

Figures are denoted in \$A Millions unless otherwise stated

	Financial Year Performance FY2009	Half Year Performance		Financial Year Performance FY2010	Half year Performance 1H/11
		1H/10	2H/10		
Assets					
Assets under management					
Loans - net of specific and collective provision for doubtful debts	28,310.8	29,919.5	31,725.2	31,725.2	32,377.2
Liquid assets	4,851.7	4,967.3	5,934.9	5,934.9	5,920.6
Other assets	849.5	831.4	910.8	910.8	873.1
Total balance sheet assets	34,012.0	35,718.2	38,570.9	38,570.9	39,170.9
Securitised assets (off balance sheet)	533.8	387.9	213.5	213.5	137.2
Total assets under management	34,545.8	36,106.1	38,784.4	38,784.4	39,308.1
Loans under management (before collective provisions)					
Housing	20,632.0	21,643.0	22,663.2	22,663.2	23,390.4
Commercial	7,875.3	8,364.8	9,009.9	9,009.9	8,901.3
Consumer	359.0	328.1	318.7	318.7	303.5
Total loans under management (before collective provisions)	28,866.3	30,335.9	31,991.8	31,991.8	32,595.2
Housing	72%	71%	71%	71%	72%
Commercial	27%	28%	28%	28%	27%
Consumer	1%	1%	1%	1%	1%
Balance sheet loans (before collective provisions)					
Housing	20,632.0	21,643.0	22,663.2	22,663.2	23,390.4
Commercial	7,341.5	7,976.9	8,796.4	8,796.4	8,764.1
Consumer	359.0	328.1	318.7	318.7	303.5
Total balance sheet loans (before collective provisions)	28,332.5	29,948.0	31,778.3	31,778.3	32,458.0
Housing	73%	72%	71%	71%	72%
Commercial	26%	27%	28%	28%	27%
Consumer	1%	1%	1%	1%	1%
Lending approvals					
Housing	8,786.0	3,615.0	4,126.0	7,741.0	3,763.0
Commercial	4,600.0	2,423.0	2,091.0	4,514.0	1,726.0
Consumer	223.0	111.0	149.0	260.0	140.0
Total lending approvals	13,609.0	6,149.0	6,366.0	12,515.0	5,629.0
Funding					
Shareholders' equity	1,915.7	2,121.0	2,206.8	2,206.8	2,277.3
Perpetual Equity Preference Shares (PEPS)	195.7	195.7	195.7	195.7	195.7
Retail deposits	16,248.9	16,930.1	18,083.3	18,083.3	19,201.6
Wholesale deposits	7,948.3	8,751.4	10,005.2	10,005.2	9,812.2
Borrowings (including subordinated notes, securitisation liabilities and hybrid debt)	6,982.8	7,040.9	7,172.3	7,172.3	6,736.6
Other liabilities	720.6	679.1	907.6	907.6	947.5
Total funding	34,012.0	35,718.2	38,570.9	38,570.9	39,170.9
Retail deposit funding %	67%	66%	64%	64%	66%
Wholesale deposit funding %	33%	34%	36%	36%	34%
Retail funding as a % of total deposits and borrowings	52%	52%	51%	51%	54%
Growth Measures					
Increase in loans under management (before collective provisions)					
Housing	2,208.7	1,011.0	1,020.2	2,031.2	727.2
Commercial	462.5	489.5	645.1	1,134.6	(108.6)
Consumer	(96.7)	(30.9)	(9.4)	(40.3)	(15.2)
Total increase in loans under management ⁽⁴⁾	2,574.5	1,469.6	1,655.9	3,125.5	603.4
Loans under management growth ⁽⁵⁾					
Housing	12.0%	11.3%	9.8%	9.8%	8.1%
Commercial	6.2%	9.3%	14.4%	14.4%	6.4%
Consumer	(21.2%)	(22.2%)	(11.2%)	(11.2%)	(7.5%)
Total growth in loans under management ⁽⁴⁾	9.8%	10.3%	10.8%	10.8%	7.4%
Increase in total assets (under management) ⁽⁴⁾					
Asset growth (under management) ⁽⁵⁾	11.8%	7.9%	12.3%	12.3%	8.9%
Increase in total assets (on balance sheet) ⁽⁴⁾					
Asset growth (on balance sheet) ⁽⁵⁾	13.8%	9.3%	13.4%	13.4%	9.7%
Increase in retail deposits ⁽⁴⁾					
Retail deposit growth ⁽⁵⁾	16.2%	5.4%	11.3%	11.3%	13.4%

⁽¹⁾ Measures have been annualised where appropriate.⁽²⁾ The Bank is required to perform a trigger test at each balance date to determine whether the RePS, S1RPS, PEPS or convertible notes are dilutive. The PEPS are dilutive at 28 February 2011 for normalised cash EPS but not for statutory EPS. The convertible notes are not dilutive for either normalised cash or statutory EPS as at 28 February 2011. During the 2011 financial year the RePS converted to ordinary shares and during the 2009 S1RPS converted to ordinary shares.⁽³⁾ Normalised measures exclude significant, non-recurring and non-cash items detailed on page 2 of this annexure.⁽⁴⁾ The 2010 acquisition of CIT Group (Australia) Ltd and CIT Group (New Zealand) Ltd resulted in new gross loans and advances of \$451.8m, collective and specific provisions totalling \$10.3m and total assets of \$489.7m. The 2010 acquisition of St Andrew's Insurance (Australia) Pty Ltd and St Andrew's Life Insurance Pty Ltd resulted in additional assets totalling \$133.9m.⁽⁵⁾ Growth measures are calculated from the prior comparable period.⁽⁶⁾ Residual Tier 1 capital includes the PEPS, and the S1RPS until their conversion to ordinary equity on 20 October 2008 and RePS until their conversion to ordinary equity on 15 October 2010.

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	Financial Year Performance FY2009	Half Year Performance		Financial Year Performance FY2010	Half year Performance 1H/11
		1H/10	2H/10		
Financial Performance					
Net Interest Income	481.0	275.0	286.5	561.5	310.1
Banking Income	117.0	54.1	53.1	107.2	50.4
Other Income	31.0	16.7	7.0	23.7	13.1
Insurance Income	0.0	0.0	7.4	7.4	19.4
Total Non-Interest Income	148.0	70.8	67.5	138.3	82.9
Total Income	629.0	345.8	354.0	699.8	393.0
Operating Costs	85.4	46.4	40.2	86.6	44.2
IT Costs	64.5	33.0	35.6	68.6	35.2
Occupancy Costs	24.5	11.9	12.2	24.1	13.5
Employee Costs	125.8	57.3	67.6	124.9	75.3
Administrative Expenses	13.9	7.5	9.0	16.5	9.0
Total Expenditure	314.1	156.1	164.6	320.7	177.2
Underlying Profit	314.9	189.7	189.4	379.1	215.8
Collective Provisions	6.0	6.7	14.9	21.6	27.7
Specific Provisions & Write-Offs	52.7	44.7	37.9	82.6	106.7
Bad Debt Expense	58.7	51.4	52.8	104.2	134.4
Operating Profit before Income Tax	256.2	138.3	136.6	274.9	81.4
Income Tax	68.8	41.1	36.7	77.8	23.8
Normalised cash profit after tax	187.4	97.2	99.9	197.1	57.6
<i>Add (subtract) non cash and non recurring items after tax:</i>					
Amortisation of customer contracts	(9.8)	(3.9)	(2.5)	(6.4)	(2.7)
Hedge ineffectiveness	-	(2.0)	2.9	0.9	(1.6)
Integration / due diligence costs	(9.1)	(0.4)	(4.0)	(4.4)	(2.2)
Asset impairment	(9.2)	-	(9.6)	(9.6)	-
ATM transition costs	-	-	(3.1)	(3.1)	-
Prior year tax adjustments	-	-	(1.7)	(1.7)	-
NSW distribution restructure costs	(8.2)	-	-	-	-
Head Office restructure costs	(10.0)	-	-	-	-
Discount on Acquisition of St Andrew's	-	-	6.8	6.8	-
Flood Impact	-	-	-	-	(0.7)
Net Profit after Tax (Statutory)	141.1	90.9	88.7	179.6	50.4
Profitability Measures					
Increase in normalised cash underlying profit (before tax and impairment) ^{(3) (5)}	64.2	51.1	13.1	64.2	26.1
Normalised cash underlying profit growth ^{(3) (5)}	25.6%	36.8%	7.4%	20.4%	13.8%
Increase / (decrease) in profit after tax ⁽⁵⁾	2.4	44.6	(6.1)	38.5	(40.5)
Profit growth after tax ⁽⁵⁾	1.7%	96.3%	(6.4%)	27.3%	(44.6%)
Increase in normalised cash profit after tax ^{(3) (5)}	32.0	13.0	(3.3)	9.7	(39.6)
Normalised cash profit growth after tax ^{(3) (5)}	20.6%	15.4%	(3.2%)	5.2%	(40.7%)
Profit after tax/average total assets ⁽¹⁾	0.4%	0.5%	0.5%	0.5%	0.3%
Total operating expenses/average total assets ⁽¹⁾	1.2%	0.9%	1.0%	1.0%	1.0%
Statutory cost to income ratio	58.8%	46.9%	50.8%	48.9%	47.3%
Normalised cash cost to income ratio ⁽³⁾	49.9%	45.1%	46.5%	45.8%	45.1%
Normalised non-interest income/normalised total income ⁽³⁾	23.5%	20.5%	19.1%	19.8%	21.1%
Statutory effective tax rate (%)	27.0%	30.4%	30.8%	30.6%	29.3%
Margin Analysis					
Interest rate margin	1.82%	1.97%	1.86%	1.91%	1.99%
Impact of payments to 3rd parties	(0.26%)	(0.32%)	(0.31%)	(0.31%)	(0.34%)
Net interest margin	1.56%	1.65%	1.55%	1.60%	1.65%

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		1H/10	2H/10		
Return Analysis⁽¹⁾					
ROE - weighted average	9.0%	9.1%	8.4%	8.7%	4.7%
ROE - normalised cash ⁽³⁾	11.8%	9.7%	9.5%	9.6%	5.3%
ROA - average	0.4%	0.5%	0.5%	0.5%	0.3%
ROA - average - normalised cash ⁽³⁾	0.6%	0.6%	0.5%	0.5%	0.3%
RORWA	0.9%	1.0%	0.9%	0.9%	0.5%
RORWA - normalised cash ⁽³⁾	1.1%	1.1%	1.0%	1.0%	0.6%
Per Share Data					
EPS Calculation					
Reconciliation of earnings for normalised cash EPS					
Normalised cash profit after tax	187.4	97.2	99.9	197.1	57.6
Less: PEPS dividends	(12.4)	(3.6)	(4.3)	(7.9)	(4.8)
Normalised basic earnings available for ordinary shareholders	175.0	93.6	95.6	189.2	52.8
Add back :					
- RePS dividends ⁽²⁾	2.4	1.2	1.2	2.4	-
- S1RPS dividends ⁽²⁾	0.5	-	-	-	-
- PEPS dividends ⁽²⁾	12.4	3.6	4.3	7.9	4.8
- Convertible note dividends ⁽²⁾	-	-	2.2	2.2	-
Normalised diluted earnings available to ordinary shareholders	190.3	98.4	103.3	201.7	57.6
Reconciliation of earnings for statutory EPS					
Net Profit after tax (statutory)	141.1	90.9	88.7	179.6	50.4
Less: PEPS dividends	(12.4)	(3.6)	(4.3)	(7.9)	(4.8)
Statutory basic earnings available for ordinary shareholders	128.7	87.3	84.4	171.7	45.6
Add back :					
- RePS dividends ⁽²⁾	2.4	1.2	1.2	2.4	-
- S1RPS dividends ⁽²⁾	0.5	-	-	-	-
- PEPS dividends ⁽²⁾	12.4	3.6	4.3	7.9	-
Statutory diluted earnings available to ordinary shareholders	144.0	92.1	89.9	182.0	45.6
Weighted average number of shares (WANOS):					
- Basic WANOS	169.7	211.2	214.5	213.0	219.7
Add: Effect of SMOP, Managing Director options and award rights	-	-	0.6	0.6	0.8
Add: Effect of converting preference shares	23.7	24.6	27.5	25.7	-
- Diluted WANOS for statutory EPS	193.4	235.8	242.6	239.3	220.5
Add: Effect of converting preference shares	-	-	-	-	21.8
Add: Effect of convertible notes ⁽²⁾	-	-	2.6	2.6	-
- Diluted WANOS for normalised cash EPS	193.4	235.8	245.2	241.9	242.3
Basic earnings per share (c)	75.9	41.3	39.3	80.6	20.8
Diluted earnings per share (c)	74.4	39.0	37.1	76.1	20.7
EPS growth (basic) ⁽⁵⁾	(19.6%)	72.1%	(24.3%)	6.2%	(49.6%)
EPS growth (diluted) ⁽⁵⁾	(17.0%)	64.6%	(26.8%)	2.3%	(46.9%)
Normalised basic cash earnings per share (c) ⁽³⁾	103.1	44.3	44.5	88.8	24.0
Normalised diluted cash earnings per share (c) ⁽³⁾	98.4	41.8	41.6	83.4	23.8
Ordinary dividend per share (c)	52.0	26.0	26.0	52.0	26.0
Franking percentage - all dividends	100%	100%	100%	100%	100%
Franking credits (consolidated)	31.1	53.2	70.6	70.6	96.5
NTA per share (\$)	6.62	7.20	7.55	7.55	7.67
Dividend yield ⁽¹⁾	4.46%	4.82%	5.25%	5.29%	5.32%
Payout ratio - ordinary shares	71%	61%	63%	62%	114%
Normalised cash payout ratio - ordinary shares ⁽³⁾	53%	57%	56%	57%	100%
DRP takeup % (before underwriting)	37%	46%	39%	42%	n/a
Total ordinary shares on issue - period end	199.8	213.5	215.7	215.7	222.1
Ordinary shares (at record date)	211.1	213.5	215.7	215.7	222.1
Share price - period end (\$)	11.65	10.87	9.83	9.83	9.85
Market cap value	2,327.7	2,320.7	2,120.3	2,120.3	2,187.7

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Asset Quality					
Specific bad and doubtful debt provision	29.4	56.7	60.5	60.5	139.7
Collective bad and doubtful debt provision	21.7	28.5	53.1	53.1	80.8
General reserve for credit losses	83.2	86.5	77.0	77.0	57.2
Total bad and doubtful debt provision and general reserve for credit losses	134.3	171.7	190.6	190.6	277.7
Collective provision plus general reserve as a % of risk weighted assets	0.60%	0.60%	0.60%	0.60%	0.60%
Total specific provision/total impaired assets	25.0%	37.1%	41.0%	41.0%	33.0%
Total provision coverage of impaired assets (times)	1.01	0.96	1.06	1.06	0.50
Total impaired assets/average shareholders' equity	6.18%	6.90%	6.26%	6.54%	17.36%
Total impaired assets/non-securitised lending (at risk)	0.56%	0.68%	0.61%	0.61%	1.71%
Total impaired assets	117.4	152.8	147.6	147.6	423.2
Loans 90 days past due (non-securitised)	169.3	214.0	293.3	293.3	326.5
Loans 90 days past due (securitised)	22.7	27.6	34.1	34.1	45.5
Total loans 90 days past due	192.0	241.6	327.4	327.4	372.0
Total loans 90 days past due as a % of risk weighted assets	1.2%	1.4%	1.7%	1.7%	2.0%
Bad debts written off to specific provisions	49.3	17.3	34.7	52.0	27.5
Movement in specific provision	10.7	27.3	3.8	31.1	79.2
Less: Movement due to acquisition of subsidiaries ⁽⁴⁾	-	-	(0.6)	(0.6)	-
Underlying bad and doubtful debts	60.0	44.6	37.9	82.5	106.7
Movement in collective provision	6.0	6.8	24.6	31.4	27.7
Less: Movement due to acquisition of subsidiaries ⁽⁴⁾	-	-	(9.7)	(9.7)	-
Impairment on loans and advances (Refer to P&L detail)	66.0	51.4	52.8	104.2	134.4
Less: Impairment expense incurred upon NSW distribution restructure	(7.2)	-	-	-	-
Normalised impairment on loans and advances	58.8	51.4	52.8	104.2	134.4
Capital Ratio Data					
Risk weighted assets	16,360.1	17,651.1	19,001.4	19,001.4	18,946.3
Fundamental tier 1 capital	1,911.7	2,076.0	2,134.3	2,134.3	2,211.1
Residual tier 1 capital ⁽⁶⁾	242.9	242.9	242.9	242.9	195.7
Tier 1 capital deductions	(694.0)	(688.0)	(720.2)	(720.2)	(747.6)
Net tier 1 capital	1,460.6	1,630.9	1,657.0	1,657.0	1,659.2
Upper tier 2 capital	98.5	108.0	117.4	117.4	114.1
Lower tier 2 capital	346.0	346.0	490.5	490.5	491.5
Tier 2 capital deductions	(24.1)	(19.6)	(41.9)	(41.9)	(41.8)
Net tier 2 capital	420.4	434.4	566.0	566.0	563.8
Total regulatory capital base	1,881.0	2,065.3	2,223.0	2,223.0	2,223.0
APRA capital adequacy calculations					
Fundamental tier 1 capital	11.7%	11.8%	11.2%	11.2%	11.7%
Residual tier 1 capital	1.5%	1.4%	1.3%	1.3%	1.0%
Tier 1 capital deductions	(4.3%)	(4.0%)	(3.8%)	(3.8%)	(4.0%)
Net tier 1 capital	8.9%	9.2%	8.7%	8.7%	8.7%
Upper tier 2 capital	0.6%	0.6%	0.6%	0.6%	0.6%
Lower tier 2 capital	2.1%	2.0%	2.6%	2.6%	2.6%
Tier 2 capital deductions	(0.1%)	(0.1%)	(0.2%)	(0.2%)	(0.2%)
Net tier 2 capital	2.6%	2.5%	3.0%	3.0%	3.0%
Total capital adequacy ratio	11.5%	11.7%	11.7%	11.7%	11.7%
Other Information (Actual numbers)					
Number of corporate branches	55	55	53	53	52
Number of Owner Managed Branches - QLD	113	113	115	115	117
Number of Owner Managed Branches - NSW/ACT	44	42	42	42	42
Number of Owner Managed Branches - VIC	26	26	27	27	29
Number of Owner Managed Branches - WA	14	14	14	14	14
Number of Owner Managed Branches - NT	1	1	1	1	1
Number of Owner Managed Branches - TAS	2	2	2	2	2
Number of Owner Managed Branches - SA	1	1	1	1	1
Number of transaction centres - QLD	13	12	12	12	11
Total number of branches and transaction centres	269	266	267	267	269
Number of BOQ owned ATMs	261	256	257	257	259
Number of BOQ branded ATMs	3,168	3,290	3,013	3,013	2,453
Total BOQ branded ATMs	3,429	3,546	3,270	3,270	2,712
Number of BOQ branded EFTPOS machines	8,080	8,051	7,633	7,633	8,704
Number of employees (FTE)	1,007	1,030	1,286	1,286	1,353

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