



**Investor Relations**

National Australia  
Bank Limited  
ABN 12004044937

500 Bourke Street  
Melbourne  
Victoria 3000  
Australia

**ASX Announcement**

*20 April 2005*

**National Australia Bank Half Year Results Format**

Prior to the release on 11 May 2005 of the National's Half Year Results Announcement, the Company wishes to advise the market of changes to its Half Year Results Announcement format. These include additional disclosures, changes to the format with regard to the new business operating model, and reclassifications of prior period numbers. Previously reported Group profit numbers have not changed.

Details of the changes, including a Proforma Half Year Results template, is attached.

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## Summary of Changes

- 1) Following feedback a number of additional disclosures have been incorporated. These provide more detail on loans, deposits, expenses, number of shares and the Irish Banks.
- 2) In August 2004 the Group announced a number of changes to the structure of its business operating model and executive management team. The new business operating model, which is effective for the 2005 financial year, is run along regional lines for Australia, the UK and New Zealand, together with Institutional Markets & Services, which will continue to operate on a global basis. As such, the Group's segment reporting has been revised in line with the new business operating model. The revised segment information is attached, with four half years of historical information provided. Also provided is a reconciliation of the results from the previous to the new business operating model.
- 3) During the year the Group introduced a common chart of general ledger accounts across its business operations and subsidiaries globally. In preparation for the introduction of this global chart of accounts, an extensive and detailed Group-wide review of general ledger account classifications was undertaken. As a result changes have been made to the classification between certain categories in the Group balance sheet to more appropriately reflect the nature of specific products, as follows:
  - transfer of certain exposures from On-Demand & Short-Term Deposits to Due to Other Financial Institutions and Securities Sold Under Agreements to Repurchase totalling \$3,357 million at 30 September 2004;
  - transfer of certain exposures from Due to Other Financial Institutions to On-Demand & Short-Term Deposits totalling \$939 million at 30 September 2004;
  - transfer of certain loans from Overdrafts to Term Lending totalling \$5,346 million at 30 September 2004; and
  - transfer of certain loans from Overdrafts to Market Rate Advances totalling \$450 million at 30 September 2004.

**Changes from National Australia Bank's Full Year Results  
Announcement on 10 November 2004 to the Half Year Results  
Announcement on 11 May 2005**

*Page references refer to the Half Year Results Announcement Template (attached)*

**Summary of Financial Position**

Summary of Financial Position (page 4) and Note 5. Average Balance Sheet (page 27)

| <b>Summary at 30 September 2004</b>            | <b>Ref</b> | <b>Previous<br/>balance<br/>\$m</b> | <b>Reclassification<br/>\$m</b> | <b>New<br/>balance<br/>\$m</b> |
|--|------------|-------------------------------------|---------------------------------|--------------------------------|
| <u>Asset categories</u>                        |            |                                     |                                 |                                |
| Housing, Leasing & Credit Cards                |            | 148,676                             | -                               | 148,676                        |
| Term lending                                   | (a)        | 78,890                              | 5,346                           | 84,236                         |
| Overdrafts                                     | (a)(b)     | 18,763                              | (5,796)                         | 12,967                         |
| Other  | (b)        | 6,049                               | 450                             | 6,499                          |
| <b>Total Gross Loans &amp; Advances</b>        |            | <b>252,378</b>                      | <b>-</b>                        | <b>252,378</b>                 |
| <u>Liability categories</u>                    |            |                                     |                                 |                                |
| Due to Other Financial Institutions            | (c)(d)     | 42,044                              | 1,724                           | 43,768                         |
| Deposits not bearing interest                  |            | 13,516                              | -                               | 13,516                         |
| On-demand & short-term deposits                | (c)(d)     | 85,532                              | (2,418)                         | 83,114                         |
| Term & Certificates of deposit                 |            | 100,342                             | -                               | 100,342                        |
| Securities sold under agreements to repurchase | (c)        | 2,115                               | 694                             | 2,809                          |
| Borrowings                                     |            | 19,247                              | -                               | 19,247                         |
| <b>Total Deposits &amp; Other Borrowings</b>   |            | <b>220,752</b>                      | <b>(1,724)</b>                  | <b>219,028</b>                 |

The following changes do not impact total assets, total liabilities, total average interest-earning assets, total average interest-bearing liabilities, net interest income, net profit, net interest margin or net interest spread.

- (a) A change has been made to the classification of certain loans from Overdrafts to Term Lending in the UK. There has been no change to Total Gross Loans & Advances. On this basis, comparative information at 30 September 2004 of \$ 5,346 million has been reclassified. This reclassification is also reflected in Note 6. Gross Loans & Advances.
- (b) A change has been made to the classification of certain loans from Overdrafts to Market Rate Advances in the UK. There has been no change to Total Net Loans & Advances. On this basis, comparative information at 30 September 2004 of \$450 million has been reclassified. This reclassification is also reflected in Note 6. Gross Loans & Advances.

- (c) A change has been made to the classification of certain exposures from On-Demand & Short-Term Deposits to Due to Other Financial Institutions and Securities Sold Under Agreements to Repurchase in Australia. On this basis, comparative information has been reclassified as follows:
- at 30 September 2004 amounts were reclassified from On-Demand & Short-Term Deposits (\$3,357 million) to Due to Other Financial Institutions (\$2,663 million) and Securities Sold Under Agreements to Repurchase (\$694 million).

This reclassification is also reflected in Note 7. Deposits & Other Borrowings, and will impact categories within the average balance sheet at Note 5. Average Balance Sheet & Related Interest.

- (d) A change has been made to the classification of certain exposures from Due to Other Financial Institutions to On-Demand & Short-Term Deposits in Australia. On this basis, comparative information at 30 September 2004 of \$939 million respectively has been reclassified.

This reclassification is also reflected in Note 7. Deposits & Other Borrowings, and will impact categories within the average balance sheet at Note 5. Average Balance Sheet & Related Interest.

#### **Deletion – Retail Banking**

Consistent with the Group's regional operating model, a detailed profit and loss for global Retail Banking has not been included. (In the previous Full Year Results Announcement this information was included on page 32).

#### **Additional disclosures – average loans**

Note 5. Average Balance Sheet & Related Interest (page 27)

Average loans and advances have been separated between housing and non-housing lending.

#### **Additional disclosures – deposits & other borrowings**

Note 7. Deposits & Other Borrowings (page 35)

Additional disclosures relating to the categories and geographic distribution of deposits & other borrowings on the balance sheet.

#### **Additional disclosures – investment earnings on shareholders' retained profits and capital from life businesses**

Note 8. Net Life Insurance Income (page 37)

Investment earnings on shareholders' retained profits and capital from life businesses is separately disclosed and is now shown both pre and post tax.

This also impacts the Group Performance Summary, Note 1. Performance Summary by Division and Note 9. Revenue.

## **Reclassification of fleet management fee income**

### Note 9. Revenue (page 38)

A component of fleet management income, which was previously classified within total fees and commissions income, has been reclassified and now forms part of total fleet management fee income. On this basis, comparative information for the March 2004 half and the September 2004 half of \$11 million and \$12 million respectively has been reclassified.

## **Additional disclosures – Banking expenses**

### Note 10. Expenses (page 40)

Total Banking expenses have been split out further. Motor vehicle and insurance expenses are new disclosure lines within Total Banking general expenses.

The capitalised balance of software on the balance sheet is disclosed in a separate table.

## **Reclassification within occupancy expenses**

### Note 10. Expenses (page 40)

A component of occupancy expenses, which was previously classified within maintenance and repairs, has been reclassified and now forms part of operating lease rental expense. On this basis, comparative information for the March 2004 half and the September 2004 half of \$10 million and \$10 million respectively has been reclassified.

## **Additional disclosures – number of shares**

### Note 18. Reconciliation of Number of Shares (page 55)

Inclusion of a movement reconciliation of the number of shares on issue.

## **Additional disclosures – Irish Banks**

While not included in the attached template, the Results Announcement will include disclosures in relation to the profit and loss and balance sheet of the Irish Banks, which were sold on 28 February 2005.

## Management reporting segments

### Cash earnings (before significant items) for the Sep 04 year

| Previous Segment View<br>Half Year to Sep 2004 | Cash earnings<br>before<br>reclassifications<br>\$m | Transfers              |                            |   |      | Corporate<br>Centre to the<br>Regions<br>\$m | Cash earnings<br>after<br>reclassifications<br>\$m | New Segment View<br>from Oct 2004 |
|--|---|------------------------|----------------------------|---|------|--|--|-----------------------------------|
|  |   | Private<br>Bank<br>\$m | Fleet<br>Management<br>\$m | IMS to the<br>Regions <sup>(3)</sup><br>\$m |      |  |  |                                   |
| Financial Services Australia                   | 877   | 30                     | (3)                        | 35  |      | 940  | Australian Banking                                 |                                   |
| Financial Services Europe                      | 290   |                        | 2                          | (8)   |      | 284  | UK Banking   |                                   |
| Financial Services New Zealand                 | 171   |                        | 1                          |   | (35) | 137  | New Zealand Banking                                |                                   |
| Corporate & Institutional Banking              | 243   |                        |                            | (27)  | 2    | 217  | Institutional Markets & Services                   |                                   |
| Wealth Management (WM) <sup>(1)</sup>          |   |                        |                            |   |      |  |  |                                   |
| Australia & Asia                               | 179   | (30)                   |                            |   |      | 149  | WM Australia <sup>(2)</sup>                        |                                   |
| Europe   | 3   |                        |                            |   |      | 3  | WM UK  |                                   |
| New Zealand                                    | 6   |                        |                            |   |      | 6  | WM NZ  |                                   |
| Group Funding                                  | (16)  |                        |                            |   |      | (16)   | Group Funding                                      |                                   |
| Corporate Centre                               | (49)  |                        |                            |   | 33   | (16)   | Corporate Centre                                   |                                   |
| Distributions                                  | (93)  |                        |                            |   |      | (93)   | Distributions                                      |                                   |
| <b>Cash earnings before significant items</b>  | <b>1,611</b>  |                        |                            |   |      | <b>1,611</b>                                 | <b>Cash earnings before significant items</b>      |                                   |

| Previous Segment View<br>Half Year to Mar 2004 | Cash earnings<br>before<br>reclassifications<br>\$m | Transfers              |                            |   |     | Corporate<br>Centre to the<br>Regions<br>\$m | Cash earnings<br>after<br>reclassifications<br>\$m | New Segment View<br>from Oct 2004 |
|--|---|------------------------|----------------------------|---|-----|--|--|-----------------------------------|
|  |   | Private<br>Bank<br>\$m | Fleet<br>Management<br>\$m | IMS to the<br>Regions <sup>(3)</sup><br>\$m |     |  |  |                                   |
| Financial Services Australia                   | 999   | 32                     | (8)                        | 32  | (2) | 1,053  | Australian Banking                                 |                                   |
| Financial Services Europe                      | 308   |                        | 1                          | 1   |     | 310  | UK Banking   |                                   |
| Financial Services New Zealand                 | 158   |                        | 7                          |   | (6) | 159  | New Zealand Banking                                |                                   |
| Corporate & Institutional Banking              | 375   |                        |                            | (33)  | (1) | 341  | Institutional Markets & Services                   |                                   |
| Wealth Management (WM) <sup>(1)</sup>          |   |                        |                            |   |     |  |  |                                   |
| Australia & Asia                               | 202   | (32)                   |                            |   | 1   | 171  | WM Australia <sup>(2)</sup>                        |                                   |
| Europe   | 14  |                        |                            |   |     | 14   | WM UK  |                                   |
| New Zealand                                    | 5   |                        |                            |   |     | 5  | WM NZ  |                                   |
| Group Funding                                  | (49)  |                        |                            |   |     | (49)   | Group Funding                                      |                                   |
| Corporate Centre                               | (68)  |                        |                            |   | 8   | (60)   | Corporate Centre                                   |                                   |
| Distributions                                  | (94)  |                        |                            |   |     | (94)   | Distributions                                      |                                   |
| <b>Cash earnings before significant items</b>  | <b>1,850</b>  |                        |                            |   |     | <b>1,850</b>                                 | <b>Cash earnings before significant items</b>      |                                   |

(1) Previously Wealth Management was managed as one global business, but a regional breakdown has been provided for reconciliation purposes.

(2) Includes the Australian and Asian operations of Wealth Management.

(3) Transfers of National Custodian Services, Transactional Solutions and adjustments to revenue sharing arrangements.

## Management reporting segments

### Cash earnings (before significant items) for the Sep 03 year

| Previous Segment View<br>Half Year to Sep 2003 | Cash earnings<br>before<br>reclassifications<br>\$m | Transfers              |                            |   |      | Corporate<br>Centre to the<br>Regions | Cash earnings<br>after<br>reclassifications<br>\$m | New Segment View<br>from Oct 2004 |
|--|---|------------------------|----------------------------|---|------|---------------------------------------|--|-----------------------------------|
|  |   | Private<br>Bank<br>\$m | Fleet<br>Management<br>\$m | IMS to the<br>Regions <sup>(3)</sup><br>\$m |      |                                       |  |                                   |
| Financial Services Australia                   | 967   | 31                     | (8)                        | 18  | 1    | 1,010                                 | Australian Banking                                 |                                   |
| Financial Services Europe                      | 407   |                        | 1                          | (5)   | 1    | 404                                   | UK Banking   |                                   |
| Financial Services New Zealand                 | 152   |                        | 7                          |   | (13) | 146                                   | New Zealand Banking                                |                                   |
| Corporate & Institutional Banking              | 447   |                        |                            | (13)  | 4    | 437                                   | Institutional Markets & Services                   |                                   |
| Wealth Management (WM) <sup>(1)</sup>          |   |                        |                            |   |      |                                       |  |                                   |
| Australia & Asia                               | 203   | (31)                   |                            |   |      | 172                                   | WM Australia <sup>(2)</sup>                        |                                   |
| Europe   | 14  |                        |                            |   | 1    | 15                                    | WM UK  |                                   |
| New Zealand                                    | (4)   |                        |                            |   |      | (4)                                   | WM NZ  |                                   |
| Group Funding                                  | (18)  |                        |                            |   | 14   | (4)                                   | Group Funding                                      |                                   |
| Corporate Centre                               | (36)  |                        |                            |   | (8)  | (44)                                  | Corporate Centre                                   |                                   |
| Distributions                                  | (89)  |                        |                            |   |      | (89)                                  | Distributions                                      |                                   |
| <b>Cash earnings before significant items</b>  | <b>2,043</b>  |                        |                            |   |      | <b>2,043</b>                          | <b>Cash earnings before significant items</b>      |                                   |

| Previous Segment View<br>Half Year to Mar 2003 | Cash earnings<br>before<br>reclassifications<br>\$m | Transfers              |                            |   |     | Corporate<br>Centre to the<br>Regions | Cash earnings<br>after<br>reclassifications<br>\$m | New Segment View<br>from Oct 2004 |
|--|---|------------------------|----------------------------|---|-----|---------------------------------------|--|-----------------------------------|
|  |   | Private<br>Bank<br>\$m | Fleet<br>Management<br>\$m | IMS to the<br>Regions <sup>(3)</sup><br>\$m |     |                                       |  |                                   |
| Financial Services Australia                   | 904   | 25                     | (9)                        | 24  | (4) | 940                                   | Australian Banking                                 |                                   |
| Financial Services Europe                      | 490   |                        | 1                          | 2   | (1) | 492                                   | UK Banking   |                                   |
| Financial Services New Zealand                 | 159   |                        | 8                          |   |     | 167                                   | New Zealand Banking                                |                                   |
| Corporate & Institutional Banking              | 430   |                        |                            | (26)  | (1) | 403                                   | Institutional Markets & Services                   |                                   |
| Wealth Management (WM) <sup>(1)</sup>          |   |                        |                            |   |     |                                       |  |                                   |
| Australia & Asia                               | 143   | (25)                   |                            |   | 1   | 119                                   | WM Australia <sup>(2)</sup>                        |                                   |
| Europe   | 12  |                        |                            |   | 1   | 13                                    | WM UK  |                                   |
| New Zealand                                    | 6   |                        |                            |   |     | 6                                     | WM NZ  |                                   |
| Group Funding                                  | 6   |                        |                            |   |     | 6                                     | Group Funding                                      |                                   |
| Corporate Centre                               | (29)  |                        |                            |   | 4   | (25)                                  | Corporate Centre                                   |                                   |
| Distributions                                  | (94)  |                        |                            |   |     | (94)                                  | Distributions                                      |                                   |
| <b>Cash earnings before significant items</b>  | <b>2,027</b>  |                        |                            |   |     | <b>2,027</b>                          | <b>Cash earnings before significant items</b>      |                                   |

(1) Previously Wealth Management was managed as one global business, but a regional breakdown has been provided for reconciliation purposes

(2) Includes the Australian and Asian operations of Wealth Management

(3) Transfers of National Custodian Services, Transactional Solutions and adjustments to revenue sharing arrangements.

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**RESULTS FOR THE HALF YEAR ENDED 31 MARCH 2005**

FINANCIAL SUMMARY

## DIVISIONAL PERFORMANCE SUMMARY

|   | Note | Half Year to  |               |               |               |
|---|------|---------------|---------------|---------------|---------------|
|   |      | Sep 04<br>\$m | Mar 04<br>\$m | Sep 03<br>\$m | Mar 03<br>\$m |
| <b>Cash earnings</b> <sup>(1)</sup>                                     |      |               |               |               |               |
| Australian Banking  | 1a   | 940           | 1,053         | 1,010         | 940           |
| Wealth Management Australia <sup>(2) (3)</sup>                          | 1a   | 149           | 171           | 172           | 119           |
| Total Australia   |      | 1,089         | 1,224         | 1,182         | 1,059         |
| UK Banking  | 1a   | 284           | 310           | 404           | 492           |
| Wealth Management UK  | 1a   | 3             | 14            | 15            | 13            |
| Total UK  |      | 287           | 324           | 419           | 505           |
| New Zealand Banking   | 1a   | 137           | 159           | 146           | 167           |
| Wealth Management New Zealand   | 1a   | 6             | 5             | (4)           | 6             |
| Total New Zealand   |      | 143           | 164           | 142           | 173           |
| Institutional Markets & Services <sup>(3)</sup>                         | 1a   | 217           | 341           | 437           | 403           |
| Other (incl. Group Funding & Corporate Centre)                          | 1a   | (32)          | (109)         | (48)          | (19)          |
| <b>Cash earnings before significant items and distributions</b>         |      | 1,704         | 1,944         | 2,132         | 2,121         |
| Distributions   |      | (93)          | (94)          | (89)          | (94)          |
| <b>Cash earnings before significant items</b>                           |      | 1,611         | 1,850         | 2,043         | 2,027         |
| Weighted av no. of ordinary shares (million)                            | 19   | 1,525         | 1,505         | 1,508         | 1,524         |
| <b>Cash earnings per share before significant items (cents)</b>         | 19   | 105.6         | 122.9         | 135.5         | 133.0         |
| <b>Diluted cash earnings per share before significant items (cents)</b> | 19   | 104.9         | 121.1         | 132.2         | 130.1         |
| <b>Reconciliation to net profit</b>                                     |      |               |               |               |               |
| <b>Cash earnings before significant items</b>                           |      | 1,611         | 1,850         | 2,043         | 2,027         |
| <b>Adjusted for:</b>  |      |               |               |               |               |
| Significant items after tax   | 15   | (511)         | 127           | -             | -             |
| <b>Cash earnings after significant items</b>                            |      | 1,100         | 1,977         | 2,043         | 2,027         |
| <b>Adjusted for:</b>  |      |               |               |               |               |
| Net profit/(loss) attributable to outside equity interest               |      | 311           | 63            | (18)          | 10            |
| Distributions   |      | 93            | 94            | 89            | 94            |
| Wealth Management revaluation profit/(loss)                             |      | (132)         | 148           | 5             | (205)         |
| Goodwill amortisation   |      | (50)          | (53)          | (49)          | (49)          |
| <b>Net profit</b>   |      | 1,322         | 2,229         | 2,070         | 1,877         |
| Net (profit)/loss attributable to outside equity interest               |      | (311)         | (63)          | 18            | (10)          |
| <b>Net profit attributable to members of the Company</b>                |      | 1,011         | 2,166         | 2,088         | 1,867         |
| Distributions   |      | (93)          | (94)          | (89)          | (94)          |
| <b>Earnings attributable to ordinary shareholders</b>                   |      | 918           | 2,072         | 1,999         | 1,773         |

<sup>(1)</sup> Cash earnings is a performance measure used by the management of the Group.

<sup>(2)</sup> Wealth Management Australia division includes Asian operations.

<sup>(3)</sup> Cash earnings after outside equity interest.

## GROUP PERFORMANCE SUMMARY

|  | Note | Half Year to  |               |               | Fav / (Unfav)<br>Change on |             |
|--|------|---------------|---------------|---------------|----------------------------|-------------|
|  |      | Mar 05<br>\$m | Sep 04<br>\$m | Mar 04<br>\$m | Sep 04<br>%                | Mar 04<br>% |
| Banking <sup>(1)</sup>   |      |               |               |               |                            |             |
| Net interest income  | 3    |               | 3,603         | 3,581         |                            |             |
| Other operating income <sup>(1) (2)</sup>  | 9    |               | 1,967         | 2,057         |                            |             |
| <b>Banking net operating income <sup>(1)</sup></b>   |      |               | 5,570         | 5,638         |                            |             |
| Wealth Management  |      |               |               |               |                            |             |
| Net interest income  | 3    |               | 3             | 4             |                            |             |
| Net life insurance income ex IORE <sup>(3)</sup>   | 8    |               | 523           | 396           |                            |             |
| Investment earnings on shareholders retained profits & capital from life businesses (IORE) | 8    |               | 34            | 59            |                            |             |
| Other operating income <sup>(2)</sup>  | 9    |               | 408           | 399           |                            |             |
| <b>Net operating income</b>  |      |               | 6,538         | 6,496         |                            |             |
| Banking operating expenses <sup>(1)</sup>  | 10   |               | (3,147)       | (2,831)       |                            |             |
| Wealth Management operating expenses <sup>(4)</sup>  | 10   |               | (429)         | (405)         |                            |             |
| Charge to provide for doubtful debts   | 12   |               | (254)         | (305)         |                            |             |
| <b>Cash earnings before tax</b>  |      |               | 2,708         | 2,955         |                            |             |
| Banking income tax expense <sup>(1)</sup>  | 14   |               | (619)         | (743)         |                            |             |
| Wealth Management income tax benefit/ (expense)  | 14   |               | (74)          | (205)         |                            |             |
| <b>Cash earnings before significant items, distributions and outside equity interest</b>   |      |               | 2,015         | 2,007         |                            |             |
| Wealth Management revaluation profit/(loss) after tax                                      | 1a   |               | (132)         | 148           |                            |             |
| Goodwill amortisation  |      |               | (50)          | (53)          |                            |             |
| <b>Net profit before significant items</b>   |      |               | 1,833         | 2,102         |                            |             |
| Significant items after tax  | 15   |               | (511)         | 127           |                            |             |
| <b>Net profit</b>  |      |               | 1,322         | 2,229         |                            |             |
| Net (profit)/loss attributable to outside equity interest                                  |      |               |               |               |                            |             |
| Wealth Management  |      |               | (307)         | (58)          |                            |             |
| Institutional Markets & Services   |      |               | (4)           | (5)           |                            |             |
| <b>Net profit attributable to members of the Company</b>                                   |      |               | 1,011         | 2,166         |                            |             |
| Distributions  |      |               | (93)          | (94)          |                            |             |
| <b>Earnings attributable to ordinary shareholders</b>                                      |      |               | 918           | 2,072         |                            |             |

<sup>(1)</sup> Banking refers to Total Banking adjusted for eliminations. Refer to note 1a for further details.

<sup>(2)</sup> Other operating income excludes net interest income, net life insurance income ex IORE, investment earnings on shareholders retained profits and capital from life businesses ('IORE') and revaluation profit/(loss).

<sup>(3)</sup> Net life insurance income is the profit before tax of the life insurance and investment businesses of the statutory funds of the life insurance companies of the Group (excluding net interest income and investment earnings on shareholders retained profits & capital of the life insurance businesses ('IORE')).

<sup>(4)</sup> Operating expenses excludes life insurance expenses incorporated within net life insurance income.

Refer to Note 1a Performance Summary by Division for a reconciliation of the Divisional results to the Group Performance Summary set out above. Note 1a also provides a reconciliation of Total Banking and Total Wealth Management results as set out above.

## SUMMARY OF FINANCIAL POSITION

|  | Note      | As at         |                |                | Change on   |             |
|--|-----------|---------------|----------------|----------------|-------------|-------------|
|  |           | Mar 05<br>\$m | Sep 04<br>\$m  | Mar 04<br>\$m  | Sep 04<br>% | Mar 04<br>% |
| <b>Assets</b>                                      |           |               |                |                |             |             |
| Cash and liquid assets                             |           |               | 8,080          | 11,641         |             |             |
| Due from other financial institutions              |           |               | 23,494         | 20,200         |             |             |
| Due from customers on acceptances                  |           |               | 16,344         | 14,988         |             |             |
| Trading securities                                 |           |               | 24,248         | 25,691         |             |             |
| Trading derivatives                                |           |               | 17,939         | 24,352         |             |             |
| Available for sale securities                      |           |               | 4,610          | 2,794          |             |             |
| Investment securities                              |           |               | 11,513         | 7,099          |             |             |
| Investments relating to life insurance business    |           |               | 41,013         | 37,982         |             |             |
| Loans and advances                                 |           |               | 247,836        | 233,987        |             |             |
| Shares in entities and other securities            |           |               | 158            | 867            |             |             |
| Regulatory deposits                                |           |               | 177            | 436            |             |             |
| Property, plant and equipment                      |           |               | 2,257          | 2,483          |             |             |
| Income tax assets                                  |           |               | 1,367          | 1,248          |             |             |
| Goodwill   |           |               | 632            | 682            |             |             |
| Other assets                                       |           |               | 11,641         | 11,130         |             |             |
| <b>Total assets</b>                                |           |               | <b>411,309</b> | <b>395,580</b> |             |             |
| <b>Liabilities</b>                                 |           |               |                |                |             |             |
| Due to other financial institutions <sup>(1)</sup> |           |               | 43,768         | 45,213         |             |             |
| Liability on acceptances                           |           |               | 16,344         | 14,988         |             |             |
| Trading derivatives                                |           |               | 16,150         | 21,046         |             |             |
| Deposits and other borrowings <sup>(1)</sup>       | <b>7</b>  |               | 219,028        | 209,379        |             |             |
| Life insurance policy liabilities                  |           |               | 36,134         | 34,059         |             |             |
| Income tax liabilities                             |           |               | 1,178          | 1,238          |             |             |
| Provisions   |           |               | 1,129          | 1,143          |             |             |
| Bonds, notes and subordinated debt                 |           |               | 32,573         | 25,204         |             |             |
| Other debt issues                                  |           |               | 1,612          | 1,693          |             |             |
| Other liabilities                                  |           |               | 13,627         | 13,707         |             |             |
| <b>Total liabilities</b>                           |           |               | <b>381,543</b> | <b>367,670</b> |             |             |
| <b>Net assets</b>                                  |           |               | <b>29,766</b>  | <b>27,910</b>  |             |             |
| <b>Equity</b>                                      |           |               |                |                |             |             |
| Ordinary shares                                    |           |               | 7,271          | 6,029          |             |             |
| National Income Securities                         |           |               | 1,945          | 1,945          |             |             |
| Trust Preferred Securities                         |           |               | 975            | 975            |             |             |
| Contributed equity                                 | <b>17</b> |               | 10,191         | 8,949          |             |             |
| Reserves <sup>(2)</sup>                            | <b>17</b> |               | 1,194          | 784            |             |             |
| Retained profits <sup>(2)</sup>                    | <b>17</b> |               | 14,515         | 14,619         |             |             |
| <b>Total equity (parent entity interest)</b>       |           |               | <b>25,900</b>  | <b>24,352</b>  |             |             |
| Outside equity interest in controlled entities     | <b>17</b> |               |                |                |             |             |
| Wealth Management                                  |           |               | 3,866          | 3,385          |             |             |
| Institutional Markets & Services                   |           |               | -              | 173            |             |             |
| <b>Total equity</b>                                |           |               | <b>29,766</b>  | <b>27,910</b>  |             |             |

<sup>(1)</sup> A net change has been made to the classification of certain exposures from Deposits and Other Borrowings to Due to Other Financial Institutions. Comparative information has been reclassified at 30 September 2004 and 31 March 2004 of \$1,724 million and \$1,245 million respectively.

<sup>(2)</sup> At 30 September 2004 an amount of \$840 million was reclassified from Reserves to Retained Profits, leaving Total Equity unchanged. Refer to ASX Announcement dated 10 December 2004.

## GROUP KEY PERFORMANCE MEASURES

|  | Note | Half Year to |        |        |
|--|------|--------------|--------|--------|
|  |      | Mar 05       | Sep 04 | Mar 04 |
| <b>Shareholder measures</b>  |      |              |        |        |
| EVA® (\$ million) <sup>(1)</sup>   |      |              | 639    | 978    |
| <b>Earnings per share (cents)</b>  |      |              |        |        |
| Basic cash earnings per ordinary share before significant items <sup>(2)</sup> | 19   |              | 105.6  | 122.9  |
| Diluted cash earnings per share before significant items <sup>(2)</sup>        | 19   |              | 104.9  | 121.1  |
| Basic cash earnings per ordinary share after significant items <sup>(2)</sup>  |      |              | 71.7   | 131.4  |
| Basic earnings per ordinary share before significant items                     |      |              | 93.5   | 129.2  |
| Basic earnings per ordinary share after significant items                      |      |              | 60.2   | 137.7  |
| Weighted average ordinary shares (no. million)                                 | 19   |              | 1,525  | 1,505  |
| Weighted average diluted shares (no. million)                                  | 19   |              | 1,591  | 1,574  |
| Dividends per share (cents)  |      |              | 83     | 83     |
| <b>Performance (after non-cash items) <sup>(3)</sup></b>                       |      |              |        |        |
| Return on average equity before significant items                              |      |              | 12.9%  | 18.8%  |
| Return on average equity after significant items                               |      |              | 8.3%   | 20.0%  |
| Return on average assets before significant items                              |      |              | 0.70%  | 0.96%  |
| <b>Net interest income</b>   |      |              |        |        |
| Net interest spread  | 4    |              | 1.92%  | 1.95%  |
| Net interest margin  | 4    |              | 2.29%  | 2.40%  |
| <b>Profitability (before significant items)</b>                                |      |              |        |        |
| Cash earnings per average FTE (\$'000)   |      |              | 74     | 86     |
| Banking cost to income ratio <sup>(4)</sup>                                    | 1b   |              | 57.1%  | 50.8%  |

|  |    | As at  |         |         |
|--|----|--------|---------|---------|
|  |    | Mar 05 | Sep 04  | Mar 04  |
| <b>Capital</b>   |    |        |         |         |
| Tier 1 ratio   | 17 |        | 7.34%   | 7.43%   |
| Tier 2 ratio   | 17 |        | 4.26%   | 2.92%   |
| Deductions   | 17 |        | (1.02%) | (1.05%) |
| Total capital ratio  | 17 |        | 10.58%  | 9.30%   |
| Adjusted common equity ratio                                 | 17 |        | 5.30%   | 5.33%   |
| <b>Assets (\$bn)</b>   |    |        |         |         |
| Gross loans and acceptances                                  |    |        | 269     | 253     |
| Risk-weighted assets   | 17 |        | 287     | 278     |
| <b>Off-balance sheet assets (\$bn)</b>                       |    |        |         |         |
| Funds under management and administration                    |    |        | 81      | 77      |
| Assets under custody and administration                      |    |        | 432     | 397     |
| <b>Asset quality</b>   |    |        |         |         |
| Gross non-accrual loans to gross loans and acceptances       | 13 |        | 0.46%   | 0.57%   |
| Net impaired assets to total equity (parent entity interest) | 13 |        | 3.5%    | 4.1%    |
| General provision to risk-weighted assets                    | 13 |        | 0.74%   | 0.64%   |
| Specific provision to gross impaired assets                  | 13 |        | 32.3%   | 33.5%   |
| General and specific provisions to gross impaired assets     | 13 |        | 198.1%  | 157.8%  |
| <b>Other information</b>                                     |    |        |         |         |
| Full-time equivalent employees (no.)                         | 11 |        | 43,517  | 43,282  |

<sup>(1)</sup> Economic Value Added (EVA®) is a registered trademark of Stern Stewart & Co.

<sup>(2)</sup> Cash earnings attributable to ordinary shareholders excludes revaluation profits/(losses) after tax and goodwill amortisation.

<sup>(3)</sup> Includes non-cash items, ie. revaluation profits/(losses) after tax and goodwill amortisation.

<sup>(4)</sup> Total Banking cost to income ratio is before eliminations (refer note 1a). Costs include total expenses excluding significant items, goodwill amortisation, the charge to provide for doubtful debts and interest expense. Income includes total revenue excluding significant items and net of interest expense.

**RESULTS FOR THE HALF YEAR ENDED 31 MARCH 2005**

DIVISIONAL PERFORMANCE ANALYSIS

## TOTAL AUSTRALIA <sup>(1)</sup>

### Summary

|   | Half Year to |              |              |              |
|---|--------------|--------------|--------------|--------------|
|   | Sep 04       | Mar 04       | Sep 03       | Mar 03       |
|   | \$m          | \$m          | \$m          | \$m          |
| <b>Cash earnings before significant items</b> |              |              |              |              |
| Australian Banking                            | 940          | 1,053        | 1,010        | 940          |
| Wealth Management Australia <sup>(1)</sup>    | 149          | 171          | 172          | 119          |
| <b>Total Australia</b>                        | <b>1,089</b> | <b>1,224</b> | <b>1,182</b> | <b>1,059</b> |

<sup>(2)</sup> Wealth Management Australia division includes Asian operations.

### Australian Banking Performance Summary

|  | Half Year to |              |              |              |
|--|--------------|--------------|--------------|--------------|
|  | Sep 04       | Mar 04       | Sep 03       | Mar 03       |
|  | \$m          | \$m          | \$m          | \$m          |
| Net interest income  | 1,834        | 1,867        | 1,869        | 1,762        |
| Other operating income                                       | 1,073        | 1,049        | 1,048        | 994          |
| <b>Total income</b>  | <b>2,907</b> | <b>2,916</b> | <b>2,917</b> | <b>2,756</b> |
| Other operating expenses                                     | (1,465)      | (1,306)      | (1,336)      | (1,257)      |
| <b>Underlying profit</b>                                     | <b>1,442</b> | <b>1,610</b> | <b>1,581</b> | <b>1,499</b> |
| Charge to provide for doubtful debts                         | (97)         | (104)        | (141)        | (156)        |
| <b>Cash earnings before tax</b>                              | <b>1,345</b> | <b>1,506</b> | <b>1,440</b> | <b>1,343</b> |
| Income tax expense   | (405)        | (453)        | (430)        | (403)        |
| <b>Cash earnings before significant items <sup>(2)</sup></b> | <b>940</b>   | <b>1,053</b> | <b>1,010</b> | <b>940</b>   |

<sup>(2)</sup> Refer to Note 1a for a reconciliation of Australian Banking's result to Group net profit.

### Key Performance Measures

|   |       |       |       |       |
|---|-------|-------|-------|-------|
| <b>Performance &amp; profitability</b>              |       |       |       |       |
| Return on average assets (annualised)               | 1.13% | 1.33% | 1.36% | 1.39% |
| Cost to income ratio                                | 50.4% | 44.8% | 45.8% | 45.6% |
| Cash earnings per average FTE (annualised) (\$'000) | 102   | 115   | 109   | 101   |
| <b>Net interest income</b>                          |       |       |       |       |
| Net interest margin                                 | 2.56% | 2.75% | 2.95% | 3.12% |
| Net interest spread                                 | 2.41% | 2.69% | 2.91% | 3.06% |
| <b>Average balance sheet (\$bn)</b>                 |       |       |       |       |
| Gross loans and acceptances                         | 160.1 | 152.0 | 143.5 | 133.4 |
| Interest-earning assets                             | 142.9 | 135.5 | 126.5 | 113.1 |
| Retail deposits                                     | 71.6  | 69.9  | 65.7  | 63.7  |

## Management Discussion & Analysis - Total Australia

|  | As at  |        |        |        |
|--|--------|--------|--------|--------|
|  | Sep 04 | Mar 04 | Sep 03 | Mar 03 |
| <b>Asset quality</b>                                   |        |        |        |        |
| Gross non-accrual loans (\$m)                          | 428    | 428    | 494    | 685    |
| Gross loans and acceptances (\$bn)                     | 162.2  | 156.0  | 147.2  | 137.0  |
| Gross non-accrual loans to gross loans and acceptances | 0.26%  | 0.27%  | 0.34%  | 0.50%  |
| Specific provision to gross impaired assets            | 29.7%  | 33.6%  | 27.0%  | 32.0%  |
| <b>Full-time equivalent employees (FTE)</b>            |        |        |        |        |
|  | 18,382 | 18,468 | 17,895 | 18,747 |
| <b>Australian market share <sup>(1)</sup></b>          |        |        |        |        |
| Housing  | 14.4%  | 14.6%  | 14.9%  | 14.9%  |
| Business <sup>(2)</sup>                                | 18.6%  | 19.0%  | 19.2%  | 18.0%  |
| Other personal   | 15.4%  | 16.0%  | 16.1%  | 16.2%  |
| Retail deposits  | 15.3%  | 15.7%  | 15.5%  | 15.2%  |

<sup>(1)</sup> Source: RBA.

<sup>(2)</sup> Includes Institutional Markets & Services (Australia).



## Wealth Management Australia <sup>(1)</sup> Performance Summary

|  | Half Year to |            |            |             |
|--|--------------|------------|------------|-------------|
|  | Sep 04       | Mar 04     | Sep 03     | Mar 03      |
|  | \$m          | \$m        | \$m        | \$m         |
| Investments <sup>(2)</sup>   | 106          | 93         | 102        | 74          |
| Insurance <sup>(3)</sup>   | 82           | 83         | 69         | 65          |
| Other (including regulatory programs) <sup>(4)</sup>                                   | (26)         | (37)       | (41)       | (34)        |
| <b>Profit from operations (after tax)</b>  | <b>162</b>   | <b>139</b> | <b>130</b> | <b>105</b>  |
| Investment earnings on shareholders' retained profits and capital from life businesses | 27           | 42         | 42         | 14          |
| <b>Underlying operating profit after tax and outside equity interest</b>               | <b>189</b>   | <b>181</b> | <b>172</b> | <b>119</b>  |
| Prior year tax adjustments   | (40)         | (10)       | -          | -           |
| <b>Cash earnings before significant items and after outside equity interest</b>        | <b>149</b>   | <b>171</b> | <b>172</b> | <b>119</b>  |
| Revaluation profit/(loss) after tax  | (132)        | 148        | 5          | (205)       |
| <b>Net profit before significant items and after outside equity interest</b>           | <b>17</b>    | <b>319</b> | <b>177</b> | <b>(86)</b> |

<sup>(1)</sup> Wealth Management Australia division includes Asian operations.

<sup>(2)</sup> Investments include funds management, funds administration and asset management.

<sup>(3)</sup> Insurance includes retail insurance (retail risk insurance encompassing term, trauma and disability insurance, life insurance and general insurance agency) and group insurance.

<sup>(4)</sup> Other includes Advice Solutions and other businesses and shareholders' branches of the life companies and strategic investment expenditure. The costs of NAFIM investor compensation and enforceable undertakings are included in this line.

## Key Performance Measures

|                         | Half Year to |              |              |              |
|-------------------------|--------------|--------------|--------------|--------------|
|                         | Sep 04       | Mar 04       | Sep 03       | Mar 03       |
|                         | \$m          | \$m          | \$m          | \$m          |
| <b>Investment sales</b> | <b>6,965</b> | <b>6,723</b> | <b>6,629</b> | <b>4,831</b> |
| <b>Insurance sales</b>  | <b>111</b>   | <b>94</b>    | <b>129</b>   | <b>95</b>    |
| <b>Debt sales</b>       | <b>868</b>   | <b>661</b>   | <b>698</b>   | <b>502</b>   |

|  | Half Year to |              |              |              |
|--|--------------|--------------|--------------|--------------|
|  | Sep 04       | Mar 04       | Sep 03       | Mar 03       |
| <b>Full-time equivalent employees (FTEs) (No.)</b> | <b>4,746</b> | <b>4,669</b> | <b>4,728</b> | <b>4,416</b> |
| <b>Financial advisers</b>                          |              |              |              |              |
| Bank channels (Australia)                          | 460          | 477          | 456          | 415          |
| Aligned channels                                   |              |              |              |              |
| Australia  | 848          | 909          | 947          | 1,048        |
| Asia   | 1,586        | 1,541        | 1,561        | 1,212        |
| <b>Financial advisers (No.)</b>                    | <b>2,894</b> | <b>2,927</b> | <b>2,964</b> | <b>2,675</b> |

**Investments**

| <b>Funds under management and administration</b> | <b>Half Year to</b> |               |               |               |
|--|---------------------|---------------|---------------|---------------|
|  | <b>Sep 04</b>       | <b>Mar 04</b> | <b>Sep 03</b> | <b>Mar 03</b> |
|  | <b>\$bn</b>         | <b>\$bn</b>   | <b>\$bn</b>   | <b>\$bn</b>   |
| Spot   | 74.6                | 70.5          | 66.7          | 59.2          |
| Average  | 72.2                | 68.1          | 64.3          | 60.2          |

| <b>Funds under management and administration</b> | <b>Year ended 30 September 2004</b> |                |                 |                            |                |                        |
|--|-------------------------------------|----------------|-----------------|----------------------------|----------------|------------------------|
|  | <b>Opening balance</b>              | <b>Inflows</b> | <b>Outflows</b> | <b>Investment earnings</b> | <b>Other</b>   | <b>Closing balance</b> |
|  | <b>Sep 03</b>                       |                |                 |                            |                | <b>Sep 04</b>          |
|  | <b>\$m</b>                          | <b>\$m</b>     | <b>\$m</b>      | <b>\$m</b>                 | <b>\$m</b>     | <b>\$m</b>             |
| Platforms  | 36,992                              | 6,566          | (6,169)         | 4,963                      | (1,375)        | 40,977                 |
| Wholesale  | 16,538                              | 6,191          | (2,984)         | 1,785                      | 237            | 21,767                 |
| Other Retail & Trustee                           | 12,695                              | 205            | (1,395)         | 664                        | (881)          | 11,288                 |
| Australia  | 66,225                              | 12,962         | (10,548)        | 7,412                      | (2,019)        | 74,032                 |
| Asia   | 516                                 | 265            | (68)            | 27                         | (168)          | 572                    |
| <b>Total</b>                                     | <b>66,741</b>                       | <b>13,227</b>  | <b>(10,616)</b> | <b>7,439</b>               | <b>(2,187)</b> | <b>74,604</b>          |

| <b>Funds under management and administration</b> | <b>Year ended 30 September 2003</b> |                |                 |                            |              |                        |
|--|-------------------------------------|----------------|-----------------|----------------------------|--------------|------------------------|
|  | <b>Opening balance</b>              | <b>Inflows</b> | <b>Outflows</b> | <b>Investment earnings</b> | <b>Other</b> | <b>Closing balance</b> |
|  | <b>Sep 02</b>                       |                |                 |                            |              | <b>Sep 03</b>          |
|  | <b>\$m</b>                          | <b>\$m</b>     | <b>\$m</b>      | <b>\$m</b>                 | <b>\$m</b>   | <b>\$m</b>             |
| Platforms  | 34,258                              | 6,296          | (5,595)         | 3,188                      | (1,155)      | 36,992                 |
| Wholesale  | 11,366                              | 3,818          | (1,854)         | 825                        | 2,383        | 16,538                 |
| Other Retail & Trustee                           | 13,358                              | 493            | (1,684)         | 466                        | 62           | 12,695                 |
| Australia  | 58,982                              | 10,607         | (9,133)         | 4,479                      | 1,290        | 66,225                 |
| Asia   | 427                                 | 286            | (100)           | 37                         | (134)        | 516                    |
| <b>Total</b>                                     | <b>59,409</b>                       | <b>10,893</b>  | <b>(9,233)</b>  | <b>4,516</b>               | <b>1,156</b> | <b>66,741</b>          |

|  | <b>As at</b>  |               |               |               |
|--|---------------|---------------|---------------|---------------|
|  | <b>Jun 04</b> | <b>Mar 04</b> | <b>Sep 03</b> | <b>Mar 03</b> |
|  | <b>%</b>      | <b>%</b>      | <b>%</b>      | <b>%</b>      |
| <b>Market share - Australia</b>              |               |               |               |               |
| Total Master Funds                           | 17.1          | 15.9          | 16.3          | 16.5          |
| Annual Master Fund inflows                   | 11.6          | 10.9          | 11.7          | 14.3          |
| Annual Master Fund outflows                  | 14.3          | 12.8          | 13.9          | 16.7          |
| Retail funds management (ex cash management) | 13.1          | 12.2          | 12.3          | 12.3          |
| Annual Retail inflows (ex cash management)   | 9.4           | 8.8           | 9.3           | 11.2          |
| Annual Retail outflows (ex cash management)  | 10.9          | 9.6           | 10.1          | 11.8          |
| Corporate Master Funds                       | 18.9          | 12.6          | 14.5          | 15.5          |
| Net annual Corporate Master Funds Flow       | 18.8          | 18.4          | 5.3           | 12.8          |

**Insurance**

| <b>Annual inforce premiums</b> | <b>Half Year to</b> |               |               |               |
|--------------------------------|---------------------|---------------|---------------|---------------|
|                                | <b>Sep 04</b>       | <b>Mar 04</b> | <b>Sep 03</b> | <b>Mar 03</b> |
|                                | <b>\$m</b>          | <b>\$m</b>    | <b>\$m</b>    | <b>\$m</b>    |
| Retail risk insurance          | 464.9               | 440.4         | 416.9         | 387.2         |
| Group insurance                | 110.7               | 108.2         | 109.1         | 105.0         |

## Management Discussion & Analysis - Total Australia

|                                 | As at  |        |        |        |
|---------------------------------|--------|--------|--------|--------|
|                                 | Sep 04 | Mar 04 | Sep 03 | Mar 03 |
| <b>Market share - Australia</b> | %      | %      | %      | %      |
| Retail risk insurance           | 15.1   | 15.0   | 14.7   | 14.1   |
| New retail risk annual premiums | 13.6   | 15.4   | 16.5   | 16.8   |

|                                | Year ended 30 September 2004 |                      |                          |                        |
|--------------------------------|------------------------------|----------------------|--------------------------|------------------------|
|                                | Opening balance Sep 03       | Sales / New Business | Lapses & Other Movements | Closing balance Sep 04 |
| <b>Annual inforce premiums</b> | \$m                          | \$m                  | \$m                      | \$m                    |
| Retail                         | 416.9                        | 76.8                 | (28.8)                   | 464.9                  |
| Group Risk                     | 109.1                        | 43.9                 | (42.3)                   | 110.7                  |
| Total                          | 526.0                        | 120.7                | (71.1)                   | 575.6                  |

|                                | Year ended 30 September 2003 |                      |                          |                        |
|--------------------------------|------------------------------|----------------------|--------------------------|------------------------|
|                                | Opening balance Sep 02       | Sales / New Business | Lapses & Other Movements | Closing balance Sep 03 |
| <b>Annual inforce premiums</b> | \$m                          | \$m                  | \$m                      | \$m                    |
| Retail                         | 362.2                        | 85.6                 | (30.9)                   | 416.9                  |
| Group Risk                     | 103.2                        | 36.2                 | (30.3)                   | 109.1                  |
| Total                          | 465.4                        | 121.8                | (61.2)                   | 526.0                  |

### ***Investment earnings on shareholders' retained profits and capital from life businesses***

|             | Half Year to |        |        |        |
|-------------|--------------|--------|--------|--------|
|             | Sep 04       | Mar 04 | Sep 03 | Mar 03 |
|             | \$m          | \$m    | \$m    | \$m    |
| Investments | 20           | 28     | 31     | -      |
| Insurance   | 7            | 14     | 11     | 14     |
| Total       | 27           | 42     | 42     | 14     |

|                   | As at  |        |        |        |
|-------------------|--------|--------|--------|--------|
|                   | Sep 04 | Mar 04 | Sep 03 | Mar 03 |
| <b>Asset mix</b>  | %      | %      | %      | %      |
| Equity            | 22.9   | 24.2   | 31.8   | 31.3   |
| Fixed interest    | 20.9   | 22.5   | 25.9   | 23.8   |
| Cash & others     | 56.2   | 57.1   | 47.6   | 51.7   |
| Subordinated debt | -      | (3.8)  | (5.3)  | (6.8)  |
| Total             | 100.0  | 100.0  | 100.0  | 100.0  |

## TOTAL UK

### Summary

|   | Half Year to |            |            |            |
|---|--------------|------------|------------|------------|
|   | Sep 04       | Mar 04     | Sep 03     | Mar 03     |
|   | \$m          | \$m        | \$m        | \$m        |
| <b>Cash earnings before significant items</b> |              |            |            |            |
| UK Banking                                    | 284          | 310        | 404        | 492        |
| Wealth Management UK                          | 3            | 14         | 15         | 13         |
| <b>Total UK</b>                               | <b>287</b>   | <b>324</b> | <b>419</b> | <b>505</b> |

### Total UK (Banking & Wealth Management) Performance Summary

|  | Half Year to |              |              |              |
|--|--------------|--------------|--------------|--------------|
|  | Sep 04       | Mar 04       | Sep 03       | Mar 03       |
|  | \$m          | \$m          | \$m          | \$m          |
| <b>Australian dollars</b>                                    |              |              |              |              |
| Net interest income  | 1,103        | 1,055        | 1,121        | 1,232        |
| Other operating income                                       | 539          | 536          | 563          | 641          |
| <b>Total income</b>  | <b>1,642</b> | <b>1,591</b> | <b>1,684</b> | <b>1,873</b> |
| Other operating expenses                                     | (1,121)      | (1,017)      | (964)        | (1,013)      |
| <b>Underlying profit</b>                                     | <b>521</b>   | <b>574</b>   | <b>720</b>   | <b>860</b>   |
| Charge to provide for doubtful debts                         | (124)        | (100)        | (117)        | (131)        |
| <b>Cash earnings before tax</b>                              | <b>397</b>   | <b>474</b>   | <b>603</b>   | <b>729</b>   |
| Income tax expense   | (110)        | (150)        | (184)        | (224)        |
| <b>Cash earnings before significant items <sup>(1)</sup></b> | <b>287</b>   | <b>324</b>   | <b>419</b>   | <b>505</b>   |

<sup>(1)</sup> Refer to Note 1a for a reconciliation of UK Banking's and Wealth Management UK's result to Group net profit.

|   | £m         | £m         | £m         | £m         |
|---|------------|------------|------------|------------|
| <b>Pounds sterling</b>                        |            |            |            |            |
| Net interest income                           | 433        | 441        | 451        | 446        |
| Other operating income                        | 211        | 224        | 226        | 232        |
| <b>Total income</b>                           | <b>644</b> | <b>665</b> | <b>677</b> | <b>678</b> |
| Other operating expenses                      | (439)      | (425)      | (388)      | (367)      |
| <b>Underlying profit</b>                      | <b>205</b> | <b>240</b> | <b>289</b> | <b>311</b> |
| Charge to provide for doubtful debts          | (49)       | (42)       | (47)       | (47)       |
| <b>Cash earnings before tax</b>               | <b>156</b> | <b>198</b> | <b>242</b> | <b>264</b> |
| Income tax expense                            | (43)       | (63)       | (74)       | (81)       |
| <b>Cash earnings before significant items</b> | <b>113</b> | <b>135</b> | <b>168</b> | <b>183</b> |

**Key Performance Measures**

|  | Half Year to |        |        |        |
|--|--------------|--------|--------|--------|
|  | Sep 04       | Mar 04 | Sep 03 | Mar 03 |
| <b>Performance &amp; profitability</b>                 |              |        |        |        |
| Return on average assets (annualised)                  | 0.78%        | 1.01%  | 1.28%  | 1.42%  |
| Cost to income ratio                                   | 68.2%        | 63.9%  | 57.3%  | 54.1%  |
| Cash earnings per average FTE (annualised) (£'000)     | 17           | 21     | 26     | 28     |
| <b>Net interest income</b>                             |              |        |        |        |
| Net interest margin                                    | 3.93%        | 4.18%  | 4.29%  | 4.33%  |
| Net interest spread                                    | 3.47%        | 3.80%  | 3.91%  | 3.94%  |
| <b>Average balance sheet (£bn)</b>                     |              |        |        |        |
| Gross loans and acceptances                            | 19.8         | 19.2   | 18.7   | 18.3   |
| Interest-earning assets                                | 22.0         | 21.1   | 21.0   | 20.7   |
| Retail deposits  | 15.6         | 15.1   | 15.1   | 14.8   |
| <b>As at</b>   |              |        |        |        |
|  | Sep 04       | Mar 04 | Sep 03 | Mar 03 |
| <b>Asset quality</b>                                   |              |        |        |        |
| Gross non-accrual loans (£m)                           | 109          | 103    | 123    | 163    |
| Gross loans and acceptances (£bn)                      | 20.4         | 19.4   | 18.8   | 18.5   |
| Gross non-accrual loans to gross loans and acceptances | 0.53%        | 0.53%  | 0.65%  | 0.88%  |
| Specific provision to gross impaired assets            | 46.0%        | 43.8%  | 40.3%  | 36.0%  |
| <b>Full-time equivalent employees (FTE)</b>            | 12,865       | 12,886 | 12,693 | 12,923 |
| <b>Financial advisers</b>                              |              |        |        |        |
| Bank channels  | 157          | 171    | 187    | 228    |
| Aligned channels                                       | 64           | 55     | 64     | 69     |
| <b>Financial advisers (No.)</b>                        | 221          | 226    | 251    | 297    |
| <b>Funds under management and administration (£m)</b>  | 1,674        | 1,613  | 1,599  | 1,452  |

## TOTAL NEW ZEALAND

### Summary

|   | Half Year to |            |            |            |
|---|--------------|------------|------------|------------|
|   | Sep 04       | Mar 04     | Sep 03     | Mar 03     |
|   | \$m          | \$m        | \$m        | \$m        |
| <b>Cash earnings before significant items</b> |              |            |            |            |
| New Zealand Banking                           | 137          | 159        | 146        | 167        |
| Wealth Management New Zealand                 | 6            | 5          | (4)        | 6          |
| <b>Total New Zealand</b>                      | <b>143</b>   | <b>164</b> | <b>142</b> | <b>173</b> |

### Total New Zealand (Banking & Wealth Management) Performance Summary

|  | Half Year to |            |            |            |
|--|--------------|------------|------------|------------|
|  | Sep 04       | Mar 04     | Sep 03     | Mar 03     |
|  | \$m          | \$m        | \$m        | \$m        |
| <b>Australian dollars</b>                                    |              |            |            |            |
| Net interest income  | 374          | 346        | 332        | 337        |
| Other operating income                                       | 203          | 199        | 195        | 199        |
| <b>Total income</b>  | <b>577</b>   | <b>545</b> | <b>527</b> | <b>536</b> |
| Operating expenses   | (344)        | (289)      | (303)      | (275)      |
| <b>Underlying profit</b>                                     | <b>233</b>   | <b>256</b> | <b>224</b> | <b>261</b> |
| Charge to provide for doubtful debts                         | (8)          | (13)       | (14)       | (8)        |
| <b>Cash earnings before tax</b>                              | <b>225</b>   | <b>243</b> | <b>210</b> | <b>253</b> |
| Income tax expense   | (82)         | (79)       | (68)       | (80)       |
| <b>Cash earnings before significant items <sup>(1)</sup></b> | <b>143</b>   | <b>164</b> | <b>142</b> | <b>173</b> |

<sup>(1)</sup> Refer to Note 1a for a reconciliation of New Zealand Banking's and Wealth Management New Zealand's result to Group net profit.

|   | NZ\$m      | NZ\$m      | NZ\$m      | NZ\$m      |
|---|------------|------------|------------|------------|
| <b>New Zealand dollars</b>                    |            |            |            |            |
| Net interest income                           | 415        | 395        | 374        | 371        |
| Other operating income                        | 226        | 227        | 219        | 220        |
| <b>Total income</b>                           | <b>641</b> | <b>622</b> | <b>593</b> | <b>591</b> |
| Operating expenses                            | (380)      | (330)      | (340)      | (305)      |
| <b>Underlying profit</b>                      | <b>261</b> | <b>292</b> | <b>253</b> | <b>286</b> |
| Charge to provide for doubtful debts          | (9)        | (15)       | (15)       | (8)        |
| <b>Cash earnings before tax</b>               | <b>252</b> | <b>277</b> | <b>238</b> | <b>278</b> |
| Income tax expense                            | (91)       | (90)       | (76)       | (88)       |
| <b>Cash earnings before significant items</b> | <b>161</b> | <b>187</b> | <b>162</b> | <b>190</b> |

**Key Performance Measures**

|  | Half Year to |        |        |        |
|--|--------------|--------|--------|--------|
|  | Sep 04       | Mar 04 | Sep 03 | Mar 03 |
| <b>Performance &amp; profitability</b>                 |              |        |        |        |
| Return on average assets (annualised)                  | 0.96%        | 1.15%  | 1.10%  | 1.38%  |
| Cost to income ratio                                   | 59.3%        | 53.1%  | 57.3%  | 51.6%  |
| Cash earnings per average FTE (annualised) (NZ\$'000)  | 70           | 83     | 71     | 85     |
| <b>Net interest income</b>                             |              |        |        |        |
| Net interest margin                                    | 2.62%        | 2.60%  | 2.66%  | 2.82%  |
| Net interest spread                                    | 2.38%        | 2.45%  | 2.57%  | 2.74%  |
| <b>Average balance sheet (NZ\$bn)</b>                  |              |        |        |        |
| Gross loans and acceptances                            | 27.3         | 25.6   | 24.5   | 22.5   |
| Interest-earning assets                                | 31.6         | 30.3   | 28.0   | 26.4   |
| Retail deposits  | 17.2         | 16.6   | 16.1   | 15.6   |
| <b>Asset quality</b>                                   |              |        |        |        |
| <b>Asset quality</b>                                   |              |        |        |        |
| Gross non-accrual loans (NZ\$m)                        | 93           | 39     | 31     | 38     |
| Gross loans and acceptances (NZ\$bn)                   | 27.9         | 26.2   | 24.7   | 23.1   |
| Gross non-accrual loans to gross loans and acceptances | 0.33%        | 0.15%  | 0.13%  | 0.17%  |
| Specific provision to gross impaired assets            | 24.6%        | 56.5%  | 34.5%  | 28.8%  |
| <b>Full-time equivalent employees (FTE)</b>            |              |        |        |        |
| Full-time equivalent employees (FTE)                   | 4,596        | 4,501  | 4,527  | 4,475  |
| <b>Market share <sup>(1)</sup></b>                     |              |        |        |        |
| Housing  | 15.9%        | 15.7%  | 15.7%  | 15.3%  |
| Agribusiness   | 17.5%        | 18.5%  | 18.9%  | 19.8%  |
| Cards  | 30.5%        | 31.2%  | 31.1%  | 31.0%  |
| Retail deposits (personal & business)                  | 18.3%        | 18.7%  | 19.0%  | 18.4%  |

<sup>(1)</sup> Source: RBNZ

## INSTITUTIONAL MARKETS & SERVICES

### Performance Summary

|   | Half Year to |            |            |            |
|---|--------------|------------|------------|------------|
|   | Sep 04       | Mar 04     | Sep 03     | Mar 03     |
|   | \$m          | \$m        | \$m        | \$m        |
| Net interest income   | 274          | 344        | 375        | 437        |
| Other operating income  | 354          | 512        | 528        | 442        |
| <b>Total income</b>   | <b>628</b>   | <b>856</b> | <b>903</b> | <b>879</b> |
| Operating expenses  | (368)        | (337)      | (321)      | (322)      |
| <b>Underlying profit</b>  | <b>260</b>   | <b>519</b> | <b>582</b> | <b>557</b> |
| Charge to provide for doubtful debts  | (25)         | (88)       | (41)       | (27)       |
| <b>Cash earnings before tax</b>   | <b>235</b>   | <b>431</b> | <b>541</b> | <b>530</b> |
| Income tax expense  | (14)         | (85)       | (100)      | (123)      |
| <b>Cash earnings before significant items</b>   | <b>221</b>   | <b>346</b> | <b>441</b> | <b>407</b> |
| Net profit attributable to outside equity interest  | (4)          | (5)        | (4)        | (4)        |
| <b>Cash earnings before significant items and after outside equity interest<sup>(1)</sup></b> | <b>217</b>   | <b>341</b> | <b>437</b> | <b>403</b> |

<sup>(1)</sup> Refer to Note 1a for a reconciliation of Institutional Markets & Services' result to Group net profit.

### Key Performance Measures

|   | Half Year to |        |        |        |
|---|--------------|--------|--------|--------|
|   | Sep 04       | Mar 04 | Sep 03 | Mar 03 |
| <b>Performance &amp; profitability</b>                                |              |        |        |        |
| Cost to income ratio  | 58.6%        | 39.4%  | 35.5%  | 36.6%  |
| Cash earnings per average FTE (annualised)<br>(\$'000) <sup>(2)</sup> | 213          | 349    | 460    | 447    |
| <b>Net interest income</b>  |              |        |        |        |
| Net interest margin   | 0.41%        | 0.54%  | 0.58%  | 0.63%  |
| <b>Average balance sheet (\$bn)</b>                                   |              |        |        |        |
| Gross loans and acceptances   | 45.1         | 42.7   | 44.1   | 45.9   |
| Interest-earning assets   | 133.0        | 126.7  | 128.9  | 139.6  |

<sup>(2)</sup> Cash earnings before significant items and after outside equity interest.

|  | As at        |              |              |              |
|--|--------------|--------------|--------------|--------------|
|  | Sep 04       | Mar 04       | Sep 03       | Mar 03       |
| <b>Asset quality</b>                                   |              |              |              |              |
| Gross non-accrual loans (\$m)                          | 423          | 719          | 794          | 649          |
| Gross loans and acceptances (\$bn)                     | 45.0         | 43.0         | 44.4         | 45.2         |
| Gross non-accrual loans to gross loans and acceptances | 0.94%        | 1.67%        | 1.79%        | 1.44%        |
| Specific provision to gross impaired assets            | 29.0%        | 28.5%        | 24.5%        | 28.4%        |
| <b>Full-time equivalent employees (FTE)</b>            | <b>2,073</b> | <b>1,963</b> | <b>1,904</b> | <b>1,842</b> |



## OTHER (INCLUDING GROUP FUNDING & CORPORATE CENTRE)

### Performance Summary

| <b>By Division</b>          | Half Year to  |               |               |               |
|-----------------------------|---------------|---------------|---------------|---------------|
|                             | Sep 04<br>\$m | Mar 04<br>\$m | Sep 03<br>\$m | Mar 03<br>\$m |
| Group Funding               | (16)          | (49)          | (4)           | 6             |
| Corporate Centre            | (16)          | (60)          | (44)          | (25)          |
| <b>Other</b> <sup>(1)</sup> | (32)          | (109)         | (48)          | (19)          |

<sup>(1)</sup> Refer to Note 1a for a reconciliation of Other to Group net profit.

## RESULTS FOR THE HALF YEAR ENDED 31 MARCH 2005

### DETAILED FINANCIAL INFORMATION

The following section does not purport to be a set of financial statements. For the Group's financial statements refer to the Appendix 4D filed with the ASX.

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## 1a. PERFORMANCE SUMMARY BY DIVISION

| Half Year to<br>30 September 2004  | Note | Banking     |           |           | IM&S  | Other <sup>(1)</sup> | Total<br>Banking | Wealth Management (WM) |           |           | Total<br>WM | Elimina-<br>tions <sup>(2)</sup> | Total<br>Group |
|--|------|-------------|-----------|-----------|-------|----------------------|------------------|------------------------|-----------|-----------|-------------|----------------------------------|----------------|
|  |      | Aust<br>\$m | UK<br>\$m | NZ<br>\$m |       |                      |                  | Aust<br>\$m            | UK<br>\$m | NZ<br>\$m |             |                                  |                |
| Net interest income  | 3    | 1,834       | 1,099     | 373       | 274   | 23                   | 3,603            | (2)                    | 4         | 1         | 3           | -                                | 3,606          |
| Net life insurance income <sup>(3)</sup>   | 8    | -           | -         | -         | -     | -                    | -                | 519                    | -         | 4         | 523         | -                                | 523            |
| Investment earnings on shareholders retained profits & capital (IORE)                      | 8    | -           | -         | -         | -     | -                    | -                | 34                     | -         | -         | 34          | -                                | 34             |
| Other operating income <sup>(4)</sup>  | 9    | 1,073       | 458       | 179       | 354   | (22)                 | 2,042            | 266                    | 126       | 16        | 408         | (75)                             | 2,375          |
| Net operating income   |      | 2,907       | 1,557     | 552       | 628   | 1                    | 5,645            | 817                    | 130       | 21        | 968         | (75)                             | 6,538          |
| Operating expenses <sup>(5)</sup>  | 10   | (1,465)     | (1,038)   | (325)     | (368) | (26)                 | (3,222)          | (286)                  | (128)     | (15)      | (429)       | 75                               | (3,576)        |
| Underlying profit  |      | 1,442       | 519       | 227       | 260   | (25)                 | 2,423            | 531                    | 2         | 6         | 539         | -                                | 2,962          |
| Charge to provide for doubtful debts   | 12   | (97)        | (124)     | (8)       | (25)  | -                    | (254)            | -                      | -         | -         | -           | -                                | (254)          |
| Cash earnings before tax   |      | 1,345       | 395       | 219       | 235   | (25)                 | 2,169            | 531                    | 2         | 6         | 539         | -                                | 2,708          |
| Income tax expense:  |      |             |           |           |       |                      |                  |                        |           |           |             |                                  |                |
| Net life insurance income & IORE   | 8    | -           | -         | -         | -     | -                    | -                | (89)                   | -         | 1         | (88)        | -                                | (88)           |
| Other  | 14   | (405)       | (111)     | (82)      | (14)  | (7)                  | (619)            | 14                     | 1         | (1)       | 14          | -                                | (605)          |
| <b>Cash earnings before significant items, distributions &amp; outside equity interest</b> |      | 940         | 284       | 137       | 221   | (32)                 | 1,550            | 456                    | 3         | 6         | 465         | -                                | 2,015          |
| WM revaluation loss after tax  |      | -           | -         | -         | -     | -                    | -                | (132)                  | -         | -         | (132)       | -                                | (132)          |
| Goodwill amortisation  |      | -           | (31)      | (4)       | -     | (15)                 | (50)             | -                      | -         | -         | -           | -                                | (50)           |
| <b>Net profit/(loss) before significant items</b>  |      | 940         | 253       | 133       | 221   | (47)                 | 1,500            | 324                    | 3         | 6         | 333         | -                                | 1,833          |
| Significant items after tax  | 15   | (123)       | (85)      | (46)      | (40)  | (162)                | (456)            | (12)                   | (43)      | -         | (55)        | -                                | (511)          |
| <b>Net profit/(loss)</b>   |      | 817         | 168       | 87        | 181   | (209)                | 1,044            | 312                    | (40)      | 6         | 278         | -                                | 1,322          |
| Net profit - outside equity interest   |      | -           | -         | -         | (4)   | -                    | (4)              | (307)                  | -         | -         | (307)       | -                                | (311)          |
| <b>Net profit/(loss) attributable to members of the Company</b>                            |      | 817         | 168       | 87        | 177   | (209)                | 1,040            | 5                      | (40)      | 6         | (29)        | -                                | 1,011          |
| Distributions  |      |             |           |           |       |                      |                  |                        |           |           |             |                                  | (93)           |
| <b>Earnings attributable to ordinary shareholders</b>                                      |      |             |           |           |       |                      |                  |                        |           |           |             |                                  | 918            |

<sup>(1)</sup> Other includes elimination entries within Total Banking.

<sup>(2)</sup> Elimination of inter-divisional income and expenses (eg. revenue sharing arrangements between divisions).

<sup>(3)</sup> Net life insurance income is the profit before tax of the life insurance and investment businesses of the statutory funds of the life insurance companies of the Group (excluding net interest income and investment earnings on shareholders retained profits & capital of the life insurance businesses).

<sup>(4)</sup> Other operating income excludes the net interest income, net life insurance income, investment earnings on shareholders retained profits & capital of the life insurance businesses and revaluation profit/(loss).

<sup>(5)</sup> Operating expenses excludes the life insurance expenses incorporated within net life insurance income (Wealth Management only).

**Detailed Financial Information - Note 1a: Performance Summary by Division**

| Half Year to<br>31 March 2004  | Note | Banking     |           |           | IM&S  | Other <sup>(1)</sup> | Total<br>Banking | Wealth Management (WM) |           |           | Total<br>WM | Elimina-<br>tions <sup>(2)</sup> | Total<br>Group |
|--|------|-------------|-----------|-----------|-------|----------------------|------------------|------------------------|-----------|-----------|-------------|----------------------------------|----------------|
|  |      | Aust<br>\$m | UK<br>\$m | NZ<br>\$m |       |                      |                  | Aust<br>\$m            | UK<br>\$m | NZ<br>\$m |             |                                  |                |
| Net interest income  | 3    | 1,867       | 1,051     | 346       | 344   | (27)                 | 3,581            | -                      | 4         | -         | 4           | -                                | 3,585          |
| Net life insurance income <sup>(3)</sup>   | 8    | -           | -         | -         | -     | -                    | -                | 394                    | 1         | 1         | 396         | -                                | 396            |
| Investment earnings on shareholders retained profits & capital (IORE)                      | 8    | -           | -         | -         | -     | -                    | -                | 56                     | 1         | 2         | 59          | -                                | 59             |
| Other operating income <sup>(4)</sup>  | 9    | 1,049       | 429       | 175       | 512   | (42)                 | 2,123            | 262                    | 129       | 8         | 399         | (66)                             | 2,456          |
| Net operating income   |      | 2,916       | 1,480     | 521       | 856   | (69)                 | 5,704            | 712                    | 135       | 11        | 858         | (66)                             | 6,496          |
| Operating expenses <sup>(5)</sup>  | 10   | (1,306)     | (920)     | (270)     | (337) | (64)                 | (2,897)          | (278)                  | (121)     | (6)       | (405)       | 66                               | (3,236)        |
| Underlying profit  |      | 1,610       | 560       | 251       | 519   | (133)                | 2,807            | 434                    | 14        | 5         | 453         | -                                | 3,260          |
| Charge to provide for doubtful debts   | 12   | (104)       | (100)     | (13)      | (88)  | -                    | (305)            | -                      | -         | -         | -           | -                                | (305)          |
| Cash earnings before tax   |      | 1,506       | 460       | 238       | 431   | (133)                | 2,502            | 434                    | 14        | 5         | 453         | -                                | 2,955          |
| Income tax expense:  |      |             |           |           |       |                      |                  |                        |           |           |             |                                  |                |
| Net life insurance income & IORE   | 8    | -           | -         | -         | -     | -                    | -                | (214)                  | -         | 1         | (213)       | -                                | (213)          |
| Other  | 14   | (453)       | (150)     | (79)      | (85)  | 24                   | (743)            | 9                      | -         | (1)       | 8           | -                                | (735)          |
| <b>Cash earnings before significant items, distributions &amp; outside equity interest</b> |      | 1,053       | 310       | 159       | 346   | (109)                | 1,759            | 229                    | 14        | 5         | 248         | -                                | 2,007          |
| WM revaluation profit after tax  |      | -           | -         | -         | -     | -                    | -                | 148                    | -         | -         | 148         | -                                | 148            |
| Goodwill amortisation  |      | -           | (31)      | (6)       | -     | (16)                 | (53)             | -                      | -         | -         | -           | -                                | (53)           |
| <b>Net profit/(loss) before significant items</b>  |      | 1,053       | 279       | 153       | 346   | (125)                | 1,706            | 377                    | 14        | 5         | 396         | -                                | 2,102          |
| Significant items after tax  | 15   | -           | -         | -         | (252) | 379                  | 127              | -                      | -         | -         | -           | -                                | 127            |
| <b>Net profit</b>  |      | 1,053       | 279       | 153       | 94    | 254                  | 1,833            | 377                    | 14        | 5         | 396         | -                                | 2,229          |
| Net profit - outside equity interest   |      | -           | -         | -         | (5)   | -                    | (5)              | (58)                   | -         | -         | (58)        | -                                | (63)           |
| <b>Net profit attributable to members of the Company</b>                                   |      | 1,053       | 279       | 153       | 89    | 254                  | 1,828            | 319                    | 14        | 5         | 338         | -                                | 2,166          |
| Distributions  |      |             |           |           |       |                      |                  |                        |           |           |             |                                  | (94)           |
| <b>Earnings attributable to ordinary shareholders</b>                                      |      |             |           |           |       |                      |                  |                        |           |           |             |                                  | 2,072          |

<sup>(1)</sup> Other includes elimination entries within Total Banking.

<sup>(2)</sup> Elimination of inter-divisional income and expenses (eg. revenue sharing arrangements between divisions).

<sup>(3)</sup> Net life insurance income is the profit before tax of the life insurance and investment businesses of the statutory funds of the life insurance companies of the Group (excluding net interest income and investment earnings on shareholders retained profits & capital of the life insurance businesses).

<sup>(4)</sup> Other operating income excludes the net interest income, net life insurance income, investment earnings on shareholders retained profits & capital of the life insurance businesses and revaluation profit/(loss).

<sup>(5)</sup> Operating expenses excludes the life insurance expenses incorporated within net life insurance income (Wealth Management only).

**Detailed Financial Information - Note 1a: Performance Summary by Division**

| Half Year to<br>30 September 2003  | Banking     |           |           | IM&S  | Other <sup>(1)</sup> | Total<br>Banking | Wealth Management (WM) |           |           | Total<br>WM | Elimina-<br>tions <sup>(2)</sup> | Total<br>Group |
|--|-------------|-----------|-----------|-------|----------------------|------------------|------------------------|-----------|-----------|-------------|----------------------------------|----------------|
|  | Aust<br>\$m | UK<br>\$m | NZ<br>\$m |       |                      |                  | Aust<br>\$m            | UK<br>\$m | NZ<br>\$m |             |                                  |                |
| Net interest income  | 1,869       | 1,117     | 331       | 375   | (23)                 | 3,669            | (1)                    | 4         | 1         | 4           | -                                | 3,673          |
| Net life insurance income <sup>(3)</sup>   | -           | -         | -         | -     | -                    | -                | 293                    | 10        | 2         | 305         | -                                | 305            |
| Investment earnings on shareholders retained profits & capital (IORE)                      | -           | -         | -         | -     | -                    | -                | 58                     | (1)       | 1         | 58          | -                                | 58             |
| Other operating income <sup>(4)</sup>  | 1,048       | 456       | 176       | 528   | 77                   | 2,285            | 237                    | 101       | 11        | 349         | (56)                             | 2,578          |
| Net operating income   | 2,917       | 1,573     | 507       | 903   | 54                   | 5,954            | 587                    | 114       | 15        | 716         | (56)                             | 6,614          |
| Operating expenses <sup>(5)</sup>  | (1,336)     | (870)     | (274)     | (321) | (145)                | (2,946)          | (257)                  | (97)      | (24)      | (378)       | 56                               | (3,268)        |
| Underlying profit  | 1,581       | 703       | 233       | 582   | (91)                 | 3,008            | 330                    | 17        | (9)       | 338         | -                                | 3,346          |
| Charge to provide for doubtful debts   | (141)       | (117)     | (14)      | (41)  | 2                    | (311)            | -                      | -         | -         | -           | -                                | (311)          |
| Cash earnings before tax   | 1,440       | 586       | 219       | 541   | (89)                 | 2,697            | 330                    | 17        | (9)       | 338         | -                                | 3,035          |
| Income tax expense:  |             |           |           |       |                      |                  |                        |           |           |             |                                  |                |
| Net life insurance income & IORE   | -           | -         | -         | -     | -                    | -                | (197)                  | -         | 1         | (196)       | -                                | (196)          |
| Other  | (430)       | (182)     | (73)      | (100) | 41                   | (744)            | 17                     | (2)       | 4         | 19          | -                                | (725)          |
| <b>Cash earnings before significant items, distributions &amp; outside equity interest</b> | 1,010       | 404       | 146       | 441   | (48)                 | 1,953            | 150                    | 15        | (4)       | 161         | -                                | 2,114          |
| WM revaluation profit after tax  | -           | -         | -         | -     | -                    | -                | 5                      | -         | -         | 5           | -                                | 5              |
| Goodwill amortisation  | -           | (31)      | (2)       | -     | (16)                 | (49)             | -                      | -         | -         | -           | -                                | (49)           |
| <b>Net profit/(loss) before significant items</b>  | 1,010       | 373       | 144       | 441   | (64)                 | 1,904            | 155                    | 15        | (4)       | 166         | -                                | 2,070          |
| Significant items after tax  | -           | -         | -         | -     | -                    | -                | -                      | -         | -         | -           | -                                | -              |
| <b>Net profit/(loss)</b>   | 1,010       | 373       | 144       | 441   | (64)                 | 1,904            | 155                    | 15        | (4)       | 166         | -                                | 2,070          |
| Net (profit)/loss - outside equity interest  | -           | -         | -         | (4)   | -                    | (4)              | 22                     | -         | -         | 22          | -                                | 18             |
| <b>Net profit/(loss) attributable to members of the Company</b>                            | 1,010       | 373       | 144       | 437   | (64)                 | 1,900            | 177                    | 15        | (4)       | 188         | -                                | 2,088          |
| Distributions  |             |           |           |       |                      |                  |                        |           |           |             |                                  | (89)           |
| <b>Earnings attributable to ordinary shareholders</b>                                      |             |           |           |       |                      |                  |                        |           |           |             |                                  | 1,999          |

<sup>(1)</sup> Other includes elimination entries within Total Banking.

<sup>(2)</sup> Elimination of inter-divisional income and expenses (eg. revenue sharing arrangements between divisions).

<sup>(3)</sup> Net life insurance income is the profit before tax of the life insurance and investment businesses of the statutory funds of the life insurance companies of the Group (excluding net interest income and investment earnings on shareholders retained profits & capital of the life insurance businesses).

<sup>(4)</sup> Other operating income excludes the net interest income, net life insurance income, investment earnings on shareholders retained profits & capital of the life insurance businesses and revaluation profit/(loss).

<sup>(5)</sup> Operating expenses excludes the life insurance expenses incorporated within net life insurance income (Wealth Management only).

**Detailed Financial Information - Note 1a: Performance Summary by Division**

| Half Year to<br>31 March 2003  | Banking     |           |           | IM&S  | Other <sup>(1)</sup> | Total<br>Banking | Wealth Management (WM) |           |           | Total<br>WM | Elimina-<br>tions <sup>(2)</sup> | Total<br>Group |
|--|-------------|-----------|-----------|-------|----------------------|------------------|------------------------|-----------|-----------|-------------|----------------------------------|----------------|
|  | Aust<br>\$m | UK<br>\$m | NZ<br>\$m |       |                      |                  | Aust<br>\$m            | UK<br>\$m | NZ<br>\$m |             |                                  |                |
| Net interest income  | 1,762       | 1,227     | 337       | 437   | (18)                 | 3,745            | (4)                    | 5         | -         | 1           | -                                | 3,746          |
| Net life insurance income <sup>(3)</sup>   | -           | -         | -         | -     | -                    | -                | 54                     | (1)       | 2         | 55          | -                                | 55             |
| Investment earnings on shareholders retained profits & capital (IORE)                      | -           | -         | -         | -     | -                    | -                | 23                     | 3         | -         | 26          | -                                | 26             |
| Other operating income <sup>(4)</sup>  | 994         | 521       | 182       | 442   | 7                    | 2,146            | 211                    | 127       | 11        | 349         | (63)                             | 2,432          |
| Net operating income   | 2,756       | 1,748     | 519       | 879   | (11)                 | 5,891            | 284                    | 134       | 13        | 431         | (63)                             | 6,259          |
| Operating expenses <sup>(5)</sup>  | (1,257)     | (906)     | (264)     | (322) | (42)                 | (2,791)          | (235)                  | (116)     | (7)       | (358)       | 63                               | (3,086)        |
| Underlying profit  | 1,499       | 842       | 255       | 557   | (53)                 | 3,100            | 49                     | 18        | 6         | 73          | -                                | 3,173          |
| Charge to provide for doubtful debts   | (156)       | (131)     | (8)       | (27)  | -                    | (322)            | -                      | -         | -         | -           | -                                | (322)          |
| Cash earnings before tax   | 1,343       | 711       | 247       | 530   | (53)                 | 2,778            | 49                     | 18        | 6         | 73          | -                                | 2,851          |
| Income tax expense:  |             |           |           |       |                      |                  |                        |           |           |             |                                  |                |
| Net life insurance income & IORE   | -           | -         | -         | -     | -                    | -                | 69                     | -         | 1         | 70          | -                                | 70             |
| Other  | (403)       | (219)     | (80)      | (123) | 34                   | (791)            | 7                      | (5)       | (1)       | 1           | -                                | (790)          |
| <b>Cash earnings before significant items, distributions &amp; outside equity interest</b> | 940         | 492       | 167       | 407   | (19)                 | 1,987            | 125                    | 13        | 6         | 144         | -                                | 2,131          |
| WM revaluation loss after tax  | -           | -         | -         | -     | -                    | -                | (205)                  | -         | -         | (205)       | -                                | (205)          |
| Goodwill amortisation  | -           | (31)      | (2)       | -     | (16)                 | (49)             | -                      | -         | -         | -           | -                                | (49)           |
| <b>Net profit/(loss) before significant items</b>  | 940         | 461       | 165       | 407   | (35)                 | 1,938            | (80)                   | 13        | 6         | (61)        | -                                | 1,877          |
| Significant items after tax  | -           | -         | -         | -     | -                    | -                | -                      | -         | -         | -           | -                                | -              |
| <b>Net profit/(loss)</b>   | 940         | 461       | 165       | 407   | (35)                 | 1,938            | (80)                   | 13        | 6         | (61)        | -                                | 1,877          |
| Net profit - outside equity interest   | -           | -         | -         | (4)   | -                    | (4)              | (6)                    | -         | -         | (6)         | -                                | (10)           |
| <b>Net profit/(loss) attributable to members of the Company</b>                            | 940         | 461       | 165       | 403   | (35)                 | 1,934            | (86)                   | 13        | 6         | (67)        | -                                | 1,867          |
| Distributions  |             |           |           |       |                      |                  |                        |           |           |             |                                  | (94)           |
| <b>Earnings attributable to ordinary shareholders</b>                                      |             |           |           |       |                      |                  |                        |           |           |             |                                  | 1,773          |

<sup>(1)</sup> Other includes elimination entries within Total Banking.

<sup>(2)</sup> Elimination of inter-divisional income and expenses (eg. revenue sharing arrangements between divisions).

<sup>(3)</sup> Net life insurance income is the profit before tax of the life insurance and investment businesses of the statutory funds of the life insurance companies of the Group (excluding net interest income and investment earnings on shareholders retained profits & capital of the life insurance businesses).

<sup>(4)</sup> Other operating income excludes the net interest income, net life insurance income, investment earnings on shareholders retained profits & capital of the life insurance businesses and revaluation profit/(loss).

<sup>(5)</sup> Operating expenses excludes the life insurance expenses incorporated within net life insurance income (Wealth Management only).

## 1b. PERFORMANCE SUMMARY FOR TOTAL BANKING

Total Banking includes the Banking operations within Total Australia, Total UK and Total New Zealand, as well as Institutional Markets & Services, and Other (including Group Funding and Corporate Centre). It excludes the Wealth Management operations within Total Australia, Total UK and Total New Zealand.

|   | Half Year to |         | Fav / (Unfav)<br>Change on Sep 04 |   |
|---|--------------|---------|-----------------------------------|---|
|   | Mar 05       | Sep 04  | Ex FX <sup>(1)</sup>              |   |
|   | \$m          | \$m     | %                                 | % |
| <b>Comparison to September 2004 half year</b>                             |              |         |                                   |   |
| Net interest income   |              | 3,603   |                                   |   |
| Other operating income <sup>(2)</sup>                                     |              | 2,042   |                                   |   |
| <b>Total income</b>   |              | 5,645   |                                   |   |
| Other operating expenses <sup>(2)</sup>                                   |              | (3,222) |                                   |   |
| <b>Underlying profit</b>  |              | 2,423   |                                   |   |
| Charge to provide for doubtful debts                                      |              | (254)   |                                   |   |
| <b>Cash earnings before tax</b>   |              | 2,169   |                                   |   |
| Income tax expense  |              | (619)   |                                   |   |
| <b>Cash earnings before significant items and outside equity interest</b> |              | 1,550   |                                   |   |
| Net profit attributable to outside equity interest                        |              | (4)     |                                   |   |
| <b>Cash earnings before significant items <sup>(3)</sup></b>              |              | 1,546   |                                   |   |

|   | Half Year to |         | Fav / (Unfav)<br>Change on Mar 04 |   |
|---|--------------|---------|-----------------------------------|---|
|   | Mar 05       | Mar 04  | Ex FX <sup>(1)</sup>              |   |
|   | \$m          | \$m     | %                                 | % |
| <b>Comparison to March 2004 half year</b>                                 |              |         |                                   |   |
| Net interest income   |              | 3,581   |                                   |   |
| Other operating income <sup>(2)</sup>                                     |              | 2,123   |                                   |   |
| <b>Total income</b>   |              | 5,704   |                                   |   |
| Other operating expenses <sup>(2)</sup>                                   |              | (2,897) |                                   |   |
| <b>Underlying profit</b>  |              | 2,807   |                                   |   |
| Charge to provide for doubtful debts                                      |              | (305)   |                                   |   |
| <b>Cash earnings before tax</b>   |              | 2,502   |                                   |   |
| Income tax expense  |              | (743)   |                                   |   |
| <b>Cash earnings before significant items and outside equity interest</b> |              | 1,759   |                                   |   |
| Net profit attributable to outside equity interest                        |              | (5)     |                                   |   |
| <b>Cash earnings before significant items <sup>(3)</sup></b>              |              | 1,754   |                                   |   |

### Key Performance Measures

|  | Half Year to |        |        |
|--|--------------|--------|--------|
|  | Mar 05       | Sep 04 | Mar 04 |
| <b>Performance &amp; profitability</b> |              |        |        |
| Cost to income ratio                   |              | 57.1%  | 50.8%  |

<sup>(1)</sup> Change expressed at constant exchange rates.

<sup>(2)</sup> Total Banking is before inter-divisional eliminations.

<sup>(3)</sup> Refer to Note 1a for a reconciliation of Total Banking to Group net profit and a reconciliation of Total Banking to the Divisional Performance Summary.

### 3. NET INTEREST INCOME

| Group  | Note      | Half Year to  |               |               | Fav / (Unfav)<br>Change on |             |
|--|-----------|---------------|---------------|---------------|----------------------------|-------------|
|  |           | Mar 05<br>\$m | Sep 04<br>\$m | Mar 04<br>\$m | Sep 04<br>%                | Mar 04<br>% |
| Interest income                              |           |               |               |               |                            |             |
| Loans to customers                           |           |               | 8,290         | 7,589         |                            |             |
| Other <sup>(1)</sup>                         |           |               | 1,330         | 1,441         |                            |             |
| <b>Total interest income</b>                 | <b>9</b>  |               | 9,620         | 9,030         |                            |             |
| Interest expense                             |           |               |               |               |                            |             |
| Deposits and other borrowings <sup>(1)</sup> |           |               | (4,479)       | (4,193)       |                            |             |
| Other  |           |               | (1,535)       | (1,252)       |                            |             |
| <b>Total interest expense</b>                | <b>10</b> |               | (6,014)       | (5,445)       |                            |             |
| <b>Net interest income</b>                   |           |               | 3,606         | 3,585         |                            |             |

<sup>(1)</sup> A change has been made to the classification of interest income and interest expense of \$44 million between the March 2004 and September 2004 halves, leaving the full year to September 2004 unchanged.

| By Division                                    |  |       |       |
|--|--|-------|-------|
| Australian Banking                             |  | 1,834 | 1,867 |
| UK Banking                                     |  | 1,099 | 1,051 |
| New Zealand Banking                            |  | 373   | 346   |
| Institutional Markets & Services               |  | 274   | 344   |
| Other (incl. Group Funding & Corporate Centre) |  | 23    | (27)  |
| <b>Total Banking</b>                           |  | 3,603 | 3,581 |
| Wealth Management                              |  | 3     | 4     |
| <b>Net interest income</b>                     |  | 3,606 | 3,585 |



## 4. NET INTEREST MARGINS & SPREADS

| Group  | Half Year to |             |             | Fav / (Unfav)<br>Change on |                     |
|--|--------------|-------------|-------------|----------------------------|---------------------|
|  | Mar 05<br>%  | Sep 04<br>% | Mar 04<br>% | Sep 04<br>basis pts        | Mar 04<br>basis pts |
| <b>Gross interest spread</b> <sup>(1)</sup>            |              | 1.95        | 1.98        |                            |                     |
| Interest forgone on impaired assets                    |              | (0.03)      | (0.03)      |                            |                     |
| <b>Net interest spread</b> <sup>(2)</sup>              |              | 1.92        | 1.95        |                            |                     |
| Benefit of net free liabilities, provisions and equity |              | 0.37        | 0.45        |                            |                     |
| <b>Net interest margin</b> <sup>(3)</sup>              |              | 2.29        | 2.40        |                            |                     |
| <b>By Region</b>                                       |              |             |             |                            |                     |
| <b>Australia</b> <sup>(4)</sup>                        |              |             |             |                            |                     |
| Gross interest spread <sup>(1)</sup>                   |              | 1.77        | 2.01        |                            |                     |
| Interest forgone on impaired assets                    |              | (0.03)      | (0.02)      |                            |                     |
| <b>Net interest spread</b> <sup>(2)</sup>              |              | 1.74        | 1.99        |                            |                     |
| Benefit of net free liabilities, provisions and equity |              | 0.38        | 0.31        |                            |                     |
| <b>Net interest margin</b> <sup>(3)</sup>              |              | 2.12        | 2.30        |                            |                     |
| <b>Europe</b> <sup>(4)</sup>                           |              |             |             |                            |                     |
| Gross interest spread <sup>(1)</sup>                   |              | 2.01        | 1.94        |                            |                     |
| Interest forgone on impaired assets                    |              | (0.02)      | (0.02)      |                            |                     |
| <b>Net interest spread</b> <sup>(2)</sup>              |              | 1.99        | 1.92        |                            |                     |
| Benefit of net free liabilities, provisions and equity |              | 0.53        | 0.61        |                            |                     |
| <b>Net interest margin</b> <sup>(3)</sup>              |              | 2.52        | 2.53        |                            |                     |
| <b>Other International</b> <sup>(4)</sup>              |              |             |             |                            |                     |
| Gross interest spread <sup>(1)</sup>                   |              | 2.03        | 1.68        |                            |                     |
| Interest forgone on impaired assets                    |              | -           | (0.02)      |                            |                     |
| <b>Net interest spread</b> <sup>(2)</sup>              |              | 2.03        | 1.66        |                            |                     |
| Benefit of net free liabilities, provisions and equity |              | (0.20)      | 0.06        |                            |                     |
| <b>Net interest margin</b> <sup>(3)</sup>              |              | 1.83        | 1.72        |                            |                     |

<sup>(1)</sup> Gross interest spread represents the difference between the average interest rate earned (inclusive of interest forgone on impaired assets) and the average interest rate incurred on funds.

<sup>(2)</sup> Net interest spread represents the difference between the average interest rate earned and the average interest rate incurred on funds.

<sup>(3)</sup> Net interest margin is net interest income as a percentage of average interest-earning assets.

<sup>(4)</sup> Australia, Europe and Other International include intragroup cross border loans/borrowings and associated interest.

**Detailed Financial Information - Note 4: Net Interest Margins & Spreads**

| <b>Reconciliation of divisional margins to Group margin</b> | <b>Interest earning assets (\$bn) <sup>(1)</sup></b> |              |                            |              |                 |          | <b>Net interest income (\$m)</b> |              |                            |              |                 |          |
|---|--|--------------|----------------------------|--------------|-----------------|----------|----------------------------------|--------------|----------------------------|--------------|-----------------|----------|
|   | <b>Half year to Mar 05</b>                           |              | <b>Half year to Sep 04</b> |              | <b>Variance</b> |          | <b>Half year to Mar 05</b>       |              | <b>Half year to Sep 04</b> |              | <b>Variance</b> |          |
|   | <b>\$bn</b>  | <b>Mix %</b> | <b>\$bn</b>                | <b>Mix %</b> | <b>\$bn</b>     | <b>%</b> | <b>\$m</b>                       | <b>Mix %</b> | <b>\$m</b>                 | <b>Mix %</b> | <b>\$m</b>      | <b>%</b> |
| Australian Banking  |  |              | 142.9                      | 46           |                 |          |                                  |              | 1,834                      | 51           |                 |          |
| UK Banking  |  |              | 55.9                       | 18           |                 |          |                                  |              | 1,099                      | 30           |                 |          |
| New Zealand Banking   |  |              | 28.4                       | 9            |                 |          |                                  |              | 373                        | 10           |                 |          |
| Institutional Markets & Services                            |  |              | 133.0                      | 42           |                 |          |                                  |              | 274                        | 8            |                 |          |
| Other <sup>(2)</sup>  |  |              | (46.4)                     | (15)         |                 |          |                                  |              | 26                         | 1            |                 |          |
| <b>Group</b>  |  |              | 313.8                      | 100          |                 |          |                                  |              | 3,606                      | 100          |                 |          |

| <b>Reconciliation of divisional margins to Group margin (cont'd)</b> | <b>Net interest margin</b> |                  |                 | <b>Contribution to Group margin <sup>(3)</sup></b> |                  |                 |
|--|----------------------------|------------------|-----------------|--|------------------|-----------------|
|  | <b>HY Mar 05</b>           | <b>HY Sep 04</b> | <b>Variance</b> | <b>HY Mar 05</b>                                   | <b>HY Sep 04</b> | <b>Variance</b> |
| Australian Banking   |                            | 2.56%            |                 |  | 1.16%            |                 |
| UK Banking   |                            | 3.92%            |                 |  | 0.70%            |                 |
| New Zealand Banking  |                            | 2.62%            |                 |  | 0.24%            |                 |
| Institutional Markets & Services                                     |                            | 0.41%            |                 |  | 0.17%            |                 |
| Other  |                            | (0.11%)          |                 |  | 0.02%            |                 |
| <b>Group</b>   |                            |                  |                 |  | 2.29%            |                 |

<sup>(1)</sup> Interest-earning assets include intercompany balances.

<sup>(2)</sup> Other includes the Wealth Management regional operations, Group Funding, Corporate Centre and Inter-divisional eliminations.

<sup>(3)</sup> Divisional net interest margin multiplied by % share of Group average interest-earning assets.

## 5. AVERAGE BALANCE SHEET & RELATED INTEREST

The following tables set forth the major categories of interest-earning assets and interest-bearing liabilities, together with their respective interest rates earned or paid by the Group. Averages are predominantly daily averages. Interest income figures include interest income on non-accruing loans to the extent cash payments have been received. Amounts classified as Other International represent interest-earning assets or interest-bearing liabilities of the controlled entities and overseas branches, excluding Europe. Non-accrual loans are included with interest-earning assets within loans and advances.

### Average assets and interest income

|   | Half year ended Mar 05 |          |      | Half year ended Sep 04 |          |      |
|---|------------------------|----------|------|------------------------|----------|------|
|   | Average                | Average  |      | Average                | Average  |      |
|   | balance                | Interest | rate | balance                | Interest | rate |
|   | \$m                    | \$m      | %    | \$m                    | \$m      | %    |
| <b>Interest-earning assets</b>  |                        |          |      |                        |          |      |
| Due from other financial institutions   |                        |          |      |                        |          |      |
| <i>Australia</i> <sup>(1)</sup>   |                        |          |      | 9,288                  | 187      | 4.03 |
| <i>Europe</i>   |                        |          |      | 13,082                 | 198      | 3.03 |
| <i>Other International</i>  |                        |          |      | 1,749                  | 15       | 1.72 |
| Regulatory deposits   |                        |          |      |                        |          |      |
| <i>Europe</i>   |                        |          |      | 163                    | 1        | 1.23 |
| <i>Other International</i>  |                        |          |      | 66                     | -        | -    |
| Marketable debt securities  |                        |          |      |                        |          |      |
| <i>Australia</i>  |                        |          |      | 21,018                 | 568      | 5.40 |
| <i>Europe</i>   |                        |          |      | 8,365                  | 176      | 4.21 |
| <i>Other International</i>  |                        |          |      | 5,819                  | 87       | 2.99 |
| Loans and advances - housing <sup>(2)</sup>   |                        |          |      |                        |          |      |
| <i>Australia</i>  |                        |          |      | 91,186                 | 3,016    | 6.62 |
| <i>Europe</i>   |                        |          |      | 18,969                 | 513      | 5.41 |
| <i>Other International</i>  |                        |          |      | 13,900                 | 475      | 6.83 |
| Loans and advances - non-housing <sup>(2)</sup>   |                        |          |      |                        |          |      |
| <i>Australia</i>  |                        |          |      | 54,837                 | 2,097    | 7.65 |
| <i>Europe</i>   |                        |          |      | 46,199                 | 1,455    | 6.30 |
| <i>Other International</i>  |                        |          |      | 22,821                 | 745      | 6.53 |
| Other interest-earning assets <sup>(3)</sup>  |                        |          |      |                        |          |      |
| <i>Australia</i>  |                        |          |      | 1,060                  | (8)      | n/a  |
| <i>Europe</i>   |                        |          |      | 3,338                  | 25       | n/a  |
| <i>Other International</i>  |                        |          |      | 1,985                  | 70       | n/a  |
| Intragroup loans <sup>(4)</sup>   |                        |          |      |                        |          |      |
| <i>Europe</i>   |                        |          |      | 7,568                  | 147      | 3.88 |
| <i>Other International</i>  |                        |          |      | 6,557                  | 62       | 1.89 |
| <b>Average interest-earning assets and interest income incl. intragroup loans by:</b>   |                        |          |      |                        |          |      |
| <b><i>Australia</i></b>   |                        |          |      | 177,389                | 5,860    | 6.61 |
| <b><i>Europe</i></b>  |                        |          |      | 97,684                 | 2,515    | 5.15 |
| <b><i>Other International</i></b>   |                        |          |      | 52,897                 | 1,454    | 5.50 |
| <b>Total average interest-earning assets and interest income incl. intragroup loans</b> |                        |          |      | 327,970                | 9,829    | 5.99 |

## Detailed Financial Information - Note 5: Average Balance Sheet & Related Interest

### Average assets and interest income

|   | Half year ended Mar 05 |          |         | Half year ended Sep 04 |          |         |
|---|------------------------|----------|---------|------------------------|----------|---------|
|   | Average                | Interest | Average | Average                | Interest | Average |
|   | balance                |          | rate    | balance                |          | rate    |
|   | \$m                    | \$m      | %       | \$m                    | \$m      | %       |
| Intragroup loans eliminations   |                        |          |         | (14,125)               | (209)    | 2.96    |
| <b>Total average interest-earning assets by:</b>                          |                        |          |         |                        |          |         |
| <i>Australia</i>  |                        |          |         | 177,389                | 5,860    | 6.61    |
| <i>Europe</i>   |                        |          |         | 90,116                 | 2,368    | 5.26    |
| <i>Other International</i>  |                        |          |         | 46,340                 | 1,392    | 6.01    |
| <b>Total average interest-earning assets</b>                              |                        |          |         | 313,845                | 9,620    | 6.13    |
| <b>Non-interest-earning assets</b>  |                        |          |         |                        |          |         |
| Investments relating to life insurance business <sup>(5)</sup>            |                        |          |         |                        |          |         |
| <i>Australia</i>  |                        |          |         | 35,263                 |          |         |
| <i>Europe</i>   |                        |          |         | -                      |          |         |
| <i>Other International</i>  |                        |          |         | 254                    |          |         |
| Acceptances   |                        |          |         |                        |          |         |
| <i>Australia</i>  |                        |          |         | 17,902                 |          |         |
| <i>Europe</i>   |                        |          |         | 46                     |          |         |
| <i>Other International</i>  |                        |          |         | 4                      |          |         |
| Property, plant and equipment   |                        |          |         |                        |          |         |
| <i>Australia</i>  |                        |          |         | 1,319                  |          |         |
| <i>Europe</i>   |                        |          |         | 745                    |          |         |
| <i>Other International</i>  |                        |          |         | 95                     |          |         |
| Other assets  |                        |          |         |                        |          |         |
| <i>Australia</i>  |                        |          |         | 23,670                 |          |         |
| <i>Europe</i>   |                        |          |         | 12,849                 |          |         |
| <i>Other International</i>  |                        |          |         | 5,831                  |          |         |
| <b>Total average non-interest-earning assets by:</b>                      |                        |          |         |                        |          |         |
| <i>Australia</i>  |                        |          |         | 78,154                 |          |         |
| <i>Europe</i>   |                        |          |         | 13,640                 |          |         |
| <i>Other International</i>  |                        |          |         | 6,184                  |          |         |
| <b>Total average non-interest-earning assets</b>                          |                        |          |         | 97,978                 |          |         |
| Provision for doubtful debts  |                        |          |         |                        |          |         |
| <i>Australia</i>  |                        |          |         | (1,167)                |          |         |
| <i>Europe</i>   |                        |          |         | (872)                  |          |         |
| <i>Other International</i>  |                        |          |         | (280)                  |          |         |
| <b>Total average assets by:</b>   |                        |          |         |                        |          |         |
| <i>Australia</i>  |                        |          |         | 254,376                |          |         |
| <i>Europe</i>   |                        |          |         | 102,884                |          |         |
| <i>Other International</i>  |                        |          |         | 52,244                 |          |         |
| <b>Total average assets</b>   |                        |          |         | 409,504                |          |         |
| Percentage of total average assets applicable to international operations |                        |          |         |                        |          | 37.9%   |

**Average liabilities and interest expense**

|   | Half year ended Mar 05 |          |         | Half year ended Sep 04 |          |         |
|---|------------------------|----------|---------|------------------------|----------|---------|
|   | Average                | Interest | Average | Average                | Interest | Average |
|   | balance                |          | rate    | balance                |          | rate    |
|   | \$m                    | \$m      | %       | \$m                    | \$m      | %       |
| <b>Interest-bearing liabilities</b>   |                        |          |         |                        |          |         |
| Term deposits and certificates of deposit <sup>(6)</sup>                                      |                        |          |         |                        |          |         |
| <i>Australia</i>  |                        |          |         | 47,201                 | 1,184    | 5.02    |
| <i>Europe</i>   |                        |          |         | 29,232                 | 501      | 3.43    |
| <i>Other International</i>  |                        |          |         | 23,671                 | 469      | 3.96    |
| Savings (short-term) deposits   |                        |          |         |                        |          |         |
| <i>Australia</i>  |                        |          |         | 7,626                  | 187      | 4.90    |
| <i>Europe</i>   |                        |          |         | 13,485                 | 152      | 2.25    |
| <i>Other International</i>  |                        |          |         | 3,815                  | 64       | 3.36    |
| Other on-demand deposits <sup>(1) (7) (8)</sup>   |                        |          |         |                        |          |         |
| <i>Australia</i>  |                        |          |         | 34,459                 | 551      | 3.20    |
| <i>Europe</i>   |                        |          |         | 14,713                 | 133      | 1.81    |
| <i>Other International</i>  |                        |          |         | 6,894                  | 59       | 1.71    |
| Government and Official Institutions  |                        |          |         |                        |          |         |
| <i>Australia</i>  |                        |          |         | 906                    | 19       | 4.19    |
| <i>Other International</i>  |                        |          |         | 706                    | 5        | 1.42    |
| Due to other financial institutions <sup>(7) (8)</sup>  |                        |          |         |                        |          |         |
| <i>Australia</i>  |                        |          |         | 14,358                 | 307      | 4.28    |
| <i>Europe</i>   |                        |          |         | 21,459                 | 426      | 3.97    |
| <i>Other International</i>  |                        |          |         | 11,689                 | 110      | 1.88    |
| Short-term borrowings <sup>(7)</sup>  |                        |          |         |                        |          |         |
| <i>Australia</i>  |                        |          |         | 16,091                 | 344      | 4.28    |
| <i>Europe</i>   |                        |          |         | 733                    | 9        | 2.46    |
| <i>Other International</i>  |                        |          |         | 7,256                  | 51       | 1.41    |
| Long-term borrowings  |                        |          |         |                        |          |         |
| <i>Australia</i>  |                        |          |         | 28,160                 | 569      | 4.04    |
| <i>Other International</i>  |                        |          |         | 1,782                  | 51       | 5.72    |
| Other interest-bearing liabilities  |                        |          |         |                        |          |         |
| <i>Australia</i>  |                        |          |         | 97                     | 600      | n/a     |
| <i>Europe</i>   |                        |          |         | 12                     | 3        | n/a     |
| <i>Other International</i>  |                        |          |         | 152                    | 158      | n/a     |
| Loan Capital  |                        |          |         |                        |          |         |
| <i>Australia</i>  |                        |          |         | 349                    | 7        | 4.01    |
| <i>Europe</i>   |                        |          |         | 1,356                  | 55       | 8.11    |
| Intragroup loans <sup>(4)</sup>   |                        |          |         |                        |          |         |
| <i>Australia</i>  |                        |          |         | 14,125                 | 209      | 2.96    |
| <b>Average interest-bearing liabilities and interest expense incl. intragroup loans by:</b>   |                        |          |         |                        |          |         |
| <b><i>Australia</i></b>   |                        |          |         | 163,372                | 3,977    | 4.87    |
| <b><i>Europe</i></b>  |                        |          |         | 80,990                 | 1,279    | 3.16    |
| <b><i>Other International</i></b>   |                        |          |         | 55,965                 | 967      | 3.46    |
| <b>Total average interest-bearing liabilities and interest expense incl. intragroup loans</b> |                        |          |         |                        |          |         |
|   |                        |          |         | 300,327                | 6,223    | 4.14    |

## Detailed Financial Information - Note 5: Average Balance Sheet & Related Interest

### Average liabilities and interest expense

|  | Half year ended Mar 05 |          |         | Half year ended Sep 04 |          |         |
|--|------------------------|----------|---------|------------------------|----------|---------|
|  | Average                | Interest | Average | Average                | Interest | Average |
|  | balance                |          | rate    | balance                |          | rate    |
|  | \$m                    | \$m      | %       | \$m                    | \$m      | %       |
| Intragroup loans eliminations  |                        |          |         | (14,125)               | (209)    | 2.96    |
| <b>Total average interest-bearing liabilities and interest expense by:</b> |                        |          |         |                        |          |         |
| <b><i>Australia</i></b>  |                        |          |         | 149,247                | 3,768    | 5.05    |
| <b><i>Europe</i></b>   |                        |          |         | 80,990                 | 1,279    | 3.16    |
| <b><i>Other International</i></b>  |                        |          |         | 55,965                 | 967      | 3.46    |
| <b>Total average interest-bearing liabilities and interest expense</b>     |                        |          |         | 286,202                | 6,014    | 4.20    |
| <b>Non-interest-bearing liabilities</b>                                    |                        |          |         |                        |          |         |
| Deposits not bearing interest  |                        |          |         |                        |          |         |
| <i>Australia</i>   |                        |          |         | 5,946                  |          |         |
| <i>Europe</i>  |                        |          |         | 6,086                  |          |         |
| <i>Other International</i>   |                        |          |         | 1,039                  |          |         |
| Liability on acceptances   |                        |          |         |                        |          |         |
| <i>Australia</i>   |                        |          |         | 17,902                 |          |         |
| <i>Europe</i>  |                        |          |         | 46                     |          |         |
| <i>Other International</i>   |                        |          |         | 4                      |          |         |
| Life insurance policy liabilities <sup>(5)</sup>                           |                        |          |         |                        |          |         |
| <i>Australia</i>   |                        |          |         | 33,398                 |          |         |
| <i>Europe</i>  |                        |          |         | -                      |          |         |
| <i>Other International</i>   |                        |          |         | 391                    |          |         |
| Other liabilities  |                        |          |         |                        |          |         |
| <i>Australia</i>   |                        |          |         | 10,383                 |          |         |
| <i>Europe</i>  |                        |          |         | 16,591                 |          |         |
| <i>Other International</i>   |                        |          |         | 2,967                  |          |         |
| <b>Total average non-interest-bearing liabilities by:</b>                  |                        |          |         |                        |          |         |
| <b><i>Australia</i></b>  |                        |          |         | 67,629                 |          |         |
| <b><i>Europe</i></b>   |                        |          |         | 22,723                 |          |         |
| <b><i>Other International</i></b>  |                        |          |         | 4,401                  |          |         |
| <b>Total average non-interest-bearing liabilities</b>                      |                        |          |         | 94,753                 |          |         |

## Detailed Financial Information - Note 5: Average Balance Sheet & Related Interest

### Equity

|  | Half year ended Mar 05 |          |         | Half year ended Sep 04 |          |         |
|--|------------------------|----------|---------|------------------------|----------|---------|
|  | Average                | Interest | Average | Average                | Interest | Average |
|  | balance                |          | rate    | balance                |          | rate    |
|  | \$m                    | \$m      | %       | \$m                    | \$m      | %       |
| <b>Equity</b>  |                        |          |         |                        |          |         |
| Ordinary shares  |                        |          |         | 6,566                  |          |         |
| Preference share capital   |                        |          |         | -                      |          |         |
| Trust Preferred Securities   |                        |          |         | 975                    |          |         |
| National Income Securities   |                        |          |         | 1,945                  |          |         |
| Contributed equity   |                        |          |         | 9,486                  |          |         |
| Reserves   |                        |          |         | 1,458                  |          |         |
| Retained profits   |                        |          |         | 14,025                 |          |         |
| Parent entity interest   |                        |          |         | 24,969                 |          |         |
| Outside equity interest in controlled entities                                 |                        |          |         | 3,580                  |          |         |
| <b>Equity</b>  |                        |          |         | <b>28,549</b>          |          |         |
| <b>Total liabilities and equity</b>  |                        |          |         | <b>409,504</b>         |          |         |
| Percentage of total average liabilities applicable to international operations |                        |          |         | 43.1%                  |          |         |

<sup>(1)</sup> A change has been made to the classification of interest income and interest expense of \$44 million between the March 2004 and September 2004 halves, leaving the full year to September 2004 unchanged.

<sup>(2)</sup> Includes non-accrual loans.

<sup>(3)</sup> Includes interest on derivatives and escrow deposits.

<sup>(4)</sup> The calculations for Australia, Europe and Other International include intragroup cross border loans/borrowings and associated interest.

<sup>(5)</sup> Included within investments relating to life insurance business are interest-earning debt securities. The interest earned from these securities is reported in life insurance income, and has therefore been treated as non-interest earning for the purposes of this note. The assets and liabilities held in the statutory funds of the Group's Australian life insurance business are subject to the restrictions of the Life Insurance Act 1995.

<sup>(6)</sup> The sum of term deposits and certificates of deposit equate to time deposits.

<sup>(7)</sup> A change has been made to the classification of certain exposures from Other On-Demand Deposits to Due to Other Financial Institutions and Short-Term Borrowings. To ensure consistent classification with notes to the spot balance sheet an amount of \$3,606 million was reclassified from Other On-Demand Deposits to Due to Other Financial Institutions \$2,498 million and Short-Term Borrowings \$1,108 million. Associated interest expense was also reclassified.

<sup>(8)</sup> A change has been made to the classification of certain exposures from Due to Other Financial Institutions to Other On-Demand Deposits. To ensure consistent classification with notes to the spot balance sheet an amount of \$2,753 million was reclassified from Due to Other Financial Institutions to Other On-Demand Deposits. Associated interest expense was also reclassified.

## 6. GROSS LOANS & ADVANCES

| By region                             | As at  |                |                | Change on |        |
|---------------------------------------|--------|----------------|----------------|-----------|--------|
|                                       | Mar 05 | Sep 04         | Mar 04         | Sep 04    | Mar 04 |
|                                       | \$m    | \$m            | \$m            | %         | %      |
| Australia                             |        | 148,407        | 144,075        |           |        |
| Europe                                |        | 66,010         | 59,290         |           |        |
| New Zealand                           |        | 32,098         | 28,994         |           |        |
| United States                         |        | 2,522          | 2,685          |           |        |
| Asia                                  |        | 3,341          | 3,056          |           |        |
| <b>Total gross loans and advances</b> |        | <b>252,378</b> | <b>238,100</b> |           |        |
| <b>Securitised loans</b>              |        | <b>2,788</b>   | <b>462</b>     |           |        |
| <b>By product</b>                     |        |                |                |           |        |
| Housing                               |        | 125,773        | 118,866        |           |        |
| Term lending <sup>(1)</sup>           |        | 84,236         | 78,863         |           |        |
| Overdrafts <sup>(1)</sup>             |        | 12,967         | 12,791         |           |        |
| Leasing                               |        | 16,027         | 15,288         |           |        |
| Credit cards                          |        | 6,876          | 6,645          |           |        |
| Other <sup>(1)</sup>                  |        | 6,499          | 5,647          |           |        |
| <b>Total gross loans and advances</b> |        | <b>252,378</b> | <b>238,100</b> |           |        |

<sup>(1)</sup> A change has been made to the classification of certain loans from Overdrafts to Term Lending and Other Lending (Market Rate Advances). Comparative information has been reclassified at 30 September 2004 and 31 March 2004, of \$5,346 million and \$3,605 million to Term Lending, and \$450 million and \$260 million to Other Lending (Market Rate Advances) respectively.

| By product & region                   | As at Mar 05 |        |             |               |      |       |
|---------------------------------------|--------------|--------|-------------|---------------|------|-------|
|                                       | Australia    | Europe | New Zealand | United States | Asia | Total |
|                                       | \$m          | \$m    | \$m         | \$m           | \$m  | \$m   |
| Housing                               |              |        |             |               |      |       |
| Term lending                          |              |        |             |               |      |       |
| Overdrafts                            |              |        |             |               |      |       |
| Leasing                               |              |        |             |               |      |       |
| Credit cards                          |              |        |             |               |      |       |
| Other                                 |              |        |             |               |      |       |
| <b>Total gross loans and advances</b> |              |        |             |               |      |       |



**Detailed Financial Information - Note 6: Gross Loans & Advances**

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| <b>Movement from September 2004<br/>excluding foreign exchange</b> | <b>Increase / (Decrease) from Sep 04</b> |               |                    |                      |             |              |
|--|--|---------------|--------------------|----------------------|-------------|--------------|
|  | <b>Australia</b>                         | <b>Europe</b> | <b>New Zealand</b> | <b>United States</b> | <b>Asia</b> | <b>Total</b> |
|  | <b>%</b>                                 | <b>%</b>      | <b>%</b>           | <b>%</b>             | <b>%</b>    | <b>%</b>     |
| Housing  |  |               |                    |                      |             |              |
| Term lending   |  |               |                    |                      |             |              |
| Overdrafts   |  |               |                    |                      |             |              |
| Leasing  |  |               |                    |                      |             |              |
| Credit cards   |  |               |                    |                      |             |              |
| Other  |  |               |                    |                      |             |              |
| <b>Total gross loans and advances</b>                              |  |               |                    |                      |             |              |

| <b>Movement from March 2004<br/>excluding foreign exchange</b> | <b>Increase / (Decrease) from Mar 04</b> |               |                    |                      |             |              |
|--|--|---------------|--------------------|----------------------|-------------|--------------|
|  | <b>Australia</b>                         | <b>Europe</b> | <b>New Zealand</b> | <b>United States</b> | <b>Asia</b> | <b>Total</b> |
|  | <b>%</b>                                 | <b>%</b>      | <b>%</b>           | <b>%</b>             | <b>%</b>    | <b>%</b>     |
| Housing  |  |               |                    |                      |             |              |
| Term lending   |  |               |                    |                      |             |              |
| Overdrafts   |  |               |                    |                      |             |              |
| Leasing  |  |               |                    |                      |             |              |
| Credit cards   |  |               |                    |                      |             |              |
| Other  |  |               |                    |                      |             |              |
| <b>Total gross loans and advances</b>                          |  |               |                    |                      |             |              |

**Detailed Financial Information - Note 6: Gross Loans & Acceptances**

| <b>By Division</b>                       | <b>Australian<br/>Banking<br/>\$m</b> | <b>UK<br/>Banking<br/>\$m</b> | <b>NZ<br/>Banking<br/>\$m</b> | <b>IM&amp;S<br/>\$m</b> | <b>WM<br/>\$m</b> | <b>Other <sup>(1)</sup><br/>\$m</b> | <b>Total<br/>Group<br/>\$m</b> |
|--|---------------------------------------|-------------------------------|-------------------------------|-------------------------|-------------------|-------------------------------------|--------------------------------|
| <b>As at 31 March 2005</b>               |                                       |                               |                               |                         |                   |                                     |                                |
| Housing lending                          |                                       |                               |                               |                         |                   |                                     |                                |
| Non-housing lending                      |                                       |                               |                               |                         |                   |                                     |                                |
| <b>Total gross loans and advances</b>    |                                       |                               |                               |                         |                   |                                     |                                |
| Acceptances                              |                                       |                               |                               |                         |                   |                                     |                                |
| <b>Total gross loans and acceptances</b> |                                       |                               |                               |                         |                   |                                     |                                |
| <b>As at 30 September 2004</b>           |                                       |                               |                               |                         |                   |                                     |                                |
| Housing lending                          | 94,047                                | 19,576                        | 14,299                        | 639                     | -                 | (2,788)                             | <b>125,773</b>                 |
| Non-housing lending                      | 43,368                                | 31,739                        | 11,840                        | 39,656                  | 87                | (85)                                | <b>126,605</b>                 |
| <b>Total gross loans and advances</b>    | <b>137,415</b>                        | <b>51,315</b>                 | <b>26,139</b>                 | <b>40,295</b>           | <b>87</b>         | <b>(2,873)</b>                      | <b>252,378</b>                 |
| Acceptances                              | 24,787                                | 59                            | 18                            | 4,738                   | -                 | (13,258)                            | <b>16,344</b>                  |
| <b>Total gross loans and acceptances</b> | <b>162,202</b>                        | <b>51,374</b>                 | <b>26,157</b>                 | <b>45,033</b>           | <b>87</b>         | <b>(16,131)</b>                     | <b>268,722</b>                 |
| <b>As at 31 March 2004</b>               |                                       |                               |                               |                         |                   |                                     |                                |
| Housing lending                          | 89,307                                | 17,184                        | 12,236                        | 601                     | -                 | (462)                               | <b>118,866</b>                 |
| Non-housing lending                      | 43,295                                | 29,543                        | 10,637                        | 37,066                  | 71                | (1,378)                             | <b>119,234</b>                 |
| <b>Total gross loans and advances</b>    | <b>132,602</b>                        | <b>46,727</b>                 | <b>22,873</b>                 | <b>37,667</b>           | <b>71</b>         | <b>(1,840)</b>                      | <b>238,100</b>                 |
| Acceptances                              | 23,395                                | 48                            | -                             | 5,317                   | -                 | (13,772)                            | <b>14,988</b>                  |
| <b>Total gross loans and acceptances</b> | <b>155,997</b>                        | <b>46,775</b>                 | <b>22,873</b>                 | <b>42,984</b>           | <b>71</b>         | <b>(15,612)</b>                     | <b>253,088</b>                 |

<sup>(1)</sup> Other housing lending includes securitised loans. Other non-housing lending includes Group Funding, Corporate Centre and intra-group elimination entries. Other acceptances includes NAB-issued acceptances bought back by NAB.

## 7. DEPOSITS & OTHER BORROWINGS

|   | As at  |                |                | Change on |        |
|---|--------|----------------|----------------|-----------|--------|
|   | Mar 05 | Sep 04         | Mar 04         | Sep 04    | Mar 04 |
|   | \$m    | \$m            | \$m            | %         | %      |
| <b>By region</b>  |        |                |                |           |        |
| Australia <sup>(1) (2)</sup>                                  |        | 116,287        | 112,060        |           |        |
| Europe  |        | 62,133         | 56,084         |           |        |
| New Zealand   |        | 25,643         | 22,970         |           |        |
| United States   |        | 11,287         | 14,717         |           |        |
| Asia  |        | 3,678          | 3,548          |           |        |
| <b>Total deposits and other borrowings <sup>(1) (2)</sup></b> |        | <b>219,028</b> | <b>209,379</b> |           |        |
| <b>By product</b>   |        |                |                |           |        |
| Deposits not bearing interest                                 |        | 13,516         | 13,191         |           |        |
| On-demand and short-term deposits <sup>(1) (2)</sup>          |        | 83,114         | 82,093         |           |        |
| Certificates of deposit                                       |        | 34,130         | 30,349         |           |        |
| Term deposits   |        | 66,212         | 62,581         |           |        |
| <b>Total deposits</b>   |        | <b>196,972</b> | <b>188,214</b> |           |        |
| Securities sold under agreements to repurchase <sup>(1)</sup> |        | 2,809          | 2,406          |           |        |
| Borrowings  |        | 19,247         | 18,759         |           |        |
| <b>Total deposits and other borrowings <sup>(1) (2)</sup></b> |        | <b>219,028</b> | <b>209,379</b> |           |        |

<sup>(1)</sup> A change has been made to the classification of certain exposures from On-Demand and Short-Term Deposits to Due to Other Financial Institutions and Securities Sold Under Agreements to Repurchase. Comparative information has been reclassified at 30 September 2004 and 31 March 2004 of \$2,663 million and \$2,442 million to Due to Other Financial Institutions, and \$694 million and \$1,238 million to Securities Sold Under Agreements to Repurchase, respectively.

<sup>(2)</sup> A change has been made to the classification of certain exposures from Due to Other Financial Institutions to On-Demand and Short-Term Deposits. Comparative information has been reclassified at 30 September 2004 and 31 March 2004 of \$939 million and \$1,107 million respectively.

|  | As at Mar 05 |        |             |               |      |       |
|--|--------------|--------|-------------|---------------|------|-------|
|  | Australia    | Europe | New Zealand | United States | Asia | Total |
|  | \$m          | \$m    | \$m         | \$m           | \$m  | \$m   |
| <b>By product &amp; region</b>                 |              |        |             |               |      |       |
| Deposits not bearing interest                  |              |        |             |               |      |       |
| On-demand and short-term deposits              |              |        |             |               |      |       |
| Certificates of deposit                        |              |        |             |               |      |       |
| Term deposits                                  |              |        |             |               |      |       |
| <b>Total deposits</b>                          |              |        |             |               |      |       |
| Securities sold under agreements to repurchase |              |        |             |               |      |       |
| Borrowings                                     |              |        |             |               |      |       |
| <b>Total deposits and other borrowings</b>     |              |        |             |               |      |       |

**Detailed Financial Information - Note 7: Deposits & Other Borrowings**

| <b>Movement from September 2004<br/>excluding foreign exchange</b> | <b>Increase / (Decrease) from Sep 04</b> |               |                        |                          |             |              |
|--|--|---------------|------------------------|--------------------------|-------------|--------------|
|  | <b>Australia</b>                         | <b>Europe</b> | <b>New<br/>Zealand</b> | <b>United<br/>States</b> | <b>Asia</b> | <b>Total</b> |
|  | <b>%</b>                                 | <b>%</b>      | <b>%</b>               | <b>%</b>                 | <b>%</b>    | <b>%</b>     |
| Deposits not bearing interest                                      |  |               |                        |                          |             |              |
| On-demand and short-term deposits                                  |  |               |                        |                          |             |              |
| Certificates of deposit  |  |               |                        |                          |             |              |
| Term deposits  |  |               |                        |                          |             |              |
| <b>Total deposits</b>  |  |               |                        |                          |             |              |
| Securities sold under agreements to repurchase                     |  |               |                        |                          |             |              |
| Borrowings   |  |               |                        |                          |             |              |
| <b>Total deposits and other borrowings</b>                         |  |               |                        |                          |             |              |

| <b>Movement from March 2004<br/>excluding foreign exchange</b> | <b>Increase / (Decrease) from Mar 04</b> |               |                        |                          |             |              |
|--|--|---------------|------------------------|--------------------------|-------------|--------------|
|  | <b>Australia</b>                         | <b>Europe</b> | <b>New<br/>Zealand</b> | <b>United<br/>States</b> | <b>Asia</b> | <b>Total</b> |
|  | <b>%</b>                                 | <b>%</b>      | <b>%</b>               | <b>%</b>                 | <b>%</b>    | <b>%</b>     |
| Deposits not bearing interest                                  |  |               |                        |                          |             |              |
| On-demand and short-term deposits                              |  |               |                        |                          |             |              |
| Certificates of deposit  |  |               |                        |                          |             |              |
| Term deposits  |  |               |                        |                          |             |              |
| <b>Total deposits</b>  |  |               |                        |                          |             |              |
| Securities sold under agreements to repurchase                 |  |               |                        |                          |             |              |
| Borrowings   |  |               |                        |                          |             |              |
| <b>Total deposits and other borrowings</b>                     |  |               |                        |                          |             |              |

## 8. NET LIFE INSURANCE INCOME

|   | Half Year to |            |            | Fav / (Unfav)<br>Change on |        |
|---|--------------|------------|------------|----------------------------|--------|
|   | Mar 05       | Sep 04     | Mar 04     | Sep 04                     | Mar 04 |
|   | \$m          | \$m        | \$m        | %                          | %      |
| Premium and related revenue   |              | 549        | 456        |                            |        |
| Investment revenue <sup>(1)</sup>   |              | 2,381      | 2,368      |                            |        |
| Life insurance income excluding IORE  |              | 2,930      | 2,824      |                            |        |
| Claims expense  |              | (345)      | (357)      |                            |        |
| Change in policy liabilities  |              | (1,665)    | (1,703)    |                            |        |
| Policy acquisition and maintenance expense  |              | (377)      | (346)      |                            |        |
| Investment management fees  |              | (20)       | (22)       |                            |        |
| Life insurance expenses   |              | (2,407)    | (2,428)    |                            |        |
| <b>Net life insurance income excluding IORE</b>   |              | <b>523</b> | <b>396</b> |                            |        |
| Investment earnings on shareholders' retained profits & capital from life businesses (IORE) |              | 34         | 59         |                            |        |
| <b>Net life insurance income</b>  |              | <b>557</b> | <b>455</b> |                            |        |
| Interest expense - life insurance funds   |              | (7)        | (10)       |                            |        |
| <b>Profit of life insurance funds before income tax</b>                                     |              | <b>550</b> | <b>445</b> |                            |        |
| Income tax expense - life insurance funds   |              | (88)       | (213)      |                            |        |
| <b>Net profit of life insurance funds before outside equity interest</b>                    |              | <b>462</b> | <b>232</b> |                            |        |
| Net (profit)/ loss attributable to outside equity interest                                  |              | (307)      | (58)       |                            |        |
| <b>Net profit of life insurance funds after outside equity interest</b>                     |              | <b>155</b> | <b>174</b> |                            |        |

<sup>(1)</sup> Investment revenue excluding investment earnings on shareholders' retained profits and capital from life businesses.

### Sources of Operating Profit from Life Companies life insurance funds

|  |            |            |
|--|------------|------------|
| Life company - planned profit margins  | 124        | 127        |
| Life company - experience profit   | 4          | 3          |
| <b>Life company operating margins<sup>(1)</sup></b>  | <b>128</b> | <b>130</b> |
| Investment earnings on shareholders' retained profits and capital from life businesses after tax | 27         | 44         |
| <b>Net profit of life insurance funds after outside equity interest</b>                          | <b>155</b> | <b>174</b> |

<sup>(1)</sup> Reflects operating profit of all business written through life insurance funds, irrespective of the business type (investment or insurance).

Net life insurance income is the profit before tax excluding net interest income of the life insurance and investments businesses of the life insurance funds of the life insurance companies of the Group. Refer to note 54 of the Group's Annual Financial Report 2004 for further details.

## 9. REVENUE

|   | Note      | Half Year to  |               |               | Fav / (Unfav)<br>Change on |             |
|---|-----------|---------------|---------------|---------------|----------------------------|-------------|
|   |           | Mar 05<br>\$m | Sep 04<br>\$m | Mar 04<br>\$m | Sep 04<br>%                | Mar 04<br>% |
| <b>Interest income</b>  | <b>3</b>  |               | 9,620         | 9,030         |                            |             |
| Investment earnings on shareholders' retained profits & capital from life businesses (IORE) | <b>8</b>  |               | 34            | 59            |                            |             |
| Investment revenue <sup>(1)</sup>   | <b>8</b>  |               | 2,381         | 2,368         |                            |             |
| <b>Total investment revenue</b>   |           |               | 2,415         | 2,427         |                            |             |
| Premium and related revenue   | <b>8</b>  |               | 549           | 456           |                            |             |
| <b>Life insurance income</b>  |           |               | 2,964         | 2,883         |                            |             |
| Wealth Management other operating income  |           |               | 408           | 399           |                            |             |
| Revaluation profit/(loss)   |           |               | (144)         | 7             |                            |             |
| <b>Wealth Management total income</b> <sup>(2)</sup>  |           |               | 264           | 406           |                            |             |
| <b>Total Banking other operating income</b>   |           |               |               |               |                            |             |
| Dividends received  |           |               | 1             | 22            |                            |             |
| Profit on sale of property, plant and equipment and other assets                            |           |               | 8             | 6             |                            |             |
| Loan fees from banking  |           |               | 720           | 727           |                            |             |
| Money transfer fees   |           |               | 495           | 488           |                            |             |
| Trading income (before significant items)   |           |               | 235           | 340           |                            |             |
| Foreign exchange income   |           |               | 2             | (4)           |                            |             |
| Fees and commissions <sup>(3)</sup>   |           |               | 376           | 362           |                            |             |
| Fleet service fees <sup>(3)</sup>   |           |               | 71            | 60            |                            |             |
| Other income  |           |               | 134           | 122           |                            |             |
| <b>Total Banking other operating income</b>   |           |               | 2,042         | 2,123         |                            |             |
| Eliminations  |           |               | (75)          | (66)          |                            |             |
| <b>Banking other operating income net of eliminations</b>                                   |           |               | 1,967         | 2,057         |                            |             |
| <b>Total revenue before significant items</b>   |           |               | 14,815        | 14,376        |                            |             |
| <b>Significant revenue</b>  |           |               |               |               |                            |             |
| Proceeds from the sale of strategic shareholdings   | <b>15</b> |               | -             | 993           |                            |             |
| <b>Total revenue from ordinary activities</b>   |           |               | 14,815        | 15,369        |                            |             |

<sup>(1)</sup> Investment revenue excluding investment earnings on shareholders retained profits and capital from life businesses.

<sup>(2)</sup> Wealth Management total income excludes life insurance income. Refer to note 8 for further details.

<sup>(3)</sup> A change has been made to the classification of certain fees from Fees and Commissions to Fleet Service Fees. Comparative information has been reclassified for the September 2004 and March 2004 halves of \$12 million and \$11 million respectively.

**Other operating income (before revaluation profit/(loss) and significant income) by Division**

|  | Half Year to |              |              | Fav / (Unfav)<br>Change on |        |
|--|--------------|--------------|--------------|----------------------------|--------|
|  | Mar 05       | Sep 04       | Mar 04       | Sep 04                     | Mar 04 |
|  | \$m          | \$m          | \$m          | %                          | %      |
| Australian Banking                             |              | 1,073        | 1,049        |                            |        |
| UK Banking                                     |              | 458          | 429          |                            |        |
| New Zealand Banking                            |              | 179          | 175          |                            |        |
| Institutional Markets & Services               |              | 354          | 512          |                            |        |
| Other (incl. Group Funding & Corporate Centre) |              | (22)         | (42)         |                            |        |
| <b>Total Banking</b>                           |              | <b>2,042</b> | <b>2,123</b> |                            |        |
| Wealth Management                              |              | 408          | 399          |                            |        |
| Eliminations                                   |              | (75)         | (66)         |                            |        |
| <b>Other operating income</b>                  |              | <b>2,375</b> | <b>2,456</b> |                            |        |

## 10. EXPENSES

|   | Note     | Half Year to  |               |               | Fav / (Unfav)<br>Change on |             |
|---|----------|---------------|---------------|---------------|----------------------------|-------------|
|   |          | Mar 05<br>\$m | Sep 04<br>\$m | Mar 04<br>\$m | Sep 04<br>%                | Mar 04<br>% |
| <b>Interest expense</b>   | <b>3</b> |               | 6,014         | 5,445         |                            |             |
| Claims expense  |          |               | 345           | 357           |                            |             |
| Change in policy liabilities  |          |               | 1,665         | 1,703         |                            |             |
| Policy acquisition and maintenance expense  |          |               | 377           | 346           |                            |             |
| Investment management fees  |          |               | 20            | 22            |                            |             |
| <b>Life insurance expenses</b>  | <b>8</b> |               | 2,407         | 2,428         |                            |             |
| <b>Wealth Management other operating expenses</b> <sup>(1)</sup>  |          |               | 429           | 405           |                            |             |
| <b>Total Banking other operating expenses</b>   |          |               |               |               |                            |             |
| Personnel expenses  |          |               |               |               |                            |             |
| Salaries and related on costs   |          |               | 1,330         | 1,271         |                            |             |
| Superannuation  |          |               | 138           | 138           |                            |             |
| Other   |          |               | 170           | 134           |                            |             |
|   |          |               | 1,638         | 1,543         |                            |             |
| Occupancy expenses  |          |               |               |               |                            |             |
| Rental on operating leases <sup>(2)</sup>   |          |               | 147           | 136           |                            |             |
| Depreciation and amortisation   |          |               | 35            | 33            |                            |             |
| Other <sup>(2)</sup>  |          |               | 125           | 111           |                            |             |
|   |          |               | 307           | 280           |                            |             |
| General expenses  |          |               |               |               |                            |             |
| Advertising and marketing   |          |               | 122           | 94            |                            |             |
| Non-lending losses  |          |               | 30            | 47            |                            |             |
| Communications, postage and stationery  |          |               | 199           | 182           |                            |             |
| Depreciation and amortisation   |          |               | 174           | 159           |                            |             |
| Fees and commissions  |          |               | 54            | 48            |                            |             |
| Computer equipment and software   |          |               | 121           | 139           |                            |             |
| Rental on operating leases  |          |               | 36            | 36            |                            |             |
| Professional fees   |          |               | 203           | 121           |                            |             |
| Travel  |          |               | 34            | 30            |                            |             |
| Freight and cartage   |          |               | 40            | 37            |                            |             |
| Motor vehicle expenses  |          |               | 21            | 20            |                            |             |
| Insurance   |          |               | 22            | 16            |                            |             |
| Operational (bank & bureau) charges   |          |               | 39            | 39            |                            |             |
| Other expenses  |          |               | 182           | 106           |                            |             |
|   |          |               | 1,277         | 1,074         |                            |             |
| <b>Total Banking other operating expenses</b>   |          |               | 3,222         | 2,897         |                            |             |
| Eliminations  |          |               | (75)          | (66)          |                            |             |
| <b>Banking other operating expenses net of eliminations</b>   |          |               | 3,147         | 2,831         |                            |             |
| <b>Other operating expenses</b>   |          |               | 3,576         | 3,236         |                            |             |
| <b>Total operating expenses before significant items, goodwill and charge to provide for doubtful debts</b> |          |               | 11,997        | 11,109        |                            |             |

<sup>(1)</sup> Wealth Management other operating expenses excludes life insurance expenses. Refer to note 8 for further details.

<sup>(2)</sup> A change has been made to the classification of certain expenses from Other Occupancy Expenses to Rental on Operating Leases. Comparative information has been reclassified for both the September 2004 and March 2004 halves of \$10 million.



**Detailed Financial Information - Note 10: Expenses**

|  | Note | Half Year to |        |        | Fav / (Unfav)<br>Change on |        |
|--|------|--------------|--------|--------|----------------------------|--------|
|  |      | Mar 05       | Sep 04 | Mar 04 | Sep 04                     | Mar 04 |
|  |      | \$m          | \$m    | \$m    | %                          | %      |
| <b>Significant expenses</b>  |      |              |        |        |                            |        |
| Cost of sale of strategic shareholdings  | 15   | -            | -      | 678    |                            |        |
| Foreign currency options trading losses  | 15   | -            | -      | 360    |                            |        |
| Reversal of HomeSide non-lending loss provision  | 15   | -            | -      | (64)   |                            |        |
| Write-down of impaired application software  | 15   | -            | 409    | -      |                            |        |
| <b>Total significant expenses</b>  |      |              | 409    | 974    |                            |        |
| <b>Total operating expenses before goodwill<br/>and charge to provide for doubtful debts</b> |      |              | 12,406 | 12,083 |                            |        |
| Amortisation of goodwill   |      |              | 50     | 53     |                            |        |
| Charge to provide for doubtful debts - ordinary  | 12   |              | 254    | 305    |                            |        |
| Charge to provide for doubtful debts - significant   | 15   |              | 292    | -      |                            |        |
| <b>Total operating expenses after significant<br/>items</b>                                  |      |              | 13,002 | 12,441 |                            |        |

**Operating expenses (before goodwill, significant expenses and charge to provide for doubtful debts) by Division**

|  | Half Year to |        |        | Fav / (Unfav)<br>Change on |        |
|--|--------------|--------|--------|----------------------------|--------|
|  | Mar 05       | Sep 04 | Mar 04 | Sep 04                     | Mar 04 |
|  | \$m          | \$m    | \$m    | %                          | %      |
| Australian Banking                             |              | 1,465  | 1,306  |                            |        |
| UK Banking                                     |              | 1,038  | 920    |                            |        |
| New Zealand Banking                            |              | 325    | 270    |                            |        |
| Institutional Markets & Services               |              | 368    | 337    |                            |        |
| Other (incl. Group Funding & Corporate Centre) |              | 26     | 64     |                            |        |
| <b>Total Banking</b>                           |              | 3,222  | 2,897  |                            |        |
| Wealth Management                              |              | 429    | 405    |                            |        |
| Eliminations                                   |              | (75)   | (66)   |                            |        |
| <b>Other operating expenses</b>                |              | 3,576  | 3,236  |                            |        |

### Capitalisation of Software Costs

|   | As at  |        |        |
|---|--------|--------|--------|
|   | Mar 05 | Sep 04 | Mar 04 |
|   | \$m    | \$m    | \$m    |
| Capitalised application software on the balance sheet |        | 655    | 981    |

## 11. FULL TIME EQUIVALENT EMPLOYEES <sup>(1)</sup>

| <b>By Region</b>                                   | <b>As at</b>  |               |               | <b>Change on</b> |               |
|--|---------------|---------------|---------------|------------------|---------------|
|  | <b>Mar 05</b> | <b>Sep 04</b> | <b>Mar 04</b> | <b>Sep 04</b>    | <b>Mar 04</b> |
|  | <b>No.</b>    | <b>No.</b>    | <b>No.</b>    | <b>%</b>         | <b>%</b>      |
| Australia  |               | 24,567        | 24,442        |                  |               |
| Europe   |               | 13,324        | 13,307        |                  |               |
| New Zealand  |               | 4,766         | 4,661         |                  |               |
| United States                                      |               | 141           | 140           |                  |               |
| Asia   |               | 719           | 732           |                  |               |
| <b>Total full time equivalent employees (FTEs)</b> |               | <b>43,517</b> | <b>43,282</b> |                  |               |
| <b>By Division</b>                                 |               |               |               |                  |               |
| Australian Banking                                 |               | 18,382        | 18,468        |                  |               |
| Wealth Management Australia                        |               | 4,746         | 4,669         |                  |               |
| Total Australia                                    |               | 23,128        | 23,137        |                  |               |
| Total UK   |               | 12,865        | 12,886        |                  |               |
| Total New Zealand                                  |               | 4,596         | 4,501         |                  |               |
| Institutional Markets & Services                   |               | 2,073         | 1,963         |                  |               |
| Other (incl. Group Funding & Corporate Centre)     |               | 855           | 795           |                  |               |
| <b>Total full time equivalent employees (FTEs)</b> |               | <b>43,517</b> | <b>43,282</b> |                  |               |
| <b>Average half year FTEs</b>                      |               | <b>43,515</b> | <b>42,986</b> |                  |               |

<sup>(1)</sup> Full-time equivalent staff include part-time staff (pro-rated) and non-payroll FTEs (ie. contractors).

## 12. DOUBTFUL DEBTS

| Total charge for doubtful debts<br>by Region                                   | Half Year to |        |        | Fav / (Unfav)<br>Change on |        |
|--|--------------|--------|--------|----------------------------|--------|
|  | Mar 05       | Sep 04 | Mar 04 | Sep 04                     | Mar 04 |
|  | \$m          | \$m    | \$m    | %                          | %      |
| Australia  |              | 101    | 143    |                            |        |
| Europe   |              | 128    | 147    |                            |        |
| New Zealand  |              | 8      | 12     |                            |        |
| United States  |              | 15     | 4      |                            |        |
| Asia   |              | 2      | (1)    |                            |        |
| <b>Total charge to provide for doubtful debts<br/>before significant items</b> |              | 254    | 305    |                            |        |
| <b>Significant charge to provide for doubtful debts</b>                        |              |        |        |                            |        |
| Revision of accounting estimate  |              | 292    | -      |                            |        |
| <b>Total charge to provide for doubtful debts</b>                              |              | 546    | 305    |                            |        |

### Total charge for doubtful debts by Division

|   |     |     |
|---|-----|-----|
| Australian Banking                                | 97  | 104 |
| UK Banking  | 124 | 100 |
| New Zealand Banking                               | 8   | 13  |
| Institutional Markets & Services                  | 25  | 88  |
| Other (incl. Group Funding & Corporate Centre)    | -   | -   |
| <b>Total Banking</b>                              | 254 | 305 |
| Wealth Management                                 | -   | -   |
| <b>Total charge to provide for doubtful debts</b> | 254 | 305 |

### Movement in provisions for doubtful debts

|   | Half Year to Mar 05 |         |       | Half Year to Sep 04 |         |       |
|---|---------------------|---------|-------|---------------------|---------|-------|
|   | Specific            | General | Total | Specific            | General | Total |
|   | \$m                 | \$m     | \$m   | \$m                 | \$m     | \$m   |
| <b>Opening balance</b>  |                     |         |       | 480                 | 1,783   | 2,263 |
| Transfer to/(from) specific/general provision                 |                     |         |       | 256                 | (256)   | -     |
| Bad debts recovered   |                     |         |       | 99                  | -       | 99    |
| Bad debts written off   |                     |         |       | (434)               | -       | (434) |
| Charge to profit and loss - ordinary                          |                     |         |       | -                   | 254     | 254   |
| Charge to profit and loss - significant                       |                     |         |       | -                   | 292     | 292   |
| Foreign currency translation and<br>consolidation adjustments |                     |         |       | 11                  | 43      | 54    |
| <b>Total provisions for doubtful debts</b>                    |                     |         |       | 412                 | 2,116   | 2,528 |

## 13. ASSET QUALITY

|  | As at  |        |        | Change on |        |
|--|--------|--------|--------|-----------|--------|
|  | Mar 05 | Sep 04 | Mar 04 | Sep 04    | Mar 04 |
|  | \$m    | \$m    | \$m    | %         | %      |
| <b>Summary of impaired assets</b>                  |        |        |        |           |        |
| Gross non-accrual loans                            |        | 1,230  | 1,434  |           |        |
| Gross restructured loans                           |        | 41     | -      |           |        |
| Gross assets acquired through security enforcement |        | 5      | -      |           |        |
| <b>Gross impaired assets</b>                       |        | 1,276  | 1,434  |           |        |
| Less: Specific provisions - non-accrual loans      |        | (375)  | (441)  |           |        |
| <b>Net impaired assets</b>                         |        | 901    | 993    |           |        |

|  | As at Mar 05 |     | As at Sep 04 |     | As at Mar 04 |     |
|--|--------------|-----|--------------|-----|--------------|-----|
|  | Gross        | Net | Gross        | Net | Gross        | Net |
|  | \$m          | \$m | \$m          | \$m | \$m          | \$m |
| <b>Total impaired assets by region</b> |              |     |              |     |              |     |
| Australia                              |              |     | 700          | 536 | 770          | 559 |
| Europe                                 |              |     | 333          | 174 | 347          | 199 |
| New Zealand                            |              |     | 87           | 68  | 37           | 17  |
| United States                          |              |     | 155          | 123 | 277          | 218 |
| Asia                                   |              |     | 1            | -   | 3            | -   |
| <b>Total impaired assets</b>           |              |     | 1,276        | 901 | 1,434        | 993 |

|   | Australia | Europe | New Zealand | United States | Asia | Total |
|---|-----------|--------|-------------|---------------|------|-------|
|   | \$m       | \$m    | \$m         | \$m           | \$m  | \$m   |
| <b>Movement in gross impaired assets</b>      |           |        |             |               |      |       |
| <b>Balance at 30 September 2003</b>           | 912       | 375    | 202         | 145           | 1    | 1,635 |
| New   | 158       | 149    | 25          | 160           | 2    | 494   |
| Written off                                   | (189)     | (34)   | (1)         | -             | -    | (224) |
| Returned to performing or repaid              | (111)     | (135)  | (190)       | (9)           | -    | (445) |
| Foreign currency translation adjustments      | -         | (8)    | 1           | (19)          | -    | (26)  |
| <b>Balance at 31 March 2004</b>               | 770       | 347    | 37          | 277           | 3    | 1,434 |
| New   | 173       | 118    | 62          | 90            | -    | 443   |
| Written off                                   | (188)     | (52)   | (14)        | -             | -    | (254) |
| Returned to performing or repaid              | (55)      | (96)   | (5)         | (224)         | (3)  | (383) |
| Foreign currency translation adjustments      | -         | 16     | 7           | 12            | 1    | 36    |
| <b>Balance at 30 September 2004</b>           | 700       | 333    | 87          | 155           | 1    | 1,276 |
| New   |           |        |             |               |      |       |
| Written off                                   |           |        |             |               |      |       |
| Returned to performing or repaid              |           |        |             |               |      |       |
| Foreign currency translation adjustments      |           |        |             |               |      |       |
| <b>Gross impaired assets at 31 March 2005</b> |           |        |             |               |      |       |

| <b>Gross non-accrual loans to gross loans &amp; acceptances - by region</b> | <b>As at</b>  |               |               |
|---|---------------|---------------|---------------|
|   | <b>Mar 05</b> | <b>Sep 04</b> | <b>Mar 04</b> |
|   | <b>%</b>      | <b>%</b>      | <b>%</b>      |
| Australia   |               | 0.43          | 0.48          |
| Europe  |               | 0.50          | 0.58          |
| New Zealand   |               | 0.27          | 0.13          |
| United States   |               | 4.32          | 10.32         |
| Asia  |               | 0.03          | 0.10          |
| <b>Total gross non-accrual loans to gross loans &amp; acceptances</b>       |               | 0.46          | 0.57          |

**Group provisioning coverage ratios**

|   |       |       |
|---|-------|-------|
| Net impaired assets to total equity <sup>(1)</sup>                        | 3.5   | 4.1   |
| Net impaired assets to total equity plus general provision <sup>(1)</sup> | 3.2   | 3.8   |
| Specific provision to gross impaired assets                               | 32.3  | 33.5  |
| General and specific provisions to gross impaired assets                  | 198.1 | 157.8 |
| General provision to risk-weighted assets                                 | 0.74  | 0.64  |

<sup>(1)</sup> Total parent entity interest in equity.

The amounts below are not classified as impaired assets and therefore are not included in the summary on the previous page.

| <b>Memorandum disclosure</b>  | <b>As at</b>  |               |               | <b>Change on</b> |               |
|---|---------------|---------------|---------------|------------------|---------------|
|   | <b>Mar 05</b> | <b>Sep 04</b> | <b>Mar 04</b> | <b>Sep 04</b>    | <b>Mar 04</b> |
|   | <b>\$m</b>    | <b>\$m</b>    | <b>\$m</b>    | <b>%</b>         | <b>%</b>      |
| Accruing loans past due 90 days or more with adequate security <sup>(2)</sup> |               | 829           | 563           |                  |               |
| Accruing portfolio facilities past due 90 to 180 days (net)                   |               | 26            | 28            |                  |               |
| <b>90 days past due loans - by region <sup>(2)</sup></b>                      |               |               |               |                  |               |
| Australia   |               | 766           | 517           |                  |               |
| Europe  |               | 43            | 33            |                  |               |
| New Zealand   |               | 18            | 11            |                  |               |
| Asia  |               | 2             | 2             |                  |               |
| <b>Total 90 day past due loans <sup>(2)</sup></b>                             |               | 829           | 563           |                  |               |

<sup>(2)</sup> During the September 2004 half year the Group revised its data collection procedures for establishing its 90 day past due exposures. This process now includes loans that are identified by the internal categories 'watch' or 'substandard' and are in arrears 90 days or more.

## 14. INCOME TAX RECONCILIATION

| Group   | Half Year to  |               |               |
|---|---------------|---------------|---------------|
|   | Mar 05<br>\$m | Sep 04<br>\$m | Mar 04<br>\$m |
| <b>Profit from ordinary activities before income tax expense</b>  |               |               |               |
| Australia   |               | 1,302         | 1,967         |
| Overseas  |               | 511           | 961           |
| Add/deduct: (Profit)/loss from ordinary activities before income tax expense attributable to the life insurance statutory funds and their controlled trusts |               | (550)         | (445)         |
| <b>Total profit from ordinary activities excluding that attributable to the statutory funds of the life insurance business, before income tax expense</b>   |               | 1,263         | 2,483         |
| <b>Prima facie income tax at 30%</b>  |               | 379           | 745           |
| Add/(deduct) tax effect of permanent differences:   |               |               |               |
| Assessable foreign income   |               | 13            | 13            |
| Non-allowable depreciation on buildings   |               | 3             | 4             |
| Rebate of tax on dividends, interest etc  |               | (15)          | (28)          |
| Foreign tax rate differences  |               | -             | 1             |
| Amortisation of goodwill  |               | 15            | 16            |
| Future income tax benefits no longer recognised   |               | 7             | -             |
| Under/(over) provision in prior year  |               | (6)           | (3)           |
| Profit on sale of strategic shareholdings   |               | -             | (95)          |
| Reversal of HomeSide non-lending loss provision   |               | -             | (19)          |
| Write-down of impaired application software   |               | 22            | -             |
| Effect of reset tax values on entering tax consolidation - Wealth Management <sup>(1)</sup>   |               | -             | (150)         |
| Interest expense on exchangeable capital units  |               | 17            | 16            |
| Other   |               | (32)          | (14)          |
| <b>Total income tax expense on profit from ordinary activities excluding that attributable to the statutory funds of the life insurance business</b>        |               | 403           | 486           |
| Income tax expense/(benefit) attributable to the statutory funds of the life insurance business   |               | 88            | 213           |
| <b>Total income tax expense</b>   |               | 491           | 699           |
| <b>Effective tax rate excluding statutory funds attributable to the life insurance business</b>   |               | 31.9%         | 19.6%         |
| <b>By Division</b>  |               |               |               |
| Australian Banking  |               | 405           | 453           |
| UK Banking  |               | 111           | 150           |
| New Zealand Banking   |               | 82            | 79            |
| Institutional Markets & Services  |               | 14            | 85            |
| Other (incl. Group Funding & Corporate Centre)  |               | 7             | (24)          |
| <b>Total Banking</b>  |               | 619           | 743           |
| Wealth Management   |               |               |               |
| Cash earnings   |               |               |               |
| Net life insurance income & IORE  |               | 88            | 213           |
| Other   |               | (14)          | (8)           |
| Revaluation profit/(loss) - ordinary  |               | (12)          | 9             |
| Revaluation profit/(loss) - tax consolidations <sup>(1)</sup>   |               | -             | (150)         |
| <b>Total income tax expense before significant items</b>  |               | 681           | 807           |
| Significant items   |               | (190)         | (108)         |
| <b>Total income tax expense</b>   |               | 491           | 699           |

<sup>(1)</sup> Income tax benefit that arose due to the National's election to consolidate for Australian income tax purposes.

**Detailed Financial Information - Note 14: Income Tax Reconciliation**

|   | Half Year to  |               |               |
|---|---------------|---------------|---------------|
|   | Mar 05<br>\$m | Sep 04<br>\$m | Mar 04<br>\$m |
| <b>Wealth Management Operations</b>   |               |               |               |
| <b>Cash earnings before significant items before income tax</b>   |               |               |               |
| Australia   |               | 522           | 415           |
| Overseas  |               | 17            | 38            |
| Add/deduct: (Profit)/loss from ordinary activities before income tax expense attributable to the life insurance statutory funds and their controlled trusts |               | (550)         | (445)         |
| <b>Total profit from ordinary activities excluding that attributable to the statutory funds of the life insurance business, before income tax expense</b>   |               | (11)          | 8             |
| <b>Prima facie income tax at 30%</b>  |               | (3)           | 2             |
| Add/(deduct) tax effect of permanent differences:   |               |               |               |
| Under/(over) provision in prior year  |               | (5)           | (3)           |
| Other   |               | (6)           | (7)           |
| <b>Total income tax expense/(benefit) on operating profit excl. that attributable to the statutory funds of the life insurance business</b>                 |               | (14)          | (8)           |
| Income tax attributable to the statutory funds of the life insurance business   |               | 88            | 213           |
| <b>Total income tax expense/(benefit) attributable to cash earnings before significant items</b>  |               | 74            | 205           |
| <b>Effective tax rate excluding statutory funds attributable to the life insurance business</b>   |               | large         | large         |
| <b>Banking operations</b>   |               |               |               |
| <b>Cash earnings before significant items before income tax</b>   |               |               |               |
| Australia   |               | 1,368         | 1,522         |
| Overseas  |               | 801           | 980           |
| <b>Total cash earnings before income tax</b>  |               | 2,169         | 2,502         |
| <b>Prima facie income tax at 30%</b>  |               | 651           | 751           |
| Add/(deduct) tax effect of permanent differences:   |               |               |               |
| Assessable foreign income   |               | 13            | 13            |
| Non-allowable depreciation on buildings   |               | 3             | 4             |
| Rebate of tax on dividends, interest etc  |               | (15)          | (28)          |
| Foreign tax rate differences  |               | -             | 1             |
| Distributions outside the Group   |               | -             | (5)           |
| Non-assessable branch income  |               | (17)          | (19)          |
| Over provision in prior year  |               | (1)           | -             |
| Interest expense on exchangeable capital units  |               | 17            | 16            |
| Other   |               | (32)          | 10            |
| <b>Total income tax expense on cash earnings before significant items</b>   |               | 619           | 743           |
| <b>Effective tax rate</b>   |               | 28.5%         | 29.7%         |



## 15. SIGNIFICANT ITEMS

|   | Half Year to |        |        |
|---|--------------|--------|--------|
|   | Mar 05       | Sep 04 | Mar 04 |
|   | \$m          | \$m    | \$m    |
| <b>Foreign currency options trading losses</b>                                    |              |        |        |
| Foreign currency options trading losses   |              | -      | (360)  |
| Income tax benefit  |              | -      | 108    |
| Net loss on foreign currency options trading losses                               |              | -      | (252)  |
| <b>Disposal of strategic shareholdings</b>  |              |        |        |
| Proceeds from the sale of strategic shareholdings                                 |              | -      | 993    |
| Cost of sale of strategic shareholdings   |              | -      | (678)  |
| Net profit on sale of strategic shareholdings                                     |              | -      | 315    |
| <b>Cost of foreign controlled entities sold - revision of accounting estimate</b> |              |        |        |
| Reversal of HomeSide non-lending loss provision <sup>(1)</sup>                    |              | -      | 64     |
| <b>Write-down of impaired application software</b>                                |              |        |        |
| Integrated Systems Implementation (ISI)   |              | (200)  | -      |
| Wealth Management Europe - Endeavour  |              | (60)   | -      |
| Other   |              | (149)  | -      |
| Write-down of impaired application software                                       |              | (409)  | -      |
| Income tax benefit  |              | 102    | -      |
| Net write-down of impaired application software                                   |              | (307)  | -      |
| <b>Charge to provide for doubtful debts - revision of accounting estimate</b>     |              |        |        |
| Charge to provide for doubtful debts  |              | (292)  | -      |
| Income tax benefit  |              | 88     | -      |
| Net charge to provide for doubtful debts  |              | (204)  | -      |
| <b>Significant items after tax</b>  |              | (511)  | 127    |

## 16. EXCHANGE RATES

### Exchange rates

|                       | Statement of<br>Financial Performance |        |        | Statement of<br>Financial Position |        |        |
|-----------------------|---------------------------------------|--------|--------|------------------------------------|--------|--------|
|                       | Average Half Year to                  |        |        | Spot as at                         |        |        |
|                       | Mar 05                                | Sep 04 | Mar 04 | Mar 05                             | Sep 04 | Mar 04 |
| British Pounds        |                                       | 0.3928 | 0.4182 |                                    | 0.3973 | 0.4138 |
| Euros                 |                                       | 0.5869 | 0.6071 |                                    | 0.5799 | 0.6200 |
| United States Dollars |                                       | 0.7122 | 0.7409 |                                    | 0.7149 | 0.7591 |
| New Zealand Dollars   |                                       | 1.1108 | 1.1400 |                                    | 1.0682 | 1.1466 |

### Impact on Statement of Financial Performance of exchange rate movements

| March 2005 half to September 2004 half<br>Favourable/(unfavourable)                          | Europe | New<br>Zealand | United<br>States | Asia | Total |
|--|--------|----------------|------------------|------|-------|
|  | \$m    | \$m            | \$m              | \$m  | \$m   |
| Net interest income  |        |                |                  |      |       |
| Other operating expenses   |        |                |                  |      |       |
| Charge to provide for doubtful debts   |        |                |                  |      |       |
| Income tax expense   |        |                |                  |      |       |
| <b>Cash earnings before significant items,<br/>distributions and outside equity interest</b> |        |                |                  |      |       |

| March 2005 half to March 2004 half<br>Favourable/(unfavourable)                              | Europe | New<br>Zealand | United<br>States | Asia | Total |
|--|--------|----------------|------------------|------|-------|
|  | \$m    | \$m            | \$m              | \$m  | \$m   |
| Net interest income  |        |                |                  |      |       |
| Other operating income   |        |                |                  |      |       |
| Other operating expenses   |        |                |                  |      |       |
| Charge to provide for doubtful debts   |        |                |                  |      |       |
| Income tax expense   |        |                |                  |      |       |
| <b>Cash earnings before significant items,<br/>distributions and outside equity interest</b> |        |                |                  |      |       |

**Impact on Statement of Financial Position of exchange rate movements**

| <b>Since September 2004<br/>increase/(decrease)</b> | <b>Europe<br/>\$m</b> | <b>New<br/>Zealand<br/>\$m</b> | <b>United<br/>States<br/>\$m</b> | <b>Asia<br/>\$m</b> | <b>Total<br/>\$m</b> |
|---|-----------------------|--------------------------------|----------------------------------|---------------------|----------------------|
| Housing   |                       |                                |                                  |                     |                      |
| Term lending  |                       |                                |                                  |                     |                      |
| Overdrafts  |                       |                                |                                  |                     |                      |
| Leasing   |                       |                                |                                  |                     |                      |
| Credit cards  |                       |                                |                                  |                     |                      |
| Other   |                       |                                |                                  |                     |                      |
| Gross loans and advances                            |                       |                                |                                  |                     |                      |
| Other assets  |                       |                                |                                  |                     |                      |
| Total assets  |                       |                                |                                  |                     |                      |
| Deposits and other borrowings                       |                       |                                |                                  |                     |                      |

| <b>Since March 2004<br/>increase/(decrease)</b> | <b>Europe<br/>\$m</b> | <b>New<br/>Zealand<br/>\$m</b> | <b>United<br/>States<br/>\$m</b> | <b>Asia<br/>\$m</b> | <b>Total<br/>\$m</b> |
|---|-----------------------|--------------------------------|----------------------------------|---------------------|----------------------|
| Housing   |                       |                                |                                  |                     |                      |
| Term lending                                    |                       |                                |                                  |                     |                      |
| Overdrafts                                      |                       |                                |                                  |                     |                      |
| Leasing   |                       |                                |                                  |                     |                      |
| Credit cards                                    |                       |                                |                                  |                     |                      |
| Other   |                       |                                |                                  |                     |                      |
| Gross loans and advances                        |                       |                                |                                  |                     |                      |
| Other assets                                    |                       |                                |                                  |                     |                      |
| Total assets                                    |                       |                                |                                  |                     |                      |
| Deposits and other borrowings                   |                       |                                |                                  |                     |                      |

## 17. CAPITAL ADEQUACY

### Regulatory capital position

Under guidelines issued by APRA, life insurance and funds management activities are excluded from the calculation of risk-weighted assets, and the related controlled entities are deconsolidated for the purposes of calculating capital adequacy. The intangible component of the investment in these controlled entities (the difference between the appraisal value and the embedded value) is deducted from Tier 1 capital, and the embedded value is deducted from the total of eligible Tier 1 and Tier 2 capital. Additionally, any profits from these activities included in the Group's results are excluded from the determination of Tier 1 capital to the extent that they have not been remitted to the Company in the form of dividends. A reconciliation of capital under the different bases is provided.

|  | As at  |                |                |
|--|--------|----------------|----------------|
|  | Mar 05 | Sep 04         | Mar 04         |
|  | \$m    | \$m            | \$m            |
| <b>Reconciliation to shareholders funds</b>                                      |        |                |                |
| Contributed equity   |        | 10,191         | 8,949          |
| Reserves   |        | 1,194          | 784            |
| Retained profits   |        | 14,515         | 14,619         |
| Outside equity interest  |        | 3,866          | 3,558          |
| Estimated reinvestment under dividend reinvestment plan                          |        | 150            | 1,265          |
| Less: Goodwill   |        | (632)          | (682)          |
| Estimated final dividend   |        | (1,287)        | (1,265)        |
| Intangible assets - Wealth Management  |        | (2,448)        | (2,448)        |
| Asset revaluation reserve  |        | (86)           | (16)           |
| Deconsolidation of Wealth Management profits (net of dividends)                  |        | (349)          | (535)          |
| FITB (excluding FITB on the general provision for doubtful debts) <sup>(1)</sup> |        | -              | -              |
| Non - qualifying outside equity interest   |        | (3,866)        | (3,558)        |
| Capitalised expenses   |        | (200)          | -              |
| <b>Tier 1 capital</b>  |        | <b>21,048</b>  | <b>20,671</b>  |
| Asset revaluation reserve  |        | 86             | 16             |
| General provision for doubtful debts   |        | 1,480          | 1,254          |
| Perpetual floating rate notes  |        | 350            | 329            |
| Dated subordinated debts   |        | 9,044          | 5,268          |
| Exchangeable capital units   |        | 1,262          | 1,262          |
| Notional revaluation of investment securities to market                          |        | (3)            | 4              |
| <b>Tier 2 capital</b>  |        | <b>12,219</b>  | <b>8,133</b>   |
| <b>Other deductions</b> <sup>(2)</sup>   |        | <b>(2,922)</b> | <b>(2,922)</b> |
| <b>Total regulatory capital</b>  |        | <b>30,345</b>  | <b>25,882</b>  |
| Risk-weighted assets - credit risk   |        | 273,189        | 256,489        |
| Risk-weighted assets - market risk   |        | 13,616         | 21,750         |
| <b>Total risk-weighted assets</b>  |        | <b>286,805</b> | <b>278,239</b> |
| <b>Risk adjusted capital ratios</b>  |        |                |                |
| Tier 1   |        | 7.34%          | 7.43%          |
| Tier 2   |        | 4.26%          | 2.92%          |
| Deductions   |        | (1.02%)        | (1.05%)        |
| <b>Total capital</b>   |        | <b>10.58%</b>  | <b>9.30%</b>   |

<sup>(1)</sup> APRA requires any excess FITB (excluding FITB impact on the general provision for doubtful debts) over the provision for deferred income tax liabilities be deducted from Tier 1 capital.

<sup>(2)</sup> Represents investment in non-consolidated controlled entities, net of intangible component deducted from Tier 1 capital (Sep 04: \$2,922 million, Mar 04: \$2,922 million).

|  | As at  |         |         |
|--|--------|---------|---------|
|  | Mar 05 | Sep 04  | Mar 04  |
|  | \$m    | \$m     | \$m     |
| <b>Adjusted common equity ratio reconciliation</b> |        |         |         |
| <b>Tier 1 capital</b>                              |        | 21,048  | 20,671  |
| Adjusted for:                                      |        |         |         |
| National Income Securities                         |        | (1,945) | (1,945) |
| Trust Preferred Securities                         |        | (975)   | (975)   |
| Other deductions                                   |        | (2,922) | (2,922) |
| <b>Adjusted common equity</b>                      |        | 15,206  | 14,829  |
| <b>Total risk-weighted assets</b>                  |        | 286,805 | 278,239 |
| <b>Adjusted common equity ratio</b>                |        | 5.30%   | 5.33%   |

| <b>Reconciliation of market value of NAFiM subsidiaries<br/>to Wealth Management deduction from capital</b> | <b>As at</b>  |               |               |
|---|---------------|---------------|---------------|
|   | <b>Mar 05</b> | <b>Sep 04</b> | <b>Mar 04</b> |
|   | <b>\$m</b>    | <b>\$m</b>    | <b>\$m</b>    |
| <b>NAFiM subsidiaries market value</b>  |               | 6,509         | 6,662         |
| Adjusted for:   |               |               |               |
| Net liabilities of NAFiM not in the mark to market valuation environment                                    |               | (96)          | (77)          |
| Net assets of other Wealth Management entities not in the NAFiM group                                       |               | 48            | 41            |
| Debt from the National used to fund acquisition of existing Europe and NZ<br>businesses on 1 January 2002   |               | (489)         | (467)         |
| Market value uplift in NAFiM upon introduction of AASB 1038 in the year to<br>September 2000                |               | (217)         | (217)         |
| Cumulative tax on revaluation profit and other adjustments  |               | (36)          | (37)          |
| <b>Total Wealth Management deduction from capital</b>   |               | <b>5,719</b>  | <b>5,905</b>  |
| <b>Represented by:</b>  |               |               |               |
| <b>Wealth Management deductions from tier 1 capital</b>   |               |               |               |
| Intangible assets   |               | 2,448         | 2,448         |
| Deconsolidation of Wealth Management profits (net of dividends)   |               | 349           | 535           |
| <b>Wealth Management deductions from total capital</b>  |               |               |               |
| Investment in non-consolidated controlled entities (net of intangible<br>component deducted from Tier 1)    |               | 2,922         | 2,922         |
| <b>Total Wealth Management deduction from capital</b>   |               | <b>5,719</b>  | <b>5,905</b>  |

## 18. RECONCILIATION OF NUMBER OF SHARES

|  | Half Year to |           |           |
|--|--------------|-----------|-----------|
|  | Mar 05       | Sep 04    | Mar 04    |
|  | No. '000     | No. '000  | No. '000  |
| <b>Ordinary shares, fully paid</b>                               |              |           |           |
| Balance at beginning of period                                   |              | 1,506,493 | 1,503,956 |
| Shares issued  |              |           |           |
| Dividend reinvestment plan                                       |              | 18,083    | 3,123     |
| Bonus share plan   |              | 1,484     | 1,880     |
| Underwriting of dividend reinvestment plan                       |              | 22,959    | -         |
| Staff share ownership plan                                       |              | 425       | 378       |
| Staff share allocation plan                                      |              | -         | 1,620     |
| Executive option plan no. 2                                      |              | 1,293     | 932       |
| Share purchase plan  |              | -         | -         |
| Exchangeable capital units converted                             |              | -         | 7         |
| Paying up of partly paid shares                                  |              | 47        | 69        |
| Shares bought back   |              | -         | (5,472)   |
|  |              | 1,550,784 | 1,506,493 |
| <b>Ordinary shares, partly paid to 25 cents</b>                  |              |           |           |
| Balance at beginning of period                                   |              | 610       | 679       |
| Paying up of partly paid shares                                  |              | (47)      | (69)      |
|  |              | 563       | 610       |
| <b>Total number of ordinary shares on issue at end of period</b> |              | 1,551,347 | 1,507,103 |

## 19. CASH EARNINGS PER SHARE

|   | Half Year to |                        |        |                        |        |                        |
|---|--------------|------------------------|--------|------------------------|--------|------------------------|
|   | Mar 05       |                        | Sep 04 |                        | Mar 04 |                        |
|   | Basic        | Diluted <sup>(1)</sup> | Basic  | Diluted <sup>(1)</sup> | Basic  | Diluted <sup>(1)</sup> |
| <b>Earnings (\$m)</b>   |              |                        |        |                        |        |                        |
| Cash earnings before significant items <sup>(2)</sup>           |              |                        | 1,611  | 1,611                  | 1,850  | 1,850                  |
| Potential dilutive adjustments                                  |              |                        |        |                        |        |                        |
| Interest expense on exchangeable capital units                  |              |                        | -      | 57                     | -      | 55                     |
| Adjusted cash earnings before significant items                 |              |                        | 1,611  | 1,668                  | 1,850  | 1,905                  |
| <b>Weighted average ordinary shares (no. millions)</b>          |              |                        |        |                        |        |                        |
| Weighted average ordinary shares                                |              |                        | 1,525  | 1,525                  | 1,505  | 1,505                  |
| Potential dilutive ordinary shares                              |              |                        |        |                        |        |                        |
| Options   |              |                        | -      | 1                      | -      | 4                      |
| Partly paid ordinary shares                                     |              |                        | -      | -                      | -      | -                      |
| Exchangeable capital units                                      |              |                        | -      | 65                     | -      | 65                     |
| Total weighted average ordinary shares                          |              |                        | 1,525  | 1,591                  | 1,505  | 1,574                  |
| <b>Cash earnings before significant items per share (cents)</b> |              |                        | 105.6  | 104.9                  | 122.9  | 121.1                  |

<sup>(1)</sup> The weighted average diluted number of ordinary shares includes the impact of options, performance rights, partly paid ordinary shares and potential conversion of exchangeable capital units.

<sup>(2)</sup> Refer to page 2 for a reconciliation of cash earnings before significant items to Group net profit.



## 20. GEOGRAPHIC PERFORMANCE SUMMARY

The following table sets out the Group's results from a pure geographic split (ie. based on the region in which the entity that booked the transactions is located). These geographic results are different from the Divisional management reporting structure due to the separate reporting of Asia and the geographic breakdown of Institutional markets & Services and Other (Group Funding & Corporate Centre)

|   | Half Year to |              |              | Fav / (Unfav)<br>Change on |        |
|---|--------------|--------------|--------------|----------------------------|--------|
|   | Mar 05       | Sep 04       | Mar 04       | Sep 04                     | Mar 04 |
|   | \$m          | \$m          | \$m          | %                          | %      |
| <b>Cash earnings</b>  |              |              |              |                            |        |
| <b>Australia</b>  |              |              |              |                            |        |
| Australian Banking  |              | 940          | 1,053        |                            |        |
| Wealth Management Australia (ex Asia)                           |              | 143          | 159          |                            |        |
| Institutional Markets & Services Australia                      |              | 98           | 167          |                            |        |
| Other (Group Funding & Corporate Centre) Australia              |              | (116)        | (180)        |                            |        |
| <b>Total Australia Region</b>                                   |              | <b>1,065</b> | <b>1,199</b> |                            |        |
| <b>Europe (UK &amp; Ireland)</b>                                |              |              |              |                            |        |
| UK Banking  |              | 284          | 310          |                            |        |
| Wealth Management UK  |              | 3            | 14           |                            |        |
| Institutional Markets & Services UK                             |              | 32           | 80           |                            |        |
| Other (Group Funding & Corporate Centre) UK                     |              | 8            | (10)         |                            |        |
| <b>Total Europe Region</b>                                      |              | <b>327</b>   | <b>394</b>   |                            |        |
| <b>New Zealand</b>  |              |              |              |                            |        |
| New Zealand Banking   |              | 137          | 159          |                            |        |
| Wealth Management New Zealand                                   |              | 6            | 5            |                            |        |
| Institutional Markets & Services New Zealand                    |              | 75           | 59           |                            |        |
| Other (Group Funding & Corporate Centre) New Zealand            |              | (4)          | (5)          |                            |        |
| <b>Total New Zealand Region</b>                                 |              | <b>214</b>   | <b>218</b>   |                            |        |
| <b>United States</b>  |              |              |              |                            |        |
| Institutional Markets & Services US                             |              | 5            | 17           |                            |        |
| Other (Group Funding) US  |              | 62           | 77           |                            |        |
| <b>Total United States Region</b>                               |              | <b>67</b>    | <b>94</b>    |                            |        |
| <b>Asia</b>   |              |              |              |                            |        |
| Wealth Management Asia  |              | 6            | 12           |                            |        |
| Institutional Markets & Services Asia                           |              | 7            | 18           |                            |        |
| Other (Group Funding) Asia                                      |              | 18           | 9            |                            |        |
| <b>Total Asia Region</b>  |              | <b>31</b>    | <b>39</b>    |                            |        |
| <b>Cash earnings before significant items and distributions</b> |              | <b>1,704</b> | <b>1,944</b> |                            |        |

Refer to the Divisional Performance Summary on page 2 for a reconciliation of cash earnings before significant items and distributions to net profit.

## 21. RISK MANAGEMENT

### Market risk

The management of market risk has been discussed in detail in the Group's annual financial report 2004, at Risk Management and Note 45 Derivative Financial Instruments. Please refer to that report for detailed information regarding the management of risk.

### Trading risk

The following table shows the Group's Value at Risk (VaR) for the Group's trading portfolios, including both physical and derivative positions. The figures reflect the potential losses across products and regions in which the Group operates.

| Value at risk at 99% confidence level | Average value<br>Half Year to |           | Minimum value<br>Half Year to <sup>(1)</sup> |          | Maximum value<br>Half Year to <sup>(1)</sup> |           |
|---------------------------------------|-------------------------------|-----------|--|----------|--|-----------|
|                                       | Mar 05                        | Sep 04    | Mar 05                                       | Sep 04   | Mar 05                                       | Sep 04    |
|                                       | \$m                           | \$m       | \$m  | \$m      | \$m  | \$m       |
| Foreign exchange risk                 |                               | 2         |  | 1        |  | 10        |
| Interest rate risk                    |                               | 10        |  | 7        |  | 14        |
| Volatility risk                       |                               | 2         |  | 1        |  | 4         |
| Commodities risk                      |                               | 1         |  | 0        |  | 1         |
| Diversification benefit               |                               | (2)       |  | n/a      |  | n/a       |
| <b>Total</b>                          |                               | <b>13</b> |  | <b>9</b> |  | <b>18</b> |

<sup>(1)</sup> Value at risk is measured individually according to foreign exchange risk, interest rate risk, volatility risk and commodities risk. The individual risk categories do not sum up to the total risk number due to portfolio effect. Risk limits are applied in these categories separately, and against the total risk position.

VaR measures the adverse changes in the trading portfolio value brought about by daily changes in market rates at a 99% confidence level.

### Balance sheet risk

#### a) Structural interest rate risk

The table below presents a summary of the aggregated structural earnings at risk relating to non-trading assets and liabilities. Based on the structural interest rate risk position at balance date, the table shows the possible impact on net income for the year ending September 30, 2005 of an immediate 1% parallel movement in interest rates across the whole yield curve.

|                           | Forecast effect on net<br>income 2005 <sup>(1)</sup> |                  | Forecast effect on net<br>income 2004 <sup>(2)</sup> |                  |
|---------------------------|--|------------------|--|------------------|
|                           | Rates<br>1% up                                       | Rates<br>1% down | Rates<br>1% up                                       | Rates<br>1% down |
|                           | \$m  | \$m              | \$m  | \$m              |
| Australian operations     | 50   | (50)             | (45)   | 45               |
| Non-Australian operations | 43   | (44)             | (45)   | 31               |

<sup>(1)</sup> Represents the forecast effect on net interest income for the year ending September 30, 2005.

<sup>(2)</sup> Represents the forecast effect on net interest income (as at September 30, 2003) for the year ended September 30, 2004.

#### b) Structural foreign exchange rate risk

Refer to the Group's annual financial report 2004 at Risk Management for a detailed discussion of the management of these risks.

### Liquidity risk

Refer to the Group's annual financial report 2004 at Risk Management for a detailed discussion of the management of these risks.

### Operational, credit & country risk

Refer to the Group's annual financial report 2004 at Risk Management for a detailed discussion of the management of these risks.

**Derivatives fair values**

This table shows the fair value of all derivative instruments held or issued by the Group. It includes trading and other than trading contracts.

|   | As at Mar 05                 |                             |                      | As at Sep 04                 |                             |                      |
|---|------------------------------|-----------------------------|----------------------|------------------------------|-----------------------------|----------------------|
|   | Notional<br>principal<br>\$m | Credit<br>equivalent<br>\$m | Fair<br>value<br>\$m | Notional<br>principal<br>\$m | Credit<br>equivalent<br>\$m | Fair<br>value<br>\$m |
| <b>Foreign exchange rate-related contracts</b>                              |                              |                             |                      |                              |                             |                      |
| Spot and forward contracts  |                              |                             |                      | 299,331                      | 6,796                       | (509)                |
| Cross currency swaps  |                              |                             |                      | 117,173                      | 8,252                       | 284                  |
| Futures   |                              |                             |                      | 156                          | -                           | -                    |
| Options   |                              |                             |                      | 348,056                      | 2,711                       | (190)                |
|   |                              |                             |                      | 764,716                      | 17,759                      | (415)                |
| <b>Interest rate-related contracts</b>                                      |                              |                             |                      |                              |                             |                      |
| Forward rate agreements   |                              |                             |                      | 117,048                      | 37                          | (5)                  |
| Swaps   |                              |                             |                      | 706,667                      | 10,846                      | 110                  |
| Futures   |                              |                             |                      | 217,995                      | -                           | 14                   |
| Options   |                              |                             |                      | 81,857                       | 404                         | 72                   |
|   |                              |                             |                      | 1,123,567                    | 11,287                      | 191                  |
| Other contracts   |                              |                             |                      | 18,398                       | 1,713                       | 24                   |
| <b>Total derivative financial instruments</b>                               |                              |                             |                      | 1,906,681                    | 30,759                      | (200)                |
| Deduct : Non consolidated controlled entities                               |                              |                             |                      | 3,519                        | 78                          | 43                   |
| <b>Total derivative financial instruments reported for capital adequacy</b> |                              |                             |                      | <b>1,903,162</b>             | <b>30,681</b>               | <b>(243)</b>         |