

Bank of New Zealand

Supplemental Information

For the year ended September 30, 2022



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Presentation of Information

Basis of Presentation

Bank of New Zealand's financial reporting group consists of Bank of New Zealand ("BNZ"), all of its wholly owned entities and other entities consolidated for financial reporting purposes (together, the "Banking Group"). The consolidated financial statements of the Banking Group are prepared in accordance with generally accepted accounting practice in New Zealand ("NZ GAAP"), the New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board ("IASB").

Certain differences exist between accounting principles generally accepted in the United States of America ("US GAAP") and NZ GAAP, NZ IFRS, IFRS and interpretations adopted by the IASB which might be material to the financial information presented in this document. The Banking Group has not prepared a reconciliation of its consolidated financial statements and related notes to the financial statements between NZ GAAP, NZ IFRS and US GAAP. In making an investment decision, investors must rely upon their own examination of the Banking Group, the terms of the offering and the financial information incorporated into the offering documents in connection with such offering. Potential investors should consult their own professional advisors for an understanding of these differences, and whether or not they affect the financial information presented in this document.

Information disclosed in this document is based on the Banking Group. It is different from the information disclosed under the New Zealand Banking segment ("NZ Banking") in the Annual Report and Full Year Results of National Australia Bank Limited ("NAB"), the Banking Group's ultimate parent. NZ Banking excludes the group central operation units and markets trading operations of the Banking Group and includes in all relevant periods, BNZ Life Insurance Limited, NAB's insurance operation in New Zealand. On September 30, 2022, NAB completed the sale of BNZ Life Insurance Limited to Partners Life Limited.

The consolidated full year financial statements of the Banking Group are audited by an external auditor in accordance with International Standards on Auditing (New Zealand), which differ from those applicable in the United States.

Certain comparative balances in historical information have been reclassified to align with the presentation used in the current financial year. These reclassifications have no material impact on the overall financial performance or financial position for the prior periods.

Certain Definitions

The Banking Group's financial year ends on September 30. The financial year ended September 30, 2022 is referred to as 2022 and other financial years are referred to in a corresponding manner.

Some information in this document has been derived from the consolidated financial statements of the Banking Group. Where certain items are not shown in the Banking Group's consolidated financial statements, they have been prepared for the purpose of this document. Accordingly, this information should be read in conjunction with and is qualified in its entirety by reference to the Banking Group's audited consolidated financial statements, which are included in the Disclosure Statement for the year ended September 30, 2022. In addition, in connection with an offer of notes by BNZ, under BNZ's Rule 144A sub-program which is associated with its US\$100,000,000,000 Global Medium Term Note Program, this information should be read in conjunction with the offering circular, as supplemented by the offering circular supplement (including the documents incorporated by reference into the offering circular supplement), for such notes, including the consolidated financial statements of the Banking Group contained in the Disclosure Statements incorporated therein.

In this document, unless the context otherwise requires:

- references to "Banking Group" are to Bank of New Zealand's financial reporting group, which consists of Bank of New Zealand, all of its wholly owned entities and other entities consolidated for financial reporting purposes;
- references to "BNZ" or the "Bank" are to Bank of New Zealand;
- references to "Disclosure Statements" are to the disclosure statements the Banking Group prepared for the relevant period in compliance with Reserve Bank of New Zealand requirements, which contain consolidated financial statements of BNZ for the periods specified and have been published and filed with the Commission de Surveillance du Secteur Financier (the "CSSF");
- references to "RBNZ" are to the Reserve Bank of New Zealand;
- references to "US\$", "USD" or "U.S. dollars" are to the lawful currency of the United States; and
- references to "\$", "New Zealand dollars", "NZD", "NZ\$" or "NZ dollars" are to the lawful currency of New Zealand.

Currency of Presentation and Exchange Rates

All currency amounts are expressed in New Zealand dollars unless otherwise stated. All amounts have been rounded to the nearest million dollars, except where otherwise indicated.

Average Balance Sheet and Related Interest

The following tables show the major categories of interest earning assets and interest bearing liabilities, together with their respective interest rates earned or incurred by the Banking Group. Averages are predominantly daily averages.

Dollars in Millions	Banking Group								
	Average Balance	Interest	Average Rate (% p.a.)	Average Balance	Interest	Average Rate (% p.a.)	Average Balance	Interest	Average Rate (% p.a.)
	2022	2022	2022	2021	2021	2021	2020	2020	2020
Average interest earning assets									
Cash and due from central banks and other institutions ³	12,034	177	1.5%	9,182	24	0.3%	5,892	37	0.6%
Trading securities	7,440	98	1.3%	8,346	44	0.5%	8,944	94	1.1%
Loans and advances to customers ³	95,804	3,623	3.8%	89,352	2,879	3.2%	86,645	3,453	4.0%
Other interest earning assets ^{1,3}	1,256	18	N/A	1,151	21	N/A	2,448	35	N/A
Total average interest earning assets and interest income	116,534	3,916	3.4%	108,031	2,968	2.7%	103,929	3,619	3.5%
Total average non-interest earning assets	10,162			10,099			11,685		
Allowance for expected credit losses and credit risk adjustments	(776)			(843)			(767)		
Total average assets	125,920			117,287			114,847		
Average interest bearing liabilities									
Due to central banks and other institutions ³	4,765	39	0.8%	3,607	5	0.1%	1,961	5	0.3%
Deposits and other borrowings ³	67,303	762	1.1%	65,010	427	0.7%	64,614	1,064	1.6%
Bonds and notes	18,671	483	2.6%	17,956	257	1.4%	19,971	348	1.7%
Subordinated notes due to external investors	-	-	0.0%	390	14	3.6%	548	31	5.7%
Other interest bearing liabilities ^{2,3}	5,221	128	N/A	4,043	84	N/A	3,721	89	N/A
Total average interest bearing liabilities and interest expense	95,960	1,412	1.5%	91,006	787	0.9%	90,815	1,537	1.7%
Total average non-interest bearing liabilities	19,515			16,588			15,291		
Total average liabilities	115,475			107,594			106,106		

¹ Includes net due from related entities.

² Includes net due to related entities (including subordinated debt). Includes lease liabilities under NZ IFRS 16 *Leases* for the purposes of the calculation. Under the New Zealand Registered Bank Disclosure Statement (New Zealand Incorporated Registered Banks) Order 2014 (as amended), these are classified as non-interest bearing in BNZ's Disclosure Statement for the year ended September 30, 2022.

³ Comparative balances have been restated to align with the presentation used in the current period.

	Banking Group		
	2022	2021	2020
Net yield on interest earning assets			
Net yield on interest earning assets ⁴	2.15%	2.02%	2.00%

⁴ Net interest income divided by total average interest earning assets.

Average Balance Sheet and Related Interest

Volume and Rate Analysis

The following table attributes variances in interest income and interest expense to changes in volume and rate. Volume and rate variances have been calculated on the movement in average balances and the change in the interest rates on average interest earning assets and average interest bearing liabilities.

Dollars in Millions	Banking Group					
	Increase/(Decrease) due to			Increase/(Decrease) due to		Total 2021
	Change in Average Volume 2022	Change in Average Rate 2022	Total 2022	Change in Average Volume 2021	Change in Average Rate 2021	
Interest earning assets						
Cash and due from central banks and other institutions ¹	42	111	153	9	(22)	(13)
Trading securities	(12)	66	54	(3)	(47)	(50)
Loans and advances to customers (including impaired loans) ¹	244	500	744	87	(661)	(574)
Other interest earning assets ¹	(3)	-	(3)	(14)	-	(14)
Change in interest income	271	677	948	79	(730)	(651)
Interest bearing liabilities						
Due to central banks and other institutions ¹	9	25	34	2	(2)	-
Deposits and other borrowings ¹	26	309	335	3	(640)	(637)
Bonds and notes	18	208	226	(29)	(62)	(91)
Subordinated notes due to external investors	-	(14)	(14)	(6)	(11)	(17)
Other interest bearing liabilities ¹	44	-	44	(5)	-	(5)
Change in interest expense	97	528	625	(35)	(715)	(750)
Change in net interest income/(expense)	174	149	323	114	(15)	99

¹ Comparative balances have been restated to align with the presentation used in the current period.

Investment Portfolio

Total Investments

The following table shows the total value of the Banking Group's investment portfolio.

Dollars in Millions	Banking Group		
	2022	2021	2020
Trading securities	7,414	7,348	10,814
Total investments	7,414	7,348	10,814

Trading Securities

The following table shows the fair value of the Banking Group's holdings of trading securities.

Dollars in Millions	Banking Group		
	2022	2021	2020
Government bonds, notes and securities ¹	3,509	4,673	6,167
Semi-government bonds, notes and securities ²	2,804	1,336	2,949
Corporate and other institutions bonds, notes and securities	1,101	1,339	1,698
Total trading securities	7,414	7,348	10,814

¹Government refers to the New Zealand Government.

²Includes securities issued by entities related to the New Zealand Government and overseas governments.

Maturity Profile of Trading Securities

The following table shows the contractual maturity and weighted average yield of the Banking Group's trading securities.

Dollars in Millions	Banking Group (2022)				Total	Average Rate (% p.a.) ³
	Up to 1 Year	Over 1 Year and up to 5 Years	Over 5 Years and up to 10 Years	Over 10 Years		
Trading securities						
Government bonds, notes and securities	1,913	876	462	258	3,509	0.6%
Semi-government bonds, notes and securities	544	1,613	525	122	2,804	1.8%
Corporate and other institutions bonds, notes and securities	840	236	21	4	1,101	2.7%
Total trading securities	3,297	2,725	1,008	384	7,414	1.3%

³ For the purposes of this table, average rate is calculated as interest income divided by average volume.

Loan Portfolio

Loan Portfolio by Industry

The following table shows the Banking Group's portfolio of net loans and advances to customer by the customer's industry sector.

Dollars in Millions	Banking Group				
	2022	2021	2020	2019	2018
Agriculture	14,158	13,792	14,003	14,963	14,672
Forestry and fishing	976	957	943	1,011	941
Mining	285	284	367	463	209
Manufacturing	3,418	3,237	3,186	3,371	3,429
Electricity, gas and water	533	557	714	740	683
Construction	1,316	1,125	1,054	1,300	1,147
Wholesale and retail trade	4,248	3,571	3,189	3,690	3,592
Accommodation, restaurants, culture and recreation	1,555	1,476	1,504	1,447	1,367
Transport and storage	1,914	1,923	1,953	2,166	2,003
Communications	332	344	287	242	156
Financial, investment and insurance ¹	3,057	2,525	2,207	1,841	1,791
Property, business and personal services	10,542	10,178	10,036	10,727	10,386
Government, education, health and community services ¹	2,099	1,847	1,864	1,894	1,929
Real estate - housing loans	54,823	52,728	45,850	42,883	39,727
Personal lending	836	855	1,061	1,385	1,447
Total gross loans and advances to customers	100,092	95,399	88,218	88,123	83,479
Deduct:					
Individually assessed allowance for credit impairment and credit risk adjustments on individual financial assets	92	134	237	157	105
Collectively assessed allowance for credit impairment and credit risk adjustments on groups of financial assets	720	644	673	500	498
Deferred and other unearned future income	(96)	(99)	(68)	(59)	(74)
Fair value hedge adjustments on housing loans	30	29	(142)	(149)	(43)
Total deductions	746	708	700	449	486
Total net loans and advances to customers	99,346	94,691	87,518	87,674	82,993

¹ Comparative balances have been restated to align with the presentation used in the current period.

Maturity Profile on Gross Loans and Advances to Customers

The following table shows the Banking Group's contractual maturity distribution of gross loans and advances to customers.

Dollars in Millions	Banking Group (2022)			
	Up to 1 Year	Over 1 Year and up to 5 Years	Over 5 Years	Total
Agriculture	4,594	8,576	988	14,158
Forestry and fishing	701	267	8	976
Mining	232	52	1	285
Manufacturing	2,096	1,265	57	3,418
Electricity, gas and water	473	60	-	533
Construction	551	674	91	1,316
Wholesale and retail trade	2,078	2,059	111	4,248
Accommodation, restaurants, culture and recreation	551	934	70	1,555
Transport and storage	1,223	668	23	1,914
Communications	265	64	3	332
Financial, investment and insurance	2,851	195	11	3,057
Property, business and personal services	6,159	4,201	182	10,542
Government, education, health and community services	1,342	710	47	2,099
Real estate - housing loans	1,016	1,237	52,570	54,823
Personal lending	818	16	2	836
Total gross loans and advances to customers	24,950	20,978	54,164	100,092

Loan Portfolio

Sensitivities of Loans to Changes in Interest Rates

The following table shows the type of interest rate applicable to the Banking Group's contractual maturity distribution of loans and advances to customers.

Dollars in Millions	Banking Group (2022)			Total
	Up to 1 Year	Over 1 Year and up to 5 Years	Over 5 Years	
Variable interest rates	21,138	14,032	5,998	41,168
Fixed interest rates	3,812	6,946	48,166	58,924
Total gross loans and advances to customers	24,950	20,978	54,164	100,092

Risk Elements

The Banking Group continuously monitors its credit risk to counterparties through the examination of key risk indicators such as days past due, utilization, and behavioral scoring. In addition, the Strategic Business Services unit has specific responsibility for the management of accounts classified as categorized assets. These processes enable credit impairments to be identified at the earliest possible time. Credit impairment allowance are raised based on an expected credit loss model in line with the requirements of NZ IFRS 9 *Financial Instruments*. Recoverable amounts for impaired assets take into account the current market value of collateral held and the realizability of securities. The changes in value of financial assets designated at fair value through profit or loss that are attributable to changes in credit risk have been calculated using a statistical-based calculation that estimates expected losses attributable to adverse movement in credit risks.

Impaired Assets

The following table shows the Banking Group's impaired assets.

Dollars in Millions	Banking Group				
	2022	2021	2020	2019	2018
Gross impaired assets¹					
Balance at beginning of year	231	600	653	265	250
Amounts written off	(68)	(92)	(78)	(66)	(68)
Loans newly classified into impaired assets categories during the year	61	152	350	580	271
Loans recovered or reclassified as non-impaired assets during the year	(57)	(429)	(325)	(126)	(188)
Total gross impaired assets balance at end of year	167	231	600	653	265
Deduct: Individually assessed allowance for credit impairment and credit risk adjustments on individual financial assets	92	134	237	157	105
Total net impaired assets	75	97	363	496	160

¹ Gross amounts are shown before taking into account any collateral held or other credit enhancements.

Past Due Assets Not Impaired

The following table shows the Banking Group's 90 days past due non-impaired assets.

Dollars in Millions	Banking Group				
	2022	2021	2020	2019	2018
Total 90 days past due non-impaired assets	264	146	175	146	113

Additional Information on Impaired Assets

The following table shows additional information on impaired assets.

Dollars in Millions	Banking Group				
	2022	2021	2020	2019	2018
Fair value of security ²	75	97	363	496	160

² For the purposes of this disclosure, where security held is valued at more than the corresponding credit exposure, coverage is capped at the value of the credit exposure.

Potential problem loans are those loans which are not impaired or past due, where the customer is in receivership, liquidation, statutory management or any other form of administration in New Zealand, or is in an equivalent form of voluntary or involuntary administration in an overseas jurisdiction. As at September 30, 2022, included within the Banking Group's loans and advances to customers were potential problem loans of \$2 million.

Loan Portfolio

Cross Border Outstandings

The following table shows cross border outstandings due from countries other than New Zealand where such outstandings individually exceed 0.75% of the Banking Group's total assets for the period specified.

Dollars in Millions	Banking Group		
	2022	2021	2020
United Kingdom			
Banks and other financial institutions	1,053	464	457
Commercial and industrial	57	57	63
Total cross border outstanding	1,110	521	520
As a percentage of total assets	0.84%	0.44%	0.46%
United States			
Banks and other financial institutions	1,257	262	1,245
Commercial and industrial	51	65	54
Total cross border outstanding	1,308	327	1,299
As a percentage of total assets	1.00%	0.27%	1.16%

For the purposes of the above disclosure, cross border outstandings are based on the country of domicile of the counterparty or guarantor of the ultimate risk, and comprise loans and advances to customers, balances due from other institutions, acceptances and other monetary assets including trading derivative assets and reverse repurchase agreements. Local currency activities with local residents by foreign branches and subsidiaries are excluded.

The reporting threshold used above is for disclosure guidance only and is not intended as an indicator of a prudent level of lending by the Banking Group to any one country.

Summary of Loan Loss Experience

Allowance for Expected Credit Losses and Credit Risk Adjustments on Financial Assets

The following table shows the reconciliation of movements in the Banking Group's allowance for expected credit losses ("ECL") and credit risk adjustments on financial assets.

Dollars in Millions	Banking Group				
	2022	2021	2020	2019	2018
Individually assessed allowance for ECL and credit risk adjustments on individual financial assets					
Balance at beginning of year	134	237	157	105	104
Charge to income statement	18	(21)	148	107	50
Amounts written off	(68)	(92)	(78)	(66)	(68)
Recovery of amounts written off	9	12	12	15	23
Discount unwind	(1)	(2)	(2)	(4)	(4)
Balance at end of year	92	134	237	157	105
Collectively assessed allowance for ECL and credit risk adjustments on groups of financial assets					
Balance at beginning of year	644	673	500	498	477
Charge/(credit) to income statement	76	(29)	173	2	21
Balance at end of year	720	644	673	500	498
Total allowance for ECL and credit risk adjustments on financial assets	812	778	910	657	603

Allowance for Expected Credit Losses and Credit Risk Adjustments on Financial Assets by Industry

The following table shows the Banking Group's allowance for ECL and credit risk adjustments on financial assets by the customer's industry sector.

Dollars in Millions	Banking Group (2022)					Total	Percentage of Loans in Each Category to Gross Loans and Advances (%)
	Collectively assessed allowance		Stage 3	Individually assessed allowance Stage 3	Credit Risk Adjustment on Financial Assets		
	Stage 1	Stage 2					
Agriculture	9	119	30	6	-	164	14.1
Forestry and fishing	1	16	-	-	-	17	1.0
Mining	1	1	-	-	-	2	0.3
Manufacturing	6	73	1	2	3	85	3.4
Electricity, gas and water	2	1	-	-	-	3	0.5
Construction	3	34	1	-	-	38	1.3
Wholesale and retail trade	7	67	7	5	-	86	4.2
Accommodation, restaurants, culture and recreation	2	22	1	4	-	29	1.6
Transport and storage	4	37	4	14	13	72	1.9
Communications	1	10	-	-	-	11	0.3
Financial, investment and insurance	5	10	-	-	1	16	3.1
Property, business and personal services	6	86	4	40	8	144	10.5
Government, education, health and community services	3	17	-	-	-	20	2.1
Real estate - housing loans	12	66	19	1	-	98	54.9
Personal lending	5	12	9	1	-	27	0.8
Total allowance for ECL and credit risk adjustments on financial assets	67	571	76	73	25	812	100.0

Summary of Loan Loss Experience

Allowance for Expected Credit Losses and Credit Risk Adjustments on Financial Assets by Industry *continued*

Banking Group (2021)

Dollars in Millions	Collectively assessed allowance			Individually assessed allowance Stage 3	Credit Risk Adjustment on Financial Assets	Total	Percentage of Loans in Each Category to Gross Loans and Advances (%) ¹
	Stage 1	Stage 2	Stage 3				
Agriculture	5	127	9	17	1	159	14.5
Forestry and fishing	1	6	2	-	-	9	1.0
Mining	1	3	1	-	-	5	0.3
Manufacturing	6	56	2	4	2	70	3.4
Electricity, gas and water	2	2	-	-	-	4	0.6
Construction	2	29	1	4	-	36	1.2
Wholesale and retail trade	6	63	1	7	-	77	3.7
Accommodation, restaurants, culture and recreation	2	24	2	5	-	33	1.5
Transport and storage	2	35	1	18	12	68	2.0
Communications	1	8	-	-	-	9	0.4
Financial, investment and insurance	4	7	-	-	-	11	2.6
Property, business and personal services	6	70	6	63	5	150	10.7
Government, education, health and community services	4	19	-	-	-	23	1.9
Real estate - housing loans	1	44	50	-	-	95	55.3
Personal lending	4	14	10	1	-	29	0.9
Total allowance for ECL and credit risk adjustments on financial assets	47	507	85	119	20	778	100.0

Banking Group (2020)

Dollars in Millions	Collectively assessed allowance			Individually assessed allowance Stage 3	Credit Risk Adjustment on Financial Assets	Total	Percentage of Loans in Each Category to Gross Loans and Advances (%) ¹
	Stage 1	Stage 2	Stage 3				
Agriculture	6	112	9	55	2	184	15.9
Forestry and fishing	2	6	2	-	-	10	1.1
Mining	2	2	-	5	-	9	0.4
Manufacturing	6	54	8	39	4	111	3.6
Electricity, gas and water	2	-	-	-	-	2	0.8
Construction	3	19	3	11	-	36	1.2
Wholesale and retail trade	6	54	7	22	-	89	3.6
Accommodation, restaurants, culture and recreation	1	26	4	6	-	37	1.7
Transport and storage	5	24	1	12	23	65	2.2
Communications	2	1	-	-	-	3	0.3
Financial, investment and insurance	5	7	-	23	-	35	2.5
Property, business and personal services	6	93	8	36	4	147	11.3
Government, education, health and community services	2	24	-	1	-	27	2.1
Real estate - housing loans	5	33	53	3	-	94	52.1
Personal lending	4	43	12	2	-	61	1.2
Total allowance for ECL and credit risk adjustments on financial assets	57	498	107	215	33	910	100.0

¹ Comparative balances have been restated to align with the presentation used in the current period.

Summary of Loan Loss Experience

Allowance for Expected Credit Losses and Credit Risk Adjustments on Financial Assets by Industry *continued*

Banking Group (2019)

Dollars in Millions	Collectively assessed allowance			Individually assessed allowance Stage 3	Credit Risk Adjustment on Financial Assets	Total	Percentage of Loans in Each Category to Gross Loans and Advances (%) ¹
	Stage 1	Stage 2	Stage 3				
Agriculture	7	69	8	64	4	152	17.0
Forestry and fishing	1	5	1	-	-	7	1.1
Mining	2	4	-	10	-	16	0.5
Manufacturing	11	41	3	8	4	67	3.8
Electricity, gas and water	2	1	-	-	-	3	0.8
Construction	4	18	1	7	1	31	1.5
Wholesale and retail trade	9	38	3	12	-	62	4.2
Accommodation, restaurants, culture and recreation	2	11	2	1	-	16	1.6
Transport and storage	3	15	1	1	1	21	2.4
Communications	2	1	-	-	-	3	0.3
Financial, investment and insurance	5	6	-	23	1	35	2.1
Property, business and personal services	8	77	10	27	1	123	12.1
Government, education, health and community services	4	14	-	-	-	18	2.1
Real estate - housing loans	1	53	7	2	-	63	48.9
Personal lending	10	16	13	1	-	40	1.6
Total allowance for ECL and credit risk adjustments on financial assets	71	369	49	156	12	657	100.0

¹ Comparative balances have been restated to align with the presentation used in the current period.

Dollars in Millions	Banking Group				
	2022	2021	2020	2019	2018
Individually assessed allowance for ECL and credit risk adjustments on individual financial assets					
Agriculture	6	16	56	64	19
Forestry and fishing	-	-	-	-	1
Mining	-	-	5	10	10
Manufacturing	2	4	39	8	6
Construction	-	4	11	7	2
Wholesale and retail trade	5	7	22	12	11
Accommodation, restaurants, culture and recreation	4	5	6	1	1
Transport and storage	25	30	33	1	3
Financial, investment and insurance	-	-	23	23	23
Property, business and personal services	48	65	37	27	26
Government, education, health and community services	-	1	1	-	-
Real estate - housing loans	1	1	2	3	3
Personal lending	1	1	2	1	-
Total individually assessed allowance for ECL and credit risk adjustments on individual financial assets	92	134	237	157	105
Total collectively assessed allowance for ECL and credit risk adjustments on groups of financial assets	720	644	673	500	498
Total allowance for ECL and credit risk adjustments on financial assets	812	778	910	657	603

Summary of Loan Loss Experience

Allowance for Expected Credit Losses and Credit Risk Adjustments on Financial Assets by Industry *continued*

As a Percentage of Total Loans	Banking Group				
	2022	2021	2020	2019	2018
Gross loans and advances to customers¹					
Agriculture	14.1	14.5	15.9	17.0	17.6
Forestry and fishing	1.0	1.0	1.1	1.1	1.1
Mining	0.3	0.3	0.4	0.5	0.3
Manufacturing	3.4	3.4	3.6	3.8	4.1
Electricity, gas and water	0.5	0.6	0.8	0.8	0.8
Construction	1.3	1.2	1.2	1.5	1.4
Wholesale and retail trade	4.2	3.7	3.6	4.2	4.3
Accommodation, restaurants, culture and recreation	1.6	1.5	1.7	1.6	1.6
Transport and storage	1.9	2.0	2.2	2.4	2.4
Communications	0.3	0.4	0.3	0.3	0.2
Financial, investment and insurance	3.1	2.6	2.5	2.1	2.1
Property, business and personal services	10.5	10.7	11.3	12.1	12.4
Government, education, health and community services	2.1	1.9	2.1	2.1	2.3
Real estate - housing loans	54.9	55.3	52.1	48.9	47.7
Personal lending	0.8	0.9	1.2	1.6	1.7
Total gross loans and advances to customers	100.0	100.0	100.0	100.0	100.0

¹ Comparative balances have been restated to align with the presentation used in the current period.

Net Charge-Offs to Gross Average Loans

The following table shows the details of the Banking Group's ratio of net charge-offs to gross average loans outstanding. Net charge-offs are total bad debts written off less bad debts recovered.

As a percentage of total gross average loans	Banking Group				
	2022	2021	2020	2019	2018
Ratio of net charge-offs to gross average loans outstanding during the year ¹	0.1	0.1	0.1	0.1	0.1

¹ Net charge-offs divided by gross average interest earning loans outstanding.

Bad Debts Written Off

The following table shows bad debts written off by customer industry sector.

Dollars in Millions	Banking Group				
	2022	2021	2020	2019	2018
Agriculture	11	24	21	4	12
Forestry and fishing	-	-	-	2	1
Mining	-	3	5	-	-
Manufacturing	1	12	3	1	10
Construction	3	7	3	3	2
Wholesale and retail trade	5	7	5	13	2
Accommodation, restaurants, culture and recreation	1	2	2	2	2
Transport and storage	1	1	1	1	1
Property, business and personal services	26	10	2	4	5
Government, education, health and community services	-	-	-	1	-
Real estate - housing loans	1	1	2	4	3
Personal lending	19	25	34	31	30
Total bad debts written off	68	92	78	66	68

Summary of Loan Loss Experience

Bad Debts Recovered

The following table shows bad debts recovered by customer industry sector.

Dollars in Millions	Banking Group				
	2022	2021	2020	2019	2018
Agriculture	-	3	-	-	-
Mining	-	1	2	2	10
Wholesale and retail trade	-	-	-	-	2
Financial, investment and insurance	1	1	-	3	-
Real estate - housing loans	1	-	-	-	-
Personal lending	7	7	10	10	11
Total bad debts recovered	9	12	12	15	23

Deposits and Other Borrowings

The following table shows the Banking Group's liabilities in respect to deposits and other borrowings.

Dollars in Millions	Banking Group		
	2022	2021	2020
Term deposits	28,126	24,386	29,920
Certificates of deposit	1,661	2,435	924
On-demand and short-term deposits bearing interest ¹	33,295	34,668	28,955
Deposits not bearing interest	12,784	12,077	8,703
Commercial paper	2,288	4,429	3,337
Total deposits and other borrowings	78,154	77,995	71,839

¹ Comparative balances have been restated to align with the presentation used in the current period.

The following table shows the maturity profile of all certificates of deposit and term deposits issued with a value of \$100,000 or more.

Dollars in Millions	Banking Group (2022)					Total
	Up to 3 Months	Over	Over	Over 1 Year	Over 1 Year	
		3 Months	6 Months			
		and up to 6 Months	and up to 1 Year			
Term deposits	9,435	6,526	6,093	1,465	23,519	
Certificates of deposit	1,187	443	31	-	1,661	
Total	10,622	6,969	6,124	1,465	25,180	

Details of average deposits and short term borrowings are provided in the following table for the dates indicated. Averages are predominantly daily averages.

Dollars in Millions	Banking Group					
	Average Balance	Average Rate (% p.a.) ²	Average Balance	Average Rate (% p.a.) ²	Average Balance	Average Rate (% p.a.) ²
	2022	2022	2021	2021	2020	2020
Term deposits	25,704	1.77%	26,129	1.40%	33,376	2.64%
Certificates of deposit	2,483	1.50%	1,356	0.35%	1,722	0.85%
On-demand and short-term deposits bearing interest ³	35,388	0.70%	33,353	0.14%	25,749	0.43%
Deposits not bearing interest	12,960	0.00%	10,605	0.00%	7,302	0.00%
	76,535		71,443		68,149	

² For the purposes of this disclosure, average rate is calculated as interest expense divided by average volume.

³ Comparative balances have been restated to align with the presentation used in the current period.

Short Term Borrowings

The table below shows the Banking Group's commercial paper short term borrowings.

Dollars in Millions	Banking Group		
	2022	2021	2020
Balance outstanding at end of year	2,288	4,429	3,337
Maximum outstanding at any month end	4,816	5,358	5,007
Approximate average amount outstanding during the year	3,728	4,172	3,767
Approximate weighted average rate on average amount outstanding	0.79%	0.23%	1.37%

Return on Equity and Assets

The following table shows return on equity, return on assets and other ratios of the Banking Group.

	Banking Group		
	2022	2021	2020
Return on assets ¹	1.12%	1.13%	0.66%
Return on equity ²	13.54%	13.64%	8.72%
Dividend payout ratio ³	39.59%	0.00% ⁵	0.00% ⁵
Equity to assets ratio ⁴	8.29%	8.26%	7.61%

¹ Net profit after tax divided by total average assets.

² Net profit after tax divided by total average equity (total average equity calculated by total average assets minus total average liabilities).

³ Dividend per ordinary share divided by net profit per ordinary share.

⁴ Total average equity divided by total average assets.

⁵ No dividends were paid in the years ended September 30, 2021 and September 30, 2020.

