



# ASX announcement

## Update on non-cash items and 1H19 financial comparatives

**Friday, 18 January 2019 (Sydney):** Commonwealth Bank of Australia (CBA) today provides an update on unaudited non-cash items, changes to financial reporting and 2019 Interim financial comparatives (refer to Attachment A for detailed comparative tables).

### 1. Update on non-cash items

As set out in the table below, non-cash losses totalling \$169 million (post-tax) will be included within the Statutory NPAT in the Interim result. This amount has two main components:

- Losses on disposals of businesses of -\$74 million (post-tax). This includes previously disclosed transaction and separation costs related to the sale of CFSGAM (-\$100 million post-tax) and Commlnsure Life<sup>(1)</sup> (-\$38 million post-tax); the gain on disposal of Sovereign (+\$113 million post-tax); and other expenses including the loss on disposal of TymeDigital and project costs associated with the demerger of NewCo<sup>(2)</sup>.
- Hedging and IFRS volatility losses of -\$91 million (post-tax) mainly due to the depreciation of the Australian dollar against the New Zealand dollar.

	Half Year Ended				
	31 Dec 18 \$M	30 Jun 18 \$M	31 Dec 17 \$M	Dec 18 vs Jun 18 %	Dec 18 vs Dec 17 %
<b>Non-cash items included in Statutory NPAT</b>					
(Loss)/gain on acquisition, disposal, closure and demerger of businesses	(74)	(126)	(57)	(41)	30
Hedging and IFRS volatility	(91)	5	96	large	large
Bankwest non-cash items	(1)	(2)	(1)	(50)	-
Treasury share valuation adjustment	(3)	5	(3)	large	-
<b>Total</b>	<b>(169)</b>	<b>(118)</b>	<b>35</b>	<b>43</b>	<b>large</b>

### 2. Changes to financial reporting arising from the simplification of CBA's operating model

In line with CBA's commitment to becoming a simpler, better bank, a number of changes to CBA's operating model have been made during the current half, which realign businesses across operating segments. These changes have not impacted CBA's cash net profit after tax (NPAT), but result in changes to the presentation of the Income Statements and Balance Sheets of the affected divisions (Refer pages 3-8).

- **In a consolidation of CBA's Australian retail businesses, Bankwest is now included within the Retail Banking Services (RBS) division. Bankwest will no longer be separately disclosed.**

<sup>1</sup> Previously announced as per ASX Announcement, *Update on insurance recovery, remediation and transaction costs*, 11 December 2018 (<https://www.asx.com.au/asxpdf/20181211/pdf/4414brc4fgnxq5.pdf>)

<sup>2</sup> ASX Announcement, *Divestment of global asset management business*, 31 October 2018 (<https://www.asx.com.au/asxpdf/20181031/pdf/43ztrtphypv0bl.pdf>)



- **The small business banking segment has been transferred out of RBS to Business and Private Banking (BPB) in order to consolidate CBA's business banking.**
- **Following the announcement of the demerger of NewCo and to consolidate CBA's retail businesses, Commonwealth Financial Planning has been transferred out of Wealth Management (WM) to RBS.**
- **General Insurance has been placed under strategic review and transferred out of WM to RBS, while the review is underway.**
- **Other re-segmentation, cost allocations and reclassifications:**
  - There have been refinements to the allocation of support unit and other costs.
  - Customer loyalty scheme costs in New Zealand (NZ) have been reclassified in the Income Statement to align with industry practice.

### 3. Changes to the presentation of discontinued operations

In line with accounting standards, the Interim and comparative results of discontinued operations are presented separately as a single line item 'net profit after tax from discontinued operations' for both Group and divisional results. Assets and liabilities of discontinued operations are presented separately as held for sale on the Balance Sheet as at 31 December 2018, however in line with accounting standards prior periods remain unadjusted. Group Key Performance Indicators are presented on both a continuing operations and including discontinued operations basis (Refer pages 3-4, 6-7).

In the year ended 30 June 2018, discontinued operations included:

- CBA's Life insurance businesses in Australia (CommInsure Life) and New Zealand (Sovereign)
- BoComm Life Insurance Company Limited (BoComm Life)
- Commonwealth Bank of South Africa (Holding Company) Limited (TymeDigital)

Additional reclassifications to discontinued operations in the half year ended 31 December 2018 include:

- Colonial First State Global Asset Management (CFSGAM)<sup>(1)</sup>
- PT Commonwealth Life (PTCL) and its subsidiary<sup>(2)</sup>

The demerger of CBA's wealth management and mortgage broking businesses (NewCo) is subject to shareholder approvals and will remain classified within continuing operations.

### 4. Interim results announcement

Commonwealth Bank of Australia (CBA) is scheduled to announce its Interim results on 6 February 2019. A results briefing will be hosted by the Chief Executive Officer, Matt Comyn, and Chief Financial Officer, Alan Docherty, at 11:00am (Australian Eastern Daylight Savings Time) on 6 February 2019. This briefing will be available via webcast on the Commonwealth Bank Investor Centre ([www.commbank.com.au/investors](http://www.commbank.com.au/investors)).

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.

Furthermore, to assist users in analysing CBA's financial information, the financial comparative tables for the 2019 Interim results are also now available in user-friendly Excel format on the Investor Centre at: [www.commbank.com.au/results](http://www.commbank.com.au/results)

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<sup>1</sup> Sale announced as per ASX Announcement, *Divestment of global asset management business*, 31 October 2018 (<https://www.asx.com.au/asxpdf/20181031/pdf/43ztrtphypv0bl.pdf>)

<sup>2</sup> Sale announced as per ASX Announcement, *Update on life insurance divestments*, 23 October 2018 (<https://www.asx.com.au/asxpdf/20181023/pdf/43zhtzyl6fgfw6.pdf>)



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

### Divisional cash NPAT from continuing operations

The impact of the following changes is presented below:

- Bankwest now consolidated within the Retail Banking Services division
- Small business transferred to the Business and Private Banking division
- Other re-segmentation and cost allocations
- Changes to the presentation of discontinued operations

	Half Year Ended 30 June 2018								
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Management	New Zealand	Bankwest	International Financial Services	Other	Group
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Cash NPAT (continuing operations) - as published	2,540	928	530	282	492	342	100	(740)	4,474
<b>Restatements:</b>									
Bankwest	342	-	-	-	-	(342)	-	-	-
Small Business	(562)	562	-	-	-	-	-	-	-
Other re-segmentation and cost allocations	33	(97)	32	-	-	-	1	31	-
Transfer to discontinued operations	-	-	-	(143)	-	-	(14)	-	(157)
<b>Total restatements</b>	<b>(187)</b>	<b>465</b>	<b>32</b>	<b>(143)</b>	<b>-</b>	<b>(342)</b>	<b>(13)</b>	<b>31</b>	<b>(157)</b>
<b>Cash NPAT (continuing operations) - as restated</b>	<b>2,353</b>	<b>1,393</b>	<b>562</b>	<b>139</b>	<b>492</b>	<b>-</b>	<b>87</b>	<b>(709)</b>	<b>4,317</b>

	Half Year Ended 31 December 2017								
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Management	New Zealand	Bankwest	International Financial Services	Other	Group
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Cash NPAT (continuing operations) - as published	2,653	960	591	281	483	339	78	(626)	4,759
<b>Restatements:</b>									
Bankwest	339	-	-	-	-	(339)	-	-	-
Small Business	(568)	568	-	-	-	-	-	-	-
Other re-segmentation and cost allocations	46	(76)	17	(16)	-	-	(1)	30	-
Transfer to discontinued operations	-	-	-	(149)	-	-	(12)	-	(161)
<b>Total restatements</b>	<b>(183)</b>	<b>492</b>	<b>17</b>	<b>(165)</b>	<b>-</b>	<b>(339)</b>	<b>(13)</b>	<b>30</b>	<b>(161)</b>
<b>Cash NPAT (continuing operations) - as restated</b>	<b>2,470</b>	<b>1,452</b>	<b>608</b>	<b>116</b>	<b>483</b>	<b>-</b>	<b>65</b>	<b>(596)</b>	<b>4,598</b>

### Divisional cash NPAT from discontinued operations

The impact of the following change is presented below:

- Changes to the presentation of discontinued operations

	Half Year Ended 30 June 2018								
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Management	New Zealand	Bankwest	International Financial Services	Other	Group
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Cash NPAT (discontinued operations) - as published	-	-	-	66	47	-	(39)	(7)	67
<b>Restatements:</b>									
Colonial First State Global Asset Management ("CFSGAM")	-	-	-	143	-	-	-	-	143
PT Commonwealth Life ("PTCL")	-	-	-	-	-	-	14	-	14
<b>Total restatements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>143</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>157</b>
<b>Cash NPAT (discontinued operations) - as restated</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>209</b>	<b>47</b>	<b>-</b>	<b>(25)</b>	<b>(7)</b>	<b>224</b>

	Half Year Ended 31 December 2017								
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Management	New Zealand	Bankwest	International Financial Services	Other	Group
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Cash NPAT (discontinued operations) - as published	-	-	-	94	49	-	(24)	(7)	112
<b>Restatements:</b>									
Colonial First State Global Asset Management ("CFSGAM")	-	-	-	149	-	-	-	-	149
PT Commonwealth Life ("PTCL")	-	-	-	-	-	-	12	-	12
<b>Total restatements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>149</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>-</b>	<b>161</b>
<b>Cash NPAT (discontinued operations) - as restated</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>243</b>	<b>49</b>	<b>-</b>	<b>(12)</b>	<b>(7)</b>	<b>273</b>

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# Attachment A



## Divisional cash NPAT from continuing operations by Income Statement line items

The impact of the following changes is presented below:

- Bankwest now consolidated within the Retail Banking Services division
- Small business transferred to the Business and Private Banking division
- Other re-segmentation and cost allocations
- Reclassification of NZ customer loyalty scheme costs
- Changes to the presentation of discontinued operations

	Half Year Ended 30 June 2018								
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Management	New Zealand	Bankwest	International Financial Services	Other	Group
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Cash NPAT (continuing operations) - as published	2,540	928	530	282	492	342	100	(740)	4,474
<b>Restatements:</b>									
Increase/(decrease) in Income	2	1,045	6	(668)	25	(891)	(30)	(8)	(519)
Increase/(decrease) in Investment experience (before tax)	4	-	-	(9)	-	-	(2)	5	(2)
(Increase)/decrease in Operating expenses	(308)	(323)	39	500	(25)	380	11	50	324
(Increase)/decrease in Loan impairment expense	35	(59)	-	-	-	24	-	-	-
(Increase)/decrease in Corporate tax expense	80	(198)	(13)	34	-	145	5	(16)	37
(Increase)/decrease in Non-controlling interest	-	-	-	-	-	-	3	-	3
<b>Total restatements</b>	<b>(187)</b>	<b>465</b>	<b>32</b>	<b>(143)</b>	<b>-</b>	<b>(342)</b>	<b>(13)</b>	<b>31</b>	<b>(157)</b>
<b>Cash NPAT (continuing operations) - as restated</b>	<b>2,353</b>	<b>1,393</b>	<b>562</b>	<b>139</b>	<b>492</b>	<b>-</b>	<b>87</b>	<b>(709)</b>	<b>4,317</b>

	Half Year Ended 31 December 2017								
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Management	New Zealand	Bankwest	International Financial Services	Other	Group
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Cash NPAT (continuing operations) - as published	2,653	960	591	281	483	339	78	(626)	4,759
<b>Restatements:</b>									
Increase/(decrease) in Income	4	1,070	(8)	(652)	24	(885)	(25)	(2)	(474)
Increase/(decrease) in Investment experience (before tax)	4	-	-	(7)	-	-	(3)	(1)	(7)
(Increase)/decrease in Operating expenses	(296)	(311)	36	450	(24)	368	10	47	280
(Increase)/decrease in Loan impairment expense	29	(59)	-	-	-	30	-	-	-
(Increase)/decrease in Corporate tax expense	76	(208)	(11)	44	-	148	2	(14)	37
(Increase)/decrease in Non-controlling interest	-	-	-	-	-	-	3	-	3
<b>Total restatements</b>	<b>(183)</b>	<b>492</b>	<b>17</b>	<b>(165)</b>	<b>-</b>	<b>(339)</b>	<b>(13)</b>	<b>30</b>	<b>(161)</b>
<b>Cash NPAT (continuing operations) - as restated</b>	<b>2,470</b>	<b>1,452</b>	<b>608</b>	<b>116</b>	<b>483</b>	<b>-</b>	<b>65</b>	<b>(596)</b>	<b>4,598</b>

# Attachment A



## Divisional Balance Sheet

The impact of the following changes is presented below:

- Bankwest now consolidated within the Retail Banking Services division
- Small business transferred to the Business and Private Banking division
- Other re-segmentation and cost allocations

As at 30 June 2018									
	Retail Banking Services \$M	Business and Private Banking \$M	Institutional Banking and Markets \$M	Wealth Management \$M	New Zealand \$M	Bankwest \$M	International Financial Services \$M	Other \$M	Group \$M
Total Assets - as published	368,272	117,785	162,716	20,466	89,696	80,819	5,529	129,882	975,165
<b>Restatements</b>									
Bankwest	80,819	-	-	-	-	(80,819)	-	-	-
Small Business	(55,852)	55,852	-	-	-	-	-	-	-
Re-segmentation and cost allocations	4,747	998	(591)	(1,007)	326	-	1	(4,474)	-
<b>Total restatements</b>	29,714	56,850	(591)	(1,007)	326	(80,819)	1	(4,474)	-
<b>Total Assets - as restated</b>	<b>397,986</b>	<b>174,635</b>	<b>162,125</b>	<b>19,459</b>	<b>90,022</b>	<b>-</b>	<b>5,530</b>	<b>125,408</b>	<b>975,165</b>
Total Liabilities - as published	260,508	89,745	153,895	25,202	82,976	53,775	2,419	238,785	907,305
<b>Restatements</b>									
Bankwest	53,775	-	-	-	-	(53,775)	-	-	-
Small Business	(47,086)	47,086	-	-	-	-	-	-	-
Re-segmentation and cost allocations	1,203	(228)	(251)	(747)	-	-	(9)	32	-
<b>Total restatements</b>	7,892	46,858	(251)	(747)	-	(53,775)	(9)	32	-
<b>Total Liabilities - as restated</b>	<b>268,400</b>	<b>136,603</b>	<b>153,644</b>	<b>24,455</b>	<b>82,976</b>	<b>-</b>	<b>2,410</b>	<b>238,817</b>	<b>907,305</b>

As at 31 December 2017									
	Retail Banking Services \$M	Business and Private Banking \$M	Institutional Banking and Markets \$M	Wealth Management \$M	New Zealand \$M	Bankwest \$M	International Financial Services \$M	Other \$M	Group \$M
Total Assets - as published	362,415	115,423	165,273	20,026	85,420	80,048	5,226	128,099	961,930
<b>Restatements</b>									
Bankwest	80,048	-	-	-	-	(80,048)	-	-	-
Small Business	(55,768)	55,768	-	-	-	-	-	-	-
Re-segmentation and cost allocations	4,946	1,093	(835)	(1,105)	325	-	-	(4,424)	-
<b>Total restatements</b>	29,226	56,861	(835)	(1,105)	325	(80,048)	-	(4,424)	-
<b>Total Assets - as restated</b>	<b>391,641</b>	<b>172,284</b>	<b>164,438</b>	<b>18,921</b>	<b>85,745</b>	<b>-</b>	<b>5,226</b>	<b>123,675</b>	<b>961,930</b>
Total Liabilities - as published	258,136	87,588	151,660	24,887	78,917	55,820	2,219	236,612	895,839
<b>Restatements</b>									
Bankwest	55,820	-	-	-	-	(55,820)	-	-	-
Small Business	(46,772)	46,772	-	-	-	-	-	-	-
Re-segmentation and cost allocations	1,097	(315)	41	(771)	-	-	2	(54)	-
<b>Total restatements</b>	10,145	46,457	41	(771)	-	(55,820)	2	(54)	-
<b>Total Liabilities - as restated</b>	<b>268,281</b>	<b>134,045</b>	<b>151,701</b>	<b>24,116</b>	<b>78,917</b>	<b>-</b>	<b>2,221</b>	<b>236,558</b>	<b>895,839</b>

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# Attachment A



## Divisional Cost to Income Ratios from continuing operations

The impact of the following changes is presented below:

- Bankwest now consolidated within the Retail Banking Services division
- Small business transferred to the Business and Private Banking division
- Other re-segmentation and cost allocations
- Reclassification of NZ customer loyalty scheme costs
- Changes to the presentation of discontinued operations

	Half Year Ended 30 June 2018							
	Retail Banking Services <sup>(1)</sup> %	Business and Private Banking %	Institutional Banking and Markets %	Wealth Management %	New Zealand (in NZD) %	Bankwest %	International Financial Services %	Group %
Operating expenses to total operating income (continuing operations) (%) - as published	30.9	36.4	47.7	67.1	36.3	42.6	42.6	45.8
Operating expenses to total operating income (continuing operations) (%) - as restated	36.4	34.7	44.4	55.0	37.7	N/A	43.4	45.1

- (1) Published operating expenses to total operating income (%) for Retail Business Services excludes AHL Holdings Pty Limited (AHL) and eChoice. Restated operating expenses to total operating income (%) represents Retail Banking Services excluding Mortgage Broking and General Insurance.

	Half Year Ended 31 December 2017							
	Retail Banking Services <sup>(1)</sup> %	Business and Private Banking %	Institutional Banking and Markets %	Wealth Management %	New Zealand (in NZD) %	Bankwest %	International Financial Services %	Group %
Operating expenses to total operating income (continuing operations) (%) - as published	30.1	35.7	38.3	66.1	35.6	41.6	51.0	43.7
Operating expenses to total operating income (continuing operations) (%) - as restated	35.1	33.5	35.9	61.6	37.0	N/A	52.3	43.2

- (1) Published operating expenses to total operating income (%) for Retail Business Services excludes AHL and eChoice. Restated operating expenses to total operating income (%) represents Retail Banking Services excluding Mortgage Broking and General Insurance.

# Attachment A



## Group Performance Summary

The impact of the following changes is presented below:

- Reclassification of NZ customer loyalty scheme costs
- Changes to the presentation of discontinued operations

	Half Year Ended 30 Jun 18		Half Year Ended 31 Dec 17	
	As Restated	As Published	As Restated	As Published
	\$M	\$M	\$M	\$M
Net interest income	9,085	9,086	9,257	9,255
Other banking income	2,509	2,495	2,706	2,687
<b>Total banking income</b>	<b>11,594</b>	<b>11,581</b>	<b>11,963</b>	<b>11,942</b>
Funds management income	551	1,052	568	1,039
Insurance income	126	157	112	136
<b>Total operating income</b>	<b>12,271</b>	<b>12,790</b>	<b>12,643</b>	<b>13,117</b>
Investment experience	2	4	6	13
<b>Total income</b>	<b>12,273</b>	<b>12,794</b>	<b>12,649</b>	<b>13,130</b>
Operating expenses	(5,539)	(5,863)	(5,456)	(5,736)
Loan impairment expense	(483)	(483)	(596)	(596)
<b>Net profit before tax</b>	<b>6,251</b>	<b>6,448</b>	<b>6,597</b>	<b>6,798</b>
Corporate tax expense	(1,927)	(1,964)	(1,993)	(2,030)
Non controlling interests	(7)	(10)	(6)	(9)
<b>Net profit after tax from continuing operations</b>	<b>4,317</b>	<b>4,474</b>	<b>4,598</b>	<b>4,759</b>
Net profit after tax from discontinued operations	224	67	273	112
<b>Net profit after tax ("cash basis")</b>	<b>4,541</b>	<b>4,541</b>	<b>4,871</b>	<b>4,871</b>
Loss on acquisition, disposal, closure and demerger of businesses	(126)	(126)	(57)	(57)
Hedging and IFRS volatility	5	5	96	96
Other non-cash items	3	3	(4)	(4)
<b>Net profit after tax ("statutory basis")</b>	<b>4,423</b>	<b>4,423</b>	<b>4,906</b>	<b>4,906</b>

Indicates key changes

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# Attachment A



## Consolidated Balance Sheet

The impact of the following changes is presented below:

- Certain capitalised software licences balances have been reclassified from other assets to intangible assets

	As at 30 Jun 18		As at 31 Dec 17	
	As Restated	As Published	As Restated	As Published
	\$M	\$M	\$M	\$M
<b>Assets</b>				
Cash and liquid assets	36,417	36,417	37,322	37,322
Receivables due from other financial institutions	9,222	9,222	6,955	6,955
Assets at fair value through Income Statement:				
Trading	32,254	32,254	34,696	34,696
Insurance	372	372	382	382
Other	258	258	1,038	1,038
Derivative assets	32,133	32,133	25,228	25,228
Investment securities:				
At amortised cost	-	-	-	-
At fair value through Other Comprehensive	-	-	-	-
Available-for-sale investments	82,240	82,240	83,913	83,913
Loans, bills discounted and other receivables	743,365	743,365	736,316	736,316
Bank acceptances of customers	379	379	222	222
Property, plant and equipment	2,576	2,576	2,635	2,635
Investment in associates and joint ventures	2,842	2,842	2,750	2,750
Intangible assets	9,090	9,023	9,140	9,038
Deferred tax assets	1,439	1,439	1,291	1,291
Other assets	6,924	6,991	5,147	5,249
Assets held for sale	15,654	15,654	14,895	14,895
<b>Total assets</b>	<b>975,165</b>	<b>975,165</b>	<b>961,930</b>	<b>961,930</b>
<b>Liabilities</b>				
Deposits and other public borrowings	622,234	622,234	624,897	624,897
Payables due to other financial institutions	20,899	20,899	24,466	24,466
Liabilities at fair value through Income	10,247	10,247	9,350	9,350
Derivative liabilities	28,472	28,472	23,563	23,563
Bank acceptances	379	379	222	222
Current tax liabilities	952	952	642	642
Other provisions	1,889	1,889	2,120	2,120
Insurance policy liabilities	451	451	481	481
Debt issues	172,294	172,294	166,510	166,510
Bills payable and other liabilities	11,596	11,596	8,861	8,861
Liabilities held for sale	14,900	14,900	14,543	14,543
	<b>884,313</b>	<b>884,313</b>	<b>875,655</b>	<b>875,655</b>
Loan capital	22,992	22,992	20,184	20,184
<b>Total liabilities</b>	<b>907,305</b>	<b>907,305</b>	<b>895,839</b>	<b>895,839</b>
<b>Net assets</b>	<b>67,860</b>	<b>67,860</b>	<b>66,091</b>	<b>66,091</b>
<b>Shareholders' Equity</b>				
Ordinary share capital	37,270	37,270	36,776	36,776
Reserves	1,676	1,676	1,494	1,494
Retained profits	28,360	28,360	27,267	27,267
<b>Shareholders' Equity attributable to Equity holders of the Bank</b>	<b>67,306</b>	<b>67,306</b>	<b>65,537</b>	<b>65,537</b>
Non-controlling interests	554	554	554	554
<b>Total Shareholders' Equity</b>	<b>67,860</b>	<b>67,860</b>	<b>66,091</b>	<b>66,091</b>

Indicates key changes



# Attachment A



## Updated Financial Comparative Tables for the 2019 Interim Profit Announcement

### Group Performance Summary

	Half Year Ended ("cash basis")		
	31 Dec 18	30 Jun 18	31 Dec 17
	\$M	\$M	\$M
Net interest income	-	9,085	9,257
Other banking income	-	2,509	2,706
Total banking income	-	11,594	11,963
Funds management income	-	551	568
Insurance income	-	126	112
Total operating income	-	12,271	12,643
Investment experience	-	2	6
Total income	-	12,273	12,649
Operating expenses	-	(5,539)	(5,456)
Loan impairment expense	-	(483)	(596)
Net profit before tax	-	6,251	6,597
Corporate tax expense	-	(1,927)	(1,993)
Non-controlling interests	-	(7)	(6)
<b>Net profit after tax from continuing operations</b>	-	4,317	4,598
Net profit after tax from discontinued operations	-	224	273
<b>Net profit after tax</b>	-	4,541	4,871
Loss on acquisition, disposal, closure and demerger of businesses	-	(126)	(57)
Hedging and IFRS volatility	-	5	96
Other non-cash items	-	3	(4)
<b>Net profit after tax ("statutory basis")</b>	-	4,423	4,906
<b>Cash net profit after tax, by division</b>			
Retail Banking Services	-	2,353	2,470
Business and Private Banking	-	1,393	1,452
Institutional Banking and Markets	-	562	608
Wealth Management	-	139	116
New Zealand	-	492	483
IFS	-	87	65
Other	-	(709)	(596)
<b>Net profit after tax from continuing operations ("cash basis")</b>	-	4,317	4,598

# Attachment A



## Key Performance Indicators

	Half Year Ended		
	31 Dec 18	30 Jun 18	31 Dec 17
<b>Group Performance from continuing operations</b>			
Statutory net profit after tax (\$M)	-	4,299	4,758
Cash net profit after tax (\$M)	-	4,317	4,598
Net interest margin (%)	-	2.14	2.16
Operating expenses to total operating income (%)	-	45.1	43.2
Spot number of full-time equivalent staff (FTE)	-	42,462	41,308
Jaw s (%)	-	n/a	n/a
Effective corporate tax rate ("cash basis") (%)	-	30.8	30.2
Profit after capital charge (PACC) (\$M)	-	2,543	2,984
Average interest earning assets (\$M)	-	857,050	851,522
Average interest bearing liabilities (\$M)	-	761,752	757,449
Funds Under Administration (FUA) - average (\$M)	-	156,896	151,008
Assets Under Management (AUM) - average (\$M)	-	13,484	12,305
<b>Group Performance including discontinued operations</b>			
Statutory net profit after tax (\$M)	-	4,423	4,906
Cash net profit after tax (\$M)	-	4,541	4,871
Net interest margin (%)	-	2.15	2.16
Operating expenses to total operating income (%)	-	46.7	44.3
Spot number of full-time equivalent staff (FTE)	-	45,753	44,458
Jaw s (%)	-	n/a	n/a
Effective corporate tax rate ("cash basis") (%)	-	30.5	29.9
Profit after capital charge (PACC) (\$M)	-	2,657	3,126
Average interest earning assets (\$M)	-	857,124	851,606
Average interest bearing liabilities (\$M)	-	762,623	758,312
Funds Under Administration (FUA) - average (\$M)	-	167,809	162,219
Assets Under Management (AUM) - average (\$M)	-	217,818	225,116
Average inforce premiums (\$M)	-	3,169	3,308

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# Attachment A



## Key Performance Indicators

	Half Year Ended		
	31 Dec 18	30 Jun 18	31 Dec 17
<b>Shareholder Returns from continuing operations</b>			
Earnings Per Share (EPS) (cents)			
Statutory basis - basic	-	245.1	273.7
Cash basis - basic	-	246.0	264.3
Return on equity (ROE) (%)			
Statutory basis	-	13.0	14.7
Cash basis	-	13.1	14.2
<b>Shareholder Returns including discontinued operations</b>			
Earnings Per Share (EPS) (cents)			
Statutory basis - basic	-	252.2	282.2
Cash basis - basic	-	258.8	280.0
Return on equity (ROE) (%)			
Statutory basis	-	13.4	15.1
Cash basis	-	13.8	15.0
Dividends per share - fully franked (cents)	-	231	200
Dividend cover - "cash basis" (times)	-	1.1	1.4
Dividend payout ratio (%)			
Statutory basis	-	91.9	71.4
Cash basis	-	89.5	72.0
<b>Capital (Basel III) including discontinued operations</b>			
Common Equity Tier 1 (Internationally Comparable) (%)	-	15.5	16.3
Common Equity Tier 1 (APRA) (%)	-	10.1	10.4
Risk weighted assets (RWA) (\$M) - Basel III	-	458,612	440,836
<b>Leverage Ratio (Basel III) including discontinued operations</b>			
Leverage Ratio (Internationally Comparable) (%)	-	6.3	6.1
Leverage Ratio (APRA) (%)	-	5.5	5.4
<b>Liquidity Metrics including discontinued operations</b>			
Liquidity Coverage Ratio (%)	-	133	135
Net Stable Funding Ratio (%)	-	112	110
<b>Credit Quality Metrics including discontinued operations</b>			
Loan impairment expense ("cash basis") annualised as a % of average GLAAs	-	0.13	0.16
Gross impaired assets as a % of GLAAs	-	0.42	0.45
Credit risk weighted assets (RWA) (\$M) - Basel III	-	369,528	366,985

# Attachment A



## Key Performance Indicators

	Half Year Ended		
	31 Dec 18	30 Jun 18	31 Dec 17
<b>Retail Banking Services <sup>(1)</sup></b>			
Cash net profit after tax (\$M)	-	2,289	2,414
Net interest margin (%)	-	2.71	2.77
Average interest earning assets (AIEA) (\$M) <sup>(2)</sup>	-	355,210	349,437
Operating expenses to total operating income (%) <sup>(3)</sup>	-	36.4	35.1
<b>Business and Private Banking</b>			
Cash net profit after tax (\$M)	-	1,393	1,452
Net interest margin (%)	-	3.17	3.16
Average interest earning assets (AIEA) (\$M) <sup>(2)</sup>	-	162,000	161,259
Operating expenses to total banking income (%) <sup>(3)</sup>	-	34.7	33.5
<b>Institutional Banking and Markets</b>			
Cash net profit after tax (\$M)	-	562	608
Net interest margin (%)	-	1.05	1.01
Average interest earning assets (AIEA) (\$M)	-	135,515	142,300
Operating expenses to total banking income (%) <sup>(3)</sup>	-	44.4	35.9
<b>Wealth Management <sup>(4)</sup></b>			
Cash net profit after tax (\$M)	-	139	116
Operating expenses to total operating income (%) <sup>(3)</sup>	-	55.0	61.6
FUA - average (\$M)	-	144,625	139,104
<b>New Zealand <sup>(4)</sup></b>			
Cash net profit after tax (\$M)	-	492	483
Net interest margin (ASB) (%) <sup>(5)</sup>	-	2.27	2.20
Average interest earning assets (AIEA) (ASB) (NZ\$M) <sup>(5)</sup>	-	91,054	88,525
Operating expenses to total operating income (ASB) (%) <sup>(3) (5)</sup>	-	36.4	35.5
FUA - average (ASB) (NZ\$M) <sup>(5)</sup>	-	13,280	12,971
AUM - average (ASB) (NZ\$M) <sup>(5)</sup>	-	14,591	13,471

(1) Excludes Mortgage Broking and General Insurance.

(2) Net of average mortgage offset balances.

(3) Presented on a "cash basis".

(4) Presented on a continuing operations basis.

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

# Attachment A



## Retail Banking Services

	Half Year Ended		
	Retail Banking (Excl. Mortgage Broking and General Insurance)		
	31 Dec 18	30 Jun 18	31 Dec 17
	\$M	\$M	\$M
Net interest income	-	4,774	4,875
Other banking income	-	809	843
Total banking income	-	5,583	5,718
Funds Management Income	-	66	103
Insurance Income	-	-	-
Total Operating Income	-	5,649	5,821
Operating Expenses	-	(2,057)	(2,045)
Loan Impairment Expense	-	(325)	(327)
Net Profit before tax	-	3,267	3,449
Corporate tax expense	-	(978)	(1,035)
Underlying net profit after tax	-	2,289	2,414
Investment experience after tax	-	-	-
<b>Cash net profit after tax</b>	-	2,289	2,414
Cash net profit after tax from AHL, Finconnect & General Insurance	-	64	56
<b>Total Cash net profit after tax</b>	-	2,353	2,470

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# Attachment A



## Retail Banking Services

	Half Year Ended		
	Retail Banking (Excl. Mortgage Broking and General Insurance)		
	31 Dec 18	30 Jun 18	31 Dec 17
	\$M	\$M	\$M
<b>Income analysis</b>			
<b>Net interest income</b>			
Home loans	-	2,363	2,541
Consumer finance <sup>(1)</sup>	-	907	908
Business lending	-	93	96
Deposits	-	1,411	1,330
<b>Total net interest income</b>	-	4,774	4,875
<b>Other banking income</b>			
Home loans	-	130	132
Consumer finance <sup>(1)</sup>	-	279	285
Business lending	-	23	26
Deposits	-	251	230
Distribution & Other <sup>(2)</sup>	-	126	170
<b>Total other banking income</b>	-	809	843
<b>Total banking income</b>	-	5,583	5,718

(1) Consumer finance includes personal loans and credit cards.

(2) Other includes asset finance and merchants. Distribution includes income associated with the sale of foreign exchange products.

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# Attachment A



## Retail Banking Services

	As at		
	31 Dec 18 \$M	30 Jun 18 \$M	31 Dec 17 \$M
<b>Balance Sheet (Excl. Mortgage Broking and General Insurance)</b>			
Home loans	-	364,840	358,038
Consumer finance <sup>(1)</sup>	-	16,051	16,310
Business loans	-	9,652	9,905
Other interest earning assets	-	931	1,037
<b>Total interest earning assets</b>	-	<b>391,474</b>	<b>385,290</b>
Other assets	-	4,659	4,419
<b>Total assets</b>	-	<b>396,133</b>	<b>389,709</b>
Transaction deposits	-	32,834	31,213
Savings deposits	-	110,507	112,391
Investment deposits and other	-	96,286	97,385
<b>Total interest bearing deposits</b>	-	<b>239,627</b>	<b>240,989</b>
Non-interest bearing transaction deposits	-	23,909	22,919
Other non-interest bearing liabilities	-	4,044	3,513
<b>Total liabilities</b>	-	<b>267,580</b>	<b>267,421</b>

	Half Year Ended		
	31 Dec 18	30 Jun 18	31 Dec 17
<b>Key Financial Metrics (Excl. Mortgage Broking and General Insurance)</b>			
<b>Performance indicators</b>			
Net interest margin (%)	-	2.71	2.77
Return on assets (%)	-	1.2	1.2
Total operating expenses to total operating income (%)	-	36.4	35.1
Impairment expense annualised as a % of average GLAAs (%)	-	0.17	0.17
<b>Other information</b>			
Average interest earning assets (\$M) <sup>(2)</sup>	-	355,210	349,437
90+ days home loan arrears (%)	-	0.74	0.63
90+ days consumer finance arrears (%)	-	1.25	1.04
Number of full-time equivalent staff (FTE)	-	15,491	15,479

(1) Consumer finance includes personal loans and credit cards.

(2) Average interest earning assets are presented net of mortgage offset balances, which reduce customer interest payments. Net average interest earning assets are also used in the calculation of divisional net interest margin.

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# Attachment A



## Business and Private Banking

	Half Year Ended		
	31 Dec 18	30 Jun 18	31 Dec 17
	\$M	\$M	\$M
Net interest income	-	2,550	2,565
Other banking income	-	709	716
<b>Total banking income</b>	-	<b>3,259</b>	<b>3,281</b>
Operating expenses	-	(1,130)	(1,100)
Loan impairment expense	-	(139)	(108)
Net profit before tax	-	1,990	2,073
Corporate tax expense	-	(597)	(621)
<b>Cash net profit after tax</b>	-	<b>1,393</b>	<b>1,452</b>
<b>Income analysis</b>			
<b>Net interest income</b>			
Small Business Banking	-	1,074	1,097
Business and Corporate Banking	-	843	834
Regional and Agribusiness	-	359	361
Private Bank	-	175	176
CommSec	-	99	97
<b>Total net interest income</b>	-	<b>2,550</b>	<b>2,565</b>
<b>Other banking income</b>			
Small Business Banking	-	224	237
Business and Corporate Banking	-	257	250
Regional and Agribusiness	-	66	66
Private Bank	-	32	32
CommSec	-	130	131
<b>Total other banking income</b>	-	<b>709</b>	<b>716</b>
<b>Total banking income</b>	-	<b>3,259</b>	<b>3,281</b>
<b>Income by product</b>			
Business products	-	1,902	1,884
Retail products	-	1,160	1,196
Equities and Margin Lending	-	174	176
Other	-	23	25
<b>Total banking income</b>	-	<b>3,259</b>	<b>3,281</b>



# Attachment A



## Business and Private Banking

	As at		
	31 Dec 18	30 Jun 18	31 Dec 17
	\$M	\$M	\$M
<b>Balance Sheet</b>			
Home loans	-	87,045	86,489
Business loans	-	80,547	78,888
Margin loans	-	2,750	2,694
Consumer finance	-	2,460	2,558
Total interest earning assets	-	172,802	170,629
Non-lending interest earning assets	-	114	106
Other assets <sup>(1)</sup>	-	1,719	1,549
<b>Total assets</b>	-	174,635	172,284
Transaction deposits	-	23,231	21,577
Savings deposits	-	50,757	51,372
Investment deposits and other	-	40,691	40,407
Total interest bearing deposits	-	114,679	113,356
Debt Issues and Other	-	39	39
Non-interest bearing transaction deposits	-	20,601	19,601
Other non-interest bearing liabilities	-	1,284	1,049
<b>Total liabilities</b>	-	136,603	134,045
<b>Key Financial Metrics</b>			
	Half Year Ended		
	31 Dec 18	30 Jun 18	31 Dec 17
<b>Performance indicators</b>			
Net interest margin (%)	-	3.17	3.16
Return on assets (%)	-	1.6	1.7
Operating expenses to total banking income (%)	-	34.7	33.5
Impairment expense annualised as a % of average GLAAs (%)	-	0.16	0.13
<b>Other information</b>			
Average interest earning assets (\$M) <sup>(2)</sup>	-	162,000	161,259
Number of full-time equivalent staff (FTE)	-	4,112	4,119

(1) Other assets include Intangible assets.

(2) Average interest earning assets are presented net of mortgage offset balances, which reduce customer interest payments. Net average interest earning assets are also used in the calculation of divisional net interest margin.

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# Attachment A



## Institutional Banking and Markets

	Half Year Ended		
	31 Dec 18 \$M	30 Jun 18 \$M	31 Dec 17 \$M
Net interest income	-	707	727
Other banking income	-	556	681
<b>Total banking income</b>	-	1,263	1,408
Operating expenses	-	(561)	(506)
Loan impairment expense	-	25	(105)
Net profit before tax	-	727	797
Corporate tax expense	-	(165)	(189)
<b>Cash net profit after tax</b>	-	562	608
<b>Income analysis</b>			
<b>Net interest income</b>			
Institutional Banking	-	623	635
Markets	-	84	92
<b>Total net interest income</b>	-	707	727
<b>Other banking income</b>			
Institutional Banking	-	288	334
Markets	-	268	347
<b>Total other banking income</b>	-	556	681
<b>Total banking income</b>	-	1,263	1,408
<b>Income by product</b>			
Institutional products	-	811	825
Asset leasing	-	100	144
Markets (excluding derivative valuation adjustments)	-	349	440
<b>Total banking income excluding derivative valuation adjustments</b>	-	1,260	1,409
Derivative valuation adjustments <sup>(1)</sup>	-	3	(1)
<b>Total banking income</b>	-	1,263	1,408

(1) Derivative valuation adjustments include both net interest income and other banking income adjustments.

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# Attachment A



## Institutional Banking and Markets

	As at		
	31 Dec 18	30 Jun 18	31 Dec 17
	\$M	\$M	\$M
<b>Balance Sheet</b>			
Interest earning lending assets	-	104,615	109,193
Non-lending interest earning assets	-	27,707	30,703
Other assets <sup>(1)</sup>	-	29,803	24,542
<b>Total assets</b>	-	162,125	164,438
Transaction deposits	-	45,699	46,478
Savings deposits	-	6,705	6,364
Investment deposits	-	44,391	45,696
Certificates of deposit and other	-	12,832	13,049
<b>Total interest bearing deposits</b>	-	109,627	111,587
Due to other financial institutions	-	12,719	14,880
Debt issues and other <sup>(2)</sup>	-	9,343	7,861
Non-interest bearing liabilities <sup>(1)</sup>	-	21,955	17,373
<b>Total liabilities</b>	-	153,644	151,701

	Half Year Ended		
	31 Dec 18	30 Jun 18	31 Dec 17
<b>Key Financial Metrics</b>			
<b>Performance indicators</b>			
Net interest margin (%)	-	1.05	1.01
Return on assets (%)	-	0.7	0.7
Operating expenses to total banking income (%)	-	44.4	35.9
Impairment expense annualised as a % of average GLAAs (%)	-	(0.05)	0.18
<b>Other information</b>			
Average interest earning assets (\$M)	-	135,515	142,300
Corporate total committed exposures rated investment grade (%)	-	86.2	86.0
Number of full-time equivalent staff (FTE)	-	1,263	1,218

(1) Other assets include Intangible assets and Derivative assets. Non-interest bearing liabilities include Derivative liabilities.

(2) Debt issues and other includes Bank acceptances and Liabilities at fair value.

# Attachment A



## Wealth Management

	Half Year Ended		
	31 Dec 18 \$M	30 Jun 18 \$M	31 Dec 17 \$M
Funds management income	-	424	417
Operating expenses	-	(233)	(257)
Net profit before tax	-	191	160
Corporate tax expense	-	(57)	(47)
Underlying profit after tax	-	134	113
Investment experience after tax	-	5	3
<b>Cash net profit after tax from continuing operations</b>	-	139	116
Cash net profit after tax from discontinued operations	-	209	243
<b>Cash net profit after tax</b>	-	348	359

Key Financial Metrics (continuing operations)	31 Dec 18	30 Jun 18	31 Dec 17
<b>Performance indicators</b>			
Operating expenses to total operating income (%)	-	55.0	61.6
FUA - average (\$M)	-	144,625	139,104
FUA - spot (\$M)	-	147,999	143,668
Number of full-time equivalent staff (FTE)	-	1,305	1,382

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# Attachment A



## Wealth Management

	Half Year Ended			Half Year Ended					
	Continuing operations			Discontinued operations					
	Colonial First State			CFS Global Asset Management			Life Insurance Businesses		
	31 Dec 18	30 Jun 18	31 Dec 17	31 Dec 18	30 Jun 18	31 Dec 17	31 Dec 18	30 Jun 18	31 Dec 17
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Funds management income	-	424	417	-	503	472	-	50	46
Insurance income	-	-	-	-	-	-	-	156	181
Total operating income	-	424	417	-	503	472	-	206	227
Operating expenses	-	(233)	(257)	-	(333)	(289)	-	(141)	(131)
Net profit before tax	-	191	160	-	170	183	-	65	96
Corporate tax expense	-	(57)	(47)	-	(32)	(36)	-	(20)	(29)
Underlying profit after tax	-	134	113	-	138	147	-	45	67
Investment experience after tax	-	5	3	-	5	2	-	21	27
<b>Cash net profit after tax</b>	-	139	116	-	143	149	-	66	94

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# Attachment A



## New Zealand

	Half Year Ended		
	31 Dec 18	30 Jun 18	31 Dec 17
<b>New Zealand (A\$M)</b>	<b>A\$M</b>	<b>A\$M</b>	<b>A\$M</b>
Net interest income	-	911	849
Other banking income <sup>(1)</sup>	-	208	207
<b>Total banking income</b>	<b>-</b>	<b>1,119</b>	<b>1,056</b>
Funds management income	-	59	53
<b>Total operating income</b>	<b>-</b>	<b>1,178</b>	<b>1,109</b>
Operating expenses	-	(445)	(415)
Loan impairment expense	-	(51)	(23)
Net profit before tax	-	682	671
Corporate tax expense	-	(190)	(188)
<b>Cash net profit after tax from continuing operations</b>	<b>-</b>	<b>492</b>	<b>483</b>
Cash net profit after tax from discontinued operations	-	47	49
<b>Cash net profit after tax</b>	<b>-</b>	<b>539</b>	<b>532</b>

	Half Year Ended		
	31 Dec 18	30 Jun 18	31 Dec 17
<b>New Zealand (NZ\$M)</b>	<b>NZ\$M</b>	<b>NZ\$M</b>	<b>NZ\$M</b>
Net interest income	-	985	931
Other banking income	-	230	235
<b>Total banking income</b>	<b>-</b>	<b>1,215</b>	<b>1,166</b>
Funds management income	-	64	58
<b>Total operating income</b>	<b>-</b>	<b>1,279</b>	<b>1,224</b>
Operating expenses	-	(482)	(453)
Loan impairment expense	-	(54)	(26)
Net profit before tax	-	743	745
Corporate tax expense	-	(207)	(209)
<b>Cash net profit after tax from continuing operations</b>	<b>-</b>	<b>536</b>	<b>536</b>
Cash net profit after tax from discontinued operations	-	53	53
<b>Cash net profit after tax</b>	<b>-</b>	<b>589</b>	<b>589</b>
<b>Represented by:</b>			
ASB	-	568	575
Other <sup>(2)</sup>	-	(32)	(39)
Sovereign (discontinued operations)	-	53	53
<b>Cash net profit after tax</b>	<b>-</b>	<b>589</b>	<b>589</b>

- (1) Other banking income disclosed in AUD includes realised gains or losses associated with the hedging of New Zealand operations earnings.  
 (2) Other includes ASB funding entities and elimination entries between New Zealand segment entities.

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# Attachment A



## New Zealand

Key Financial Metrics (continuing operations) <sup>(1)</sup>	Half Year Ended		
	31 Dec 18	30 Jun 18	31 Dec 17
<b>Performance indicator</b>			
Operating expenses to total operating income (%)	-	37.7	37.0

ASB (NZ\$M)	Half Year Ended		
	31 Dec 18 NZ\$M	30 Jun 18 NZ\$M	31 Dec 17 NZ\$M
Net interest income	-	1,024	984
Other banking income	-	235	235
Total banking income	-	1,259	1,219
Funds management income	-	64	58
Total operating income	-	1,323	1,277
Operating expenses	-	(482)	(453)
Loan impairment expense	-	(54)	(26)
Net profit before tax	-	787	798
Corporate tax expense	-	(219)	(223)
<b>Cash net profit after tax</b>	<b>-</b>	<b>568</b>	<b>575</b>

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

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# Attachment A



## New Zealand

	As at		
	31 Dec 18 NZ\$M	30 Jun 18 NZ\$M	31 Dec 17 NZ\$M
<b>ASB Balance Sheet (NZ\$M)</b>			
Home loans	-	53,918	52,580
Business and rural lending	-	27,054	25,816
Other interest earning assets	-	2,212	2,214
<b>Total lending interest earning assets</b>	<b>-</b>	<b>83,184</b>	<b>80,610</b>
Non-lending interest earning assets	-	9,861	8,943
Other assets	-	2,320	1,772
<b>Total assets</b>	<b>-</b>	<b>95,365</b>	<b>91,325</b>
Customer deposits	-	55,923	54,516
Debt issues	-	20,053	17,771
Other interest bearing liabilities	-	3,298	3,418
<b>Total interest bearing liabilities</b>	<b>-</b>	<b>79,274</b>	<b>75,705</b>
Non-interest bearing liabilities	-	6,591	6,339
<b>Total liabilities</b>	<b>-</b>	<b>85,865</b>	<b>82,044</b>

	Half Year Ended		
	31 Dec 18	30 Jun 18	31 Dec 17
<b>ASB Key Financial Metrics <sup>(1)</sup></b>			
<b>Performance indicators</b>			
Net interest margin (%)	-	2.27	2.20
Return on assets (%)	-	1.2	1.3
Operating expenses to total operating income (%)	-	36.4	35.5
Impairment expense annualised as a % of average GLAAs (%)	-	0.13	0.06
<b>Other information</b>			
Average interest earning assets (NZ\$M)	-	91,054	88,525
FUA - average (NZ\$M)	-	13,280	12,971
FUA - spot (NZ\$M)	-	13,525	13,325
AUM - average (NZ\$M) <sup>(2)</sup>	-	14,591	13,417
AUM - spot (NZ\$M) <sup>(2)</sup>	-	15,090	14,243
90+ days home loan arrears (%)	-	0.14	0.12
90+ days consumer finance arrears (%)	-	0.43	0.50
Number of full-time equivalent staff (FTE)	-	4,857	4,826

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

(2) AUM includes NZD spot balances managed by CFS Global Asset Management (30 June 2018: NZD7,635 million, 31 December 2017: NZD7,222 million). These are also included in the AUM balances reported by CFS Global Asset Management (discontinued operations).



# Attachment A



## International Financial Services

	Half Year Ended		
	31 Dec 18	30 Jun 18	31 Dec 17
	\$M	\$M	\$M
<b>International Financial Services <sup>(1)</sup></b>			
Net interest income	-	53	62
Other banking income	-	173	154
<b>Total banking income</b>	-	226	216
Operating expenses	-	(98)	(113)
Loan impairment expense	-	(32)	(33)
Net profit before tax	-	96	70
Corporate tax expense	-	(9)	(5)
<b>Cash net profit after tax from continuing operations</b>	-	87	65
Cash net profit after tax from discontinued operations <sup>(2)</sup>	-	(25)	(12)
<b>Cash net profit after tax</b>	-	62	53

	Half Year Ended		
	31 Dec 18	30 Jun 18	31 Dec 17
<b>Key Financial Metrics (continuing operations)</b>			
<b>Performance indicators</b>			
Return on assets (%)	-	3.9	2.8
Operating expenses to total operating income (%)	-	43.4	52.3
Impairment expense annualised as a % of average GLAAs (%)	-	3.53	4.48
<b>Other information</b>			
Number of full-time equivalent staff (FTE)	-	1,833	1,995

- (1) IFS does not include the Business and Private Banking, Institutional Banking and Markets and Colonial First State Global Asset Management businesses in Asia.
- (2) Discontinued operations include BoComm Life, TymeDigital, Vietnam COE and PTCL and its subsidiary.

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# Attachment A



## Other

	Half Year Ended		
	31 Dec 18 \$M	30 Jun 18 \$M	31 Dec 17 \$M
<b>Corporate Centre (including eliminations)</b>			
Net interest income	-	92	181
Other banking income	-	(58)	42
<b>Total banking income</b>	-	34	223
Funds management income	-	2	(5)
Insurance income	-	(3)	(1)
<b>Total operating income</b>	-	33	217
Operating expenses <sup>(1)</sup>	-	(865)	(923)
Loan impairment (expense)/benefit	-	39	-
<b>Net loss before tax</b>	-	(793)	(706)
Corporate tax benefit	-	99	118
Non-controlling interests	-	(7)	(6)
<b>Underlying loss after tax</b>	-	(701)	(594)
Investment experience after tax	-	(8)	(2)
<b>Cash net loss after tax from continuing operations</b>	-	(709)	(596)
Cash net loss after tax from discontinued operations	-	(7)	(7)
<b>Cash net loss after tax</b>	-	(716)	(603)

(1) The half year ended 31 December 2017 includes \$375 million for the AUSTRAC civil penalty and one-off regulatory spend of \$110 million. The half year ended 30 June 2018 includes \$325 million for the AUSTRAC civil penalty and one-off regulatory spend of \$45 million.

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## Financial Reporting By Segments

Half Year Ended 30 June 2018

	Retail Banking Services \$M	Business and Private Banking \$M	Institutional Banking and Markets \$M	Wealth Management \$M	New Zealand \$M	International Financial Services \$M	Other \$M	Total \$M
Net interest income	4,772	2,550	707	-	911	53	92	9,085
Other banking income	921	709	556	-	208	173	(58)	2,509
<b>Total banking income</b>	5,693	3,259	1,263	-	1,119	226	34	11,594
Funds management income	66	-	-	424	59	-	2	551
Insurance income	129	-	-	-	-	-	(3)	126
<b>Total operating income</b>	5,888	3,259	1,263	424	1,178	226	33	12,271
Investment experience	4	-	-	6	-	-	(8)	2
<b>Total income</b>	5,892	3,259	1,263	430	1,178	226	25	12,273
Operating expenses	(2,207)	(1,130)	(561)	(233)	(445)	(98)	(865)	(5,539)
Loan impairment (expense)/benefit	(325)	(139)	25	-	(51)	(32)	39	(483)
<b>Net profit before tax</b>	3,360	1,990	727	197	682	96	(801)	6,251
Corporate tax (expense)/benefit	(1,007)	(597)	(165)	(58)	(190)	(9)	99	(1,927)
Non-controlling interests	-	-	-	-	-	-	(7)	(7)
<b>Net profit after tax from continuing operations - "cash basis"</b>	2,353	1,393	562	139	492	87	(709)	4,317
Net profit after tax from discontinued operations	-	-	-	209	47	(25)	(7)	224
<b>Net profit after tax - "cash basis"</b>	2,353	1,393	562	348	539	62	(716)	4,541
Gain/ (loss) on disposal and acquisition of entities net of transaction costs	-	-	-	(38)	3	(91)	-	(126)
Hedging and IFRS volatility	-	-	-	-	(19)	-	24	5
Other non-cash items	(2)	-	-	5	-	-	-	3
<b>Net profit after tax - "statutory basis"</b>	2,351	1,393	562	315	523	(29)	(692)	4,423
<b>Additional information</b>								
<b>Balance Sheet</b>								
Total assets	397,986	174,635	162,125	19,459	90,022	5,530	125,408	975,165
Total liabilities	268,400	136,603	153,644	24,455	82,976	2,410	238,817	907,305

## Financial Reporting By Segments

Half Year Ended 31 December 2017

	Retail Banking Services \$M	Business and Private Banking \$M	Institutional Banking and Markets \$M	Wealth Management \$M	New Zealand \$M	International Financial Services \$M	Other \$M	Total \$M
Net interest income	4,873	2,565	727	-	849	62	181	<b>9,257</b>
Other banking income	906	716	681	-	207	154	42	<b>2,706</b>
<b>Total banking income</b>	<b>5,779</b>	<b>3,281</b>	<b>1,408</b>	<b>-</b>	<b>1,056</b>	<b>216</b>	<b>223</b>	<b>11,963</b>
Funds management income	103	-	-	417	53	-	(5)	<b>568</b>
Insurance income	113	-	-	-	-	-	(1)	<b>112</b>
<b>Total operating income</b>	<b>5,995</b>	<b>3,281</b>	<b>1,408</b>	<b>417</b>	<b>1,109</b>	<b>216</b>	<b>217</b>	<b>12,643</b>
Investment experience	4	-	-	4	-	-	(2)	<b>6</b>
<b>Total income</b>	<b>5,999</b>	<b>3,281</b>	<b>1,408</b>	<b>421</b>	<b>1,109</b>	<b>216</b>	<b>215</b>	<b>12,649</b>
Operating expenses	(2,142)	(1,100)	(506)	(257)	(415)	(113)	(923)	<b>(5,456)</b>
Loan impairment (expense)/benefit	(327)	(108)	(105)	-	(23)	(33)	-	<b>(596)</b>
<b>Net profit before tax</b>	<b>3,530</b>	<b>2,073</b>	<b>797</b>	<b>164</b>	<b>671</b>	<b>70</b>	<b>(708)</b>	<b>6,597</b>
Corporate tax (expense)/benefit	(1,060)	(621)	(189)	(48)	(188)	(5)	118	<b>(1,993)</b>
Non-controlling interests	-	-	-	-	-	-	(6)	<b>(6)</b>
<b>Net profit after tax from continuing operations - "cash basis"</b>	<b>2,470</b>	<b>1,452</b>	<b>608</b>	<b>116</b>	<b>483</b>	<b>65</b>	<b>(596)</b>	<b>4,598</b>
Net profit after tax from discontinued operations	-	-	-	243	49	(12)	(7)	<b>273</b>
<b>Net profit after tax - "cash basis"</b>	<b>2,470</b>	<b>1,452</b>	<b>608</b>	<b>359</b>	<b>532</b>	<b>53</b>	<b>(603)</b>	<b>4,871</b>
Gain/ (loss) on disposal and acquisition of entities net of transaction costs	58	-	-	(101)	(21)	7	-	<b>(57)</b>
Hedging and IFRS volatility	-	-	-	-	106	-	(10)	<b>96</b>
Other non-cash items	(1)	-	-	(3)	-	-	-	<b>(4)</b>
<b>Net profit after tax - "statutory basis"</b>	<b>2,527</b>	<b>1,452</b>	<b>608</b>	<b>255</b>	<b>617</b>	<b>60</b>	<b>(613)</b>	<b>4,906</b>
<b>Additional information</b>								
<b>Balance Sheet</b>								
Total assets	391,641	172,284	164,438	18,921	85,745	5,226	123,675	<b>961,930</b>
Total liabilities	268,281	134,045	151,701	24,116	78,917	2,221	236,558	<b>895,839</b>

## Profit Reconciliation

	Half Year Ended 30 June 2018						Net profit after tax "statutory basis"
	Net profit after tax "cash basis"	(Loss)/gain on acquisition, disposal, closure and demerger of businesses	Hedging and IFRS volatility	Bankw est non-cash items	Treasury shares valuation adjustment	Investment experience	
Profit Reconciliation	\$M	\$M	\$M	\$M	\$M	\$M	\$M
<b>Group</b>							
Interest income	17,362	-	-	-	-	-	17,362
Interest expense	(8,277)	-	-	-	-	-	(8,277)
Net interest income	9,085	-	-	-	-	-	9,085
Other banking income	2,509	-	6	-	-	-	2,515
<b>Total banking income</b>	<b>11,594</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,600</b>
Funds management income	551	-	-	-	-	1	552
Insurance income	126	-	-	-	-	1	127
<b>Total operating income</b>	<b>12,271</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>12,279</b>
Investment experience	2	-	-	-	-	(2)	-
<b>Total income</b>	<b>12,273</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,279</b>
Operating expenses	(5,539)	(30)	-	(2)	-	-	(5,571)
Loan impairment expense	(483)	-	-	-	-	-	(483)
<b>Net profit before tax</b>	<b>6,251</b>	<b>(30)</b>	<b>6</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>6,225</b>
Corporate tax (expense)/benefit	(1,927)	9	(1)	-	-	-	(1,919)
Non-controlling interests	(7)	-	-	-	-	-	(7)
<b>Net profit after income tax from continuing operations</b>	<b>4,317</b>	<b>(21)</b>	<b>5</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>4,299</b>
Net profit after income tax from discontinued operations	224	(105)	-	-	5	-	124
<b>Net profit after income tax</b>	<b>4,541</b>	<b>(126)</b>	<b>5</b>	<b>(2)</b>	<b>5</b>	<b>-</b>	<b>4,423</b>

## Profit Reconciliation

Half Year Ended 31 December 2017

	Net profit after tax "cash basis" \$M	(Loss)/gain on acquisition, disposal, closure and demerger of businesses \$M	Hedging and IFRS volatility \$M	Bankw est 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	17,181	-	-	-	-	-	17,181
Interest expense	(7,924)	-	-	-	-	-	(7,924)
Net interest income	9,257	-	-	-	-	-	9,257
Other banking income	2,706	65	137	-	-	-	2,908
<b>Total banking income</b>	<b>11,963</b>	<b>65</b>	<b>137</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,165</b>
Funds management income	568	-	-	-	-	4	572
Insurance income	112	-	-	-	-	2	114
<b>Total operating income</b>	<b>12,643</b>	<b>65</b>	<b>137</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>12,851</b>
Investment experience	6	-	-	-	-	(6)	-
<b>Total income</b>	<b>12,649</b>	<b>65</b>	<b>137</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,851</b>
Operating expenses	(5,456)	-	-	(2)	-	-	(5,458)
Loan impairment expense	(596)	-	-	-	-	-	(596)
<b>Net profit before tax</b>	<b>6,597</b>	<b>65</b>	<b>137</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>6,797</b>
Corporate tax (expense)/benefit	(1,993)	-	(41)	1	-	-	(2,033)
Non-controlling interests	(6)	-	-	-	-	-	(6)
<b>Net profit after income tax from continuing operations</b>	<b>4,598</b>	<b>65</b>	<b>96</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>4,758</b>
Net profit after income tax from discontinued operations	273	(122)	-	-	(3)	-	148
<b>Net profit after income tax</b>	<b>4,871</b>	<b>(57)</b>	<b>96</b>	<b>(1)</b>	<b>(3)</b>	<b>-</b>	<b>4,906</b>