

## Items impacting CBA's financial reporting

**Monday, 31 January 2022 SYDNEY:** Commonwealth Bank of Australia (CBA) today provides an update on the completion of the Colonial First State (CFS) divestment; the impact from weather event related claims on the Group's Insurance Income for the half ended 31 December 2021; and changes to financial reporting including 1H22 financial comparatives (refer to Attachment A for detailed comparatives tables).

### 1. Update on the capital and financial reporting impact from divestments

The divestment of CBA's 55% equity interest in CFS to KKR completed on 1 December 2021. The Group has retained a 45% interest in CFS which is accounted for as an investment in associate. The associated sale proceeds were repatriated to the Group during December 2021, resulting in a 32 basis point uplift to the Group's Common Equity Tier 1 (CET1) ratio, based on the Group's risk weighted assets as at September 2021.

### 2. Insurance claims from customers affected by weather related events

CBA has recognised a loss of \$85 million, net of reinsurance recoveries, for the half year ended 31 December 2021 for insurance claims and associated costs from customers affected by the hail and storm weather events in the East Coast, South Australia and Tasmania during October 2021.

### 3. Financial reporting changes in the 31 December 2021 half year profit announcement

#### Changes to financial reporting arising from revised accounting treatments of certain facilities and line fees impacting prior period financial statements

During the half year ended 31 December 2021, the Group performed a review of corporate and business lending credit limit and drawdown data, and identified a sustained increase in utilisation levels for certain products. As a result, facility and line fees on these products were reclassified from other banking income to net interest income, in line with the Australian Accounting Standards. There was no impact on the Group's Cash Net Profit After Tax (Cash NPAT). The impact on the individual operating income lines and the Group's Net Interest Margin for the comparative periods were:

- An increase in net interest income and a decrease in other banking income for the half years ended 30 June 2021 and 31 December 2020 of \$234 million and \$229 million respectively;

- An increase in net interest margin of 5 basis points for the half years ended 30 June 2021 and 31 December 2020. That is an increase in reported net interest margin from 204 basis points to 209 basis points for the half year ended 30 June 2021, and 201 basis points to 206 basis points for the half year ended 31 December 2020.

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

Continued enhancement of our classification of portfolios have been made during the current half which results in changes to comparative financial information. These changes have not impacted CBA's cash net profit after tax (NPAT), but result in changes to the presentation of the Divisional Income Statements and Balance sheets of the affected divisions. The key changes are:

- The transfer of some customers between Retail Banking Services, Business Banking and Institutional Banking and Markets.
- Refinements of the allocation of capital and support units costs.

A summary of the impacts of financial reporting changes on financial comparatives, and restated financial comparatives is included in Attachment A.

### **4. Half year results announcement**

Commonwealth Bank of Australia (CBA) is scheduled to announce its half year results on 9 February 2022. A virtual results briefing will be webcast with Chief Executive Officer, Matt Comyn, and Chief Financial Officer, Alan Docherty, at 11:00am (Australian Eastern Daylight Savings Time) on 9 February 2022. This briefing will be available via webcast on the Commonwealth Bank Investor Centre ([www.commbank.com.au/about-us/investors/results](http://www.commbank.com.au/about-us/investors/results)).

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The release of this announcement was authorised by the Continuous Disclosure Committee.



# Attachment A

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

### Divisional cash NPAT from continuing operations

The impact of the following change is presented below:

- Re-segmentations and allocations

	Half Year Ended 30 June 2021					Group \$M
	Retail Banking Services	Business Banking	Institutional Banking and Markets	New Zealand	Corporate Centre and Other	
	\$M	\$M	\$M	\$M	\$M	
Cash NPAT (continuing operations) - as published	2,610	1,423	499	624	(371)	4,785
<b>Restatements in the current half:</b>						
Re-segmentations and allocations	(69)	48	1	1	19	-
<b>Total restatements</b>	(69)	48	1	1	19	-
<b>Cash NPAT (continuing operations) - as restated</b>	<b>2,541</b>	<b>1,471</b>	<b>500</b>	<b>625</b>	<b>(352)</b>	<b>4,785</b>

	Half Year Ended 31 December 2020					Group \$M
	Retail Banking Services	Business Banking	Institutional Banking and Markets	New Zealand	Corporate Centre and Other	
	\$M	\$M	\$M	\$M	\$M	
Cash NPAT (continuing operations) - as published	2,196	1,335	423	535	(621)	3,868
<b>Restatements in the current half:</b>						
Re-segmentations and allocations	(41)	34	3	1	3	-
<b>Total restatements</b>	(41)	34	3	1	3	-
<b>Cash NPAT (continuing operations) - as restated</b>	<b>2,155</b>	<b>1,369</b>	<b>426</b>	<b>536</b>	<b>(618)</b>	<b>3,868</b>

# Attachment A

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

The impact of the following change is presented below:

- Re-segmentations and allocations

	Half Year Ended 30 June 2021					
	Retail Banking Services	Business Banking	Institutional Banking and Markets	New Zealand	Corporate Centre and Other	Group
	\$M	\$M	\$M	\$M	\$M	\$M
Cash NPAT (continuing operations) - as published	2,610	1,423	499	624	(371)	4,785
<b>Restatements:</b>						
Increase/(decrease) in Operating income	(69)	69	(1)	2	(1)	-
(Increase)/decrease in Operating expenses	(10)	(10)	3	-	17	-
(Increase)/decrease in Loan impairment expense	(9)	9	-	-	-	-
(Increase)/decrease in Corporate tax expense	19	(20)	(1)	(1)	3	-
<b>Total restatements</b>	<b>(69)</b>	<b>48</b>	<b>1</b>	<b>1</b>	<b>19</b>	<b>-</b>
<b>Cash NPAT (continuing operations) - as restated</b>	<b>2,541</b>	<b>1,471</b>	<b>500</b>	<b>625</b>	<b>(352)</b>	<b>4,785</b>

	Half Year Ended 31 December 2020					
	Retail Banking Services	Business Banking	Institutional Banking and Markets	New Zealand	Corporate Centre and Other	Group
	\$M	\$M	\$M	\$M	\$M	\$M
Cash NPAT (continuing operations) - as published	2,196	1,335	423	535	(621)	3,868
<b>Restatements:</b>						
Increase/(decrease) in Operating income	(65)	64	1	1	(1)	-
(Increase)/decrease in Operating expenses	3	(10)	4	-	3	-
(Increase)/decrease in Loan impairment expense	4	(4)	-	-	-	-
(Increase)/decrease in Corporate tax expense	17	(16)	(2)	-	1	-
<b>Total restatements</b>	<b>(41)</b>	<b>34</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>-</b>
<b>Cash NPAT (continuing operations) - as restated</b>	<b>2,155</b>	<b>1,369</b>	<b>426</b>	<b>536</b>	<b>(618)</b>	<b>3,868</b>



# Attachment A

## Divisional Cost to Income Ratios from continuing operations

The impact of the following change is presented below:

- Re-segmentations and allocations

	Half Year Ended 30 June 2021				
	Retail Banking Services <sup>1</sup> %	Business Banking %	Institutional Banking and Markets %	New Zealand (in NZD) %	Group %
Operating expenses to total operating income (continuing operations) (%) - as published	37.6	41.3	46.7	41.2	<b>47.3</b>
Operating expenses to total operating income (continuing operations) (%) - as restated	38.4	40.8	46.4	41.2	<b>47.3</b>

	Half Year Ended 31 December 2020				
	Retail Banking Services <sup>1</sup> %	Business Banking %	Institutional Banking and Markets %	New Zealand (in NZD) %	Group %
Operating expenses to total operating income (continuing operations) (%) - as published	39.2	36.2	39.2	38.7	<b>46.7</b>
Operating expenses to total operating income (continuing operations) (%) - as restated	39.7	35.8	38.9	38.7	<b>46.7</b>

1 Excludes Mortgage Broking and General Insurance.



# Attachment A

## Updated Financial Comparative Tables for the 2022 Interim Profit Announcement Group Performance Summary

	Half Year Ended ("cash basis")		
	31 Dec 21	30 Jun 21	31 Dec 20
	\$M	\$M	\$M
<b>Group Performance Summary</b>			
Net interest income	–	9,702	9,600
Other banking income	–	2,354	2,190
<b>Total banking income</b>	–	12,056	11,790
Funds management income	–	85	80
Insurance income	–	54	91
<b>Total operating income</b>	–	12,195	11,961
Operating expenses	–	(5,768)	(5,591)
Loan impairment benefit/(expense)	–	328	(882)
<b>Net profit before tax</b>	–	6,755	5,488
Corporate tax expense	–	(1,970)	(1,620)
<b>Net profit after tax from continuing operations</b>	–	4,785	3,868
Net profit after tax from discontinued operations <sup>1</sup>	–	49	99
<b>Net profit after tax</b>	–	4,834	3,967
Gain on acquisition, disposal, closure and demerger of businesses	–	463	910
Hedging and IFRS volatility	–	15	(8)
<b>Net profit after tax ("statutory basis")</b>	–	5,312	4,869
<b>Cash net profit after tax, by division</b>			
Retail Banking Services (excl. Mortgage Broking and General Insurance)	–	2,532	2,120
Mortgage Broking and General Insurance	–	9	35
Retail Banking Services	–	2,541	2,155
Business Banking	–	1,471	1,369
Institutional Banking and Markets	–	500	426
New Zealand	–	625	536
Corporate Centre and Other	–	(352)	(618)
<b>Net profit after tax from continuing operations ("cash basis")</b>	–	4,785	3,868

<sup>1</sup> The financial results of discontinued operations are excluded from the individual account lines of the Bank's performance and reported as a single cash net profit after tax line item. Discontinued operations includes Colonial First State (CFS), CommInsure Life, BoCommLife and Colonial First State Global Asset Management (CFSGAM).



# Attachment A

## Key Performance Indicators

Key Performance Indicators	Half Year Ended		
	31 Dec 21	30 Jun 21	31 Dec 20
<b>Retail Banking Services</b> <sup>1</sup>			
Cash net profit after tax (\$M)	–	2,532	2,120
Net interest margin (%)	–	2.60	2.61
Average interest earning assets (AIEA) (\$M) <sup>2</sup>	–	380,816	370,314
Operating expenses to total operating income (%) <sup>3</sup>	–	38.4	39.7
Risk weighted assets (\$M) <sup>4</sup>	–	156,927	155,175
<b>Business Banking</b>			
Cash net profit after tax (\$M)	–	1,471	1,369
Net interest margin (%)	–	3.09	3.14
Average interest earning assets (\$M) <sup>2</sup>	–	182,752	176,711
Operating expenses to total banking income (%) <sup>3</sup>	–	40.8	35.8
Risk weighted assets (\$M)	–	136,006	134,166
<b>Institutional Banking and Markets</b>			
Cash net profit after tax (\$M)	–	500	426
Net interest margin (%)	–	1.17	1.05
Average interest earning assets (\$M)	–	131,362	144,518
Operating expenses to total banking income (%) <sup>3</sup>	–	46.4	38.9
Risk weighted assets (\$M)	–	82,171	85,933
<b>New Zealand</b>			
Cash net profit after tax (A\$M)	–	625	536
Risk weighted assets (A\$M) <sup>5</sup>	–	53,311	51,943
Net interest margin (ASB) (%) <sup>6</sup>	–	2.31	2.12
Average interest earning assets (ASB) (NZ\$M) <sup>6</sup>	–	110,183	104,904
Operating expenses to total operating income (ASB) (%) <sup>3,6</sup>	–	40.1	37.7
AUM - average (ASB) (NZ\$M) <sup>6</sup>	–	21,040	19,469

1 Excludes Mortgage Broking and General Insurance.

2 Net of average mortgage offset balances.

3 Presented on a "cash basis".

4 Includes Mortgage Broking and General Insurance.

5 Risk weighted assets (A\$M) calculated in accordance with APRA requirements.

6 Key financial metrics represent ASB only and are calculated in New Zealand dollar terms.



# Attachment A

## Net Interest Income (continuing operations basis)

	Half Year Ended		
	31 Dec 21	30 Jun 21	31 Dec 20
	\$M	\$M	\$M
<b>Net interest income - "cash basis"</b>	–	9,702	9,600
<b>Average interest earning assets</b>			
Home loans <sup>1</sup>	–	509,032	494,736
Consumer finance	–	17,054	17,257
Business and corporate loans	–	216,219	216,472
Total average lending interest earning assets	–	742,305	728,465
Non-lending interest earning assets (excl. liquid assets)	–	54,203	61,275
<b>Total average interest earning assets (excl. liquid assets)</b>	–	796,508	789,740
Liquid assets <sup>2</sup>	–	140,375	133,184
<b>Total average interest earning assets</b>	–	936,883	922,924
Net interest margin (%)	–	2.09	2.06

1 Net of average mortgage offset balances. Gross average home loans balance, excluding mortgage offset accounts was \$567,368 million for the half year ended 30 June 2021 and \$549,776 million for the half year ended 31 December 2020. While these balances are required to be grossed up under accounting standards, they are netted down for the calculation of customer interest payments and the Bank's net interest margin.

2 Average external non-lending interest earning assets held by the Group for liquidity purposes and included in LCR liquid assets.

## Other Banking Income (continuing operations basis)

	Half Year Ended		
	31 Dec 21	30 Jun 21	31 Dec 20
	\$M	\$M	\$M
Commissions	–	1,265	1,299
Lending fees	–	369	296
Trading income	–	317	535
Other income	–	403	60
<b>Other banking income - "cash basis"</b>	–	2,354	2,190



# Attachment A

## Retail Banking Services

	Half Year Ended		
	Retail Banking (excl. Mortgage Broking and General Insurance)		
	31 Dec 21	30 Jun 21	31 Dec 20
	\$M	\$M	\$M
Net interest income	–	4,903	4,866
Other banking income	–	683	626
<b>Total banking income</b>	–	<b>5,586</b>	<b>5,492</b>
Funds management income	–	16	16
Insurance income	–	–	–
<b>Total operating income</b>	–	<b>5,602</b>	<b>5,508</b>
Operating expenses	–	(2,149)	(2,184)
Loan impairment benefit/(expense)	–	165	(304)
<b>Net profit before tax</b>	–	<b>3,618</b>	<b>3,020</b>
Corporate tax expense	–	(1,086)	(900)
<b>Cash net profit after tax</b>	–	<b>2,532</b>	<b>2,120</b>
Cash net profit after tax from Mortgage Broking and General Insurance	–	9	35
<b>Total cash net profit after tax</b>	–	<b>2,541</b>	<b>2,155</b>

Income analysis	Half Year Ended		
	Retail Banking (excl. Mortgage Broking and General Insurance)		
	31 Dec 21	30 Jun 21	31 Dec 20
	\$M	\$M	\$M
<b>Net interest income</b>			
Home loans	–	3,236	3,134
Consumer finance & other <sup>1</sup>	–	603	633
Deposits	–	1,064	1,099
<b>Total net interest income</b>	–	<b>4,903</b>	<b>4,866</b>
<b>Other banking income</b>			
Home loans	–	132	126
Consumer finance <sup>2</sup>	–	215	218
Deposits	–	262	155
Distribution & other <sup>3</sup>	–	74	127
<b>Total other banking income</b>	–	<b>683</b>	<b>626</b>
<b>Total banking income</b>	–	<b>5,586</b>	<b>5,492</b>

1 Consumer finance and other includes personal loans, credit cards and business lending.

2 Consumer finance includes personal loans and credit cards.

3 Distribution includes income associated with the sale of foreign exchange and wealth products. Other includes asset finance, merchants and business lending.



# Attachment A

## Retail Banking Services

Balance Sheet (excl. Mortgage Broking and General Insurance)	As at		
	31 Dec 21	30 Jun 21	31 Dec 20
	\$M	\$M	\$M
Home loans <sup>1</sup>	–	423,113	407,396
Consumer finance <sup>2</sup>	–	11,172	11,546
Other interest earning assets	–	1,902	1,772
Total interest earning assets	–	436,187	420,714
Other assets	–	6,778	4,177
<b>Total assets</b>	–	442,965	424,891
Transaction deposits <sup>3</sup>	–	44,963	43,630
Savings deposits <sup>3</sup>	–	143,818	138,829
Investment deposits & other	–	64,422	70,248
Total interest bearing deposits	–	253,203	252,707
Non-interest bearing transaction deposits	–	44,598	39,398
Other non-interest bearing liabilities	–	4,009	3,137
<b>Total liabilities</b>	–	301,810	295,242

Key Financial Metrics (excl. Mortgage Broking and General Insurance)	Half Year Ended		
	31 Dec 21	30 Jun 21	31 Dec 20
<b>Performance indicators</b>			
Net interest margin (%)	–	2.60	2.61
Return on assets (%)	–	1.2	1.0
Operating expenses to total operating income (%)	–	38.4	39.7
Impairment expense annualised as a % of average GLAAs (%)	–	(0.08)	0.14
<b>Other information</b>			
Average interest earning assets (\$M) <sup>4</sup>	–	380,816	370,314
Risk weighted assets (\$M) <sup>5</sup>	–	156,927	155,175
90+ days home loan arrears (%)	–	0.68	0.59
90+ days consumer finance arrears (%)	–	0.82	0.96
Number of full-time equivalent staff (FTE)	–	16,053	15,839

1 Home loans are presented gross of mortgage offset balances (30 June 2021: \$46,566 million; 31 December 2020: \$45,562 million). These balances are required to be grossed up under accounting standards but are netted down for the calculation of customer interest payments.

2 Consumer finance and other includes personal loans, credit cards.

3 Transaction and Savings deposits includes mortgage offset balances (30 June 2021: \$46,566 million; 31 December 2020: \$45,562 million).

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

5 Includes Mortgage Broking and General Insurance.



# Attachment A

## Business Banking

	Half Year Ended		
	31 Dec 21	30 Jun 21	31 Dec 20
	\$M	\$M	\$M
Net interest income	-	2,800	2,797
Other banking income	-	675	701
<b>Total banking income</b>	<b>-</b>	<b>3,475</b>	<b>3,498</b>
Operating expenses	-	(1,417)	(1,252)
Loan impairment benefit/(expense)	-	62	(290)
Net profit before tax	-	2,120	1,956
Corporate tax expense	-	(649)	(587)
<b>Cash net profit after tax</b>	<b>-</b>	<b>1,471</b>	<b>1,369</b>
<b>Income analysis</b>			
<b>Net interest income</b>			
Small Business Banking	-	1,248	1,275
Commercial Banking	-	755	745
Regional and Agribusiness	-	396	389
Major Client Group	-	310	289
CommSec	-	91	99
<b>Total net interest income</b>	<b>-</b>	<b>2,800</b>	<b>2,797</b>
<b>Other banking income</b>			
Small Business Banking	-	224	230
Commercial Banking	-	114	117
Regional and Agribusiness	-	47	43
Major Client Group	-	56	55
CommSec	-	234	256
<b>Total other banking income</b>	<b>-</b>	<b>675</b>	<b>701</b>
<b>Total banking income</b>	<b>-</b>	<b>3,475</b>	<b>3,498</b>
<b>Income by product</b>			
Business products	-	2,008	2,012
Retail products	-	1,189	1,186
Equities and Margin Lending	-	278	300
<b>Total banking income</b>	<b>-</b>	<b>3,475</b>	<b>3,498</b>



# Attachment A

## Business Banking

	As at		
	31 Dec 21	30 Jun 21	31 Dec 20
	\$M	\$M	\$M
<b>Balance Sheet</b>			
Home loans <sup>1</sup>	–	93,077	90,897
Business loans <sup>2</sup>	–	103,371	96,509
Margin loans	–	2,383	2,252
Consumer finance	–	1,854	1,946
Total interest earning assets	–	200,685	191,604
Non-lending interest earning assets	–	73	141
Other assets	–	969	793
<b>Total assets</b>	–	201,727	192,538
Transaction deposits <sup>2,3</sup>	–	34,411	39,800
Savings deposits <sup>3</sup>	–	70,290	68,410
Investment deposits and other	–	34,218	34,013
Total interest bearing deposits	–	138,919	142,223
Non-interest bearing transaction deposits	–	56,976	42,897
Other non-interest bearing liabilities	–	1,369	1,379
<b>Total liabilities</b>	–	197,264	186,499

	Half Year Ended		
	31 Dec 21	30 Jun 21	31 Dec 20
<b>Key Financial Metrics</b>			
<b>Performance indicators</b>			
Net interest margin (%)	–	3.09	3.14
Return on assets (%)	–	1.5	1.4
Operating expenses to total banking income (%)	–	40.8	35.8
Impairment expense annualised as a % of average GLAAs (%)	–	(0.06)	0.31
<b>Other information</b>			
Average interest earning assets (\$M) <sup>4</sup>	–	182,752	176,711
Risk weighted assets (\$M)	–	136,006	134,166
Troublesome and impaired assets (\$M) <sup>5</sup>	–	3,947	4,640
Troublesome and impaired assets as a % of TCE (%) <sup>5</sup>	–	2.98	3.63
Number of full-time equivalent staff (FTE)	–	5,316	5,147

- Home loans are presented gross of mortgage offset balances (30 June 2021: \$11,247 million; 31 December 2020: \$11,917 million). These balances are required to be grossed up under accounting standards, but are netted down for the calculation of customer interest payments.
- Business loans include Cash Management Pooling Facilities (CMPF) (30 June 2021: \$234 million; 31 December 2020: \$242 million). Transaction Deposits include CMPF liabilities (30 June 2021: \$1,253 million; 31 December 2020: \$1,258 million). These balances are required to be grossed up under accounting standards, but are netted down for the calculation of customer interest payments and risk weighted assets.
- Transaction and Savings deposits include mortgage offset balances (30 June 2021: \$11,247 million; 31 December 2020: \$11,917 million).
- Average interest earning assets are presented net of mortgage offset balances, which reduce customer interest payments. Average interest earning assets are also used in the calculation of divisional net interest margin.
- Commercial troublesome and impaired assets only.



# Attachment A

## Institutional Banking and Markets

	Half Year Ended		
	31 Dec 21	30 Jun 21	31 Dec 20
	\$M	\$M	\$M
Net interest income	-	764	768
Other banking income	-	302	470
<b>Total banking income</b>	-	1,066	1,238
Operating expenses	-	(495)	(481)
Loan impairment benefit/(expense)	-	81	(177)
Net profit before tax	-	652	580
Corporate tax expense	-	(152)	(154)
<b>Cash net profit after tax</b>	-	500	426
<b>Income analysis</b>			
<b>Net interest income</b>			
Institutional Banking	-	583	588
Markets	-	181	180
<b>Total net interest income</b>	-	764	768
<b>Other banking income</b>			
Institutional Banking	-	138	111
Markets	-	164	359
<b>Total other banking income</b>	-	302	470
<b>Total banking income</b>	-	1,066	1,238
<b>Income by product</b>			
Institutional products	-	661	682
Asset leasing	-	60	17
Markets (excluding derivative valuation adjustments)	-	338	542
<b>Total banking income excluding derivative valuation adjustments</b>	-	1,059	1,241
Derivative valuation adjustments <sup>1</sup>	-	7	(3)
<b>Total banking income</b>	-	1,066	1,238

<sup>1</sup> Derivative valuation adjustments include both net interest income and other banking income adjustments.



# Attachment A

## Institutional Banking and Markets

	As at		
	31 Dec 21	30 Jun 21	31 Dec 20
	\$M	\$M	\$M
<b>Balance Sheet</b>			
Interest earning lending assets <sup>1</sup>	–	84,755	87,668
Non-lending interest earning assets	–	41,949	52,638
Other assets <sup>2</sup>	–	27,126	35,505
<b>Total assets</b>	–	153,830	175,811
Transaction deposits <sup>1</sup>	–	84,186	76,927
Savings deposits	–	15,193	13,327
Investment deposits	–	30,096	34,485
Certificates of deposit and other	–	15,477	22,121
Total interest bearing deposits	–	144,952	146,860
Due to other financial institutions	–	14,057	6,774
Debt issues and other <sup>3</sup>	–	2,805	3,043
Non-interest bearing liabilities <sup>2</sup>	–	17,885	25,680
<b>Total liabilities</b>	–	179,699	182,357

	Half Year Ended		
	31 Dec 21	30 Jun 21	31 Dec 20
<b>Key Financial Metrics</b>			
<b>Performance indicators</b>			
Net interest margin (%)	–	1.17	1.05
Return on assets (%)	–	0.7	0.5
Operating expenses to total banking income (%)	–	46.4	38.9
Impairment expense annualised as a % of average GLAAs (%)	–	(0.19)	0.38
<b>Other information</b>			
Average interest earning assets (\$M)	–	131,362	144,518
Risk weighted assets (\$M)	–	82,171	85,933
Troublesome and impaired assets (\$M)	–	890	1,175
Total committed exposures rated investment grade (%)	–	87.0	86.7
Number of full-time equivalent staff (FTE)	–	1,431	1,419

1 Interest earning lending assets include Cash Management Pooling Facilities (CMPF) (30 June 2021: \$17,814 million; 31 December 2020: \$22,886 million). Transaction deposits include CMPF liabilities (30 June 2021: \$43,462 million; 31 December 2020: \$41,096 million). These balances are required to be grossed up under accounting standards, but are netted down for the calculation of customer interest payments and risk weighted assets.

2 Other assets include intangible assets and derivative assets. Non-interest bearing liabilities include derivative liabilities.

3 Debt issues and other includes bank acceptances and liabilities at fair value.



# Attachment A

## New Zealand

New Zealand (A\$M)	Half Year Ended		
	31 Dec 21 A\$M	30 Jun 21 A\$M	31 Dec 20 A\$M
Net interest income	–	1,136	1,014
Other banking income <sup>1</sup>	–	208	186
Total banking income	–	1,344	1,200
Funds management income	–	72	68
Total operating income	–	1,416	1,268
Operating expenses	–	(576)	(495)
Loan impairment benefit/(expense)	–	32	(27)
Net profit before tax	–	872	746
Corporate tax expense	–	(247)	(210)
<b>Cash net profit after tax</b>	<b>–</b>	<b>625</b>	<b>536</b>

<sup>1</sup> Other banking income disclosed in AUD includes realised gains or losses associated with hedging of New Zealand operations earnings.

New Zealand (NZ\$M)	Half Year Ended		
	31 Dec 21 NZ\$M	30 Jun 21 NZ\$M	31 Dec 20 NZ\$M
Net interest income	–	1,221	1,086
Other banking income	–	203	209
Total banking income	–	1,424	1,295
Funds management income	–	77	73
Total operating income	–	1,501	1,368
Operating expenses	–	(618)	(530)
Loan impairment benefit/(expense)	–	35	(30)
Net profit before tax	–	918	808
Corporate tax expense	–	(259)	(228)
<b>Net profit after tax ("cash basis")</b>	<b>–</b>	<b>659</b>	<b>580</b>
<b>Represented by:</b>			
ASB	–	689	607
Other <sup>1</sup>	–	(30)	(27)
<b>Cash net profit after tax</b>	<b>–</b>	<b>659</b>	<b>580</b>

Key Financial Metrics <sup>2</sup>	Half Year Ended		
	31 Dec 21	30 Jun 21	31 Dec 20
<b>Performance indicator</b>			
Operating expenses to total operating income (%)	–	41.2	38.7

<sup>1</sup> Other includes ASB funding entities and elimination entries between New Zealand segment entities.

<sup>2</sup> Key financial metrics are calculated in New Zealand dollar terms.



# Attachment A

## New Zealand

ASB (NZ\$M)	Half Year Ended		
	31 Dec 21 NZ\$M	30 Jun 21 NZ\$M	31 Dec 20 NZ\$M
Net interest income	–	1,261	1,122
Other banking income	–	203	209
Total banking income	–	1,464	1,331
Funds management income	–	77	73
Total operating income	–	1,541	1,404
Operating expenses	–	(618)	(530)
Loan impairment benefit/(expense)	–	35	(30)
Net profit before tax	–	958	844
Corporate tax expense	–	(269)	(237)
<b>Cash net profit after tax</b>	<b>–</b>	<b>689</b>	<b>607</b>



# Attachment A

## New Zealand

	As at		
	31 Dec 21	30 Jun 21	31 Dec 20
<b>ASB Balance Sheet (NZ\$M)</b>	<b>NZ\$M</b>	<b>NZ\$M</b>	<b>NZ\$M</b>
Home loans	–	67,679	64,453
Business lending	–	19,311	18,132
Rural lending	–	11,146	11,013
Other interest earning assets	–	1,758	1,875
<b>Total lending interest earning assets</b>	<b>–</b>	<b>99,894</b>	<b>95,473</b>
Non-lending interest earning assets	–	11,188	12,174
Other assets	–	1,509	1,569
<b>Total assets</b>	<b>–</b>	<b>112,591</b>	<b>109,216</b>
Interest bearing customer deposits	–	59,929	59,918
Debt issues	–	22,936	21,651
Other demand deposits <sup>1</sup>	–	4,626	3,722
Other interest bearing liabilities	–	1,491	1,367
<b>Total interest bearing liabilities</b>	<b>–</b>	<b>88,982</b>	<b>86,658</b>
Non-interest bearing customer deposits	–	11,651	10,470
Other non-interest bearing liabilities	–	997	1,336
<b>Total liabilities</b>	<b>–</b>	<b>101,630</b>	<b>98,464</b>

1 Other demand deposits include certificate of deposits, repurchase agreements and funding from RBNZ Funding for Lending Programme and Term Lending Facility.

	Half Year Ended		
	31 Dec 21	30 Jun 21	31 Dec 20
<b>ASB Key Financial Metrics <sup>2</sup></b>			
<b>Performance indicators</b>			
Net interest margin (%)	–	2.31	2.12
Return on assets (%)	–	1.2	1.1
Operating expenses to total operating income (%)	–	40.1	37.7
Impairment expense annualised as a % of average GLAAs (%)	–	(0.07)	0.06
<b>Other information</b>			
Average interest earning assets (NZ\$M)	–	110,183	104,904
Risk weighted assets (NZ\$M) <sup>3</sup>	–	61,252	61,354
Risk weighted assets (A\$M) <sup>4</sup>	–	53,311	51,943
AUM - average (NZ\$M)	–	21,040	19,469
AUM - spot (NZ\$M)	–	21,750	20,616
90+ days home loan arrears (%)	–	0.18	0.18
90+ days consumer finance arrears (%)	–	0.36	0.74
Number of full-time equivalent staff (FTE)	–	5,722	5,505

2 Key financial metrics are calculated in New Zealand dollar terms unless otherwise stated.

3 Risk weighted assets (NZ\$M) calculated in accordance with RBNZ requirements.

4 Risk weighted assets (A\$M) calculated in accordance with APRA requirements.



# Attachment A

## Corporate Centre and Other

	Half Year Ended		
	31 Dec 21	30 Jun 21	31 Dec 20
	\$M	\$M	\$M
<b>Corporate Centre and Other (including eliminations)</b>			
Net interest income	-	99	157
Other banking income	-	386	77
Total banking income	-	485	234
Funds management income	-	(3)	(4)
Insurance income	-	-	(1)
Total operating income	-	482	229
Operating expenses	-	(990)	(1,009)
Loan impairment expense	-	(12)	(84)
Net loss before tax	-	(520)	(864)
Corporate tax benefit	-	168	246
<b>Cash net loss after tax from continuing operations</b>	-	(352)	(618)

