

RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2002

DETAILED FINANCIAL INFORMATION

1. STATEMENT OF FINANCIAL PERFORMANCE (ANNUAL REPORT FORMAT)

This format is based on the revised Australian accounting standard AASB 1018 "Statement of Financial Performance". This format includes gross life insurance revenue and expenses, irrespective of whether they relate to policyholders or the Group, as required by AASB 1038 "Life Insurance Business" and AASB 1018. This format is provided to allow comparability to the Group's annual financial report 2002.

		Half Year to		Fav/ (unfav) change on	Year to		Fav/ (unfav) change on
	Note	Sep 02	Mar 02	Mar 02	Sep 02	Sep 01	Sep 01
		\$m	\$m	%	\$m	\$m	%
Net interest income	2	3,619	3,603	0.4	7,222	6,960	3.8
Net life insurance income	6	(250)	240	large	(10)	128	large
Other operating income ⁽¹⁾							
Ongoing	7	2,383	2,265	5.2	4,648	4,533	2.5
Disposed	7	143	2,594	(94.5)	2,737	1,044	large
Eliminations	7	(1)	-	large	(1)	(18)	(94.4)
Revaluation profit/(loss)	7	(525)	370	large	(155)	510	large
Significant revenue	7	2,671	-	large	2,671	5,314	(49.7)
Net operating income		8,040	9,072	(11.4)	17,112	18,471	(7.4)
Operating expenses							
Ongoing	8	3,127	2,886	(8.4)	6,013	5,674	(6.0)
Disposed	8	119	2,576	95.4	2,695	814	large
Eliminations	8	(1)	-	large	(1)	(18)	94.4
Total operating expenses		3,245	5,462	40.6	8,707	6,470	(34.6)
Amortisation of goodwill	8	53	48	(10.4)	101	167	39.5
Charge to provide for doubtful debts	10	280	417	32.9	697	989	29.5
Significant expenses	8	3,242	24	large	3,266	6,866	52.4
Profit from ordinary activities before income tax expense		1,220	3,121	(60.9)	4,341	3,979	9.1
Income tax expense relating to ordinary activities	12	104	858	87.9	962	1,891	49.1
Net profit		1,116	2,263	(50.7)	3,379	2,088	61.8
Net profit attributable to outside equity interest		(1)	7	large	6	5	(20.0)
Net profit attributable to members of the Company		1,117	2,256	(50.5)	3,373	2,083	61.9

⁽¹⁾ Other operating income includes other banking and financial services income and mortgage origination and mortgage servicing revenue as set out in note 4 to the Group's annual financial report 2002.

2. NET INTEREST INCOME

Group	Half year to		Fav/ (unfav)	Year to		Fav/ (unfav)
	Sep 02	Mar 02	change on Mar 02	Sep 02	Sep 01	change on Sep 01
	\$m	\$m	%	\$m	\$m	%
Ongoing operations						
Interest income						
Loans to customers	7,015	6,707	4.6	13,722	14,392	(4.7)
Other interest	1,112	1,371	(18.9)	2,483	4,141	(40.0)
Total interest income	8,127	8,078	0.6	16,205	18,533	(12.6)
Interest expense						
Deposits and other borrowings	3,353	3,349	(0.1)	6,702	8,587	22.0
Other	1,145	1,156	1.0	2,301	3,270	29.6
Total interest expense	4,498	4,505	0.2	9,003	11,857	24.1
Total ongoing operations	3,629	3,573	1.6	7,202	6,676	7.9
Disposed operations						
HomeSide	(13)	27	large	14	(77)	large
Michigan National	-	-	-	-	350	large
Other non-core operations	3	3	-	6	11	(45.5)
Total disposed operations	(10)	30	large	20	284	(93.0)
Net interest income	3,619	3,603	0.4	7,222	6,960	3.8

By Division

Ongoing operations						
Financial Services Australia	1,665	1,619	2.8	3,284	3,092	6.2
Financial Services Europe	1,172	1,184	(1.0)	2,356	2,157	9.2
Financial Services New Zealand	319	280	13.9	599	525	14.1
Other	(8)	(1)	large	(9)	(11)	18.2
Retail Banking	3,148	3,082	2.1	6,230	5,763	8.1
Wholesale Financial Services	518	559	(7.3)	1,077	895	20.3
Wealth Management	43	54	(20.4)	97	77	26.0
Excess Capital and Group Funding	(80)	(122)	(34.4)	(202)	(59)	large
Total ongoing operations	3,629	3,573	1.6	7,202	6,676	7.9
Disposed operations						
Vivid	3	3	-	6	11	(45.5)
HomeSide	(13)	27	large	14	(77)	large
Michigan National	-	-	-	-	350	large
Total disposed operations	(10)	30	large	20	284	(93.0)
Net interest income	3,619	3,603	0.4	7,222	6,960	3.8

3. NET INTEREST MARGINS AND SPREADS

Group	Half year to		Fav/(unfav)	Year to		Fav/(unfav)
	Sep 02	Mar 02	change on	Sep 02	Sep 01	change on
	%	%	Mar 02 basis pts	%	%	Sep 01 basis pts
Group interest spread	2.36%	2.41%	(0.05)	2.39%	2.34%	0.05
Group interest margin ⁽²⁾	2.63%	2.71%	(0.08)	2.67%	2.71%	(0.04)
Group interest margin (excluding earnings on excess capital) ⁽²⁾	2.56%	2.64%	(0.08)	2.60%	2.66%	(0.06)

By region

Australia ⁽¹⁾						
Australia interest spread	2.54%	2.74%	(0.20)	2.63%	2.56%	0.07
Australia interest margin ⁽²⁾	2.71%	2.87%	(0.16)	2.79%	2.91%	(0.12)
Australia interest margin (excluding earnings on excess capital) ⁽²⁾	2.57%	2.72%	(0.15)	2.64%	2.79%	(0.15)
Europe ⁽¹⁾						
Europe interest spread	2.47%	2.50%	(0.03)	2.49%	2.49%	(0.00)
Europe interest margin ⁽²⁾	2.90%	2.99%	(0.09)	2.94%	3.12%	(0.18)
Other International ⁽¹⁾						
Other International interest spread	1.32%	1.25%	0.07	1.29%	1.57%	(0.28)
Other International interest margin ⁽²⁾	1.42%	1.43%	(0.01)	1.43%	1.57%	(0.14)

By Division

Net interest margin ⁽²⁾						
Financial Services Australia	3.35%	3.51%	(0.16)	3.42%	3.61%	(0.19)
Financial Services Europe	4.10%	4.00%	0.10	4.05%	3.97%	0.08
Financial Services New Zealand	2.93%	2.77%	0.16	2.85%	2.81%	0.04
Wholesale Financial Services	0.74%	0.82%	(0.08)	0.79%	0.73%	0.06
Net interest spread						
Financial Services Australia	2.85%	3.05%	(0.20)	2.94%	3.10%	(0.16)
Financial Services Europe	3.82%	3.64%	0.18	3.73%	3.45%	0.28
Financial Services New Zealand	3.00%	2.91%	0.09	2.96%	2.97%	(0.01)

⁽¹⁾ Australia, Europe and Other International include intragroup cross border loans/borrowings and associated interest.

⁽²⁾ Interest margin is net interest income as a percentage of average interest-earning assets.

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, HomeSide and Michigan National. Non-accrual loans are included with interest-earning assets within loans and advances.

Average assets and interest income

	Year ended Sep 02			Year ended Sep 01		
	Average balance \$m	Interest \$m	Average rate %	Average balance \$m	Interest \$m	Average rate %
Interest earning assets						
Due from other financial institutions						
<i>Australia</i>	2,824	102	3.61	1,980	110	5.56
<i>Europe</i>	6,796	223	3.28	5,226	261	4.99
<i>Other International</i>	5,605	114	2.03	8,106	424	5.23
Regulatory deposits						
<i>Europe</i>	142	3	2.11	121	3	2.48
<i>Other International</i>	15	-	-	10	-	-
Marketable debt securities						
<i>Australia</i>	13,910	712	5.12	11,813	624	5.28
<i>Europe</i>	11,312	476	4.21	10,238	576	5.63
<i>Michigan</i>	-	-	-	1,813	126	6.95
<i>Other International</i>	10,212	321	3.14	10,010	534	5.33
Loans and advances ⁽¹⁾						
<i>Australia</i>	112,714	7,385	6.55	101,941	7,525	7.38
<i>Europe</i>	69,658	4,278	6.14	60,796	4,606	7.58
<i>HomeSide</i>	21	94	447.62	25	190	760.00
<i>Michigan</i>	-	-	-	8,120	668	8.23
<i>Other International</i>	33,096	2,064	6.24	30,379	2,270	7.47
Other interest earning assets ⁽²⁾						
<i>Australia</i>	10	751	n/a	13	1,570	n/a
<i>Europe</i>	854	59	n/a	22	2	n/a
<i>HomeSide</i>	3,331	170	n/a	2,990	387	n/a
<i>Michigan</i>	-	-	-	34	4	n/a
<i>Other International</i>	27	(277)	n/a	2,966	39	n/a
Intragroup loans ⁽³⁾						
<i>Europe</i>	4,026	236	5.86	1,765	105	5.95
<i>Other International</i>	9,187	219	2.38	8,483	350	4.13
Average interest earning assets and interest income incl intragroup loans by:						
<i>Australia</i>	129,458	8,950	6.91	115,747	9,829	8.49
<i>Europe</i>	92,788	5,275	5.69	78,168	5,553	7.10
<i>HomeSide</i>	3,352	264	7.88	3,015	577	19.14
<i>Michigan</i>	-	-	-	9,967	798	8.01
<i>Other International</i>	58,142	2,441	4.20	59,954	3,617	6.03
Total average interest earning assets and interest income incl intragroup loans	283,740	16,930	5.97	266,851	20,374	7.63

Average assets and interest income

	Year ended Sep 02			Year ended Sep 01		
	Average	Interest	Average	Average	Interest	Average
	balance		rate	balance		rate
	\$m	\$m	%	\$m	\$m	%
Intragroup loans eliminations	(13,213)	(455)	3.44	(10,248)	(455)	4.44
Total average interest earning assets by:						
<i>Australia</i>	129,458	8,950	6.91	115,747	9,829	8.49
<i>Europe</i>	88,762	5,039	5.68	76,403	5,448	7.13
<i>HomeSide</i>	3,352	264	7.88	3,015	577	19.14
<i>Michigan</i>	-	-	-	9,967	798	8.01
<i>Other International</i>	48,955	2,222	4.54	51,471	3,267	6.35
Total average interest earning assets	270,527	16,475	6.09	256,603	19,919	7.76
Non-interest earning assets						
Investments relating to life insurance business ⁽⁴⁾						
<i>Australia</i>	31,868			30,642		
<i>Europe</i>	620			572		
<i>Other International</i>	93			19		
Acceptances						
<i>Australia</i>	21,231			22,405		
<i>Europe</i>	200			598		
<i>Other International</i>	119			406		
Fixed assets						
<i>Australia</i>	1,381			1,173		
<i>Europe</i>	767			782		
<i>HomeSide</i>	40			92		
<i>Michigan</i>	-			98		
<i>Other International</i>	172			194		
Other assets						
<i>Australia</i>	20,972			19,422		
<i>Europe</i>	6,533			8,717		
<i>HomeSide</i>	6,481			11,206		
<i>Michigan</i>	-			1,050		
<i>Other International</i>	3,617			3,624		
Total average non-interest earning assets by:						
<i>Australia</i>	75,452			73,642		
<i>Europe</i>	8,120			10,669		
<i>HomeSide</i>	6,521			11,298		
<i>Michigan</i>	-			1,148		
<i>Other International</i>	4,001			4,243		
Total average non-interest earning assets	94,094			101,000		
Provision for doubtful debts						
<i>Australia</i>	(1,413)			(1,348)		
<i>Europe</i>	(936)			(835)		
<i>HomeSide</i>	(22)			(32)		
<i>Michigan</i>	-			(165)		
<i>Other International</i>	(300)			(235)		
Total average assets by:						
<i>Australia</i>	203,497			188,041		
<i>Europe</i>	95,946			86,237		
<i>HomeSide</i>	9,851			14,281		
<i>Michigan</i>	-			10,950		
<i>Other International</i>	52,656			55,479		
Total average assets	361,950			354,988		
Percentage of total average assets applicable to international operations		43.8%			47.0%	

Average liabilities and interest expense

	Year ended Sep 02			Year ended Sep 01		
	Average		Average	Average		Average
	balance	Interest	rate	balance	Interest	rate
	\$m	\$m	%	\$m	\$m	%
Interest bearing liabilities						
Time deposits						
<i>Australia</i>	37,411	1,927	5.15	33,709	1,856	5.51
<i>Europe</i>	37,799	1,173	3.10	29,052	1,581	5.44
<i>Michigan</i>	-	-	-	2,907	191	6.57
<i>Other International</i>	24,367	799	3.28	25,891	1,290	4.98
Savings deposits						
<i>Australia</i>	5,802	255	4.40	5,584	290	5.19
<i>Europe</i>	14,056	300	2.13	12,629	448	3.55
<i>Michigan</i>	-	-	-	2,622	120	4.58
<i>Other International</i>	2,702	62	2.29	2,166	74	3.42
Other demand deposits						
<i>Australia</i>	35,255	890	2.52	30,796	1,050	3.41
<i>Europe</i>	14,384	261	1.81	13,101	380	2.90
<i>Michigan</i>	-	-	-	456	7	1.54
<i>Other International</i>	4,459	160	3.59	2,139	72	3.37
Government and Official Institutions						
<i>Australia</i>	805	31	3.85	750	36	4.80
<i>Michigan</i>	-	-	-	407	25	6.14
<i>Other International</i>	1,706	39	2.29	1,767	93	5.26
Due to other financial institutions						
<i>Australia</i>	4,940	180	3.64	4,178	203	4.86
<i>Europe</i>	11,322	667	5.89	10,157	550	5.41
<i>Michigan</i>	-	-	-	1,263	79	6.25
<i>Other International</i>	17,435	424	2.43	22,218	1,075	4.84
Short-term borrowings						
<i>HomeSide</i>	448	129	28.79	3,084	280	9.08
<i>Other International</i>	4,588	81	1.77	4,300	243	5.65
Long-term borrowings						
<i>Australia</i>	19,633	803	4.09	18,515	1,158	6.25
<i>Europe</i>	-	-	-	1,357	6	0.44
<i>HomeSide</i>	2,848	95	3.34	3,789	211	5.57
<i>Michigan</i>	-	-	-	57	4	7.02
<i>Other International</i>	213	10	4.69	209	30	14.35
Other interest bearing liabilities ⁽⁴⁾						
<i>Australia</i>	7,088	767	10.82	4,358	1,365	31.32
<i>Europe</i>	821	-	n/a	13	-	n/a
<i>Michigan</i>	-	-	-	52	22	n/a
<i>Other International</i>	-	29	n/a	(356)	28	n/a
Loan Capital						
<i>Australia</i>	626	29	4.63	673	42	6.24
<i>Europe</i>	1,167	142	12.17	1,220	150	12.30
Intragroup loans						
<i>Australia</i>	13,213	455	3.44	10,248	455	4.44
Average interest bearing liabilities and interest expense incl intragroup loans by:						
<i>Australia</i>	124,773	5,337	4.28	108,811	6,455	5.93
<i>Europe</i>	79,549	2,543	3.20	67,529	3,115	4.61
<i>HomeSide</i>	3,296	224	6.80	6,873	491	7.14
<i>Michigan</i>	-	-	-	7,764	448	5.77
<i>Other International</i>	55,470	1,604	2.89	58,334	2,905	4.98
Total average interest bearing liabilities and interest expense incl intragroup loans	263,088	9,708	3.69	249,311	13,414	5.38

Average liabilities and interest expense

	Year ended Sep 02			Year ended Sep 01		
	Average		Average	Average		Average
	balance	Interest	rate	balance	Interest	rate
	\$m	\$m	%	\$m	\$m	%
Intragroup loans eliminations	(13,213)	(455)	3.44	(10,248)	(455)	4.44
Total average interest bearing liabilities and interest expense by:						
Australia	111,560	4,882	4.38	98,563	6,000	6.09
Europe	79,549	2,543	3.20	67,529	3,115	4.61
HomeSide	3,296	224	6.80	6,873	491	7.14
Michigan	-	-	-	7,764	448	5.77
Other International	55,470	1,604	2.89	58,334	2,905	4.98
Total average interest bearing liabilities and interest expense	249,875	9,253	3.70	239,063	12,959	5.42
Non-interest bearing liabilities						
Deposits not bearing interest						
Australia	4,790			4,287		
Europe	5,542			5,373		
Michigan	-			1,422		
Other International	1,191			1,365		
Liability on acceptances						
Australia	21,231			22,405		
Europe	200			598		
Michigan	-			1		
Other International	119			405		
Life insurance policy liabilities ⁽⁴⁾						
Australia	30,502			29,550		
Europe	516			509		
Other International	61			5		
Other liabilities						
Australia	13,888			15,097		
Europe	6,404			6,759		
HomeSide	1,372			1,947		
Michigan	-			193		
Other International	2,412			2,582		
Total average non-interest bearing liabilities by:						
Australia	70,411			71,339		
Europe	12,662			13,239		
HomeSide	1,372			1,947		
Michigan	-			1,616		
Other International	3,783			4,357		
Total average non-interest bearing liabilities	88,228			92,498		

Equity

	Year ended Sep 02			Year ended Sep 01		
	Average		Average	Average		Average
	balance	Interest	rate	balance	Interest	rate
	\$m	\$m	%	\$m	\$m	%
Equity						
Contributed equity	7,878			7,624		
Preference share capital	730			730		
National income securities	1,945			1,945		
Reserves	1,811			2,210		
Retained profits	11,415			10,851		
Outside equity interests in controlled entities	68			67		
Equity	23,847			23,427		
Total liabilities and equity	361,950			354,988		
Percentage of total average liabilities applicable to international operations		46.2%			48.8%	

(1) Includes non-accrual loans.

(2) Includes interest on derivatives and escrow deposits.

(3) The calculations for Australia, Europe, HomeSide, Michigan National 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 restrictions of the Life Insurance Act 1995.

5. GROSS LOANS & ADVANCES

	As at			Change on		
	Sep 02 \$m	Mar 02 \$m	Sep 01 \$m	Mar 02 %	Sep 01 %	Sep 01 excluding fx impact %
By Region						
Ongoing operations						
Australia	120,885	112,371	106,789	7.6	13.2	13.2
Europe	77,750	65,895	71,889	18.0	8.2	12.0
New Zealand	25,702	24,298	24,011	5.8	7.0	2.0
United States	7,230	5,064	4,618	42.8	56.6	72.8
Asia	3,936	4,173	4,735	(5.7)	(16.9)	(9.7)
Total ongoing operations	235,503	211,801	212,042	11.2	11.1	12.2
Disposed operations						
United States	-	22	27	large	large	large
Europe	181	235	365	(23.0)	(50.4)	(48.6)
Total disposed operations	181	257	392	(29.6)	(53.8)	(51.9)
Total gross loans and advances	235,684	212,058	212,434	11.1	10.9	12.0
Securitised loans	929	1,175	1,440	(20.9)	(35.5)	(35.5)
By product						
Ongoing operations						
Housing	95,987	85,483	81,490	12.3	17.8	18.1
Term lending	85,193	76,710	77,533	11.1	9.9	11.6
Overdrafts	18,765	17,988	20,124	4.3	(6.8)	(4.7)
Leasing	15,882	14,998	15,776	5.9	0.7	2.6
Credit cards	6,584	6,187	6,118	6.4	7.6	8.2
Other	13,092	10,435	11,001	25.5	19.0	17.7
Total ongoing operations	235,503	211,801	212,042	11.2	11.1	12.2
Disposed operations						
HomeSide	-	22	27	large	large	large
Vivid	181	235	365	(23.0)	(50.4)	(48.6)
Total disposed operations	181	257	392	(29.6)	(53.8)	(51.9)
Total gross loans and advances	235,684	212,058	212,434	11.1	10.9	12.0
Securitised loans	929	1,175	1,440	(20.9)	(35.5)	(35.5)

Detailed Financial Information - Note 5: Gross Loans & Advances

By product & region	As at Sep 02					
	Australia	Europe	New Zealand	United States	Asia	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Housing	68,461	17,502	9,523	13	577	96,076
Term Lending	30,710	35,700	11,872	4,328	2,675	85,285
Overdrafts	5,023	12,445	1,205	92	-	18,765
Leasing	7,168	8,669	2	-	43	15,882
Credit cards	3,525	2,182	877	-	-	6,584
Other	5,998	1,433	2,223	2,797	641	13,092
Total gross loans and advances	120,885	77,931	25,702	7,230	3,936	235,684

Movement from Sep 2001 excluding foreign exchange	Movement from Sep 01					
	Australia	Europe	New Zealand	United States	Asia	Total
	%	%	%	%	%	%
Gross loans and advances						
Including:						
Housing	23.1	7.1	8.1	(48.0)	(5.9)	18.0
Term lending	1.1	23.8	14.9	9.7	(12.8)	11.4
Overdrafts	(7.3)	(6.5)	23.6	-	-	(4.7)
Leasing	1.3	3.8	(33.3)	-	(8.5)	2.6
Credit cards	9.9	6.8	5.2	-	-	8.2

Movement from March 2002 excluding foreign exchange	Movement from Mar 02					
	Australia	Europe	New Zealand	United States	Asia	Total
	%	%	%	%	%	%
Gross loans and advances						
Including:						
Housing	11.8	3.4	3.3	(40.9)	13.4	9.3
Term lending	2.5	18.0	0.1	(4.2)	(3.9)	7.5
Overdrafts	0.6	1.6	30.6	-	-	3.3
Leasing	2.3	1.5	(33.3)	-	(2.3)	1.9
Credit cards	3.2	4.8	0.7	-	-	3.4

6. NET LIFE INSURANCE INCOME

	Half Year to		Fav/ (unfav)	Year to		Fav/ (unfav)
	Sep 02	Mar 02	change on Mar 02	Sep 02	Sep 01	change on Sep 01
	\$m	\$m	%	\$m	\$m	%
Ongoing operations						
Premium and related revenue	652	482	35.3	1,134	1,074	5.6
Investment revenue	(3,169)	2,181	large	(988)	(877)	(12.7)
Life insurance income	(2,517)	2,663	large	146	197	(25.9)
Claims expense	539	417	(29.3)	956	599	(59.6)
Change in policy liabilities	(3,218)	1,581	large	(1,637)	(1,318)	(24.2)
Policy acquisition and maintenance expense	366	385	4.9	751	699	(7.4)
Investment management fees	48	38	(26.3)	86	89	3.4
Other life insurance-related expenses	(2)	2	large	-	-	large
Life insurance expenses	(2,267)	2,423	large	156	69	large
Net life insurance income	(250)	240	large	(10)	128	large
Income tax expense/(benefit) - net life insurance income	(354)	106	large	(248)	(212)	17.0
Net life insurance income after tax	104	134	(22.4)	238	340	(30.0)

Net life insurance income is the profit before tax excluding net interest income of the statutory funds of the life insurance controlled entities of the Group. Refer to note 57 of the Group's annual financial report 2002 for further details.

7. REVENUE

	Note	Half Year to		Fav/ (unfav) change on	Year to		Fav/ (unfav) change on
		Sep 02 \$m	Mar 02 \$m	Mar 02 %	Sep 02 \$m	Sep 01 \$m	Sep 01 %
Ongoing operations							
Interest income	2	8,127	8,078	0.6	16,205	18,533	(12.6)
Life insurance income							
Premium and related revenue		652	482	35.3	1,134	1,074	5.6
Investment revenue		(3,169)	2,181	large	(988)	(877)	(12.7)
Life insurance income	6	(2,517)	2,663	large	146	197	(25.9)
Other operating income							
Dividends received		19	16	18.8	35	44	(20.5)
Profit on sale of property, plant and equipment		6	7	(14.3)	13	9	44.4
Loan fees from banking		704	657	7.2	1,361	1,322	3.0
Money transfer fees		515	499	3.2	1,014	960	5.6
Trading income		288	275	4.7	563	715	(21.3)
Foreign exchange income		13	2	large	15	12	25.0
Fees and commissions		748	667	12.1	1,415	1,237	14.4
Other income		90	142	(36.6)	232	234	(0.9)
Other operating income		2,383	2,265	5.2	4,648	4,533	2.5
Revaluation profit/(loss)		(525)	370	large	(155)	510	large
Total revenue from ongoing operations		7,468	13,376	(44.2)	20,844	23,773	(12.3)
Disposed operations							
Interest income		63	207	(69.6)	270	1,386	(80.5)
Other operating income							
HomeSide							
Proceeds from the sale of HomeSide operating assets		15	2,299	large	2,314	-	large
Other		128	295	large	423	871	large
Michigan National		-	-	-	-	171	large
Other disposed operations		-	-	-	-	2	large
Other operating income		143	2,594	(94.5)	2,737	1,044	large
Total revenue from disposed operations		206	2,801	(92.6)	3,007	2,430	23.7
Significant revenue							
Proceeds from sale of SR Investment (HomeSide)		2,671	-	large	2,671	-	large
Proceeds from sale of Michigan National		-	-	-	-	5,314	large
Group eliminations		(1)	-	large	(1)	(18)	(94.4)
Total revenue from ordinary activities		10,344	16,177	(36.1)	26,521	31,499	(15.8)

Total revenue from ordinary activities agrees to note 4 in the Group's annual financial report 2002.

8. EXPENSES

	Note	Half Year to		Fav/ (unfav)	Year to		Fav/ (unfav)
		Sep 02 \$m	Mar 02 \$m	change on Mar 02 %	Sep 02 \$m	Sep 01 \$m	change on Sep 01 %
Ongoing operations							
Interest expense	2	4,498	4,505	0.2	9,003	11,857	24.1
Life insurance expenses							
Claims expense		539	417	(29.3)	956	599	(59.6)
Change in policy liabilities		(3,218)	1,581	large	(1,637)	(1,318)	(24.2)
Policy acquisition and maintenance expense		366	385	4.9	751	699	(7.4)
Investment management fees		48	38	(26.3)	86	89	3.4
Other life insurance-related expenses		(2)	2	large	-	-	large
Life insurance expenses	6	(2,267)	2,423	large	156	69	large
Other operating expenses ⁽¹⁾							
Personnel expenses							
Salaries and related on costs		1,491	1,437	(3.8)	2,928	2,798	(4.6)
Other		150	155	3.2	305	343	11.1
		1,641	1,592	(3.1)	3,233	3,141	(2.9)
Occupancy expenses							
Rental on operating leases		135	127	(6.3)	262	252	(4.0)
Depreciation and amortisation		37	41	9.8	78	77	(1.3)
Other		106	100	(6.0)	206	208	1.0
		278	268	(3.7)	546	537	(1.7)
General expenses							
Advertising and marketing		106	84	(26.2)	190	176	(8.0)
Non-lending losses		12	36	large	48	69	30.4
Communications, postage and stationery		229	225	(1.8)	454	449	(1.1)
Depreciation and amortisation		170	152	(11.8)	322	251	(28.3)
Fees and commissions		90	80	(12.5)	170	180	5.6
Other expenses ⁽²⁾		537	449	(19.6)	986	871	(13.2)
		1,144	1,026	(11.5)	2,170	1,996	(8.7)
Sub-total other operating expenses		3,063	2,886	(6.1)	5,949	5,674	(4.8)
Wealth Management investor compensation		64	-	large	64	-	large
Other operating expenses		3,127	2,886	(8.4)	6,013	5,674	(6.0)
Total expenses from ongoing operations		5,358	9,814	45.4	15,172	17,600	13.8

⁽¹⁾ September 2001 expense breakdown realigned to current classification

⁽²⁾ Other expenses includes technology expenses, outside services, travel, legal fees and other general expenses.

Detailed Financial Information - Note 8: Expenses

	Half Year to		Fav/ (unfav)	Year to		Fav/ (unfav)
	Sep 02	Mar 02	change on	Sep 02	Sep 01	change on
	\$m	\$m	Mar 02	\$m	\$m	Sep 01
			%			%
Disposed operations						
Interest expense	73	177	58.8	250	1,102	77.3
Operating expenses						
HomeSide						
Carrying value and expenses attributable to the sale of HomeSide operating assets	4	2,318	99.8	2,322	-	large
Other	114	257	55.6	371	479	22.5
Michigan National	-	-	large	-	271	large
Other disposed operations	1	1	-	2	64	96.9
Operating expenses	119	2,576	95.4	2,695	814	large
Total expenses from disposed operations	192	2,753	93.0	2,945	1,916	(53.7)
Significant expenses						
Provision for restructure	556	24	large	580	-	large
Carrying value of SR Investment sold	2,686	-	large	2,686	-	large
Net operating and non-operating expenses	-	-	large	-	6,866	large
Significant expenses	3,242	24	large	3,266	6,866	52.4
Group eliminations	(1)	-	large	(1)	(18)	94.4
Total expenses before goodwill	8,791	12,591	30.2	21,382	26,364	18.9
Amortisation of goodwill	53	48	(10.4)	101	167	39.5
Total expenses	8,844	12,639	30.0	21,483	26,531	19.0

9. FULL TIME EQUIVALENT EMPLOYEES ⁽¹⁾

By Region	As at			Change on	
	Sep 02	Mar 02	Sep 01	Mar 02	Sep 01
	No.	No.	No.	%	%
Ongoing operations					
Australia	24,294	24,481	24,897	(0.8)	(2.4)
Europe	13,540	13,641	13,703	(0.7)	(1.2)
New Zealand	4,560	4,564	4,731	(0.1)	(3.6)
United States	127	133	143	(4.5)	(11.2)
Asia	641	800	757	(19.9)	(15.3)
Total ongoing operations	43,162	43,619	44,231	(1.0)	(2.4)
Disposed operations					
United States	38	37	3,363	2.7	(98.9)
Europe	2	2	3	-	(33.3)
Total disposed operations	40	39	3,366	2.6	(98.8)
Total full time equivalent employees (FTEs)	43,202	43,658	47,597	(1.0)	(9.2)
By Division					
Ongoing operations					
Financial Services Australia	19,138	19,525	19,631	(2.0)	(2.5)
Financial Services Europe	11,848	12,077	12,122	(1.9)	(2.3)
Financial Services New Zealand	3,860	3,866	4,001	(0.2)	(3.5)
Other	302	308	322	(1.9)	(6.2)
Retail Banking	35,148	35,776	36,076	(1.8)	(2.6)
Wholesale Financial Services	2,467	2,492	2,596	(1.0)	(5.0)
Wealth Management ⁽²⁾	5,547	5,351	5,559	3.7	(0.2)
Total ongoing operations	43,162	43,619	44,231	(1.0)	(2.4)
Disposed operations					
HomeSide	38	37	3,363	2.7	(98.9)
Vivid	2	2	3	-	(33.3)
Total disposed operations	40	39	3,366	2.6	(98.8)
Total full time equivalent employees (FTEs)	43,202	43,658	47,597	(1.0)	(9.2)
Average half year FTEs	43,682	46,807	47,509	(6.7)	(8.1)

⁽¹⁾ Full-time equivalent staff include part-time staff (pro-rated) and non-payroll FTE's (ie contractors). Comparative information has been restated to include non-payroll staff.

⁽²⁾ In comparative periods Wealth Management full-time equivalent employees includes employees of joint venture interests, (March 2002: 231 FTE's and September 2001: 184 FTE's).

10. DOUBTFUL DEBTS

Total charge for doubtful debts by Region	Half year to		Fav/ (unfav)	Year to		Fav/ (unfav)
	Sep 02	Mar 02	change on Mar 02	Sep 02	Sep 01	change on Sep 01
	\$m	\$m	%	\$m	\$m	%
Ongoing operations						
Australia	7	101	93.1	108	473	77.2
Europe	199	182	(9.3)	381	380	(0.3)
New Zealand	(18)	6	large	(12)	10	large
United States	60	109	45.0	169	31	large
Asia	12	(11)	large	1	3	66.7
Total ongoing operations	260	387	32.8	647	897	27.9
Disposed operations						
Europe	2	2	-	4	16	75.0
United States	18	28	35.7	46	76	39.5
Total disposed operations	20	30	33.3	50	92	45.7
Total charge to provide for doubtful debts	280	417	32.9	697	989	29.5

Total charge for doubtful debts by Division

Ongoing operations						
Financial Services Australia	100	46	large	146	324	54.9
Financial Services Europe	190	188	(1.1)	378	348	(8.6)
Financial Services New Zealand	(13)	8	large	(5)	13	large
Other	(5)	(1)	large	(6)	(7)	(14.3)
Retail Banking	272	241	(12.9)	513	678	24.3
Wholesale Financial Services	21	146	85.6	167	216	22.7
Wealth Management	(1)	-	large	(1)	3	large
Excess Capital and Group Funding ⁽¹⁾	(32)	-	large	(32)	-	large
Total ongoing operations	260	387	32.8	647	897	27.9
Disposed operations						
Retail Banking - Vivid	2	2	-	4	16	75.0
HomeSide	18	28	35.7	46	62	25.8
Michigan National	-	-	-	-	14	large
Total disposed operations	20	30	33.3	50	92	45.7
Total charge to provide for doubtful debts	280	417	32.9	697	989	29.5

⁽¹⁾ Reallocation of the Group statistical provisioning reserve to the operating Divisions.

Movement in provision for doubtful debts

	Year to Sep 02			Year to Sep 01		
	Specific \$m	General \$m	Total \$m	Specific \$m	General \$m	Total \$m
Opening balance						
Ongoing operations	586	2,180	2,766	433	1,881	2,314
Homeside	-	27	27	-	31	31
Michigan National	-	-	-	38	326	364
Group opening balance	586	2,207	2,793	471	2,238	2,709
Movements relating to ongoing operations						
Transfer to/(from) specific/general provision	788	(788)	-	708	(708)	-
Bad debts recovered	171	-	171	151	-	151
Bad debts written off	(985)	-	(985)	(738)	-	(738)
Charge to profit and loss	-	647	647	-	897	897
Foreign currency translation and consolidation adjustments	(7)	(21)	(28)	32	94	126
Movements relating to disposed operations						
HomeSide						
Charge to profit and loss	-	46	46	-	62	62
Provision no longer required	-	(70)	(70)	-	(72)	(72)
Foreign currency translation and consolidation adjustments	-	(3)	(3)	-	6	6
Michigan National						
Transfer to/(from) specific/general provision	-	-	-	40	(40)	-
Charge to profit and loss	-	-	-	-	14	14
Sale of Michigan National	-	-	-	(58)	(336)	(394)
Foreign currency translation and consolidation adjustments	-	-	-	(20)	36	16
Vivid						
Charge to profit and loss	-	4	4	-	16	16
Closing balance						
Ongoing operations	553	2,022	2,575	586	2,180	2,766
HomeSide	-	-	-	-	27	27
Total provision for doubtful debts	553	2,022	2,575	586	2,207	2,793

11. ASSET QUALITY

	As at			Change on	
	Sep 02	Mar 02	Sep 01	Mar 02	Sep 01
	\$m	\$m	\$m	%	%
Summary of impaired assets					
Gross non-accrual loans	1,590	1,750	1,732	(9.1)	(8.2)
Gross restructured loans	6	5	4	20.0	50.0
Gross assets acquired through security enforcement	3	2	4	50.0	(25.0)
Gross impaired assets	1,599	1,757	1,740	(9.0)	(8.1)
Less: Specific provisions - non-accrual loans ⁽¹⁾	(500)	(602)	(528)	(16.9)	(5.3)
Net impaired assets	1,099	1,155	1,212	(4.8)	(9.3)

Total impaired assets by Region	As at Sep 02		As at Mar 02		As at Sep 01	
	Gross \$m	Net \$m	Gross \$m	Net \$m	Gross \$m	Net \$m
Ongoing operations						
Australia	894	595	917	604	963	638
Europe	544	399	579	414	689	503
New Zealand	27	23	36	28	42	33
United States	117	66	220	105	23	18
Asia	2	1	2	1	6	3
Total ongoing operations	1,584	1,084	1,754	1,152	1,723	1,195
Disposed operations						
United States	13	13	-	-	11	11
Europe	2	2	3	3	6	6
Total disposed operations	15	15	3	3	17	17
Total gross impaired assets	1,599	1,099	1,757	1,155	1,740	1,212

⁽¹⁾ Specific provision - non-accrual loans includes \$53m of specific provision in relation to accrued portfolio facilities past due 90-180 days within credit cards.

Gross non-accrual loans to gross loans & acceptances - by region	As at		
	Sep 02	Mar 02	Sep 01
	%	%	%
Ongoing operations			
Australia	0.63	0.69	0.76
Europe	0.70	0.87	0.95
New Zealand	0.11	0.15	0.18
United States	1.61	4.34	0.43
Asia	0.05	0.05	0.14
Total ongoing operations	0.62	0.75	0.74
Disposed operations			
United States	100.00	-	41.20
Europe	1.10	1.38	1.63
Total disposed operations	7.74	1.26	4.33
Total gross non-accrual loans to gross loans & acceptances	0.62	0.75	0.75

Group provisioning coverage ratios

Net impaired assets to total equity	4.7	4.9	5.1
Net impaired assets to total equity plus general provision	4.3	4.5	4.7
Specific provision to gross impaired assets	34.6	37.0	33.7
General and specific provisions to gross impaired assets.	161.0	155.7	160.5
General provision to risk-weighted assets	0.82	0.88	0.86

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	
	Sep 02	Mar 02	Sep 01	Mar 02	Sep 01
	\$m	\$m	\$m	%	%
Accruing loans past due 90 days or more with adequate security (net)	78	82	102	(4.9)	(23.5)
Accruing portfolio facilities past due 90 to 180 days (net)	30	33	60	(9.1)	(50.0)

90 days past due loans - by region

Ongoing operations					
Australia	29	27	48	7.4	(39.6)
Europe	45	48	51	(6.3)	(11.8)
New Zealand	4	7	3	(42.9)	33.3
Total ongoing operations	78	82	102	(4.9)	(23.5)
Disposed operations					
United States	-	-	-	-	-
Total disposed operations	-	-	-	-	-
Total 90 day past due loans	78	82	102	(4.9)	(23.5)

12. INCOME TAX RECONCILIATION

Group	Half year to		Year to	
	Sep 02	Mar 02	Sep 02	Sep 01
	\$m	\$m	\$m	\$m
Operating profit before income tax				
Australia	316	1,972	2,288	2,946
Overseas	904	1,149	2,053	1,033
Operating profit/(loss) before tax attributable to the statutory funds of the life insurance business	(264)	236	(28)	61
Total operating profit excluding that attributable to the statutory funds of the life insurance business before income tax	1,484	2,885	4,369	3,918
Prima facie income tax at 30% (2001: 34%)	445	866	1,311	1,333
Add/(deduct) tax effect of permanent differences:				
Non-allowable depreciation on buildings	2	5	7	5
Rebate of tax on dividends, interest etc	61	(17)	44	(31)
Foreign tax rate differences	(3)	(3)	(6)	(245)
Non-allowable impairment loss on goodwill	-	-	-	292
Timing differences not carried forward as future income tax assets	-	-	-	764
Amortisation of goodwill	14	15	29	59
Future income tax benefits no longer required	1	1	2	(4)
Non-taxable amounts attributable to HomeSide US operation	(48)	(5)	(53)	-
Restatement of tax timing differences due to changes in the Australian company income tax rate	2	-	2	(8)
Recognition of HomeSide US operation future income tax benefit not previously recognised	-	(89)	(89)	-
Under/(over) provision in prior year	(12)	18	6	(17)
Other	(4)	(39)	(43)	(45)
Total income tax expense on operating profit excluding that attributable to the statutory funds of the life insurance business	458	752	1,210	2,103
Income tax attributable to the statutory funds of the life insurance business	(354)	106	(248)	(212)
Total income tax expense	104	858	962	1,891
Effective tax rate excluding statutory funds attributable to the life insurance business	30.9%	26.1%	27.7%	53.7%
By Division				
Ongoing operations				
Financial Services Australia	379	360	739	729
Financial Services Europe	204	215	419	402
Financial Services New Zealand	87	66	153	112
Other	(11)	(8)	(19)	(30)
Retail Banking	659	633	1,292	1,213
Wholesale Financial Services	112	84	196	271
Wealth Management				
Operating profit	(353)	130	(223)	(187)
Revaluation profit/(loss)	(136)	133	(3)	177
Excess Capital and Group Funding	1	(26)	(25)	(108)
Total ongoing operations	283	954	1,237	1,366
Disposed operations				
HomeSide	3	(89)	(86)	74
Michigan National	-	-	-	80
Other disposed operations	-	-	-	(13)
Total disposed operations	3	(89)	(86)	141
Significant items	(182)	(7)	(189)	384
Total income tax expense	104	858	962	1,891

Supplementary Income Tax Reconciliation Wealth Management	Half year to		Year to	
	Sep 02	Mar 02	Sep 02	Sep 01
	\$m	\$m	\$m	\$m
Operating profit before income tax				
Australia	(825)	668	(157)	629
Overseas	22	47	69	85
Operating profit/(loss) before tax attributable to the statutory funds of the life insurance business	(264)	236	(28)	61
Total operating profit excluding that attributable to the statutory funds of the life insurance business before income tax	(539)	479	(60)	653
Prima facie income tax at 30% (2001: 34%)	(162)	144	(18)	222
Add/(deduct) tax effect of permanent differences:				
Foreign tax rate differences	-	1	1	(2)
Amortisation of goodwill	(5)	1	(4)	3
Restatement of tax timing differences due to changes in the Australian company income tax rate	2	-	2	(27)
Under/(over) provision in prior year	3	3	6	(1)
Other	27	8	35	7
Total income tax expense on operating profit excluding that attributable to the statutory funds of the life insurance business	(135)	157	22	202
Income tax attributable to the statutory funds of the life insurance business	(354)	106	(248)	(212)
Total income tax expense/(benefit) ⁽¹⁾	(489)	263	(226)	(10)
Effective tax rate excluding statutory funds attributable to the life insurance business	(25.0%)	32.8%	(36.7%)	(30.9%)

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

Ongoing operations before goodwill and Wealth Management revaluation profit	Half year to		Year to	
	Sep 02	Mar 02	Sep 02	Sep 01
	\$m	\$m	\$m	\$m
Cash earnings before income tax				
Australia	1,317	1,621	2,938	2,481
Overseas	1,058	1,184	2,242	2,285
Operating profit/(loss) before tax attributable to the statutory funds of the life insurance business	(264)	236	(28)	61
Total cash earnings excluding that attributable to the statutory funds of the life insurance business before income tax	2,639	2,569	5,208	4,705
Prima facie income tax at 30% (2001: 34%)	791	771	1,562	1,600
Add/(deduct) tax effect of permanent differences:				
Non-allowable depreciation on buildings	2	5	7	5
Rebate of tax on dividends, interest etc	47	(3)	44	(31)
Foreign tax rate differences	(3)	(3)	(6)	(156)
Amortisation of goodwill	14	15	29	35
Future income tax benefits no longer required	(33)	1	(32)	(4)
Restatement of tax timing differences due to changes in the Australian company income tax rate	2	-	2	(8)
Under/(over) provision in prior year	(12)	18	6	(15)
Other	(35)	(89)	(124)	(25)
Total income tax expense on cash earnings excluding that attributable to the statutory funds of the life insurance business	773	715	1,488	1,401
Income tax attributable to the statutory funds of the life insurance business	(354)	106	(248)	(212)
Total income tax expense on cash earnings	419	821	1,240	1,189
Effective tax rate excluding statutory funds attributable to the life insurance business	29.3%	27.8%	28.6%	29.8%

13. SIGNIFICANT ITEMS

	Half Year to		Year to	
	Sep 02	Mar 02	Sep 02	Sep 01
	\$m	\$m	\$m	\$m
Ongoing operations				
Restructuring expenses	(556)	(24)	(580)	-
Tax benefit	161	7	168	-
Restructuring net significant expenses ⁽¹⁾	(395)	(17)	(412)	-
Disposed operations				
HomeSide				
Impairment loss on mortgage servicing rights	-	-	-	(1,643)
Change in assumptions	-	-	-	(1,436)
Write off of goodwill	-	-	-	(858)
Tax benefit attributable to significant items	-	-	-	320
HomeSide net significant items	-	-	-	(3,617)
Disposal of SR Investment (HomeSide)				
Proceeds on the sale of SR Investment	2,671	-	2,671	-
Cost of SR Investment sold	2,686	-	2,686	-
Loss on sale of SR Investment	(15)	-	(15)	-
Income tax benefit	21	-	21	-
Net profit on sale of SR Investment	6	-	6	-
Disposal of Michigan National				
Proceeds from sale of operations	-	-	-	5,314
Cost of operations sold	-	-	-	2,929
Profit on sale of Michigan National	-	-	-	2,385
Income tax expense	-	-	-	704
Net profit on sale of Michigan National	-	-	-	1,681
Net significant items	(389)	(17)	(406)	(1,936)

⁽¹⁾ Refer to page 15 for further details.

14. WEALTH MANAGEMENT RESULTS

Statement of Financial Performance

	Half year to		Fav/ (unfav) change on Mar 02 %	Year to		Fav/ (unfav) change on Sep 01 %
	Sep 02 \$m	Mar 02 \$m		Sep 02 \$m	Sep 01 \$m	
Net interest income	43	54	(20.4)	97	77	26.0
Net premium income and other revenue	1,030	832	23.8	1,862	1,609	15.7
Investment revenue	(3,169)	2,181	large	(988)	(877)	(12.7)
Net (increase)/decrease in net policy liabilities	3,218	(1,581)	large	1,637	1,318	(24.2)
Claims, administration and other expenses	(1,401)	(1,141)	(22.8)	(2,542)	(1,920)	(32.4)
Charge to provide for doubtful debts	1	-	large	1	(3)	large
Operating profit before income tax	(278)	345	large	67	204	(67.2)
Income tax expense/(benefit)	(353)	130	large	(223)	(187)	19.3
Operating profit after income tax	75	215	(65.1)	290	391	(25.8)
Revaluation profit/(loss)	(525)	370	large	(155)	510	large
Income tax expense/(benefit)	(136)	133	large	(3)	177	large
Revaluation profit/(loss) after tax	(389)	237	large	(152)	333	large
Net profit	(314)	452	large	138	724	(80.9)
Outside equity interest	(1)	7	large	6	5	(20.0)
Net profit after outside equity interest	(313)	445	large	132	719	(81.6)

15. EXCHANGE RATES

Exchange rates

	Statement of Financial Performance				Statement of Financial Position		
	average half year to		average year to		spot as at		
	Sep 02	Mar 02	Sep 02	Sep 01	Sep 02	Mar 02	Sep 01
Great British Pounds	0.3655	0.3590	0.3622	0.3626	0.3474	0.3732	0.3354
Euros	0.5785	0.5811	0.5798	0.5880	0.5528	0.6090	0.5393
United States Dollars	0.5496	0.5151	0.5324	0.5227	0.5440	0.5322	0.4928
New Zealand Dollars	1.1727	1.2257	1.1992	1.2474	1.1565	1.2075	1.2135

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

Year to September 2002 since September 2001 Favourable/(unfavourable)	Europe \$m	New Zealand \$m	United States \$m	Asia \$m	Total \$m
Other operating income	3	15	(2)	(1)	15
Other operating expenses	(4)	(21)	1	1	(23)
Charge to provide for doubtful debts	(1)	-	3	-	2
Income tax expense	(1)	(5)	(1)	-	(7)
Net operating profit from ongoing operations	2	14	(2)	(2)	12

Half year to September 2002 since March 2002 Favourable/(unfavourable)	Europe \$m	New Zealand \$m	United States \$m	Asia \$m	Total \$m
Other operating income	(10)	8	(4)	(5)	(11)
Other operating expenses	16	(11)	3	2	10
Charge to provide for doubtful debts	3	-	6	-	9
Income tax expense	4	(3)	(1)	-	-
Net operating profit from ongoing operations	(9)	8	(2)	(6)	(9)

Impact on Statement of Financial Position of exchange rate movements on the September 2002 ongoing operations

Since September 2001 increase/(decrease)	Europe \$m	New Zealand \$m	United States \$m	Asia \$m	Total \$m
Total assets	(3,549)	1,546	(2,806)	(1,065)	(5,874)
Gross loans and advances	(2,440)	1,184	(434)	(375)	(2,065)
Including:					
Housing	(566)	414	-	(63)	(215)
Term Lending	(1,001)	485	(410)	(282)	(1,208)
Overdrafts	(471)	46	-	-	(425)
Leasing	(298)	-	-	(5)	(303)
Credit cards	(73)	40	-	-	(33)
Deposits and other borrowings	(2,322)	952	(1,158)	(333)	(2,861)

Since March 2002 increase/(decrease)	Europe \$m	New Zealand \$m	United States \$m	Asia \$m	Total \$m
Total assets	7,707	1,332	(553)	(93)	8,393
Gross loans and advances	4,996	1,072	(109)	14	5,973
Including:					
Housing	1,197	390	1	(11)	1,577
Term Lending	2,126	501	(100)	(19)	2,508
Overdrafts	856	39	-	-	895
Leasing	593	-	-	(1)	592
Credit cards	145	37	-	-	182
Deposits and other borrowings	4,855	842	(256)	(65)	5,376

16. 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.

Reconciliation to shareholders funds	As at		
	Sep 02	Mar 02	Sep 01
	\$m	\$m	\$m
Tier 1 Capital			
Contributed equity	9,931	10,486	10,725
Reserves	2,105	1,480	2,427
Retained profits	11,148	11,416	10,337
Outside equity interest	67	69	68
Estimated reinvestment under dividend reinvestment plan	127	301	365
Less: Goodwill	(775)	(828)	(876)
Intangible assets - Wealth Management	(2,448)	(2,448)	(2,448)
Fair value adjustment on mortgage servicing rights (10% MSR)	(131)	(570)	(507)
Asset revaluation reserve	(7)	-	(16)
Deconsolidation of Wealth Management profits (net of dividends)	(719)	(1,080)	(777)
Minority interests	(67)	(69)	(68)
Tier 1 Capital	19,231	18,757	19,230
Tier 2 Capital			
Asset revaluation reserve	7	-	16
General provision for doubtful debts	1,414	1,471	1,538
Perpetual floating rate notes	460	470	507
Dated subordinated debts	6,174	6,349	6,815
Exchangeable capital units	1,262	1,262	1,262
Notional revaluation of investment securities to market	12	(3)	11
Tier 2 Capital	9,329	9,549	10,149
Deductions			
Investment in non-consolidated controlled entities (net of intangible component deducted from Tier 1)	(2,808)	(2,732)	(2,780)
Holdings of other financial institutions' capital instruments	(445)	(445)	(445)
Deductions	(3,253)	(3,177)	(3,225)
Total regulatory capital	25,307	25,129	26,154
Risk-weighted assets - credit risk ⁽¹⁾	244,363	234,788	254,039
Risk-weighted assets - market risk ⁽²⁾	3,475	2,444	3,474
Total risk-weighted assets	247,838	237,232	257,513
Risk adjusted capital ratios			
Tier 1	7.76%	7.91%	7.47%
Tier 2	3.76%	4.03%	3.94%
Deductions	(1.31%)	(1.34%)	(1.25%)
Total capital	10.21%	10.60%	10.16%

⁽¹⁾ Risk-weighted assets compiled for credit risk purposes as outlined in the APRA Prudential Statement C1 (PS C1).

⁽²⁾ Risk-weighted assets compiled for market risk purposes as outlined in the APRA APS 113 - "Capital Adequacy: Market Risk".

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.

	Year to Sep 02		
	Average value	Minimum value	Maximum value
	\$m	\$m	\$m
Value at risk at 99% confidence level			
Foreign exchange risk	7	2	26
Interest rate risk	15	9	23
Volatility risk	4	2	5
Commodities risk	-	-	1
Diversification benefit	(7)	n/a	n/a
Total	19	11	34

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 year to 30 September 2002. The confidence level has changed since 2001, when VaR was measured at a 95% confidence level. Production of 95% VaR was discontinued in April 2002. The change to a 99% interval was made to align internal reporting to regulatory reporting. The change also has the advantage of including large market shifts previously excluded from the VaR results.

The following table shows the Group's 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.

	Average value		Minimum value		Maximum value	
	half year to		half year to		half year to	
	Sep 02	Mar 02	Sep 02	Mar 02	Sep 02	Mar 02
	\$m	\$m	\$m	\$m	\$m	\$m
Value at risk at 99% confidence level						
Foreign exchange risk	7	7	3	2	19	26
Interest rate risk	16	14	10	9	23	23
Volatility risk	4	3	2	3	5	5
Commodities risk	-	-	-	-	1	1
Diversification benefit	(7)	(7)	n/a	n/a	n/a	n/a
Total	20	18	13	11	33	34

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 2002 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.

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 Sep 02			As at Sep 01		
	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	312,513	7,072	304	318,696	9,557	135
Cross currency swaps	64,326	4,512	(31)	54,867	4,618	573
Futures	191	-	-	107	-	-
Options	297,306	4,002	369	95,653	1,566	420
	674,336	15,586	642	469,323	15,741	1,128
Interest rate-related contracts						
Forward rate agreements	41,602	53	38	59,072	26	2
Swaps	504,306	7,915	959	510,723	15,206	293
Futures	101,015	-	(34)	221,194	-	50
Options	56,808	680	701	141,694	1,378	770
	703,731	8,648	1,664	932,683	16,610	1,115
Other contracts						
Other contracts	6,930	464	392	4,302	2,010	1,707
Total derivative financial instruments	1,384,997	24,698	2,698	1,406,308	34,361	3,950

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

	Year to Sep 02		Year to Sep 01	
	A\$m	US\$m ⁽¹⁾	A\$m	US\$m ⁽¹⁾
Net profit reported using Australian GAAP	3,373	1,831	2,083	1,024
Life insurance accounting adjustments:				
Movement in excess of net market value over net assets of life insurance controlled entities	101	55	(551)	(271)
Amortisation of goodwill	(166)	(90)	(161)	(79)
Amortisation of present value of future profits (PVFP) asset	(157)	(85)	(56)	(27)
Difference in revenue recognition, change in life insurance policy liabilities and deferred acquisition cost asset	148	80	70	35
Difference in investments relating to life insurance business asset values and unrealised profits on available for sale securities	62	34	1	-
Movement in and elimination of deferred tax liabilities	21	11	161	79
Difference in minority interest share of profit	26	14	32	16
Other life insurance accounting adjustments	44	24	(10)	(5)
Other adjustments:				
Difference in depreciation charge for buildings and profit/(loss) on sale of land and buildings	20	11	8	3
Amortisation of goodwill, core deposit intangible and associated deferred tax liability	-	-	(9)	(5)
Pension expense	21	11	44	22
Difference in recognition of profit on sale and leaseback transactions	13	7	2	1
Employee share compensation	(18)	(10)	(26)	(13)
Difference in lease revenue recognition	(14)	(7)	(89)	(44)
Transitional adjustment on adoption of SFAS 133	-	-	(232)	(114)
Movement in fair value of derivative financial instruments and associated impact on provision for mortgage servicing rights	323	175	586	288
Difference in profit on sale of foreign controlled entity	(280)	(152)	-	-
Other	(18)	(10)	13	6
Net income according to US GAAP	3,499	1,899	1,866	916
Earnings per share according to US GAAP (cents)				
Basic	213.9	116.1	107.4	52.8
Diluted	208.3	113.1	108.7	53.5

Comprehensive Income Under US GAAP	Year to Sep 02		Year to Sep 01	
	A\$m	US\$m⁽¹⁾	A\$m	US\$m⁽¹⁾
Net income according to US GAAP	3,499	1,899	1,866	916
Other comprehensive income				
Foreign Currency Translation Reserve	(520)	(282)	192	94
Asset Revaluation Reserve	(9)	(5)	2	1
Available for sale securities	(47)	(26)	(29)	(14)
Shadow policy liabilities adjustment	(25)	(14)	(6)	(3)
Revaluation surplus	(55)	(30)	18	9
Transitional adjustment on adoption of SFAS 133	-	-	(17)	(8)
Movement in fair value of derivative financial instruments	15	8	(18)	(9)
Total other comprehensive income	(641)	(349)	142	70
Total comprehensive income according to US GAAP	2,858	1,550	2,008	986

Equity

	As at Sep 02		As at Sep 01	
	A\$m	US\$m ⁽¹⁾	A\$m	US\$m ⁽¹⁾
Issued and paid-up capital				
Contributed equity reported using Australian GAAP	9,931	5,391	10,725	5,271
Employee share compensation	44	24	26	13
Issued and paid-up capital according to US GAAP	9,975	5,415	10,751	5,284
Reserves				
Reserves reported using Australian GAAP	2,105	1,143	2,427	1,193
Foreign Currency Translation Reserve	(1,242)	(674)	(1,762)	(866)
Asset Revaluation Reserve	(7)	(4)	(16)	(8)
Reserves according to US GAAP	856	465	649	319
Retained profits				
Retained profits less outside equity interest reported using Australian GAAP	11,148	6,052	10,337	5,081
Life insurance accounting adjustments:				
Movement in excess of net market value over net assets of life insurance controlled entities	(5,081)	(2,758)	(5,281)	(2,596)
Recognition and amortisation of goodwill	2,935	1,593	3,101	1,524
Recognition and amortisation of PVFP assets	1,589	862	1,746	858
Difference in revenue recognition, change in life insurance policy liabilities and deferred acquisition cost asset	(478)	(259)	(704)	(346)
Difference in investments relating to life insurance business asset values and unrealised profits on available for sale securities	70	38	8	4
Movement in and elimination of deferred tax liabilities	251	136	230	113
Recalculation of minority interest	(131)	(71)	(78)	(38)
Movement in market value of subordinated debt	(2)	(1)	10	5
Movement in revaluation surplus	16	9	(39)	(19)
Other adjustments:				
Elimination of revaluation surplus of land and buildings	(98)	(53)	(109)	(54)
Adjustment of provision for depreciation on buildings revalued	89	48	87	43
Pension expense	96	52	75	37
Unamortised profit on sale-leaseback transactions	(59)	(32)	(72)	(35)
Employee share compensation	(44)	(24)	(26)	(13)
Difference in lease revenue recognition	(103)	(56)	(89)	(44)
Transitional adjustment on adoption of SFAS 133	(232)	(126)	(232)	(114)
Movements in fair value of derivative financial instruments and associated impact on provision for mortgage servicing rights	909	493	586	288
Unrealised profit on shares in entities and other securities	343	186	239	117
Provision for final cash dividend	1,151	625	1,054	518
Difference in profit on sale of foreign controlled entity	(280)	(152)	-	-
Other	(41)	(22)	(23)	(11)
Retained profits according to US GAAP	12,048	6,540	10,820	5,318
Outside equity interest				
Outside equity interest reported using Australian GAAP	67	36	68	33
Reclassification of minority interest	(67)	(36)	(68)	(33)
Outside equity interest according to US GAAP	-	-	-	-

Equity (continued)

	As at Sep 02		As at Sep 01	
	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	1,767	959	1,613	794
Shadow life insurance policy liability adjustment	(25)	(14)	(6)	(3)
Unrealised profits/(losses) on available for sale debt securities	(47)	(26)	(29)	(14)
Foreign currency translation reserve	(520)	(282)	192	93
Asset revaluation reserve	(9)	(5)	2	1
Revaluation surplus	(55)	(30)	30	15
Transitional adjustment on adoption of SFAS 133	-	-	(17)	(8)
Movements in fair value of derivative financial instruments	15	8	(18)	(9)
Accumulated other comprehensive income according to US GAAP	1,126	610	1,767	869
Total equity according to US GAAP	24,005	13,030	23,987	11,790

Consolidated Statement of Financial Position

	As at Sep 02		As at Sep 01	
	A\$m	US\$m ⁽¹⁾	A\$m	US\$m ⁽¹⁾
Assets				
Total assets reported using Australian GAAP	377,387	204,883	374,720	184,175
Life insurance accounting adjustments:				
Elimination of excess of interest of net market values over net assets of life insurance controlled entities	(5,081)	(2,759)	(5,281)	(2,595)
Recognition and accumulated amortisation of goodwill	2,935	1,593	3,101	1,524
Recognition and accumulated amortisation of PVFP asset	1,589	862	1,746	858
Restatement and reclassification of deferred acquisition costs	322	175	275	135
Difference in investment asset values in life insurance entities	36	20	20	10
Other adjustments:				
Revaluation surplus of land and buildings	(98)	(53)	(109)	(54)
Adjustment of provision for depreciation on buildings revalued	89	48	87	43
Pension fund adjustment	96	52	75	37
Difference in lease revenue recognition	(118)	(64)	(101)	(50)
Fair value adjustments to derivative financial instruments and associated impact on provision for mortgage servicing rights	2,833	1,538	2,417	1,188
Unrealised profit on shares in entities and other securities	343	186	239	117
Assets of special purpose entity consolidated	38	21	-	-
Early pool-buyout reinstatement	230	125	-	-
Difference in profit on sale of foreign controlled entity	(280)	(152)	-	-
Other	(41)	(23)	(22)	(11)
Total assets according to US GAAP	380,280	206,452	377,167	185,377
Liabilities				
Total liabilities reported using Australian GAAP	354,136	192,260	351,163	172,597
Life insurance accounting adjustments:				
Difference in life insurance policy liabilities and reclassification of deferred acquisition costs	853	463	1,007	495
Elimination of present value discount on deferred tax liabilities	(251)	(136)	(230)	(113)
Increase in and reclassification of minority interests	198	107	143	70
Subordinated debt revaluation from market value to cost	2	1	(10)	(5)
Other adjustments:				
Unamortised profit on sale-leaseback transactions	59	32	72	35
Deferred tax liability associated with difference in lease revenue recognition	(15)	(8)	(12)	(6)
Fair value adjustments to derivative financial instruments	2,070	1,124	1,964	965
Deferred tax liability associated with fair value adjustments to derivative financial instruments	106	58	137	67
Elimination of dividend provided for but not formally declared prior to balance date	(1,151)	(625)	(1,054)	(518)
Liabilities of special purpose entity consolidated	38	21	-	-
Proceeds received in advance - early pool-buyout	230	125	-	-
Total liabilities reported according to US GAAP	356,275	193,422	353,180	173,587
Net assets according to US GAAP	24,005	13,030	23,987	11,790

⁽¹⁾ Translated from Australian dollars at the rate of US\$0.5429 equals A\$1.00 (Sept 2001: US\$0.4915 equals A\$1.00) the "Noon Buying Rate" per the Federal Reserve Bank of New York on 30 September 2002.