

# ASX Announcement

## COMMONWEALTH BANK OF AUSTRALIA FINANCIAL REPORTING AND 2018 INTERIM PROFIT ANNOUNCEMENT TEMPLATE

**MONDAY, 5 FEBRUARY 2018 (Sydney):** The Commonwealth Bank of Australia and its subsidiaries (“the Group”) is scheduled to announce its annual results on 7 February 2018. A results briefing will be hosted by the Chief Executive Officer, Ian Narev, and Chief Financial Officer, Rob Jesudason, at 11.00am (Australian Eastern Standard Time) on 7 February 2018. This briefing will be available via webcast on the Commonwealth Bank Shareholder Centre ([www.commbank.com.au/shareholder](http://www.commbank.com.au/shareholder)) and Commonwealth Bank Investor Relations App for iPad.

In addition to the interim results release, an Excel template populated with the current period financial results and comparatives will be published on the website.

In line with the Group’s commitment to continuous improvement in financial reporting practices, a number of enhancements have been made during the current half, which result in changes to comparative financial information.

This announcement provides:

- A summary of the enhancements made to financial reporting; and
- Financial comparative tables for the 2018 Interim Profit Announcement.

In order to assist users in analysing the Group’s financial information, the financial comparative template for the 2018 interim results is also now available in user-friendly Excel format on the website at:

[www.commbank.com.au/about-us/shareolders/financial-information/results.html](http://www.commbank.com.au/about-us/shareolders/financial-information/results.html)

**ENDS**

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5 February 2018

# Financial Reporting Changes in the 2018 Interim Profit Announcement

## 1. Financial Reporting Enhancements

During the current half, the Group has enhanced its Profit Announcement to improve the level of transparency, disclosure and the overall readability of the document. The changes include new metrics at both the Group and Divisional levels.

The key additional metrics are listed below:

### Group Operations & Business Settings (Refer pages 17-18)

#### Credit Quality

- Total provisions for impaired assets as a % of gross impaired assets (corporate)
- Total provisions for impaired assets as a % of gross impaired assets (consumer)
- Net write-offs annualised as a % of GLAAs
- Corporate total committed exposures rated investment grade (%)
- Credit exposures by industry

### Divisional Performance (for relevant Divisions) (Refer pages 19-32)

- Net interest margin (%)
- Risk weighted assets (\$M)
- 90+ days home loan arrears (%)
- 90+ days consumer finance arrears (%)
- Troublesome and impaired assets (\$M)
- Corporate total committed exposures rated investment grade (%)
- Number of full-time equivalent staff (FTE)

## 2. Presentation of Discontinued Operations

### • Presentation of Discontinued Operations (Refer pages 5-6,8-9)

On 21 September 2017, the Group announced the sale of 100% of its life insurance businesses in Australia (“CommInsure Life”) and New Zealand (“Sovereign”) to AIA Group Limited (“AIA”) for \$3.8 billion. The transaction is subject to certain conditions and regulatory approvals in Australia and New Zealand and is expected to be completed in calendar year 2018.

CommInsure Life currently forms part of the Group’s Wealth Management division while Sovereign forms part of the Group’s New Zealand division. Both are discontinuing operations within each division. In line with accounting standards, the comparative Group results have been restated to disclose the financial results of the discontinued operations separately from continuing operations and are presented as a single line item ‘net profit after tax from discontinued operations’. Assets and Liabilities of discontinued operations have been presented separately as held for sale on the Balance Sheet as at 31 December 2017 however in line with accounting standards prior periods remain unadjusted. Group Key Performance Indicators have been presented on both a continuing operations and including discontinued operations basis.

### 3. Change in Accounting Policies

- **Deferred tax liability (Refer pages 7,10)**

Following guidance from IFRS Interpretations Committee (IFRIC) and evolving industry practice, the Group has changed its accounting policy in relation to the Bankwest brand name to assume the expected manner of recovery will be through use rather than potential sale. This results in an adjustment to opening retained earnings of \$56 million with a corresponding increase in deferred tax liability (after netting this results in a decrease in deferred tax assets). The change in accounting policy has not impacted the Group's capital.

### 4. Financial Reporting Refinements

- **Re-segmentation and Allocations (Refer pages 5-8)**

Refinements have been made to the allocation of customer balances and associated revenue and expenses between business divisions. The refinements include the migration of relationship managed business customers outside Western Australia from Bankwest to Business and Private Banking. These changes have not impacted the Group's cash net profit after tax, but have resulted in changes to the presentation of the Income Statement and the Balance Sheet of the affected divisions.

- **Non-Traded Interest Rate Risk (Refer page 11)**

The scope of the internal model for AUD Non-Traded Interest Rate Risk has been broadened to include a measurement of the change in spreads between swap rates and bond yields for Debt Securities held in the Banking Book. The broadening of the scope is in line with the regulator's guidance in regards to the spread risk on these securities.

- **Committed Exposure By Industry (Refer page 11)**

Following enhancements processed in the current period, there were minor refinements to the categorisation of credit exposures. Overall, there was no change in the total exposures.

- **Earnings per Share (Refer page 12)**

In accordance with the requirements of AASB 133 'Earnings per Share', the calculation of basic and diluted earnings per share for all periods presented has been adjusted retrospectively to incorporate the discounted dividend reinvestment plan.

- Basic Statutory EPS (including Discontinued Operations) decreased by 0.2 cents for the Half Year Ended 30 June 2017 and 0.1 cent for the Half Year Ended 31 December 2016.
- Basic Cash EPS (including Discontinued Operations) decreased by 0.1 cent for the Half Year Ended 30 June 2017 and 0.1 cent for the Half Year Ended 31 December 2016.

## 5. Financial Reporting Refinements Previously Reported

As previously reported on 2 August 2017, a number of enhancements were made to the financial reporting in the prior year. Below is a summary of the impact on the 31 December 2016 prior period balances.

- **Loans which were neither past due nor impaired (Refer page 12)**

Following enhancements to methodology in the prior period, there was a change to the categorisation of credit exposures by credit grade for loans which were neither past due nor impaired.

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## Impact of Current Half Financial Reporting changes on the Prior Periods

The impact of the changes made in the current half on each divisions Cash NPAT for the comparative periods are set out below:

### Segment Cash NPAT from continuing operations: impact by adjustment type

#### Financial Reporting Changes:

- Presentation of Discontinued Operations
- Re-segmentation and Allocations

	Half Year Ended 30 June 2017							
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Management	New Zealand	Bankwest	IFS and Other	Group
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Cash NPAT - as published	2,498	848	623	304	502	347	(148)	4,974
<b>Restatements</b>								
Cash NPAT - discontinued operations	-	-	-	(93)	(54)	-	-	(147)
Re-segmentation and Allocations	(18)	82	7	-	(2)	(61)	(8)	-
<b>Cash NPAT (continuing operations) - as restated</b>	<b>2,480</b>	<b>930</b>	<b>630</b>	<b>211</b>	<b>446</b>	<b>286</b>	<b>(156)</b>	<b>4,827</b>

	Half Year Ended 31 December 2016							
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Management	New Zealand	Bankwest	IFS and Other	Group
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Cash NPAT - as published	2,466	791	683	249	471	355	(108)	4,907
<b>Restatements</b>								
Cash NPAT - discontinued operations	-	-	-	(37)	(42)	-	-	(79)
Re-segmentation and Allocations	(13)	87	(2)	(1)	(6)	(65)	-	-
<b>Cash NPAT (continuing operations) - as restated</b>	<b>2,453</b>	<b>878</b>	<b>681</b>	<b>211</b>	<b>423</b>	<b>290</b>	<b>(108)</b>	<b>4,828</b>

## Segment Cash NPAT from continuing operations: impact by P&L line item

### Financial Reporting Changes:

- Presentation of Discontinued Operations
- Re-segmentation and Allocations

	Half Year Ended 30 June 2017							
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Management <sup>(1)</sup>	New Zealand <sup>(1)</sup>	Bankwest	IFS and Other	Group
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Cash NPAT - as published	2,498	848	623	304	502	347	(148)	4,974
<b>Restatements</b>								
Increase/(decrease) in Income	(15)	126	14	(245)	(122)	(103)	(37)	(382)
Increase/(decrease) in Investment experience (after tax)	-	-	-	(17)	(3)	-	1	(19)
(Increase)/decrease in Operating expenses	(10)	(11)	(5)	130	57	19	26	206
(Increase)/decrease in Loan impairment expense	(1)	3	-	-	-	(3)	1	-
(Increase)/decrease in Corporate tax expense	8	(36)	(2)	35	12	26	1	44
(Increase)/decrease in Non-controlling interest	-	-	-	4	-	-	-	4
<b>Total restatements</b>	<b>(18)</b>	<b>82</b>	<b>7</b>	<b>(93)</b>	<b>(56)</b>	<b>(61)</b>	<b>(8)</b>	<b>(147)</b>
<b>Cash NPAT (continuing operations) - as restated</b>	<b>2,480</b>	<b>930</b>	<b>630</b>	<b>211</b>	<b>446</b>	<b>286</b>	<b>(156)</b>	<b>4,827</b>

(1) Restatements shown for the half year ended 30 June 2017 includes a \$93m NPAT decrease for discontinued operations in Wealth Management and a \$54m NPAT decrease in New Zealand.

	Half Year Ended 31 December 2016							
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Management <sup>(1)</sup>	New Zealand <sup>(1)</sup>	Bankwest	IFS and Other	Group
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Cash NPAT - as published	2,466	791	683	249	471	355	(108)	4,907
<b>Restatements</b>								
Increase/(decrease) in Income	(5)	127	3	(146)	(127)	(107)	(38)	(293)
Increase/(decrease) in Investment experience (after tax)	-	-	-	(19)	9	-	1	(9)
(Increase)/decrease in Operating expenses	(11)	(12)	(6)	120	57	21	34	203
(Increase)/decrease in Loan impairment expense	(2)	9	-	-	-	(7)	-	-
(Increase)/decrease in Corporate tax expense	5	(37)	1	7	13	28	3	20
(Increase)/decrease in Non-controlling interest	-	-	-	-	-	-	-	-
<b>Total restatements</b>	<b>(13)</b>	<b>87</b>	<b>(2)</b>	<b>(38)</b>	<b>(48)</b>	<b>(65)</b>	<b>-</b>	<b>(79)</b>
<b>Cash NPAT (continuing operations) - as restated</b>	<b>2,453</b>	<b>878</b>	<b>681</b>	<b>211</b>	<b>423</b>	<b>290</b>	<b>(108)</b>	<b>4,828</b>

(1) Restatements shown for the half year ended 31 December 2016 includes a \$37m NPAT decrease for discontinued operations in Wealth Management and a \$42m NPAT decrease in New Zealand.

## Segment Balance Sheet

### Financial Reporting Changes:

- Re-segmentation and Allocations
- Deferred tax liability

As at 30 June 2017

	Retail Banking Services \$M	Business and Private Banking \$M	Institutional Banking and Markets \$M	Wealth Management \$M	New Zealand \$M	Bankwest \$M	IFS and Other \$M	Group \$M
Total Assets - as published	356,503	106,972	173,234	22,014	86,784	86,166	144,701	976,374
<b>Restatements</b>								
Resegmentations and Allocations	(1,143)	9,322	(123)	-	-	(8,046)	(10)	-
Deferred tax asset	-	-	-	-	-	-	(56)	(56)
<b>Total Assets - as restated</b>	<b>355,360</b>	<b>116,294</b>	<b>173,111</b>	<b>22,014</b>	<b>86,784</b>	<b>78,120</b>	<b>144,635</b>	<b>976,318</b>
Total Liabilities - as published	252,773	83,499	161,807	27,455	80,625	56,691	249,808	912,658
<b>Restatements</b>								
Resegmentations and Allocations	(465)	1,426	305	-	-	(1,265)	(1)	-
Deferred tax liability	-	-	-	-	-	56	(56)	-
<b>Total Liabilities - as restated</b>	<b>252,308</b>	<b>84,925</b>	<b>162,112</b>	<b>27,455</b>	<b>80,625</b>	<b>55,482</b>	<b>249,751</b>	<b>912,658</b>

As at 31 December 2016

	Retail Banking Services \$M	Business and Private Banking \$M	Institutional Banking and Markets \$M	Wealth Management \$M	New Zealand \$M	Bankwest \$M	IFS and Other \$M	Group \$M
Total Assets - as published	347,471	104,554	177,625	21,862	86,085	83,605	150,517	971,719
<b>Restatements</b>								
Resegmentations and Allocations	(685)	9,082	(323)	-	-	(8,073)	(1)	-
Deferred tax asset	-	-	-	-	-	-	(56)	(56)
<b>Total Assets - as restated</b>	<b>346,786</b>	<b>113,636</b>	<b>177,302</b>	<b>21,862</b>	<b>86,085</b>	<b>75,532</b>	<b>150,460</b>	<b>971,663</b>
Total Liabilities - as published	249,688	80,372	155,053	26,975	79,058	51,685	267,076	909,907
<b>Restatements</b>								
Resegmentations and Allocations	(999)	2,625	(242)	-	-	(1,385)	1	-
Deferred tax liability	-	-	-	-	-	56	(56)	-
<b>Total Liabilities - as restated</b>	<b>248,689</b>	<b>82,997</b>	<b>154,811</b>	<b>26,975</b>	<b>79,058</b>	<b>50,356</b>	<b>267,021</b>	<b>909,907</b>

## Segment Cost to Income Ratios from continuing operations

### Financial Reporting Changes:

- Presentation of Discontinued Operations
- Re-segmentation and Allocations

Half Year Ended 30 June 2017								
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Management <sup>(1)</sup>	New Zealand (In NZD) <sup>(1)</sup>	Bankwest	IFS	Group
	%	%	%	%	%	%	%	%
Operating expenses to total operating income (%) - as published	30.7	38.8	38.5	68.4	38.7	42.9	72.4	42.1
Operating expenses to total operating income (continuing operations) (%) - as restated	31.0	37.1	38.5	72.4	37.7	45.9	72.4	41.8

(1) Restatements shown for the half year ended 30 June 2017 includes a \$93m NPAT decrease for discontinued operations in Wealth Management and a \$54m NPAT decrease in New Zealand.

Half Year Ended 31 Dec 2016								
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Management <sup>(1)</sup>	New Zealand (In NZD) <sup>(1)</sup>	Bankwest	IFS	Group
	%	%	%	%	%	%	%	%
Operating expenses to total operating income (%) - as published	30.8	39.3	36.7	73.5	38.0	41.3	66.7	43.3
Operating expenses to total operating income (continuing operations) (%) - as restated	31.0	37.5	37.0	72.2	37.0	44.1	66.7	42.7

(1) Restatements shown for the half year ended 31 December 2016 includes a \$37m NPAT decrease for discontinued operations in Wealth Management and a \$42m NPAT decrease in New Zealand.



## Group Performance Summary

### Financial Reporting Changes:

- Presentation of Discontinued Operations

	Half Year Ended 30 Jun 17		Half Year Ended 31 Dec 16	
	As Restated	As Published	As Restated	As Published
	\$M	\$M	\$M	\$M
Net interest income	8,824	8,857	8,710	8,743
Other banking income	2,577	2,534	3,018	2,986
<b>Total banking income</b>	<b>11,401</b>	<b>11,391</b>	<b>11,728</b>	<b>11,729</b>
Funds management income	970	1,030	943	1,004
Insurance income	61	393	162	393
<b>Total operating income</b>	<b>12,432</b>	<b>12,814</b>	<b>12,833</b>	<b>13,126</b>
Investment experience	21	49	2	16
<b>Total income</b>	<b>12,453</b>	<b>12,863</b>	<b>12,835</b>	<b>13,142</b>
Operating expenses	(5,195)	(5,401)	(5,474)	(5,677)
Loan impairment expense	(496)	(496)	(599)	(599)
<b>Net profit before tax</b>	<b>6,762</b>	<b>6,966</b>	<b>6,762</b>	<b>6,866</b>
Corporate tax expense	(1,924)	(1,977)	(1,925)	(1,950)
Non-controlling interests	(11)	(15)	(9)	(9)
<b>Net profit after tax from continuing operations</b>	<b>4,827</b>	<b>4,974</b>	<b>4,828</b>	<b>4,907</b>
Net profit after tax from discontinued operations	147	-	79	-
<b>Net profit after tax ("cash basis")</b>	<b>4,974</b>	<b>4,974</b>	<b>4,907</b>	<b>4,907</b>
Hedging and IFRS volatility	65	65	8	8
Other non-cash items	(6)	(6)	(20)	(20)
<b>Net profit after tax ("statutory basis")</b>	<b>5,033</b>	<b>5,033</b>	<b>4,895</b>	<b>4,895</b>

■ Indicates key changes

## Consolidated Balance Sheet

### Financial Reporting Changes:

- Deferred tax liability

	As at 30 Jun 17		As at 31 Dec 16	
	As Restated	As Published	As Restated	As Published
	\$M	\$M	\$M	\$M
<b>Assets</b>				
Cash and liquid assets	45,850	45,850	44,709	44,709
Receivables due from other financial institutions	10,037	10,037	10,612	10,612
Assets at fair value through Income Statement:				
Trading	32,704	32,704	34,199	34,199
Insurance	13,669	13,669	13,795	13,795
Other	1,111	1,111	803	803
Derivative assets	31,724	31,724	45,837	45,837
Available-for-sale investments	83,535	83,535	81,675	81,675
Loans, bills discounted and other receivables	731,762	731,762	712,905	712,905
Bank acceptances of customers	463	463	1,440	1,440
Property, plant and equipment	3,873	3,873	4,094	4,094
Investments in associates and joint ventures	2,778	2,778	2,842	2,842
Intangible assets	10,024	10,024	10,000	10,000
Deferred tax assets	906	962	726	782
Other assets	7,882	7,882	8,026	8,026
Assets held for sale	-	-	-	-
<b>Total assets</b>	<b>976,318</b>	<b>976,374</b>	<b>971,663</b>	<b>971,719</b>
<b>Liabilities</b>				
Deposits and other public borrowings	626,655	626,655	606,091	606,091
Payables due to other financial institutions	28,432	28,432	34,031	34,031
Liabilities at fair value through Income Statement	10,392	10,392	8,404	8,404
Derivative liabilities	30,330	30,330	38,042	38,042
Bank acceptances	463	463	1,440	1,440
Current tax liabilities	1,450	1,450	1,012	1,012
Deferred tax liabilities	332	332	332	332
Other provisions	1,780	1,780	1,625	1,625
Insurance policy liabilities	12,018	12,018	12,388	12,388
Debt issues	167,571	167,571	175,583	175,583
Managed funds units on issue	2,577	2,577	2,362	2,362
Bills payable and other liabilities	11,932	11,932	11,600	11,600
Liabilities held for sale	-	-	-	-
	<b>893,932</b>	<b>893,932</b>	<b>892,910</b>	<b>892,910</b>
Loan capital	18,726	18,726	16,997	16,997
<b>Total liabilities</b>	<b>912,658</b>	<b>912,658</b>	<b>909,907</b>	<b>909,907</b>
<b>Net assets</b>	<b>63,660</b>	<b>63,716</b>	<b>61,756</b>	<b>61,812</b>
<b>Shareholders' Equity</b>				
Share capital:				
Ordinary share capital	34,971	34,971	34,455	34,455
Reserves	1,869	1,869	2,144	2,144
Retained profits	26,274	26,330	24,606	24,662
<b>Shareholders' Equity attributable to Equity holders of the Bank</b>	<b>63,114</b>	<b>63,170</b>	<b>61,205</b>	<b>61,261</b>
Non-controlling interests	546	546	551	551
<b>Total Shareholders' Equity</b>	<b>63,660</b>	<b>63,716</b>	<b>61,756</b>	<b>61,812</b>

■ Indicates key changes

## Integrated Risk Management: Non-Traded Interest Rate Risk (Appendix 2.1)

### Financial Reporting Changes:

- Non-Traded Interest Rate Risk

	Average VaR		Average VaR	
	30 Jun 17		31 Dec 16	
	As Restated	As Published	As Restated	As Published
<b>Non-Traded Interest Rate Risk (20 day 97.5% confidence)</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>
AUD Interest rate risk	252.4	92.9	263.4	99.3

■ Indicates key changes

## Integrated Risk Management (Appendix 2.1)

### Financial Reporting Changes:

- Committed Exposure by Industry

	As At 30 Jun 17		As At 31 Dec 16	
	As Restated	As Published	As Restated	As Published
<b>By Industry</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Agriculture, forestry and fishing	2.0	2.0	2.0	2.0
Banks	6.1	6.1	6.3	6.3
Business services	1.3	1.3	1.3	1.3
Construction	0.7	0.8	0.7	0.8
Consumer	55.4	55.4	54.8	54.8
Culture and recreational services	0.7	0.7	0.7	0.7
Energy	1.1	1.1	1.2	1.2
Finance - Other	5.0	5.0	5.1	5.1
Health and community service	0.8	0.7	0.8	0.7
Manufacturing	1.6	1.6	1.6	1.6
Mining	1.4	1.4	1.4	1.4
Property	6.4	6.5	6.6	6.7
Retail trade and wholesale trade	2.2	2.2	2.4	2.4
Sovereign	9.7	9.7	9.5	9.5
Transport and storage	1.6	1.5	1.6	1.5
<b>Other</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>
	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

■ Indicates key changes

## Shareholder Returns including discontinued operations

### Financial Reporting Changes:

- Earnings per Share

	Half Year Ended 30 Jun 17		Half Year Ended 31 Dec 16	
	As Restated	As Published	As Restated	As Published
<b>Earnings per share:</b>	<b>Cents per share</b>		<b>Cents per share</b>	
Statutory basis - basic	292.0	292.2	285.2	285.3
Cash basis - basic	288.4	288.5	285.7	285.8

Indicates key changes

## Financial Reporting Refinements Previously Reported

As previously reported on 2 August 2017, a number of enhancements were made to the financial reporting in the prior year. Below is a summary of the impact on the 31 December 2016 prior period balances.

### Loans which were neither past due nor impaired (Notes to the Financial Statements 6.1)

#### Financial Reporting Changes:

- Loans which were neither past due nor impaired

	As Restated					As Published				
	As at 31 December 2016					As at 31 December 2016				
	Home Loans	Other Personal	Asset Financing	Other Commercial Industrial	Total	Home Loans	Other Personal	Asset Financing	Other Commercial Industrial	Total
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
<b>Loans which were neither past due nor impaired</b>										
Investment Grade	301,353	4,564	638	98,093	404,648	301,353	4,564	911	133,714	440,542
Pass Grade	151,134	14,661	7,383	107,422	280,600	151,134	14,661	7,595	73,096	246,486
Weak	8,533	3,210	183	3,769	15,695	8,533	3,210	235	1,937	13,915
<b>Total loans which were neither past due nor impaired</b>	<b>461,020</b>	<b>22,435</b>	<b>8,204</b>	<b>209,284</b>	<b>700,943</b>	<b>461,020</b>	<b>22,435</b>	<b>8,741</b>	<b>208,747</b>	<b>700,943</b>
<b>Loans which were past due but not impaired</b>										
Past due 1 - 29 days	5,886	842	105	1,086	7,919	5,886	842	105	1,086	7,919
Past due 30 - 59 days	1,805	224	49	242	2,320	1,805	224	49	242	2,320
Past due 60 - 89 days	849	131	29	114	1,123	849	131	29	114	1,123
Past due 90 - 179 days	977	15	4	175	1,171	977	15	4	175	1,171
Past due 180 days or more	906	10	1	252	1,169	906	10	1	252	1,169
<b>Total loans past due but not impaired</b>	<b>10,423</b>	<b>1,222</b>	<b>188</b>	<b>1,869</b>	<b>13,702</b>	<b>10,423</b>	<b>1,222</b>	<b>188</b>	<b>1,869</b>	<b>13,702</b>

Indicates key changes

## Updated Financial Comparative Tables for the 2018 Interim Profit Announcement including New Profit Announcement Disclosures

### Group Performance Summary

	Half Year Ended ("cash basis")		
	31 Dec 17 \$M	30 Jun 17 \$M	31 Dec 16 \$M
Net interest income	-	8,824	8,710
Other banking income	-	2,577	3,018
<b>Total banking income</b>	-	11,401	11,728
Funds management income	-	970	943
Insurance income	-	61	162
<b>Total operating income</b>	-	12,432	12,833
Investment experience	-	21	2
<b>Total income</b>	-	12,453	12,835
Operating expenses	-	(5,195)	(5,474)
Loan impairment expense	-	(496)	(599)
<b>Net profit before tax</b>	-	6,762	6,762
Corporate tax expense	-	(1,924)	(1,925)
Non-controlling interests	-	(11)	(9)
<b>Net profit after tax from continuing operations ("cash basis")</b>	-	4,827	4,828
Net profit after tax from discontinued operations	-	147	79
<b>Net profit after tax ("cash basis")</b>	-	4,974	4,907
Hedging and IFRS volatility	-	65	8
Other non-cash items	-	(6)	(20)
<b>Net profit after tax ("statutory basis")</b>	-	5,033	4,895
<b>Cash net profit after tax, by division</b>			
Retail Banking Services	-	2,480	2,453
Business and Private Banking	-	930	878
Institutional Banking and Markets	-	630	681
Wealth Management	-	211	211
New Zealand	-	446	423
Bankwest	-	286	290
IFS and Other	-	(156)	(108)
<b>Net profit after tax from continuing operations ("cash basis")</b>	-	4,827	4,828

## Key Performance Indicators

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
<b>Group Performance from continuing operations</b>			
Statutory net profit after tax (\$M)	-	4,890	4,835
Cash net profit after tax (\$M)	-	4,827	4,828
Net interest margin (%)	-	2.10	2.10
Net interest margin excluding Treasury and Markets (%)	-	2.09	2.07
Operating expenses to total operating income (%)	-	41.8	42.7
Spot number of full-time equivalent staff (FTE)	-	44,024	43,660
Effective corporate tax rate ("cash basis") (%)	-	28.5	28.5
Profit after capital charge (PACC) (\$M)	-	3,221	3,282
Average interest earning assets (\$M)	-	846,619	823,058
Average interest bearing liabilities (\$M)	-	764,126	747,236
Funds Under Administration (FUA) - average (\$M)	-	144,256	138,024
Assets Under Management (AUM) - average (\$M)	-	213,838	206,336
Average inforce premiums (\$M)	-	1,031	1,002
<b>Group Performance including discontinued operations</b>			
Statutory net profit after tax (\$M)	-	5,033	4,895
Cash net profit after tax (\$M)	-	4,974	4,907
Net interest margin (%)	-	2.11	2.11
Net interest margin excluding Treasury and Markets (%)	-	2.10	2.08
Operating expenses to total operating income (%)	-	42.1	43.3
Spot number of full-time equivalent staff (FTE)	-	45,614	45,271
Effective corporate tax rate ("cash basis") (%)	-	28.4	28.4
Profit after capital charge (PACC) (\$M)	-	3,270	3,255
Average interest earning assets (\$M)	-	846,619	823,058
Average interest bearing liabilities (\$M)	-	764,126	747,236
Funds Under Administration (FUA) - average (\$M)	-	155,855	150,134
Assets Under Management (AUM) - average (\$M)	-	214,446	206,996
Average inforce premiums (\$M)	-	3,402	3,475

## Key Performance Indicators

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
<b>Shareholder Returns from continuing operations</b>			
Earnings Per Share (EPS) (cents)			
Statutory basis - basic	-	283.7	281.7
Cash basis - basic	-	279.9	281.1
Return on equity (ROE) (%)			
Statutory basis	-	15.9	15.8
Cash basis	-	15.6	15.7
<b>Shareholder Returns including discontinued operations</b>			
Earnings Per Share (EPS) (cents)			
Statutory basis - basic	-	292.0	285.2
Cash basis - basic	-	288.4	285.7
Return on equity (ROE) (%)			
Statutory basis	-	16.3	16.0
Cash basis	-	16.1	16.0
Dividends per share - fully franked (cents)	-	230	199
Dividend cover - "cash basis" (times)	-	1.3	1.4
Dividend payout ratio (%)			
Statutory basis	-	79.0	70.1
Cash basis	-	80.0	69.9
<b>Capital (Basel III) including discontinued operations</b>			
Common Equity Tier 1 (Internationally Comparable) (%)	-	15.6	15.4
Common Equity Tier 1 (APRA) (%)	-	10.1	9.9
Risk weighted assets (RWA) (\$M) - Basel III	-	437,063	436,481
<b>Leverage Ratio (Basel III) including discontinued operations</b>			
Leverage Ratio (Internationally Comparable) (%)	-	5.8	5.5
Leverage Ratio (APRA) (%)	-	5.1	4.9
<b>Credit Quality Metrics including discontinued operations</b>			
Loan impairment expense ("cash basis") annualised as a % of average GLAAs	-	0.14	0.17
Gross impaired assets as a % of GLAAs	-	0.43	0.47
Credit risk weighted assets (RWA) (\$M) - Basel III	-	377,259	373,526

## Key Performance Indicators

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
<b>Retail Banking Services</b>			
Cash net profit after tax (\$M)	-	2,480	2,453
Net interest margin (%)	-	2.91	2.90
Average interest earning assets (AIEA) (\$M) <sup>(1)</sup>	-	320,885	313,281
Operating expenses to total banking income (%)	-	31.0	31.0
Risk weighted assets (\$M)	-	134,937	120,778
<b>Business and Private Banking</b>			
Cash net profit after tax (\$M)	-	930	878
Net interest margin (%)	-	2.98	2.97
Average interest earning assets (AIEA) (\$M) <sup>(1)</sup>	-	110,412	107,793
Operating expenses to total banking income (%)	-	37.1	37.5
Risk weighted assets (\$M)	-	87,654	87,664
<b>Institutional Banking and Markets</b>			
Cash net profit after tax (\$M)	-	630	681
Net interest margin (%)	-	1.10	1.10
Average interest earning assets (AIEA) (\$M)	-	138,789	138,439
Operating expenses to total banking income (%)	-	38.5	37.0
Risk weighted assets (\$M)	-	102,242	116,075
<b>Wealth Management <sup>(2)</sup></b>			
Cash net profit after tax (\$M)	-	211	211
Operating expenses to total operating income (%)	-	72.4	72.2
FUA - average (\$M)	-	132,239	126,036
AUM - average (\$M)	-	209,469	201,967
CommInsure Inforce Premiums - average (\$M)	-	777	748
<b>New Zealand <sup>(2)</sup></b>			
Cash net profit after tax (\$M)	-	446	423
Risk weighted assets - APRA basis (\$M) <sup>(3)</sup>	-	48,807	48,524
Net interest margin (ASB) (%) <sup>(4)</sup>	-	2.15	2.19
Average interest earning assets (AIEA) (ASB) (NZ\$M) <sup>(1)(4)</sup>	-	85,753	82,455
Operating expenses to total operating income (ASB) (%) <sup>(4)</sup>	-	36.2	35.7
FUA - average (ASB) (NZ\$M) <sup>(4)</sup>	-	12,743	12,575
AUM - average (ASB) (NZ\$M) <sup>(4)</sup>	-	4,635	4,584
<b>Bankwest</b>			
Cash net profit after tax (\$M)	-	286	290
Net interest margin (%)	-	2.08	2.06
Average interest earning assets (AIEA) (\$M) <sup>(1)</sup>	-	71,900	70,496
Operating expenses to total banking income (%)	-	45.9	44.1
Risk weighted assets (\$M)	-	37,803	34,418

(1) Net of average mortgage offset balances.

(2) Presented on a continuing operations basis.

(3) Risk weighted assets represent ASB only and are calculated in accordance with APRA requirements.

(4) Key financial metrics represent ASB only and are calculated in New Zealand dollar terms.



## Loan Impairment Provisions & Credit Quality

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
<b>Credit Quality Metrics</b>			
Gross loans and acceptances (GLAA) (\$M)	-	737,002	719,250
Risk weighted assets (RWA) (\$M) - Basel III	-	437,063	436,481
Credit RWA (\$M) - Basel III	-	377,259	373,526
Gross impaired assets (\$M)	-	3,187	3,375
Net impaired assets (\$M)	-	2,038	2,193
<b>Provision Ratios</b>			
Collective provision as a % of credit RWA - Basel III	-	0.73	0.75
Total provisions as a % of credit RWA - Basel III	-	0.99	1.02
Total provisions for impaired assets as a % of gross impaired assets	-	36.05	35.02
Total provisions for impaired assets as a % of gross impaired assets (corporate)	-	42.82	38.65
Total provisions for impaired assets as a % of gross impaired assets (consumer)	-	28.45	29.52
Total provisions for impairment losses as a % of GLAAs	-	0.51	0.53
<b>Asset Quality Ratios</b>			
Gross impaired assets as a % of GLAAs	-	0.43	0.47
Loans 90+ days past due but not impaired as a % of GLAAs	-	0.36	0.33
Loan impairment expense ("cash basis") annualised as a % of average GLAAs	-	0.14	0.17
Net write-offs annualised as a % of GLAAs	-	0.16	0.15
Corporate total committed exposures rated investment grade (%) <sup>(1)</sup>	-	69.20	68.70
<b>Australian Home Loan Portfolio</b>			
Portfolio dynamic LVR (%) <sup>(2)</sup>	-	50.33	50.69
Customers in advance (%) <sup>(3)</sup>	-	77.31	77.38

(1) Investment grades based on CBA grade in S&P equivalent.

(2) Loan to value ratio (LVR) defined as current balance as a percentage of the current valuation on Australian home loan portfolio.

(3) Any amount ahead of monthly minimum repayment (including offset facilities).

## Loan Impairment Provisions & Credit Quality

	Total Committed Exposures (TCE)		Troublesome and Impaired Assets (TIA)		TIA % of TCE	
	Dec 17	Jun 17	Dec 17	Jun 17	Dec 17	Jun 17
	%	%	\$M	\$M	%	%
<b>Credit exposures by industry</b>						
Consumer	-	55.4	-	1,578	-	0.26
Sovereign	-	9.7	-	-	-	-
Property	-	6.4	-	693	-	0.99
Banks	-	6.1	-	9	-	0.01
Finance - Other	-	5.0	-	50	-	0.09
Retail & Wholesale Trade	-	2.2	-	474	-	2.00
Agriculture	-	2.0	-	1,019	-	4.70
Manufacturing	-	1.6	-	430	-	2.47
Transport	-	1.6	-	436	-	2.51
Mining	-	1.4	-	477	-	3.23
Business Services	-	1.3	-	165	-	1.13
Energy	-	1.1	-	90	-	0.72
Construction	-	0.7	-	290	-	3.70
Health & Community	-	0.8	-	197	-	2.27
Culture & Recreation	-	0.7	-	54	-	0.73
Other	-	4.0	-	538	-	1.24
<b>Total</b>	-	100.0	-	6,500	-	0.60

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## Retail Banking Services

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
	\$M	\$M	\$M
Net interest income	-	4,629	4,579
Other banking income	-	991	1,006
<b>Total banking income</b>	-	5,620	5,585
Operating expenses	-	(1,740)	(1,733)
Loan impairment expense	-	(350)	(352)
Net profit before tax	-	3,530	3,500
Corporate tax expense	-	(1,050)	(1,047)
<b>Cash net profit after tax</b>	-	2,480	2,453
<b>Income analysis</b>			
<b>Net interest income</b>			
Home loans	-	2,146	2,145
Consumer finance	-	994	1,007
Retail deposits	-	1,463	1,396
Other	-	26	31
<b>Total net interest income</b>	-	4,629	4,579
<b>Other banking income</b>			
Home loans	-	108	110
Consumer finance	-	301	312
Retail deposits	-	299	287
Distribution	-	219	232
Other	-	64	65
<b>Total other banking income</b>	-	991	1,006
<b>Total banking income</b>	-	5,620	5,585

## Retail Banking Services

	As at		
	31 Dec 17	30 Jun 17	31 Dec 16
	\$M	\$M	\$M
<b>Balance Sheet</b>			
Home loans	-	334,530	325,206
Consumer finance	-	17,118	17,348
Other interest earning assets	-	2,744	2,826
<b>Total interest earning assets</b>	-	354,392	345,380
Other assets	-	968	1,406
<b>Total assets</b>	-	355,360	346,786
	-		
Transaction deposits	-	24,329	22,918
Savings deposits	-	116,478	119,607
Investment deposits and other	-	77,132	76,365
<b>Total interest bearing deposits</b>	-	217,939	218,890
Non-interest bearing transaction deposits	-	30,529	27,131
Other non-interest bearing liabilities	-	3,840	2,668
<b>Total liabilities</b>	-	252,308	248,689

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
<b>Key Financial Metrics</b>			
<b>Performance indicators</b>			
Net interest margin (%)	-	2.91	2.90
Return on assets (%)	-	1.4	1.4
Operating expenses to total banking income (%)	-	31.0	31.0
Impairment expense annualised as a % of average GLAAs (%)	-	0.20	0.21
<b>Other information</b>			
Average interest earning assets (\$M) <sup>(1)</sup>	-	320,885	313,281
Risk weighted assets (\$M)	-	134,937	120,778
90+ days home loan arrears (%) <sup>(2)</sup>	-	0.61	0.54
90+ days consumer finance arrears (%) <sup>(2)</sup>	-	1.22	1.08
Number of full-time equivalent staff (FTE)	-	11,643	11,734

(1) Net of average mortgage offset balances.

(2) Includes mortgages and consumer finance products originated outside of Retail Banking Services.

## Business and Private Banking

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
	\$M	\$M	\$M
Net interest income	-	1,634	1,612
Other banking income	-	490	486
<b>Total banking income</b>	<b>-</b>	<b>2,124</b>	<b>2,098</b>
Operating expenses	-	(787)	(787)
Loan impairment expense	-	(7)	(55)
Net profit before tax	-	1,330	1,256
Corporate tax expense	-	(400)	(378)
<b>Cash net profit after tax</b>	<b>-</b>	<b>930</b>	<b>878</b>
<b>Income analysis</b>			
<b>Net interest income</b>			
Corporate Financial Services	-	607	610
Business Banking SME	-	477	469
Regional and Agribusiness	-	291	288
Private Bank	-	161	150
CommSec	-	98	95
<b>Total net interest income</b>	<b>-</b>	<b>1,634</b>	<b>1,612</b>
<b>Other banking income</b>			
Corporate Financial Services	-	197	196
Business Banking SME	-	88	88
Regional and Agribusiness	-	53	51
Private Bank	-	32	30
CommSec	-	120	121
<b>Total other banking income</b>	<b>-</b>	<b>490</b>	<b>486</b>
<b>Total banking income</b>	<b>-</b>	<b>2,124</b>	<b>2,098</b>
<b>Income by product</b>			
Business products	-	1,271	1,262
Retail products	-	598	564
Equities and Margin Lending	-	165	168
Markets	-	64	71
Other	-	26	33
<b>Total banking income</b>	<b>-</b>	<b>2,124</b>	<b>2,098</b>

## Business and Private Banking

	As at		
	31 Dec 17	30 Jun 17	31 Dec 16
	\$M	\$M	\$M
<b>Balance Sheet</b>			
Home loans	-	34,663	33,491
Consumer finance	-	1,033	1,015
Business loans	-	77,039	75,909
Margin loans	-	2,840	2,850
Total interest earning assets	-	115,575	113,265
Non-lending interest earning assets	-	286	290
Other assets	-	433	81
<b>Total assets</b>	-	116,294	113,636
Transaction deposits	-	14,921	13,649
Savings deposits	-	33,909	33,057
Investment deposits and other	-	27,211	28,180
Total interest bearing deposits	-	76,041	74,886
Non-interest bearing transaction deposits	-	7,997	7,541
Other non-interest bearing liabilities	-	887	570
<b>Total liabilities</b>	-	84,925	82,997

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
<b>Key Financial Metrics</b>			
<b>Performance indicators</b>			
Net interest margin (%)	-	2.98	2.97
Return on assets (%)	-	1.6	1.5
Operating expenses to total banking income (%)	-	37.1	37.5
Impairment expense annualised as a % of average GLAAs (%)	-	0.01	0.10
<b>Other information</b>			
Average interest earning assets (\$M) <sup>(1)</sup>	-	110,412	107,793
Risk weighted assets (\$M)	-	87,654	87,664
Troublesome and impaired assets (\$M)	-	2,586	2,813
Number of full-time equivalent staff (FTE)	-	3,615	3,512

(1) Net of average offset balances.

## Institutional Banking and Markets

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
	\$M	\$M	\$M
Net interest income	-	754	769
Other banking income	-	629	719
<b>Total banking income</b>	-	1,383	1,488
Operating expenses	-	(532)	(551)
Loan impairment expense	-	(20)	(44)
Net profit before tax	-	831	893
Corporate tax expense	-	(201)	(212)
<b>Cash net profit after tax</b>	-	630	681
<b>Income analysis</b>			
<b>Net interest income</b>			
Institutional Banking	-	695	699
Markets	-	59	70
<b>Total net interest income</b>	-	754	769
<b>Other banking income</b>			
Institutional Banking	-	353	396
Markets	-	276	323
<b>Total other banking income</b>	-	629	719
<b>Total banking income</b>	-	1,383	1,488
<b>Income by product</b>			
Institutional products	-	917	929
Asset leasing	-	124	156
Markets (excluding derivative valuation adjustments)	-	304	419
Other	-	7	10
<b>Total banking income excluding derivative valuation adjustments</b>	-	1,352	1,514
Derivative valuation adjustments	-	31	(26)
<b>Total banking income</b>	-	1,383	1,488

## Institutional Banking and Markets

### Institutional Banking and Markets

	As at		
	31 Dec 17	30 Jun 17	31 Dec 16
	\$M	\$M	\$M
<b>Balance Sheet</b>			
Interest earning lending assets	-	111,686	109,432
Non-lending interest earning assets	-	31,349	29,152
Other assets	-	30,076	38,718
<b>Total assets</b>	-	173,111	177,302
Transaction deposits	-	42,468	39,959
Savings deposits	-	7,381	4,126
Investment deposits	-	49,689	45,344
Certificates of deposit and other	-	15,077	14,283
<b>Total interest bearing deposits</b>	-	114,615	103,712
Due to other financial institutions	-	16,669	15,477
Debt issues and other	-	9,358	8,458
Non-interest bearing liabilities	-	21,470	27,164
<b>Total liabilities</b>	-	162,112	154,811

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
<b>Key Financial Metrics</b>			
<b>Performance indicators</b>			
Net interest margin (%)	-	1.10	1.10
Return on assets (%)	-	0.7	0.8
Operating expenses to total banking income (%)	-	38.5	37.0
Impairment expense annualised as a % of average GLAAs (%)	-	0.04	0.08
<b>Other information</b>			
Average interest earning assets (\$M)	-	138,789	138,439
Risk weighted assets (\$M)	-	102,242	116,075
Troublesome and impaired assets (\$M)	-	1,361	1,717
Corporate total committed exposures rated investment grade (%) <sup>(1)</sup>	-	86.4	85.6
Number of full-time equivalent staff (FTE) <sup>(2)</sup>	-	1,467	1,451

(1) Corporate total committed exposures only include the IB&M portfolio.

(2) FTE includes employees responsible for the manufacture of business and institutional banking products and payments infrastructure. The costs for these FTE are split between the IB&M, BPB and RBS segments.



## Wealth Management

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
	\$M	\$M	\$M
Funds management income	-	921	899
Insurance income	-	13	108
Total operating income	-	934	1,007
Operating expenses	-	(676)	(727)
Net profit before tax	-	258	280
Corporate tax expense	-	(61)	(73)
Underlying profit after tax	-	197	207
Investment experience after tax	-	14	4
<b>Cash net profit after tax from continuing operations</b>	-	211	211
Cash net profit after tax from discontinued operations	-	93	37
<b>Cash net profit after tax</b>	-	304	248
<b>Represented by:</b>			
CFS Global Asset Management	-	103	124
Colonial First State	-	98	90
CommInsure	-	(1)	63
Life Insurance Business (discontinued operations)	-	93	37
Other	-	11	(66)
<b>Cash net profit after tax</b>	-	304	248

Key Financial Metrics (Continuing Operations)	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
<b>Performance indicators</b>			
Operating expenses to total operating income (%)	-	72.4	72.2
<b>Other information</b>			
AUM - average (\$M) <sup>(1)</sup>	-	209,469	201,967
AUM - spot (\$M) <sup>(1)</sup>	-	219,427	203,223
FUA - average (\$M) <sup>(2)</sup>	-	132,239	126,036
FUA - spot (\$M) <sup>(2)</sup>	-	135,447	128,953
CommInsure Inforce Premiums - average (\$M) <sup>(3)</sup>	-	777	748
CommInsure Inforce Premiums - spot (\$M) <sup>(3)</sup>	-	783	768
Number of full-time equivalent staff (FTE) <sup>(4)</sup>	-	3,914	3,969

(1) AUM excludes the Group's interest in the First State Cinda Fund Management Company Limited.

(2) FUA excludes the Life business (discontinued operations).

(3) Represents the CommInsure General Insurance business and the Inforce Premiums are annualised equivalents.

(4) FTEs exclude the Life business (discontinued operations).

## Wealth Management

### Half Year Ended

	CFS			Colonial			CommInsure			Other		
	Global Asset Management			First State								
	Dec 17 \$M	Jun 17 \$M	Dec 16 \$M	Dec 17 \$M	Jun 17 \$M	Dec 16 \$M	Dec 17 \$M	Jun 17 \$M	Dec 16 \$M	Dec 17 \$M	Jun 17 \$M	Dec 16 \$M
Funds management income	-	429	450	-	484	449	-	-	-	-	8	-
Insurance income	-	-	-	-	-	-	-	13	108	-	-	-
Total operating income	-	429	450	-	484	449	-	13	108	-	8	-
Operating expenses	-	(280)	(284)	-	(348)	(327)	-	(20)	(22)	-	(28)	(94)
Net profit before tax	-	149	166	-	136	122	-	(7)	86	-	(20)	(94)
Corporate tax (expense)/benefit	-	(44)	(37)	-	(41)	(37)	-	3	(26)	-	21	27
Underlying profit after tax	-	105	129	-	95	85	-	(4)	60	-	1	(67)
Investment experience after tax	-	(2)	(5)	-	3	5	-	3	3	-	10	1
<b>Cash net profit/(loss) after tax from continuing operations</b>	-	103	124	-	98	90	-	(1)	63	-	11	(66)

## New Zealand

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
<b>New Zealand</b>	<b>A\$M</b>	<b>A\$M</b>	<b>A\$M</b>
Net interest income	-	816	826
Other banking income	-	172	159
Total banking income	-	988	985
Funds management income	-	47	45
Total operating income	-	1,035	1,030
Operating expenses	-	(399)	(396)
Loan impairment expense	-	(18)	(47)
Net profit before tax	-	618	587
Corporate tax expense	-	(172)	(164)
<b>Cash net profit after tax from continuing operations</b>	-	446	423
Cash net profit after tax from discontinued operations	-	54	42
<b>Cash net profit after tax</b>	-	500	465

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
<b>New Zealand</b>	<b>NZ\$M</b>	<b>NZ\$M</b>	<b>NZ\$M</b>
Net interest income	-	869	869
Other banking income	-	202	199
Total banking income	-	1,071	1,068
Funds management income	-	50	47
Total operating income	-	1,121	1,115
Operating expenses	-	(423)	(413)
Loan impairment expense	-	(20)	(49)
Net profit before tax	-	678	653
Corporate tax expense	-	(189)	(183)
<b>Cash net profit after tax from continuing operations</b>	-	489	470
Cash net profit after tax from discontinued operations	-	58	44
<b>Cash net profit after tax</b>	-	547	514
<b>Represented by:</b>			
ASB	-	523	502
Other	-	(34)	(32)
Sovereign (discontinued operations)	-	58	44
<b>Cash net profit after tax</b>	-	547	514

## New Zealand

### Half Year Ended

	31 Dec 17	30 Jun 17	31 Dec 16
	NZ\$M	NZ\$M	NZ\$M
<b>ASB</b>			
Net interest income	-	915	910
Other banking income	-	202	202
<b>Total banking income</b>	-	1,117	1,112
Funds management income	-	50	47
<b>Total operating income</b>	-	1,167	1,159
Operating expenses	-	(422)	(414)
Loan impairment expense	-	(20)	(49)
<b>Net profit before tax</b>	-	725	696
Corporate tax expense	-	(202)	(194)
<b>Cash net profit after tax</b>	-	523	502

### As at

	31 Dec 17	30 Jun 17	31 Dec 16
	NZ\$M	NZ\$M	NZ\$M
<b>ASB Balance Sheet</b>			
Home loans	-	51,128	50,248
Business and rural lending	-	25,133	23,991
Other interest earning assets	-	2,087	2,084
<b>Total lending interest earning assets</b>	-	78,348	76,323
Non-lending interest earning assets	-	8,662	8,644
Other assets	-	1,572	1,974
<b>Total assets</b>	-	88,582	86,941
Customer deposits	-	52,795	51,018
Debt issues	-	18,073	18,380
Other interest bearing liabilities	-	2,716	2,614
<b>Total interest bearing liabilities</b>	-	73,584	72,012
Non-interest bearing liabilities	-	6,248	6,378
<b>Total liabilities</b>	-	79,832	78,390

## New Zealand

ASB Key Financial Metrics <sup>(1)</sup>	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
<b>Performance indicators</b>			
Net interest margin (%)	-	2.15	2.19
Return on assets (%)	-	1.2	1.2
Operating expenses to total operating income (%)	-	36.2	35.7
Impairment expense annualised as a % of average GLAAs (%)	-	0.05	0.13
<b>Other information</b>			
Average interest earning assets (NZ\$M)	-	85,753	82,455
Risk weighted assets (NZ\$M) <sup>(2)</sup>	-	53,275	53,489
Risk weighted assets (A\$M) <sup>(3)</sup>	-	48,807	48,524
FUA - average (NZ\$M)	-	12,743	12,575
FUA - spot (NZ\$M)	-	12,826	12,586
AUM - average (NZ\$M) <sup>(4)</sup>	-	4,635	4,584
AUM - spot (NZ\$M) <sup>(4)</sup>	-	4,954	4,325
90+ days home loan arrears (%)	-	0.12	0.11
90+ days consumer finance arrears (%)	-	0.46	0.38
Number of full-time equivalent staff (FTE)	-	4,745	4,697

(1) Key financial metrics are calculated in New Zealand dollar terms unless otherwise stated.

(2) Risk weighted assets are calculated in accordance with RBNZ requirements. The RBNZ applies a similar methodology to APRA in calculating regulatory capital requirements.

(3) Risk weighted assets are calculated in accordance with APRA requirements.

(4) AUM excludes spot balances managed by CFS Global Asset Management (30 June 2017: NZD5,776 million; 31 December 2016: NZD5,336 million). These are included in the AUM balances reported by CFS Global Asset Management.

## Bankwest

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
	\$M	\$M	\$M
Net interest income	-	740	733
Other banking income	-	104	100
<b>Total banking income</b>	-	844	833
Operating expenses	-	(387)	(367)
Loan impairment (expense)/benefit	-	(49)	(50)
Net profit before tax	-	408	416
Corporate tax expense	-	(122)	(126)
<b>Cash net profit after tax</b>	-	286	290

Balance Sheet	As at		
	31 Dec 17	30 Jun 17	31 Dec 16
	\$M	\$M	\$M
Home loans	-	67,637	65,138
Other interest earning lending assets	-	10,177	10,108
<b>Total interest earning assets</b>	-	77,814	75,246
Other assets	-	306	286
<b>Total assets</b>	-	78,120	75,532
Transaction deposits	-	11,926	11,836
Savings deposits	-	9,195	9,608
Investment deposits	-	31,784	26,772
Certificates of deposit and other	-	41	35
<b>Total interest bearing deposits</b>	-	52,946	48,251
Other interest bearing liabilities	-	69	33
Non-interest bearing transaction deposits	-	1,723	1,526
Other non-interest bearing liabilities	-	744	546
<b>Total liabilities</b>	-	55,482	50,356

**Bankwest**

<b>Key Financial Metrics</b>	<b>Half Year Ended</b>		
	<b>31 Dec 17</b>	<b>30 Jun 17</b>	<b>31 Dec 16</b>
<b>Performance indicators</b>			
Net interest margin (%)	-	2.08	2.06
Return on assets (%)	-	0.8	0.7
Operating expenses to total banking income (%)	-	45.9	44.1
Impairment expense annualised as a % of average GLAAs (%)	-	0.13	0.13
<b>Other information</b>			
Average interest earning assets (\$M) <sup>(1)</sup>	-	71,900	70,496
Risk weighted assets (\$M)	-	37,803	34,418
90+ days home loans arrears (%)	-	0.80	0.64
90+ days consumer finance arrears (%)	-	1.39	1.15
Number of full-time equivalent staff (FTE) <sup>(2)</sup>	-	2,912	2,809

(1) Net of average mortgage offset balances.

(2) FTE exclude support unit staff that have been included in Corporate centre.

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## IFS & Other

IFS	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
	\$M	\$M	\$M
Net interest income	-	64	69
Other banking income	-	140	157
Total banking income	-	204	226
Funds management income	-	-	-
Insurance income	-	24	26
Total operating income	-	228	252
Operating expenses	-	(165)	(168)
Loan impairment expense	-	(12)	(52)
Net profit before tax	-	51	32
Corporate tax expense	-	-	(4)
Non-controlling interests	-	(5)	(3)
Underlying profit after tax	-	46	25
Investment experience after tax	-	16	6
<b>Cash net profit after tax</b>	-	62	31

Key Financial Metrics	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
<b>Performance indicators</b>			
Return on assets (%)	-	2.2	1.1
Operating expenses to total operating income (%)	-	72.4	66.7
Impairment expense annualised as a % of average GLAAs (%)	-	1.36	6.15
<b>Other information</b>			
Risk weighted assets (\$M)	-	2,351	2,338
Number of full-time equivalent staff (FTE)	-	3,209	3,172



## IFS & Other

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
<b>Corporate Centre (including eliminations)</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>
Net interest income	-	187	122
Other banking income	-	51	391
Total banking income	-	238	513
Funds management income	-	2	(1)
Insurance income	-	24	28
Total operating income	-	264	540
Operating expenses	-	(509)	(745)
Loan impairment (expense)/benefit	-	(40)	1
Net loss before tax	-	(285)	(204)
Corporate tax benefit	-	87	81
Non-controlling interests	-	(6)	(6)
Underlying loss after tax	-	(204)	(129)
Investment experience after tax	-	(14)	(10)
<b>Cash net loss after tax from continuing operations</b>	<b>-</b>	<b>(218)</b>	<b>(139)</b>
Cash net loss after tax from discontinued operations	-	-	-
<b>Cash net loss after tax</b>	<b>-</b>	<b>(218)</b>	<b>(139)</b>

## Financial Reporting By Segments

### Half Year Ended 31 December 2016

	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Management	New Zealand	Bankwest	IFS and Other	Total
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Net interest income	4,579	1,612	769	-	826	733	191	<b>8,710</b>
Other banking income	1,006	486	719	-	159	100	548	<b>3,018</b>
<b>Total banking income</b>	<b>5,585</b>	<b>2,098</b>	<b>1,488</b>	<b>-</b>	<b>985</b>	<b>833</b>	<b>739</b>	<b>11,728</b>
Funds management income	-	-	-	899	45	-	(1)	<b>943</b>
Insurance income	-	-	-	108	-	-	54	<b>162</b>
<b>Total operating income</b>	<b>5,585</b>	<b>2,098</b>	<b>1,488</b>	<b>1,007</b>	<b>1,030</b>	<b>833</b>	<b>792</b>	<b>12,833</b>
Investment experience	-	-	-	5	-	-	(3)	<b>2</b>
<b>Total income</b>	<b>5,585</b>	<b>2,098</b>	<b>1,488</b>	<b>1,012</b>	<b>1,030</b>	<b>833</b>	<b>789</b>	<b>12,835</b>
Operating expenses	(1,733)	(787)	(551)	(727)	(396)	(367)	(913)	<b>(5,474)</b>
Loan impairment expense	(352)	(55)	(44)	-	(47)	(50)	(51)	<b>(599)</b>
<b>Net profit before tax</b>	<b>3,500</b>	<b>1,256</b>	<b>893</b>	<b>285</b>	<b>587</b>	<b>416</b>	<b>(175)</b>	<b>6,762</b>
Corporate tax (expense)/benefit	(1,047)	(378)	(212)	(74)	(164)	(126)	76	<b>(1,925)</b>
Non-controlling interests	-	-	-	-	-	-	(9)	<b>(9)</b>
<b>Net profit after tax from continuing operations - "cash basis"</b>	<b>2,453</b>	<b>878</b>	<b>681</b>	<b>211</b>	<b>423</b>	<b>290</b>	<b>(108)</b>	<b>4,828</b>
Net profit after tax from discontinued operations	-	-	-	37	42	-	-	<b>79</b>
<b>Net profit after tax - "cash basis"</b>	<b>2,453</b>	<b>878</b>	<b>681</b>	<b>248</b>	<b>465</b>	<b>290</b>	<b>(108)</b>	<b>4,907</b>
Hedging and IFRS volatility	-	-	-	-	2	-	6	<b>8</b>
Gain/ (loss) on disposal and acquisition of entities net of transaction costs	-	-	-	-	-	-	-	<b>-</b>
Other non-cash items	-	-	-	(19)	-	(1)	-	<b>(20)</b>
<b>Net profit after tax - "statutory basis"</b>	<b>2,453</b>	<b>878</b>	<b>681</b>	<b>229</b>	<b>467</b>	<b>289</b>	<b>(102)</b>	<b>4,895</b>
<b>Additional information</b>								
Amortisation and depreciation	(121)	(59)	(63)	(19)	(39)	(13)	(474)	<b>(788)</b>
<b>Balance Sheet</b>								
Total assets	346,786	113,636	177,302	21,862	86,085	75,532	150,460	<b>971,663</b>
Total liabilities	248,689	82,997	154,811	26,975	79,058	50,356	267,021	<b>909,907</b>

## Profit Reconciliation

Half Year Ended 30 June 2017

	Net profit after tax "cash basis" \$M	Hedging and IFRS volatility \$M	Bankwest non-cash items \$M	Treasury shares valuation adjustment \$M	Investment experience \$M	Net profit after tax "statutory basis" \$M
<b>Profit Reconciliation</b>						
<b>Group</b>						
Interest income	16,617	2	-	-	-	16,619
Interest expense	(7,793)	-	-	-	-	(7,793)
Net interest income	8,824	2	-	-	-	8,826
Other banking income	2,577	94	-	-	-	2,671
<b>Total banking income</b>	<b>11,401</b>	<b>96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,497</b>
Funds management income	970	-	-	-	17	987
Insurance income	61	-	-	-	4	65
<b>Total operating income</b>	<b>12,432</b>	<b>96</b>	<b>-</b>	<b>-</b>	<b>21</b>	<b>12,549</b>
Investment experience	21	-	-	-	(21)	-
<b>Total income</b>	<b>12,453</b>	<b>96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,549</b>
Operating expenses	(5,195)	-	(2)	-	-	(5,197)
Loan impairment expense	(496)	-	-	-	-	(496)
<b>Net profit before tax</b>	<b>6,762</b>	<b>96</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>6,856</b>
Corporate tax (expense)/benefit	(1,924)	(31)	-	-	-	(1,955)
Non-controlling interests	(11)	-	-	-	-	(11)
<b>Net profit after income tax from continuing operations</b>	<b>4,827</b>	<b>65</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>4,890</b>
Net profit after income tax from discontinued operations	147	-	-	(4)	-	143
<b>Net profit after income tax</b>	<b>4,974</b>	<b>65</b>	<b>(2)</b>	<b>(4)</b>	<b>-</b>	<b>5,033</b>

## Profit Reconciliation

Half Year Ended 31 December 2016

	Net profit after tax "cash basis" \$M	Hedging and IFRS volatility \$M	Bankwest non-cash items \$M	Treasury shares valuation adjustment \$M	Investment experience \$M	Net profit after tax "statutory basis" \$M
<b>Profit Reconciliation</b>						
<b>Group</b>						
Interest income	16,676	(2)	-	-	-	16,674
Interest expense	(7,966)	-	-	-	-	(7,966)
Net interest income	8,710	(2)	-	-	-	8,708
Other banking income	3,018	12	-	-	-	3,030
<b>Total banking income</b>	<b>11,728</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,738</b>
Funds management income	943	-	-	-	(2)	941
Insurance income	162	-	-	-	4	166
<b>Total operating income</b>	<b>12,833</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>12,845</b>
Investment experience	2	-	-	-	(2)	-
<b>Total income</b>	<b>12,835</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,845</b>
Operating expenses	(5,474)	-	(2)	-	-	(5,476)
Loan impairment expense	(599)	-	-	-	-	(599)
<b>Net profit before tax</b>	<b>6,762</b>	<b>10</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>6,770</b>
Corporate tax (expense)/benefit	(1,925)	(2)	1	-	-	(1,926)
Non-controlling interests	(9)	-	-	-	-	(9)
<b>Net profit after income tax from continuing operations</b>	<b>4,828</b>	<b>8</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>4,835</b>
Net profit after income tax from discontinued operations	79	-	-	(19)	-	60
<b>Net profit after income tax</b>	<b>4,907</b>	<b>8</b>	<b>(1)</b>	<b>(19)</b>	<b>-</b>	<b>4,895</b>