

Update on the impact of divestments and financial reporting changes

Tuesday, 2 February 2021 SYDNEY: Commonwealth Bank of Australia (CBA) today provides an update on the capital impact of the completion of the BoCommLife divestment, the impact on financial reporting from the merger between Aussie Home Loans and Lendi, and changes to financial reporting including 1H21 financial comparatives (refer to Attachment A for detailed comparatives tables).

1. Update on the capital impact from the BoCommLife divestment

In line with the expected timing outlined in the ASX announcement¹ dated 9 December 2020, the divestment of CBA's 37.5% equity interest in BoCommLife to MS&AD Insurance Group Holding, Inc., the ultimate parent of Mitsui Sumitomo Insurance Co., completed on 10 December 2020. The associated sale proceeds were repatriated to the Group during December 2020, resulting in a 17 basis point uplift to the Group's Common Equity Tier 1 (CET1) ratio that will be recognised in 1H21.

2. Aussie Home Loans merger with Lendi

On 16 December 2020, CBA announced² it had entered into an agreement to merge Aussie Home Loans with Lendi Pty Ltd, an online home loan platform. Upon completion, the Group will retain a 45% shareholding in the combined business, with existing Lendi shareholders holding the remaining 55% shareholding. The sale is subject to Australian regulatory approvals, and is expected to complete by mid calendar year 2021. As Aussie Home Loans does not constitute a major line of the Group's business, the financial results of Aussie Home Loans will continue to be included in the Retail Banking Services division and treated as continuing operations.

1. ASX Announcement, *Update on BoCommLife and other divestments*, 9 December 2020 (<https://www.asx.com.au/asxpdf/20201209/pdf/44qs3wj1kvzv5.pdf>).

2. ASX Announcement, *CBA announces agreement to merge Aussie Home Loans with Lendi*, 16 December 2020 (<https://www.asx.com.au/asxpdf/20201216/pdf/44r0kr9l5wx659.pdf>).

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

Continued simplifications have been made to CBA's operating model 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 (refer to pages 3 – 6). The key changes are:

- The Business and Private Banking division has been renamed Business Banking, and Commonwealth Private has been transferred from Business Banking to Retail Banking Services bringing together the management of all high net worth customer segments into the same business unit.
- As part of the Group's strategy to be number one in business banking, we have established the Major Client Group (MCG) within the Business Banking division. MCG provides specialised, dedicated support and service to the largest clients within Business Banking.

Following the transfer of Commonwealth Private and creation of MCG, we have continued to enhance our classification of retail and business banking portfolios resulting in some customers being transferred between Retail Banking Services, Business Banking, and Institutional Banking and Markets.

4. Half year results announcement

Commonwealth Bank of Australia (CBA) is scheduled to announce its half year results on 10 February 2021. 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 10 February 2021. This briefing will be available via webcast on the Commonwealth Bank Investor Centre (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 changes is presented below:

- Commonwealth Private portfolio transfer
- Other re-segmentations and allocations

	Half Year Ended 30 June 2020						
	Retail	Institutional		International			
	Banking	Business	Banking and	New	Financial	Corporate	Group
	Services	Banking	Markets	Zealand	Services	Centre	
	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Cash NPAT (continuing operations) - as published	1,829	1,156	179	287	31	(542)	2,940
Restatements in the current half:							
Commonwealth Private portfolio transfer	75	(69)	(6)	-	-	-	-
Other re-segmentations and allocations	(18)	(8)	(5)	1	(2)	32	-
Total restatements	57	(77)	(11)	1	(2)	32	-
Cash NPAT (continuing operations) - as restated	1,886	1,079	168	288	29	(510)	2,940

	Half Year Ended 31 December 2019						
	Retail	Institutional		International			
	Banking	Business	Banking and	New	Financial	Corporate	Group
	Services	Banking	Markets	Zealand	Services	Centre	
	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Cash NPAT (continuing operations) - as published	2,168	1,498	476	524	100	(410)	4,356
Restatements in the current half:							
Commonwealth Private portfolio transfer	93	(89)	(4)	-	-	-	-
Other re-segmentations and allocations	(5)	(14)	(7)	5	(2)	23	-
Total restatements	88	(103)	(11)	5	(2)	23	-
Cash NPAT (continuing operations) - as restated	2,256	1,395	465	529	98	(387)	4,356



Attachment A

Divisional cash NPAT from continuing operations by Income Statement line items

The impact of the following changes is presented below:

- Commonwealth Private portfolio transfer
- Other re-segmentations and allocations

	Half Year Ended 30 June 2020							Group \$M
	Retail	Institutional		International		Corporate Centre		
	Banking Services	Business Banking	Banking and Markets	New Zealand	Financial Services			
	\$M	\$M	\$M	\$M	\$M	\$M		
Cash NPAT (continuing operations) - as published	1,829	1,156	179	287	31	(542)	2,940	
Restatements:								
Increase/(decrease) in Operating income	175	(211)	(12)	-	(3)	51	-	
(Increase)/decrease in Operating expenses	(70)	72	1	-	-	(3)	-	
(Increase)/decrease in Loan impairment expense	(22)	25	(4)	-	-	1	-	
(Increase)/decrease in Corporate tax expense	(26)	37	4	1	1	(17)	-	
Total restatements	57	(77)	(11)	1	(2)	32	-	
Cash NPAT (continuing operations) - as restated	1,886	1,079	168	288	29	(510)	2,940	

	Half Year Ended 31 December 2019							Group \$M
	Retail	Institutional		International		Corporate Centre		
	Banking Services	Business Banking	Banking and Markets	New Zealand	Financial Services			
	\$M	\$M	\$M	\$M	\$M	\$M		
Cash NPAT (continuing operations) - as published	2,168	1,498	476	524	100	(410)	4,356	
Restatements:								
Increase/(decrease) in Operating income	201	(228)	(12)	7	(3)	35	-	
(Increase)/decrease in Operating expenses	(74)	76	-	-	-	(2)	-	
(Increase)/decrease in Loan impairment expense	(2)	5	(2)	-	-	(1)	-	
(Increase)/decrease in Corporate tax expense	(37)	44	3	(2)	1	(9)	-	
Total restatements	88	(103)	(11)	5	(2)	23	-	
Cash NPAT (continuing operations) - as restated	2,256	1,395	465	529	98	(387)	4,356	



Attachment A

Divisional Balance Sheet

The impact of the following changes is presented below:

- Commonwealth Private portfolio transfer
- Other re-segmentations and allocations

	As at 30 June 2020						
	Retail Banking Services \$M	Business Banking \$M	Institutional Banking and Markets \$M	New Zealand \$M	IFS & Corporate Centre \$M	Wealth Management \$M	Group \$M
Total Assets - as published at 30 June 2020	406,962	196,710	171,110	98,539	138,253	2,486	1,014,060
Restatements in the current half:							
Commonwealth Private portfolio transfer	13,616	(13,965)	349	-	-	-	-
Other re-segmentations and allocations	(148)	(98)	109	-	950	(813)	-
Total restatements	13,468	(14,063)	458	-	950	(813)	-
Total Assets - as restated	420,430	182,647	171,568	98,539	139,203	1,673	1,014,060
Total Liabilities - as published at 30 June 2020	266,685	178,192	186,387	91,796	210,034	8,953	942,047
Restatements in the current half:							
Commonwealth Private portfolio transfer	18,085	(18,208)	123	-	-	-	-
Other re-segmentations and allocations	(419)	972	(603)	-	79	(29)	-
Total restatements	17,666	(17,236)	(480)	-	79	(29)	-
Total Liabilities - as restated	284,351	160,956	185,907	91,796	210,113	8,924	942,047

	As at 31 December 2019						
	Retail Banking Services \$M	Business Banking \$M	Institutional Banking and Markets \$M	New Zealand \$M	IFS & Corporate Centre \$M	Wealth Management \$M	Group \$M
Total Assets - as published at 30 June 2020	401,436	195,095	160,134	96,844	122,987	3,372	979,868
Restatements in the current half:							
Commonwealth Private portfolio transfer	13,417	(13,828)	411	-	-	-	-
Other re-segmentations and allocations	298	(461)	85	-	111	(33)	-
Total restatements	13,715	(14,289)	496	-	111	(33)	-
Total Assets - as restated	415,151	180,806	160,630	96,844	123,098	3,339	979,868
Total Liabilities - as published at 30 June 2020	255,858	163,601	164,345	90,432	225,895	8,584	908,715
Restatements in the current half:							
Commonwealth Private portfolio transfer	17,282	(17,407)	125	-	-	-	-
Other re-segmentations and allocations	(478)	233	233	-	(75)	87	-
Total restatements	16,804	(17,174)	358	-	(75)	87	-
Total Liabilities - as restated	272,662	146,427	164,703	90,432	225,820	8,671	908,715



Attachment A

Divisional Cost to Income Ratios from continuing operations

The impact of the following changes is presented below:

- Commonwealth Private portfolio transfer
- Other re-segmentations and allocations

	Half Year Ended 30 June 2020					Group %
	Retail Banking Services ¹ %	Business Banking %	Institutional Banking and Markets %	New Zealand (in NZD) %	International Financial Services %	
Operating expenses to total operating income (continuing operations) (%) - as published	39.2	37.1	48.4	44.0	45.5	48.5
Operating expenses to total operating income (continuing operations) (%) - as restated	39.2	37.3	48.9	44.0	46.4	48.5

	Half Year Ended 31 December 2019					Group %
	Retail Banking Services ¹ %	Business Banking %	Institutional Banking and Markets %	New Zealand (in NZD) %	International Financial Services %	
Operating expenses to total operating income (continuing operations) (%) - as published	38.3	35.1	40.8	37.7	36.2	43.3
Operating expenses to total operating income (continuing operations) (%) - as restated	38.2	35.2	41.2	37.5	36.7	43.3

1 Excludes Mortgage Broking and General Insurance.



Attachment A

Updated Financial Comparative Tables for the 2021 Interim Profit Announcement Group Performance Summary

Group Performance Summary	Half Year Ended		
	("cash basis")		
	31 Dec 20	30 Jun 20	31 Dec 19
	\$ M	\$ M	\$ M
Net interest income	-	9,260	9,350
Other banking income	-	2,294	2,543
Total banking income	-	11,554	11,893
Funds management income	-	75	98
Insurance income	-	109	32
Total operating income	-	11,738	12,023
Operating expenses	-	(5,689)	(5,206)
Loan impairment expense	-	(1,869)	(649)
Net profit before tax	-	4,180	6,168
Corporate tax expense	-	(1,240)	(1,812)
Non-controlling interests	-	-	-
Net profit after tax from continuing operations	-	2,940	4,356
Net profit after tax from discontinued operations ¹	-	15	138
Net profit after tax	-	2,955	4,494
Gain on acquisition, disposal, closure and demerger of businesses	-	461	1,631
Hedging and IFRS volatility	-	57	36
Other non-cash items	-	-	-
Net profit after tax ("statutory basis")	-	3,473	6,161
Cash net profit after tax, by division			
Retail Banking Services (excl. Mortgage Broking and General Insurance)	-	1,840	2,255
Mortgage Broking and General Insurance	-	46	1
Retail Banking Services	-	1,886	2,256
Business Banking	-	1,079	1,395
Institutional Banking and Markets	-	168	465
New Zealand	-	288	529
International Financial Services	-	29	98
Corporate Centre	-	(510)	(387)
Net profit after tax from continuing operations ("cash basis")	-	2,940	4,356

¹ 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, Colonial First State Global Asset Management (CFSGAM) and PT Commonwealth Life and non-controlling interests related to discontinued operations.



Attachment A

Key Performance Indicators

Key Performance Indicators	Half Year Ended		
	31 Dec 20	30 Jun 20	31 Dec 19
Retail Banking Services ¹			
Cash net profit after tax (\$M)	-	1,840	2,255
Net interest margin (%)	-	2.62	2.65
Average interest earning assets (AIEA) (\$M) ²	-	371,519	365,200
Operating expenses to total operating income (%) ³	-	39.2	38.2
Risk weighted assets (\$M) ⁴	-	167,205	167,134
Business Banking			
Cash net profit after tax (\$M)	-	1,079	1,395
Net interest margin (%)	-	3.04	3.16
Average interest earning assets (\$M) ²	-	170,381	170,671
Operating expenses to total banking income (%) ³	-	37.3	35.2
Risk weighted assets (\$M)	-	136,288	131,381
Institutional Banking and Markets			
Cash net profit after tax (\$M)	-	168	465
Net interest margin (%)	-	0.99	0.98
Average interest earning assets (\$M)	-	144,109	137,024
Operating expenses to total banking income (%) ³	-	48.9	41.2
Risk weighted assets (\$M)	-	93,325	84,413
New Zealand			
Cash net profit after tax (\$M)	-	288	529
Risk weighted assets - APRA basis (\$M) ⁵	-	50,812	52,612
Net interest margin (ASB) (%) ⁶	-	2.09	2.15
Average interest earning assets (ASB) (NZ\$M) ⁶	-	102,345	98,839
Operating expenses to total operating income (ASB) (%) ^{3,6}	-	42.5	36.5
FUA - average (ASB) (NZ\$M) ^{6,7}	-	-	16,273
AUM - average (ASB) (NZ\$M) ⁶	-	18,156	17,706
Wealth Management ⁸			
Cash net profit after tax (\$M)	-	10	127
Operating expenses to total operating income (%) ³	-	94.4	66.9
FUA - average (\$M) ⁹	-	152,195	158,654

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 represent ASB only and are calculated in accordance with APRA requirements.

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

7 Average FUA has been calculated using the average for the period the Group owned Aegis up until 2 December 2019.

8 Presented as discontinued operations.

9 Average FUA includes Colonial First State (including Commonwealth Bank Group Super) and excludes CommInsure Life Investments.



Attachment A

Retail Banking Services

	Half Year Ended		
	Retail Banking (excl. Mortgage Broking and General Insurance)		
	31 Dec 20	30 Jun 20	31 Dec 19
	\$ M	\$ M	\$ M
Net interest income	-	4,837	4,860
Other banking income	-	709	734
Total banking income	-	5,546	5,594
Funds management income	-	16	51
Insurance income	-	-	-
Total operating income	-	5,562	5,645
Operating expenses	-	(2,178)	(2,157)
Loan impairment expense	-	(768)	(266)
Net profit before tax	-	2,616	3,222
Corporate tax expense	-	(776)	(967)
Cash net profit after tax	-	1,840	2,255
Cash net profit after tax from Mortgage Broking and General Insurance	-	46	1
Total Cash net profit after tax	-	1,886	2,256

Income analysis	Half Year Ended		
	Retail Banking (excl. Mortgage Broking and General Insurance)		
	31 Dec 20	30 Jun 20	31 Dec 19
	\$ M	\$ M	\$ M
Net interest income			
Home loans	-	2,893	2,746
Consumer finance & other ¹	-	751	835
Deposits	-	1,193	1,279
Total net interest income	-	4,837	4,860
Other banking income			
Home loans	-	139	136
Consumer finance ²	-	216	259
Deposits	-	179	192
Distribution & other ³	-	175	147
Total other banking income	-	709	734
Total banking income	-	5,546	5,594

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

	As at		
	31 Dec 20	30 Jun 20	31 Dec 19
Balance Sheet (excl. Mortgage Broking and General Insurance)	\$M	\$M	\$M
Home loans ¹	-	400,921	392,888
Consumer finance ²	-	12,262	14,331
Other interest earning assets	-	1,739	1,842
Total interest earning assets	-	414,922	409,061
Other assets	-	3,486	4,056
Total assets	-	418,408	413,117
Transaction deposits ³	-	39,185	36,474
Savings deposits ³	-	128,470	120,399
Investment deposits & other	-	78,376	82,967
Total interest bearing deposits	-	246,031	239,840
Non-interest bearing transaction deposits	-	33,882	28,472
Other non-interest bearing liabilities	-	3,327	3,234
Total liabilities	-	283,240	271,546

	Half Year Ended		
	31 Dec 20	30 Jun 20	31 Dec 19
Key Financial Metrics (excl. Mortgage Broking and General Insurance)			
Performance indicators			
Net interest margin (%)	-	2.62	2.65
Return on assets (%)	-	0.9	1.1
Operating expenses to total operating income (%)	-	39.2	38.2
Impairment expense annualised as a % of average GLAAs (%)	-	0.37	0.13
Other information			
Average interest earning assets (\$M) ⁴	-	371,519	365,200
Risk weighted assets (\$M) ⁵	-	167,205	167,134
90+ days home loan arrears (%)	-	0.63	0.65
90+ days consumer finance arrears (%)	-	1.34	1.05
Number of full-time equivalent staff (FTE)	-	14,184	13,987

- Home loans are presented gross of mortgage offset balances (30 June 2020: \$41,337 million; 31 December 2019: \$39,644 million). These balances are required to be grossed up under accounting standards but are netted down for the calculation of customer interest payments.
- Consumer finance includes personal loans and credit cards.
- Transaction and Savings deposits include mortgage offset balances (30 June 2020: \$41,337 million; 31 December 2019: \$39,644 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.
- Includes Mortgage Broking and General Insurance.



Attachment A

Business Banking

	31 Dec 20 \$M	30 Jun 20 \$M	31 Dec 19 \$M
Net interest income	-	2,579	2,712
Other banking income	-	759	730
Total banking income	-	3,338	3,442
Operating expenses	-	(1,245)	(1,213)
Loan impairment expense	-	(550)	(234)
Net profit before tax	-	1,543	1,995
Corporate tax expense	-	(464)	(600)
Cash net profit after tax	-	1,079	1,395
Income analysis			
Net interest income			
Small Business Banking	-	1,207	1,252
Commercial Banking	-	706	761
Regional and Agribusiness	-	372	402
Major Client Group ¹	-	191	197
CommSec	-	103	100
Total net interest income	-	2,579	2,712
Other banking income			
Small Business Banking	-	198	236
Commercial Banking	-	152	175
Regional and Agribusiness	-	63	65
Major Client Group ¹	-	111	120
CommSec	-	235	134
Total other banking income	-	759	730
Total banking income	-	3,338	3,442
Income by product			
Business products	-	1,928	2,122
Retail products	-	1,134	1,142
Equities and Margin Lending	-	276	178
Total banking income	-	3,338	3,442

¹ From July 2020, Business Banking re-segmented the business resulting in a new standalone segment Major Client Group, which provides specialised, dedicated support and service to the largest customers within Business Banking.



Attachment A

Business Banking

	As at		
	31 Dec 20	30 Jun 20	31 Dec 19
	\$ M	\$ M	\$ M
Balance Sheet			
Home loans ¹	-	84,752	84,675
Business loans ²	-	92,249	90,015
Margin loans	-	2,322	2,492
Consumer finance	-	1,916	2,316
Total interest earning assets	-	181,239	179,498
Non-lending interest earning assets ³	-	133	62
Other assets ³	-	1,275	1,246
Total assets	-	182,647	180,806
Transaction deposits ^{2,4}	-	34,439	31,003
Savings deposits ⁴	-	60,554	51,431
Investment deposits and other	-	30,988	36,044
Total interest bearing deposits	-	125,981	118,478
Debt issues and other interest bearing liabilities	-	25	30
Non-interest bearing transaction deposits	-	33,198	26,540
Other non-interest bearing liabilities ⁵	-	1,752	1,379
Total liabilities	-	160,956	146,427

	Half Year Ended		
	31 Dec 20	30 Jun 20	31 Dec 19
Key Financial Metrics			
Performance indicators			
Net interest margin (%)	-	3.04	3.16
Return on assets (%)	-	1.2	1.5
Operating expenses to total banking income (%)	-	37.3	35.2
Impairment expense annualised as a % of average GLAAs (%)	-	0.62	0.26
Other information			
Average interest earning assets (\$M) ⁶	-	170,381	170,671
Risk weighted assets (\$M)	-	136,288	131,381
Troublesome and impaired assets (\$M) ⁷	-	4,677	4,398
Troublesome and impaired assets as a % of total committed exposures (%) ⁷	-	3.89	3.78
Number of full-time equivalent staff (FTE)	-	4,410	4,239

- 1 Home loans are presented gross of mortgage offset balances (30 June 2020: \$9,260 million; 31 December 2019: \$9,362 million). These balances are required to be grossed up under accounting standards, but are netted down for the calculation of customer interest payments.
- 2 Business loans include Cash Management Pooling Facilities (CMPF) (30 June 2020: \$243 million; 31 December 2019: \$359 million). Transaction Deposits include CMPF liabilities (30 June 2020: \$1,220 million; 31 December 2019: \$763 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.
- 3 On 28 April 2020, CBA announced that it has entered into an agreement to sell AUSIEX to Nomura Research Institute. Other assets and Non-lending interest earning assets include assets related to the AUSIEX business that are classified as assets held for sale.
- 4 Transaction and Savings deposits include mortgage offset balances (30 June 2020: \$9,260 million; 31 December 2019: \$9,362 million).
- 5 Includes liabilities related to the AUSIEX business that are classified as liabilities held for sale.
- 6 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.
- 7 Commercial troublesome and impaired assets only. Includes commercial and leasing products.



Attachment A

Institutional Banking and Markets

	Half Year Ended		
	31 Dec 20	30 Jun 20	31 Dec 19
	\$ M	\$ M	\$ M
Net interest income	-	707	676
Other banking income	-	371	522
Total banking income	-	1,078	1,198
Operating expenses	-	(527)	(494)
Loan impairment expense	-	(286)	(67)
Net profit before tax	-	265	637
Corporate tax expense	-	(97)	(172)
Cash net profit after tax	-	168	465
Income analysis			
Net interest income			
Institutional Banking	-	547	588
Markets	-	160	88
Total net interest income	-	707	676
Other banking income			
Institutional Banking	-	127	234
Markets	-	244	288
Total other banking income	-	371	522
Total banking income	-	1,078	1,198
Income by product			
Institutional products	-	717	714
Asset leasing	-	(43)	108
Markets (excluding derivative valuation adjustments)	-	440	397
Total banking income excluding derivative valuation adjustments	-	1,114	1,219
Derivative valuation adjustments ¹	-	(36)	(21)
Total banking income	-	1,078	1,198

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



Attachment A

Institutional Banking and Markets

	As at		
	31 Dec 20	30 Jun 20	31 Dec 19
	\$ M	\$ M	\$ M
Balance Sheet			
Interest earning lending assets ¹	-	94,739	93,746
Non-lending interest earning assets	-	48,014	45,727
Other assets ²	-	28,815	21,157
Total assets	-	171,568	160,630
Transaction deposits ¹	-	63,520	53,655
Savings deposits	-	21,741	7,699
Investment deposits	-	38,724	49,458
Certificates of deposit and other	-	23,227	17,640
Total interest bearing deposits	-	147,212	128,452
Due to other financial institutions	-	9,618	14,684
Debt issues and other ³	-	3,868	4,172
Non-interest bearing liabilities ²	-	25,209	17,395
Total liabilities	-	185,907	164,703

	Half Year Ended		
	31 Dec 20	30 Jun 20	31 Dec 19
Key Financial Metrics			
Performance indicators			
Net interest margin (%)	-	0.99	0.98
Return on assets (%)	-	0.2	0.6
Operating expenses to total banking income (%)	-	48.9	41.2
Impairment expense annualised as a % of average GLAAs (%)	-	0.58	0.14
Other information			
Average interest earning assets (\$M)	-	144,109	137,024
Risk weighted assets (\$M)	-	93,325	84,413
Troublesome and impaired assets (\$M)	-	1,346	670
Total committed exposures rated investment grade (%)	-	86.5	88.3
Number of full-time equivalent staff (FTE)	-	1,169	1,153

- Interest earning lending assets include Cash Management Pooling Facilities (CMPF) (30 June 2020: \$24,868 million; 31 December 2019: \$23,852 million). Transaction Deposits include CMPF liabilities (30 June 2020: \$34,287 million; 31 December 2019: \$30,872 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.
- Other assets include intangible assets and derivative assets. Non-interest bearing liabilities include derivative liabilities.
- Debt issues and other includes bank acceptances and liabilities at fair value.



Attachment A

New Zealand

	Half Year Ended		
	31 Dec 20	30 Jun 20	31 Dec 19
New Zealand (A\$M)	A \$ M	A\$M	A\$M
Net interest income	-	970	964
Other banking income ¹	-	176	199
Total banking income	-	1,146	1,163
Funds management income	-	65	71
Total operating income	-	1,211	1,234
Operating expenses	-	(541)	(480)
Loan impairment expense	-	(271)	(21)
Net profit before tax	-	399	733
Corporate tax expense	-	(111)	(204)
Cash net profit after tax	-	288	529

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

	Half Year Ended		
	31 Dec 20	30 Jun 20	31 Dec 19
New Zealand (NZ\$M)	NZ\$M	NZ\$M	NZ\$M
Net interest income	-	1,014	1,032
Other banking income	-	213	247
Total banking income	-	1,227	1,279
Funds management income	-	67	76
Total operating income	-	1,294	1,355
Operating expenses	-	(570)	(508)
Loan impairment expense	-	(284)	(22)
Net profit before tax	-	440	825
Corporate tax expense	-	(122)	(232)
Cash net profit after tax	-	318	593
Represented by:			
ASB	-	353	620
Other ²	-	(35)	(27)
Cash net profit after tax	-	318	593

2 Other includes ASB funding entities and elimination entries between New Zealand segment entities.

	Half Year Ended		
	31 Dec 20	30 Jun 20	31 Dec 19
Key Financial Metrics ¹			
Performance indicator			
Operating expenses to total operating income (%)	-	44.0	37.5

1 Calculated in New Zealand dollar terms.



Attachment A

New Zealand

ASB (NZ\$M)	Half Year Ended		
	31 Dec 20	30 Jun 20	31 Dec 19
	NZ\$M	NZ\$M	NZ\$M
Net interest income	-	1,062	1,068
Other banking income	-	213	247
Total banking income	-	1,275	1,315
Funds management income	-	67	76
Total operating income	-	1,342	1,391
Operating expenses	-	(570)	(508)
Loan impairment expense	-	(284)	(22)
Net profit before tax	-	488	861
Corporate tax expense	-	(135)	(241)
Cash net profit after tax	-	353	620



Attachment A

New Zealand

	As at		
	31 Dec 20	30 Jun 20	31 Dec 19
Balance Sheet (NZ\$M)	NZ\$M	NZ\$M	NZ\$M
Home loans	-	60,336	58,870
Business lending	-	17,680	17,601
Rural lending	-	10,900	11,010
Other interest earning assets	-	1,895	2,209
Total lending interest earning assets	-	90,811	89,690
Non-lending interest earning assets	-	12,029	8,951
Other assets	-	2,370	1,897
Total assets	-	105,210	100,538
Interest bearing deposits	-	63,874	60,257
Debt issues	-	19,408	21,216
Other interest bearing liabilities	-	2,251	1,454
Total interest bearing liabilities	-	85,533	82,927
Non-interest bearing deposits	-	8,123	6,585
Other non-interest bearing liabilities	-	1,183	1,126
Total liabilities	-	94,839	90,638

	Half Year Ended		
	31 Dec 20	30 Jun 20	31 Dec 19
ASB Key Financial Metrics ¹			
Performance indicators			
Net interest margin (%)	-	2.09	2.15
Return on assets (%)	-	0.7	1.2
Operating expenses to total operating income (%)	-	42.5	36.5
Impairment expense annualised as a % of average GLAAs (%)	-	0.63	0.05
Other information			
Average interest earning assets (NZ\$M)	-	102,345	98,839
Risk weighted assets (NZ\$M) ²	-	56,548	56,784
Risk weighted assets (A\$M) ³	-	50,812	52,612
FUA - average (NZ\$M) ⁴	-	-	16,273
FUA - spot (NZ\$M) ⁵	-	-	-
AUM - average (NZ\$M)	-	18,156	17,706
AUM - spot (NZ\$M)	-	18,500	18,513
90+ days home loan arrears (%)	-	0.34	0.14
90+ days consumer finance arrears (%)	-	1.13	0.59
Number of full-time equivalent staff (FTE)	-	5,122	5,074

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

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

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

4 Average balances calculated on the period the Group owned Aegis up until 2 December 2019.

5 Spot balances nil as at 30 June 2020 and 31 December 2019 due to the completion of the sale of Aegis on 2 December 2019.



Attachment A

International Financial Services

	Half Year Ended		
	31 Dec 20	30 Jun 20	31Dec 19
International Financial Services ¹	\$ M	\$M	\$M
Net interest income	-	71	75
Other banking income	-	82	135
Total banking income	-	153	210
Operating expenses	-	(71)	(77)
Loan impairment expense	-	(38)	(21)
Net profit before tax	-	44	112
Corporate tax expense	-	(15)	(14)
Cash net profit after tax from continuing operations	-	29	98
Cash net profit after tax from discontinued operations ²	-	3	14
Cash net profit after tax	-	32	112

	Half Year Ended		
	31 Dec 20	30 Jun 20	31Dec 19
Key Financial Metrics (continuing operations)			
Performance indicators			
Return on assets (%)	-	1.1	3.7
Operating expenses to total banking income (%)	-	46.4	36.7
Impairment expense annualised as a % of average GLAAs (%)	-	5.21	2.77
Other information			
Risk weighted assets (\$M) ³	-	2,971	2,642
Number of full-time equivalent staff (FTE)	-	1,247	1,340

1 IFS does not include the Business Banking and Institutional Banking and Markets businesses in Asia.

2 Discontinued operations include BoCommLife and PTCL.

3 Risk weighted assets include discontinued operations.



Attachment A

Corporate Centre

	Half Year Ended		
	31 Dec 20	30 Jun 20	31 Dec 19
Corporate Centre (including eliminations)	\$ M	\$M	\$M
Net interest income	-	96	64
Other banking income	-	67	91
Total banking income	-	163	155
Funds management income	-	(6)	(24)
Insurance income	-	(2)	(1)
Total operating income	-	155	130
Operating expenses	-	(953)	(621)
Loan impairment (expense)/benefit	-	44	(40)
Net loss before tax	-	(754)	(531)
Corporate tax benefit	-	244	144
Cash net loss after tax from continuing operations	-	(510)	(387)
Cash net profit/(loss) after tax from discontinued operations	-	2	(3)
Cash net loss after tax	-	(508)	(390)



Attachment A

Wealth Management (Discontinued Operations)

	Half Year Ended		
	31 Dec 20	30 Jun 20	31 Dec 19
	\$ M	\$ M	\$ M
Funds management income	-	376	508
Insurance income	-	-	30
Total operating income	-	376	538
Operating expenses	-	(355)	(360)
Net profit before tax	-	21	178
Corporate tax expense	-	(11)	(51)
Cash net profit after tax from discontinued operations	-	10	127
Colonial first State and other	-	10	121
CFS Global Asset Management	-	-	24
Life Insurance Business ¹	-	-	(18)
Cash net profit after tax from discontinued operations	-	10	127

1 CommInsure's life business (the "Life Business") includes life insurance and a life related investments business.

	Half Year Ended								
	Discontinued operations								
	Colonial First State & other			CFS Global Asset Management ¹			Life Insurance Business ²		
	31 Dec 20	30 Jun 20	31 Dec 19	31 Dec 20	30 Jun 20	31 Dec 19	31 Dec 20	30 Jun 20	31 Dec 19
	\$ M	\$ M	\$ M	\$ M	\$ M	\$ M	\$ M	\$ M	\$ M
Funds management income	-	376	397	-	-	83	-	-	28
Insurance income	-	-	-	-	-	-	-	-	30
Total operating income	-	376	397	-	-	83	-	-	58
Operating expenses	-	(355)	(224)	-	-	(52)	-	-	(84)
Net profit before tax	-	21	173	-	-	31	-	-	(26)
Corporate tax expense	-	(11)	(52)	-	-	(7)	-	-	8
Cash net profit/(loss) after tax	-	10	121	-	-	24	-	-	(18)

Key Financial Metrics	Half Year Ended		
	31 Dec 20	30 Jun 20	31 Dec 19
Performance indicators			
Operating expenses to total operating income (%)	-	94.4	66.9
FUA - average (\$M) ³	-	152,195	158,654
FUA - spot (\$M) ³	-	147,621	160,988
Risk weighted assets (\$M)	-	137	53
Number of full-time equivalent staff (FTE) ⁴	-	1,375	1,244

1 CFS Global Asset Management results are for the period up until 2 August 2019.

2 Life Insurance Business results are for the period up until 1 November 2019.

3 Average and spot FUA includes Colonial First State (including Commonwealth Bank Group Super) and excludes CommInsure Life Investments.

4 FTE represents Colonial First State FTE and does not include any support unit FTE.

