Profit Announcement

For the full year ended
30 June 2022

ASX Appendix 4E Results for announcement to the market [1] Report for the year ended 30 June 2022	$M	
Revenue from ordinary activities [2, 3]	25,143	up 3%
Profit/(loss) from ordinary activities after tax attributable to Equity holders	10,771	up 6%
Net profit/(loss) for the year attributable to Equity holders	10,771	up 6%
Dividends (distributions)		
Final dividend - fully franked (cents per share)		210
Interim dividend - fully franked (cents per share)		175
Record date for determining entitlements to the dividend		18 August 2022

1 Australian Securities Exchange (ASX) Listing Rule 4.3A.
2 Information has been presented on a continuing operations basis.
3 Represents total net operating income before operating expenses and impairment.

The release of this announcement was authorised by the Board.

Commonwealth Bank of Australia I Media Release 142/2022 I ACN 123 123 124 I Commonwealth Bank Place South, Level 1, 11 Harbour Street, Sydney NSW 2000 I 10 August 2022.

This preliminary final report is provided to the ASX under Rule 4.3A. Refer to Appendix 6.2 ASX Appendix 4E on page 109 for disclosures under ASX Listing Rules.

This report should be read in conjunction with the 30 June 2022 Annual Financial Report of the Commonwealth Bank of Australia and any public announcements made in the period by the Group in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules.

Except where otherwise stated, all figures relate to the full year ended 30 June 2022. The term “prior year” refers to the full year ended 30 June 2021, while the term “prior half” refers to the half year ended 31 December 2021.

Important dates for shareholders

Full year results announcement	10 August 2022
Ex-dividend date	17 August 2022
Record date	18 August 2022
Last date to change participation in DRP	19 August 2022
Final dividend payment date	29 September 2022 [1]
2022 Annual General Meeting	12 October 2022
Half Year Results Announcement	15 February 2023

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ASX Announcement

FY22 Results

For the year ended 30 June 2022[1]

Our continued focus on our customers and disciplined operational and strategic execution has delivered another year of strong financial and operational performance.

Net profit after tax

$9,673m

Statutory NPAT

▲ 9% on FY21

$9,595m

Cash NPAT

▲ 11% on FY21

Net profit after tax (NPAT) was supported by operational performance and volume growth in core businesses as well as sound credit quality and the reduction of provisions related to the uncertainties associated with the impacts of the COVID-19 pandemic.

Pre-provision profit

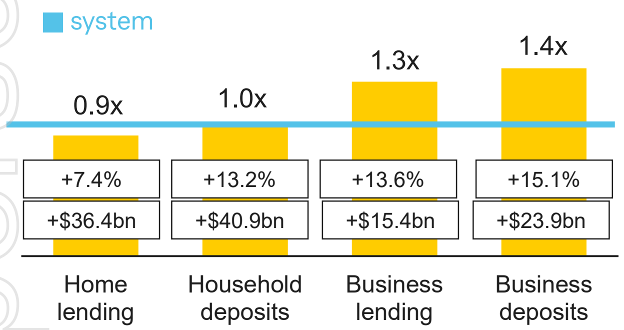
$13,190m

Excluding one-off items[2]

▲ 3.1% on FY21

Our pre-provision profit is up 3% reflecting the operational performance across our core businesses and a disciplined approach to volume/rate trade-offs in a highly competitive market.

Volume growth in core businesses[3]



Net interest margin (NIM)

1.90%

▼ 18bpts on FY21

▼ 10bpts on FY21 excl. liquids

Group NIM declined due to a large increase in low yielding liquid assets and lower home loan margins. Our medium term outlook remains unchanged, with margins expected to increase in a rising rate environment.

Common Equity Tier 1 capital ratio (CET1)

11.5%

APRA (Level 2)[4]

▼ 160bpts on FY21

The Bank maintained a strong capital position after returning $13 billion to shareholders via dividends and buy-backs, and absorbing a significant increase in Risk Weighted Assets associated with the Interest Rate Risk in the Banking Book. On an internationally comparable basis CET1 was 18.6%.

Dividend

$3.85

Per share, fully franked

▲ 10% on FY21

The full year dividend was supported by the Bank's continued capital and balance sheet strength. The final dividend was $2.10 per share, fully franked, delivering a total dividend for the year of $3.85 per share, fully franked.

For footnotes see the page vii of this ASX Announcement.

Results overview

Strong results driven by our customer focus Chief Executive Officer, Matt Comyn

By focusing on serving our customers and maintaining disciplined operational and strategic execution, we have delivered a strong financial result for our shareholders.

Our operating context has changed significantly this year. The economy recovered strongly as we adjusted to living with COVID-19; however, many of our customers have been impacted by devastating natural disasters, and rising cost of living pressures. Around the world, geopolitical tensions have created additional uncertainty in financial markets.

We have focused on strengthening our customer engagements and relationships, and this has resulted in further growth in our core deposit and lending volumes to retail, business and institutional customers.

Our operating performance was higher as a result of this continued volume growth and profitability was further supported by sound portfolio credit quality.

A highlight of the result is our continued balance sheet strength and capital position that has allowed us to support our customers while delivering consistent and sustainable returns to shareholders. As a result, a final dividend of $2.10 per share, fully franked, has been determined, with shareholders receiving full year franked dividends of $3.85.

Key financials

For the full year ended 30 June 2022.

- **Statutory NPAT**[1] was $9,673m, up 9%.
- **Cash NPAT** of $9,595 million was 11% higher reflecting operational performance, volume growth in core businesses and a loan impairment benefit.
- **Operating income**[2] was $24,380 million, up 1% driven by volume related revenue growth in our core products, partly offset by a decrease in net interest margin.
- **Net interest margin** was 1.90%, down by 18bpts. Excluding the impact from increased low yielding liquid assets, margins reduced by 10bpts mainly driven by lower home loan margins, partly offset by increased deposit earnings.
- **Operating expenses**[2] were $11,190 million, down 1.5%, driven by lower remediation costs and productivity benefits, partly offset by higher staff costs.
- **Loan impairment expense** decreased by $911 million to a benefit of $357 million, driven by reduced COVID-19 overlays partly offset by increased forward-looking adjustments for emerging risks including inflationary pressures, supply chain disruptions and rising interest rates.
- **Deposit funding** of 74%, as the Bank continued to satisfy a significant portion of its funding requirements from retail, business and institutional customer deposits.
- **Common Equity Tier 1** (CET1) capital ratio of 11.5% (Level 2, APRA), well in excess of regulatory minimum capital requirements.
- **Final dividend** of $2.10 per share, taking the total dividend for the year to $3.85 per share, fully franked.

Outlook Chief Executive Officer, Matt Comyn

Against many measures, Australian households and businesses are in a strong position given low unemployment, low underemployment, and strong non-mining investment. However inflation is high, and we have seen a rapid increase in the cash rate which is negatively impacting consumer confidence. We expect consumer demand to moderate as cost of living pressures increase.

It is a challenging time, but we remain optimistic that a path can be found to navigate through these economic conditions. We remain of the view that the medium term outlook for Australia is a positive one. Our purpose, to *build a brighter future for all,* reflects the role we play in supporting our customers and the domestic economy during periods of uncertainty.

We continue to invest in our business, to reinforce our customer propositions and extend our digital leadership position.

Operating performance

Our banking businesses continued to perform well, delivering growth in home lending, business lending and deposits through customer focus and disciplined execution. Volume growth supported operating income and offset the impact of lower home loan margins.

Operating income

Operating income
Cash basis, excl. one-off item

$24,380m

FY21 $24,156m ▲ 0.9%

Net interest margin

1.90% FY22

FY21 2.08% ▼ 18bpts
(excl. liquids ▼ 10bpts)

1.87% 2H22

1H22 1.92% ▼ 5bpts
(excl. liquids ▼ 5bpts)

Net interest income increased 1%. This was driven by volume growth in home and business lending, partly offset by a decrease in net interest margin.

Net interest margin (NIM) was down 18bpts. Excluding the impact from increased low yielding liquid assets, NIM reduced by 10bpts, mainly driven by customers switching to fixed rate loans, the impact of rising swap rates and continued pressure from home loan competition, partly offset by benefits from lower funding costs and improved deposit margins.

Our medium term outlook remains unchanged, with margins expected to increase in a rising rate environment.

Other operating income excluding one-off item[1] increased 1%. The key drivers were:

- Higher retail and business lending and deposit fee income reflecting volume growth; and
- Higher foreign exchange and cards income driven by improved spend and transaction volumes.

These increases were partly offset by:

- A reduction in equities trading income due to lower trading volumes; and
- Lower insurance income driven by higher weather related claims and supply chain disruptions.

Operating expenses

Operating expenses
Cash basis, excl. one-off items

$11,190m

FY21 $11,359m ▼ 1.5%

Investment spend

$1,878m **(total spend)**

FY21 $1,809m ▲ 3.8%

Cost-to-income ratio
Cash basis, excl. one-offs

45.9%

FY21 47.0%

Operating expenses excluding one-offs[2] decreased 1.5%, driven by lower remediation costs and productivity benefits, partly offset by higher staff costs.

Staff expenses increased 9% as a result of the increase in full-time equivalent staff and wage inflation.

The staff increases were due to:

- Additional resources to support increased operational processing and higher financial crime assessment volumes.
- Increased frontline and technology resources to help our customers, uplift our cyber security capabilities and improve system resiliency.
- Continued investment in the delivery of our strategic priorities while reducing reliance on external vendors as we enhance our internal engineering capabilities.

Occupancy and equipment expenses decreased 16% primarily reflecting benefits from the consolidation of our commercial property footprint, and branch and ATM network optimisation.

Information technology expenses decreased 3% primarily driven by lower software amortisation and productivity initiatives. This was partly offset by increased IT infrastructure costs including higher cloud computing volumes and investment in cyber security capabilities and system resiliency.

Other expenses decreased 9% primarily driven by productivity initiatives.

Remediation costs were $324 million lower primarily driven by reduced Aligned Advice related costs.

Provisions and credit quality

Loan impairment expense

Loan impairment

$357m

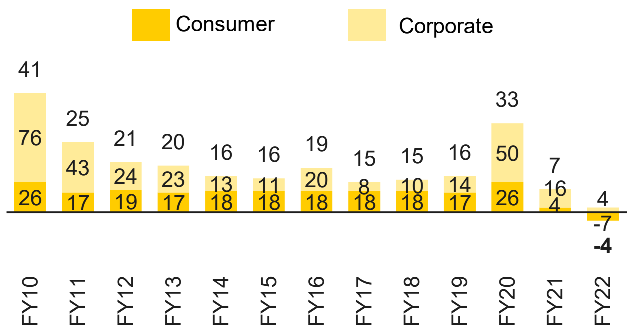
benefit

FY21 $554m (expense)

Loan impairment expense decreased $911 million to a benefit of $357 million driven by reduced COVID-19 overlays, partly offset by increased forward-looking adjustments for emerging risks including inflationary pressure, supply chain disruptions and rising interest rates.

The loan loss rate was a benefit of 4bpts.

Loan Loss Rate[1] (bpts)



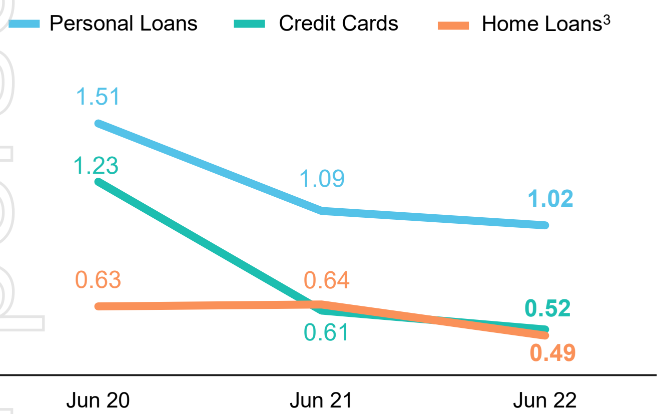
Portfolio credit quality

Consumer arrears remained low reflecting origination quality, low unemployment, and significant household savings buffers.

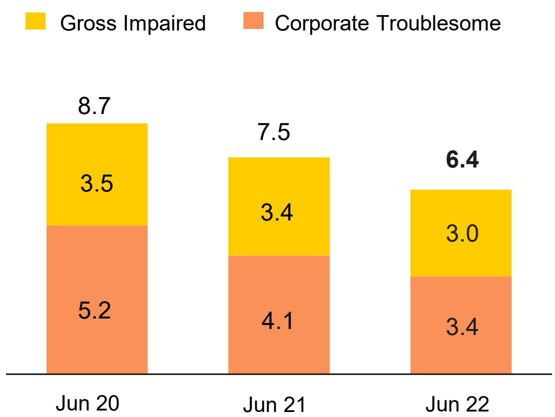
Troublesome and impaired assets decreased to $6.4 billion from $7.5 billion in FY21. Corporate troublesome assets decreased by $0.7 billion over the year, largely driven by refinancing, repayments and client credit quality upgrades supported by improving economic activity.

Gross impaired assets decreased by $0.4 billion to $3.0 billion mainly driven by lower corporate impaired assets due to repayments and credit quality upgrades across a small number of large exposures, and lower impaired assets in ASB due to a reduction of home loans in hardship.

Consumer arrears[2] > 90 days (%)



Troublesome and impaired assets ($bn)

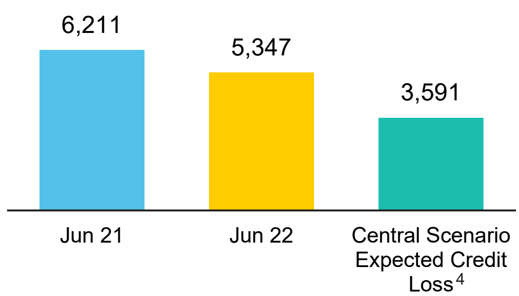


Loan impairment provisions

Our total impairment provisions decreased to $5,347 million from $6,211 million in FY21 reflecting sound portfolio credit quality and the reduced level of COVID-19 overlays. This was partly offset by new provisions for emerging risks, including higher interest rates, inflationary pressures and supply chain disruptions.

Provision coverage as a proportion of credit risk weighted assets was 1.36%. Loan loss provisions remain significantly higher than expected credit losses under our central economic scenario.

Total impairment provisions ($m)



Balance sheet strength

Our capital, liquidity and funding metrics remained strong during FY22. The strength of our balance sheet means the Bank is well positioned to continue supporting our customers and the broader Australian economy.

Capital

Common Equity Tier 1 capital ratio

11.5%

APRA (Level 2)

FY21 13.1%

The Bank has a strong capital position with a CET1 capital ratio as at 30 June 2022 of 11.5%, well in excess of regulatory minimum capital requirements.

During the year, the Bank returned excess capital to shareholders via successfully completing the $6 billion off-market share buy-back and commencing the $2 billion on-market share buy-back announced in February 2022.

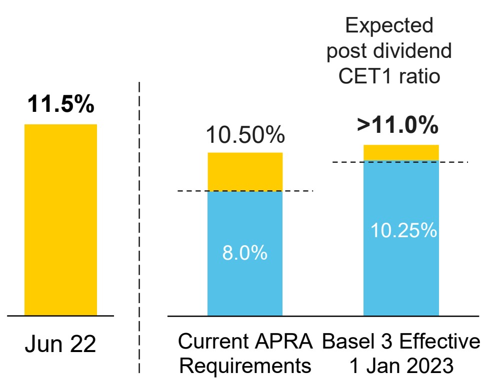
The Bank's CET1 ratio was supported by:

- Profit generation from the core banking business; and
- The benefits of proceeds received from the sale of Colonial First State and Bank of Hangzhou; partly offset by
- Higher Risk Weighted Assets associated with the Interest Rate Risk in the Banking Book.

The divestment of our General Insurance business is expected to provide further capital benefits in FY23 upon completion.

From 1 January 2023, APRA will implement its revisions to the ADI capital framework, which increases the minimum CET1 capital ratio requirement for Australian Banks from 8% to 10.25%. CBA is well placed to accommodate these changes, and expects to operate with a post-dividend CET1 ratio of >11%, except in circumstances of unexpected capital volatility.

CET1 (APRA, Level 2)



Funding and liquidity

Deposit funding ratio

74%

FY21 73%

Liquidity coverage ratio

130%

FY21 129%

Net stable funding ratio

130%

FY21 129%

The Bank continued to satisfy a significant portion of its funding requirements from customer deposits, which account for 74% of total funding. Customer deposits are considered the most stable source of funding.

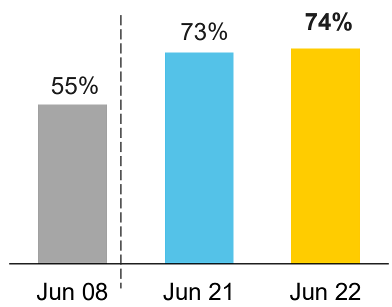
The average tenor of the long term wholesale funding portfolio was 4.7 years (6.3 years excluding the Term Funding Facility). Long term wholesale funding accounted for 69% of total wholesale funding.

The Bank continues to manage the phased reduction in usage of the Committed Liquidity Facility (CLF) to zero by the end of calendar year 2022, in line with APRA's requirement.

The **liquidity coverage ratio (LCR)** for the quarter ended 30 June 2022 was 130% which was well above the minimum regulatory requirement of 100%.

The **net stable funding ratio (NSFR)** as at 30 June 2022 was 130%, well above the regulatory minimum of 100%.

Deposit Funding Ratio (%)



Delivering for shareholders

Dividend

The Bank's capital position and disciplined execution continues to support strong and sustainable returns to shareholders.

A final dividend of $2.10 per share, fully franked, was determined, taking the full year dividend to $3.85. The final dividend payout ratio was 68% of the Bank's cash earnings, or ~75% after normalising for long run loan loss rates.

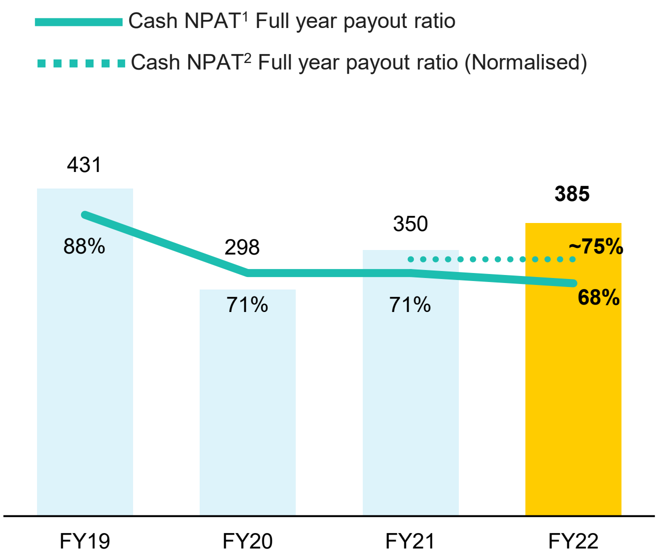
The Bank will continue to target a full year payout ratio of 70-80% of cash NPAT and an interim payout ratio of ~70% of cash NPAT. In considering the sustainability of dividends, the Board will continue to take into account a number of factors, including long-term average loss rates.

The Dividend Reinvestment Plan (DRP) continues to be offered to shareholders. No discount will be applied to shares allocated under the plan for the final dividend. The DRP is anticipated to be satisfied in full by an on-market purchase of shares.

The ex-dividend date is 17 August 2022, the record date is 18 August 2022, the final DRP participation date is 19 August 2022 and the final dividend will be paid on or around 29 September 2022.

Sustainable returns

Dividend per share (cents)



Footnotes

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1. All information in this section is presented on a continuing operations basis, unless stated otherwise. Comparative information has been restated to conform to presentation in the current period.
2. Revenue one-off represents a $516 million (pre-tax) gain on sale of ~10% shareholding in Bank of Hangzhou. Expense one-offs represent $445 million of expense (pre-tax) relating to accelerated software amortisation and other costs.
3. Home lending source: RBA Lending and Credit Aggregates. Household deposits source: APRA Monthly Authorised Deposit-taking Institution Statistics (MADIS). CBA Business Lending multiple estimate is based on Business Banking growth rate (excluding Institutional Banking and Markets) over published APRA and RBA Total Business Lending data (excluding estimated Institutional Lending balances). CBA business deposits multiple estimate is based on Total CBA Non–Financial business deposit growth rate over Market Non-Financial Business Deposit growth rate, as published by APRA. Growth reflects 12 months to June 2022.
4. Includes discontinued operations.

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1. For an explanation of and reconciliation between statutory and cash NPAT refer to page 3 of the Profit Announcement for the year ended 30 June 2022.
2. Excluding one-off items, per note 2 above.

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1. One-off represents a $516 million (pre-tax) gain on sale of ~10% shareholding in Bank of Hangzhou.
2. One-offs represent $445 million of expense (pre-tax) relating to accelerated software amortisation and other costs.

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1. Loan Impairment Expense as a percentage of average Gross Loans and Acceptances (GLAA) (bpts) annualised.
2. Group consumer arrears including New Zealand. APRA's prudential relief for customers on eligible COVID-19 loan repayment deferral arrangements has effectively "stopped the clock" on home loan and personal loan arrears.
3. Excludes Reverse Mortgage, Commonwealth Portfolio Loan and Residential Mortgage Group loans.
4. Central Scenario is based on the Group's internal economic forecasts and considers Central Bank forecasts as well as other assumptions used in business planning and forecasting. Assuming 100% weighting holding all assumptions including forward looking adjustments constant and includes Individually Assessed Provisions.

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1. Cash NPAT inclusive of discontinued operations.
2. Cash NPAT and dividend payout ratio normalised to reflect a long run loan loss rate.

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This announcement has been authorised for release by the Board.

Key financial information

Group performance summary (continuing operations)	Full year ended[1] ("cash basis") 30 Jun 22 $m	30 Jun 21 $m	Jun 22 v Jun 21 %	Half year ended ("cash basis") 30 Jun 22 $m	31 Dec 21 $m	Jun 22 v Dec 21 %
Net interest income	**19,473**	19,302	1	**9,725**	9,748	-
Other operating income	**4,907**	4,854	1	**2,450**	2,457	-
Total operating income excluding one-off item	**24,380**	24,156	1	**12,175**	12,205	-
Gain on sale of HZB shares	***516***	-	*n/a*	***516***	-	*n/a*
Total operating income	**24,896**	24,156	3	**12,691**	12,205	4
Operating expenses excluding one-off items	**(11,190)**	(11,359)	(1)	**(5,602)**	(5,588)	-
Accelerated software amortisation and other	***(445)***	-	*n/a*	***(445)***	-	*n/a*
Total operating expenses	**(11,635)**	(11,359)	2	**(6,047)**	(5,588)	8
Operating performance[2]	**13,261**	12,797	4	**6,644**	6,617	-
Loan impairment benefit / (expense)	**357**	(554)	(large)	**282**	75	(large)
Net profit before tax	**13,618**	12,243	11	**6,926**	6,692	3
NPAT from continuing operations	**9,595**	8,653	11	**4,849**	4,746	2
NPAT from discont'd operations[3]	**113**	148	(24)	**13**	100	(87)
NPAT from continuing operations ("statutory basis")	**9,673**	8,843	9	**4,932**	4,741	4

Cash net profit after tax, by division (continuing operations)	30 Jun 22 $m	30 Jun 21 $m	Jun 22 v Jun 21 %	30 Jun 22 $m	31 Dec 21 $m	Jun 22 v Dec 21 %
Retail Banking Services[4]	**4,929**	4,696	5	**2,598**	2,331	11
Business Banking	**3,001**	2,840	6	**1,512**	1,489	2
Institutional Banking and Markets	**1,050**	926	13	**463**	587	(21)
New Zealand	**1,265**	1,161	9	**586**	679	(14)
Corporate Centre and Other	**(650)**	(970)	(33)	**(310)**	(340)	(9)
NPAT from continuing operations	**9,595**	8,653	11	**4,849**	4,746	2

Shareholder ratios & performance indicators (continuing operations unless otherwise stated)	30 Jun 22	30 Jun 21	Jun 22 v Jun 21	30 Jun 22	31 Dec 21	Jun 22 v Dec 21
Earnings per share – "cash basis" – basic (cents)	**557.1**	488.5	14	**284.5**	272.8	4
Return on equity – "cash basis" (%)	**12.7**	11.5	120 bpts	**13.3**	12.3	100 bpts
Dividends per share – fully franked (cents)	**385**	350	10	**210**	175	20
Dividend payout ratio – "cash basis" (%)[5]	**68**	71	(300)bpts	**73**	62	large
Average interest earning assets ($M)[6]	**1,026,910**	929,846	10	**1,046,062**	1,008,070	4
Net interest margin (%)	**1.90**	2.08	(18)bpts	**1.87**	1.92	(5)bpts
Operating expenses to operating income (excl. one-offs) (%)	**45.9**	47.0	(110)bpts	**46.0**	45.8	20 bpts

1. Comparative information has been restated to conform to presentation in the current period.
2. Operating performance excluding one-off items were +3% vs Jun 21 and -1% vs Dec 21.
3. The financial results of discontinued operations are excluded from the individual account lines of the Bank's performance and reported as a single cash net profit after tax line item. Discontinued operations include Colonial First State (CFS).
4. Retail Banking Services including Mortgage Broking and General Insurance.
5. Includes discontinued operations.
6. Average interest earning assets are net of average mortgage and other offset balances.

Highlights

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2. Highlights

Highlights

Group Performance Summary

	Full Year Ended [1] ("statutory basis")		Full Year Ended [1] ("cash basis")			Half Year Ended ("cash basis")		
	30 Jun 22	Jun 22 vs	**30 Jun 22**	30 Jun 21	Jun 22 vs	**30 Jun 22**	31 Dec 21	Jun 22 vs
Group Performance Summary	**$M**	Jun 21 %	**$M**	$M	Jun 21 %	**$M**	$M	Dec 21 %
Net interest income	**19,473**	1	**19,473**	19,302	1	**9,725**	9,748	–
Other banking income	**5,462**	14	**5,215**	4,544	15	**2,856**	2,359	21
Total banking income	**24,935**	3	**24,688**	23,846	4	**12,581**	12,107	4
Funds management income	**135**	(18)	**135**	165	(18)	**55**	80	(31)
Insurance income	**73**	(50)	**73**	145	(50)	**55**	18	large
Total operating income	**25,143**	3	**24,896**	24,156	3	**12,691**	12,205	4
Operating expenses	**(11,816)**	3	**(11,635)**	(11,359)	2	**(6,047)**	(5,588)	8
Operating performance	**13,327**	3	**13,261**	12,797	4	**6,644**	6,617	–
Loan impairment benefit/(expense)	**357**	(large)	**357**	(554)	(large)	**282**	75	(large)
Net profit before tax	**13,684**	11	**13,618**	12,243	11	**6,926**	6,692	3
Corporate tax expense	**(4,011)**	14	**(4,023)**	(3,590)	12	**(2,077)**	(1,946)	7
Net profit after tax from continuing operations	**9,673**	9	**9,595**	8,653	11	**4,849**	4,746	2
Net profit after tax from discontinued operations [2]	**1,098**	(18)	**113**	148	(24)	**13**	100	(87)
Net profit after tax	**10,771**	6	**9,708**	8,801	10	**4,862**	4,846	–
Gain/(loss) on acquisition, disposal, closure and demerger of businesses	**n/a**	n/a	**955**	1,373	(30)	**(85)**	1,040	(large)
Hedging and IFRS volatility	**n/a**	n/a	**108**	7	large	**124**	(16)	large
Net profit after tax ("statutory basis")	**10,771**	6	**10,771**	10,181	6	**4,901**	5,870	(17)
Cash net profit after tax, by division								
Retail Banking Services (excl. Mortgage Broking and General Insurance)			**4,963**	4,652	7	**2,602**	2,361	10
Mortgage Broking and General Insurance			**(34)**	44	(large)	**(4)**	(30)	87
Retail Banking Services			**4,929**	4,696	5	**2,598**	2,331	11
Business Banking			**3,001**	2,840	6	**1,512**	1,489	2
Institutional Banking and Markets			**1,050**	926	13	**463**	587	(21)
New Zealand			**1,265**	1,161	9	**586**	679	(14)
Corporate Centre and Other			**(650)**	(970)	(33)	**(310)**	(340)	(9)
Net profit after tax from continuing operations ("cash basis")			**9,595**	8,653	11	**4,849**	4,746	2

1 Comparative information has been restated to reflect the prior period restatements. For further details refer to Note 1.1 in the 2022 Annual Report.

2 The financial results of discontinued operations are excluded from the individual account lines of the Bank's performance and are reported as a single cash net profit after tax line item. Discontinued operations include Colonial First State (CFS), CommInsure Life, BoCommLife and Colonial First State Global Asset Management (CFSGAM).

Highlights (continued)

Non-Cash Items included in Statutory Profit

The Profit Announcement discloses the net profit after tax on both a statutory and cash basis. The statutory basis is prepared in accordance with the Corporations Act and the Australian Accounting Standards, which comply with International Financial Reporting Standards (IFRS). The cash basis is used by management to present a clear view of the Bank's operating results. It is not a measure based on cash accounting or cash flows. The items excluded from cash profit, such as hedging and IFRS volatility and gains or losses on acquisition, disposal, closure and demerger of businesses are calculated consistently with the prior year and prior half disclosures and do not discriminate between positive and negative adjustments. A list of items excluded from cash profit is provided in the table below.

	Full Year Ended			Half Year Ended		
	30 Jun 22	30 Jun 21	Jun 22 vs	**30 Jun 22**	31 Dec 21	Jun 22 vs
Non-Cash items included in Statutory Profit	**$M**	$M	Jun 21 %	**$M**	$M	Dec 21 %
Gain/(loss) on acquisition, disposal, closure and demerger of businesses	**955**	1,373	(30)	**(85)**	1,040	(large)
Hedging and IFRS volatility	**108**	7	large	**124**	(16)	large
Total non-cash items (after tax)	**1,063**	1,380	(23)	**39**	1,024	(96)

Non-Cash items attributable to continuing and discontinued operations are set out below:

	Full Year Ended			Half Year Ended		
	30 Jun 22	30 Jun 21	Jun 22 vs	**30 Jun 22**	31 Dec 21	Jun 22 vs
Non-Cash items included in Statutory Profit	**$M**	$M	Jun 21 %	**$M**	$M	Dec 21 %
(Loss)/gain on acquisition, disposal, closure and demerger of businesses [1]	**(30)**	183	(large)	**(41)**	11	(large)
Hedging and IFRS volatility	**108**	7	large	**124**	(16)	large
Non-cash items (after tax) from continuing operations	**78**	190	(59)	**83**	(5)	large
Gain/(loss) on acquisition, disposal, closure and demerger of businesses [2]	**985**	1,190	(17)	**(44)**	1,029	(large)
Non-cash items (after tax) from discontinued operations	**985**	1,190	(17)	**(44)**	1,029	(large)
Total non-cash items (after tax)	**1,063**	1,380	(23)	**39**	1,024	(96)

1 Includes gains and losses net of transaction and separation costs associated with disposal of AUSIEX, Aussie Home Loans, CommInsure General Insurance, and other businesses, and the derecognition and closure of Commonwealth Financial Planning.

2 Includes post-completion adjustments (such as purchase price adjustments, and finalisation of accounting adjustments for goodwill and foreign currency translation reserve recycling), and transaction and separation costs associated with the disposal of CFS, BoCommLife, CFSGAM, and other businesses, and the deconsolidation of CommInsure Life.

Highlights (continued)

Key Performance Indicators

Key Performance Indicators [2]	Full Year Ended [1] 30 Jun 22	30 Jun 21	Jun 22 vs Jun 21 %	Half Year Ended 30 Jun 22	31 Dec 21	Jun 22 vs Dec 21 %
Group Performance from continuing operations						
Statutory net profit after tax ($M)	**9,673**	8,843	9	**4,932**	4,741	4
Cash net profit after tax ($M)	**9,595**	8,653	11	**4,849**	4,746	2
Net interest margin (%)	**1. 90**	2. 08	(18)bpts	**1. 87**	1. 92	(5)bpts
Operating expenses to total operating income (%)	**46. 7**	47. 0	(30)bpts	**47. 6**	45. 8	180 bpts
Spot number of full-time equivalent staff (FTE)	**49,245**	44,375	11	**49,245**	47,532	4
Average number of FTE	**47,354**	42,940	10	**48,658**	46,075	6
Effective corporate tax rate (%)	**29. 5**	29. 3	20 bpts	**30. 0**	29. 1	90 bpts
Profit after capital charge (PACC) ($M) [3]	**3,829**	3,823	–	**1,823**	2,006	(9)
Average interest earning assets ($M) [4]	**1,026,910**	929,846	10	**1,046,062**	1,008,070	4
Average interest bearing liabilities ($M) [4]	**841,695**	776,967	8	**855,976**	827,648	3
Assets under management (AUM) - average ($M)	**20,278**	18,872	7	**19,578**	21,084	(7)
Group Performance including discontinued operations						
Statutory net profit after tax ($M)	**10,771**	10,181	6	**4,901**	5,870	(17)
Cash net profit after tax ($M)	**9,708**	8,801	10	**4,862**	4,846	–
Net interest margin (%)	**1. 90**	2. 08	(18)bpts	**1. 87**	1. 92	(5)bpts
Operating expenses to total operating income (%)	**46. 9**	47. 8	(90)bpts	**47. 7**	46. 0	170 bpts
Spot number of full-time equivalent staff (FTE)	**49,245**	46,189	7	**49,245**	47,549	4
Effective corporate tax rate (%)	**29. 6**	29. 3	30 bpts	**30. 0**	29. 1	90 bpts
Profit after capital charge (PACC) ($M) [3]	**3,942**	3,950	–	**1,834**	2,108	(13)

1 Comparative information has been restated to conform to presentation in the current period.
2 Presented on a "cash basis" unless stated otherwise.
3 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.
4 Average interest earning assets are net of average mortgage and other offset balances. Average interest bearing liabilities exclude average mortgage offset balances.

Highlights (continued)

Key Performance Indicators (continued)

Key Performance Indicators	Full Year Ended 30 Jun 22	30 Jun 21	Jun 22 vs Jun 21 %	Half Year Ended 30 Jun 22	31 Dec 21	Jun 22 vs Dec 21 %
Shareholder Returns from continuing operations						
Earnings Per Share (EPS) (cents) [1]						
Statutory basis - basic	**561. 7**	499. 2	13	**289. 4**	272. 5	6
Cash basis - basic	**557. 1**	488. 5	14	**284. 5**	272. 8	4
Return on equity (ROE) (%) [1]						
Statutory basis	**12. 8**	11. 8	100 bpts	**13. 5**	12. 3	120 bpts
Cash basis	**12. 7**	11. 5	120 bpts	**13. 3**	12. 3	100 bpts
Shareholder Returns including discontinued operations						
Earnings per share (EPS) (cents) [1]						
Statutory basis - basic	**625. 4**	574. 8	9	**287. 6**	337. 4	(15)
Cash basis - basic	**563. 7**	496. 9	13	**285. 3**	278. 5	2
Return on equity (ROE) (%) [1]						
Statutory basis	**14. 3**	13. 5	80 bpts	**13. 4**	15. 2	(180)bpts
Cash basis	**12. 9**	11. 7	120 bpts	**13. 3**	12. 5	80 bpts
Dividends per share - fully franked (cents)	**385**	350	10	**210**	175	20
Dividend cover - "cash basis" (times)	**1. 5**	1. 4	7	**1. 4**	1. 6	(13)
Dividend payout ratio (%) [1]						
Statutory basis	**61**	61	–	**73**	51	large
Cash basis	**68**	71	(300)bpts	**73**	62	large
Capital including discontinued operations						
Common Equity Tier 1 (Internationally Comparable) (%) [2]	**18. 6**	19. 4	(80)bpts	**18. 6**	18. 4	20 bpts
Common Equity Tier 1 (APRA) (%)	**11. 5**	13. 1	(160)bpts	**11. 5**	11. 8	(30)bpts
Risk weighted assets (RWA) ($M)	**497,892**	450,680	10	**497,892**	471,927	6
Leverage Ratio including discontinued operations						
Leverage Ratio (Internationally Comparable) (%) [2]	**5. 9**	6. 9	(100)bpts	**5. 9**	6. 2	(30)bpts
Leverage Ratio (APRA) (%)	**5. 2**	6. 0	(80)bpts	**5. 2**	5. 3	(10)bpts
Funding and Liquidity Metrics including discontinued operations						
Liquidity Coverage Ratio (%) [3]	**130**	129	100 bpts	**130**	134	(400)bpts
Weighted Average Maturity of Long-Term Debt (years) [4]	**4. 7**	5. 1	(0.4)years	**4. 7**	5. 0	(0.3)years
Customer Deposit Funding Ratio (%)	**74**	73	100 bpts	**74**	73	100 bpts
Net Stable Funding Ratio (%)	**130**	129	100 bpts	**130**	131	(100)bpts
Credit Quality Metrics including discontinued operations						
Loan impairment expense annualised as a % of average GLAAs	**(0. 04)**	0. 07	(11)bpts	**(0. 07)**	(0. 02)	(5)bpts
Gross impaired assets as a % of GLAAs	**0. 33**	0. 42	(9)bpts	**0. 33**	0. 41	(8)bpts
Credit risk weighted assets (RWA) ($M)	**393,647**	381,550	3	**393,647**	390,687	1

1 For definitions refer to Appendix 6.7.
2 Analysis aligns with the 13 July 2015 APRA study titled "International capital comparison study".
3 Quarterly average.
4 Represents the weighted average maturity (WAM) of outstanding long-term wholesale debt with a residual maturity greater than 12 months including drawdown of the RBA Term Funding Facility (TFF). WAM as at 30 June 2022 excluding the TFF drawdown is 6.3 years (31 December 2021: 6.5 years; 30 June 2021: 6.4 years).

Highlights (continued)

Key Performance Indicators (continued)

Key Performance Indicators [2]	Full Year Ended [1] 30 Jun 22	Full Year Ended [1] 30 Jun 21	Full Year Ended [1] Jun 22 vs Jun 21 %	Half Year Ended 30 Jun 22	Half Year Ended 31 Dec 21	Half Year Ended Jun 22 vs Dec 21 %
Retail Banking Services [3]						
Cash net profit after tax ($M)	**4,963**	4,652	7	**2,602**	2,361	10
Net interest margin (%)	**2.39**	2.60	(21)bpts	**2.34**	2.44	(10)bpts
Average interest earning assets ($M) [4]	**403,301**	375,522	7	**411,136**	395,594	4
Operating expenses to total operating income (%)	**39.6**	39.0	60 bpts	**39.1**	40.1	(100)bpts
Risk weighted assets ($M) [5]	**167,765**	156,927	7	**167,765**	163,020	3
Business Banking						
Cash net profit after tax ($M)	**3,001**	2,840	6	**1,512**	1,489	2
Net interest margin (%)	**3.00**	3.11	(11)bpts	**3.01**	2.98	3 bpts
Average interest earning assets ($M) [4]	**194,597**	179,707	8	**198,462**	190,795	4
Operating expenses to total banking income (%)	**38.3**	38.3	–	**38.5**	38.2	30 bpts
Risk weighted assets ($M)	**146,098**	136,006	7	**146,098**	141,509	3
Institutional Banking and Markets						
Cash net profit after tax ($M)	**1,050**	926	13	**463**	587	(21)
Net interest margin (%)	**1.12**	1.11	1 bpt	**1.04**	1.19	(15)bpts
Average interest earning assets ($M)	**137,509**	137,994	–	**144,445**	130,687	11
Operating expenses to total banking income (%)	**43.1**	42.4	70 bpts	**43.3**	42.8	50 bpts
Risk weighted assets ($M)	**80,031**	82,171	(3)	**80,031**	82,122	(3)
New Zealand						
Cash net profit after tax (A$M)	**1,265**	1,161	9	**586**	679	(14)
Risk weighted assets - (A$M) [6]	**51,916**	53,311	(3)	**51,916**	56,445	(8)
Net interest margin (ASB) (%) [7]	**2.22**	2.22	–	**2.26**	2.19	7 bpts
Average interest earning assets (ASB) (NZ$M) [7]	**116,397**	107,522	8	**117,692**	115,124	2
Operating expenses to total operating income (ASB) (%) [7]	**37.1**	39.0	(190)bpts	**38.8**	35.3	350 bpts
AUM - average (ASB) (NZ$M) [7]	**21,647**	20,227	7	**21,183**	22,209	(5)

1 Comparative information has been restated to conform to presentation in the current period.
2 Presented on a "cash basis".
3 Excludes Mortgage Broking and General Insurance.
4 Net of average mortgage offset balances.
5 Includes Mortgage Broking and General Insurance.
6 Risk weighted assets (A$M) calculated in accordance with APRA requirements.
7 Key financial metrics represent ASB only and are calculated in New Zealand dollar terms.

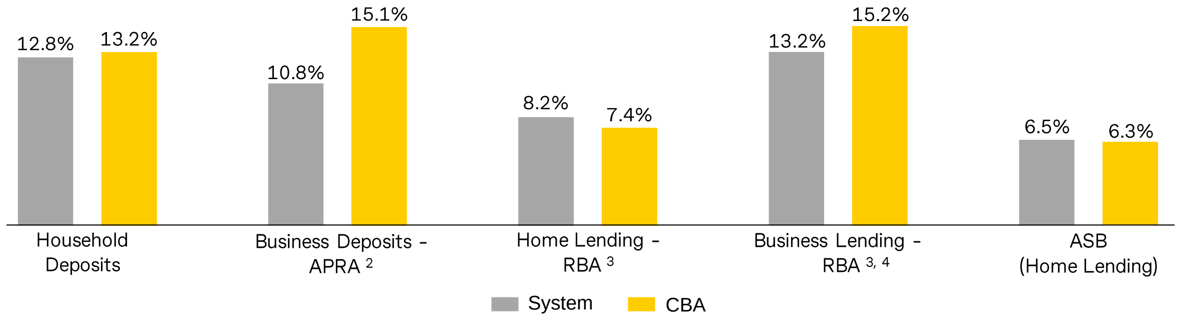
Highlights (continued)

Market Share

Market Share	30 Jun 22 %	31 Dec 21 %	30 Jun 21 %	Jun 22 vs Dec 21	Jun 22 vs Jun 21
	As at [1]				
Home loans - RBA [2]	**25. 1**	25. 4	25. 3	(30)bpts	(20)bpts
Home loans - APRA [3]	**25. 8**	26. 1	26. 0	(30)bpts	(20)bpts
Credit cards - APRA [3]	**28. 5**	28. 2	27. 4	30 bpts	110 bpts
Other household lending - APRA [3, 4]	**18. 5**	18. 1	18. 6	40 bpts	(10)bpts
Household deposits - APRA [3]	**27. 5**	27. 6	27. 4	(10)bpts	10 bpts
Business lending - RBA [2]	**15. 8**	15. 6	15. 6	20 bpts	20 bpts
Business lending - APRA [3, 5]	**17. 8**	17. 7	17. 7	10 bpts	10 bpts
Business deposits - APRA [3, 5]	**22. 6**	22. 1	21. 8	50 bpts	80 bpts
Equities trading [6]	**4. 2**	4. 9	5. 4	(70)bpts	(120)bpts
NZ home loans	**21. 6**	21. 4	21. 6	20 bpts	–
NZ customer deposits	**18. 3**	18. 3	18. 2	–	10 bpts
NZ business lending	**16. 9**	17. 0	17. 3	(10)bpts	(40)bpts

1 Comparative information has been updated to reflect market restatements.
2 System source: RBA Lending and Credit Aggregates.
3 System source: APRA's Monthly Authorised Deposit-taking Institution Statistics (MADIS) publication.
4 Other Household Lending market share includes personal loans, margin loans and other forms of lending to individuals.
5 Represents business lending to and business deposits by non-financial businesses under APRA definitions.
6 Represents CommSec traded value (excluding AUSIEX) as a percentage of total Australian Equities markets, on a 12 month rolling average basis.

CBA growth against System [1]
Balance growth – 12 months to June 22



1 System and CBA source: RBA/APRA/RBNZ.
2 System and CBA source: APRA Deposits by non-financial businesses.
3 System and CBA source: RBA Lending and Credit Aggregates.
4 CBA Domestic Business lending growth (including Institutional Lending but excludes Cash Management Pooling Facilities).

Credit Ratings

Credit Ratings	Long-term	Short-term	Outlook
Fitch Ratings	A+	F1	Stable
Moody's Investors Service	Aa3	P-1	Stable
S&P Global Ratings	AA-	A-1+	Stable

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Group Performance Analysis

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Contents

3. Group Performance Analysis

Group Performance Analysis

Financial Performance and Business Review

Performance Overview – Comments are versus prior year unless stated otherwise (continuing operations basis [1]).

The Bank's statutory net profit after tax (NPAT) from continuing operations for the full year ended 30 June 2022 increased $830 million or 9% on the prior year to $9,673 million. The Bank's statutory NPAT (including discontinued operations) for the full year ended 30 June 2022 increased $590 million or 6% on the prior year to $10,771 million.

Cash net profit after tax ("cash NPAT" or "cash profit") from continuing operations increased $942 million or 11% on the prior year to $9,595 million. The result was driven by a 1% increase in operating income [2], a 1% decrease in operating expenses [2] and a $911 million decrease in loan impairment expense.

Operating income [2] increased 1% on the prior year. Key movements included:

- Net interest income increased 1%, primarily driven by a 10% or $97 billion increase in average interest earning assets (AIEA), from growth in home and business loans, and higher liquid assets. Excluding the increase in liquid assets, AIEA increased by 7%. This was partly offset by an 18 basis points reduction in Net Interest Margin (NIM). Excluding the 8 basis points reduction in margin from increased lower yielding liquid assets, NIM decreased by 10 basis points, primarily driven by continued pressure on home lending margins from the impact of swap and cash rates rising, customers switching to lower margin fixed rate loans, and competition, as well as the impact from the low-rate environment which existed for most of the current year, partly offset by the benefit of deposit repricing and favourable portfolio mix;
- Other banking income increased 3%, primarily driven by higher volume driven fees and commissions from retail and business products including lending, foreign exchange, deposits and cards, partly offset by lower equities income due to reduced trading volumes, and decreased merchant income mainly from lower margins and COVID-19 fee waivers to support our customers;
- Funds management and Insurance income decreased $102 million primarily driven by lower Insurance income due to higher weather related claims experience net of reinsurance recoveries.

Operating expenses [2] decreased 1%. Excluding remediation costs [3], operating expenses increased 1%, due to higher staff costs mainly driven by inflation, additional resources to support higher operational and financial crime assessment volumes and the delivery of strategic investment initiatives, as well as increased frontline staff to help our customers, partly offset by productivity initiatives.

Loan impairment expense (LIE) decreased $911 million, primarily driven by lower collective provisions reflecting reduced COVID-19 uncertainties and lower individually assessed provision charges.

CET1 decreased 30 basis points from 31 December 2021 to 11.5%, well above APRA's 'unquestionably strong' benchmark of 10.5%. The decrease was primarily driven by the FY22 interim dividend payment (-61bps), higher RWAs (-76bps) mainly due to increased IRRBB RWAs from higher interest rates, and other movements (-21bps) including the impact from the partial completion of the announced on-market share buy-back. This was partly offset by capital generated from earnings (+93bps) and the benefits from the divestment of shareholding in Bank of Hangzhou (+35bps).

Earnings per share ("cash basis") was up 14% on the prior year at 557 cents per share, primarily due to the increase in cash profit and reduction in share count post buy-backs.

Return on equity ("cash basis") increased 120 basis points to 12.7% due to the impact of higher profit with broadly flat capital levels.

The final dividend determined was $2.10 per share, bringing the total for the year to $3.85 which is equivalent to 68% of the Bank's cash profit.

Balance sheet strength and resilience is a key priority for the Bank. The Bank has managed key balance sheet risks in a sustainable and conservative manner, and has made strategic decisions to ensure strength in capital, funding and liquidity. In particular, the Bank has:

- Satisfied a significant proportion of its funding requirements from customer deposits, accounting for 74% of total funding at 30 June 2022 (up 1% from 73% at 30 June 2021);
- Issued new long-term wholesale funding of $39 billion. Including the TFF, the portfolio WAM [4] was 4.7 years (down from 5.1 years at 30 June 2021);
- Maintained its strong funding position, with long-term wholesale funding accounting for 69% of total wholesale funding (down from 74% at 30 June 2021); and
- Appropriately managed the level of liquid assets and customer deposit growth to maintain our strong funding and liquidity positions, as illustrated by the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) being well above the regulatory minimum.

1 The financial results of discontinued operations are excluded from the individual account lines of the Bank's performance and are reported as a single cash net profit after tax line item. Discontinued operations mainly includes Colonial First State (CFS).

2 Excluding impact from FY22 one-off items. Operating income: $516 million relating to the gain on sale of ~10% shareholding in Bank of Hangzhou.
Operating expenses: $389 million relating to the acceleration of amortisation on certain software assets and other provisions of $56 million relating to changes in the Group's operating model.

3 For further details on remediation costs and other refer to page 11.

4 The portfolio WAM excluding the TFF was 6.3 years (As at 30 June 2021: 6.4 years).

Group Performance Analysis (continued)

Financial Performance and Business Review (continued)

Performance Overview (continued)

The Bank's financial result was impacted by one-off income and expenses items, and remediation and other costs. In order to present a transparent view of the business' performance, operating income and expenses are shown both before and after these items.

	Full Year Ended [1] ("cash basis")			Half Year Ended ("cash basis")		
Group Performance Summary	**30 Jun 22 $M**	30 Jun 21 $M	Jun 22 vs Jun 21 %	**30 Jun 22 $M**	31 Dec 21 $M	Jun 22 vs Dec 21 %
Operating income excluding one-off item	**24,380**	24,156	1	**12,175**	12,205	–
Gain on sale of HZB shares [2]	**516**	–	n/a	**516**	–	n/a
Total operating income	**24,896**	24,156	3	**12,691**	12,205	4
Operating expenses excluding remediation costs and other	**(10,939)**	(10,784)	1	**(5,444)**	(5,495)	(1)
Remediation costs [3]	**(251)**	(575)	(56)	**(158)**	(93)	70
Operating expenses excluding one-off items	**(11,190)**	(11,359)	(1)	**(5,602)**	(5,588)	–
Accelerated software amortisation and other [4]	**(445)**	–	n/a	**(445)**	–	n/a
Total operating expenses	**(11,635)**	(11,359)	2	**(6,047)**	(5,588)	8
Operating performance	**13,261**	12,797	4	**6,644**	6,617	–
Loan impairment benefit/(expense)	**357**	(554)	(large)	**282**	75	(large)
Net profit before tax	**13,618**	12,243	11	**6,926**	6,692	3
Corporate tax expense	**(4,023)**	(3,590)	12	**(2,077)**	(1,946)	7
Net profit after tax from continuing operations ("cash basis")	**9,595**	8,653	11	**4,849**	4,746	2
Non-cash items - continuing operations [5]	**78**	190	(59)	**83**	(5)	large
Net profit after tax from continuing operations ("statutory basis")	**9,673**	8,843	9	**4,932**	4,741	4
Net profit after tax from discontinued operations ("cash basis")	**113**	148	(24)	**13**	100	(87)
Non-cash items - discontinued operations [5]	**985**	1,190	(17)	**(44)**	1,029	(large)
Net profit after tax ("statutory basis")	**10,771**	10,181	6	**4,901**	5,870	(17)

1 Comparative information has been restated to conform to presentation in the current period.
2 Represents the pre-tax gain on sale of 10% shareholding in Bank of Hangzhou of $516 million.
3 The full year ended 30 June 2022 includes $127 million for Banking, other Wealth and employee related remediation and litigation costs (full year ended 30 June 2021: $249 million) and $124 million of additional costs, including provisions, for historical Aligned Advice remediation issues and associated program costs (full year ended 30 June 2021: $326 million). The half year ended 30 June 2022 includes $77 million for Banking, other Wealth and employee related remediation and litigation costs (half year ended 31 December 2021: $50 million) and $81 million of additional costs, including provisions, for historical Aligned Advice remediation issues and associated program costs (half year ended 31 December 2021: $43 million).
4 Represents the impact of accelerated amortisation on certain capitalised software of $389 million, and other provisions of $56 million relating to changes in the Group's operating model.
5 Refer to page 3 for further information.

Group Performance Analysis (continued)

Net Interest Income (continuing operations basis)

	Full Year Ended [1]			Half Year Ended		
	30 Jun 22 $M	30 Jun 21 $M	Jun 22 vs Jun 21 %	**30 Jun 22 $M**	31 Dec 21 $M	Jun 22 vs Dec 21 %
Net interest income - "cash basis"	**19,473**	19,302	1	**9,725**	9,748	–
Average interest earning assets						
Home loans [2]	**538,122**	501,825	7	**546,148**	530,226	3
Consumer finance	**16,319**	17,156	(5)	**16,363**	16,276	1
Business and corporate loans	**230,101**	216,347	6	**234,775**	225,502	4
Total average lending interest earning assets	**784,542**	735,328	7	**797,286**	772,004	3
Non-lending interest earning assets (excl. liquid assets)	**62,484**	57,768	8	**67,570**	57,483	18
Total average interest earning assets (excl. liquid assets)	**847,026**	793,096	7	**864,856**	829,487	4
Liquid assets [3]	**179,884**	136,750	32	**181,206**	178,583	1
Total average interest earning assets	**1,026,910**	929,846	10	**1,046,062**	1,008,070	4
Net interest margin (%)	**1. 90**	2. 08	(18)bpts	**1. 87**	1. 92	(5)bpts

1 Comparative information has been restated to conform to presentation in the current period.
2 Net of average mortgage and other offset balances. Gross average home loans balance, excluding mortgage offset accounts was $602,875 million for the full year ended 30 June 2022 ($558,500 million for the full year ended 30 June 2021), and $612,697 million for the half year ended 30 June 2022 ($593,214 million for the half year ended 31 December 2021). While these balances are required to be grossed up under accounting standards, they are netted down for the calculation of customer interest payments and the calculation of the Bank's net interest margin.
3 Average non-lending interest earning assets held by the Group for liquidity purposes and included in LCR liquid assets.

Year Ended June 2022 versus June 2021

Net interest income was $19,473 million, an increase of $171 million or 1% on the prior year. The result was driven by a $97 billion or 10% increase in average interest earning assets to $1,027 billion, partly offset by an 18 basis point or 9% decrease in net interest margin to 1.90%. Excluding the impact of higher liquid assets in the current year, average interest earning assets increased by $54 billion or 7%, and the net interest margin reduced by 10 basis points on the prior year.

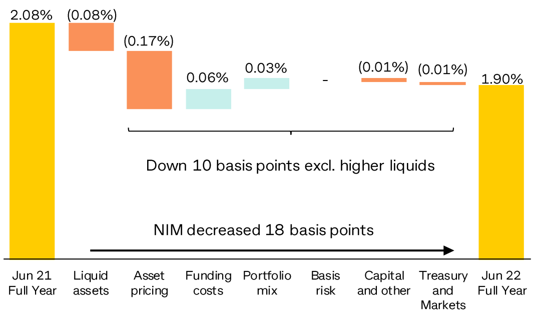
Average Interest Earning Assets

Average interest earning assets increased $97 billion or 10% on the prior year to $1,027 billion.

- Home loan average balances increased $36 billion or 7% on the prior year to $538 billion, reflecting strong new business application volumes and continued focus on credit decisioning turnaround times. Proprietary mix for CBA branded home loans decreased from 60% to 59% of new business flows, although increased during the second half of the current year;
- Consumer finance average balances decreased $1 billion or 5% on the prior year to $16 billion, driven by lower consumer demand for unsecured lending;
- Business and corporate loan average balances increased $14 billion or 6% on the prior year to $230 billion, driven by growth in Business Banking business lending across a number of industries;
- Non-lending interest earning asset (excl. liquids) average balances increased $5 billion or 8% on the prior year, primarily driven by higher reverse sale and repurchase agreements in Institutional Banking and Markets; and
- Liquid asset average balances increased $43 billion or 32% on the prior year due to strong customer deposit growth.

For further details on the balance sheet movements refer to the 'Group Assets and Liabilities' on page 22.

NIM Movement since June 2021



Net Interest Margin

The Bank's net interest margin decreased 18 basis points on the prior year to 1.90%. Excluding an 8 basis point reduction in margin from increased lower yielding liquid assets, net interest margin reduced by 10 basis points. The key drivers of the movement were:

Asset pricing: Decreased margin by 17 basis points mainly driven by reduced home and business lending pricing, and lower consumer finance margins. Decreased home lending pricing (down 15 basis points) reflects the impact of rising swap and cash rates (down 5 basis points), unfavourable portfolio mix from customers switching to lower margin fixed rate loans (down 6 basis points), and increased competition (down 6 basis points), partly offset by repricing (up 2 basis points). Lower business lending pricing (down 1 basis point) reflects changes in customer mix. Lower consumer finance margins (down 1 basis point) reflects a reduction in the proportion of interest earning credit card balances.

Funding costs: Increased margin by 6 basis points driven by higher earnings on deposits mainly from rising cash and swap rates (up 7 basis points), and lower wholesale funding costs (up 1 basis point), partly offset by reduced earnings from the replicating portfolio (down 2 basis points).

Net Interest Income (continued)

Portfolio mix: Increased margin by 3 basis points driven by favourable funding mix (up 2 basis points) due to strong growth in at-call deposits and drawdown of the RBA Term Funding Facility (TFF), and favourable asset mix from a reduction in lower margin institutional lending (up 1 basis point).

Basis risk: Basis risk arises from the spread between the 3 month bank bill swap rate and the 3 month overnight index swap rate. The average spread and exposure remained broadly flat on the prior year.

Capital and other: Decreased margin by 1 basis point driven by lower earnings on capital.

Treasury and Markets: Decreased margin by 1 basis point due to lower income in Global Markets from the Fixed Income & Rates portfolio.

Half Year Ended June 2022 versus December 2021

Net interest income was $9,725 million, a decrease of $23 million on the prior half, driven by a 5 basis point or 3% decrease in net interest margin to 1.87% and the impact of three fewer calendar days in the current half, partly offset by a $38 billion or 4% increase in average interest earning assets to $1,046 billion.

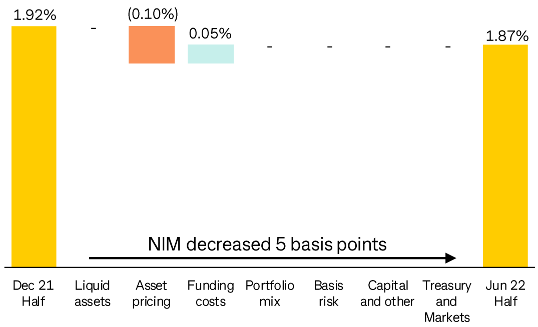
Average Interest Earnings Assets

Average interest earning assets increased $38 billion or 4% on the prior half to $1,046 billion.

- Home loan average balances increased $16 billion or 3% to $546 billion, reflecting slowing system growth in the current half and the Bank's focus on margin management in response to rising swap rates and funding costs. Proprietary mix for CBA branded home loans increased from 58% to 60% of new business flows;
- Consumer finance average balances increased 1% on the prior half, driven by growth in credit card balances mainly due to a recovery in spend;
- Business and corporate loan average balances increased $9 billion or 4% on the prior half to $235 billion, driven by growth in Business Banking business lending across a number of industries, and an increase in institutional lending balances mainly across the structured and corporate lending, and funds financing portfolios;
- Non-lending interest earning asset (excl. liquids) average balances increased $10 billion or 18% on the prior half, primarily driven by higher reverse sale and repurchase agreements in Institutional Banking and Markets; and
- Liquid asset average balances increased $3 billion or 1% on the prior half due to strong customer deposit growth.

For further details on the balance sheet movements refer to the 'Group Assets and Liabilities' on page 22.

NIM Movement since December 2021



Net Interest Margin

The Bank's net interest margin decreased 5 basis points on the prior half to 1.87%. The impact from lower yielding liquid assets was minimal as liquid asset balances were broadly flat during the half. The key drivers of the movement were:

Asset pricing: Decreased margin by 10 basis points driven by reduced home and business lending pricing, and lower consumer finance margins. Decreased home lending pricing (down 8 basis points) reflects the impact of rising swap and cash rates (down 4 basis points), unfavourable portfolio mix from customers switching to lower margin fixed rate loans (down 1 basis point), and increased competition (down 3 basis points). Lower business lending pricing (down 1 basis point) reflects changes in customer mix. Lower consumer finance margins (down 1 basis point) reflects a reduction in the proportion of interest earning credit card balances.

Funding costs: Increased margin by 5 basis points driven by higher earnings on deposits from increases in cash and swap rates (up 7 basis points), partly offset by lower earnings from the replicating portfolio (down 2 basis points).

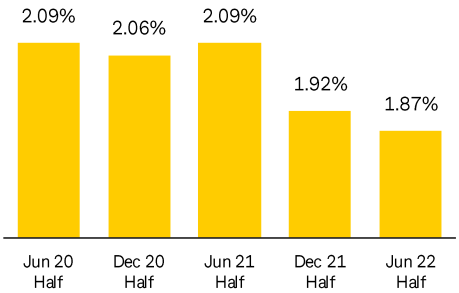
Portfolio mix: Flat. Favourable funding mix from strong growth in at-call deposits (up 1 basis point) was offset by unfavourable asset mix from an increase in lower margin non-lending interest earning asset balances (down 1 basis point).

Basis risk: Basis risk arises from the spread between the 3 month bank bill swap rate and the 3 month overnight index swap rate. The average spread and exposure remained broadly flat during the half.

Capital and other: Flat.

Treasury and Markets: Flat.

NIM (Half Year Ended)



Other Banking Income (continuing operations basis)

	Full Year Ended [1,2]			Half Year Ended [2]		
	30 Jun 22	30 Jun 21	Jun 22 vs	**30 Jun 22**	31 Dec 21	Jun 22 vs
	$M	$M	Jun 21 %	**$M**	$M	Dec 21 %
Commissions	**2,309**	2,564	(10)	**1,133**	1,176	(4)
Lending fees	**736**	665	11	**359**	377	(5)
Trading income	**806**	852	(5)	**438**	368	19
Other income	**848**	463	83	**410**	438	(6)
Other banking income excluding one-off item	**4,699**	4,544	3	**2,340**	2,359	(1)
One-off item						
Gain on sale of HZB shares [3]	**516**	–	n/a	**516**	–	n/a
Other banking income	**5,215**	4,544	15	**2,856**	2,359	21

1 Comparative information has been restated to conform to presentation in the current period.
2 Presented on a "cash basis".
3 For further details on the one-off item refer to page 11.

Year Ended June 2022 versus June 2021

Other banking income excluding the one-off item was $4,699 million, an increase of $155 million or 3% on the prior year.

Commissions decreased by $255 million or 10% to $2,309 million, mainly due to the divestment of Aussie Home Loans (AHL) and AUSIEX on 3 May 2021, lower equities income from reduced trading volumes, and decreased merchants income mainly due to lower margins and COVID-19 fee waivers, partly offset by higher foreign exchange, cards and deposit fee income from increased volumes.

Lending fees increased by $71 million or 11% to $736 million, mainly driven by volume growth in retail and business lending.

Trading income decreased by $46 million or 5% to $806 million, mainly driven by lower Global Markets trading gains from precious metal inventory financing and the Fixed Income and Rates portfolios.

Other income increased by $385 million or 83% to $848 million, mainly driven by higher Treasury income and the reversal of impairment of aircraft operating leases, partly offset by lower net profits from minority investments including the non-recurrence of gains from the reversal of historical impairments in the prior year.

Half Year Ended June 2022 versus December 2021

Other banking income excluding the one-off item was $2,340 million, a decrease of $19 million or 1% on the prior half.

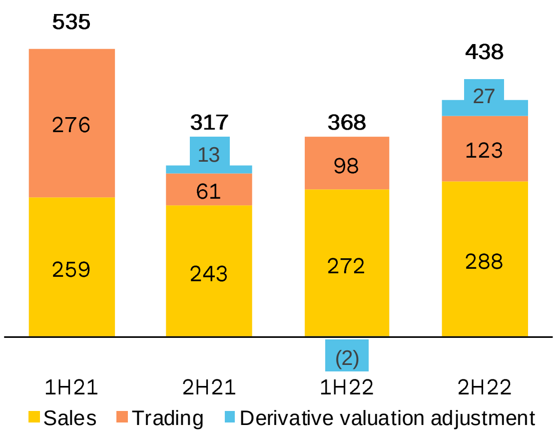
Commissions decreased by $43 million or 4% to $1,133 million, due to lower equities income from reduced trading volumes, and reduced cards income primarily driven by a reduction of the regulatory cap on fixed debit card interchange rates, partly offset by higher foreign exchange and deposit fee income from increased volumes.

Lending fees decreased by $18 million or 5% to $359 million, mainly due to lower institutional commitment and guarantee fees, partly offset by higher business lending fees reflecting volume growth.

Trading income increased by $70 million or 19% to $438 million, mainly driven by gains from Treasury interest rate risk management activities and favourable derivative valuation adjustments.

Other income decreased by $28 million or 6% to $410 million, mainly driven by the receipt of the final AIA partnership milestone payment in the prior half and lower net profits from minority investments, partly offset by the reversal of impairment of aircraft operating leases.

Trading Income ($M)



Group Performance Analysis (continued)

Funds Management Income (continuing operations basis)

	Full Year Ended [1]			Half Year Ended		
	30 Jun 22 $M	30 Jun 21 $M	Jun 22 vs Jun 21 %	**30 Jun 22 $M**	31 Dec 21 $M	Jun 22 vs Dec 21 %
Retail Banking Services [2]	**10**	32	(69)	**–**	10	(large)
New Zealand & Other	**125**	133	(6)	**55**	70	(21)
Funds management income - "cash basis"	**135**	165	(18)	**55**	80	(31)
Assets under management (AUM) - average ($M) [3]	**20,278**	18,872	7	**19,578**	21,084	(7)

1 Comparative information has been restated to conform to presentation in the current period.
2 Retail Banking Services incorporates the results of Commonwealth Financial Planning.
3 All average AUM balances relate to New Zealand.

Year Ended June 2022 versus June 2021

Funds management income was $135 million, a decrease of $30 million or 18% on the prior year. The key drivers were:

- A decrease in Retail Banking Services of $22 million or 69% to $10 million, due to the wind-down and closure of the Commonwealth Financial Planning (CFP) business; and
- A decrease in New Zealand & Other of $8 million or 6% to $125 million, mainly driven by the removal of administration fees on KiwiSaver accounts, partly offset by higher average AUM (up 7%) reflecting net inflows and market performance, and improved margins.

Half Year Ended June 2022 versus December 2021

Funds management income was $55 million, a decrease of $25 million or 31% on the prior half. The key drivers were:

- A decrease in New Zealand & Other of $15 million or 21% to $55 million, mainly due to the removal of administration fees on KiwiSaver accounts, lower average AUM (down 7%), and the impact of the sale of the management rights of the ASB Superannuation Master Trust; and
- A decrease in Retail Banking Services of $10 million, driven by the closure of the CFP business.

Insurance Income (continuing operations basis)

	Full Year Ended			Half Year Ended		
	30 Jun 22 $M	30 Jun 21 $M	Jun 22 vs Jun 21 %	**30 Jun 22 $M**	31 Dec 21 $M	Jun 22 vs Dec 21 %
Insurance income - "cash basis"	**73**	145	(50)	**55**	18	large

Year Ended June 2022 versus June 2021

Insurance income was $73 million, a decrease of $72 million or 50% on the prior year. This result was driven by higher claims experience net of reinsurance recoveries, due to increased weather related claims and higher average claims size driven by supply chain disruptions.

Half Year Ended June 2022 versus December 2021

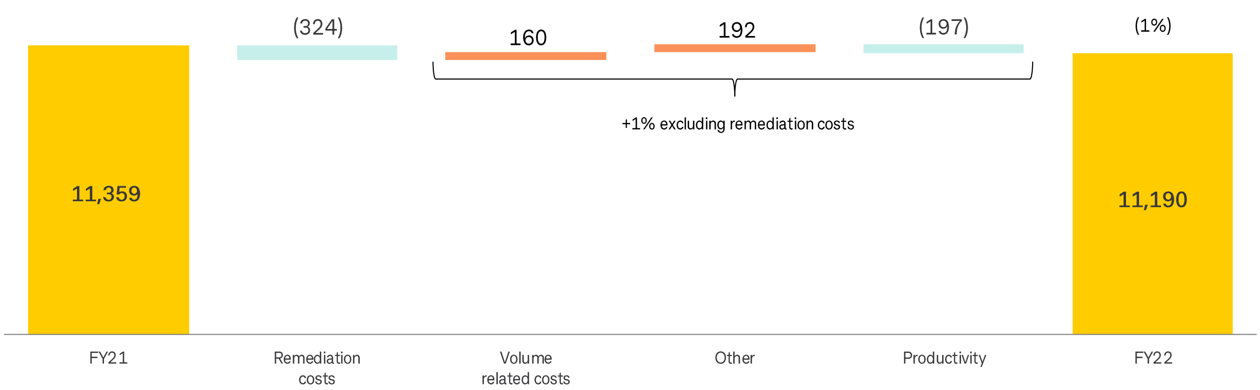
Insurance income was $55 million, an increase of $37 million on the prior half. This result was due to lower weather event related losses in the current half due to reinsurance recoveries, partly offset by higher working claims.

Operating Expenses (continuing operations basis)

	Full Year Ended [1, 2]			Half Year Ended [2]		
	30 Jun 22 $M	30 Jun 21 $M	Jun 22 vs Jun 21 %	**30 Jun 22 $M**	31 Dec 21 $M	Jun 22 vs Dec 21 %
Staff expenses	**6,532**	5,985	9	**3,174**	3,358	(5)
Occupancy and equipment expenses	**975**	1,154	(16)	**489**	486	1
Information technology services expenses	**1,967**	2,032	(3)	**1,007**	960	5
Other expenses	**1,465**	1,613	(9)	**774**	691	12
Operating expenses excluding remediation costs and one-off items	**10,939**	10,784	1	**5,444**	5,495	(1)
Remediation costs [3]	**251**	575	(56)	**158**	93	70
Operating expenses including remediation costs excluding one-off items	**11,190**	11,359	(1)	**5,602**	5,588	–
One-off items						
Accelerated software amortisation and other [4]	**445**	–	n/a	**445**	–	n/a
Operating expenses including remediation costs and one-off items	**11,635**	11,359	2	**6,047**	5,588	8
Operating expenses to total operating income excluding one-off items (%)	**45. 9**	47. 0	(110)bpts	**46. 0**	45. 8	20 bpts
Operating expenses to total operating income (%)	**46. 7**	47. 0	(30)bpts	**47. 6**	45. 8	180 bpts
Average number of full-time equivalent staff (FTE)	**47,354**	42,940	10	**48,658**	46,075	6
Spot number of full-time equivalent staff (FTE)	**49,245**	44,375	11	**49,245**	47,532	4

1 Comparative information has been restated to conform to presentation in the current period.
2 Presented on a "cash basis".
3 For further details on remediation costs refer to page 11.
4 For further details on one-off items refer to page 11.

Operating Expenses (excluding one-off items)



Year Ended June 2022 versus June 2021

Operating expenses excluding remediation costs and one-off items were $10,939 million, an increase of $155 million or 1% on the prior year.

Staff expenses increased by $547 million or 9% to $6,532 million, mainly driven by increased full-time equivalent staff (FTE) and wage inflation. The average number of FTE increased by 4,414 or 10% from 42,940 to 47,354, primarily to support increased operational and financial crime assessment volumes, and the delivery of our strategic investment priorities, while reducing the reliance on external vendors as we enhance our internal engineering capabilities. In addition, the Bank has increased its frontline and technology resources to help our customers, uplift our cyber security capabilities and improve system resiliency, partly offset by productivity initiatives.

Occupancy and equipment expenses decreased by $179 million or 16% to $975 million, primarily driven by the benefits from the consolidation of our commercial property footprint, and branch and ATM optimisation.

Operating Expenses (continued)

Information technology services expenses decreased by $65 million or 3% to $1,967 million, primarily due to lower amortisation and productivity initiatives. This was partly offset by higher software licensing and infrastructure costs including increased cloud computing volumes, and investment in cyber security capabilities and system resiliency.

Other expenses decreased by $148 million or 9% to $1,465 million, primarily driven by productivity initiatives.

Operating expenses to total operating income ratio excluding one-off items decreased 110 basis points from 47.0% to 45.9%.

Half Year Ended June 2022 versus December 2021

Operating expenses excluding remediation costs and one-off items decreased $51 million or 1% on the prior half to $5,444 million.

Staff expenses decreased by $184 million or 5% to $3,174 million, mainly driven by three fewer working days and higher annual leave usage in the current half, partly offset by additional FTE. The average number of FTE increased by 2,583 or 6% from 46,075 to 48,658, primarily to support increased operational and financial crime assessment volumes, and the delivery of our strategic investment priorities. In addition, the Bank has increased its frontline and technology resources to help our customers, uplift our cyber security and improve system resiliency, partly offset by productivity initiatives.

Occupancy and equipment expenses increased by $3 million or 1% to $489 million.

Information technology services expenses increased by $47 million or 5% to $1,007 million, primarily due to higher amortisation and technology related investment, partly offset by productivity initiatives.

Other expenses increased by $83 million or 12% to $774 million mainly due to increased credit card loyalty redemptions and marketing spend, as well as increased travel costs as COVID-19 restrictions eased, partly offset by productivity initiatives.

Operating expenses to total operating income ratio excluding one-off items increased 20 basis points from 45.8% to 46.0%.

Investment Spend (continuing operations basis)

	Full Year Ended			Half Year Ended		
	30 Jun 22 $M	30 Jun 21 $M	Jun 22 vs Jun 21 %	30 Jun 22 $M	31 Dec 21 $M	Jun 22 vs Dec 21 %
Expensed investment spend [1]	**987**	1,026	(4)	**474**	513	(8)
Capitalised investment spend [2]	**891**	783	14	**459**	432	6
Investment spend	**1,878**	1,809	4	**933**	945	(1)
Comprising:						
Productivity and growth	**771**	568	36	**405**	366	11
Risk and compliance	**696**	838	(17)	**304**	392	(22)
Infrastructure and branch refurbishment	**411**	403	2	**224**	187	20
Investment spend	**1,878**	1,809	4	**933**	945	(1)

1 Included within the operating expenses disclosure on page 16.
2 Includes software capitalised investment spend, and non-software capitalised investment spend primarily related to branch refurbishments and the development of the corporate and supporting offices.

Year Ended June 2022 versus June 2021

The Bank has continued to invest in our strategy of building a brighter future for all with $1,878 million of investment spend incurred in the full year ended 30 June 2022, an increase of $69 million or 4% on the prior year. This is mainly driven by an increase of $203 million in productivity and growth initiatives, partly offset by a $142 million reduction in risk and compliance spend.

In the current year, productivity and growth initiatives accounted for 41% of investment spend, an increase of 10% from 31% in the prior year. The Bank has increased focus on strengthening our capabilities and extending our leadership in digital, technology and customer-centric product offerings through the ongoing modernisation of our platforms to provide integrated and personalised experiences for our customers. The Bank is also continuing to innovate for future growth through initiatives such as the simplification of our technology platforms, uplifting our payment capabilities, and ongoing advancement of the digital interface for our home loan and everyday banking customers.

Risk and compliance projects accounted for 37% of investment spend, a decrease of 10% from 47% in the prior year. Risk and compliance initiatives remain a priority for the Bank as we continue to build simpler and better foundations.

Infrastructure and branch refurbishment initiatives accounted for 22% of investment spend, with the Bank continuing to uplift cyber security and enhance IT infrastructure.

Key areas of investment across each of the categories are outlined below.

Productivity and Growth

The Bank has invested in the following:

- Ongoing development of CommBank applications and digital channels to improve the customer service experience and maintain leadership in digital banking;
- Commercial lending system upgrades to simplify the end-to-end process for loan origination and maintenance, and improve business customer experiences;
- Enhancing technology and customer insights to assist merchant customers, including launching a self-service merchant portal and deploying the next generation Smart EFTPOS terminal;
- Reducing reliance on external vendors and providers by bringing more functions in-house, and delivering cost savings while enhancing quality by building world-class engineering capabilities;
- Ongoing modernisation and simplification of the technology stack to accelerate migration to cloud, in order to reduce the cost of IT ownership, reduce risk and improve delivery agility for faster response to changing customer needs; and
- Simplifying and automating manual back-end processes and systems to improve customer experience, reduce operating costs and digitise end-to-end processes.

Risk and Compliance

The Bank has continued to increase Group wide capability in the management of financial and non-financial risks, including:

- Anti-money laundering and counter-terrorism financing (AML/CTF) compliance, by upgrading AML/CTF technology, updating policies and procedures, investing in further capability and improving training of our personnel;
- Strengthening the Bank's operating model and processes for monitoring, managing, reporting and controlling financial crime across all of its operations, including how the Bank engages with and informs AUSTRAC and other regulators;
- Enhancing Customer Risk Assessment capability and strengthening data controls and processes;
- Embedding the Prudential Inquiry Remedial Action Plan, with all recommendations assessed as closed; and
- Upgrading processes and systems for additional functionality, automation of controls, protecting against privacy breaches, and ensuring compliance with regulations including Open Banking, Comprehensive Credit Reporting Regime, Banking Code of Practice, Basel III capital reforms and Product Design and Distribution Obligations.

Group Performance Analysis (continued)

Investment Spend (continued)

Infrastructure and Branch Refurbishment

The Bank has invested in the following:

- Protecting customers and the Bank against cyber security risks and data breaches;
- Improving the resilience and simplicity of the Bank's IT infrastructure and data centres;
- Retail branch design and refurbishment to reflect evolving changes in customer preferences; and
- Refurbishment and relocation of our head office to a sustainably designed 6 star "Green Star" building that better connects our people, partners and customers.

Capitalised Software

	Full Year Ended			Half Year Ended		
	30 Jun 22 $M	30 Jun 21 $M	Jun 22 vs Jun 21 %	**30 Jun 22 $M**	31 Dec 21 $M	Jun 22 vs Dec 21 %
Opening Balance	**1,427**	1,296	10	**1,585**	1,427	11
Additions	**743**	553	34	**425**	318	34
Amortisation and write-offs	**(761)**	(422)	80	**(601)**	(160)	large
Closing balance	**1,409**	1,427	(1)	**1,409**	1,585	(11)

Year Ended June 2022 versus June 2021

Capitalised software balance decreased $18 million or 1% on the prior year to $1,409 million.

Additions increased by $190 million or 34% to $743 million, due to higher capitalised investment spend, which is largely a function of the increased mix of value-accretive productivity and growth initiatives as the Bank continues to enhance its product offering and customer experiences, strengthen its digital capabilities, modernise technology platforms and innovate for future growth.

Amortisation and write-offs increased by $339 million to $761 million, mainly driven by the accelerated amortisation of certain capitalised software during the period.

Half Year Ended June 2022 versus December 2021

Capitalised software balance decreased $176 million or 11% on the prior half.

Additions increased by $107 million to $425 million, as the Bank continues to invest in productivity and growth, and infrastructure initiatives.

Amortisation and write-offs increased by $441 million to $601 million, mainly driven by the accelerated amortisation of certain capitalised software during the period.

Group Performance Analysis (continued)

Loan Impairment Expense (continuing operations basis)

	Full Year Ended [1]			Half Year Ended		
	30 Jun 22 $M	30 Jun 21 $M	Jun 22 vs Jun 21 %	**30 Jun 22 $M**	31 Dec 21 $M	Jun 22 vs Dec 21 %
Retail Banking Services	**(401)**	139	(large)	**(396)**	(5)	(large)
Business Banking	**110**	228	(52)	**66**	44	50
Institutional Banking and Markets	**(111)**	96	(large)	**14**	(125)	large
New Zealand	**37**	(5)	large	**49**	(12)	large
Corporate Centre and Other	**8**	96	(92)	**(15)**	23	(large)
Loan impairment (benefit)/expense	**(357)**	554	(large)	**(282)**	(75)	(large)

1 Comparative information has been restated to conform to presentation in the current period.

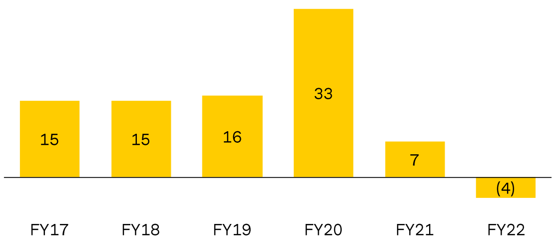
Year Ended June 2022 versus June 2021

Loan impairment expense decreased $911 million on the prior year to a benefit of $357 million. This was driven by:

- A decrease in Retail Banking Services of $540 million to a benefit of $401 million, driven by lower collective provisions reflecting reduced COVID-19 uncertainties, partly offset by increased forward-looking adjustments for emerging risks, including inflationary pressures and rising interest rates;
- A decrease in Institutional Banking and Markets of $207 million to a benefit of $111 million, mainly driven by lower collective provisions reflecting a decrease in forward-looking adjustments for the aviation sector and reduced COVID-19 uncertainties, partly offset by a lower level of write-backs;
- A decrease in Business Banking of $118 million to an expense of $110 million, driven by lower individually assessed provision charges and higher write-backs; and
- A decrease in Corporate Centre and Other of $88 million to an expense of $8 million, mainly driven by the non-recurrence of prior year COVID-19 related collective provision charges in PTBC; partly offset by
- An increase in New Zealand of $42 million to an expense of $37 million, driven by higher collective provision charges reflecting emerging risks, including inflationary pressures and rising interest rates, partly offset by lower write-offs.

Loan impairment expense as a percentage of average gross loans and acceptances (GLAAs) decreased 11 basis points to -4 basis points.

Full Year Loan Impairment Expense as a percentage of average GLAA (bpts)



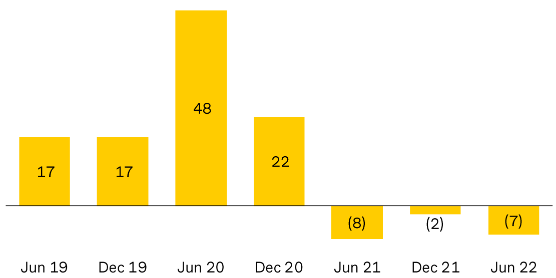
Half Year Ended June 2022 versus December 2021

Loan impairment expense decreased $207 million on the prior half to a benefit of $282 million. This was driven by:

- A decrease in Retail Banking Services of $391 million to a benefit of $396 million, driven by lower collective provisions reflecting reduced COVID-19 uncertainties, partly offset by increased forward-looking adjustments for emerging risks, including inflationary pressures and rising interest rates; and
- A decrease in Corporate Centre and Other of $38 million to a benefit of $15 million, driven by individually assessed provision releases and write-backs in PTBC; partly offset by
- An increase in Institutional Banking and Markets of $139 million to an expense of $14 million, driven by the non-recurrence of collective provision releases related to the aviation sector and higher individually assessed provision charges in the current half;
- An increase in New Zealand of $61 million to an expense of $49 million, driven by higher collective provision charges reflecting emerging risks, including inflationary pressures and rising interest rates, partly offset by lower individually assessed provision charges; and
- An increase in Business Banking of $22 million to an expense of $66 million, driven by higher collective provision charges reflecting increased forward-looking adjustments for emerging risks, including inflationary pressures, supply chain disruptions and rising interest rates, partly offset by reduced COVID-19 uncertainties.

Loan impairment expense annualised as a percentage of average gross loans and acceptances (GLAAs) decreased 5 basis points to -7 basis points.

Half Year Loan Impairment Expense annualised as a percentage of average GLAA (bpts)



Group Performance Analysis (continued)

Taxation Expense (continuing operations basis)

	Full Year Ended			Half Year Ended		
	30 Jun 22 $M	30 Jun 21 $M	Jun 22 vs Jun 21 %	**30 Jun 22 $M**	31 Dec 21 $M	Jun 22 vs Dec 21 %
Corporate tax expense ($M)	**4,023**	3,590	12	**2,077**	1,946	7
Effective tax rate - "cash basis" (%)	**29. 5**	29. 3	20 bpts	**30. 0**	29. 1	90 bpts

Year Ended June 2022 versus June 2021

Corporate tax expense was $4,023 million, an increase of $433 million or 12% on the prior year, reflecting a 29.5% effective tax rate.

The rate is below the Australian company tax rate of 30% primarily as a result of the profit earned by the offshore jurisdictions that have lower corporate tax rates, and profits of associates which is reflected on an after tax basis.

The 20 basis points increase in the effective tax rate from 29.3% to 29.5% was primarily due to the tax impact from the sale of a 10% shareholding in Bank of Hangzhou (HZB).

Half Year Ended June 2022 versus December 2021

Corporate tax expense was $2,077 million, an increase of $131 million or 7% on the prior half, reflecting a 30.0% effective tax rate.

The 90 basis point increase in the effective tax rate from 29.1% to 30.0% was primarily due to the tax impact from the sale of a 10% shareholding in HZB.

Group Assets and Liabilities

	As at				
	30 Jun 22	31 Dec 21	30 Jun 21	Jun 22 vs	Jun 22 vs
Total Group Assets and Liabilities	**$M**	$M	$M	Dec 21 %	Jun 21 %
Interest earning assets					
Home loans [1]	**621,993**	605,910	579,756	3	7
Consumer finance	**16,494**	16,675	16,997	(1)	(3)
Business and corporate loans	**244,380**	226,042	219,653	8	11
Loans, bills discounted and other receivables [2]	**882,867**	848,627	816,406	4	8
Non-lending interest earning assets [3]	**269,827**	247,911	219,473	9	23
Total interest earning assets	**1,152,694**	1,096,538	1,035,879	5	11
Other assets [2, 3]	**61,244**	52,224	54,895	17	12
Assets held for sale [3]	**1,322**	1,051	1,201	26	10
Total assets	**1,215,260**	1,149,813	1,091,975	6	11
Interest bearing liabilities					
Transaction deposits [4]	**188,917**	182,425	173,626	4	9
Savings deposits [4]	**275,997**	266,661	259,244	4	6
Investment deposits	**169,401**	156,103	154,252	9	10
Other demand deposits	**79,513**	74,113	64,843	7	23
Total interest bearing deposits	**713,828**	679,302	651,965	5	9
Debt issues	**116,902**	117,466	103,003	–	13
Term funding from central banks [5]	**54,807**	52,828	51,856	4	6
Other interest bearing liabilities	**64,251**	60,106	59,945	7	7
Total interest bearing liabilities	**949,788**	909,702	866,769	4	10
Non-interest bearing transaction deposits	**142,103**	134,398	112,537	6	26
Other non-interest bearing liabilities [3]	**49,348**	30,098	33,576	64	47
Liabilities held for sale [3]	**1,183**	952	405	24	large
Total liabilities	**1,142,422**	1,075,150	1,013,287	6	13

1 Home loans are presented gross of $64,998 million of mortgage offset balances (31 December 2021: $66,167 million; 30 June 2021: $57,813 million). These balances are required to be grossed up under accounting standards, but are netted down for the calculation of customer interest payments.

2 Loans, bills discounted and other receivables exclude provisions for impairment which are included in other assets.

3 On 1 December 2021, CBA completed the sale of a 55% interest in Colonial First State (CFS) to KKR. The assets and liabilities held for sale in relation to this business have therefore been deconsolidated during the six months ended 31 December 2021, resulting in a decrease in the assets held for sale of $1,199 million and a decrease in the liabilities held for sale of $405 million.

On 21 June 2021, CBA announced that it has entered into an agreement to sell its Australian general insurance business (CommInsure General Insurance) to Hollard Group. The sale is subject to Australian regulatory approvals and other conditions, and is expected to complete in the first half of financial year 2023. As at 30 June 2022, $420 million of non-lending interest earning assets and $891 million of other assets have been reclassified to assets held for sale, and $1,183 million in other non-interest bearing liabilities have been reclassified to liabilities held for sale in relation to this business.

4 Transaction and savings deposits includes $64,998 million of mortgage offset balances (31 December 2021: $66,167 million; 30 June 2021: $57,813 million).

5 Term funding from central banks includes the drawn balances of the RBA Term Funding Facility and the RBNZ Funding for Lending Programme and Term Lending Facility.

Year Ended June 2022 versus June 2021

Total assets were $1,215 billion, an increase of $123 billion or 11% on the prior year, driven by an increase in non-lending interest earning assets, home loans, business and corporate loans and other assets, partly offset by lower consumer finance balances.

Total liabilities were $1,142 billion, an increase of $129 billion or 13% on the prior year, driven by an increase in deposits, debt issues, term funding from central banks, other interest bearing liabilities and other non-interest bearing liabilities.

The Bank continued to fund a significant portion of lending growth from customer deposits. Customer deposits represented 74% of total funding (30 June 2021: 73%).

Home loans

Home loan balances increased $42 billion to $622 billion, a 7% increase on the prior year. The increase was driven by Retail Banking Services, Business Banking and New Zealand. Domestic home loan growth of 7% was broadly in line with system growth. Proprietary mix for CBA branded home loans decreased from 60% to 59% of new business flows, although increased during the second half of the current year.

Australian home loans amount to $556 billion (30 June 2021: $516 billion) of which 71% were owner occupied, 28% were investment home loans and 1% were lines of credit (30 June 2021: 70% were owner occupied, 28% were investment home loans and 2% were lines of credit).

Group Performance Analysis (continued)

Group Assets and Liabilities (continued)

Consumer Finance

Consumer finance balances decreased $1 billion to $16 billion, a 3% decrease on the prior year, broadly in line with system decline. The decrease was driven by lower consumer demand for personal loans, partly offset by growth in credit cards from a recovery in spend.

Business and corporate loans

Business and corporate loans increased $25 billion to $244 billion, an 11% increase on the prior year. This was driven by a $14 billion or 14% increase in Business Banking (above system growth) reflecting diversified lending across a number of industries with the largest growth in Property, Agriculture and Health sectors. Institutional lending balances increased by $10 billion or 12% primarily due to growth across the structured, corporate lending and funds financing portfolios. New Zealand business and rural lending increased $1 billion or 4% (excluding the impact of FX).

Domestic business lending (excluding institutional lending) increased 14%, above system growth.

Non-lending interest earning assets

Non-lending interest earning assets increased $50 billion to $270 billion, a 23% increase on the prior year. This was mainly driven by an increase in liquid asset balances due to strong customer deposit growth, and higher reverse sale and repurchase agreements in Global Markets, partly offset by a decline in trading assets mainly in Government securities.

Other assets

Other assets, including derivative assets, property, plant and equipment and intangibles, increased $6 billion to $61 billion, a 12% increase on the prior year, mainly driven by an increase in derivative assets due to volatility and movements in foreign currency and interest rates, partly offset by lower commodities inventory balances in Institutional Banking and Markets, and the sale of a 10% shareholding in the Bank of Hangzhou.

Total Interest bearing deposits

Total interest bearing deposits increased $62 billion, across all product types, to $714 billion, a 9% increase on the prior year. Growth in transaction and savings deposits was driven by increased domestic money supply, growth in mortgage offsets, and increased demand for at-call deposits in the low-rate environment which existed for most of the current year. Growth in investment deposits was primarily from offshore institutional banking clients, while growth in other demand deposits was mainly driven by higher sale and repurchase agreements.

Domestic household deposits grew at 13%, in line with system growth.

Debt issues

Debt issues increased $14 billion to $117 billion, a 13% increase on the prior year, to meet the Group's future funding and liquidity requirements.

Deposits satisfied the majority of the Bank's funding requirements, however strong access was maintained to both domestic and international wholesale debt markets.

Refer to pages 36-37 for further information on debt programs and issuance for the year ended 30 June 2022.

Term funding from central banks

Term funding from central banks includes the drawn balance of the RBA Term Funding Facility and the RBNZ Funding for Lending Programme and Term Lending Facility. Term funding from central banks increased $3 billion on the prior year, driven by additional drawdown of the RBNZ Funding for Lending Programme and Term Lending Facility.

Other interest bearing liabilities

Other interest bearing liabilities, including loan capital, liabilities at fair value through income statement and amounts due to other financial institutions, increased $4 billion to $64 billion, a 7% increase on the prior year. The increase was mainly driven by the issuance of additional Tier 2 Capital instruments and PERLS XIV, and growth in central bank and foreign currency term deposits.

Non-interest bearing transaction deposits

Non-interest bearing transaction deposits increased $30 billion to $142 billion, a 26% increase on the prior year. The growth was driven by increased domestic money supply and higher demand for at-call deposits in the low-rate environment which existed for most of the current year.

Other non-interest bearing liabilities

Other non-interest bearing liabilities, including derivative liabilities, increased $16 billion to $49 billion, a 47% increase on the prior year. The increase was mainly driven by higher derivative liabilities primarily due to volatility and movements in foreign currency and interest rates.

Half Year Ended June 2022 versus December 2021

Total assets increased $65 billion or 6% on the prior half, mainly driven by an increase in business and corporate loans, home loans, non-lending interest earning assets and other assets, partly offset by lower consumer finance balances.

Total liabilities increased $67 billion or 6% on the prior half, reflecting an increase in deposits, other interest bearing liabilities, other non-interest bearing liabilities, and term funding from central banks, partly offset by a decline in debt issues.

Customer deposits represented 74% of total funding (31 December 2021: 73%).

Group Assets and Liabilities (continued)

Home loans

Home loan balances increased $16 billion or 3% on the prior half, driven by an increase in Retail Banking Services, Business Banking and New Zealand (excluding the impact of FX). Domestic home loan growth of 3% was below system, reflecting the Bank's focus on margin management in response to rising swap rates and funding costs. Proprietary mix for CBA branded home loans increased from 58% to 60% of new business flows.

Consumer finance

Consumer finance balances decreased 1% on the prior half, broadly in line with system decline. The decrease was mainly driven by lower credit card balances in New Zealand, partly offset by growth in personal loans from higher new business volumes.

Business and corporate loans

Business and corporate loans increased $18 billion or 8% on the prior half, driven by a $9 billion or 8% growth in Business Banking reflecting diversified lending across a number of industries with the largest growth in the Property, Agriculture and Health sectors. Institutional lending balances increased by $10 billion or 12% primarily due to growth in the corporate, structured lending and funds financing portfolios. New Zealand business and rural lending increased 2% (excluding the impact of FX).

Domestic business lending (excluding institutional lending) increased 8%, above system growth.

Non-lending interest earning assets

Non-lending interest earning assets increased $22 billion or 9% on the prior half. This was mainly driven by an increase in liquid asset balances due to strong customer deposit growth and higher reverse sale and repurchase agreements, partly offset by a reduction in holdings of Government securities.

Other assets

Other assets, including derivative assets, property, plant and equipment and intangibles, increased $9 billion or 17% on the prior half mainly driven by an increase in derivatives assets due to volatility and movements in foreign currency and interest rates, partly offset by lower commodities inventory balances in Institutional Banking and Markets, and the sale of a 10% shareholding in the Bank of Hangzhou.

Total interest bearing deposits

Total interest bearing deposits increased $35 billion, across all product types, to $714 billion, a 5% increase on the prior half. The growth in transaction and savings deposits was driven by increased domestic money supply and increased demand for at-call deposits in the low-rate environment which existed for most of the current half. Growth in investment deposits was primarily from offshore institutional banking clients, while other demand deposits was mainly driven by increased sale and repurchase agreements.

Domestic household deposits grew at 3%, broadly in line with system growth.

Debt issues

Debt issues decreased $1 billion on the prior half, driven by net maturities.

Refer to pages 36-37 for further information on debt programs and issuance for the half year ended 30 June 2022.

Term funding from central banks

Term funding from central banks increased $2 billion on the prior half, driven by additional drawdown of the RBNZ Funding for Lending Programme.

Other interest bearing liabilities

Other interest bearing liabilities, including loan capital, liabilities at fair value through income statement and amounts due to other financial institutions, increased $4 billion or 7% on the prior half. The increase was primarily driven by the issuance of additional Tier 2 Capital instruments and PERLS XIV, and growth in foreign currency term deposits and central bank deposits.

Non-interest bearing transaction deposits

Non-interest bearing transaction deposits increased $8 billion or 6% on the prior half. The growth was mainly driven by higher demand for at-call deposits in the low-rate environment which existed for most of the current half.

Other non-interest bearing liabilities

Other non-interest bearing liabilities, including derivative liabilities, increased $19 billion or 64% on the prior half. The increase was mainly driven by higher derivative liabilities primarily due to volatility and movements in foreign currency and interest rates.

Group Operations & Business Settings

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Contents

4. Group Operations & Business Settings

Group Operations and Business Settings

Loan Impairment Provisions and Credit Quality

Provisions for Impairment

	As at				
	30 Jun 22 $M	31 Dec 21 $M	30 Jun 21 $M	Jun 22 vs Dec 21 %	Jun 22 vs Jun 21 %
Provisions for impairment losses					
Collective provisions	**4,611**	5,062	5,311	(9)	(13)
Individually assessed provisions	**736**	792	900	(7)	(18)
Total provisions for impairment losses	**5,347**	5,854	6,211	(9)	(14)
Less: Provisions for off Balance Sheet exposures	**(117)**	(100)	(111)	17	5
Total provisions for loan impairment	**5,230**	5,754	6,100	(9)	(14)

Year Ended June 2022 versus June 2021

Total provisions for impairment losses as at 30 June 2022 were $5,347 million, a decrease of $864 million or 14% on the prior year.

Collective provisions

- Consumer collective provisions decreased $612 million or 20% to $2,417 million. This reflects reduced COVID-19 uncertainties, partly offset by increased forward-looking adjustments for emerging risks, including inflationary pressures and rising interest rates.
- Corporate collective provisions decreased $88 million or 4% to $2,194 million. This reflects reduced COVID-19 uncertainties, partly offset by increased forward-looking adjustments for emerging risks, including inflationary pressures, supply chain disruptions and rising interest rates.

Individually assessed provisions

- Corporate individually assessed provisions decreased $99 million or 14% to $612 million. This was mainly driven by write-backs and write-offs across various industry sectors, partly offset by increased provisions for a small number of large exposures.
- Consumer individually assessed provisions decreased $65 million or 34% to $124 million. This was mainly driven by lower arrears in the Australian home lending portfolio and growth in house prices over the period.

Half Year Ended June 2022 versus December 2021

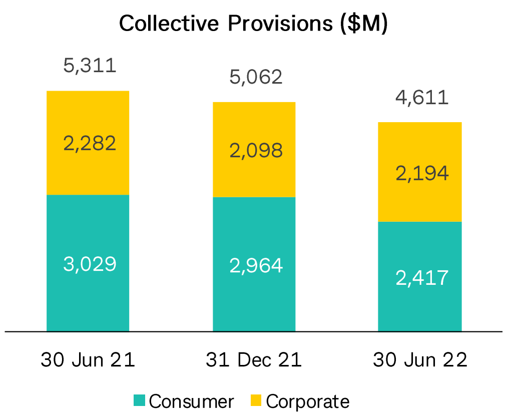
Total provisions for impairment losses decreased $507 million or 9% on the prior half.

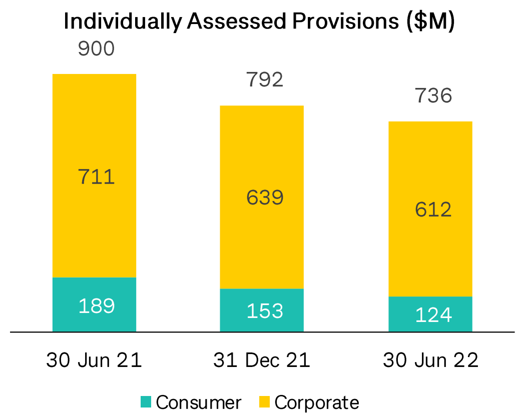
Collective provisions

- Consumer collective provisions decreased $547 million or 18%. This reflects reduced COVID-19 uncertainties, partly offset by increased forward-looking adjustments for emerging risks, including inflationary pressures and rising interest rates.
- Corporate collective provisions increased $96 million or 5%. This reflects increased forward-looking adjustments for emerging risks, including inflationary pressures, supply chain disruptions and rising interest rates.

Individually assessed provisions

- Corporate individually assessed provisions decreased $27 million or 4%. This was mainly driven by write-backs and write-offs across various industry sectors, partly offset by increased provisions for a small number of large exposures.
- Consumer individually assessed provisions decreased $29 million or 19%. This was mainly driven by lower arrears in the Australian home lending portfolio and growth in house prices over the period.





Group Operations and Business Settings (continued)

Loan Impairment Provisions and Credit Quality (continued)

Credit Quality

	Full Year Ended			Half Year Ended		
Credit Quality Metrics	**30 Jun 22**	30 Jun 21	Jun 22 vs Jun 21 %	**30 Jun 22**	31 Dec 21	Jun 22 vs Dec 21 %
Gross loans and acceptances (GLAA) ($M)	**884,963**	818,266	8	**884,963**	850,509	4
Risk weighted assets (RWA) ($M)	**497,892**	450,680	10	**497,892**	471,927	6
Credit RWA ($M)	**393,647**	381,550	3	**393,647**	390,687	1
Gross impaired assets ($M)	**2,951**	3,409	(13)	**2,951**	3,482	(15)
Net impaired assets ($M)	**1,928**	2,250	(14)	**1,928**	2,435	(21)
Provision Ratios						
Collective provisions as a % of credit RWA	**1. 17**	1. 39	(22)bpts	**1. 17**	1. 30	(13)bpts
Total provisions as a % of credit RWA	**1. 36**	1. 63	(27)bpts	**1. 36**	1. 50	(14)bpts
Total provisions for impaired assets as a % of gross impaired assets	**34. 67**	33. 99	68 bpts	**34. 67**	30. 07	460 bpts
Total provisions for impaired assets as a % of gross impaired assets (corporate)	**58. 80**	49. 52	large	**58. 80**	47. 99	large
Total provisions for impaired assets as a % of gross impaired assets (consumer)	**20. 74**	22. 04	(130)bpts	**20. 74**	17. 71	303 bpts
Total provisions for impairment losses as a % of GLAAs	**0. 60**	0. 76	(16)bpts	**0. 60**	0. 69	(9)bpts
Asset Quality Ratios						
Gross impaired assets as a % of GLAAs	**0. 33**	0. 42	(9)bpts	**0. 33**	0. 41	(8)bpts
Loans 90+ days past due but not impaired as a % of GLAAs	**0. 35**	0. 46	(11)bpts	**0. 35**	0. 39	(4)bpts
Loan impairment expense annualised as a % of average GLAAs	**(0. 04)**	0. 07	(11)bpts	**(0. 07)**	(0. 02)	(5)bpts
Net write-offs annualised as a % of GLAAs	**0. 07**	0. 09	(2)bpts	**0. 05**	0. 08	(3)bpts
Non-retail total committed exposures rated investment grade (%) [1]	**69. 70**	68. 30	140 bpts	**69. 70**	68. 97	73 bpts
Australian Home Loan Portfolio						
Portfolio dynamic LVR (%) [2]	**44. 02**	48. 96	(494)bpts	**44. 02**	46. 22	(220)bpts
Customers in advance (%) [3]	**77. 95**	78. 49	(54)bpts	**77. 95**	78. 31	(36)bpts

1 Investment grades based on CBA grade in S&P equivalent.
2 Loan to value ratio (LVR) defined as current balance as a percentage of the current valuation on Australian home loan portfolio.
3 Any amount ahead of monthly minimum repayment (including offset facilities).

Provision Ratios and Impaired Assets

As at 30 June 2022, total provisions as a proportion of credit RWA decreased 14 basis points on the prior half to 1.36%. This was driven by lower collective provisions, reflecting reduced COVID-19 uncertainties, partly offset by increased forward-looking adjustments for emerging risks, including inflationary pressures, supply chain disruptions and rising interest rates, and lower individually assessed provisions reflecting write-backs and write-offs across various industry sectors.

Gross impaired assets were $2,951 million, a decrease of $531 million or 15% on the prior half, mainly driven by lower corporate impaired assets due to repayments and upgrades across a small number of large exposures and lower impaired assets in ASB due to a reduction of home loans in hardship. Gross impaired assets as a proportion of GLAAs were 0.33%, a decrease of 8 basis points on the prior half, and provision coverage for the impaired asset portfolio was 34.67%, an increase of 460 basis points on the prior half, both driven by a decrease in gross impaired assets.

COVID-19 Customer Support Measures

The Group's customer support measures, including the temporary loan deferral programs, concluded during the year ended 30 June 2022, with the vast majority of customers participating in the loan deferral programs returning to regular repayments on their loans.

Loan Impairment Provisions and Credit Quality (continued)

Retail Portfolio Asset Quality

Consumer loan impairment expense (LIE) as a percentage of average gross loans and acceptances was -15 basis points, a decrease of 15 basis points on the prior half, driven by lower collective provisions mainly reflecting reduced COVID-19 uncertainties, partly offset by increased forward-looking adjustments for emerging risks, including inflationary pressures and rising interest rates.

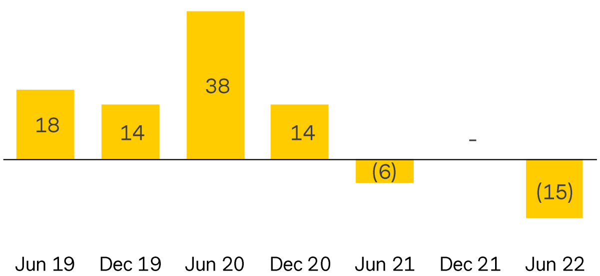
Home loan 90+ days arrears were 0.49%, a decrease of 3 basis points on the prior half, primarily driven by sound origination quality and balance growth. Credit cards and Personal loans 90+ days arrears were 0.52% and 1.02% respectively, an increase of 3 basis points and 5 basis points on the prior half, as arrears rates start to normalise towards pre-pandemic levels.

The home loan dynamic LVR was 44.02%, a decrease of 220 basis points on the prior half, driven by growth in house prices over the period. The home lending book remains well secured and the majority of home lending customers remain in advance of scheduled repayments.

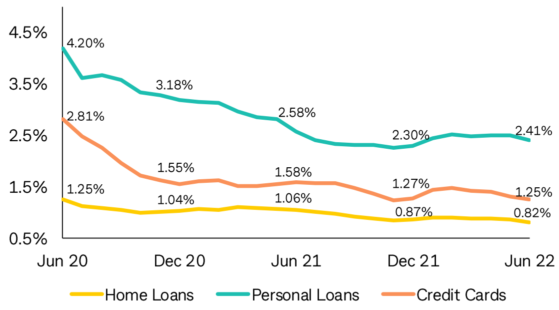
Consumer LIE

Half Year Loan impairment expense

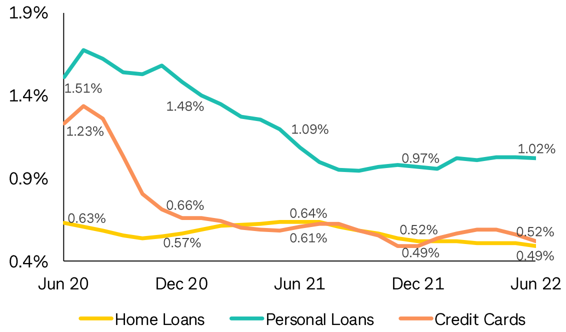
annualised as percentage of average GLAAs (bpts)



30+ Days Arrears Ratios (%) [1]



90+ Days Arrears Ratio (%) [1]



1 Includes retail portfolios of Retail Banking Services, Business Banking and New Zealand.

Group Operations and Business Settings (continued)

Loan Impairment Provisions and Credit Quality (continued)

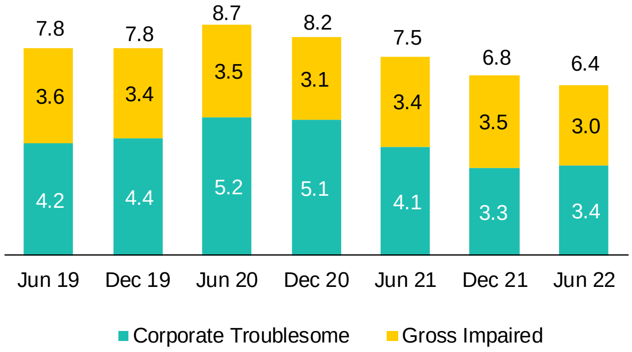
Corporate Portfolio Asset Quality

Corporate troublesome exposures were $3.4 billion, an increase of $0.1 billion or 3% on the prior half mainly due to the downgrade of a small number of larger exposures into the troublesome portfolio across a range of sectors.

Investment grade rated exposures increased 70 basis points on the prior half to 69.7% of overall portfolio risk graded counterparties, reflecting increased exposures to the government sector.

Corporate LIE as a percentage of average gross loans and acceptances was 16 basis points, an increase of 23 basis points on the prior half, primarily driven by the non-recurrence of prior half collective provision releases related to the aviation sector and increased forward-looking adjustments for emerging risks, including inflationary pressures, supply chain disruptions and rising interest rates.

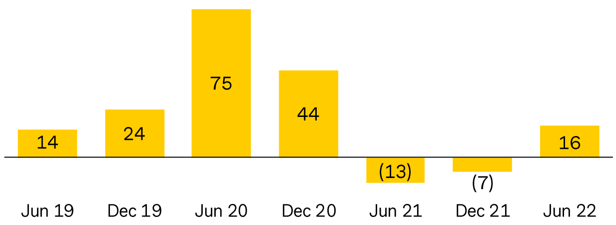
Troublesome and Impaired Assets ($B)



Corporate LIE

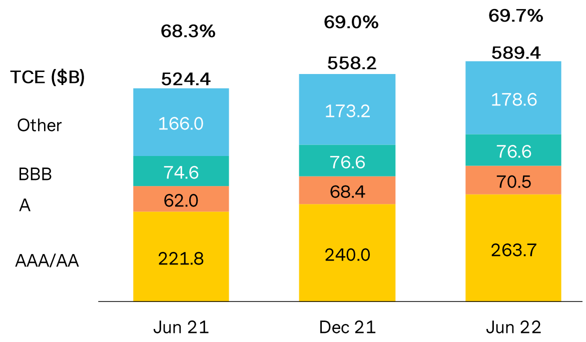
Half Year Loan impairment expense

annualised as percentage of average GLAA (bpts)



Corporate Portfolio Quality

% of book rated investment grade [1]



1 CBA grades in S&P equivalents.

Loan Impairment Provisions and Credit Quality (continued)

Industry Exposure and Asset Quality

The distribution of the Bank's credit exposures by sector remained relatively consistent during the half. The largest movement was an increase of 110 basis points in the Government, Administration & Defence sector, from 15.9% to 17.0% of the Bank's total committed exposures, driven by an increase in central bank cash holdings as the Bank re-weighted its portfolio as part of ongoing liquidity management activities.

Movements in troublesome and impaired assets (TIA) were mixed across sectors, as total TIA decreased $428 million on the prior half to $6,403 million.

TIA as a percentage of total committed exposures (TCE) was 0.48%, a decrease of 5 basis points on the prior half reflecting:

- Entertainment, Leisure & Tourism (down 170 basis points) driven by the refinancing, upgrades and repayments of a small number of large exposures;
- Personal & Other Services (down 118 basis points) driven by impaired exposure reductions;
- Business Services (down 67 basis points) driven by impaired exposure reductions and refinancing across a small number of large exposures;
- Electricity, Water & Gas (down 61 basis points) driven by impaired exposure reductions; and
- Manufacturing (down 36 basis points) driven by impaired exposure reductions, refinancing and repayments across a small number of large exposures; partly offset by
- Wholesale Trade (up 87 basis points) driven by the downgrade of a small number of large exposures, partly offset by the repayment of a large exposure;
- Construction (up 74 basis points) driven by the downgrade of a small number of large exposures; and
- Health & Community Services (up 50 basis points) driven by the downgrade of a small number of large exposures.

	Total Committed Exposures (TCE)		Troublesome and Impaired Assets (TIA)		TIA % of TCE	
	30 Jun 22	31 Dec 21	30 Jun 22	31 Dec 21	30 Jun 22	31 Dec 21
Sector	%	%	$M	$M	%	%
Consumer	**55.9**	56.9	**1,887**	2,082	**0.25**	0.28
Government, Admin. & Defence	**17.0**	15.9	**–**	–	**–**	–
Finance & Insurance	**6.8**	6.7	**65**	51	**0.07**	0.06
Commercial Property	**6.5**	6.5	**574**	537	**0.66**	0.64
Agriculture & Forestry	**2.1**	2.1	**651**	677	**2.35**	2.51
Transport & Storage	**1.8**	2.0	**409**	453	**1.67**	1.77
Manufacturing	**1.3**	1.3	**356**	421	**2.12**	2.48
Entertainment, Leisure & Tourism	**1.0**	1.1	**468**	704	**3.34**	5.04
Retail Trade	**1.0**	1.0	**238**	261	**1.75**	1.95
Health & Community Services	**1.0**	1.0	**307**	225	**2.35**	1.85
Business Services	**1.0**	1.0	**261**	330	**2.04**	2.71
Wholesale Trade	**1.0**	0.9	**400**	257	**3.05**	2.18
Electricity, Water & Gas	**0.9**	0.9	**5**	77	**0.04**	0.65
Construction	**0.8**	0.8	**370**	279	**3.31**	2.57
Mining, Oil & Gas	**0.6**	0.6	**94**	108	**1.21**	1.40
Media & Communications	**0.4**	0.4	**68**	70	**1.24**	1.27
Education	**0.3**	0.2	**16**	16	**0.47**	0.49
Personal & Other Services	**0.2**	0.3	**31**	71	**1.01**	2.19
Other	**0.4**	0.4	**203**	212	**3.86**	3.96
Total	**100.0**	100.0	**6,403**	6,831	**0.48**	0.53

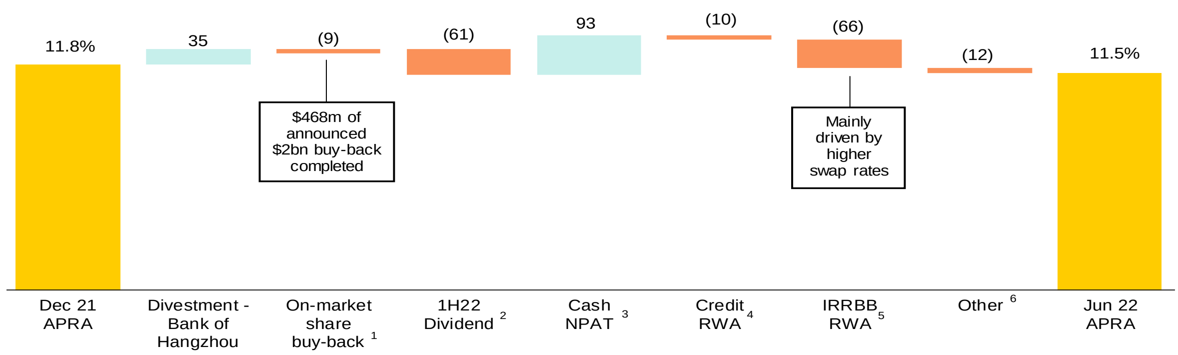
Capital

Summary Group Capital Adequacy Ratios	30 Jun 22 %	31 Dec 21 %	30 Jun 21 %	Jun 22 vs Dec 21 %	Jun 22 vs Jun 21 %
	As at				
Common Equity Tier 1	**11. 5**	11. 8	13. 1	(30)bpts	(160)bpts
Tier 1	**13. 6**	14. 0	15. 7	(40)bpts	(210)bpts
Tier 2	**4. 0**	4. 0	4. 1	–	(10)bpts
Total Capital (APRA)	**17. 6**	18. 0	19. 8	(40)bpts	(220)bpts
Common Equity Tier 1 (Internationally Comparable) [1]	**18. 6**	18. 4	19. 4	20 bpts	(80)bpts

1 Aligns with the 13 July 2015 APRA study titled “International capital comparison study”.

Capital – CET1 (APRA)

-30bpts in 2H22



1 Partial completion of previously announced $2 billion on-market share buy-back with 4,853,197 shares purchased at an average price of $96.42, resulting in a reduction of $468 million in CET1 as at 30 June 2022.

2 The 2022 interim dividend included the on-market purchase of $501 million of shares (CET1 impact of 10 basis points) in respect of the Dividend Reinvestment Plan.

3 Excludes net equity accounted profits from associates as they are capital neutral with offsetting increases in regulatory capital deductions.

4 Excludes impact of FX movements.

5 Excludes impact from change in hedge accounting treatment for swaps no longer deemed effective, which is capital neutral with offsetting increases in regulatory capital deductions.

6 Includes the impact of intangibles, movements in reserves and equity investments.

Capital Position

The Group’s CET1 ratio (APRA) was 11.5% as at 30 June 2022, a decrease of 30 basis points from 31 December 2021 and a decrease of 160 basis points from 30 June 2021. The CET1 ratio was above APRA’s ‘unquestionably strong’ benchmark of 10.5% and consistently well in excess of regulatory minimum capital adequacy requirements at all times throughout the full year ended 30 June 2022.

Key drivers of the change in CET1 for the 6 months ended 30 June 2022 were:

- Higher total RWA (-76 basis points, mainly driven by increased IRRBB);
- The 2022 interim dividend (-61 basis points) in which the DRP was satisfied in full by the on-market purchase of shares;
- Other regulatory adjustments (-12 basis points); and
- $468 million of the announced $2 billion on-market share buy-back completed (-9 basis points); partly offset by
- Capital generated from earnings (+93 basis points); and
- Completion of the sale of a 10% shareholding in the Bank of Hangzhou (+35 basis points).

Further details on the movements in RWA are provided on page 32.

Internationally Comparable Capital Position

The Group’s CET1 ratio as measured on an internationally comparable basis was 18.6% as at 30 June 2022, placing it amongst the top quartile of international peer banks.

Capital Initiatives

In addition to the share buy-backs, the following significant capital initiatives were undertaken during the year ended 30 June 2022:

Common Equity Tier 1 Capital

- The DRP in respect of the 2021 final dividend was satisfied in full by the on-market purchase of shares. The participation rate for the final DRP was 16.1%; and
- The DRP in respect of the 2022 interim dividend was satisfied in full by the on-market purchase of shares. The participation rate for the interim DRP was 16.8%.

Additional Tier 1 Capital

- In October 2021, the Bank redeemed $1,450 million of CommBank PERLS VIII Capital Notes that are Basel III compliant Additional Tier 1 capital; and
- In March 2022, the Bank concurrently issued $1,750 million of CommBank PERLS XIV Capital Notes and redeemed $1,640 million of CommBank PERLS IX Capital Notes, both are Basel III compliant Additional Tier 1 capital.

Capital (continued)

Tier 2 Capital

The Group issued the following Basel III compliant subordinated notes:

- AUD1,500 million and AUD135 million in August 2021;
- AUD136 million and JPY14 billion in September 2021;
- USD1,250 million in March 2022;
- AUD700 million and AUD400 million in April 2022; and
- JPY30.5 billion in May 2022.

The Group redeemed the following Basel III compliant subordinated notes:

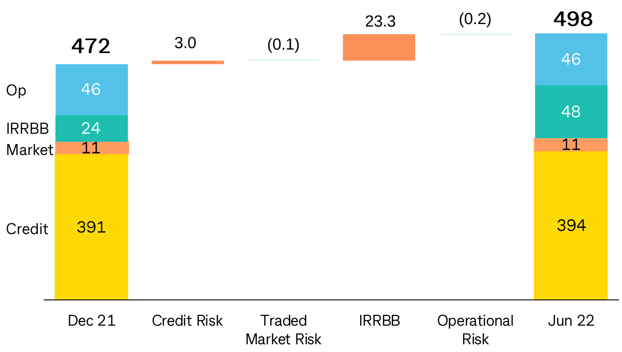
- USD750 million in October 2021;
- JPY20 billion and two JPY10 billion notes in December 2021;
- ASB redeemed NZD400 million in December 2021;
- JPY13.3 billion and HKD608 million in March 2022; and
- EUR590 million in April 2022.

Risk Weighted Assets (RWA)

Total Group Risk Weighted Assets

Total RWA increased $26.0 billion or 6% on the prior half to $497.9 billion mainly driven by increases in Interest Rate Risk in the Banking Book (IRRBB) RWA and Credit Risk RWA.

Total Risk Weighted Assets ($B)

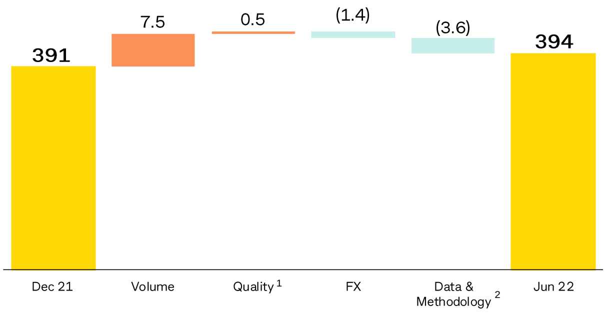


Credit Risk Weighted Assets

Credit Risk RWA increased $3.0 billion or 1% on the prior half to $393.6 billion. Key drivers include:

- Volume growth (increase of $7.5 billion) across residential mortgages, commercial portfolios and standardised exposures, partly offset by a reduction in unsecured retail portfolios; and
- Credit quality movement (increase of $0.5 billion) driven by an increase in residential mortgage risk weights, partly offset by improvements primarily across non-retail portfolios; partly offset by
- Foreign currency movements (decrease of $1.4 billion); and
- Data and methodology:
  - Credit risk estimates and regulatory treatments movements (decrease of $2.1 billion), primarily driven by regulators' approval of an ASB credit cards model; and
  - Data, methodology and other changes (decrease of $1.5 billion).

Credit Risk Weighted Assets ($B)



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

Traded Market Risk Weighted Assets

Traded Market Risk RWA decreased $0.1 billion or 1% on the prior half to $10.7 billion.

Interest Rate Risk Weighted Assets

IRRBB RWA increased $23.3 billion on the prior half to $47.6 billion. In order to avoid significant earnings volatility through a rate cycle, the Group's equity is invested over a three year investment term (known as "the duration of equity"). Due to the increased market rate volatility in the current half, in particular the significant increase in market swap rates, the amount of IRRBB capital recognised has increased, mainly reflecting the valuation differences to equity invested over a one year term.

Operational Risk Weighted Assets

Operational Risk RWA decreased $0.2 billion on the prior half to $45.9 billion. As at 30 June 2022, the Operational Risk RWA includes a $6.25 billion add-on required by APRA.

The Group regularly reviews and updates its operational risk RWA to reflect material changes in its operational risk profile in accordance with the Operational Risk Management Framework and governance processes.

Basel Regulatory Framework

Background

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. The APRA prudential standards require a minimum CET1 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 countercyclical capital buffer (CCyB)[1] of 0%, brings the minimum CET1 ratio requirement to 8%. Under the revised regulatory capital framework to be implemented by APRA from 1 January 2023, a number of revisions have been made including a 2.25% increase in the CCB, inclusive of a 1% CCyB, bringing the total CET1 requirement to 10.25%. Further details on these changes are provided on page 33.

1 In December 2021, APRA announced that the CCyB for Australian exposures will remain at 0%. The Bank has limited exposures to those offshore jurisdictions in which a CCyB in excess of 0% has been imposed.

Capital (continued)

Unquestionably Strong Capital Ratios

In July 2017, APRA released an information paper establishing the quantum of additional capital required for the Australian banking sector to have capital ratios that are unquestionably strong.

Under the existing capital framework, APRA's expectation is that the Australian major banks will operate for the majority of the year with a CET1 ratio of 10.5% or more. As at 30 June 2022, the Group's CET1 ratio was 11.5%, and was above the 10.5% benchmark for the entire 2022 financial year.

In November 2021, APRA finalised the revisions to the overall design of the capital framework, to be implemented on 1 January 2023. These revisions will result in changes to the calculation of RWA and will therefore result in changes to the presentation of bank capital ratios. APRA expects that capital ratios will increase, as the amount of RWA will likely fall.

Refer to "Regulatory Reforms" section for further detail.

COVID-19 Customer Support Measures

The Group's customer support measures, including the temporary loan deferral programs, concluded during the year ended 30 June 2022, with the vast majority of customers participating in the loan deferral programs returning to regular repayments on their loans.

Pillar 3 Disclosures

Details on the market disclosures required under Pillar 3, per APRA Prudential Standard APS 330 "Public Disclosure", are provided on the Bank's website at:

www.commbank.com.au/regulatorydisclosures

Regulatory Reforms

APRA

Implementation of revised regulatory capital framework

From 1 January 2023, APRA will implement 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, which were finalised in November 2021, include the following changes with respect to major Internal Ratings-based (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 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.

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.

From 1 January 2024, D-SIBs, including CBA, will be required to hold an additional Total Capital requirement of 3% of RWA to satisfy APRA's loss-absorbing capital requirements. This will increase to 4.5% from 1 January 2026.

In January 2024, changes to APS 117 "Capital Adequacy: Interest Rate Risk in the Banking Book" will be implemented by APRA. This is expected to be followed by changes to APS 116 "Capital Adequacy: Market Risk", also known as the Fundamental Review of the Trading Book, and APS 180 "Capital Adequacy: Counterparty Credit Risk" in 2025. APRA is yet to commence consultation on the changes to APS 116 and APS 180.

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 internal ratings-based (IRB) banks, such as ASB Bank Limited, 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.

Leverage Ratio

	As at				
Summary Group Leverage Ratio	**30 Jun 22**	31 Dec 21	30 Jun 21	Jun 22 vs Dec 21 %	Jun 22 vs Jun 21 %
Tier 1 Capital ($M)	**67,558**	66,027	70,874	2	(5)
Total Exposures ($M) [1]	**1,295,368**	1,240,349	1,178,061	4	10
Leverage Ratio (APRA) (%)	**5. 2**	5. 3	6. 0	(10)bpts	(80)bpts
Leverage Ratio (Internationally Comparable) (%) [2]	**5. 9**	6. 2	6. 9	(30)bpts	(100)bpts

1 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".

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

The Group's Leverage Ratio, defined as Tier 1 Capital as a percentage of total exposures, was 5.2% at 30 June 2022 on an APRA basis. The ratio decreased 10 basis points from 31 December 2021, driven by a 4% increase in exposures due to higher lending volumes and liquid assets, partly offset by a 2% increase in Tier 1 Capital. The leverage ratio was 5.9% at 30 June 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.

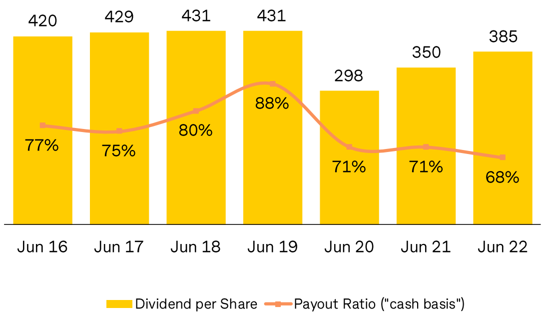
Dividends

Final dividend for the Year Ended 30 June 2022

The final dividend determined was $2.10 per share, bringing the total dividend for the year ended 30 June 2022 to $3.85, an increase of 35 cents compared to the prior full year dividend. The dividend payout ratio ("cash basis") for the full year ended 30 June 2022 was 68% and for the half year ended 30 June 2022 was 73%.

The final dividend will be fully franked and will be paid on or around 29 September 2022 to owners of ordinary shares at the close of business on 18 August 2022 (record date). Shares will be quoted ex-dividend on 17 August 2022.

Full Year Dividend History (cents per share)



Dividend Reinvestment Plan (DRP)

The DRP will continue to be offered to shareholders, and no discount will be applied to shares allocated under the plan for the final dividend. The DRP for the 2022 final dividend is anticipated to be satisfied in full by an on-market purchase of shares.

Dividend Policy

The Bank will seek to:

- Pay cash dividends at strong and sustainable levels;
- Target a full year payout ratio of 70% to 80%; and
- Maximise the use of its franking account by paying fully franked dividends.

Group Operations and Business Settings (continued)

Liquidity

Level 2	30 Jun 22 $M	31 Dec 21 $M	30 Jun 21 $M	Jun 22 vs Dec 21 %	Jun 22 vs Jun 21 %
	Quarterly Average Ended [1]				
Liquidity Coverage Ratio (LCR) Liquid Assets					
High Quality Liquid Assets (HQLA) [2]	**174,138**	169,750	126,827	3	37
Committed Liquidity Facility (CLF) [3]	**17,277**	30,000	48,650	(42)	(64)
Total LCR liquid assets	**191,415**	199,750	175,477	(4)	9
Net Cash Outflows (NCO)					
Customer deposits	**110,616**	110,647	102,915	–	7
Wholesale funding	**16,265**	16,513	11,631	(2)	40
Other net cash outflows [4]	**20,916**	22,485	21,424	(7)	(2)
Total NCO	**147,797**	149,645	135,970	(1)	9
Liquidity Coverage Ratio (%)	**130**	134	129	(400)bpts	100 bpts
LCR surplus	**43,618**	50,105	39,507	(13)	10

1 The averages presented are calculated as simple averages of daily observations over the quarter. Spot LCR for 30 June 2022 was 127% (31 December 2021: 130%; 30 June 2021: 127%).

2 Includes all repo-eligible securities with the Reserve Bank of New Zealand. The amount of open-repo of Internal Residential Mortgage-Backed Securities and Exchange Settlement Account (ESA) cash balance held by the Reserve Bank of Australia to facilitate intra-day cash flows is shown net.

3 Committed Liquidity Facility (CLF) includes CLF of $15 billion as at 30 June 2022 (31 December 2021: $30 billion; 30 June 2021: $30 billion) and the Group's average undrawn TFF allowance of nil (31 December 2021: nil, 30 June 2021: $18.7 billion) as per APRA guidance.

4 Includes cash inflows.

Liquidity Coverage Ratio (LCR)

The Group holds high quality, well diversified liquid assets to meet Balance Sheet liquidity needs, and regulatory requirements, including APRA's Liquidity Coverage Ratio (LCR). The LCR requires Australian Authorised Deposit-taking Institutions (ADIs) to hold sufficient liquid assets to meet 30 day Net Cash Outflows (NCOs) projected under a prescribed stress scenario. LCR liquid assets consist of High Quality Liquid Assets (HQLA) in the form of cash, deposits with central banks, government securities, and other repo-eligible securities with the Reserve Bank of Australia (RBA) under the Committed Liquidity Facility (CLF). Given the limited amount of government securities in Australia, the RBA provides participating ADIs access to contingent liquidity on a secured basis via the CLF.

In March 2020, the RBA announced the establishment of a three-year Term Funding Facility (TFF) offered to eligible ADIs to support lending to Australian businesses with fixed rate funding (0.25% for drawdowns up to 4 November 2020, and 0.10% for new drawdowns from 4 November 2020 onwards). Access to drawdown of the facility ended on 30 June 2021, with the Group having fully drawn on its total available TFF allocation of $51.1 billion, comprised of $19.1 billion of Initial Allowance, $13.0 billion of Supplementary Allowance and $19.0 billion of Additional Allowance.

In September 2021, APRA announced a sector-wide phased reduction in the reliance on the CLF to zero by the end of calendar year 2022, subject to financial market conditions, as APRA and the RBA expect there will be sufficient HQLA for ADIs to meet their LCR requirements without the need to utilise the CLF. The Group's access to CLF reduced by $15 billion in the current half to $15 billion as at 30 June 2022 (31 December 2021: $30 billion; 30 June 2021 $30 billion).

The Group's June 2022 quarterly average LCR was 130%, a decrease of 4% compared to the quarterly average ended December 2021, and an increase of 1% from the quarterly average ended June 2021. The LCR remains well above the regulatory minimum of 100%.

Compared to the December 2021 quarterly average, the Group's LCR liquid assets decreased by $8.3 billion or 4% due to a $12.7 billion decrease in the Group's CLF, partly offset by $4.4 billion in HQLA. The Group's 30 day modelled NCOs decreased by $1.8 billion or 1% due to a reduction in other net cash outflows.

Funding

	As at				
Group Funding [1]	**30 Jun 22 $M**	31 Dec 21 $M	30 Jun 21 $M	Jun 22 vs Dec 21 %	Jun 22 vs Jun 21 %
Customer deposits	**777,763**	741,046	702,215	5	11
Short-term wholesale funding [2]	**82,239**	86,760	64,228	(5)	28
Long-term wholesale funding - less than or equal to one year residual maturity [3]	**24,696**	28,233	35,129	(13)	(30)
Long-term wholesale funding - more than one year residual maturity [3]	**161,427**	147,293	143,086	10	13
IFRS MTM and derivative FX revaluations	**(5,684)**	2,569	3,445	(large)	(large)
Total wholesale funding	**262,678**	264,855	245,888	(1)	7
Short-term collateral deposits [4]	**6,316**	6,369	13,436	(1)	(53)
Total funding	**1,046,757**	1,012,270	961,539	3	9

1 Shareholders' equity is excluded from this view of funding sources.
2 Short-term wholesale funding includes debt with an original maturity or call date of less than or equal to 12 months, and consists of certificates of deposit and bank acceptances, debt issued under the Euro Medium Term Note (EMTN) programme and the domestic, Euro and US commercial paper programmes of Commonwealth Bank of Australia and ASB. Short-term wholesale funding also includes deposits from banks and central banks as well as net securities that are not classified as high quality liquid assets sold or purchased under repurchase agreements.
3 Long-term wholesale funding includes debt with an original maturity or call date of greater than 12 months and the Group's drawn TFF allowance.
4 Short-term collateral deposits includes net collateral received, Vostro balances, and other net repurchase agreements not reported above, including the amount pledged with the Reserve Bank to facilitate intra-day cash flows in the Exchange Settlement Account (ESA).

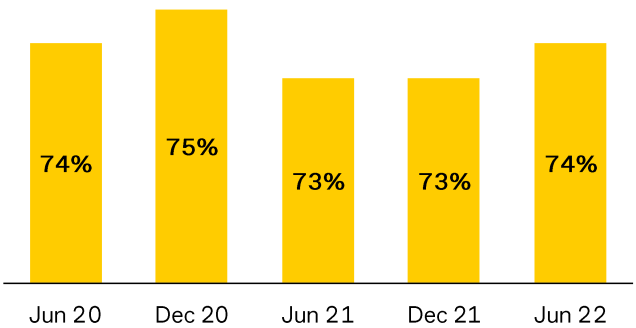
Customer Deposits

Customer deposits accounted for 74% of total funding at 30 June 2022, an increase of 1% from 73% at both 31 December 2021 and 30 June 2021. The Group satisfied a significant proportion of its funding requirements from retail, business, and institutional customer deposits.

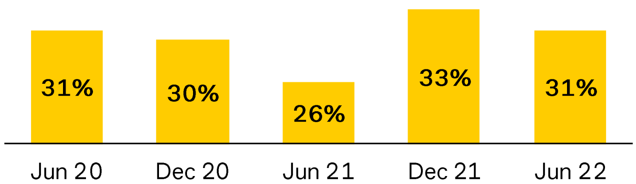
Short-Term Wholesale Funding

Short-term wholesale funding accounted for 31% of total wholesale funding at 30 June 2022, a decrease of 2% from 33% at 31 December 2021 and an increase of 5% from 26% at 30 June 2021. The Group continues to maintain a conservative funding mix.

Customers Deposits to Total Funding Ratio



Short-Term to Total Wholesale Funding Ratio



Group Operations and Business Settings (continued)

Funding (continued)

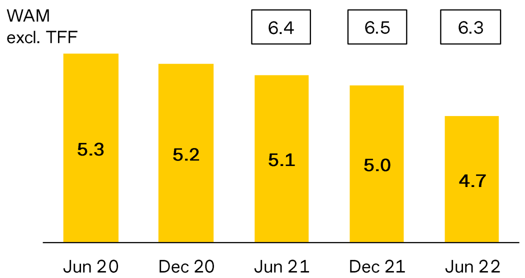
Long-Term Wholesale Funding

Long-term wholesale funding (including IFRS MTM and derivative FX revaluations) accounted for 69% of total wholesale funding at 30 June 2022 (31 December 2021: 67%, 30 June 2021: 74%).

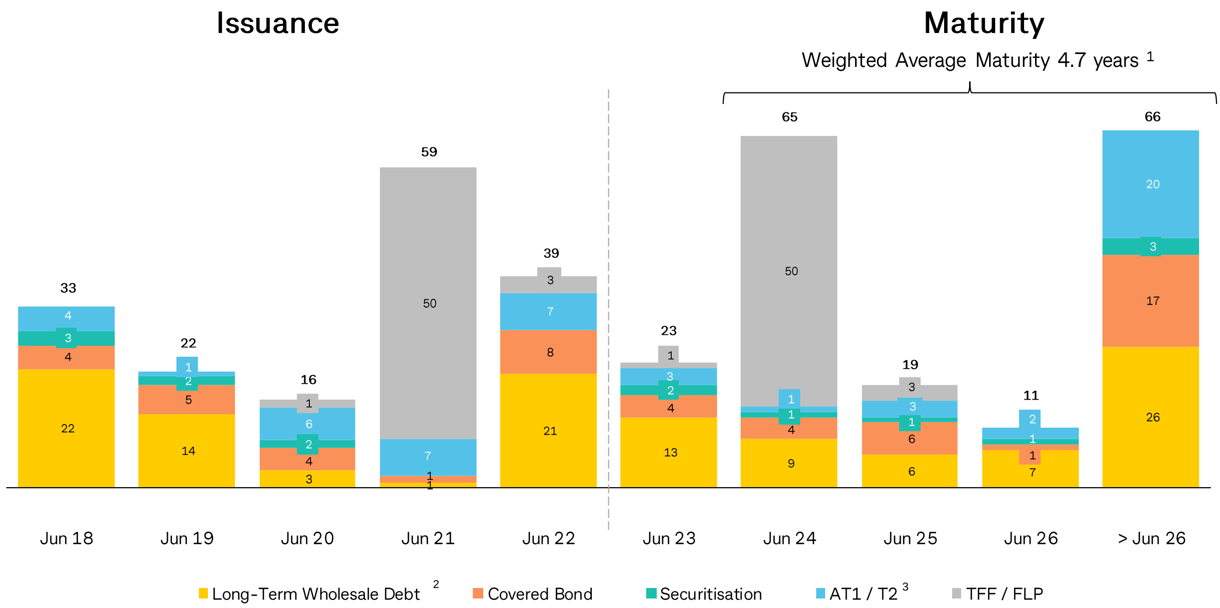
During the full year to 30 June 2022, the Group raised $39 billion of long-term wholesale funding across various instruments. The Group will be actively managing the maturity profile of the TFF across the 2023 – 2025 financial years through a range of funding sources.

The Weighted Average Maturity (WAM) of outstanding long-term wholesale debt with a residual maturity greater than 12 months at 30 June 2022 was 4.7 years (6.3 years excluding the TFF).

Weighted Average Maturity of Long-Term Wholesale Debt (years) [1]



Long-Term Wholesale Funding Profile ($B)



1 Represents the weighted average maturity of outstanding long-term wholesale debt with a residual maturity greater than 12 months at 30 June 2022 including the TFF drawdown.
2 Includes Senior Bonds and Structured MTN.
3 Additional Tier 1 and Tier 2 Capital.

Net Stable Funding Ratio (NSFR)

	As at				
	30 Jun 22	31 Dec 21	30 Jun 21	Jun 22 vs	Jun 22 vs
Level 2	**$M**	$M	$M	Dec 21 %	Jun 21 %
Required Stable Funding					
Residential mortgages ≤35% [1]	**318,209**	295,637	275,208	8	16
Other loans	**258,189**	251,753	249,616	3	3
Liquid and other assets	**62,826**	71,856	69,408	(13)	(9)
Total Required Stable Funding	**639,224**	619,246	594,232	3	8
Available Stable Funding					
Capital	**103,255**	104,034	108,719	(1)	(5)
Retail and SME deposits	**477,365**	467,757	430,483	2	11
Wholesale funding and other	**252,689**	240,777	226,408	5	12
Total Available Stable Funding	**833,309**	812,568	765,610	3	9
Net Stable Funding Ratio (NSFR) (%)	**130**	131	129	(100)bpts	100 bpts

1 This represents residential mortgages with a risk weighting of less than or equal to 35% under APRA standard APS 112 “Capital Adequacy: Standardised Approach to Credit Risk”.

Net Stable Funding Ratio (NSFR)

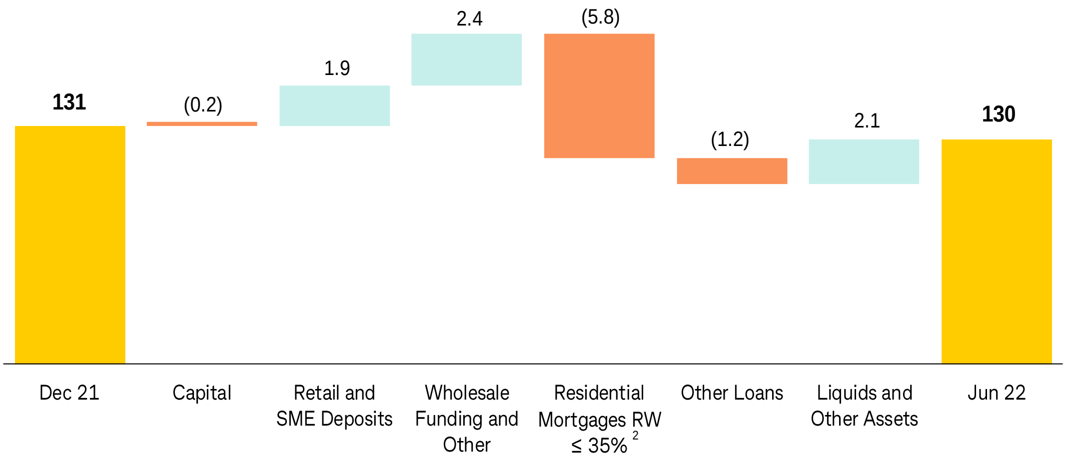
The Net Stable Funding Ratio (NSFR) requirement is designed to encourage stable funding of core assets. APRA prescribed factors are used to determine the stable funding requirement of assets and the stability of funding sources.

The Group’s NSFR was 130% at 30 June 2022, a decrease of 1% from 131% at 31 December 2021 and an increase of 1% from 129% at 30 June 2021. The NSFR remains well above the regulatory minimum of 100%.

The 3% increase in Required Stable Funding (RSF) over the half primarily reflects strong growth in residential mortgages and business lending.

The 3% increase in Available Stable Funding (ASF) over the half was driven by the strong growth in Retail and SME deposits, and an increase in wholesale funding issuances. This was partly offset by a reduction in capital, following the payment of the FY22 interim dividend and the partial completion of the on-market share buy-back.

NSFR Movement (%)



2 Primarily reflecting the impact on NSFR from volume growth in mortgages.

Divisional Performance

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Contents

5. Divisional Performance

Divisional Performance

Divisional Summary

Divisional Summary	Retail Banking Services [1] $M	Business Banking $M	Institutional Banking and Markets $M	New Zealand $M	Corporate Centre and Other $M	Total $M
	Full Year Ended 30 June 2022					
Net interest income	9,636	5,829	1,534	2,334	140	**19,473**
Other banking income	1,371	1,302	761	420	1,361	**5,215**
Total banking income	11,007	7,131	2,295	2,754	1,501	**24,688**
Funds management income	10	–	–	139	(14)	**135**
Insurance income	73	–	–	–	–	**73**
Total operating income	11,090	7,131	2,295	2,893	1,487	**24,896**
Operating expenses	(4,468)	(2,733)	(988)	(1,104)	(2,342)	**(11,635)**
Loan impairment benefit/(expense)	401	(110)	111	(37)	(8)	**357**
Net profit/(loss) before tax	7,023	4,288	1,418	1,752	(863)	**13,618**
Corporate tax (expense)/benefit	(2,094)	(1,287)	(368)	(487)	213	**(4,023)**
Net profit/(loss) after tax from continuing operations - "cash basis"	4,929	3,001	1,050	1,265	(650)	**9,595**

	Retail Banking Services [1] %	Business Banking %	Institutional Banking and Markets %	New Zealand %	Corporate Centre and Other %	Total %
	Full Year Ended 30 June 2022 vs Full Year Ended 30 June 2021 [2]					
Net interest income	(1)	4	–	9	(45)	**1**
Other banking income	(11)	(5)	(1)	7	large	**15**
Total banking income	**(3)**	**2**	**–**	**8**	**large**	**4**
Funds management income	(69)	–	–	(1)	(large)	**(18)**
Insurance income	(50)	–	–	–	large	**(50)**
Total operating income	**(3)**	**2**	**–**	**8**	**large**	**3**
Operating expenses	(4)	2	1	3	17	**2**
Loan impairment expense	(large)	(52)	(large)	large	(92)	**(large)**
Net profit/(loss) before tax	**5**	**5**	**15**	**8**	**(38)**	**11**
Corporate tax expense	4	4	20	7	(49)	**12**
Net profit/(loss) after tax from continuing operations - "cash basis"	**5**	**6**	**13**	**9**	**(33)**	**11**

1 Retail Banking Services including Mortgage Broking and General Insurance.
2 Comparative information has been restated to conform to presentation in the current period.

Divisional Performance (continued)

Divisional Summary (continued)

Divisional Summary	Retail Banking Services [1] $M	Business Banking $M	Institutional Banking and Markets $M	New Zealand $M	Corporate Centre and Other $M	Total $M
	Half Year Ended 30 June 2022					
Net interest income	4,779	2,959	747	1,160	80	**9,725**
Other banking income	656	656	402	208	934	**2,856**
Total banking income	5,435	3,615	1,149	1,368	1,014	**12,581**
Funds management income	–	–	–	63	(8)	**55**
Insurance income	55	–	–	–	–	**55**
Total operating income	5,490	3,615	1,149	1,431	1,006	**12,691**
Operating expenses	(2,173)	(1,390)	(498)	(573)	(1,413)	**(6,047)**
Loan impairment benefit/(expense)	396	(66)	(14)	(49)	15	**282**
Net profit/(loss) before tax	3,713	2,159	637	809	(392)	**6,926**
Corporate tax (expense)/benefit	(1,115)	(647)	(174)	(223)	82	**(2,077)**
Net profit/(loss) after tax from continuing operations - "cash basis"	2,598	1,512	463	586	(310)	**4,849**

	Retail Banking Services [1] %	Business Banking %	Institutional Banking and Markets %	New Zealand %	Corporate Centre and Other %	Total %
	Half Year Ended 30 June 2022 vs Half Year Ended 31 December 2021					
Net interest income	(2)	3	(5)	(1)	33	**–**
Other banking income	(8)	2	12	(2)	large	**21**
Total banking income	**(2)**	**3**	**–**	**(1)**	**large**	**4**
Funds management income	(large)	–	–	(17)	(33)	**(31)**
Insurance income	large	–	–	–	–	**large**
Total operating income	**(2)**	**3**	**–**	**(2)**	**large**	**4**
Operating expenses	(5)	3	2	8	52	**8**
Loan impairment expense	(large)	50	large	large	(large)	**(large)**
Net profit/(loss) before tax	**12**	**1**	**(18)**	**(14)**	**(17)**	**3**
Corporate tax expense	14	1	(10)	(16)	(37)	**7**
Net profit/(loss) after tax from continuing operations - "cash basis"	**11**	**2**	**(21)**	**(14)**	**(9)**	**2**

1 Retail Banking Services including Mortgage Broking and General Insurance.

Divisional Performance (continued)

Retail Banking Services

Overview

Retail Banking Services provides simple, convenient and affordable banking and general insurance products and services to personal and private bank customers, helping them manage their everyday banking needs, buy a home, protect their assets, or invest for the future. We support our customers through an extensive network of more than 800 branches and 2,000 ATMs, Australian-based customer call centres, leading online services and apps, as well as mobile banking specialists, private bankers and support teams. Retail Banking Services also include the financial results of retail banking activities conducted under the Bankwest brand.

On 3 May 2021, CBA completed the merger of Aussie Home Loans (AHL) with Lendi Pty Ltd (Lendi) resulting in AHL being deconsolidated from the Group. As AHL did not in itself constitute a major line of the Group's business, the financial results of AHL up until 3 May 2021 were treated as continuing operations and were included in the account lines of Retail Banking Services' performance. The Group retains approximately a 40% shareholding of the combined business, with existing Lendi shareholders holding the remaining 60%. From May 2021, the results of the combined entity have been equity accounted within the Corporate Centre division.

On 21 June 2021, the Group announced it had entered into an agreement to sell its Australian general insurance business (CommInsure General Insurance) to Hollard Group (Hollard). Regulatory approvals have been received and the sale is expected to complete in the second half of calendar year 2022. As CommInsure General Insurance does not constitute a major line of the Group's business, the financial results of CommInsure General Insurance are treated as continuing operations and included in the account lines of Retail Banking Services' performance.

On 26 October 2021, the Group announced it will close the remaining Commonwealth Financial Planning (CFP) business, after a partial transfer to AIA Financial Services Limited was announced on 28 July 2021. The Group ceased to provide financial advice services under the CFP licence on 30 November 2021. This component of Commonwealth Financial Planning does not constitute a major line of the Group's business, and as such the financial results are treated as continuing operations and included in the account lines of Retail Banking Services' performance.

	Full Year Ended [1]				Half Year Ended			
	Retail Banking (excl. Mortgage Broking and General Insurance)			Total RBS [2]	Retail Banking (excl. Mortgage Broking and General Insurance)			Total RBS [2]
	30 Jun 22 $M	30 Jun 21 $M	Jun 22 vs Jun 21 %	**30 Jun 22 $M**	**30 Jun 22 $M**	31 Dec 21 $M	Jun 22 vs Dec 21 %	**30 Jun 22 $M**
Net interest income	**9,634**	9,769	(1)	**9,636**	**4,777**	4,857	(2)	**4,779**
Other banking income	**1,405**	1,309	7	**1,371**	**679**	726	(6)	**656**
Total banking income	**11,039**	11,078	–	**11,007**	**5,456**	5,583	(2)	**5,435**
Funds management income	**10**	32	(69)	**10**	**–**	10	(large)	**–**
Insurance income	**–**	–	–	**73**	**–**	–	–	**55**
Total operating income	**11,049**	11,110	(1)	**11,090**	**5,456**	5,593	(2)	**5,490**
Operating expenses	**(4,378)**	(4,333)	1	**(4,468)**	**(2,133)**	(2,245)	(5)	**(2,173)**
Loan impairment benefit/(expense)	**401**	(139)	(large)	**401**	**396**	5	(large)	**396**
Net profit before tax	**7,072**	6,638	7	**7,023**	**3,719**	3,353	11	**3,713**
Corporate tax expense	**(2,109)**	(1,986)	6	**(2,094)**	**(1,117)**	(992)	13	**(1,115)**
Cash net profit after tax	**4,963**	4,652	7	**4,929**	**2,602**	2,361	10	**2,598**
Cash net (loss)/profit after tax from Mortgage Broking and General Insurance	**(34)**	44	(large)	**n/a**	**(4)**	(30)	87	**n/a**
Total cash net profit after tax	**4,929**	4,696	5	**4,929**	**2,598**	2,331	11	**2,598**

1 Comparative information has been restated to conform to presentation in the current period.
2 RBS including Mortgage Broking and General Insurance.

Divisional Performance (continued)

Retail Banking Services (continued)

Income analysis	Full Year Ended [1] Retail Banking (excl. Mortgage Broking and General Insurance) 30 Jun 22 $M	30 Jun 21 $M	Jun 22 vs Jun 21 %	Total RBS [2] 30 Jun 22 $M	Half Year Ended Retail Banking (excl. Mortgage Broking and General Insurance) 30 Jun 22 $M	31 Dec 21 $M	Jun 22 vs Dec 21 %	Total RBS [2] 30 Jun 22 $M
Net interest income								
Home loans	**6,036**	6,370	(5)	**6,036**	**2,900**	3,136	(8)	**2,900**
Consumer finance & other [3]	**1,108**	1,236	(10)	**1,110**	**543**	565	(4)	**545**
Deposits	**2,490**	2,163	15	**2,490**	**1,334**	1,156	15	**1,334**
Total net interest income	**9,634**	9,769	(1)	**9,636**	**4,777**	4,857	(2)	**4,779**
Other banking income								
Home loans	**282**	258	9	**282**	**138**	144	(4)	**138**
Consumer finance [4]	**421**	433	(3)	**421**	**202**	219	(8)	**202**
Deposits	**459**	417	10	**459**	**233**	226	3	**233**
Distribution & other [5]	**243**	201	21	**209**	**106**	137	(23)	**83**
Total other banking income	**1,405**	1,309	7	**1,371**	**679**	726	(6)	**656**
Total banking income	**11,039**	11,078	–	**11,007**	**5,456**	5,583	(2)	**5,435**

Balance Sheet (excl. Mortgage Broking and General Insurance)	As at 30 Jun 22 $M	31 Dec 21 $M	30 Jun 21 $M	Jun 22 vs Dec 21 %	Jun 22 vs Jun 21 %
Home loans [6]	**460,033**	444,500	423,113	3	9
Consumer finance [4]	**11,071**	10,949	11,172	1	(1)
Other interest earning assets	**2,254**	2,114	1,902	7	19
Total interest earning assets	**473,358**	457,563	436,187	3	9
Other assets	**5,591**	6,936	6,778	(19)	(18)
Total assets	**478,949**	464,499	442,965	3	8
Transaction deposits [7]	**51,946**	51,408	44,963	1	16
Savings deposits [7]	**159,865**	156,111	143,818	2	11
Investment deposits & other	**63,804**	62,033	64,422	3	(1)
Total interest bearing deposits	**275,615**	269,552	253,203	2	9
Non-interest bearing transaction deposits	**57,377**	52,434	44,598	9	29
Other non-interest bearing liabilities	**5,464**	3,745	4,009	46	36
Total liabilities	**338,456**	325,731	301,810	4	12

1 Comparative information has been restated to conform to presentation in the current period.
2 RBS including Mortgage Broking and General Insurance.
3 Consumer finance and other includes personal loans, credit cards and business lending.
4 Consumer finance includes personal loans and credit cards.
5 Distribution includes income associated with the sale of foreign exchange and wealth products. Other includes asset finance, merchants and business lending.
6 Home loans are presented gross of $52,714 million of mortgage offset balances (31 December 2021: $52,708 million; 30 June 2021: $46,566 million). These balances are required to be grossed up under accounting standards but are netted down for the calculation of customer interest payments.
7 Transaction and Savings deposits includes $52,714 million of mortgage offset balances (31 December 2021: $52,708 million; 30 June 2021: $46,566 million).

Retail Banking Services (continued)

Key Financial Metrics (excl. Mortgage Broking and General Insurance)	Full Year Ended [1] 30 Jun 22	30 Jun 21	Jun 22 vs Jun 21 %	Half Year Ended 30 Jun 22	31 Dec 21	Jun 22 vs Dec 21 %
Performance indicators						
Net interest margin (%)	**2.39**	2.60	(21)bpts	**2.34**	2.44	(10)bpts
Return on assets (%)	**1.0**	1.1	(10)bpts	**1.1**	1.0	10 bpts
Operating expenses to total operating income (%)	**39.6**	39.0	60 bpts	**39.1**	40.1	(100)bpts
Impairment expense annualised as a % of average GLAAs (%)	**(0.09)**	0.03	(12)bpts	**(0.17)**	–	(17)bpts
Other information						
Average interest earning assets ($M) [2]	**403,301**	375,522	7	**411,136**	395,594	4
Risk weighted assets ($M) [3]	**167,765**	156,927	7	**167,765**	163,020	3
90+ days home loan arrears (%)	**0.51**	0.68	(17)bpts	**0.51**	0.54	(3)bpts
90+ days consumer finance arrears (%)	**0.70**	0.82	(12)bpts	**0.70**	0.67	3 bpts
Number of full-time equivalent staff (FTE)	**16,333**	16,053	2	**16,333**	16,434	(1)

1 Comparative information has been restated to conform to presentation in the current period.
2 Average interest earning assets are presented net of mortgage offset balances, which reduce customer interest payments. Average interest earning assets are also used in the calculation of divisional net interest margin.
3 Includes Mortgage Broking and General Insurance.

Financial Performance and Business Review [1]

Year Ended June 2022 versus June 2021

Retail Banking Services cash net profit after tax for the full year ended 30 June 2022 was $4,963 million, an increase of $311 million or 7% on the prior year. The result reflected a 1% decrease in operating income, a 1% increase in operating expenses and a $540 million decrease in loan impairment expense.

Net Interest Income

Net interest income was $9,634 million, a decrease of $135 million or 1% on the prior year. This was driven by an 8% decrease in net interest margin, partly offset by a 7% increase in average interest earning assets.

Net interest margin decreased by 21 basis points on the prior year, reflecting:

- Lower home lending margins (down 31 basis points) reflecting the impact of swap and cash rates on pricing (down 10 basis points), unfavourable home loan portfolio mix (down 13 basis points) with a shift to lower margin loans (primarily variable to fixed), and increased competition (down 11 basis points), partly offset by repricing (up 3 basis points);
- Lower earnings on equity (down 2 basis points);
- Unfavourable portfolio mix (down 1 basis point) due to a reduction in higher margin consumer finance balances, partly offset by the benefit from strong growth in at-call deposits; and
- Lower consumer finance margins due to a reduction in the proportion of credit card balances earning interest (down 1 basis point); partly offset by
- Improved deposit margins (up 8 basis points) mainly due to benefits from interest rates rising during the second half, partly offset by lower earnings on deposit hedges; and
- Lower wholesale funding costs (up 6 basis points).

Other Banking Income

Other banking income was $1,405 million, an increase of $96 million or 7% on the prior year, reflecting:

- Higher foreign exchange income following the removal of international travel restrictions;
- Higher home loan wealth package fees due to strong volumes; and
- Volume driven growth in deposit and cards fee income.

Funds Management Income

Funds management income was $10 million, a decrease of $22 million or 69% on the prior year. This was driven by the wind-down and closure of the Commonwealth Financial Planning (CFP) business.

Operating Expenses

Operating expenses were $4,378 million, an increase of $45 million or 1% on the prior year. This was primarily driven by inflation and additional resources to support increased operational and risk assessment volumes, partly offset by productivity initiatives including workforce and branch optimisation.

1 In order to provide an underlying view of performance, the commentary below has been presented excluding the impact of the Mortgage Broking and General Insurance businesses for which commentary has been provided separately.

Retail Banking Services (continued)

Financial Performance and Business Review (continued)

The number of full-time equivalent staff (FTE) increased by 280 FTE or 2% on the prior year, from 16,053 to 16,333. This was driven by additional resources to support increased call centre and loan application processing volumes, delivery of strategic initiatives and investment in lenders, partly offset by decreased financial assistance resourcing and frontline optimisation.

Investment spend focused on productivity and growth initiatives including product and service innovation, digital enhancements, partnership integration, and home buying process optimisation. We have also continued to invest in risk and compliance initiatives.

The operating expenses to operating income ratio was 39.6%, an increase of 60 basis points on the prior year, driven by both lower operating income and higher operating expenses.

Loan Impairment Expense

Loan impairment expense was a benefit of $401 million, a decrease of $540 million on the prior year. The result was mainly driven by lower collective provisions reflecting reduced COVID-19 uncertainties, partly offset by increased forward-looking adjustments for emerging risks, including inflationary pressures and rising interest rates.

Loan impairment expense as a percentage of average gross loans and acceptances decreased 12 basis points on the prior year to -0.09%.

Home loan and consumer finance 90+ days arrears decreased by 17 basis points to 0.51% and 12 basis points to 0.70%, respectively on the prior year, driven by the improving economic environment and strong origination quality.

Balance Sheet

Key spot balance sheet movements included:

- Home loan growth of $36.9 billion or 9%, broadly in line with system, reflecting strong new business application volumes and a continued focus on credit decisioning turn-around times. Proprietary mix for CBA branded home loans has decreased over the year from 60% to 59% of new business flows, although increased during the second half of the financial year;
- Consumer finance decrease of $0.1 billion or 1%, driven by lower consumer demand for personal loans, partly offset by growth in credit cards from recovery in spend; and
- Total deposits growth of $35.2 billion or 12% (interest and non-interest bearing). Growth was driven by transaction deposits (up 22% including non-interest bearing balances) and savings deposits (up 11%), partly offset by a decline in investment deposits (down 1%), reflecting increased domestic money supply and greater demand for at-call deposits in the low-rate environment which existed for most of the current year.

Risk Weighted Assets

Risk weighted assets were $167.8 billion, an increase of $10.8 billion or 7% on the prior year.

- Credit risk weighted assets increased $11.0 billion or 8% primarily driven by home loan volume growth; partly offset by
- Operational risk weighted assets decreased $0.2 billion or 1%.

Retail Banking Services generated $3,564 million of organic capital[1] for the Group in the current year. This contributed 72 basis points to the Group's CET1 ratio.

General Insurance and Mortgage Broking

Cash net profit after tax decreased by $78 million on the prior year to a loss of $34 million. The result was mainly driven by the General Insurance business, with higher claims experience net of reinsurance recoveries, due to increased weather related claims and higher average claims size driven by supply chain disruptions.

Half Year Ended June 2022 versus December 2021

Cash net profit after tax was $2,602 million, an increase of $241 million or 10% on the prior half. The result was driven by a 2% decrease in operating income, a 5% decrease in operating expenses and a $391 million increase in loan impairment benefit.

Net Interest Income

Net interest income was $4,777 million, a decrease of $80 million or 2% on the prior half. This was driven by a 4% decrease in net interest margin and the impact of three fewer calendar days in the current half, partly offset by a 4% increase in average interest earning assets.

Net interest margin decreased by 10 basis points on the prior half, reflecting:

- Lower home lending margins (down 18 basis points) reflecting the impact of swap and cash rates on pricing (down 8 basis points), unfavourable home loan portfolio mix (down 4 basis points) with a shift to lower margin loans (primarily variable to fixed), and increased competition (down 6 basis points);
- Lower consumer finance margins due to a reduction in the proportion of credit card balances earning interest (down 1 basis point); partly offset by
- Higher deposit margins (up 8 basis points) reflecting benefits from increases in the cash and swap rates; and
- Lower wholesale funding costs (up 1 basis point).

Other Banking Income

Other banking income was $679 million, a decrease of $47 million or 6% on the prior half, reflecting:

- Non-recurrence of AIA partnership payments received in the prior half; and
- Lower cards income primarily due to a reduction of the regulatory cap on fixed debit card interchange rates; partly offset by
- Increased foreign exchange income following the removal of international travel restrictions; and
- Volume driven growth in deposit fee income.

1 Organic capital generation represents cash net profit after tax less the capital equivalent of the change in regulatory risk weighted assets (excluding FX as it is capital neutral with offsetting impacts in regulatory capital deductions) used to generate those profits. Amounts quoted exclude the payment of dividends and the allocation of Operational RWA from the Enforceable Undertaking with APRA.

Retail Banking Services (continued)

Financial Performance and Business Review (continued)

Funds Management Income

Funds management income was nil, a decrease of $10 million on the prior half driven by the closure of the CFP business.

Operating Expenses

Operating expenses were $2,133 million, a decrease of $112 million or 5% on the prior half. This was driven by productivity initiatives, lower customer remediation, the impact of three fewer working days and higher annual leave usage, partly offset by additional resources to support increased risk assessment volumes.

The number of FTE decreased by 101 on the prior half, from 16,434 to 16,333, driven by decreased home loan processing and financial assistance resourcing, and frontline optimisation, partly offset by additional resources to support call centre volumes and delivery of strategic initiatives, and investment in lenders.

The operating expenses to total operating income ratio was 39.1%, a decrease of 100 basis points on the prior half, mainly driven by lower operating expenses.

Loan Impairment Expense

Loan impairment expense decreased $391 million on the prior half to a benefit of $396 million. The result was mainly driven by lower collective provisions reflecting reduced COVID-19 uncertainties, partly offset by increased forward-looking adjustments for emerging risks, including inflationary pressures and rising interest rates.

Loan impairment expense as a percentage of average gross loans and acceptances decreased by 17 basis points on the prior half to -0.17%.

Home loan 90+ days arrears decreased by 3 basis points from 0.54% to 0.51%.

Consumer finance 90+ days arrears increased by 3 basis points from 0.67% to 0.70% driven by a seasonal increase in arrears following the December holiday period.

Balance Sheet

Key spot balance sheet movements included:

- Home loan growth of $15.5 billion or 3%, below system growth of 4%, reflecting the Bank's focus on margin management in response to rising swap rates and funding costs. Proprietary mix for CBA branded home loans increased from 58% to 60% of new business flows;
- Consumer finance growth of $0.1 billion or 1%. The increase was driven by new business volumes in personal loans, and a recovery in credit cards spend; and
- Total deposit growth of $11.0 billion or 3% (interest and non-interest bearing). The increase was driven by transaction deposits (up 5% including non-interest bearing balances), and savings deposits (up 2%), together with growth in investment deposits (up 3%) as customer yields improved in a rising rate environment.

Risk Weighted Assets

Risk weighted assets increased $4.7 billion or 3% on the prior half.

- Credit risk weighted assets increased $5.0 billion or 4% primarily driven by home loan volume growth; partly offset by
- Operational risk weighted assets decreased $0.3 billion or 1%.

Retail Banking Services generated $2,028 million of organic capital [1] for the Group in the current half. This contributed 39 basis points to the Group's CET1 ratio.

General Insurance and Mortgage Broking

Cash net loss after tax was $4 million, an improvement of $26 million on the prior half. The result was driven by the General Insurance business, with lower weather event related losses in the current half due to reinsurance recoveries, partly offset by higher working claims.

1 Organic capital generation represents cash net profit after tax less the capital equivalent of the change in regulatory risk weighted assets (excluding FX as it is capital neutral with offsetting impacts in regulatory capital deductions) used to generate those profits. Amounts quoted exclude the payment of dividends and the allocation of Operational RWA from the Enforceable Undertaking with APRA.

Divisional Performance (continued)

Business Banking

Overview

Business Banking serves the banking needs of business, corporate and agribusiness customers across the full range of financial services solutions. We also provide Australia's leading equities trading and margin lending services through our CommSec business. Business Banking includes the financial results of business banking activities conducted under the Bankwest brand.

On 3 May 2021, CBA completed the sale of its subsidiary, Australian Investment Exchange Limited (AUSIEX), to Nomura Research Institute (NRI), resulting in AUSIEX being deconsolidated from the Group. As AUSIEX did not in itself constitute a major line of the Group's business, the financial results of AUSIEX were treated as continuing operations and were included in the account lines of Business Banking's performance up until 3 May 2021.

	Full Year Ended [1]			Half Year Ended [1]		
	30 Jun 22	30 Jun 21	Jun 22 vs	**30 Jun 22**	31 Dec 21	Jun 22 vs
	$M	$M	Jun 21 %	**$M**	$M	Dec 21 %
Net interest income	**5,829**	5,597	4	**2,959**	2,870	3
Other banking income	**1,302**	1,376	(5)	**656**	646	2
Total banking income	**7,131**	6,973	2	**3,615**	3,516	3
Operating expenses	**(2,733)**	(2,669)	2	**(1,390)**	(1,343)	3
Loan impairment expense	**(110)**	(228)	(52)	**(66)**	(44)	50
Net profit before tax	**4,288**	4,076	5	**2,159**	2,129	1
Corporate tax expense	**(1,287)**	(1,236)	4	**(647)**	(640)	1
Cash net profit after tax	**3,001**	2,840	6	**1,512**	1,489	2
Income analysis						
Net interest income						
Small Business Banking	**2,492**	2,512	(1)	**1,264**	1,228	3
Commercial Banking	**1,614**	1,508	7	**818**	796	3
Regional and Agribusiness	**847**	786	8	**429**	418	3
Major Client Group	**694**	603	15	**355**	339	5
CommSec	**182**	188	(3)	**93**	89	4
Total net interest income	**5,829**	5,597	4	**2,959**	2,870	3
Other banking income						
Small Business Banking	**448**	450	–	**227**	221	3
Commercial Banking	**260**	234	11	**135**	125	8
Regional and Agribusiness	**104**	90	16	**54**	50	8
Major Client Group	**126**	112	13	**67**	59	14
CommSec	**364**	490	(26)	**173**	191	(9)
Total other banking income	**1,302**	1,376	(5)	**656**	646	2
Total banking income	**7,131**	6,973	2	**3,615**	3,516	3
Income by product						
Business products	**4,328**	4,020	8	**2,235**	2,093	7
Retail products	**2,355**	2,375	(1)	**1,166**	1,189	(2)
Equities and margin lending	**448**	578	(22)	**214**	234	(9)
Total banking income	**7,131**	6,973	2	**3,615**	3,516	3

1 Comparative information has been restated to conform to presentation in the current period.

Divisional Performance (continued)

Business Banking (continued)

Balance Sheet	30 Jun 22 $M	31 Dec 21 $M	30 Jun 21 $M	Jun 22 vs Dec 21 %	Jun 22 vs Jun 21 %
	As at				
Home loans [1]	**96,447**	95,171	93,077	1	4
Business loans [2]	**117,516**	108,978	103,371	8	14
Margin loans	**2,261**	2,363	2,383	(4)	(5)
Consumer finance	**1,780**	1,823	1,854	(2)	(4)
Total interest earning assets	**218,004**	208,335	200,685	5	9
Non-lending interest earning assets	**62**	111	73	(44)	(15)
Other assets	**1,194**	773	969	54	23
Total assets	**219,260**	209,219	201,727	5	9
Transaction deposits [2, 3]	**36,958**	36,994	34,411	–	7
Savings deposits [3]	**75,310**	74,931	70,290	1	7
Investment deposits and other	**36,345**	34,641	34,218	5	6
Total interest bearing deposits	**148,613**	146,566	138,919	1	7
Non-interest bearing transaction deposits	**72,453**	68,329	56,976	6	27
Other non-interest bearing liabilities	**1,612**	1,160	1,369	39	18
Total liabilities	**222,678**	216,055	197,264	3	13

	Full Year Ended [4]			Half Year Ended		
Key Financial Metrics	**30 Jun 22**	30 Jun 21	Jun 22 vs Jun 21 %	**30 Jun 22**	31 Dec 21	Jun 22 vs Dec 21 %
Performance indicators						
Net interest margin (%)	**3.00**	3.11	(11)bpts	**3.01**	2.98	3 bpts
Return on assets (%)	**1.4**	1.4	–	**1.4**	1.4	–
Operating expenses to total banking income (%)	**38.3**	38.3	–	**38.5**	38.2	30 bpts
Impairment expense annualised as a % of average GLAAs (%)	**0.05**	0.12	(7)bpts	**0.06**	0.04	2 bpts
Other information						
Average interest earning assets ($M) [5]	**194,597**	179,707	8	**198,462**	190,795	4
Risk weighted assets ($M)	**146,098**	136,006	7	**146,098**	141,509	3
Troublesome and impaired assets ($M) [6]	**3,439**	3,947	(13)	**3,439**	3,513	(2)
Troublesome and impaired assets as a % of TCE (%) [6]	**2.28**	2.98	(70)bpts	**2.28**	2.46	(18)bpts
Number of full-time equivalent staff (FTE)	**5,637**	5,316	6	**5,637**	5,686	(1)

1 Home loans are presented gross of $12,285 million of mortgage offset balances (31 December 2021: $13,459 million; 30 June 2021: $11,247 million). These balances are required to be grossed up under accounting standards, but are netted down for the calculation of customer interest payments.
2 Business loans include $266 million of Cash Management Pooling Facilities (CMPF) (31 December 2021: $268 million; 30 June 2021: $234 million). Transaction Deposits include $1,127 million of CMPF liabilities (31 December 2021: $785 million; 30 June 2021: $1,253 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.
3 Transaction and Savings deposits include $12,285 million of mortgage offset balances (31 December 2021: $13,459 million; 30 June 2021: $11,247 million).
4 Comparative information has been restated to conform to presentation in the current period.
5 Average interest earning assets are presented net of mortgage offset balances, which reduce customer interest payments. Average interest earning assets are also used in the calculation of divisional net interest margin.
6 Commercial troublesome and impaired assets only.

Business Banking (continued)

Financial Performance and Business Review

Year Ended June 2022 versus June 2021

Business Banking cash net profit after tax for the full year ended 30 June 2022 was $3,001 million, an increase of $161 million or 6% on the prior year. The result was driven by a 2% increase in total banking income, a 2% increase in operating expenses and a 52% decrease in loan impairment expense.

Net Interest Income

Net interest income was $5,829 million, an increase of $232 million or 4% on the prior year. This was driven by an 8% increase in average interest earning assets, partly offset by a 4% decline in net interest margin.

Net interest margin decreased 11 basis points on the prior year, reflecting:

- Lower home lending margins (down 11 basis points) from the impact of swap rates on fixed rate loans and increased competition (down 7 basis points), and unfavourable home loan portfolio mix (down 5 basis points), with a shift to lower margin loans (variable to fixed), partly offset by repricing (up 1 basis point);
- Reduced earnings on equity (down 4 basis points); and
- Lower deposit margins (down 2 basis points) reflecting decreased earnings on deposit hedges, partly offset by the benefits of rising interest rates during the second half; partly offset by
- Favourable portfolio mix (up 5 basis points) from strong growth in business lending and at-call deposits, partly offset by a decline in higher margin consumer finance balances; and
- Higher business lending margins (up 1 basis point) reflecting lower wholesale funding costs net of repricing, partly offset by change in customer mix resulting in a shift towards higher fee based products, with increased benefits recognised in lending fee income.

Other Banking Income

Other banking income was $1,302 million, a decrease of $74 million or 5% on the prior year, reflecting:

- Lower equities income due to lower trading volumes and the divestment of AUSIEX on 3 May 2021; and
- Decreased merchant income mainly due to reduced margins and COVID-19 fee waivers to support our customers; partly offset by
- Higher business lending fee income reflecting volume growth; and
- Increased foreign exchange income mainly reflecting higher transaction volumes, partly offset by lower margins due to price competition.

Operating Expenses

Operating expenses were $2,733 million, an increase of $64 million or 2% on the prior year. This was primarily driven by continued investment in Business Banking product offerings and distribution capabilities, inflation, and other volume related spend, partly offset by lower remediation costs.

The number of full-time equivalent staff (FTE) increased by 321 or 6% on the prior year, from 5,316 to 5,637, primarily driven by investment in product and customer facing staff.

Investment spend was primarily focused on further enhancing the customer experience through reimagining products and services, system modernisation, digitisation and automation, as well as investment in regulatory, risk and compliance initiatives.

The operating expenses to total banking income ratio was 38.3%, flat on the prior year.

Loan Impairment Expense

Loan impairment expense was $110 million, a decrease of $118 million or 52% on the prior year. This was primarily driven by lower individually assessed provision charges and higher write-backs.

Loan impairment expense as a percentage of average gross loans and acceptances decreased 7 basis points to 0.05%.

Troublesome and impaired assets as a percentage of total committed exposure decreased 70 basis points to 2.28% driven by improving economic conditions, good quality volume growth and active management of troublesome and impaired assets.

Balance Sheet

Key spot balance sheet movements included:

- Business loan growth of $14.1 billion or 14%, above system growth, reflecting diversified lending across a number of industries, with the largest growth in the Property, Agriculture and Health sectors;
- Home loan growth of $3.4 billion or 4%, below system growth, reflecting growth in owner occupied loans and subdued investor loan growth; and
- Total deposits growth (interest and non-interest bearing) of $25.2 billion or 13%. Growth was driven by higher transaction (up 20% including non-interest bearing balances) and savings (up 7%) deposits reflecting increased domestic money supply. Investment deposits also increased (up 6%), due to customer preference for higher yields.

Risk Weighted Assets

Risk weighted assets were $146.1 billion, an increase of $10.1 billion or 7% on the prior year.

- Credit risk weighted assets increased $10.4 billion or 9% primarily driven by lending volume growth, partly offset by improved credit quality; partly offset by
- Operational risk weighted assets decreased $0.3 billion or 3%.

Business Banking generated $1,738 million of organic capital [1] for the Group in the current year. This contributed 34 basis points to the Group's CET1 ratio.

1 Organic capital generation represents cash net profit after tax less the capital equivalent of the change in regulatory risk weighted assets (excluding FX as it is capital neutral with offsetting impacts in regulatory capital deductions) used to generate those profits. Amounts quoted exclude the payment of dividends and the allocation of Operational RWA from the Enforceable Undertaking with APRA.

Business Banking (continued)

Financial Performance and Business Review (continued)

Half Year Ended June 2022 versus December 2021

Cash net profit after tax for the half year ended 30 June 2022 was $1,512 million, an increase of $23 million or 2% on the prior half. The result was driven by a 3% increase in total banking income, a 3% increase in operating expenses and a 50% increase in loan impairment expense.

Net Interest Income

Net interest income was $2,959 million, an increase of $89 million or 3% on the prior half. This was driven by a 4% increase in average interest earning assets and a 1% increase in net interest margin, partly offset by the impact of three fewer calendar days in the current half.

Net interest margin increased 3 basis points, reflecting:

- Higher deposit margins (up 8 basis points) reflecting benefits from increases in the cash and swap rates; and
- Favourable portfolio mix (up 5 basis points) from strong growth in business lending and at-call deposits; partly offset by
- Lower home lending margins (down 8 basis points) from the impact of swap and cash rates on pricing and increased competition (down 7 basis points), and unfavourable home loan portfolio mix (down 1 basis point), with a shift to lower margin loans (variable to fixed); and
- Lower business lending margins (down 2 basis points), impacted by change in customer mix resulting in a shift towards higher fee based products, with increased benefits recognised in lending fee income.

Other Banking Income

Other banking income was $656 million, an increase of $10 million or 2% on the prior half, driven by:

- Higher business lending fee income reflecting volume growth; and
- Increased merchant income reflecting higher turnover volumes and the non-recurrence of COVID-19 fee waivers; partly offset by
- Lower equities income due to lower trading volumes and the impact of fewer trading days in the current half.

Operating Expenses

Operating expenses were $1,390 million, an increase of $47 million or 3% on the prior half. This was primarily driven by continued investment in product and distribution capabilities, increased volume related spend and higher remediation costs, partly offset by higher annual leave usage and the impact of three fewer working days.

The number of FTE decreased by 49 or 1% on the prior half, from 5,686 to 5,637, primarily driven by reduced call centre staff reflecting lower demand for COVID-19 related support.

The operating expenses to total banking income ratio was 38.5%, an increase of 30 basis points on the prior half due to higher operating expenses.

Loan Impairment Expense

Loan impairment expense was $66 million, an increase of $22 million or 50% on the prior half. This was driven by an increase in collective provision charges reflecting higher forward-looking adjustments for emerging risks, mainly due to inflationary pressures, supply chain disruptions and rising interest rates, partly offset by reduced COVID-19 uncertainties.

Loan impairment expense as a percentage of average gross loans and acceptances increased 2 basis points to 0.06%.

Troublesome and impaired assets as a percentage of total committed exposure decreased 18 basis points to 2.28%, driven by favourable economic conditions, good quality volume growth and active management of troublesome and impaired assets.

Balance Sheet

Key spot balance sheet movements included:

- Business loan growth of $8.5 billion or 8%, above system growth, reflecting diversified lending across a number of industries, with the largest growth in the Property, Agriculture and Health sectors;
- Home loan growth of $1.3 billion or 1%, below system growth, reflecting subdued growth in owner occupied and investor loans; and
- Total deposits growth (interest and non-interest bearing) of $6.2 billion or 3%. Growth was driven by higher transaction (up 4% including non-interest bearing balances) and savings (up 1%) deposits reflecting increased domestic money supply. Investment deposits also increased (up 5%), as customer yields improved in a rising rate environment.

Risk Weighted Assets

Risk weighted assets increased $4.6 billion or 3% on the prior half.

- Credit risk weighted assets increased $4.8 billion or 4% primarily driven by lending volume growth, partly offset by improved credit quality; partly offset by
- Operational risk weighted assets decreased $0.2 billion or 2%.

Business Banking generated $964 million of organic capital [1] for the Group in the current half. This contributed 17 basis points to the Group's CET1 ratio.

1 Organic capital generation represents cash net profit after tax less the capital equivalent of the change in regulatory risk weighted assets (excluding FX as it is capital neutral with offsetting impacts in regulatory capital deductions) used to generate those profits. Amounts quoted exclude the payment of dividends and the allocation of Operational RWA from the Enforceable Undertaking with APRA.

Divisional Performance (continued)

Institutional Banking and Markets

Overview

Institutional Banking and Markets serves the commercial and wholesale banking needs of large corporate, institutional and government clients across a full range of financial services solutions including access to debt capital markets, transaction banking, working capital and risk management through dedicated product and industry specialists.

	Full Year Ended [1]			Half Year Ended		
	30 Jun 22 $M	30 Jun 21 $M	Jun 22 vs Jun 21 %	**30 Jun 22 $M**	31 Dec 21 $M	Jun 22 vs Dec 21 %
Net interest income	**1,534**	1,532	–	**747**	787	(5)
Other banking income	**761**	772	(1)	**402**	359	12
Total banking income	**2,295**	2,304	–	**1,149**	1,146	–
Operating expenses	**(988)**	(976)	1	**(498)**	(490)	2
Loan impairment benefit/(expense)	**111**	(96)	(large)	**(14)**	125	large
Net profit before tax	**1,418**	1,232	15	**637**	781	(18)
Corporate tax expense	**(368)**	(306)	20	**(174)**	(194)	(10)
Cash net profit after tax	**1,050**	926	13	**463**	587	(21)
Income analysis						
Net interest income [2]						
Institutional Banking	**1,297**	1,240	5	**639**	658	(3)
Markets	**237**	292	(19)	**108**	129	(16)
Total net interest income	**1,534**	1,532	–	**747**	787	(5)
Other banking income [2]						
Institutional Banking	**369**	289	28	**193**	176	10
Markets	**392**	483	(19)	**209**	183	14
Total other banking income	**761**	772	(1)	**402**	359	12
Total banking income	**2,295**	2,304	–	**1,149**	1,146	–
Income by product						
Institutional products [2]	**1,507**	1,460	3	**746**	761	(2)
Asset leasing [2]	**159**	69	large	**86**	73	18
Markets (excluding derivative valuation adjustments) [2]	**611**	771	(21)	**293**	318	(8)
Total banking income excluding derivative valuation adjustments	**2,277**	2,300	(1)	**1,125**	1,152	(2)
Derivative valuation adjustments [3]	**18**	4	large	**24**	(6)	large
Total banking income	**2,295**	2,304	–	**1,149**	1,146	–

1 Comparative information has been restated to conform to presentation in the current period.
2 From January 2022, in order to better align with evolving client demands, Institutional Banking and Markets restructured the business resulting in a number of portfolios moving out from the Global Markets business into the Institutional products businesses.
3 Derivative valuation adjustments include both net interest income and other banking income adjustments.

Divisional Performance (continued)

Institutional Banking and Markets (continued)

Balance Sheet	30 Jun 22 $M	31 Dec 21 $M	30 Jun 21 $M	Jun 22 vs Dec 21 %	Jun 22 vs Jun 21 %
	As at [1]				
Interest earning lending assets [2]	**95,109**	84,799	84,755	12	12
Non-lending interest earning assets	**63,029**	52,000	41,949	21	50
Other assets [3]	**33,382**	26,129	27,126	28	23
Total assets	**191,520**	162,928	153,830	18	25
Transaction deposits [2]	**91,455**	83,431	84,186	10	9
Savings deposits	**16,078**	11,414	15,270	41	5
Investment deposits	**42,841**	33,494	30,281	28	41
Certificates of deposit and other	**30,223**	18,059	15,215	67	99
Total interest bearing deposits	**180,597**	146,398	144,952	23	25
Due to other financial institutions	**17,004**	16,542	14,057	3	21
Debt issues and other [4]	**6,783**	4,160	2,805	63	large
Non-interest bearing liabilities [3]	**29,690**	16,153	17,885	84	66
Total liabilities	**234,074**	183,253	179,699	28	30

	Full Year Ended [1]			Half Year Ended [1]		
Key Financial Metrics	**30 Jun 22**	30 Jun 21	Jun 22 vs Jun 21 %	**30 Jun 22**	31 Dec 21	Jun 22 vs Dec 21 %
Performance indicators						
Net interest margin (%)	**1. 12**	1. 11	1 bpt	**1. 04**	1. 19	(15)bpts
Return on assets (%)	**0. 5**	0. 6	(10)bpts	**0. 5**	0. 7	(20)bpts
Operating expenses to total banking income (%)	**43. 1**	42. 4	70 bpts	**43. 3**	42. 8	50 bpts
Impairment expense annualised as a % of average GLAAs (%)	**(0. 13)**	0. 11	(24)bpts	**0. 03**	(0. 28)	31 bpts
Other information						
Average interest earning assets ($M)	**137,509**	137,994	–	**144,445**	130,687	11
Risk weighted assets ($M)	**80,031**	82,171	(3)	**80,031**	82,122	(3)
Troublesome and impaired assets ($M)	**477**	890	(46)	**477**	606	(21)
Total committed exposures rated investment grade (%)	**89. 4**	88. 0	140 bpts	**89. 4**	88. 6	80 bpts
Number of full-time equivalent staff (FTE)	**1,439**	1,431	1	**1,439**	1,453	(1)

1 Comparative information has been restated to conform to presentation in the current period.
2 Interest earning lending assets include $20,156 million of Cash Management Pooling Facilities (CMPF) (31 December 2021: $13,854 million; 30 June 2021: $17,814 million). Transaction deposits include $37,718 million of CMPF liabilities (31 December 2021: $34,920 million; 30 June 2021: $43,462 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.
3 Other assets include intangible assets and derivative assets. Non-interest bearing liabilities include derivative liabilities.
4 Debt issues and other includes liabilities at fair value.

Divisional Performance (continued)

Institutional Banking and Markets (continued)

Financial Performance and Business Review

Year Ended June 2022 versus June 2021

Institutional Banking and Markets cash net profit after tax for the full year ended 30 June 2022 was $1,050 million, an increase of $124 million or 13% on the prior year. The result was driven by flat total banking income, a 1% increase in operating expenses and a $207 million decrease in loan impairment expense.

Net Interest Income

Net interest income was $1,534 million, an increase of $2 million on the prior year. The result was driven by a 1% increase in net interest margin and flat interest earning assets.

Net interest margin increased 1 basis point, reflecting:

- Favourable asset mix from the reduction of lower margin pooled facilities (up 6 basis points);
- Higher Institutional lending margins (up 4 basis points) due to lower funding costs; and
- Higher Structured Asset Finance revenue driven by a gain in the residual value of shipping vessels under finance leases (up 2 basis points); partly offset by
- Lower net interest income from the High Grade Bonds portfolio as a result of wider spreads and lower inventory (down 4 basis points);
- Lower deposit revenue reflecting the impact from the low-rate environment which existed for most of the current year (down 4 basis points); and
- Lower earnings on equity (down 3 basis points).

Other Banking Income

Other banking income was $761 million, a decrease of $11 million or 1% on the prior year, reflecting:

- Lower Global Markets trading income from precious metal inventory financing, and the Fixed Income and Rates portfolios, partly offset by higher trading gains in Foreign Exchange; partly offset by
- Higher Structured Asset Finance revenue including gains from reversal of prior year impairments of aircraft operating leases; and
- Higher lending fees due to repricing and increased volumes.

Operating Expenses

Operating expenses were $988 million, an increase of $12 million or 1% on the prior year. This was primarily driven by higher risk and compliance spend, partly offset by productivity initiatives.

The number of full-time equivalent staff (FTE) increased by 8 or 1% on the prior year, from 1,431 to 1,439.

Investment spend focused on continuing to strengthen the operational risk and compliance framework, upgrading system infrastructure, responding to new regulatory requirements, and strategic initiatives.

The operating expenses to total banking income ratio was 43.1%, an increase of 70 basis points on the prior year, driven by higher operating expenses.

Loan Impairment Expense

Loan impairment expense was a benefit of $111 million, a decrease of $207 million on the prior year. This was driven by lower collective provisions reflecting a decrease in forward-looking adjustments for the aviation sector and reduced COVID-19 uncertainties, partly offset by a lower level of write-backs.

Loan impairment expense as a percentage of average gross loans and acceptances decreased 24 basis points on the prior year to -0.13%.

Asset quality of the book has improved, with the percentage of the book rated as investment grade increasing 140 basis points to 89.4%.

Balance Sheet

Key spot balance sheet movements included:

- Lending balance increase of $10.4 billion or 12%, primarily driven by growth across pooled facilities, warehouse facilities, corporate lending, and funds financing portfolios;
- Non-lending interest earning assets increase of $21.1 billion or 50%, mainly driven by higher reverse sale and repurchase agreements in the Securities Financing portfolio reflecting increased client demand;
- Other assets and Non-interest bearing liabilities increase of $6.3 billion or 23% and $11.8 billion or 66% respectively, mainly driven by the revaluation of derivative assets and derivative liabilities due to foreign currency and interest rate movements. Derivative assets and derivative liabilities are required to be grossed up under accounting standards. Other assets growth was partly offset by reduced commodities inventory; and
- Total interest bearing deposits increase of $35.6 billion or 25%, driven by higher sale and repurchase agreements in Global Markets to fund higher non-lending interest earning assets, growth in investment deposits primarily from offshore clients, and increased at-call deposit balances.

Risk Weighted Assets

Risk weighted assets were $80.0 billion, a decrease of $2.1 billion or 3% on the prior year.

- Credit risk weighted assets decreased $4.6 billion or 7%, primarily driven by improved credit quality and data and methodology changes; partly offset by
- Traded market risk weighted assets increased $2.4 billion or 33%, driven by an APRA capital overlay to be held until modelling work is completed by the Group and approved by APRA in relation to the revised Risks-Not-In-VaR (RNIV) framework; and
- Operational risk weighted assets increased $0.1 billion or 2%.

Institutional Banking and Markets generated $1,424 million of organic capital [1] for the Group in the current year. This contributed 30 basis points to the Group's CET1 ratio.

1 Organic capital generation represents cash net profit after tax less the capital equivalent of the change in regulatory risk weighted assets (excluding FX as it is capital neutral with offsetting impacts in regulatory capital deductions) used to generate those profits. Amounts quoted exclude the payment of dividends and the allocation of Operational RWA from the Enforceable Undertaking with APRA.

Divisional Performance (continued)

Institutional Banking and Markets (continued)

Financial Performance and Business Review (continued)

Half Year Ended June 2022 versus December 2021

Cash net profit after tax for the half year ended 30 June 2022 was $463 million, a decrease of $124 million or 21% on the prior half. The result was driven by flat total banking income, a 2% increase in operating expenses, and a $139 million increase in loan impairment expense.

Net Interest Income

Net interest income was $747 million, a decrease of $40 million or 5% on the prior half. The result was driven by a 13% decrease in net interest margin and the impact of three fewer calendar days in the current half, partly offset by an 11% increase in average interest earning assets.

Net interest margin decreased 15 basis points, reflecting:

- Lower net interest income from the High Grade Bonds portfolio as a result of wider spreads and lower inventory, and lower margins on commodity financing (down 9 basis points);
- Lower deposit revenue reflecting the impact from the low-rate environment which existed for most of the current half (down 3 basis points);
- Lower Structured Asset Finance revenue driven by the non-recurrence of gains in the residual value of shipping vessels under finance leases (down 2 basis points); and
- Unfavourable asset mix from an increase in lower margin reverse sale and repurchase agreements in Global Markets (down 2 basis points); partly offset by
- Higher institutional lending margins due to lower funding costs (up 1 basis point).

Other Banking Income

Other banking income was $402 million, an increase of $43 million or 12% on the prior half, reflecting:

- Higher Structured Asset Finance revenue due to a reversal of impairment of aircraft operating leases;
- Higher fees from increased syndication activity; and
- Favourable derivative valuation adjustments; partly offset by
- Lower lending commitment and guarantee fees.

Operating Expenses

Operating expenses of $498 million were $8 million or 2% higher on the prior half with higher risk and compliance spend, partly offset by lower investment spend.

The number of FTE decreased by 14 or 1% on the prior half, from 1,453 to 1,439.

The operating expenses to total banking income ratio was 43.3%, an increase of 50 basis points on the prior half, mainly driven by higher operating expenses.

Loan Impairment Expense

Loan impairment expense was $14 million, an increase of $139 million on the prior half. This was driven by the non-recurrence of collective provision releases related to the aviation sector and higher individually assessed provision charges in the current half.

Loan impairment expense as a percentage of average gross loans and acceptances increased 31 basis points on the prior half to 0.03%.

Total committed exposures rated as investment grade increased by 80 basis points to 89.4%.

Balance Sheet

Key spot balance sheet movements included:

- Lending balance increase of $10.3 billion or 12%, mainly driven by growth in pooled facilities and warehouse facilities;
- Non-lending interest earning assets increase of $11 billion or 21%, driven by higher reverse sale and repurchase agreements in the Securities Financing portfolio reflecting increased client demand;
- Other assets and Non-interest bearing liabilities increase of $7.3 billion or 28% and $13.5 billion or 84% respectively, mainly driven by the revaluation of derivative assets and derivative liabilities due to foreign currency and interest rate movements. Other assets growth was partly offset by reduced commodities inventory; and
- Total interest bearing deposits increase of $34.2 billion or 23%, driven by higher sale and repurchase agreements in Global Markets to fund higher non-lending interest earning assets, growth in investment deposits primarily from offshore clients, and increased at-call deposit balances.

Risk Weighted Assets

Risk weighted assets decreased $2.1 billion or 3% on the prior half.

- Credit risk weighted assets decreased $2.4 billion or 4%, primarily driven by improved credit quality; and
- Traded market risk weighted assets decreased $0.1 billion or 1%; partly offset by
- Operational risk weighted assets increased $0.4 billion or 7%.

Institutional Banking and Markets generated $745 million of organic capital [1] for the Group in the current half. This contributed 16 basis points to the Group's CET1 ratio.

1 Organic capital generation represents cash net profit after tax less the capital equivalent of the change in regulatory risk weighted assets (excluding FX as it is capital neutral with offsetting impacts in regulatory capital deductions) used to generate those profits. Amounts quoted exclude the payment of dividends and the allocation of Operational RWA from the Enforceable Undertaking with APRA.

New Zealand

Overview

New Zealand primarily includes the banking and funds management businesses operating under the ASB brand. ASB provides a range of banking, wealth and insurance products and services to its personal, business, rural and corporate customers in New Zealand.

ASB serves the financial needs of its customers across multiple channels including an extensive network of branches, ATMs, contact centres, digital platforms and relationship managers.

	Full Year Ended [1]			Half Year Ended		
	30 Jun 22	30 Jun 21	Jun 22 vs	**30 Jun 22**	31 Dec 21	Jun 22 vs
New Zealand (A$M)	**A$M**	A$M	Jun 21 %	**A$M**	A$M	Dec 21 %
Net interest income	**2,334**	2,150	9	**1,160**	1,174	(1)
Other banking income [2]	**420**	394	7	**208**	212	(2)
Total banking income	**2,754**	2,544	8	**1,368**	1,386	(1)
Funds management income	**139**	140	(1)	**63**	76	(17)
Total operating income	**2,893**	2,684	8	**1,431**	1,462	(2)
Operating expenses	**(1,104)**	(1,071)	3	**(573)**	(531)	8
Loan impairment (expense)/benefit	**(37)**	5	large	**(49)**	12	large
Net profit before tax	**1,752**	1,618	8	**809**	943	(14)
Corporate tax expense	**(487)**	(457)	7	**(223)**	(264)	(16)
Cash net profit after tax	**1,265**	1,161	9	**586**	679	(14)

1 Comparative information has been restated to conform to presentation in the current period.
2 Other banking income disclosed in AUD includes realised gains or losses associated with the hedging of New Zealand operations earnings.

Divisional Performance (continued)

New Zealand (continued)

New Zealand (NZ$M)	Full Year Ended [1] 30 Jun 22 NZ$M	30 Jun 21 NZ$M	Jun 22 vs Jun 21 %	Half Year Ended 30 Jun 22 NZ$M	31 Dec 21 NZ$M	Jun 22 vs Dec 21 %
Net interest income	**2,499**	2,307	8	**1,272**	1,227	4
Other banking income	**443**	412	8	**219**	224	(2)
Total banking income	**2,942**	2,719	8	**1,491**	1,451	3
Funds management income	**149**	150	(1)	**69**	80	(14)
Total operating income	**3,091**	2,869	8	**1,560**	1,531	2
Operating expenses	**(1,179)**	(1,148)	3	**(623)**	(556)	12
Loan impairment (expense)/benefit	**(41)**	5	large	**(54)**	13	large
Net profit before tax	**1,871**	1,726	8	**883**	988	(11)
Corporate tax expense	**(518)**	(487)	6	**(241)**	(277)	(13)
Cash net profit after tax	**1,353**	1,239	9	**642**	711	(10)
Represented by:						
ASB	**1,418**	1,296	9	**676**	742	(9)
Other [2]	**(65)**	(57)	14	**(34)**	(31)	10
Cash net profit after tax	**1,353**	1,239	9	**642**	711	(10)

Key Financial Metrics [3]	Full Year Ended 30 Jun 22	30 Jun 21	Jun 22 vs Jun 21 %	Half Year Ended 30 Jun 22	31 Dec 21	Jun 22 vs Dec 21 %
Performance indicator						
Operating expenses to total operating income (%)	**38. 1**	40. 0	(190)bpts	**39. 9**	36. 3	360 bpts

1 Comparative information has been restated to conform to presentation in the current period.
2 Other includes ASB funding entities and elimination entries between New Zealand segment entities.
3 Key financial metrics are calculated in New Zealand dollar terms.

Financial Performance and Business Review

Year Ended June 2022 versus June 2021

New Zealand cash net profit after tax [1] for the full year ended 30 June 2022 was NZD1,353 million, an increase of NZD114 million or 9% on the prior year. The result was driven by an 8% increase in total operating income, a 3% increase in operating expenses and a NZD46 million increase in loan impairment expense.

New Zealand generated AUD1,237 million of organic capital [2] for the Group in the current year. This contributed 25 basis points to the Group's CET1 ratio.

Half Year Ended June 2022 versus December 2021

New Zealand cash net profit after tax [1] for the half year ended 30 June 2022 was NZD642 million, a decrease of NZD69 million or 10% on the prior half. The result was driven by a 2% increase in total operating income, a 12% increase in operating expenses and a NZD67 million increase in loan impairment expense.

New Zealand generated AUD905 million of organic capital [2] for the Group in the current half. This contributed 17 basis points to the Group's CET1 ratio.

1 The New Zealand result incorporates ASB and allocated CBA capital charges and costs. The CBA Branch results relating to the Institutional Banking and Markets business in New Zealand are not included.
2 Organic capital generation represents cash net profit after tax less the capital equivalent of the change in regulatory risk weighted assets (in accordance with APRA requirements; excluding FX as it is capital neutral with offsetting impacts in regulatory capital deductions) used to generate those profits. Amounts quoted exclude the payment of dividends.

Divisional Performance (continued)

New Zealand (continued)

ASB (NZ$M)	Full Year Ended [1] 30 Jun 22 NZ$M	30 Jun 21 NZ$M	Jun 22 vs Jun 21 %	Half Year Ended 30 Jun 22 NZ$M	31 Dec 21 NZ$M	Jun 22 vs Dec 21 %
Net interest income	**2,589**	2,383	9	**1,319**	1,270	4
Other banking income	**443**	412	8	**219**	224	(2)
Total banking income	**3,032**	2,795	8	**1,538**	1,494	3
Funds management income	**149**	150	(1)	**69**	80	(14)
Total operating income	**3,181**	2,945	8	**1,607**	1,574	2
Operating expenses	**(1,179)**	(1,148)	3	**(623)**	(556)	12
Loan impairment (expense)/benefit	**(41)**	5	large	**(54)**	13	large
Net profit before tax	**1,961**	1,802	9	**930**	1,031	(10)
Corporate tax expense	**(543)**	(506)	7	**(254)**	(289)	(12)
Cash net profit after tax	**1,418**	1,296	9	**676**	742	(9)

Balance Sheet (NZ$M)	As at 30 Jun 22 NZ$M	31 Dec 21 NZ$M	30 Jun 21 NZ$M	Jun 22 vs Dec 21 %	Jun 22 vs Jun 21 %
Home loans	**72,055**	69,875	67,679	3	6
Business lending	**20,538**	19,863	19,311	3	6
Rural lending	**11,045**	11,236	11,146	(2)	(1)
Other interest earning assets	**1,611**	1,671	1,758	(4)	(8)
Total lending interest earning assets	**105,249**	102,645	99,894	3	5
Non-lending interest earning assets	**14,299**	12,833	11,188	11	28
Other assets	**1,904**	1,361	1,509	40	26
Total assets	**121,452**	116,839	112,591	4	8
Interest bearing customer deposits	**62,664**	62,502	59,929	–	5
Debt issues	**22,607**	22,498	22,936	–	(1)
Other demand deposits [2]	**6,950**	4,676	4,626	49	50
Other interest bearing liabilities	**2,502**	1,190	1,491	large	68
Total interest bearing liabilities	**94,723**	90,866	88,982	4	6
Non-interest bearing customer deposits	**13,175**	13,906	11,651	(5)	13
Other non-interest bearing liabilities	**1,955**	987	997	98	96
Total liabilities	**109,853**	105,759	101,630	4	8

1 Comparative information has been restated to conform to presentation in the current period.
2 Other demand deposits include certificate of deposits, repurchase agreements and funding from RBNZ Funding for Lending Programme and Term Lending Facility.

Divisional Performance (continued)

New Zealand (continued)

ASB Key Financial Metrics [2]	Full Year Ended [1] 30 Jun 22	30 Jun 21	Jun 22 vs Jun 21 %	Half Year Ended 30 Jun 22	31 Dec 21	Jun 22 vs Dec 21 %
Performance indicators						
Net interest margin (%)	**2. 22**	2. 22	–	**2. 26**	2. 19	7 bpts
Return on assets (%)	**1. 2**	1. 2	–	**1. 1**	1. 3	(20)bpts
Operating expenses to total operating income (%)	**37. 1**	39. 0	(190)bpts	**38. 8**	35. 3	350 bpts
Impairment expense annualised as a % of average GLAAs (%)	**0. 04**	(0. 01)	5 bpts	**0. 10**	(0. 03)	13 bpts
Other information						
Average interest earning assets	**116,397**	107,522	8	**117,692**	115,124	2
Risk weighted assets [3]	**68,301**	61,252	12	**68,301**	61,465	11
Risk weighted assets (A$M) [4]	**51,916**	53,311	(3)	**51,916**	56,445	(8)
AUM - average [5]	**21,647**	20,227	7	**21,183**	22,209	(5)
AUM - spot [5]	**19,980**	21,750	(8)	**19,980**	22,328	(11)
90+ days home loan arrears (%)	**0. 19**	0. 18	1 bpt	**0. 19**	0. 17	2 bpts
90+ days consumer finance arrears (%)	**0. 49**	0. 36	13 bpts	**0. 49**	0. 55	(6)bpts
Number of full-time equivalent staff (FTE)	**5,879**	5,722	3	**5,879**	5,817	1

1 Comparative information has been restated to conform to presentation in the current period.
2 Key financial metrics are calculated in New Zealand dollar terms unless otherwise stated.
3 Risk weighted assets calculated in accordance with RBNZ requirements.
4 Risk weighted assets (A$M) calculated in accordance with APRA requirements.
5 On 11 February 2022, ASB sold the management rights of the ASB Superannuation Master Trust (SMT) to Smartshares Limited. The sale includes a transition period where ASB continues to provide investment management and administration services until the transition is complete, and therefore the AUM balances related to SMT remain included in the ASB AUM balance at 30 June 2022.

Divisional Performance (continued)

New Zealand (continued)

Financial Performance and Business Review

Year Ended June 2022 versus June 2021

ASB cash net profit after tax for the full year ended 30 June 2022 was NZD1,418 million, an increase of NZD122 million or 9% on the prior year. The result was driven by an 8% increase in total operating income, a 3% increase in operating expenses and a NZD46 million increase in loan impairment expense.

Net Interest Income

Net interest income was NZD2,589 million, an increase of NZD206 million or 9% on the prior year. The increase was driven by an 8% growth in average interest earning assets and a flat net interest margin.

Net interest margin was flat on the prior year, reflecting:

- Higher deposit margins (up 16 basis points) mainly due to increases in swap and cash rates;
- Lower wholesale funding costs (up 2 basis points); and
- Favourable portfolio mix (up 1 basis point) driven by strong growth in transaction and savings deposits (up 4 basis points), partly offset by unfavourable lending mix driven by a higher proportion of lower margin home loan balances relative to higher margin consumer finance and business lending balances (down 3 basis points); partly offset by
- Unfavourable lending margins (down 16 basis points) mainly from the impact of swap rates on home loan pricing; and
- Lower income from Treasury related activities (down 3 basis points).

Other Banking Income

Other banking income was NZD443 million, an increase of NZD31 million or 8% on the prior year, reflecting:

- The gain on sale of the management rights of the ASB Superannuation Master Trust; and
- Higher gains from the sale of government securities.

Funds Management Income

Funds management income was NZD149 million, a decrease of NZD1 million or 1% on the prior year, mainly driven by the removal of administration fees on KiwiSaver accounts, partly offset by higher average Assets Under Management (AUM) (up 7%) reflecting favourable net inflows and market performance, and improved margins.

Operating Expenses

Operating expenses were NZD1,179 million, an increase of NZD31 million or 3% on the prior year. The increase was primarily driven by higher staff costs due to increased full-time equivalent staff (FTE), wage inflation and lower annual leave usage due to the impact of COVID-19, growth in investment spend to deliver strategic priorities, and higher IT costs, partly offset by a release of the provision relating to historical holiday pay.

The number of FTE increased by 157 or 3% on the prior year from 5,722 to 5,879, mainly driven by growth to support investment in technology.

Investment spend continues to focus on enhancing technology platforms, regulatory compliance and customer experience initiatives.

The operating expenses to total operating income ratio for ASB was 37.1%, a decrease of 190 basis points on the prior year driven by growth in total operating income.

Loan Impairment Expense

Loan impairment expense was NZD41 million, an increase of NZD46 million on the prior year. This was mainly driven by higher collective provisions reflecting emerging risks, including inflationary pressures and rising interest rates, partly offset by lower write-offs.

Home loan 90+ days arrears increased 1 basis point, from 0.18% to 0.19%, and consumer finance 90+ days arrears increased 13 basis points, from 0.36% to 0.49%, as arrears rates start to return towards pre-COVID-19 levels.

Balance Sheet

Key spot balance sheet movements included:

- Home loan growth of NZD4.4 billion or 6%, in line with system growth, with continued customer preference for fixed rate loans in a competitive market;
- Business loan growth of NZD1.2 billion or 6%, below system growth of 9%, driven by an increase in commercial lending, partly offset by a decline in small business lending;
- Rural loan decline of NZD0.1 billion or 1%; and
- Total customer deposit growth of NZD4.3 billion or 6% (interest bearing and non-interest bearing), above system growth of 5%[1], with a customer preference for at-call deposits.

Risk Weighted Assets [2]

Risk weighted assets were NZD68.3 billion, an increase of NZD7.0 billion or 12% on the prior year.

- Credit risk weighted assets increased NZD6.8 billion or 13% predominately driven by the implementation of the RBNZ 85% Standardised output floor from 1 January 2022, partly offset by modelling changes in credit cards; and
- Operational risk weighted assets increased NZD1.4 billion or 23% predominately due to a change in methodology; partly offset by
- Market risk weighted assets decreased NZD1.2 billion or 32% primarily due to methodology changes and a reduction in interest rate risk positions.

ASB generated AUD1,296 million of organic capital [3] for the Group in the current year. This contributed 26 basis points to the Group's CET1 ratio.

1 RBNZ system data includes institutional deposits which are excluded from the ASB Management Balance Sheet.

2 Risk weighted assets reflect the New Zealand dollar amount calculated in accordance with RBNZ requirements.

3 Organic capital generation represents cash net profit after tax less the capital equivalent of the change in regulatory risk weighted assets (in accordance with APRA requirements; excluding FX as it is capital neutral with offsetting impacts in regulatory capital deductions) used to generate those profits. Amounts quoted exclude the payment of dividends.

New Zealand (continued)

Financial Performance and Business Review (continued)

Half Year Ended June 2022 versus December 2021

ASB cash net profit after tax for the half year ended 30 June 2022 was NZD676 million, a decrease of NZD66 million or 9% on the prior half. The result was driven by a 2% increase in total operating income, a 12% increase in operating expenses and a NZD67 million increase in loan impairment expense.

Net Interest Income

Net interest income was NZD1,319 million, an increase of NZD49 million or 4% on the prior half. This result was driven by a 3% increase in net interest margin and a 2% growth in average interest earning assets, partly offset by the impact of three fewer calendar days in the current half.

Net interest margin increased 7 basis points, reflecting:

- Higher deposit margins (up 22 basis points) due to increases in cash and swap rates; partly offset by
- Unfavourable lending margins (down 13 basis points) mainly from the impact of swap rates on home loan pricing;
- Lower income from Treasury related activities (down 1 basis point); and
- Unfavourable lending mix (down 1 basis point) due to a higher proportion of lower margin home loan balances relative to higher margin consumer finance and business lending balances.

Other Banking Income

Other banking income was NZD219 million, a decrease of NZD5 million or 2% on the prior half, reflecting:

- Lower gains from the sale of government securities; and
- Lower Markets revenue mainly from decreased trading income; partly offset by
- The gain on sale of the management rights of the ASB Superannuation Master Trust.

Funds Management Income

Funds management income was NZD69 million, a decrease of NZD11 million or 14% on the prior half, mainly driven by the removal of administration fees on KiwiSaver accounts, lower average AUM (down 5%) reflecting unfavourable net inflows and market performance, and the impact from the sale of the management rights of the ASB Superannuation Master Trust.

Operating Expenses

Operating expenses were NZD623 million, an increase of NZD67 million or 12% on the prior half. Excluding the impact of the provision released in the prior half relating to historical holiday pay, expenses increased 2% driven by higher staff and IT costs.

The number of FTE increased by 62 or 1% on the prior half from 5,817 to 5,879, mainly to support investment in strategic priorities.

The operating expenses to total operating income ratio was 38.8%, an increase of 350 basis points on the prior half mainly driven by higher operating expenses.

Loan Impairment Expense

Loan impairment expense was NZD54 million, an increase of NZD67 million on the prior half. This was primarily driven by higher collective provision charges reflecting emerging risks, including inflationary pressures and rising interest rates, partly offset by lower individually assessed provision charges.

Home loan 90+ days arrears increased 2 basis points, from 0.17% to 0.19%. Consumer finance 90+ days arrears decreased 6 basis points, from 0.55% to 0.49% due to higher write-offs.

Balance Sheet

Key spot balance sheet movements included:

- Home loan growth of NZD2.2 billion or 3%, above system growth of 2%, with continued customer preference for fixed rate loans in a competitive market;
- Business loan growth of NZD0.7 billion or 3%, below system growth of 4%;
- Rural loan decline of NZD0.2 billion or 2%; and
- Total customer deposit decline of NZD0.6 billion or 1% (interest bearing and non-interest bearing), broadly in line with system decline[1], with a customer preference for higher yielding investment deposits.

Risk Weighted Assets [2]

Risk weighted assets were NZD68.3 billion, an increase of NZD6.8 billion or 11% on the prior half.

- Credit risk weighted assets increased NZD7.1 billion or 14% predominately driven by the implementation of the RBNZ 85% Standardised output floor from 1 January 2022, partly offset by modelling changes in credit cards; and
- Operational risk weighted assets increased NZD0.2 billion or 3%; partly offset by
- Market risk weighted assets decreased NZD0.5 billion or 17% primarily due to a reduction in interest rate risk positions.

ASB generated AUD933 million of organic capital [3] for the Group in the current half. This contributed 18 basis points to the Group's CET1 ratio.

1 RBNZ system data includes institutional deposits which are excluded from the ASB Management Balance Sheet.

2 Risk weighted assets reflect the New Zealand dollar amount calculated in accordance with RBNZ requirements.

3 Organic capital generation represents cash net profit after tax less the capital equivalent of the change in regulatory risk weighted assets (in accordance with APRA requirements; excluding FX as it is capital neutral with offsetting impacts in regulatory capital deductions) used to generate those profits. Amounts quoted exclude the payment of dividends.

Divisional Performance (continued)

Corporate Centre and Other

Overview

Corporate Centre and Other includes the results of the Group's centrally held minority investments and subsidiaries, Group-wide remediation costs, investment spend including enterprise-wide infrastructure and other strategic projects, employee entitlements, and unallocated revenue and expenses relating to the Bank's support functions including Treasury, Investor Relations, Group Strategy, Legal and Corporate Affairs and Bank-wide elimination entries arising on consolidation.

Centrally held minority investments and subsidiaries include the Group's offshore minority investments in China (Bank of Hangzhou and Qilu Bank), Vietnam (Vietnam International Bank), as well as its Indonesian banking subsidiary (PT Bank Commonwealth). They also include domestically held minority investments in Lendi Group[1] and CFS[1] as well as the strategic investments in x15ventures.

On 1 March 2022, CBA announced the sale of a 10% equity interest in the Bank of Hangzhou Co., Ltd (HZB) to Hangzhou Urban Construction & Investment Group Co., Ltd and Hangzhou Communications Investment Group Co., Ltd, which are entities majority-owned by the Hangzhou Municipal Government. The transaction was completed on 30 June 2022, with the remaining 5.6% investment in HZB now treated as a strategic equity investment, with gains and losses recognised within the Statement of Comprehensive Income. As a result the Group will no longer recognise its share of profits from HZB as an associate within other banking income.

Treasury is primarily focused on the management of the Bank's interest rate risk, funding and liquidity requirements, and management of the Bank's capital.

The Treasury function includes:

- Portfolio Management: manages the interest rate risk of the Bank's non-traded Balance Sheet using transfer pricing to consolidate risk into Treasury, and hedging the residual mismatch between assets and liabilities using swaps, futures and options;
- Group Funding and Liquidity: manages the Bank's long-term and short-term wholesale funding requirements, and the Bank's prudent liquidity requirements; and
- Capital and Regulatory Strategy: manages the Bank's capital requirements.

	Full Year Ended [2]			Half Year Ended		
Corporate Centre and Other	**30 Jun 22**	30 Jun 21	Jun 22 vs	**30 Jun 22**	31 Dec 21	Jun 22 vs
(continuing operations, including eliminations)	**$M**	$M	Jun 21 %	**$M**	$M	Dec 21 %
Net interest income	**140**	256	(45)	**80**	60	33
Other banking income	**845**	463	83	**418**	427	(2)
Total banking income	**985**	719	37	**498**	487	2
Funds management income	**(14)**	(7)	(large)	**(8)**	(6)	(33)
Insurance income	**–**	(1)	large	**–**	–	–
Operating income excluding one-off item	**971**	711	37	**490**	481	2
One-off item						
Gain on sale of HZB shares [3]	**516**	–	n/a	**516**	–	n/a
Operating income including one-off item	**1,487**	711	large	**1,006**	481	large
Operating expenses excluding one-off items	**(1,897)**	(1,999)	(5)	**(968)**	(929)	4
One-off items						
Accelerated software amortisation and other [3]	**(445)**	–	n/a	**(445)**	–	n/a
Total operating expenses including one-off items	**(2,342)**	(1,999)	17	**(1,413)**	(929)	52
Loan impairment (expense)/benefit	**(8)**	(96)	(92)	**15**	(23)	(large)
Net loss before tax	**(863)**	(1,384)	(38)	**(392)**	(471)	(17)
Corporate tax benefit	**213**	414	(49)	**82**	131	(37)
Cash net loss after tax from continuing operations	**(650)**	(970)	(33)	**(310)**	(340)	(9)

1 Lendi Group represents the Group's ~40% holding in the business after the completion of the merger between Aussie Home Loans and Lendi Pty Ltd on 3 May 2021. CFS represents the Group's 45% minority interest in Superannuation and Investments HoldCo Pty Limited, the parent entity of the Colonial First State (CFS) business, which was a subsidiary of the Group until the disposal of a 55% interest on 1 December 2021.

2 Comparative information has been restated to conform to presentation in the current period.

3 Refer to detail on page 11 of the Profit Announcement.

Corporate Centre and Other (continued)

Financial Performance and Business Review

Year Ended June 2022 versus June 2021[1]

Corporate Centre and Other cash net loss after tax for the full year ended 30 June 2022 was $650 million, a decrease of $320 million or 33% on the prior year. The result was primarily driven by a 37% increase in total operating income, a 5% decrease in operating expenses and an $88 million decrease in loan impairment expense. One-off items were largely offsetting in the period.

Net Interest Income

Net interest income was $140 million, a decrease of $116 million or 45% on the prior year. This was mainly driven by lower Treasury income from reduced earnings on the liquids portfolio and interest rate risk management activities.

Other Banking Income

Other banking income was $845 million, an increase of $382 million or 83% on the prior year. This was mainly driven by the non-recurrence of upfront costs related to the Group's term debt buyback program in the prior year and higher gains from the sale of Treasury liquid assets.

Operating Expenses

Operating expenses were $1,897 million, a decrease of $102 million or 5% on the prior year. This was primarily driven by lower Aligned Advice related remediation costs and reduced occupancy expenses including the cessation of concurrent rent as we consolidate our property footprint, partly offset by wage inflation and increased resourcing to deliver centrally held technology and strategic related investment spend.

Loan Impairment Expense

Loan impairment expense decreased $88 million on the prior year to an expense of $8 million. This was mainly due to the non-recurrence of prior year COVID-19 related collective provision charges in PTBC.

Risk Weighted Assets

Risk weighted assets were $52.1 billion, an increase of $29.8 billion on the prior year.

- IRRBB risk weighted assets increased $31.0 billion, mainly due to APRA's required IRRBB capital increase to reflect the impact of the recent interest rate volatility on the Group's equity investment; and
- Operational risk weighted assets increased $0.1 billion or 4%; partly offset by
- Credit risk weighted assets decreased $1.3 billion or 16%.

Corporate Centre consumed $11,240 million of organic capital [2] for the Group in the current year, largely due to the payment of dividends and increase in IRRBB RWA. This impacted the Group's CET1 ratio by 243 basis points.

Half Year Ended June 2022 versus December 2021[1]

Cash net loss after tax for the half year ended 30 June 2022 was $310 million, a decrease of $30 million or 9% on the prior half. The result was primarily driven by a 2% increase in total operating income, a 4% increase in operating expenses and a $38 million decrease in loan impairment expense. One-off items were largely offsetting in the period.

Net Interest Income

Net interest income was $80 million, an increase of $20 million or 33% on the prior half. This was mainly driven by increased Treasury earnings mainly from interest rate risk management activities.

Other Banking Income

Other banking income was $418 million, a decrease of $9 million or 2% on the prior half. This was mainly driven by the cessation of equity accounted profits following the announcement of the HZB partial sale, partly offset by higher Treasury earnings.

Operating Expenses

Operating expenses were $968 million, an increase of $39 million or 4% on the prior half. This was primarily driven by higher centrally held technology and strategic related investment spend.

Loan Impairment Expense

Loan impairment expense decreased $38 million on the prior half to a benefit of $15 million. This was due to individually assessed provision releases and write-backs in PTBC.

Risk Weighted Assets

Risk weighted assets increased $23.3 billion or 81% on the prior half.

- IRRBB risk weighted assets increased $23.4 billion, mainly due to APRA's required IRRBB capital increase to reflect the impact of the recent interest rate volatility on the Group's equity investment; and
- Operational risk weighted assets increased $0.1 billion or 2%; partly offset by
- Credit risk weighted assets decreased $0.2 billion or 3%.

Corporate Centre consumed $6,239 million of organic capital [2] for the Group in the current half, largely due to the payment of dividends and increase in IRRBB RWA. This impacted the Group's CET1 ratio by 134 basis points.

1 In order to provide an underlying view of performance, the commentary below has been presented excluding the impact of the one-off operating income and expense items.

2 Organic capital generation represents cash net profit after tax less the capital equivalent of the change in regulatory risk weighted assets (excluding FX as it is capital neutral with offsetting impacts in regulatory capital deductions) used to generate those profits. Amounts quoted exclude the allocation of Operational RWA from the Enforceable Undertaking with APRA.

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Consolidated Income Statement

For the year ended 30 June 2022

		Full Year Ended [1]		Half Year Ended	
		30 Jun 22	30 Jun 21	30 Jun 22	31 Dec 21
	Appendix	$M	$M	$M	$M
Interest income:					
Effective interest income	1.1	23,987	24,804	12,113	11,874
Other interest income	1.1	306	317	181	125
Interest expense	1.1	(4,820)	(5,819)	(2,569)	(2,251)
Net interest income		19,473	19,302	9,725	9,748
Other banking income [2]	1.5	5,462	4,802	3,043	2,419
Net banking operating income		24,935	24,104	12,768	12,167
Net funds management operating income		135	165	55	80
Net insurance operating income		73	145	55	18
Total net operating income before operating expenses and impairment		25,143	24,414	12,878	12,265
Operating expenses	1.6	(11,816)	(11,485)	(6,122)	(5,694)
Loan impairment benefit/(expense)	2.2	357	(554)	282	75
Net profit before income tax		13,684	12,375	7,038	6,646
Income tax expense	1.7	(4,011)	(3,532)	(2,106)	(1,905)
Net profit after income tax from continuing operations		9,673	8,843	4,932	4,741
Net profit/(loss) after income tax from discontinued operations		1,098	1,338	(31)	1,129
Net profit attributable to equity holders of the Bank		10,771	10,181	4,901	5,870

The above Consolidated Income Statement should be read in conjunction with the accompanying appendices.

Earnings per share for profit attributable to equity holders of the parent entity during the year:

	Full Year Ended		Half Year Ended	
	30 Jun 22	30 Jun 21	30 Jun 22	31 Dec 21
	Cents per Share		Cents per Share	
Earnings per share from continuing operations:				
Basic	561. 7	499. 2	289. 4	272. 5
Diluted	541. 5	470. 6	278. 5	262. 8
Earnings per share:				
Basic	625. 4	574. 8	287. 6	337. 4
Diluted	601. 4	539. 7	276. 8	323. 6

1 Comparative information has been restated to reflect the prior period restatements. For further details refer to Note 1.1 in the 2022 Annual Report.
2 Other banking income is presented net of directly associated depreciation and impairment charges.

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Consolidated Statement of Comprehensive Income

For the year ended 30 June 2022

	Full Year Ended		Half Year Ended	
	30 Jun 22	30 Jun 21	30 Jun 22	31 Dec 21
	$M	$M	$M	$M
Net profit after income tax for the period from continuing operations	**9,673**	8,843	**4,932**	4,741
Other comprehensive income/(expense):				
Items that may be reclassified subsequently to profit/(loss):				
Foreign currency translation reserve net of tax	**(240)**	(212)	**(474)**	234
Losses on cash flow hedging instruments net of tax	**(1,326)**	(1,046)	**(818)**	(508)
(Losses)/gains on debt investment securities at fair value through other comprehensive income net of tax	**(503)**	522	**(615)**	112
Total of items that may be reclassified	**(2,069)**	(736)	**(1,907)**	(162)
Items that will not be reclassified to profit/(loss):				
Actuarial gains/(losses) from defined benefit superannuation plans net of tax	**76**	(95)	**52**	24
(Losses)/gains on equity investment securities at fair value through other comprehensive income net of tax	**(1,627)**	1,521	**(1,466)**	(161)
Revaluation of properties net of tax	**30**	18	**25**	5
Total of items that will not be reclassified	**(1,521)**	1,444	**(1,389)**	(132)
Other comprehensive income net of income tax from continuing operations	**(3,590)**	708	**(3,296)**	(294)
Total comprehensive income for the period from continuing operations	**6,083**	9,551	**1,636**	4,447
Net profit/(loss) after income tax for the period from discontinued operations	**1,098**	1,338	**(31)**	1,129
Other comprehensive income for the period from discontinued operations net of income tax	**–**	33	**–**	–
Total comprehensive income for the period	**7,181**	10,922	**1,605**	5,576

	Full Year Ended		Half Year Ended	
	30 Jun 22	30 Jun 21	30 Jun 22	31 Dec 21
	Cents per Share		Cents per Share	
Dividends per share attributable to shareholders of the Bank:				
Ordinary shares	**385**	350	**210**	175

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Consolidated Balance Sheet

As at 30 June 2022

	Appendix	As at [1] 30 Jun 22 $M	31 Dec 21 $M	30 Jun 21 $M
Assets				
Cash and liquid assets		**161,154**	134,355	100,041
Receivables from financial institutions		**6,845**	5,072	5,085
Assets at fair value through Income Statement		**25,315**	32,269	36,970
Derivative assets		**35,736**	19,904	21,449
Investment securities:				
At amortised cost		**3,217**	3,930	4,278
At fair value through Other Comprehensive Income		**79,086**	85,406	86,560
Assets held for sale		**1,322**	1,051	1,201
Loans, bills discounted and other receivables	2.1	**878,854**	843,950	811,356
Property, plant and equipment		**4,887**	4,999	5,284
Investments in associates and joint ventures		**2,801**	5,151	3,941
Intangible assets	6.1	**6,899**	7,073	6,942
Deferred tax assets		**3,173**	2,186	2,080
Other assets		**5,971**	4,467	6,788
Total assets		**1,215,260**	1,149,813	1,091,975
Liabilities				
Deposits and other public borrowings	3.1	**857,586**	815,124	766,381
Payables to financial institutions		**26,052**	21,487	19,059
Liabilities at fair value through Income Statement		**7,271**	7,444	8,381
Derivative liabilities		**33,899**	18,892	18,486
Current tax liabilities		**263**	112	135
Deferred tax liabilities		**150**	264	228
Liabilities held for sale		**1,183**	952	405
Provisions		**3,636**	3,776	3,776
Term funding from central banks		**54,807**	52,828	51,856
Debt issues		**116,902**	117,466	103,003
Bills payable and other liabilities		**12,656**	8,647	12,217
		1,114,405	1,046,992	983,927
Loan capital		**28,017**	28,158	29,360
Total liabilities		**1,142,422**	1,075,150	1,013,287
Net assets		**72,838**	74,663	78,688
Shareholders' Equity				
Ordinary share capital	4.2	**36,467**	36,949	38,420
Reserves	4.2	**(460)**	2,848	3,249
Retained profits	4.2	**36,826**	34,861	37,014
Shareholders' Equity attributable to equity holders of the Bank		**72,833**	74,658	78,683
Non-controlling interests	4.2	**5**	5	5
Total Shareholders' Equity		**72,838**	74,663	78,688

1 Current year balances have been impacted by the completed sales of a 10% interest in Bank of Hangzhou Co., Ltd (HZB) and 55% interest in Colonial First State (CFS), and the announced divestment of CommInsure General Insurance. For further details refer to Note 11.3 in the 2022 Annual Report.

The above Consolidated Balance Sheet should be read in conjunction with the accompanying appendices.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2022

	Ordinary share capital $M	Reserves $M	Retained profits $M	Total $M	Non-controlling interests $M	Total Shareholders' Equity $M
As at 31 December 2020	38,417	2,287	34,181	**74,885**	5	**74,890**
Net profit after income tax from continuing operations	–	–	5,084	**5,084**	–	**5,084**
Net profit after income tax from discontinued operations	–	–	228	**228**	–	**228**
Net other comprehensive income from continuing operations	–	928	177	**1,105**	–	**1,105**
Total comprehensive income for the period	–	928	5,489	**6,417**	–	**6,417**
Transactions with equity holders in their capacity as equity holders:						
Dividends paid on ordinary shares	–	–	(2,661)	**(2,661)**	–	**(2,661)**
Share-based payments	–	39	–	**39**	–	**39**
Purchase of treasury shares	(2)	–	–	**(2)**	–	**(2)**
Sale and vesting of treasury shares	5	–	–	**5**	–	**5**
Other changes	–	(5)	5	**–**	–	**–**
As at 30 June 2021	38,420	3,249	37,014	**78,683**	5	**78,688**
Net profit after income tax from continuing operations	–	–	4,741	**4,741**	–	**4,741**
Net profit after income tax from discontinued operations	–	–	1,129	**1,129**	–	**1,129**
Net other comprehensive income from continuing operations	–	(318)	24	**(294)**	–	**(294)**
Total comprehensive income for the period	–	(318)	5,894	**5,576**	–	**5,576**
Transactions with equity holders in their capacity as equity holders:						
Share buy-back [1]	(1,467)	–	(4,534)	**(6,001)**	–	**(6,001)**
Dividends paid on ordinary shares	–	–	(3,548)	**(3,548)**	–	**(3,548)**
Dividend reinvestment plan (net of issue costs)	(1)	–	–	**(1)**	–	**(1)**
Share-based payments	–	(48)	–	**(48)**	–	**(48)**
Purchase of treasury shares	(61)	–	–	**(61)**	–	**(61)**
Sale and vesting of treasury shares	58	–	–	**58**	–	**58**
Other changes	–	(35)	35	**–**	–	**–**
As at 31 December 2021	36,949	2,848	34,861	**74,658**	5	**74,663**
Net profit after income tax from continuing operations	–	–	4,932	**4,932**	–	**4,932**
Net profit after income tax from discontinued operations	–	–	(31)	**(31)**	–	**(31)**
Net other comprehensive income from continuing operations	–	(3,348)	52	**(3,296)**	–	**(3,296)**
Total comprehensive income for the period	–	(3,348)	4,953	**1,605**	–	**1,605**
Transactions with equity holders in their capacity as equity holders:						
Share buy-back [1]	(470)	–	–	**(470)**	–	**(470)**
Dividends paid on ordinary shares	–	–	(2,987)	**(2,987)**	–	**(2,987)**
Share-based payments	–	39	–	**39**	–	**39**
Purchase of treasury shares	(15)	–	–	**(15)**	–	**(15)**
Sale and vesting of treasury shares	3	–	–	**3**	–	**3**
Other changes	–	1	(1)	**–**	–	**–**
As at 30 June 2022	36,467	(460)	36,826	**72,833**	5	**72,838**

1 On 4 October 2021, the Group announced the successful completion of its $6 billion off-market buy-back of CBA ordinary shares. 67,704,807 ordinary shares were bought back at $88.62 per share, and comprised a fully franked dividend component of $66.96 per share ($4,534 million) and a capital component of $21.66 per share ($1,466 million). On 9 February 2022, the Group announced its intention to conduct an on-market share buy-back of up to $2 billion. As at 30 June 2022, the Group has bought back a total of 4,853,197 ordinary shares ($468 million) at an average price of $96.42. The Group recognised $3 million transaction costs in relation to the capital returns. The shares bought back were subsequently cancelled.

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying appendices.

Consolidated Statement of Cash Flows

For the year ended 30 June 2022

	Full Year Ended [1, 2]	
	30 Jun 22	30 Jun 21
	$M	$M
Cash flows from operating activities		
Interest received	**24,744**	25,203
Interest paid	**(4,432)**	(6,424)
Other operating income received	**3,562**	4,775
Expenses paid	**(11,027)**	(9,886)
Income taxes paid	**(3,530)**	(3,672)
Insurance business:		
Investment income	**(6)**	–
Premiums received [3]	**698**	695
Policy payments and commission expense [3]	**(620)**	(550)
Cash flows from operating activities before changes in operating assets and liabilities	**9,389**	10,141
Changes in operating assets and liabilities arising from cash flow movements		
Movement in investment securities:		
Purchases	**(34,472)**	(37,045)
Proceeds	**34,957**	29,528
Net decrease/(increase) in assets at fair value through Income Statement (excluding insurance)	**14,587**	(911)
Net increase in loans, bills discounted and other receivables	**(68,250)**	(39,858)
Net (increase)/decrease in receivables from financial institutions	**(1,747)**	3,567
Net (increase)/decrease in securities purchased under agreements to resell	**(29,888)**	4,272
Insurance business:		
Purchase of insurance assets at fair value through Income Statement	**–**	–
Proceeds from sales and maturities of insurance assets at fair value through Income Statement	**–**	–
Net (increase)/decrease in other assets	**(795)**	185
Net increase in deposits and other public borrowings	**79,739**	61,189
Net increase in payables to financial institutions	**7,425**	4,041
Net increase in securities sold under agreements to repurchase	**13,846**	2,441
Net (decrease)/increase in other liabilities at fair value through Income Statement	**(1,516)**	4,100
Net decrease in other liabilities	**(35)**	(338)
Changes in operating assets and liabilities arising from cash flow movements	**13,851**	31,171
Net cash provided by operating activities	**23,240**	41,312
Cash flows from investing activities		
Cash outflows from acquisitions of controlled entities (net of cash acquired)	**–**	(61)
Cash inflows from disposals of associates and joint ventures	**1,789**	892
Cash outflows from acquisitions of associates and joint ventures	**(256)**	(60)
Cash inflows from disposal of controlled entities (net of cash disposed of)	**1,975**	682
Dividends received	**30**	128
Proceeds from sales of property, plant and equipment	**108**	57
Purchases of property, plant and equipment	**(231)**	(235)
Purchases of intangible assets	**(746)**	(532)
Net cash provided by investing activities	**2,669**	871

1 It should be noted that the Group does not use this accounting Statement of Cash Flows in the internal management of its liquidity positions.
2 Includes discontinued operations.
3 Represents gross premiums and policy payments before splitting between policy holders and shareholders.

Financial Statements

Consolidated Statement of Cash Flows (continued)

For the year ended 30 June 2022

	Full Year Ended [1,2]	
	30 Jun 22	30 Jun 21
	$M	$M
Cash flows from financing activities		
Share buy-backs	**(6,471)**	–
Dividends paid (excluding Dividend Reinvestment Plan)	**(6,535)**	(4,132)
Proceeds from issuance of debt securities	**61,921**	17,802
Redemption of debt securities	**(45,879)**	(49,558)
Proceeds from drawing on term funding from central banks	**2,951**	50,357
Purchases of treasury shares	**(76)**	(71)
Sales of treasury shares	**48**	5
Proceeds from issuance of loan capital	**6,815**	6,791
Redemption of loan capital	**(6,540)**	(2,608)
Payments for the principal portion of lease liabilities	**(523)**	(428)
Other	**–**	153
Net cash provided by/(used in) financing activities	**5,711**	18,311
Net increase in cash and cash equivalents	**31,620**	60,494
Effect of foreign exchange rates on cash and cash equivalents	**355**	(465)
Cash and cash equivalents at beginning of year	**87,380**	27,351
Cash and cash equivalents at end of year	**119,355**	87,380

1 It should be noted that the Group does not use this accounting Statement of Cash Flows in the internal management of its liquidity positions.
2 Includes discontinued operations.

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying appendices.

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Appendices

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7. Appendices

Appendices

1. Our Performance

Overview

The Group earns its returns from providing a broad range of banking products and services to retail and wholesale customers in Australia, New Zealand and other jurisdictions.

Lending and deposit taking are the Group's primary business activities with net interest income being the main contributor to the Group's results. Net interest income is derived from the difference between interest earned on lending and investment assets and interest incurred on customer deposits and wholesale debt raised to fund these assets.

The Group further generates income from lending fees and commissions, general insurance products and trading activities. It also incurs costs associated with running the business such as staff, occupancy and technology related expenses.

The Performance section provides details of the main contributors to the Group's returns and analysis of its financial performance by business segments and geographical regions.

1.1 Net Interest Income (continuing operations basis)

	Full Year Ended [1]			Half Year Ended		
	30 Jun 22 $M	30 Jun 21 $M	Jun 22 vs Jun 21 %	**30 Jun 22 $M**	31 Dec 21 $M	Jun 22 vs Dec 21 %
Interest Income						
Effective interest income:						
Loans and bills discounted	**23,173**	24,275	(5)	**11,561**	11,612	–
Other financial institutions	**20**	16	25	**14**	6	large
Cash and liquid assets	**254**	59	large	**217**	37	large
Investment securities:						
At amortised cost	**49**	48	2	**29**	20	45
At fair value through Other Comprehensive Income	**491**	406	21	**292**	199	47
Total effective interest income	**23,987**	24,804	(3)	**12,113**	11,874	2
Other:						
Assets at fair value through Income Statement	**201**	210	(4)	**130**	71	83
Other	**105**	107	(2)	**51**	54	(6)
Total interest income	**24,293**	25,121	(3)	**12,294**	11,999	2
Interest Expense						
Deposits	**2,420**	3,641	(34)	**1,218**	1,202	1
Term funding from central banks	**99**	43	large	**56**	43	30
Other financial institutions	**94**	57	65	**70**	24	large
Liabilities at fair value through Income Statement	**105**	37	large	**67**	38	76
Debt issues	**997**	960	4	**586**	411	43
Loan capital	**687**	661	4	**357**	330	8
Lease liabilities	**75**	82	(9)	**37**	38	(3)
Bank levy	**343**	338	1	**178**	165	8
Total interest expense	**4,820**	5,819	(17)	**2,569**	2,251	14
Net interest income	**19,473**	19,302	1	**9,725**	9,748	–

1 Comparative information has been restated to reflect the prior period restatements. For further details refer to Note 1.1 in the 2022 Annual Report.

1.1 Net Interest Income (continued)

ACCOUNTING POLICIES

Interest income and interest expense on financial assets and liabilities measured at amortised cost, and debt financial assets measured at fair value through OCI, are recognised using the effective interest method. Interest income recognition for these categories of financial assets depends on the expected credit losses (ECL) stage they are allocated to in accordance with the Group's ECL methodology. For financial assets classified within Stage 1 and Stage 2 interest income is calculated by applying the effective interest rate to the gross carrying amount of the assets. Interest income on financial assets in Stage 3 is recognised by applying the effective interest rate to the gross carrying amount net of provisions for impairment. For details on the Group's ECL methodology refer to Note 3.2 of the 2022 Annual Report.

Fees, transaction costs and issue costs integral to financial assets and liabilities are capitalised and included in the interest recognised over the expected life of the instrument. This includes establishment fees for providing a loan or a lease arrangement. Facility and line fees in relation to commitments made under credit facilities where drawdown is assessed as probable are considered an integral part of effective interest rate and recognised in net interest income.

Interest income on finance leases is recognised progressively over the life of the lease, consistent with the outstanding investment and unearned income balance.

Interest income and expense on financial assets and liabilities that are classified at fair value through the Income Statement are accounted for on a contractual rate basis and include amortisation of premium/discounts.

Interest expense also includes payments made under a liquidity facility arrangement with the Reserve Bank of Australia, the Major Bank Levy (Bank Levy) expense and other financing charges.

1.2 Net Interest Margin (continuing operations basis)

	Full Year Ended [1]		Half Year Ended	
	30 Jun 22	30 Jun 21	**30 Jun 22**	31 Dec 21
	%	%	**%**	%
Australia				
Interest spread [2, 3]	**1. 82**	2. 03	**1. 77**	1. 88
Benefit of interest-free liabilities, provisions and equity [4]	**0. 09**	0. 11	**0. 09**	0. 08
Net interest margin [3, 5]	**1. 91**	2. 14	**1. 86**	1. 96
New Zealand				
Interest spread [2, 3]	**1. 93**	1. 79	**1. 94**	1. 91
Benefit of interest-free liabilities, provisions and equity [4]	**0. 17**	0. 21	**0. 20**	0. 16
Net interest margin [3, 5]	**2. 10**	2. 00	**2. 14**	2. 07
Other Overseas				
Interest spread [2, 3]	**0. 54**	0. 46	**0. 43**	0. 66
Benefit of interest-free liabilities, provisions and equity [4]	**–**	0. 02	**–**	–
Net interest margin [3, 5]	**0. 54**	0. 48	**0. 43**	0. 66
Total Group				
Interest spread [2]	**1. 80**	1. 95	**1. 76**	1. 82
Benefit of interest-free liabilities, provisions and equity [4]	**0. 10**	0. 13	**0. 11**	0. 10
Net interest margin [5]	**1. 90**	2. 08	**1. 87**	1. 92

1 Comparative information has been restated to conform to presentation in the current period.
2 Difference between the average interest rate earned and the average interest rate paid on funds.
3 Interest spread and margin calculations have been adjusted to include intragroup borrowings to more appropriately reflect the overseas cost of funds.
4 A portion of the Group's interest earning assets is funded by net interest-free liabilities and shareholders' equity. The benefit to the Group of these interest-free funds is the amount it would cost to replace them at the average cost of funds.
5 Net interest income divided by average interest earning assets for the full year or the half year annualised.

1.3 Average Balances and Related Interest (continuing operations basis)

The following tables list the major categories of interest earning assets and interest bearing liabilities of the Group together with the respective interest earned or paid and the average interest rate for each of the full years ended 30 June 2022 and 30 June 2021. Averages used were predominantly daily averages. Interest is accounted for based on product yield.

Where assets or liabilities are hedged, the interest amounts are shown net of the hedge, however individual items not separately hedged may be affected by movements in exchange rates.

The New Zealand and Other Overseas components comprise overseas branches of the Group and overseas domiciled controlled entities.

Non-accrual loans are included in interest earning assets under loans, bills discounted and other receivables.

During the financial year ended 30 June 2022 the official cash rate in Australia has increased 75 basis points on a spot basis, while in New Zealand the official cash rate has increased 175 basis points on a spot basis.

	Full Year Ended 30 Jun 22			Full Year Ended 30 Jun 21 [1]		
	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield
Interest Earning Assets	$M	$M	%	$M	$M	%
Home loans [2]	538,122	14,747	2. 74	501,825	15,710	3. 13
Consumer finance [3]	16,319	1,603	9. 82	17,156	1,785	10. 40
Business and corporate loans	230,101	6,928	3. 01	216,347	6,887	3. 18
Loans, bills discounted and other receivables	784,542	23,278	2. 97	735,328	24,382	3. 32
Cash and other liquid assets	133,405	274	0. 21	64,016	75	0. 12
Assets at fair value through Income Statement	24,228	201	0. 83	39,607	210	0. 53
Investment securities:						
At amortised cost	3,938	49	1. 24	4,445	48	1. 08
At fair value through other comprehensive income	80,797	491	0. 61	86,450	406	0. 47
Non-lending interest earning assets	242,368	1,015	0. 42	194,518	739	0. 38
Total interest earning assets [4]	1,026,910	24,293	2. 37	929,846	25,121	2. 70
Non-interest earning assets [2]	119,775			109,039		
Assets held for sale	2,094			1,457		
Total average assets	1,148,779			1,040,342		

1 Comparative information has been restated to conform to presentation in the current period.

2 Net of average mortgage and other offset balances, that are included in non-interest earning assets. Average mortgage offset balance for the full year ended 30 June 2022 was $64,748 million (full year ended 30 June 2021: $56,675 million). Gross average home loan balances, excluding offset accounts in the full year ended 30 June 2022 was $602,875 million (full year ended 30 June 2021: $558,500 million). While these balances are required to be grossed up under accounting standards, they are netted down for the calculation of customer interest payments and the calculation of the Group's net interest margin.

3 Consumer finance includes personal loans, credit cards and margin loans.

4 Used for calculating net interest margin.

Appendices (continued)

1.3 Average Balances and Related Interest (continued)

Interest Bearing Liabilities	Full Year Ended 30 Jun 22 Avg Bal $M	Interest $M	Yield %	Full Year Ended 30 Jun 21 [1] Avg Bal $M	Interest $M	Yield %
Transaction deposits [2]	**125,419**	**286**	**0. 23**	117,525	177	0. 15
Savings deposits [2]	**262,566**	**413**	**0. 16**	244,452	636	0. 26
Investment deposits	**158,008**	**1,265**	**0. 80**	167,372	2,133	1. 27
Certificates of deposit and other	**68,982**	**456**	**0. 66**	62,781	695	1. 11
Total interest bearing deposits	**614,975**	**2,420**	**0. 39**	592,130	3,641	0. 61
Payables to financial institutions	**22,221**	**94**	**0. 42**	14,516	57	0. 39
Liabilities at fair value through Income Statement	**8,089**	**105**	**1. 30**	6,444	37	0. 57
Term funding from central banks	**53,153**	**99**	**0. 19**	18,646	43	0. 23
Debt issues	**111,069**	**997**	**0. 90**	114,931	960	0. 84
Loan capital	**29,190**	**687**	**2. 35**	27,139	661	2. 44
Lease liabilities	**2,998**	**75**	**2. 50**	3,161	82	2. 59
Bank levy	**–**	**343**	**–**	–	338	–
Total interest bearing liabilities	**841,695**	**4,820**	**0. 57**	776,967	5,819	0. 75
Non-interest bearing liabilities [2]	**230,617**			187,545		
Liabilities held for sale	**1,071**			658		
Total average liabilities	**1,073,383**			965,170		

Net Interest Margin	Full Year Ended 30 Jun 22 Avg Bal $M	Interest $M	Yield %	Full Year Ended 30 Jun 21 [1] Avg Bal $M	Interest $M	Yield %
Total interest earning assets	**1,026,910**	**24,293**	**2. 37**	929,846	25,121	2. 70
Total interest bearing liabilities	**841,695**	**4,820**	**0. 57**	776,967	5,819	0. 75
Net interest income and interest spread		**19,473**	**1. 80**		19,302	1. 95
Benefit of free funds			**0. 10**			0. 13
Net interest margin			**1. 90**			2. 08

1 Comparative information has been restated to conform to presentation in the current period.

2 Transaction and savings deposits exclude average mortgage offset balances that are included in non-interest bearing liabilities. Average mortgage offset balances for the full year ended 30 June 2022 was $64,748 million (full year ended 30 June 2021: $56,675 million).

1.3 Average Balances and Related Interest (continued)

Geographical Analysis of Key Categories	Full Year Ended 30 Jun 22 Avg Bal $M	Interest $M	Yield %	Full Year Ended 30 Jun 21 [1] Avg Bal $M	Interest $M	Yield %
Loans, bills discounted and other receivables						
Australia	**667,934**	**19,460**	**2. 91**	627,669	20,645	3. 29
New Zealand [2]	**99,368**	**3,315**	**3. 34**	91,426	3,298	3. 61
Other Overseas [2]	**17,240**	**503**	**2. 92**	16,233	439	2. 70
Total	**784,542**	**23,278**	**2. 97**	735,328	24,382	3. 32
Non-lending interest earning assets						
Australia	**187,205**	**697**	**0. 37**	142,475	612	0. 43
New Zealand [2]	**13,006**	**138**	**1. 06**	13,813	65	0. 47
Other Overseas [2]	**42,157**	**180**	**0. 43**	38,230	62	0. 16
Total	**242,368**	**1,015**	**0. 42**	194,518	739	0. 38
Total interest bearing deposits						
Australia	**518,636**	**1,653**	**0. 32**	510,696	2,650	0. 52
New Zealand [2]	**65,328**	**544**	**0. 83**	62,109	794	1. 28
Other Overseas [2]	**31,011**	**223**	**0. 72**	19,325	197	1. 02
Total	**614,975**	**2,420**	**0. 39**	592,130	3,641	0. 61
Other interest bearing liabilities						
Australia	**188,646**	**1,879**	**1. 00**	150,813	1,750	1. 16
New Zealand [2]	**28,316**	**521**	**1. 84**	25,883	413	1. 60
Other Overseas [2]	**9,758**	**–**	**–**	8,141	15	0. 18
Total	**226,720**	**2,400**	**1. 06**	184,837	2,178	1. 18

1 Comparative information has been restated to conform to presentation in the current period.
2 The New Zealand and Other Overseas components comprise overseas branches of the Group and overseas domiciled controlled entities.

1.3 Average Balances and Related Interest (continued)

	Half Year Ended 30 Jun 22			Half Year Ended 31 Dec 21 [1]			Half Year Ended 30 Jun 21 [1]		
Interest Earning Assets	**Avg Bal $M**	**Interest $M**	**Yield %**	Avg Bal $M	Interest $M	Yield %	Avg Bal $M	Interest $M	Yield %
Home loans [2]	**546,148**	**7,406**	**2. 73**	530,226	7,341	2. 75	509,032	7,591	3. 01
Consumer finance [3]	**16,363**	**785**	**9. 67**	16,276	818	9. 97	17,054	869	10. 28
Business and corporate loans	**234,775**	**3,421**	**2. 94**	225,502	3,507	3. 09	216,219	3,352	3. 13
Loans, bills discounted and other receivables	**797,286**	**11,612**	**2. 94**	772,004	11,666	3. 00	742,305	11,812	3. 21
Cash and other liquid assets	**145,146**	**231**	**0. 32**	121,856	43	0. 07	70,747	28	0. 08
Assets at fair value through Income Statement	**22,510**	**130**	**1. 16**	25,918	71	0. 54	33,305	66	0. 40
Investment securities:									
At fair value through other comprehensive income	**77,554**	**292**	**0. 76**	83,987	199	0. 47	86,318	178	0. 42
At amortised cost	**3,566**	**29**	**1. 64**	4,305	20	0. 92	4,208	22	1. 05
Non-lending interest earning assets	**248,776**	**682**	**0. 55**	236,066	333	0. 28	194,578	294	0. 30
Total interest earning assets [4]	**1,046,062**	**12,294**	**2. 37**	1,008,070	11,999	2. 36	936,883	12,106	2. 61
Non-interest earning assets [2]	**124,474**			115,152			109,998		
Assets held for sale	**2,253**			1,938			1,358		
Total average assets	**1,172,789**			1,125,160			1,048,239		

1 Comparative information has been restated to conform to presentation in the current period.

2 Net of average mortgage and other offset balances, that are included in non-interest earning assets. Average mortgage offset balance for the half year ended 30 June 2022 was $66,537 million (half year ended 31 December 2021: $62,988 million; half year ended 30 June 2021: $58,336 million). Gross average home loan balances, excluding offset accounts in the half year ended 30 June 2022 was $612,697 million (half year ended 31 December 2021: $593,214 million; 30 June 2021: $567,368 million). While these balances are required to be grossed up under accounting standards, they are netted down for the calculation of customer interest payments and the calculation of the Group's net interest margin.

3 Consumer finance includes personal loans, credit cards and margin loans.

4 Used for calculating net interest margin.

Appendices (continued)

1.3 Average Balances and Related Interest (continued)

	Half Year Ended 30 Jun 22			Half Year Ended 31 Dec 21 [1]			Half Year Ended 30 Jun 21 [1]		
Interest Bearing	**Avg Bal**	**Interest**	**Yield**	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield
Liabilities	**$M**	**$M**	**%**	$M	$M	%	$M	$M	%
Transaction deposits [2]	**125,292**	**181**	**0. 29**	125,543	105	0. 17	121,004	81	0. 13
Savings deposits [2]	**264,594**	**203**	**0. 15**	260,571	210	0. 16	248,193	230	0. 19
Investment deposits	**159,181**	**591**	**0. 75**	156,854	674	0. 85	160,127	812	1. 02
Certificates of deposit and other	**74,261**	**243**	**0. 66**	63,790	213	0. 66	63,871	245	0. 77
Total interest bearing deposits	**623,328**	**1,218**	**0. 39**	606,758	1,202	0. 39	593,195	1,368	0. 47
Payables to financial institutions	**23,270**	**70**	**0. 61**	21,190	24	0. 22	16,055	19	0. 24
Liabilities at fair value through Income Statement	**7,465**	**67**	**1. 81**	8,704	38	0. 87	8,100	21	0. 52
Term funding from central banks	**54,030**	**56**	**0. 21**	52,289	43	0. 16	24,256	26	0. 22
Debt issues	**116,099**	**586**	**1. 02**	106,122	411	0. 77	104,802	455	0. 88
Loan capital	**28,845**	**357**	**2. 50**	29,529	330	2. 22	27,980	318	2. 29
Lease liabilities	**2,939**	**37**	**2. 54**	3,056	38	2. 47	3,176	40	2. 54
Bank levy	**–**	**178**	**–**	–	165	–	–	157	–
Total interest bearing liabilities	**855,976**	**2,569**	**0. 61**	827,648	2,251	0. 54	777,564	2,404	0. 62
Non-interest bearing liabilities [2]	**241,990**			219,767			193,299		
Liabilities held for sale	**1,073**			1,070			587		
Total average liabilities	**1,099,039**			1,048,485			971,450		

	Half Year Ended 30 Jun 22			Half Year Ended 31 Dec 21			Half Year Ended 30 Jun 21		
	Avg Bal	**Interest**	**Yield**	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield
Net Interest Margin	**$M**	**$M**	**%**	$M	$M	%	$M	$M	%
Total interest earning assets	**1,046,062**	**12,294**	**2. 37**	1,008,070	11,999	2. 36	936,883	12,106	2. 61
Total interest bearing liabilities	**855,976**	**2,569**	**0. 61**	827,648	2,251	0. 54	777,564	2,404	0. 62
Net interest income and interest spread		**9,725**	**1. 76**		9,748	1. 82		9,702	1. 99
Benefit of free funds			**0. 11**			0. 10			0. 10
Net interest margin			**1. 87**			1. 92			2. 09

1 Comparative information has been restated to conform to presentation in the current period.

2 Transaction and savings deposits exclude average mortgage offset balances that are included in non-interest bearing liabilities. Average mortgage offset balances for the half year ended 30 June 2022 was $66,537 million (half year ended 31 December 2021: $62,988 million; half year ended 30 June 2021: $58,336 million).

1.3 Average Balances and Related Interest (continued)

Geographical Analysis of Key Categories [1]	Half Year Ended 30 Jun 22 Avg Bal $M	Interest $M	Yield %	Half Year Ended 31 Dec 21 Avg Bal $M	Interest $M	Yield %	Half Year Ended 30 Jun 21 Avg Bal $M	Interest $M	Yield %
Loans, bills discounted and other receivables									
Australia	**681,299**	**9,663**	**2.86**	654,786	9,797	2.97	633,131	10,031	3.19
New Zealand	**98,938**	**1,687**	**3.44**	99,790	1,628	3.24	93,357	1,581	3.42
Other Overseas	**17,049**	**262**	**3.10**	17,428	241	2.74	15,817	200	2.55
Total	**797,286**	**11,612**	**2.94**	772,004	11,666	3.00	742,305	11,812	3.21
Non-lending interest earning assets									
Australia	**189,163**	**445**	**0.47**	185,281	252	0.27	145,171	248	0.34
New Zealand	**12,646**	**94**	**1.50**	13,359	44	0.65	14,197	33	0.47
Other Overseas	**46,967**	**143**	**0.61**	37,426	37	0.20	35,210	13	0.07
Total	**248,776**	**682**	**0.55**	236,066	333	0.28	194,578	294	0.30
Total interest bearing deposits									
Australia	**522,540**	**770**	**0.30**	514,796	883	0.34	511,708	1,026	0.40
New Zealand	**65,512**	**284**	**0.87**	65,147	260	0.79	61,989	268	0.87
Other Overseas	**35,276**	**164**	**0.94**	26,815	59	0.44	19,498	74	0.77
Total	**623,328**	**1,218**	**0.39**	606,758	1,202	0.39	593,195	1,368	0.47
Other interest bearing liabilities									
Australia	**193,970**	**1,059**	**1.10**	183,406	820	0.89	149,747	825	1.11
New Zealand	**27,371**	**298**	**2.20**	29,247	223	1.51	27,155	208	1.54
Other Overseas	**11,307**	**(6)**	**(0.11)**	8,237	6	0.14	7,467	3	0.08
Total	**232,648**	**1,351**	**1.17**	220,890	1,049	0.94	184,369	1,036	1.13

1 The New Zealand and Other Overseas components comprise overseas branches of the Group and overseas domiciled controlled entities.

1.4 Interest Rate and Volume Analysis (continuing operations basis)

The following tables show the movement in interest income and expense due to changes in volume and interest rates. Volume variances reflect the change in interest from the prior year due to movement in the average balance. Rate variances reflect the change in interest from the prior year due to changes in interest rates.

	Full Year Ended Jun 22 vs Jun 21		
	Volume	Rate	Total
Interest Earning Assets [1]	**$M**	**$M**	**$M**
Home loans	995	(1,958)	(963)
Consumer finance	(82)	(100)	(182)
Business and corporate loans	414	(373)	41
Loans, bills discounted and other receivables	**1,460**	**(2,564)**	**(1,104)**
Cash and other liquid assets	143	56	199
Assets at fair value through Income Statement	(128)	119	(9)
Investment securities:			
At fair value through other comprehensive income	(34)	119	85
At amortised cost	(6)	7	1
Non-lending interest earning assets	**200**	**76**	**276**
Total interest earning assets	**2,296**	**(3,124)**	**(828)**

	Full Year Ended Jun 22 vs Jun 21		
	Volume	Rate	Total
Interest Bearing Liabilities [1]	**$M**	**$M**	**$M**
Transaction deposits	18	91	109
Savings deposits	28	(251)	(223)
Investment deposits	(75)	(793)	(868)
Certificates of deposit and other	41	(280)	(239)
Total interest bearing deposits	**90**	**(1,311)**	**(1,221)**
Payables to financial institutions	33	4	37
Liabilities at fair value through Income Statement	21	47	68
Term funding from central banks	64	(8)	56
Debt issues	(35)	72	37
Loan capital	48	(22)	26
Lease liabilities	(4)	(3)	(7)
Bank levy	–	5	5
Total interest bearing liabilities	**371**	**(1,370)**	**(999)**

	Full Year Ended Jun 22 vs Jun 21 Increase/(Decrease)
Change in Net Interest Income	**$M**
Due to changes in average volume of interest earning assets	1,841
Due to changes in interest margin	(1,670)
Due to variation in time period	–
Change in net interest income	**171**

1 The volume and rate variances for total interest earning assets and total interest bearing liabilities have been calculated separately (rather than being the sum of the individual categories).

Appendices (continued)

1.4 Interest Rate and Volume Analysis (continued)

Geographical Analysis of Key Categories [1]	Full Year Ended Jun 22 vs Jun 21 Volume $M	Rate $M	Total $M
Loans, bills discounted and other receivables			
Australia	1,173	(2,358)	(1,185)
New Zealand	265	(248)	17
Other Overseas	29	35	64
Total	1,460	(2,564)	(1,104)
Non-lending interest earning assets			
Australia	167	(82)	85
New Zealand	(9)	82	73
Other Overseas	17	101	118
Total	200	76	276
Total interest bearing deposits			
Australia	25	(1,022)	(997)
New Zealand	27	(277)	(250)
Other Overseas	84	(58)	26
Total	90	(1,311)	(1,221)
Other interest bearing liabilities			
Australia	377	(248)	129
New Zealand	45	63	108
Other Overseas	–	(15)	(15)
Total	443	(221)	222

1 The volume and rate variances for total interest earning assets and total interest bearing liabilities have been calculated separately (rather than being the sum of the individual categories).

1.4 Interest Rate and Volume Analysis (continued)

Interest Earning Assets [1]	Half Year Ended Jun 22 vs Dec 21 Volume $M	Rate $M	Total $M	Half Year Ended Jun 22 vs Jun 21 Volume $M	Rate $M	Total $M
Home loans	96	(31)	65	503	(688)	(185)
Consumer finance	(9)	(24)	(33)	(33)	(51)	(84)
Business and corporate loans	78	(164)	(86)	270	(201)	69
Loans, bills discounted and other receivables	178	(232)	(54)	801	(1,001)	(200)
Cash and other liquid assets	36	152	188	118	85	203
Assets at fair value through Income Statement	(21)	80	59	(62)	126	64
Investment securities:						
At fair value through other comprehensive income	(27)	120	93	(33)	147	114
At amortised cost	(6)	15	9	(5)	12	7
Non-lending interest earning assets	29	320	349	149	239	388
Total interest earning assets	251	44	295	1,283	(1,095)	188

Interest Bearing Liabilities [1]	Half Year Ended Jun 22 vs Dec 21 Volume $M	Rate $M	Total $M	Half Year Ended Jun 22 vs Jun 21 Volume $M	Rate $M	Total $M
Transaction deposits	(2)	78	76	6	94	100
Savings deposits	–	(7)	(7)	13	(40)	(27)
Investment deposits	(2)	(81)	(83)	(4)	(217)	(221)
Certificates of deposit and other	31	(1)	30	34	(36)	(2)
Total interest bearing deposits	13	3	16	59	(209)	(150)
Payables to financial institutions	6	40	46	22	29	51
Liabilities at fair value through Income Statement	(12)	41	29	(6)	52	46
Term funding from central banks	1	12	13	31	(1)	30
Debt issues	44	131	175	57	74	131
Loan capital	(14)	41	27	11	28	39
Lease liabilities	(2)	1	(1)	(3)	–	(3)
Bank levy	–	13	13	–	21	21
Total interest bearing liabilities	48	270	318	235	(70)	165

Change in Net Interest Income	Half Year Ended Jun 22 vs Dec 21 Increase/(Decrease) $M	Half Year Ended Jun 22 vs Jun 21 Increase/(Decrease) $M
Due to changes in average volume of interest earning assets	353	1,015
Due to changes in interest margin	(217)	(992)
Due to variation in time periods	(159)	–
Change in net interest income	(23)	23

1 "Rate" reflects the change due to movements in yield assuming average volume is consistent across the two periods. "Volume" reflects the change due to balance movements assuming the average rate is consistent across the two periods and the impact of variation in calendar days. The volume and rate variances for total interest earning assets and total interest bearing liabilities have been calculated separately (rather than being the sum of the individual categories).

1.4 Interest Rate and Volume Analysis (continued)

	Half Year Ended Jun 22 vs Dec 21			Half Year Ended Jun 22 vs Jun 21		
	Volume	Rate	Total	Volume	Rate	Total
Geographical Analysis of Key Categories [1]	$M	$M	$M	$M	$M	$M
Loans, bills discounted and other receivables						
Australia	216	(350)	(134)	683	(1,051)	(368)
New Zealand	(41)	100	59	95	11	106
Other Overseas	(10)	31	21	19	43	62
Total	178	(232)	(54)	801	(1,001)	(200)
Non-lending interest earning assets						
Australia	5	188	193	103	94	197
New Zealand	(6)	56	50	(12)	73	61
Other Overseas	28	78	106	36	94	130
Total	29	320	349	149	239	388
Total interest bearing deposits						
Australia	(3)	(110)	(113)	16	(272)	(256)
New Zealand	(3)	27	24	15	1	16
Other Overseas	38	67	105	73	17	90
Total	13	3	16	59	(209)	(150)
Other interest bearing liabilities						
Australia	44	195	239	241	(7)	234
New Zealand	(24)	99	75	2	88	90
Other Overseas	(2)	(10)	(12)	(2)	(7)	(9)
Total	51	251	302	280	35	315

1 "Rate" reflects the change due to movements in yield assuming average volume is consistent across the two periods. "Volume" reflects the change due to balance movements assuming the average rate is consistent across the two periods and the impact of variation in calendar days. The volume and rate variances for total interest earning assets and total interest bearing liabilities have been calculated separately (rather than being the sum of the individual categories).

1.5 **Other Banking Income** (continuing operations basis)

	Full Year Ended [1]			Half Year Ended		
	30 Jun 22 $M	30 Jun 21 $M	Jun 22 vs Jun 21 %	**30 Jun 22 $M**	31 Dec 21 $M	Jun 22 vs Dec 21 %
Commissions	**2,309**	2,564	(10)	**1,133**	1,176	(4)
Lending fees	**736**	665	11	**359**	377	(5)
Trading income	**806**	852	(5)	**438**	368	19
Net gain on non-trading financial instruments [2]	**420**	23	large	**256**	164	56
Net gain/(loss) on sale of property, plant and equipment	**12**	(4)	large	**–**	12	(large)
Net gain/(loss) from hedging ineffectiveness	**4**	39	(90)	**16**	(12)	large
Dividends	**–**	2	(large)	**–**	–	–
Share of profit of associates and joint ventures net of impairment [3]	**1,012**	599	69	**753**	259	large
Other [4,5]	**163**	62	large	**88**	75	17
Total other banking income - "statutory basis"	**5,462**	4,802	14	**3,043**	2,419	26

1 Comparative information has been restated to reflect the prior period restatements. For further details refer to Note 1.1 in the 2022 Annual Report.
2 Includes gains on non-trading derivatives that are held for risk management purposes.
3 Current year includes a pre-tax gain of $516 million arising from the partial disposal of 10% interest in Bank of Hangzhou and reclassification of the retained 5.6% interest to Investment securities at fair value through other comprehensive income.
4 Other banking income includes depreciation of $61 million for the full year ended 30 June 2022 (30 June 2021: $75 million) and $29 million for the half year ended 30 June 2022 (31 December 2021: $32 million) in relation to assets held for lease as lessor by the Group.
5 Other banking income includes a $68 million reversal of impairment loss recognised in the full year ended 30 June 2022 (30 June 2021: $112 million impairment loss) in relation to certain aircraft owned by the Group and leased to various airlines. The impairment loss and subsequent recovery was driven by the impact of COVID-19 on the aviation sector.

Other Banking Income – Reconciliation of Cash and Statutory Basis

The table below sets out various accounting impacts arising from the application of AASB 139 *Financial Instruments: Recognition and Measurement* to the Group's derivative hedging activities and other non-cash items.

	Full Year Ended [1]			Half Year Ended		
	30 Jun 22 $M	30 Jun 21 $M	Jun 22 vs Jun 21 %	**30 Jun 22 $M**	31 Dec 21 $M	Jun 22 vs Dec 21 %
Other banking income - "cash basis"	**5,215**	4,544	15	**2,856**	2,359	21
Revenue hedge of New Zealand operations - unrealised	**(40)**	4	(large)	**(5)**	(35)	86
Hedging and IFRS volatility	**215**	12	large	**203**	12	large
Gain/(loss) on disposal and acquisition of entities net of transaction costs	**72**	242	(70)	**(11)**	83	(large)
Other banking income - "statutory basis"	**5,462**	4,802	14	**3,043**	2,419	26

1 Comparative information has been restated to conform to presentation in the current period.

Appendices (continued)

1.6 Operating Expenses (continuing operations basis)

	Full Year Ended [1]			Half Year Ended		
	30 Jun 22 $M	30 Jun 21 $M	Jun 22 vs Jun 21 %	**30 Jun 22 $M**	31 Dec 21 $M	Jun 22 vs Dec 21 %
Staff expenses						
Salaries and related on-costs	**5,955**	5,506	8	**2,928**	3,027	(3)
Share-based compensation	**111**	100	11	**56**	55	2
Superannuation	**516**	442	17	**252**	264	(5)
Total staff expenses	**6,582**	6,048	9	**3,236**	3,346	(3)
Occupancy and equipment expenses						
Lease expenses [2]	**141**	166	(15)	**79**	62	27
Depreciation of property, plant and equipment	**640**	756	(15)	**310**	330	(6)
Other occupancy expenses	**197**	236	(17)	**101**	96	5
Total occupancy and equipment expenses	**978**	1,158	(16)	**490**	488	–
Information technology services						
System development and support	**990**	973	2	**502**	488	3
Infrastructure and support	**335**	336	–	**166**	169	(2)
Communications	**156**	174	(10)	**73**	83	(12)
Amortisation and write-offs of software assets [3]	**761**	422	80	**601**	160	large
IT equipment depreciation	**117**	129	(9)	**56**	61	(8)
Total information technology services	**2,359**	2,034	16	**1,398**	961	45
Other expenses						
Postage and stationery	**131**	136	(4)	**64**	67	(4)
Transaction processing and market data	**141**	138	2	**78**	63	24
Fees and commissions:						
Professional fees	**535**	528	1	**288**	247	17
Other	**116**	244	(52)	**51**	65	(22)
Advertising, marketing and loyalty	**401**	412	(3)	**218**	183	19
Amortisation of intangible assets (excluding software and merger related amortisation)	**–**	5	(large)	**–**	–	–
Non-lending losses	**292**	509	(43)	**149**	143	4
Other	**100**	147	(32)	**75**	25	large
Total other expenses	**1,716**	2,119	(19)	**923**	793	16
Operating expenses before separation and transaction costs	**11,635**	11,359	2	**6,047**	5,588	8
Separation and transaction costs	**181**	126	44	**75**	106	(29)
Total operating expenses [4]	**11,816**	11,485	3	**6,122**	5,694	8

1. Comparative information has been restated to reflect the prior period restatements. For further details refer to Note 1.1 in the 2022 Annual Report.
2. The full year ended 30 June 2022 includes rentals of $59 million in relation to short-term and low value leases (full year ended 30 June 2021: $87 million), and variable lease payments based on usage or performance of $11 million (full year ended 30 June 2021: $50 million).
3. The full year ended 30 June 2022 includes $389 million one-off impact of accelerated amortisation.
4. The full year ended 30 June 2022 includes $127 million for Banking, other Wealth and employee related remediation and litigation costs (full year ended 30 June 2021: $249 million) and $124 million of additional costs, including provisions, for historical Aligned Advice remediation issues and associated program costs (full year ended 30 June 2021: $326 million). The half year ended 30 June 2022 includes $77 million for Banking, other Wealth and employee related remediation and litigation costs (half year ended 31 December 2021: $50 million) and $81 million of additional costs, including provisions, for historical Aligned Advice remediation issues and associated program costs (half year ended 31 December 2021: $43 million). The full year ended 30 June 2022 also includes $56 million of one-off other provisions relating to changes in the Group's operating model.

1.7 Income Tax Expense (continuing operations basis)

	Full Year Ended		Half Year Ended	
	30 Jun 22	30 Jun 21	30 Jun 22	31 Dec 21
	$M	$M	$M	$M
Profit before income tax	**13,684**	12,375	**7,038**	6,646
Prima facie income tax at 30%	**4,105**	3,713	**2,111**	1,994
Effect of amounts which are non-deductible/(non-assessable) in calculating taxable income:				
Offshore tax rate differential	**(47)**	(43)	**(17)**	(30)
Offshore banking unit	**(47)**	(2)	**(34)**	(13)
Effect of changes in tax rates	**17**	11	**–**	17
Income tax (over)/under provided in previous years	**(40)**	24	**(38)**	(2)
Gain/(loss) on disposals	**60**	(122)	**60**	–
Other	**(37)**	(49)	**24**	(61)
Total income tax expense	**4,011**	3,532	**2,106**	1,905
Effective tax rate (%)	**29.3**	28.5	**29.9**	28.7

2. Our Lending Activities

Overview

Lending is the Group's primary business activity, generating most of its net interest income and lending fees. The Group satisfies customers' needs for borrowed funds by providing a broad range of lending products in Australia, New Zealand and other jurisdictions. As a result of its lending activities, the Group assumes credit risk arising from the potential that it will not receive the full amount owed.

This section provides details of the Group's lending portfolio by type of product and geographic regions, analysis of the credit quality of the Group's lending portfolio and the related impairment provisions.

2.1 Loans, Bills Discounted and Other Receivables

	As at		
	30 Jun 22	31 Dec 21	30 Jun 21
	$M	$M	$M
Australia			
Overdrafts	**24,170**	17,070	21,466
Home loans [1,2]	**556,499**	539,690	516,217
Credit card outstandings	**8,711**	8,658	8,640
Lease financing	**3,297**	3,473	3,731
Term loans and other lending	**176,960**	164,724	155,541
Total Australia	**769,637**	733,615	705,595
New Zealand			
Overdrafts	**844**	845	959
Home loans [1,2]	**65,072**	65,748	63,017
Credit card outstandings	**838**	905	909
Lease financing	**–**	–	1
Term loans and other lending	**31,534**	32,300	31,141
Total New Zealand	**98,288**	99,798	96,027
Other Overseas			
Overdrafts	**162**	213	296
Home loans [1]	**422**	472	522
Term loans and other lending	**16,454**	16,411	15,826
Total Other Overseas	**17,038**	17,096	16,644
Gross loans, bills discounted and other receivables	**884,963**	850,509	818,266
Less:			
Provisions for loan impairment:			
Collective provisions	**(4,494)**	(4,962)	(5,200)
Individually assessed provisions	**(736)**	(792)	(900)
Unearned income:			
Term loans	**(680)**	(622)	(622)
Lease financing	**(199)**	(183)	(188)
	(6,109)	(6,559)	(6,910)
Net loans, bills discounted and other receivables	**878,854**	843,950	811,356

1 Home loans are presented gross of mortgage offset balances, which are required to be grossed up under accounting standards, but are netted down for the calculation of customer interest payments.

2 Home loans balance includes residential mortgages that have been assigned to securitisation vehicles and covered bond trusts. Further details on these residential mortgages are disclosed in Note 4.5 of the 2022 Annual Report.

Appendices (continued)

2.1 Loans, Bills Discounted and Other Receivables (continued)

ACCOUNTING POLICIES

Loans, bills discounted and other receivables include overdrafts, home loans, credit cards and other personal lending, term loans, and discounted bills. These financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. The contractual cash flows on these financial assets comprise the payment of principal and interest only. These instruments are accordingly measured at amortised cost.

Loans, bills discounted and other receivables, consistent with the Group's policy for all financial assets measured at amortised cost, are recognised on settlement date, when funding is advanced to the borrowers. They are initially recognised at their fair value plus directly attributable transaction costs such as broker fees and commissions. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method and are presented net of provisions for impairment. The accounting policy for provisions for impairment is in Appendix 2.2.

Finance leases, where the Group acts as lessor, are also included in Loans, bills discounted and other receivables. Finance leases are those where substantially all the risks and rewards of the lease asset have been transferred to the lessee. Lease receivables are recognised at an amount equal to the net investment in the lease. Finance lease income reflects a constant periodic return on this net investment and is recognised within interest income in the Income Statement.

Critical accounting judgements and estimates

When applying this effective interest method the Group has estimated the behavioural term of each loan portfolio by reference to historical prepayment rates and the contractual maturity.

2.2 Provisions for Impairment and Asset Quality

	As at 30 June 2022			
	Home Loans $M	Other Personal [1] $M	Other Commercial Industrial $M	Total $M
Loans which were neither past due nor impaired				
Investment Grade	330,664	4,940	110,534	446,138
Pass Grade	272,620	10,566	130,100	413,286
Weak	4,459	929	3,623	9,011
Total loans which were neither past due nor impaired	**607,743**	**16,435**	**244,257**	**868,435**
Loans which were past due but not impaired [2]				
Past due 1 - 29 days	6,531	328	1,195	8,054
Past due 30 - 59 days	1,226	85	233	1,544
Past due 60 - 89 days	705	52	99	856
Past due 90 - 179 days	1,062	–	130	1,192
Past due 180 days or more	1,500	–	461	1,961
Total loans past due but not impaired	**11,024**	**465**	**2,118**	**13,607**

	As at 30 June 2021			
	Home Loans $M	Other Personal [1] $M	Other Commercial Industrial $M	Total $M
Loans which were neither past due nor impaired				
Investment Grade	334,455	4,351	95,200	434,006
Pass Grade	227,922	11,575	117,252	356,749
Weak	4,422	956	3,942	9,320
Total loans which were neither past due nor impaired	**566,799**	**16,882**	**216,394**	**800,075**
Loans which were past due but not impaired [2]				
Past due 1 - 29 days	6,715	349	1,200	8,264
Past due 30 - 59 days	1,456	103	193	1,752
Past due 60 - 89 days	875	61	119	1,055
Past due 90 - 179 days	1,386	–	186	1,572
Past due 180 days or more	1,659	–	529	2,188
Total loans past due but not impaired	**12,091**	**513**	**2,227**	**14,831**

1 Included in these balances are credit card facilities and other unsecured portfolio managed facilities up to 90 days past due. At 90 days past due all unsecured portfolio managed facilities are classified as impaired.

2 Includes assets in Stage 3 that have defaulted, but have not been classified as credit impaired as the loans are well secured and expected to be recovered.

2.2 Provisions for Impairment and Asset Quality (continued)

	Full Year Ended		Half Year Ended	
	30 Jun 22 $M	30 Jun 21 $M	30 Jun 22 $M	31 Dec 21 $M
Movement in gross impaired assets				
Gross impaired assets - opening balance	**3,409**	3,548	**3,482**	3,409
New and increased	**2,192**	2,160	**907**	1,285
Balances written off	**(601)**	(741)	**(220)**	(381)
Returned to performing or repaid	**(2,266)**	(1,876)	**(1,329)**	(937)
Portfolio managed - new/increased/return to performing/repaid	**217**	318	**111**	106
Gross impaired assets - closing balance [1, 2]	**2,951**	3,409	**2,951**	3,482

	As at	
	30 Jun 22 $M	30 Jun 21 $M
Impaired assets by size of asset		
Less than $1 million	**1,737**	1,833
$1 million to $10 million	**623**	799
Greater than $10 million	**591**	777
Gross impaired assets [1, 2]	**2,951**	3,409
Less total provisions for impaired assets [3]	**(1,023)**	(1,159)
Net impaired assets	**1,928**	2,250

1 As at 30 June 2022, impaired assets include those assets in Stage 3 that are considered impaired, as well as $77 million of restructured assets in Stage 3 (30 June 2021: $148 million). Stage 3 assets include impaired assets and those that are defaulted but not impaired as they are well secured.

2 Includes $2,921 million of loans and advances and $30 million of other financial assets (31 December 2021: $3,410 million of loans and advances and $72 million of other financial assets; 30 June 2021: $3,360 million of loans and advances and $49 million of other financial assets).

3 Includes $736 million of individually assessed provisions and $287 million of collective provisions (30 June 2021: $900 million of individually assessed provisions and $259 million of collective provisions).

2.2 Provisions for Impairment and Asset Quality (continued)

	Full Year Ended		Half Year Ended	
	30 Jun 22 $M	30 Jun 21 $M	30 Jun 22 $M	31 Dec 21 $M
Provision for impairment losses				
Collective provisions				
Opening balance	**5,311**	5,396	**5,062**	5,311
Net collective provision funding	**(506)**	287	**(345)**	(161)
Impairment losses written off	**(343)**	(536)	**(155)**	(188)
Impairment losses recovered	**127**	131	**60**	67
Other	**22**	33	**(11)**	33
Closing balance	**4,611**	5,311	**4,611**	5,062
Individually assessed provisions				
Opening balance	**900**	967	**792**	900
Net new and increased individual provisioning	**321**	496	**145**	176
Write-back of provisions no longer required	**(172)**	(229)	**(82)**	(90)
Discount unwind to interest income	**(11)**	(16)	**(3)**	(8)
Impairment losses written off	**(342)**	(323)	**(137)**	(205)
Other	**40**	5	**21**	19
Closing balance	**736**	900	**736**	792
Total provisions for impairment losses	**5,347**	6,211	**5,347**	5,854
Less: off Balance Sheet provisions	**(117)**	(111)	**(117)**	(100)
Total provisions for loan impairment	**5,230**	6,100	**5,230**	5,754

	Full Year Ended		Half Year Ended	
	30 Jun 22 $M	30 Jun 21 $M	30 Jun 22 $M	31 Dec 21 $M
Loan impairment expense				
Net collective provision funding	**(506)**	287	**(345)**	(161)
Net new and increased individual provisioning	**321**	496	**145**	176
Write-back of individually assessed provisions	**(172)**	(229)	**(82)**	(90)
Total loan impairment (benefit)/expense	**(357)**	554	**(282)**	(75)

ACCOUNTING POLICIES

By providing loans to customers, the Group bears the risk that the future circumstances of customers might change, including their ability to repay their loans in part or in full. While the Group's credit and responsible lending policies aim to minimise this risk, there will always be instances where the Group will not receive the full amount owed and hence a provision for impaired loans will be necessary.

A description of the key components of the Group's AASB 9 impairment methodology is provided in Note 3.2 of the 2022 Annual Report.

3. Our Deposits and Funding Activities

Overview

Stable and well diversified funding sources are critical to the Group's ability to fund its lending and investing activities, and support growing its business.

Our main sources of funding include customer deposits, term funds raised in domestic and offshore wholesale markets via issuing debt securities and loan capital, and term funding from central banks. The Group also relies on repurchase agreements as a source of short-term wholesale funding. Refer to Note 9.4 of the 2022 Annual Report for the Group's management of liquidity and funding risk.

3.1 Deposits and Other Public Borrowings

	As at		
	30 Jun 22 $M	31 Dec 21 $M	30 Jun 21 $M
Australia			
Certificates of deposit	**27,081**	30,471	29,890
Term deposits	**131,155**	119,273	118,958
On-demand and short-term deposits	**440,500**	420,717	406,481
Deposits not bearing interest	**131,828**	122,694	103,510
Securities sold under agreements to repurchase	**14,097**	12,744	12,634
Total Australia	**744,661**	705,899	671,473
New Zealand			
Certificates of deposit	**2,606**	2,709	3,588
Term deposits	**23,956**	23,901	23,649
On-demand and short-term deposits	**34,189**	36,551	33,841
Deposits not bearing interest	**11,898**	13,084	10,848
Total New Zealand	**72,649**	76,245	71,926
Other Overseas			
Certificates of deposit	**15,930**	16,163	10,944
Term deposits	**4,024**	4,420	4,457
On-demand and short-term deposits	**1,225**	941	839
Deposits not bearing interest	**30**	43	58
Securities sold under agreements to repurchase	**19,067**	11,413	6,684
Total Other Overseas	**40,276**	32,980	22,982
Total deposits and other public borrowings	**857,586**	815,124	766,381

ACCOUNTING POLICIES

Deposits from customers include certificates of deposit, term deposits, savings deposits and other demand deposits. Deposits are initially recognised at their fair value less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost. Interest incurred is recognised within net interest income using the effective interest method.

Securities sold under repurchase agreements are retained on the Balance Sheet where substantially all the risks and rewards of ownership remain with the Group. A liability for the agreed repurchase amount is recognised within Deposits and other public borrowings.

4. Our Capital, Equity and Reserves

Overview

The Group maintains a strong capital position in order to satisfy regulatory capital requirements, provide financial security to its depositors and creditors and adequate return to its shareholders. The Group's shareholders' equity includes issued ordinary shares, retained earnings and reserves.

This section provides analysis of the Group's shareholders' equity including changes during the period.

4.1 Capital

The tables below show the APRA Basel III capital adequacy calculation at 30 June 2022 together with prior period comparatives.

	As at		
	30 Jun 22	31 Dec 21	30 Jun 21
Group Capital Adequacy Ratios	**%**	%	%
Common Equity Tier 1	**11. 5**	11. 8	13. 1
Tier 1	**13. 6**	14. 0	15. 7
Tier 2	**4. 0**	4. 0	4. 1
Total Capital	**17. 6**	18. 0	19. 8

	As at		
	30 Jun 22	31 Dec 21	30 Jun 21
	$M	$M	$M
Ordinary share capital and treasury shares			
Ordinary share capital	**36,467**	36,949	38,420
Treasury shares	**26**	9	12
Ordinary share capital and treasury shares	**36,493**	36,958	38,432
Reserves	**(460)**	2,848	3,249
Retained earnings and current period profits			
Retained earnings and current period profits	**36,826**	34,861	37,014
Retained earnings adjustment from non-consolidated subsidiaries [1]	**(131)**	(125)	(486)
Net retained earnings	**36,695**	34,736	36,528
Non-controlling interests			
Non-controlling interests [2]	**5**	5	5
Less other non-controlling interests not eligible for inclusion in regulatory capital	**(5)**	(5)	(5)
Non-controlling interests	**–**	–	–
Common Equity Tier 1 Capital before regulatory adjustments	**72,728**	74,542	78,209

1 Cumulative current period profit and retained earnings adjustments for subsidiaries not consolidated for regulatory purposes.

2 Non-controlling interests predominantly comprise of external equity interests of subsidiaries.

4.1 Capital (continued)

	As at		
	30 Jun 22 $M	31 Dec 21 $M	30 Jun 21 $M
Common Equity Tier 1 regulatory adjustments			
Goodwill [1]	**(5,330)**	(5,330)	(6,017)
Other intangibles (including software) [2]	**(1,548)**	(1,722)	(1,570)
Capitalised costs and deferred fees	**(1,056)**	(984)	(865)
Defined benefit superannuation plan surplus [3]	**(406)**	(325)	(364)
Deferred tax asset	**(3,016)**	(2,353)	(2,496)
Cash flow hedge reserve	**859**	41	(467)
Employee compensation reserve	**(94)**	(55)	(103)
Equity investments [4]	**(4,651)**	(8,017)	(6,782)
Equity investments in non-consolidated subsidiaries [5]	**(242)**	(217)	(545)
Shortfall of provisions to expected losses [6]	**(18)**	(14)	–
Unrealised fair value adjustments [7]	**(131)**	(25)	(10)
Other	**(72)**	(77)	(124)
Common Equity Tier 1 regulatory adjustments	**(15,705)**	(19,078)	(19,343)
Common Equity Tier 1	**57,023**	55,464	58,866
Additional Tier 1 Capital			
Basel III complying instruments [8]	**10,535**	10,425	11,875
Basel III non-complying instruments net of transitional amortisation [9]	**–**	138	133
Total Additional Tier 1 Capital	**10,535**	10,563	12,008
Total Tier 1 Capital	**67,558**	66,027	70,874
Tier 2 Capital			
Basel III complying instruments [10]	**19,491**	17,127	16,644
Basel III non-complying instruments net of transitional amortisation [11]	**–**	264	266
Holding of Tier 2 Capital [12]	**(519)**	(37)	(34)
Prudential general reserve for credit losses [13]	**1,020**	1,574	1,596
Total Tier 2 Capital	**19,992**	18,928	18,472
Total Capital	**87,550**	84,955	89,346

1 Includes goodwill from discontinued operations.
2 Other intangibles (including capitalised software costs), net of any associated deferred tax liability.
3 Represents the surplus in the Group's defined benefit superannuation fund, net of any deferred tax liability.
4 Represents the Group's non-controlling interest in other entities. Reduction in the half year ended 30 June 2022 primarily driven by the completion of the sale of a 10% shareholding in Bank of Hangzhou and the revaluation of Klarna.
5 Non-consolidated subsidiaries consist of the insurance and fund management entities, and qualifying securitisation vehicles that meets APRA's operational requirement for regulatory capital relief under APS 120 "Securitisation". Reduction in the half year ended 31 December 2021 attributable to the completion of the majority sale of Colonial First State Group on 1 December 2021.
6 Represents the shortfall between the regulatory Expected Losses (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 a maximum of 0.6% of total credit RWAs.
7 Includes gains due to changes in the Group's credit risk on fair valued liabilities and other prudential valuation adjustments.
8 As at 30 June 2022, comprises PERLS XIV $1,750 million (March 2022), PERLS XIII $1,180 million (April 2021), PERLS XII $1,650 million (November 2019), PERLS XI $1,590 million (December 2018), PERLS X $1,365 million (April 2018), and PERLS VII $3,000 million (October 2014).
9 Represents APRA Basel III non-compliant Additional Tier 1 Capital Instruments that were eligible for Basel III transitional relief up until 1 January 2022.
10 In the half year ended 30 June 2022, the Group issued a USD1,250 million, an AUD700 million, an AUD400 million and a JPY30.5 billion subordinated note, that were Basel III compliant. In the half year ended 31 December 2021, the Group issued an AUD1,500 million, an AUD136 million, an AUD135 million and a JPY14 billion subordinated note that were Basel III complaint.
11 Represents APRA Basel III non-compliant 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.
12 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.
13 Represents the collective provision and general reserve for credit losses for exposures in the Group which are measured for capital purposes under the Standardised approach to credit risk.

Appendices (continued)

4.1 Capital (continued)

Risk Weighted Assets (RWA)	As at 30 Jun 22 $M	As at 31 Dec 21 $M	As at 30 Jun 21 $M
Credit Risk			
Subject to AIRB approach [1]			
Corporate	**69,621**	68,406	66,664
SME Corporate	**29,671**	30,141	29,845
SME retail	**5,797**	5,730	5,935
SME retail secured by residential mortgage	**2,725**	2,789	2,947
Sovereign	**2,249**	2,463	2,466
Bank	**4,194**	4,359	5,379
Residential mortgage	**171,819**	167,999	159,758
Qualifying revolving retail	**5,022**	5,031	5,466
Other retail	**8,815**	10,804	11,177
Total RWA subject to AIRB approach	**299,913**	297,722	289,637
Specialised lending exposures subject to slotting criteria	**67,078**	65,825	63,705
Subject to Standardised approach			
Corporate	**506**	1,289	1,234
SME corporate	**573**	641	805
SME retail	**2,169**	2,291	2,500
Sovereign	**322**	348	289
Bank	**50**	48	52
Residential mortgage	**6,429**	6,380	6,523
Other retail	**1,078**	971	938
Other assets	**8,276**	8,028	8,013
Total RWA subject to Standardised approach	**19,403**	19,996	20,354
Securitisation	**3,439**	3,486	3,106
Credit valuation adjustment	**3,136**	3,110	4,157
Central counterparties	**678**	548	591
Total RWA for Credit Risk Exposures	**393,647**	390,687	381,550
Traded market risk	**10,683**	10,803	8,307
Interest rate risk in the banking book	**47,640**	24,356	14,619
Operational risk	**45,922**	46,081	46,204
Total risk weighted assets	**497,892**	471,927	450,680

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

4.2 Shareholders' Equity

	Full Year Ended [1]		Half Year Ended	
	30 Jun 22	30 Jun 21	**30 Jun 22**	31 Dec 21
	$M	$M	**$M**	$M
Ordinary Share Capital				
Shares on issue:				
Opening balance	**38,546**	38,282	**37,078**	38,546
Share buy-back [2]	**(1,937)**	–	**(470)**	(1,467)
Dividend reinvestment plan (net of issue costs) [3]	**(1)**	264	**–**	(1)
	36,608	38,546	**36,608**	37,078
Less treasury shares:				
Opening balance	**(126)**	(151)	**(129)**	(126)
Purchase of treasury shares [4]	**(76)**	(59)	**(15)**	(61)
Sale and vesting of treasury shares [4]	**61**	84	**3**	58
Total treasury shares	**(141)**	(126)	**(141)**	(129)
Closing balance	**36,467**	38,420	**36,467**	36,949

Retained Profits				
Opening balance	**37,014**	31,136	**34,861**	37,014
Prior period restatement	**–**	(30)	**–**	–
Restated opening balance	**37,014**	31,106	**34,861**	37,014
Actuarial gains/(losses) from defined benefit superannuation plans	**76**	(95)	**52**	24
Net profit attributable to equity holders of the Bank	**10,771**	10,181	**4,901**	5,870
Total available for appropriation	**47,861**	41,192	**39,814**	42,908
Transfers from investment securities revaluation reserve	**9**	–	**–**	9
Transfers from asset revaluation reserve	**25**	11	**(1)**	26
Transfer from foreign currency revaluation reserve [5]	**–**	207	**–**	–
Off-market share buy-back - dividend component [2]	**(4,534)**	–	**–**	(4,534)
Interim dividend - cash component	**(2,486)**	(2,243)	**(2,486)**	–
Interim dividend - dividend reinvestment plan [6]	**(501)**	(418)	**(501)**	–
Final dividend - cash component	**(2,978)**	(1,471)	**–**	(2,978)
Final dividend - dividend reinvestment plan [3,6]	**(570)**	(264)	**–**	(570)
Closing balance	**36,826**	37,014	**36,826**	34,861

1 Comparative information has been restated to reflect the prior period restatements. For further details refer to Note 1.1 in the 2022 Annual Report.
2 On 4 October 2021, the Group announced the successful completion of its $6 billion off-market buy-back of CBA ordinary shares. 67,704,807 ordinary shares were bought back at $88.62 per share, and comprised a fully franked dividend component of $66.96 per share ($4,534 million) and a capital component of $21.66 per share ($1,466 million). On 9 February 2022, the Group announced its intention to conduct an on-market share buy-back of up to $2 billion. As at 30 June 2022, the Group has bought back a total of 4,853,197 ordinary shares ($468 million) at an average price of $96.42. The Group recognised $3 million transaction costs in relation to the capital returns. The shares bought back were subsequently cancelled.
3 The DRP in respect of the final 2019/2020 dividend was satisfied by the issue of 3,856,903 shares at $68.53. The total value of shares issued net of issue costs was $264 million.
4 Relates to the movements in treasury shares held within the employee share scheme plans.
5 Relates to historical Group restructuring where the Group no longer holds exposure to foreign exchange risk.
6 The DRP in respect of the interim 2021/2022, final 2020/2021 and interim 2020/2021 dividends were satisfied in full through the on-market purchase and transfer of 5,107,902 shares at $97.95, 5,618,474 shares at $101.00, and 4,869,634 shares at $85.25, respectively, to participating shareholders.

4.2 Shareholders' Equity (continued)

	Full Year Ended[1]		Half Year Ended	
	30 Jun 22	30 Jun 21	**30 Jun 22**	31 Dec 21
	$M	$M	**$M**	$M
Reserves				
Asset Revaluation Reserve				
Opening balance	**264**	257	**243**	264
Revaluation of properties	**42**	21	**42**	–
Transfer to retained profits	**(25)**	(11)	**1**	(26)
Income tax effect	**(12)**	(3)	**(17)**	5
Closing balance	**269**	264	**269**	243
Foreign Currency Translation Reserve				
Opening balance	**257**	678	**491**	257
Transfer to retained profits[2]	**–**	(207)	**–**	–
Currency translation adjustments of foreign operations	**(261)**	(225)	**(508)**	247
Currency translation of net investment hedge	**9**	8	**7**	2
Income tax effect	**12**	3	**27**	(15)
Closing balance	**17**	257	**17**	491
Cash Flow Hedge Reserve				
Opening balance	**467**	1,513	**(41)**	467
Gains/(losses) on cash flow hedging instruments:				
Recognised in Other Comprehensive Income	**555**	(734)	**485**	70
Transferred to Income Statement:				
Interest income	**(1,779)**	(2,294)	**(785)**	(994)
Interest expense	**1,095**	1,865	**413**	682
Other banking income	**(1,769)**	(363)	**(1,289)**	(480)
Income tax effect	**572**	480	**358**	214
Closing balance	**(859)**	467	**(859)**	(41)
Employee Compensation Reserve				
Opening balance	**103**	138	**55**	103
Current period movement	**(9)**	(35)	**39**	(48)
Closing balance	**94**	103	**94**	55
Investment Securities Revaluation Reserve				
Opening balance	**2,158**	80	**2,100**	2,158
Transfer to retained profits on sale of equity securities	**(9)**	–	**–**	(9)
Net (losses)/gains on revaluation of investment securities	**(2,804)**	2,998	**(2,814)**	10
Net losses on investment securities transferred to Income Statement on disposal	**(182)**	(25)	**(98)**	(84)
Income tax effect	**856**	(895)	**831**	25
Closing balance	**19**	2,158	**19**	2,100
Total Reserves	**(460)**	3,249	**(460)**	2,848
Shareholders' Equity attributable to Equity holders of the Bank	**72,833**	78,683	**72,833**	74,658
Shareholders' Equity attributable to Non-controlling interests	**5**	5	**5**	5
Total Shareholders' Equity	**72,838**	78,688	**72,838**	74,663

1 Comparative information has been restated to conform to presentation in the current period.
2 The amount relates to a historical Group restructure where the Group no longer holds exposure to foreign exchange risk.

4.2 Shareholders' Equity (continued)

ACCOUNTING POLICIES

Shareholders' equity includes Ordinary share capital, Retained profits and Reserves. Policies for each component are set out below:

Ordinary share capital

Ordinary shares are recognised at the amount paid up per ordinary share, net of directly attributable issue costs. Where the Bank or entities within the Group purchase shares in the Bank, the consideration paid is deducted from total shareholders' equity and the shares are treated as treasury shares until they are subsequently sold, reissued or cancelled. Where such shares are sold or reissued, any consideration received is included in shareholders' equity.

Retained profits

Retained profits includes the accumulated profits for the Group including certain amounts recognised directly in retained profits less dividends paid.

Reserves

Asset revaluation reserve

The Asset revaluation reserve is used to record revaluation adjustments on the Group's property assets. Where an asset is sold or disposed of, any balance in the reserve in relation to the asset is transferred directly to Retained profits.

Foreign currency translation reserve

Exchange differences arising on translation of the Group's foreign operations are accumulated in the Foreign currency translation reserve. Specifically, assets and liabilities are translated at the prevailing exchange rate at Balance Sheet date; revenue and expenses are translated at the transaction date; and all resulting exchange differences are recognised in the Foreign currency translation reserve.

When a foreign operation is disposed of, exchange differences are reclassified to the Income Statement.

Cash flow hedge reserve

The Cash flow hedge reserve is used to record fair value gains or losses associated with the effective portion of designated cash flow hedging instruments. Amounts are reclassified to the Income Statement when the hedged transaction impacts profit or loss.

Employee compensation reserve

The Employee compensation reserve is used to recognise the fair value of shares and other equity instruments issued to employees under the employee share plans and bonus schemes.

Investment securities revaluation reserve

The Investment securities revaluation reserve includes changes in the fair value of Investment securities measured at fair value through other comprehensive income. For debt securities, these changes are reclassified to the Income Statement when the asset is derecognised. For equity securities, these changes are not reclassified to the Income Statement when derecognised.

4.3 Share Capital

	Full Year Ended		Half Year Ended	
Shares on Issue	**30 Jun 22 Shares**	30 Jun 21 Shares	**30 Jun 22 Shares**	31 Dec 21 Shares
Opening balance (excluding Treasury Shares deduction)	**1,774,096,410**	1,770,239,507	**1,706,391,603**	1,774,096,410
Share buy-backs				
Off-market buy-back [1]	**(67,704,807)**	–	**–**	(67,704,807)
On-market buy-back [1]	**(4,853,197)**	–	**(4,853,197)**	–
Dividend reinvestment plan issues:				
2019/2020 Final dividend fully paid ordinary shares $68.53 [2]	**–**	3,856,903	**–**	–
2020/2021 Interim dividend fully paid ordinary shares $85.25 [3]	**–**	–	**–**	–
2020/2021 Final dividend fully paid ordinary shares $101.00 [3]	**–**	–	**–**	–
2021/2022 Interim dividend fully paid ordinary shares $97.95 [3]	**–**	–	**–**	–
Closing balance (excluding Treasury Shares deduction)	**1,701,538,406**	1,774,096,410	**1,701,538,406**	1,706,391,603
Less: Treasury Shares [4]	**(1,600,415)**	(1,665,028)	**(1,600,415)**	(1,510,320)
Closing balance	**1,699,937,991**	1,772,431,382	**1,699,937,991**	1,704,881,283

1 On 4 October 2021, the Group announced the successful completion of its $6 billion off-market buy-back of CBA ordinary shares. 67,704,807 ordinary shares were bought back at $88.62 per share, and comprised a fully franked dividend component of $66.96 per share ($4,534 million) and a capital component of $21.66 per share ($1,466 million). On 9 February 2022, the Group announced its intention to conduct an on-market share buy-back of up to $2 billion. As at 30 June 2022, the Group has bought back a total of 4,853,197 ordinary shares ($468 million) at an average price of $96.42. The shares bought back were subsequently cancelled.

2 The DRP in respect of the final 2019/2020 dividend was satisfied by the issue of 3,856,903 shares at $68.53. The total value of shares issued net of issue costs was $264 million.

3 The DRP in respect of the interim 2021/2022, final 2020/2021 and interim 2020/2021 dividends were satisfied in full through the on-market purchase and transfer of 5,107,902 shares at $97.95, 5,618,474 shares at $101.00, and 4,869,634 shares at $85.25, respectively, to participating shareholders.

4 Relates to treasury shares held within the employee share plans.

Dividend Franking Account

Australian Franking Credits

The franking credits available to the Group at 30 June 2022, after allowing for Australian tax payable in respect of the current and prior reporting period's profit, are estimated to be $1,635 million (31 December 2021: $1,354 million; 30 June 2021: $3,709 million).

New Zealand Imputation Credits

The New Zealand imputation credits available to CBA at 30 June 2022 are estimated to be NZ$896 million (31 December 2021: NZ$923 million; 30 June 2021: NZ$874 million). This is calculated on the same basis as the Australian franking credits but using the New Zealand current tax liability.

Dividends

The Directors have determined a fully franked final dividend of 210 cents per share amounting to $3,573 million. There is no foreign conduit income attributed to the final dividend. The dividend will be payable on or around 29 September 2022 to shareholders on the register at 5:00pm AEST on 18 August 2022.

The Board determines the dividend per share based on net profit after tax ("cash basis") per share, having regard to a range of factors including:

- Current and expected rates of business growth and the mix of business;
- Capital needs to support economic, regulatory and credit ratings requirements;
- Investments and/or divestments to support business development;
- Competitors comparison and market expectations; and
- Earnings per share growth.

Dividend Reinvestment Plan

The Group has a Dividend Reinvestment Plan (DRP) that is available to shareholders in Australia and certain other jurisdictions. Shareholders can elect to participate to acquire fully paid ordinary shares instead of receiving a cash dividend payment. Shares issued under DRP rank equally with ordinary shares on issue. The DRP for the 2022 interim dividend and 2021 final and interim dividends were satisfied in full by the on-market purchase and transfer of shares, and had participation rates of 16.8%, 16.1% and 15.7%, respectively.

Record Date

The register closes for determination of dividend entitlement at 5:00pm AEST on 18 August 2022. The deadline for notifying a change to participation in the DRP is 5:00pm AEST on 19 August 2022.

Ex-Dividend Date

The ex-dividend date is 17 August 2022.

5. Risk Management

Overview

The Group is exposed to financial risks, non-financial risks and strategic risks arising from its operations. The Group manages these risks through its Risk Management Framework (the Framework), which evolves to accommodate changes in the business operating environment, better practice approaches, and regulatory and community expectations. The Group's key risk types are credit, market, liquidity, operational, compliance, insurance and strategic. The framework is discussed in Note 9.1 in the 2022 Annual Report.

5.1 Integrated Risk Management

The Group's approach to risk management is described within Note 9 to the Financial Statements in the 2022 Annual Report. Further disclosures in respect of capital adequacy and risk are provided in the Group's annual Pillar 3 document.

Credit Risk

The Group uses a portfolio approach for the management of its credit risk, of which a key element is a well-diversified portfolio. The Group uses various portfolio management tools to assist in diversifying the credit portfolio.

Below is a breakdown of the Group's committed exposure across industry, region and commercial credit quality.

	As at [1]		
	30 Jun 22	31 Dec 21	30 Jun 21
By Sector	**%**	%	%
Consumer	**55. 9**	56. 9	57. 5
Government, Admin. & Defence	**17. 0**	15. 9	15. 3
Finance & Insurance	**6. 8**	6. 7	6. 5
Commercial Property	**6. 5**	6. 5	6. 5
Agriculture & Forestry	**2. 1**	2. 1	2. 1
Transport & Storage	**1. 8**	2. 0	2. 1
Manufacturing	**1. 3**	1. 3	1. 3
Entertainment, Leisure & Tourism	**1. 0**	1. 1	1. 0
Retail Trade	**1. 0**	1. 0	1. 0
Health & Community Services	**1. 0**	1. 0	0. 9
Business Services	**1. 0**	1. 0	0. 9
Wholesale Trade	**1. 0**	0. 9	0. 9
Electricity, Water & Gas	**0. 9**	0. 9	1. 0
Construction	**0. 8**	0. 8	0. 8
Mining, Oil & Gas	**0. 6**	0. 6	0. 7
Media & Communications	**0. 4**	0. 4	0. 4
Education	**0. 3**	0. 2	0. 3
Personal & Other Services	**0. 2**	0. 3	0. 3
Other	**0. 4**	0. 4	0. 5
Total	**100. 0**	100. 0	100. 0

1 Committed exposures by industry, region and commercial credit quality are disclosed on a gross basis (calculated before collateralisation).

5.1 Integrated Risk Management (continued)

	As at		
	30 Jun 22	31 Dec 21	30 Jun 21
By Region [1]	**%**	%	%
Australia	**82. 1**	81. 6	81. 9
New Zealand	**9. 8**	10. 2	10. 2
Americas	**3. 6**	3. 2	3. 2
Europe	**2. 3**	2. 9	2. 7
Asia	**2. 2**	2. 1	2. 0
	100. 0	100. 0	100. 0

	As at		
	30 Jun 22	31 Dec 21	30 Jun 21
Commercial Portfolio Quality [1]	**%**	%	%
AAA/AA	**44. 7**	43. 0	42. 3
A	**12. 0**	12. 3	11. 8
BBB	**13. 0**	13. 7	14. 2
Other	**30. 3**	31. 0	31. 7
	100. 0	100. 0	100. 0

1 Committed exposures by industry, region and commercial credit quality are disclosed on a gross basis (calculated before collateralisation).

As a measure of individually risk-rated commercial portfolio exposure (including finance and insurance), the Group has 69.7% (December 2021: 69.0%; June 2021: 68.3%) of commercial exposures at investment grade quality.

5.1 Integrated Risk Management (continued)

Market Risk

Market risk in the Balance Sheet is discussed within Note 9.3 of the 2022 Annual Report.

Value at Risk (VaR)

The Group uses Value at Risk (VaR) as one of the measures of Traded and Non-Traded market risk. VaR measures potential loss using historically observed market movements and correlation between different markets.

VaR is modelled at a 99.0% confidence level. This means that there is a 99.0% probability that the loss will not exceed the VaR estimate on any given day.

A 10-day holding period is used for trading book positions. A 20-day holding period is used for interest rate risk in the banking book.

Where VaR is deemed not to be an appropriate method of risk measurement other risk measures have been used, as specified by the heading or accompanying footnotes of the tables provided.

	Average VaR [1]			
	30 Jun 22	31 Dec 21	30 Jun 21	31 Dec 20
Traded Market Risk	**$M**	$M	$M	$M
Risk Type				
Interest rate risk	**32. 6**	24. 7	33. 1	29. 1
Foreign exchange risk	**5. 7**	7. 3	6. 5	7. 6
Equities risk	**–**	0. 6	0. 9	0. 4
Commodities risk	**21. 2**	24. 7	17. 6	14. 4
Credit spread risk	**21. 6**	42. 0	33. 8	27. 5
Other market risk [2]	**27. 7**	21. 6	18. 7	20. 5
Diversification benefit	**(54. 9)**	(66. 6)	(56. 4)	(35. 7)
Total general market risk	**53. 9**	54. 3	54. 2	63. 8
Undiversified risk	**17. 7**	17. 0	10. 9	14. 7
Other [3]	**1. 4**	1. 8	3. 8	3. 6
Total	**73. 0**	73. 1	68. 9	82. 1

1 Average VaR is at 10-day 99% confidence and is calculated for each 6 month period.
2 Includes volatility risk and basis risk.
3 Includes ASB, PTBC and Europe.

5.1 Integrated Risk Management (continued)

Interest rate risk in the banking book

Interest rate risk in the banking book is discussed within Note 9.3 of the 2022 Annual Report.

(a) Next 12 Months' Earnings

The figures in the following table represent the potential unfavourable change to the Group's net interest earnings during the year based on a 100 basis point parallel rate shock.

	Half Year Ended			
	30 Jun 22	31 Dec 21	30 Jun 21	31 Dec 20
Net Interest Earnings at Risk [1]	**$M**	$M	$M	$M
Average monthly exposure	**1,619. 3**	1,631. 1	2,054. 0	1,970. 5
High month exposure	**1,849. 7**	1,784. 7	2,646. 2	2,378. 3
Low month exposure	**1,106. 3**	1,488. 3	1,075. 9	1,631. 5

1 Exposures over a 6 month period. The scope of the internal model for net interest earnings at risk has been expanded to include all currencies across the balance sheet. Prior periods show combined AUD and NZD exposure and have been restated to conform to presentation in the current year.

(b) Economic Value

A 20-day 99.0% VaR measure is used to capture the economic impact of adverse changes in interest rates on all banking book assets and liabilities.

	Half Year Ended			
	30 Jun 22	31 Dec 21	30 Jun 21	31 Dec 20
Non-Traded Interest Rate Risk VaR (20-day 99.0% confidence) [1]	**$M**	$M	$M	$M
Average daily exposure	**430. 1**	372. 0	469. 8	686. 1
High daily exposure	**520. 4**	446. 9	645. 6	743. 0
Low daily exposure	**363. 9**	326. 8	332. 5	638. 5

1 Exposures over a 6 month period.

5.1 Integrated Risk Management (continued)

Funding Sources

The following table provides the funding sources for the Group including customer deposits, and short-term and long-term wholesale funding. Shareholders' equity is excluded from this view of funding sources.

	As at				
	30 Jun 22 $M	31 Dec 21 $M	30 Jun 21 $M	Jun 22 vs Dec 21 %	Jun 22 vs Jun 21 %
Transaction deposits [1]	**188,917**	182,425	173,626	4	9
Savings deposits	**275,997**	266,661	259,244	4	6
Investment deposits	**169,401**	156,103	154,252	9	10
Other customer deposits [1, 2]	**143,448**	135,857	115,093	6	25
Total customer deposits	**777,763**	741,046	702,215	5	11
Wholesale funding					
Short-term					
Certificates of deposit [3]	**44,154**	48,803	43,885	(10)	1
US commercial paper programme	**20,405**	22,613	7,721	(10)	large
Euro medium-term note programme	**858**	1,408	1,041	(39)	(18)
Central Bank deposits	**14,185**	12,770	11,464	11	24
Other [4]	**2,637**	1,166	117	large	large
Total short-term wholesale funding	**82,239**	86,760	64,228	(5)	28
Net collateral received and settlement balances [5]	**6,316**	6,069	9,436	4	(33)
Internal RMBS sold under agreement to repurchase with RBA	**–**	300	4,000	(large)	(large)
Total short-term collateral deposits	**6,316**	6,369	13,436	(1)	(53)
Total long-term funding - less than or equal to one year residual maturity [6]	**24,696**	28,233	35,129	(13)	(30)
Long-term - greater than one year residual maturity					
Domestic debt programme	**9,896**	7,313	8,494	35	17
Euro medium-term note programme	**16,326**	16,571	16,413	(1)	(1)
US medium-term note programme [7]	**22,302**	18,357	12,376	21	80
Covered bond programme	**27,003**	24,439	23,098	10	17
Securitisation	**4,943**	5,866	7,192	(16)	(31)
Loan capital	**27,155**	21,961	22,690	24	20
RBA Term Funding Facility (TFF)	**49,637**	51,137	51,137	(3)	(3)
Other	**4,165**	1,649	1,686	large	large
Total long-term funding - greater than one year residual maturity	**161,427**	147,293	143,086	10	13
IFRS MTM and derivative FX revaluations	**(5,684)**	2,569	3,445	(large)	(large)
Total funding	**1,046,757**	1,012,270	961,539	3	9
Reported as					
Deposits and other public borrowings	**857,586**	815,124	766,381	5	12
Payables to financial institutions	**26,052**	21,487	19,059	21	37
Liabilities at fair value through Income Statement	**7,271**	7,444	8,381	(2)	(13)
Term funding from central banks [8]	**54,807**	52,828	51,856	4	6
Debt issues	**116,902**	117,466	103,003	–	13
Loan capital	**28,017**	28,158	29,360	(1)	(5)
Loans and other receivables - collateral posted	**(870)**	(905)	(1,337)	(4)	(35)
Receivables from financial institutions - collateral posted	**(3,748)**	(2,540)	(2,498)	48	50
Securities purchased under agreements to resell	**(39,260)**	(26,792)	(12,666)	47	large
Total funding	**1,046,757**	1,012,270	961,539	3	9

1 Transaction deposits exclude non-interest bearing deposits (included in other customer deposits).
2 Other customer deposits primarily consist of non-interest bearing transaction deposits and deposits held at fair value through the Income Statement.
3 Includes Bank acceptances.
4 Includes net non-HQLA securities sold or purchased under repurchase agreements and interbank borrowings.
5 Includes other repurchase agreements not reported above and Vostro balances.
6 Residual maturity of long-term wholesale funding (included in Debt issues, Loan capital and the Group's drawn TFF allowance) is the earlier of the next call date or final maturity.
7 Includes notes issued under the Bank's 3(a)(2) programme.
8 Includes drawings from the TFF, RBNZ Funding for Lending Programme (FLP) and Term Lending Facility (TLF).

5.1 Integrated Risk Management (continued)

Overview

The Group's liquidity and funding policies are designed to ensure it will meet its obligations as and when they fall due by ensuring it is able to issue debt on an unsecured or secured basis, has sufficient liquid assets to borrow against under repurchase agreements or sell to raise immediate funds without adversely affecting the Group's net asset value.

The Group's liquidity policies are designed to ensure it maintains sufficient cash balances and liquid asset holdings to meet its obligations to customers, in both ordinary market conditions and during periods of extreme stress. These policies are intended to protect the value of the Group's operations during periods of unfavourable market conditions.

The Group's funding policies are designed to achieve diversified sources of funding by product, term, maturity date, investor type, investor location, currency and concentration, on a cost effective basis. This objective applies to the Group's wholesale and retail funding activities.

Liquidity and Funding Risk Management Framework

The CBA Board is ultimately responsible for the sound and prudent management of liquidity risk across the Group. The Group's liquidity and funding policies, structured under a formal Group Liquidity and Funding Risk Management Framework, are approved by the Board and agreed with APRA. The Group Asset and Liability Committee (ALCO) charter includes reviewing the management of assets and liabilities, reviewing liquidity and funding policies and strategies, as well as regularly monitoring compliance with those policies across the Group. Group Treasury manages the Group's liquidity and funding positions in accordance with the Group's Liquidity Policy and supporting standards, and has ultimate authority to execute liquidity and funding decisions should the Group Contingency Funding Plan be activated. Risk Management provides oversight of the Group's liquidity and funding risks, compliance with Group policies and manages the Group's relationship with prudential regulators.

Subsidiaries within the Group apply their own liquidity and funding strategies to address their specific needs. The Group's New Zealand banking subsidiary, ASB, manages its own domestic liquidity and funding needs in accordance with its own liquidity policy and the policies of the Group. ASB's liquidity policy is also overseen by the RBNZ.

Liquidity and Funding Policies and Management

The Group's liquidity and funding policies provide that:

- An excess of liquid assets over the minimum prescribed under APRA's LCR requirement is maintained. Australian ADIs are required to meet a 100% LCR, calculated as the ratio of high quality liquid assets to 30 day net cash outflows projected under a prescribed stress scenario;
- A surplus of stable funding from various sources, as measured by APRA's Net Stable Funding Ratio (NSFR), is maintained. The NSFR is calculated by applying factors prescribed by APRA to assets and liabilities to determine a ratio of required stable funding to available stable funding which must be greater than 100%;
- Additional funding and liquidity metrics are calculated and stress tests additional to the LCR are run;
- Short and long-term wholesale funding limits are established, monitored and reviewed regularly;
- The Group's wholesale funding market capacity is regularly assessed and used as a factor in funding strategies;
- Liquid assets are held in Australian dollar and foreign currency denominated securities in accordance with expected requirements;
- The Group has three categories of liquid assets within its domestic liquid assets portfolio. The first includes cash, government and Australian semi-government securities. The second includes Negotiable Certificates of Deposit, bank term securities, supranational bonds, Australian Residential Mortgage Backed Securities (RMBS) and other securities that meet RBA criteria for purchases under repurchase agreements. The final category is internal RMBS, being mortgages that have been securitised but retained by the Bank, that are repo-eligible with the RBA either using the Committed Liquidity Facility (CLF) or under the Exceptional Liquidity Assistance (ELA) arrangements. The CLF will be phased out by the end of calendar year 2022 and the Group has increased its levels of internal RMBS to meet APRA's new requirements with regards to holdings of contingent liquidity for periods of stress; and
- Offshore branches and subsidiaries adhere to liquidity policies and hold appropriate foreign currency liquid assets to meet required regulations. Material banking subsidiaries are required to maintain an LCR of at least 100%.

The Group's key funding tools include:

- Consumer retail funding base, which includes a wide range of retail transaction accounts, savings accounts and term deposits for individual consumers;
- Small business customer and institutional deposit base;
- Wholesale domestic and international funding programmes, which include Australian dollar Negotiable Certificates of Deposit, US and Euro Commercial Paper programmes, Australian dollar Domestic Debt Programme, US Medium-Term Note Programmes, Euro Medium-Term Note Programme, multi-jurisdiction Covered Bond programme and Medallion securitisation programmes; and
- Access to the RBA Term Funding Facility (TFF) and RBNZ term lending facilities.

The Group's key liquidity tools include:

- A liquidity management model that implements the established prudential liquidity requirements. This model is calibrated with a series of 'stress' liquidity crisis scenarios, incorporating both systemic and idiosyncratic crisis assumptions, such that the Group will have sufficient liquid assets available to ensure it meets all of its obligations as and when they fall due;
- An additional liquidity management model that allows forecasting of liquidity needs on a daily basis;
- A regulatory liquidity management reporting system delivering granular customer and product type information to inform business decision making, product development and resulting in a greater awareness of the liquidity risk-adjusted value of banking products;
- Holdings of HQLA, alternative liquid assets and internal RMBS which are eligible for repurchase with the Central Bank that provide the Group with the ability to borrow funds on a secured basis, even when normal funding markets are unavailable; and
- A robust Contingency Funding Plan that is regularly tested so that it can be quickly activated when required.

5.2 Counterparty and Other Credit Risk Exposures

Leveraged Finance

The Group provides leveraged finance to companies. This can include companies acquired or owned by private equity sponsors which can be highly leveraged, primarily domiciled in Australia and New Zealand and exhibit stable and established earnings providing the ability to reduce borrowing levels. The Group's exposure to firms owned by private equity sponsors is diversified across industries and private equity sponsors. Leveraged debt facilities provided to private equity sponsors are typically senior with first ranking security over the cash flows and assets of the businesses.

Hedge Funds

There were no material movements in exposures to hedge funds during the current year and these exposures are not considered to be material.

Collateralised Debt Obligations (CDOs) and Credit Linked Notes

The Group has no material direct or indirect exposure to CDOs or credit linked notes.

6. Other Information

6.1 Intangible Assets

	As at		
	30 Jun 22	31 Dec 21	30 Jun 21
	$M	$M	$M
Goodwill			
Purchased goodwill at cost	**5,295**	5,295	5,317
Closing balance	**5,295**	5,295	5,317
Computer Software Costs			
Cost	**4,568**	4,697	4,236
Accumulated amortisation	**(3,159)**	(3,112)	(2,809)
Closing balance	**1,409**	1,585	1,427
Brand Names [1]			
Cost	**186**	186	186
Closing balance	**186**	186	186
Other Intangibles			
Cost	**9**	7	50
Accumulated amortisation	**–**	–	(38)
Closing balance	**9**	7	12
Total intangible assets	**6,899**	7,073	6,942

1 Brand names include the value of royalty costs foregone by the Group through acquiring the Bankwest brand name. The royalty costs that would have been incurred by an entity using the Bankwest brand name are based on an annual percentage of income generated by Bankwest. The Bankwest brand name has an indefinite useful life, as there is no foreseeable limit to the period over which the brand name is expected to generate cash flows. The brand name is not subject to amortisation, but requires annual impairment testing. No impairment was recognised during the year.

Appendices (continued)

6.2 ASX Appendix 4E

Details of entities over which control was gained and lost during the period (Rule 4.3A Item No. 10)

On 10 September 2021, the Group ceased control over East TopCo Limited.

On 1 December 2021, the Group ceased control over the following entities: Avanteos Investments Limited, CFS Seeding Trust, Colonial First State Investments Limited, Superannuation and Investments FinCo Pty Limited, Superannuation and Investments Management Pty Limited, Superannuation and Investments MidCo Pty Limited, Superannuation and Investments Services Pty Limited, Superannuation and Investments HoldCo Pty Limited, and Superannuation and Investments US LLC.

Details of Associates and Joint Ventures (Rule 4.3A Item No. 11)

As at 30 June 2022	Ownership Interest Held (%)
Aegis Securitisation Nominees Pty Ltd	50%
Payble Pty Ltd	49%
Superannuation and Investments HoldCo Pty Limited	45%
Lendi Group Pty Ltd	42%
Countplus Limited	36%
Amber Electric Pty Ltd	29%
More Telecom Pty Ltd	25%
Tangerine Telecom Pty Ltd	25%
PEXA Group Limited	24%
Carousale Pty Ltd	23%
Gift Card Co Pty Ltd	22%
Trade Window Holdings Limited	22%
AXIS IP Pty Ltd	20%
Vietnam International Commercial Joint Stock Bank	20%
Australian Business Growth Fund Pty Ltd	19%
Payments NZ Limited	19%
Silicon Quantum Computing Pty Ltd	17%
Lygon 1B Pty Ltd	16%
Qilu Bank Co., Ltd.	16%

6.2 ASX Appendix 4E (continued)

Other Significant Information (Rule 4.3A Item No 12)

Subsequent events

Dividend Reinvestment Plan (DRP)

The Bank expects the DRP for the final dividend for the year ended 30 June 2022 will be satisfied in full by an on-market purchase of shares of approximately $600 million.

Investment in Klarna

The Group invested an additional $47 million into Klarna as part of their US$800 million capital raise executed on 11 July 2022.

Completed transactions

BoCommLife

On 23 May 2018, the Group announced the sale of its 37.5% equity interest in BoCommLife Insurance Company Limited (BoCommLife) to MS&AD Insurance Group Holdings (MS&AD), the ultimate parent company of Mitsui Sumitomo Insurance Co.

The sale of BoCommLife completed on 10 December 2020, resulting in a post-tax gain of $369 million (net of transaction costs) recognised during the half year ended 31 December 2020.

Life insurance business in Australia

On 21 September 2017, the Group entered into an agreement to sell 100% of its life insurance businesses in Australia (CommInsure Life) to AIA Group Limited (AIA).

On 1 November 2019, the Group announced the implementation of a joint cooperation agreement (JCA) which resulted in the full economic interests associated with CommInsure Life being transferred to AIA and AIA obtaining direct management and control of the business (excluding in relation to the Group's 37.5% equity interest in BoCommLife). As a result, CommInsure Life (excluding BoCommLife) was deconsolidated and derecognised on 1 November 2019.

The Group recognised a total post-tax loss of $316 million on the deconsolidation of CommInsure Life. This includes a $116 million post-tax loss on deconsolidation, net of transaction and separation costs recognised during the half year ended 31 December 2019. Post-tax transaction and separation costs of $82 million and $118 million were recognised during the years ended 30 June 2019 and 30 June 2018, respectively.

The sale was completed via a statutory asset transfer on 1 April 2021, and all proceeds have been received.

Australian Investment Exchange

On 28 April 2020, the Group announced the sale of its subsidiary, Australian Investment Exchange Limited (AUSIEX), to Nomura Research Institute (NRI). AUSIEX trades under the brand name CommSec Advisor Services. The sale completed on 3 May 2021, resulting in a post-tax gain of $49 million (net of transaction and separation costs). This includes $23 million of transaction and separation costs recognised during the year ended 30 June 2020. As AUSIEX did not constitute a major line of the Group's business, it was not classified as a discontinued operation.

Aussie Home Loans

On 16 December 2020, the Group entered into an agreement to merge Aussie Home Loans with Lendi, an online home loan platform. The sale completed on 3 May 2021, resulting in a post-tax gain of $253 million (net of transaction and separation costs). Upon completion, the Group retained a 44% shareholding in the combined business. Subsequently, on 7 May 2021, the Group sold a portion of its investment, reducing its shareholding to 42%. As Aussie Home Loans did not constitute a major line of the Group's business, it was not classified as a discontinued operation.

Commonwealth Financial Planning

On 28 July 2021, the Group entered into an agreement with AIA Australia for a partial transfer of the Commonwealth Financial Planning (CFP) business to AIA Financial Services Limited. The transaction completed on 30 November 2021. On 26 October 2021, the Group announced the closure of the remaining CFP business effective from 30 November 2021. During the year ended 30 June 2022, the Group recognised a post-tax loss of $73 million mainly related to the write-down of customer receivables and the provision for employee redundancy payments.

Colonial First State

On 13 May 2020, the Group entered into an agreement to sell a 55% interest in Colonial First State (CFS) to KKR. The sale completed on 1 December 2021, resulting in a post-tax gain of $840 million (net of transaction and separation costs). Post-tax transaction and separation costs of $47 million and $137 million were recognised during the years ended 30 June 2021 and 30 June 2020. The Group has retained a 45% interest in the parent entity of the CFS business, Superannuation and Investments HoldCo Pty Limited, which is accounted for as an investment in a joint venture.

Bank of Hangzhou

On 1 March 2022, the Group announced the sale of a 10% shareholding in Bank of Hangzhou Co., Ltd (HZB) to Hangzhou Urban Construction and Investment Group Co., Ltd and Hangzhou Communications Investment Group Co., Ltd, which are entities majority owned by the Hangzhou Municipal Government. As part of this sale, the Group agreed with HZB to retain its remaining shareholding in HZB of approximately 5.6% until at least 28 February 2025. The sale completed on 30 June 2022, resulting in a post-tax gain of $299 million (net of transaction and separation costs and including the gain on reclassification of the retained 5.6% interest from Investment in Associates to investments at fair value through Other Comprehensive Income).

Ongoing transactions

CommInsure General Insurance

On 21 June 2021, the Group announced the sale of CommInsure General Insurance to Hollard Insurance Company Pty Ltd (Hollard). As part of the sale, the Group established an exclusive 15-year strategic alliance with Hollard for the distribution of home and motor vehicle insurance products. On completion, the Group is expected to receive proceeds of approximately $625 million, subject to completion adjustments, together with deferred business milestone payments and additional investment from Hollard throughout the 15-year strategic alliance. Regulatory approvals have been received and the sale is expected to complete in the second half of calendar year 2022. As CommInsure General Insurance did not constitute a major line of the Group's business, it was not classified as a discontinued operation. The assets and liabilities of the business were reclassified to held for sale as at 31 December 2021.

6.2 ASX Appendix 4E (continued)

Customer remediation

Provisions for customer remediation require significant levels of estimation and judgement. The amount raised depends on a number of different assumptions, such as the number of years impacted, the forecast refund rate and the average cost per case. The Group is committed to comprehensively and efficiently addressing the full range of remediation issues impacting customers of the Banking and former Wealth Management businesses. Significant resources have been committed to a comprehensive program of work, to ensure that all issues are identified and addressed.

Aligned Advice remediation – ongoing service fees

Aligned advisors were not employed by the Group but were representatives authorised to provide financial advice under the licences of the Group's subsidiaries, Financial Wisdom Limited (FWL), Count Financial Limited (Count Financial) and Commonwealth Financial Planning Limited-Pathways (CFP-Pathways). The Group completed the sale of Count Financial to CountPlus Limited (CountPlus) on 1 October 2019, and ceased providing licensee services through CFP-Pathways and Financial Wisdom in March and June 2020, respectively. The Bank entered into reimbursement agreements with Financial Wisdom and CFP-Pathways, and an indemnity deed with CountPlus, to cover potential remediation of past issues including ongoing service fees charged where no service was provided. For details on the reimbursement agreements and the indemnity deed, refer to Note 11.2 in the 2022 Annual Report.

During the year ended 30 June 2022, the Group recognised an increase in the provision for Aligned Advice remediation issues and program costs of $53 million, including ongoing service fees charged where no service was provided. In addition, the Group paid $104 million customer refunds and utilised $73 million of program costs during the year ended 30 June 2022. As at 30 June 2022, the provision held by the Group in relation to Aligned Advice remediation was $894 million (30 June 2021: $1,018 million). The provision includes $446 million for customer fee refunds (30 June 2021: $468 million), $367 million for interest on fees subject to refunds (30 June 2021: $423 million) and $81 million for costs to implement the remediation program (30 June 2021: $127 million). The Group's estimate of the proportion of fees to be refunded is based on sample testing and allows for a threshold below which customers will be automatically refunded without a detailed assessment. It assumes an average gross refund rate across the licensees of 42% (30 June 2021: 39%). This compares to a refund rate of 22%, which was paid for our salaried advisors. An increase/(decrease) in the refund rate by 1% would result in an increase/(decrease) in the provision of approximately $20 million. The Group continues to engage with ASIC in relation to its remediation approach.

Banking and other Wealth customer remediation

As at 30 June 2022, the provision held by the Group in relation to Banking and other Wealth Management customer remediation programs was $174 million (30 June 2021: $191 million).

The provision for Banking remediation includes an estimate of customer refunds (including interest) relating to business and retail banking products (including bank guarantees, cash deposit accounts, merchants billing and certain other lending products), and the related program costs. The wealth remediation provision includes an estimate of customer refunds (including interest) relating to advice quality, the Consumer Credit Insurance products, certain superannuation and other products, and the related program costs.

Litigation, investigations and reviews

The Group is party to a number of legal proceedings, and the subject of various investigations and reviews. Provisions have been raised in accordance with the principles outlined in the accounting policy section of this note.

Litigation

The main litigated claims against the Group as at 30 June 2022 are summarised below.

Shareholder class actions

In October 2017 and June 2018 two separate shareholder class action proceedings were filed against CBA in the Federal Court of Australia, alleging breaches of CBA's continuous disclosure obligations and misleading and deceptive conduct in relation to the subject matter of the civil penalty proceedings brought against CBA by the Australian Transaction Reports and Analysis Centre (AUSTRAC). The AUSTRAC proceedings concerned contraventions of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth).

The resolution of the AUSTRAC civil penalty proceedings was approved by the Federal Court on 20 June 2018 with CBA paying a penalty of $700 million and legal costs.

It is alleged in the class actions that CBA shareholders who acquired an interest in CBA shares between 16 June 2014 and 3 August 2017 suffered losses as a result of the alleged conduct. The two class actions are being case managed together, with a single harmonised statement of claim. CBA denies the allegations made against it, and it is currently not possible to determine the ultimate impact of these claims, if any, on the Group. The Group has provided for legal costs expected to be incurred in the defence of the claims. A mediation is due in September 2022 and a trial is due to commence on 7 November 2022.

Superannuation class actions

The Group is also defending three class action claims in relation to superannuation products. The fourth superannuation class action was recently settled and the settlement has been approved by the Court.

On 9 October 2018, a class action was filed against Colonial First State Investments Limited (CFSIL) and CBA in the Federal Court of Australia. The claim initially related to investment in cash and deposit options (which are cash and deposit products provided by CBA) in the Colonial First State First Choice Superannuation Trust (FirstChoice Fund) and Commonwealth Essential Super and later expanded to join Avanteos Investments Limited (AIL) as a party in respect of claims regarding the FirstWrap Pooled Cash Account.

6.2 ASX Appendix 4E (continued)

The main claims are that members that invested in these cash and deposit options received lower interest rates than they could have received had CFSIL/AIL offered similar products made available in the market by another bank with comparable risk and that CFSIL/AIL retained the margin that arises through the internal transfer pricing process in respect of deposits made with CBA, for their own benefit. It is claimed CFSIL/AIL breached their duties as a trustee of the funds, CFSIL breached its duties as a Responsible Entity of the underlying managed investment schemes and that CBA was involved in CFSIL/AIL's breaches. CBA, CFSIL and AIL deny the allegations and are defending the proceedings. The Court has ordered that mediation occur by 13 October 2023.

On 18 October 2019, a second class action was commenced against CFSIL in the Federal Court of Australia. The claim relates to certain fees charged to members of the FirstChoice Fund. It is alleged that CFSIL breached its duties as trustee and acted unconscionably because it failed, between 2013 and 2019, to take steps to avoid the payment of grandfathered commissions to financial advisers, which would have resulted in a reduction of the fees paid by members in respect of whom those commissions were paid. CFSIL denies the allegations and is defending the proceedings. Mediation in this matter is likely in the first quarter of 2023 and a trial is set to commence on 7 August 2023.

On 24 October 2019, a third class action was filed against CFSIL and a former executive director of CFSIL in the Federal Court of Australia, relating to alleged contraventions of statutory obligations under superannuation law and trustee breaches in the period between 2013 and 2017. The class action relates to the transfer of certain default balances held by members of FirstChoice Employer Super to a MySuper product. The key allegation is that members should have been transferred to a MySuper product earlier than they were, and that the alleged failure to effect the transfer as soon as reasonably practicable caused affected members to pay higher fees and receive lower investment returns during the period of delay. The settlement of the class action, which was achieved at mediation, was approved by the Federal Court of Australia on 20 June 2022. In resolving the litigation, CFSIL and its former director made no admissions of liability or wrongdoing.

On 22 January 2020, a fourth class action was filed against CFSIL and The Colonial Mutual Life Assurance Society Limited (CMLA) in the Federal Court of Australia. On 22 October 2021, AIA Australia Limited (AIAA), who from 1 April 2021 was liable for and assumed certain liabilities of CMLA under a life insurance scheme pursuant to Part 9 of the Life Insurance Act 1995 (Cth) (Part 9 Scheme), was joined as a third respondent to the class action. The class action alleges that CFSIL did not act in the best interests of members and breached its trustee duties when taking out group insurance policies obtained from CMLA. The key allegation is that CFSIL entered into and maintained insurance policies with CMLA on terms that were less favourable to members than would have reasonably been available in the market. It is alleged that CMLA was knowingly involved in CFSIL's contraventions as trustee and profited from those contraventions. CFSIL, CMLA and AIAA deny the allegations and are defending the proceedings.

On 1 December 2021, the Group completed the sale of a 55% interest in Colonial First State (CFS) to KKR. CBA has assumed carriage of the four superannuation class actions proceedings on CFSIL's and AIL's behalf subject to the terms of a conduct indemnity deed between CBA, CFSIL and AIL.

The Group has provided for certain legal and other costs associated with its obligations under the indemnity deed.

Advice class actions

On 21 August 2020, a class action was filed in the Federal Court of Australia against Commonwealth Financial Planning Limited (CFP), FWL and CMLA. The claim relates to certain CommInsure (CMLA) life insurance policies recommended by financial advisers appointed by CFP and FWL during the period from 21 August 2014 to 21 August 2020. On 16 November 2021, AIAA (who from 1 April 2021 was liable for and assumed certain liabilities of CMLA under the Part 9 Scheme) was joined as a fourth respondent to the class action. The key allegations include that CFP and FWL or their financial advisers breached their fiduciary duties to their clients, breached their duty to act in the best interest of their clients, and had prioritised their own interests (and the interests of CFP, FWL and CMLA) over the interest of their clients, in recommending certain CMLA life insurance policies in preference to substantially equivalent or better policies available at lower premiums from third party insurers. It is also alleged that CMLA knew the material facts giving rise to the breaches of fiduciary duty. CFP, FWL, CMLA and AIAA are defending the proceedings.

On 24 August 2020 a class action was commenced against Count Financial in the Federal Court of Australia. The proceeding relates to commissions paid to Count Financial and its authorised representative financial advisers in respect of financial products (including insurance) and certain obligations of its financial advisers to provide ongoing advice in the period from 21 August 2014 to 21 August 2020. The claim also includes allegations (related to the receipt of commissions) that Count Financial engaged in misleading or deceptive conduct, and that Count Financial and its authorised representatives breached fiduciary duties owed to the applicant and group members. The claim seeks compensation and damages from Count Financial, including any profits resulting from the contraventions.

Count Financial was a wholly owned subsidiary of CBA until 1 October 2019, when it was acquired by CountPlus Limited. CBA has assumed the conduct of the defence in this matter on Count Financial's behalf. Count Financial is defending the proceedings.

It is currently not possible to determine the ultimate impact of these claims, if any, on the Group. The Group has provided for legal costs expected to be incurred in the defence of these claims.

US BBSW class action

In 2016, a class action was commenced in the United States District Court in New York against CBA, other banks and two brokers, claiming a conspiracy among competitors to manipulate the BBSW benchmark for mutual gain. The claims include allegations that United States racketeering and antitrust legislation have been contravened.

6.2 ASX Appendix 4E (continued)

On 11 December 2021, CBA entered into a settlement agreement with the plaintiffs to settle the action (following an earlier in-principle agreement being reached on 21 March 2021). The settlement was made without admission of liability and is subject to Court approval. The final approval hearing is scheduled to occur on 1 November 2022.

The Group has provided for legal costs expected to be incurred in the matter and the agreed settlement sum.

Consumer credit insurance (CCI) class action

On 10 June 2020, a class action was commenced against CBA and CMLA in the Federal Court of Australia. The claim relates to consumer credit insurance for credit cards and personal loans that was sold between 1 January 2010 and 7 March 2018. On 1 April 2022, AIAA (who from 1 April 2021 was liable for and assumed certain liabilities of CMLA under the Part 9 Scheme) was joined as a third respondent to the class action. The class action alleges that CBA and CMLA engaged in unconscionable and misleading or deceptive conduct, failed to act in the best interests of customers and provided them with inappropriate advice. In particular, it is alleged that some customers were excluded from claiming certain benefits under the policies and the insurance was therefore unsuitable or of no value. Allegations are also made in relation to the manner in which the insurance was sold. CBA, CMLA and AIAA deny the allegations and are defending the proceedings. The court has ordered that mediation occur by 12 October 2022. The matter has been listed for trial commencing in June 2023.

It is currently not possible to determine the ultimate impact of this claim, if any, on the Group. The Group has provided for legal costs expected to be incurred in the defence of this claim.

ASB class action

Proceedings were served on CBA subsidiary ASB Bank Limited (ASB) on 29 September 2021 by plaintiffs seeking to bring a representative action on behalf of a class of plaintiffs against ASB in the High Court of New Zealand, Auckland Registry. These proceedings relate to ASB's variation disclosure obligations under the Credit Contracts and Consumer Finance Act 2003. On 29 July 2022 the Court granted leave for the plaintiffs to bring the action against ASB as an opt out representative action on behalf of a class, being customers who had a home or personal loan with ASB between 6 June 2015 and 18 June 2019 and who requested a variation to such loan during such time period. The plaintiffs are seeking a range of relief including that ASB is not entitled to retain costs of borrowing and fees for the period during which the plaintiffs allege that ASB did not provide requisite disclosure under the Act. ASB is defending the proceedings.

It is currently not possible to determine the ultimate impact of this claim, if any, on the Group. The Group has provided for legal costs expected to be incurred in the defence of this claim.

Regulatory enforcement proceedings

Commonwealth Essential Super proceedings

On 22 June 2020, the Australian Securities and Investments Commission (ASIC) commenced civil penalty proceedings against CFSIL and CBA in the Federal Court of Australia for alleged contraventions of the conflicted remuneration provisions in the Corporations Act relating to the arrangements between CFSIL and CBA for the distribution of Commonwealth Essential Super. Commonwealth Essential Super is a MySuper product issued by CFSIL.

CBA filed its defence to the proceedings on 24 August 2020 and CFSIL filed its defence on 25 August 2020. CBA and CFSIL deny the allegations and are defending the proceedings. The hearing on the question of liability concluded on 6 May 2022 with judgment reserved.

It is currently not possible to determine the ultimate impact of this claim, if any, on the Group. The Group has provided for legal costs expected to be incurred in relation to this matter.

CommSec/AUSIEX proceedings

On 1 March 2021, ASIC commenced proceedings against Commonwealth Securities Limited (CommSec) and Australian Investment Exchange Limited (AUSIEX) in the Federal Court of Australia. The proceedings relate to a number of issues including regulatory data requirements, trade confirmations requirements, client monies and brokerage issues. The hearing to determine penalties concluded on 3 March 2022 with judgment reserved. CommSec and AUSIEX did not defend the proceedings. CommSec and AUSIEX have also agreed to enter into a court-ordered compliance program.

AUSIEX was a subsidiary of the CBA Group until 3 May 2021. CBA has assumed carriage of the proceedings on AUSIEX's behalf.

It is currently not possible to determine the ultimate impact of this claim on the Group. The Group has provided for legal costs expected to be incurred and the potential penalty in relation to this matter.

Monthly Account Fees proceedings

On 31 March 2021, ASIC commenced proceedings against CBA in the Federal Court of Australia. The proceedings relate to errors by CBA between 1 June 2010 and 11 September 2019 where monthly account fee waivers were not applied to accounts for certain customers. ASIC is alleging contraventions of certain misleading and deceptive conduct provisions of the ASIC Act and breaches of the general obligations under the Corporations Act. CBA does not accept the way the alleged contraventions have been formulated in the proceedings and is defending the proceedings. A hearing on the question of liability has been listed for 4 October 2022.

It is currently not possible to determine the ultimate impact of this claim, if any, on the Group. The Group has provided for legal costs expected to be incurred in relation to this matter.

CCI proceedings

On 16 September 2021, ASIC commenced criminal proceedings against CBA in the Federal Court of Australia.

A sentencing hearing was held on 29 October 2021 where CBA pleaded guilty to the 30 charges. The proceedings relate to false or misleading representations made to 165 customers from 2011 to 2015 in contravention of the ASIC Act when CBA did not adequately disclose to those customers at the point of sale that they were not eligible for certain benefits under the CCI policies because of their employment status.

The penalty amount is to be decided by the Court. It is currently not possible to determine the ultimate impact of this claim on the Group.

6.2 ASX Appendix 4E (continued)

Fair Work Ombudsman (FWO) proceedings

In October 2021, the Fair Work Ombudsman (FWO) commenced civil penalty proceedings in the Federal Court of Australia against CBA and CommSec, alleging contraventions of the Fair Work Act 2009 (Cth) (Fair Work Act). The proceedings follow an investigation by FWO of the Group's employee entitlement review (EER) and potential breaches by CBA and its related entities, including CommSec, of the Group's current and previous enterprise agreements and of the Fair Work Act. CBA self-disclosed these matters in the EER to the FWO.

CBA and CommSec have cooperated fully with the FWO's investigation. It is currently not possible to determine the ultimate impact of this claim on the Group. The Group has provided for legal costs expected to be incurred in relation to this matter.

CBA's broad remediation review of employee entitlements for current and former employees is substantially completed. We continue to update the FWO on the status of review. The Group holds a provision for remediation and program costs related to the EER.

Ongoing regulatory investigations and reviews

The Group undertakes ongoing compliance activities, including breach reporting, reviews of products, advice, conduct and services provided to customers, as well as interest, fees and premiums charged. Some of these activities have resulted in remediation programs and where required the Group consults with the relevant regulator on the proposed remediation action.

Provisions have been recognised by the Group where the criteria outlined in the accounting policy section of this note are satisfied. Contingent liabilities exist with respect to these matters where it is not possible to determine the extent of any obligation to remediate or the potential liability cannot be reliably estimated.

There are also ongoing matters where regulators are investigating whether CBA or a Group entity has breached laws or regulatory obligations. Where a breach has occurred, regulators are likely to impose, or apply to a Court for, fines and/or other sanctions. These matters include investigations of a number of issues which were notified to, or identified by, regulators.

In addition to possible regulatory actions and reviews, there may also be financial exposure to claims by customers, third parties and shareholders and this could include further class actions, customer remediation or claims for compensation or other remedies. The outcomes and total costs associated with such regulatory actions and reviews, and possible claims remain uncertain.

Other regulatory matters

The following matters were significant regulatory investigations and reviews, which have been completed, but have resulted in ongoing action required by the Group.

Enforceable undertaking to ASIC (foreign exchange)

In December 2016, CBA provided an enforceable undertaking (EU) to ASIC arising from an investigation into wholesale spot foreign exchange (FX) trading between 2008 and 2013. ASIC accepted a variation to the EU on 16 October 2020. The EU included the engagement of an independent expert, to review and assess the changes we have made to our trading operating model in recent years, including in training, procedures and oversight.

The EU also included a voluntary contribution of $2.5 million to support the further development of financial literacy education relating to changes to delivery of care in the aged care sector. CBA continues to implement the terms of the varied EU.

Prudential inquiry into CBA and enforceable undertaking to APRA

On 28 August 2017, APRA announced it would establish an independent prudential inquiry (the Inquiry) into the Group focusing on the governance, culture and accountability frameworks and practices within the Group.The final report of the Inquiry was released on 1 May 2018 (the Final Report). The Final Report made a number of findings regarding the complex interplay of organisational and cultural factors within the Group and the need for enhanced management of non-financial risks.

In response to the Final Report, the Group acknowledged that it would implement all of the recommendations and agreed to adjust its minimum operational risk capital requirements by an additional $1 billion (an impact to risk weighted assets of $12.5 billion) until such time as the recommendations are implemented to APRA's satisfaction.

CBA entered into an EU under which CBA's remedial action (Remedial Action Plan) in response to the Final Report was agreed and monitored regularly by APRA. The Remedial Action Plan provided a detailed program of change outlining how CBA would improve the way it runs its business, manages risk, and works with regulators. The Remedial Action Plan also provided a comprehensive assurance framework, with Promontory Australasia (Sydney) Pty Ltd (Promontory) having been appointed as the independent reviewer, which was required to report to APRA on the Group's progress against committed milestones quarterly.

On 12 October 2021 CBA released the thirteenth and final Promontory report. Promontory noted that as at September 2021 all milestones had been assessed as complete and effective and all recommendations closed. CBA continues to be focussed on sustaining and continuously improving Remedial Action Plan outcomes.

Financial crime compliance

As noted above, in 2018 the Group resolved the AUSTRAC proceedings relating to contraventions of anti-money laundering/counter-terrorism financing (AML/CTF) laws.

Recognising the crucial role that the Group plays in fighting financial crime, it continues to invest significantly in its financial crime capabilities, including in its central AML/CTF Compliance team, its business unit-led risk teams, regulatory and control operations team and through the Program of Action with coverage across all aspects of financial crime (including AML/CTF, sanctions and anti-bribery and corruption).

The Group provides updates to AUSTRAC on its Anti-Money Laundering and Counter-Terrorism Financing Program and related enhancements.

However, there is no assurance that AUSTRAC or the Group's other regulators will agree that the Group's enhancements to its financial crime compliance capabilities, including through the multi-year Program of Action, are adequate or will effectively enhance the Group's financial crime compliance programs across its business units and the jurisdictions in which it operates. Although the Group is not currently aware of any other enforcement action by other domestic or foreign regulators in respect of its financial crime compliance, the Group regularly engages with such regulators (including in respect of compliance matters) and there can be no assurance that the Group will not be subject to such enforcement actions in the future.

Appendices (continued)

6.2 ASX Appendix 4E (continued)

Enforceable undertaking to ASIC (BBSW)

On 21 June 2018, the Federal Court approved an agreement between CBA and ASIC to resolve proceedings concerning alleged market manipulation and unconscionable conduct in respect of the bank bill market. CBA paid a civil penalty of $5 million and a community benefit payment of $15 million to Financial Literacy Australia. It also agreed to pay ASIC's costs of the investigation and legal costs. The Group provided for these costs in an earlier period.

As part of the settlement CBA also entered into an EU with ASIC under which CBA undertook to engage an independent expert to assess changes it has made (and will make) to its policies, procedures, controls systems, training, guidance and framework for the monitoring and supervision of employees and trading in Prime Bank Bills and CBA's BBSW-referenced product businesses. CBA has developed and implemented an enhanced control framework as part of this program of work. CBA continues to implement the terms of the EU.

Enforceable undertaking to the Office of Australian Information Commissioner (OAIC)

In June 2019, the Australian Information and Privacy Commissioner (Commissioner) accepted an EU offered by CBA, which requires further enhancements to the management and retention of customer personal information within CBA and certain subsidiaries.

The EU follows CBA's work to address two incidents: one relating to the disposal by a third party of magnetic data tapes containing historical customer statements and the other relating to potential unauthorised internal user access to certain systems and applications containing customer personal information. CBA reported the incidents to the Commissioner in 2016 and 2018 respectively and has since addressed these incidents. CBA found no evidence that as a result of these incidents, its customers' personal information was compromised or that there have been any instances of unauthorised access by CBA employees or third parties.

The Group has provided for certain costs associated with implementation and compliance with the EU provided to the Commissioner.

Other matters

Exposures to divested businesses

The Group has potential exposures to divested businesses, including through the provision of services, warranties and indemnities. These exposures may have an adverse impact on the Group's financial performance and position. The Group has recognised provisions where payments in relation to the exposures are probable and reliably measurable.

Foreign Entities (Rule 4.3A Item No. 13)

Not applicable.

Compliance Statement (Rule 4.3A Item No. 15)

This preliminary final report for the year ended 30 June 2022 is prepared in accordance with the ASX listing rules. It should be read in conjunction with any announcements to the market made by the Group during the year. PricewaterhouseCoopers has audited the financial statements contained within the Commonwealth Bank of Australia Annual Report and has issued an unmodified audit report. The Annual Report has been published together with the preliminary report. This preliminary final report has not been subject to audit by PricewaterhouseCoopers. The preceding financial information contained in the Financial Statements section of this preliminary final report includes financial information extracted from the audited financial statements together with financial information that has not been audited.

6.3 Profit Reconciliation

Non-cash items are excluded from net profit after tax ("cash basis"), which is management's preferred measure of the Group's financial performance, as they tend to be non-recurring in nature or are not considered representative of the Group's ongoing financial performance. The impact of these items on the Group's net profit after tax ("statutory basis") is outlined below and treated consistently with the prior financial year. A description of these items is provided below.

	Full Year Ended 30 June 2022			
Profit Reconciliation	**Net profit after tax "cash basis" $M**	Gain/(loss) on disposal and acquisition of controlled entities [1] $M	Hedging and IFRS volatility $M	**Net profit after tax "statutory basis" $M**
Group				
Interest income [2]	**24,293**	–	–	**24,293**
Interest expense	**(4,820)**	–	–	**(4,820)**
Net interest income	**19,473**	–	–	**19,473**
Other banking income	**5,215**	72	175	**5,462**
Total banking income	**24,688**	72	175	**24,935**
Funds management income	**135**	–	–	**135**
Insurance income	**73**	–	–	**73**
Total operating income	**24,896**	72	175	**25,143**
Operating expenses	**(11,635)**	(181)	–	**(11,816)**
Loan impairment benefit	**357**	–	–	**357**
Net profit before tax	**13,618**	(109)	175	**13,684**
Corporate tax (expense)/benefit	**(4,023)**	79	(67)	**(4,011)**
Net profit after income tax from continuing operations	**9,595**	(30)	108	**9,673**
Net profit after income tax from discontinued operations [3]	**113**	985	–	**1,098**
Net profit after income tax	**9,708**	955	108	**10,771**

1 These amounts include post-completion adjustments (such as purchase price adjustments, and finalisation of accounting adjustments for goodwill and foreign currency reserves recycling), and transaction and separation costs associated with the previously announced divestments.
2 Interest income includes total Effective interest income and Other interest income.
3 Statutory net profit after income tax from discontinued operations is presented net of non-controlling interests.

Gain/(Loss) on disposal and acquisition of controlled entities

Gains and losses on these transactions are inclusive of foreign exchange impacts, impairments, restructuring, separation and transactions costs and cover both controlled businesses and associates.

Hedging and IFRS volatility

Hedging and IFRS volatility represents timing differences between fair value movements on qualifying economic hedges and the underlying exposure. They do not affect the Group's performance over the life of the hedge relationship, and are recognised over the life of the hedged transaction. To qualify as an economic hedge the terms and/or risk profile must match or be substantially the same as the underlying exposure.

6.3 Profit Reconciliation (continued)

Profit Reconciliation	Net profit after tax "cash basis" $M	Gain/(loss) on disposal and acquisition of controlled entities [2] $M	Hedging and IFRS volatility $M	Net profit after tax "statutory basis" $M
	Full Year Ended 30 June 2021 [1]			
Group				
Interest income [3]	**25,121**	–	–	**25,121**
Interest expense	**(5,819)**	–	–	**(5,819)**
Net interest income	**19,302**	–	–	**19,302**
Other banking income	**4,544**	242	16	**4,802**
Total banking income	**23,846**	242	16	**24,104**
Funds management income	**165**	–	–	**165**
Insurance income	**145**	–	–	**145**
Total operating income	**24,156**	242	16	**24,414**
Operating expenses	**(11,359)**	(126)	–	**(11,485)**
Loan impairment expense	**(554)**	–	–	**(554)**
Net profit before tax	**12,243**	116	16	**12,375**
Corporate tax (expense)/benefit	**(3,590)**	67	(9)	**(3,532)**
Net profit after income tax from continuing operations	**8,653**	183	7	**8,843**
Net profit after income tax from discontinued operations [4]	**148**	1,190	–	**1,338**
Net profit after income tax	**8,801**	1,373	7	**10,181**

1 Comparative information has been restated to reflect the prior period restatements. For further details refer to Note 1.1 in the 2022 Annual Report.
2 These amounts include post-completion adjustments (such as purchase price adjustments, and finalisation of accounting adjustments for goodwill and foreign currency reserves recycling), and transaction and separation costs associated with the previously announced divestments.
3 Interest income includes total Effective interest income and Other interest income.
4 Statutory net profit after income tax from discontinued operations is presented net of non-controlling interests.

6.3 Profit Reconciliation (continued)

Profit Reconciliation	Net profit after tax "cash basis" $M	Gain/(loss) on disposal and acquisition of controlled entities [1] $M	Hedging and IFRS volatility $M	Net profit after tax "statutory basis" $M
	Half Year Ended 30 June 2022			
Group				
Interest income [2]	**12,294**	–	–	**12,294**
Interest expense	**(2,569)**	–	–	**(2,569)**
Net interest income	**9,725**	–	–	**9,725**
Other banking income	**2,856**	(11)	198	**3,043**
Total banking income	**12,581**	(11)	198	**12,768**
Funds management income	**55**	–	–	**55**
Insurance income	**55**	–	–	**55**
Total operating income	**12,691**	(11)	198	**12,878**
Operating expenses	**(6,047)**	(75)	–	**(6,122)**
Loan impairment benefit	**282**	–	–	**282**
Net profit before tax	**6,926**	(86)	198	**7,038**
Corporate tax (expense)/benefit	**(2,077)**	45	(74)	**(2,106)**
Net profit after income tax from continuing operations	**4,849**	(41)	124	**4,932**
Net profit after income tax from discontinued operations [3]	**13**	(44)	–	**(31)**
Net profit after income tax	**4,862**	(85)	124	**4,901**

1 These amounts include post-completion adjustments (such as purchase price adjustments, and finalisation of accounting adjustments for goodwill and foreign currency reserves recycling), and transaction and separation costs associated with the previously announced divestments.
2 Interest income includes total Effective interest income and Other interest income.
3 Statutory net profit after income tax from discontinued operations is presented net of non-controlling interests.

6.4 Analysis Template

	Full Year Ended [1]		Half Year Ended [1]	
	30 Jun 22	30 Jun 21	**30 Jun 22**	31 Dec 21
Ratios - Output Summary (continuing operations basis)	**$M**	$M	**$M**	$M
Earnings Per Share (EPS)				
Net profit after tax - "cash basis"	**9,595**	8,653	**4,849**	4,746
Average number of shares (M) - "cash basis"	**1,722**	1,771	**1,704**	1,740
Earnings Per Share basic - "cash basis" (cents)	**557. 1**	488. 5	**284. 5**	272. 8
Net profit after tax - "statutory basis"	**9,673**	8,843	**4,932**	4,741
Average number of shares (M) - "statutory basis"	**1,722**	1,771	**1,704**	1,740
Earnings Per Share basic - "statutory basis" (cents)	**561. 7**	499. 2	**289. 4**	272. 5
Interest expense (after tax) - PERLS VII	**49**	46	**25**	24
Interest expense (after tax) - PERLS VIII	**12**	42	**–**	12
Interest expense (after tax) - PERLS IX	**37**	50	**12**	25
Interest expense (after tax) - PERLS X	**35**	35	**18**	17
Interest expense (after tax) - PERLS XI	**45**	44	**23**	22
Interest expense (after tax) - PERLS XII	**39**	37	**20**	19
Interest expense (after tax) - PERLS XIII	**25**	6	**13**	12
Interest expense (after tax) - PERLS XIV	**10**	–	**10**	–
Profit impact of assumed conversions (after tax)	**252**	260	**121**	131
Weighted average number of shares - PERLS VII (M)	**30**	44	**31**	30
Weighted average number of shares - PERLS VIII (M)	**4**	21	**–**	8
Weighted average number of shares - PERLS IX (M)	**12**	24	**9**	16
Weighted average number of shares - PERLS X (M)	**14**	20	**14**	14
Weighted average number of shares - PERLS XI (M)	**16**	24	**16**	16
Weighted average number of shares - PERLS XII (M)	**17**	24	**17**	16
Weighted average number of shares - PERLS XIII (M)	**12**	4	**12**	12
Weighted average number of shares - PERLS XIV (M)	**4**	–	**9**	–
Weighted average number of shares - Employee share plans (M)	**2**	2	**2**	2
Weighted average number of shares - dilutive securities (M)	**111**	163	**110**	114
Net profit after tax - "cash basis"	**9,595**	8,653	**4,849**	4,746
Add back profit impact of assumed conversions (after tax)	**252**	260	**121**	131
Adjusted diluted profit for EPS calculation	**9,847**	8,913	**4,970**	4,877
Average number of shares (M) - "cash basis"	**1,722**	1,771	**1,704**	1,740
Add back weighted average number of shares (M)	**111**	163	**110**	114
Diluted average number of shares (M)	**1,833**	1,934	**1,814**	1,854
Earnings Per Share diluted - "cash basis" (cents)	**537. 3**	460. 7	**274. 0**	263. 0
Net profit after tax - "statutory basis"	**9,673**	8,843	**4,932**	4,741
Add back profit impact of assumed conversions (after tax)	**252**	260	**121**	131
Adjusted diluted profit for EPS calculation	**9,925**	9,103	**5,053**	4,872
Average number of shares (M) - "statutory basis"	**1,722**	1,771	**1,704**	1,740
Add back weighted average number of shares (M)	**111**	163	**110**	114
Diluted average number of shares (M)	**1,833**	1,934	**1,814**	1,854
Earnings Per Share diluted - "statutory basis" (cents)	**541. 5**	470. 6	**278. 5**	262. 8

1 Calculations are based on actual numbers prior to rounding to the nearest million.

Appendices (continued)

6.4 Analysis Template (continued)

Ratios - Output Summary (including discontinued operations)	Full Year Ended [1] 30 Jun 22 $M	30 Jun 21 $M	Half Year Ended [1] 30 Jun 22 $M	31 Dec 21 $M
Earnings Per Share (EPS)				
Net profit after tax - "cash basis"	**9,708**	8,801	**4,862**	4,846
Average number of shares (M) - "cash basis"	**1,722**	1,771	**1,704**	1,740
Earnings Per Share basic - "cash basis" (cents)	**563. 7**	496. 9	**285. 3**	278. 5
Net profit after tax - "statutory basis"	**10,771**	10,181	**4,901**	5,870
Average number of shares (M) - "statutory basis"	**1,722**	1,771	**1,704**	1,740
Earnings Per Share basic - "statutory basis" (cents)	**625. 4**	574. 8	**287. 6**	337. 4
Interest expense (after tax) - PERLS VII	**49**	46	**25**	24
Interest expense (after tax) - PERLS VIII	**12**	42	**–**	12
Interest expense (after tax) - PERLS IX	**37**	50	**12**	25
Interest expense (after tax) - PERLS X	**35**	35	**18**	17
Interest expense (after tax) - PERLS XI	**45**	44	**23**	22
Interest expense (after tax) - PERLS XII	**39**	37	**20**	19
Interest expense (after tax) - PERLS XIII	**25**	6	**13**	12
Interest expense (after tax) - PERLS XIV	**10**	–	**10**	–
Profit impact of assumed conversions (after tax)	**252**	260	**121**	131
Weighted average number of shares - PERLS VII (M)	**30**	44	**31**	30
Weighted average number of shares - PERLS VIII (M)	**4**	21	**–**	8
Weighted average number of shares - PERLS IX (M)	**12**	24	**9**	16
Weighted average number of shares - PERLS X (M)	**14**	20	**14**	14
Weighted average number of shares - PERLS XI (M)	**16**	24	**16**	16
Weighted average number of shares - PERLS XII (M)	**17**	24	**17**	16
Weighted average number of shares - PERLS XIII (M)	**12**	4	**12**	12
Weighted average number of shares - PERLS XIV (M)	**4**	–	**9**	–
Weighted average number of shares - Employee share plans (M)	**2**	2	**2**	2
Weighted average number of shares - dilutive securities (M)	**111**	163	**110**	114
Net profit after tax - "cash basis"	**9,708**	8,801	**4,862**	4,846
Add back profit impact of assumed conversions (after tax)	**252**	260	**121**	131
Adjusted diluted profit for EPS calculation	**9,960**	9,061	**4,983**	4,977
Average number of shares (M) - "cash basis"	**1,722**	1,771	**1,704**	1,740
Add back weighted average number of shares (M)	**111**	163	**110**	114
Diluted average number of shares (M)	**1,833**	1,934	**1,814**	1,854
Earnings Per Share diluted - "cash basis" (cents)	**543. 4**	468. 4	**274. 7**	268. 4
Net profit after tax - "statutory basis"	**10,771**	10,181	**4,901**	5,870
Add back profit impact of assumed conversions (after tax)	**252**	260	**121**	131
Adjusted diluted profit for EPS calculation	**11,023**	10,441	**5,022**	6,001
Average number of shares (M) - "statutory basis"	**1,722**	1,771	**1,704**	1,740
Add back weighted average number of shares (M)	**111**	163	**110**	114
Diluted average number of shares (M)	**1,833**	1,934	**1,814**	1,854
Earnings Per Share diluted - "statutory basis" (cents)	**601. 4**	539. 7	**276. 8**	323. 6

1 Calculations are based on actual numbers prior to rounding to the nearest million.

Appendices (continued)

6.4 Analysis Template (continued)

Dividends Per Share (DPS)	Full Year Ended [1]		Half Year Ended [1]	
Dividends (including discontinued operations)	30 Jun 22 $M	30 Jun 21 $M	30 Jun 22 $M	31 Dec 21 $M
Dividends per share (cents) - fully franked	**385**	350	**210**	175
No. of shares at end of period excluding Treasury shares deduction (M)	**1,702**	1,774	**1,702**	1,706
Total dividends ($M)	**6,559**	6,209	**3,573**	2,986
Dividend payout ratio - "cash basis"				
Net profit after tax - attributable to ordinary shareholders ($M)	**9,708**	8,801	**4,862**	4,846
Total dividends ($M)	**6,559**	6,209	**3,573**	2,986
Payout ratio - "cash basis" (%)	**67. 57**	70. 55	**73. 49**	61. 62
Dividend cover				
Net profit after tax - attributable to ordinary shareholders ($M)	**9,708**	8,801	**4,862**	4,846
Total dividends ($M)	**6,559**	6,209	**3,573**	2,986
Dividend cover - "cash basis" (times)	**1. 5**	1. 4	**1. 4**	1. 6

1 Calculations are based on actual numbers prior to rounding to the nearest million.

	Full Year Ended [1, 2]		Half Year Ended [2]	
Ratios - Output Summary (continuing operations basis)	30 Jun 22 $M	30 Jun 21 $M	30 Jun 22 $M	31 Dec 21 $M
Return on Equity (ROE)				
Return on Equity - "cash basis"				
Average net assets	**75,396**	75,172	**73,750**	76,675
Less:				
Average non-controlling interests	**(5)**	(5)	**(5)**	(5)
Net average equity	**75,391**	75,167	**73,745**	76,670
Net profit after tax - "cash basis"	**9,595**	8,653	**4,849**	4,746
ROE - "cash basis" (%)	**12. 7**	11. 5	**13. 3**	12. 3
Return on Equity - "statutory basis"				
Average net assets	**75,396**	75,172	**73,750**	76,675
Average non-controlling interests	**(5)**	(5)	**(5)**	(5)
Average equity	**75,391**	75,167	**73,745**	76,670
Net profit after tax - "statutory basis"	**9,673**	8,843	**4,932**	4,741
ROE - "statutory basis" (%)	**12. 8**	11. 8	**13. 5**	12. 3

1 Comparative information has been restated to conform to presentation in the current period.
2 Calculations are based on actual numbers prior to rounding to the nearest million.

6.4 Analysis Template (continued)

	Full Year Ended [1, 2]		Half Year Ended [2]	
	30 Jun 22	30 Jun 21	**30 Jun 22**	31 Dec 21
Ratios - Output Summary (including discontinued operations)	**$M**	$M	**$M**	$M
Return on Equity (ROE)				
Return on Equity - "cash basis"				
Average net assets	**75,396**	75,172	**73,750**	76,675
Less:				
Average non-controlling interests	**(5)**	(5)	**(5)**	(5)
Net average equity	**75,391**	75,167	**73,745**	76,670
Net profit after tax - "cash basis"	**9,708**	8,801	**4,862**	4,846
ROE - "cash basis" (%)	**12. 9**	11. 7	**13. 3**	12. 5
Return on Equity - "statutory basis"				
Average net assets	**75,396**	75,172	**73,750**	76,675
Average non-controlling interests	**(5)**	(5)	**(5)**	(5)
Average equity	**75,391**	75,167	**73,745**	76,670
Net profit after tax - "statutory basis"	**10,771**	10,181	**4,901**	5,870
ROE - "statutory basis" (%)	**14. 3**	13. 5	**13. 4**	15. 2
Net Tangible Assets per share				
Net assets	**72,838**	78,688	**72,838**	74,663
Less:				
Intangible assets	**(6,934)**	(7,642)	**(6,934)**	(7,108)
Non-controlling interests	**(5)**	(5)	**(5)**	(5)
Total net tangible assets	**65,899**	71,041	**65,899**	67,550
No. of shares at end of period excluding Treasury shares deduction (M)	**1,702**	1,774	**1,702**	1,706
Net Tangible Assets per share ($)	**38. 73**	40. 04	**38. 73**	39. 59

1 Comparative information has been restated to conform to presentation in the current period.
2 Calculations are based on actual numbers prior to rounding to the nearest million.

6.5 Group Performance Summary

Group Performance Summary	Summary from continuing operations						Summary including discontinued operations					
	Full Year Ended [1] ("cash basis")			Half Year Ended ("cash basis")			Full Year Ended [1] ("cash basis")			Half Year Ended ("cash basis")		
	30 Jun 22 $M	30 Jun 21 $M	Jun 22 vs Jun 21 %	**30 Jun 22 $M**	31 Dec 21 $M	Jun 22 vs Dec 21 %	**30 Jun 22 $M**	30 Jun 21 $M	Jun 22 vs Jun 21 %	**30 Jun 22 $M**	31 Dec 21 $M	Jun 22 vs Dec 21 %
Net interest income	**19,473**	19,302	1	**9,725**	9,748	–	**19,474**	19,305	1	**9,725**	9,749	–
Other banking income	**5,215**	4,544	15	**2,856**	2,359	21	**5,281**	4,601	15	**2,909**	2,372	23
Total banking income	**24,688**	23,846	4	**12,581**	12,107	4	**24,755**	23,906	4	**12,634**	12,121	4
Funds management income	**135**	165	(18)	**55**	80	(31)	**449**	867	(48)	**55**	394	(86)
Insurance income	**73**	145	(50)	**55**	18	large	**73**	145	(50)	**55**	18	large
Total operating income	**24,896**	24,156	3	**12,691**	12,205	4	**25,277**	24,918	1	**12,744**	12,533	2
Operating expenses	**(11,635)**	(11,359)	2	**(6,047)**	(5,588)	8	**(11,852)**	(11,910)	–	**(6,082)**	(5,770)	5
Loan impairment benefit/(expense)	**357**	(554)	(large)	**282**	75	(large)	**357**	(554)	(large)	**282**	75	(large)
Net profit before tax	**13,618**	12,243	11	**6,926**	6,692	3	**13,782**	12,454	11	**6,944**	6,838	2
Corporate tax expense	**(4,023)**	(3,590)	12	**(2,077)**	(1,946)	7	**(4,074)**	(3,653)	12	**(2,082)**	(1,992)	5
Net profit after tax	**9,595**	8,653	11	**4,849**	4,746	2	**9,708**	8,801	10	**4,862**	4,846	–
Net profit after tax from discontinued operations	**113**	148	(24)	**13**	100	(87)	**–**	–	–	**–**	–	–
Net profit after tax including discontinued operations	**9,708**	8,801	10	**4,862**	4,846	–	**9,708**	8,801	10	**4,862**	4,846	–

1 Comparative information has been restated to conform to presentation in the current period.

6.6 Foreign Exchange Rates

Exchange Rates Utilised [1]	Currency	As at 30 Jun 22	31 Dec 21	30 Jun 21
AUD 1.00 =	USD	**0. 6879**	0. 7260	0. 7521
	EUR	**0. 6576**	0. 6411	0. 6319
	GBP	**0. 5666**	0. 5376	0. 5431
	NZD	**1. 1073**	1. 0628	1. 0740
	JPY	**93. 8510**	83. 5572	83. 1173

1 End of day, Sydney time.

		Full Year Ended		Half Year Ended	
Average Exchange Rates Utilised	**Currency**	**30 Jun 22**	30 Jun 21	**30 Jun 22**	31 Dec 21
AUD 1.00 =	USD	**0. 7257**	0. 7467	**0. 7196**	0. 7318
	EUR	**0. 6441**	0. 6260	**0. 6584**	0. 6301
	GBP	**0. 5455**	0. 5546	**0. 5543**	0. 5368
	NZD	**1. 0667**	1. 0742	**1. 0849**	1. 0489
	JPY	**85. 1439**	79. 5463	**88. 4797**	81. 8715

6.7 Definitions

Glossary of Terms

Term	Description
Assets under management (AUM)	Assets Under Management represents the market value of assets for which the Group acts as an appointed manager.
Business Banking	Business Banking serves the banking needs of business, corporate and agribusiness customers across the full range of financial services solutions, as well as providing equities trading and margin lending services through the CommSec business. Business Banking includes the financial results of business banking activities conducted under the Bankwest brand.
Corporate Centre and Other	Corporate Centre and Other include the results of the Group's centrally held minority investments and subsidiaries, Group-wide remediation costs, investment spend including enterprise-wide infrastructure and other strategic projects, employee entitlements, and unallocated revenue and expenses relating to the Bank's support functions including Treasury, Investor Relations, Group Strategy, Legal and Corporate Affairs and Bank-wide elimination entries arising on consolidation.
Corporations Act 2001	*Corporations Act 2001* (Cth).
Dividend payout ratio ("cash basis")	Dividends paid on ordinary shares divided by net profit after tax ("cash basis").
Dividend payout ratio ("statutory basis")	Dividends paid on ordinary shares divided by net profit after tax ("statutory basis").
DPS	Dividend per share.
DRP	Dividend reinvestment plan.
DRP participation	The percentage of total issued capital participating in the dividend reinvestment plan.
Earnings per share (EPS) (basic)	Basic earnings per share is the net profit attributable to ordinary equity holders of the Bank, divided by the weighted average number of ordinary shares on issue during the year per the requirements of relevant accounting standards.
Earnings per share (EPS) (diluted)	Diluted earnings per share adjusts the net profit attributable to ordinary equity holders of the Bank and the weighted average number of ordinary shares on issue used in the calculation of basic earnings per share, for the effects of dilutive potential ordinary shares per the requirements of relevant accounting standards.
Funds under administration (FUA)	Funds Under Administration represents the market value of funds administered by the Group and excludes AUM.
Institutional Banking and Markets	Institutional Banking and Markets serves the commercial and wholesale banking needs of large corporate, institutional and government clients across a full range of financial services solutions including access to debt capital markets, transaction banking, working capital and risk management through dedicated product and industry specialists.
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 by changes in interest rates. This is measured from two perspectives: quantifying the change in the net present value of the Balance Sheet's future earnings potential, and the anticipated change to the 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.

6.7 Definitions (continued)

Term	Description
Net profit after tax ("cash basis")	Represents net profit after tax and non-controlling interests before non-cash items including hedging and IFRS volatility, and gains or losses on acquisitions, disposal, closure, capital repatriation and demerger of controlled businesses, or associates that are not discontinued operations. This is management's preferred measure of the Group's financial performance.
Net profit after tax ("statutory basis")	Represents net profit after tax and non-controlling interests, calculated in accordance with Australian Accounting Standards. This is equivalent to the statutory item "Net profit attributable to Equity holders of the Bank".
Net Stable Funding Ratio (NSFR)	The NSFR more closely aligns the behaviour terms 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 Authorised Deposit-taking Institution's (ADI) 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.
Net tangible assets per share	Net assets excluding intangible assets, non-controlling interests and other equity instruments divided by ordinary shares on issue at the end of the period (excluding Treasury Shares deduction). Right of use assets are included in net tangible assets per share.
New Zealand	New Zealand includes the banking and funds management businesses operating under the ASB brand. ASB provides a range of banking, wealth and insurance products and services to personal, business, rural and corporate customers in New Zealand.
Operating expenses to total operating income	Represents operating expenses as a percentage of total operating income. The ratio is a key efficiency measure.
Other Overseas	Represents amounts booked in branches and controlled entities outside Australia and New Zealand.
Profit after capital charge (PACC)	The Group uses PACC, a risk-adjusted measure, as a key measure of financial performance. It takes into account the profit achieved, the risk to capital that was taken to achieve it, and other adjustments.
Retail Banking Services	Retail Banking Services provides banking and general insurance products and services to personal and private bank customers. Retail Banking Services also include the financial results of retail banking activities conducted under the Bankwest brand. The sale of the Australian general insurance business that was announced in June 2021 is expected to be completed in the first half of financial year 2023.
Return on equity ("cash basis")	Based on net profit after tax ("cash basis") less other equity instruments' distributions applied to average shareholders' equity, excluding non-controlling interests and other equity instruments.
Return on equity ("statutory basis")	Based on net profit after tax ("statutory basis") less other equity instruments' distributions applied to average shareholders' equity, excluding non-controlling interests and other equity instruments.
Total Committed Exposure (TCE)	Total Committed Exposure is defined as the balance outstanding and undrawn components of committed facility limits. It is calculated before collateralisation and excludes settlement exposures on derivatives.
Weighted average number of shares	The calculation incorporates the bonus element of any rights issue, discount element of any DRP and excludes "Treasury Shares" related to investment in the Bank's shares held for future issuance at vesting of related share based payment awards.

6.7 Definitions (continued)

Market Share Definitions

Retail Banking Services	
Home loans (APRA)	CBA Loans to individuals that are Owner Occupied and Investment Home Loans as per APRA monthly ADI Statistics, **divided by** APRA Monthly ADI Statistics back series.
Home loans (RBA)	CBA Loans to individuals that are Owner Occupied and Investment Home Loans as per APRA monthly ADI Statistics + separately reported subsidiaries: Wallaby Trust, Residential Mortgage Group P/L, **divided by** RBA Financial Aggregates Owner Occupied and Investor Home Lending (includes ADIs and RFCs).
Credit Cards (APRA)	CBA Personal Credit Card Lending (APRA), **divided by** Loans to Households: Credit Cards (APRA Monthly ADI Statistics back series).
Consumer finance (other household lending)	CBA Lending to individuals which includes: Personal Loans, Margin Lending, Personal Leasing, Revolving Credit, Overdrafts, and Home Loans for personal purposes, **divided by** Loans to Households: Other (APRA Monthly ADI Statistics back series).
Household deposits	Total CBA transaction and non-transaction account deposit balances from residents as reported under APRA definitions for Households (individuals) excluding Self-Managed Super Funds (as per deposit balances submitted to APRA in ARF720.2A Deposits), **divided by** Deposits from Households (APRA Monthly ADI Statistics back series).
Business Banking	
Business lending (APRA)	CBA Total Loans to residents as reported under APRA definitions for the Non-Financial Businesses sector (as per lending balances submitted to APRA in ARF720.1A ABS/RBA Loans and Finance Leases) (this includes some Housing Loans to businesses), **divided by** Loans to Non-Financial Businesses (APRA Monthly ADI Statistics back series).
Business lending (RBA)	CBA Business Lending and Credit: specific "business lending" categories in lodged APRA returns – ARF720.1A ABS/RBA Loans and Finance Leases, ARF720.7 ABS/RBA Bill Acceptances and Endorsements, excluding sub-categories of RBA, ADIs, RFCs and Central Borrowing Authorities, and the category of General Government, **divided by** RBA Total Business Lending (adjusted for series breaks).
Business deposits (APRA)	Total CBA transaction and non-transaction account deposit balances from residents as reported under APRA definitions for the Non-Financial Businesses sector (as per deposit balances submitted to APRA in ARF720.2A Deposits), **divided by** Deposits from Non-Financial Businesses (from APRA Monthly ADI Statistics back series).
Equities trading	Twelve months rolling average of Australian equities traded value (CommSec excluding AUSIEX), **divided by** Twelve months rolling average of total Australian equities market traded value.

6.7 Definitions (continued)

Market Share Definitions

New Zealand	
Home loans	All ASB residential mortgages for owner occupier and residential investor property use, **divided by** Total New Zealand residential mortgages for owner occupier and residential investor property use of all New Zealand registered banks (from RBNZ).
Customer deposits	All resident and non-resident customer deposits on ASB Balance Sheet, **divided by** Total resident and non-resident deposits of all New Zealand registered banks (from RBNZ).
Business lending	All New Zealand Dollar loans for business use on ASB Balance Sheet excluding agriculture loans, **divided by** Total New Zealand Dollar loans for business use of all New Zealand registered banks excluding agriculture loans (from RBNZ).