CommonwealthBank

Basel III Pillar 3

CAPITAL ADEQUACY AND RISK DISCLOSURES AS AT 31 DECEMBER 2013

COMMONWEALTH BANK OF AUSTRALIA | ACN 123 123 124 | 12 FEBRUARY 2014

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Table of Contents

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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 and equities exposures, market risk, Interest Rate Risk in the Banking Book (IRRBB) and operational risk.

The Group is required to report its assessment of capital adequacy on a Level 2 basis. Level 2 is defined as the consolidated banking group excluding the insurance, funds management businesses and entities through which securitisation of Group assets are conducted.

The Group is 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.

From 31 December 2013, APRA has revoked the use of the AIRB approach for Bankwest non-retail portfolios. APRA's decision was due to Bankwest not fully complying with agreed post-accreditation requirements. This reclassification had a minimal impact on the Group's capital. The Group will reapply for AIRB treatment of Bankwest's non-retail portfolios in the first half of 2015 calendar year.

This document is unaudited, however, it has been prepared consistent with information that has been subject to review by an external auditor and published elsewhere or has been supplied to APRA.

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

The Group in Review

The Group further strengthened its capital position as at 31 December 2013 under the Basel III capital framework. The Group's internationally harmonised Common Equity Tier 1 (CET1) ratio as at 31 December 2013, as measured on the full adoption of the Basel III capital reforms was 11.4%. The Group compares favourably to our international and domestic peers.

The Group's Basel III CET1, Tier 1 and Total Capital Ratios as measured on an APRA basis as at 31 December 2013 were 8.5%, 10.6% and 11.4% respectively. The difference between international harmonised and APRA capital ratios arises from a number of adjustments made by APRA to the standards for regulatory capital calculations promulgated by the Basel Committee for Banking Supervision.

The Group's strong risk culture has been strengthened over the year via enhancements to the risk appetite framework and further embedding the risk accountability ("Three Lines of Defence") model. The risk appetite framework creates transparency over risk management and strategy decisions; and the Three Lines of Defence model formally assigns risk management activities to business managers ("Line 1"), independent risk management ("Line 2") and internal audit ("Line 3"). This starts with a requirement for 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 an AA-/Aa2 credit rating. To maintain this strength, the Group continues to invest in its risk systems and management processes.

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's capital forecasting process ensures pro-active actions and plans are in place to ensure a sufficient capital buffer above minimum levels is in place 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, stress testing and the Group's bottom up view of economic capital. These views influence 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 13 Basel III %	30 Jun 13 Basel III %	1 Jan 13 Basel III %
Common Equity Tier 1	**8.5**	8.2	8.1
Tier 1 (1)	**10.6**	10.3	10.2
Tier 2 (1)	**0.8**	0.9	1.0
Total Capital (APRA)	**11.4**	11.2	11.2
Common Equity Tier 1 (Internationally Harmonised)	**11.4**	11.0	10.6

(1) Revisions to AASB 119 Employee Benefits resulted in the restatement of the 30 June 2013 capital ratios.

2 Scope of Application

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

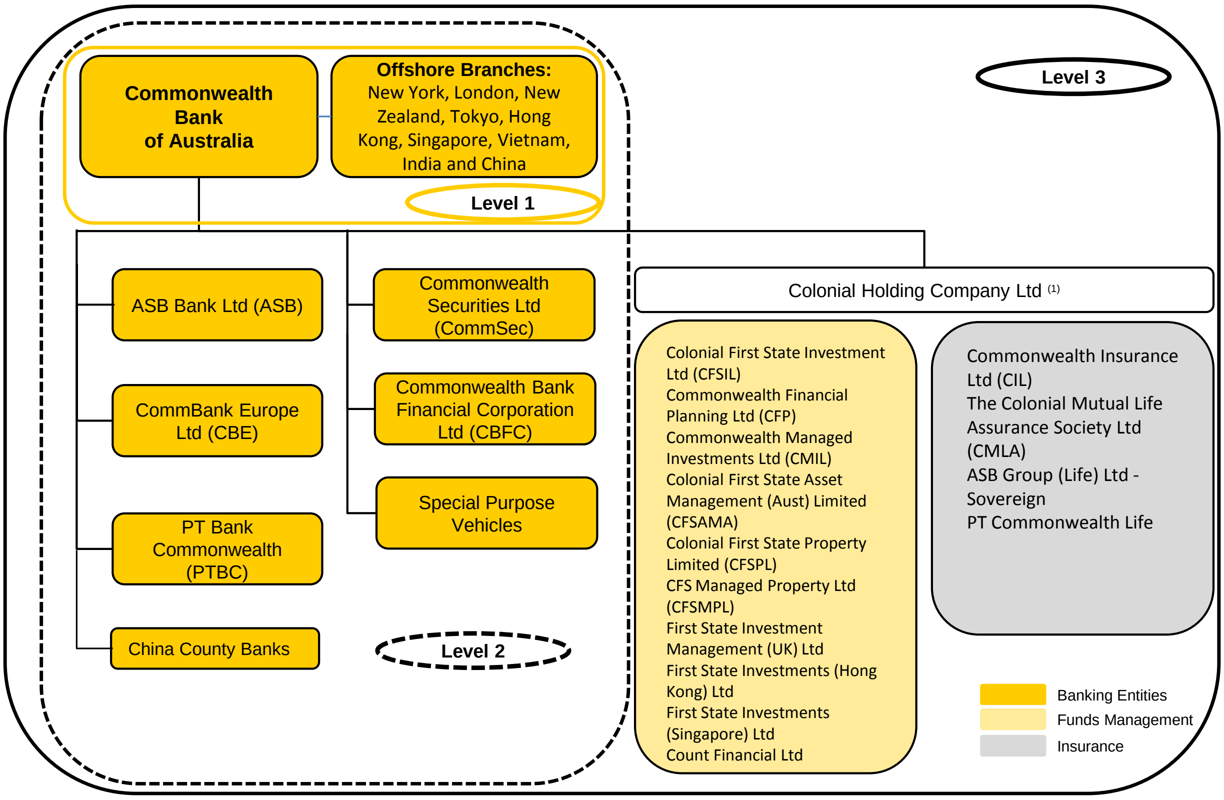
APRA adopts a tiered approach to the measurement of an ADIs capital adequacy:

- **Level 1:** the Parent Bank (Commonwealth Bank of Australia) and offshore branches (the Bank) and APRA approved Extended Licenced Entities (ELE);
- **Level 2:** the Consolidated Banking Group excluding insurance and funds management businesses and entities through which securitisation of Group assets are conducted; and
- **Level 3:** the conglomerate group including insurance and funds management businesses (the Group).

The Group is required to report its semi-annual assessment of capital adequacy on a Level 2 basis. Additional semi-annual 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) 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. ASB operates under advanced Basel III status.

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



(1) Represents the Colonial Holding Company Ltd and major operating subsidiaries. A more detailed list of non-consolidated entities, together with details on their principal activities is provided in Appendix 9.4.

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 subsidiaries in the Group.

3 Capital

Basel III

The Group adopted the Basel III measurement and monitoring of regulatory capital effective from 1 January 2013.

In December 2010, the Basel Committee on Banking Supervision (BCBS) published a discussion paper on banking reforms to address issues which led to the Global Financial Crisis and to position banks for future crises. The objectives of the capital 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 to be phased in from 1 January 2013 to 1 January 2019.

In September 2012, APRA published final standards relating to the implementation of the Basel III capital reforms in Australia. APRA has adopted a more conservative approach than the minimum standards published by the BCBS and a more 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%, will be implemented on 1 January 2016, bringing the CET1 requirement for the Group to 8%.

Capital Management

The Group maintained a strong capital position with the capital ratios well in excess of it's Prudential Capital Requirement (PCR) and the Board Approved minimum levels at all times throughout the half year ended 31 December 2013.

The Group's CET1 (internationally harmonised) and CET1 (APRA) ratios were 11.4% and 8.5% respectively at 31 December 2013. The increase in capital in the December 2013 half year was primarily driven by capital generated from earnings and the benefit from favourable market movements. This was partially offset by the impact of the June 2013 final dividend payment in which the dilutive impact of the Dividend Reinvestment Plan (DRP) was neutralised.

The Tier 1 and Total Capital ratios under Basel III (APRA) are 10.6% and 11.4% respectively at 31 December 2013. These ratios are well above regulatory and board approved minima.

Capital Initiatives

The following significant initiatives were undertaken during the half year to actively manage the Group's capital:

Common Equity Tier 1 Capital

The Dividend Reinvestment Plan (DRP) for the 2013 final dividend was satisfied in full by the on market purchase of shares. The participation ratio for the DRP was 22.4%.

Tier 2 Capital

Redemption of $500 million subordinated tier 2 debt issue.

Other Regulatory Changes

Conglomerate Groups

In May 2013 APRA released a discussion paper and draft prudential standards titled "Supervision of Conglomerate Groups" focusing on the requirements of risk management and capital adequacy. APRA is extending its current 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. The aims of the Level 3 proposals are to ensure that a Conglomerate Group holds adequate capital to protect the APRA regulated entities from potential contagion and other risks within the Group. APRA has yet to release final standards, with implementation of these new requirements scheduled from 1 January 2015.

Leverage Ratio

In January 2014 the BCBS endorsed the leverage ratio framework and disclosure requirements. The ratio is defined as Tier 1 Capital as a percentage of exposures, with a proposed minimum of 3%.

Public disclosure of the leverage ratio will commence from 1 January 2015. The BCBS has advised that any final adjustments to the definition and calibration of the ratio will be made by 2017. Migration to a Pillar 1 (minimum capital requirement) is expected from 1 January 2018.

Group Regulatory Capital Position

Summary Group Capital Adequacy Ratios (Level 2)	31 Dec 13 Basel III %	30 Jun 13 Basel III %	1 Jan 13 Basel III %
Common Equity Tier 1	**8. 5**	8. 2	8. 1
Tier 1 (1)	**10. 6**	10. 3	10. 2
Tier 2 (1)	**0. 8**	0. 9	1. 0
Total Capital (APRA)	**11. 4**	11. 2	11. 2
Common Equity Tier 1 (Internationally Harmonised)	**11. 4**	11. 0	10. 6

	APRA Basel III 31 Dec 13 $M	APRA Basel III 30 Jun 13 $M	APRA Basel III 1 Jan 13 $M
Ordinary Share Capital and Treasury Shares (2)	**26,620**	26,620	26,427
Reserves	**1,721**	1,389	1,426
Retained earnings (1)	**16,983**	16,060	14,250
Non-controlling interests	**-**	-	-
Common Equity Tier 1 Capital before regulatory adjustments	**45,324**	44,069	42,103
Common Equity Tier 1 regulatory adjustments	**(16,786)**	(17,039)	(16,509)
Common Equity Tier 1 Capital	**28,538**	27,030	25,594
Additional Tier 1 Capital	**6,720**	6,720	6,720
Tier 1 Capital	**35,258**	33,750	32,314
Tier 2 Capital	**2,922**	3,088	3,078
Total Capital	**38,180**	36,838	35,392

(1) Revisions to AASB 119 Employee Benefits resulted in the restatement of the 30 June 2013 capital ratios and Retained Earnings in both comparative periods.
(2) 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 9.

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

Significant Group ADIs	31 Dec 13 Basel III %	30 Jun 13 Basel III %	31 Dec 12 Basel 2.5 %
CBA Level 1 CET1 Capital ratio	**8. 3**	8. 0	n/a
CBA Level 1 Tier 1 Capital ratio	**10. 3**	10. 0	10. 8
CBA Level 1 Total Capital ratio	**11. 2**	11. 0	10. 9
ASB CET1 Capital ratio	**11. 1**	10. 4	n/a
ASB Tier 1 Capital ratio	**12. 4**	11. 8	12. 2
ASB Total Capital ratio	**12. 5**	11. 9	12. 2

Regulatory Capital Framework Comparison

In implementing the Basel III capital framework in Australia, APRA elected to adopt a more conservative approach than the BCBS Basel III minimum requirements. APRA is also adopting an accelerated timetable for the implementation of the Basel III capital framework. As a result APRA Basel III capital ratios published by Australian banks are not directly comparable to the published capital ratios of international banks.

The table below provides an explanation of the material differences between APRA's Basel III capital rules and the BCBS Basel III minimum requirements and the impact of converting APRA Basel III capital ratios to fully implemented internationally harmonised Basel III capital ratios.

Item	Description	Movement in ratios from APRA to international
Differences relating to the Capital Numerator		
Equity investments	A 100% deduction is required from CET1 for equity investments in financial institutions and entities that are deconsolidated for regulatory purposes (e.g. insurance and funds management businesses). APRA requires these equity investments to be 100% deducted from CET1. The BCBS allows a concessional threshold before the deduction is required.	Increase ratio
Deferred tax assets	A 100% deduction is required from CET1 for deferred tax assets relating to temporary differences. APRA requires all deferred tax assets, including those relating to temporary differences, to be deducted 100% from CET1. The BCBS allows a concessional threshold before the deduction is required.	Increase ratio
Differences relating to risk weighted assets		
IRRBB RWA	APRA requires the inclusion of IRRBB within RWA. The BCBS requirements make no reference to IRRBB RWAs.	Increase ratio
Mortgages RWA	APRA imposes a floor of 20% on the downturn Loss Given Default (LGD) used in advanced credit models for determining credit RWAs for retail residential mortgages. The BCBS imposes a downturn LGD floor of 10% for these exposures.	Increase ratio

The following table details the differences between APRA's Basel III prudential requirements and those of the BCBS as at 31 December 2013. The Group's CET1, Tier 1 and Total Capital ratios as at 31 December 2013 on a Basel III fully implemented internationally harmonised basis were 11.4%, 13.7% and 14.7% respectively. Further details on the differences between APRA and the BCBS are available on the Australian Bankers' Association website.

	31 December 2013		
Regulatory Capital Frameworks Comparison	**CET1 %**	**Tier 1 Capital %**	**Total Capital %**
Basel III - APRA	8. 5	10. 6	11. 4
Differences relating to the capital numerator			
Equity investments	1. 0	1. 0	1. 0
Deferred tax assets	0. 3	0. 3	0. 3
Differences relating to risk weighted assets			
IRRBB risk weighted assets	0. 5	0. 6	0. 6
RWA treatment - residential mortgage	1. 1	1. 2	1. 4
Total adjustments	2. 9	3. 1	3. 3
Basel III - Internationally Harmonised	11. 4	13. 7	14. 7

4 Risk Weighted Assets

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

Asset Category	31 Dec 13 Basel III $M [1]	30 Jun 13 Basel III $M	1 Jan 13 Basel III $M	Dec 2013 vs Jun 2013 $M	Dec 2013 vs Jun 2013 %	Jun 2013 vs Jan 2013 $M	Jun 2013 vs Jan 2013 %
Credit Risk							
Subject to advanced IRB approach							
Corporate	**48,331**	53,468	52,847	(5,137)	(9. 6)	621	1. 2
SME corporate	**22,548**	30,835	31,127	(8,287)	(26. 9)	(292)	(0. 9)
SME retail	**4,711**	4,203	4,222	508	12. 1	(19)	(0. 5)
Sovereign	**3,985**	3,684	3,692	301	8. 2	(8)	(0. 2)
Bank	**10,073**	10,328	11,142	(255)	(2. 5)	(814)	(7. 3)
Residential mortgage	**67,797**	66,741	63,637	1,056	1. 6	3,104	4. 9
Qualifying revolving retail	**6,553**	6,683	6,460	(130)	(1. 9)	223	3. 5
Other retail	**11,827**	11,093	8,983	734	6. 6	2,110	23. 5
Impact of the regulatory scaling factor [2]	**10,550**	11,222	10,927	(672)	(6. 0)	295	2. 7
Total RWA subject to advanced IRB approach	**186,375**	198,257	193,037	(11,882)	(6. 0)	5,220	2. 7
Specialised lending	**48,514**	50,392	48,373	(1,878)	(3. 7)	2,019	4. 2
Subject to standardised approach							
Corporate	**11,087**	3,684	3,894	7,403	large	(210)	(5. 4)
SME corporate	**5,382**	525	317	4,857	large	208	65. 6
SME retail	**4,615**	4,572	4,728	43	0. 9	(156)	(3. 3)
Sovereign	**106**	249	203	(143)	(57. 4)	46	22. 7
Bank	**247**	176	138	71	40. 3	38	27. 5
Residential mortgage	**6,182**	2,432	2,257	3,750	large	175	7. 8
Other retail	**2,571**	2,224	2,212	347	15. 6	12	0. 5
Other assets	**4,586**	4,395	4,124	191	4. 3	271	6. 6
Total RWA subject to standardised approach	**34,776**	18,257	17,873	16,519	90. 5	384	2. 1
Securitisation	**5,722**	5,373	5,290	349	6. 5	83	1. 6
Credit valuation adjustment	**6,381**	7,395	7,225	(1,014)	(13. 7)	170	2. 4
Central counterparties [3]	**436**	-	-	436	n/a	-	n/a
Total RWA for credit risk exposures	**282,204**	279,674	271,798	2,530	0. 9	7,876	2. 9
Traded market risk	**5,970**	5,151	4,517	819	15. 9	634	14. 0
Interest rate risk in the banking book	**17,543**	16,289	10,996	1,254	7. 7	5,293	48. 1
Operational risk	**28,480**	28,044	27,631	436	1. 6	413	1. 5
Total risk weighted assets	**334,197**	329,158	314,942	5,039	1. 5	14,216	4. 5

(1) Effective 31 December 2013 APRA revoked the extension of the Group's AIRB accreditation to the Bankwest non-retail portfolio. This resulted in a reclassification of exposures and RWA from Advanced to Standardised. The impact on the Group's RWA and overall capital levels was not material.

(2) APRA requires RWA derived from the advanced IRB approach to be multiplied by a scaling factor of 1.06 (refer glossary).

(3) Under Basel III capital reforms, trade exposures cleared through central counterparties are subject to revised interim capital requirements.

Risk Weighted Assets

Total Group RWA increased by $5.0 billion or 1.5% on the prior half to $334.2 billion.

Credit Risk Exposure and RWA

Credit risk RWA increased over the half by $2.5 billion or 0.9% to $282.2 billion, mostly due to:

- Growth in retail and sovereign exposures;
- Depreciation of the Australian dollar; and
- Reclassification of Bankwest non-retail portfolios from advanced to standardised.

These increases were partly offset by:

- Improved credit quality; and
- The net result of methodology and treatment changes.

Traded Market Risk RWA

Traded market risk RWA increased by $0.8 billion or 15.9% to $6.0 billion. This was driven mainly by an increase in customer flow in Commodities.

Interest Rate Risk in the Banking Book (IRRBB) RWA

IRRBB RWA increased by $1.3 billion or 7.7% to $17.5 billion during the half as a result of balance sheet growth and higher interest rates which reduced balance sheet embedded gains.

Operational Risk RWA

Operational Risk RWA increased $0.4 billion or 1.6% to $28.5 billion, which is consistent with Group growth and a stable operational risk profile.

Explanation of change in credit RWA

The composition of the movement in Credit RWA over the prior half, as reflected in APS 330 Table 6b to 6f, is shown below.

		Credit RWA movement drivers			
Asset Category	Change in Basel III RWA for Dec 13 half $M	Volume and FX changes $M	Credit risk factor changes and regulatory treatments $M	Data and methodology changes (1) $M	Change in credit quality $M
AIRB corporate including SME and specialised lending	**(15,569)**	6,435	-	(16,566)	(5,438)
AIRB bank	**(271)**	136	-	(142)	(265)
AIRB sovereign	**319**	709	-	(12)	(378)
AIRB consumer retail	**1,760**	5,115	(997)	(48)	(2,310)
Standardised including other assets and CCP	**15,942**	(3,986)	-	15,380	4,548
Securitisation exposures	**349**	(28)	-	-	377
Total credit RWA movement	**2,530**	**8,381**	**(997)**	**(1,388)**	**(3,466)**

(1) Includes impact of reclassification of Bankwest non-retail portfolios from AIRB to Standardised treatment.

5 Credit Risk

5.1 Credit Risk Exposure – Excluding Equities and Securitisation

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

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

	31 December 2013						
		Off balance sheet					
Portfolio Type	On balance sheet $M	Non-market related $M	Market related $M	Total $M	Average exposure for December 2013 half [1] $M	Change in exposure for December 2013 half [2] $M	%
Subject to advanced IRB approach							
Corporate	45,503	34,099	4,355	**83,957**	86,248	(4,582)	(5. 2)
SME corporate	30,847	5,314	646	**36,807**	42,232	(10,850)	(22. 8)
SME retail	7,201	1,817	15	**9,033**	8,560	947	11. 7
Sovereign	62,451	2,988	1,686	**67,125**	62,043	10,165	17. 8
Bank	26,625	5,431	10,683	**42,739**	42,750	(22)	(0. 1)
Residential mortgage	385,146	69,480	-	**454,626**	445,130	18,991	4. 4
Qualifying revolving retail	9,661	13,293	-	**22,954**	22,729	450	2. 0
Other retail	7,246	2,546	-	**9,792**	9,464	656	7. 2
Total advanced IRB approach	574,680	134,968	17,385	**727,033**	719,156	15,755	2. 2
Specialised lending	44,935	10,016	1,754	**56,705**	56,863	(315)	(0. 6)
Subject to standardised approach							
Corporate	9,253	1,949	57	**11,259**	7,569	7,381	large
SME corporate	4,744	516	29	**5,289**	2,916	4,747	large
SME retail	4,313	290	-	**4,603**	5,051	(896)	(16. 3)
Sovereign	239	1	-	**240**	385	(290)	(54. 7)
Bank	588	44	13	**645**	536	217	50. 7
Residential mortgage	8,575	900	18	**9,493**	7,366	4,255	81. 2
Other retail	2,521	33	1	**2,555**	2,426	258	11. 2
Other assets	10,279	-	-	**10,279**	9,811	933	10. 0
Central counterparties	-	-	1,564	**1,564**	782	1,564	large
Total standardised approach	40,512	3,733	1,682	**45,927**	36,842	18,169	65. 5
Total credit exposures [3]	660,127	148,717	20,821	**829,665**	812,861	33,609	4. 2

(1) The simple average of balances as at 31 December 2013 and 30 June 2013.
(2) The difference between exposures as at 31 December 2013 and 30 June 2013.
(3) 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	**(14,800)**	Reflects reclassification of Bankwest non-retail exposures from AIRB to standardised.
AIRB sovereign	**10,165**	Mostly portfolio growth in liquid assets.
AIRB bank	**(22)**	Portfolio run offs offset partly by the depreciation of the Australian dollar.
AIRB consumer retail	**20,097**	Reflects portfolio growth, appreciation of NZD denominated exposures and improvements in credit quality.
Total advanced and specialised lending	**15,440**	
Standardised including other assets and central counterparties	**18,169**	Reflects reclassification of Bankwest non-retail exposures from AIRB to standardised.
Total excluding securitisation and equity exposures	**33,609**	

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

	30 June 2013						
		Off balance sheet			Average		
Portfolio Type	On balance sheet $M	Non-market related $M	Market related $M	Total $M	exposure for June 2013 half [1] $M	Change in exposure for June 2013 half [2] $M	%
Subject to advanced IRB approach							
Corporate	46,700	35,371	6,468	88,539	87,074	2,931	3. 4
SME corporate	40,375	6,605	677	47,657	47,060	1,194	2. 6
SME retail	6,551	1,509	26	8,086	8,302	(432)	(5. 1)
Sovereign	52,309	2,940	1,711	56,960	53,186	7,548	15. 3
Bank	26,250	3,925	12,586	42,761	41,221	3,081	7. 8
Residential mortgage	369,224	66,411	-	435,635	427,090	17,091	4. 1
Qualifying revolving retail	9,463	13,041	-	22,504	22,286	436	2. 0
Other retail	6,923	2,213	-	9,136	8,656	961	11. 8
Total advanced IRB approach	557,795	132,015	21,468	711,278	694,875	32,810	4. 8
Specialised lending	46,207	9,482	1,331	57,020	55,844	2,353	4. 3
Subject to standardised approach							
Corporate	2,730	1,131	17	3,878	3,912	(67)	(1. 7)
SME corporate	351	190	1	542	439	207	61. 8
SME retail	4,200	1,298	1	5,499	5,188	622	12. 8
Sovereign	530	-	-	530	685	(309)	(36. 8)
Bank	390	38	-	428	389	78	22. 3
Residential mortgage	4,540	698	-	5,238	5,051	375	7. 7
Other retail	2,208	89	-	2,297	2,276	42	1. 9
Other assets	9,346	-	-	9,346	10,057	(1,422)	(13. 2)
Total standardised approach	24,295	3,444	19	27,758	27,997	(474)	(1. 7)
Total credit exposures [3]	628,297	144,941	22,818	796,056	778,716	34,689	4. 6

(1) The simple average of balances as at 30 June 2013 and 31 December 2012.
(2) The difference between exposures as at 30 June 2013 and 31 December 2012.
(3) Total credit risk exposures (calculated as EAD) do not include equities or securitisation exposures.

	31 December 2012						
		Off balance sheet			Average		
Portfolio Type	On balance sheet $M	Non-market related $M	Market related $M	Total $M	exposure for December 2012 half [1] $M	Change in exposure for December 2012 half [2] $M	%
Subject to advanced IRB approach							
Corporate	44,726	35,317	5,565	85,608	84,137	2,943	3. 6
SME corporate	39,621	6,272	570	46,463	41,850	9,227	24. 8
SME retail	6,739	1,752	27	8,518	8,450	136	1. 6
Sovereign	45,512	2,498	1,402	49,412	48,011	2,803	6. 0
Bank	27,869	2,964	8,847	39,680	37,503	4,354	12. 3
Residential mortgage	354,944	63,600	-	418,544	386,077	64,934	18. 4
Qualifying revolving retail	9,413	12,655	-	22,068	21,812	513	2. 4
Other retail	6,469	1,706	-	8,175	7,886	578	7. 6
Total advanced IRB approach	535,293	126,764	16,411	678,468	635,726	85,488	14. 4
Specialised lending	43,520	10,028	1,119	54,667	48,123	13,089	31. 5
Subject to standardised approach							
Corporate	2,615	1,303	27	3,945	7,152	(6,414)	(61. 9)
SME corporate	136	199	-	335	3,388	(6,106)	(94. 8)
SME retail	3,904	973	-	4,877	5,006	(258)	(5. 0)
Sovereign	839	-	-	839	1,616	(1,553)	(64. 9)
Bank	324	26	-	350	3,416	(6,131)	(94. 6)
Residential mortgage	4,221	642	-	4,863	31,247	(52,767)	(91. 6)
Other retail	2,162	93	-	2,255	2,425	(339)	(13. 1)
Other assets	10,768	-	-	10,768	10,183	1,171	12. 2
Total standardised approach	24,969	3,236	27	28,232	64,433	(72,397)	(71. 9)
Total credit exposures [3]	603,782	140,028	17,557	761,367	748,282	26,180	3. 6

(1) The simple average of balances as at 31 December 2012 and 30 June 2012.
(2) The difference between exposures as at 31 December 2012 and 30 June 2012.
(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 13 $M	Half year average [1] $M
Corporate	**95,216**	93,817
SME corporate	**42,096**	45,148
SME retail	**13,636**	13,611
Sovereign	**67,365**	62,428
Bank	**43,384**	43,286
Residential mortgage [2]	**464,119**	452,496
Qualifying revolving retail	**22,954**	22,729
Other retail	**12,347**	11,890
Specialised lending	**56,705**	56,863
Other assets	**10,279**	9,811
Central counterparties	**1,564**	782
Total credit exposures [3]	**829,665**	812,861

Portfolio Type	As at 30 Jun 13 $M	Half year average [1] $M
Corporate	92,417	90,986
SME corporate	48,199	47,499
SME retail	13,585	13,490
Sovereign	57,490	53,871
Bank	43,189	41,610
Residential mortgage [2]	440,873	432,141
Qualifying revolving retail	22,504	22,286
Other retail	11,433	10,932
Specialised lending	57,020	55,844
Other assets	9,346	10,057
Total credit exposures [3]	796,056	778,716

Portfolio Type	As at 31 Dec 12 $M	Half year average [1] $M
Corporate	89,553	91,289
SME corporate	46,798	45,238
SME retail	13,395	13,456
Sovereign	50,251	49,627
Bank	40,030	40,919
Residential mortgage [2]	423,407	417,324
Qualifying revolving retail	22,068	21,812
Other retail	10,430	10,311
Specialised lending	54,667	48,123
Other assets	10,768	10,183
Total credit exposures [3]	761,367	748,282

(1) The simple average of closing balances of each half year.
(2) Residential mortgages include SME retail secured by residential property.
(3) Total credit risk exposures do not include equities or securitisation exposures.

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

	31 December 2013 (1)			
	Australia	New Zealand	Other	Total
Portfolio Type	$M	$M	$M	$M
Corporate	64,475	6,246	24,495	**95,216**
SME corporate	31,618	9,693	785	**42,096**
SME retail	11,710	1,898	28	**13,636**
Sovereign	39,922	2,739	24,704	**67,365**
Bank	19,290	1,477	22,617	**43,384**
Residential mortgage (2)	420,231	43,402	486	**464,119**
Qualifying revolving retail	22,954	-	-	**22,954**
Other retail	10,086	2,246	15	**12,347**
Specialised lending	44,179	5,472	7,054	**56,705**
Other assets	9,366	584	329	**10,279**
Central counterparties	13	-	1,551	**1,564**
Total credit exposures (3)	673,844	73,757	82,064	**829,665**

	30 June 2013 (1)			
	Australia	New Zealand	Other	Total
Portfolio Type	$M	$M	$M	$M
Corporate	65,358	5,676	21,383	92,417
SME corporate	38,784	8,729	686	48,199
SME retail	11,498	2,059	28	13,585
Sovereign	36,295	2,676	18,519	57,490
Bank	19,343	1,808	22,038	43,189
Residential mortgage (2)	401,323	39,110	440	440,873
Qualifying revolving retail	22,504	-	-	22,504
Other retail	9,479	1,954	-	11,433
Specialised lending	46,459	4,727	5,834	57,020
Other assets	8,150	509	687	9,346
Total credit exposures (3)	659,193	67,248	69,615	796,056

	31 December 2012 (1)			
	Australia	New Zealand	Other	Total
Portfolio Type	$M	$M	$M	$M
Corporate	66,097	5,718	17,738	89,553
SME corporate	38,624	7,671	503	46,798
SME retail	11,437	1,928	30	13,395
Sovereign	31,681	3,176	15,394	50,251
Bank	20,440	1,195	18,395	40,030
Residential mortgage (2)	387,363	35,441	603	423,407
Qualifying revolving retail	22,068	-	-	22,068
Other retail	8,921	1,506	3	10,430
Specialised lending	45,404	4,369	4,894	54,667
Other assets	9,414	554	800	10,768
Total credit exposures (3)	641,449	61,558	58,360	761,367

(1) Balances are reported based on the risk domicile of the borrowers.
(2) Residential mortgages include 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 2013

Portfolio Type	Industry Sector							
	Residential mortgage $M	Other personal $M	Asset finance $M	Sovereign $M	Bank $M	Other finance $M	Agriculture $M	Mining $M
Corporate	-	-	1,568	-	-	13,461	1,776	8,531
SME corporate	-	724	2,926	-	-	2,191	12,339	281
SME retail	-	861	3,339	-	-	271	1,764	38
Sovereign	-	-	-	67,365	-	-	-	-
Bank	-	-	-	-	43,384	-	-	-
Residential mortgage (2)	452,710	-	-	-	-	371	692	45
Qualifying revolving retail	-	22,954	-	-	-	-	-	-
Other retail	-	12,347	-	-	-	-	-	-
Specialised lending	-	-	5	-	-	353	274	3,824
Other assets	-	3,185	-	-	-	-	-	-
Central counterparties	-	-	-	-	-	1,564	-	-
Total credit exposures (1)	452,710	40,071	7,838	67,365	43,384	18,211	16,845	12,719

Portfolio Type	Industry Sector							
	Manufacturing $M	Energy $M	Construction $M	Retail/ wholesale trade $M	Transport and storage $M	Property (3) $M	Other $M	Total $M
Corporate	11,939	4,664	1,723	10,412	10,154	13,532	17,456	**95,216**
SME corporate	2,546	28	1,766	5,306	1,311	601	12,077	**42,096**
SME retail	426	15	632	1,159	223	1,660	3,248	**13,636**
Sovereign	-	-	-	-	-	-	-	**67,365**
Bank	-	-	-	-	-	-	-	**43,384**
Residential mortgage (2)	498	17	1,053	1,774	362	1,749	4,848	**464,119**
Qualifying revolving retail	-	-	-	-	-	-	-	**22,954**
Other retail	-	-	-	-	-	-	-	**12,347**
Specialised lending	172	2,087	1,505	269	6,745	36,677	4,794	**56,705**
Other assets	-	-	-	-	-	-	7,094	**10,279**
Central counterparties	-	-	-	-	-	-	-	**1,564**
Total credit exposures (1)	15,581	6,811	6,679	18,920	18,795	54,219	49,517	**829,665**

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

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

	30 June 2013							
	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	-	-	1,666	-	-	12,879	2,080	8,701
SME corporate	-	-	3,324	-	-	2,274	13,126	373
SME retail	-	-	3,082	-	-	334	1,746	38
Sovereign	-	-	-	57,490	-	-	-	-
Bank	-	-	-	-	43,189	-	-	-
Residential mortgage (2)	434,775	-	-	-	-	240	256	13
Qualifying revolving retail	-	22,504	-	-	-	-	-	-
Other retail	-	11,433	-	-	-	-	-	-
Specialised lending	-	-	2	-	-	543	134	2,118
Other assets	-	3,269	-	-	-	-	-	-
Total credit exposures (1)	434,775	37,206	8,074	57,490	43,189	16,270	17,342	11,243

	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	10,753	5,834	1,891	9,964	11,955	8,797	17,897	92,417
SME corporate	2,980	76	2,351	6,854	1,542	211	15,088	48,199
SME retail	433	18	730	1,228	230	1,273	4,473	13,585
Sovereign	-	-	-	-	-	-	-	57,490
Bank	-	-	-	-	-	-	-	43,189
Residential mortgage (2)	230	15	540	810	195	217	3,582	440,873
Qualifying revolving retail	-	-	-	-	-	-	-	22,504
Other retail	-	-	-	-	-	-	-	11,433
Specialised lending	328	1,246	1,856	260	4,873	43,254	2,406	57,020
Other assets	-	-	-	-	-	-	6,077	9,346
Total credit exposures (1)	14,724	7,189	7,368	19,116	18,795	53,752	49,523	796,056

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

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

	31 December 2012							
	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	-	-	1,421	-	-	11,784	2,261	6,623
SME corporate	-	8	3,369	-	-	2,700	12,322	369
SME retail	-	1,046	3,181	-	-	293	1,740	33
Sovereign	-	-	-	50,251	-	-	-	-
Bank	-	-	-	-	40,030	-	-	-
Residential mortgage (2)	416,739	-	-	-	-	235	213	9
Qualifying revolving retail	-	22,068	-	-	-	-	-	-
Other retail	-	10,430	-	-	-	-	-	-
Specialised lending	-	-	7	-	-	486	135	2,277
Other assets	-	3,244	-	-	-	-	-	-
Total credit exposures (1)	416,739	36,796	7,978	50,251	40,030	15,498	16,671	9,311

	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	10,601	5,982	1,920	10,791	11,125	8,534	18,511	89,553
SME corporate	2,953	63	1,806	6,934	1,576	190	14,508	46,798
SME retail	404	21	737	1,097	221	1,317	3,305	13,395
Sovereign	-	-	-	-	-	-	-	50,251
Bank	-	-	-	-	-	-	-	40,030
Residential mortgage (2)	183	10	443	717	170	866	3,822	423,407
Qualifying revolving retail	-	-	-	-	-	-	-	22,068
Other retail	-	-	-	-	-	-	-	10,430
Specialised lending	349	1,634	1,802	249	4,301	40,765	2,662	54,667
Other assets	-	-	-	-	-	-	7,524	10,768
Total credit exposures (1)	14,490	7,710	6,708	19,788	17,393	51,672	50,332	761,367

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

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

	31 December 2013				
Portfolio Type	≤ 12mths $M	1 ≤ 5yrs $M	> 5 years $M	No specified maturity $M	Total $M
Corporate	13,852	75,565	4,211	1,588	**95,216**
SME corporate	6,863	26,314	8,596	323	**42,096**
SME retail	1,945	7,801	3,741	149	**13,636**
Sovereign	25,643	23,685	17,798	239	**67,365**
Bank	17,759	25,003	35	587	**43,384**
Residential mortgage (1)	14,619	10,286	383,396	55,818	**464,119**
Qualifying revolving retail	-	-	-	22,954	**22,954**
Other retail	134	4,338	3,419	4,456	**12,347**
Specialised lending	13,983	38,207	4,515	-	**56,705**
Other assets	3,248	745	710	5,576	**10,279**
Central counterparties	614	930	20	-	**1,564**
Total credit exposures (2)	98,660	212,874	426,441	91,690	**829,665**

	30 June 2013				
Portfolio Type	≤ 12mths $M	1 ≤ 5yrs $M	> 5 years $M	No specified maturity $M	Total $M
Corporate	11,966	74,583	4,515	1,353	92,417
SME corporate	9,274	32,594	6,331	-	48,199
SME retail	2,049	7,396	3,976	164	13,585
Sovereign	15,555	21,989	19,416	530	57,490
Bank	13,130	29,093	522	444	43,189
Residential mortgage (1)	13,497	5,835	363,962	57,579	440,873
Qualifying revolving retail	-	-	-	22,504	22,504
Other retail	129	4,198	3,236	3,870	11,433
Specialised lending	17,580	34,875	4,565	-	57,020
Other assets	3,333	726	600	4,687	9,346
Total credit exposures (2)	86,513	211,289	407,123	91,131	796,056

	31 December 2012				
Portfolio Type	≤ 12mths $M	1 ≤ 5yrs $M	> 5 years $M	No specified maturity $M	Total $M
Corporate	11,305	72,345	4,934	969	89,553
SME corporate	9,005	31,452	6,341	-	46,798
SME retail	1,986	7,573	3,659	177	13,395
Sovereign	9,854	22,295	17,263	839	50,251
Bank	13,513	25,785	382	350	40,030
Residential mortgage (1)	12,657	5,766	349,206	55,778	423,407
Qualifying revolving retail	-	-	-	22,068	22,068
Other retail	120	3,985	3,023	3,302	10,430
Specialised lending	17,314	34,122	3,231	-	54,667
Other assets	3,245	-	-	7,523	10,768
Total credit exposures (2)	78,999	203,323	388,039	91,006	761,367

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

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

	31 December 2013		
	General reserve for credit losses (1) $M	Specific provision (1) $M	Total provisions $M
Collective provision (2)	2,722	148	**2,870**
Individual provisions (2)	-	1,416	**1,416**
Total provisions	2,722	1,564	**4,286**
Additional GRCL requirement (3)	283	-	**283**
Total regulatory provisions	3,005	1,564	**4,569**

(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 an after tax deduction from CET1 of $198 million in order to maintain the required minimum GRCL.

	30 June 2013		
	General reserve for credit losses (1) $M	Specific provision (1) $M	Total provisions $M
Collective provision (2)	2,699	159	**2,858**
Individual provisions (2)	-	1,628	**1,628**
Total provisions	2,699	1,787	**4,486**
Additional GRCL requirement (3)	297	-	**297**
Total regulatory provisions	2,996	1,787	**4,783**

(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 an after tax deduction from CET 1 of $208 million in order to maintain the required minimum GRCL.

	31 December 2012		
	General reserve for credit losses (1) $M	Specific provision (1) $M	Total provisions $M
Collective provision (2)	2,719	139	**2,858**
Individual provisions (2)	-	1,845	**1,845**
Total provisions	2,719	1,984	**4,703**
Additional GRCL requirement (3)	282	-	**282**
Total regulatory provisions	3,001	1,984	**4,985**

(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 an after tax deduction from CET 1 of $197 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 2013				
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	1,065	1,608	213	41	57
Other personal	245	31	137	-	294
Asset finance	79	3	42	33	12
Sovereign	-	-	-	-	-
Bank	15	-	13	-	10
Other finance	228	50	193	5	16
Agriculture	544	125	164	12	39
Mining	125	5	5	12	9
Manufacturing	68	52	58	30	12
Energy	18	1	7	(16)	6
Construction	68	91	40	(6)	37
Wholesale/retail trade	125	149	71	16	67
Transport and storage	23	21	11	9	(1)
Property	550	169	340	7	110
Other	786	307	270	36	89
Total	3,939	2,612	1,564	179	757

(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 2013.

	30 June 2013				
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 [3]	1,117	1,760	225	68	129
Other personal	264	25	145	5	264
Asset finance	62	3	25	19	9
Sovereign [3]	-	-	-	-	-
Bank	25	-	23	(10)	10
Other finance	356	15	199	(14)	15
Agriculture	543	66	184	38	17
Mining	10	4	2	-	-
Manufacturing	65	16	43	(10)	49
Energy	70	1	33	(2)	-
Construction	120	34	89	48	31
Wholesale/retail trade	282	53	109	51	13
Transport and storage	27	11	11	7	1
Property	677	71	400	(13)	162
Other [3]	712	156	299	19	99
Total	4,330	2,215	1,787	206	799

(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 2013.

(3) Comparative information has been restated to conform to presentation in the current period.

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

	31 December 2012				
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 [3]	964	1,909	276	56	104
Other personal	232	20	125	(2)	262
Asset finance	43	3	19	15	10
Sovereign	-	-	-	-	-
Bank	52	-	48	-	8
Other finance	421	8	221	80	47
Agriculture	475	127	146	48	17
Mining	14	2	1	-	1
Manufacturing	185	35	107	9	36
Energy	66	-	32	3	-
Construction	106	31	65	8	108
Wholesale/retail trade	113	124	63	16	29
Transport and storage	8	15	6	1	1
Property	1,029	198	549	86	218
Other [3]	772	167	326	61	95
Total	4,480	2,639	1,984	381	936

(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 2012.
(3) Comparative information has been restated to conform to presentation in the current period.

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

	31 December 2013				
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	2,614	973	1,201	138	396
Sovereign	-	-	-	-	-
Bank	15	-	13	-	10
Residential mortgage	1,065	1,608	213	41	57
Qualifying revolving retail	100	-	51	-	138
Other retail	145	31	86	-	156
Total	3,939	2,612	1,564	179	757

(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 2013.

	30 June 2013				
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 and specialised lending	2,924	430	1,394	143	396
Sovereign	-	-	-	-	-
Bank	25	-	23	(10)	10
Residential mortgage	1,117	1,760	225	68	129
Qualifying revolving retail	110	-	56	-	127
Other retail	154	25	89	5	137
Total	4,330	2,215	1,787	206	799

(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 2013.

	31 December 2012				
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 and specialised lending (3)	3,232	710	1,535	327	562
Sovereign	-	-	-	-	-
Bank	52	-	48	-	8
Residential mortgage (3)	964	1,909	276	56	104
Qualifying revolving retail	109	-	48	-	133
Other retail (3)	123	20	77	(2)	129
Total	4,480	2,639	1,984	381	936

(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 2012.
(3) Comparative information has been restated to conform to presentation in the current period.

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

	31 December 2013		
Geographic Region (1)	Impaired assets $M	Past due loans ≥ 90 days $M	Specific provision balance $M
Australia	3,227	2,498	1,478
New Zealand	469	103	47
Other	243	11	39
Total	3,939	2,612	1,564

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

	30 June 2013		
Geographic Region (1)	Impaired assets $M	Past due loans ≥ 90 days $M	Specific provision balance $M
Australia (2)	3,879	2,093	1,688
New Zealand	355	111	54
Other	96	11	45
Total	4,330	2,215	1,787

(1) Balances are disclosed based on the risk domicile of the borrower. The Group's financial statements disclose balances based on the domicile of the lending entity.
(2) Comparative information has been restated to conform to presentation in the current period.

	31 December 2012		
Geographic Region (1)	Impaired assets $M	Past due loans ≥ 90 days (2) $M	Specific provision balance $M
Australia	4,003	2,525	1,832
New Zealand	376	114	83
Other	101	-	69
Total	4,480	2,639	1,984

(1) Balances are disclosed based on the risk domicile of the borrower. The Group's financial statements disclose balances based on the domicile of the lending entity.
(2) Comparative information has been restated to conform to presentation in the current period.

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

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

Geographic Region	31 Dec 13 $M	30 Jun 13 $M	31 Dec 12 $M
Australia	**2,679**	2,694	2,771
New Zealand	**160**	158	109
Other	**166**	144	121
Total GRCL	**3,005**	2,996	3,001

APS 330 Table 7h (i) – Movement in collective and other provisions

	Half Year Ended		
	31 Dec 13	30 Jun 13	31 Dec 12
Movement in Collective Provisions	$M	$M	$M
Opening balance	**2,858**	2,858	2,837
Net charge against profit and loss	**278**	260	299
Recoveries	**91**	80	74
Other	**12**	6	(3)
Write-offs	**(369)**	(346)	(349)
Total collective provisions	**2,870**	2,858	2,858
Less collective provisions transferred to specific provisions	**(148)**	(159)	(139)
Additional GRCL requirement (1)	**283**	297	282
General reserve for credit losses	**3,005**	2,996	3,001

(1) The Group has recognised an after tax deduction from CET1 of $198 million for 31 December 2013 (30 June 2013: $208 million; 31 December 2012: $197 million) in order to maintain the required minimum GRCL.

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

	Half Year Ended		
	31 Dec 13	30 Jun 13	31 Dec 12
Movement in Individual Provisions	$M	$M	$M
Opening balance for the period	**1,628**	1,845	2,008
Net new and increased provisioning	**336**	416	521
Net write back of provisions no longer required	**(157)**	(210)	(140)
Discount unwind to interest income	**(30)**	(39)	(51)
Other	**118**	149	168
Write-offs	**(479)**	(533)	(661)
Individual provisions	**1,416**	1,628	1,845
Add collective provisions transferred to specific provisions	**148**	159	139
Specific provisions	**1,564**	1,787	1,984

5.3 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; and
- Some branches (China, India and Vietnam).
- Bankwest Division:
  - Non-retail asset classes;
  - 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 Risk Mitigation (1)		
	31 Dec 13 (2)	30 Jun 13	31 Dec 12
Standardised Approach Exposures	$M	$M	$M
Risk weight			
0%	**2,797**	2,759	3,559
20%	**4,030**	4,280	5,755
35%	**3,154**	2,453	2,484
50%	**3,207**	3,549	2,387
75%	**327**	297	152
100%	**30,452**	14,164	12,559
150%	**372**	255	1,324
> 150%	**-**	-	-
Capital deductions	**-**	-	-
Total	**44,339**	27,757	28,220

(1) Exposure after credit risk mitigation does not include central counterparties, equity or securitisation exposures.
(2) Includes reclassification of Bankwest non-retail AIRB portfolio to standardised as at 31 December 2013.

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

	31 December 2013		
Other Assets (1)	**Exposure $M**	**Risk weight %**	**RWA $M**
Cash	2,772	-	-
Cash items in course of collection	477	20	95
Margin lending	3,185	20	637
Fixed assets	1,358	100	1,358
Other	2,487	≥100	2,496
Total	10,279	45	4,586

(1) Other Assets are included in Standardised Approach Exposures table above.

	30 June 2013		
Other Assets (1)	**Exposure $M**	**Risk weight %**	**RWA $M**
Cash	1,772	-	-
Cash items in course of collection	705	20	141
Margin lending	3,269	20	654
Fixed assets	1,474	100	1,474
Other	2,126	≥100	2,126
Total	9,346	47	4,395

(1) Other Assets are included in Standardised Approach Exposures table above.

	31 December 2012		
Other Assets (1)	**Exposure $M**	**Risk weight %**	**RWA $M**
Cash	2,730	-	-
Cash items in course of collection	1,649	20	330
Margin lending	3,244	20	649
Fixed assets	1,468	100	1,468
Other	1,677	≥100	1,677
Total	10,768	38	4,124

(1) Other Assets are included in Standardised Approach Exposures table above.

Specialised Lending Exposures Subject to Supervisory Slotting (1)	**31 Dec 13 $M**	**30 Jun 13 $M**	**31 Dec 12 $M**
Risk Weight			
0%	**586**	1,349	1,623
70%	**23,278**	17,117	15,800
90%	**25,745**	28,528	27,551
115%	**6,437**	9,133	8,660
250%	**659**	893	1,033
Total exposures	**56,705**	57,020	54,667

(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.

5.4 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

Description	Internal Rating	Probability of Default
Exceptional	A0, A1, A2, A3	0.01% - ≤0.035%
Strong	B1, B2, B3, C1, C2, C3	>0.035% - ≤0.47%
Pass	D1, D2, D3, E1, E2, E3	>0.47% - ≤5.04%
Weak/doubtful	F1, F2, F3, G1, G2, G3	> 5.04%
Restructured/default	R, H	100%

Description	S&P Rating	Moody's Rating
Exceptional	AAA, AA+, AA, AA-	Aaa, Aa1, Aa2, Aa3
Strong	A+, A, A-, BBB+, BBB, BBB-	A1, A2, A3, Baa1, Baa2, Baa3
Pass	BB+, BB, BB-, B+, B, B-	Ba1, Ba2, Ba3, B1, B2, B3
Weak/doubtful	CCC, CC, C	Caa, Ca
Default	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 Tool(s) and Expert Judgement assigned risk rating.
SME retail exposures < $1m	SME Behaviour Score assigned PD pools.
Consumer retail exposures	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 2013							
	PD Grade							
Non Retail [1] [2]	0 < 0.03% $M	0.03% < 0.15% $M	0.15% < 0.5% $M	0.5% < 3% $M	3% < 10% $M	10% < 100% $M	Default $M	Total $M
Total credit risk exposures								
Corporate	-	27,136	36,564	18,612	308	707	630	**83,957**
SME corporate	-	671	2,984	29,457	1,767	1,031	897	**36,807**
SME retail	-	-	1,313	5,440	1,572	549	159	**9,033**
Sovereign	63,832	904	608	1,767	9	5	-	**67,125**
Bank	-	39,749	2,231	600	-	-	159	**42,739**
Total	63,832	68,460	43,700	55,876	3,656	2,292	1,845	**239,661**
Undrawn commitments [3]								
Corporate	-	11,884	16,404	5,530	143	103	35	**34,099**
SME corporate	-	84	691	4,242	182	90	25	**5,314**
SME retail	-	-	727	827	223	29	11	**1,817**
Sovereign	1,076	92	416	1,390	9	5	-	**2,988**
Bank	-	4,088	766	577	-	-	-	**5,431**
Total	1,076	16,148	19,004	12,566	557	227	71	**49,649**
Exposure - weighted average EAD ($M)								
Corporate	-	2. 266	2. 037	0. 229	0. 792	0. 348	2. 188	**1. 693**
SME corporate	-	0. 403	0. 190	0. 125	0. 195	0. 270	0. 119	**0. 143**
SME retail	-	-	0. 010	0. 015	0. 018	0. 034	0. 106	**0. 018**
Sovereign	7. 541	1. 272	0. 178	0. 016	0. 030	0. 042	-	**7. 190**
Bank	-	12. 964	4. 071	1. 184	-	-	19. 913	**12. 360**
Exposure - weighted average LGD (%)								
Corporate	-	57. 3	56. 0	47. 6	51. 5	48. 9	51. 2	**54. 4**
SME corporate	-	60. 7	30. 5	31. 4	28. 9	36. 3	35. 5	**32. 0**
SME retail	-	-	34. 1	41. 9	30. 8	38. 0	42. 1	**38. 6**
Sovereign	25. 2	41. 7	44. 5	18. 9	5. 0	5. 1	-	**25. 4**
Bank	-	61. 2	60. 5	61. 1	-	-	61. 3	**61. 2**
Exposure - weighted average risk weight (%)								
Corporate	-	27. 0	61. 7	85. 7	145. 6	239. 0	63. 3	**57. 6**
SME corporate	-	21. 9	32. 5	56. 9	72. 2	150. 7	244. 8	**62. 2**
SME retail	-	-	18. 0	49. 2	44. 1	77. 5	427. 7	**52. 2**
Sovereign	4. 7	19. 1	36. 3	34. 6	15. 6	24. 3	-	**6. 0**
Bank	-	20. 7	59. 7	88. 0	-	-	-	**23. 6**

(1) Total credit risk exposures do not include specialised lending, equity or securitisation exposures.
(2) Excludes Bankwest non-retail portfolios which have been reclassified to standardised.
(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 2013							
	PD Grade							
	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	$M
Total credit risk exposure								
Corporate	-	29,346	35,293	21,471	297	1,025	1,107	88,539
SME corporate	-	563	3,658	36,892	2,643	1,933	1,968	47,657
SME retail	-	-	965	5,008	1,453	423	237	8,086
Sovereign	54,016	886	670	1,368	14	6	-	56,960
Bank	-	40,292	1,741	569	-	-	159	42,761
Total	54,016	71,087	42,327	65,308	4,407	3,387	3,471	244,003
Undrawn commitments [2]								
Corporate	-	12,386	15,944	6,677	81	174	109	35,371
SME corporate	-	76	863	5,203	232	157	74	6,605
SME retail	-	-	536	737	207	19	10	1,509
Sovereign	1,053	148	463	1,257	13	6	-	2,940
Bank	-	3,021	478	426	-	-	-	3,925
Total	1,053	15,631	18,284	14,300	533	356	193	50,350
Exposure - weighted average EAD ($M)								
Corporate	-	13. 748	2. 007	0. 253	0. 570	0. 855	1. 841	9. 453
SME corporate	-	0. 368	0. 218	0. 131	0. 177	0. 258	0. 221	0. 152
SME retail	-	-	0. 007	0. 014	0. 015	0. 029	0. 114	0. 017
Sovereign	8. 328	1. 059	0. 181	0. 048	0. 032	0. 049	-	7. 917
Bank	-	5. 324	1. 729	0. 160	-	-	26. 545	5. 188
Exposure - weighted average LGD (%)								
Corporate	-	56. 6	55. 6	48. 3	40. 7	52. 6	50. 6	54. 0
SME corporate	-	58. 4	31. 0	31. 1	28. 6	33. 6	35. 1	31. 6
SME retail	-	-	34. 8	42. 3	30. 5	42. 3	36. 0	39. 1
Sovereign	23. 1	35. 5	45. 6	10. 2	7. 3	5. 1	-	23. 3
Bank	-	61. 2	60. 3	61. 1	-	-	61. 3	61. 2
Exposure - weighted average risk weight (%)								
Corporate	-	27. 6	61. 6	88. 2	121. 9	250. 1	159. 3	60. 4
SME corporate	-	21. 0	31. 9	55. 4	71. 5	137. 2	236. 4	64. 7
SME retail	-	-	18. 4	50. 6	43. 5	85. 9	210. 9	52. 0
Sovereign	5. 4	19. 4	35. 6	26. 1	22. 5	24. 0	-	6. 5
Bank	-	21. 8	60. 1	88. 3	-	-	-	24. 2

(1) Total credit risk exposures do not include specialised lending, equity or securitisation exposures.
(2) The credit exposure value of undrawn commitments included in Total Credit Risk Exposures above.

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

	31 December 2012							
	PD Grade							
	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	$M
Total credit risk exposure								
Corporate	-	25,943	38,219	18,835	788	750	1,073	85,608
SME corporate	-	434	4,138	35,232	3,230	1,369	2,060	46,463
SME retail	-	-	1,073	5,252	1,667	316	210	8,518
Sovereign	46,723	886	594	1,195	13	1	-	49,412
Bank	-	37,185	1,777	545	14	-	159	39,680
Total	46,723	64,448	45,801	61,059	5,712	2,436	3,502	229,681
Undrawn commitments [2]								
Corporate	-	11,764	17,742	5,445	281	50	35	35,317
SME corporate	-	62	868	4,930	299	84	29	6,272
SME retail	-	-	665	772	298	8	9	1,752
Sovereign	834	116	420	1,114	13	1	-	2,498
Bank	-	2,278	369	313	4	-	-	2,964
Total	834	14,220	20,064	12,574	895	143	73	48,803
Exposure - weighted average EAD ($M)								
Corporate	-	6. 167	4. 374	0. 815	1. 328	1. 889	3. 214	4. 070
SME corporate	-	0. 163	0. 292	0. 184	0. 247	0. 378	0. 713	0. 227
SME retail	-	-	0. 007	0. 009	0. 033	0. 056	0. 060	0. 016
Sovereign	7. 663	1. 043	1. 181	0. 443	0. 131	1. 162	-	7. 290
Bank	-	10. 646	4. 271	0. 127	4. 662	-	22. 746	10. 262
Exposure - weighted average LGD (%)								
Corporate	-	56. 6	55. 5	48. 4	44. 7	44. 2	48. 7	54. 0
SME corporate	-	58. 1	31. 8	29. 6	28. 4	31. 1	36. 0	30. 3
SME retail	-	-	33. 6	41. 8	29. 6	50. 1	39. 6	38. 6
Sovereign	21. 8	42. 7	44. 4	9. 2	7. 1	5. 0	-	22. 1
Bank	-	61. 3	60. 4	61. 0	61. 3	-	61. 3	61. 3
Exposure - weighted average risk weight (%)								
Corporate	-	29. 2	62. 8	86. 2	143. 5	227. 5	111. 3	60. 6
SME corporate	-	20. 3	33. 2	53. 3	77. 6	148. 9	293. 4	66. 4
SME retail	-	-	17. 7	49. 7	42. 2	101. 7	189. 6	49. 6
Sovereign	6. 4	23. 5	40. 1	21. 1	23. 5	26. 0	-	7. 5
Bank	-	18. 9	49. 7	72. 3	245. 8	-	-	21. 0

(1) Total credit risk exposures do not include specialised lending, equity or securitisation exposures.
(2) The credit exposure value of undrawn commitments included in Total Credit Risk Exposures above.

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

	31 December 2013							
	PD Grade							
	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	$M
Total credit risk exposures								
Residential mortgage	105,576	138,782	64,997	127,245	6,107	8,932	2,987	**454,626**
Qualifying revolving retail	11,315	3,048	-	5,044	2,862	547	138	**22,954**
Other retail	65	49	226	7,304	1,426	618	104	**9,792**
Total	116,956	141,879	65,223	139,593	10,395	10,097	3,229	**487,372**
Undrawn commitments (1)								
Residential mortgage	49,153	9,025	3,087	7,829	308	54	24	**69,480**
Qualifying revolving retail	8,525	2,149	-	2,090	447	79	3	**13,293**
Other retail	62	43	209	1,986	215	28	3	**2,546**
Total	57,740	11,217	3,296	11,905	970	161	30	**85,319**
Exposure - weighted average EAD ($M)								
Residential mortgage	0. 205	0. 262	0. 243	0. 209	0. 327	0. 230	0. 261	**0. 232**
Qualifying revolving retail	0. 008	0. 007	-	0. 008	0. 009	0. 007	0. 008	**0. 008**
Other retail	0. 004	0. 004	0. 002	0. 009	0. 003	0. 005	0. 005	**0. 007**
Exposure - weighted average LGD (%)								
Residential mortgage	20. 0	20. 2	20. 4	21. 0	22. 7	20. 4	20. 7	**20. 5**
Qualifying revolving retail	78. 3	78. 6	-	84. 7	88. 4	88. 0	86. 7	**81. 3**
Other retail	94. 3	94. 1	94. 6	94. 3	98. 4	98. 6	97. 0	**95. 2**
Exposure - weighted average risk weight (%)								
Residential mortgage	2. 5	8. 5	13. 9	24. 3	71. 4	97. 7	9. 1	**14. 9**
Qualifying revolving retail	3. 1	11. 3	-	33. 0	108. 6	198. 6	-	**28. 5**
Other retail	17. 9	48. 7	59. 7	114. 2	149. 1	192. 6	0. 9	**120. 8**

(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 2013							
	PD Grade							
	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	$M
Total credit risk exposures								
Residential mortgage	96,345	133,818	61,890	124,321	6,592	9,523	3,146	435,635
Qualifying revolving retail	10,801	3,054	-	4,966	2,947	583	153	22,504
Other retail	66	52	179	6,741	1,344	642	112	9,136
Total	107,212	136,924	62,069	136,028	10,883	10,748	3,411	467,275
Undrawn commitments (1)								
Residential mortgage	44,744	9,764	2,972	8,490	367	56	18	66,411
Qualifying revolving retail	8,306	2,171	-	2,040	444	77	3	13,041
Other retail	63	43	164	1,737	178	26	2	2,213
Total	53,113	11,978	3,136	12,267	989	159	23	81,665
Exposure - weighted average EAD ($M)								
Residential mortgage	0. 189	0. 237	0. 195	0. 192	0. 274	0. 226	0. 181	0. 207
Qualifying revolving retail	0. 008	0. 007	-	0. 008	0. 009	0. 007	0. 008	0. 008
Other retail	0. 004	0. 004	0. 002	0. 009	0. 003	0. 005	0. 004	0. 008
Exposure - weighted average LGD (%)								
Residential mortgage	20. 0	20. 2	20. 3	21. 0	22. 7	20. 4	20. 4	20. 4
Qualifying revolving retail	77. 7	78. 3	-	84. 7	88. 4	88. 1	86. 9	81. 0
Other retail	94. 3	92. 6	94. 6	94. 2	98. 6	98. 6	97. 3	95. 2
Exposure - weighted average risk weight (%)								
Residential mortgage	2. 4	8. 4	13. 7	24. 7	71. 0	97. 5	0. 2	15. 3
Qualifying revolving retail	3. 0	11. 3	-	33. 1	108. 7	199. 6	-	29. 7
Other retail	17. 9	47. 9	59. 7	114. 3	149. 7	191. 4	0. 4	121. 4

(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 2012							
	PD Grade							
	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	$M
Total credit risk exposures								
Residential mortgage	86,345	129,422	58,943	123,386	8,491	8,875	3,082	418,544
Qualifying revolving retail	10,596	3,012	-	4,927	2,838	567	128	22,068
Other retail	-	373	679	5,403	1,155	499	66	8,175
Total	96,941	132,807	59,622	133,716	12,484	9,941	3,276	448,787
Undrawn commitments (1)								
Residential mortgage	39,600	8,669	2,363	12,643	269	48	8	63,600
Qualifying revolving retail	7,966	2,122	-	2,053	434	80	-	12,655
Other retail	-	345	560	656	69	76	-	1,706
Total	47,566	11,136	2,923	15,352	772	204	8	77,961
Exposure - weighted average EAD ($M)								
Residential mortgage	0. 198	0. 251	0. 246	0. 190	0. 251	0. 226	0. 253	0. 221
Qualifying revolving retail	0. 008	0. 007	-	0. 008	0. 009	0. 007	0. 008	0. 008
Other retail	-	0. 002	0. 005	0. 008	0. 005	0. 002	0. 004	0. 007
Exposure - weighted average LGD (%)								
Residential mortgage	20. 0	20. 1	20. 2	20. 9	21. 8	20. 3	20. 4	20. 4
Qualifying revolving retail	78. 0	78. 3	-	84. 5	88. 4	87. 9	86. 6	81. 1
Other retail	-	94. 2	90. 3	97. 0	97. 8	99. 4	98. 2	96. 6
Exposure - weighted average risk weight (%)								
Residential mortgage	2. 2	8. 5	13. 7	22. 8	70. 4	97. 3	0. 1	15. 2
Qualifying revolving retail	3. 1	11. 3	-	32. 9	107. 7	197. 3	-	29. 3
Other retail	-	43. 1	59. 0	104. 6	144. 4	220. 3	1. 8	109. 9

(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 2013		
	Half year losses in reporting period		
Portfolio Type	Gross write-offs (1) $M	Recoveries (1) $M	Actual losses (1) $M
Corporate	47	(10)	37
SME Corporate	96	(14)	82
SME retail (including SME retail secured by residential mortgages)	17	(3)	14
Specialised lending	72	-	72
Total corporate including SME and specialised lending	232	(27)	205
Sovereign	-	-	-
Bank	10	-	10
Residential mortgage (excluding SME retail secured by residential mortgages)	60	(3)	57
Qualifying revolving retail	163	(25)	138
Other retail	150	(22)	128
Total advanced IRB and specialised lending portfolios	615	(77)	538

(1) Excludes Bankwest non-retail portfolios which have been reclassified to standardised.

	30 June 2013		
	Full year losses in reporting period		
Portfolio Type	Gross write-offs $M	Recoveries $M	Actual losses $M
Corporate	188	(6)	182
SME Corporate	262	(11)	251
SME retail (including SME retail secured by residential mortgages)	36	(6)	30
Specialised lending	490	-	490
Total corporate including SME and specialised lending	976	(23)	953
Sovereign	-	-	-
Bank	22	(4)	18
Residential mortgage (excluding SME retail secured by residential mortgages)	238	(5)	233
Qualifying revolving retail	315	(55)	260
Other retail	262	(51)	211
Total advanced IRB and specialised lending portfolios	1,813	(138)	1,675

	31 December 2012		
	Half year losses in reporting period		
Portfolio Type	Gross write-offs $M	Recoveries $M	Actual losses $M
Corporate	111	(3)	108
SME Corporate	132	(2)	130
SME retail (including SME retail secured by residential mortgages)	23	(3)	20
Specialised lending	301	-	301
Total corporate including SME and specialised lending	567	(8)	559
Sovereign	-	-	-
Bank	8	-	8
Residential mortgage (excluding SME retail secured by residential mortgages)	106	(2)	104
Qualifying revolving retail	160	(27)	133
Other retail	128	(26)	102
Total advanced IRB and specialised lending portfolios	969	(63)	906

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

	31 December 2013	
	Half year[1] actual loss $M	Regulatory[1] one year expected loss estimate $M
Corporate	37	698
SME corporate	82	494
SME retail (including SME retail secured by residential mortgages)	14	148
Specialised lending	72	826
Total corporate including SME and specialised lending	205	2,166
Sovereign	-	7
Bank	10	174
Residential mortgage (excluding SME retail secured by residential mortgages)	57	1,292
Qualifying revolving retail	138	412
Other retail	128	465
Total advanced IRB and specialised lending portfolios	538	4,516

(1) Excludes Bankwest non-retail portfolios which have been reclassified to standardised.

	30 June 2013	
	Full year actual loss $M	Regulatory one year expected loss estimate $M
Corporate	182	958
SME corporate	251	830
SME retail (including SME retail secured by residential mortgages)	30	141
Specialised lending	490	1,298
Total corporate including SME and specialised lending	953	3,227
Sovereign	-	5
Bank	18	174
Residential mortgage (excluding SME retail secured by residential mortgages)	233	1,375
Qualifying revolving retail	260	436
Other retail	211	465
Total advanced IRB and specialised lending portfolios	1,675	5,682

	31 December 2012	
	Half year actual loss $M	Regulatory one year expected loss estimate $M
Corporate	108	900
SME corporate	130	788
SME retail (including SME retail secured by residential mortgages)	20	144
Specialised lending	301	1,420
Total corporate including SME and specialised lending	559	3,252
Sovereign	-	4
Bank	8	175
Residential mortgage (excluding SME retail secured by residential mortgages)	104	1,331
Qualifying revolving retail	133	399
Other retail	102	336
Total advanced IRB and specialised lending portfolios	906	5,497

Actual outcomes may differ from modelled regulatory estimates for a number of reasons.

Actual losses are historical and are based on the quality of the assets in prior periods, write-offs (whether full or partial) and recent economic conditions.

Regulatory EL for AIRB portfolios (calculated as the product of PD, LGD and EAD) is based on the quality of exposures at a point in time using long-run PDs and downturn LGDs as required by APRA. Actual losses would be below the regulatory EL estimate in most years. Regulatory EL is reported for both defaulted and non-defaulted exposures. For non-defaulted exposures, regulatory EL is a function of long-run PD and downturn LGD.

For defaulted exposures, Regulatory EL is based on the best estimate of loss which, for the non-retail portfolios, is the individually assessed provision. Regulatory EL measures economic loss and includes costs (such as internal costs) not included in actual losses.

Accuracy of Risk Estimates

The following tables provide a summary of IRB credit risk estimates used in calculating regulatory estimates compared to realised outcomes.

Probability of Default

APS 330 Table 9f (ii) compares estimates of long-run PD to actual default rates averaged over 5.5 financial years to 31 December 2013, where results for the half year to December 2013 have been annualised without adjustment for seasonality.

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

	As at 31 December 2013	
Portfolio Type	Average estimated PD %	Average actual PD %
Corporate	1. 37	0. 91
SME corporate	2. 07	1. 81
SME retail (including SME retail secured by residential mortgages)	1. 86	0. 87
Specialised lending (1)	n/a	1. 57
Sovereign (2)	0. 45	0. 04
Bank (2)	0. 26	0. 30
Residential mortgage (excluding SME retail secured by residential mortgages)	0. 93	0. 81
Qualifying revolving retail	1. 99	2. 20
Other retail	4. 96	4. 56

(1) Average estimated PD not relevant for specialised lending under the Supervisory Slotting approach.
(2) Realised 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 2011 financial years. LGDs for retail portfolios are based on accounts that defaulted in 2009 to 2012 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 2013		
Portfolio Type	Average estimated downturn LGD (1) %	Average actual LGD (1) %	Ratio of estimated EAD to actual EAD (1)
Corporate	60. 7	45. 7	1. 1
SME corporate	35. 7	24. 0	1. 1
SME retail (including SME retail secured by residential mortgages)	38. 2	27. 3	1. 3
Specialised lending	n/a	38. 4	1. 2
Sovereign	n/a	nil	1. 8
Bank (2)	65. 0	110. 2	1. 8
Residential mortgage (excluding SME retail secured by residential mortgages) (3)	20. 8	7. 3	1. 0
Qualifying revolving retail	86. 2	65. 2	1. 1
Other retail	94. 9	77. 8	1. 0

(1) LGD and EAD estimates and actuals have not changed from those reported at 30 June 2013. Refer to Group Pillar 3 report for 30 June 2013 for more information on methodology of coverage.
(2) Realised 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.

5.5 Credit Risk Mitigation

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

	31 December 2013				
	Total exposure [1] $M	Eligible financial collateral $M	Exposures covered by guarantees $M	Exposures covered by credit derivatives $M	Coverage %
Advanced approach [2]					
Corporate	83,957	-	1,139	-	1. 4
SME corporate	36,807	-	-	2	-
SME retail	9,033	-	-	-	-
Sovereign	67,125	-	-	-	-
Bank	42,739	-	425	386	1. 9
Residential mortgage	454,626	-	-	-	-
Qualifying revolving retail	22,954	-	-	-	-
Other retail	9,792	-	-	-	-
Total advanced approach	727,033	-	1,564	388	0. 3
Specialised lending	56,705	-	-	-	-
Standardised approach					
Corporate	11,259	21	-	-	0. 2
SME corporate	5,289	28	-	-	0. 5
SME retail	4,603	6	-	-	0. 1
Sovereign	240	-	-	-	-
Bank	645	-	-	-	-
Residential mortgage	9,493	7	-	-	0. 1
Other retail	2,555	-	-	-	-
Other assets	10,279	-	-	-	-
Central counterparties	1,564	-	-	-	-
Total standardised approach	45,927	62	-	-	0. 1
Total exposures	829,665	62	1,564	388	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 is after netting and financial collateral.

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

	30 June 2013				
	Total exposure [1] $M	Eligible financial collateral $M	Exposures covered by guarantees $M	Exposures covered by credit derivatives $M	Coverage %
Advanced approach [2]					
Corporate	88,539	-	1,098	3	1. 2
SME corporate	47,657	-	-	4	-
SME retail	8,086	-	-	-	-
Sovereign	56,960	-	-	-	-
Bank	42,761	-	356	315	1. 6
Residential mortgage	435,635	-	-	-	-
Qualifying revolving retail	22,504	-	-	-	-
Other retail	9,136	-	-	-	-
Total advanced approach	711,278	-	1,454	322	0. 2
Specialised lending	57,020	-	-	-	-
Standardised approach					
Corporate	3,878	-	-	-	-
SME corporate	542	-	-	-	-
SME retail	5,499	-	-	-	-
Sovereign	530	-	-	-	-
Bank	428	-	-	-	-
Residential mortgage	5,238	-	-	-	-
Other retail	2,297	-	-	-	-
Other assets	9,346	-	-	-	-
Total standardised approach	27,758	-	-	-	-
Total exposures	796,056	-	1,454	322	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 is after netting and financial collateral.

	31 December 2012				
	Total exposure [1] $M	Eligible financial collateral $M	Exposures covered by guarantees $M	Exposures covered by credit derivatives $M	Coverage %
Advanced approach [2]					
Corporate	85,608	-	903	-	1. 1
SME corporate	46,463	-	-	5	-
SME retail	8,518	-	-	-	-
Sovereign	49,412	-	-	-	-
Bank	39,680	-	455	263	1. 8
Residential mortgage	418,544	-	-	-	-
Qualifying revolving retail	22,068	-	-	-	-
Other retail	8,175	-	-	-	-
Total advanced approach	678,468	-	1,358	268	0. 2
Specialised lending	54,667	-	-	-	-
Standardised approach					
Corporate	3,945	2	-	-	-
SME corporate	335	1	-	-	0. 2
SME retail	4,877	11	-	-	0. 2
Sovereign	839	-	-	-	-
Bank	350	-	-	-	-
Residential mortgage	4,863	2	-	-	-
Other retail	2,255	-	-	-	-
Other assets	10,768	-	-	-	-
Total standardised approach	28,232	16	-	-	0. 1
Total exposures	761,367	16	1,358	268	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 is after netting and financial collateral.

5.6 Securitisation

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

	31 December 2013			
Underlying Asset	Bank originated assets capital relief [1] $M	Bank originated assets - non capital relief [2] $M	Bank originated assets - internal RMBS[3] $M	Third party originated assets [4] $M
Residential mortgage	3,847	8,042	74,704	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	79
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	3,847	8,042	74,704	79

	30 June 2013			
Underlying Asset	Bank originated assets capital relief [1] $M	Bank originated assets - non capital relief [2] $M	Bank originated assets - internal RMBS[3] $M	Third party originated assets [4] $M
Residential mortgage	4,378	5,791	70,208	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	76
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	4,378	5,791	70,208	76

	31 December 2012			
Underlying Asset	Bank originated assets capital relief [1] $M	Bank originated assets - non capital relief [2] $M	Bank originated assets - internal RMBS[3] $M	Third party originated assets [4] $M
Residential mortgage	4,935	3,883	73,268	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	77
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	4,935	3,883	73,268	77

(1) Bank originated assets (capital relief) comprise CBA Medallion and Bankwest Swan Trusts subject to capital treatment under APS120.
(2) Bank originated assets (non-capital relief) comprise CBA Medallion and Bankwest Swan Trusts subject to capital treatment under APS113.
(3) Bank 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 Bank.

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 2013			
	Group originated assets securitised			
Underlying Asset	Outstanding exposure $M	Impaired $M	Past due $M	Losses recognised $M
Residential mortgage	86,594	57	331	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	79	-	1	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	86,673	57	332	-

	30 June 2013			
	Group originated assets securitised			
Underlying Asset	Outstanding exposure $M	Impaired $M	Past due $M	Losses recognised $M
Residential mortgage	80,377	59	365	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	76	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	80,453	59	365	-

	31 December 2012			
	Group originated assets securitised			
Underlying Asset	Outstanding exposure $M	Impaired $M	Past due $M	Losses recognised $M
Residential mortgage	82,086	34	323	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	77	1	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	82,163	35	323	-

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 2013.

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

The Group securitised $4,788 million of new exposures in the banking book during the half year ended 31 December 2013.

	Half year ended 31 December 2013	
Underlying Asset Type	**Total exposures securitised $M**	**Recognised gain or loss on sale $M**
Residential mortgage	4,788	-
Credit cards and other personal loans	-	-
Auto and equipment finance	-	-
Commercial loans	-	-
Other	-	-
Total	4,788	-

	Full year ended 30 June 2013	
Underlying Asset Type	**Total exposures securitised $M**	**Recognised gain or loss on sale $M**
Residential mortgage	3,954	-
Credit cards and other personal loans	-	-
Auto and equipment finance	-	-
Commercial loans	108	-
Other	-	-
Total	4,062	-

	Half year ended 31 December 2012	
Underlying Asset Type	**Total exposures securitised $M**	**Recognised gain or loss on sale $M**
Residential mortgage	1,025	-
Credit cards and other personal loans	-	-
Auto and equipment finance	-	-
Commercial loans	-	-
Other	-	-
Total	1,025	-

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

Securitisation Facility Type	31 December 2013		
	On Balance Sheet $M	Off Balance Sheet $M	Total exposures $M
Liquidity support facilities	-	102	102
Warehouse facilities	1,913	1,417	3,330
Derivative facilities	123	-	123
Holdings of securities	5,638	-	5,638
Other	-	-	-
Total securitisation exposures in the banking book	7,674	1,519	9,193

Securitisation Facility Type	30 June 2013		
	On Balance Sheet $M	Off Balance Sheet $M	Total exposures $M
Liquidity support facilities	-	142	142
Warehouse facilities	2,540	1,559	4,099
Derivative facilities	166	-	166
Holdings of securities	4,695	-	4,695
Other	-	-	-
Total securitisation exposures in the banking book	7,401	1,701	9,102

Securitisation Facility Type	31 December 2012		
	On Balance Sheet $M	Off Balance Sheet $M	Total exposures $M
Liquidity support facilities	-	108	108
Warehouse facilities	2,621	1,307	3,928
Derivative facilities	174	-	174
Holdings of securities	4,490	-	4,490
Other	-	-	-
Total securitisation exposures in the banking book	7,285	1,415	8,700

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

Total securitisation exposures in the banking book increased by $89 million or 1% during the half year ended 31 December 2013. Corresponding RWA increased by $358 million or 6.7%. This was mainly due to changes in risk profile for securitisation exposures.

	31 December 2013					
	Exposures		Total	Risk Weighted Assets		Total
	Securitisation	Resecuritisation	exposures	Securitisation	Resecuritisation	RWA
Risk Weight Band	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**
≤ 25%	8,033	1	**8,034**	715	-	**715**
> 25% ≤ 35%	137	-	**137**	48	-	**48**
> 35% ≤ 50%	300	-	**300**	150	-	**150**
> 50% ≤ 75%	250	-	**250**	162	-	**162**
> 75% ≤ 100%	-	-	**-**	-	-	**-**
> 100% ≤ 650%	96	-	**96**	258	-	**258**
> 650% ≤ 1250%	349	26	**375**	4,037	325	**4,362**
Total	9,165	27	**9,192**	5,370	325	**5,695**

	30 June 2013					
	Exposures		Total	Risk Weighted Assets		Total
	Securitisation	Resecuritisation	exposures	Securitisation	Resecuritisation	RWA
Risk Weight Band	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**
≤ 25%	7,841	3	**7,844**	729	1	**730**
> 25% ≤ 35%	640	-	**640**	224	-	**224**
> 35% ≤ 50%	-	-	**-**	-	-	**-**
> 50% ≤ 75%	250	-	**250**	162	-	**162**
> 75% ≤ 100%	-	-	**-**	-	-	**-**
> 100% ≤ 650%	6	-	**6**	37	-	**37**
> 650% ≤ 1250%	337	26	**363**	3,859	325	**4,184**
Total	9,074	29	**9,103**	5,011	326	**5,337**

	31 December 2012					
	Exposures		Total	Risk Weighted Assets		Total
	Securitisation	Resecuritisation	exposures	Securitisation	Resecuritisation	RWA
Risk Weight Band	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**
≤ 25%	8,059	5	**8,064**	824	1	**825**
> 25% ≤ 35%	33	-	**33**	11	-	**11**
> 35% ≤ 50%	-	-	**-**	-	-	**-**
> 50% ≤ 75%	250	-	**250**	138	-	**138**
> 75% ≤ 100%	-	-	**-**	-	-	**-**
> 100% ≤ 650%	21	-	**21**	90	-	**90**
> 650% ≤ 1250%	-	-	**-**	-	-	**-**
Total	8,363	5	**8,368**	1,063	1	**1,064**

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

Total securitisation exposures deducted from Tier 1 and Tier 2 Capital decreased $3 million during the half year ended 31 December 2013 due to overall run off of third party subordinated tranches exposures.

Underlying Asset Type	31 December 2013 Common Equity Tier 1 Capital (1) $M
Residential mortgage	26
Credit cards and other personal loans	-
Auto and equipment finance	-
Commercial loans	-
Other	-
Total	26

Underlying Asset Type	30 June 2013 Common Equity Tier 1 Capital (1) $M
Residential mortgage	29
Credit cards and other personal loans	-
Auto and equipment finance	-
Commercial loans	-
Other	-
Total	29

	31 December 2012		
Underlying Asset Type	Deductions from Tier 1 Capital $M	Deductions from Tier 2 Capital $M	Total $M
Residential mortgage	156	156	312
Credit cards and other personal loans	-	-	-
Auto and equipment finance	8	8	16
Commercial loans	2	2	4
Other	-	-	-
Total	166	166	332

(1) Capital deductions exposure is calculated according to the revised APS 120 standard effective 1 January 2013.

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 2013, banking book resecuritisation exposures without credit risk mitigation total $27 million (30 June 2013: $29 million; 31 December 2012: $31 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 2013.

APS 330 Table 12q – Trading book activity for the reporting period

$9 million residential mortgages and $1 million of auto and equipment finance were securitised by the Group in the trading book for the half year to 31 December 2013 (30 June 2013: $nil million; 31 December 2012: $nil million).

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 $314 million as at 31 December 2013 (30 June 2013: $452 million; 31 December 2012: $781 million). This consists of:

- Securities held in the trading book subject to the Standard Method of $48 million (30 June 2013: $43 million; 31 December 2012: $35 million); and
- Derivatives held in the trading book subject to the Internal Models Approach (IMA) of $266 million (30 June 2013: $409 million; 31 December 2012: $746 million).

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

Securitisation Facility Type	31 December 2013 On Balance Sheet $M	Off Balance Sheet $M	Total exposures $M
Liquidity support facilities	-	-	-
Warehouse facilities	-	-	-
Derivative facilities	266	-	266
Holdings of securities	48	-	48
Other	-	-	-
Total securitisation exposures in the trading book	314	-	314

Securitisation Facility Type	30 June 2013 On Balance Sheet $M	Off Balance Sheet $M	Total exposures $M
Liquidity support facilities	-	-	-
Warehouse facilities	-	-	-
Derivative facilities	409	-	409
Holdings of securities	43	-	43
Other	-	-	-
Total securitisation exposures in the trading book	452	-	452

Securitisation Facility Type	31 December 2012 On Balance Sheet $M	Off Balance Sheet $M	Total exposures $M
Liquidity support facilities	-	-	-
Warehouse facilities	-	-	-
Derivative facilities	746	-	746
Holdings of securities	35	-	35
Other	-	-	-
Total securitisation exposures in the trading book	781	-	781

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

The Group has $266 million of derivatives exposures held in the trading book subject to IMA (default risk) under APS 116 as at 31 December 2013 (30 June 2013: $409 million; 31 December 2012: $746 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 $138 million or 31% during the half year ended 31 December 2013 reflecting run off of derivatives exposures.

	31 December 2013			
Risk Weight Band	IAA Approach $M	RBA Approach $M	SFA Approach $M	Total exposures $M
≤ 25%	-	45	267	**312**
> 25% ≤ 35%	-	-	-	**-**
> 35% ≤ 50%	-	-	-	**-**
> 50% ≤ 75%	-	-	-	**-**
> 75% ≤ 100%	-	-	-	**-**
> 100% ≤ 650%	-	-	2	**2**
> 650% ≤ 1250%	-	-	-	**-**
Total	-	45	269	**314**

	30 June 2013			
Risk Weight Band	IAA Approach $M	RBA Approach $M	SFA Approach $M	Total exposures $M
≤ 25%	4	39	409	**452**
> 25% ≤ 35%	-	-	-	**-**
> 35% ≤ 50%	-	-	-	**-**
> 50% ≤ 75%	-	-	-	**-**
> 75% ≤ 100%	-	-	-	**-**
> 100% ≤ 650%	-	-	-	**-**
> 650% ≤ 1250%	-	-	-	**-**
Total	4	39	409	**452**

	31 December 2012			
Risk Weight Band	IAA Approach $M	RBA Approach $M	SFA Approach $M	Total exposures $M
≤ 25%	4	31	746	**781**
> 25% ≤ 35%	-	-	-	**-**
> 35% ≤ 50%	-	-	-	**-**
> 50% ≤ 75%	-	-	-	**-**
> 75% ≤ 100%	-	-	-	**-**
> 100% ≤ 650%	-	-	-	**-**
> 650% ≤ 1250%	-	-	-	**-**
Total	4	31	746	**781**

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

The Group has $58 million of RWA held in the trading book subject to IMA (default risk) under APS 116 as at 31 December 2013 (30 June 2013: $218 million; 31 December 2012: $237 million).

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

Total RWA for securitisation exposures in the trading book decreased by $11 million or 30% during the half year ended 31 December 2013 reflecting run off of derivative exposures.

31 December 2013										
Risk Weight Band	IAA Approach		RBA Approach		SFA Approach		Standardised Approach		Total Capital Requirements	
	Securitisation $M	Resecuritisation $M	Securitisation $M	Resecuritisation $M	Securitisation $M	Resecuritisation $M	Securitisation $M	Resecuritisation $M	Securitisation $M	Resecuritisation $M
≤ 25%	-	-	3	-	19	-	-	-	**22**	**-**
> 25% ≤ 35%	-	-	-	-	-	-	-	-	**-**	**-**
> 35% ≤ 50%	-	-	-	-	-	-	-	-	**-**	**-**
> 50% ≤ 75%	-	-	-	-	-	-	-	-	**-**	**-**
> 75% ≤ 100%	-	-	-	-	-	-	-	-	**-**	**-**
> 100% ≤ 650%	-	-	-	-	4	-	-	-	**4**	**-**
> 650% ≤ 1250%	-	-	-	-	-	-	-	-	**-**	**-**
Total	-	-	3	-	23	-	-	-	**26**	**-**

30 June 2013										
Risk Weight Band	IAA Approach		RBA Approach		SFA Approach		Standardised Approach		Total Capital Requirements	
	Securitisation $M	Resecuritisation $M	Securitisation $M	Resecuritisation $M	Securitisation $M	Resecuritisation $M	Securitisation $M	Resecuritisation $M	Securitisation $M	Resecuritisation $M
≤ 25%	1	-	1	4	29	-	-	-	**31**	**4**
> 25% ≤ 35%	-	-	-	-	-	-	-	-	**-**	**-**
> 35% ≤ 50%	-	-	-	-	-	-	-	-	**-**	**-**
> 50% ≤ 75%	-	-	-	-	-	-	-	-	**-**	**-**
> 75% ≤ 100%	-	-	-	-	-	-	-	-	**-**	**-**
> 100% ≤ 650%	-	-	-	-	-	-	-	-	**-**	**-**
> 650% ≤ 1250%	3	-	-	-	-	-	-	-	**3**	**-**
Total	4	-	1	4	29	-	-	-	**34**	**4**

31 December 2012										
Risk Weight Band	IAA Approach		RBA Approach		SFA Approach		Standardised Approach		Total Capital Requirements	
	Securitisation $M	Resecuritisation $M	Securitisation $M	Resecuritisation $M	Securitisation $M	Resecuritisation $M	Securitisation $M	Resecuritisation $M	Securitisation $M	Resecuritisation $M
≤ 25%	1	-	2	-	52	-	-	-	**55**	**-**
> 25% ≤ 35%	-	-	-	-	-	-	-	-	**-**	**-**
> 35% ≤ 50%	-	-	-	-	-	-	-	-	**-**	**-**
> 50% ≤ 75%	-	-	-	-	-	-	-	-	**-**	**-**
> 75% ≤ 100%	-	-	-	-	-	-	-	-	**-**	**-**
> 100% ≤ 650%	-	-	-	-	-	-	-	-	**-**	**-**
> 650% ≤ 1250%	-	-	-	-	-	-	-	-	**-**	**-**
Total	1	-	2	-	52	-	-	-	**55**	**-**

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

The Group has no material trading book exposures that are deducted entirely from Common Equity Tier 1 capital as at 31 December 2013 (30 June 2013: $nil; 31 December 2012: $0.2 million).

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 2013 (30 June 2013: $18 million; 31 December 2012: $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 (residential mortgages and auto and equipment finance) securitised in the half year to 31 December 2013 was $4,798 million (30 June 2013: $3,037 million; 31 December 2012: $1,025 million).

APS330 Table 5b – Summary of total securitisation exposures retained or purchased

	As at 31 December 2013		
Securitisation Facility Type	On Balance Sheet $M	Off Balance Sheet $M	Total exposures $M
Liquidity support facilities	-	102	102
Warehouse facilities	1,913	1,417	3,330
Derivative facilities	389	-	389
Holdings of securities	5,686	-	5,686
Other	-	-	-
Total securitisation exposures	7,988	1,519	9,507

	As at 30 June 2013		
Securitisation Facility Type	On Balance Sheet $M	Off Balance Sheet $M	Total exposures $M
Liquidity support facilities	-	142	142
Warehouse facilities	2,540	1,559	4,099
Derivative facilities	575	-	575
Holdings of securities	4,738	-	4,738
Other	-	-	-
Total securitisation exposures	7,853	1,701	9,554

	As at 31 December 2012		
Securitisation Facility Type	On Balance Sheet $M	Off Balance Sheet $M	Total exposures $M
Liquidity support facilities	-	108	108
Warehouse facilities	2,621	1,307	3,928
Derivative facilities	920	-	920
Holdings of securities	4,525	-	4,525
Other	-	-	-
Total securitisation exposures	8,066	1,415	9,481

6 Equity Risk

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

Equity Investments	31 December 2013 Balance Sheet value $M	Fair value [(1)] $M
Value of listed (publicly traded) equities	1,163	1,191
Value of unlisted (privately held) equities	1,732	1,732
Total [(2)]	2,895	2,923

(1) Fair value represents the quoted price of listed securities. The difference between Balance Sheet value and fair value is due to the Group's listed securities being equity accounted as required under the accounting standards.

(2) Equity holdings comprise $2,068 million Investments in Associates, $723 million Available-for-Sale Securities and $104 million Assets Held for Sale (excluding amounts treated as goodwill and intangibles for regulatory capital purposes).

Equity Investments	30 June 2013 Balance Sheet value $M	Fair value [(1)] $M
Value of listed (publicly traded) equities	1,047	1,070
Value of unlisted (privately held) equities	1,642	1,642
Total [(2)]	2,689	2,712

(1) Fair value represents the quoted price of listed securities. The difference between Balance Sheet value and fair value is due to the Group's listed securities being equity accounted as required under the accounting standards.

(2) Equity holdings comprise $2,080 million Investments in Associates, $3 million Assets Held for Sale and $606 million Available-for-Sale Securities.

Equity Investments	31 December 2012 Balance Sheet value $M	Fair value [(1)] $M
Value of listed (publicly traded) equities	905	901
Value of unlisted (privately held) equities	1,396	1,396
Total [(2)]	2,301	2,297

(1) Fair value represents the quoted price of listed securities. The difference between Balance Sheet value and fair value is due to the Group's listed securities being equity accounted as required under the accounting standards.

(2) Equity holdings comprise $1,834 million Investments in Associates, $12 million Assets Held for Sale and $455 million Available-for-Sale Securities.

	Half year ended		
Gain/(Losses) on Equity Investments	31 Dec 13 $M	30 Jun 13 $M	31 Dec 12 $M
Cumulative realised gains in reporting period	**5**	-	23
Total unrealised gains	**205**	192	116

7 Market Risk

7.1 Traded Market Risk

The breakdown of traded market risk RWA by modelling method is summarised below:

Traded Market Risk RWA by Modelling Approach	31 Dec 13 $M	30 Jun 13 $M	31 Dec 12 $M
Internal Model Approach	3,729	3,208	2,431
Standard Method	2,241	1,943	2,086
Total Traded Market Risk RWA	**5,970**	5,151	4,517

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

Exposure Type	31 Dec 13 $M	30 Jun 13 $M	31 Dec 12 $M
Interest rate risk	131. 4	125. 9	133. 2
Equity risk	40. 0	23. 9	24. 4
Foreign exchange risk	7. 9	5. 6	8. 9
Commodity risk	-	-	0. 4
Total	**179. 3**	155. 4	166. 9
Risk Weighted Asset equivalent (1)	**2,241**	1,943	2,086

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

APS 330 Table 14d – 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 2013	45	65	36	45
Over the 6 months to 30 June 2013	34	44	26	42
Over the 6 months to 31 December 2012	25	35	20	28

	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 2013	53	78	38	56
Over the 6 months to 30 June 2013	43	100	22	62
Over the 6 months to 31 December 2012	40	57	27	35

Summary Table of the Number of Back-Testing Outliers (2)	
Over the 6 months to 31 December 2013	-
Over the 6 months to 30 June 2013	1
Over the 6 months to 31 December 2012	1

(1) 10 day, 99% confidence interval over the reporting period.
(2) 1 day, 99% confidence interval over the reporting period.

Internal Model Approach – VaR Outliers

There were no outliers during the 6 months to 31 December 2013, when the hypothetical loss exceeded VaR at 99% confidence for the corresponding day.

	Over the Reporting Period 1 July 2013 to 31 December 2013	
	Hypothetical loss	VaR 99%
Date	**$M**	**$M**
	-	-

	Over the Reporting Period 1 January 2013 to 30 June 2013	
	Hypothetical loss	VaR 99%
Date	**$M**	**$M**
21 June 2013	(8. 1)	(7. 9)

	Over the Reporting Period 1 July 2012 to 31 December 2012	
	Hypothetical loss	VaR 99%
Date	**$M**	**$M**
24 October 2012	(7. 0)	(6. 0)

7.2 Non-Traded Market Risk

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

	Change in Economic Value		
	31 Dec 13	**30 Jun 13**	**31 Dec 12**
Stress Testing: Interest Rate Shock Applied	**$M**	**$M**	**$M**
AUD			
200 basis point parallel increase	**(802)**	(885)	(720)
200 basis point parallel decrease	**869**	960	799
NZD			
200 basis point parallel increase	**(180)**	(116)	(147)
200 basis point parallel decrease	**193**	125	158
Other			
200 basis point parallel increase	**(23)**	(23)	(14)
200 basis point parallel decrease	**23**	23	14

	31 Dec 13	**30 Jun 13**	**31 Dec 12**
Regulatory RWA	**$M**	**$M**	**$M**
Interest rate risk in the banking book	**17,543**	16,289	10,996

8 Operational Risk

APS 330 Table 6e – Capital requirements for operational risk

	31 Dec 13	**30 Jun 13**	**31 Dec 12**
	$M	**$M**	**$M**
Advanced measurement approach	**28,331**	27,914	27,513
Standardised approach	**149**	130	118
Total operational risk RWA (1)	**28,480**	28,044	27,631

(1) Refer to page 8 for commentary.

9 Appendices

9.1 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 9.2 Regulatory Balance Sheet and section 9.3 Reconciliation between detailed capital disclosures template and the Regulatory Balance Sheet.

Summary Group Capital Adequacy Ratios (Level 2)	31 Dec 13 Basel III APRA %	31 Dec 13 Basel III Internationally Harmonised %
CET1	8.5	11.4
Tier 1	10.6	13.7
Total Capital	11.4	14.7

		31 Dec 13 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	**26,459**	Table A
2	Retained earnings	**16,983**	
3	Accumulated other comprehensive income (and other reserves)	**1,721**	
4	Directly issued capital subject to phase out from CET1 (only applicable to mutually-owned companies)	**n/a**	
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	**45,163**	
Common Equity Tier 1 Capital : regulatory adjustments			
7	Prudential valuation adjustments	**-**	
8	Goodwill (net of related tax liability) (1)	**(7,694)**	Table C
9	Other intangibles other than mortgage servicing rights (net of related tax liability) (1)	**(2,594)**	Table C
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	**-**	
11	Cash-flow hedge reserve	**(169)**	
12	Shortfall of provisions to expected losses (2)	**(434)**	
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	**(6)**	
15	Defined benefit superannuation fund net assets	**-**	
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	**-**	
17	Reciprocal cross-holdings in common equity	**-**	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	**-**	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)	**n/a**	
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	**n/a**	
25	of which: deferred tax assets arising from temporary differences	**-**	Table D
	CET1 (Internationally Harmonised)	**34,266**	

(1) Regulatory adjustments for goodwill and intangibles includes amounts reclassified to Assets Held for Sale as reflected in the Group's Balance Sheet as at 31 December 2013.

(2) Represents regulatory expected loss (pre-tax) using stressed loss given default assumptions associated with the loan portfolio in excess of eligible credit provisions of $236 million and general reserve for credit losses (post-tax) of $198 million.

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

		31 Dec 13 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	**161**	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	**7**	
26d	of which: equity investments in financial institutions not reported in rows 18, 19 and 23	**(4,055)**	Table G
26e	of which: deferred tax assets not reported in rows 10, 21 and 25	**(1,248)**	Table D
26f	of which: capitalised expenses	**(275)**	
26g	of which: investments in commercial (non-financial) entities that are deducted under APRA prudential requirements	**(87)**	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	**(231)**	
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)	**(16,625)**	
29	CET1 (APRA)	**28,538**	
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	**2,000**	Table E
33	Directly issued capital instruments subject to phase out from Additional Tier 1	**4,265**	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	**6,770**	Table E
Additional Tier 1 Capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments	**-**	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	**-**	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	**-**	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	**-**	
41	National specific regulatory adjustments (rows 41a, 41b, 41c)	**-**	
41a	of which: holdings of capital instruments in group members by other group members on behalf of third parties	**-**	
41b	of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidations not reported in rows 39 and 40	**-**	
41c	of which: other national specific regulatory adjustments not reported in rows 41a and 41b	**(50)**	Table E
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	**(50)**	
44	Additional Tier 1 Capital (AT1)	**6,720**	Table E
45	Tier 1 Capital (T1=CET1+AT1)	**35,258**	
Tier 2 Capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments	**-**	
47	Directly issued capital instruments subject to phase out from Tier 2	**2,728**	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	**194**	
51	Tier 2 Capital before regulatory adjustments	**2,922**	

(1) Total regulatory adjustments to CET1 of $16,625 million in row 28 is net of APRA's allowance for treasury shares held by the group's employee share scheme trusts of $161 million as detailed in row 26a.

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

		31 Dec 13 Basel III $M	Reconciliation Table Reference
Tier 2 Capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	-	
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)	-	
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	-	
58	Tier 2 Capital (T2)	**2,922**	
59	Total Capital (TC=T1+T2)	**38,180**	
60	Total risk-weighted assets based on APRA standards	**334,197**	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	**8.5%**	
62	Tier 1 (as a percentage of risk-weighted assets)	**10.6%**	
63	Total Capital (as a percentage of risk-weighted assets)	**11.4%**	
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)	-	
65	of which: capital conservation buffer requirement	-	
66	of which: ADI-specific countercyclical buffer requirements	-	
67	of which: G-SIB buffer requirement (not applicable)	-	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk-weighted assets)	-	
National minima			
69	National Common Equity Tier 1 minimum ratio	**4.5%**	
70	National Tier 1 minimum ratio	**6.0%**	
71	National total capital minimum ratio	**8.0%**	
Amount below thresholds for deductions (not risk-weighted)			
72	Non-significant investments in the capital of other financial entities	**1,251**	Table G
73	Significant investments in the ordinary shares of financial entities	**2,804**	Table G
74	Mortgage servicing rights (net of related tax liability)	-	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	**1,248**	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)	**194**	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	**520**	
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	**1,444**	
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	**4,720**	Table E
83	Amount excluded from AT1 instruments due to cap (excess over cap after redemptions and maturities)	**626**	Table E
84	Current cap on Tier 2 instruments subject to phase out arrangements	**2,728**	Table F
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	-	Table F

9.2 Regulatory Balance Sheet

The following table provides details on the Commonwealth Bank of Australia Group's Balance Sheet and the Level 2 Regulatory Balance Sheet as at 31 December 2013.

	Group Balance Sheet $M	Adjustment [1] $M	Level 2 Regulatory Balance Sheet $M	Template/ Reconciliation Table Reference
Assets				
Cash and liquid assets	**31,051**	(446)	30,605	
Receivables due from other financial institutions	**7,599**	(80)	7,519	
Assets at fair value through Income Statement:				
Trading	**18,855**	(7)	18,848	
Insurance	**14,559**	(14,559)	-	
Other	**645**	(200)	445	
Derivative assets	**37,181**	192	37,373	
Available-for-sale investments	**64,042**	(64)	63,978	Table G
Loans, bills discounted and other receivables	**581,170**	(3,848)	577,322	
Bank acceptances of customers	**4,807**	-	4,807	
Investment in regulatory non consolidated subsidiaries [2]	**-**	1,218	1,218	Table G
Property, plant and equipment	**2,801**	(30)	2,771	
Investment in associates	**2,220**	(152)	2,068	Table G
Intangible assets [3]	**9,942**	-	9,942	Table C
Deferred tax assets	**824**	(37)	787	Table D
Other assets	**6,015**	(1,679)	4,336	
Assets held for sale	**590**	-	590	Table C & G
Total assets	**782,301**	(19,692)	762,609	
Liabilities				
Deposits and other public borrowings	**485,436**	2,038	487,474	
Payables due to other financial institutions	**29,585**	(315)	29,270	
Liabilities at fair value through Income Statement	**8,330**	-	8,330	
Derivative liabilities	**29,393**	(36)	29,357	
Bank acceptances	**4,807**	-	4,807	
Current tax liabilities	**1,492**	(30)	1,462	
Deferred tax liabilities	**518**	(518)	-	Table D
Other provisions	**1,252**	(186)	1,066	
Insurance policy liabilities	**13,140**	(13,140)	-	
Debt issues	**142,675**	(4,859)	137,816	
Managed funds units on issue	**932**	(932)	-	
Bills payable and other liabilities	**8,321**	(1,296)	7,025	
Loan capital	**9,383**	-	9,383	Table E
Total liabilities	**735,264**	(19,274)	715,990	
Net assets	**47,037**	(418)	46,619	
Shareholders' equity				
Share capital:				
Ordinary share capital	**26,327**	132	26,459	Row 1, Table A
Other equity instruments	**939**	-	939	Table E
Reserves	**1,780**	(59)	1,721	Row 3
Retained profits	**17,455**	(472)	16,983	Row 2
Shareholders' equity attributable to Equity holders of the Bank	**46,501**	(399)	46,102	
Non-controlling interests	**536**	(19)	517	Table B
Total Shareholders' Equity	**47,037**	(418)	46,619	

(1) 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.

(2) Represents the tangible investment in non-consolidated subsidiaries only. No adjustment has been made to the intangible component of the investment as APRA requires this to be deducted in full from CET1.

(3) Includes the intangible component of investments in non-consolidated subsidiaries. This has not been included in investment in regulatory consolidated subsidiaries as APRA requires these intangible assets to be deducted in full from CET1.

9.3 Reconciliation between Detailed Capital Template and Regulatory Balance Sheet

The following tables provide additional information on the differences between the detailed capital disclosures (section 9.1) and the Regulatory Balance Sheet (section 9.2).

Table A	31 Dec 13 $M	Template Reference
Share Capital		
Ordinary Share Capital	26,327	
Add Treasury Shares held by the Group's life insurance operations	132	
Total per Balance Sheet (Ordinary Share Capital Internationally Harmonised) [1]	26,459	Row 1
Treasury Shares held by the Group's employee share scheme trusts (APRA specific adjustment)	161	Row 26a
Total Ordinary Share Capital and Treasury Shares (APRA)	26,620	

Table B	31 Dec 13 $M	Template Reference
Non Controlling Interests		
Total per Balance Sheet [1]	517	
Less ASB perpetual Shares transferred to Additional Tier One Capital (refer Table E)	(505)	
Less other non controlling interests not included in capital	(12)	
Total per Capital Template (APRA and Internationally Harmonised)	-	Row 5

Table C	31 Dec 13 $M	Template Reference
Goodwill & Other Intangibles		
Total per Balance Sheet [1]	9,942	
Less capitalised software and other intangibles separately disclosed in template	(2,375)	
Add goodwill adjustment [2]	127	
Total per Capital Template - Goodwill (APRA and Internationally Harmonised)	7,694	Row 8
Capitalised software	1,950	
Other intangibles	425	
Total per Balance Sheet	2,375	
Less DTL associated with other intangibles	(92)	
Add intangibles adjustment [2]	311	
Total per Capital Template - Other Intangibles (APRA and Internationally Harmonised)	2,594	Row 9

Table D	31 Dec 13 $M	Template Reference
Deferred Tax Assets		
Deferred tax asset per Balance Sheet [1]	787	
Less deferred tax liability per Balance Sheet [1]	-	
Net Deferred Tax Assets [3]	787	
Add back deferred tax liability associated with other intangibles	92	
Add deferred tax asset associated with General reserve for credit losses	85	
Adjustments required in accordance with APRA prudential standards [4]	284	
Deferred tax asset adjustment before applying prescribed thresholds (APRA specific adjustment)	1,248	Row 26e
Less amounts below prescribed threshold - risk weighted [5]	(1,248)	Row 75
Total per Capital Template (Internationally Harmonised)	-	Row 21, 25

(1) Represents the balance per Level 2 Regulatory Balance Sheet.
(2) Regulatory adjustments for goodwill and intangibles includes amounts reclassified to Assets Held for Sale as reflected in the Group's Balance Sheet as at 31 December 2013.
(3) Represents the balance of deferred tax asset net of deferred tax liability per Level 2 Regulatory Balance Sheet.
(4) Represents the deferred tax balances associated with reserves ineligible for inclusion in regulatory capital and the impact of limitations of netting of balances within the same geographic tax authority.
(5) The Basel Committee on Banking Supervision (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.

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

Table E	31 Dec 13 $M	Template Reference
Additional Tier 1 Capital		
Total Loan Capital per Balance Sheet [1]	9,383	
Less fair value hedge adjustments [2]	(392)	
Total Loan Capital net of issue costs at their contractual values	8,991	
Less amount related to Tier Two Capital Instruments	(3,131)	
Total Tier One Loan Capital	5,860	
Add ASB perpetual Shares transferred from Non Controlling interest (refer Table B)	505	
Add other equity instruments included in share capital [3]	939	
Add issue costs [4]	42	
Less Basel III transitional relief amortisation for directly issued instruments [5]	(576)	Row 83
Total per Capital Template (Internationally Harmonised)	6,770	Row 36
Less APRA specific Basel III transitional relief amortisation for instruments issued by subsidiaries [6]	(50)	Row 41c, 83
Total per Capital Template (APRA)	6,720	Row 44
Additional Tier 1 Capital Instruments comprises		
Basel III Complying Instruments		
PERLS VI	2,000	Row 32
Basel III Non Complying Instruments		
PERLS III	1,166	
PERLS V	2,000	
TPS 03	615	
TPS 06	948	
Other Instruments	112	
Less Basel III transitional relief amortisation for directly issued instruments [5]	(576)	Row 83
	4,265	Row 33
Basel III Non Complying Instruments - issued by subsidiaries		
ASB preference shares	505	Row 35
Less APRA specific Basel III transitional relief amortisation for instruments issued by subsidiaries [6]	(50)	Row 41c, 83
	455	
Total Basel III Non Complying Instruments	4,720	Row 82
Total Additional Tier 1 Capital Instruments (APRA)	6,720	

Table F	31 Dec 13 $M	Template Reference
Tier 2 Capital Instruments		
Total included in Balance Sheet	3,131	
Add issue costs [4]	7	
Less amortisation of instruments [7]	(410)	
Less Basel III transitional relief amortisation for directly issued instruments [5]	-	Row 85
Total per Capital Template (APRA and Internationally Harmonised)	2,728	Row 47, 84

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/shareholders.

(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) Represents Trust Preferred Securities 2006 issued on 15 March 2006.
(4) 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.
(5) Basel III transitional arrangements apply to those capital instruments not compliant with the new Basel III requirements.
(6) APRA Basel III transitional arrangements for capital instruments issued by subsidiaries are effective from 1 January 2013. The BCBS transitional arrangements for instruments issued by subsidiary are not effective until 1 January 2014.
(7) 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.

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

Table G	31 Dec 13 $M	Template Reference
Equity Investments		
Investment in commercial entities	**87**	Row 26g
Investments in significant financial entities	**1,586**	Row 26d, 73
Investments in non-significant financial entities	**1,251**	Row 26d, 72
	2,924	
Equity investment in non consolidated subsidiaries	**1,218**	Row 26d, 73
Total Equity Investments before applying prescribed thresholds APRA specific adjustment (1)	**4,142**	
Less amounts risk weighted under Internationally Harmonised (2)	**(4,142)**	
Total per Capital Template (Internationally Harmonised)	**-**	Row 18, 19, 23

(1) Equity Investments are classified in the Level 2 Regulatory Balance Sheet across Investments in Associates, Assets held for Sale (excluding goodwill and intangible related balances as detailed in Table C above), 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.

(2) The aggregate of investments in significant financial entities of $1,586 million, investments in non-significant financial entities of $1,251 million and equity investment in non-consolidated subsidiaries of $1,218 million is a total of $4,055 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 $87 million related to Investments in commercial entities are risk weighted under Internationally Harmonised methodology, with no prescribed threshold limits.

9.4 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 holding companies for other entities included in the table below.

Entity name	Total Assets $M	Total Liabilities $M
(a) Securitisation		
Medallion Trust Series 2005-1G	440	440
Medallion Trust Series 2005-2G	219	219
Medallion Trust Series 2006-1G	767	767
Medallion Trust Series 2007-1G	1,410	1,410
Swan Trust Series 2006-1E	408	408
Swan Trust Series 2007-1E	531	529
Swan Trust Series 2010-1	223	223

Entity name	$M	$M
(b) Insurance and Funds Management		
Advice Essentials Pty Limited	1	-
ASB Group (Life) Limited	965	115
Avanteos Investments Limited	32	11
Avanteos Pty Ltd	7	6
BW Financial Advice Limited	6	-
BW Securitisation Management Pty Ltd	8	1
Capital 121 Pty Limited	1,571	-
CFS Managed Property Limited	9	3
CFSPAI Europe Co Limited	-	-
CFSPAI Europe Holdco Limited	-	-
CISL (Hazelwood) Pty. Limited	-	-
CLL Property Trust	17	1
CMG Asia Life Holdings Limited	25	-
CMG Asia Pty Ltd	16	2
Colonial (UK) Trustees Limited	-	-
Colonial Finance Limited	305	72
Colonial Financial Corporation Ltd	-	-
Colonial First State Asset Management (Australia) Limited	49	36
Colonial First State Capital Management Pty Ltd	-	-
Colonial First State Group Limited	697	3
Colonial First State Investment Managers (UK) Limited	4	-
Colonial First State Investments (NZ) Limited	60	-
Colonial First State Investments Limited	314	206
Colonial First State Loan Note Issuer Pty Ltd	-	-
Colonial First State Management Pty Limited	10	7
Colonial First State Private Equity Pty Limited	-	-
Colonial First State Property Limited	607	69
Colonial First State Property Management Pty Ltd	-	-
Colonial First State Property Management Trust	68	67
Colonial First State Property Retail Pty Limited	-	-
Colonial First State Property Retail Trust	215	38
Colonial Holding Company Limited	8,305	2,432
Colonial LGA Holdings Pty Limited	-	-
Colonial Mutual Superannuation Pty Ltd	11	-
Colonial Services Pty Limited	-	-
Commonwealth Custodial Services Limited	2	-
Commonwealth Financial Planning Limited	34	11
Commonwealth Insurance Holdings Limited	6,717	-
Commonwealth Insurance Limited	827	590
Commonwealth Investment Services Pty Limited	-	-
Commonwealth Managed Investments Limited	94	83
Commonwealth Property Pty Limited	-	-
Commwealth International Holdings Pty Ltd	61	1

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

Entity name	$M	$M
Copacabana Beach Pty Limited	-	-
Count Finance Pty Limited	-	-
Count Financial Limited	57	16
Emerald Holding Company Limited	-	-
Financial Wisdom Limited	8	4
Finconnect (Australia) Pty Ltd	57	10
First State (Hong Kong) LLC	1	-
First State European Diversified Infrastructure Sarl	1	1
First State Infrastructure S.a.r.l.	-	-
First State Investment Management (UK) Limited	112	1
First State Investment Managers (Asia) Limited	46	-
First State Investment Services (UK) Limited	114	95
First State Investments (Hong Kong) Limited	140	44
First State Investments (NZ) Limited	1	-
First State Investments (Singapore)	135	30
First State Investments (UK Holdings) Limited	104	-
First State Investments (UK) Limited	172	160
First State Investments Fund Management Sarl	5	5
First State Investments GIP Management Sarl	2	1
First State Investments Holdings (Singapore) Limited	17	-
First State Investments International Inc	-	-
First State Investments International Limited	83	10
First State Nominees (Hong Kong) Limited	-	-
FSIB Ltd.	25	-
FSIC Ltd.	-	-
GT Operating No 2 Pty Limited	-	-
GT Operating No 4 Pty Limited	-	-
Harboard Beach Pty Ltd	-	-
Jacques Martin Administration and Consulting Pty Ltd	7	2
Jacques Martin Pty. Ltd.	3	-
KIP NZ Limited	58	7
KPM NZ Limited	13	4
LG Inc.	2	-
PIF Managed Property Pty Limited	-	-
Premium Alternative Investments Pty Limited	-	-
Premium Plantations Pty Limited	-	-
Premium Plantations Services Pty Limited	-	-
PT Commonwealth Life	521	415
PT First State Investments Indonesia	7	4
Realindex Investments Pty Limited	12	7
Securitisation Advisory Services Pty. Limited	34	14
SI Holdings Limited	65	-
Sovereign Assurance Company Limited	2,043	1,435
Sovereign Financial Services Limited	1	-
Sovereign Limited	728	-
Sovereign Services Limited	53	15
Sovereign Superannuation Funds Limited	7	-
Sovereign Superannuation Trustees Limited	-	-
St Andrew's Australia Pty Ltd	-	-
The Colonial Mutual Life Assurance Society Limited	13,677	12,059
Torquay Beach Pty Ltd	-	-
Total Keen Investment Limited	-	-
Westside Properties Limited	25	1
Whittaker Macnaught Pty. Ltd.	6	2

9.5 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.

9.6 List of Supplemental Tables and Diagrams

9.7 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.
ADI	Authorised Deposit-taking Institution - includes banks, building societies and credit unions which are authorised by APRA to take deposits from customers.
AIRB	Advanced Internal Ratings Based approach - used to measure credit risk in accordance with the Group's Basel III accreditation approval that allows the Group to use internal estimates of PD, LGD and EAD for the purposes of calculating regulatory capital.
AMA	Advanced Measurement Approach - used to measure operational risk in accordance with the Group's approval that allows the Group to use its own internal model for the purposes of calculating regulatory capital.
APRA	Australian Prudential Regulation Authority - the regulator of banks, insurance companies and superannuation funds, credit unions, building societies and friendly societies in Australia.
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	APS asset class - includes claims on central banks, international banking agencies, regional development banks, ADI 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 2.5	Refers to the Basel II framework revised (2009) to include additional requirements such as the Incremental Risk Charge (IRC), Stressed VaR (SVaR), the treatment of securitisation exposures, and the Comprehensive Risk Measure (CRM) for certain correlation trading activities.
Basel III	Refers to the Basel Committee on Banking Supervision's Basel III: A global regulatory framework for the 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.
CET1	Common Equity Tier 1 Capital is 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	APS asset class - includes commercial credit risk where annual revenues exceed $50 million.
Credit Valuation Adjustment (CVA)	A capital charge that covers the risk of mark-to-market losses on the counterparty credit risk arising from bilateral OTC derivative contracts. CVA is the amount of counterparty credit risk net of the mark-to market calculated for CBA.
EAD	Exposure at Default - the extent to which a bank may be exposed upon default of an obligor.
ECAI	External Credit Assessment Institution, for example Moody's.
ELE	Extended Licenced Entity - 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.

9.7 Glossary (continued)

Term	Definition
General Reserve for Credit Losses	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 on an after tax basis.
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 established based primarily on estimates of realisable value of collateral taken. 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.
IRRBB	Interest Rate Risk in the Banking Book - is the risk that the Bank's profit derived from Net Interest Income (interest earned less interest paid), in current and future periods, is adversely impacted 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 the period. 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 non-consolidated subsidiaries. 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.
LGD	Loss Given Default - the fraction of EAD that is not expected to be recovered following default.
Other Assets	APS asset class - includes Cash, Investments in Related Entities, Fixed Assets and Margin Lending.
Other Retail	APS asset class - includes all retail credit exposures not otherwise classed as a residential mortgage, SME retail or a qualifying revolving retail asset.
PCR	Prudential Capital Requirement - represents the minimum capital requirement set by APRA that an ADI must maintain across CET1, Tier 1 Capital and Total Capital.
PD	Probability of Default - the likelihood that a debtor fails to meet an obligation or contractual commitment.
Qualifying Revolving Retail	APS 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	APS asset class - includes retail and small and medium enterprise exposures up to $1 million that are secured by residential mortgage property.
RBA	Reserve Bank of Australia.
RBNZ	Reserve Bank of New Zealand.
RWA	Risk Weighted Assets - the value of the Group's on and off balance sheet assets are adjusted according to 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. The current scaling factor is 1.06.
Securitisation	APS asset class - includes Group-originated securitised exposures and the provision of facilities to customers in relation to securitisation activities.
SME Corporate	APS asset class - includes 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	APS asset class - includes small and medium enterprise (SME) exposures up to $1 million that are not secured by residential mortgage property.

9.7 Glossary (continued)

Term	Definition
Sovereign	APS asset class - includes claims on the Reserve Bank of Australia and on Australian and foreign governments.
Specialised Lending	APS asset classes subject to the supervisory slotting approach and which include Income Producing Real Estate (IPRE), object finance and project finance assets.
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 using 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.