

ASX Announcement

COMMONWEALTH BANK OF AUSTRALIA FINANCIAL REPORTING AND 2018 INTERIM PROFIT ANNOUNCEMENT TEMPLATE

MONDAY, 5 FEBRUARY 2018 (Sydney): The Commonwealth Bank of Australia and its subsidiaries (“the Group”) is scheduled to announce its annual results on 7 February 2018. A results briefing will be hosted by the Chief Executive Officer, Ian Narev, and Chief Financial Officer, Rob Jesudason, at 11.00am (Australian Eastern Standard Time) on 7 February 2018. This briefing will be available via webcast on the Commonwealth Bank Shareholder Centre (www.commbank.com.au/shareholder) and Commonwealth Bank Investor Relations App for iPad.

In addition to the interim results release, an Excel template populated with the current period financial results and comparatives will be published on the website.

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

This announcement provides:

- A summary of the enhancements made to financial reporting; and
- Financial comparative tables for the 2018 Interim Profit Announcement.

In order to assist users in analysing the Group’s financial information, the financial comparative template for the 2018 interim results is also now available in user-friendly Excel format on the website at:

www.commbank.com.au/about-us/shareolders/financial-information/results.html

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5 February 2018

Financial Reporting Changes in the 2018 Interim Profit Announcement

1. Financial Reporting Enhancements

During the current half, the Group has enhanced its Profit Announcement to improve the level of transparency, disclosure and the overall readability of the document. The changes include new metrics at both the Group and Divisional levels.

The key additional metrics are listed below:

Group Operations & Business Settings (Refer pages 17-18)

Credit Quality

- Total provisions for impaired assets as a % of gross impaired assets (corporate)
- Total provisions for impaired assets as a % of gross impaired assets (consumer)
- Net write-offs annualised as a % of GLAAs
- Corporate total committed exposures rated investment grade (%)
- Credit exposures by industry

Divisional Performance (for relevant Divisions) (Refer pages 19-32)

- Net interest margin (%)
- Risk weighted assets (\$M)
- 90+ days home loan arrears (%)
- 90+ days consumer finance arrears (%)
- Troublesome and impaired assets (\$M)
- Corporate total committed exposures rated investment grade (%)
- Number of full-time equivalent staff (FTE)

2. Presentation of Discontinued Operations

• Presentation of Discontinued Operations (Refer pages 5-6,8-9)

On 21 September 2017, the Group announced the sale of 100% of its life insurance businesses in Australia (“CommInsure Life”) and New Zealand (“Sovereign”) to AIA Group Limited (“AIA”) for \$3.8 billion. The transaction is subject to certain conditions and regulatory approvals in Australia and New Zealand and is expected to be completed in calendar year 2018.

CommInsure Life currently forms part of the Group’s Wealth Management division while Sovereign forms part of the Group’s New Zealand division. Both are discontinuing operations within each division. In line with accounting standards, the comparative Group results have been restated to disclose the financial results of the discontinued operations separately from continuing operations and are presented as a single line item ‘net profit after tax from discontinued operations’. Assets and Liabilities of discontinued operations have been presented separately as held for sale on the Balance Sheet as at 31 December 2017 however in line with accounting standards prior periods remain unadjusted. Group Key Performance Indicators have been presented on both a continuing operations and including discontinued operations basis.

3. Change in Accounting Policies

- **Deferred tax liability (Refer pages 7,10)**

Following guidance from IFRS Interpretations Committee (IFRIC) and evolving industry practice, the Group has changed its accounting policy in relation to the Bankwest brand name to assume the expected manner of recovery will be through use rather than potential sale. This results in an adjustment to opening retained earnings of \$56 million with a corresponding increase in deferred tax liability (after netting this results in a decrease in deferred tax assets). The change in accounting policy has not impacted the Group's capital.

4. Financial Reporting Refinements

- **Re-segmentation and Allocations (Refer pages 5-8)**

Refinements have been made to the allocation of customer balances and associated revenue and expenses between business divisions. The refinements include the migration of relationship managed business customers outside Western Australia from Bankwest to Business and Private Banking. These changes have not impacted the Group's cash net profit after tax, but have resulted in changes to the presentation of the Income Statement and the Balance Sheet of the affected divisions.

- **Non-Traded Interest Rate Risk (Refer page 11)**

The scope of the internal model for AUD Non-Traded Interest Rate Risk has been broadened to include a measurement of the change in spreads between swap rates and bond yields for Debt Securities held in the Banking Book. The broadening of the scope is in line with the regulator's guidance in regards to the spread risk on these securities.

- **Committed Exposure By Industry (Refer page 11)**

Following enhancements processed in the current period, there were minor refinements to the categorisation of credit exposures. Overall, there was no change in the total exposures.

- **Earnings per Share (Refer page 12)**

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 discounted dividend reinvestment plan.

- Basic Statutory EPS (including Discontinued Operations) decreased by 0.2 cents for the Half Year Ended 30 June 2017 and 0.1 cent for the Half Year Ended 31 December 2016.
- Basic Cash EPS (including Discontinued Operations) decreased by 0.1 cent for the Half Year Ended 30 June 2017 and 0.1 cent for the Half Year Ended 31 December 2016.

5. Financial Reporting Refinements Previously Reported

As previously reported on 2 August 2017, a number of enhancements were made to the financial reporting in the prior year. Below is a summary of the impact on the 31 December 2016 prior period balances.

- **Loans which were neither past due nor impaired (Refer page 12)**
Following enhancements to methodology in the prior period, there was a change to the categorisation of credit exposures by credit grade for loans which were neither past due nor impaired.

Impact of Current Half Financial Reporting changes on the Prior Periods

The impact of the changes made in the current half on each divisions Cash NPAT for the comparative periods are set out below:

Segment Cash NPAT from continuing operations: impact by adjustment type

Financial Reporting Changes:

- Presentation of Discontinued Operations
- Re-segmentation and Allocations

	Half Year Ended 30 June 2017							
	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	2,498	848	623	304	502	347	(148)	4,974
Restatements								
Cash NPAT - discontinued operations	-	-	-	(93)	(54)	-	-	(147)
Resegmentation and Allocations	(18)	82	7	-	(2)	(61)	(8)	-
Cash NPAT (continuing operations) - as restated	2,480	930	630	211	446	286	(156)	4,827

	Half Year Ended 31 December 2016							
	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	2466	791	683	249	471	355	(108)	4907
Restatements								
Cash NPAT - discontinued operations	-	-	-	(37)	(42)	-	-	(79)
Resegmentation and Allocations	(13)	87	(2)	(1)	(6)	(65)	-	-
Cash NPAT (continuing operations) - as restated	2,453	878	681	211	423	290	(108)	4,828

Segment Cash NPAT from continuing operations: impact by P&L line item

Financial Reporting Changes:

- Presentation of Discontinued Operations
- Re-segmentation and Allocations

	Half Year Ended 30 June 2017							
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Management ⁽¹⁾	New Zealand ⁽¹⁾	Bankwest	IFS and Other	Group
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Cash NPAT - as published	2,498	848	623	304	502	347	(148)	4,974
Restatements								
Increase/(decrease) in Income	(15)	126	14	(245)	(122)	(103)	(37)	(382)
Increase/(decrease) in Investment experience (after tax)	-	-	-	(17)	(3)	-	1	(19)
(Increase)/decrease in Operating expenses	(10)	(11)	(5)	130	57	19	26	206
(Increase)/decrease in Loan impairment expense	(1)	3	-	-	-	(3)	1	-
(Increase)/decrease in Corporate tax expense	8	(36)	(2)	35	12	26	1	44
(Increase)/decrease in Non-controlling interest	-	-	-	4	-	-	-	4
Total restatements	(18)	82	7	(93)	(56)	(61)	(8)	(147)
Cash NPAT (continuing operations) - as restated	2,480	930	630	211	446	286	(156)	4,827

(1) Restatements shown for the half year ended 30 June 2017 includes a \$93m NPAT decrease for discontinued operations in Wealth Management and a \$54m NPAT decrease in New Zealand.

	Half Year Ended 31 December 2016							
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Management ⁽¹⁾	New Zealand ⁽¹⁾	Bankwest	IFS and Other	Group
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Cash NPAT - as published	2,466	791	683	249	471	355	(108)	4,907
Restatements								
Increase/(decrease) in Income	(5)	127	3	(146)	(127)	(107)	(38)	(293)
Increase/(decrease) in Investment experience (after tax)	-	-	-	(19)	9	-	1	(9)
(Increase)/decrease in Operating expenses	(11)	(12)	(6)	120	57	21	34	203
(Increase)/decrease in Loan impairment expense	(2)	9	-	-	-	(7)	-	-
(Increase)/decrease in Corporate tax expense	5	(37)	1	7	13	28	3	20
(Increase)/decrease in Non-controlling interest	-	-	-	-	-	-	-	-
Total restatements	(13)	87	(2)	(38)	(48)	(65)	-	(79)
Cash NPAT (continuing operations) - as restated	2,453	878	681	211	423	290	(108)	4,828

(1) Restatements shown for the half year ended 31 December 2016 includes a \$37m NPAT decrease for discontinued operations in Wealth Management and a \$42m NPAT decrease in New Zealand.

Segment Balance Sheet

Financial Reporting Changes:

- Re-segmentation and Allocations
- Deferred tax liability

As at 30 June 2017

	Retail Banking Services \$M	Business and Private Banking \$M	Institutional Banking and Markets \$M	Wealth Management \$M	New Zealand \$M	Bankwest \$M	IFS and Other \$M	Group \$M
Total Assets - as published	356,503	106,972	173,234	22,014	86,784	86,166	144,701	976,374
Restatements								
Resegmentations and Allocations	(1,143)	9,322	(123)	-	-	(8,046)	(10)	-
Deferred tax asset	-	-	-	-	-	-	(56)	(56)
Total Assets - as restated	355,360	116,294	173,111	22,014	86,784	78,120	144,635	976,318
Total Liabilities - as published	252,773	83,499	161,807	27,455	80,625	56,691	249,808	912,658
Restatements								
Resegmentations and Allocations	(465)	1,426	305	-	-	(1,265)	(1)	-
Deferred tax liability	-	-	-	-	-	56	(56)	-
Total Liabilities - as restated	252,308	84,925	162,112	27,455	80,625	55,482	249,751	912,658

As at 31 December 2016

	Retail Banking Services \$M	Business and Private Banking \$M	Institutional Banking and Markets \$M	Wealth Management \$M	New Zealand \$M	Bankwest \$M	IFS and Other \$M	Group \$M
Total Assets - as published	347,471	104,554	177,625	21,862	86,085	83,605	150,517	971,719
Restatements								
Resegmentations and Allocations	(685)	9,082	(323)	-	-	(8,073)	(1)	-
Deferred tax asset	-	-	-	-	-	-	(56)	(56)
Total Assets - as restated	346,786	113,636	177,302	21,862	86,085	75,532	150,460	971,663
Total Liabilities - as published	249,688	80,372	155,053	26,975	79,058	51,685	267,076	909,907
Restatements								
Resegmentations and Allocations	(999)	2,625	(242)	-	-	(1,385)	1	-
Deferred tax liability	-	-	-	-	-	56	(56)	-
Total Liabilities - as restated	248,689	82,997	154,811	26,975	79,058	50,356	267,021	909,907

Segment Cost to Income Ratios from continuing operations

Financial Reporting Changes:

- Presentation of Discontinued Operations
- Re-segmentation and Allocations

Half Year Ended 30 June 2017								
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Management ⁽¹⁾	New Zealand (In NZD) ⁽¹⁾	Bankwest	IFS	Group
	%	%	%	%	%	%	%	%
Operating expenses to total operating income (%) - as published	30.7	38.8	38.5	68.4	38.7	42.9	72.4	42.1
Operating expenses to total operating income (continuing operations) (%) - as restated	31.0	37.1	38.5	72.4	37.7	45.9	72.4	41.8

(1) Restatements shown for the half year ended 30 June 2017 includes a \$93m NPAT decrease for discontinued operations in Wealth Management and a \$54m NPAT decrease in New Zealand.

Half Year Ended 31 Dec 2016								
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Management ⁽¹⁾	New Zealand (In NZD) ⁽¹⁾	Bankwest	IFS	Group
	%	%	%	%	%	%	%	%
Operating expenses to total operating income (%) - as published	30.8	39.3	36.7	73.5	38.0	41.3	66.7	43.3
Operating expenses to total operating income (continuing operations) (%) - as restated	31.0	37.5	37.0	72.2	37.0	44.1	66.7	42.7

(1) Restatements shown for the half year ended 31 December 2016 includes a \$37m NPAT decrease for discontinued operations in Wealth Management and a \$42m NPAT decrease in New Zealand.

Group Performance Summary

Financial Reporting Changes:

- Presentation of Discontinued Operations

	Half Year Ended 30 Jun 17		Half Year Ended 31 Dec 16	
	As Restated	As Published	As Restated	As Published
	\$M	\$M	\$M	\$M
Net interest income	8,824	8,857	8,710	8,743
Other banking income	2,577	2,534	3,018	2,986
Total banking income	11,401	11,391	11,728	11,729
Funds management income	970	1,030	943	1,004
Insurance income	61	393	162	393
Total operating income	12,432	12,814	12,833	13,126
Investment experience	21	49	2	16
Total income	12,453	12,863	12,835	13,142
Operating expenses	(5,195)	(5,401)	(5,474)	(5,677)
Loan impairment expense	(496)	(496)	(599)	(599)
Net profit before tax	6,762	6,966	6,762	6,866
Corporate tax expense	(1,924)	(1,977)	(1,925)	(1,950)
Non-controlling interests	(11)	(15)	(9)	(9)
Net profit after tax from continuing operations	4,827	4,974	4,828	4,907
Net profit after tax from discontinued operations	147	-	79	-
Net profit after tax ("cash basis")	4,974	4,974	4,907	4,907
Hedging and IFRS volatility	65	65	8	8
Other non-cash items	(6)	(6)	(20)	(20)
Net profit after tax ("statutory basis")	5,033	5,033	4,895	4,895

■ Indicates key changes

Consolidated Balance Sheet

Financial Reporting Changes:

- Deferred tax liability

	As at 30 Jun 17		As at 31 Dec 16	
	As Restated	As Published	As Restated	As Published
	\$M	\$M	\$M	\$M
Assets				
Cash and liquid assets	45,850	45,850	44,709	44,709
Receivables due from other financial institutions	10,037	10,037	10,612	10,612
Assets at fair value through Income Statement:				
Trading	32,704	32,704	34,199	34,199
Insurance	13,669	13,669	13,795	13,795
Other	1,111	1,111	803	803
Derivative assets	31,724	31,724	45,837	45,837
Available-for-sale investments	83,535	83,535	81,675	81,675
Loans, bills discounted and other receivables	731,762	731,762	712,905	712,905
Bank acceptances of customers	463	463	1,440	1,440
Property, plant and equipment	3,873	3,873	4,094	4,094
Investments in associates and joint ventures	2,778	2,778	2,842	2,842
Intangible assets	10,024	10,024	10,000	10,000
Deferred tax assets	906	962	726	782
Other assets	7,882	7,882	8,026	8,026
Assets held for sale	-	-	-	-
Total assets	976,318	976,374	971,663	971,719
Liabilities				
Deposits and other public borrowings	626,655	626,655	606,091	606,091
Payables due to other financial institutions	28,432	28,432	34,031	34,031
Liabilities at fair value through Income Statement	10,392	10,392	8,404	8,404
Derivative liabilities	30,330	30,330	38,042	38,042
Bank acceptances	463	463	1,440	1,440
Current tax liabilities	1,450	1,450	1,012	1,012
Deferred tax liabilities	332	332	332	332
Other provisions	1,780	1,780	1,625	1,625
Insurance policy liabilities	12,018	12,018	12,388	12,388
Debt issues	167,571	167,571	175,583	175,583
Managed funds units on issue	2,577	2,577	2,362	2,362
Bills payable and other liabilities	11,932	11,932	11,600	11,600
Liabilities held for sale	-	-	-	-
	893,932	893,932	892,910	892,910
Loan capital	18,726	18,726	16,997	16,997
Total liabilities	912,658	912,658	909,907	909,907
Net assets	63,660	63,716	61,756	61,812
Shareholders' Equity				
Share capital:				
Ordinary share capital	34,971	34,971	34,455	34,455
Reserves	1,869	1,869	2,144	2,144
Retained profits	26,274	26,330	24,606	24,662
Shareholders' Equity attributable to Equity holders of the Bank	63,114	63,170	61,205	61,261
Non-controlling interests	546	546	551	551
Total Shareholders' Equity	63,660	63,716	61,756	61,812

■ Indicates key changes

Integrated Risk Management: Non-Traded Interest Rate Risk (Appendix 2.1)

Financial Reporting Changes:

- Non-Traded Interest Rate Risk

	Average VaR		Average VaR	
	30 Jun 17		31 Dec 16	
	As Restated	As Published	As Restated	As Published
Non-Traded Interest Rate Risk (20 day 97.5% confidence)	\$M	\$M	\$M	\$M
AUD Interest rate risk	252.4	92.9	263.4	99.3

■ Indicates key changes

Integrated Risk Management (Appendix 2.1)

Financial Reporting Changes:

- Committed Exposure by Industry

	As At 30 Jun 17		As At 31 Dec 16	
	As Restated	As Published	As Restated	As Published
By Industry	%	%	%	%
Agriculture, forestry and fishing	2.0	2.0	2.0	2.0
Banks	6.1	6.1	6.3	6.3
Business services	1.3	1.3	1.3	1.3
Construction	0.7	0.8	0.7	0.8
Consumer	55.4	55.4	54.8	54.8
Culture and recreational services	0.7	0.7	0.7	0.7
Energy	1.1	1.1	1.2	1.2
Finance - Other	5.0	5.0	5.1	5.1
Health and community service	0.8	0.7	0.8	0.7
Manufacturing	1.6	1.6	1.6	1.6
Mining	1.4	1.4	1.4	1.4
Property	6.4	6.5	6.6	6.7
Retail trade and wholesale trade	2.2	2.2	2.4	2.4
Sovereign	9.7	9.7	9.5	9.5
Transport and storage	1.6	1.5	1.6	1.5
Other	4.0	4.0	4.0	4.0
	100.0	100.0	100.0	100.0

■ Indicates key changes

Shareholder Returns including discontinued operations

Financial Reporting Changes:

- Earnings per Share

	Half Year Ended 30 Jun 17		Half Year Ended 31 Dec 16	
	As Restated	As Published	As Restated	As Published
Earnings per share:	Cents per share		Cents per share	
Statutory basis - basic	292.0	292.2	285.2	285.3
Cash basis - basic	288.4	288.5	285.7	285.8

Indicates key changes

Financial Reporting Refinements Previously Reported

As previously reported on 2 August 2017, a number of enhancements were made to the financial reporting in the prior year. Below is a summary of the impact on the 31 December 2016 prior period balances.

Loans which were neither past due nor impaired (Notes to the Financial Statements 6.1)

Financial Reporting Changes:

- Loans which were neither past due nor impaired

	As Restated					As Published				
	As at 31 December 2016					As at 31 December 2016				
	Home Loans	Other Personal	Asset Financing	Other Commercial Industrial	Total	Home Loans	Other Personal	Asset Financing	Other Commercial Industrial	Total
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Loans which were neither past due nor impaired										
Investment Grade	301,353	4,564	638	98,093	404,648	301,353	4,564	911	133,714	440,542
Pass Grade	151,134	14,661	7,383	107,422	280,600	151,134	14,661	7,595	73,096	246,486
Weak	8,533	3,210	183	3,769	15,695	8,533	3,210	235	1,937	13,915
Total loans which were neither past due nor impaired	461,020	22,435	8,204	209,284	700,943	461,020	22,435	8,741	208,747	700,943
Loans which were past due but not impaired										
Past due 1 - 29 days	5,886	842	105	1,086	7,919	5,886	842	105	1,086	7,919
Past due 30 - 59 days	1,805	224	49	242	2,320	1,805	224	49	242	2,320
Past due 60 - 89 days	849	131	29	114	1,123	849	131	29	114	1,123
Past due 90 - 179 days	977	15	4	175	1,171	977	15	4	175	1,171
Past due 180 days or more	906	10	1	252	1,169	906	10	1	252	1,169
Total loans past due but not impaired	10,423	1,222	188	1,869	13,702	10,423	1,222	188	1,869	13,702

Indicates key changes

Updated Financial Comparative Tables for the 2018 Interim Profit Announcement including New Profit Announcement Disclosures

Group Performance Summary

	Half Year Ended ("cash basis")		
	31 Dec 17 \$M	30 Jun 17 \$M	31 Dec 16 \$M
Net interest income	-	8,824	8,710
Other banking income	-	2,577	3,018
Total banking income	-	11,401	11,728
Funds management income	-	970	943
Insurance income	-	61	162
Total operating income	-	12,432	12,833
Investment experience	-	21	2
Total income	-	12,453	12,835
Operating expenses	-	(5,195)	(5,474)
Loan impairment expense	-	(496)	(599)
Net profit before tax	-	6,762	6,762
Corporate tax expense	-	(1,924)	(1,925)
Non-controlling interests	-	(11)	(9)
Net profit after tax from continuing operations ("cash basis")	-	4,827	4,828
Net profit after tax from discontinued operations	-	147	79
Net profit after tax ("cash basis")	-	4,974	4,907
Hedging and IFRS volatility	-	65	8
Other non-cash items	-	(6)	(20)
Net profit after tax ("statutory basis")	-	5,033	4,895
Cash net profit after tax, by division			
Retail Banking Services	-	2,480	2,453
Business and Private Banking	-	930	878
Institutional Banking and Markets	-	630	681
Wealth Management	-	211	211
New Zealand	-	446	423
Bankwest	-	286	290
IFS and Other	-	(156)	(108)
Net profit after tax from continuing operations ("cash basis")	-	4,827	4,828

Key Performance Indicators

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
Group Performance from continuing operations			
Statutory net profit after tax (\$M)	-	4,890	4,835
Cash net profit after tax (\$M)	-	4,827	4,828
Net interest margin (%)	-	2.10	2.10
Net interest margin excluding Treasury and Markets (%)	-	2.09	2.07
Operating expenses to total operating income (%)	-	41.8	42.7
Spot number of full-time equivalent staff (FTE)	-	44,024	43,660
Effective corporate tax rate ("cash basis") (%)	-	28.5	28.5
Profit after capital charge (PACC) (\$M)	-	3,221	3,282
Average interest earning assets (\$M)	-	846,619	823,058
Average interest bearing liabilities (\$M)	-	764,126	747,236
Funds Under Administration (FUA) - average (\$M)	-	144,256	138,024
Assets Under Management (AUM) - average (\$M)	-	213,838	206,336
Average inforce premiums (\$M)	-	1,031	1,002
Group Performance including discontinued operations			
Statutory net profit after tax (\$M)	-	5,033	4,895
Cash net profit after tax (\$M)	-	4,974	4,907
Net interest margin (%)	-	2.11	2.11
Net interest margin excluding Treasury and Markets (%)	-	2.10	2.08
Operating expenses to total operating income (%)	-	42.1	43.3
Spot number of full-time equivalent staff (FTE)	-	45,614	45,271
Effective corporate tax rate ("cash basis") (%)	-	28.4	28.4
Profit after capital charge (PACC) (\$M)	-	3,270	3,255
Average interest earning assets (\$M)	-	846,619	823,058
Average interest bearing liabilities (\$M)	-	764,126	747,236
Funds Under Administration (FUA) - average (\$M)	-	155,855	150,134
Assets Under Management (AUM) - average (\$M)	-	214,446	206,996
Average inforce premiums (\$M)	-	3,402	3,475

Key Performance Indicators

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
Shareholder Returns from continuing operations			
Earnings Per Share (EPS) (cents)			
Statutory basis - basic	-	283.7	281.7
Cash basis - basic	-	279.9	281.1
Return on equity (ROE) (%)			
Statutory basis	-	15.9	15.8
Cash basis	-	15.6	15.7
Shareholder Returns including discontinued operations			
Earnings Per Share (EPS) (cents)			
Statutory basis - basic	-	292.0	285.2
Cash basis - basic	-	288.4	285.7
Return on equity (ROE) (%)			
Statutory basis	-	16.3	16.0
Cash basis	-	16.1	16.0
Dividends per share - fully franked (cents)	-	230	199
Dividend cover - "cash basis" (times)	-	1.3	1.4
Dividend payout ratio (%)			
Statutory basis	-	79.0	70.1
Cash basis	-	80.0	69.9
Capital (Basel III) including discontinued operations			
Common Equity Tier 1 (Internationally Comparable) (%)	-	15.6	15.4
Common Equity Tier 1 (APRA) (%)	-	10.1	9.9
Risk weighted assets (RWA) (\$M) - Basel III	-	437,063	436,481
Leverage Ratio (Basel III) including discontinued operations			
Leverage Ratio (Internationally Comparable) (%)	-	5.8	5.5
Leverage Ratio (APRA) (%)	-	5.1	4.9
Credit Quality Metrics including discontinued operations			
Loan impairment expense ("cash basis") annualised as a % of average GLAAs	-	0.14	0.17
Gross impaired assets as a % of GLAAs	-	0.43	0.47
Credit risk weighted assets (RWA) (\$M) - Basel III	-	377,259	373,526

Key Performance Indicators

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
Retail Banking Services			
Cash net profit after tax (\$M)	-	2,480	2,453
Net interest margin (%)	-	2.91	2.90
Average interest earning assets (AIEA) (\$M) ⁽¹⁾	-	320,885	313,281
Operating expenses to total banking income (%)	-	31.0	31.0
Risk weighted assets (\$M)	-	134,937	120,778
Business and Private Banking			
Cash net profit after tax (\$M)	-	930	878
Net interest margin (%)	-	2.98	2.97
Average interest earning assets (AIEA) (\$M) ⁽¹⁾	-	110,412	107,793
Operating expenses to total banking income (%)	-	37.1	37.5
Risk weighted assets (\$M)	-	87,654	87,664
Institutional Banking and Markets			
Cash net profit after tax (\$M)	-	630	681
Net interest margin (%)	-	1.10	1.10
Average interest earning assets (AIEA) (\$M)	-	138,789	138,439
Operating expenses to total banking income (%)	-	38.5	37.0
Risk weighted assets (\$M)	-	102,242	116,075
Wealth Management ⁽²⁾			
Cash net profit after tax (\$M)	-	211	211
Operating expenses to total operating income (%)	-	72.4	72.2
FUA - average (\$M)	-	132,239	126,036
AUM - average (\$M)	-	209,469	201,967
CommInsure Inforce Premiums - average (\$M)	-	777	748
New Zealand ⁽²⁾			
Cash net profit after tax (\$M)	-	446	423
Risk weighted assets - APRA basis (\$M) ⁽³⁾	-	48,807	48,524
Net interest margin (ASB) (%) ⁽⁴⁾	-	2.15	2.19
Average interest earning assets (AIEA) (ASB) (NZ\$M) ⁽¹⁾⁽⁴⁾	-	85,753	82,455
Operating expenses to total operating income (ASB) (%) ⁽⁴⁾	-	36.2	35.7
FUA - average (ASB) (NZ\$M) ⁽⁴⁾	-	12,743	12,575
AUM - average (ASB) (NZ\$M) ⁽⁴⁾	-	4,635	4,584
Bankwest			
Cash net profit after tax (\$M)	-	286	290
Net interest margin (%)	-	2.08	2.06
Average interest earning assets (AIEA) (\$M) ⁽¹⁾	-	71,900	70,496
Operating expenses to total banking income (%)	-	45.9	44.1
Risk weighted assets (\$M)	-	37,803	34,418

(1) Net of average mortgage offset balances.

(2) Presented on a continuing operations basis.

(3) Risk weighted assets represent ASB only and are calculated in accordance with APRA requirements.

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

Loan Impairment Provisions & Credit Quality

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
Credit Quality Metrics			
Gross loans and acceptances (GLAA) (\$M)	-	737,002	719,250
Risk weighted assets (RWA) (\$M) - Basel III	-	437,063	436,481
Credit RWA (\$M) - Basel III	-	377,259	373,526
Gross impaired assets (\$M)	-	3,187	3,375
Net impaired assets (\$M)	-	2,038	2,193
Provision Ratios			
Collective provision as a % of credit RWA - Basel III	-	0.73	0.75
Total provisions as a % of credit RWA - Basel III	-	0.99	1.02
Total provisions for impaired assets as a % of gross impaired assets	-	36.05	35.02
Total provisions for impaired assets as a % of gross impaired assets (corporate)	-	42.82	38.65
Total provisions for impaired assets as a % of gross impaired assets (consumer)	-	28.45	29.52
Total provisions for impairment losses as a % of GLAAs	-	0.51	0.53
Asset Quality Ratios			
Gross impaired assets as a % of GLAAs	-	0.43	0.47
Loans 90+ days past due but not impaired as a % of GLAAs	-	0.36	0.33
Loan impairment expense ("cash basis") annualised as a % of average GLAAs	-	0.14	0.17
Net write-offs annualised as a % of GLAAs	-	0.16	0.15
Corporate total committed exposures rated investment grade (%) ⁽¹⁾	-	69.20	68.70
Australian Home Loan Portfolio			
Portfolio dynamic LVR (%) ⁽²⁾	-	50.33	50.69
Customers in advance (%) ⁽³⁾	-	77.31	77.38

(1) Investment grades based on CBA grade in S&P equivalent.

(2) Loan to value ratio (LVR) defined as current balance as a percentage of the current valuation on Australian home loan portfolio.

(3) Any amount ahead of monthly minimum repayment (including offset facilities).

Loan Impairment Provisions & Credit Quality

	Total Committed Exposures (TCE)		Troublesome and Impaired Assets (TIA)		TIA % of TCE	
	Dec 17	Jun 17	Dec 17	Jun 17	Dec 17	Jun 17
Credit exposures by industry	%	%	\$M	\$M	%	%
Consumer	-	55.4	-	1,578	-	0.26
Sovereign	-	9.7	-	-	-	-
Property	-	6.4	-	693	-	0.99
Banks	-	6.1	-	9	-	0.01
Finance - Other	-	5.0	-	50	-	0.09
Retail & Wholesale Trade	-	2.2	-	474	-	2.00
Agriculture	-	2.0	-	1,019	-	4.70
Manufacturing	-	1.6	-	430	-	2.47
Transport	-	1.6	-	436	-	2.51
Mining	-	1.4	-	477	-	3.23
Business Services	-	1.3	-	165	-	1.13
Energy	-	1.1	-	90	-	0.72
Construction	-	0.7	-	290	-	3.70
Health & Community	-	0.8	-	197	-	2.27
Culture & Recreation	-	0.7	-	54	-	0.73
Other	-	4.0	-	538	-	1.24
Total	-	100.0	-	6,500	-	0.60

Retail Banking Services

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
	\$M	\$M	\$M
Net interest income	-	4,629	4,579
Other banking income	-	991	1,006
Total banking income	-	5,620	5,585
Operating expenses	-	(1,740)	(1,733)
Loan impairment expense	-	(350)	(352)
Net profit before tax	-	3,530	3,500
Corporate tax expense	-	(1,050)	(1,047)
Cash net profit after tax	-	2,480	2,453

Income analysis

Net interest income			
Home loans	-	2,146	2,145
Consumer finance	-	994	1,007
Retail deposits	-	1,463	1,396
Other	-	26	31
Total net interest income	-	4,629	4,579
Other banking income			
Home loans	-	108	110
Consumer finance	-	301	312
Retail deposits	-	299	287
Distribution	-	219	232
Other	-	64	65
Total other banking income	-	991	1,006
Total banking income	-	5,620	5,585

Retail Banking Services

	As at		
	31 Dec 17	30 Jun 17	31 Dec 16
	\$M	\$M	\$M
Balance Sheet			
Home loans	-	334,530	325,206
Consumer finance	-	17,118	17,348
Other interest earning assets	-	2,744	2,826
Total interest earning assets	-	354,392	345,380
Other assets	-	968	1,406
Total assets	-	355,360	346,786
	-		
Transaction deposits	-	24,329	22,918
Savings deposits	-	116,478	119,607
Investment deposits and other	-	77,132	76,365
Total interest bearing deposits	-	217,939	218,890
Non-interest bearing transaction deposits	-	30,529	27,131
Other non-interest bearing liabilities	-	3,840	2,668
Total liabilities	-	252,308	248,689

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
Key Financial Metrics			
Performance indicators			
Net interest margin (%)	-	2.91	2.90
Return on assets (%)	-	1.4	1.4
Operating expenses to total banking income (%)	-	31.0	31.0
Impairment expense annualised as a % of average GLAAs (%)	-	0.20	0.21
Other information			
Average interest earning assets (\$M) ⁽¹⁾	-	320,885	313,281
Risk weighted assets (\$M)	-	134,937	120,778
90+ days home loan arrears (%) ⁽²⁾	-	0.61	0.54
90+ days consumer finance arrears (%) ⁽²⁾	-	1.22	1.08
Number of full-time equivalent staff (FTE)	-	11,643	11,734

(1) Net of average mortgage offset balances.

(2) Includes mortgages and consumer finance products originated outside of Retail Banking Services.

Business and Private Banking

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
	\$M	\$M	\$M
Net interest income	-	1,634	1,612
Other banking income	-	490	486
Total banking income	-	2,124	2,098
Operating expenses	-	(787)	(787)
Loan impairment expense	-	(7)	(55)
Net profit before tax	-	1,330	1,256
Corporate tax expense	-	(400)	(378)
Cash net profit after tax	-	930	878

Income analysis

Net interest income			
Corporate Financial Services	-	607	610
Business Banking SME	-	477	469
Regional and Agribusiness	-	291	288
Private Bank	-	161	150
CommSec	-	98	95
Total net interest income	-	1,634	1,612
Other banking income			
Corporate Financial Services	-	197	196
Business Banking SME	-	88	88
Regional and Agribusiness	-	53	51
Private Bank	-	32	30
CommSec	-	120	121
Total other banking income	-	490	486
Total banking income	-	2,124	2,098

Income by product

Business products	-	1,271	1,262
Retail products	-	598	564
Equities and Margin Lending	-	165	168
Markets	-	64	71
Other	-	26	33
Total banking income	-	2,124	2,098

Business and Private Banking

	As at		
	31 Dec 17	30 Jun 17	31 Dec 16
	\$M	\$M	\$M
Balance Sheet			
Home loans	-	34,663	33,491
Consumer finance	-	1,033	1,015
Business loans	-	77,039	75,909
Margin loans	-	2,840	2,850
Total interest earning assets	-	115,575	113,265
Non-lending interest earning assets	-	286	290
Other assets	-	433	81
Total assets	-	116,294	113,636
Transaction deposits	-	14,921	13,649
Savings deposits	-	33,909	33,057
Investment deposits and other	-	27,211	28,180
Total interest bearing deposits	-	76,041	74,886
Non-interest bearing transaction deposits	-	7,997	7,541
Other non-interest bearing liabilities	-	887	570
Total liabilities	-	84,925	82,997

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
Key Financial Metrics			
Performance indicators			
Net interest margin (%)	-	2.98	2.97
Return on assets (%)	-	1.6	1.5
Operating expenses to total banking income (%)	-	37.1	37.5
Impairment expense annualised as a % of average GLAAs (%)	-	0.01	0.10
Other information			
Average interest earning assets (\$M) ⁽¹⁾	-	110,412	107,793
Risk weighted assets (\$M)	-	87,654	87,664
Troublesome and impaired assets (\$M)	-	2,586	2,813
Number of full-time equivalent staff (FTE)	-	3,615	3,512

(1) Net of average offset balances.

Institutional Banking and Markets

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
	\$M	\$M	\$M
Net interest income	-	754	769
Other banking income	-	629	719
Total banking income	-	1,383	1,488
Operating expenses	-	(532)	(551)
Loan impairment expense	-	(20)	(44)
Net profit before tax	-	831	893
Corporate tax expense	-	(201)	(212)
Cash net profit after tax	-	630	681
Income analysis			
Net interest income			
Institutional Banking	-	695	699
Markets	-	59	70
Total net interest income	-	754	769
Other banking income			
Institutional Banking	-	353	396
Markets	-	276	323
Total other banking income	-	629	719
Total banking income	-	1,383	1,488
Income by product			
Institutional products	-	917	929
Asset leasing	-	124	156
Markets (excluding derivative valuation adjustments)	-	304	419
Other	-	7	10
Total banking income excluding derivative valuation adjustments	-	1,352	1,514
Derivative valuation adjustments	-	31	(26)
Total banking income	-	1,383	1,488

Institutional Banking and Markets

Institutional Banking and Markets

	As at		
	31 Dec 17	30 Jun 17	31 Dec 16
	\$M	\$M	\$M
Balance Sheet			
Interest earning lending assets	-	111,686	109,432
Non-lending interest earning assets	-	31,349	29,152
Other assets	-	30,076	38,718
Total assets	-	173,111	177,302
Transaction deposits	-	42,468	39,959
Savings deposits	-	7,381	4,126
Investment deposits	-	49,689	45,344
Certificates of deposit and other	-	15,077	14,283
Total interest bearing deposits	-	114,615	103,712
Due to other financial institutions	-	16,669	15,477
Debt issues and other	-	9,358	8,458
Non-interest bearing liabilities	-	21,470	27,164
Total liabilities	-	162,112	154,811

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
Key Financial Metrics			
Performance indicators			
Net interest margin (%)	-	1.10	1.10
Return on assets (%)	-	0.7	0.8
Operating expenses to total banking income (%)	-	38.5	37.0
Impairment expense annualised as a % of average GLAAs (%)	-	0.04	0.08
Other information			
Average interest earning assets (\$M)	-	138,789	138,439
Risk weighted assets (\$M)	-	102,242	116,075
Troublesome and impaired assets (\$M)	-	1,361	1,717
Corporate total committed exposures rated investment grade (%) ⁽¹⁾	-	86.4	85.6
Number of full-time equivalent staff (FTE) ⁽²⁾	-	1,467	1,451

(1) Corporate total committed exposures only include the IB&M portfolio.

(2) FTE includes employees responsible for the manufacture of business and institutional banking products and payments infrastructure. The costs for these FTE are split between the IB&M, BPB and RBS segments.

Wealth Management

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
	\$M	\$M	\$M
Funds management income	-	921	899
Insurance income	-	13	108
Total operating income	-	934	1,007
Operating expenses	-	(676)	(727)
Net profit before tax	-	258	280
Corporate tax expense	-	(61)	(73)
Underlying profit after tax	-	197	207
Investment experience after tax	-	14	4
Cash net profit after tax from continuing operations	-	211	211
Cash net profit after tax from discontinued operations	-	93	37
Cash net profit after tax	-	304	248
Represented by:			
CFS Global Asset Management	-	103	124
Colonial First State	-	98	90
CommInsure	-	(1)	63
Life Insurance Business (discontinued operations)	-	93	37
Other	-	11	(66)
Cash net profit after tax	-	304	248

Key Financial Metrics (Continuing Operations)	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
Performance indicators			
Operating expenses to total operating income (%)	-	72.4	72.2
Other information			
AUM - average (\$M) ⁽¹⁾	-	209,469	201,967
AUM - spot (\$M) ⁽¹⁾	-	219,427	203,223
FUA - average (\$M) ⁽²⁾	-	132,239	126,036
FUA - spot (\$M) ⁽²⁾	-	135,447	128,953
CommInsure Inforce Premiums - average (\$M) ⁽³⁾	-	777	748
CommInsure Inforce Premiums - spot (\$M) ⁽³⁾	-	783	768
Number of full-time equivalent staff (FTE) ⁽⁴⁾	-	3,914	3,969

(1) AUM excludes the Group's interest in the First State Cinda Fund Management Company Limited.

(2) FUA excludes the Life business (discontinued operations).

(3) Represents the CommInsure General Insurance business and the Inforce Premiums are annualised equivalents.

(4) FTEs exclude the Life business (discontinued operations).

Wealth Management

	Half Year Ended											
	CFS			Colonial			CommInsure			Other		
	Global Asset Management			First State								
	Dec 17	Jun 17	Dec 16	Dec 17	Jun 17	Dec 16	Dec 17	Jun 17	Dec 16	Dec 17	Jun 17	Dec 16
\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	
Funds management income	-	429	450	-	484	449	-	-	-	-	8	-
Insurance income	-	-	-	-	-	-	-	13	108	-	-	-
Total operating income	-	429	450	-	484	449	-	13	108	-	8	-
Operating expenses	-	(280)	(284)	-	(348)	(327)	-	(20)	(22)	-	(28)	(94)
Net profit before tax	-	149	166	-	136	122	-	(7)	86	-	(20)	(94)
Corporate tax (expense)/benefit	-	(44)	(37)	-	(41)	(37)	-	3	(26)	-	21	27
Underlying profit after tax	-	105	129	-	95	85	-	(4)	60	-	1	(67)
Investment experience after tax	-	(2)	(5)	-	3	5	-	3	3	-	10	1
Cash net profit/(loss) after tax from continuing operations	-	103	124	-	98	90	-	(1)	63	-	11	(66)

New Zealand

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
New Zealand	A\$M	A\$M	A\$M
Net interest income	-	816	826
Other banking income	-	172	159
Total banking income	-	988	985
Funds management income	-	47	45
Total operating income	-	1,035	1,030
Operating expenses	-	(399)	(396)
Loan impairment expense	-	(18)	(47)
Net profit before tax	-	618	587
Corporate tax expense	-	(172)	(164)
Cash net profit after tax from continuing operations	-	446	423
Cash net profit after tax from discontinued operations	-	54	42
Cash net profit after tax	-	500	465

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
New Zealand	NZ\$M	NZ\$M	NZ\$M
Net interest income	-	869	869
Other banking income	-	202	199
Total banking income	-	1,071	1,068
Funds management income	-	50	47
Total operating income	-	1,121	1,115
Operating expenses	-	(423)	(413)
Loan impairment expense	-	(20)	(49)
Net profit before tax	-	678	653
Corporate tax expense	-	(189)	(183)
Cash net profit after tax from continuing operations	-	489	470
Cash net profit after tax from discontinued operations	-	58	44
Cash net profit after tax	-	547	514
Represented by:			
ASB	-	523	502
Other	-	(34)	(32)
Sovereign (discontinued operations)	-	58	44
Cash net profit after tax	-	547	514

New Zealand

Half Year Ended

	31 Dec 17	30 Jun 17	31 Dec 16
ASB	NZ\$M	NZ\$M	NZ\$M
Net interest income	-	915	910
Other banking income	-	202	202
Total banking income	-	1,117	1,112
Funds management income	-	50	47
Total operating income	-	1,167	1,159
Operating expenses	-	(422)	(414)
Loan impairment expense	-	(20)	(49)
Net profit before tax	-	725	696
Corporate tax expense	-	(202)	(194)
Cash net profit after tax	-	523	502

As at

	31 Dec 17	30 Jun 17	31 Dec 16
ASB Balance Sheet	NZ\$M	NZ\$M	NZ\$M
Home loans	-	51,128	50,248
Business and rural lending	-	25,133	23,991
Other interest earning assets	-	2,087	2,084
Total lending interest earning assets	-	78,348	76,323
Non-lending interest earning assets	-	8,662	8,644
Other assets	-	1,572	1,974
Total assets	-	88,582	86,941
Customer deposits	-	52,795	51,018
Debt issues	-	18,073	18,380
Other interest bearing liabilities	-	2,716	2,614
Total interest bearing liabilities	-	73,584	72,012
Non-interest bearing liabilities	-	6,248	6,378
Total liabilities	-	79,832	78,390

New Zealand

ASB Key Financial Metrics ⁽¹⁾	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
Performance indicators			
Net interest margin (%)	-	2.15	2.19
Return on assets (%)	-	1.2	1.2
Operating expenses to total operating income (%)	-	36.2	35.7
Impairment expense annualised as a % of average GLAAs (%)	-	0.05	0.13
Other information			
Average interest earning assets (NZ\$M)	-	85,753	82,455
Risk weighted assets (NZ\$M) ⁽²⁾	-	53,275	53,489
Risk weighted assets (A\$M) ⁽³⁾	-	48,807	48,524
FUA - average (NZ\$M)	-	12,743	12,575
FUA - spot (NZ\$M)	-	12,826	12,586
AUM - average (NZ\$M) ⁽⁴⁾	-	4,635	4,584
AUM - spot (NZ\$M) ⁽⁴⁾	-	4,954	4,325
90+ days home loan arrears (%)	-	0.12	0.11
90+ days consumer finance arrears (%)	-	0.46	0.38
Number of full-time equivalent staff (FTE)	-	4,745	4,697

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

(2) Risk weighted assets are calculated in accordance with RBNZ requirements. The RBNZ applies a similar methodology to APRA in calculating regulatory capital requirements.

(3) Risk weighted assets are calculated in accordance with APRA requirements.

(4) AUM excludes spot balances managed by CFS Global Asset Management (30 June 2017: NZD5,776 million; 31 December 2016: NZD5,336 million). These are included in the AUM balances reported by CFS Global Asset Management.

Bankwest

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
	\$M	\$M	\$M
Net interest income	-	740	733
Other banking income	-	104	100
Total banking income	-	844	833
Operating expenses	-	(387)	(367)
Loan impairment (expense)/benefit	-	(49)	(50)
Net profit before tax	-	408	416
Corporate tax expense	-	(122)	(126)
Cash net profit after tax	-	286	290

Balance Sheet	As at		
	31 Dec 17	30 Jun 17	31 Dec 16
	\$M	\$M	\$M
Home loans	-	67,637	65,138
Other interest earning lending assets	-	10,177	10,108
Total interest earning assets	-	77,814	75,246
Other assets	-	306	286
Total assets	-	78,120	75,532
Transaction deposits	-	11,926	11,836
Savings deposits	-	9,195	9,608
Investment deposits	-	31,784	26,772
Certificates of deposit and other	-	41	35
Total interest bearing deposits	-	52,946	48,251
Other interest bearing liabilities	-	69	33
Non-interest bearing transaction deposits	-	1,723	1,526
Other non-interest bearing liabilities	-	744	546
Total liabilities	-	55,482	50,356

Bankwest

Key Financial Metrics	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
Performance indicators			
Net interest margin (%)	-	2.08	2.06
Return on assets (%)	-	0.8	0.7
Operating expenses to total banking income (%)	-	45.9	44.1
Impairment expense annualised as a % of average GLAAs (%)	-	0.13	0.13
Other information			
Average interest earning assets (\$M) ⁽¹⁾	-	71,900	70,496
Risk weighted assets (\$M)	-	37,803	34,418
90+ days home loans arrears (%)	-	0.80	0.64
90+ days consumer finance arrears (%)	-	1.39	1.15
Number of full-time equivalent staff (FTE) ⁽²⁾	-	2,912	2,809

(1) Net of average mortgage offset balances.

(2) FTE exclude support unit staff that have been included in Corporate centre.

IFS & Other

IFS	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
	\$M	\$M	\$M
Net interest income	-	64	69
Other banking income	-	140	157
Total banking income	-	204	226
Funds management income	-	-	-
Insurance income	-	24	26
Total operating income	-	228	252
Operating expenses	-	(165)	(168)
Loan impairment expense	-	(12)	(52)
Net profit before tax	-	51	32
Corporate tax expense	-	-	(4)
Non-controlling interests	-	(5)	(3)
Underlying profit after tax	-	46	25
Investment experience after tax	-	16	6
Cash net profit after tax	-	62	31

Key Financial Metrics	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
Performance indicators			
Return on assets (%)	-	2.2	1.1
Operating expenses to total operating income (%)	-	72.4	66.7
Impairment expense annualised as a % of average GLAAs (%)	-	1.36	6.15
Other information			
Risk weighted assets (\$M)	-	2,351	2,338
Number of full-time equivalent staff (FTE)	-	3,209	3,172

IFS & Other

	Half Year Ended		
	31 Dec 17	30 Jun 17	31 Dec 16
Corporate Centre (including eliminations)	\$M	\$M	\$M
Net interest income	-	187	122
Other banking income	-	51	391
Total banking income	-	238	513
Funds management income	-	2	(1)
Insurance income	-	24	28
Total operating income	-	264	540
Operating expenses	-	(509)	(745)
Loan impairment (expense)/benefit	-	(40)	1
Net loss before tax	-	(285)	(204)
Corporate tax benefit	-	87	81
Non-controlling interests	-	(6)	(6)
Underlying loss after tax	-	(204)	(129)
Investment experience after tax	-	(14)	(10)
Cash net loss after tax from continuing operations	-	(218)	(139)
Cash net loss after tax from discontinued operations	-	-	-
Cash net loss after tax	-	(218)	(139)

Financial Reporting By Segments

Half Year Ended 31 December 2016

	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Management	New Zealand	Bankwest	IFS and Other	Total
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Net interest income	4,579	1,612	769	-	826	733	191	8,710
Other banking income	1,006	486	719	-	159	100	548	3,018
Total banking income	5,585	2,098	1,488	-	985	833	739	11,728
Funds management income	-	-	-	899	45	-	(1)	943
Insurance income	-	-	-	108	-	-	54	162
Total operating income	5,585	2,098	1,488	1,007	1,030	833	792	12,833
Investment experience	-	-	-	5	-	-	(3)	2
Total income	5,585	2,098	1,488	1,012	1,030	833	789	12,835
Operating expenses	(1,733)	(787)	(551)	(727)	(396)	(367)	(913)	(5,474)
Loan impairment expense	(352)	(55)	(44)	-	(47)	(50)	(51)	(599)
Net profit before tax	3,500	1,256	893	285	587	416	(175)	6,762
Corporate tax (expense)/benefit	(1,047)	(378)	(212)	(74)	(164)	(126)	76	(1,925)
Non-controlling interests	-	-	-	-	-	-	(9)	(9)
Net profit after tax from continuing operations - "cash basis"	2,453	878	681	211	423	290	(108)	4,828
Net profit after tax from discontinued operations	-	-	-	37	42	-	-	79
Net profit after tax - "cash basis"	2,453	878	681	248	465	290	(108)	4,907
Hedging and IFRS volatility	-	-	-	-	2	-	6	8
Gain/ (loss) on disposal and acquisition of entities net of transaction costs	-	-	-	-	-	-	-	-
Other non-cash items	-	-	-	(19)	-	(1)	-	(20)
Net profit after tax - "statutory basis"	2,453	878	681	229	467	289	(102)	4,895
Additional information								
Amortisation and depreciation	(121)	(59)	(63)	(19)	(39)	(13)	(474)	(788)
Balance Sheet								
Total assets	346,786	113,636	177,302	21,862	86,085	75,532	150,460	971,663
Total liabilities	248,689	82,997	154,811	26,975	79,058	50,356	267,021	909,907

Profit Reconciliation

	Half Year Ended 30 June 2017					
	Net profit after tax "cash basis"	Hedging and IFRS volatility	Bankwest non-cash items	Treasury shares valuation adjustment	Investment experience	Net profit after tax "statutory basis"
	\$M	\$M	\$M	\$M	\$M	\$M
Profit Reconciliation						
Group						
Interest income	16,617	2	-	-	-	16,619
Interest expense	(7,793)	-	-	-	-	(7,793)
Net interest income	8,824	2	-	-	-	8,826
Other banking income	2,577	94	-	-	-	2,671
Total banking income	11,401	96	-	-	-	11,497
Funds management income	970	-	-	-	17	987
Insurance income	61	-	-	-	4	65
Total operating income	12,432	96	-	-	21	12,549
Investment experience	21	-	-	-	(21)	-
Total income	12,453	96	-	-	-	12,549
Operating expenses	(5,195)	-	(2)	-	-	(5,197)
Loan impairment expense	(496)	-	-	-	-	(496)
Net profit before tax	6,762	96	(2)	-	-	6,856
Corporate tax (expense)/benefit	(1,924)	(31)	-	-	-	(1,955)
Non-controlling interests	(11)	-	-	-	-	(11)
Net profit after income tax from continuing operations	4,827	65	(2)	-	-	4,890
Net profit after income tax from discontinued operations	147	-	-	(4)	-	143
Net profit after income tax	4,974	65	(2)	(4)	-	5,033

Profit Reconciliation

Half Year Ended 31 December 2016

	Net profit after tax "cash basis" \$M	Hedging and IFRS volatility \$M	Bankwest non-cash items \$M	Treasury shares valuation adjustment \$M	Investment experience \$M	Net profit after tax "statutory basis" \$M
Profit Reconciliation						
Group						
Interest income	16,676	(2)	-	-	-	16,674
Interest expense	(7,966)	-	-	-	-	(7,966)
Net interest income	8,710	(2)	-	-	-	8,708
Other banking income	3,018	12	-	-	-	3,030
Total banking income	11,728	10	-	-	-	11,738
Funds management income	943	-	-	-	(2)	941
Insurance income	162	-	-	-	4	166
Total operating income	12,833	10	-	-	2	12,845
Investment experience	2	-	-	-	(2)	-
Total income	12,835	10	-	-	-	12,845
Operating expenses	(5,474)	-	(2)	-	-	(5,476)
Loan impairment expense	(599)	-	-	-	-	(599)
Net profit before tax	6,762	10	(2)	-	-	6,770
Corporate tax (expense)/benefit	(1,925)	(2)	1	-	-	(1,926)
Non-controlling interests	(9)	-	-	-	-	(9)
Net profit after income tax from continuing operations	4,828	8	(1)	-	-	4,835
Net profit after income tax from discontinued operations	79	-	-	(19)	-	60
Net profit after income tax	4,907	8	(1)	(19)	-	4,895