Basel III Pillar 3

Capital Adequacy and Risk Disclosures as at 31 December 2022

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The release of this announcement was authorised by the Board.

Contents

1 Introduction

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

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

This document also presents information on the Group's leverage and liquidity ratios and Countercyclical Capital Buffer (CCyB) in accordance with prescribed methodologies.

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

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

This document is unaudited, however, it has been prepared consistent with information that has been supplied to APRA.

This Pillar 3 document is available on the Group's corporate website: Commbank.com.au/regulatorydisclosures.

The Group in Review

Summary Group Capital Adequacy Ratios (Level 2)	31 Dec 22 %	30 Jun 22 %	31 Dec 21 %
Common Equity Tier 1	**11.4**	11.5	11.8
Additional Tier 1	**1.9**	2.1	2.2
Tier 1	**13.3**	13.6	14.0
Tier 2	**4.5**	4.0	4.0
Total Capital (APRA)	**17.8**	17.6	18.0
Common Equity Tier 1 (Internationally Comparable) [1]	**18.5**	18.6	18.4

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

Group Capital Ratios

As at 31 December 2022, the Group's Basel III Common Equity Tier 1 (CET1), Tier 1 and Total Capital ratios as measured on an APRA basis were 11.4%, 13.3% and 17.8% respectively. The Basel III CET1 Capital ratio was 18.5% on an internationally comparable basis.

Leverage Ratio

The Group's leverage ratio, which is defined as Tier 1 Capital as a percentage of total exposures, was 5.1% as at 31 December 2022 on an APRA basis and 5.7% on an internationally comparable basis.

Liquidity Coverage Ratio

The Liquidity Coverage Ratio (LCR) requires Australian ADIs to hold sufficient liquid assets to meet 30 day net cash outflows projected under an APRA prescribed stress scenario. The Group maintained an average LCR of 131% in the December 2022 quarter.

In September 2021, APRA announced a sector-wide phased reduction in the reliance on the Committed Liquidity Facility (CLF) to zero by the end of 2022, subject to financial market conditions, as APRA and the Reserve Bank of Australia (RBA) expect there will be sufficient High Quality Liquid Assets (HQLA) for ADIs to meet their LCR requirements without the need to utilise the CLF. On 1 January 2023 the Group's CLF reduced to zero.

Net Stable Funding Ratio

The Net Stable Funding Ratio (NSFR) is the ratio of the amount of Available Stable Funding (ASF) to the amount of Required Stable Funding (RSF). Factors prescribed by APRA are used to determine the stable funding requirement of assets and the stability of alternative sources of funding. The Group's NSFR was 129% at 31 December 2022.

Policy Framework

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

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

The application is reflected in the Group's overall asset quality and capital position. In particular, the Group remains in a small group of banking institutions with an AA-/Aa3 credit rating. To maintain this strength, the Group continues to invest in its risk systems and management processes.

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

2 Scope of Application

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

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

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

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

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

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

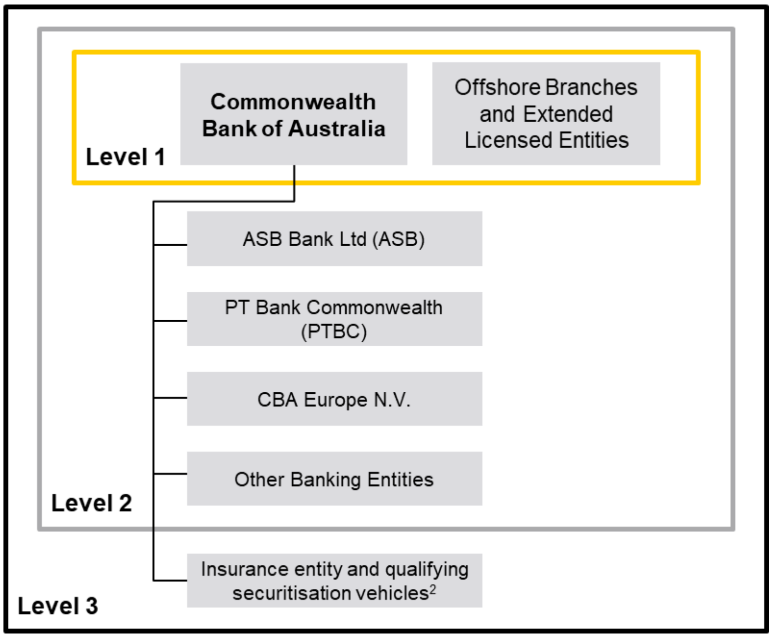
During the half year ended December 2022 the Group completed the sale of its Australian general insurance business, CommInsure General Insurance.

Restrictions on transfer of funds or regulatory capital within the Group

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

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

APS 330 reporting structure



1 A detailed list of non-consolidated entities is provided in Appendix 11.5.
2 Securitisation that meets APRA's operational requirements for regulatory capital relief under APS 120 *Securitisation* (APS 120).

3 Capital

Capital Adequacy

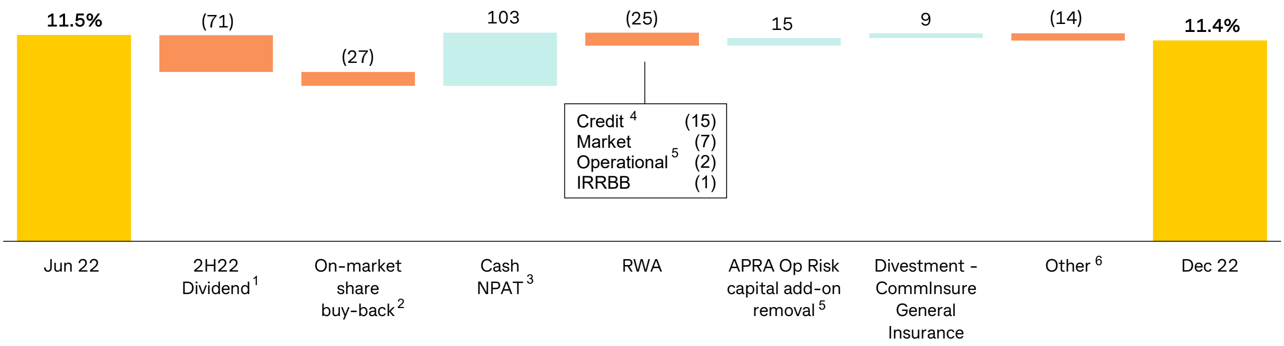
The Group actively manages its capital to balance the perspectives of various stakeholders (regulators, rating agencies and shareholders). This is achieved by optimising the mix of capital, while maintaining adequate capital ratios throughout the financial year. The Group's capital is managed within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

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

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

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

Capital – CET1 (APRA)
-10bpts in 1H23



1 The 2022 final dividend included the on-market purchase of $598 million of shares (CET1 impact of 12bpts) in respect of the DRP.
2 As at 31 December 2022, $1.8 billion of the previously announced $2 billion on-market share buy-back program has been completed, with 17,977,434 shares acquired at an average price of $100.01. $1.3 billion of this was completed in 1H23.
3 Excludes net equity accounted profits/losses from associates as they are capital neutral with offsetting changes in regulatory capital deductions.
4 Excludes impact of foreign exchange (FX) movements which is included in 'Other'.
5 Operational RWA received a +15bpts CET1 Capital ratio benefit from the removal of APRA's operational risk regulatory capital add-on of $500 million (reduction of $6.25 billion RWA). Excluding the impact of the add-on, underlying Operational RWA increased $1.1 billion with a CET 1 Capital ratio impact of -2bpts.
6 Includes the impact of intangibles, FX impact on Credit RWA, equity accounted profit/losses from associates, movements in reserves and other regulatory adjustments.

Capital Position

The Group's CET1 Capital ratio (APRA) was 11.4% as at 31 December 2022, a decrease of 10 basis points from 30 June 2022 and a decrease of 40 basis points from 31 December 2021. Excluding the payment of the 2H22 dividend (-71 basis points) and on-market share buy-back (-27 basis points), the CET1 Capital ratio increased 88 basis points. The CET1 Capital ratio was well above the current regulatory requirements at all times throughout the half year ended 31 December 2022.

Key drivers of the change in CET1 for the 6 months ended 31 December 2022 were:

- Capital generated from earnings (+103 basis points);
- Removal of the remaining $500 million of APRA's operational risk capital add-on (+15 basis points); and
- Completion of the sale of CommInsure General Insurance (+9 basis points); partly offset by
- Higher total RWA (-25 basis points) mainly driven by an increase in Credit RWA and Traded Market Risk RWA; and
- Other regulatory adjustments and movements in reserves (-14 basis points).

Further details on movements in RWA are provided on pages 10-11.

The Group is well placed to accommodate the changes under APRA's new capital framework effective 1 January 2023 and expects to operate with a post-dividend CET1 Capital ratio of greater than 11.0%, compared to the revised APRA minimum of 10.25%, except in circumstances of unexpected capital volatility.

Internationally Comparable Capital Position

The Group's CET1 Capital ratio as measured on an internationally comparable basis was 18.5% as at 31 December 2022, placing it amongst the top quartile of international peer banks.

Capital (continued)

Capital Initiatives

In addition to the on-market share buy-back, the following significant capital initiatives were undertaken during the half year ended 31 December 2022:

Common Equity Tier 1 Capital

- The DRP in respect of the 2022 final dividend was satisfied in full by the on-market purchase of shares. The participation rate for the final DRP was 16.8%.

Additional Tier 1 Capital

- In November 2022, the Group concurrently issued $1,777 million of CommBank PERLS XV Capital Notes and redeemed $1,577 million of CommBank PERLS VII Capital Notes, both of which are Basel III compliant Additional Tier 1 capital; and
- In December 2022, the Group redeemed the remaining $1,423 million of CommBank PERLS VII Capital Notes.

Tier 2 Capital

The Group issued the following Basel III compliant subordinated notes:

- HKD400 million and AUD300 million in September 2022;
- JPY20 billion in October 2022; and
- Two subordinated notes totalling AUD2,000 million in November 2022.

Regulatory Framework

APRA has implemented a set of capital, liquidity and funding reforms based on the Basel Committee on Banking Supervision (BCBS) "Basel III" framework. The objectives of the reforms are to increase the quality, consistency and transparency of capital, to enhance the risk coverage framework, and to reduce systemic and pro-cyclical risk.

Up until 1 January 2023, the APRA prudential standards required a minimum CET1 Capital ratio or Prudential Capital Requirement (PCR) of 4.5%. An additional CET1 Capital conservation buffer (CCB) of 3.5%, inclusive of a Domestic Systemically Important Bank (D-SIB) requirement of 1% and a CCyB[1] of 0%, brought the minimum CET1 Capital ratio requirement to 8%. The minimum Tier 1 and Total Capital ratio requirements were 9.5% and 13% respectively.

Additionally under this capital framework, APRA's expectation was that the Australian major banks operate for the majority of the year with a CET1 Capital ratio of 10.5% or more. As at 31 December 2022, the Group's CET1 Capital ratio was 11.4%, and was above the 10.5% benchmark for the entire 2022 calendar year.

In November 2021, APRA finalised the revisions to the overall design of the capital framework, which was implemented on 1 January 2023. These revisions include a 2.25% increase in the CCB, inclusive of a 1% CCyB, bringing the total CET1 requirement to 10.25%. The revised framework will result in changes to the calculation of RWA and will therefore result in changes to the presentation of bank capital ratios.

Further details on these changes are provided below.

Regulatory Reforms

APRA

Implementation of revised regulatory capital framework

From 1 January 2023, APRA implemented its revisions to the ADI capital framework. The objectives of these revisions are to increase the risk sensitivity within the capital framework, to enhance the ability of ADIs to respond flexibly to future stress events, and to improve the comparability of the Australian framework with international standards.

APRA's revisions included the following changes with respect to major IRB ADIs such as CBA:

- A minimum CET1 Capital ratio of 10.25%, which is comprised of a minimum PCR of 4.5% and a CCB of 5.75%, which includes a D-SIB buffer of 1% and a baseline CCyB set at 1%. The CCyB, which may be varied by APRA in the range of 0-350 basis points, can be released in times of systemic stress and post-stress recovery;
- Enhancing risk sensitivity in the residential mortgage and commercial property portfolio, through greater allowance of an ADI's own models to measure credit risk capital, and higher capital requirements for high-risk segments such as interest only and investor mortgages;
- Replacing the operational risk AMA with a standardised approach across the industry;
- Implementing a 72.5% output floor to limit the gap in capital requirements between standardised and IRB ADIs; and
- Further aligning the RWA of New Zealand banking subsidiaries at the consolidated group level by adopting a revised version of the RBNZ capital framework.

The minimum Tier 1 and Total Capital ratio requirements are 11.75% and 15.25% respectively. From 1 January 2024, D-SIBs, including CBA, will be required to hold additional Total Capital to satisfy APRA's loss-absorbing capacity requirements, bringing the Total Capital ratio requirement to 16.75%. From 1 January 2026, the requirement will increase again to 18.25%.

Other APRA Revisions

In January 2022, APRA changed its approach on equity exposures to banking and insurance subsidiaries of ADIs under the revised APS 111 *Capital Adequacy: Measurement of Capital*. The revised standard requires each individual equity exposure to be risk-weighted at 250% up to 10% of the ADI's Level 1 CET1 Capital, with any excess above that threshold to be deducted from Level 1 CET1 Capital. The revision resulted in an increase to the Group's Level 1 CET1 Capital ratio of 20 basis points. There is no impact to the Group's Level 2 CET1 Capital ratio.

On 1 January 2022, the APRA requirements released under the final APS 222 *Associations with Related Entities* came into effect. The revised standard is intended to strengthen the ability of ADIs to monitor, limit and control risk arising from transactions and other associations with related entities.

On 1 January 2022, the APRA requirements released under the final APS 220 *Credit Risk Management* came into effect. The revised standard is broader in application covering credit standards as well as the ongoing monitoring and management of credit portfolios.

In November 2022, APRA provided an update on the proposed changes to APS 117 *Capital Adequacy: Interest Rate Risk in the Banking Book* and following industry consultation, it expects to implement the new requirements from 1 January 2025. Changes to APS 116 *Capital Adequacy: Market Risk* (APS 116), also known as the Fundamental Review of the Trading Book, and APS 180 *Capital Adequacy: Counterparty Credit Risk* (APS 180) are scheduled for a delayed implementation in 2026. APRA is yet to commence consultation on the changes to APS 116 and APS 180.

1 APRA has announced that the CCyB for Australian exposures was 0% up until 1 January 2023, based on its assessment of systemic risk in the banking sector. This will increase to 1% under the revised framework.

Capital (continued)

Regulatory Reforms (continued)

Reserve Bank of New Zealand (RBNZ)

In June 2021, the RBNZ finalised its bank capital adequacy requirements. These requirements include the RWA of New Zealand IRB banks, such as ASB, increasing to approximately 90% of that required under a standardised approach. In addition, for those banks deemed systemically important, including ASB, the Tier 1 Capital requirement will increase to 16% of RWA, of which 13.5% must be in the form of CET1 Capital. Tier 2 capital will remain in the framework, and can contribute up to 2% of the 18% minimum Total Capital ratio. Existing Additional Tier 1 and Tier 2 instruments issued by New Zealand banks will no longer be eligible under RBNZ's new capital criteria.

These reforms have been phased in from 1 October 2021 with full implementation on 1 July 2028.

Additionally on 2 June 2022, the RBNZ announced that as of 1 July 2022, it will remove the dividend restrictions placed on New Zealand banks at the height of the COVID-19 pandemic.

Group Regulatory Capital Position

Summary Group Capital Adequacy Ratios (Level 2)	31 Dec 22 %	30 Jun 22 %	31 Dec 21 %
Common Equity Tier 1	**11.4**	11.5	11.8
Additional Tier 1	**1.9**	2.1	2.2
Tier 1	**13.3**	13.6	14.0
Tier 2	**4.5**	4.0	4.0
Total Capital (APRA)	**17.8**	17.6	18.0
Common Equity Tier 1 (Internationally Comparable) [1]	**18.5**	18.6	18.4

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

Group Regulatory Capital Position	31 Dec 22 $M	30 Jun 22 $M	31 Dec 21 $M
Ordinary share capital and treasury shares	**35,277**	36,493	36,958
Reserves	**(986)**	(460)	2,848
Retained earnings	**38,356**	36,695	34,736
Common Equity Tier 1 Capital before regulatory adjustments	**72,647**	72,728	74,542
Common Equity Tier 1 regulatory adjustments	**(15,095)**	(15,705)	(19,078)
Common Equity Tier 1 Capital	**57,552**	57,023	55,464
Additional Tier 1 Capital [1]	**9,312**	10,535	10,563
Tier 1 Capital	**66,864**	67,558	66,027
Tier 2 Capital	**22,889**	19,992	18,928
Total Capital	**89,753**	87,550	84,955
Risk Weighted Assets	**504,380**	497,892	471,927

1 The 31 December 2021 prior period included APRA Basel III non-compliant Additional Tier 1 and Tier 2 Capital Instruments that were eligible for inclusion in regulatory capital up until 1 January 2022 as part of the Basel III transitional relief arrangements.

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

Capital (continued)

Group Regulatory Capital Position (continued)

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

Significant Group ADIs	31 Dec 22 %	30 Jun 22 %	31 Dec 21 %
CBA Level 1 CET1 Capital ratio	**11. 7**	11. 8	12. 0
CBA Level 1 Tier 1 Capital ratio	**13. 7**	14. 1	14. 4
CBA Level 1 Total Capital ratio	**18. 6**	18. 4	18. 6
ASB CET1 Capital ratio [1]	**14. 1**	12. 3	12. 9
ASB Tier 1 Capital ratio [1]	**14. 1**	13. 5	14. 5
ASB Total Capital ratio [1]	**15. 5**	15. 0	14. 6

1 Calculated in accordance with the RBNZ Prudential Requirements.

CBA Level 1	31 Dec 22 $M	30 Jun 22 $M	31 Dec 21 $M
Common Equity Tier 1 Capital	**54,182**	54,569	53,447
Additional Tier 1 Capital [1]	**9,312**	10,535	10,563
Tier 1 Capital	**63,494**	65,104	64,010
Tier 2 Capital [1]	**22,786**	19,924	18,934
Total Capital	**86,280**	85,028	82,944
Risk Weighted Assets	**463,425**	461,320	444,878

1 The 31 December 2021 prior period included APRA Basel III non-compliant Additional Tier 1 and Tier 2 Capital Instruments that were eligible for inclusion in regulatory capital up until 1 January 2022 as part of the Basel III transitional relief arrangements.

ASB Banking Group [1]	31 Dec 22 NZ$M	30 Jun 22 NZ$M	31 Dec 21 NZ$M
Common Equity Tier 1 Capital	**9,768**	8,379	7,924
Additional Tier 1	**–**	875	1,000
Tier 1 Capital	**9,768**	9,254	8,924
Tier 2 Capital	**1,036**	1,013	23
Total Capital	**10,804**	10,267	8,947
Risk Weighted Assets	**69,491**	68,301	61,465

1 Calculated in accordance with the RBNZ Prudential Requirements.

Capital (continued)

Regulatory Capital Frameworks Comparison

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

In July 2015, APRA published a study on the calculation of internationally comparable capital by Australian banks entitled "International capital comparison study" (APRA study). As at 31 December 2022, the Group's internationally comparable CET1, Tier 1 and Total Capital ratios were 18.5%, 21.1% and 27.5% respectively. The basis of this analysis aligns with the APRA study. The following table provides details on the differences, as at 31 December 2022, between the APRA Basel III capital requirements and the internationally comparable capital ratios.

Item	APRA Study Reference	Description of Adjustment	CET1 %	Tier 1 %	Total Capital %
Basel III (APRA)			**11. 4**	**13. 3**	**17. 8**
Equity investments	Appendix 1 Items 1, 2, 4	Balances below prescribed threshold are risk weighted, compared to a 100% CET1 deduction under APRA's requirements.	0. 4	0. 3	0. 2
Capitalised expenses	Appendix 1 Item 5	Balances are risk weighted, compared to a 100% CET1 deduction under APRA's requirements.	0. 1	0. 1	0. 1
Deferred tax assets	Appendix 1 Item 3	Balances below prescribed threshold are risk weighted, compared to a 100% CET1 deduction under APRA's requirements.	0. 3	0. 3	0. 2
IRRBB RWA	3.3.2	APRA requires capital to be held for IRRBB. The BCBS does not have any capital requirement.	1. 2	1. 3	1. 6
Residential mortgages	3.3.1	Loss Given Default (LGD) of 15%, compared to the 20% LGD floor under APRA's requirements and adjustments for higher correlation factor applied by APRA for Australian residential mortgages.	2. 8	3. 2	4. 1
Other retail standardised exposures	3.3.6	Risk weighting of 75%, rather than 100% under APRA's requirements.	–	–	0. 1
Unsecured non-retail exposures	3.3.3	LGD of 45%, compared to the 60% or higher LGD under APRA's requirements.	0. 4	0. 5	0. 6
Non-retail undrawn commitments	3.3.4	Credit conversion factor of 75%, compared to 100% under APRA's requirements.	0. 4	0. 5	0. 6
Specialised lending	3.3.5	Use of AIRB Probability of Default (PDs) and LGDs for income producing real estate and project finance exposures, reduced by application of a scaling factor of 1.06. APRA applies higher risk weights under a supervisory slotting approach, but does not require the application of the scaling factor.	1. 4	1. 5	2. 0
Currency conversion	3.3.7	Increase in the A$ equivalent concessional threshold level for small business retail and SME corporate exposures.	0. 1	0. 1	0. 2
Basel III (Internationally Comparable - aligns with APRA study)			**18. 5**	**21. 1**	**27. 5**

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

4 Leverage Ratio

The Group's Leverage Ratio, defined as Tier 1 Capital as a percentage of total exposures, was 5.1% at 31 December 2022 on an APRA basis. The ratio decreased 10 basis points from 30 June 2022, driven by a 2% increase in exposures due to higher lending volumes and a 1% decrease in Tier 1 Capital mainly due to share buy-backs and the net redemption of PERLS during the period. The leverage ratio was 5.7% at 31 December 2022 on an internationally comparable basis.

In November 2021, APRA released final prudential standards, which included changes to the definition of exposures related to derivatives and off Balance Sheet items and a minimum leverage ratio requirement of 3.5% for IRB banks, applicable from 1 January 2023. These changes will not have a material impact on the Group's leverage ratio.

Summary Group Leverage Ratio [1]	**31 Dec 22**	**30 Sep 22**	**30 Jun 22**	**31 Mar 22**	**31 Dec 21**
Tier 1 Capital ($M)	**66,864**	66,472	67,558	64,764	66,027
Total Exposures ($M) [2]	**1,318,783**	1,314,458	1,295,368	1,247,225	1,240,349
Leverage Ratio (APRA) (%)	**5. 1**	5. 1	5. 2	5. 2	5. 3
Leverage Ratio (Internationally Comparable) (%) [3]	**5. 7**	5. 7	5. 9	6. 0	6. 2

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

2 Total exposures is the sum of on Balance Sheet exposures, derivatives, Securities Financing Transactions (SFTs), and off Balance Sheet exposures, net of any Tier 1 regulatory deductions, as outlined in APS 110 *Capital Adequacy* (APS 110). Refer to Appendix 11.2 for the calculation of the 31 December 2022 exposures.

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

5 Risk Weighted Assets

RWA are calculated using the AIRB approach for the majority of the Group's credit risk exposures. The Group must use the External Ratings-based Approach where a securitisation exposure is externally rated by an External Credit Assessment Institution (ECAI) or for which an inferred rating is available. Where the Group cannot use the External Ratings-based Approach (ERBA), the Group must use the Supervisory Formula Approach (SFA).

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

	Risk Weighted Assets			Change in RWA for December 2022 half	
	31 Dec 22	30 Jun 22	31 Dec 21		
Asset Category	$M	$M	$M	$M	%
Credit Risk					
Subject to AIRB approach [1]					
Corporate	**75,544**	69,621	68,406	5,923	8. 5
SME corporate	**30,211**	29,671	30,141	540	1. 8
SME retail	**5,978**	5,797	5,730	181	3. 1
SME retail secured by residential mortgage	**2,623**	2,725	2,789	(102)	(3. 7)
Sovereign	**2,311**	2,249	2,463	62	2. 8
Bank	**3,218**	4,194	4,359	(976)	(23. 3)
Residential mortgage	**171,742**	171,819	167,999	(77)	(0. 0)
Qualifying revolving retail	**5,050**	5,022	5,031	28	0. 6
Other retail	**9,170**	8,815	10,804	355	4. 0
Total RWA subject to AIRB approach	**305,847**	299,913	297,722	5,934	2. 0
Specialised lending	**70,865**	67,078	65,825	3,787	5. 6
Subject to standardised approach					
Corporate	**383**	506	1,289	(123)	(24. 3)
SME corporate	**481**	573	641	(92)	(16. 1)
SME retail	**2,112**	2,169	2,291	(57)	(2. 6)
Sovereign	**294**	322	348	(28)	(8. 7)
Bank	**42**	50	48	(8)	(16. 0)
Residential mortgage	**6,680**	6,429	6,380	251	3. 9
Other retail	**1,152**	1,078	971	74	6. 9
Other assets	**8,310**	8,276	8,028	34	0. 4
Total RWA subject to standardised approach	**19,454**	19,403	19,996	51	0. 3
Securitisation	**3,585**	3,439	3,486	146	4. 2
Credit valuation adjustment	**2,119**	3,136	3,110	(1,017)	(32. 4)
Central counterparties	**147**	678	548	(531)	(78. 3)
Total RWA for credit risk exposures	**402,017**	393,647	390,687	8,370	2. 1
Traded market risk	**13,773**	10,683	10,803	3,090	28. 9
Interest rate risk in the banking book	**47,850**	47,640	24,356	210	0. 4
Operational risk	**40,740**	45,922	46,081	(5,182)	(11. 3)
Total risk weighted assets	**504,380**	497,892	471,927	6,488	1. 3

1 Pursuant to APRA requirements, RWA amounts derived from AIRB risk weight functions have been multiplied by a scaling factor of 1.06.

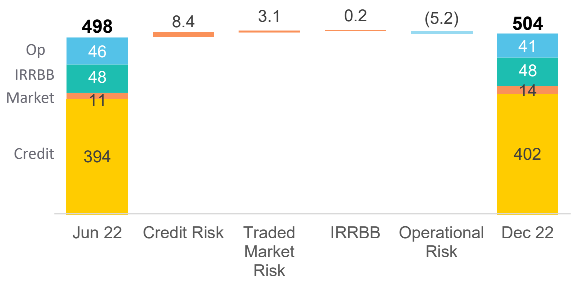
Risk Weighted Assets (continued)

Risk Weighted Assets[1]

Total Group RWA

Total RWA increased $6.5 billion or 1% on the prior half to $504.4 billion driven by increases in Credit Risk RWA and Traded Market Risk RWA, partly offset by lower Operational Risk RWA.

Total Risk Weighted Assets ($B)



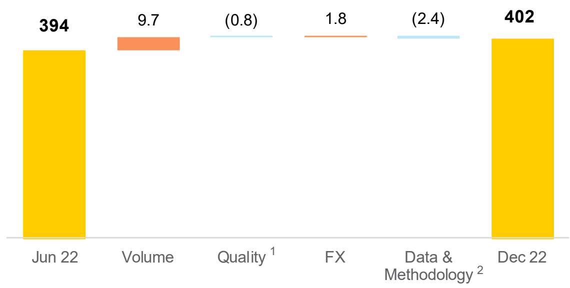
Credit Risk RWA

Credit Risk RWA increased $8.4 billion or 2% on the prior half to $402.0 billion. Key drivers include:

- Volume growth (increase of $9.7 billion) across commercial portfolios and residential mortgages, partly offset by a reduction in derivatives;
- Credit quality movement (decrease of $0.8 billion) driven by improvements in residential mortgages from reducing portfolio arrears rates;
- Foreign currency movements (increase of $1.8 billion); and
- Data and methodology, including changes in credit risk estimates (decrease of $2.4 billion), primarily related to regulatory approval of new residential mortgage and non-retail property Probability of Default (PD) models.

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

Credit Risk Weighted Assets ($B)



1 Credit quality includes portfolio mix.
2 Includes data and methodology, credit risk estimate changes and regulatory treatments.

Traded Market Risk RWA

Traded Market Risk RWA increased $3.1 billion or 29% on the prior half to $13.8 billion. This was mainly due to the combined impact of client activity, market volatility driven by central banks globally increasing interest rates and the risk-not-in-VaR (RNIV) overlay.

Interest Rate Risk in the Banking Book (IRRBB) RWA

IRRBB RWA increased $0.2 billion or 0.4% on the prior half to $47.9 billion.

Operational Risk RWA

Operational Risk RWA decreased by $5.2 billion or 11% on the prior half to $40.7 billion. The RWA decrease was primarily driven by the removal of the APRA add-on as per the APRA announcement on 30 September 2022.

Explanation of Change in Credit Risk RWA

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

		Credit RWA movement drivers				
Asset Category	**Change in RWA for Dec 22 half $M**	**Volume changes $M**	**FX changes $M**	**Credit risk estimates changes and regulatory treatments $M**	**Data and methodology changes $M**	**Change in credit quality[1] $M**
AIRB corporate including SME and specialised lending	**10,329**	6,863	905	2,096	–	465
AIRB bank	**(976)**	(780)	46	94	–	(336)
AIRB sovereign	**62**	14	20	(5)	–	33
AIRB consumer retail	**306**	4,203	655	(3,866)	–	(686)
Standardised[2]	**(1,497)**	(814)	162	(688)	–	(157)
Securitisation exposures	**146**	231	–	–	–	(85)
Total credit RWA movement	**8,370**	9,717	1,788	(2,369)	–	(766)

1 Credit quality includes portfolio mix.
2 Including other assets, Central Counterparty (CCP) and Credit Valuation Adjustment (CVA).

6 Credit Risk

6.1 Credit Risk Exposure – excluding Equities and Securitisation

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

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

	31 December 2022						
		Off Balance Sheet					
Portfolio Type	On Balance Sheet $M	Non-market related $M	Market related $M	Total $M	Average exposure for December 2022 half [1] $M	Change in exposure for December 2022 half [2] $M	%
Subject to AIRB approach							
Corporate	86,227	50,002	8,767	**144,996**	140,397	9,196	6. 8
SME corporate	50,033	11,359	629	**62,021**	61,240	1,563	2. 6
SME retail	7,241	3,634	5	**10,880**	10,804	152	1. 4
SME retail secured by residential mortgage	3,380	1,460	–	**4,840**	4,889	(97)	(2. 0)
Sovereign	213,190	1,263	6,075	**220,528**	218,589	3,876	1. 8
Bank	11,848	672	5,623	**18,143**	19,263	(2,240)	(11. 0)
Residential mortgage	621,664	82,255	–	**703,919**	694,920	17,997	2. 6
Qualifying revolving retail	8,186	15,246	–	**23,432**	23,413	39	0. 2
Other retail	6,602	2,523	–	**9,125**	8,968	313	3. 6
Total AIRB approach	1,008,371	168,414	21,099	**1,197,884**	1,182,483	30,799	2. 6
Specialised lending	66,922	12,053	365	**79,340**	78,138	2,403	3. 1
Subject to standardised approach							
Corporate	270	109	3	**382**	445	(125)	(24. 7)
SME corporate	303	170	8	**481**	527	(92)	(16. 1)
SME retail	1,554	535	15	**2,104**	2,134	(59)	(2. 7)
Sovereign	588	–	–	**588**	615	(53)	(8. 3)
Bank	187	7	–	**194**	209	(29)	(13. 0)
Residential mortgage	14,147	2,142	–	**16,289**	15,795	987	6. 5
Other retail	948	195	–	**1,143**	1,106	75	7. 0
Other assets	12,042	–	–	**12,042**	13,753	(3,421)	(22. 1)
Central counterparties [3]	–	–	3,685	**3,685**	7,324	(7,278)	(66. 4)
Total standardised approach	30,039	3,158	3,711	**36,908**	41,908	(9,995)	(21. 3)
Total Credit Exposures [4]	1,105,332	183,625	25,175	**1,314,132**	1,302,529	23,207	1. 8

1 The simple average of balances as at 31 December 2022 and 30 June 2022.
2 The difference between exposures as at 31 December 2022 and 30 June 2022.
3 Includes change in regulatory treatment in the current period.
4 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 half year are as follows:

Asset Category	Total exposure change $M	Regulatory Exposure Driver
AIRB corporate incl. SME and specialised lending	**13,217**	Volume growth across most portfolios and foreign exchange (FX) movements
AIRB sovereign	**3,876**	Increase in liquid assets held with central banks and FX movements
AIRB bank	**(2,240)**	Decrease in liquid assets; partly offset by methodology changes
AIRB consumer retail	**18,349**	Volume growth in residential mortgages and FX movements
Total AIRB and specialised lending	**33,202**	
Standardised (incl. other assets and central counterparties)	**(9,995)**	Changes in regulatory treatments and lower volumes of other assets
Total (excluding securitisation and equity exposures)	**23,207**	

Credit Risk (continued)

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

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

	30 June 2022						
		Off Balance Sheet					
Portfolio Type	On Balance Sheet $M	Non-market related $M	Market related $M	Total $M	Average exposure for June 2022 half [1] $M	Change in exposure for June 2022 half [2] $M	%
Subject to AIRB approach							
Corporate	79,887	45,713	10,200	135,800	133,089	5,422	4. 2
SME corporate	49,488	10,337	633	60,458	59,853	1,209	2. 0
SME retail	7,258	3,466	4	10,728	10,743	(30)	(0. 3)
SME retail secured by residential mortgage	3,494	1,443	–	4,937	5,015	(155)	(3. 0)
Sovereign	210,016	1,116	5,520	216,652	208,260	16,785	8. 4
Bank	12,413	438	7,532	20,383	20,204	359	1. 8
Residential mortgage	604,509	81,413	–	685,922	681,170	9,502	1. 4
Qualifying revolving retail	7,808	15,585	–	23,393	23,473	(160)	(0. 7)
Other retail	6,252	2,560	–	8,812	9,181	(739)	(7. 7)
Total AIRB approach	981,125	162,071	23,889	1,167,085	1,150,988	32,193	2. 8
Specialised lending	64,041	12,409	487	76,937	76,505	865	1. 1
Subject to standardised approach							
Corporate	346	147	14	507	898	(782)	(60. 7)
SME corporate	393	177	3	573	607	(67)	(10. 5)
SME retail	1,580	577	6	2,163	2,222	(120)	(5. 3)
Sovereign	640	1	–	641	3,145	(5,010)	(88. 7)
Bank	211	12	–	223	227	(8)	(3. 5)
Residential mortgage	13,394	1,908	–	15,302	15,140	325	2. 2
Other retail	914	154	–	1,068	1,015	107	11. 1
Other assets	15,463	–	–	15,463	17,606	(4,285)	(21. 7)
Central counterparties	–	–	10,963	10,963	10,407	1,113	11. 3
Total standardised approach	32,941	2,976	10,986	46,903	51,267	(8,727)	(15. 7)
Total credit exposures [3]	1,078,107	177,456	35,362	1,290,925	1,278,760	24,331	1. 9

1 The simple average of balances as at 30 June 2022 and 31 December 2021.
2 The difference between exposures as at 30 June 2022 and 31 December 2021.
3 Total credit risk exposures (calculated as EAD) do not include equities or securitisation exposures.

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

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

	31 December 2021						
		Off Balance Sheet					
Portfolio Type	On Balance Sheet $M	Non-market related $M	Market related $M	Total $M	Average exposure for December 2021 half [1] $M	Change in exposure for December 2021 half [2] $M	%
Subject to AIRB approach							
Corporate	74,275	47,576	8,527	130,378	125,657	9,441	7. 8
SME corporate	47,000	11,513	736	59,249	57,994	2,509	4. 4
SME retail	7,087	3,667	4	10,758	10,977	(439)	(3. 9)
SME retail secured by residential mortgage	3,509	1,583	–	5,092	5,159	(134)	(2. 6)
Sovereign	195,792	1,278	2,797	199,867	192,826	14,083	7. 6
Bank	13,264	419	6,341	20,024	21,234	(2,419)	(10. 8)
Residential mortgage	590,651	85,769	–	676,420	662,184	28,473	4. 4
Qualifying revolving retail	7,843	15,710	–	23,553	23,800	(494)	(2. 1)
Other retail	6,180	3,371	–	9,551	9,504	95	1. 0
Total AIRB approach	945,601	170,886	18,405	1,134,892	1,109,335	51,115	4. 7
Specialised lending	62,328	12,539	1,205	76,072	74,955	2,232	3. 0
Subject to standardised approach							
Corporate	997	289	3	1,289	1,262	55	4. 5
SME corporate	457	183	–	640	723	(165)	(20. 5)
SME retail	1,663	613	7	2,283	2,385	(203)	(8. 2)
Sovereign	5,650	1	–	5,651	3,329	4,644	large
Bank	231	–	–	231	238	(14)	(5. 7)
Residential mortgage	13,062	1,915	–	14,977	14,994	(35)	(0. 2)
Other retail	847	114	–	961	944	34	3. 7
Other assets	19,748	–	–	19,748	19,401	692	3. 6
Central counterparties	–	–	9,850	9,850	10,066	(431)	(4. 2)
Total standardised approach	42,655	3,115	9,860	55,630	53,342	4,577	9. 0
Total credit exposures [3]	1,050,584	186,540	29,470	1,266,594	1,237,632	57,924	4. 8

1 The simple average of balances as at 31 December 2021 and 30 June 2021.
2 The difference between exposures as at 31 December 2021 and 30 June 2021.
3 Total credit risk exposures (calculated as EAD) do not include equities or securitisation exposures.

Credit Risk (continued)

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

Table 7b – Credit risk exposure by portfolio type

Portfolio Type	As at 31 Dec 22 $M	Half year average [1] $M
Corporate	**145,378**	140,842
SME corporate	**62,502**	61,767
SME retail	**12,984**	12,938
SME retail secured by residential mortgage	**4,840**	4,889
Sovereign	**221,116**	219,204
Bank	**18,337**	19,472
Residential mortgage	**720,208**	710,715
Qualifying revolving retail	**23,432**	23,413
Other retail	**10,268**	10,074
Specialised lending	**79,340**	78,138
Other assets	**12,042**	13,753
Central counterparties [2]	**3,685**	7,324
Total credit exposures [3]	**1,314,132**	1,302,529

1 The simple average of closing balances of each half year.
2 Includes change in regulatory treatment in the current period.
3 Total credit risk exposures do not include equities or securitisation exposures.

Portfolio Type	As at 30 Jun 22 $M	Half year average [1] $M
Corporate	136,307	133,987
SME corporate	61,031	60,460
SME retail	12,891	12,965
SME retail secured by residential mortgage	4,937	5,015
Sovereign	217,293	211,405
Bank	20,606	20,431
Residential mortgage	701,224	696,310
Qualifying revolving retail	23,393	23,473
Other retail	9,880	10,196
Specialised lending	76,937	76,505
Other assets	15,463	17,606
Central counterparties	10,963	10,407
Total credit exposures [2]	1,290,925	1,278,760

1 The simple average of closing balances of each half year.
2 Total credit risk exposures do not include equities or securitisation exposures.

Portfolio Type	As at 31 Dec 21 $M	Half year average [1] $M
Corporate	131,667	126,919
SME corporate	59,889	58,717
SME retail	13,041	13,362
SME retail secured by residential mortgage	5,092	5,159
Sovereign	205,518	196,155
Bank	20,255	21,472
Residential mortgage	691,397	677,178
Qualifying revolving retail	23,553	23,800
Other retail	10,512	10,448
Specialised lending	76,072	74,955
Other assets	19,748	19,401
Central counterparties	9,850	10,066
Total credit exposures [2]	1,266,594	1,237,632

1 The simple average of closing balances of each half year.
2 Total credit risk exposures do not include equities or securitisation exposures.

Credit Risk (continued)

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

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

	31 December 2022 [1]			
Portfolio Type	**Australia $M**	**New Zealand $M**	**Other $M**	**Total $M**
Corporate	100,943	14,714	29,721	**145,378**
SME corporate	47,137	14,950	415	**62,502**
SME retail [2]	16,186	1,535	103	**17,824**
Sovereign	162,990	12,643	45,483	**221,116**
Bank	5,698	1,479	11,160	**18,337**
Residential mortgage	641,475	77,880	853	**720,208**
Qualifying revolving retail	23,431	–	1	**23,432**
Other retail	7,372	2,462	434	**10,268**
Specialised lending	65,907	10,812	2,621	**79,340**
Other assets	10,145	870	1,027	**12,042**
Central counterparties	301	–	3,384	**3,685**
Total credit exposures [3]	1,081,585	137,345	95,202	**1,314,132**

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

	30 June 2022 [1]			
Portfolio Type	**Australia $M**	**New Zealand $M**	**Other $M**	**Total $M**
Corporate	92,738	13,545	30,024	136,307
SME corporate	46,064	14,587	380	61,031
SME retail [2]	16,170	1,551	107	17,828
Sovereign	160,314	11,603	45,376	217,293
Bank	6,500	1,809	12,297	20,606
Residential mortgage	625,645	74,623	956	701,224
Qualifying revolving retail	23,392	–	1	23,393
Other retail	7,081	2,385	414	9,880
Specialised lending	64,334	10,022	2,581	76,937
Other assets	12,044	828	2,591	15,463
Central counterparties	392	–	10,571	10,963
Total credit exposures [3]	1,054,674	130,953	105,298	1,290,925

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

	31 December 2021 [1]			
Portfolio Type	**Australia $M**	**New Zealand $M**	**Other $M**	**Total $M**
Corporate	87,781	13,475	30,411	131,667
SME corporate	44,159	15,330	400	59,889
SME retail [2]	16,350	1,670	113	18,133
Sovereign	151,192	9,474	44,852	205,518
Bank	8,440	2,014	9,801	20,255
Residential mortgage	614,965	75,389	1,043	691,397
Qualifying revolving retail	23,552	–	1	23,553
Other retail	6,988	3,200	324	10,512
Specialised lending	62,331	10,259	3,482	76,072
Other assets	17,970	896	882	19,748
Central counterparties	242	–	9,608	9,850
Total credit exposures [3]	1,033,970	131,707	100,917	1,266,594

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

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

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

	31 December 2022							
	Industry Sector							
Portfolio Type	Consumer $M	Finance & Insurance $M	Business Services $M	Agriculture & Forestry $M	Construction $M	Mining, Oil & Gas $M	Wholesale & Retail Trade $M	Transport & Storage $M
Corporate	–	31,615	6,961	6,371	3,977	6,111	15,458	19,040
SME corporate	–	1,633	4,891	20,138	4,194	378	9,875	2,449
SME retail [1]	–	387	1,707	1,637	2,419	108	2,431	1,034
Sovereign	–	–	–	–	–	–	–	–
Bank	–	18,337	–	–	–	–	–	–
Residential mortgage	720,208	–	–	–	–	–	–	–
Qualifying revolving retail	23,432	–	–	–	–	–	–	–
Other retail	10,268	–	–	–	–	–	–	–
Specialised lending	–	–	–	11	7	475	258	1,313
Other assets	2,165	–	–	–	–	–	–	–
Central counterparties	–	3,685	–	–	–	–	–	–
Total credit exposures [2]	756,073	55,657	13,559	28,157	10,597	7,072	28,022	23,836

	Industry Sector (continued)							
Portfolio Type	Manufacturing $M	Commercial Property [3] $M	Government Admin. & Defence $M	Health & Community Services $M	Entertainment Leisure & Tourism $M	Electricity Gas & Water $M	Other $M	Total $M
Corporate	13,349	12,473	–	7,420	6,490	7,352	8,761	**145,378**
SME corporate	3,849	124	–	4,676	6,521	279	3,495	**62,502**
SME retail [1]	935	1,462	–	806	1,005	46	3,847	**17,824**
Sovereign	–	–	221,116	–	–	–	–	**221,116**
Bank	–	–	–	–	–	–	–	**18,337**
Residential mortgage	–	–	–	–	–	–	–	**720,208**
Qualifying revolving retail	–	–	–	–	–	–	–	**23,432**
Other retail	–	–	–	–	–	–	–	**10,268**
Specialised lending	45	73,215	–	168	315	3,526	7	**79,340**
Other assets	–	–	–	–	–	–	9,877	**12,042**
Central counterparties	–	–	–	–	–	–	–	**3,685**
Total credit exposures [2]	18,178	87,274	221,116	13,070	14,331	11,203	25,987	**1,314,132**

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

Credit Risk (continued)

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

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

	30 June 2022							
	Industry Sector							
Portfolio Type	Consumer $M	Finance & Insurance $M	Business Services $M	Agriculture & Forestry $M	Construction $M	Mining, Oil & Gas $M	Wholesale & Retail Trade $M	Transport & Storage $M
Corporate	–	32,487	5,958	6,047	3,948	6,277	13,748	17,239
SME corporate	–	1,683	4,696	19,686	3,993	338	9,100	2,527
SME retail [1]	–	356	1,696	1,668	2,350	99	2,418	1,000
Sovereign	–	–	–	–	–	–	–	–
Bank	–	20,606	–	–	–	–	–	–
Residential mortgage	701,224	–	–	–	–	–	–	–
Qualifying revolving retail	23,393	–	–	–	–	–	–	–
Other retail	9,880	–	–	–	–	–	–	–
Specialised lending	–	–	2	6	–	931	247	1,986
Other assets	2,310	–	–	–	–	–	–	–
Central counterparties	–	10,963	–	–	–	–	–	–
Total credit exposures [2]	736,807	66,095	12,352	27,407	10,291	7,645	25,513	22,752

	Industry Sector (continued)							
Portfolio Type	Manufacturing $M	Commercial Property [3] $M	Government Admin. & Defence $M	Health & Community Services $M	Entertainment Leisure & Tourism $M	Electricity Gas & Water $M	Other $M	Total $M
Corporate	11,122	12,094	–	7,362	5,313	6,983	7,729	136,307
SME corporate	3,917	294	–	4,408	6,558	240	3,591	61,031
SME retail [1]	928	1,515	–	792	977	43	3,986	17,828
Sovereign	–	–	217,293	–	–	–	–	217,293
Bank	–	–	–	–	–	–	–	20,606
Residential mortgage	–	–	–	–	–	–	–	701,224
Qualifying revolving retail	–	–	–	–	–	–	–	23,393
Other retail	–	–	–	–	–	–	–	9,880
Specialised lending	53	70,144	–	170	633	2,613	152	76,937
Other assets	–	–	–	–	–	–	13,153	15,463
Central counterparties	–	–	–	–	–	–	–	10,963
Total credit exposures [2]	16,020	84,047	217,293	12,732	13,481	9,879	28,611	1,290,925

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

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

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

	31 December 2021							
	Industry Sector							
Portfolio Type	**Consumer $M**	**Finance & Insurance $M**	**Business Services $M**	**Agriculture & Forestry $M**	**Construction $M**	**Mining, Oil & Gas $M**	**Wholesale & Retail Trade $M**	**Transport & Storage $M**
Corporate	–	31,083	5,312	5,054	3,582	5,383	12,650	18,741
SME corporate	–	1,654	4,557	19,822	3,797	266	8,904	2,590
SME retail [1]	–	363	1,696	1,758	2,347	102	2,447	997
Sovereign	–	–	–	–	–	–	–	–
Bank	–	20,255	–	–	–	–	–	–
Residential mortgage	691,397	–	–	–	–	–	–	–
Qualifying revolving retail	23,553	–	–	–	–	–	–	–
Other retail	10,512	–	–	–	–	–	–	–
Specialised lending	–	13	–	7	–	1,260	251	1,808
Other assets	2,438	–	–	–	–	–	–	–
Central counterparties	–	9,850	–	–	–	–	–	–
Total credit exposures [2]	727,900	63,218	11,565	26,641	9,726	7,011	24,252	24,136

	Industry Sector (continued)							
Portfolio Type	**Manufacturing $M**	**Commercial Property [3] $M**	**Government Admin. & Defence $M**	**Health & Community Services $M**	**Entertainment Leisure & Tourism $M**	**Electricity Gas & Water $M**	**Other $M**	**Total $M**
Corporate	11,651	11,080	–	6,592	5,481	7,163	7,895	131,667
SME corporate	3,699	214	–	4,283	6,365	116	3,622	59,889
SME retail [1]	934	1,614	–	787	989	43	4,056	18,133
Sovereign	–	–	205,518	–	–	–	–	205,518
Bank	–	–	–	–	–	–	–	20,255
Residential mortgage	–	–	–	–	–	–	–	691,397
Qualifying revolving retail	–	–	–	–	–	–	–	23,553
Other retail	–	–	–	–	–	–	–	10,512
Specialised lending	17	68,689	–	169	669	2,982	207	76,072
Other assets	–	–	–	–	–	–	17,310	19,748
Central counterparties	–	–	–	–	–	–	–	9,850
Total credit exposures [2]	16,301	81,597	205,518	11,831	13,504	10,304	33,090	1,266,594

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

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

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

	31 December 2022				
Portfolio Type	≤ 12mths $M	1 ≤ 5yrs $M	> 5 years $M	No specified maturity $M	Total $M
Corporate	55,383	81,175	8,820	–	**145,378**
SME corporate	20,247	38,051	4,204	–	**62,502**
SME retail [1]	6,289	6,387	5,148	–	**17,824**
Sovereign	152,858	29,825	38,433	–	**221,116**
Bank	12,445	5,114	778	–	**18,337**
Residential mortgage	29,791	84,071	578,331	28,015	**720,208**
Qualifying revolving retail	–	–	–	23,432	**23,432**
Other retail	284	4,263	2,417	3,304	**10,268**
Specialised lending	23,782	52,733	2,825	–	**79,340**
Other assets	2,267	351	261	9,163	**12,042**
Central counterparties	2,328	1,147	210	–	**3,685**
Total credit exposures [2]	305,674	303,117	641,427	63,914	**1,314,132**

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

	30 June 2022				
Portfolio Type	≤ 12mths $M	1 ≤ 5yrs $M	> 5 years $M	No specified maturity $M	Total $M
Corporate	52,947	75,219	8,141	–	136,307
SME corporate	19,816	37,018	4,197	–	61,031
SME retail [1]	6,434	6,319	5,075	–	17,828
Sovereign	150,991	31,459	34,843	–	217,293
Bank	12,029	7,288	1,289	–	20,606
Residential mortgage	28,869	81,624	561,669	29,062	701,224
Qualifying revolving retail	–	–	–	23,393	23,393
Other retail	278	4,282	2,113	3,207	9,880
Specialised lending	22,926	50,900	3,111	–	76,937
Other assets	2,356	1,859	339	10,909	15,463
Central counterparties	5,444	4,021	1,498	–	10,963
Total credit exposures [2]	302,090	299,989	622,275	66,571	1,290,925

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

	31 December 2021				
Portfolio Type	≤ 12mths $M	1 ≤ 5yrs $M	> 5 years $M	No specified maturity $M	Total $M
Corporate	51,284	73,216	7,167	–	131,667
SME corporate	20,424	35,173	4,292	–	59,889
SME retail [1]	6,540	6,625	4,968	–	18,133
Sovereign	138,472	32,220	34,826	–	205,518
Bank	10,038	9,272	945	–	20,255
Residential mortgage	28,880	78,854	553,316	30,347	691,397
Qualifying revolving retail	–	–	–	23,553	23,553
Other retail	259	4,330	1,949	3,974	10,512
Specialised lending	23,588	48,434	4,050	–	76,072
Other assets	2,479	453	292	16,524	19,748
Central counterparties	3,963	5,422	465	–	9,850
Total credit exposures [2]	285,927	293,999	612,270	74,398	1,266,594

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

6.2 Past Due and Impaired Exposures, Provisions and Reserves

From 1 January 2022 the Group adopted APRA's revised APS 220 *Credit Risk Management*. The revised standard no longer includes requirements in relation to impaired assets, specific provisions or the General Reserve for Credit Losses (GRCL). The Group continues to disclose these items until changes under APS 330 come into effect from 1 January 2023 to retire the former standard's disclosure requirements relating to impaired assets, specific provisions and the GRCL. All provisions recognised in accordance with accounting standards that have been assessed on an individual basis are classified as specific provisions. Most of the collective provisions raised under accounting standards are included in the GRCL; however, certain collective provisions not eligible for inclusion in the GRCL are classified as specific provisions. This includes, for example, collective provisions on retail products that are in default. The Group's GRCL methodology results in an amount lower than the provision recognised for accounting purposes, resulting in no additional GRCL requirement.

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

	31 December 2022		
	General reserve for credit losses $M	Specific provision [1] $M	Total provisions $M
Collective provision [2]	4,356	544	**4,900**
Individual provisions [2]	–	641	**641**
Total regulatory provisions	4,356	1,185	**5,541**

1 Specific provision balance includes certain accounting collective provisions on some defaulted loans.
2 Provisions according to Australian Accounting Standards.

	30 June 2022		
	General reserve for credit losses $M	Specific provision [1] $M	Total provisions $M
Collective provision [2]	4,033	578	4,611
Individual provisions [2]	–	736	736
Total regulatory provisions	4,033	1,314	5,347

1 Specific provision balance includes certain accounting collective provisions on some defaulted loans.
2 Provisions according to Australian Accounting Standards.

	31 December 2021		
	General reserve for credit losses [1] $M	Specific provision [1] $M	Total provisions $M
Collective provision [2]	4,567	495	5,062
Individual provisions [2]	–	792	792
Total regulatory provisions	4,567	1,287	5,854

1 Provisions classified according to APS 220 *Credit Quality*.
2 Provisions according to Australian Accounting Standards.

Credit Risk (continued)

6.2 Past Due and Impaired Exposures, Provisions and Reserves (continued)

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

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

	31 December 2022				
Industry Sector	**Impaired assets $M**	**Past due loans ≥ 90 days [1] $M**	**Specific provision balance [2] $M**	**Net half year charges for individual provisions $M**	**Half year actual losses [3] $M**
Consumer	1,871	2,254	652	6	106
Government Administration & Defence	–	–	–	–	–
Finance & Insurance	25	3	6	–	5
Business Services	100	30	45	(8)	–
Agriculture & Forestry	110	90	27	(3)	13
Mining, Oil & Gas	20	2	18	19	40
Manufacturing	173	13	72	71	164
Electricity, Gas & Water	–	1	–	–	–
Construction	109	27	37	12	11
Wholesale & Retail Trade	242	47	118	10	3
Transport & Storage	89	82	34	(1)	6
Commercial Property	28	94	15	4	6
Entertainment, Leisure & Tourism	97	32	64	2	1
Health & Community Services	56	25	29	30	1
Other	116	69	68	12	8
Total	3,036	2,769	1,185	154	364

1 Represents loans ≥ 90 days past due but not impaired.
2 Specific provision balance includes certain Australian Accounting Standards collective provisions on some defaulted loans.
3 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 2022.

	30 June 2022				
Industry Sector	**Impaired assets $M**	**Past due loans ≥ 90 days [1] $M**	**Specific provision balance [2] $M**	**Net half year charges for individual provisions $M**	**Half year actual losses [3] $M**
Consumer	1,871	2,562	689	(10)	112
Government Administration & Defence	–	–	–	–	–
Finance & Insurance	30	5	3	–	2
Business Services	92	37	54	8	20
Agriculture & Forestry	161	112	47	(4)	24
Mining, Oil & Gas	57	1	36	11	15
Manufacturing	185	21	162	50	29
Electricity, Gas & Water	–	1	–	(13)	4
Construction	75	26	33	7	1
Wholesale & Retail Trade	147	55	110	2	5
Transport & Storage	98	73	29	(1)	1
Commercial Property	33	83	20	–	2
Entertainment, Leisure & Tourism	106	68	62	8	6
Health & Community Services	6	29	1	1	–
Other	90	80	68	4	11
Total	2,951	3,153	1,314	63	232

1 Represents loans ≥ 90 days past due but not impaired.
2 Specific provision balance includes certain Australian Accounting Standards collective provisions on some defaulted loans.
3 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 2022.

6.2 Past Due and Impaired Exposures, Provisions and Reserves (continued)

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

	31 December 2021				
Industry Sector	**Impaired assets $M**	**Past due loans ≥ 90 days [1] $M**	**Specific provision balance [2] $M**	**Net half year charges for individual provisions $M**	**Half year actual losses [3] $M**
Consumer	2,061	2,603	620	(10)	136
Government Administration & Defence	–	–	–	–	–
Finance & Insurance	23	3	3	–	1
Business Services	119	61	70	6	7
Agriculture & Forestry	217	96	74	3	2
Mining, Oil & Gas	85	2	37	10	–
Manufacturing	249	31	137	17	54
Electricity, Gas & Water	74	43	17	17	–
Construction	66	29	28	2	8
Wholesale and Retail Trade	139	69	107	10	22
Transport & Storage	161	131	36	20	32
Commercial Property	35	96	21	(2)	46
Entertainment, Leisure & Tourism	110	72	59	7	6
Health & Community Services	3	18	1	–	–
Other	140	90	77	6	12
Total	3,482	3,344	1,287	86	326

1 Represents loans ≥ 90 days past due but not impaired.
2 Specific provision balance includes certain Australian Accounting Standards collective provisions on some defaulted loans.
3 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 2021.

Factors impacting the loss experience

The overall quality of the portfolio was relatively stable during the half year ended 31 December 2022. Gross impaired assets as a proportion of gross loans and advances (GLAAs) remained stable during the half year ended 31 December 2022. Total provisions as a proportion of GLAAs increased by 1 basis point to 0.61%. The increase reflects an increase in collective provisions, driven by uncertainties in the economic outlook and emerging risks related to higher interest rates, inflationary pressures and lower house prices. This was partly offset by the release of remaining provisions held for residual risk impacts of COVID-19 and lower individual provisions. The Group's actual losses increased by $132 million on the prior half year mainly due to write offs for a small number of large commercial exposures.

Credit Risk (continued)

6.2 Past Due and Impaired Exposures, Provisions and Reserves (continued)

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

	31 December 2022				
Portfolio	**Impaired assets $M**	**Past due loans ≥ 90 days [1] $M**	**Specific provision balance [2] $M**	**Net half year charges for individual provisions $M**	**Half year actual losses [3] $M**
Corporate including SME, specialised lending and central counterparties	1,165	515	519	148	258
Sovereign	–	–	–	–	–
Bank	–	–	–	–	–
Residential mortgage	1,721	2,254	557	4	15
Credit cards	60	–	52	–	36
Other retail	90	–	57	2	55
Total	3,036	2,769	1,185	154	364

1 Represents loans ≥ 90 days past due but not impaired.
2 Specific provision balance includes certain Australian Accounting Standards collective provisions on some defaulted loans.
3 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 2022.

	30 June 2022				
Portfolio	**Impaired assets $M**	**Past due loans ≥ 90 days [1] $M**	**Specific provision balance [2] $M**	**Net half year charges for individual provisions $M**	**Half year actual losses [3] $M**
Corporate including SME, specialised lending and central counterparties	1,080	591	625	73	120
Sovereign	–	–	–	–	–
Bank	–	–	–	–	–
Residential mortgage	1,713	2,562	544	(12)	16
Credit cards	66	–	66	–	36
Other retail	92	–	79	2	60
Total	2,951	3,153	1,314	63	232

1 Represents loans ≥ 90 days past due but not impaired.
2 Specific provision balance includes certain Australian Accounting Standards collective provisions on some defaulted loans.
3 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 2022.

	31 December 2021				
Portfolio	**Impaired assets $M**	**Past due loans ≥ 90 days [1] $M**	**Specific provision balance [2] $M**	**Net half year charges for individual provisions $M**	**Half year actual losses [3] $M**
Corporate including SME, specialised lending and central counterparties	1,421	741	666	96	190
Sovereign	–	–	–	–	–
Bank	–	–	–	–	–
Residential mortgage	1,902	2,603	477	(11)	22
Credit cards	66	–	58	–	44
Other retail	93	–	86	1	70
Total	3,482	3,344	1,287	86	326

1 Represents loans ≥ 90 days past due but not impaired.
2 Specific provision balance includes certain Australian Accounting Standards collective provisions on some defaulted loans.
3 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 2021.

6.2 Past Due and Impaired Exposures, Provisions and Reserves (continued)

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

	31 December 2022		
Geographic Region [1]	Impaired assets $M	Past due loans ≥ 90 days [2] $M	Specific provision balance $M
Australia	2,123	2,561	971
New Zealand	758	126	130
Other	155	82	84
Total	3,036	2,769	1,185

1 Balances are reported based on the risk domicile of the borrower. The Group's financial statements disclose balances based on the domicile of the lending entity.
2 Represents loans ≥ 90 days past due but not impaired.

	30 June 2022		
Geographic Region [1]	Impaired assets $M	Past due loans ≥ 90 days [2] $M	Specific provision balance $M
Australia	1,957	2,977	1,012
New Zealand	719	120	138
Other	275	56	164
Total	2,951	3,153	1,314

1 Balances are reported based on the risk domicile of the borrower. The Group's financial statements disclose balances based on the domicile of the lending entity.
2 Represents loans ≥ 90 days past due but not impaired.

	31 December 2021		
Geographic Region [1]	Impaired assets $M	Past due loans ≥ 90 days [2] $M	Specific provision balance $M
Australia	2,247	3,083	1,032
New Zealand	908	106	148
Other	327	155	107
Total	3,482	3,344	1,287

1 Balances are reported based on the risk domicile of the borrower. The Group's financial statements disclose balances based on the domicile of the lending entity.
2 Represents loans ≥ 90 days past due but not impaired.

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

Table 7g (ii) – GRCL by geographic region

Geographic Region	31 Dec 22 $M	30 Jun 22 $M	31 Dec 21 $M
Australia	**3,739**	3,452	3,958
New Zealand	**475**	367	331
Other	**142**	214	278
Total GRCL	**4,356**	4,033	4,567

Credit Risk (continued)

6.2 Past Due and Impaired Exposures, Provisions and Reserves (continued)

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

	Half Year Ended		
	31 Dec 22	30 Jun 22	31 Dec 21
Movement in Collective Provisions	$M	$M	$M
Opening balance	**4,611**	5,062	5,311
Net charge/(credit) against profit and loss	**357**	(345)	(161)
Recoveries	**64**	60	67
Other	**29**	(11)	33
Write-offs	**(161)**	(155)	(188)
Total collective provisions	**4,900**	4,611	5,062
Less collective provisions transferred to specific provisions	**(544)**	(578)	(495)
General reserve for credit losses	**4,356**	4,033	4,567

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

	Half Year Ended		
	31 Dec 22	30 Jun 22	31 Dec 21
Movement in Individual Provisions	$M	$M	$M
Opening balance for the period	**736**	792	900
Net new and increased provisioning	**217**	145	176
Net write back of provisions no longer required	**(63)**	(82)	(90)
Discount unwind to interest income	**(7)**	(3)	(8)
Other	**25**	21	19
Write-offs	**(267)**	(137)	(205)
Total individual provisions	**641**	736	792
Add collective provisions transferred to specific provisions	**544**	578	495
Specific provisions	**1,185**	1,314	1,287

6.3 Portfolios Subject to Standardised and Supervisory Risk Weights

The standardised approach is used by the Group where portfolios or segments are considered to be immaterial by the size of exposure or where APRA requires a standardised approach to be used.

Portfolios that use the standardised approach include:

CBA:

- Some retail SMEs (overdrawn accounts);
- Non-rated corporate exposures;
- Some residential mortgages (including purchased portfolios and reverse mortgages);
- Margin lending;
- Central counterparties.

ASB:

- Personal loans and Retail SME.

Bankwest:

- Some residential mortgages (equity lines of credit); and
- Some unsecured consumer retail (personal cheque accounts).

All exposures in PTBC.

CBA Europe N.V. applied the standardised approach to all exposures until March 2022. Comparative prior period information for 31 December 2021 has therefore been provided using the standardised approach for this entity.

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

	Exposure after credit risk mitigation [1]		
	31 Dec 22	30 Jun 22	31 Dec 21
Standardised Approach Exposures	$M	$M	$M
Risk Weight			
0%	**1,829**	3,258	14,169
20%	**2,569**	5,118	3,380
35%	**12,718**	11,335	10,677
50%	**2,982**	3,336	3,676
75%	**599**	660	674
100%	**12,491**	12,201	13,168
150%	**35**	32	34
> 150%	**–**	–	2
Capital deductions	**–**	–	–
Total	**33,223**	35,940	45,780

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

Credit Risk (continued)

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

Specialised Lending Exposures Subject to Supervisory Slotting [1]	31 Dec 22 [2] $M	30 Jun 22 $M	31 Dec 21 $M
Risk Weight			
0%	**446**	358	425
70%	**29,137**	20,986	22,666
90%	**36,968**	49,149	46,669
115%	**10,944**	5,894	5,794
250%	**1,845**	550	518
Total exposures	**79,340**	76,937	76,072

1 APRA requires specialised lending exposures including Income Producing Real Estate, Object and Project Finance to be assigned specific risk weights according to "slotting" criteria defined by the Regulator.
2 APRA approved revised non-retail property PD models during the period, which has led to movements in risk weights.

6.4 Portfolios Subject to Internal Ratings-based Approaches

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

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

Description	Internal Rating	Probability of Default	S&P Rating	Moody's Rating
Exceptional	A0 to A3	0% - 0.035%	AAA to AA-	Aaa to Aa3
Strong	B1 to C3	>0.035% - 0.446%	A+ to BBB-	A1 to Baa3
Pass	D1 to E3	>0.446% - 6.656%	BB+ to B	Ba1 to B2
Weak/Doubtful	F1 to G3	>6.656%	B- to CC	B3 to Ca
Restructured	R	30.998%	-	-
Defaulted	H	100%	D	C

Table 9c – PD rating methodology by portfolio segment

Portfolio Segment	PD Rating Methodology
Sovereign exposures	Expert judgement assigned risk rating, informed but not driven by rating agency views.
Bank exposures	Combination of expert judgement and PD Rating Model assigned risk ratings.
Large corporate exposures	Combination of expert judgement and PD Rating Model assigned risk ratings depending on the industry sector.
SME corporate exposures	Combination of PD Rating Model assigned risk ratings and expert judgment depending on the industry sector.
SME retail exposures	SME behaviour score assigned PD pools.
Consumer retail exposures (including residential mortgages, qualifying revolving credit and other retail)	PD pools are assigned using product specific credit scoring models.

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

Credit Risk Exposure Subject to the AIRB Approach

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

	31 December 2022							
	PD Band							
	0 < 0.03%	0.03% < 0.15%	0.15% < 0.5%	0.5% < 3%	3% < 10%	10% < 100%	Default	Total
Non-retail [1]	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**
Total credit risk exposures								
Corporate	–	49,336	51,139	42,494	668	776	583	**144,996**
SME corporate	–	570	4,866	52,174	2,260	1,141	1,010	**62,021**
SME retail [2]	–	–	1,521	10,521	2,952	483	243	**15,720**
Sovereign	202,419	17,515	582	12	–	–	–	**220,528**
Bank	–	17,763	372	8	–	–	–	**18,143**
Total	202,419	85,184	58,480	105,209	5,880	2,400	1,836	**461,408**
Undrawn commitments [3]								
Corporate	–	17,758	20,489	11,241	275	167	72	**50,002**
SME corporate	–	130	1,219	9,558	290	107	55	**11,359**
SME retail [2]	–	–	1,393	2,945	657	85	14	**5,094**
Sovereign	839	358	59	7	–	–	–	**1,263**
Bank	–	607	65	–	–	–	–	**672**
Total	839	18,853	23,225	23,751	1,222	359	141	**68,390**
Exposure - average EAD ($M)								
Corporate	–	3.402	1.574	0.911	0.290	0.653	1.135	**1.485**
SME corporate	–	0.231	0.443	0.474	0.353	0.389	0.311	**0.455**
SME retail [2]	–	–	0.089	0.068	0.045	0.089	0.068	**0.064**
Sovereign	14.402	20.606	1.316	0.322	–	–	–	**14.327**
Bank	–	1.508	0.434	0.472	–	–	–	**1.432**
Exposure - weighted average LGD (%)								
Corporate	–	55.5	44.3	36.3	44.0	39.2	49.9	**45.8**
SME corporate	–	58.8	27.1	25.5	27.1	29.0	26.9	**26.0**
SME retail [2]	–	–	38.1	33.4	43.6	29.8	33.7	**35.7**
Sovereign	5.3	11.4	47.3	48.5	60.0	–	–	**5.9**
Bank	–	58.8	59.8	60.0	–	–	–	**58.8**
Exposure - weighted average risk weight (%) [4]								
Corporate	–	27.0	51.1	75.2	156.3	221.4	165.6	**52.1**
SME corporate	–	21.5	26.2	46.5	75.3	133.8	165.1	**49.3**
SME retail [2]	–	–	23.2	45.1	84.0	103.8	217.2	**54.7**
Sovereign	0.8	2.4	41.0	74.7	212.5	–	–	**1.0**
Bank	–	17.0	49.5	63.8	–	–	–	**17.7**

1 Total credit risk exposures do not include specialised lending, equity or securitisation exposures.
2 Including SME retail secured by residential property.
3 The credit exposure value of undrawn commitments included in Total credit risk exposures above.
4 Includes 1.06 scaling factor.

Credit Risk (continued)

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

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

	30 June 2022							
	PD Band							
	0 < 0.03%	0.03% < 0.15%	0.15% < 0.5%	0.5% < 3%	3% < 10%	10% < 100%	Default	Total
Non-retail [1]	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**
Total credit risk exposures								
Corporate	–	48,040	46,081	39,825	528	779	547	135,800
SME corporate	–	664	4,970	50,145	2,390	1,103	1,186	60,458
SME retail [2]	–	–	1,492	10,452	2,982	475	264	15,665
Sovereign	199,543	16,623	455	31	–	–	–	216,652
Bank	–	19,860	511	12	–	–	–	20,383
Total	199,543	85,187	53,509	100,465	5,900	2,357	1,997	448,958
Undrawn commitments [3]								
Corporate	–	16,125	17,795	11,430	193	107	63	45,713
SME corporate	–	117	1,147	8,610	284	112	67	10,337
SME retail [2]	–	–	1,328	2,832	654	81	14	4,909
Sovereign	733	321	56	6	–	–	–	1,116
Bank	–	393	45	–	–	–	–	438
Total	733	16,956	20,371	22,878	1,131	300	144	62,513
Exposure - average EAD ($M)								
Corporate	–	3. 189	1. 608	0. 836	0. 399	0. 994	1. 221	1. 446
SME corporate	–	0. 382	0. 445	0. 468	0. 367	0. 340	0. 361	0. 454
SME retail [2]	–	–	0. 086	0. 067	0. 045	0. 086	0. 076	0. 063
Sovereign	14. 053	17. 279	0. 993	0. 768	–	–	–	13. 828
Bank	–	1. 688	0. 390	0. 224	–	–	–	1. 552
Exposure - weighted average LGD (%)								
Corporate	–	55. 8	45. 9	37. 3	43. 5	37. 7	53. 4	46. 9
SME corporate	–	53. 2	27. 2	25. 7	28. 0	29. 2	27. 5	26. 3
SME retail [2]	–	–	37. 3	32. 5	43. 3	30. 4	31. 5	34. 9
Sovereign	5. 3	13. 2	45. 4	59. 2	60. 0	–	–	6. 0
Bank	–	58. 9	59. 9	60. 0	–	–	–	58. 9
Exposure - weighted average risk weight (%) [4]								–
Corporate	–	26. 2	51. 9	76. 2	156. 2	210. 7	58. 3	51. 3
SME corporate	–	22. 5	27. 4	46. 2	76. 7	134. 0	140. 2	49. 1
SME retail [2]	–	–	22. 7	43. 8	84. 5	107. 3	216. 4	54. 4
Sovereign	0. 8	3. 2	36. 3	74. 2	218. 0	–	–	1. 0
Bank	–	19. 5	62. 3	89. 1	–	–	–	20. 6

1 Total credit risk exposures do not include specialised lending, equity or securitisation exposures.
2 Including SME retail secured by residential property.
3 The credit exposure value of undrawn commitments included in Total credit risk exposures above.
4 Includes 1.06 scaling factor.

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

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

	31 December 2021							
	PD Band							
	0 < 0.03%	0.03% < 0.15%	0.15% < 0.5%	0.5% < 3%	3% < 10%	10% < 100%	Default	Total
Non-retail [1]	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**
Total credit risk exposures								
Corporate	–	45,727	44,196	38,618	611	539	687	130,378
SME corporate	–	667	4,863	48,837	2,365	1,430	1,087	59,249
SME retail [2]	–	–	1,538	10,508	3,070	493	241	15,850
Sovereign	178,398	20,820	635	11	3	–	–	199,867
Bank	–	19,610	398	16	–	–	–	20,024
Total	178,398	86,824	51,630	97,990	6,049	2,462	2,015	425,368
Undrawn commitments [3]								
Corporate	–	16,695	18,574	11,858	272	84	93	47,576
SME corporate	–	118	1,156	9,684	352	131	72	11,513
SME retail [2]	–	–	1,405	3,066	678	88	13	5,250
Sovereign	820	397	54	6	1	–	–	1,278
Bank	–	416	1	2	–	–	–	419
Total	820	17,626	21,190	24,616	1,303	303	178	66,036
Exposure - average EAD ($M)								
Corporate	–	3. 113	1. 506	0. 822	0. 453	0. 822	1. 189	1. 404
SME corporate	–	0. 395	0. 428	0. 456	0. 367	0. 322	0. 380	0. 443
SME retail [2]	–	–	0. 083	0. 066	0. 046	0. 083	0. 075	0. 062
Sovereign	12. 410	20. 841	1. 423	0. 212	0. 180	–	–	12. 581
Bank	–	1. 746	0. 310	0. 125	–	–	–	1. 583
Exposure - weighted average LGD (%)								
Corporate	–	55. 8	46. 4	38. 1	40. 7	26. 3	53. 8	47.2
SME corporate	–	51. 6	28. 1	26. 2	28. 6	30. 4	31. 3	27. 0
SME retail [2]	–	–	37. 0	32. 4	43. 1	31. 0	31. 6	34. 9
Sovereign	5. 4	10. 4	50. 7	57. 9	60. 0	–	–	6. 0
Bank	–	58. 8	59. 9	60. 0	–	–	–	58. 8
Exposure - weighted average risk weight (%) [4]								
Corporate	–	27. 4	53. 1	78. 7	148. 3	149. 3	44. 3	52. 5
SME corporate	–	21. 7	28. 4	47. 9	77. 9	140. 3	127. 5	50. 9
SME retail [2]	–	–	22. 5	43. 5	84. 5	108. 6	193. 8	53. 7
Sovereign	0. 9	2. 6	45. 7	96. 4	194. 4	–	–	1. 2
Bank	–	21. 0	54. 7	115. 3	–	–	–	21. 8

1 Total credit risk exposures do not include specialised lending, equity or securitisation exposures.
2 Including SME retail secured by residential property.
3 The credit exposure value of undrawn commitments included in Total credit risk exposures above.
4 Includes 1.06 scaling factor.

Credit Risk (continued)

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

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

	31 December 2022							
	PD Band [3]							
	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	$M
Total credit risk exposures								
Residential mortgage	159,706	184,976	104,146	219,018	30,617	1,022	4,434	**703,919**
Qualifying revolving retail	199	14,594	3,176	3,938	1,308	166	51	**23,432**
Other retail	64	536	409	4,421	3,102	519	74	**9,125**
Total	159,969	200,106	107,731	227,377	35,027	1,707	4,559	**736,476**
Undrawn commitments [1]								
Residential mortgage	44,978	18,470	8,844	9,810	117	19	17	**82,255**
Qualifying revolving retail	162	11,009	2,268	1,558	221	25	3	**15,246**
Other retail	49	299	235	1,689	176	73	2	**2,523**
Total	45,189	29,778	11,347	13,057	514	117	22	**100,024**
Exposure - average EAD ($M)								
Residential mortgage	0. 326	0. 297	0. 285	0. 270	0. 289	0. 301	0. 265	**0. 292**
Qualifying revolving retail	0. 004	0. 009	0. 007	0. 008	0. 007	0. 007	0. 005	**0. 008**
Other retail	0. 006	0. 005	0. 005	0. 005	0. 008	0. 002	0. 003	**0. 005**
Exposure - weighted average LGD (%)								
Residential mortgage	20. 0	19. 7	19. 5	20. 1	20. 1	20. 0	20. 3	**19. 9**
Qualifying revolving retail	81. 0	84. 9	84. 2	84. 4	84. 3	84. 0	84. 5	**84. 6**
Other retail	80. 8	75. 2	76. 6	73. 0	81. 1	89. 6	83. 9	**77. 1**
Exposure - weighted average risk weight (%) [2]								
Residential mortgage	5. 2	10. 7	18. 6	40. 1	88. 2	143. 3	183. 3	**24. 4**
Qualifying revolving retail	4. 8	5. 5	13. 7	43. 7	128. 6	210. 2	89. 6	**21. 6**
Other retail	19. 4	38. 1	54. 0	85. 5	125. 6	181. 7	155. 8	**100. 5**

1 The credit exposure value of undrawn commitments included in Total credit risk exposures above.
2 Includes 1.06 scaling factor.
3 APRA approved a revised residential mortgage PD model in the current period, which has led to movements in PD bands.

Credit Risk (continued)

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

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

	30 June 2022							
	PD Band							
	0 < 0.1%	0.1% < 0.3%	0.3% < 0.5%	0.5% < 3%	3% < 10%	10% < 100%	Default	Total
Retail	$M	$M	$M	$M	$M	$M	$M	$M
Total credit risk exposures								
Residential mortgage	189,935	139,076	85,000	253,549	9,027	4,640	4,695	685,922
Qualifying revolving retail	196	14,539	3,217	3,909	1,312	169	51	23,393
Other retail	63	504	366	4,307	3,027	465	80	8,812
Total	190,194	154,119	88,583	261,765	13,366	5,274	4,826	718,127
Undrawn commitments [1]								
Residential mortgage	43,803	18,042	9,005	10,402	128	17	16	81,413
Qualifying revolving retail	161	11,285	2,348	1,548	216	26	1	15,585
Other retail	50	292	224	1,730	188	72	4	2,560
Total	44,014	29,619	11,577	13,680	532	115	21	99,558
Exposure - average EAD ($M)								
Residential mortgage	0. 276	0. 298	0. 276	0. 285	0. 275	0. 282	0. 260	0. 283
Qualifying revolving retail	0. 004	0. 009	0. 007	0. 008	0. 007	0. 007	0. 006	0. 008
Other retail	0. 005	0. 005	0. 004	0. 005	0. 008	0. 001	0. 003	0. 005
Exposure - weighted average LGD (%)								
Residential mortgage	20. 0	19. 6	19. 5	20. 1	20. 2	20. 0	20. 3	19. 9
Qualifying revolving retail	81. 0	84. 9	84. 2	84. 5	84. 3	84. 0	84. 5	84. 6
Other retail	78. 6	74. 6	77. 1	73. 4	81. 1	90. 5	83. 3	77. 3
Exposure - weighted average risk weight (%) [2]								
Residential mortgage	4. 4	12. 4	21. 3	40. 9	103. 9	141. 8	177. 9	25. 0
Qualifying revolving retail	4. 8	5. 5	13. 7	43. 9	128. 9	211. 8	6. 5	21. 5
Other retail	19. 6	37. 8	54. 3	85. 9	125. 6	184. 6	68. 4	100. 0

1 The credit exposure value of undrawn commitments included in Total credit risk exposures above.
2 Includes 1.06 scaling factor.

Credit Risk (continued)

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

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

	31 December 2021							
	PD Band							
	0 < 0.1%	0.1% < 0.3%	0.3% < 0.5%	0.5% < 3%	3% < 10%	10% < 100%	Default	Total
Retail	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**
Total credit risk exposures								
Residential mortgage	191,090	138,447	84,047	243,358	9,634	4,916	4,928	676,420
Qualifying revolving retail	203	14,679	3,267	3,894	1,288	174	48	23,553
Other retail	72	53	60	5,843	2,977	453	93	9,551
Total	191,365	153,179	87,374	253,095	13,899	5,543	5,069	709,524
Undrawn commitments [1]								
Residential mortgage	45,152	18,515	10,210	11,671	180	16	25	85,769
Qualifying revolving retail	166	11,303	2,413	1,594	206	28	–	15,710
Other retail	53	11	37	2,911	265	88	6	3,371
Total	45,371	29,829	12,660	16,176	651	132	31	104,850
Exposure - average EAD ($M)								
Residential mortgage	0. 272	0. 296	0. 274	0. 279	0. 270	0. 284	0. 258	0. 279
Qualifying revolving retail	0. 004	0. 009	0. 007	0. 008	0. 007	0. 007	0. 006	0. 008
Other retail	0. 006	0. 317	0. 006	0. 005	0. 009	0. 001	0. 004	0. 005
Exposure - weighted average LGD (%)								
Residential mortgage	20. 0	19. 6	19. 6	20. 2	20. 3	20. 0	20. 4	19. 9
Qualifying revolving retail	81. 0	84. 9	84. 2	84. 5	84. 2	83. 9	84. 6	84. 6
Other retail	78. 1	81. 8	91. 2	82. 2	82. 8	91. 7	87. 4	82. 9
Exposure - weighted average risk weight (%) [2]								
Residential mortgage	4. 4	12. 3	21. 3	41. 0	103. 9	141. 8	159. 0	24. 8
Qualifying revolving retail	4. 8	5. 5	13. 7	43. 7	128. 7	210. 9	81. 9	21. 4
Other retail	18. 5	34. 0	61. 0	98. 9	128. 2	194. 4	282. 1	113. 1

1 The credit exposure value of undrawn commitments included in Total credit risk exposures above.
2 Includes 1.06 scaling factor.

Credit Risk (continued)

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

Analysis of Losses

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

Actual losses (whether from standardised or AIRB portfolios) are historical and are based on the quality of impaired assets in prior periods, full or partial write-offs, and more recent economic conditions. Actual losses are expected to be below the regulatory EL estimate in most years. Regulatory EL measures economic loss at a point in time and includes costs (such as internal costs) not included in actual losses. Regulatory EL is calculated on non-defaulted and defaulted AIRB exposures using long-run PDs and downturn LGDs for non-defaulted exposures, and the Best Estimate of Expected Loss (BEEL) for defaulted exposures. The supervisory slotting approach, calculated as the product of EAD and a prescribed factor, is used to determine regulatory EL for specialised lending exposures. A 50% factor is applied for defaulted specialised lending exposures.

Table 9e – Actual losses by portfolio type

	31 December 2022		
	Half year losses in reporting period		
Portfolio Type	**Gross write-offs $M**	**Recoveries $M**	**Actual losses $M**
Corporate	178	(2)	176
SME corporate	24	(1)	23
SME retail (including SME retail secured by residential mortgages)	11	–	11
Specialised lending	41	–	41
Total corporate including SME and specialised lending	254	(3)	251
Sovereign	–	–	–
Bank	–	–	–
Residential mortgage (excluding SME retail secured by residential mortgages)	17	(2)	15
Qualifying revolving retail	61	(26)	35
Other retail	77	(30)	47
Total AIRB and specialised lending portfolios	409	(61)	348

	30 June 2022		
	Full year losses in reporting period		
Portfolio Type	**Gross write-offs $M**	**Recoveries $M**	**Actual losses $M**
Corporate	145	(2)	143
SME corporate	64	(5)	59
SME retail (including SME retail secured by residential mortgages)	31	(1)	30
Specialised lending	51	–	51
Total corporate including SME and specialised lending	291	(8)	283
Sovereign	–	–	–
Bank	–	–	–
Residential mortgage (excluding SME retail secured by residential mortgages)	41	(3)	38
Qualifying revolving retail	133	(53)	80
Other retail	168	(54)	114
Total AIRB and specialised lending portfolios	633	(118)	515

	31 December 2021		
	Half year losses in reporting period		
Portfolio Type	**Gross write-offs $M**	**Recoveries $M**	**Actual losses $M**
Corporate	84	–	84
SME corporate	29	(4)	25
SME retail (including SME retail secured by residential mortgages)	9	–	9
Specialised lending	47	–	47
Total corporate including SME and specialised lending	169	(4)	165
Sovereign	–	–	–
Bank	–	–	–
Residential mortgage (excluding SME retail secured by residential mortgages)	22	(2)	20
Qualifying revolving retail	72	(28)	44
Other retail	84	(28)	56
Total AIRB and specialised lending portfolios	347	(62)	285

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

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

	31 December 2022	
Portfolio Type	**Half year actual loss $M**	**Regulatory one year expected loss estimate $M**
Corporate	**176**	**624**
SME corporate	**23**	**490**
SME retail (including SME retail secured by residential mortgages)	**11**	**207**
Specialised lending	**41**	**1,089**
Total corporate including SME and specialised lending	**251**	**2,410**
Sovereign	**–**	**3**
Bank	**–**	**4**
Residential mortgage (excluding SME retail secured by residential mortgages)	**15**	**1,496**
Qualifying revolving retail	**35**	**237**
Other retail	**47**	**331**
Total AIRB and specialised lending portfolios	**348**	**4,481**

	30 June 2022	
Portfolio Type	**Full year actual loss $M**	**Regulatory one year expected loss estimate $M**
Corporate	143	714
SME corporate	59	532
SME retail (including SME retail secured by residential mortgages)	30	200
Specialised lending	51	865
Total corporate including SME and specialised lending	283	2,311
Sovereign	–	3
Bank	–	5
Residential mortgage (excluding SME retail secured by residential mortgages)	38	1,542
Qualifying revolving retail	80	249
Other retail	114	336
Total AIRB and specialised lending portfolios	515	4,446

	31 December 2021	
Portfolio Type	**Half year actual loss $M**	**Regulatory one year expected loss estimate $M**
Corporate	84	779
SME corporate	25	606
SME retail (including SME retail secured by residential mortgages)	9	203
Specialised lending	47	880
Total corporate including SME and specialised lending	165	2,468
Sovereign	–	3
Bank	–	5
Residential mortgage (excluding SME retail secured by residential mortgages)	20	1,498
Qualifying revolving retail	44	230
Other retail	56	360
Total AIRB and specialised lending portfolios	285	4,564

Credit Risk (continued)

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

Accuracy of Risk Estimates

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

Probability of Default

Table 9f (ii) compares estimates of long-run PD to actual default rates averaged over the period from the time of AIRB accreditation (2009 for most portfolios).

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

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

	31 December 2022	
Portfolio Type	**Average estimated PD %**	**Average actual PD %**
Corporate	**1.28**	**0.86**
SME corporate	**2.26**	**1.92**
SME retail (including SME retail secured by residential mortgages) [1]	**2.06**	**1.61**
Specialised lending [2]	**n/a**	**1.42**
Sovereign [3]	**0.45**	**0.02**
Bank [3]	**0.25**	**0.21**
Residential mortgage (excluding SME retail secured by residential mortgages)	**0.84**	**0.70**
Qualifying revolving retail	**1.80**	**1.78**
Other retail	**5.18**	**4.84**

1 The average annual PD represents an 8.5 year observation period for part of the portfolio.
2 Average estimated PD not relevant for specialised lending under the Supervisory Slotting approach.
3 Actual PDs based on 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 2020 financial years. LGDs for retail portfolios are based on accounts that defaulted in 2014 to 2021 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.

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

	31 December 2022		
Portfolio Type	**Average estimated downturn LGD %**	**Average actual LGD %**	**Ratio of estimated EAD to actual EAD**
Corporate	54.7	36.1	1.2
SME corporate	33.0	19.0	1.1
SME retail (including SME retail secured by residential mortgages)	32.6	20.6	1.1
Specialised lending [1]	n/a	29.7	1.1
Sovereign [2]	61.0	1.2	2.0
Bank [2]	65.4	109.9	1.8
Residential mortgage (excluding SME retail secured by residential mortgages) [3,4]	20.1	2.8	1.0
Qualifying revolving retail [4]	86.9	66.6	1.1
Other retail [4]	95.9	69.9	1.1

1 Average estimated LGD not relevant for specialised lending under the Supervisory Slotting approach.
2 Actual LGDs based on low volume of defaults observed.
3 Estimated downturn LGD based on minimum regulatory floor requirements imposed by APRA and RBNZ.
4 Historical observed LGD data for all retail portfolios was restated in June 2022 for the financial period 2014-2020, to reflect an enhancement in calculation methodology.

Credit Risk (continued)

6.5 Credit Risk Mitigation

Table 10b and 10c – Credit risk mitigation

	31 December 2022				
	Total exposure [1] $M	Eligible financial collateral $M	Exposures covered by guarantees $M	Exposures covered by credit derivatives $M	Coverage %
Advanced approach [2]					
Corporate	**144,996**	–	263	–	**0. 2**
SME corporate	**62,021**	–	–	–	**–**
SME retail [3]	**15,720**	–	–	–	**–**
Sovereign	**220,528**	–	–	–	**–**
Bank	**18,143**	–	–	–	**–**
Residential mortgage	**703,919**	–	–	–	**–**
Qualifying revolving retail	**23,432**	–	–	–	**–**
Other retail	**9,125**	–	–	–	**–**
Total advanced approach	**1,197,884**	–	263	–	**0. 0**
Specialised lending	**79,340**	–	–	–	**–**
Standardised approach					
Corporate	**382**	–	–	–	**–**
SME corporate	**481**	–	–	–	**–**
SME retail	**2,104**	–	–	–	**–**
Sovereign	**588**	–	–	–	**–**
Bank	**194**	–	–	–	**–**
Residential mortgage	**16,289**	–	–	–	**–**
Other retail	**1,143**	–	–	–	**–**
Other assets	**12,042**	–	–	–	**–**
Central clearing counterparties	**3,685**	–	–	–	**–**
Total standardised approach	**36,908**	–	–	–	**–**
Total exposures	**1,314,132**	–	263	–	**0. 0**

1 Credit derivatives that are treated as part of synthetic securitisation structures are excluded from credit risk mitigation disclosures and included within those relating to securitisation.
2 Advanced approach: Exposure for derivatives and guarantees is after netting and financial collateral.
3 Including SME retail secured by residential property.

Credit Risk (continued)

6.5 Credit Risk Mitigation (continued)

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

	30 June 2022				
	Total exposure [1] $M	Eligible financial collateral $M	Exposures covered by guarantees $M	Exposures covered by credit derivatives $M	Coverage %
Advanced approach [2]					
Corporate	135,800	–	390	–	0. 3
SME corporate	60,458	–	–	–	–
SME retail [3]	15,665	–	–	–	–
Sovereign	216,652	–	–	–	–
Bank	20,383	–	–	–	–
Residential mortgage	685,922	–	–	–	–
Qualifying revolving retail	23,393	–	–	–	–
Other retail	8,812	–	–	–	–
Total advanced approach	1,167,085	–	390	–	0.0
Specialised lending	76,937	–	–	–	–
Standardised approach					
Corporate	507	–	–	–	–
SME corporate	573	–	–	–	–
SME retail	2,163	–	–	–	–
Sovereign	641	–	–	–	–
Bank	223	–	–	–	–
Residential mortgage	15,302	–	–	–	–
Other retail	1,068	–	–	–	–
Other assets	15,463	–	–	–	–
Central clearing counterparties	10,963	–	–	–	–
Total standardised approach	46,903	–	–	–	–
Total exposures	1,290,925	–	390	–	0. 0

1 Credit derivatives that are treated as part of synthetic securitisation structures are excluded from credit risk mitigation disclosures and included within those relating to securitisation.
2 Advanced approach: Exposure for derivatives and guarantees is after netting and financial collateral.
3 Including SME retail secured by residential property.

Credit Risk (continued)

6.5 Credit Risk Mitigation (continued)

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

	31 December 2021				
	Total exposure [1] $M	Eligible financial collateral $M	Exposures covered by guarantees $M	Exposures covered by credit derivatives $M	Coverage %
Advanced approach [2]					
Corporate	130,378	–	365	–	0. 3
SME corporate	59,249	–	–	–	–
SME retail [3]	15,850	–	–	–	–
Sovereign	199,867	–	–	–	–
Bank	20,024	–	–	–	–
Residential mortgage	676,420	–	–	–	–
Qualifying revolving retail	23,553	–	–	–	–
Other retail	9,551	–	–	–	–
Total advanced approach	1,134,892	–	365	–	0.0
Specialised lending	76,072	–	–	–	–
Standardised approach					
Corporate	1,289	–	–	–	–
SME corporate	640	–	–	–	–
SME retail	2,283	–	–	–	–
Sovereign	5,651	–	–	–	–
Bank	231	–	–	–	–
Residential mortgage	14,977	–	–	–	–
Other retail	961	–	–	–	–
Other assets	19,748	–	–	–	–
Central clearing counterparties	9,850	–	–	–	–
Total standardised approach	55,630	–	–	–	–
Total exposures	1,266,594	–	365	–	0. 0

1 Credit derivatives that are treated as part of synthetic securitisation structures are excluded from credit risk mitigation disclosures and included within those relating to securitisation.
2 Advanced approach: Exposure for derivatives and guarantees is after netting and financial collateral.
3 Including SME retail secured by residential property.

6.6 Counterparty Credit Risk

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

	31 Dec 22 $M	30 Jun 22 $M	31 Dec 21 $M
Gross positive fair value	**29,782**	35,378	19,643
Netting and collateral benefits	**(23,118)**	(27,267)	(14,399)
Including collateral held of which:			
Cash	**(5,384)**	(6,577)	(3,995)
Replacement cost	**6,664**	8,111	5,244
Potential future exposure	**8,740**	9,378	8,817
Impact of scaling factor of 1.4 and incurred CVA	**6,086**	6,910	5,559
Exposure at Default	**21,490**	24,399	19,620

1 Excluding exposures to CCPs, clearers and derivative exposures classified under Securitisation (for APS120).

6.6 Counterparty Credit Risk (continued)

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

	Current Credit Exposure		
	31 Dec 22	30 Jun 22	31 Dec 21
Exposure type	**$M**	**$M**	**$M**
Interest rate contracts	**2,967**	2,739	4,148
Foreign currency contracts	**25,695**	31,279	14,719
Equity contracts	**–**	–	–
Credit derivatives	**4**	2	7
Commodities and other	**1,116**	1,358	769
Total	**29,782**	35,378	19,643

1 Excluding exposures to CCPs, clearers and derivative exposures classified under Securitisation (for APS120). Exposure types based on product.

Table 11c Counterparty credit risk derivative transactions

	Own Credit Portfolio		Intermediation Activity	
Notional value by product type as at 31 December 2022 [1, 2]	Protection buyer $M	Protection seller $M	Protection buyer $M	Protection seller $M
Credit default swaps	1,875	–	–	324
Total return swaps	–	–	–	–
Credit options	–	–	–	–
Other	–	–	–	–
Total	1,875	–	–	324

1 Excluding exposures to CCP's.
2 Notional values are presented for credit derivatives with positive fair values and include credit derivative hedges.

	Own Credit Portfolio		Intermediation Activity	
Notional value by product type as at 30 June 2022 [1, 2]	Protection buyer $M	Protection seller $M	Protection buyer $M	Protection seller $M
Credit default swaps	1,816	–	–	324
Total return swaps	–	–	–	–
Credit options	–	–	–	–
Other	–	–	–	–
Total	1,816	–	–	324

1 Excluding exposures to CCP's.
2 Notional values are presented for credit derivatives with positive fair values and include credit derivative hedges.

	Own Credit Portfolio		Intermediation Activity	
Notional value by product type as at 31 December 2021 [1, 2]	Protection buyer $M	Protection seller $M	Protection buyer $M	Protection seller $M
Credit default swaps	1,891	–	–	335
Total return swaps	–	–	–	–
Credit options	–	–	–	–
Other	–	–	–	–
Total	1,891	–	–	335

1 Excluding exposures to CCP's.
2 Notional values are presented for credit derivatives with positive fair values and include credit derivative hedges.

Credit Risk (continued)

6.7 Securitisation

Banking Book

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

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

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

	31 December 2022			
Underlying Asset	**Group originated assets - capital relief $M**	**Group originated assets - non capital relief $M**	**Group originated assets - internal RMBS $M**	**Third party originated assets $M**
Residential mortgage	3,609	3,154	176,438	–
Credit cards and other personal loans	–	–	–	–
Auto and equipment finance	–	–	–	–
Commercial loans	–	–	–	–
Other	–	–	–	–
Total	3,609	3,154	176,438	–

	30 June 2022			
Underlying Asset	**Group originated assets - capital relief $M**	**Group originated assets - non capital relief $M**	**Group originated assets - internal RMBS $M**	**Third party originated assets $M**
Residential mortgage	4,082	3,902	174,634	–
Credit cards and other personal loans	–	–	–	–
Auto and equipment finance	–	–	–	–
Commercial loans	–	–	–	–
Other	–	–	–	–
Total	4,082	3,902	174,634	–

	31 December 2021			
Underlying Asset	**Group originated assets - capital relief $M**	**Group originated assets - non capital relief $M**	**Group originated assets - internal RMBS $M**	**Third party originated assets $M**
Residential mortgage	4,553	4,370	128,487	–
Credit cards and other personal loans	–	–	–	–
Auto and equipment finance	–	–	–	–
Commercial loans	–	–	–	–
Other	–	–	–	–
Total	4,553	4,370	128,487	–

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.

6.7 Securitisation (continued)

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

	31 December 2022			
	Group originated assets securitised			
Underlying Asset	Outstanding exposure $M	Impaired assets $M	Past due [1] $M	Losses recognised $M
Residential mortgage	183,201	222	409	–
Credit cards and other personal loans	–	–	–	–
Auto and equipment finance	–	–	–	–
Commercial loans	–	–	–	–
Other	–	–	–	–
Total	183,201	222	409	–

1 Represents loans ≥ 90 days past due but not impaired.

	30 June 2022			
	Group originated assets securitised			
Underlying Asset	Outstanding exposure $M	Impaired assets $M	Past due [1] $M	Losses recognised $M
Residential mortgage	182,618	192	416	–
Credit cards and other personal loans	–	–	–	–
Auto and equipment finance	–	–	–	–
Commercial loans	–	–	–	–
Other	–	–	–	–
Total	182,618	192	416	–

1 Represents loans ≥ 90 days past due but not impaired.

	31 December 2021			
	Group originated assets securitised			
Underlying Asset	Outstanding exposure $M	Impaired assets $M	Past due [1] $M	Losses recognised $M
Residential mortgage	137,410	161	374	–
Credit cards and other personal loans	–	–	–	–
Auto and equipment finance	–	–	–	–
Commercial loans	–	–	–	–
Other	–	–	–	–
Total	137,410	161	374	–

1 Represents loans ≥ 90 days past due but not impaired.

Table 12i – Banking book exposures intended to be securitised

As at 31 December 2022, the Group does not have any outstanding banking book exposures that are intended to be securitised.

Credit Risk (continued)

6.7 Securitisation (continued)

Table 12j – Banking book activity for the reporting period

The Group's new securitisation activity in the banking book during the half year ended 31 December 2022, was $1,320 million.

	Half year ended 31 December 2022	
Underlying Asset	**Total exposures securitised $M**	**Recognised gain or loss on sale $M**
Residential mortgages	**1,129**	**–**
Credit cards and other personal loans	**150**	**–**
Auto and equipment finance	**–**	**–**
Commercial loans	**41**	**–**
Other	**–**	**–**
Total	**1,320**	**–**

	Full year ended 30 June 2022	
Underlying Asset	**Total exposures securitised $M**	**Recognised gain or loss on sale $M**
Residential mortgages	2,240	–
Credit cards and other personal loans	270	–
Auto and equipment finance	382	–
Commercial loans	58	–
Other	–	–
Total	2,950	–

	Half year ended 31 December 2021	
Underlying Asset	**Total exposures securitised $M**	**Recognised gain or loss on sale $M**
Residential mortgages	2,080	–
Credit cards and other personal loans	105	–
Auto and equipment finance	382	–
Commercial loans	58	–
Other	–	–
Total	2,625	–

6.7 Securitisation (continued)

Table 12k – Banking book securitisation exposures retained or purchased

	31 December 2022		
Securitisation Facility Type	**On Balance Sheet $M**	**Off Balance Sheet $M**	**Total exposures $M**
Liquidity support facilities	–	172	**172**
Warehouse facilities	11,704	5,588	**17,292**
Derivative facilities	–	140	**140**
Holdings of securities	3,665	–	**3,665**
Other	–	12	**12**
Total securitisation exposures in the banking book	15,369	5,912	**21,281**

	30 June 2022		
Securitisation Facility Type	**On Balance Sheet $M**	**Off Balance Sheet $M**	**Total exposures $M**
Liquidity support facilities	–	217	217
Warehouse facilities	11,168	4,305	15,473
Derivative facilities	–	192	192
Holdings of securities	4,043	–	4,043
Other	–	15	15
Total securitisation exposures in the banking book	15,211	4,729	19,940

	31 December 2021		
Securitisation Facility Type	**On Balance Sheet $M**	**Off Balance Sheet $M**	**Total exposures $M**
Liquidity support facilities	–	242	242
Warehouse facilities	8,279	6,103	14,382
Derivative facilities	–	325	325
Holdings of securities	4,876	–	4,876
Other	–	15	15
Total securitisation exposures in the banking book	13,155	6,685	19,840

6.7 Securitisation (continued)

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

Total securitisation exposures in the banking book increased by $1,341 million or 7% during the half year ended 31 December 2022. The corresponding RWA increased by $147 million or 4%, mainly due to the downward revision of warehouse risk weights.

	31 December 2022					
	Exposures		Total	Risk Weighted Assets		Total
	Securitisation	Resecuritisation	exposures	Securitisation	Resecuritisation	RWA
Risk Weight Band	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**
≤ 25%	20,962	–	**20,962**	3,486	–	**3,486**
> 25% ≤ 35%	285	–	**285**	78	–	**78**
> 35% ≤ 50%	18	–	**18**	7	–	**7**
> 50% ≤ 75%	16	–	**16**	9	–	**9**
> 75% ≤ 100%	–	–	**–**	–	–	**–**
> 100% ≤ 650%	–	–	**–**	–	–	**–**
> 650% ≤ 1250%	–	–	**–**	–	–	**–**
Total	21,281	–	**21,281**	3,580	–	**3,580**

	30 June 2022					
	Exposures		Total	Risk Weighted Assets		Total
	Securitisation	Resecuritisation	exposures	Securitisation	Resecuritisation	RWA
Risk Weight Band	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**
≤ 25%	19,611	–	19,611	3,335	–	3,335
> 25% ≤ 35%	285	–	285	78	–	78
> 35% ≤ 50%	23	–	23	9	–	9
> 50% ≤ 75%	21	–	21	11	–	11
> 75% ≤ 100%	–	–	–	–	–	–
> 100% ≤ 650%	–	–	–	–	–	–
> 650% ≤ 1250%	–	–	–	–	–	–
Total	19,940	–	19,940	3,433	–	3,433

	31 December 2021					
	Exposures		Total	Risk Weighted Assets		Total
	Securitisation	Resecuritisation	exposures	Securitisation	Resecuritisation	RWA
Risk Weight Band	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**
≤ 25%	19,750	–	19,750	3,434	–	3,434
> 25% ≤ 35%	–	–	–	–	–	–
> 35% ≤ 50%	63	–	63	27	–	27
> 50% ≤ 75%	27	–	27	14	–	14
> 75% ≤ 100%	–	–	–	–	–	–
> 100% ≤ 650%	–	–	–	–	–	–
> 650% ≤ 1250%	–	–	–	–	–	–
Total	19,840	–	19,840	3,475	–	3,475

6.7 Securitisation (continued)

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

Total securitisation exposures deducted from Tier 1 capital had a nil movement during the half year ended 31 December 2022 and there was a nil movement during the half year ended 30 June 2022.

	Common Equity Tier 1 Capital		
	31 Dec 22	30 Jun 22	31 Dec 21
Underlying Asset	**$M**	**$M**	**$M**
Residential mortgage	**–**	–	–
Credit cards and other personal loans	**–**	–	–
Auto and equipment finance	**–**	–	–
Commercial loans	**–**	–	–
Other	**–**	–	–
Total	**–**	–	–

Table 12m – Banking book exposures subject to early amortisation

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

Table 12n – Banking book resecuritisation exposures

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

Trading Book

Table 12o – Trading book exposures securitised

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

Table 12p – Trading book exposures intended to be securitised

As at 31 December 2022, the Group does not have any outstanding trading book exposures that are intended to be securitised.

Table 12q – Trading book activity for the reporting period

The Group did not participate in third party securitisation in the trading book during the half year ended 31 Dec 2022, nil residential mortgages (30 June 2022: $1 million, 31 December 2021: $1 million), nil auto and equipment finance (30 June 2022: $6 million, 31 December 2021: $6 million), and nil personal finance (30 June 2022: $2 million, 31 December 2021: $0.3 million) exposures.

Table 12r – Trading book exposures subject to APS 116

The aggregate amount of exposures securitised by the Group and subject to APS 116 was $37 million as at 31 December 2022 (30 June 2022: $33 million, 31 December 2021: $64 million), all of which are traditional securitisations. This consists of:

- Securities held in the trading book subject to the Standard Method of nil (30 June 2022: nil, 31 December 2021: nil); and
- Derivatives held in the trading book subject to the Internal Models Approach (IMA) of $37 million (30 June 2022: $33 million, 31 December 2021: $64 million).

6.7 Securitisation (continued)

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

	31 December 2022		
Securitisation Facility Type	**On Balance Sheet $M**	**Off Balance Sheet $M**	**Total exposures $M**
Liquidity support facilities	–	–	**–**
Warehouse facilities	–	–	**–**
Derivative facilities	–	37	**37**
Holdings of securities	–	–	**–**
Other	–	–	**–**
Total securitisation exposures in the trading book	–	37	**37**

	30 June 2022		
Securitisation Facility Type	**On Balance Sheet $M**	**Off Balance Sheet $M**	**Total exposures $M**
Liquidity support facilities	–	–	–
Warehouse facilities	–	–	–
Derivative facilities	–	33	33
Holdings of securities	–	–	–
Other	–	–	–
Total securitisation exposures in the trading book	–	33	33

	31 December 2021		
Securitisation Facility Type	**On Balance Sheet $M**	**Off Balance Sheet $M**	**Total exposures $M**
Liquidity support facilities	–	–	–
Warehouse facilities	–	–	–
Derivative facilities	–	64	64
Holdings of securities	–	–	–
Other	–	–	–
Total securitisation exposures in the trading book	–	64	64

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

The Group has $37 million of derivatives exposures held in the trading book subject to IMA (default risk) under APS 116 as at 31 December 2022 (30 June 2022: $33 million, 31 December 2021: $64 million).

Credit Risk (continued)

6.7 Securitisation (continued)

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

	31 December 2022		
Risk Weight Band	**ERBA Approach $M**	**SFA Approach $M**	**Total exposures $M**
≤ 25%	17	19	**36**
> 25% ≤ 35%	–	1	**1**
> 35% ≤ 50%	–	–	**–**
> 50% ≤ 75%	–	–	**–**
> 75% ≤ 100%	–	–	**–**
> 100% ≤ 650%	–	–	**–**
> 650% ≤ 1250%	–	–	**–**
Total	17	20	**37**

	30 June 2022		
Risk Weight Band	**ERBA Approach $M**	**SFA Approach $M**	**Total exposures $M**
≤ 25%	17	15	32
> 25% ≤ 35%	–	1	1
> 35% ≤ 50%	–	–	–
> 50% ≤ 75%	–	–	–
> 75% ≤ 100%	–	–	–
> 100% ≤ 650%	–	–	–
> 650% ≤ 1250%	–	–	–
Total	17	16	33

	31 December 2021		
Risk Weight Band	**ERBA Approach $M**	**SFA Approach $M**	**Total exposures $M**
≤ 25%	38	26	64
> 25% ≤ 35%	–	–	–
> 35% ≤ 50%	–	–	–
> 50% ≤ 75%	–	–	–
> 75% ≤ 100%	–	–	–
> 100% ≤ 650%	–	–	–
> 650% ≤ 1250%	–	–	–
Total	38	26	64

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

The Group has $1,650 million of RWA held in the trading book subject to IMA (default risk) under APS 116 as at 31 December 2022 (30 June 2022: $1,741 million, 31 December 2021: $821 million).

Credit Risk (continued)

6.7 Securitisation (continued)

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

	31 December 2022							
	ERBA Approach		SFA Approach		Standardised Approach		Total Capital Requirements	
	Securitisation	Resecuritisation	Securitisation	Resecuritisation	Securitisation	Resecuritisation	Securitisation	Resecuritisation
Risk Weight Band	$M	$M	$M	$M	$M	$M	$M	$M
≤ 25%	2	–	3	–	–	–	**5**	**–**
> 25% ≤ 35%	–	–	–	–	–	–	**–**	**–**
> 35% ≤ 50%	–	–	–	–	–	–	**–**	**–**
> 50% ≤ 75%	–	–	–	–	–	–	**–**	**–**
> 75% ≤ 100%	–	–	–	–	–	–	**–**	**–**
> 100% ≤ 650%	–	–	–	–	–	–	**–**	**–**
> 650% ≤ 1250%	–	–	–	–	–	–	**–**	**–**
Total	2	–	3	–	–	–	**5**	**–**

	30 June 2022							
	ERBA Approach		SFA Approach		Standardised Approach		Total Capital Requirements	
	Securitisation	Resecuritisation	Securitisation	Resecuritisation	Securitisation	Resecuritisation	Securitisation	Resecuritisation
Risk Weight Band	$M	$M	$M	$M	$M	$M	$M	$M
≤ 25%	3	–	3	–	–	–	6	–
> 25% ≤ 35%	–	–	–	–	–	–	–	–
> 35% ≤ 50%	–	–	–	–	–	–	–	–
> 50% ≤ 75%	–	–	–	–	–	–	–	–
> 75% ≤ 100%	–	–	–	–	–	–	–	–
> 100% ≤ 650%	–	–	–	–	–	–	–	–
> 650% ≤ 1250%	–	–	–	–	–	–	–	–
Total	3	–	3	–	–	–	6	–

	31 December 2021							
	ERBA Approach		SFA Approach		Standardised Approach		Total Capital Requirements	
	Securitisation	Resecuritisation	Securitisation	Resecuritisation	Securitisation	Resecuritisation	Securitisation	Resecuritisation
Risk Weight Band	$M	$M	$M	$M	$M	$M	$M	$M
≤ 25%	6	–	5	–	–	–	11	–
> 25% ≤ 35%	–	–	–	–	–	–	–	–
> 35% ≤ 50%	–	–	–	–	–	–	–	–
> 50% ≤ 75%	–	–	–	–	–	–	–	–
> 75% ≤ 100%	–	–	–	–	–	–	–	–
> 100% ≤ 650%	–	–	–	–	–	–	–	–
> 650% ≤ 1250%	–	–	–	–	–	–	–	–
Total	6	–	5	–	–	–	11	–

6.7 Securitisation (continued)

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

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

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

Table 12v – Trading book exposures subject to early amortisation

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

Table 12w – Trading book resecuritisation exposures

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

Table 5a – Total securitisation activity for the reporting period

The Group disclosed the summary of the current period's securitisation activity including the total amount of exposures securitised and gain or loss recognised on sale by exposure type in Table 12j (banking book) and Table 12q (trading book). The total exposures securitised in the half year to 31 December 2022 was $1,320 million (31 December 2021: $2,632 million). The total exposures securitised in the full year to 30 June 2022 was $2,959 million.

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

	As at 31 December 2022		
Securitisation Facility Type	**On Balance Sheet $M**	**Off Balance Sheet $M**	**Total exposures $M**
Liquidity support facilities	–	172	**172**
Warehouse facilities	11,704	5,588	**17,292**
Derivative facilities	–	177	**177**
Holdings of securities	3,665	–	**3,665**
Other	–	12	**12**
Total securitisation exposures	15,369	5,949	**21,318**

	As at 30 June 2022		
Securitisation Facility Type	**On Balance Sheet $M**	**Off Balance Sheet $M**	**Total exposures $M**
Liquidity support facilities	–	217	217
Warehouse facilities	11,168	4,305	15,473
Derivative facilities	–	225	225
Holdings of securities	4,043	–	4,043
Other	–	15	15
Total securitisation exposures	15,211	4,762	19,973

	As at 31 December 2021		
Securitisation Facility Type	**On Balance Sheet $M**	**Off Balance Sheet $M**	**Total exposures $M**
Liquidity support facilities	–	242	242
Warehouse facilities	8,279	6,103	14,382
Derivative facilities	–	389	389
Holdings of securities	4,876	–	4,876
Other	–	15	15
Total securitisation exposures	13,155	6,749	19,904

7 Equity Risk

Table 16b to 16f – Equity investment exposures[1]

	31 December 2022	
Equity Investments	**Balance Sheet value $M**	**Fair value $M**
Value of listed (publicly traded) equities	**2,734**	**2,615**
Value of unlisted (privately held) equities	**1,561**	**1,776**
Total	**4,295**	**4,391**

	30 June 2022	
Equity Investments	**Balance Sheet value $M**	**Fair value $M**
Value of listed (publicly traded) equities	2,786	2,834
Value of unlisted (privately held) equities	1,687	1,847
Total	4,473	4,681

	31 December 2021	
Equity Investments	**Balance Sheet value $M**	**Fair value $M**
Value of listed (publicly traded) equities	4,114	4,964
Value of unlisted (privately held) equities	3,762	3,797
Total	7,876	8,761

	Half year ended		
Gains on Equity Investments	**31 Dec 22 $M**	**30 Jun 22 $M**	**31 Dec 21 $M**
Cumulative realised gains in reporting period	**–**	299	9
Total unrealised gains [2]	**(206)**	(1,805)	236

1 Equity investment exposures include non-traded equity investments as well as investments in associates that are treated as capital deductions and are not risk weighted at Level 2.

2 Includes the revaluation of an unlisted equity instrument measured at fair value on the Group's Balance Sheet. For more details refer to the 2022 Annual Report Note 9.5.

8 Market Risk

8.1 Traded Market Risk

Capital Calculation Methods

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

Traded Market Risk RWA by Modelling Approach [1]	31 Dec 22 $M	30 Jun 22 $M	31 Dec 21 $M
Internal Model Approach	**12,879**	9,863	9,988
Standard Method	**894**	820	815
Total Traded Market Risk RWA	**13,773**	10,683	10,803

1 Refer to page 11 for commentary.

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

Table 13b – Traded Market Risk under the Standard Method

Exposure Type	31 Dec 22 $M	30 Jun 22 $M	31 Dec 21 $M
Interest rate risk	**71. 3**	65. 4	65. 0
Equity risk	**–**	–	–
Foreign exchange risk	**0. 2**	0. 2	0. 2
Commodity risk	**–**	–	–
Total	**71. 5**	65. 6	65. 2
Risk Weighted Asset equivalent [1]	**894**	820	815

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

Traded Market Risk Internal Model

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

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

	Aggregate VaR Over the Reporting Period			
Average VaR [1]	**Mean value $M**	**Maximum value $M**	**Minimum value $M**	**As at balance date $M**
Over the 6 months to 31 December 2022	79	88	71	71
Over the 6 months to 30 June 2022	74	120	54	76
Over the 6 months to 31 December 2021	108	167	70	79

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

	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 2022	154	179	123	154
Over the 6 months to 30 June 2022	132	214	82	134
Over the 6 months to 31 December 2021	110	219	65	128

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

Internal Model Approach – Back-test results

The Internal model is subject to back-testing against hypothetical profit and loss. In the 6 months to December 2022 there were two back-test outliers. The back-test results are summarised in Table 14f (ii) and details of these are provided in Table 14f (iii). A comparison of VaR with actual gains or losses during the 6 months to 31 December 2022 is illustrated in Table 14f (iv).

APS 330 Table 14f (ii) - Summary Table of the Number of Back-Testing Outliers [1]	
Over the 6 months to 31 December 2022	2
Over the 6 months to 30 June 2022	2
Over the 6 months to 31 December 2021	1

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

8.1 Traded Market Risk (continued)

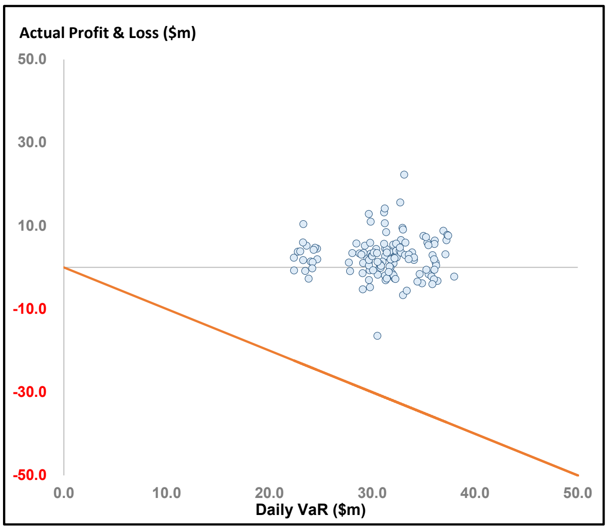
Table 14f (iii): Details of Back-Testing Outliers

	Over the Reporting Period 1 July 2022 to 31 December 2022	
Date	**Hypothetical loss $M**	**VaR 99% $M**
21 October 2022	**40**	**24**
10 November 2022	**67**	**25**

	Over the Reporting Period 1 January 2022 to 30 June 2022	
Date	**Hypothetical loss $M**	**VaR 99% $M**
13 June 2022	**41**	**19**
03 May 2022	**20**	**17**

	Over the Reporting Period 1 July 2021 to 31 December 2021	
	Hypothetical loss $M	**VaR 99% $M**
19 October 2021	**93**	**13**

Table 14f (iv): Comparison of VaR estimates outliers with actual gains/losses experiences for the 6 months ended 31 December 2022



8.2 Non-Traded Market Risk

Table 17b – Interest Rate Risk in the Banking Book

	Change in Economic Value		
Stress Testing: Interest Rate Shock Applied	**31 Dec 22 $M**	**30 Jun 22 $M**	**31 Dec 21 $M**
AUD			
200 basis point parallel increase	**(883)**	(825)	(637)
200 basis point parallel decrease	**922**	867	639
NZD			
200 basis point parallel increase	**(247)**	(263)	(372)
200 basis point parallel decrease	**257**	272	395
USD			
200 basis point parallel increase	**(21)**	(106)	(126)
200 basis point parallel decrease	**(9)**	112	81
Other			
200 basis point parallel increase	**16**	81	3
200 basis point parallel decrease	**(14)**	(80)	(4)

Regulatory RWA [1]	**31 Dec 22 $M**	**30 Jun 22 $M**	**31 Dec 21 $M**
Interest rate risk in the banking book	**47,850**	47,640	24,356

1 Refer to page 11 for commentary.

9 Operational Risk

Table 6e – Capital requirements for operational risk

	31 Dec 22 $M	**30 Jun 22 $M**	**31 Dec 21 $M**
Total operational risk RWA [1]	**40,740**	45,922	46,081

1 Refer to page 11 for commentary.

10 Liquidity Risk

10.1 Liquidity Coverage Ratio

The Group calculates its LCR position on a daily basis, ensuring a buffer is maintained over the minimum regulatory requirement of 100% and the Board's risk appetite. Over the December 2022 quarter, excess liquid assets averaged $46 billion and the average LCR decreased from 134% to 131%.

The Group's mix of liquid assets consists of HQLA, such as cash, deposits with central banks, Australian semi-government and Commonwealth government securities. Liquid assets also include repo-eligible securities with the RBA under the CLF and securities classified as liquid assets by the RBNZ. Liquid assets are distributed across the Group to support regulatory and internal requirements and are consistent with the distribution of liquidity needs by currency. Liquid assets decreased over the period due to the reduction in the Group's CLF.

NCOs are modelled under an APRA prescribed 30 day severe liquidity stress scenario. The Group manages modelled NCOs by maintaining a large base of low LCR outflow customer deposits and actively managing its wholesale funding maturity profile as part of its overall liquidity management strategy. Average NCOs decreased over the quarter due to a reduction in non-operational deposits.

Table 20 - LCR Disclosure Template

		31 Dec 22	31 Dec 22	30 Sep 22	30 Sep 22
		Total unweighted value (average) [1] $M	Total weighted value (average) [1] $M	Total unweighted value (average) [1] $M	Total weighted value (average) [1] $M
Liquid assets, of which:					
1	High quality liquid assets (HQLA)		183,465		189,487
2	Alternative liquid assets (ALA)		7,377		12,576
3	Reserve Bank of New Zealand (RBNZ) securities		2,123		2,358
Cash outflows					
4	Retail deposits and deposits from small business customers, of which:	**440,808**	**39,920**	**444,215**	**40,010**
5	Stable deposits	243,016	12,151	244,689	12,234
6	Less stable deposits	197,792	27,769	199,526	27,776
7	Unsecured wholesale funding, of which:	**190,235**	**82,463**	**195,739**	**86,525**
8	Operational deposits (all counterparties) and deposits in networks for cooperative banks	94,518	23,194	93,922	23,055
9	Non-operational deposits (all counterparties)	85,196	48,748	90,526	52,179
10	Unsecured debt	10,521	10,521	11,291	11,291
11	Secured wholesale funding		**5,657**		**4,561**
12	Additional requirements, of which:	**178,376**	**27,924**	**178,256**	**27,993**
13	Outflows related to derivatives exposures and other collateral requirements	6,776	6,776	7,130	7,130
14	Outflows related to loss of funding on debt products	–	–	–	–
15	Credit and liquidity facilities	171,600	21,148	171,126	20,863
16	Other contractual funding obligations	–	–	–	–
17	Other contingent funding obligations	78,400	**10,104**	77,281	**10,939**
18	**Total cash outflows**		**166,068**		**170,028**
Cash inflows					
19	Secured lending	19,064	2,034	18,388	1,429
20	Inflows from fully performing exposures	13,304	9,047	13,175	9,350
21	Other cash inflows	7,898	7,898	6,162	6,162
22	**Total cash inflows**	**40,266**	**18,979**	**37,725**	**16,941**
23	**Total liquid assets**		192,965		204,421
24	**Total net cash outflows**		147,089		153,087
25	**Liquidity Coverage Ratio (%)**		131		134
Number of data points used (Business Days)			58		62

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

10.2 Net Stable Funding Ratio

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

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

The NSFR was unchanged at 129% from 30 September 2022 to 31 December 2022. Over the period, the Group's ASF increased due to strong growth in Retail and SME deposits as well as wholesale funding issuances. RSF also increased due to strong growth in both residential mortgage and business lending.

Table 21 - NSFR Disclosure Template

		As at 31 December 2022				
		Unweighted value by residual maturity				
		No Maturity	0 - 6 months	7 - 12 months	> 12 months	Weighted value
		$M	$M	$M	$M	$M
Available Stable Funding (ASF) Item						
1	**Capital**	**72,647**	**–**	**–**	**32,201**	**104,848**
2	Regulatory Capital	72,647	–	–	32,201	104,848
3	Other Capital Instruments	–	–	–	–	–
4	**Retail deposits and deposits from small business customers**	**423,702**	**107,461**	**234**	**154**	**492,420**
5	Stable deposits [1]	236,604	43,565	9	16	266,185
6	Less stable deposits [2]	187,098	63,896	225	138	226,235
7	**Wholesale funding**	**158,777**	**194,349**	**57,357**	**128,261**	**255,873**
8	Operational deposits	90,622	–	–	–	45,300
9	Other wholesale funding	68,155	194,349	57,357	128,261	210,573
10	**Liabilities with matching interdependent assets**	–	–	–	–	**–**
11	**Other liabilities**	–	**24,006**	**177**	**2,234**	**2,322**
12	NSFR derivative liabilities	–	13,506	–	–	**–**
13	All other liabilities and equity not included in the above categories	–	10,500	177	2,234	**2,322**
14	**Total ASF**					**855,463**
Required Stable Funding (RSF) Item						
15 a)	**Total NSFR HQLA**					**4,324**
15 b)	**ALA**					**5,864**
15 c)	**RBNZ Securities**					**448**
16	**Deposits held at other financial institutions for operational purposes**					**–**
17	**Performing loans and securities**	**3,790**	**94,422**	**51,327**	**744,530**	**607,731**
18	Performing loans to financial institutions secured by Level 1 HQLA	3,341	27,047	1,944	236	4,247
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	449	18,139	14,568	24,571	34,643
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities (PSEs)	–	36,873	27,322	150,936	160,308
21	of which: with a risk weight of less than or equal to 35% under APS 112	–	28	39	424	309
22	Performing residential mortgages	–	8,444	6,681	562,751	400,758
23	of which: with a risk weight equal to 35% under APS 112	–	6,811	6,023	484,853	333,121
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	–	3,919	812	6,036	7,775
25	**Assets with matching interdependent liabilities**	**–**	**–**	**–**	**–**	**–**
26	**Other assets:**	**1,978**	**41,772**	**568**	**24,647**	**33,899**
27	Physical traded commodities, including gold	1,978	–	–	–	1,681
28	Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties (CCPs)	–	1,549	–	–	1,317
29	NSFR derivative assets	–	13,321	–	–	–
30	NSFR derivative liabilities before deduction of variation margin posted	–	23,660	–	–	4,732
31	All other assets not included in the above categories	–	3,242	568	24,647	26,169
32	**Off Balance Sheet items**	**–**	**195,261**	**–**	**–**	**10,698**
33	**Total RSF**					**662,964**
34	**Net Stable Funding Ratio (%)**					**129**

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

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

10.2 Net Stable Funding Ratio (continued)

		As at 30 September 2022				
		Unweighted value by residual maturity				
		No Maturity	0 - 6 months	7 - 12 months	> 12 months	Weighted value
		$M	$M	$M	$M	$M
Available Stable Funding (ASF) Item						
1	**Capital**	**71,025**	**–**	**–**	**31,737**	**102,762**
2	Regulatory Capital	71,025	–	–	31,737	102,762
3	Other Capital Instruments	–	–	–	–	–
4	**Retail deposits and deposits from small business customers**	**424,624**	**97,547**	**240**	**160**	**484,255**
5	Stable deposits [1]	238,022	40,463	14	12	264,586
6	Less stable deposits [2]	186,602	57,084	226	148	219,669
7	**Wholesale funding**	**164,861**	**182,515**	**56,557**	**122,735**	**248,645**
8	Operational deposits	95,167	–	–	–	47,584
9	Other wholesale funding	69,694	182,515	56,557	122,735	201,061
10	**Liabilities with matching interdependent assets**	–	–	–	–	–
11	**Other liabilities**	**–**	**23,430**	**204**	**2,430**	**2,532**
12	NSFR derivative liabilities	–	13,472	–	–	–
13	All other liabilities and equity not included in the above categories	–	9,958	204	2,430	2,532
14	**Total ASF**					**838,194**
Required Stable Funding (RSF) Item						
15 a)	**Total NSFR HQLA**					**4,219**
15 b)	**ALA**					**5,864**
15 c)	**RBNZ Securities**					**402**
16	**Deposits held at other financial institutions for operational purposes**	**–**	**–**	**–**	**–**	**–**
17	**Performing loans and securities**	**3,677**	**97,048**	**45,750**	**730,053**	**594,607**
18	Performing loans to financial institutions secured by Level 1 HQLA	3,096	28,946	2,309	77	4,436
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	581	19,600	11,615	28,615	37,450
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities (PSEs)	–	35,533	23,726	145,770	153,446
21	of which: with a risk weight of less than or equal to 35% under APS 112	–	27	37	441	319
22	Performing residential mortgages	–	8,722	7,258	548,539	390,406
23	of which: with a risk weight equal to 35% under APS 112	–	6,965	6,509	471,868	323,729
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	–	4,247	842	7,052	8,869
25	**Assets with matching interdependent liabilities**	–	–	–	–	–
26	**Other assets:**	**2,527**	**42,814**	**5,482**	**17,761**	**33,480**
27	Physical traded commodities, including gold	2,527	–	–	–	2,148
28	Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties (CCPs)	–	1,812	–	–	1,540
29	NSFR derivative assets	–	11,755	–	–	–
30	NSFR derivative liabilities before deduction of variation margin posted	–	25,002	–	–	5,000
31	All other assets not included in the above categories	–	4,245	5,482	17,761	24,792
32	**Off Balance Sheet items**	**–**	**194,801**	**–**	**–**	**11,816**
33	**Total RSF**					**650,388**
34	**Net Stable Funding Ratio (%)**					**129**

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

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

11 Appendices

11.1 Detailed Capital Disclosures Template (APS 330 Attachment A)

The Group is applying the Basel III regulatory adjustments in full, as implemented by APRA. These tables should be read in conjunction with Appendix 11.3 Regulatory Balance Sheet and Appendix 11.4 Reconciliation between Detailed Capital Disclosures Template and Regulatory Balance Sheet.

Summary Group Capital Adequacy Ratios (Level 2)	31 Dec 22 Basel III APRA %	31 Dec 22 Basel III Internationally Comparable %
CET1	11. 4	18. 5
Tier 1	13. 3	21. 1
Total Capital	17. 8	27. 5

		31 Dec 22 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	35,140	Table A
2	Retained earnings	38,356	
3	Accumulated other comprehensive income (and other reserves)	(986)	
4	Directly issued capital subject to phase out from CET1 (only applicable to mutually-owned companies)	–	
5	Ordinary share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	–	Table B
6	Common Equity Tier 1 Capital before regulatory adjustments	72,510	
Common Equity Tier 1 Capital: regulatory adjustments			
7	Prudential valuation adjustments	(7)	
8	Goodwill (net of related tax liability)	(5,299)	Table C
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	(1,782)	Table C
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	–	Table D
11	Cash flow hedge reserve	1,236	
12	Shortfall of provisions to expected losses [1]	(6)	
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	(87)	
15	Defined benefit superannuation fund net assets [2]	(411)	
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)	–	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	–	Table D
22	Amount exceeding the 15% threshold		
23	of which: significant investments in the ordinary shares of financial entities	–	Table G
24	of which: mortgage servicing rights	–	
25	of which: deferred tax assets arising from temporary differences	–	Table D
	CET1 (Internationally Comparable)	66,154	

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

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

Appendices (continued)

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

		31 Dec 22 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	**137**	Table A
26b	of which: offset to dividends declared due to a dividend reinvestment plan (DRP), to the extent that the dividends are used to purchase new ordinary shares issued by the ADI	**–**	
26c	of which: deferred fee income	**–**	
26d	of which: equity investments in financial institutions not reported in rows 18, 19 and 23	**(3,878)**	Table G
26e	of which: deferred tax assets not reported in rows 10, 21 and 25	**(2,962)**	Table D
26f	of which: capitalised expenses	**(1,155)**	
26g	of which: investments in commercial (non-financial) entities that are deducted under APRA prudential requirements	**(593)**	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	**(151)**	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	**–**	
28	Total regulatory adjustments to Common Equity Tier 1 [1]	**(14,958)**	
29	Common Equity Tier 1 Capital (APRA)	**57,552**	
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	**9,312**	Table E
33	Directly issued capital instruments subject to phase out from Additional Tier 1	**–**	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	**–**	
36	Additional Tier 1 Capital before regulatory adjustments	**9,312**	Table E
Additional Tier 1 Capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments	**–**	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	**–**	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	**–**	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	**–**	
41	National specific regulatory adjustments (rows 41a, 41b, 41c)	**–**	
41a	of which: holdings of capital instruments in group members by other group members on behalf of third parties	**–**	
41b	of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidations not reported in rows 39 and 40	**–**	
41c	of which: other national specific regulatory adjustments not reported in rows 41a and 41b	**–**	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	**–**	
43	Total regulatory adjustments to Additional Tier 1 capital	**–**	
44	Additional Tier 1 Capital (AT1)	**9,312**	
45	Tier 1 Capital (T1=CET1+AT1)	**66,864**	
Tier 2 Capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments	**22,161**	Table F
47	Directly issued capital instruments subject to phase out from Tier 2	**–**	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	**1,127**	
51	Tier 2 Capital before regulatory adjustments	**23,288**	

1 Total regulatory adjustments to CET1 of $14,958 million in Row 28 is net of APRA's allowance for treasury shares held as part of the Group's eligible employee share scheme arrangements of $137 million as detailed in Row 26a.

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

		31 Dec 22 Basel III $M	Reconciliation Table Reference
Tier 2 Capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	**(30)**	
53	Reciprocal cross-holdings in Tier 2 instruments	**–**	
54	Investments in the Tier 2 Capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold) [1]	**(369)**	
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	**(399)**	
58	Tier 2 Capital (T2)	**22,889**	
59	Total Capital (TC=T1+T2)	**89,753**	
60	Total risk weighted assets based on APRA standards	**504,380**	
Capital ratios and buffers			
61	CET1 (as a percentage of risk weighted assets)	**11.4%**	
62	Tier 1 (as a percentage of risk weighted assets)	**13.3%**	
63	Total Capital (as a percentage of risk weighted assets)	**17.8%**	
64	Buffer requirement (minimum CET1 requirement of 4.5% plus capital conservation buffer of 2.5% plus any countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	**8.0%**	
65	of which: capital conservation buffer requirement	**3.5%**	
66	of which: ADI-specific countercyclical buffer requirements	**–**	Table H
67	of which: G-SIB buffer requirement (not applicable)	**–**	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	**11.4%**	
National minima			
69	National Common Equity Tier 1 minimum ratio	**–**	
70	National Tier 1 minimum ratio	**–**	
71	National Total Capital minimum ratio	**–**	
Amount below thresholds for deductions (not risk weighted)			
72	Non-significant investments in the capital of other financial entities	**1,387**	Table G
73	Significant investments in the ordinary shares of financial entities	**2,491**	Table G
74	Mortgage servicing rights (net of related tax liability)	**–**	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	**2,962**	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)	**159**	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	**169**	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	**968**	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	**2,331**	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	**–**	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	**–**	
82	Current cap on AT1 instruments subject to phase out arrangements	**–**	
83	Amount excluded from AT1 instruments due to cap (excess over cap after redemptions and maturities)	**–**	Table E
84	Current cap on Tier 2 instruments subject to phase out arrangements	**–**	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	**–**	Table F

1 Includes the Group's holdings of other banks' Total Loss Absorbing Capacity (TLAC) instruments which are required to be deducted from the Group's Tier 2 Capital under the revised APS111 *Capital Adequacy: Measurement of Capital* effective 1 January 2022.

11.2 Detailed Leverage Disclosures Template (APS 330 Attachment E)

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

		31 Dec 22 Basel III APRA $M
1	Total consolidated assets as per published financial statements	1,232,436
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(3,463)
3	Adjustment for assets held on the Balance Sheet in a fiduciary capacity pursuant to the Australian Accounting Standards but excluded from the leverage ratio exposure measure	–
4	Adjustments for derivative financial instruments	504
5	Adjustment for SFTs (i.e. repos and similar secured lending)	535
6	Adjustment for off Balance Sheet exposures (i.e. conversion to credit equivalent amounts of off Balance Sheet exposures)	103,623
7	Other adjustments	(14,852)
8	**Leverage ratio exposure**	**1,318,783**

Table 18 – Leverage ratio disclosure template

		31 Dec 22 Basel III APRA $M
On Balance Sheet exposures		
1	On Balance Sheet items (excluding derivatives and securities financing transactions (SFTs), but including collateral)	1,158,493
2	Asset amounts deducted in determining Tier 1 capital	(14,852)
3	**Total On Balance Sheet exposures (excluding derivatives and SFTs)**	**1,143,641**
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	10,171
5	Add-on amounts for potential future credit exposure (PFCE) associated with all derivatives transactions	18,590
6	Gross-up for derivatives collateral provided where deducted from the Balance Sheet assets pursuant to the Australian Accounting Standards	–
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	–
8	(Exempted central counterparty (CCP) leg of client-cleared trade exposures)	–
9	Adjusted effective notional amount of written credit derivatives	1,441
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(30)
11	**Total derivative exposures**	**30,172**
SFT exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	40,812
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	–
14	CCR exposure for SFT assets	535
15	Agent transaction exposures	–
16	**Total SFT exposures**	**41,347**
Other Off Balance Sheet exposures		
17	Off Balance Sheet exposure at gross notional amount	206,780
18	(Adjustments for conversion to credit equivalent amounts)	(103,157)
19	**Other Off Balance Sheet exposures**	**103,623**
Capital and total exposures		
20	Tier 1 Capital	66,864
21	Total exposures	1,318,783
Leverage ratio		
22	Leverage ratio (%)	5.1

11.3 Regulatory Balance Sheet

The following table provides details on the Group's Balance Sheet and the Level 2 Regulatory Balance Sheet as at 31 December 2022.

	Group Balance Sheet $M	Adjustment [1] $M	Level 2 Regulatory Balance Sheet $M	Template/ Reconciliation Table Reference
Assets				
Cash and liquid assets	**156,140**	**(3)**	**156,137**	
Receivables due from other financial institutions	**7,598**	**–**	**7,598**	
Assets at fair value through Income Statement	**24,885**	**–**	**24,885**	Table G
Derivative assets	**29,668**	**–**	**29,668**	
Investment securities:				Table G
At amortised cost	**2,581**	**–**	**2,581**	
At fair value through Other Comprehensive Income	**80,202**	**–**	**80,202**	
Assets held for sale	**3**	**–**	**3**	
Loans, bills discounted and other receivables	**906,324**	**(3,609)**	**902,715**	
Investment in regulatory non-consolidated subsidiaries	**–**	**89**	**89**	Table G
Property, plant and equipment	**5,068**	**–**	**5,068**	
Investment in associates and joint ventures	**2,751**	**–**	**2,751**	Table G
Intangible assets	**7,136**	**–**	**7,136**	Table C
Deferred tax assets	**3,283**	**–**	**3,283**	Table D
Other assets	**6,797**	**60**	**6,857**	
Total assets	**1,232,436**	**(3,463)**	**1,228,973**	
Liabilities				
Deposits and other public borrowings	**879,152**	**135**	**879,287**	
Payables due to other financial institutions	**19,863**	**–**	**19,863**	
Liabilities at fair value through Income Statement	**7,015**	**–**	**7,015**	
Derivative liabilities	**33,194**	**–**	**33,194**	
Current tax liabilities	**305**	**–**	**305**	
Deferred tax liabilities	**137**	**–**	**137**	Table D
Liabilities held for sale	**–**	**–**	**–**	
Provisions	**3,163**	**–**	**3,163**	
Term funding from central banks	**56,011**	**–**	**56,011**	
Debt issues	**118,843**	**(3,710)**	**115,133**	
Bills payable and other liabilities	**13,314**	**140**	**13,454**	
Loan capital	**28,896**	**–**	**28,896**	Table E
Total liabilities	**1,159,893**	**(3,435)**	**1,156,458**	
Net assets	**72,543**	**(28)**	**72,515**	
Shareholders' Equity				
Ordinary Share capital	**35,140**	**–**	**35,140**	Row 1, Table A
Reserves	**(986)**	**–**	**(986)**	Row 3
Retained profits	**38,384**	**(28)**	**38,356**	Row 2
Shareholders' Equity attributable to Equity holders of the Bank	**72,538**	**(28)**	**72,510**	
Non-controlling interests	**5**	**–**	**5**	Table B
Total Shareholders' Equity	**72,543**	**(28)**	**72,515**	

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

11.4 Reconciliation between Detailed Capital Disclosures Template and Regulatory Balance Sheet

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

Table A	31 Dec 22 $M	Template Reference
Share Capital		
Ordinary Share Capital	**35,140**	
Total per Balance Sheet (Ordinary Share Capital Internationally Comparable) [1]	**35,140**	Row 1
Treasury Shares held by the Group's employee share scheme arrangements (APRA specific adjustment)	**137**	Row 26a
Total Ordinary Share Capital and Treasury Shares (APRA)	**35,277**	

Table B	31 Dec 22 $M	Template Reference
Non-Controlling Interests		
Total per Balance Sheet [1]	**5**	
Less other non controlling interests not included in capital	**(5)**	
Total per Capital Template (APRA and Internationally Comparable)	**–**	Row 5

Table C	31 Dec 22 $M	Template Reference
Goodwill and Other Intangibles		
Total per Balance Sheet [1]	**7,136**	
Less capitalised software and other intangibles separately disclosed in template	**(1,837)**	
Total per Capital Template - Goodwill (APRA and Internationally Comparable)	**5,299**	Row 8
Other intangibles (including capitalised software) per Balance Sheet	**1,837**	
Less deferred tax liability associated with other intangibles	**(55)**	
Total per Capital Template - Other Intangibles (APRA and Internationally Comparable)	**1,782**	Row 9

Table D	31 Dec 22 $M	Template Reference
Deferred Tax Assets		
Deferred tax assets per Balance Sheet [1]	**3,283**	
Less deferred tax liabilities per Balance Sheet [1]	**(137)**	
Net Deferred Tax Assets [2]	**3,146**	
Adjustments required in accordance with APRA prudential standards [3]	**(184)**	
Deferred tax asset adjustment before applying prescribed thresholds (APRA specific adjustment)	**2,962**	Row 26e
Less amounts below prescribed threshold - risk weighted [4]	**(2,962)**	Row 75
Total per Capital Template (Internationally Comparable)	**–**	Row 10, 21, 25

1 Represents the balance per Level 2 Regulatory Balance Sheet.
2 Represents the balance of deferred tax assets net of deferred tax liabilities per Level 2 Regulatory Balance Sheet.
3 Represents the deferred tax balances associated with reserves ineligible for inclusion in regulatory capital, the general reserve for credit losses, intangibles, and the impact of limitations of netting of balances within the same geographic tax authority.
4 The BCBS allows these items to be risk weighted at 250% if the balance falls below prescribed threshold levels. APRA require these to be deducted from CET1.

Appendices (continued)

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

Table E	31 Dec 22 $M	Template Reference
Additional Tier 1 Capital		
Total Loan Capital per Balance Sheet [1]	**28,896**	
Less fair value hedge adjustments [2]	**2,831**	
Total Loan Capital net of issue costs at their contractual values	**31,727**	
Less amount related to Tier 2 Capital Instruments	**(22,473)**	
Total Tier 1 Loan Capital	**9,254**	
Add issue costs [3]	**58**	
Total per Capital Template (APRA)	**9,312**	Row 36
Additional Tier 1 Capital Instruments comprises		
Basel III Complying Instruments		
PERLS X	**1,365**	
PERLS XI	**1,590**	
PERLS XII	**1,650**	
PERLS XIII	**1,180**	
PERLS XIV	**1,750**	
PERLS XV	**1,777**	
Total Additional Tier 1 Capital Instruments (APRA)	**9,312**	Row 36

Table F	31 Dec 22 $M	Template Reference
Tier 2 Capital Instruments		
Total included in Balance Sheet	**22,473**	
Less amount of Tier 2 debt issued by subsidiary ineligible for inclusion in the Group's Capital	**–**	
Add issue costs [3]	**40**	
Less amortisation of instruments [4]	**(352)**	
Total per Capital Template (APRA and Internationally Comparable)	**22,161**	Row 46, 47

1 Represents the balance per Level 2 Regulatory Balance Sheet.
2 For regulatory capital purposes, APRA requires these instruments to be included as if they were unhedged.
3 Unamortised issue costs relating to capital instruments are netted off against each instrument in the Balance Sheet. For regulatory capital purposes, these capital instruments are shown at face value. The unamortised issue costs are deducted from CET1 as part of capitalised expenses in Row 26f in the Detailed Capital Disclosures Template.
4 APRA requires these instruments to be amortised by 20% of the original amount during each of the last five years to maturity. This is in addition to Basel III transitional arrangements.

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

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

Table G	31 Dec 22 $M	Template Reference
Equity Investments		
Investment in commercial entities	**593**	Row 26g
Investments in significant financial entities	**2,402**	Row 26d, 73
Investments in non-significant financial entities	**1,387**	Row 26d, 72
	4,382	
Equity investment in non-consolidated subsidiaries	**89**	Row 26d, 73
Total equity investments before applying prescribed thresholds APRA specific adjustment [1]	**4,471**	
Less amounts risk weighted under Internationally Comparable [2]	**(4,471)**	
Total per Capital Template (Internationally Comparable)	**–**	Row 18, 19, 23

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

2 The aggregate of investments in significant financial entities of $2,402 million, investments in non-significant financial entities of $1,387 million and equity investment in non-consolidated subsidiaries of $89 million is a total of $3,878 million and is included in Row 26d in the Detailed Capital Disclosures 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. The remaining balance of $593 million related to investments in commercial entities are risk weighted under Internationally Comparable methodology, with no prescribed threshold limits.

Countercyclical Capital Buffer

The Countercyclical Capital Buffer (CCyB), which is effective for Australian ADIs from 1 January 2016, represents an extension to the capital conservation buffer and may require an ADI to hold additional CET1 of up to 2.5%. The CCyB is calculated as the sum of the specific buffer set by APRA with respect to Australian private sector exposures and the weighted average for offshore private sector exposures where the CCyB has been enacted.

Table H	RWA [1] $M	Jurisdictional Buffer %	ADI Specific Buffer [2] %	Template Reference
Country [3]				
Hong Kong	278	1.000	0.000702	
Norway	119	1.500	0.000603	
Luxembourg	413	0.500	0.000522	
Others	394,437	–	-	
Total	**395,247**		**0.001827**	Row 66

1 Represents total private sector (excludes Banks and Sovereigns) credit and specific market risk RWA.
2 Calculated as each country share of total private sector credit and specific market RWA multiplied by the CCyB applicable in each country.
3 Represents country of ultimate risk as at 31 December 2022.

11.5 Entities excluded from Level 2 Regulatory Consolidated Group

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

Entity name	Total Assets $M	Total Liabilities $M
(a) Securitisation		
Medallion Trust Series 2017-1	700	700
Medallion Trust Series 2017-2	860	860
Medallion Trust Series 2018-1	1,175	1,175
Medallion Trust Series 2018-1P	355	355
Medallion Trust Series 2019-1	641	641

Entity name	Total Assets $M	Total Liabilities $M
(b) Insurance and Funds Management		
CBA Captive Insurance Pte Ltd	139	22

11.6 List of APRA APS 330 Tables

The following schedule lists the quantitative tables in this document as referenced in APS 330 paragraphs 12, 49 and Attachments A to H.

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

Appendices (continued)

11.6 List of APRA APS 330 Tables (continued)

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

Appendices (continued)

11.7 List of Supplemental Tables and Diagrams

Appendices (continued)

11.8 Glossary

Term	Definition
Additional Tier 1 Capital (AT1)	Additional Tier 1 Capital is a concept defined by APRA and consists of high quality capital that essentially provides a permanent and unrestricted commitment of funds, is freely available to absorb losses, ranks behind the claims of depositors and other senior creditors in the event of a wind-up, and provides for fully discretionary capital distributions.
Advanced Internal Ratings-based (AIRB) Approach	This approach is used to measure credit risk in accordance with the Group's Basel III accreditation that allows the Group to use internal estimates of PD, LGD and EAD for the purposes of calculating regulatory capital.
Advanced Measurement Approach (AMA)	Used to measure operational risk in accordance with the Group's Basel III accreditation that allows the Group to use its own internal model for the purposes of calculating regulatory capital.
Alternative Liquid Assets (ALA)	Assets that qualify for inclusion in the numerator of the LCR in jurisdictions where there is insufficient supply of HQLA.
ASB	ASB Bank Limited – a subsidiary of the Commonwealth Bank of Australia that is directly regulated by the RBNZ.
Australian Accounting Standards	The Australian Accounting Standards as issued by the Australian Accounting Standards Board (AASB).
Australian Prudential Regulation Authority (APRA)	The Australian Prudential Regulation Authority is an independent statutory authority that supervises institutions across banking, insurance and superannuation, and is accountable to the Australian parliament. The regulator of banks, insurance companies and superannuation funds, credit unions, building societies and friendly societies in Australia.
Authorised Deposit-taking Institution (ADI)	ADIs are corporations that are authorised under the *Banking Act 1959* to carry on banking business in Australia.
Banking Book	The banking book is a term for assets on a bank's Balance Sheet that are expected to be held to maturity, usually consisting of customer loans to and deposits from retail and corporate customers. The banking book can also include those derivatives that are used to hedge exposures arising from the banking book activity, including interest rate risk.
Basel II	Refers to the Basel Committee on Banking Supervision's Revised Framework for International Convergence of Capital Measurement and Capital Standards issued in June 2006 and as subsequently amended.
Basel III	Refers to the Basel Committee on Banking Supervision's framework for more resilient banks and banking systems issued December 2010 (revised June 2011) and Capital requirements for bank exposures to central counterparties (July 2012).
CBA	Commonwealth Bank of Australia – the head entity of the Group.
Central Counterparty (CCP)	A clearing house that interposes itself between counterparties to contracts traded in one or more financial markets, thereby ensuring the future performance of open contracts.
Collective Provision	All loans and receivables that do not have an individually assessed provision are assessed collectively for impairment. The collective provision is maintained to reduce the carrying value of the portfolio of loans to their estimated recoverable amounts. These provisions are reported in the Group's Financial Statements in accordance with Australian Accounting Standards (AASB 9 *Financial Instruments*).
Committed Liquidity Facility (CLF)	The RBA provided the CLF to participating ADIs under the LCR, as a shortfall in Commonwealth government and semi-government securities existed in Australia. ADIs could draw under the CLF in a liquidity crisis against qualifying securities pledged to the RBA. In September 2021, APRA announced a sector-wide phased reduction in usage of the CLF to zero by the end of 2022.

Appendices (continued)

11.8 Glossary (continued)

Term	Definition
Common Equity Tier 1 (CET1) Capital	The highest quality of capital available to the Group reflecting the permanent and unrestricted commitment of funds that are freely available to absorb losses. It comprises ordinary share capital, retained earnings and reserves less prescribed deductions.
Corporate	Basel asset class - includes commercial credit risk where annual revenues are $50 million or more.
Countercyclical Capital Buffer (CCyB)	An extension of the capital conservation buffer that can be imposed by the national authority to protect the banking sector from periods of excess credit growth that have often been associated with the build-up of system-wide risk.
Counterparty Credit Risk (CCR)	The risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows.
Credit Equivalent Amount	The credit equivalent amount is a measure, prescribed by the regulator, to quantify credit risk for off Balance Sheet instruments, such as interest rate derivatives. The credit equivalent amount of a market related off Balance Sheet transaction calculated using the current exposure method is the sum of current credit exposure and potential future credit exposure of these contracts.
Credit Valuation Adjustment (CVA) Risk	The risk of mark-to-market losses related to deterioration in the credit quality of a derivative counterparty.
Exposure at Default (EAD)	The extent to which a bank may be exposed upon default of an obligor.
Extended Licenced Entity (ELE)	An Extended Licensed Entity is comprised of an ADI and each subsidiary of an ADI as specified in any approval granted by APRA in accordance with Prudential Standard APS 222 *Associations with Related Entities*.
External Credit Assessment Institution (ECAI)	For example: Moody's Investor Services, S&P Global Ratings or Fitch Ratings.
General Reserve for Credit Losses (GRCL)	From 1 January 2022 the Group adopted the revised APS 220 *Credit Risk Management* standard which no longer includes requirements in relation to the GRCL. The Group continues to disclose the GRCL until changes under APS 330 come into effect from 1 January 2023 to retire this disclosure referencing the former APS 220 *Credit Quality* standard's requirements, which required 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 GRCL. An excess of required GRCL over the Group's collective provisions is recognised as a deduction from CET1 under the former standard.
Group	Commonwealth Bank of Australia and its subsidiaries.
High Quality Liquid Assets (HQLA)	Assets are considered to be high quality liquid assets if they can be easily and immediately converted into cash at little or no loss of value.
Impaired Assets	Facilities are classified as impaired where there is doubt as to whether the full amounts due, including interest and other payments due, will be achieved in a timely manner.
Individual provisions	Provisions made against individual facilities where there is objective evidence of impairment and full recovery of principal and interest is considered doubtful. These provisions are as reported in the Group's Financial Statements in accordance with the Australian Accounting Standards (AASB 9 *Financial Instruments*). Also known as individually assessed provisions or IAP.
Interest Rate Risk in the Banking Book (IRRBB)	Interest Rate Risk in the Banking Book is the risk that the Bank's profit derived from Net Interest Income (interest earned less interest paid), in current and future periods, is adversely impacted 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 Net Interest Income earned over 12 months. This calculation is driven by APRA regulations with further detail outlined in the Group's Basel III Pillar 3 report.
Level 1	The Parent Bank (Commonwealth Bank of Australia) and offshore branches (the Bank) and APRA approved Extended Licensed Entities.

Appendices (continued)

11.8 Glossary (continued)

Term	Definition
Level 2	The level at which the Group reports its capital adequacy to APRA, being the Consolidated Banking Group comprising the ADI and all of its subsidiary entities other than the insurance business and certain entities through which securitisation of Group assets is conducted. This is the basis on which this report has been produced.
Level 3	The conglomerate group including the Group's insurance business (the Group).
Leverage Ratio	Tier 1 Capital divided by total exposures, with this ratio expressed as a percentage.
Liquidity Coverage Ratio (LCR)	The LCR is a quantitative liquidity measure that is part of the Basel III reforms. It was implemented by APRA in Australia on 1 January 2015. It requires Australian ADIs to hold sufficient liquid assets to meet 30 day net cash outflows projected under an APRA-prescribed stress scenario.
Loss Given Default (LGD)	An estimate of the expected severity of loss for a credit exposure following a default event. LGD represents the fraction of EAD that is not expected to be recovered following default.
Net Cash Outflows (NCO)	Net cash outflows in the LCR are calculated by applying prescribed run-off factors on liabilities and various off Balance Sheet exposures that can generate a cash outflow in the next 30 days.
Net Stable Funding Ratio (NSFR)	The NSFR more closely aligns the behaviour term of assets and liabilities. It is the ratio of the amount of available stable funding (ASF) to the amount of required stable funding (RSF). ASF is the portion of an ADI's capital and liabilities expected to be a reliable source of funds over a one year time horizon. RSF is a function of the liquidity characteristics and residual maturities of an ADI's assets and off Balance Sheet activities.
Other Assets	Basel asset class – primarily includes Cash, Investments in Related Entities, Fixed Assets and Margin Lending.
Other Retail	Basel asset class – primarily includes retail credit exposures not otherwise classed as a residential mortgage, SME retail or a qualifying revolving retail asset.
Past Due	Facilities are past due when a contracted amount, including principal or interest, has not been met when due or it is otherwise outside contracted arrangements.
Probability of Default (PD)	The PD reflects a borrower's ability to generate sufficient cash flows in the future to meet the terms of all of its credit obligations to the Group.
Prudential Capital Ratio (PCR)	The regulatory minimum CET1, Tier 1 and Total Capital ratios that the Group is required to maintain at all times.
Qualifying Revolving Retail (QRR)	Basel asset class – represents revolving exposures to individuals less than $0.1m, unsecured and unconditionally cancellable by the Group. Only Australian retail credit cards qualify for this AIRB asset class.
RBA	Reserve Bank of Australia.
RBNZ	Reserve Bank of New Zealand.
Residential Mortgage	Basel asset class – retail exposures secured by residential mortgage property.
Risk Weighted Assets (RWA)	The value of the Group's on and off Balance Sheet assets are adjusted by risk weights calculated according to various APRA prudential standards.
Scaling Factor	In order to broadly maintain the aggregate level of capital in the global financial system post implementation of Basel II, the Basel Committee on Banking Supervision applies a scaling factor to the RWA amounts for credit risk under the AIRB approach of 1.06.
Securities Financing Transactions (SFT)	APRA defines securities financing transactions as transactions such as repurchase agreements, reverse repurchase agreements, security lending and borrowing, and margin lending transactions, where the value of the transactions depends on the market valuation of securities and the transactions are typically subject to margin agreements.

11.8 Glossary (continued)

Term	Definition
Securitisation	Basel asset class – Group originated securitised exposures and the provision of facilities to customers in relation to securitisation activities.
SME Corporate	Basel asset class – Small and Medium Enterprise (SME) commercial credit risk where annual revenues are less than $50 million and exposures are greater than $1 million.
SME Retail	Basel asset class – Small and Medium Enterprise (SME) exposures up to $1 million that are not secured by residential mortgage property.
SME Retail Secured by Residential Mortgage	Basel asset class – Small and Medium Enterprise (SME) exposures up to $1 million that are partly or fully secured by residential mortgage property.
Sovereign	Basel asset class – primarily includes claims on Australian and foreign governments, central banks (including the RBA), international banking agencies and regional development banks.
Specialised Lending	Basel asset classes subject to the supervisory slotting approach and which include Income Producing Real Estate (IPRE), object finance, project finance and commodity finance.
Specific Provisions	From 1 January 2022 the Group adopted the revised APS 220 *Credit Risk Management* standard which no longer includes requirements in relation to Specific Provisions. The Group continues to disclose Specific Provisions until changes to APS 330 come into effect from 1 January 2023 to retire this disclosure referencing the former APS 220 *Credit Quality* standard's requirements, which required 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 GRCL (which are primarily collective provisions on some defaulted assets).
Standardised Approach	An alternate approach to the assessment of credit, operational and traded market risk whereby an ADI uses external ratings agencies to assist in assessing credit risk and/or the application of specific values provided by regulators to determine RWA.
Stressed Value-at-Risk (SVaR)	Stressed Value-at-Risk uses the same methodology as VaR except that the historical data used is taken from a one year observation period of significant market volatility as seen during the Global Financial Crisis.
Tier 1 Capital	Comprises CET1 and Additional Tier 1 Capital.
Tier 2 Capital	Capital items that fall short of the necessary conditions to qualify as Tier 1 Capital.
Total Capital	Comprises CET1, Additional Tier 1 Capital and Tier 2 Capital.
Total Exposures (as used in the leverage ratio)	The sum of on Balance Sheet items, derivatives, securities financing transactions (SFTs), and off Balance Sheet items, net of any Tier 1 regulatory deductions that are already included in these items, as outlined in APS 110 *Capital Adequacy* (APS 110) Attachment D.
Trading Book	Exposures, including derivative products and other off Balance Sheet instruments that are held either with a trading intent or to hedge other elements of the trading book.
Value-at-Risk (VaR)	Value-at-Risk is a measure of potential loss using historically observed market volatility and correlation between different markets.