

# Australian major banks' half year results 2022

The only certainty  
is uncertainty



# Australian major banks' half year results 1H22

|   | ANZ        |                  |             | CBA        |                  |               | NAB      |                  |             | WBC      |                  |               | TOTAL (\$) OR AVERAGE (%) |                  |               |
|---|------------|------------------|-------------|------------|------------------|---------------|----------|------------------|-------------|----------|------------------|---------------|---------------------------|------------------|---------------|
|   | 1H22       | PCP <sup>1</sup> | Chg         | 1H22       | PCP <sup>1</sup> | Chg           | 1H22     | PCP <sup>1</sup> | Chg         | 1H22     | PCP <sup>1</sup> | Chg           | 1H22                      | PCP <sup>1</sup> | % Chg         |
| <b>profit and loss</b>                        |            |                  |             |            |                  |               |          |                  |             |          |                  |               |                           |                  |               |
| <b>PROFIT AND LOSS</b>                        |            |                  |             |            |                  |               |          |                  |             |          |                  |               |                           |                  |               |
| NIM (Cash Basis)                              | 1.58 %     | 1.63 %           | - 5 bps ↓   | 1.92 %     | 2.06 %           | - 14 bps ↓    | 1.63 %   | 1.74 %           | - 11 bps ↓  | 1.85 %   | 2.09 %           | - 24 bps ↓    | 1.75 %                    | 1.88 %           | - 14 bps ↓    |
| Cash earnings (Post Tax)                      | 3.11 bn    | 2.99 bn          | 4.0 % ↑     | 4.75 bn    | 3.87 bn          | 22.7 % ↑      | 3.48 bn  | 3.34 bn          | 4.2 % ↑     | 3.10 bn  | 3.54 bn          | - 12.4 % ↓    | 14.44 bn                  | 13.74 bn         | 5.1 % ↑       |
| Stat Profit (Post Tax)                        | 3.54 bn    | 2.95 bn          | 20.0 % ↑    | 4.74 bn    | 3.76 bn          | 26.1 % ↑      | 3.57 bn  | 3.23 bn          | 10.5 % ↑    | 3.28 bn  | 3.44 bn          | - 4.7 % ↓     | 15.13 bn                  | 13.38 bn         | 13.1 % ↑      |
| Operating Expense (Statutory)                 | 4.79 bn    | 4.48 bn          | 6.9 % ↑     | 5.69 bn    | 5.65 bn          | 0.7 % ↑       | 4.07 bn  | 3.86 bn          | 5.4 % ↑     | 5.37 bn  | 6.00 bn          | - 10.5 % ↓    | 4.98 bn                   | 5.00 bn          | - 0.4 % ↓     |
| ROE (Cash Basis)                              | 10.0 %     | 9.7 %            | 30 bps ↑    | 12.3 %     | 10.5 %           | 180 bps ↑     | 11.3 %   | 11.1 %           | 20 bps ↑    | 8.7 %    | 10.2 %           | - 150 bps ↓   | 10.6 %                    | 10.4 %           | 20 bps ↑      |
| Cost to income (Statutory)                    | 50.2 %     | 53.6 %           | - 340 bps ↓ | 46.4 %     | 47.5 %           | - 110 bps ↓   | 44.9 %   | 46.8 %           | - 190 bps ↓ | 52.5 %   | 56.1 %           | - 360 bps ↓   | 48.5 %                    | 51.0 %           | - 250 bps ↓   |
| Impairment charges / (write-back) (Statutory) | (0.28) bn  | (0.49) bn        | - 42.9 % ↑  | (0.08) bn  | 0.88 bn          | - 109.1 % ↓   | 0.00 bn  | (0.13) bn        | - 100.0 % ↑ | 0.14 bn  | (0.37) bn        | - 137.8 % ↑   | (0.22) bn                 | (0.11) bn        | 100.0 % ↓     |
| <b>balance sheet</b>                          |            |                  |             |            |                  |               |          |                  |             |          |                  |               |                           |                  |               |
| <b>BALANCE SHEET</b>                          |            |                  |             |            |                  |               |          |                  |             |          |                  |               |                           |                  |               |
| Total Assets                                  | 1,017.4 bn | 978.9 bn         | 3.9 % ↑     | 1,149.8 bn | 1,092.0 bn       | 5.3 % ↑       | 975.9 bn | 926.0 bn         | 5.4 % ↑     | 964.7 bn | 935.9 bn         | 3.1 % ↑       | 4,108 bn                  | 3,933 bn         | 4.4 % ↑       |
| Deposits (Statutory)                          | 780.3 bn   | 743.1 bn         | 5.0 % ↑     | 815.1 bn   | 766.4 bn         | 6.4 % ↑       | 660.7 bn | 611.6 bn         | 8.0 % ↑     | 645.6 bn | 627.0 bn         | 3.0 % ↑       | 2,902 bn                  | 2,748 bn         | 5.6 % ↑       |
| <b>asset quality</b>                          |            |                  |             |            |                  |               |          |                  |             |          |                  |               |                           |                  |               |
| <b>ASSET QUALITY</b>                          |            |                  |             |            |                  |               |          |                  |             |          |                  |               |                           |                  |               |
| Gross loans & advances (Statutory)            | 654.0 bn   | 632.8 bn         | 3.4 % ↑     | 850.5 bn   | 818.3 bn         | 3.9 % ↑       | 659.7 bn | 629.1 bn         | 4.9 % ↑     | 723.8 bn | 714.4 bn         | 1.3 % ↑       | 2,888 bn                  | 2,795 bn         | 3.3 % ↑       |
| Total Provisions                              | 4.39 bn    | 4.88 bn          | - 10.0 % ↓  | 5.85 bn    | 6.21 bn          | - 5.8 % ↓     | 5.03 bn  | 5.17 bn          | - 2.7 % ↓   | 4.68 bn  | 5.00 bn          | - 6.4 % ↓     | 19.95 bn                  | 21.26 bn         | - 6.2 % ↓     |
| CP as % CRWA                                  | 1.08 %     | 1.22 %           | - 14 bps ↓  | 1.30 %     | 1.39 %           | - 9 bps ↓     | 1.31 %   | 1.35 %           | - 4 bps ↓   | 1.16 %   | 1.17 %           | - 1 bps ↓     | 1.21 %                    | 1.28 %           | - 7 bps ↓     |
| <b>capital</b>                                |            |                  |             |            |                  |               |          |                  |             |          |                  |               |                           |                  |               |
| <b>CAPITAL</b>                                |            |                  |             |            |                  |               |          |                  |             |          |                  |               |                           |                  |               |
| Tier 1  | 13.20 %    | 14.30 %          | - 110 bps ↓ | 14.00 %    | 15.70 %          | - 170 bps ↓   | 14.07 %  | 14.64 %          | - 57 bps ↓  | 13.41 %  | 14.65 %          | - 124 bps ↓   | 13.67 %                   | 14.82 %          | - 115 bps ↓   |
| Total Capital                                 | 16.60 %    | 18.40 %          | - 180 bps ↓ | 18.00 %    | 19.80 %          | - 180 bps ↓   | 18.55 %  | 18.91 %          | - 36 bps ↓  | 17.71 %  | 18.86 %          | - 115 bps ↓   | 17.72 %                   | 18.99 %          | - 128 bps ↓   |
| Total Equity (Includes NCI)                   | 61.76 bn   | 63.68 bn         | - 3.0 % ↓   | 74.66 bn   | 78.69 bn         | - 5.1 % ↓     | 61.03 bn | 62.78 bn         | - 2.8 % ↓   | 70.33 bn | 72.09 bn         | - 2.4 % ↓     | 267.8 bn                  | 277.2 bn         | - 3.4 % ↓     |
| Dividend pay-out (Cash Basis)                 | 64.60 %    | 63.30 %          | 130 bps ↑   | 61.62 %    | 73.40 %          | - 1,178 bps ↓ | 68.30 %  | 68.60 %          | - 30 bps ↓  | 69.01 %  | 121.28 %         | - 5,227 bps ↓ | 65.88 %                   | 81.65 %          | - 1,576 bps ↓ |

1. The prior comparative period (PCP) relates to the half year (1H21) for earnings based measures in profit and loss section. PCP relates to last half year 2H21 for non-earnings based measures in balance sheet, asset quality and capital sections.

2. Results above are on a continuing operations basis.

3. The cost to income result is calculated by EY as Operating Expense (Statutory) over Operating Income (Statutory). The cost to Income reported by the big 4 banks is typically reported on a cash basis.

Source: EY Analysis