

# ASX ANNOUNCEMENT



## COMMONWEALTH BANK OF AUSTRALIA 2016 FULL YEAR PROFIT ANNOUNCEMENT TEMPLATE

**SYDNEY, 5 AUGUST 2016:** The Commonwealth Bank of Australia (“the Group”) is scheduled to announce its annual results on 10 August 2016. A results briefing will be hosted by the Chief Executive Officer, Ian Narev, and Chief Financial Officer, David Craig, at 10.30am (Australian Eastern Standard time) on 10 August 2016. This briefing will be available via webcast on the Commonwealth Bank Shareholder Centre ([www.commbank.com.au/shareholder](http://www.commbank.com.au/shareholder)) and Commonwealth Bank App.

In addition to the full year results release, an Excel template populated with current period financial results and comparative information will be published on the website.

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

This announcement provides:

- Details of financial reporting enhancements made in the prior half;
- Details of a reclassification of fixed rate prepayment recoveries;
- Details of a restatement of total funding sources;
- Financial comparative tables for the 2016 Full Year Profit Announcement.

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

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

**ENDS**

For more information contact:

**Investor Relations**

Melanie Kirk

Ph: (02) 9118 7166

Mobile: 0420 371 683

5 August 2016

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## 1. Financial Reporting Enhancements in the Prior Half

As previously reported, a number of enhancements were made to financial reporting in the prior half, namely:

- **Re-segmentation and Allocations** – Minor refinements have been made to the allocation of customer balances and associated revenue and expenses between business segments, including updated transfer pricing allocations and realignment between Institutional Banking and Markets and Group Treasury.
- **ASB Interest Expense** – ASB's interest expense disclosure was changed to include the impact of hedging offshore debt, previously recognised in Other banking income.
- **Funds Under Administration (FUA)** – The Group amended its approach used to determine FUA to align with market convention.
- **Earnings per Share** – In accordance with the requirements of AASB 133 'Earnings per Share', the calculation of basic and diluted earnings per share for all periods presented has been adjusted retrospectively to incorporate the bonus element of the August 2015 rights issue.

## 2. Fixed Rate Prepayment Recoveries Reclassification

The 2016 Full Year Profit Announcement includes a reclassification of fixed rate prepayment recoveries on home loans and deposit products, from Other banking income to Net interest income to align with the associated hedge costs. This resulted in a \$62 million prior year reclassification.

## 3. Funding Sources Restatement

The 2016 Full Year Profit Announcement includes a restatement of the Group's funding sources disclosure, to align amounts presented as short term wholesale funding with peer bank reporting and international best practice.

These changes will not impact the Group's Cash net profit after tax, but will result in changes to the presentation of the Profit and Loss and the Balance Sheet of the Group and affected segments.

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## Impact of Prior Half Re-segmentation and Allocations on the 2015 Financial Year

The impact of the changes made in the prior half on each segment's full year Cash NPAT for the comparative period is set out below.

### Segment Cash NPAT (impact by adjustment type)

Full Year Ended 30 June 2015								
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Management	New Zealand	Bankwest	IFS and Other	Group
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Cash NPAT - as published	3,867	1,459	1,268	650	865	752	276	9,137
Restatements:								
Re-segmentation and allocations	127	36	17	3	17	43	(243)	-
<b>Cash NPAT - as restated</b>	<b>3,994</b>	<b>1,495</b>	<b>1,285</b>	<b>653</b>	<b>882</b>	<b>795</b>	<b>33</b>	<b>9,137</b>

### Segment Cash NPAT (impact by P&L line item)

Full Year Ended 30 June 2015								
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Management	New Zealand	Bankwest	IFS and Other	Group
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Cash NPAT - as published	3,867	1,459	1,268	650	865	752	276	9,137
Restatements:								
Increase/(decrease) in Total operating income	165	82	(17)	-	24	63	(317)	-
(Increase)/decrease in Operating expenses	17	(31)	43	-	-	(2)	(27)	-
Increase/(decrease) in Investment experience	-	-	-	5	-	-	(5)	-
(Increase)/decrease in Corporate tax expense	(55)	(15)	(9)	(2)	(7)	(18)	106	-
<b>Cash NPAT - as restated</b>	<b>3,994</b>	<b>1,495</b>	<b>1,285</b>	<b>653</b>	<b>882</b>	<b>795</b>	<b>33</b>	<b>9,137</b>

### Segment Cost to Income Ratios

Full Year Ended 30 June 2015								
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Management	New Zealand <sup>(1)</sup>	Bankwest	IFS and Other	Group
	%	%	%	%	%	%	%	%
Operating expenses to total operating income - as published	34.9	38.4	35.9	73.5	40.6	43.3	n/a	42.8
Operating expenses to total operating income - as restated	34.1	38.4	34.6	73.5	40.2	42.0	n/a	42.8

1. Metric calculated in New Zealand dollar terms.

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## Segment Balance Sheet

As at 30 June 2015

	<b>Retail Banking Services</b>	<b>Business and Private Banking</b>	<b>Institutional Banking and Markets</b>	<b>Wealth Management</b>	<b>New Zealand</b>	<b>Bankwest</b>	<b>IFS and Other</b>	<b>Group</b>
	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>
Total assets - as published	310,313	98,392	181,919	20,792	69,608	79,141	113,281	873,446
Increase/(decrease)	(770)	598	(16,956)	-	-	348	16,780	-
<b>Total assets - as restated</b>	<b>309,543</b>	<b>98,990</b>	<b>164,963</b>	<b>20,792</b>	<b>69,608</b>	<b>79,489</b>	<b>130,061</b>	<b>873,446</b>
Total liabilities - as published	221,018	71,138	162,054	24,652	62,488	49,499	229,604	820,453
Increase/(decrease)	932	(32)	(18,893)	3	-	-	17,990	-
<b>Total liabilities - as restated</b>	<b>221,950</b>	<b>71,106</b>	<b>143,161</b>	<b>24,655</b>	<b>62,488</b>	<b>49,499</b>	<b>247,594</b>	<b>820,453</b>

As at 31 December 2015

	<b>Retail Banking Services</b>	<b>Business and Private Banking</b>	<b>Institutional Banking and Markets</b>	<b>Wealth Management</b>	<b>New Zealand</b>	<b>Bankwest</b>	<b>IFS and Other</b>	<b>Group</b>
	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>
Total assets - as published	318,877	100,600	193,638	19,754	75,066	80,092	115,048	903,075
Increase/(decrease)	-	-	(16,970)	-	-	-	16,970	-
<b>Total assets - as restated</b>	<b>318,877</b>	<b>100,600</b>	<b>176,668</b>	<b>19,754</b>	<b>75,066</b>	<b>80,092</b>	<b>132,018</b>	<b>903,075</b>

## Balance Sheet Product Reclassification

	<b>As Published</b>	<b>As Restated</b>	<b>As Published</b>	<b>As Restated</b>
	<b>30 Jun 15</b>	<b>30 Jun 15</b>	<b>31 Dec 15</b>	<b>31 Dec 15</b>
	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>
<b>Total Group Assets and Liabilities</b>				
<b>Interest earning assets</b>				
Home loans	422,851	422,851	437,176	437,176
Consumer finance	23,497	23,497	24,012	24,012
Business and corporate loans	198,476	198,476	213,278	213,278
<b>Loans, bills discounted and other receivables</b>	<b>644,824</b>	<b>644,824</b>	<b>674,466</b>	<b>674,466</b>
Non-lending interest earning assets	136,643	138,166	138,499	138,499
<b>Total interest earning assets</b>	<b>781,467</b>	<b>782,990</b>	<b>812,965</b>	<b>812,965</b>
Other assets	91,979	90,456	90,110	90,110
<b>Total assets</b>	<b>873,446</b>	<b>873,446</b>	<b>903,075</b>	<b>903,075</b>
<b>Interest bearing liabilities</b>				
Transaction deposits	90,589	89,360	97,327	97,327
Savings deposits	176,497	176,497	189,560	189,560
Investment deposits	195,065	195,065	195,814	195,814
Other demand deposits	67,074	67,074	60,861	60,861
<b>Total interest bearing deposits</b>	<b>529,225</b>	<b>527,996</b>	<b>543,562</b>	<b>543,562</b>
Debt issues	156,372	156,372	162,438	162,438
Other interest bearing liabilities	57,523	57,523	58,147	58,147
<b>Total interest bearing liabilities</b>	<b>743,120</b>	<b>741,891</b>	<b>764,147</b>	<b>764,147</b>
Non-interest bearing liabilities	77,333	-	79,081	-
Non-interest bearing transaction deposits	-	14,168	-	15,652
Other non-interest bearing liabilities	-	64,394	-	63,429
<b>Total liabilities</b>	<b>820,453</b>	<b>820,453</b>	<b>843,228</b>	<b>843,228</b>

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## Impact of Interest Expense and Fixed Rate Prepayment Recoveries Reclassification

### Group Performance Summary

	Full Year Ended		Half Year Ended	
	As	As	As	As
	Published	Restated	Published	Restated
	30 Jun 15	30 Jun 15	31 Dec 15	31 Dec 15
	\$M	\$M	\$M	\$M
Net interest income	15,799	15,827	8,364	8,427
Other banking income	4,839	4,811	2,479	2,416
<b>Total banking income</b>	<b>20,638</b>	<b>20,638</b>	<b>10,843</b>	<b>10,843</b>
Funds management income	1,938	1,938	1,032	1,032
Insurance income	792	792	487	487
<b>Total operating income</b>	<b>23,368</b>	<b>23,368</b>	<b>12,362</b>	<b>12,362</b>
Investment experience	210	210	58	58
<b>Total income</b>	<b>23,578</b>	<b>23,578</b>	<b>12,420</b>	<b>12,420</b>
Operating expenses	(9,993)	(9,993)	(5,216)	(5,216)
Loan impairment expense	(988)	(988)	(564)	(564)
<b>Net profit before tax</b>	<b>12,597</b>	<b>12,597</b>	<b>6,640</b>	<b>6,640</b>
Corporate tax expense	(3,439)	(3,439)	(1,825)	(1,825)
Non controlling interests	(21)	(21)	(11)	(11)
<b>Net profit after tax ("cash basis")</b>	<b>9,137</b>	<b>9,137</b>	<b>4,804</b>	<b>4,804</b>
Hedging and IFRS volatility	6	6	(151)	(151)
Other non-cash items	(80)	(80)	(35)	(35)
<b>Net profit after tax ("statutory basis")</b>	<b>9,063</b>	<b>9,063</b>	<b>4,618</b>	<b>4,618</b>

### Group Net Interest Margin

	Full Year Ended		Half Year Ended	
	As	As	As	As
	Published	Restated	Published	Restated
	30 Jun 15	30 Jun 15	31 Dec 15	31 Dec 15
Net interest margin (%)	2.09	2.09	2.06	2.08
Net interest margin excluding Treasury and Markets (%)	2.03	2.06	2.04	2.06

## Impact of Funding Sources Restatement

### Customer Deposits

	Full Year Ended		Half Year Ended	
	As	As	As	As
	Published	Restated	Published	Restated
	30 Jun 15	30 Jun 15	31 Dec 15	31 Dec 15
Customer deposits as a percentage of total funding	63%	65%	64%	66%

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## Financial Comparative Tables for the 2016 Full Year Profit Announcement

Key Performance Indicators	Full Year Ended	
	30 Jun 16	30 Jun 15
<b>Group</b>		
Statutory net profit after tax (\$M)	-	9,063
Cash net profit after tax (\$M)	-	9,137
Net interest margin (%)	-	2.09
Net interest margin excluding Treasury and Markets (%)	-	2.06
Average interest earning assets (\$M)	-	755,872
Average interest bearing liabilities (\$M)	-	713,084
Funds Under Administration (FUA) - average (\$M)	-	138,358
Assets Under Management (AUM) - average (\$M)	-	199,264
Average inforce premiums (\$M)	-	3,259
Operating expenses to total operating income (%)	-	42.8
Effective corporate tax rate (%)	-	27.3
<b>Retail Banking Services</b>		
Cash net profit after tax (\$M)	-	3,994
Operating expenses to total banking income (%)	-	34.1
<b>Business and Private Banking</b>		
Cash net profit after tax (\$M)	-	1,495
Operating expenses to total banking income (%)	-	38.4
<b>Institutional Banking and Markets</b>		
Cash net profit after tax (\$M)	-	1,285
Operating expenses to total banking income (%)	-	34.6
<b>Wealth Management</b>		
Cash net profit after tax (\$M)	-	653
FUA - average (\$M)	-	128,880
AUM - average (\$M)	-	195,406
Average inforce premiums (\$M)	-	2,388
Operating expenses to total operating income (%)	-	73.5
<b>New Zealand</b>		
Cash net profit after tax (\$M)	-	882
FUA - average (\$M)	-	9,478
AUM - average (\$M)	-	3,858
Average inforce premiums (\$M)	-	638
Operating expenses to total operating income (%) <sup>(1)</sup>	-	40.2
<b>Bankwest</b>		
Cash net profit after tax (\$M)	-	795
Operating expenses to total banking income (%)	-	42.0
<b>Capital (Basel III)</b>		
Common Equity Tier 1 (Internationally Comparable) (%)	-	12.7
Common Equity Tier 1 (APRA) (%)	-	9.1
<b>Leverage Ratio (Basel III)</b>		
Leverage Ratio (Internationally Comparable) (%)	-	n/a
Leverage Ratio (APRA) (%)	-	n/a

(1) Key financial metric is calculated in New Zealand dollar terms.

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<b>Shareholder Summary</b>	<b>Full Year Ended</b>	
	<b>30 Jun 16</b>	<b>30 Jun 15</b>
Dividends per share - fully franked (cents)	-	420
Dividend cover - "cash basis"	-	1.3
Earnings Per Share (EPS) (cents)		
Statutory basis - basic	-	553.7
Cash basis - basic	-	557.5
Dividend payout ratio (%)		
Statutory basis	-	75.7
Cash basis	-	75.1
Weighted average no. of shares - "statutory basis" - basic (M)	-	1,627
Weighted average no. of shares - "cash basis" - basic (M)	-	1,630
Return on equity - "statutory basis" (%)	-	18.2
Return on equity - "cash basis" (%)	-	18.2

<b>Net Interest Income</b>	<b>Full Year Ended</b>	
	<b>30 Jun 16</b>	<b>30 Jun 15</b>
<b>Net interest income - "cash basis"</b>	-	15,827
<b>Average interest earning assets</b>		
Home loans	-	410,306
Personal loans	-	23,481
Business and corporate loans	-	190,537
<b>Total average lending interest earning assets</b>	-	624,324
Non-lending interest earning assets	-	131,548
<b>Total average interest earning assets</b>	-	755,872
Net interest margin (%)	-	2.09
Net interest margin excluding Treasury and Markets (%)	-	2.06

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## Funding Sources

	As at		
	30 Jun 16 \$M	31 Dec 15 \$M	30 Jun 15 \$M
Transaction deposits	-	97,327	89,360
Savings deposits	-	189,560	176,497
Investment deposits	-	195,814	195,065
Other customer deposits	-	17,655	16,889
<b>Total customer deposits</b>	-	500,356	477,811
<b>Wholesale funding</b>			
<b>Short-term</b>			
Certificates of deposit	-	37,438	40,805
Euro commercial paper programme	-	3,518	1,379
US commercial paper programme	-	37,919	36,663
Euro medium-term note programme	-	6,092	3,742
Central Bank deposits	-	18,120	17,665
Other	-	5,696	6,509
<b>Total short-term wholesale funding</b>	-	108,783	106,763
Net collateral received	-	5,642	7,435
Internal RMBS sold under agreements to repurchase with RBA	-	4,300	4,294
<b>Total short-term collateral deposits</b>	-	9,942	11,729
<b>Total long-term funding - less than or equal to one year residual maturity</b>	-	28,075	28,392
<b>Long-term - greater than one year residual maturity</b>			
Domestic debt programme	-	12,292	11,388
Euro medium-term note programme	-	23,199	27,883
US medium-term note programme	-	23,418	21,968
Covered bond programs	-	27,839	25,499
Securitisation	-	9,205	9,724
Loan capital	-	12,778	10,999
Other	-	4,601	3,968
<b>Total long-term funding - greater than one year residual maturity</b>	-	113,332	111,429
<b>IFRS MTM and derivative FX revaluations</b>	-	2,488	2,346
<b>Total funding</b>	-	762,976	738,470
<b>Reported as</b>			
Deposits and other public borrowings	-	560,498	543,231
Payables due to other financial institutions	-	35,053	36,416
Liabilities at fair value through income statement	-	9,011	8,493
Bank acceptances	-	1,640	1,944
Debt issues	-	160,798	154,429
Loan capital	-	14,399	12,824
Shareholders' equity - other equity instruments	-	939	939
Loans and other receivables - collateral posted	-	(502)	(249)
Receivables due from other financial institutions - collateral posted	-	(7,352)	(6,438)
Securities purchased under agreements to resell	-	(11,508)	(13,119)
<b>Total funding</b>	-	762,976	738,470

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## Retail Banking Services

	Full Year Ended	
	30 Jun 16	30 Jun 15
	\$M	\$M
Net interest income	-	7,848
Other banking income	-	1,754
<b>Total banking income</b>	-	9,602
Operating expenses	-	(3,276)
Loan impairment expense	-	(626)
<b>Net profit before tax</b>	-	5,700
Corporate tax expense	-	(1,706)
<b>Cash net profit after tax</b>	-	3,994
<b>Income analysis</b>		
<b>Net interest income</b>		
Home loans	-	3,561
Consumer finance	-	1,879
Retail deposits	-	2,336
Other	-	72
<b>Total net interest income</b>	-	7,848
<b>Other banking income</b>		
Home loans	-	217
Consumer finance	-	545
Retail deposits	-	503
Distribution	-	396
Other	-	93
<b>Total other banking income</b>	-	1,754
<b>Total banking income</b>	-	9,602

	As at		
	30 Jun 16	31 Dec 15	30 Jun 15
	\$M	\$M	\$M
<b>Balance Sheet</b>			
Home loans	-	298,693	289,633
Consumer finance	-	17,168	16,897
Other interest earning assets	-	1,766	1,943
<b>Total interest earning assets</b>	-	317,627	308,473
Other assets	-	1,250	1,070
<b>Total assets</b>	-	318,877	309,543
Transaction deposits	-	32,558	27,095
Savings deposits	-	117,657	107,069
Investment deposits and other	-	74,183	79,663
<b>Total interest bearing deposits</b>	-	224,398	213,827
Non-interest bearing transaction deposits	-	6,013	5,298
Other non-interest bearing liabilities	-	2,354	2,825
<b>Total liabilities</b>	-	232,765	221,950

	Full Year Ended	
	30 Jun 16	30 Jun 15
<b>Key Financial Metrics</b>		
<b>Performance indicators</b>		
Return on assets (%)	-	1.3
Impairment expense annualised as a % of average GLAAs (%)	-	0.21
Operating expenses to total banking income (%)	-	34.1
<b>Other asset/liability information</b>		
Average interest earning assets (\$M)	-	297,856
Average interest bearing liabilities (\$M)	-	206,739

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## Business and Private Banking

	Full Year Ended	
	30 Jun 16	30 Jun 15
	\$M	\$M
Net interest income	-	2,925
Other banking income	-	793
<b>Total banking income</b>	-	3,718
Operating expenses	-	(1,428)
Loan impairment expense	-	(152)
<b>Net profit before tax</b>	-	2,138
Corporate tax expense	-	(643)
<b>Cash net profit after tax</b>	-	1,495

### Income analysis

#### Net interest income

Corporate Financial Services	-	1,036
Regional & Agribusiness	-	558
Local Business Banking	-	915
Private Bank	-	270
CommSec	-	146
<b>Total net interest income</b>	-	2,925

#### Other banking income

Corporate Financial Services	-	286
Regional & Agribusiness	-	84
Local Business Banking	-	171
Private Bank	-	59
CommSec	-	193
<b>Total other banking income</b>	-	793

#### Total other banking income

<b>Total banking income</b>	-	3,718
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### Income by product

Business products	-	2,167
Retail products	-	985
Equities and margin lending	-	317
Markets	-	131
Other	-	118
<b>Total banking income</b>	-	3,718

	As at		
	30 Jun 16	31 Dec 15	30 Jun 15
	\$M	\$M	\$M
<b>Balance Sheet</b>			
Home loans	-	33,232	32,580
Consumer finance	-	727	712
Business loans	-	63,156	62,278
Margin loans	-	2,821	2,676
<b>Total interest earning assets</b>	-	99,936	98,246
Non-lending interest earning assets	-	346	259
Other assets	-	318	485
<b>Total assets</b>	-	100,600	98,990
Transaction deposits	-	11,859	11,383
Savings deposits	-	30,559	28,830
Investment deposits and other	-	25,618	24,755
<b>Total interest bearing deposits</b>	-	68,036	64,968
Non-interest bearing transaction deposits	-	5,417	5,252
Other non-interest bearing liabilities	-	645	886
<b>Total liabilities</b>	-	74,098	71,106

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## Business and Private Banking (continued)

Key Financial Metrics	Full Year Ended	
	30 Jun 16	30 Jun 15
<b>Performance indicators</b>		
Return on assets (%)	-	1.5
Impairment expense annualised as a % of average GLAAs (%)	-	0.16
Operating expenses to total banking income (%)	-	38.4
<b>Other asset/liability information</b>		
Average interest earning assets (\$M)	-	95,781
Average interest bearing liabilities (\$M)	-	62,654

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## Institutional Banking and Markets

	Full Year Ended	
	30 Jun 16	30 Jun 15
	\$M	\$M
Net interest income	-	1,442
Other banking income	-	1,360
<b>Total banking income</b>	-	2,802
Operating expenses	-	(970)
Loan impairment expense	-	(167)
<b>Net profit before tax</b>	-	1,665
Corporate tax expense	-	(380)
<b>Cash net profit after tax</b>	-	1,285
<b>Income analysis</b>		
<b>Net interest income</b>		
Institutional Banking	-	1,336
Markets	-	106
<b>Total net interest income</b>	-	1,442
<b>Other banking income</b>		
Institutional Banking	-	836
Markets	-	524
<b>Total other banking income</b>	-	1,360
<b>Total banking income</b>	-	2,802
<b>Income by product</b>		
Institutional products	-	1,770
Asset leasing	-	309
Markets	-	664
Other	-	93
<b>Total banking income excluding derivative valuation adjustments</b>	-	2,836
Derivative valuation adjustments	-	(34)
<b>Total banking income</b>	-	2,802

	As at		
	30 Jun 16	31 Dec 15	30 Jun 15
	\$M	\$M	\$M
<b>Balance Sheet</b>			
Interest earning lending assets	-	110,135	98,223
Non-lending interest earning assets	-	29,466	28,722
Other assets	-	37,067	38,018
<b>Total assets</b>	-	176,668	164,963
Transaction deposits	-	36,441	36,598
Savings deposits	-	5,793	8,113
Investment deposits	-	40,126	34,677
Certificates of deposit and other	-	12,321	12,876
<b>Total interest bearing deposits</b>	-	94,681	92,264
Due to other financial institutions	-	16,391	15,365
Debt issues and other	-	8,058	9,501
Non-interest bearing liabilities	-	24,853	26,031
<b>Total liabilities</b>	-	143,983	143,161

# ASX ANNOUNCEMENT



## Institutional Banking and Markets (continued)

Key Financial Metrics	Full Year Ended	
	30 Jun 16	30 Jun 15
<b>Performance indicators</b>		
Return on assets (%)	-	0.8
Impairment expense annualised as a % of average GLAAs (%)	-	0.18
Operating expenses to total banking income (%)	-	34.6
<b>Other asset/liability information</b>		
Average interest earning assets (\$M)	-	115,097
Average interest bearing liabilities (\$M)	-	104,267

# ASX ANNOUNCEMENT



## Wealth Management

	Full Year Ended	
	30 Jun 16	30 Jun 15
	\$M	\$M
Funds management income	-	1,846
Insurance income	-	503
<b>Total operating income</b>	-	2,349
Operating expenses	-	(1,726)
<b>Net profit before tax</b>	-	623
Corporate tax expense	-	(148)
<b>Underlying profit after tax</b>	-	475
Investment experience after tax	-	178
<b>Cash net profit after tax</b>	-	653
<b>Represented by:</b>		
CFS Global Asset Management	-	287
Colonial First State	-	94
CommInsure	-	316
Other	-	(44)
<b>Cash net profit after tax</b>	-	653

Key Financial Metrics	Full Year Ended	
	30 Jun 16	30 Jun 15
<b>Performance indicators</b>		
Operating expenses to total operating income (%)	-	73.5
FUA - average (\$M)	-	128,880
FUA - spot (\$M)	-	131,903
AUM - average (\$M)	-	195,406
AUM - spot (\$M)	-	202,168
Annual inforce premiums - average (\$M)	-	2,388
Annual inforce premiums - spot (\$M)	-	2,467

	Full Year Ended							
	CFS		Colonial		CommInsure		Other	
	Global Asset Management		First State					
	30 Jun 16	30 Jun 15	30 Jun 16	30 Jun 15	30 Jun 16	30 Jun 15	30 Jun 16	30 Jun 15
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Funds management income	-	847	-	866	-	133	-	-
Insurance income	-	-	-	-	-	503	-	-
<b>Total operating income</b>	-	847	-	866	-	636	-	-
Operating expenses	-	(526)	-	(735)	-	(319)	-	(146)
<b>Net profit before tax</b>	-	321	-	131	-	317	-	(146)
Corporate tax expense	-	(61)	-	(39)	-	(91)	-	43
<b>Underlying profit after tax</b>	-	260	-	92	-	226	-	(103)
Investment experience after tax	-	27	-	2	-	90	-	59
<b>Cash net profit after tax</b>	-	287	-	94	-	316	-	(44)

# ASX ANNOUNCEMENT



## New Zealand

	Full Year Ended		Half Year Ended	
	30 Jun 16	30 Jun 15	30 Jun 16	31 Dec 15
	A\$M	A\$M	A\$M	A\$M
Net interest income	-	1,533	-	793
Other banking income	-	280	-	147
<b>Total banking income</b>	-	1,813	-	940
Funds management income	-	71	-	40
Insurance income	-	232	-	127
<b>Total operating income</b>	-	2,116	-	1,107
Operating expenses	-	(861)	-	(441)
Loan impairment expense	-	(83)	-	(37)
<b>Net profit before tax</b>	-	1,172	-	629
Corporate tax expense	-	(296)	-	(170)
<b>Underlying profit after tax</b>	-	876	-	459
Investment experience after tax	-	6	-	4
<b>Cash net profit after tax</b>	-	882	-	463

	Full Year Ended		Half Year Ended	
	30 Jun 16	30 Jun 15	30 Jun 16	31 Dec 15
	NZ\$M	NZ\$M	NZ\$M	NZ\$M
Net interest income	-	1,649	-	864
Other banking income	-	337	-	174
<b>Total banking income</b>	-	1,986	-	1,038
Funds management income	-	77	-	43
Insurance income	-	250	-	140
<b>Total operating income</b>	-	2,313	-	1,221
Operating expenses	-	(929)	-	(480)
Loan impairment expense	-	(89)	-	(41)
<b>Net profit before tax</b>	-	1,295	-	700
Corporate tax expense	-	(325)	-	(189)
<b>Underlying profit after tax</b>	-	970	-	511
Investment experience after tax	-	7	-	4
<b>Cash net profit after tax</b>	-	977	-	515
<b>Represented by:</b>				
ASB	-	864	-	475
Sovereign	-	123	-	54
Other	-	(10)	-	(14)
<b>Cash net profit after tax</b>	-	977	-	515

Key Financial Metrics <sup>(1)</sup>	Full Year Ended	
	30 Jun 16	30 Jun 15
Operating expenses to total operating income (%)	-	40.2
FUA - average (NZ\$M)	-	10,291
FUA - spot (NZ\$M)	-	11,117
AUM - average (NZ\$M)	-	4,197
AUM - spot (NZ\$M)	-	4,486

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

# ASX ANNOUNCEMENT



## Bankwest

	Full Year Ended	
	30 Jun 16	30 Jun 15
	\$M	\$M
Net interest income	-	1,658
Other banking income	-	216
<b>Total banking income</b>	-	1,874
Operating expenses	-	(787)
Loan impairment benefit	-	50
<b>Net profit before tax</b>	-	1,137
Corporate tax expense	-	(342)
<b>Cash net profit after tax</b>	-	795

Balance Sheet	As at		
	30 Jun 16	31 Dec 15	30 Jun 15
	\$M	\$M	\$M
Home loans	-	62,041	61,472
Other interest earning lending assets	-	17,832	17,748
<b>Total interest earning assets</b>	-	79,873	79,220
Other assets	-	219	269
<b>Total assets</b>	-	80,092	79,489
Transaction deposits	-	11,369	10,009
Savings deposits	-	11,017	10,882
Investment deposits	-	26,339	26,473
Certificates of deposit and other	-	45	42
<b>Total interest bearing deposits</b>	-	48,770	47,406
Other interest bearing liabilities	-	27	57
Non-interest bearing transaction deposits	-	1,525	1,402
Other non-interest bearing liabilities	-	515	634
<b>Total liabilities</b>	-	50,837	49,499

Key Financial Metrics	Full Year Ended	
	30 Jun 16	30 Jun 15
<b>Performance indicators</b>		
Return on assets (%)	-	1.0
Impairment expense annualised as a % of average GLAAs (%)	-	(0.06)
Operating expenses to total banking income (%)	-	42.0
<b>Other asset/liability information</b>		
Average interest earning assets (\$M)	-	77,611
Average interest bearing liabilities (\$M)	-	45,540

# ASX ANNOUNCEMENT



## IFS and Other

	Full Year Ended	
	30 Jun 16	30 Jun 15
	\$M	\$M
IFS	-	104
Corporate Centre	-	(257)
Eliminations/Unallocated	-	186
<b>Cash net profit after tax</b>	<b>-</b>	<b>33</b>

## Corporate Centre

	Full Year Ended	
	30 Jun 16	30 Jun 15
	\$M	\$M
Net interest income	-	219
Other banking income	-	131
<b>Total operating income</b>	<b>-</b>	<b>350</b>
Operating expenses	-	(671)
<b>Net profit before tax</b>	<b>-</b>	<b>(321)</b>
Corporate tax expense	-	64
<b>Cash net profit after tax</b>	<b>-</b>	<b>(257)</b>

## Eliminations/Unallocated

	Full Year Ended	
	30 Jun 16	30 Jun 15
	\$M	\$M
Net interest income	-	65
Other banking income	-	36
<b>Total banking income</b>	<b>-</b>	<b>101</b>
Funds management income	-	21
Insurance income	-	15
<b>Total operating income</b>	<b>-</b>	<b>137</b>
Loan impairment expense	-	15
<b>Net profit before tax</b>	<b>-</b>	<b>152</b>
Corporate tax expense	-	92
Non-controlling interests	-	(17)
<b>Underlying profit after tax</b>	<b>-</b>	<b>227</b>
Investment experience after tax	-	(41)
<b>Cash net profit after tax</b>	<b>-</b>	<b>186</b>

# ASX ANNOUNCEMENT



## Financial Reporting by Segments

	Full Year Ended 30 June 2015							
	<b>Retail Banking Services</b>	<b>Business and Private Banking</b>	<b>Institutional Banking and Markets</b>	<b>Wealth Management</b>	<b>New Zealand</b>	<b>Bankwest</b>	<b>Other</b>	<b>Total</b>
	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>
Net interest income	7,848	2,925	1,442	-	1,533	1,658	421	15,827
Other banking income	1,754	793	1,360	-	280	216	408	4,811
<b>Total banking income</b>	<b>9,602</b>	<b>3,718</b>	<b>2,802</b>	<b>-</b>	<b>1,813</b>	<b>1,874</b>	<b>829</b>	<b>20,638</b>
Funds management income	-	-	-	1,846	71	-	21	1,938
Insurance income	-	-	-	503	232	-	57	792
<b>Total operating income</b>	<b>9,602</b>	<b>3,718</b>	<b>2,802</b>	<b>2,349</b>	<b>2,116</b>	<b>1,874</b>	<b>907</b>	<b>23,368</b>
Investment experience	-	-	-	231	12	-	(33)	210
<b>Total income</b>	<b>9,602</b>	<b>3,718</b>	<b>2,802</b>	<b>2,580</b>	<b>2,128</b>	<b>1,874</b>	<b>874</b>	<b>23,578</b>
Operating expenses	(3,276)	(1,428)	(970)	(1,726)	(861)	(787)	(945)	(9,993)
Loan impairment expense	(626)	(152)	(167)	-	(83)	50	(10)	(988)
<b>Net profit before tax</b>	<b>5,700</b>	<b>2,138</b>	<b>1,665</b>	<b>854</b>	<b>1,184</b>	<b>1,137</b>	<b>(81)</b>	<b>12,597</b>
Corporate tax expense	(1,706)	(643)	(380)	(201)	(302)	(342)	135	(3,439)
Non-controlling interests	-	-	-	-	-	-	(21)	(21)
<b>Net profit after tax - "cash basis"</b>	<b>3,994</b>	<b>1,495</b>	<b>1,285</b>	<b>653</b>	<b>882</b>	<b>795</b>	<b>33</b>	<b>9,137</b>
Hedging and IFRS volatility	-	-	-	-	43	-	(37)	6
Other non-cash items	-	-	-	(28)	-	(52)	-	(80)
<b>Net profit after tax - "statutory basis"</b>	<b>3,994</b>	<b>1,495</b>	<b>1,285</b>	<b>625</b>	<b>925</b>	<b>743</b>	<b>(4)</b>	<b>9,063</b>
<b>Additional information</b>								
Amortisation and depreciation	(185)	(84)	(65)	(33)	(78)	(112)	(155)	(712)
<b>Balance Sheet</b>								
Total assets	309,543	98,990	164,963	20,792	69,608	79,489	130,061	873,446
Total liabilities	221,950	71,106	143,161	24,655	62,488	49,499	247,594	820,453