

Basel III Pillar 3

Capital Adequacy and Risk
Disclosures as at 31 December 2024

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The release of this announcement was authorised by the Board.

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The Commonwealth Bank of Australia (CBA) is an Authorised Deposit-taking Institution (ADI) regulated by the Australian Prudential Regulation Authority (APRA) under the authority of the Banking Act 1959.

This document is prepared for CBA and its subsidiaries (the Group) in accordance with a Board approved policy and quarterly reporting requirements set out in APRA Prudential Standard (APS) APS 330 Public Disclosure (APS 330). It presents information on the Group's capital adequacy and Risk Weighted Assets (RWA) calculations for credit risk including securitisation, traded market risk, Interest Rate Risk in the Banking Book (IRRBB) and operational risk.

This document also presents information on the Group's leverage and liquidity ratios in accordance with prescribed methodologies.

The Group is required to report its assessment of capital adequacy on a Level 2 basis. Level 2 is defined as the Consolidated Banking Group excluding the insurance entity and certain entities through which securitisation of the Group's assets is conducted.

The Group is predominantly accredited to use the Advanced Internal-Ratings Based (AIRB) approach for credit risk and the Standardised Measurement Approach for operational risk. The Group is also required to assess its traded market risk and IRRBB requirements under Pillar 1 of the Basel capital framework.

This document is unaudited and has been prepared consistent with information that has been supplied to APRA.

This Pillar 3 document is available on the Group's corporate website: [Commbank.com.au/regulatorydisclosures](https://commbank.com.au/regulatorydisclosures).

The Group in Review

	31 Dec 24	30 Jun 24	31 Dec 23
Summary Group Capital Adequacy Ratios (Level 2)	%	%	%
Common Equity Tier 1	12.2	12.3	12.3
Additional Tier 1	1.9	2.0	2.4
Tier 1	14.1	14.3	14.7
Tier 2	6.6	6.6	5.8
Total Capital	20.7	20.9	20.5

Group Capital Ratios

As at 31 December 2024, the Group's Basel III Common Equity Tier 1 (CET1), Tier 1 and Total Capital ratios were 12.2%, 14.1% and 20.7% respectively.

Leverage Ratio

The Group's leverage ratio, which is defined as Tier 1 Capital as a percentage of total exposures, was 4.9% as at 31 December 2024.

Liquidity Coverage Ratio

The Liquidity Coverage Ratio (LCR) requires Australian ADIs to hold sufficient liquid assets to meet 30 day Net Cash Outflows (NCO) projected under an APRA prescribed severe liquidity stress scenario. The Group maintained an average LCR of 127% in the December 2024 quarter.

Net Stable Funding Ratio

The Net Stable Funding Ratio (NSFR) is the ratio of the amount of Available Stable Funding (ASF) to the amount of Required Stable Funding (RSF) over a one year horizon. Factors prescribed by APRA are used to determine the stable funding requirement of assets and the stability of alternative sources of funding. The Group's NSFR was 116% at 31 December 2024.

Policy Framework

The Group regularly benchmarks and aligns its policy framework against existing prudential and regulatory standards. Potential developments in Australian and international standards, and global best practice are also considered.

The Group continues to monitor and take actions to enhance and strengthen its risk culture. The Group has a formal Risk Management Approach (RMA) that creates clear obligations and transparency over risk management and strategy decisions. A risk accountability model (Three Lines of Accountability) requires business management to operate responsibly by taking well understood and managed risks that are appropriately and adequately priced.

The application is reflected in the Group's overall asset quality and capital position. In particular, the Group remains in a small group of banking institutions with an AA-/Aa2 credit rating. To maintain this strength, the Group continues to invest in its risk systems and management processes.

The Group's capital forecasting process and capital plans are in place to ensure a sufficient capital buffer above minimum levels is maintained at all times. The Group manages its capital by regularly and simultaneously considering regulatory capital requirements, rating agency views on the capital required to maintain the Group's credit rating, the market response to capital levels and stress testing. These views then cascade into consideration of the target capital level. The Group's management of its capital adequacy is supported by robust capital management processes applied in each Business Unit (BU). The results are integrated into the Group's risk-adjusted performance and pricing processes.

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Scope of Application

This document has been prepared in accordance with the Board approved policy and reporting requirements set out in APS 330.

APRA adopts a tiered approach to the measurement of an ADI's capital adequacy:

- **Level 1:** the Parent Bank (CBA) and offshore branches (the Bank) and APRA approved Extended Licensed Entities (ELE);
- **Level 2:** the Consolidated Banking Group excluding an insurance entity and certain entities through which securitisation of Group assets is conducted; and
- **Level 3:** the conglomerate group including the Group's insurance entity¹ (the Group).

The Group is required to report its assessment of capital adequacy on a Level 2 basis. The head of the Level 2 Group is the Parent Bank. Additional disclosure of capital ratios relating to material ADIs within the Group together with CBA's own Level 1 Capital ratios are included under Table 6g of this report (page 7).

ASB Bank Limited (ASB) operates under Advanced Basel III status and is subject to regulation by the Reserve Bank of New Zealand (RBNZ). The RBNZ applies a similar methodology to APRA in calculating regulatory capital requirements.

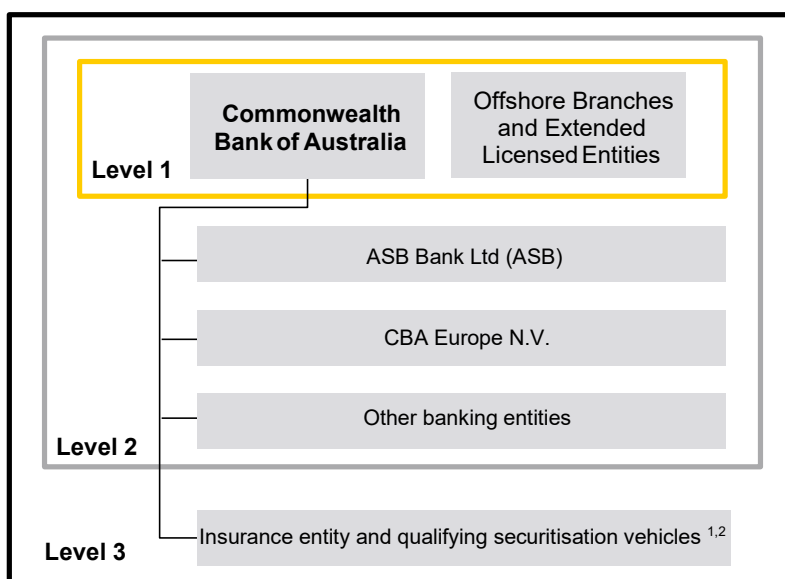
CBA Europe N.V. applies the Standardised Basel III methodology in calculating their local regulatory capital requirements. Effective from March 2022, APRA approved CBA Europe N.V. to apply the Internal Ratings-based (IRB) approach for the purpose of determining the Group's capital requirement at Level 2.

Restrictions on transfer of funds or regulatory capital within the Group

The transfer of regulatory capital and funding within the Group is subject to restrictions imposed by local regulatory requirements. In particular, APS 222 *Associations with Related Entities* establishes prudential limits on the level of exposure that the Bank may have to a related entity.

The Bank and all of the subsidiaries of the Group are adequately capitalised. There are no restrictions or other major impediments on the transfer of funds within the Group. There are no capital deficiencies in non-consolidated (regulatory) subsidiaries in the Group.

APS 330 reporting structure



¹ A detailed list of non-consolidated entities is provided in Appendix 11.5.

² Securitisation that meets APRA's operational requirements for regulatory capital relief under APS 120 *Securitisation* (APS 120).

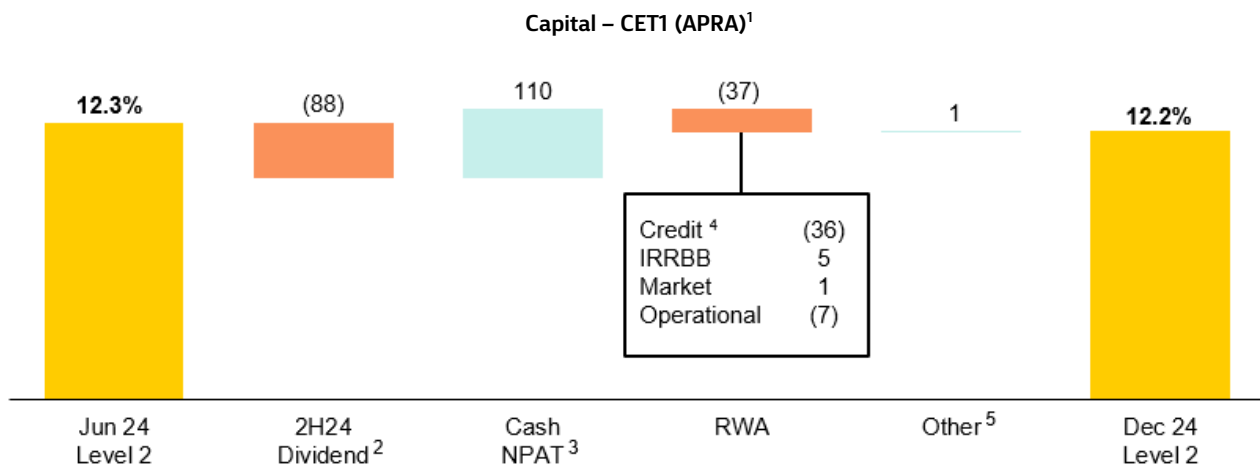
Capital Adequacy

The Group actively manages its capital to balance the perspectives of various stakeholders (regulators, rating agencies and shareholders). This is achieved by optimising the mix of capital, while maintaining adequate capital ratios throughout the financial year. The Group's capital is managed within a formal framework, the ICAAP, which is an integration of risk, financial and capital management processes.

APRA advises the Group of its Prudential Capital Requirement (PCR), which represents the regulatory minimum CET1, Tier 1 and Total Capital ratios that the Group is required to maintain at all times. In order to ensure there is no breach of these minimum levels, APRA expects the Group to maintain a prudent buffer over these prescribed minimum levels. The PCR is subject to an ongoing review by APRA and is formally reassessed on an annual basis. The Group is required to inform APRA immediately of any breach or potential breach of its PCR, including details of remedial action taken or planned to be taken.

The Group has a range of instruments and methodologies available to effectively manage capital. These include share issues and buybacks, dividend and Dividend Reinvestment Plan (DRP) policies, hybrid capital raising and subordinated debt issuances. All major capital related initiatives require approval by the Board.

The Group's capital position is monitored on a continuous basis and reported monthly to the Executive Leadership Team of the Group and at regular intervals throughout the year to the Board Risk and Compliance Committee. Capital forecasts are updated on a continuous basis and a detailed capital plan is presented to the Board annually.



¹ Due to rounding, numbers presented in this section may not sum precisely to the totals provided.

² The 2024 final dividend included the on-market purchase of \$758 million of shares (CET1 impact of -16bpts) in respect of the Dividend Reinvestment Plan.

³ Excludes equity accounted profits/losses and impairments from associates as they are capital neutral with offsetting changes in capital deductions.

⁴ Excludes impact of foreign exchange movements which is included in 'Other'.

⁵ Includes the benefit from the partial divestment of CBA's shareholding in Vietnam International Commercial Joint Stock Bank (VIB), increase in capitalised software, impact of revaluation losses on the HQLA portfolio, FX impact on Credit RWA, equity accounted profits/losses from associates, other regulatory adjustments and progress on the on-market share buy-back. As at 31 December 2024, the Group has completed \$300 million of the \$1 billion on-market share buy-back previously announced on 9 August 2023 (2,706,964 ordinary shares bought back at an average price of \$110.72). \$18 million of this was completed in 1H25 (118,000 ordinary shares bought back at an average price of \$151.98).

Capital Position

The Group's CET1 Capital ratio was 12.2% as at 31 December 2024, compared with 12.3% as at 30 June 2024. The CET1 Capital ratio was well above APRA's regulatory requirement at all times throughout the half year ended 31 December 2024.

Key drivers of the change in CET1 for the 6 months ended 31 December 2024 were:

- The payment of the 2H24 dividend;

- Higher total RWA with increases in Credit Risk and Operational Risk RWA, partly offset by lower IRRBB and Traded Market Risk RWA; partly offset by
- Capital generated from earnings; and
- Other regulatory adjustments and movement in reserves.

Further details on the movements in RWA are provided on pages 9-11.

Capital (continued)

Capital Initiatives

The following significant capital initiatives were undertaken during the half year ended 31 December 2024:

Common Equity Tier 1 Capital

The Dividend Reinvestment Plan (DRP) in respect of the 2024 final dividend was satisfied in full by the on-market purchase of shares. The participation rate for the DRP was 18.1%.

Tier 2 Capital

The Group issued AUD1,500 million subordinated notes in November 2024 and redeemed EUR1,000 million subordinated notes in October 2024, both Basel III compliant Tier 2 Capital.

Regulatory Framework

The APRA prudential standards prescribe a minimum CET1 Capital ratio of 10.25% for Internal Ratings-based (IRB) ADIs such as CBA, comprising of a minimum Prudential Capital Requirement (PCR) of 4.5% and a capital conservation buffer (CCB) of 5.75%, which includes a Domestic Systemically Important Bank (D-SIB) buffer of 1% and a baseline countercyclical capital buffer (CCyB) set at 1%¹. The CCyB, which may be varied by APRA in the range of 0%-3.5%, can be released in times of systemic stress and post-stress recovery.

The Group expects to operate with a post-dividend CET1 Capital ratio of greater than 11%, compared to the APRA minimum of 10.25%, except in circumstances of unexpected capital volatility.

The minimum Tier 1 Capital requirement as at 31 December 2024 was 11.75%.

To satisfy APRA's loss-absorbing capacity requirements, the minimum Total Capital ratio requirement for D-SIBs, including CBA, has increased from 13.75% to 16.75% effective from 1 January 2024. From 1 January 2026, the requirement will increase to 18.25%.

Regulatory Developments

IRRBB Consultation

On 8 July 2024, APRA released the final revised APS 117 "Capital Adequacy: Interest Rate Risk in the Banking Book", which sets out the requirements that an ADI must meet in managing its Interest Rate Risk in the Banking Book (IRRBB), following the November 2022 and December 2023 consultations on proposed changes to the standard. The revised APS117 will come into effect on 1 October 2025.

Traded Market Risk and Counterparty Credit Risk

APRA is yet to commence consultation on revisions to APS 116 "Capital Adequacy: Market Risk", and APS 180 "Capital Adequacy: Counterparty Credit Risk", with revisions to both standards expected to be implemented in 2026.

New Zealand bank capital adequacy requirements

The Reserve Bank of New Zealand's revisions to bank capital adequacy requirements are being implemented in stages during a transition period from October 2021 to July 2028. By the end of the transition period, the minimum Tier 1 and Total Capital requirements for banks deemed systemically important, including ASB, will increase to 16% and 18% of RWA respectively, of which 13.5% must be in the form of CET1 Capital while Tier 2 Capital can contribute up to a maximum of 2% of the Total Capital requirement.

As at 31 December 2024, the CET1, Tier 1 and Total Capital ratio requirements for ASB were 9%, 11.5% and 13.5%, respectively.

APRA Additional Tier 1 ("AT1") Capital Discussion Papers

On 10 September 2024, APRA released a second discussion paper entitled "A more effective capital framework for a crisis" proposing to simplify the capital framework by phasing out AT1 instruments and replacing it with CET1 and Tier 2 Capital. This follows the initial discussion paper entitled "Enhancing bank resilience: Additional Tier 1 Capital in Australia" on potential policy options to improve the effectiveness of AT1 instruments in a potential bank stress scenario.

Subsequently, on 9 December 2024, APRA released a letter entitled "A more effective capital framework for a crisis: Update" confirming that it is proceeding with its proposal to phase out AT1 Capital from the capital framework.

Large, internationally active banks such as CBA, will be able to replace the current 1.5% of AT1 Capital with 0.25% of CET1 Capital and 1.25% of Tier 2 Capital. Total Capital requirement is to remain unchanged.

These changes will commence from 1 January 2027. In addition, existing AT1 instruments will be eligible to be included as Tier 2 Capital from this date until their first scheduled call date. APRA intends to formally consult on any proposed amendments to the prudential framework by mid-2025, with expected finalisation by late-2025.

Prudential framework for groups

On 24 October 2022, APRA released a letter to all APRA regulated entities indicating that it is reviewing the prudential framework for groups operating in the Australian banking sector to ensure it caters for the increasing array of new groups and it is consistently applied across different structures. APRA is yet to formally consult on any revisions to the relevant standards.

Targeted changes to ADI liquidity and capital standards

On 24 July 2024, APRA finalised its targeted revisions to ADIs' liquidity and capital requirements following the November 2023 consultation, which aims to ensure ADIs have strong crisis preparedness, prudently value their liquid assets and minimise potential contagion risks. The changes will come into effect on 1 July 2025.

Public disclosure

In December 2022, APRA issued a revised APS 330 "Public Disclosure", which aligns with the updated international standards for public disclosure set by the BCBS. The revised disclosure requirements are effective from 1 January 2025.

¹ In November 2024, APRA announced that the CCyB for Australian exposures will remain at 1%. The Group has limited exposures to offshore jurisdictions in which a CCyB requirement in excess of 0% has been imposed.

Capital (continued)

Group Regulatory Capital Position

	31 Dec 24	30 Jun 24	31 Dec 23
Summary Group Capital Adequacy Ratios (Level 2)	%	%	%
Common Equity Tier 1	12.2	12.3	12.3
Additional Tier 1	1.9	2.0	2.4
Tier 1	14.1	14.3	14.7
Tier 2	6.6	6.6	5.8
Total Capital	20.7	20.9	20.5

	31 Dec 24	30 Jun 24	31 Dec 23
Group Regulatory Capital Position	\$M	\$M	\$M
Ordinary share capital and treasury shares	33,775	33,793	33,921
Reserves	(900)	(2,147)	(1,583)
Retained earnings	42,518	41,546	40,598
Common Equity Tier 1 Capital before regulatory adjustments	75,393	73,192	72,936
Common Equity Tier 1 regulatory adjustments	(16,522)	(15,501)	(15,705)
Common Equity Tier 1 Capital	58,871	57,691	57,231
Additional Tier 1 Capital	9,272	9,272	10,862
Tier 1 Capital	68,143	66,963	68,093
Tier 2 Capital	31,562	30,828	27,147
Total Capital	99,705	97,791	95,240
Risk Weighted Assets	482,369	467,551	463,644

Further details on the composition of the Group's capital are detailed in Appendix 11.1.

Capital (continued)

Group Regulatory Capital Position (continued)

Table 6g – Capital Ratios – Level 1 and Major Subsidiaries

Significant Group ADIs	31 Dec 24 %	30 Jun 24 %	31 Dec 23 %
CBA Level 1 CET1 Capital ratio	12.1	12.4	12.5
CBA Level 1 Tier 1 Capital ratio	14.2	14.6	15.1
CBA Level 1 Total Capital ratio	21.3	21.8	21.5
ASB CET1 Capital ratio ¹	14.8	14.9	14.1
ASB Tier 1 Capital ratio ¹	14.8	14.9	14.1
ASB Total Capital ratio ¹	16.3	16.3	15.5

¹ Calculated in accordance with the RBNZ Prudential Requirements.

CBA Level 1	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M
Common Equity Tier 1 Capital	53,607	52,621	52,731
Additional Tier 1 Capital	9,272	9,272	10,862
Tier 1 Capital	62,879	61,893	63,593
Tier 2 Capital	31,365	30,586	26,798
Total Capital	94,244	92,479	90,391
Risk Weighted Assets	441,640	425,161	420,772

ASB Banking Group ¹	31 Dec 24 NZ\$M	30 Jun 24 NZ\$M	31 Dec 23 NZ\$M
Common Equity Tier 1 Capital	10,904	10,635	9,964
Additional Tier 1	—	—	—
Tier 1 Capital	10,904	10,635	9,964
Tier 2 Capital	1,083	1,003	972
Total Capital	11,987	11,638	10,936
Risk Weighted Assets	73,761	71,415	70,673

¹ Calculated in accordance with the RBNZ Prudential Requirements.

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Leverage Ratio

The Group's leverage ratio, defined as Tier 1 Capital as a percentage of total exposures, was 4.9% as at 31 December 2024. The ratio reduced by 10 basis points on the prior half with an increase in exposures and payment of the 2H24 dividend, partly offset by capital generated from earnings.

The minimum leverage ratio requirement for IRB banks, such as CBA, is 3.5%.

Summary Group Leverage Ratio ¹	31 Dec 24	30 Sep 24	30 Jun 24	31 Mar 24	31 Dec 23
Tier 1 Capital (\$M)	68,143	64,890	66,963	66,853	68,093
Total Exposures (\$M) ²	1,393,974	1,366,087	1,339,175	1,369,458	1,362,098
Leverage Ratio (%)	4.9	4.8	5.0	4.9	5.0

¹ Refer to Appendix 11.2 for further details on the composition of the leverage ratio.

² Total exposures is the sum of on balance sheet exposures, derivatives, securities financing transactions (SFTs), and off balance sheet exposures, net of any Tier 1 regulatory deductions, as outlined in APS 110 *Capital Adequacy* (APS 110). Refer to Appendix 11.2 for the calculation of the 31 December 2024 exposures.

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Risk Weighted Assets

RWA are calculated using the AIRB approach for the majority of the Group's credit risk exposures, and using the Foundation or Standardised approach as required under the Australian prudential standards. For CBA's New Zealand Subsidiary, ASB, RWA are calculated using the Reserve Bank of New Zealand's prudential rules subject to certain APRA-prescribed adjustments. The Group must use the External Ratings-based Approach where a securitisation exposure is externally rated by an External Credit Assessment Institution (ECAI) or for which an inferred rating is available. Where the Group cannot use the External Ratings-based Approach, the Group must use the Supervisory Formula Approach.

Table 6b to 6f – Basel III Capital Requirements (RWA)

Asset Category	Risk Weighted Assets			Change in RWA for 31 December 24	
	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M	\$M	%
Credit risk					
Subject to AIRB approach ¹					
Corporate (incl. SME corporate) ^{2 3}	93,147	86,125	83,483	7,022	8
SME retail	10,901	10,819	10,235	82	1
Residential mortgage ⁴	144,873	145,229	143,896	(356)	–
Qualifying revolving retail	5,222	5,372	5,336	(150)	(3)
Other retail	9,102	9,105	8,746	(3)	–
Total RWA subject to AIRB approach	263,245	256,650	251,696	6,595	3
Subject to FIRB approach ¹					
Corporate - large ^{2 3}	28,783	27,048	26,216	1,735	6
Sovereign	2,353	2,378	2,349	(25)	(1)
Financial institution	12,343	10,184	12,633	2,159	21
Total RWA subject to FIRB approach	43,479	39,610	41,198	3,869	10
Specialised lending	4,786	3,660	3,514	1,126	31
Subject to standardised approach					
Corporate (incl. SME corporate)	811	1,023	779	(212)	(21)
SME retail	642	628	642	14	2
Sovereign	1	1	227	–	–
Residential mortgage	7,197	6,953	6,885	244	4
Other retail	292	237	519	55	23
Other assets	6,065	6,686	8,298	(621)	(9)
Total RWA subject to standardised approach	15,008	15,528	17,350	(520)	(3)
Securitisation	3,685	3,214	3,247	471	15
Credit valuation adjustment	4,467	2,873	2,846	1,594	55
Central counterparties	170	160	165	10	6
RBNZ regulated entities ¹	50,277	48,749	48,719	1,528	3
Total RWA for credit risk exposures	385,117	370,444	368,735	14,673	4
Traded market risk	7,949	8,488	9,627	(539)	(6)
Interest rate risk in the banking book	41,679	43,644	40,307	(1,965)	(5)
Operational risk	47,624	44,975	44,975	2,649	6
Total risk weighted assets	482,369	467,551	463,644	14,818	3

¹ Pursuant to APRA requirements, RWA amounts derived from the risk weighted functions of AIRB, FIRB and the advanced portfolio of RBNZ regulated entities have been multiplied by a scaling factor of 1.10.

² Includes non-retail overlays of \$0.5 billion as at 31 December 2024 (30 June 2024 and 31 December 2023: \$4.2 billion).

³ Includes IPRE risk weight floor top-up of \$2.9 billion as at 31 December 2024 (30 June 2024: \$1.8 billion; 31 December 2023: \$1.7 billion).

⁴ As a condition of APRA approval of the residential mortgage LGD model, a \$7.4 billion RWA overlay was applied by the Group at 30 June 2024 and 31 December 2023. The overlay was released in September 2024 quarter following regulatory approval of the new residential mortgage LGD model.

Risk Weighted Assets (continued)

Table 6i – Capital Floor

	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M
Risk weighted assets under the standardised approach			
Credit risk ¹	578,292	554,301	550,995
Traded market risk	7,949	8,488	9,627
Operational risk	47,624	44,975	44,975
Interest rate risk in the banking book	n/a	n/a	n/a
Total	633,865	607,764	605,597
Risk weighted assets prior to application of floor			
Credit risk	385,117	370,444	368,735
Traded market risk	7,949	8,488	9,627
Operational risk	47,624	44,975	44,975
Interest rate risk in the banking book	41,679	43,644	40,307
Total	482,369	467,551	463,644
Capital Floor at 72.5%	459,552	440,629	439,058
Capital floor adjustment	–	–	–

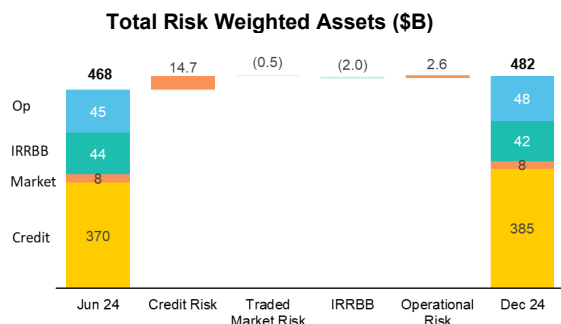
¹ RWA for residential mortgages (excluding RBNZ regulated subsidiaries) measured under the retail IRB approach is \$230 billion (30 June 2024: \$224 billion; 31 December 2023: \$219 billion) when calculated under the standardised approach.

Risk Weighted Assets (continued)

Risk Weighted Assets ¹

Total Group RWA

Total RWA increased \$14.8 billion or 3.2% on the prior half to \$482.4 billion, mainly driven by higher Credit RWA and Operational Risk RWA, partly offset by lower IRRBB and Traded Market Risk RWA.



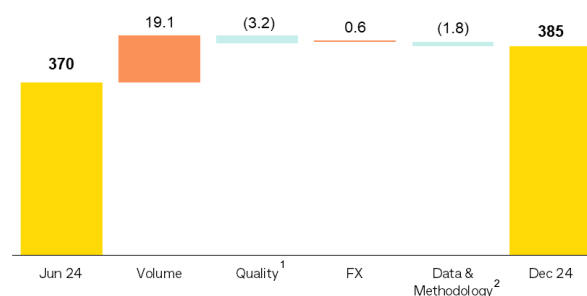
Credit Risk RWA

Credit Risk RWA increased \$14.7 billion or 4.0% on the prior half to \$385.1 billion. Key drivers include:

- Volume growth (increase of \$19.1 billion) across commercial portfolios, domestic residential mortgages, derivatives and New Zealand portfolios;
- Foreign currency movements (increase of \$0.6 billion); partly offset by
- Credit quality improvement (decrease of \$3.2 billion) from lower domestic residential mortgage risk weights primarily due to an improvement in loan-to-value ratios; and
- Data & methodology (decrease of \$1.8 billion), primarily relating to regulatory approval of new residential mortgage LGD model.

¹ Due to rounding, numbers presented in this section may not sum precisely to the totals provided.

Credit Risk Weighted Assets (\$B)



¹ Credit quality includes portfolio mix.

² Includes data and methodology, credit risk estimates changes and regulatory treatments.

Traded Market Risk RWA

Traded market risk RWA decreased by \$0.5 billion or 6% on the prior half year to \$7.9 billion.

Interest Rate Risk in the Banking Book (IRRBB) RWA

IRRBB RWA decreased \$2.0 billion or 4.5% on the prior half to \$41.7 billion, driven by lower interest rates in Australia and New Zealand, partly offset by higher basis risks.

Operational Risk RWA

As required by APS115, operational risk RWA as at December 2024 have been determined based on the annual average value of the relevant components of the Group's net income over the financial years ended 30 June 2024, 2023 and 2022. Operational risk RWA as at June 2024 were determined based on the annual average value of the relevant components of the Group's net income over the financial years ended 30 June 2023, 2022 and 2021. The increase in operational risk RWA by \$2.6 billion or 5.9% on the prior half to \$47.6 billion was primarily driven by a higher average net interest income over the years ended 30 June 2024, 2023 and 2022 as a result of rising interest rate environment and lending growth.

6

Credit Risk

6.1 Credit Risk Exposure – excluding Equities and Securitisation

The following tables detail credit risk exposures subject to AIRB, FIRB and standardised approaches.

Table 7i – Credit risk exposures by portfolio type and modelling approach

	31 December 2024						
	Off Balance Sheet						
	On Balance Sheet	Non- market related	Market related	Total	Average exposure for December 2024 half ¹	Change in exposure for December 2024 half ²	
Portfolio Type	\$M	\$M	\$M	\$M	\$M	\$M	%
Subject to AIRB approach							
Corporate (incl. SME corporate)	154,778	17,502	1,538	173,818	168,580	10,476	6.4
SME retail	13,294	6,300	6	19,600	19,589	23	0.1
Residential mortgage	594,968	76,997	–	671,965	660,790	22,351	3.4
Qualifying revolving retail	8,313	14,671	–	22,984	23,075	(181)	(0.8)
Other retail	7,806	1,268	–	9,074	8,823	503	5.9
Total AIRB approach	779,159	116,738	1,544	897,441	880,857	33,172	3.8
Subject to FIRB approach							
Corporate - large	34,416	14,892	5,548	54,856	52,257	5,199	10.5
Sovereign	128,933	894	5,767	135,594	134,913	1,362	1.0
Financial institution	24,310	7,369	21,007	52,686	48,293	8,786	20.0
Total FIRB approach	187,659	23,155	32,322	243,136	235,463	15,347	6.7
Specialised lending	4,350	1,492	87	5,929	5,258	1,342	29.3
Subject to standardised approach							
Corporate (incl. SME corporate)	554	197	66	817	950	(265)	(24.5)
SME retail	502	349	4	855	846	19	2.3
Sovereign	–	–	–	–	1	(1)	(100.0)
Residential mortgage	16,170	1,465	–	17,635	17,375	521	3.0
Other retail	133	158	–	291	264	54	22.8
Other assets ³	11,352	956	52	12,360	11,800	1,120	10.0
Central counterparties	–	–	3,200	3,200	3,158	85	2.7
Total standardised approach	28,711	3,125	3,322	35,158	34,394	1,533	4.6
RBNZ regulated entities	115,526	13,549	2,369	131,444	130,485	1,918	1.5
Total credit exposures ⁴	1,115,405	158,059	39,644	1,313,108	1,286,457	53,312	4.2

¹ The simple average of balances as at 31 December 2024 and 30 June 2024.

² The difference between exposures as at 31 December 2024 and 30 June 2024.

³ Includes immaterial contributions from other standardised asset classes, including Domestic public sector entities, Commercial property, Land acquisition, development and construction, and Bank.

⁴ Total credit risk exposures (calculated as EAD) do not include equities or securitisation exposures. Off Balance Sheet market related exposures include \$4.0 billion of exposures in relation to Securities Financing Transactions (SFTs).

Credit Risk (continued)

6.1 Credit Risk Exposure – excluding Equities and Securitisation (continued)

Table 7i – Credit risk exposures by portfolio type and modelling approach (continued)

	30 June 2024						
	Off Balance Sheet						
	On Balance Sheet	Non- market related	Market related	Total	Average exposure for June 2024 half ¹	Change in exposure for June 2024 half ²	
Portfolio Type	\$M	\$M	\$M	\$M	\$M	\$M	%
Subject to AIRB approach							
Corporate (incl. SME corporate)	145,885	16,203	1,254	163,342	160,333	6,019	3.8
SME retail	13,500	6,073	4	19,577	19,404	345	1.8
Residential mortgage	576,086	73,528	–	649,614	642,344	14,541	2.3
Qualifying revolving retail	8,242	14,923	–	23,165	23,268	(206)	(0.9)
Other retail	7,291	1,280	–	8,571	8,251	639	8.1
Total AIRB approach	751,004	112,007	1,258	864,269	853,600	21,338	2.5
Subject to FIRB approach							
Corporate - large	30,669	14,511	4,477	49,657	49,238	838	1.7
Sovereign	129,184	875	4,173	134,232	153,956	(39,447)	(22.7)
Financial institution	22,069	7,033	14,798	43,900	50,401	(13,002)	(22.8)
Total FIRB approach	181,922	22,419	23,448	227,789	253,595	(51,611)	(18.5)
Specialised lending	3,444	1,084	59	4,587	4,493	189	4.3
Subject to standardised approach							
Corporate (incl. SME corporate)	826	228	28	1,082	957	250	30.0
SME retail	519	294	23	836	846	(19)	(2.2)
Sovereign	1	–	–	1	230	(459)	(99.8)
Residential mortgage	15,605	1,509	–	17,114	16,998	232	1.4
Other retail	100	137	–	237	378	(281)	(54.2)
Other assets ³	10,200	997	43	11,240	13,429	(4,379)	(28.0)
Central counterparties	–	–	3,115	3,115	2,989	253	8.8
Total standardised approach	27,251	3,165	3,209	33,625	35,827	(4,403)	(11.6)
RBNZ regulated entities	114,031	13,002	2,493	129,526	130,654	(2,255)	(1.7)
Total credit exposures ⁴	1,077,652	151,677	30,467	1,259,796	1,278,169	(36,742)	(2.8)

1 The simple average of balances as at 30 June 2024 and 31 December 2023.

2 The difference between exposures as at 30 June 2024 and 31 December 2023.

3 Includes immaterial contributions from other standardised asset classes, including Domestic public sector entities, Commercial property, Land acquisition, development and construction, and Bank.

4 Total credit risk exposures (calculated as EAD) do not include equities or securitisation exposures. Off Balance Sheet market related exposures include \$3.9 billion of exposures in relation to Securities Financing Transactions (SFTs).

Credit Risk (continued)

6.1 Credit Risk Exposure – excluding Equities and Securitisation (continued)

Table 7i – Credit risk exposures by portfolio type and modelling approach (continued)

	31 December 2023						
	Off Balance Sheet						
	On Balance Sheet	Non- market related	Market related	Total	Average exposure for December 2023 half ¹	Change in exposure for December 2023 half ²	
Portfolio Type	\$M	\$M	\$M	\$M	\$M	\$M	%
Subject to AIRB approach							
Corporate (incl. SME corporate)	138,385	17,308	1,630	157,323	156,145	2,357	1.5
SME retail	12,937	6,282	13	19,232	19,019	426	2.3
Residential mortgage	562,209	72,864	–	635,073	635,415	(684)	(0.1)
Qualifying revolving retail	8,362	15,009	–	23,371	23,451	(160)	(0.7)
Other retail	6,645	1,287	–	7,932	7,774	316	4.1
Total AIRB approach	728,538	112,750	1,643	842,931	841,804	2,255	0.3
Subject to FIRB approach							
Corporate - large	29,694	14,039	5,086	48,819	45,084	7,470	18.1
Sovereign	156,260	613	16,806	173,679	185,693	(24,028)	(12.2)
Financial institution	36,598	7,566	12,738	56,902	49,767	14,270	33.5
Total FIRB approach	222,552	22,218	34,630	279,400	280,544	(2,288)	(0.8)
Specialised lending	3,287	993	118	4,398	4,520	(243)	(5.2)
Subject to standardised approach							
Corporate (incl. SME corporate)	546	282	4	832	695	273	48.8
SME retail	520	319	16	855	1,052	(393)	(31.5)
Sovereign	459	1	–	460	490	(60)	(11.5)
Residential mortgage	15,318	1,564	–	16,882	16,748	268	1.6
Other retail	403	115	–	518	561	(86)	(14.2)
Other assets ³	14,348	1,014	257	15,619	14,493	2,252	16.8
Central counterparties	–	–	2,862	2,862	2,739	246	9.4
Total standardised approach	31,594	3,295	3,139	38,028	36,778	2,500	7.0
RBNZ regulated entities	116,070	13,148	2,563	131,781	131,373	815	0.6
Total credit exposures ⁴	1,102,041	152,404	42,093	1,296,538	1,295,019	3,039	0.2

1 The simple average of balances as at 31 December 2023 and 30 June 2023.

2 The difference between exposures as at 31 December 2023 and 30 June 2023.

3 Includes immaterial contributions from other standardised asset classes, including Domestic public sector entities, Commercial property, Land acquisition, development and construction, and Bank.

4 Total credit risk exposures (calculated as EAD) do not include equities or securitisation exposures. Off Balance Sheet market related exposures include \$15.8 billion of exposures in relation to Securities Financing Transactions (SFTs).

Credit Risk (continued)

6.1 Credit Risk Exposure – excluding Equities and Securitisation (continued)

Table 7b – Credit risk exposure by portfolio type

Portfolio Type	As at 31 Dec 24 \$M	Half year average \$M
Corporate (incl. Large and SME corporate)	229,491	221,786
Sovereign	135,594	134,913
Financial institution	52,686	48,293
SME retail	20,455	20,434
Residential mortgage	689,600	678,164
Qualifying revolving retail	22,984	23,075
Other retail	9,365	9,086
Specialised lending	5,929	5,258
Other assets	12,360	11,800
Central counterparties	3,200	3,158
RBNZ regulated entities	131,444	130,485
Total credit exposures ¹	1,313,108	1,286,452

¹ Total credit risk exposures do not include equities or securitisation exposures.

Portfolio Type	As at 30 Jun 24 \$M	Half year average \$M
Corporate (incl. Large and SME corporate)	214,081	210,528
Sovereign	134,233	154,186
Financial institution	43,900	50,401
SME retail	20,413	20,250
Residential mortgage	666,728	659,342
Qualifying revolving retail	23,165	23,268
Other retail	8,808	8,629
Specialised lending	4,587	4,493
Other assets	11,240	13,429
Central counterparties	3,115	2,989
RBNZ regulated entities	129,526	130,654
Total credit exposures ¹	1,259,796	1,278,169

¹ Total credit risk exposures do not include equities or securitisation exposures.

Credit Risk (continued)

6.1 Credit Risk Exposure – excluding Equities and Securitisation (continued)

Table 7b – Credit risk exposure by portfolio type (continued)

Portfolio Type	As at 31 Dec 23 \$M	Half year average \$M
Corporate (incl. Large and SME corporate)	206,974	201,924
Sovereign	174,139	186,183
Financial institution	56,902	49,767
SME retail	20,087	20,071
Residential mortgage	651,955	652,163
Qualifying revolving retail	23,371	23,451
Other retail	8,450	8,335
Specialised lending	4,398	4,520
Other assets	15,619	14,493
Central counterparties	2,862	2,739
RBNZ regulated entities	131,781	131,373
Total credit exposures ¹	1,296,538	1,295,019

¹ Total credit risk exposures do not include equities or securitisation exposures.

Table 7c – Credit risk exposure by portfolio type and geographic distribution

Portfolio Type	31 December 2024			
	Australia \$M	New Zealand \$M	Other \$M	Total \$M
Corporate (incl. Large and SME corporate)	213,363	3,571	12,557	229,491
Sovereign	107,915	933	26,746	135,594
Financial institution	25,489	238	26,959	52,686
SME retail	20,455	–	–	20,455
Residential mortgage	689,539	–	61	689,600
Qualifying revolving retail	22,984	–	–	22,984
Other retail	9,365	–	–	9,365
Specialised lending	2,478	–	3,451	5,929
Other assets	12,040	14	306	12,360
Central counterparties	717	–	2,483	3,200
RBNZ regulated entities	–	131,444	–	131,444
Total credit exposures ^{1 2}	1,104,345	136,200	72,563	1,313,108

¹ Total credit risk exposures do not include equities or securitisation exposures.

² Geographical segmentation of exposures is based on the location of the office in which these items were booked.

Credit Risk (continued)

6.1 Credit Risk Exposure – excluding Equities and Securitisation (continued)

Table 7c – Credit risk exposure by portfolio type and geographic distribution (continued)

Portfolio Type	30 June 2024			
	Australia \$M	New Zealand \$M	Other \$M	Total \$M
Corporate (incl. Large and SME corporate)	200,027	3,020	11,034	214,081
Sovereign	99,125	730	34,378	134,233
Financial institution	20,904	156	22,840	43,900
SME retail	20,411	–	2	20,413
Residential mortgage	666,646	–	82	666,728
Qualifying revolving retail	23,165	–	–	23,165
Other retail	8,808	–	–	8,808
Specialised lending	2,187	–	2,400	4,587
Other assets	9,598	17	1,625	11,240
Central counterparties	824	–	2,291	3,115
RBNZ regulated entities	–	129,526	–	129,526
Total credit exposures^{1 2}	1,051,695	133,449	74,652	1,259,796

1 Total credit risk exposures do not include equities or securitisation exposures.

2 Geographical segmentation of exposures is based on the location of the office in which these items were booked.

Portfolio Type	31 December 2023			
	Australia \$M	New Zealand \$M	Other \$M	Total \$M
Corporate (incl. Large and SME corporate)	191,446	2,685	12,843	206,974
Sovereign	136,985	116	37,038	174,139
Financial institution	36,046	–	20,856	56,902
SME retail	20,064	–	23	20,087
Residential mortgage	651,566	–	389	651,955
Qualifying revolving retail	23,371	–	–	23,371
Other retail	8,132	–	318	8,450
Specialised lending	2,282	–	2,116	4,398
Other assets	14,881	15	723	15,619
Central counterparties	359	–	2,503	2,862
RBNZ regulated entities	–	131,781	–	131,781
Total credit exposures^{1 2}	1,085,132	134,597	76,809	1,296,538

1 Total credit risk exposures do not include equities or securitisation exposures.

2 Geographical segmentation of exposures is based on the location of the office in which these items were booked.

Credit Risk (continued)

6.1 Credit Risk Exposure – excluding Equities and Securitisation (continued)

Table 7d – Credit risk exposure by portfolio type and industry sector

Portfolio Type	31 December 2024							
	Industry Sector							
	Consumer	Finance & Insurance	Business Services	Agriculture & Forestry	Construction	Mining, Oil & Gas	Wholesale & Retail Trade	Transport & Storage
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Corporate (incl. Large and SME corporate)	–	2,790	11,386	19,034	6,902	5,058	22,524	19,662
Sovereign	–	–	–	–	–	–	–	–
Financial institution	–	52,686	–	–	–	–	–	–
SME retail ¹	–	379	2,008	1,517	2,862	122	2,824	1,311
Residential mortgage	689,600	–	–	–	–	–	–	–
Qualifying revolving retail	22,984	–	–	–	–	–	–	–
Other retail	9,365	–	–	–	–	–	–	–
Specialised lending	–	–	–	2	–	65	437	919
Other assets ²	2,613	150	8	26	11	17	25	392
Central counterparties	–	3,200	–	–	–	–	–	–
RBNZ regulated entities	80,005	3,567	1,836	10,674	1,202	9	3,719	954
Total credit exposures ³	804,567	62,772	15,238	31,253	10,977	5,271	29,529	23,238

Portfolio Type	Industry Sector (continued)							
	Manufacturing	Commercial Property ⁴	Government Admin. & Defence	Health & Community Services	Entertainment Leisure & Tourism	Electricity Gas & Water	Other	Total
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Corporate (incl. Large and SME corporate)	15,482	79,522	–	11,091	16,494	9,393	10,153	229,491
Sovereign	–	–	135,594	–	–	–	–	135,594
Financial institution	–	–	–	–	–	–	–	52,686
SME retail ¹	1,055	1,683	–	1,073	1,288	46	4,287	20,455
Residential mortgage	–	–	–	–	–	–	–	689,600
Qualifying revolving retail	–	–	–	–	–	–	–	22,984
Other retail	–	–	–	–	–	–	–	9,365
Specialised lending	188	–	–	–	52	4,165	101	5,929
Other assets ²	49	47	–	8	6	–	9,008	12,360
Central counterparties	–	–	–	–	–	–	–	3,200
RBNZ regulated entities	1,483	10,533	12,890	1,867	825	758	1,122	131,444
Total credit exposures ³	18,257	91,785	148,484	14,039	18,665	14,362	24,671	1,313,108

¹ SME retail business lending secured by residential property has been allocated by industry.

² Includes immaterial contributions from other standardised asset classes, including Domestic public sector entities, Commercial property, Land acquisition, development and construction, and Bank.

³ Total credit risk exposures do not include equities or securitisation exposures.

⁴ Commercial Property includes Real Estate Investment Trusts (REIT) and excludes Business Services.

Credit Risk (continued)

6.1 Credit Risk Exposure – excluding Equities and Securitisation (continued)

Table 7d – Credit risk exposure by portfolio type and industry sector (continued)

Portfolio Type	30 June 2024							
	Industry Sector							
	Consumer	Finance & Insurance	Business Services	Agriculture & Forestry	Construction	Mining, Oil & Gas	Wholesale & Retail Trade	Transport & Storage
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Corporate (incl. Large and SME corporate)	–	2,736	10,227	18,440	6,625	4,877	20,617	19,314
Sovereign	–	–	–	–	–	–	–	–
Financial institution	–	43,900	–	–	–	–	–	–
SME retail ¹	–	374	2,005	1,534	2,811	131	2,817	1,278
Residential mortgage	666,728	–	–	–	–	–	–	–
Qualifying revolving retail	23,165	–	–	–	–	–	–	–
Other retail	8,808	–	–	–	–	–	–	–
Specialised lending	–	–	–	–	–	59	327	740
Other assets ²	2,732	115	25	35	21	20	22	563
Central counterparties	–	3,115	–	–	–	–	–	–
RBNZ regulated entities	78,511	3,203	1,778	10,695	1,153	10	3,684	967
Total credit exposures ³	779,944	53,443	14,035	30,704	10,610	5,097	27,467	22,862

Portfolio Type	Industry Sector (continued)							
	Manufacturing	Commercial Property ⁴	Government Admin. & Defence	Health & Community Services	Entertainment Leisure & Tourism	Electricity Gas & Water	Other	Total
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Corporate (incl. Large and SME corporate)	13,161	75,877	–	10,066	14,839	7,785	9,517	214,081
Sovereign	–	–	134,233	–	–	–	–	134,233
Financial institution	–	–	–	–	–	–	–	43,900
SME retail ¹	1,075	1,790	–	1,078	1,256	43	4,221	20,413
Residential mortgage	–	–	–	–	–	–	–	666,728
Qualifying revolving retail	–	–	–	–	–	–	–	23,165
Other retail	–	–	–	–	–	–	–	8,808
Specialised lending	168	–	–	–	50	3,018	225	4,587
Other assets ²	33	47	–	10	7	–	7,610	11,240
Central counterparties	–	–	–	–	–	–	–	3,115
RBNZ regulated entities	1,470	10,263	13,285	1,963	802	708	1,034	129,526
Total credit exposures ³	15,907	87,977	147,518	13,117	16,954	11,554	22,607	1,259,796

1 SME retail business lending secured by residential property has been allocated by industry.

2 Includes immaterial contributions from other standardised asset classes, including Domestic public sector entities, Commercial property, Land acquisition, development and construction, and Bank.

3 Total credit risk exposures do not include equities or securitisation exposures.

4 Commercial Property includes Real Estate Investment Trusts (REIT) and excludes Business Services.

Credit Risk (continued)

6.1 Credit Risk Exposure – excluding Equities and Securitisation (continued)

Table 7d – Credit risk exposure by portfolio type and industry sector (continued)

31 December 2023								
Portfolio Type	Industry Sector							
	Consumer	Finance & Insurance	Business Services	Agriculture & Forestry	Construction	Mining, Oil & Gas	Wholesale & Retail Trade	Transport & Storage
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Corporate (incl. Large and SME corporate)	–	1,922	9,527	16,665	6,212	4,232	20,730	18,449
Sovereign	–	–	–	–	–	–	–	–
Financial institution	–	56,902	–	–	–	–	–	–
SME retail ¹	–	362	1,933	1,525	2,717	127	2,798	1,215
Residential mortgage	651,955	–	–	–	–	–	–	–
Qualifying revolving retail	23,371	–	–	–	–	–	–	–
Other retail	8,450	–	–	–	–	–	–	–
Specialised lending	–	–	–	–	–	277	340	822
Other assets ²	2,768	488	18	27	23	48	66	622
Central counterparties	–	2,862	–	–	–	–	–	–
RBNZ regulated entities	78,718	3,699	1,877	10,778	1,167	11	3,709	930
Total credit exposures ³	765,262	66,235	13,355	28,995	10,119	4,695	27,643	22,038

Industry Sector (continued)								
Portfolio Type	Manufacturing	Commercial Property ⁴	Government Admin. & Defence	Health & Community Services	Entertainment Leisure & Tourism	Electricity Gas & Water	Other	Total
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Corporate (incl. Large and SME corporate)	14,304	74,303	–	9,850	13,214	8,500	9,066	206,974
Sovereign	–	–	174,139	–	–	–	–	174,139
Financial institution	–	–	–	–	–	–	–	56,902
SME retail ¹	1,058	1,819	–	1,051	1,221	43	4,218	20,087
Residential mortgage	–	–	–	–	–	–	–	651,955
Qualifying revolving retail	–	–	–	–	–	–	–	23,371
Other retail	–	–	–	–	–	–	–	8,450
Specialised lending	163	–	–	–	48	2,596	152	4,398
Other assets ²	61	31	–	10	16	2	11,439	15,619
Central counterparties	–	–	–	–	–	–	–	2,862
RBNZ regulated entities	1,531	10,334	14,464	1,946	856	636	1,125	131,781
Total credit exposures ³	17,117	86,487	188,603	12,857	15,355	11,777	26,000	1,296,538

1 SME retail business lending secured by residential property has been allocated by industry.

2 Includes immaterial contributions from other standardised asset classes, including Domestic public sector entities, Commercial property, Land acquisition, development and construction, and Bank.

3 Total credit risk exposures do not include equities or securitisation exposures.

4 Commercial Property includes Real Estate Investment Trusts (REIT) and excludes Business Services.

Credit Risk (continued)

6.1 Credit Risk Exposure – excluding Equities and Securitisation (continued)

Table 7e – Credit risk exposure by portfolio type and residual contractual maturity

Portfolio Type	31 December 2024				Total
	≤ 12mths \$M	1 ≤ 5yrs \$M	> 5 years \$M	No specified maturity \$M	
Corporate (incl. Large and SME corporate)	74,431	143,672	11,388	—	229,491
Sovereign	46,737	36,460	52,397	—	135,594
Financial institution	38,633	12,770	1,283	—	52,686
SME retail	7,284	8,475	4,696	—	20,455
Residential mortgage	20,284	64,060	590,192	15,064	689,600
Qualifying revolving retail	—	—	—	22,984	22,984
Other retail	329	4,862	3,121	1,053	9,365
Specialised lending	1,301	3,238	1,390	—	5,929
Other assets	2,825	498	82	8,955	12,360
Central counterparties	1,171	1,030	999	—	3,200
RBNZ regulated entities	36,378	15,928	79,138	—	131,444
Total credit exposures¹	229,373	290,993	744,686	48,056	1,313,108

¹ Total credit risk exposures do not include equities or securitisation exposures.

Portfolio Type	30 June 2024				Total
	≤ 12mths \$M	1 ≤ 5yrs \$M	> 5 years \$M	No specified maturity \$M	
Corporate (incl. Large and SME corporate)	66,565	137,754	9,762	—	214,081
Sovereign	49,458	32,981	51,794	—	134,233
Financial institution	30,110	13,447	343	—	43,900
SME retail	7,017	8,491	4,905	—	20,413
Residential mortgage	19,565	61,786	569,242	16,135	666,728
Qualifying revolving retail	—	—	—	23,165	23,165
Other retail	303	4,520	2,950	1,035	8,808
Specialised lending	1,269	2,622	696	—	4,587
Other assets	2,858	603	198	7,581	11,240
Central counterparties	1,100	1,042	973	—	3,115
RBNZ regulated entities	38,263	14,464	76,799	—	129,526
Total credit exposures¹	216,508	277,710	717,662	47,916	1,259,796

¹ Total credit risk exposures do not include equities or securitisation exposures.

Portfolio Type	31 December 2023				Total
	≤ 12mths \$M	1 ≤ 5yrs \$M	> 5 years \$M	No specified maturity \$M	
Corporate (incl. Large and SME corporate)	62,009	134,150	10,815	—	206,974
Sovereign	96,123	29,777	48,239	—	174,139
Financial institution	41,911	14,822	169	—	56,902
SME retail	6,859	8,186	5,042	—	20,087
Residential mortgage	20,079	62,414	552,288	17,174	651,955
Qualifying revolving retail	—	—	—	23,371	23,371
Other retail	282	4,104	2,728	1,336	8,450
Specialised lending	928	2,831	639	—	4,398
Other assets	3,100	638	196	11,685	15,619
Central counterparties	1,157	684	1,021	—	2,862
RBNZ regulated entities	41,264	14,349	76,168	—	131,781
Total credit exposures¹	273,712	271,955	697,305	53,566	1,296,538

¹ Total credit risk exposures do not include equities or securitisation exposures.

Credit Risk (continued)

6.2 Non-performing Exposures and Provisions

The Group assesses its provisioning for impairment in accordance with AASB 9 Financial Instruments (AASB 9) and APS220 Credit Risk Management, and recognises both individually and collectively assessed provisions.

Reconciliation of Australian Accounting Standards and APS 220 *Credit Risk Management* based credit provisions and Table 7j – Provisions held against performing exposures

	31 December 2024		
	General provision ¹	Specific provision ¹	Total provisions
	\$M	\$M	\$M
Collective provision ²	4,738	754	5,492
Individual provisions ²	–	735	735
Total regulatory provisions	4,738	1,489	6,227

1 Specific provision balance includes accounting collective provisions on non-performing exposures, general provision balance includes collective provisions on performing exposures.

2 Provisions according to Australian Accounting Standards.

	30 June 2024		
	General provision ¹	Specific provision ¹	Total provisions
	\$M	\$M	\$M
Collective provision ²	4,589	834	5,423
Individual provisions ²	–	712	712
Total regulatory provisions	4,589	1,546	6,135

1 Specific provision balance includes accounting collective provisions on non-performing exposures, general provision balance includes collective provisions on performing exposures.

2 Provisions according to Australian Accounting Standards.

	31 December 2023		
	General provision ¹	Specific provision ¹	Total provisions
	\$M	\$M	\$M
Collective provision ²	4,681	649	5,330
Individual provisions ²	–	733	733
Total regulatory provisions	4,681	1,382	6,063

1 Specific provision balance includes accounting collective provisions on non-performing exposures, general provision balance includes collective provisions on performing exposures.

2 Provisions according to Australian Accounting Standards.

Credit Risk (continued)

6.2 Non-performing Exposures and Provisions (continued)

The following tables provide a summary of the Group's financial losses by portfolio type, industry and geography.

Table 7f (i) – Non-performing, specific provisions and write-offs charged by industry sector

Industry Sector	31 December 2024			
	Non performing exposures ¹	Specific provision balance ²	Net half year charges for specific provisions	Half year actual losses ³
	\$M	\$M	\$M	\$M
Consumer	7,458	578	46	199
Government Administration & Defence	–	–	–	–
Finance & Insurance	30	18	(2)	1
Business Services	169	59	7	11
Agriculture & Forestry	394	40	6	3
Mining, Oil & Gas	12	2	(2)	–
Manufacturing	290	103	16	–
Electricity, Gas & Water	–	–	–	–
Construction	321	130	11	37
Wholesale & Retail Trade	407	200	10	23
Transport & Storage	289	59	35	3
Commercial Property	310	22	(5)	2
Entertainment, Leisure & Tourism	218	112	7	4
Health & Community Services	236	127	57	1
Other	163	39	9	6
Total	10,297	1,489	195	290

1 Excludes non-performing exposures in securitisation entities that meet APRA's operational requirements for regulatory capital relief under APS 120 *Securitisation*.

2 Specific provision balance includes accounting collective provisions on non-performing loans.

3 Actual losses equal write-offs from individual provisions and write-offs direct from collective provisions less recoveries of amounts previously written off for the half year ended 31 December 2024.

Industry Sector	30 June 2024			
	Non performing exposures ¹	Specific provision balance ²	Net full year charges for specific provisions	Full year actual losses ³
	\$M	\$M	\$M	\$M
Consumer	7,006	736	581	387
Government Administration & Defence	–	–	–	–
Finance & Insurance	42	21	10	10
Business Services	153	59	22	6
Agriculture & Forestry	356	37	14	15
Mining, Oil & Gas	28	14	(1)	–
Manufacturing	243	87	41	49
Electricity, Gas & Water	2	–	–	–
Construction	288	135	6	20
Wholesale & Retail Trade	374	187	58	69
Transport & Storage	192	26	18	15
Commercial Property	357	27	13	7
Entertainment, Leisure & Tourism	238	113	33	5
Health & Community Services	212	71	18	1
Other	127	33	14	94
Total	9,618	1,546	827	678

1 Excludes non-performing exposures in securitisation entities that meet APRA's operational requirements for regulatory capital relief under APS 120 *Securitisation*.

2 Specific provision balance includes accounting collective provisions on non-performing loans.

3 Actual losses equal write-offs from individual provisions and write-offs direct from collective provisions less recoveries of amounts previously written off for the year ended 30 June 2024.

Credit Risk (continued)

6.2 Non-performing Exposures and Provisions (continued)

Table 7f (i) – Non-performing, specific provisions and write-offs charged by industry sector (continued)

Industry Sector	31 December 2023			
	Non performing exposures ¹	Specific provision balance ²	Net half year charges for specific provisions	Half year actual losses ³
	\$M	\$M	\$M	\$M
Consumer	5,562	574	217	178
Government Administration & Defence	–	–	–	–
Finance & Insurance	54	21	8	7
Business Services	123	35	(5)	2
Agriculture & Forestry	299	36	5	9
Mining, Oil & Gas	31	12	(1)	–
Manufacturing	180	82	11	22
Electricity, Gas & Water	–	–	–	–
Construction	269	116	(15)	11
Wholesale & Retail Trade	412	189	34	47
Transport & Storage	184	34	9	2
Commercial Property	377	41	17	1
Entertainment, Leisure & Tourism	203	100	21	2
Health & Community Services	243	66	12	1
Other	167	76	29	42
Total	8,104	1,382	342	324

1 Excludes non-performing exposures in securitisation entities that meet APRA's operational requirements for regulatory capital relief under APS 120 *Securitisation*.

2 Specific provision balance includes accounting collective provisions on non-performing loans.

3 Actual losses equal write-offs from individual provisions and write-offs direct from collective provisions less recoveries of amounts previously written off for the half year ended 31 December 2023.

Factors impacting the loss experience

Non-performing exposures increased by 7.1% over the half from \$9.6bn to \$10.3bn. The Group's actual losses decreased by \$64 million on the prior half year to \$290 million primarily driven by lower write-offs in the manufacturing industry and non-recurring losses in the prior half in other non-retail industries; partially offset by higher write-offs in the construction industry.

Credit Risk (continued)

6.2 Non-performing Exposures and Provisions (continued)

Table 7f (ii) – Non-performing, specific provisions and write-offs charged by portfolio

Portfolio ⁴	31 December 2024			
	Non performing exposures	Specific provision balance ¹	Net half year charges for specific provisions ²	Half year actual losses ³
	\$M	\$M	\$M	\$M
Corporate (Inc. Large and SME Corp.)	1,986	566	105	61
Sovereign	–	–	–	–
Financial Institution	1	1	–	–
SME Retail	317	118	35	19
Residential Mortgage	5,789	321	(126)	9
Qualifying Revolving Retail	77	50	53	59
Other Retail	101	72	97	106
Specialised Lending	121	118	4	–
Other Assets	24	14	(1)	–
Central Counterparties	–	–	–	–
RBNZ Regulated Entities	1,881	229	28	36
Total	10,297	1,489	195	290

1 Specific provision balance includes accounting collective provisions on non-performing loans.

2 Includes charges for accounting collective provisions on non-performing exposures for the half year ended 31 December 2024.

3 Actual losses equal write-offs from individual provisions and write-offs direct from collective provisions less recoveries of amounts previously written off for the half year ended 31 December 2024.

4 Losses stemming from IPRE lending are less than 0.3% and 0.5% of outstanding IPRE exposures, respectively, in each of the past three years to 31 December 2024.

Portfolio ⁴	30 June 2024			
	Non performing exposures	Specific provision balance ¹	Net full year charges for specific provisions ²	Full year actual losses ³
	\$M	\$M	\$M	\$M
Corporate (Inc. Large and SME Corp.)	1,863	505	126	172
Sovereign	–	–	–	–
Financial Institution	1	1	–	–
SME Retail	276	103	87	57
Residential Mortgage	5,483	459	171	32
Qualifying Revolving Retail	74	56	131	121
Other Retail	105	79	219	208
Specialised Lending	115	105	–	46
Other Assets	6	2	–	–
Central Counterparties	–	–	–	–
RBNZ Regulated Entities	1,695	236	93	42
Total	9,618	1,546	827	678

1 Specific provision balance includes accounting collective provisions on non-performing loans.

2 Includes charges for accounting collective provisions on non-performing exposures for the year ended 30 June 2024.

3 Actual losses equal write-offs from individual provisions and write-offs direct from collective provisions less recoveries of amounts previously written off for the year ended 30 June 2024.

4 Losses stemming from IPRE lending are less than 0.3% and 0.5% of outstanding IPRE exposures, respectively, in each of the past three years to 30 June 2024.

Credit Risk (continued)

6.2 Non-performing Exposures and Provisions (continued)

Table 7f (ii) – Non-performing, specific provisions and write-offs charged by portfolio (continued)

	31 December 2023			
	Non performing exposures	Specific provision balance ¹	Net half year charges for specific provisions ²	Half year actual losses ³
Portfolio ⁴	\$M	\$M	\$M	\$M
Corporate (Inc. Large and SME Corp.)	1,780	497	50	66
Sovereign	–	–	–	–
Financial Institution	1	1	–	–
SME Retail	227	85	61	29
Residential Mortgage	4,290	353	40	4
Qualifying Revolving Retail	69	54	76	69
Other Retail	84	58	89	97
Specialised Lending	131	93	(1)	43
Other Assets	49	45	–	–
Central Counterparties	–	–	–	–
RBNZ Regulated Entities	1,473	196	27	16
Total	8,104	1,382	342	324

¹ Specific provision balance includes accounting collective provisions on non-performing loans.

² Includes charges for accounting collective provisions on non-performing exposures for the half year ended 31 December 2023.

³ Actual losses equal write-offs from individual provisions and write-offs direct from collective provisions less recoveries of amounts previously written off for the half year ended 31 December 2023.

⁴ Losses stemming from IPRE lending are less than 0.3% and 0.5% of outstanding IPRE exposures, respectively, in each of the past three years to 31 December 2023.

Credit Risk (continued)

6.2 Non-performing Exposures and Provisions (continued)

Table 7g (i) to (ii) – Non performing, specific provisions, and general provisions by geographic region

Geographic Region ¹	31 December 2024		
	Non performing exposures	Specific provision balance	General provision balance
	\$M	\$M	\$M
Australia	8,265	1,250	4,275
New Zealand	1,867	229	369
Other	165	10	94
Total	10,297	1,489	4,738

¹ Balances are reported based on the risk domicile of the borrower.

Geographic Region ¹	30 June 2024		
	Non performing exposures	Specific provision balance	General provision balance
	\$M	\$M	\$M
Australia	7,776	1,300	4,119
New Zealand	1,682	234	385
Other	160	12	85
Total	9,618	1,546	4,589

¹ Balances are reported based on the risk domicile of the borrower.

Geographic Region ¹	31 December 2023		
	Non performing exposures	Specific provision balance	General provision balance
	\$M	\$M	\$M
Australia	6,427	1,126	4,166
New Zealand	1,457	193	398
Other	220	63	117
Total	8,104	1,382	4,681

¹ Balances are reported based on the risk domicile of the borrower.

Credit Risk (continued)

6.2 Non-performing Exposures and Provisions (continued)

Table 7h (i) & (ii)– Movement in individual and collective provisions

	Group			Total
	Stage 1	Stage 2	Stage 3	
	Performing \$M	Performing \$M	Non- performing \$M	\$M
Closing balance as at 30 June 2023	1,709	2,889	1,352	5,950
Transfers to/(from)				
Stage 1	698	(696)	(2)	–
Stage 2	(384)	504	(120)	–
Stage 3	(32)	(178)	210	–
Net re-measurement on transfers between stages	(492)	848	236	592
Net financial assets originated	61	(675)	(159)	(773)
Movement in existing IAP (including IAP write-backs)	–	–	93	93
Movements due to risk parameters and other changes	188	231	84	503
Loan impairment expense/(benefit) for the period	39	34	342	415
Write-offs	–	–	(376)	(376)
Recoveries	–	–	52	52
Foreign exchange and other commitments	5	5	12	22
Closing balance as at 31 December 2023	1,753	2,928	1,382	6,063
Transfers to/(from)				
Stage 1	780	(775)	(5)	–
Stage 2	(353)	459	(106)	–
Stage 3	(15)	(217)	232	–
Net re-measurement on transfers between stages	(583)	822	290	529
Net financial assets originated	278	(181)	(158)	(61)
Movement in existing IAP (including IAP write-backs)	–	–	67	67
Movements due to risk parameters and other changes	(66)	(247)	165	(148)
Loan impairment expense/(benefit) for the period	41	(139)	485	387
Write-offs	–	–	(430)	(430)
Recoveries	–	–	76	76
Foreign exchange and other commitments	1	5	33	39
Closing balance as at 30 June 2024	1,795	2,794	1,546	6,135
Stage 1	737	(733)	(4)	–
Stage 2	(352)	468	(116)	–
Stage 3	(13)	(199)	212	–
Net re-measurement on transfers between stages	(510)	799	280	569
Net financial assets originated	191	(390)	(194)	(393)
Movement in existing IAP (including IAP write-backs)	–	–	40	40
Movements due to risk parameters and other changes	(52)	179	(23)	104
Loan impairment expense/(benefit) for the period	1	124	195	320
Write-offs	–	–	(355)	(355)
Recoveries	–	–	65	65
Foreign exchange and other commitments	9	15	38	62
Closing balance as at 31 December 2024	1,805	2,933	1,489	6,227

For definitions of the line items in the table above refer to Note 3.2 in the 2024 Annual Report.

Credit Risk (continued)

6.3 Portfolios Subject to Standardised and Supervisory Risk Weights

The standardised approach is used by the Group where portfolios or segments are considered to be immaterial by the size of exposure or where the relevant prudential standards require a standardised approach to be used¹.

Portfolios that use the standardised approach include:

APRA regulated entities – portfolios under APS 112: *Capital Adequacy: Standardised Approach to Credit Risk* (APS 112)

- Some retail SME (overdrawn accounts) and small unsecured consumer retail portfolios;
- Corporate exposures without risk ratings;
- Some standard residential property loans (including purchased portfolios);
- Non-standard residential property loans as defined in APS 112 including:
 - Interest only loans predominantly not for business purposes with an LVR greater than 80% and an interest only term specified in the contract as greater than 5 years;
 - Property exposures originated since 1 January 2023 where assessment does not result in a positive determination of the borrower's ability to meet repayment obligations; and
 - reverse mortgages and loans to self-managed superannuation funds;
- Margin lending; and
- Other assets (including property, plant and equipment, lease right of use assets and the residual value of assets under operating leases).

APRA regulated entities – portfolios under APS 180 *Capital Adequacy: Counterparty Credit Risk* (refer Section 6.6)

- Central counterparties; and
- Credit valuation adjustments (CVA).

Risk weights have been applied in accordance with APS 112 and, where applicable, with consideration to the type of security held:

- For loans secured by residential property, consideration is given with respect to loan purpose, the Loan to Value Ratio (LVR); and whether lenders mortgage insurance (LMI) is held.
- For loans secured by commercial property, consideration is given to the LVR and the dependency on property cash flows.
- The Group's definition of internal risk ratings used for Corporate, Financial Institutions and Sovereign exposures has been aligned to equivalent rating grades provided by external credit assessment institutions including S&P Global Ratings and Moody's Investors Services.

The Group continues to review portfolios that use the standardised approach. Approval to apply the advanced approach is sought from APRA when the size of exposures and number of customers within these portfolios are sufficient to qualify for advanced approaches.

For RBNZ regulated entities risk weights pertaining to standardised portfolios have been applied in accordance with RBNZ prudential requirements. Portfolios that use the standardised approach include:

RBNZ regulated entities – portfolios under APS 112

- Personal loans;
- Retail SME;
- Bank;
- Sovereign;
- Central counterparties;
- CVA; and
- Other assets.

APRA also requires certain specialised lending exposures, including Object and Project Finance, to be assigned specific risk weights according to "slotting" criteria defined by the regulator in APS 113 *Credit Adequacy: Internal Ratings-based Approach to Credit Risk*. This approach is also applied to Income Producing Real Estate (IPRE) exposures calculated under New Zealand prudential requirements.

¹ Since 1 January 2023 APRA has also required advanced ADIs to calculate risk weighted assets under the relevant standardised approach – refer page 10.

Credit Risk (continued)

6.3 Portfolios Subject to Standardised and Supervisory Risk Weights (continued)

Table 8b – Exposures subject to standardised and supervisory risk weights

Standardised Approach Exposures	Exposure after credit risk mitigation ¹		
	31 Dec 24	30 Jun 24	31 Dec 23
	\$M	\$M	\$M
Risk Weight			
0%	4,073	2,187	4,695
20%	5,629	5,628	5,458
25%	2,289	2,191	2,214
30%	2,842	2,725	2,662
35%	3,838	3,641	3,394
40%	1,377	1,539	1,723
45%	1,043	1,024	1,061
50%	1,184	1,268	1,879
55%	135	119	127
75%	858	828	881
85%	392	509	513
100%	7,173	8,291	10,007
105%	111	140	105
150%	175	143	176
> 150%	47	42	43
Other risk weights	792	235	228
Capital deductions	–	–	–
Total (excl. RBNZ regulated entities)	31,958	30,510	35,166
RBNZ regulated entities	19,196	19,281	20,875
Total	51,154	49,791	56,041

1 Exposure after credit risk mitigation does not include central counterparties, equity or securitisation exposures.

Specialised Lending Exposures Subject to Supervisory Slotting	Exposure after credit risk mitigation ^{1 2}		
	31 Dec 24	30 Jun 24	31 Dec 23
	\$M	\$M	\$M
Risk Weight			
0%	200	184	175
70%	2,357	1,902	1,829
90%	3,065	2,292	2,184
115%	291	192	191
250%	16	17	19
RBNZ regulated entities	4,082	4,211	4,138
Total exposures	10,011	8,798	8,536

1 APRA requires certain specialised lending exposures to be assigned specific risk weights according to "slotting" criteria as defined by the Regulator.

2 Excludes IPRE exposures now recognised in either AIRB or FIRB asset class.

Credit Risk (continued)

6.4 Portfolios Subject to Internal Ratings-based Approaches

Table 9b – Internal ratings structure for credit risk exposures and mapping to external ratings

Description	Internal Rating	Probability of Default	S&P Rating	Moody's Rating
Exceptional	A0 to A3	0% - 0.035%	AAA to AA-	Aaa to Aa3
Very Strong/Strong	B1 to C3	>0.035% - 0.446%	A+ to BBB-	A1 to Baa3
Good/Satisfactory	D1 to E3	>0.446% - 6.656%	BB+ to B	Ba1 to B2
Weak/Doubtful	F1 to G3	>6.656%	B- to CC	B3 to Ca
Restructured	R	100% ¹	-	-
Defaulted	H	100%	D	C

¹ From January 2023 onwards.

Table 9c – PD rating methodology by portfolio segment

Portfolio Segment	PD Rating Methodology
Sovereign exposures	Expert judgement assigned risk rating, informed but not driven by rating agency views.
Financial Institution exposures (including Banks)	PD Rating Calculator or expert judgement assigned risk rating.
Corporate exposures (including property, agri-business)	Combination of expert judgement and PD Rating Model assigned risk ratings depending on the industry sector.
SME corporate exposures	PD Rating Model and expert judgement assigned risk rating.
SME retail exposures	SME behaviour score assigned PD pools.
Consumer retail exposures (including residential mortgages, qualifying revolving credit and other retail)	Depending on the product, PD pools are assigned using product specific application scorecards, behavioural scorecards, payment status or a combination thereof.

Credit Risk (continued)

6.4 Portfolios Subject to Internal Ratings-based Approaches (continued)

Credit Risk Exposure Subject to IRB Approaches

Table 9d (i) – Non-retail exposures by portfolio type and PD band

	31 December 2024							
	PD Band							
	0 < 0.03%	0.03% < 0.15%	0.15% < 0.5%	0.5% < 3%	3% < 10%	10% < 100%	Default	Total
Non-retail ¹	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Total credit risk exposures								
Corporate (incl. Large and SME corporate)	–	20,138	64,357	128,978	10,321	2,750	2,130	228,674
Sovereign	118,545	16,678	365	6	–	–	–	135,594
Financial institution	–	48,439	3,477	753	14	–	3	52,686
Total IRB approach	118,545	85,255	68,199	129,737	10,335	2,750	2,133	416,954
RBNZ regulated entities	–	1,211	6,429	19,589	766	398	356	28,749
Total credit risk exposures	118,545	86,466	74,628	149,326	11,101	3,148	2,489	445,703
Undrawn commitments ²								
Corporate (incl. Large and SME corporate)	–	4,357	11,973	14,966	749	253	96	32,394
Sovereign	793	68	29	3	–	–	–	893
Financial institution	–	6,569	656	142	1	–	–	7,368
Total IRB approach	793	10,994	12,658	15,111	750	253	96	40,655
RBNZ regulated entities	–	434	1,319	2,284	54	94	20	4,205
Total undrawn commitments	793	11,428	13,977	17,395	804	347	116	44,860
Exposure - average EAD (\$M)								
Corporate (incl. Large and SME corporate)	–	1,909	2,257	0,900	0,667	0,587	0,590	1,109
Sovereign	7,312	21,190	0,641	0,202	–	–	–	7,700
Financial institution	–	2,831	2,015	1,145	0,396	–	0,330	2,695
RBNZ regulated entities	–	3,145	1,122	0,627	0,315	0,502	0,540	0,697
Exposure - weighted average LGD (%)								
Corporate (incl. Large and SME corporate)	–	38.6	34.4	25.5	24.6	29.4	33.1	29.2
Sovereign	5.2	17.4	30.3	47.7	–	–	–	6.8
Financial institution	–	49.7	54.1	38.3	62.0	75.0	49.9	49.9
RBNZ regulated entities	–	53.9	31.6	26.5	28.6	36.8	35.8	29.1
Exposure - weighted average risk weight (%) ³								
Corporate (incl. Large and SME corporate) ⁴	–	24.3	44.1	57.3	81.8	155.0	93.9	53.3
Sovereign	1.5	2.5	33.8	63.9	–	–	–	1.7
Financial institution	–	19.7	60.2	91.1	244.5	439.9	–	23.4
RBNZ regulated entities	–	32.5	36.7	52.2	98.5	205.4	264.1	53.9

- 1 Total credit risk exposures do not include specialised lending, equity or securitisation exposures.
2 The credit exposure value of undrawn commitments included in Total credit risk exposures above.
3 Includes 1.10 scaling factor.
4 Includes a \$0.5 billion overlay.

Credit Risk (continued)

6.4 Portfolios Subject to Internal Ratings-based Approaches (continued)

Table 9d (i) – Non-retail exposures by portfolio type and PD band (continued)

30 June 2024								
	PD Band							
	0 < 0.03%	0.03% < 0.15%	0.15% < 0.5%	0.5% < 3%	3% < 10%	10% < 100%	Default	Total
Non-retail ¹	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Total credit risk exposures								
Corporate (incl. Large and SME corporate)	–	19,764	57,526	124,150	6,630	2,847	2,082	212,999
Sovereign	114,693	19,121	413	5	–	–	–	134,232
Financial institution	–	39,994	3,325	564	14	–	3	43,900
Total IRB approach	114,693	78,879	61,264	124,719	6,644	2,847	2,085	391,131
RBNZ regulated entities	–	1,067	6,295	19,188	775	459	331	28,115
Total credit risk exposures	114,693	79,946	67,559	143,907	7,419	3,306	2,416	419,246
Undrawn commitments ²								
Corporate (incl. Large and SME corporate)	–	4,872	11,030	13,657	765	313	77	30,714
Sovereign	586	244	43	2	–	–	–	875
Financial institution	–	5,948	943	141	1	–	–	7,033
Total IRB approach	586	11,064	12,016	13,800	766	313	77	38,622
RBNZ regulated entities	–	373	1,269	2,014	49	91	8	3,804
Total undrawn commitments	586	11,437	13,285	15,814	815	404	85	42,426
Exposure - average EAD (\$M)								
Corporate (incl. Large and SME corporate)	–	1.882	1.854	0.886	0.852	0.595	0.579	1.077
Sovereign	7.394	23.490	0.789	0.304	–	–	–	7.957
Financial institution	–	2.232	1.827	0.914	0.222	–	0.527	2.148
RBNZ regulated entities	–	4.520	1.070	0.601	0.333	0.573	0.593	0.674
Exposure - weighted average LGD (%)								
Corporate (incl. Large and SME corporate)	–	40.4	33.6	25.2	24.0	29.6	32.2	29.0
Sovereign	5.2	21.1	26.7	37.7	–	–	–	7.5
Financial institution	–	48.2	51.1	34.2	20.1	75.0	50.0	48.3
RBNZ regulated entities	–	53.9	31.6	26.8	27.4	38.6	37.3	29.2
Exposure - weighted average risk weight (%) ³								
Corporate (incl. Large and SME corporate) ⁴	–	23.9	43.6	56.8	92.5	164.8	95.9	53.1
Sovereign	1.5	2.9	31.3	62.0	–	–	–	1.8
Financial institution	–	19.6	56.0	86.5	84.2	454.4	–	23.2
RBNZ regulated entities	–	31.5	35.7	52.7	96.1	216.5	250.6	54.3

¹ Total credit risk exposures do not include specialised lending, equity or securitisation exposures.

² The credit exposure value of undrawn commitments included in Total credit risk exposures above.

³ Includes 1.10 scaling factor.

⁴ Includes cumulative \$4.2 billion overlays in relation to corporate PD models.

Credit Risk (continued)

6.4 Portfolios Subject to Internal Ratings-based Approaches (continued)

Table 9d (i) – Non-retail exposures by portfolio type and PD band (continued)

	31 December 2023							
	PD Band							
	0 < 0.03%	0.03% < 0.15%	0.15% < 0.5%	0.5% < 3%	3% < 10%	10% < 100%	Default	Total
Non-retail ¹	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Total credit risk exposures								
Corporate (incl. Large and SME corporate)	–	20,464	55,277	120,465	5,707	2,257	1,972	206,142
Sovereign	151,526	21,828	322	3	–	–	–	173,679
Financial institution	–	52,499	3,677	714	6	3	3	56,902
Total IRB approach	151,526	94,791	59,276	121,182	5,713	2,260	1,975	436,723
RBNZ regulated entities	–	780	6,682	19,415	801	357	334	28,369
Total credit risk exposures	151,526	95,571	65,958	140,597	6,514	2,617	2,309	465,092
Undrawn commitments ²								
Corporate (incl. Large and SME corporate)	–	5,338	10,195	15,069	421	227	98	31,348
Sovereign	513	58	40	2	–	–	–	613
Financial institution	–	6,408	1,025	132	1	–	–	7,566
Total IRB approach	513	11,804	11,260	15,203	422	227	98	39,527
RBNZ regulated entities	–	193	1,604	2,016	59	4	10	3,886
Total undrawn commitments	513	11,997	12,864	17,219	481	231	108	43,413
Exposure - average EAD (\$M)								
Corporate (incl. Large and SME corporate)	–	2,100	1,655	0,869	0,718	0,474	0,586	1,042
Sovereign	10,759	23,961	0,689	0,142	–	–	–	11,219
Financial institution	–	2,937	1,961	0,885	0,092	0,109	0,318	2,754
RBNZ regulated entities	–	4,409	1,118	0,616	0,394	0,453	0,646	0,691
Exposure - weighted average LGD (%)								
Corporate (incl. Large and SME corporate)	–	41.0	33.3	25.8	22.0	28.6	32.2	29.3
Sovereign	5.1	19.3	29.8	45.4	–	–	–	7.0
Financial institution	–	49.2	48.4	34.5	10.2	75.0	49.6	49.0
RBNZ regulated entities	–	58.2	33.3	27.4	28.7	32.6	34.7	29.8
Exposure - weighted average risk weight (%) ³								
Corporate (incl. Large and SME corporate) ⁴	–	25.2	42.9	58.7	82.3	154.4	97.2	53.2
Sovereign	1.1	2.5	34.5	67.6	–	–	–	1.4
Financial institution	–	19.2	50.4	96.3	42.1	452.2	–	22.2
RBNZ regulated entities	–	36.1	37.7	53.5	103.9	181.7	230.1	54.4

¹ Total credit risk exposures do not include specialised lending, equity or securitisation exposures.

² The credit exposure value of undrawn commitments included in Total credit risk exposures above.

³ Includes 1.10 scaling factor.

⁴ Includes cumulative \$4.2 billion overlays in relation to corporate PD models.

Credit Risk (continued)

6.4 Portfolios Subject to Internal Ratings-based Approaches (continued)

Table 9d (ii) – Retail exposures by portfolio type and PD band

31 December 2024								
Retail	PD Band						Default	Total
	0 < 0.1%	0.1% < 0.3%	0.3% < 0.5%	0.5% < 3%	3% < 10%	10% < 100%		
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Total credit risk exposures								
SME retail	–	1,355	2,268	9,785	4,326	1,548	318	19,600
Residential mortgage	184,959	196,096	91,041	166,351	26,919	1,014	5,585	671,965
Qualifying revolving retail	84	14,846	2,745	3,765	1,257	216	71	22,984
Other retail	50	561	215	5,149	2,340	660	99	9,074
Total IRB approach	185,093	212,858	96,269	185,050	34,842	3,438	6,073	723,623
RBNZ regulated entities	–	12,135	16,662	48,312	806	–	1,502	79,417
Total credit risk exposures	185,093	224,993	112,931	233,362	35,648	3,438	7,575	803,040
Undrawn commitments ¹								
SME retail	–	1,161	1,315	2,757	884	161	22	6,300
Residential mortgage	41,370	24,823	6,611	4,083	84	4	22	76,997
Qualifying revolving retail	71	11,169	1,801	1,386	212	28	4	14,671
Other retail	40	50	27	1,027	77	46	1	1,268
Total IRB approach	41,481	37,203	9,754	9,253	1,257	239	49	99,236
RBNZ regulated entities	–	4,233	1,697	2,505	82	–	15	8,532
Total undrawn commitments	41,481	41,436	11,451	11,758	1,339	239	64	107,768
Exposure - average EAD (\$M)								
SME retail	–	0.048	0.075	0.071	0.154	0.136	0.075	0.082
Residential mortgage	0.373	0.369	0.373	0.355	0.309	0.310	0.388	0.364
Qualifying revolving retail	0.004	0.009	0.008	0.008	0.007	0.004	0.006	0.008
Other retail	0.005	0.024	0.025	0.010	0.013	0.002	0.005	0.008
RBNZ regulated entities	–	0.060	0.090	0.078	0.007	–	0.105	0.070
Exposure - weighted average LGD (%)								
SME retail	–	42.4	34.0	39.2	30.7	33.3	43.0	36.5
Residential mortgage	13.4	15.1	16.5	17.2	19.2	16.0	19.9	15.6
Qualifying revolving retail	81.0	84.9	84.0	84.4	84.2	84.2	84.6	84.6
Other retail	100.0	82.7	100.4	63.8	83.7	87.3	85.0	73.1
RBNZ regulated entities	–	17.8	18.6	22.2	34.5	–	23.2	20.9
Exposure - weighted average risk weight (%) ²								
SME retail	–	16.0	24.0	52.2	64.5	104.1	198.2	55.6
Residential mortgage	5.9	8.5	16.2	38.8	92.6	137.4	212.2	21.6
Qualifying revolving retail	5.0	5.7	14.2	45.6	130.4	213.3	226.7	22.7
Other retail	25.2	40.4	62.1	77.2	134.5	213.4	203.0	100.3
RBNZ regulated entities	–	7.6	16.6	38.6	107.8	–	212.1	33.2

¹ The credit exposure value of undrawn commitments included in Total credit risk exposures above.

² Includes 1.10 scaling factor.

Credit Risk (continued)

6.4 Portfolios Subject to Internal Ratings-based Approaches (continued)

Table 9d (ii) – Retail exposures by portfolio type and PD band (continued)

	30 June 2024							
	PD Band							
	0 < 0.1%	0.1% < 0.3%	0.3% < 0.5%	0.5% < 3%	3% < 10%	10% < 100%	Default	Total
Retail	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Total credit risk exposures								
SME retail	–	1,317	2,304	9,960	4,224	1,484	288	19,577
Residential mortgage	175,918	184,883	86,263	167,639	28,673	936	5,302	649,614
Qualifying revolving retail	88	14,654	2,882	3,937	1,310	215	79	23,165
Other retail	53	194	190	4,075	3,312	643	104	8,571
Total IRB approach	176,059	201,048	91,639	185,611	37,519	3,278	5,773	700,927
RBNZ regulated entities	–	11,621	16,872	47,260	804	–	1,362	77,919
Total credit risk exposures	176,059	212,669	108,511	232,871	38,323	3,278	7,135	778,846
Undrawn commitments ¹								
SME retail	–	1,126	1,323	2,656	799	149	20	6,073
Residential mortgage	39,992	23,303	6,250	3,883	79	4	17	73,528
Qualifying revolving retail	76	11,194	1,942	1,457	224	26	4	14,923
Other retail	37	10	26	1,099	68	39	1	1,280
Total IRB approach	40,105	35,633	9,541	9,095	1,170	218	42	95,804
RBNZ regulated entities	–	4,104	1,763	2,463	90	–	12	8,432
Total undrawn commitments	40,105	39,737	11,304	11,558	1,260	218	54	104,236
Exposure - average EAD (\$M)								
SME retail	–	0.048	0.075	0.070	0.149	0.133	0.072	0.080
Residential mortgage	0.359	0.353	0.354	0.345	0.307	0.296	0.361	0.350
Qualifying revolving retail	0.004	0.009	0.008	0.008	0.007	0.004	0.006	0.008
Other retail	0.005	0.583	0.022	0.008	0.013	0.002	0.004	0.008
RBNZ regulated entities	–	0.059	0.091	0.077	0.006	–	0.093	0.069
Exposure - weighted average LGD (%)								
SME retail	–	41.8	34.1	38.8	30.7	33.2	41.7	36.3
Residential mortgage ²	13.7	14.9	16.0	16.6	17.5	15.9	20.0	15.3
Qualifying revolving retail	81.0	84.9	84.1	84.4	84.2	84.1	84.6	84.6
Other retail	97.9	96.1	100.0	64.2	80.8	85.9	86.5	74.3
RBNZ regulated entities	–	17.5	18.2	21.9	35.0	–	23.2	20.6
Exposure - weighted average risk weight (%) ³								
SME retail	–	15.7	24.1	52.0	65.0	104.4	203.0	55.3
Residential mortgage	6.1	8.9	16.5	39.4	90.1	136.2	200.6	22.4
Qualifying revolving retail	5.0	5.7	14.2	45.7	130.3	210.7	203.2	23.2
Other retail	24.6	37.2	62.0	79.6	130.1	181.7	174.9	106.2
RBNZ regulated entities	–	7.5	16.2	37.6	105.9	–	204.4	32.1

¹ The credit exposure value of undrawn commitments included in Total credit risk exposures above.

² Excludes a \$7.4 billion RWA overlay that has been applied at 30 June 2024 for regulatory capital purposes.

³ Includes 1.10 scaling factor.

Credit Risk (continued)

6.4 Portfolios Subject to Internal Ratings-based Approaches (continued)

Table 9d (ii) – Retail exposures by portfolio type and PD band (continued)

	31 December 2023							
	PD Band							
	0 < 0.1%	0.1% < 0.3%	0.3% < 0.5%	0.5% < 3%	3% < 10%	10% < 100%	Default	Total
Retail	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Total credit risk exposures								
SME retail	–	1,395	2,443	9,938	3,913	1,308	235	19,232
Residential mortgage	168,646	177,754	84,225	169,723	29,615	965	4,145	635,073
Qualifying revolving retail	107	14,710	3,077	3,911	1,282	209	75	23,371
Other retail	53	131	145	3,697	3,224	602	80	7,932
Total IRB approach	168,806	193,990	89,890	187,269	38,034	3,084	4,535	685,608
RBNZ regulated entities	–	11,589	17,129	47,416	820	–	1,150	78,104
Total credit risk exposures	168,806	205,579	107,019	234,685	38,854	3,084	5,685	763,712
Undrawn commitments ¹								
SME retail	–	1,198	1,438	2,744	753	135	14	6,282
Residential mortgage	39,730	23,336	6,037	3,664	81	3	13	72,864
Qualifying revolving retail	90	11,046	2,130	1,495	216	26	6	15,009
Other retail	38	5	28	1,101	71	42	1	1,286
Total IRB approach	39,858	35,585	9,633	9,004	1,121	206	34	95,441
RBNZ regulated entities	–	4,135	1,738	2,481	90	–	11	8,455
Total undrawn commitments	39,858	39,720	11,371	11,485	1,211	206	45	103,896
Exposure - average EAD (\$M)								
SME retail	–	0.047	0.075	0.069	0.145	0.130	0.065	0.078
Residential mortgage	0.348	0.341	0.342	0.339	0.303	0.298	0.341	0.340
Qualifying revolving retail	0.004	0.009	0.007	0.008	0.007	0.004	0.006	0.008
Other retail	0.005	0.512	0.016	0.007	0.013	0.002	0.004	0.007
RBNZ regulated entities	–	0.058	0.092	0.079	0.006	–	0.109	0.069
Exposure - weighted average LGD (%)								
SME retail	–	41.4	34.3	38.3	30.6	32.5	40.4	36.1
Residential mortgage ²	13.8	15.0	16.0	16.6	17.6	16.1	20.9	15.4
Qualifying revolving retail	81.0	84.9	84.2	84.4	84.2	84.1	84.7	84.6
Other retail	90.4	93.0	99.4	66.6	81.3	86.7	86.9	75.5
RBNZ regulated entities	–	17.6	18.2	21.8	35.5	–	22.6	20.5
Exposure - weighted average risk weight (%) ³								
SME retail	–	15.5	24.3	51.5	65.1	101.8	182.3	53.2
Residential mortgage	6.1	8.9	16.5	39.4	90.8	138.7	215.2	22.7
Qualifying revolving retail	5.0	5.7	14.2	45.3	131.8	211.7	194.9	22.8
Other retail	22.9	35.2	62.0	83.4	130.9	184.0	237.1	110.3
RBNZ regulated entities	–	7.5	16.2	37.1	105.8	–	204.8	31.3

¹ The credit exposure value of undrawn commitments included in Total credit risk exposures above.

² Excludes a \$7.4 billion RWA overlay that has been applied at 31 December 2023 for regulatory capital purposes.

³ Includes 1.10 scaling factor.

Credit Risk (continued)

6.4 Portfolios Subject to Internal Ratings-based Approaches (continued)

Analysis of Losses

The following tables provide a summary of financial losses by portfolio (Table 9e) and a comparison of financial losses to regulatory Expected Loss (EL) estimates (Table 9f (i)). Actual losses may differ from modelled regulatory EL for a number of reasons.

Actual losses (whether from standardised or internal ratings-based portfolios) are historical and are based on the quality of non-performing assets in prior periods, full or partial write-offs, and more recent economic conditions. Actual losses are expected to be below the regulatory EL estimate in most years. Regulatory EL measures economic loss at a point in time and includes costs (such as internal costs) not included in actual losses.

Regulatory EL is calculated on non-defaulted IRB, AIRB and FIRB exposures using long-run PDs and downturn LGDs. For defaulted IRB and AIRB exposures the Best Estimate of Expected Loss (BEEL) is used. For defaulted FIRB exposures regulatory EL is calculated as the downturn LGD rate multiplied by the exposure as required by APS 113. The supervisory slotting approach, calculated as the product of EAD and a prescribed factor, is used to determine regulatory EL for specialised lending exposures. A 50% factor is applied for defaulted specialised lending exposures. Regulatory EL is not required to be calculated on standardised portfolios.

Table 9e – Actual losses by portfolio type

Portfolio Type	31 December 2024		
	Half year losses in the reporting period		
	Gross write-offs	Recoveries	Actual losses
	\$M	\$M	\$M
Corporate (incl. Large & SME corporate)	64	(5)	59
Specialised lending	–	–	–
Total corporate	64	(5)	59
Sovereign	–	–	–
Financial institution	–	–	–
SME retail	20	(2)	18
Residential mortgage	11	(2)	9
Qualifying revolving retail	85	(26)	59
Other retail	131	(25)	106
Other assets	–	–	–
Central counterparties	–	–	–
Total IRB and specialised lending portfolios	311	(60)	251
Non-retail	12	(1)	11
Retail	9	(1)	8
Total RBNZ regulated entities	21	(2)	19

Credit Risk (continued)

6.4 Portfolios Subject to Internal Ratings-based Approaches (continued)

Table 9e – Actual losses by portfolio type (continued)

Portfolio Type	30 June 2024		
	Full year losses in the reporting period		
	Gross write-offs \$M	Recoveries \$M	Actual losses \$M
Corporate (incl. Large & SME corporate)	190	(18)	172
Specialised lending	46	–	46
Total corporate	236	(18)	218
Sovereign	–	–	–
Financial institution	–	–	–
SME retail	57	(3)	54
Residential mortgage	26	(3)	23
Qualifying revolving retail	169	(47)	122
Other retail	245	(47)	198
Other assets	–	–	–
Central counterparties	–	–	–
Total IRB and specialised lending portfolios	733	(118)	615
Non-retail	10	–	10
Retail	20	(4)	16
Total RBNZ regulated entities	30	(4)	26

Portfolio Type	31 December 2023		
	Half year losses in the reporting period		
	Gross write-offs \$M	Recoveries \$M	Actual losses \$M
Corporate (incl. Large & SME corporate)	69	(3)	66
Specialised lending	43	–	43
Total corporate	112	(3)	109
Sovereign	–	–	–
Financial institution	–	–	–
SME retail	28	(2)	26
Residential mortgage	6	(2)	4
Qualifying revolving retail	83	(20)	63
Other retail	117	(20)	97
Other assets	–	–	–
Central counterparties	–	–	–
Total IRB and specialised lending portfolios	346	(47)	299
Non-retail	3	–	3
Retail	7	(2)	5
Total RBNZ regulated entities	10	(2)	8

Credit Risk (continued)

6.4 Portfolios Subject to Internal Ratings-based Approaches (continued)

Table 9f (i) – Historical loss analysis by portfolio type

Portfolio Type	31 December 2024	
	Half year actual loss	Regulatory one year expected loss estimate
	\$M	\$M
Corporate (incl. Large & SME corporate)	59	1,657
Specialised lending	–	143
Total corporate	59	1,800
Sovereign	–	3
Financial institution	–	22
SME retail	18	335
Residential mortgage	9	1,004
Qualifying revolving retail	59	251
Other retail	106	332
Total IRB and specialised lending portfolios	251	3,747
Non-retail	11	229
Other retail	8	291
Total RBNZ regulated entities	19	520

Portfolio Type	30 June 2024	
	Full year actual loss	Regulatory one year expected loss estimate
	\$M	\$M
Corporate (incl. Large & SME corporate)	172	1,483
Specialised lending	46	124
Total corporate	218	1,607
Sovereign	–	3
Financial institution	–	18
SME retail	54	312
Residential mortgage	23	1,112
Qualifying revolving retail	122	264
Other retail	198	378
Total IRB and specialised lending portfolios	615	3,694
Non-retail	10	247
Other retail	16	282
Total RBNZ regulated entities	26	529

Credit Risk (continued)

6.4 Portfolios Subject to Internal Ratings-based Approaches (continued)

Table 9f (i) – Historical loss analysis by portfolio type (continued)

Portfolio Type	31 December 2023	
	Half year actual loss	Regulatory one year expected loss estimate
	\$M	\$M
Corporate (incl. Large & SME corporate)	66	1,396
Specialised lending	43	118
Total corporate	109	1,514
Sovereign	–	3
Financial institution	–	23
SME retail	26	279
Residential mortgage	4	999
Qualifying revolving retail	63	263
Other retail	97	346
Total IRB and specialised lending portfolios	299	3,427
Non-retail	3	221
Other retail	5	256
Total RBNZ regulated entities	8	477

Accuracy of Risk Estimates

The following tables compare credit risk estimates used in calculating regulatory capital to realised outcomes. The risk estimates are based on prudential requirements prior to the revised capital framework. The prudential standard changes have introduced a number of new asset classes which will be reported once there is adequate historical data available.

Probability of Default

Table 9f (ii) compares estimates of long-run PD to actual default rates averaged over the period from 2016.

Average estimated PD is based on the average of long-run PDs for borrowers that are not in default at the beginning of each financial year in the observation period. Actual PD is based on the number of defaulted borrowers during the year compared to the non-defaulted borrowers measured at the beginning of each financial year.

Table 9f (ii) – Accuracy of risk estimates – PD

Portfolio Type	31 December 2024	
	Average estimated PD	Average actual PD
	%	%
Corporate (incl. Large & SME corporate)	2.14	1.96
Specialised lending ¹	n/a	1.59
Sovereign	0.45	–
Bank	0.34	–
SME retail	2.16	1.65
Residential mortgage	0.70	0.58
Qualifying revolving retail	1.53	1.50
Other retail	6.58	6.05
RBNZ regulated entities:		
Non-retail	1.62	0.83
Retail	1.76	0.93

¹ Average estimated PD not relevant for specialised lending under the Supervisory Slotting approach.

Credit Risk (continued)

6.4 Portfolios Subject to Internal Ratings-based Approaches (continued)

Loss Given Default and Exposure at Default

LGDs for non-retail portfolios are based on accounts that defaulted in 2016 to 2022 financial years. LGDs for retail portfolios are based on accounts that defaulted in 2016 to 2023 financial years. Defaults occurring in the most recent years have been excluded from the analysis, to allow sufficient time for workout of impaired assets, booking of losses and more meaningful disclosures.

The EAD ratio compares estimates of EAD prior to default to realised EAD for borrowers that defaulted.

Table 9f (iii) – Accuracy of risk estimates – LGD and EAD

Portfolio Type	31 December 2024		
	Average estimated downturn LGD	Average actual LGD	Ratio of estimated EAD to actual EAD
	%	%	
Corporate (incl. Large & SME corporate)	42.4	21.7	1.2
Specialised lending ¹	n/a	11.6	1.1
Sovereign	–	–	–
Bank	–	–	–
SME retail	35.4	17.1	1.1
Residential mortgage ²	20.0	2.8	1.0
Qualifying revolving retail	86.2	66.6	1.2
Other retail	94.4	71.8	1.1
RBNZ regulated entities:			
Non-retail	35.8	16.4	1.1
Retail	22.0	7.8	1.0

¹ Average estimated LGD not relevant for specialised lending under the Supervisory Slotting approach.

² Estimated downturn LGD based on minimum regulatory floor requirements imposed by APRA and RBNZ.

Credit Risk (continued)

6.5 Credit Risk Mitigation

Table 10b and 10c – Credit risk mitigation

31 December 2024				
Portfolio Type	Total exposure ^{1 2} \$M	Eligible financial collateral \$M	Exposures covered by guarantees \$M	Exposures covered by credit derivatives \$M
Subject to AIRB approach				
Corporate (incl. SME corporate)	173,818	–	9	–
SME retail	19,600	–	–	–
Residential mortgage	671,965	–	–	–
Qualifying revolving retail	22,984	–	–	–
Other retail	9,074	–	–	–
Total AIRB approach	897,441	–	9	–
Subject to FIRB approach				
Corporate - large	54,856	–	–	–
Sovereign	135,594	–	76	–
Financial institution	52,686	–	457	–
Total FIRB approach	243,136	–	533	–
Specialised lending	5,929	–	–	–
Subject to standardised approach				
Corporate (incl. SME corporate)	817	–	–	–
SME retail	855	–	–	–
Sovereign	–	–	–	–
Residential mortgage	17,635	–	–	–
Other retail	291	–	–	–
Other assets	12,360	–	–	–
Central counterparties	3,200	–	–	–
Total standardised approach	35,158	–	–	–
RBNZ regulated entities	131,444	–	–	–
Total credit exposures	1,313,108	–	542	–

1 Credit derivatives that are treated as part of synthetic securitisation structures are excluded from credit risk mitigation disclosures and included within those relating to securitisation.

2 Exposure for derivatives and guarantees is after netting and financial collateral.

Credit Risk (continued)

6.5 Credit Risk Mitigation (continued)

Table 10b and 10c – Credit risk mitigation (continued)

30 June 2024				
Portfolio Type	Total exposure ^{1 2} \$M	Eligible financial collateral \$M	Exposures covered by guarantees \$M	Exposures covered by credit derivatives \$M
Subject to AIRB approach				
Corporate (incl. SME corporate)	163,342	–	8	–
SME retail	19,577	–	–	–
Residential mortgage	649,614	–	–	–
Qualifying revolving retail	23,165	–	–	–
Other retail	8,571	–	–	–
Total AIRB approach	864,269	–	8	–
Subject to FIRB approach				
Corporate - large	49,657	–	–	–
Sovereign	134,232	–	86	–
Financial institution	43,900	–	433	–
Total FIRB approach	227,789	–	519	–
Specialised lending	4,587	–	–	–
Subject to standardised approach				
Corporate (incl. SME corporate)	1,082	–	–	–
SME retail	836	–	–	–
Sovereign	1	–	–	–
Residential mortgage	17,114	–	–	–
Other retail	237	–	–	–
Other assets	11,240	–	–	–
Central counterparties	3,115	–	–	–
Total standardised approach	33,625	–	–	–
RBNZ regulated entities	129,526	–	–	–
Total credit exposures	1,259,796	–	527	–

1 Credit derivatives that are treated as part of synthetic securitisation structures are excluded from credit risk mitigation disclosures and included within those relating to securitisation.

2 Exposure for derivatives and guarantees is after netting and financial collateral.

Credit Risk (continued)

6.5 Credit Risk Mitigation (continued)

Table 10b and 10c – Credit risk mitigation (continued)

31 December 2023				
Portfolio Type	Total exposure ^{1 2} \$M	Eligible financial collateral \$M	Exposures covered by guarantees \$M	Exposures covered by credit derivatives \$M
Subject to AIRB approach				
Corporate (incl. SME corporate)	157,323	–	8	–
SME retail	19,232	–	–	–
Residential mortgage	635,073	–	–	–
Qualifying revolving retail	23,371	–	–	–
Other retail	7,932	–	–	–
Total AIRB approach	842,931	–	8	–
Subject to FIRB approach				
Corporate - large	48,819	–	–	–
Sovereign	173,679	–	93	–
Financial institution	56,902	–	334	–
Total FIRB approach	279,400	–	427	–
Specialised lending	4,398	–	–	–
Subject to standardised approach				
Corporate (incl. SME corporate)	832	–	–	–
SME retail	855	–	–	–
Sovereign	460	–	–	–
Residential mortgage	16,882	–	–	–
Other retail	518	–	–	–
Other assets	15,619	–	–	–
Central counterparties	2,862	–	–	–
Total standardised approach	38,028	–	–	–
RBNZ regulated entities	131,781	–	–	–
Total credit exposures	1,296,538	–	435	–

1 Credit derivatives that are treated as part of synthetic securitisation structures are excluded from credit risk mitigation disclosures and included within those relating to securitisation.

2 Exposure for derivatives and guarantees is after netting and financial collateral.

Credit Risk (continued)

6.6 Counterparty Credit Risk

Table 11b (i) Counterparty credit risk derivative exposure under the SA-CCR method ¹

	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M
Gross positive fair value	40,142	18,542	31,419
Netting and collateral benefits	(29,852)	(13,969)	(25,012)
Including collateral held of which:			
Cash	(7,688)	(4,435)	(4,203)
Replacement cost	10,290	4,573	6,407
Potential future exposure	11,148	11,017	9,650
Impact of scaling factor of 1.4 and incurred CVA	8,514	6,178	6,354
Exposure at Default	29,952	21,768	22,411

¹ Excluding exposures to CCPs, clearers and derivative exposures classified under Securitisation (for APS 120).

Table 11b (ii) Counterparty credit risk derivative exposure ¹

Exposure type	Current Credit Exposure		
	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M
Interest rate contracts	1,503	1,600	1,935
Foreign currency contracts	36,811	15,823	28,023
Equity contracts	–	–	–
Credit derivatives	1	2	3
Commodities and other	1,827	1,117	1,458
Total	40,142	18,542	31,419

¹ Excluding exposures to CCPs, clearers and derivative exposures classified under Securitisation (for APS 120). Exposure types based on product.

Credit Risk (continued)

6.6 Counterparty Credit Risk (continued)

Table 11c Counterparty credit risk derivative transactions

Notional value by product type as at 31 December 2024 ¹	Own Credit Portfolio		Intermediation Activity	
	Protection buyer	Protection seller	Protection buyer	Protection seller
	\$M	\$M	\$M	\$M
Credit default swaps	1,423	24	825	433
Total return swaps	—	—	—	—
Credit options	—	—	—	—
Other	—	—	—	—
Total	1,423	24	825	433

¹ CCP exposures have been netted against each other where offsetting per CDS index.

Notional value by product type as at 30 June 2024 ¹	Own Credit Portfolio		Intermediation Activity	
	Protection buyer	Protection seller	Protection buyer	Protection seller
	\$M	\$M	\$M	\$M
Credit default swaps	1,348	23	883	608
Total return swaps	—	—	—	—
Credit options	—	—	—	—
Other	—	—	—	—
Total	1,348	23	883	608

¹ CCP exposures have been netted against each other where offsetting per CDS index.

Notional value by product type as at 31 December 2023 ¹	Own Credit Portfolio		Intermediation Activity	
	Protection buyer	Protection seller	Protection buyer	Protection seller
	\$M	\$M	\$M	\$M
Credit default swaps	1,506	151	727	547
Total return swaps	—	—	—	—
Credit options	—	—	—	—
Other	—	—	—	—
Total	1,506	151	727	547

¹ CCP exposures have been netted against each other where offsetting per CDS index.

Credit Risk (continued)

6.7 Securitisation

Banking Book

The following table provides banking book exposures securitised by the Group and third party securitised assets where the Group is classified as a sponsor. The Group originated exposures can be broken down as follows:

- Group originated assets - capital relief comprise CBA Medallion Trusts subject to capital treatment under APS 120.
- Group originated assets - non-capital relief comprise CBA Medallion Trusts subject to capital treatment under APS 113 *Capital Adequacy: Internal Ratings-based Approach to Credit Risk*.
- Group originated assets - internal RMBS comprise CBA Medallion and ASB Medallion Trusts, held for contingent liquidity purposes.
- Third party originated assets comprise assets managed and sponsored by the Group.

Table 12g (i) – Banking book exposures securitised – traditional securitisation

Underlying Asset	31 December 2024			
	Group originated assets - capital relief	Group originated assets - non capital relief	Group originated assets - internal RMBS	Third party originated assets
	\$M	\$M	\$M	\$M
Residential mortgage	2,271	3,888	73,404	–
Credit cards and other personal loans	–	–	–	–
Auto and equipment finance	–	–	–	–
Commercial loans	–	–	–	–
Other	–	–	–	–
Total	2,271	3,888	73,404	–

Underlying Asset	30 June 2024			
	Group originated assets - capital relief	Group originated assets - non capital relief	Group originated assets - internal RMBS	Third party originated assets
	\$M	\$M	\$M	\$M
Residential mortgage	2,549	4,847	124,744	–
Credit cards and other personal loans	–	–	–	–
Auto and equipment finance	–	–	–	–
Commercial loans	–	–	–	–
Other	–	–	–	–
Total	2,549	4,847	124,744	–

Underlying Asset	31 December 2023			
	Group originated assets - capital relief	Group originated assets - non capital relief	Group originated assets - internal RMBS	Third party originated assets
	\$M	\$M	\$M	\$M
Residential mortgage	2,814	5,624	125,125	–
Credit cards and other personal loans	–	–	–	–
Auto and equipment finance	–	–	–	–
Commercial loans	–	–	–	–
Other	–	–	–	–
Total	2,814	5,624	125,125	–

Table 12g (ii) – Banking book exposures securitised – synthetic securitisation

APS 120 provides specific regulatory treatment for synthetic securitisations where credit risk is transferred to a third party, however, legal ownership of the underlying assets remains with the originator. The Group has not undertaken any synthetic securitisation in the banking book.

Credit Risk (continued)

6.7 Securitisation (continued)

Table 12h – Non-performing banking book exposures by asset type

Underlying Asset	31 December 2024		
	Group originated assets securitised		
	Outstanding exposure \$M	Non-performing exposure \$M	Losses recognised \$M
Residential mortgage	79,563	438	–
Credit cards and other personal loans	–	–	–
Auto and equipment finance	–	–	–
Commercial loans	–	–	–
Other	–	–	–
Total	79,563	438	–

Underlying Asset	30 June 2024		
	Group originated assets securitised		
	Outstanding exposure \$M	Non-performing exposure \$M	Losses recognised \$M
Residential mortgage	132,140	786	–
Credit cards and other personal loans	–	–	–
Auto and equipment finance	–	–	–
Commercial loans	–	–	–
Other	–	–	–
Total	132,140	786	–

Underlying Asset	31 December 2023		
	Group originated assets securitised		
	Outstanding exposure \$M	Non-performing exposure \$M	Losses recognised \$M
Residential mortgage	133,563	580	–
Credit cards and other personal loans	–	–	–
Auto and equipment finance	–	–	–
Commercial loans	–	–	–
Other	–	–	–
Total	133,563	580	–

Table 12i – Banking book exposures intended to be securitised

As at 31 December 2024, the Group does not have any outstanding banking book exposures that are intended to be securitised.

Credit Risk (continued)

6.7 Securitisation (continued)

Table 12j – Banking book activity for the reporting period

The Group's new securitisation activity in the banking book during the half year ended 31 December 2024 was \$2,019 million.

Underlying Asset	Half year ended 31 December 2024	
	Total exposures securitised	Recognised gain or loss on sale
	\$M	\$M
Residential mortgage	799	–
Credit cards and other personal loans	–	–
Auto and equipment finance	957	–
Commercial loans	141	–
Other	122	–
Total	2,019	–

Underlying Asset	Full year ended 30 June 2024	
	Total exposures securitised	Recognised gain or loss on sale
	\$M	\$M
Residential mortgage	4,112	–
Credit cards and other personal loans	49	–
Auto and equipment finance	61	–
Commercial loans	–	–
Other	–	–
Total	4,222	–

Underlying Asset	Half year ended 31 December 2023	
	Total exposures securitised	Recognised gain or loss on sale
	\$M	\$M
Residential mortgage	2,492	–
Credit cards and other personal loans	–	–
Auto and equipment finance	–	–
Commercial loans	–	–
Other	–	–
Total	2,492	–

Credit Risk (continued)

6.7 Securitisation (continued)

Table 12k – Banking book securitisation exposures retained or purchased

Securitisation Facility Type	31 December 2024		Total exposures \$M
	On Balance Sheet \$M	Off Balance Sheet \$M	
Liquidity support facilities	–	137	137
Warehouse facilities	12,440	5,481	17,921
Derivative facilities	–	57	57
Holdings of securities	3,671	–	3,671
Other	–	10	10
Total securitisation exposures in the banking book	16,111	5,685	21,796

Securitisation Facility Type	30 June 2024		Total exposures \$M
	On Balance Sheet \$M	Off Balance Sheet \$M	
Liquidity support facilities	–	156	156
Warehouse facilities	10,797	5,250	16,047
Derivative facilities	–	57	57
Holdings of securities	3,334	–	3,334
Other	–	11	11
Total securitisation exposures in the banking book	14,131	5,474	19,605

Securitisation Facility Type	31 December 2023		Total exposures \$M
	On Balance Sheet \$M	Off Balance Sheet \$M	
Liquidity support facilities	–	171	171
Warehouse facilities	11,666	4,931	16,597
Derivative facilities	–	108	108
Holdings of securities	2,778	–	2,778
Other	–	11	11
Total securitisation exposures in the banking book	14,444	5,221	19,665

Credit Risk (continued)

6.7 Securitisation (continued)

Table 12I (i) – Banking book exposure by risk weighting

Total securitisation exposures in the banking book increased by \$2,191 million or 11.2% during the half year ended 31 December 2024. The corresponding RWA also increased by \$463 million or 14.4%.

31 December 2024						
Risk Weight Band	Exposures		Total exposures	Risk Weighted Assets		Total RWA
	Securitisation	Resecuritisation		Securitisation	Resecuritisation	
	\$M	\$M	\$M	\$M	\$M	\$M
≤ 25%	21,743	–	21,743	3,642	–	3,642
> 25% ≤ 35%	–	–	–	–	–	–
> 35% ≤ 50%	–	–	–	–	–	–
> 50% ≤ 75%	53	–	53	31	–	31
> 75% ≤ 100%	–	–	–	–	–	–
> 100% ≤ 650%	–	–	–	–	–	–
> 650% ≤ 1250%	–	–	–	–	–	–
Total	21,796	–	21,796	3,673	–	3,673

30 June 2024						
Risk Weight Band	Exposures		Total exposures	Risk Weighted Assets		Total RWA
	Securitisation	Resecuritisation		Securitisation	Resecuritisation	
	\$M	\$M	\$M	\$M	\$M	\$M
≤ 25%	19,585	–	19,585	3,199	–	3,199
> 25% ≤ 35%	–	–	–	–	–	–
> 35% ≤ 50%	–	–	–	–	–	–
> 50% ≤ 75%	20	–	20	11	–	11
> 75% ≤ 100%	–	–	–	–	–	–
> 100% ≤ 650%	–	–	–	–	–	–
> 650% ≤ 1250%	–	–	–	–	–	–
Total	19,605	–	19,605	3,210	–	3,210

31 December 2023						
Risk Weight Band	Exposures		Total exposures	Risk Weighted Assets		Total RWA
	Securitisation	Resecuritisation		Securitisation	Resecuritisation	
	\$M	\$M	\$M	\$M	\$M	\$M
≤ 25%	19,663	–	19,663	3,234	–	3,234
> 25% ≤ 35%	–	–	–	–	–	–
> 35% ≤ 50%	–	–	–	–	–	–
> 50% ≤ 75%	2	–	2	1	–	1
> 75% ≤ 100%	–	–	–	–	–	–
> 100% ≤ 650%	–	–	–	–	–	–
> 650% ≤ 1250%	–	–	–	–	–	–
Total	19,665	–	19,665	3,235	–	3,235

Credit Risk (continued)

6.7 Securitisation (continued)

Table 12l (ii) – Banking book exposure deducted entirely from capital

Total securitisation exposures deducted from Tier 1 capital increased by \$8m during the half year ended 31 December 2024. There was \$2m movement during the half year ended 30 June 2024.

Underlying Asset	Common Equity Tier 1 Capital		
	31 Dec 24	30 Jun 24	31 Dec 23
	\$M	\$M	\$M
Residential mortgage	18	10	8
Credit cards and other personal loans	–	–	–
Auto and equipment finance	–	–	–
Commercial loans	–	–	–
Other	–	–	–
Total	18	10	8

Table 12m – Banking book exposures subject to early amortisation

The Group has not undertaken any securitisation subject to early amortisation treatment.

Table 12n – Banking book resecuritisation exposures

The Group does not have any retained or repurchased banking book resecuritisation exposure.

Trading Book

Table 12o – Trading book exposures securitised

The Group has no traditional or synthetic securitisation exposures in the trading book.

Table 12p – Trading book exposures intended to be securitised

As at 31 December 2024, the Group does not have any outstanding trading book exposures that are intended to be securitised.

Table 12q – Trading book activity for the reporting period

The Group participated in third party securitisation in the trading book during the half year ended 31 December 2024, relating to nil residential mortgages (30 June 2024: nil, 31 December 2023: nil), nil credit cards and other personal loan (30 June 2024: \$5 million, 31 December 2023: \$3 million), and \$9 million auto and equipment finance (30 June 2024: \$5 million, 31 December 2023: nil) exposures.

Table 12r – Trading book exposures subject to APS 116

The aggregate amount of exposures securitised by the Group and subject to APS 116 *Capital Adequacy: Market Risk* (APS 116) was \$77 million as at 31 December 2024 (30 June 2024: \$28 million, 31 December 2023: \$78 million), all of which are traditional securitisations.

Credit Risk (continued)

6.7 Securitisation (continued)

Table 12s – Trading book exposures retained or purchased subject to APS 120

Securitisation Facility Type	As at 31 December 2024		
	On Balance Sheet \$M	Off Balance Sheet \$M	Total exposures \$M
Liquidity support facilities	–	–	–
Warehouse facilities	–	–	–
Derivative facilities	–	77	77
Holdings of securities	–	–	–
Other	–	–	–
Total securitisation exposures in the trading book	–	77	77

Securitisation Facility Type	As at 30 June 2024		
	On Balance Sheet \$M	Off Balance Sheet \$M	Total exposures \$M
Liquidity support facilities	–	–	–
Warehouse facilities	–	–	–
Derivative facilities	–	28	28
Holdings of securities	–	–	–
Other	–	–	–
Total securitisation exposures in the trading book	–	28	28

Securitisation Facility Type	As at 31 December 2023		
	On Balance Sheet \$M	Off Balance Sheet \$M	Total exposures \$M
Liquidity support facilities	–	–	–
Warehouse facilities	–	–	–
Derivative facilities	–	78	78
Holdings of securities	–	–	–
Other	–	–	–
Total securitisation exposures in the trading book	–	78	78

Table 12t (i) – Trading book exposures retained/purchased subject to IMA

The Group has \$77 million of derivative exposures held in the trading book subject to IMA (default risk) under APS 116 as at 31 December 2024 (30 June 2024: \$28 million, 31 December 2023: \$78 million).

Credit Risk (continued)

6.7 Securitisation (continued)

Table 12t (ii) – Trading book exposures subject to APS 120 by risk weighting

Risk Weight Band	31 December 2024		
	ERBA Approach	SFA Approach	Total exposures
	\$M	\$M	\$M
≤ 25%	51	26	77
> 25% ≤ 35%	–	–	–
> 35% ≤ 50%	–	–	–
> 50% ≤ 75%	–	–	–
> 75% ≤ 100%	–	–	–
> 100% ≤ 650%	–	–	–
> 650% ≤ 1250%	–	–	–
Total	51	26	77

Risk Weight Band	30 June 2024		
	ERBA Approach	SFA Approach	Total exposures
	\$M	\$M	\$M
≤ 25%	14	14	28
> 25% ≤ 35%	–	–	–
> 35% ≤ 50%	–	–	–
> 50% ≤ 75%	–	–	–
> 75% ≤ 100%	–	–	–
> 100% ≤ 650%	–	–	–
> 650% ≤ 1250%	–	–	–
Total	14	14	28

Risk Weight Band	31 December 2023		
	ERBA Approach	SFA Approach	Total exposures
	\$M	\$M	\$M
≤ 25%	30	48	78
> 25% ≤ 35%	–	–	–
> 35% ≤ 50%	–	–	–
> 50% ≤ 75%	–	–	–
> 75% ≤ 100%	–	–	–
> 100% ≤ 650%	–	–	–
> 650% ≤ 1250%	–	–	–
Total	30	48	78

Table 12u (i) – RWA of trading book exposures retained/purchased subject to IMA

The Group has \$2,017 million of RWA held in the trading book subject to IMA (default risk) under APS 116 as at 31 December 2024 (30 June 2024: \$1,989 million, 31 December 2023: \$1,945 million).

Credit Risk (continued)

6.7 Securitisation (continued)

Table 12u (ii) – Capital requirements (RWA) of trading book exposures subject to APS 120 by risk weighting

	31 December 2024					
	ERBA Approach		SFA Approach		Total Capital Requirements	
	Securitisation	Resecuritisation	Securitisation	Resecuritisation	Securitisation	Resecuritisation
	\$M	\$M	\$M	\$M	\$M	\$M
≤ 25%	8	–	4	–	12	–
> 25% ≤ 35%	–	–	–	–	–	–
> 35% ≤ 50%	–	–	–	–	–	–
> 50% ≤ 75%	–	–	–	–	–	–
> 75% ≤ 100%	–	–	–	–	–	–
> 100% ≤ 650%	–	–	–	–	–	–
> 650% ≤ 1250%	–	–	–	–	–	–
Total	8	–	4	–	12	–

	30 June 2024					
	ERBA Approach		SFA Approach		Total Capital Requirements	
	Securitisation	Resecuritisation	Securitisation	Resecuritisation	Securitisation	Resecuritisation
	\$M	\$M	\$M	\$M	\$M	\$M
≤ 25%	2	–	2	–	4	–
> 25% ≤ 35%	–	–	–	–	–	–
> 35% ≤ 50%	–	–	–	–	–	–
> 50% ≤ 75%	–	–	–	–	–	–
> 75% ≤ 100%	–	–	–	–	–	–
> 100% ≤ 650%	–	–	–	–	–	–
> 650% ≤ 1250%	–	–	–	–	–	–
Total	2	–	2	–	4	–

	31 December 2023					
	ERBA Approach		SFA Approach		Total Capital Requirements	
	Securitisation	Resecuritisation	Securitisation	Resecuritisation	Securitisation	Resecuritisation
	\$M	\$M	\$M	\$M	\$M	\$M
≤ 25%	5	–	8	–	13	–
> 25% ≤ 35%	–	–	–	–	–	–
> 35% ≤ 50%	–	–	–	–	–	–
> 50% ≤ 75%	–	–	–	–	–	–
> 75% ≤ 100%	–	–	–	–	–	–
> 100% ≤ 650%	–	–	–	–	–	–
> 650% ≤ 1250%	–	–	–	–	–	–
Total	5	–	8	–	13	–

Credit Risk (continued)

6.7 Securitisation (continued)

Table 12u (iii) – Trading book exposures entirely deducted from capital

The Group has no trading book exposures that are entirely deducted from CET1 capital.

The Group did not have any trading book exposures that are credit enhancements deducted from Total Capital or any other exposures deducted from Total Capital.

Table 12v – Trading book exposures subject to early amortisation

The Group has not undertaken any securitisation subject to early amortisation treatment.

Table 12w – Trading book resecuritisation exposures

The Group did not have any retained or repurchased trading book resecuritisation exposures.

Table 5a – Total securitisation activity for the reporting period

The Group disclosed the summary of the current period's securitisation activity including the total amount of exposures securitised and gain or loss recognised on sale by exposure type in Table 12j (banking book) and Table 12q (trading book).

The total exposures securitised in the half year to 31 December 2024 was \$2,028 million (31 December 2023: \$2,495 million). The total exposures securitised in the full year to 30 June 2024 was \$4,232 million.

Table 5b – Summary of total securitisation exposures retained or purchased

Securitisation Facility Type	31 December 2024		
	On Balance Sheet \$M	Off Balance Sheet \$M	Total exposures \$M
Liquidity support facilities	–	137	137
Warehouse facilities	12,440	5,481	17,921
Derivative facilities	–	134	134
Holdings of securities	3,671	–	3,671
Other	–	10	10
Total securitisation exposures	16,111	5,762	21,873

Securitisation Facility Type	30 June 2024		
	On Balance Sheet \$M	Off Balance Sheet \$M	Total exposures \$M
Liquidity support facilities	–	156	156
Warehouse facilities	10,797	5,250	16,047
Derivative facilities	–	85	85
Holdings of securities	3,334	–	3,334
Other	–	11	11
Total securitisation exposures	14,131	5,502	19,633

Securitisation Facility Type	31 December 2023		
	On Balance Sheet \$M	Off Balance Sheet \$M	Total exposures \$M
Liquidity support facilities	–	171	171
Warehouse facilities	11,666	4,931	16,597
Derivative facilities	–	186	186
Holdings of securities	2,778	–	2,778
Other	–	11	11
Total securitisation exposures	14,444	5,299	19,743

Table 16b to 16f – Equity investment exposures

	31 December 2024	
	Balance Sheet value \$M	Fair value \$M
Equity Investments		
Value of listed (publicly traded) equities	2,474	2,733
Value of unlisted (privately held) equities	1,784	2,641
Total	4,258	5,374

	30 June 2024	
	Balance Sheet value \$M	Fair value \$M
Equity Investments		
Value of listed (publicly traded) equities	2,591	2,892
Value of unlisted (privately held) equities	1,568	2,026
Total	4,159	4,918

	31 December 2023	
	Balance Sheet value \$M	Fair value \$M
Equity Investments		
Value of listed (publicly traded) equities	2,226	2,377
Value of unlisted (privately held) equities	1,772	1,888
Total	3,998	4,265

	Half year ended		
	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M
Gains or Losses on Equity Investments			
Cumulative realised gains in reporting period ¹	43	–	26
Total unrealised gains or losses	634	149	5

¹ Cumulative realised gains in reporting period include gains/losses from investments in associates and investment securities measured at fair value through other comprehensive income.

8

Market Risk

8.1 Traded Market Risk

Capital Calculation Methods

The breakdown of RWA for traded market risk by modelling method is summarised in the table below.

	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M
Traded Market Risk RWA by Modelling Approach ¹			
Internal Model Approach	6,491	7,354	8,547
Standard Method	1,458	1,134	1,080
Total Traded Market Risk RWA	7,949	8,488	9,627

¹ Refer to page 11 for commentary.

The capital requirement for traded market risk under the standard method is disclosed in Table 13b.

Table 13b – Traded Market Risk under the Standard Method

Exposure Type	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M
Interest Rate Risk	116.6	90.7	86.4
Equity Risk	–	–	–
Foreign exchange risk	–	–	–
Commodity risk	–	–	–
Total	116.6	90.7	86.4
Risk Weighted Asset equivalent ¹	1,458	1,134	1,080

¹ Risk Weighted Assets equivalent is the capital requirements multiplied by 12.5 in accordance with APS 110.

Traded Market Risk Internal Model

The VaR and SVaR results calculated under the internal model approach are summarised in Table 14f (i).

Table 14f (i) – Value-at-Risk and Stressed Value-at-Risk for Trading Portfolios under the Internal Model Approach

	Aggregate VaR Over the Reporting Period			As at
	Mean value	Maximum value	Minimum value	balance date
Average VaR ¹	\$M	\$M	\$M	\$M
Over the 6 months to 31 December 2024	50	81	32	39
Over the 6 months to 30 June 2024	62	86	37	37
Over the 6 months to 31 December 2023	51	68	36	62

¹ 10 day, 99% confidence interval over the reporting period.

	Aggregate SVaR Over the Reporting Period			As at
	Mean value	Maximum value	Minimum value	balance date
Stressed VaR ¹	\$M	\$M	\$M	\$M
Over the 6 months to 31 December 2024	138	211	80	192
Over the 6 months to 30 June 2024	105	167	71	116
Over the 6 months to 31 December 2023	108	150	80	126

¹ 10 day, 99% confidence interval over the reporting period.

Market Risk (continued)

8.1 Traded Market Risk (continued)

Internal Model Approach – Back-test results

The Internal model is subject to back-testing against hypothetical profit and loss. In the 6 months to 31 December 2024 there were no back test outliers. The back-test results are summarised in Table 14f (ii) and details of these are provided in Table 14f (iii). A comparison of VaR with actual gains or losses during the 6 months to 31 December 2024 is illustrated in Table 14f (iv).

APS 330 Table 14f (ii) - Summary Table of the Number of Back-Testing Outliers ¹

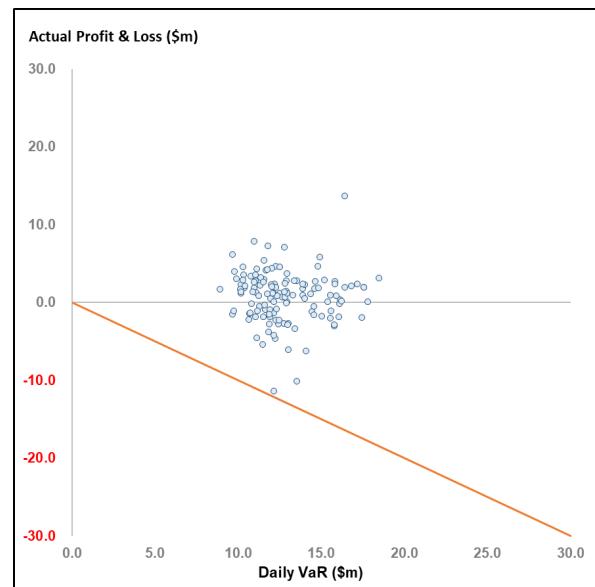
Over the 6 months to 31 December 2024	-
Over the 6 months to 30 June 2024	-
Over the 6 months to 31 December 2023	-

¹ 10 day, 99% confidence interval over the reporting period.

Table 14f (iii): Details of Back-Testing Outliers

Over the Reporting Period 1 July 2024 to 31 December 2024		
Date	Hypothetical loss \$M	VaR 99% \$M
	-	-
Over the Reporting Period 1 January 2024 to 30 June 2024		
Date	Hypothetical loss \$M	VaR 99% \$M
	-	-
Over the Reporting Period 1 July 2023 to 31 December 2023		
Date	Hypothetical loss \$M	VaR 99% \$M
	-	-

Table 14f (iv): Comparison of VaR estimates outliers with actual gains/losses experiences for the 6 months ended 31 December 2024



Market Risk (continued)

8.2 Non-Traded Market Risk

Table 17b – Interest Rate Risk in the Banking Book

Stress Testing: Interest Rate Shock Applied	Change in Economic Value		
	31 Dec 24	30 Jun 24	31 Dec 23
	\$M	\$M	\$M
AUD			
200 basis point parallel increase	(540)	(556)	(860)
200 basis point parallel decrease	569	564	890
NZD			
200 basis point parallel increase	(306)	(361)	(318)
200 basis point parallel decrease	312	374	327
USD			
200 basis point parallel increase	(66)	(69)	(153)
200 basis point parallel decrease	69	68	109
Other			
200 basis point parallel increase	(1)	(9)	17
200 basis point parallel decrease	2	10	(16)

	31 Dec 24	30 Jun 24	31 Dec 23
Regulatory RWA ¹	\$M	\$M	\$M
Interest rate risk in the banking book	41,679	43,644	40,307

¹ Refer to page 11 for commentary.

9

Operational Risk

Table 6e – Capital requirements for operational risk

Regulatory RWA	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M
Total operational risk RWA ¹	47,624	44,975	44,975

¹ Refer to page 11 for commentary.

10.1 Liquidity Coverage Ratio

The Group calculates its LCR position on a daily basis, ensuring a buffer is maintained over the minimum regulatory requirement of 100% and the Board's risk appetite. Over the December 2024 quarter, excess liquid assets averaged \$37.1 billion and the average LCR decreased from 131% to 127%. The decrease in average LCR was due to balance sheet positioning and cash management activities over the December 2024 quarter. On a spot basis, the LCR was between 121% and 136% over the quarter.

The Group's mix of liquid assets consists of HQLA, such as cash, deposits with central banks, Australian government and semi-government securities, and foreign sovereign securities. Liquid assets also include securities classified as liquid assets by the RBNZ. Liquid assets are distributed across the Group to support regulatory and internal requirements and are consistent with the distribution of liquidity needs by currency. Average liquid assets decreased \$2.2 billion or 1% over the quarter.

NCO are modelled under an APRA prescribed 30 day severe liquidity stress scenario. The Group manages modelled NCO by maintaining a large base of low LCR outflow customer deposits and actively managing its wholesale funding maturity profile as part of its overall liquidity management strategy. Average NCO increased \$2.9 billion or 2% over the quarter primarily due to an increase in wholesale funding maturities within the 30 day window and growth in customer deposits.

Table 20 - LCR Disclosure Template

	31 Dec 24 ¹		30 Sep 24 ¹	
	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
	\$M	\$M	\$M	\$M
Liquid assets, of which:				
1 High-quality liquid assets (HQLA)		174,194		176,076
2 Alternative liquid assets (ALA)		—		—
3 Reserve Bank of New Zealand (RBNZ) securities		1,063		1,359
Cash outflows				
4 Retail deposits and deposits from small business customers, of which:	475,273	38,535	460,244	37,610
5 Stable deposits	279,231	13,962	271,246	13,562
6 Less stable deposits	196,042	24,573	188,998	24,048
7 Unsecured wholesale funding, of which:	186,749	81,160	181,978	77,419
8 Operational deposits (all counterparties) and deposits in networks for cooperative banks	91,344	21,972	91,283	21,894
9 Non-operational deposits (all counterparties)	84,634	48,417	82,933	47,763
10 Unsecured debt	10,771	10,771	7,762	7,762
11 Secured wholesale funding		3,619		3,517
12 Additional requirements, of which:	192,691	27,993	179,592	26,979
13 Outflows related to derivatives exposures and other collateral requirements	7,645	7,645	8,065	8,065
14 Outflows related to loss of funding on debt products	—	—	—	—
15 Credit and liquidity facilities	185,046	20,348	171,527	18,914
16 Other contractual funding obligations	—	—	—	—
17 Other contingent funding obligations	96,070	10,736	100,578	13,342
18 Total cash outflows		162,043		158,867
Cash inflows				
19 Secured lending	51,304	5,752	55,904	5,509
20 Inflows from fully performing exposures	14,765	10,048	14,728	10,487
21 Other cash inflows	8,126	8,126	7,684	7,684
22 Total cash inflows	74,195	23,926	78,316	23,680
23 Total liquid assets		175,257		177,435
24 Total net cash outflows		138,117		135,187
25 Liquidity Coverage Ratio (%)		127		131
Number of data points used (Business Days)		63		65

¹ The averages presented are calculated as simple averages of daily observations over the previous quarter.

Liquidity Risk (continued)

10.2 Net Stable Funding Ratio

The NSFR requires Australian ADIs to have sufficient Available Stable Funding (ASF) to meet their Required Stable Funding (RSF) over a one year horizon. The Group calculates its NSFR position daily, ensuring a buffer is maintained over the regulatory requirement of 100% and the Board's risk appetite. The ASF and RSF are calculated by applying factors prescribed by APRA, to liabilities, assets and off Balance Sheet commitments.

The Group's main sources of ASF are deposits from retail and SME customers, wholesale funding and capital. The main contributors to RSF are residential mortgages and loans to business and corporate customers.

The NSFR increased from 115% at 30 September 2024 to 116% at 31 December 2024. Over the period, the Group's ASF increased 3.2% due to growth in retail and SME deposits and an increase in wholesale funding and capital. RSF increased 1.7% primarily due to growth in both residential mortgages and commercial lending.

Table 21 - NSFR Disclosure Template

		As at 31 December 2024				
		Unweighted value by residual maturity				Weighted value
		No Maturity	0 - 6 months	7 - 12 months	> 12 months	
		\$M	\$M	\$M	\$M	\$M
Available Stable Funding (ASF) Item						
1	Capital	75,393	—	—	40,835	116,227
2	Regulatory Capital	75,393	—	—	40,835	116,227
3	Other Capital Instruments	—	—	—	—	—
4	Retail deposits and deposits from small business customers	463,394	135,565	27	135	555,684
5	Stable deposits ¹	275,928	53,309	7	6	312,788
6	Less stable deposits ²	187,466	82,256	20	129	242,896
7	Wholesale funding	152,660	222,284	71,452	103,930	235,423
8	Operational deposits	93,670	—	—	—	46,835
9	Other wholesale funding	58,990	222,284	71,452	103,930	188,588
10	Liabilities with matching interdependent assets	—	—	—	—	—
11	Other liabilities	—	22,061	167	1,831	1,915
12	NSFR derivative liabilities	—	12,045	—	—	—
13	All other liabilities and equity not included in the above categories	—	10,016	167	1,831	1,915
14	Total ASF					909,249
Required Stable Funding (RSF) Item						
15 a)	Total NSFR HQLA					6,081
15 b)	ALA					—
15 c)	RBNZ Securities					366
16	Deposits held at other financial institutions for operational purposes					—
17	Performing loans and securities	12,694	138,606	68,000	861,688	720,011
18	Performing loans to financial institutions secured by Level 1 HQLA	8,930	59,250	3,997	2,968	11,784
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	3,764	28,149	19,529	42,515	57,066
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities (PSEs)	—	38,482	35,561	150,486	164,245
21	of which: with a risk weight of less than or equal to 35% under APS 112	—	696	652	3,451	2,917
22	Performing residential property loans	—	7,525	7,123	654,244	473,240
23	of which: are standard loans to individuals with a LVR of 80% or below	—	5,543	5,384	467,942	309,625
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	—	5,200	1,790	11,475	13,676
25	Assets with matching interdependent liabilities	—	—	—	—	—
26	Other assets:	5,440	35,072	1,818	29,533	43,087
27	Physical traded commodities, including gold	5,440	—	—	—	4,624
28	Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties (CCPs)	—	1,515	—	—	1,288
29	NSFR derivative assets	—	9,334	—	—	—
30	NSFR derivative liabilities before deduction of variation margin posted	—	21,280	—	—	4,256
31	All other assets not included in the above categories	—	2,943	1,818	29,533	32,919
32	Off Balance Sheet items	—	220,762	—	—	11,368
33	Total RSF					780,913
34	Net Stable Funding Ratio (%)					116

1 Stable deposits are the portion of deposits that are protected under the Financial Claims Scheme where depositors have an established relationship with the Bank or the deposits are in transactional accounts.

2 Less stable deposits are the portion of deposits that do not meet the requirements of stable deposits.

Liquidity Risk (continued)

10.2 Net Stable Funding Ratio (continued)

As at 30 September 2024					
Unweighted value by residual maturity					Weighted value
No Maturity	0 - 6 months	7 - 12 months	> 12 months		
\$M	\$M	\$M	\$M		\$M
Available Stable Funding (ASF) Item					
1 Capital	72,584	–	–	39,522	112,106
2 Regulatory Capital	72,584	–	–	39,522	112,106
3 Other Capital Instruments	–	–	–	–	–
4 Retail deposits and deposits from small business customers	448,645	134,861	29	151	541,446
5 Stable deposits ¹	268,831	53,407	9	9	306,144
6 Less stable deposits ²	179,814	81,454	20	142	235,302
7 Wholesale funding	155,711	238,520	57,675	100,524	225,410
8 Operational deposits	91,938	–	–	–	45,969
9 Other wholesale funding	63,773	238,520	57,675	100,524	179,441
10 Liabilities with matching interdependent assets	–	–	–	–	–
11 Other liabilities	–	22,520	162	1,829	1,910
12 NSFR derivative liabilities	–	9,789	–	–	–
13 All other liabilities and equity not included in the above categories	–	12,731	162	1,829	1,910
14 Total ASF					880,872
Required Stable Funding (RSF) Item					
15 a) Total NSFR HQLA					6,050
15 b) ALA					–
15 c) RBNZ Securities					360
16 Deposits held at other financial institutions for operational purposes					–
17 Performing loans and securities	17,164	140,954	67,671	846,019	710,915
18 Performing loans to financial institutions secured by Level 1 HQLA	11,725	59,402	8,164	2,121	13,316
19 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	5,439	28,128	20,585	41,493	56,821
20 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities (PSEs)	–	39,070	30,728	148,102	160,120
21 of which: with a risk weight of less than or equal to 35% under APS 112	–	706	589	3,334	2,815
22 Performing residential property loans	–	7,478	6,821	644,283	467,706
23 of which: are standard loans to individuals with a LVR of 80% or below	–	5,494	5,158	459,483	303,990
24 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	–	6,876	1,373	10,020	12,952
25 Assets with matching interdependent liabilities	–	–	–	–	–
26 Other assets:	4,493	34,042	1,677	27,513	40,233
27 Physical traded commodities, including gold	4,493	–	–	–	3,819
28 Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties (CCPs)	–	2,161	–	–	1,837
29 NSFR derivative assets	–	7,566	–	–	–
30 NSFR derivative liabilities before deduction of variation margin posted	–	17,812	–	–	3,562
31 All other assets not included in the above categories	–	6,503	1,677	27,513	31,015
32 Off Balance Sheet items	–	205,674	–	–	10,207
33 Total RSF					767,765
34 Net Stable Funding Ratio (%)					115

- 1 Stable deposits are the portion of deposits that are protected under the Financial Claims Scheme where depositors have an established relationship with the Bank or the deposits are in transactional accounts.
- 2 Less stable deposits are the portion of deposits that do not meet the requirements of stable deposits.

11.1 Detailed Capital Disclosures Template (APS 330 Attachment A)

These tables should be read in conjunction with Appendix 11.3 Regulatory Balance Sheet and Appendix 11.4 Reconciliation between Detailed Capital Disclosures Template and Regulatory Balance Sheet.

	31 Dec 24 Basel III %
Summary Group Capital Adequacy Ratios (Level 2)	
CET1	12.2
Tier 1	14.1
Total Capital	20.7

	31 Dec 24 Basel III \$M	Reconciliation Table Reference
Common Equity Tier 1 Capital: instruments and reserves		
1 Directly issued qualifying ordinary shares (and equivalent for mutually-owned entities) capital	33,586	Table A
2 Retained earnings	42,518	
3 Accumulated other comprehensive income (and other reserves)	(900)	
4 Directly issued capital subject to phase out from CET1 (only applicable to mutually-owned companies)	–	
5 Ordinary share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	–	Table B
6 Common Equity Tier 1 Capital before regulatory adjustments	75,204	
Common Equity Tier 1 Capital: regulatory adjustments		
7 Prudential valuation adjustments	(13)	
8 Goodwill (net of related tax liability)	(5,282)	Table C
9 Other intangibles other than mortgage servicing rights (net of related tax liability)	(2,446)	Table C
10 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	–	Table D
11 Cash flow hedge reserve	590	
12 Shortfall of provisions to expected losses ¹	–	
13 Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)	–	
14 Gains and losses due to changes in own credit risk on fair valued liabilities	(47)	
15 Defined benefit superannuation fund net assets ²	(338)	
16 Investments in own shares (if not already netted off paid-in capital on reported Balance Sheet)	–	
17 Reciprocal cross-holdings in common equity	–	
18 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	–	
19 Significant investments in the ordinary shares of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	–	
20 Mortgage service rights (amount above 10% threshold)	–	
21 Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	–	Table D
22 Amount exceeding the 15% threshold	–	
23 of which: significant investments in the ordinary shares of financial entities	–	
24 of which: mortgage servicing rights	–	
25 of which: deferred tax assets arising from temporary differences	–	Table D

1 Represents the shortfall between the calculated Regulatory EL and Eligible Provisions (EP) with respect to credit portfolios which are subject to the AIRB approach. The adjustment is assessed separately for both defaulted and non-defaulted exposures. Where there is an excess of EL over EP in either assessments, the difference must be deducted from CET1 Capital. For non-defaulted exposures where the EL is lower than the EP, this may be included in Tier 2 Capital up to a maximum of 0.6% of total Credit Risk RWA.

2 In accordance with APRA regulations, the surplus in the Group's defined benefit superannuation fund, net of any deferred tax liability, is deducted from CET1 Capital.

Appendices (continued)

11.1 Detailed Capital Disclosures Template (APS 330 Attachment A) (continued)

		31 Dec 24 Basel III \$M	Reconciliation Table Reference
26	National specific regulatory adjustments (rows 26a, 26b, 26c, 26d, 26e, 26f, 26g, 26h, 26i, 26j)	(8,797)	
26a	of which: treasury shares	189	Table A
26b	of which: offset to dividends declared due to a dividend reinvestment plan (DRP), to the extent that the dividends are used to purchase new ordinary shares issued by the ADI	—	
26c	of which: deferred fee income	—	
26d	of which: equity investments in financial institutions not reported in rows 18, 19 and 23	(4,205)	Table G
26e	of which: deferred tax assets not reported in rows 10, 21 and 25	(3,165)	Table D
26f	of which: capitalised expenses	(1,250)	
26g	of which: investments in commercial (non-financial) entities that are deducted under APRA prudential requirements	(109)	Table G
26h	of which: covered bonds in excess of asset cover in pools	—	
26i	of which: undercapitalisation of a non-consolidated subsidiary	—	
26j	of which: other national specific regulatory adjustments not reported in rows 26a to 26i	(257)	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	—	
28	Total regulatory adjustments to Common Equity Tier 1 ¹	(16,333)	
29	Common Equity Tier 1 Capital	58,871	
Additional Tier 1 Capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments	9,272	
31	of which: classified as equity under applicable accounting standards	—	
32	of which: classified as liabilities under applicable accounting standards	9,272	Table E
33	Directly issued capital instruments subject to phase out from Additional Tier 1	—	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in Group AT1)	—	
35	of which: instruments issued by subsidiaries subject to phase out	—	
36	Additional Tier 1 Capital before regulatory adjustments	9,272	Table E
Additional Tier 1 Capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments	—	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	—	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	—	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	—	
41	National specific regulatory adjustments (rows 41a, 41b, 41c)	—	
41a	of which: holdings of capital instruments in group members by other group members on behalf of third parties	—	
41b	of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidations not reported in rows 39 and 40	—	
41c	of which: other national specific regulatory adjustments not reported in rows 41a and 41b	—	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—	
43	Total regulatory adjustments to Additional Tier 1 capital	—	
44	Additional Tier 1 Capital (AT1)	9,272	
45	Tier 1 Capital (T1=CET1+AT1)	68,143	
Tier 2 Capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments	29,925	Table F
47	Directly issued capital instruments subject to phase out from Tier 2	—	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	—	
49	of which: instruments issued by subsidiaries subject to phase out	—	
50	Provisions	2,111	
51	Tier 2 Capital before regulatory adjustments	32,036	

¹ Total regulatory adjustments to CET1 of \$16,333 million in Row 28 is net of APRA's allowance for treasury shares held by the Group's eligible employee share scheme arrangements of \$189 million as detailed in Row 26a.

Appendices (continued)

11.1 Detailed Capital Disclosures Template (APS 330 Attachment A) (continued)

	31 Dec 24 Basel III \$M	Reconciliation Table Reference
Tier 2 Capital: regulatory adjustments		
52 Investments in own Tier 2 instruments	(30)	
53 Reciprocal cross-holdings in Tier 2 instruments	–	
54 Investments in the Tier 2 Capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold) ¹	(444)	
55 Significant investments in the Tier 2 Capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	–	
56 National specific regulatory adjustments (rows 56a, 56b, 56c)	–	
56a of which: holdings of capital instruments in group members by other group members on behalf of third parties	–	
56b of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidation not reported in rows 54 and 55	–	
56c of which: other national specific regulatory adjustments not reported in rows 56a and 56b	–	
57 Total regulatory adjustments to Tier 2 Capital	(474)	
58 Tier 2 Capital (T2)	31,562	
59 Total Capital (TC=T1+T2)	99,705	
60 Total risk weighted assets based on APRA standards	482,369	
Capital ratios and buffers		
61 CET1 (as a percentage of risk weighted assets)	12.2%	
62 Tier 1 (as a percentage of risk weighted assets)	14.1%	
63 Total Capital (as a percentage of risk weighted assets)	20.7%	
64 Buffer requirement (minimum CET1 requirement of 4.5% plus capital conservation buffer plus any countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	10.08%	
65 of which: capital conservation buffer requirement ²	4.75%	
66 of which: ADI-specific countercyclical buffer requirements	0.83%	Table H
67 of which: G-SIB buffer requirement (not applicable)	–	
68 Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	12.2%	
National minima		
69 National Common Equity Tier 1 minimum ratio	–	
70 National Tier 1 minimum ratio	–	
71 National Total Capital minimum ratio	–	
Amount below thresholds for deductions (not risk weighted)		
72 Non-significant investments in the capital of other financial entities	2,324	Table G
73 Significant investments in the ordinary shares of financial entities	1,881	Table G
74 Mortgage servicing rights (net of related tax liability)	–	
75 Deferred tax assets arising from temporary differences (net of related tax liability)	3,165	Table D
Applicable caps on the inclusion of provisions in Tier 2		
76 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	81	
77 Cap on inclusion of provisions in Tier 2 under standardised approach	298	
78 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	2,030	
79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	2,146	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
80 Current cap on CET1 instruments subject to phase out arrangements	–	
81 Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	–	
82 Current cap on AT1 instruments subject to phase out arrangements	–	
83 Amount excluded from AT1 instruments due to cap (excess over cap after redemptions and maturities)	–	
84 Current cap on Tier 2 instruments subject to phase out arrangements	–	
85 Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	–	

1 Includes the Group's holdings of other banks' Total Loss Absorbing Capacity (TLAC) instruments which are required to be deducted from the Group's Tier 2 Capital under APS 111 *Capital Adequacy: Measurement of Capital*.

2 Includes 1% Domestic Systemically Important Bank (D-SIB) requirement.

Appendices (continued)

11.2 Detailed Leverage Disclosures Template (APS 330 Attachment E)

Table 19 – Summary comparison of accounting assets vs leverage ratio exposure measure

		31 Dec 24
		Basel III
		\$M
1	Total consolidated assets as per published financial statements	1,308,566
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(2,184)
3	Adjustment for assets held on the Balance Sheet in a fiduciary capacity pursuant to the Australian Accounting Standards but excluded from the leverage ratio exposure measure	–
4	Adjustments for derivative financial instruments	(844)
5	Adjustment for SFTs (i.e. repos and similar secured lending)	(5,377)
6	Adjustment for off Balance Sheet exposures (i.e. conversion to credit equivalent amounts of off Balance Sheet exposures)	112,971
7	Other adjustments	(19,158)
8	Leverage ratio exposure	1,393,974

Table 18 – Leverage ratio disclosure template

		31 Dec 24
		Basel III
		\$M
On Balance Sheet exposures		
1	On Balance Sheet items (excluding derivatives and securities financing transactions (SFTs), but including collateral)	1,184,104
2	(Asset amounts deducted in determining Tier 1 Capital)	(16,643)
3	Total On Balance Sheet exposures (excluding derivatives and SFTs)	1,167,461
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	15,505
5	Add-on amounts for potential future credit exposure (PFCE) associated with all derivatives transactions	21,222
6	Gross-up for derivatives collateral provided where deducted from the Balance Sheet assets pursuant to the Australian Accounting Standards	8,055
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(4,515)
8	(Exempted central counterparty (CCP) leg of client-cleared trade exposures)	–
9	Adjusted effective notional amount of written credit derivatives	2,657
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(2,625)
11	Total derivative exposures	40,299
SFT exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	101,554
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(31,960)
14	CCR exposure for SFT assets	3,649
15	Agent transaction exposures	–
16	Total SFT exposures	73,243
Other Off Balance Sheet exposures		
17	Off Balance Sheet exposure at gross notional amount	223,673
18	(Adjustments for conversion to credit equivalent amounts)	(110,702)
19	Other Off Balance Sheet exposures	112,971
Capital and total exposures		
20	Tier 1 Capital	68,143
21	Total exposures	1,393,974
Leverage ratio		
22	Leverage ratio (%)	4.9

Appendices (continued)

11.3 Regulatory Balance Sheet

The following table provides details on the Group's Balance Sheet and the Level 2 Regulatory Balance Sheet as at 31 December 2024.

	Group Balance Sheet \$M	Adjustment ¹ \$M	Level 2 Regulatory Balance Sheet \$M	Template/ Reconciliation Table Reference
Assets				
Cash and liquid assets	76,498	(1)	76,497	
Receivables due from other financial institutions	6,279	–	6,279	
Assets at fair value through Income Statement	87,650	–	87,650	
Derivative assets	41,143	–	41,143	
Investment securities:				
At amortised cost	837	–	837	
At fair value through Other Comprehensive Income	102,189	–	102,189	
Assets held for sale	687	–	687	
Loans and other receivables	969,404	(2,271)	967,133	
Investment in regulatory non-consolidated subsidiaries	–	89	89	Table G
Property, plant and equipment	3,629	–	3,629	
Investment in associates and joint ventures	771	–	771	
Intangible assets	7,783	–	7,783	Table C
Deferred tax assets	3,207	–	3,207	Table D
Other assets	8,489	(1)	8,488	
Total assets	1,308,566	(2,184)	1,306,382	
Liabilities				
Deposits and other public borrowings	902,502	147	902,649	
Payables to financial institutions	27,599	–	27,599	
Liabilities at fair value through Income Statement	39,868	–	39,868	
Derivative liabilities	36,012	–	36,012	
Current tax liabilities	421	(1)	420	
Deferred tax liabilities	145	–	145	Table D
Liabilities held for sale	–	–	–	
Provisions	2,711	–	2,711	
Term funding from central banks	3,247	–	3,247	
Debt issues	167,125	(2,322)	164,803	
Bills payable and other liabilities	16,950	52	17,002	
Loan capital	36,722	–	36,722	Table E
Total liabilities	1,233,302	(2,124)	1,231,178	
Net assets	75,264	(60)	75,204	
Shareholders' Equity				
Ordinary Share capital	33,586	–	33,586	Row 1, Table A
Reserves	(900)	–	(900)	Row 3
Retained profits	42,578	(60)	42,518	Row 2
Shareholders' Equity attributable to Equity holders of the Bank	75,264	(60)	75,204	
Non-controlling interests	–	–	–	Table B
Total Shareholders' Equity	75,264	(60)	75,204	

¹ Reflects the deconsolidation of an insurance entity and those entities through which securitisation of the Group's assets are conducted. These entities are classified as non-consolidated subsidiaries by APRA and are excluded from the Level 2 Regulatory Consolidated Banking Group.

Appendices (continued)

11.4 Reconciliation between Detailed Capital Disclosures Template and Regulatory Balance Sheet

The following tables provide additional information on the differences between the Detailed Capital Disclosures Template (Appendix 11.1) and the Regulatory Balance Sheet (Appendix 11.3).

Table A	31 Dec 24 \$M	Template Reference
Share Capital		
Total per Balance Sheet (Ordinary Share Capital) ¹	33,586	Row 1
Treasury Shares held by the Group's employee share scheme trusts (APRA specific adjustment)	189	Row 26a
Total Ordinary Share Capital and Treasury Shares	33,775	

Table B	31 Dec 24 \$M	Template Reference
Non-Controlling Interests		
Total per Balance Sheet ¹	–	
Less other non controlling interests not included in Capital	–	
Total per Capital Template	–	Row 5

Table C	31 Dec 24 \$M	Template Reference
Goodwill and Other Intangibles		
Total per Balance Sheet ¹	7,783	
Less capitalised software and other intangibles separately disclosed in template	(2,501)	
Total per Capital Template - Goodwill	5,282	Row 8
Other intangibles (including capitalised software) per Balance Sheet	2,501	
Less deferred tax liability associated with other intangibles	(55)	
Total per Capital Template - Other Intangibles	2,446	Row 9

Table D	31 Dec 24 \$M	Template Reference
Deferred Tax Assets		
Deferred tax assets per Balance Sheet ¹	3,207	
Less deferred tax liabilities per Balance Sheet ¹	(145)	
Net Deferred Tax Assets ²	3,062	
Adjustments required in accordance with APRA prudential standards ³	103	
Total per Capital Template	3,165	Row 26e

¹ Represents the balance per Level 2 Regulatory Balance Sheet.

² Represents the balance of deferred tax assets net of deferred tax liabilities per Level 2 Regulatory Balance Sheet.

³ Represents the deferred tax balances associated with reserves ineligible for inclusion in regulatory capital, the general reserve for credit losses, intangibles, and the impact of limitations of netting of balances within the same geographic tax authority.

Appendices (continued)

11.4 Reconciliation between Detailed Capital Disclosures Template and Regulatory Balance Sheet (continued)

Table E	31 Dec 24 \$M	Template Reference
Additional Tier 1 Capital		
Total Loan Capital per Balance Sheet ¹	36,722	
Add fair value hedge adjustments ²	3,147	
Total Loan Capital net of issue costs at their contractual values	39,869	
Less amount related to Tier 2 Capital Instruments	(30,647)	
Total Tier 1 Loan Capital	9,222	
Add issue costs ³	50	
Total per Capital Template	9,272	Row 36
Additional Tier 1 Capital Instruments comprises		
Basel III Complying Instruments		
PERLS X	1,365	
PERLS XII	1,650	
PERLS XIII	1,180	
PERLS XIV	1,750	
PERLS XV	1,777	
PERLS XVI	1,550	
Total Additional Tier 1 Capital Instruments	9,272	Row 36

Table F	31 Dec 24 \$M	Template Reference
Tier 2 Capital Instruments		
Total included in Balance Sheet	30,647	
Less amount of Tier 2 debt issued by subsidiary ineligible for inclusion in the Group's Capital	–	
Add issue costs ³	44	
Less amortisation of instruments ⁴	(766)	
Total per Capital Template	29,925	Row 46

1 Represents the balance per Level 2 Regulatory Balance Sheet.

2 For regulatory capital purposes, APRA requires these instruments to be included as if they were unhedged.

3 Unamortised issue costs relating to capital instruments are netted off against each instrument in the Balance Sheet. For regulatory capital purposes, these capital instruments are shown at face value. The unamortised issue costs are deducted from CET1 Capital as part of capitalised expenses in Row 26f in the Detailed Capital Disclosures Template.

4 APRA requires these instruments to be amortised by 20% of the original amount during each of the last five years to maturity.

Details on the main features of Capital instruments included in the Group's regulatory capital (Ordinary Share Capital, Additional Tier 1 Capital and Tier 2 Capital) as required by APS 330 Attachment B can be found at Commbank.com.au/regulatorydisclosures.

Appendices (continued)

11.4 Reconciliation between Detailed Capital Disclosures Template and Regulatory Balance Sheet (continued)

Table G	31 Dec 24 \$M	Template Reference
Equity Investments		
Investment in commercial entities	109	Row 26g
Investments in significant financial entities	1,792	Row 26d, 73
Investments in non-significant financial entities	2,324	Row 26d, 72
	4,225	
Equity investment in non-consolidated subsidiaries ¹	89	Row 26d, 73
Total per Capital Template ²	4,314	

1 Equity investments are classified in the Level 2 Regulatory Balance Sheet across assets at fair value through income statement, investment securities, investment in regulatory non-consolidated subsidiaries and investment in associates and joint ventures. In addition, the Group has loans and undrawn commitments (off Balance Sheet) which are deemed equity in nature for regulatory capital purposes.

2 The aggregate of investments in significant financial entities of \$1,792 million, investments in non-significant financial entities of \$2,324 million and equity investment in non-consolidated subsidiaries of \$89 million is a total of \$4,205 million and is included in Row 26d in the Detailed Capital Disclosures Template. The remaining balance of \$109 million related to investments in commercial entities.

Countercyclical Capital Buffer

The Countercyclical Capital Buffer (CCyB), which is effective for Australian ADIs from 1 January 2016, represents an extension to the capital conservation buffer and may require an ADI to hold additional CET1 Capital of up to 3.5% of total RWA. The CCyB is calculated as the sum of the specific buffer set by APRA with respect to Australian private sector exposures and the weighted average for offshore private sector exposures where the CCyB has been enacted.

Table H	RWA ¹ \$M	Jurisdictional Buffer %	ADI Specific Buffer ² %	Template Reference
Country ³				
Australia	301,767	1.000	0.799344	
United Kingdom	3,517	2.000	0.018634	
Ireland	1,436	1.500	0.005707	
France	658	1.000	0.001742	
Germany	649	0.750	0.001289	
Hong Kong	440	1.000	0.001166	
Luxembourg	431	0.500	0.000570	
Netherlands	327	2.000	0.001734	
South Korea	142	1.000	0.000375	
Denmark	27	2.500	0.000179	
Others	68,124	0.000	0.000000	
Total	377,518		0.830741	Row 66

1 Represents total private sector (excludes Banks and Sovereigns) credit and specific market risk RWA.

2 Calculated as each country share of total private sector credit and specific market RWA multiplied by the CCyB applicable in each country.

3 Represents country of ultimate risk as at 31 December 2024.

Appendices (continued)

11.5 Entities excluded from Level 2 Regulatory Consolidated Group

The legal entities included within the accounting scope of consolidation, but excluded from the Level 2 Regulatory Consolidated Group are detailed below.

Entity name	Total Assets \$M	Total Liabilities \$M
(a) Securitisation		
Medallion Trust Series 2017-1	455	455
Medallion Trust Series 2017-2	550	550
Medallion Trust Series 2018-1	723	723
Medallion Trust Series 2018-1P	209	209
Medallion Trust Series 2019-1	403	403

Entity name	Total Assets \$M	Total Liabilities \$M
(b) Insurance		
CBA Captive Insurance Pte Ltd	154	20

Appendices (continued)

11.6 List of APRA APS 330 Tables

The following schedule lists the quantitative tables in this document as referenced in APS 330 paragraphs 13, 51 and Attachments A to H.

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¹ Details can be found at Commbank.com.au/regulatorydisclosures

Appendices (continued)

11.6 List of APRA APS 330 Tables (continued)

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¹ Details can be found at [Commbank.com.au/regulatorydisclosures](https://www.commbank.com.au/regulatorydisclosures)

Appendices (continued)

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Appendices (continued)

11.8 Glossary

Term	Definition
Additional Tier 1 Capital (AT1)	Additional Tier 1 Capital is a concept defined by APRA and consists of high quality capital that essentially provides a permanent and unrestricted commitment of funds, is freely available to absorb losses, ranks behind the claims of depositors and other senior creditors in the event of a wind-up, and provides for fully discretionary capital distributions.
Advanced Internal Ratings-based (AIRB) Approach	This approach is used to measure credit risk in accordance with the Group's Basel III accreditation. This allows the Group to use internal estimates of PD and LGD (excluding senior unsecured and subordinated corporate exposures), with supervisory estimates to be used for EAD for the purposes of calculating regulatory capital.
Alternative Liquid Assets (ALA)	Assets that qualify for inclusion in the numerator of the LCR in jurisdictions where there is insufficient supply of HQLA. No ALA are recognised in the LCR following the reduction of the CLF to zero on 1 January 2023.
ASB	ASB Bank Limited – a subsidiary of the Commonwealth Bank of Australia that is regulated by the RBNZ.
Australian Accounting Standards	The Australian Accounting Standards as issued by the Australian Accounting Standards Board (AASB).
Australian Prudential Regulation Authority (APRA)	The Australian Prudential Regulation Authority is an independent statutory authority that supervises institutions across banking, insurance and superannuation, and is accountable to the Australian parliament. The regulator of banks, insurance companies and superannuation funds, credit unions, building societies and friendly societies in Australia.
Authorised Deposit-taking Institution (ADI)	ADIs are corporations that are authorised under the Banking Act 1959 to carry on banking business in Australia.
Banking Book	The banking book is a term for assets on a bank's Balance Sheet that are expected to be held to maturity, usually consisting of customer loans to, and deposits from retail and corporate customers. The banking book can also include those derivatives that are used to hedge exposures arising from the banking book activity, including interest rate risk.
Basel II	Refers to the Basel Committee on Banking Supervision's Revised Framework for International Convergence of Capital Measurement and Capital Standards issued in June 2006 and as subsequently amended.
Basel 2.5	Refers to the Basel II framework revised (2009) to include additional requirements such as the Incremental Risk Charge (IRC), Stressed VaR (SVaR), the treatment of securitisation exposure and the Comprehensive Risk Measure (CRM) for certain correlation trading activities.
Basel III	Refers to the Basel Committee on Banking Supervision's framework for more resilient banks and banking systems issued in December 2010 (revised in June 2011), Capital requirements for bank exposures to central counterparties (July 2012), and the subsequent Basel III reforms finalised in December 2017.
APRA's Revised Capital Framework	Refers to APRA's revision to the ADI Capital Framework implemented from 1 January 2023.
Capital Floor	The capital floor is defined as the higher of total RWA as determined under the IRB approach, and 72.5% of total RWA as calculated under the standardised approach.
CBA	Commonwealth Bank of Australia – the head entity of the Group.
Central Counterparty (CCP)	A clearing house that interposes itself between counterparties to contracts traded in one or more financial markets, thereby ensuring the future performance of open contracts.
Collective Provision	All loans and receivables that do not have an individually assessed provision are assessed collectively for impairment. The Collective Provision is maintained to reduce the carrying value of the portfolio of loans to their estimated recoverable amounts. These provisions are reported in the Group's Financial Statements in accordance with Australian Accounting Standards (AASB 9 <i>Financial Instruments</i>).
Commercial Property	Basel asset class – a property exposure that is not a residential property or a land acquisition, development and construction exposure.
Committed Liquidity Facility (CLF)	The RBA provided the CLF to participating ADIs under the LCR, as a shortfall in Commonwealth government and semi-government securities existed in Australia. ADIs could draw under the CLF in a liquidity crisis against qualifying securities pledged to the RBA. APRA phased out sector-wide usage of the CLF to zero on 1 January 2023.
Common Equity Tier 1 (CET1) Capital	The highest quality of capital available to the Group reflecting the permanent and unrestricted commitment of funds that are freely available to absorb losses. It comprises ordinary share capital, retained earnings and reserves; less prescribed deductions.

Appendices (continued)

11.8 Glossary (continued)

Term	Definition
Corporate	Basel asset class – this includes commercial credit risk where annual revenues are greater than or equal to \$75 million but less than \$750 million.
Corporate - Large	Basel asset class applies to commercial credit risk where annual revenues are more than \$750 million.
Credit Valuation Adjustment (CVA) Risk	The risk of mark-to-market losses related to deterioration in the credit quality of a derivative counterparty.
Domestic Public Sector Entity	Basel asset class – exposures that do not meet the definition of Sovereign exposures, but have a level of control or ownership by any level of the Australian Government or the RBA, including those which do not have specific revenue-raising powers.
Exposure at Default (EAD)	The extent to which the Group may be exposed upon default of an obligor.
Extended Licenced Entity (ELE)	An Extended Licensed Entity is comprised of an ADI and each subsidiary of an ADI as specified in any approval granted by APRA in accordance with Prudential Standard APS 222 <i>Associations with Related Entities</i> .
External Credit Assessment Institution (ECAI)	For example: Moody's Investor Services, S&P Global Ratings or Fitch Ratings.
Financial Institution	Basel asset class – primarily includes exposures which relate to: banking, the management of financial assets, lending, factoring, leasing, provision of credit enhancements, securitisation, investments, financial custody, central counterparty services, and proprietary trading.
Foundation Internal Ratings-based (FIRB) Approach	This approach is used to measure credit risk in accordance with the Group's Basel III accreditation that allows the Group to use internal estimates of PD and rely on supervisory estimates for LGD and EAD for the purposes of calculating regulatory capital.
General Provisions	Collective Provisions classified as Stage 1 and Stage 2 in accordance with Australian Accounting Standards (AASB 9 <i>Financial Instruments</i>). All Stage 2 provisions are held on a purely forward-looking basis for future losses presently unidentified; hence all Stage 2 provisions (together with Stage 1) are classified as General Provisions.
Group	Commonwealth Bank of Australia and its subsidiaries.
High Quality Liquid Assets (HQLA)	Assets are considered to be high quality liquid assets if they can be easily and immediately converted into cash at little or no loss of value.
Impaired Assets	Facilities are classified as impaired where there is doubt as to whether the full amounts due, including interest and other payments due, will be achieved in a timely manner.
Individual provisions	Provisions made against individual facilities where there is objective evidence of impairment and full recovery of principal and interest is considered doubtful. These provisions are as reported in the Group's Financial Statements in accordance with the Australian Accounting Standards (AASB 9 <i>Financial Instruments</i>). Also known as individually assessed provisions or IAP.
Interest Rate Risk in the Banking Book (IRRBB)	Interest Rate Risk in the Banking Book is the risk that the Bank's profit derived from Net Interest Income (interest earned less interest paid), in current and future periods, is adversely impacted by changes in interest rates. This is measured from two perspectives: firstly by quantifying the change in the net present value of the Balance Sheet's future earnings potential, and secondly as the anticipated change to Net Interest Income earned over 12 months.
Land Acquisition Development or Construction (ADC)	Basel asset class – exposures secured by land acquired for development and construction purposes, or development and construction of any residential or commercial property.
Level 1	The Parent Bank (Commonwealth Bank of Australia), offshore branches (the Bank) and APRA approved Extended Licensed Entities.
Level 2	The level at which the Group reports its capital adequacy to APRA, being the Consolidated Banking Group comprising the ADI and all of its subsidiary entities other than an insurance business and certain entities through which securitisation of Group assets is conducted. This is the basis on which this report has been produced.
Level 3	The conglomerate group including the Group's insurance entity and qualifying securitisation entities.
Leverage Ratio	Tier 1 Capital divided by total exposures, with this ratio expressed as a percentage.
Liquidity Coverage Ratio (LCR)	The LCR is a quantitative liquidity measure that is part of the Basel III reforms. It was implemented by APRA in Australia on 1 January 2015. It requires Australian ADIs to hold sufficient liquid assets to meet 30 day net cash outflows projected under an APRA-prescribed stress scenario.

Appendices (continued)

11.8 Glossary (continued)

Term	Definition
Loss Given Default (LGD)	An estimate of the expected severity of loss for a credit exposure following a default event. LGD represents the fraction of EAD that is not expected to be recovered following default.
Monte Carlo simulation	A method of random sampling to achieve numerical solutions to mathematical problems.
Net Cash Outflows (NCO)	Net cash outflows in the LCR are calculated by applying prescribed run-off factors on liabilities and various off Balance Sheet exposures that can generate a cash outflow in the next 30 days.
Net Stable Funding Ratio (NSFR)	The NSFR more closely aligns the behaviour term of assets and liabilities. It is the ratio of the amount of available stable funding (ASF) to the amount of required stable funding (RSF). ASF is the portion of an ADI's capital and liabilities expected to be a reliable source of funds over a one year time horizon. RSF is a function of the liquidity characteristics and residual maturities of an ADI's assets and off Balance Sheet activities.
Non-performing	An exposure that is in default.
Operational Risk under the Standardised Measurement Approach	The methodology used to measure operational risk, utilising an APRA prescribed formulaic approach which is largely dependent on profit or loss from ordinary banking activities.
Other Assets	Basel asset class – primarily includes Cash Items, Investments in Related Entities, Fixed Assets, Lease Assets and Margin Lending.
Other Retail	Basel asset class – primarily includes retail credit exposures not otherwise classed as a residential mortgage, SME retail or a qualifying revolving retail asset.
Past Due	Facilities are past due when a contracted amount, including principal or interest, has not been met when due, or when it is otherwise outside contracted arrangements.
Probability of Default (PD)	The PD reflects a borrower's ability to generate sufficient cash flows in the future to meet the terms of all of its credit obligations to the Group.
Prudential Capital Requirement (PCR)	The regulatory minimum CET1, Tier 1 and Total Capital ratios that the Group is required to maintain at all times.
Qualifying Revolving Retail (QRR)	Basel asset class – represents revolving exposures less than \$0.1 million to individuals, unsecured and unconditionally cancellable by the Group. Only Australian retail credit cards qualify for this asset class.
RBA	Reserve Bank of Australia.
RBNZ	Reserve Bank of New Zealand.
RBNZ regulated entities	All references to RBNZ regulated entities refer to RBNZ regulated subsidiaries and include ASB exposures for which RWA are calculated using the RBNZ's prudential rules subject to certain APRA-prescribed adjustments.
Residential Mortgage	Basel asset class – retail exposures secured by residential mortgage property.
Risk Weighted Assets (RWA)	The value of the Group's on and off Balance Sheet assets are adjusted by risk weights calculated according to various APRA prudential standards.
Scaling Factor	In order to broadly maintain the aggregate level of capital in the global financial system post implementation of Basel II, the Basel Committee on Banking Supervision applies a scaling factor to the RWA amounts for credit risk under the IRB Retail, AIRB and FIRB approaches of 1.10. This is also applied to advanced exposures within RBNZ regulated entities.
Securities Financing Transactions (SFT)	APRA defines securities financing transactions as transactions such as repurchase agreements, reverse repurchase agreements, security lending and borrowing, and margin lending transactions, where the value of the transactions depends on the market valuation of securities and the transactions are typically subject to margin agreements.
Securitisation	Basel asset class – Group originated securitised exposures and the provision of facilities to customers in relation to securitisation activities.
SME Corporate	Basel asset class – Small and Medium Enterprise (SME) commercial credit risk where annual revenues are less than \$75 million.
SME Retail	Basel asset class – Small and Medium Enterprise (SME) commercial credit risk where annual revenues are less than \$75 million and exposures are less than \$1.5 million.
Sovereign	Basel asset class – primarily claims on Australian and foreign governments, central banks (including the RBA), international banking agencies and regional development banks.

Appendices (continued)

11.8 Glossary (continued)

Term	Definition
Specialised Lending	Basel asset classes subject to the supervisory slotting approach which include: object finance, project finance and commodity finance.
Specific Provisions	All provisions, both collectively and individually assessed, classified as Stage 3 in accordance with Australian Accounting Standards (AASB 9 <i>Financial Instruments</i>).
Stage 1	On origination, an impairment provision equivalent to 12 months expected credit losses (ECL) is recognised, reflecting the credit losses expected to arise from defaults occurring over the next 12 months.
Stage 2	Financial assets that have experienced a significant increase in credit risk (SICR) since origination are transferred to Stage 2 and an impairment provision equivalent to lifetime ECL is recognised. Lifetime ECL is the credit losses expected to arise from defaults occurring over the remaining life of financial assets. If credit quality improves in a subsequent period such that the increase in credit risk since origination is no longer considered significant the exposure is reclassified to Stage 1 and the impairment provision reverts to 12 months ECL.
Stage 3	Non-performing (defaulted) financial assets are transferred to Stage 3 and an impairment provision equivalent to lifetime ECL is recognised.
Standardised Approach	An alternate approach to the assessment of credit, operational and traded market risk whereby an ADI uses external ratings agencies to assist in assessing credit risk and/or the application of specific values provided by regulators to determine RWA.
Stressed Value-at-Risk (SVaR)	Stressed Value-at-Risk uses the same methodology as VaR except that the historical data used is taken from a one year observation period of significant market volatility as seen during the Global Financial Crisis.
Term Funding Facility (TFF)	A facility provided by the RBA to certain ADIs to support lending to Australian businesses.
Tier 1 Capital	Comprises CET1 and Additional Tier 1 Capital.
Tier 2 Capital	Capital items that fall short of the necessary conditions to qualify as Tier 1 Capital.
Total Capital	Comprises CET1, Additional Tier 1 Capital and Tier 2 Capital.
Total Exposures (as used in the leverage ratio)	The sum of on Balance Sheet items, derivatives, securities financing transactions (SFTs), and off Balance Sheet items, net of any Tier 1 regulatory deductions that are already included in these items, as outlined in APS 110 <i>Capital Adequacy</i> (APS 110) Attachment D.
Trading Book	Exposures, including derivative products and other off Balance Sheet instruments that are held either with a trading intent or to hedge other elements of the trading book.
Value-at-Risk (VaR)	Value-at-Risk is a measure of potential loss using historically observed market volatility and correlation between different markets.