

RESULTS FOR THE HALF YEAR ENDED 31 MARCH 2003

DETAILED FINANCIAL INFORMATION

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

1. Performance Summary by Division.	45
2. Net Interest Income	48
3. Net Interest Margins & Spreads.	49
4. Average Balance Sheet & Related Interest.	50
5. Gross Loans & Advances.	55
6. Net Life Insurance Income.	58
7. Revenue	59
8. Expenses	61
9. Full Time Equivalent Employees	63
10. Doubtful Debts	64
11. Asset Quality	66
12. Income Tax Reconciliation	68
13. Significant Items	70
14. Exchange Rates	71
15. Capital Adequacy.	73
16. Cash Earnings per Share.	75
17. Risk Management	76
18. Financial Information for US Investors	78

1. PERFORMANCE SUMMARY BY DIVISION

Half year ended 31 March 2003	Note	FSA \$m	FSE \$m	FSNZ \$m	CIB \$m	Other ⁽¹⁾ \$m	Total Banking \$m	WM \$m	Elimina- tions ⁽²⁾ \$m	Total Group \$m
Net interest income	2	1,710	1,239	328	434	(19)	3,692	54	-	3,746
Net life insurance income ⁽³⁾	6	-	-	-	-	-	-	81	-	81
Other operating income ⁽⁴⁾	7	950	503	167	505	(1)	2,124	366	(58)	2,432
Net operating income		2,660	1,742	495	939	(20)	5,816	501	(58)	6,259
Operating expenses ^{(5) (6)}	8	1,214	873	252	374	37	2,750	394	(58)	3,086
Underlying profit		1,446	869	243	565	(57)	3,066	107	-	3,173
Charge to provide for doubtful debts	10	156	135	7	23	-	321	1	-	322
Cash earnings before tax		1,290	734	236	542	(57)	2,745	106	-	2,851
Income tax benefit - net life insurance income	6	-	-	-	-	-	-	(70)	-	(70)
Income tax expense - other	12	386	226	77	126	(34)	781	9	-	790
Cash earnings before significant items		904	508	159	416	(23)	1,964	167	-	2,131
Wealth Management revaluation loss after tax		-	-	-	-	-	-	(205)	-	(205)
Goodwill amortisation		1	31	1	-	16	49	-	-	49
Net profit before significant items		903	477	158	416	(39)	1,915	(38)	-	1,877
Significant items after tax	13	-	-	-	-	-	-	-	-	-
Net profit		903	477	158	416	(39)	1,915	(38)	-	1,877
Net profit attributable to outside equity interest		-	-	-	4	-	4	6	-	10
Net profit attributable to members of the Company		903	477	158	412	(39)	1,911	(44)	-	1,867
Distributions										94
Earnings attributable to ordinary shareholders										1,773

Detailed Financial Information - Note 1: Performance Summary by Division

Half year ended		FSA	FSE	FSNZ	CIB	Other⁽¹⁾	Total Banking	WM	Eliminations⁽²⁾	Total Ongoing Operations	Disposed Operations⁽⁷⁾	Total Group
30 September 2002	Note	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income	2	1,677	1,204	292	505	(94)	3,584	45	-	3,629	(10)	3,619
Net life insurance income ⁽³⁾	6	-	-	-	-	-	-	(250)	-	(250)	-	(250)
Other operating income ⁽⁴⁾	7	920	503	146	459	13	2,041	411	(69)	2,383	142	2,525
Net operating income		2,597	1,707	438	964	(81)	5,625	206	(69)	5,762	132	5,894
Operating expenses ^{(5) (6)}	8	1,232	840	234	391	17	2,714	482	(69)	3,127	118	3,245
Underlying profit		1,365	867	204	573	(98)	2,911	(276)	-	2,635	14	2,649
Charge to provide for doubtful debts	10	100	190	(13)	21	(37)	261	(1)	-	260	20	280
Cash earnings before tax		1,265	677	217	552	(61)	2,650	(275)	-	2,375	(6)	2,369
Income tax benefit - net life insurance income	6	-	-	-	-	-	-	(354)	-	(354)	-	(354)
Income tax expense - other	12	378	212	77	111	(7)	771	2	-	773	3	776
Cash earnings before significant items		887	465	140	441	(54)	1,879	77	-	1,956	(9)	1,947
Wealth Management revaluation loss after tax		-	-	-	-	-	-	(389)	-	(389)	-	(389)
Goodwill amortisation		-	31	1	-	21	53	-	-	53	-	53
Net profit before significant items		887	434	139	441	(75)	1,826	(312)	-	1,514	(9)	1,505
Significant items after tax	13	(183)	(117)	(13)	(24)	(35)	(372)	(17)	-	(389)	-	(389)
Net profit		704	317	126	417	(110)	1,454	(329)	-	1,125	(9)	1,116
Net profit attributable to outside equity interest		-	-	-	-	-	-	(1)	-	(1)	-	(1)
Net profit attributable to members of the Company		704	317	126	417	(110)	1,454	(328)	-	1,126	(9)	1,117
Distributions												92
Earnings attributable to ordinary shareholders												1,025

Detailed Financial Information - Note 1: Performance Summary by Division

Half year ended 31 March 2002	Note	FSA \$m	FSE \$m	FSNZ \$m	CIB \$m	Other ⁽¹⁾ \$m	Total Banking \$m	WM \$m	Elimina- tions ⁽²⁾ \$m	Total Ongoing Operations \$m	Disposed Oper- ations ⁽⁷⁾ \$m	Total Group \$m
Net interest income	2	1,630	1,229	257	546	(145)	3,517	56	-	3,573	30	3,603
Net life insurance income ⁽³⁾	6	-	-	-	-	-	-	240	-	240	-	240
Other operating income ⁽⁴⁾	7	860	525	137	428	(10)	1,940	388	(63)	2,265	2,594	4,859
Net operating income		2,490	1,754	394	974	(155)	5,457	684	(63)	6,078	2,624	8,702
Operating expenses ^{(5) (6)}	8	1,218	837	210	368	(15)	2,618	331	(63)	2,886	2,576	5,462
Underlying profit		1,272	917	184	606	(140)	2,839	353	-	3,192	48	3,240
Charge to provide for doubtful debts	10	46	188	8	146	(1)	387	-	-	387	30	417
Cash earnings before tax		1,226	729	176	460	(139)	2,452	353	-	2,805	18	2,823
Income tax expense - net life insurance income	6	-	-	-	-	-	-	106	-	106	-	106
Income tax expense - other	12	356	228	59	83	(37)	689	26	-	715	(89)	626
Cash earnings before significant items		870	501	117	377	(102)	1,763	221	-	1,984	107	2,091
Wealth Management revaluation profit after tax		-	-	-	-	-	-	237	-	237	-	237
Goodwill amortisation		-	31	1	-	16	48	-	-	48	-	48
Net profit before significant items		870	470	116	377	(118)	1,715	458	-	2,173	107	2,280
Significant items after tax		(2)	-	-	(7)	(5)	(14)	(3)	-	(17)	-	(17)
Net profit		868	470	116	370	(123)	1,701	455	-	2,156	107	2,263
Net profit attributable to outside equity interest		-	-	-	-	-	-	7	-	7	-	7
Net profit attributable to members of the Company		868	470	116	370	(123)	1,701	448	-	2,149	107	2,256
Distributions												95
Earnings attributable to ordinary shareholders												2,161

⁽¹⁾ Other includes Excess Capital, Group Funding, Corporate Centre and elimination entries within Total Banking.

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

⁽³⁾ Net life insurance income is the profit before tax excluding net interest income of the life insurance and funds management businesses of the statutory funds of the life insurance companies of the Group. The contribution of net revenue after tax is \$151 million for the March 2003 half year.

⁽⁴⁾ Other operating income excludes the net interest income and net life insurance income and revaluation profit/(loss).

⁽⁵⁾ Other operating expenses excludes the life insurance expenses incorporated within net life insurance income (Wealth Management only).

⁽⁶⁾ Other operating expenses includes defined pension expense (Financial Services Europe only).

⁽⁷⁾ Disposed Operations includes HomeSide, Vivid and intra-group elimination entries.

2. NET INTEREST INCOME

Group	Note	Half year to			Fav/(unfav) change on	
		Mar 03 \$m	Sep 02 \$m	Mar 02 \$m	Sep 02 %	Mar 02 %
Ongoing operations						
Interest income						
Loans to customers		7,539	7,015	6,707	7.5	12.4
Other interest		896	1,112	1,371	(19.4)	(34.6)
Total interest income	7	8,435	8,127	8,078	3.8	4.4
Interest expense						
Deposits and other borrowings		3,482	3,353	3,349	(3.8)	(4.0)
Other		1,207	1,145	1,156	(5.4)	(4.4)
Total interest expense	8	4,689	4,498	4,505	(4.2)	(4.1)
Total ongoing operations		3,746	3,629	3,573	3.2	4.8
Disposed operations						
Interest income	7	-	63	207	large	large
Interest expense	8	-	73	177	large	large
Total disposed operations		-	(10)	30	large	large
Net interest income		3,746	3,619	3,603	3.5	4.0

By Division

Ongoing operations						
Financial Services Australia		1,710	1,677	1,630	2.0	4.9
Financial Services Europe		1,239	1,204	1,229	2.9	0.8
Financial Services New Zealand		328	292	257	12.3	27.6
Retail Banking		3,277	3,173	3,116	3.3	5.2
Corporate & Institutional Banking		434	505	546	(14.1)	(20.5)
Other (incl. Excess Capital, Group Funding & Corporate Centre)		(19)	(94)	(145)	79.8	86.9
Total Banking		3,692	3,584	3,517	3.0	5.0
Wealth Management		54	45	56	20.0	(3.6)
Total ongoing operations		3,746	3,629	3,573	3.2	4.8
Total disposed operations		-	(10)	30	large	large
Net interest income		3,746	3,619	3,603	3.5	4.0

3. NET INTEREST MARGINS & SPREADS

Group	Half year to			Fav/(unfav) change on	
	Mar 03 %	Sep 02 %	Mar 02 %	Sep 02 basis pts	Mar 02 basis pts
Group interest spread	2.22%	2.36%	2.41%	(0.14)	(0.19)
Group interest margin ⁽¹⁾	2.56%	2.63%	2.71%	(0.07)	(0.15)
Group interest margin (excluding earnings on Excess Capital) ⁽¹⁾	2.52%	2.56%	2.64%	(0.04)	(0.12)
By Region					
Australia ⁽²⁾					
Australia interest spread	2.30%	2.54%	2.74%	(0.24)	(0.44)
Australia interest margin ⁽¹⁾	2.59%	2.71%	2.87%	(0.12)	(0.28)
Australia interest margin (excluding earnings on Excess Capital) ⁽¹⁾	2.51%	2.57%	2.72%	(0.06)	(0.21)
Europe ⁽²⁾					
Europe interest spread	2.08%	2.47%	2.50%	(0.39)	(0.42)
Europe interest margin ^{(1) (3)}	2.57%	2.90%	2.99%	(0.33)	(0.42)
Other International ⁽²⁾					
Other International interest spread	1.59%	1.32%	1.25%	0.27	0.34
Other International interest margin ⁽¹⁾	1.70%	1.42%	1.43%	0.28	0.27
By Division					
Net interest margin ⁽¹⁾					
Financial Services Australia	3.18%	3.38%	3.53%	(0.20)	(0.35)
Financial Services Europe	4.18%	4.21%	4.16%	(0.03)	0.02
Financial Services New Zealand	2.78%	2.68%	2.54%	0.10	0.24
Corporate & Institutional Banking	0.58%	0.73%	0.81%	(0.15)	(0.23)
Net interest spread					
Financial Services Australia	2.73%	2.86%	3.05%	(0.13)	(0.32)
Financial Services Europe	3.82%	3.82%	3.64%	-	0.18
Financial Services New Zealand	3.09%	3.00%	2.91%	0.09	0.18

⁽¹⁾ Interest margin is net interest income as a percentage of average interest-earning assets.

⁽²⁾ Australia, Europe and Other International include intragroup cross border loans/borrowings and associated interest.

⁽³⁾ The decline in Europe margin has been impacted by the Money Markets division within Corporate & Institutional Banking. This includes the impact of lower trading income and an increase in a structured lending product called "reverse repo" loans.

4. 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 and HomeSide. Non-accrual loans are included with interest-earning assets within loans and advances.

Average assets and interest income

	Half year ended Mar 03			Half year ended Sep 02		
	Average	Interest	Average	Average	Interest	Average
	balance		rate	balance		rate
	\$m	\$m	%	\$m	\$m	%
Interest earning assets						
Due from other financial institutions						
<i>Australia</i>	4,139	52	2.52	3,334	55	3.29
<i>Europe</i>	7,400	130	3.52	6,265	103	3.28
<i>Other International</i>	3,990	34	1.71	4,087	41	2.00
Regulatory deposits						
<i>Europe</i>	156	1	1.29	140	1	1.42
<i>Other International</i>	67	-	-	19	-	-
Marketable debt securities						
<i>Australia</i>	14,852	417	5.63	15,083	405	5.36
<i>Europe</i>	10,961	223	4.08	11,969	249	4.15
<i>Other International</i>	9,001	157	3.50	9,952	153	3.07
Loans and advances ⁽¹⁾						
<i>Australia</i>	125,206	4,136	6.62	116,025	3,834	6.59
<i>Europe</i>	80,351	2,235	5.58	71,034	2,120	5.95
<i>HomeSide</i>	-	-	-	15	-	-
<i>Other International</i>	37,324	1,168	6.28	33,629	1,060	6.29
Other interest earning assets ⁽²⁾						
<i>Australia</i>	5	57	n/a	9	246	n/a
<i>Europe</i>	380	12	n/a	661	11	n/a
<i>HomeSide</i>	-	-	n/a	2,397	61	n/a
<i>Other International</i>	32	(187)	n/a	21	(149)	n/a
Intragroup loans ⁽³⁾						
<i>Europe</i>	7,109	175	4.94	2,216	133	11.97
<i>Other International</i>	11,137	153	2.76	12,786	117	1.83
Average interest earning assets and interest income incl intragroup loans by:						
<i>Australia</i>	144,202	4,662	6.48	134,451	4,540	6.73
<i>Europe</i>	106,357	2,776	5.23	92,285	2,617	5.66
<i>HomeSide</i>	-	-	-	2,412	61	5.04
<i>Other International</i>	61,551	1,325	4.32	60,494	1,222	4.03
Total average interest earning assets and interest income incl. intragroup loans	312,110	8,763	5.63	289,642	8,440	5.81

Detailed Financial Information - Note 4: Average Balance Sheet & Related Interest

Average assets and interest income

	Half year ended Mar 03			Half year ended Sep 02		
	Average	Interest	Average	Average	Interest	Average
	balance		rate	balance		rate
	\$m	\$m	%	\$m	\$m	%
Intragroup loans eliminations	(18,246)	(328)	3.61	(15,002)	(250)	3.32
Total average interest earning assets by:						
<i>Australia</i>	144,202	4,662	6.48	134,451	4,540	6.73
<i>Europe</i>	99,248	2,601	5.26	90,069	2,484	5.50
<i>HomeSide</i>	-	-	-	2,412	61	5.04
<i>Other International</i>	50,414	1,172	4.66	47,708	1,105	4.62
Total average interest earning assets	293,864	8,435	5.76	274,640	8,190	5.95
Non-interest earning assets						
Investments relating to life insurance business ⁽⁴⁾						
<i>Australia</i>	30,357			32,749		
<i>Europe</i>	332			395		
<i>Other International</i>	179			171		
Acceptances						
<i>Australia</i>	22,209			21,890		
<i>Europe</i>	139			166		
<i>Other International</i>	27			89		
Fixed assets						
<i>Australia</i>	1,363			1,351		
<i>Europe</i>	786			770		
<i>HomeSide</i>	-			1		
<i>Other International</i>	121			166		
Other assets						
<i>Australia</i>	20,872			21,707		
<i>Europe</i>	8,142			9,047		
<i>HomeSide</i>	-			5,952		
<i>Other International</i>	3,925			3,824		
Total average non-interest earning assets by:						
<i>Australia</i>	74,801			77,697		
<i>Europe</i>	9,399			10,378		
<i>HomeSide</i>	-			5,953		
<i>Other International</i>	4,252			4,250		
Total average non-interest earning assets	88,452			98,278		
Provision for doubtful debts						
<i>Australia</i>	(1,133)			(1,419)		
<i>Europe</i>	(917)			(918)		
<i>HomeSide</i>	-			(19)		
<i>Other International</i>	(321)			(332)		
Total average assets by:						
<i>Australia</i>	217,870			210,729		
<i>Europe</i>	107,730			99,529		
<i>HomeSide</i>	-			8,346		
<i>Other International</i>	54,345			51,626		
Total average assets	379,945			370,230		
Percentage of total average assets applicable to international operations	42.7%			43.1%		

Detailed Financial Information - Note 4: Average Balance Sheet & Related Interest

Average liabilities and interest expense

	Half year ended Mar 03			Half year ended Sep 02		
	Average	Interest	Average	Average	Interest	Average
	balance		rate	balance		rate
	\$m	\$m	%	\$m	\$m	%
Interest bearing liabilities						
Time deposits						
<i>Australia</i>	40,306	1,063	5.29	40,127	1,110	5.52
<i>Europe</i>	34,223	566	3.32	30,848	555	3.59
<i>Other International</i>	28,063	504	3.60	31,138	452	2.90
Savings deposits						
<i>Australia</i>	7,606	158	4.17	5,564	124	4.45
<i>Europe</i>	14,264	143	2.01	14,705	150	2.03
<i>Other International</i>	2,976	42	2.83	2,705	32	2.36
Other demand deposits						
<i>Australia</i>	37,372	451	2.42	34,091	420	2.46
<i>Europe</i>	13,324	116	1.75	14,516	127	1.75
<i>Other International</i>	2,841	41	2.89	2,620	44	3.35
Government and Official Institutions						
<i>Australia</i>	831	17	4.10	863	17	3.93
<i>Other International</i>	2,527	16	1.27	1,838	19	2.06
Due to other financial institutions						
<i>Australia</i>	5,373	85	3.17	5,437	108	3.96
<i>Europe</i>	26,920	520	3.87	18,579	376	4.04
<i>Other International</i>	16,074	168	2.10	15,203	175	2.30
Short-term borrowings						
<i>Other International</i>	6,024	23	0.77	4,599	24	1.04
Long-term borrowings						
<i>Australia</i>	19,605	347	3.55	19,013	380	3.99
<i>HomeSide</i>	-	-	-	2,248	79	7.01
<i>Other International</i>	500	13	5.21	170	4	4.69
Other interest bearing liabilities						
<i>Australia</i>	4,753	342	n/a	8,264	288	n/a
<i>Europe</i>	3	1	n/a	25	1	n/a
<i>Other International</i>	-	(4)	n/a	-	6	n/a
Loan Capital						
<i>Australia</i>	435	11	5.07	510	13	5.08
<i>Europe</i>	1,264	66	10.47	1,193	67	11.20
Intragroup loans						
<i>Australia</i>	18,246	328	3.61	15,002	250	3.32
Average interest bearing liabilities and interest expense incl intragroup loans by:						
<i>Australia</i>	134,527	2,802	4.18	128,871	2,710	4.19
<i>Europe</i>	89,998	1,412	3.15	79,866	1,276	3.19
<i>HomeSide</i>	-	-	-	2,248	79	7.01
<i>Other International</i>	59,005	803	2.73	58,273	756	2.59
Total average interest bearing liabilities and interest expense incl. intragroup loans	283,530	5,017	3.55	269,258	4,821	3.57

Detailed Financial Information - Note 4: Average Balance Sheet & Related Interest

Average liabilities and interest expense

	Half year ended Mar 03			Half year ended Sep 02		
	Average	Interest	Average	Average	Interest	Average
	balance		rate	balance		rate
	\$m	\$m	%	\$m	\$m	%
Intragroup loans eliminations	(18,246)	(328)	3.61	(15,002)	(250)	3.32
Total average interest bearing liabilities and interest expense by:						
<i>Australia</i>	116,281	2,474	4.27	113,869	2,460	4.31
<i>Europe</i>	89,998	1,412	3.15	79,866	1,276	3.19
<i>HomeSide</i>	-	-	-	2,248	79	7.01
<i>Other International</i>	59,005	803	2.73	58,273	756	2.59
Total average interest bearing liabilities and interest expense	265,284	4,689	3.54	254,256	4,571	3.59
Non-interest bearing liabilities						
Deposits not bearing interest						
<i>Australia</i>	5,107			4,852		
<i>Europe</i>	6,015			5,622		
<i>Other International</i>	1,369			1,327		
Liability on acceptances						
<i>Australia</i>	22,209			21,890		
<i>Europe</i>	139			166		
<i>Other International</i>	27			89		
Life insurance policy liabilities ⁽⁴⁾						
<i>Australia</i>	30,253			30,795		
<i>Europe</i>	259			324		
<i>Other International</i>	285			115		
Other liabilities						
<i>Australia</i>	14,611			17,264		
<i>Europe</i>	8,482			6,269		
<i>HomeSide</i>	-			1,372		
<i>Other International</i>	2,229			2,470		
Total average non-interest bearing liabilities by:						
<i>Australia</i>	72,180			74,801		
<i>Europe</i>	14,895			12,381		
<i>HomeSide</i>	-			1,372		
<i>Other International</i>	3,910			4,001		
Total average non-interest bearing liabilities	90,985			92,555		

Detailed Financial Information - Note 4: Average Balance Sheet & Related Interest

Equity

	Half year ended Mar 03			Half year ended Sep 02		
	Average		Average	Average		Average
	balance	Interest	rate	balance	Interest	rate
	\$m	\$m	%	\$m	\$m	%
Equity						
Contributed equity	6,872			7,626		
Preference share capital	730			730		
National Income Securities	1,945			1,945		
Reserves	1,770			1,656		
Retained profits	12,186			11,394		
Outside equity interest in controlled entities	173			68		
Equity	23,676			23,419		
Total liabilities and equity	379,945			370,230		
Percentage of total average liabilities applicable to international operations	47.1%			45.7%		

⁽¹⁾ Includes non-accrual loans.

⁽²⁾ Includes interest on derivatives and escrow deposits.

⁽³⁾ The calculations for Australia, Europe, HomeSide and Other International include intragroup cross border loans/borrowings and associated interest.

⁽⁴⁾ 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.

5. GROSS LOANS & ADVANCES

By region	As at			Change on	
	Mar 03 \$m	Sep 02 \$m	Mar 02 \$m	Sep 02 %	Mar 02 %
Ongoing operations					
Australia	130,058	120,885	112,371	7.6	15.7
Europe	80,226	77,750	65,895	3.2	21.7
New Zealand	28,174	25,702	24,298	9.6	16.0
United States	5,031	7,230	5,064	(30.4)	(0.7)
Asia	3,327	3,936	4,173	(15.5)	(20.3)
Total ongoing operations	246,816	235,503	211,801	4.8	16.5
Total disposed operations	-	181	257	large	large
Total gross loans and advances	246,816	235,684	212,058	4.7	16.4
Securitised loans	747	929	1,175	(19.6)	(36.4)

By product

Ongoing operations					
Housing	103,458	95,987	85,483	7.8	21.0
Term lending ⁽¹⁾	72,435	73,990	70,294	(2.1)	3.0
Overdrafts	18,012	18,765	17,988	(4.0)	0.1
Leasing	15,772	15,882	14,998	(0.7)	5.2
Credit cards	6,512	6,584	6,187	(1.1)	5.3
Other ⁽¹⁾	30,627	24,295	16,851	26.1	81.8
Total ongoing operations	246,816	235,503	211,801	4.8	16.5
Total disposed operations	-	181	257	large	large
Total gross loans and advances	246,816	235,684	212,058	4.7	16.4

⁽¹⁾ Comparative information in relation to reverse repurchase agreements has been reclassified from term lending to other, to ensure consistency with 31 March 2003 balances.

By product & region	As at Mar 03					
	Australia \$m	Europe \$m	New Zealand \$m	United States \$m	Asia \$m	Total \$m
Housing	75,379	16,641	10,859	-	579	103,458
Term Lending	31,753	21,867	12,587	4,008	2,220	72,435
Overdrafts	4,826	12,096	1,090	-	-	18,012
Leasing	7,466	8,242	28	-	36	15,772
Credit cards	3,648	1,918	946	-	-	6,512
Other	6,986	19,462	2,664	1,023	492	30,627
Total gross loans and advances	130,058	80,226	28,174	5,031	3,327	246,816

Detailed Financial Information - Note 5: Gross Loans & Advances

Movement from Sep 2002 excluding foreign exchange	Increase / (decrease) from Sep 02					
	Australia	Europe	New Zealand	United States	Asia	Total
	%	%	%	%	%	%
Gross loans and advances						
Including:						
Housing	10.1	4.4	7.5	large	11.3	8.8
Term lending ⁽¹⁾	3.4	(2.1)	-	2.8	(7.5)	0.6
Overdrafts	(3.9)	6.8	(14.6)	large	-	1.7
Leasing	4.2	4.6	large	-	(7.7)	4.5
Credit cards	3.5	(3.5)	1.7	-	-	1.1

Movement from March 2002 excluding foreign exchange	Increase / (decrease) from Mar 02					
	Australia	Europe	New Zealand	United States	Asia	Total
	%	%	%	%	%	%
Gross loans and advances						
Including:						
Housing	23.1	8.1	11.1	large	26.1	19.0
Term lending ⁽¹⁾	6.0	3.0	0.1	(1.5)	(11.1)	2.8
Overdrafts	(3.3)	8.5	11.3	-	-	5.2
Leasing	6.6	6.2	large	-	(7.7)	6.5
Credit cards	6.8	1.2	2.5	-	-	4.4

⁽¹⁾ Comparative information in relation to reverse repurchase agreements has been reclassified from term lending to other, to ensure consistency with 31 March 2003 balances.

Detailed Financial Information - Note 5: Gross Loans & Advances

By Division	FSA	FSE	FSNZ	CIB	WM	Other⁽¹⁾	Total Ongoing Operations	Disposed Operations⁽²⁾	Total Group
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
As at 31 March 2003									
Housing lending	72,057	16,641	10,828	610	4,069	(747)	103,458	-	103,458
Non-housing lending	38,201	36,014	10,191	58,097	1,788	(933)	143,358	-	143,358
Total gross loans and advances	110,258	52,655	21,019	58,707	5,857	(1,680)	246,816	-	246,816
As at 30 September 2002									
Housing lending	65,720	17,413	9,494	618	3,671	(929)	95,987	89	96,076
Non-housing lending	37,204	40,401	9,360	51,787	1,660	(896)	139,516	92	139,608
Total gross loans and advances	102,924	57,814	18,854	52,405	5,331	(1,825)	235,503	181	235,684
As at 31 March 2002									
Housing lending	59,126	15,637	8,805	546	3,268	(1,175)	86,207	115	86,322
Non-housing lending	35,803	37,133	8,484	44,271	1,521	(1,618)	125,594	142	125,736
Total gross loans and advances	94,929	52,770	17,289	44,817	4,789	(2,793)	211,801	257	212,058

⁽¹⁾ Other includes Excess Capital, Group Funding, Corporate Centre and intra-group elimination entries.

⁽²⁾ Disposed Operations includes HomeSide, Vivid and intra-group elimination entries.

6. NET LIFE INSURANCE INCOME

	Half year to			Fav/(unfav) change on	
	Mar 03 \$m	Sep 02 \$m	Mar 02 \$m	Sep 02 %	Mar 02 %
Ongoing operations					
Premium and related revenue	503	652	482	(22.9)	4.4
Investment revenue	224	(3,169)	2,181	large	(89.7)
Life insurance income	727	(2,517)	2,663	large	(72.7)
Claims expense	513	539	417	4.8	(23.0)
Change in policy liabilities	(250)	(3,218)	1,581	(92.2)	large
Policy acquisition and maintenance expense	344	366	385	6.0	10.6
Investment management fees	39	48	38	18.8	(2.6)
Other life insurance-related expenses	-	(2)	2	large	large
Life insurance expenses	646	(2,267)	2,423	large	73.3
Net life insurance income	81	(250)	240	large	(66.3)
Income tax expense/(benefit) - net life insurance income	(70)	(354)	106	(80.2)	large
Net life insurance income after tax	151	104	134	45.2	12.7

Net life insurance income is the profit before tax excluding net interest income of the life insurance and funds management businesses of the statutory funds of the life insurance companies of the Group. Refer to note 57 of the Group's annual financial report 2002 for further details for the year ended 30 September 2002.

7. REVENUE

	Note	Half year to			Fav/(unfav) change on	
		Mar 03 \$m	Sep 02 \$m	Mar 02 \$m	Sep 02 %	Mar 02 %
Ongoing operations						
Interest income	2	8,435	8,127	8,078	3.8	4.4
Premium and related revenue		503	652	482	(22.9)	4.4
Investment revenue		224	(3,169)	2,181	large	(89.7)
Life insurance income	6	727	(2,517)	2,663	large	(72.7)
Wealth Management other operating income		366	411	388	(10.9)	(5.7)
Revaluation profit/(loss)		(239)	(525)	370	54.5	large
Wealth Management total income		127	(114)	758	large	(83.2)
Total Banking other operating income						
Dividends received		18	20	15	(10.0)	20.0
Profit on sale of property, plant and equipment		13	6	7	large	85.7
Loan fees from banking		698	697	651	0.1	7.2
Money transfer fees		509	514	498	(1.0)	2.2
Trading income		318	288	275	10.4	15.6
Foreign exchange income		7	13	2	(46.2)	large
Fees and commissions		396	387	350	2.3	13.1
Fleet service fees		40	29	29	37.9	37.9
Other income		125	87	113	43.7	10.6
Total Banking other operating income		2,124	2,041	1,940	4.1	9.5
Eliminations		(58)	(69)	(63)	15.9	7.9
Banking other operating income net of eliminations		2,066	1,972	1,877	4.8	10.1
Total revenue from ongoing operations		11,355	7,468	13,376	52.0	(15.1)
Disposed operations						
Interest income		-	63	207	large	large
HomeSide						
Proceeds from sale of HomeSide operating assets		-	15	2,299	large	large
Other		-	128	295	large	large
Other operating income		-	143	2,594	large	large
Total revenue from disposed operations		-	206	2,801	large	large
Significant revenue						
Proceeds from sale of SR Investment (HomeSide)		-	2,671	-	large	large
Group eliminations		-	(1)	-	large	large
Total revenue from ordinary activities		11,355	10,344	16,177	9.8	(29.8)

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

	Half year to			Fav/(unfav) change on	
	Mar 03	Sep 02	Mar 02	Sep 02	Mar 02
	\$m	\$m	\$m	%	%
Ongoing operations					
Financial Services Australia	950	920	860	3.3	10.5
Financial Services Europe	503	503	525	-	(4.2)
Financial Services New Zealand	167	146	137	14.4	21.9
Retail Banking	1,620	1,569	1,522	3.3	6.4
Corporate & Institutional Banking	505	459	428	10.0	18.0
Other (incl. Excess Capital, Group Funding & Corporate Centre)	(1)	13	(10)	large	90.0
Total Banking	2,124	2,041	1,940	4.1	9.5
Wealth Management	366	411	388	(10.9)	(5.7)
Eliminations	(58)	(69)	(63)	15.9	7.9
Total ongoing operations	2,432	2,383	2,265	2.1	7.4
Disposed operations					
HomeSide	-	143	2,594	large	large
Eliminations	-	(1)	-	large	large
Total disposed operations	-	142	2,594	large	large
Other operating income	2,432	2,525	4,859	(3.7)	(49.9)

8. EXPENSES

	Note	Half year to			Fav/(unfav) change on	
		Mar 03 \$m	Sep 02 \$m	Mar 02 \$m	Sep 02 %	Mar 02 %
Ongoing operations						
Interest expense	2	4,689	4,498	4,505	(4.2)	(4.1)
Claims expense		513	539	417	4.8	(23.0)
Change in policy liabilities		(250)	(3,218)	1,581	(92.2)	large
Policy acquisition and maintenance expense		344	366	385	6.0	10.6
Investment management fees		39	48	38	18.8	(2.6)
Other life insurance-related expenses		-	(2)	2	large	large
Life insurance expenses	6	646	(2,267)	2,423	large	73.3
Wealth Management other operating expenses		383	418	331	8.4	(15.7)
Investor compensation		11	64	-	82.8	large
Wealth Management other operating expenses		394	482	331	18.3	(19.0)
Total Banking other operating expenses						
Personnel expenses						
Salaries and related on costs		1,279	1,233	1,229	(3.7)	(4.1)
Superannuation		95	56	63	(69.6)	(50.8)
Other		106	128	128	17.2	17.2
		1,480	1,417	1,420	(4.4)	(4.2)
Occupancy expenses						
Rental on operating leases		131	120	118	(9.2)	(11.0)
Depreciation and amortisation		35	36	39	2.8	10.3
Other		106	107	103	0.9	(2.9)
		272	263	260	(3.4)	(4.6)
General expenses						
Advertising and marketing		84	88	73	4.5	(15.1)
Non-lending losses		23	11	36	large	36.1
Communications, postage and stationery		189	207	215	8.7	12.1
Depreciation and amortisation		141	146	142	3.4	0.7
Fees and commissions		39	49	40	20.4	2.5
Computer equipment and software		109	109	105	-	(3.8)
Professional fees		111	107	103	(3.7)	(7.8)
Travel		26	23	18	(13.0)	(44.4)
Freight and cartage		17	31	28	45.2	39.3
Other expenses		259	263	178	1.5	(45.5)
		998	1,034	938	3.5	(6.4)
Total Banking other operating expenses		2,750	2,714	2,618	(1.3)	(5.0)
Eliminations		(58)	(69)	(63)	(15.9)	(7.9)
Banking other operating expenses net of eliminations		2,692	2,645	2,555	(1.8)	(5.4)
Other operating expenses		3,086	3,127	2,886	1.3	(6.9)
Total operating expenses from ongoing operations		8,421	5,358	9,814	(57.2)	14.2

Detailed Financial Information - Note 8: Expenses

	Note	Half year to			Fav/(unfav) change on	
		Mar 03 \$m	Sep 02 \$m	Mar 02 \$m	Sep 02 %	Mar 02 %
Disposed operations						
Interest expense		-	73	177	large	large
HomeSide						
Carrying value and expenses attributable to the sale of HomeSide operating assets		-	4	2,318	large	large
Other		-	114	257	large	large
Other disposed operations		-	1	1	large	large
Operating expenses		-	119	2,576	large	large
Total operating expenses from disposed operations		-	192	2,753	large	large
Significant expenses						
Provision for restructure		-	556	24	large	large
Carrying value of SR Investment sold		-	2,686	-	large	large
Significant expenses		-	3,242	24	large	large
Group eliminations		-	(1)	-	large	large
Total operating expenses before goodwill and charge to provide for doubtful debts		8,421	8,791	12,591	4.2	33.1
Amortisation of goodwill		49	53	48	7.5	(2.1)
Charge to provide for doubtful debts	10	322	280	417	(15.0)	22.8
Total expenses		8,792	9,124	13,056	3.6	32.7

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

Ongoing operations						
Financial Services Australia		1,214	1,232	1,218	1.5	0.3
Financial Services Europe		873	840	837	(3.9)	(4.3)
Financial Services New Zealand		252	234	210	(7.7)	(20.0)
Retail Banking		2,339	2,306	2,265	(1.4)	(3.3)
Corporate & Institutional Banking		374	391	368	4.3	(1.6)
Other (incl. Excess Capital, Group Funding & Corporate Centre)		37	17	(15)	large	large
Total Banking		2,750	2,714	2,618	(1.3)	(5.0)
Wealth Management		394	482	331	18.3	(19.0)
Eliminations		(58)	(69)	(63)	(15.9)	(7.9)
Total ongoing operations		3,086	3,127	2,886	1.3	(6.9)
Disposed operations						
Vivid		-	1	1	large	large
HomeSide		-	118	2,575	large	large
Eliminations		-	(1)	-	large	large
Total disposed operations		-	118	2,576	large	large
Other operating expenses		3,086	3,245	5,462	4.9	43.5

9. FULL TIME EQUIVALENT EMPLOYEES ⁽¹⁾

By Region	As at			Change on	
	Mar 03 No.	Sep 02 No.	Mar 02 No.	Sep 02 %	Mar 02 %
Ongoing operations					
Australia ⁽²⁾	24,288	24,294	24,481	-	(0.8)
Europe	13,298	13,540	13,641	(1.8)	(2.5)
New Zealand ⁽²⁾	4,640	4,560	4,564	1.8	1.7
United States	135	127	133	6.3	1.5
Asia	641	641	800	-	(19.9)
Total ongoing operations	43,002	43,162	43,619	(0.4)	(1.4)
Total disposed operations	-	40	39	large	large
Total full time equivalent employees (FTEs)	43,002	43,202	43,658	(0.5)	(1.5)

By Division

Ongoing operations					
Financial Services Australia ^{(2) (3)}	18,338	18,096	18,455	1.3	(0.6)
Financial Services Europe	11,563	11,719	11,945	(1.3)	(3.2)
Financial Services New Zealand	4,221	4,277	4,274	(1.3)	(1.2)
Retail Banking	34,122	34,092	34,674	0.1	(1.6)
Corporate & Institutional Banking	2,537	2,564	2,582	(1.1)	(1.7)
Other (incl. Excess Capital, Group Funding & Corporate Centre)	433	401	420	8.0	3.1
Total Banking	37,092	37,057	37,676	0.1	(1.6)
Wealth Management ⁽⁴⁾	5,910	6,105	5,943	(3.2)	(0.6)
Total ongoing operations	43,002	43,162	43,619	(0.4)	(1.4)
Total disposed operations	-	40	39	large	large
Total full time equivalent employees (FTEs)	43,002	43,202	43,658	(0.5)	(1.5)

Average half year FTEs	43,016	43,682	46,807	(1.5)	(8.1)
-------------------------------	---------------	--------	--------	-------	-------

⁽¹⁾ Full-time equivalent staff include part-time staff (pro-rated) and non-payroll FTE's (ie. contractors).

⁽²⁾ Acquisition of Hertz Fleetlease Ltd, increased Financial Services Australia FTEs by 166 (Australia 37, New Zealand 129).

⁽³⁾ FTEs at 31 March 2003 reflect the impact of the graduate intake in February 2003 (142), particularly in Business and Agribusiness.

⁽⁴⁾ As at 31 March 2002 Wealth Management full-time equivalent employees includes employees of joint venture interests (231 FTEs). These employees are excluded from September 2002 and March 2003.

10. DOUBTFUL DEBTS

Total charge for doubtful debts by Region	Half year to			Fav/(unfav) change on	
	Mar 03	Sep 02	Mar 02	Sep 02	Mar 02
	\$m	\$m	\$m	%	%
Ongoing operations					
Australia	160	7	101	large	(58.4)
Europe	151	199	182	24.1	17.0
New Zealand	-	(18)	6	large	large
United States	21	60	109	65.0	80.7
Asia	(10)	12	(11)	large	(9.1)
Total ongoing operations	322	260	387	(23.8)	16.8
Total disposed operations	-	20	30	large	large
Total charge to provide for doubtful debts	322	280	417	(15.0)	22.8
Total charge for doubtful debts by Division					
Ongoing operations					
Financial Services Australia	156	100	46	(56.0)	large
Financial Services Europe	135	190	188	28.9	28.2
Financial Services New Zealand	7	(13)	8	large	12.5
Retail Banking	298	277	242	(7.6)	(23.1)
Corporate & Institutional Banking	23	21	146	(9.5)	84.2
Other (incl. Excess Capital, Group Funding & Corporate Centre) ⁽¹⁾	-	(37)	(1)	large	large
Total Banking	321	261	387	(23.0)	17.1
Wealth Management	1	(1)	-	large	large
Total ongoing operations	322	260	387	(23.8)	16.8
Total disposed operations	-	20	30	large	large
Total charge to provide for doubtful debts	322	280	417	(15.0)	22.8

⁽¹⁾ Reallocation of the Group statistical provisioning reserve to the operating divisions in the half year to 30 September 2002.

Movement in provision for doubtful debts

	Half year to Mar 03			Half year to Sep 02		
	Specific	General	Total	Specific	General	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Opening balance						
Ongoing operations	553	2,022	2,575	651	2,059	2,710
HomeSide	-	-	-	-	25	25
Group opening balance	553	2,022	2,575	651	2,084	2,735
Movements relating to ongoing operations						
Transfer to/(from) specific/general provision	386	(386)	-	365	(365)	-
Bad debts recovered	111	-	111	101	-	101
Bad debts written off	(456)	-	(456)	(580)	-	(580)
Charge to profit and loss	-	322	322	-	260	260
Foreign currency translation and consolidation adjustments	(21)	(61)	(82)	16	66	82
Movements relating to disposed operations						
HomeSide						
Charge to profit and loss	-	-	-	-	18	18
Provision no longer required	-	-	-	-	(42)	(42)
Foreign currency translation and consolidation adjustments	-	-	-	-	(1)	(1)
Vivid						
Charge to profit and loss	-	-	-	-	2	2
Closing balance						
Ongoing operations	573	1,897	2,470	553	2,022	2,575
Total provision for doubtful debts	573	1,897	2,470	553	2,022	2,575

11. ASSET QUALITY

	As at			Change on	
	Mar 03	Sep 02	Mar 02	Sep 02	Mar 02
	\$m	\$m	\$m	%	%
Summary of impaired assets					
Gross non-accrual loans	1,583	1,590	1,750	(0.4)	(9.5)
Gross restructured loans	1	6	5	(83.3)	(80.0)
Gross assets acquired through security enforcement	2	3	2	(33.3)	-
Gross impaired assets	1,586	1,599	1,757	(0.8)	(9.7)
Less: Specific provisions - non-accrual loans ⁽¹⁾	(525)	(500)	(602)	5.0	(12.8)
Net impaired assets	1,061	1,099	1,155	(3.5)	(8.1)

⁽¹⁾ Specific provision - non-accrual loans includes \$48 million of specific provision in relation to accrued portfolio facilities past due 90-180 days within credit cards.

	As at Mar 03		As at Sep 02		As at Mar 02	
	Gross	Net	Gross	Net	Gross	Net
	\$m	\$m	\$m	\$m	\$m	\$m
Total impaired assets by region						
Ongoing operations						
Australia	862	556	894	595	917	604
Europe	447	302	544	399	579	414
New Zealand	35	29	27	23	36	28
United States	241	173	117	66	220	105
Asia	1	1	2	1	2	1
Total ongoing operations	1,586	1,061	1,584	1,084	1,754	1,152
Total disposed operations	-	-	15	15	3	3
Total gross impaired assets	1,586	1,061	1,599	1,099	1,757	1,155

	Australia	Europe	New Zealand	United States	Asia	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Movement in gross impaired assets						
Balance at 30 Sep 2001	963	695	42	34	6	1,740
New	525	133	17	195	-	870
Written off	(170)	(99)	(4)	-	(2)	(275)
Returned to performing or repaid	(401)	(78)	(19)	-	(2)	(500)
Foreign currency translation adjustments	-	(69)	-	(9)	-	(78)
Balance at 31 Mar 2002	917	582	36	220	2	1,757
New	440	128	25	9	-	602
Written off	(195)	(141)	(4)	(101)	-	(441)
Returned to performing or repaid	(268)	(64)	(31)	(1)	-	(364)
Foreign currency translation adjustments	-	41	1	3	-	45
Balance at 30 Sep 2002	894	546	27	130	2	1,599
New	413	175	29	219	-	836
Written off	(133)	(156)	(2)	(1)	(1)	(293)
Returned to performing or repaid	(312)	(76)	(21)	(87)	-	(496)
Foreign currency translation adjustments	-	(42)	2	(20)	-	(60)
Gross impaired assets at 31 Mar 2003	862	447	35	241	1	1,586

Detailed Financial Information - Note 11: Asset Quality

Gross non-accrual loans to gross loans & acceptances - by region	As at		
	Mar 03	Sep 02	Mar 02
	%	%	%
Ongoing operations			
Australia	0.57	0.63	0.69
Europe	0.55	0.70	0.87
New Zealand	0.12	0.11	0.15
United States	4.79	1.61	4.34
Asia	0.03	0.05	0.05
Total ongoing operations	0.59	0.62	0.75
Total disposed operations	-	7.74	1.26
Total gross non-accrual loans to gross loans & acceptances	0.59	0.62	0.75

Group provisioning coverage ratios

Net impaired assets to total equity	4.5	4.7	4.9
Net impaired assets to total equity plus general provision	4.1	4.3	4.5
Specific provision to gross impaired assets	36.1	34.6	37.0
General and specific provisions to gross impaired assets	155.7	161.0	155.7
General provision to risk-weighted assets	0.75	0.82	0.88

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

Memorandum disclosure	As at			Change on	
	Mar 03	Sep 02	Mar 02	Sep 02	Mar 02
	\$m	\$m	\$m	%	%
Accruing loans past due 90 days or more with adequate security (net)	90	78	82	15.4	9.8
Accruing portfolio facilities past due 90 to 180 days (net)	26	30	33	(13.3)	(21.2)

90 days past due loans - by region

Ongoing operations					
Australia	43	29	27	48.3	59.3
Europe	42	45	48	(6.7)	(12.5)
New Zealand	5	4	7	25.0	(28.6)
Total 90 day past due loans	90	78	82	15.4	9.8

12. INCOME TAX RECONCILIATION

Group	Half year to		
	Mar 03 \$m	Sep 02 \$m	Mar 02 \$m
Operating profit before income tax			
Australia	1,325	316	1,972
Overseas	1,238	904	1,149
Operating profit/(loss) before tax attributable to the statutory funds of the life insurance business	69	(264)	236
Total operating profit excluding that attributable to the statutory funds of the life insurance business before income tax	2,494	1,484	2,885
Prima facie income tax at 30%	748	445	866
Add/(deduct) tax effect of permanent differences:			
Attributable foreign income	13	19	6
Non-allowable depreciation on buildings	4	2	5
Rebate of tax on dividends, interest etc	(23)	61	(17)
Foreign tax rate differences	(3)	(3)	(3)
Amortisation of goodwill	15	14	15
Future income tax benefits no longer required	-	1	1
Non-taxable amounts attributable to HomeSide US operation	-	(48)	(5)
Restatement of tax timing differences due to changes in the Australian company income tax rate	-	2	-
Recognition of HomeSide US operation future income tax benefit not previously recognised	-	-	(89)
Under/(over) provision in prior year	6	(12)	18
Other	(4)	(23)	(45)
Total income tax expense on operating profit excluding that attributable to the statutory funds of the life insurance business	756	458	752
Income tax attributable to the statutory funds of the life insurance business	(70)	(354)	106
Total income tax expense	686	104	858
Effective tax rate excluding statutory funds attributable to the life insurance business	30.3%	30.9%	26.1%

By Division

Ongoing operations			
Financial Services Australia	386	378	356
Financial Services Europe	226	212	228
Financial Services New Zealand	77	77	59
Retail Banking	689	667	643
Corporate & Institutional Banking	126	111	83
Other (incl. Excess Capital, Group Funding & Corporate Centre)	(34)	(7)	(37)
Total Banking	781	771	689
Wealth Management			
Operating profit	(61)	(352)	132
Revaluation profit/(loss)	(34)	(136)	133
Total ongoing operations	686	283	954
Total disposed operations	-	3	(89)
Significant items	-	(182)	(7)
Total income tax expense	686	104	858

Detailed Financial Information - Note 12: Income Tax Reconciliation

Supplementary Income Tax Reconciliation Wealth Management	Half year to		
	Mar 03 \$m	Sep 02 \$m	Mar 02 \$m
Operating profit before income tax			
Australia	(166)	(826)	670
Overseas	33	26	53
Operating profit/(loss) before tax attributable to the statutory funds of the life insurance business	69	(264)	236
Total operating profit/(loss) excluding that attributable to the statutory funds of the life insurance business before income tax	(202)	(536)	487
Prima facie income tax at 30%	(61)	(161)	146
Add/(deduct) tax effect of permanent differences:			
Foreign tax rate differences	(1)	-	1
Amortisation of goodwill	-	(5)	1
Restatement of tax timing differences due to changes in the Australian company income tax rate	-	2	-
Under/(over) provision in prior year	7	3	3
Other	30	27	8
Total income tax expense/(benefit) on operating profit excl. that attributable to the statutory funds of the life insurance business	(25)	(134)	159
Income tax attributable to the statutory funds of the life insurance business	(70)	(354)	106
Total income tax expense/(benefit) ⁽¹⁾	(95)	(488)	265
Effective tax rate excluding statutory funds attributable to the life insurance business	(12.4%)	(25.0%)	32.6%

⁽¹⁾ Wealth Management total income tax expense/(benefit) excludes the tax benefit on significant items.

Banking operations before goodwill

Cash earnings before income tax			
Australia	1,496	1,559	1,374
Overseas	1,249	1,091	1,078
Total cash earnings	2,745	2,650	2,452
Prima facie income tax at 30%	824	795	736
Add/(deduct) tax effect of permanent differences:			
Attributable foreign income	13	19	6
Non-allowable depreciation on buildings	4	2	5
Rebate of tax on dividends, interest etc	(23)	47	(3)
Foreign tax rate differences	(2)	(3)	(4)
Future income tax benefits no longer required	-	(33)	1
Under/(over) provision in prior year	(1)	(15)	15
Other	(34)	(41)	(67)
Total income tax expense on cash earnings	781	771	689
Effective tax rate	28.5%	29.1%	28.1%

13. SIGNIFICANT ITEMS

	Half year to		
	Mar 03	Sep 02	Mar 02
	\$m	\$m	\$m
Ongoing operations			
Restructuring expenses	-	(556)	(24)
Tax benefit	-	161	7
Net restructuring expenses	-	(395)	(17)
Disposal of SR Investment (HomeSide)			
Proceeds on the sale of SR Investment	-	2,671	-
Cost of SR Investment sold	-	(2,686)	-
Loss on sale of SR Investment	-	(15)	-
Income tax benefit	-	21	-
Net profit on sale of SR Investment	-	6	-
Significant items after tax	-	(389)	(17)

Restructuring expenses

During 2002, the Group recognised costs of \$412 million after tax resulting from its Positioning for Growth (PFG) program and related activities. The initiative comprised fundamentally of a reorganisation of the Group structure as well as a series of revenue and cost enhancement initiatives. Restructuring expenses primarily related to redundancies of \$230 million, Technology write-downs of \$88 million, surplus lease space of \$54 million, and other restructuring costs of \$40 million. During 2002, payments of \$101 million (before tax) were incurred in relation to 859 redundancies.

Sale of HomeSide

On 27 August 2002, the National sold all of its shares in SR Investment, Inc., the parent company of HomeSide Lending, Inc., to Washington Mutual Bank, FA. Total proceeds were approximately US\$1.5 billion (A\$2.7 billion), comprised of the interim settlement amount of approximately US\$1.3 billion based on an agreed estimated value of the net assets sold as at closing, plus approximately US\$0.2 billion representing amounts receivable in relation to the sale of bulk mortgage servicing rights. The sale was completed on 1 October 2002. This resulted in a profit on sale of US\$3 million (A\$6 million), which was recognised as a significant item for the year ending 30 September 2002.

14. EXCHANGE RATES

Exchange rates

	Statement of Financial Performance average half year to			Statement of Financial Position spot as at		
	Mar 03	Sep 02	Mar 02	Mar 03	Sep 02	Mar 02
Great British Pounds	0.3626	0.3655	0.3590	0.3828	0.3474	0.3732
Euros	0.5554	0.5785	0.5811	0.5571	0.5528	0.6090
United States Dollars	0.5757	0.5496	0.5151	0.6038	0.5440	0.5322
New Zealand Dollars	1.1028	1.1727	1.2257	1.0908	1.1565	1.2075

Impact on Statement of Financial Performance of exchange rate movements on the ongoing operations result

Half year to March 2003 since September 2002 Favourable/(unfavourable)	Europe \$m	New Zealand \$m	United States \$m	Asia \$m	Total \$m
Net interest income	13	23	(7)	(2)	27
Other operating income	5	14	(4)	(1)	14
Other operating expenses	(10)	(17)	2	1	(24)
Charge to provide for doubtful debts	(1)	-	1	-	-
Income tax expense	(2)	(5)	-	-	(7)
Net operating profit from ongoing operations	5	15	(8)	(2)	10

Half year to March 2003 since March 2002 Favourable/(unfavourable)	Europe \$m	New Zealand \$m	United States \$m	Asia \$m	Total \$m
Net interest income	(6)	38	(17)	(4)	11
Other operating income	(4)	23	(9)	(6)	4
Other operating expenses	4	(28)	5	3	(16)
Charge to provide for doubtful debts	1	-	2	(1)	2
Income tax expense	2	(9)	-	1	(6)
Net operating profit from ongoing operations	(3)	24	(19)	(7)	(5)

Impact on Statement of Financial Position of exchange rate movements on the March 2003 ongoing operations

Since September 2002 increase/(decrease)	Europe \$m	New Zealand \$m	United States \$m	Asia \$m	Total \$m
Total assets	(10,384)	1,869	(3,126)	(839)	(12,480)
Gross loans and advances	(6,822)	1,548	(716)	(413)	(6,403)
Including:					
Housing	(1,479)	574	(1)	(57)	(963)
Term Lending	(2,074)	715	(429)	(276)	(2,064)
Overdrafts	(1,118)	72	(9)	-	(1,055)
Leasing	(788)	-	-	(4)	(792)
Credit cards	(195)	53	-	-	(142)
Deposits and other borrowings	(6,461)	1,259	(1,415)	(359)	(6,976)

Since March 2002 increase/(decrease)	Europe \$m	New Zealand \$m	United States \$m	Asia \$m	Total \$m
Total assets	(1,954)	3,232	(3,743)	(1,107)	(3,572)
Gross loans and advances	(1,204)	2,600	(600)	(428)	368
Including:					
Housing	(236)	945	1	(61)	649
Term Lending	(314)	1,216	(548)	(306)	48
Overdrafts	(242)	95	-	-	(147)
Leasing	(185)	-	-	(6)	(191)
Credit cards	(41)	89	-	-	48
Deposits and other borrowings	(1,267)	2,043	(1,401)	(356)	(981)

15. 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 03 \$m	Sep 02 \$m	Mar 02 \$m
Reconciliation to shareholders funds			
Contributed equity	9,052	9,931	10,486
Reserves	1,254	2,105	1,480
Retained profits ⁽¹⁾	13,224	11,148	11,416
Outside equity interest	285	67	69
Estimated reinvestment under dividend reinvestment plan	163	127	301
Less: Goodwill	(787)	(775)	(828)
Estimated interim dividend ⁽¹⁾	(1,205)	-	-
Intangible assets - Wealth Management	(2,448)	(2,448)	(2,448)
Fair value adjustment on mortgage servicing rights (10% MSR)	-	(131)	(570)
Asset revaluation reserve	(7)	(7)	-
Deconsolidation of Wealth Management profits (net of dividends) ⁽²⁾	(125)	(719)	(1,080)
FITB (excluding FITB on the general provision for doubtful debts) ⁽³⁾	(108)	-	-
Outside equity interest	(285)	(67)	(69)
Tier 1 Capital	19,013	19,231	18,757
Asset revaluation reserve	7	7	-
General provision for doubtful debts	1,323	1,414	1,471
Perpetual floating rate notes	414	460	470
Dated subordinated debts	4,666	6,174	6,349
Exchangeable capital units	1,262	1,262	1,262
Notional revaluation of investment securities to market	21	12	(3)
Tier 2 Capital	7,693	9,329	9,549
Investment in non-consolidated controlled entities (net of intangible component deducted from Tier 1)	(2,948)	(2,808)	(2,732)
Holdings of other financial institutions' capital instruments	(445)	(445)	(445)
Deductions	(3,393)	(3,253)	(3,177)
Total regulatory capital	23,313	25,307	25,129
Risk-weighted assets - credit risk	250,703	244,363	234,788
Risk-weighted assets - market risk	3,666	3,475	2,444
Total risk-weighted assets	254,369	247,838	237,232
Risk adjusted capital ratios			
Tier 1	7.47%	7.76%	7.91%
Tier 2	3.02%	3.76%	4.03%
Deductions	(1.33%)	(1.31%)	(1.34%)
Total capital	9.16%	10.21%	10.60%

⁽¹⁾ The Group has adopted the new Accounting Standard AASB 1044, which has resulted in a change in the accounting for dividend provisions. Under APRA guidelines the estimated dividend must be deducted from Tier 1 Capital.

⁽²⁾ From 31 March 2003, deconsolidation of Wealth Management profits are based on statutory accounts. Prior periods were based on the management accounts.

⁽³⁾ 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.

Detailed Financial Information - Note 15: Capital Adequacy

	As at		
	Mar 03	Sep 02	Mar 02
	\$m	\$m	\$m
Adjusted common equity ratio reconciliation			
Tier 1 Capital	19,013	19,231	18,757
Adjusted for:			
National Income Securities	(1,945)	(1,945)	(1,945)
Preference shares	(730)	(730)	(730)
Investment in non-consolidated controlled entities (net of intangible component deducted from Tier 1)	(2,948)	(2,808)	(2,732)
Holdings of other financial institutions' capital instruments	(445)	(445)	(445)
Adjusted common equity	12,945	13,303	12,905
Total risk-weighted assets	254,369	247,838	237,232
Adjusted common equity ratio	5.09%	5.37%	5.44%

16. CASH EARNINGS PER SHARE

	Half year to					
	Mar 03		Sep 02		Mar 02	
	Basic	Diluted ⁽¹⁾	Basic	Diluted ⁽¹⁾	Basic	Diluted ⁽¹⁾
Earnings (\$m)						
Cash earnings before significant items ⁽²⁾	2,027	2,027	1,856	1,856	1,989	1,989
Potential dilutive adjustments						
Interest expense on exchangeable capital units	-	48	-	48	-	54
Adjusted cash earnings before significant items	2,027	2,075	1,856	1,904	1,989	2,043
Weighted average ordinary shares (no. millions)						
Weighted average ordinary shares	1,524	1,524	1,544	1,544	1,555	1,555
Potential dilutive ordinary shares						
Options	-	5	-	10	-	8
Partly paid ordinary shares	-	1	-	1	-	1
Exchangeable capital units	-	65	-	65	-	65
Total weighted average ordinary shares	1,524	1,595	1,544	1,620	1,555	1,629
Cash earnings per share (cents)	133.0	130.1	120.3	117.5	127.9	125.4

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

⁽²⁾ Refer to page 7 for a reconciliation of cash earnings before significant items to Group net profit.

17. RISK MANAGEMENT

Market risk

The management of market risk is discussed in detail in the Group's annual financial report 2002, at Risk Management and Note 46 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 all member banks' 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 half year to		Minimum value half year to		Maximum value half year to	
	Mar 03	Sep 02	Mar 03	Sep 02	Mar 03	Sep 02
	\$m	\$m	\$m	\$m	\$m	\$m
Foreign exchange risk	7	7	3	3	19	19
Interest rate risk	20	16	16	10	25	23
Volatility risk	3	4	2	2	5	5
Commodities risk	-	-	-	-	1	1
Diversification benefit	(6)	(7)	n/a	n/a	n/a	n/a
Total	25	20	20	13	35	33

VaR measures the adverse changes in the trading portfolio value brought about by daily changes in market rates at a 99% confidence level for the half year to 31 March 2003.

VaR is measured individually according to interest rate risk, foreign exchange risk and volatility risk. The individual risk categories do not sum to the total risk number due to portfolio effect. Risk limits are applied in these categories separately, and against the total risk position.

Balance sheet risk

a) Structural interest rate risk

This table presents a summary of the aggregated structural earnings at risk relating to non-trading assets and liabilities that are sensitive to changes in interest rates. Based on the structural interest rate risk position at balance date, the table shows the possible impact on net income for the 12 months ending September 30, 2003 under a rising or declining interest rate environment.

	Forecast effect on net income 2003 ⁽¹⁾		Forecast effect on net income 2002	
	Rising rates	Declining rates	Rising rates	Declining rates
	\$m	\$m	\$m	\$m
Australian dollars	67	(44)	21	(19)
Non-Australian dollars	21	(8)	(7)	(30)

⁽¹⁾ Represents the forecast effect on net interest income for the year ending 30 September 2003 and the prior year comparative.

b) Structural foreign exchange rate risk

Refer table below.

c) Liquidity risk

Refer to the Group's annual financial report 2002 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 2002 at Risk Management for a detailed discussion of the management of these risks.

Detailed Financial Information - Note 17: Risk Management

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 03			As at Sep 02		
	Notional principal \$m	Credit equivalent \$m	Fair value \$m	Notional principal \$m	Credit equivalent \$m	Fair value \$m
Foreign exchange rate-related contracts						
Spot and forward contracts	298,250	8,307	(212)	312,513	7,072	304
Cross currency swaps	76,615	5,663	69	64,326	4,512	(31)
Futures	176	-	-	191	-	-
Options	247,826	3,534	(244)	297,306	4,002	369
	622,867	17,504	(387)	674,336	15,586	642
Interest rate-related contracts						
Forward rate agreements	56,273	16	1	41,602	53	38
Swaps	517,840	15,673	55	504,306	7,915	959
Futures	90,597	-	1	101,015	-	(34)
Options	45,696	463	195	56,808	680	701
	710,406	16,152	252	703,731	8,648	1,664
Other contracts	10,524	429	14	6,930	464	392
Total derivative financial instruments	1,343,797	34,085	(121)	1,384,997	24,698	2,698

18. FINANCIAL INFORMATION FOR US INVESTORS

Generally accepted accounting principles applicable in the United States (US GAAP) differ in some respects from those applying in Australia (Australian GAAP). Figures adjusted to a US GAAP basis are set out below.

Consolidated Statement of Financial Performance	Half year to Mar 03		Half year to Mar 02	
	A\$m	US\$m⁽¹⁾	A\$m	US\$m⁽¹⁾
Net profit reported using Australian GAAP	1,867	1,129	2,256	1,203
Life insurance accounting adjustments:				
Movement in excess of net market value over net assets of life insurance controlled entities	266	161	(382)	(204)
Amortisation of goodwill	-	-	(83)	(44)
Amortisation of present value of future profits (PVFP) asset	(97)	(59)	(41)	(22)
Difference in revenue recognition, change in life insurance policy liabilities and deferred acquisition cost asset	39	24	39	21
Difference in investments relating to life insurance business asset values and unrealised profits on available for sale securities	(13)	(8)	14	8
Movement in and elimination of deferred tax liabilities	3	2	95	51
Difference in minority interest share of profit	10	6	5	2
Other life insurance accounting adjustments	83	50	(58)	(31)
Other adjustments:				
Difference in depreciation charge for buildings and profit/ (loss) on sale of land and buildings	1	1	-	(1)
Amortisation of goodwill	49	30	2	1
Pension expense	(15)	(9)	9	5
Difference in recognition of profit on sale and leaseback transactions	8	5	6	3
Employee share compensation	(37)	(22)	(19)	(10)
Difference in lease revenue recognition	(3)	(2)	(6)	(3)
Movement in fair value of derivative financial instruments and associated impact on provision for mortgage servicing rights	55	33	(369)	(197)
Net income according to US GAAP	2,216	1,341	1,468	782
Earnings per share according to US GAAP (cents)				
Basic	139.3	84.2	88.3	47.1
Diluted	133.5	80.7	86.8	46.3

Detailed Financial Information - Note 18: Financial Information for US Investors

Comprehensive Income Under US GAAP	Half year to Mar 03		Half year to Mar 02	
	A\$m	US\$m ⁽¹⁾	A\$m	US\$m ⁽¹⁾
Net income according to US GAAP	2,216	1,341	1,468	782
Other comprehensive income				
Foreign currency translation reserve	(852)	(515)	(937)	(500)
Asset revaluation reserve	-	-	(16)	(9)
Available for sale securities	6	4	(2)	(1)
Shadow policy liabilities adjustment	(24)	(15)	25	13
Revaluation surplus	(82)	(50)	(44)	(23)
Movement in fair value of derivative financial instruments	-	-	16	9
Total other comprehensive income	(952)	(576)	(958)	(511)
Total comprehensive income according to US GAAP	1,264	765	510	271

Detailed Financial Information - Note 18: Financial Information for US Investors

Equity	As at Mar 03		As at Mar 02	
	A\$m	US\$m ⁽¹⁾	A\$m	US\$m ⁽¹⁾
Issued and paid-up capital				
Contributed equity reported using Australian GAAP	9,052	5,472	10,486	5,592
Employee share compensation	81	49	45	24
Issued and paid-up capital according to US GAAP	9,133	5,521	10,531	5,616
Reserves				
Reserves reported using Australian GAAP	1,254	758	1,480	789
Foreign currency translation reserve	(390)	(236)	(825)	(440)
Asset Revaluation Reserve	(7)	(4)	-	-
Reserves according to US GAAP	857	518	655	349
Retained profits				
Retained profits less outside equity interest reported using Australian GAAP	13,224	7,994	11,416	6,088
Life insurance accounting adjustments:				
Movement in excess of net market value over net assets of life insurance controlled entities	(4,815)	(2,911)	(5,564)	(2,968)
Recognition and amortisation of goodwill	2,935	1,774	3,018	1,609
Recognition and amortisation of PVFP assets	1,492	902	1,683	898
Difference in revenue recognition, change in life insurance policy liabilities and deferred acquisition cost asset	(439)	(265)	(731)	(390)
Difference in investments relating to life insurance business asset values and unrealised profits on available for sale securities	57	34	22	12
Movement in and elimination of deferred tax liabilities	254	154	325	173
Recalculation of minority interest	(121)	(73)	(73)	(39)
Movement in market value of subordinated debt	(1)	(1)	(5)	(2)
Movement in revaluation surplus	98	59	5	3
Other adjustments:				
Elimination of revaluation surplus of land and buildings	(98)	(59)	(91)	(49)
Adjustment of provision for depreciation on buildings revalued	90	54	88	47
Amortisation of goodwill	49	30	-	-
Pension expense	81	49	84	45
Unamortised profit on sale-leaseback transactions	(51)	(31)	(66)	(35)
Employee share compensation	(81)	(49)	(45)	(24)
Difference in lease revenue recognition	(106)	(64)	(95)	(51)
Transitional adjustment on adoption of SFAS 133	(232)	(140)	(232)	(124)
Movements in fair value of derivative financial instruments and associated impact on provision for mortgage servicing rights	964	583	217	116
Unrealised profit on shares in entities and other securities	290	175	347	185
Provision for final cash dividend	-	-	1,115	595
Other	(19)	(11)	(21)	(11)
Retained profits according to US GAAP	13,571	8,204	11,397	6,078
Outside equity interest				
Outside equity interest reported using Australian GAAP	285	172	69	37
Reclassification of minority interest	(285)	(172)	(69)	(37)
Outside equity interest according to US GAAP	-	-	-	-

Detailed Financial Information - Note 18: Financial Information for US Investors

Equity (continued)	As at Mar 03		As at Mar 02	
	A\$m	US\$m⁽¹⁾	A\$m	US\$m⁽¹⁾
Accumulated other comprehensive income				
Accumulated other comprehensive income reported using Australian GAAP				
Balance brought forward under US GAAP	1,125	680	1,767	942
Shadow life insurance policy liability adjustment	(24)	(15)	(937)	(500)
Unrealised profits/(losses) on available for sale debt securities	6	4	(16)	(9)
Foreign currency translation reserve	(852)	(515)	(2)	(1)
Asset revaluation reserve	-	-	25	13
Revaluation surplus	(82)	(50)	(44)	(23)
Movements in fair value of derivative financial instruments	-	-	16	9
Accumulated other comprehensive income according to US GAAP	173	104	809	431
Total equity according to US GAAP	23,734	14,347	23,392	12,474

Detailed Financial Information - Note 18: Financial Information for US Investors

Consolidated Statement of Financial Position	As at Mar 03		As at Mar 02	
	A\$m	US\$m⁽¹⁾	A\$m	US\$m⁽¹⁾
Assets				
Total assets reported using Australian GAAP	394,196	238,291	361,637	192,861
Life insurance accounting adjustments:				
Elimination of excess of interest of net market values over net assets of life insurance controlled entities	(4,815)	(2,911)	(5,564)	(2,968)
Recognition and accumulated amortisation of goodwill	2,935	1,774	3,018	1,609
Recognition and accumulated amortisation of PVFP asset	1,492	902	33	18
Restatement and reclassification of deferred acquisition costs	348	210	314	168
Difference in investment asset values in life insurance entities	29	18	1,683	898
Other adjustments:				
Revaluation surplus of land and buildings	(98)	(59)	(91)	(49)
Adjustment of provision for depreciation on buildings revalued	90	54	88	47
Amortisation of goodwill	49	30	-	-
Pension fund adjustment	81	49	84	45
Difference in lease revenue recognition	(121)	(73)	(107)	(57)
Assets of special purpose entity consolidated	40	24	-	-
Fair value adjustments to derivative financial instruments and associated impact on provision for mortgage servicing rights	3,828	2,314	1,493	796
Unrealised profit on shares in entities and other securities	290	175	348	185
Early pool-buyout reinstatement	-	-	559	298
Other	(19)	(11)	(21)	(11)
Total assets according to US GAAP	398,325	240,787	363,474	193,840
Liabilities				
Total liabilities reported using Australian GAAP	370,381	223,895	338,186	180,355
Life insurance accounting adjustments:				
Difference in life insurance policy liabilities and reclassification of deferred acquisition costs	864	522	1,048	559
Elimination of present value discount on deferred tax liabilities	(254)	(154)	(325)	(173)
Increase in and reclassification of minority interests	406	245	142	75
Subordinated debt revaluation from market value to cost	1	1	5	3
Other adjustments:				
Unamortised profit on sale-leaseback transactions	51	31	66	35
Deferred tax liability associated with difference in lease revenue recognition	(15)	(9)	(12)	(6)
Fair value adjustments to derivative financial instruments	2,987	1,806	1,557	830
Deferred tax liability associated with fair value adjustments to derivative financial instruments	130	79	(29)	(15)
Liabilities of special purpose entity consolidated	40	24	-	-
Elimination of dividend provided for but not formally declared prior to balance date	-	-	(1,115)	(595)
Proceeds received in advance - early pool-buyout	-	-	559	298
Total liabilities reported according to US GAAP	374,591	226,440	340,082	181,366
Net assets according to US GAAP	23,734	14,347	23,392	12,474

⁽¹⁾ Translated from Australian dollars at the rate of US\$0.6045 equals A\$1.00 (March 2002: US\$0.5333 equals A\$1.00) the "Noon Buying Rate" per the Federal Reserve Bank of New York on 31 March 2003.