

# ASX Release

Level 18, 275 Kent Street  
Sydney, NSW, 2000

23 April 2024

## Westpac's First Half 2024 (1H24) Notable Items and Reporting Changes

### 1H24 Notable Items

Westpac's reported net profit after tax in 1H24 will be reduced by \$164 million due to Notable Items. All Notable Items relate to unrealised fair value gains and losses on economic hedges and net ineffectiveness on qualifying hedges, which reverse over time.

A summary of the impacts is included in Appendix 1.

### 1H24 Reporting Changes

Operating segments have been restated following the establishment of separate Consumer and Business & Wealth operating segments and the dissolution of the Specialist Businesses operating segment.

Other changes to enhance operating segment financial reporting and assessment include:

- Funds transfer pricing refinements, revised capital allocations and enhanced operating expense allocations from Enterprise functions;
- Changes in classification of some deposit products from interest bearing to non-interest bearing; and
- Revisions to the methodology used to classify credit quality.

These changes do not impact the Group's net profit after tax (NPAT) or the composition of line items at the Group level.

A summary of the restatements is included in Appendix 2.

Half Year 2024 results are scheduled to be announced on Monday, 6 May 2024.

### For further information:

**Hayden Cooper**  
Group Head of Media Relations  
0402 393 619

**Justin McCarthy**  
General Manager, Investor Relations  
0422 800 321

This document has been authorised for release by Tim Hartin, Company Secretary.

## Appendix 1 – Summary of 1H24 Notable Items

1H24 (\$m)	Asset sales and revaluations	Provisions for litigation, fines and penalties	Restructuring costs	Asset write-downs	Hedging items	Total
Net interest income	-	-	-	-	(224)	(224)
Non-interest income	-	-	-	-	(2)	(2)
<b>Net operating income</b>	-	-	-	-	<b>(226)</b>	<b>(226)</b>
Operating expenses	-	-	-	-	-	-
<b>Pre-provision profit</b>	-	-	-	-	<b>(226)</b>	<b>(226)</b>
Income tax benefit/ (expense)	-	-	-	-	62	62
<b>Net profit/(loss)</b>	-	-	-	-	<b>(164)</b>	<b>(164)</b>

1H24 (\$m)	Consumer	Business & Wealth	WIB	New Zealand (A\$)	Group Businesses	Total
Net interest income	-	-	-	(6)	(218)	(224)
Non-interest income	-	-	-	-	(2)	(2)
<b>Net operating income</b>	-	-	-	<b>(6)</b>	<b>(220)</b>	<b>(226)</b>
Operating expenses	-	-	-	-	-	-
<b>Pre-provision profit</b>	-	-	-	<b>(6)</b>	<b>(220)</b>	<b>(226)</b>
Income tax benefit/ (expense)	-	-	-	2	60	62
<b>Net profit/(loss)</b>	-	-	-	<b>(4)</b>	<b>(160)</b>	<b>(164)</b>

## Appendix 2 - Selected comparative disclosures

### 1.5.1. Net interest income

	Half Year March 2024	Half Year Sept 2023	Half Year March 2023
<b>Net interest Income (\$m)</b>			
<b>Net interest income</b>		<b>9,204</b>	<b>9,113</b>
Core net interest income		8,702	8,817
Notable Items		(8)	(89)
Treasury		424	305
Markets		86	80
<b>Average interest earning assets (\$m)</b>			
Loans		<b>709,756</b>	<b>699,735</b>
Housing		488,551	481,538
Personal		12,628	13,485
Business		208,577	204,712
Liquid assets		213,439	208,467
Other interest-earning assets		25,310	26,006
<b>Average interest earning assets</b>		<b>948,505</b>	<b>934,208</b>
<b>NIM (%)</b>			
NIM		1.94%	1.96%
Core NIM		1.83%	1.89%
Treasury & Markets impact on NIM		0.11%	0.09%
Notable Items impact on NIM		-	(0.02%)

### 1.5.4. Deposits and other borrowings

	As at 31 March 2024	As at 30 Sept 2023	As at 31 March 2023
<b>\$m</b>			
<b>Customer deposits</b>			
<b>Australia</b>		<b>557,781</b>	<b>545,090</b>
Transactions		97,950	98,762
Savings		195,273	191,490
Term		144,220	140,704
Non-interest bearing		120,338	114,134
<b>New Zealand (A\$)</b>		<b>74,297</b>	<b>74,703</b>
<b>New Zealand (NZ\$)</b>		<b>79,783</b>	<b>79,769</b>
Transactions		9,373	10,090
Savings		19,929	20,230
Term		38,472	36,367
Non-interest bearing		12,009	13,082
<b>Other overseas (A\$)</b>		<b>8,873</b>	<b>7,792</b>
<b>Total customer deposits</b>		<b>640,951</b>	<b>627,585</b>
<b>Certificates of deposit</b>		<b>47,217</b>	<b>48,767</b>
Australia		32,947	32,227
New Zealand (A\$)		2,247	2,618
Other overseas (A\$)		12,023	13,922
<b>Total deposits and other borrowings</b>		<b>688,168</b>	<b>676,352</b>

## 2.1. Consumer

The Consumer segment provides a full range of banking products and services to customers in Australia through three lines of business consisting of mortgages, consumer finance and deposits. Products and services are provided through a portfolio of brands comprising Westpac, St.George, BankSA, Bank of Melbourne and RAMS using digital channels and branches.

	Half Year March 2024	Half Year Sept 2023	Half Year March 2023
<b>\$m</b>			
Net interest income		3,866	4,311
Non-interest income		251	273
<b>Net operating income</b>		<b>4,117</b>	<b>4,584</b>
Operating expenses		(2,307)	(2,145)
Notable Items		(202)	-
<b>Total operating expenses</b>		<b>(2,509)</b>	<b>(2,145)</b>
<b>Pre-provision profit</b>		<b>1,608</b>	<b>2,439</b>
Impairment (charges)/benefits		(13)	(166)
<b>Profit before income tax expense</b>		<b>1,595</b>	<b>2,273</b>
Income tax expense and NCI		(484)	(682)
<b>Net profit</b>		<b>1,111</b>	<b>1,591</b>
Notable Items (post tax)		(148)	-
Expense to income ratio (Ex Notable Items)		56.04%	46.79%
Net interest margin (Ex Notable Items)		1.76%	2.00%
FTE		13,472	14,672
	As at 31 March 2024	As at 30 Sept 2023	As at 31 March 2023
<b>\$bn</b>			
<b>Customer deposits</b>			
Transactions		32.9	35.4
Savings		154.9	140.0
Term		63.9	64.3
Mortgage offsets		56.6	53.8
<b>Total customer deposits</b>		<b>308.3</b>	<b>293.5</b>
<b>Loans</b>			
Mortgages		485.6	472.7
Other		8.9	9.0
Provisions		(1.8)	(1.9)
<b>Total loans</b>		<b>492.7</b>	<b>479.8</b>
Deposit to loan ratio		62.58%	61.18%
Total assets		504.2	491.9
TCE		577.7	567.5
Risk weighted assets		174.7	174.6
Average interest earning assets		438.2	432.2
Average allocated capital		24.0	24.7
<b>Credit quality</b>			
Impairment charges/(benefits) to average loans		0.01%	0.07%
Mortgage 90+ day delinquencies		0.86%	0.73%
Other consumer loans 90+ day delinquencies		1.01%	1.26%
Total stressed exposures to TCE		0.86%	0.75%

## 2.2. Business and Wealth

The Business and Wealth segment comprises Business Banking, Wealth Management, Private Wealth, Pacific and Auto Finance. Business provides a range of banking services and products to Australian small to medium businesses, including commercial businesses and agribusiness customers. It offers business lending generally up to \$200 million in exposure, merchant services using eCommerce solutions and transaction banking services. The segment includes Private Wealth, supporting the needs of high-net-worth individuals, as well as BT Financial Group, which provides wealth management platform services. It also includes Westpac Pacific and our auto finance business, which is in run-off. The segment operates under the Westpac, St.George, BankSA, Bank of Melbourne and BT brands.

	Half Year March 2024	Half Year Sept 2023	Half Year March 2023
<b>\$m</b>			
Net interest income		2,573	2,419
Non-interest income		415	429
Notable Items		(88)	-
<b>Net operating income</b>		<b>2,900</b>	<b>2,848</b>
Operating expenses		(1,301)	(1,244)
Notable Items		(64)	-
<b>Total operating expenses</b>		<b>(1,365)</b>	<b>(1,244)</b>
<b>Pre-provision profit</b>		<b>1,535</b>	<b>1,604</b>
Impairment (charges)/benefits		(172)	(85)
<b>Profit before income tax expense</b>		<b>1,363</b>	<b>1,519</b>
Income tax expense and NCI		(410)	(446)
<b>Net profit</b>		<b>953</b>	<b>1,073</b>
Notable Items (post tax)		(107)	-
Expense to income ratio (Ex Notable Items)		43.54%	43.68%
Net interest margin (Ex Notable Items)		5.30%	5.03%
FTE		6,008	6,170
	As at 31 March 2024	As at 30 Sept 2023	As at 31 March 2023
<b>\$bn</b>			
<b>Customer deposits</b>			
Transactions		56.5	59.6
Savings		39.6	42.1
Term		44.4	41.1
<b>Total customer deposits</b>		<b>140.5</b>	<b>142.8</b>
<b>Loans</b>			
Commercial/SME		90.5	87.1
Pacific		1.2	1.1
Auto Finance		2.5	3.3
Business lending		94.2	91.5
Other		3.2	4.0
Provisions		(1.9)	(1.8)
<b>Total loans</b>		<b>95.5</b>	<b>93.7</b>
Deposit to loan ratio		147.08%	152.43%
Total assets		101.2	99.3
TCE		129.7	127.6
Risk weighted assets		87.1	88.7
Average interest earning assets		96.8	96.5
Average allocated capital		11.7	10.9
<b>Credit quality</b>			
Impairment charges/(benefits) to average loans		0.36%	0.18%
Impaired exposures to TCE		0.52%	0.63%
Total stressed exposures to TCE		5.46%	5.24%

## 2.3. Westpac Institutional Bank

The Westpac Institutional Bank (WIB) comprises three lines of business: Corporate & Institutional Bank (CIB); Global Transaction Services (GTS); and Financial Markets (FM). It services predominantly corporate, institutional and government clients. CIB uses dedicated industry relationship and specialist product teams to support clients' lending needs. GTS is responsible for the provision of payments and liquidity management solutions to WIB's clients and the group's domestic and international payments infrastructure. FM provides a range of risk management, investment and debt capital markets solutions to WIB clients and access to financial markets products for consumer and business customers. Clients are supported throughout Australia and via branches and subsidiaries located in New Zealand, New York, London, Frankfurt and Singapore.

	Half Year March 2024	Half Year Sept 2023	Half Year March 2023
<b>\$m</b>			
Net interest income		1,019	907
Non-interest income		663	704
<b>Net operating income</b>		<b>1,682</b>	<b>1,611</b>
Operating expenses		(679)	(619)
Notable Items		(15)	-
<b>Total operating expenses</b>		<b>(694)</b>	<b>(619)</b>
<b>Pre-provision profit</b>		<b>988</b>	<b>992</b>
Impairment (charges)/benefits		(91)	4
<b>Profit before income tax expense</b>		<b>897</b>	<b>996</b>
Income tax expense and NCI		(256)	(287)
<b>Net profit</b>		<b>641</b>	<b>709</b>
Notable Items (post tax)		(10)	-
Expense to income ratio (Ex Notable Items)		40.37%	38.42%
Net interest margin (Ex Notable Items)		1.93%	1.86%
FTE		2,776	2,758
	As at 31 March 2024	As at 30 Sept 2023	As at 31 March 2023
<b>\$bn</b>			
<b>Customer deposits</b>			
Transactions and others		64.2	63.6
Savings		10.5	10.4
Term		41.4	39.5
<b>Total customer deposits</b>		<b>116.1</b>	<b>113.5</b>
<b>Loans</b>			
Loans		92.9	85.0
Provisions		(0.3)	(0.3)
<b>Total loans</b>		<b>92.6</b>	<b>84.7</b>
Deposit to loan ratio		125.37%	133.95%
Total assets		106.3	100.0
TCE		207.4	205.6
Risk weighted assets		82.1	80.2
Average interest earning assets		105.3	98.0
Average allocated capital		9.6	8.8
<b>Credit quality</b>			
Impairment charges to average loans		0.21%	(0.01%)
Impaired exposures to TCE		0.04%	0.06%
Total stressed exposures to TCE		0.58%	0.28%

## 2.4. Westpac New Zealand

Westpac New Zealand provides banking and wealth products and services for consumer, business and institutional customers in New Zealand.

All figures are in NZ\$ unless noted otherwise.

	Half Year March 2024	Half Year Sept 2023	Half Year March 2023
<b>NZ\$m</b>			
Net interest income		1,267	1,247
Non-interest income		134	127
Notable Items		-	-
<b>Net operating income</b>		<b>1,401</b>	<b>1,374</b>
Operating expenses		(662)	(624)
Notable Items		(10)	-
<b>Total operating expenses</b>		<b>(672)</b>	<b>(624)</b>
<b>Pre-provision profit</b>		<b>729</b>	<b>750</b>
Impairment (charges)/benefits		19	(154)
<b>Profit before income tax expense</b>		<b>748</b>	<b>596</b>
Income tax expense and NCI		(213)	(168)
<b>Net profit</b>		<b>535</b>	<b>428</b>
Notable Items (post tax)		(7)	-
Expense to income ratio (Ex Notable Items)		47.25%	45.41%
Net interest margin (Ex Notable Items)		2.12%	2.11%
FTE		5,288	5,374
	As at 31 March 2024	As at 30 Sept 2023	As at 31 March 2023
<b>NZ\$bn</b>			
<b>Customer deposits</b>			
Transactions and others		21.4	23.2
Savings		19.9	20.2
Term		38.5	36.4
<b>Total customer deposits</b>		<b>79.8</b>	<b>79.8</b>
<b>Loans</b>			
Mortgages		65.8	65.2
Business		32.8	32.3
Other		1.2	1.2
Provisions		(0.5)	(0.5)
<b>Total loans</b>		<b>99.3</b>	<b>98.2</b>
Deposit to loan ratio		80.36%	81.26%
Total assets		121.8	121.9
TCE		147.1	147.3
Risk weighted assets		60.3	58.6
Liquid assets		19.2	20.5
Average interest earning assets		119.1	118.8
Average allocated capital		8.3	7.5
Total funds		11.4	11.5
<b>Credit quality</b>			
Impairment charges/(benefits) to average loans		(0.04%)	0.32%
Mortgage 90+ day delinquencies		0.33%	0.29%
Other consumer loans 90+ day delinquencies		0.92%	1.13%
Impaired exposures to TCE		0.06%	0.07%
Total stressed exposures to TCE		1.49%	1.33%

## 2.4. Westpac New Zealand (Continued)

### 2.4.1. Westpac New Zealand segment performance (A\$ Equivalent)

Results have been translated into Australian dollars (A\$) at the average exchange rates for each reporting period, Second Half 2023: \$1.0816; First Half 2023: \$1.0876. Unless otherwise stated, assets and liabilities have been translated at spot rates as at the end of the period, 30 September 2023: \$1.0738; 31 March 2023: \$1.0678.

	Half Year March 2024	Half Year Sept 2023	Half Year March 2023
<b>\$m</b>			
Net interest income		1,171	1,146
Non-interest income		124	116
Notable Items		-	-
<b>Net operating income</b>		<b>1,295</b>	<b>1,262</b>
Operating expenses		(613)	(573)
Notable Items		(9)	-
<b>Total operating expenses</b>		<b>(622)</b>	<b>(573)</b>
<b>Pre-provision profit</b>		<b>673</b>	<b>689</b>
Impairment (charges)/benefits		18	(142)
<b>Profit before income tax expense</b>		<b>691</b>	<b>547</b>
Income tax expense and NCI		(196)	(154)
<b>Net profit</b>		<b>495</b>	<b>393</b>
Notable Items (post tax)		(7)	-
Expense to income ratio (Ex Notable Items) <sup>a</sup>		47.25%	45.41%
Net interest margin (Ex Notable Items) <sup>a</sup>		2.12%	2.11%

a. Ratios calculated using NZ\$.

	As at March 2024	As at Sept 2023	As at March 2023
<b>\$bn</b>			
Customer deposits		74.3	74.7
Loans		92.5	91.9
Deposit to loan ratio <sup>a</sup>		80.36%	81.26%
Total assets		113.5	114.1
TCE		136.9	137.9
Risk weighted assets		56.2	54.9
Liquid assets		17.9	19.2
Average interest earning assets		110.2	109.3
Average allocated capital		7.7	6.9
Total funds		10.6	10.7

a. Ratios calculated using NZ\$.



## 2.5. Group Businesses

The segment comprises:

- Treasury, which is responsible for the management of the Group's balance sheet including wholesale funding, capital, and liquidity. Treasury also manages interest rate risk and foreign exchange risks;
- Technology, except for UNITE, these costs are allocated to segments across the Group;
- Customer & Corporate Services, which provides shared corporate functions such as property, procurement, finance services, Corporate Affairs, and HR services. Excluding Corporate Affairs, these costs are allocated to other segments across the Group; and
- Enterprise services, which includes earnings on capital not allocated to segments, certain intra-group transactions and gains/losses from asset sales, earnings and costs associated with the Group's fintech investments and other costs including certain customer remediation expenses and centrally held provisions.

	Half Year March 2024	Half Year Sept 2023	Half Year March 2023
<b>\$m</b>			
Net interest income		583	419
Non-interest income		6	147
Notable Items		59	132
<b>Net operating income</b>		<b>648</b>	<b>698</b>
Operating expenses		(344)	(407)
Notable Items		(170)	-
<b>Total operating expenses</b>		<b>(514)</b>	<b>(407)</b>
<b>Pre-provision profit</b>		<b>134</b>	<b>291</b>
Impairment (charges)/benefits		-	(1)
<b>Profit before income tax expense</b>		<b>134</b>	<b>290</b>
Income tax expense and NCI		(140)	(55)
<b>Net profit/(loss)</b>		<b>(6)</b>	<b>235</b>
Notable Items (post tax)		(79)	178
Profit/(loss) attributable to businesses sold		20	111

### Treasury

	Half Year March 2024	Half Year Sept 2023	Half Year March 2023
<b>\$m</b>			
Net interest income		404	261
Non-interest income		8	6
Notable Items		69	(89)
<b>Net operating income</b>		<b>481</b>	<b>178</b>
<b>Net profit</b>		<b>262</b>	<b>54</b>

## Note 2. Segment reporting

The tables present the segment results for the Group:

\$m	Consumer	Business and Wealth	Westpac Institutional Bank	Westpac New Zealand (A\$)	Group Businesses	Total	Notable Items (pre-tax)	Income statement
<b>Half Year Sept 2023</b>								
Net interest income	3,866	2,573	1,019	1,171	583	9,212	(8)	9,204
Net fee income	239	188	301	94	(4)	818	-	818
Net wealth management income	-	195	-	17	13	225	(10)	215
Trading income	-	26	317	15	(17)	341	(11)	330
Other income	12	6	45	(2)	14	75	-	75
Notable Items	-	(88)	-	-	59	(29)	29	-
<b>Net operating income</b>	<b>4,117</b>	<b>2,900</b>	<b>1,682</b>	<b>1,295</b>	<b>648</b>	<b>10,642</b>	<b>-</b>	<b>10,642</b>
Operating expenses	(2,307)	(1,301)	(679)	(613)	(344)	(5,244)	(460)	(5,704)
Notable Items	(202)	(64)	(15)	(9)	(170)	(460)	460	-
<b>Total operating expenses</b>	<b>(2,509)</b>	<b>(1,365)</b>	<b>(694)</b>	<b>(622)</b>	<b>(514)</b>	<b>(5,704)</b>	<b>-</b>	<b>(5,704)</b>
<b>Pre-provision profit</b>	<b>1,608</b>	<b>1,535</b>	<b>988</b>	<b>673</b>	<b>134</b>	<b>4,938</b>	<b>-</b>	<b>4,938</b>
Impairment (charges)/benefits	(13)	(172)	(91)	18	-	(258)	-	(258)
<b>Profit before income tax expense</b>	<b>1,595</b>	<b>1,363</b>	<b>897</b>	<b>691</b>	<b>134</b>	<b>4,680</b>	<b>-</b>	<b>4,680</b>
Income tax (expense)/benefit <sup>a</sup>	(484)	(409)	(256)	(196)	(139)	(1,484)	-	(1,484)
Net profit attributable to NCI	-	(1)	-	-	(1)	(2)	-	(2)
<b>Net profit attributable to owners of WBC</b>	<b>1,111</b>	<b>953</b>	<b>641</b>	<b>495</b>	<b>(6)</b>	<b>3,194</b>	<b>-</b>	<b>3,194</b>
Notable Items (post-tax) <sup>a</sup>	(148)	(107)	(10)	(7)	(79)	(351)	-	-
<b>Balance sheet</b>								
Loans	492,716	95,548	92,568	92,488	(66)	773,254	-	-
Deposits and other borrowings	308,342	140,536	116,052	76,544	46,694	688,168	-	-

a. Includes tax benefits on Notable Items of \$138 million.

\$m	Consumer	Business and Wealth	Westpac Institutional Bank	Westpac New Zealand (A\$)	Group Businesses	Total	Notable Items (pre-tax)	Income statement
<b>Half Year March 2023</b>								
Net interest income	4,311	2,419	907	1,146	419	9,202	(89)	9,113
Net fee income	265	172	295	83	12	827	-	827
Net wealth management income	-	230	-	16	101	347	-	347
Trading income	-	21	375	18	(5)	409	(22)	387
Other income	8	6	34	(1)	39	86	243	329
Notable Items	-	-	-	-	132	132	(132)	-
<b>Net operating income</b>	<b>4,584</b>	<b>2,848</b>	<b>1,611</b>	<b>1,262</b>	<b>698</b>	<b>11,003</b>	<b>-</b>	<b>11,003</b>
Operating expenses	(2,145)	(1,244)	(619)	(573)	(407)	(4,988)	-	(4,988)
Notable Items	-	-	-	-	-	-	-	-
<b>Total operating expenses</b>	<b>(2,145)</b>	<b>(1,244)</b>	<b>(619)</b>	<b>(573)</b>	<b>(407)</b>	<b>(4,988)</b>	<b>-</b>	<b>(4,988)</b>
<b>Pre-provision profit</b>	<b>2,439</b>	<b>1,604</b>	<b>992</b>	<b>689</b>	<b>291</b>	<b>6,015</b>	<b>-</b>	<b>6,015</b>
Impairment (charges)/benefits	(166)	(85)	4	(142)	(1)	(390)	-	(390)
<b>Profit before income tax expense</b>	<b>2,273</b>	<b>1,519</b>	<b>996</b>	<b>547</b>	<b>290</b>	<b>5,625</b>	<b>-</b>	<b>5,625</b>
Income tax (expense)/benefit <sup>a</sup>	(682)	(442)	(287)	(154)	(55)	(1,620)	-	(1,620)
Net profit attributable to NCI	-	(4)	-	-	-	(4)	-	(4)
<b>Net profit attributable to owners of WBC</b>	<b>1,591</b>	<b>1,073</b>	<b>709</b>	<b>393</b>	<b>235</b>	<b>4,001</b>	<b>-</b>	<b>4,001</b>
Notable Items (post-tax) <sup>a</sup>	-	-	-	-	178	178	-	-
<b>Balance sheet</b>								
Loans	479,750	93,665	84,697	91,943	(124)	749,931	-	-
Deposits and other borrowings	293,508	142,773	113,453	77,321	49,297	676,352	-	-

a. Includes tax benefits on Notable Items of \$46 million.

## Note 3. Net interest income and average balance sheet and interest rates

### Average balance sheet and interest rates

	Half Year March 2024			Half Year Sept 2023			Half Year March 2023		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate	Average balance	Interest	Average rate
	\$m	\$m	%	\$m	\$m	%	\$m	\$m	%
<b>Assets</b>									
<b>Interest earning assets</b>									
Loans				709,756	19,306	5.4	699,735	16,276	4.7
Housing				488,551	12,186	5.0	481,538	10,174	4.2
Personal				12,628	548	8.7	13,485	556	8.3
Business				208,577	6,572	6.3	204,712	5,546	5.4
Trading securities and financial assets measured at FVIS				31,122	645	4.1	29,044	498	3.4
Investment securities				73,745	1,119	3.0	76,015	918	2.4
Other interest earning assets <sup>a</sup>				133,882	2,843	4.2	129,414	2,147	3.3
<b>Total interest earning assets and interest income</b>				<b>948,505</b>	<b>23,913</b>	<b>5.0</b>	<b>934,208</b>	<b>19,839</b>	<b>4.3</b>
<b>Non-interest earning assets</b>									
Derivative financial instruments				21,566			25,290		
All other assets				58,433			58,425		
<b>Total non-interest earning assets</b>				<b>79,999</b>			<b>83,715</b>		
<b>Total assets</b>				<b>1,028,504</b>			<b>1,017,923</b>		
<b>Liabilities</b>									
<b>Interest bearing liabilities</b>									
Deposits and other borrowings				551,676	9,966	3.6	537,110	6,952	2.6
Certificates of deposit				50,314	1,122	4.4	45,447	799	3.5
Transactions				113,410	1,805	3.2	117,978	1,423	2.4
Savings				212,281	3,269	3.1	206,042	2,097	2.0
Term				175,671	3,770	4.3	167,643	2,633	3.1
Repurchase agreements				38,003	328	1.7	41,310	228	1.1
Loan capital				35,115	828	4.7	33,649	620	3.7
Other interest bearing liabilities <sup>b</sup>				178,463	3,587	4.0	174,925	2,926	3.4
<b>Total interest bearing liabilities and interest expense</b>				<b>803,257</b>	<b>14,709</b>	<b>3.7</b>	<b>786,994</b>	<b>10,726</b>	<b>2.7</b>
<b>Non-interest bearing liabilities</b>									
Deposits and other borrowings				130,232			131,113		
Derivative financial instruments				22,960			29,765		
All other liabilities				503			(943)		
<b>Total non-interest bearing liabilities</b>				<b>153,695</b>			<b>159,935</b>		
<b>Total liabilities</b>				<b>956,952</b>			<b>946,929</b>		
Shareholders' equity				71,509			70,947		
NCI				43			47		
<b>Total equity</b>				<b>71,552</b>			<b>70,994</b>		
<b>Total liabilities and equity</b>				<b>1,028,504</b>			<b>1,017,923</b>		
<b>Loans</b>									
Australia				611,790	16,373	5.3	602,493	13,791	4.6
New Zealand				91,507	2,724	5.9	90,605	2,304	5.1
Other overseas				6,459	209	6.5	6,637	181	5.5
<b>Deposits and other borrowings</b>									
Australia				466,499	7,997	3.4	453,962	5,547	2.5
New Zealand				64,641	1,447	4.5	63,422	1,017	3.2
Other overseas				20,536	522	5.1	19,726	388	3.9

a. Interest income includes net ineffectiveness on qualifying hedges.

b. Includes net impact of Treasury balance sheet management activities and the Bank Levy.

## Note 10. Credit quality

### Program-managed portfolio

The program-managed portfolio generally includes retail products such as mortgages, personal lending (including credit cards) as well as certain small to medium sized enterprise lending. These credit exposures are grouped into pools of similar risk based on the analysis of characteristics that have historically predicted the likelihood of default, and a PD is assigned relative to the credit exposure's pool. The exposure is then assigned to strong, satisfactory or weak by benchmarking that PD against transaction-managed exposures, which are in turn mapped to external ratings per the above table. In addition, any program-managed exposures that are one or more days past due are classified as weak.

The following table shows the credit quality of loans and undrawn credit commitments.

\$m	As at 31 March 2024				As at 30 September 2023 <sup>a</sup>				As at 31 March 2023 <sup>a</sup>			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Loans - housing</b>												
Strong				291,914	27,447	-	319,361	284,578	30,261	-	314,839	
Good/satisfactory				156,836	48,929	-	205,765	155,228	44,137	-	199,365	
Weak				2,533	14,178	5,237	21,948	2,375	13,021	4,421	19,817	
<b>Total loans - housing</b>				<b>451,283</b>	<b>90,554</b>	<b>5,237</b>	<b>547,074</b>	<b>442,181</b>	<b>87,419</b>	<b>4,421</b>	<b>534,021</b>	
<b>Loans - personal</b>												
Strong				4,318	95	-	4,413	4,347	117	-	4,464	
Good/satisfactory				6,097	802	-	6,899	6,552	911	-	7,463	
Weak				252	623	192	1,067	273	711	240	1,224	
<b>Total loans - personal</b>				<b>10,667</b>	<b>1,520</b>	<b>192</b>	<b>12,379</b>	<b>11,172</b>	<b>1,739</b>	<b>240</b>	<b>13,151</b>	
<b>Loans - business</b>												
Strong				80,177	13,564	-	93,741	74,626	10,691	-	85,317	
Good/satisfactory				63,434	52,477	-	115,911	83,629	30,206	-	113,835	
Weak				200	5,468	2,914	8,582	196	4,709	3,172	8,077	
<b>Total loans - business</b>				<b>143,811</b>	<b>71,509</b>	<b>2,914</b>	<b>218,234</b>	<b>158,451</b>	<b>45,606</b>	<b>3,172</b>	<b>207,229</b>	
<b>Undrawn credit commitments</b>												
Strong				137,275	11,169	-	148,444	140,574	9,038	-	149,612	
Good/satisfactory				40,482	15,142	-	55,624	47,842	9,191	-	57,033	
Weak				214	1,503	366	2,083	251	1,110	397	1,758	
<b>Total undrawn credit commitments</b>				<b>177,971</b>	<b>27,814</b>	<b>366</b>	<b>206,151</b>	<b>188,667</b>	<b>19,339</b>	<b>397</b>	<b>208,403</b>	
Total strong				513,684	52,275	-	565,959	504,125	50,107	-	554,232	
Total good/satisfactory				266,849	117,350	-	384,199	293,251	84,445	-	377,696	
Total weak				3,199	21,772	8,709	33,680	3,095	19,551	8,230	30,876	
<b>Total loans and undrawn credit commitments</b>				<b>783,732</b>	<b>191,397</b>	<b>8,709</b>	<b>983,838</b>	<b>800,471</b>	<b>154,103</b>	<b>8,230</b>	<b>962,804</b>	

- a. In 2024, the Group revised the methodology that it uses to classify program-managed exposures as strong, satisfactory, or weak. This is a change in disclosure methodology and does not represent a change in underlying credit quality of the Group's credit exposures. Comparatives have been revised accordingly.