CommonwealthBank

Basel III
Pillar 3

Capital Adequacy and Risks Disclosures as at 31 December 2016

COMMONWEALTH BANK OF AUSTRALIA | ACN 123 123 124 | 15 FEBRUARY 2017

This page has been intentionally left blank

Table of Contents

For further information contact:

Investor Relations

Melanie Kirk
Phone: 02 9118 7166
Email: Melanie.Kirk@cba.com.au

1 Introduction

The Commonwealth Bank of Australia (the Group) 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 in accordance with Board approved policy and APRA's prudential standard APS 330 "Public Disclosure". It presents information on the Group's capital adequacy and Risk Weighted Asset (RWA) calculations for credit risk including securitisation, 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 and countercyclical capital buffer (CCyB) in accordance with prescribed methodology.

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 insurance and funds management businesses and entities through which securitisation of Group assets is conducted.

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

APRA has re-accredited the use of the AIRB approach for the Bankwest non-retail portfolio, effective from 30 September 2016. This change had minimal impact on the Group's capital.

The external auditor has performed certain agreed upon procedures over the Pillar 3 report, including verifying disclosures are consistent with information contained in the Group's Profit Announcement, returns provided to APRA and source systems.

This document is available on the Group's corporate website www.commbank.com.au/about-us/investors/shareholders.

The Group in Review

After allowing for the implementation of the APRA requirement to hold additional capital with respect to Australian residential mortgages, effective from 1 July 2016, the Group continued to strengthen its capital position during the half year.

As at 31 December 2016, the Basel III Common Equity Tier 1 (CET1) ratio was 15.4% on an internationally comparable basis. The Group's Basel III CET1, Tier 1 and Total Capital ratios as measured on an APRA basis were 9.9%, 11.5% and 13.7% respectively.

The Group's Leverage Ratio, which is defined as Tier 1 Capital as a percentage of total exposures was 4.9% at 31 December 2016 (30 June 2016: 5.0%) on an APRA basis and 5.5% (30 June 2016: 5.6%) on an internationally comparable basis.

The Liquidity Coverage Ratio (LCR) requires Australian ADIs to hold sufficient liquid assets to meet 30 day net cash outflows projected under an APRA-prescribed stress scenario. The Group maintained an average LCR of 134.0% in the December 2016 quarter.

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 its strong risk culture. This includes a risk appetite framework and a risk accountability (Three Lines of Defence) model. The Group has a formal Risk Appetite Framework that creates clear obligations and transparency over risk management and strategy decisions. The Three Lines of Defence model requires business management to operate responsibly by taking well understood and managed risks that are appropriately and adequately priced.

The strength and robustness of the Group's risk management framework has been reflected in the Group's overall asset quality and capital position. In particular, the Group remains in a select group of banking institutions with a 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, stress testing and the Group's bottom up view of economic capital. These views then cascade into considerations on what capital level is targeted.

The Group's management of its capital adequacy is supported by robust capital management processes applied in each Business Unit. The results are integrated into the Group's consolidated regulatory and economic capital requirements, and risk-adjusted performance and pricing processes.

Summary Group Capital Adequacy Ratios (Level 2)	31 Dec 16 %	30 Jun 16 %	31 Dec 15 %
Common Equity Tier 1	**9. 9**	10. 6	10. 2
Tier 1	**11. 5**	12. 3	12. 2
Tier 2	**2. 2**	2. 0	1. 9
Total Capital (APRA)	**13. 7**	14. 3	14. 1
Common Equity Tier 1 (Internationally Comparable) (1)	**15. 4**	14. 4	14. 3

(1) Analysis aligns with the 13 July 2015 APRA study titled "International capital comparison study".

2 Scope of Application

This document has been prepared in accordance with 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 (Commonwealth Bank of Australia) and offshore branches (the Bank) and APRA approved Extended Licensed Entities (ELE);
- **Level 2:** the Consolidated Banking Group excluding insurance and funds management businesses and the entities through which securitisation of Group assets is conducted; and
- **Level 3:** the conglomerate group including the Group's insurance and funds management businesses (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 (Commonwealth Bank of Australia). Additional disclosure of capital ratios relating to material ADIs within the Group together with CBA's own Level 1 capital ratios are included under APS 330 Table 6g of this report (page 5).

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.

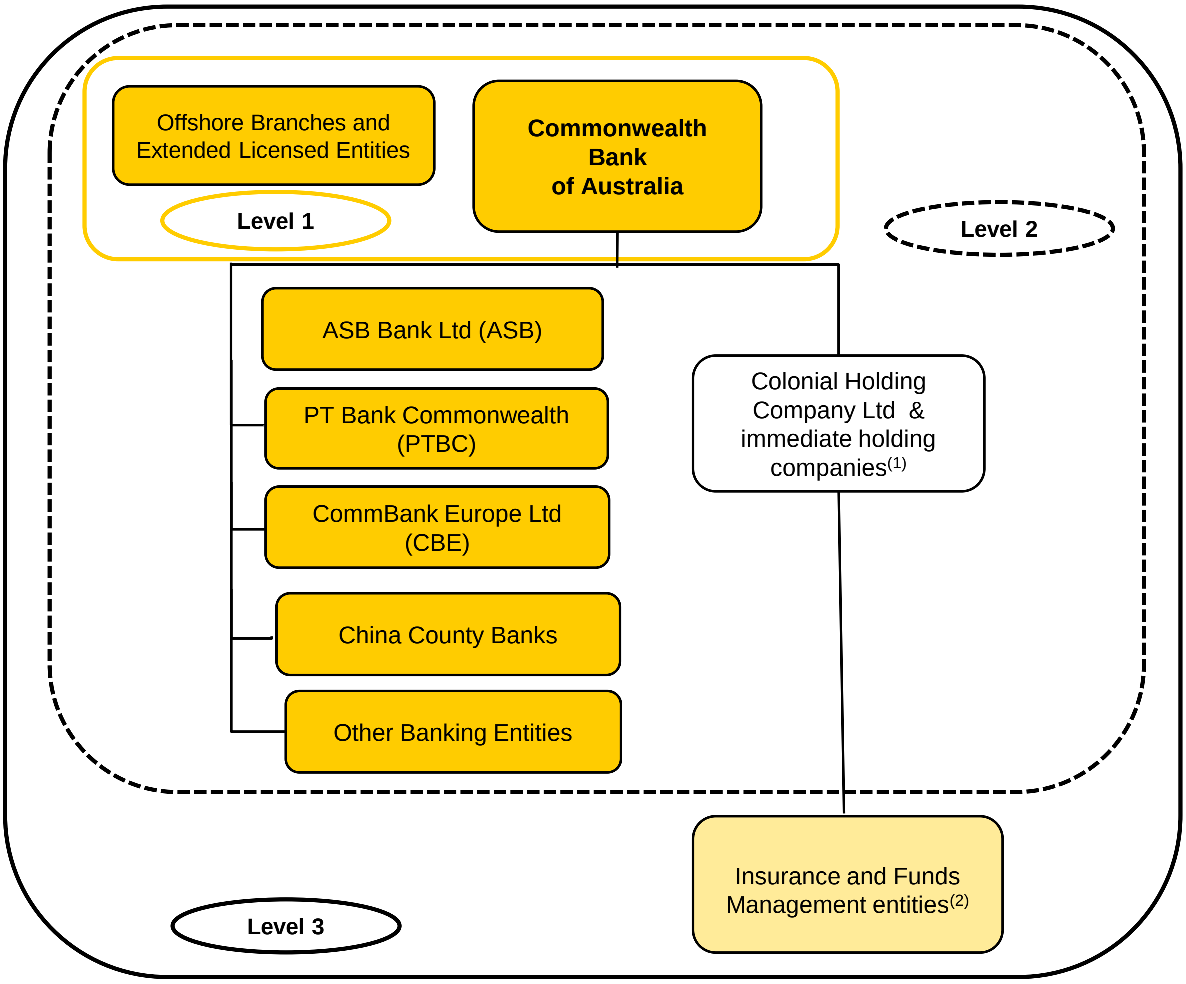
CommBank Europe Ltd (CBE), PT Bank Commonwealth (PTBC) and the China County Banks use Standardised Basel III methodology.

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) From 31 December 2016, a number of intermediate holding companies within the Colonial Group were transferred from Level 3 to the Level 2 Banking Group. Refer to page 5.

(2) Insurance and funds management operating subsidiaries. A detailed list of non-consolidated entities is provided in Appendix 11.5.

3 Capital

Capital Adequacy

The Basel Committee on Banking Supervision (BCBS) has implemented a set of capital, liquidity and funding reforms known as "Basel III". The objectives of the reforms are to increase the quality, consistency and transparency of capital, to enhance the risk coverage framework, and to reduce systemic and pro-cyclical risk. The major reforms are being implemented on a phased approach to 1 January 2019.

The capital reforms were implemented in Australia from 1 January 2013. APRA has adopted a more conservative approach than the minimum standards published by the BCBS and also adopted an accelerated timetable for implementation.

The APRA prudential standards require a minimum CET1 ratio of 4.5% effective from 1 January 2013. An additional CET1 capital conservation buffer of 3.5%, inclusive of a Domestic Systemically Important Bank (DSIB) requirement of 1% and a countercyclical capital buffer (CCyB)[(1)] of 0%, was effective from 1 January 2016, bringing the CET1 requirement to at least 8%.

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 dated and undated subordinated debt issues. 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 Committee of the Group and at regular intervals throughout the year to the Risk Committee. Three year capital forecasts are conducted on a quarterly basis and a detailed capital and strategic plan is presented to the Board annually.

Capital Management

The Group's CET1 ratio as measured on an APRA basis is 9.9% at 31 December 2016, compared with 10.6% at 30 June 2016 and 10.2% at 31 December 2015. The capital ratios were maintained well in excess of regulatory minimum capital adequacy requirements at all times throughout the year.

The Group's CET1 (APRA) ratio decreased 70 basis points for the half year ended 31 December 2016, After allowing for the implementation of the APRA requirement to hold additional capital of 80 basis points with respect to Australian residential mortgages, effective from 1 July 2016, the underlying increase in the Group's CET1 (APRA) ratio was 10 basis points on the prior half. This primarily reflected the impact of the capital generated from earnings, partially offset by the June 2016 final dividend (net of issuance of shares through the Dividend Reinvestment Plan (DRP)) and an increase in Risk Weighted Assets (RWA).

The Group's CET1 ratio as measured on an internationally comparable basis is 15.4% as at 31 December 2016, compared with 14.4% at 30 June 2016 and 14.3% at 31 December 2015.

Details on the major differences between the Basel III APRA and the Basel III internationally comparable ratios are provided on page 6.

(1) In January 2017 APRA announced that the CCyB for Australian exposures will remain at 0%. The Group has limited exposures to those offshore jurisdictions in which a CCyB in excess of 0% has been imposed.

Capital Initiatives

The following significant capital initiatives were undertaken during the half year:

Common Equity Tier 1 Capital

- The DRP in respect of the 2016 final dividend was satisfied by the issuance of $586 million of ordinary shares, representing a participation rate of 15.4%.

Additional Tier 1 and Tier 2 Capital

The Group issued a series of subordinated notes that are Basel III compliant Tier 2 capital:

- October 2016 USD750 million;
- November 2016 NZD400 million issued through ASB, its New Zealand subsidiary; and
- December 2016 issued three separate JPY subordinated notes totalling JPY40 billion.

Other Regulatory Changes

Financial Systems Inquiry

In December 2014, the Government released the final report of the Financial System Inquiry (FSI).

In July 2015, in connection with the FSI recommendations, APRA released the following:

- Information paper: "International capital comparison study" (APRA study), which endorsed the FSI recommendation that the capital of Australian ADIs should be unquestionably strong; and
- An announcement in relation to increases in the capital requirements under the IRB approach for Australian residential mortgages, effective from 1 July 2016, with the change aimed at increasing mortgage competition between the major banks and non-major banks.

In August 2016, APRA reaffirmed its aim to increase the average risk weight on Australian residential mortgages across all IRB banks to an average of at least 25%. APRA has advised that both recalibration and modelling changes are likely to lead to some volatility in mortgage risk weights as these changes are finalised.

APRA is expected to consult further with the industry on the FSI recommendations during 2017.

Basel Committee on Banking Supervision (BCBS)

The BCBS has issued a number of consultation documents associated with:

- Design of a framework for the application of capital floors based on standardised approaches;
- Revisions to the standardised approach for credit risk;
- Implementation of constraints on the use of internal credit risk models; and
- Revisions to operational risk capital.

In addition, the BCBS completed a review of the trading book requirements in January 2016 with an effective implementation date of 1 January 2019. The review of IRRBB was completed in April 2016, with the BCBS concluding that there will be no requirement to include this risk in the regulatory capital calculations. However, additional disclosure requirements will be implemented from 1 January 2018.

APRA is expected to consult on the domestic application of all of the above changes following finalisation by the BCBS.

Other Regulatory Changes (continued)

Composition of Level 2 ADI Groups

In May 2014, APRA provided more clarity on the definition of the Level 2 Banking Group. Subsidiary intermediate holding companies are considered part of the Level 2 Group, regardless of the nature of any activity undertaken by their operating subsidiaries. As a result, capital benefits arising from the debt issued by the Colonial Group are being phased out, with APRA granting transition arrangements in line with the maturity profile of the debt.

From 31 December 2016, a number of intermediate holding companies within the Colonial Group are now consolidated into the Level 2 Banking Group. This change had minimal impact on the Group's capital.

Conglomerate Groups

APRA is extending its prudential supervision framework to Conglomerate Groups that have material operations in more than one APRA regulated industry and/or have one or more material unregulated entities. In March 2016 APRA advised that it was deferring finalisation of the capital requirements with respect to conglomerates until after the completion of other domestic and international policy initiatives. APRA does not anticipate that consultation on the capital requirements will commence earlier than mid-2017. Non capital related requirements, which include governance, risk exposures and intra group exposures, will become effective on 1 July 2017.

Summary Group Capital Adequacy Ratios (Level 2)	31 Dec 16 %	30 Jun 16 %	31 Dec 15 %
Common Equity Tier 1	**9. 9**	10. 6	10. 2
Tier 1	**11. 5**	12. 3	12. 2
Tier 2	**2. 2**	2. 0	1. 9
Total Capital (APRA)	**13. 7**	14. 3	14. 1
Common Equity Tier 1 (Internationally Comparable) (1)	**15. 4**	14. 4	14. 3

(1) Analysis aligns with the 13 July 2015 APRA study titled "International capital comparison study".

	APRA 31 Dec 16 $M	APRA 30 Jun 16 $M	APRA 31 Dec 15 $M
Ordinary Share Capital and Treasury Shares (1)	**34,709**	34,129	33,577
Reserves	**1,992**	2,591	2,373
Retained earnings	**24,157**	23,176	22,067
Non-controlling interests	**-**	-	-
Common Equity Tier 1 Capital before regulatory adjustments	**60,858**	59,896	58,017
Common Equity Tier 1 regulatory adjustments	**(17,533)**	(18,233)	(17,801)
Common Equity Tier 1 Capital	**43,325**	41,663	40,216
Additional Tier 1 Capital	**6,893**	6,890	7,756
Tier 1 Capital	**50,218**	48,553	47,972
Tier 2 Capital	**9,373**	7,924	7,333
Total Capital	**59,591**	56,477	55,305

(1) Inclusive of Treasury shares held by the Group's life insurance operations and employee share scheme trusts.

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

APS 330 Table 6g – Capital Ratios – Level 1 and Major Subsidiaries

Significant Group ADIs	31 Dec 16 %	30 Jun 16 %	31 Dec 15 %
CBA Level 1 CET1 Capital ratio	**10. 3**	11. 0	10. 7
CBA Level 1 Tier 1 Capital ratio	**11. 6**	12. 4	12. 6
CBA Level 1 Total Capital ratio	**13. 7**	14. 5	14. 5
ASB CET1 Capital ratio	**10. 0**	10. 0	9. 3
ASB Tier 1 Capital ratio	**12. 3**	12. 4	11. 3
ASB Total Capital ratio	**13. 8**	13. 3	12. 2

Capital

Regulatory Capital Framework Comparison

The APRA Basel III capital requirements are more conservative than those of the BCBS, leading to lower reported capital ratios.

In July 2015, APRA published a study on the calculation of internationally comparable capital by Australian banks entitled “International capital comparison study” (APRA study). As at 31 December 2016, the Group’s internationally comparable CET1, Tier 1 and Total Capital ratios were 15.4%, 17.4% and 19.8% respectively. The basis of this analysis aligns with the APRA study.

The following table provides details on the differences, as at 31 December 2016, between the APRA Basel III capital requirements and the internationally comparable capital ratios.

Item	APRA Study Reference	Description of adjustment	CET1 %	Tier 1 %	Total Capital %
Basel III (APRA)			**9. 9**	**11. 5**	**13. 7**
Equity investments	Appendix 1 Items 1, 2, 4	Balances below prescribed threshold are risk weighted, compared to a 100% CET1 deduction under APRA’s requirements.	0. 7	0. 7	0. 6
Capitalised expenses	Appendix 1 Item 5	Balances are risk weighted, compared to a 100% CET1 deduction under APRA's requirements.	0. 1	0. 1	0. 1
Deferred tax assets	Appendix 1 Item 3	Balances below prescribed threshold are risk weighted, compared to a 100% CET1 deduction under APRA’s requirements.	0. 3	0. 3	0. 2
IRRBB RWA	3.3.2	APRA requires capital to be held for IRRBB. The BCBS does not have any capital requirement.	0. 6	0. 7	0. 8
Residential mortgages	3.3.1	LGD of 15%, compared to the 20% LGD floor under APRA’s requirements and adjustments for higher correlation factor applied by APRA for Australian residential mortgages.	1. 7	1. 9	2. 3
Other retail standardised exposures	3.3.6	Risk weighting of 75%, rather than 100% under APRA’s requirements.	0. 1	0. 1	0. 1
Unsecured non-retail exposures	3.3.3	LGD of 45%, compared to the 60% or higher LGD under APRA’s requirements.	0. 7	0. 8	1. 0
Non-retail undrawn commitments	3.3.4	Credit conversion factor of 75%, compared to 100% under APRA’s requirements.	0. 4	0. 5	0. 6
Specialised lending	3.3.5	Use of IRB PDs and LGDs for income producing real estate and project finance exposures, reduced by application of a scaling factor of 1.06. APRA applies higher risk weights under a supervisory slotting approach, but does not require the application of the scaling factor.	0. 8	0. 9	1. 0
Currency conversion	3.3.7	Increase in the A$ equivalent concessional threshold level for small business retail and small/medium enterprise corporate exposures.	0. 1	0. 1	0. 1
Subtotal (1)			**15. 4**	**17. 6**	**20. 5**
Basel III non-compliant instruments		Removal of Basel III non compliant Tier 1 and Tier 2 instruments that are currently subject to transitional rules.	-	(0. 2)	(0. 7)
Basel III (Internationally Comparable - aligns with APRA study)			**15. 4**	**17. 4**	**19. 8**

(1) Represents ratios prior to adjustments made for non-compliant Basel III Tier 1 and Tier 2 Capital Instruments. This value is used in determining Leverage Ratio (Internationally Comparable) as determined on page 7.

The above calculations do not include the impact of a Basel I capital floor, which was introduced as a transitional measure as part of the implementation of Basel II. The Australian banks have now fully implemented Basel III and, therefore, it is difficult to calculate the impact of such a floor. APRA concluded in the APRA study that it is difficult to make adjustments for the floor in internationally comparable calculations at this time but the inclusion of a floor could reduce internationally comparable ratios by a material amount.

4 Leverage Ratio

The Group's leverage ratio, defined as Tier 1 Capital as a percentage of total exposures, was 4.9% at 31 December 2016 on an APRA basis and 5.5% on an internationally comparable basis.

The BCBS has advised that the leverage ratio will migrate to a Pillar 1 minimum capital requirement of 3% from 1 January 2018. The BCBS will confirm the final calibration in 2017.

Summary Group Leverage Ratio (1)	31 Dec 16	30 Sep 16	30 Jun 16	31 Mar 16
Tier 1 Capital ($M)	**50,218**	47,568	48,553	46,991
Total Exposures ($M) (2)	**1,018,931**	991,196	980,846	959,856
Leverage Ratio (APRA) (%)	**4.9**	4. 8	5. 0	4. 9
Leverage Ratio (Internationally Comparable) (%) (3)	**5.5**	5. 4	5. 6	5. 5

(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".

(3) The Tier 1 Capital included in the calculation of the internationally comparable leverage ratio aligns with the 13 July 2015 APRA study titled "International capital comparison study", and includes Basel III non-compliant Tier 1 instruments that are currently subject to transitional rules.

5 Risk Weighted Assets

Risk weighted assets are calculated using the AIRB approach for the majority of the Group's credit risk exposures.

Internal assessment and supervisory formula approaches are used where relevant for non-rated securitisation exposures and for rated exposures where APS 120 prohibits the Group using the ratings-based approach. The ratings-based approach is used for securitisation exposures rated by External Credit Assessment Institutions (ECAI) where APS 120 allows or requires.

APS 330 Table 6b to 6f – Basel III Capital Requirements (RWA)

	Risk Weighted Assets			Change in RWA for December 2016 half	
	31 Dec 16	30 Jun 16	31 Dec 15		
Asset Category	$M	$M	$M	$M	%
Credit Risk					
Subject to AIRB approach [(1)]					
Corporate [(2)]	**79,392**	71,682	73,555	7,710	10. 8
SME corporate [(2)]	**35,239**	29,957	26,570	5,282	17. 6
SME retail	**4,747**	4,953	5,648	(206)	(4. 2)
SME retail secured by residential mortgage	**2,812**	2,813	2,830	(1)	(0. 0)
Sovereign	**6,742**	6,622	6,516	120	1. 8
Bank	**13,481**	13,098	13,336	383	2. 9
Residential mortgage [(3)]	**115,647**	83,758	79,511	31,889	38. 1
Qualifying revolving retail	**9,413**	9,897	9,864	(484)	(4. 9)
Other retail	**14,970**	15,102	15,104	(132)	(0. 9)
Total RWA subject to AIRB approach	**282,443**	237,882	232,934	44,561	18. 7
Specialised lending [(2)]	**60,504**	56,795	54,885	3,709	6. 5
Subject to standardised approach					
Corporate [(2)]	**1,128**	10,982	10,284	(9,854)	(89. 7)
SME corporate [(2)]	**596**	4,133	4,571	(3,537)	(85. 6)
SME retail	**6,089**	6,122	6,093	(33)	(0. 5)
Sovereign	**242**	268	206	(26)	(9. 7)
Bank	**192**	224	236	(32)	(14. 3)
Residential mortgage [(2)]	**4,788**	7,428	7,044	(2,640)	(35. 5)
Other retail	**2,776**	2,750	2,744	26	0. 9
Other assets	**5,385**	5,360	5,811	25	0. 5
Total RWA subject to standardised approach	**21,196**	37,267	36,989	(16,071)	(43. 1)
Securitisation	**1,572**	1,511	1,567	61	4. 0
Credit valuation adjustment	**6,332**	8,273	7,686	(1,941)	(23. 5)
Central counterparties	**1,479**	2,302	896	(823)	(35. 8)
Total RWA for credit risk exposures	**373,526**	344,030	334,957	29,496	8. 6
Traded market risk	**5,707**	9,439	7,451	(3,732)	(39. 5)
Interest rate risk in the banking book	**23,498**	7,448	17,511	16,050	large
Operational risk	**33,750**	33,750	32,743	-	-
Total risk weighted assets	**436,481**	394,667	392,662	41,814	10. 6

(1) Pursuant to APRA requirements, RWA amounts derived from AIRB risk weight functions have been multiplied by a scaling factor of 1.06. Comparatives have been restated to conform to presentation in the current period.

(2) APRA has re-accredited the use of the AIRB approach for the Bankwest non-retail portfolio, effective 30 September 2016.

(3) Includes $32.0 billion due to implementation of APRA requirements to increase the average risk weight applied to Australian residential mortgages using the AIRB approach, effective 1 July 2016.

Risk Weighted Assets

Total Group RWA increased by $41.8 billion or 10.6% on the prior half to $436.5 billion.

Credit Risk RWA

After allowing for an increase in risk weighted assets of $32.0 billion to meet APRA's requirements for Australian residential mortgages, there was a modest decrease of $2.5 billion on the prior half. This was primarily due to:

- Improved credit quality across most portfolios; and
- Advanced IRB accreditation for Bankwest non-retail portfolios.

This decrease was partly offset by business growth.

Traded Market Risk RWA

Traded market risk RWA decreased by $3.7 billion or 39.5% on the prior half to $5.7 billion. This decrease was mainly due to:

- An enhanced model measurement approach for some interest rate exposures in currencies with negative or near zero rates; and
- Reduced equity risk.

Interest Rate Risk in the Banking Book (IRRBB) RWA

IRRBB RWA increased $16 billion or 215% on the prior half to $23.5 billion. This was driven by increases arising from:

- An APRA requirement to include spread risk for debt securities held in the banking book;
- Reduced embedded gains and the higher modelled volatility of rates due to the higher interest rate environment; and
- Interest rate risk management activity.

The increase caused by these factors was partly offset by an enhanced model measurement approach for optionality risk on non-maturity deposits.

Operational Risk RWA

Operational Risk RWA have remained unchanged over the prior half representing the regulatory minimum threshold.

Explanation of change in credit RWA

The composition of the movement in Credit RWA over the prior half is shown below.

		Credit RWA movement drivers				
	Change in RWA for Dec 16 half	Volume changes	FX changes	Credit risk estimates changes and regulatory treatments (1)	Data and methodology changes	Change in credit quality
Asset Category	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**
AIRB corporate including SME and specialised lending	**16,494**	1,874	443	15,050	513	(1,386)
AIRB bank	**382**	496	69	50	83	(316)
AIRB sovereign	**120**	423	(123)	10	(13)	(177)
AIRB consumer retail	**31,273**	3,098	127	32,125	(113)	(3,964)
Standardised (including other assets, CCP and CVA)	**(18,834)**	1,882	-	(16,171)	(1,431)	(3,114)
Securitisation exposures	**61**	18	(3)	-	-	46
Total credit RWA movement	**29,496**	**7,791**	**513**	**31,064**	**(961)**	**(8,911)**

(1) Includes impact of re-accreditation of Bankwest non-retail portfolio and implementation of APRA requirements to increase the average risk weight applied to Australian residential mortgages.

6 Credit Risk

6.1 Credit Risk Exposure – Excluding Equities and Securitisation

The following tables detail credit risk exposures subject to AIRB and Standardised approaches.

APS 330 Table 7i – Credit risk exposures by portfolio type and modelling approach

	31 December 2016						
		Off Balance Sheet					
Portfolio Type	On Balance Sheet $M	Non-market related $M	Market related $M	Total $M	Average exposure for December 2016 half [1] $M	Change in exposure for December 2016 half [2] $M	%
Subject to AIRB approach							
Corporate [3] [4]	72,154	50,176	9,568	**131,898**	123,846	16,103	13. 9
SME corporate [3]	44,044	9,726	889	**54,659**	50,776	7,767	16. 6
SME retail	6,977	3,186	-	**10,163**	10,274	(222)	(2. 1)
SME retail secured by residential mortgage	4,566	1,442	-	**6,008**	5,868	280	4. 9
Sovereign	83,209	1,173	2,550	**86,932**	83,307	7,250	9. 1
Bank	30,455	2,584	11,554	**44,593**	43,104	2,978	7. 2
Residential mortgage	463,471	74,228	-	**537,699**	529,015	17,367	3. 3
Qualifying revolving retail	10,025	17,273	-	**27,298**	27,312	(27)	(0. 1)
Other retail	7,938	3,142	-	**11,080**	11,095	(30)	(0. 3)
Total AIRB approach	722,839	162,930	24,561	**910,330**	884,597	51,466	6. 0
Specialised lending [3] [4]	55,736	12,354	704	**68,794**	68,046	1,496	2. 2
Subject to standardised approach							
Corporate [3]	913	236	9	**1,158**	6,100	(9,883)	(89. 5)
SME corporate [3]	419	170	6	**595**	2,350	(3,510)	(85. 5)
SME retail	5,155	866	55	**6,076**	6,096	(41)	(0. 7)
Sovereign	503	-	-	**503**	519	(33)	(6. 2)
Bank	565	-	-	**565**	623	(115)	(16. 9)
Residential mortgage [3]	9,359	1,752	-	**11,111**	12,416	(2,610)	(19. 0)
Other retail	2,659	114	-	**2,773**	2,755	35	1. 3
Other assets	10,321	-	-	**10,321**	10,627	(612)	(5. 6)
Central counterparties	-	-	5,086	**5,086**	5,955	(1,737)	(25. 5)
Total standardised approach	29,894	3,138	5,156	**38,188**	47,441	(18,506)	(32. 6)
Total credit exposures [5]	808,469	178,422	30,421	**1,017,312**	1,000,084	34,456	3. 5

(1) The simple average of balances as at 31 December 2016 and 30 June 2016.
(2) The difference between exposures as at 31 December 2016 and 30 June 2016.
(3) APRA has re-accredited the use of the AIRB approach for the Bankwest non-retail portfolio, effective 30 September 2016. This increased AIRB Corporate ($1.9 billion), AIRB SME Corporate ($5.8 billion), and Specialised Lending ($9.8 billion) which was offset by a reduction in standardised exposures.
(4) Specialised Lending includes an increase of $9.8 billion from re-accreditation of Bankwest non-retail portfolios, offset by a reclassification of exposures to AIRB Corporate of $9.5 billion.
(5) Total credit risk exposures (calculated as EAD) do not include equities or securitisation exposures.

Explanation of change in credit risk exposure

Details of credit risk exposure movements over the prior half are as follows:

Asset Category	Total exposure change $M	Regulatory Exposure Driver
AIRB corporate (including SME) and specialised lending	**25,424**	Primarily reflects re-accreditation of Bankwest non-retail portfolio and volume growth.
AIRB sovereign	**7,250**	Primarily reflects volume growth, partly offset by FX movements.
AIRB bank	**2,978**	Primarily reflects volume growth.
AIRB consumer retail	**17,310**	Primarily reflects volume growth.
Total advanced and specialised lending	**52,962**	
Standardised including other assets and central counterparties	**(18,506)**	Primarily reflects re-accreditation of Bankwest.
Total excluding securitisation and equity exposures	**34,456**	

APS 330 Table 7i – Credit risk exposures by portfolio type and modelling approach (continued)

	30 June 2016						
		Off Balance Sheet					
Portfolio Type	On balance sheet $M	Non-market related $M	Market related $M	Total $M	Average exposure for June 2016 half [1] $M	Change in exposure for June 2016 half [2] $M	%
Subject to AIRB approach							
Corporate	60,865	45,171	9,759	115,795	118,797	(6,004)	(4. 9)
SME corporate	38,629	7,474	789	46,892	43,472	6,840	17. 1
SME retail	7,293	3,065	27	10,385	10,664	(558)	(5. 1)
SME retail secured by residential mortgage	4,624	1,104	-	5,728	5,766	(76)	(1. 3)
Sovereign	75,848	1,299	2,535	79,682	78,872	1,620	2. 1
Bank	27,823	2,324	11,468	41,615	41,829	(427)	(1. 0)
Residential mortgage	447,283	73,049	-	520,332	510,634	19,396	3. 9
Qualifying revolving retail	9,889	17,436	-	27,325	27,277	96	0. 4
Other retail	7,944	3,166	-	11,110	11,053	114	1. 0
Total AIRB approach	680,198	154,088	24,578	858,864	848,364	21,001	2. 5
Specialised lending	52,102	13,123	2,073	67,298	66,191	2,214	3. 4
Subject to standardised approach							
Corporate	9,105	1,837	99	11,041	10,709	664	6. 4
SME corporate	3,783	302	20	4,105	4,320	(430)	(9. 5)
SME retail	5,258	836	23	6,117	6,104	26	0. 4
Sovereign	531	5	-	536	482	108	25. 2
Bank	673	7	-	680	720	(79)	(10. 4)
Residential mortgage	11,621	2,076	24	13,721	13,232	978	7. 7
Other retail	2,652	86	-	2,738	2,734	6	0. 2
Other assets	10,933	-	-	10,933	11,118	(371)	(3. 3)
Central counterparties	-	-	6,823	6,823	5,663	2,321	51. 6
Total standardised approach	44,556	5,149	6,989	56,694	55,082	3,223	6. 0
Total credit exposures [3]	776,856	172,360	33,640	982,856	969,637	26,438	2. 8

(1) The simple average of balances as at 30 June 2016 and 31 December 2015.
(2) The difference between exposures as at 30 June 2016 and 31 December 2015.
(3) Total credit risk exposures (calculated as EAD) do not include equities or securitisation exposures.

APS 330 Table 7i – Credit risk exposures by portfolio type and modelling approach (continued)

	31 December 2015				Average exposure for December 2015 half [1]	Change in exposure for December 2015 half [2]	
		Off Balance Sheet					
	On balance sheet	Non-market related	Market related	Total			
Portfolio Type	$M	$M	$M	$M	$M	$M	%
Subject to AIRB approach							
Corporate	66,654	48,033	7,112	121,799	114,907	13,785	12. 8
SME corporate	33,208	6,565	279	40,052	41,588	(3,072)	(7. 1)
SME retail	7,400	3,305	238	10,943	10,667	552	5. 3
SME retail secured by residential mortgage	4,537	1,267	-	5,804	6,008	(408)	(6. 6)
Sovereign	74,277	1,124	2,661	78,062	73,107	9,911	14. 5
Bank	27,691	2,444	11,907	42,042	45,697	(7,310)	(14. 8)
Residential mortgage	429,051	71,885	-	500,936	492,887	16,098	3. 3
Qualifying revolving retail	9,945	17,284	-	27,229	27,149	161	0. 6
Other retail	7,937	3,059	-	10,996	10,913	166	1. 5
Total AIRB approach	660,700	154,966	22,197	837,863	822,922	29,883	3. 7
Specialised lending	49,399	14,036	1,649	65,084	62,986	4,196	6. 9
Subject to standardised approach							
Corporate	8,646	1,651	80	10,377	10,394	(33)	(0. 3)
SME corporate	4,129	385	21	4,535	5,194	(1,318)	(22. 5)
SME retail	5,289	774	28	6,091	5,965	253	4. 3
Sovereign	421	7	-	428	409	38	9. 7
Bank	758	1	-	759	746	27	3. 7
Residential mortgage	10,835	1,890	18	12,743	12,358	771	6. 4
Other retail	2,643	88	1	2,732	2,698	68	2. 6
Other assets	11,304	-	-	11,304	10,583	1,442	14. 6
Central counterparties	-	-	4,502	4,502	3,966	1,072	31. 3
Total standardised approach	44,025	4,796	4,650	53,471	52,311	2,320	4. 5
Total credit exposures [3]	754,124	173,798	28,496	956,418	938,219	36,399	4. 0

(1) The simple average of balances as at 31 December 2015 and 30 June 2015.
(2) The difference between exposures as at 31 December 2015 and 30 June 2015.
(3) Total credit risk exposures (calculated as EAD) do not include equities or securitisation exposures.

APS 330 Table 7b – Credit risk exposure by portfolio type

Portfolio Type	As at 31 Dec 16 $M	Half year average [1] $M
Corporate	**133,056**	129,946
SME corporate	**55,254**	53,126
SME retail	**16,239**	16,370
SME retail secured by residential mortgage	**6,008**	5,868
Sovereign	**87,435**	83,826
Bank	**45,158**	43,727
Residential mortgage	**548,810**	541,431
Qualifying revolving retail	**27,298**	27,312
Other retail	**13,853**	13,850
Specialised lending	**68,794**	68,046
Other assets	**10,321**	10,627
Central counterparties	**5,086**	5,955
Total credit exposures [2]	**1,017,312**	1,000,084

Portfolio Type	As at 30 Jun 16 $M	Half year average [1] $M
Corporate	126,836	129,506
SME corporate	50,997	47,792
SME retail	16,502	16,768
SME retail secured by residential mortgage	5,728	5,766
Sovereign	80,218	79,354
Bank	42,295	42,548
Residential mortgage	534,053	523,866
Qualifying revolving retail	27,325	27,277
Other retail	13,848	13,787
Specialised lending	67,298	66,191
Other assets	10,933	11,119
Central counterparties	6,823	5,663
Total credit exposures [2]	982,856	969,637

Portfolio Type	As at 31 Dec 15 $M	Half year average [1] $M
Corporate	132,176	125,300
SME corporate	44,587	46,782
SME retail	17,034	16,632
SME retail secured by residential mortgage	5,804	6,008
Sovereign	78,490	73,516
Bank	42,801	46,443
Residential mortgage	513,679	505,245
Qualifying revolving retail	27,229	27,149
Other retail	13,728	13,611
Specialised lending	65,084	62,986
Other assets	11,304	10,583
Central counterparties	4,502	3,966
Total credit exposures [2]	956,418	938,219

(1) The simple average of the closing balance and the previous half year.
(2) Total credit risk exposures do not include equities or securitisation exposures.

Credit Risk

APS 330 Table 7c – Credit risk exposure by portfolio type and geographic distribution

	31 December 2016 (1)			
Portfolio Type	Australia $M	New Zealand $M	Other $M	Total $M
Corporate	76,248	9,450	47,358	**133,056**
SME corporate	39,388	14,781	1,085	**55,254**
SME retail (2)	18,414	3,003	830	**22,247**
Sovereign	49,955	3,572	33,908	**87,435**
Bank	19,662	2,316	23,180	**45,158**
Residential mortgage	492,186	56,128	496	**548,810**
Qualifying revolving retail	27,298	-	-	**27,298**
Other retail	10,795	2,810	248	**13,853**
Specialised lending	55,447	7,060	6,287	**68,794**
Other assets	8,367	603	1,351	**10,321**
Central counterparties	448	-	4,638	**5,086**
Total credit exposures (3)	798,208	99,723	119,381	**1,017,312**

	30 June 2016 (1)			
Portfolio Type	Australia $M	New Zealand $M	Other $M	Total $M
Corporate	75,574	8,276	42,986	126,836
SME corporate	35,067	14,378	1,552	50,997
SME retail (2)	18,421	3,001	808	22,230
Sovereign	49,505	3,083	27,630	80,218
Bank	17,762	1,656	22,877	42,295
Residential mortgage	480,534	53,036	483	534,053
Qualifying revolving retail	27,325	-	-	27,325
Other retail	11,121	2,708	19	13,848
Specialised lending	49,583	7,492	10,223	67,298
Other assets	9,052	511	1,370	10,933
Central counterparties	451	-	6,372	6,823
Total credit exposures (3)	774,395	94,141	114,320	982,856

	31 December 2015 (1)			
Portfolio Type	Australia $M	New Zealand $M	Other $M	Total $M
Corporate	80,488	8,827	42,861	132,176
SME corporate	31,605	12,386	596	44,587
SME retail (2)	18,925	2,852	1,061	22,838
Sovereign	44,837	2,578	31,075	78,490
Bank	16,974	1,500	24,327	42,801
Residential mortgage	463,587	49,615	477	513,679
Qualifying revolving retail	27,229	-	-	27,229
Other retail	11,113	2,591	24	13,728
Specialised lending	47,452	6,686	10,946	65,084
Other assets	9,224	613	1,467	11,304
Central counterparties	326	-	4,176	4,502
Total credit exposures (3)	751,760	87,648	117,010	956,418

(1) Balances are reported based on the risk domicile of the borrowers.
(2) Including SME retail secured by residential property.
(3) Total credit risk exposures do not include equities or securitisation exposures.

APS 330 Table 7d – Credit risk exposure by portfolio type and industry sector

	31 December 2016							
	Industry Sector							
Portfolio Type	Residential mortgage $M	Other personal $M	Asset finance $M	Sovereign $M	Bank $M	Other finance $M	Agriculture $M	Mining $M
Corporate	-	-	2,198	-	-	26,795	2,412	11,059
SME corporate	-	-	2,914	-	-	2,532	16,832	217
SME retail (1)	-	-	3,799	-	-	481	1,806	66
Sovereign	-	-	-	87,435	-	-	-	-
Bank	-	-	-	-	45,158	-	-	-
Residential mortgage	548,810	-	-	-	-	-	-	-
Qualifying revolving retail	-	27,298	-	-	-	-	-	-
Other retail	-	13,618	-	-	-	-	-	-
Specialised lending	-	-	4	-	-	-	82	2,279
Other assets	-	2,977	-	-	-	-	-	-
Central counterparties	-	-	-	-	-	5,086	-	-
Total credit exposures (2)	548,810	43,893	8,915	87,435	45,158	34,894	21,132	13,621

	Industry Sector							
Portfolio Type	Manufacturing $M	Energy $M	Construction $M	Retail/ wholesale trade $M	Transport and storage $M	Property (3) $M	Other $M	Total $M
Corporate	12,287	9,255	3,552	15,161	17,859	7,878	24,600	**133,056**
SME corporate	3,269	580	2,710	7,129	1,857	603	16,611	**55,254**
SME retail (1)	1,002	31	1,514	2,762	493	1,994	8,299	**22,247**
Sovereign	-	-	-	-	-	-	-	**87,435**
Bank	-	-	-	-	-	-	-	**45,158**
Residential mortgage	-	-	-	-	-	-	-	**548,810**
Qualifying revolving retail	-	-	-	-	-	-	-	**27,298**
Other retail	-	-	-	235	-	-	-	**13,853**
Specialised lending	-	1,721	1,049	243	1,378	58,826	3,212	**68,794**
Other assets	-	-	-	-	-	-	7,344	**10,321**
Central counterparties	-	-	-	-	-	-	-	**5,086**
Total credit exposures (2)	16,558	11,587	8,825	25,530	21,587	69,301	60,066	**1,017,312**

(1) SME retail business lending secured by residential property has been allocated by industry.
(2) Total credit risk exposures do not include equities or securitisation exposures.
(3) Property includes Real Estate Investment Trusts (REIT) and excludes Business Services.

APS 330 Table 7d – Credit risk exposure by portfolio type and industry sector (continued)

	30 June 2016							
	Industry Sector							
Portfolio Type	**Residential mortgage $M**	**Other personal $M**	**Asset finance $M**	**Sovereign $M**	**Bank $M**	**Other finance $M**	**Agriculture $M**	**Mining $M**
Corporate	-	-	2,079	-	-	24,838	1,744	10,858
SME corporate	-	364	2,846	-	-	2,614	15,553	260
SME retail [1]	-	501	3,775	-	-	495	1,733	58
Sovereign	-	-	-	80,218	-	-	-	-
Bank	-	-	-	-	42,295	-	-	-
Residential mortgage	530,804	-	-	-	-	111	259	7
Qualifying revolving retail	-	27,325	-	-	-	-	-	-
Other retail	-	13,848	-	-	-	-	-	-
Specialised lending	-	-	7	-	-	7	195	3,573
Other assets	-	3,176	-	-	-	-	5	-
Central counterparties	-	-	-	-	-	6,823	-	-
Total credit exposures [2]	530,804	45,214	8,707	80,218	42,295	34,888	19,489	14,756

	Industry Sector							
Portfolio Type	**Manufacturing $M**	**Energy $M**	**Construction $M**	**Retail/ wholesale trade $M**	**Transport and storage $M**	**Property [3] $M**	**Other $M**	**Total $M**
Corporate	12,045	7,732	2,881	15,237	12,142	14,992	22,288	126,836
SME corporate	2,915	41	2,483	6,084	2,344	702	14,791	50,997
SME retail [1]	949	32	1,439	2,695	484	1,940	8,129	22,230
Sovereign	-	-	-	-	-	-	-	80,218
Bank	-	-	-	-	-	-	-	42,295
Residential mortgage	127	-	168	580	98	1,448	451	534,053
Qualifying revolving retail	-	-	-	-	-	-	-	27,325
Other retail	-	-	-	-	-	-	-	13,848
Specialised lending	-	2,244	1,138	184	6,592	48,359	4,999	67,298
Other assets	9	-	-	3	-	-	7,740	10,933
Central counterparties	-	-	-	-	-	-	-	6,823
Total credit exposures [2]	16,045	10,049	8,109	24,783	21,660	67,441	58,398	982,856

(1) SME retail business lending secured by residential property has been allocated by industry.
(2) Total credit risk exposures do not include equities or securitisation exposures.
(3) Property includes REITs and excludes Business Services.

APS 330 Table 7d – Credit risk exposure by portfolio type and industry sector (continued)

	31 December 2015							
	Industry Sector							
Portfolio Type	**Residential mortgage $M**	**Other personal $M**	**Asset finance $M**	**Sovereign $M**	**Bank $M**	**Other finance $M**	**Agriculture $M**	**Mining $M**
Corporate	-	-	2,349	-	-	22,980	1,795	12,320
SME corporate	-	387	2,861	-	-	1,629	13,881	202
SME retail (1)	-	551	3,760	-	-	667	1,730	66
Sovereign	-	-	-	78,490	-	-	-	-
Bank	-	-	-	-	42,801	-	-	-
Residential mortgage	510,423	-	-	-	-	108	256	7
Qualifying revolving retail	-	27,229	-	-	-	-	-	-
Other retail	-	13,728	-	-	-	-	-	-
Specialised lending	-	-	10	-	-	86	206	4,249
Other assets	-	3,304	-	-	-	-	15	-
Central counterparties	-	-	-	-	-	4,502	-	-
Total credit exposures (2)	510,423	45,199	8,980	78,490	42,801	29,972	17,883	16,844

	Industry Sector							
Portfolio Type	**Manufacturing $M**	**Energy $M**	**Construction $M**	**Retail/ wholesale trade $M**	**Transport and storage $M**	**Property (3) $M**	**Other $M**	**Total $M**
Corporate	13,964	8,449	3,325	14,211	13,307	13,949	25,527	132,176
SME corporate	2,580	24	2,396	5,604	1,160	687	13,176	44,587
SME retail (1)	915	32	1,390	2,736	479	1,964	8,548	22,838
Sovereign	-	-	-	-	-	-	-	78,490
Bank	-	-	-	-	-	-	-	42,801
Residential mortgage	146	-	176	514	96	1,334	619	513,679
Qualifying revolving retail	-	-	-	-	-	-	-	27,229
Other retail	-	-	-	-	-	-	-	13,728
Specialised lending	3	1,851	1,080	320	6,334	46,001	4,944	65,084
Other assets	16	-	-	11	1	-	7,957	11,304
Central counterparties	-	-	-	-	-	-	-	4,502
Total credit exposures (2)	17,624	10,356	8,367	23,396	21,377	63,935	60,771	956,418

(1) SME retail business lending secured by residential property has been allocated by industry.
(2) Total credit risk exposures do not include equities or securitisation exposures.
(3) Property includes REITs and excludes Business Services.

APS 330 Table 7e – Credit risk exposure by portfolio type and residual contractual maturity

	31 December 2016				
	≤ 12mths	1 ≤ 5yrs	> 5 years	No specified maturity	Total
Portfolio Type	$M	$M	$M	$M	$M
Corporate	23,726	100,197	8,819	314	**133,056**
SME corporate	14,254	33,787	7,213	-	**55,254**
SME retail (1)	4,449	13,354	4,444	-	**22,247**
Sovereign	23,897	38,830	24,708	-	**87,435**
Bank	21,586	23,478	94	-	**45,158**
Residential mortgage	20,287	26,917	446,993	54,613	**548,810**
Qualifying revolving retail	-	-	-	27,298	**27,298**
Other retail	146	5,505	3,149	5,053	**13,853**
Specialised lending	17,210	47,897	3,687	-	**68,794**
Other assets	3,050	719	349	6,203	**10,321**
Central counterparties	874	4,209	3	-	**5,086**
Total credit exposures (2)	129,479	294,893	499,459	93,481	**1,017,312**

	30 June 2016				
	≤ 12mths	1 ≤ 5yrs	> 5 years	No specified maturity	Total
Portfolio Type	$M	$M	$M	$M	$M
Corporate	21,868	98,992	5,524	452	126,836
SME corporate	12,904	29,865	8,228	-	50,997
SME retail (1)	4,328	13,461	4,441	-	22,230
Sovereign	18,356	35,733	26,129	-	80,218
Bank	23,819	18,450	26	-	42,295
Residential mortgage	19,379	20,788	437,580	56,306	534,053
Qualifying revolving retail	-	-	-	27,325	27,325
Other retail	105	5,224	3,347	5,172	13,848
Specialised lending	17,041	44,507	5,647	103	67,298
Other assets	3,244	855	344	6,490	10,933
Central counterparties	1,452	5,364	7	-	6,823
Total credit exposures (2)	122,496	273,239	491,273	95,848	982,856

	31 December 2015				
	≤ 12mths	1 ≤ 5yrs	> 5 years	No specified maturity	Total
Portfolio Type	$M	$M	$M	$M	$M
Corporate	22,417	103,115	6,200	444	132,176
SME corporate	10,720	26,114	7,753	-	44,587
SME retail (1)	4,264	13,879	4,695	-	22,838
Sovereign	22,971	31,918	23,601	-	78,490
Bank	22,540	20,226	35	-	42,801
Residential mortgage	19,260	15,730	421,036	57,653	513,679
Qualifying revolving retail	-	-	-	27,229	27,229
Other retail	101	5,016	3,529	5,082	13,728
Specialised lending	17,770	41,470	5,741	103	65,084
Other assets	3,411	840	366	6,687	11,304
Central counterparties	2,282	2,153	67	-	4,502
Total credit exposures (2)	125,736	260,461	473,023	97,198	956,418

(1) Including SME retail secured by residential property.
(2) Total credit risk exposures do not include equities or securitisation exposures.

6.2 Past Due and Impaired Exposures, Provisions and Reserves

All provisions for impairment assessed on an individual basis in accordance with the Australian Accounting Standards are classified as specific provisions in accordance with APS220 "Credit Quality". Most of the collective provisions raised under the Australian Accounting Standards are included in the General Reserve for Credit Losses (GRCL), however, certain collective provisions not eligible for inclusion in the GRCL are classified as specific provisions. This includes, for example, collective provisions on unsecured retail products 90 days or more past due.

Reconciliation of Australian Accounting Standards, APS 220 based credit provisions and APS 330 Table 7j – General reserve for credit losses

	31 December 2016		
	General reserve for credit losses (1) $M	Specific provision (1) $M	Total provisions $M
Collective provision (2)	2,561	246	**2,807**
Individual provisions (2)	-	1,017	**1,017**
Total provisions	2,561	1,263	**3,824**
Additional GRCL requirement (3)	532	-	**532**
Total regulatory provisions	3,093	1,263	**4,356**

(1) Provisions classified according to APS 220 "Credit Quality".
(2) Provisions as reported in financial accounts according to the Australian Accounting Standards.
(3) The Group has recognised a deduction from CET1 of $532 million in order to maintain the required minimum GRCL.

	30 June 2016		
	General reserve for credit losses (1) $M	Specific provision (1) $M	Total provisions $M
Collective provision (2)	2,562	256	2,818
Individual provisions (2)	-	944	944
Total provisions	2,562	1,200	3,762
Additional GRCL requirement (3)	552	-	552
Total regulatory provisions	3,114	1,200	4,314

(1) Provisions classified according to APS 220 "Credit Quality".
(2) Provisions as reported in financial accounts according to the Australian Accounting Standards.
(3) The Group has recognised a deduction from CET1 of $552 million in order to maintain the required minimum GRCL.

	31 December 2015		
	General reserve for credit losses (1) $M	Specific provision (1) $M	Total provisions $M
Collective provision (2)	2,656	145	2,801
Individual provisions (2)	-	909	909
Total provisions	2,656	1,054	3,710
Additional GRCL requirement (3)	386	-	386
Total regulatory provisions	3,042	1,054	4,096

(1) Provisions classified according to APS 220 "Credit Quality".
(2) Provisions as reported in financial accounts according to the Australian Accounting Standards.
(3) The Group has recognised a deduction from CET1 of $386 million in order to maintain the required minimum GRCL.

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

APS 330 Table 7f (i) – Impaired, past due, specific provisions and write-offs charged by industry sector

	31 December 2016				
Industry Sector	Impaired assets $M	Past due loans ≥ 90 days $M	Specific provision balance (1) $M	Net half year charges for individual provisions $M	Half year actual losses (2) $M
Home loans	1,102	1,883	308	71	54
Other personal	239	25	173	-	327
Asset finance	68	5	27	5	22
Sovereign	-	-	-	-	-
Bank	9	-	9	(1)	-
Other finance	19	6	18	-	5
Agriculture	458	54	64	17	26
Mining	236	7	72	-	6
Manufacturing	336	36	138	5	14
Energy	12	-	13	9	12
Construction	41	37	20	4	20
Wholesale/retail trade	251	66	81	72	13
Transport and storage	199	18	68	52	1
Property	167	102	92	(2)	7
Other	238	101	180	43	36
Total	3,375	2,340	1,263	275	543

(1) Specific provision balance includes certain Australian Accounting Standards collective provisions on some past due loans ≥ 90 days.
(2) Actual losses equal write-offs from individual provisions, write-offs direct from collective provisions less recoveries of amounts previously written off, for the half year ended 31 December 2016.

	30 June 2016				
Industry Sector	Impaired assets $M	Past due loans ≥ 90 days $M	Specific provision balance (1) $M	Net half year charges for individual provisions $M	Half year actual losses (2) $M
Home loans	1,032	1,899	269	66	34
Other personal	269	27	191	1	323
Asset finance	104	3	41	26	23
Sovereign	-	-	-	-	-
Bank	10	-	10	-	-
Other finance	20	5	23	(4)	9
Agriculture	386	51	65	14	24
Mining	174	8	82	13	88
Manufacturing	338	38	141	106	4
Energy	12	-	3	(5)	-
Construction	50	24	33	15	7
Wholesale/retail trade	67	58	37	21	49
Transport and storage	183	11	18	5	3
Property	217	97	103	18	25
Other	254	122	184	76	76
Total	3,116	2,343	1,200	352	665

(1) Specific provision balance includes certain Australian Accounting Standards collective provisions on some past due loans ≥ 90 days.
(2) Actual losses equal write-offs from individual provisions, write-offs direct from collective provisions less recoveries of amounts previously written off, for the half year ended 30 June 2016.

APS 330 Table 7f (i) – Impaired, past due, specific provisions and write-offs charged by industry sector (continued)

	31 December 2015				
Industry Sector	**Impaired assets $M**	**Past due loans ≥ 90 days $M**	**Specific provision balance (1) $M**	**Net half year charges for individual provisions $M**	**Half year actual losses (2) $M**
Home loans	984	1,587	180	46	51
Other personal	253	27	133	(1)	314
Asset finance	104	3	37	27	27
Sovereign	-	-	-	-	-
Bank	10	-	10	-	-
Other finance	28	13	33	6	(27)
Agriculture	323	53	73	(13)	66
Mining	244	11	172	106	4
Manufacturing	67	43	34	(4)	13
Energy	18	-	8	-	-
Construction	46	27	23	6	3
Wholesale/retail trade	104	57	61	28	18
Transport and storage	169	31	21	10	-
Property	164	66	104	(3)	12
Other	274	127	165	32	46
Total	2,788	2,045	1,054	240	527

(1) Specific provision balance includes certain Australian Accounting Standards collective provisions on some past due loans ≥ 90 days.

(2) Actual losses equal write-offs from individual provisions, write-offs direct from collective provisions less recoveries of amounts previously written off, for the half year ended 31 December 2015.

APS 330 Table 7f (ii) – Impaired, past due, specific provisions and write-offs charged by portfolio

	31 December 2016				
Portfolio	Impaired assets $M	Past due loans ≥ 90 days $M	Specific provision balance (1) $M	Net half year charges for individual provisions $M	Half year actual losses (2) $M
Corporate including SME, specialised lending and central counterparties	2,025	432	773	205	162
Sovereign	-	-	-	-	-
Bank	9	-	9	(1)	-
Residential mortgage	1,102	1,883	308	71	54
Qualifying revolving retail	96	-	58	-	123
Other retail	143	25	115	-	204
Total	3,375	2,340	1,263	275	543

(1) Specific provision balance includes certain Australian Accounting Standards collective provisions on some past due loans ≥ 90 days.
(2) Actual losses equal write-offs from individual provisions, write-offs direct from collective provisions less recoveries of amounts previously written off, for the half year ended 31 December 2016.

	30 June 2016				
Portfolio	Impaired assets $M	Past due loans ≥ 90 days $M	Specific provision balance (1) $M	Net half year charges for individual provisions $M	Half year actual losses (2) $M
Corporate including SME, specialised lending and central counterparties	1,805	417	730	285	308
Sovereign	-	-	-	-	-
Bank	10	-	10	-	-
Residential mortgage	1,032	1,899	269	66	34
Qualifying revolving retail	106	-	65	-	127
Other retail	163	27	126	1	196
Total	3,116	2,343	1,200	352	665

(1) Specific provision balance includes certain Australian Accounting Standards collective provisions on some past due loans ≥ 90 days.
(2) Actual losses equal write-offs from individual provisions, write-offs direct from collective provisions less recoveries of amounts previously written off, for the half year ended 30 June 2016.

	31 December 2015				
Portfolio	Impaired assets $M	Past due loans ≥ 90 days $M	Specific provision balance (1) $M	Net half year charges for individual provisions $M	Half year actual losses (2) $M
Corporate including SME, specialised lending and central counterparties	1,541	431	731	195	162
Sovereign	-	-	-	-	-
Bank	10	-	10	-	-
Residential mortgage	984	1,587	180	46	51
Qualifying revolving retail	103	-	59	-	137
Other retail	150	27	74	(1)	177
Total	2,788	2,045	1,054	240	527

(1) Specific provision balance includes certain Australian Accounting Standards collective provisions on some past due loans ≥ 90 days.
(2) Actual losses equal write-offs from individual provisions, write-offs direct from collective provisions less recoveries of amounts previously written off, for the half year ended 31 December 2015.

APS 330 Table 7g (i) – Impaired, past due and specific provisions by geographic region

	31 December 2016		
	Impaired assets	Past due loans ≥ 90 days	Specific provision balance
Geographic Region (1)	$M	$M	$M
Australia	2,468	2,218	1,053
New Zealand	550	75	76
Other	357	47	134
Total	3,375	2,340	1,263

	30 June 2016		
	Impaired assets	Past due loans ≥ 90 days	Specific provision balance
Geographic Region (1)	$M	$M	$M
Australia	2,475	2,226	1,033
New Zealand	508	74	82
Other	133	43	85
Total	3,116	2,343	1,200

	31 December 2015		
	Impaired assets	Past due loans ≥ 90 days	Specific provision balance
Geographic Region (1)	$M	$M	$M
Australia	2,154	1,913	828
New Zealand	424	82	73
Other	210	50	153
Total	2,788	2,045	1,054

(1) Balances are reported based on the risk domicile of the borrower. The Group's financial statements disclose balances based on the domicile of the lending entity.

The Group's GRCL (before tax) by geographic region is distributed as follows:

APS 330 Table 7g (ii) – GRCL by geographic region

	31 Dec 16	30 Jun 16	31 Dec 15
Geographic Region	$M	$M	$M
Australia	**2,650**	2,665	2,692
New Zealand	**251**	241	199
Other	**192**	208	151
Total GRCL	**3,093**	3,114	3,042

APS 330 Table 7h (i) – Movement in collective provisions and general reserve for credit losses

	Half Year Ended		
	31 Dec 16	30 Jun 16	31 Dec 15
Movement in Collective Provisions	$M	$M	$M
Opening balance	**2,818**	2,801	2,762
Net charge against profit and loss	**324**	340	324
Recoveries	**107**	105	120
Other	**1**	3	10
Write-offs	**(443)**	(431)	(415)
Total collective provisions	**2,807**	2,818	2,801
Less collective provisions transferred to specific provisions	**(246)**	(256)	(145)
Additional GRCL requirement (1)	**532**	552	386
General reserve for credit losses	**3,093**	3,114	3,042

(1) The Group recognised these amounts as a deduction from CET1 in order to maintain the required minimum GRCL.

APS 330 Table 7h (ii) – Movement in individual provisions and specific provisions

	Half Year Ended		
	31 Dec 16	30 Jun 16	31 Dec 15
Movement in Individual Provisions	$M	$M	$M
Opening balance for the period	**944**	909	887
Net new and increased provisioning	**370**	454	334
Net write back of provisions no longer required	**(95)**	(102)	(94)
Discount unwind to interest income	**(16)**	(14)	(13)
Other	**21**	36	27
Write-offs	**(207)**	(339)	(232)
Total individual provisions	**1,017**	944	909
Add collective provisions transferred to specific provisions	**246**	256	145
Specific provisions	**1,263**	1,200	1,054

6.3 Portfolios Subject to Standardised and Supervisory Risk-Weights

Portfolios that use the Standardised approach include:

Commonwealth Bank of Australia:

- Some retail SMEs (overdrawn accounts);
- Non-rated Corporate exposures;
- Some residential mortgages (purchased portfolios);
- Reverse mortgages;
- Margin lending;
- Non-recourse purchased receivables;
- Some branches (China, India and Vietnam); and
- Central counterparties.

Bankwest Division:

- Some residential mortgages (equity lines of credit); and
- Unsecured consumer retail (personal loans, credit cards and personal cheque accounts).

ASB Bank Limited:

- Personal loans and Retail SME.

All exposures in the following entities:

- CommBank Europe Limited;
- PT Bank Commonwealth (Indonesia); and
- China County Banks.

APS 330 Table 8b – Exposures subject to standardised and supervisory risk weights

	Exposure After Credit Risk Mitigation (1)		
	31 Dec 16 (2)	30 Jun 16	31 Dec 15
Standardised Approach Exposures	$M	$M	$M
Risk Weight			
0%	**2,742**	3,013	2,685
20%	**3,091**	3,690	4,171
35%	**7,190**	7,421	6,563
50%	**3,808**	3,668	3,467
75%	**518**	471	443
100%	**15,714**	31,353	31,336
150%	**39**	255	304
> 150%	**-**	-	-
Capital deductions	**-**	-	-
Total	**33,102**	49,871	48,969

(1) Exposure after credit risk mitigation does not include central counterparties, equity or securitisation exposures.
(2) Includes impact of re-accreditation of Bankwest non-retail portfolios.

APS 330 Table 8b – Exposures subject to standardised and supervisory risk weights (continued)

Other Assets [1]	31 December 2016 Exposure $M	Risk weight %	RWA $M
Cash	2,713	-	-
Cash items in course of collection	291	20	58
Margin lending [2]	2,977	33	987
Fixed and forward purchase assets	1,511	100	1,511
Other	2,829	≥100	2,829
Total	10,321	52	5,385

Other Assets [1]	30 June 2016 Exposure $M	Risk weight %	RWA $M
Cash	2,936	-	-
Cash items in course of collection	653	20	131
Margin lending [2]	3,176	33	1,061
Fixed and forward purchase assets	1,466	100	1,466
Other	2,702	≥100	2,702
Total	10,933	49	5,360

Other Assets [1]	31 December 2015 Exposure $M	Risk weight %	RWA $M
Cash	2,531	-	-
Cash items in course of collection	978	20	196
Margin lending [2]	3,304	34	1,124
Fixed and forward purchase assets	1,343	100	1,343
Other	3,148	≥100	3,148
Total	11,304	51	5,811

(1) Other Assets are included in Standardised Approach Exposures table above.
(2) Margin lending against listed instruments are risk weighted at 20%. Other unlisted instruments are risk weighted at 100%.

Specialised Lending Exposures Subject to Supervisory Slotting [1]	31 Dec 16 [2] $M	30 Jun 16 $M	31 Dec 15 $M
Risk Weight			
0%	**508**	562	480
70%	**18,781**	26,406	26,087
90%	**42,524**	34,594	33,198
115%	**6,198**	5,306	4,853
250%	**783**	430	466
Total exposures	**68,794**	67,298	65,084

(1) APRA requires certain specialised lending exposures including Income Producing Real Estate, Object and Project Finance to be assigned specific risk weights according to “slotting” criteria defined by the Regulator.
(2) Includes impact of re-accreditation of Bankwest non-retail portfolios.

6.4 Portfolios Subject to Internal Ratings Based Approaches

The Group's mapping of internal rating scales for risk-rated exposures to external rating agencies is detailed in APS 330 Table 9b.

APS 330 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% - 0.040%	AAA to AA-	Aaa to Aa3
Strong	B1 to C3	>0.040% - 0.453%	A+ to BBB-	A1 to Baa3
Pass	D1 to E3	>0.453% - 6.096%	BB+ to B-	Ba1 to B3
Weak/doubtful	F1 to G3	>6.096%	CCC to C	Caa to Ca
Restructured	R	22.22%	-	-
Defaulted	H	100%	D	C

APS 330 Table 9c – PD rating methodology by portfolio segment

Portfolio Segment	PD Rating Methodology
Bank and sovereign exposures	Expert judgement assigned risk rating, informed but not driven by rating agency views.
Large corporate exposures	Combination of Expert Judgement and PD Rating Tool assigned risk ratings depending on the industry sector.
Middle market and local business banking exposures	PD Rating Tools and Expert Judgement assigned risk rating.
SME retail exposures < $1m	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 of these.

Credit Risk Exposure Subject to the Advanced IRB Approach

APS 330 Table 9d (i) – Non-Retail exposures by portfolio type and PD band

	31 December 2016							
	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	$M
Total credit risk exposures								
Corporate	-	45,509	55,922	28,379	410	643	1,035	**131,898**
SME corporate	-	1,101	4,137	42,711	3,415	2,085	1,210	**54,659**
SME retail [2]	-	-	3,178	9,544	3,017	271	161	**16,171**
Sovereign	79,975	6,694	116	147	-	-	-	**86,932**
Bank	-	39,810	4,426	233	-	-	124	**44,593**
Total	79,975	93,114	67,779	81,014	6,842	2,999	2,530	**334,253**
Undrawn commitments [3]								
Corporate	-	17,377	22,797	9,435	155	217	195	**50,176**
SME corporate	-	84	1,233	7,877	306	181	45	**9,726**
SME retail [2]	-	-	1,525	2,634	439	18	12	**4,628**
Sovereign	941	183	42	7	-	-	-	**1,173**
Bank	-	2,003	509	72	-	-	-	**2,584**
Total	941	19,647	26,106	20,025	900	416	252	**68,287**
Exposure - weighted average EAD ($M)								
Corporate	-	3.194	2.536	0.754	0.348	0.840	1.437	**2.357**
SME corporate	-	0.530	0.308	0.282	0.251	0.219	0.265	**0.284**
SME retail [2]	-	-	0.040	0.042	0.054	0.044	0.081	**0.044**
Sovereign	8.618	6.648	0.212	0.325	-	-	-	**8.441**
Bank	-	8.701	4.298	1.221	-	-	41.244	**8.315**
Exposure - weighted average LGD (%)								
Corporate	-	57.2	53.4	45.7	45.4	48.0	52.8	**53.0**
SME corporate	-	60.6	34.5	30.6	32.3	34.9	35.7	**31.9**
SME retail [2]	-	-	31.8	33.8	31.1	40.1	37.8	**33.0**
Sovereign	26.3	59.2	50.7	58.3	-	-	-	**28.9**
Bank	-	60.9	59.3	60.5	-	-	61.3	**60.7**
Exposure - weighted average risk weight (%)								
Corporate	-	31.3	59.1	81.9	154.9	247.9	207.2	**56.8**
SME corporate	-	28.9	36.0	52.9	85.1	142.5	243.6	**60.8**
SME retail [2]	-	-	17.0	40.6	64.0	107.1	309.2	**44.1**
Sovereign	6.6	13.3	43.1	121.3	-	-	-	**7.3**
Bank	-	25.3	55.3	87.2	-	-	-	**28.5**

(1) Total credit risk exposures do not include specialised lending, equity or securitisation exposures.
(2) Including SME retail secured by residential property.
(3) The credit exposure value of undrawn commitments included in Total Credit Risk Exposures above.

APS 330 Table 9d (i) – Non-Retail exposures by portfolio type and PD band (continued)

	30 June 2016							
	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	$M
Total credit risk exposures								
Corporate	-	39,144	48,646	26,055	300	981	669	115,795
SME corporate	-	1,093	3,906	36,771	2,661	1,495	966	46,892
SME retail [2]	-	-	2,925	9,494	3,266	236	192	16,113
Sovereign	73,028	6,323	226	105	-	-	-	79,682
Bank	-	37,051	4,036	403	-	-	125	41,615
Total	73,028	83,611	59,739	72,828	6,227	2,712	1,952	300,097
Undrawn commitments [3]								
Corporate	-	14,262	20,887	9,497	96	318	111	45,171
SME corporate	-	102	1,059	5,867	255	145	46	7,474
SME retail [2]	-	-	1,285	2,475	390	9	10	4,169
Sovereign	984	225	82	8	-	-	-	1,299
Bank	-	1,825	308	184	-	-	7	2,324
Total	984	16,414	23,621	18,031	741	472	174	60,437
Exposure - weighted average EAD ($M)								
Corporate	-	3.129	2.614	0.743	0.293	0.730	1.377	2.338
SME corporate	-	0.547	0.299	0.264	0.213	0.186	0.274	0.268
SME retail [2]	-	-	0.017	0.032	0.030	0.029	0.033	0.029
Sovereign	7.844	6.260	0.397	0.239	-	-	-	7.687
Bank	-	6.847	4.089	1.665	-	-	20.790	6.571
Exposure - weighted average LGD (%)								
Corporate	-	57.5	56.6	46.7	44.7	68.1	55.2	54.7
SME corporate	-	60.6	33.0	30.8	32.6	37.3	36.0	32.1
SME retail [2]	-	-	32.4	34.2	31.6	42.6	38.5	33.5
Sovereign	23.3	58.5	52.6	57.2	-	-	-	26.2
Bank	-	60.7	60.9	61.1	-	-	61.3	60.8
Exposure - weighted average risk weight (%)								
Corporate	-	29.9	60.5	82.0	142.0	315.1	243.3	58.4
SME corporate	-	23.7	32.4	53.4	84.4	154.4	264.0	60.3
SME retail [2]	-	-	17.3	40.8	64.2	111.5	307.6	45.5
Sovereign	7.0	15.1	36.8	120.2	-	-	-	7.8
Bank	-	26.2	57.0	84.7	-	-	-	29.7

(1) Total credit risk exposures do not include specialised lending, equity or securitisation exposures.
(2) Including SME retail secured by residential property.
(3) The credit exposure value of undrawn commitments included in Total Credit Risk Exposures above.

APS 330 Table 9d (i) – Non-Retail exposures by portfolio type and PD band (continued)

	31 December 2015							
	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	$M
Total credit risk exposures								
Corporate	-	40,103	51,734	28,402	411	719	430	121,799
SME corporate	-	247	2,783	32,438	2,529	1,140	915	40,052
SME retail [2]	-	-	2,981	10,180	3,078	241	267	16,747
Sovereign	70,526	7,168	290	78	-	-	-	78,062
Bank	-	35,677	5,796	444	-	-	125	42,042
Total	70,526	83,195	63,584	71,542	6,018	2,100	1,737	298,702
Undrawn commitments [3]								
Corporate	-	13,990	23,594	9,958	113	272	106	48,033
SME corporate	-	77	731	5,380	235	92	50	6,565
SME retail [2]	-	-	1,393	2,750	399	13	17	4,572
Sovereign	779	223	114	8	-	-	-	1,124
Bank	-	1,833	497	107	-	-	7	2,444
Total	779	16,123	26,329	18,203	747	377	180	62,738
Exposure - weighted average EAD ($M)								
Corporate	-	3.192	2.821	0.807	0.446	0.542	0.942	2.451
SME corporate	-	0.158	0.220	0.241	0.208	0.173	0.319	0.237
SME retail [2]	-	-	0.015	0.031	0.030	0.023	0.040	0.028
Sovereign	7.552	7.398	0.026	0.001	-	-	-	7.503
Bank	-	9.254	5.076	0.751	-	-	20.791	8.623
Exposure - weighted average LGD (%)								
Corporate	-	57.1	56.9	46.5	35.7	59.3	54.3	54.5
SME corporate	-	56.1	32.2	30.5	32.4	35.9	35.1	31.2
SME retail [2]	-	-	32.8	34.6	32.0	42.4	38.1	34.0
Sovereign	26.2	59.2	53.3	64.2	-	-	-	29.4
Bank	-	60.3	61.0	61.0	-	-	61.3	60.4
Exposure - weighted average risk weight (%)								
Corporate	-	29.3	61.3	80.4	117.5	293.0	115.1	57.0
SME corporate	-	20.3	31.7	55.7	87.3	155.0	226.9	62.6
SME retail [2]	-	-	17.5	41.9	64.8	107.9	357.8	47.7
Sovereign	6.7	16.4	41.8	125.9	-	-	-	7.9
Bank	-	25.0	56.2	86.5	-	-	-	29.9

(1) Total credit risk exposures do not include specialised lending, equity or securitisation exposures.
(2) Including SME retail secured by residential property.
(3) The credit exposure value of undrawn commitments included in Total Credit Risk Exposures above.

APS 330 Table 9d (ii) – Retail exposures by portfolio type and PD band

	31 December 2016							
	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	$M
Total credit risk exposures								
Residential mortgage	151,213	155,926	97,628	116,713	5,326	7,524	3,369	**537,699**
Qualifying revolving retail	-	14,803	3,587	5,586	2,694	487	141	**27,298**
Other retail	56	-	342	8,307	1,705	546	124	**11,080**
Total	151,269	170,729	101,557	130,606	9,725	8,557	3,634	**576,077**
Undrawn commitments (1)								
Residential mortgage	55,780	8,472	4,353	5,494	57	55	17	**74,228**
Qualifying revolving retail	-	11,652	2,643	2,447	465	64	2	**17,273**
Other retail	54	-	301	2,456	297	32	2	**3,142**
Total	55,834	20,124	7,297	10,397	819	151	21	**94,643**
Exposure - weighted average EAD ($M)								
Residential mortgage	0. 243	0. 284	0. 251	0. 227	0. 239	0. 242	0. 257	**0. 251**
Qualifying revolving retail	-	0. 010	0. 009	0. 009	0. 008	0. 008	0. 009	**0. 009**
Other retail	0. 004	-	0. 002	0. 009	0. 003	0. 005	0. 005	**0. 006**
Exposure - weighted average LGD (%)								
Residential mortgage	20. 0	20. 2	20. 6	21. 1	20. 4	20. 2	20. 3	**20. 4**
Qualifying revolving retail	-	88. 0	88. 0	88. 0	88. 0	88. 0	88. 0	**88. 0**
Other retail	108. 6	-	108. 6	97. 8	99. 0	99. 6	99. 1	**98. 5**
Exposure - weighted average risk weight (%)								
Residential mortgage	5. 0	14. 1	21. 5	33. 0	93. 8	125. 7	165. 3	**20. 3**
Qualifying revolving retail	-	5. 3	13. 4	45. 0	132. 7	219. 3	325. 2	**32. 5**
Other retail	26. 3	-	75. 3	118. 6	149. 5	202. 0	282. 2	**127. 5**

(1) The credit exposure value of undrawn commitments included in Total Credit Risk Exposures above.

APS 330 Table 9d (ii) – Retail exposures by portfolio type and PD band (continued)

	30 June 2016							
	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	$M
Total credit risk exposures								
Residential mortgage	147,436	147,136	86,308	120,759	5,925	9,452	3,316	520,332
Qualifying revolving retail	-	14,390	3,652	5,704	2,874	547	158	27,325
Other retail	58	-	349	8,268	1,706	586	143	11,110
Total	147,494	161,526	90,309	134,731	10,505	10,585	3,617	558,767
Undrawn commitments [(1)]								
Residential mortgage	54,121	8,633	3,731	6,368	126	56	14	73,049
Qualifying revolving retail	-	11,562	2,741	2,573	489	69	2	17,436
Other retail	55	-	310	2,476	293	29	3	3,166
Total	54,176	20,195	6,782	11,417	908	154	19	93,651
Exposure - weighted average EAD ($M)								
Residential mortgage	0. 239	0. 275	0. 269	0. 213	0. 216	0. 248	0. 257	0. 246
Qualifying revolving retail	-	0. 010	0. 009	0. 009	0. 009	0. 008	0. 008	0. 009
Other retail	0. 004	-	0. 002	0. 009	0. 003	0. 005	0. 005	0. 006
Exposure - weighted average LGD (%)								
Residential mortgage	20. 0	20. 2	20. 3	21. 1	21. 1	20. 1	20. 2	20. 4
Qualifying revolving retail	-	88. 0	88. 0	88. 0	88. 0	88. 0	88. 0	88. 0
Other retail	108. 2	-	108. 6	97. 7	99. 0	99. 5	99. 1	98. 4
Exposure - weighted average risk weight (%)								
Residential mortgage	3. 1	9. 2	14. 7	23. 8	70. 9	100. 3	174. 1	15. 2
Qualifying revolving retail	-	5. 3	13. 4	45. 1	132. 4	219. 0	323. 3	34. 2
Other retail	26. 2	-	75. 3	118. 6	149. 5	199. 9	307. 1	128. 2

(1) The credit exposure value of undrawn commitments included in Total Credit Risk Exposures above.

APS 330 Table 9d (ii) – Retail exposures by portfolio type and PD band (continued)

	31 December 2015							
	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	$M
Total credit risk exposures								
Residential mortgage	146,692	138,258	86,257	112,183	5,511	9,083	2,952	500,936
Qualifying revolving retail	-	14,330	3,635	5,677	2,893	550	144	27,229
Other retail	59	-	347	8,241	1,627	599	123	10,996
Total	146,751	152,588	90,239	126,101	10,031	10,232	3,219	539,161
Undrawn commitments (1)								
Residential mortgage	54,765	8,132	3,371	5,404	135	57	21	71,885
Qualifying revolving retail	-	11,364	2,722	2,611	512	73	2	17,284
Other retail	57	-	311	2,380	276	32	3	3,059
Total	54,822	19,496	6,404	10,395	923	162	26	92,228
Exposure - weighted average EAD ($M)								
Residential mortgage	0. 234	0. 266	0. 273	0. 203	0. 209	0. 246	0. 251	0. 240
Qualifying revolving retail	-	0. 010	0. 009	0. 009	0. 009	0. 008	0. 009	0. 009
Other retail	0. 004	-	0. 002	0. 009	0. 003	0. 005	0. 005	0. 006
Exposure - weighted average LGD (%)								
Residential mortgage	20. 0	20. 2	20. 4	21. 0	21. 2	20. 1	20. 3	20. 4
Qualifying revolving retail	-	88. 0	88. 0	88. 0	88. 0	88. 0	88. 0	88. 0
Other retail	108. 2	-	108. 6	97. 7	99. 1	99. 8	99. 1	98. 5
Exposure - weighted average risk weight (%)								
Residential mortgage	2. 8	9. 2	14. 8	24. 1	69. 5	101. 0	180. 7	15. 0
Qualifying revolving retail	-	5. 3	13. 4	45. 1	132. 6	218. 9	319. 0	34. 2
Other retail	26. 2	-	75. 3	118. 7	149. 7	199. 3	454. 4	129. 6

(1) The credit exposure value of undrawn commitments included in Total Credit Risk Exposures above.

Analysis of Losses

The following tables provide a summary of financial losses by IRB portfolio (APS 330 Table 9e) and a comparison of financial losses to regulatory EL estimates (APS 330 Table 9f(i)).

APS 330 Table 9e – Actual losses by portfolio type

	31 December 2016		
	Half year losses in reporting period		
Portfolio Type	Gross write-offs $M	Recoveries $M	Actual losses $M
Corporate	20	(1)	19
SME corporate	54	(5)	49
SME retail (including SME retail secured by residential mortgages)	24	(6)	18
Specialised lending	24	-	24
Total corporate including SME and specialised lending	122	(12)	110
Sovereign	-	-	-
Bank	-	-	-
Residential mortgage (excluding SME retail secured by residential mortgages)	56	(2)	54
Qualifying revolving retail	163	(40)	123
Other retail	213	(43)	170
Total advanced IRB and specialised lending portfolios	554	(97)	457

	30 June 2016		
	Full year losses in reporting period		
Portfolio Type	Gross write-offs $M	Recoveries $M	Actual losses $M
Corporate	124	(35)	89
SME corporate	124	(6)	118
SME retail (including SME retail secured by residential mortgages)	86	(12)	74
Specialised lending	48	-	48
Total corporate including SME and specialised lending	382	(53)	329
Sovereign	-	-	-
Bank	-	-	-
Residential mortgage (excluding SME retail secured by residential mortgages)	86	(4)	82
Qualifying revolving retail	335	(71)	264
Other retail	375	(75)	300
Total advanced IRB and specialised lending portfolios	1,178	(203)	975

	31 December 2015		
	Half year losses in reporting period		
Portfolio Type	Gross write-offs $M	Recoveries $M	Actual losses $M
Corporate	49	(35)	14
SME corporate	35	(2)	33
SME retail (including SME retail secured by residential mortgages)	43	(4)	39
Specialised lending	3	-	3
Total corporate including SME and specialised lending	130	(41)	89
Sovereign	-	-	-
Bank	-	-	-
Residential mortgage (excluding SME retail secured by residential mortgages)	52	(2)	50
Qualifying revolving retail	169	(32)	137
Other retail	180	(34)	146
Total advanced IRB and specialised lending portfolios	531	(109)	422

Factors impacting the loss experience

The overall quality of the portfolio was stable during the half year ended 31 December 2016. Gross impaired assets as a proportion of gross loans and advances (GLAAs) increased by 3 basis points and total provisions as a proportion of GLAAs reduced by 1 basis point. Group actual losses reduced by $122 million on the prior half year due to a reduction in commercial portfolio losses, led by the mining sector. This was partly offset by an increase in home loan losses, predominantly in mining towns and Western Australia.

APS 330 Table 9f (i) – Historical loss analysis by portfolio type

	31 December 2016	
Portfolio Type	Half year actual loss $M	Regulatory one year expected loss estimate $M
Corporate	19	729
SME corporate	49	761
SME retail (including SME retail secured by residential mortgages)	18	128
Specialised lending	24	905
Total corporate including SME and specialised lending	110	2,523
Sovereign	-	8
Bank	-	143
Residential mortgage (excluding SME retail secured by residential mortgages)	54	1,003
Qualifying revolving retail	123	509
Other retail	170	512
Total advanced IRB and specialised lending portfolios	457	4,698

	30 June 2016	
Portfolio Type	Full year actual loss $M	Regulatory one year expected loss estimate $M
Corporate	89	595
SME corporate	118	589
SME retail (including SME retail secured by residential mortgages)	74	137
Specialised lending	48	846
Total corporate including SME and specialised lending	329	2,167
Sovereign	-	7
Bank	-	143
Residential mortgage (excluding SME retail secured by residential mortgages)	82	1,032
Qualifying revolving retail	264	547
Other retail	300	534
Total advanced IRB and specialised lending portfolios	975	4,430

	31 December 2015	
Portfolio Type	Half year actual loss $M	Regulatory one year expected loss estimate $M
Corporate	14	573
SME corporate	33	569
SME retail (including SME retail secured by residential mortgages)	39	160
Specialised lending	3	783
Total corporate including SME and specialised lending	89	2,085
Sovereign	-	8
Bank	-	146
Residential mortgage (excluding SME retail secured by residential mortgages)	50	940
Qualifying revolving retail	137	543
Other retail	146	492
Total advanced IRB and specialised lending portfolios	422	4,214

Actual losses may differ from modelled regulatory EL for a number of reasons.

Actual losses (whether from standardised or AIRB portfolios) are historical and are based on the quality of impaired 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 and defaulted AIRB exposures using long-run PDs and downturn LGDs for non-defaulted exposures, and the Best Estimate of Expected Loss (BEEL) for defaulted exposures.

Accuracy of Risk Estimates

The following tables compare IRB credit risk estimates used in calculating regulatory capital, to realised outcomes.

Probability of Default

APS 330 Table 9f (ii) compares estimates of long-run PD to actual default rates averaged over 8.5 financial years to 31 December 2016, where results for the half year to December 2016 have been annualised without adjustment for seasonality. Average estimated PD is based on the average of long-run PD's for obligators 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 obligors during the year compared to the non-defaulted obligors measured at the beginning of each financial year.

APS 330 Table 9f (ii) – Accuracy of risk estimates – PD

	As at 31 December 2016	
Portfolio Type	Average estimated PD %	Average actual PD %
Corporate	1. 34	0. 89
SME corporate	2. 24	1. 95
SME retail (including SME retail secured by residential mortgages)	1. 81	0. 87
Specialised lending (1)	n/a	1. 55
Sovereign (2)	0. 62	0. 04
Bank (2)	0. 29	0. 26
Residential mortgage (excluding SME retail secured by residential mortgages)	0. 87	0. 72
Qualifying revolving retail	1. 94	2. 03
Other retail	4. 83	4. 61

(1) Average estimated PD not relevant for specialised lending under the Supervisory Slotting approach.
(2) Actual PDs based on a low volume of defaults observed.

Loss Given Default and Exposure at Default

LGDs for non-retail portfolios are based on accounts that defaulted in 2009 to 2014 financial years. LGDs for retail portfolios are based on accounts that defaulted in 2009 to 2015 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 obligors that defaulted.

APS 330 Table 9f (iii) – Accuracy of risk estimates – LGD and EAD

	As at 31 December 2016		
Portfolio Type	Average estimated downturn LGD %	Average actual LGD %	Ratio of estimated EAD to actual EAD
Corporate	57. 4	40. 6	1. 1
SME corporate	33. 0	21. 2	1. 1
SME retail (including SME retail secured by residential mortgages)	33. 4	22. 6	1. 2
Specialised lending (1)	n/a	34. 7	-
Sovereign	n/a	nil	n/a
Bank (2)	65. 4	110. 6	1. 8
Residential mortgage (excluding SME retail secured by residential mortgages) (3)	20. 7	6. 6	1. 0
Qualifying revolving retail	87. 2	70. 7	1. 1
Other retail	96. 7	70. 5	1. 0

(1) Average estimated LGD is not relevant for specialised lending under Supervisory Slotting approach.
(2) Actual LGDs for Banks based on a low volume of defaults observed.
(3) Estimated downturn LGD based on minimum regulatory floor requirements imposed by APRA and RBNZ.

6.5 Credit Risk Mitigation

APS 330 Table 10b and 10c – Credit risk mitigation

	31 December 2016				
	Total exposure (1) $M	Eligible financial collateral $M	Exposures covered by guarantees $M	Exposures covered by credit derivatives $M	Coverage %
Advanced approach (2)					
Corporate	131,898	-	1,728	6	1. 3
SME corporate	54,659	-	-	-	-
SME retail (3)	16,171	-	-	-	-
Sovereign	86,932	-	-	-	-
Bank	44,593	-	754	425	2. 6
Residential mortgage	537,699	-	-	-	-
Qualifying revolving retail	27,298	-	-	-	-
Other retail	11,080	-	-	-	-
Total advanced approach	910,330	-	2,482	431	0. 3
Specialised lending	68,794	-	-	-	-
Standardised approach					
Corporate	1,158	-	-	-	-
SME corporate	595	1	-	-	0. 2
SME retail	6,076	5	-	-	0. 1
Sovereign	503	-	-	-	-
Bank	565	-	-	-	-
Residential mortgage	11,111	-	-	-	-
Other retail	2,773	-	-	-	-
Other assets	10,321	-	-	-	-
Central clearing counterparties	5,086	-	-	-	-
Total standardised approach	38,188	6	-	-	-
Total exposures	1,017,312	6	2,482	431	0. 3

	30 June 2016				
	Total exposure (1) $M	Eligible financial collateral $M	Exposures covered by guarantees $M	Exposures covered by credit derivatives $M	Coverage %
Advanced approach (2)					
Corporate	115,795	-	958	8	0. 8
SME corporate	46,892	-	-	-	-
SME retail (3)	16,113	-	-	-	-
Sovereign	79,682	-	-	-	-
Bank	41,615	-	475	689	2. 8
Residential mortgage	520,332	-	-	-	-
Qualifying revolving retail	27,325	-	-	-	-
Other retail	11,110	-	-	-	-
Total advanced approach	858,864	-	1,433	697	0. 3
Specialised lending	67,298	-	-	-	-
Standardised approach					
Corporate	11,041	145	-	-	1. 3
SME corporate	4,105	15	-	-	0. 4
SME retail	6,117	5	-	-	0. 1
Sovereign	536	-	-	-	-
Bank	680	-	-	-	-
Residential mortgage	13,721	9	-	-	0. 1
Other retail	2,738	-	-	-	-
Other assets	10,933	-	-	-	-
Central clearing counterparties	6,823	-	-	-	-
Total standardised approach	56,694	174	-	-	0. 3
Total exposures	982,856	174	1,433	697	0. 2

(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) Advanced approach: Exposure for derivatives and guarantees is after netting and financial collateral.
(3) Including SME retail secured by residential property.

APS 330 Table 10b and 10c – Credit risk mitigation (continued)

	31 December 2015				
	Total exposure [1] $M	Eligible financial collateral $M	Exposures covered by guarantees $M	Exposures covered by credit derivatives $M	Coverage %
Advanced approach [2]					
Corporate	121,799	-	1,759	2	1. 4
SME corporate	40,052	-	-	-	-
SME retail [3]	16,747	-	-	-	-
Sovereign	78,062	-	-	-	-
Bank	42,042	-	471	535	2. 4
Residential mortgage	500,936	-	-	-	-
Qualifying revolving retail	27,229	-	-	-	-
Other retail	10,996	-	-	-	-
Total advanced approach	837,863	-	2,230	537	0. 3
Specialised lending	65,084	-	-	-	-
Standardised approach					
Corporate	10,377	152	-	-	1. 5
SME corporate	4,535	37	-	-	0. 8
SME retail	6,091	6	-	-	0. 1
Sovereign	428	-	-	-	-
Bank	759	-	-	-	-
Residential mortgage	12,743	23	-	-	0. 2
Other retail	2,732	-	-	-	-
Other assets	11,304	-	-	-	-
Central clearing counterparties	4,502	-	-	-	-
Total standardised approach	53,471	218	-	-	0. 4
Total exposures	956,418	218	2,230	537	0. 3

(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) Advanced approach: Exposure for derivatives and guarantees is after netting and financial collateral.
(3) Including SME retail secured by residential property.

6.6 Counterparty Credit Risk

APS 330 Table 11b (i) Counterparty credit risk derivative exposure under the current exposure method [1]

	31 Dec 16 $M	30 Jun 16 $M	31 Dec 15 $M
Gross positive fair value	45,579	45,165	42,677
Netting benefits	(25,708)	(23,347)	(21,771)
Netted current credit exposure	19,871	21,818	20,906
Collateral held, of which:			
Cash	(10,241)	(10,608)	(12,358)
Net derivatives credit exposure	9,630	11,210	8,548
Potential Future Exposure under the Current Exposure Method	15,705	15,607	15,446
Exposure at Default	25,335	26,817	23,994

(1) Excluding exposures to CCPs.

APS 330 Table 11b (ii) Counterparty credit risk derivative exposure [1]

Exposure type	Current Credit Exposure 31 Dec 16 $M	Current Credit Exposure 30 Jun 16 $M	Current Credit Exposure 31 Dec 15 $M
Interest rate contracts	10,110	14,823	12,473
Foreign currency contracts	34,741	28,644	29,673
Equity contracts	6	9	10
Credit derivatives	46	47	41
Commodities and other	676	1,642	480
Total	45,579	45,165	42,677

(1) Excluding exposures to CCPs.

APS 330 Table 11c Counterparty credit risk derivative transactions

Notional Value by Product type as at 31 December 16 [1] [2]	Own Credit Portfolio as Protection buyer $M	Own Credit Portfolio as Protection seller $M	Intermediation Activity as Protection buyer $M	Intermediation Activity as Protection seller $M
Credit default swaps	872	-	624	4,336
Total return swaps	-	-	-	-
Credit options	-	-	-	-
Other	-	-	-	-
Total	872	-	624	4,336

Notional Value by Product type as at 30 June 16 [1] [2]	Own Credit Portfolio as Protection buyer $M	Own Credit Portfolio as Protection seller $M	Intermediation Activity as Protection buyer $M	Intermediation Activity as Protection seller $M
Credit default swaps	897	-	3,148	3,549
Total return swaps	-	-	-	-
Credit options	-	-	-	-
Other	-	-	-	-
Total	897	-	3,148	3,549

Notional Value by Product type as at 31 December 15 [1] [2]	Own Credit Portfolio as Protection buyer $M	Own Credit Portfolio as Protection seller $M	Intermediation Activity as Protection buyer $M	Intermediation Activity as Protection seller $M
Credit default swaps	164	-	2,808	846
Total return swaps	-	-	-	-
Credit options	-	-	-	-
Other	-	-	-	-
Total	164	-	2,808	846

(1) Excluding exposures to CCPs.
(2) Notional values are presented for credit derivatives with positive fair values and include credit derivative hedges.

6.7 Securitisation

APS 330 Table 12g (i) – Banking book exposures securitised – traditional securitisation

Underlying Asset	31 December 2016			
	Group originated assets capital relief [1] $M	Group originated assets - non capital relief [2] $M	Group originated assets - internal RMBS[3] $M	Third party originated assets [4] $M
Residential mortgage	104	11,411	65,044	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	104	11,411	65,044	-

Underlying Asset	30 June 2016			
	Group originated assets capital relief [1] $M	Group originated assets - non capital relief [2] $M	Group originated assets - internal RMBS[3] $M	Third party originated assets [4] $M
Residential mortgage	836	13,026	84,178	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	836	13,026	84,178	-

Underlying Asset	31 December 2015			
	Group originated assets capital relief [1] $M	Group originated assets - non capital relief [2] $M	Group originated assets - internal RMBS[3] $M	Third party originated assets [4] $M
Residential mortgage	964	13,103	84,444	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	964	13,103	84,444	-

(1) Group originated assets (capital relief) comprise CBA Medallion and Bankwest Swan Trusts subject to capital treatment under APS 120.
(2) Group originated assets (non-capital relief) comprise CBA Medallion and Bankwest Swan Trusts subject to capital treatment under APS 113.
(3) Group originated assets (internal RMBS) comprise CBA Medallion, Bankwest Swan and ASB Medallion Trusts held for contingent liquidity purposes.
(4) Third party originated assets comprise assets managed and sponsored by the Group.

APS 330 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.

APS 330 Table 12g (iii) – Total banking book exposures securitised

APS 330 Table 12g (i) discloses the total banking book exposures securitised by the Group.

APS 330 Table 12h – Past due and impaired banking book exposures by asset type

	31 December 2016			
	Group originated assets securitised			
Underlying Asset	Outstanding exposure $M	Impaired $M	Past due $M	Losses recognised $M
Residential mortgage	76,559	21	458	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	76,559	21	458	-

	30 June 2016			
	Group originated assets securitised			
Underlying Asset	Outstanding exposure $M	Impaired $M	Past due $M	Losses recognised $M
Residential mortgage	98,040	22	533	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	98,040	22	533	-

	31 December 2015			
	Group originated assets securitised			
Underlying Asset	Outstanding exposure $M	Impaired $M	Past due $M	Losses recognised $M
Residential mortgage	98,511	12	434	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	98,511	12	434	-

APS 330 Table 12i – Banking book exposures intended to be securitised

The Group does not have any outstanding banking book exposures that are intended to be securitised at 31 December 2016.

APS 330 Table 12j (i) – Banking book activity for the reporting period

The Group securitised $814 million new exposures in the banking book during the half year ended 31 December 2016.

	Half year ended 31 December 2016	
Underlying Asset	Total exposures securitised $M	Recognised gain or loss on sale $M
Residential mortgages	750	-
Credit cards and other personal loans	-	-
Auto and equipment finance	-	-
Commercial loans	64	-
Other	-	-
Total	814	-

	Full year ended 30 June 2016	
Underlying Asset	Total exposures securitised $M	Recognised gain or loss on sale $M
Residential mortgages	5,557	-
Credit cards and other personal loans	-	-
Auto and equipment finance	275	-
Commercial loans	-	-
Other	-	-
Total	5,832	-

	Half year ended 31 December 2015	
Underlying Asset	Total exposures securitised $M	Recognised gain or loss on sale $M
Residential mortgages	3,418	-
Credit cards and other personal loans	-	-
Auto and equipment finance	80	-
Commercial loans	-	-
Other	-	-
Total	3,498	-

APS330 Table 12k – Banking book securitisation exposures retained or purchased

Securitisation Facility Type	On Balance Sheet $M	Off Balance Sheet $M	Total exposures $M
	31 December 2016		
Liquidity support facilities	-	108	108
Warehouse facilities	3,861	2,471	6,332
Derivative facilities	2	-	2
Holdings of securities	7,759	-	7,759
Other	-	-	-
Total securitisation exposures in the banking book	11,622	2,579	14,201

Securitisation Facility Type	On Balance Sheet $M	Off Balance Sheet $M	Total exposures $M
	30 June 2016		
Liquidity support facilities	-	110	110
Warehouse facilities	4,037	1,789	5,826
Derivative facilities	16	-	16
Holdings of securities	7,995	-	7,995
Other	-	-	-
Total securitisation exposures in the banking book	12,048	1,899	13,947

Securitisation Facility Type	On Balance Sheet $M	Off Balance Sheet $M	Total exposures $M
	31 December 2015		
Liquidity support facilities	-	119	119
Warehouse facilities	4,018	1,456	5,474
Derivative facilities	22	1	23
Holdings of securities	8,579	-	8,579
Other	-	-	-
Total securitisation exposures in the banking book	12,619	1,576	14,195

APS 330 Table 12I (i) – Banking book exposure by risk weighting

Total securitisation exposures in the banking book increased by $254 million or 1.8% during the half year ended 31 December 2016. However, the corresponding RWA increased by $62 million or 4.1%. This was mainly due to changes in risk profile for securitisation exposures.

	31 December 2016					
	Exposures		Total	Risk Weighted Assets		Total
	Securitisation	Resecuritisation	exposures	Securitisation	Resecuritisation	RWA
Risk Weight Band	$M	$M	$M	$M	$M	$M
≤ 25%	14,024	-	**14,024**	1,465	-	**1,465**
> 25% ≤ 35%	30	-	**30**	11	-	**11**
> 35% ≤ 50%	125	-	**125**	62	-	**62**
> 50% ≤ 75%	-	-	**-**	-	-	**-**
> 75% ≤ 100%	-	-	**-**	-	-	**-**
> 100% ≤ 650%	-	-	**-**	-	-	**-**
> 650% ≤ 1250%	5	17	**22**	4	29	**33**
Total	14,184	17	**14,201**	1,542	29	**1,571**

	30 June 2016					
	Exposures		Total	Risk Weighted Assets		Total
	Securitisation	Resecuritisation	exposures	Securitisation	Resecuritisation	RWA
Risk Weight Band	$M	$M	$M	$M	$M	$M
≤ 25%	13,716	-	**13,716**	1,356	-	**1,356**
> 25% ≤ 35%	35	-	**35**	12	-	**12**
> 35% ≤ 50%	160	-	**160**	80	-	**80**
> 50% ≤ 75%	-	-	**-**	-	-	**-**
> 75% ≤ 100%	-	-	**-**	-	-	**-**
> 100% ≤ 650%	-	-	**-**	-	-	**-**
> 650% ≤ 1250%	16	20	**36**	-	61	**61**
Total	13,927	20	**13,947**	1,448	61	**1,509**

	31 December 2015					
	Exposures		Total	Risk Weighted Assets		Total
	Securitisation	Resecuritisation	exposures	Securitisation	Resecuritisation	RWA
Risk Weight Band	$M	$M	$M	$M	$M	$M
≤ 25%	13,952	-	**13,952**	1,374	-	**1,374**
> 25% ≤ 35%	42	-	**42**	15	-	**15**
> 35% ≤ 50%	160	-	**160**	80	-	**80**
> 50% ≤ 75%	-	-	**-**	-	-	**-**
> 75% ≤ 100%	-	-	**-**	-	-	**-**
> 100% ≤ 650%	-	-	**-**	-	-	**-**
> 650% ≤ 1250%	18	23	**41**	-	95	**95**
Total	14,172	23	**14,195**	1,469	95	**1,564**

APS 330 Table 12l (ii) – Banking book exposure deducted entirely from capital

	Common Equity Tier 1 Capital		
	31 Dec 16	30 Jun 16	31 Dec 15
Underlying Asset	$M	$M	$M
Residential mortgage	19	31	33
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	19	31	33

APS 330 Table 12m – Banking book exposures subject to early amortisation

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

APS 330 Table 12n – Banking book resecuritisation exposures

As at 31 December 2016, banking book resecuritisation exposures without credit risk mitigation total $17 million (30 June 2016: $20 million; 31 December 2015: $23 million).

The Group did not have any resecuritisation exposures subject to credit risk mitigation.

The Group did not have any exposure to third party guarantors providing guarantees for securitised assets.

APS 330 Table 12o (i) – Trading book exposures securitised – traditional securitisation

The Group has not undertaken any traditional securitisations of exposures in the trading book.

APS 330 Table 12o (ii) – Trading book exposures securitised – synthetic securitisation

The Group has not undertaken any synthetic securitisations of exposures in the trading book.

APS 330 Table 12o (iii) – Total trading book exposures securitised

The Group has not securitised any exposures from the trading book.

APS 330 Table 12p – Trading book exposures intended to be securitised

The Group does not have any outstanding trading book exposures that are intended to be securitised at 31 December 2016.

APS 330 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 2016, relating to $1 million residential mortgages (30 June 2016: $29 million, 31 December 2015: $20 million), and $2 million auto and equipment finance (30 June 2016: $nil, 31 December 2015: $nil).

APS 330 Table 12r – Trading book exposures subject to APS 116

The aggregate amount of exposures securitised by the Group and subject to Prudential Standard APS 116 "Capital Adequacy: Market Risk" was $11 million as at 31 December 2016 (30 June 2016: $20 million; 31 December 2015: $41 million). This consists of:

- Securities held in the trading book subject to the Standard Method of $nil (30 June 2016: $5 million; 31 December 2015: $28 million); and
- Derivatives held in the trading book subject to the Internal Models Approach (IMA) of $11 million (30 June 2016: $15 million; 31 December 2015: $13 million).

APS 330 Table 12s – Trading book exposures retained or purchased subject to APS 120

Securitisation Facility Type	31 December 2016 On Balance Sheet $M	31 December 2016 Off Balance Sheet $M	31 December 2016 Total exposures $M
Liquidity support facilities	-	-	-
Warehouse facilities	-	-	-
Derivative facilities	3	8	11
Holdings of securities	-	-	-
Other	-	-	-
Total securitisation exposures in the trading book	3	8	11

Securitisation Facility Type	30 June 2016 On Balance Sheet $M	30 June 2016 Off Balance Sheet $M	30 June 2016 Total exposures $M
Liquidity support facilities	-	-	-
Warehouse facilities	-	-	-
Derivative facilities	7	8	15
Holdings of securities	5	-	5
Other	-	-	-
Total securitisation exposures in the trading book	12	8	20

Securitisation Facility Type	31 December 2015 On Balance Sheet $M	31 December 2015 Off Balance Sheet $M	31 December 2015 Total exposures $M
Liquidity support facilities	-	-	-
Warehouse facilities	-	-	-
Derivative facilities	4	9	13
Holdings of securities	28	-	28
Other	-	-	-
Total securitisation exposures in the trading book	32	9	41

APS 330 Table 12t (i) – Trading book exposures retained/purchased subject to IMA

The Group has $11 million of derivatives exposures held in the trading book subject to IMA (default risk) under APS 116 as at 31 December 2016 (30 June 2016: $15 million; 31 December 2015: $13 million).

APS 330 Table 12t (ii) – Trading book exposures subject to APS 120 by risk weighting

Total securitisation exposures in the trading book decreased by $9 million during the half year ended 31 December 2016 mainly reflecting run off of derivatives exposures.

	31 December 2016			
	IAA Approach	RBA Approach	SFA Approach	Total exposures
Risk Weight Band	$M	$M	$M	$M
≤ 25%	-	-	11	**11**
> 25% ≤ 35%	-	-	-	**-**
> 35% ≤ 50%	-	-	-	**-**
> 50% ≤ 75%	-	-	-	**-**
> 75% ≤ 100%	-	-	-	**-**
> 100% ≤ 650%	-	-	-	**-**
> 650% ≤ 1250%	-	-	-	**-**
Total	-	-	11	**11**

	30 June 2016			
	IAA Approach	RBA Approach	SFA Approach	Total exposures
Risk Weight Band	$M	$M	$M	$M
≤ 25%	-	3	17	**20**
> 25% ≤ 35%	-	-	-	**-**
> 35% ≤ 50%	-	-	-	**-**
> 50% ≤ 75%	-	-	-	**-**
> 75% ≤ 100%	-	-	-	**-**
> 100% ≤ 650%	-	-	-	**-**
> 650% ≤ 1250%	-	-	-	**-**
Total	-	3	17	**20**

	31 December 2015			
	IAA Approach	RBA Approach	SFA Approach	Total exposures
Risk Weight Band	$M	$M	$M	$M
≤ 25%	-	26	15	**41**
> 25% ≤ 35%	-	-	-	**-**
> 35% ≤ 50%	-	-	-	**-**
> 50% ≤ 75%	-	-	-	**-**
> 75% ≤ 100%	-	-	-	**-**
> 100% ≤ 650%	-	-	-	**-**
> 650% ≤ 1250%	-	-	-	**-**
Total	-	26	15	**41**

APS 330 Table 12u (i) – RWA of trading book exposures retained/purchased subject to IMA

The Group has $194 million of RWA held in the trading book subject to IMA (default risk) under APS 116 as at 31 December 2016 (30 June 2016: $185 million; 31 December 2015: $175 million).

APS330 Table 12u (ii) – Capital requirements (RWA) of trading book exposures subject to APS 120 by risk weighting

31 December 2016

	IAA Approach		RBA Approach		SFA Approach		Standardised Approach		Total Capital Requirements	
	Securitisation	Resecuritisation	Securitisation	Resecuritisation	Securitisation	Resecuritisation	Securitisation	Resecuritisation	Securitisation	Resecuritisation
Risk Weight Band	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
≤ 25%	-	-	-	-	1	-	-	-	**1**	**-**
> 25% ≤ 35%	-	-	-	-	-	-	-	-	**-**	**-**
> 35% ≤ 50%	-	-	-	-	-	-	-	-	**-**	**-**
> 50% ≤ 75%	-	-	-	-	-	-	-	-	**-**	**-**
> 75% ≤ 100%	-	-	-	-	-	-	-	-	**-**	**-**
> 100% ≤ 650%	-	-	-	-	-	-	-	-	**-**	**-**
> 650% ≤ 1250%	-	-	-	-	-	-	-	-	**-**	**-**
Total	-	-	-	-	1	-	-	-	**1**	**-**

30 June 2016

	IAA Approach		RBA Approach		SFA Approach		Standardised Approach		Total Capital Requirements	
	Securitisation	Resecuritisation	Securitisation	Resecuritisation	Securitisation	Resecuritisation	Securitisation	Resecuritisation	Securitisation	Resecuritisation
Risk Weight Band	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
≤ 25%	-	-	-	-	2	-	-	-	**2**	**-**
> 25% ≤ 35%	-	-	-	-	-	-	-	-	**-**	**-**
> 35% ≤ 50%	-	-	-	-	-	-	-	-	**-**	**-**
> 50% ≤ 75%	-	-	-	-	-	-	-	-	**-**	**-**
> 75% ≤ 100%	-	-	-	-	-	-	-	-	**-**	**-**
> 100% ≤ 650%	-	-	-	-	-	-	-	-	**-**	**-**
> 650% ≤ 1250%	-	-	-	-	-	-	-	-	**-**	**-**
Total	-	-	-	-	2	-	-	-	**2**	**-**

31 December 2015

	IAA Approach		RBA Approach		SFA Approach		Standardised Approach		Total Capital Requirements	
	Securitisation	Resecuritisation	Securitisation	Resecuritisation	Securitisation	Resecuritisation	Securitisation	Resecuritisation	Securitisation	Resecuritisation
Risk Weight Band	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
≤ 25%	-	-	2	-	1	-	-	-	**3**	**-**
> 25% ≤ 35%	-	-	-	-	-	-	-	-	**-**	**-**
> 35% ≤ 50%	-	-	-	-	-	-	-	-	**-**	**-**
> 50% ≤ 75%	-	-	-	-	-	-	-	-	**-**	**-**
> 75% ≤ 100%	-	-	-	-	-	-	-	-	**-**	**-**
> 100% ≤ 650%	-	-	-	-	-	-	-	-	**-**	**-**
> 650% ≤ 1250%	-	-	-	-	-	-	-	-	**-**	**-**
Total	-	-	2	-	1	-	-	-	**3**	**-**

APS 330 Table 12u (iii) – Trading book exposures entirely deducted from capital

The Group has no trading book exposures that are deducted entirely from Common Equity Tier 1 capital as at 31 December 2016 (30 June 2016: $nil; 31 December 2015: $nil).

The Group does not have any trading book exposures that are credit enhancements deducted from total capital or any other exposures deducted from total capital.

APS 330 Table 12v – Trading book exposures subject to early amortisation

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

APS 330 Table 12w – Trading book resecuritisation exposures

The Group did not have any trading book resecuritisation exposures without credit risk mitigation as at 31 December 2016 (30 June 2016: $nil; 31 December 2015: $nil).

The Group did not have any resecuritisation exposures subject to credit risk mitigation.

The Group did not have any third party guarantors providing guarantees for securitised assets.

APS 330 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 recognised gain or loss on sale by exposure type in APS 330 Table 12j (banking book) and APS 330 Table 12q (trading book).

The total exposures securitised in the half year to 31 December 2016 was $817 million (30 June 2016: $2,344 million; 31 December 2015: $3,518 million).

APS 330 Table 5b – Summary of total securitisation exposures retained or purchased

	As at 31 December 2016		
Securitisation Facility Type	On Balance Sheet $M	Off Balance Sheet $M	Total exposures $M
Liquidity support facilities	-	108	108
Warehouse facilities	3,861	2,471	6,332
Derivative facilities	5	8	13
Holdings of securities	7,759	-	7,759
Other	-	-	-
Total securitisation exposures	11,625	2,587	14,212

	As at 30 June 2016		
Securitisation Facility Type	On Balance Sheet $M	Off Balance Sheet $M	Total exposures $M
Liquidity support facilities	-	110	110
Warehouse facilities	4,037	1,789	5,826
Derivative facilities	23	8	31
Holdings of securities	8,000	-	8,000
Other	-	-	-
Total securitisation exposures	12,060	1,907	13,967

	As at 31 December 2015		
Securitisation Facility Type	On Balance Sheet $M	Off Balance Sheet $M	Total exposures $M
Liquidity support facilities	-	119	119
Warehouse facilities	4,018	1,456	5,474
Derivative facilities	26	10	36
Holdings of securities	8,607	-	8,607
Other	-	-	-
Total securitisation exposures	12,651	1,585	14,236

7 Equity Risk

APS 330 Table 16b to 16f – Equity investment exposures

Equity Investments	31 December 2016 Balance Sheet value $M	Fair value $M
Value of listed (publicly traded) equities	1,442	1,968
Value of unlisted (privately held) equities	1,295	1,620
Total	2,737	3,588

Equity Investments	30 June 2016 Balance Sheet value $M	Fair value $M
Value of listed (publicly traded) equities	461	461
Value of unlisted (privately held) equities	2,651	2,669
Total	3,112	3,130

Equity Investments	31 December 2015 Balance Sheet value $M	Fair value $M
Value of listed (publicly traded) equities	682	682
Value of unlisted (privately held) equities	2,576	3,080
Total	3,258	3,762

	Half year ended		
	31 Dec 16	30 Jun 16	31 Dec 15
Gain/(Losses) on Equity Investments	$M	$M	$M
Cumulative realised gains in reporting period	**427**	140	75
Total unrealised gains	**58**	552	693

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.

Traded Market Risk RWA by Modelling Approach [1]	31 Dec 16 $M	30 Jun 16 $M	31 Dec 15 $M
Internal Model Approach	4,863	7,469	5,665
Standard Method	844	1,970	1,786
Total Traded Market Risk RWA	**5,707**	9,439	7,451

(1) Refer to page 9 for commentary.

The capital requirement for Traded market risk under the Standard Method is disclosed in APS 330 Table 13b.

APS 330 Table 13b – Traded Market Risk under the Standard Method

Exposure Type	31 Dec 16 $M	30 Jun 16 $M	31 Dec 15 $M
Interest rate risk	66. 9	84. 2	92. 2
Equity risk	0. 5	73. 3	50. 6
Foreign exchange risk	0. 1	0. 1	0. 1
Commodity risk	-	-	-
Total	**67. 5**	157. 6	142. 9
Risk Weighted Asset equivalent [1]	**844**	1,970	1,786

(1) Risk Weighted Asset equivalent is the capital requirements multiplied by 12.5 in accordance with APRA Prudential Standard APS 110.

Traded Market Risk Internal Model

The VaR and Stressed VaR results calculated under the Internal Model Approach are summarised in APS 330 Table 14f (i).

APS 330 Table 14f (i) – Value-at-Risk and Stressed Value-at-Risk for trading portfolios under the Internal Model Approach

	Aggregate Value-at-Risk Over the Reporting Period			
Average VaR [1]	Mean value $M	Maximum value $M	Minimum value $M	As at balance date $M
Over the 6 months to 31 December 2016	66	135	25	29
Over the 6 months to 30 June 2016	71	127	29	127
Over the 6 months to 31 December 2015	26	39	21	25

	Aggregate SVaR Over the Reporting Period			
Stressed VaR [1]	Mean value $M	Maximum value $M	Minimum value $M	As at balance date $M
Over the 6 months to 31 December 2016	113	172	67	95
Over the 6 months to 30 June 2016	128	178	79	110
Over the 6 months to 31 December 2015	119	153	81	120

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

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 2016 there was no back-test outlier. The back-test results are summarised in APS 330 Table 14f (ii) and details of these are provided in APS 330 Table 14f (iii). A comparison of VaR with actual gains or losses during the 6 months to 31 December 2016 is illustrated in APS 330 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 2016	-
Over the 6 months to 30 June 2016	1
Over the 6 months to 31 December 2015	-

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

APS 330 Table 14f (iii): Details of Back-Test Outliers

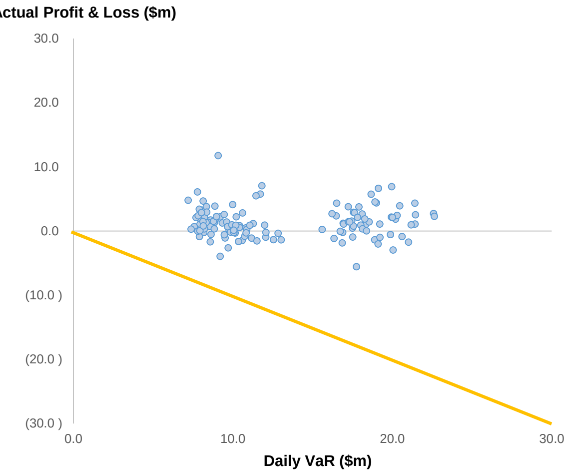
	Over the Reporting Period 1 July 2016 to 31 December 2016	
	Hypothetical loss	VaR 99%
Date	$M	$M
	-	-

	Over the Reporting Period 1 January 2016 to 30 June 2016	
	Hypothetical loss	VaR 99%
Date	$M	$M
21 January 2016	(9. 6)	(8. 1)

	Over the Reporting Period 1 July 2015 to 31 December 2015	
	Hypothetical loss	VaR 99%
Date	$M	$M
	-	-

APS 330 Table 14f (iv): Comparison of VaR estimates with actual gains/losses experienced

1 July 2016 to 31 December 2016



8.2 Non-Traded Market Risk

APS 330 Table 17b – Interest Rate Risk in the Banking Book

	Change in Economic Value		
	31 Dec 16	30 Jun 16	31 Dec 15
Stress Testing: Interest Rate Shock Applied	$M	$M	$M
AUD			
200 basis point parallel increase	**(1,171)**	(1,068)	(1,287)
200 basis point parallel decrease	**1,147**	1,205	1,420
NZD			
200 basis point parallel increase	**(283)**	(264)	(250)
200 basis point parallel decrease	**301**	282	268
Other			
200 basis point parallel increase	**(18)**	(18)	(18)
200 basis point parallel decrease	**18**	18	18

	31 Dec 16	30 Jun 16	31 Dec 15
Regulatory RWA (1) (2)	$M	$M	$M
Interest rate risk in the banking book	**23,498**	7,448	17,511

(1) The methodology for determining the Regulatory RWA for IRRBB is outlined in the 30 June 2016 Basel III Pillar 3 report of the Group and is in accordance with APRA's Prudential Standard APS 110 "Capital Adequacy".
(2) Refer to page 9 for commentary.

9 Operational Risk

APS 330 Table 6e – Capital requirements for operational risk

	31 Dec 16	30 Jun 16	31 Dec 15
	$M	$M	$M
Total operational risk RWA (1) (2)	**33,750**	33,750	32,743

(1) Refer to page 9 for commentary.
(2) During March 2016, APRA granted the Group permission to apply a new proposed Advanced Measurement Approach model for Operational Risk capital. In prior years, the Standardised Approach was applied to smaller overseas operations (31 December 2015: $189 million). The Advanced Measurement Approach measure of prior year was: 31 December 2015: $32,554 million.

10 Liquidity Risk

10.1 Liquidity Coverage Ratio Disclosure

The Group's LCR increased from 122% to 134% from the previous quarter, driven by a reduction in cash outflows from collateral requirements and unsecured debt. The Group manages its LCR position on a daily basis, ensuring a buffer is maintained over the minimum regulatory requirement and the Board's risk appetite. Excess liquid assets averaged $30 billion over the last two quarters. Methodologies used to determine LCR treatment are reviewed at least annually.

The Group holds a diverse mix of High Quality Liquid Assets (HQLA), consisting primarily of cash, deposits with central banks, Australian Semi-Government and Commonwealth Government securities and securities issued by foreign sovereigns. In addition, the Group has Alternative Liquid Assets (ALA) in the form of securities eligible for repo with the Reserve Bank of Australia under the Committed Liquidity Facility ($58.5 billion available for calendar year 2016) and securities classified as liquid assets by the Reserve Bank of New Zealand. Liquid assets are distributed across the Group to support regulatory and internal requirements and are consistent with the distribution of liquidity needs by currency. Liquid assets have increased from the prior quarter, despite a reduction in net cash outflows (NCO). The composition of the liquid asset portfolio has remained relatively stable over the last two quarters.

The Group's 30 day projected net cash outflows (NCO) decreased by $9 billion from the previous quarter. The main contributor to the decrease, the amount of collateral that would need to be posted under a three notch downgrade of CBA's long-term credit rating, was a result of rating agency methodology changes. The Group continues to manage its wholesale funding maturity profile and deposit and loan product features to limit NCO growth as part of its overall liquidity management strategy. As a result, NCO growth was broadly in line or below balance growth across the balance sheet.

APS 330 Table 20 - LCR disclosure template

		31 Dec 16 Total unweighted value (average) (1) $M	31 Dec 16 Total weighted value (average) (1) $M	30 Sept 16 Total unweighted value (average) (1) $M	30 Sept 16 Total weighted value (average) (1) $M
Liquid assets, of which:					
1	High-quality liquid assets (HQLA)		82,317		80,404
2	Alternative liquid assets (ALA)		53,612		53,171
3	Reserve Bank of New Zealand (RBNZ) securities		6,872		6,664
Cash outflows					
4	Retail deposits and deposits from small business customers, of which:	270,283	22,159	267,464	21,984
5	Stable deposits	160,842	8,042	158,654	7,933
6	Less stable deposits	109,441	14,117	108,810	14,051
7	Unsecured wholesale funding, of which:	116,641	65,866	118,174	69,294
8	Operational deposits (all counterparties) and deposits in networks for cooperative banks	23,481	5,769	21,636	5,300
9	Non-operational deposits (all counterparties)	81,716	48,653	81,514	48,970
10	Unsecured debt	11,444	11,444	15,024	15,024
11	Secured wholesale funding		848		534
12	Additional requirements, of which:	162,331	26,825	162,340	30,460
13	Outflows related to derivatives exposures and other collateral requirements	8,797	8,797	13,153	13,153
14	Outflows related to loss of funding on debt products	910	910	550	550
15	Credit and liquidity facilities	152,624	17,118	148,637	16,757
16	Other contractual funding obligations	3,162	151	3,349	234
17	Other contingent funding obligations	81,375	9,537	78,787	9,234
18	**Total cash outflows**		125,386		131,740
Cash inflows					
19	Secured lending	9,594	2,982	8,307	2,222
20	Inflows from fully performing exposures	11,752	8,258	11,621	8,279
21	Other cash inflows	7,546	7,546	6,016	6,016
22	**Total cash inflows**	28,892	18,786	25,944	16,517
23	**Total liquid assets**		142,801		140,239
24	**Total net cash outflows**		106,600		115,223
25	**Liquidity Coverage Ratio (%)**		134		122
Number of data points used (Business Days)			61		64

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

11 Appendices

11.1 Detailed Capital Disclosures Template (APS 330 Attachment A)

The capital disclosures detailed in the template below represents the post 1 January 2018 Basel III common disclosure requirements. The Group is applying the Basel III regulatory adjustments in full as implemented by APRA. These tables should be read in conjunction with section 11.3 Regulatory Balance Sheet and section 11.4 Reconciliation between detailed capital disclosures template and the Regulatory Balance Sheet.

Summary Group Capital Adequacy Ratios (Level 2)	31 Dec 16 Basel III APRA %	31 Dec 16 Basel III Internationally Comparable %
CET1	9. 9	15. 4
Tier 1	11. 5	17. 4
Total Capital	13. 7	19. 8

		31 Dec 16 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	34,567	Table A
2	Retained earnings	24,157	
3	Accumulated other comprehensive income (and other reserves)	1,992	
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	60,716	
Common Equity Tier 1 Capital: regulatory adjustments			
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	(7,624)	Table C
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	(2,104)	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	47	
12	Shortfall of provisions to expected losses (1)	(592)	
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	(147)	
15	Defined benefit superannuation fund net assets (2)	(299)	
16	Investments in own shares (if not already netted off paid-in capital on reported Balance Sheet)	(4)	
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)	-	Table G
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)	-	Table G
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	-	Table G
24	of which: mortgage servicing rights	-	
25	of which: deferred tax assets arising from temporary differences	-	Table D
	CET1 (Internationally Comparable)	49,993	

(1) Represents regulatory expected loss (pre-tax) using stressed loss given default assumptions associated with the loan portfolio in excess of eligible credit provisions of $220 million and general reserve for credit losses (post-tax, with the associated tax amount incorporated in the row 26e adjustment) of $372 million.

(2) In accordance with APRA regulations, the surplus in the Group's defined benefit superannuation fund, net of any deferred tax liability, must be deducted from Common Equity Tier 1.

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

		31 Dec 16 Basel III $M	Reconciliation Table Reference
APRA Specific Regulatory Adjustments			
26	National specific regulatory adjustments (rows 26a, 26b, 26c, 26d, 26e, 26f, 26g, 26h, 26i, 26j)	**-**	
26a	of which: treasury shares	**142**	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	**(4,257)**	Table G
26e	of which: deferred tax assets not reported in rows 10, 21 and 25	**(1,524)**	Table D
26f	of which: capitalised expenses	**(696)**	
26g	of which: investments in commercial (non-financial) entities that are deducted under APRA prudential requirements	**(116)**	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	**(217)**	
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 CET1 (1)	**(17,391)**	
29	CET1 (APRA)	**43,325**	
Additional Tier 1 Capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments		
31	of which: classified as equity under applicable accounting standards	**-**	
32	of which: classified as liabilities under applicable accounting standards	**6,450**	Table E
33	Directly issued capital instruments subject to phase out from Additional Tier 1	**138**	Table E
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	**505**	Table E
36	Additional Tier 1 Capital before regulatory adjustments	**7,093**	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)	**(200)**	
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	**(200)**	
44	Additional Tier 1 Capital (AT1)	**6,893**	
45	Tier 1 Capital (T1=CET1+AT1)	**50,218**	
Tier 2 Capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments	**7,639**	Table F
47	Directly issued capital instruments subject to phase out from Tier 2	**1,580**	Table F
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	**188**	
51	Tier 2 Capital before regulatory adjustments	**9,407**	

(1) Total regulatory adjustments to CET1 of $17,390 million in row 28 is net of APRA's allowance for treasury shares held by the Group's employee share scheme trusts of $142 million as detailed in row 26a.

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

		31 Dec 16 Basel III $M	Reconciliation Table Reference
Tier 2 Capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	(15)	
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)	(19)	
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	(34)	
58	Tier 2 Capital (T2)	9,373	
59	Total Capital (TC=T1+T2)	59,591	
60	Total risk weighted assets based on APRA standards	436,481	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	9.9%	
62	Tier 1 (as a percentage of risk weighted assets)	11.5%	
63	Total Capital (as a percentage of risk weighted assets)	13.7%	
64	Buffer requirement (minimum CET1 requirement of 4.5% plus capital conservation buffer of 2.5% plus any countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	8.0%	
65	of which: capital conservation buffer requirement	3.5%	
66	of which: ADI-specific countercyclical buffer requirements	-	Table H
67	of which: G-SIB buffer requirement (not applicable)	n/a	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets) (1)	5.4%	
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	131	Table G
73	Significant investments in the ordinary shares of financial entities	4,126	Table G
74	Mortgage servicing rights (net of related tax liability)	-	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	1,524	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)	188	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	363	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	2,067	
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	3,147	
83	Amount excluded from AT1 instruments due to cap (excess over cap after redemptions and maturities)	-	Table E
84	Current cap on Tier 2 instruments subject to phase out arrangements	1,934	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	-	Table F

(1) Represents the amount of CET1 over and above the CET1 minimum of 4.5%.

11.2 Detailed Leverage Disclosures Template (APS 330 Attachment E)

APS 330 Table 19 – Summary comparison of accounting assets vs leverage ratio exposure measure

		31 Dec 16 Basel III APRA $M
1	Total consolidated assets as per published financial statements	971,719
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(15,070)
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	(5,627)
5	Adjustment for SFTs (i.e. repos and similar secured lending)	1,165
6	Adjustment for Off Balance Sheet exposures (i.e. conversion to credit equivalent amounts of Off Balance Sheet exposures)	85,887
7	Other adjustments	(19,143)
8	**Leverage ratio exposure**	**1,018,931**

APS 330 Table 18 – Leverage ratio disclosure template

		31 Dec 16 Basel III APRA $M
On Balance Sheet exposures		
1	On Balance Sheet items (excluding derivatives and securities financing transactions (SFTs), but including collateral)	885,141
2	Asset amounts deducted in determining Tier 1 capital	(19,143)
3	**Total On Balance Sheet exposures (excluding derivatives and SFTs)**	**865,998**
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	20,132
5	Add-on amounts for potential future credit exposure (PFCE) associated with all derivatives transactions	18,094
6	Gross-up for derivatives collateral provided where deducted from the Balance Sheet assets pursuant to the Australian Accounting Standards	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
8	(Exempted central counterparty (CCP) leg of client-cleared trade exposures)	-
9	Adjusted effective notional amount of written credit derivatives	3,812
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(1,825)
11	**Total derivative exposures**	**40,213**
SFT exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	25,668
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14	CCR exposure for SFT assets	1,165
15	Agent transaction exposures	-
16	**Total SFT exposures**	**26,833**
Other Off Balance Sheet exposures		
17	Off Balance Sheet exposure at gross notional amount	187,533
18	(Adjustments for conversion to credit equivalent amounts)	(101,646)
19	**Other Off Balance Sheet exposures**	**85,887**
Capital and total exposures		
20	Tier 1 Capital	50,218
21	Total exposures	1,018,931
Leverage ratio		
22	Leverage ratio (%)	4.9

11.3 Regulatory Balance Sheet

The following table provides details on the Commonwealth Bank of Australia Group's Balance Sheet and the Level 2(1) Regulatory Balance Sheet as at 31 December 2016.

	Group Balance Sheet $M	Adjustment (2) $M	Level 2 Regulatory Balance Sheet $M	Template/ Reconciliation Table Reference
Assets				
Cash and liquid assets	44,709	(348)	44,361	
Receivables due from other financial institutions	10,612	(66)	10,546	
Assets at fair value through Income Statement:				
Trading	34,199	(288)	33,911	
Insurance	13,795	(13,795)	-	
Other	803	(262)	541	
Derivative assets	45,837	4	45,841	
Available-for-sale investments	81,675	(499)	81,176	Table G
Loans, bills discounted and other receivables	712,905	(104)	712,801	
Bank acceptances of customers	1,440	-	1,440	
Investment in regulatory non-consolidated subsidiaries	-	3,297	3,297	Table G
Property, plant and equipment	4,094	(1,235)	2,859	
Investment in associates and joint ventures	2,842	(224)	2,618	Table G
Intangible assets	10,000	(256)	9,744	Table C
Deferred tax assets	782	317	1,099	Table D
Other assets	8,026	(1,611)	6,415	
Total assets	971,719	(15,070)	956,649	
Liabilities				
Deposits and other public borrowings	606,091	2,316	608,407	
Payables due to other financial institutions	34,031	-	34,031	
Liabilities at fair value through Income Statement	8,404	-	8,404	
Derivative liabilities	38,042	(34)	38,008	
Bank acceptances	1,440	-	1,440	
Current tax liabilities	1,012	(32)	980	
Deferred tax liabilities	332	(332)	-	Table D
Other provisions	1,625	(271)	1,354	
Insurance policy liabilities	12,388	(12,388)	-	
Debt issues	175,583	(107)	175,476	
Managed funds units on issue	2,362	(2,362)	-	
Bills payable and other liabilities	11,600	(1,287)	10,313	
Loan capital	16,997	-	16,997	Table E
Total liabilities	909,907	(14,497)	895,410	
Net assets	61,812	(573)	61,239	
Shareholders' Equity				
Share capital:				
Ordinary share capital	34,455	112	34,567	Row 1, Table A
Reserves	2,144	(152)	1,992	Row 3
Retained profits	24,662	(505)	24,157	Row 2
Shareholders' Equity attributable to Equity holders of the Bank	61,261	(545)	60,716	
Non-controlling interests	551	(28)	523	Table B
Total Shareholders' Equity	61,812	(573)	61,239	

(1) Level 2 Balance Sheet is based on the revised definition of Level 2 Group, following clarification provided by APRA in May 2014.The Group implemented the change effective from 31 December 2016.

(2) Reflects the deconsolidation of the Insurance and funds management entities 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.

11.4 Reconciliation between Detailed Capital Template and Regulatory Balance Sheet

The following tables provide additional information on the differences between the detailed capital disclosures (section 11.1) and the Regulatory Balance Sheet (section 11.3).

Table A	31 Dec 16 $M	Template Reference
Share Capital		
Ordinary Share Capital	34,455	
Add Treasury Shares held by the Group's life insurance operations	112	
Total per Balance Sheet (Ordinary Share Capital Internationally Comparable) [1]	34,567	Row 1
Treasury Shares held by the Group's employee share scheme trusts (APRA specific adjustment)	142	Row 26a
Total Ordinary Share Capital and Treasury Shares (APRA)	34,709	

Table B	31 Dec 16 $M	Template Reference
Non Controlling Interests		
Total per Balance Sheet [1]	523	
Less ASB perpetual Shares transferred to Additional Tier 1 Capital (refer Table E)	(505)	
Less other non controlling interests not included in capital	(18)	
Total per Capital Template (APRA and Internationally Comparable)	-	Row 5

Table C	31 Dec 16 $M	Template Reference
Goodwill & Other Intangibles		
Total per Balance Sheet [1]	9,744	
Less capitalised software and other intangibles separately disclosed in template	(2,120)	
Total per Capital Template - Goodwill (APRA and Internationally Comparable)	7,624	Row 8
Other intangibles (including capitalised software) per Balance Sheet	2,120	
Less DTL associated with other intangibles	(16)	
Total per Capital Template - Other Intangibles (APRA and Internationally Comparable)	2,104	Row 9

Table D	31 Dec 16 $M	Template Reference
Deferred Tax Assets		
Deferred tax asset per Balance Sheet [1]	1,099	
Less deferred tax liability per Balance Sheet [1]	-	
Net Deferred Tax Assets [2]	1,099	
Adjustments required in accordance with APRA prudential standards [3]	425	
Deferred tax asset adjustment before applying prescribed thresholds (APRA specific adjustment)	1,524	Row 26e
Less amounts below prescribed threshold - risk weighted [4]	(1,524)	Row 75
Total per Capital Template (Internationally Comparable)	-	Row 10, 21, 25

(1) Represents the balance per Level 2 Regulatory Balance Sheet.
(2) Represents the balance of deferred tax asset net of deferred tax liability 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.
(4) The BCBS allows these items to be risk weighted at 250% if the balance falls below prescribed threshold levels. APRA require these to be deducted from CET 1.

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

Table E	31 Dec 16 $M	Template Reference
Additional Tier 1 Capital		
Total Loan Capital per Balance Sheet (1)	16,997	
Less fair value hedge adjustments (2)	(280)	
Total Loan Capital net of issue costs at their contractual values	16,717	
Less amount related to Tier 2 Capital Instruments	(10,185)	
Total Tier 1 Loan Capital	6,532	
Add ASB perpetual Shares transferred from Non Controlling interest (refer Table B)	505	
Add issue costs (3)	56	
Less Basel III transitional relief amortisation for directly issued instruments (4)	-	Row 83
Less Basel III transitional relief amortisation for instruments issued by subsidiaries (4)	-	Row 83
Total per Capital Template (APRA)	7,093	Row 36
Additional Tier 1 Capital Instruments comprises		
Basel III Complying Instruments		
PERLS VI	2,000	
PERLS VII	3,000	
PERLS VIII	1,450	
	6,450	Row 32
Basel III Non Complying Instruments		
Other Instruments	138	
Less Basel III transitional relief amortisation for directly issued instruments (4)	-	Row 83
	138	Row 33
Basel III Non Complying Instruments - issued by subsidiaries		
ASB preference shares	505	
Less Basel III transitional relief amortisation for instruments issued by subsidiaries (4)	-	Row 33
	505	Row 35
Total Basel III Non Complying Instruments	643	
Total Additional Tier 1 Capital Instruments (APRA)	7,093	Row 36

Table F	31 Dec 16 $M	Template Reference
Tier 2 Capital Instruments		
Total included in Balance Sheet	10,185	
Less amount of Tier 2 debt issued by subsidiary ineligible for inclusion in the Group's Capital (5)	(132)	
Add issue costs (3)	37	
Less amortisation of instruments (6)	(871)	
Less Basel III transitional relief amortisation for directly issued instruments (4)	-	Row 85
Total per Capital Template (APRA and Internationally Comparable)	9,219	Row 46, 47

(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 as part of capitalised expenses in Row 26f in the Capital template.
(4) Basel III transitional arrangements apply to directly issued capital instruments and instruments issued by subsidiaries not compliant with the new Basel III requirements.
(5) Represents notes issued by the Group through ASB, its New Zealand subsidiary. The amount of these notes that contributes to ASB capital in excess of its minimum regulatory requirements is not eligible for inclusion in the Group's capital.
(6) APRA requires these instruments to be amortised by 20% of the original amount during each of the last five years to maturity. This is in addition to Basel III transitional arrangements.

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 www.commbank.com.au/about-us/investors/shareholders.

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

Table G	31 Dec 16 $M	Template Reference
Equity Investments		
Investment in commercial entities	116	Row 26g
Investments in significant financial entities	2,494	Row 26d, 73
Investments in non-significant financial entities	131	Row 26d, 72
	2,741	
Equity investment in non-consolidated subsidiaries	3,297	Row 26d, 73
Less transitional arrangements granted in respected Colonial debt (1)	(1,665)	Row 26d, 73
Total Equity Investments before applying prescribed thresholds APRA specific adjustment (2)	4,373	
Less amounts risk weighted under Internationally Comparable (3)	(4,373)	
Total per Capital Template (Internationally Comparable)	-	Row 18, 19, 23

(1) The capital benefit arising from the debt issued by the Colonial debt is being phased out, with APRA granting transitional arrangements in line with the maturity profile of the debt.

(2) Equity Investments are classified in the Level 2 Regulatory Balance Sheet across Investments in Associates, Assets held for Sale, Available-for-Sale Securities and Investment in non-consolidated subsidiaries. In addition, the Group has undrawn commitments (Off-Balance Sheet) which are deemed in the nature of equity for Regulatory Capital purposes.

(3) The aggregate of investments in significant financial entities of $2,494 million, investments in non-significant financial entities of $131 million and equity investment in non-consolidated subsidiaries of $1,632 million (net of Colonial debt transitional attangements) is a total of $4,257 million and is included in row 26d in the Capital template. The BCBS allows for equity investments to be concessionally risk weighted provided they are below prescribed thresholds. APRA requires such items to be deducted 100% from CET1 capital. The remaining balance of $116 million related to Investments in commercial entities are risk weighted under Internationally Comparable methodology, with no prescribed threshold limits.

Countercyclical Capital Buffer

The countercyclical capital buffer (CCyB), which is effective for Australian ADI's from 1 January 2016, represents an extension to the capital conservation buffer and may require an ADI to hold additional CET1 of up to 2.5%. 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.

In January 2017, APRA announced that the CCyB for Australian exposures will remain at 0%. The Group has limited exposures to those offshore jurisdictions in which a CCyB in excess of 0% has been applied and as such the CCyB has no material impact on the Group's capital requirements.

Table H

Country (1)	RWA (2) $M	Jurisdictional Buffer %	ADI Specific Buffer (3) %	Template Reference
Hong Kong	848	0.625%	0.002%	
Norway	980	1.500%	0.004%	
Sweden	1	1.500%	0.000%	
Others	347,626	0.000%	0.000%	
Total	**349,455**		**0.006%**	**Row 66**

(1) Represents country of ultimate risk. As at 31 December 2016 only Hong Kong, Norway and Sweden have imposed a CCyB > 0%.

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

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

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.

The total assets and liabilities should not be aggregated as some of the entities listed are subsidiaries of other entities included in the table below.

Entity name	Total Assets $M	Total Liabilities $M
(a) Securitisation		
Swan Trust Series 2010-1	108	108

Entity name	Total Assets $M	Total Liabilities $M
(b) Insurance and Funds Management		
Avanteos Investments Limited	60	20
Avanteos Pty Ltd	-	-
BW Financial Advice Limited	7	2
CFS Seeding Trust	28	28
CFSPAI Europe Co Limited	1	-
CFSPAI Europe Holdco Limited	-	-
CISL (NO. 1) Pty Limited	-	-
Colonial (UK) Trustees Limited	1	1
Colonial First State Asset Management (Australia) Limited	67	57
Colonial First State Investments Limited	611	286
Colonial First State Infrastructure Holdings Limited	21	12
Colonial First State Infrastructure Managers (Australia) Pty Limited	3	3
Colonial First State Managed Infrastructure Limited	17	6
Colonial Mutual Superannuation Pty Ltd	14	1
Colonial Services Pty Limited	19	19
Commonwealth Custodial Services Pty Ltd	-	-
Commonwealth Financial Planning Limited	208	182
Commonwealth Insurance Limited	1,050	739
Count Financial Limited	41	18
Emerald Holding Company Pty Limited	-	-
Financial Wisdom Limited	16	9
Finconnect (Australia) Pty Ltd	55	8
First Gas Consolidated Group	1,772	1,766
First State European Diversified Infrastructure Sarl	-	-
First State Infrastructure Managers (International) Limited	3	3
First State Investments Fund Management Sarl	11	9
First State Investment Management (UK) Limited	87	-
First State Investment Services (UK) Limited	176	154

11.5 Entities excluded from Level 2 Regulatory Consolidated Group (continued)

Entity name	Total Assets $M	Total Liabilities $M
First State Investments (Hong Kong) Limited	170	76
First State Investments (Japan) Limited	-	-
First State Investments (NZ) Limited	1	1
First State Investments (Singapore)	138	81
First State Investments (UK) Limited	130	112
First State Investments (US) LLC	13	5
First State Investments GIP Management Sarl	-	-
First State Investments International Inc	-	-
First State Investments International Limited	67	7
First State Nominees (Hong Kong) Limited	-	-
FSIC Limited	-	-
Jacques Martin Administration and Consulting Pty Ltd	4	1
Premium Alternative Investments Pty Limited	-	-
Premium Plantations Pty Limited	-	-
Premium Plantations Services Pty Ltd	-	-
PT Commonwealth Life	695	564
PT First State Investments Indonesia	7	4
Realindex Investments Pty Limited	10	8
Sovereign Assurance Company Limited	2,108	1,420
Sovereign Services Limited	59	19
Sovereign Superannuation Funds Limited	11	1
Sovereign Superannuation Trustees Limited	-	-
St Andrew's Australia Pty Ltd	-	-
The Colonial First State Global Asset Management Seeding Trust	261	261
The Colonial Mutual Life Assurance Society Limited	12,979	11,309
Total Keen Investment Limited	1	-
Water Utilities Group	46	8
Westside Properties Limited	24	1

11.6 List of APRA APS 330 Tables

The following schedule lists the quantitative tables in this document as referenced in APRA Prudential Standard APS 330 "Capital Adequacy: Public Disclosure of Prudential Information" paragraph 11, and Attachments A, C and D.

11.6 List of APRA APS 330 Tables (continued)

11.7 List of Supplemental Tables and Diagrams

11.8 Glossary

Term	Definition
Additional Tier 1 Capital	Additional Tier 1 Capital is a Basel III defined concept and consists of high quality capital that essentially includes providing a permanent and unrestricted commitment of funds, is freely available to absorb losses, ranks behind the claims of depositors and other more senior creditors in the event of a wind-up, and provides for fully discretionary capital distributions.
Australian Accounting Standards	The Australian Accounting Standards as issued by the Australian Accounting Standards Board.
Authorised Deposit-taking Institution (ADI)	Includes banks, building societies and credit unions which are authorised by APRA to take deposits from customers.
Advanced Internal Ratings Based (AIRB) Approach	Used to measure credit risk in accordance with the Group's Basel III accreditation that allows the Group to use internal estimates of PD, LGD and EAD for the purposes of calculating regulatory capital.
Advanced Measurement Approach (AMA)	Used to measure operational risk in accordance with the Group's Basel III accreditation that allows the Group to use its own internal model for the purposes of calculating regulatory capital.
Australian Prudential Regulation Authority (APRA)	The regulator of banks, insurance companies and superannuation funds, credit unions, building societies and friendly societies in Australia.
ADI Prudential Standards (APS)	APRA's ADI Prudential Standards. For more information, refer to the APRA web site.
ASB	ASB Bank Limited – a subsidiary of the Commonwealth Bank of Australia that is directly regulated by the Reserve Bank of New Zealand.
Bank	Basel asset class – includes claims on ADIs and overseas banks.
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 III	Refers to the Basel Committee on Banking Supervision's framework for more resilient banks and banking systems issued December 2010 (revised June 2011) and Capital requirements for bank exposures to central counterparties (July 2012).
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.
Committed Liquidity Facility (CLF)	The Reserve Bank of Australia (RBA) provides the CLF to participating ADIs under the LCR, as a shortfall in Commonwealth government and Semi-government securities exists in Australia. ADIs can draw under the CLF in a liquidity crisis against qualifying securities pledged to the RBA. The amount of the CLF for each ADI is set by APRA annually.
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.
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 as reported in the Group's Financial Statements in accordance with the Australian Accounting Standards (AASB 139 "Financial Instruments: Recognition and Measurement").
Corporate	Basel asset class – includes commercial credit risk where annual revenues exceed $50 million.
Credit Valuation Adjustment (CVA) Risk	The risk of mark-to-market losses related to deterioration in the credit quality of a derivative counterparty.

11.8 Glossary (continued)

Term	Definition
Exposure at Default (EAD)	The extent to which a bank may be exposed upon default of an obligor.
External Credit Assessment Institution (ECAI)	For example; Moody's Investor Services, S&P Global Ratings or Fitch Ratings.
Extended Licenced Entity (ELE)	APRA may deem an entity of an ADI to be part of the ADI itself for the purposes of measuring the ADIs exposures to related entities.
General Reserve for Credit Losses (GRCL)	APS 220 requires the Group to establish a reserve that covers credit losses prudently estimated, but not certain to arise, over the full life of all individual facilities making up the business of the ADI. Most of the Group's collective provisions are included in the General Reserve for Credit Losses. An excess of required General Reserve for Credit Losses over the Group's collective provisions is recognised as a deduction from CET1.
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 in the credit-rated managed segment 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 139 "Financial Instruments: Recognition and Measurement"). Also known as individually assessed provisions or IAP.
Interest Rate Risk in the Banking Book (IRRBB)	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 from 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 the Net Interest Income earned over 12 months. The APS117 IRRBB regulatory capital requirement is calculated using the net present value approach.
Level 1	Represents the ADI and each entity of the ADI that has been approved as an extended licence entity by APRA.
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 the insurance and funds management entities and 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 and wealth management business.
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.
Loss Given Default (LGD)	The fraction of EAD that is not expected to be recovered following default.
Net Cash Outflows	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.
Other Assets	Basel asset class – primarily includes Cash, Investments in Related Entities, Fixed 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 it is otherwise outside contracted arrangements.

Appendices

11.8 Glossary (continued)

Term	Definition
Probability of Default (PD)	The likelihood that a debtor fails to meet an obligation or contractual commitment.
Qualifying Revolving Retail (QRR)	Basel asset class – represents revolving exposures to individuals less than $0.1m, unsecured and unconditionally cancellable by the Group. Only Australian retail credit cards qualify for this AIRB asset class.
Residential Mortgage	Basel asset class – retail exposures secured by residential mortgage property.
RBA	Reserve Bank of Australia.
RBNZ	Reserve Bank of New Zealand.
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. For more information, refer to the APRA web site.
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 risk weighted asset amounts for credit risk under the IRB approach of 1.06.
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 $50 million and exposures are greater than $1 million.
SME Retail	Basel asset class – Small and Medium Enterprise (SME) exposures up to $1 million that are not secured by residential mortgage property.
SME Retail Secured by Residential Mortgage	Small and Medium Enterprise (SME) exposures up to $1 million that are partly or fully secured by residential mortgage property.
Sovereign	Basel asset class – primarily includes claims on Australian and foreign governments, central banks (including Reserve Bank of Australia), international banking agencies and regional development banks.
Specialised Lending	Basel asset classes subject to the supervisory slotting approach and which include Income Producing Real Estate (IPRE), object finance, project finance and commodity finance.
Specific Provisions	APS 220 requires ADIs to report as specific provisions all provisions for impairment assessed by an ADI on an individual basis in accordance with the Australian Accounting Standards and that portion of provisions assessed on a collective basis which are deemed ineligible to be included in the General Reserve for Credit Losses (which are primarily collective provisions on some defaulted assets).
Stress VaR	Stressed Value at Risk uses the same methodology as Value at Risk (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.
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 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 "Capital Adequacy" (APS 110) Attachment D.