



# ASX announcement

## Updated remediation provision and financial reporting changes

**30 July 2020 (Sydney):** Commonwealth Bank of Australia (CBA) today provides an update on additional customer remediation provisions impacting 2H20 results, changes to financial reporting and FY20 full year financial comparatives (refer to Attachment A for detailed comparative tables).

### 1. Additional customer remediation provisions impacting the 2H20 result

CBA is comprehensively addressing the full range of remediation issues impacting customers of Aligned Advice businesses including Count Financial Limited (Count Financial), Financial Wisdom Limited (Financial Wisdom) and Commonwealth Financial Planning Limited–Pathways (CFP-Pathways). Significant resources have been committed to a comprehensive program of work, to ensure all issues are identified and remediated.

As detailed in the table below, the estimates of provisions for customer remediation payments in relation to ongoing service fees have been revised to reflect the latest information on the ongoing service fee population, and updates to the remediation methodology and estimated refund rate. CBA has therefore recognised in operating expenses additional pre-tax customer remediation provisions of \$300 million across our Aligned Advice businesses for the financial year ended 30 June 2020.

Details of provisions recognised in 2H20	Provisions recognised prior to 2H20	Provisions recognised in 2H20	Total to-date
CBA has reviewed its estimates in relation to ongoing service fee customer remediation and associated program costs. This resulted in a net increase in provisions of \$300m.	534	300	834

The total to-date Aligned Advice remediation provision recognised is \$834 million, which includes \$698 million in customer refunds (including \$280 million of interest) and \$136 million in program costs. The provision assumes an average refund rate of 37% <sup>1</sup> (excluding interest) of the ongoing service fees collected between FY09 and FY19 (61% including interest).

While these additional provisions are estimates that may change, CBA believes it has adequately provided for these issues. CBA will continue to monitor the adequacy of these provisions.

1. An increase/(decrease) in the failure rate by 1% would result in an increase/(decrease) in the provision of approximately \$20 million.



## Financial reporting changes in the 2020 Full Year Profit Announcement

### 2. Presentation of Discontinued Operations

In line with accounting standards, the full year and comparative results of discontinued operations are presented separately as a single line item 'cash net profit after tax from discontinued operations' for both Group and divisional results. Assets and liabilities of discontinued operations are presented separately as held for sale on the Balance Sheet as at 30 June 2020, however in line with accounting standards, prior periods remain unadjusted. Group Key Performance Indicators are presented on both a continuing operations and including discontinued operations basis (refer to pages 11 – 12).

**In the Profit Announcement for the half year ended 31 December 2019, Discontinued Operations included:**

Divestment	Status
CBA's Australian life insurance business (Commlnsure Life)	Joint Co-operation Agreement entered November 2019
CBA's New Zealand life insurance business (Sovereign)	Completed July 2018
BoComm Life Insurance Company Limited (BoComm Life)	Expected completion 1H21
PT Commonwealth Life (PTCL) and its subsidiary	Completed June 2020
Colonial First State Global Asset Management (CFSGAM)	Completed August 2019
Commonwealth Bank of South Africa (Holding Company) Limited (TymeDigital)	Completed November 2018

**Additional reclassifications to Discontinued Operations in the half year ended 30 June 2020 include:**

Divestment	Status
Colonial First State (CFS) <sup>1</sup>	Expected completion 2H21

### 3. Changes to financial reporting arising from the simplification of CBA's operating model and revised accounting treatments of certain commodity financing transactions

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

**Previously reported changes in the half year ended 31 December 2019 (impacting FY19)**

As previously reported<sup>2</sup>, a number of changes were made to financial reporting in the prior half. Below is a summary of the changes previously disclosed:

- Following the transfer of the small business banking segment out of Retail Banking Services division to the Business and Private Banking division, in order to consolidate CBA's business banking in 1H19, the Group continued to enhance the classification of business banking portfolios resulting in some customers being transferred from Retail Banking Services to Business and Private Banking, and Institutional Banking and Markets; and
- Other re-segmentations and allocations, including refinements to the allocation of support unit and other costs.

**Additional financial reporting changes in the half year ended 30 June 2020 (impacting FY19 and 1H20)**

In line with CBA's continued commitment to becoming a simpler, better bank, changes to CBA's operating model have been made during the current half. These changes have not impacted CBA's cash net profit after tax (NPAT), but result in changes to the presentation of the Divisional Income Statements and Balance Sheets of the affected divisions (refer to pages 6 – 8). The key changes are:

- Aligned Advice related businesses (including Count Financial, Financial Wisdom and CFP-Pathways) were transferred out of the Wealth Management division and consolidated within the Retail Banking Services division; and
- Other re-segmentations and allocations, including refinements to the allocation of support unit and other costs.

In addition, during the financial year ended 30 June 2020, the Group amended its accounting policy in respect of certain commodity financing transactions, which are not clearly captured within the scope of any accounting standard. The Group reclassified a portfolio of physical commodities, previously accounted for as inventories under AASB 102 *Inventories*, to loans designated at fair value through profit or loss under AASB 9.

1. ASX Announcement, *CBA announces agreement to sell 55% stake in Colonial First State to KKR*, 13 May 2020 (<https://www.asx.com.au/asxpdf/20200513/pdf/44hshcc1wb7166.pdf>).
2. ASX Announcement, *Bushfire insurance claims update, and 1H20 financial reporting and comparatives*, 31 January 2020 (<https://www.asx.com.au/asxpdf/20200131/pdf/44dvn1lmwkl9y7.pdf>).

<sup>2</sup> Commonwealth Bank of Australia | Media Release 145/2020 | ACN 123 123 124  
Ground Floor Tower 1, 201 Sussex Street, Sydney NSW 2000



The change has been applied retrospectively and impacted the prior year financial statements of both the Group and the Bank, as follows:

- An increase in Interest income, and a corresponding decrease in Other banking income, for the full year ended 30 June 2019 of \$121 million (half year ended 31 December 2019 of \$61 million);
- An increase in Commodities financing and other lending, and a corresponding decrease in Commodities, presented within Assets at fair value through income statement, as at 31 December 2019 of \$8,036 million (30 June 2019 of \$6,854 million);
- An increase in Average interest earning assets for the full year ended 30 June 2019 of \$7,244 million (half year ended 31 December 2019 of \$7,286 million); and
- A decrease in the Group's Net interest margin for the full year ended 30 June 2019 of 1 basis point (half year ended 31 December 2019 of nil).

A summary of the impacts of financial reporting changes on financial comparatives, and restated financial comparatives is included in Attachment A.

#### 4. Full year results announcement

Commonwealth Bank of Australia (CBA) is scheduled to announce its full year results on 12 August 2020. A results briefing will be hosted by the Chief Executive Officer, Matt Comyn, and Chief Financial Officer, Alan Docherty, at 11:00am (Australian Eastern Standard Time) on 12 August 2020. This briefing will be available via webcast on the Commonwealth Bank Investor Centre ([www.commbank.com.au/about-us/investors/results](http://www.commbank.com.au/about-us/investors/results)).

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The release of this announcement was authorised by the Continuous Disclosure Committee.



## Impact of financial reporting changes announced on 31 January 2020 on the Prior Full Year period (FY19)

### Divisional cash NPAT from continuing operations

The impact of the following changes is presented below:

- Business banking portfolio transfers
- Other re-segmentation and allocations

	Full Year Ended 30 June 2019							
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Management	New Zealand	International Financial Services	Other	Group
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Cash NPAT (continuing operations) - as published	4,267	2,658	1,071	160	1,050	227	(941)	8,492
<b>Restatements:</b>								
Business banking portfolio transfer	(286)	270	16	-	-	-	-	-
Other re-segmentation and allocations	(37)	3	30	4	9	23	(32)	-
<b>Total restatements</b>	<b>(323)</b>	<b>273</b>	<b>46</b>	<b>4</b>	<b>9</b>	<b>23</b>	<b>(32)</b>	<b>-</b>
<b>Cash NPAT (continuing operations) - as restated</b>	<b>3,944</b>	<b>2,931</b>	<b>1,117</b>	<b>164</b>	<b>1,059</b>	<b>250</b>	<b>(973)</b>	<b>8,492</b>

### Divisional cash NPAT from continuing operations by Income Statement line items

The impact of the following changes is presented below:

- Business banking portfolio transfers
- Other re-segmentation and allocations

	Full Year Ended 30 June 2019							
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Management	New Zealand	International Financial Services	Other	Group
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Cash NPAT (continuing operations) - as published	4,267	2,658	1,071	160	1,050	227	(941)	8,492
<b>Restatements:</b>								
Increase/(decrease) in Income	(660)	606	36	-	13	33	(28)	-
Increase/(decrease) in Investment experience (before tax)	5	-	-	7	-	-	(12)	-
(Increase)/decrease in Operating expenses	170	(195)	29	(4)	-	1	(1)	-
(Increase)/decrease in Loan impairment expense	21	(22)	-	-	-	-	1	-
(Increase)/decrease in Corporate tax expense	141	(116)	(19)	1	(4)	(11)	8	-
<b>Total restatements</b>	<b>(323)</b>	<b>273</b>	<b>46</b>	<b>4</b>	<b>9</b>	<b>23</b>	<b>(32)</b>	<b>-</b>
<b>Cash NPAT (continuing operations) - as restated</b>	<b>3,944</b>	<b>2,931</b>	<b>1,117</b>	<b>164</b>	<b>1,059</b>	<b>250</b>	<b>(973)</b>	<b>8,492</b>



## Impact of financial reporting changes announced on 31 January 2020 on the Prior Full Year period (continued)

### Divisional Balance Sheet

The impact of the following changes is presented below:

- Business banking portfolio transfers
- Other re-segmentation and allocations

	As at 30 June 2019							Group \$M
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Management	New Zealand	International Financial Services		
	\$M	\$M	\$M	\$M	\$M	\$M		
Total Assets - as published	412,608	174,852	148,197	21,093	94,320	125,432	<b>976,502</b>	
<b>Restatements:</b>								
Business banking portfolio transfer	(22,030)	22,030	-	-	-	-	-	
Other re-segmentation and allocations	5	165	(170)	-	-	-	-	
<b>Total restatements</b>	<b>(22,025)</b>	<b>22,195</b>	<b>(170)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total Assets - as restated</b>	<b>390,583</b>	<b>197,047</b>	<b>148,027</b>	<b>21,093</b>	<b>94,320</b>	<b>125,432</b>	<b>976,502</b>	
Total Liabilities - as published	273,603	140,541	150,209	25,297	88,466	228,737	<b>906,853</b>	
<b>Restatements:</b>								
Business banking portfolio transfer	(26,886)	18,645	8,241	-	-	-	-	
Other re-segmentation and allocations	954	(129)	129	(955)	-	1	-	
<b>Total restatements</b>	<b>(25,932)</b>	<b>18,516</b>	<b>8,370</b>	<b>(955)</b>	<b>-</b>	<b>1</b>	<b>-</b>	
<b>Total Liabilities - as restated</b>	<b>247,671</b>	<b>159,057</b>	<b>158,579</b>	<b>24,342</b>	<b>88,466</b>	<b>228,738</b>	<b>906,853</b>	

### Divisional Cost to Income Ratios from continuing operations

The impact of the following changes is presented below:

- Business banking portfolio transfers
- Other re-segmentation and allocations

	Full Year Ended 30 June 2019						
	Retail Banking Services <sup>1</sup>	Business and Private Banking	Institutional Banking and Markets	Wealth Management	New Zealand (in NZD)	International Financial Services	Group
	%	%	%	%	%	%	
Operating expenses to total operating income (continuing operations) (%) - as published	38.4	36.6	42.7	74.8	36.8	35.6	<b>46.2</b>
Operating expenses to total operating income (continuing operations) (%) - as restated	39.2	36.3	40.9	75.3	36.6	32.8	<b>46.2</b>

1. Excludes Mortgage Broking and General Insurance.



## Impact of Current Half Financial Reporting changes on the Prior Periods (FY19 and 1H20)

### Divisional cash NPAT from continuing operations

The impact of the following changes is presented below:

- Reclassification of CFS to Discontinued Operations
- Aligned Advice transfer from Wealth Management to Retail Banking Services
- Other re-segmentation and allocations

	Full Year Ended 30 June 2019							
	Retail Banking Services \$M	Business and Private Banking \$M	Institutional Banking and Markets \$M	Wealth Management \$M	New Zealand \$M	International Financial Services \$M	Other \$M	Group \$M
Cash NPAT (continuing operations) - as restated in the prior half	3,944	2,931	1,117	164	1,059	250	(973)	8,492
<b>Restatements in the current half:</b>								
CFS (discontinued operations)	-	-	-	(275)	-	-	4	(271)
Aligned Advice transfer	(44)	-	-	44	-	-	-	-
Other re-segmentation and allocations	7	-	-	67	-	-	(74)	-
<b>Total restatements</b>	<b>(37)</b>	<b>-</b>	<b>-</b>	<b>(164)</b>	<b>-</b>	<b>-</b>	<b>(70)</b>	<b>(271)</b>
<b>Cash NPAT (continuing operations) - as restated</b>	<b>3,907</b>	<b>2,931</b>	<b>1,117</b>	<b>-</b>	<b>1,059</b>	<b>250</b>	<b>(1,043)</b>	<b>8,221</b>

	Half Year Ended 31 December 2019							
	Retail Banking Services \$M	Business and Private Banking \$M	Institutional Banking and Markets \$M	Wealth Management \$M	New Zealand \$M	International Financial Services \$M	Other \$M	Group \$M
Cash NPAT (continuing operations) - as published	2,167	1,498	476	127	524	100	(415)	4,477
<b>Restatements in the current half:</b>								
CFS (discontinued operations)	-	-	-	(121)	-	-	-	(121)
Aligned Advice transfer	(1)	-	-	1	-	-	-	-
Other re-segmentation and allocations	2	-	-	(7)	-	-	5	-
<b>Total restatements</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>(127)</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>(121)</b>
<b>Cash NPAT (continuing operations) - as restated</b>	<b>2,168</b>	<b>1,498</b>	<b>476</b>	<b>-</b>	<b>524</b>	<b>100</b>	<b>(410)</b>	<b>4,356</b>



## Impact of Current Half Financial Reporting changes on the Prior Periods (continued)

### Divisional cash NPAT from continuing operations by Income Statement line items

The impact of the following changes is presented below:

- Reclassification of CFS to Discontinued Operations
- Aligned Advice transfer from Wealth Management to Retail Banking Services
- Other re-segmentation and allocations

	Full Year Ended 30 June 2019							
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Management	New Zealand	International Financial Services	Other	Group
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Cash NPAT (continuing operations) - as restated in the prior half	3,944	2,931	1,117	164	1,059	250	(973)	8,492
<b>Restatements in the current half:</b>								
Increase/(decrease) in Income	43	-	-	(862)	-	-	(11)	(830)
Increase/(decrease) in Investment experience (before tax)	6	-	-	(24)	-	-	16	(2)
(Increase)/decrease in Operating expenses	(99)	-	-	649	-	-	(105)	445
(Increase)/decrease in Loan impairment expense	-	-	-	-	-	-	-	-
(Increase)/decrease in Corporate tax expense	13	-	-	73	-	-	30	116
<b>Total restatements</b>	<b>(37)</b>	<b>-</b>	<b>-</b>	<b>(164)</b>	<b>-</b>	<b>-</b>	<b>(70)</b>	<b>(271)</b>
<b>Cash NPAT (continuing operations) - as restated</b>	<b>3,907</b>	<b>2,931</b>	<b>1,117</b>	<b>-</b>	<b>1,059</b>	<b>250</b>	<b>(1,043)</b>	<b>8,221</b>

	Half Year Ended 31 December 2019							
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Management	New Zealand	International Financial Services	Other	Group
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Cash NPAT (continuing operations) - as published	2,167	1,498	476	127	524	100	(415)	4,477
<b>Restatements in the current half:</b>								
Increase/(decrease) in Income	33	-	-	(422)	-	-	(4)	(393)
Increase/(decrease) in Investment experience (before tax)	3	-	-	(13)	-	-	7	(3)
(Increase)/decrease in Operating expenses	(34)	-	-	254	-	-	3	223
(Increase)/decrease in Loan impairment expense	-	-	-	-	-	-	-	-
(Increase)/decrease in Corporate tax expense	(1)	-	-	54	-	-	(1)	52
<b>Total restatements</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>(127)</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>(121)</b>
<b>Cash NPAT (continuing operations) - as restated</b>	<b>2,168</b>	<b>1,498</b>	<b>476</b>	<b>-</b>	<b>524</b>	<b>100</b>	<b>(410)</b>	<b>4,356</b>



## Impact of Current Half Financial Reporting changes on the Prior Periods (continued)

### Divisional Balance Sheet

The impact of the following changes is presented below:

- Aligned Advice transfer from Wealth Management to Retail Banking Services
- Other re-segmentation and allocations

	As at 30 June 2019						
	Retail Banking Services \$M	Business and Private Banking \$M	Institutional Banking and Markets \$M	Wealth Management \$M	New Zealand \$M	IFS & Other \$M	Group \$M
Total Assets - as restated in the prior half	390,583	197,047	148,027	21,093	94,320	125,432	976,502
<b>Restatements in the current half:</b>							
Aligned Advice	433	-	-	(433)	-	-	-
Other re-segmentation and allocations	(40)	-	-	(91)	-	131	-
<b>Total restatements</b>	393	-	-	(524)	-	131	-
<b>Total Assets - as restated</b>	<b>390,976</b>	<b>197,047</b>	<b>148,027</b>	<b>20,569</b>	<b>94,320</b>	<b>125,563</b>	<b>976,502</b>
Total Liabilities - as restated in the prior half	247,671	159,057	158,579	24,342	88,466	228,738	906,853
<b>Restatements in the current half:</b>							
Aligned Advice	256	-	-	(256)	-	-	-
Other re-segmentation and allocations	(8)	-	-	(518)	-	526	-
<b>Total restatements</b>	248	-	-	(774)	-	526	-
<b>Total Liabilities - as restated</b>	<b>247,919</b>	<b>159,057</b>	<b>158,579</b>	<b>23,568</b>	<b>88,466</b>	<b>229,264</b>	<b>906,853</b>





## Impact of Current Half Financial Reporting changes on the Prior Periods (continued)

### Divisional Cost to Income Ratios from continuing operations

The impact of the following changes is presented below:

- Reclassification of CFS to Discontinued Operations
- Aligned Advice transfer from Wealth Management to Retail Banking Services
- Other re-segmentation and allocations

Full Year Ended 30 June 2019							
	Retail Banking Services <sup>1</sup> %	Business and Private Banking %	Institutional Banking and Markets %	Wealth Management %	New Zealand (in NZD) %	International Financial Services %	Group %
Operating expenses to total operating income (continuing operations) (%) - as restated in the prior half	39.2	36.3	40.9	75.3	36.6	32.8	46.2
Operating expenses to total operating income (continuing operations) (%) - as restated	40.0	36.3	40.9	n/a	36.6	32.8	45.9

Half Year Ended 31 December 2019							
	Retail Banking Services <sup>1</sup> %	Business and Private Banking %	Institutional Banking and Markets %	Wealth Management %	New Zealand (in NZD) %	International Financial Services %	Group %
Operating expenses to total operating income (continuing operations) (%) - as published	37.9	35.1	40.8	60.2	37.7	36.2	43.7
Operating expenses to total operating income (continuing operations) (%) - as restated	38.3	35.1	40.8	n/a	37.7	36.2	43.3

1. Excludes Mortgage Broking and General Insurance.



## Updated Financial Comparative Tables for the 2020 Full Year Profit Announcement Group Performance Summary

	Full Year Ended ("cash basis")		Half Year Ended ("cash basis")	
	30 Jun 20 \$M	30 Jun 19 \$M	30 Jun 20 \$M	31 Dec 19 \$M
Net interest income	-	18,224	-	9,350
Other banking income	-	4,951	-	2,543
Total banking income	-	23,175	-	11,893
Funds management income	-	255	-	99
Insurance income	-	147	-	31
Total operating income	-	23,577	-	12,023
Investment experience	-	2	-	-
Total income	-	23,579	-	12,023
Operating expenses	-	(10,824)	-	(5,206)
Loan impairment expense	-	(1,201)	-	(649)
Net profit before tax	-	11,554	-	6,168
Corporate tax expense	-	(3,321)	-	(1,812)
Non-controlling interests	-	(12)	-	-
<b>Net profit after tax from continuing operations</b>	-	8,221	-	4,356
Net profit after tax from discontinued operations	-	485	-	138
<b>Net profit after tax</b>	-	8,706	-	4,494
Gain/(Loss) on acquisition, disposal, closure and demerger of businesses	-	(61)	-	1,631
Hedging and IFRS volatility	-	(79)	-	36
Other non-cash items	-	5	-	-
<b>Net profit after tax ("statutory basis")</b>	-	8,571	-	6,161
<b>Cash net profit after tax, by division</b>				
Retail Banking Services (excl. Mortgage Broking and General Insurance)	-	3,875	-	2,167
Mortgage Broking and General Insurance	-	32	-	1
Retail Banking Services	-	3,907	-	2,168
Business and Private Banking	-	2,931	-	1,498
Institutional Banking and Markets	-	1,117	-	476
New Zealand	-	1,059	-	524
International Financial Services	-	250	-	100
Corporate Centre	-	(1,043)	-	(410)
<b>Net profit after tax from continuing operations ("cash basis")</b>	-	8,221	-	4,356



## Key Performance Indicators

Key Performance Indicators <sup>1</sup>	Full Year Ended		Half Year Ended	
	30 Jun 20	30 Jun 19	30 Jun 20	31 Dec 19
<b>Group Performance from continuing operations</b>				
Statutory net profit after tax (\$M)	-	8,089	-	4,452
Cash net profit after tax (\$M)	-	8,221	-	4,356
Net interest margin (%)	-	2.09	-	2.11
Operating expenses to total operating income (%)	-	45.9	-	43.3
Spot number of full-time equivalent staff (FTE)	-	41,458	-	40,519
Average Number of FTE	-	41,371	-	40,879
Effective corporate tax rate (%)	-	28.7	-	29.4
Profit after capital charge (PACC) (\$M) <sup>2</sup>	-	4,074	-	2,250
Average interest earning assets (\$M) <sup>3</sup>	-	871,418	-	881,850
Average interest bearing liabilities (\$M) <sup>3</sup>	-	761,115	-	763,025
Funds Under Administration (FUA) - average (\$M) <sup>4</sup>	-	14,205	-	15,332
Assets Under Management (AUM) - average (\$M)	-	14,544	-	16,730
<b>Group Performance including discontinued operations</b>				
Statutory net profit after tax (\$M)	-	8,571	-	6,161
Cash net profit after tax (\$M)	-	8,706	-	4,494
Net interest margin (%)	-	2.10	-	2.11
Operating expenses to total operating income (%)	-	47.8	-	44.4
Spot number of full-time equivalent staff (FTE)	-	45,165	-	42,548
Average Number of FTE	-	45,250	-	43,760
Effective corporate tax rate (%)	-	28.7	-	29.3
Profit after capital charge (PACC) (\$M) <sup>2</sup>	-	4,333	-	2,319
Average interest earning assets (\$M) <sup>3</sup>	-	871,901	-	882,241
Average interest bearing liabilities (\$M) <sup>3</sup>	-	762,144	-	763,253
Funds Under Administration (FUA) - average (\$M) <sup>5</sup>	-	173,354	-	184,047
Assets Under Management (AUM) - average (\$M) <sup>6</sup>	-	222,646	-	235,547
Average inforce premiums (\$M) <sup>7</sup>	-	2,365	-	2,130

1. Presented on a "cash basis" unless stated otherwise.
2. The Bank uses PACC as a key measure of risk-adjusted profitability. It takes into account the profit achieved, the risk to capital that was taken to achieve it, and other adjustments.
3. Average interest earning assets are net of average mortgage offset balances. Average interest bearing liabilities exclude average mortgage offset balances.
4. Average FUA (continuing operations) has been calculated using the average for the period the Group owned Aegis up until 2 December 2019.
5. Average FUA (including discontinued operations) has been calculated using the average for the period the Group operated CommInsure Life up until 1 November 2019 and the Group owned Aegis up until 2 December 2019.
6. Average AUM has been calculated using the average for the period the Group owned CFSGAM up until 2 August 2019.
7. Average inforce premiums has been calculated using the average for the period the Group operated CommInsure Life up until 1 November 2019.

# Attachment A



## Key Performance Indicators

	Full Year Ended		Half Year Ended	
	30 Jun 20	30 Jun 19	30 Jun 20	31 Dec 19
<b>Shareholder Returns from continuing operations</b>				
Earnings Per Share (EPS) (cents)				
Statutory basis - basic	-	458.3	-	251.7
Cash basis - basic	-	465.5	-	246.2
Return on equity (ROE) (%)				
Statutory basis	-	11.9	-	12.6
Cash basis	-	12.1	-	12.3
<b>Shareholder Returns including discontinued operations</b>				
Earnings Per Share (EPS) (cents)				
Statutory basis - basic	-	485.6	-	348.4
Cash basis - basic	-	493.0	-	254.0
Return on equity (ROE) (%)				
Statutory basis	-	12.6	-	17.4
Cash basis	-	12.8	-	12.7
Dividends per share - fully franked (cents)	-	431	-	200
Dividend cover - "cash basis" (times)	-	1.1	-	1.3
Dividend payout ratio (%)				
Statutory basis	-	89.0	-	57.5
Cash basis	-	87.6	-	78.8
<b>Capital including discontinued operations</b>				
Common Equity Tier 1 (Internationally Comparable) (%) <sup>1</sup>	-	16.2	-	17.5
Common Equity Tier 1 (APRA) (%)	-	10.7	-	11.7
Risk weighted assets (RWA) (\$M) - Basel III	-	452,762	-	449,154
<b>Leverage Ratio including discontinued operations</b>				
Leverage Ratio (Internationally Comparable) (%) <sup>1</sup>	-	6.5	-	7.0
Leverage Ratio (APRA) (%)	-	5.6	-	6.1
<b>Funding and Liquidity Metrics including discontinued operations</b>				
Liquidity Coverage Ratio (%) <sup>2</sup>	-	132	-	134
Weighted Average Maturity of Long Term Debt (years)	-	5.1	-	5.4
Customer Deposit Funding Ratio (%)	-	69	-	71
Net Stable Funding Ratio (%)	-	112	-	114
<b>Credit Quality Metrics including discontinued operations</b>				
Loan impairment expense ("cash basis") annualised as a % of average GLAAs	-	0.16	-	0.17
Gross impaired assets as a % of GLAAs	-	0.48	-	0.44
Credit risk weighted assets (RWA) (\$M)	-	372,574	-	375,217

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

# Attachment A



## Key Performance Indicators

	Full Year Ended		Half Year Ended	
	30 Jun 20	30 Jun 19	30 Jun 20	31 Dec 19
<b>Retail Banking Services</b> <sup>1</sup>				
Cash net profit after tax (\$M)	-	3,875	-	2,167
Net interest margin (%)	-	2.55	-	2.65
Average interest earning assets (\$M) <sup>2</sup>	-	342,713	-	353,568
Operating expenses to total operating income (%) <sup>3</sup>	-	40.0	-	38.3
Risk Weighted assets (\$M) <sup>4</sup>	-	166,908	-	166,074
<b>Business and Private Banking</b>				
Cash net profit after tax (\$M)	-	2,931	-	1,498
Net interest margin (%)	-	3.10	-	3.14
Average interest earning assets (\$M) <sup>2</sup>	-	182,400	-	183,023
Operating expenses to total banking income (%) <sup>3</sup>	-	36.3	-	35.1
Risk Weighted assets (\$M)	-	138,753	-	139,471
<b>Institutional Banking and Markets</b>				
Cash net profit after tax (\$M)	-	1,117	-	476
Net interest margin (%)	-	1.11	-	1.00
Average interest earning assets (\$M)	-	137,670	-	136,304
Operating expenses to total banking income (%) <sup>3</sup>	-	40.9	-	40.8
Risk Weighted assets (\$M)	-	85,951	-	86,112
<b>New Zealand</b>				
Cash net profit after tax (\$M)	-	1,059	-	524
Risk Weighted assets - APRA basis (\$M) <sup>5</sup>	-	51,186	-	52,420
Net interest margin (ASB) (%) <sup>6</sup>	-	2.23	-	2.13
Average interest earning assets (ASB) (NZ\$M) <sup>6</sup>	-	95,315	-	98,839
Operating expenses to total operating income (ASB) (%) <sup>3,6</sup>	-	35.4	-	36.7
FUA - average (ASB) (NZ\$M) <sup>6,7</sup>	-	15,146	-	16,273
AUM - average (ASB) (NZ\$M) <sup>6</sup>	-	15,501	-	17,706
<b>Wealth Management</b> <sup>8</sup>				
Cash net profit after tax (\$M)	-	528	-	127
Operating expenses to total operating income (%) <sup>3</sup>	-	68.9	-	70.9
FUA - average (\$M)	-	159,149	-	168,715

1. Excludes Mortgage Broking and General Insurance.
2. Net of average mortgage offset balances.
3. Presented on a "cash basis".
4. Includes Mortgage Broking and General Insurance.
5. Risk weighted assets represent ASB only and are calculated in accordance with APRA requirements.
6. Key financial metrics represent ASB only and are calculated in New Zealand dollar terms.
7. Average FUA has been calculated using the average for the period the Group owned Aegis up until 2 December 2019.
8. Presented as discontinued operations.

# Attachment A



## Retail Banking Services

	Full Year Ended		Half Year Ended	
	Retail Banking (excl. Mortgage Broking and General Insurance)		Retail Banking (excl. Mortgage Broking and General Insurance)	
	30 Jun 20	30 Jun 19	30 Jun 20	31 Dec 19
	\$ M	\$ M	\$ M	\$ M
Net interest income	-	8,754	-	4,706
Other banking income	-	1,450	-	681
<b>Total banking income</b>	-	10,204	-	5,387
Funds management income	-	139	-	51
Insurance income	-	-	-	-
<b>Total operating income</b>	-	10,343	-	5,438
Operating expenses	-	(4,139)	-	(2,084)
Loan impairment expense	-	(672)	-	(264)
<b>Net profit before tax</b>	-	5,532	-	3,090
Corporate tax expense	-	(1,668)	-	(928)
<b>Underlying net profit after tax</b>	-	3,864	-	2,162
Investment experience after tax	-	11	-	5
<b>Cash net profit after tax</b>	-	3,875	-	2,167
Cash net profit after tax from Mortgage Broking and General Insurance	-	32	-	1
<b>Total Cash net profit after tax</b>	-	3,907	-	2,168

# Attachment A



## Retail Banking Services

Income analysis	Full Year Ended		Half Year Ended	
	Retail Banking (excl. Mortgage Broking and General Insurance)		Retail Banking (excl. Mortgage Broking and General Insurance)	
	30 Jun 20	30 Jun 19	30 Jun 20	31 Dec 19
	\$ M	\$ M	\$ M	\$ M
<b>Net interest income</b>				
Home loans	–	4,235	–	2,664
Consumer finance & other <sup>1</sup>	–	1,635	–	820
Deposits	–	2,884	–	1,222
<b>Total net interest income</b>		8,754		4,706
<b>Other banking income</b>				
Home loans	–	261	–	127
Consumer finance <sup>2</sup>	–	505	–	255
Deposits	–	427	–	192
Distribution & other <sup>3</sup>	–	257	–	107
<b>Total other banking income</b>	–	1,450	–	681
<b>Total banking income</b>	–	10,204	–	5,387

1. Consumer finance and other includes personal loans, credit cards and business lending.
2. Consumer finance includes personal loans and credit cards.
3. Distribution includes income associated with the sale of foreign exchange products and wealth products. Other includes asset finance, merchants and business lending.

# Attachment A



## Retail Banking Services

	As at		
	30 Jun 20	31Dec 19	30 Jun 19
Balance Sheet (excl. Mortgage Broking and General Insurance)	\$ M	\$M	\$M
Home loans <sup>1</sup>	-	380,466	369,236
Consumer finance & other <sup>2</sup>	-	14,103	14,780
Other interest earning assets	-	828	494
<b>Total interest earning assets</b>	<b>-</b>	<b>395,397</b>	<b>384,510</b>
Other assets	-	4,003	4,498
<b>Total assets</b>	<b>-</b>	<b>399,400</b>	<b>389,008</b>
Transaction deposits <sup>3</sup>	-	34,988	32,252
Savings deposits <sup>3</sup>	-	112,893	106,957
Investment deposits & other	-	75,375	79,594
<b>Total interest bearing deposits</b>	<b>-</b>	<b>223,256</b>	<b>218,803</b>
Non-interest bearing transaction deposits	-	28,109	23,940
Other non-interest bearing liabilities	-	3,378	4,163
<b>Total liabilities</b>	<b>-</b>	<b>254,743</b>	<b>246,906</b>

Key Financial Metrics (excl. Mortgage Broking and General Insurance)	Full Year Ended		Half Year Ended	
	30 Jun 20	30 Jun 19	30 Jun 20	31Dec 19
<b>Performance indicators</b>				
Net interest margin (%)	-	2.55	-	2.65
Return on assets (%)	-	1.0	-	1.1
Operating expenses to total operating income (%)	-	40.0	-	38.3
Impairment expense annualised as a % of average GLAAs (%)	-	0.17	-	0.13
<b>Other information</b>				
Average interest earning assets (\$M) <sup>4</sup>	-	342,713	-	353,568
Risk weighted assets (\$M) <sup>5</sup>	-	166,908	-	166,074
90+ days home loan arrears (%)	-	0.73	-	0.65
90+ days consumer finance arrears (%)	-	1.29	-	1.05
Number of full-time equivalent staff (FTE)	-	14,447	-	13,783

- Home loans are presented gross of mortgage offset balances (31 December 2019: \$37,240 million; 30 June 2019: \$34,455 million). These balances are required to be grossed up under accounting standards but are netted down for the calculation of customer interest payments.
- Consumer finance and other includes personal loans and credit cards.
- Transaction and Savings deposits includes mortgage offset balances (31 December 2019: \$37,240 million; 30 June 2019: \$34,455 million).
- Average interest earning assets are presented net of mortgage offset balances, which reduce customer interest payments. Net average interest earning assets are also used in the calculation of divisional net interest margin.
- Includes Mortgage Broking and General Insurance.



# Attachment A



## Business and Private Banking

	Full Year Ended		Half Year Ended	
	30 Jun 20 \$ M	30 Jun 19 \$M	30 Jun 20 \$ M	31Dec 19 \$M
Net interest income	-	5,655	-	2,891
Other banking income	-	1,524	-	779
<b>Total banking income</b>	-	7,179	-	3,670
Operating expenses	-	(2,604)	-	(1,289)
Loan impairment expense	-	(384)	-	(239)
Net profit before tax	-	4,191	-	2,142
Corporate tax expense	-	(1,260)	-	(644)
<b>Cash net profit after tax</b>	-	2,931	-	1,498
<b>Income analysis</b>				
<b>Net interest income</b>				
Small Business Banking	-	2,388	-	1,221
Business and Corporate Banking	-	1,959	-	989
Regional and Agribusiness	-	788	-	420
Private Bank	-	330	-	161
CommSec	-	190	-	100
<b>Total net interest income</b>	-	5,655	-	2,891
<b>Other banking income</b>				
Small Business Banking	-	493	-	256
Business and Corporate Banking	-	577	-	292
Regional and Agribusiness	-	146	-	69
Private Bank	-	60	-	29
CommSec	-	248	-	133
<b>Total other banking income</b>	-	1,524	-	779
<b>Total banking income</b>	-	7,179	-	3,670
<b>Income by product</b>				
Business products	-	4,318	-	2,169
Retail products	-	2,468	-	1,294
Equities and Margin Lending	-	337	-	178
Other	-	56	-	29
<b>Total banking income</b>	-	7,179	-	3,670

# Attachment A



## Business and Private Banking

	As at		
	30 Jun 20	31 Dec 19	30 Jun 19
	\$ M	\$ M	\$ M
<b>Balance Sheet</b>			
Home loans <sup>1</sup>	–	97,646	98,568
Business loans <sup>2</sup>	–	91,086	91,641
Margin loans	–	2,492	2,559
Consumer finance	–	2,514	2,600
<b>Total interest earning assets</b>	–	193,738	195,368
Non-lending interest earning assets	–	62	92
Other assets	–	1,295	1,587
<b>Total assets</b>	–	195,095	197,047
Transaction deposits <sup>2, 3</sup>	–	33,557	30,676
Savings deposits <sup>3</sup>	–	58,073	55,033
Investment deposits and other	–	43,679	47,847
<b>Total interest bearing deposits</b>	–	135,309	133,556
Debt Issues and Other	–	30	32
Non-interest bearing transaction deposits	–	27,008	23,867
Other non-interest bearing liabilities	–	1,254	1,602
<b>Total liabilities</b>	–	163,601	159,057

	Full Year Ended		Half Year Ended	
	30 Jun 20	30 Jun 19	30 Jun 20	31 Dec 19
<b>Key Financial Metrics</b>				
<b>Performance indicators</b>				
Net interest margin (%)	–	3.10	–	3.14
Return on assets (%)	–	1.5	–	1.5
Operating expenses to total banking income (%)	–	36.3	–	35.1
Impairment expense annualised as a % of average GLAAs (%)	–	0.20	–	0.24
<b>Other information</b>				
Average interest earning assets (\$M) <sup>4</sup>	–	182,400	–	183,023
Risk weighted assets (\$M)	–	138,753	–	139,471
Troublesome and impaired assets (\$M) <sup>5</sup>	–	4,273	–	4,398
Number of full-time equivalent staff (FTE)	–	4,566	–	4,419

- Home loans are presented gross of mortgage offset balances (31 December 2019: \$11,766 million; 30 June 2019: \$10,623 million). These balances are required to be grossed up under accounting standards, but are netted down for the calculation of customer interest payments.
- Business loans include Cash Management Pooling Facilities (CMPF) (31 December 2019: \$365 million; 30 June 2019: \$339 million). Transaction Deposits include CMPF liabilities (31 December 2019: \$835 million; 30 June 2019: \$947 million). These balances are required to be grossed up under accounting standards, but are netted down for the calculation of customer interest payments and risk weighted assets.
- Transaction and Savings deposits includes mortgage offset balances (31 December 2019: \$11,766 million; 30 June 2019: \$10,623 million).
- Average interest earning assets are presented net of mortgage offset balances, which reduce customer interest payments. Net average interest earning assets are also used in the calculation of divisional net interest margin.
- Commercial troublesome and impaired assets only. Includes commercial and leasing products.

# Attachment A



## Institutional Banking and Markets

	Full Year Ended		Half Year Ended	
	30 Jun 20	30 Jun 19	30 Jun 20	31 Dec 19
	\$ M	\$ M	\$ M	\$ M
Net interest income	-	1,533	-	685
Other banking income	-	947	-	525
<b>Total banking income</b>	-	2,480	-	1,210
Operating expenses	-	(1,014)	-	(494)
Loan impairment expense	-	(17)	-	(65)
Net profit before tax	-	1,449	-	651
Corporate tax expense	-	(332)	-	(175)
<b>Cash net profit after tax</b>	-	1,117	-	476
<b>Income analysis</b>				
<b>Net interest income</b>				
Institutional Banking	-	1,271	-	592
Markets	-	262	-	93
<b>Total net interest income</b>	-	1,533	-	685
<b>Other banking income</b>				
Institutional Banking	-	506	-	237
Markets	-	441	-	288
<b>Total other banking income</b>	-	947	-	525
<b>Total banking income</b>	-	2,480	-	1,210
<b>Income by product</b>				
Institutional products	-	1,578	-	720
Asset leasing	-	199	-	109
Markets (excluding derivative valuation adjustments)	-	749	-	402
<b>Total banking income excluding derivative valuation adjustments</b>	-	2,526	-	1,231
Derivative valuation adjustments <sup>1</sup>	-	(46)	-	(21)
<b>Total banking income</b>	-	2,480	-	1,210

1. Derivative valuation adjustments include both net interest income and other banking income adjustments.

# Attachment A



## Institutional Banking and Markets

	As at		
	30 Jun 20	31Dec 19	30 Jun 19
Balance Sheet	\$ M	\$M	\$M
Interest earning lending assets <sup>1</sup>	–	93,167	91,859
Non-lending interest earning assets	–	45,727	37,097
Other assets <sup>2</sup>	–	21,240	19,071
<b>Total assets</b>	–	160,134	148,027
Transaction deposits <sup>1</sup>	–	53,445	52,315
Savings deposits	–	7,869	6,581
Investment deposits	–	49,355	42,424
Certificates of deposit and other	–	17,535	16,132
Total interest bearing deposits	–	128,204	117,452
Due to other financial institutions	–	14,673	14,964
Debt issues and other <sup>3</sup>	–	4,180	7,850
Non-interest bearing liabilities <sup>2</sup>	–	17,288	18,313
<b>Total liabilities</b>	–	164,345	158,579

Key Financial Metrics	Full Year Ended		Half Year Ended	
	30 Jun 20	30 Jun 19	30 Jun 20	31Dec 19
<b>Performance indicators</b>				
Net interest margin (%)	–	1.11	–	1.00
Return on assets (%)	–	0.7	–	0.6
Operating expenses to total banking income (%)	–	40.9	–	40.8
Impairment expense annualised as a % of average GLAAs (%)	–	0.02	–	0.14
<b>Other information</b>				
Average interest earning assets (\$M)	–	137,670	–	136,304
Risk weighted assets (\$M)	–	85,951	–	86,112
Troublesome and impaired assets (\$M)	–	748	–	670
Total committed exposures rated investment grade (%)	–	87.2	–	88.3
Number of full-time equivalent staff (FTE)	–	1,157	–	1,120

- Interest earning lending assets include Cash Management Pooling Facilities (CMPF) (31 December 2019: \$23,850 million; 30 June 2019: \$22,822 million). Transaction Deposits include CMPF liabilities (31 December 2019: \$30,862 million; 30 June 2019: \$31,182 million). These balances are required to be grossed up under accounting standards, but are netted down for the calculation of customer interest payments and risk weighted assets.
- Other assets include Intangible assets and Derivative assets. Non-interest bearing liabilities include Derivative liabilities.
- Debt issues and other includes Bank acceptances and Liabilities at fair value.

# Attachment A



## New Zealand

New Zealand (A\$M)	Full Year Ended		Half Year Ended	
	30 Jun 20	30 Jun 19	30 Jun 20	31Dec 19
	A\$M	A\$M	A\$M	A\$M
Net interest income	-	1,909	-	957
Other banking income <sup>1</sup>	-	442	-	199
Total banking income	-	2,351	-	1,156
Funds management income	-	130	-	71
Total operating income	-	2,481	-	1,227
Operating expenses	-	(912)	-	(480)
Loan impairment expense	-	(102)	-	(21)
Net profit before tax	-	1,467	-	726
Corporate tax expense	-	(408)	-	(202)
<b>Cash net profit after tax</b>	-	1,059	-	524

New Zealand (NZ\$M)	Full Year Ended		Half Year Ended	
	30 Jun 20	30 Jun 19	30 Jun 20	31Dec 19
	NZ\$M	NZ\$M	NZ\$M	NZ\$M
Net interest income	-	2,035	-	1,024
Other banking income	-	477	-	247
Total banking income	-	2,512	-	1,271
Funds management income	-	138	-	76
Total operating income	-	2,650	-	1,347
Operating expenses	-	(970)	-	(508)
Loan impairment expense	-	(108)	-	(22)
Net profit before tax	-	1,572	-	817
Corporate tax expense	-	(440)	-	(230)
<b>Cash net profit after tax</b>	-	1,132	-	587
<b>Represented by:</b>				
ASB	-	1,203	-	614
Other <sup>2</sup>	-	(71)	-	(27)
<b>Cash net profit after tax</b>	-	1,132	-	587

1. Other banking income disclosed in AUD includes realised gains or losses associated with the hedging of New Zealand operations earnings.
2. Other includes ASB funding entities and elimination entries between New Zealand segment entities.

# Attachment A



## New Zealand

Key Financial Metrics (continuing operations) <sup>1</sup>	Full Year Ended		Half Year Ended	
	30 Jun 20	30 Jun 19	30 Jun 20	31Dec 19
<b>Performance indicator</b>				
Operating expenses to total operating income (%)	-	36.6	-	37.7

1. Calculated in New Zealand dollar terms.

## New Zealand

ASB (NZ\$M)	Full Year Ended		Half Year Ended	
	30 Jun 20 NZ\$M	30 Jun 19 NZ\$M	30 Jun 20 NZ\$M	31Dec 19 NZ\$M
Net interest income	-	2,128	-	1,060
Other banking income	-	477	-	247
Total banking income	-	2,605	-	1,307
Funds management income	-	138	-	76
Total operating income	-	2,743	-	1,383
Operating expenses	-	(970)	-	(508)
Loan impairment expense	-	(108)	-	(22)
Net profit before tax	-	1,665	-	853
Corporate tax expense	-	(462)	-	(239)
<b>Cash net profit after tax</b>	-	1,203	-	614

# Attachment A



## New Zealand

	As at		
	30 Jun 20	31Dec 19	30 Jun 19
Balance Sheet (NZ\$ M)	NZ\$ M	NZ\$M	NZ\$M
Home loans	–	58,870	57,194
Business Lending	–	17,601	17,342
Rural Lending	–	11,010	11,320
Other interest earning assets	–	2,209	2,198
<b>Total lending interest earning assets</b>	<b>–</b>	<b>89,690</b>	<b>88,054</b>
Non-lending interest earning assets	–	8,951	8,719
Other assets	–	1,897	1,643
<b>Total assets</b>	<b>–</b>	<b>100,538</b>	<b>98,416</b>
Interest bearing deposits	–	60,257	59,016
Debt issues	–	20,632	20,971
Other interest bearing liabilities	–	2,038	2,283
<b>Total interest bearing liabilities</b>	<b>–</b>	<b>82,927</b>	<b>82,270</b>
Non-interest bearing deposits	–	6,585	5,530
Other non-interest bearing liabilities	–	1,126	1,195
<b>Total liabilities</b>	<b>–</b>	<b>90,638</b>	<b>88,995</b>

ASB Key Financial Metrics <sup>1</sup>	Full Year Ended		Half Year Ended	
	30 Jun 20	30 Jun 19	30 Jun 20	31Dec 19
<b>Performance indicators</b>				
Net interest margin (%)	–	2.23	–	2.13
Return on assets (%)	–	1.2	–	1.2
Operating expenses to total operating income (%)	–	35.4	–	36.7
Impairment expense annualised as a % of average GLAAs (%)	–	0.13	–	0.05
<b>Other information</b>				
Average interest earning assets (NZ\$M)	–	95,315	–	98,839
Risk weighted assets (NZ\$M) <sup>2</sup>	–	56,073	–	56,784
Risk weighted assets (A\$M) <sup>3</sup>	–	51,186	–	52,420
FUA - average (NZ\$M) <sup>4</sup>	–	15,146	–	16,273
FUA - spot (NZ\$M) <sup>5</sup>	–	15,876	–	-
AUM - average (NZ\$M)	–	15,501	–	17,706
AUM - spot (NZ\$M)	–	16,787	–	18,513
90+ days home loan arrears (%)	–	0.13	–	0.14
90+ days consumer finance arrears (%)	–	0.59	–	0.59
Number of full-time equivalent staff (FTE)	–	5,038	–	5,074

- Key financial metrics are calculated in New Zealand dollar terms unless otherwise stated.
- Risk weighted assets (NZ\$M) calculated in accordance with RBNZ requirements.
- Risk weighted assets (A\$M) calculated in accordance with APRA requirements.
- Average FUA has been calculated using the average for the period the Group owned Aegis up until 2 December 2019.
- Spot FUA balances are nil as at 31 December 2019 due to the completion of the sale of Aegis on 2 December 2019.

# Attachment A



## International Financial Services

	Full Year Ended		Half Year Ended	
	30 Jun 20	30 Jun 19	30 Jun 20	31 Dec 19
International Financial Services <sup>1</sup>	\$ M	\$ M	\$ M	\$ M
Net interest income	–	153	–	78
Other banking income	–	304	–	135
Total banking income	–	457	–	213
Operating expenses	–	(150)	–	(77)
Loan impairment expense	–	(27)	–	(21)
Net profit before tax	–	280	–	115
Corporate tax expense	–	(30)	–	(15)
<b>Cash net profit after tax from continuing operations</b>	–	250	–	100
Cash net profit/(loss) after tax from discontinued operations <sup>2</sup>	–	(15)	–	14
<b>Cash net profit after tax</b>	–	235	–	114

Key Financial Metrics (continuing operations)	Full Year Ended		Half Year Ended	
	30 Jun 20	30 Jun 19	30 Jun 20	31 Dec 19
<b>Performance indicators</b>				
Return on assets (%)	–	5.0	–	3.8
Operating expenses to total operating income (%)	–	32.8	–	36.2
Impairment expense annualised as a % of average GLAAs (%)	–	1.90	–	2.77
<b>Other information</b>				
Risk weighted assets (\$M) <sup>3</sup>	–	3,660	–	3,194
Number of full-time equivalent staff (FTE)	–	1,428	–	1,340

1. IFS does not include the Business and Private Banking and Institutional Banking and Markets businesses in Asia.
2. Discontinued operations includes BoCommLife, TymeDigital SA and PT Commonwealth Life.
3. Risk weighted assets include discontinued operations.



# Attachment A



## Corporate Centre

	Full Year Ended		Half Year Ended	
	30 Jun 20	30 Jun 19	30 Jun 20	31 Dec 19
	\$ M	\$ M	\$ M	\$ M
<b>Corporate Centre (including eliminations)</b>				
Net interest income	-	226	-	34
Other banking income	-	62	-	92
Total banking income	-	288	-	126
Funds management income	-	(14)	-	(23)
Insurance income	-	(2)	-	-
Total operating income	-	272	-	103
Operating expenses	-	(1,682)	-	(619)
Loan impairment benefit/(expense)	-	1	-	(39)
Net loss before tax	-	(1,409)	-	(555)
Corporate tax benefit	-	395	-	151
Non-controlling interests	-	(12)	-	-
Underlying loss after tax	-	(1,026)	-	(404)
Investment experience after tax	-	(17)	-	(6)
<b>Cash net loss after tax from continuing operations</b>	-	(1,043)	-	(410)
Cash net loss after tax from discontinued operations	-	(28)	-	(3)
<b>Cash net loss after tax</b>	-	(1,071)	-	(413)



## Wealth Management (Discontinued Operations)

	Full Year Ended		Half Year Ended	
	30 Jun 20	30 Jun 19	30 Jun 20	31 Dec 19
	\$ M	\$ M	\$ M	\$ M
Funds management income	-	1,806	-	495
Insurance income	-	74	-	13
Total operating income	-	1,880	-	508
Operating expenses	-	(1,295)	-	(360)
Net profit before tax	-	585	-	148
Corporate tax expense	-	(156)	-	(42)
Underlying profit after tax	-	429	-	106
Investment experience after tax	-	99	-	21
<b>Cash net profit after tax from discontinued operations</b>	<b>-</b>	<b>528</b>	<b>-</b>	<b>127</b>
Colonial First State	-	275	-	121
CFS Global Asset Management	-	240	-	24
Life Insurance Business	-	13	-	(18)
<b>Cash net profit after tax from discontinued operations</b>	<b>-</b>	<b>528</b>	<b>-</b>	<b>127</b>

Key Financial Metrics	Full Year Ended		Half Year Ended	
	30 Jun 20	30 Jun 19	30 Jun 20	31 Dec 19
	\$ M	\$ M	\$ M	\$ M
<b>Performance indicators</b>				
Operating expenses to total operating income (%)	-	68.9	-	70.9
FUA - average (\$M) <sup>1</sup>	-	159,149	-	168,715
FUA - spot (\$M) <sup>2</sup>	-	165,719	-	160,988
AUM - average (\$M) <sup>3</sup>	-	213,779	-	223,474
AUM - spot (\$M) <sup>4</sup>	-	223,227	-	-
Inforce Premiums - average (\$M) <sup>5</sup>	-	1,242	-	1,048
Inforce Premiums - spot (\$M) <sup>4</sup>	-	1,151	-	-
Risk Weighted Assets (\$M)	-	585	-	212
Number of full-time equivalent staff (FTE)	-	2,707	-	1,244

1. Average FUA includes Colonial First State (including Commonwealth Bank Group Super) and CommInsure Life Investments. Average FUA has been calculated using the average for the period the Group operated CommInsure Life up until 1 November 2019.
2. Spot FUA includes Colonial First State (including Commonwealth Bank Group Super) and CommInsure Life Investments for the period the Group operated CommInsure Life up until 1 November 2019.
3. Average AUM has been calculated using the average for the period the Group owned CFSGAM up until 2 August 2019 and excludes the Group's interest in the First State Cinda Fund Management Company Limited.
4. Spot balances are nil as at 31 December 2019 due to the completion of the sale of CFSGAM and the implementation of the CommInsure Life joint co-operation agreement on 2 August 2019 and 1 November 2019 respectively. AUM excludes the Group's interest in the First State Cinda Fund Management Company Limited.
5. Average inforce premiums have been calculated using the average for the period the Group operated CommInsure Life up until 1 November 2019.

# Attachment A



## Wealth Management (Discontinued Operations)

	Full Year Ended					
	Colonial		CFS Global		Life	
	First State		Asset Management <sup>1</sup>		Insurance Business <sup>2</sup>	
	30 Jun 20	30 Jun 19	30 Jun 20	30 Jun 19	30 Jun 20	30 Jun 19
	\$ M	\$ M	\$ M	\$ M	\$ M	\$ M
Funds management income	-	819	-	887	-	100
Insurance income	-	-	-	-	-	74
Total operating income	-	819	-	887	-	174
Operating expenses	-	(442)	-	(597)	-	(256)
Net profit before tax	-	377	-	290	-	(82)
Corporate tax expense	-	(113)	-	(68)	-	25
Underlying profit after tax	-	264	-	222	-	(57)
Investment experience after tax	-	11	-	18	-	70
<b>Cash net profit after tax</b>	<b>-</b>	<b>275</b>	<b>-</b>	<b>240</b>	<b>-</b>	<b>13</b>

1. CFS Global Asset Management results are for the period up until 2 August 2019.

2. Life Insurance Business results are for the period up until 1 November 2019.

# Attachment A

## Financial Reporting By Segments

	Full Year Ended 30 Jun 2019 <sup>1</sup>						
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	New Zealand	IFS and Corporate Centre	Wealth Management	Total
	\$ M	\$ M	\$ M	\$ M	\$ M	\$ M	\$ M
Net interest income	8,748	5,655	1,533	1,909	379	–	18,224
Other banking income:							
Commissions	1,357	813	176	302	29	–	2,677
Lending fees	168	418	345	60	1	–	992
Trading and other income	147	293	426	80	336	–	1,282
Total other banking income	1,672	1,524	947	442	366	–	4,951
<b>Total banking income</b>	<b>10,420</b>	<b>7,179</b>	<b>2,480</b>	<b>2,351</b>	<b>745</b>	<b>–</b>	<b>23,175</b>
Funds management income	139	–	–	130	(14)	–	255
Insurance income	149	–	–	–	(2)	–	147
<b>Total operating income</b>	<b>10,708</b>	<b>7,179</b>	<b>2,480</b>	<b>2,481</b>	<b>729</b>	<b>–</b>	<b>23,577</b>
Investment experience <sup>2</sup>	26	–	–	–	(24)	–	2
<b>Total income</b>	<b>10,734</b>	<b>7,179</b>	<b>2,480</b>	<b>2,481</b>	<b>705</b>	<b>–</b>	<b>23,579</b>
Operating expenses	(4,462)	(2,604)	(1,014)	(912)	(1,832)	–	(10,824)
Loan impairment expense	(672)	(384)	(17)	(102)	(26)	–	(1,201)
<b>Net profit before income tax</b>	<b>5,600</b>	<b>4,191</b>	<b>1,449</b>	<b>1,467</b>	<b>(1,153)</b>	<b>–</b>	<b>11,554</b>
Corporate tax (expense)/benefit	(1,693)	(1,260)	(332)	(408)	372	–	(3,321)
Non-controlling interests	–	–	–	–	(12)	–	(12)
<b>Net profit after tax from continuing operations – "cash basis"</b>	<b>3,907</b>	<b>2,931</b>	<b>1,117</b>	<b>1,059</b>	<b>(793)</b>	<b>–</b>	<b>8,221</b>
Net profit after tax from discontinued operations	–	–	–	–	(43)	528	485
<b>Net profit after tax – "cash basis" <sup>3</sup></b>	<b>3,907</b>	<b>2,931</b>	<b>1,117</b>	<b>1,059</b>	<b>(836)</b>	<b>528</b>	<b>8,706</b>
(Loss)/gain on disposal and acquisition of entities net of transaction costs	(32)	–	13	179	(13)	(208)	(61)
Hedging and IFRS volatility	–	–	–	(48)	(31)	–	(79)
Other non-cash items	(1)	–	–	–	–	6	5
<b>Net profit after tax – "statutory basis"</b>	<b>3,874</b>	<b>2,931</b>	<b>1,130</b>	<b>1,190</b>	<b>(880)</b>	<b>326</b>	<b>8,571</b>
<b>Additional information</b>							
Amortisation and depreciation	(198)	(162)	(38)	(80)	(480)	–	(958)
<b>Balance Sheet</b>							
Total assets	390,976	197,047	148,027	94,320	125,563	20,569	976,502
Total liabilities	247,919	159,057	158,579	88,466	229,264	23,568	906,853

1. Information has been presented on a continuing operations basis.

2. Investment experience is presented on a pre-tax basis.

3. This balance excludes non-cash items, such as unrealised gains and losses relating to hedging and IFRS volatility, gains and losses net of transaction and separation costs associated with disposal of CFSGAM, Count Financial, PT Commonwealth Life, Sovereign, TymeDigital SA and other businesses, the deconsolidation and planned divestment of Comminsure Life, the demerger costs for NewCo, and other non-cash items.

# Attachment A



## Profit Reconciliation

Full Year Ended 30 June 2019

Profit Reconciliation	Net profit after tax "cash basis" \$M	Gain/(loss) on disposal and acquisition of controlled entities <sup>1</sup> \$M	Hedging and IFRS volatility \$M	Bankwest non-cash items <sup>2</sup> \$M	Treasury shares valuation adjustment \$M	Investment experience \$M	Net profit after tax "statutory basis" \$M
<b>Group</b>							
Interest income <sup>3</sup>	34,709	–	–	–	–	–	34,709
Interest expense	(16,485)	–	–	–	–	–	(16,485)
Net interest income	18,224	–	–	–	–	–	18,224
Other banking income	4,951	42	(116)	–	–	–	4,877
<b>Total banking income</b>	<b>23,175</b>	<b>42</b>	<b>(116)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>23,101</b>
Funds management income	255	–	–	–	–	(1)	254
Insurance income	147	–	–	–	–	3	150
<b>Total operating income</b>	<b>23,577</b>	<b>42</b>	<b>(116)</b>	<b>–</b>	<b>–</b>	<b>2</b>	<b>23,505</b>
Investment experience	2	–	–	–	–	(2)	–
<b>Total income</b>	<b>23,579</b>	<b>42</b>	<b>(116)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>23,505</b>
Operating expenses	(10,824)	(102)	–	(2)	–	–	(10,928)
Loan impairment expense	(1,201)	–	–	–	–	–	(1,201)
<b>Net profit before tax</b>	<b>11,554</b>	<b>(60)</b>	<b>(116)</b>	<b>(2)</b>	<b>–</b>	<b>–</b>	<b>11,376</b>
Corporate tax (expense)/benefit	(3,321)	8	37	1	–	–	(3,275)
Non-controlling interests	(12)	–	–	–	–	–	(12)
<b>Net profit after income tax from continuing operations</b>	<b>8,221</b>	<b>(52)</b>	<b>(79)</b>	<b>(1)</b>	<b>–</b>	<b>–</b>	<b>8,089</b>
Net profit after income tax from discontinued operations <sup>4</sup>	485	(9)	–	–	6	–	482
<b>Net profit after income tax</b>	<b>8,706</b>	<b>(61)</b>	<b>(79)</b>	<b>(1)</b>	<b>6</b>	<b>–</b>	<b>8,571</b>

- Continuing operations net profit after tax includes demerger costs for NewCo and impairment loss and transaction costs associated with the disposal of Count Financial, partly offset by a net gain on acquisition and disposals of other businesses. Discontinued operations net profit after tax includes gains and losses net of transaction and separation costs associated with the disposal of CommInsure Life, CFSGAM, Sovereign, TymeDigital SA and a net gain on acquisition and disposal of other businesses.
- Includes merger related amortisation.
- Interest income includes total effective interest income and other interest income.
- Statutory net profit after income tax from discontinued operations is presented net of non-controlling interests.