

Results Presentation

FOR THE FULL YEAR ENDED 30 JUNE 2014

CommonwealthBank



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IAN NAREV
CHIEF EXECUTIVE OFFICER

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Disclaimer

The material that follows is a presentation of general background information about the Group's activities current at the date of the presentation, 13 August 2014. It is information given in summary form and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor.

Cash Profit

The Management Discussion and Analysis discloses the net profit after tax on both a 'statutory basis' and a 'cash basis'. The statutory basis is prepared in accordance with the Corporations Act 2001 and the Australian Accounting Standards, which comply with International Financial Reporting Standards (IFRS). The cash basis is management's preferred measure of the Group's financial performance, as the non-cash items tend to be non-recurring in nature or are not considered representative of the Group's ongoing financial performance. The impact of these items, such as hedging and IFRS volatility, is treated consistently with prior period disclosures and do not discriminate between positive and negative adjustments. A list of items excluded from statutory profit is provided in the reconciliation of the net profit after tax ("cash basis") on page 3 of the Profit Announcement (PA) and described in greater detail on page 15 of the PA and can be accessed at our website:

<http://www.commbank.com.au/about-us/shareholders/financial-information/results/>

Agenda

Ian Narev, CEO – Company Update

David Craig, CFO – Financial Overview

Ian Narev, CEO – Outlook and Summary

Questions and Answers

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Our vision and values

Vision

To excel at securing and enhancing the financial wellbeing of people, businesses and communities

Values

Integrity: Have the courage to do and say what's right

Collaboration: Listen and work as one inclusive team

Excellence: Do your best

Accountability: Take ownership and follow up

Service: Help others



Overview

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- ◆ Consistent strategic focus driving growth:
 - Engaged people committed to customer service
 - Productivity driving service, efficiency and reinvestment
 - Leading technology creating innovative solutions
 - Strength – being there for our customers
- ◆ Continuing NPAT, ROE, EPS and DPS growth with all divisions contributing
- ◆ Significant upside remains in the strategy



Continuing growth

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	Jun 14	Jun 14 vs Jun 13
Statutory Profit (\$m)	8,631	13%
Cash NPAT (\$m)	8,680	12%
ROE – Cash (%)	18.7	50 bpts
Cash Earnings per Share (\$)	5.36	11%
Dividend per Share (\$)	4.01	10%



Additional information

Business Units

		FY14 vs FY13					
Business Unit ¹	% of Group NPAT	Operating Income	Costs	Operating Performance	LIE	Cash NPAT	Cost-to-Income Jun 14
RBS	40%	9%	4%	12%	6%	12%	36%
BPB	18%	2%	2%	2%	(10%)	4%	37%
IB&M	14%	4%	9%	1%	(60%)	5%	35%
Wealth ²	9%	9%	9%	10%	n/a	17%	67%
NZ ³	9%	9%	4%	12%	-	13%	42%
BWA	8%	2%	(3%)	7%	(91%)	21%	45%
IFS	1%	1%	11%	(14%)	(13%)	(22%)	66%

1 Excludes Corporate Centre and Other

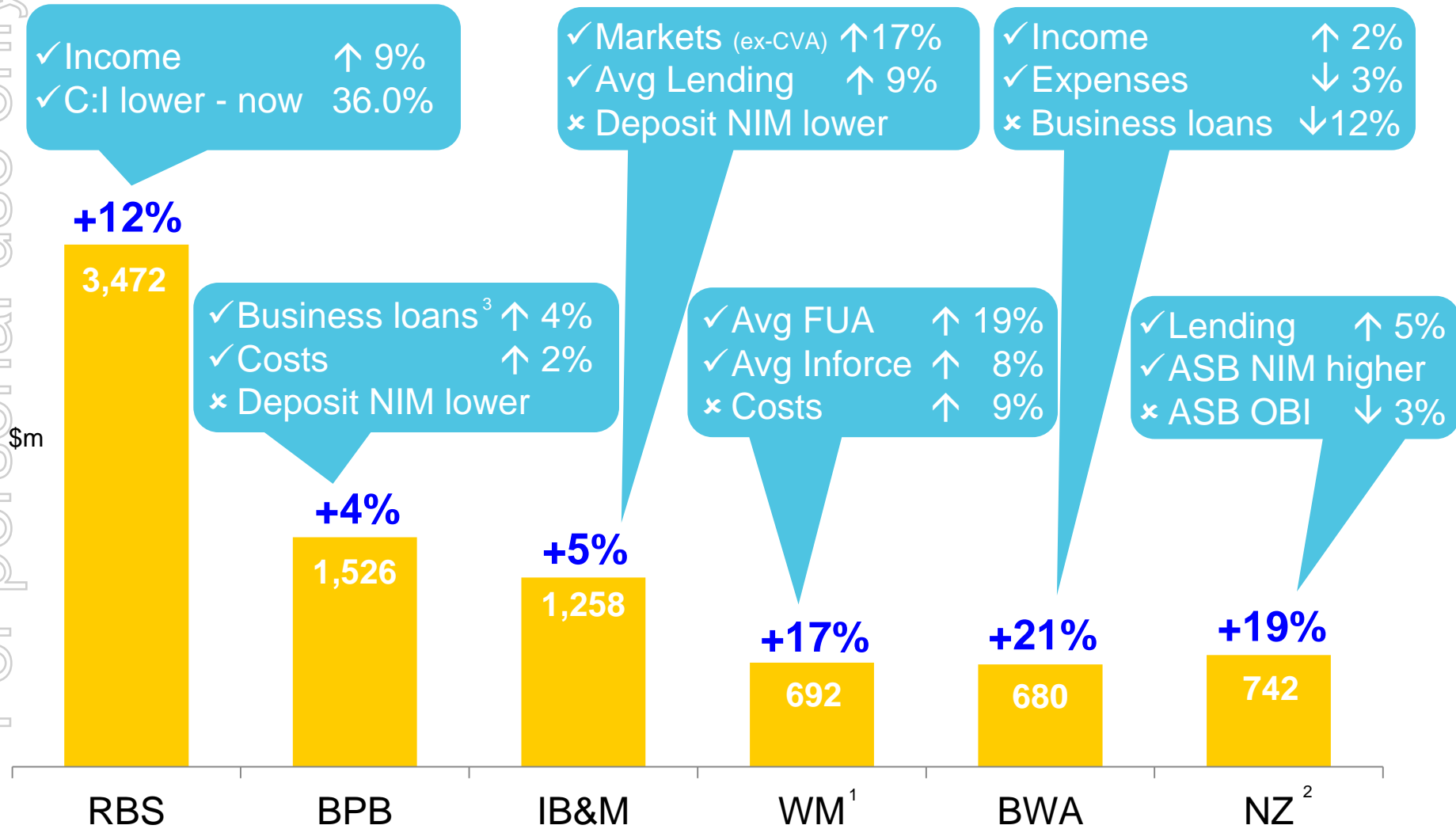
2 All figures except for "% of Group NPAT" exclude the contribution from the Property transactions and businesses

3 NZ result in NZD except for "% of Group NPAT", which is in AUD

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All divisions contributing

Cash NPAT FY14



1 Excluding Property
 2 NZ result in AUD, performance metrics in NZD
 3 Source: RBA

Additional information

Market Share¹

%	Jun 14	Dec 13	Jun 13
Home loans	25.3	25.3	25.3
Credit cards – RBA ²	24.9	24.7	24.4
Other household lending ³	18.8	18.2	16.9
Household deposits ⁴	28.6	28.6	28.8
Retail deposits ⁵	25.4	25.4	25.5
Business lending – RBA	17.8	18.0	18.0
Business lending - APRA	18.9	19.1	19.1
Business deposits – APRA	22.1	21.2	21.7
Asset finance	13.2	13.3	13.3
Equities trading	5.2	5.1	5.2
Australian Retail – administrator view ⁶	15.8	15.7	15.7
FirstChoice Platform ⁶	11.5	11.4	11.5
Australia life insurance (total risk) ⁶	12.5	12.9	13.1
Australia life insurance (individual risk) ⁶	12.5	12.7	12.9
NZ home loans	21.9	22.1	22.3
NZ retail deposits	20.6	20.4	20.1
NZ business lending	11.0	10.6	10.4
NZ retail FUA	16.1	17.0	16.7
NZ annual inforce premiums	29.1	29.4	29.5

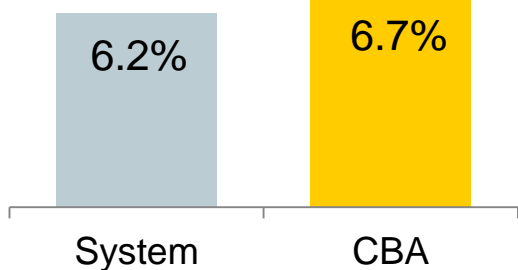
¹ Prior periods have been restated in line with market updates. ² As at 31 May 2014. ³ Other household lending market share includes personal loans, margin loans and other forms of lending to individuals. In the current period, certain revolving credit products were reclassified from Home loans to Other household lending, resulting in the increase in this category. ⁴ Comparatives have not been restated to include the impact of new market entrants in the current period. ⁵ In accordance with RBA guidelines, these measures include some products relating to both the retail and corporate segments. ⁶ As at 31 March 2014

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Volume growth continues¹

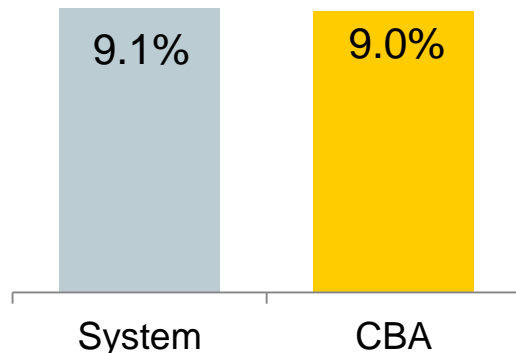
Home Lending

Balance Growth



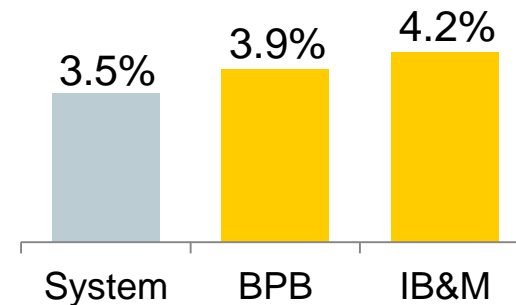
Household Deposits

Balance Growth



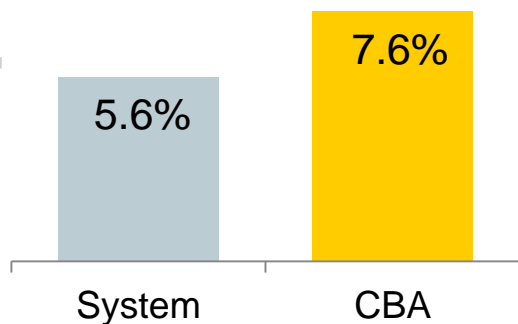
Business Lending

Balance Growth



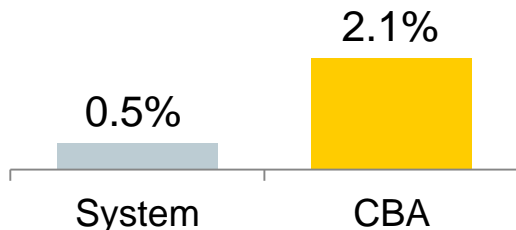
Business Deposits

Balance Growth



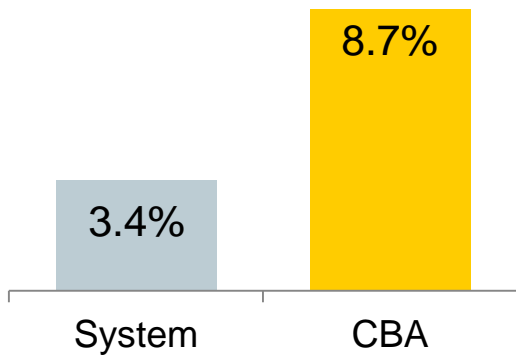
Credit Cards

Balance Growth



ASB

Business & Rural Balance Growth



¹ Spot balance growth 12 months to Jun 14. Source RBA/APRA/RBNZ. CBA includes BWA except RBA Business Lending. Business Lending is RBA. Business Deposits is APRA NFC. Home lending growth based on adjusted Jun 13 position reflecting product migrations in the period.

Customer Focus

Capabilities

People



Productivity



Technology



Strength



Growth Opportunities

“One CommBank”

Continued growth in business and institutional banking

Disciplined capability-led growth outside Australia



TSR Outperformance

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Consistent strategy

People and Culture

Engaged people committed to customer service

Productivity

Improved efficiency enabling better service and reinvestment

Technology

Leading technology, innovative solutions

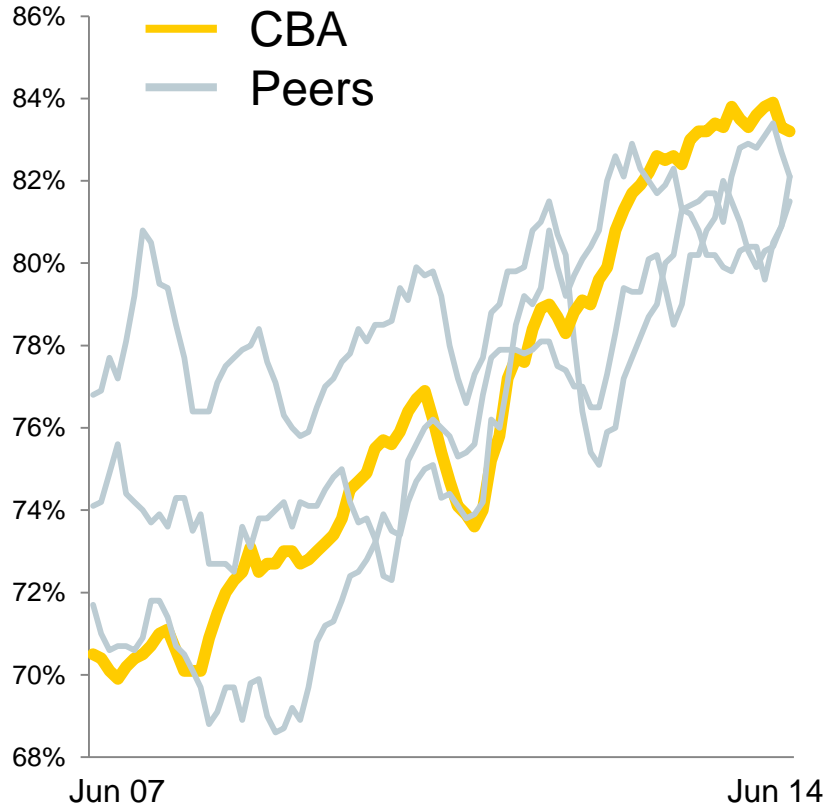
Strength

Supporting our customers - strong balance sheet, capital and funding

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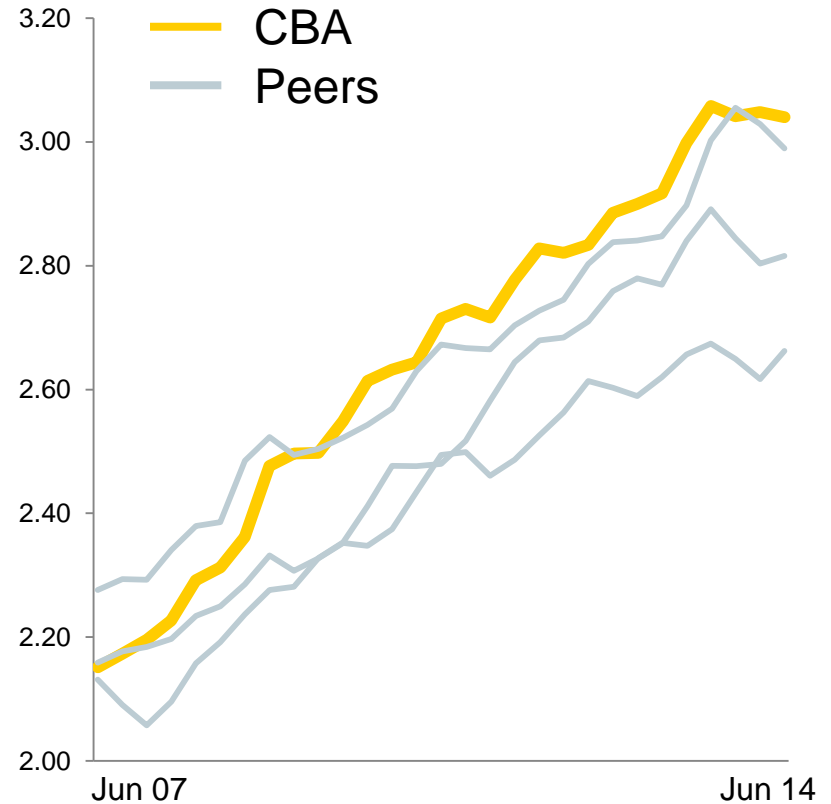


Retail Customer Satisfaction¹



% Satisfied ('Very Satisfied' or 'Fairly Satisfied')¹

Needs met per Customer²



Average Number of Banking and Finance Products held by Customers 18+ (at the Financial Institution)²

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Long term focus on customers

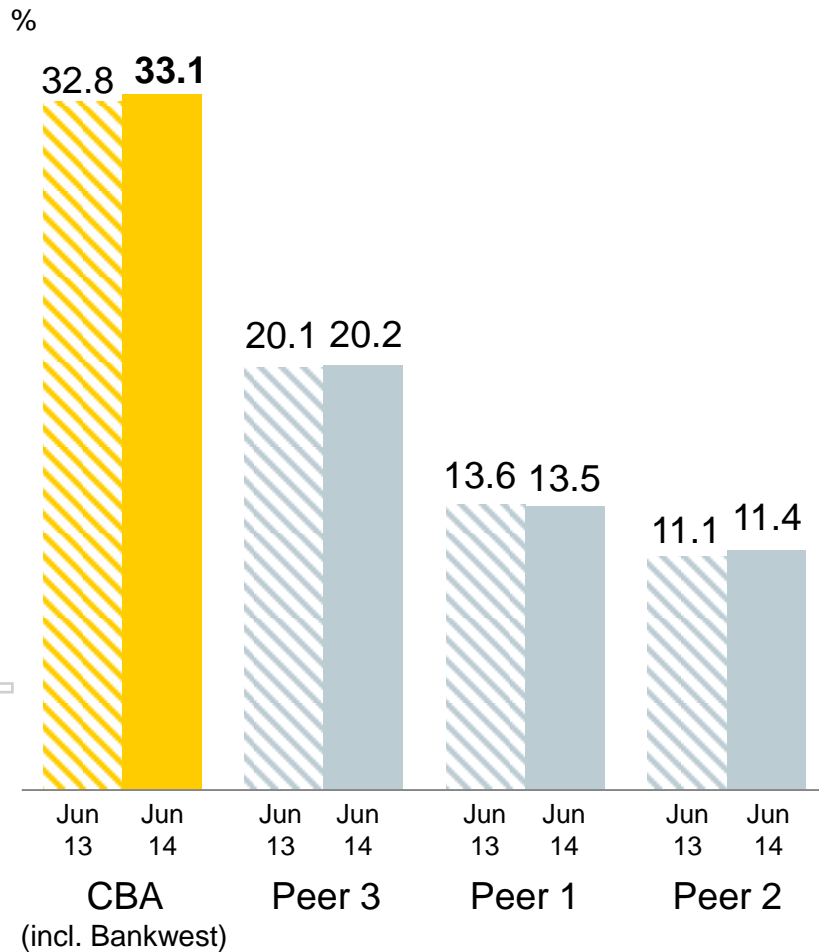
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Area	Measure	CBA Rank
Retail	Roy Morgan Research ¹	1 st
Business	DBM ⁴	=1 st
Wealth	Wealth Insights ⁶	1 st
IFS (PT Bank Commonwealth)	MRI – Foreign Banks ⁷	1 st

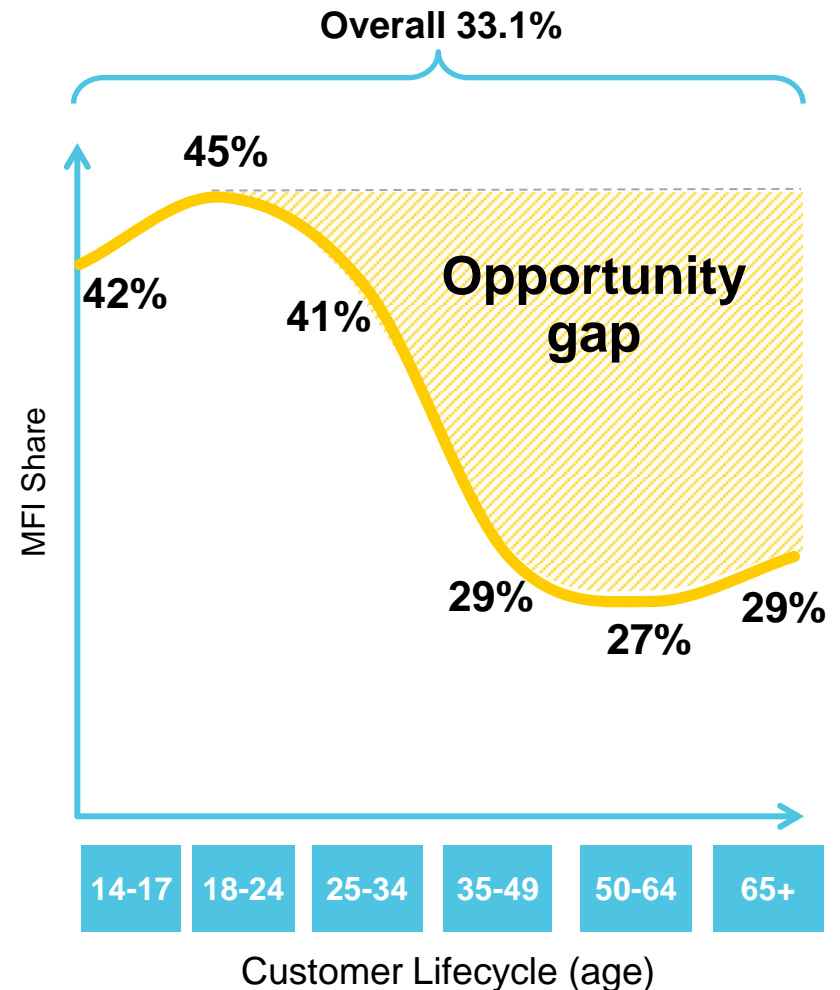
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Further significant upside

MFI share³



CBA MFI share by age³



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Productivity culture

Local efficiency rather than offshoring

Capability

- 94% of staff trained in productivity habits

Qualifications

- Certification of key staff in Lean and Six Sigma

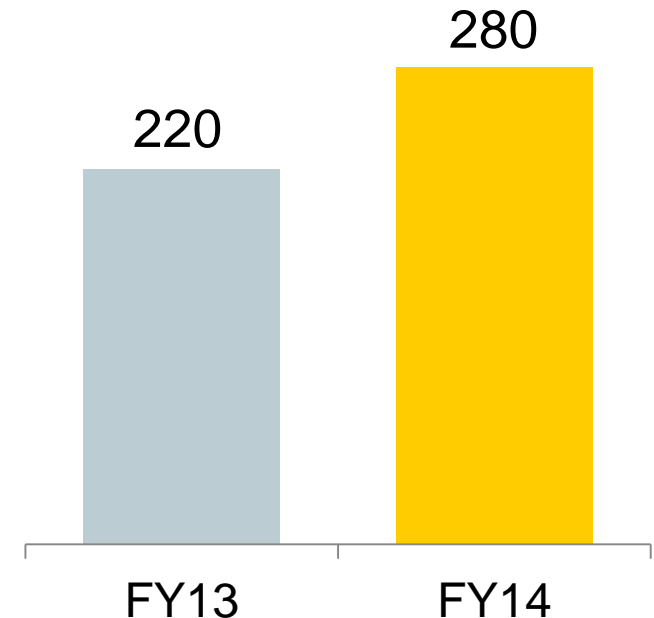
Team Focus

- Visual Management Boards bringing process improvement to life

Continuous Improvement

- A Group-wide focus

Productivity Savings (\$m)

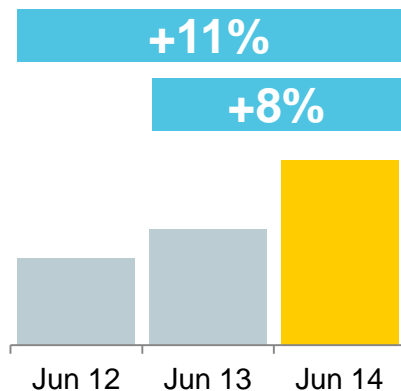


Additional information

Productivity Metrics

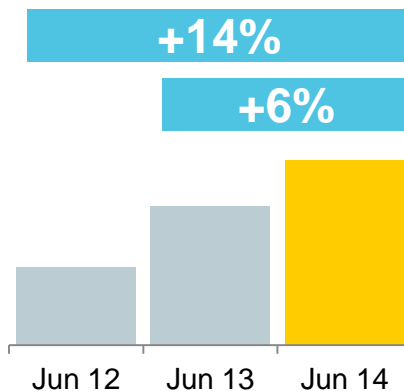
Customer Service

Telling transactions per CSR per week



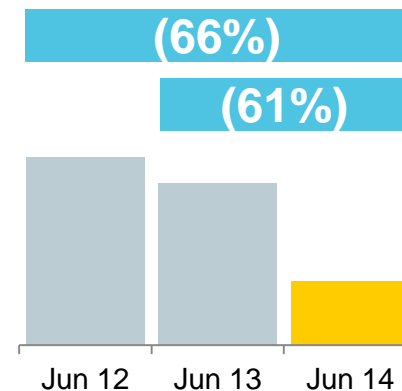
Personal Loans

% funded same day



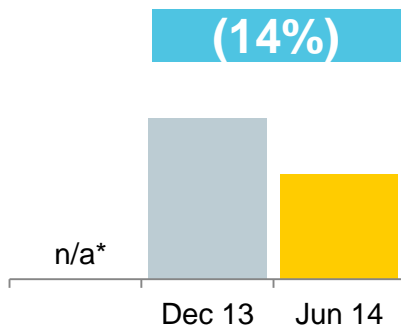
Asset Finance

Credit approval time (minutes)



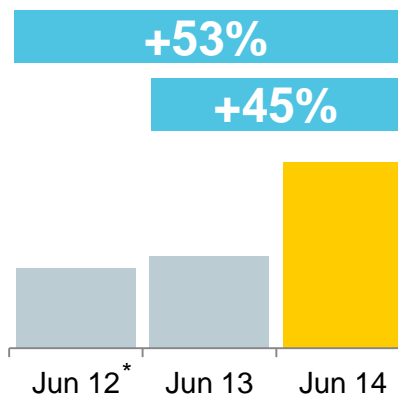
Home Insurance

Claims turnaround time (days)



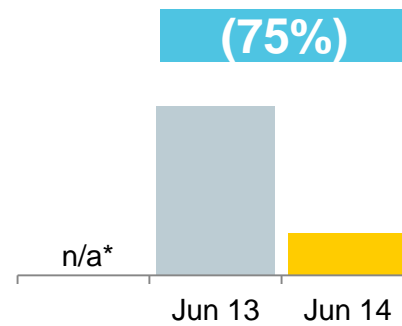
Intelligent Deposit Machines

Transaction volume



HomeSeeker Loans

Conditional approval time (days)



* Commenced Dec 13

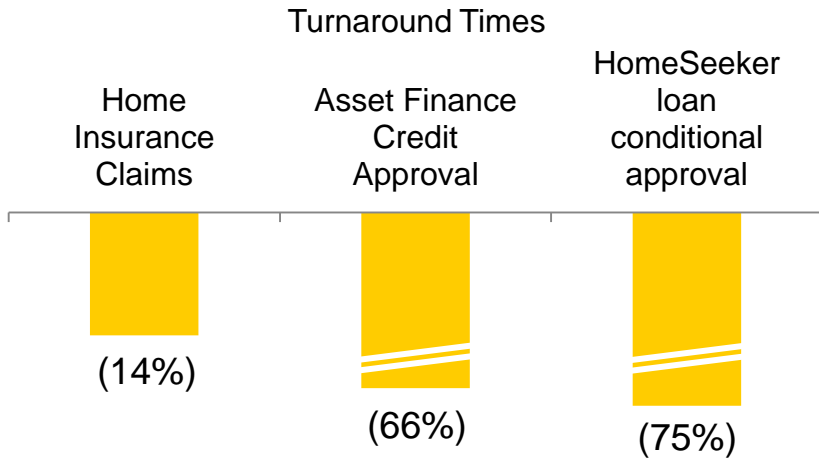
* First Intelligent deposit machine installed May 2012

* Commenced Jun 13

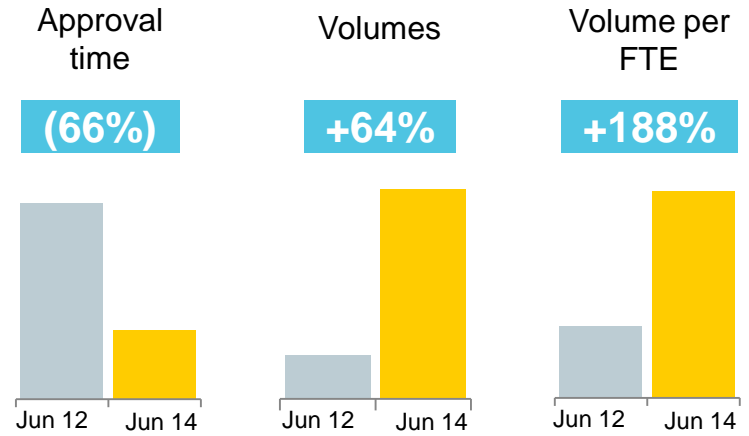


Service, efficiency, reinvestment

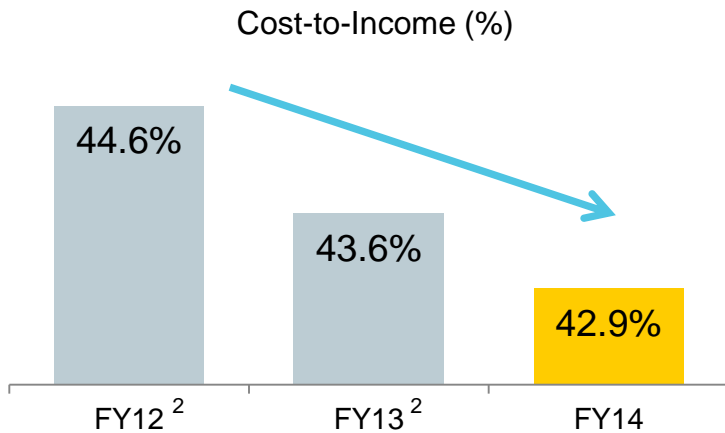
Service Improvements - Examples ¹



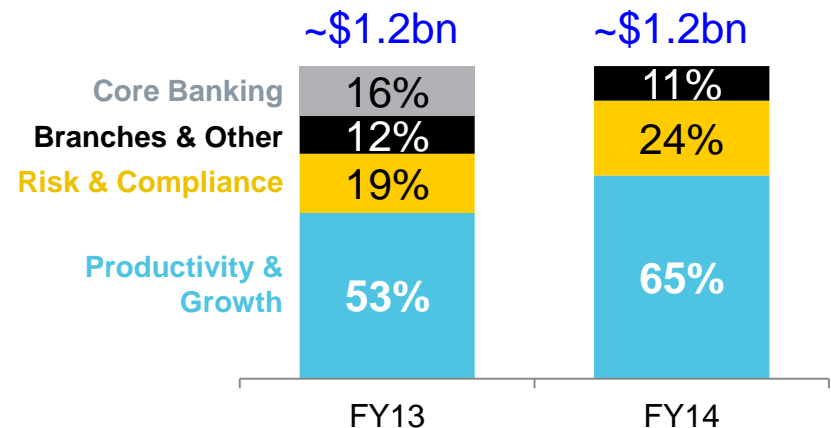
Case Study – Asset Finance



Efficiency



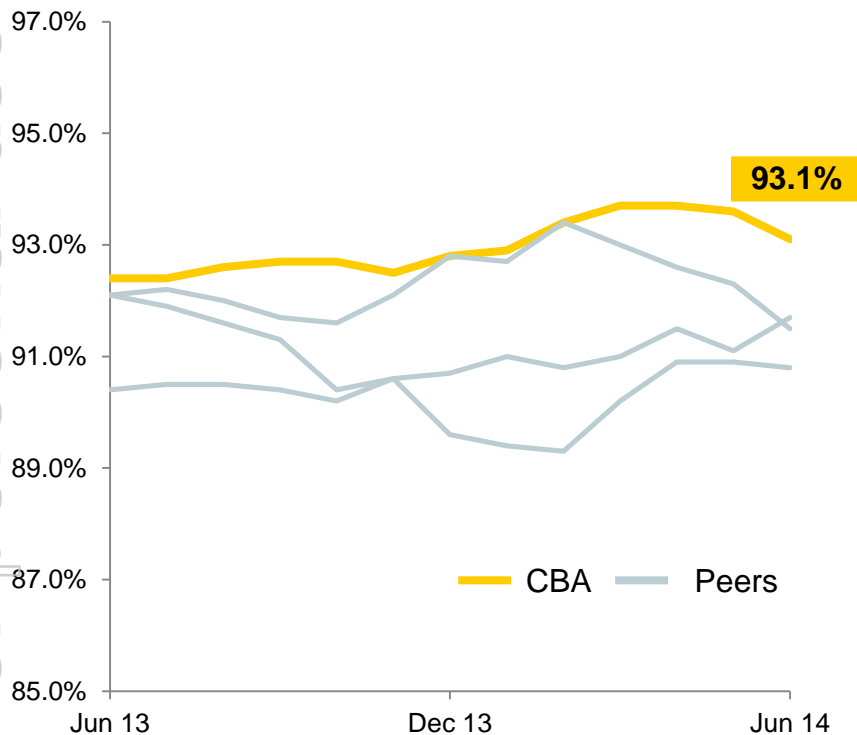
Investment Spend



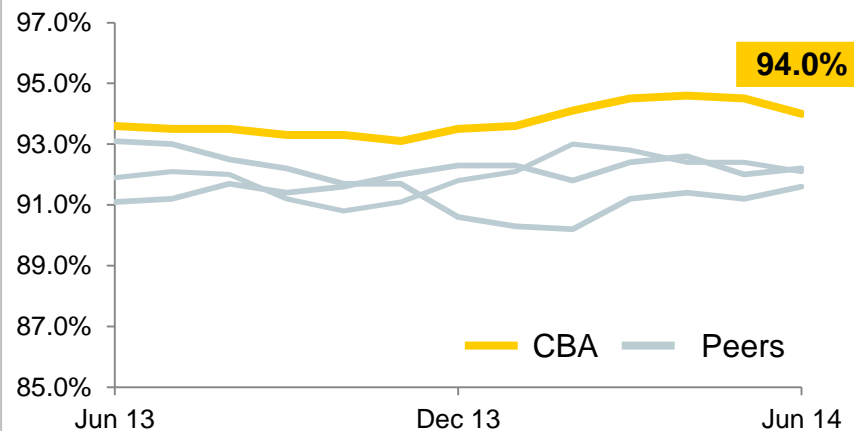
¹ Refer notes page at back of presentation for definition of productivity metrics and timeframes for improvements
² Comparative information has been restated to conform to presentation in the current year

Customer Satisfaction – Internet Banking ⁶

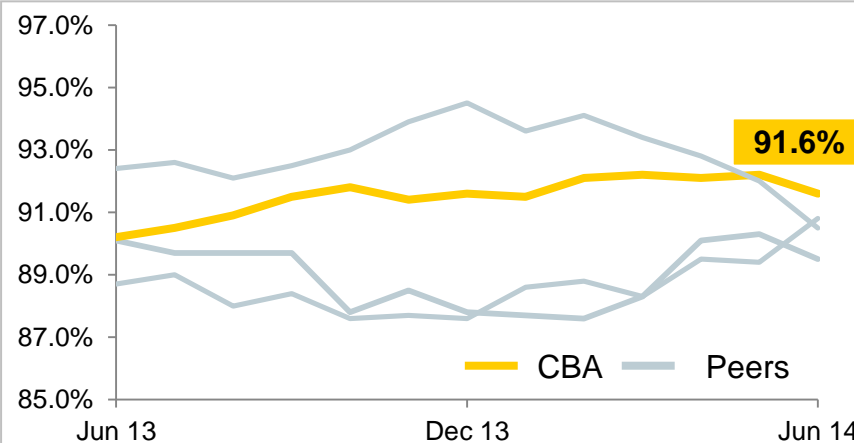
Satisfaction with Internet Banking Services via "Website" or "App" ⁶



Customer Satisfaction - Website ³



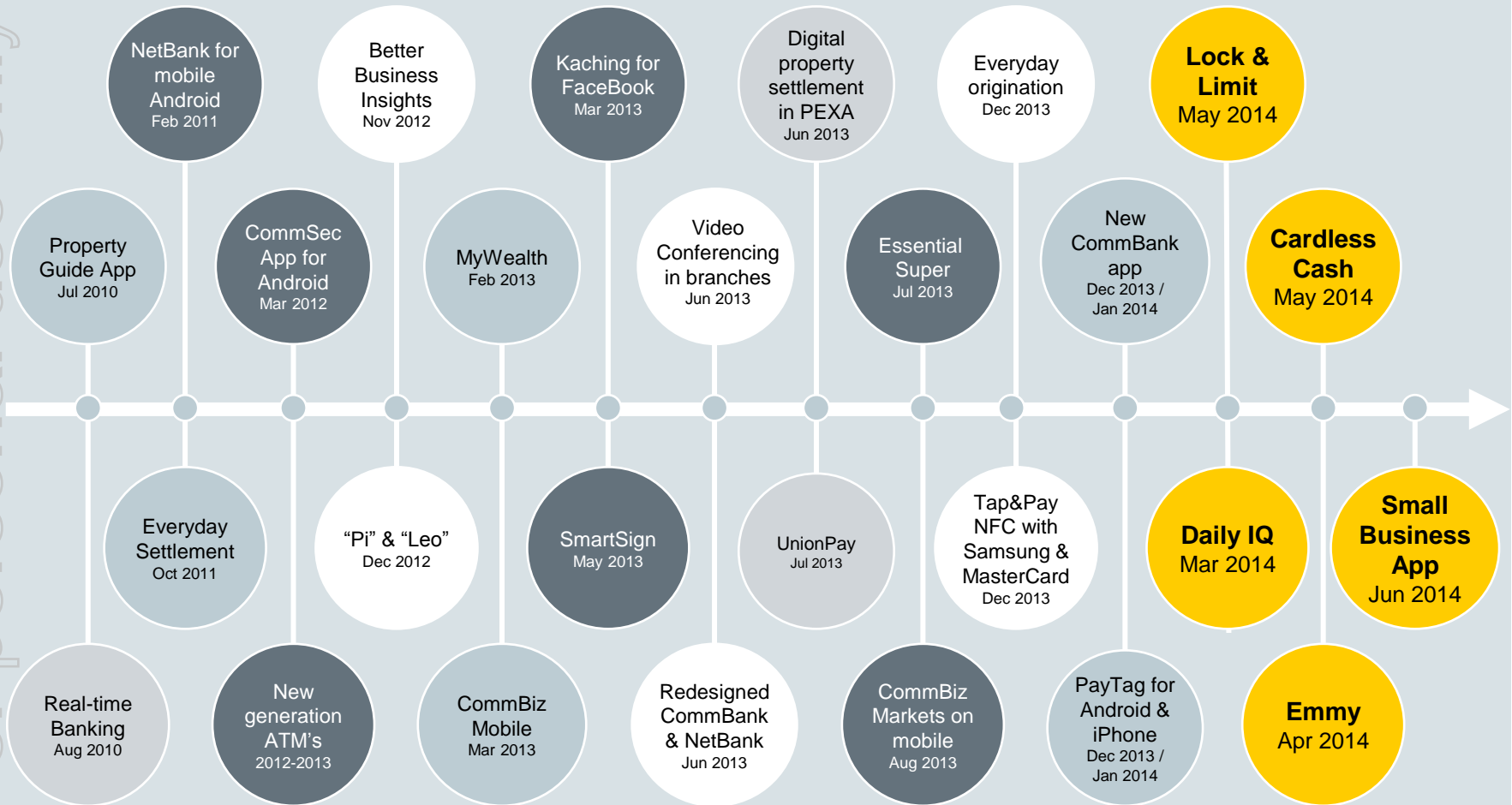
Customer Satisfaction - Apps ⁴



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Leading technology, innovative solutions

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2008 → **Core Banking** → **2014**

Leading technology, innovative solutions

New CommBank app



- ~3 million registrations
- ~11 million logons per week
- ~\$2bn in transactions per week

MyWealth



- Winner of Canstar Innovation Excellence Award 2014
- ~100k customers since launch¹

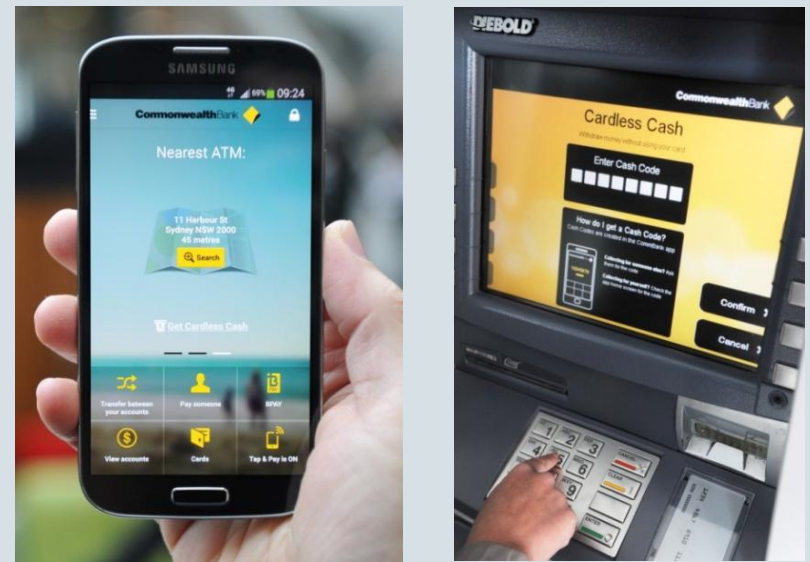
Rate of innovation increasing for consumers

Lock & Limit (May 14)



- Block or limit transactions
- Real time, 24/7
- Via CommBank app
- 40,000 enrolments to date

Cardless Cash (May 14)



- Withdraw up to \$200 a day
- Via CommBank app
- Over 3,300 ATMs nationally
- 140k withdrawals to date

Leading technology, innovative solutions

Contactless



- Fast in-store payments
- CBA market leading in cards and terminals
- Now 22% of all credit transactions

Tap & Pay



- Contactless mobile payments using Near Field Communication
- \$25 million+ in spend¹
- 1 million+ transactions¹
- Average spend per transaction \$20

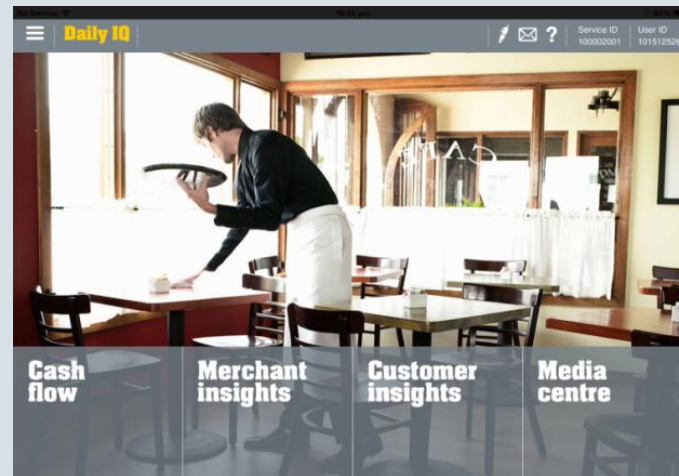
Rate of innovation increasing for businesses

Small Business App + Emmy (Apr 14)



- All-in-one small business payment solution
- On-the-spot payments, instant invoicing and more
- Turns smartphones into powerful payment tools

Daily IQ (Mar 14)



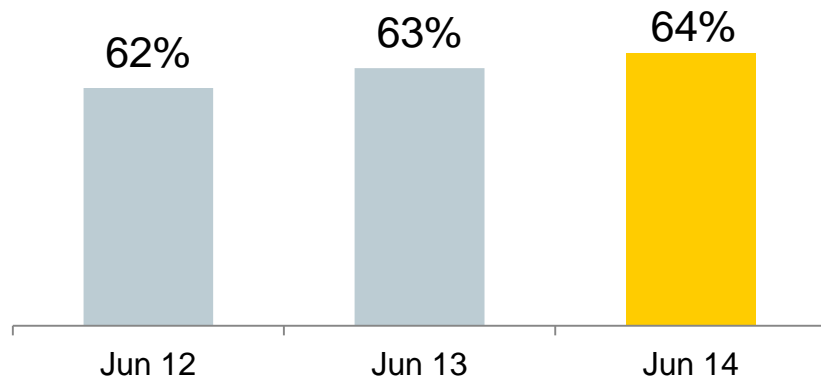
- iPad app for CommBiz customers
- Business insights, cash flow reporting, industry and market updates

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Strength to support our customers

Deposit Funding

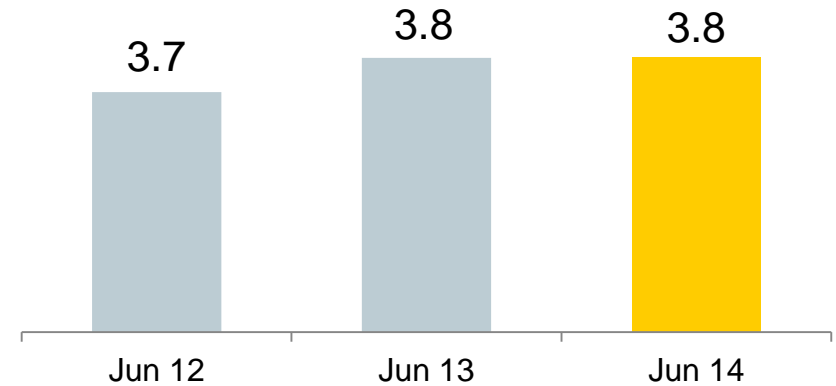
% of Total Funding



Wholesale Funding Tenor

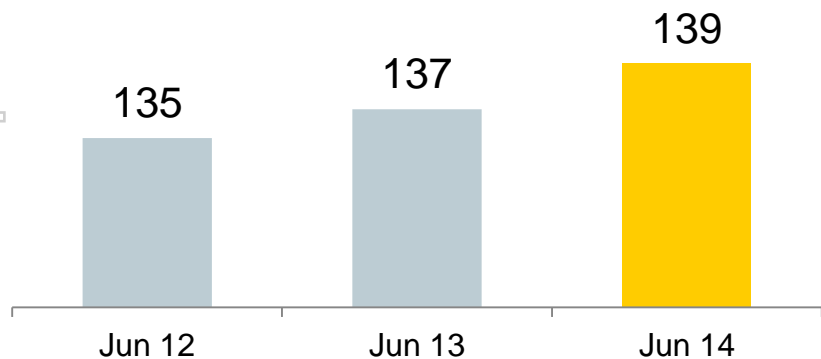
Years

Portfolio Tenor¹



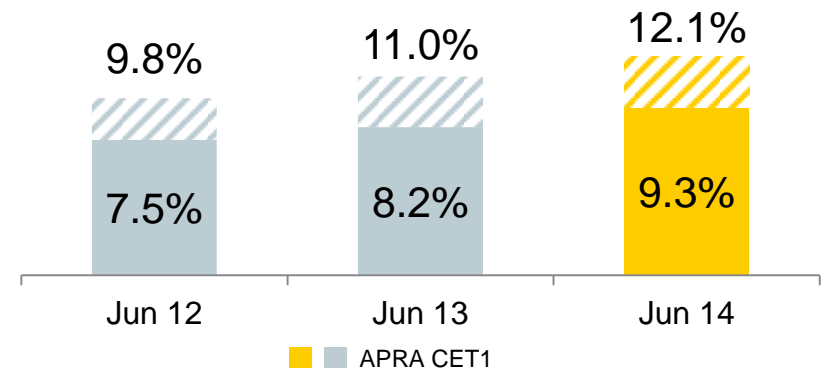
Liquids²

Liquids (\$bn)



Capital

Common Equity Tier 1
(Basel III International)³



1 Weighted Average Maturity of long term wholesale debt. Includes all deals with first call or residual maturity of 12 months or greater.

2 Liquids reported post applicable haircuts

3 Assumes Basel III Capital reforms have been fully implemented. The methodology is currently the subject of an industry-led review which may result in a higher ratio.

\$m

Jun 14

Property Transactions P&L impact – pre-tax

- Investment experience – sale of units
- Non cash item – sale of management rights

44

24

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Tailoring the portfolio

Property Transactions

- ◆ 3 transactions completed since Dec 13
- ◆ On strategy and well executed
- ◆ Frees up ~\$1bn in capital
- ◆ +28 bpts CET1 (APRA) benefit
- ◆ Small gain on sale of management rights recognised as a non-cash item

Transaction	CET1 (APRA) Benefit ¹ (bpts)
Internalisation of Kiwi Income Property Trust	-
Internalisation of CFS Retail Property Trust (CFX)	+24
Facilitation of Commonwealth Property Office Fund (CPA) management	+4

¹ Benefit from realised gain on sale and reduction in intangibles and equity investments



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DAVID CRAIG

CHIEF FINANCIAL OFFICER

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Lined area for taking notes.

A strong financial result

\$m	Jun 14	Jun 13 ¹	Jun 14 vs Jun 13
Operating income	22,166	20,667	7%
Operating expenses	(9,499)	(9,010)	5%
Operating performance	12,667	11,657	9%
Investment experience	235	154	53%
Loan impairment expense	(953)	(1,082)	(12%)
Tax and non-controlling interests	(3,269)	(2,969)	10%
Cash NPAT	8,680	7,760	12%

¹ Comparative information has been restated to conform to presentation in the current year



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\$m	Jun 14	Jun 13
Hedging and IFRS volatility		
<ul style="list-style-type: none"> ▪ Unrealised accounting gains and losses arising from the application of “AASB 139 Financial Instruments: Recognition and Measurement” 	6	27
Other		
<ul style="list-style-type: none"> ▪ Bankwest non-cash items ▪ Treasury shares valuation adjustment ▪ Bell Group Litigation ▪ Gain on sale of management rights 	(56)	(71)
	(41)	(53)
	25	(45)
	17	-
	(55)	(169)
Total	(49)	(142)

Statutory Profit up 13%

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\$m	Jun 14	Jun 13	
Cash NPAT	8,680	7,760	+12%
Hedging and IFRS volatility	6	27	
Other non-cash items	(55)	(169)	
Statutory NPAT	8,631	7,618	+13%



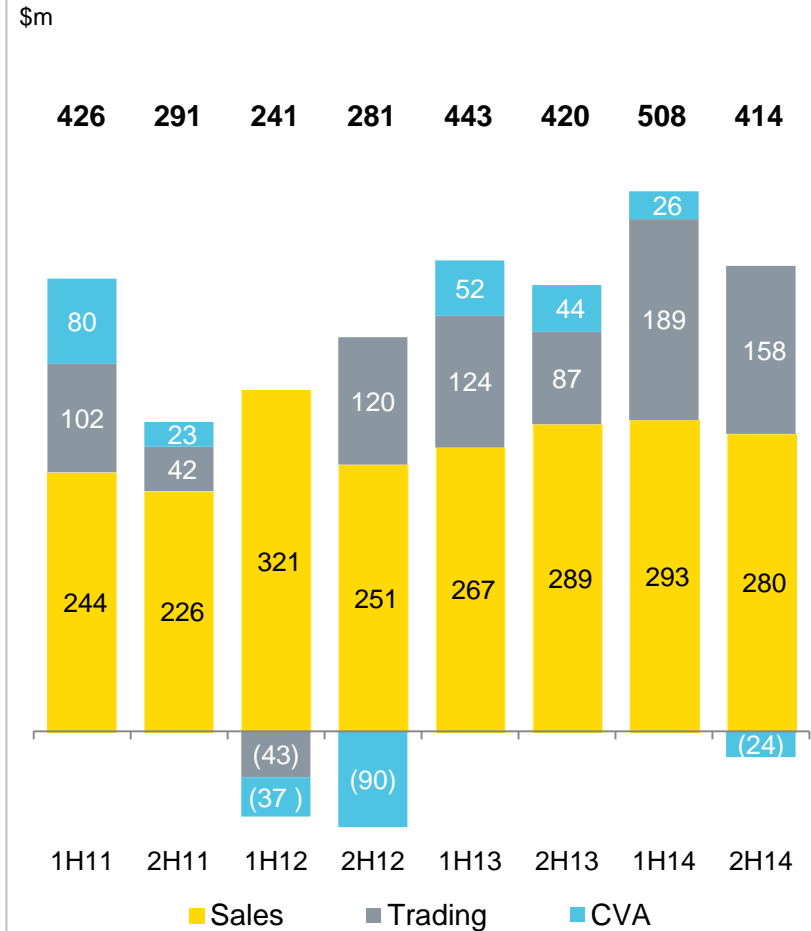
Additional information

Other Banking Income

Other Banking Income

\$m	Jun 14	Jun 13 ¹	Jun 14 vs Jun 13
Commissions	2,130	1,990	7%
Lending fees	1,083	1,053	3%
Other	188	250	(25%)
	3,401	3,293	3%
Trading income	922	863	7%
Total	4,323	4,156	4%

Net Trading Income



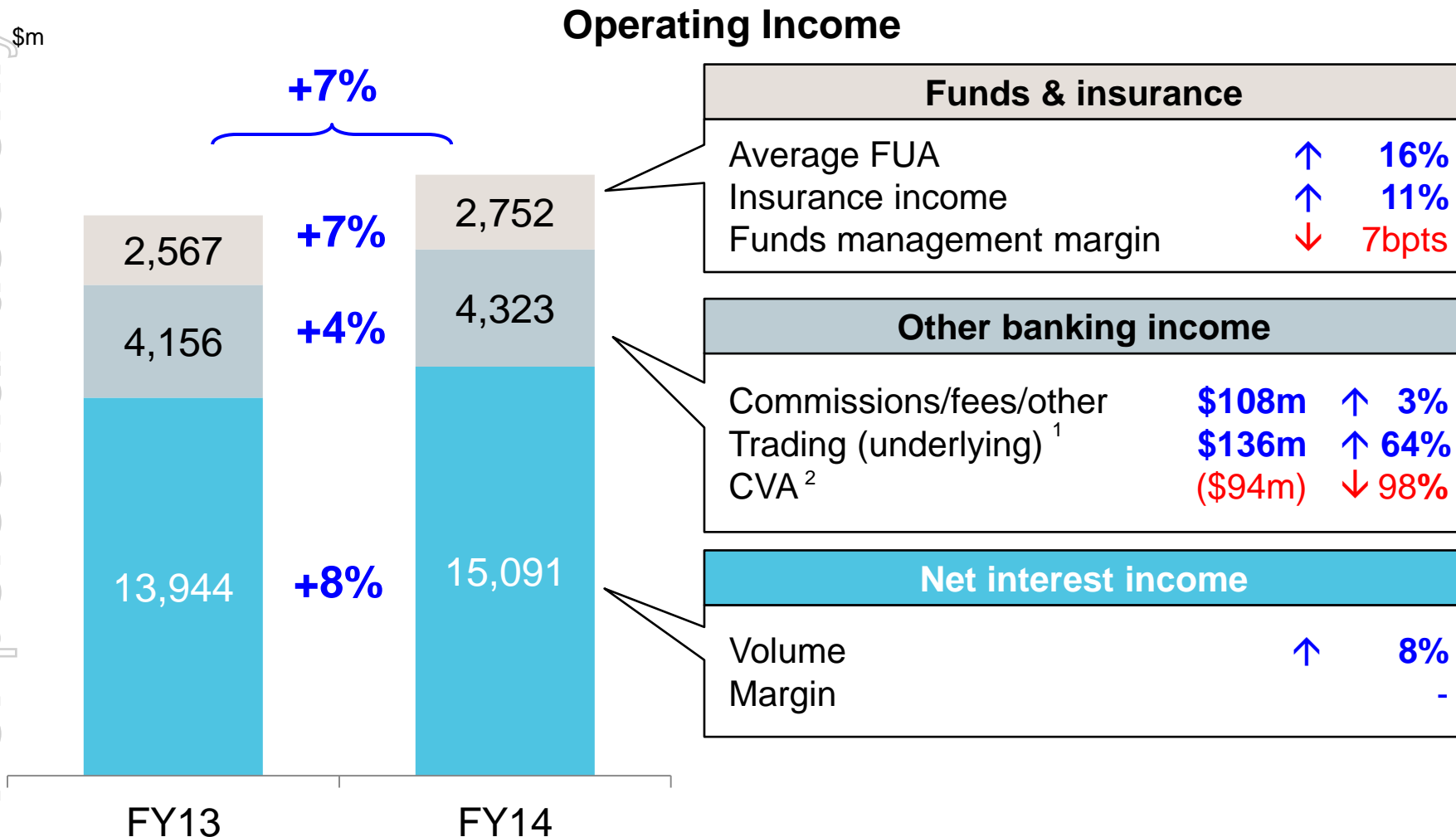
¹ Comparative information has been reclassified to conform to presentation in the current year



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Income growth across all key lines

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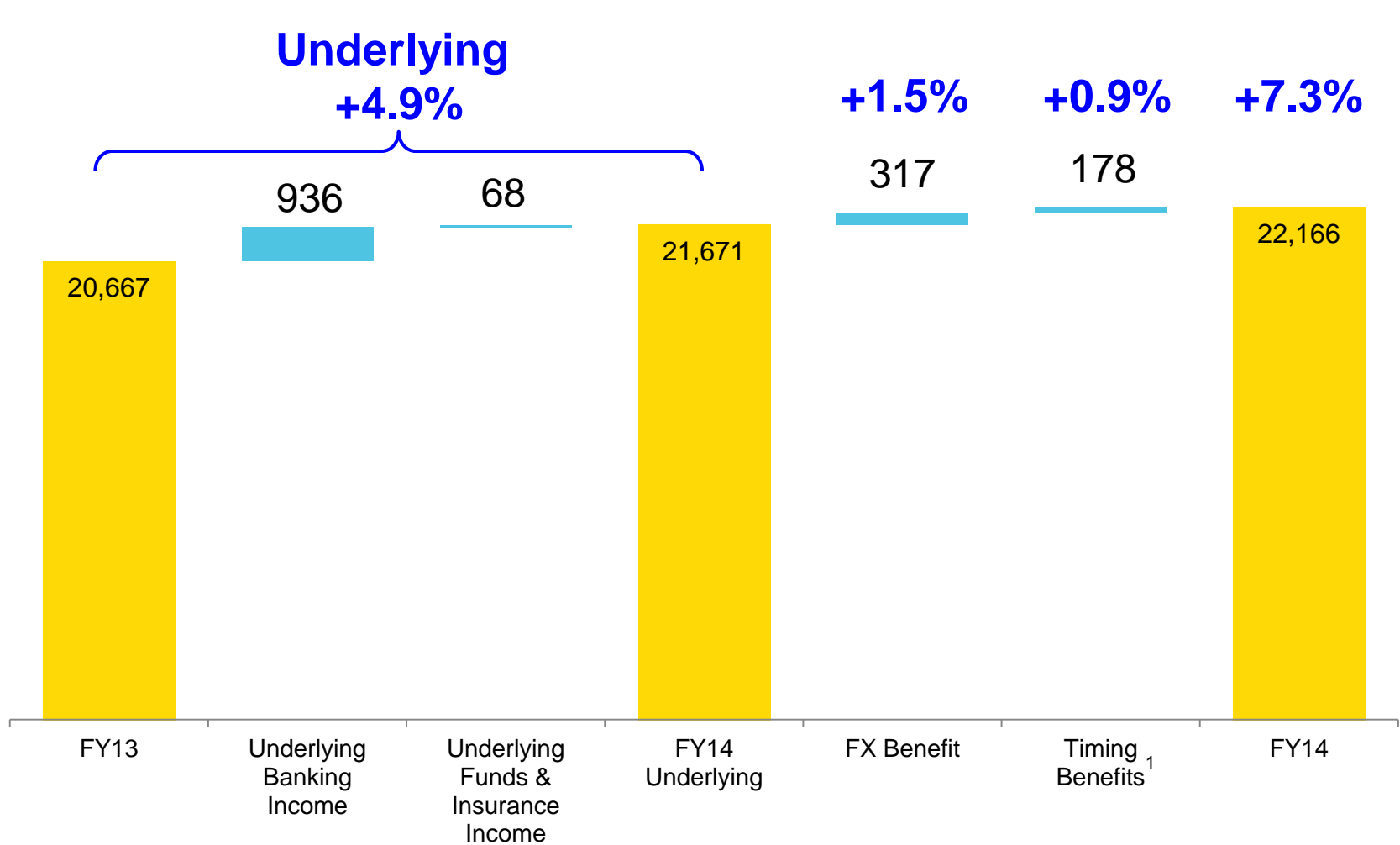


¹ Underlying Trading ex CVA and Sales

² Group CVA movement of (\$94m) comprises IB&M (\$95m) and Bankwest \$1m



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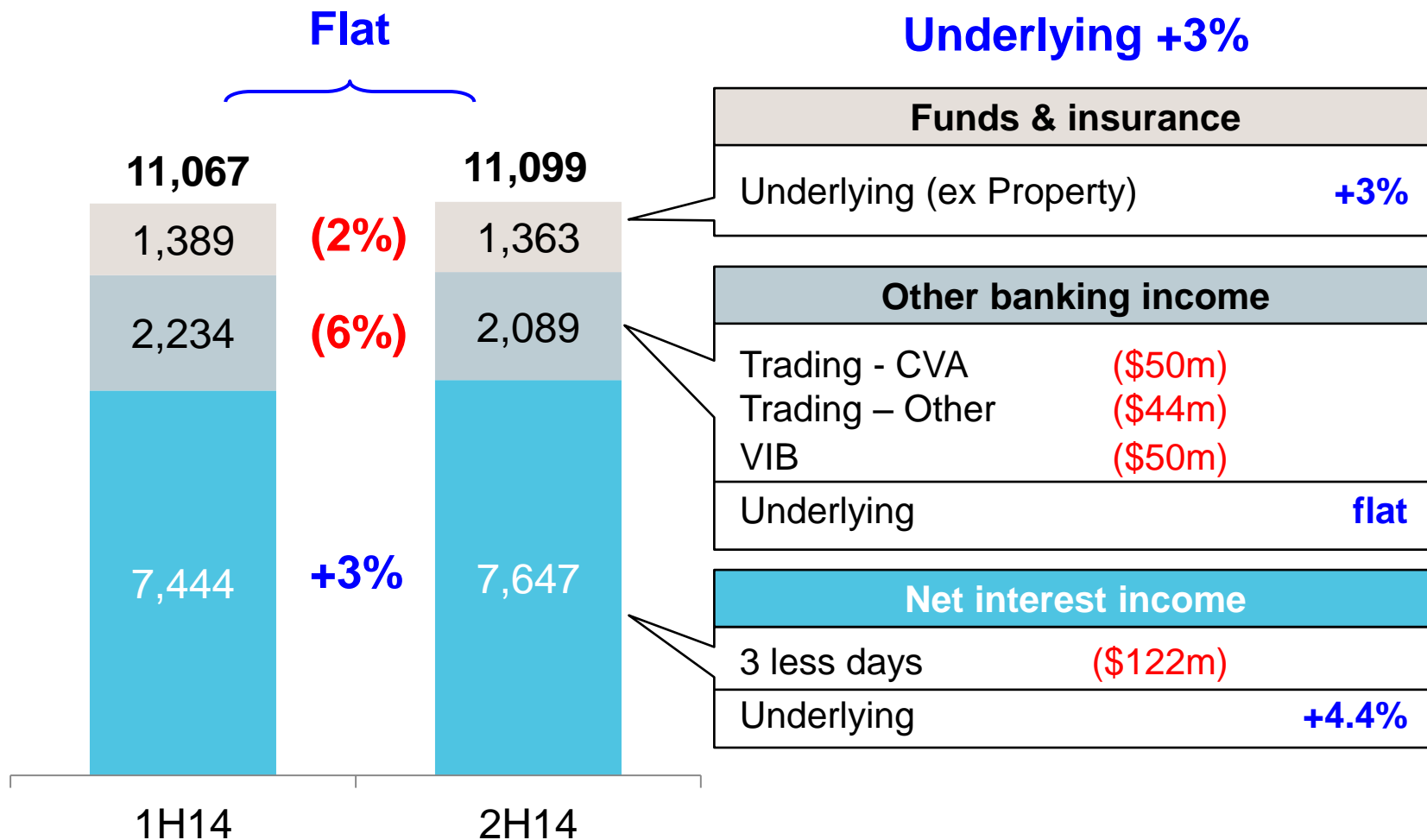
1 Includes the full period benefit of asset re-pricing conducted late in 1H13 and lower short term wholesale funding costs



2nd Half income growth

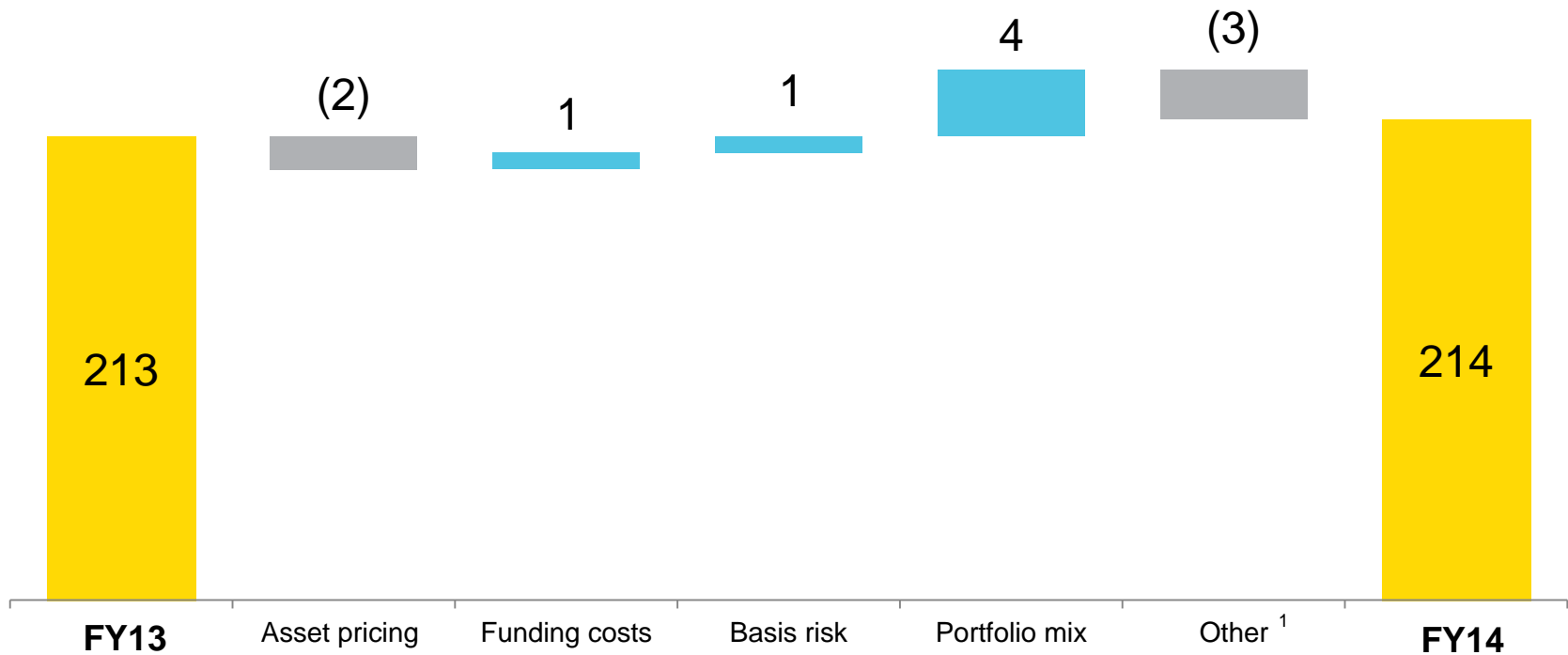
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Operating Income



12 Month Movement

bpts



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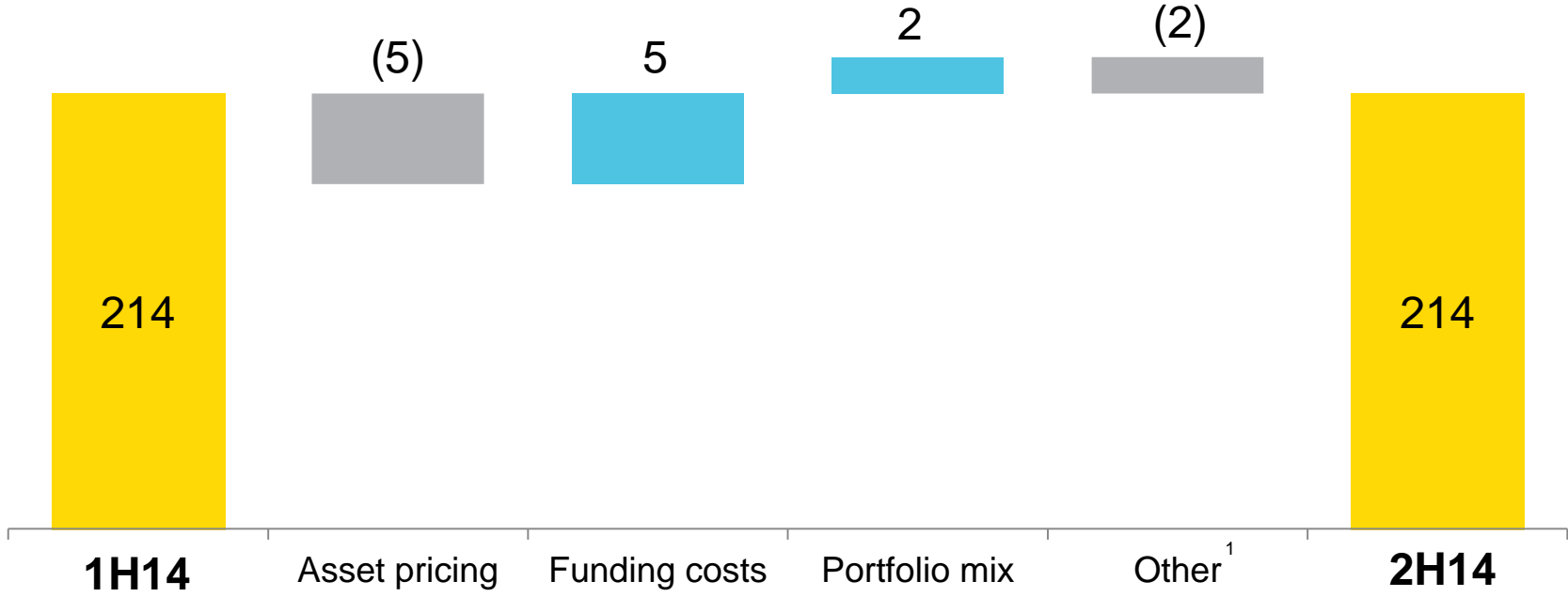
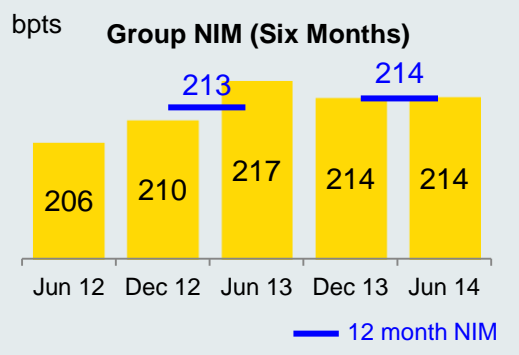
¹ Includes Treasury, Replicating Portfolio, impact from change in Non Lending IEA's and other unallocated items



Group NIM flat in the half

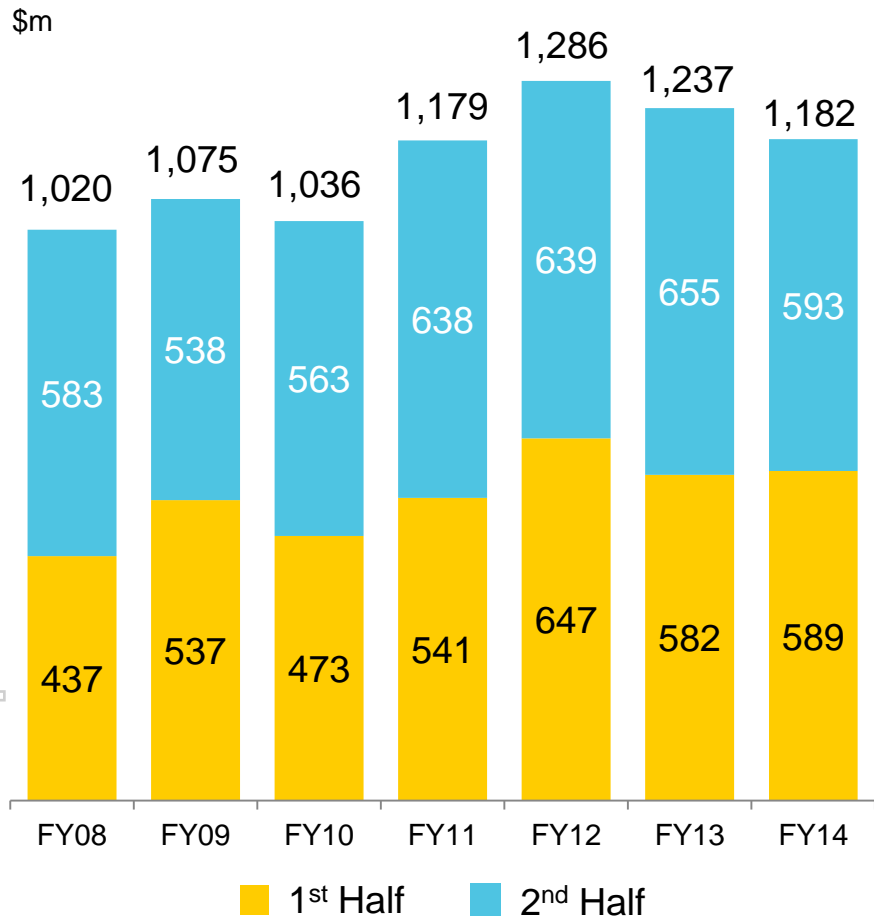
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Group NIM



¹ Includes Treasury, Replicating Portfolio, impact from change in Non Lending Interest Earning Assets and other unallocated items

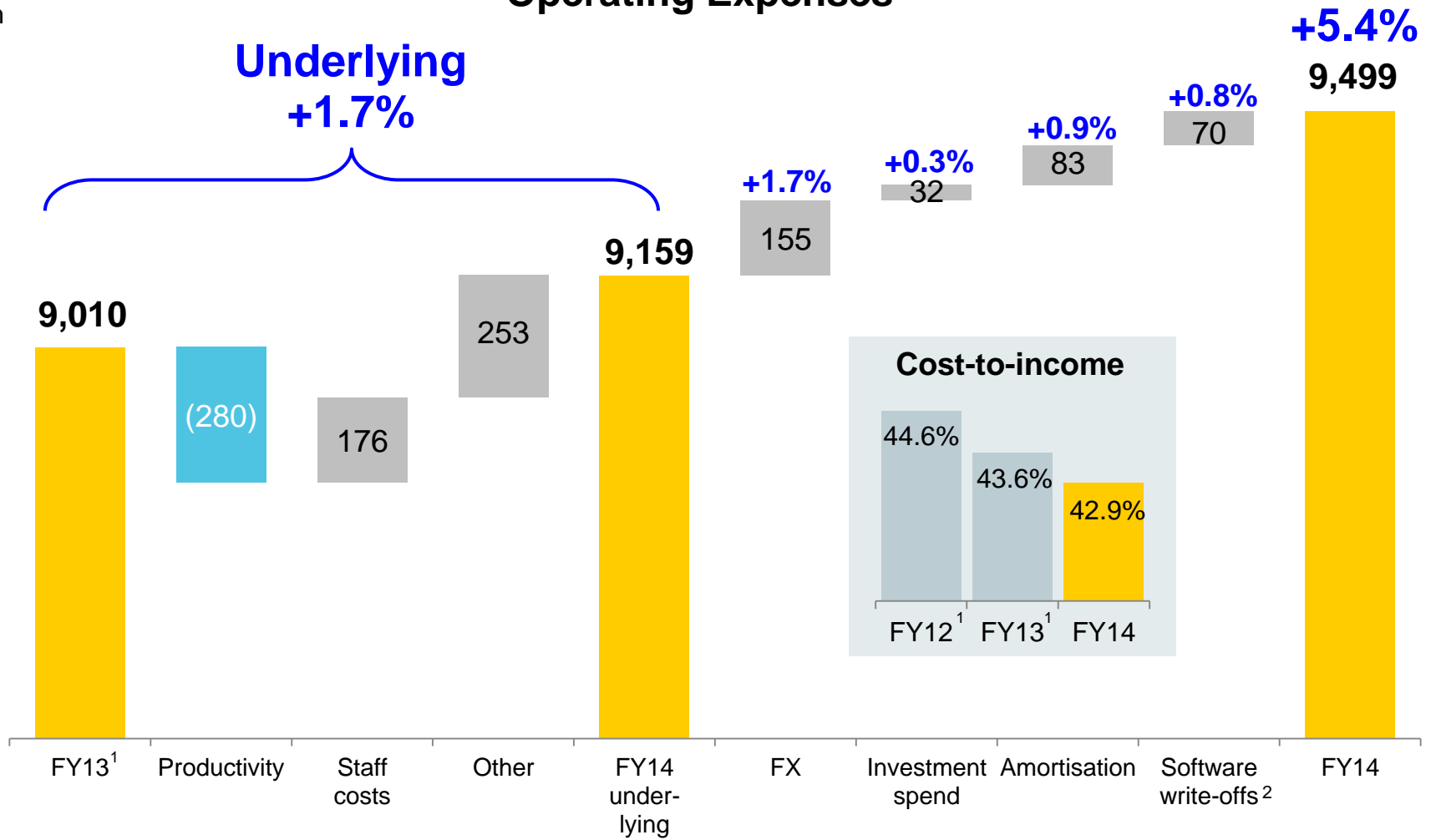
Investment Spend



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Productivity benefiting underlying expenses

Operating Expenses



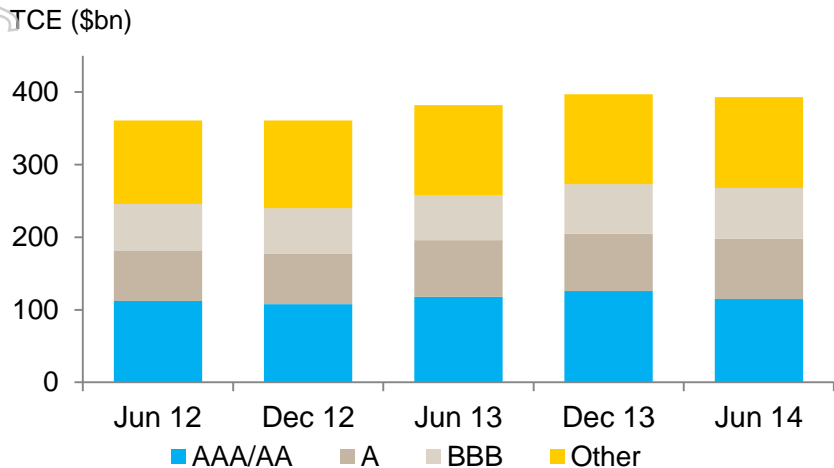
1 Comparative information has been reclassified to conform to presentation in the current year
 2 Represents write-off of approximately 30 individual projects completed prior to 2012



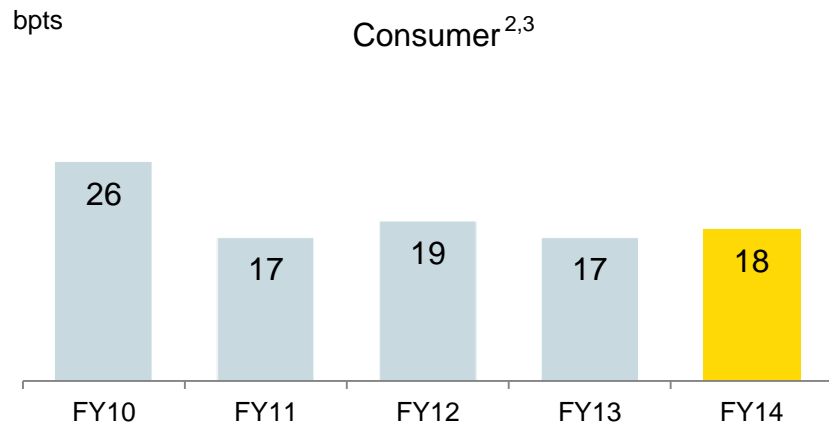
Additional information

Credit Quality

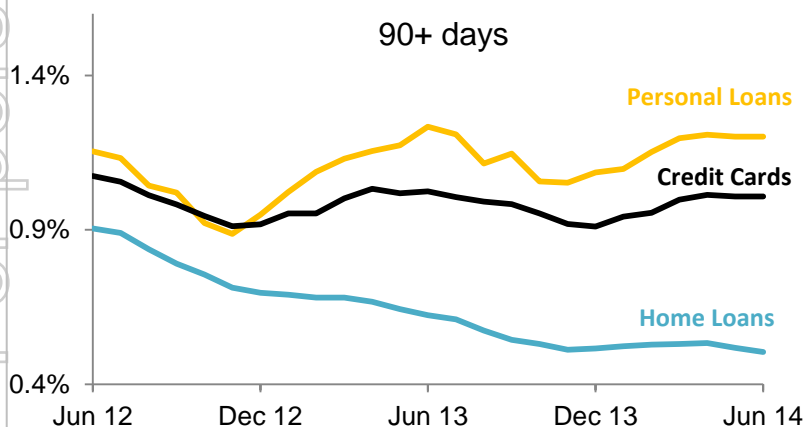
Commercial Portfolio Quality¹



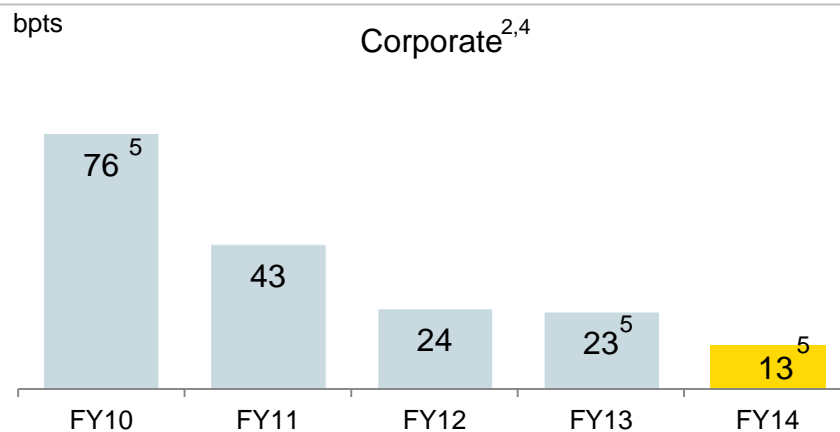
Loan Impairment Expense (Cash) to Gross Loans



Group Consumer Arrears



Loan Impairment Expense (Cash) to Gross Loans



1. Total committed credit exposure (TCE) = balance for uncommitted facilities or greater of limit or balance for committed facilities. Calculated before collateralisation. Includes Bank and Sovereign exposures. CBA grades in S&P equivalents. 2. Basis points as a percentage of average Gross Loans and Acceptances (GLA). 3. Represents Retail Banking Services, ASB Retail and Bankwest Retail. 4. Represents Institutional Banking and Markets, Business and Private Banking, ASB Business, Bankwest Business and other corporate related expense. 5. Statutory LIE for FY10 94 bpts, FY13 26 bpts and FY14 12 bpts.

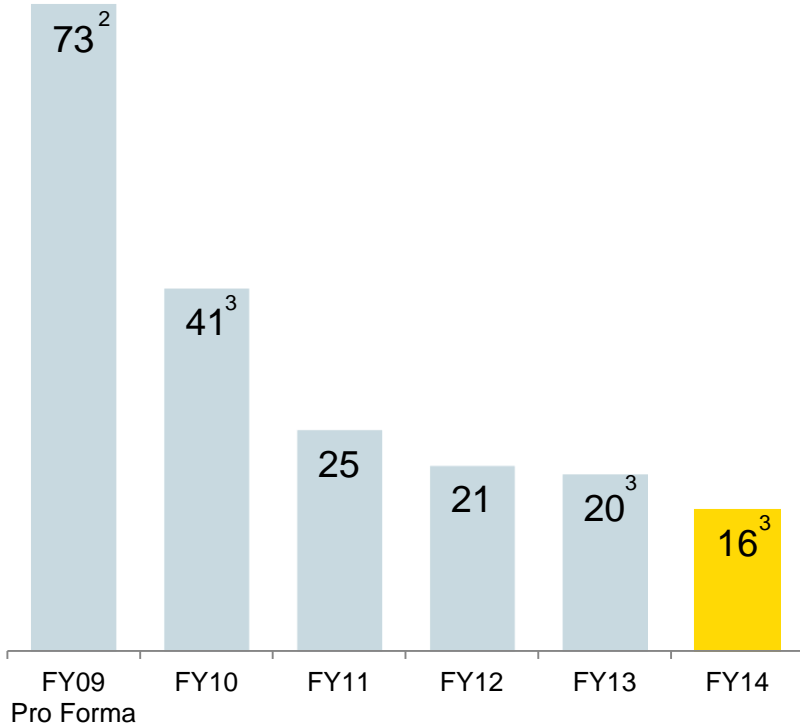


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Sound credit quality

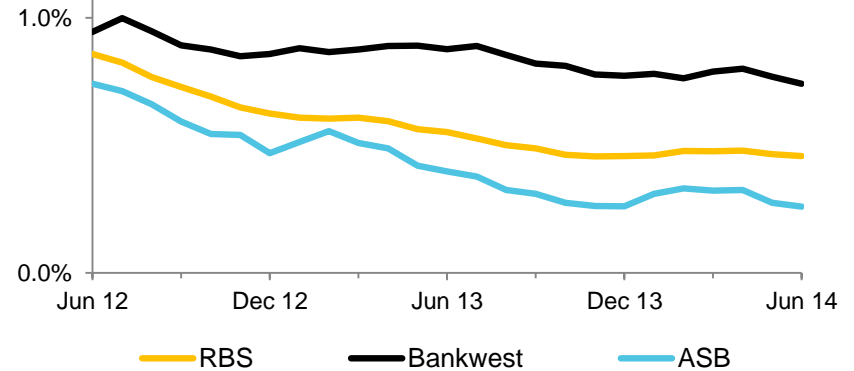
Loan Impairment Expense

CBA Group
(basis points)¹

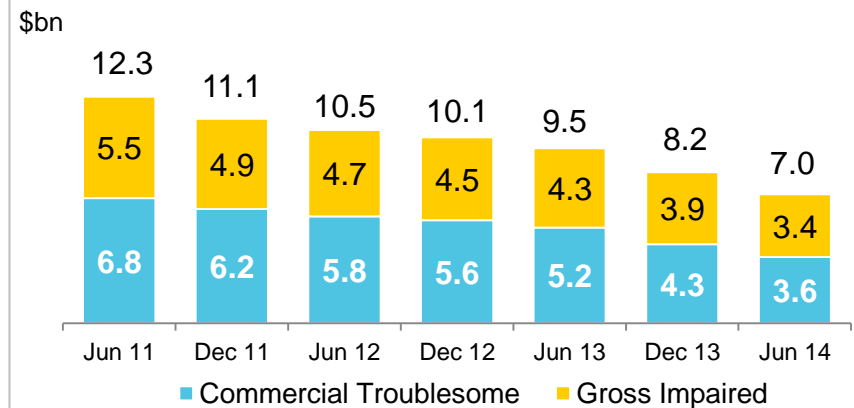


Home Loan Arrears

90+ days



Troublesome and Impaired Assets



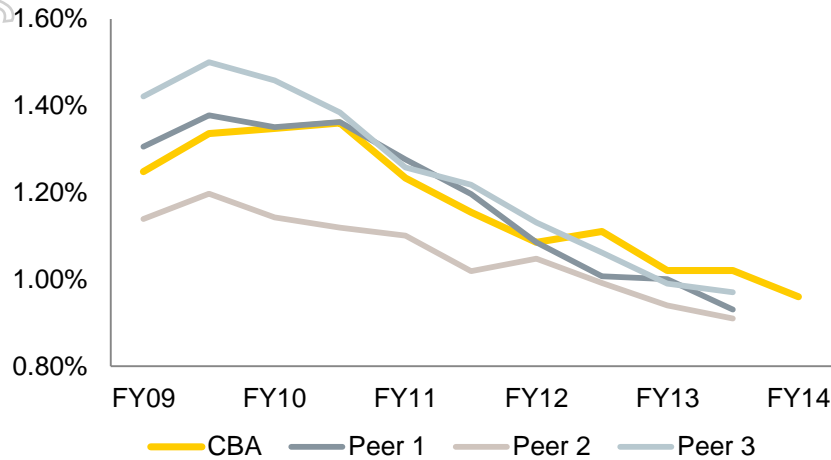
1 Basis points as a percentage of average Gross Loans and Acceptances (GLA)
 2 FY09 includes Bankwest on a pro-forma basis and is based on impairment expense for the year
 3 Statutory Loan Impairment Expense (LIE) for FY10 48 bpts, FY13 21 bpts and FY14 16 bpts

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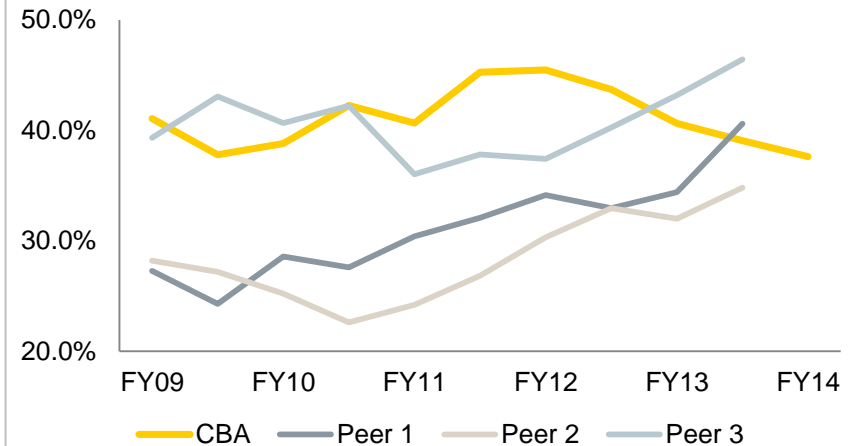
Additional information

Provision Coverage

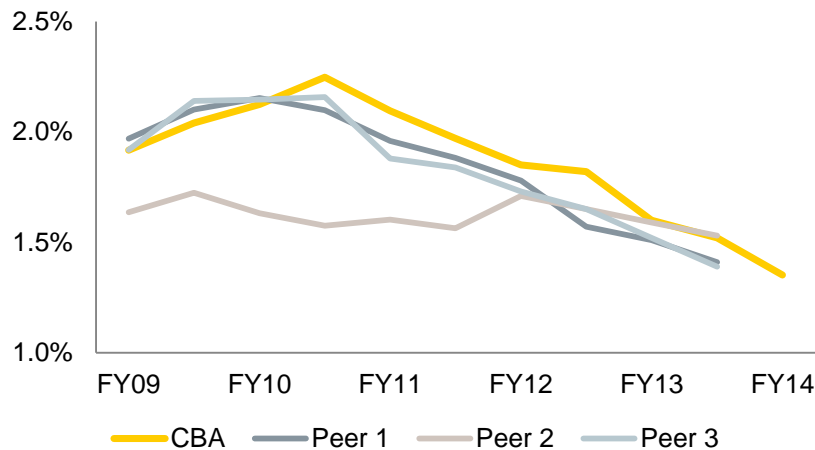
Collective Provisions¹ to Credit RWA²



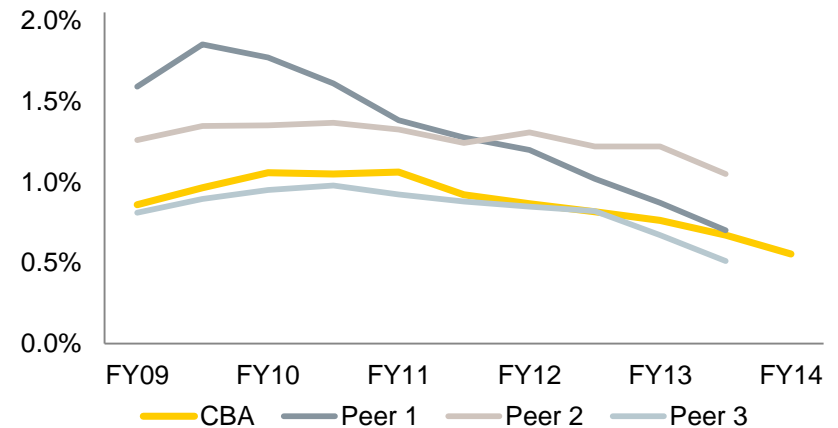
Provisions for Impaired Assets³ to Impaired Assets⁴



Total Provisions¹ to Credit RWA²



Impaired Assets⁴ to Gross Loans and Acceptances



Charts based on financial year data (CBA: 31 December and 30 June, Peers: 31 March and 30 September)

1 Provisions do not include General Reserve for Credit Losses, equity reserves or other similar adjustments

2 All ratios subsequent to 1 January 2013 are based on Basel III credit RWA, all ratios prior to this date are based on Basel II/Basel 2.5 credit RWA

3 CBA ratios prior to June 2010 and Peers 1 & 2 ratios based on Individually Assessed Provisions to Impaired Assets

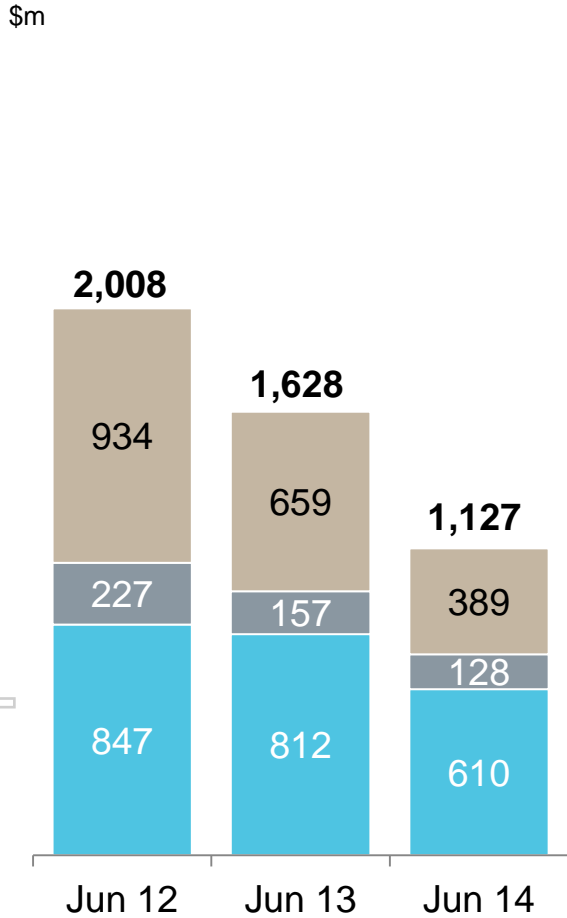
4 CBA data from June 2010 has been updated for changes in the definition of impaired assets to include unsecured retail exposures which are 90 days past due

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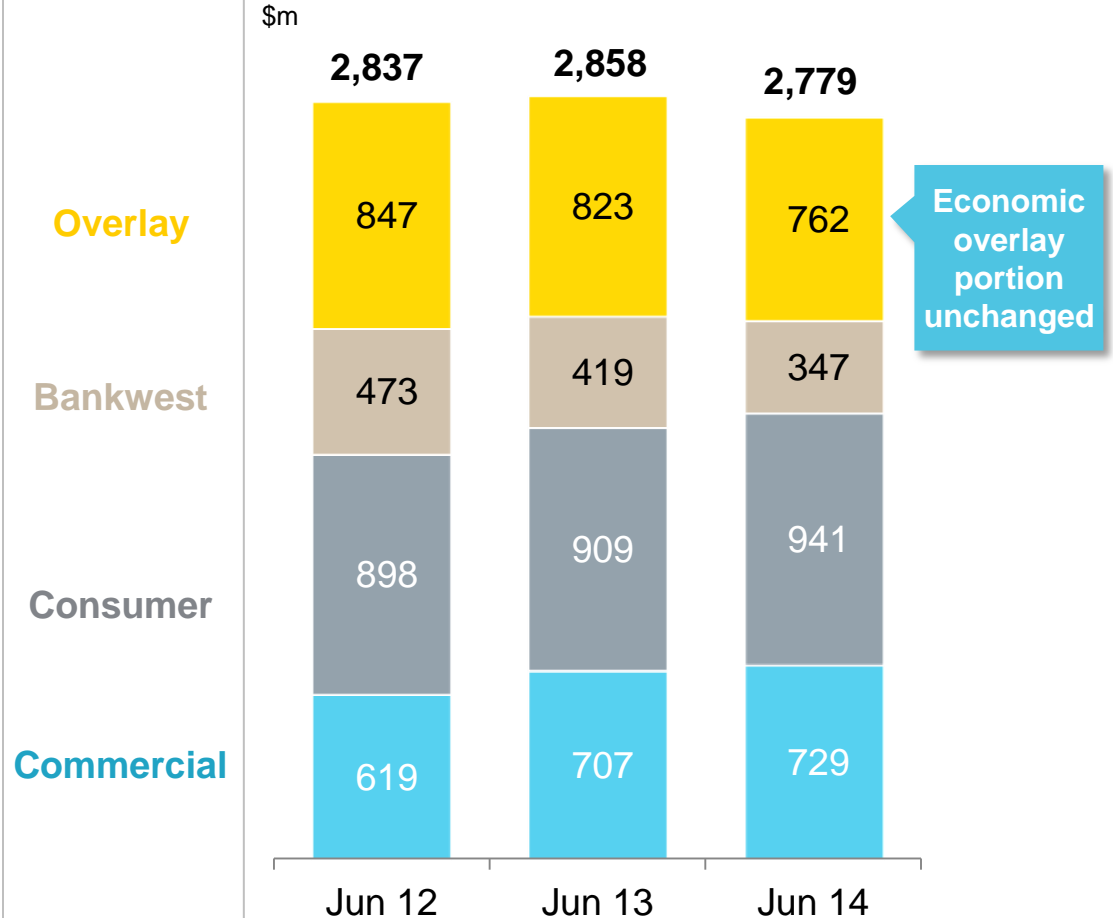
Provisions

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Individual Provisions



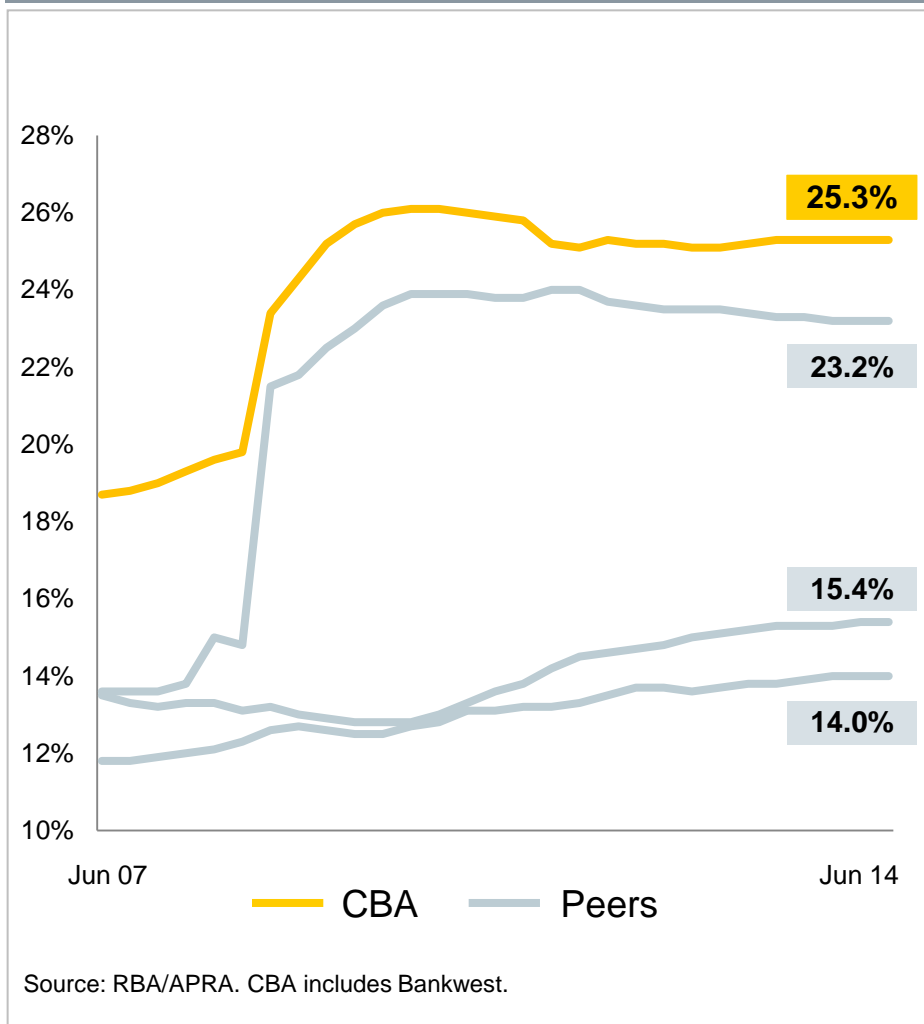
Collective Provisions



Retail Banking Services

\$m	Jun 14	Jun 14 vs Jun 13
Home loans	3,553	11%
Consumer finance	2,279	11%
Retail deposits	2,273	3%
Distribution	409	12%
Other	109	(3%)
Total banking income	8,623	9%
Operating expenses	(3,103)	4%
Operating performance	5,520	12%
Loan impairment expense	(566)	6%
Tax	(1,482)	13%
Cash net profit after tax	3,472	12%

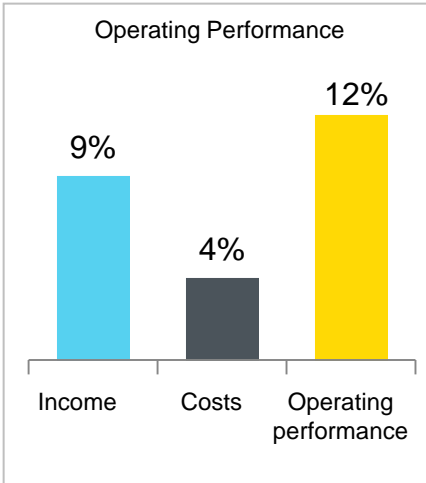
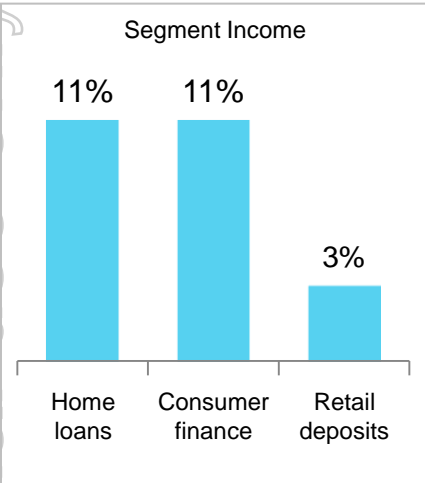
Home Loan Market Share



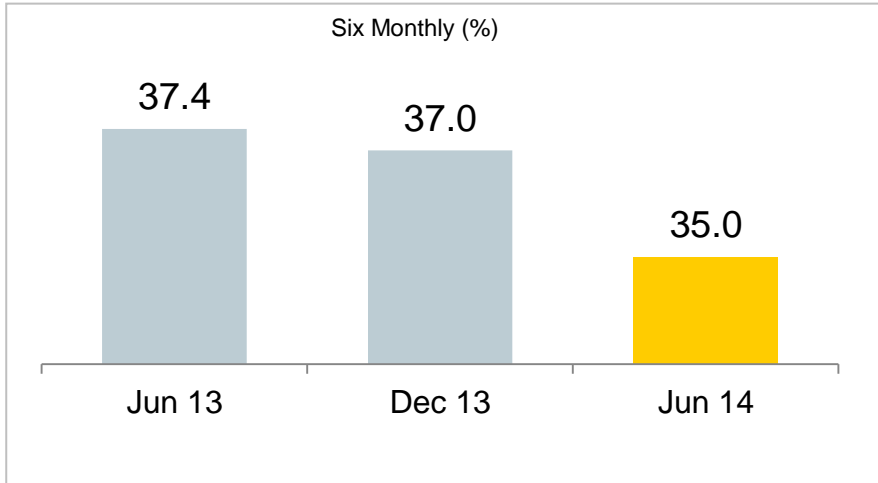
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Retail Banking Services

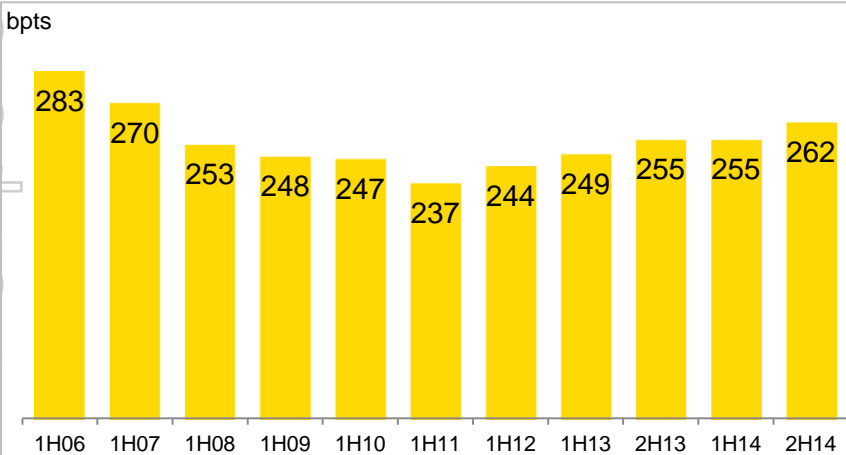
Jun 14 vs Jun 13



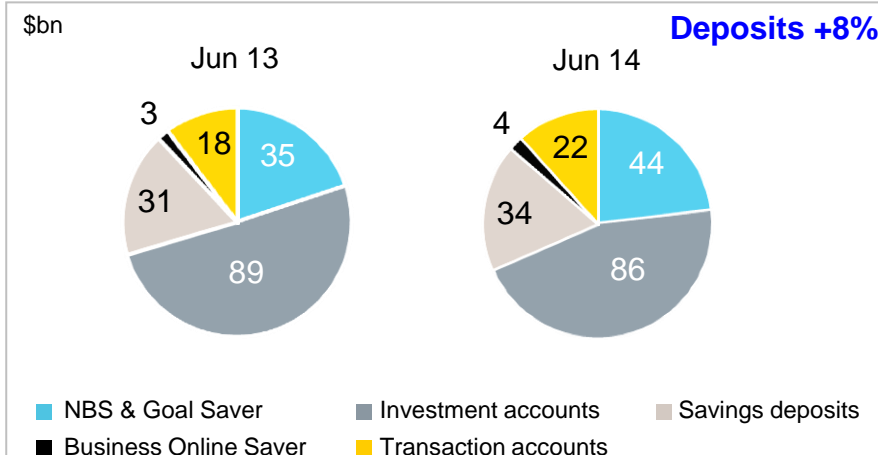
Cost-to-Income Ratio



RBS Margin



Retail Deposit Mix



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Business & Private Banking

\$m	Jun 14	Jun 14 vs Jun 13
Corporate Financial Services	1,250	6%
Regional and Agribusiness	727	1%
Local Business Banking	1,269	-
Private Bank	299	3%
CommSec	311	(3%)
Total banking income	3,856	2%
Operating expenses	(1,426)	2%
Operating performance	2,430	2%
Loan impairment expense	(253)	(10%)
Tax	(651)	4%
Cash net profit after tax	1,526	4%

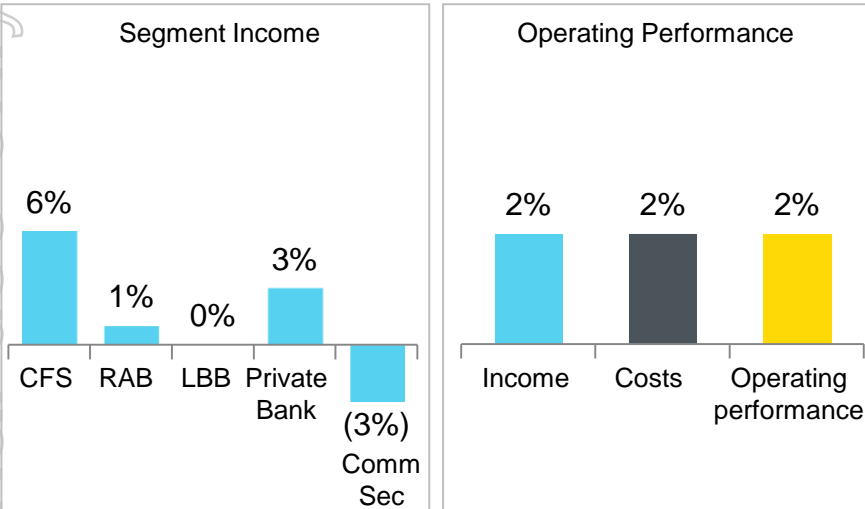
Institutional Banking & Markets

\$m	Jun 14	Jun 14 vs Jun 13
Institutional Banking	2,028	5%
Markets	651	-
Total banking income	2,679	4%
Operating expenses	(947)	9%
Operating performance	1,732	1%
Loan impairment expense	(61)	(60%)
Tax	(413)	15%
Cash net profit after tax	1,258	5%

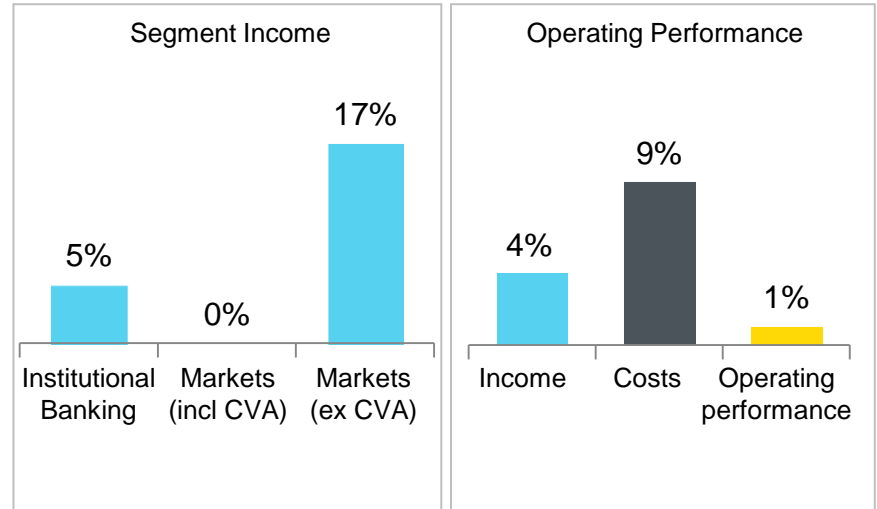
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Corporate

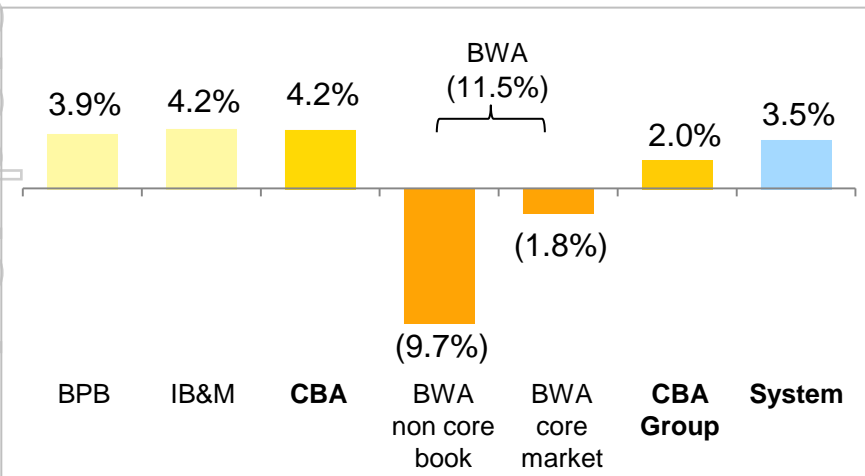
BPB – Jun 14 vs Jun 13



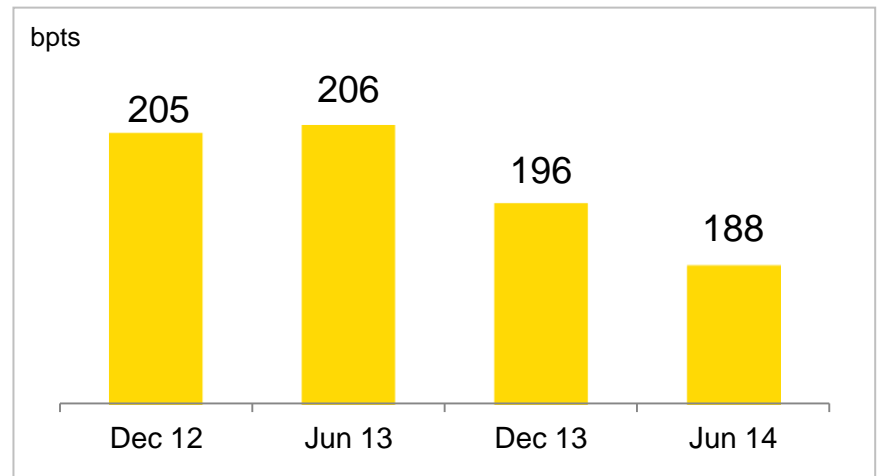
IB&M – Jun 14 vs Jun 13



Australian Business Lending Growth¹



NIM²



¹ Source: RBA. 12 months to Jun 14.

² Combined Institutional Banking and Markets and Business and Private Banking

Wealth Management¹

Additional information

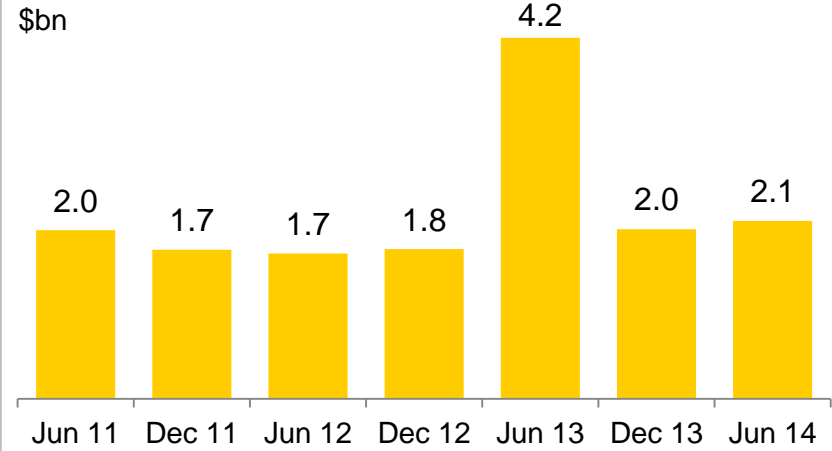
Wealth Management

\$m	Jun 14	Jun 14 vs Jun 13
CFSGAM	739	14%
Colonial First State ²	829	6%
CommInsure	707	7%
Total operating income	2,275	9%
Operating expenses	(1,517)	9%
Tax	(184)	2%
Underlying profit after tax	574	12%
Investment experience	118	53%
Cash net profit after tax	692	17%

1 Excludes Property

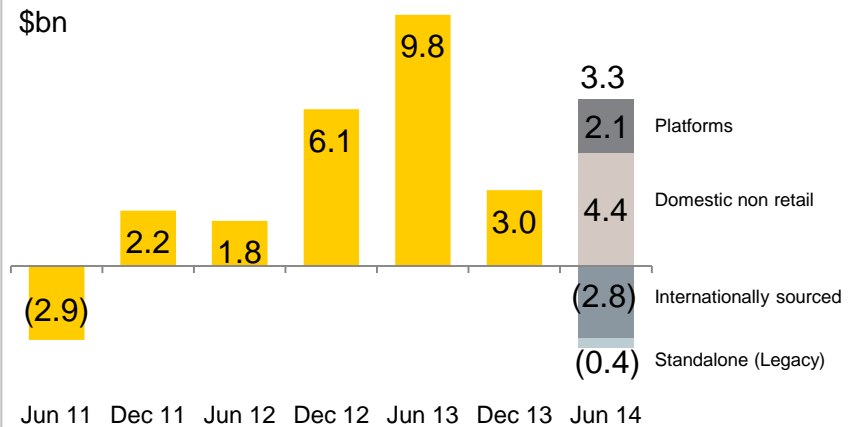
2 Colonial First State incorporates the results of all financial planning businesses including Commonwealth Financial Planning

Platform³ Net Flows



³ FirstChoice and Custom Solutions

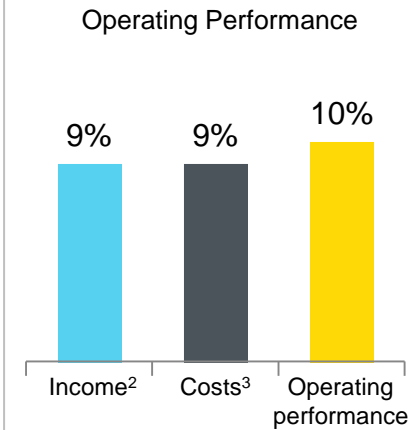
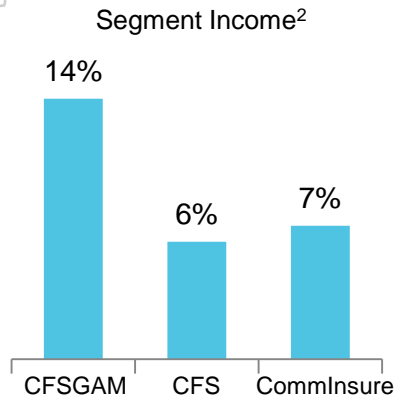
FUA Net Flows



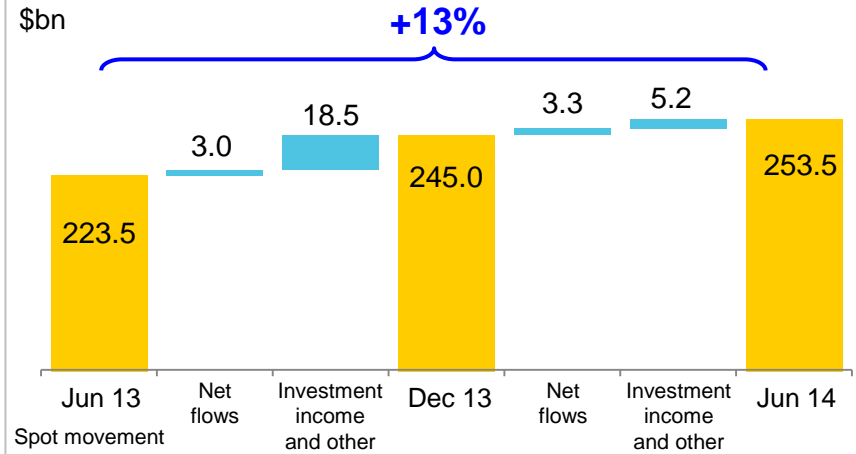
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Wealth Management¹

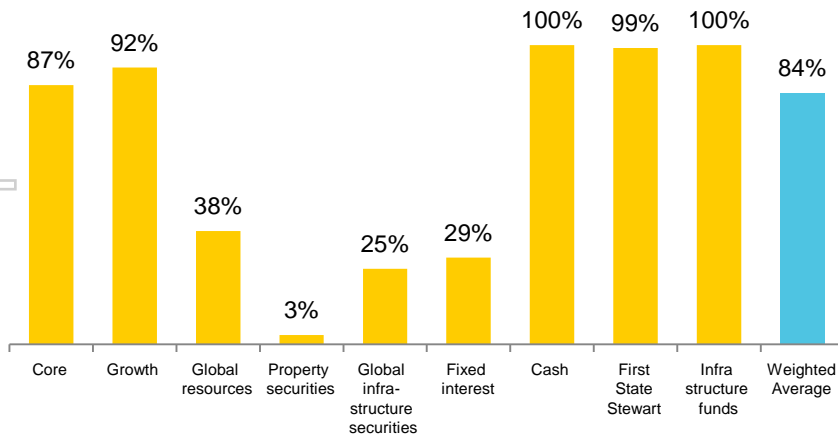
Jun 14 vs Jun 13



FUA

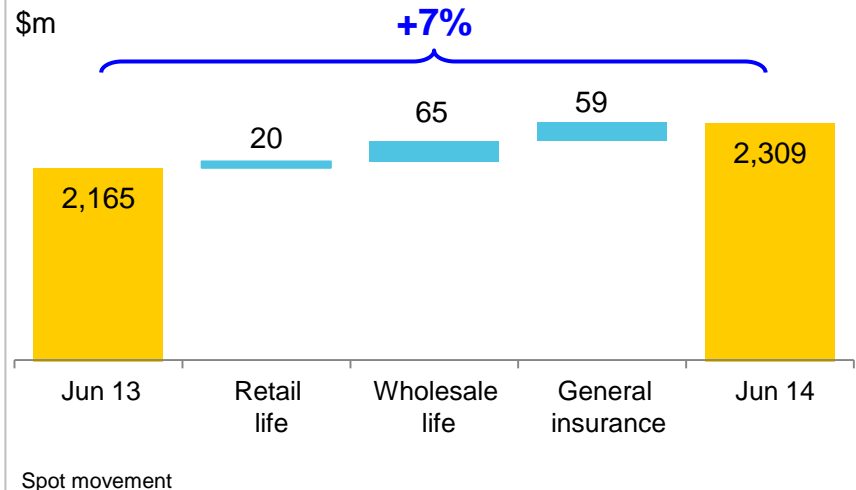


Strong Investment Performance – 3 years



Percentage of funds in each asset class outperforming benchmark

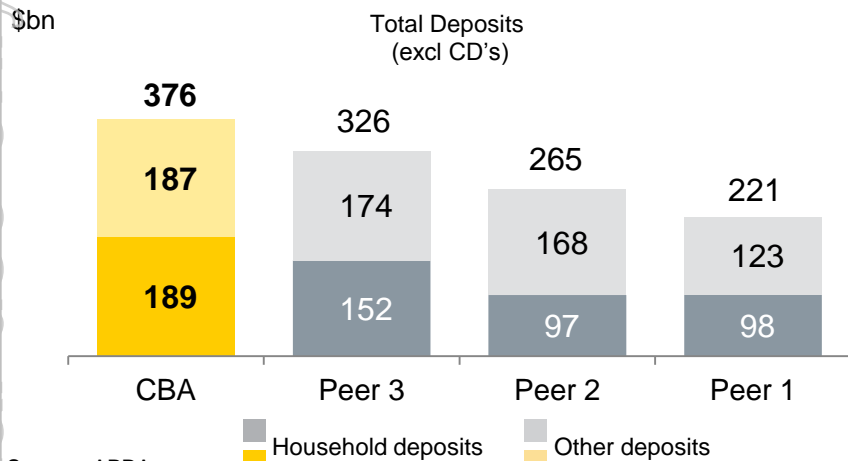
Inforce Premiums



1 Excludes Property
2 Total operating income
3 Operating expenses

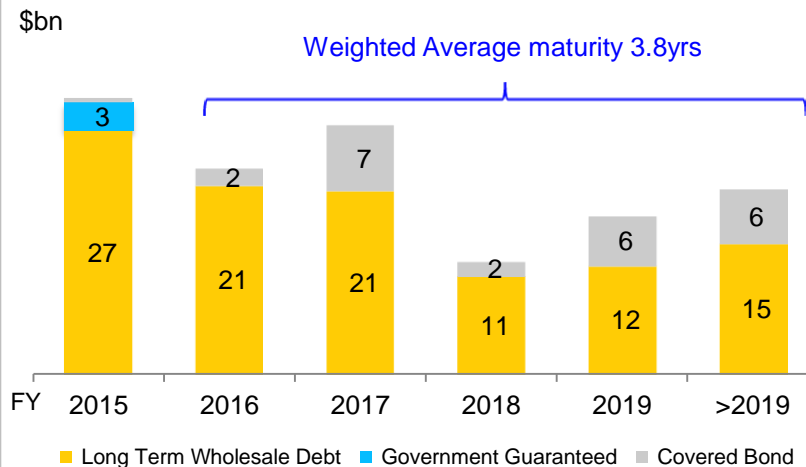


Australian Deposits

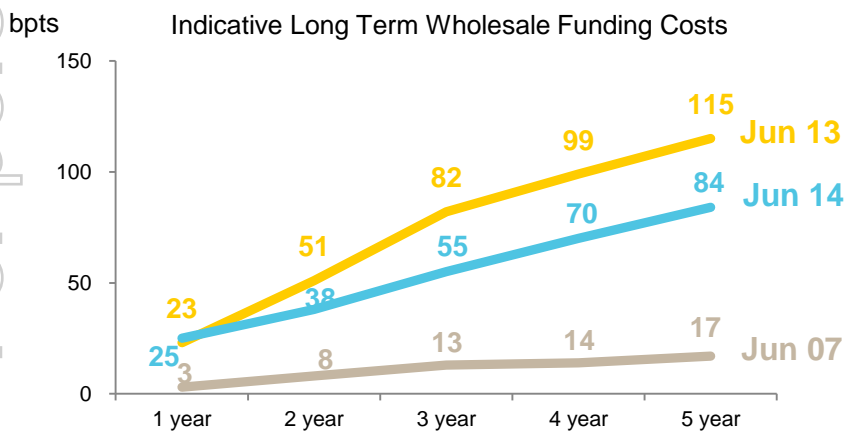


Source : APRA

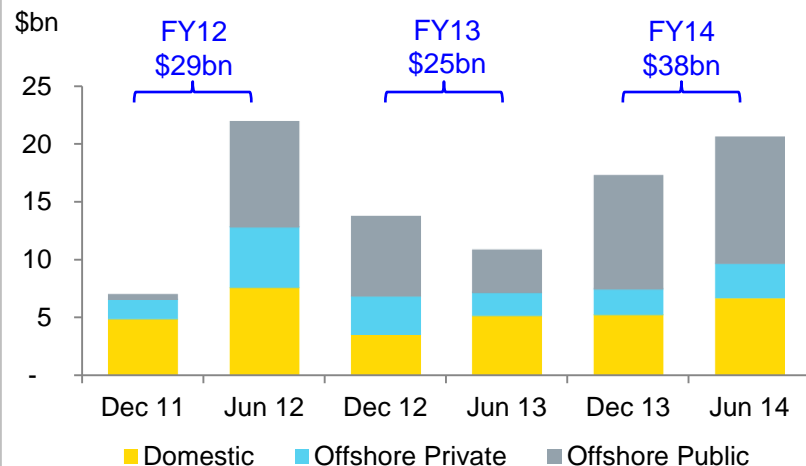
Term Maturity Profile¹



Funding Costs²



Term Issuance



1 Maturity profile includes all long term wholesale debt. Weighted Average Maturity of 3.8 years includes all deals with first call or residual maturity of 12 months or greater.

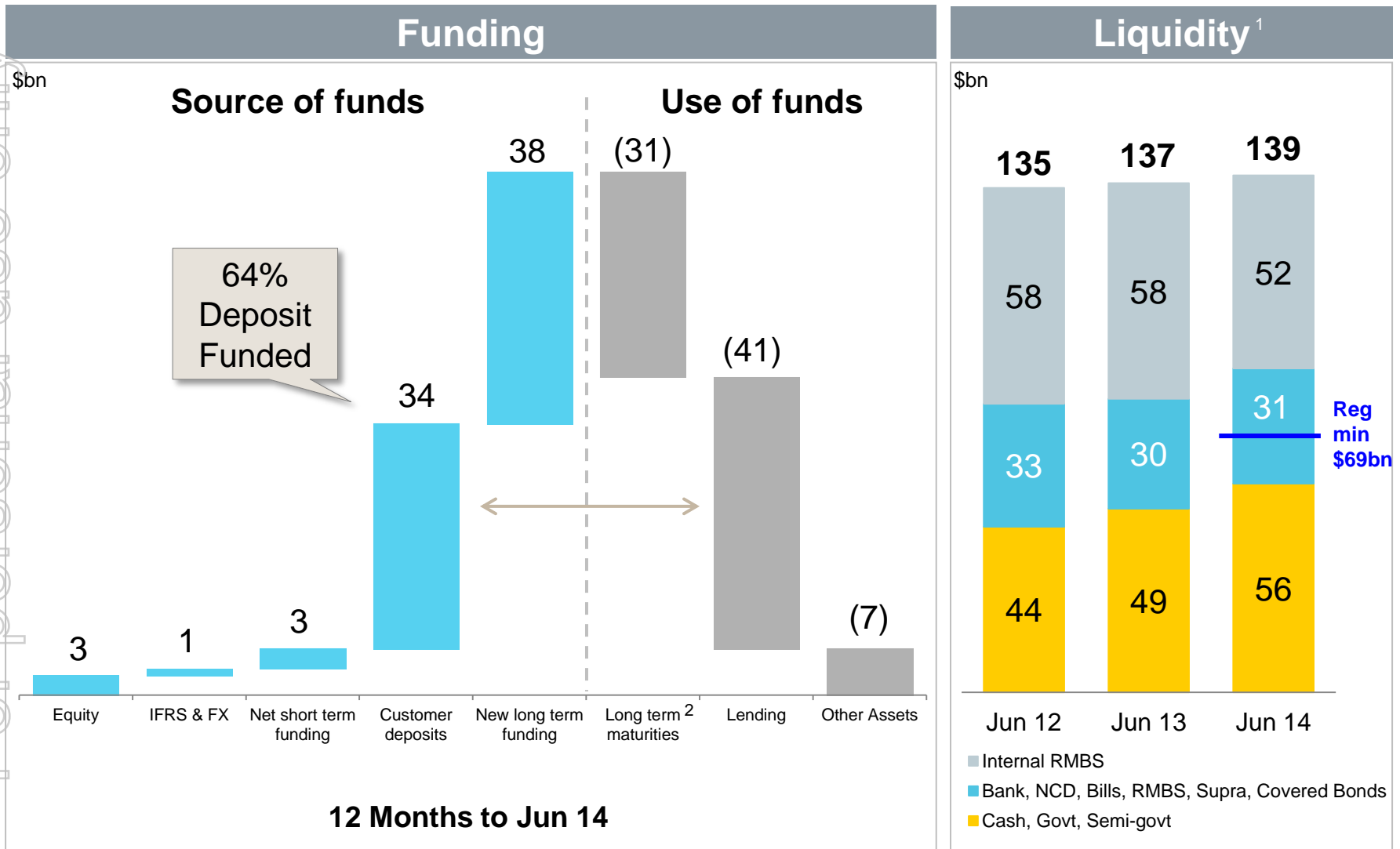
2 CBA Group Treasury estimated blended wholesale funding costs.



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Funding and Liquidity

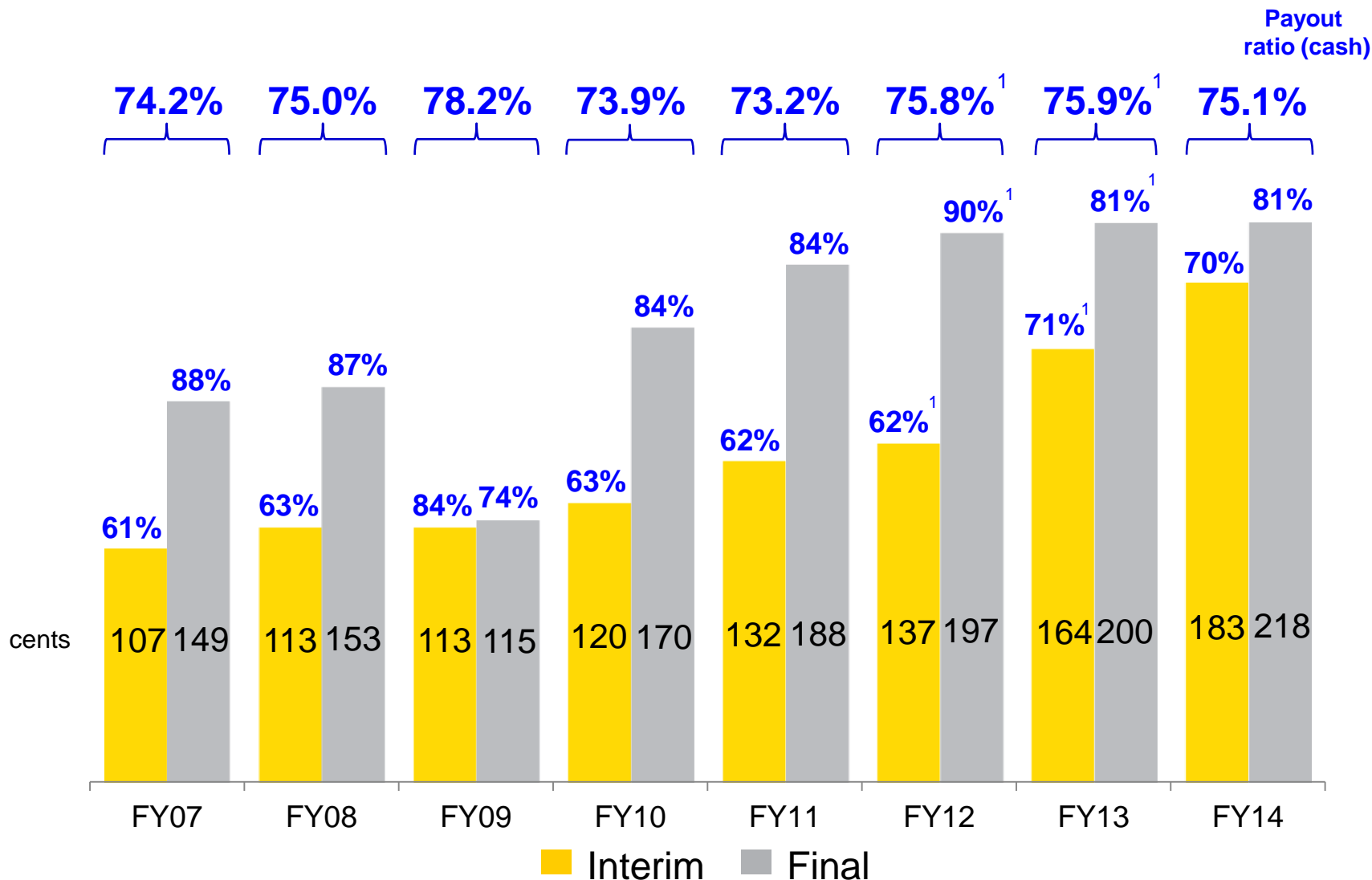
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1 Liquids reported post applicable haircuts.
 2 Includes Government Guaranteed bonds buyback

Additional information

Dividend per Share



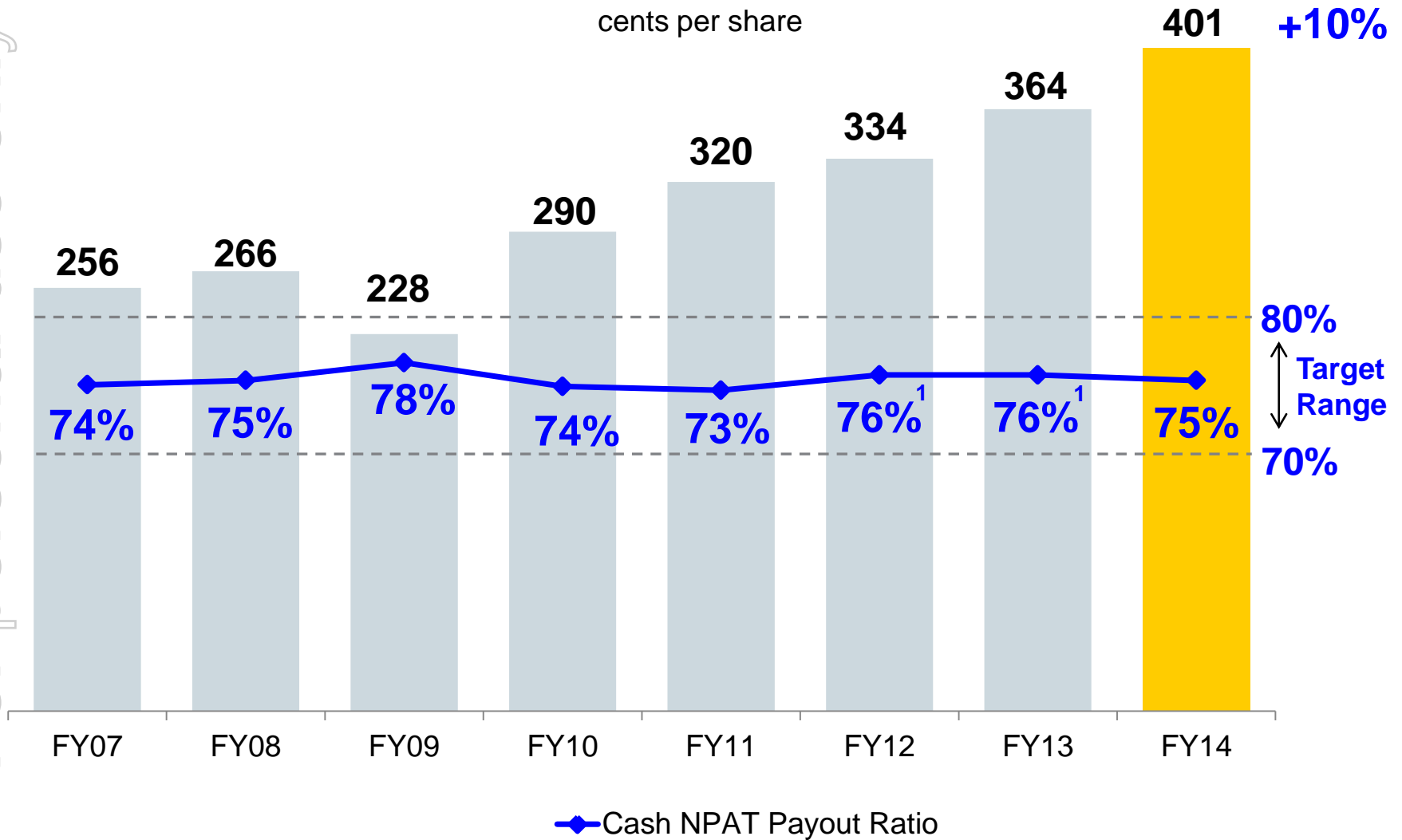
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¹ FY12 and FY13 payout ratios restated following retrospective application of AASB 119 Employee Benefits



Dividend

cents per share



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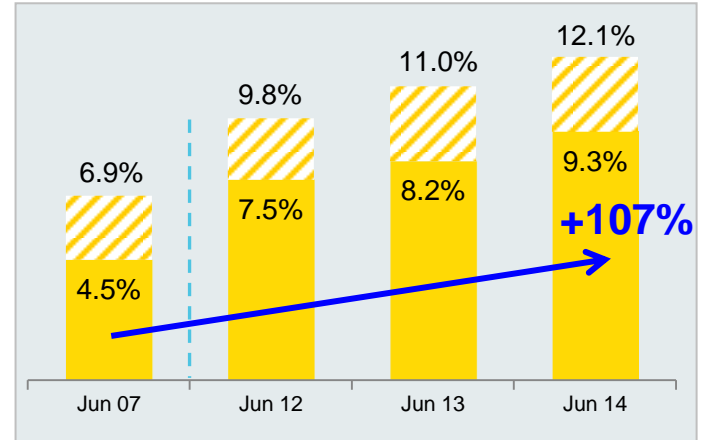
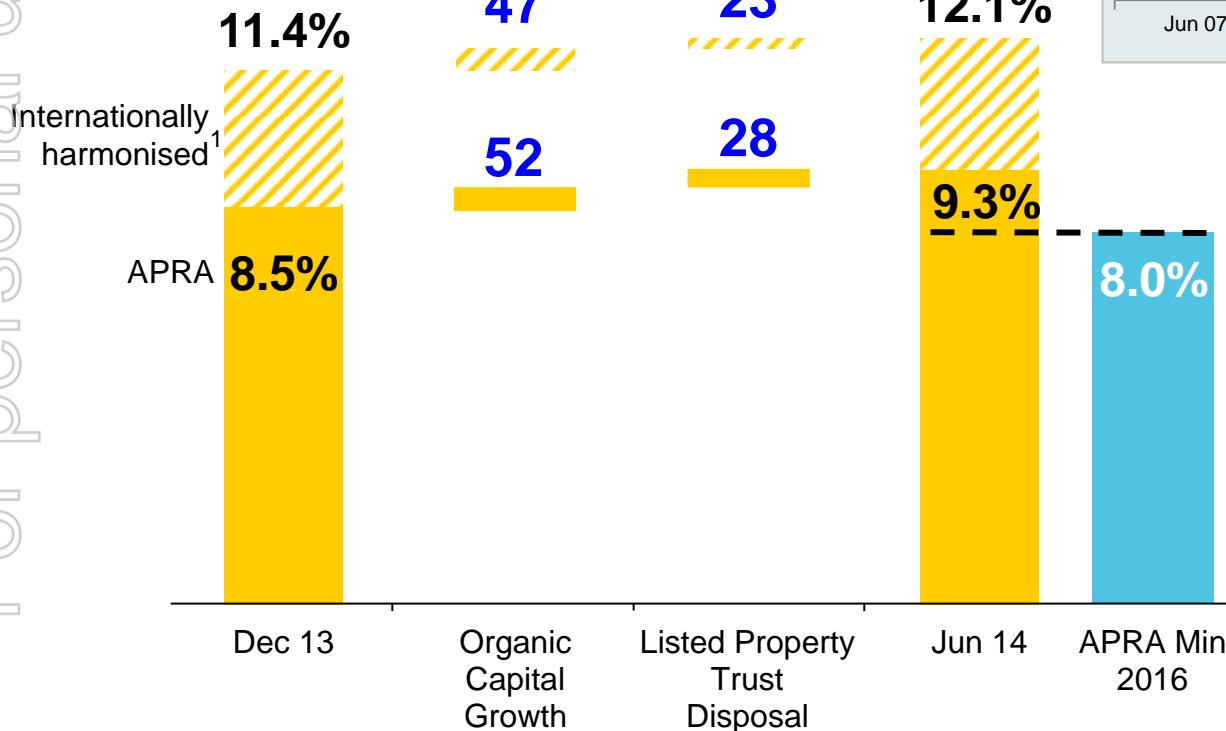
¹ FY12 and FY13 payout ratios restated following retrospective application of AASB 119 Employee Benefits

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Strong Capital Position

CET1

+70bpts



- ◆ Strong organic growth
- ◆ Jun 14 DRP to be neutralised

¹ Assumes Basel III Capital reforms have been fully implemented. The methodology is currently the subject of an industry-led review which may result in a higher ratio.

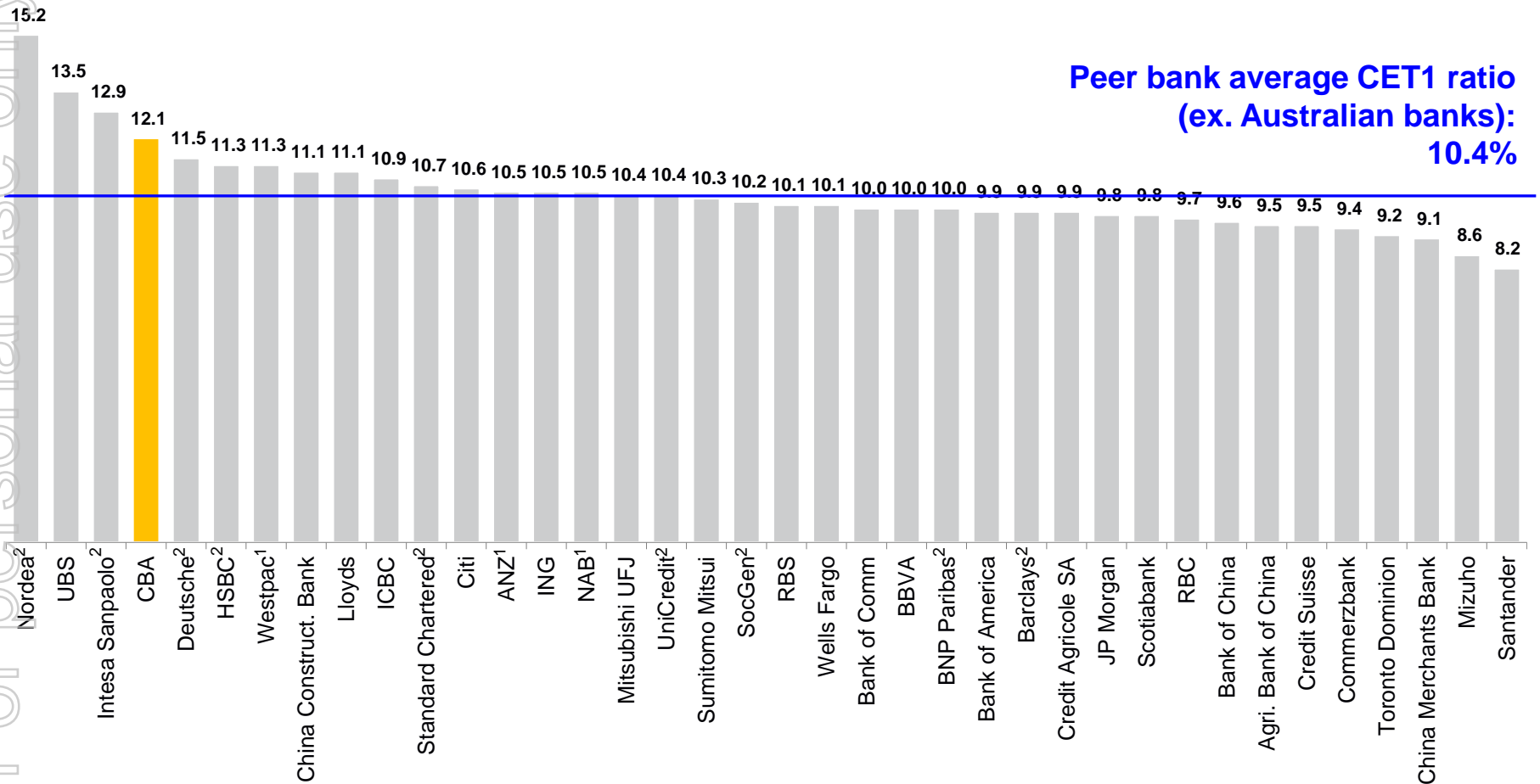


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International Peer Basel III CET1

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Source: Morgan Stanley. Based on last reported CET1 ratios up to 8 August 2014 assuming Basel III capital reforms fully implemented. CBA's internationally harmonised capital ratio above includes the most significant differences between APRA and Basel standards. The methodology is currently the subject of an industry-led review which may result in a higher ratio. Peer group comprises listed commercial banks with total assets in excess of A\$700 billion and which have disclosed fully implemented Basel III ratios or provided sufficient disclosure for a Morgan Stanley estimate.

1 Domestic peer figures as at 31 March 2014
 2 Includes deduction for accrued expected future dividends

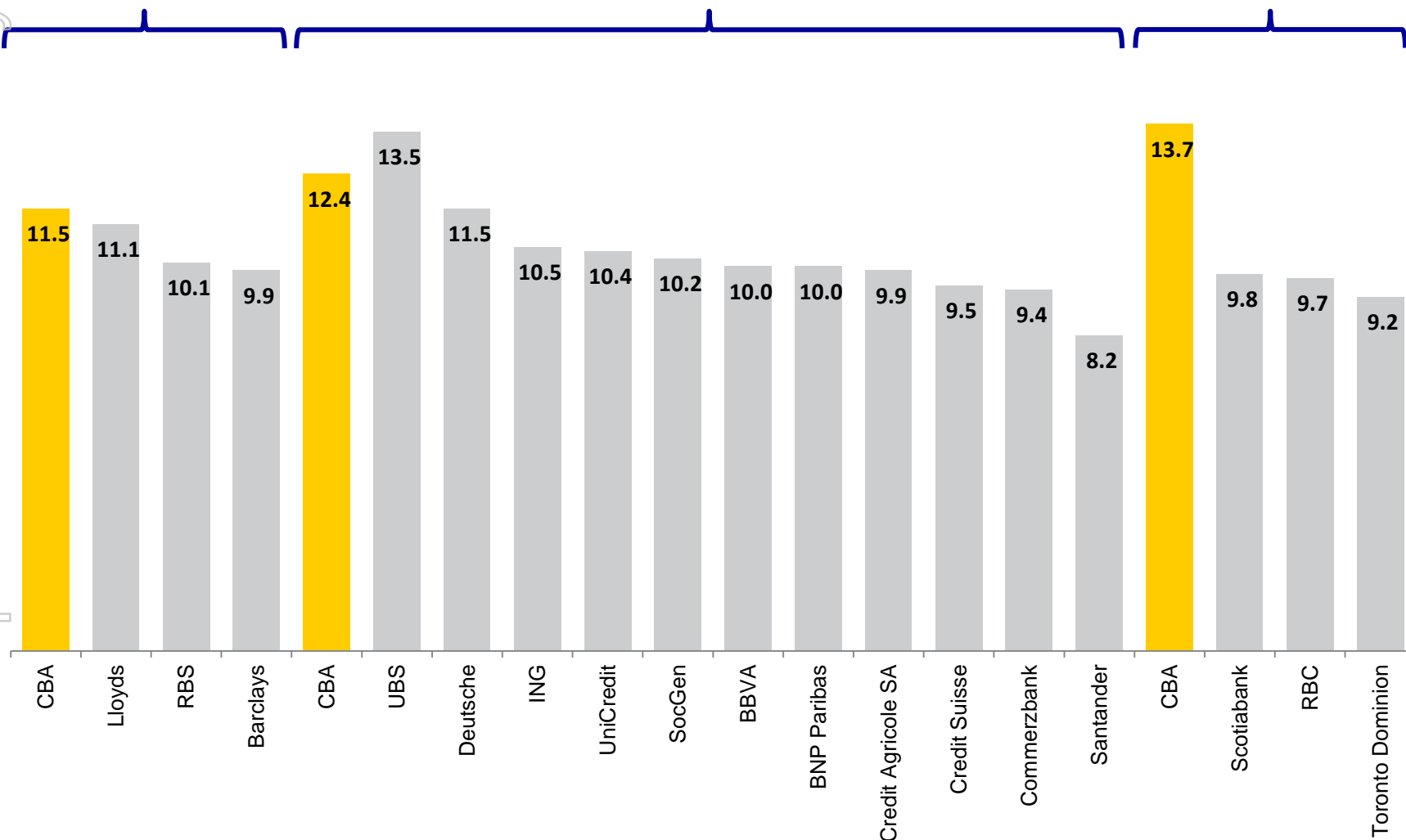
Additional information

CBA vs peers in each jurisdiction

Under UK regime

Under European regime

Under Canadian regime

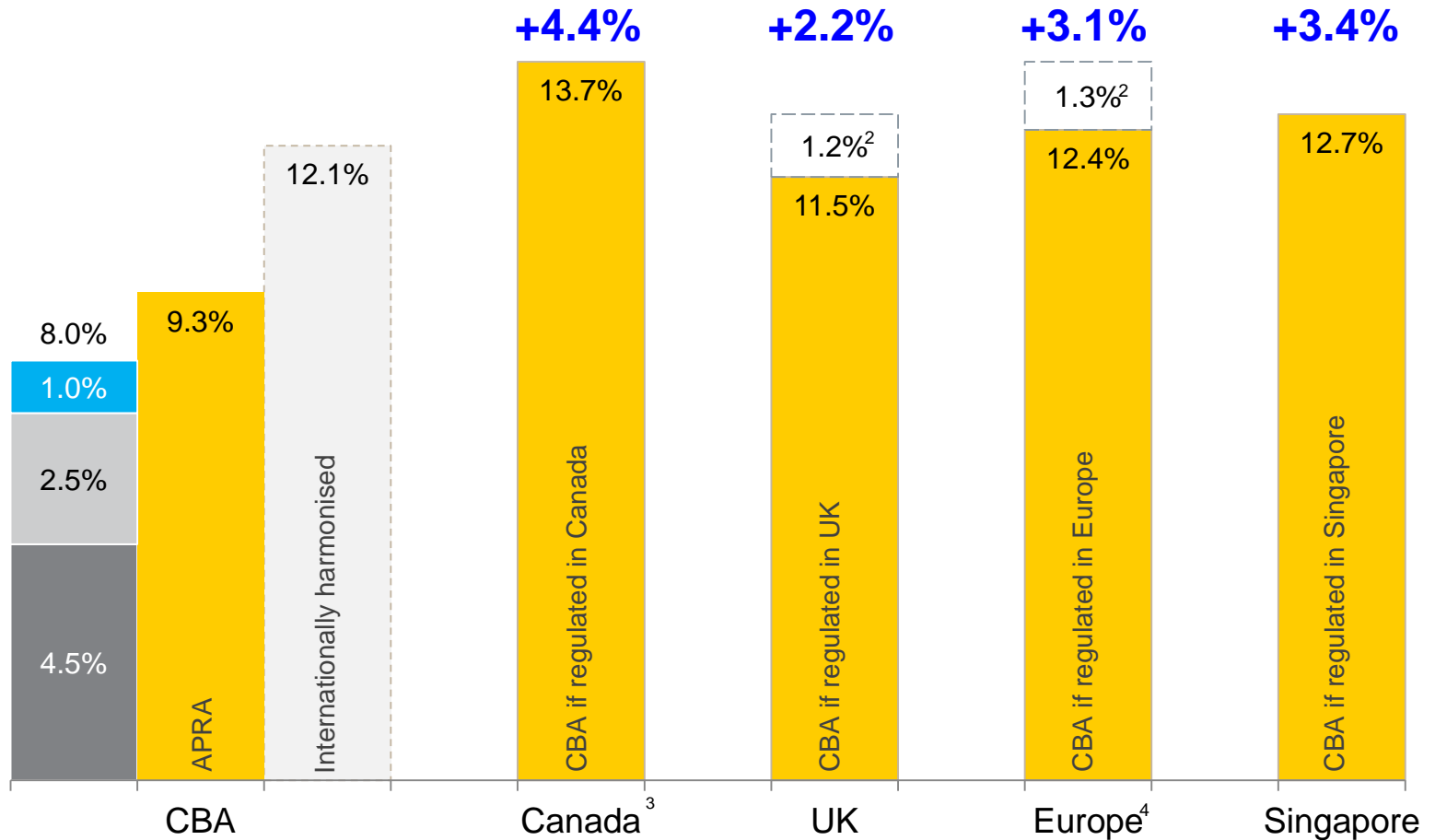


Source: CBA, PwC and Morgan Stanley. Based on last reported CET1 ratios up to 8 August 2014 assuming Basel III capital reforms fully implemented.



CBA CET1 under various regulatory regimes¹

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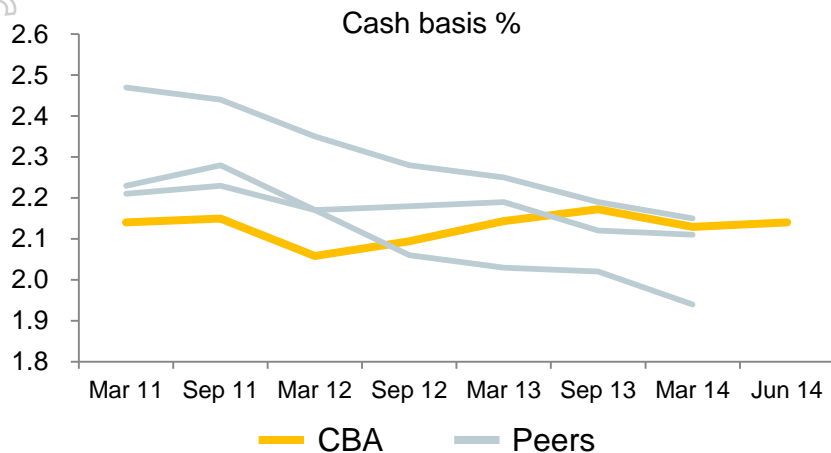
Source: CBA, PwC and Morgan Stanley. Morgan Stanley has reviewed the methodology used to calculate the impact in Canada, UK, Europe and Singapore. The internationally harmonised capital ratio above includes the most significant differences between APRA and Basel standards. The methodology is currently the subject of an industry-led review which may result in a higher ratio.

1. Calculations under the non-APRA regimes include the impact of international harmonisation as well as adjusting for additional regulatory constraints imposed by APRA which are not required in those jurisdictions.
2. Since 31 December 2013, UK and European banks have taken a deduction for accrued expected future dividends (if they are paying dividends).
3. Does not include the benefit of the Canadian Government guarantee of mortgage insurers which allows Canadian banks to realise lower risk-weights.
4. Based on CRD IV as implemented by the European Commission.

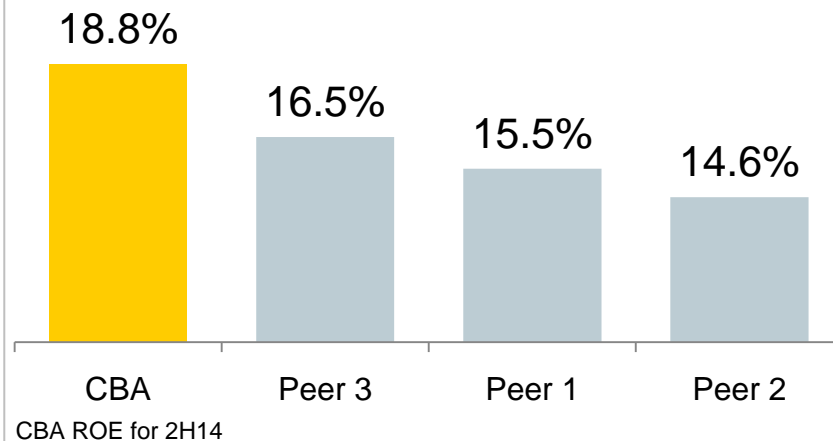
Additional information

Result quality

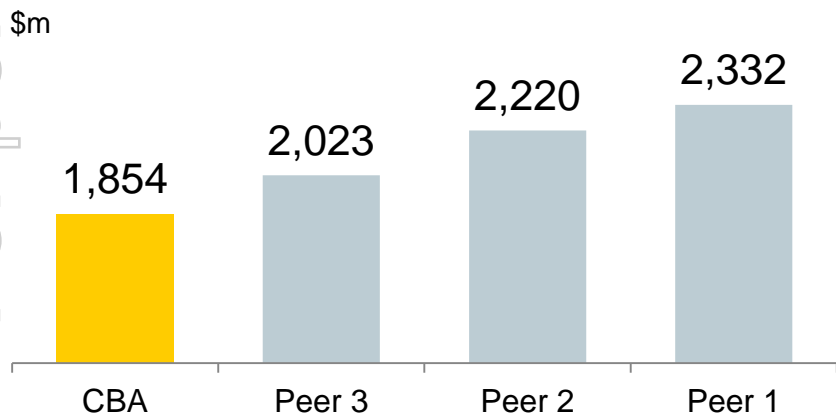
Group NIM



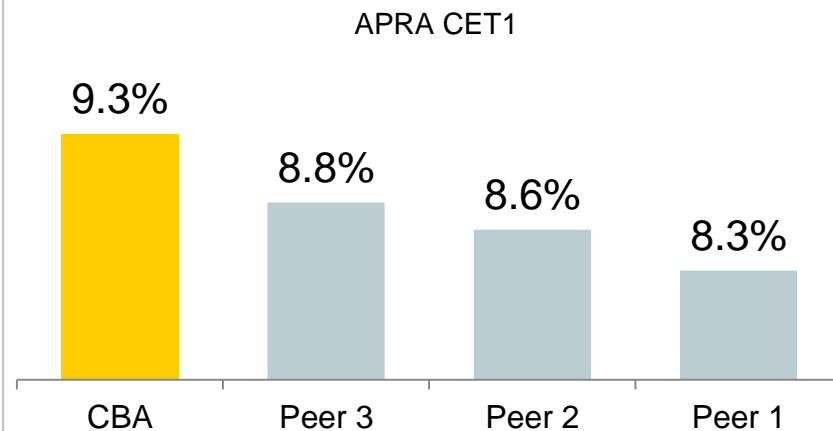
ROE¹



Capitalised Software²



Capital²



1 CBA is half to June 2014. Peers are half to March 2014

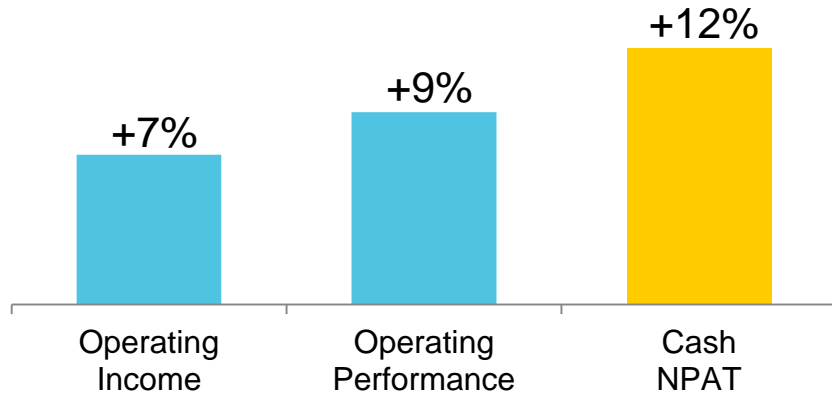
2 CBA is as at June 2014. Peers are as at March 2014



Financial Summary

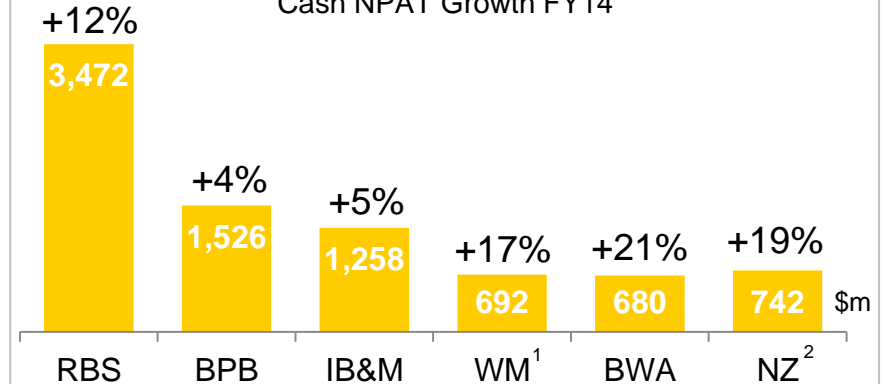
A strong result

FY14 vs FY13

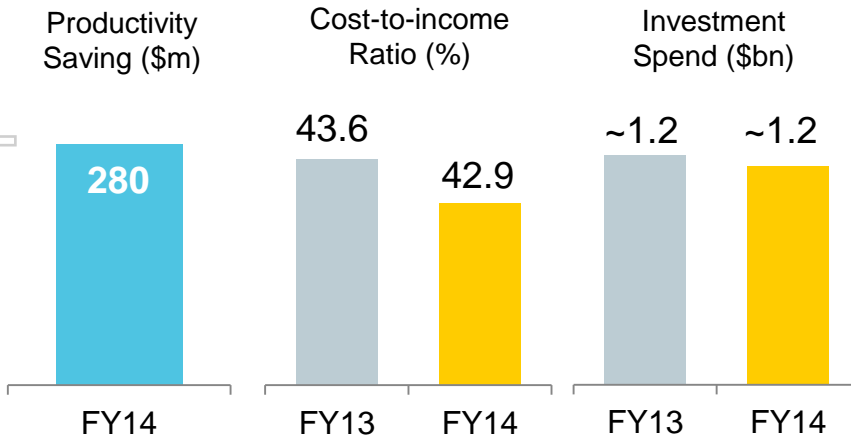


All divisions contributing

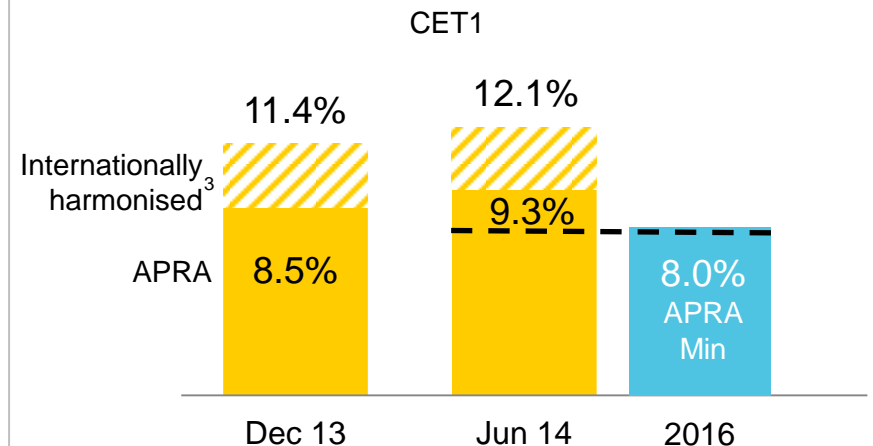
Cash NPAT Growth FY14



Productivity, efficiency, reinvestment



Strong capital position



¹ Excluding property

² NZ result in AUD

³ Assumes Basel III Capital reforms have been fully implemented. The methodology is currently the subject of an industry-led review which may result in a higher ratio.



Results Presentation

FOR THE FULL YEAR ENDED 30 JUNE 2014

CommonwealthBank



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IAN NAREV

CHIEF EXECUTIVE OFFICER

Economic Summary – Australia

	2010	2011	2012	2013	2014	2015 (f)	2016 (f)
Credit Growth % – Total	3.0	2.7	4.4	3.1	5.1	4-6	4½-6½
Credit Growth % – Housing	8.0	6.0	5.0	4.6	6.4	5¼-7¼	5½-7½
Credit Growth % – Business	-4.0	-2.2	4.4	1.0	3.5	2½-4½	3-5
Credit Growth % – Other Personal	3.0	0.6	-1.4	0.4	0.7	2-4	3-5
GDP %	2.0	2.2	3.6	2.7	2.9(f)	3.0	3.2
CPI %	2.3	3.1	2.3	2.3	2.7	2.7	2.8
Unemployment rate %	5.5	5.1	5.2	5.4	5.8	5.9	5.6
Cash Rate %	4½	4¾	3½	2¾	2½	3	3½

CBA Economist's Forecasts

Credit Growth

= 12 months to June qtr

GDP, Unemployment & CPI

= Financial year average

Cash Rate

= As at end June qtr

f = forecast



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Outlook

Domestically:

- Strong foundations, but confidence remains fragile
- Lower interest rates a positive for housing/construction, offsetting reduced investment in resource sector
- Increased production from investments in resource sector

Recent relative stability in global economy, but downside risks remain

FY15:

- Improvements in economy likely to be gradual – depending on ongoing stability
- Coherent economic picture for Australia critical
- We continue to take a long term view – building on priority capabilities



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Summary

- ◆ Consistent strategic focus on the customer:
- People Leading customer satisfaction
 - Productivity Sustained productivity gains
 - Technology Rate of innovation increasing
 - Strength Strong balance sheet
- ◆ Continuing growth:
- Cash NPAT +12%
 - ROE +50bpts
 - EPS +11%
 - DPS +10%
- ◆ Significant upside remains



Results Presentation

FOR THE FULL YEAR ENDED 30 JUNE 2014

CommonwealthBank



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Overview, Customers & People	75
Technology & Innovation	87
Strength – Capital, Funding & Risk	97
Business Performance	123
Economic Indicators	139

SUPPLEMENTARY SLIDES

CBA Overview

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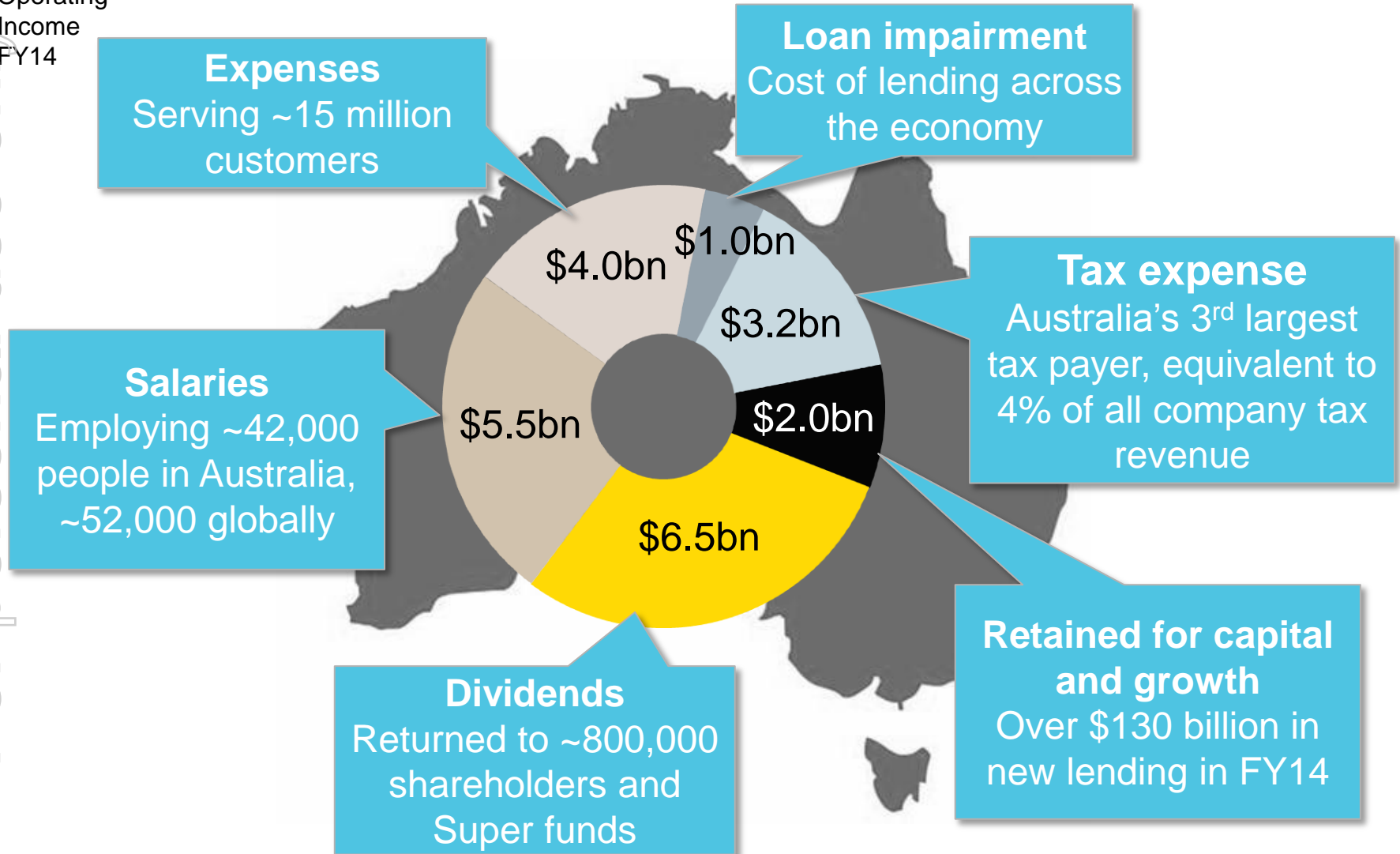
✓	Largest Australian bank by market capitalisation
✓	AA- / Aa2 / AA- Credit Ratings (S&P, Moodys, Fitch)
✓	Basel III CET1 (International) 12.1%
✓	Total assets of \$791bn
✓	~15 million customers
✓	~52,000 staff
✓	1,150 branches (includes Bankwest)
✓	#1 in household deposits
✓	#1 in home lending
✓	#1 FirstChoice platform ¹

¹ Source: Plan for Life as at 31 March 2014

Strong contributor to Australian economy

Operating
Income
FY14

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Creating jobs and opportunities

Providing direct employment to ~42,000 people in Australia, ~52,000 people globally

Accounting for 1 in 10 people working in the Australian financial services sector

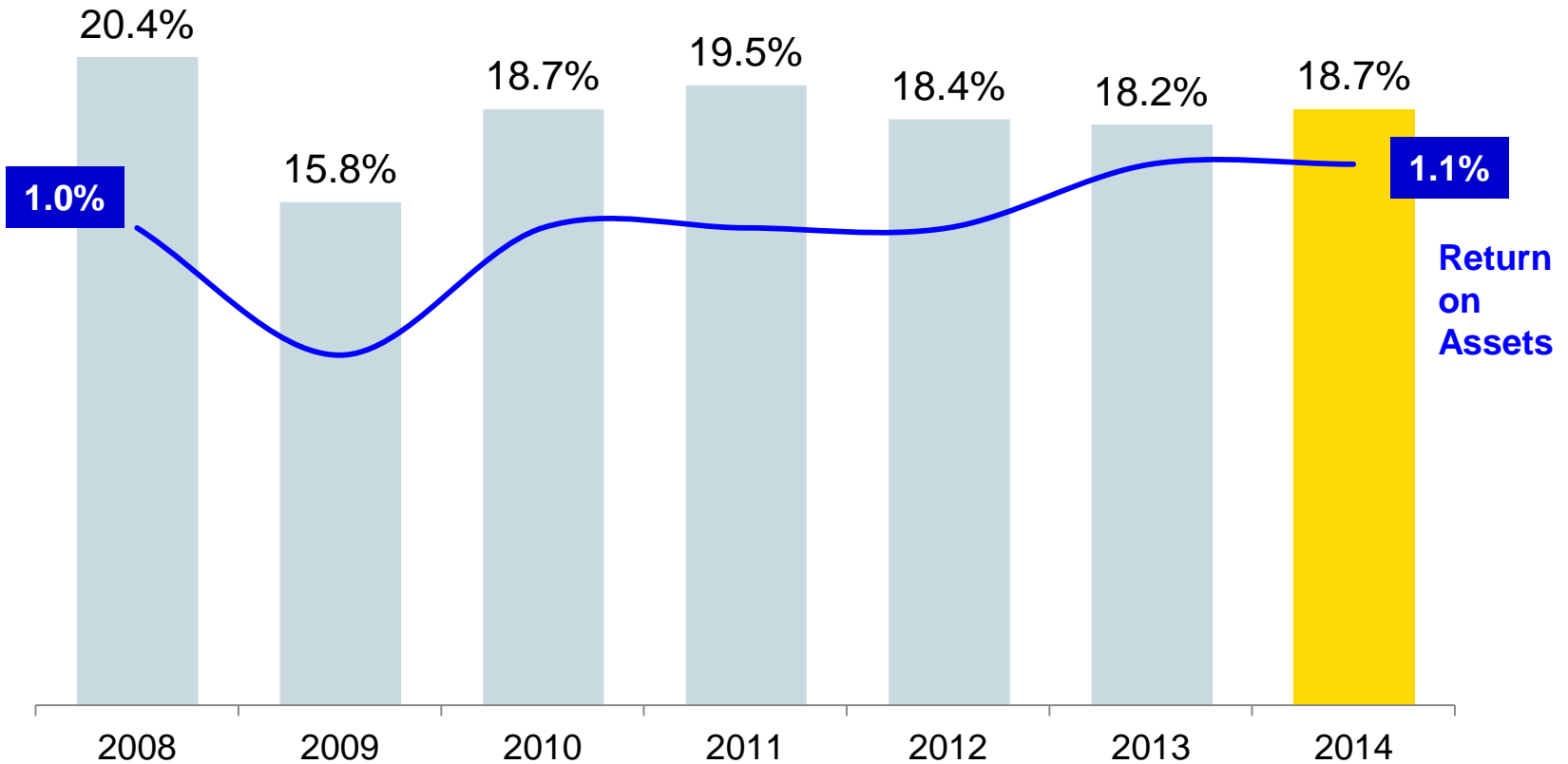


Paid \$4bn in wages to Australian households in FY14

Paid \$4bn to ~6,000 suppliers in FY14 – supporting employment across the economy

Return on Equity

Cash ROE

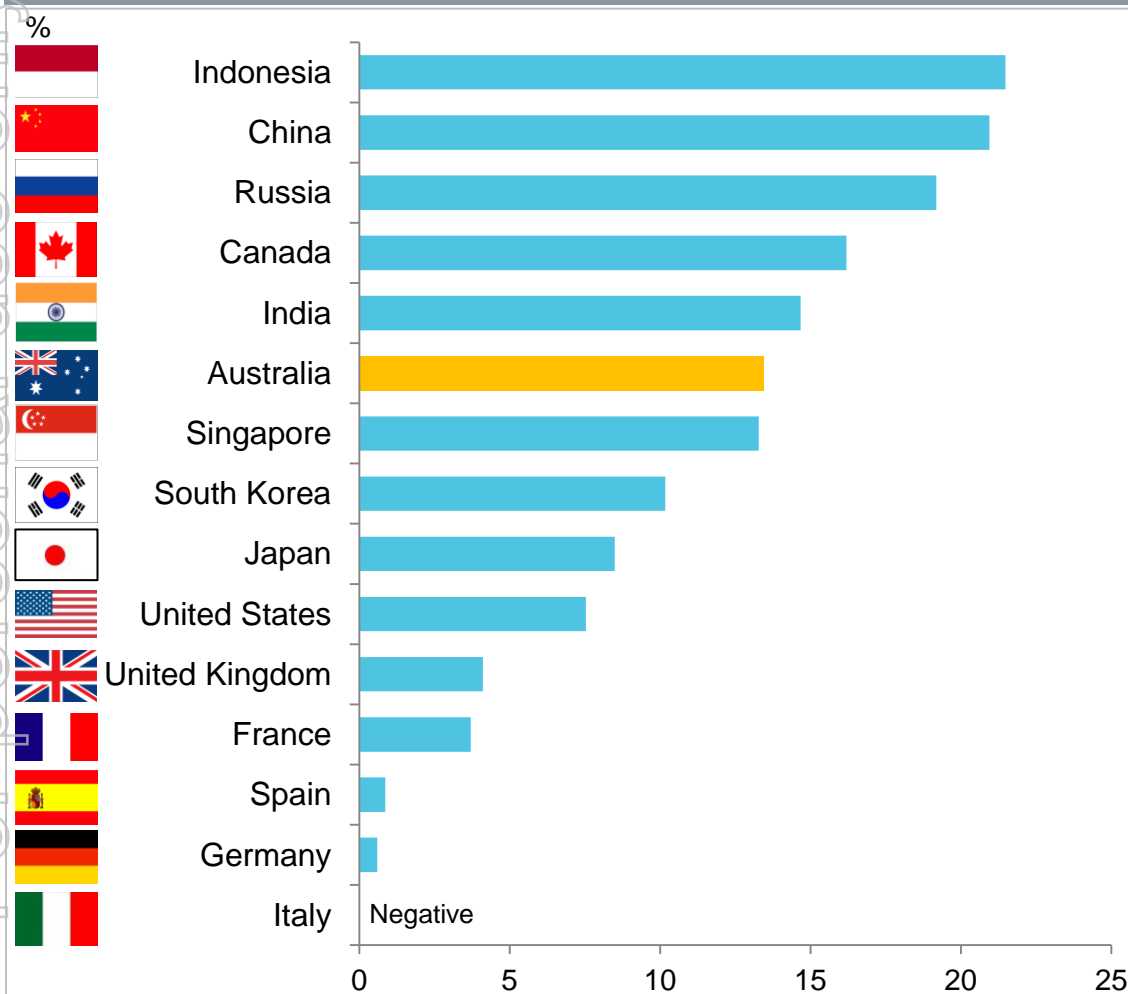


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Bank Profitability

ROE¹



CBA Ranking

(Amongst ASX 100 companies)

	CBA Rank ²
Market capitalisation (ASX)	2 nd
Dividends declared	1 st
Taxes Paid	3 rd
Return-on-Equity (ROE)	24 th
Return-on-Assets (ROA)	75 th

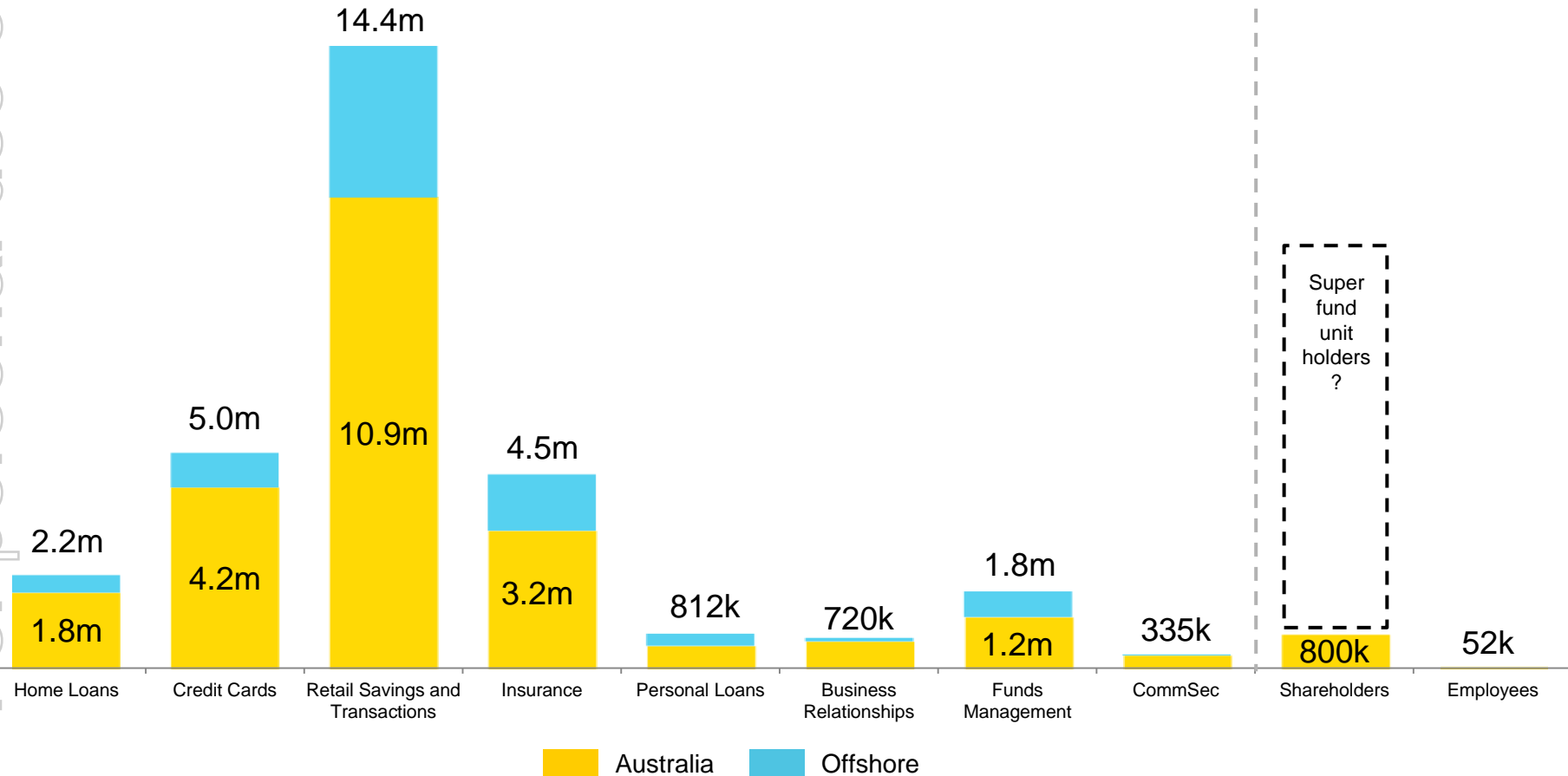
1 Source: Factset. Weighted average 2yr ROE for listed banks in each country. Statutory ROEs weighted by shareholders' equity.

2 Most recent annual results data amongst ASX 100 companies. Sourced from Bloomberg 7 August 2014.

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Our stakeholders

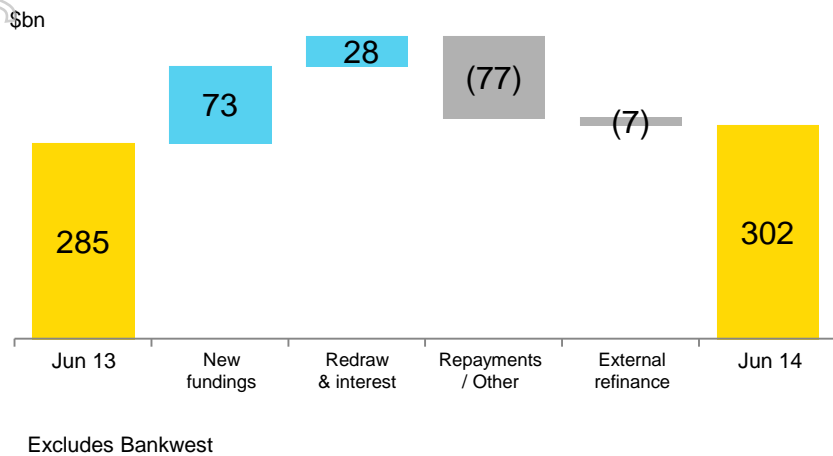
Customer Product Holdings¹



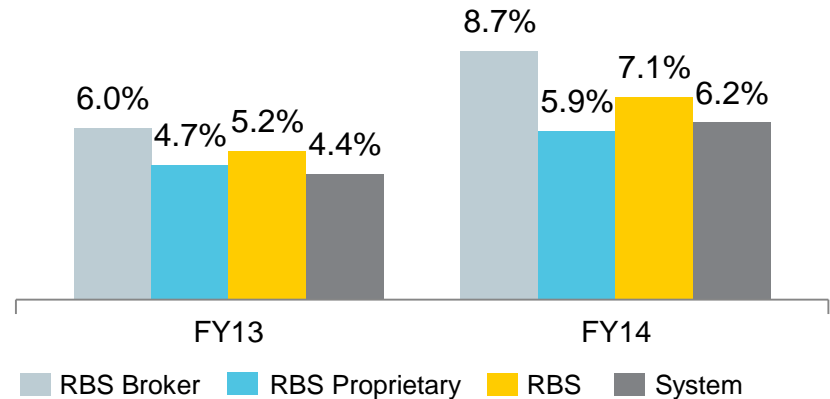
¹ Customers who hold at least one product in each of the major product categories shown. Totals not mutually exclusive – includes cross product holdings. Figures are approximates only and may include some level of duplication across customer segments. CommSec total includes active accounts only.

Home Loan Growth Profile

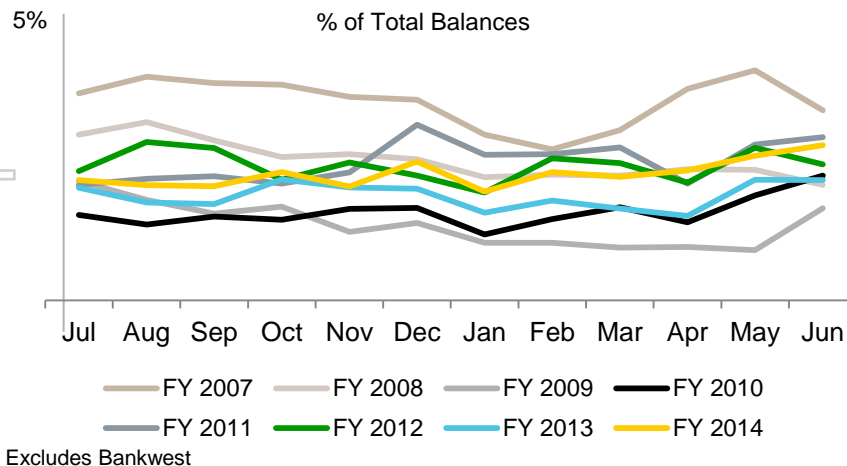
Home Loan Balances



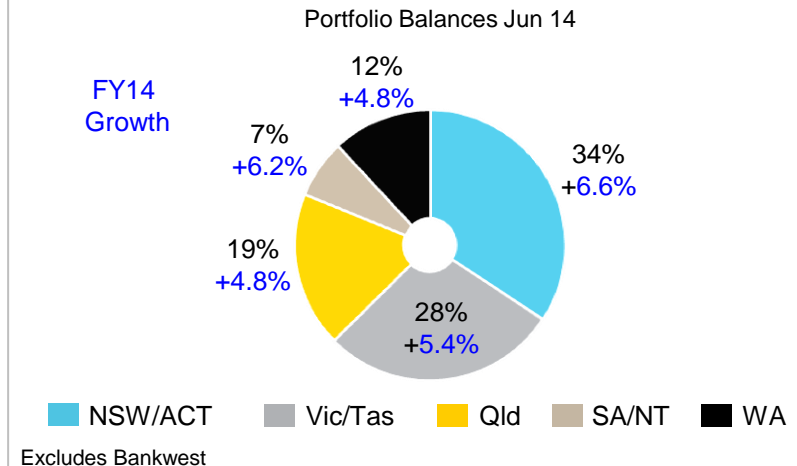
RBS Channel Growth¹



External Refinancing



Growth Summary



¹ System figures adjusted for series breaks to normalise growth. Source RBA.

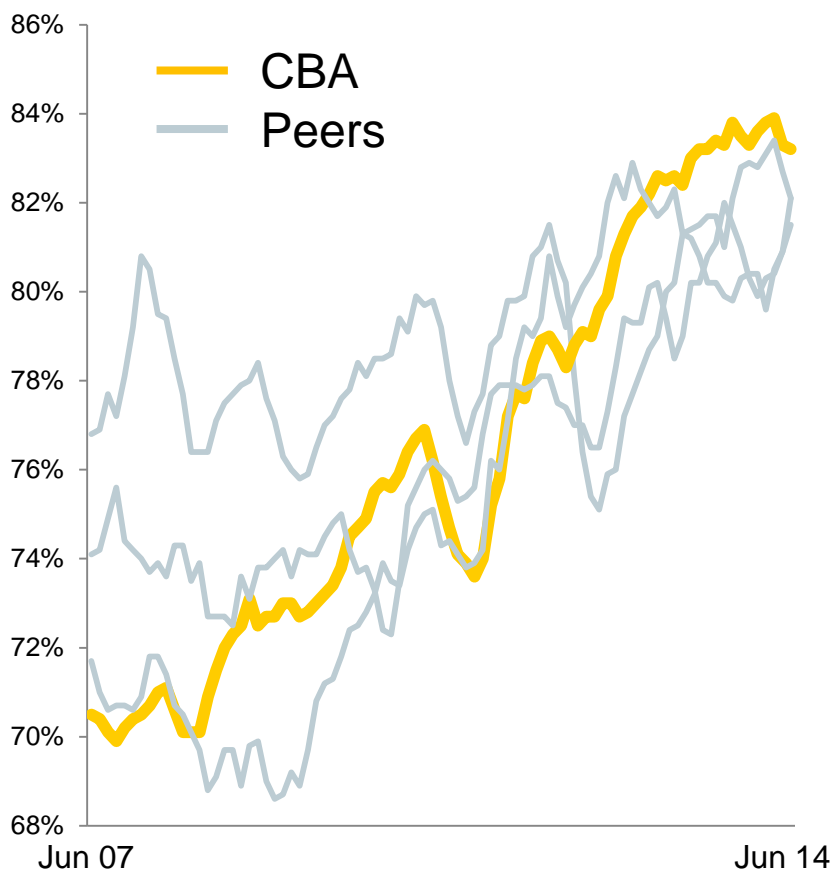


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Customer Satisfaction

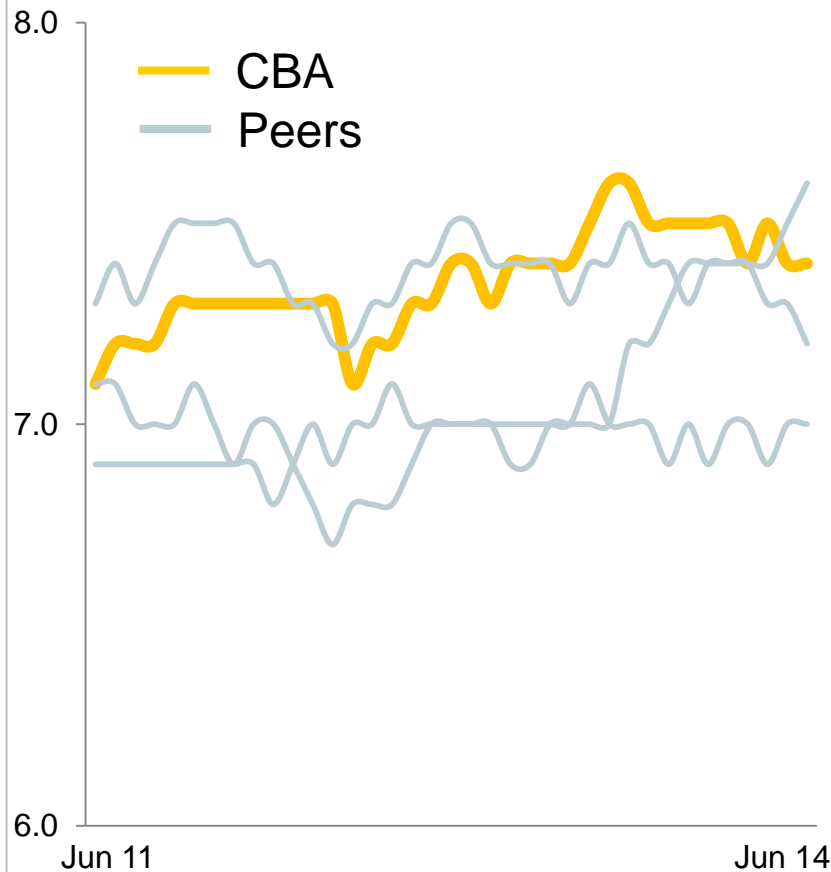
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Retail Customer Satisfaction¹



% Satisfied ('Very Satisfied' or 'Fairly Satisfied')¹

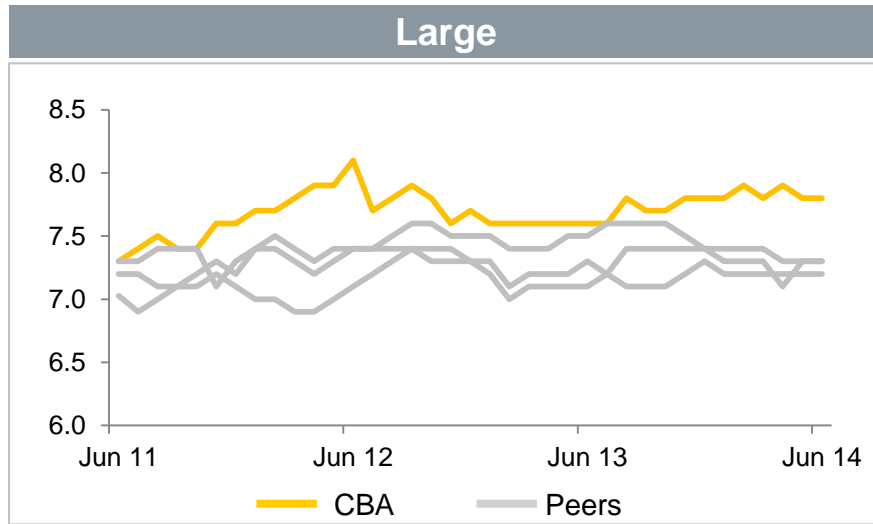
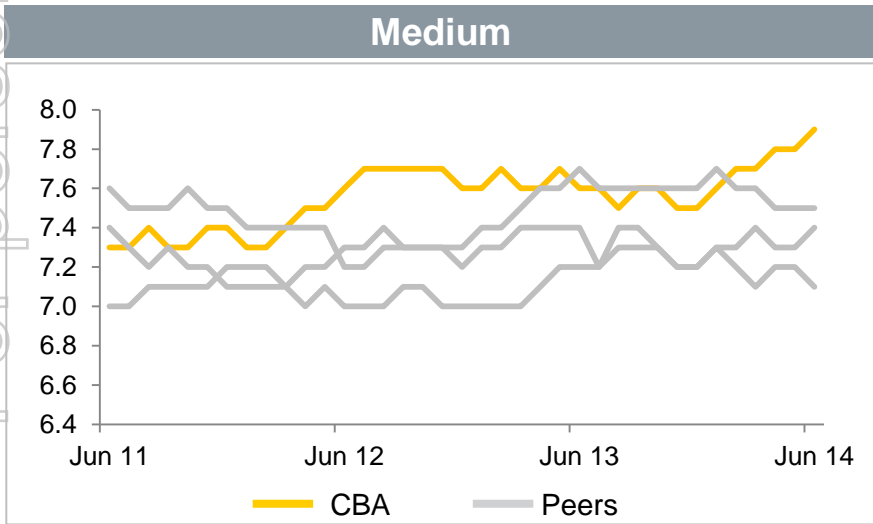
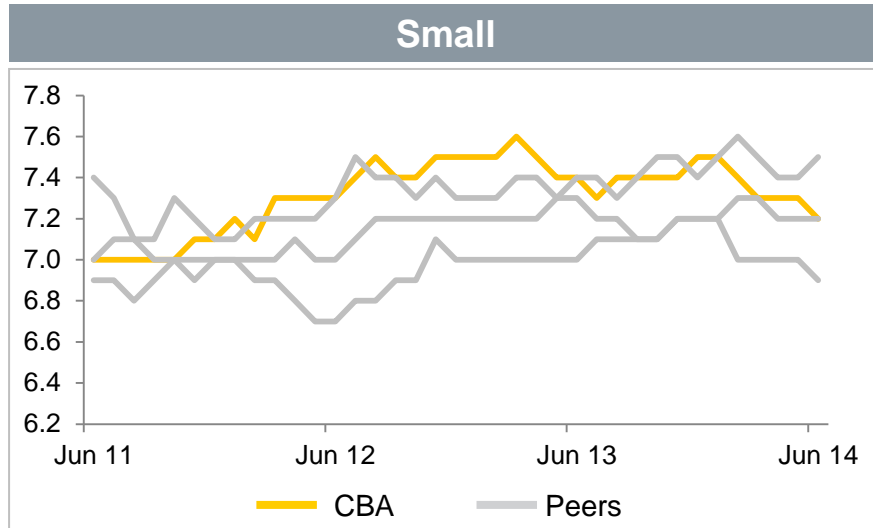
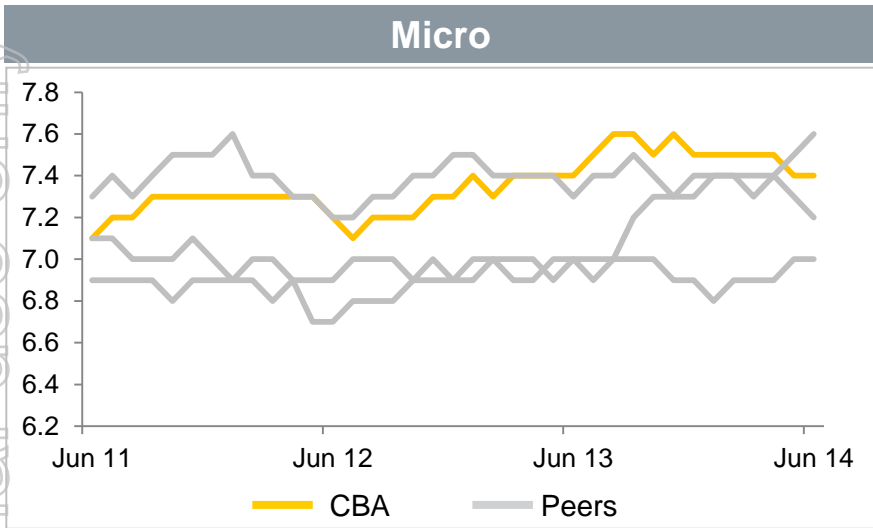
Business Customer Satisfaction⁴



Customer Satisfaction - Average

Business Customer Satisfaction⁵

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5 Refer notes slide at back of this presentation for source information

Sustainability Progress

During the financial year, the Board-endorsed sustainability framework with its five focus areas has continued to support the Group's vision and the creation of enduring value for our customers, people, shareholders and the broader community.

Sustainable business practices



- New Board-endorsed Anti-Bribery & Corruption Policy confirming the Group's zero tolerance approach to bribery, corruption and facilitation payments.
- Productivity culture further embedded throughout the Group including rollout of extensive training and introduction of a team accreditation program.

Responsible financial services



- Maintained number one position in customer satisfaction.
- The Commonwealth Bank Foundation's StartSmart program continued to deliver financial literacy education sessions throughout Australia, achieving our goal of improving the financial literacy of more than 1 million children since 2009.
- The Group became an Equator Principles III signatory, further building on our commitment to responsible lending and reporting of our environmental and social risk practices.

Engaged and talented people



- The Group's people remained highly engaged, as shown by the Group's 2014 Employee Engagement score of 81%, up from 80% in 2013.
- The Group's diversity strategy continued to contribute to a more inclusive workplace. For example, the percentage of employees identifying as LGBTI (lesbian, gay, bisexual, transgender & intersex) rose to 8.7%, up from 3.3% in the previous period.
- 137 career opportunities created for Aboriginal and Torres Strait Islander employees.

Community contribution and action



- 11,400 staff members donated to the Staff Community Fund, which enabled \$2 million in grants to be awarded to 238 grassroots organisations focussed on the health and wellbeing of Australian youth.
- The Group's volunteering programs supported a range of not-for-profits, including the provision of mentoring support from across the organisation.
- The Group continue to partner with organisations that provide outstanding educational opportunities for Aboriginal and Torres Strait Islanders. During the year our people mentored 37 Indigenous high school students through the Australian Indigenous Education Foundation.

Environmental stewardship



- The Group was the highest ranked Australian bank on the CDP's 2013 Global Climate Disclosure Leadership Index. CDP, the world's only global environmental disclosure system, recognised our actions to reduce carbon emissions and mitigate the risks of climate change.
- Carbon emissions reduced by a further 12,385 tonnes, with new 12 month reduction targets set.

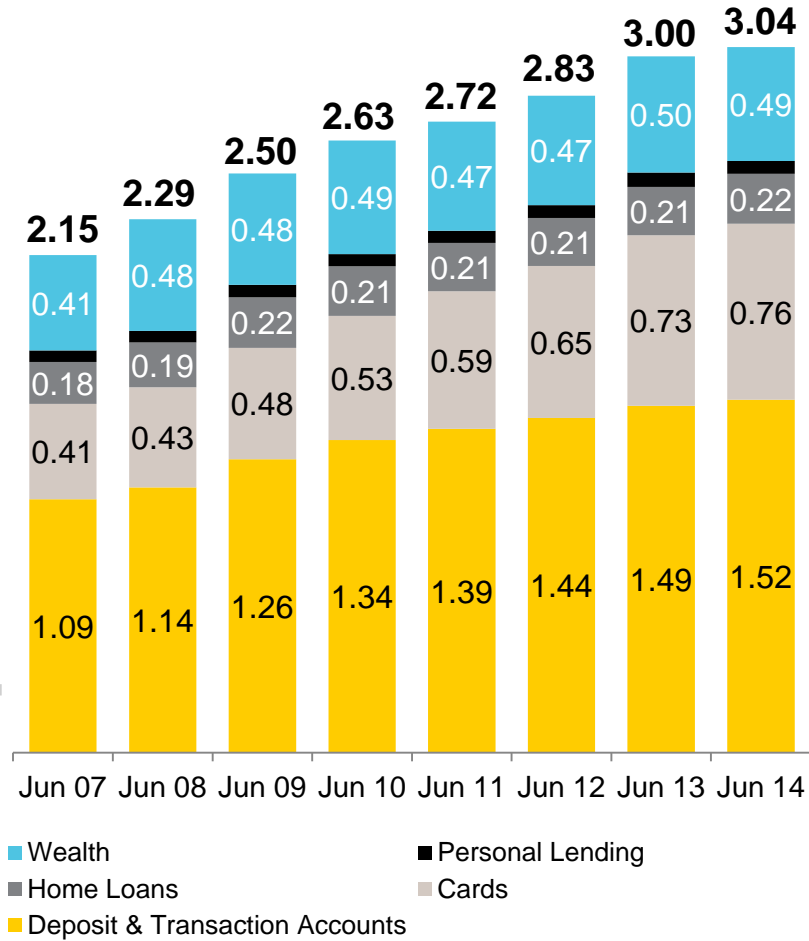
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Sustainability Scorecard

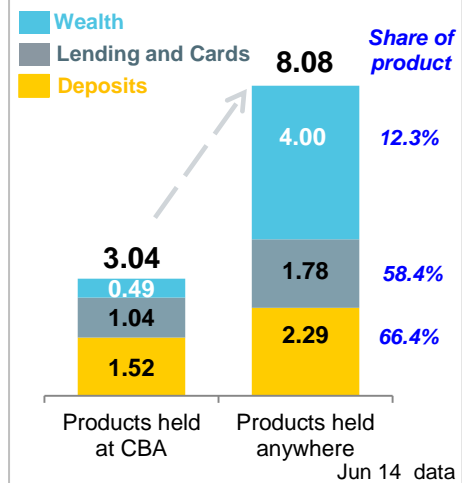
	Units	FY14	FY13	FY12	FY11	FY10	FY09	
Customer satisfaction	Roy Morgan MFI Retail customer Satisfaction ¹	% Rank	83.2 1 st	83.0 1 st	79.0 2 nd	75.2 4 th	75.6 2 nd	73.0 3 rd
	DBM Business Financial Services Monitor ²	Avg. score Rank	7.4 =1 st	7.4 =1 st	7.3 =1 st	7.1 =2 nd	7.0 =1 st	n/a
	Wealth Insights Platform Service Level Survey ³	Avg. score Rank	7.94 1 st	8.32 1 st	7.86 1 st	7.74 1 st	7.70 1 st	7.59 1 st
People	Employee Engagement Index Score ⁴	%	81	80	80	n/a	n/a	n/a
	Women in Manager and above roles ⁵	%	42.9	41.8	42.0	43.6	43.2	43.1
	Women in Executive Manager and above roles ⁵	%	32.8	30.3	30.9	28.2	26.3	26.1
	Lost Time Injury Frequency Rate (LTIFR) ⁶	Rate	1.3	1.9	2.8	2.4	2.7	2.5
	Absenteeism ⁷	Rate	6.0	6.2	6.2	6.0	5.9	5.9
	Employee Turnover Voluntary	%	10.6	10.6	12.9	12.7	12.7	11.4
Environment – Greenhouse Gas Emissions ⁸	Scope 1 emissions	tCO ₂ -e	7,936	8,064	8,192	8,183	8,711	10,931
	Scope 2 emissions	tCO ₂ -e	91,275	100,997	118,047	137,948	142,218	139,303
	Scope 3 emissions	tCO ₂ -e	44,918	47,453	47,667	63,719	47,522	40,583
Community – Financial literacy programs ⁹	School banking students (active)	Number	273,034	233,217	191,416	140,280	92,997	91,601
	StartSmart students (booked)	Number	288,728	284,834	235,735	200,081	119,669	51,426

Customer needs met

Products per Customer²



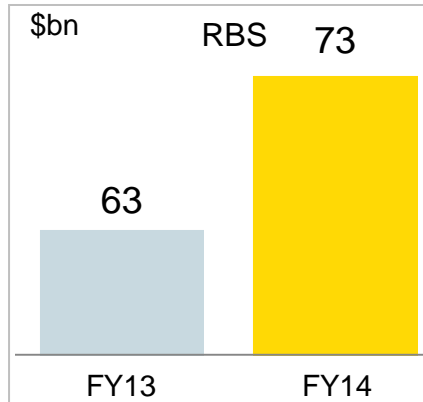
Products per Customer²



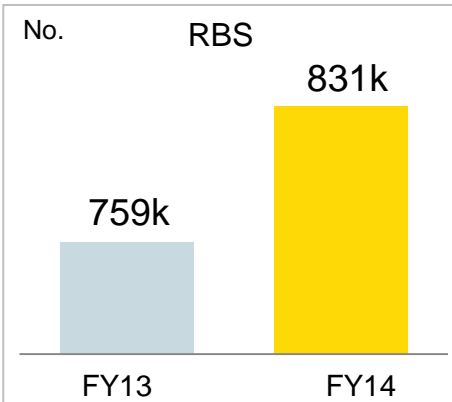
Wealth Product Penetration⁸

CBA	12.3%
Peer 3	11.3%
Peer 1	8.6%
Peer 2	8.5%

Home Loans – New fundings



New Transaction Accounts



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Australia's leading technology bank

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5.0m
active online
customers

#1
Mobile finance app¹

#1
Social & Facebook²

2.6m
unique app users

#1
Customer
Satisfaction –
website³

#1
Customer
Satisfaction –
Apps⁴

MFI for
1 in 3
Australians⁷

#1
Customer
Satisfaction –
Internet Banking⁶

#1
In the youth
segment⁵



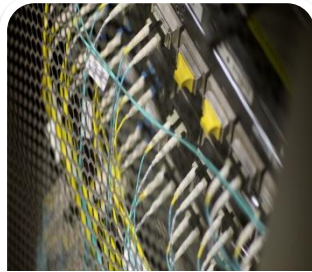
Technology transformation

Putting the customer at the centre of everything we do



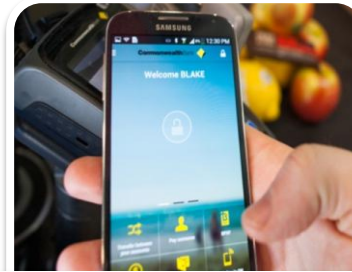
Revitalised front-line customer interface

- Single view of customer across channels
- CommSee
- Revitalised Sales & Service processes



Innovating in the back-end

- Legacy system replacement
- Real-time banking
- Straight-through processing
- Concurrent process redesign
- Simplifying architecture and focus on standardisation
- Building with agile
- Resilient systems



Best-in-class online, mobile & social platforms

- NetBank
- CommBiz
- CommSec
- FirstChoice
- CommBank app
- MyWealth & Essential Super
- CommBiz Mobile
- Pi, Albert, Leo, Emmy

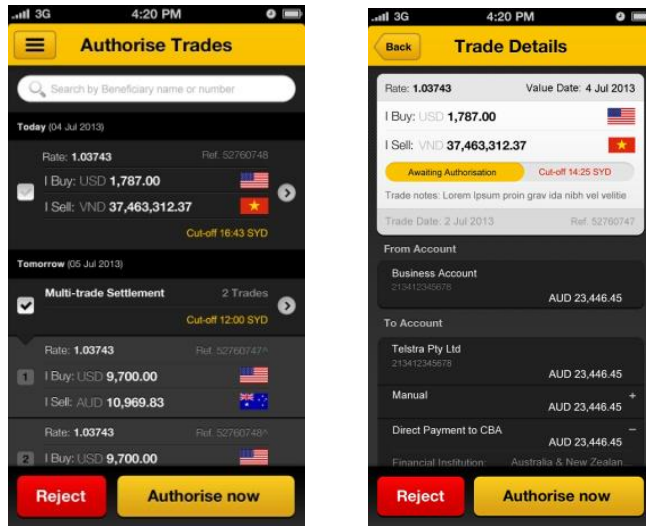


Securing the digital future

- Simplicity and convenience anywhere, anytime, any device
- Real-time customer engagement
- Customer insights through analytics
- Continue to leverage benefits of Core Banking Platform
- Digital end-to-end
- Leading privacy, trust and security

Leading technology, innovative solutions

CommBiz Mobile



- Real time account balances and transaction history
- Create, view and authorise payments from anywhere, authorise FX trade
- 250k logins since launch Mar 13

Small Business App + Emmy



- Next generation app, powered by Pi
- On-the-spot payments, instant invoicing, cash flow reporting etc
- Emmy pairs with Small Business app via Bluetooth to turn Apple or Android devices into powerful payment tools

Leading technology, innovative solutions

Online Origination – Everyday



- Account opening in <60 seconds¹
- Simple, seamless process across all devices (desktop, tablet, mobile)

Online Origination - Business

An advertisement for 'FLEXIBLE BANKING SOLUTIONS MADE SIMPLE.' It features the Commonwealth Bank logo at the top left. The main image shows a man in a blue shirt sitting at a desk with a laptop, looking at a document. Below the image, there is a blue 'OK' button. At the bottom, there is a yellow header 'Before we begin ...' followed by a list of requirements for opening a business transaction account. A 'Get started >' button is also present.

CommonwealthBank

FLEXIBLE BANKING SOLUTIONS MADE SIMPLE.

Thanks for choosing our Business Transaction Account.
To save time we can complete a secure ID check online and set you up in NetBank (Australia's #1 online bank).
Let's get started.

OK

CommonwealthBank

Before we begin ...

Get the following handy:

- At least one ID - Medicare card, driver's license, passport or birth certificate
- Business details including ABN/VACN, registered office address
- Full name and home address of any directors and shareholders.

Not a sole trader or a private company with up to two directors?

Fill in our Business Banking Application Form instead and we'll get it done within two business days to discuss your best option.

Get started >

- Launched Jun 14
- Real-time online customer verification and account opening for business transaction and savings accounts

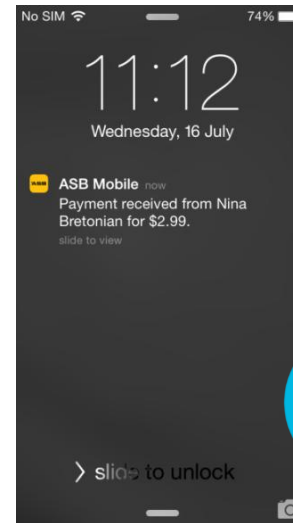
Leading technology, innovative solutions

Motor Insurance Origination



- Launched Jun 14
- Intuitive & easy to use, any device
- Doubled digital sales since launch
- Motor insurance sales through mobile devices now represents 25% of all digital motor insurance sales

ASB



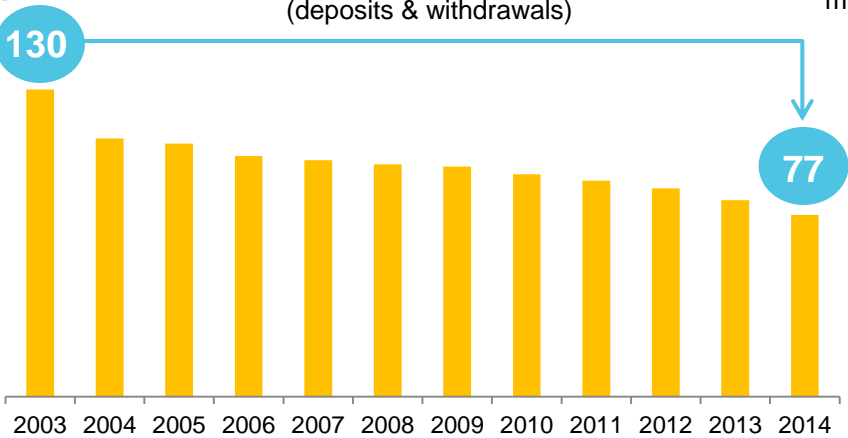
- ASB app satisfaction at 82%, 4% ahead of competitors¹
- ASB PayTag trial underway
- Online account provisioning and direct payment feeds enabling integrated accounting (Xero)

1. Source: Retail Market Monitor, June 2014

Transaction volumes

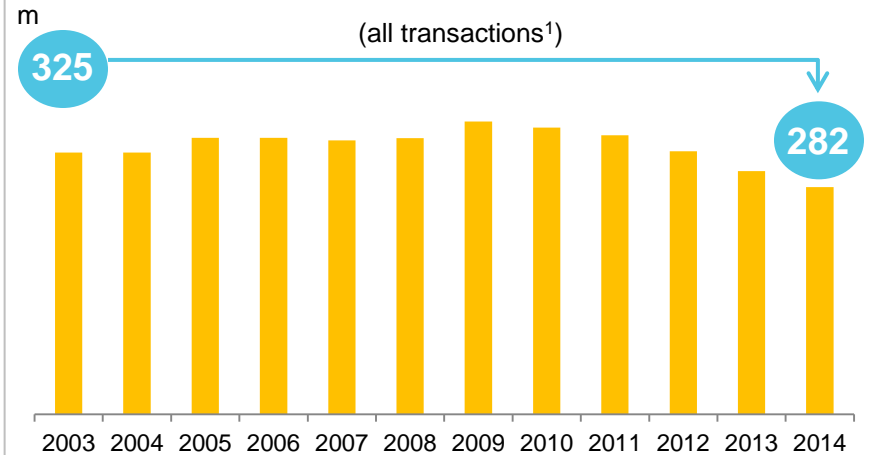
Branch

(deposits & withdrawals)



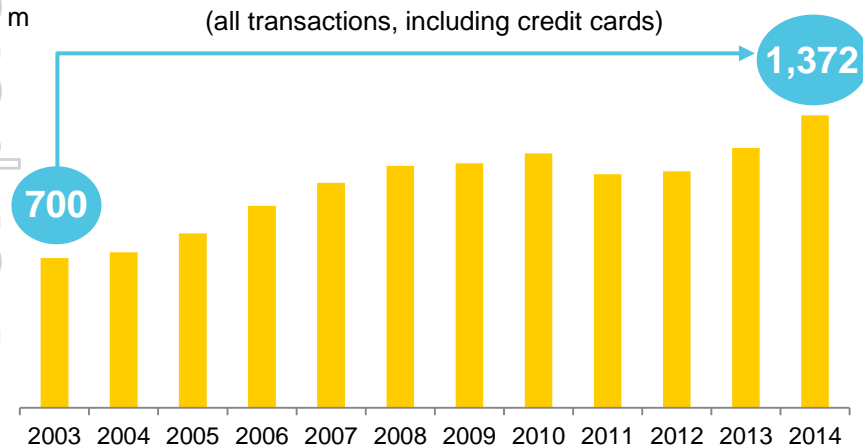
ATMs

(all transactions¹)



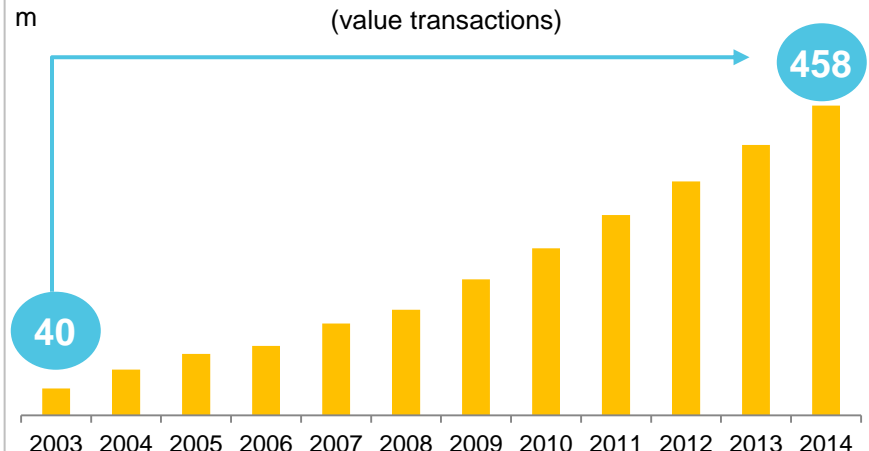
EFTPOS²

(all transactions, including credit cards)



Internet³

(value transactions)



All figures are approximates

1 All cardholder transactions at Australian-located CBA ATMs

2 Calendar years to 2006; financial years thereafter. Includes EFTPOS Payments Australia Ltd (EPAL), MasterCard and Visa volumes only.

3 Calendar years to 2007; financial years thereafter. Includes BPAY.



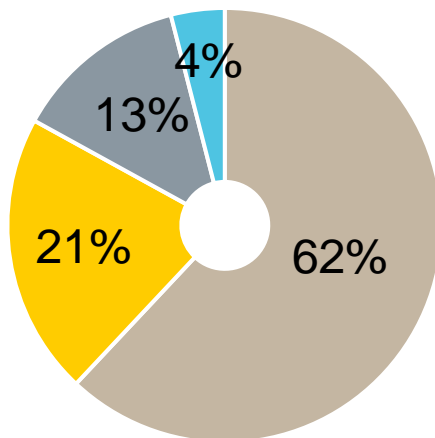
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Transaction volumes

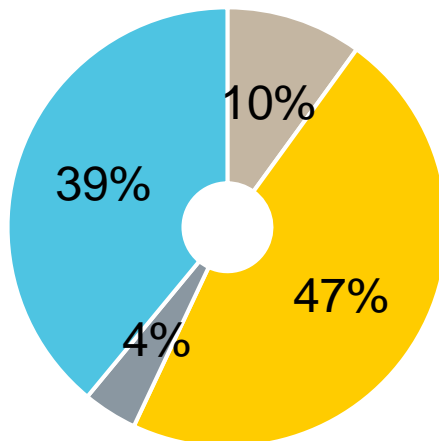
% of total transactions

FY14

By number



By value



EFTPOS

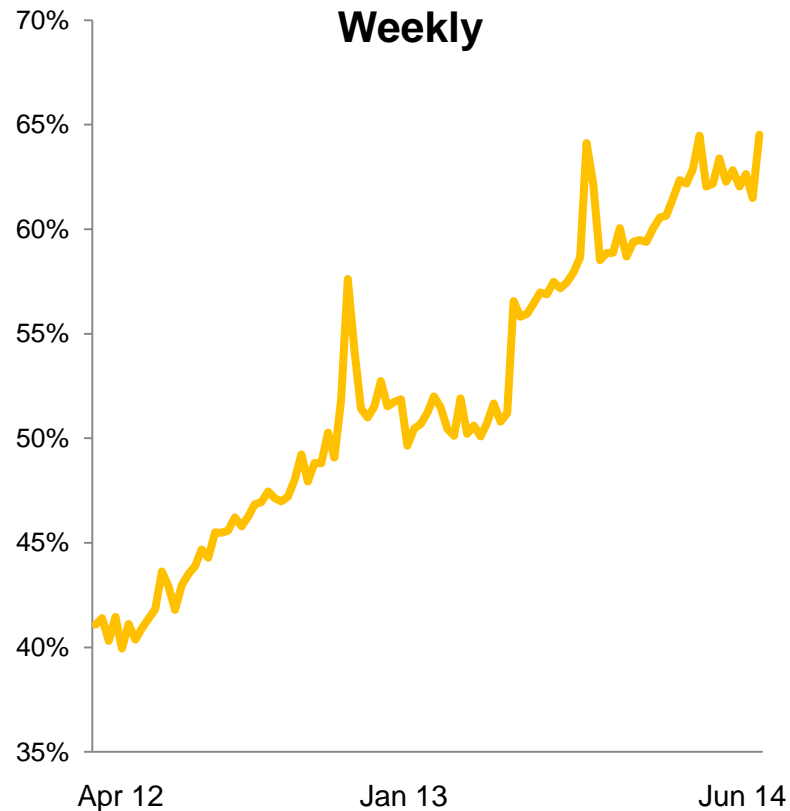
Internet

ATM

Branch

NetBank logins via mobile device*

Weekly



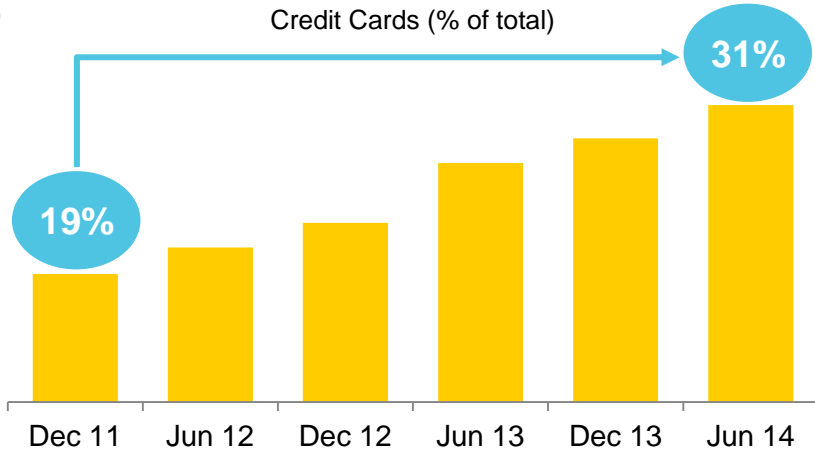
* Tablet and mobile

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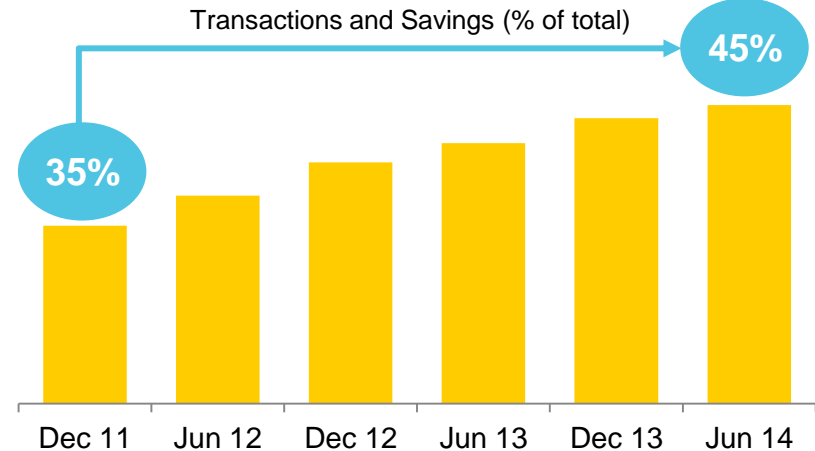


Self service and digital

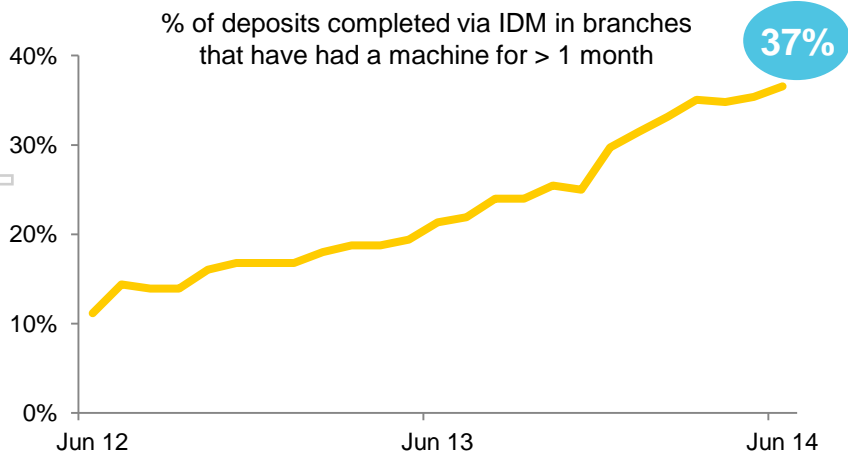
Accounts with e-statements



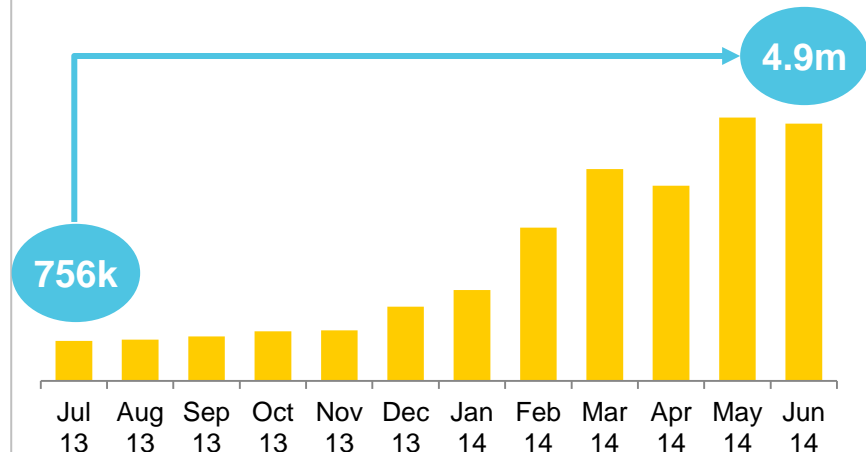
Accounts with e-statements



Intelligent Deposit Machines (IDMs)



Simple balance views on mobile devices



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Branch of the Future

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Proud People, Leading Technology, Simple & Easy Processes



Video conferencing facilities in all branches¹ - access to CBA specialists (financial planning, lending, investing, business banking, agri-business) ~ 60,000 referrals in FY14



Dedicated small business capability with 120 specialists



New express (concept) branches – being rolled out to select locations across Australia (23 to date) - smaller, smarter design with focus on self service



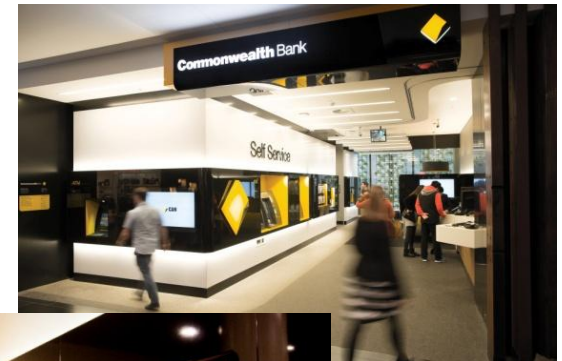
255 Intelligent Deposit Machines allowing anytime cash and cheque deposits – 93% self-service rate for deposits in express branches



New tablet and software for branch concierges to enhance customer flow



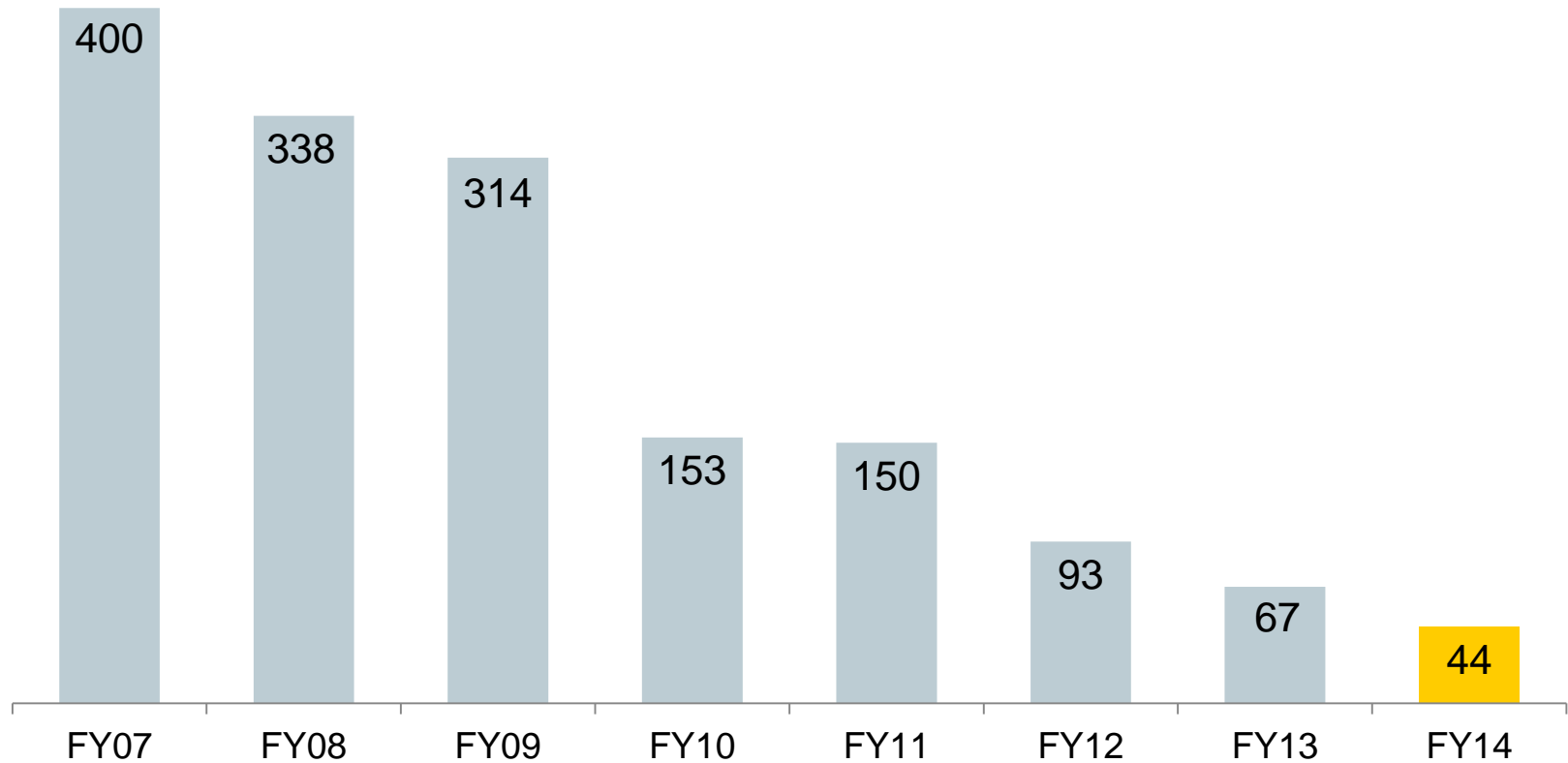
ATM's now providing Cardless Cash



¹ Excludes Bankwest and a very small number of CBA Branches

High impact system incidents

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RBS Home Loan Book Quality Sound

- ▶ Portfolio dynamic LVR¹ of 48%
- ▶ 76% of customers paying in advance of required monthly mortgage repayment²
- ▶ Maximum LVR of 95%³ for low risk customers
- ▶ Low Deposit Premium (LDP) available to low risk customers for higher LVR loans
- ▶ Lenders Mortgage Insurance (LMI) is required for higher risk customers for higher LVR loans
- ▶ Serviceability test based on the customer rate plus a 1.5% interest rate buffer⁴
- ▶ Limited “Low Doc” lending⁵ (1.4% of total portfolio; only 0.1% of new approvals) with stringent lending criteria
- ▶ Under aggressive “stress test” scenarios, potential losses manageable
- ▶ Mortgagees in Possession (MIP) represents 0.04% of portfolio balances (down from 0.08% in June 2013)

1. Defined as current balance/current valuation (3 month lag due to data availability).
2. Defined as any payment ahead of monthly minimum repayment.
3. Excluding any capitalised mortgage insurance.
4. A floor rate may also apply.
5. Documentation is required, including Business Activity Statements.

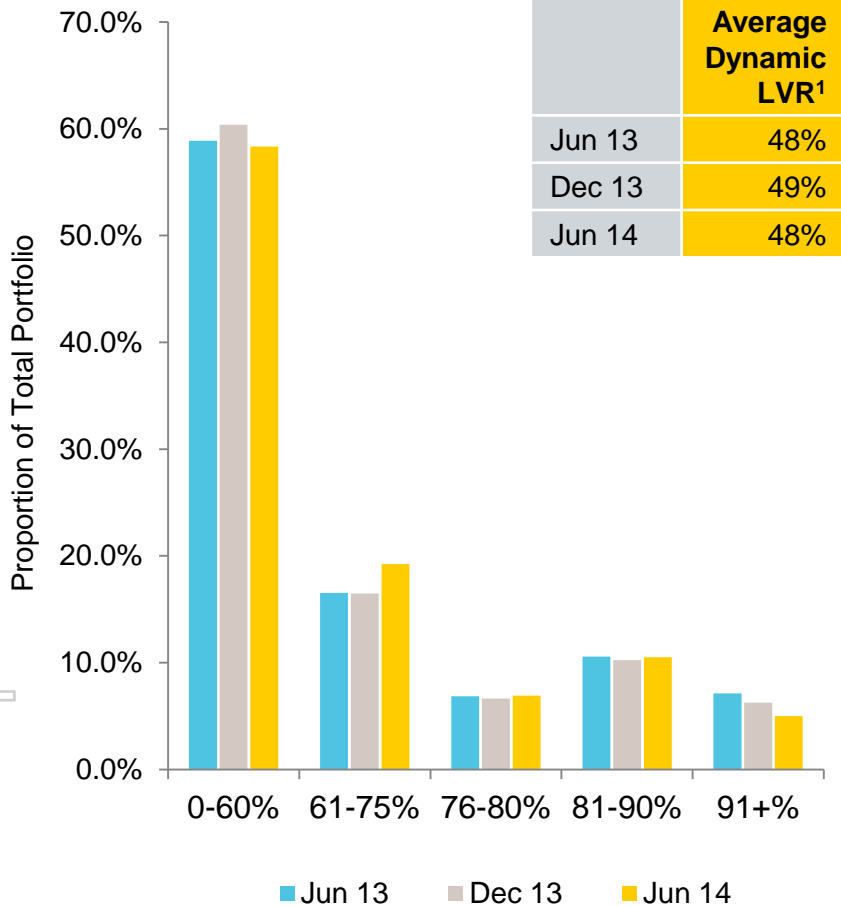
RBS Home Loan Portfolio

	Jun 14	Jun 13		Jun 14	Jun 13
Total Balances - Spot (\$bn)	302	285	Total Funding (\$bn) ¹	73	63
Total Balances - Average (\$bn)	293	278	Average Funding Size (\$'000) ¹	254	244
Total Accounts (m)	1.5	1.4	Serviceability Buffer (%) ⁸	1.5	1.5
Variable Rate - % of balances	81	84	Variable Rate - % of funding ¹	81	83
Owner Occupied - % of balances	58	58	Owner Occupied - % of funding ¹	61	62
Investment - % of balances	35	34	Investment - % of funding ¹	35	33
Line of Credit - % of balances	7	8	Line of Credit - % of funding ¹	4	5
Proprietary - % of balances	62	63	Proprietary - % of funding ¹	62	63
Broker - % of balances	38	37	Broker - % of funding ¹	38	37
Interest Only - % of balances ²	34	32	Interest Only - % of funding ^{1,2}	35	33
First Home Buyers - % of balances	12	14	First Home Buyers - % of funding ¹	6	11
Low Doc - % of balances	1.4	1.9	Low Doc - % of funding ¹	0.1	0.2
LMI - % of balances ³	24	25	LMI - % of funding ^{1,3}	21	23
LDP - % of balances ⁴	6.3	5.6	Portfolio Run-Off (%) ¹	19	18
MIP - % of balances ⁵	0.04	0.08			
Customers in Advance (%) ⁶	76	80			
Payments in Advance (#) ⁷	7	7			
Portfolio Dynamic LVR (%) ⁹	48	48			

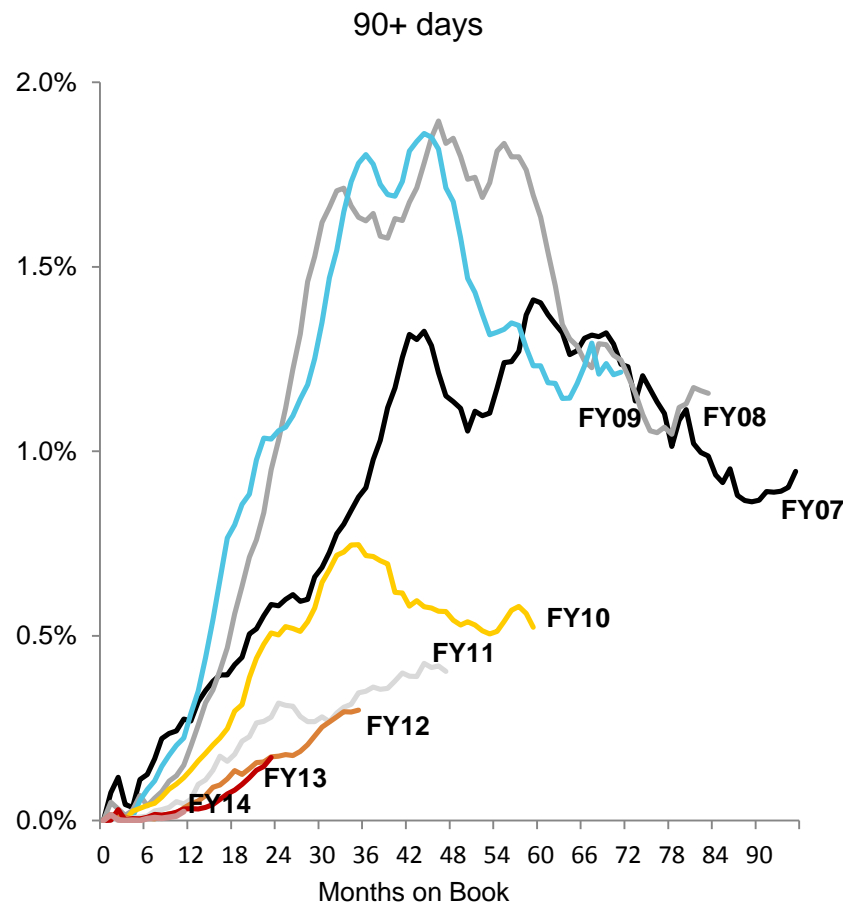
1. 12 months to June.
2. Excludes Viridian LOC.
3. Lenders' Mortgage Insurance.
4. Low Deposit Premium.
5. Mortgagee in Possession.
6. Any payment ahead of monthly minimum repayment.
7. Average number of payments ahead of scheduled repayments.
8. Serviceability test based on the higher of the customer rate plus a 1.5% interest rate buffer or a minimum floor rate.
9. Defined as current balance/current valuation (3 month lag due to data availability).

RBS Home Loans – LVR & Arrears

Home Loan Dynamic LVR¹ Profile



Home Loan Arrears Rates by Vintage

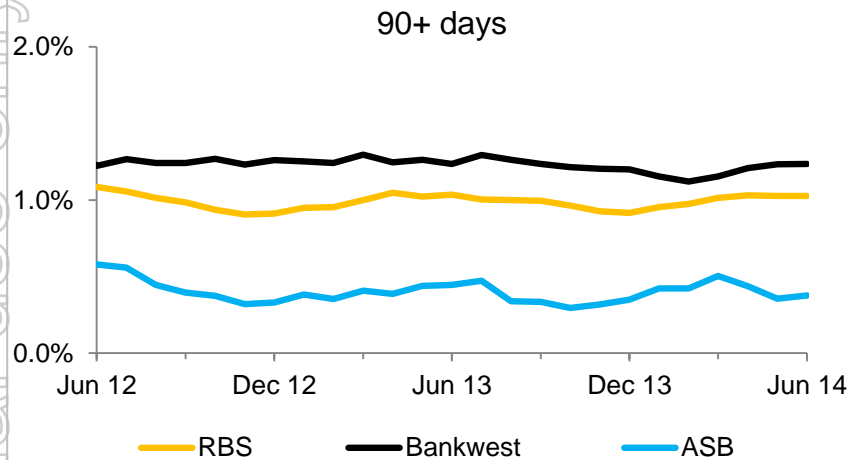


1 Dynamic LVR is current balance / current valuation (3 month lag due to data availability)

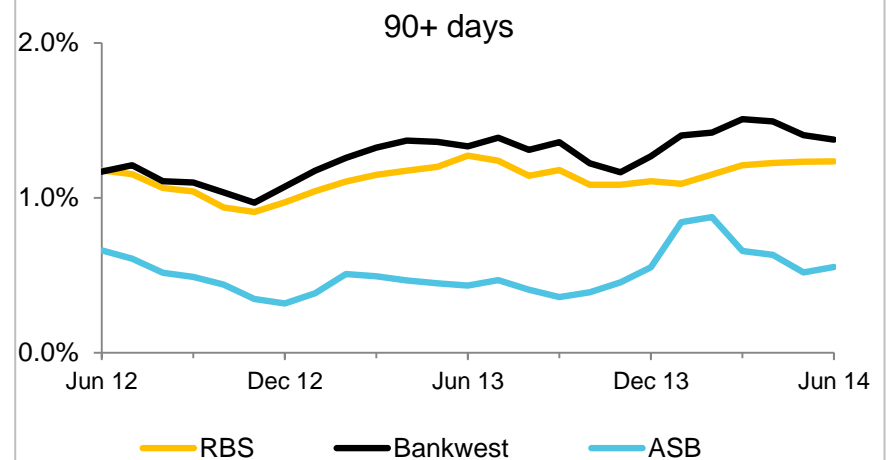
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Consumer Arrears (Group)

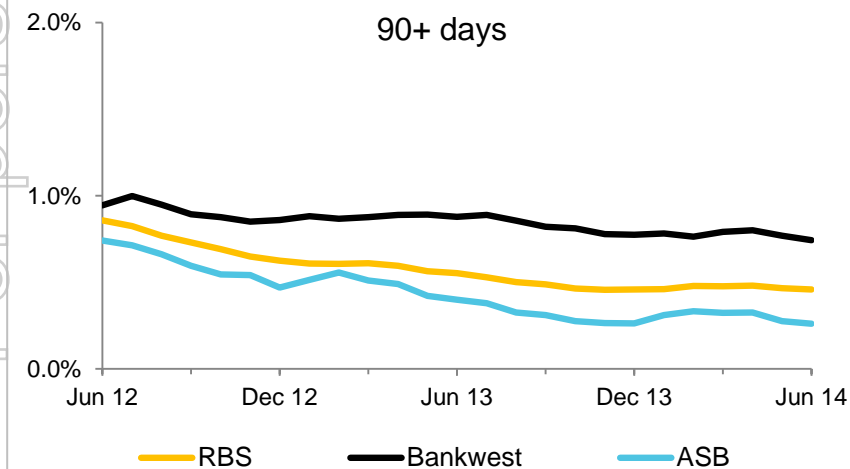
Credit Cards ¹



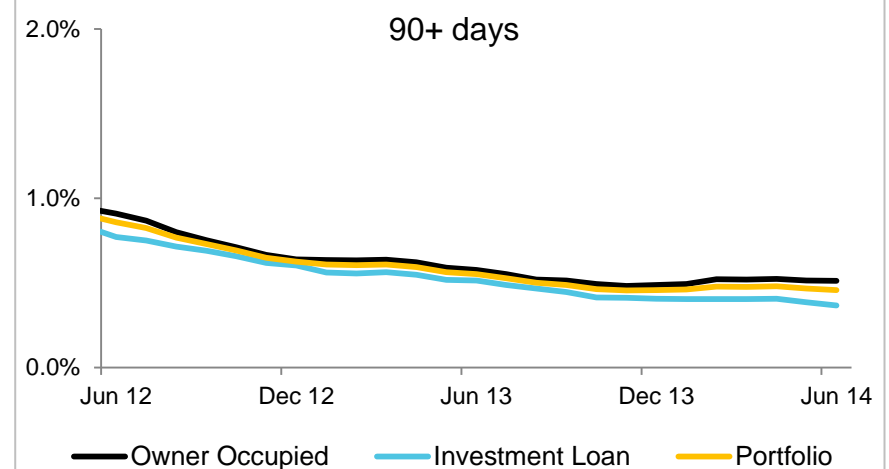
Personal Loans ¹



Home Loans ¹



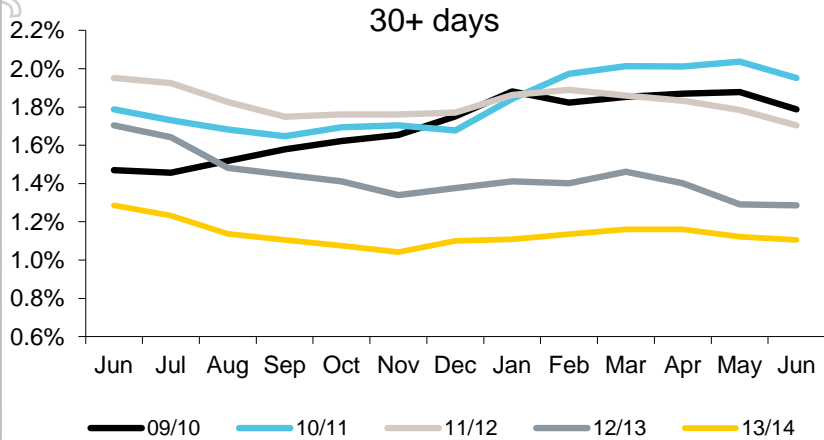
RBS Home Loans



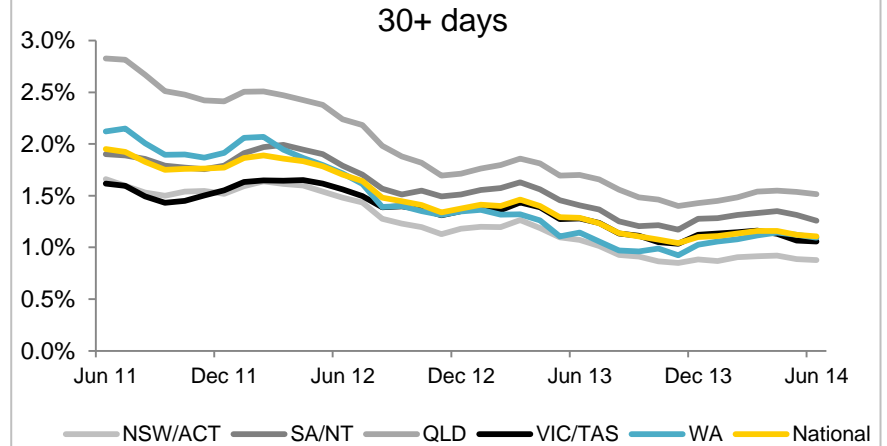
¹ Results not consistently measured/defined across the industry. CBA definition is conservative as it includes Hardship accounts

Consumer Arrears (RBS)

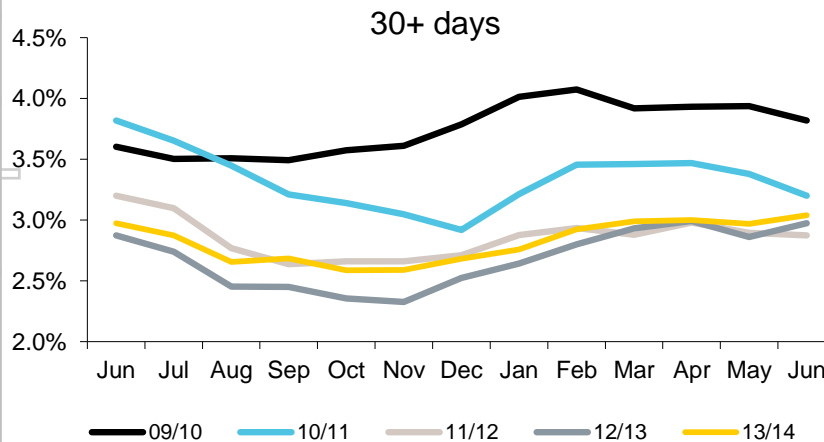
Home Loans



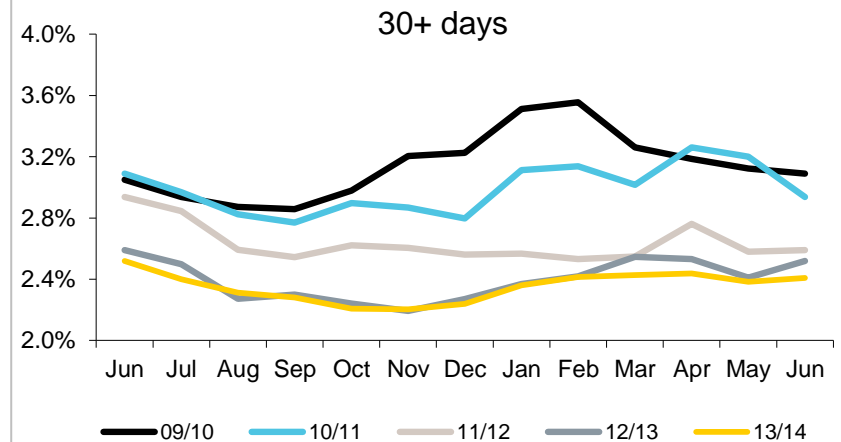
Home Loans by State



Personal Loans



Credit Cards



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RBS Home Loans – Stress Test

Observations

- ◆ Aggressive 3 year “stress test” scenario of cumulative 32% house price decline and peak 11.5% unemployment
- ◆ House prices and PDs are stressed at regional level
- ◆ Total potential losses of approximately \$1.6bn for the uninsured portfolio only over 3 years
- ◆ Potential claims on LMI of \$1.2bn¹ over 3 years
- ◆ Increase in Net Accounts² reflects portfolio volume growth
- ◆ Decrease in Existing Accounts³ due to improvement in property values

Key Assumptions

	Base	Year 1	Year 2	Year 3
Unemployment	5.9%	7.0%	10.5%	11.5%
Hours under-employed ¹	9.4%	11.4%	15.8%	18.4%
Cumulative House Prices	n/a	-15%	-32%	-32%
Cash Rate	2.5%	2.75%	1.00%	1.00%

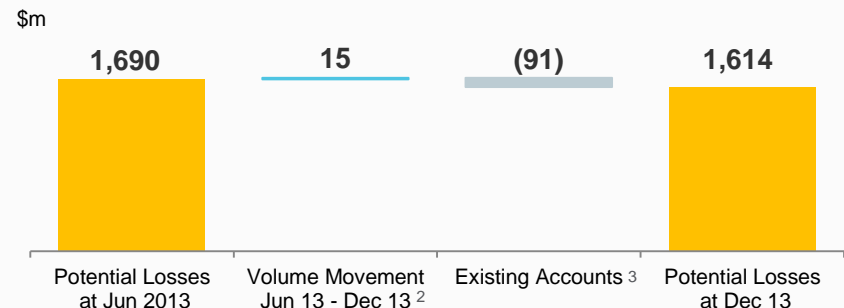
¹ The total number of hours not worked relative to the size of the workforce

Key Outcomes

	Year 1	Year 2	Year 3
Stressed Losses	\$298m	\$546m	\$770m
Probability of Default (PD)	1.08%	1.72%	2.48%

- Results based on December 2013, due to the lag in the publication of current valuations data
- Total potential losses of \$1,614m for the uninsured portfolio predicted over 3 years

Key Drivers of Movement



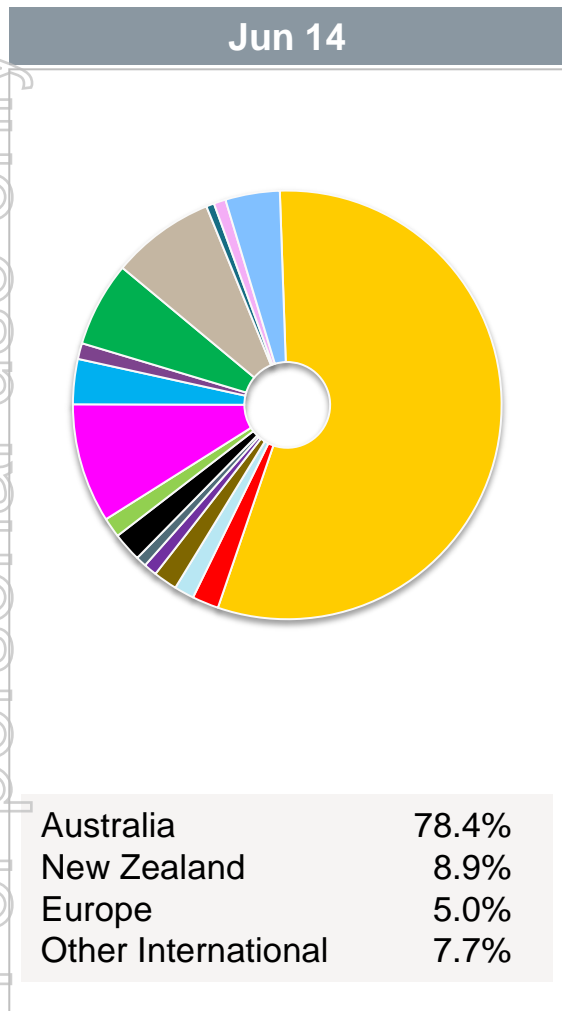
¹ Conservative in that it assumes all loans that become 90 days in arrears will result in a claim

² Contribution of accounts opened and closed in the period to potential losses

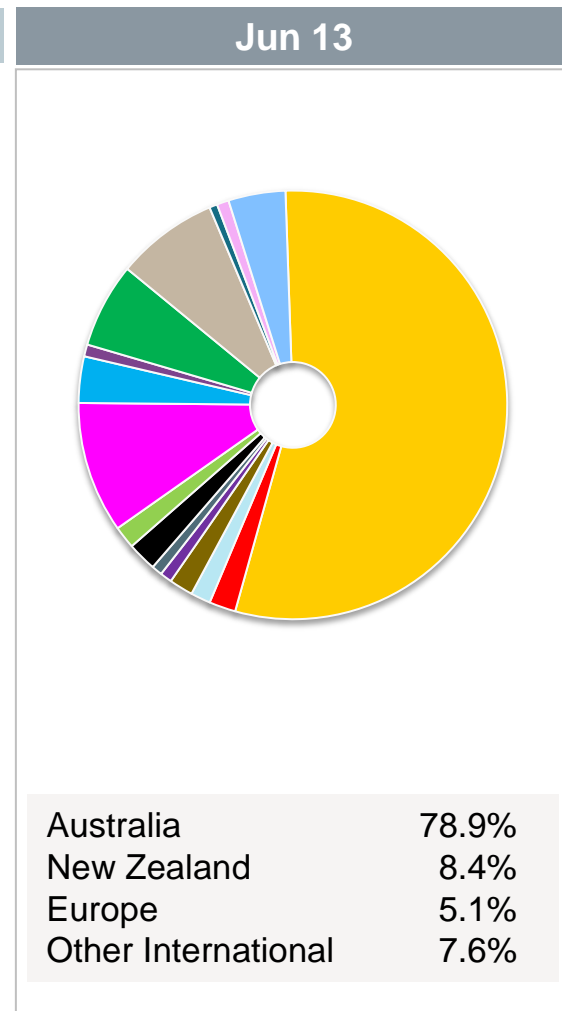
³ Change in potential loss for accounts that have remained on book between June 2013 and December 2013

Credit Exposures¹ by Industry

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	Jun 14	Jun 13
Consumer	55.8%	54.9%
Agriculture	2.0%	2.0%
Mining	1.5%	1.5%
Manufacturing	1.8%	1.8%
Energy	1.0%	0.9%
Construction	0.8%	0.8%
Retail & Wholesale	2.2%	2.2%
Transport	1.5%	1.7%
Banks	9.0%	9.9%
Finance – other	3.4%	3.5%
Business Services	1.2%	0.9%
Property	6.4%	6.4%
Sovereign	7.8%	7.7%
Health & Community	0.6%	0.6%
Culture & Recreation	0.9%	0.9%
Other	4.1%	4.3%
Total	100%	100%



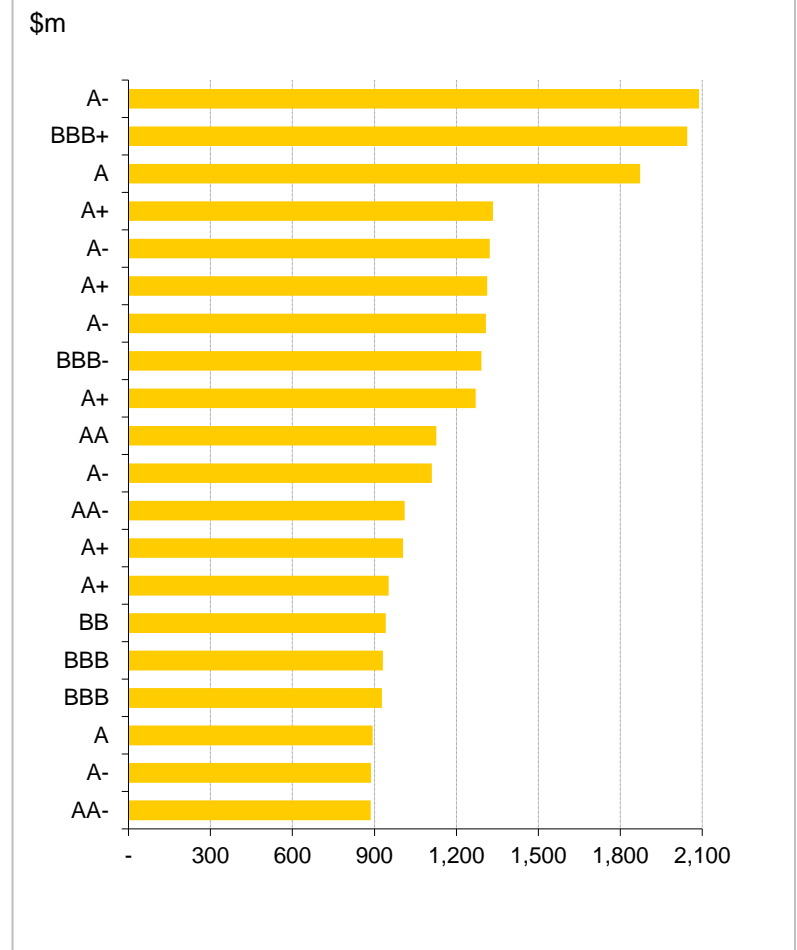
¹ Total committed credit exposure (TCE) = balance for uncommitted facilities or greater of limit or balance for committed facilities. Calculated before collateralisation. Includes ASB and Bankwest. Excludes settlement risk.

Sector Exposures

Commercial Exposures by Industry ^{1,2}

\$bn	AAA to AA-	A+ to A-	BBB+ to BBB-	Other	Total
Banks	35.7	39.0	5.8	1.0	81.5
Finance Other	10.8	13.5	3.1	3.8	31.2
Property	0.8	6.4	11.9	39.2	58.3
Sovereign	64.5	5.1	0.6	0.4	70.6
Manufacturing	0.2	3.0	5.9	7.0	16.1
Retail/Wholesale Trade	0.2	2.1	5.5	12.1	19.9
Agriculture	-	0.5	2.1	15.3	17.9
Energy	0.2	1.6	6.0	0.8	8.6
Transport	0.2	2.0	7.9	3.6	13.7
Mining	1.1	4.7	3.7	3.8	13.3
All other (ex consumer)	1.8	5.0	17.1	37.6	61.5
Total	115.5	82.9	69.6	124.6	392.6

Top 20 Commercial Exposures²

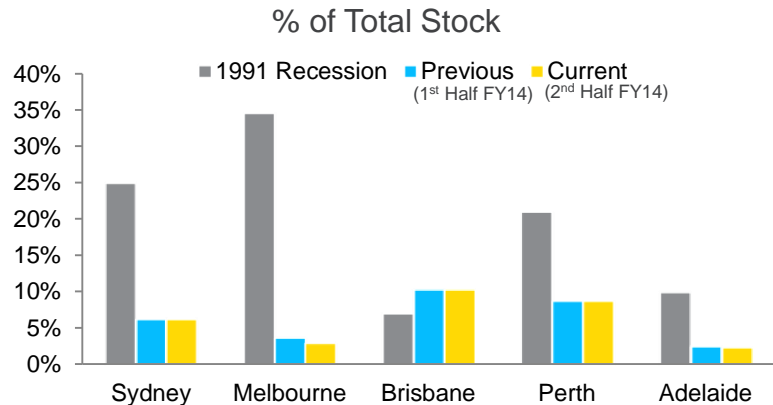


1 Gross credit exposure before collateralisation (TCE) = balance for uncommitted facilities and greater of limit or balance for committed facilities. Includes ASB and Bankwest, and excludes settlement exposures and leasing exposures.

2 CBA grades in S&P Equivalents. Includes ASB and Bankwest. Total approved exposure.

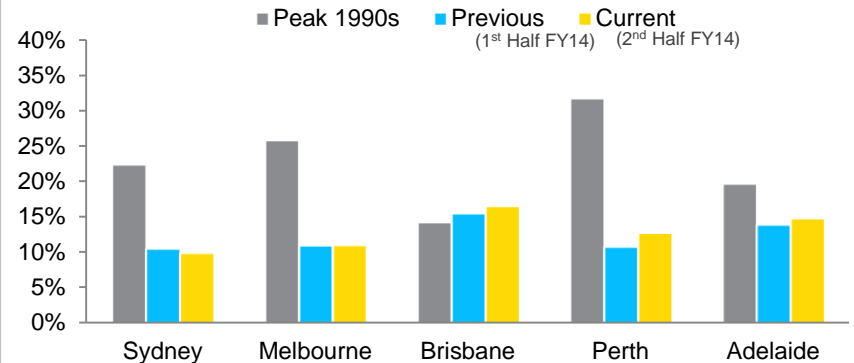
Commercial Property Market

CBD Office Supply Pipeline¹



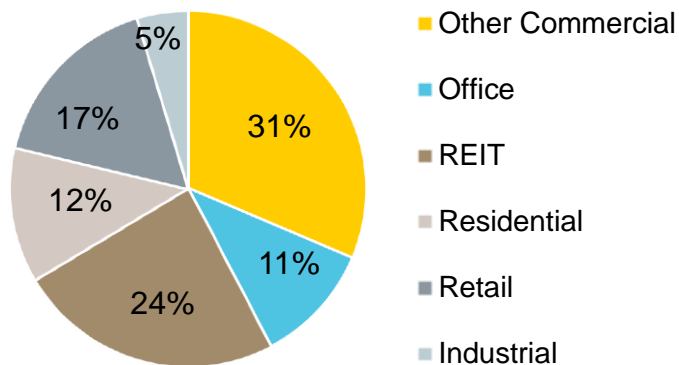
Source : JLL Research

CBD Vacancy Rates

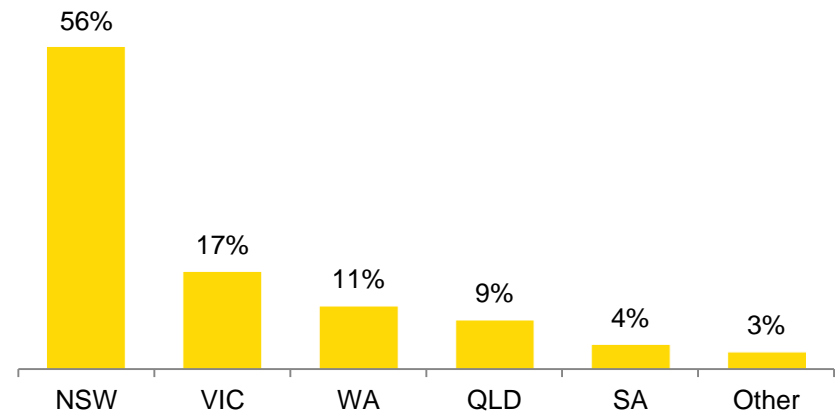


Source : JLL Research

Group Commercial Property Profile²



Commercial Property by State²

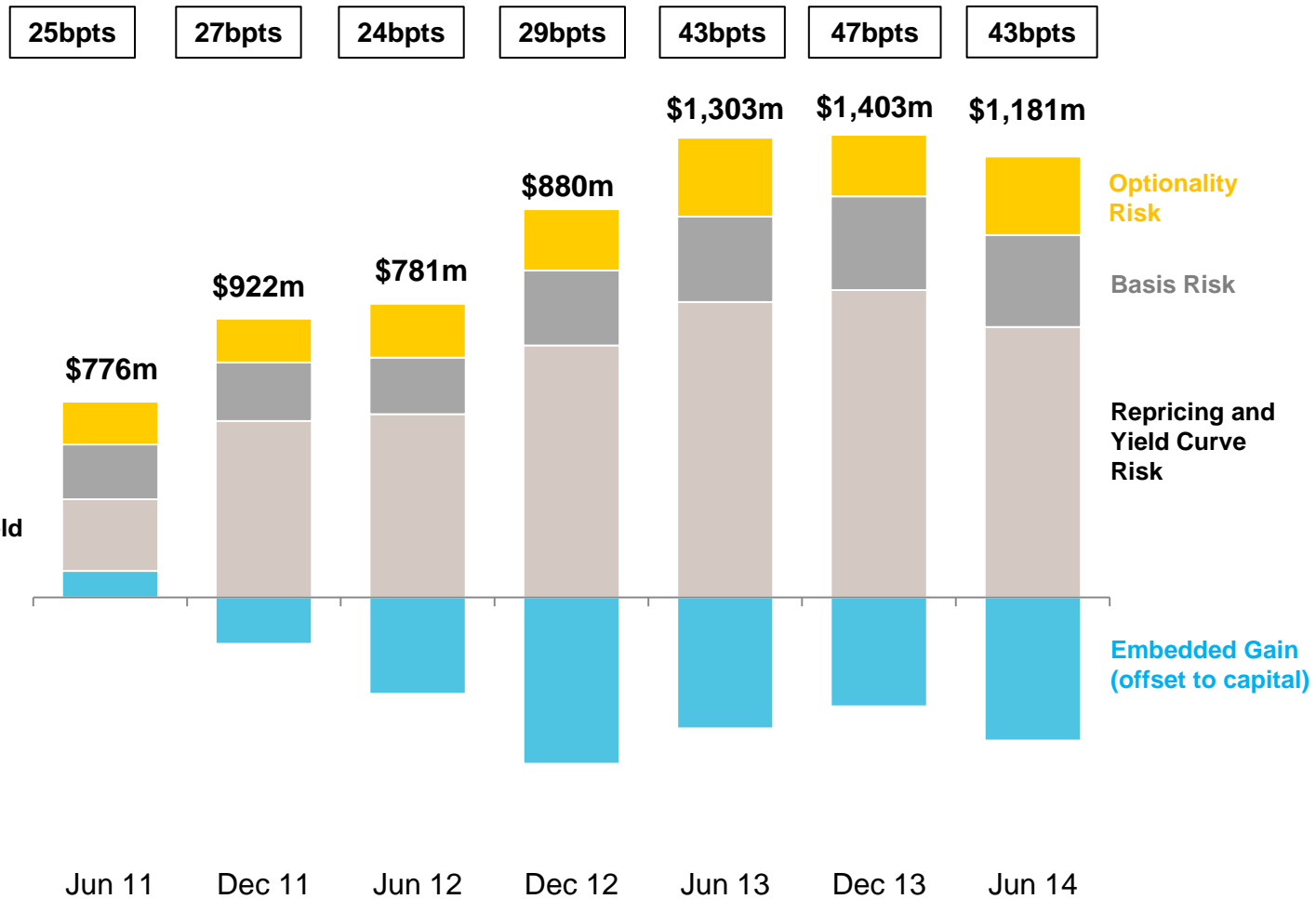


1 The development pipeline includes all projects currently under construction
 2 Includes ASB and Bankwest. Excludes service sectors



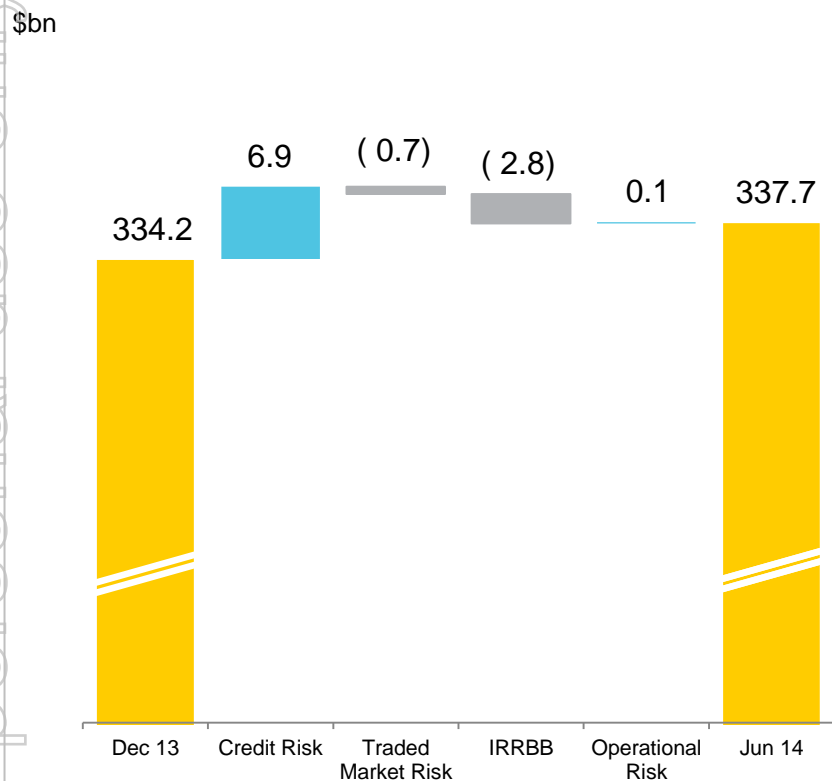
Interest Rate Risk in the Banking Book

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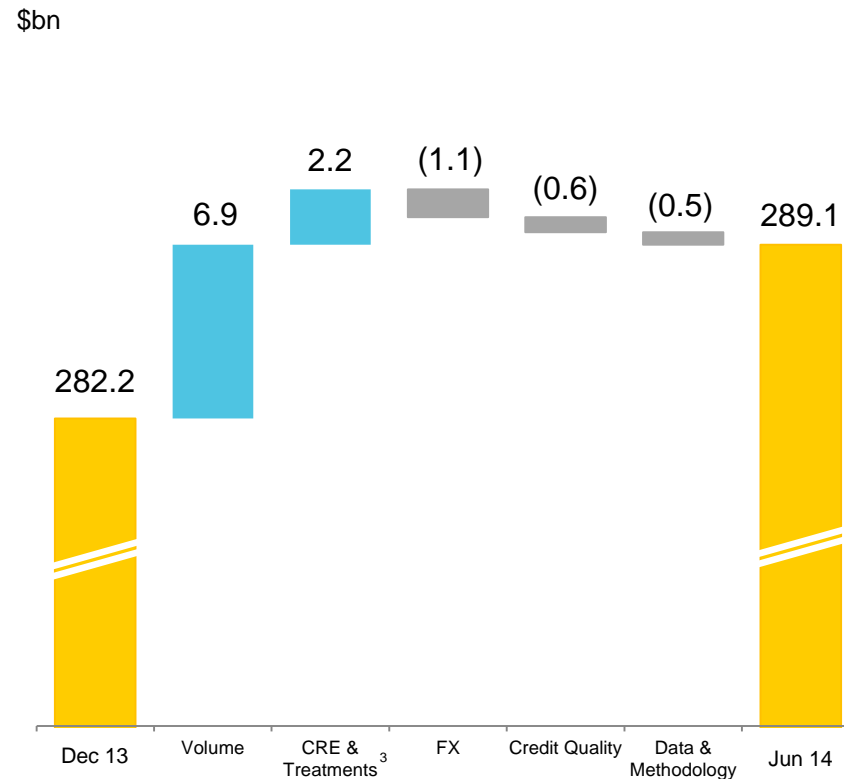
Risk Weighted Assets

Total Risk Weighted Assets



Bpts (APRA):¹	(18)	-	7	-	(11)
Bpts (Int'l):²	(28)	-	n/a	-	(28)

Credit Risk Weighted Assets



Bpts (APRA):¹	(18)	(6)	3	2	1	(18)
Bpts (Int'l):²	(29)	(9)	5	3	2	(28)

1 Basis points contribution to change in APRA CET1 ratio
 2 Basis points contribution to change in internationally harmonised CET1 ratio
 3 Credit Risk Estimates (CRE) refers to the Group's estimates of regulatory PD, LGD and EAD

Regulatory Exposure Mix

	Regulatory Credit Exposure Mix			
	CBA	Peer 1	Peer 2	Peer 3
Residential Mortgages	58%	37%	41%	56%
Corporate, SME & Specialised Lending	25%	33%	40%	30%
Bank	5%	13%	9%	4%
Sovereign	8%	9%	8%	5%
Qualifying Revolving	3%	3%	1%	3%
Other Retail	1%	5%	1%	2%
Total Advanced	100%	100%	100%	100%

Source: Pillar 3 disclosures for CBA as at June 2014 and Peers as at March 2014
 Excludes Standardised (including Other Assets and CVA) and Securitisation exposures (representing 6% of CBA, 7% of Peer 1, 16% of Peer 2 and 5% of Peer 3). Exposure mix is re-baselined to total 100%.



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Regulatory expected loss

\$m	Jun 14	Dec 13	Jun 13
CBA Regulatory Expected Loss (EL)	4,669	4,516	5,682
Eligible Provision			
Collective provision ¹	2,574	2,698	2,668
Individually assessed provisions ^{1,2}	1,980	2,192	2,668
Other provisions	40	24	31
Subtotal	4,594	4,914	5,367
General Reserve for Credit Losses adjustment	305	283	297
less ineligible provisions ³	(732)	(917)	(253)
Total Eligible Provision	4,167	4,280	5,411
Regulatory EL in excess of Eligible Provision	502	236	271
Common Equity Tier 1 Adjustment	502	236	271

¹ Includes transfer from Collective provision to Individually assessed provisions in accordance with APS 220 requirements (Jun 14: \$165m; Dec 13: \$148m, Jun 13: \$159m)

² Individually assessed provisions at Jun 2014 include \$688m in partial write offs (Dec 13: \$628m; Jun 13: \$881m)

³ Includes provisions for assets under standardised portfolio



APRA & international comparison

The following table provides details of the impact on CBA Group capital, as at 30 June 2014, of the differences between the APRA Basel III prudential requirements¹ and the requirements of the Basel Committee on Banking Supervision (BCBS).¹

%	CET1	Tier 1 Capital	Total Capital
Basel III (APRA)	9.3%	11.1%	12.0%
Equity investments	0.9%	0.9%	0.9%
Deferred tax assets	0.3%	0.3%	0.3%
IRRBB risk weighted assets	0.4%	0.5%	0.5%
RWA treatment - mortgages	1.2%	1.4%	1.4%
Total adjustments	2.8%	3.1%	3.1%
Basel III (International)	12.1%	14.2%	15.1%

¹ APRA Basel III final standards released September 2012, BCBS December 2010 Paper



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APRA & international comparison

The APRA prudential requirements are more conservative than those of the BCBS, leading to lower capital ratios under APRA:

Equity investments

100% deduction is required from CET1 for equity investments in financial institutions and entities that are not consolidated for regulatory purposes (e.g. insurance and funds managements businesses). APRA requires these equity investments to be 100% deducted from CET1. The BCBS allows a concessional threshold before the deduction is required.

Deferred tax assets

100% deduction is required from CET1 for deferred tax assets relating to temporary differences. APRA requires all deferred tax assets, including those relating to temporary differences, to be 100% deducted from CET1. The BCBS allows a concessional threshold before the deduction is required.

IRRBB RWA

APRA requires the inclusion of IRRBB within RWA. The BCBS requirements make no reference to IRRBB RWA.

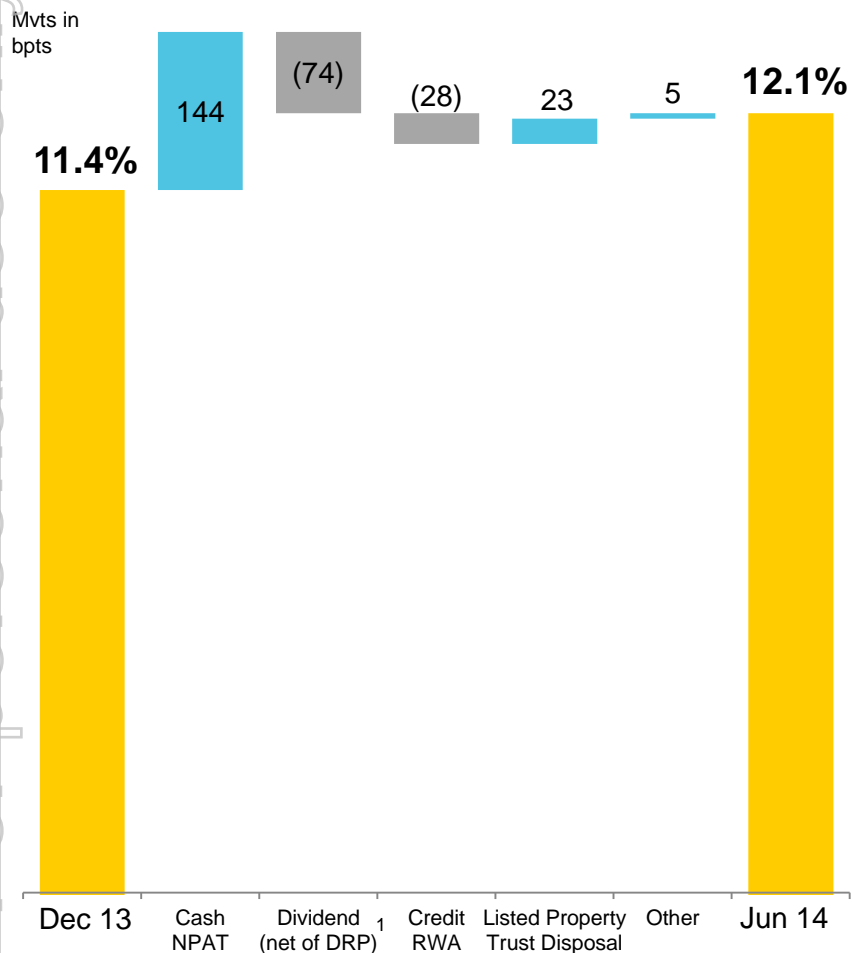
RWA treatment - mortgages

APRA imposes a floor of 20% on the downturn Loss Given Default (LGD) used in advanced credit models for determining credit RWAs for residential mortgages. The BCBS imposes a downturn LGD floor of 10% for these exposures.

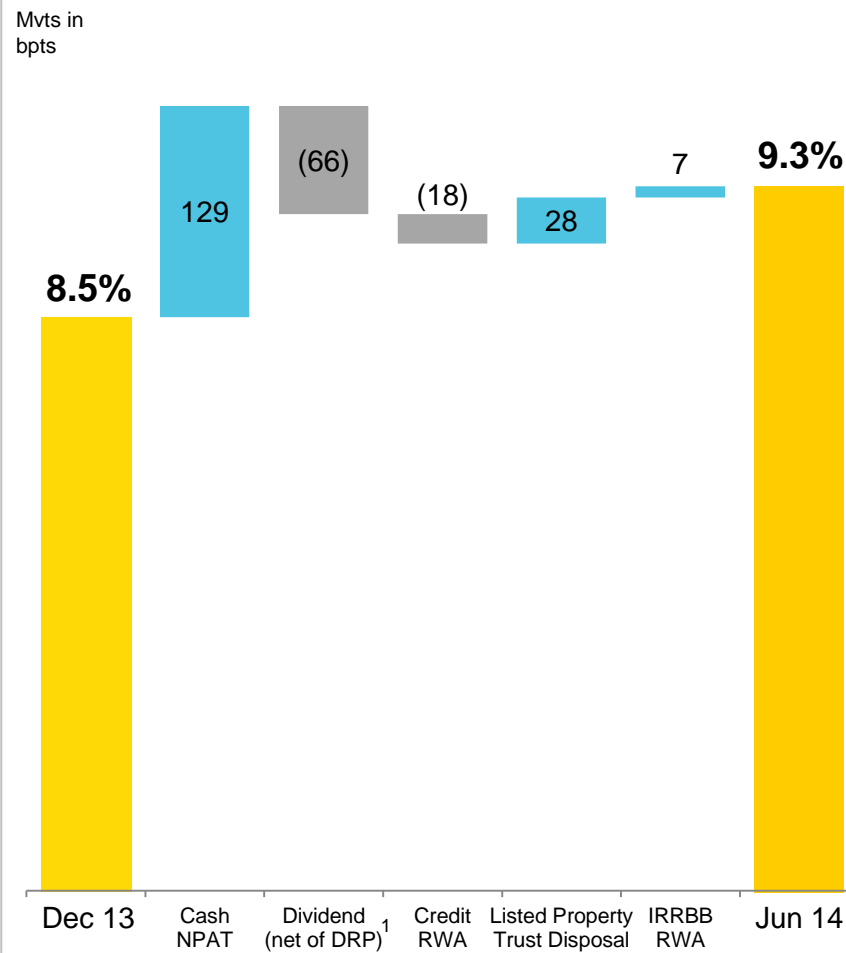


CET1 Movement

International



APRA



¹ Jun 14 movement reflects Dec 13 interim dividend (declared Feb 14) net of issue of shares under the DRP



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Colonial Group Debt

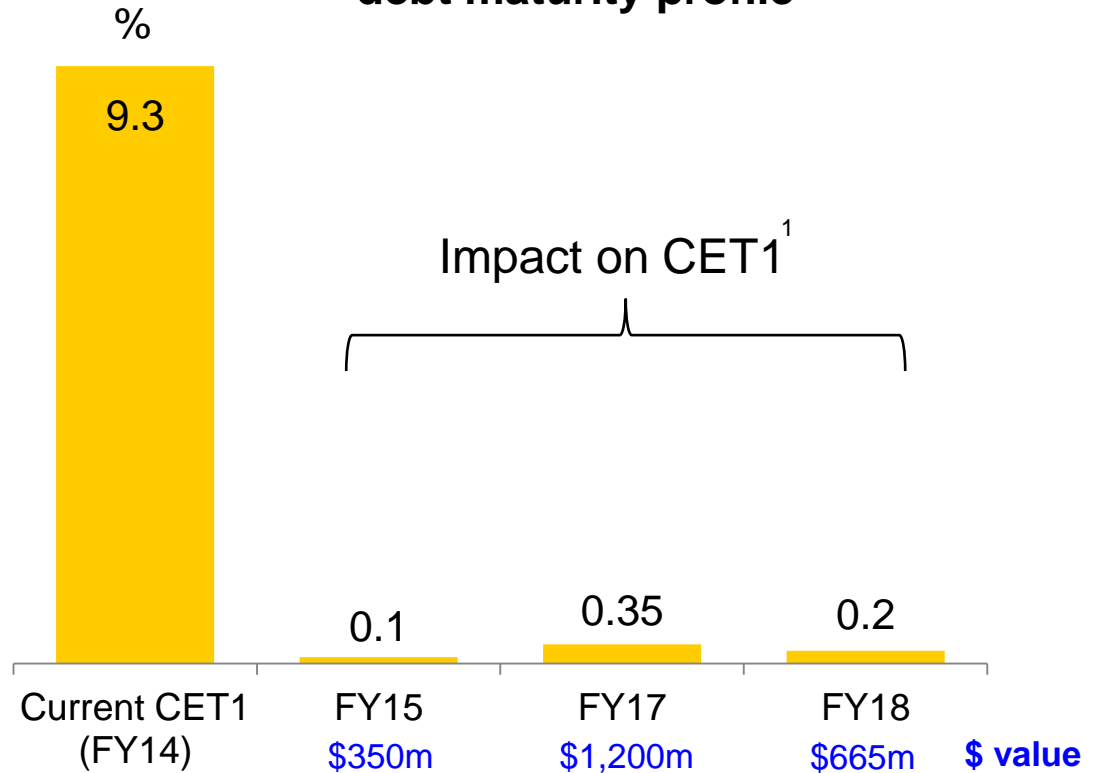
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Capital benefit from Colonial Group debt will be phased out as existing debt matures

No immediate capital impact and strong capital generation will mitigate impact in future periods

Timing of APRA Level 3 capital reforms not known but not expected to be material for the Group

Colonial Group debt maturity profile



¹ CET1 (APRA) impact based on Jun 14 RWA. Future growth in RWAs is expected to reduce the impact.

D-SIB and CCB Buffer

In December 2013, APRA announced that the Australian major banks are domestic systemically-important banks (D-SIBs)

From 1 January 2016, D-SIBs are required to hold 1% additional capital in the form of CET1 (called the D-SIB buffer)

D-SIB buffer forms part of the capital conservation buffer (CCB) – from 1 January 2016, if a bank's CET1 ratio falls within the capital conservation buffer, then it will only be able to use a certain percentage of its earnings to make discretionary payments such as dividends, hybrid Tier 1 distributions and bonuses

CET1 ratio	Value	% of earnings able to be used for discretionary payments
Above top of CCB	PCR + 3.5%, and above	100%
Fourth quartile of CCB	Less than PCR + 3.5%	60%
Third quartile of CCB	Less than PCR + 2.625%	40%
Second quartile of CCB	Less than PCR + 1.75%	20%
First quartile of CCB	Less than PCR + 0.875%	0%
Prudential capital ratio	PCR (minimum)	0%

Above example assumes the total CCB (including the D-SIB buffer) is 3.5%


Leverage Ratio

Supplementary measure to the risk based capital requirements proposed by the Basel Committee

- Monitors build up of excessive leverage
- Ratio is Tier 1 Capital as a percentage of total exposures (on and off balance sheet)
- Observation period against 3% level until 2017
- Publically disclosed from 1 January 2015
- To be implemented 1 January 2018

APRA expected to follow Basel Committee proposals

APRA's view of industry levels (November 2011)

Leverage ratio		
Minimum (2018)	3%	
Pro forma 2010, global minimum rules	4.3%	
Pro forma 2010, APRA proposals	3.7%	

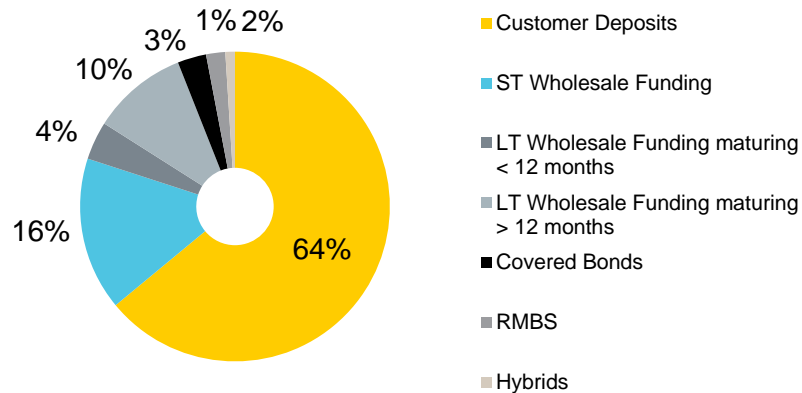
Leverage ratio should not be the constraint on typical Australian banks

10

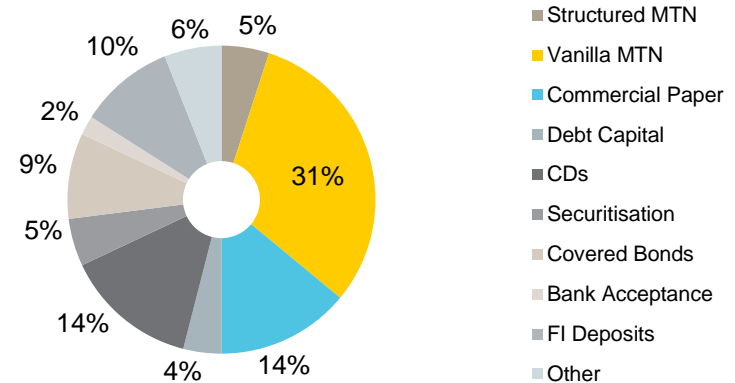


Funding - Portfolio

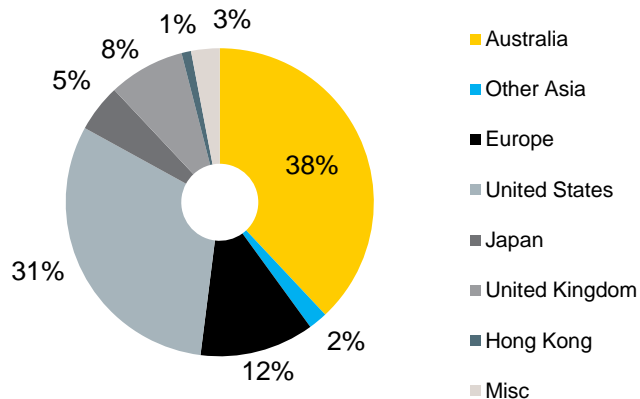
Funding Composition



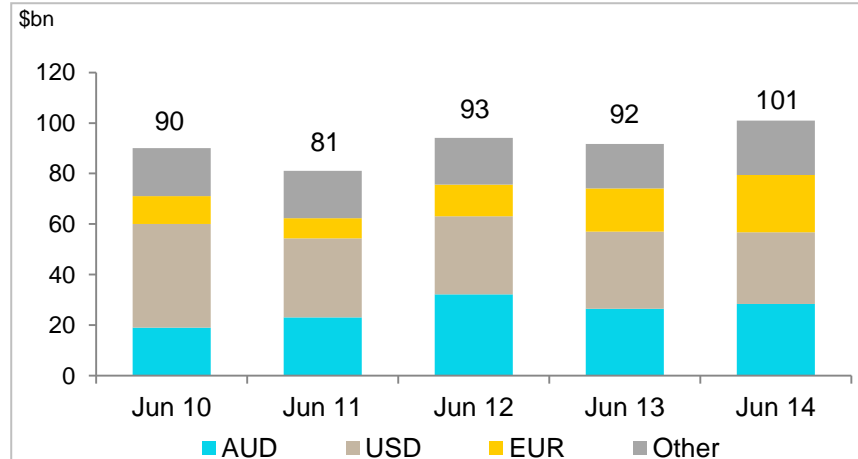
Wholesale Funding by Product



Wholesale Funding by Currency



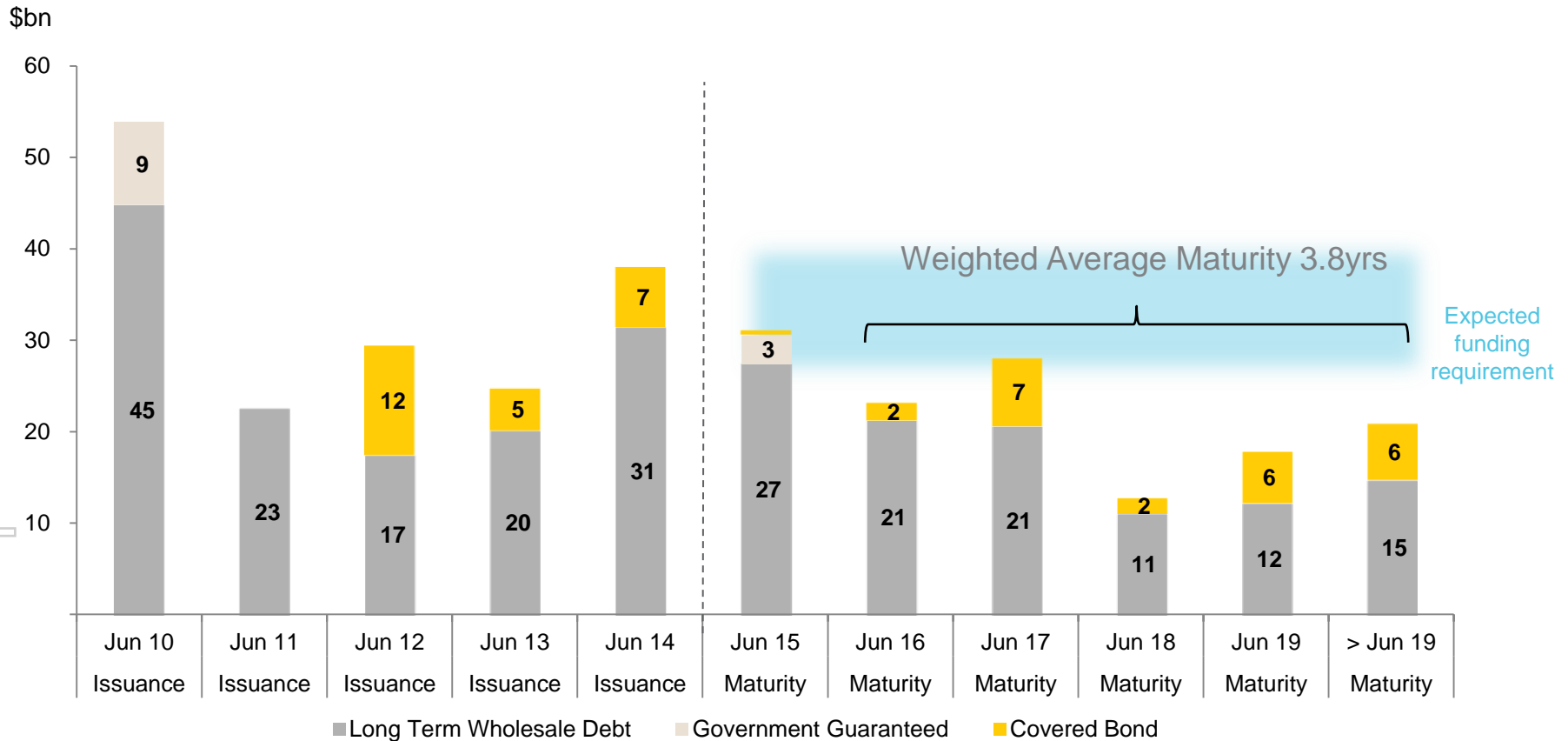
Term Debt Issues Outstanding (>12mths)¹



1 Total of debt issues (at current FX) plus A\$ Transferable Certificates of deposit. Excludes IFRS.

Funding – Issuance and Maturity¹

- ◆ Funding strategy driven by market and investor diversity, appropriate maturity profile and overall cost
- ◆ Term wholesale funding requirement has eased materially since FY 2010

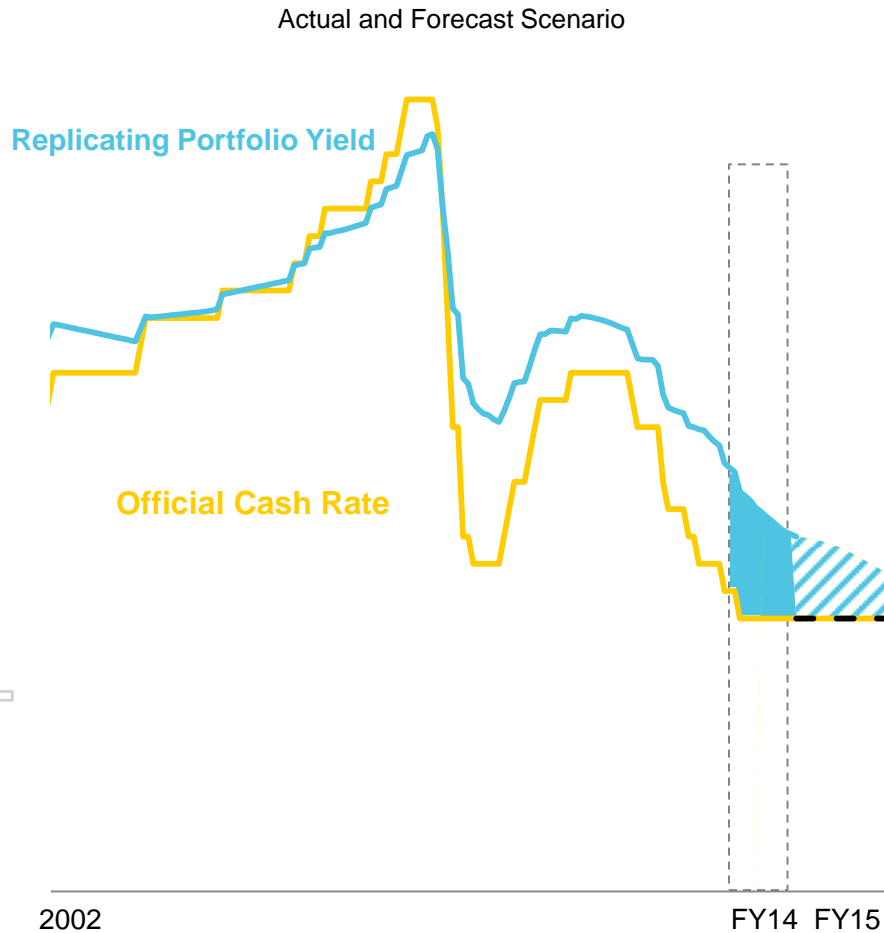


¹ Maturity profile includes all long term wholesale debt. Weighted Average Maturity of 3.8 years includes all deals with first call or maturity of 12 months or greater.

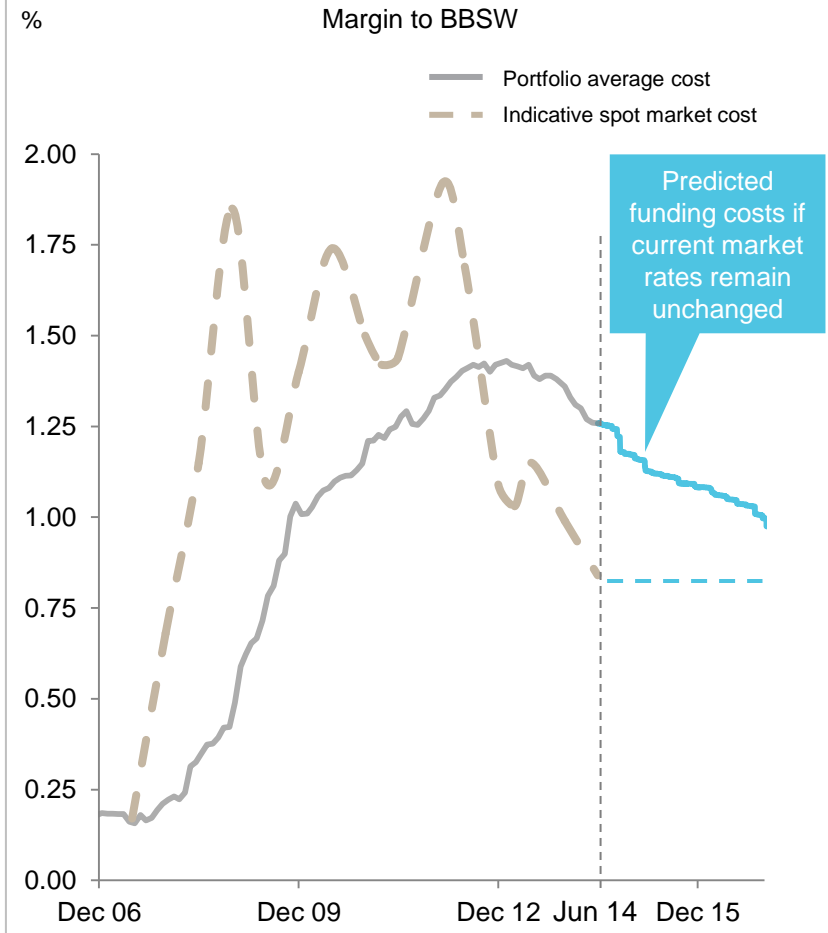
Replicating Portfolio and Funding Costs

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Replicating Portfolio ¹



Average Long Term Funding Costs ²

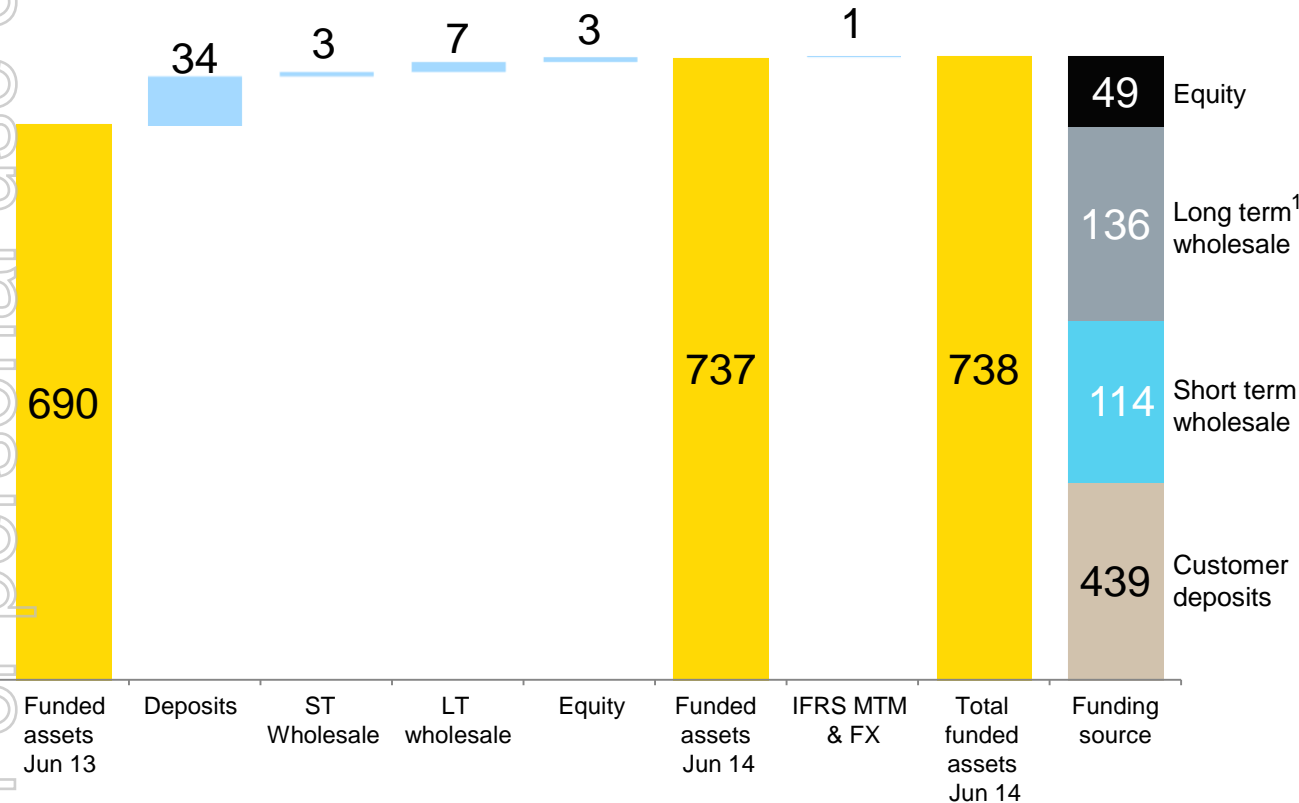


1 Replicating portfolio provides partial economic hedge for certain liabilities and assets that display imperfect correlation between the cash rate and the product interest rate

2 Forecast assumes wholesale market conditions / rates remain at current levels

Funded Assets

\$bn

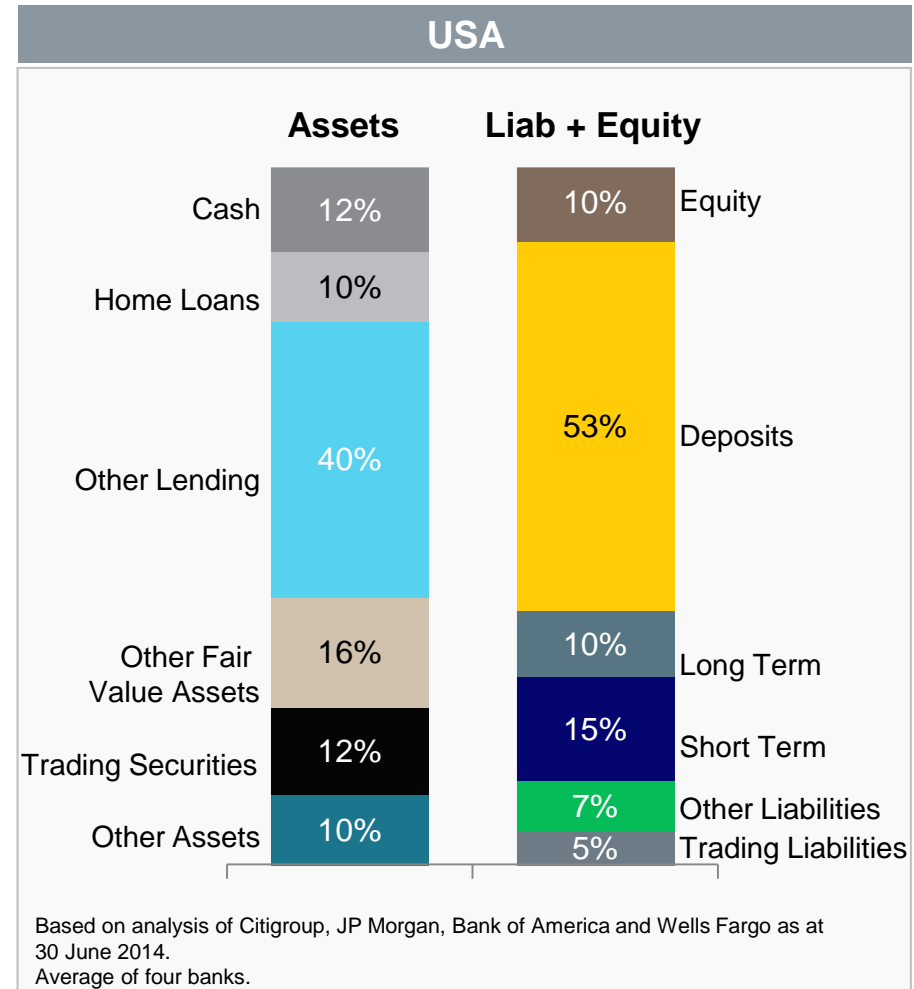
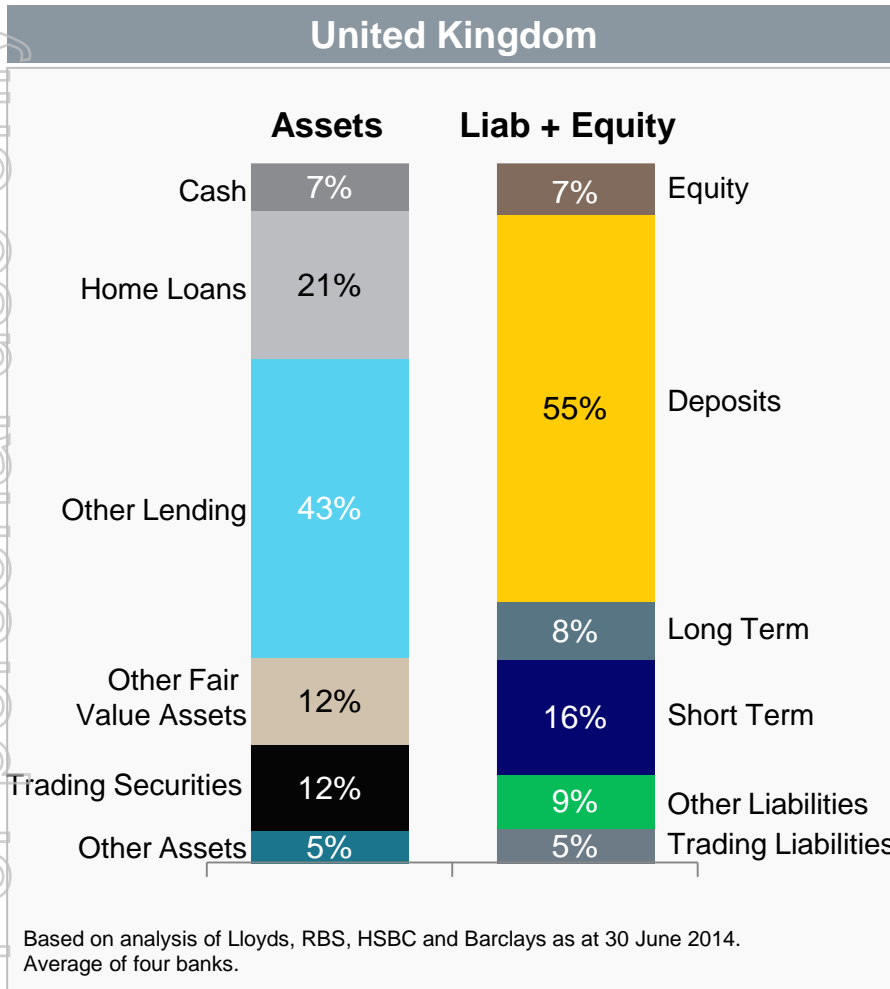


\$bn	Jun 14	Jun 13
Transactions	102	88
Savings	127	107
Investments	196	199
Other	14	11
Total customer deposits	439	405
Wholesale funding	250	239
Total funding	689	644
Equity	49	46
Total funded assets	738	690
Customer % of total funding	64%	63%

¹ Maturity based on original issuance date

UK and US Balance Sheet Comparison

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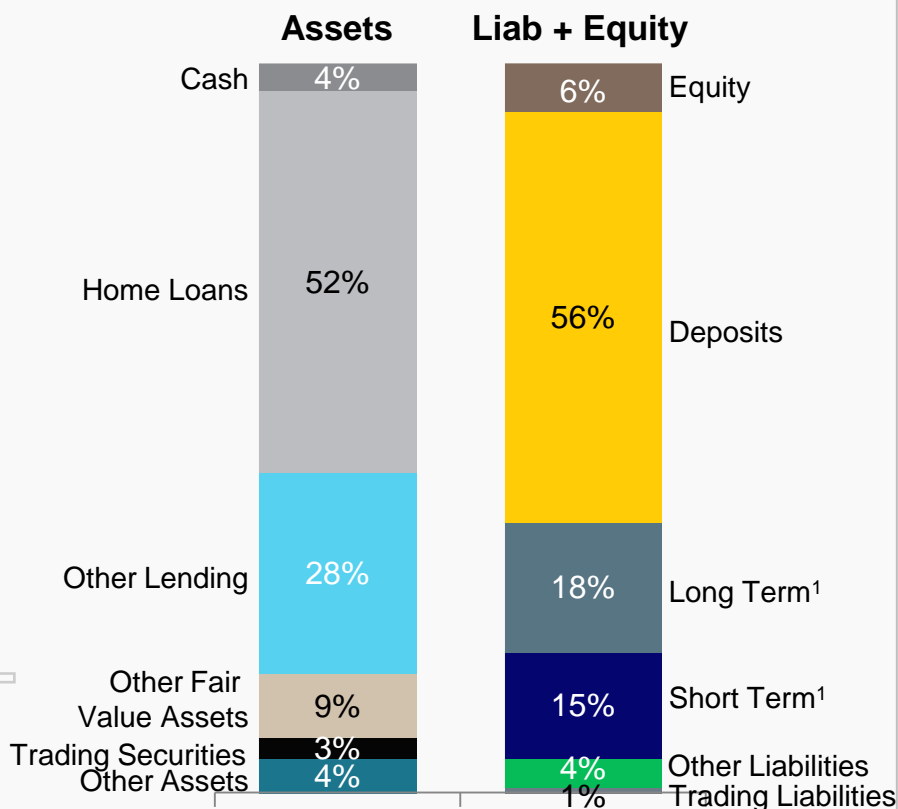


Based on statutory balance sheets.

Balance sheets do not include derivative assets and liabilities.

Australian Banks – Safe Assets, Secure Funding

Commonwealth Bank



CBA balance sheet as at 30 June 2014.
Balance sheet does not include derivative assets and liabilities.
Based on statutory balance sheet.

Balance Sheet Comparisons

Assets – CBA's assets are safer because:

- 52% of balance sheet is home loans, which are stable/long term
- Trading securities and other fair value assets comprise just 12% of CBA balance sheet compared to 24% and 28% for UK and US banks respectively
- CBA's balance sheet is less volatile due to a lower proportion of fair value assets

	Assets*	
	Amortised cost	Fair Value
CBA	82%	18%
UK	45%	56%
US	56%	44%

Funding – a more secure profile because:

- Highest deposit base (56% including 30% of stable household deposits)
- Reliance on wholesale funding similar to UK and US banks, although a longer profile than UK banks, which gives CBA a buffer against constrained liquidity in the wholesale markets

* Includes grossed up derivatives.

¹ Based on residual maturity.

Regulatory Change

	2015	2016	2018
Capital	<p>Leverage ratio observation period (publicly disclosed)</p> <p>Level 3 reforms to be implemented</p>	<p>Capital conservation buffer to be implemented (CET1 2.5%)</p> <p>D-SIB surcharge to be implemented (CET1 1.0%)</p>	<p>Leverage ratio to be implemented</p>

Capital

- ◆ Strong capital levels in lead up to implementation of capital conservation buffer and D-SIB surcharge in 2016
- ◆ Draft Level 3 (conglomerate) standards released by APRA in May 2013 – expect current capital levels to be sufficient
- ◆ Leverage ratio public disclosure from 1 January 2015 testing a 3% minimum based on Tier 1 capital as a percentage of exposures

	2015	2018
Liquidity & Funding	<p>LCR to be implemented without phase in (LCR > 100%)</p>	<p>NSFR to be implemented</p>

Liquidity & Funding

- ◆ RBA to provide Committed Liquidity Facility (CLF) to address shortage of \$A HQLA1
- ◆ Aggregate level of \$A HQLAs currently held by scenario analysis banks seen as appropriate
- ◆ Net Stable Funding Ratio (NSFR) to be considered after finalisation of global arrangements



CFSGAM – Global Reach

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Australia and New Zealand
AUM \$100.8 billion*

UK, Europe and Middle East
AUM \$50.4 billion

Asia
AUM \$15.9 billion

North America
AUM \$4.5 billion^

 Portfolio Management Team / Distribution team

 Joint Venture or Strategic Alliance

AUM as at 30 June 2014

* Australia and New Zealand excludes RealIndex AUM

^ USA assets managed through CFSAMAL, (Australia based non-domiciled), FSII, (UK based non-domiciled), FSI Singapore (Singaporean based non-domiciled), USA SEC Registered Investment Advisers.

RBS – 6 Month Periods

\$m		Jun 14	Dec 13	Jun 13	Jun 14 vs Dec 13	Jun 14 vs Jun 13
Net interest income	Home loans	1,681	1,665	1,567	1%	7%
	Consumer finance	891	858	804	4%	11%
	Retail deposits	976	890	874	10%	12%
	Other	24	19	20	26%	20%
		3,572	3,432	3,265	4%	9%
Other banking income	Home loans	100	107	103	(7%)	(3%)
	Consumer finance	259	271	237	(4%)	9%
	Retail deposits	209	198	193	6%	8%
	Other	31	35	33	(11%)	(6%)
	Distribution	206	203	191	1%	8%
	805	814	757	(1%)	6%	
Total banking income	Home loans	1,781	1,772	1,670	1%	7%
	Consumer finance	1,150	1,129	1,041	2%	10%
	Retail deposits	1,185	1,088	1,067	9%	11%
	Other	55	54	53	2%	4%
	Distribution	206	203	191	1%	8%
	4,377	4,246	4,022	3%	9%	
Operating expenses		(1,531)	(1,572)	(1,504)	(3%)	2%
Loan impairment expense		(276)	(290)	(287)	(5%)	(4%)
Cash NPAT		1,801	1,671	1,566	8%	15%



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Retail Banking Services

\$m	FY14 vs FY13			2H14 vs 1H14		
	FY14	FY14 vs FY13		2H14	2H14 vs 1H14	
Home loans	3,553	11%	▪ Solid funding growth	1,781	1%	▪ Solid balance growth
Consumer finance	2,279	11%	▪ Improved margins	1,150	2%	▪ Improved margins & solid balance growth
Retail Deposits	2,273	3%	▪ Strong growth in at call savings & transactions	1,185	9%	▪ Strong growth in at call savings & transactions
Distribution	409	12%	▪ Strong performance of insurance and foreign exchange, including Travel Money Card	206	1%	▪ Solid FX performance
Other	109	(3%)	▪ Decrease in Asset Finance	55	2%	▪ Improved margins
Total banking income	8,623	9%		4,377	3%	
Operating expenses	(3,103)	4%	▪ Inflation related staff expenses & one off impairment	(1,531)	(3%)	▪ Capitalised software write off in 1H14
Loan impairment expense	(566)	6%	▪ Portfolio growth	(276)	(5%)	▪ Improved home loan portfolio quality
Cash NPAT	3,472	12%		1,801	8%	

BPB – 6 Month Periods

\$m		Jun 14	Dec 13	Jun 13	Jun 14 vs Dec 13	Jun 14 vs Jun 13
Net interest income	Corporate Financial Services	470	462	448	2%	5%
	Regional & Agribusiness	311	311	310	-	-
	Local Business Banking	519	533	529	(3%)	(2%)
	Private Bank	124	122	122	2%	2%
	CommSec	72	73	71	(1%)	1%
		1,496	1,501	1,480	-	1%
Other banking income	Corporate Financial Services	155	163	135	(5%)	15%
	Regional & Agribusiness	52	53	53	(2%)	(2%)
	Local Business Banking	109	108	103	1%	6%
	Private Bank	27	26	25	4%	8%
	CommSec	82	84	88	(2%)	(7%)
		425	434	404	(2%)	5%
Total banking income	Corporate Financial Services	625	625	583	-	7%
	Regional & Agribusiness	363	364	363	-	-
	Local Business Banking	628	641	632	(2%)	(1%)
	Private Bank	151	148	147	2%	3%
	CommSec	154	157	159	(2%)	(3%)
		1,921	1,935	1,884	(1%)	2%
Operating expenses		(717)	(709)	(696)	1%	3%
Loan impairment expense		(166)	(87)	(130)	91%	28%
Cash NPAT		729	797	748	(9%)	(3%)

BPB

\$m	FY14 vs FY13		2H14 vs 1H14	
	FY14	FY14 vs FY13	2H14	2H14 vs 1H14
Corporate Financial Services	1,250	6% <ul style="list-style-type: none"> Strong Lending and Deposit balance growth partly offset by margin compression in Deposits and decreased Global Markets (GM) revenue 	625	- <ul style="list-style-type: none"> Strong Lending and Deposit balance growth partly offset by margin compression in Deposits and decreased Global Markets (GM) revenue
Regional & Agribusiness	727	1% <ul style="list-style-type: none"> Strong Deposit balance growth partly offset by margin compression in Deposits and decreased GM revenue 	363	- <ul style="list-style-type: none"> Deposit balance growth offset by lower Asset Finance balances
Local Business Banking	1,269	- <ul style="list-style-type: none"> Solid Lending and Deposit balance growth offset by margin compression in Deposits 	628	(2%) <ul style="list-style-type: none"> Solid Deposit balance growth offset by lower Home Loan balances
Private Bank	299	3% <ul style="list-style-type: none"> Home Loan margin improvement and Funds Under Advice ↑41% 	151	2% <ul style="list-style-type: none"> Funds Under Advice ↑16% and Deposit balance growth
CommSec	311	(3%) <ul style="list-style-type: none"> Trading volumes ↓3% 	154	(2%) <ul style="list-style-type: none"> Trading days ↓7
Total banking income	3,856	2%	1,921	(1%)
Operating expenses	(1,426)	2% <ul style="list-style-type: none"> Higher amortisation, FTE costs and digital investments partly offset by productivity benefits 	(717)	1% <ul style="list-style-type: none"> Investment in digital infrastructure projects partly offset by productivity initiatives
Loan impairment Expense	(253)	(10%) <ul style="list-style-type: none"> Stable portfolio quality in a low interest rate environment 	(166)	91% <ul style="list-style-type: none"> Increase in small number of large individual provisions
Cash NPAT	1,526	4%	729	(9%)

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IB&M – 6 Month Periods

\$m		Jun 14	Dec 13	Jun 13	Jun 14 vs Dec 13	Jun 14 vs Jun 13
Net interest income	Institutional Banking	635	615	551	3%	15%
	Markets	82	89	93	(8%)	(12%)
		717	704	644	2%	11%
Other banking income	Institutional Banking	387	391	412	(1%)	(6%)
	Markets	207	273	217	(24%)	(5%)
		594	664	629	(11%)	(6%)
Total banking income	Institutional Banking	1,022	1,006	963	2%	6%
	Markets	289	362	310	(20%)	(7%)
		1,311	1,368	1,273	(4%)	3%
Operating expenses		(492)	(455)	(439)	8%	12%
Loan impairment expense		(40)	(21)	(57)	90%	(30%)
Cash NPAT		584	674	599	(13%)	(3%)

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IB&M

\$m	FY14 vs FY13		2H14 vs 1H14	
	FY14	FY14 vs FY13	2H14	2H14 vs 1H14
Institutional Banking	2,028	5% <ul style="list-style-type: none"> Growth in average balances and higher lending margins partly offset by margin compression for deposits 	1,022	2% <ul style="list-style-type: none"> Growth in average lending and deposit balances
Markets	651	- <ul style="list-style-type: none"> Strong trading performance, partly offset by non-recurrence of prior year positive CVA¹ 	289	(20%) <ul style="list-style-type: none"> Strong first half trading performance and unfavourable CVA¹
Total banking income	2,679	4%	1,311	(4%)
Operating expenses	(947)	9% <ul style="list-style-type: none"> Impact of Australian dollar and non-recurring expenses, including amortisation 	(492)	8% <ul style="list-style-type: none"> Impact of lower Australian dollar and non-recurring expenses, including amortisation
Loan impairment expense	(61)	(60%) <ul style="list-style-type: none"> Higher level of write-backs 	(40)	90% <ul style="list-style-type: none"> Lower level of recoveries
Cash NPAT	1,258	5%	584	(13%)

¹ Counterparty fair value adjustment

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WM – 6 Month Periods¹

\$m		Jun 14	Dec 13	Jun 13	Jun 14 vs Dec 13	Jun 14 vs Jun 13
Total operating income	CFSGAM	371	368	338	1%	10%
	Colonial First State ²	408	421	400	(3%)	2%
	CommInsure	357	350	327	2%	9%
		1,136	1,139	1,065	-	7%
Operating expenses	CFSGAM	(241)	(227)	(188)	6%	28%
	Colonial First State ²	(319)	(272)	(298)	17%	7%
	CommInsure	(156)	(158)	(162)	(1%)	(4%)
	Other	(60)	(84)	(50)	(29%)	20%
	(776)	(741)	(698)	5%	11%	
Underlying profit after tax	CFSGAM	109	120	119	(9%)	(8%)
	Colonial First State ²	66	104	72	(37%)	(8%)
	CommInsure	140	142	117	(1%)	20%
	Other	(46)	(61)	(28)	(25%)	64%
	269	305	280	(12%)	(4%)	
Cash NPAT	CFSGAM	111	127	122	(13%)	(9%)
	Colonial First State ²	79	105	71	(25%)	11%
	CommInsure	199	175	151	14%	32%
	Other	(43)	(61)	(33)	(30%)	30%
	346	346	311	-	11%	

1 All periods exclude Property

2 Colonial First State incorporates the results of all financial planning businesses including Commonwealth Financial Planning



Wealth Management¹

\$m	FY14 vs FY13		2H14 vs 1H14	
	FY14	FY14 vs FY13	2H14	2H14 vs 1H14
CFSGAM	739	14%	371	1%
CFS ²	829	6%	408	(3%)
CommInsure	707	7%	357	2%
Total operating income	2,275	9%	1,136	-
Operating expenses	(1,517)	9%	(776)	5%
Cash NPAT	692	17%	346	-

1 Excludes Property

2 Colonial First State incorporates the results of all financial planning businesses including Commonwealth Financial Planning



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NZ – 6 Month Periods

NZ\$m		Jun 14	Dec 13	Jun 13	Jun 14 vs Dec 13	Jun 14 vs Jun 13
Net interest income	ASB	755	743	693	2%	9%
	Other	14	5	(2)	large	large
	Total NII	769	748	691	3%	11%
Other banking income	ASB	160	177	167	(10%)	(4%)
	Other	(15)	(15)	(16)	-	(6%)
	Total OBI	145	162	151	(10%)	(4%)
Total banking income	ASB	915	920	860	(1%)	6%
	Other	(1)	(10)	(18)	(90%)	(94%)
	Total banking income	914	910	842	-	9%
Funds management income		33	34	32	(3%)	3%
Insurance income		125	97	115	29%	9%
Total operating income		1,072	1,041	989	3%	8%
Operating expenses		(445)	(443)	(439)	-	1%
Loan impairment expense		(35)	(21)	(28)	67%	25%
Investment experience after tax		4	-	4	large	-
Corporate tax expense		(145)	(144)	(130)	1%	12%
Cash NPAT		451	433	396	4%	14%

New Zealand

NZ\$m	FY14 vs FY13		2H14 vs 1H14	
	FY14	FY14 vs FY13	2H14	2H14 vs 1H14
ASB Operating Income	1,899	8% <ul style="list-style-type: none"> Lending ↑ 5% and retail deposits ↑ 6% Improvement in funding conditions 	948	- <ul style="list-style-type: none"> Continued improvement in funding conditions Lower fee income and trading performance
ASB Operating Expenses	(769)	4% <ul style="list-style-type: none"> Uplift in staff levels to grow frontline capacity and inflationary driven salary increases 	(383)	(1%) <ul style="list-style-type: none"> Lower underlying staff costs Realisation of productivity benefits
ASB Impairment Expense	(56)	- <ul style="list-style-type: none"> Continued strengthening of the NZ economy and housing market has been offset by balance growth 	(35)	67% <ul style="list-style-type: none"> Increase in CP following annual review of factors and refinement to models
Sovereign Cash NPAT	103	3% <ul style="list-style-type: none"> Inforce premiums ↑ 5% and lower lapse rates Adverse claims experience 	63	58% <ul style="list-style-type: none"> Continued growth in inforce premiums Improved persistency, claims and investment experience
Cash NPAT	884	13%	451	4%

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Bankwest – 6 Month Periods

\$m	Jun 14	Dec 13	Jun 13	Jun 14 vs Dec 13	Jun 14 vs Jun 13
Net interest income	773	804	776	(4%)	-
Other banking income	103	103	100	-	3%
Total banking income	876	907	876	(3%)	-
Operating expenses	(398)	(401)	(409)	(1%)	(3%)
Loan impairment expense	(6)	(5)	(32)	20%	(81%)
Net profit before tax	472	501	435	(6%)	9%
Corporate tax expense	(145)	(148)	(132)	(2%)	10%
Cash NPAT	327	353	303	(7%)	8%



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Bankwest

\$m	FY14 vs FY13		2H14 vs 1H14	
	FY14	FY14 vs FY13	2H14	2H14 vs 1H14
Banking income	1,783	2% <ul style="list-style-type: none"> ▪ Modest growth in average interest earning assets ▪ Improved net interest margin 	876	(3%) <ul style="list-style-type: none"> ▪ Decrease in average interest earning assets ▪ Lower net interest margin
Operating expenses	(799)	(3%) <ul style="list-style-type: none"> ▪ Efficiency savings in technology expenses ▪ Lower salary related expenses 	(398)	(1%) <ul style="list-style-type: none"> ▪ Lower salary related expenses due to productivity initiatives
Loan impairment expense	(11)	(91%) <ul style="list-style-type: none"> ▪ Reduced individual provision charges ▪ Run-off of troublesome and impaired portfolio 	(6)	20% <ul style="list-style-type: none"> ▪ Marginal increase in business downgrades
Cash NPAT	680	21%	327	(7%)

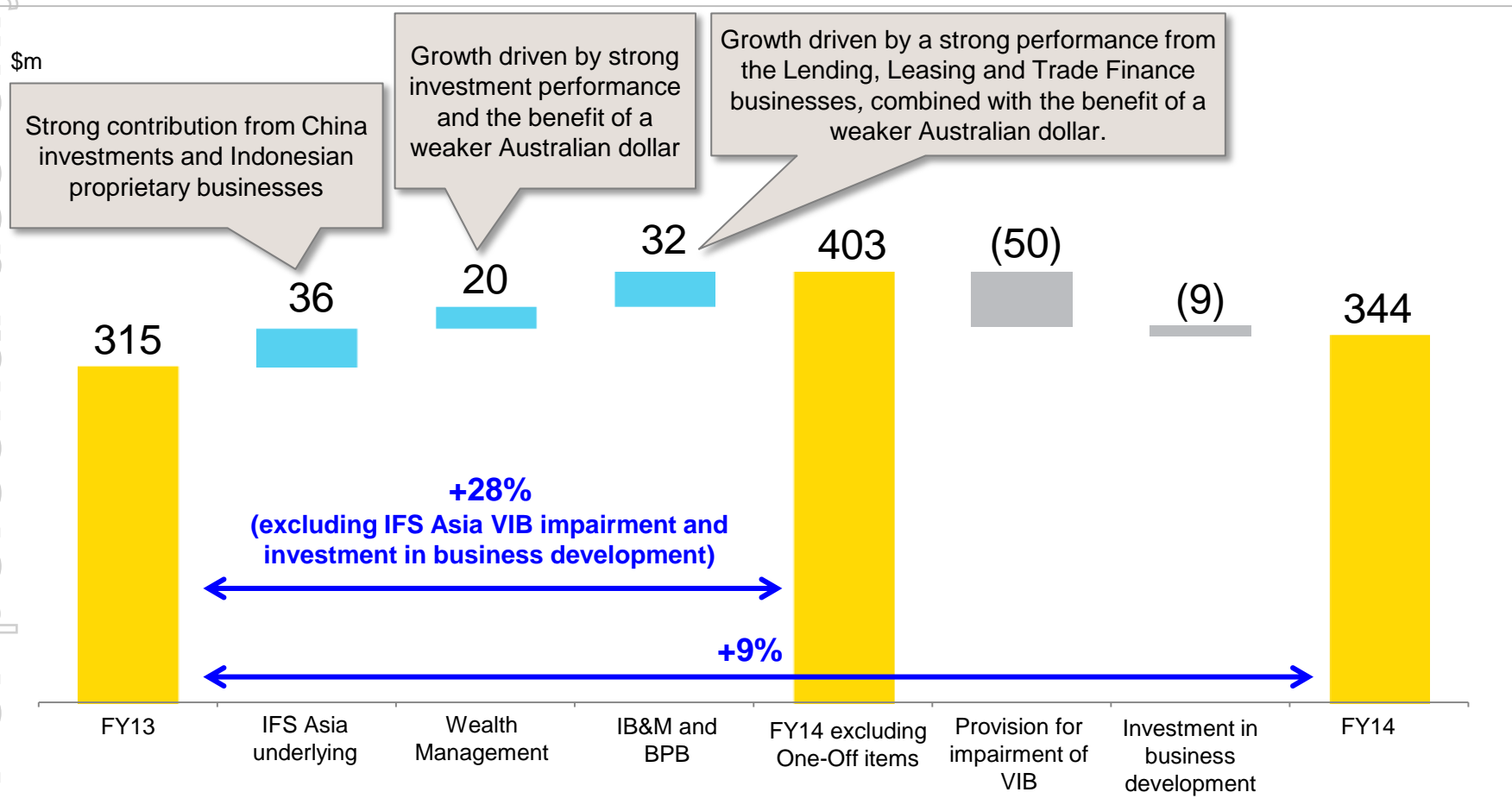
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CBA in Asia

Cash NPAT¹

\$m

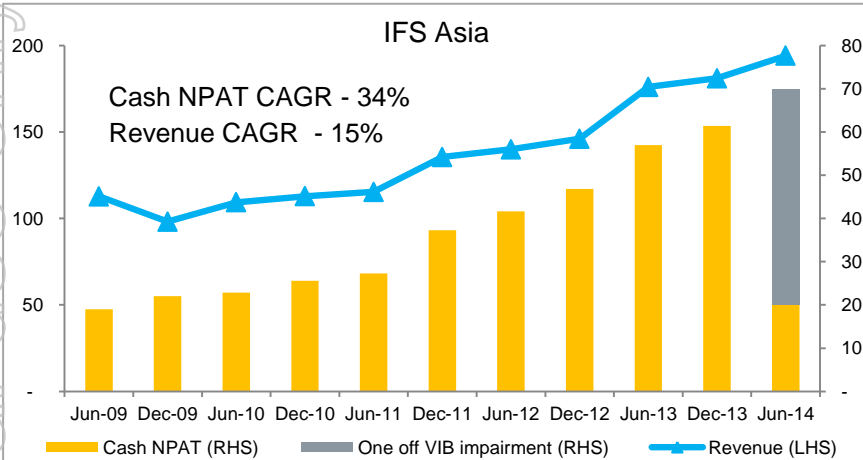


1 Includes Asia region Cash NPAT from Business & Private Banking, Institutional Banking & Markets, Wealth Management and IFS Asia businesses. IFS Asia includes China, Indonesia, Vietnam, India and Japan IFS Asia businesses.

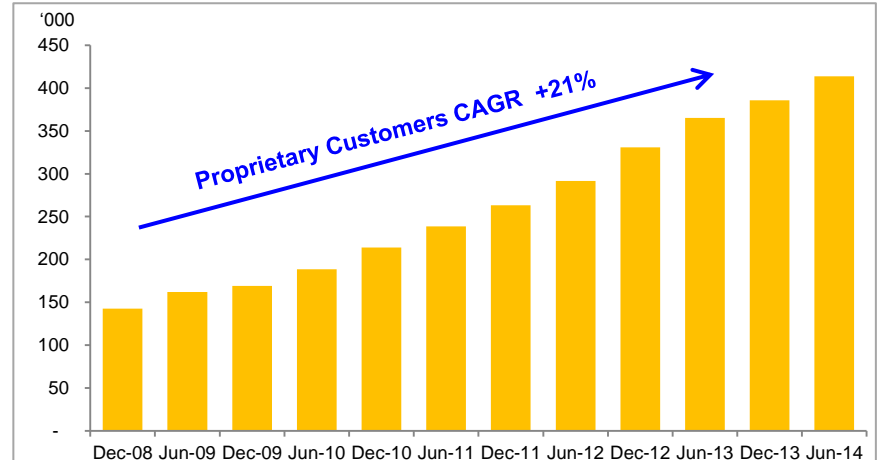


CBA in Asia – Strong proprietary growth

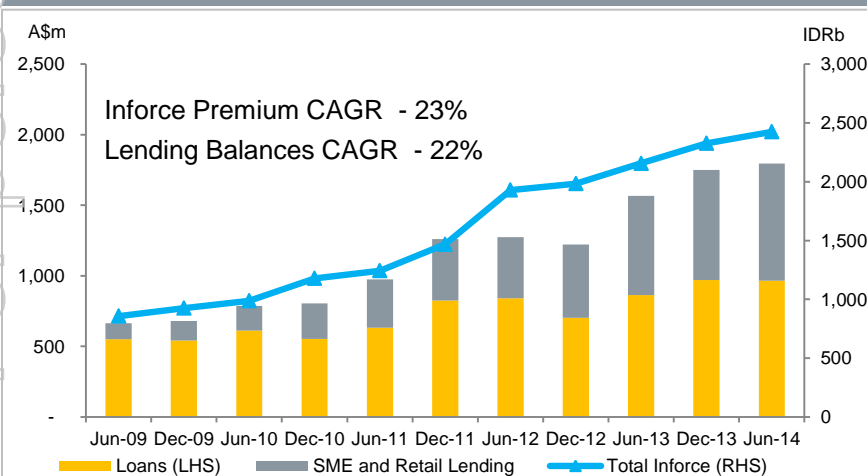
NPAT and Revenue (A\$m) ¹



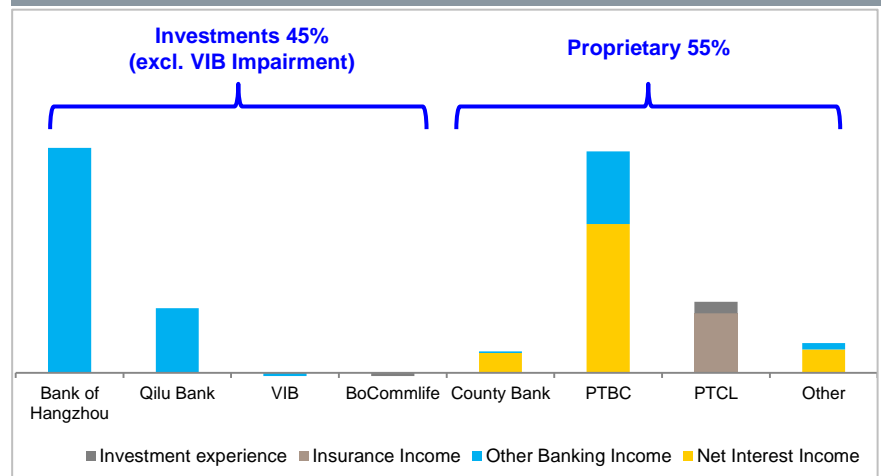
Proprietary Customers ²



Proprietary Loans and Inforce Premium ²



Proprietary Income

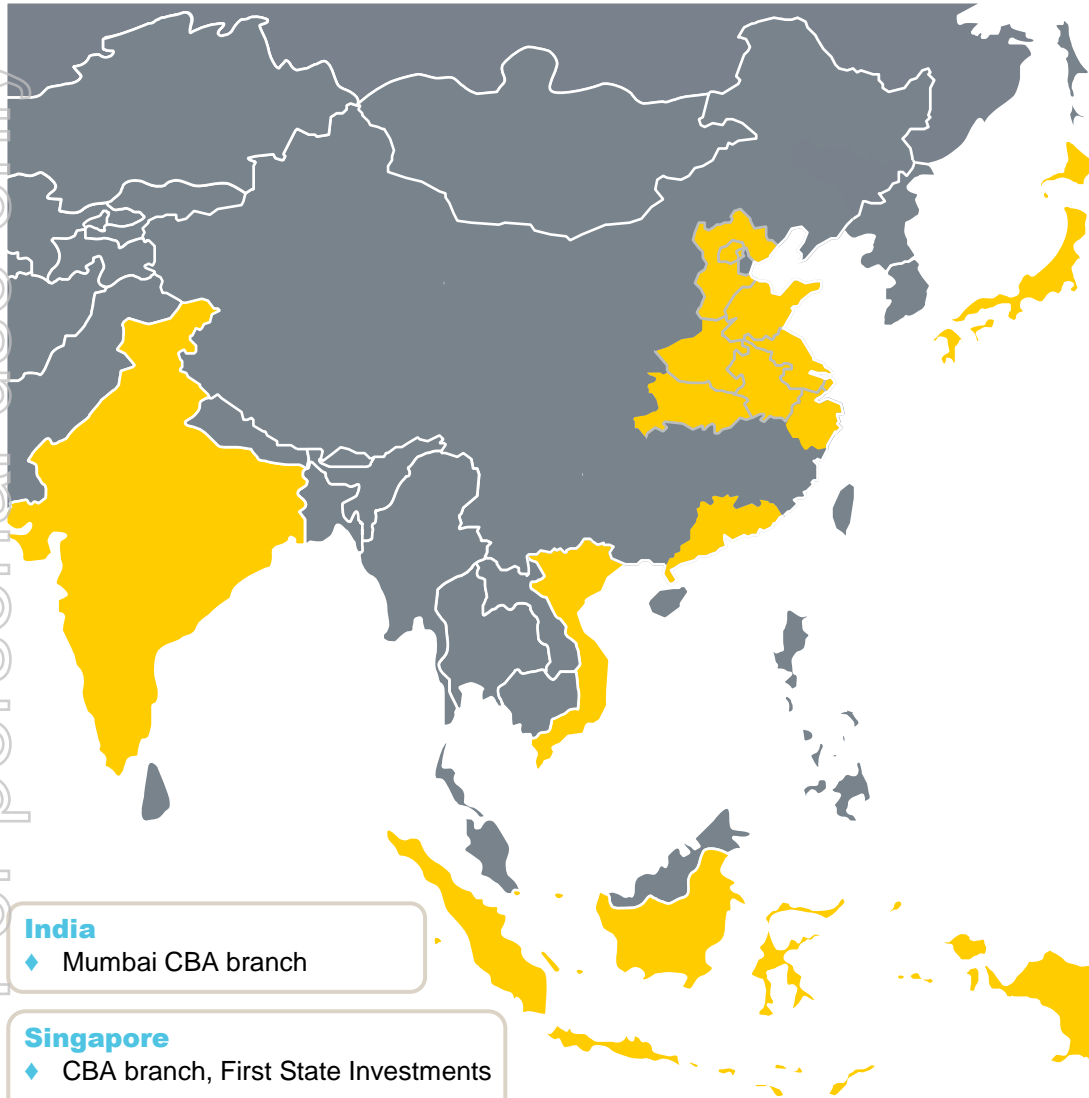


¹ IFS Asia NPAT includes proprietary businesses in China, Indonesia, Vietnam, India and Japan IFS Asia and income from investments in Bank of Hangzhou, Qilu Bank, BoCommLife and Vietnam International Bank.

² IFS Asia Proprietary includes China County Banks, Indonesian banking and insurance businesses, Vietnam branch and India branch.



CBA in Asia



India

- ◆ Mumbai CBA branch

Singapore

- ◆ CBA branch, First State Investments

Japan

- ◆ Tokyo CBA branch, First State Investments

China

- ◆ Bank of Hangzhou (20%): 149 branches
- ◆ Qilu Bank (20%): 93 branches
- ◆ County Banking
 - Henan: 7 Banks and 2 branches (5 Banks and 2 branches @ 80% and 2 Banks @ 100% shareholding)
 - Hebei: 8 Banks (5 Banks @ 80% and 3 Banks @ 100% shareholding).
- ◆ CBA Beijing, Shanghai and Hong Kong branches
- ◆ BoCommLife JV (37.5%): operating in 7 provinces
- ◆ First State Cinda JV (46%) and First State Investments Hong Kong
- ◆ Beijing Rep Office

Vietnam

- ◆ Vietnam International Bank (20%): 154 branches
- ◆ Hanoi Representative Office
- ◆ Ho Chi Minh City CBA branch; 24 ATMs

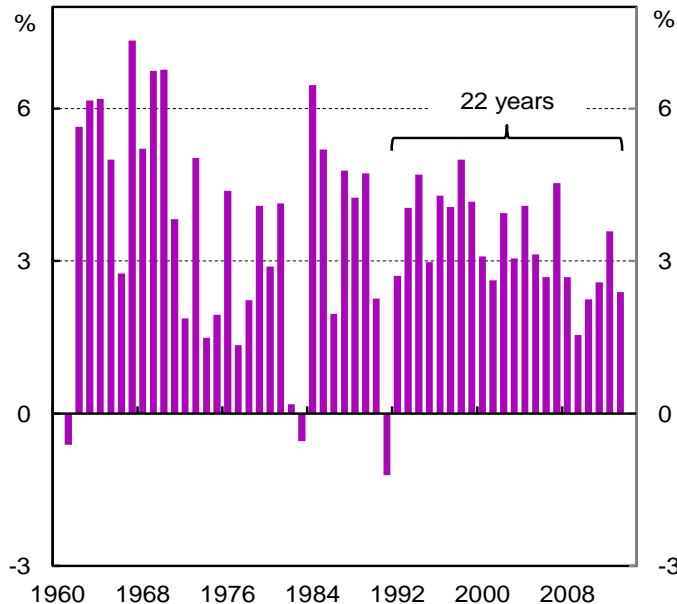
Indonesia

- ◆ PT Bank Commonwealth (99%): 91 branches and 142 ATMs
- ◆ PT Commonwealth Life (80%): 33 life offices
- ◆ First State Investments

Australia in perspective

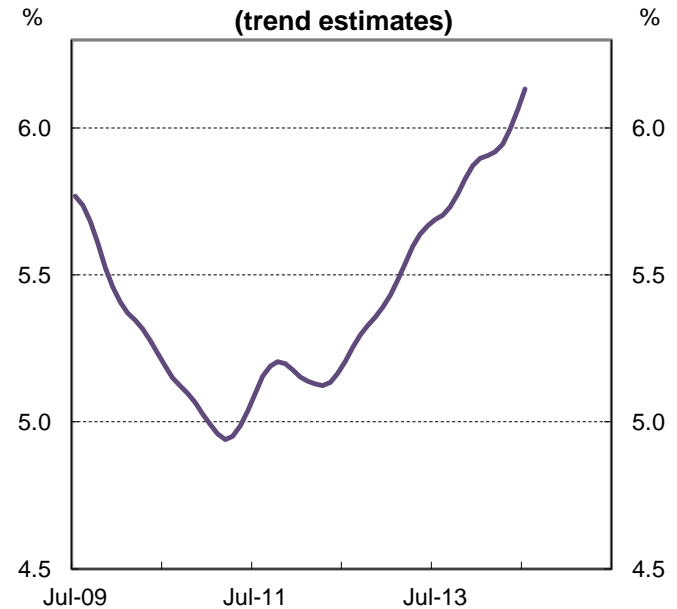
The economy is set to complete 23 years of continuous economic growth...

AUSTRALIA: ECONOMIC GROWTH
(annual % change)



...but the unemployment rate is yet to peak

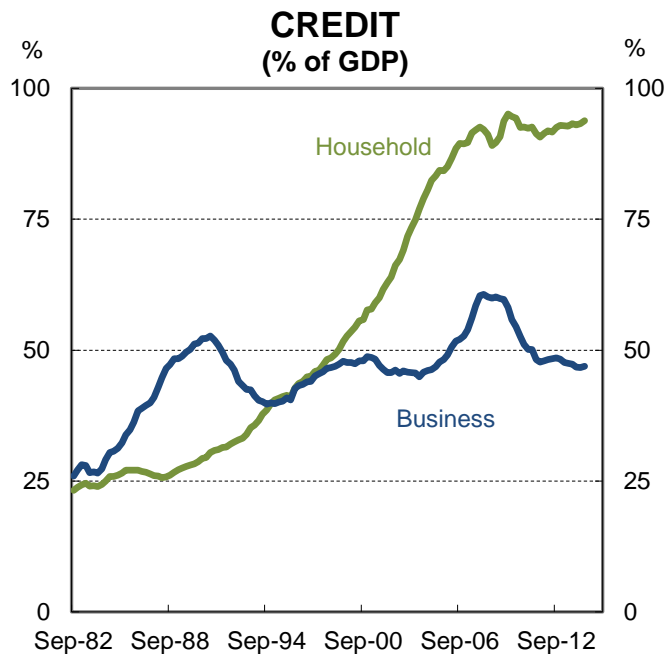
UNEMPLOYMENT RATE
(trend estimates)



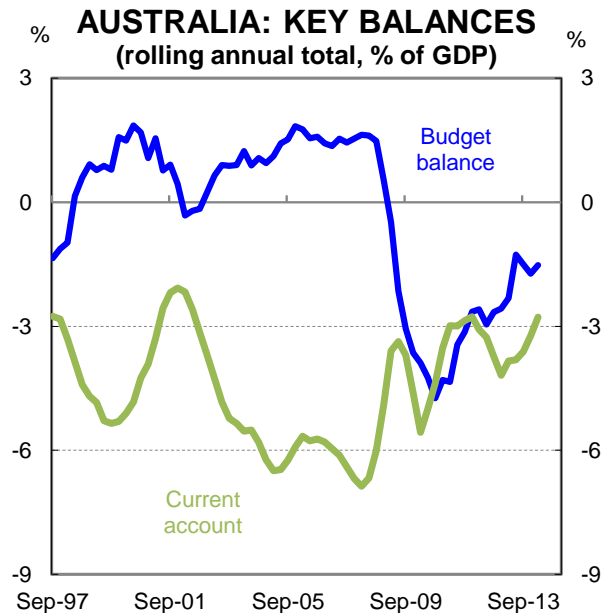
- Australia is set to complete 23 years of uninterrupted economic growth during 2014.
- The economy has returned to trend sooner than most (including the RBA) expected. But, the unemployment rate is still trending up.

Australia in perspective

Household and corporate balance sheets are in good shape



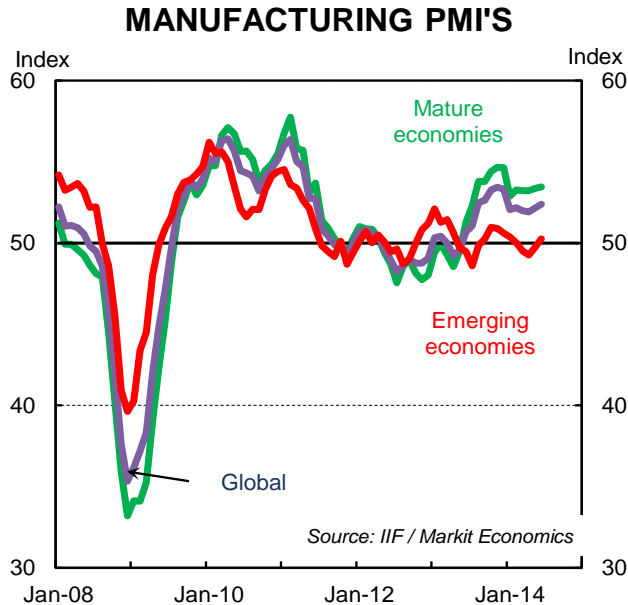
The current account and Budget balance have narrowed in recent years



- Household debt as a share of GDP is growing only slowly. Business debt as a share of GDP is well below peak levels.
- Public finances and the financial system remain in good shape. The main internal and external imbalances have narrowed significantly. Australia's AAA credit rating looks secure.

The global backdrop

Global recovery - more advanced economies than emerging economies



Asian export market s critical to Australia. Exports to China continue to reach new highs

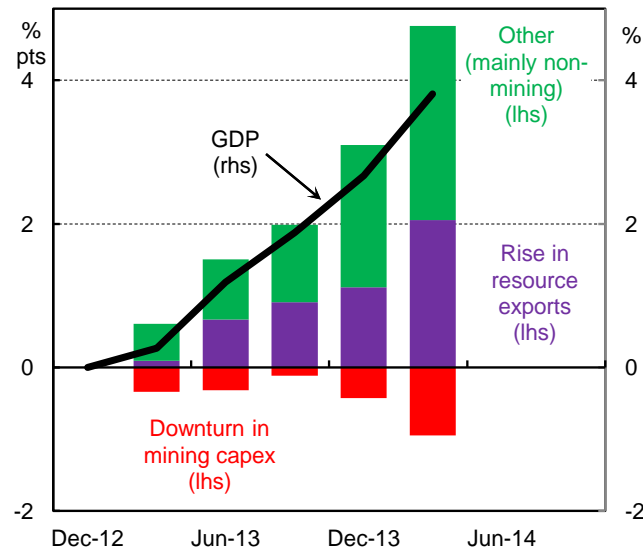


- Rising global momentum reflects synchronised upturn underway in the advanced economies.
- Emerging market and developing economies (EMDE's) maintaining their position but not adding to global momentum. The EMDE's are more important for Australian economic outcomes.

Progress on the growth transition

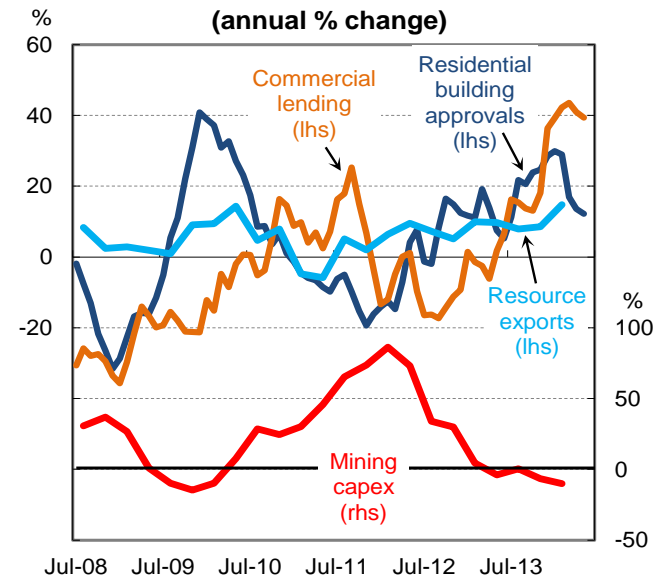
The non-mining economy will need to make a larger contribution to growth

GROWTH DRIVERS FROM MINING PEAK
(cumulative contribution to GDP since end 2012)



The targeted areas are lifting

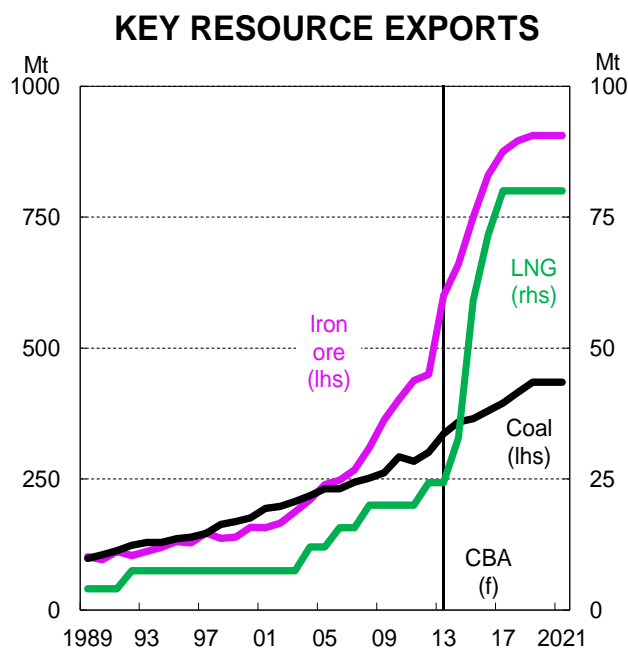
TRANSITION INDICATORS
(annual % change)



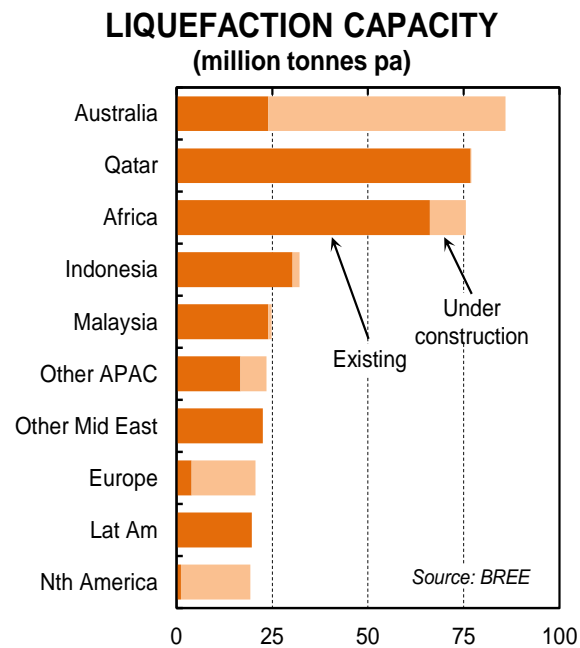
- The economy is transitioning from mining capex to resource exports and the non-mining economy as the major growth drivers.
- Residential construction will grow strongly and non-mining business capex is starting to turn.

Progress on the growth transition – the export boom

Resource exports will grow at 8-10%pa over the next two years



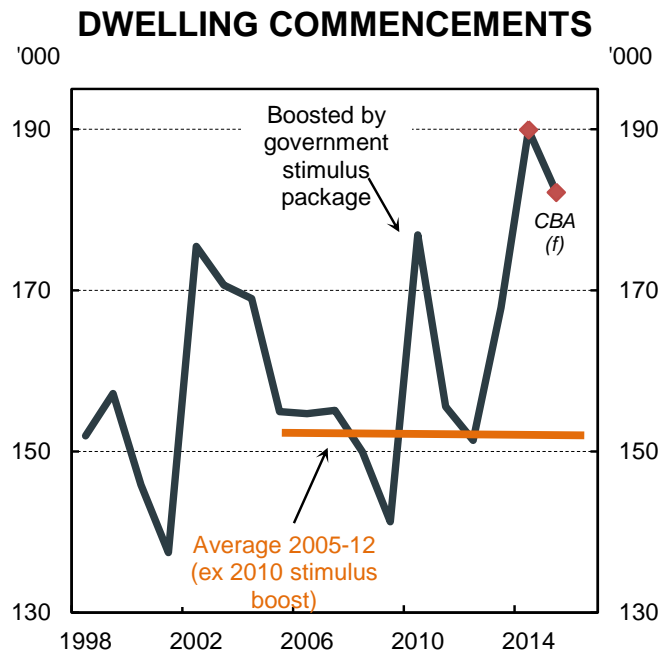
Australia will become the largest LNG exporter before 2020



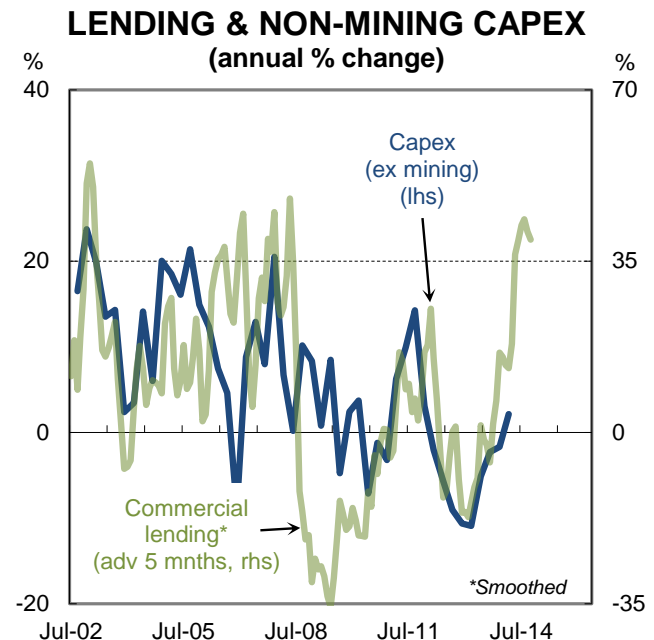
- The resource export or production boom is well underway. We expect resource export volumes to grow at 8-10%pa over the next two years, sufficient to contribute 1¼ppts per annum to GDP growth.
- Australia will become the largest global exporter of LNG before 2020.

Progress on the growth transition – residential construction & non-mining capex

A strong residential construction upturn is underway



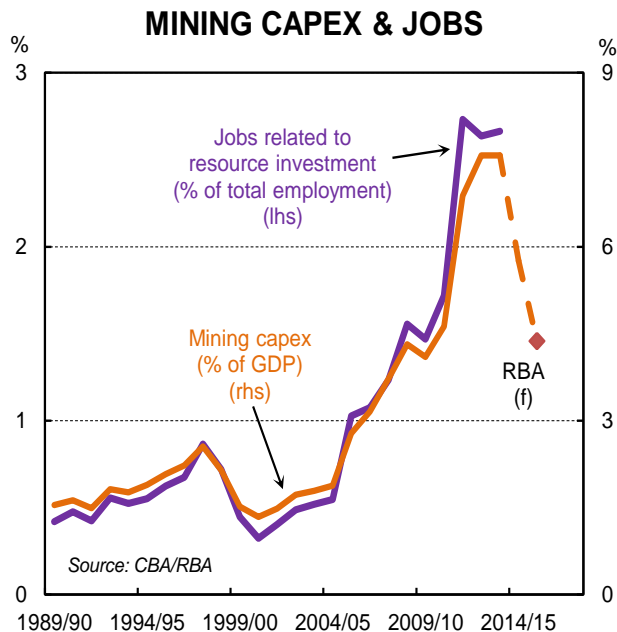
Non-mining capex is beginning to turn up



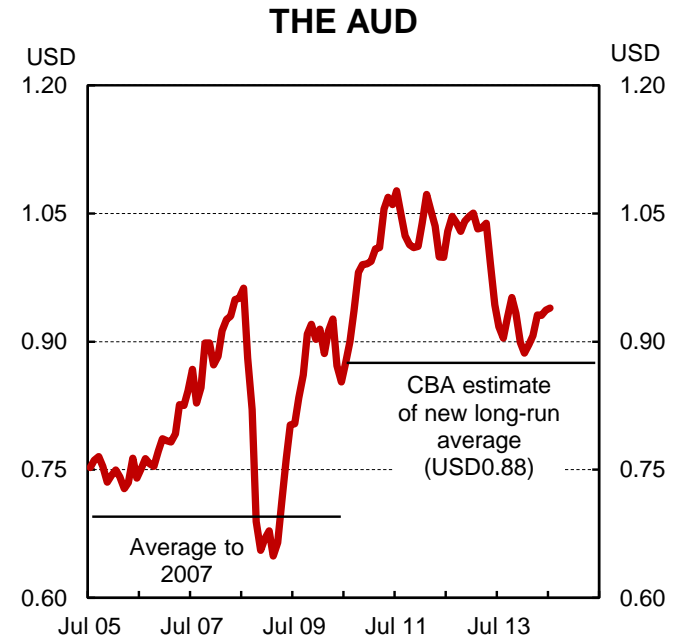
- Targeting residential construction is smart policy. Demographic trends have boosted demand for dwellings. There will be a strong pick up in residential construction over 2014-15.
- Non-mining capex is also part of the growth rebalancing. Commercial finance commitments are lifting which is a good leading indicator of non-mining investment.

Threats to the growth transition

Potential for significant job losses in areas related to resource investment



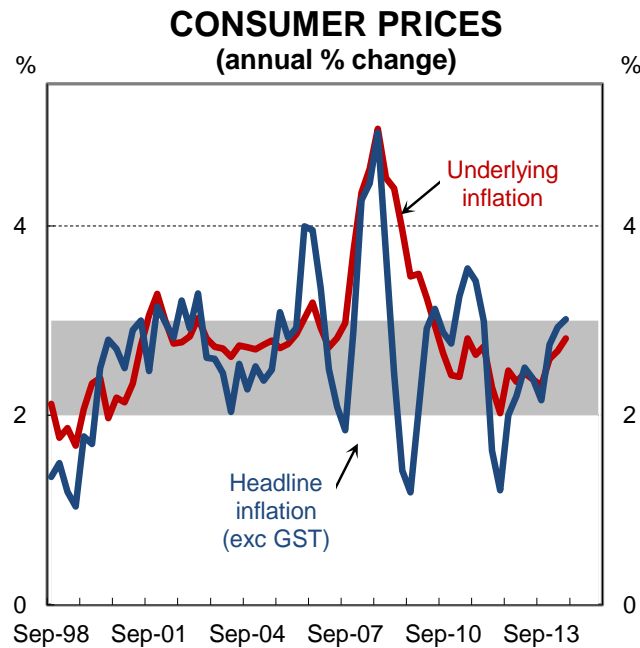
The Australian Dollar remains high by historical standards



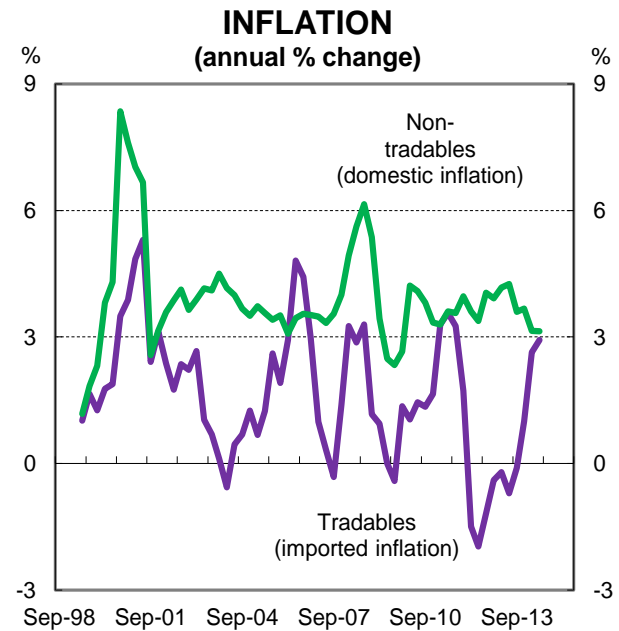
- The operational phase of the mining boom is less labour intensive than the construction phase. There is the potential for significant job losses in the areas related to resource investment.
- An elevated AUD has caused a degree of pain across the non-mining economy. A lower Australian dollar would help the growth transition. The AUD needs to return to a more normal range, but some of the AUD appreciation is structural.

Progress on the inflation transition

Key inflation measures are near the top of the RBA's inflation target



The convergence between domestic & imported inflation has been to the high side



- Key inflation measures are near the top of the RBA inflation target.
- A lower AUD has pushed up imported inflation. Domestic inflation is yet to slow in any significant fashion.



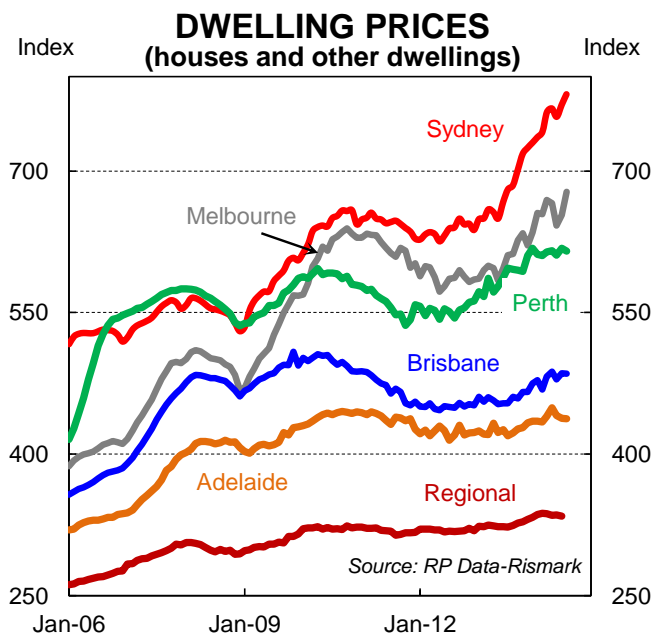
Housing market - summary

- ◆ Australian house prices underwent a modest correction during the Global Financial Crisis but are rising again and have now exceeded previous peaks.
- ◆ Recent increases in house prices have been concentrated in Sydney (where real prices were little changed from 2004) and Perth (where population growth is still strong). Prices in Melbourne (where excess demand pressures are weaker compared to the national average) have levelled off recently given high levels of supply. Price trends in other capitals and regional areas are more restrained.
- ◆ Demand-supply imbalances in the housing market significantly reduce the risk of a material decline in house prices.
- ◆ Factors that typically characterise a house price bubble, such as rapid credit growth, an easing in lending standards and expectations of rapidly rising prices are either not evident or evident only to a limited extent in Australia.
- ◆ Recent investor interest in the housing market is a rational response to the low-interest rate environment created by central banks.
- ◆ Legal and employment differences to the US suggest minimal risk of a US-style house price collapse.
- ◆ Households have strengthened balance sheets by lifting savings, repaying debt and keeping new borrowing modest.
- ◆ Recent arrears trends suggest limited stress in the housing market.
- ◆ In the event of falling prices, stress testing indicates that modest and manageable housing portfolio losses are the most likely outcome.



Rising Australian dwelling prices

Dwelling prices



Dwelling price growth

change (%)	3 Years to Jun 14	12 mths to Jun 14	6 mths to Jun 14
Sydney	19.5	15.4	5.5
Melbourne	5.7	9.4	2.9
Brisbane	2.5	7.0	2.3
Adelaide	0.6	2.9	0.8
Perth	10.0	5.2	(0.1)
Australia	10.2	10.1	3.3

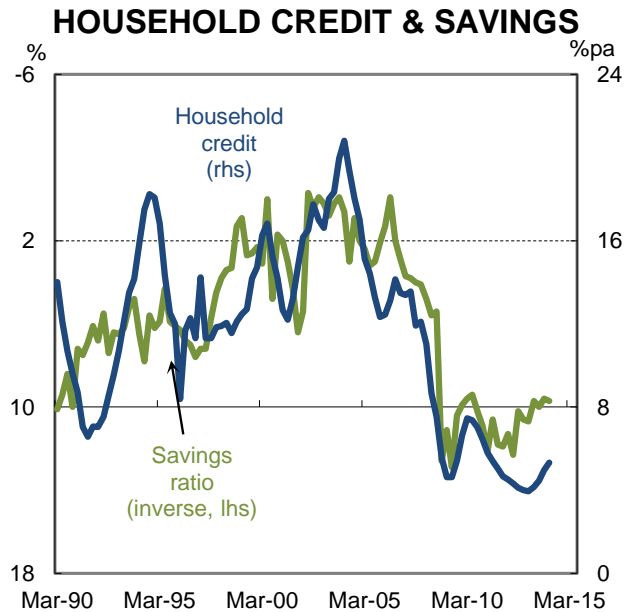
Source: RP Data-Rismark, Hedonic Index.

- Rising dwelling prices is one of the transmission paths for monetary policy.
- Higher dwelling prices boost wealth and consumer spending, encourage new construction and lift sentiment.
- House prices are rising ahead of income, so household leverage is lifting again.

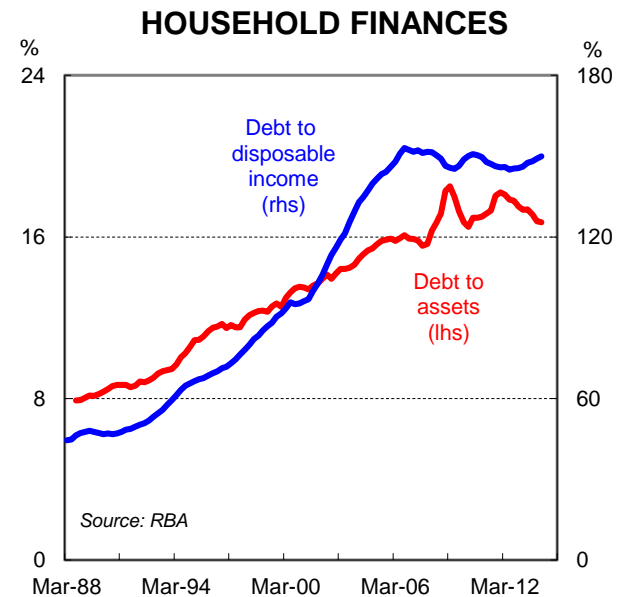


Stronger household balance sheets

The household savings rate is below peaks but still remains high



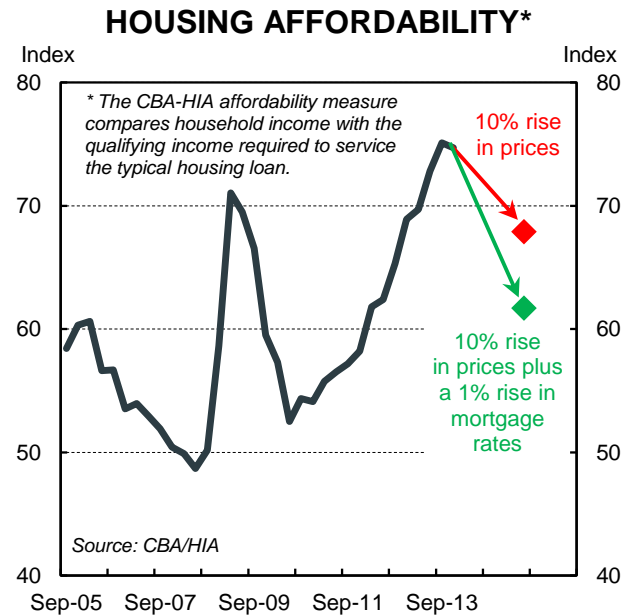
Cautious approach to debt has kept household balance sheets in good shape



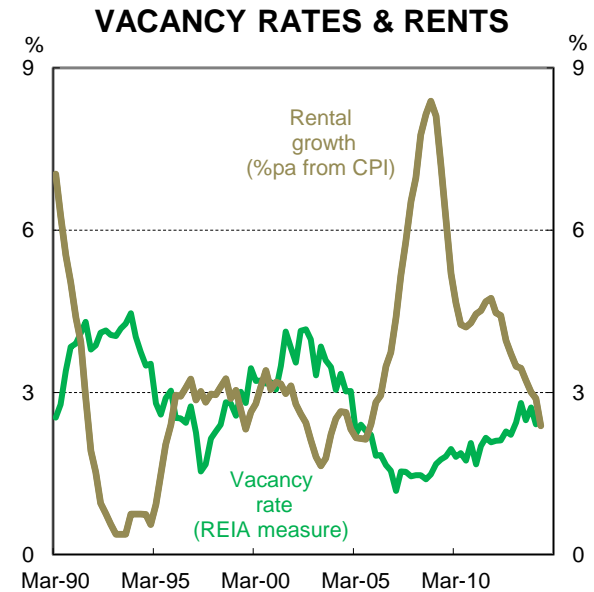
- Household balance sheets are in good shape given high levels of saving and the cautious approach to increasing debt over the past few years.

Natural correction mechanism at work

Rising house prices dampen housing affordability



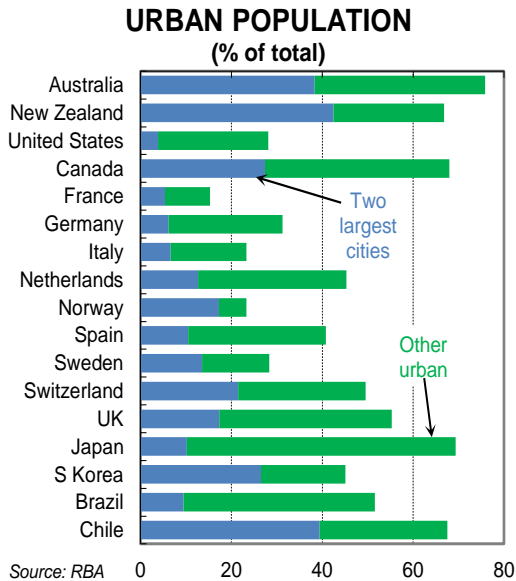
Rising vacancy rates and slower rental growth reduces rental yields



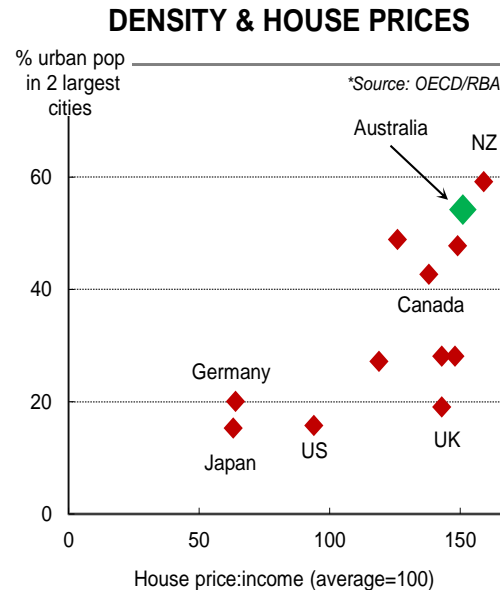
- ◆ Natural limits are reached eventually.
 - extra supply lifts vacancy rates and slows dwelling rents; and
 - higher prices reduce affordability and cut rental yields

Urbanisation rates important in assessing house prices

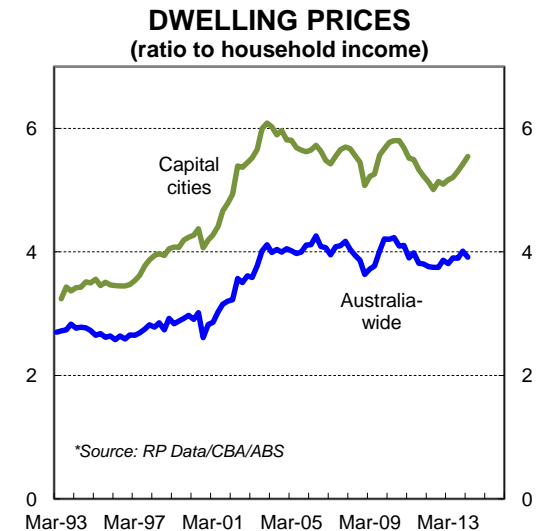
Urban population



Density & house prices



Dwelling prices



- ◆ Australia is one of the most urbanised countries in the world; ~38% of urban population live in the two major cities.
- ◆ Housing demand and higher incomes are concentrated in the capital cities.
- ◆ Price (capital city)-to-Australia-wide income \approx 5 times.
- ◆ Price-to-income (Australia wide) \approx 4 times.



Factors that typically characterise a house price bubble are not evident in Australia

Housing “Bubble” – typical characteristics

Current position in Australia

Unsustainable asset prices

- ◆ Prices supported by the excess of demand over supply
- ◆ Australia’s population continues to grow at above average rates
- ◆ Supply-side responding – lift in construction underway

Speculative investment artificially inflates asset prices

- ◆ Investor interest is a rational response to low interest rates, rising risk appetite and the pursuit of yield.

Strong volume growth driven by relaxed lending standards

- ◆ Already stringent standards tightened through GFC
- ◆ Minimal “low doc” lending
- ◆ Mortgage insurance for higher LVR loans
- ◆ Full recourse lending

Interaction of high debt levels and interest rates

- ◆ A high proportion of borrowers ahead of required repayment levels
- ◆ Interest rate buffers built into loan serviceability tests at application
- ◆ Housing credit growth remains subdued – at the bottom end of the range of the past three decades.

Domestic economic shock – trigger for price correction

- ◆ Respectable Australian economic growth outcomes
- ◆ Relatively low unemployment, high quality lending, low arrears

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Significant differences between Australian and US housing markets minimise risk of a US style house price collapse

	CBA / Aust	US
Unemployment	6.4% ¹	6.2% ²
No-Recourse Lending	No	Yes
Variable vs Fixed	~85%/15%	~15%/85%
Securitisation %	7.6% ³	22% ⁴
Account ownership	Retained by bank	Extensively on-sold
Arrears	1.28% ⁵	5.7% ⁶

Australian mortgage product
<ul style="list-style-type: none"> ◆ Principal and interest amortising 25/30 year loan ◆ Variable interest rate set at bank's discretion ◆ Limited pre-payment penalty ◆ Full recourse to borrower ◆ No tax deduction for owner occupied housing ◆ Higher risk loans are subject to Lenders Mortgage Insurance (LMI) ◆ Minimal "low documentation" (ie self certified) market with tighter lending criteria ◆ Tight consumer credit regulations ◆ Major banks account for majority of new originations and "originate-to-hold"

1. ABS, Jul'14

2. Bureau of Labor Statistics, Jul'14

3. RBA Mar'14

4. US Federal Reserve Mar'14

5. S&P Mar'14

6. S&P, Jun'14



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New Zealand

Economic Summary – New Zealand

	2010	2011	2012	2013	2014 (f)	2015 (f)	2016 (f)
Credit growth (annual – June vs June)	0.7	1.5	3.2	3.9	4.2	4-6	3½-5½
Household credit	2.5	1.2	1.8	5.1	5.2	3½-5½	3-5
Business credit	-7.6	1.2	3.9	1.8	3.2	3½-5½	5-7
Agriculture credit	2.6	-0.8	3.0	4.4	3.7	4-6	4½-6½
GDP growth (annual average)	1.2	1.2	2.8	2.3	3.6	3.3	2.7
CPI (annual average)	1.8	3.8	2.2	0.8	1.6	2.0	2.3
Unemployment (year average)	6.6	6.6	6.6	6.7	5.9	5.5	5.1
OCR (June qtr)	2.75	2.5	2.5	2.5	3.25	4.25	4.5

ASB Economists Forecasts

Credit Growth

= 12 months to June qtr

GDP, Unemployment & CPI

= Year average

Cash Rate

= June qtr



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Customer Satisfaction - Sources

- 1 Roy Morgan Research Retail Main Financial Institution (MFI) Customer Satisfaction. Australian population 14+, % “Very Satisfied” or “Fairly Satisfied” with relationship with that MFI. 6 month rolling average to June 2014. Rank based on comparison to ANZ, NAB and Westpac. CBA excludes Bankwest.
- 2 Needs Met per Customer / Products per Customer – Roy Morgan Research. Australian Population 18+ , Banking and Finance products per Banking and Finance customer at financial institution. 6 month rolling average to June 2014. CBA excludes Bankwest. Wealth includes Superannuation, Insurance and Managed Investments. Share of product is calculated by dividing Products held at CBA by Products held anywhere.
- 3 Roy Morgan Research, Australians 14+, Proportion of Banking and Finance MFI Customers that nominated each bank as their Main Financial Institution, 12 month average to June. CBA includes Bankwest.
- 4 DBM Business Financial Services Monitor (June 2014), average satisfaction rating of business customers’ Main Financial Institution (MFI), across all Australian businesses, using an 11 pt scale where 0 is Extremely Dissatisfied and 10 is Extremely Satisfied, 6 month rolling average.
- 5 DBM Business Financial Services Monitor defines micro business as those with annual turnover up to \$1 million, small businesses as those with annual turnover of \$1 million to less than \$5 million, medium businesses as those with annual turnover of \$5 million to less than \$50 million, large businesses as those with annual turnover of \$50m to less than \$500m, and uses a 6 month rolling average.
- 6 Wealth Insights overall satisfaction score - Ranking of Colonial First State (the platform provider) is calculated based on the weighted average (using Plan for Life FUA) of the overall satisfaction scores of FirstChoice and FirstWrap compared with the weighted average of other platform providers in the relevant peer set. The relevant peer set includes platforms belonging to Westpac, NAB, ANZ, AMP and Macquarie in the Wealth Insights survey.
- 7 PT Bank Commonwealth in Indonesia rated number one among foreign banks for customer service as measured by MRI (the Industry Standard for Customer Service Excellence).
- 8 Proportion of Banking & Finance customers’ Wealth products captured by the financial institution. Roy Morgan Research. Australian Population 18+ , 6 month average to June 2014. Calculated by dividing Wealth products held at institution by products held anywhere. Wealth Products includes Insurance, Managed Investments and Superannuation. CBA excludes Bankwest.



Technology - Sources

- 1 CommBank app on iOS and Android. Sources are the Apple App Store and the Google Play Store.
- 2 CBA's combined following across Facebook, Twitter, LinkedIn and Google+ is the largest of the main Australian banks. In addition, global independent website *The Financial Brand* rates the social media presence of banks and credit unions globally, CBA are the #1 Australian bank on their list: <http://thefinancialbrand.com/40900/power-100-2014-q2-bank-rankings/>
- 3 Roy Morgan Research. Australian population 14+. Proportion of customers who conducted internet banking via website with their Main Financial Institution in the last 4 weeks, who are either "Very Satisfied" or "Fairly Satisfied" with the service provided by that institution. 6 month rolling average to June 2014. Rank based on comparison to ANZ, NAB and Westpac.
- 4 Roy Morgan Research. Australian population 14+. Proportion of customers who conducted internet banking via an app with their Main Financial Institution in the last 4 weeks, who are either "Very Satisfied" or "Fairly Satisfied" with the service provided by that institution. 6 month rolling average to June 2014. Rank based on comparison to ANZ, NAB and Westpac.
- 5 Roy Morgan Research. Banking and Finance Customers aged 14-17, 12 month average to June 2014. CBA excludes Bankwest. Rank based on comparison to ANZ, NAB and Westpac.
- 6 Roy Morgan Research. Australian population 14+. Proportion of customers who conducted internet banking via website or app with their Main Financial Institution in the last 4 weeks, who are either "Very Satisfied" or "Fairly Satisfied" with the service provided by that institution. 6 month average to June 2014. Rank based on comparison to ANZ, NAB and Westpac.
- 7 Roy Morgan Research, Australians 14+, Proportion of Banking and Finance MFI Customers that nominated each bank as their Main Financial Institution, 12 month average to June 2014. CBA excludes Bankwest.

Productivity Metrics - Definitions

Measure	Metric	Timeframe
Credit approval time - asset finance	Average time taken to issue a credit approval	FY14 v FY12
Conditional approval time - HomeSeeker loans	Time to verify HomeSeeker conditional pre-approvals	FY14 v FY13
Turnaround time – home insurance claims	The median number of business days between claim notification and finalisation	2H14 v 1H14
Teller transactions per CSR	Average number of transactions completed per week in branch by Retail Customer Service Representatives	FY14 v FY12
Personal loans funded same day	Percentage of personal loans funded on day of application, excluding applications referred for manual decisioning	FY14 v FY12
Transactions per Intelligent Deposit Machine	Average number of transactions completed per week using an Intelligent Deposit Machine	FY14 v FY12 (First IDM May 2012)

Sustainability scorecard – sources and definitions

Complete definitions for scorecard metrics are available at www.commbank.com.au/sustainability2014

All metrics capture data from Australian domestic operations only (excluding Bankwest), unless otherwise stated.

- 1 Proportion of each financial institution's Retail MFI customers surveyed by Roy Morgan Research that are either 'Very Satisfied' or 'Fairly Satisfied' with their overall relationship with that financial institution. Metric reported as a 6 month rolling average to June, based on the Australian population aged 14+. Ranking relative to the other three main Australian banks (Westpac, NAB and ANZ).
- 2 Average satisfaction of each financial institution's MFI business customers surveyed by DBM Business Financial Services Monitor. 0 is 'Extremely Dissatisfied', 10 is 'Extremely Satisfied'. Metric reported as a 6 month rolling average. Ranking relative to the other three main Australian banks (Westpac, NAB and ANZ).
- 3 Score calculated based on the weighted average (based on Plan for Life FUA) of the overall satisfaction scores of FirstChoice and FirstWrap. 1 is 'Poor', 10 is 'excellent'. Ranking calculated by comparing the score with the weighted average of other platform providers in the relevant peer set to include platforms belonging to Westpac, NAB, ANZ, AMP and Macquarie in the Wealth Insights survey. The survey is conducted annually.
- 4 Index showing the proportion of employees replying with a score 4 or 5 to questions relating to satisfaction, retention, advocacy and pride on a scale of 1-5 (5 is "strongly agree", 1 is "strongly disagree"). In 2012, the Group moved the people and culture survey administration to a new provider, no prior year data is available.
- 5 Percentage of roles at the level of both Manager and Executive Manager and above filled by women, in relation to the total domestic headcount at this level as at 30 June. Headcount captures permanent headcount (full-time, part-time, job share, on extended leave), and contractors (fixed term arrangements) paid directly by the Group. The percentage of roles at Executive Manager and above excludes Customs Solutions, CFSPM and Bankwest support units (Bankwest's HR, Risk, Finance and ES Service Operations).
- 6 LTIFR is the reported number of occurrences of lost time arising from injury or disease that have resulted in an accepted workers compensation claim, for each million hours worked by the average number of domestic employees over the year. Data is presented using the information available as at 30 June. Prior year data is updated due to change of reporting entity, late reporting and subsequent acceptance or rejection of claims made during the year. The prior year data were 2009:2.4, 2010:2.8, 2011:2.5, 2012:2.7 and 2013:1.7)
- 7 Absenteeism is the annualised figure as at 31 May each year. Absenteeism refers to the average number of sick leave days (and, for CommSec employees, carers leave days) per domestic full-time equivalent (FTE).
- 8 Scope 1 and 2 data is collected in line with NGER legislation. Scope 3 relate to indirect emissions (tool-of-trade vehicles, natural gas and electricity), rental car and taxi use, business use of private vehicles, dedicated bus service, business flights, office paper and waste to landfill. Prior year data for Scope 1 and 3 is updated to better reflect the GHG Protocol guidance.
- 9 The number of active school banking students banked at least once during a 12 month period through a school banking school and the number of students booked to attend Commonwealth Bank Foundation's StartSmart programs.

Results Presentation

FOR THE FULL YEAR ENDED 30 JUNE 2014

CommonwealthBank



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