA | ACN 123 123 124 | 14 AUGUST 2013

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ASX Appendix 4E

Results for announcement to the market [1]

Report for the year ended 30 June 2013	$M	
Revenue from ordinary activities	44,867	Down 5%
Profit/(loss) from ordinary activities after tax attributable to Equity holders	7,677	Up 8%
Net profit/(loss) for the period attributable to Equity holders	7,677	Up 8%
Dividends (distributions)		
Final Dividend - fully franked (cents per share)		200
Interim Dividend - fully franked (cents per share)		164
Record date for determining entitlements to the dividend		23 August 2013

(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 2013 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	14 August 2013
Ex-dividend date	19 August 2013
Record date	23 August 2013
Final Dividend payment date	3 October 2013
2014 Interim results date	12 February 2014

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All figures relate to the full year ended 30 June 2013 and comparative information to the full year ended 30 June 2012 unless stated otherwise. The term “prior year” refers to the full year ended 30 June 2012, while the term “prior half” refers to the half year ended 31 December 2012.

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MEDIA RELEASE

CAN

FOCUS ON LONG TERM STRATEGIC PRIORITIES DRIVES STRONG REVENUE AND EARNINGS GROWTH

Highlights of 2013 Result

- Statutory net profit after tax (NPAT) of $7,677 million – up 8 per cent on prior year;
- Cash NPAT of $7,819 million – up 10 per cent;
- Return on Equity (cash basis) of 18.4 per cent;
- Fully franked final dividend of $2.00 per share, taking total for the year to $3.64, a 9 per cent increase on the prior year;
- Group in strong financial position with conservative provisioning and Common Equity Tier 1 Capital, on a fully harmonised Basel III basis, of 11.0 per cent – up by 120 basis points;
- Customer deposits up $26 billion to $405 billion – now represents 63 per cent of Group total funding; and
- Group well positioned with customer-focused business franchise operating off a conservative financial base and leading technology platform.

	2013	2013 v 2012
Statutory NPAT ($m)	7,677	8%
Cash NPAT ($m)	7,819	10%
Cash EPS ($ per share)	4.86	8%
Final Dividend ($ per share)	2.00	2%
Full year dividend ($ per share)	3.64	9%

Except where otherwise stated, all figures relate to the full year ended 30 June 2013. The term “prior year” refers to the full year ended 30 June 2012, while the term “prior half” refers to the half year ended 31 December 2012. 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 15 of the Group’s Profit Announcement for the year ended 30 June 2013 which is available on www.commbank.com.au/shareholders.

A summary table of key financial information is attached as an appendix.

MEDIA RELEASE

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SYDNEY, 14 AUGUST 2013: The Commonwealth Bank of Australia (the Group) today announced its results for the financial year ended 30 June 2013. The Group's statutory NPAT was $7,677 million, which represents an 8 per cent increase on the prior year. Cash NPAT was $7,819 million, an increase of 10 per cent on the prior year. Cash Return on Equity was 18.4 per cent.

Consistent with the Board's revised dividend policy, which more closely aligned the final and interim payout ratios, a final dividend of $2.00 has been declared.

Total dividend for the year was $3.64 – an increase of 9 per cent on the prior year. The cash dividend payout ratio for full year was 75.4 per cent of cash NPAT, which is in line with the prior year and within the Board's target range of 70 to 80 per cent.

The final dividend will be fully franked and will be paid on 3 October 2013. The ex-dividend date is 19 August 2013.

The Group's Dividend Reinvestment Plan (DRP) will continue to operate, but no discount will be applied to shares issued under the plan for this dividend. Given the Group's high level of Tier 1 capital, the Board has decided, as it did for the interim dividend, to neutralise or minimise the dilutive impact of the DRP through an on-market share purchase and transfer to participants.

Commenting on the result, Group CEO Ian Narev said: "This result again highlights the benefits of a multi-year focus on our strategic priorities. During this financial year, the Group achieved a six-year goal of becoming the market leader in customer satisfaction, completed the six-year implementation of Core Banking Modernisation, maintained a careful balance between volume growth and margin, strengthened our balance sheet and continued our focus on building a high integrity and collaborative culture. Consistent execution of these long-term priorities, combined with our focus on productivity and continuing innovation, have delivered good financial returns for our shareholders. We have momentum in all of our businesses, due to the hard work of our people and their commitment to enhancing the financial wellbeing of our customers."

Key components of the result include:

- Continuing success of the strategy of customer focus, with the Group achieving and maintaining its position as the number one in customer satisfaction (relative to peers) in its Australian retail banking business, while maintaining its leadership position in business customer satisfaction;
- Revenue increase of 7 per cent, leading to 3 per cent positive "jaws";
- Continuing focus on productivity, resulting in a further 100 basis point improvement in cost to income ratio, which is now at 45 per cent;

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- Solid growth in the Australian banking businesses, with average interest earning assets up $24 billion to $654 billion;
- Strong growth in average interest bearing deposits(1) – up $25 billion to $443 billion – resulting in customer deposits as a proportion of total Group funding increasing to 63 per cent;
- Recovery in markets-based businesses with Wealth Management's earnings up 9 per cent and IB&M's Market's business rebounding;
- Strong operating performance from ASB Bank and Bankwest;
- Good progress in growing and strengthening Asian businesses;
- An increase of four basis points in Group Net Interest Margin (NIM) to 2.13 per cent as higher wholesale and deposit funding costs partially offset the positive impacts of asset re-pricing and mix changes;
- Substantial on-going investment in long term growth, amounting to $1,237 million, on a tightly managed set of initiatives focusing on technology, productivity and risk;
- A continuing conservative approach to provisioning, with total lending provisions of $4.5 billion, and provisions to credit risk weighted assets at 1.60 per cent. Collective provisions include a management overlay of $823 million including an unchanged economic overlay; and
- On-going organic capital generation, leading to an internationally harmonised Basel III Common Equity Tier 1 of 11.0 per cent, up 120 basis points.

The Group is one of only a limited number of global banks in the double-A ratings category.

Deposit growth during the period has seen the Group satisfy a significant proportion of its funding requirements from customer deposits. However, competition for deposits remains intense, and had a negative impact on margins. During the period, the Group took advantage of improving conditions in wholesale markets, issuing $25 billion of long term funding in multiple currencies.

While some of the Group's 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, the Group maintains a strong balance sheet with high levels of capital and provisioning and $137 billion of liquidity as at 30 June 2013.

Turning to the outlook for the 2014 financial year Mr Narev said: "Our outlook for the global economy remains similar to six months ago. Our primary areas of economic focus are the level of confidence of Australian business and households, the impact of economic conditions in China on the demand and price for resources, the value of the Australian dollar and the resultant impact on export-sensitive parts of the Australian economy and the stability of funding markets. Indicators relating to all of these factors have been mixed

(1) Includes transactions, savings and investment average interest bearing deposits.

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over the past six months, and we expect that to remain the case in the near term. In addition, competition will remain strong in all our businesses, both from traditional financial services competitors and new technology-enabled business models.

“So overall, we believe that the underlying conditions for our business in the 2014 financial year will be similar to those we have experienced in the recently completed year. However, we are well positioned to meet the needs of our customers should the economy rebound more quickly than anticipated.”

Ends

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APPENDIX: SUMMARY TABLE OF KEY FINANCIAL INFORMATION

	Full Year Ended			Half Year Ended		
	30 Jun 13 $M	30 Jun 12 $M	Jun 13 vs Jun 12 %	30 Jun 13 $M	31 Dec 12 $M	Jun 13 vs Dec 12%
Highlights						
Retail Banking Services	**3,054**	2,703	13	1,548	1,506	3
Business and Private Banking	**1,488**	1,513	(2)	753	735	2
Institutional Banking and Markets	**1,210**	1,098	10	607	603	1
Wealth Management	**687**	629	9	353	334	6
New Zealand	**635**	541	17	326	309	6
Bankwest	**561**	527	6	303	258	17
Other	**184**	102	80	149	35	large
Net profit after income tax ("cash basis") (1)	**7,819**	**7,113**	**10**	**4,039**	**3,780**	**7**
Net profit after income tax ("statutory basis") (2)	**7,677**	**7,090**	**8**	**4,016**	**3,661**	**10**

	Full Year Ended			Half Year Ended		
	30 Jun 13	30 Jun 12	Jun 13 vs Jun 12 %	30 Jun 13	31 Dec 12	Jun 13 vs Dec 12 %
Key Shareholder Ratios						
Earnings per share ("cash basis") - basic (cents)	**485.8**	449.4	8	250.3	235.5	6
Return on equity ("cash basis") (%)	**18.4**	18.6	(20) bpts	18.8	18.1	70 bpts
Return on assets ("cash basis") (%)	**1.1**	1.0	10 bpts	1.1	1.0	10 bpts
Dividend per share - fully franked (cents)	**364**	334	9	200	164	22
Dividend payout ratio ("cash basis") (%)	**75.4**	75.0	40 bpts	80.2	70.2	large
Other Performance Indicators						
Total interest earning assets ($M)	**653,637**	629,685	4	657,951	649,394	1
Funds Under Administration - spot ($M) (3)	**249,695**	204,104	22	249,695	227,372	10
Net interest margin (%)	**2.13**	2.09	4 bpts	2.17	2.10	7 bpts
Operating expenses to total operating income (%)	**45.0**	46.0	(100) bpts	44.9	45.1	(20) 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 acquisition/disposal of controlled entities/investments, treasury shares valuation adjustment, Count Financial acquisition costs, Bell Group litigation expenses 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 acquisition/disposal of controlled entities/investments, treasury shares valuation adjustment, Count Financial acquisition costs, Bell Group litigation expenses 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 reclassified to conform to presentation in the current year.

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Highlights

Group Performance Highlights

	Full Year Ended ("statutory basis")		Full Year Ended ("cash basis")			Half Year Ended ("cash basis")		
	30 Jun 13	Jun 13 vs Jun 12 %	30 Jun 13	30 Jun 12	Jun 13 vs Jun 12 %	30 Jun 13	31 Dec 12	Jun 13 vs Dec 12 %
Net profit after tax ($M)	**7,677**	8	**7,819**	7,113	10	**4,039**	3,780	7
Return on equity (%)	**18.2**	(50)bpts	**18.4**	18.6	(20)bpts	**18.8**	18.1	70 bpts
Earnings per share - basic (cents)	**477.9**	6	**485.8**	449.4	8	**250.3**	235.5	6
Dividends per share (cents)	**364**	9	**364**	334	9	**200**	164	22

Financial Performance

The Group's net profit after tax ("statutory basis") for the year ended 30 June 2013 increased 8% on the prior year to $7,677 million.

Return on equity ("statutory basis") was 18.2% and Earnings per share ("statutory basis") was 477.9 cents, an increase of 6% on the prior year.

The Management Discussion and Analysis discloses the net profit after tax on both a statutory and cash basis. The statutory basis is prepared and reviewed 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 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 15.

The Group has produced another positive financial result amidst mixed economic conditions, including subdued credit growth, higher deposit funding costs, low interest rates, lower marginal costs of raising new wholesale funding and improved equity markets.

The Group continues to focus on securing long term sustainable competitive advantage through engaged staff collaborating to identify and meet more of our customers' needs. This long term focus, combined with a diversified business model and a strong risk management culture, has again generated superior returns.

Operating income growth reflected strong momentum across the Retail, Wealth and New Zealand businesses. Business banking revenue remained subdued amid strong competition for domestic deposits.

Operating expenses reflect a continued appetite to invest in technology and other growth initiatives, together with the impact of costly regulatory change and compliance initiatives, partly offset by productivity initiatives.

Loan impairment expense decreased slightly due to improved home loan and credit card arrears, partly offset by increased commercial loan charges. Asset quality remains sound with continued conservative levels of provisioning and unchanged economic overlays.

Net profit after tax ("cash basis") for the year ended 30 June 2013 increased by 10% on the prior year to $7,819 million. Cash earnings per share increased 8% to 485.8 cents per share.

Return on equity ("cash basis") for the year ended 30 June 2013 was 18.4%, a decrease of 20 basis points on the prior year, reflecting strong organic capital generation from higher retained earnings and shareholder reinvestment of the final dividend of the 2012 financial year.

Capital

The Group further strengthened its capital position under the new Basel III regulatory capital framework. As at 30 June 2013 the Basel III Common Equity Tier One (CET1) ratio as measured on a fully internationally harmonised basis was 11.0%.

This places the Group in a strong position, compares favourably to our international and domestic peers, and is well above the regulatory minimum levels.

Funding

The Group has maintained conservative balance sheet settings, with the majority of the Group's lending growth funded by growth in customer deposits. Customer deposits constitute 63% of the Group's funding base at 30 June 2013, up from 62% in the prior year.

Wholesale funding levels remained broadly stable over the past 12 months, and while the cost of issuing new long term wholesale funding has decreased, domestic deposit costs remain at elevated levels, maintaining pressure on Group margins over the year.

Dividends

The final dividend declared was $2.00 per share, bringing the total dividend for the year ended 30 June 2013 to $3.64 per share, an increase of 9% on the prior year. This represents a dividend payout ratio ("cash basis") of 75.4%.

The final dividend payment will be fully franked and paid on 3 October 2013 to owners of ordinary shares at the close of business on 23 August 2013 (record date). Shares will be quoted ex–dividend on 19 August 2013.

Outlook

The outlook for the global economy remains similar to six months ago. The Group's primary areas of economic focus are the level of confidence of Australian businesses and households, the impact of economic conditions in China on the demand and price for resources, the value of the Australian dollar and the resultant impact on export-sensitive parts of the domestic economy and stability of funding markets. Indicators relating to all of these factors have been mixed over the past six months, and it is expected that will remain the case in the near term. In addition, competition will remain strong across all of the Group's businesses, both from traditional financial services competitors and new technology-enabled business models. Overall, the Group believes that the underlying conditions for its business in the 2014 financial year will be similar to those experienced in the recently completed year. However, the Group is well positioned to meet the needs of its customers should the economy rebound more quickly than anticipated.

Group Performance Summary	Full Year Ended 30 Jun 13 $M	Full Year Ended 30 Jun 12 $M	Jun 13 vs Jun 12 %	Half Year Ended 30 Jun 13 $M	Half Year Ended 31 Dec 12 $M	Jun 13 vs Dec 12 %	Statutory Full Year Ended 30 Jun 13 $M	Statutory Jun 13 vs Jun 12 %
Net interest income	**13,944**	13,157	6	**7,082**	6,862	3	**13,934**	6
Other banking income	**4,221**	3,927	7	**2,086**	2,135	(2)	**4,237**	4
Total banking income	**18,165**	17,084	6	**9,168**	8,997	2	**18,171**	6
Funds management income	**2,146**	1,957	10	**1,113**	1,033	8	**2,165**	12
Insurance income	**1,034**	960	8	**529**	505	5	**1,218**	(1)
Total operating income	**21,345**	20,001	7	**10,810**	10,535	3	**21,554**	6
Investment experience	**154**	149	3	**70**	84	(17)	**n/a**	n/a
Total income	**21,499**	20,150	7	**10,880**	10,619	2	**21,554**	6
Operating expenses	**(9,605)**	(9,196)	4	**(4,850)**	(4,755)	2	**(9,680)**	4
Loan impairment expense	**(1,082)**	(1,089)	(1)	**(466)**	(616)	(24)	**(1,146)**	5
Net profit before tax	**10,812**	9,865	10	**5,564**	5,248	6	**10,728**	8
Corporate tax expense (1)	**(2,977)**	(2,736)	9	**(1,517)**	(1,460)	4	**(3,035)**	6
Non-controlling interests (2)	**(16)**	(16)	-	**(8)**	(8)	-	**(16)**	-
Net profit after tax ("cash basis")	**7,819**	7,113	10	**4,039**	3,780	7	**n/a**	n/a
Hedging and IFRS volatility (3)	**27**	124	(78)	**37**	(10)	large	**n/a**	n/a
Other non-cash items (3)	**(169)**	(147)	15	**(60)**	(109)	(45)	**n/a**	n/a
Net profit after tax ("statutory basis")	**7,677**	7,090	8	**4,016**	3,661	10	**7,677**	8
Represented by: (4)								
Retail Banking Services	**3,054**	2,703	13	**1,548**	1,506	3		
Business and Private Banking	**1,488**	1,513	(2)	**753**	735	2		
Institutional Banking and Markets	**1,210**	1,098	10	**607**	603	1		
Wealth Management	**687**	629	9	**353**	334	6		
New Zealand	**635**	541	17	**326**	309	6		
Bankwest	**561**	527	6	**303**	258	17		
IFS and Other	**184**	102	80	**149**	35	large		
Net profit after tax ("cash basis")	**7,819**	7,113	10	**4,039**	3,780	7		
Investment experience - after tax	**(105)**	(89)	18	**(48)**	(57)	(16)		
Net profit after tax ("underlying basis")	**7,714**	7,024	10	**3,991**	3,723	7		

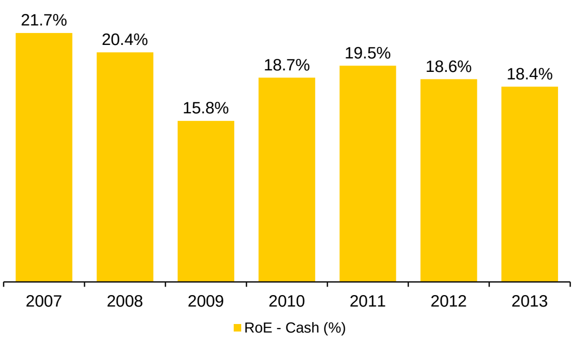
(1) For purposes of presentation, policyholder tax expense components of corporate tax expense are shown on a net basis (30 June 2013: $112 million; 30 June 2012: $122 million; and for the half years ended 30 June 2013: $28 million and 31 December 2012: $84 million).

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

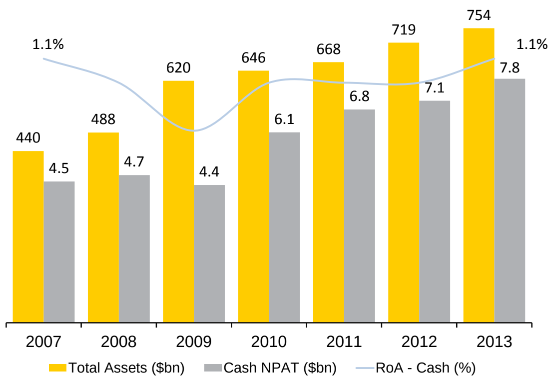
(3) Refer to page 15 for details.

(4) Comparative information has been restated to reflect changes in the presentation of segment results in the current year. The changes include the reallocation of revenue, expenses and associated customer balances between segments based on where the customer relationship is managed; the allocation of residual earnings on capital across the business segments; and the impact of the Group relinquishing the banking licence held by Bankwest during October 2012.

Group Return on Equity



Group Return on Assets (1)



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

Highlights continued

Key Performance Indicators	Full Year Ended 30 Jun 13	Full Year Ended 30 Jun 12	Jun 13 vs Jun 12 %	Half Year Ended 30 Jun 13	Half Year Ended 31 Dec 12	Jun 13 vs Dec 12 %
Group						
Statutory net profit after tax ($M)	**7,677**	7,090	8	**4,016**	3,661	10
Cash net profit after tax ($M)	**7,819**	7,113	10	**4,039**	3,780	7
Net interest margin (%)	**2. 13**	2. 09	4 bpts	**2. 17**	2. 10	7 bpts
Average interest earning assets ($M)	**653,637**	629,685	4	**657,951**	649,394	1
Average interest bearing liabilities ($M)	**609,557**	590,654	3	**613,779**	605,408	1
Funds management income to average FUA (%) [(1)]	**0. 94**	0. 97	(3)bpts	**0. 94**	0. 95	(1)bpt
Funds Under Administration (FUA) - average ($M) [(1)]	**227,780**	200,792	13	**239,948**	215,554	11
Insurance income to average inforce premiums (%) [(1) (2)]	**36. 5**	39. 2	(270)bpts	**36. 8**	36. 6	20 bpts
Average inforce premiums ($M) [(2)]	**2,834**	2,450	16	**2,898**	2,736	6
Operating expenses to total operating income (%)	**45. 0**	46. 0	(100)bpts	**44. 9**	45. 1	(20)bpts
Effective corporate tax rate (%)	**27. 5**	27. 7	(20)bpts	**27. 3**	27. 8	(50)bpts
Retail Banking Services						
Cash net profit after tax ($M) [(1)]	**3,054**	2,703	13	**1,548**	1,506	3
Operating expenses to total banking income (%) [(1)]	**38. 5**	40. 1	(160)bpts	**38. 2**	38. 9	(70)bpts
Business and Private Banking						
Cash net profit after tax ($M) [(1)]	**1,488**	1,513	(2)	**753**	735	2
Operating expenses to total banking income (%) [(1)]	**36. 1**	35. 7	40 bpts	**36. 2**	36. 1	10 bpts
Institutional Banking and Markets						
Cash net profit after tax ($M) [(1)]	**1,210**	1,098	10	**607**	603	1
Operating expenses to total banking income (%) [(1)]	**34. 2**	35. 1	(90)bpts	**35. 2**	33. 3	190 bpts
Wealth Management						
Cash net profit after tax ($M) [(1)]	**687**	629	9	**353**	334	6
FUA - average ($M)	**219,296**	193,277	13	**231,138**	207,437	11
Average inforce premiums ($M)	**2,068**	1,806	15	**2,118**	2,021	5
Funds management income to average FUA (%)	**0. 95**	0. 98	(3)bpts	**0. 94**	0. 95	(1)bpt
Insurance income to average inforce premiums (%)	**34. 6**	38. 3	(370)bpts	**33. 1**	36. 1	(300)bpts
Operating expenses to net operating income (%) [(3)]	**65. 6**	67. 1	(150)bpts	**64. 7**	66. 5	(180)bpts
New Zealand						
Cash net profit after tax ($M) [(1)]	**635**	541	17	**326**	309	6
FUA - average ($M) [(1)]	**8,484**	7,515	13	**8,810**	8,117	9
Average inforce premiums ($M)	**516**	470	10	**526**	498	6
Funds management income to average FUA (%) [(1)]	**0. 64**	0. 59	5 bpts	**0. 66**	0. 61	5 bpts
Insurance income to average inforce premiums (%)	**47. 9**	48. 3	(40)bpts	**51. 4**	45. 0	large
Operating expenses to total operating income (%) [(1)]	**46. 5**	48. 3	(180)bpts	**47. 0**	45. 9	110 bpts
Bankwest						
Cash net profit after tax ($M) [(1)]	**561**	527	6	**303**	258	17
Operating expenses to total banking income (%) [(1)]	**47. 2**	51. 0	(380)bpts	**46. 7**	47. 8	(110)bpts
Capital (Basel III)						
Common Equity Tier One (Internationally Harmonised %)	**11. 0**	9. 8	120 bpts	**11. 0**	10. 6	40 bpts
Common Equity Tier One (APRA %)	**8. 2**	7. 5	70 bpts	**8. 2**	8. 1	10 bpts

(1) Comparative information has been reclassified to conform to presentation in the current year.
(2) Includes IFS Asia.
(3) Net operating income represents total operating income less volume related expenses.

Shareholder Summary	Full Year Ended 30 Jun 13	30 Jun 12	Jun 13 vs Jun 12 %	Half Year Ended 30 Jun 13	31 Dec 12	Jun 13 vs Dec 12 %
Dividends per share - fully franked (cents)	**364**	334	9	**200**	164	22
Dividend cover - cash (times)	**1. 3**	1. 3	-	**1. 2**	1. 4	(14)
Earnings per share (cents) [1]						
Statutory basis - basic	**477. 9**	448. 9	6	**249. 3**	228. 6	9
Cash basis - basic	**485. 8**	449. 4	8	**250. 3**	235. 5	6
Dividend payout ratio (%) [1]						
Statutory basis	**76. 8**	75. 2	160 bpts	**80. 7**	72. 5	large
Cash basis	**75. 4**	75. 0	40 bpts	**80. 2**	70. 2	large
Weighted average no. of shares ("statutory basis") - basic (M) [1] [2]	**1,598**	1,570	2	**1,603**	1,593	1
Weighted average no. of shares ("cash basis") - basic (M) [1] [2]	**1,601**	1,573	2	**1,606**	1,596	1
Return on equity ("statutory basis") (%) [1]	**18. 2**	18. 7	(50)bpts	**18. 8**	17. 6	120 bpts
Return on equity ("cash basis") (%) [1]	**18. 4**	18. 6	(20)bpts	**18. 8**	18. 1	70 bpts

(1) For definitions refer to Appendix 23.
(2) Fully diluted EPS and weighted average number of shares are disclosed in Appendix 20.

Market Share [1]	As at 30 Jun 13 %	31 Dec 12 %	30 Jun 12 %	Jun 13 vs Dec 12 %	Jun 13 vs Jun 12 %
Home loans	**25. 3**	25. 1	25. 2	20 bpts	10 bpts
Credit cards - RBA [2]	**24. 3**	23. 9	23. 5	40 bpts	80 bpts
Other household lending [3]	**16. 9**	16. 5	16. 4	40 bpts	50 bpts
Household deposits	**28. 8**	28. 8	28. 9	-	(10)bpts
Retail deposits [4]	**25. 4**	25. 3	25. 4	10 bpts	-
Business lending - APRA	**19. 1**	19. 3	19. 3	(20)bpts	(20)bpts
Business lending - RBA	**17. 9**	17. 7	17. 7	20 bpts	20 bpts
Business deposits - APRA	**21. 5**	20. 6	20. 6	90 bpts	90 bpts
Asset Finance	**13. 3**	13. 3	13. 6	-	(30)bpts
Equities trading	**5. 2**	5. 4	5. 5	(20)bpts	(30)bpts
Australian Retail - administrator view [5]	**15. 5**	15. 4	15. 5	10 bpts	-
FirstChoice Platform [5]	**11. 6**	11. 6	11. 8	-	(20)bpts
Australia life insurance (total risk) [5]	**13. 1**	13. 3	13. 6	(20)bpts	(50)bpts
Australia life insurance (individual risk) [5]	**13. 0**	13. 2	13. 3	(20)bpts	(30)bpts
NZ lending for housing	**22. 3**	22. 1	21. 9	20 bpts	40 bpts
NZ retail deposits	**20. 1**	20. 2	20. 6	(10)bpts	(50)bpts
NZ lending to business	**10. 1**	9. 8	9. 0	30 bpts	110 bpts
NZ retail FUA	**17. 9**	17. 7	18. 8	20 bpts	(90)bpts
NZ annual inforce premiums	**29. 5**	29. 7	30. 3	(20)bpts	(80)bpts

(1) Prior periods have been restated in line with market updates.
(2) As at 31 May 2013.
(3) Other household lending market share includes personal loans and margin loans.
(4) In accordance with RBA guidelines, these measures include some products relating to both the retail and corporate segments.
(5) As at 31 March 2013.

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

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Group Performance Analysis

Financial Performance and Business Review

Year Ended June 2013 versus June 2012

The Group's net profit after tax ("cash basis") increased 10% on the prior year to $7,819 million.

Earnings per share ("cash basis") increased 8% on the prior year to 485.8 cents per share, whilst return on equity ("cash basis") decreased 20 basis points on the prior year to 18.4%.

The key components of the Group result were:

- **Net interest income** increased 6% to $13,944 million, reflecting 4% growth in average interest earning assets and a four basis point increase in net interest margin;
- **Other banking income** increased 7% to $4,221 million, due to higher Markets trading income, including a favourable counterparty fair value adjustment;
- **Funds management income** increased 10% to $2,146 million, due to a 13% increase in average Funds Under Administration (FUA) from positive net flows and improved markets;
- **Insurance income** increased 8% to $1,034 million due to 16% average inforce premium growth and lower claims in retail, partly offset by higher claims in wholesale life and higher lapses in retail life;
- **Operating expenses** increased 4% to $9,605 million, driven by higher staff costs from salary increases, higher defined benefit superannuation expenses and higher IT expenses. IT costs increased due to enhancement of system capabilities and compliance with new regulatory obligations impacting the Wealth business, together with increased software amortisation driven by the Core Banking Modernisation (CBM) initiative. This was partly offset by the continued realisation of operational efficiencies from productivity initiatives; and
- **Loan impairment expense** decreased 1% to $1,082 million. Improvement in arrears in Retail Banking Services, particularly in the credit card and home loan portfolios, was partly offset by increased commercial loan impairment expense.

Half Year Ended June 2013 versus December 2012

The Group's net profit after tax ("cash basis") increased 7% on the prior half to $4,039 million.

Earnings per share ("cash basis") increased 6% on the prior half to 250.3 cents per share, whilst return on equity ("cash basis") improved 70 basis points to 18.8%.

It should be noted when comparing current half financial performance to the prior half that there are three less calendar days impacting revenue in the current half. Key points of note in the result included the following:

- **Net interest income** increased 3% to $7,082 million, reflecting a seven basis point increase in net interest margin and 1% growth in average interest earning assets;
- **Other banking income** decreased 2% to $2,086 million, due to the impact of debt buybacks;
- **Funds management income** increased 8% to $1,113 million, driven by an 11% increase in average FUA;
- **Insurance income** increased 5% to $529 million due to 6% average inforce premium growth, partly offset by unfavourable claims experience in wholesale life;
- **Operating expenses** increased 2% to $4,850 million, driven by higher IT spend on regulatory reform programs across the Group, additional system support costs and increased software amortisation driven by the CBM initiative; and
- **Loan impairment expense** decreased 24% to $466 million due to lower levels of new and increased individual provisioning and increased writebacks on the corporate and commercial portfolios. This was partly offset by the impact of increasing arrears in the unsecured portfolios in Retail Banking Services.

Net Interest Income

	Full Year Ended			Half Year Ended		
	30 Jun 13 $M	30 Jun 12 $M	Jun 13 vs Jun 12 %	30 Jun 13 $M	31 Dec 12 $M	Jun 13 vs Dec 12 %
Net interest income ("cash basis")	**13,944**	13,157	6	**7,082**	6,862	3
Average interest earning assets						
Home loans	**360,319**	345,544	4	**365,040**	355,674	3
Personal loans	**21,395**	20,870	3	**21,761**	21,036	3
Business and corporate loans	**168,296**	162,409	4	**167,859**	168,726	(1)
Total average lending interest earning assets	**550,010**	528,823	4	**554,660**	545,436	2
Non-lending interest earning assets	**103,627**	100,862	3	**103,291**	103,958	(1)
Total average interest earning assets	**653,637**	629,685	4	**657,951**	649,394	1
Net interest margin (%)	**2.13**	2.09	4 bpts	**2.17**	2.10	7 bpts

Year Ended June 2013 versus June 2012

Net interest income increased by 6% on the prior year to $13,944 million. The result was driven by growth in average interest earning assets of 4% together with a four basis point increase in net interest margin.

Average Interest Earning Assets

Average interest earning assets increased by $24 billion on the prior year to $654 billion, reflecting a $21 billion increase in average lending interest earning assets and a $3 billion increase in average non-lending interest earning assets.

Home loan average balances increased by $15 billion or 4% on the prior year to $360 billion. The growth in home loan balances was largely driven by the domestic banking businesses.

Average balances for business and corporate lending increased by $6 billion on the prior year to $168 billion driven by a combination of business banking and institutional lending.

Average non-lending interest earning assets increased $3 billion on the prior year due to higher average levels of liquid assets.

Net Interest Margin

The Group's net interest margin increased four basis points on the prior year to 2.13%. The key drivers of the movement were:

Asset pricing: Increased margin of 15 basis points, reflecting the repricing of lending portfolios in response to the increase in average funding costs associated with both wholesale and domestic deposit funding.

Funding costs: Decreased margin of 21 basis points reflecting higher wholesale funding costs of 10 basis points; an 11 basis points increase in deposits costs from ongoing strong competition and the impact of the falling cash rate environment.

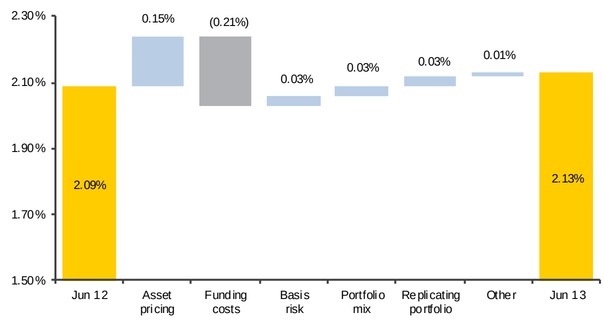
Basis risk: Basis risk arises from funding assets which are priced relative to the cash rate with liabilities priced relative to the bank bill swap rate. The margin increased by three basis points as a result of a reduction in the spread between the cash rate and the bank bill swap rate during the year.

Portfolio mix: Increased margin of one basis point from strong growth in higher margin New Zealand lending portfolios; plus favourable funding mix of two basis points.

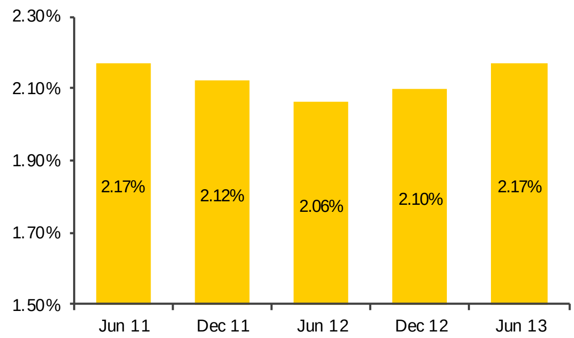
Replicating portfolio: Increased margin of three basis points as the replicating portfolio (a portfolio of financial instruments which hedge against interest rate volatility) mitigated the impact on Group earnings from the falling cash rate environment.

Other: Increased margin of one basis point, primarily driven by higher Treasury earnings.

NIM movement since June 2012



Group NIM (Half Year Ended)



Net Interest Income (continued)

Half Year Ended June 2013 versus December 2012

Net interest income increased by 3% on the prior half driven by growth in average interest earning assets of 1% together with a seven basis point improvement in net interest margin to 2.17%.

Average Interest Earning Assets

Average interest earning assets increased by $9 billion on the prior half to $658 billion, reflecting a $9 billion increase in average lending interest earning assets, partly offset by less than $1 billion decrease in average non-lending interest earning assets.

Home loan average balances increased by $9 billion or 3% on the prior half to $365 billion, primarily driven by growth in the domestic banking businesses.

Average balances for business and corporate lending decreased by $1 billion on the prior half to $168 billion driven by a decrease in domestic business banking.

Average non-lending interest earning assets decreased $1 billion on the prior half. The decrease in available-for-sale investments and liquid assets was partly offset by growth in trading assets.

Net Interest Margin

The Group's net interest margin increased seven basis points on the prior half to 2.17%. The key drivers were:

Asset pricing: Increase in margin of three basis points due to timing of the repricing of lending portfolios in response to higher funding costs.

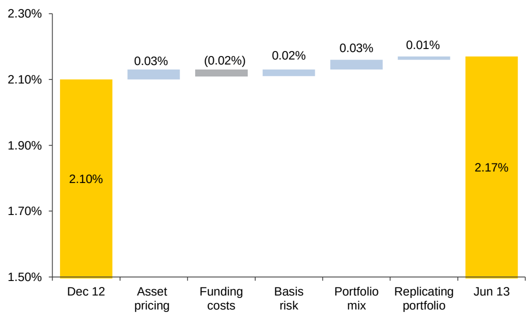
Funding costs: Decrease in margin of two basis points reflecting the higher cost of deposits as a result of strong competition and the impact of the falling cash rate environment.

Basis risk: Margin increased by two basis points as a result of a reduction in the spread between the cash rate and the bank bill swap rate during the current half.

Portfolio mix: Increased margin of two basis points reflecting favourable lending mix from growth in higher margin unsecured lending and New Zealand lending; plus favourable funding mix of one basis point.

Replicating portfolio: Increased margin of one basis point as the replicating portfolio mitigated the impact on Group earnings from the falling cash rate environment.

NIM movement since December 2012



Other Banking Income

	Full Year Ended			Half Year Ended		
	30 Jun 13 $M	30 Jun 12 $M	Jun 13 vs Jun 12 %	30 Jun 13 $M	31 Dec 12 $M	Jun 13 vs Dec 12 %
Commissions	1,990	1,997	-	997	993	-
Lending fees	1,053	997	6	544	509	7
Trading income	863	522	65	420	443	(5)
Other income	315	411	(23)	125	190	(34)
Other banking income ("cash basis")	**4,221**	3,927	7	**2,086**	2,135	(2)

Year Ended June 2013 versus June 2012

Other banking income increased 7% on the prior year to $4,221 million driven by the following revenue items:

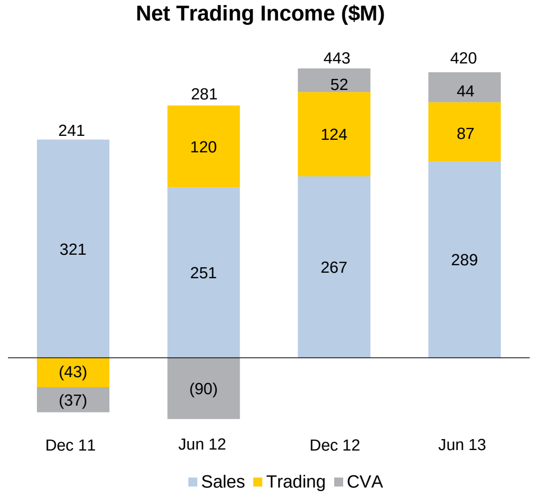
Commissions were flat on the prior year at $1,990 million. Growth in card volumes was offset by customers shifting into low fee and fee free banking products;

Lending fees increased 6% on the prior year to $1,053 million. This included growth in undrawn Institutional Lending balances leading to higher commitment fees, and volume growth in personal lending;

Trading income increased 65% on the prior year to $863 million. This was due to the Markets business performance, which included the benefit of favourable counterparty fair value adjustments due to narrowing credit spreads and higher trading income; and

Other income decreased 23% on the prior year to $315 million mainly due to timing of gains on asset sales and the impact of debt buybacks in the current year.

Other Banking Income (continued)



Half Year Ended June 2013 versus December 2012

Other banking income decreased 2% on the prior half to $2,086 million driven by the following revenue items:

Commissions were flat on the prior half at $997 million. Growth in brokerage was offset by customers shifting into low fee and fee free banking products;

Lending fees increased 7% on the prior half to $544 million, driven by higher volume in the Institutional Lending and Asset Leasing businesses;

Trading income decreased 5% on the prior half to $420 million as a result of decreased trading volumes in the Markets business; and

Other income decreased 34% on the prior half to $125 million mainly due to the impact of debt buybacks.

Funds Management Income

	Full Year Ended			Half Year Ended		
	30 Jun 13 $M	30 Jun 12 $M	Jun 13 vs Jun 12 %	30 Jun 13 $M	31 Dec 12 $M	Jun 13 vs Dec 12 %
CFS Global Asset Management (CFSGAM)	1,010	883	14	529	481	10
Colonial First State [1]	914	845	8	469	445	5
CommInsure	153	160	(4)	80	73	10
New Zealand	54	44	23	29	25	16
Other	15	25	(40)	6	9	(33)
Funds management income ("cash basis")	2,146	1,957	10	1,113	1,033	8

(1) Colonial First State incorporates the results of all financial planning businesses including Commonwealth Financial Planning.

Year Ended June 2013 versus June 2012

Funds management income increased 10% on the prior year to $2,146 million driven by:

- A 13% increase in average FUA to $228 billion, driven by strong investment performance and net flows in rising equity markets benefiting CFSGAM and Colonial First State;
- Higher performance fees in CFSGAM, with the majority of funds outperforming benchmark; partly offset by
- A three basis point decrease in the ratio of funds management income to average FUA, due to changes in mix and the contraction of legacy closed investment portfolios.

Half Year Ended June 2013 versus December 2012

Funds management income increased 8% on the prior half to $1,113 million driven by:

- An 11% increase in average FUA, driven by market momentum and strong net flows in CFSGAM and Colonial First State and favourable foreign exchange movements due to depreciation of the Australian dollar; partly offset by
- The ratio of funds management income to average FUA decreased by one basis point to 0.94%, due to portfolio mix shifts from retail to wholesale products and legacy product outflows.

Group Performance Analysis continued

Insurance Income

	Full Year Ended			Half Year Ended		
	30 Jun 13 $M	30 Jun 12 $M	Jun 13 vs Jun 12 %	30 Jun 13 $M	31 Dec 12 $M	Jun 13 vs Dec 12 %
CommInsure	716	691	4	348	368	(5)
New Zealand	247	227	9	134	113	19
IFS Asia	75	67	12	38	37	3
Other	(4)	(25)	(84)	9	(13)	large
Insurance income ("cash basis")	1,034	960	8	529	505	5

Year Ended June 2013 versus June 2012

Insurance income increased by 8% on the prior year to $1,034 million driven by:

- An increase in average inforce premiums of 16% to $2,834 million driven by strong new business sales by CommInsure, New Zealand and IFS Asia; and
- Improved CommInsure claims experience in retail life and general insurance, partly offset by unfavourable claims experience in wholesale life and increased lapse rates in retail life.

Half Year Ended June 2013 versus December 2012

Insurance income increased by 5% on the prior half to $529 million driven by:

- An increase in average inforce premiums of 6% to $2,898 million driven by new business sales particularly through Retail bank channels; and
- Improved CommInsure lapse rates in retail life partly offset by unfavourable claims experience in wholesale life.

Operating Expenses

	Full Year Ended			Half Year Ended		
	30 Jun 13 $M	30 Jun 12 $M	Jun 13 vs Jun 12 %	30 Jun 13 $M	31 Dec 12 $M	Jun 13 vs Dec 12 %
Staff expenses	5,148	4,947	4	2,584	2,564	1
Occupancy and equipment expenses	1,082	1,056	2	546	536	2
Information technology services expenses	1,299	1,159	12	672	627	7
Other expenses	2,076	2,034	2	1,048	1,028	2
Operating expenses ("cash basis")	9,605	9,196	4	4,850	4,755	2
Operating expenses to total operating income (%)	45. 0	46. 0	(100)bpts	44. 9	45. 1	(20)bpts
Banking expense to operating income (%)	40. 1	41. 1	(100)bpts	40. 1	40. 2	(10)bpts

Year Ended June 2013 versus June 2012

Operating expenses increased 4% on the prior year to $9,605 million with the realised benefit of productivity initiatives being offset by inflation, higher technology costs, variable operating costs and further investment in the business.

Staff expenses increased by 4% to $5,148 million, driven by inflation-related salary increases and higher superannuation expenses;

Occupancy and equipment expenses increased by 2% to $1,082 million, largely due to higher depreciation expenses from growth in the Asset Leasing business;

Information technology services expenses increased by 12% to $1,299 million, primarily due to system enhancement to drive new capability and satisfy regulatory obligations and increased software amortisation driven by CBM and other strategic initiatives;

Other expenses increased by 2% to $2,076 million, impacted by higher spend on regulatory change programs, partly offset by lower volume related expenses; and

Group expense to income ratio improved 100 basis points on the prior year to 45.0% reflecting higher revenues and productivity initiatives. The banking expense to income ratio also improved 100 basis points on the prior year to 40.1%.

Half Year Ended June 2013 versus December 2012

Operating expenses increased 2% on the prior half to $4,850 million.

Staff expenses increased by 1% to $2,584 million, with the increase in superannuation contributions being offset by the ongoing focus on productivity improvements;

Occupancy and equipment expenses increased by 2% to $546 million due to higher depreciation expenses on operating lease assets;

Information technology services expenses increased by 7% to $672 million, primarily due to additional system support costs and increased software amortisation driven by CBM and other strategic initiatives;

Other expenses increased by 2% to $1,048 million, impacted by higher spend on regulatory change programs and higher volume related expenses; and

Group expense to income ratio improved 20 basis points on the prior half to 44.9% reflecting higher revenues and productivity initiatives. The banking expense to income ratio improved 10 basis points on the prior half to 40.1%.

Operating Expenses (continued)

Investment Spend

	Full Year Ended			Half Year Ended		
	30 Jun 13 $M	30 Jun 12 $M	Jun 13 vs Jun 12 %	30 Jun 13 $M	31 Dec 12 $M	Jun 13 vs Dec 12 %
Expensed investment spend [1]	566	502	13	324	242	34
Capitalised investment spend	671	784	(14)	331	340	(3)
Investment spend	1,237	1,286	(4)	655	582	13
Comprising:						
Productivity and growth	651	586	11	366	285	28
Core Banking Modernisation (CBM)	200	368	(46)	63	137	(54)
Risk and compliance	234	188	24	126	108	17
Branch refurbishment and other	152	144	6	100	52	92
Investment spend	1,237	1,286	(4)	655	582	13

(1) Included within Operating Expense disclosure on page 12.

The Group continued to invest strongly in the business with $1,237 million incurred in the full year to 30 June 2013, a decrease of 4% on the prior year. Lower spend on the Core Banking Modernisation (CBM) initiative was partly offset by increased investment in Productivity and Growth initiatives. In addition, spend on risk and compliance projects increased as systems are implemented to assist in satisfying new regulatory obligations, including Stronger Super and Future of Financial Advice (FOFA) reforms.

During the year, the Group invested $200 million in the CBM initiative to deliver the final major scope items. Highlights for the year included:

- The successful delivery of the migration of the remaining large and complex commercial deposit and transaction accounts onto the new CBM platform; and
- The successful migration of business lending accounts to the new CBM platform, improving the business lending experience for customers and staff.

Loan Impairment Expense

	Full Year Ended			Half Year Ended		
	30 Jun 13 $M	30 Jun 12 $M	Jun 13 vs Jun 12 %	30 Jun 13 $M	31 Dec 12 $M	Jun 13 vs Dec 12 %
Retail Banking Services	533	583	(9)	287	246	17
Business and Private Banking	280	266	5	130	150	(13)
Institutional Banking and Markets	154	154	-	57	97	(41)
New Zealand	45	37	22	23	22	5
Bankwest	118	61	93	32	86	(63)
IFS and Other	(48)	(12)	large	(63)	15	large
Loan impairment expense ("cash basis")	1,082	1,089	(1)	466	616	(24)

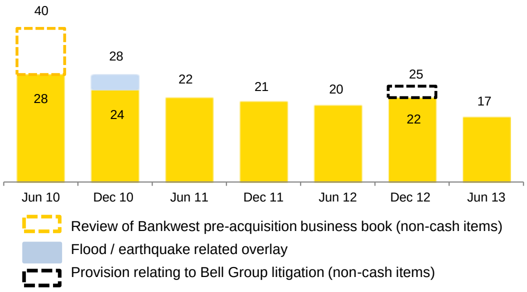
Year Ended June 2013 versus June 2012

Loan impairment expense decreased 1% on the prior year to $1,082 million. The decrease is driven by:

- Reduced loan impairment expense in Retail Banking Services following improvements in arrears rates in the credit card and home loan portfolios; partly offset by
- Increased expense in the commercial portfolios (Bankwest and Business and Private Banking).

Loan Impairment Expense (continued)

Half Year Loan Impairment Expense (Annualised) as a % of Average Gross Loans and Acceptances (bpts)



Half Year Ended June 2013 versus December 2012

Loan impairment expense decreased 24% on the prior half to $466 million mainly driven by:

- The run off of the pre-acquisition higher risk loan book in Bankwest has resulted in reduced requirements for provisions and associated overlays in the current half;
- Decreased expense in Business and Private Banking due to the non-recurrence of softening collateral values in a small number of troublesome assets experienced in the first half;
- Decreased expense in Institutional Banking and Markets following a reduction in individual provisioning requirements; partly offset by
- Increased loan impairment expense in Retail Banking Services following increased arrears in the unsecured lending portfolios.

Taxation Expense

	Full Year Ended			Half Year Ended		
	30 Jun 13 $M	30 Jun 12 $M	Jun 13 vs Jun 12 %	30 Jun 13 $M	31 Dec 12 $M	Jun 13 vs Dec 12 %
Corporate tax expense ($M)	**2,977**	2,736	9	**1,517**	1,460	4
Effective tax rate (%)	**27. 5**	27. 7	(20)bpts	**27. 3**	27. 8	(50)bpts

Year Ended June 2013 versus June 2012

Corporate tax expense for the year ended 30 June 2013 increased 9% on the prior year representing a 27.5% effective tax rate.

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 offshore jurisdictions that have lower corporate tax rates.

Half Year Ended June 2013 versus December 2012

Corporate tax expense for the half year ended 30 June 2013 increased 4% on the prior half representing a 27.3% effective tax rate.

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 offshore jurisdictions that have lower corporate tax rates.

Non-Cash Items Included in Statutory Profit

	Full Year Ended			Half Year Ended		
	30 Jun 13 $M	30 Jun 12 $M	Jun 13 vs Jun 12 %	30 Jun 13 $M	31 Dec 12 $M	Jun 13 vs Dec 12 %
Hedging and IFRS volatility	**27**	124	(78)	**37**	(10)	large
Bankwest non-cash items	**(71)**	(89)	(20)	**(38)**	(33)	15
Count Financial Limited acquisition costs	**-**	(43)	large	**-**	-	-
Treasury shares valuation adjustment	**(53)**	(15)	large	**(22)**	(31)	(29)
Bell Group litigation	**(45)**	-	large	**-**	(45)	large
Other non-cash items	**(169)**	(147)	15	**(60)**	(109)	(45)
Total non-cash items (after tax)	**(142)**	(23)	large	**(23)**	(119)	(81)

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 treated consistently with prior year disclosures. Refer to Appendix 18 for the detailed profit reconciliation.

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 $27 million after tax gain was recognised in statutory profit for the year ended 30 June 2013 (30 June 2012: $124 million).

Bankwest non-cash Items

The acquisition of Bankwest resulted in the recognition of assets at fair value, representing certain financial instruments, core deposits and brand name totalling $463 million that are being amortised over their useful lives. This resulted in amortisation charges of $71 million after tax in the year ended 30 June 2013 (30 June 2012: $89 million after tax).

These items 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 prior year, the Group acquired 100% of the issued share capital of Count Financial Limited (Count), an independent, accountant-based financial advice business. As part of the acquisition, the Group incurred retention, advisory and other costs. There were no costs incurred in the year ended 30 June 2013 (30 June 2012: $43 million after tax loss).

Treasury shares valuation adjustment

Under IFRS, Commonwealth Bank of Australia shares held by the Group in the managed funds and life insurance businesses are defined as treasury shares and are held at cost. Distributions, realised and unrealised gains and losses are recognised in cash profit representing the underlying performance of the asset portfolio attributable to the wealth and life insurance businesses. These distributions, gains and losses are reversed as non-cash items for statutory reporting purposes. A $53 million after tax loss was included in statutory profit in the year ended 30 June 2013 (30 June 2012: $15 million).

Bell Group litigation

Proceedings were brought by the liquidators of the Bell Group of companies against the consortium of banks that restructured its facilities on 26 January 1990. The Supreme Court of Western Australia Court of Appeal ruling on 17 August 2012 was adverse for the consortium of banks and resulted in an additional provision being raised by the Group. This is reported as a non-cash item due to its historic and one-off nature.

Policyholder tax

Policyholder tax is included in the Wealth Management business results for statutory reporting purposes. In the year ended 30 June 2013, tax expense of $112 million (30 June 2012: $122 million tax expense), funds management income of $77 million (30 June 2012: $9 million expense) and insurance income of $35 million (30 June 2012: $131 million income) was recognised. The gross up of these items are 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.

Investment experience

Investment experience primarily includes the returns on shareholder capital invested in the wealth management and insurance businesses as well as the volatility generated through the economically hedged guaranteed annuity portfolio held by the Group's Wealth Management division. This item is classified separately within cash profit.

Review of Group Assets and Liabilities

Total Group Assets and Liabilities	30 Jun 13 $M	31 Dec 12 $M	30 Jun 12 $M	Jun 13 vs Dec 12 %	Jun 13 vs Jun 12 %
			As at		
Interest earning assets					
Home loans (1)	**372,840**	359,058	352,981	4	6
Personal loans	**22,013**	21,470	21,057	3	5
Business and corporate loans (1)	**172,314**	166,957	166,188	3	4
Loans, bills discounted and other receivables (2)	**567,167**	547,485	540,226	4	5
Non-lending interest earning assets	**106,060**	103,747	104,304	2	2
Total interest earning assets	**673,227**	651,232	644,530	3	4
Other assets (1) (2) (3)	**80,649**	70,972	74,329	14	9
Total assets	**753,876**	722,204	718,859	4	5
Interest bearing liabilities					
Transaction deposits (1)	**87,673**	82,913	81,104	6	8
Savings deposits (1)	**106,935**	99,585	91,279	7	17
Investment deposits	**199,397**	192,302	197,138	4	1
Other demand deposits	**54,472**	63,173	58,852	(14)	(7)
Total interest bearing deposits	**448,477**	437,973	428,373	2	5
Debt issues	**138,871**	127,439	134,429	9	3
Other interest bearing liabilities	**44,306**	40,502	38,704	9	14
Total interest bearing liabilities	**631,654**	605,914	601,506	4	5
Non-interest bearing liabilities (3)	**76,730**	72,991	75,781	5	1
Total liabilities	**708,384**	678,905	677,287	4	5

(1) The Group has realigned comparative product balances as part of changes in segment allocations to conform to presentation in the current year.
(2) Loans, bills discounted and other receivables exclude provisions for impairment which are included in Other assets.
(3) Comparative information has been restated to conform to presentation in the current year.

Year Ended June 2013 versus June 2012

Asset growth of $35 billion or 5% on the prior year was due to increased home lending, business and corporate lending and higher derivative asset balances.

The Group continued to satisfy a significant portion of its funding requirements from customer deposits. Customer deposits now represent 63% of total funding (30 June 2012: 62%).

Home loans

Home loan balances increased $20 billion to $373 billion, reflecting a 6% increase on the prior year. This outcome reflected a return to growth above system in Retail Banking Services. The Group continues to maintain its competitive position through a strong focus on delivering excellent customer service.

Personal loans

Personal loans, including credit cards and margin lending, increased 5% on the prior year to $22 billion. Strong growth in credit card and personal loan balances was driven by successful campaigns and new product offerings. This was partly offset by a decline in margin lending balances reflecting conservative investor sentiment towards equity markets.

Business and corporate loans

Business and corporate loans increased $6 billion to $172 billion, a 4% increase on the prior year. This was driven by improved momentum in institutional lending balances, together with solid growth in Business and Private Banking. This was partly offset by the continued reduction in higher risk pre-acquisition exposures in Bankwest.

Non-lending interest earning assets

Non-lending interest earning assets increased $2 billion to $106 billion, reflecting a 2% 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 $6 billion to $81 billion, a 9% increase on the prior year. This increase reflected higher derivative asset balances driven by volatility in foreign exchange and interest rate markets.

Interest bearing deposits

Interest bearing deposits increased $20 billion to $448 billion, a 5% increase on the prior year.

Customer preference for lower risk investments together with targeted campaigns in a highly competitive market resulted in growth of $16 billion in savings deposits, a $7 billion increase in transaction deposits and a $2 billion increase in investment deposits. This was partly offset by a $4 billion decrease in other demand deposits.

Debt issues

Debt issues increased $4 billion to $139 billion, a 3% increase on the prior year. While deposits satisfied the majority of the Group's funding requirements, strong access was maintained to both domestic and international wholesale debt markets.

Refer to page 25 for further information on debt programs and issuance for the year ended 30 June 2013.

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 $6 billion to $44 billion, a 14% increase on the prior year.

Non-interest bearing liabilities

Non-interest bearing liabilities, including derivative liabilities and insurance policy liabilities, increased $1 billion to $77 billion, a 1% increase on the prior year.

Review of Group Assets and Liabilities (continued)

Half Year Ended June 2013 versus December 2012

Asset growth of $32 billion or 4% on the prior half was driven by increased home lending, business and corporate lending as well as higher derivative asset balances.

Continued strong deposits growth allowed the Group to satisfy a significant portion of its funding requirements through customer deposits. Customer deposits made up 63% of total funding as at 30 June 2013 (31 December 2012: 63%).

Home loans

Home loans experienced steady growth with balances increasing by $14 billion to $373 billion, a 4% increase on the prior half. This outcome reflected a return to growth above system in Retail Banking Services. The Group has maintained its competitive position and continued profitable growth through a strong focus on customer service.

Personal loans

Personal loans, including credit cards and margin lending, increased 3% on the prior half to $22 billion. Personal loans increased and credit card growth slowed due to deleveraging trends in the broader market, while margin lending remained stable.

Business and corporate loans

Business and corporate loans increased $5 billion to $172 billion. This was largely due to solid business lending growth in both Australia and New Zealand.

Non-lending interest earning assets

Non-lending interest earning assets increased $2 billion to $106 billion**.** This was primarily due to an increase in liquid assets resulting from prudent business settings and balance sheet growth.

Other assets

Other assets, including derivative assets, insurance assets and intangibles, increased 14% on the prior half to $81 billion. This increase reflected higher derivative asset balances driven by volatility in foreign exchange and interest rate markets.

Interest bearing deposits

Interest bearing deposits increased $11 billion to $448 billion, reflecting a 2% increase on the prior half.

Targeted campaigns in a highly competitive market and customer preference for more stable investments resulted in growth of $7 billion in savings deposits, a $7 billion increase in investment deposits and a $5 billion increase in transaction deposits. This was partly offset by a $9 billion decrease in other demand deposits.

Debt issues

Debt issues increased $11 billion to $139 billion, reflecting a 9% increase on the prior half.

Refer to page 25 for further information on debt programs and issuance for the half year ended 30 June 2013.

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 9% on the prior half to $44 billion.

Non-interest bearing liabilities

Non-interest bearing liabilities, including derivative liabilities and insurance policy liabilities, increased 5% on the prior half to $77 billion. This was driven predominantly by foreign exchange volatility impacting derivative liabilities hedging term debt.

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Loan Impairment Provisions and Credit Quality

Provisions for Impairment

	As at				
	30 Jun 13 $M	31 Dec 12 $M	30 Jun 12 $M	Jun 13 vs Dec 12 %	Jun 13 vs Jun 12 %
Provisions for impairment losses					
Collective provision	**2,858**	2,858	2,837	-	1
Individually assessed provisions	**1,628**	1,845	2,008	(12)	(19)
Total provisions for impairment losses	**4,486**	4,703	4,845	(5)	(7)
Less: Off balance sheet provisions	**(31)**	(18)	(18)	72	72
Total provisions for loan impairment	**4,455**	4,685	4,827	(5)	(8)

Year Ended June 2013 versus June 2012

Total provisions for impairment losses decreased 7% on the prior year to $4,486 million as at 30 June 2013. The movement in the level of provisioning reflects:

- Reduced individually assessed provisions across all portfolios as a result of the settlement and completion of a number of impaired loans;
- A reduction of Bankwest collective provisions as pre-acquisition troublesome loans continued to be refinanced, run-off or move to impaired; and
- Management overlays associated with the Bankwest higher risk loans were used or reduced; partly offset by
- Increased collective provisioning across Institutional Banking and Markets and Business and Private Banking caused by the deterioration in a small number of accounts, the softening of collateral values in a small number of troublesome assets in the first half, and the update of provisioning factors in the second half; and
- Economic overlays remain unchanged on the prior year.

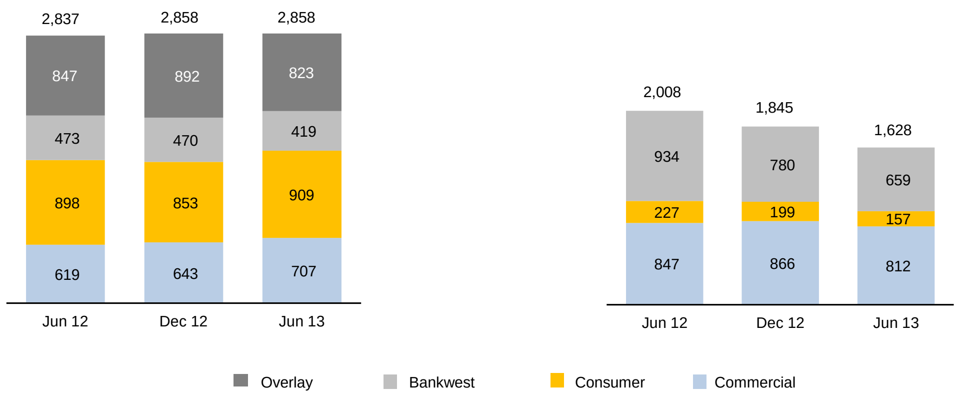
Half Year Ended June 2013 versus December 2012

Total provisions for impairment losses decreased 5% on the prior half to $4,486 million as at 30 June 2013. The movement in the level of provisioning reflects:

- Reduced individually assessed provisions across all portfolios as a result of the settlement and completion of a number of impaired loans;
- A reduction in management overlays associated with Bankwest that were either used or reduced as they were no longer required;
- A reduction of Bankwest collective provisions as pre-acquisition troublesome loans continued to be refinanced, run-off or move to impaired; partly offset by
- Increased consumer provisions as a result of increasing retail arrears and the modest use of prior overlays; and
- Increased commercial provisions as a result of the annual review of provisioning models, which was partly offset by a reduction in management overlays.

Collective Provisions ($M)

Individually Assessed Provisions ($M)



Loan Impairment Provisions and Credit Quality (continued)

Credit Quality

	Full Year Ended			Half Year Ended		
			Jun 13 vs			Jun 13 vs
Credit Quality Metrics	**30 Jun 13**	**30 Jun 12**	**Jun 12 %**	**30 Jun 13**	**31 Dec 12**	**Dec 12 %**
Gross loans and acceptances (GLAA) ($M)	**568,821**	542,097	5	**568,821**	549,216	4
Risk weighted assets (RWA) - Basel III ($M)	**329,158**	n/a	n/a	**329,158**	n/a	n/a
Risk weighted assets (RWA) - Basel 2.5 ($M)	**n/a**	302,787	n/a	**n/a**	301,611	n/a
Credit risk weighted assets - Basel III ($M)	**279,674**	n/a	n/a	**279,674**	n/a	n/a
Credit risk weighted assets - Basel 2.5 ($M)	**n/a**	261,429	n/a	**n/a**	258,467	n/a
Gross impaired assets ($M) (1)	**4,330**	4,687	(8)	**4,330**	4,480	(3)
Net impaired assets ($M) (1)	**2,571**	2,556	1	**2,571**	2,522	2
Provision Ratios						
Collective provision as a % of credit risk weighted assets - Basel III	**1. 02**	n/a	n/a	**1. 02**	n/a	n/a
Total provision as a % of credit risk weighted assets - Basel III	**1. 60**	n/a	n/a	**1. 60**	n/a	n/a
Collective provision as a % of credit risk weighted assets - Basel 2.5	**n/a**	1. 09	n/a	**n/a**	1. 11	n/a
Total provision as a % of credit risk weighted assets - Basel 2.5	**n/a**	1. 85	n/a	**n/a**	1. 82	n/a
Total provisions for impaired assets as a % of gross impaired assets (1)	**40. 62**	45. 47	(485)bpts	**40. 62**	43. 71	(309)bpts
Total provisions for impairment losses as a % of GLAA's	**0. 79**	0. 89	(10)bpts	**0. 79**	0. 86	(7)bpts
Asset quality ratios						
Gross impaired assets as a % of GLAA's (1)	**0. 76**	0. 86	(10)bpts	**0. 76**	0. 82	(6)bpts
Loans 90+ days past due but not impaired as a % of GLAA's (1)	**0. 41**	0. 53	(12)bpts	**0. 41**	0. 48	(7)bpts
Loan impairment expense ("cash basis") annualised as a % of average GLAA's	**0. 20**	0. 21	(1)bpt	**0. 17**	0. 22	(5)bpts

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

Provision Ratios

Provision coverage ratios remain strong. The impaired asset portfolio remains well provisioned with provision coverage of 40.62%.

Asset Quality

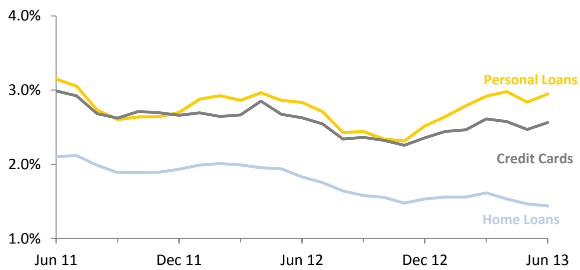
The asset quality ratios show the continued improvement in the quality of the book with both the level of impaired assets and 90 days past due loans which are not impaired continuing to reduce. The credit quality of both the retail and corporate portfolios remained sound.

Retail Portfolios – Arrears Rates (1)

Retail arrears for home loans and credit card products reduced during the current year, in part driven by reducing interest rates.

Home loan arrears reduced over the year, with 30+ day arrears decreasing from 1.83% to 1.44% and 90+ day arrears reducing from 0.90% to 0.62%. Credit card arrears also improved over the year with credit card 30+ days arrears falling from 2.63% to 2.56% and 90+ days arrears reducing from 1.07% to 1.02%. Personal loan arrears increased over the year as a result of some deterioration in the portfolio. 30+ day arrears increased from 2.83% to 2.95% and 90+ days arrears increased from 1.15% to 1.23%.

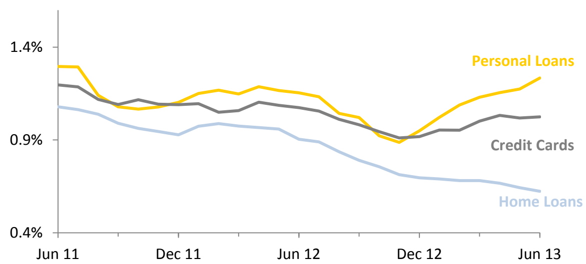
30+ Days Arrears Ratios (%) (2)



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

(2) Includes retail portfolios of Retail Banking Services, Bankwest and New Zealand.

90+ Days Arrears Ratios (%) (2)

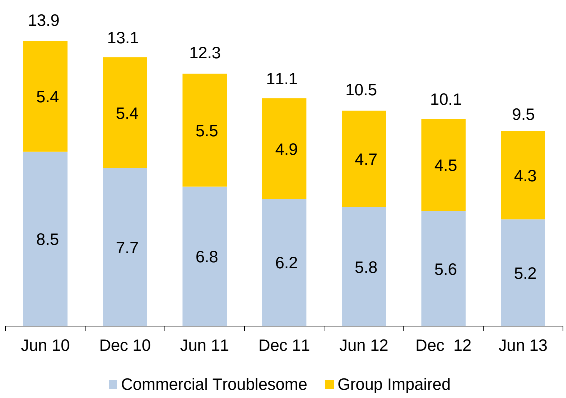


Troublesome and Impaired Assets

Commercial troublesome assets reduced 10% during the year to $5.2 billion.

Gross impaired assets decreased 8% on the prior year to $4,330 million. Gross impaired assets as a proportion of gross loans and acceptances of 0.76% decreased 10 basis points on the prior year, reflecting the improving quality of the corporate portfolios.

Troublesome and Impaired Assets ($B) (1)



Capital

Basel Regulatory Framework

Background

The Group adopted the Basel III measurement and monitoring of regulatory capital effective from 1 January 2013.

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 between 1 January 2013 to 1 January 2019.

In September 2012, the Australian Prudential Regulation Authority (APRA) published final standards relating to the implementation of the Basel III capital reforms in Australia. APRA has adopted a more conservative approach than the minimum standards published by the BCBS and a more accelerated timetable for implementation.

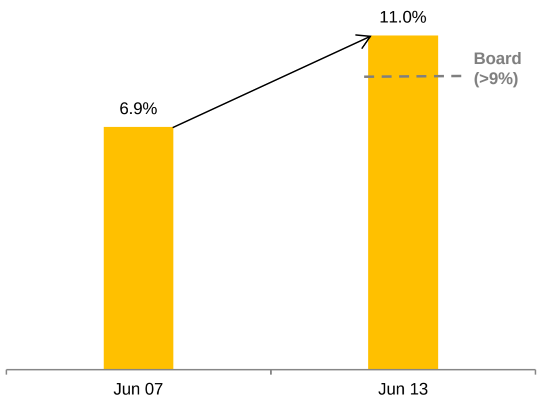
The APRA prudential standards require a minimum CET1 ratio of 4.5% effective from 1 January 2013. An additional CET1 capital conservation buffer of 2.5% will be implemented on 1 January 2016, bringing the minimum CET1 requirement to 7%. The BCBS advocates the same minimum requirements, but implementation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

Internationally Harmonised Capital Position

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

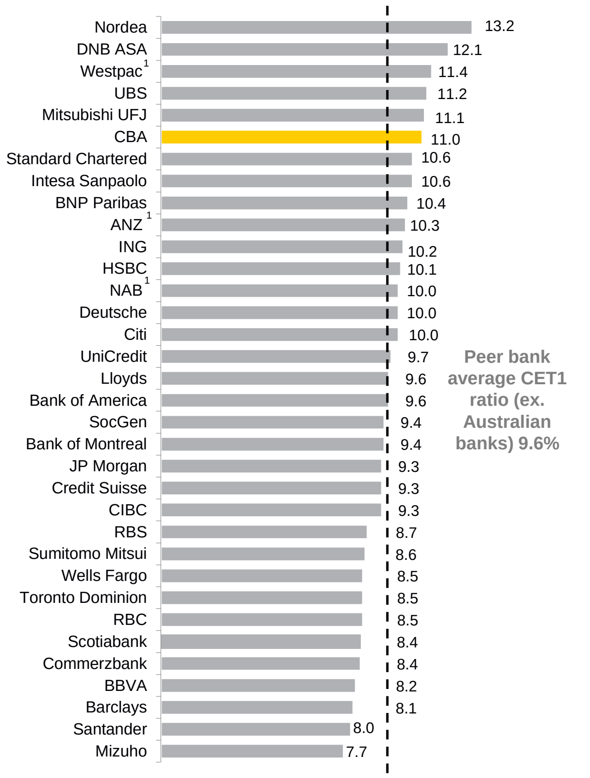
The Group's internationally harmonised CET1 ratios are calculated based on full adoption of the Basel III capital reforms, which will not come into effect until 2019 for most banks.

Adoption of a CET1 target based on internationally harmonised principles enables a more meaningful comparison of the Group's capital levels relative to its international peers. The Group is in a strong capital position with CET1 as measured on an internationally harmonised basis of 11.0% as at 30 June 2013. This is well in excess of both the prescribed minimum of 4.5% and the Board approved target.



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 nearly 60% since the Global Financial Crisis (June 2007).

The Group's 30 June 2013 internationally harmonised CET1 ratio of 11.0%, places it well above the average of its international peers (approximately 9.6%).



Source: Morgan Stanley - Based on last reported CET1 ratios up to 8 August 2013 assuming Basel III capital reforms fully implemented.
Peer group comprises listed commercial banks with total assets in excess of A$400 billion and who have disclosed fully implemented Basel III ratios or provided sufficient disclosure for a Morgan Stanley Equity Research estimate.

(1) Domestic peer figures as at March 2013.

APRA Capital Requirements

As at 30 June 2013 the Group has a CET1 ratio of 8.2% under APRA's prudential standard version of Basel III, well above the minimum ratio of 4.5%.

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

Deductions

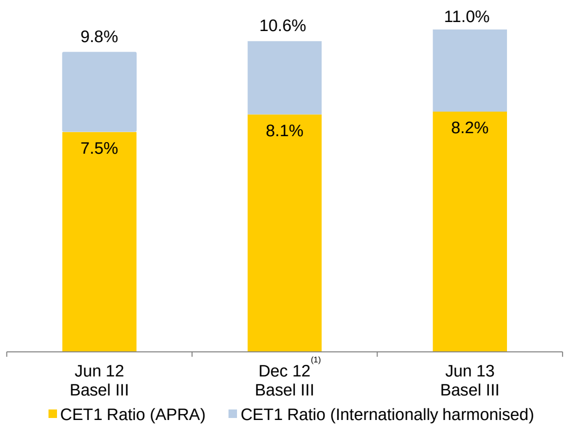
- APRA requires a full deduction to be taken against CET1 for equity investments (including investments in insurance and funds management operations) and deferred tax assets. On an internationally harmonised basis, such items are concessionally risk weighted if they fall below prescribed thresholds.

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 residential mortgages, which is higher than regulatory requirements elsewhere.

Capital Position

The Group maintained a strong capital position with the capital ratios well in excess of regulatory minimum capital adequacy requirements and the Board Approved minimum levels at all times throughout the year ended 30 June 2013.



(1) Represents proforma Basel III capital ratios. Basel III was formally implemented on 1 January 2013.

The Group's CET1 (internationally harmonised) ratio at 30 June 2013 was 11.0%, representing a 40 basis points increase since the implementation of Basel III on 1 January 2013. This was primarily driven by capital generated from earnings and the benefit from favourable market movements. This was partially offset by the impact of the December 2012 interim dividend payment in which the dilutive impact of the DRP was neutralised.

During the financial year, the Basel III CET1 (internationally harmonised) increased by 120 basis points. The increase reflected the sustained organic capital generation across the full year combined with the benefit delivered from the Bankwest portfolio moving to advanced status in December 2012.

Under APRA's Basel III methodology, the Group's CET1 ratio at 30 June 2013 was 8.2% representing a 9% increase since June 2012.

Further details on the Group's regulatory capital position are included in Appendix 14.

Capital Initiatives

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

- The Dividend Reinvestment Plan (DRP) in respect of the final dividend for the 2011/2012 financial year was satisfied by the allocation of approximately $929 million of ordinary shares. The participation rate for the DRP was 29.6%;
- The DRP for the 2013 interim dividend was satisfied in full by the on market purchase of shares. The participation rate for the DRP was 22.7%; and
- In October 2012, the Group issued $2 billion Perpetual Exchangeable Resaleable Listed Securities (PERLS VI), Basel III compliant, Additional Tier One security. The proceeds of this issue were used, to the extent necessary, to refinance the maturing PERLS IV and otherwise to fund the Group's business.

Bankwest

Bankwest relinquished its Authorised Deposit-taking Institution (ADI) licence (1 October 2012) and APRA extended the Group's Advanced Internal Rating based accreditation to include Bankwest's non retail loans and residential mortgages from 31 December 2012.

Pillar 3 Disclosures

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

Other Regulatory Changes

General and Life Insurers

In October 2012, APRA completed its review of the Life and General Insurance Capital (LAGIC) regulatory standards and released the final version of all life insurance and general insurance prudential standards. Implementation of the majority of the reforms occurred on 1 January 2013.

Superannuation Funds Management

In November 2012, APRA released final prudential standards that introduce new financial requirements for registered superannuation trustees. The new requirements were 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 became effective on 1 November 2012.

Conglomerate Groups

In May 2013 APRA released a discussion paper and draft prudential standards titled "Supervision of Conglomerate Groups" focusing on the requirements of risk management and capital adequacy. APRA is extending 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. APRA is expected to implement these new requirements from 1 January 2014.

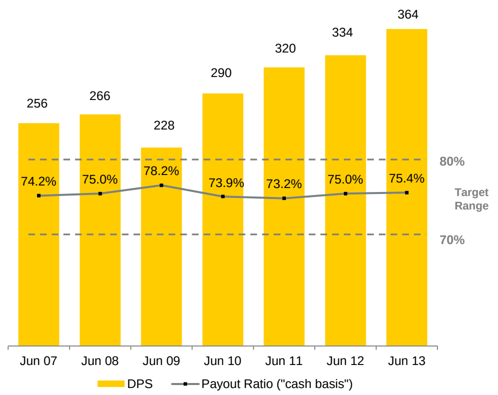
Dividends

Final Dividend for the Year Ended 30 June 2013

The final dividend declared was $2.00 per share, bringing the total dividend for the year ended 30 June 2013 to $3.64 per share. This represents a dividend payout ratio ("cash basis") of 75.4% and is 9% above the prior full year dividend.

The final dividend will be fully franked and will be paid on 3 October 2013 to owners of ordinary shares at the close of business on 23 August 2013 (record date). Shares will be quoted ex-dividend on 19 August 2013.

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 allocated under the plan for the final dividend. The DRP for the 2013 final dividend is anticipated to be satisfied in full by an on market purchase of shares.

Dividend Policy

The Group will seek to:

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

Liquidity

	As at				
	30 Jun 13 $M	31 Dec 12 $M	30 Jun 12 $M	Jun 13 vs Dec 12 %	Jun 13 vs Jun 12 %
Internal RMBS	**57,852**	57,362	57,730	1	-
Bank, NCD, Bills, RMBS, Supra, Covered Bonds	**29,540**	31,109	32,429	(5)	(9)
Cash, Government and Semi-Government Bonds	**49,324**	39,833	44,418	24	11
Liquid Assets (1)	**136,716**	128,304	134,577	7	2

(1) Liquids are reported net of applicable regulatory haircuts.

Year Ended June 2013 versus June 2012

The Group holds a high quality, well diversified liquid asset portfolio to prudently meet Balance Sheet liquidity needs and regulatory requirements.

Liquid assets increased $2 billion to $137 billion, a 2% increase on the prior year. The increase was driven by the growth in deposits which increased the regulatory minimum requirement.

Excluding internal Residential Mortgage Backed Securities (RMBS), the Group maintained $79 billion of liquid assets, well above the regulatory minimum requirement of $62 billion.

Half Year Ended June 2013 versus December 2012

The Group holds a high quality, well diversified liquid asset portfolio to prudently meet Balance Sheet liquidity needs and regulatory requirements.

Liquid assets increased $8 billion to $137 billion, a 7% increase on the prior half. The increase was mainly driven by the growth in deposits which increased the regulatory minimum requirement.

Excluding internal RMBS assets, the Group maintained $79 billion of liquid assets, well above the regulatory minimum requirement of $62 billion.

Funding

Group Funding (1)	30 Jun 13 $M	31 Dec 12 $M	30 Jun 12 $M	Jun 13 vs Dec 12 %	Jun 13 vs Jun 12 %
	As at				
Customer deposits	**405,377**	385,879	379,299	5	7
Short term wholesale funding	**110,595**	108,075	108,491	2	2
Long term wholesale funding - less than one year residual maturity	**29,129**	24,571	25,715	19	13
Long term wholesale funding - more than one year residual maturity (2)	**96,611**	103,031	103,638	(6)	(7)
IFRS MTM and derivative FX revaluations	**1,837**	(4,267)	(5,417)	large	large
Total wholesale funding	**238,172**	231,410	232,427	3	2
Total funding	**643,549**	617,289	611,726	4	5

(1) 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.

(2) 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.

Year Ended June 2013 versus June 2012

Customer Deposits

Customer deposits accounted for 63% of total funding at 30 June 2013, compared to 62% in the prior year. Strong deposit growth has seen the Group satisfy a significant proportion of its funding requirements from retail, business and institutional customer deposits. The remaining 37% of total funding comprised various wholesale debt issuances.

Short Term Wholesale Funding

Short term wholesale funding includes debt with an original maturity or call date of less than 12 months, and consists of Certificates of Deposit and Bank Acceptances, as well as debt issued under domestic, Euro and US Commercial paper programs by Commonwealth Bank of Australia and ASB. Short term wholesale funding accounted for 46% of total wholesale funding at 30 June 2013, down from 47% in the prior year.

Long Term Wholesale Funding

Long term wholesale funding includes debt with an original maturity or call date of greater than 12 months. Long term wholesale funding conditions improved during the year compared to the prior year as northern hemisphere central banks provided further support to their economies and banking systems. During the year, the Group issued $25 billion of long term wholesale debt transactions in multiple currencies including AUD, USD, EUR, and GBP. Given improved funding conditions, most issuances were in senior unsecured format, although the Group also used its covered bond program to provide cost, tenor and diversification benefits. The weighted average maturity (WAM) of new long term wholesale debt issued in the June 2013 year was 4.8 years. The WAM of outstanding long term wholesale debt was 3.8 years at 30 June 2013.

Long term wholesale debt (including adjustment for IFRS MTM and derivative FX revaluations) accounted for 54% of total wholesale funding at 30 June 2013, compared to 53% in the prior year.

Half Year Ended June 2013 versus December 2012

Customer Deposits

Customer deposits accounted for 63% of total funding at 30 June 2013, consistent with the prior half. Strong deposit growth has seen the Group satisfy a significant proportion of its funding requirements from retail, business and institutional customer deposits. The remaining 37% of total funding comprised various wholesale debt issuances.

Short Term Wholesale Funding

Short term wholesale funding includes debt with an original maturity or call date of less than 12 months, and consists of Certificates of Deposit and Bank Acceptances, as well as debt issued under domestic, Euro and US Commercial paper programs by Commonwealth Bank of Australia and ASB. Short term wholesale funding accounted for 46% of total wholesale funding at 30 June 2013, compared to 47% in the prior half.

Long Term Wholesale Funding

Long term wholesale debt (including adjustment for IFRS MTM and derivative FX revaluations) accounted for 54% of total wholesale funding at 30 June 2013, compared to 53% in the prior half.

For further information on Funding risk, please refer to Appendix 12.

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Retail Banking Services

	Full Year Ended			Half Year Ended		
	30 Jun 13 $M	30 Jun 12 (1) $M	Jun 13 vs Jun 12 %	30 Jun 13 $M	31 Dec 12 $M	Jun 13 vs Dec 12 %
Net interest income	**6,427**	5,939	8	**3,265**	3,162	3
Other banking income	**1,520**	1,451	5	**764**	756	1
Total banking income	**7,947**	7,390	8	**4,029**	3,918	3
Operating expenses	**(3,063)**	(2,965)	3	**(1,539)**	(1,524)	1
Loan impairment expense	**(533)**	(583)	(9)	**(287)**	(246)	17
Net profit before tax	**4,351**	3,842	13	**2,203**	2,148	3
Corporate tax expense	**(1,297)**	(1,139)	14	**(655)**	(642)	2
Cash net profit after tax	**3,054**	2,703	13	**1,548**	1,506	3
Income analysis:						
Net interest income						
Home loans	**3,001**	2,432	23	**1,557**	1,444	8
Consumer finance (2)	**1,564**	1,402	12	**801**	763	5
Retail deposits	**1,803**	2,055	(12)	**875**	928	(6)
Business products	**59**	50	18	**32**	27	19
Total net interest income	**6,427**	5,939	8	**3,265**	3,162	3
Other banking income						
Home loans	**205**	204	-	**104**	101	3
Consumer finance (2)	**493**	462	7	**242**	251	(4)
Retail deposits	**386**	392	(2)	**194**	192	1
Business products	**63**	60	5	**29**	34	(15)
Distribution	**373**	333	12	**195**	178	10
Total other banking income	**1,520**	1,451	5	**764**	756	1
Total banking income	**7,947**	7,390	8	**4,029**	3,918	3

	As at				
Balance Sheet	30 Jun 13 $M	31 Dec 12 $M	30 Jun 12 (1) $M	Jun 13 vs Dec 12 %	Jun 13 vs Jun 12 %
Home loans	**246,629**	238,187	234,134	4	5
Consumer finance (2)	**15,017**	14,555	13,883	3	8
Other interest earning assets	**1,726**	1,734	1,925	-	(10)
Total interest earning assets	**263,372**	254,476	249,942	3	5
Other assets	**1,341**	932	224	44	large
Total assets	**264,713**	255,408	250,166	4	6
Transaction deposits	**18,707**	18,841	17,979	(1)	4
Savings deposits	**67,507**	62,128	57,266	9	18
Investment deposits and other	**88,512**	88,623	86,067	-	3
Total interest bearing deposits	**174,726**	169,592	161,312	3	8
Non-interest bearing liabilities	**6,396**	5,867	5,706	9	12
Total liabilities	**181,122**	175,459	167,018	3	8

	Full Year Ended			Half Year Ended		
Key Financial Metrics	30 Jun 13	30 Jun 12 (1)	Jun 13 vs Jun 12 %	30 Jun 13	31 Dec 12	Jun 13 vs Dec 12 %
Performance indicators						
Return on assets (%)	**1. 2**	1. 1	10 bpts	**1. 2**	1. 2	-
Impairment expense annualised as a % of average GLAA's (%)	**0. 20**	0. 23	(3)bpts	**0. 22**	0. 20	2 bpts
Operating expenses to total banking income (%)	**38. 5**	40. 1	(160)bpts	**38. 2**	38. 9	(70)bpts
Other asset/liability information						
Average interest earning assets ($M)	**255,232**	245,774	4	**259,138**	251,433	3
Average interest bearing liabilities ($M)	**168,921**	155,050	9	**172,052**	165,841	4

(1) Comparative information has been reclassified to conform to presentation in the current year.
(2) Consumer Finance includes personal loans and credit cards.

Financial Performance and Business Review

Year Ended June 2013 versus June 2012

Retail Banking Services cash net profit after tax for the full year ended 30 June 2013 was $3,054 million, an increase of 13% on the prior year. The result was driven by continued strong growth in net interest income, sound management of operational expenses and an improvement in loan impairment expense. Customer satisfaction levels were at record levels during the year, with the Retail bank finishing the year ranked highest in customer satisfaction amongst its peers(1). Products per customer increased from 2.83 to 3.00(2).

Net Interest Income

Net interest income was $6,427 million, an increase of 8% on the prior year. This was supported by solid volume growth across all major product areas and an improved net interest margin.

Balance Sheet growth included:

- Home loan growth of 5%, slightly above system, with the market environment remaining subdued;
- Strong growth in consumer finance, driven by successful new business campaigns and product innovation; and
- Deposit balance growth of 8%, driven by new transaction account openings, as well as strong account and balance growth in at-call savings products.

Net interest margin increased, reflecting:

- Recovering margins across lending products, as a result of variable rate repricing, and improving fixed rate margins as historic low margin business matures; and
- A significant decrease in deposit margins, impacted by the falling cash rate, continued competition for deposits and a slight mix impact from growth in lower margin products.

Other Banking Income

Other banking income was $1,520 million, an increase of 5% on the prior year, reflecting:

- A slight increase in home loan fees resulting from increased new business in the package product, partially offset by the ongoing run off of deferred establishment fees;
- Growth in consumer finance fees from credit card interchange and personal loans, driven by higher spend and new accounts;
- A 2% fall in deposit fee income as customers continue to shift into low fee deposit accounts; and
- Distribution(3) income increasing 12% as foreign exchange products, including Travel Money Card, continue to perform strongly.

Operating Expenses

Operating expenses for the year were $3,063 million, an increase of 3% on the prior year. The increase reflected continued investment in technology (with incremental Core Banking Modernisation amortisation contributing to expense growth), and a rise in credit cards loyalty redemption activity. The ongoing focus on productivity largely offset inflationary staff and property cost increases.

The operating expense to net operating income ratio was 38.5%, a decrease of 160 basis points on the prior year.

Loan Impairment Expense

Loan impairment expense for the year ended 30 June 2013 was $533 million, a decrease of 9% on the prior year. This was driven by reductions in arrears rates, particularly for home loans and credit cards. The arrears improvements have been assisted by a falling cash rate environment, which led to an increase in repayments.

Increased home loan volumes, together with continued strong growth across the unsecured portfolios partially offset the improving arrears impact.

Half Year Ended June 2013 versus December 2012

Cash net profit after tax increased by 3% on the prior half. The result was driven by solid revenue growth and disciplined cost management, offset by an increase in loan impairment expense.

Net Interest Income

Net interest income increased by 3% on the prior half, reflecting balance growth and improved margins on the lending portfolio.

Balance Sheet growth included:

- Above system growth in home loans, driven by strong new business volumes, and ongoing campaign driven growth in personal loans;
- A slowing of credit card growth, consistent with deleveraging trends in the broader market; and
- Solid deposit balance growth of 3% on the prior half, primarily in savings deposits.

Net interest margin movements reflected:

- Recovering margins across lending products, including improved fixed rate margins; partly offset by
- Lower deposit margins, primarily as a result of competitive pricing in an environment of falling cash rates.

Other Banking Income

Other banking income increased by 1% on the prior half. Key factors included:

- Home loan income increased by 3% due to an uplift in sales in the half;
- A decrease in consumer finance fees of 4%, reflecting lower credit card interchange revenue, and an increase in loyalty points issued, primarily as a result of seasonal factors;
- Deposits fees up 1% due to an increased volume of customer accounts; and
- Distribution(3) income growth of 10% with higher revenue from foreign exchange products and stronger sales of insurance products to retail bank customers.

Operating Expenses

Operating expenses grew by 1% on the prior half, with tight control of underlying expenses, and the increase reflecting investment in both growth and regulatory compliance projects.

Loan Impairment Expense

Loan impairment expense increased by 17% compared to the prior half, mainly due to increased arrears on the unsecured portfolio. This trend was influenced by seasonality and some deterioration in personal loans.

(1) Roy Morgan Research, Retail Main Financial Institution (MFI) Customer Satisfaction, Australians 14+, % "Very Satisfied" or "Fairly Satisfied" with relationship with that MFI. Six month rolling average to June 2013.

(2) Roy Morgan Research, Australians 18+, Average Banking and Finance products held at the bank per Banking and Finance customers, 6 months to June 2013. Major banks include the Commonwealth Bank of Australia, Westpac, NAB and ANZ.

(3) Distribution includes income associated with the sale of foreign exchange products, and commissions received from the distribution of Wealth Management products through the retail network.

Business and Private Banking

	Full Year Ended			Half Year Ended		
	30 Jun 13 $M	30 Jun 12 (1) $M	Jun 13 vs Jun 12 %	30 Jun 13 $M	31 Dec 12 $M	Jun 13 vs Dec 12 %
Net interest income	2,942	2,921	1	1,470	1,472	-
Other banking income	810	860	(6)	402	408	(1)
Total banking income	3,752	3,781	(1)	1,872	1,880	-
Operating expenses	(1,355)	(1,350)	-	(677)	(678)	-
Loan impairment expense	(280)	(266)	5	(130)	(150)	(13)
Net profit before tax	2,117	2,165	(2)	1,065	1,052	1
Corporate tax expense	(629)	(652)	(4)	(312)	(317)	(2)
Cash net profit after tax	1,488	1,513	(2)	753	735	2
Income analysis:						
Net interest income						
Corporate Financial Services	988	979	1	485	503	(4)
Regional & Agribusiness	541	515	5	272	269	1
Local Business Banking	1,007	952	6	512	495	3
Private Bank	241	225	7	121	120	1
Equities and Margin Lending	149	171	(13)	71	78	(9)
Other	16	79	(80)	9	7	29
Total net interest income	2,942	2,921	1	1,470	1,472	-
Other banking income						
Corporate Financial Services	296	310	(5)	141	155	(9)
Regional & Agribusiness	89	102	(13)	46	43	7
Local Business Banking	211	214	(1)	103	108	(5)
Private Bank	45	40	13	24	21	14
Equities and Margin Lending	168	188	(11)	87	81	7
Other	1	6	(83)	1	-	large
Total other banking income	810	860	(6)	402	408	(1)
Total banking income	3,752	3,781	(1)	1,872	1,880	-
Income by product:						
Business Products	2,181	2,254	(3)	1,084	1,097	(1)
Retail Products	1,096	996	10	560	536	4
Equities and Margin Lending	285	311	(8)	146	139	5
Markets	130	150	(13)	50	80	(38)
Other	60	70	(14)	32	28	14
Total banking income	3,752	3,781	(1)	1,872	1,880	-

	As at				
Balance Sheet	30 Jun 13 $M	31 Dec 12 $M	30 Jun 12 (1) $M	Jun 13 vs Dec 12 %	Jun 13 vs Jun 12 %
Home loans	39,112	38,276	38,254	2	2
Consumer finance	1,043	1,043	1,125	-	(7)
Business loans	60,123	58,099	56,487	3	6
Margin loans	2,735	2,774	3,092	(1)	(12)
Total interest earning assets	103,013	100,192	98,958	3	4
Non-lending interest earning assets	426	166	365	large	17
Other assets (1)	166	173	463	(4)	(64)
Total assets	103,605	100,531	99,786	3	4
Transaction deposits	19,830	18,536	19,047	7	4
Savings deposits	12,826	12,130	11,415	6	12
Investment deposits and other	25,020	25,093	24,549	-	2
Total interest bearing deposits	57,676	55,759	55,011	3	5
Due to other financial institutions	2,016	1,478	1,042	36	93
Debt issues and other (2)	5,926	7,960	9,070	(26)	(35)
Non-interest bearing liabilities (3)	6,049	5,608	5,408	8	12
Total liabilities	71,667	70,805	70,531	1	2

(1) Comparative information has been reclassified to conform to presentation in the current year.
(2) Debt issues include Bank acceptances.
(3) Other assets include intangible assets and Non-interest bearing liabilities include non-interest bearing deposits.

Key Financial Metrics	Full Year Ended			Half Year Ended		
	30 Jun 13	30 Jun 12	Jun 13 vs Jun 12 %	30 Jun 13	31 Dec 12	Jun 13 vs Dec 12 %
Performance indicators						
Return on assets (%)	**1. 5**	1. 5	-	**1. 5**	1. 5	-
Impairment expense annualised as a % of average GLAA's (%)	**0. 28**	0. 27	1 bpt	**0. 26**	0. 30	(4)bpts
Operating expenses to total banking income (%)	**36. 1**	35. 7	40 bpts	**36. 2**	36. 1	10 bpts
Other asset/liability information						
Average interest earning assets ($M)	**101,645**	97,835	4	**102,603**	100,702	2
Average interest bearing liabilities ($M)	**67,701**	64,303	5	**69,409**	66,021	5

Financial Performance and Business Review

Year Ended June 2013 versus June 2012

Business and Private Banking achieved a cash net profit after tax of $1,488 million for the year ended 30 June 2013, a decrease of 2% on the prior year. The result was driven by growth in business lending income offset by lower income from deposits products, risk management related products and equities trading. A continued focus on productivity measures and disciplined cost management resulted in stable costs.

Net Interest Income

Net interest income of $2,942 million increased 1% on the prior year. This reflected modest growth in average interest earning assets partly offset by a decrease in net interest margin as a result of lower cash rates and a competitive environment.

Balance Sheet growth included:

- Business lending growth of 6% which reflected continued customer demand for market rate linked products such as commercial bills;
- Home loan growth of 2% reflecting strong competitor activity in a subdued environment; and
- Growth in customer deposits of 5% with the majority of growth in savings products.

Net interest margin decreased reflecting an environment of falling cash rates and continued customer demand for higher yield deposit products, partly offset by the effective management of asset margins.

Other Banking Income

Other banking income of $810 million decreased 6% on the prior year due to:

- A 12% decrease in equities trading volumes, partly offset by an improvement in yields;
- Lower income from the sale of risk management related products; partly offset by
- A significant increase in merchant acquiring income driven by higher volumes and targeted repricing activity in response to current market conditions.

Operating Expenses

Operating expenses of $1,355 million were flat on the prior year, with productivity initiatives and disciplined expense management offset by significantly higher amortisation costs associated with the implementation of the new Core Banking Modernisation platform. Productivity initiatives included a continued focus on frontline capacity management and property consolidation, resulting in a 3% reduction in salary related costs, and a 5% reduction in occupancy costs.

Loan Impairment Expense

Loan impairment expense of $280 million increased 5% on the prior year due to the softening of a modest amount of collateral values in the first half.

Loan impairment expense as a percentage of average gross loans and acceptances increased by 1 basis point to 28 basis points.

Half Year Ended June 2013 versus December 2012

Cash net profit after tax was $753 million for the half year ended 30 June 2013, an increase of 2% on the prior half. Income was flat during the period, with growth in lending income offset by lower deposit revenues and lower risk management related income. Effective cost management resulted in stable costs. Loan impairment expense decreased 13% due to the prior half impact of softening collateral values.

Net Interest Income

Net interest income of $1,470 million was flat on the prior half. This reflected modest growth in average interest earning assets offset by a reduction in net interest margin.

Balance Sheet growth included:

- Business lending growth of 3%;
- Home loan growth of 2%; and
- Growth in customer deposits of 3%, particularly in transaction and savings accounts.

Net interest margin decreased, reflecting the impact of the falling cash rate environment, partly offset by the effective management of asset margins.

Other Banking Income

Other banking income of $402 million decreased 1% on the prior half due to:

- Lower income from the sale of risk management related products; partly offset by
- An increase of 20% in equities trading volumes and improved yields.

Operating Expenses

Operating expenses of $677 million were flat on the prior half. Productivity initiatives and disciplined cost management provided capacity to invest in growth opportunities including the MyWealth platform.

Loan Impairment Expense

Loan impairment expense of $130 million decreased 13% on the prior half with no material client movements.

Loan impairment expense as a percentage of average gross loans and acceptances decreased by 4 basis points to 26 basis points.

Institutional Banking and Markets

	Full Year Ended			Half Year Ended		
	30 Jun 13 $M	30 Jun 12 (1) $M	Jun 13 vs Jun 12 %	30 Jun 13 $M	31 Dec 12 $M	Jun 13 vs Dec 12 %
Net interest income	**1,344**	1,489	(10)	**650**	694	(6)
Other banking income	**1,289**	901	43	**655**	634	3
Total banking income	**2,633**	2,390	10	**1,305**	1,328	(2)
Operating expenses	**(901)**	(840)	7	**(459)**	(442)	4
Loan impairment expense	**(154)**	(154)	-	**(57)**	(97)	(41)
Net profit before tax	**1,578**	1,396	13	**789**	789	-
Corporate tax expense	**(368)**	(298)	23	**(182)**	(186)	(2)
Cash net profit after tax	**1,210**	1,098	10	**607**	603	1
Income analysis:						
Net interest income						
Institutional Banking	**1,141**	1,211	(6)	**557**	584	(5)
Markets	**203**	278	(27)	**93**	110	(15)
Total net interest income	**1,344**	1,489	(10)	**650**	694	(6)
Other banking income						
Institutional Banking	**842**	771	9	**439**	403	9
Markets	**447**	130	large	**216**	231	(6)
Total other banking income	**1,289**	901	43	**655**	634	3
Total banking income	**2,633**	2,390	10	**1,305**	1,328	(2)
Income by product:						
Institutional Products	**1,673**	1,702	(2)	**829**	844	(2)
Asset Leasing	**250**	228	10	**134**	116	16
Markets	**650**	408	59	**309**	341	(9)
Other	**60**	52	15	**33**	27	22
Total banking income	**2,633**	2,390	10	**1,305**	1,328	(2)

	As at				
Balance Sheet	30 Jun 13 $M	31 Dec 12 $M	30 Jun 12 (1) $M	Jun 13 vs Dec 12 %	Jun 13 vs Jun 12 %
Interest earning lending assets	**76,754**	73,225	73,425	5	5
Non-lending interest earning assets	**34,661**	33,556	34,267	3	1
Other assets (2)	**33,398**	32,119	35,463	4	(6)
Total assets	**144,813**	138,900	143,155	4	1
Transaction deposits	**38,200**	35,228	34,452	8	11
Investment deposits	**42,121**	36,642	40,090	15	5
Certificates of deposit and other	**11,242**	14,008	12,484	(20)	(10)
Total interest bearing deposits	**91,563**	85,878	87,026	7	5
Due to other financial institutions	**15,256**	15,823	15,856	(4)	(4)
Debt issues and other (3)	**4,569**	4,209	4,805	9	(5)
Non-interest bearing liabilities (2)	**31,751**	26,888	29,829	18	6
Total liabilities	**143,139**	132,798	137,516	8	4

	Full Year Ended			Half Year Ended		
Key Financial Metrics	30 Jun 13	30 Jun 12 (1)	Jun 13 vs Jun 12 %	30 Jun 13	31 Dec 12	Jun 13 vs Dec 12 %
Performance indicators						
Return on assets (%)	**0. 8**	0. 8	-	**0. 8**	0. 9	(10)bpts
Impairment expense annualised as a % of average GLAA's (%)	**0. 21**	0. 22	(1)bpt	**0. 15**	0. 26	(11)bpts
Operating expenses to total banking income (%)	**34. 2**	35. 1	(90)bpts	**35. 2**	33. 3	190 bpts
Other asset/liability information						
Average interest earning assets ($M)	**106,647**	106,538	-	**104,125**	109,128	(5)
Average interest bearing liabilities ($M)	**108,383**	105,766	2	**107,532**	109,221	(2)

(1) Comparative information has been reclassified to conform to presentation in the current year.
(2) Other assets include intangible assets and derivative assets. Non-interest bearing liabilities include derivative liabilities.
(3) Debt issues and other includes bank acceptances, liabilities at fair value and loan capital.

Financial Performance and Business Review

Year Ended June 2013 versus June 2012

Institutional Banking and Markets achieved a cash net profit after tax of $1,210 million for the year ended 30 June 2013, which represented a 10% increase on the prior year. The result was driven by favourable counterparty fair value adjustments, positive trading performance in Markets, higher Asset Leasing rental income and increased lending fee income. This was partly offset by increased depreciation and information technology expenses, and lower margins which were impacted by higher funding costs.

Net Interest Income

Net interest income decreased 10% on the prior year to $1,344 million, driven by lower net interest margin, partly offset by growth in average balances.

Net interest margin decreased reflecting:

- Higher funding costs leading to lower asset margins;
- Declining deposit margins impacted by competition for deposits and a continuing shift in customer preference to lower margin term deposit products; and
- Lower recognition of deferred fees from the early repayment of debt facilities.

Average balance growth included:

- Average interest bearing deposit volumes increased 8%, largely in domestic term deposits; and
- Positive momentum in interest earning lending assets with average balances increasing 4% since 30 June 2012, particularly in the transport and storage, natural resources and investment grade commercial property industries.

Other Banking Income

Other banking income was $1,289 million, an increase of 43% on the prior year due to:

- Gains in counterparty fair value adjustments of $94 million for the year ended 30 June 2013, compared to the losses in the prior year of $121 million. This reflects tightening credit spreads due to improved credit sentiment and the depreciation of the Australian dollar;
- A favourable trading performance in Markets compared to the prior year;
- Higher Asset Leasing and commitment fee income; and
- A rise in transaction banking revenue as a result of momentum from client mandates won and growth in Trade Finance and Merchants income.

Operating Expenses

Operating expenses increased 7% on the prior year to $901 million. Excluding the impact of higher depreciation expenses relating to growth in the Asset Leasing business, operating expenses increased by 6%. The increase reflects the continued investment in strategic projects, including innovative transaction banking technology, and increased amortisation costs, driven by enhancements to the Group's foreign exchange platform.

There has also been increased investment in the natural resources and transport industries to support growth in these sectors, although the number of employees has remained relatively unchanged overall.

Loan Impairment Expense

Loan impairment expense of $154 million remained consistent with the prior year. The overall credit rating of the institutional portfolio remained stable.

Corporate Tax Expense

The corporate tax expense for the year ended 30 June 2013 was $368 million. The effective tax rate of 23% was higher than the prior year due to lower dividend distributions in offshore jurisdictions.

Half Year Ended June 2013 versus December 2012

Institutional Banking and Markets achieved a cash net profit after tax of $607 million for the half year ended 30 June 2013, which represented a 1% increase on the prior half. The result was driven by lower loan impairment expense, increased lending fee income and continued growth in the Asset Leasing business. This was partly offset by decreased deposit income, higher amortisation of strategic projects and lower Markets trading income.

Net Interest Income

Net interest income declined 6% on the prior half to $650 million. This decrease was driven by reduced deposits income and lower recognition of deferred fees from the early repayment of debt facilities. This was partly offset by growth in average deposit balances.

Other Banking Income

Other banking income was $655 million, an increase of 3% on the prior half. This was driven by higher lending fee income and an increase in income from operating lease rentals in the Asset Leasing business, partly offset by lower Markets trading income.

Operating Expenses

Operating expenses increased 4% on the prior half to $459 million, or 3% excluding the impact of higher depreciation expenses relating to growth in the Asset Leasing business. The increase primarily reflects higher amortisation costs relating to enhancements in the Group's foreign exchange platform. This was partly offset by a continued focus on productivity and a disciplined approach to cost management across the business.

Loan Impairment Expense

Loan impairment expense of $57 million was 41% lower than the prior half, driven by a higher level of write-backs. The overall credit rating of the institutional portfolio remained stable.

Corporate Tax Expense

The corporate tax expense for the half year ended 30 June 2013 was $182 million. The effective tax rate of 23% remained relatively stable.

Wealth Management

	Full Year Ended			Half Year Ended		
	30 Jun 13 $M	30 Jun 12 (1) $M	Jun 13 vs Jun 12 %	30 Jun 13 $M	31 Dec 12 $M	Jun 13 vs Dec 12 %
Funds management income	**2,075**	1,888	10	**1,077**	998	8
Insurance income	**716**	691	4	**348**	368	(5)
Total operating income	**2,791**	2,579	8	**1,425**	1,366	4
Volume expenses	**(514)**	(540)	(5)	**(265)**	(249)	6
Net operating income	**2,277**	2,039	12	**1,160**	1,117	4
Operating expenses	**(1,494)**	(1,369)	9	**(751)**	(743)	1
Net profit before tax	**783**	670	17	**409**	374	9
Corporate tax expense	**(206)**	(178)	16	**(105)**	(101)	4
Underlying profit after tax	**577**	492	17	**304**	273	11
Investment experience after tax	**110**	137	(20)	**49**	61	(20)
Cash net profit after tax	**687**	629	9	**353**	334	6
Represented by:						
CFS Global Asset Management	**313**	258	21	**161**	152	6
Colonial First State	**153**	119	29	**76**	77	(1)
CommInsure	**320**	346	(8)	**150**	170	(12)
Other	**(99)**	(94)	5	**(34)**	(65)	(48)
Cash net profit after tax	**687**	629	9	**353**	334	6

Key Financial Metrics	Full Year Ended			Half Year Ended		
	30 Jun 13	30 Jun 12 (1)	Jun 13 vs Jun 12 %	30 Jun 13	31 Dec 12 (1)	Jun 13 vs Dec 12 %
Performance indicators						
Funds management income to average FUA (%)	**0. 95**	0. 98	(3)bpts	**0. 94**	0. 95	(1)bpt
Insurance income to average inforce premiums (%)	**34. 6**	38. 3	(370)bpts	**33. 1**	36. 1	(300)bpts
Operating expenses to net operating income (%)	**65. 6**	67. 1	(150)bpts	**64. 7**	66. 5	(180)bpts
Funds under administration - average ($M)	**219,296**	193,277	13	**231,138**	207,437	11
Funds under administration - spot ($M)	**240,352**	196,199	23	**240,352**	219,175	10
Assets under management - average ($M) (2)	**165,216**	149,908	10	**173,566**	156,914	11
Assets under management - spot ($M)	**179,563**	150,275	19	**179,563**	165,553	8
Retail net funds flows (Australian Retail) ($M)	**4,244**	184	large	**3,540**	704	large
Annual Inforce Premiums - average ($M)	**2,068**	1,806	15	**2,118**	2,021	5
Annual Inforce Premiums - spot ($M)	**2,165**	1,971	10	**2,165**	2,071	5

Full Year Ended (1)

	CFS Global Asset Management			Colonial First State (3)			CommInsure			Other		
	Jun 13 $M	Jun 12 $M	Jun 13 vs Jun 12 %	Jun 13 $M	Jun 12 $M	Jun 13 vs Jun 12 %	Jun 13 $M	Jun 12 $M	Jun 13 vs Jun 12 %	Jun 13 $M	Jun 12 $M	Jun 13 vs Jun 12 %
Funds management income	**1,010**	883	14	**914**	845	8	**153**	160	(4)	**(2)**	-	-
Insurance income	**-**	-	-	**-**	-	-	**716**	691	4	**-**	-	-
Total operating income	**1,010**	883	14	**914**	845	8	**869**	851	2	**(2)**	-	-
Volume expenses	**(171)**	(140)	22	**(134)**	(192)	(30)	**(209)**	(208)	-	**-**	-	-
Net operating income	**839**	743	13	**780**	653	19	**660**	643	3	**(2)**	-	-
Operating expenses	**(475)**	(439)	8	**(575)**	(505)	14	**(318)**	(292)	9	**(126)**	(133)	(5)
Net profit before tax	**364**	304	20	**205**	148	39	**342**	351	(3)	**(128)**	(133)	(4)
Corporate tax expense	**(81)**	(70)	16	**(61)**	(42)	45	**(101)**	(105)	(4)	**37**	39	(5)
Underlying profit after tax	**283**	234	21	**144**	106	36	**241**	246	(2)	**(91)**	(94)	(3)
Investment experience after tax	**30**	24	25	**9**	13	(31)	**79**	100	(21)	**(8)**	-	-
Cash net profit after tax	**313**	258	21	**153**	119	29	**320**	346	(8)	**(99)**	(94)	5

(1) Comparative information has been restated to conform to presentation in the current year.
(2) AUM and FUA include Realindex Investments and do not include the Group's interest in the China Cinda JV.
(3) Colonial First State incorporates the results of all financial planning businesses including Commonwealth Financial Planning.

Financial Performance and Business Review

Year Ended June 2013 versus June 2012

Cash net profit after tax for the full year ended 30 June 2013 was $687 million, a 9% increase on the prior year reflecting improved global investment markets and strong investment performance.

Net operating income increased 12% on the prior year and Funds Under Administration (FUA), as at 30 June 2013, increased 23% to $240 billion. Insurance Inforce Premiums increased 10% to $2 billion.

Funds Management Income

Funds Management income was $2,075 million, an increase of 10% on the prior year.

Colonial First State Global Asset Management (CFSGAM) average Assets Under Management (AUM) increased 9% to $160 billion, driven by growth in equity markets and strong net flows. Domestic markets were strong with the average ASX200 up 10%, whilst the performance of offshore market indices was mixed. Investment performance was strong with 79% of assets outperforming benchmark over a three year period. AUM net flows for the year were the highest in five years at $7 billion and the demand for cash products remained strong.

Colonial First State FirstChoice and Custom Solutions platforms performed well capturing 27% of market net flows over the year(1). Platform net flows were $6 billion driven mainly by Custom Solutions which reached a new milestone of $14 billion FUA. Demand for lower risk deposit and cash products remained strong over the year.

The contraction of the closed legacy investment business continued in line with expectations.

Funds management margins declined by three basis points reflecting mix shifts to lower margin products and contraction of legacy portfolios.

Insurance Income

Insurance income was $716 million, a 4% increase on the prior year.

Retail Life Insurance income increased 12% driven by strong growth in Retail Bank network sales. Retail Advice lapse rates increased over the year though this trend moderated in the second half. While claims experience improved overall, Wholesale Life net revenue declined significantly due to unfavourable claims experience and claims reserve increases.

General Insurance delivered a strong result with a 40% increase in income driven by Inforce Premium growth of 18% and improved event and working claims.

Operating Expenses

Operating expenses increased 9% reflecting moderate ongoing expense growth and significantly higher project spend, including compliance and regulatory change programs. The result also incorporated the full period impact of the inclusion of Count Financial Limited. Excluding project spend, ongoing expense growth was attributable to inflation-related salary increases and investment in the offshore business. Productivity programs progressed well and business activity has increased with a focus on claims transformation, and call centre and administration centre efficiency.

Investment Experience

Investment Experience includes the return on invested shareholder capital which has been impacted by falling cash rates. This has been partly offset by unrealised mark to market revaluation gains on the Guaranteed Annuity portfolio.

Half Year Ended June 2013 versus December 2012

Cash net profit after tax for the half year ended 30 June 2013 was $353 million, a 6% increase on the prior half driven by a strong funds management result, partly offset by a lower insurance result.

Net operating income increased 4% on the prior half and FUA as at 30 June 2013, increased 10% to $240 billion. Insurance Inforce Premiums increased 5% to $2 billion.

Funds Management Income

Funds Management income of $1,077 million increased 8% on the prior half.

CFSGAM average AUM was $168 billion, an increase of 10% on the prior half, mainly driven by improved equity markets, strong net flows and ongoing investment outperformance. AUM net flows were $4 billion for the half with continued strong flows through wholesale and international channels.

FirstChoice retained the number one market share position(1). Platform net flows were $4 billion with flows continuing to favour wholesale and wrap offerings over retail products, putting pressure on margins. The high concentration of flows to bank deposits seen in the first half began to moderate with investor preferences beginning to switch to alternative options in the second half. Australian Retail net flows were $4 billion, the highest in seven years.

Insurance Income

Insurance income was $348 million, a 5% decrease on the prior half.

Retail Life Insurance Inforce Premium increased 2% to $875 million and revenue increased 12% mainly due to improved claims and lapse experience. Lapses improved in the half as retention initiatives were implemented. Wholesale Life Insurance income fell due to unfavourable claims experience.

General Insurance Inforce Premiums increased 8%, benefiting from strong sales growth through Retail Bank channels. General Insurance income was flat as higher premiums were offset by seasonally higher event claims and adverse weather conditions affecting working claims.

Operating Expenses

Operating expenses increased 1% over the half reflecting focused cost management and a consistent level of project spend. Compliance projects progressed well, whilst delivery of the regulatory reform agenda remained a key focus.

Investment Experience

Investment Experience includes the return on shareholder capital, which has been impacted by lower interest rates and bond prices.

(1) Plan for Life quarterly release.

Assets Under Management (AUM) [1] [3]	Full Year Ended 30 Jun 13 $M	30 Jun 12 $M	Jun 13 vs Jun 12 %	Half Year Ended 30 Jun 13 $M	31 Dec 12 $M	Jun 13 vs Dec 12 %
Australian equities	**24,213**	19,899	22	**24,213**	21,985	10
Global equities	**68,834**	52,525	31	**68,834**	61,174	13
Cash and fixed interest	**62,489**	54,242	15	**62,489**	58,139	7
Property and Infrastructure [2]	**24,027**	23,609	2	**24,027**	24,255	(1)
Total	**179,563**	150,275	19	**179,563**	165,553	8

Sources of Profit from CommInsure	Full Year Ended 30 Jun 13 $M	30 Jun 12 $M	Jun 13 vs Jun 12 %	Half Year Ended 30 Jun 13 $M	31 Dec 12 $M	Jun 13 vs Dec 12 %
Life insurance operating margins						
Planned profit margins	**167**	170	(2)	**85**	82	4
Experience variations	**(71)**	(46)	54	**(43)**	(28)	54
Funds management operating margins	**81**	89	(9)	**42**	39	8
General insurance operating margins	**64**	33	94	**33**	31	6
Operating margins	**241**	246	(2)	**117**	124	(6)
Investment experience after tax [3]	**79**	100	(21)	**33**	46	(28)
Cash net profit after tax	**320**	346	(8)	**150**	170	(12)

Annual Inforce Premiums - Risk Business	Full Year Ended 30 June 2013 Opening Balance 30 Jun 12 $M	Sales/New Business $M	Lapses $M	Closing Balance 30 Jun 13 $M
Retail life	815	240	(180)	875
Wholesale life	651	162	(121)	692
General insurance	505	159	(66)	598
Total	1,971	561	(367)	2,165

Annual Inforce Premiums - Risk Business	Full Year Ended 30 June 2012 Opening Balance 30 Jun 11 $M	Sales/New Business $M	Lapses $M	Closing Balance 30 Jun 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	Half Year Ended 30 June 2013 Opening Balance 31 Dec 12 $M	Sales/New Business $M	Lapses $M	Closing Balance 30 Jun 13 $M
Retail life	856	107	(88)	875
Wholesale life	659	91	(58)	692
General insurance	556	82	(40)	598
Total	2,071	280	(186)	2,165

(1) AUM and FUA include Realindex Investments and do not include the Group's interest in the China Cinda JV.
(2) This asset class includes listed and wholesale property trusts, and Australian and global property securities funds.
(3) Comparative information has been restated to conform to presentation in the current year.

Funds Under Administration	Full Year Ended 30 June 2013 Opening Balance 30 Jun 12 $M	Inflows $M	Outflows $M	Net Flows $M	Investment Income & Other [6] $M	Closing Balance 30 Jun 13 $M
FirstChoice	50,014	14,291	(12,441)	1,850	6,923	58,787
Custom Solutions [1]	9,081	6,803	(2,663)	4,140	1,243	14,464
Standalone (including Legacy) [2]	18,137	7,263	(8,898)	(1,635)	3,182	19,684
Retail products [3]	77,232	28,357	(24,002)	4,355	11,348	92,935
Other retail [4]	1,001	30	(141)	(111)	117	1,007
Australian retail	78,233	28,387	(24,143)	4,244	11,465	93,942
Wholesale	47,167	32,688	(23,715)	8,973	4,535	60,675
Property	17,519	444	(47)	397	(166)	17,750
Other [5]	3,432	28	(143)	(115)	212	3,529
Domestically sourced	146,351	61,547	(48,048)	13,499	16,046	175,896
Internationally sourced	49,848	25,713	(23,232)	2,481	12,127	64,456
Total Wealth Management	196,199	87,260	(71,280)	15,980	28,173	240,352

Funds Under Administration	Full Year Ended 30 June 2012 [7] Opening Balance 30 Jun 11 $M	Inflows $M	Outflows $M	Net Flows $M	Investment Income & Other [6] $M	Closing Balance 30 Jun 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]	21,457	2,733	(5,800)	(3,067)	(253)	18,137
Retail products [3]	78,011	21,098	(20,811)	287	(1,066)	77,232
Other retail [4]	1,105	35	(138)	(103)	(1)	1,001
Australian retail	79,116	21,133	(20,949)	184	(1,067)	78,233
Wholesale	43,535	23,001	(20,191)	2,810	822	47,167
Property	17,770	187	(311)	(124)	(127)	17,519
Other [5]	3,083	29	(140)	(111)	460	3,432
Domestically sourced	143,504	44,350	(41,591)	2,759	88	146,351
Internationally sourced	48,597	9,460	(8,294)	1,166	85	49,848
Total Wealth Management	192,101	53,810	(49,885)	3,925	173	196,199

Funds Under Administration	Half Year Ended 30 June 2013 [7] Opening Balance 31 Dec 12 $M	Inflows $M	Outflows $M	Net Flows $M	Investment Income & Other [6] $M	Closing Balance 30 Jun 13 $M
FirstChoice	54,744	7,222	(6,093)	1,129	2,914	58,787
Custom Solutions [1]	10,902	4,550	(1,444)	3,106	456	14,464
Standalone (including Legacy) [2]	19,690	4,077	(4,714)	(637)	631	19,684
Retail products [3]	85,336	15,849	(12,251)	3,598	4,001	92,935
Other retail [4]	1,021	16	(74)	(58)	44	1,007
Australian retail	86,357	15,865	(12,325)	3,540	4,045	93,942
Wholesale	53,156	18,009	(12,269)	5,740	1,779	60,675
Property	17,987	87	(33)	54	(291)	17,750
Other [5]	3,493	14	(69)	(55)	91	3,529
Domestically sourced	160,993	33,975	(24,696)	9,279	5,624	175,896
Internationally sourced	58,182	15,044	(14,460)	584	5,690	64,456
Total Wealth Management	219,175	49,019	(39,156)	9,863	11,314	240,352

(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.
(7) Comparative information has been restated to conform to presentation in the current year.

New Zealand

	Full Year Ended			Half Year Ended		
	30 Jun 13 A$M	30 Jun 12 (1) A$M	Jun 13 vs Jun 12 %	30 Jun 13 A$M	31 Dec 12 A$M	Jun 13 vs Dec 12 %
Net interest income	**1,109**	1,013	9	**579**	530	9
Other banking income (2)	**240**	214	12	**113**	127	(11)
Total banking income	**1,349**	1,227	10	**692**	657	5
Funds management income	**54**	44	23	**29**	25	16
Insurance income	**247**	227	9	**134**	113	19
Total operating income	**1,650**	1,498	10	**855**	795	8
Operating expenses	**(767)**	(724)	6	**(402)**	(365)	10
Loan impairment expense	**(45)**	(37)	22	**(23)**	(22)	5
Net profit before tax	**838**	737	14	**430**	408	5
Corporate tax expense	**(208)**	(180)	16	**(107)**	(101)	6
Underlying profit after tax	**630**	557	13	**323**	307	5
Investment experience after tax	**5**	(16)	large	**3**	2	50
Cash net profit after tax	**635**	541	17	**326**	309	6

	Full Year Ended			Half Year Ended		
	30 Jun 13 NZ$M	30 Jun 12 (1) NZ$M	Jun 13 vs Jun 12 %	30 Jun 13 NZ$M	31 Dec 12 NZ$M	Jun 13 vs Dec 12 %
Net interest income	**1,380**	1,299	6	**705**	675	4
Other banking income	**315**	287	10	**154**	161	(4)
Total banking income	**1,695**	1,586	7	**859**	836	3
Funds management income	**67**	57	18	**35**	32	9
Insurance income	**306**	292	5	**162**	144	13
Total operating income	**2,068**	1,935	7	**1,056**	1,012	4
Operating expenses	**(954)**	(928)	3	**(489)**	(465)	5
Loan impairment expense	**(56)**	(47)	19	**(28)**	(28)	-
Net profit before tax	**1,058**	960	10	**539**	519	4
Corporate tax expense	**(264)**	(236)	12	**(136)**	(128)	6
Underlying profit after tax	**794**	724	10	**403**	391	3
Investment experience after tax	**6**	(20)	large	**4**	2	large
Cash net profit after tax	**800**	704	14	**407**	393	4
Represented by:						
ASB	**699**	624	12	**351**	348	1
Sovereign	**100**	74	35	**56**	44	27
Other (3)	**1**	6	(83)	**-**	1	large
Cash net profit after tax	**800**	704	14	**407**	393	4

	Full Year Ended			Half Year Ended		
Key Financial Metrics	30 Jun 13	30 Jun 12 (1)	Jun 13 vs Jun 12 %	30 Jun 13	31 Dec 12	Jun 13 vs Dec 12 %
Funds management income to average FUA (%)	**0. 64**	0. 59	5 bpts	**0. 66**	0. 61	5 bpts
Insurance income to average inforce premiums (%)	**47. 9**	48. 3	(40)bpts	**51. 4**	45. 0	large
Operating expenses to total operating income (%)	**46. 5**	48. 3	(180)bpts	**47. 0**	45. 9	110 bpts

(1) Comparative information has been reclassified to conform to presentation in the current year.
(2) Other banking income disclosed in AUD includes realised gains or losses associated with the hedge of the New Zealand operations.
(3) Other includes ASB and Sovereign funding entities and elimination entries between Sovereign and ASB.

Year Ended June 2013 versus June 2012

New Zealand[1] cash net profit after tax[2] for the year ended 30 June 2013 increased 14% on the prior year to NZD800 million. The result was driven by a strong performance from ASB Bank with improved margins, volume growth and increases in other banking income offset by higher impairment expense. Strong profit growth for Sovereign compared to the prior year was primarily due to the non-recurrence of unfavourable interest rate impacts and policy valuation adjustments. Underlying business performance remains sound.

Half Year Ended June 2013 versus December 2012

New Zealand cash net profit after tax increased 4% on the prior half. The result was driven by a steady performance from ASB Bank reflecting improved deposit margins and funds management income partly offset by higher operating expenses. Strong profit growth for Sovereign has been driven by a continuation of solid inforce growth and improved persistency and claims experience.

(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.

ASB Bank	Full Year Ended 30 Jun 13 NZ$M	30 Jun 12 [1] NZ$M	Jun 13 vs Jun 12 %	Half Year Ended 30 Jun 13 NZ$M	31 Dec 12 NZ$M	Jun 13 vs Dec 12 %
Net interest income	**1,364**	1,281	6	**698**	666	5
Other banking income	**350**	323	8	**170**	180	(6)
Total banking income	**1,714**	1,604	7	**868**	846	3
Funds management income	**61**	50	22	**32**	29	10
Total operating income	**1,775**	1,654	7	**900**	875	3
Operating expenses	**(748)**	(739)	1	**(384)**	(364)	5
Loan impairment expense	**(56)**	(47)	19	**(28)**	(28)	-
Net profit before tax	**971**	868	12	**488**	483	1
Corporate tax expense	**(272)**	(244)	11	**(137)**	(135)	1
Underlying profit after tax	**699**	624	12	**351**	348	1
Cash net profit after tax	**699**	624	12	**351**	348	1

Balance Sheet	As at 30 Jun 13 NZ$M	31 Dec 12 NZ$M	30 Jun 12 [1] NZ$M	Jun 13 vs Jun 12 %	Jun 13 vs Dec 12 %
Home loans	**40,310**	38,679	37,410	8	4
Assets at fair value through Income Statement	**1,433**	1,897	2,200	(35)	(24)
Other interest earning assets	**17,612**	17,010	15,808	11	4
Total interest earning assets	**59,355**	57,586	55,418	7	3
Non-lending interest earning assets	**5,090**	5,258	4,841	5	(3)
Other assets	**2,125**	2,465	3,133	(32)	(14)
Total assets	**66,570**	65,309	63,392	5	2
Customer deposits	**39,206**	38,126	37,179	5	3
Debt issues	**7,459**	7,627	6,309	18	(2)
Other interest bearing liabilities [2]	**10,835**	10,303	11,139	(3)	5
Total interest bearing liabilities	**57,500**	56,056	54,627	5	3
Non-interest bearing liabilities	**4,045**	4,544	4,579	(12)	(11)
Total liabilities	**61,545**	60,600	59,206	4	2

Key Financial Metrics	Full Year Ended 30 Jun 13 NZ$M	30 Jun 12 [1] NZ$M	Jun 13 vs Jun 12 %	Half Year Ended 30 Jun 13 NZ$M	31 Dec 12 NZ$M	Jun 13 vs Dec 12 %
Performance indicators						
Return on assets (%)	**1. 1**	1. 0	10 bpts	**1. 1**	1. 1	-
Impairment expense annualised as a % of average GLAA's (%)	**0. 09**	0. 08	1 bpt	**0. 09**	0. 10	(1)bpt
Funds management income to average FUA (%)	**0. 63**	0. 57	6 bpts	**0. 64**	0. 61	3 bpts
Operating expenses to total operating income (%)	**42. 1**	44. 7	(260)bpts	**42. 7**	41. 6	110 bpts
Other asset/liability information						
Average interest earning assets (NZ$M)	**62,697**	61,939	1	**63,807**	61,604	4
Average interest bearing liabilities (NZ$M)	**56,029**	55,751	-	**56,628**	55,440	2

New Zealand - Funds Under Administration	Full Year Ended 30 Jun 13 NZ$M	30 Jun 12 [1] NZ$M	Jun 13 vs Jun 12 %	Half Year Ended 30 Jun 13 NZ$M	31 Dec 12 NZ$M	Jun 13 vs Dec 12 %
Opening balance	**10,084**	9,344	8	**10,337**	10,084	3
Inflows	**2,387**	2,256	6	**1,126**	1,261	(11)
Outflows	**(2,413)**	(1,498)	61	**(782)**	(1,631)	(52)
Net flows	**(26)**	758	large	**344**	(370)	large
Investment income & other	**1,022**	(18)	large	**399**	623	(36)
Closing balance	**11,080**	10,084	10	**11,080**	10,337	7

(1) Comparative information has been reclassified to conform to presentation in the current year.
(2) Includes NZD4.1 billion due to Group companies (31 December 2012: NZD4.4 billion; 30 June 2012: NZD6.6 billion).

Year Ended June 2013 versus June 2012

ASB Bank cash net profit after tax for the year ended 30 June 2013 increased 12% on the prior year to NZD699 million. The result was driven by 7% growth in operating income partially offset by an increase in loan impairment expense.

Net Interest Income

Net interest income was NZD1,364 million, an increase of 6% on the prior year with strong lending growth in all key portfolios combined with improved margins.

Balance Sheet growth included:

- Home loan balances increased 8% in a competitive market, with strong growth in the fixed rate portfolio and improved customer retention;
- Business loans were up 12% on the prior year, significantly above system growth, due to the continued focus on enhanced customer experience and the leveraging of specialised products to drive growth; and
- Customer deposit balances increased 5% on the prior year with the major contributor being savings deposits driven by the expansion of the product suite.

Net interest margin increased reflecting:

- Prudent margin management across business and personal lending portfolios in a competitive marketplace; partly offset by
- Slight reduction in home lending margins as a result of competitive pressures and an increasing customer preference for lower margin fixed rate loans; and
- Deposit portfolio margins reducing due to intense competition impacting the first half, particularly for investment accounts.

Other Banking and Funds Management Income

Other banking income increased 8% on the prior year to NZD350 million. This increase is due to higher lending and card fee income as a result of volume growth and strong bancassurance income due to cross sell initiatives. Funds management income increased 22% as a result of balance growth in the ASB KiwiSaver scheme.

Operating Expenses

Operating expenses increased 1% on the prior year to NZD748 million. Disciplined cost management and the embedding of a productivity culture have seen inflationary pressures largely absorbed. The expense to income ratio for the Bank was 42.1%, an improvement of 260 basis points on the prior year.

Loan Impairment Expense

Loan impairment expense increased 19% on the prior year to NZD56 million. This is driven by an increase in retail provisioning due to underlying portfolio growth and a prior period low. This has been partially offset by underlying improvement in the asset quality of the business lending portfolio and a reduction in net write-offs. Arrears rates across the retail portfolio continue to trend downwards and are currently at the lowest level seen in recent years.

Half Year Ended June 2013 versus December 2012

ASB Bank cash net profit after tax has increased 1% on the prior half. This result was driven by 3% growth in operating income offset by an increase in operating expenses.

Net Interest Income

Net interest income increased 5% on the prior half, driven principally by volume growth and improvements in investment account margins.

Balance Sheet growth included:

- Home loan balances increased 4% driven by growth in fixed loans;
- Business loans were also up 4% on the prior half continuing the momentum in the commercial and rural lending portfolios; and
- Customer deposit balances increased 3% on the prior half with the major driver being increased savings deposits as a result of an enhanced product suite.

Net interest margin increased reflecting:

- Improvements in deposit margins, particularly savings and investment accounts, following strong improvement in new business margins; partly offset by
- Slight reduction in business and home lending margins, as a result of intense price competition and the increasing preference for lower margin fixed rate lending.

Other Banking and Funds Management Income

Other banking income decreased 6% on the prior half. This is driven by a reduction in fixed rate loan prepayments and card fee income. Funds management income continued to grow strongly, principally due to the performance of the ASB KiwiSaver scheme.

Operating Expenses

Operating expenses increased 5% on the prior half due to an increase in investment spend associated with the head office relocation in the second half and higher staff costs.

Loan Impairment Expense

Loan impairment expense remained flat on the prior half at NZD28 million. Retail provisioning continued to increase as a result of seasonal increases in unsecured portfolio arrears, offset by an improvement in the non retail portfolio.

Sovereign	Full Year Ended 30 Jun 13 NZ$M	30 Jun 12 (1) NZ$M	Jun 13 vs Jun 12 %	Half Year Ended 30 Jun 13 NZ$M	31 Dec 12 NZ$M	Jun 13 vs Dec 12 %
Insurance income	320	305	5	170	150	13
Operating expenses	(242)	(229)	6	(123)	(119)	3
Net profit before tax	78	76	3	47	31	52
Corporate tax benefit	9	9	-	2	7	(71)
Underlying profit after tax	87	85	2	49	38	29
Investment experience after tax	13	(11)	large	7	6	17
Cash net profit after tax	100	74	35	56	44	27
Sources of profit represented by:						
The margin on services profit from ordinary activities after income tax is represented by:						
Planned profit margins	80	82	(2)	39	41	(5)
Experience variations	7	3	large	10	(3)	large
Operating margins	87	85	2	49	38	29
Investment experience after tax	13	(11)	large	7	6	17
Cash net profit after tax	100	74	35	56	44	27

Key Financial Metrics	Full Year Ended 30 Jun 13	30 Jun 12 (1)	Jun 13 vs Jun 12 %	Half Year Ended 30 Jun 13	31 Dec 12	Jun 13 vs Dec 12 %
Performance indicators						
Insurance income to average inforce premiums (%)	50. 1	50. 5	(40)bpts	52. 6	47. 1	large
Average inforce premiums (NZ$M)	639	604	6	647	632	2

New Zealand - Annual Inforce Premiums	Full Year Ended 30 Jun 13 NZ$M	30 Jun 12 (1) NZ$M	Jun 13 vs Jun 12 %	Half Year Ended 30 Jun 13 NZ$M	31 Dec 12 NZ$M	Jun 13 vs Dec 12 %
Opening balance	623	584	7	640	623	3
Sales/new business	100	98	2	48	52	(8)
Lapses	(69)	(58)	19	(34)	(35)	(3)
Other movements	-	(1)	large	-	-	-
Closing balance	654	623	5	654	640	2

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

Year Ended June 2013 versus June 2012

Sovereign cash net profit after tax for the year ended 30 June 2013 increased 35% on the prior year to NZD100 million. Inforce growth continues to remain solid and persistency and claims experience have been better than expected despite the competitive, low growth environment. Movement in interest rates together with an unfavourable actuarial policy valuation adjustment in the prior year has resulted in an improvement in investment experience.

Insurance Income

Insurance income of NZD320 million is up 5% on the prior year with annual inforce premium growth of 5%. Persistency and claims experience again exceeded expectation, although not to the extent achieved in the prior year when claims experience was unusually positive and lapse rates reached record lows. Lapse rates still remain low by industry standards and there are no statistically significant claims trends of note.

Operating Expenses

Operating expenses of NZD242 million are up 6% on the prior year. Growth was primarily driven by increased renewal commission expense due to the increase in annual inforce premiums, and higher compliance costs due to legislative changes in the New Zealand insurance industry.

Half Year Ended June 2013 versus December 2012

Sovereign cash net profit after tax increased 27% on the prior half, a reflection of improved persistency and claims experience.

Insurance Income

Insurance income increased 13% on the prior half. As well as a continuation of solid inforce premium growth, persistency and claims experience have both improved significantly to finish ahead of expectation for the year.

Operating Expenses

Operating expenses increased 3% on the prior half. This growth was primarily driven by increased renewal commission expense due to a 2% increase in annual inforce premiums, and higher compliance costs due to legislative changes in the New Zealand insurance industry.

Bankwest

	Full Year Ended			Half Year Ended		
	30 Jun 13 $M	30 Jun 12 [1] $M	Jun 13 vs Jun 12 %	30 Jun 13 $M	31 Dec 12 $M	Jun 13 vs Dec 12 %
Net interest income	**1,537**	1,462	5	**776**	761	2
Other banking income	**210**	201	4	**100**	110	(9)
Total banking income	**1,747**	1,663	5	**876**	871	1
Operating expenses	**(825)**	(848)	(3)	**(409)**	(416)	(2)
Loan impairment expense	**(118)**	(61)	93	**(32)**	(86)	(63)
Net profit before tax	**804**	754	7	**435**	369	18
Corporate tax expense	**(243)**	(227)	7	**(132)**	(111)	19
Cash net profit after tax	**561**	527	6	**303**	258	17

	As at				
Balance Sheet	30 Jun 13 $M	31 Dec 12 $M	30 Jun 12 [1] $M	Jun 13 vs Dec 12 %	Jun 13 vs Jun 12 %
Home loans	**52,738**	51,567	50,953	2	4
Other interest earning lending assets	**20,308**	21,510	22,253	(6)	(9)
Non-lending interest earning assets	**25**	22	32	14	(22)
Total interest earning assets	**73,071**	73,099	73,238	-	-
Other assets	**811**	635	725	28	12
Total assets	**73,882**	73,734	73,963	-	-
Transaction deposits	**7,627**	7,177	6,758	6	13
Savings deposits	**9,300**	9,901	9,631	(6)	(3)
Investment deposits	**23,568**	24,019	28,692	(2)	(18)
Certificates of deposit and other	**36**	236	265	(85)	(86)
Total interest bearing deposits	**40,531**	41,333	45,346	(2)	(11)
Other interest bearing liabilities	**155**	98	155	58	-
Non-interest bearing liabilities	**1,321**	1,215	1,332	9	(1)
Total liabilities	**42,007**	42,646	46,833	(1)	(10)

	Full Year Ended			Half Year Ended		
Key Financial Metrics	30 Jun 13	30 Jun 12 [1]	Jun 13 vs Jun 12 %	30 Jun 13	31 Dec 12	Jun 13 vs Dec 12 %
Performance indicators						
Return on assets (%)	**0. 8**	0. 7	10 bpts	**0. 8**	0. 7	10 bpts
Impairment expense annualised as a % of average GLAA's (%)	**0. 16**	0. 09	7 bpts	**0. 09**	0. 23	(14)bpts
Operating expenses to total banking income (%)	**47. 2**	51. 0	(380)bpts	**46. 7**	47. 8	(110)bpts
Other asset/liability information						
Average interest earning assets ($M)	**73,188**	70,711	4	**72,931**	73,408	(1)
Average interest bearing liabilities ($M)	**42,821**	44,725	(4)	**41,813**	43,813	(5)

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

Financial Performance and Business Review

Year Ended June 2013 versus June 2012

Bankwest cash net profit after tax for the year ended 30 June 2013 was $561 million, an increase of 6% on the prior year. Total banking income increased 5% and operating expenses decreased 3%, which was partly offset by a $57 million increase in loan impairment expense.

Net Interest Income

Net interest income of $1,537 million increased 5% due to modest growth in average interest earning assets and higher lending margins, partly offset by lower deposit margins.

Balance sheet growth included:

- Home loan balance growth of 4% reflecting a subdued credit growth environment;
- Business lending decreased 10% due to continued run off of pre-acquisition higher risk exposures and low credit growth;
- Transaction deposits increased 13% driven by growth in retail deposits;
- Savings deposits decreased 3% reflecting continued market competition; and
- Investment deposit balances decreased 18% due to a strategy of reducing lower margin money market investment deposits.

Net interest margin increased reflecting:

- Higher lending margins due to the impact of selective repricing; partly offset by
- Lower deposit margins due to both continued price competition and the impact of the lower cash rate.

Other Banking Income

Other banking income of $210 million increased 4%, driven by higher sales of risk management related products, partly offset by lower lending fees and lower card fees.

Operating Expenses

Operating expenses of $825 million were down 3% reflecting a strong focus on productivity and disciplined expense management. This decrease was mainly attributable to lower salary related costs and lower software amortisation costs.

Expense to income ratio of 47.2% has improved, down 380 basis points compared to the prior year.

Loan Impairment Expense

Loan impairment expense increased $57 million on the prior year as loan impairment expense returned to more normal levels for this part of the economic cycle. Home loan arrears improved during the year due to consumer de-leveraging.

Half Year Ended June 2013 versus December 2012

Cash net profit after tax for the half year increased 17% compared to the prior half. Total banking income increased 1%, operating expenses decreased 2% and loan impairment expense decreased 63%.

Net Interest Income

Net interest income increased 2% reflecting modest improvements in net interest margins, partly offset by lower average interest earning assets.

Balance sheet growth included:

- Home loan balance growth of 2% on the prior half in a continued low credit growth environment;
- Business lending decreased 6% due to lower pre-acquisition higher risk exposures;
- Transaction deposits increased 6%, which continues to be mainly Retail driven;
- Savings deposits decreased 6% due to continued market competition; and
- Investment deposit balances decreased 2% driven by a reduction of low margin Money Market Investment deposits, partly offset by an increase in other deposits held by corporates and investors due to improved equity markets.

Net interest margin increased reflecting:

- Higher lending margins due to the impact of selective repricing;
- Higher investment deposit margins due to improved pricing on new money market investment deposits; partly offset by
- Lower transaction deposit account margins due to the impact of the falling cash rate.

Other Banking Income

Other banking income of $100 million decreased 9% compared to the prior half due to lower lending fees and lower credit card fees, partly offset by higher deposit fees.

Operating Expenses

Operating expenses of $409 million were down 2% due to continued productivity and efficiency initiatives. This decrease was mainly attributable to lower staff costs.

Expense to income ratio of 46.7% decreased 110 basis points on the prior half.

Loan Impairment Expense

Loan impairment expense decreased $54 million as a result of fewer downgrades during the period and reduced overlays as the acquired portfolio continued to run off during the year.

IFS and Other

	Full Year Ended			Half Year Ended		
	30 Jun 13 $M	30 Jun 12 (1) $M	Jun 13 vs Jun 12 %	30 Jun 13 $M	31 Dec 12 $M	Jun 13 vs Dec 12 %
IFS Asia	**104**	80	30	**57**	47	21
Corporate Centre	**61**	27	large	**45**	16	large
Eliminations/ Unallocated	**19**	(5)	large	**47**	(28)	large
Cash net profit after tax	**184**	102	80	**149**	35	large

IFS Asia (2)	Full Year Ended			Half Year Ended		
	30 Jun 13 $M	30 Jun 12 (1) $M	Jun 13 vs Jun 12 %	30 Jun 13 $M	31 Dec 12 $M	Jun 13 vs Dec 12 %
Net interest income	**102**	101	1	**53**	49	8
Other banking income	**190**	146	30	**107**	83	29
Total banking income	**292**	247	18	**160**	132	21
Insurance income	**75**	67	12	**38**	37	3
Total operating income	**367**	314	17	**198**	169	17
Operating expenses	**(239)**	(212)	13	**(128)**	(111)	15
Loan impairment expense	**(8)**	(11)	(27)	**(2)**	(6)	(67)
Net profit before tax	**120**	91	32	**68**	52	31
Corporate tax expense	**(15)**	(8)	88	**(10)**	(5)	large
Non-controlling interests	**(4)**	(4)	-	**(2)**	(2)	-
Underlying profit after tax	**101**	79	28	**56**	45	24
Investment experience after tax	**3**	1	large	**1**	2	(50)
Cash net profit after tax	**104**	80	30	**57**	47	21

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

(2) International Financial Services Asia (IFS Asia) incorporates the Asian retail and Small Medium Enterprises (SME) banking operations (Indonesia, China, Vietnam and India), investment in Chinese and Vietnamese 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.

Year Ended June 2013 versus June 2012

International Financial Services Asia (IFS Asia) cash net profit after tax for the year ended 30 June 2013 was $104 million, which represented an increase of 30% on the prior year. The result was driven by strong contributions from the proprietary businesses in Indonesia and from the Bank of Hangzhou in China.

Commonwealth Bank of Australia continued its expansion in Asia during the year with the opening of five new China County Banks in the second half of the year, bringing the total number of proprietary County banks in China to ten. PT Commonwealth Life added two new sales offices bringing the total number of proprietary life insurance sales offices in Indonesia to 30. Approval for a Beijing branch has also been received from the Chinese regulator.

Total direct customer numbers in Asia have grown 25% since June 2012 to 365,180. Total IFS Asia proprietary customers, including multifinance and group insurance participants, are 1.2 million.

Net Interest Income

Net interest income of $102 million was in line with the prior year. Lending balance growth in Indonesia and China County Banks was offset by the contraction in multifinance balances.

The consumer, business and small medium enterprises (SME) lending balances in Indonesia have grown by 45%, 76% and 42% respectively whilst multifinance lending balances have contracted 59% reflecting the impact of recent regulatory changes in the multifinance industry.

While still a number of years away from achieving critical mass, County Banks are growing strongly. Lending balances continue to grow faster than system.

The proprietary banking businesses in China, India and Vietnam continue to grow in line with expectations, with a combined lending balance growth of 105%.

Other Banking Income

Other banking income increased 30% to $190 million. The result was mainly due to a strong contribution from the Bank of Hangzhou, reflecting solid lending balance growth.

Insurance Income

Insurance income increased 12% to $75 million, reflecting strong growth in new business volumes at PT Commonwealth Life in Indonesia. Inforce premiums grew 29%, reflecting 19% new business growth and improved persistency at 88%.

BoCommLife in China also grew steadily, with total premium income up 65% due to growth in new business income and a change in product mix from single premium to regular premium.

Operating Expenses

Operating expenses increased 13% to $239 million. Expense growth reflects higher volume related expenses in line with increased sales growth in the Indonesian Insurance business and costs associated with growth in the proprietary businesses in China and Indonesia.

Half Year Ended June 2013 versus December 2012

IFS Asia cash net profit after tax for the half year ended 30 June 2013 was $57 million, an increase of 21% on the prior half. The results were again driven by solid performance from the Indonesian proprietary business and from the Bank of Hangzhou in China.

Direct customer numbers also grew steadily, with a 10% increase since December 2012.

Net Interest Income

Net interest income increased 8% on the prior half, driven by higher lending balances in Indonesia and China.

The consumer, business and SME lending balances in Indonesia have grown by 18%, 51% and 23% over the last 6 months respectively, partially offset by 37% contraction of multifinance lending.

The proprietary businesses in China, India and Vietnam continue to expand with a collective lending balance growth of 40%.

Other Banking Income

Other banking income increased 29%, driven by a solid growth in sales of bancassurance and foreign exchange products from PT Commonwealth Bank in Indonesia and a strong contribution from the Bank of Hangzhou, reflecting growth in lending balances.

Insurance Income

Insurance income increased 3% reflecting growth in new business volumes and renewals at PT Commonwealth Life in Indonesia.

BoCommLife also grew steadily, with total premium income up 234% from higher new business sales and an expanding footprint.

Operating Expenses

Operating expenses increased 15%, reflecting the higher number of County Banks in operation in China and higher volume related expenses in line with the sales growth in the Indonesian Insurance business.

	Full Year Ended			Half Year Ended		
	30 Jun 13	30 Jun 12 (1)	Jun 13 vs	30 Jun 13	31 Dec 12	Jun 13 vs
Corporate Centre (2)	$M	$M	Jun 12 %	$M	$M	Dec 12 %
Net interest income	**427**	216	98	**259**	168	54
Other banking income	**81**	143	(43)	**12**	69	(83)
Total operating income	**508**	359	42	**271**	237	14
Operating expenses	**(447)**	(348)	28	**(220)**	(227)	(3)
Net profit before tax	**61**	11	large	**51**	10	large
Corporate tax expense	**-**	16	large	**(6)**	6	large
Cash net profit after tax	**61**	27	large	**45**	16	large

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

(2) Corporate Centre includes the results of unallocated Group support functions such as Investor Relations, Group Strategy, Marketing, Secretariat 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 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 the Group's prudent liquidity requirements;
- Group Funding & Liquidity: manages the Group's long term and short term wholesale funding requirements; and
- Capital and Regulatory Strategy: manages the Group's capital requirements.

Year Ended June 2013 versus June 2012

Corporate Centre cash net profit after tax for the full year ended 30 June 2013 increased $34 million on the prior year to $61 million.

Total operating income increased 42% to $508 million driven by:

- Increased earnings on the liquid asset portfolio;
- Favourable Treasury earnings from management of short dated interest rate risk;
- Benefit of lower funding costs on centrally held assets due to the falling rate environment; partly offset by
- The impact on other banking income of debt buybacks.

Operating expenses increased 28% to $447 million, primarily driven by higher defined benefit superannuation expenses and increased investment spend within support functions.

Half Year Ended June 2013 versus December 2012

Corporate Centre cash net profit after tax for the half year ended 30 June 2013 increased $29 million on the prior half to $45 million.

Total operating income increased 14%, to $271 million driven by:

- Favourable Treasury earnings from management of short dated interest rate risk;
- Benefit of lower funding costs on centrally held assets due to the falling rate environment; partly offset by
- The impact on other banking income of debt buybacks.

Eliminations/Unallocated (2)	Full Year Ended			Half Year Ended		
	30 Jun 13	30 Jun 12 (1)	Jun 13 vs	30 Jun 13	31 Dec 12	Jun 13 vs
	$M	$M	Jun 12 %	$M	$M	Dec 12 %
Net interest income	**56**	16	large	**30**	26	15
Other banking income	**(119)**	11	large	**(67)**	(52)	29
Total banking income	**(63)**	27	large	**(37)**	(26)	42
Funds management income	**17**	25	(32)	**7**	10	(30)
Insurance income	**(4)**	(25)	large	**9**	(13)	large
Total operating income	**(50)**	27	large	**(21)**	(29)	(28)
Loan impairment expense	**56**	23	large	**65**	(9)	large
Net profit before tax	**6**	50	(88)	**44**	(38)	large
Corporate tax expense	**38**	(10)	large	**14**	24	(42)
Non-controlling interests	**(12)**	(12)	-	**(6)**	(6)	-
Underlying profit after tax	**32**	28	14	**52**	(20)	large
Investment experience after tax	**(13)**	(33)	(61)	**(5)**	(8)	(38)
Cash net profit after tax	**19**	(5)	large	**47**	(28)	large

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

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

Year Ended June 2013 versus June 2012

Eliminations/Unallocated cash net gain after tax for the year ended 30 June 2013 increased $24 million on the prior year to $19 million. This was primarily driven by timing of recognition of unallocated revenue items, including the gain on the sale of Sydney CBD properties in the prior year, and a reduction in centrally held loan impairment provisions.

Half Year Ended June 2013 versus December 2012

Eliminations/Unallocated cash net profit after tax for the half year ended 30 June 2013 was $47 million, representing a $75 million increase on the prior half. The result included a reduction in centrally held loan impairment provisions.

Investment Experience	Full Year Ended 30 Jun 13 $M	30 Jun 12 [1] $M	Jun 13 vs Jun 12 %	Half Year Ended 30 Jun 13 $M	31 Dec 12 $M	Jun 13 vs Dec 12 %
Wealth Management	**157**	194	(19)	**71**	86	(17)
New Zealand	**6**	(11)	large	**3**	3	-
IFS and Other	**(9)**	(34)	(74)	**(4)**	(5)	(20)
Investment experience before tax	**154**	149	3	**70**	84	(17)
Corporate tax expense	**(49)**	(60)	(18)	**(22)**	(27)	(19)
Investment experience after tax	**105**	89	18	**48**	57	(16)

Shareholder Investment Asset Mix (%) [2]	As at 30 June 2013 Australia %	New Zealand %	Asia %	Total %
Equities	-	-	-	-
Property	10	-	-	8
Fixed interest	21	63	96	33
Cash	69	37	4	59
Total	100	100	100	100

Shareholder Investment Asset Mix ($M) [2]	As at 30 June 2013 Australia $M	New Zealand $M	Asia $M	Total $M
Equities	-	3	-	3
Property	251	-	-	251
Fixed interest	504	393	187	1,084
Cash	1,680	231	7	1,918
Total	2,435	627	194	3,256

(1) Comparative information has been reclassified to conform to presentation in the current year.
(2) Includes Shareholder's funds in the CFS Global Asset Management, Colonial First State and CommInsure businesses.

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Consolidated Income Statement

For the year ended 30 June 2013

		Full Year Ended		Half Year Ended	
		30 Jun 13	30 Jun 12	30 Jun 13	31 Dec 12
	Appendix	$M	$M	$M	$M
Interest income	1	**34,739**	38,258	**16,959**	17,780
Interest expense	1	**(20,805)**	(25,136)	**(9,877)**	(10,928)
Net interest income	1	**13,934**	13,122	**7,082**	6,852
Other banking income	5	**4,237**	4,089	**2,117**	2,120
Net banking operating income		**18,171**	17,211	**9,199**	8,972
Funds management income		**2,147**	1,959	**1,117**	1,030
Investment revenue		**942**	226	**392**	550
Claims and policyholder liability expense		**(924)**	(245)	**(384)**	(540)
Net funds management operating income		**2,165**	1,940	**1,125**	1,040
Premiums from insurance contracts		**2,353**	2,114	**1,196**	1,157
Investment revenue		**449**	547	**168**	281
Claims and policyholder liability expense from insurance contracts		**(1,584)**	(1,428)	**(773)**	(811)
Net insurance operating income		**1,218**	1,233	**591**	627
Total net operating income before impairment and operating expenses		**21,554**	20,384	**10,915**	10,639
Loan impairment expense	9	**(1,146)**	(1,089)	**(466)**	(680)
Operating expenses	6	**(9,680)**	(9,331)	**(4,888)**	(4,792)
Net profit before income tax		**10,728**	9,964	**5,561**	5,167
Corporate tax expense	7	**(2,923)**	(2,736)	**(1,509)**	(1,414)
Policyholder tax expense	7	**(112)**	(122)	**(28)**	(84)
Net profit after income tax		**7,693**	7,106	**4,024**	3,669
Non-controlling interests		**(16)**	(16)	**(8)**	(8)
Net profit attributable to Equity holders of the Bank		**7,677**	7,090	**4,016**	3,661

	Full Year Ended		Half Year Ended	
	30 Jun 13	30 Jun 12	30 Jun 13	31 Dec 12
	Cents per Share			
Earnings per share:				
Basic	**477. 9**	448. 9	**249. 3**	228. 6
Diluted	**464. 5**	432. 9	**241. 9**	221. 7

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2013

	Full Year Ended		Half Year Ended	
	30 Jun 13 $M	30 Jun 12 $M	30 Jun 13 $M	31 Dec 12 $M
Net profit after income tax for the period	**7,693**	7,106	**4,024**	3,669
Other comprehensive income/(expense):				
Items that may be reclassified subsequently to profit or loss:				
Gains and losses on cash flow hedging instruments:				
Recognised in equity	**(575)**	730	**(128)**	(447)
Transferred to Income Statement	**226**	758	**6**	220
Gains and losses on available-for-sale investments:				
Recognised in equity	**553**	(349)	**230**	323
Transferred to Income Statement on disposal	**(31)**	(81)	**5**	(36)
Foreign currency translation reserve	**476**	202	**455**	21
Income tax on items transferred directly to/from equity:				
Cash flow hedge reserve	**73**	(442)	**5**	68
Available-for-sale investments revaluation reserve	**(158)**	122	**(72)**	(86)
Foreign currency translation reserve	**(10)**	(12)	**(9)**	(1)
Total of items that may be reclassified	**554**	928	**492**	62
Items that will not be reclassified to profit or loss:				
Actuarial gains and losses from defined benefit superannuation plans net of tax	**311**	(223)	**76**	235
Revaluation of properties	**4**	32	**4**	-
Income tax on revaluation of properties	**(1)**	(5)	**(1)**	-
Total of items that will not be reclassified	**314**	(196)	**79**	235
Other comprehensive income/(expense) net of income tax	**868**	732	**571**	297
Total comprehensive income for the period	**8,561**	7,838	**4,595**	3,966
Total comprehensive income for the period is attributable to:				
Equity holders of the Bank	**8,545**	7,822	**4,587**	3,958
Non-controlling interests	**16**	16	**8**	8
Total comprehensive income for the period	**8,561**	7,838	**4,595**	3,966

Consolidated Balance Sheet

As at 30 June 2013

		As at		
		30 Jun 13	31 Dec 12	30 Jun 12
Assets	**Appendix**	**$M**	**$M**	**$M**
Cash and liquid assets		**20,634**	18,837	19,666
Receivables due from other financial institutions		**7,744**	9,650	10,886
Assets at fair value through Income Statement:				
Trading		**19,617**	17,736	13,816
Insurance		**14,359**	14,136	14,525
Other		**907**	1,211	980
Derivative assets (1)		**45,340**	37,703	39,567
Available-for-sale investments		**59,601**	58,792	60,827
Loans, bills discounted and other receivables	8	**556,648**	534,645	525,682
Bank acceptances of customers		**6,063**	8,155	9,717
Property, plant and equipment		**2,718**	2,598	2,503
Investment in associates and joint ventures		**2,281**	2,029	1,898
Intangible assets	16	**10,423**	10,366	10,281
Deferred tax assets		**935**	840	980
Other assets		**6,598**	5,488	7,517
		753,868	722,186	718,845
Assets held for sale		**8**	18	14
Total assets		**753,876**	722,204	718,859

Liabilities				
Deposits and other public borrowings	10	**459,429**	448,410	437,655
Payables due to other financial institutions		**25,922**	23,479	22,126
Liabilities at fair value through Income Statement		**8,701**	7,195	6,555
Derivative liabilities (1)		**38,580**	38,068	39,851
Bank acceptances		**6,063**	8,155	9,717
Current tax liabilities		**1,529**	1,287	1,537
Deferred tax liabilities		**471**	395	338
Other provisions		**1,249**	1,223	1,224
Insurance policy liabilities		**13,004**	13,032	12,994
Debt issues		**132,808**	119,284	124,712
Managed funds units on issue		**891**	710	995
Bills payable and other liabilities		**10,050**	7,840	9,561
		698,697	669,078	667,265
Loan capital		**9,687**	9,827	10,022
Total liabilities		**708,384**	678,905	677,287
Net assets		**45,492**	43,299	41,572

Shareholders' Equity				
Share capital:				
Ordinary share capital	15	**26,323**	26,126	25,175
Other equity instruments		**939**	939	939
Reserves		**1,333**	1,262	1,571
Retained profits	17	**16,360**	14,440	13,356
Shareholders' equity attributable to Equity holders of the Bank		**44,955**	42,767	41,041
Non-controlling interests		**537**	532	531
Total Shareholders' equity		**45,492**	43,299	41,572

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2013

	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 2011	24,651	939	829	11,928	**38,347**	528	**38,875**
Net profit after income tax	-	-	-	3,466	**3,466**	7	**3,473**
Net other comprehensive income	-	-	640	197	**837**	-	**837**
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 on ordinary shares	-	-	-	(2,166)	**(2,166)**	-	**(2,166)**
Dividends paid on other equity instruments	-	-	-	(15)	**(15)**	-	**(15)**
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**
Net profit after income tax	-	-	-	3,661	**3,661**	8	**3,669**
Net other comprehensive income	-	-	62	235	**297**	-	**297**
Total comprehensive income for the period	-	-	62	3,896	**3,958**	8	**3,966**
Transactions with equity holders in their capacity as equity holders:							
Dividends paid on ordinary shares	-	-	-	(3,137)	**(3,137)**	-	**(3,137)**
Dividends paid on other equity instruments	-	-	-	(14)	**(14)**	-	**(14)**
Dividend reinvestment plan (net of issue costs)	929	-	-	-	**929**	-	**929**
Other equity movements:							
Share based payments	-	-	(46)	-	**(46)**	-	**(46)**
Purchase of treasury shares	(55)	-	-	-	**(55)**	-	**(55)**
Sale and vesting of treasury shares	77	-	-	-	**77**	-	**77**
Other changes	-	-	(325)	339	**14**	(7)	**7**
As at 31 December 2012	26,126	939	1,262	14,440	**42,767**	532	**43,299**
Net profit after income tax	-	-	-	4,016	**4,016**	8	**4,024**
Net other comprehensive income	-	-	495	76	**571**	-	**571**
Total comprehensive income for the period	-	-	495	4,092	**4,587**	8	**4,595**
Transactions with equity holders in their capacity as equity holders:							
Dividends paid on ordinary shares	-	-	-	(2,639)	**(2,639)**	-	**(2,639)**
Dividends paid on other equity instruments	-	-	-	(14)	**(14)**	-	**(14)**
Dividend reinvestment plan (net of issue costs)	-	-	-	-	**-**	-	**-**
Other equity movements:							
Share based payments	-	-	42	-	**42**	-	**42**
Issue of shares (net of issue costs)	193	-	-	-	**193**	-	**193**
Purchase of treasury shares	(609)	-	-	-	**(609)**	-	**(609)**
Sale and vesting of treasury shares	613	-	-	-	**613**	-	**613**
Other changes	-	-	(466)	481	**15**	(3)	**12**
As at 30 June 2013	26,323	939	1,333	16,360	**44,955**	537	**45,492**

	Full Year Ended 30 Jun 13	Full Year Ended 30 Jun 12	Half Year Ended 30 Jun 13	Half Year Ended 31 Dec 12
	Cents per Share			
Dividends per share attributable to shareholders of the Bank:				
Ordinary Shares	**364**	334	**200**	164
Trust preferred securities	**5,767**	5,989	**2,890**	2,877

Consolidated Statement of Cash Flows [1]

For the year ended 30 June 2013

		Full Year Ended	
		30 Jun 13	30 Jun 12
	Appendix	$M	$M
Cash flows from operating activities			
Interest received		**34,868**	38,337
Interest paid		**(21,056)**	(25,456)
Other operating income received		**5,047**	5,133
Expenses paid		**(8,432)**	(8,537)
Income taxes paid		**(2,940)**	(2,372)
Net cash (outflows)/inflows from assets at fair value through Income Statement (excluding life insurance)		**(756)**	2,328
Net inflows/(outflows) from liabilities at fair value through Income Statement:			
Life insurance:			
Investment income		**2,551**	791
Premiums received [2]		**2,106**	2,138
Policy payments [2]		**(3,903)**	(3,032)
Other liabilities at fair value through Income Statement		**1,503**	(3,603)
Cash flows from operating activities before changes in operating assets and liabilities		**8,988**	5,727
Changes in operating assets and liabilities arising from cash flow movements			
Movement in available-for-sale investments:			
Purchases		**(45,429)**	(76,408)
Proceeds		**47,090**	62,865
Net change in deposits with regulatory authorities		**(2)**	(15)
Net increase in loans, bills discounted and other receivables		**(28,035)**	(25,754)
Net decrease in receivables due from other financial institutions [3]		**3,540**	49
Net increase in securities purchased under agreements to resell		**(699)**	(498)
Life insurance business:			
Purchase of insurance assets at fair value through Income Statement		**(2,591)**	(2,189)
Proceeds from sale/maturity of insurance assets at fair value through Income Statement		**3,832**	3,291
Net increase in other assets		**(265)**	(61)
Net increase in deposits and other public borrowings		**17,243**	35,750
Net increase in payables due to other financial institutions [3]		**2,123**	4,752
Net increase in securities sold under agreements to repurchase		**327**	1,183
Net increase in other liabilities		**455**	155
Changes in operating assets and liabilities arising from cash flow movements		**(2,411)**	3,120
Net cash provided by operating activities	19 (a)	**6,577**	8,847
Cash flows from investing activities			
Payments for acquisition of controlled entities	19 (d)	**-**	(125)
Net proceeds from disposal of entities and businesses (net of cash disposals)		**-**	21
Dividends received		**82**	52
Proceeds from sale of property, plant and equipment		**30**	25
Purchases of property, plant and equipment		**(642)**	(584)
Payments for acquistions of investments in associates/joint ventures		**(264)**	(85)
Purchase of intangible assets		**(464)**	(585)
Sale of assets held for sale		**2**	-
Net cash used in investing activities		**(1,256)**	(1,281)

(1) It should be noted that the Group does not use this accounting Statement of Cash Flows in the internal management of its liquidity positions.
(2) Represents gross premiums and policy payments before splitting between policyholders and shareholders.
(3) Cash and cash equivalents has been redefined to no longer include at call deposits with other financial institutions and settlement account balances with other banks. Comparative information has been restated to conform to presentation in the current year.

Consolidated Statement of Cash Flows [1] (continued)

For the year ended 30 June 2013

	Appendix	Full Year Ended 30 Jun 13 $M	30 Jun 12 $M
Cash flows from financing activities			
Proceeds from the issue of shares (net of issue costs)		**193**	2
Dividends paid (excluding Dividend Reinvestment Plan)		**(4,860)**	(3,748)
Proceeds from issuance of debt securities		**92,250**	162,430
Redemption of issued debt securities		**(93,691)**	(158,918)
Purchase of treasury shares		**(664)**	(96)
Sale of treasury shares		**634**	19
Issue of loan capital		**1,977**	-
Redemption of loan capital		**(2,215)**	(1,775)
Other [2]		**218**	132
Net cash used in financing activities		**(6,158)**	(1,954)
Net (decrease)/increase in cash and cash equivalents		**(837)**	5,612
Effect of foreign exchange rates on cash and cash equivalents [2]		**852**	266
Cash and cash equivalents at beginning of year [2]		**12,603**	6,725
Cash and cash equivalents at end of year	19 (b)	**12,618**	12,603

(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) Cash and cash equivalents has been redefined to no longer include at call deposits with other financial institutions and settlement account balances with other banks. Comparative information has been restated to conform to presentation in the current year.

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1. Net Interest Income

	Full Year Ended			Half Year Ended		
	30 Jun 13 $M	30 Jun 12 $M	Jun 13 vs Jun 12 %	30 Jun 13 $M	31 Dec 12 $M	Jun 13 vs Dec 12 %
Interest Income						
Loans and bills discounted	**32,020**	34,709	(8)	**15,682**	16,338	(4)
Other financial institutions	**64**	102	(37)	**30**	34	(12)
Cash and liquid assets	**187**	330	(43)	**88**	99	(11)
Assets at fair value through Income Statement	**450**	621	(28)	**230**	220	5
Available-for-sale investments	**2,018**	2,496	(19)	**929**	1,089	(15)
Total interest income - "statutory basis"	**34,739**	38,258	(9)	**16,959**	17,780	(5)
Interest Expense						
Deposits	**15,070**	17,633	(15)	**7,183**	7,887	(9)
Other financial institutions	**233**	185	26	**122**	111	10
Liabilities at fair value through Income Statement	**198**	320	(38)	**100**	98	2
Debt issues	**4,869**	6,492	(25)	**2,258**	2,611	(14)
Loan capital	**435**	506	(14)	**214**	221	(3)
Total interest expense - "statutory basis"	**20,805**	25,136	(17)	**9,877**	10,928	(10)
Net interest income - "statutory basis"	**13,934**	13,122	6	**7,082**	6,852	3

Net Interest Income – Reconciliation of Cash to Statutory Basis

The table below sets out the accounting impacts arising from the application of Australian Accounting Standards Board (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 Jun 13 $M	30 Jun 12 $M	Jun 13 vs Jun 12 %	30 Jun 13 $M	31 Dec 12 $M	Jun 13 vs Dec 12 %
Total interest income - "cash basis"	**34,754**	38,301	(9)	**16,960**	17,794	(5)
Fair value adjustment interest income	**(31)**	(26)	19	**(17)**	(14)	21
Hedging and IFRS volatility	**16**	(17)	large	**16**	-	-
Total interest income - "statutory basis"	**34,739**	38,258	(9)	**16,959**	17,780	(5)
Total interest expense - "cash basis"	**20,810**	25,144	(17)	**9,878**	10,932	(10)
Hedging and IFRS volatility	**(5)**	(8)	(38)	**(1)**	(4)	(75)
Total interest expense - "statutory basis"	**20,805**	25,136	(17)	**9,877**	10,928	(10)

2. Net Interest Margin

	Full Year Ended		Half Year Ended	
	30 Jun 13	30 Jun 12	30 Jun 13	31 Dec 12
	%	%	%	%
Australia				
Interest spread (1)	**1. 92**	1. 85	**1. 98**	1. 84
Benefit of interest-free liabilities, provisions and equity (2)	**0. 23**	0. 28	**0. 22**	0. 27
Net interest margin (3)	**2. 15**	2. 13	**2. 20**	2. 11
New Zealand				
Interest spread (1)	**1. 80**	1. 75	**1. 81**	1. 78
Benefit of interest-free liabilities, provisions and equity (2)	**0. 39**	0. 34	**0. 41**	0. 37
Net interest margin (3)	**2. 19**	2. 09	**2. 22**	2. 15
Other Overseas				
Interest spread (1)	**1. 26**	1. 30	**1. 24**	1. 28
Benefit of interest-free liabilities, provisions and equity (2)	**0. 04**	0. 06	**0. 04**	0. 04
Net interest margin (3)	**1. 30**	1. 36	**1. 28**	1. 32
Total Group				
Interest spread (1)	**1. 91**	1. 82	**1. 95**	1. 86
Benefit of interest-free liabilities, provisions and equity (2)	**0. 22**	0. 27	**0. 22**	0. 24
Net interest margin (3)	**2. 13**	2. 09	**2. 17**	2. 10

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

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

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

3. Average Balances and Related Interest

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 2013 and 30 June 2012 as well as half years ended 30 June 2013 and 31 December 2012. 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 75 basis points during the year while rates in New Zealand were unchanged.

	Full Year Ended 30 Jun 13			Full Year Ended 30 Jun 12		
	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield
Interest Earning Assets	$M	$M	%	$M	$M	%
Home loans [1]	360,319	20,264	5.62	345,544	22,652	6.56
Personal loans [2]	21,395	2,736	12.79	20,870	2,721	13.04
Business and corporate loans [1] [3]	168,296	9,035	5.37	162,409	9,371	5.77
Loans, bills discounted and other receivables	550,010	32,035	5.82	528,823	34,744	6.57
Cash and other liquid assets	27,539	251	0.91	28,034	432	1.54
Assets at fair value through Income Statement (excluding life insurance)	16,586	450	2.71	17,518	621	3.54
Available-for-sale investments	59,502	2,018	3.39	55,310	2,504	4.53
Non-lending interest earning assets	103,627	2,719	2.62	100,862	3,557	3.53
Total interest earning assets [4]	653,637	34,754	5.32	629,685	38,301	6.08
Non-interest earning assets	74,503			77,061		
Total average assets	728,140			706,746		

	Full Year Ended 30 Jun 13			Full Year Ended 30 Jun 12		
	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield
Interest Bearing Liabilities	$M	$M	%	$M	$M	%
Transaction deposits [1]	83,165	1,231	1.48	77,292	1,507	1.95
Saving deposits [1]	99,677	2,877	2.89	89,908	3,344	3.72
Investment deposits	199,953	8,234	4.12	188,098	9,615	5.11
Certificates of deposit and other [3]	60,154	2,726	4.53	62,424	3,167	5.07
Total interest bearing deposits	442,949	15,068	3.40	417,722	17,633	4.22
Payables due to other financial institutions	21,286	233	1.09	18,742	185	0.99
Liabilities at fair value through Income Statement	6,832	198	2.90	9,504	320	3.37
Debt issues	128,552	4,869	3.79	133,573	6,492	4.86
Loan capital	9,938	442	4.45	11,113	514	4.63
Total interest bearing liabilities	609,557	20,810	3.41	590,654	25,144	4.26
Non-interest bearing liabilities	75,129			76,843		
Total average liabilities	684,686			667,497		

(1) Comparisons between reporting periods are impacted by reclassification of products between categories.
(2) Personal loans include personal lending, credit cards and margin loans.
(3) Comparatives between reporting periods impacted by hedge accounting.
(4) Used for calculating Net interest margin.

3. Average Balances and Related Interest (continued)

Net Interest Margin	Full Year Ended 30 Jun 13 Avg Bal $M	Interest $M	Yield %	Full Year Ended 30 Jun 12 Avg Bal $M	Interest $M	Yield %
Total interest earning assets	653,637	34,754	5. 32	629,685	38,301	6. 08
Total interest bearing liabilities	609,557	20,810	3. 41	590,654	25,144	4. 26
Net interest income and interest spread		13,944	1. 91		13,157	1. 82
Benefit of free funds			0. 22			0. 27
Net interest margin			2. 13			2. 09

Geographical Analysis of Key Categories

	Full Year Ended 30 Jun 13 Avg Bal $M	Interest $M	Yield %	Full Year Ended 30 Jun 12 Avg Bal $M	Interest $M	Yield %
Loans, Bills Discounted and Other Receivables						
Australia	491,160	28,855	5. 87	475,066	31,720	6. 68
New Zealand (1)	47,651	2,778	5. 83	44,347	2,691	6. 07
Other Overseas (1)	11,199	402	3. 59	9,410	333	3. 54
Total	550,010	32,035	5. 82	528,823	34,744	6. 57
Non-Lending Interest Earning Assets						
Australia	72,095	2,446	3. 39	69,696	3,162	4. 54
New Zealand (1)	6,116	166	2. 71	7,428	180	2. 42
Other Overseas (1)	25,416	107	0. 42	23,738	215	0. 91
Total	103,627	2,719	2. 62	100,862	3,557	3. 53
Total Interest Bearing Deposits						
Australia	394,619	13,768	3. 49	371,365	16,173	4. 36
New Zealand (1)	30,459	1,179	3. 87	27,945	1,274	4. 56
Other Overseas (1)	17,871	121	0. 68	18,412	186	1. 01
Total	442,949	15,068	3. 40	417,722	17,633	4. 22
Other Interest Bearing Liabilities						
Australia	134,092	5,170	3. 86	141,244	7,068	5. 00
New Zealand (1)	12,256	443	3. 61	12,655	347	2. 74
Other Overseas (1)	20,260	129	0. 64	19,033	96	0. 50
Total	166,608	5,742	3. 45	172,932	7,511	4. 34

(1) The New Zealand and Other Overseas components comprise 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	Half Year Ended 30 Jun 13 Avg Bal $M	Interest $M	Yield %	Half Year Ended 31 Dec 12 Avg Bal $M	Interest $M	Yield %	Half Year Ended 30 Jun 12 Avg Bal $M	Interest $M	Yield %
Home loans (1)	365,040	9,860	5. 45	355,674	10,404	5. 80	349,266	11,021	6. 35
Personal loans (2)	21,761	1,373	12. 72	21,036	1,363	12. 85	21,034	1,373	13. 13
Business and corporate loans (1) (3)	167,859	4,450	5. 35	168,726	4,585	5. 39	163,963	4,713	5. 78
Loans, bills discounted and other receivables	554,660	15,683	5. 70	545,436	16,352	5. 95	534,263	17,107	6. 44
Cash and liquid assets	26,460	118	0. 90	28,600	133	0. 92	28,638	206	1. 45
Assets at fair value through Income Statement (excluding life insurance)	17,842	230	2. 60	15,351	220	2. 84	14,135	221	3. 14
Available-for-sale investments	58,989	929	3. 18	60,007	1,089	3. 60	59,511	1,277	4. 32
Non-lending interest earning assets	103,291	1,277	2. 49	103,958	1,442	2. 75	102,284	1,704	3. 35
Total interest earning assets (4)	657,951	16,960	5. 20	649,394	17,794	5. 44	636,547	18,811	5. 94
Non-interest earning assets	77,077			71,972			77,514		
Total average assets	735,028			721,366			714,061		

Interest Bearing Liabilities	Half Year Ended 30 Jun 13 Avg Bal $M	Interest $M	Yield %	Half Year Ended 31 Dec 12 Avg Bal $M	Interest $M	Yield %	Half Year Ended 30 Jun 12 Avg Bal $M	Interest $M	Yield %
Transaction deposits (1)	84,309	616	1. 47	82,040	615	1. 49	77,099	709	1. 85
Saving deposits (1)	103,625	1,409	2. 74	95,793	1,468	3. 04	91,067	1,586	3. 50
Investment deposits	201,792	3,915	3. 91	198,143	4,319	4. 32	192,332	4,765	4. 98
Certificates of deposit and other (3)	56,766	1,241	4. 41	63,490	1,485	4. 64	61,571	1,528	4. 99
Total interest bearing deposits	446,492	7,181	3. 24	439,466	7,887	3. 56	422,069	8,588	4. 09
Payables due to other financial institutions	20,719	122	1. 19	21,844	111	1. 01	19,979	86	0. 87
Liabilities at fair value through Income Statement	7,422	100	2. 72	6,253	98	3. 11	8,434	124	2. 96
Debt issues	129,467	2,258	3. 52	127,652	2,611	4. 06	134,785	3,254	4. 85
Loan capital	9,679	217	4. 52	10,193	225	4. 38	10,606	246	4. 66
Total interest bearing liabilities	613,779	9,878	3. 25	605,408	10,932	3. 58	595,873	12,298	4. 15
Non-interest bearing liabilities	76,760			73,522			77,758		
Total average liabilities	690,539			678,930			673,631		

(1) Comparisons between reporting periods are impacted by reclassification of products between categories.
(2) Personal loans include personal lending, credit cards and margin loans.
(3) Comparatives between reporting periods impacted by hedge accounting.
(4) Used for calculating Net interest margin.

3. Average Balances and Related Interest (continued)

Net Interest Margin	Half Year Ended 30 Jun 13 Avg Bal $M	Interest $M	Yield %	Half Year Ended 31 Dec 12 Avg Bal $M	Interest $M	Yield %	Half Year Ended 30 Jun 12 Avg Bal $M	Interest $M	Yield %
Total interest earning assets	657,951	16,960	5. 20	649,394	17,794	5. 44	636,547	18,811	5. 94
Total interest bearing liabilities	613,779	9,878	3. 25	605,408	10,932	3. 58	595,873	12,298	4. 15
Net interest income and interest spread		7,082	1. 95		6,862	1. 86		6,513	1. 79
Benefit of free funds			0. 22			0. 24			0. 27
Net interest margin			2. 17			2. 10			2. 06

Geographical analysis of key categories

	Half Year Ended 30 Jun 13 Avg Bal $M	Interest $M	Yield %	Half Year Ended 31 Dec 12 Avg Bal $M	Interest $M	Yield %	Half Year Ended 30 Jun 12 Avg Bal $M	Interest $M	Yield %
Loans, Bills Discounted and Other Receivables									
Australia	493,164	14,046	5. 74	489,189	14,809	6. 01	479,738	15,589	6. 53
New Zealand (1)	49,492	1,432	5. 83	45,840	1,346	5. 82	44,541	1,341	6. 05
Other Overseas (1)	12,004	205	3. 44	10,407	197	3. 76	9,984	177	3. 57
Total	554,660	15,683	5. 70	545,436	16,352	5. 95	534,263	17,107	6. 44
Non-Lending Interest Earning Assets									
Australia	72,574	1,144	3. 18	71,625	1,302	3. 61	70,635	1,504	4. 28
New Zealand (1)	5,960	81	2. 74	6,270	85	2. 69	7,453	89	2. 40
Other Overseas (1)	24,757	52	0. 42	26,063	55	0. 42	24,196	111	0. 92
Total	103,291	1,277	2. 49	103,958	1,442	2. 75	102,284	1,704	3. 35
Total Interest Bearing Deposits									
Australia	398,279	6,518	3. 30	391,021	7,250	3. 68	374,237	7,847	4. 22
New Zealand (1)	31,573	607	3. 88	29,363	572	3. 86	28,832	643	4. 48
Other Overseas (1)	16,640	56	0. 68	19,082	65	0. 68	19,000	98	1. 04
Total	446,492	7,181	3. 24	439,466	7,887	3. 56	422,069	8,588	4. 09
Other Interest Bearing Liabilities									
Australia	135,499	2,401	3. 57	132,711	2,769	4. 14	142,432	3,499	4. 94
New Zealand (1)	12,977	237	3. 68	11,547	206	3. 54	11,818	159	2. 71
Other Overseas (1)	18,811	59	0. 63	21,684	70	0. 64	19,554	52	0. 53
Total	167,287	2,697	3. 25	165,942	3,045	3. 64	173,804	3,710	4. 29

(1) The New Zealand and Other Overseas components comprise 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

	Full Year Ended Jun 13 vs Jun 12			Full 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	900	(3,288)	(2,388)	994	(770)	224
Personal loans	68	(53)	15	25	69	94
Business and corporate loans	328	(664)	(336)	202	(175)	27
Loans, bills discounted and other receivables	1,313	(4,022)	(2,709)	1,237	(892)	345
Cash and liquid assets	(6)	(175)	(181)	22	27	49
Assets at fair value through Income Statement (excluding life insurance)	(29)	(142)	(171)	(154)	(76)	(230)
Available-for-sale investments	166	(652)	(486)	763	(129)	634
Non-lending interest earning assets	85	(923)	(838)	486	(33)	453
Total interest earning assets	1,365	(4,912)	(3,547)	1,995	(1,197)	798

	Full Year Ended Jun 13 vs Jun 12			Full 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	101	(377)	(276)	119	(126)	(7)
Saving deposits	323	(790)	(467)	267	(200)	67
Investment deposits	547	(1,928)	(1,381)	874	(265)	609
Certificates of deposit and other	(109)	(332)	(441)	112	(105)	7
Total interest bearing deposits	962	(3,527)	(2,565)	1,372	(696)	676
Payables due to other financial institutions	26	22	48	51	(88)	(37)
Liabilities at fair value through Income Statement	(84)	(38)	(122)	(135)	(55)	(190)
Debt issues	(217)	(1,406)	(1,623)	31	(129)	(98)
Loan capital	(53)	(19)	(72)	(59)	(6)	(65)
Total interest bearing liabilities	725	(5,059)	(4,334)	1,373	(1,087)	286

(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).

	Full Year Ended	
	Jun 13 vs Jun 12	Jun 12 vs Jun 11
	Increase/(Decrease)	Increase/(Decrease)
Change in Net Interest Income (1)	$M	$M
Due to changes in average volume of interest earning assets	506	679
Due to changes in interest margin	281	(167)
Change in net interest income	787	512

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

4. Interest Rate and Volume Analysis (continued)

Geographical analysis of key categories [1]

	Full Year Ended Jun 13 vs Jun 12			Full Year Ended Jun 12 vs Jun 11		
	Volume	Rate	Total	Volume	Rate	Total
	$M	$M	$M	$M	$M	$M
Loans, Bills Discounted and Other Receivables						
Australia	1,010	(3,875)	(2,865)	1,151	(726)	425
New Zealand	197	(110)	87	7	(139)	(132)
Other Overseas	64	5	69	51	1	52
Total	1,313	(4,022)	(2,709)	1,237	(892)	345
Non-Lending Interest Earning Assets						
Australia	95	(811)	(716)	476	(45)	431
New Zealand	(34)	20	(14)	18	(22)	(4)
Other Overseas	11	(119)	(108)	24	2	26
Total	85	(923)	(838)	486	(33)	453
Total Interest Bearing Deposits						
Australia	912	(3,317)	(2,405)	1,218	(591)	627
New Zealand	106	(201)	(95)	209	(164)	45
Other Overseas	(5)	(60)	(65)	1	3	4
Total	962	(3,527)	(2,565)	1,372	(696)	676
Other Interest Bearing Liabilities						
Australia	(317)	(1,581)	(1,898)	(87)	(180)	(267)
New Zealand	(13)	109	96	(100)	(53)	(153)
Other Overseas	7	26	33	24	6	30
Total	(246)	(1,523)	(1,769)	(13)	(377)	(390)

(1) The volume and rate variances for loans, bills discounted and other receivables, non-lending interest earning assets, total interest bearing deposits and other 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 13 vs Dec 12			Half Year Ended Jun 13 vs Jun 12		
	Volume	Rate	Total	Volume	Rate	Total
Interest Earning Assets (1)	$M	$M	$M	$M	$M	$M
Home loans	263	(807)	(544)	462	(1,623)	(1,161)
Personal loans	46	(36)	10	47	(47)	-
Business and corporate loans	(23)	(112)	(135)	108	(371)	(263)
Loans, bills discounted and other receivables	269	(938)	(669)	615	(2,039)	(1,424)
Cash and liquid assets	(10)	(5)	(15)	(13)	(75)	(88)
Assets at fair value through Income Statement (excluding life insurance)	34	(24)	10	53	(44)	9
Available-for-sale investments	(17)	(143)	(160)	(10)	(338)	(348)
Non-lending interest earning assets	(9)	(156)	(165)	15	(442)	(427)
Total interest earning assets	228	(1,062)	(834)	592	(2,443)	(1,851)

	Half Year Ended Jun 13 vs Dec 12			Half Year Ended Jun 13 vs Jun 12		
	Volume	Rate	Total	Volume	Rate	Total
Interest Bearing Liabilities (1)	$M	$M	$M	$M	$M	$M
Transaction deposits	17	(16)	1	59	(152)	(93)
Saving deposits	113	(172)	(59)	195	(372)	(177)
Investment deposits	75	(479)	(404)	209	(1,059)	(850)
Certificates of deposit and other	(152)	(92)	(244)	(112)	(175)	(287)
Total interest bearing deposits	120	(826)	(706)	445	(1,852)	(1,407)
Payables due to other financial institutions	(6)	17	11	4	32	36
Liabilities at fair value through Income Statement	17	(15)	2	(14)	(10)	(24)
Debt issues	34	(387)	(353)	(111)	(885)	(996)
Loan capital	(11)	3	(8)	(21)	(8)	(29)
Total interest bearing liabilities	143	(1,197)	(1,054)	329	(2,749)	(2,420)

	Half Year Ended	
	Jun 13 vs Dec 12	Jun 13 vs Jun 12
	Increase/(Decrease)	Increase/(Decrease)
Change in Net Interest Income (2)	$M	$M
Due to changes in average volume of interest earning assets	91	225
Due to changes in interest margin	241	344
Due to variation in time period	(112)	-
Change in net interest income	220	569

(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).

(2) "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).

4. Interest Rate and Volume Analysis (continued)

Geographical analysis of key categories [1]	Half Year Ended Jun 13 vs Dec 12 Volume $M	Rate $M	Total $M	Half Year Ended Jun 13 vs Jun 12 Volume $M	Rate $M	Total $M
Loans, Bills Discounted and Other Receivables						
Australia	117	(880)	(763)	409	(1,952)	(1,543)
New Zealand	106	(20)	86	146	(55)	91
Other Overseas	29	(21)	8	35	(7)	28
Total	269	(938)	(669)	615	(2,039)	(1,424)
Non-Lending Interest Earning Assets						
Australia	16	(174)	(158)	53	(413)	(360)
New Zealand	(4)	-	(4)	(19)	11	(8)
Other Overseas	(3)	-	(3)	(1)	(58)	(59)
Total	(9)	(156)	(165)	15	(442)	(427)
Total Interest Bearing Deposits						
Australia	127	(859)	(732)	449	(1,778)	(1,329)
New Zealand	43	(8)	35	57	(93)	(36)
Other Overseas	(8)	(1)	(9)	(10)	(32)	(42)
Total	120	(826)	(706)	445	(1,852)	(1,407)
Other Interest Bearing Liabilities						
Australia	54	(422)	(368)	(147)	(951)	(1,098)
New Zealand	26	5	31	18	60	78
Other Overseas	(9)	(2)	(11)	(2)	9	7
Total	23	(371)	(348)	(122)	(891)	(1,013)

(1) The volume and rate variances for loans, bills discounted and other receivables, non-lending interest earning assets, total interest bearing deposits and other 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 Jun 13 $M	30 Jun 12 $M	Jun 13 vs Jun 12 %	30 Jun 13 $M	31 Dec 12 $M	Jun 13 vs Dec 12 %
Lending fees	**1,053**	997	6	**544**	509	7
Commissions	**1,990**	1,997	-	**997**	993	-
Trading income	**863**	522	65	**420**	443	(5)
Net gain on disposal of available-for-sale investments	**31**	81	(62)	**(5)**	36	large
Net gain/(loss) on disposal of other non-fair valued financial instruments	**(41)**	2	large	**(41)**	-	-
Net gain/(loss) on sale of property, plant and equipment	**(14)**	39	large	**(5)**	(9)	(44)
Net hedging ineffectiveness	**(25)**	39	large	**(20)**	(5)	large
Net gain/(loss) on other fair valued financial instruments:						
Fair value through Income Statement	**(1)**	48	large	**-**	(1)	large
Non-trading derivatives	**28**	85	(67)	**38**	(10)	large
Dividends	**9**	6	50	**5**	4	25
Share of profit of associates and joint ventures	**165**	95	74	**98**	67	46
Other	**179**	178	1	**86**	93	(8)
Total other banking income	**4,237**	4,089	4	**2,117**	2,120	-

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 Jun 13 $M	30 Jun 12 $M	Jun 13 vs Jun 12 %	30 Jun 13 $M	31 Dec 12 $M	Jun 13 vs Dec 12 %
Other banking income ("cash basis")	**4,221**	3,927	7	**2,086**	2,135	(2)
Revenue hedge of New Zealand operations - unrealised	**(30)**	10	large	**(22)**	(8)	large
Hedging and IFRS volatility	**46**	152	(70)	**53**	(7)	large
Other banking income ("statutory basis")	**4,237**	4,089	4	**2,117**	2,120	-

6. Operating Expenses

	Full Year Ended			Half Year Ended		
	30 Jun 13 $M	30 Jun 12 $M	Jun 13 vs Jun 12 %	30 Jun 13 $M	31 Dec 12 $M	Jun 13 vs Dec 12 %
Staff Expenses						
Salaries and wages	**4,250**	4,136	3	**2,142**	2,108	2
Share-based compensation	**192**	185	4	**98**	94	4
Superannuation - defined contribution plans	**58**	42	38	**38**	20	90
Superannuation - defined benefit plan	**204**	168	21	**94**	110	(15)
Provisions for employee entitlements	**96**	101	(5)	**42**	54	(22)
Payroll tax	**223**	213	5	**111**	112	(1)
Fringe benefits tax	**35**	35	-	**15**	20	(25)
Other staff expenses	**90**	67	34	**44**	46	(4)
Total staff expenses	**5,148**	4,947	4	**2,584**	2,564	1
Occupancy and Equipment Expenses						
Operating lease rentals	**580**	585	(1)	**292**	288	1
Depreciation of property, plant and equipment	**298**	270	10	**151**	147	3
Repairs and maintenance	**92**	90	2	**48**	44	9
Other	**112**	111	1	**55**	57	(4)
Total occupancy and equipment expenses	**1,082**	1,056	2	**546**	536	2
Information Technology Services						
Application maintenance and development	**439**	322	36	**228**	211	8
Data processing	**236**	241	(2)	**125**	111	13
Desktop	**100**	105	(5)	**50**	50	-
Communications	**202**	226	(11)	**99**	103	(4)
Amortisation of software assets	**245**	183	34	**133**	112	19
IT equipment depreciation	**77**	82	(6)	**37**	40	(8)
Total information technology services	**1,299**	1,159	12	**672**	627	7
Other Expenses						
Postage	**114**	112	2	**57**	57	-
Stationery	**85**	85	-	**39**	46	(15)
Fees and commissions:						
Fees payable on trust and other fiduciary activities	**539**	563	(4)	**276**	263	5
Professional fees	**230**	188	22	**132**	98	35
Other	**129**	122	6	**65**	64	2
Advertising, marketing and loyalty	**463**	459	1	**238**	225	6
Amortisation of intangible assets (excluding software and merger related amortisation)	**20**	18	11	**9**	11	(18)
Non-lending losses	**67**	81	(17)	**32**	35	(9)
Other	**429**	406	6	**200**	229	(13)
Total other expenses	**2,076**	2,034	2	**1,048**	1,028	2
Investment and Restructuring						
Integration expenses (1)	**-**	60	large	**-**	-	-
Merger related amortisation (2)	**75**	75	-	**38**	37	3
Total investment and restructuring	**75**	135	(44)	**38**	37	3
Total operating expenses	**9,680**	9,331	4	**4,888**	4,792	2

(1) Integration expenses relate to the Count Financial Limited acquisition.
(2) Merger related amortisation relates to Bankwest core deposits and customer lists.

7. Income Tax Expense

	Full Year Ended		Half Year Ended	
	30 Jun 13	30 Jun 12	30 Jun 13	31 Dec 12
	$M	$M	$M	$M
Profit before Income Tax	**10,728**	9,964	**5,561**	5,167
Prima facie income tax at 30%	**3,218**	2,989	**1,668**	1,550
Effect of amounts which are non-deductible/(assessable) in calculating taxable income:				
Taxation offsets and other dividend adjustments	**(3)**	(3)	**(3)**	-
Tax adjustment referable to policyholder income	**79**	86	**20**	59
Tax losses not previously brought to account	**(18)**	(28)	**(7)**	(11)
Offshore tax rate differential	**(89)**	(83)	**(50)**	(39)
Offshore banking unit	**(33)**	(36)	**(17)**	(16)
Investment allowance	**-**	-	**-**	-
Effect of changes in tax rates	**-**	-	**-**	-
Income tax (over)/under provided in previous years	**(50)**	22	**(50)**	-
Other	**(69)**	(89)	**(24)**	(45)
Total income tax expense	**3,035**	2,858	**1,537**	1,498
Corporate tax expense	**2,923**	2,736	**1,509**	1,414
Policyholder tax expense	**112**	122	**28**	84
Total income tax expense	**3,035**	2,858	**1,537**	1,498

Effective Tax Rate [(1)]	%	%	%	%
Total – corporate	**27. 5**	27. 8	**27. 3**	27. 8
Retail Banking Services – corporate	**29. 8**	29. 6	**29. 7**	29. 9
Business and Private Banking – corporate	**29. 7**	30. 1	**29. 3**	30. 1
Institutional Banking and Markets – corporate	**23. 1**	21. 3	**23. 1**	23. 0
Wealth Management – corporate	**27. 7**	27. 6	**27. 3**	28. 1
New Zealand – corporate	**24. 6**	25. 7	**24. 5**	24. 6
Bankwest – corporate	**29. 8**	33. 0	**30. 3**	29. 2

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

8. Loans, Bills Discounted and Other Receivables

	As at		
	30 Jun 13	31 Dec 12	30 Jun 12
	$M	$M	$M
Australia			
Overdrafts	**20,039**	21,555	21,497
Home loans (1)	**338,023**	327,626	322,918
Credit card outstandings	**11,457**	11,331	11,149
Lease financing	**4,328**	4,087	4,250
Bills discounted	**22,017**	19,703	16,777
Term loans (1)	**101,141**	98,013	99,902
Other lending	**271**	648	625
Other securities	**7**	7	7
Total Australia	**497,283**	482,970	477,125
New Zealand			
Overdrafts	**797**	694	697
Home loans	**33,989**	30,674	29,326
Credit card outstandings	**676**	646	603
Lease financing	**332**	340	358
Term loans	**16,240**	15,030	14,016
Total New Zealand	**52,034**	47,384	45,000
Other Overseas			
Overdrafts	**301**	212	194
Home loans	**828**	758	737
Lease financing	**60**	114	120
Term loans	**12,252**	9,623	9,204
Total Other Overseas	**13,441**	10,707	10,255
Gross loans, bills discounted and other receivables	**562,758**	541,061	532,380
Less:			
Provisions for Loan Impairment:			
Collective provision	**(2,827)**	(2,840)	(2,819)
Individually assessed provisions	**(1,628)**	(1,845)	(2,008)
Unearned income:			
Term loans	**(900)**	(969)	(1,032)
Lease financing	**(755)**	(762)	(839)
	(6,110)	(6,416)	(6,698)
Net loans, bills discounted and other receivables	**556,648**	534,645	525,682

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

9. Provisions for Impairment and Asset Quality

	As at 30 June 2013				
	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	232,660	3,582	722	101,299	338,263
Pass Grade	118,036	14,134	7,687	50,040	189,897
Weak	9,043	3,547	98	2,615	15,303
Total loans which were neither past due nor impaired	359,739	21,263	8,507	153,954	543,463
Loans which were past due but not impaired (2)					
Past due 1 - 29 days	7,194	769	77	1,141	9,181
Past due 30 - 59 days	1,971	216	29	235	2,451
Past due 60 - 89 days	967	120	11	253	1,351
Past due 90 - 179 days	971	5	3	154	1,133
Past due 180 days or more	900	20	-	273	1,193
Total loans past due but not impaired	12,003	1,130	120	2,056	15,309

	As at 30 June 2012				
	Home Loans (1) $M	Other Personal (1) $M	Asset Financing $M	Other Commercial Industrial (1) $M	Total $M
Loans which were neither past due nor impaired					
Investment Grade	206,909	4,074	526	94,434	305,943
Pass Grade	122,391	13,417	7,829	45,326	188,963
Weak	10,233	3,605	77	3,753	17,668
Total loans which were neither past due nor impaired	339,533	21,096	8,432	143,513	512,574
Loans which were past due but not impaired (2)					
Past due 1 - 29 days	6,701	775	110	1,007	8,593
Past due 30 - 59 days	2,038	194	52	154	2,438
Past due 60 - 89 days	1,108	112	15	101	1,336
Past due 90 - 179 days	1,274	7	4	137	1,422
Past due 180 days or more	1,255	22	9	169	1,455
Total loans past due but not impaired	12,376	1,110	190	1,568	15,244

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

(2) Included in these balances are credit card facilities and other unsecured portfolio managed facilities up to 90 days past due. At 90 days past due the loans are classified as impaired.

9. Provisions for Impairment and Asset Quality (continued)

	Full Year Ended		Half Year Ended	
	30 Jun 13	30 Jun 12	30 Jun 13	31 Dec 12
	$M	$M	$M	$M
Movement in impairment and asset quality (1)				
Gross impaired assets - opening balance (1)	**4,687**	5,502	**4,480**	4,687
New and increased (1)	**3,016**	3,389	**1,469**	1,547
Balances written off	**(1,774)**	(1,687)	**(823)**	(951)
Returned to performing or repaid	**(2,165)**	(3,040)	**(1,088)**	(1,077)
Portfolio managed - new/increased/return to performing/repaid (1)	**566**	523	**292**	274
Gross impaired assets - closing balance (2)	**4,330**	4,687	**4,330**	4,480

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

(2) Includes $3,986 million of loans and advances and $344 million of other financial assets (30 June 2012: $4,562 million of loans and advances and $125 million of other financial assets.

	As at	
	30 Jun 13	30 Jun 12
	$M	$M
Impaired assets by size of asset		
Less than $1 million (1)	**1,544**	1,294
$1 million to $10 million	**1,305**	1,469
Greater than $10 million	**1,481**	1,924
Gross impaired assets	**4,330**	4,687
Less total provisions for impaired assets (1)	**(1,759)**	(2,131)
Net impaired assets	**2,571**	2,556

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

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.

	Full Year Ended		Half Year Ended	
	30 Jun 13	30 Jun 12	30 Jun 13	31 Dec 12
	$M	$M	$M	$M
Provisions for impairment losses				
Collective provision				
Opening balance	**2,837**	3,043	**2,858**	2,837
Net collective provision funding	**559**	312	**260**	299
Impairment losses written off	**(695)**	(740)	**(346)**	(349)
Impairment losses recovered	**154**	228	**80**	74
Other	**3**	(6)	**6**	(3)
Closing balance	**2,858**	2,837	**2,858**	2,858
Individually assessed provisions				
Opening balance	**2,008**	2,125	**1,845**	2,008
Net new and increased individual provisioning	**937**	1,202	**416**	521
Write-back of provisions no longer required	**(350)**	(425)	**(210)**	(140)
Discount unwind to interest income	**(90)**	(122)	**(39)**	(51)
Other	**317**	365	**149**	168
Impairment losses written off	**(1,194)**	(1,137)	**(533)**	(661)
Closing balance	**1,628**	2,008	**1,628**	1,845
Total provisions for impairment losses	**4,486**	4,845	**4,486**	4,703
Less: Off balance sheet provisions	**(31)**	(18)	**(31)**	(18)
Total provisions for loan impairment	**4,455**	4,827	**4,455**	4,685

	Full Year Ended		Half Year Ended	
	30 Jun 13	30 Jun 12	30 Jun 13	31 Dec 12
	%	%	%	%
Provision ratios				
Collective provision as a % of credit risk weighted assets - Basel III	**1. 02**	n/a	**1. 02**	n/a
Total provisions as a % of credit risk weighted assets - Basel III	**1. 60**	n/a	**1. 60**	n/a
Collective provision as a % of credit risk weighted assets - Basel 2.5	**n/a**	1. 09	**n/a**	1. 11
Total provisions as a % of credit risk weighted assets - Basel 2.5	**n/a**	1. 85	**n/a**	1. 82
Total provisions for impaired assets as a % of gross impaired assets (1)	**40. 62**	45. 47	**40. 62**	43. 71
Total provisions for impairment losses as a % of gross loans and acceptances	**0. 79**	0. 89	**0. 79**	0. 86

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

	Full Year Ended		Half Year Ended	
	30 Jun 13	30 Jun 12	30 Jun 13	31 Dec 12
	$M	$M	$M	$M
Loan impairment expense				
Net collective provisioning funding	**559**	312	**260**	299
Net new and increased individual provisioning	**937**	1,202	**416**	521
Write-back of individually assessed provisions	**(350)**	(425)	**(210)**	(140)
Total loan impairment expense	**1,146**	1,089	**466**	680

10. Deposits and Other Public Borrowings

	As at		
	30 Jun 13	31 Dec 12	30 Jun 12
	$M	$M	$M
Australia			
Certificates of deposit	**42,346**	48,123	45,839
Term deposits	**157,959**	154,698	152,543
On demand and short term deposits	**195,017**	184,199	176,866
Deposits not bearing interest	**8,891**	8,415	7,530
Securities sold under agreements to repurchase	**5,502**	4,592	5,245
Total Australia	**409,715**	400,027	388,023
New Zealand			
Certificates of deposit	**81**	352	254
Term deposits	**18,959**	17,670	17,710
On demand and short term deposits	**13,379**	11,576	10,732
Deposits not bearing interest	**1,977**	1,921	1,661
Securities sold under agreements to repurchase	**70**	19	-
Total New Zealand	**34,466**	31,538	30,357
Other Overseas			
Certificates of deposit	**6,157**	9,408	7,002
Term deposits	**7,922**	6,361	11,266
On demand and short term deposits	**1,085**	957	916
Deposits not bearing interest	**84**	102	91
Securities sold under agreements to repurchase	**-**	17	-
Total Other Overseas	**15,248**	16,845	19,275
Total deposits and other public borrowings	**459,429**	448,410	437,655

11. Financial Reporting by Segments

	Full Year Ended 30 June 2013							
	Retail Banking Services $M	Business and Private Banking $M	Institutional Banking and Markets $M	Wealth Management $M	New Zealand $M	Bankwest $M	IFS and Other $M	Total $M
Net interest income	6,427	2,942	1,344	-	1,109	1,537	585	**13,944**
Other banking income	1,520	810	1,289	-	240	210	152	**4,221**
Total banking income	7,947	3,752	2,633	-	1,349	1,747	737	**18,165**
Funds management income	-	-	-	2,075	54	-	17	**2,146**
Insurance income	-	-	-	716	247	-	71	**1,034**
Total operating income	7,947	3,752	2,633	2,791	1,650	1,747	825	**21,345**
Investment experience (1)	-	-	-	157	6	-	(9)	**154**
Total income	7,947	3,752	2,633	2,948	1,656	1,747	816	**21,499**
Operating expenses (2)	(3,063)	(1,355)	(901)	(2,008)	(767)	(825)	(686)	**(9,605)**
Loan impairment expense	(533)	(280)	(154)	-	(45)	(118)	48	**(1,082)**
Net profit before tax	4,351	2,117	1,578	940	844	804	178	**10,812**
Corporate tax expense	(1,297)	(629)	(368)	(253)	(209)	(243)	22	**(2,977)**
Non-controlling interests	-	-	-	-	-	-	(16)	**(16)**
Net profit after tax ("cash basis") (3)	3,054	1,488	1,210	687	635	561	184	**7,819**
Hedging and IFRS volatility	-	-	-	-	(24)	-	51	**27**
Other non-cash items	-	-	(45)	(53)	-	(71)	-	**(169)**
Net profit after tax ("statutory basis")	3,054	1,488	1,165	634	611	490	235	**7,677**
Additional information								
Intangible asset amortisation	(31)	(43)	(24)	(14)	(27)	(75)	(126)	**(340)**
Depreciation	(7)	(15)	(66)	(3)	(29)	(37)	(218)	**(375)**
Balance Sheet								
Total assets	264,713	103,605	144,813	20,508	58,060	73,882	88,295	**753,876**
Acquisition of property, plant and equipment, intangibles and other non-current assets	1	11	359	3	69	40	187	**670**
Investment in associates	257	30	9	892	-	-	1,093	**2,281**
Total liabilities	181,122	71,667	143,139	22,882	52,793	42,007	194,774	**708,384**

(1) Investment experience is presented on a pre-tax basis.
(2) Operating expenses include volume related expenses.
(3) 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 items for the year are Bell Group litigation, treasury shares valuation adjustment, unrealised gains and losses relating to hedging and IFRS volatility, and Bankwest non-cash items.

11. Financial Reporting by Segments (continued)

	Full Year Ended 30 June 2012 [1]							
	Retail Banking Services $M	Business and Private Banking $M	Institutional Banking and Markets $M	Wealth Management $M	New Zealand $M	Bankwest $M	IFS and Other $M	Total $M
Net interest income	5,939	2,921	1,489	-	1,013	1,462	333	**13,157**
Other banking income	1,451	860	901	-	214	201	300	**3,927**
Total banking income	7,390	3,781	2,390	-	1,227	1,663	633	**17,084**
Funds management income	-	-	-	1,888	44	-	25	**1,957**
Insurance income	-	-	-	691	227	-	42	**960**
Total operating income	7,390	3,781	2,390	2,579	1,498	1,663	700	**20,001**
Investment experience [2]	-	-	-	194	(11)	-	(34)	**149**
Total income	7,390	3,781	2,390	2,773	1,487	1,663	666	**20,150**
Operating expenses [3]	(2,965)	(1,350)	(840)	(1,909)	(724)	(848)	(560)	**(9,196)**
Loan impairment expense	(583)	(266)	(154)	-	(37)	(61)	12	**(1,089)**
Net profit before tax	3,842	2,165	1,396	864	726	754	118	**9,865**
Corporate tax expense	(1,139)	(652)	(298)	(235)	(185)	(227)	-	**(2,736)**
Non-controlling interests	-	-	-	-	-	-	(16)	**(16)**
Net profit after tax ("cash basis") [4]	2,703	1,513	1,098	629	541	527	102	**7,113**
Hedging and IFRS volatility	-	-	-	-	28	-	96	**124**
Other non-cash items	-	-	-	(58)	-	(89)	-	**(147)**
Net profit after tax ("statutory basis")	2,703	1,513	1,098	571	569	438	198	**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	250,166	99,786	143,155	20,643	51,456	73,963	79,690	**718,859**
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	167,018	70,531	137,516	21,081	47,226	46,833	187,082	**677,287**

(1) Comparative information has been restated to conform to presentation in the current year.
(2) Investment experience is presented on a pre-tax basis.
(3) Operating expenses include volume related expenses.
(4) 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.

11. Financial Reporting by Segments (continued)

	Half Year Ended 30 June 2013							
	Retail Banking Services $M	Business and Private Banking $M	Institutional Banking and Markets $M	Wealth Management $M	New Zealand $M	Bankwest $M	IFS and Other $M	Total $M
Net interest income	3,265	1,470	650	-	579	776	342	**7,082**
Other banking income	764	402	655	-	113	100	52	**2,086**
Total banking income	4,029	1,872	1,305	-	692	876	394	**9,168**
Funds management income	-	-	-	1,077	29	-	7	**1,113**
Insurance income	-	-	-	348	134	-	47	**529**
Total operating income	4,029	1,872	1,305	1,425	855	876	448	**10,810**
Investment experience (1)	-	-	-	71	3	-	(4)	**70**
Total income	4,029	1,872	1,305	1,496	858	876	444	**10,880**
Operating expenses (2)	(1,539)	(677)	(459)	(1,016)	(402)	(409)	(348)	**(4,850)**
Loan impairment expense	(287)	(130)	(57)	-	(23)	(32)	63	**(466)**
Net profit before tax	2,203	1,065	789	480	433	435	159	**5,564**
Corporate tax expense	(655)	(312)	(182)	(127)	(107)	(132)	(2)	**(1,517)**
Non-controlling interests	-	-	-	-	-	-	(8)	**(8)**
Net profit after tax ("cash basis") (3)	1,548	753	607	353	326	303	149	**4,039**
Hedging and IFRS volatility	-	-	-	-	(18)	-	55	**37**
Other non-cash items	-	-	-	(22)	-	(38)	-	**(60)**
Net profit after tax ("statutory basis")	1,548	753	607	331	308	265	204	**4,016**
Additional information								
Intangible asset amortisation	(16)	(21)	(15)	(7)	(14)	(37)	(70)	**(180)**
Depreciation	(4)	(8)	(35)	(1)	(15)	(18)	(107)	**(188)**
Balance Sheet								
Total assets	264,713	103,605	144,813	20,508	58,060	73,882	88,295	**753,876**
Acquisition of property, plant and equipment, intangibles and other non-current assets	1	-	235	1	48	7	60	**352**
Investment in associates	257	30	9	892	-	-	1,093	**2,281**
Total liabilities	181,122	71,667	143,139	22,882	52,793	42,007	194,774	**708,384**

(1) Investment experience is presented on a pre-tax basis.
(2) Operating expenses include volume related expenses.
(3) 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 items for the period are treasury shares valuation adjustment, unrealised gains and losses related to hedging and IFRS volatility, and Bankwest non-cash-items.

11. Financial Reporting by Segments (continued)

	Full Year Ended			
Geographical Information	**30 Jun 13**	**30 Jun 13**	**30 Jun 12**	**30 Jun 12**
Financial Performance & Position	**$M**	**%**	**$M**	**%**
Income				
Australia	**39,184**	**87. 3**	41,809	88. 6
New Zealand	**3,890**	**8. 7**	3,708	7. 9
Other locations (1)	**1,793**	**4. 0**	1,676	3. 5
Total income	**44,867**	**100. 0**	47,193	100. 0
Non-Current Assets				
Australia	**14,211**	**92. 2**	13,594	92. 6
New Zealand	**1,023**	**6. 6**	917	6. 2
Other locations (1)	**188**	**1. 2**	171	1. 2
Total non-current assets (2)	**15,422**	**100. 0**	14,682	100. 0

(1) Other locations include: United Kingdom, United States, Japan, Singapore, Malta, Hong Kong, Indonesia, China and Vietnam.
(2) Non-current assets includes property, plant and equipment, investments in associates and joint ventures and intangibles.

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

During the year, the Group made a number of segment reporting improvements effective from 1 July 2012. Results and balances for the prior year in this note have been restated due to the following:

- Customer Reporting – revenue, expenses and associated customer balances were reallocated between segments based on where the customer relationship is being managed, rather than the business from which the product originated. This change primarily affects the presentation of the Retail Banking Services and Business and Private Banking segments.
- Capital Allocation – the Group allocated higher capital requirements to business segments following the introduction of the Basel III regulatory capital framework. Earnings on equity were reallocated from the Corporate Centre (where residual capital was previously held) to each segment, with no change to total Group capital levels.
- Single ADI – treasury-related revenues, operating expenses and Balance Sheet items were transferred from the Bankwest segment to the Corporate Centre following the relinquishment of the Bankwest banking licence.

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 operational risks.

The Group's approach to risk management is described in the Notes to the Financial Statements in the 30 June 2013 Annual Report of the Group.

Additionally, further disclosures in respect of capital adequacy and risk are provided in the Group's annual 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) (2)	30 Jun 13 %	31 Dec 12 %	30 Jun 12 %
Agriculture, forestry and fishing	**2.0**	2.1	2.0
Banks	**9.9**	10.0	10.7
Business services	**0.9**	0.9	0.9
Construction	**0.8**	0.8	0.9
Consumer	**54.9**	55.2	54.6
Culture and recreational services	**0.9**	0.9	0.9
Energy	**0.9**	1.0	1.1
Finance - Other	**3.5**	3.3	3.4
Health and community service	**0.6**	0.7	0.7
Manufacturing	**1.8**	1.9	2.0
Mining	**1.5**	1.2	1.0
Property	**6.4**	6.4	6.2
Retail trade and wholesale trade	**2.2**	2.4	2.3
Sovereign	**7.7**	7.1	7.2
Transport and storage	**1.7**	1.6	1.5
Other	**4.3**	4.5	4.6
	100.0	100.0	100.0

By Region (1) (2)	30 Jun 13 %	31 Dec 12 %	30 Jun 12 %
Australia	**78.9**	80.8	80.5
New Zealand	**8.4**	8.1	7.8
Europe	**5.1**	4.5	5.0
Americas	**4.7**	4.1	4.3
Asia	**2.8**	2.4	2.3
Other	**0.1**	0.1	0.1
	100.0	100.0	100.0

Commercial Portfolio Quality (1)	30 Jun 13 %	31 Dec 12 %	30 Jun 12 %
AAA/AA	**31.0**	29.9	31.0
A	**20.4**	19.1	19.3
BBB	**16.1**	17.5	17.7
Other	**32.5**	33.5	32.0
	100.0	100.0	100.0

(1) Committed exposures by industry, region and commercial credit quality is disclosed on a gross basis (calculated before collateralisation).
(2) Comparative information has been restated to conform to the presentation in the current year.

As a measure of individually risk-rated commercial portfolio exposure (including finance and insurance), the Group has 67.5% of commercial exposures at investment grade quality.

Included in the Group's European exposures is $1,437 million (June 2012: $1,279 million) of exposure to Spain, Ireland, Italy and Greece. The exposure comprises $311 million Italian and Irish sovereign (Government), $135 million Italian and Spanish banks (primarily short term deposits) and $991 million of predominantly Irish and Spanish corporate counterparties (primarily secured by residential and other security).

12. Integrated Risk Management (continued)

Market Risk

Market risk in the Balance Sheet is discussed within Note 39 of the 2013 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			
	30 Jun 13	31 Dec 12	30 Jun 12	31 Dec 11
Traded Market Risk [1]	$M	$M	$M	$M
Risk Type				
Interest rate risk	**5. 4**	6. 6	5. 9	4. 5
Foreign exchange risk	**0. 9**	1. 0	1. 0	1. 1
Equities risk	**1. 9**	2. 2	1. 9	2. 5
Commodities risk	**1. 0**	0. 9	1. 2	1. 3
Credit spread risk	**2. 7**	2. 2	2. 5	3. 2
Diversification benefit	**(7. 2)**	(7. 6)	(6. 9)	(6. 5)
Total general market risk	**4. 7**	5. 3	5. 6	6. 1
Undiversified risk	**4. 9**	3. 0	3. 4	3. 6
ASB Bank	**0. 2**	0. 2	2. 0	2. 5
Total	**9. 8**	8. 5	11. 0	12. 2

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

	Average VaR [3]			
Non-Traded VaR in Australian Life Insurance Business (20 day 97.5% confidence)	30 Jun 13	31 Dec 12	30 Jun 12	31 Dec 11
	$M	$M	$M	$M
Shareholder funds [1]	**21. 9**	20. 7	20. 4	26. 1
Guarantees (to Policyholders) [2]	**18. 7**	21. 2	25. 9	35. 4

(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 (e.g. annuities where we receive a lump sum payment and guarantee to pay a series of future payments).
(3) For the half year ended.

12. Integrated Risk Management (continued)

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 Jun 13 $M	VaR 31 Dec 12 $M	VaR 30 Jun 12 $M	VaR 31 Dec 11 $M
VaR	**112.0**	94.0	94.0	99.0

Interest Rate Risk in the Banking Book

Interest rate risk in the Banking Book is discussed within Note 39 of the 2013 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 Jun 13 $M	31 Dec 12 $M	30 Jun 12 $M	31 Dec 11 $M
Average monthly exposure	AUD	**109.9**	100.4	92.7	211.8
	NZD	**7.6**	11.3	14.4	27.0
High month exposure	AUD	**128.6**	114.2	140.9	284.3
	NZD	**12.1**	16.2	18.3	32.5
Low month exposure	AUD	**59.3**	89.2	40.7	154.0
	NZD	**4.3**	5.3	11.5	18.0

(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 Jun 13 $M	31 Dec 12 $M	30 Jun 12 $M	31 Dec 11 $M
AUD Interest rate risk	**56.7**	79.8	104.2	142.7
NZD Interest rate risk (2)	**4.1**	1.9	1.4	1.3

(1) VaR is at 20 day 97.5% confidence.
(2) Relates specifically to ASB data as at month end.
(3) Half year ended.

12. Integrated Risk Management (continued)

Funding Sources

The following table provides the funding sources for the Group including customer deposits, short term and long term wholesale funding. 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 Jun 13 $M	31 Dec 12 $M	30 Jun 12 $M	Jun 13 vs Dec 12 %	Jun 13 vs Jun 12 %
Transaction deposits	**87,673**	82,913	81,104	6	8
Savings deposits	**106,935**	99,585	91,279	7	17
Investment deposits	**199,397**	192,302	197,138	4	1
Other customer deposits (1)	**11,372**	11,079	9,778	3	16
Total customer deposits	**405,377**	385,879	379,299	5	7
Wholesale funding					
Short term					
Certificates of deposit	**30,674**	36,055	31,831	(15)	(4)
Bank acceptances	**6,063**	8,155	9,717	(26)	(38)
ECP commercial paper program	**1,743**	1,506	8,017	16	(78)
US commercial paper program	**36,760**	30,700	28,200	20	30
Securities sold under agreements to repurchase	**5,572**	4,629	5,245	20	6
Other (2)	**29,783**	27,030	25,481	10	17
Total short term funding	**110,595**	108,075	108,491	2	2
Total long term funding - less than one year residual maturity (3)	**29,129**	24,571	25,715	19	13
Long term - greater than one year residual maturity (3)					
Transferable certificates of deposit (4)	**13,643**	13,743	19,068	(1)	(28)
Euro medium term note program	**24,993**	26,731	25,586	(7)	(2)
US medium term note program	**15,932**	22,583	23,753	(29)	(33)
Covered bond programs	**16,654**	14,396	12,574	16	32
Other debt issues (5)	**8,433**	8,836	7,403	(5)	14
Securitisation	**6,621**	6,125	6,240	8	6
Loan capital	**9,254**	9,158	7,520	1	23
Other	**1,081**	1,459	1,494	(26)	(28)
Total long term funding - greater than one year residual maturity	**96,611**	103,031	103,638	(6)	(7)
IFRS MTM and derivative FX revaluations	**1,837**	(4,267)	(5,417)	large	large
Total wholesale funding	**238,172**	231,410	232,427	3	2
Total funding	**643,549**	617,289	611,726	4	5
Reported as					
Deposits and other public borrowings	**459,429**	448,410	437,655	2	5
Payables due to other financial institutions	**25,922**	23,479	22,126	10	17
Liabilities at fair value through income statement	**8,701**	7,195	6,555	21	33
Bank acceptances	**6,063**	8,155	9,717	(26)	(38)
Debt issues	**132,808**	119,284	124,712	11	6
Loan capital	**9,687**	9,827	10,022	(1)	(3)
Share capital - other equity instruments	**939**	939	939	-	-
Total funding	**643,549**	617,289	611,726	4	5

(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 program (included within certificates of deposit, refer to Appendix 10).
(5) Includes debt included in liabilities at fair value through Income Statement.

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 2013 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 program have been met.

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 high quality, well managed 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 2012 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 $102 million from Genworth and $9.6 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 2013 the Group had $80 million in exposures to these instruments (30 June 2012: $188 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.

	Covered bonds		Securitisation	
	2013	2012	2013	2012
	$M	$M	$M	$M
Carrying amount of transferred assets	33,634	22,358	10,169	9,279
Carrying amount of associated liabilities	18,238	12,789	8,929	7,858
Net position	15,396	9,569	1,240	1,421

Asset-backed Securities

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

	Carrying Amount	
	30 Jun 13	30 Jun 12
Summary of asset-backed securities	$M	$M
Commercial mortgage backed securities	34	32
Residential mortgage backed securities	4,592	4,493
Total	4,626	4,525

Asset-backed Securities by Underlying Asset

	Trading portfolio		AFS portfolio (1)		Other		Total	
	30 Jun 13	30 Jun 12	30 Jun 13	30 Jun 12	30 Jun 13	30 Jun 12	30 Jun 13	30 Jun 12
	$M	$M	$M	$M	$M	$M	$M	$M
Sub-prime	-	-	-	-	-	-	-	-
Non-conforming (Alt-A)	-	1	38	-	-	-	38	1
Prime mortgages	43	23	4,203	4,191	302	278	4,548	4,492
Other assets	-	-	40	32	-	-	40	32
Total	43	24	4,281	4,223	302	278	4,626	4,525

(1) Available-For-Sale investments (AFS).

Asset-backed Securities by Credit Rating and Geography

	AAA & AA		A		BBB		BB and below including not rated		Total	
	30 Jun 13	30 Jun 12	30 Jun 13	30 Jun 12	30 Jun 13	30 Jun 12	30 Jun 13	30 Jun 12	30 Jun 13	30 Jun 12
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
Australia	4,247	4,161	17	29	-	10	26	15	4,290	4,215
Europe	-	-	-	-	-	-	302	278	302	278
UK	-	-	34	32	-	-	-	-	34	32
Total	4,247	4,161	51	61	-	10	328	293	4,626	4,525

	Funded Commitments		Unfunded Commitments		Total	
	30 Jun 13	30 Jun 12	30 Jun 13	30 Jun 12	30 Jun 13	30 Jun 12
Warehousing financing facilities	$M	$M	$M	$M	$M	$M
Australia	2,703	3,361	1,212	1,328	3,915	4,689
New Zealand	637	605	36	28	673	633
Europe	352	298	-	-	352	298
Total	3,692	4,264	1,248	1,356	4,940	5,620

14. Capital

The APRA Basel III capital standards came into effect on 1 January 2013. The tables below show the APRA Basel III capital adequacy calculation at 30 June 2013 together with a proforma calculation at 1 January 2013. The 30 June 2012 and 31 December 2012 capital calculations reflect the APRA Basel 2.5 capital adequacy calculations in place at that time. A number of items in the prior periods disclosures have been reclassified to allow better comparability to the new APRA Basel III methodology.

Risk Weighted Capital Ratios	APRA Basel III 30 Jun 13 %	APRA Basel III 1 Jan 13 %	APRA Basel 2.5 31 Dec 12 %	APRA Basel 2.5 30 Jun 12 %
Common Equity Tier One	**8. 2**	8. 1	8. 3	7. 8
Tier One	**10. 2**	10. 2	10. 5	10. 0
Tier Two	**1. 0**	1. 0	0. 7	1. 0
Total Capital	**11. 2**	11. 2	11. 2	11. 0

	APRA Basel III 30 Jun 13 $M	APRA Basel III 1 Jan 13 $M	APRA Basel 2.5 31 Dec 12 $M	APRA Basel 2.5 30 Jun 12 $M
Ordinary Share Capital and Treasury Shares				
Ordinary Share Capital	**26,323**	26,126	26,126	25,175
Treasury Shares [1]	**297**	301	301	323
Ordinary Share Capital and Treasury Shares	**26,620**	26,427	26,427	25,498
Reserves				
Reserves	**1,333**	1,262	1,262	1,571
Asset revaluation reserve [2]	**-**	-	(193)	(195)
Available for sale reserve [3]	**-**	-	(138)	-
Reserves related to non consolidated subsidiaries [4]	**56**	164	164	171
Total Reserves	**1,389**	1,426	1,095	1,547
Retained Earnings and Current Period Profits				
Retained earnings and current period profits	**16,360**	14,440	14,440	13,356
Expected dividends (APRA Basel II only) [5]	**-**	-	(2,639)	(3,137)
Dividend reinvestment plan (APRA Basel II only) [6]	**-**	-	-	784
Retained earnings adjustment from non consolidated subsidiaries [7]	**(345)**	(239)	(239)	(126)
Equity accounted profits (APRA Basel II only) [8]	**-**	-	(406)	(347)
Other	**-**	-	(13)	(1)
Net Retained Earnings	**16,015**	14,201	11,143	10,529
Non controlling interest				
Non controlling interest [9]	**537**	532	532	531
ASB perpetual preference shares	**(505)**	(505)	(505)	(505)
less other non controlling interests not eligible under Basel III	**(32)**	(27)	-	-
Minority Interest	**-**	-	27	26
Common Equity Tier One Capital before regulatory adjustments	**44,024**	42,054	38,692	37,600

(1) Represents shares held by the Group's life insurance operations ($130 million) and employee share scheme trusts ($167 million).
(2) Asset Revaluation Reserve eligible for inclusion in CET1 under APRA Basel III methodology.
(3) Available-for-Sale Reserve eligible for inclusion in CET1 under APRA Basel III methodology.
(4) Reserve balances associated with the Insurance and Funds Management entities and those entities through which securitisation of the Group's assets are conducted. These entities are classified as non-consolidated subsidiaries by APRA and are excluded from the Level 2 Regulatory Consolidated Banking Group.
(5) Dividends are only deducted from CET1 when declared under APRA Basel III methodology. Basel II required expected dividends to be deducted from capital.
(6) The Dividend Reinvestment Plan (DRP) in respect of the 31 December 2012 interim dividend was satisfied in full by an on market purchase of shares. The DRP in respect of the June 2012 final dividend was satisfied in full by the issue of shares.
(7) Cumulative current year profit and retained earnings adjustments for subsidiaries not consolidated for regulatory purposes.
(8) Primarily relates to unrealised equity accounted earnings required to be excluded under APRA Basel II methodology. Under APRA Basel III methodology these items are excluded from CET1 through the adjustment for equity investments.
(9) Non-controlling interests predominantly comprise ASB Perpetual Preference Shares of NZD550 million issued by a New Zealand subsidiary entity. These are non-redeemable and carry limited voting rights. These are classified as Additional Tier One Capital.

14. Capital (continued)

	APRA Basel III 30 Jun 13 $M	APRA Basel III 1 Jan 13 $M	APRA Basel 2.5 31 Dec 12 $M	APRA Basel 2.5 30 Jun 12 $M
Common Equity Tier One regulatory adjustments				
Goodwill	**(7,723)**	(7,707)	(7,707)	(7,705)
Other intangibles (excluding software) (1)	**(682)**	(705)	(828)	(876)
Capitalised costs	**(272)**	(275)	(224)	(263)
Capitalised software	**(1,923)**	(1,831)	(1,831)	(1,700)
General reserve for credit losses (2)	**(208)**	(197)	(197)	(209)
Deferred tax asset (3)	**(1,400)**	(1,234)	(393)	(548)
Cash flow hedge reserve (4)	**(368)**	(485)	(485)	(644)
Employee compensation reserve (4)	**(132)**	(90)	(90)	(136)
Deferred fee income	**59**	122	122	149
Gain due to changes in own credit risk on fair valued liabilities	**(11)**	(11)	(11)	(20)
	(12,660)	(12,413)	(11,644)	(11,952)
Deductions previously applied at 50% of Tier One under Basel II				
Equity investments (5)	**(2,738)**	(2,363)	(614)	(612)
Equity investments in non consolidated subsidiaries (6)	**(1,196)**	(1,264)	(632)	(629)
Shortfall of provisions to expected losses (7)	**(271)**	(176)	(512)	(630)
Other	**(174)**	(293)	(241)	(113)
	(4,379)	(4,096)	(1,999)	(1,984)
Common Equity Tier One regulatory adjustments	**(17,039)**	(16,509)	(13,643)	(13,936)
Common Equity Tier One	**26,985**	25,545	25,049	23,664
Additional Tier One Capital				
Basel III Complying Instruments (8)	**2,000**	2,000	1,977	-
Basel III non complying instruments net of transitional amortisation (9)	**4,720**	4,720	5,180	6,635
Excess /cap applicable under Basel II (10)	**-**	-	(426)	-
Additional Tier One Capital	**6,720**	6,720	6,731	6,635
Tier One Capital	**33,705**	32,265	31,780	30,299
Tier Two Capital				
Basel III non complying instruments net of transitional amortisation (11)	**2,901**	2,901	3,224	4,084
Holding of own Tier Two Capital	**(15)**	-	-	(20)
Prudential general reserve for credit losses (12)	**202**	177	124	595
Excess /cap applicable under Basel II (10)	**-**	-	426	-
Asset revaluation reserve (13)	**-**	-	87	88
Other	**-**	-	204	176
Tier Two Deductions (50% Tier One and Two) - Basel II only	**-**	-	(1,999)	(1,984)
Total Tier Two Capital	**3,088**	3,078	2,066	2,939
Total Capital	**36,793**	35,343	33,846	33,238

(1) Other intangibles (excluding capitalised software costs). Under APRA Basel III methodology the adjustment is net of any associated deferred tax liability.

(2) Adjustment to ensure the Group has sufficient provisions and capital to cover credit losses estimated to arise over the full life of individual facilities, as required by APRA Prudential Standard APS 220.

(3) Deferred tax assets net of deferred tax liabilities. Under Basel III this is inclusive of deferred tax asset on collective provisions.

(4) Cash flow Hedge Reserve and Employee Compensation Reserve balances are ineligible for inclusion in CET1.

(5) Represents the Group's non-controlling interest in other entities treated as 100% CET1 deduction under Basel III (Basel II 50% Tier One and Two deduction net of prescribed threshold limits and any unrealised equity accounted profit).

(6) Represents the net tangible assets within the non-consolidated subsidiaries (primarily the insurance and funds management businesses operating within the Colonial Group). The adjustment is net of $1,117 million in non-recourse debt (31 December 2012: $1,158 million, 30 June 2012: $1,214 million) and $1,000 million in Colonial Group Subordinated Notes (31 December 2012: $1,000 million, 30 June 2012: $1,000 million). The Group's insurance and funds management companies held $1,344 million of capital in excess of minimum regulatory capital requirements at 30 June 2013.

(7) Regulatory Expected Loss (pre-tax) using stressed loss given default assumptions associated with the loan portfolio in excess of eligible credit provisions (pre-tax). Under APRA Basel II the eligible credit provision was based on the after tax balance for collective provisions and general reserve for credit losses and the pre-tax balance for individually assessed provisions.

(8) Comprises PERLS VI $2 billion issued in October 2012 (issued costs reclassified to capitalised costs).

(9) Represents APRA Basel III non-compliant Additional Tier One Capital Instruments (PERLS III, PERLS V, Trust Preferred Securities (TPS) 03, TPS 06, ASB Perpetual Preference Shares, and Perpetual Exchangeable Floating Rate Note). These instruments are eligible for Basel III transitional relief.

(10) Under APRA Basel II, represents the excess of Innovative Capital above the prescribed limit of 15% of Tier One Capital transferred to Tier Two Capital. There is no equivalent limit under APRA Basel III.

(11) Includes both perpetual and term instruments subordinated to depositors and general creditors, having an original maturity of at least five years. APRA require these to be included as if they were unhedged. Term instruments are amortised 20% of the original amount during each of the last five years to maturity. These instruments are eligible for Basel III transitional relief.

(12) Represents the collective provision and general reserve for credit losses for exposures in the Group which are measured for capital purposes under the Standardised approach to credit risk.

(13) Eligible for inclusion in CET1 under APRA Basel III methodology (Basel II 45% of balance eligible for inclusion in Tier Two Capital).

14. Capital (continued)

Risk Weighted Assets	Basel III 30 Jun 13 $M	Basel III 1 Jan 13 [1] $M	Basel 2.5 31 Dec 12 $M	Basel 2.5 30 Jun 12 $M
Credit Risk				
Subject to Advanced IRB approach				
Corporate	**53,468**	52,847	51,851	49,331
SME Corporate	**30,835**	31,127	30,833	22,319
SME Retail	**4,203**	4,222	4,222	4,071
Sovereign	**3,684**	3,692	3,692	3,003
Bank	**10,328**	11,142	8,322	7,619
Residential mortgage	**66,741**	63,637	63,637	54,545
Qualifying revolving retail	**6,683**	6,460	6,460	6,703
Other retail	**11,093**	8,983	8,983	8,462
Impact of the regulatory scaling factor [2]	**11,222**	10,927	10,680	9,363
Total risk weighted assets subject to Advanced IRB approach	**198,257**	193,037	188,680	165,416
Specialised lending exposures subject to slotting criteria	**50,392**	48,373	48,398	36,141
Subject to Standardised approach				
Corporate	**3,684**	3,894	3,894	10,430
SME Corporate	**525**	317	317	6,580
SME Retail	**4,572**	4,728	4,728	4,836
Sovereign	**249**	203	203	107
Bank	**176**	138	138	1,243
Residential mortgage	**2,432**	2,257	2,257	25,705
Other retail	**2,224**	2,212	2,212	2,559
Other assets	**4,395**	4,124	4,124	3,240
Total risk weighted assets subject to standardised approach	**18,257**	17,873	17,873	54,700
Securitisation	**5,373**	5,290	1,119	2,833
Equity exposures	**-**	-	2,397	2,339
Credit valuation adjustment	**7,395**	7,225	-	-
Total risk weighted assets for credit risk exposures	**279,674**	271,798	258,467	261,429
Traded market risk	**5,151**	4,517	4,517	4,842
Interest rate risk in the banking book	**16,289**	10,996	10,996	9,765
Operational risk	**28,044**	27,631	27,631	26,751
Total risk weighted assets	**329,158**	314,942	301,611	302,787

(1) Basel III effective 1 January 2013 RWA including additional requirements for counterparty credit risk and changes in methodology for securitisation and equity exposures. Additional requirements for counterparty credit risk include an Asset Value Correlation (AVC) multiplier for large financial institutions and a Credit Valuation Adjustment (CVA) to address the credit worthiness of counterparties involved in mark-to-market transactions.

(2) APRA requires RWA amounts that are derived from IRB risk weight functions to be multiplied by a factor of 1.06.

15. Share Capital

Ordinary Share Capital	Full Year Ended 30 Jun 13 $M	Full Year Ended 30 Jun 12 $M	Half Year Ended 30 Jun 13 $M	Half Year Ended 31 Dec 12 $M
Opening balance (excluding Treasury Shares deduction)	25,498	23,896	26,427	25,498
Issue of shares (1)	193	237	193	-
Dividend reinvestment plan: Final dividend prior year (2)	929	832	-	929
Dividend reinvestment plan: Interim dividend (3) (4)	-	531	-	-
Exercise of executive options under employee share ownership schemes	-	2	-	-
Closing balance (excluding Treasury Shares deduction)	26,620	25,498	26,620	26,427
Less: Treasury Shares (5)	(297)	(323)	(297)	(301)
Closing balance	26,323	25,175	26,323	26,126

(1) During the year the number of shares issued included the acquisition of an additional 47% interest in Aussie Home Loans Pty Limited. During the prior year the Group acquired 100% of the issued share capital of Count Financial Limited partly funded by the issue of ordinary shares.
(2) The determined dividend includes an amount attributable to DRP of $930 million (final 2011/2012) and $831 million (final 2010/2011) with $929 million and $832 million ordinary shares being issued under plan rules, which include the carry forward of DRP balance from previous dividends.
(3) The DRP in respect of 2012/2013 interim dividend was satisfied in full through the on market purchase and transfer of $596 million of shares to participating shareholders.
(4) The gross dividend entitlement in respect of DRP for the 2011/2012 interim dividend was $531 million, with $531 million ordinary shares issued under 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 Jun 13 Number	Full Year Ended 30 Jun 12 Number	Half Year Ended 30 Jun 13 Number	Half Year Ended 31 Dec 12 Number
Opening balance (excluding Treasury Shares deduction)	1,592,154,780	1,558,637,244	1,609,180,841	1,592,154,780
Issue of shares (1)	2,747,995	5,042,949	2,747,995	-
Dividend reinvestment plan issue: (2)				
2010/2011 Final dividend fully paid ordinary shares $47.48	-	17,524,300	-	-
2011/2012 Interim dividend fully paid ordinary shares $48.81	-	10,874,187	-	-
2011/2012 Final dividend fully paid ordinary shares $54.54	17,026,061	-	-	17,026,061
Exercise of executive option plan	-	76,100	-	-
Closing balance (excluding Treasury Shares deduction)	1,611,928,836	1,592,154,780	1,611,928,836	1,609,180,841
Less: Treasury Shares (3)	(6,076,006)	(6,874,405)	(6,076,006)	(6,316,670)
Closing balance	1,605,852,830	1,585,280,375	1,605,852,830	1,602,864,171

(1) During the year the number of shares issued included the acquisition of an additional 47% interest in Aussie Home Loans Pty Limited. During the prior year the Group acquired 100% of the issued share capital of Count Financial Limited partly funded by the issue of 5,042,949 of ordinary shares.
(2) The DRP in respect of 2012/2013 interim dividend was satisfied in full through the on market purchase and transfer of 8,662,389 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 2013 to frank dividends for subsequent financial years is $742 million (December 2012: $435 million; June 2012: $390 million). This figure is based on the franking accounts of the Bank at 30 June 2013, 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 2013.

Dividends

The Directors have declared a fully franked final dividend of 200 cents per share amounting to $3,224 million. There is no foreign conduit income attributed to the final dividend. The dividend will be payable on 3 October 2013 to shareholders on the register at 5:00pm EST on 23 August 2013.

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

Participation in the DRP is optional and offers ordinary shareholders in certain jurisdictions the opportunity to acquire fully paid ordinary shares instead of receiving the dividend in cash. Shares allocated under the DRP will rank equally with other ordinary shares already on issue.

The DRP for the 2013 final dividend is anticipated to be satisfied in full by an on market purchase of shares.

Record Date

The register closes for determination of dividend entitlement and for participation in the DRP at 5:00pm EST on 23 August 2013 at Link Market Services Limited, Locked Bag A14, Sydney South, NSW 1235.

Ex-Dividend Date

The ex-dividend date is 19 August 2013.

16. Intangible Assets

	As at		
	30 Jun 13	31 Dec 12	30 Jun 12
	$M	$M	$M
Goodwill			
Purchased goodwill at cost	**7,723**	7,707	7,705
Closing balance	**7,723**	7,707	7,705
Computer Software Costs			
Cost	**2,770**	2,549	2,462
Accumulated amortisation	**(847)**	(718)	(762)
Closing balance	**1,923**	1,831	1,700
Core Deposits (1)			
Cost	**495**	495	495
Accumulated amortisation	**(318)**	(284)	(248)
Closing balance	**177**	211	247
Management Fee Rights (2)			
Cost	**316**	316	316
Closing balance	**316**	316	316
Brand Names (3)			
Cost	**190**	190	190
Closing balance	**190**	190	190
Other Intangibles (4)			
Cost	**255**	255	255
Accumulated amortisation	**(161)**	(144)	(132)
Closing balance	**94**	111	123
Total intangible assets	**10,423**	10,366	10,281

(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 10 years based on the attrition rates of the Bankwest credit cardholders.

17. ASX Appendix 4E

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Details of Entities over which Control was Gained or Lost during the Year (Rule 4.3A Item No. 10)	**n/a**
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Commentary on Results (Rule 4.3A Item No. 14)	**2**

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

	Full Year Ended	
	30 Jun 13	30 Jun 12
	$M	$M
Retained Profits		
Opening balance	**13,356**	11,826
Actuarial gains and losses from defined benefit superannuation plans	**311**	(223)
Realised gains and dividend income on treasury shares [1]	**29**	13
Operating profit attributable to Equity holders of the Bank	**7,677**	7,090
Total available for appropriation	**21,373**	18,706
Transfers from/(to) general reserve	**436**	(223)
Transfer from capital reserve	**355**	-
Transfers from employee compensation reserve	**-**	(1)
Interim dividend - cash component	**(2,639)**	(1,635)
Interim dividend - dividend reinvestment plan [2]	**-**	(531)
Final dividend - cash component	**(2,207)**	(2,099)
Final dividend - dividend reinvestment plan [2]	**(930)**	(831)
Other dividends	**(28)**	(30)
Closing balance	**16,360**	13,356

(1) Relates to Treasury Shares held within Life Insurance Statutory funds and the employee share scheme trust.
(2) The determined dividend includes an amount attributable to DRP of $930 million (final 2011/2012) with $929 million ordinary shares being issued under plan rules which include the carry forward of DRP balance from previous dividends.

17. ASX Appendix 4E (continued)

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

As at 30 June 2013	Ownership Interest Held (%)
Aussie Home Loans Pty Limited [(1)]	80%
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%
International Private Equity Real Estate Fund	33%
Vipro Pty Limited	33%
Cardlink Services Limited	25%
Cash Services Australia Pty Limited	25%
Paymark Limited [(2)]	25%
First State European Diversified Investment Fund	20%
Bank of Hangzhou Co., Ltd.	20%
Qilu Bank Co., Ltd.	20%
Vietnam International Commercial Joint Stock Bank	20%
Payments NZ Limited	19%
CFS Retail Property Trust [(3)]	8%
Commonwealth Property Office Fund [(3)]	6%

(1) The Group's 80% interest in Aussie Home Loans Pty Limited is jointly controlled as the key financial and operating decisions require unanimous consent of all directors.

(2) Formerly known as Electronic Transaction Services Limited.

(3) The consolidated entity has significant influence due to its relationship as a Responsible Entity. These holdings exclude assets held in statutory funds backing policyholder liabilities, which are disclosed as Assets at fair value through Income Statement.

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

The Bank expects the DRP for the final dividend for the year ended 30 June 2013 will be satisfied in full by an on market purchase and transfer of shares of approximately $806 million.

On 24 July 2013 the Bank submitted an indicative, non-binding proposal to the Commonwealth Managed Investments Limited (CMIL) Board to internalise the management of Commonwealth Property Office Fund (CPA) and CFS Retail Property Trust Group (CFX). The proposal in relation to CFX also incorporates CFX acquiring the wholesale property funds management business and integrated retail property management and development business owned by CBA.

The Bank also submitted an indicative, non-binding proposal to the Kiwi Income Properties Limited (KIPL) Board to internalise the management of the Kiwi Income Property Trust (KIP). As at the date of this report, the financial effect of any transaction cannot be estimated.

Other than the above, there were no material events subsequent to 30 June 2013 that have not been reflected in the Profit Announcement.

Foreign Entities (Rule 4.3A Item No. 13)

Not Applicable.

Compliance Statement

This preliminary final report for the year ended 30 June 2013 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 19 August 2013. The Annual Report is currently being finalised in publishable form.

M. K. Taylor

Margaret Taylor
Company Secretary
13 August 2013

18. Profit Reconciliation

Profit Reconciliation	Net profit after tax "cash basis" $M	Hedging and IFRS volatility $M	Bankwest non-cash items [1] $M	Treasury shares valuation adjustment $M	Bell Group litigation $M	Policyholder tax $M	Investment experience $M	Net profit after tax "statutory basis" $M
	Full Year Ended 30 June 2013							
Group								
Net interest income	**13,944**	21	(31)	-	-	-	-	**13,934**
Other banking income	**4,221**	16	-	-	-	-	-	**4,237**
Total banking income	**18,165**	37	(31)	-	-	-	-	**18,171**
Funds management income	**2,146**	-	-	(63)	-	77	5	**2,165**
Insurance income	**1,034**	-	-	-	-	35	149	**1,218**
Total operating income	**21,345**	37	(31)	(63)	-	112	154	**21,554**
Investment experience	**154**	-	-	-	-	-	(154)	**-**
Total income	**21,499**	37	(31)	(63)	-	112	-	**21,554**
Operating expenses	**(9,605)**	-	(75)	-	-	-	-	**(9,680)**
Loan impairment expense	**(1,082)**	-	-	-	(64)	-	-	**(1,146)**
Net profit before tax	**10,812**	37	(106)	(63)	(64)	112	-	**10,728**
Corporate tax expense	**(2,977)**	(10)	35	10	19	(112)	-	**(3,035)**
Non-controlling interests	**(16)**	-	-	-	-	-	-	**(16)**
Net profit after tax	**7,819**	27	(71)	(53)	(45)	-	-	**7,677**

(1) Includes merger related amortisation through net interest income of $31 million; merger related amortisation through operating expense of $75 million; and an income tax benefit of $35 million.

18. Profit Reconciliation (continued)

Profit Reconciliation	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"
	Full Year Ended 30 June 2012							
	$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 expense	**(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)

Profit Reconciliation	Net profit after tax "cash basis" $M	Hedging and IFRS volatility $M	Bankwest non-cash items (1) $M	Treasury shares valuation adjustment $M	Bell Group litigation $M	Policyholder tax $M	Investment experience $M	Net profit after tax "statutory basis" $M
	Half Year Ended 30 June 2013							
Group								
Net interest income	**7,082**	17	(17)	-	-	-	-	**7,082**
Other banking income	**2,086**	31	-	-	-	-	-	**2,117**
Total banking income	**9,168**	48	(17)	-	-	-	-	**9,199**
Funds management income	**1,113**	-	-	(24)	-	30	6	**1,125**
Insurance income	**529**	-	-	-	-	(2)	64	**591**
Total operating income	**10,810**	48	(17)	(24)	-	28	70	**10,915**
Investment experience	**70**	-	-	-	-	-	(70)	**-**
Total income	**10,880**	48	(17)	(24)	-	28	-	**10,915**
Operating expenses	**(4,850)**	-	(38)	-	-	-	-	**(4,888)**
Loan impairment expense	**(466)**	-	-	-	-	-	-	**(466)**
Net profit before tax	**5,564**	48	(55)	(24)	-	28	-	**5,561**
Corporate tax expense	**(1,517)**	(11)	17	2	-	(28)	-	**(1,537)**
Non-controlling interests	**(8)**	-	-	-	-	-	-	**(8)**
Net profit after tax	**4,039**	37	(38)	(22)	-	-	-	**4,016**

(1) Includes merger related amortisation through net interest income of $17 million; merger related amortisation through operating expense of $38 million; and an income tax benefit of $17 million.

19. Notes to the Statement of Cash Flows

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

	Full Year Ended	
	30 Jun 13	30 Jun 12
	$M	$M
Net profit after income tax	7,693	7,106
Decrease in interest receivable	130	79
Decrease in interest payable	(251)	(320)
Net (increase)/decrease in assets at fair value through Income Statement (excluding life insurance)	(3,472)	3,391
Net gain on sale of controlled entities and associates	(7)	(21)
Net gain on sale of investments	-	(1)
Net movement in derivative assets/liabilities	2,372	(663)
Net loss/(gain) on sale of property, plant and equipment	14	(39)
Equity accounting profit	(210)	(120)
Loan impairment expense	1,146	1,089
Depreciation and amortisation (including asset write downs)	716	628
Increase/(decrease) in liabilities at fair value through Income Statement (excluding life insurance)	1,569	(4,321)
Increase/(decrease) in other provisions	19	(69)
Increase in income taxes payable	45	37
Increase in deferred tax liabilities	133	152
(Increase)/decrease in deferred tax assets	(26)	349
(Increase)/decrease in accrued fees/reimbursements receivable	(272)	18
Increase in accrued fees and other items payable	315	64
Decrease in life insurance contract policy liabilities	(1,401)	(1,157)
Increase/(decrease) in cash flow hedge reserve	27	(58)
Gains on changes in fair value of hedged items	(617)	(318)
Changes in operating assets and liabilities arising from cash flow movements (1)	(2,411)	3,120
Other	1,065	(99)
Net cash provided by operating activities	6,577	8,847

(1) Cash and cash equivalents has been redefined to no longer include at call deposits with other financial institutions and settlement account balances with other banks. Comparative information has been restated to conform to presentation in the current year.

(b) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and money at short call.

	As at	
	30 Jun 13	30 Jun 12
	$M	$M
Notes, coins and cash at banks	7,653	8,508
Other short term liquid assets	4,965	4,095
Cash and cash equivalents at end of year (1)	12,618	12,603

(1) Cash and cash equivalents has been redefined to no longer include at call deposits with other financial institutions and settlement account balances with other banks. Comparative information has been restated to conform to presentation in the current year.

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

(c) Non-Cash Financing and Investing Activities

	Full Year Ended	
	30 Jun 13	30 Jun 12
	$M	$M
Shares issued under the Dividend Reinvestment Plan [1]	**929**	1,363

(1) The Dividend Reinvestment Plan in respect of the interim dividend for 2012/2013 was satisfied in full through an on market purchase and transfer of $596 million of shares to participating shareholders.

(d) 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 Jun 13	30 Jun 12
	$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 30 Jun 13 $M	Full Year Ended 30 Jun 12 $M	Half Year Ended 30 Jun 13 $M	Half Year Ended 31 Dec 12 $M
Net interest income	**13,944**	13,157	**7,082**	6,862
Other banking income	**4,221**	3,927	**2,086**	2,135
Total banking income	**18,165**	17,084	**9,168**	8,997
Funds management income	**2,146**	1,957	**1,113**	1,033
Insurance income	**1,034**	960	**529**	505
Total operating income	**21,345**	20,001	**10,810**	10,535
Investment experience	**154**	149	**70**	84
Total income	**21,499**	20,150	**10,880**	10,619
Operating Expenses (1)				
Retail Banking Services	**(3,063)**	(2,965)	**(1,539)**	(1,524)
Business and Private Banking	**(1,355)**	(1,350)	**(677)**	(678)
Institutional Banking and Markets	**(901)**	(840)	**(459)**	(442)
Wealth Management - operating expenses	**(1,494)**	(1,369)	**(751)**	(743)
Wealth Management - volume expenses	**(514)**	(540)	**(265)**	(249)
New Zealand	**(767)**	(724)	**(402)**	(365)
Bankwest	**(825)**	(848)	**(409)**	(416)
IFS and Other	**(686)**	(560)	**(348)**	(338)
Total operating expenses	**(9,605)**	(9,196)	**(4,850)**	(4,755)
Profit before loan impairment expense	**11,894**	10,954	**6,030**	5,864
Loan impairment expense	**(1,082)**	(1,089)	**(466)**	(616)
Net profit before income tax	**10,812**	9,865	**5,564**	5,248
Corporate tax expense	**(2,977)**	(2,736)	**(1,517)**	(1,460)
Operating profit after tax	**7,835**	7,129	**4,047**	3,788
Non-controlling interests	**(16)**	(16)	**(8)**	(8)
Net profit after tax ("cash basis")	**7,819**	7,113	**4,039**	3,780
Treasury shares valuation adjustment (after tax)	**(53)**	(15)	**(22)**	(31)
Hedging and IFRS volatility (after tax)	**27**	124	**37**	(10)
Bankwest non-cash items (after tax)	**(71)**	(89)	**(38)**	(33)
Count Financial acquisition costs (after tax)	**-**	(43)	**-**	-
Bell Group litigation (after tax)	**(45)**	-	**-**	(45)
Net profit after tax ("statutory basis")	**7,677**	7,090	**4,016**	3,661
Total Operating Income				
Retail Banking Services	**7,947**	7,390	**4,029**	3,918
Business and Private Banking	**3,752**	3,781	**1,872**	1,880
Institutional Banking and Markets	**2,633**	2,390	**1,305**	1,328
Wealth Management (net of volume expenses)	**2,277**	2,039	**1,160**	1,117
New Zealand	**1,650**	1,498	**855**	795
Bankwest	**1,747**	1,663	**876**	871
IFS and Other	**825**	700	**448**	377

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

20. Analysis Template (continued)

Profit Summary - Input Schedule	Full Year Ended 30 Jun 13 $M	Full Year Ended 30 Jun 12 $M	Half Year Ended 30 Jun 13 $M	Half Year Ended 31 Dec 12 $M
Other Data				
Net interest income	**13,944**	13,157	**7,082**	6,862
Average interest earning assets	**653,637**	629,685	**657,951**	649,394
Average net assets (1)	**43,454**	39,245	**44,396**	42,436
Average non-controlling interests (1)	**533**	529	**535**	532
Average other equity instruments (1)	**939**	939	**939**	939
Average treasury shares (1)	**(307)**	(311)	**(299)**	(312)
Distributions - other equity instruments	**40**	42	**20**	20
Interest expense (after tax) - Perls III	**37**	48	**18**	19
Interest expense (after tax) - Perls IV	**13**	44	**-**	13
Interest expense (after tax) - Perls V	**72**	85	**35**	37
Interest expense (after tax) - Perls VI	**49**	-	**34**	15
Interest expense (after tax) - TPS	**22**	22	**11**	11
Weighted average number of shares - statutory basic (M)	**1,598**	1,570	**1,603**	1,593
Weighted average number of shares - statutory diluted (M)	**1,686**	1,674	**1,692**	1,686
Weighted average number of shares - cash basic (M)	**1,601**	1,573	**1,606**	1,596
Weighted average number of shares - cash diluted (M)	**1,689**	1,677	**1,695**	1,689
Weighted average number of shares - Perls III (M)	**18**	23	**18**	20
Weighted average number of shares - Perls IV (M)	**7**	29	**-**	16
Weighted average number of shares - Perls V (M)	**31**	40	**31**	33
Weighted average number of shares - Perls VI (M)	**22**	-	**30**	14
Weighted average number of shares - TPS (M)	**9**	11	**9**	9
Weighted average number of shares - Executive options (M)	**1**	1	**1**	1
Dividends per share (cents) - fully franked	**364**	334	**200**	164
No. of shares at end of period excluding Treasury Shares deduction (M)	**1,612**	1,592	**1,612**	1,609
Funds Under Administration (FUA) - average	**227,780**	200,792	**239,948**	215,554
Average inforce premiums	**2,834**	2,450	**2,898**	2,736
Net assets	**45,492**	41,572	**45,492**	43,299
Total intangible assets	**10,423**	10,281	**10,423**	10,366
Non-controlling interests	**537**	531	**537**	532
Other equity instruments	**939**	939	**939**	939

(1) Average of reporting period balances.

20. Analysis Template (continued)

Ratios - Output Summary	Full Year Ended 30 Jun 13 $M	Full Year Ended 30 Jun 12 $M	Half Year Ended 30 Jun 13 $M	Half Year Ended 31 Dec 12 $M
EPS				
Net profit after tax - "cash basis"	**7,819**	7,113	**4,039**	3,780
Less distribution - other equity instruments	**(40)**	(42)	**(20)**	(20)
Adjusted profit for EPS calculation	**7,779**	7,071	**4,019**	3,760
Average number of shares (M) - "cash basis"	**1,601**	1,573	**1,606**	1,596
Earnings per share basic - "cash basis" (cents) [1]	**485. 8**	449. 4	**250. 3**	235. 5
Interest expense (after tax) - Perls III	**37**	48	**18**	19
Interest expense (after tax) - Perls IV	**13**	44	**-**	13
Interest expense (after tax) - Perls V	**72**	85	**35**	37
Interest expense (after tax) - Perls VI	**49**	-	**34**	15
Interest expense (after tax) - TPS	**22**	22	**11**	11
Profit impact of assumed conversions (after tax)	**193**	199	**98**	95
Weighted average number of shares - Perls III (M)	**18**	23	**18**	20
Weighted average number of shares - Perls IV (M)	**7**	29	**-**	16
Weighted average number of shares - Perls V (M)	**31**	40	**31**	33
Weighted average number of shares - Perls VI (M)	**22**	-	**30**	14
Weighted average number of shares - TPS (M)	**9**	11	**9**	9
Weighted average number of shares - Executive options (M)	**1**	1	**1**	1
Weighted average number of shares - dilutive securities (M)	**88**	104	**89**	93
Adjusted cash profit for EPS calculation	**7,779**	7,071	**4,019**	3,760
Add back profit impact of assumed conversions (after tax)	**193**	199	**98**	95
Adjusted diluted profit for EPS calculation	**7,972**	7,270	**4,117**	3,855
Average number of shares (M) - "cash basis"	**1,601**	1,573	**1,606**	1,596
Add back weighted average number of shares (M)	**88**	104	**89**	93
Diluted average number of shares (M)	**1,689**	1,677	**1,695**	1,689
Earnings per share diluted - "cash basis" (cents) [1]	**472. 0**	433. 4	**242. 8**	228. 2
Net profit after tax - "statutory basis"	**7,677**	7,090	**4,016**	3,661
Less distribution - other equity instruments	**(40)**	(42)	**(20)**	(20)
Adjusted profit for EPS calculation	**7,637**	7,048	**3,996**	3,641
Average number of shares (M) - "statutory basis"	**1,598**	1,570	**1,603**	1,593
Earnings per share basic - "statutory basis" (cents) [1]	**477. 9**	448. 9	**249. 3**	228. 6
DPS				
Dividends				
Dividends per share (cents)	**364**	334	**200**	164
No of shares at end of period (M)	**1,612**	1,592	**1,612**	1,609
Total dividends	**5,863**	5,303	**3,224**	2,639
Dividend payout ratio - "cash basis"				
Net profit after tax - "cash basis"	**7,819**	7,113	**4,039**	3,780
NPAT - available for distribution to ordinary shareholders	**7,779**	7,071	**4,019**	3,760
Total dividends	**5,863**	5,303	**3,224**	2,639
Payout ratio - "cash basis" (%)	**75.4**	75.0	**80.2**	70.2
Dividend cover				
NPAT - available for distribution to ordinary shareholders	**7,779**	7,071	**4,019**	3,760
Total dividends	**5,863**	5,303	**3,224**	2,639
Dividend cover ("cash basis") (times)	**1.3**	1.3	**1.2**	1.4

(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 Jun 13 $M	Full Year Ended 30 Jun 12 $M	Half Year Ended 30 Jun 13 $M	Half Year Ended 31 Dec 12 $M
ROE				
Return on equity - "cash basis"				
Average net assets	**43,454**	39,245	**44,396**	42,436
Less:				
Average non-controlling interests	**(533)**	(529)	**(535)**	(532)
Average other equity instruments	**(939)**	(939)	**(939)**	(939)
Average equity	**41,982**	37,777	**42,922**	40,965
Add average treasury shares	**307**	311	**299**	312
Net average equity	**42,289**	38,088	**43,221**	41,277
Net profit after tax - "cash basis"	**7,819**	7,113	**4,039**	3,780
Less distribution - other equity instruments	**(40)**	(42)	**(20)**	(20)
Adjusted profit for ROE calculation	**7,779**	7,071	**4,019**	3,760
Return on equity - "cash basis" (%)	**18. 4**	18. 6	**18. 8**	18. 1
Return on equity - "statutory basis"				
Average net assets	**43,454**	39,245	**44,396**	42,436
Average non-controlling interests	**(533)**	(529)	**(535)**	(532)
Average other equity interests	**(939)**	(939)	**(939)**	(939)
Average equity	**41,982**	37,777	**42,922**	40,965
Net profit after tax - "statutory basis"	**7,677**	7,090	**4,016**	3,661
Less distribution other equity instruments	**(40)**	(42)	**(20)**	(20)
Adjusted profit for ROE calculation	**7,637**	7,048	**3,996**	3,641
Return on equity - "statutory basis" (%)	**18. 2**	18. 7	**18. 8**	17. 6
Net Tangible Assets (NTA) per share				
Net assets	**45,492**	41,572	**45,492**	43,299
Less:				
Intangible assets	**(10,423)**	(10,281)	**(10,423)**	(10,366)
Non-controlling interests	**(537)**	(531)	**(537)**	(532)
Other equity instruments	**(939)**	(939)	**(939)**	(939)
Total net tangible assets	**33,593**	29,821	**33,593**	31,462
No. of shares at end of period (M)	**1,612**	1,592	**1,612**	1,609
Net tangible assets (NTA) per share ($)	**20. 84**	18. 73	**20. 84**	19. 55

21. Summary

Group		Full Year Ended 30 Jun 13	30 Jun 12	Jun 13 vs Jun 12 %	Half Year Ended 30 Jun 13	31 Dec 12	Jun 13 vs Dec 12 %
Net profit after tax ("cash basis")	$M	**7,819**	7,113	10	**4,039**	3,780	7
Treasury shares valuation adjustment (after tax)	$M	**(53)**	(15)	large	**(22)**	(31)	(29)
Hedging and IFRS volatility (after tax)	$M	**27**	124	(78)	**37**	(10)	large
Bankwest non-cash items	$M	**(71)**	(89)	(20)	**(38)**	(33)	15
Count Financial acquisition costs (after tax)	$M	**-**	(43)	large	**-**	-	-
Bell Group litigation (after tax)	$M	**(45)**	-	-	**-**	(45)	large
Net profit after tax ("statutory basis")	$M	**7,677**	7,090	8	**4,016**	3,661	10
Earnings per share ("cash basis") - basic	cents	**485. 8**	449. 4	8	**250. 3**	235. 5	6
Dividends per share (fully franked)	cents	**364**	334	9	**200**	164	22
Dividends payout ratio ("cash basis")	%	**75. 4**	75. 0	40 bpts	**80. 2**	70. 2	large
Common Equity Tier One (Internationally Harmonised) - Basel III	%	**11. 0**	9. 8	120 bpts	**11. 0**	10. 6	40 bpts
Common Equity Tier One (APRA) - Basel III	%	**8. 2**	7. 5	70 bpts	**8. 2**	8. 1	10 bpts
Number of full time equivalent staff	No.	**44,969**	44,844	-	**44,969**	44,363	1
Return on equity ("cash basis")	%	**18. 4**	18. 6	(20)bpts	**18. 8**	18. 1	70 bpts
Return on equity ("statutory basis")	%	**18. 2**	18. 7	(50)bpts	**18. 8**	17. 6	120 bpts
Weighted average no. of shares ("statutory basis") - basic	M	**1,598**	1,570	2	**1,603**	1,593	1
Net tangible assets per share	$	**20. 84**	18. 73	11	**20. 84**	19. 55	7
Net interest income	$M	**13,944**	13,157	6	**7,082**	6,862	3
Net interest margin	%	**2. 13**	2. 09	4 bpts	**2. 17**	2. 10	7 bpts
Other banking income	$M	**4,221**	3,927	7	**2,086**	2,135	(2)
Other banking income/total banking income	%	**23. 2**	23. 0	20 bpts	**22. 8**	23. 7	(90)bpts
Operating expenses to total operating income	%	**45. 0**	46. 0	(100)bpts	**44. 9**	45. 1	(20)bpts
Average interest earning assets	$M	**653,637**	629,685	4	**657,951**	649,394	1
Average interest bearing liabilities	$M	**609,557**	590,654	3	**613,779**	605,408	1
Loan impairment expense ("cash basis")	$M	**1,082**	1,089	(1)	**466**	616	(24)
Loan impairment expense ("cash basis") annualised as a % of average gross loans and acceptances	%	**0. 20**	0. 21	(1)bpt	**0. 17**	0. 22	(5)bpts
Total provisions for impaired assets as a % of gross impaired assets (1)	%	**40. 62**	45. 47	(485)bpts	**40. 62**	43. 71	(309)bpts
Risk weighted assets - Basel III (APRA)	$M	**329,158**	n/a	n/a	**329,158**	314,942	5
Retail Banking Services							
Cash net profit after tax	$M	**3,054**	2,703	13	**1,548**	1,506	3
Operating expenses to total banking income	%	**38. 5**	40. 1	(160)bpts	**38. 2**	38. 9	(70)bpts
Business and Private Banking							
Cash net profit after tax	$M	**1,488**	1,513	(2)	**753**	735	2
Operating expenses to total banking income	%	**36. 1**	35. 7	40 bpts	**36. 2**	36. 1	10 bpts
Institutional Banking and Markets							
Cash net profit after tax	$M	**1,210**	1,098	10	**607**	603	1
Operating expenses to total banking income	%	**34. 2**	35. 1	(90)bpts	**35. 2**	33. 3	190 bpts

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

21. Summary (continued)

		Full Year Ended			Half Year Ended		
		30 Jun 13	30 Jun 12	Jun 13 vs Jun 12 %	30 Jun 13	31 Dec 12	Jun 13 vs Dec 12 %
Wealth Management							
Cash net profit after tax	$M	**687**	629	9	**353**	334	6
Underlying profit after tax	$M	**577**	492	17	**304**	273	11
Investment experience after tax	$M	**110**	137	(20)	**49**	61	(20)
Funds Under Administration - (average)	$M	**219,296**	193,277	13	**231,138**	207,437	11
Funds Under Administration - (spot)	$M	**240,352**	196,199	23	**240,352**	219,175	10
Net funds flow	$M	**15,980**	3,925	large	**9,863**	6,117	61
Average inforce premiums	$M	**2,068**	1,806	15	**2,118**	2,021	5
Annual inforce premiums - (spot)	$M	**2,165**	1,971	10	**2,165**	2,071	5
Funds management income to average FUA	%	**0. 95**	0. 98	(3)bpts	**0. 94**	0. 95	(1)bpt
Insurance income to average inforce premiums	%	**34. 6**	38. 3	(370)bpts	**33. 1**	36. 1	(300)bpts
Operating expenses to net operating income	%	**65. 6**	67. 1	(150)bpts	**64. 7**	66. 5	(180)bpts
New Zealand							
Cash net profit after tax	$M	**635**	541	17	**326**	309	6
Underlying profit after tax	$M	**630**	557	13	**323**	307	5
Funds Under Administration - (average)	$M	**8,484**	7,515	13	**8,810**	8,117	9
Funds Under Administration - (spot)	$M	**9,343**	7,905	18	**9,343**	8,197	14
Average inforce premiums	$M	**516**	470	10	**526**	498	6
Inforce premiums - spot	$M	**544**	488	11	**544**	507	7
Funds management income to average FUA	%	**0. 64**	0. 59	5 bpts	**0. 66**	0. 61	5 bpts
Insurance income to average inforce premiums	%	**47. 9**	48. 3	(40)bpts	**51. 4**	45. 0	large
Operating expenses to total operating income	%	**46. 5**	48. 3	(180)bpts	**47. 0**	45. 9	110 bpts
Bankwest							
Cash net profit after tax	$M	**561**	527	6	**303**	258	17
Operating expenses to total banking income	%	**47. 2**	51. 0	(380)bpts	**46. 7**	47. 8	(110)bpts

22. Foreign Exchange Rates

Exchange Rates Utilised [1]	Currency	As at 30 Jun 13	31 Dec 12	30 Jun 12
AUD 1.00 =	USD	**0.9268**	1.0386	1.0181
	EUR	**0.7098**	0.7868	0.8079
	GBP	**0.6076**	0.6430	0.6509
	NZD	**1.1860**	1.2610	1.2756
	JPY	**91.5647**	89.4895	80.9160

(1) End of day, Sydney time.

23. Definitions

Term	Description
Assets Under Management	Assets Under Management (AUM) represents the market value of assets for which the Group acts as appointed manager.
Bankwest	Bankwest is active in all domestic market segments, with lending diversified between the business, rural, housing and personal markets, including a full range of deposit products.
Business and Private Banking	Business and Private Banking provides specialised banking services to relationship managed business and Agribusiness customers, private banking to high net worth individuals and margin lending and trading through CommSec.
Corporate Centre and Group wide Eliminations/Unallocated	Corporate Centre includes the results of unallocated Group support functions such as Investor Relations, Group Strategy, 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.
Funds Under Administration	Funds Under Administration (FUA) represents the market value of funds administered by the Group and includes AUM.
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 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 Limited acquisition costs, Bell Group litigation expense 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 Limited acquisition costs, Bell Group litigation expense 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.

23. Definitions (continued)

Term	Description
Other Overseas	Represents amounts booked in branches and controlled entities outside Australia and New Zealand.
Retail Banking Services	Retail Banking Services provides home loan, consumer finance and retail deposit products and servicing to all Retail bank customers. In addition, commission is received for the distribution of Wealth Management products through the retail distribution network.
Return on 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 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.
Full time equivalent staff	Includes 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 Life and General Insurance businesses of the Australian operations.
Weighted average number of shares ("cash basis")	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 basis")	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.

24. Market Share Definitions

Retail Banking[1]

Home Loans (RBA)	CBA Loans to individuals that are Owner Occupied and Investment Home Loans + Securitised Housing Loans as per APRA Banking Stats + separately reported subsidiaries: Wallaby Trust, Residential Group Mortgage Group P/L and Homepath P/L	RBA Total Housing Loans (incl securitisations) (includes Banks and non banks)
Credit Cards (RBA)	CBA Personal Credit Card Lending (APRA)	Credit Cards excluding those issued to Business, with Interest free period + without interest free period (from RBA market which includes NBFI's unlike APRA)
Personal Lending (Other Household Lending)	CBA Lending to Individuals which includes: Personal Loans, Margin Lending, Personal Leasing, Revolving credit	Loans to Households: Other (APRA Monthly Banking Statistics back series)
Household Deposits	Total CBA transaction and non-transaction account deposit balances from residents as reported under APRA definitions for Households (individuals) excluding Self -Managed Super Funds (as per deposit balances submitted to APRA in ARF 320.0)	Total Household Deposits (from APRA Monthly Banking Statistics back series)
Retail Deposits	CBA Deposits from Residents excluding those by Banks, other ADIs and Governments	Total RBA: Current Deposits with banks + Term (excl CD's) + Other with banks (from RBA monthly bulletin statistics)

Business Banking[1]

Business Lending (APRA)	CBA Total loans to residents as reported under APRA definitions for the non-financial corporation's sector (as per deposit balances submitted to APRA in ARF 320.0) (this includes some Housing Loans)	Total loans to the Non-Financial Corporations sector (from APRA Monthly Banking stats back series)
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, excluding sub categories of Banks, ADIs, RFCs and Govts	Total of business lending category of the RBA Aggregate Lending seasonally adjusted
Business Deposits (APRA)	CBA Total transaction and non-transaction account deposit balances from residents as reported under APRA definitions for the non-financial corporation's sector (as per deposit balances submitted to APRA in ARF 320.0)	Loans to Non-Financial Corporations (from APRA Monthly Banking Stats back series)
Asset Finance	CBA Leasing as reported to Australian Equipment Lessors Association (AELA)	Total AELA Leasing Market incl major competitors
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) For this purpose, "CBA" now includes balances relating to Bankwest following the relinquishing of the Bankwest banking license during October 2012.

24. Market Share Definitions (continued)

New Zealand

Home Loans	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)
Business Lending	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 FUA	Total ASB FUA + Sovereign FUA / Total Market net Retail FUA (from Fund Source Research Limited)
Inforce Premiums	Total Sovereign inforce premiums excluding health (opening inforce annual premium income + new business – exits – other) / Total inforce premium for New Zealand (from Financial Services Council of New Zealand statistics)