ASB Disclosure Statement

For the six months ended 31 December 2014

ASB

Contents

General Disclosures

(To be read in conjunction with the Financial Statements)

31 December 2014

This Disclosure Statement has been issued by ASB Bank Limited (the "Bank" or "ASB") in accordance with the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (the "Order").

Corporate Information

The Bank is a company incorporated under the Companies Act 1955 on 16 August 1988. The registered office of the Bank is Level 2, ASB North Wharf, 12 Jellicoe Street, Auckland Central, Auckland 1010, New Zealand. The Bank was re-registered under the Companies Act 1993 on 30 June 1995.

The "Banking Group" consists of the Bank and its controlled entities.

Ultimate Parent Bank

The ultimate parent bank of the Bank is the Commonwealth Bank of Australia ("CBA"), its registered office being Ground Floor, Tower 1, 201 Sussex Street, Sydney, NSW, Australia.

Directors

R.D. Jesudason resigned as a director of the Bank with effect from 31 October 2014.

R.M. Spaans was appointed as a director of the Bank with effect from 19 January 2015.

There have been no other changes to the Board of Directors since the signing of the 30 June 2014 Disclosure Statement.

Credit Ratings

As at the date of the signing of this Disclosure Statement, the following long term ratings were assigned to the Bank by these rating agencies:

Rating Agency	Current Long Term Credit Rating
Moody's Investors Service Pty Limited ("Moody's")	Aa3
Standard & Poor's (Australia) Pty Limited ("S&P")	AA-
Fitch Australia Pty Limited ("Fitch Ratings")	AA-

The table below provides a description of the steps in the rating scales used by the different rating agencies.

Long Term Credit Rating Definitions	Moody's[(a)]	S&P[(b)]	Fitch Ratings[(c)]
Highest quality/extremely strong capacity to pay interest and principal	Aaa	AAA	AAA
High quality/very strong	Aa	AA	AA
Upper medium grade/strong	A	A	A
Medium grade (lowest investment grade)/adequate	Baa	BBB	BBB
Predominantly speculative/less near term vulnerability to default	Ba	BB	BB
Speculative, low grade/greater vulnerability	B	B	B
Poor to default/identifiable vulnerability	Caa	CCC	CCC
Highest speculations	Ca	CC	CC
Lowest quality, no interest	C	C	C
In payment default, in arrears - questionable value	-	D	RD & D

(a) Moody's applies numeric modifiers 1, 2, and 3 to each generic rating category from Aaa to Caa, indicating that the counterparty is (1) in the higher end of its letter rating category, (2) in the mid-range and (3) in the lower end.

(b) S&P applies plus (+) or minus (-) signs to ratings from 'AA' to 'CCC' to indicate relative standing within the major rating categories.

(c) Fitch Ratings applies plus (+) or minus (-) signs to ratings from 'AA' to 'B' to indicate relative standing within the major rating categories.

General Disclosures (continued)

(To be read in conjunction with the Financial Statements)

Guarantee Arrangements

On 11 August 2011, the ASB Covered Bond Trust (the "Covered Bond Trust") was established to acquire and hold certain residential mortgage loans ("Mortgage Loans") originated by the Bank. ASB Covered Bond Trustee Limited (the "Covered Bond Guarantor"), solely in its capacity as trustee of the Covered Bond Trust provides guarantees over certain debt securities ("Covered Bonds") issued by the Bank or its subsidiary ASB Finance Limited, acting through its London Branch.

The Covered Bond Guarantor has guaranteed payments of interest and principal in respect of the Covered Bonds pursuant to a guarantee which is secured over the Mortgage Loans, related security and other assets of the Covered Bond Trust. The amount of the guarantee is limited to the assets of the Covered Bond Trust. There are no material conditions applicable to the guarantee other than non-performance. There are no material legislative or regulatory restrictions in New Zealand which would have the effect of subordinating the claims under the guarantee of any creditors of the Bank on the assets of the Covered Bond Guarantor, to other claims on the Covered Bond Guarantor, in a winding up of the Covered Bond Guarantor.

Covered bonds (including accrued interest) of $2.322 billion were guaranteed as at 31 December 2014. The Covered Bond Guarantor's address for service is Level 35, Vero Centre, 48 Shortland Street, Auckland 1010, New Zealand. The Covered Bond Guarantor is not a member of the Banking Group and has no credit ratings applicable to its long term senior unsecured obligations payable in New Zealand dollars. As at 31 December 2014, the Covered Bonds issued have been assigned a long term rating of 'AAA' by Fitch Ratings and 'Aaa' by Moody's. Further information about this guarantee arrangement is included in the Bank's disclosure statement for the year ended 30 June 2014, a copy of which is available, free of charge, at the internet address www.asb.co.nz. A printed copy will also be made available, free of charge, upon request.

As at the signing date of this Disclosure Statement, other material obligations of the Bank are not guaranteed.

Pending Proceedings or Arbitration

The Bank is a party to the legal proceedings described in note 3. If the provision described in that note is inadequate, those proceedings may have a material adverse effect on the financial performance of the Bank for the relevant financial year.

Except as stated above, the Banking Group is not a party to any other pending legal proceedings or arbitration that may have a material adverse effect on the Bank or the Banking Group.

Conditions of Registration

Since 30 June 2014 the Conditions of Registration have been twice amended by the Reserve Bank of New Zealand ("RBNZ") with effect from 1 July 2014 and 1 October 2014 respectively. These minor amendments were made to refer to revised versions of various RBNZ documents and to update certain definitions to refer to the Financial Markets Conduct Act 2013.

Auditor

PricewaterhouseCoopers is the appointed auditor of the Banking Group. The auditor's address is PwC Tower, 188 Quay Street, Auckland 1010, New Zealand.

Income Statement

$ millions		Banking Group	
		Unaudited	Unaudited
For the six months ended	Note	**31-Dec-14**	31-Dec-13
Interest income		**2,033**	1,785
Interest expense		**1,183**	1,014
Net interest earnings		**850**	771
Other income	2	**202**	213
Total operating income		**1,052**	984
Impairment losses on advances	7	**37**	21
Total operating income after impairment losses		**1,015**	963
Total operating expenses		**398**	387
Salaries and other staff expenses		**240**	232
Building occupancy and equipment expenses		**62**	62
Information technology expenses		**43**	42
Other expenses		**53**	51
Net profit before taxation		**617**	576
Taxation		**173**	160
Net profit after taxation		**444**	416

These statements are to be read in conjunction with the notes on pages 9 to 29 and the Independent Review Report on pages 31 to 32.

Statement of Comprehensive Income

$ millions	Banking Group	
	Unaudited	Unaudited
For the six months ended	**31-Dec-14**	31-Dec-13
Net profit after taxation	**444**	416
Other comprehensive income/(expense), net of taxation		
Items that will not be reclassified to the Income Statement:		
Net change in asset revaluation reserve	**-**	1
	-	1
Items that may be reclassified subsequently to the Income Statement:		
Net change in available-for-sale reserve	**(2)**	1
Net change in cash flow hedge reserve	**(34)**	(17)
	(36)	(16)
Total other comprehensive expense, net of taxation	**(36)**	(15)
Total comprehensive income	**408**	401

These statements are to be read in conjunction with the notes on pages 9 to 29 and the Independent Review Report on pages 31 to 32.

Statement of Changes in Equity

$ millions	Contributed Capital	Asset Revaluation Reserve	Available -for-Sale Reserve	Cash Flow Hedge Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total Shareholders' Equity
	Banking Group						
For the six months ended 31 December 2014							
Unaudited							
Balance at beginning of period	**2,823**	**25**	**12**	**(5)**	**1**	**2,310**	**5,166**
Net profit after taxation	**-**	**-**	**-**	**-**	**-**	**444**	**444**
Other comprehensive expense	**-**	**-**	**(2)**	**(34)**	**-**	**-**	**(36)**
Total comprehensive (expense)/income	**-**	**-**	**(2)**	**(34)**	**-**	**444**	**408**
Ordinary dividends paid	**-**	**-**	**-**	**-**	**-**	**(565)**	**(565)**
Perpetual preference dividends paid	**-**	**-**	**-**	**-**	**-**	**(9)**	**(9)**
Balance as at 31 December 2014	**2,823**	**25**	**10**	**(39)**	**1**	**2,180**	**5,000**
For the six months ended 31 December 2013							
Unaudited							
Balance at beginning of period	3,048	29	11	24	1	1,912	5,025
Net profit after taxation	-	-	-	-	-	416	416
Other comprehensive income/(expense)	-	1	1	(17)	-	-	(15)
Total comprehensive income/(expense)	-	1	1	(17)	-	416	401
Transfer from asset revaluation reserve to retained earnings	-	(7)	-	-	-	7	-
Ordinary dividends paid	-	-	-	-	-	(50)	(50)
Perpetual preference dividends paid	-	-	-	-	-	(7)	(7)
Balance as at 31 December 2013	3,048	23	12	7	1	2,278	5,369

These statements are to be read in conjunction with the notes on pages 9 to 29 and the Independent Review Report on pages 31 to 32.

Balance Sheet

$ millions		Banking Group		
		Unaudited	Unaudited	Audited
As at	Note	**31-Dec-14**	31-Dec-13	30-Jun-14
Assets				
Cash and liquid assets		**1,627**	2,198	1,778
Due from financial institutions		**301**	252	310
Trading securities		**1,262**	1,288	948
Derivative assets		**1,006**	1,095	854
Available-for-sale securities		**2,994**	2,553	2,705
Advances to customers	5	**62,649**	59,297	60,664
Current taxation asset		**33**	92	3
Other assets		**242**	338	695
Property, plant and equipment		**191**	199	201
Intangible assets		**162**	158	161
Deferred taxation asset		**84**	52	61
Total assets		**70,551**	67,522	68,380
Total interest earning and discount bearing assets		***68,672***	*65,520*	*66,438*
Liabilities				
Deposits and other public borrowings	10	**47,783**	43,862	44,667
Due to financial institutions		**3,215**	4,345	4,377
Other liabilities at fair value through Income Statement		**563**	942	1,223
Derivative liabilities		**973**	996	1,058
Other liabilities		**502**	505	575
Debt issues:				
At fair value through Income Statement	11	**1,803**	2,753	1,312
At amortised cost	11	**10,307**	8,750	9,612
Loan capital		**405**	-	390
Total liabilities		**65,551**	62,153	63,214
Shareholders' equity				
Contributed capital - ordinary shares		**2,273**	2,498	2,273
Reserves		**(3)**	43	33
Retained earnings		**2,180**	2,278	2,310
Ordinary shareholder's equity		**4,450**	4,819	4,616
Contributed capital - perpetual preference shares		**550**	550	550
Total shareholders' equity		**5,000**	5,369	5,166
Total liabilities and shareholders' equity		**70,551**	67,522	68,380
Total interest and discount bearing liabilities		***61,095***	*57,963*	*58,932*

These statements are to be read in conjunction with the notes on pages 9 to 29 and the Independent Review Report on pages 31 to 32.

Condensed Cash Flow Statement

$ millions	Banking Group	
	Unaudited	Unaudited
For the six months ended	**31-Dec-14**	31-Dec-13
Cash flows from operating activities		
Net profit before taxation	**617**	576
Reconciliation of net profit before taxation to net cash flows from operating activities		
Non-cash items included in net profit before taxation	**106**	72
Net increase in operating assets	**(1,923)**	(1,571)
Net increase in operating liabilities	**1,940**	1,253
Net taxation paid	**(212)**	(215)
Net cash flows from operating activities	**528**	115
Cash flows from investing activities		
Total cash outflows applied to investing activities	**(40)**	(24)
Net cash flows from investing activities	**(40)**	(24)
Cash flows from financing activities		
Cash inflows provided from financing activities	**4**	-
Cash outflows applied to financing activities	**(574)**	(57)
Net cash flows from financing activities	**(570)**	(57)
Summary of movements in cash flows		
Net (decrease)/increase in cash and cash equivalents	**(82)**	34
Add: cash and cash equivalents at beginning of period	**962**	1,358
Cash and cash equivalents at end of period	**880**	1,392
Cash and cash equivalents comprise:		
Cash and liquid assets	**1,627**	2,198
Less: reverse repurchase agreements included in cash and liquid assets	**(592)**	(744)
Add: cash equivalents in due from financial institutions at call	**301**	252
Less: cash equivalents in due to financial institutions at call	**(456)**	(314)
Cash and cash equivalents at end of period	**880**	1,392
Additional operating cash flow information		
Interest received as cash	**2,067**	1,806
Interest paid as cash	**(1,224)**	(1,055)
Other income received as cash	**196**	211
Operating expenses paid as cash	**(403)**	(380)

These statements are to be read in conjunction with the notes on pages 9 to 29 and the Independent Review Report on pages 31 to 32.

Notes to the Financial Statements

For the six months ended 31 December 2014

1 Statement of Accounting Policies

The condensed interim financial statements of the Banking Group for the six months ended 31 December 2014 (the "financial statements") have been incorporated in this Disclosure Statement. These financial statements consolidate the financial statements of the Bank and its controlled entities. They have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") as appropriate for profit-oriented entities, NZ IAS 34 *Interim Financial Reporting* and the Order. These interim financial statements do not include all the information and disclosures required in annual financial statements and should therefore be read in conjunction with the Banking Group's financial statements for the year ended 30 June 2014.

The functional and presentation currency of the Banking Group is New Zealand dollars. All amounts contained in this Disclosure Statement are presented in millions, unless otherwise stated.

Amendments to NZ IAS 32 *Financial Instruments: Presentation* have been adopted from 1 July 2014 and have been applied in the preparation of these financial statements. These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of offsetting criteria to settlement systems such as central clearing house systems. The adoption of these amendments did not have an impact on the financial statements.

There have been no material changes to accounting policies during the six months ended 31 December 2014. All policies have been applied on a basis consistent with that used in the financial year ended 30 June 2014.

Certain comparatives have been restated to ensure consistency with the current period's presentation.

2 Other Income

$ millions	Banking Group	
	Unaudited	Unaudited
For the six months ended	**31-Dec-14**	31-Dec-13
Net fair value gain/(loss) from:		
Other derivatives at fair value	**1**	(2)
Hedge ineffectiveness	**(7)**	3
Total net fair value (loss)/gain	**(6)**	1
Trading income	**25**	29
Other operating income	**183**	183
Total other income	**202**	213

3 Taxation

As at 31 December 2014 the Banking Group had a tax position relating to a liquidity funding transaction that was subject to revised assessments issued by the Inland Revenue Department for the 2008 and 2009 years. The Bank has commenced legal proceedings to challenge those assessments. The tax position has a potential liability of $153 million plus interest and penalties (30 June 2014: potential liability of $153 million plus interest and penalties). The Bank has made what it considers to be adequate provision for this matter based on its assessment of the merits of the arguments and independent advice received.

4 Financial Assets Pledged as Collateral

As at 31 December 2014 New Zealand government securities of $240 million had been pledged as collateral under repurchase agreements.

The Bank has entered into credit support annexes in respect of certain credit exposures relating to certain derivative transactions. As at 31 December 2014 $157 million included in due from financial institutions had been advanced as collateral to offset derivative liabilities.

5 Advances to Customers

$ millions	Banking Group		
	Unaudited	Unaudited	Audited
As at	**31-Dec-14**	31-Dec-13	30-Jun-14
Residential mortgages	**42,174**	41,024	41,624
Other retail	**4,546**	4,424	4,512
Corporate	**16,132**	14,084	14,769
Loans and other receivables	**62,852**	59,532	60,905
Fair value hedge adjustments	**10**	(45)	(43)
Provisions for impairment losses	**(213)**	(190)	(198)
Total advances to customers	**62,649**	59,297	60,664

6 Credit Quality Information for Advances to Customers

$ millions	Banking Group Residential Mortgages[1]	Other Retail	Corporate	Total
As at 31 December 2014				
Unaudited				
Past due assets not impaired				
Less than 30 days	**1,599**	**231**	**333**	**2,163**
30 to 59 days	**186**	**38**	**11**	**235**
60 to 89 days	**92**	**19**	**5**	**116**
Over 90 days	**81**	**17**	**7**	**105**
Total past due assets not impaired	**1,958**	**305**	**356**	**2,619**
Individually impaired assets				
Balance at beginning of period	**51**	**10**	**157**	**218**
Additions	**32**	**5**	**62**	**99**
Deletions	**(33)**	**(5)**	**(47)**	**(85)**
Amounts written off	**(5)**	**(1)**	**(1)**	**(7)**
Total individually impaired assets	**45**	**9**	**171**	**225**
Other assets under administration	**33**	**2**	**-**	**35**

Undrawn balances on lending commitments to counterparties within the impaired asset category were $1 million as at 31 December 2014 (31 December 2013 $2 million, 30 June 2014 $3 million).

The facilities that are reported as impaired and past due are collateralised in accordance with the Bank's credit risk management policies.

$ millions	Banking Group Residential Mortgages	Other Retail	Corporate	Total
As at 31 December 2013				
Unaudited				
Past due assets not impaired				
Less than 30 days	1,411	218	233	1,862
30 to 59 days	177	31	8	216
60 to 89 days	76	15	2	93
Over 90 days	72	20	20	112
Total past due assets not impaired	1,736	284	263	2,283
Individually impaired assets				
Balance at beginning of period	98	9	195	302
Additions	18	6	67	91
Deletions	(50)	(1)	(91)	(142)
Amounts written off	(6)	(2)	(8)	(16)
Total individually impaired assets	60	12	163	235
Other assets under administration	35	3	1	39

(1) The Residential Mortgages asset class consists of mortgages which are secured by residential properties.

Notes to the Financial Statements

For the six months ended 31 December 2014

6 Credit Quality Information for Advances to Customers (continued)

$ millions	Banking Group Residential Mortgages	Other Retail	Corporate	Total
As at 30 June 2014				
Audited				
Past due assets not impaired				
Less than 30 days	1,680	235	256	2,171
30 to 59 days	234	36	9	279
60 to 89 days	88	20	2	110
Over 90 days	74	20	7	101
Total past due assets not impaired	2,076	311	274	2,661
Individually impaired assets				
Balance at beginning of year	98	9	195	302
Additions	38	7	139	184
Deletions	(74)	(1)	(163)	(238)
Amounts written off	(11)	(5)	(14)	(30)
Total individually impaired assets	51	10	157	218
Other assets under administration	36	3	1	40

7 Provisions for Impairment Losses

$ millions	Banking Group Residential Mortgages	Other Retail	Corporate	Total
As at 31 December 2014				
Unaudited				
Collective provision				
Balance at beginning of period	**38**	**61**	**59**	**158**
Charged to Income Statement	**3**	**7**	**9**	**19**
Balance at end of period	**41**	**68**	**68**	**177**
Individually assessed provisions				
Balance at beginning of period	**11**	**2**	**27**	**40**
Add/(less):				
Charged to Income Statement:				
New provisions	**10**	**1**	**5**	**16**
Amounts recovered	**(7)**	**-**	**(6)**	**(13)**
Write-offs against individually assessed provisions	**(5)**	**(1)**	**(1)**	**(7)**
Balance at end of period	**9**	**2**	**25**	**36**
Total provisions for impairment losses	**50**	**70**	**93**	**213**
For the six months ended 31 December 2014				
Unaudited				
Impairment losses on advances				
Movement in collective provision	**3**	**7**	**9**	**19**
Movement in individually assessed provisions	**3**	**1**	**(1)**	**3**
Bad debts written off	**-**	**21**	**-**	**21**
Bad debts recovered	**(1)**	**(5)**	**-**	**(6)**
Total impairment losses on advances	**5**	**24**	**8**	**37**

Notes to the Financial Statements

For the six months ended 31 December 2014

7 Provisions for Impairment Losses (continued)

$ millions	Banking Group Residential Mortgages	Other Retail	Corporate	Total
As at 31 December 2013				
Unaudited				
Collective provision				
Balance at beginning of period	48	43	58	149
(Recovered from)/charged to Income Statement	(7)	4	7	4
Balance at end of period	41	47	65	153
Individually assessed provisions				
Balance at beginning of period	18	2	27	47
Add/(less):				
Charged to Income Statement:				
New provisions	8	4	12	24
Amounts recovered	(8)	(1)	(9)	(18)
Write-offs against individually assessed provisions	(6)	(2)	(8)	(16)
Balance at end of period	12	3	22	37
Total provisions for impairment losses	53	50	87	190
For the six months ended 31 December 2013				
Unaudited				
Impairment losses on advances				
Movement in collective provision	(7)	4	7	4
Movement in individually assessed provisions	-	3	3	6
Bad debts written off	1	15	-	16
Bad debts recovered	(1)	(4)	-	(5)
Total impairment losses on advances	(7)	18	10	21

$ millions	Banking Group Residential Mortgages	Other Retail	Corporate	Total
As at 30 June 2014				
Audited				
Collective provision				
Balance at beginning of year	48	43	58	149
(Recovered from)/charged to Income Statement	(10)	18	1	9
Balance at end of year	38	61	59	158
Individually assessed provisions				
Balance at beginning of year	18	2	27	47
Add/(less):				
Charged to Income Statement:				
New provisions	20	6	29	55
Amounts recovered	(16)	(1)	(15)	(32)
Write-offs against individually assessed provisions	(11)	(5)	(14)	(30)
Balance at end of year	11	2	27	40
Total provisions for impairment losses	49	63	86	198

Notes to the Financial Statements

For the six months ended 31 December 2014

8 Concentrations of Credit Exposures

Unaudited

The following table presents the maximum exposure to credit risk of financial assets and other credit exposures, before taking account of any collateral held or other credit enhancements unless such credit enhancements meet the offsetting criteria in NZ IAS 32.

For financial assets recognised on the Balance Sheet, the maximum exposure to credit risk equals their carrying values. Other credit exposures include irrevocable lending commitments, guarantees, standby letters of credit and other off balance sheet credit commitments. The maximum exposure to credit risk for guarantees and standby letters of credit is the maximum amount that the Banking Group would have to pay if the facilities were called upon. For irrevocable lending commitments and other credit commitments, the maximum exposure to credit risk is the full amount of the committed facilities.

Taxation assets, property, plant and equipment, intangible assets, and other assets have been excluded from the analysis, on the basis that any credit exposure is insignificant or nil.

Australian and New Zealand Standard Industrial Classification ("ANZSIC") codes have been used as the basis for disclosing customer industry sectors.

$ millions	Banking Group			
As at 31 December 2014	**Financial Assets at Amortised Cost**	**Financial Assets at Fair Value**	**Other Credit Exposures**	**Total Credit Exposures**
Concentration by industry				
Agriculture	**8,342**	**15**	**744**	**9,101**
Government and public authorities	**386**	**843**	**183**	**1,412**
Property and business services	**5,458**	**20**	**402**	**5,880**
Finance and insurance	**6,861**	**4,285**	**418**	**11,564**
Utilities	**78**	**81**	**89**	**248**
Transport and storage	**343**	**1**	**71**	**415**
Housing(1)	**38,259**	**-**	**6,208**	**44,467**
Construction	**448**	**-**	**194**	**642**
Personal	**1,487**	**-**	**2,042**	**3,529**
Other commercial and industrial	**2,915**	**17**	**1,237**	**4,169**
Total credit exposures by industry	**64,577**	**5,262**	**11,588**	**81,427**

(1) The housing sector for financial assets at amortised cost includes advances which are used for the purchase of residential properties that are owner-occupied. Advances which are used for the purchase of investment properties are included in the finance and insurance sector under financial assets at amortised cost.

$ millions	Financial Assets at Amortised Cost	Financial Assets at Fair Value	Other Credit Exposures	Total Credit Exposures
Concentration by geographic region				
Auckland	**39,055**	**138**	**6,978**	**46,171**
Rest of New Zealand	**25,081**	**3,081**	**4,610**	**32,772**
Overseas	**441**	**2,043**	**-**	**2,484**
Total credit exposures by geographic region	**64,577**	**5,262**	**11,588**	**81,427**

9 Concentration of Credit Exposures to Individual Counterparties

There was no balance date aggregate credit exposure to individual counterparties which exceeded 10% of the Banking Group's equity as at 31 December 2014. There was no peak end-of-day aggregate credit exposure to individual counterparties which exceeded 10% of the Banking Group's equity for the three months ended 31 December 2014.

The basis of calculation of the Banking Group's aggregate concentration of credit exposure to individual counterparties is the actual credit exposure. Credit exposures to the central government of any country with a long term credit rating of A- or A3 or above, or its equivalent, banks with a long term credit rating of A- or A3 or above, or its equivalent, and connected persons are excluded.

The peak end-of-day aggregate concentration of credit exposure to individual counterparties has been calculated by determining the maximum end-of-day aggregate amount of credit exposure over the relevant three-month period and then dividing that amount by the Banking Group's equity as at 31 December 2014.

10 Deposits and Other Public Borrowings

$ millions As at	Banking Group Unaudited 31-Dec-14	 Unaudited 31-Dec-13	 Audited 30-Jun-14
Certificates of deposit	**793**	84	227
Term deposits	**23,112**	21,551	21,685
On demand and short term deposits	**20,746**	19,454	19,998
Deposits not bearing interest	**2,892**	2,679	2,612
Repurchase agreements	**240**	94	145
Total deposits and other public borrowings	**47,783**	43,862	44,667

11 Debt Issues

$ millions As at	Banking Group Unaudited 31-Dec-14	 Unaudited 31-Dec-13	 Audited 30-Jun-14
Debt issues at fair value through Income Statement	**1,803**	2,753	1,312
Debt issues at amortised cost	**10,307**	8,750	9,612
Total debt issues	**12,110**	11,503	10,924
Movement in debt issues			
Balance at beginning of period	**10,924**	12,085	12,085
Issuances during the period	**3,823**	5,607	9,572
Repayments during the period	**(2,990)**	(6,110)	(10,440)
Foreign exchange and fair value movements during the period	**353**	(79)	(293)
Balance at the end of period	**12,110**	11,503	10,924

12 Contingent Liabilities

$ millions As at	Banking Group Notional Amount Unaudited 31-Dec-14	 Unaudited 31-Dec-13	 Audited 30-Jun-14
Guarantees	**119**	113	111
Standby letters of credit	**85**	82	111
Other credit facilities	**109**	97	128
Total contingent liabilities	**313**	292	350

The notional amount represents the maximum potential amount that could be lost if a counterparty fails to meet its financial obligations.

The Banking Group has other contingent liabilities in respect of actual and potential claims and proceedings. An assessment of the Banking Group's likely loss in respect of these matters has been made on a case-by-case basis and provision made in the financial statements where required by NZ GAAP. Information relating to any provision or contingent liability is not disclosed where it can be expected to prejudice seriously the position of the Banking Group.

In June 2013 a group comprising lawyers Andrew Hooker, Slater & Gordon and Litigation Lending Services (NZ) Limited announced that it had issued proceedings against ANZ Bank in relation to exception fees. The group has announced that similar proceedings will be issued against other banks, including ASB. At the date of this Disclosure Statement, no such proceedings have been issued against ASB. If proceedings are issued against ASB, any impact will be assessed at that time.

In December 2013 the Commerce Commission advised ASB that it intended to issue proceedings against ASB under the Fair Trading Act 1986 in respect of the sale of interest rate swap contracts to rural customers. On 23 December 2014 the Commission and ASB reached an agreement to resolve that matter.

Notes to the Financial Statements

For the six months ended 31 December 2014

13 Related Party Transactions and Balances

The Bank is wholly owned by ASB Holdings Limited, a company incorporated in New Zealand. The ultimate parent bank is CBA. The Commonwealth Bank Group refers to CBA and the various companies and other entities owned and controlled by CBA. The Commonwealth Bank of Australia New Zealand Life Insurance Group ("NZ Life Group") includes Colonial First State Investments (NZ) Limited group of companies, ASB Group (Life) Limited group of companies, First State Investments (NZ) Limited and up until 7 October 2014, Colonial Holding Company Limited (Branch).

Certain superannuation schemes, unit and other trusts are managed or administered by controlled subsidiaries of the Bank. The NZ Life Group similarly administers and manages certain superannuation schemes, unit and other trusts. Related party transactions and balances between these schemes and trusts, and the Banking Group are disclosed below.

During the six months ended 31 December 2014 the Banking Group has entered into, or had in place various financial transactions with members of the Commonwealth Bank Group, and other related parties. The Bank provides administrative functions to some subsidiaries and related companies for which no payments have been made. In all other cases, arrangements with related parties were conducted on an arm's length basis and on normal commercial terms, and within the Bank's approved policies. Loans to and borrowings from related parties are unsecured.

The following balances represent amounts due to and from related parties classified within cash and liquid assets, due to and due from financial institutions, deposits and other public borrowings, debt issues, other assets, other liabilities, derivative assets and derivative liabilities:

$ millions	Banking Group		
	Unaudited	Unaudited	Audited
As at	**31-Dec-14**	31-Dec-13	30-Jun-14
Commonwealth Bank Group	**3,969**	4,364	4,431
NZ Life Group	**260**	604	401
ASB Holdings Limited	**86**	39	33
Superannuation schemes and unit trusts managed or administered by controlled subsidiaries of the Bank	**447**	378	450
Superannuation schemes and unit trusts managed or administered by NZ Life Group	**4**	7	4
Total amounts due to related parties	**4,766**	5,392	5,319
Commonwealth Bank Group	**423**	347	160
NZ Life Group	**-**	5	1
Superannuation schemes and unit trusts managed or administered by controlled subsidiaries of the Bank	**-**	-	1
Total amounts due from related parties	**423**	352	162

For the six months ended 31 December 2014 interest charged on balances due to the Commonwealth Bank Group was $83 million (31 December 2013 $68 million).

Notes to the Financial Statements

For the six months ended 31 December 2014

14 Fair Value of Financial Instruments

The Banking Group's financial assets and financial liabilities are measured on an on-going basis either at fair value or amortised cost.

The fair value of a financial instrument is the price that would be received to sell a financial asset, or paid to transfer a financial liability, in an orderly transaction between market participants at the measurement date.

(a) Fair Value Hierarchy of Financial Instruments Measured at Fair Value

A significant number of financial instruments are carried on the Balance Sheet at fair value. The best evidence of fair value is a quoted market price in an active market. Therefore, where possible, fair value is based on quoted market prices. Where a quoted market price for a financial instrument is not available, its fair value is based on present value estimates or other valuation techniques based on current market conditions. These valuation techniques rely on market observable inputs wherever possible, or in a limited number of instances, rely on inputs which are unobservable but are reasonable assumptions based on market conditions.

There are three levels in the hierarchy of fair value measurements which are based on the inputs used to measure fair values:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical financial assets or financial liabilities that the Banking Group can access.
- Level 2: where quoted market prices are not available, fair values have been estimated using present value or other valuation techniques using inputs that are observable for the financial asset or financial liability, either directly or indirectly.
- Level 3: fair values are estimated using inputs that are unobservable for the financial asset or financial liability.

The Banking Group considers transfers between levels, if any, to have occurred at the end of the reporting period for which the financial statements are prepared.

The following tables present an analysis by level in the fair value hierarchy of the financial instruments that are recognised and measured at fair value on a recurring basis.

	Banking Group			
$ millions	Level 1	Level 2	Level 3	Total
As at 31 December 2014				
Unaudited				
Financial assets				
Trading securities	**351**	**911**	**-**	**1,262**
Derivative assets	**-**	**1,006**	**-**	**1,006**
Available-for-sale securities	**609**	**2,385**	**-**	**2,994**
Total financial assets measured at fair value	**960**	**4,302**	**-**	**5,262**
Financial liabilities				
Other liabilities at fair value through Income Statement	**-**	**563**	**-**	**563**
Derivative liabilities	**-**	**973**	**-**	**973**
Debt issues at fair value through Income Statement	**-**	**1,803**	**-**	**1,803**
Total financial liabilities measured at fair value	**-**	**3,339**	**-**	**3,339**
As at 31 December 2013				
Unaudited				
Financial assets				
Trading securities	24	1,264	-	1,288
Derivative assets	-	1,095	-	1,095
Available-for-sale securities	833	1,720	-	2,553
Total financial assets measured at fair value	857	4,079	-	4,936
Financial liabilities				
Other liabilities at fair value through Income Statement	6	936	-	942
Derivative liabilities	-	996	-	996
Debt issues at fair value through Income Statement	-	2,753	-	2,753
Total financial liabilities measured at fair value	6	4,685	-	4,691

Notes to the Financial Statements

For the six months ended 31 December 2014

14 Fair Value of Financial Instruments (continued)

(a) Fair Value Hierarchy of Financial Instruments Measured at Fair Value (continued)

$ millions	Banking Group Level 1	Level 2	Level 3	Total
As at 30 June 2014				
Audited				
Financial assets				
Trading securities	16	932	-	948
Derivative assets	-	854	-	854
Available-for-sale securities	615	2,090	-	2,705
Total financial assets measured at fair value	631	3,876	-	4,507
Financial liabilities				
Other liabilities at fair value through Income Statement	6	1,217	-	1,223
Derivative liabilities	-	1,058	-	1,058
Debt issues at fair value through Income Statement	-	1,312	-	1,312
Total financial liabilities measured at fair value	6	3,587	-	3,593

The Banking Group determines the valuation of financial instruments classified in level 2 as follows:

Derivative Assets and Derivative Liabilities
The fair values are obtained from market yields and discounted cash flow models or option pricing models as appropriate.

Trading Securities, Available-for-Sale Securities, Other Liabilities at Fair Value through Income Statement and Debt Issues at Fair Value through Income Statement
The fair values are estimated using present value or other market acceptable valuation techniques, using methods or assumptions that are based on observable market conditions and risks existing as at balance date.

(b) Fair Value of Financial Instruments Not Measured at Fair Value

The following table compares the carrying values of financial instruments not measured at fair value with their estimated fair values.

	Banking Group					
	Unaudited 31-Dec-14		Unaudited 31-Dec-13		Audited 30-Jun-14	
$ millions	**Fair Value**	**Carrying Value**	Fair Value	Carrying Value	Fair Value	Carrying Value
Financial assets						
Cash and liquid assets	**1,627**	**1,627**	2,198	2,198	1,778	1,778
Due from financial institutions	**301**	**301**	252	252	310	310
Advances to customers	**62,523**	**62,649**	59,211	59,297	60,469	60,664
Other assets	**217**	**217**	313	313	675	675
Total	**64,668**	**64,794**	61,974	62,060	63,232	63,427
Financial liabilities						
Deposits and other public borrowings	**47,848**	**47,783**	43,914	43,862	44,705	44,667
Due to financial institutions	**3,210**	**3,215**	4,338	4,345	4,372	4,377
Other liabilities	**502**	**502**	505	505	575	575
Debt issues at amortised cost	**10,374**	**10,307**	8,816	8,750	9,673	9,612
Loan capital	**419**	**405**	-	-	403	390
Total	**62,353**	**62,212**	57,573	57,462	59,728	59,621

15 Capital Adequacy

Unaudited

The Banking Group is subject to regulation by the RBNZ. The RBNZ has set minimum regulatory capital requirements for New Zealand registered banks that are consistent with the internationally agreed framework developed by the Basel Committee on Banking Supervision, commonly known as Basel III. These requirements define what is acceptable as capital and provide for methods of measuring the risks incurred by the Banking Group.

The Banking Group must comply with RBNZ minimum capital adequacy ratios under the Bank's Conditions of Registration. These conditions of registration require capital adequacy ratios for the Banking Group to be calculated in accordance with the RBNZ document *Capital Adequacy Framework (Internal Models Based Approach)* (BS2B) dated October 2014. The Banking Group is accredited by the RBNZ to adopt the internal ratings based ("IRB") approach for calculating regulatory capital requirements.

During the reporting period the Banking Group complied with all of the RBNZ capital requirements to which it is subject.

$ millions **As at 31 December 2014**	**Banking Group**
Capital under Basel III IRB approach	
Tier one capital	
Common equity tier one capital	
Issued and fully paid-up ordinary share capital	**2,273**
Retained earnings	**2,180**
Accumulated other comprehensive income and other disclosed reserves	**(29)**
Deductions from common equity tier one capital:	
Goodwill and other intangible assets	**(162)**
Deferred taxation asset	**(84)**
Cash flow hedge reserve	**39**
Excess of expected loss over eligible allowance for impairment	**(121)**
Total common equity tier one capital	**4,096**
Additional tier one capital	
Perpetual fully paid-up non-cumulative preference shares (classified as shareholders' equity)(1)	**440**
Total additional tier one capital	**440**
Total tier one capital	**4,536**
Tier two capital	
Loan capital	**400**
Asset revaluation reserve	**25**
Foreign currency translation reserve	**1**
Total tier two capital	**426**
Total capital	**4,962**

	Banking Group		**Bank**	
As at	**31-Dec-14**	31-Dec-13	**31-Dec-14**	31-Dec-13
Capital ratios				
Common equity tier one capital ratio	**9.9%**	11.1%	**9.9%**	11.1%
Tier one capital ratio	**11.0%**	12.4%	**11.0%**	12.4%
Total capital ratio	**12.0%**	12.5%	**12.0%**	12.5%
Buffer ratio	**4.0%**	4.5%	**4.0%**	4.5%
Minimum ratio requirement				
Common equity tier one capital ratio	**4.5%**	4.5%	**4.5%**	4.5%
Tier one capital ratio	**6.0%**	6.0%	**6.0%**	6.0%
Total capital ratio	**8.0%**	8.0%	**8.0%**	8.0%
Buffer ratio(2)	**2.5%**	N/A	**2.5%**	N/A

(1) This instrument is subject to phase-out from additional tier one capital in accordance with BS2B. The phase-out will take place over five years, with the percentage of the instrument that qualifies as additional tier one capital declining by 20% per calendar year, commencing 1 January 2014 and ending 1 January 2018.

(2) Effective 1 January 2014, the Bank became subject to a minimum capital conservation buffer of 2.5% of RWE. This imposes constraints on the Bank's ability to distribute earnings should the buffer ratio fall below the minimum.

15 Capital Adequacy (continued)

Unaudited

$ millions	Banking Group		
As at 31 December 2014	**Total Exposure(1)**	**RWE(2)**	**Capital Requirement**
Capital requirements			
Total credit risk	**81,928**	**36,036**	**2,882**
Operational risk	**N/A**	**3,463**	**277**
Market risk	**N/A**	**1,684**	**135**
Total capital requirement		**41,183**	**3,294**

(1) Total exposure is after credit risk mitigation.
(2) RWE is risk-weighted exposures or implied risk-weighted exposures.

Capital Structure

Ordinary Shares

All ordinary shares have equal voting rights and share equally in dividends and any profit on winding up, after the obligations to holders of the Bank's perpetual preference shares ("PPS") are satisfied. Dividends are declared, subject in all cases, to the applicable directors' resolutions being passed.

Perpetual Preference Shares

The Bank issued 200,000,000 of 2006 Series 1 PPS and 350,000,000 of Series 2 PPS. The PPS have no fixed term, are non-redeemable and carry limited voting rights. Dividends are payable quarterly in arrears, are non-cumulative and payable at the discretion of the Directors.

The dividend payable on the 2006 Series 1 PPS is based on the one year swap rate plus a margin of 1.3%. Rates are reset annually on 15 November or the succeeding business day. The rate was reset on 17 November 2014 to 5.04% per annum. The next dividend reset date is 16 November 2015.

The dividend payable on the 2006 Series 2 PPS is based on the one year swap rate plus a margin of 1.0%. Rates are reset annually on 15 May or the succeeding business day. The rate was reset on 15 May 2014 to 4.62% per annum. The next dividend reset date is 15 May 2015.

In the event of the liquidation of the Bank, payment of the issue price and cumulative dividends on the PPS ranks:

- before all rights of ordinary shareholders;
- after all rights of holders of shares of the Bank other than ordinary or preference shares; and
- after all rights of creditors of the Bank.

Loan Capital

On 17 April 2014, the Bank issued subordinated and unsecured debt securities ("Notes") with a face value of $400 million. The Notes meet the criteria for tier 2 capital designation under the Bank's and CBA's regulatory capital requirements and are classified as financial liabilities under NZ IAS 32. The Notes will mature on 15 June 2024 but subject to certain conditions, the Bank has the right to redeem all or some of the Notes on any interest payment date on or after 15 June 2019 (call option date). At any time, the Bank may redeem all the Notes for tax or regulatory reasons. The Notes bear an interest rate of 6.65% which is fixed for five years and will be reset if the Notes are not redeemed on or before the call option date. Payment of interest is quarterly in arrears and is subject to the Bank remaining solvent and the Banking Group being solvent immediately after such payment is made.

If a non-viability trigger event ("NVTE") occurs, some or all of the Notes will automatically and immediately be exchanged for CBA ordinary shares. A NVTE occurs when, among other circumstances:

- the RBNZ has reasonable grounds to believe that the Bank is insolvent or likely to become insolvent and directs the Bank to convert or write down a class of capital instruments that includes Notes of a specified aggregate amount; or
- APRA notifies CBA that it believes an exchange of some or all Notes is necessary because without it CBA would become non-viable.

If the Notes are not able to be exchanged, or the exchange is not effective, within five business days, the rights of the holders will be terminated.

In conjunction with the issuance of the Notes, the Bank also entered into a related agreement with ASB Holdings Limited and CBA on 13 March 2014. This related agreement includes a requirement for the Bank to issue to ASB Holdings Limited, upon the occurrence of a NVTE, a variable number of shares, for a consideration equivalent to the Notes exchanged into CBA shares.

Available-for-Sale Reserve

The available-for-sale reserve includes the cumulative net change in the fair value of available-for-sale financial assets until the investment is derecognised or impaired.

Asset Revaluation Reserve

The asset revaluation reserve relates to revaluation gains on land and buildings carried at valuation, except that to the extent that the gain reverses a revaluation loss on the same asset previously recognised in the Income Statement, the gain is recognised in the Income Statement.

Foreign Currency Translation Reserve

The foreign currency translation reserve comprises exchange differences arising on translation of foreign currency assets and liabilities of an overseas subsidiary.

15 Capital Adequacy (continued)

Unaudited

As at 31 December 2014	Banking Group					
PD Grade	Weighted Average PD	Exposure Amount $ millions	Exposure Weighted LGD	Exposure Weighted Risk Weight	Risk Weighted Exposures[1] $ millions	Minimum Capital Requirement $ millions
Credit risk exposures subject to the IRB approach by exposure class						
Sovereign exposures						
Less than and including 0.03%	0.02%	2,407	47%	5%	123	10
Over 0.03% up to and including 0.05%	-	-	-	-	-	-
Over 0.05% up to and including 0.07%	-	-	-	-	-	-
Over 0.07% up to and including 0.26%	-	-	-	-	-	-
Over 0.26% up to and including 99.99%	-	-	-	-	-	-
Default PD grade	100.00%	-	-	-	-	-
Total sovereign exposures	0.02%	2,407	47%	5%	123	10
Bank exposures						
Less than and including 0.03%	0.03%	664	61%	24%	170	14
Over 0.03% up to and including 0.05%	0.03%	3,030	50%	16%	520	42
Over 0.05% up to and including 0.07%	0.07%	587	38%	19%	120	10
Over 0.07% up to and including 0.26%	0.11%	43	62%	51%	24	2
Over 0.26% up to and including 99.99%	0.40%	2	51%	100%	2	-
Default PD grade	100.00%	-	-	-	-	-
Total bank exposures	0.04%	4,326	50%	18%	836	68
Exposures secured by residential mortgages						
Less than and including 0.50%	0.34%	19,805	22%	15%	3,180	254
Over 0.50% up to and including 0.85%	0.69%	17,624	24%	28%	5,280	422
Over 0.85% up to and including 3.26%	1.42%	10,445	25%	46%	5,096	408
Over 3.26% up to and including 7.76%	5.20%	163	27%	106%	183	15
Over 7.76% up to and including 99.99%	19.00%	693	25%	132%	971	78
Default PD grade	100.00%	184	27%	-	-	-
Total exposures secured by residential mortgages	1.35%	48,914	24%	28%	14,710	1,177
Other retail exposures						
Less than and including 0.50%	-	-	-	-	-	-
Over 0.50% up to and including 0.85%	0.83%	530	95%	89%	498	40
Over 0.85% up to and including 3.26%	1.67%	1,858	95%	114%	2,237	179
Over 3.26% up to and including 7.76%	3.76%	209	92%	133%	293	23
Over 7.76% up to and including 99.99%	26.93%	14	93%	229%	34	3
Default PD grade	100.00%	8	89%	-	-	-
Total other retail exposures	2.11%	2,619	94%	110%	3,062	245
Corporate exposures - small and medium enterprises						
Less than and including 0.20%	0.12%	812	49%	27%	232	19
Over 0.20% up to and including 0.50%	0.33%	1,982	31%	35%	733	59
Over 0.50% up to and including 1.00%	0.70%	5,673	32%	52%	3,131	250
Over 1.00% up to and including 2.30%	1.50%	6,147	31%	66%	4,274	342
Over 2.30% up to and including 99.99%	4.91%	2,274	30%	87%	2,102	168
Default PD grade	100.00%	170	40%	354%	637	51
Total corporate exposures - small and medium enterprises	2.47%	17,058	32%	61%	11,109	889
Other corporate exposures						
Less than and including 0.20%	0.10%	608	54%	30%	195	16
Over 0.20% up to and including 0.50%	0.30%	283	53%	52%	155	12
Over 0.50% up to and including 1.00%	0.70%	608	47%	72%	466	37
Over 1.00% up to and including 2.30%	1.30%	159	44%	89%	151	12
Over 2.30% up to and including 99.99%	3.20%	83	48%	122%	106	8
Default PD grade	100.00%	27	37%	104%	30	2
Total other corporate exposures	2.12%	1,768	50%	59%	1,103	87

(1) Risk-weighted exposures include a scalar of 1.06 in accordance with the Bank's Conditions of Registration.

15 Capital Adequacy (continued)

Unaudited

Included in the tables on the previous page are the following off balance sheet exposures:

$ millions	Banking Group			
	Undrawn Commitments and Other Off Balance Sheet Amounts		Market Related Contracts	
As at 31 December 2014	Value	EAD	Value	EAD
Bank exposures	294	294	95,819	601
Exposures secured by residential mortgages	6,423	6,567	-	-
Other retail exposures	1,752	1,720	-	-
Corporate exposures - small and medium enterprises	2,040	2,053	2,607	63
Other corporate exposures	596	597	1,581	54
	11,105	11,231	100,007	718

$ millions	Banking Group					
LVR Range	0%-60%	60.1%-70%	70.1%-80%	80.1%-90%	90.1%-100%	Total
Residential mortgages by loan-to-valuation ratio ("LVR")						
On balance sheet exposures	11,321	7,801	15,033	5,472	2,720	42,347
Off balance sheet exposures	2,742	1,275	1,954	277	319	6,567
Total value of exposures	14,063	9,076	16,987	5,749	3,039	48,914
Expressed as a percentage of total exposures	28.7%	18.6%	34.7%	11.8%	6.2%	100.0%

Exposures included in the LVR calculation are residential mortgages subject to the IRB approach, including commitments to lend. The valuation used in the calculation of each LVR is based on the valuation of the associated residential property at the date of loan origination. On balance sheet and off balance sheet exposures for which no LVR information is available are included in the greater than 90% range.

$ millions	
As at 31 December 2014	Banking Group
Reconciliation of mortgage-related amounts	
Housing loans (refer to note 8)	44,467
Add/(less):	
Housing loans to other retail and corporate customers	(2,293)
Residential mortgages in advances to customers (refer to note 5)	42,174
Add/(less):	
Off balance sheet exposures	6,567
EAD adjustments	260
Unamortised loan establishment fees	(87)
Residential mortgages in LVR disclosure	48,914

15 Capital Adequacy (continued)

Unaudited

As at 31 December 2014 Balance Sheet Exposures Subject to the Slotting Approach	Banking Group Total Exposure after Credit Risk Mitigation $ millions	Risk Weight	Risk Weighted Exposures(1) $ millions	Minimum Pillar One Capital Requirement $ millions
Specialised lending				
Strong	90	70%	67	5
Good	236	90%	226	18
Satisfactory	17	111%	20	2
Weak	-	-	1	-
	343		314	25

As at 31 December 2014 Off Balance Sheet Exposures Subject to the Slotting Approach	Banking Group EAD $ millions	Average Risk Weight	Risk Weighted Exposures(1) $ millions	Minimum Pillar One Capital Requirement $ millions
Undrawn commitments	6	94%	6	-
Other off balance sheet exposures	4	71%	3	-
	10		9	-

As at 31 December 2014 Balance Sheet Exposures	Banking Group Total Exposure after Credit Risk Mitigation $ millions	Average Risk Weight	Risk Weighted Exposures(1) $ millions	Minimum Pillar One Capital Requirement $ millions
Credit risk exposures subject to the standardised approach				
Cash	153	-	-	-
Residential mortgages	13	36%	5	-
Other assets	4,150	100%	4,399	352
Total balance sheet exposures	4,316		4,404	352

As at 31 December 2014 Off Balance Sheet Exposures Subject to the Standardised Approach	Total Exposure or Principal Amount $ millions	Average Credit Conversion Factor	Banking Group Credit Equivalent Amount $ millions	Average Risk Weight	Risk Weighted Exposures(1) $ millions	Minimum Pillar One Capital Requirement $ millions
Undrawn commitments	87	100%	87	92%	85	7
Other off balance sheet exposures	63	100%	63	100%	67	5
Market related contracts	8	100%	8	100%	8	1
Total off balance sheet exposures subject to the standardised approach	158		158		160	13

(1) Risk-weighted exposures include a scalar of 1.06 in accordance with the Bank's Conditions of Registration.

15 Capital Adequacy (continued)

Unaudited

$ millions As at 31 December 2014	Banking Group Total Exposure after Credit Risk Mitigation	Total Risk Weighted Exposures	Capital Requirement
Total credit risk			
Exposures subject to the IRB approach	**77,092**	**30,943**	**2,476**
Specialised lending subject to the slotting approach	**353**	**323**	**25**
Exposures subject to the standardised approach	**4,474**	**4,564**	**365**
Credit valuation adjustment	**-**	**206**	**16**
Qualifying central counterparties	**9**	**-**	**-**
Total credit risk	**81,928**	**36,036**	**2,882**

Exposures Subject to the IRB Approach

Sovereign exposures	Exposures to the Crown; RBNZ; specified multilateral development banks; any other sovereign or its central bank.
Bank exposures	Exposures to banks and local authorities.
Secured by residential mortgages	Home lending fully or partially secured by residential property.
Other retail exposures	Personal credit cards.
Corporate exposures	Other corporate exposures - clients where turnover exceeds $50 million; small and medium enterprises ("SME") - clients where turnover is less than $50 million and group exposure exceeds $1 million.

Exposures Subject to the Slotting Approach

Specialised lending	Project finance; income-producing real estate.

Exposures Subject to the Standardised Approach

Secured by residential mortgages	A small non-scored home loan portfolio.
Other assets	SME where group exposure is less than $1 million, other personal lending, and all other assets not falling within any other asset class.

Credit Risk Mitigation

The Banking Group assesses the integrity and ability of debtors or counterparties to meet their contracted financial obligations for repayment. Collateral security in the form of real property or a security interest in personal property is generally taken for business credit except for major government, bank and corporate counterparties of strong financial standing. Longer term consumer finance (e.g. housing loans) is generally secured against real estate while short term revolving consumer credit is generally unsecured.

As at 31 December 2014 none of the credit risk exposures subject to the standardised approach are covered by eligible financial collateral (i.e. cash, debt securities or equity securities). Across all portfolios, no exposures are covered by credit derivatives. Information on the total value of exposures covered by financial guarantees is not disclosed, as the effect of these guarantees on the underlying credit risk exposures is not considered to be material.

Operational Risk

The advanced measurement approach has been implemented to determine capital requirements for operational risk.

The implied risk-weighted exposure for operational risk as at 31 December 2014 was $3,463 million (31 December 2013 $3,475 million).

The total operational risk capital requirement as at 31 December 2014 was $277 million (31 December 2013 $278 million).

15 Capital Adequacy (continued)

Unaudited

Market Risk Capital Charges

The Banking Group's aggregate market risk exposure is derived in accordance with the RBNZ documents *Capital Adequacy Framework (Internal Models Based Approach)* (BS2B) and *Market Risk Guidance Notes* (BS6). The peak end-of-day exposure is derived by taking the highest market exposure over the six months ended 31 December 2014.

Interest rate risk and foreign exchange risk are calculated on a daily basis. Equity risk is calculated on a monthly basis (on the last working day of the month). For each category, the peak end-of-day market risk exposure may not have occurred at the same time.

$ millions	Banking Group			
Exposures as at 31 December 2014	**Interest Rate Risk**	**Foreign Currency Risk**	**Equity Risk**	**Total**
Implied risk-weighted exposure	**1,677**	**7**	**-**	**1,684**
Aggregate capital charge	**134**	**1**	**-**	**135**

$ millions	Banking Group			
Peak Exposures for the six months ended 31 December 2014	**Interest Rate Risk**	**Foreign Currency Risk**	**Equity Risk**	**Total**
Implied risk-weighted exposure	**2,159**	**67**	**4**	**2,230**
Aggregate capital charge	**173**	**5**	**-**	**178**

Capital for Other Material Risks

The Banking Group has an internal capital adequacy assessment process ("ICAAP") which complies with the requirements set out in the RBNZ document *Guidelines on a Bank's Internal Capital Adequacy Assessment Process ("ICAAP")* (BS12) in accordance with the Bank's Conditions of Registration. The Board is responsible for ensuring that the Banking Group has adequate overall capital in relation to its risk profile.

Under RBNZ rules, a bank that is a member of a wider banking group may base its approach on group wide-methodologies. The Banking Group, as a member of the wider CBA banking group, has based its ICAAP processes on that of CBA, after taking account of New Zealand and Bank conditions.

The Banking Group's ICAAP is a documented process that describes not only the risk appetite and tolerances of the Banking Group, but also the levels of capital held against these risks, including credit, market, operational, strategic, and fixed asset risks. As at 31 December 2014 and during the comparative periods shown, the Banking Group held actual capital at significant levels above the regulatory capital requirements (refer to Basel III capital ratios on page 18).

The Banking Group's ICAAP is reviewed on a regular basis by senior management before annual approval by the Board, and the process includes consideration of stress tests and future strategic requirements.

As at 31 December 2014, internal capital allocations of $281 million (31 December 2013 $243 million) had been made for other material risks including strategic risk and fixed asset risk.

Capital Adequacy of Ultimate Parent Bank and Ultimate Parent Banking Group

The ultimate parent bank of the Banking Group is CBA. The ultimate parent banking group is CBA and the various companies and other entities owned and controlled by CBA.

The ultimate parent banking group is accredited to use the advanced internal ratings based approach ("AIRB") for credit risk and the advanced measurement approach ("AMA") for operational risk, which have been adopted in the calculation of the ultimate parent banking group's risk-weighted exposures.

The ultimate parent banking group adopted the Basel III measurement of regulatory capital effective from 1 January 2013. The APRA prudential standards require a minimum common equity tier one ("CET1") ratio of 4.5% effective 1 January 2013. An additional CET1 capital conservation buffer of 2.5% will be implemented on 1 January 2016, bringing the minimum CET1 requirement to 7%.

The ultimate parent banking group is required to disclose capital adequacy information on a quarterly and a semi-annual basis. This information is made available to users via the ultimate parent bank's website (www.commbank.com.au).

The ultimate parent banking group is required by APRA to hold minimum capital specified under the Basel III (AIRB) approach. As at 31 December 2014 the minimum capital requirements were met (31 December 2013 minimum capital requirements under the Basel III (AIRB) approach were met).

	Ultimate Parent Bank		Ultimate Parent Banking Group	
As at	**31-Dec-14**	31-Dec-13	**31-Dec-14**	31-Dec-13
Common equity tier one capital ratio	**9.1%**	8.3%	**9.2%**	8.5%
Tier one capital ratio	**11.5%**	10.3%	**11.6%**	10.6%
Total capital ratio	**12.5%**	11.2%	**12.7%**	11.4%

Notes to the Financial Statements

For the six months ended 31 December 2014

16 Insurance Business, Marketing and Distribution of Insurance Products

The Banking Group does not conduct any insurance business. However, general and life insurance products are marketed through the Bank's retail network. The life insurance products are underwritten by Sovereign Assurance Company Limited, a wholly owned subsidiary of ASB Group (Life) Limited.

17 Changes in the Composition of the Banking Group during the Reporting Period

ASB Smart Cards Limited and Kiwi Home Loans (NZ) Limited (subsidiaries of the Bank), were removed from the New Zealand Companies Register on 20 October 2014 and 1 December 2014 respectively. These removals had no impact on the consolidated financial statements of the Banking Group.

18 Financial Reporting by Operating Segments

Unaudited

	Banking Group				
$ millions	Retail and Business Banking	Corporate, Commercial and Rural	Wealth and Insurance	Other	Total
Income Statement					
For the six months ended 31 December 2014					
Net interest earnings	**546**	**276**	**7**	**21**	**850**
Other income/(expense)	**115**	**49**	**73**	**(35)**	**202**
Total operating income/(expense)	**661**	**325**	**80**	**(14)**	**1,052**
Impairment losses on advances	**28**	**9**	**-**	**-**	**37**
Segment operating expenses (excluding impairment losses)	**232**	**116**	**43**	**7**	**398**
Segment net profit/(loss) before taxation	**401**	**200**	**37**	**(21)**	**617**
Taxation	**112**	**56**	**10**	**(5)**	**173**
Segment net profit/(loss) after taxation	**289**	**144**	**27**	**(16)**	**444**
Balance Sheet					
As at 31 December 2014					
Total assets	**42,912**	**22,070**	**158**	**5,411**	**70,551**
Total liabilities	**32,056**	**13,100**	**257**	**20,138**	**65,551**

	Banking Group				
$ millions	Retail and Business Banking	Corporate, Commercial and Rural	Wealth and Insurance	Other	Total
Income Statement					
For the six months ended 31 December 2013					
Net interest earnings	516	225	5	25	771
Other income/(expense)	110	53	67	(17)	213
Total operating income	626	278	72	8	984
Impairment losses on advances	9	12	-	-	21
Segment operating expenses (excluding impairment losses)	223	108	45	11	387
Segment net profit/(loss) before taxation	394	158	27	(3)	576
Taxation	109	44	8	(1)	160
Segment net profit/(loss) after taxation	285	114	19	(2)	416
Balance Sheet					
As at 31 December 2013					
Total assets	41,778	20,772	177	4,795	67,522
Total liabilities	29,656	12,843	289	19,365	62,153

18 Financial Reporting by Operating Segments (continued)

Unaudited

Retail and Business Banking: The Retail and Business Banking segment provides services to private individuals and small business customers. In addition, net income is attributed to this segment for the distribution of wealth management products through the retail distribution network.

Corporate, Commercial and Rural: The Corporate, Commercial and Rural segment provides services to corporate, commercial and rural customers. It also comprises the Bank's financial markets activities, including financial instruments trading and sales of financial instruments to customers.

Wealth and Insurance: The Wealth and Insurance segment provides securities, investment and insurance services to customers.

Other primarily includes:

- business units that do not meet the definition of operating segments under NZ IFRS 8 *Operating Segments,* including the Bank's Treasury function and other functions that supply strategic support and services to the segments;
- elimination entries on consolidation of the results, assets and liabilities of the Banking Group's controlled entities in the preparation of the consolidated financial statements of the Banking Group; and
- results of certain business units excluded for management reporting purposes, but included within the consolidated financial statements of the Banking Group for statutory reporting purposes. This includes a portion of the former Institutional Banking and Markets segment which has been allocated to CBA as a consequence of disestablishing ASB Institutional (an unincorporated joint venture between the Bank and CBA). The remaining portion of the Institutional Banking and Markets segment has been merged with the Commercial and Rural Banking segment to form the Corporate, Commercial and Rural segment.

Operating income in each segment includes transfer pricing adjustments to reflect inter-segment funding arrangements. Inter-segment pricing is determined on an arm's length basis. Inter-segment transactions are eliminated for the purposes of reporting the consolidated Banking Group's results and are included in the Other segment.

The Banking Group operates predominantly in the banking industry within New Zealand. The Banking Group has very limited exposure to risks associated with operating in different economic environments or political conditions in other countries. On this basis no geographical segment information is provided.

19 Interest Rate Repricing Schedule

Unaudited

The following tables include the Banking Group's assets and liabilities at their carrying amounts, categorised by the earlier of contractual repricing or maturity dates. The carrying amounts of derivative financial instruments, which are principally used to reduce the Banking Group's exposure to interest rate movements, are included under the heading "Non-interest Bearing".

$ millions	Banking Group						
As at 31 December 2014	Up to 3 Months	Over 3 Months and up to 6 Months	Over 6 Months and up to 1 Year	Over 1 Year and up to 2 Years	Over 2 Years	Non-interest Bearing	Total
Assets							
Cash and liquid assets	1,347	-	-	-	-	280	1,627
Due from financial institutions	301	-	-	-	-	-	301
Trading securities	1,186	2	-	-	74	-	1,262
Derivative assets	-	-	-	-	-	1,006	1,006
Available-for-sale securities	715	612	91	116	1,460	-	2,994
Advances to customers	30,014	4,632	7,170	13,121	7,831	(119)	62,649
Other assets	-	-	-	-	-	712	712
Total assets	33,563	5,246	7,261	13,237	9,365	1,879	70,551
Liabilities							
Deposits and other public borrowings	30,308	6,271	5,482	1,606	1,224	2,892	47,783
Due to financial institutions	3,188	22	5	-	-	-	3,215
Other liabilities at fair value through Income Statement	563	-	-	-	-	-	563
Derivative liabilities	-	-	-	-	-	973	973
Other liabilities	-	-	-	-	-	502	502
Debt issues:							
At fair value through Income Statement	1,381	422	-	-	-	-	1,803
At amortised cost	5,930	-	243	261	3,789	84	10,307
Loan capital	-	-	-	-	400	5	405
Total liabilities	41,370	6,715	5,730	1,867	5,413	4,456	65,551
Net derivative notionals	11,271	602	(391)	(10,651)	(831)		
Interest rate sensitivity gap	3,464	(867)	1,140	719	3,121	(2,577)	5,000

20 Qualifying Liquid Assets

Unaudited

The Banking Group held the following qualifying liquid assets for the purpose of managing liquidity risk:

$ millions	Banking Group						
As at 31 December 2014	Cash and Liquid Assets	Available for Sale Securities	Trading Securities	Advances to Customers	Deposits and Other Public Borrowings(1)	Other Assets	Total
Cash	288	-	-	-	-	-	288
Call deposits with the central bank	747	-	-	-	-	-	747
Local authority securities	-	91	83	-	-	2	176
New Zealand government securities	592	609	52	-	(240)	7	1,020
Corporate bonds	-	351	-	-	-	6	357
RBNZ bills	-	-	299	-	-	-	299
Bank bills	-	-	826	-	-	-	826
Kauri bonds	-	1,290	2	-	-	18	1,310
Other securities	-	653	-	-	-	3	656
Residential mortgage-backed securities	-	-	-	2,822	-	-	2,822
Total qualifying liquid assets	1,627	2,994	1,262	2,822	(240)	36	8,501

(1) Repurchase agreements are combined with the qualifying liquid assets detailed above for the purposes of managing and reporting liquidity risk.

21 Maturity Analysis for Undiscounted Contractual Cash Flows

Unaudited

The tables on the following pages present the Banking Group's cash flows by remaining contractual maturities as at balance date. The amounts disclosed in the tables are the contractual undiscounted cash flows and include principal and future interest cash flows, and therefore will not agree to the carrying values on the Balance Sheet.

Actual cash flows may differ significantly from the contractual cash flows presented below as a result of future actions of the Banking Group and its counterparties, such as early repayments or refinancing of term loans.

The majority of the longer term advances to customers are housing loans which are likely to be repaid earlier than their contractual terms. Deposits and other public borrowings include substantial customer savings deposits and cheque accounts, which are at call. History demonstrates that such accounts provide a stable source of long term funding for the Banking Group. It should be noted that the Banking Group does not manage its liquidity risk on the basis of the information below.

$ millions	Banking Group							
As at 31 December 2014	**On Demand**	**Within 6 Months**	**Between 6-12 Months**	**Between 1-2 Years**	**Between 2-5 Years**	**Over 5 Years**	**Total**	**Carrying Value**
Non-derivative financial assets								
Cash and liquid assets	1,035	594	-	-	-	-	1,629	1,627
Due from financial institutions	157	144	-	-	-	-	301	301
Trading securities	-	1,173	1	28	70	3	1,275	1,262
Available-for-sale securities	-	775	195	465	1,694	70	3,199	2,994
Advances to customers	1,160	8,394	2,528	5,679	12,310	60,804	90,875	62,649
Other assets	-	217	-	-	-	-	217	217
Total non-derivative financial assets	2,352	11,297	2,724	6,172	14,074	60,877	97,496	69,050
Derivative financial assets								
Inflows from derivatives	-	2,433	1,448	474	1,987	196	6,538	
Outflows from derivatives	-	(1,739)	(1,399)	(485)	(1,932)	(203)	(5,758)	
	-	694	49	(11)	55	(7)	780	
Non-derivative financial liabilities								
Deposits and other public borrowings	23,638	16,082	5,455	1,670	1,257	-	48,102	47,783
Due to financial institutions	456	1,394	16	1,397	-	-	3,263	3,215
Other liabilities at fair value through Income Statement	-	569	-	-	-	-	569	563
Other liabilities	28	413	60	-	1	-	502	502
Debt issues:								
At fair value through Income Statement	-	1,805	-	-	-	-	1,805	1,803
At amortised cost	-	1,476	2,019	866	5,233	1,076	10,670	10,307
Loan capital	-	13	13	27	434	-	487	405
Total non-derivative financial liabilities	24,122	21,752	7,563	3,960	6,925	1,076	65,398	64,578
Derivative financial liabilities								
Inflows from derivatives	-	519	1,389	863	4,061	5	6,837	
Outflows from derivatives	-	(1,175)	(1,514)	(1,067)	(4,380)	(5)	(8,141)	
	-	(656)	(125)	(204)	(319)	-	(1,304)	
Off balance sheet items								
Lending commitments	10,682	46	51	106	376	14	11,275	
Guarantees	85	3	4	6	11	10	119	
Other contingent liabilities	188	1	1	2	2	-	194	
Total off balance sheet items	10,955	50	56	114	389	24	11,588	

22 Concentrations of Funding

Unaudited

The following tables present the Banking Group's concentrations of funding, which are reported by industry and geographic region.

ANZSIC codes have been used as the basis for disclosing industry sectors.

$ millions **As at**	**Banking Group** **31-Dec-14**
Total funding comprises:	
Deposits and other public borrowings	**47,783**
Due to financial institutions	**3,215**
Other liabilities at fair value through Income Statement	**563**
Debt issues:	
At fair value through Income Statement	**1,803**
At amortised cost	**10,307**
Loan capital	**405**
Total funding	**64,076**
Concentration by industry	
Agricultural, forestry and fishing	**855**
Government and public authorities	**1,777**
Property and business services	**4,721**
Finance and insurance	**18,886**
Utilities	**210**
Transport and storage	**709**
Personal	**33,295**
Other commercial and industrial	**3,623**
Total funding by industry	**64,076**
Concentration by geographic region	
New Zealand	**51,157**
Overseas	**12,919**
Total funding by geographic region	**64,076**

23 Events after the Reporting Period

On 3 February 2015 the Directors resolved to pay perpetual preference dividends of $2 million (0.91 cents per share) and $3 million (0.83 cents per share) on its Series 1 and Series 2 perpetual preference shares, respectively, on 16 February 2015.

On 3 February 2015 the Directors resolved to pay ordinary dividends of $400 million, being 17.79 cents per share, on 26 March 2015.

There were no other events subsequent to the reporting period which would materially affect the financial statements.

Directors' Statement

After due enquiry by the Directors, it is each Director's opinion that for the six months ended 31 December 2014:

- the Bank complied with the Conditions of Registration imposed by the Reserve Bank of New Zealand under section 74 of the Reserve Bank of New Zealand Act 1989;
- credit exposures to connected persons were not contrary to the interests of the Banking Group; and
- the Bank had systems in place to adequately monitor and control the Banking Group's credit risk, concentration of credit risk, interest rate risk, currency risk, equity risk, liquidity risk, operational risk and other material business risks and that those systems are being properly applied.

After due enquiry by the Directors, it is each Director's opinion that as at the date of this Disclosure Statement:

- the Disclosure Statement contains all the information required by the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended); and
- the Disclosure Statement is not false or misleading.

The Disclosure Statement is signed by or on behalf of all the Directors.

G.R. Walker S.R.S. Blair B.J. Chapman

M.B. Coomer J.L. Freeman J.P. Hartley

C.M. McDowell R.M. Spaans

11 February 2015

Independent Review Report

To the shareholder of ASB Bank Limited

Report on the Financial Statements

We have reviewed pages 4 to 29 of the half year Disclosure Statement of ASB Bank Limited (the "Bank"), which includes the group financial statements required by Clause 25 of the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (the "Order") and the supplementary information required by Schedules 5, 7, 11, 13, 16 and 18 of the Order. The group financial statements comprise the balance sheet as at 31 December 2014, the income statement, the statement of comprehensive income, the statement of changes in equity and the condensed cash flow statement for the six months then ended, and the notes to the financial statements that include the statement of accounting policies and selected explanatory information for the Banking Group. The Banking Group comprises the Bank and the entities it controlled at 31 December 2014 or from time to time during the period.

Directors' Responsibility for the Financial Statements

The Directors of the Bank (the "Directors") are responsible for the preparation and fair presentation of the half year Disclosure Statement, which includes group financial statements prepared in accordance with Clause 25 of the Order and for such internal controls as the Directors determine are necessary to enable the preparation of the half year Disclosure Statement that is free from material misstatement, whether due to fraud or error.

In addition, the Directors are responsible for including information in the half year Disclosure Statement which complies with Schedules 3, 5, 7, 11, 13, 16 and 18 of the Order.

Our Responsibility

Our responsibility is to express a conclusion on the accompanying group financial statements and the supplementary information, disclosed in accordance with Clause 25 and Schedules 5, 7, 11, 13, 16 and 18 of the Order, presented by the Directors based on our review.

Our responsibility is to express a conclusion on the group financial statements (excluding the supplementary information) whether, in our opinion on the basis of the procedures performed by us, anything has come to our attention that would cause us to believe that the financial statements have not been prepared, in all material respects, in accordance with New Zealand Equivalent to International Accounting Standard 34: *Interim Financial Reporting*.

Our responsibility is to express a conclusion on the supplementary information (excluding the supplementary information relating to capital adequacy) whether, in our opinion on the basis of the procedures performed by us, anything has come to our attention that would cause us to believe that the supplementary information does not fairly state the matters to which it relates in accordance with Schedules 5, 7, 13, 16 and 18 of the Order.

Our responsibility is to express a conclusion on the supplementary information relating to capital adequacy whether, in our opinion on the basis of the procedures performed by us, anything has come to our attention that would cause us to believe that the supplementary information is not, in all material respects:

(a) prepared in accordance with the Bank's Conditions of Registration;

(b) prepared in accordance with the Bank's internal models for credit risk and operational risk as accredited by the Reserve Bank of New Zealand; and

(c) disclosed in accordance with Schedule 11 of the Order.

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Independent Review Report (continued)

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410: *Review of Financial Statements Performed by the Independent Auditor of the Entity* ("NZ SRE 2410"). As the auditor of the Bank, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly we do not express an audit opinion on this half year Disclosure Statement.

We carry out other assignments on behalf of the Banking Group for audit-related services relating to funds managed by the Banking Group and for other assurance and advisory services. Appropriate safeguards were applied to reduce the threats to independence from the provision of other services to an acceptable level. The provision of these other services has not impaired our independence as auditors of the Bank and the Banking Group. In addition, certain partners and employees of our firm may deal with the Bank and the Banking Group on normal terms within the ordinary course of trading activities of the Bank and the Banking Group.

Conclusion

Based on our review nothing has come to our attention that causes us to believe that:

(a) the group financial statements on pages 4 to 29 (excluding the supplementary information), which have been prepared in all material respects in accordance with New Zealand Equivalent to International Accounting Standard 34: *Interim Financial Reporting*, do not present fairly the financial position of the Banking Group as at 31 December 2014 and its financial performance and cash flows for the six months ended on that date; and

(b) the supplementary information prescribed by Schedules 5, 7, 13, 16 and 18 of the Order, does not fairly state the matters to which it relates in accordance with those Schedules; and

(c) the supplementary information relating to capital adequacy prescribed by Schedule 11 of the Order is not, in all material respects:

i. prepared in accordance with the Bank's Conditions of Registration;

ii. prepared in accordance with the Bank's internal models for credit risk and operational risk as accredited by the Reserve Bank of New Zealand; and

iii. disclosed in accordance with Schedule 11 of the Order.

Restriction on Use of Our Report

This report is made solely to the Bank's shareholder. Our review work has been undertaken so that we might state to the Bank's shareholder those matters which we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bank and the Bank's shareholder for our review procedures, for this report or for the opinions we have formed.

PricewaterhouseCoopers

Chartered Accountants　　　　Auckland

11 February 2015