

BNZ Banking Group¹ unaudited summary financial information for the financial year ended 30 September 2017

Income Statement Summary

For the year ended 30 September 2017

	Sep 17 NZ \$m	Sep 16 NZ \$m	Sep 17 v Sep 16 %
Net interest income	1,794	1,757	2.1%
Gains less losses on financial instruments	118	106	11.3%
Other operating income	403	406	(0.7%)
Total operating income	2,315	2,269	2.0%
Operating expenses	932	889	4.8%
Total operating profit before impairment losses on credit exposures and income tax expense	1,383	1,380	0.2%
Impairment losses on credit exposures	83	120	(30.8%)
Total operating profit before income tax expense	1,300	1,260	3.2%
Income tax expense on operating profit	363	347	4.6%
Net profit attributable to shareholders of Bank of New Zealand	937	913	2.6%

Condensed Balance Sheet

As at 30 September 2017

	Sep 17 NZ \$m	Sep 16 NZ \$m	Sep 17 v Sep 16 %
Assets			
Cash and liquid assets	2,209	2,450	(9.8%)
Due from central banks and other institutions	2,244	1,648	36.2%
Trading securities	5,778	4,703	22.9%
Derivative financial instruments	3,805	7,319	(48.0%)
Loans and advances to customers	79,441	74,378	6.8%
Other assets	1,838	2,043	(10.0%)
Total assets	95,315	92,541	3.0%
Liabilities			
Due to central banks and other institutions	1,594	1,244	28.1%
Derivative financial instruments	3,219	7,786	(58.7%)
Deposits and other borrowings	59,912	57,511	4.2%
Bonds and notes	20,157	16,723	20.5%
Other liabilities	3,492	2,272	53.7%
Total liabilities	88,374	85,536	3.3%
Total shareholders' equity	6,941	7,005	(0.9%)
Capital Adequacy Ratios²	Basel III	Basel III	
Common Equity Tier One capital ratio	10.65%	10.21%	44 bps
Tier One capital ratio	12.14%	10.54%	160 bps
Total qualifying capital ratio	13.36%	12.04%	132 bps
Buffer ratio	5.36%	4.04%	132 bps

¹ "Banking Group" means 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.

² Based on the RBNZ's Capital Adequacy Framework.