

# Basel III Pillar 3

Capital Adequacy and Risk  
Disclosures as at 31 December 2024

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The release of this announcement was authorised by the Board.

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# 1

## Introduction

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

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

This document also presents information on the Group's leverage and liquidity ratios in accordance with prescribed methodologies.

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

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

This document is unaudited and has been prepared consistent with information that has been supplied to APRA.

This Pillar 3 document is available on the Group's corporate website: [Commbank.com.au/regulatorydisclosures](https://www.commbank.com.au/regulatorydisclosures).

### The Group in Review

|  | 31 Dec 24   | 30 Jun 24 | 31 Dec 23 |
|--|-------------|-----------|-----------|
|  | %           | %         | %         |
| <b>Summary Group Capital Adequacy Ratios (Level 2)</b> |             |           |           |
| Common Equity Tier 1                                   | 12.2        | 12.3      | 12.3      |
| Additional Tier 1                                      | 1.9         | 2.0       | 2.4       |
| Tier 1   | 14.1        | 14.3      | 14.7      |
| Tier 2   | 6.6         | 6.6       | 5.8       |
| <b>Total Capital</b>                                   | <b>20.7</b> | 20.9      | 20.5      |

### Group Capital Ratios

As at 31 December 2024, the Group's Basel III Common Equity Tier 1 (CET1), Tier 1 and Total Capital ratios were 12.2%, 14.1% and 20.7% respectively.

### Leverage Ratio

The Group's leverage ratio, which is defined as Tier 1 Capital as a percentage of total exposures, was 4.9% as at 31 December 2024.

### Liquidity Coverage Ratio

The Liquidity Coverage Ratio (LCR) requires Australian ADIs to hold sufficient liquid assets to meet 30 day Net Cash Outflows (NCO) projected under an APRA prescribed severe liquidity stress scenario. The Group maintained an average LCR of 127% in the December 2024 quarter.

### Net Stable Funding Ratio

The Net Stable Funding Ratio (NSFR) is the ratio of the amount of Available Stable Funding (ASF) to the amount of Required Stable Funding (RSF) over a one year horizon. Factors prescribed by APRA are used to determine the stable funding requirement of assets and the stability of alternative sources of funding. The Group's NSFR was 116% at 31 December 2024.

### Policy Framework

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

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

The application is reflected in the Group's overall asset quality and capital position. In particular, the Group remains in a small group of banking institutions with an AA-/Aa2 credit rating. To maintain this strength, the Group continues to invest in its risk systems and management processes.

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

## 2

## Scope of Application

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

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

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

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

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

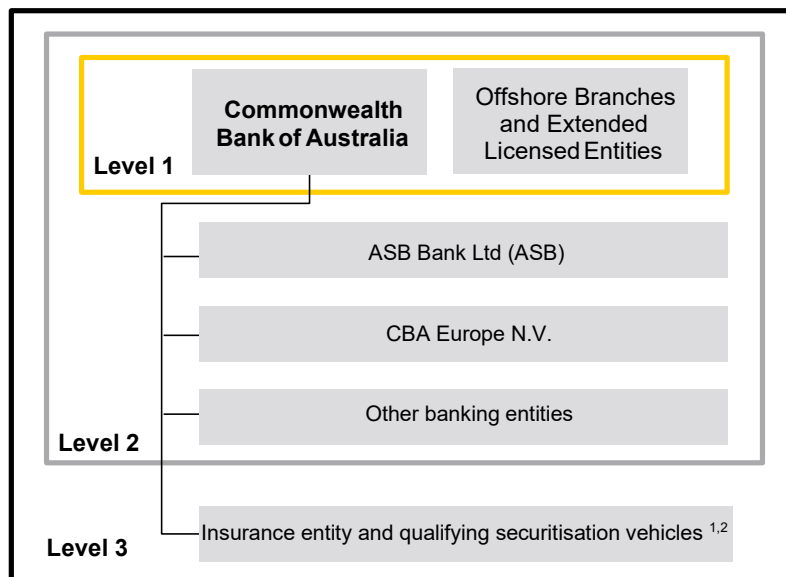
CBA Europe N.V. applies the Standardised Basel III methodology in calculating their local regulatory capital requirements. Effective from March 2022, APRA approved CBA Europe N.V. to apply the Internal Ratings-based (IRB) approach for the purpose of determining the Group's capital requirement at Level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

### Restrictions on transfer of funds or regulatory capital within the Group

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

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

### APS 330 reporting structure



<sup>1</sup> A detailed list of non-consolidated entities is provided in Appendix 11.5.

<sup>2</sup> Securitisation that meets APRA's operational requirements for regulatory capital relief under APS 120 *Securitisation* (APS 120).

### Capital Adequacy

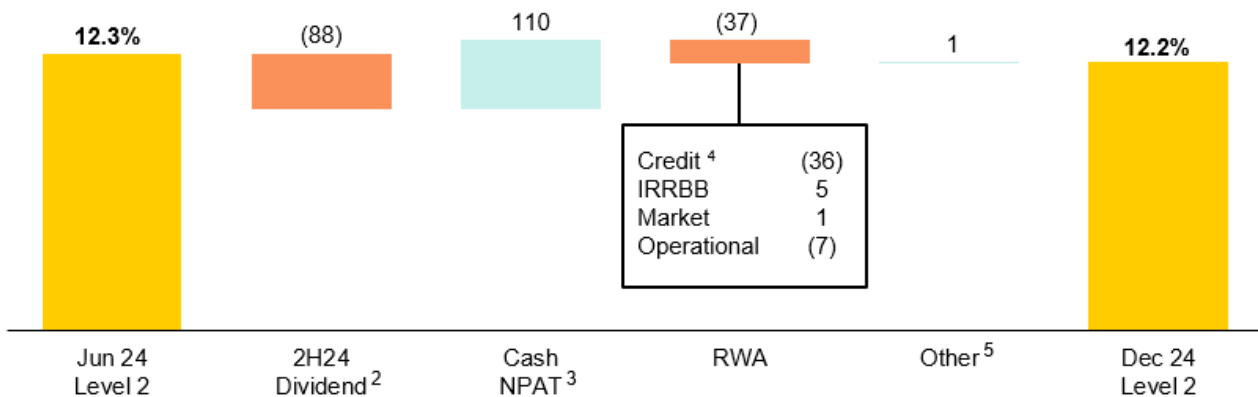
The Group actively manages its capital to balance the perspectives of various stakeholders (regulators, rating agencies and shareholders). This is achieved by optimising the mix of capital, while maintaining adequate capital ratios throughout the financial year. The Group's capital is managed within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

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

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

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

#### Capital – CET1 (APRA)<sup>1</sup>



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

<sup>2</sup> The 2024 final dividend included the on-market purchase of \$758 million of shares (CET1 impact of -16bpts) in respect of the Dividend Reinvestment Plan.

<sup>3</sup> Excludes equity accounted profits/losses and impairments from associates as they are capital neutral with offsetting changes in capital deductions.

<sup>4</sup> Excludes impact of foreign exchange movements which is included in 'Other'.

<sup>5</sup> Includes the benefit from the partial divestment of CBA's shareholding in Vietnam International Commercial Joint Stock Bank (VIB), increase in capitalised software, impact of revaluation losses on the HQLA portfolio, FX impact on Credit RWA, equity accounted profits/losses from associates, other regulatory adjustments and progress on the on-market share buy-back. As at 31 December 2024, the Group has completed \$300 million of the \$1 billion on-market share buy-back previously announced on 9 August 2023 (2,706,964 ordinary shares bought back at an average price of \$110.72). \$18 million of this was completed in 1H25 (118,000 ordinary shares bought back at an average price of \$151.98).

### Capital Position

The Group's CET1 Capital ratio was 12.2% as at 31 December 2024, compared with 12.3% as at 30 June 2024. The CET1 Capital ratio was well above APRA's regulatory requirement at all times throughout the half year ended 31 December 2024.

Key drivers of the change in CET1 for the 6 months ended 31 December 2024 were:

- The payment of the 2H24 dividend;

- Higher total RWA with increases in Credit Risk and Operational Risk RWA, partly offset by lower IRRBB and Traded Market Risk RWA; partly offset by
- Capital generated from earnings; and
- Other regulatory adjustments and movement in reserves.

Further details on the movements in RWA are provided on pages 9-11.

# Capital (continued)

## Capital Initiatives

The following significant capital initiatives were undertaken during the half year ended 31 December 2024:

### Common Equity Tier 1 Capital

The Dividend Reinvestment Plan (DRP) in respect of the 2024 final dividend was satisfied in full by the on-market purchase of shares. The participation rate for the DRP was 18.1%.

### Tier 2 Capital

The Group issued AUD1,500 million subordinated notes in November 2024 and redeemed EUR1,000 million subordinated notes in October 2024, both Basel III compliant Tier 2 Capital.

## Regulatory Framework

The APRA prudential standards prescribe a minimum CET1 Capital ratio of 10.25% for Internal Ratings-based (IRB) ADIs such as CBA, comprising of a minimum Prudential Capital Requirement (PCR) of 4.5% and a capital conservation buffer (CCB) of 5.75%, which includes a Domestic Systemically Important Bank (D-SIB) buffer of 1% and a baseline countercyclical capital buffer (CCyB) set at 1%<sup>1</sup>. The CCyB, which may be varied by APRA in the range of 0%-3.5%, can be released in times of systemic stress and post-stress recovery.

The Group expects to operate with a post-dividend CET1 Capital ratio of greater than 11%, compared to the APRA minimum of 10.25%, except in circumstances of unexpected capital volatility.

The minimum Tier 1 Capital requirement as at 31 December 2024 was 11.75%.

To satisfy APRA's loss-absorbing capacity requirements, the minimum Total Capital ratio requirement for D-SIBs, including CBA, has increased from 13.75% to 16.75% effective from 1 January 2024. From 1 January 2026, the requirement will increase to 18.25%.

## Regulatory Developments

### IRRBB Consultation

On 8 July 2024, APRA released the final revised APS 117 "Capital Adequacy: Interest Rate Risk in the Banking Book", which sets out the requirements that an ADI must meet in managing its Interest Rate Risk in the Banking Book (IRRBB), following the November 2022 and December 2023 consultations on proposed changes to the standard. The revised APS117 will come into effect on 1 October 2025.

### Traded Market Risk and Counterparty Credit Risk

APRA is yet to commence consultation on revisions to APS 116 "Capital Adequacy: Market Risk", and APS 180 "Capital Adequacy: Counterparty Credit Risk", with revisions to both standards expected to be implemented in 2026.

### New Zealand bank capital adequacy requirements

The Reserve Bank of New Zealand's revisions to bank capital adequacy requirements are being implemented in stages during a transition period from October 2021 to July 2028. By the end of the transition period, the minimum Tier 1 and Total Capital requirements for banks deemed systemically important, including ASB, will increase to 16% and 18% of RWA respectively, of which 13.5% must be in the form of CET1 Capital while Tier 2 Capital can contribute up to a maximum of 2% of the Total Capital requirement.

As at 31 December 2024, the CET1, Tier 1 and Total Capital ratio requirements for ASB were 9%, 11.5% and 13.5%, respectively.

### APRA Additional Tier 1 ("AT1") Capital Discussion Papers

On 10 September 2024, APRA released a second discussion paper entitled "A more effective capital framework for a crisis" proposing to simplify the capital framework by phasing out AT1 instruments and replacing it with CET1 and Tier 2 Capital. This follows the initial discussion paper entitled "Enhancing bank resilience: Additional Tier 1 Capital in Australia" on potential policy options to improve the effectiveness of AT1 instruments in a potential bank stress scenario.

Subsequently, on 9 December 2024, APRA released a letter entitled "A more effective capital framework for a crisis: Update" confirming that it is proceeding with its proposal to phase out AT1 Capital from the capital framework.

Large, internationally active banks such as CBA, will be able to replace the current 1.5% of AT1 Capital with 0.25% of CET1 Capital and 1.25% of Tier 2 Capital. Total Capital requirement is to remain unchanged.

These changes will commence from 1 January 2027. In addition, existing AT1 instruments will be eligible to be included as Tier 2 Capital from this date until their first scheduled call date. APRA intends to formally consult on any proposed amendments to the prudential framework by mid-2025, with expected finalisation by late-2025.

### Prudential framework for groups

On 24 October 2022, APRA released a letter to all APRA regulated entities indicating that it is reviewing the prudential framework for groups operating in the Australian banking sector to ensure it caters for the increasing array of new groups and it is consistently applied across different structures. APRA is yet to formally consult on any revisions to the relevant standards.

### Targeted changes to ADI liquidity and capital standards

On 24 July 2024, APRA finalised its targeted revisions to ADIs' liquidity and capital requirements following the November 2023 consultation, which aims to ensure ADIs have strong crisis preparedness, prudently value their liquid assets and minimise potential contagion risks. The changes will come into effect on 1 July 2025.

### Public disclosure

In December 2022, APRA issued a revised APS 330 "Public Disclosure", which aligns with the updated international standards for public disclosure set by the BCBS. The revised disclosure requirements are effective from 1 January 2025.

<sup>1</sup> In November 2024, APRA announced that the CCyB for Australian exposures will remain at 1%. The Group has limited exposures to offshore jurisdictions in which a CCyB requirement in excess of 0% has been imposed.

# Capital (continued)

## Group Regulatory Capital Position

|   | 31 Dec 24   | 30 Jun 24   | 31 Dec 23   |
|---|-------------|-------------|-------------|
| Summary Group Capital Adequacy Ratios (Level 2) | %           | %           | %           |
| Common Equity Tier 1                            | 12.2        | 12.3        | 12.3        |
| Additional Tier 1                               | 1.9         | 2.0         | 2.4         |
| Tier 1  | 14.1        | 14.3        | 14.7        |
| Tier 2  | 6.6         | 6.6         | 5.8         |
| <b>Total Capital</b>                            | <b>20.7</b> | <b>20.9</b> | <b>20.5</b> |

|  | 31 Dec 24      | 30 Jun 24      | 31 Dec 23      |
|--|----------------|----------------|----------------|
| Group Regulatory Capital Position                          | \$M            | \$M            | \$M            |
| Ordinary share capital and treasury shares                 | 33,775         | 33,793         | 33,921         |
| Reserves   | (900)          | (2,147)        | (1,583)        |
| Retained earnings  | 42,518         | 41,546         | 40,598         |
| Common Equity Tier 1 Capital before regulatory adjustments | 75,393         | 73,192         | 72,936         |
| Common Equity Tier 1 regulatory adjustments                | (16,522)       | (15,501)       | (15,705)       |
| Common Equity Tier 1 Capital                               | 58,871         | 57,691         | 57,231         |
| Additional Tier 1 Capital                                  | 9,272          | 9,272          | 10,862         |
| Tier 1 Capital   | 68,143         | 66,963         | 68,093         |
| Tier 2 Capital   | 31,562         | 30,828         | 27,147         |
| <b>Total Capital</b>                                       | <b>99,705</b>  | <b>97,791</b>  | <b>95,240</b>  |
| <b>Risk Weighted Assets</b>                                | <b>482,369</b> | <b>467,551</b> | <b>463,644</b> |

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



# Capital (continued)

## Group Regulatory Capital Position (continued)

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

|                                       | 31 Dec 24 | 30 Jun 24 | 31 Dec 23 |
|---------------------------------------|-----------|-----------|-----------|
|                                       | %         | %         | %         |
| <b>Significant Group ADIs</b>         |           |           |           |
| CBA Level 1 CET1 Capital ratio        | 12.1      | 12.4      | 12.5      |
| CBA Level 1 Tier 1 Capital ratio      | 14.2      | 14.6      | 15.1      |
| CBA Level 1 Total Capital ratio       | 21.3      | 21.8      | 21.5      |
| ASB CET1 Capital ratio <sup>1</sup>   | 14.8      | 14.9      | 14.1      |
| ASB Tier 1 Capital ratio <sup>1</sup> | 14.8      | 14.9      | 14.1      |
| ASB Total Capital ratio <sup>1</sup>  | 16.3      | 16.3      | 15.5      |

<sup>1</sup> Calculated in accordance with the RBNZ Prudential Requirements.

|                              | 31 Dec 24      | 30 Jun 24      | 31 Dec 23      |
|------------------------------|----------------|----------------|----------------|
|                              | \$M            | \$M            | \$M            |
| <b>CBA Level 1</b>           |                |                |                |
| Common Equity Tier 1 Capital | 53,607         | 52,621         | 52,731         |
| Additional Tier 1 Capital    | 9,272          | 9,272          | 10,862         |
| Tier 1 Capital               | 62,879         | 61,893         | 63,593         |
| Tier 2 Capital               | 31,365         | 30,586         | 26,798         |
| <b>Total Capital</b>         | <b>94,244</b>  | <b>92,479</b>  | <b>90,391</b>  |
| <b>Risk Weighted Assets</b>  | <b>441,640</b> | <b>425,161</b> | <b>420,772</b> |

|                                       | 31 Dec 24     | 30 Jun 24     | 31 Dec 23     |
|---------------------------------------|---------------|---------------|---------------|
|                                       | NZ\$M         | NZ\$M         | NZ\$M         |
| <b>ASB Banking Group <sup>1</sup></b> |               |               |               |
| Common Equity Tier 1 Capital          | 10,904        | 10,635        | 9,964         |
| Additional Tier 1                     | –             | –             | –             |
| Tier 1 Capital                        | 10,904        | 10,635        | 9,964         |
| Tier 2 Capital                        | 1,083         | 1,003         | 972           |
| <b>Total Capital</b>                  | <b>11,987</b> | <b>11,638</b> | <b>10,936</b> |
| <b>Risk Weighted Assets</b>           | <b>73,761</b> | <b>71,415</b> | <b>70,673</b> |

<sup>1</sup> Calculated in accordance with the RBNZ Prudential Requirements.

## 4

## Leverage Ratio

The Group's leverage ratio, defined as Tier 1 Capital as a percentage of total exposures, was 4.9% as at 31 December 2024. The ratio reduced by 10 basis points on the prior half with an increase in exposures and payment of the 2H24 dividend, partly offset by capital generated from earnings.

The minimum leverage ratio requirement for IRB banks, such as CBA, is 3.5%.

| <b>Summary Group Leverage Ratio <sup>1</sup></b> | <b>31 Dec 24</b> | <b>30 Sep 24</b> | <b>30 Jun 24</b> | <b>31 Mar 24</b> | <b>31 Dec 23</b> |
|--|------------------|------------------|------------------|------------------|------------------|
| Tier 1 Capital (\$M)                             | <b>68,143</b>    | 64,890           | 66,963           | 66,853           | 68,093           |
| Total Exposures (\$M) <sup>2</sup>               | <b>1,393,974</b> | 1,366,087        | 1,339,175        | 1,369,458        | 1,362,098        |
| <b>Leverage Ratio (%)</b>                        | <b>4.9</b>       | 4.8              | 5.0              | 4.9              | 5.0              |

<sup>1</sup> Refer to Appendix 11.2 for further details on the composition of the leverage ratio.

<sup>2</sup> Total exposures is the sum of on balance sheet exposures, derivatives, securities financing transactions (SFTs), and off balance sheet exposures, net of any Tier 1 regulatory deductions, as outlined in APS 110 *Capital Adequacy* (APS 110). Refer to Appendix 11.2 for the calculation of the 31 December 2024 exposures.

## 5

## Risk Weighted Assets

RWA are calculated using the AIRB approach for the majority of the Group's credit risk exposures, and using the Foundation or Standardised approach as required under the Australian prudential standards. For CBA's New Zealand Subsidiary, ASB, RWA are calculated using the Reserve Bank of New Zealand's prudential rules subject to certain APRA-prescribed adjustments. The Group must use the External Ratings-based Approach where a securitisation exposure is externally rated by an External Credit Assessment Institution (ECAI) or for which an inferred rating is available. Where the Group cannot use the External Ratings-based Approach, the Group must use the Supervisory Formula Approach.

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

| Asset Category                                    | Risk Weighted Assets |                  |                  | Change in RWA for 31 December 24 |            |
|---|----------------------|------------------|------------------|----------------------------------|------------|
|   | 31 Dec 24<br>\$M     | 30 Jun 24<br>\$M | 31 Dec 23<br>\$M | \$M                              | %          |
| <b>Credit risk</b>                                |                      |                  |                  |                                  |            |
| <b>Subject to AIRB approach <sup>1</sup></b>      |                      |                  |                  |                                  |            |
| Corporate (incl. SME corporate) <sup>2 3</sup>    | 93,147               | 86,125           | 83,483           | 7,022                            | 8          |
| SME retail  | 10,901               | 10,819           | 10,235           | 82                               | 1          |
| Residential mortgage <sup>4</sup>                 | 144,873              | 145,229          | 143,896          | (356)                            | –          |
| Qualifying revolving retail                       | 5,222                | 5,372            | 5,336            | (150)                            | (3)        |
| Other retail                                      | 9,102                | 9,105            | 8,746            | (3)                              | –          |
| <b>Total RWA subject to AIRB approach</b>         | <b>263,245</b>       | <b>256,650</b>   | <b>251,696</b>   | <b>6,595</b>                     | <b>3</b>   |
| <b>Subject to FIRB approach <sup>1</sup></b>      |                      |                  |                  |                                  |            |
| Corporate - large <sup>2 3</sup>                  | 28,783               | 27,048           | 26,216           | 1,735                            | 6          |
| Sovereign   | 2,353                | 2,378            | 2,349            | (25)                             | (1)        |
| Financial institution                             | 12,343               | 10,184           | 12,633           | 2,159                            | 21         |
| <b>Total RWA subject to FIRB approach</b>         | <b>43,479</b>        | <b>39,610</b>    | <b>41,198</b>    | <b>3,869</b>                     | <b>10</b>  |
| <b>Specialised lending</b>                        | <b>4,786</b>         | <b>3,660</b>     | <b>3,514</b>     | <b>1,126</b>                     | <b>31</b>  |
| <b>Subject to standardised approach</b>           |                      |                  |                  |                                  |            |
| Corporate (incl. SME corporate)                   | 811                  | 1,023            | 779              | (212)                            | (21)       |
| SME retail  | 642                  | 628              | 642              | 14                               | 2          |
| Sovereign   | 1                    | 1                | 227              | –                                | –          |
| Residential mortgage                              | 7,197                | 6,953            | 6,885            | 244                              | 4          |
| Other retail                                      | 292                  | 237              | 519              | 55                               | 23         |
| Other assets                                      | 6,065                | 6,686            | 8,298            | (621)                            | (9)        |
| <b>Total RWA subject to standardised approach</b> | <b>15,008</b>        | <b>15,528</b>    | <b>17,350</b>    | <b>(520)</b>                     | <b>(3)</b> |
| Securitisation                                    | 3,685                | 3,214            | 3,247            | 471                              | 15         |
| Credit valuation adjustment                       | 4,467                | 2,873            | 2,846            | 1,594                            | 55         |
| Central counterparties                            | 170                  | 160              | 165              | 10                               | 6          |
| RBNZ regulated entities <sup>1</sup>              | 50,277               | 48,749           | 48,719           | 1,528                            | 3          |
| <b>Total RWA for credit risk exposures</b>        | <b>385,117</b>       | <b>370,444</b>   | <b>368,735</b>   | <b>14,673</b>                    | <b>4</b>   |
| Traded market risk                                | 7,949                | 8,488            | 9,627            | (539)                            | (6)        |
| Interest rate risk in the banking book            | 41,679               | 43,644           | 40,307           | (1,965)                          | (5)        |
| Operational risk                                  | 47,624               | 44,975           | 44,975           | 2,649                            | 6          |
| <b>Total risk weighted assets</b>                 | <b>482,369</b>       | <b>467,551</b>   | <b>463,644</b>   | <b>14,818</b>                    | <b>3</b>   |

<sup>1</sup> Pursuant to APRA requirements, RWA amounts derived from the risk weighted functions of AIRB, FIRB and the advanced portfolio of RBNZ regulated entities have been multiplied by a scaling factor of 1.10.

<sup>2</sup> Includes non-retail overlays of \$0.5 billion as at 31 December 2024 (30 June 2024 and 31 December 2023: \$4.2 billion).

<sup>3</sup> Includes IPRE risk weight floor top-up of \$2.9 billion as at 31 December 2024 (30 June 2024: \$1.8 billion; 31 December 2023: \$1.7 billion).

<sup>4</sup> As a condition of APRA approval of the residential mortgage LGD model, a \$7.4 billion RWA overlay was applied by the Group at 30 June 2024 and 31 December 2023. The overlay was released in September 2024 quarter following regulatory approval of the new residential mortgage LGD model.

# Risk Weighted Assets (continued)

Table 6i – Capital Floor

|   | 31 Dec 24<br>\$M | 30 Jun 24<br>\$M | 31 Dec 23<br>\$M |
|---|------------------|------------------|------------------|
| <b>Risk weighted assets under the standardised approach</b> |                  |                  |                  |
| Credit risk <sup>1</sup>                                    | 578,292          | 554,301          | 550,995          |
| Traded market risk  | 7,949            | 8,488            | 9,627            |
| Operational risk  | 47,624           | 44,975           | 44,975           |
| Interest rate risk in the banking book                      | n/a              | n/a              | n/a              |
| <b>Total</b>  | <b>633,865</b>   | <b>607,764</b>   | <b>605,597</b>   |
| <b>Risk weighted assets prior to application of floor</b>   |                  |                  |                  |
| Credit risk   | 385,117          | 370,444          | 368,735          |
| Traded market risk  | 7,949            | 8,488            | 9,627            |
| Operational risk  | 47,624           | 44,975           | 44,975           |
| Interest rate risk in the banking book                      | 41,679           | 43,644           | 40,307           |
| <b>Total</b>  | <b>482,369</b>   | <b>467,551</b>   | <b>463,644</b>   |
| <b>Capital Floor at 72.5%</b>                               | <b>459,552</b>   | <b>440,629</b>   | <b>439,058</b>   |
| <b>Capital floor adjustment</b>                             | <b>–</b>         | <b>–</b>         | <b>–</b>         |

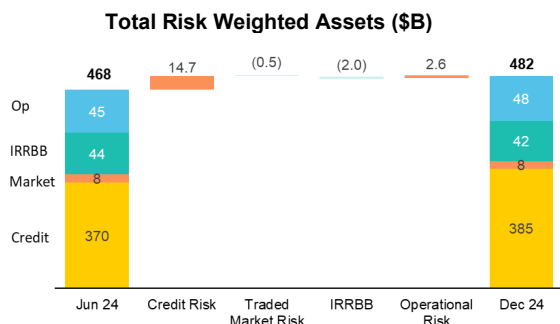
<sup>1</sup> RWA for residential mortgages (excluding RBNZ regulated subsidiaries) measured under the retail IRB approach is \$230 billion (30 June 2024: \$224 billion; 31 December 2023: \$219 billion) when calculated under the standardised approach.

# Risk Weighted Assets (continued)

## Risk Weighted Assets <sup>1</sup>

### Total Group RWA

Total RWA increased \$14.8 billion or 3.2% on the prior half to \$482.4 billion, mainly driven by higher Credit RWA and Operational Risk RWA, partly offset by lower IRRBB and Traded Market Risk RWA.



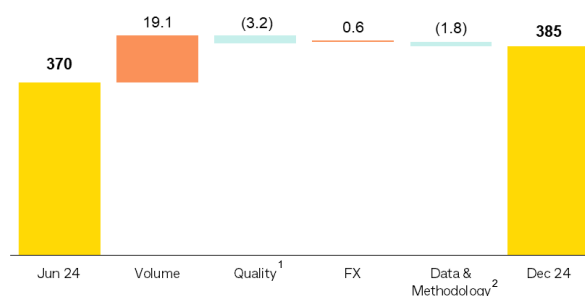
### Credit Risk RWA

Credit Risk RWA increased \$14.7 billion or 4.0% on the prior half to \$385.1 billion. Key drivers include:

- Volume growth (increase of \$19.1 billion) across commercial portfolios, domestic residential mortgages, derivatives and New Zealand portfolios;
- Foreign currency movements (increase of \$0.6 billion); partly offset by
- Credit quality improvement (decrease of \$3.2 billion) from lower domestic residential mortgage risk weights primarily due to an improvement in loan-to-value ratios; and
- Data & methodology (decrease of \$1.8 billion), primarily relating to regulatory approval of new residential mortgage LGD model.

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

### Credit Risk Weighted Assets (\$B)



<sup>1</sup> Credit quality includes portfolio mix.

<sup>2</sup> Includes data and methodology, credit risk estimates changes and regulatory treatments.

### Traded Market Risk RWA

Traded market risk RWA decreased by \$0.5 billion or 6% on the prior half year to \$7.9 billion.

### Interest Rate Risk in the Banking Book (IRRBB) RWA

IRRBB RWA decreased \$2.0 billion or 4.5% on the prior half to \$41.7 billion, driven by lower interest rates in Australia and New Zealand, partly offset by higher basis risks.

### Operational Risk RWA

As required by APS115, operational risk RWA as at December 2024 have been determined based on the annual average value of the relevant components of the Group's net income over the financial years ended 30 June 2024, 2023 and 2022. Operational risk RWA as at June 2024 were determined based on the annual average value of the relevant components of the Group's net income over the financial years ended 30 June 2023, 2022 and 2021. The increase in operational risk RWA by \$2.6 billion or 5.9% on the prior half to \$47.6 billion was primarily driven by a higher average net interest income over the years ended 30 June 2024, 2023 and 2022 as a result of rising interest rate environment and lending growth.

## 6

## Credit Risk

## 6.1 Credit Risk Exposure – excluding Equities and Securitisation

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

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

| Portfolio Type                             | 31 December 2024  |                    |                |                  | Average exposure for December 2024 half <sup>1</sup> | Change in exposure for December 2024 half <sup>2</sup> |             |
|--|-------------------|--------------------|----------------|------------------|--|--|-------------|
|  | Off Balance Sheet |                    |                | Total            |  | \$M  | %           |
|  | On Balance Sheet  | Non-market related | Market related |                  |  |  |             |
|  | \$M               | \$M                | \$M            | \$M              | \$M  |  |             |
| <b>Subject to AIRB approach</b>            |                   |                    |                |                  |  |  |             |
| Corporate (incl. SME corporate)            | 154,778           | 17,502             | 1,538          | <b>173,818</b>   | 168,580  | 10,476   | 6.4         |
| SME retail                                 | 13,294            | 6,300              | 6              | <b>19,600</b>    | 19,589   | 23   | 0.1         |
| Residential mortgage                       | 594,968           | 76,997             | –              | <b>671,965</b>   | 660,790  | 22,351   | 3.4         |
| Qualifying revolving retail                | 8,313             | 14,671             | –              | <b>22,984</b>    | 23,075   | (181)  | (0.8)       |
| Other retail                               | 7,806             | 1,268              | –              | <b>9,074</b>     | 8,823  | 503  | 5.9         |
| <b>Total AIRB approach</b>                 | <b>779,159</b>    | <b>116,738</b>     | <b>1,544</b>   | <b>897,441</b>   | <b>880,857</b>                                       | <b>33,172</b>  | <b>3.8</b>  |
| <b>Subject to FIRB approach</b>            |                   |                    |                |                  |  |  |             |
| Corporate - large                          | 34,416            | 14,892             | 5,548          | <b>54,856</b>    | 52,257   | 5,199  | 10.5        |
| Sovereign                                  | 128,933           | 894                | 5,767          | <b>135,594</b>   | 134,913  | 1,362  | 1.0         |
| Financial institution                      | 24,310            | 7,369              | 21,007         | <b>52,686</b>    | 48,293   | 8,786  | 20.0        |
| <b>Total FIRB approach</b>                 | <b>187,659</b>    | <b>23,155</b>      | <b>32,322</b>  | <b>243,136</b>   | <b>235,463</b>                                       | <b>15,347</b>  | <b>6.7</b>  |
| <b>Specialised lending</b>                 | <b>4,350</b>      | <b>1,492</b>       | <b>87</b>      | <b>5,929</b>     | <b>5,258</b>   | <b>1,342</b>   | <b>29.3</b> |
| <b>Subject to standardised approach</b>    |                   |                    |                |                  |  |  |             |
| Corporate (incl. SME corporate)            | 554               | 197                | 66             | <b>817</b>       | 950  | (265)  | (24.5)      |
| SME retail                                 | 502               | 349                | 4              | <b>855</b>       | 846  | 19   | 2.3         |
| Sovereign                                  | –                 | –                  | –              | –                | 1  | (1)  | (100.0)     |
| Residential mortgage                       | 16,170            | 1,465              | –              | <b>17,635</b>    | 17,375   | 521  | 3.0         |
| Other retail                               | 133               | 158                | –              | <b>291</b>       | 264  | 54   | 22.8        |
| Other assets <sup>3</sup>                  | 11,352            | 956                | 52             | <b>12,360</b>    | 11,800   | 1,120  | 10.0        |
| Central counterparties                     | –                 | –                  | 3,200          | <b>3,200</b>     | 3,158  | 85   | 2.7         |
| <b>Total standardised approach</b>         | <b>28,711</b>     | <b>3,125</b>       | <b>3,322</b>   | <b>35,158</b>    | <b>34,394</b>  | <b>1,533</b>   | <b>4.6</b>  |
| RBNZ regulated entities                    | 115,526           | 13,549             | 2,369          | <b>131,444</b>   | 130,485  | 1,918  | 1.5         |
| <b>Total credit exposures <sup>4</sup></b> | <b>1,115,405</b>  | <b>158,059</b>     | <b>39,644</b>  | <b>1,313,108</b> | <b>1,286,457</b>                                     | <b>53,312</b>  | <b>4.2</b>  |

<sup>1</sup> The simple average of balances as at 31 December 2024 and 30 June 2024.

<sup>2</sup> The difference between exposures as at 31 December 2024 and 30 June 2024.

<sup>3</sup> Includes immaterial contributions from other standardised asset classes, including Domestic public sector entities, Commercial property, Land acquisition, development and construction, and Bank.

<sup>4</sup> Total credit risk exposures (calculated as EAD) do not include equities or securitisation exposures. Off Balance Sheet market related exposures include \$4.0 billion of exposures in relation to Securities Financing Transactions (SFTs).

# Credit Risk (continued)

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

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

| Portfolio Type                             | 30 June 2024      |                    |                |                  | Average exposure for June 2024 half <sup>1</sup> | Change in exposure for June 2024 half <sup>2</sup> |               |
|--|-------------------|--------------------|----------------|------------------|--|--|---------------|
|  | Off Balance Sheet |                    |                | Total            |  |  |               |
|  | On Balance Sheet  | Non-market related | Market related |                  |  |  |               |
|  | \$M               | \$M                | \$M            | \$M              | \$M  | \$M  | %             |
| <b>Subject to AIRB approach</b>            |                   |                    |                |                  |  |  |               |
| Corporate (incl. SME corporate)            | 145,885           | 16,203             | 1,254          | <b>163,342</b>   | 160,333  | 6,019  | 3.8           |
| SME retail                                 | 13,500            | 6,073              | 4              | <b>19,577</b>    | 19,404   | 345  | 1.8           |
| Residential mortgage                       | 576,086           | 73,528             | –              | <b>649,614</b>   | 642,344  | 14,541   | 2.3           |
| Qualifying revolving retail                | 8,242             | 14,923             | –              | <b>23,165</b>    | 23,268   | (206)  | (0.9)         |
| Other retail                               | 7,291             | 1,280              | –              | <b>8,571</b>     | 8,251  | 639  | 8.1           |
| <b>Total AIRB approach</b>                 | <b>751,004</b>    | <b>112,007</b>     | <b>1,258</b>   | <b>864,269</b>   | <b>853,600</b>                                   | <b>21,338</b>                                      | <b>2.5</b>    |
| <b>Subject to FIRB approach</b>            |                   |                    |                |                  |  |  |               |
| Corporate - large                          | 30,669            | 14,511             | 4,477          | <b>49,657</b>    | 49,238   | 838  | 1.7           |
| Sovereign                                  | 129,184           | 875                | 4,173          | <b>134,232</b>   | 153,956  | (39,447)   | (22.7)        |
| Financial institution                      | 22,069            | 7,033              | 14,798         | <b>43,900</b>    | 50,401   | (13,002)   | (22.8)        |
| <b>Total FIRB approach</b>                 | <b>181,922</b>    | <b>22,419</b>      | <b>23,448</b>  | <b>227,789</b>   | <b>253,595</b>                                   | <b>(51,611)</b>                                    | <b>(18.5)</b> |
| <b>Specialised lending</b>                 | <b>3,444</b>      | <b>1,084</b>       | <b>59</b>      | <b>4,587</b>     | <b>4,493</b>                                     | <b>189</b>   | <b>4.3</b>    |
| <b>Subject to standardised approach</b>    |                   |                    |                |                  |  |  |               |
| Corporate (incl. SME corporate)            | 826               | 228                | 28             | <b>1,082</b>     | 957  | 250  | 30.0          |
| SME retail                                 | 519               | 294                | 23             | <b>836</b>       | 846  | (19)   | (2.2)         |
| Sovereign                                  | 1                 | –                  | –              | <b>1</b>         | 230  | (459)  | (99.8)        |
| Residential mortgage                       | 15,605            | 1,509              | –              | <b>17,114</b>    | 16,998   | 232  | 1.4           |
| Other retail                               | 100               | 137                | –              | <b>237</b>       | 378  | (281)  | (54.2)        |
| Other assets <sup>3</sup>                  | 10,200            | 997                | 43             | <b>11,240</b>    | 13,429   | (4,379)  | (28.0)        |
| Central counterparties                     | –                 | –                  | 3,115          | <b>3,115</b>     | 2,989  | 253  | 8.8           |
| <b>Total standardised approach</b>         | <b>27,251</b>     | <b>3,165</b>       | <b>3,209</b>   | <b>33,625</b>    | <b>35,827</b>                                    | <b>(4,403)</b>                                     | <b>(11.6)</b> |
| RBNZ regulated entities                    | 114,031           | 13,002             | 2,493          | <b>129,526</b>   | 130,654  | (2,255)  | (1.7)         |
| <b>Total credit exposures <sup>4</sup></b> | <b>1,077,652</b>  | <b>151,677</b>     | <b>30,467</b>  | <b>1,259,796</b> | <b>1,278,169</b>                                 | <b>(36,742)</b>                                    | <b>(2.8)</b>  |

1 The simple average of balances as at 30 June 2024 and 31 December 2023.

2 The difference between exposures as at 30 June 2024 and 31 December 2023.

3 Includes immaterial contributions from other standardised asset classes, including Domestic public sector entities, Commercial property, Land acquisition, development and construction, and Bank.

4 Total credit risk exposures (calculated as EAD) do not include equities or securitisation exposures. Off Balance Sheet market related exposures include \$3.9 billion of exposures in relation to Securities Financing Transactions (SFTs).

# Credit Risk (continued)

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

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

| Portfolio Type                             | 31 December 2023  |                    |                |                  | Average exposure for December 2023 half <sup>1</sup> | Change in exposure for December 2023 half <sup>2</sup> |              |
|--|-------------------|--------------------|----------------|------------------|--|--|--------------|
|  | Off Balance Sheet |                    |                | Total            |  |  |              |
|  | On Balance Sheet  | Non-market related | Market related |                  |  |  |              |
|  | \$M               | \$M                | \$M            | \$M              | \$M  | \$M  | %            |
| <b>Subject to AIRB approach</b>            |                   |                    |                |                  |  |  |              |
| Corporate (incl. SME corporate)            | 138,385           | 17,308             | 1,630          | <b>157,323</b>   | 156,145  | 2,357  | 1.5          |
| SME retail                                 | 12,937            | 6,282              | 13             | <b>19,232</b>    | 19,019   | 426  | 2.3          |
| Residential mortgage                       | 562,209           | 72,864             | –              | <b>635,073</b>   | 635,415  | (684)  | (0.1)        |
| Qualifying revolving retail                | 8,362             | 15,009             | –              | <b>23,371</b>    | 23,451   | (160)  | (0.7)        |
| Other retail                               | 6,645             | 1,287              | –              | <b>7,932</b>     | 7,774  | 316  | 4.1          |
| <b>Total AIRB approach</b>                 | <b>728,538</b>    | <b>112,750</b>     | <b>1,643</b>   | <b>842,931</b>   | <b>841,804</b>                                       | <b>2,255</b>   | <b>0.3</b>   |
| <b>Subject to FIRB approach</b>            |                   |                    |                |                  |  |  |              |
| Corporate - large                          | 29,694            | 14,039             | 5,086          | <b>48,819</b>    | 45,084   | 7,470  | 18.1         |
| Sovereign                                  | 156,260           | 613                | 16,806         | <b>173,679</b>   | 185,693  | (24,028)   | (12.2)       |
| Financial institution                      | 36,598            | 7,566              | 12,738         | <b>56,902</b>    | 49,767   | 14,270   | 33.5         |
| <b>Total FIRB approach</b>                 | <b>222,552</b>    | <b>22,218</b>      | <b>34,630</b>  | <b>279,400</b>   | <b>280,544</b>                                       | <b>(2,288)</b>   | <b>(0.8)</b> |
| <b>Specialised lending</b>                 | <b>3,287</b>      | <b>993</b>         | <b>118</b>     | <b>4,398</b>     | <b>4,520</b>   | <b>(243)</b>   | <b>(5.2)</b> |
| <b>Subject to standardised approach</b>    |                   |                    |                |                  |  |  |              |
| Corporate (incl. SME corporate)            | 546               | 282                | 4              | <b>832</b>       | 695  | 273  | 48.8         |
| SME retail                                 | 520               | 319                | 16             | <b>855</b>       | 1,052  | (393)  | (31.5)       |
| Sovereign                                  | 459               | 1                  | –              | <b>460</b>       | 490  | (60)   | (11.5)       |
| Residential mortgage                       | 15,318            | 1,564              | –              | <b>16,882</b>    | 16,748   | 268  | 1.6          |
| Other retail                               | 403               | 115                | –              | <b>518</b>       | 561  | (86)   | (14.2)       |
| Other assets <sup>3</sup>                  | 14,348            | 1,014              | 257            | <b>15,619</b>    | 14,493   | 2,252  | 16.8         |
| Central counterparties                     | –                 | –                  | 2,862          | <b>2,862</b>     | 2,739  | 246  | 9.4          |
| <b>Total standardised approach</b>         | <b>31,594</b>     | <b>3,295</b>       | <b>3,139</b>   | <b>38,028</b>    | <b>36,778</b>  | <b>2,500</b>   | <b>7.0</b>   |
| RBNZ regulated entities                    | 116,070           | 13,148             | 2,563          | <b>131,781</b>   | 131,373  | 815  | 0.6          |
| <b>Total credit exposures <sup>4</sup></b> | <b>1,102,041</b>  | <b>152,404</b>     | <b>42,093</b>  | <b>1,296,538</b> | <b>1,295,019</b>                                     | <b>3,039</b>   | <b>0.2</b>   |

1 The simple average of balances as at 31 December 2023 and 30 June 2023.

2 The difference between exposures as at 31 December 2023 and 30 June 2023.

3 Includes immaterial contributions from other standardised asset classes, including Domestic public sector entities, Commercial property, Land acquisition, development and construction, and Bank.

4 Total credit risk exposures (calculated as EAD) do not include equities or securitisation exposures. Off Balance Sheet market related exposures include \$15.8 billion of exposures in relation to Securities Financing Transactions (SFTs).



# Credit Risk (continued)

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

Table 7b – Credit risk exposure by portfolio type

| Portfolio Type                             | As at<br>31 Dec 24<br>\$M | Half year<br>average<br>\$M |
|--|---------------------------|-----------------------------|
| Corporate (incl. Large and SME corporate)  | 229,491                   | 221,786                     |
| Sovereign                                  | 135,594                   | 134,913                     |
| Financial institution                      | 52,686                    | 48,293                      |
| SME retail                                 | 20,455                    | 20,434                      |
| Residential mortgage                       | 689,600                   | 678,164                     |
| Qualifying revolving retail                | 22,984                    | 23,075                      |
| Other retail                               | 9,365                     | 9,086                       |
| Specialised lending                        | 5,929                     | 5,258                       |
| Other assets                               | 12,360                    | 11,800                      |
| Central counterparties                     | 3,200                     | 3,158                       |
| RBNZ regulated entities                    | 131,444                   | 130,485                     |
| <b>Total credit exposures <sup>1</sup></b> | <b>1,313,108</b>          | <b>1,286,452</b>            |

<sup>1</sup> Total credit risk exposures do not include equities or securitisation exposures.

| Portfolio Type                             | As at<br>30 Jun 24<br>\$M | Half year<br>average<br>\$M |
|--|---------------------------|-----------------------------|
| Corporate (incl. Large and SME corporate)  | 214,081                   | 210,528                     |
| Sovereign                                  | 134,233                   | 154,186                     |
| Financial institution                      | 43,900                    | 50,401                      |
| SME retail                                 | 20,413                    | 20,250                      |
| Residential mortgage                       | 666,728                   | 659,342                     |
| Qualifying revolving retail                | 23,165                    | 23,268                      |
| Other retail                               | 8,808                     | 8,629                       |
| Specialised lending                        | 4,587                     | 4,493                       |
| Other assets                               | 11,240                    | 13,429                      |
| Central counterparties                     | 3,115                     | 2,989                       |
| RBNZ regulated entities                    | 129,526                   | 130,654                     |
| <b>Total credit exposures <sup>1</sup></b> | <b>1,259,796</b>          | <b>1,278,169</b>            |

<sup>1</sup> Total credit risk exposures do not include equities or securitisation exposures.

# Credit Risk (continued)

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

Table 7b – Credit risk exposure by portfolio type (continued)

| Portfolio Type                             | As at<br>31 Dec 23<br>\$M | Half year<br>average<br>\$M |
|--|---------------------------|-----------------------------|
| Corporate (incl. Large and SME corporate)  | 206,974                   | 201,924                     |
| Sovereign                                  | 174,139                   | 186,183                     |
| Financial institution                      | 56,902                    | 49,767                      |
| SME retail                                 | 20,087                    | 20,071                      |
| Residential mortgage                       | 651,955                   | 652,163                     |
| Qualifying revolving retail                | 23,371                    | 23,451                      |
| Other retail                               | 8,450                     | 8,335                       |
| Specialised lending                        | 4,398                     | 4,520                       |
| Other assets                               | 15,619                    | 14,493                      |
| Central counterparties                     | 2,862                     | 2,739                       |
| RBNZ regulated entities                    | 131,781                   | 131,373                     |
| <b>Total credit exposures <sup>1</sup></b> | <b>1,296,538</b>          | <b>1,295,019</b>            |

1 Total credit risk exposures do not include equities or securitisation exposures.

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

| Portfolio Type                               | 31 December 2024 |                       |               | Total<br>\$M     |
|--|------------------|-----------------------|---------------|------------------|
|  | Australia<br>\$M | New<br>Zealand<br>\$M | Other<br>\$M  |                  |
| Corporate (incl. Large and SME corporate)    | 213,363          | 3,571                 | 12,557        | <b>229,491</b>   |
| Sovereign                                    | 107,915          | 933                   | 26,746        | <b>135,594</b>   |
| Financial institution                        | 25,489           | 238                   | 26,959        | <b>52,686</b>    |
| SME retail                                   | 20,455           | –                     | –             | <b>20,455</b>    |
| Residential mortgage                         | 689,539          | –                     | 61            | <b>689,600</b>   |
| Qualifying revolving retail                  | 22,984           | –                     | –             | <b>22,984</b>    |
| Other retail                                 | 9,365            | –                     | –             | <b>9,365</b>     |
| Specialised lending                          | 2,478            | –                     | 3,451         | <b>5,929</b>     |
| Other assets                                 | 12,040           | 14                    | 306           | <b>12,360</b>    |
| Central counterparties                       | 717              | –                     | 2,483         | <b>3,200</b>     |
| RBNZ regulated entities                      | –                | 131,444               | –             | <b>131,444</b>   |
| <b>Total credit exposures <sup>1 2</sup></b> | <b>1,104,345</b> | <b>136,200</b>        | <b>72,563</b> | <b>1,313,108</b> |

1 Total credit risk exposures do not include equities or securitisation exposures.

2 Geographical segmentation of exposures is based on the location of the office in which these items were booked.

# Credit Risk (continued)

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

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

| Portfolio Type                               | 30 June 2024     |                       |              | Total<br>\$M |
|--|------------------|-----------------------|--------------|--------------|
|  | Australia<br>\$M | New<br>Zealand<br>\$M | Other<br>\$M |              |
| Corporate (incl. Large and SME corporate)    | 200,027          | 3,020                 | 11,034       | 214,081      |
| Sovereign                                    | 99,125           | 730                   | 34,378       | 134,233      |
| Financial institution                        | 20,904           | 156                   | 22,840       | 43,900       |
| SME retail                                   | 20,411           | –                     | 2            | 20,413       |
| Residential mortgage                         | 666,646          | –                     | 82           | 666,728      |
| Qualifying revolving retail                  | 23,165           | –                     | –            | 23,165       |
| Other retail                                 | 8,808            | –                     | –            | 8,808        |
| Specialised lending                          | 2,187            | –                     | 2,400        | 4,587        |
| Other assets                                 | 9,598            | 17                    | 1,625        | 11,240       |
| Central counterparties                       | 824              | –                     | 2,291        | 3,115        |
| RBNZ regulated entities                      | –                | 129,526               | –            | 129,526      |
| <b>Total credit exposures</b> <sup>1 2</sup> | 1,051,695        | 133,449               | 74,652       | 1,259,796    |

1 Total credit risk exposures do not include equities or securitisation exposures.

2 Geographical segmentation of exposures is based on the location of the office in which these items were booked.

| Portfolio Type                               | 31 December 2023 |                       |              | Total<br>\$M |
|--|------------------|-----------------------|--------------|--------------|
|  | Australia<br>\$M | New<br>Zealand<br>\$M | Other<br>\$M |              |
| Corporate (incl. Large and SME corporate)    | 191,446          | 2,685                 | 12,843       | 206,974      |
| Sovereign                                    | 136,985          | 116                   | 37,038       | 174,139      |
| Financial institution                        | 36,046           | –                     | 20,856       | 56,902       |
| SME retail                                   | 20,064           | –                     | 23           | 20,087       |
| Residential mortgage                         | 651,566          | –                     | 389          | 651,955      |
| Qualifying revolving retail                  | 23,371           | –                     | –            | 23,371       |
| Other retail                                 | 8,132            | –                     | 318          | 8,450        |
| Specialised lending                          | 2,282            | –                     | 2,116        | 4,398        |
| Other assets                                 | 14,881           | 15                    | 723          | 15,619       |
| Central counterparties                       | 359              | –                     | 2,503        | 2,862        |
| RBNZ regulated entities                      | –                | 131,781               | –            | 131,781      |
| <b>Total credit exposures</b> <sup>1 2</sup> | 1,085,132        | 134,597               | 76,809       | 1,296,538    |

1 Total credit risk exposures do not include equities or securitisation exposures.

2 Geographical segmentation of exposures is based on the location of the office in which these items were booked.

# Credit Risk (continued)

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

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

| Portfolio Type                             | 31 December 2024 |                     |                   |                        |               |                   |                          |                     |
|--|------------------|---------------------|-------------------|------------------------|---------------|-------------------|--------------------------|---------------------|
|  | Industry Sector  |                     |                   |                        |               |                   |                          |                     |
|  | Consumer         | Finance & Insurance | Business Services | Agriculture & Forestry | Construction  | Mining, Oil & Gas | Wholesale & Retail Trade | Transport & Storage |
|  | \$M              | \$M                 | \$M               | \$M                    | \$M           | \$M               | \$M                      | \$M                 |
| Corporate (incl. Large and SME corporate)  | –                | 2,790               | 11,386            | 19,034                 | 6,902         | 5,058             | 22,524                   | 19,662              |
| Sovereign                                  | –                | –                   | –                 | –                      | –             | –                 | –                        | –                   |
| Financial institution                      | –                | 52,686              | –                 | –                      | –             | –                 | –                        | –                   |
| SME retail <sup>1</sup>                    | –                | 379                 | 2,008             | 1,517                  | 2,862         | 122               | 2,824                    | 1,311               |
| Residential mortgage                       | 689,600          | –                   | –                 | –                      | –             | –                 | –                        | –                   |
| Qualifying revolving retail                | 22,984           | –                   | –                 | –                      | –             | –                 | –                        | –                   |
| Other retail                               | 9,365            | –                   | –                 | –                      | –             | –                 | –                        | –                   |
| Specialised lending                        | –                | –                   | –                 | 2                      | –             | 65                | 437                      | 919                 |
| Other assets <sup>2</sup>                  | 2,613            | 150                 | 8                 | 26                     | 11            | 17                | 25                       | 392                 |
| Central counterparties                     | –                | 3,200               | –                 | –                      | –             | –                 | –                        | –                   |
| RBNZ regulated entities                    | 80,005           | 3,567               | 1,836             | 10,674                 | 1,202         | 9                 | 3,719                    | 954                 |
| <b>Total credit exposures <sup>3</sup></b> | <b>804,567</b>   | <b>62,772</b>       | <b>15,238</b>     | <b>31,253</b>          | <b>10,977</b> | <b>5,271</b>      | <b>29,529</b>            | <b>23,238</b>       |

| Portfolio Type                             | Industry Sector (continued) |                                  |                             |                             |                                 |                         |               |                  |
|--|-----------------------------|----------------------------------|-----------------------------|-----------------------------|---------------------------------|-------------------------|---------------|------------------|
|  | Manufacturing               | Commercial Property <sup>4</sup> | Government Admin. & Defence | Health & Community Services | Entertainment Leisure & Tourism | Electricity Gas & Water | Other         | Total            |
|  | \$M                         | \$M                              | \$M                         | \$M                         | \$M                             | \$M                     | \$M           | \$M              |
| Corporate (incl. Large and SME corporate)  | 15,482                      | 79,522                           | –                           | 11,091                      | 16,494                          | 9,393                   | 10,153        | <b>229,491</b>   |
| Sovereign                                  | –                           | –                                | 135,594                     | –                           | –                               | –                       | –             | <b>135,594</b>   |
| Financial institution                      | –                           | –                                | –                           | –                           | –                               | –                       | –             | <b>52,686</b>    |
| SME retail <sup>1</sup>                    | 1,055                       | 1,683                            | –                           | 1,073                       | 1,288                           | 46                      | 4,287         | <b>20,455</b>    |
| Residential mortgage                       | –                           | –                                | –                           | –                           | –                               | –                       | –             | <b>689,600</b>   |
| Qualifying revolving retail                | –                           | –                                | –                           | –                           | –                               | –                       | –             | <b>22,984</b>    |
| Other retail                               | –                           | –                                | –                           | –                           | –                               | –                       | –             | <b>9,365</b>     |
| Specialised lending                        | 188                         | –                                | –                           | –                           | 52                              | 4,165                   | 101           | <b>5,929</b>     |
| Other assets <sup>2</sup>                  | 49                          | 47                               | –                           | 8                           | 6                               | –                       | 9,008         | <b>12,360</b>    |
| Central counterparties                     | –                           | –                                | –                           | –                           | –                               | –                       | –             | <b>3,200</b>     |
| RBNZ regulated entities                    | 1,483                       | 10,533                           | 12,890                      | 1,867                       | 825                             | 758                     | 1,122         | <b>131,444</b>   |
| <b>Total credit exposures <sup>3</sup></b> | <b>18,257</b>               | <b>91,785</b>                    | <b>148,484</b>              | <b>14,039</b>               | <b>18,665</b>                   | <b>14,362</b>           | <b>24,671</b> | <b>1,313,108</b> |

<sup>1</sup> SME retail business lending secured by residential property has been allocated by industry.

<sup>2</sup> Includes immaterial contributions from other standardised asset classes, including Domestic public sector entities, Commercial property, Land acquisition, development and construction, and Bank.

<sup>3</sup> Total credit risk exposures do not include equities or securitisation exposures.

<sup>4</sup> Commercial Property includes Real Estate Investment Trusts (REIT) and excludes Business Services.

# Credit Risk (continued)

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

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

| Portfolio Type                             | 30 June 2024    |                     |                   |                        |               |                   |                          |                     |
|--|-----------------|---------------------|-------------------|------------------------|---------------|-------------------|--------------------------|---------------------|
|  | Industry Sector |                     |                   |                        |               |                   |                          |                     |
|  | Consumer        | Finance & Insurance | Business Services | Agriculture & Forestry | Construction  | Mining, Oil & Gas | Wholesale & Retail Trade | Transport & Storage |
|  | \$M             | \$M                 | \$M               | \$M                    | \$M           | \$M               | \$M                      | \$M                 |
| Corporate (incl. Large and SME corporate)  | –               | 2,736               | 10,227            | 18,440                 | 6,625         | 4,877             | 20,617                   | 19,314              |
| Sovereign                                  | –               | –                   | –                 | –                      | –             | –                 | –                        | –                   |
| Financial institution                      | –               | 43,900              | –                 | –                      | –             | –                 | –                        | –                   |
| SME retail <sup>1</sup>                    | –               | 374                 | 2,005             | 1,534                  | 2,811         | 131               | 2,817                    | 1,278               |
| Residential mortgage                       | 666,728         | –                   | –                 | –                      | –             | –                 | –                        | –                   |
| Qualifying revolving retail                | 23,165          | –                   | –                 | –                      | –             | –                 | –                        | –                   |
| Other retail                               | 8,808           | –                   | –                 | –                      | –             | –                 | –                        | –                   |
| Specialised lending                        | –               | –                   | –                 | –                      | –             | 59                | 327                      | 740                 |
| Other assets <sup>2</sup>                  | 2,732           | 115                 | 25                | 35                     | 21            | 20                | 22                       | 563                 |
| Central counterparties                     | –               | 3,115               | –                 | –                      | –             | –                 | –                        | –                   |
| RBNZ regulated entities                    | 78,511          | 3,203               | 1,778             | 10,695                 | 1,153         | 10                | 3,684                    | 967                 |
| <b>Total credit exposures <sup>3</sup></b> | <b>779,944</b>  | <b>53,443</b>       | <b>14,035</b>     | <b>30,704</b>          | <b>10,610</b> | <b>5,097</b>      | <b>27,467</b>            | <b>22,862</b>       |

| Portfolio Type                             | Industry Sector (continued) |                                  |                             |                             |                                 |                         |               |                  |
|--|-----------------------------|----------------------------------|-----------------------------|-----------------------------|---------------------------------|-------------------------|---------------|------------------|
|  | Manufacturing               | Commercial Property <sup>4</sup> | Government Admin. & Defence | Health & Community Services | Entertainment Leisure & Tourism | Electricity Gas & Water | Other         | Total            |
|  | \$M                         | \$M                              | \$M                         | \$M                         | \$M                             | \$M                     | \$M           | \$M              |
| Corporate (incl. Large and SME corporate)  | 13,161                      | 75,877                           | –                           | 10,066                      | 14,839                          | 7,785                   | 9,517         | <b>214,081</b>   |
| Sovereign                                  | –                           | –                                | 134,233                     | –                           | –                               | –                       | –             | <b>134,233</b>   |
| Financial institution                      | –                           | –                                | –                           | –                           | –                               | –                       | –             | <b>43,900</b>    |
| SME retail <sup>1</sup>                    | 1,075                       | 1,790                            | –                           | 1,078                       | 1,256                           | 43                      | 4,221         | <b>20,413</b>    |
| Residential mortgage                       | –                           | –                                | –                           | –                           | –                               | –                       | –             | <b>666,728</b>   |
| Qualifying revolving retail                | –                           | –                                | –                           | –                           | –                               | –                       | –             | <b>23,165</b>    |
| Other retail                               | –                           | –                                | –                           | –                           | –                               | –                       | –             | <b>8,808</b>     |
| Specialised lending                        | 168                         | –                                | –                           | –                           | 50                              | 3,018                   | 225           | <b>4,587</b>     |
| Other assets <sup>2</sup>                  | 33                          | 47                               | –                           | 10                          | 7                               | –                       | 7,610         | <b>11,240</b>    |
| Central counterparties                     | –                           | –                                | –                           | –                           | –                               | –                       | –             | <b>3,115</b>     |
| RBNZ regulated entities                    | 1,470                       | 10,263                           | 13,285                      | 1,963                       | 802                             | 708                     | 1,034         | <b>129,526</b>   |
| <b>Total credit exposures <sup>3</sup></b> | <b>15,907</b>               | <b>87,977</b>                    | <b>147,518</b>              | <b>13,117</b>               | <b>16,954</b>                   | <b>11,554</b>           | <b>22,607</b> | <b>1,259,796</b> |

1 SME retail business lending secured by residential property has been allocated by industry.

2 Includes immaterial contributions from other standardised asset classes, including Domestic public sector entities, Commercial property, Land acquisition, development and construction, and Bank.

3 Total credit risk exposures do not include equities or securitisation exposures.

4 Commercial Property includes Real Estate Investment Trusts (REIT) and excludes Business Services.

# Credit Risk (continued)

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

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

| Portfolio Type                             | 31 December 2023 |                               |                             |                                  |                     |                             |                                    |                               |
|--|------------------|-------------------------------|-----------------------------|----------------------------------|---------------------|-----------------------------|------------------------------------|-------------------------------|
|  | Industry Sector  |                               |                             |                                  |                     |                             |                                    |                               |
|  | Consumer<br>\$M  | Finance &<br>Insurance<br>\$M | Business<br>Services<br>\$M | Agriculture<br>& Forestry<br>\$M | Construction<br>\$M | Mining, Oil<br>& Gas<br>\$M | Wholesale &<br>Retail Trade<br>\$M | Transport<br>& Storage<br>\$M |
| Corporate (incl. Large and SME corporate)  | –                | 1,922                         | 9,527                       | 16,665                           | 6,212               | 4,232                       | 20,730                             | 18,449                        |
| Sovereign                                  | –                | –                             | –                           | –                                | –                   | –                           | –                                  | –                             |
| Financial institution                      | –                | 56,902                        | –                           | –                                | –                   | –                           | –                                  | –                             |
| SME retail <sup>1</sup>                    | –                | 362                           | 1,933                       | 1,525                            | 2,717               | 127                         | 2,798                              | 1,215                         |
| Residential mortgage                       | 651,955          | –                             | –                           | –                                | –                   | –                           | –                                  | –                             |
| Qualifying revolving retail                | 23,371           | –                             | –                           | –                                | –                   | –                           | –                                  | –                             |
| Other retail                               | 8,450            | –                             | –                           | –                                | –                   | –                           | –                                  | –                             |
| Specialised lending                        | –                | –                             | –                           | –                                | –                   | 277                         | 340                                | 822                           |
| Other assets <sup>2</sup>                  | 2,768            | 488                           | 18                          | 27                               | 23                  | 48                          | 66                                 | 622                           |
| Central counterparties                     | –                | 2,862                         | –                           | –                                | –                   | –                           | –                                  | –                             |
| RBNZ regulated entities                    | 78,718           | 3,699                         | 1,877                       | 10,778                           | 1,167               | 11                          | 3,709                              | 930                           |
| <b>Total credit exposures <sup>3</sup></b> | <b>765,262</b>   | <b>66,235</b>                 | <b>13,355</b>               | <b>28,995</b>                    | <b>10,119</b>       | <b>4,695</b>                | <b>27,643</b>                      | <b>22,038</b>                 |

| Portfolio Type                             | Industry Sector (continued)               |  |  |  |  |                                   |               |                  |
|--|---|--|--|--|--|-----------------------------------|---------------|------------------|
|  | Manufacturing<br>\$M                      | Commercial<br>Property <sup>4</sup><br>\$M | Government<br>Admin. &<br>Defence<br>\$M | Health &<br>Community<br>Services<br>\$M | Entertainment<br>Leisure<br>& Tourism<br>\$M | Electricity<br>Gas & Water<br>\$M | Other<br>\$M  | Total<br>\$M     |
|  | Corporate (incl. Large and SME corporate) | 14,304                                     | 74,303                                   | –  | 9,850  | 13,214                            | 8,500         | 9,066            |
| Sovereign                                  | –   | –  | 174,139                                  | –  | –  | –                                 | –             | <b>174,139</b>   |
| Financial institution                      | –   | –  | –  | –  | –  | –                                 | –             | <b>56,902</b>    |
| SME retail <sup>1</sup>                    | 1,058                                     | 1,819                                      | –  | 1,051                                    | 1,221  | 43                                | 4,218         | <b>20,087</b>    |
| Residential mortgage                       | –   | –  | –  | –  | –  | –                                 | –             | <b>651,955</b>   |
| Qualifying revolving retail                | –   | –  | –  | –  | –  | –                                 | –             | <b>23,371</b>    |
| Other retail                               | –   | –  | –  | –  | –  | –                                 | –             | <b>8,450</b>     |
| Specialised lending                        | 163                                       | –  | –  | –  | 48   | 2,596                             | 152           | <b>4,398</b>     |
| Other assets <sup>2</sup>                  | 61  | 31   | –  | 10                                       | 16   | 2                                 | 11,439        | <b>15,619</b>    |
| Central counterparties                     | –   | –  | –  | –  | –  | –                                 | –             | <b>2,862</b>     |
| RBNZ regulated entities                    | 1,531                                     | 10,334                                     | 14,464                                   | 1,946                                    | 856  | 636                               | 1,125         | <b>131,781</b>   |
| <b>Total credit exposures <sup>3</sup></b> | <b>17,117</b>                             | <b>86,487</b>                              | <b>188,603</b>                           | <b>12,857</b>                            | <b>15,355</b>                                | <b>11,777</b>                     | <b>26,000</b> | <b>1,296,538</b> |

1 SME retail business lending secured by residential property has been allocated by industry.

2 Includes immaterial contributions from other standardised asset classes, including Domestic public sector entities, Commercial property, Land acquisition, development and construction, and Bank.

3 Total credit risk exposures do not include equities or securitisation exposures.

4 Commercial Property includes Real Estate Investment Trusts (REIT) and excludes Business Services.

# Credit Risk (continued)

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

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

| 31 December 2024                          |                 |                 |                  |                                 |                  |
|---|-----------------|-----------------|------------------|---------------------------------|------------------|
| Portfolio Type                            | ≤ 12mths<br>\$M | 1 ≤ 5yrs<br>\$M | > 5 years<br>\$M | No specified<br>maturity<br>\$M | Total<br>\$M     |
| Corporate (incl. Large and SME corporate) | 74,431          | 143,672         | 11,388           | –                               | 229,491          |
| Sovereign                                 | 46,737          | 36,460          | 52,397           | –                               | 135,594          |
| Financial institution                     | 38,633          | 12,770          | 1,283            | –                               | 52,686           |
| SME retail                                | 7,284           | 8,475           | 4,696            | –                               | 20,455           |
| Residential mortgage                      | 20,284          | 64,060          | 590,192          | 15,064                          | 689,600          |
| Qualifying revolving retail               | –               | –               | –                | 22,984                          | 22,984           |
| Other retail                              | 329             | 4,862           | 3,121            | 1,053                           | 9,365            |
| Specialised lending                       | 1,301           | 3,238           | 1,390            | –                               | 5,929            |
| Other assets                              | 2,825           | 498             | 82               | 8,955                           | 12,360           |
| Central counterparties                    | 1,171           | 1,030           | 999              | –                               | 3,200            |
| RBNZ regulated entities                   | 36,378          | 15,928          | 79,138           | –                               | 131,444          |
| <b>Total credit exposures<sup>1</sup></b> | <b>229,373</b>  | <b>290,993</b>  | <b>744,686</b>   | <b>48,056</b>                   | <b>1,313,108</b> |

<sup>1</sup> Total credit risk exposures do not include equities or securitisation exposures.

| 30 June 2024                              |                 |                 |                  |                                 |                  |
|---|-----------------|-----------------|------------------|---------------------------------|------------------|
| Portfolio Type                            | ≤ 12mths<br>\$M | 1 ≤ 5yrs<br>\$M | > 5 years<br>\$M | No specified<br>maturity<br>\$M | Total<br>\$M     |
| Corporate (incl. Large and SME corporate) | 66,565          | 137,754         | 9,762            | –                               | 214,081          |
| Sovereign                                 | 49,458          | 32,981          | 51,794           | –                               | 134,233          |
| Financial institution                     | 30,110          | 13,447          | 343              | –                               | 43,900           |
| SME retail                                | 7,017           | 8,491           | 4,905            | –                               | 20,413           |
| Residential mortgage                      | 19,565          | 61,786          | 569,242          | 16,135                          | 666,728          |
| Qualifying revolving retail               | –               | –               | –                | 23,165                          | 23,165           |
| Other retail                              | 303             | 4,520           | 2,950            | 1,035                           | 8,808            |
| Specialised lending                       | 1,269           | 2,622           | 696              | –                               | 4,587            |
| Other assets                              | 2,858           | 603             | 198              | 7,581                           | 11,240           |
| Central counterparties                    | 1,100           | 1,042           | 973              | –                               | 3,115            |
| RBNZ regulated entities                   | 38,263          | 14,464          | 76,799           | –                               | 129,526          |
| <b>Total credit exposures<sup>1</sup></b> | <b>216,508</b>  | <b>277,710</b>  | <b>717,662</b>   | <b>47,916</b>                   | <b>1,259,796</b> |

<sup>1</sup> Total credit risk exposures do not include equities or securitisation exposures.

| 31 December 2023                          |                 |                 |                  |                                 |                  |
|---|-----------------|-----------------|------------------|---------------------------------|------------------|
| Portfolio Type                            | ≤ 12mths<br>\$M | 1 ≤ 5yrs<br>\$M | > 5 years<br>\$M | No specified<br>maturity<br>\$M | Total<br>\$M     |
| Corporate (incl. Large and SME corporate) | 62,009          | 134,150         | 10,815           | –                               | 206,974          |
| Sovereign                                 | 96,123          | 29,777          | 48,239           | –                               | 174,139          |
| Financial institution                     | 41,911          | 14,822          | 169              | –                               | 56,902           |
| SME retail                                | 6,859           | 8,186           | 5,042            | –                               | 20,087           |
| Residential mortgage                      | 20,079          | 62,414          | 552,288          | 17,174                          | 651,955          |
| Qualifying revolving retail               | –               | –               | –                | 23,371                          | 23,371           |
| Other retail                              | 282             | 4,104           | 2,728            | 1,336                           | 8,450            |
| Specialised lending                       | 928             | 2,831           | 639              | –                               | 4,398            |
| Other assets                              | 3,100           | 638             | 196              | 11,685                          | 15,619           |
| Central counterparties                    | 1,157           | 684             | 1,021            | –                               | 2,862            |
| RBNZ regulated entities                   | 41,264          | 14,349          | 76,168           | –                               | 131,781          |
| <b>Total credit exposures<sup>1</sup></b> | <b>273,712</b>  | <b>271,955</b>  | <b>697,305</b>   | <b>53,566</b>                   | <b>1,296,538</b> |

<sup>1</sup> Total credit risk exposures do not include equities or securitisation exposures.

# Credit Risk (continued)

## 6.2 Non-performing Exposures and Provisions

The Group assesses its provisioning for impairment in accordance with AASB 9 Financial Instruments (AASB 9) and APS220 Credit Risk Management, and recognises both individually and collectively assessed provisions.

### Reconciliation of Australian Accounting Standards and APS 220 *Credit Risk Management* based credit provisions and Table 7j – Provisions held against performing exposures

|                                    | 31 December 2024                  |                                    |                     |
|------------------------------------|-----------------------------------|------------------------------------|---------------------|
|                                    | General<br>provision <sup>1</sup> | Specific<br>provision <sup>1</sup> | Total<br>provisions |
|                                    | \$M                               | \$M                                | \$M                 |
| Collective provision <sup>2</sup>  | 4,738                             | 754                                | 5,492               |
| Individual provisions <sup>2</sup> | –                                 | 735                                | 735                 |
| <b>Total regulatory provisions</b> | 4,738                             | 1,489                              | 6,227               |

- 1 Specific provision balance includes accounting collective provisions on non-performing exposures, general provision balance includes collective provisions on performing exposures.  
 2 Provisions according to Australian Accounting Standards.

|                                    | 30 June 2024                      |                                    |                     |
|------------------------------------|-----------------------------------|------------------------------------|---------------------|
|                                    | General<br>provision <sup>1</sup> | Specific<br>provision <sup>1</sup> | Total<br>provisions |
|                                    | \$M                               | \$M                                | \$M                 |
| Collective provision <sup>2</sup>  | 4,589                             | 834                                | 5,423               |
| Individual provisions <sup>2</sup> | –                                 | 712                                | 712                 |
| <b>Total regulatory provisions</b> | 4,589                             | 1,546                              | 6,135               |

- 1 Specific provision balance includes accounting collective provisions on non-performing exposures, general provision balance includes collective provisions on performing exposures.  
 2 Provisions according to Australian Accounting Standards.

|                                    | 31 December 2023                  |                                    |                     |
|------------------------------------|-----------------------------------|------------------------------------|---------------------|
|                                    | General<br>provision <sup>1</sup> | Specific<br>provision <sup>1</sup> | Total<br>provisions |
|                                    | \$M                               | \$M                                | \$M                 |
| Collective provision <sup>2</sup>  | 4,681                             | 649                                | 5,330               |
| Individual provisions <sup>2</sup> | –                                 | 733                                | 733                 |
| <b>Total regulatory provisions</b> | 4,681                             | 1,382                              | 6,063               |

- 1 Specific provision balance includes accounting collective provisions on non-performing exposures, general provision balance includes collective provisions on performing exposures.  
 2 Provisions according to Australian Accounting Standards.



# Credit Risk (continued)

## 6.2 Non-performing Exposures and Provisions (continued)

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

**Table 7f (i) – Non-performing, specific provisions and write-offs charged by industry sector**

| 31 December 2024                    |                                       |   |   |                                      |
|-------------------------------------|---------------------------------------|---|---|--------------------------------------|
| Industry Sector                     | Non performing exposures <sup>1</sup> | Specific provision balance <sup>2</sup> | Net half year charges for specific provisions | Half year actual losses <sup>3</sup> |
|                                     | \$M                                   | \$M                                     | \$M   | \$M                                  |
| Consumer                            | 7,458                                 | 578                                     | 46  | 199                                  |
| Government Administration & Defence | –                                     | –                                       | –   | –                                    |
| Finance & Insurance                 | 30                                    | 18                                      | (2)   | 1                                    |
| Business Services                   | 169                                   | 59                                      | 7   | 11                                   |
| Agriculture & Forestry              | 394                                   | 40                                      | 6   | 3                                    |
| Mining, Oil & Gas                   | 12                                    | 2                                       | (2)   | –                                    |
| Manufacturing                       | 290                                   | 103                                     | 16  | –                                    |
| Electricity, Gas & Water            | –                                     | –                                       | –   | –                                    |
| Construction                        | 321                                   | 130                                     | 11  | 37                                   |
| Wholesale & Retail Trade            | 407                                   | 200                                     | 10  | 23                                   |
| Transport & Storage                 | 289                                   | 59                                      | 35  | 3                                    |
| Commercial Property                 | 310                                   | 22                                      | (5)   | 2                                    |
| Entertainment, Leisure & Tourism    | 218                                   | 112                                     | 7   | 4                                    |
| Health & Community Services         | 236                                   | 127                                     | 57  | 1                                    |
| Other                               | 163                                   | 39                                      | 9   | 6                                    |
| <b>Total</b>                        | <b>10,297</b>                         | <b>1,489</b>                            | <b>195</b>                                    | <b>290</b>                           |

1 Excludes non-performing exposures in securitisation entities that meet APRA's operational requirements for regulatory capital relief under APS 120 *Securitisation*.

2 Specific provision balance includes accounting collective provisions on non-performing loans.

3 Actual losses equal write-offs from individual provisions and write-offs direct from collective provisions less recoveries of amounts previously written off for the half year ended 31 December 2024.

| 30 June 2024                        |                                       |   |   |                                      |
|-------------------------------------|---------------------------------------|---|---|--------------------------------------|
| Industry Sector                     | Non performing exposures <sup>1</sup> | Specific provision balance <sup>2</sup> | Net full year charges for specific provisions | Full year actual losses <sup>3</sup> |
|                                     | \$M                                   | \$M                                     | \$M   | \$M                                  |
| Consumer                            | 7,006                                 | 736                                     | 581   | 387                                  |
| Government Administration & Defence | –                                     | –                                       | –   | –                                    |
| Finance & Insurance                 | 42                                    | 21                                      | 10  | 10                                   |
| Business Services                   | 153                                   | 59                                      | 22  | 6                                    |
| Agriculture & Forestry              | 356                                   | 37                                      | 14  | 15                                   |
| Mining, Oil & Gas                   | 28                                    | 14                                      | (1)   | –                                    |
| Manufacturing                       | 243                                   | 87                                      | 41  | 49                                   |
| Electricity, Gas & Water            | 2                                     | –                                       | –   | –                                    |
| Construction                        | 288                                   | 135                                     | 6   | 20                                   |
| Wholesale & Retail Trade            | 374                                   | 187                                     | 58  | 69                                   |
| Transport & Storage                 | 192                                   | 26                                      | 18  | 15                                   |
| Commercial Property                 | 357                                   | 27                                      | 13  | 7                                    |
| Entertainment, Leisure & Tourism    | 238                                   | 113                                     | 33  | 5                                    |
| Health & Community Services         | 212                                   | 71                                      | 18  | 1                                    |
| Other                               | 127                                   | 33                                      | 14  | 94                                   |
| <b>Total</b>                        | <b>9,618</b>                          | <b>1,546</b>                            | <b>827</b>                                    | <b>678</b>                           |

1 Excludes non-performing exposures in securitisation entities that meet APRA's operational requirements for regulatory capital relief under APS 120 *Securitisation*.

2 Specific provision balance includes accounting collective provisions on non-performing loans.

3 Actual losses equal write-offs from individual provisions and write-offs direct from collective provisions less recoveries of amounts previously written off for the year ended 30 June 2024.

## Credit Risk (continued)

### 6.2 Non-performing Exposures and Provisions (continued)

Table 7f (i) – Non-performing, specific provisions and write-offs charged by industry sector (continued)

| Industry Sector                     | 31 December 2023                      |   |   |                                      |
|-------------------------------------|---------------------------------------|---|---|--------------------------------------|
|                                     | Non performing exposures <sup>1</sup> | Specific provision balance <sup>2</sup> | Net half year charges for specific provisions | Half year actual losses <sup>3</sup> |
|                                     | \$M                                   | \$M                                     | \$M   | \$M                                  |
| Consumer                            | 5,562                                 | 574                                     | 217   | 178                                  |
| Government Administration & Defence | –                                     | –                                       | –   | –                                    |
| Finance & Insurance                 | 54                                    | 21                                      | 8   | 7                                    |
| Business Services                   | 123                                   | 35                                      | (5)   | 2                                    |
| Agriculture & Forestry              | 299                                   | 36                                      | 5   | 9                                    |
| Mining, Oil & Gas                   | 31                                    | 12                                      | (1)   | –                                    |
| Manufacturing                       | 180                                   | 82                                      | 11  | 22                                   |
| Electricity, Gas & Water            | –                                     | –                                       | –   | –                                    |
| Construction                        | 269                                   | 116                                     | (15)  | 11                                   |
| Wholesale & Retail Trade            | 412                                   | 189                                     | 34  | 47                                   |
| Transport & Storage                 | 184                                   | 34                                      | 9   | 2                                    |
| Commercial Property                 | 377                                   | 41                                      | 17  | 1                                    |
| Entertainment, Leisure & Tourism    | 203                                   | 100                                     | 21  | 2                                    |
| Health & Community Services         | 243                                   | 66                                      | 12  | 1                                    |
| Other                               | 167                                   | 76                                      | 29  | 42                                   |
| <b>Total</b>                        | <b>8,104</b>                          | <b>1,382</b>                            | <b>342</b>                                    | <b>324</b>                           |

1 Excludes non-performing exposures in securitisation entities that meet APRA's operational requirements for regulatory capital relief under APS 120 *Securitisation*.

2 Specific provision balance includes accounting collective provisions on non-performing loans.

3 Actual losses equal write-offs from individual provisions and write-offs direct from collective provisions less recoveries of amounts previously written off for the half year ended 31 December 2023.

#### Factors impacting the loss experience

Non-performing exposures increased by 7.1% over the half from \$9.6bn to \$10.3bn. The Group's actual losses decreased by \$64 million on the prior half year to \$290 million primarily driven by lower write-offs in the manufacturing industry and non-recurring losses in the prior half in other non-retail industries; partially offset by higher write-offs in the construction industry.

# Credit Risk (continued)

## 6.2 Non-performing Exposures and Provisions (continued)

Table 7f (ii) – Non-performing, specific provisions and write-offs charged by portfolio

| Portfolio <sup>4</sup>               | 31 December 2024         |   |  |                                      |
|--------------------------------------|--------------------------|---|--|--------------------------------------|
|                                      | Non performing exposures | Specific provision balance <sup>1</sup> | Net half year charges for specific provisions <sup>2</sup> | Half year actual losses <sup>3</sup> |
|                                      | \$M                      | \$M                                     | \$M  | \$M                                  |
| Corporate (Inc. Large and SME Corp.) | 1,986                    | 566                                     | 105  | 61                                   |
| Sovereign                            | –                        | –                                       | –  | –                                    |
| Financial Institution                | 1                        | 1                                       | –  | –                                    |
| SME Retail                           | 317                      | 118                                     | 35   | 19                                   |
| Residential Mortgage                 | 5,789                    | 321                                     | (126)  | 9                                    |
| Qualifying Revolving Retail          | 77                       | 50                                      | 53   | 59                                   |
| Other Retail                         | 101                      | 72                                      | 97   | 106                                  |
| Specialised Lending                  | 121                      | 118                                     | 4  | –                                    |
| Other Assets                         | 24                       | 14                                      | (1)  | –                                    |
| Central Counterparties               | –                        | –                                       | –  | –                                    |
| RBNZ Regulated Entities              | 1,881                    | 229                                     | 28   | 36                                   |
| <b>Total</b>                         | <b>10,297</b>            | <b>1,489</b>                            | <b>195</b>   | <b>290</b>                           |

1 Specific provision balance includes accounting collective provisions on non-performing loans.

2 Includes charges for accounting collective provisions on non-performing exposures for the half year ended 31 December 2024.

3 Actual losses equal write-offs from individual provisions and write-offs direct from collective provisions less recoveries of amounts previously written off for the half year ended 31 December 2024.

4 Losses stemming from IPRE lending are less than 0.3% and 0.5% of outstanding IPRE exposures, respectively, in each of the past three years to 31 December 2024.

| Portfolio <sup>4</sup>               | 30 June 2024             |   |  |                                      |
|--------------------------------------|--------------------------|---|--|--------------------------------------|
|                                      | Non performing exposures | Specific provision balance <sup>1</sup> | Net full year charges for specific provisions <sup>2</sup> | Full year actual losses <sup>3</sup> |
|                                      | \$M                      | \$M                                     | \$M  | \$M                                  |
| Corporate (Inc. Large and SME Corp.) | 1,863                    | 505                                     | 126  | 172                                  |
| Sovereign                            | –                        | –                                       | –  | –                                    |
| Financial Institution                | 1                        | 1                                       | –  | –                                    |
| SME Retail                           | 276                      | 103                                     | 87   | 57                                   |
| Residential Mortgage                 | 5,483                    | 459                                     | 171  | 32                                   |
| Qualifying Revolving Retail          | 74                       | 56                                      | 131  | 121                                  |
| Other Retail                         | 105                      | 79                                      | 219  | 208                                  |
| Specialised Lending                  | 115                      | 105                                     | –  | 46                                   |
| Other Assets                         | 6                        | 2                                       | –  | –                                    |
| Central Counterparties               | –                        | –                                       | –  | –                                    |
| RBNZ Regulated Entities              | 1,695                    | 236                                     | 93   | 42                                   |
| <b>Total</b>                         | <b>9,618</b>             | <b>1,546</b>                            | <b>827</b>   | <b>678</b>                           |

1 Specific provision balance includes accounting collective provisions on non-performing loans.

2 Includes charges for accounting collective provisions on non-performing exposures for the year ended 30 June 2024.

3 Actual losses equal write-offs from individual provisions and write-offs direct from collective provisions less recoveries of amounts previously written off for the year ended 30 June 2024.

4 Losses stemming from IPRE lending are less than 0.3% and 0.5% of outstanding IPRE exposures, respectively, in each of the past three years to 30 June 2024.

## Credit Risk (continued)

### 6.2 Non-performing Exposures and Provisions (continued)

Table 7f (ii) – Non-performing, specific provisions and write-offs charged by portfolio (continued)

|                                      | 31 December 2023         |   |  |                                      |
|--------------------------------------|--------------------------|---|--|--------------------------------------|
| Portfolio <sup>4</sup>               | Non performing exposures | Specific provision balance <sup>1</sup> | Net half year charges for specific provisions <sup>2</sup> | Half year actual losses <sup>3</sup> |
|                                      | \$M                      | \$M                                     | \$M  | \$M                                  |
| Corporate (Inc. Large and SME Corp.) | 1,780                    | 497                                     | 50   | 66                                   |
| Sovereign                            | –                        | –                                       | –  | –                                    |
| Financial Institution                | 1                        | 1                                       | –  | –                                    |
| SME Retail                           | 227                      | 85                                      | 61   | 29                                   |
| Residential Mortgage                 | 4,290                    | 353                                     | 40   | 4                                    |
| Qualifying Revolving Retail          | 69                       | 54                                      | 76   | 69                                   |
| Other Retail                         | 84                       | 58                                      | 89   | 97                                   |
| Specialised Lending                  | 131                      | 93                                      | (1)  | 43                                   |
| Other Assets                         | 49                       | 45                                      | –  | –                                    |
| Central Counterparties               | –                        | –                                       | –  | –                                    |
| RBNZ Regulated Entities              | 1,473                    | 196                                     | 27   | 16                                   |
| <b>Total</b>                         | <b>8,104</b>             | <b>1,382</b>                            | <b>342</b>   | <b>324</b>                           |

1 Specific provision balance includes accounting collective provisions on non-performing loans.

2 Includes charges for accounting collective provisions on non-performing exposures for the half year ended 31 December 2023.

3 Actual losses equal write-offs from individual provisions and write-offs direct from collective provisions less recoveries of amounts previously written off for the half year ended 31 December 2023.

4 Losses stemming from IPRE lending are less than 0.3% and 0.5% of outstanding IPRE exposures, respectively, in each of the past three years to 31 December 2023.

# Credit Risk (continued)

## 6.2 Non-performing Exposures and Provisions (continued)

Table 7g (i) to (ii) – Non performing, specific provisions, and general provisions by geographic region

| Geographic Region <sup>1</sup> | 31 December 2024         |                            |                           |
|--------------------------------|--------------------------|----------------------------|---------------------------|
|                                | Non performing exposures | Specific provision balance | General provision balance |
|                                | \$M                      | \$M                        | \$M                       |
| Australia                      | 8,265                    | 1,250                      | 4,275                     |
| New Zealand                    | 1,867                    | 229                        | 369                       |
| Other                          | 165                      | 10                         | 94                        |
| <b>Total</b>                   | <b>10,297</b>            | <b>1,489</b>               | <b>4,738</b>              |

<sup>1</sup> Balances are reported based on the risk domicile of the borrower.

| Geographic Region <sup>1</sup> | 30 June 2024             |                            |                           |
|--------------------------------|--------------------------|----------------------------|---------------------------|
|                                | Non performing exposures | Specific provision balance | General provision balance |
|                                | \$M                      | \$M                        | \$M                       |
| Australia                      | 7,776                    | 1,300                      | 4,119                     |
| New Zealand                    | 1,682                    | 234                        | 385                       |
| Other                          | 160                      | 12                         | 85                        |
| <b>Total</b>                   | <b>9,618</b>             | <b>1,546</b>               | <b>4,589</b>              |

<sup>1</sup> Balances are reported based on the risk domicile of the borrower.

| Geographic Region <sup>1</sup> | 31 December 2023         |                            |                           |
|--------------------------------|--------------------------|----------------------------|---------------------------|
|                                | Non performing exposures | Specific provision balance | General provision balance |
|                                | \$M                      | \$M                        | \$M                       |
| Australia                      | 6,427                    | 1,126                      | 4,166                     |
| New Zealand                    | 1,457                    | 193                        | 398                       |
| Other                          | 220                      | 63                         | 117                       |
| <b>Total</b>                   | <b>8,104</b>             | <b>1,382</b>               | <b>4,681</b>              |

<sup>1</sup> Balances are reported based on the risk domicile of the borrower.

# Credit Risk (continued)

## 6.2 Non-performing Exposures and Provisions (continued)

Table 7h (i) & (ii)– Movement in individual and collective provisions

|   | Group             |                   |                           | Total<br>\$M |
|---|-------------------|-------------------|---------------------------|--------------|
|   | Stage 1           | Stage 2           | Stage 3                   |              |
|   | Performing<br>\$M | Performing<br>\$M | Non-<br>performing<br>\$M |              |
| <b>Closing balance as at 30 June 2023</b>               | <b>1,709</b>      | <b>2,889</b>      | <b>1,352</b>              | <b>5,950</b> |
| Transfers to/(from)                                     |                   |                   |                           |              |
| Stage 1   | 698               | (696)             | (2)                       | –            |
| Stage 2   | (384)             | 504               | (120)                     | –            |
| Stage 3   | (32)              | (178)             | 210                       | –            |
| Net re-measurement on transfers between stages          | (492)             | 848               | 236                       | <b>592</b>   |
| Net financial assets originated                         | 61                | (675)             | (159)                     | <b>(773)</b> |
| Movement in existing IAP (including IAP write-backs)    | –                 | –                 | 93                        | <b>93</b>    |
| Movements due to risk parameters and other changes      | 188               | 231               | 84                        | <b>503</b>   |
| <b>Loan impairment expense/(benefit) for the period</b> | <b>39</b>         | <b>34</b>         | <b>342</b>                | <b>415</b>   |
| Write-offs  | –                 | –                 | (376)                     | <b>(376)</b> |
| Recoveries  | –                 | –                 | 52                        | <b>52</b>    |
| Foreign exchange and other commitments                  | 5                 | 5                 | 12                        | <b>22</b>    |
| <b>Closing balance as at 31 December 2023</b>           | <b>1,753</b>      | <b>2,928</b>      | <b>1,382</b>              | <b>6,063</b> |
| Transfers to/(from)                                     |                   |                   |                           |              |
| Stage 1   | 780               | (775)             | (5)                       | –            |
| Stage 2   | (353)             | 459               | (106)                     | –            |
| Stage 3   | (15)              | (217)             | 232                       | –            |
| Net re-measurement on transfers between stages          | (583)             | 822               | 290                       | <b>529</b>   |
| Net financial assets originated                         | 278               | (181)             | (158)                     | <b>(61)</b>  |
| Movement in existing IAP (including IAP write-backs)    | –                 | –                 | 67                        | <b>67</b>    |
| Movements due to risk parameters and other changes      | (66)              | (247)             | 165                       | <b>(148)</b> |
| <b>Loan impairment expense/(benefit) for the period</b> | <b>41</b>         | <b>(139)</b>      | <b>485</b>                | <b>387</b>   |
| Write-offs  | –                 | –                 | (430)                     | <b>(430)</b> |
| Recoveries  | –                 | –                 | 76                        | <b>76</b>    |
| Foreign exchange and other commitments                  | 1                 | 5                 | 33                        | <b>39</b>    |
| <b>Closing balance as at 30 June 2024</b>               | <b>1,795</b>      | <b>2,794</b>      | <b>1,546</b>              | <b>6,135</b> |
| Stage 1   | 737               | (733)             | (4)                       | –            |
| Stage 2   | (352)             | 468               | (116)                     | –            |
| Stage 3   | (13)              | (199)             | 212                       | –            |
| Net re-measurement on transfers between stages          | (510)             | 799               | 280                       | <b>569</b>   |
| Net financial assets originated                         | 191               | (390)             | (194)                     | <b>(393)</b> |
| Movement in existing IAP (including IAP write-backs)    | –                 | –                 | 40                        | <b>40</b>    |
| Movements due to risk parameters and other changes      | (52)              | 179               | (23)                      | <b>104</b>   |
| <b>Loan impairment expense/(benefit) for the period</b> | <b>1</b>          | <b>124</b>        | <b>195</b>                | <b>320</b>   |
| Write-offs  | –                 | –                 | (355)                     | <b>(355)</b> |
| Recoveries  | –                 | –                 | 65                        | <b>65</b>    |
| Foreign exchange and other commitments                  | 9                 | 15                | 38                        | <b>62</b>    |
| <b>Closing balance as at 31 December 2024</b>           | <b>1,805</b>      | <b>2,933</b>      | <b>1,489</b>              | <b>6,227</b> |

For definitions of the line items in the table above refer to Note 3.2 in the 2024 Annual Report.

# Credit Risk (continued)

## 6.3 Portfolios Subject to Standardised and Supervisory Risk Weights

The standardised approach is used by the Group where portfolios or segments are considered to be immaterial by the size of exposure or where the relevant prudential standards require a standardised approach to be used<sup>1</sup>.

Portfolios that use the standardised approach include:

APRA regulated entities – portfolios under APS 112: *Capital Adequacy: Standardised Approach to Credit Risk* (APS 112)

- Some retail SME (overdrawn accounts) and small unsecured consumer retail portfolios;
- Corporate exposures without risk ratings;
- Some standard residential property loans (including purchased portfolios);
- Non-standard residential property loans as defined in APS 112 including:
  - Interest only loans predominantly not for business purposes with an LVR greater than 80% and an interest only term specified in the contract as greater than 5 years;
  - Property exposures originated since 1 January 2023 where assessment does not result in a positive determination of the borrower's ability to meet repayment obligations; and
  - reverse mortgages and loans to self-managed superannuation funds;
- Margin lending; and
- Other assets (including property, plant and equipment, lease right of use assets and the residual value of assets under operating leases).

APRA regulated entities – portfolios under APS 180 *Capital Adequacy: Counterparty Credit Risk* (refer Section 6.6)

- Central counterparties; and
- Credit valuation adjustments (CVA).

<sup>1</sup> Since 1 January 2023 APRA has also required advanced ADIs to calculate risk weighted assets under the relevant standardised approach – refer page 10.

Risk weights have been applied in accordance with APS 112 and, where applicable, with consideration to the type of security held:

- For loans secured by residential property, consideration is given with respect to loan purpose, the Loan to Value Ratio (LVR); and whether lenders mortgage insurance (LMI) is held.
- For loans secured by commercial property, consideration is given to the LVR and the dependency on property cash flows.
- The Group's definition of internal risk ratings used for Corporate, Financial Institutions and Sovereign exposures has been aligned to equivalent rating grades provided by external credit assessment institutions including S&P Global Ratings and Moody's Investors Services.

The Group continues to review portfolios that use the standardised approach. Approval to apply the advanced approach is sought from APRA when the size of exposures and number of customers within these portfolios are sufficient to qualify for advanced approaches.

For RBNZ regulated entities risk weights pertaining to standardised portfolios have been applied in accordance with RBNZ prudential requirements. Portfolios that use the standardised approach include:

RBNZ regulated entities – portfolios under APS 112

- Personal loans;
- Retail SME;
- Bank;
- Sovereign;
- Central counterparties;
- CVA; and
- Other assets.

APRA also requires certain specialised lending exposures, including Object and Project Finance, to be assigned specific risk weights according to "slotting" criteria defined by the regulator in APS 113 *Credit Adequacy: Internal Ratings-based Approach to Credit Risk*. This approach is also applied to Income Producing Real Estate (IPRE) exposures calculated under New Zealand prudential requirements.

# Credit Risk (continued)

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

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

|  | Exposure after credit risk mitigation <sup>1</sup> |               |               |
|--|--|---------------|---------------|
|  | 31 Dec 24  | 30 Jun 24     | 31 Dec 23     |
|  | \$M  | \$M           | \$M           |
| <b>Standardised Approach Exposures</b>       |  |               |               |
| <b>Risk Weight</b>                           |  |               |               |
| 0%   | 4,073  | 2,187         | 4,695         |
| 20%  | 5,629  | 5,628         | 5,458         |
| 25%  | 2,289  | 2,191         | 2,214         |
| 30%  | 2,842  | 2,725         | 2,662         |
| 35%  | 3,838  | 3,641         | 3,394         |
| 40%  | 1,377  | 1,539         | 1,723         |
| 45%  | 1,043  | 1,024         | 1,061         |
| 50%  | 1,184  | 1,268         | 1,879         |
| 55%  | 135  | 119           | 127           |
| 75%  | 858  | 828           | 881           |
| 85%  | 392  | 509           | 513           |
| 100%   | 7,173  | 8,291         | 10,007        |
| 105%   | 111  | 140           | 105           |
| 150%   | 175  | 143           | 176           |
| > 150%                                       | 47   | 42            | 43            |
| Other risk weights                           | 792  | 235           | 228           |
| Capital deductions                           | –  | –             | –             |
| <b>Total (excl. RBNZ regulated entities)</b> | <b>31,958</b>                                      | <b>30,510</b> | <b>35,166</b> |
| RBNZ regulated entities                      | 19,196   | 19,281        | 20,875        |
| <b>Total</b>                                 | <b>51,154</b>                                      | <b>49,791</b> | <b>56,041</b> |

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

|  | Exposure after credit risk mitigation <sup>1 2</sup> |              |              |
|--|--|--------------|--------------|
|  | 31 Dec 24  | 30 Jun 24    | 31 Dec 23    |
|  | \$M  | \$M          | \$M          |
| <b>Specialised Lending Exposures Subject to Supervisory Slotting</b> |  |              |              |
| <b>Risk Weight</b>   |  |              |              |
| 0%   | 200  | 184          | 175          |
| 70%  | 2,357  | 1,902        | 1,829        |
| 90%  | 3,065  | 2,292        | 2,184        |
| 115%   | 291  | 192          | 191          |
| 250%   | 16   | 17           | 19           |
| RBNZ regulated entities  | 4,082  | 4,211        | 4,138        |
| <b>Total exposures</b>   | <b>10,011</b>  | <b>8,798</b> | <b>8,536</b> |

<sup>1</sup> APRA requires certain specialised lending exposures to be assigned specific risk weights according to "slotting" criteria as defined by the Regulator.

<sup>2</sup> Excludes IPRE exposures now recognised in either AIRB or FIRB asset class.



## Credit Risk (continued)

### 6.4 Portfolios Subject to Internal Ratings-based Approaches

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

| Description        | Internal Rating | Probability of Default | S&P Rating | Moody's Rating |
|--------------------|-----------------|------------------------|------------|----------------|
| Exceptional        | A0 to A3        | 0% - 0.035%            | AAA to AA- | Aaa to Aa3     |
| Very Strong/Strong | B1 to C3        | >0.035% - 0.446%       | A+ to BBB- | A1 to Baa3     |
| Good/Satisfactory  | D1 to E3        | >0.446% - 6.656%       | BB+ to B   | Ba1 to B2      |
| Weak/Doubtful      | F1 to G3        | >6.656%                | B- to CC   | B3 to Ca       |
| Restructured       | R               | 100% <sup>1</sup>      | -          | -              |
| Defaulted          | H               | 100%                   | D          | C              |

<sup>1</sup> From January 2023 onwards.

Table 9c – PD rating methodology by portfolio segment

| Portfolio Segment   | PD Rating Methodology   |
|---|---|
| Sovereign exposures   | Expert judgement assigned risk rating, informed but not driven by rating agency views.  |
| Financial Institution exposures (including Banks)   | PD Rating Calculator or expert judgement assigned risk rating.  |
| Corporate exposures (including property, agri-business)   | Combination of expert judgement and PD Rating Model assigned risk ratings depending on the industry sector.   |
| SME corporate exposures   | PD Rating Model and expert judgement assigned risk rating.  |
| SME retail exposures  | SME behaviour score assigned PD pools.  |
| Consumer retail exposures (including residential mortgages, qualifying revolving credit and other retail) | Depending on the product, PD pools are assigned using product specific application scorecards, behavioural scorecards, payment status or a combination thereof. |

# Credit Risk (continued)

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

### Credit Risk Exposure Subject to IRB Approaches

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

| Non-retail <sup>1</sup>   | 31 December 2024 |                      |                     |                  |                 |                   |                | Total<br>\$M   |
|---|------------------|----------------------|---------------------|------------------|-----------------|-------------------|----------------|----------------|
|   | PD Band          |                      |                     |                  |                 |                   |                |                |
|   | 0 < 0.03%<br>\$M | 0.03% < 0.15%<br>\$M | 0.15% < 0.5%<br>\$M | 0.5% < 3%<br>\$M | 3% < 10%<br>\$M | 10% < 100%<br>\$M | Default<br>\$M |                |
| <b>Total credit risk exposures</b>                              |                  |                      |                     |                  |                 |                   |                |                |
| Corporate (incl. Large and SME corporate)                       | –                | 20,138               | 64,357              | 128,978          | 10,321          | 2,750             | 2,130          | <b>228,674</b> |
| Sovereign   | 118,545          | 16,678               | 365                 | 6                | –               | –                 | –              | <b>135,594</b> |
| Financial institution   | –                | 48,439               | 3,477               | 753              | 14              | –                 | 3              | <b>52,686</b>  |
| <b>Total IRB approach</b>                                       | <b>118,545</b>   | <b>85,255</b>        | <b>68,199</b>       | <b>129,737</b>   | <b>10,335</b>   | <b>2,750</b>      | <b>2,133</b>   | <b>416,954</b> |
| RBNZ regulated entities   | –                | 1,211                | 6,429               | 19,589           | 766             | 398               | 356            | <b>28,749</b>  |
| <b>Total credit risk exposures</b>                              | <b>118,545</b>   | <b>86,466</b>        | <b>74,628</b>       | <b>149,326</b>   | <b>11,101</b>   | <b>3,148</b>      | <b>2,489</b>   | <b>445,703</b> |
| <b>Undrawn commitments <sup>2</sup></b>                         |                  |                      |                     |                  |                 |                   |                |                |
| Corporate (incl. Large and SME corporate)                       | –                | 4,357                | 11,973              | 14,966           | 749             | 253               | 96             | <b>32,394</b>  |
| Sovereign   | 793              | 68                   | 29                  | 3                | –               | –                 | –              | <b>893</b>     |
| Financial institution   | –                | 6,569                | 656                 | 142              | 1               | –                 | –              | <b>7,368</b>   |
| <b>Total IRB approach</b>                                       | <b>793</b>       | <b>10,994</b>        | <b>12,658</b>       | <b>15,111</b>    | <b>750</b>      | <b>253</b>        | <b>96</b>      | <b>40,655</b>  |
| RBNZ regulated entities   | –                | 434                  | 1,319               | 2,284            | 54              | 94                | 20             | <b>4,205</b>   |
| <b>Total undrawn commitments</b>                                | <b>793</b>       | <b>11,428</b>        | <b>13,977</b>       | <b>17,395</b>    | <b>804</b>      | <b>347</b>        | <b>116</b>     | <b>44,860</b>  |
| <b>Exposure - average EAD (\$M)</b>                             |                  |                      |                     |                  |                 |                   |                |                |
| Corporate (incl. Large and SME corporate)                       | –                | 1,909                | 2,257               | 0,900            | 0,667           | 0,587             | 0,590          | <b>1,109</b>   |
| Sovereign   | 7,312            | 21,190               | 0,641               | 0,202            | –               | –                 | –              | <b>7,700</b>   |
| Financial institution   | –                | 2,831                | 2,015               | 1,145            | 0,396           | –                 | 0,330          | <b>2,695</b>   |
| RBNZ regulated entities   | –                | 3,145                | 1,122               | 0,627            | 0,315           | 0,502             | 0,540          | <b>0,697</b>   |
| <b>Exposure - weighted average LGD (%)</b>                      |                  |                      |                     |                  |                 |                   |                |                |
| Corporate (incl. Large and SME corporate)                       | –                | 38.6                 | 34.4                | 25.5             | 24.6            | 29.4              | 33.1           | <b>29.2</b>    |
| Sovereign   | 5.2              | 17.4                 | 30.3                | 47.7             | –               | –                 | –              | <b>6.8</b>     |
| Financial institution   | –                | 49.7                 | 54.1                | 38.3             | 62.0            | 75.0              | 49.9           | <b>49.9</b>    |
| RBNZ regulated entities   | –                | 53.9                 | 31.6                | 26.5             | 28.6            | 36.8              | 35.8           | <b>29.1</b>    |
| <b>Exposure - weighted average risk weight (%) <sup>3</sup></b> |                  |                      |                     |                  |                 |                   |                |                |
| Corporate (incl. Large and SME corporate) <sup>4</sup>          | –                | 24.3                 | 44.1                | 57.3             | 81.8            | 155.0             | 93.9           | <b>53.3</b>    |
| Sovereign   | 1.5              | 2.5                  | 33.8                | 63.9             | –               | –                 | –              | <b>1.7</b>     |
| Financial institution   | –                | 19.7                 | 60.2                | 91.1             | 244.5           | 439.9             | –              | <b>23.4</b>    |
| RBNZ regulated entities   | –                | 32.5                 | 36.7                | 52.2             | 98.5            | 205.4             | 264.1          | <b>53.9</b>    |

<sup>1</sup> Total credit risk exposures do not include specialised lending, equity or securitisation exposures.

<sup>2</sup> The credit exposure value of undrawn commitments included in Total credit risk exposures above.

<sup>3</sup> Includes 1.10 scaling factor.

<sup>4</sup> Includes a \$0.5 billion overlay.

# Credit Risk (continued)

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

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

| Non-retail <sup>1</sup>   | 30 June 2024     |                      |                     |                  |                 |                   |                | Total<br>\$M   |
|---|------------------|----------------------|---------------------|------------------|-----------------|-------------------|----------------|----------------|
|   | 0 < 0.03%<br>\$M | 0.03% < 0.15%<br>\$M | 0.15% < 0.5%<br>\$M | PD Band          |                 |                   | Default<br>\$M |                |
|   |                  |                      |                     | 0.5% < 3%<br>\$M | 3% < 10%<br>\$M | 10% < 100%<br>\$M |                |                |
| <b>Total credit risk exposures</b>                              |                  |                      |                     |                  |                 |                   |                |                |
| Corporate (incl. Large and SME corporate)                       | –                | 19,764               | 57,526              | 124,150          | 6,630           | 2,847             | 2,082          | <b>212,999</b> |
| Sovereign   | 114,693          | 19,121               | 413                 | 5                | –               | –                 | –              | <b>134,232</b> |
| Financial institution   | –                | 39,994               | 3,325               | 564              | 14              | –                 | 3              | <b>43,900</b>  |
| <b>Total IRB approach</b>                                       | 114,693          | 78,879               | 61,264              | 124,719          | 6,644           | 2,847             | 2,085          | <b>391,131</b> |
| RBNZ regulated entities   | –                | 1,067                | 6,295               | 19,188           | 775             | 459               | 331            | <b>28,115</b>  |
| <b>Total credit risk exposures</b>                              | 114,693          | 79,946               | 67,559              | 143,907          | 7,419           | 3,306             | 2,416          | <b>419,246</b> |
| <b>Undrawn commitments <sup>2</sup></b>                         |                  |                      |                     |                  |                 |                   |                |                |
| Corporate (incl. Large and SME corporate)                       | –                | 4,872                | 11,030              | 13,657           | 765             | 313               | 77             | <b>30,714</b>  |
| Sovereign   | 586              | 244                  | 43                  | 2                | –               | –                 | –              | <b>875</b>     |
| Financial institution   | –                | 5,948                | 943                 | 141              | 1               | –                 | –              | <b>7,033</b>   |
| <b>Total IRB approach</b>                                       | 586              | 11,064               | 12,016              | 13,800           | 766             | 313               | 77             | <b>38,622</b>  |
| RBNZ regulated entities   | –                | 373                  | 1,269               | 2,014            | 49              | 91                | 8              | <b>3,804</b>   |
| <b>Total undrawn commitments</b>                                | 586              | 11,437               | 13,285              | 15,814           | 815             | 404               | 85             | <b>42,426</b>  |
| <b>Exposure - average EAD (\$M)</b>                             |                  |                      |                     |                  |                 |                   |                |                |
| Corporate (incl. Large and SME corporate)                       | –                | 1.882                | 1.854               | 0.886            | 0.852           | 0.595             | 0.579          | <b>1.077</b>   |
| Sovereign   | 7.394            | 23.490               | 0.789               | 0.304            | –               | –                 | –              | <b>7.957</b>   |
| Financial institution   | –                | 2.232                | 1.827               | 0.914            | 0.222           | –                 | 0.527          | <b>2.148</b>   |
| RBNZ regulated entities   | –                | 4.520                | 1.070               | 0.601            | 0.333           | 0.573             | 0.593          | <b>0.674</b>   |
| <b>Exposure - weighted average LGD (%)</b>                      |                  |                      |                     |                  |                 |                   |                |                |
| Corporate (incl. Large and SME corporate)                       | –                | 40.4                 | 33.6                | 25.2             | 24.0            | 29.6              | 32.2           | <b>29.0</b>    |
| Sovereign   | 5.2              | 21.1                 | 26.7                | 37.7             | –               | –                 | –              | <b>7.5</b>     |
| Financial institution   | –                | 48.2                 | 51.1                | 34.2             | 20.1            | 75.0              | 50.0           | <b>48.3</b>    |
| RBNZ regulated entities   | –                | 53.9                 | 31.6                | 26.8             | 27.4            | 38.6              | 37.3           | <b>29.2</b>    |
| <b>Exposure - weighted average risk weight (%) <sup>3</sup></b> |                  |                      |                     |                  |                 |                   |                |                |
| Corporate (incl. Large and SME corporate) <sup>4</sup>          | –                | 23.9                 | 43.6                | 56.8             | 92.5            | 164.8             | 95.9           | <b>53.1</b>    |
| Sovereign   | 1.5              | 2.9                  | 31.3                | 62.0             | –               | –                 | –              | <b>1.8</b>     |
| Financial institution   | –                | 19.6                 | 56.0                | 86.5             | 84.2            | 454.4             | –              | <b>23.2</b>    |
| RBNZ regulated entities   | –                | 31.5                 | 35.7                | 52.7             | 96.1            | 216.5             | 250.6          | <b>54.3</b>    |

<sup>1</sup> Total credit risk exposures do not include specialised lending, equity or securitisation exposures.

<sup>2</sup> The credit exposure value of undrawn commitments included in Total credit risk exposures above.

<sup>3</sup> Includes 1.10 scaling factor.

<sup>4</sup> Includes cumulative \$4.2 billion overlays in relation to corporate PD models.

# Credit Risk (continued)

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

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

|   | 31 December 2023 |               |              |           |          |            |         | Total<br>\$M   |
|---|------------------|---------------|--------------|-----------|----------|------------|---------|----------------|
|   | 0 < 0.03%        | 0.03% < 0.15% | 0.15% < 0.5% | PD Band   |          |            | Default |                |
| Non-retail <sup>1</sup>   | \$M              | \$M           | \$M          | 0.5% < 3% | 3% < 10% | 10% < 100% | \$M     | \$M            |
| <b>Total credit risk exposures</b>                              |                  |               |              |           |          |            |         |                |
| Corporate (incl. Large and SME corporate)                       | –                | 20,464        | 55,277       | 120,465   | 5,707    | 2,257      | 1,972   | <b>206,142</b> |
| Sovereign   | 151,526          | 21,828        | 322          | 3         | –        | –          | –       | <b>173,679</b> |
| Financial institution   | –                | 52,499        | 3,677        | 714       | 6        | 3          | 3       | <b>56,902</b>  |
| <b>Total IRB approach</b>                                       | 151,526          | 94,791        | 59,276       | 121,182   | 5,713    | 2,260      | 1,975   | <b>436,723</b> |
| RBNZ regulated entities   | –                | 780           | 6,682        | 19,415    | 801      | 357        | 334     | <b>28,369</b>  |
| <b>Total credit risk exposures</b>                              | 151,526          | 95,571        | 65,958       | 140,597   | 6,514    | 2,617      | 2,309   | <b>465,092</b> |
| <b>Undrawn commitments <sup>2</sup></b>                         |                  |               |              |           |          |            |         |                |
| Corporate (incl. Large and SME corporate)                       | –                | 5,338         | 10,195       | 15,069    | 421      | 227        | 98      | <b>31,348</b>  |
| Sovereign   | 513              | 58            | 40           | 2         | –        | –          | –       | <b>613</b>     |
| Financial institution   | –                | 6,408         | 1,025        | 132       | 1        | –          | –       | <b>7,566</b>   |
| <b>Total IRB approach</b>                                       | 513              | 11,804        | 11,260       | 15,203    | 422      | 227        | 98      | <b>39,527</b>  |
| RBNZ regulated entities   | –                | 193           | 1,604        | 2,016     | 59       | 4          | 10      | <b>3,886</b>   |
| <b>Total undrawn commitments</b>                                | 513              | 11,997        | 12,864       | 17,219    | 481      | 231        | 108     | <b>43,413</b>  |
| <b>Exposure - average EAD (\$M)</b>                             |                  |               |              |           |          |            |         |                |
| Corporate (incl. Large and SME corporate)                       | –                | 2,100         | 1,655        | 0,869     | 0,718    | 0,474      | 0,586   | <b>1,042</b>   |
| Sovereign   | 10,759           | 23,961        | 0,689        | 0,142     | –        | –          | –       | <b>11,219</b>  |
| Financial institution   | –                | 2,937         | 1,961        | 0,885     | 0,092    | 0,109      | 0,318   | <b>2,754</b>   |
| RBNZ regulated entities   | –                | 4,409         | 1,118        | 0,616     | 0,394    | 0,453      | 0,646   | <b>0,691</b>   |
| <b>Exposure - weighted average LGD (%)</b>                      |                  |               |              |           |          |            |         |                |
| Corporate (incl. Large and SME corporate)                       | –                | 41.0          | 33.3         | 25.8      | 22.0     | 28.6       | 32.2    | <b>29.3</b>    |
| Sovereign   | 5.1              | 19.3          | 29.8         | 45.4      | –        | –          | –       | <b>7.0</b>     |
| Financial institution   | –                | 49.2          | 48.4         | 34.5      | 10.2     | 75.0       | 49.6    | <b>49.0</b>    |
| RBNZ regulated entities   | –                | 58.2          | 33.3         | 27.4      | 28.7     | 32.6       | 34.7    | <b>29.8</b>    |
| <b>Exposure - weighted average risk weight (%) <sup>3</sup></b> |                  |               |              |           |          |            |         |                |
| Corporate (incl. Large and SME corporate) <sup>4</sup>          | –                | 25.2          | 42.9         | 58.7      | 82.3     | 154.4      | 97.2    | <b>53.2</b>    |
| Sovereign   | 1.1              | 2.5           | 34.5         | 67.6      | –        | –          | –       | <b>1.4</b>     |
| Financial institution   | –                | 19.2          | 50.4         | 96.3      | 42.1     | 452.2      | –       | <b>22.2</b>    |
| RBNZ regulated entities   | –                | 36.1          | 37.7         | 53.5      | 103.9    | 181.7      | 230.1   | <b>54.4</b>    |

<sup>1</sup> Total credit risk exposures do not include specialised lending, equity or securitisation exposures.

<sup>2</sup> The credit exposure value of undrawn commitments included in Total credit risk exposures above.

<sup>3</sup> Includes 1.10 scaling factor.

<sup>4</sup> Includes cumulative \$4.2 billion overlays in relation to corporate PD models.

## Credit Risk (continued)

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

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

| Retail  | 31 December 2024 |                    |                    |                  |                 |                   |                | Total<br>\$M   |
|---|------------------|--------------------|--------------------|------------------|-----------------|-------------------|----------------|----------------|
|   | 0 < 0.1%<br>\$M  | 0.1% < 0.3%<br>\$M | 0.3% < 0.5%<br>\$M | PD Band          |                 | 10% < 100%<br>\$M | Default<br>\$M |                |
|   |                  |                    |                    | 0.5% < 3%<br>\$M | 3% < 10%<br>\$M |                   |                |                |
| <b>Total credit risk exposures</b>                              |                  |                    |                    |                  |                 |                   |                |                |
| SME retail  | –                | 1,355              | 2,268              | 9,785            | 4,326           | 1,548             | 318            | <b>19,600</b>  |
| Residential mortgage  | 184,959          | 196,096            | 91,041             | 166,351          | 26,919          | 1,014             | 5,585          | <b>671,965</b> |
| Qualifying revolving retail                                     | 84               | 14,846             | 2,745              | 3,765            | 1,257           | 216               | 71             | <b>22,984</b>  |
| Other retail  | 50               | 561                | 215                | 5,149            | 2,340           | 660               | 99             | <b>9,074</b>   |
| <b>Total IRB approach</b>                                       | 185,093          | 212,858            | 96,269             | 185,050          | 34,842          | 3,438             | 6,073          | <b>723,623</b> |
| RBNZ regulated entities   | –                | 12,135             | 16,662             | 48,312           | 806             | –                 | 1,502          | <b>79,417</b>  |
| <b>Total credit risk exposures</b>                              | 185,093          | 224,993            | 112,931            | 233,362          | 35,648          | 3,438             | 7,575          | <b>803,040</b> |
| <b>Undrawn commitments <sup>1</sup></b>                         |                  |                    |                    |                  |                 |                   |                |                |
| SME retail  | –                | 1,161              | 1,315              | 2,757            | 884             | 161               | 22             | <b>6,300</b>   |
| Residential mortgage  | 41,370           | 24,823             | 6,611              | 4,083            | 84              | 4                 | 22             | <b>76,997</b>  |
| Qualifying revolving retail                                     | 71               | 11,169             | 1,801              | 1,386            | 212             | 28                | 4              | <b>14,671</b>  |
| Other retail  | 40               | 50                 | 27                 | 1,027            | 77              | 46                | 1              | <b>1,268</b>   |
| <b>Total IRB approach</b>                                       | 41,481           | 37,203             | 9,754              | 9,253            | 1,257           | 239               | 49             | <b>99,236</b>  |
| RBNZ regulated entities   | –                | 4,233              | 1,697              | 2,505            | 82              | –                 | 15             | <b>8,532</b>   |
| <b>Total undrawn commitments</b>                                | 41,481           | 41,436             | 11,451             | 11,758           | 1,339           | 239               | 64             | <b>107,768</b> |
| <b>Exposure - average EAD (\$M)</b>                             |                  |                    |                    |                  |                 |                   |                |                |
| SME retail  | –                | 0.048              | 0.075              | 0.071            | 0.154           | 0.136             | 0.075          | <b>0.082</b>   |
| Residential mortgage  | 0.373            | 0.369              | 0.373              | 0.355            | 0.309           | 0.310             | 0.388          | <b>0.364</b>   |
| Qualifying revolving retail                                     | 0.004            | 0.009              | 0.008              | 0.008            | 0.007           | 0.004             | 0.006          | <b>0.008</b>   |
| Other retail  | 0.005            | 0.024              | 0.025              | 0.010            | 0.013           | 0.002             | 0.005          | <b>0.008</b>   |
| RBNZ regulated entities   | –                | 0.060              | 0.090              | 0.078            | 0.007           | –                 | 0.105          | <b>0.070</b>   |
| <b>Exposure - weighted average LGD (%)</b>                      |                  |                    |                    |                  |                 |                   |                |                |
| SME retail  | –                | 42.4               | 34.0               | 39.2             | 30.7            | 33.3              | 43.0           | <b>36.5</b>    |
| Residential mortgage  | 13.4             | 15.1               | 16.5               | 17.2             | 19.2            | 16.0              | 19.9           | <b>15.6</b>    |
| Qualifying revolving retail                                     | 81.0             | 84.9               | 84.0               | 84.4             | 84.2            | 84.2              | 84.6           | <b>84.6</b>    |
| Other retail  | 100.0            | 82.7               | 100.4              | 63.8             | 83.7            | 87.3              | 85.0           | <b>73.1</b>    |
| RBNZ regulated entities   | –                | 17.8               | 18.6               | 22.2             | 34.5            | –                 | 23.2           | <b>20.9</b>    |
| <b>Exposure - weighted average risk weight (%) <sup>2</sup></b> |                  |                    |                    |                  |                 |                   |                |                |
| SME retail  | –                | 16.0               | 24.0               | 52.2             | 64.5            | 104.1             | 198.2          | <b>55.6</b>    |
| Residential mortgage  | 5.9              | 8.5                | 16.2               | 38.8             | 92.6            | 137.4             | 212.2          | <b>21.6</b>    |
| Qualifying revolving retail                                     | 5.0              | 5.7                | 14.2               | 45.6             | 130.4           | 213.3             | 226.7          | <b>22.7</b>    |
| Other retail  | 25.2             | 40.4               | 62.1               | 77.2             | 134.5           | 213.4             | 203.0          | <b>100.3</b>   |
| RBNZ regulated entities   | –                | 7.6                | 16.6               | 38.6             | 107.8           | –                 | 212.1          | <b>33.2</b>    |

<sup>1</sup> The credit exposure value of undrawn commitments included in Total credit risk exposures above.

<sup>2</sup> Includes 1.10 scaling factor.

# Credit Risk (continued)

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

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

| Retail  | 30 June 2024   |                |                |                |               |              |              | Total          |
|---|----------------|----------------|----------------|----------------|---------------|--------------|--------------|----------------|
|   | PD Band        |                |                |                |               |              |              |                |
|   | 0 < 0.1%       | 0.1% < 0.3%    | 0.3% < 0.5%    | 0.5% < 3%      | 3% < 10%      | 10% < 100%   | Default      |                |
|   | \$M            | \$M            | \$M            | \$M            | \$M           | \$M          | \$M          | \$M            |
| <b>Total credit risk exposures</b>                              |                |                |                |                |               |              |              |                |
| SME retail  | –              | 1,317          | 2,304          | 9,960          | 4,224         | 1,484        | 288          | <b>19,577</b>  |
| Residential mortgage  | 175,918        | 184,883        | 86,263         | 167,639        | 28,673        | 936          | 5,302        | <b>649,614</b> |
| Qualifying revolving retail                                     | 88             | 14,654         | 2,882          | 3,937          | 1,310         | 215          | 79           | <b>23,165</b>  |
| Other retail  | 53             | 194            | 190            | 4,075          | 3,312         | 643          | 104          | <b>8,571</b>   |
| <b>Total IRB approach</b>                                       | <b>176,059</b> | <b>201,048</b> | <b>91,639</b>  | <b>185,611</b> | <b>37,519</b> | <b>3,278</b> | <b>5,773</b> | <b>700,927</b> |
| RBNZ regulated entities   | –              | 11,621         | 16,872         | 47,260         | 804           | –            | 1,362        | <b>77,919</b>  |
| <b>Total credit risk exposures</b>                              | <b>176,059</b> | <b>212,669</b> | <b>108,511</b> | <b>232,871</b> | <b>38,323</b> | <b>3,278</b> | <b>7,135</b> | <b>778,846</b> |
| <b>Undrawn commitments <sup>1</sup></b>                         |                |                |                |                |               |              |              |                |
| SME retail  | –              | 1,126          | 1,323          | 2,656          | 799           | 149          | 20           | <b>6,073</b>   |
| Residential mortgage  | 39,992         | 23,303         | 6,250          | 3,883          | 79            | 4            | 17           | <b>73,528</b>  |
| Qualifying revolving retail                                     | 76             | 11,194         | 1,942          | 1,457          | 224           | 26           | 4            | <b>14,923</b>  |
| Other retail  | 37             | 10             | 26             | 1,099          | 68            | 39           | 1            | <b>1,280</b>   |
| <b>Total IRB approach</b>                                       | <b>40,105</b>  | <b>35,633</b>  | <b>9,541</b>   | <b>9,095</b>   | <b>1,170</b>  | <b>218</b>   | <b>42</b>    | <b>95,804</b>  |
| RBNZ regulated entities   | –              | 4,104          | 1,763          | 2,463          | 90            | –            | 12           | <b>8,432</b>   |
| <b>Total undrawn commitments</b>                                | <b>40,105</b>  | <b>39,737</b>  | <b>11,304</b>  | <b>11,558</b>  | <b>1,260</b>  | <b>218</b>   | <b>54</b>    | <b>104,236</b> |
| <b>Exposure - average EAD (\$M)</b>                             |                |                |                |                |               |              |              |                |
| SME retail  | –              | 0.048          | 0.075          | 0.070          | 0.149         | 0.133        | 0.072        | <b>0.080</b>   |
| Residential mortgage  | 0.359          | 0.353          | 0.354          | 0.345          | 0.307         | 0.296        | 0.361        | <b>0.350</b>   |
| Qualifying revolving retail                                     | 0.004          | 0.009          | 0.008          | 0.008          | 0.007         | 0.004        | 0.006        | <b>0.008</b>   |
| Other retail  | 0.005          | 0.583          | 0.022          | 0.008          | 0.013         | 0.002        | 0.004        | <b>0.008</b>   |
| RBNZ regulated entities   | –              | 0.059          | 0.091          | 0.077          | 0.006         | –            | 0.093        | <b>0.069</b>   |
| <b>Exposure - weighted average LGD (%)</b>                      |                |                |                |                |               |              |              |                |
| SME retail  | –              | 41.8           | 34.1           | 38.8           | 30.7          | 33.2         | 41.7         | <b>36.3</b>    |
| Residential mortgage <sup>2</sup>                               | 13.7           | 14.9           | 16.0           | 16.6           | 17.5          | 15.9         | 20.0         | <b>15.3</b>    |
| Qualifying revolving retail                                     | 81.0           | 84.9           | 84.1           | 84.4           | 84.2          | 84.1         | 84.6         | <b>84.6</b>    |
| Other retail  | 97.9           | 96.1           | 100.0          | 64.2           | 80.8          | 85.9         | 86.5         | <b>74.3</b>    |
| RBNZ regulated entities   | –              | 17.5           | 18.2           | 21.9           | 35.0          | –            | 23.2         | <b>20.6</b>    |
| <b>Exposure - weighted average risk weight (%) <sup>3</sup></b> |                |                |                |                |               |              |              |                |
| SME retail  | –              | 15.7           | 24.1           | 52.0           | 65.0          | 104.4        | 203.0        | <b>55.3</b>    |
| Residential mortgage  | 6.1            | 8.9            | 16.5           | 39.4           | 90.1          | 136.2        | 200.6        | <b>22.4</b>    |
| Qualifying revolving retail                                     | 5.0            | 5.7            | 14.2           | 45.7           | 130.3         | 210.7        | 203.2        | <b>23.2</b>    |
| Other retail  | 24.6           | 37.2           | 62.0           | 79.6           | 130.1         | 181.7        | 174.9        | <b>106.2</b>   |
| RBNZ regulated entities   | –              | 7.5            | 16.2           | 37.6           | 105.9         | –            | 204.4        | <b>32.1</b>    |

<sup>1</sup> The credit exposure value of undrawn commitments included in Total credit risk exposures above.

<sup>2</sup> Excludes a \$7.4 billion RWA overlay that has been applied at 30 June 2024 for regulatory capital purposes.

<sup>3</sup> Includes 1.10 scaling factor.

# Credit Risk (continued)

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

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

| Retail  | 31 December 2023 |                    |                    |                  |                 |                   |                | Total<br>\$M   |
|---|------------------|--------------------|--------------------|------------------|-----------------|-------------------|----------------|----------------|
|   | PD Band          |                    |                    |                  |                 |                   |                |                |
|   | 0 < 0.1%<br>\$M  | 0.1% < 0.3%<br>\$M | 0.3% < 0.5%<br>\$M | 0.5% < 3%<br>\$M | 3% < 10%<br>\$M | 10% < 100%<br>\$M | Default<br>\$M |                |
| <b>Total credit risk exposures</b>                              |                  |                    |                    |                  |                 |                   |                |                |
| SME retail  | –                | 1,395              | 2,443              | 9,938            | 3,913           | 1,308             | 235            | <b>19,232</b>  |
| Residential mortgage  | 168,646          | 177,754            | 84,225             | 169,723          | 29,615          | 965               | 4,145          | <b>635,073</b> |
| Qualifying revolving retail                                     | 107              | 14,710             | 3,077              | 3,911            | 1,282           | 209               | 75             | <b>23,371</b>  |
| Other retail  | 53               | 131                | 145                | 3,697            | 3,224           | 602               | 80             | <b>7,932</b>   |
| <b>Total IRB approach</b>                                       | <b>168,806</b>   | <b>193,990</b>     | <b>89,890</b>      | <b>187,269</b>   | <b>38,034</b>   | <b>3,084</b>      | <b>4,535</b>   | <b>685,608</b> |
| RBNZ regulated entities   | –                | 11,589             | 17,129             | 47,416           | 820             | –                 | 1,150          | <b>78,104</b>  |
| <b>Total credit risk exposures</b>                              | <b>168,806</b>   | <b>205,579</b>     | <b>107,019</b>     | <b>234,685</b>   | <b>38,854</b>   | <b>3,084</b>      | <b>5,685</b>   | <b>763,712</b> |
| <b>Undrawn commitments <sup>1</sup></b>                         |                  |                    |                    |                  |                 |                   |                |                |
| SME retail  | –                | 1,198              | 1,438              | 2,744            | 753             | 135               | 14             | <b>6,282</b>   |
| Residential mortgage  | 39,730           | 23,336             | 6,037              | 3,664            | 81              | 3                 | 13             | <b>72,864</b>  |
| Qualifying revolving retail                                     | 90               | 11,046             | 2,130              | 1,495            | 216             | 26                | 6              | <b>15,009</b>  |
| Other retail  | 38               | 5                  | 28                 | 1,101            | 71              | 42                | 1              | <b>1,286</b>   |
| <b>Total IRB approach</b>                                       | <b>39,858</b>    | <b>35,585</b>      | <b>9,633</b>       | <b>9,004</b>     | <b>1,121</b>    | <b>206</b>        | <b>34</b>      | <b>95,441</b>  |
| RBNZ regulated entities   | –                | 4,135              | 1,738              | 2,481            | 90              | –                 | 11             | <b>8,455</b>   |
| <b>Total undrawn commitments</b>                                | <b>39,858</b>    | <b>39,720</b>      | <b>11,371</b>      | <b>11,485</b>    | <b>1,211</b>    | <b>206</b>        | <b>45</b>      | <b>103,896</b> |
| <b>Exposure - average EAD (\$M)</b>                             |                  |                    |                    |                  |                 |                   |                |                |
| SME retail  | –                | 0.047              | 0.075              | 0.069            | 0.145           | 0.130             | 0.065          | <b>0.078</b>   |
| Residential mortgage  | 0.348            | 0.341              | 0.342              | 0.339            | 0.303           | 0.298             | 0.341          | <b>0.340</b>   |
| Qualifying revolving retail                                     | 0.004            | 0.009              | 0.007              | 0.008            | 0.007           | 0.004             | 0.006          | <b>0.008</b>   |
| Other retail  | 0.005            | 0.512              | 0.016              | 0.007            | 0.013           | 0.002             | 0.004          | <b>0.007</b>   |
| RBNZ regulated entities   | –                | 0.058              | 0.092              | 0.079            | 0.006           | –                 | 0.109          | <b>0.069</b>   |
| <b>Exposure - weighted average LGD (%)</b>                      |                  |                    |                    |                  |                 |                   |                |                |
| SME retail  | –                | 41.4               | 34.3               | 38.3             | 30.6            | 32.5              | 40.4           | <b>36.1</b>    |
| Residential mortgage <sup>2</sup>                               | 13.8             | 15.0               | 16.0               | 16.6             | 17.6            | 16.1              | 20.9           | <b>15.4</b>    |
| Qualifying revolving retail                                     | 81.0             | 84.9               | 84.2               | 84.4             | 84.2            | 84.1              | 84.7           | <b>84.6</b>    |
| Other retail  | 90.4             | 93.0               | 99.4               | 66.6             | 81.3            | 86.7              | 86.9           | <b>75.5</b>    |
| RBNZ regulated entities   | –                | 17.6               | 18.2               | 21.8             | 35.5            | –                 | 22.6           | <b>20.5</b>    |
| <b>Exposure - weighted average risk weight (%) <sup>3</sup></b> |                  |                    |                    |                  |                 |                   |                |                |
| SME retail  | –                | 15.5               | 24.3               | 51.5             | 65.1            | 101.8             | 182.3          | <b>53.2</b>    |
| Residential mortgage  | 6.1              | 8.9                | 16.5               | 39.4             | 90.8            | 138.7             | 215.2          | <b>22.7</b>    |
| Qualifying revolving retail                                     | 5.0              | 5.7                | 14.2               | 45.3             | 131.8           | 211.7             | 194.9          | <b>22.8</b>    |
| Other retail  | 22.9             | 35.2               | 62.0               | 83.4             | 130.9           | 184.0             | 237.1          | <b>110.3</b>   |
| RBNZ regulated entities   | –                | 7.5                | 16.2               | 37.1             | 105.8           | –                 | 204.8          | <b>31.3</b>    |

1 The credit exposure value of undrawn commitments included in Total credit risk exposures above.

2 Excludes a \$7.4 billion RWA overlay that has been applied at 31 December 2023 for regulatory capital purposes.

3 Includes 1.10 scaling factor.

# Credit Risk (continued)

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

### Analysis of Losses

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

Actual losses (whether from standardised or internal ratings-based portfolios) are historical and are based on the quality of non-performing assets in prior periods, full or partial write-offs, and more recent economic conditions. Actual losses are expected to be below the regulatory EL estimate in most years. Regulatory EL measures economic loss at a point in time and includes costs (such as internal costs) not included in actual losses.

Regulatory EL is calculated on non-defaulted IRB, AIRB and FIRB exposures using long-run PDs and downturn LGDs. For defaulted IRB and AIRB exposures the Best Estimate of Expected Loss (BEEL) is used. For defaulted FIRB exposures regulatory EL is calculated as the downturn LGD rate multiplied by the exposure as required by APS 113. The supervisory slotting approach, calculated as the product of EAD and a prescribed factor, is used to determine regulatory EL for specialised lending exposures. A 50% factor is applied for defaulted specialised lending exposures. Regulatory EL is not required to be calculated on standardised portfolios.

**Table 9e – Actual losses by portfolio type**

| Portfolio Type                                      | 31 December 2024                         |             |               |
|---|--|-------------|---------------|
|   | Half year losses in the reporting period |             |               |
|   | Gross write-offs                         | Recoveries  | Actual losses |
|   | \$M                                      | \$M         | \$M           |
| Corporate (incl. Large & SME corporate)             | 64                                       | (5)         | 59            |
| Specialised lending                                 | –  | –           | –             |
| <b>Total corporate</b>                              | <b>64</b>                                | <b>(5)</b>  | <b>59</b>     |
| Sovereign   | –  | –           | –             |
| Financial institution                               | –  | –           | –             |
| SME retail  | 20                                       | (2)         | 18            |
| Residential mortgage                                | 11                                       | (2)         | 9             |
| Qualifying revolving retail                         | 85                                       | (26)        | 59            |
| Other retail  | 131                                      | (25)        | 106           |
| Other assets  | –  | –           | –             |
| Central counterparties                              | –  | –           | –             |
| <b>Total IRB and specialised lending portfolios</b> | <b>311</b>                               | <b>(60)</b> | <b>251</b>    |
| Non-retail  | 12                                       | (1)         | 11            |
| Retail  | 9  | (1)         | 8             |
| <b>Total RBNZ regulated entities</b>                | <b>21</b>                                | <b>(2)</b>  | <b>19</b>     |



# Credit Risk (continued)

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

Table 9e – Actual losses by portfolio type (continued)

| Portfolio Type                                      | 30 June 2024                             |                   |                      |
|---|--|-------------------|----------------------|
|   | Full year losses in the reporting period |                   |                      |
|   | Gross write-offs<br>\$M                  | Recoveries<br>\$M | Actual losses<br>\$M |
| Corporate (incl. Large & SME corporate)             | 190                                      | (18)              | 172                  |
| Specialised lending                                 | 46                                       | –                 | 46                   |
| <b>Total corporate</b>                              | <b>236</b>                               | <b>(18)</b>       | <b>218</b>           |
| Sovereign   | –  | –                 | –                    |
| Financial institution                               | –  | –                 | –                    |
| SME retail  | 57                                       | (3)               | 54                   |
| Residential mortgage                                | 26                                       | (3)               | 23                   |
| Qualifying revolving retail                         | 169                                      | (47)              | 122                  |
| Other retail  | 245                                      | (47)              | 198                  |
| Other assets  | –  | –                 | –                    |
| Central counterparties                              | –  | –                 | –                    |
| <b>Total IRB and specialised lending portfolios</b> | <b>733</b>                               | <b>(118)</b>      | <b>615</b>           |
| Non-retail  | 10                                       | –                 | 10                   |
| Retail  | 20                                       | (4)               | 16                   |
| <b>Total RBNZ regulated entities</b>                | <b>30</b>                                | <b>(4)</b>        | <b>26</b>            |

| Portfolio Type                                      | 31 December 2023                         |                   |                      |
|---|--|-------------------|----------------------|
|   | Half year losses in the reporting period |                   |                      |
|   | Gross write-offs<br>\$M                  | Recoveries<br>\$M | Actual losses<br>\$M |
| Corporate (incl. Large & SME corporate)             | 69                                       | (3)               | 66                   |
| Specialised lending                                 | 43                                       | –                 | 43                   |
| <b>Total corporate</b>                              | <b>112</b>                               | <b>(3)</b>        | <b>109</b>           |
| Sovereign   | –  | –                 | –                    |
| Financial institution                               | –  | –                 | –                    |
| SME retail  | 28                                       | (2)               | 26                   |
| Residential mortgage                                | 6  | (2)               | 4                    |
| Qualifying revolving retail                         | 83                                       | (20)              | 63                   |
| Other retail  | 117                                      | (20)              | 97                   |
| Other assets  | –  | –                 | –                    |
| Central counterparties                              | –  | –                 | –                    |
| <b>Total IRB and specialised lending portfolios</b> | <b>346</b>                               | <b>(47)</b>       | <b>299</b>           |
| Non-retail  | 3  | –                 | 3                    |
| Retail  | 7  | (2)               | 5                    |
| <b>Total RBNZ regulated entities</b>                | <b>10</b>                                | <b>(2)</b>        | <b>8</b>             |

## Credit Risk (continued)

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

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

| Portfolio Type                                      | 31 December 2024      |  |
|---|-----------------------|--|
|   | Half year actual loss | Regulatory one year expected loss estimate |
|   | \$M                   | \$M  |
| Corporate (incl. Large & SME corporate)             | 59                    | 1,657                                      |
| Specialised lending                                 | –                     | 143  |
| <b>Total corporate</b>                              | <b>59</b>             | <b>1,800</b>                               |
| Sovereign   | –                     | 3  |
| Financial institution                               | –                     | 22   |
| SME retail  | 18                    | 335  |
| Residential mortgage                                | 9                     | 1,004                                      |
| Qualifying revolving retail                         | 59                    | 251  |
| Other retail  | 106                   | 332  |
| <b>Total IRB and specialised lending portfolios</b> | <b>251</b>            | <b>3,747</b>                               |
| Non-retail  | 11                    | 229  |
| Other retail  | 8                     | 291  |
| <b>Total RBNZ regulated entities</b>                | <b>19</b>             | <b>520</b>                                 |

| Portfolio Type                                      | 30 June 2024          |  |
|---|-----------------------|--|
|   | Full year actual loss | Regulatory one year expected loss estimate |
|   | \$M                   | \$M  |
| Corporate (incl. Large & SME corporate)             | 172                   | 1,483                                      |
| Specialised lending                                 | 46                    | 124  |
| <b>Total corporate</b>                              | <b>218</b>            | <b>1,607</b>                               |
| Sovereign   | –                     | 3  |
| Financial institution                               | –                     | 18   |
| SME retail  | 54                    | 312  |
| Residential mortgage                                | 23                    | 1,112                                      |
| Qualifying revolving retail                         | 122                   | 264  |
| Other retail  | 198                   | 378  |
| <b>Total IRB and specialised lending portfolios</b> | <b>615</b>            | <b>3,694</b>                               |
| Non-retail  | 10                    | 247  |
| Other retail  | 16                    | 282  |
| <b>Total RBNZ regulated entities</b>                | <b>26</b>             | <b>529</b>                                 |

# Credit Risk (continued)

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

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

| Portfolio Type                                      | 31 December 2023      |  |
|---|-----------------------|--|
|   | Half year actual loss | Regulatory one year expected loss estimate |
|   | \$M                   | \$M  |
| Corporate (incl. Large & SME corporate)             | 66                    | 1,396                                      |
| Specialised lending                                 | 43                    | 118  |
| <b>Total corporate</b>                              | <b>109</b>            | <b>1,514</b>                               |
| Sovereign   | –                     | 3  |
| Financial institution                               | –                     | 23   |
| SME retail  | 26                    | 279  |
| Residential mortgage                                | 4                     | 999  |
| Qualifying revolving retail                         | 63                    | 263  |
| Other retail  | 97                    | 346  |
| <b>Total IRB and specialised lending portfolios</b> | <b>299</b>            | <b>3,427</b>                               |
| Non-retail  | 3                     | 221  |
| Other retail  | 5                     | 256  |
| <b>Total RBNZ regulated entities</b>                | <b>8</b>              | <b>477</b>                                 |

### Accuracy of Risk Estimates

The following tables compare credit risk estimates used in calculating regulatory capital to realised outcomes. The risk estimates are based on prudential requirements prior to the revised capital framework. The prudential standard changes have introduced a number of new asset classes which will be reported once there is adequate historical data available.

### Probability of Default

Table 9f (ii) compares estimates of long-run PD to actual default rates averaged over the period from 2016.

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

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

| Portfolio Type                          | 31 December 2024     |                   |
|---|----------------------|-------------------|
|   | Average estimated PD | Average actual PD |
|   | %                    | %                 |
| Corporate (incl. Large & SME corporate) | 2.14                 | 1.96              |
| Specialised lending <sup>1</sup>        | n/a                  | 1.59              |
| Sovereign                               | 0.45                 | –                 |
| Bank                                    | 0.34                 | –                 |
| SME retail                              | 2.16                 | 1.65              |
| Residential mortgage                    | 0.70                 | 0.58              |
| Qualifying revolving retail             | 1.53                 | 1.50              |
| Other retail                            | 6.58                 | 6.05              |
| <b>RBNZ regulated entities:</b>         |                      |                   |
| Non-retail                              | 1.62                 | 0.83              |
| Retail                                  | 1.76                 | 0.93              |

<sup>1</sup> Average estimated PD not relevant for specialised lending under the Supervisory Slotting approach.

# Credit Risk (continued)

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

### Loss Given Default and Exposure at Default

LGDs for non-retail portfolios are based on accounts that defaulted in 2016 to 2022 financial years. LGDs for retail portfolios are based on accounts that defaulted in 2016 to 2023 financial years. Defaults occurring in the most recent years have been excluded from the analysis, to allow sufficient time for workout of impaired assets, booking of losses and more meaningful disclosures.

The EAD ratio compares estimates of EAD prior to default to realised EAD for borrowers that defaulted.

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

| Portfolio Type                          | 31 December 2024                       |                            |  |
|---|--|----------------------------|--|
|   | Average estimated<br>downturn LGD<br>% | Average actual<br>LGD<br>% | Ratio of<br>estimated EAD<br>to actual EAD |
| Corporate (incl. Large & SME corporate) | 42.4                                   | 21.7                       | 1.2  |
| Specialised lending <sup>1</sup>        | n/a                                    | 11.6                       | 1.1  |
| Sovereign                               | –                                      | –                          | –  |
| Bank                                    | –                                      | –                          | –  |
| SME retail                              | 35.4                                   | 17.1                       | 1.1  |
| Residential mortgage <sup>2</sup>       | 20.0                                   | 2.8                        | 1.0  |
| Qualifying revolving retail             | 86.2                                   | 66.6                       | 1.2  |
| Other retail                            | 94.4                                   | 71.8                       | 1.1  |
| <b>RBNZ regulated entities:</b>         |  |                            |  |
| Non-retail                              | 35.8                                   | 16.4                       | 1.1  |
| Retail                                  | 22.0                                   | 7.8                        | 1.0  |

<sup>1</sup> Average estimated LGD not relevant for specialised lending under the Supervisory Slotting approach.

<sup>2</sup> Estimated downturn LGD based on minimum regulatory floor requirements imposed by APRA and RBNZ.

# Credit Risk (continued)

## 6.5 Credit Risk Mitigation

Table 10b and 10c – Credit risk mitigation

| 31 December 2024                        |                                      |                                      |  |  |
|---|--------------------------------------|--------------------------------------|--|--|
| Portfolio Type                          | Total exposure <sup>1 2</sup><br>\$M | Eligible financial collateral<br>\$M | Exposures covered by guarantees<br>\$M | Exposures covered by credit derivatives<br>\$M |
| <b>Subject to AIRB approach</b>         |                                      |                                      |  |  |
| Corporate (incl. SME corporate)         | 173,818                              | –                                    | 9                                      | –  |
| SME retail                              | 19,600                               | –                                    | –                                      | –  |
| Residential mortgage                    | 671,965                              | –                                    | –                                      | –  |
| Qualifying revolving retail             | 22,984                               | –                                    | –                                      | –  |
| Other retail                            | 9,074                                | –                                    | –                                      | –  |
| <b>Total AIRB approach</b>              | <b>897,441</b>                       | <b>–</b>                             | <b>9</b>                               | <b>–</b>                                       |
| <b>Subject to FIRB approach</b>         |                                      |                                      |  |  |
| Corporate - large                       | 54,856                               | –                                    | –                                      | –  |
| Sovereign                               | 135,594                              | –                                    | 76                                     | –  |
| Financial institution                   | 52,686                               | –                                    | 457                                    | –  |
| <b>Total FIRB approach</b>              | <b>243,136</b>                       | <b>–</b>                             | <b>533</b>                             | <b>–</b>                                       |
| <b>Specialised lending</b>              | <b>5,929</b>                         | <b>–</b>                             | <b>–</b>                               | <b>–</b>                                       |
| <b>Subject to standardised approach</b> |                                      |                                      |  |  |
| Corporate (incl. SME corporate)         | 817                                  | –                                    | –                                      | –  |
| SME retail                              | 855                                  | –                                    | –                                      | –  |
| Sovereign                               | –                                    | –                                    | –                                      | –  |
| Residential mortgage                    | 17,635                               | –                                    | –                                      | –  |
| Other retail                            | 291                                  | –                                    | –                                      | –  |
| Other assets                            | 12,360                               | –                                    | –                                      | –  |
| Central counterparties                  | 3,200                                | –                                    | –                                      | –  |
| <b>Total standardised approach</b>      | <b>35,158</b>                        | <b>–</b>                             | <b>–</b>                               | <b>–</b>                                       |
| RBNZ regulated entities                 | 131,444                              | –                                    | –                                      | –  |
| <b>Total credit exposures</b>           | <b>1,313,108</b>                     | <b>–</b>                             | <b>542</b>                             | <b>–</b>                                       |

1 Credit derivatives that are treated as part of synthetic securitisation structures are excluded from credit risk mitigation disclosures and included within those relating to securitisation.

2 Exposure for derivatives and guarantees is after netting and financial collateral.

# Credit Risk (continued)

## 6.5 Credit Risk Mitigation (continued)

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

|   | 30 June 2024                         |                                      |  |  |
|---|--------------------------------------|--------------------------------------|--|--|
| Portfolio Type                          | Total exposure <sup>1 2</sup><br>\$M | Eligible financial collateral<br>\$M | Exposures covered by guarantees<br>\$M | Exposures covered by credit derivatives<br>\$M |
| <b>Subject to AIRB approach</b>         |                                      |                                      |  |  |
| Corporate (incl. SME corporate)         | 163,342                              | –                                    | 8                                      | –  |
| SME retail                              | 19,577                               | –                                    | –                                      | –  |
| Residential mortgage                    | 649,614                              | –                                    | –                                      | –  |
| Qualifying revolving retail             | 23,165                               | –                                    | –                                      | –  |
| Other retail                            | 8,571                                | –                                    | –                                      | –  |
| <b>Total AIRB approach</b>              | <b>864,269</b>                       | <b>–</b>                             | <b>8</b>                               | <b>–</b>                                       |
| <b>Subject to FIRB approach</b>         |                                      |                                      |  |  |
| Corporate - large                       | 49,657                               | –                                    | –                                      | –  |
| Sovereign                               | 134,232                              | –                                    | 86                                     | –  |
| Financial institution                   | 43,900                               | –                                    | 433                                    | –  |
| <b>Total FIRB approach</b>              | <b>227,789</b>                       | <b>–</b>                             | <b>519</b>                             | <b>–</b>                                       |
| <b>Specialised lending</b>              | <b>4,587</b>                         | <b>–</b>                             | <b>–</b>                               | <b>–</b>                                       |
| <b>Subject to standardised approach</b> |                                      |                                      |  |  |
| Corporate (incl. SME corporate)         | 1,082                                | –                                    | –                                      | –  |
| SME retail                              | 836                                  | –                                    | –                                      | –  |
| Sovereign                               | 1                                    | –                                    | –                                      | –  |
| Residential mortgage                    | 17,114                               | –                                    | –                                      | –  |
| Other retail                            | 237                                  | –                                    | –                                      | –  |
| Other assets                            | 11,240                               | –                                    | –                                      | –  |
| Central counterparties                  | 3,115                                | –                                    | –                                      | –  |
| <b>Total standardised approach</b>      | <b>33,625</b>                        | <b>–</b>                             | <b>–</b>                               | <b>–</b>                                       |
| RBNZ regulated entities                 | 129,526                              | –                                    | –                                      | –  |
| <b>Total credit exposures</b>           | <b>1,259,796</b>                     | <b>–</b>                             | <b>527</b>                             | <b>–</b>                                       |

1 Credit derivatives that are treated as part of synthetic securitisation structures are excluded from credit risk mitigation disclosures and included within those relating to securitisation.

2 Exposure for derivatives and guarantees is after netting and financial collateral.

# Credit Risk (continued)

## 6.5 Credit Risk Mitigation (continued)

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

|   | 31 December 2023                     |                                      |  |  |
|---|--------------------------------------|--------------------------------------|--|--|
| Portfolio Type                          | Total exposure <sup>1 2</sup><br>\$M | Eligible financial collateral<br>\$M | Exposures covered by guarantees<br>\$M | Exposures covered by credit derivatives<br>\$M |
| <b>Subject to AIRB approach</b>         |                                      |                                      |  |  |
| Corporate (incl. SME corporate)         | 157,323                              | –                                    | 8                                      | –  |
| SME retail                              | 19,232                               | –                                    | –                                      | –  |
| Residential mortgage                    | 635,073                              | –                                    | –                                      | –  |
| Qualifying revolving retail             | 23,371                               | –                                    | –                                      | –  |
| Other retail                            | 7,932                                | –                                    | –                                      | –  |
| <b>Total AIRB approach</b>              | <b>842,931</b>                       | <b>–</b>                             | <b>8</b>                               | <b>–</b>                                       |
| <b>Subject to FIRB approach</b>         |                                      |                                      |  |  |
| Corporate - large                       | 48,819                               | –                                    | –                                      | –  |
| Sovereign                               | 173,679                              | –                                    | 93                                     | –  |
| Financial institution                   | 56,902                               | –                                    | 334                                    | –  |
| <b>Total FIRB approach</b>              | <b>279,400</b>                       | <b>–</b>                             | <b>427</b>                             | <b>–</b>                                       |
| <b>Specialised lending</b>              | <b>4,398</b>                         | <b>–</b>                             | <b>–</b>                               | <b>–</b>                                       |
| <b>Subject to standardised approach</b> |                                      |                                      |  |  |
| Corporate (incl. SME corporate)         | 832                                  | –                                    | –                                      | –  |
| SME retail                              | 855                                  | –                                    | –                                      | –  |
| Sovereign                               | 460                                  | –                                    | –                                      | –  |
| Residential mortgage                    | 16,882                               | –                                    | –                                      | –  |
| Other retail                            | 518                                  | –                                    | –                                      | –  |
| Other assets                            | 15,619                               | –                                    | –                                      | –  |
| Central counterparties                  | 2,862                                | –                                    | –                                      | –  |
| <b>Total standardised approach</b>      | <b>38,028</b>                        | <b>–</b>                             | <b>–</b>                               | <b>–</b>                                       |
| RBNZ regulated entities                 | 131,781                              | –                                    | –                                      | –  |
| <b>Total credit exposures</b>           | <b>1,296,538</b>                     | <b>–</b>                             | <b>435</b>                             | <b>–</b>                                       |

1 Credit derivatives that are treated as part of synthetic securitisation structures are excluded from credit risk mitigation disclosures and included within those relating to securitisation.

2 Exposure for derivatives and guarantees is after netting and financial collateral.

# Credit Risk (continued)

## 6.6 Counterparty Credit Risk

Table 11b (i) Counterparty credit risk derivative exposure under the SA-CCR method <sup>1</sup>

|  | 31 Dec 24<br>\$M | 30 Jun 24<br>\$M | 31 Dec 23<br>\$M |
|--|------------------|------------------|------------------|
| Gross positive fair value                        | 40,142           | 18,542           | 31,419           |
| Netting and collateral benefits                  | (29,852)         | (13,969)         | (25,012)         |
| Including collateral held of which:              |                  |                  |                  |
| Cash   | (7,688)          | (4,435)          | (4,203)          |
| Replacement cost                                 | 10,290           | 4,573            | 6,407            |
| Potential future exposure                        | 11,148           | 11,017           | 9,650            |
| Impact of scaling factor of 1.4 and incurred CVA | 8,514            | 6,178            | 6,354            |
| <b>Exposure at Default</b>                       | <b>29,952</b>    | <b>21,768</b>    | <b>22,411</b>    |

<sup>1</sup> Excluding exposures to CCPs, clearers and derivative exposures classified under Securitisation (for APS 120).

Table 11b (ii) Counterparty credit risk derivative exposure <sup>1</sup>

| Exposure type              | Current Credit Exposure |                  |                  |
|----------------------------|-------------------------|------------------|------------------|
|                            | 31 Dec 24<br>\$M        | 30 Jun 24<br>\$M | 31 Dec 23<br>\$M |
| Interest rate contracts    | 1,503                   | 1,600            | 1,935            |
| Foreign currency contracts | 36,811                  | 15,823           | 28,023           |
| Equity contracts           | –                       | –                | –                |
| Credit derivatives         | 1                       | 2                | 3                |
| Commodities and other      | 1,827                   | 1,117            | 1,458            |
| <b>Total</b>               | <b>40,142</b>           | <b>18,542</b>    | <b>31,419</b>    |

<sup>1</sup> Excluding exposures to CCPs, clearers and derivative exposures classified under Securitisation (for APS 120). Exposure types based on product.



# Credit Risk (continued)

## 6.6 Counterparty Credit Risk (continued)

Table 11c Counterparty credit risk derivative transactions

| Notional value by product type as at<br>31 December 2024 <sup>1</sup> | Own Credit Portfolio |                   | Intermediation Activity |                   |
|---|----------------------|-------------------|-------------------------|-------------------|
|   | Protection buyer     | Protection seller | Protection buyer        | Protection seller |
|   | \$M                  | \$M               | \$M                     | \$M               |
| Credit default swaps  | 1,423                | 24                | 825                     | 433               |
| Total return swaps  | –                    | –                 | –                       | –                 |
| Credit options  | –                    | –                 | –                       | –                 |
| Other   | –                    | –                 | –                       | –                 |
| <b>Total</b>  | <b>1,423</b>         | <b>24</b>         | <b>825</b>              | <b>433</b>        |

<sup>1</sup> CCP exposures have been netted against each other where offsetting per CDS index.

| Notional value by product type as at<br>30 June 2024 <sup>1</sup> | Own Credit Portfolio |                   | Intermediation Activity |                   |
|---|----------------------|-------------------|-------------------------|-------------------|
|   | Protection buyer     | Protection seller | Protection buyer        | Protection seller |
|   | \$M                  | \$M               | \$M                     | \$M               |
| Credit default swaps  | 1,348                | 23                | 883                     | 608               |
| Total return swaps  | –                    | –                 | –                       | –                 |
| Credit options  | –                    | –                 | –                       | –                 |
| Other   | –                    | –                 | –                       | –                 |
| <b>Total</b>  | <b>1,348</b>         | <b>23</b>         | <b>883</b>              | <b>608</b>        |

<sup>1</sup> CCP exposures have been netted against each other where offsetting per CDS index.

| Notional value by product type as at<br>31 December 2023 <sup>1</sup> | Own Credit Portfolio |                   | Intermediation Activity |                   |
|---|----------------------|-------------------|-------------------------|-------------------|
|   | Protection buyer     | Protection seller | Protection buyer        | Protection seller |
|   | \$M                  | \$M               | \$M                     | \$M               |
| Credit default swaps  | 1,506                | 151               | 727                     | 547               |
| Total return swaps  | –                    | –                 | –                       | –                 |
| Credit options  | –                    | –                 | –                       | –                 |
| Other   | –                    | –                 | –                       | –                 |
| <b>Total</b>  | <b>1,506</b>         | <b>151</b>        | <b>727</b>              | <b>547</b>        |

<sup>1</sup> CCP exposures have been netted against each other where offsetting per CDS index.

# Credit Risk (continued)

## 6.7 Securitisation

### Banking Book

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

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

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

| Underlying Asset                      | 31 December 2024                         |  |   |                               |
|---------------------------------------|--|--|---|-------------------------------|
|                                       | Group originated assets - capital relief | Group originated assets - non capital relief | Group originated assets - internal RMBS | Third party originated assets |
|                                       | \$M                                      | \$M  | \$M                                     | \$M                           |
| Residential mortgage                  | 2,271                                    | 3,888  | 73,404                                  | –                             |
| Credit cards and other personal loans | –  | –  | –                                       | –                             |
| Auto and equipment finance            | –  | –  | –                                       | –                             |
| Commercial loans                      | –  | –  | –                                       | –                             |
| Other                                 | –  | –  | –                                       | –                             |
| <b>Total</b>                          | <b>2,271</b>                             | <b>3,888</b>                                 | <b>73,404</b>                           | <b>–</b>                      |

| Underlying Asset                      | 30 June 2024                             |  |   |                               |
|---------------------------------------|--|--|---|-------------------------------|
|                                       | Group originated assets - capital relief | Group originated assets - non capital relief | Group originated assets - internal RMBS | Third party originated assets |
|                                       | \$M                                      | \$M  | \$M                                     | \$M                           |
| Residential mortgage                  | 2,549                                    | 4,847  | 124,744                                 | –                             |
| Credit cards and other personal loans | –  | –  | –                                       | –                             |
| Auto and equipment finance            | –  | –  | –                                       | –                             |
| Commercial loans                      | –  | –  | –                                       | –                             |
| Other                                 | –  | –  | –                                       | –                             |
| <b>Total</b>                          | <b>2,549</b>                             | <b>4,847</b>                                 | <b>124,744</b>                          | <b>–</b>                      |

| Underlying Asset                      | 31 December 2023                         |  |   |                               |
|---------------------------------------|--|--|---|-------------------------------|
|                                       | Group originated assets - capital relief | Group originated assets - non capital relief | Group originated assets - internal RMBS | Third party originated assets |
|                                       | \$M                                      | \$M  | \$M                                     | \$M                           |
| Residential mortgage                  | 2,814                                    | 5,624  | 125,125                                 | –                             |
| Credit cards and other personal loans | –  | –  | –                                       | –                             |
| Auto and equipment finance            | –  | –  | –                                       | –                             |
| Commercial loans                      | –  | –  | –                                       | –                             |
| Other                                 | –  | –  | –                                       | –                             |
| <b>Total</b>                          | <b>2,814</b>                             | <b>5,624</b>                                 | <b>125,125</b>                          | <b>–</b>                      |

Table 12g (ii) – Banking book exposures securitised – synthetic securitisation

APS 120 provides specific regulatory treatment for synthetic securitisations where credit risk is transferred to a third party, however, legal ownership of the underlying assets remains with the originator. The Group has not undertaken any synthetic securitisation in the banking book.

# Credit Risk (continued)

## 6.7 Securitisation (continued)

Table 12h – Non-performing banking book exposures by asset type

| Underlying Asset                      | 31 December 2024                    |                                |                          |
|---------------------------------------|-------------------------------------|--------------------------------|--------------------------|
|                                       | Group originated assets securitised |                                |                          |
|                                       | Outstanding exposure<br>\$M         | Non-performing exposure<br>\$M | Losses recognised<br>\$M |
| Residential mortgage                  | 79,563                              | 438                            | –                        |
| Credit cards and other personal loans | –                                   | –                              | –                        |
| Auto and equipment finance            | –                                   | –                              | –                        |
| Commercial loans                      | –                                   | –                              | –                        |
| Other                                 | –                                   | –                              | –                        |
| <b>Total</b>                          | <b>79,563</b>                       | <b>438</b>                     | <b>–</b>                 |

| Underlying Asset                      | 30 June 2024                        |                                |                          |
|---------------------------------------|-------------------------------------|--------------------------------|--------------------------|
|                                       | Group originated assets securitised |                                |                          |
|                                       | Outstanding exposure<br>\$M         | Non-performing exposure<br>\$M | Losses recognised<br>\$M |
| Residential mortgage                  | 132,140                             | 786                            | –                        |
| Credit cards and other personal loans | –                                   | –                              | –                        |
| Auto and equipment finance            | –                                   | –                              | –                        |
| Commercial loans                      | –                                   | –                              | –                        |
| Other                                 | –                                   | –                              | –                        |
| <b>Total</b>                          | <b>132,140</b>                      | <b>786</b>                     | <b>–</b>                 |

| Underlying Asset                      | 31 December 2023                    |                                |                          |
|---------------------------------------|-------------------------------------|--------------------------------|--------------------------|
|                                       | Group originated assets securitised |                                |                          |
|                                       | Outstanding exposure<br>\$M         | Non-performing exposure<br>\$M | Losses recognised<br>\$M |
| Residential mortgage                  | 133,563                             | 580                            | –                        |
| Credit cards and other personal loans | –                                   | –                              | –                        |
| Auto and equipment finance            | –                                   | –                              | –                        |
| Commercial loans                      | –                                   | –                              | –                        |
| Other                                 | –                                   | –                              | –                        |
| <b>Total</b>                          | <b>133,563</b>                      | <b>580</b>                     | <b>–</b>                 |

Table 12i – Banking book exposures intended to be securitised

As at 31 December 2024, the Group does not have any outstanding banking book exposures that are intended to be securitised.

# Credit Risk (continued)

## 6.7 Securitisation (continued)

Table 12j – Banking book activity for the reporting period

The Group's new securitisation activity in the banking book during the half year ended 31 December 2024 was \$2,019 million.

| Underlying Asset                      | Half year ended 31 December 2024   |  |
|---------------------------------------|------------------------------------|--|
|                                       | Total exposures securitised<br>\$M | Recognised gain or loss on sale<br>\$M |
| Residential mortgage                  | 799                                | –                                      |
| Credit cards and other personal loans | –                                  | –                                      |
| Auto and equipment finance            | 957                                | –                                      |
| Commercial loans                      | 141                                | –                                      |
| Other                                 | 122                                | –                                      |
| <b>Total</b>                          | <b>2,019</b>                       | <b>–</b>                               |

| Underlying Asset                      | Full year ended 30 June 2024       |  |
|---------------------------------------|------------------------------------|--|
|                                       | Total exposures securitised<br>\$M | Recognised gain or loss on sale<br>\$M |
| Residential mortgage                  | 4,112                              | –                                      |
| Credit cards and other personal loans | 49                                 | –                                      |
| Auto and equipment finance            | 61                                 | –                                      |
| Commercial loans                      | –                                  | –                                      |
| Other                                 | –                                  | –                                      |
| <b>Total</b>                          | <b>4,222</b>                       | <b>–</b>                               |

| Underlying Asset                      | Half year ended 31 December 2023   |  |
|---------------------------------------|------------------------------------|--|
|                                       | Total exposures securitised<br>\$M | Recognised gain or loss on sale<br>\$M |
| Residential mortgage                  | 2,492                              | –                                      |
| Credit cards and other personal loans | –                                  | –                                      |
| Auto and equipment finance            | –                                  | –                                      |
| Commercial loans                      | –                                  | –                                      |
| Other                                 | –                                  | –                                      |
| <b>Total</b>                          | <b>2,492</b>                       | <b>–</b>                               |

# Credit Risk (continued)

## 6.7 Securitisation (continued)

Table 12k – Banking book securitisation exposures retained or purchased

| Securitisation Facility Type                              | 31 December 2024        |                          | Total exposures<br>\$M |
|---|-------------------------|--------------------------|------------------------|
|   | On Balance Sheet<br>\$M | Off Balance Sheet<br>\$M |                        |
| Liquidity support facilities                              | –                       | 137                      | 137                    |
| Warehouse facilities                                      | 12,440                  | 5,481                    | 17,921                 |
| Derivative facilities                                     | –                       | 57                       | 57                     |
| Holdings of securities                                    | 3,671                   | –                        | 3,671                  |
| Other   | –                       | 10                       | 10                     |
| <b>Total securitisation exposures in the banking book</b> | <b>16,111</b>           | <b>5,685</b>             | <b>21,796</b>          |

| Securitisation Facility Type                              | 30 June 2024            |                          | Total exposures<br>\$M |
|---|-------------------------|--------------------------|------------------------|
|   | On Balance Sheet<br>\$M | Off Balance Sheet<br>\$M |                        |
| Liquidity support facilities                              | –                       | 156                      | 156                    |
| Warehouse facilities                                      | 10,797                  | 5,250                    | 16,047                 |
| Derivative facilities                                     | –                       | 57                       | 57                     |
| Holdings of securities                                    | 3,334                   | –                        | 3,334                  |
| Other   | –                       | 11                       | 11                     |
| <b>Total securitisation exposures in the banking book</b> | <b>14,131</b>           | <b>5,474</b>             | <b>19,605</b>          |

| Securitisation Facility Type                              | 31 December 2023        |                          | Total exposures<br>\$M |
|---|-------------------------|--------------------------|------------------------|
|   | On Balance Sheet<br>\$M | Off Balance Sheet<br>\$M |                        |
| Liquidity support facilities                              | –                       | 171                      | 171                    |
| Warehouse facilities                                      | 11,666                  | 4,931                    | 16,597                 |
| Derivative facilities                                     | –                       | 108                      | 108                    |
| Holdings of securities                                    | 2,778                   | –                        | 2,778                  |
| Other   | –                       | 11                       | 11                     |
| <b>Total securitisation exposures in the banking book</b> | <b>14,444</b>           | <b>5,221</b>             | <b>19,665</b>          |

# Credit Risk (continued)

## 6.7 Securitisation (continued)

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

Total securitisation exposures in the banking book increased by \$2,191 million or 11.2% during the half year ended 31 December 2024. The corresponding RWA also increased by \$463 million or 14.4%.

| 31 December 2024 |                |                  |                 |                      |                  |              |
|------------------|----------------|------------------|-----------------|----------------------|------------------|--------------|
| Risk Weight Band | Exposures      |                  | Total exposures | Risk Weighted Assets |                  | Total RWA    |
|                  | Securitisation | Resecuritisation |                 | Securitisation       | Resecuritisation |              |
|                  | \$M            | \$M              | \$M             | \$M                  | \$M              | \$M          |
| ≤ 25%            | 21,743         | –                | 21,743          | 3,642                | –                | 3,642        |
| > 25% ≤ 35%      | –              | –                | –               | –                    | –                | –            |
| > 35% ≤ 50%      | –              | –                | –               | –                    | –                | –            |
| > 50% ≤ 75%      | 53             | –                | 53              | 31                   | –                | 31           |
| > 75% ≤ 100%     | –              | –                | –               | –                    | –                | –            |
| > 100% ≤ 650%    | –              | –                | –               | –                    | –                | –            |
| > 650% ≤ 1250%   | –              | –                | –               | –                    | –                | –            |
| <b>Total</b>     | <b>21,796</b>  | <b>–</b>         | <b>21,796</b>   | <b>3,673</b>         | <b>–</b>         | <b>3,673</b> |

| 30 June 2024     |                |                  |                 |                      |                  |              |
|------------------|----------------|------------------|-----------------|----------------------|------------------|--------------|
| Risk Weight Band | Exposures      |                  | Total exposures | Risk Weighted Assets |                  | Total RWA    |
|                  | Securitisation | Resecuritisation |                 | Securitisation       | Resecuritisation |              |
|                  | \$M            | \$M              | \$M             | \$M                  | \$M              | \$M          |
| ≤ 25%            | 19,585         | –                | 19,585          | 3,199                | –                | 3,199        |
| > 25% ≤ 35%      | –              | –                | –               | –                    | –                | –            |
| > 35% ≤ 50%      | –              | –                | –               | –                    | –                | –            |
| > 50% ≤ 75%      | 20             | –                | 20              | 11                   | –                | 11           |
| > 75% ≤ 100%     | –              | –                | –               | –                    | –                | –            |
| > 100% ≤ 650%    | –              | –                | –               | –                    | –                | –            |
| > 650% ≤ 1250%   | –              | –                | –               | –                    | –                | –            |
| <b>Total</b>     | <b>19,605</b>  | <b>–</b>         | <b>19,605</b>   | <b>3,210</b>         | <b>–</b>         | <b>3,210</b> |

| 31 December 2023 |                |                  |                 |                      |                  |              |
|------------------|----------------|------------------|-----------------|----------------------|------------------|--------------|
| Risk Weight Band | Exposures      |                  | Total exposures | Risk Weighted Assets |                  | Total RWA    |
|                  | Securitisation | Resecuritisation |                 | Securitisation       | Resecuritisation |              |
|                  | \$M            | \$M              | \$M             | \$M                  | \$M              | \$M          |
| ≤ 25%            | 19,663         | –                | 19,663          | 3,234                | –                | 3,234        |
| > 25% ≤ 35%      | –              | –                | –               | –                    | –                | –            |
| > 35% ≤ 50%      | –              | –                | –               | –                    | –                | –            |
| > 50% ≤ 75%      | 2              | –                | 2               | 1                    | –                | 1            |
| > 75% ≤ 100%     | –              | –                | –               | –                    | –                | –            |
| > 100% ≤ 650%    | –              | –                | –               | –                    | –                | –            |
| > 650% ≤ 1250%   | –              | –                | –               | –                    | –                | –            |
| <b>Total</b>     | <b>19,665</b>  | <b>–</b>         | <b>19,665</b>   | <b>3,235</b>         | <b>–</b>         | <b>3,235</b> |

## Credit Risk (continued)

### 6.7 Securitisation (continued)

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

Total securitisation exposures deducted from Tier 1 capital increased by \$8m during the half year ended 31 December 2024. There was \$2m movement during the half year ended 30 June 2024.

| Underlying Asset                      | Common Equity Tier 1 Capital |           |           |
|---------------------------------------|------------------------------|-----------|-----------|
|                                       | 31 Dec 24                    | 30 Jun 24 | 31 Dec 23 |
|                                       | \$M                          | \$M       | \$M       |
| Residential mortgage                  | 18                           | 10        | 8         |
| Credit cards and other personal loans | –                            | –         | –         |
| Auto and equipment finance            | –                            | –         | –         |
| Commercial loans                      | –                            | –         | –         |
| Other                                 | –                            | –         | –         |
| <b>Total</b>                          | <b>18</b>                    | <b>10</b> | <b>8</b>  |

#### Table 12m – Banking book exposures subject to early amortisation

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

#### Table 12n – Banking book resecuritisation exposures

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

### Trading Book

#### Table 12o – Trading book exposures securitised

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

#### Table 12p – Trading book exposures intended to be securitised

As at 31 December 2024, the Group does not have any outstanding trading book exposures that are intended to be securitised.

#### Table 12q – Trading book activity for the reporting period

The Group participated in third party securitisation in the trading book during the half year ended 31 December 2024, relating to nil residential mortgages (30 June 2024: nil, 31 December 2023: nil), nil credit cards and other personal loan (30 June 2024: \$5 million, 31 December 2023: \$3 million), and \$9 million auto and equipment finance (30 June 2024: \$5 million, 31 December 2023: nil) exposures.

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

The aggregate amount of exposures securitised by the Group and subject to APS 116 *Capital Adequacy: Market Risk* (APS 116) was \$77 million as at 31 December 2024 (30 June 2024: \$28 million, 31 December 2023: \$78 million), all of which are traditional securitisations.

# Credit Risk (continued)

## 6.7 Securitisation (continued)

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

| Securitisation Facility Type                              | As at 31 December 2024 |                   |                 |
|---|------------------------|-------------------|-----------------|
|   | On Balance Sheet       | Off Balance Sheet | Total exposures |
|   | \$M                    | \$M               | \$M             |
| Liquidity support facilities                              | –                      | –                 | –               |
| Warehouse facilities                                      | –                      | –                 | –               |
| Derivative facilities                                     | –                      | 77                | 77              |
| Holdings of securities                                    | –                      | –                 | –               |
| Other   | –                      | –                 | –               |
| <b>Total securitisation exposures in the trading book</b> | <b>–</b>               | <b>77</b>         | <b>77</b>       |

| Securitisation Facility Type                              | As at 30 June 2024 |                   |                 |
|---|--------------------|-------------------|-----------------|
|   | On Balance Sheet   | Off Balance Sheet | Total exposures |
|   | \$M                | \$M               | \$M             |
| Liquidity support facilities                              | –                  | –                 | –               |
| Warehouse facilities                                      | –                  | –                 | –               |
| Derivative facilities                                     | –                  | 28                | 28              |
| Holdings of securities                                    | –                  | –                 | –               |
| Other   | –                  | –                 | –               |
| <b>Total securitisation exposures in the trading book</b> | <b>–</b>           | <b>28</b>         | <b>28</b>       |

| Securitisation Facility Type                              | As at 31 December 2023 |                   |                 |
|---|------------------------|-------------------|-----------------|
|   | On Balance Sheet       | Off Balance Sheet | Total exposures |
|   | \$M                    | \$M               | \$M             |
| Liquidity support facilities                              | –                      | –                 | –               |
| Warehouse facilities                                      | –                      | –                 | –               |
| Derivative facilities                                     | –                      | 78                | 78              |
| Holdings of securities                                    | –                      | –                 | –               |
| Other   | –                      | –                 | –               |
| <b>Total securitisation exposures in the trading book</b> | <b>–</b>               | <b>78</b>         | <b>78</b>       |

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

The Group has \$77 million of derivative exposures held in the trading book subject to IMA (default risk) under APS 116 as at 31 December 2024 (30 June 2024: \$28 million, 31 December 2023: \$78 million).



# Credit Risk (continued)

## 6.7 Securitisation (continued)

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

| Risk Weight Band | 31 December 2024 |              |                 |
|------------------|------------------|--------------|-----------------|
|                  | ERBA Approach    | SFA Approach | Total exposures |
|                  | \$M              | \$M          | \$M             |
| ≤ 25%            | 51               | 26           | 77              |
| > 25% ≤ 35%      | –                | –            | –               |
| > 35% ≤ 50%      | –                | –            | –               |
| > 50% ≤ 75%      | –                | –            | –               |
| > 75% ≤ 100%     | –                | –            | –               |
| > 100% ≤ 650%    | –                | –            | –               |
| > 650% ≤ 1250%   | –                | –            | –               |
| <b>Total</b>     | <b>51</b>        | <b>26</b>    | <b>77</b>       |

| Risk Weight Band | 30 June 2024  |              |                 |
|------------------|---------------|--------------|-----------------|
|                  | ERBA Approach | SFA Approach | Total exposures |
|                  | \$M           | \$M          | \$M             |
| ≤ 25%            | 14            | 14           | 28              |
| > 25% ≤ 35%      | –             | –            | –               |
| > 35% ≤ 50%      | –             | –            | –               |
| > 50% ≤ 75%      | –             | –            | –               |
| > 75% ≤ 100%     | –             | –            | –               |
| > 100% ≤ 650%    | –             | –            | –               |
| > 650% ≤ 1250%   | –             | –            | –               |
| <b>Total</b>     | <b>14</b>     | <b>14</b>    | <b>28</b>       |

| Risk Weight Band | 31 December 2023 |              |                 |
|------------------|------------------|--------------|-----------------|
|                  | ERBA Approach    | SFA Approach | Total exposures |
|                  | \$M              | \$M          | \$M             |
| ≤ 25%            | 30               | 48           | 78              |
| > 25% ≤ 35%      | –                | –            | –               |
| > 35% ≤ 50%      | –                | –            | –               |
| > 50% ≤ 75%      | –                | –            | –               |
| > 75% ≤ 100%     | –                | –            | –               |
| > 100% ≤ 650%    | –                | –            | –               |
| > 650% ≤ 1250%   | –                | –            | –               |
| <b>Total</b>     | <b>30</b>        | <b>48</b>    | <b>78</b>       |

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

The Group has \$2,017 million of RWA held in the trading book subject to IMA (default risk) under APS 116 as at 31 December 2024 (30 June 2024: \$1,989 million, 31 December 2023: \$1,945 million).

## Credit Risk (continued)

### 6.7 Securitisation (continued)

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

|                | 31 December 2024 |                  |                |                  |                |                            |                |                  |
|----------------|------------------|------------------|----------------|------------------|----------------|----------------------------|----------------|------------------|
|                | ERBA Approach    |                  | SFA Approach   |                  |                | Total Capital Requirements |                |                  |
|                | Securitisation   | Resecuritisation | Securitisation | Resecuritisation | Securitisation | Resecuritisation           | Securitisation | Resecuritisation |
|                | \$M              | \$M              | \$M            | \$M              | \$M            | \$M                        | \$M            | \$M              |
| ≤ 25%          | 8                | –                | 4              | –                | 12             | –                          |                |                  |
| > 25% ≤ 35%    | –                | –                | –              | –                | –              | –                          |                |                  |
| > 35% ≤ 50%    | –                | –                | –              | –                | –              | –                          |                |                  |
| > 50% ≤ 75%    | –                | –                | –              | –                | –              | –                          |                |                  |
| > 75% ≤ 100%   | –                | –                | –              | –                | –              | –                          |                |                  |
| > 100% ≤ 650%  | –                | –                | –              | –                | –              | –                          |                |                  |
| > 650% ≤ 1250% | –                | –                | –              | –                | –              | –                          |                |                  |
| <b>Total</b>   | <b>8</b>         | <b>–</b>         | <b>4</b>       | <b>–</b>         | <b>12</b>      | <b>–</b>                   |                |                  |

|                | 30 June 2024   |                  |                |                  |                |                            |                |                  |
|----------------|----------------|------------------|----------------|------------------|----------------|----------------------------|----------------|------------------|
|                | ERBA Approach  |                  | SFA Approach   |                  |                | Total Capital Requirements |                |                  |
|                | Securitisation | Resecuritisation | Securitisation | Resecuritisation | Securitisation | Resecuritisation           | Securitisation | Resecuritisation |
|                | \$M            | \$M              | \$M            | \$M              | \$M            | \$M                        | \$M            | \$M              |
| ≤ 25%          | 2              | –                | 2              | –                | 4              | –                          |                |                  |
| > 25% ≤ 35%    | –              | –                | –              | –                | –              | –                          |                |                  |
| > 35% ≤ 50%    | –              | –                | –              | –                | –              | –                          |                |                  |
| > 50% ≤ 75%    | –              | –                | –              | –                | –              | –                          |                |                  |
| > 75% ≤ 100%   | –              | –                | –              | –                | –              | –                          |                |                  |
| > 100% ≤ 650%  | –              | –                | –              | –                | –              | –                          |                |                  |
| > 650% ≤ 1250% | –              | –                | –              | –                | –              | –                          |                |                  |
| <b>Total</b>   | <b>2</b>       | <b>–</b>         | <b>2</b>       | <b>–</b>         | <b>4</b>       | <b>–</b>                   |                |                  |

|                | 31 December 2023 |                  |                |                  |                |                            |                |                  |
|----------------|------------------|------------------|----------------|------------------|----------------|----------------------------|----------------|------------------|
|                | ERBA Approach    |                  | SFA Approach   |                  |                | Total Capital Requirements |                |                  |
|                | Securitisation   | Resecuritisation | Securitisation | Resecuritisation | Securitisation | Resecuritisation           | Securitisation | Resecuritisation |
|                | \$M              | \$M              | \$M            | \$M              | \$M            | \$M                        | \$M            | \$M              |
| ≤ 25%          | 5                | –                | 8              | –                | 13             | –                          |                |                  |
| > 25% ≤ 35%    | –                | –                | –              | –                | –              | –                          |                |                  |
| > 35% ≤ 50%    | –                | –                | –              | –                | –              | –                          |                |                  |
| > 50% ≤ 75%    | –                | –                | –              | –                | –              | –                          |                |                  |
| > 75% ≤ 100%   | –                | –                | –              | –                | –              | –                          |                |                  |
| > 100% ≤ 650%  | –                | –                | –              | –                | –              | –                          |                |                  |
| > 650% ≤ 1250% | –                | –                | –              | –                | –              | –                          |                |                  |
| <b>Total</b>   | <b>5</b>         | <b>–</b>         | <b>8</b>       | <b>–</b>         | <b>13</b>      | <b>–</b>                   |                |                  |

# Credit Risk (continued)

## 6.7 Securitisation (continued)

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

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

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

### Table 12v – Trading book exposures subject to early amortisation

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

### Table 12w – Trading book resecuritisation exposures

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

### Table 5a – Total securitisation activity for the reporting period

The Group disclosed the summary of the current period's securitisation activity including the total amount of exposures securitised and gain or loss recognised on sale by exposure type in Table 12j (banking book) and Table 12q (trading book).

The total exposures securitised in the half year to 31 December 2024 was \$2,028 million (31 December 2023: \$2,495 million). The total exposures securitised in the full year to 30 June 2024 was \$4,232 million.

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

| Securitisation Facility Type          | 31 December 2024        |                          |                        |
|---------------------------------------|-------------------------|--------------------------|------------------------|
|                                       | On Balance Sheet<br>\$M | Off Balance Sheet<br>\$M | Total exposures<br>\$M |
| Liquidity support facilities          | –                       | 137                      | 137                    |
| Warehouse facilities                  | 12,440                  | 5,481                    | 17,921                 |
| Derivative facilities                 | –                       | 134                      | 134                    |
| Holdings of securities                | 3,671                   | –                        | 3,671                  |
| Other                                 | –                       | 10                       | 10                     |
| <b>Total securitisation exposures</b> | <b>16,111</b>           | <b>5,762</b>             | <b>21,873</b>          |

| Securitisation Facility Type          | 30 June 2024            |                          |                        |
|---------------------------------------|-------------------------|--------------------------|------------------------|
|                                       | On Balance Sheet<br>\$M | Off Balance Sheet<br>\$M | Total exposures<br>\$M |
| Liquidity support facilities          | –                       | 156                      | 156                    |
| Warehouse facilities                  | 10,797                  | 5,250                    | 16,047                 |
| Derivative facilities                 | –                       | 85                       | 85                     |
| Holdings of securities                | 3,334                   | –                        | 3,334                  |
| Other                                 | –                       | 11                       | 11                     |
| <b>Total securitisation exposures</b> | <b>14,131</b>           | <b>5,502</b>             | <b>19,633</b>          |

| Securitisation Facility Type          | 31 December 2023        |                          |                        |
|---------------------------------------|-------------------------|--------------------------|------------------------|
|                                       | On Balance Sheet<br>\$M | Off Balance Sheet<br>\$M | Total exposures<br>\$M |
| Liquidity support facilities          | –                       | 171                      | 171                    |
| Warehouse facilities                  | 11,666                  | 4,931                    | 16,597                 |
| Derivative facilities                 | –                       | 186                      | 186                    |
| Holdings of securities                | 2,778                   | –                        | 2,778                  |
| Other                                 | –                       | 11                       | 11                     |
| <b>Total securitisation exposures</b> | <b>14,444</b>           | <b>5,299</b>             | <b>19,743</b>          |

## 7

## Equity Risk

Table 16b to 16f – Equity investment exposures

| Equity Investments                          | 31 December 2024    |              |
|---|---------------------|--------------|
|   | Balance Sheet value | Fair value   |
|   | \$M                 | \$M          |
| Value of listed (publicly traded) equities  | 2,474               | 2,733        |
| Value of unlisted (privately held) equities | 1,784               | 2,641        |
| <b>Total</b>                                | <b>4,258</b>        | <b>5,374</b> |

| Equity Investments                          | 30 June 2024        |              |
|---|---------------------|--------------|
|   | Balance Sheet value | Fair value   |
|   | \$M                 | \$M          |
| Value of listed (publicly traded) equities  | 2,591               | 2,892        |
| Value of unlisted (privately held) equities | 1,568               | 2,026        |
| <b>Total</b>                                | <b>4,159</b>        | <b>4,918</b> |

| Equity Investments                          | 31 December 2023    |              |
|---|---------------------|--------------|
|   | Balance Sheet value | Fair value   |
|   | \$M                 | \$M          |
| Value of listed (publicly traded) equities  | 2,226               | 2,377        |
| Value of unlisted (privately held) equities | 1,772               | 1,888        |
| <b>Total</b>                                | <b>3,998</b>        | <b>4,265</b> |

| Gains or Losses on Equity Investments                      | Half year ended |           |           |
|--|-----------------|-----------|-----------|
|  | 31 Dec 24       | 30 Jun 24 | 31 Dec 23 |
|  | \$M             | \$M       | \$M       |
| Cumulative realised gains in reporting period <sup>1</sup> | 43              | –         | 26        |
| Total unrealised gains or losses                           | 634             | 149       | 5         |

<sup>1</sup> Cumulative realised gains in reporting period include gains/losses from investments in associates and investment securities measured at fair value through other comprehensive income.

## 8

## Market Risk

## 8.1 Traded Market Risk

## Capital Calculation Methods

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

|  | 31 Dec 24    | 30 Jun 24    | 31 Dec 23    |
|--|--------------|--------------|--------------|
|  | \$M          | \$M          | \$M          |
| <b>Traded Market Risk RWA by Modelling Approach <sup>1</sup></b> |              |              |              |
| Internal Model Approach  | 6,491        | 7,354        | 8,547        |
| Standard Method  | 1,458        | 1,134        | 1,080        |
| <b>Total Traded Market Risk RWA</b>                              | <b>7,949</b> | <b>8,488</b> | <b>9,627</b> |

<sup>1</sup> Refer to page 11 for commentary.

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

Table 13b – Traded Market Risk under the Standard Method

|  | 31 Dec 24    | 30 Jun 24    | 31 Dec 23    |
|--|--------------|--------------|--------------|
|  | \$M          | \$M          | \$M          |
| <b>Exposure Type</b>                               |              |              |              |
| Interest Rate Risk                                 | 116.6        | 90.7         | 86.4         |
| Equity Risk  | –            | –            | –            |
| Foreign exchange risk                              | –            | –            | –            |
| Commodity risk                                     | –            | –            | –            |
| <b>Total</b>                                       | <b>116.6</b> | <b>90.7</b>  | <b>86.4</b>  |
| <b>Risk Weighted Asset equivalent <sup>1</sup></b> | <b>1,458</b> | <b>1,134</b> | <b>1,080</b> |

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

## Traded Market Risk Internal Model

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

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

|                                       | Aggregate VaR Over the Reporting Period |               |               |                    |
|---------------------------------------|---|---------------|---------------|--------------------|
|                                       | Mean value                              | Maximum value | Minimum value | As at balance date |
|                                       | \$M                                     | \$M           | \$M           | \$M                |
| <b>Average VaR <sup>1</sup></b>       |   |               |               |                    |
| Over the 6 months to 31 December 2024 | 50                                      | 81            | 32            | 39                 |
| Over the 6 months to 30 June 2024     | 62                                      | 86            | 37            | 37                 |
| Over the 6 months to 31 December 2023 | 51                                      | 68            | 36            | 62                 |

<sup>1</sup> 10 day, 99% confidence interval over the reporting period.

|                                       | Aggregate SVaR Over the Reporting Period |               |               |                    |
|---------------------------------------|--|---------------|---------------|--------------------|
|                                       | Mean value                               | Maximum value | Minimum value | As at balance date |
|                                       | \$M                                      | \$M           | \$M           | \$M                |
| <b>Stressed VaR <sup>1</sup></b>      |  |               |               |                    |
| Over the 6 months to 31 December 2024 | 138                                      | 211           | 80            | 192                |
| Over the 6 months to 30 June 2024     | 105                                      | 167           | 71            | 116                |
| Over the 6 months to 31 December 2023 | 108                                      | 150           | 80            | 126                |

<sup>1</sup> 10 day, 99% confidence interval over the reporting period.

# Market Risk (continued)

## 8.1 Traded Market Risk (continued)

### Internal Model Approach – Back-test results

The Internal model is subject to back-testing against hypothetical profit and loss. In the 6 months to 31 December 2024 there were no back test outliers. The back-test results are summarised in Table 14f (ii) and details of these are provided in Table 14f (iii). A comparison of VaR with actual gains or losses during the 6 months to 31 December 2024 is illustrated in Table 14f (iv).

#### APS 330 Table 14f (ii) - Summary Table of the Number of Back-Testing Outliers <sup>1</sup>

|                                       |   |
|---------------------------------------|---|
| Over the 6 months to 31 December 2024 | - |
| Over the 6 months to 30 June 2024     | - |
| Over the 6 months to 31 December 2023 | - |

<sup>1</sup> 10 day, 99% confidence interval over the reporting period.

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

| Date | Over the Reporting Period<br>1 July 2024 to 31 December 2024 |                   |
|------|--|-------------------|
|      | Hypothetical<br>loss<br>\$M                                  | VaR<br>99%<br>\$M |
|      | -  | -                 |

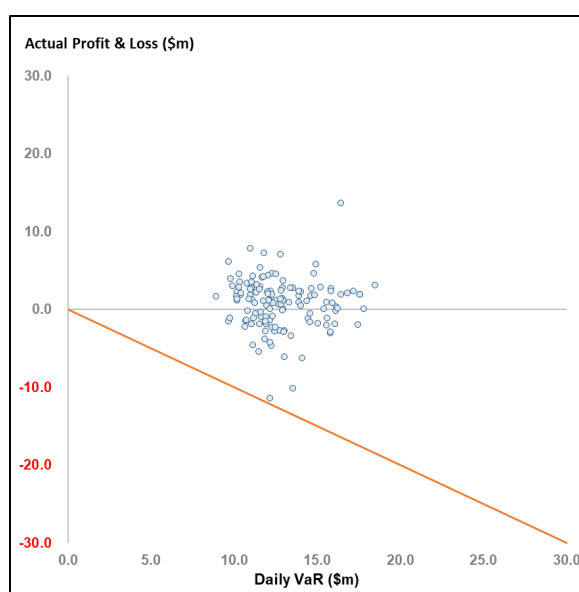
  

| Date | Over the Reporting Period<br>1 January 2024 to 30 June 2024 |                   |
|------|---|-------------------|
|      | Hypothetical<br>loss<br>\$M                                 | VaR<br>99%<br>\$M |
|      | -   | -                 |

| Date | Over the Reporting Period<br>1 July 2023 to 31 December 2023 |                   |
|------|--|-------------------|
|      | Hypothetical<br>loss<br>\$M                                  | VaR<br>99%<br>\$M |
|      | -  | -                 |

Table 14f (iv): Comparison of VaR estimates outliers with actual gains/losses experiences for the 6 months ended 31 December 2024



# Market Risk (continued)

## 8.2 Non-Traded Market Risk

Table 17b – Interest Rate Risk in the Banking Book

| Stress Testing: Interest Rate Shock Applied | Change in Economic Value |           |           |
|---|--------------------------|-----------|-----------|
|   | 31 Dec 24                | 30 Jun 24 | 31 Dec 23 |
|   | \$M                      | \$M       | \$M       |
| <b>AUD</b>                                  |                          |           |           |
| 200 basis point parallel increase           | (540)                    | (556)     | (860)     |
| 200 basis point parallel decrease           | 569                      | 564       | 890       |
| <b>NZD</b>                                  |                          |           |           |
| 200 basis point parallel increase           | (306)                    | (361)     | (318)     |
| 200 basis point parallel decrease           | 312                      | 374       | 327       |
| <b>USD</b>                                  |                          |           |           |
| 200 basis point parallel increase           | (66)                     | (69)      | (153)     |
| 200 basis point parallel decrease           | 69                       | 68        | 109       |
| <b>Other</b>                                |                          |           |           |
| 200 basis point parallel increase           | (1)                      | (9)       | 17        |
| 200 basis point parallel decrease           | 2                        | 10        | (16)      |
| <b>Regulatory RWA <sup>1</sup></b>          |                          |           |           |
| Interest rate risk in the banking book      | 41,679                   | 43,644    | 40,307    |

<sup>1</sup> Refer to page 11 for commentary.

## 9

## Operational Risk

Table 6e – Capital requirements for operational risk

| Regulatory RWA                          | 31 Dec 24<br>\$M | 30 Jun 24<br>\$M | 31 Dec 23<br>\$M |
|---|------------------|------------------|------------------|
| Total operational risk RWA <sup>1</sup> | 47,624           | 44,975           | 44,975           |

<sup>1</sup> Refer to page 11 for commentary.



## 10 Liquidity Risk

### 10.1 Liquidity Coverage Ratio

The Group calculates its LCR position on a daily basis, ensuring a buffer is maintained over the minimum regulatory requirement of 100% and the Board's risk appetite. Over the December 2024 quarter, excess liquid assets averaged \$37.1 billion and the average LCR decreased from 131% to 127%. The decrease in average LCR was due to balance sheet positioning and cash management activities over the December 2024 quarter. On a spot basis, the LCR was between 121% and 136% over the quarter.

The Group's mix of liquid assets consists of HQLA, such as cash, deposits with central banks, Australian government and semi-government securities, and foreign sovereign securities. Liquid assets also include securities classified as liquid assets by the RBNZ. Liquid assets are distributed across the Group to support regulatory and internal requirements and are consistent with the distribution of liquidity needs by currency. Average liquid assets decreased \$2.2 billion or 1% over the quarter.

NCO are modelled under an APRA prescribed 30 day severe liquidity stress scenario. The Group manages modelled NCO by maintaining a large base of low LCR outflow customer deposits and actively managing its wholesale funding maturity profile as part of its overall liquidity management strategy. Average NCO increased \$2.9 billion or 2% over the quarter primarily due to an increase in wholesale funding maturities within the 30 day window and growth in customer deposits.

**Table 20 - LCR Disclosure Template**

|  | 31 Dec 24 <sup>1</sup>                  |                                       | 30 Sep 24 <sup>1</sup>                  |                                       |
|--|---|---------------------------------------|---|---------------------------------------|
|  | Total unweighted value (average)<br>\$M | Total weighted value (average)<br>\$M | Total unweighted value (average)<br>\$M | Total weighted value (average)<br>\$M |
| <b>Liquid assets, of which:</b>  |   |                                       |   |                                       |
| 1 High-quality liquid assets (HQLA)  |   | 174,194                               |   | 176,076                               |
| 2 Alternative liquid assets (ALA)  |   | –                                     |   | –                                     |
| 3 Reserve Bank of New Zealand (RBNZ) securities  |   | 1,063                                 |   | 1,359                                 |
| <b>Cash outflows</b>   |   |                                       |   |                                       |
| 4 Retail deposits and deposits from small business customers, of which:                    | <b>475,273</b>                          | <b>38,535</b>                         | <b>460,244</b>                          | <b>37,610</b>                         |
| 5 Stable deposits  | 279,231                                 | 13,962                                | 271,246                                 | 13,562                                |
| 6 Less stable deposits   | 196,042                                 | 24,573                                | 188,998                                 | 24,048                                |
| 7 Unsecured wholesale funding, of which:   | <b>186,749</b>                          | <b>81,160</b>                         | <b>181,978</b>                          | <b>77,419</b>                         |
| 8 Operational deposits (all counterparties) and deposits in networks for cooperative banks | 91,344                                  | 21,972                                | 91,283                                  | 21,894                                |
| 9 Non-operational deposits (all counterparties)  | 84,634                                  | 48,417                                | 82,933                                  | 47,763                                |
| 10 Unsecured debt  | 10,771                                  | 10,771                                | 7,762                                   | 7,762                                 |
| 11 Secured wholesale funding   |   | <b>3,619</b>                          |   | <b>3,517</b>                          |
| 12 Additional requirements, of which:  | <b>192,691</b>                          | <b>27,993</b>                         | <b>179,592</b>                          | <b>26,979</b>                         |
| 13 Outflows related to derivatives exposures and other collateral requirements             | 7,645                                   | 7,645                                 | 8,065                                   | 8,065                                 |
| 14 Outflows related to loss of funding on debt products                                    | –                                       | –                                     | –                                       | –                                     |
| 15 Credit and liquidity facilities   | 185,046                                 | 20,348                                | 171,527                                 | 18,914                                |
| 16 Other contractual funding obligations   | –                                       | –                                     | –                                       | –                                     |
| 17 Other contingent funding obligations  | <b>96,070</b>                           | <b>10,736</b>                         | <b>100,578</b>                          | <b>13,342</b>                         |
| <b>18 Total cash outflows</b>  |   | <b>162,043</b>                        |   | <b>158,867</b>                        |
| <b>Cash inflows</b>  |   |                                       |   |                                       |
| 19 Secured lending   | 51,304                                  | 5,752                                 | 55,904                                  | 5,509                                 |
| 20 Inflows from fully performing exposures   | 14,765                                  | 10,048                                | 14,728                                  | 10,487                                |
| 21 Other cash inflows  | 8,126                                   | 8,126                                 | 7,684                                   | 7,684                                 |
| <b>22 Total cash inflows</b>   | <b>74,195</b>                           | <b>23,926</b>                         | <b>78,316</b>                           | <b>23,680</b>                         |
| <b>23 Total liquid assets</b>  |   | 175,257                               |   | 177,435                               |
| <b>24 Total net cash outflows</b>  |   | 138,117                               |   | 135,187                               |
| <b>25 Liquidity Coverage Ratio (%)</b>   |   | 127                                   |   | 131                                   |
| <b>Number of data points used (Business Days)</b>  |   | 63                                    |   | 65                                    |

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

## Liquidity Risk (continued)

### 10.2 Net Stable Funding Ratio

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

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

The NSFR increased from 115% at 30 September 2024 to 116% at 31 December 2024. Over the period, the Group's ASF increased 3.2% due to growth in retail and SME deposits and an increase in wholesale funding and capital. RSF increased 1.7% primarily due to growth in both residential mortgages and commercial lending.

Table 21 - NSFR Disclosure Template

|  |   | As at 31 December 2024                |                |               |                |                |
|--|---|---------------------------------------|----------------|---------------|----------------|----------------|
|  |   | Unweighted value by residual maturity |                |               |                | Weighted value |
|  |   | No Maturity                           | 0 - 6 months   | 7 - 12 months | > 12 months    |                |
|  |   | \$M                                   | \$M            | \$M           | \$M            | \$M            |
| <b>Available Stable Funding (ASF) Item</b> |   |                                       |                |               |                |                |
| 1  | <b>Capital</b>  | <b>75,393</b>                         | –              | –             | <b>40,835</b>  | <b>116,227</b> |
| 2  | Regulatory Capital  | 75,393                                | –              | –             | 40,835         | 116,227        |
| 3  | Other Capital Instruments   | –                                     | –              | –             | –              | –              |
| 4  | <b>Retail deposits and deposits from small business customers</b>   | <b>463,394</b>                        | <b>135,565</b> | <b>27</b>     | <b>135</b>     | <b>555,684</b> |
| 5  | Stable deposits <sup>1</sup>  | 275,928                               | 53,309         | 7             | 6              | 312,788        |
| 6  | Less stable deposits <sup>2</sup>   | 187,466                               | 82,256         | 20            | 129            | 242,896        |
| 7  | <b>Wholesale funding</b>  | <b>152,660</b>                        | <b>222,284</b> | <b>71,452</b> | <b>103,930</b> | <b>235,423</b> |
| 8  | Operational deposits  | 93,670                                | –              | –             | –              | 46,835         |
| 9  | Other wholesale funding   | 58,990                                | 222,284        | 71,452        | 103,930        | 188,588        |
| 10   | <b>Liabilities with matching interdependent assets</b>  | –                                     | –              | –             | –              | –              |
| 11   | <b>Other liabilities</b>  | –                                     | <b>22,061</b>  | <b>167</b>    | <b>1,831</b>   | <b>1,915</b>   |
| 12   | NSFR derivative liabilities   | –                                     | 12,045         | –             | –              | –              |
| 13   | All other liabilities and equity not included in the above categories   | –                                     | 10,016         | 167           | 1,831          | 1,915          |
| 14   | <b>Total ASF</b>  |                                       |                |               |                | <b>909,249</b> |
| <b>Required Stable Funding (RSF) Item</b>  |   |                                       |                |               |                |                |
| 15 a)                                      | <b>Total NSFR HQLA</b>  |                                       |                |               |                | <b>6,081</b>   |
| 15 b)                                      | <b>ALA</b>  |                                       |                |               |                | –              |
| 15 c)                                      | <b>RBNZ Securities</b>  |                                       |                |               |                | <b>366</b>     |
| 16   | <b>Deposits held at other financial institutions for operational purposes</b>   |                                       |                |               |                | –              |
| 17   | <b>Performing loans and securities</b>  | <b>12,694</b>                         | <b>138,606</b> | <b>68,000</b> | <b>861,688</b> | <b>720,011</b> |
| 18   | Performing loans to financial institutions secured by Level 1 HQLA  | 8,930                                 | 59,250         | 3,997         | 2,968          | 11,784         |
| 19   | Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions   | 3,764                                 | 28,149         | 19,529        | 42,515         | 57,066         |
| 20   | Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities (PSEs) | –                                     | 38,482         | 35,561        | 150,486        | 164,245        |
| 21   | of which: with a risk weight of less than or equal to 35% under APS 112   | –                                     | 696            | 652           | 3,451          | 2,917          |
| 22   | Performing residential property loans   | –                                     | 7,525          | 7,123         | 654,244        | 473,240        |
| 23   | of which: are standard loans to individuals with a LVR of 80% or below  | –                                     | 5,543          | 5,384         | 467,942        | 309,625        |
| 24   | Securities that are not in default and do not qualify as HQLA, including exchange-traded equities   | –                                     | 5,200          | 1,790         | 11,475         | 13,676         |
| 25   | <b>Assets with matching interdependent liabilities</b>  | –                                     | –              | –             | –              | –              |
| 26   | <b>Other assets:</b>  | <b>5,440</b>                          | <b>35,072</b>  | <b>1,818</b>  | <b>29,533</b>  | <b>43,087</b>  |
| 27   | Physical traded commodities, including gold   | 5,440                                 | –              | –             | –              | 4,624          |
| 28   | Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties (CCPs)  | –                                     | 1,515          | –             | –              | 1,288          |
| 29   | NSFR derivative assets  | –                                     | 9,334          | –             | –              | –              |
| 30   | NSFR derivative liabilities before deduction of variation margin posted   | –                                     | 21,280         | –             | –              | 4,256          |
| 31   | All other assets not included in the above categories   | –                                     | 2,943          | 1,818         | 29,533         | 32,919         |
| 32   | <b>Off Balance Sheet items</b>  | –                                     | <b>220,762</b> | –             | –              | <b>11,368</b>  |
| 33   | <b>Total RSF</b>  |                                       |                |               |                | <b>780,913</b> |
| 34   | <b>Net Stable Funding Ratio (%)</b>   |                                       |                |               |                | <b>116</b>     |

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

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

# Liquidity Risk (continued)

## 10.2 Net Stable Funding Ratio (continued)

|  |   | As at 30 September 2024               |                |               |                |                |
|--|---|---------------------------------------|----------------|---------------|----------------|----------------|
|  |   | Unweighted value by residual maturity |                |               |                | Weighted value |
|  |   | No Maturity                           | 0 - 6 months   | 7 - 12 months | > 12 months    |                |
|  |   | \$M                                   | \$M            | \$M           | \$M            | \$M            |
| <b>Available Stable Funding (ASF) Item</b> |   |                                       |                |               |                |                |
| 1  | <b>Capital</b>  | <b>72,584</b>                         | <b>–</b>       | <b>–</b>      | <b>39,522</b>  | <b>112,106</b> |
| 2  | Regulatory Capital  | 72,584                                | –              | –             | 39,522         | 112,106        |
| 3  | Other Capital Instruments   | –                                     | –              | –             | –              | –              |
| 4  | <b>Retail deposits and deposits from small business customers</b>   | <b>448,645</b>                        | <b>134,861</b> | <b>29</b>     | <b>151</b>     | <b>541,446</b> |
| 5  | Stable deposits <sup>1</sup>  | 268,831                               | 53,407         | 9             | 9              | 306,144        |
| 6  | Less stable deposits <sup>2</sup>   | 179,814                               | 81,454         | 20            | 142            | 235,302        |
| 7  | <b>Wholesale funding</b>  | <b>155,711</b>                        | <b>238,520</b> | <b>57,675</b> | <b>100,524</b> | <b>225,410</b> |
| 8  | Operational deposits  | 91,938                                | –              | –             | –              | 45,969         |
| 9  | Other wholesale funding   | 63,773                                | 238,520        | 57,675        | 100,524        | 179,441        |
| 10   | <b>Liabilities with matching interdependent assets</b>  | <b>–</b>                              | <b>–</b>       | <b>–</b>      | <b>–</b>       | <b>–</b>       |
| 11   | <b>Other liabilities</b>  | <b>–</b>                              | <b>22,520</b>  | <b>162</b>    | <b>1,829</b>   | <b>1,910</b>   |
| 12   | NSFR derivative liabilities   | –                                     | 9,789          | –             | –              | –              |
| 13   | All other liabilities and equity not included in the above categories   | –                                     | 12,731         | 162           | 1,829          | 1,910          |
| 14   | <b>Total ASF</b>  |                                       |                |               |                | <b>880,872</b> |
| <b>Required Stable Funding (RSF) Item</b>  |   |                                       |                |               |                |                |
| 15 a)                                      | <b>Total NSFR HQLA</b>  |                                       |                |               |                | <b>6,050</b>   |
| 15 b)                                      | <b>ALA</b>  |                                       |                |               |                | <b>–</b>       |
| 15 c)                                      | <b>RBNZ Securities</b>  |                                       |                |               |                | <b>360</b>     |
| 16   | <b>Deposits held at other financial institutions for operational purposes</b>   |                                       |                |               |                | <b>–</b>       |
| 17   | <b>Performing loans and securities</b>  | <b>17,164</b>                         | <b>140,954</b> | <b>67,671</b> | <b>846,019</b> | <b>710,915</b> |
| 18   | Performing loans to financial institutions secured by Level 1 HQLA  | 11,725                                | 59,402         | 8,164         | 2,121          | 13,316         |
| 19   | Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions   | 5,439                                 | 28,128         | 20,585        | 41,493         | 56,821         |
| 20   | Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities (PSEs) | –                                     | 39,070         | 30,728        | 148,102        | 160,120        |
| 21   | of which: with a risk weight of less than or equal to 35% under APS 112   | –                                     | 706            | 589           | 3,334          | 2,815          |
| 22   | Performing residential property loans   | –                                     | 7,478          | 6,821         | 644,283        | 467,706        |
| 23   | of which: are standard loans to individuals with a LVR of 80% or below  | –                                     | 5,494          | 5,158         | 459,483        | 303,990        |
| 24   | Securities that are not in default and do not qualify as HQLA, including exchange-traded equities   | –                                     | 6,876          | 1,373         | 10,020         | 12,952         |
| 25   | <b>Assets with matching interdependent liabilities</b>  | <b>–</b>                              | <b>–</b>       | <b>–</b>      | <b>–</b>       | <b>–</b>       |
| 26   | <b>Other assets:</b>  | <b>4,493</b>                          | <b>34,042</b>  | <b>1,677</b>  | <b>27,513</b>  | <b>40,233</b>  |
| 27   | Physical traded commodities, including gold   | 4,493                                 | –              | –             | –              | 3,819          |
| 28   | Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties (CCPs)  | –                                     | 2,161          | –             | –              | 1,837          |
| 29   | NSFR derivative assets  | –                                     | 7,566          | –             | –              | –              |
| 30   | NSFR derivative liabilities before deduction of variation margin posted   | –                                     | 17,812         | –             | –              | 3,562          |
| 31   | All other assets not included in the above categories   | –                                     | 6,503          | 1,677         | 27,513         | 31,015         |
| 32   | <b>Off Balance Sheet items</b>  | <b>–</b>                              | <b>205,674</b> | <b>–</b>      | <b>–</b>       | <b>10,207</b>  |
| 33   | <b>Total RSF</b>  |                                       |                |               |                | <b>767,765</b> |
| 34   | <b>Net Stable Funding Ratio (%)</b>   |                                       |                |               |                | <b>115</b>     |

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

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

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

These tables should be read in conjunction with Appendix 11.3 Regulatory Balance Sheet and Appendix 11.4 Reconciliation between Detailed Capital Disclosures Template and Regulatory Balance Sheet.

|  | 31 Dec 24<br>Basel III<br>% |
|--|-----------------------------|
| <b>Summary Group Capital Adequacy Ratios (Level 2)</b> |                             |
| CET1   | 12.2                        |
| Tier 1   | 14.1                        |
| Total Capital  | 20.7                        |

|   | 31 Dec 24<br>Basel III<br>\$M | Reconciliation<br>Table<br>Reference |
|---|-------------------------------|--------------------------------------|
| <b>Common Equity Tier 1 Capital: instruments and reserves</b> |                               |                                      |
| 1   | 33,586                        | Table A                              |
| 2   | 42,518                        |                                      |
| 3   | (900)                         |                                      |
| 4   | –                             |                                      |
| 5   | –                             | Table B                              |
| 6   | 75,204                        |                                      |
| <b>Common Equity Tier 1 Capital: regulatory adjustments</b>   |                               |                                      |
| 7   | (13)                          |                                      |
| 8   | (5,282)                       | Table C                              |
| 9   | (2,446)                       | Table C                              |
| 10  | –                             | Table D                              |
| 11  | 590                           |                                      |
| 12  | –                             |                                      |
| 13  | –                             |                                      |
| 14  | (47)                          |                                      |
| 15  | (338)                         |                                      |
| 16  | –                             |                                      |
| 17  | –                             |                                      |
| 18  | –                             |                                      |
| 19  | –                             |                                      |
| 20  | –                             |                                      |
| 21  | –                             | Table D                              |
| 22  | –                             |                                      |
| 23  | –                             |                                      |
| 24  | –                             |                                      |
| 25  | –                             | Table D                              |

1 Represents the shortfall between the calculated Regulatory 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 Capital. For non-defaulted exposures where the EL is lower than the EP, this may be included in Tier 2 Capital up to a maximum of 0.6% of total Credit Risk RWA.

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

# Appendices (continued)

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

|  | 31 Dec 24<br>Basel III<br>\$M  | Reconciliation<br>Table<br>Reference |         |
|--|--|--------------------------------------|---------|
| 26   | National specific regulatory adjustments (rows 26a, 26b, 26c, 26d, 26e, 26f, 26g, 26h, 26i, 26j)   | (8,797)                              |         |
| 26a  | of which: treasury shares  | 189                                  | Table A |
| 26b  | of which: offset to dividends declared due to a dividend reinvestment plan (DRP), to the extent that the dividends are used to purchase new ordinary shares issued by the ADI  | –                                    |         |
| 26c  | of which: deferred fee income  | –                                    |         |
| 26d  | of which: equity investments in financial institutions not reported in rows 18, 19 and 23  | (4,205)                              | Table G |
| 26e  | of which: deferred tax assets not reported in rows 10, 21 and 25   | (3,165)                              | Table D |
| 26f  | of which: capitalised expenses   | (1,250)                              |         |
| 26g  | of which: investments in commercial (non-financial) entities that are deducted under APRA prudential requirements  | (109)                                | Table G |
| 26h  | of which: covered bonds in excess of asset cover in pools  | –                                    |         |
| 26i  | of which: undercapitalisation of a non-consolidated subsidiary   | –                                    |         |
| 26j  | of which: other national specific regulatory adjustments not reported in rows 26a to 26i   | (257)                                |         |
| 27   | Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions  | –                                    |         |
| 28   | Total regulatory adjustments to Common Equity Tier 1 <sup>1</sup>  | (16,333)                             |         |
| 29   | Common Equity Tier 1 Capital   | 58,871                               |         |
| <b>Additional Tier 1 Capital: instruments</b>            |  |                                      |         |
| 30   | Directly issued qualifying Additional Tier 1 instruments   | 9,272                                |         |
| 31   | of which: classified as equity under applicable accounting standards   | –                                    |         |
| 32   | of which: classified as liabilities under applicable accounting standards  | 9,272                                | Table E |
| 33   | Directly issued capital instruments subject to phase out from Additional Tier 1  | –                                    |         |
| 34   | Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in Group AT1)  | –                                    |         |
| 35   | of which: instruments issued by subsidiaries subject to phase out  | –                                    |         |
| 36   | Additional Tier 1 Capital before regulatory adjustments  | 9,272                                | Table E |
| <b>Additional Tier 1 Capital: regulatory adjustments</b> |  |                                      |         |
| 37   | Investments in own Additional Tier 1 instruments   | –                                    |         |
| 38   | Reciprocal cross-holdings in Additional Tier 1 instruments   | –                                    |         |
| 39   | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold) | –                                    |         |
| 40   | Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)   | –                                    |         |
| 41   | National specific regulatory adjustments (rows 41a, 41b, 41c)  | –                                    |         |
| 41a  | of which: holdings of capital instruments in group members by other group members on behalf of third parties   | –                                    |         |
| 41b  | of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidations not reported in rows 39 and 40  | –                                    |         |
| 41c  | of which: other national specific regulatory adjustments not reported in rows 41a and 41b  | –                                    |         |
| 42   | Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions   | –                                    |         |
| 43   | Total regulatory adjustments to Additional Tier 1 capital  | –                                    |         |
| 44   | Additional Tier 1 Capital (AT1)  | 9,272                                |         |
| 45   | Tier 1 Capital (T1=CET1+AT1)   | 68,143                               |         |
| <b>Tier 2 Capital: instruments and provisions</b>        |  |                                      |         |
| 46   | Directly issued qualifying Tier 2 instruments  | 29,925                               | Table F |
| 47   | Directly issued capital instruments subject to phase out from Tier 2   | –                                    |         |
| 48   | Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)   | –                                    |         |
| 49   | of which: instruments issued by subsidiaries subject to phase out  | –                                    |         |
| 50   | Provisions   | 2,111                                |         |
| 51   | Tier 2 Capital before regulatory adjustments   | 32,036                               |         |

1 Total regulatory adjustments to CET1 of \$16,333 million in Row 28 is net of APRA's allowance for treasury shares held by the Group's eligible employee share scheme arrangements of \$189 million as detailed in Row 26a.

# Appendices (continued)

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

|   | 31 Dec 24<br>Basel III<br>\$M | Reconciliation<br>Table<br>Reference |
|---|-------------------------------|--------------------------------------|
| <b>Tier 2 Capital: regulatory adjustments</b>   |                               |                                      |
| 52 Investments in own Tier 2 instruments  | (30)                          |                                      |
| 53 Reciprocal cross-holdings in Tier 2 instruments  | –                             |                                      |
| 54 Investments in the Tier 2 Capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold) <sup>1</sup> | (444)                         |                                      |
| 55 Significant investments in the Tier 2 Capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions   | –                             |                                      |
| 56 National specific regulatory adjustments (rows 56a, 56b, 56c)  | –                             |                                      |
| 56a of which: holdings of capital instruments in group members by other group members on behalf of third parties  | –                             |                                      |
| 56b of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidation not reported in rows 54 and 55  | –                             |                                      |
| 56c of which: other national specific regulatory adjustments not reported in rows 56a and 56b   | –                             |                                      |
| 57 Total regulatory adjustments to Tier 2 Capital   | (474)                         |                                      |
| 58 Tier 2 Capital (T2)  | 31,562                        |                                      |
| 59 Total Capital (TC=T1+T2)   | 99,705                        |                                      |
| 60 Total risk weighted assets based on APRA standards   | 482,369                       |                                      |
| <b>Capital ratios and buffers</b>   |                               |                                      |
| 61 CET1 (as a percentage of risk weighted assets)   | 12.2%                         |                                      |
| 62 Tier 1 (as a percentage of risk weighted assets)   | 14.1%                         |                                      |
| 63 Total Capital (as a percentage of risk weighted assets)  | 20.7%                         |                                      |
| 64 Buffer requirement (minimum CET1 requirement of 4.5% plus capital conservation buffer plus any countercyclical buffer requirements, expressed as a percentage of risk weighted assets)   | 10.08%                        |                                      |
| 65 of which: capital conservation buffer requirement <sup>2</sup>   | 4.75%                         |                                      |
| 66 of which: ADI-specific countercyclical buffer requirements   | 0.83%                         | Table H                              |
| 67 of which: G-SIB buffer requirement (not applicable)  | –                             |                                      |
| 68 Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)   | 12.2%                         |                                      |
| <b>National minima</b>  |                               |                                      |
| 69 National Common Equity Tier 1 minimum ratio  | –                             |                                      |
| 70 National Tier 1 minimum ratio  | –                             |                                      |
| 71 National Total Capital minimum ratio   | –                             |                                      |
| <b>Amount below thresholds for deductions (not risk weighted)</b>   |                               |                                      |
| 72 Non-significant investments in the capital of other financial entities   | 2,324                         | Table G                              |
| 73 Significant investments in the ordinary shares of financial entities   | 1,881                         | Table G                              |
| 74 Mortgage servicing rights (net of related tax liability)   | –                             |                                      |
| 75 Deferred tax assets arising from temporary differences (net of related tax liability)  | 3,165                         | Table D                              |
| <b>Applicable caps on the inclusion of provisions in Tier 2</b>   |                               |                                      |
| 76 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)   | 81                            |                                      |
| 77 Cap on inclusion of provisions in Tier 2 under standardised approach   | 298                           |                                      |
| 78 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)   | 2,030                         |                                      |
| 79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach  | 2,146                         |                                      |
| <b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)</b>  |                               |                                      |
| 80 Current cap on CET1 instruments subject to phase out arrangements  | –                             |                                      |
| 81 Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)  | –                             |                                      |
| 82 Current cap on AT1 instruments subject to phase out arrangements   | –                             |                                      |
| 83 Amount excluded from AT1 instruments due to cap (excess over cap after redemptions and maturities)   | –                             |                                      |
| 84 Current cap on Tier 2 instruments subject to phase out arrangements  | –                             |                                      |
| 85 Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)  | –                             |                                      |

1 Includes the Group's holdings of other banks' Total Loss Absorbing Capacity (TLAC) instruments which are required to be deducted from the Group's Tier 2 Capital under APS 111 *Capital Adequacy: Measurement of Capital*.

2 Includes 1% Domestic Systematically Important Bank (D-SIB) requirement.

## Appendices (continued)

### 11.2 Detailed Leverage Disclosures Template (APS 330 Attachment E)

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

|          |  | 31 Dec 24        |
|----------|--|------------------|
|          |  | Basel III        |
|          |  | \$M              |
| 1        | Total consolidated assets as per published financial statements  | 1,308,566        |
| 2        | Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation | (2,184)          |
| 3        | Adjustment for assets held on the Balance Sheet in a fiduciary capacity pursuant to the Australian Accounting Standards but excluded from the leverage ratio exposure measure      | –                |
| 4        | Adjustments for derivative financial instruments   | (844)            |
| 5        | Adjustment for SFTs (i.e. repos and similar secured lending)   | (5,377)          |
| 6        | Adjustment for off Balance Sheet exposures (i.e. conversion to credit equivalent amounts of off Balance Sheet exposures)   | 112,971          |
| 7        | Other adjustments  | (19,158)         |
| <b>8</b> | <b>Leverage ratio exposure</b>   | <b>1,393,974</b> |

Table 18 – Leverage ratio disclosure template

|  |   | 31 Dec 24        |
|--|---|------------------|
|  |   | Basel III        |
|  |   | \$M              |
| <b>On Balance Sheet exposures</b>        |   |                  |
| 1  | On Balance Sheet items (excluding derivatives and securities financing transactions (SFTs), but including collateral)                     | 1,184,104        |
| 2  | (Asset amounts deducted in determining Tier 1 Capital)  | (16,643)         |
| <b>3</b>                                 | <b>Total On Balance Sheet exposures (excluding derivatives and SFTs)</b>  | <b>1,167,461</b> |
| <b>Derivative exposures</b>              |   |                  |
| 4  | Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)                                | 15,505           |
| 5  | Add-on amounts for potential future credit exposure (PFCE) associated with all derivatives transactions                                   | 21,222           |
| 6  | Gross-up for derivatives collateral provided where deducted from the Balance Sheet assets pursuant to the Australian Accounting Standards | 8,055            |
| 7  | (Deductions of receivables assets for cash variation margin provided in derivatives transactions)   | (4,515)          |
| 8  | (Exempted central counterparty (CCP) leg of client-cleared trade exposures)   | –                |
| 9  | Adjusted effective notional amount of written credit derivatives  | 2,657            |
| 10                                       | (Adjusted effective notional offsets and add-on deductions for written credit derivatives)  | (2,625)          |
| <b>11</b>                                | <b>Total derivative exposures</b>   | <b>40,299</b>    |
| <b>SFT exposures</b>                     |   |                  |
| 12                                       | Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions                                      | 101,554          |
| 13                                       | (Netted amounts of cash payables and cash receivables of gross SFT assets)  | (31,960)         |
| 14                                       | CCR exposure for SFT assets   | 3,649            |
| 15                                       | Agent transaction exposures   | –                |
| <b>16</b>                                | <b>Total SFT exposures</b>  | <b>73,243</b>    |
| <b>Other Off Balance Sheet exposures</b> |   |                  |
| 17                                       | Off Balance Sheet exposure at gross notional amount   | 223,673          |
| 18                                       | (Adjustments for conversion to credit equivalent amounts)   | (110,702)        |
| <b>19</b>                                | <b>Other Off Balance Sheet exposures</b>  | <b>112,971</b>   |
| <b>Capital and total exposures</b>       |   |                  |
| 20                                       | Tier 1 Capital  | 68,143           |
| 21                                       | Total exposures   | 1,393,974        |
| <b>Leverage ratio</b>                    |   |                  |
| 22                                       | Leverage ratio (%)  | 4.9              |

# Appendices (continued)

## 11.3 Regulatory Balance Sheet

The following table provides details on the Group's Balance Sheet and the Level 2 Regulatory Balance Sheet as at 31 December 2024.

|  | Group<br>Balance<br>Sheet<br>\$M | Adjustment <sup>1</sup><br>\$M | Level 2<br>Regulatory<br>Balance<br>Sheet<br>\$M | Template/<br>Reconciliation<br>Table<br>Reference |
|--|----------------------------------|--------------------------------|--|---|
| <b>Assets</b>  |                                  |                                |  |   |
| Cash and liquid assets   | 76,498                           | (1)                            | 76,497   |   |
| Receivables due from other financial institutions                      | 6,279                            | –                              | 6,279  |   |
| Assets at fair value through Income Statement                          | 87,650                           | –                              | 87,650   |   |
| Derivative assets  | 41,143                           | –                              | 41,143   |   |
| Investment securities:   |                                  |                                |  |   |
| At amortised cost  | 837                              | –                              | 837  |   |
| At fair value through Other Comprehensive Income                       | 102,189                          | –                              | 102,189  |   |
| Assets held for sale   | 687                              | –                              | 687  |   |
| Loans and other receivables  | 969,404                          | (2,271)                        | 967,133  |   |
| Investment in regulatory non-consolidated subsidiaries                 | –                                | 89                             | 89   | Table G   |
| Property, plant and equipment  | 3,629                            | –                              | 3,629  |   |
| Investment in associates and joint ventures                            | 771                              | –                              | 771  |   |
| Intangible assets  | 7,783                            | –                              | 7,783  | Table C   |
| Deferred tax assets  | 3,207                            | –                              | 3,207  | Table D   |
| Other assets   | 8,489                            | (1)                            | 8,488  |   |
| <b>Total assets</b>  | <b>1,308,566</b>                 | <b>(2,184)</b>                 | <b>1,306,382</b>                                 |   |
| <b>Liabilities</b>   |                                  |                                |  |   |
| Deposits and other public borrowings                                   | 902,502                          | 147                            | 902,649  |   |
| Payables to financial institutions                                     | 27,599                           | –                              | 27,599   |   |
| Liabilities at fair value through Income Statement                     | 39,868                           | –                              | 39,868   |   |
| Derivative liabilities   | 36,012                           | –                              | 36,012   |   |
| Current tax liabilities  | 421                              | (1)                            | 420  |   |
| Deferred tax liabilities   | 145                              | –                              | 145  | Table D   |
| Liabilities held for sale  | –                                | –                              | –  |   |
| Provisions   | 2,711                            | –                              | 2,711  |   |
| Term funding from central banks  | 3,247                            | –                              | 3,247  |   |
| Debt issues  | 167,125                          | (2,322)                        | 164,803  |   |
| Bills payable and other liabilities                                    | 16,950                           | 52                             | 17,002   |   |
| Loan capital   | 36,722                           | –                              | 36,722   | Table E   |
| <b>Total liabilities</b>   | <b>1,233,302</b>                 | <b>(2,124)</b>                 | <b>1,231,178</b>                                 |   |
| <b>Net assets</b>  | <b>75,264</b>                    | <b>(60)</b>                    | <b>75,204</b>                                    |   |
| <b>Shareholders' Equity</b>  |                                  |                                |  |   |
| Ordinary Share capital   | 33,586                           | –                              | 33,586   | Row 1, Table A                                    |
| Reserves   | (900)                            | –                              | (900)  | Row 3   |
| Retained profits   | 42,578                           | (60)                           | 42,518   | Row 2   |
| <b>Shareholders' Equity attributable to Equity holders of the Bank</b> | <b>75,264</b>                    | <b>(60)</b>                    | <b>75,204</b>                                    |   |
| Non-controlling interests  | –                                | –                              | –  | Table B   |
| <b>Total Shareholders' Equity</b>                                      | <b>75,264</b>                    | <b>(60)</b>                    | <b>75,204</b>                                    |   |

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



## Appendices (continued)

### 11.4 Reconciliation between Detailed Capital Disclosures Template and Regulatory Balance Sheet

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

| <b>Table A</b>  | <b>31 Dec 24</b> | <b>Template</b>  |
|---|------------------|------------------|
|   | <b>\$M</b>       | <b>Reference</b> |
| <b>Share Capital</b>  |                  |                  |
| Total per Balance Sheet (Ordinary Share Capital) <sup>1</sup>                               | 33,586           | Row 1            |
| Treasury Shares held by the Group's employee share scheme trusts (APRA specific adjustment) | 189              | Row 26a          |
| <b>Total Ordinary Share Capital and Treasury Shares</b>                                     | <b>33,775</b>    |                  |

| <b>Table B</b>   | <b>31 Dec 24</b> | <b>Template</b>  |
|--|------------------|------------------|
|  | <b>\$M</b>       | <b>Reference</b> |
| <b>Non-Controlling Interests</b>                             |                  |                  |
| Total per Balance Sheet <sup>1</sup>                         | –                |                  |
| Less other non controlling interests not included in Capital | –                |                  |
| <b>Total per Capital Template</b>                            | <b>–</b>         | Row 5            |

| <b>Table C</b>   | <b>31 Dec 24</b> | <b>Template</b>  |
|--|------------------|------------------|
|  | <b>\$M</b>       | <b>Reference</b> |
| <b>Goodwill and Other Intangibles</b>  |                  |                  |
| Total per Balance Sheet <sup>1</sup>   | 7,783            |                  |
| Less capitalised software and other intangibles separately disclosed in template | (2,501)          |                  |
| <b>Total per Capital Template - Goodwill</b>                                     | <b>5,282</b>     | Row 8            |
| Other intangibles (including capitalised software) per Balance Sheet             | 2,501            |                  |
| Less deferred tax liability associated with other intangibles                    | (55)             |                  |
| <b>Total per Capital Template - Other Intangibles</b>                            | <b>2,446</b>     | Row 9            |

| <b>Table D</b>   | <b>31 Dec 24</b> | <b>Template</b>  |
|--|------------------|------------------|
|  | <b>\$M</b>       | <b>Reference</b> |
| <b>Deferred Tax Assets</b>   |                  |                  |
| Deferred tax assets per Balance Sheet <sup>1</sup>                             | 3,207            |                  |
| Less deferred tax liabilities per Balance Sheet <sup>1</sup>                   | (145)            |                  |
| Net Deferred Tax Assets <sup>2</sup>   | 3,062            |                  |
| Adjustments required in accordance with APRA prudential standards <sup>3</sup> | 103              |                  |
| <b>Total per Capital Template</b>  | <b>3,165</b>     | Row 26e          |

<sup>1</sup> Represents the balance per Level 2 Regulatory Balance Sheet.

<sup>2</sup> Represents the balance of deferred tax assets net of deferred tax liabilities per Level 2 Regulatory Balance Sheet.

<sup>3</sup> Represents the deferred tax balances associated with reserves ineligible for inclusion in regulatory capital, the general reserve for credit losses, intangibles, and the impact of limitations of netting of balances within the same geographic tax authority.

## Appendices (continued)

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

| <b>Table E</b>  | <b>31 Dec 24<br/>\$M</b> | <b>Template<br/>Reference</b> |
|---|--------------------------|-------------------------------|
| <b>Additional Tier 1 Capital</b>                                  |                          |                               |
| Total Loan Capital per Balance Sheet <sup>1</sup>                 | 36,722                   |                               |
| Add fair value hedge adjustments <sup>2</sup>                     | 3,147                    |                               |
| Total Loan Capital net of issue costs at their contractual values | 39,869                   |                               |
| Less amount related to Tier 2 Capital Instruments                 | (30,647)                 |                               |
| Total Tier 1 Loan Capital   | 9,222                    |                               |
| Add issue costs <sup>3</sup>                                      | 50                       |                               |
| <b>Total per Capital Template</b>                                 | <b>9,272</b>             | Row 36                        |
| <b>Additional Tier 1 Capital Instruments comprises</b>            |                          |                               |
| <b>Basel III Complying Instruments</b>                            |                          |                               |
| PERLS X   | 1,365                    |                               |
| PERLS XII   | 1,650                    |                               |
| PERLS XIII  | 1,180                    |                               |
| PERLS XIV   | 1,750                    |                               |
| PERLS XV  | 1,777                    |                               |
| PERLS XVI   | 1,550                    |                               |
| <b>Total Additional Tier 1 Capital Instruments</b>                | <b>9,272</b>             | Row 36                        |

| <b>Table F</b>  | <b>31 Dec 24<br/>\$M</b> | <b>Template<br/>Reference</b> |
|---|--------------------------|-------------------------------|
| <b>Tier 2 Capital Instruments</b>   |                          |                               |
| Total included in Balance Sheet   | 30,647                   |                               |
| Less amount of Tier 2 debt issued by subsidiary ineligible for inclusion in the Group's Capital | –                        |                               |
| Add issue costs <sup>3</sup>  | 44                       |                               |
| Less amortisation of instruments <sup>4</sup>   | (766)                    |                               |
| <b>Total per Capital Template</b>   | <b>29,925</b>            | Row 46                        |

1 Represents the balance per Level 2 Regulatory Balance Sheet.

2 For regulatory capital purposes, APRA requires these instruments to be included as if they were unhedged.

3 Unamortised issue costs relating to capital instruments are netted off against each instrument in the Balance Sheet. For regulatory capital purposes, these capital instruments are shown at face value. The unamortised issue costs are deducted from CET1 Capital as part of capitalised expenses in Row 26f in the Detailed Capital Disclosures Template.

4 APRA requires these instruments to be amortised by 20% of the original amount during each of the last five years to maturity.

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

## Appendices (continued)

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

| <b>Table G</b>  | <b>31 Dec 24</b> | <b>Template</b>  |
|---|------------------|------------------|
|   | <b>\$M</b>       | <b>Reference</b> |
| <b>Equity Investments</b>                                       |                  |                  |
| Investment in commercial entities                               | <b>109</b>       | Row 26g          |
| Investments in significant financial entities                   | <b>1,792</b>     | Row 26d, 73      |
| Investments in non-significant financial entities               | <b>2,324</b>     | Row 26d, 72      |
|   | <b>4,225</b>     |                  |
| Equity investment in non-consolidated subsidiaries <sup>1</sup> | <b>89</b>        | Row 26d, 73      |
| <b>Total per Capital Template <sup>2</sup></b>                  | <b>4,314</b>     |                  |

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

2 The aggregate of investments in significant financial entities of \$1,792 million, investments in non-significant financial entities of \$2,324 million and equity investment in non-consolidated subsidiaries of \$89 million is a total of \$4,205 million and is included in Row 26d in the Detailed Capital Disclosures Template. The remaining balance of \$109 million related to investments in commercial entities.

#### Countercyclical Capital Buffer

The Countercyclical Capital Buffer (CCyB), which is effective for Australian ADIs from 1 January 2016, represents an extension to the capital conservation buffer and may require an ADI to hold additional CET1 Capital of up to 3.5% of total RWA. The CCyB is calculated as the sum of the specific buffer set by APRA with respect to Australian private sector exposures and the weighted average for offshore private sector exposures where the CCyB has been enacted.

| <b>Table H</b>              | <b>RWA <sup>1</sup></b> | <b>Jurisdictional Buffer</b> | <b>ADI Specific Buffer <sup>2</sup></b> | <b>Template</b>  |
|-----------------------------|-------------------------|------------------------------|---|------------------|
|                             | <b>\$M</b>              | <b>%</b>                     | <b>%</b>                                | <b>Reference</b> |
| <b>Country <sup>3</sup></b> |                         |                              |   |                  |
| Australia                   | <b>301,767</b>          | 1.000                        | 0.799344                                |                  |
| United Kingdom              | <b>3,517</b>            | 2.000                        | 0.018634                                |                  |
| Ireland                     | <b>1,436</b>            | 1.500                        | 0.005707                                |                  |
| France                      | <b>658</b>              | 1.000                        | 0.001742                                |                  |
| Germany                     | <b>649</b>              | 0.750                        | 0.001289                                |                  |
| Hong Kong                   | <b>440</b>              | 1.000                        | 0.001166                                |                  |
| Luxembourg                  | <b>431</b>              | 0.500                        | 0.000570                                |                  |
| Netherlands                 | <b>327</b>              | 2.000                        | 0.001734                                |                  |
| South Korea                 | <b>142</b>              | 1.000                        | 0.000375                                |                  |
| Denmark                     | <b>27</b>               | 2.500                        | 0.000179                                |                  |
| Others                      | <b>68,124</b>           | 0.000                        | 0.000000                                |                  |
| <b>Total</b>                | <b>377,518</b>          |                              | <b>0.830741</b>                         | Row 66           |

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

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

3 Represents country of ultimate risk as at 31 December 2024.

# Appendices (continued)

## 11.5 Entities excluded from Level 2 Regulatory Consolidated Group

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

| <b>Entity name</b>             | <b>Total Assets</b><br>\$M | <b>Total Liabilities</b><br>\$M |
|--------------------------------|----------------------------|---------------------------------|
| <b>(a) Securitisation</b>      |                            |                                 |
| Medallion Trust Series 2017-1  | 455                        | 455                             |
| Medallion Trust Series 2017-2  | 550                        | 550                             |
| Medallion Trust Series 2018-1  | 723                        | 723                             |
| Medallion Trust Series 2018-1P | 209                        | 209                             |
| Medallion Trust Series 2019-1  | 403                        | 403                             |

| <b>Entity name</b>            | <b>Total Assets</b><br>\$M | <b>Total Liabilities</b><br>\$M |
|-------------------------------|----------------------------|---------------------------------|
| <b>(b) Insurance</b>          |                            |                                 |
| CBA Captive Insurance Pte Ltd | 154                        | 20                              |

## Appendices (continued)

### 11.6 List of APRA APS 330 Tables

The following schedule lists the quantitative tables in this document as referenced in APS 330 paragraphs 13, 51 and Attachments A to H.

| APS 330 Table    | Title   | Page No. |
|------------------|---|----------|
| Para 13a         | Regulatory Balance Sheet  | 70       |
| Para 13b         | Entities excluded from Level 2 Regulatory Consolidated Group                              | 74       |
| Para 13c and 13d | Reconciliation between Detailed Capital Disclosures Template and Regulatory Balance Sheet | 71       |
| Para 51 and 52   | Summary Group Leverage Ratio  | 8        |
| 1                | Detailed Capital Disclosures Template   | 66       |
| 1.2              | Private sector credit exposures by geographic region (Countercyclical Capital Buffer)     | 73       |
| 2                | Main features of capital instruments <sup>1</sup>   | n/a      |
| 5a               | Total securitisation activity for the reporting period                                    | 57       |
| 5b               | Summary of total securitisation exposures retained or purchased                           | 57       |
| 6b to 6f         | Basel III Capital Requirements (RWA)  | 9        |
| 6e               | Capital requirements for operational risk   | 62       |
| 6g               | Capital ratios – Level 1 and Major Subsidiaries   | 7        |
| 6h               | Capital requirements – residential mortgages  | 9, 10    |
| 6i               | Capital requirements – IRB capital floor  | 10       |
| 7b               | Credit risk exposure by portfolio type  | 15       |
| 7c               | Credit risk exposure by portfolio type and geographic distribution                        | 16       |
| 7d               | Credit risk exposure by portfolio type and industry sector                                | 18       |
| 7e               | Credit risk exposure by portfolio type and residual contractual maturity                  | 21       |
| 7f (i)           | Non-performing, specific provisions and write-offs charged by industry sector             | 23       |
| 7f (ii)          | Non-performing, specific provisions and write-offs charged by portfolio                   | 25       |
| 7g (i)           | Non-performing and specific provisions by geographic region                               | 27       |
| 7g (ii)          | General provisions by geographic region   | 27       |
| 7h (i)           | Movement in collective provisions   | 28       |
| 7h (ii)          | Movement in individual provisions   | 28       |
| 7i               | Credit risk exposures by portfolio type and modelling approach                            | 12       |
| 7j               | Provisions held against performing exposures  | 22       |
| 8b               | Exposures subject to standardised and supervisory risk weights                            | 30       |
| 9b               | Internal ratings structure for credit risk exposures and mapping to external ratings      | 31       |
| 9c               | PD rating methodology by portfolio segment  | 31       |
| 9d (i)           | Non-Retail exposures by portfolio type and PD band  | 32       |
| 9d (ii)          | Retail exposures by portfolio type and PD band  | 35       |
| 9e               | Actual losses by portfolio type   | 38       |
| 9f (i)           | Historical loss analysis by portfolio type  | 40       |
| 9f (ii)          | Accuracy of risk estimates – PD   | 41       |
| 9f (iii)         | Accuracy of risk estimates – LGD and EAD  | 42       |
| 10b and 10c      | Credit risk mitigation  | 43       |
| 11b (i)          | Counterparty credit risk derivative exposure under the SA-CCR method                      | 46       |
| 11b (ii)         | Counterparty credit risk derivative exposure  | 46       |
| 11c              | Counterparty credit risk derivative transactions  | 47       |
| 12g (i)          | Banking book exposures securitised – traditional securitisation                           | 48       |
| 12g (ii)         | Banking book exposures securitised – synthetic securitisation                             | 48       |
| 12h              | Non-performing banking book exposures by asset type                                       | 49       |

<sup>1</sup> Details can be found at [Commbank.com.au/regulatorydisclosures](http://Commbank.com.au/regulatorydisclosures)

## Appendices (continued)

### 11.6 List of APRA APS 330 Tables (continued)

| APS 330 Table | Title   | Page No. |
|---------------|---|----------|
| 12i           | Banking book exposures intended to be securitised   | 49       |
| 12j           | Banking book activity for the reporting period  | 50       |
| 12k           | Banking book securitisation exposures retained or purchased                                       | 51       |
| 12l (i)       | Banking book exposure by risk weighting   | 52       |
| 12l (ii)      | Banking book exposure deducted entirely from capital  | 53       |
| 12m           | Banking book exposures subject to early amortisation  | 53       |
| 12n           | Banking book resecuritisation exposures   | 53       |
| 12o           | Trading book exposures securitised  | 53       |
| 12p           | Trading book exposures intended to be securitised   | 53       |
| 12q           | Trading book activity for the reporting period  | 53       |
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<sup>1</sup> Details can be found at [Commbank.com.au/regulatorydisclosures](http://Commbank.com.au/regulatorydisclosures)

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## Appendices (continued)

### 11.8 Glossary

| Term   | Definition   |
|--|--|
| <b>Additional Tier 1 Capital (AT1)</b>                   | Additional Tier 1 Capital is a concept defined by APRA and consists of high quality capital that essentially provides a permanent and unrestricted commitment of funds, is freely available to absorb losses, ranks behind the claims of depositors and other senior creditors in the event of a wind-up, and provides for fully discretionary capital distributions.  |
| <b>Advanced Internal Ratings-based (AIRB) Approach</b>   | This approach is used to measure credit risk in accordance with the Group's Basel III accreditation. This allows the Group to use internal estimates of PD and LGD (excluding senior unsecured and subordinated corporate exposures), with supervisory estimates to be used for EAD for the purposes of calculating regulatory capital.  |
| <b>Alternative Liquid Assets (ALA)</b>                   | Assets that qualify for inclusion in the numerator of the LCR in jurisdictions where there is insufficient supply of HQLA. No ALA are recognised in the LCR following the reduction of the CLF to zero on 1 January 2023.  |
| <b>ASB</b>   | ASB Bank Limited – a subsidiary of the Commonwealth Bank of Australia that is regulated by the RBNZ.   |
| <b>Australian Accounting Standards</b>                   | The Australian Accounting Standards as issued by the Australian Accounting Standards Board (AASB).   |
| <b>Australian Prudential Regulation Authority (APRA)</b> | The Australian Prudential Regulation Authority is an independent statutory authority that supervises institutions across banking, insurance and superannuation, and is accountable to the Australian parliament. The regulator of banks, insurance companies and superannuation funds, credit unions, building societies and friendly societies in Australia.  |
| <b>Authorised Deposit-taking Institution (ADI)</b>       | ADIs are corporations that are authorised under the Banking Act 1959 to carry on banking business in Australia.  |
| <b>Banking Book</b>                                      | The banking book is a term for assets on a bank's Balance Sheet that are expected to be held to maturity, usually consisting of customer loans to, and deposits from retail and corporate customers. The banking book can also include those derivatives that are used to hedge exposures arising from the banking book activity, including interest rate risk.  |
| <b>Basel II</b>  | Refers to the Basel Committee on Banking Supervision's Revised Framework for International Convergence of Capital Measurement and Capital Standards issued in June 2006 and as subsequently amended.   |
| <b>Basel 2.5</b>   | Refers to the Basel II framework revised (2009) to include additional requirements such as the Incremental Risk Charge (IRC), Stressed VaR (SVaR), the treatment of securitisation exposure and the Comprehensive Risk Measure (CRM) for certain correlation trading activities.   |
| <b>Basel III</b>   | Refers to the Basel Committee on Banking Supervision's framework for more resilient banks and banking systems issued in December 2010 (revised in June 2011), Capital requirements for bank exposures to central counterparties (July 2012), and the subsequent Basel III reforms finalised in December 2017.  |
| <b>APRA's Revised Capital Framework</b>                  | Refers to APRA's revision to the ADI Capital Framework implemented from 1 January 2023.  |
| <b>Capital Floor</b>                                     | The capital floor is defined as the higher of total RWA as determined under the IRB approach, and 72.5% of total RWA as calculated under the standardised approach.  |
| <b>CBA</b>   | Commonwealth Bank of Australia – the head entity of the Group.   |
| <b>Central Counterparty (CCP)</b>                        | A clearing house that interposes itself between counterparties to contracts traded in one or more financial markets, thereby ensuring the future performance of open contracts.  |
| <b>Collective Provision</b>                              | All loans and receivables that do not have an individually assessed provision are assessed collectively for impairment. The Collective Provision is maintained to reduce the carrying value of the portfolio of loans to their estimated recoverable amounts. These provisions are reported in the Group's Financial Statements in accordance with Australian Accounting Standards (AASB 9 <i>Financial Instruments</i> ). |
| <b>Commercial Property</b>                               | Basel asset class – a property exposure that is not a residential property or a land acquisition, development and construction exposure.   |
| <b>Committed Liquidity Facility (CLF)</b>                | The RBA provided the CLF to participating ADIs under the LCR, as a shortfall in Commonwealth government and semi-government securities existed in Australia. ADIs could draw under the CLF in a liquidity crisis against qualifying securities pledged to the RBA. APRA phased out sector-wide usage of the CLF to zero on 1 January 2023.   |
| <b>Common Equity Tier 1 (CET1) Capital</b>               | The highest quality of capital available to the Group reflecting the permanent and unrestricted commitment of funds that are freely available to absorb losses. It comprises ordinary share capital, retained earnings and reserves; less prescribed deductions.   |



# Appendices (continued)

## 11.8 Glossary (continued)

| Term  | Definition  |
|---|---|
| <b>Corporate</b>  | Basel asset class – this includes commercial credit risk where annual revenues are greater than or equal to \$75 million but less than \$750 million.   |
| <b>Corporate - Large</b>                                  | Basel asset class applies to commercial credit risk where annual revenues are more than \$750 million.  |
| <b>Credit Valuation Adjustment (CVA) Risk</b>             | The risk of mark-to-market losses related to deterioration in the credit quality of a derivative counterparty.  |
| <b>Domestic Public Sector Entity</b>                      | Basel asset class – exposures that do not meet the definition of Sovereign exposures, but have a level of control or ownership by any level of the Australian Government or the RBA, including those which do not have specific revenue-raising powers.   |
| <b>Exposure at Default (EAD)</b>                          | The extent to which the Group may be exposed upon default of an obligor.  |
| <b>Extended Licenced Entity (ELE)</b>                     | An Extended Licensed Entity is comprised of an ADI and each subsidiary of an ADI as specified in any approval granted by APRA in accordance with Prudential Standard APS 222 <i>Associations with Related Entities</i> .  |
| <b>External Credit Assessment Institution (ECAI)</b>      | For example: Moody's Investor Services, S&P Global Ratings or Fitch Ratings.  |
| <b>Financial Institution</b>                              | Basel asset class – primarily includes exposures which relate to: banking, the management of financial assets, lending, factoring, leasing, provision of credit enhancements, securitisation, investments, financial custody, central counterparty services, and proprietary trading.   |
| <b>Foundation Internal Ratings-based (FIRB) Approach</b>  | This approach is used to measure credit risk in accordance with the Group's Basel III accreditation that allows the Group to use internal estimates of PD and rely on supervisory estimates for LGD and EAD for the purposes of calculating regulatory capital.   |
| <b>General Provisions</b>                                 | Collective Provisions classified as Stage 1 and Stage 2 in accordance with Australian Accounting Standards (AASB 9 <i>Financial Instruments</i> ). All Stage 2 provisions are held on a purely forward-looking basis for future losses presently unidentified; hence all Stage 2 provisions (together with Stage 1) are classified as General Provisions.   |
| <b>Group</b>  | Commonwealth Bank of Australia and its subsidiaries.  |
| <b>High Quality Liquid Assets (HQLA)</b>                  | Assets are considered to be high quality liquid assets if they can be easily and immediately converted into cash at little or no loss of value.   |
| <b>Impaired Assets</b>                                    | Facilities are classified as impaired where there is doubt as to whether the full amounts due, including interest and other payments due, will be achieved in a timely manner.  |
| <b>Individual provisions</b>                              | Provisions made against individual facilities where there is objective evidence of impairment and full recovery of principal and interest is considered doubtful. These provisions are as reported in the Group's Financial Statements in accordance with the Australian Accounting Standards (AASB 9 <i>Financial Instruments</i> ). Also known as individually assessed provisions or IAP.  |
| <b>Interest Rate Risk in the Banking Book (IRRBB)</b>     | 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: firstly by quantifying the change in the net present value of the Balance Sheet's future earnings potential, and secondly as the anticipated change to Net Interest Income earned over 12 months. |
| <b>Land Acquisition Development or Construction (ADC)</b> | Basel asset class – exposures secured by land acquired for development and construction purposes, or development and construction of any residential or commercial property.  |
| <b>Level 1</b>  | The Parent Bank (Commonwealth Bank of Australia), offshore branches (the Bank) and APRA approved Extended Licensed Entities.  |
| <b>Level 2</b>  | The level at which the Group reports its capital adequacy to APRA, being the Consolidated Banking Group comprising the ADI and all of its subsidiary entities other than an insurance business and certain entities through which securitisation of Group assets is conducted. This is the basis on which this report has been produced.  |
| <b>Level 3</b>  | The conglomerate group including the Group's insurance entity and qualifying securitisation entities.   |
| <b>Leverage Ratio</b>                                     | Tier 1 Capital divided by total exposures, with this ratio expressed as a percentage.   |
| <b>Liquidity Coverage Ratio (LCR)</b>                     | The LCR is a quantitative liquidity measure that is part of the Basel III reforms. It was implemented by APRA in Australia on 1 January 2015. It requires Australian ADIs to hold sufficient liquid assets to meet 30 day net cash outflows projected under an APRA-prescribed stress scenario.   |

## Appendices (continued)

### 11.8 Glossary (continued)

| Term  | Definition  |
|---|---|
| <b>Loss Given Default (LGD)</b>                                     | An estimate of the expected severity of loss for a credit exposure following a default event. LGD represents the fraction of EAD that is not expected to be recovered following default.  |
| <b>Monte Carlo simulation</b>                                       | A method of random sampling to achieve numerical solutions to mathematical problems.  |
| <b>Net Cash Outflows (NCO)</b>                                      | Net cash outflows in the LCR are calculated by applying prescribed run-off factors on liabilities and various off Balance Sheet exposures that can generate a cash outflow in the next 30 days.   |
| <b>Net Stable Funding Ratio (NSFR)</b>                              | The NSFR more closely aligns the behaviour term of assets and liabilities. It is the ratio of the amount of available stable funding (ASF) to the amount of required stable funding (RSF). ASF is the portion of an ADI's capital and liabilities expected to be a reliable source of funds over a one year time horizon. RSF is a function of the liquidity characteristics and residual maturities of an ADI's assets and off Balance Sheet activities. |
| <b>Non-performing</b>   | An exposure that is in default.   |
| <b>Operational Risk under the Standardised Measurement Approach</b> | The methodology used to measure operational risk, utilising an APRA prescribed formulaic approach which is largely dependent on profit or loss from ordinary banking activities.  |
| <b>Other Assets</b>   | Basel asset class – primarily includes Cash Items, Investments in Related Entities, Fixed Assets, Lease Assets and Margin Lending.  |
| <b>Other Retail</b>   | Basel asset class – primarily includes retail credit exposures not otherwise classed as a residential mortgage, SME retail or a qualifying revolving retail asset.  |
| <b>Past Due</b>   | Facilities are past due when a contracted amount, including principal or interest, has not been met when due, or when it is otherwise outside contracted arrangements.  |
| <b>Probability of Default (PD)</b>                                  | The PD reflects a borrower's ability to generate sufficient cash flows in the future to meet the terms of all of its credit obligations to the Group.   |
| <b>Prudential Capital Requirement (PCR)</b>                         | The regulatory minimum CET1, Tier 1 and Total Capital ratios that the Group is required to maintain at all times.   |
| <b>Qualifying Revolving Retail (QRR)</b>                            | Basel asset class – represents revolving exposures less than \$0.1 million to individuals, unsecured and unconditionally cancellable by the Group. Only Australian retail credit cards qualify for this asset class.  |
| <b>RBA</b>  | Reserve Bank of Australia.  |
| <b>RBNZ</b>   | Reserve Bank of New Zealand.  |
| <b>RBNZ regulated entities</b>                                      | All references to RBNZ regulated entities refer to RBNZ regulated subsidiaries and include ASB exposures for which RWA are calculated using the RBNZ's prudential rules subject to certain APRA-prescribed adjustments.   |
| <b>Residential Mortgage</b>   | Basel asset class – retail exposures secured by residential mortgage property.  |
| <b>Risk Weighted Assets (RWA)</b>                                   | The value of the Group's on and off Balance Sheet assets are adjusted by risk weights calculated according to various APRA prudential standards.  |
| <b>Scaling Factor</b>   | In order to broadly maintain the aggregate level of capital in the global financial system post implementation of Basel II, the Basel Committee on Banking Supervision applies a scaling factor to the RWA amounts for credit risk under the IRB Retail, AIRB and FIRB approaches of 1.10. This is also applied to advanced exposures within RBNZ regulated entities.   |
| <b>Securities Financing Transactions (SFT)</b>                      | APRA defines securities financing transactions as transactions such as repurchase agreements, reverse repurchase agreements, security lending and borrowing, and margin lending transactions, where the value of the transactions depends on the market valuation of securities and the transactions are typically subject to margin agreements.  |
| <b>Securitisation</b>   | Basel asset class – Group originated securitised exposures and the provision of facilities to customers in relation to securitisation activities.   |
| <b>SME Corporate</b>  | Basel asset class – Small and Medium Enterprise (SME) commercial credit risk where annual revenues are less than \$75 million.  |
| <b>SME Retail</b>   | Basel asset class – Small and Medium Enterprise (SME) commercial credit risk where annual revenues are less than \$75 million and exposures are less than \$1.5 million.  |
| <b>Sovereign</b>  | Basel asset class – primarily claims on Australian and foreign governments, central banks (including the RBA), international banking agencies and regional development banks.   |

## Appendices (continued)

### 11.8 Glossary (continued)

| Term   | Definition   |
|--|--|
| <b>Specialised Lending</b>                             | Basel asset classes subject to the supervisory slotting approach which include: object finance, project finance and commodity finance.   |
| <b>Specific Provisions</b>                             | All provisions, both collectively and individually assessed, classified as Stage 3 in accordance with Australian Accounting Standards (AASB 9 <i>Financial Instruments</i> ).  |
| <b>Stage 1</b>   | On origination, an impairment provision equivalent to 12 months expected credit losses (ECL) is recognised, reflecting the credit losses expected to arise from defaults occurring over the next 12 months.  |
| <b>Stage 2</b>   | Financial assets that have experienced a significant increase in credit risk (SICR) since origination are transferred to Stage 2 and an impairment provision equivalent to lifetime ECL is recognised. Lifetime ECL is the credit losses expected to arise from defaults occurring over the remaining life of financial assets. If credit quality improves in a subsequent period such that the increase in credit risk since origination is no longer considered significant the exposure is reclassified to Stage 1 and the impairment provision reverts to 12 months ECL. |
| <b>Stage 3</b>   | Non-performing (defaulted) financial assets are transferred to Stage 3 and an impairment provision equivalent to lifetime ECL is recognised.   |
| <b>Standardised Approach</b>                           | An alternate approach to the assessment of credit, operational and traded market risk whereby an ADI uses external ratings agencies to assist in assessing credit risk and/or the application of specific values provided by regulators to determine RWA.  |
| <b>Stressed Value-at-Risk (SVaR)</b>                   | Stressed Value-at-Risk uses the same methodology as VaR except that the historical data used is taken from a one year observation period of significant market volatility as seen during the Global Financial Crisis.  |
| <b>Term Funding Facility (TFF)</b>                     | A facility provided by the RBA to certain ADIs to support lending to Australian businesses.  |
| <b>Tier 1 Capital</b>                                  | Comprises CET1 and Additional Tier 1 Capital.  |
| <b>Tier 2 Capital</b>                                  | Capital items that fall short of the necessary conditions to qualify as Tier 1 Capital.  |
| <b>Total Capital</b>                                   | Comprises CET1, Additional Tier 1 Capital and Tier 2 Capital.  |
| <b>Total Exposures (as used in the leverage ratio)</b> | The sum of on Balance Sheet items, derivatives, securities financing transactions (SFTs), and off Balance Sheet items, net of any Tier 1 regulatory deductions that are already included in these items, as outlined in APS 110 <i>Capital Adequacy</i> (APS 110) Attachment D.  |
| <b>Trading Book</b>                                    | Exposures, including derivative products and other off Balance Sheet instruments that are held either with a trading intent or to hedge other elements of the trading book.  |
| <b>Value-at-Risk (VaR)</b>                             | Value-at-Risk is a measure of potential loss using historically observed market volatility and correlation between different markets.  |