

18 December 2008

**HBOS Australia completes sale of Bankwest and St Andrew's
to Commonwealth Bank of Australia**

HBOS Australia today completed the sale of Bankwest and St Andrew's to Commonwealth Bank of Australia (CBA).

HBOS Australia Chairman Ian Mackenzie paid tribute to the 5,000 staff transferring to CBA for the success they had achieved in growing Bankwest and St Andrew's into the force it had become.

From the time Bankwest, St Andrew's, Capital Finance and BOS International were combined to form HBOS Australia in 2003 to the end of 2007, profit rose 90% to \$757 million, market share increased 53%, deposits lifted 208% to \$37 billion and loans and advances increased 138% to \$76 billion.

Following the sale of Bankwest and St Andrew's to CBA, Mr Mackenzie announced a revised structure for the remaining HBOS Australia operations, involving BOS International and Capital Finance.

The role of HBOS Australia CEO will cease to exist and it will be replaced by a Country Head. As a result David Willis will leave the company in early January 2009.

BOS International CEO Jack Dykes will assume the new role of Country Head. The Australian based directors of HBOS Australia, apart from Rick Turner, will resign on December 31. Mr Turner will become the new HBOS Australia Chairman.

"HBOS Australia has been a remarkable success story in challenging the financial status quo in this country, offering innovative products and outstanding service," Mr Mackenzie said.

"The CEO, David Willis, has been a critical factor in the development of HBOS in Australia and in its success.

"His leadership through a period of growth and change has been outstanding. The Board regrets he was unable to continue with the strategy, owing to the international financial situation."

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Media Release