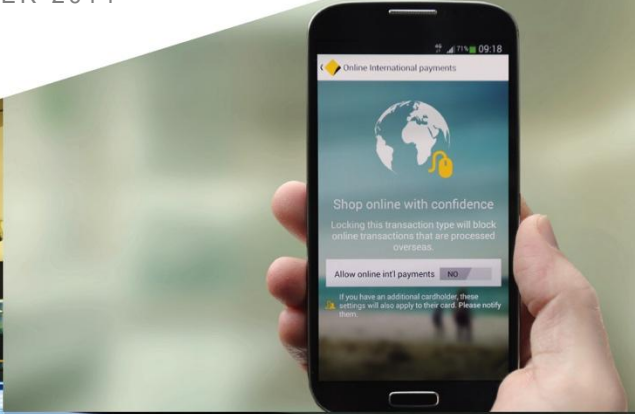


RESULTS PRESENTATION

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

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IAN NAREV
CHIEF EXECUTIVE OFFICER

DAVID CRAIG
CHIEF FINANCIAL OFFICER

CommonwealthBank



Disclaimer

The material that follows is a presentation of general background information about the Group's activities current at the date of the presentation, 11 February 2015. 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 and cash basis. The statutory basis is prepared and reviewed in accordance with the Corporations Act 2001 and the Australian Accounting Standards, which comply with International Financial Reporting Standards (IFRS). The cash basis is used by management to present a clear view of the Group's underlying operating results, excluding items that introduce volatility and/or one-off distortions of the Group's current period performance. These items, such as hedging and IFRS volatility, are calculated consistently with the prior comparative period and prior half 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/>



Our Vision and Values

Our Vision

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

Our 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



Additional information

Consistent strategy

People



Focus on the customer

Productivity



Cultural change driving service and efficiency benefits

Technology



Customer value through world-class technology and operations

Strength



Long term support for our customers

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Our strategy

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



Financial

Cash earnings (\$m)	4,623	8%
ROE (Cash)	18.6%	(10) bpts
Cash EPS (\$)	2.84	8%
DPS (\$)	1.98	8%
Cost-to-Income	42.2%	(70) bpts
NIM (bpts)	212	(2) bpts

Operating Performance by Division²

Retail Banking Services (\$m)	3,111	9%
Business and Private Banking (\$m)	1,127	6%
Institutional Banking & Markets (\$m)	959	6%
Wealth Management (\$m)	408	3%
NZ (NZ\$m)	680	14%
Bankwest (\$m)	515	3%

Balance Sheet

Total assets (\$bn)	851	9%
Total liabilities (\$bn)	800	9%
FUA (\$bn)	275	5%
RWA (\$bn)	353	6%
Provisions to Credit RWAs (bpts)	125	(27) bpts

Capital & Funding

Capital – CET1 (Int'l) ³	13.3%	na
Capital – CET1 (APRA)	9.2%	70 bpts
LT wholesale funding WAM (yrs)	3.9	0.1
Deposit funding	63%	-
Liquids (\$bn)	151	10%

¹ All movements on prior comparative period unless stated otherwise

² Operating Performance is Total Operating Income less Operating Expense. Wealth Management excludes property.

³ The Group has revised its international measure of CET1 at 31 December 2014 with the methodology consistent with that detailed in the August 2014 PwC Australia report commissioned by the ABA. The key changes in methodology include differences in calculating RWA for residential mortgages, specialised lending and corporate exposures.

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Continuing growth

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	Dec 14	Dec 14 vs Dec 13
Statutory Profit (\$m)	4,535	8%
Cash NPAT (\$m)	4,623	8%
ROE – Cash (%)	18.6	(10) bpts
Cash Earnings per Share (\$)	2.84	8%
Dividend per Share (\$)	1.98	8%



Additional information

Business Unit Summary

		1H15 vs 1H14					
Business Unit ¹	% of Group NPAT	Operating Income	Costs	Operating Performance	LIE	Cash NPAT	Cost-to-Income Dec 14
RBS	43%	7%	2%	9%	(10%)	12%	34%
BPB	16%	6%	5%	6%	(21%)	8%	38%
IB&M	14%	6%	5%	6%	large	(3%)	33%
Wealth ²	8%	5%	5%	3%	n/a	1%	66%
NZ ³	9%	10%	4%	14%	76%	12%	40%
BWA	8%	1%	(2%)	3%	large	8%	44%
IFS	1%	10%	13%	5%	large	(10%)	61%

¹ Excludes Corporate Centre and Other

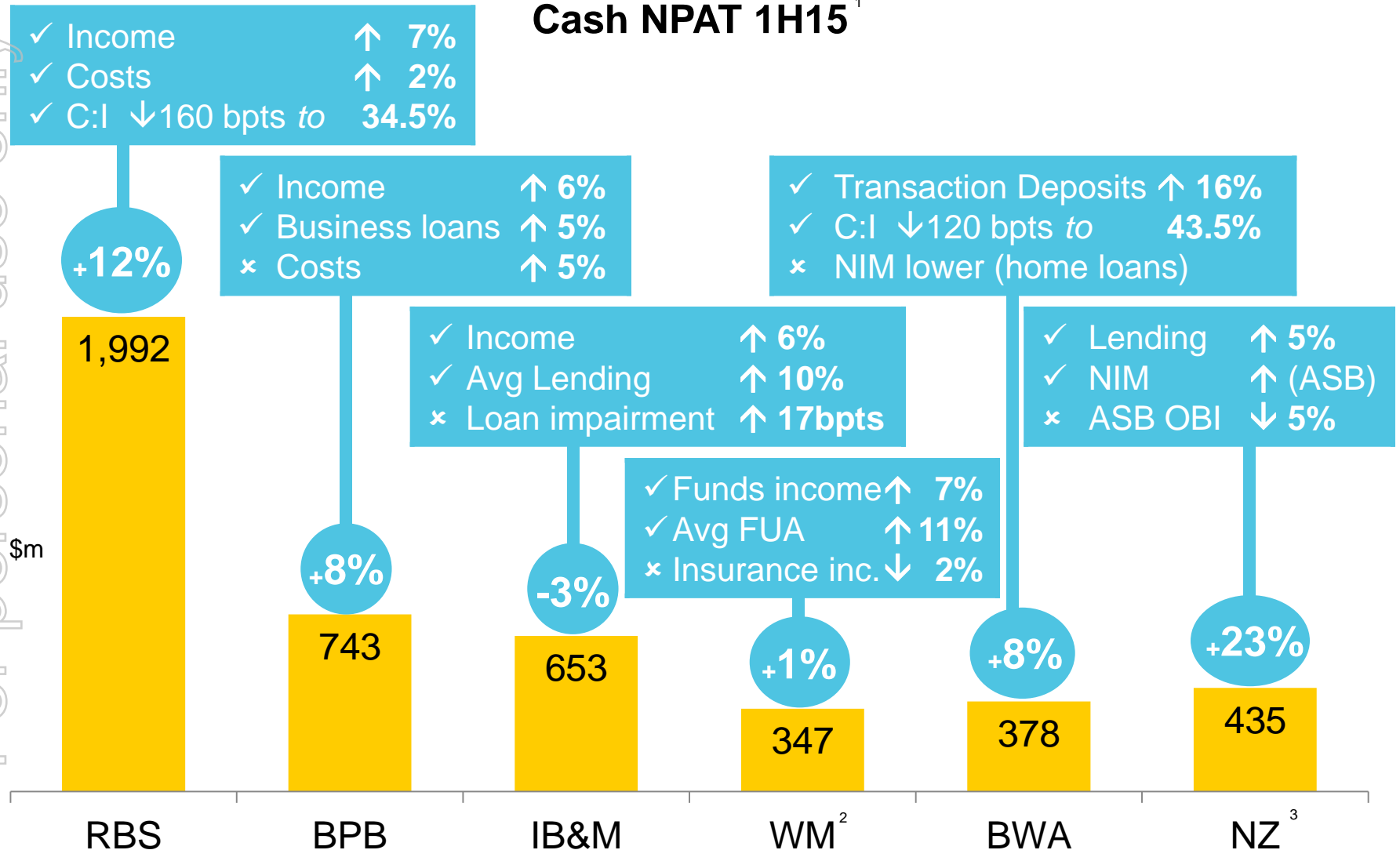
² All figures exclude the contribution from the Property transactions and businesses

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

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All divisions contributing

Cash NPAT 1H15¹



1 All movements on prior comparative period except where noted

2 Excluding Property

3 NZ result in AUD, performance metrics in NZD

Additional information

Market Share¹

%	Dec 14	Jun 14	Dec 13
Home loans	25.2	25.3	25.3
Credit cards – RBA ²	25.2	24.9	24.7
Other household lending ³	18.6	18.8	18.2
Household deposits ⁴	28.8	28.7	28.6
Business lending – RBA	17.2	17.7	17.9
Business lending - APRA	18.6	18.8	19.0
Business deposits – APRA	20.9	21.7	21.0
Asset finance	13.4	13.2	13.3
Equities trading	5.8	5.2	5.1
Australian Retail – administrator view ⁵	15.7	15.7	15.6
FirstChoice Platform ⁵	11.4	11.5	11.4
Australia life insurance (total risk) ⁵	12.2	12.4	12.9
Australia life insurance (individual risk) ⁵	12.1	12.4	12.6
NZ home loans	21.7	21.9	22.1
NZ retail deposits	20.6	20.6	20.4
NZ business lending	11.5	11.0	10.6
NZ retail FUA	16.5	16.1	17.0
NZ annual inforce premiums	29.0	29.1	29.4

¹ Prior periods have been restated in line with market updates. ² As at 30 Nov 2014. ³ Other household lending market share includes personal loans, margin loans and other forms of lending to individuals. ⁴ Comparatives have not been restated to include the impact of new market entrants in the current period. ⁵ As at 30 Sep 2014.

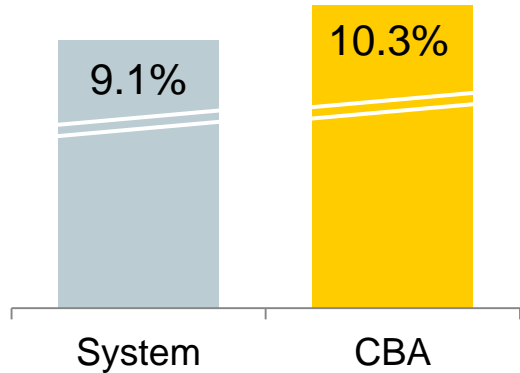


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Continuing volume growth

Household Deposits

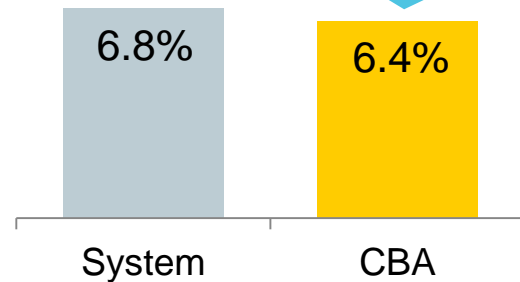
Balance Growth¹



Home Lending

Balance Growth¹

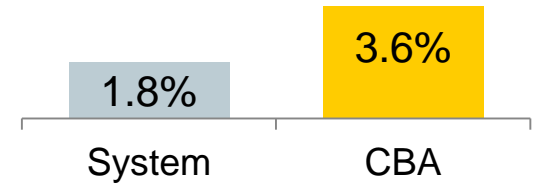
Underweight in higher growth segments – broker and investment lending



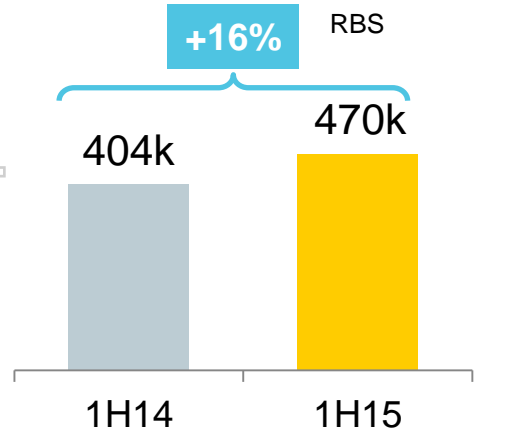
Credit Cards

Balance Growth¹

Existing customers represent ~90% of new RBS accounts

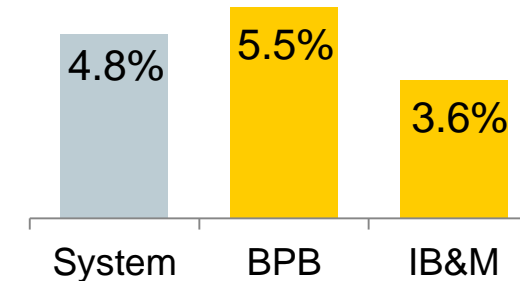


New Transaction Accts²



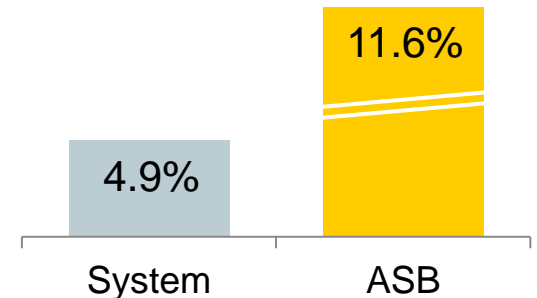
Business Lending

Balance Growth^{1,3}



ASB

Business & Rural Balance Growth¹



¹ Spot balance growth twelve months to Dec 14. Source RBA/APRA/RBNZ. CBA includes BWA except Business Lending. Business Lending is RBA.

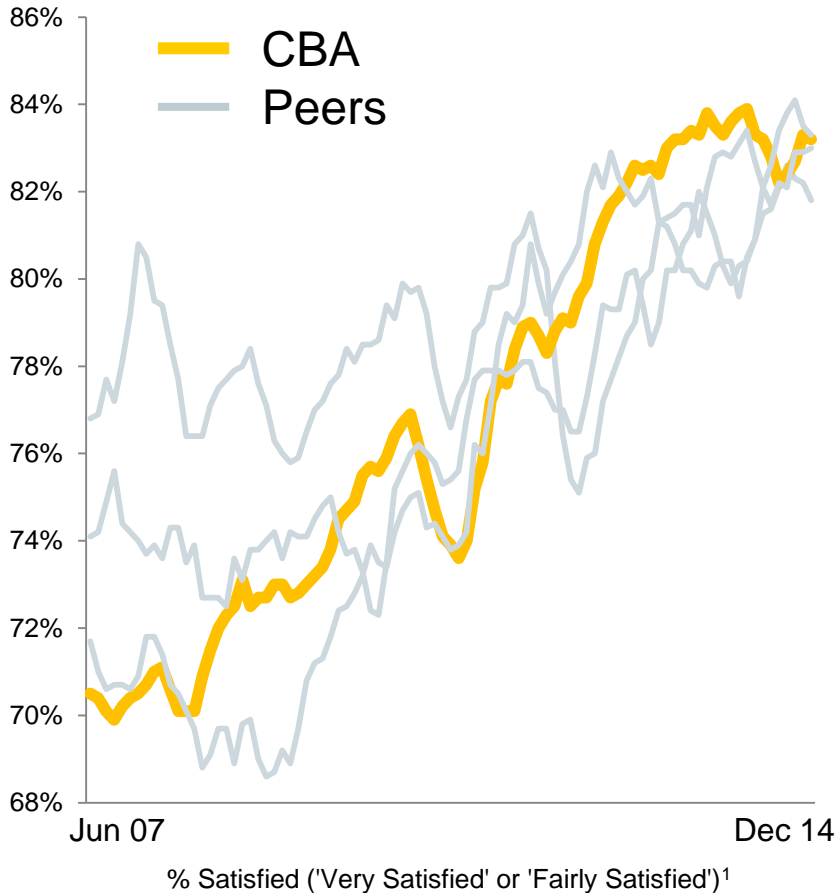
² Includes offset accounts

³ IB&M represents Core Domestic Lending balance growth and excludes Cash Management Pooling Facilities (CMPF)

Continued focus on the customer

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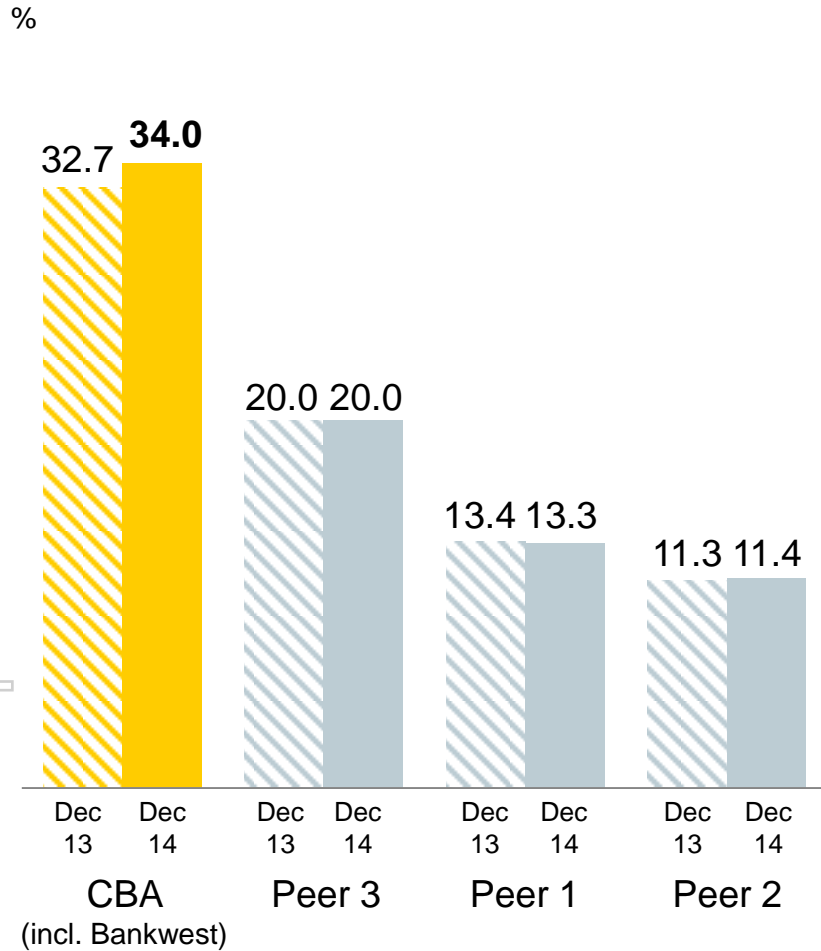
Retail Customer Satisfaction ¹



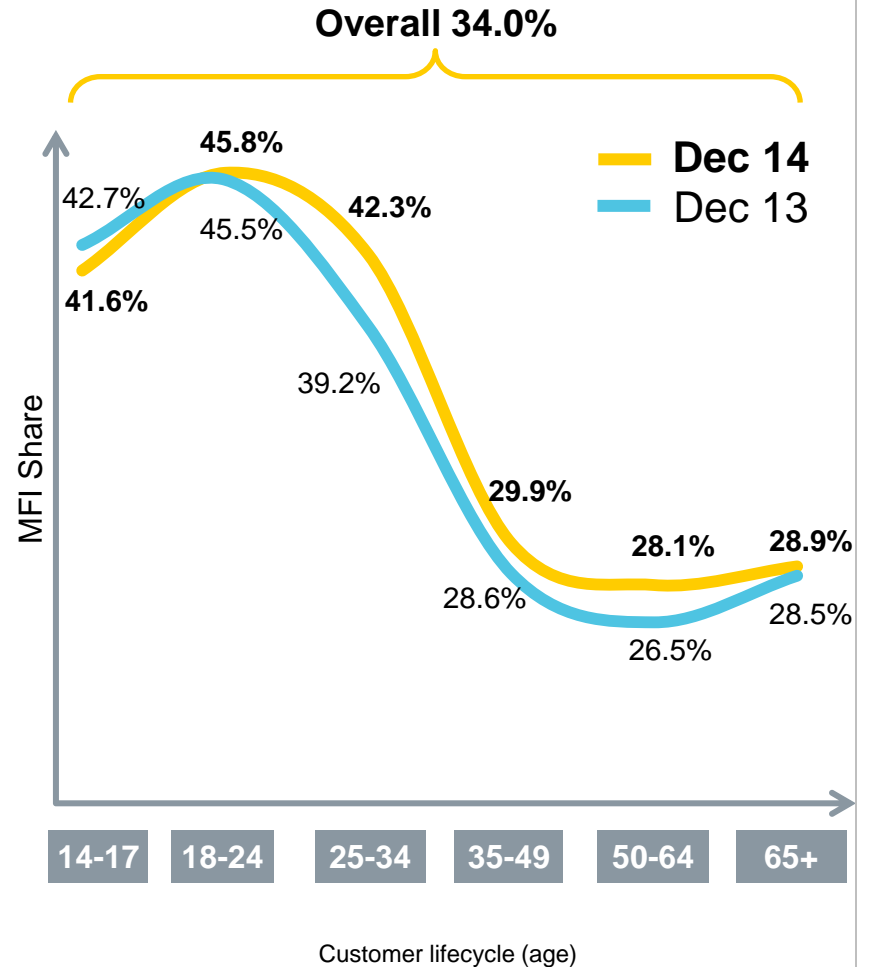
Area	CBA
Business - Micro ⁵	=1 st
Business - Small ⁵	=1 st
Business - Medium ⁵	=1 st
Business - Large ⁵	1 st
Wealth ⁶	1 st
IFS ⁷	1 st
Internet Banking ⁹	1 st

MFI share

MFI share³



CBA MFI share by age³



³ Refer notes page at back of presentation for source information

Open Advice Review Program



Independent Expert

Reports program outcomes publicly



Independent Customer Advocates

Provides support for customers

Hon Ian Callinan AC
Chairman

Hon Geoffrey Davies AO
Deputy Chairman

Hon Julie Dodds-Streeton QC
Panelist

Independent Review Panel

Reviews individual cases if required



McGrathNicol

Independent Forensic Expert

Investigates any concerns of fraud

Fiona Guthrie
Consultant
Expert Advisor

Consultant Expert Advisor

Provides expert advice

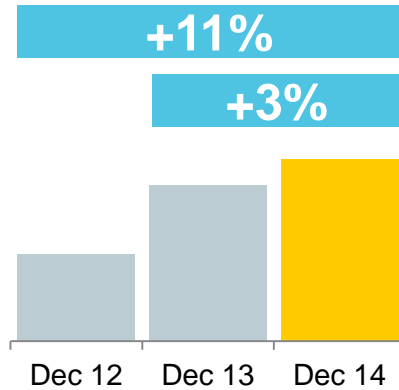


Additional information

Productivity metrics

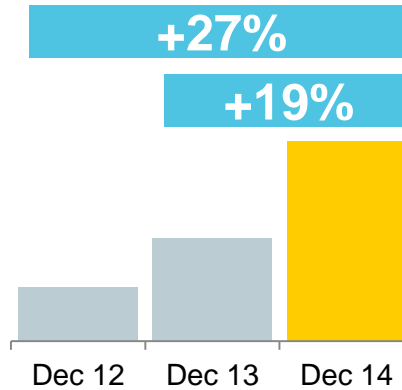
Customer Service

Telling transactions per CSR per week



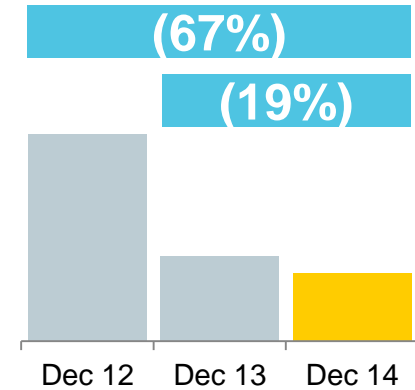
Personal Loans

% funded same day



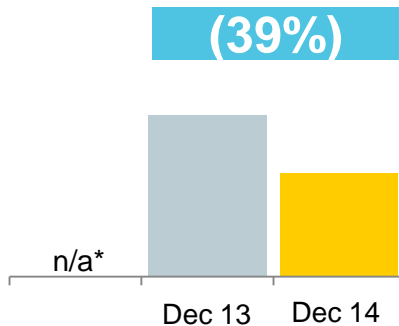
Asset Finance

Credit approval time (minutes)



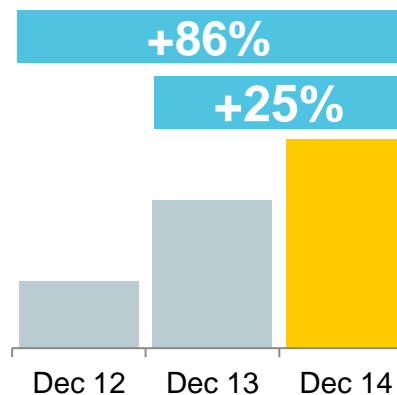
Home Insurance

Claims turnaround time (days)



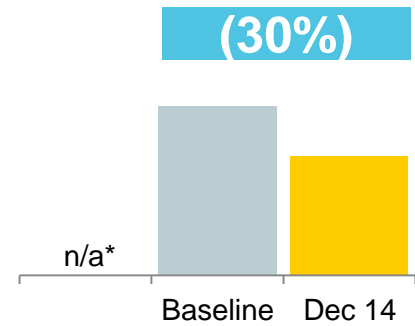
Intelligent Deposit Machines

Transaction volume



Transaction Banking

Client on-boarding time (days)



* Commenced Dec 13

* Commenced Apr 14

Productivity improving service and efficiency

Improving service ¹

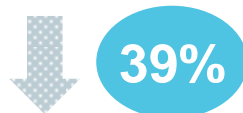
Personal loans funded same day



Asset Finance – Credit approval time



Home insurance claims – turnaround time



Transaction Banking – client on-boarding time



Bankwest – Business Account documents required

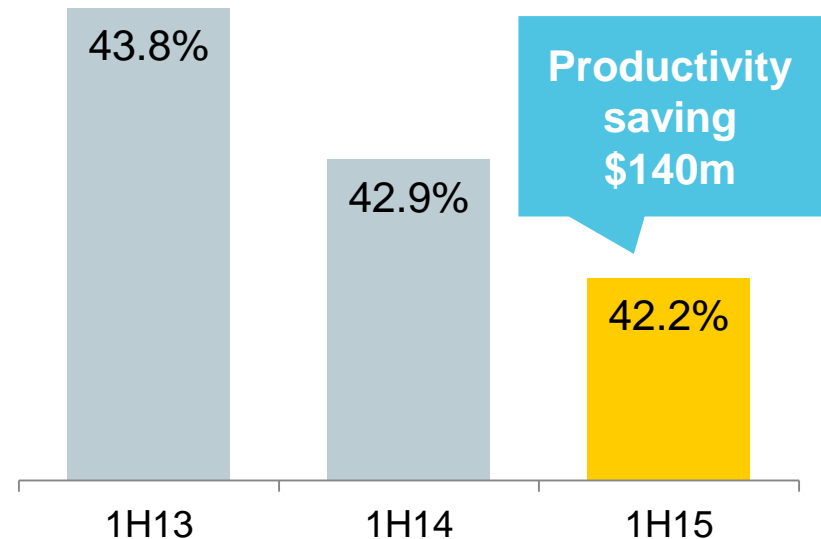


Regional and Agribusiness – client facing activities



Driving efficiency

Cost-to-Income (%)



¹ Refer notes page at back of presentation for definition of productivity metrics. Movements shown are since inception of respective productivity initiatives.

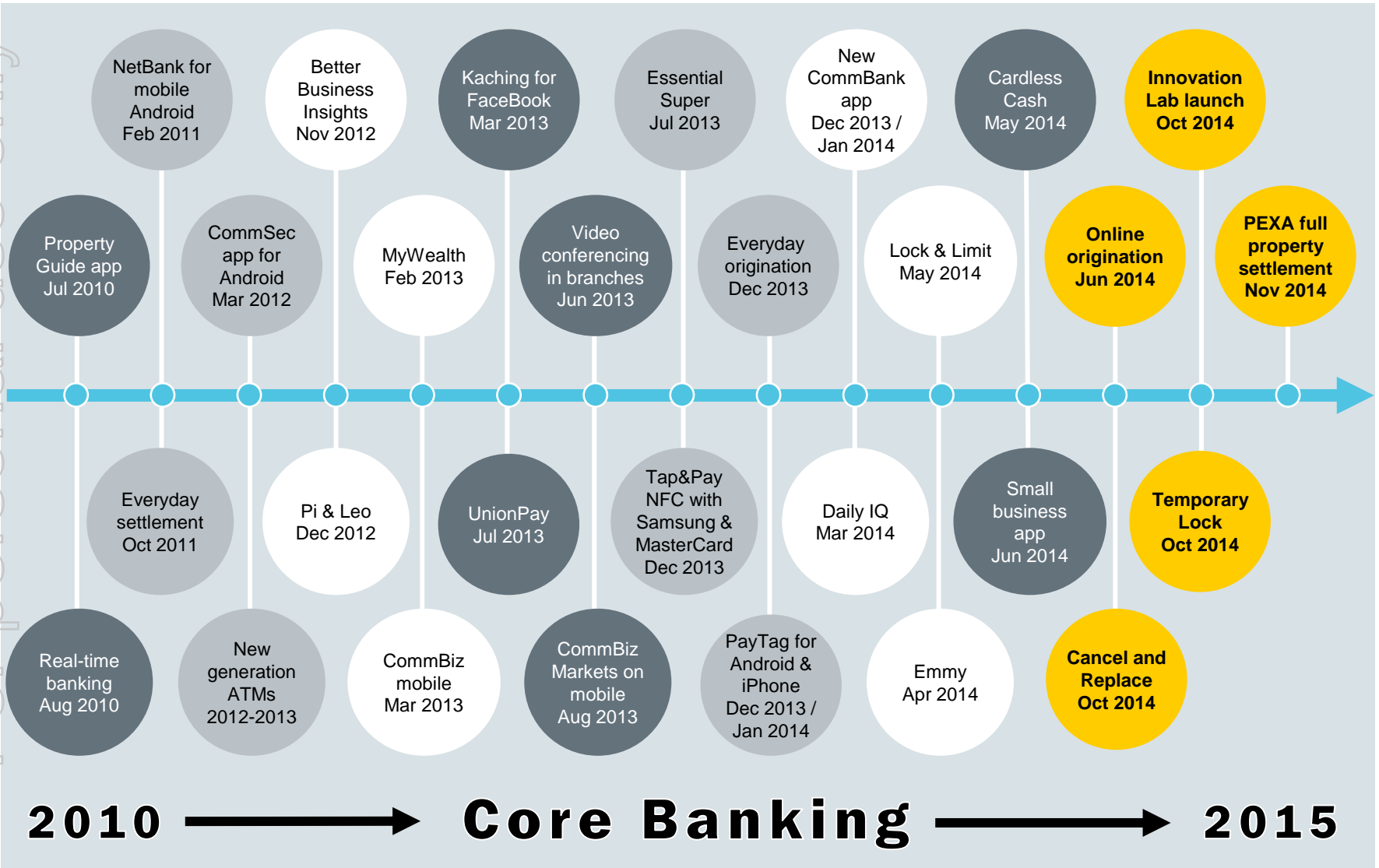


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Additional information

Leading technology, innovative solutions

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Leading technology

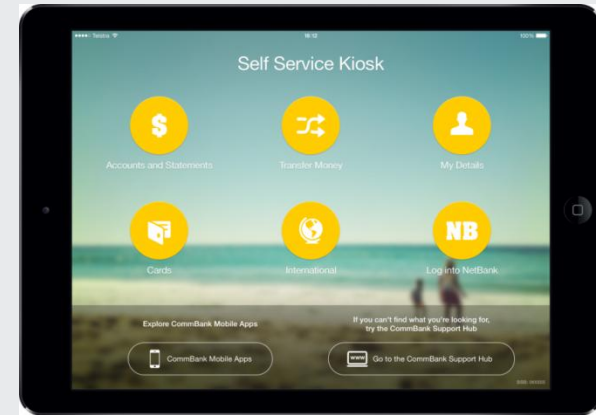
Digital property settlement

CBA
First



- CBA first bank to perform property purchase settlement on PEXA¹ platform
- Digitising settlement processes for improved customer experience
- Easier, simpler and faster, with less errors and greater certainty

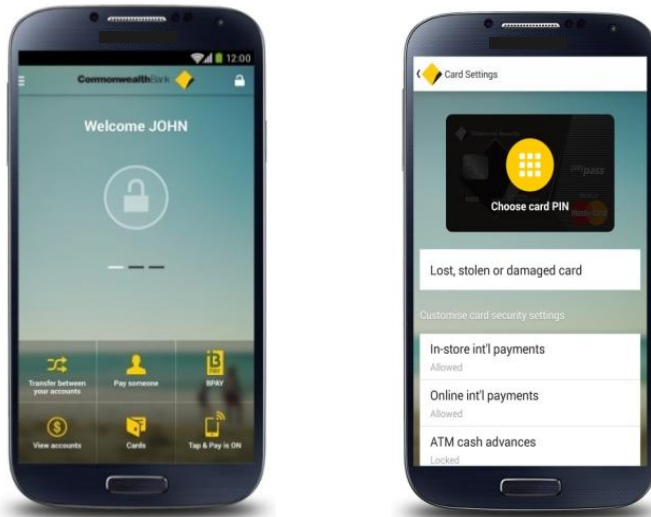
Online & electronic origination



- e-docs for new home loan customers – 75% take-up where offered
- 10% of personal transaction accounts now opened through digital channels
- New business deposits opened online in real time < 10 mins
- Double digit growth in motor insurance sales online

Leading technology

CommBank app



- #1 free financial app¹
- #1 in customer satisfaction²
- ~3 million unique users
- 15 million log-ons per week
- \$2.5bn in transactions per week

Temporary lock

- Temporarily lock/unlock credit cards **Oct 14**
- >50k enabled in first 2 months
- Significant reduction in replacement card issuance

Cancel and replace

- Instantly cancel and replace a lost, stolen or damaged card **Oct 14**
- 18k requests since launch

Leading technology

“Albert” at the cricket



- Albert, CBA's revolutionary new EFTPOS tablet, helped the McGrath Foundation raise more than \$100,000 during the January Pink Test in Sydney
- As well as accepting card payments, Albert also issued tax receipts for high value donations using a custom-built app

Leading technology

Take Your Money Everywhere (“TYME”)

**TYME machine for ultra low cost KYC
in large retail stores**



In-built smartphone
with locked apps

Modular design
allowing fingerprint
or other biometric
sensors

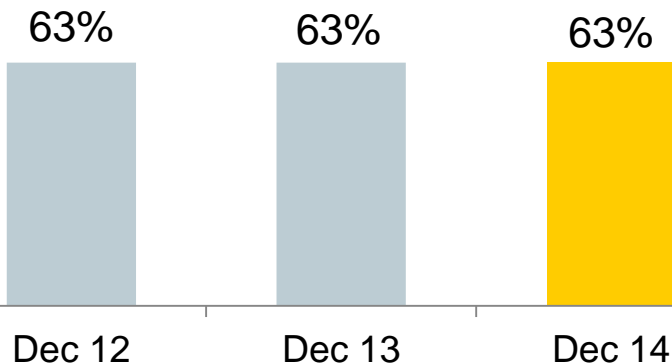


- Provides under-serviced customers access to regulated bank accounts
- Paperless, real time, ultra-low cost
- “Know Your Customer” (KYC), payments and core banking technology

Strength to support our customers

Deposit Funding

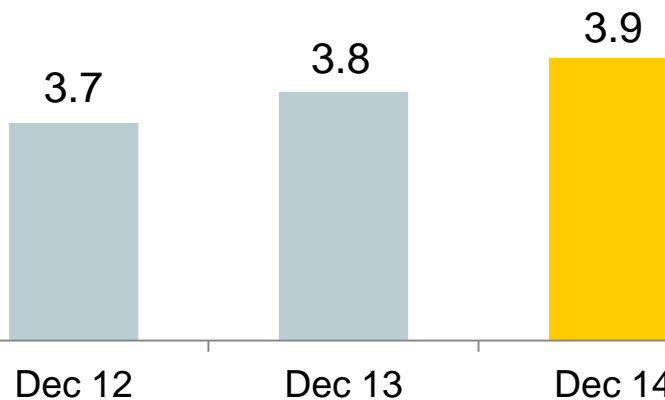
% of Total Funding



Wholesale Funding Tenor

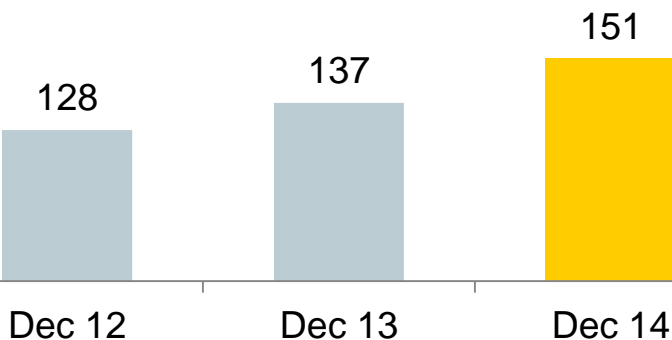
Years

Portfolio Tenor¹



Liquids

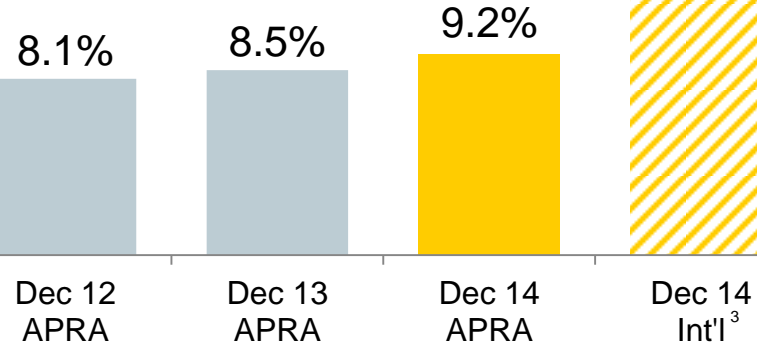
Liquids (\$bn)²



Capital

Basel III Common Equity Tier 1

13.3%



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 are reported net of applicable regulatory haircuts

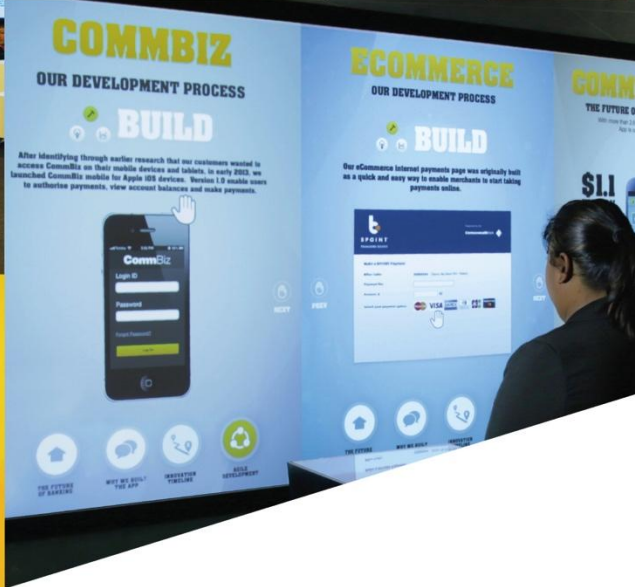
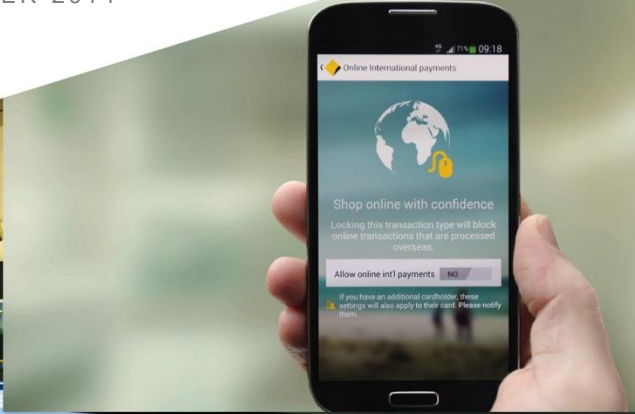
³ The Group has revised its international measure of CET1 at 31 December 2014 with the methodology consistent with that detailed in the August 2014 PwC Australia report commissioned by the ABA. The key changes in methodology include differences in calculating RWA for residential mortgages, specialised lending and corporate exposures.



RESULTS PRESENTATION

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

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DAVID CRAIG
CHIEF FINANCIAL OFFICER

CommonwealthBank



A strong financial result

\$m	Dec 14	Dec 13	Dec 14 vs Dec 13
Operating income	11,647	11,067	5%
Operating expenses	(4,914)	(4,751)	3%
Operating performance	6,733	6,316	7%
Investment experience	80	81	(1%)
Loan impairment expense	(440)	(457)	(4%)
Tax and non-controlling interests	(1,750)	(1,672)	5%
Cash NPAT	4,623	4,268	8%

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\$m	Dec 14	Dec 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” 	(42)	(5)
Other		
<ul style="list-style-type: none"> ▪ Bankwest non-cash items ▪ Treasury shares valuation adjustment ▪ Gain on sale of management rights 	(26)	(30)
	(20)	(28)
	-	2
	(46)	(56)
Total	(88)	(61)



Statutory Profit up 8%

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\$m	Dec 14	Dec 13	
Cash NPAT	4,623	4,268	+8%
Hedging and IFRS volatility	(42)	(5)	
Other non-cash items	(46)	(56)	
Statutory NPAT	4,535	4,207	+8%



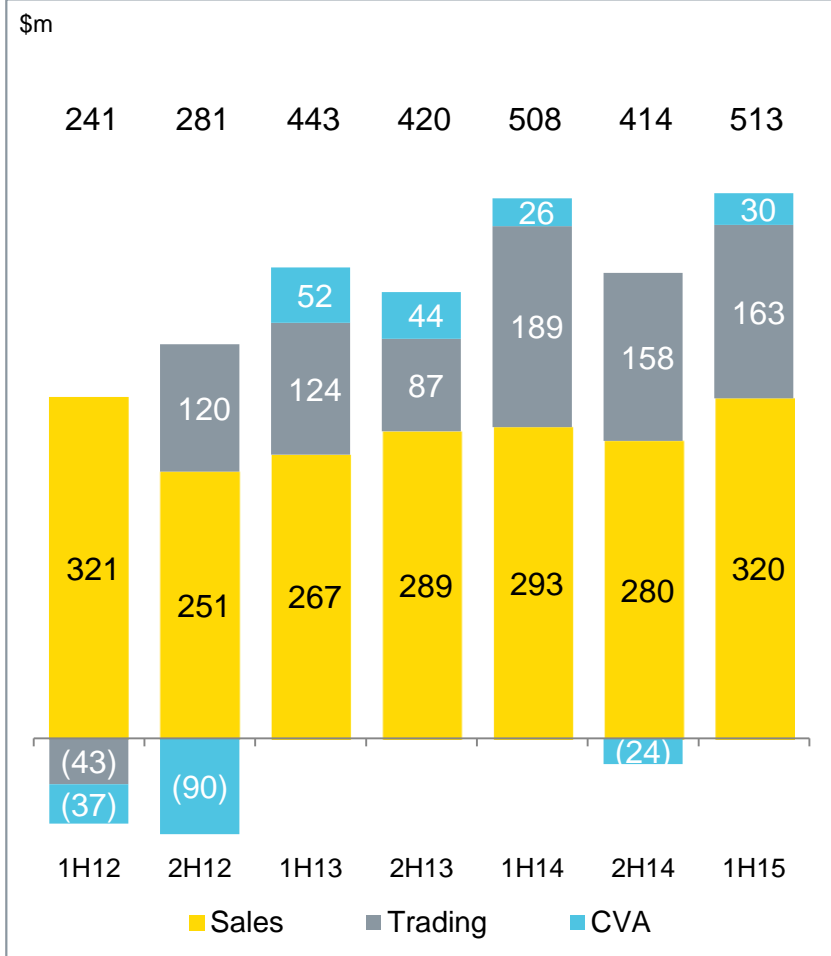
Additional information

Other Banking Income

Other Banking Income

\$m	Dec 14	Dec 13	Dec 14 vs Dec 13
Commissions	1,127	1,081	4%
Lending fees	528	537	(2%)
Other	202	108	87%
Trading income	513	508	1%
Total	2,370	2,234	6%

Net Trading Income

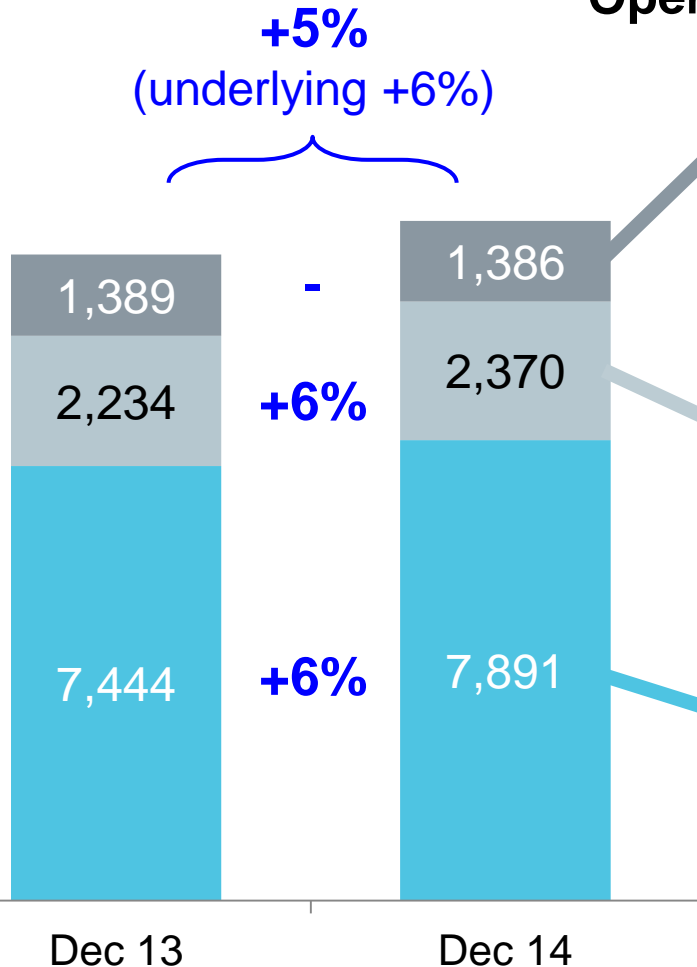


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6% underlying income growth

\$m

Operating Income



Funds & Insurance (underlying +7%)		
Property non-recurring ¹		(\$100m)
Underlying FUA ¹	↑	10%
Funds management margin	↓	6bpts

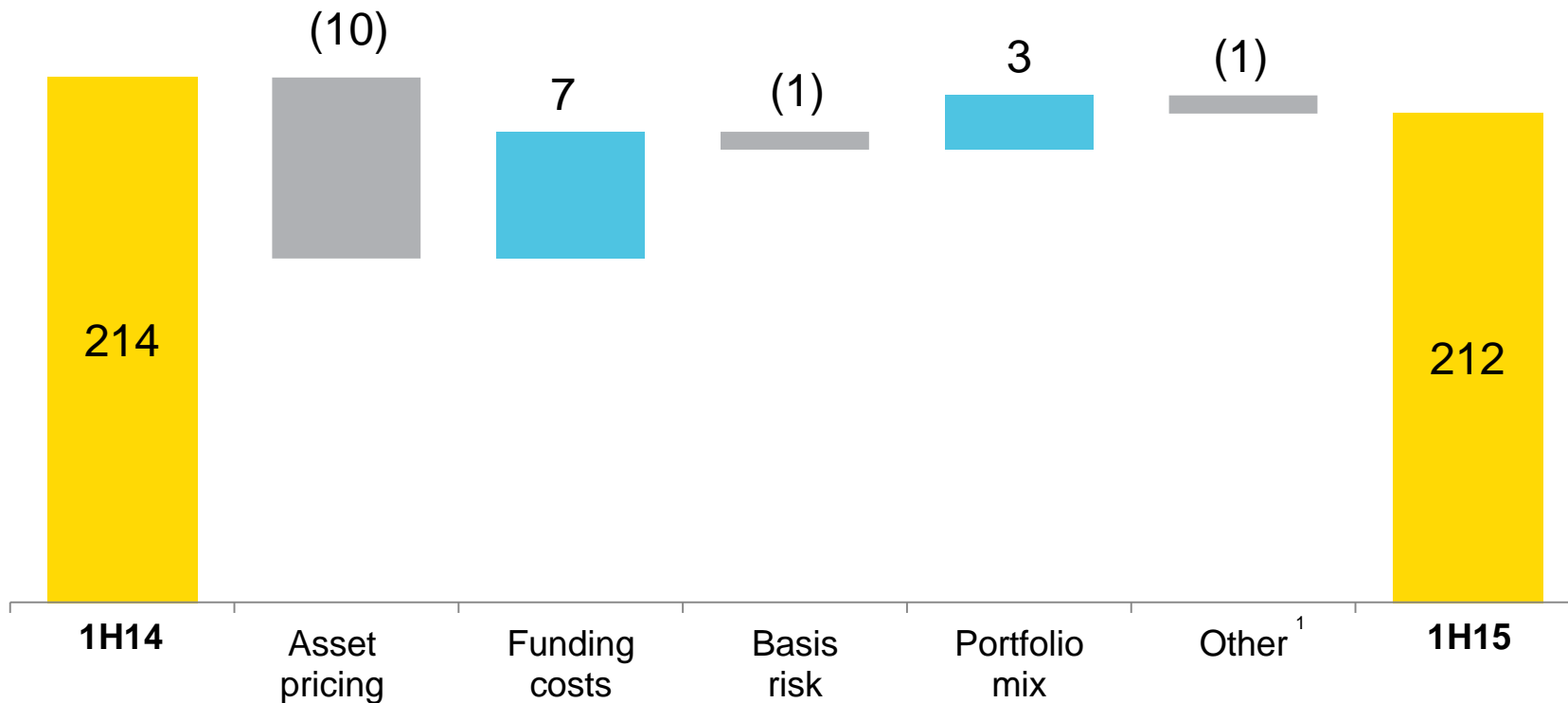
Other Banking Income		
Commissions/fees/other	↑	8%
Trading	↑	1%

Net Interest Income		
Volume	↑	7%
Margin	↓	2bpts

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12 Month Movement

bpts

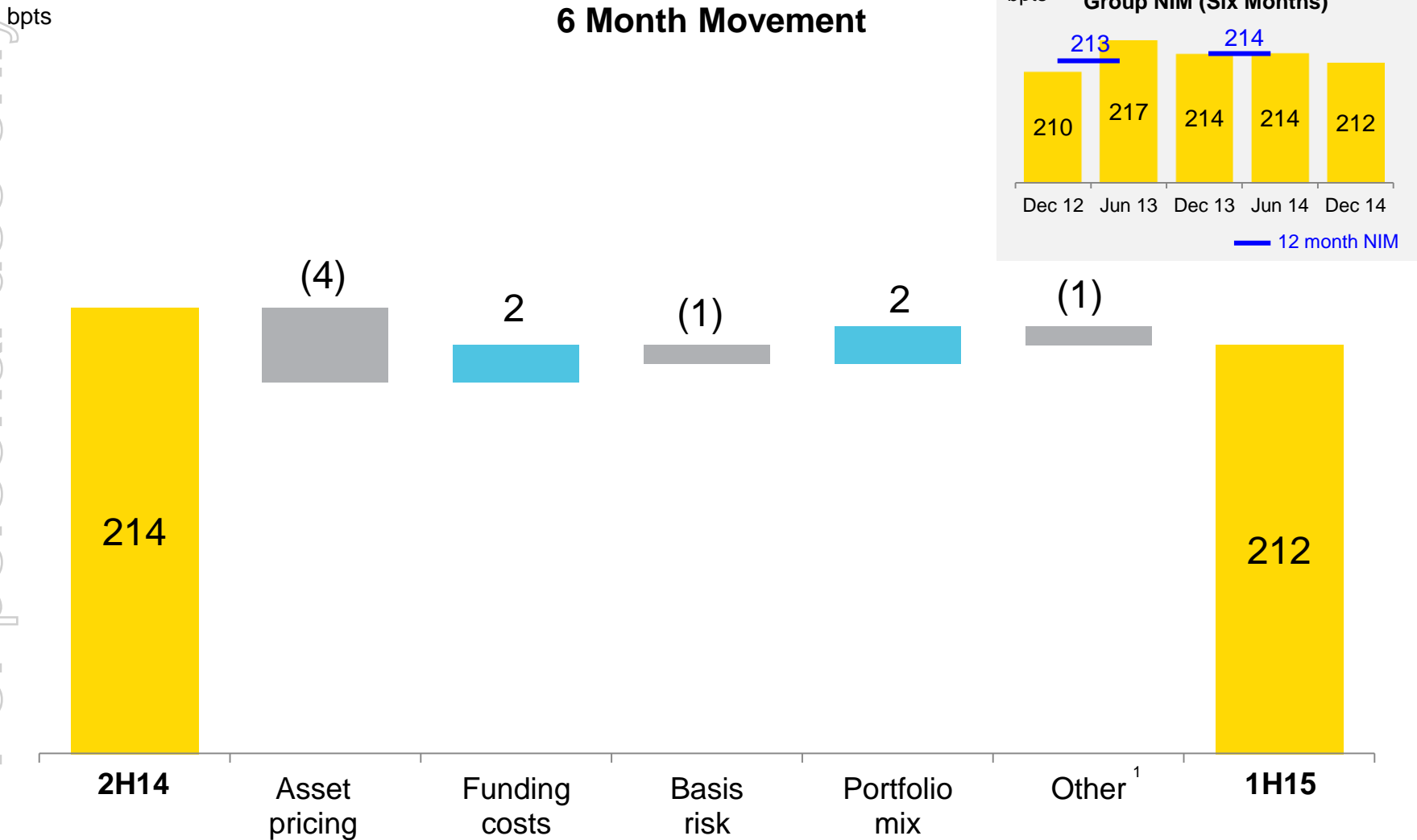


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¹ Includes Treasury, impact from change in Non Lending Interest Earning Assets and other unallocated items

Group NIM down 2bpts in the half

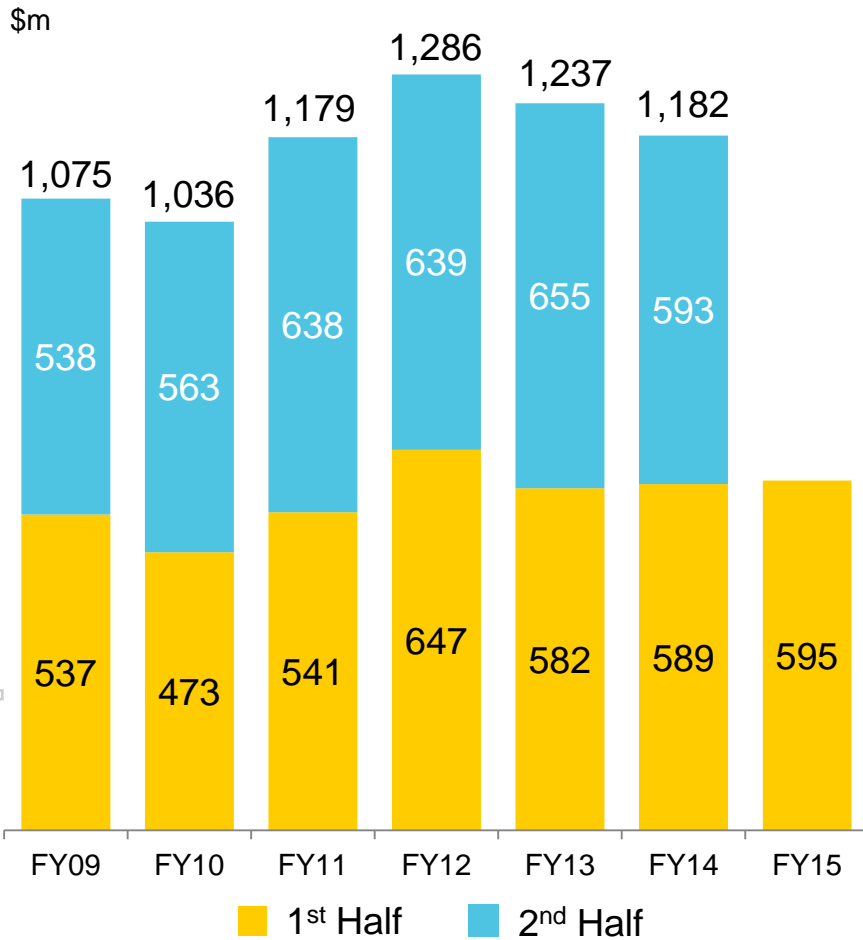
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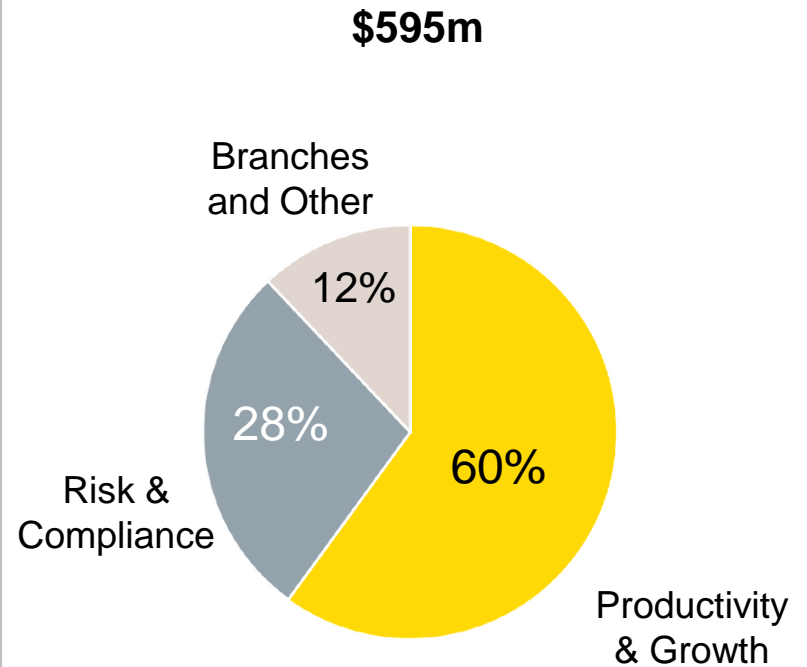
¹ Includes Treasury, impact from change in Non Lending Interest Earning Assets and other unallocated items



Investment Spend



1H15 Investment Spend



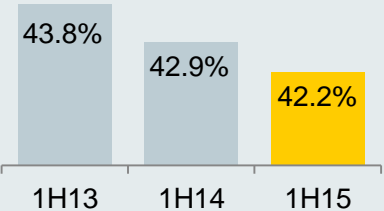
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Productivity benefiting underlying expenses

Operating Expenses

Underlying
+3.0%

Cost-to-income



+0.4%

22

+3.4%

4,914

\$m

4,751

(140)

144

137

4,892

1H14

Productivity

Staff costs

Other

1H15 underlying

FX

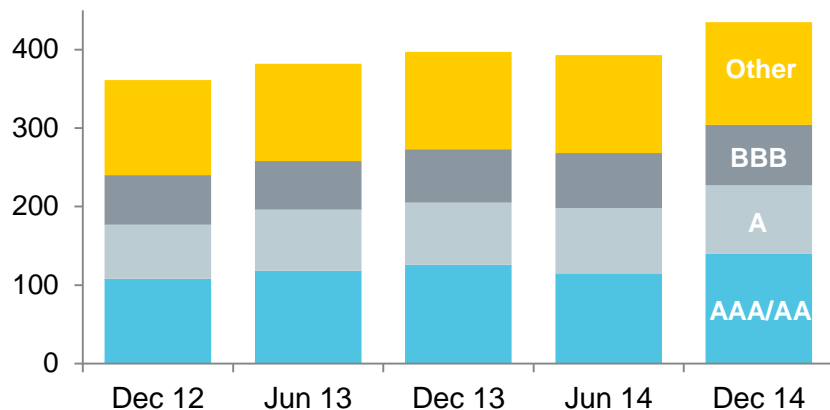
1H15

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Commercial Portfolio Quality¹

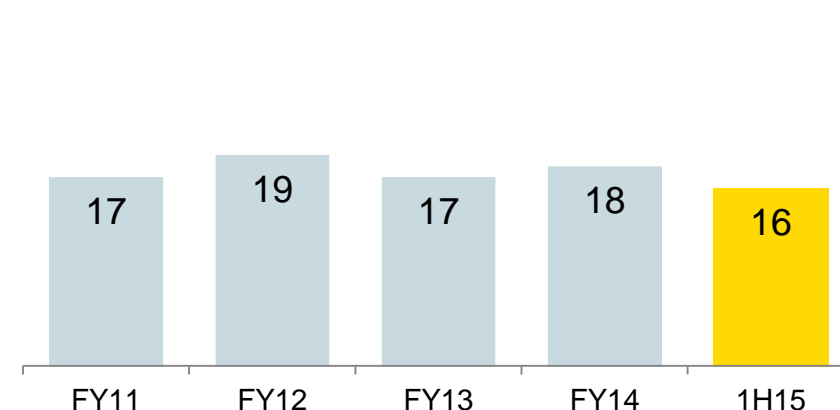
TCE (\$bn)



Loan Impairment Expense (Cash) to Gross Loans

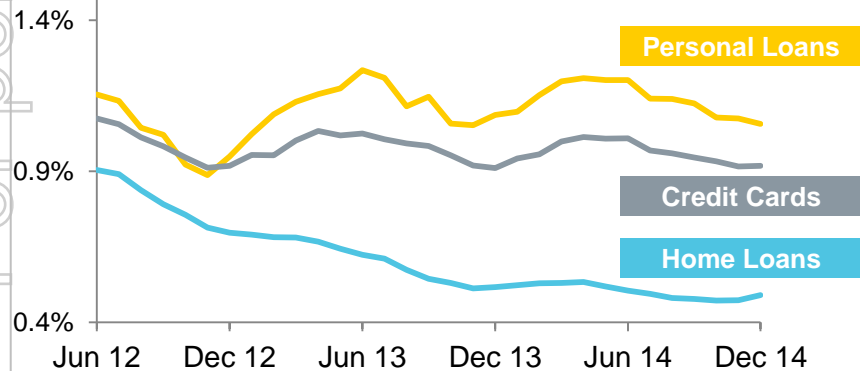
bpts

Consumer^{2,3}



Group Consumer Arrears

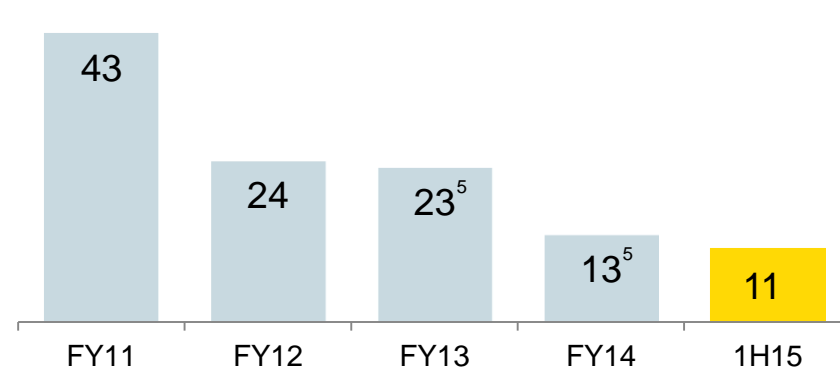
90+ days



Loan Impairment Expense (Cash) to Gross Loans

bpts

Corporate^{2,4}



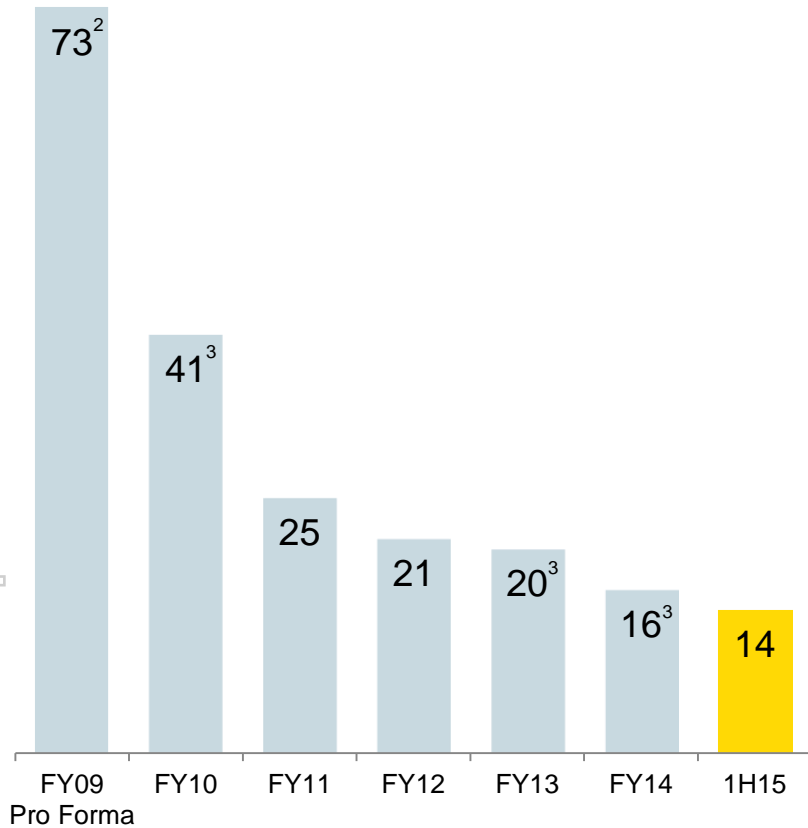
1. Total committed credit exposure (TCE) = balance for uncommitted facilities or greater of limit or balance for committed facilities. Calculated before collateralisation. Includes Bank and Sovereign exposures. CBA grades in S&P equivalents. 2. Basis points as a percentage of average Gross Loans and 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 FY13 26 bpts and FY14 11 bpts.

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Sound credit quality

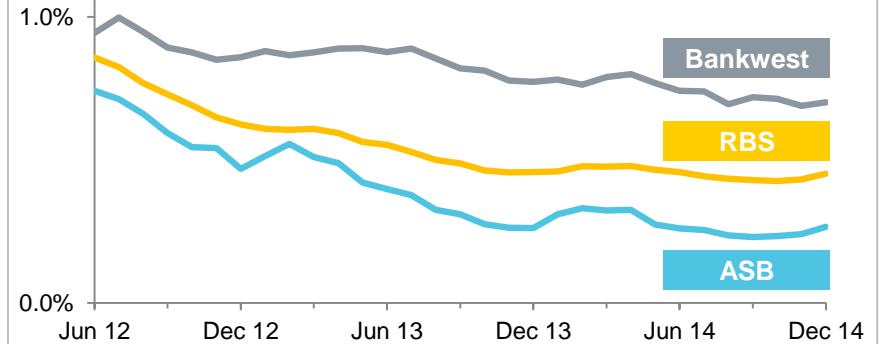
Loan Impairment Expense (Cash)

CBA Group
(basis points)¹

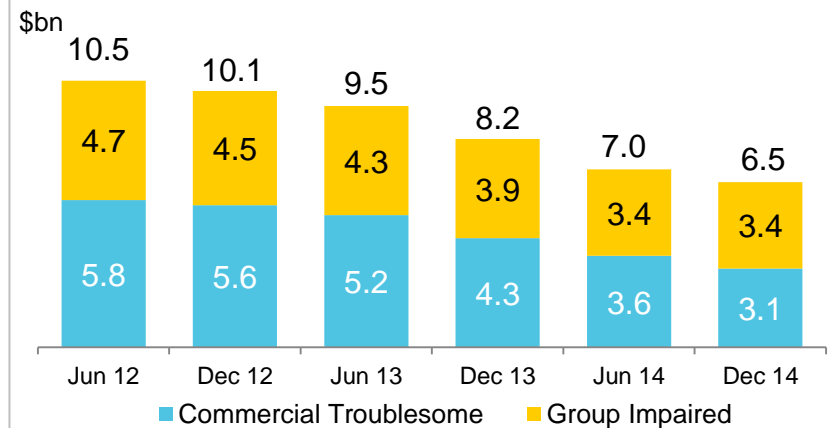


Home Loan Arrears

90+ days



Troublesome and Impaired Assets



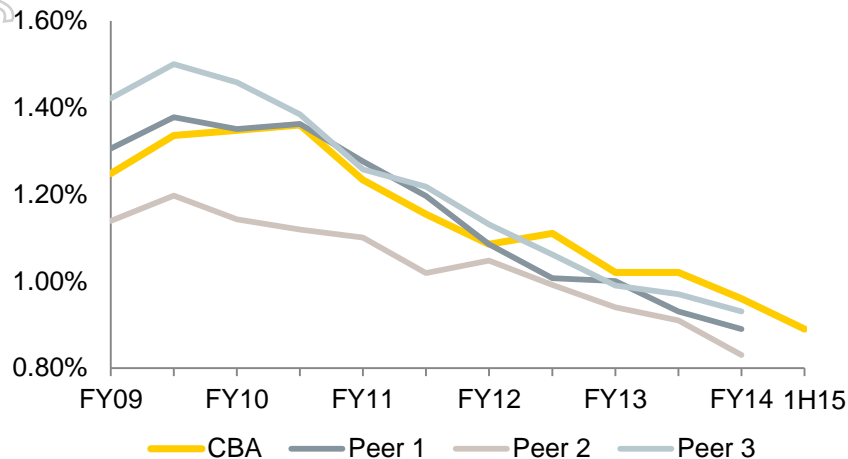
1 Basis points as a percentage of average Gross Loans and Acceptances (GLA)
 2 FY09 includes Bankwest on a pro-forma basis and is based on impairment expense for the year
 3 Statutory Loan Impairment Expense (LIE) for FY10 48 bpts, FY13 21 bpts and FY14 16 bpts

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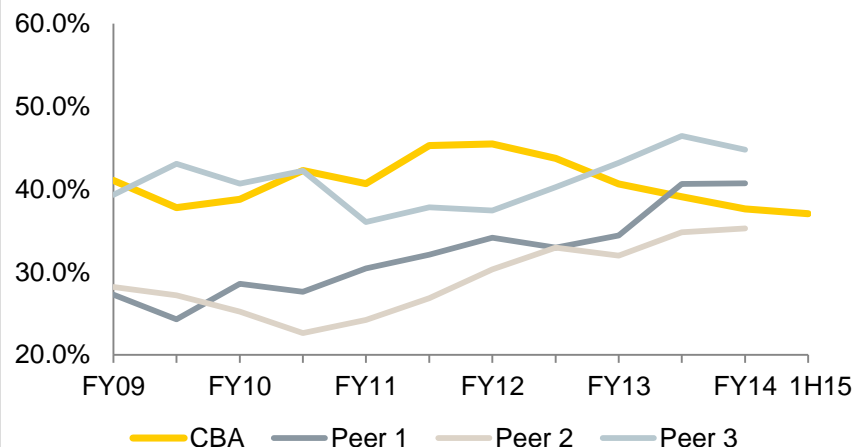
Additional information

Provision coverage

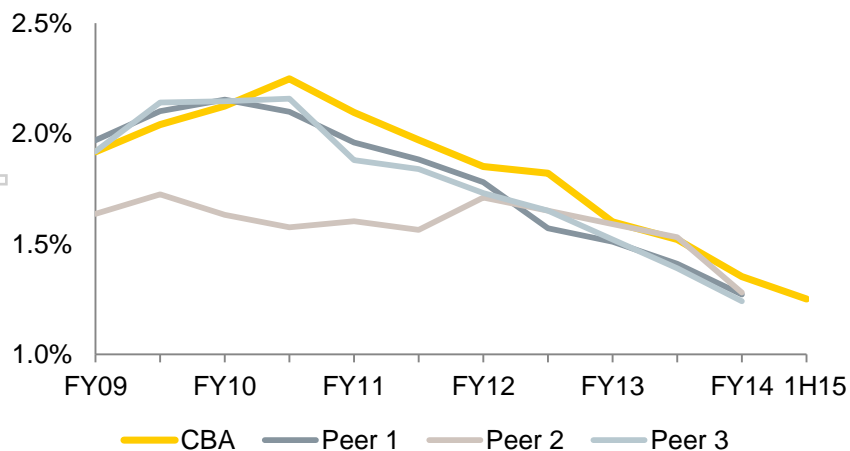
Collective Provisions¹ to Credit RWA²



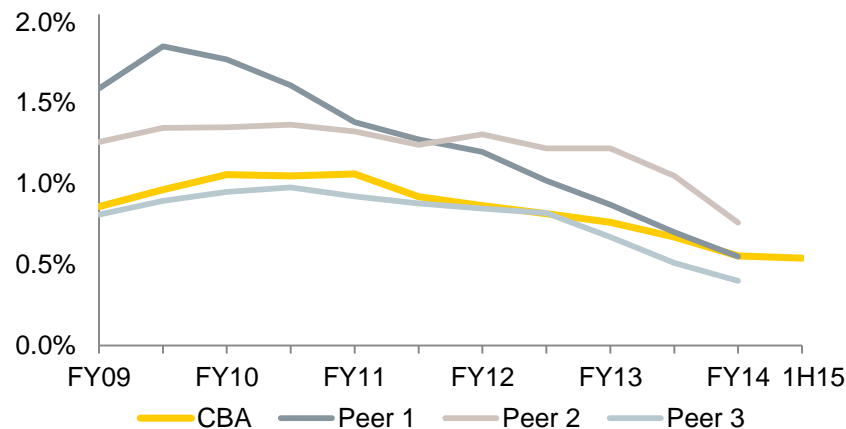
Provisions for Impaired Assets³ to Impaired Assets⁴



Total Provisions¹ to Credit RWA²



Impaired Assets⁴ to Gross Loans and Acceptances

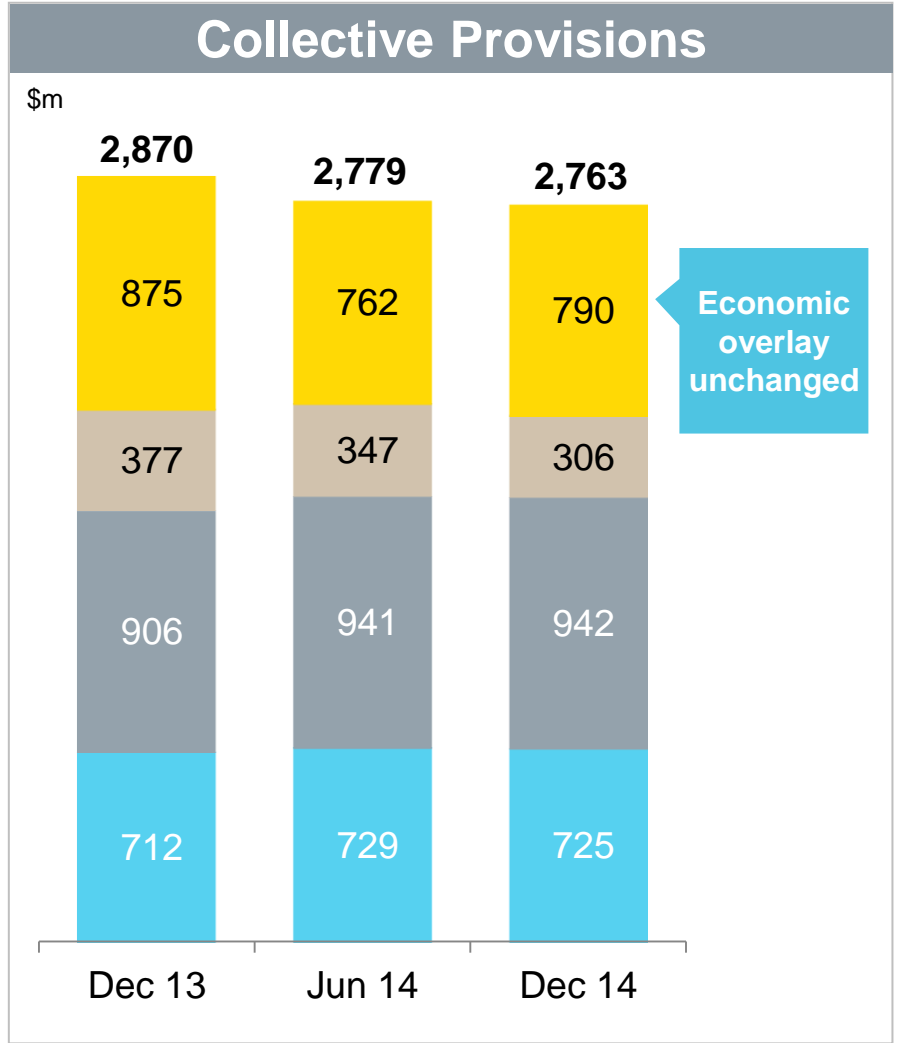
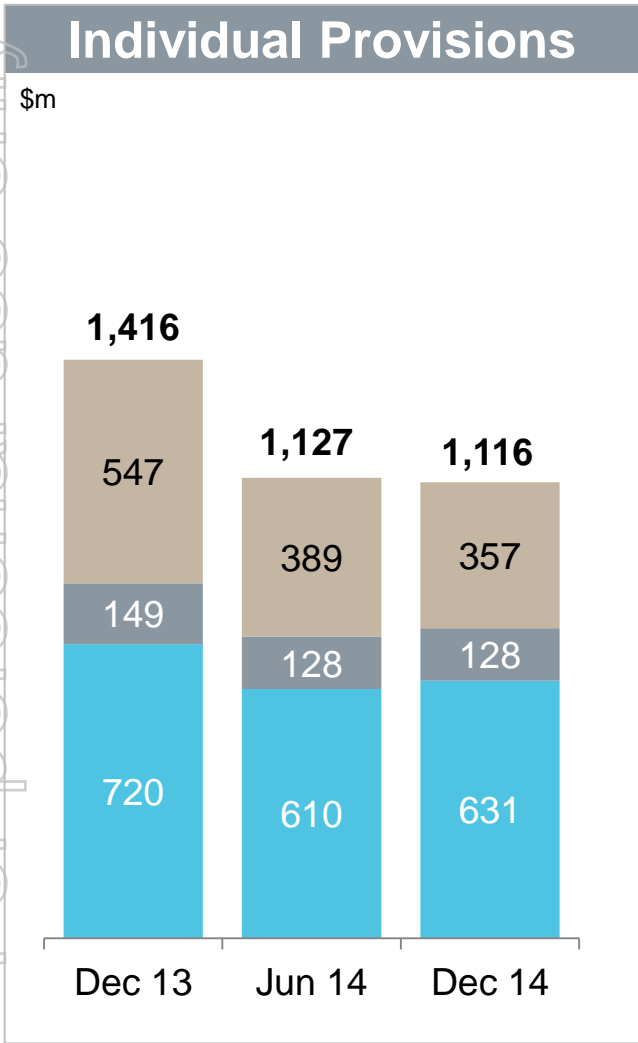


Charts based on financial year data (CBA: 31 December and 30 June, Peers: 31 March and 30 September):

- Provisions do not include General Reserve for Credit Losses, equity reserves or other similar adjustments
- 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
- CBA ratios prior to June 2010 and Peers 1 & 2 ratios based on Individually Assessed Provisions to Impaired Assets
- 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

Provisions

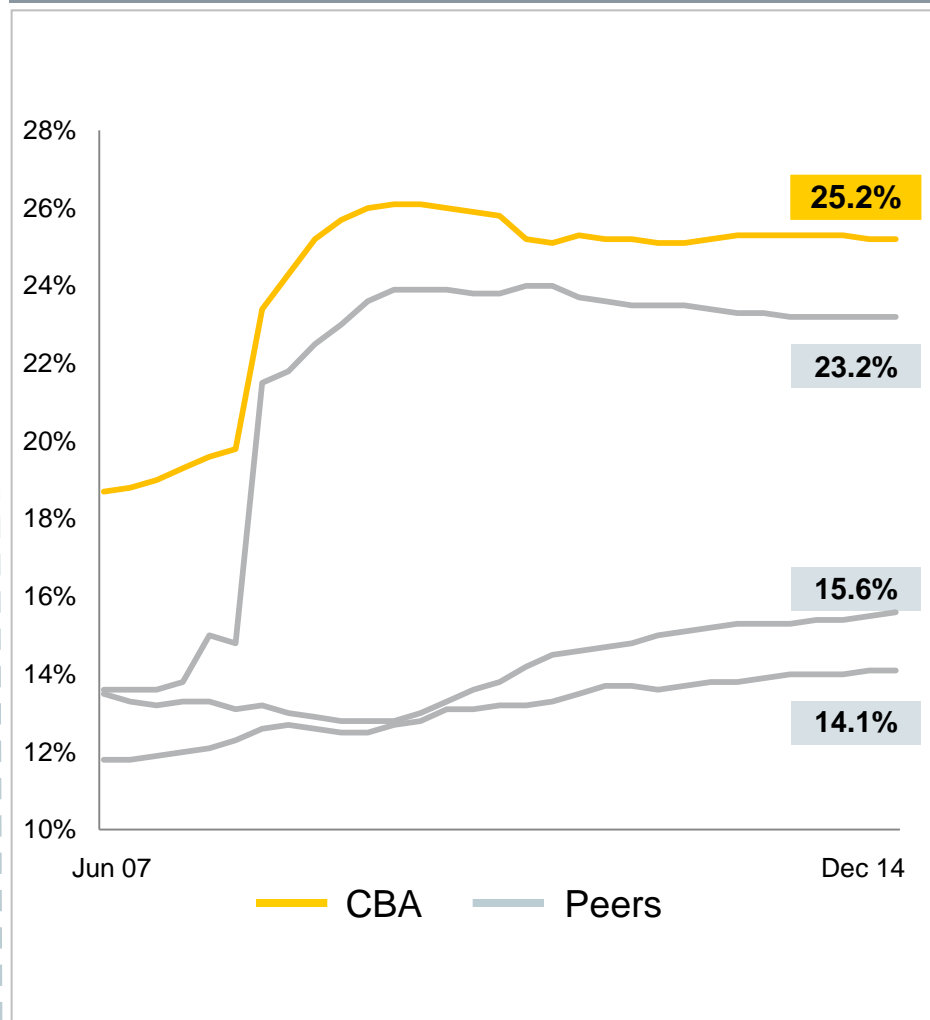
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Retail Banking Services

\$m	Dec 14	Dec 14 vs Dec 13
Home loans	1,875	2%
Consumer finance	1,219	6%
Retail deposits	1,365	17%
Distribution	201	3%
Other	86	(15%)
Total banking income	4,746	7%
Operating expenses	(1,635)	2%
Operating performance	3,111	9%
Loan impairment expense	(268)	(10%)
Tax	(851)	12%
Cash net profit after tax	1,992	12%

Home Loan Market Share¹

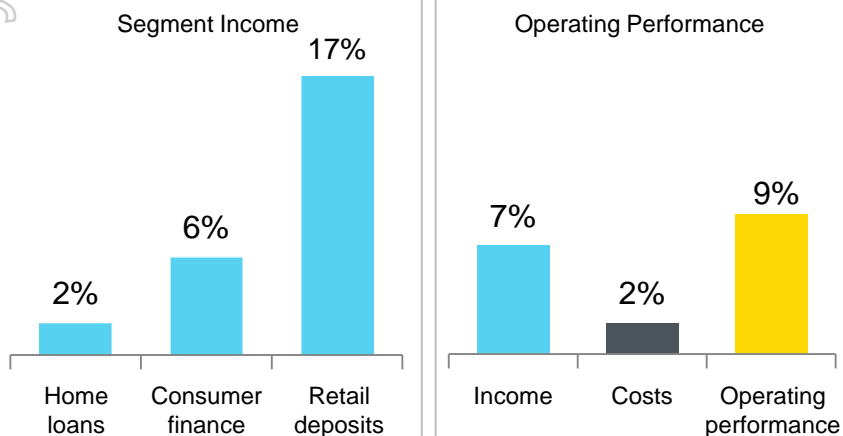


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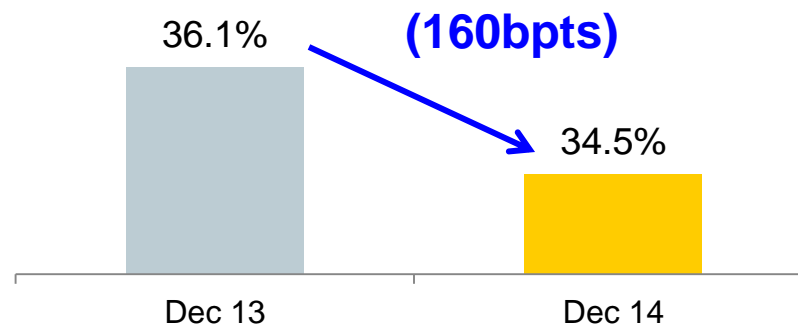
¹ Source: RBA/APRA. CBA includes Bankwest

Retail Banking Services

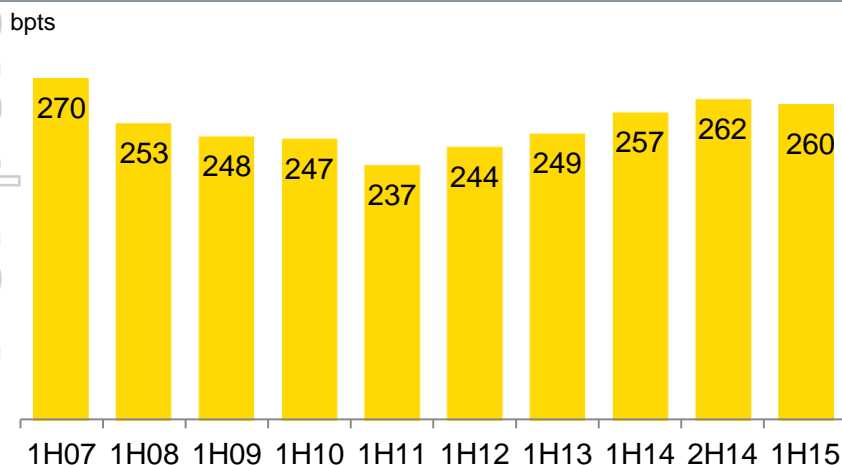
Dec 14 vs Dec 13



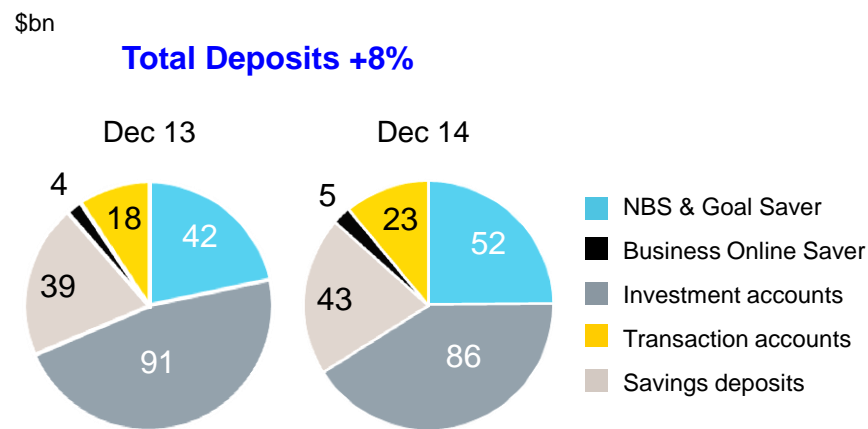
Cost-to-Income Ratio



RBS Margin



Retail Deposit Mix



Additional information

Corporate

Business & Private Banking

\$m	Dec 14	Dec 14 vs Dec 13
Corporate Financial Services	644	8%
Regional and Agribusiness	328	3%
Local Business Banking	520	3%
Private Bank	161	10%
CommSec	171	9%
Total banking income	1,824	6%
Operating expenses	(697)	5%
Operating performance	1,127	6%
Loan impairment expense	(63)	(21%)
Tax	(321)	9%
Cash net profit after tax	743	8%

Institutional Banking & Markets

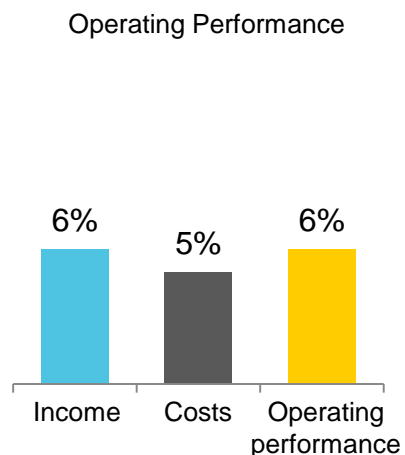
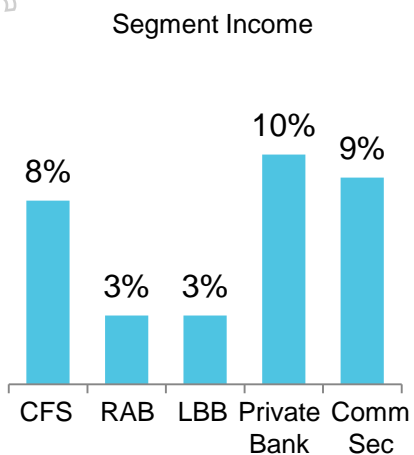
\$m	Dec 14	Dec 14 vs Dec 13
Institutional Banking	1,033	3%
Markets	401	13%
Total banking income	1,434	6%
Operating expenses	(475)	5%
Operating performance	959	6%
Loan impairment expense	(97)	large
Tax	(209)	(3%)
Cash net profit after tax	653	(3%)



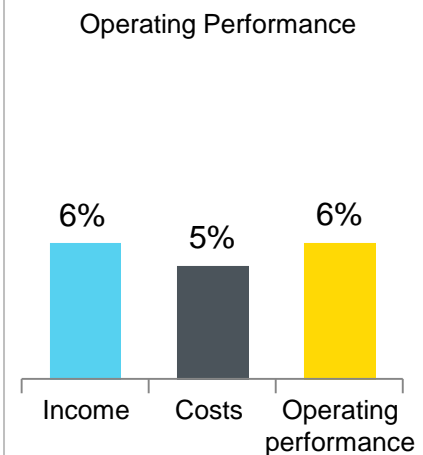
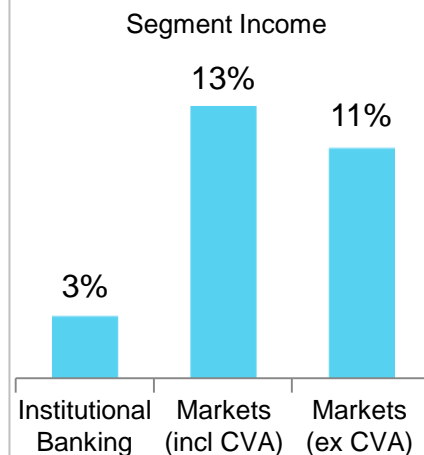
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Corporate

BPB – Dec 14 vs Dec 13

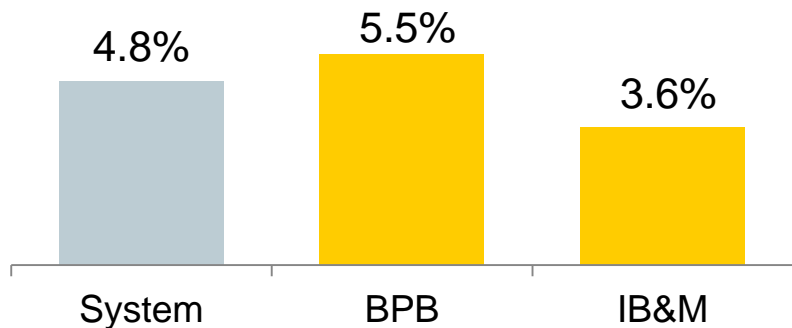


IB&M – Dec 14 vs Dec 13



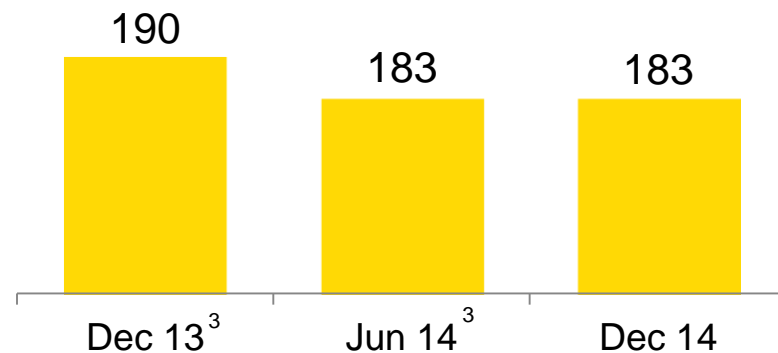
Australian Business Lending Growth¹

12 months to Dec 14



NIM²

bpts



¹ Spot balance growth twelve months to Dec 14. Source RBA. IB&M represents Core Domestic Lending balance growth and excludes Cash Management Pooling Facilities (CMPF).

² Combined Institutional Banking and Markets and Business and Private Banking

³ Comparative information has been restated to conform to presentation in the current period



Additional information

Wealth Management¹

Wealth Management

\$m	Dec 14	Dec 14 vs Dec 13
CFSGAM	402	9%
Colonial First State ²	451	7%
CommInsure	338	(3%)
Total operating income	1,191	5%
Operating expenses	(783)	5%
Tax	(106)	15%
Underlying profit after tax	302	-
Investment experience	45	10%
Cash net profit after tax	347	1%

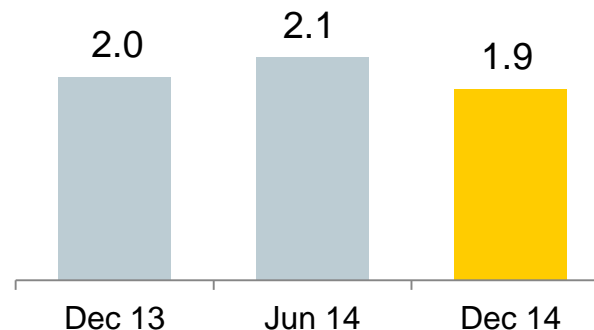
1 Excludes Property

2 Colonial First State incorporates the results of all financial planning businesses

3 FirstChoice and Custom Solutions

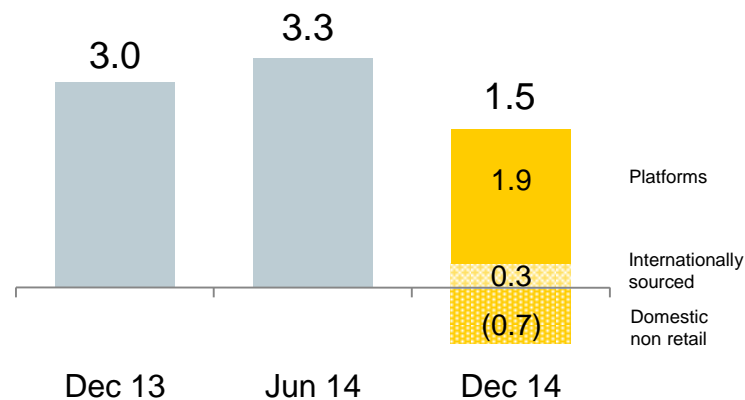
Platform³ Net Flows

\$bn



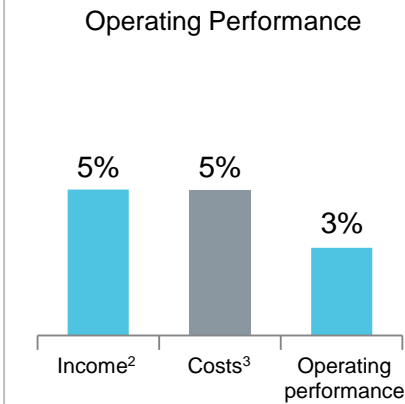
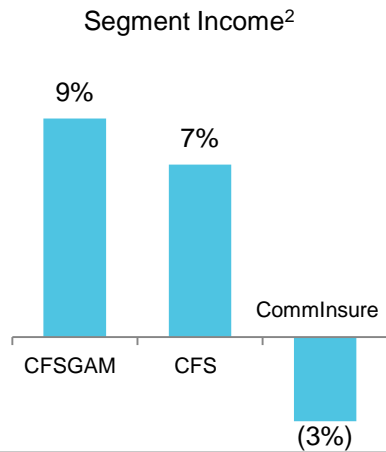
FUA Net Flows

\$bn

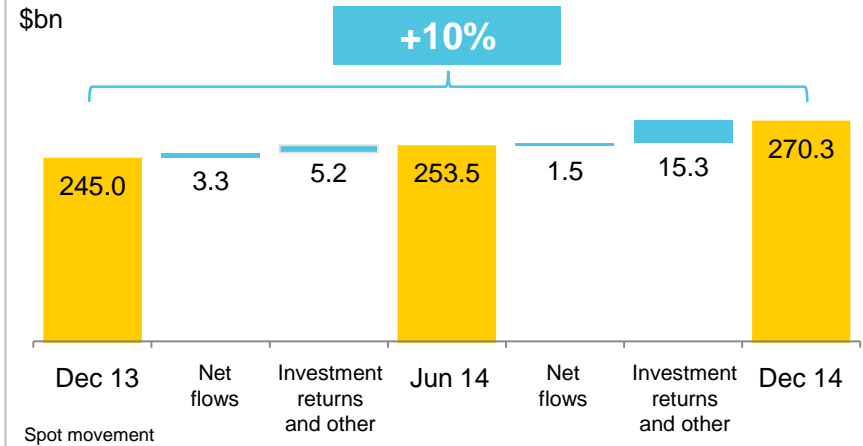


Wealth Management¹

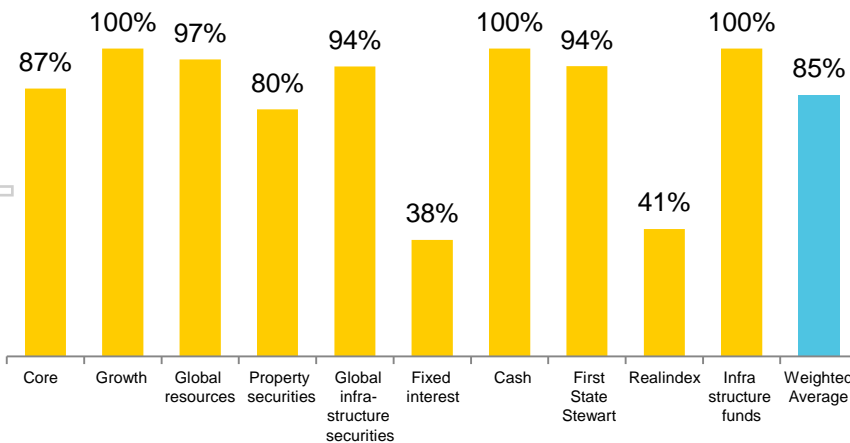
Dec 14 vs Dec 13



FUA

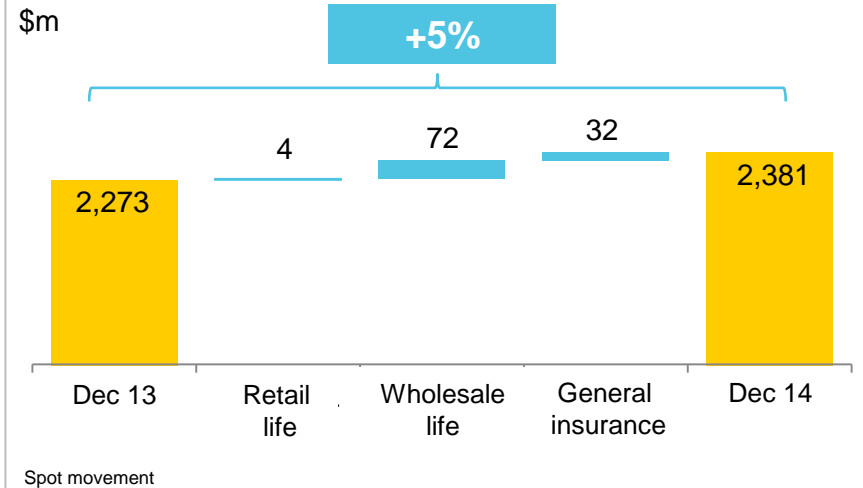


Strong Investment Performance – 3 years



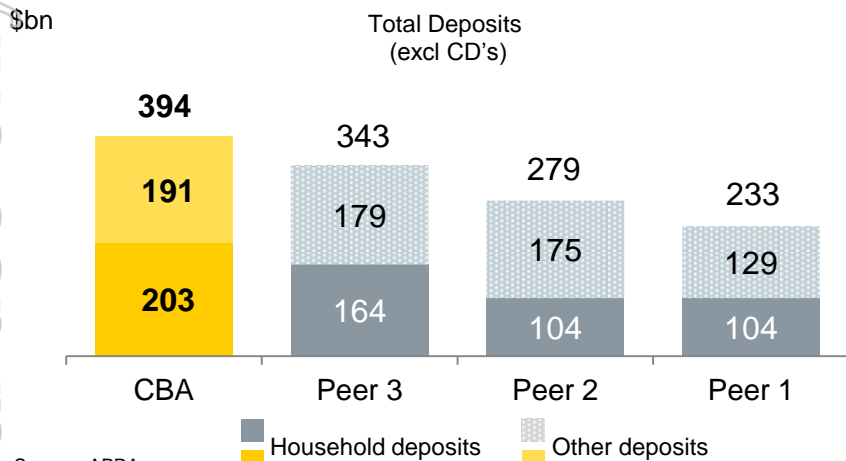
Percentage of funds in each asset class outperforming benchmark

Inforce Premiums

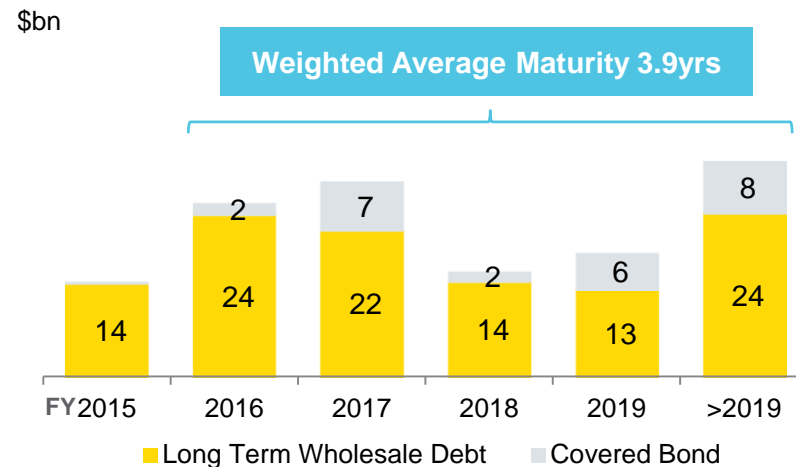


1 Excludes Property
2 Total operating income
3 Operating expenses

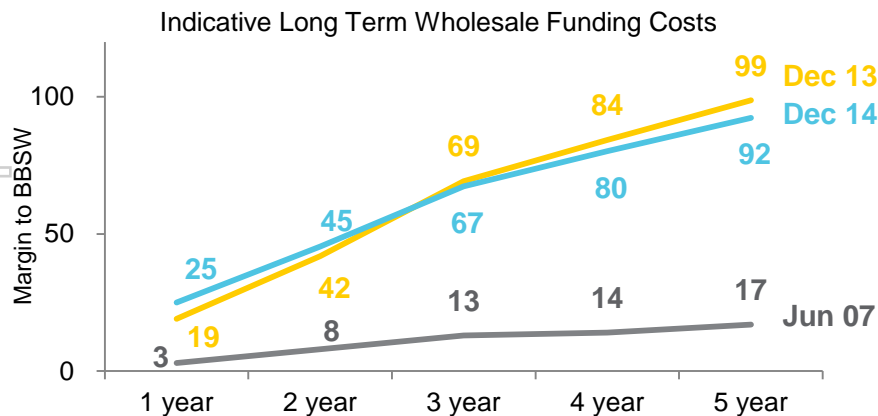
Australian Deposits



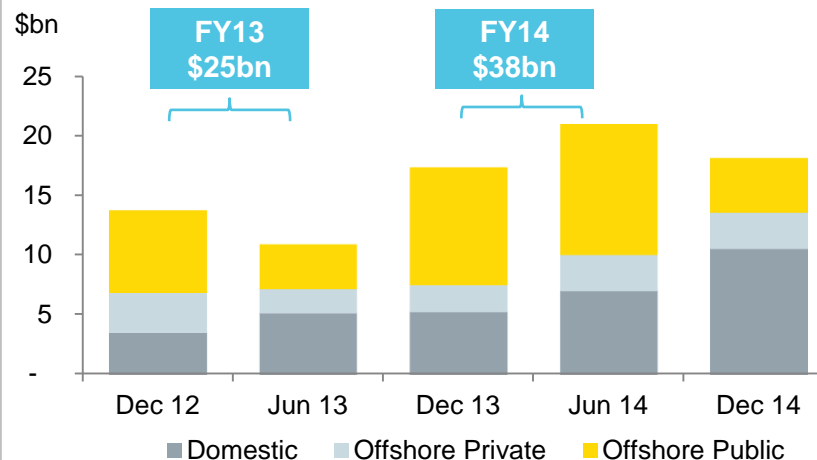
Term Maturity Profile¹



Funding Costs²



Term Issuance

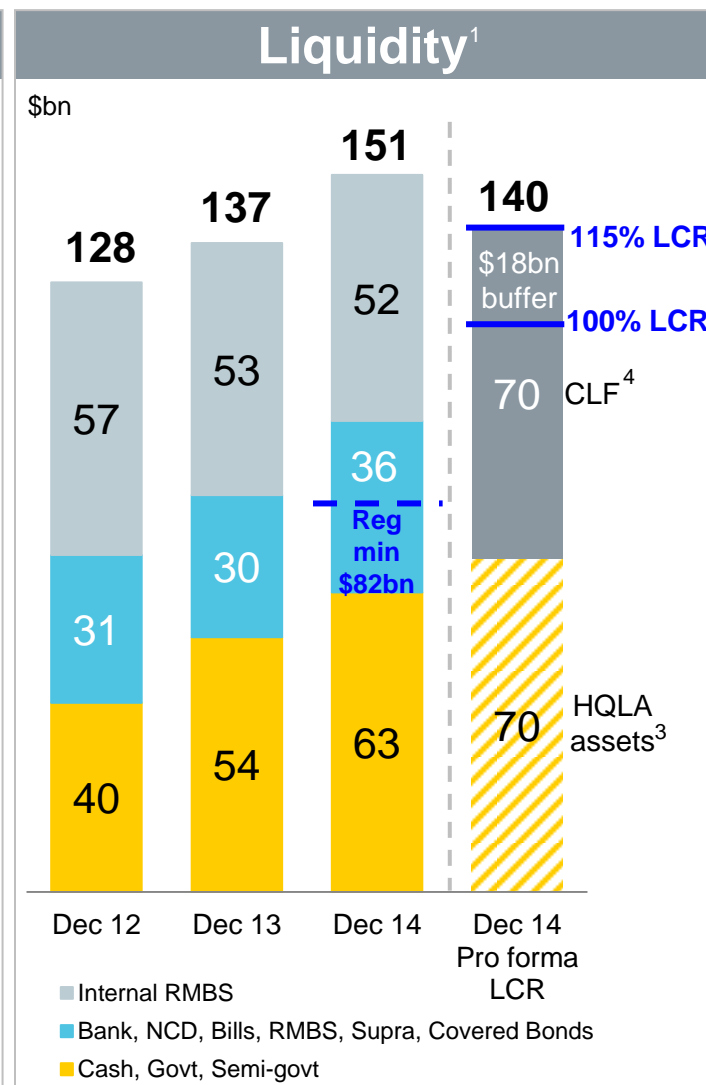
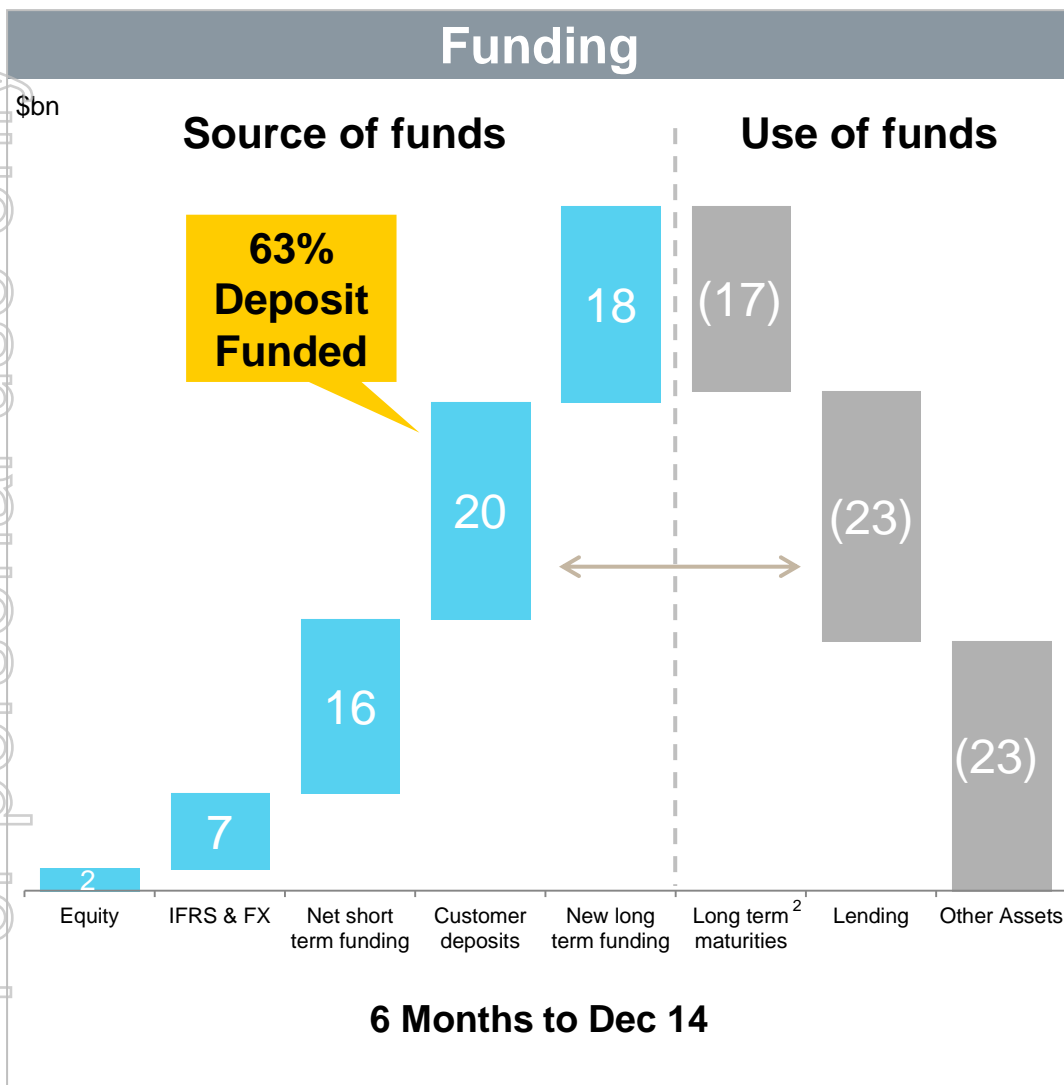


1 Maturity profile includes all long term wholesale debt. Weighted Average Maturity of 3.9 years includes all deals with first call or residual maturity of 12 months or greater.
2 CBA Group Treasury estimated blended wholesale funding costs



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Funding and Liquidity



1 Liquids are reported net of applicable regulatory haircuts
 2 Includes Government Guaranteed bonds buyback
 3 Qualifying HQLA includes cash, Govt and Semi Govt securities. Also includes \$5.6bn of RBNZ eligible securities.
 4 CBA provided with a CLF of \$70bn for period 1 Jan 2015 to 31 Mar 2015 inclusive, after which the CLF is \$66bn



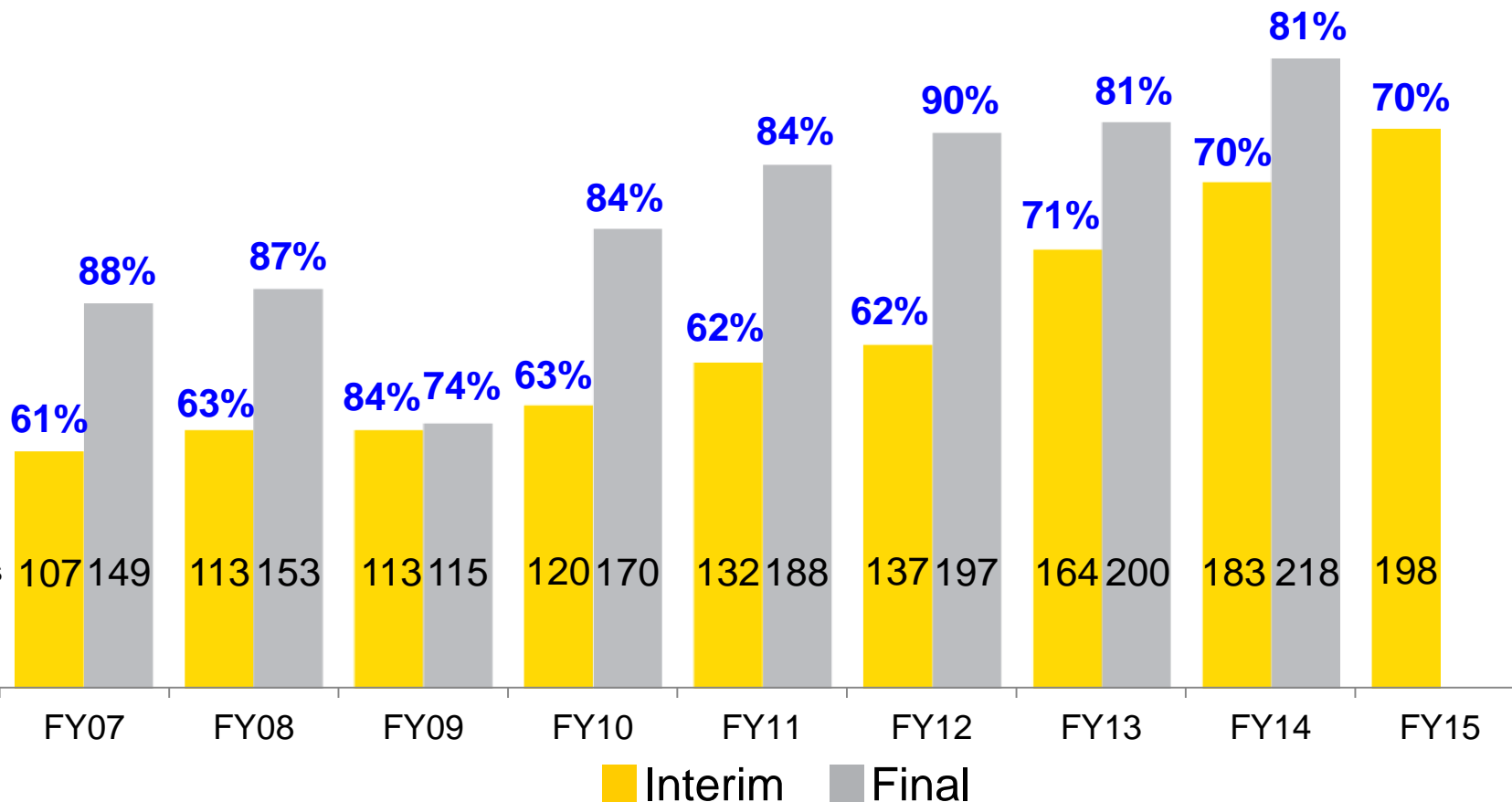
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Additional information

Dividend per Share

Payout ratio (cash)

74.2% 75.0% 78.2% 73.9% 73.2% 75.8% 75.9% 75.1%

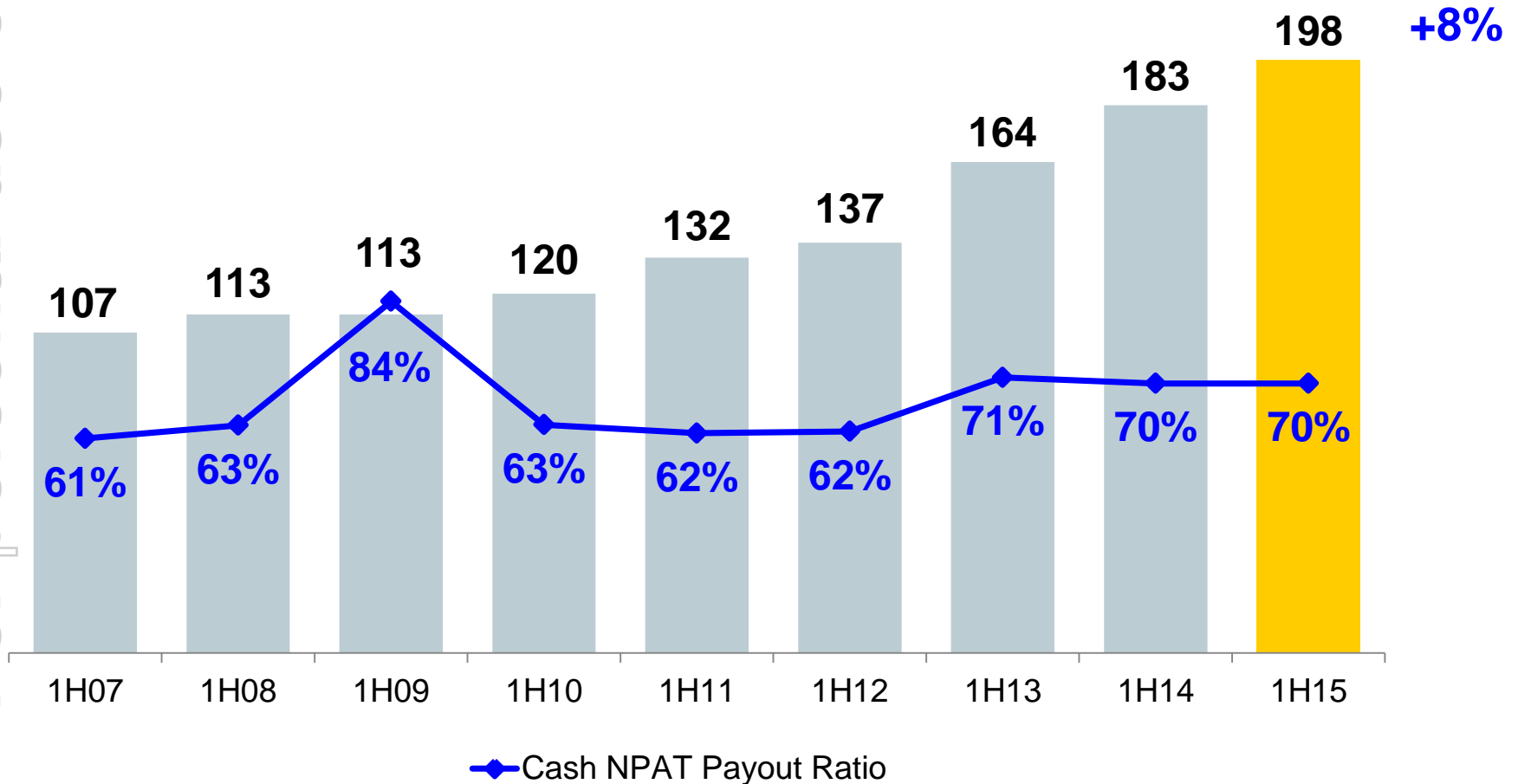


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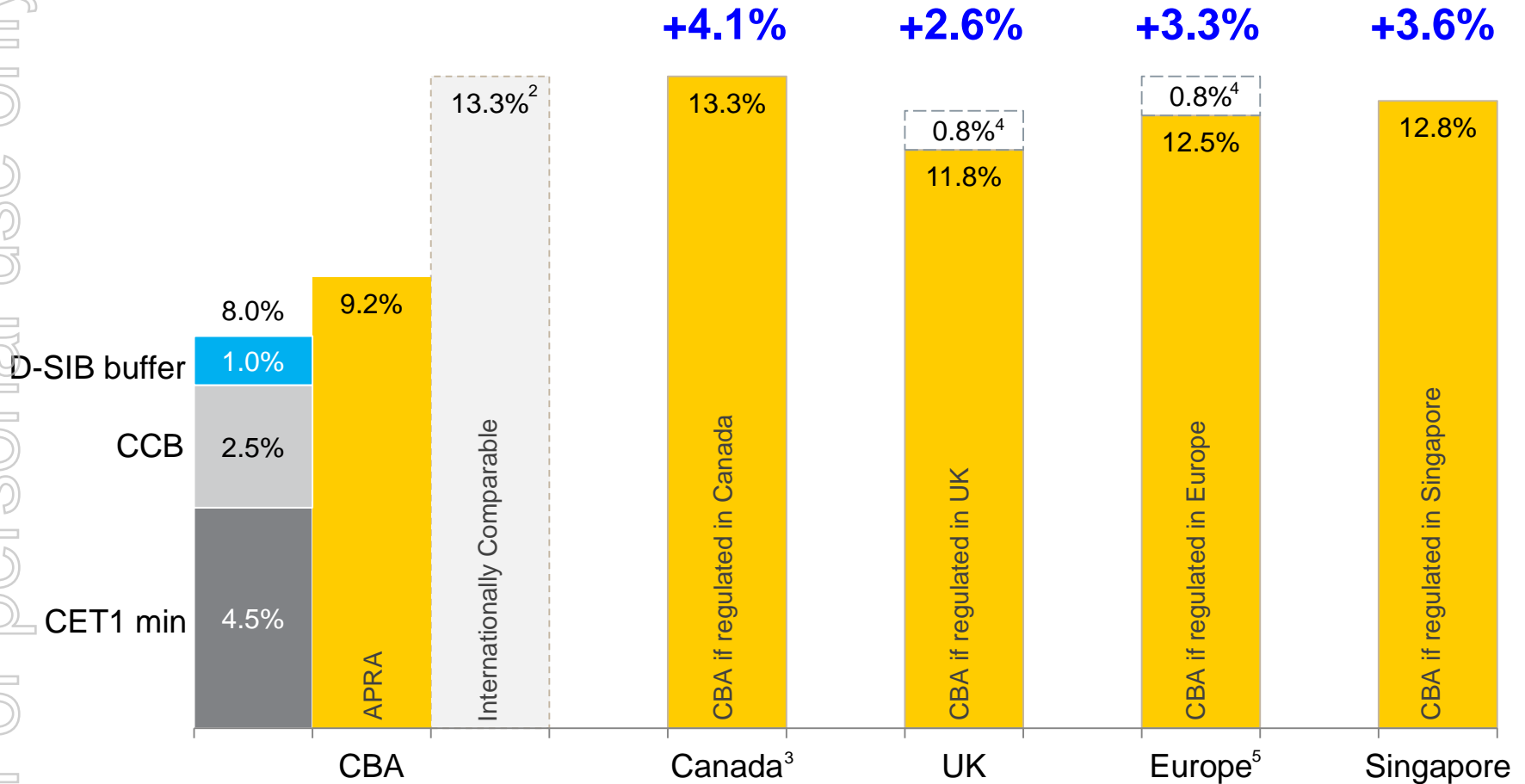
Interim Dividend

cents per share



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CBA CET1 under various regulatory regimes



Source: CBA and PwC.

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. The Group has revised its international measure of CET1 at 31 December 2014 with the methodology consistent with that detailed in the August 2014 PwC Australia report commissioned by the ABA
 3. Does not include the benefit of the Canadian Government guarantee of mortgage insurers which allows Canadian banks to realise lower risk-weights
 4. Since 31 December 2013, UK and European banks have taken a deduction for accrued expected future dividends (if they are paying dividends)
 5. Based on CRD IV as implemented by the European Commission

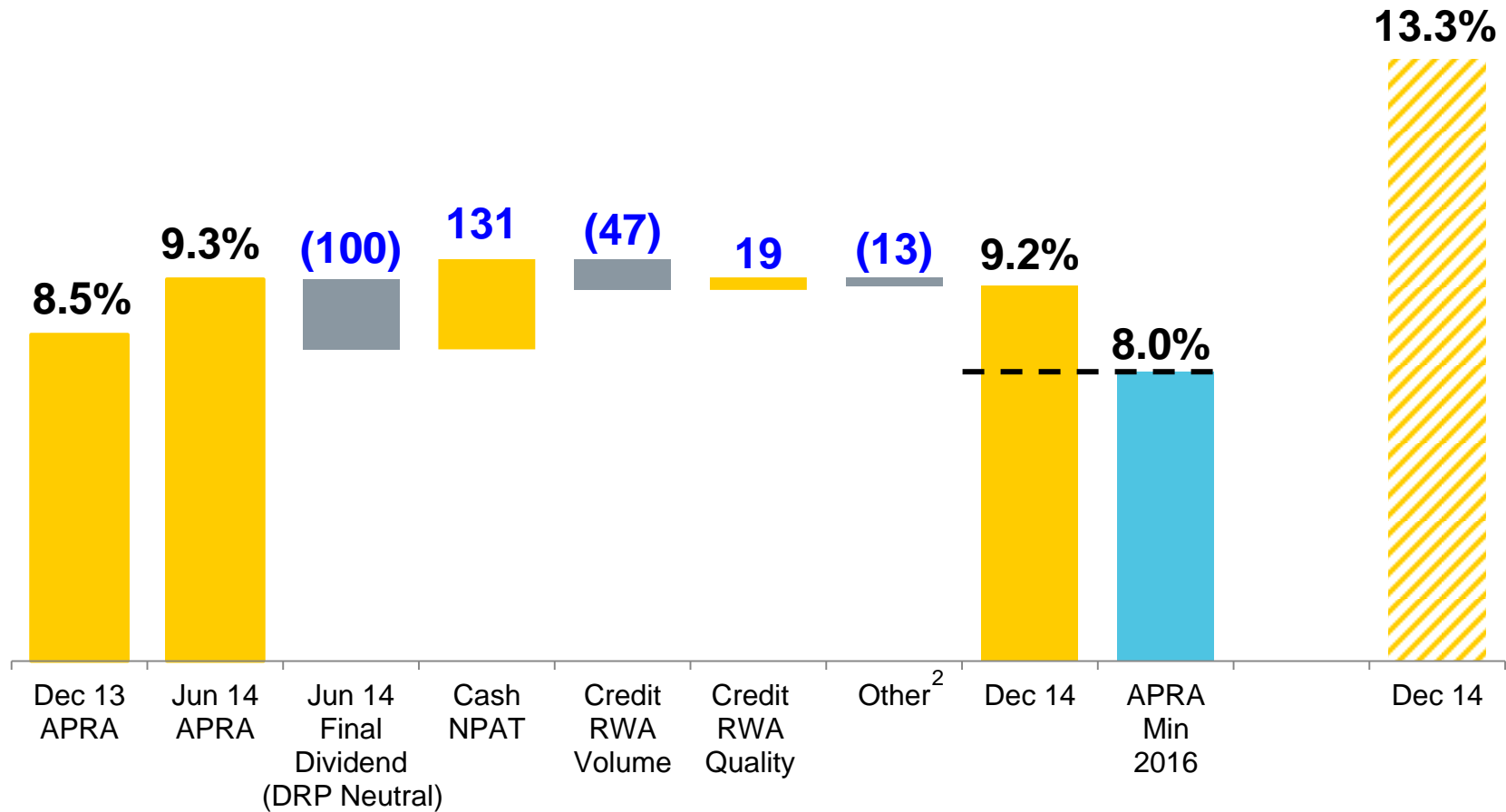


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Strong Capital Position

CET1 - APRA

International¹



1 The Group has revised its international measure of CET1 at 31 December 2014 with the methodology consistent with that detailed in the August 2014 PwC Australia report commissioned by the ABA. The key changes in methodology include differences in calculating RWA for residential mortgages, specialised lending and corporate exposures.
 2 Changes in regulatory treatments, equity investments, software and capitalised costs, increases in Operational/Market RWA and non-cash NPAT items, partially offset by lower IRRBB RWA



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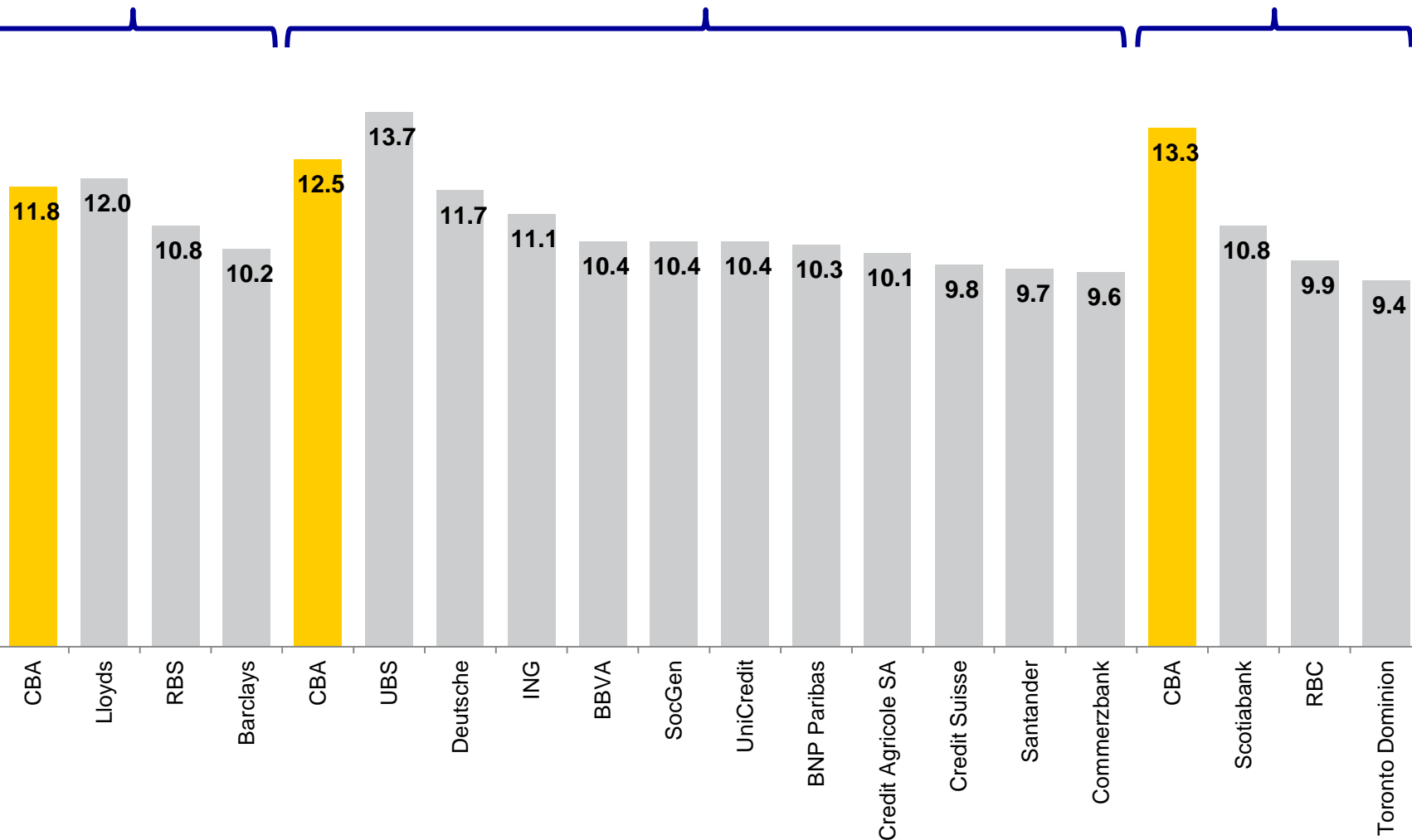
CBA vs peers in each jurisdiction

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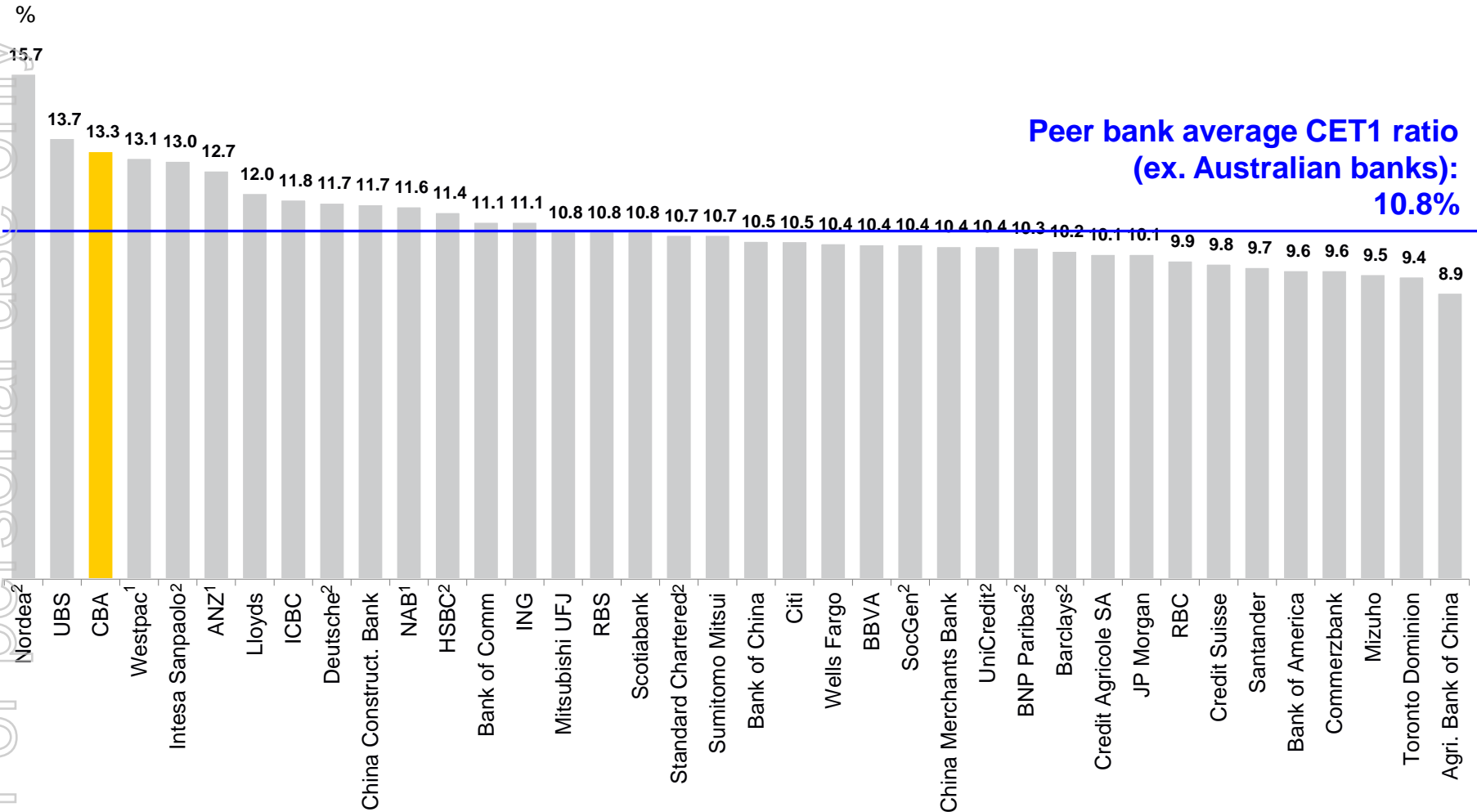
Under UK regime

Under European regime

Under Canadian regime



International Peer Basel III CET1



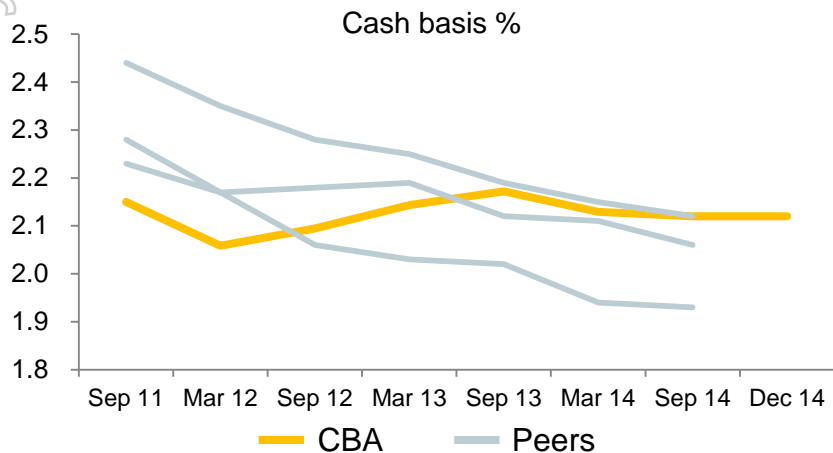
Source: Morgan Stanley. Based on last reported CET1 ratios up to 5 February 2015 assuming Basel III capital reforms fully implemented. Peer group comprises listed commercial banks with total assets in excess of A\$800 billion and which have disclosed fully implemented Basel III ratios or provided sufficient disclosure for a Morgan Stanley estimate.

1 Domestic peer figures as at 30 September 2014
 2 Includes deduction for accrued expected future dividends

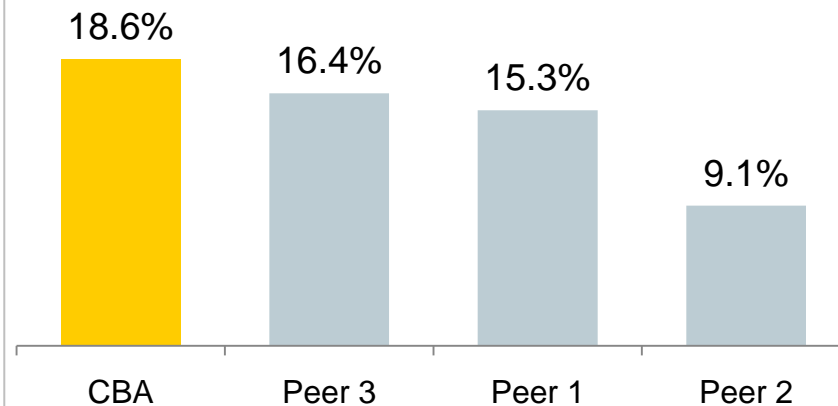
Additional information

Result quality

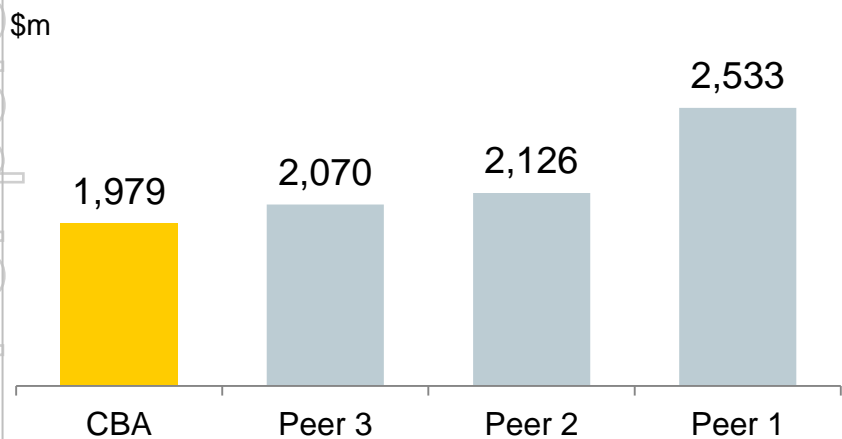
Group NIM



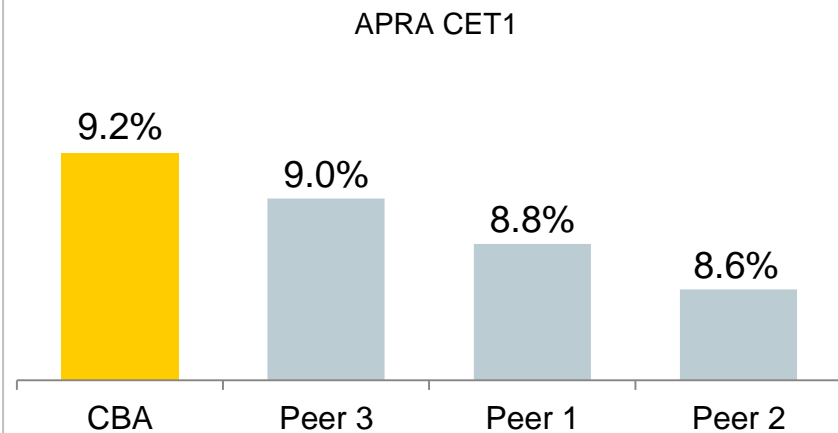
ROE¹



Capitalised Software²



Capital²

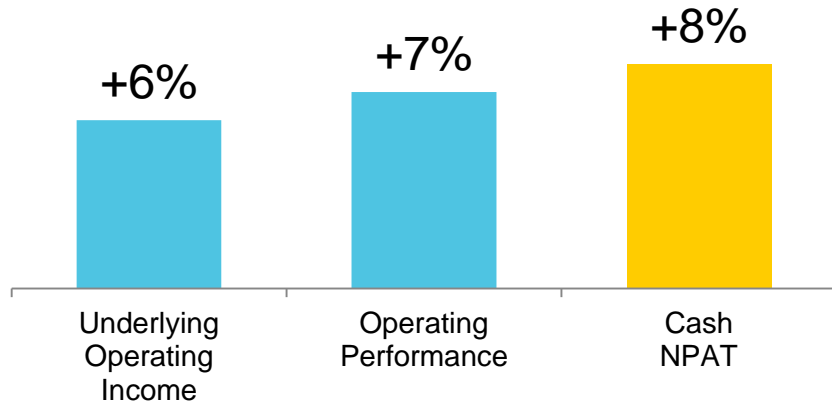


1 CBA is half to December 2014. Peers are half to September 2014.
 2 CBA is as at December 2014. Peers are as at September 2014.

Financial Summary

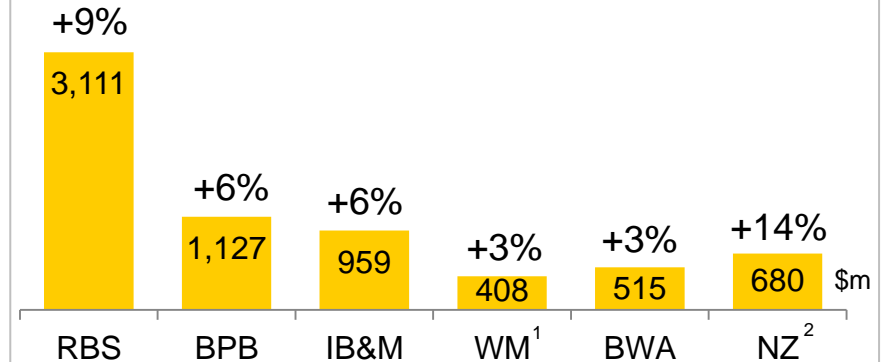
A strong result

1H15 vs 1H14

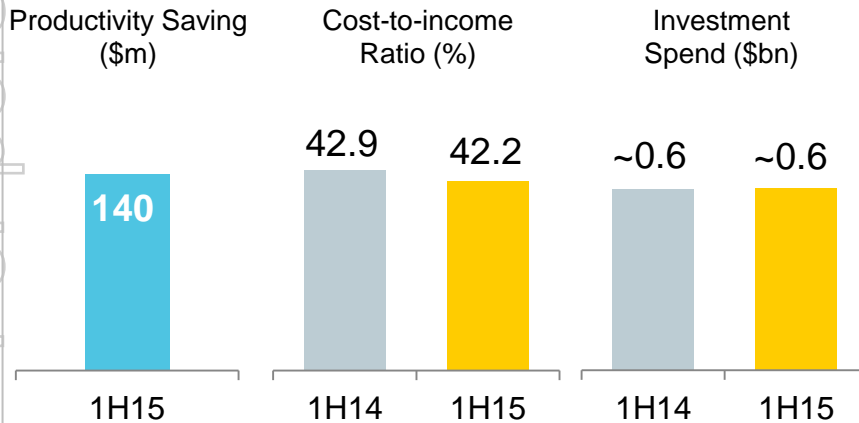


All divisions contributing

Operating Performance 1H15

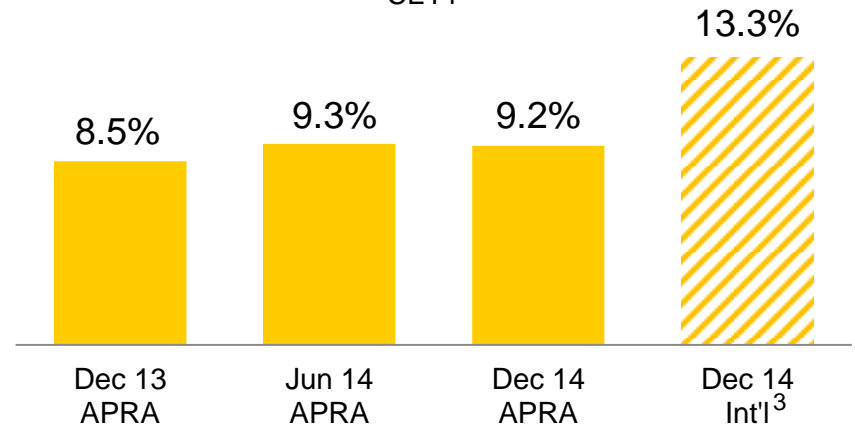


Productivity, efficiency, reinvestment



Strong capital position

CET1



¹ Excludes property

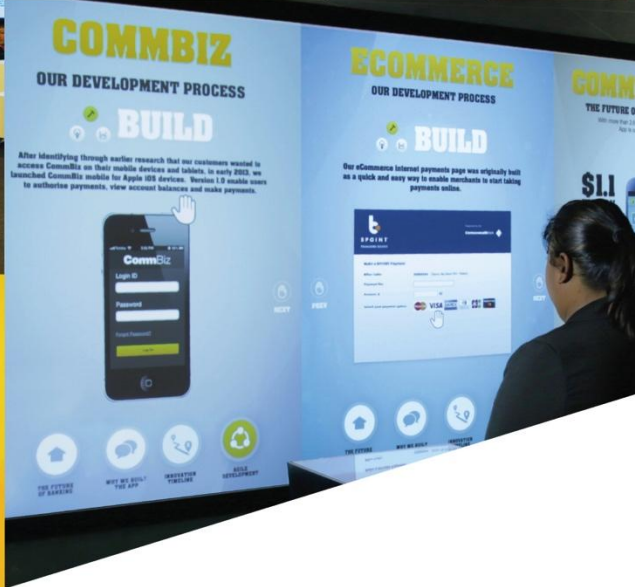
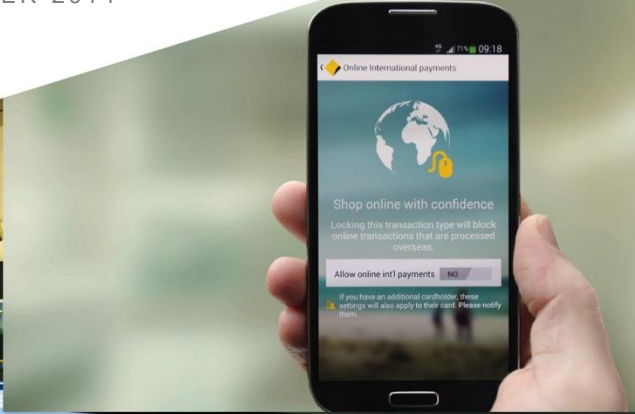
² NZ result in NZD

³ The Group has revised its international measure of CET1 at 31 December 2014 with the methodology consistent with that detailed in the August 2014 PwC Australia report commissioned by the ABA. The key changes in methodology include differences in calculating RWA for residential mortgages, specialised lending and corporate exposures.

RESULTS PRESENTATION

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

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IAN NAREV
CHIEF EXECUTIVE OFFICER

CommonwealthBank



Economic Summary – Australia

	2011	2012	2013	2014	2015 (f)	2016 (f)	2017 (f)
Credit Growth % – Total	2.7	4.3	3.0	5.1	5-7	4½-6½	4-6
Credit Growth % – Housing	6.0	5.0	4.6	6.4	6-7	5½-7½	5-7
Credit Growth % – Business	-2.2	4.4	0.9	3.5	4-6	3-5	3-5
Credit Growth % – Other Personal	0.6	-1.2	0.4	0.7	2-4	2½-4½	2-4
GDP %	2.3	3.7	2.5	2.5	2.5	3.2	3.2
CPI %	3.1	2.3	2.3	2.7	1.7	2.6	2.9
Unemployment rate %	5.0	5.2	5.4	5.8	6.2	5.9	5.6
Cash Rate %	4¾	3½	2¾	2½	2	2	2

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

- ◆ On-going focus on long-term strategy to strengthen the franchise in an increasingly competitive environment
- ◆ Some signs of positive transition in Australian economy: reality ahead of sentiment
- ◆ But clear, long term policy needed to build confidence so as to sustain and accelerate the transition: job creation, infrastructure, foreign investment, trade, business competitiveness



Summary

Consistent strategy

People

- ◆ Focus on the customer

Productivity

- ◆ Driving service and efficiency benefits

Technology

- ◆ Customer value through world class technology and operations

Strength

- ◆ Long term support for our customers



Ongoing growth

- Strong earnings
 - Cash NPAT **+8%**
 - EPS **+8%**
 - ROE **18.6%**
 - DPS **+8%**
- All divisions contributing
- Supporting the community and contributing to Australian wellbeing

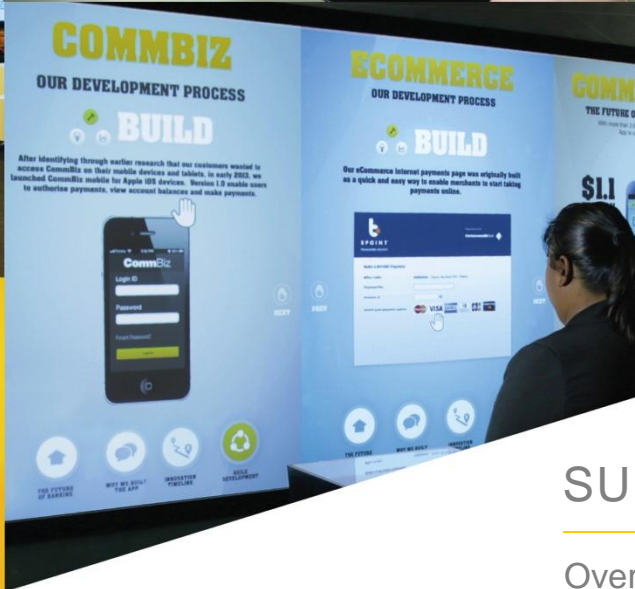
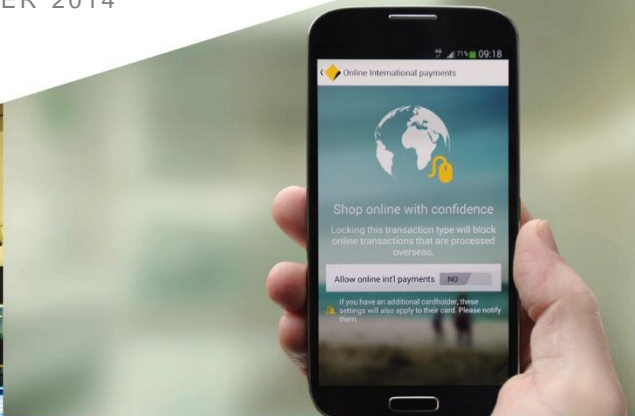
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RESULTS PRESENTATION

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

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SUPPLEMENTARY SLIDES

Overview, Customers & People	69
Technology & Innovation	83
Strength – Capital, Funding & Risk	99
Business Performance	123
Economic Indicators	139

CommonwealthBank



CBA overview

	Australia	NZ	Other	Total
Customers	12.5m	2.2m	0.4m	15.1m
Staff	41,900	5,600	5,000	52,500
Branches ¹	1,150	140	115	1,405
ATMs ¹	4,400	466	173	5,039
✓	Market capitalisation (ASX)			#1
✓	Credit Ratings (S&P, Moodys, Fitch)			AA- / Aa2 / AA-
✓	Basel III CET1 (International)			13.3%
✓	Total assets			\$851bn
✓	Household deposits – market share ²			#1
✓	Home lending – market share ³			#1
✓	FirstChoice platform – market share ⁴			#1

¹ Includes fully owned entities only

² Source: APRA

³ Source: RBA

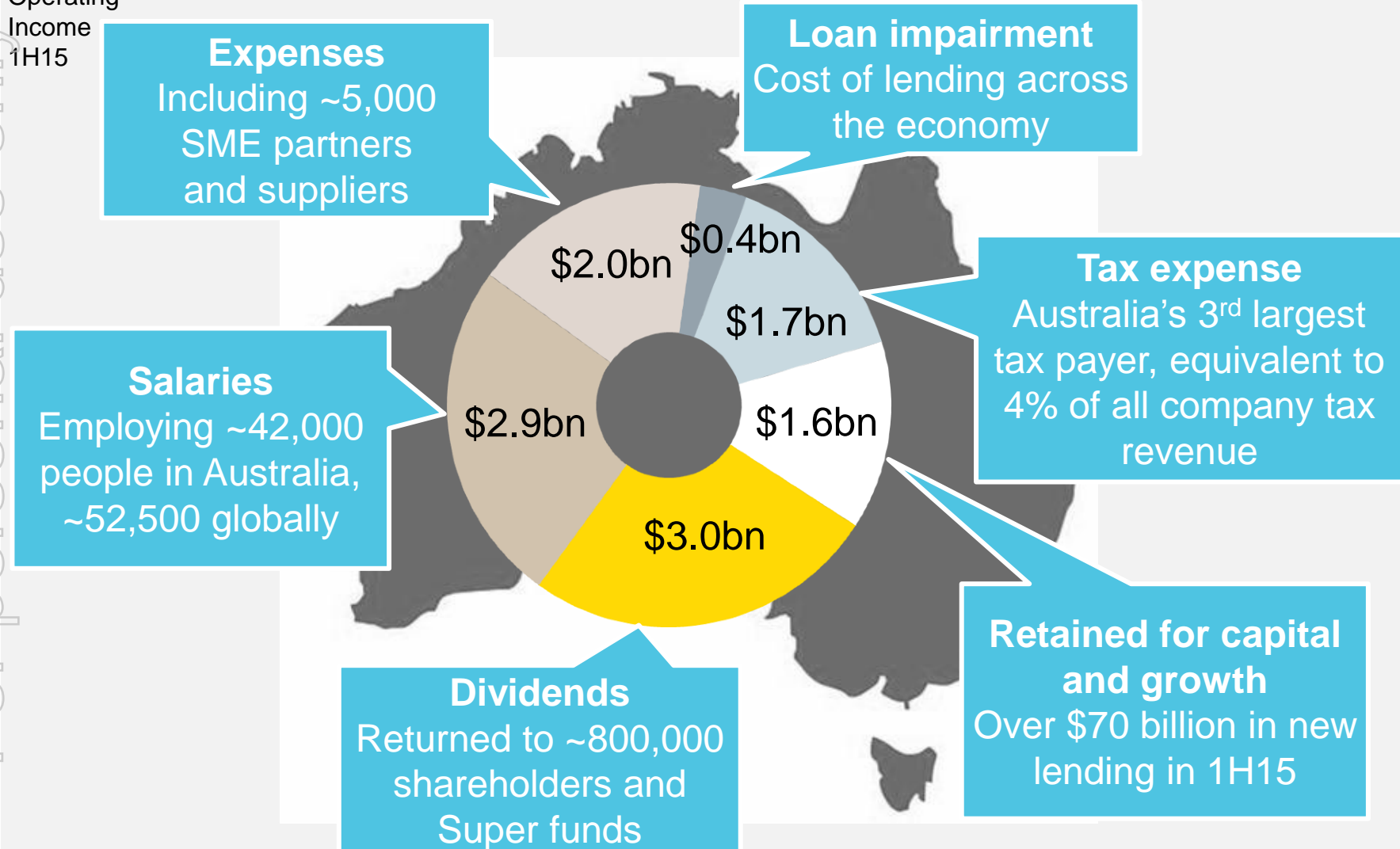
⁴ Source: Plan for Life



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Broad contributor to Australian wellbeing

Operating
Income
1H15



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Creating jobs and opportunities

Providing direct employment to ~42,000 people in Australia, ~52,500 people globally

Employing 1 in 10 people working in the Australian financial services sector



Paid \$2.9bn in wages to Australian households in 1H15

Paid \$2.2bn to ~5,000 suppliers in 1H15 – supporting employment across the economy

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Strength to support our community

We have reached our commitment to provide financial education to
'One Million Kids'

\$50m committed for financial education for next three years

More than 250,000 students are active in our school banking program

~\$3m raised in
We're for the Bush
Drought Appeal

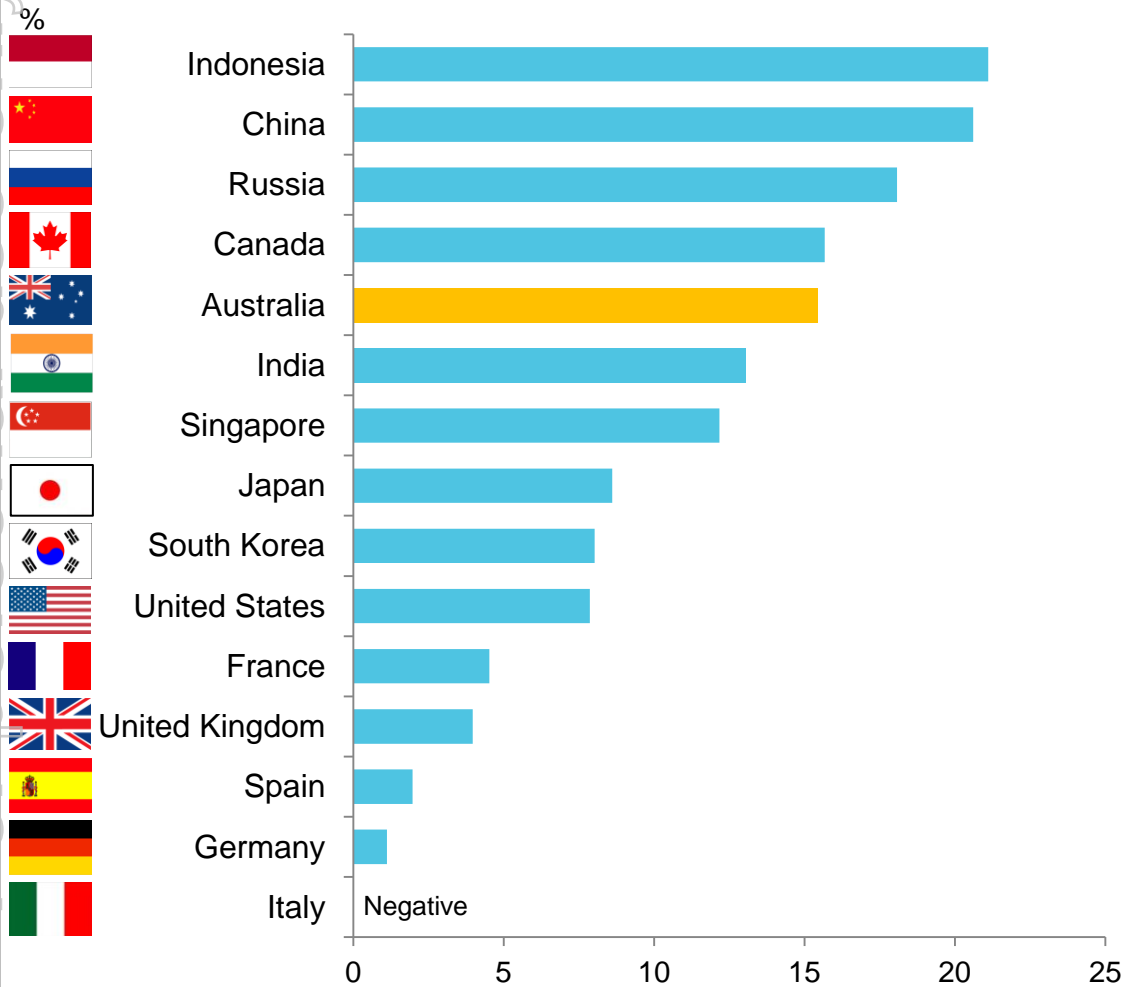
Our Indigenous
Customer Assistance
Line supports more
than 100 remote
communities and
receives more than
3,500 calls each
week

\$10m committed to
supporting the
Centenary of ANZAC



Bank Profitability

ROE¹



CBA Ranking

(Amongst ASX 100 companies)

	CBA Rank ²
Market capitalisation (ASX)	1 st
Dividends declared	1 st
Taxes Paid	3 rd
Return-on-Equity (ROE)	26 th
Return-on-Assets (ROA)	74 th

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

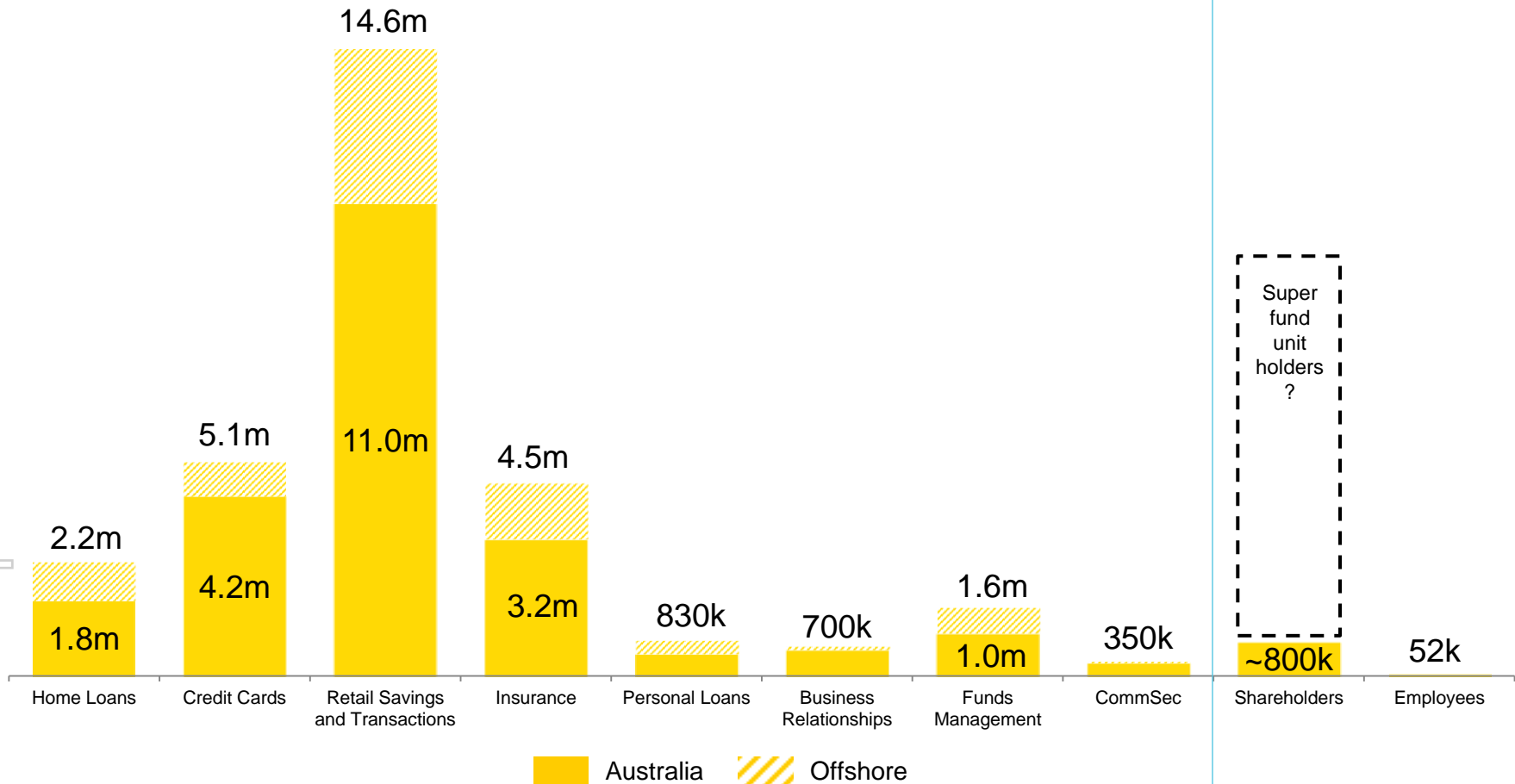
2 Most recent annual results data amongst ASX 100 companies. Sourced from Bloomberg 2 February 2015.



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Our stakeholders

Customer Product Holdings¹



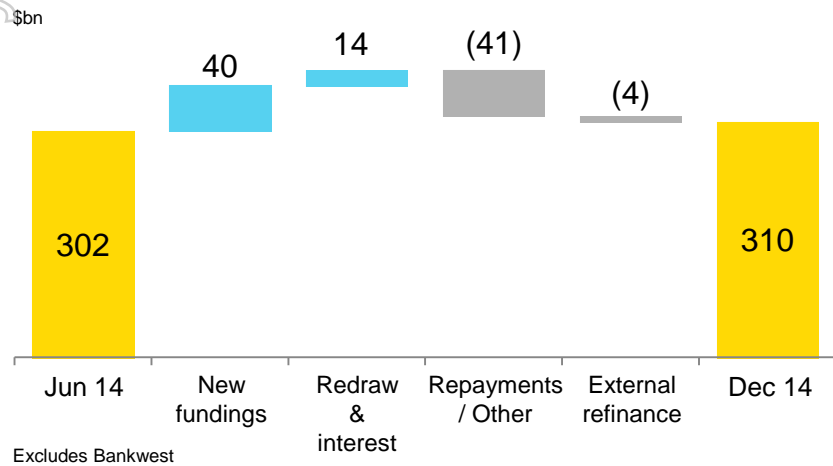
Super fund unit holders ?

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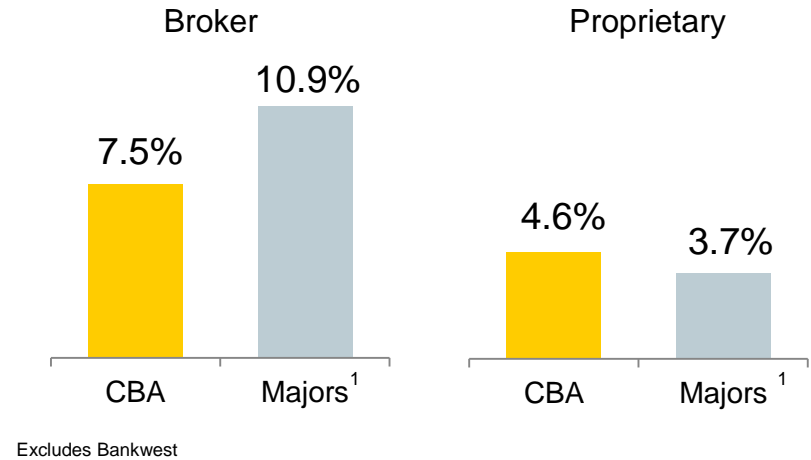
¹ Customers who hold at least one product in each of the major product categories shown. Totals not mutually exclusive – includes cross product holdings. Figures are approximates only and may include some level of duplication across customer segments. CommSec total includes active accounts only.

Home Loan Growth Profile

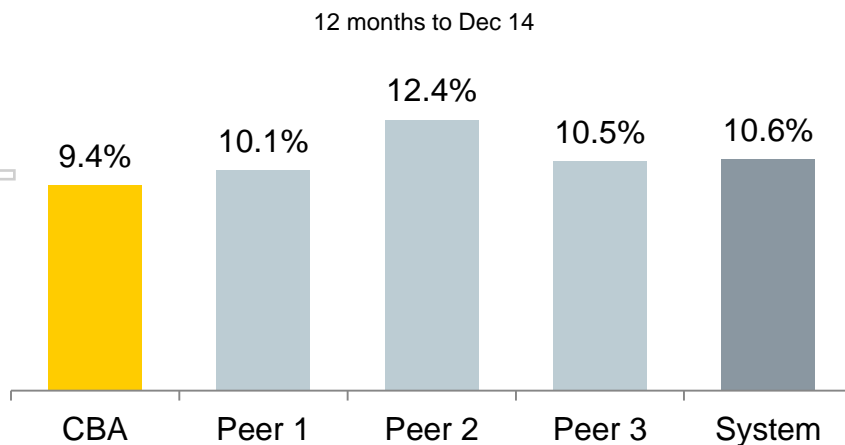
Home Loan Balances



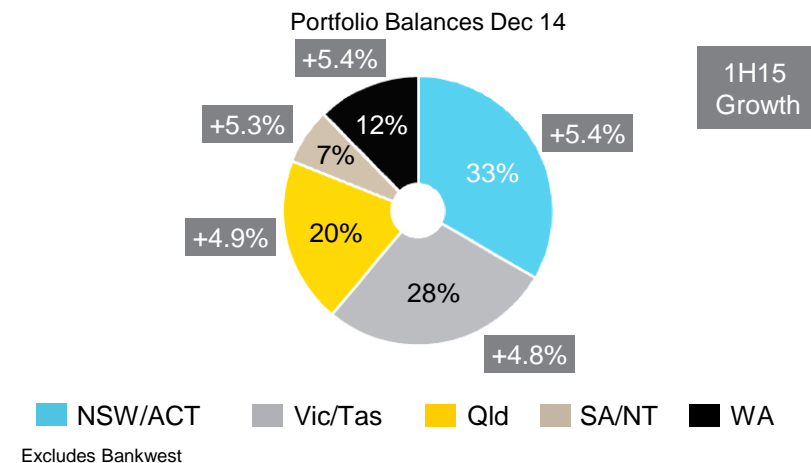
Channel Growth¹



Australian Investment Home Lending²



Growth Summary



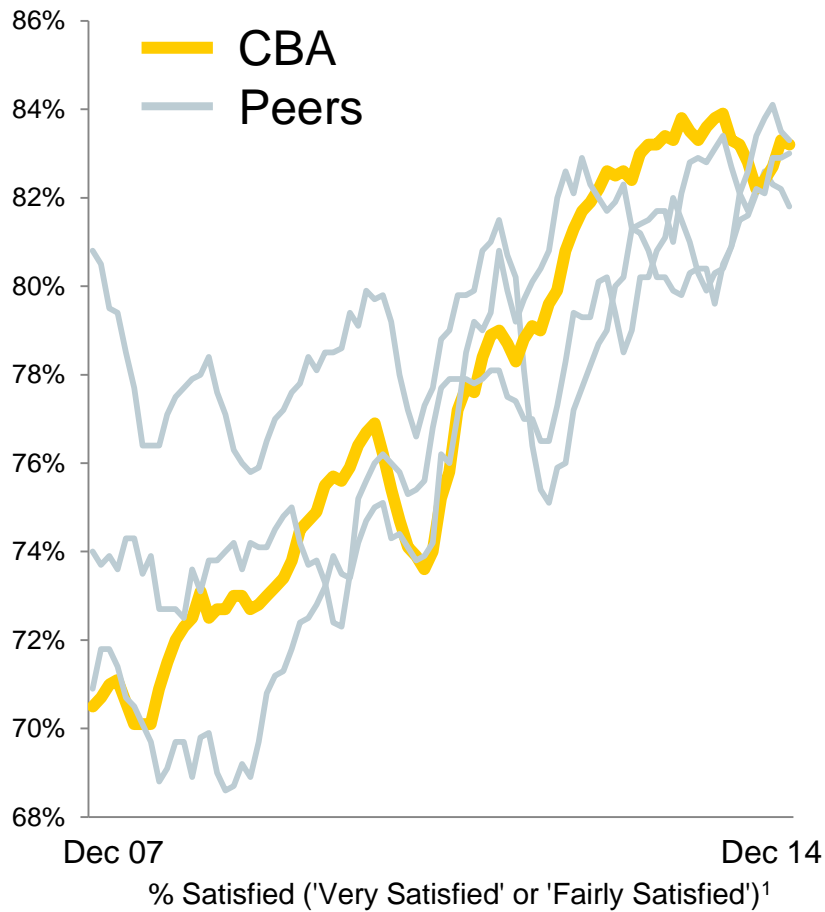
1. CBA estimates. Growth rates shown are Sep 14 vs Sep 13.
 2. Source : APRA (includes Bankwest)

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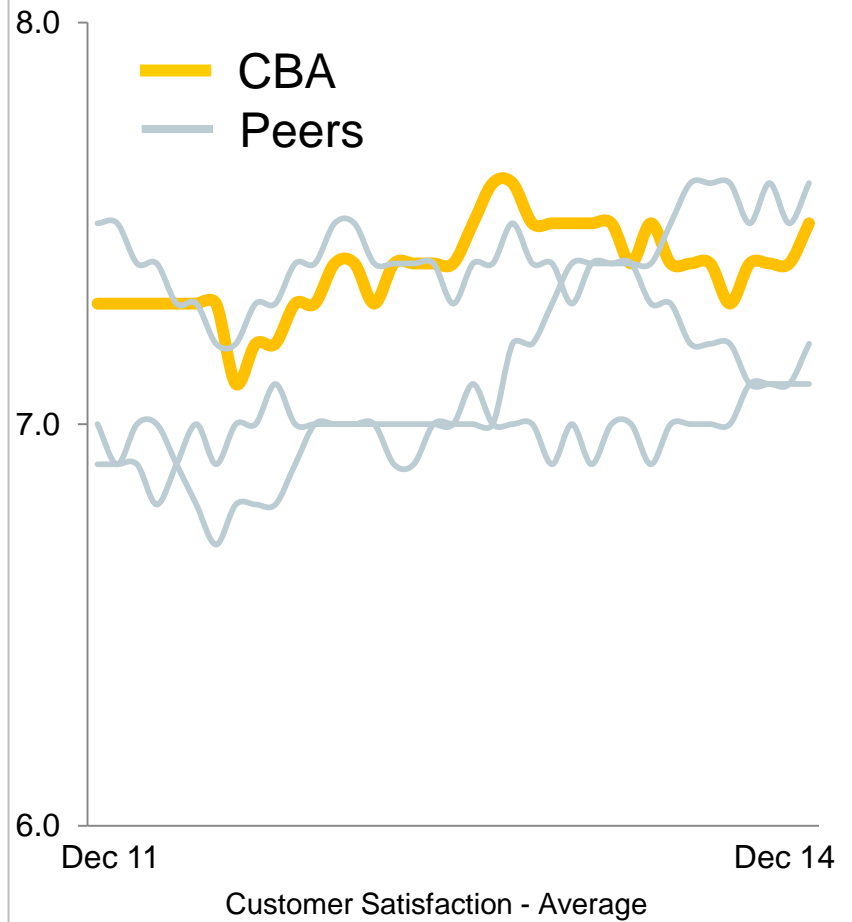
Customer Satisfaction

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Retail Customer Satisfaction¹

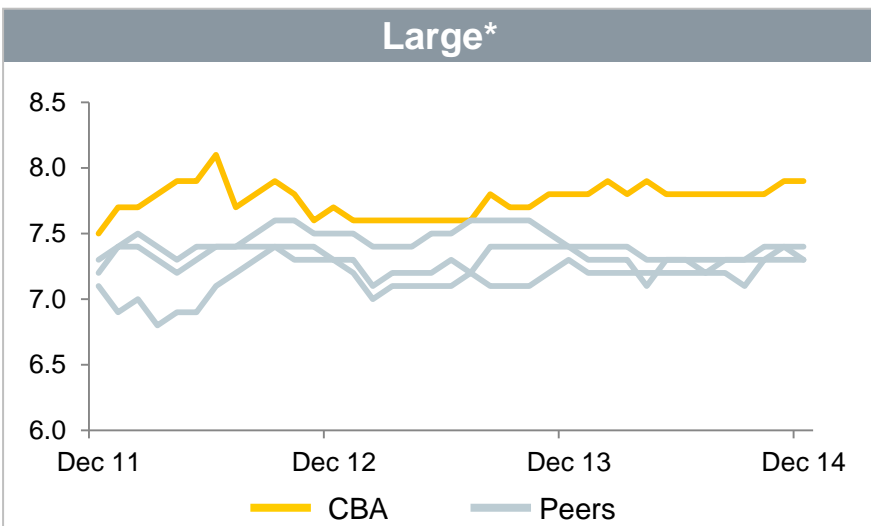
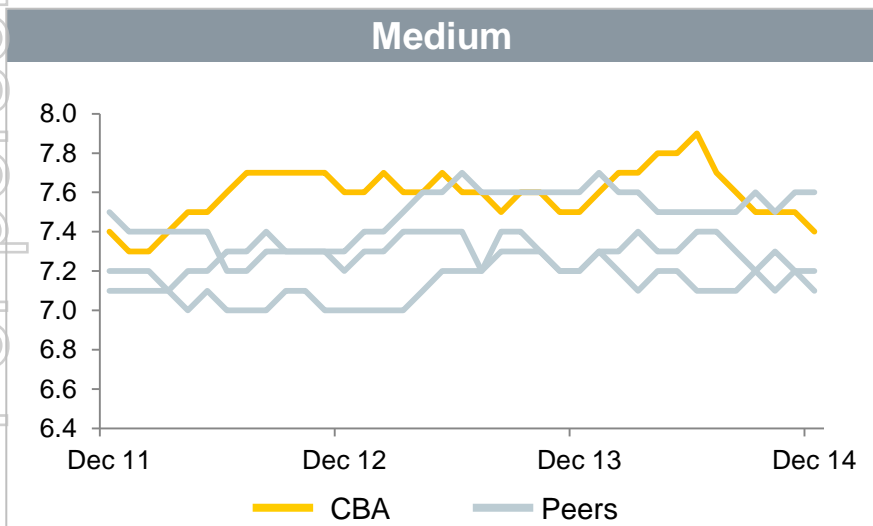
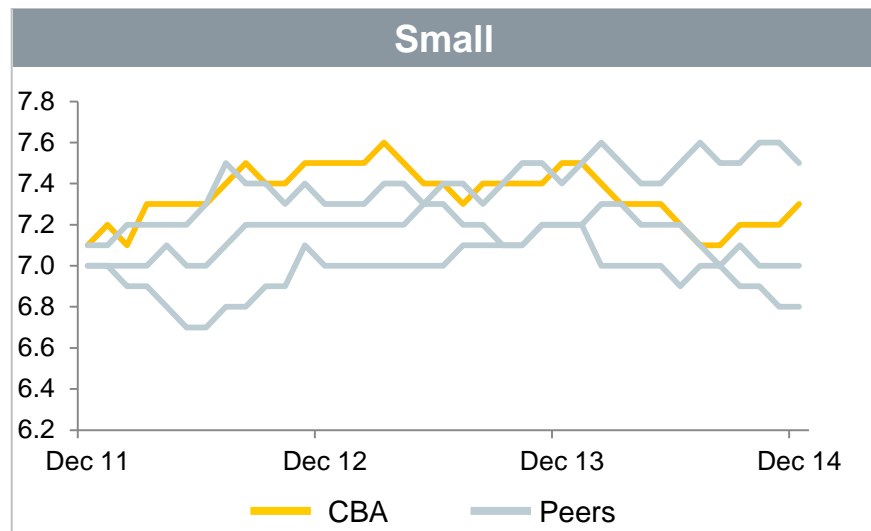
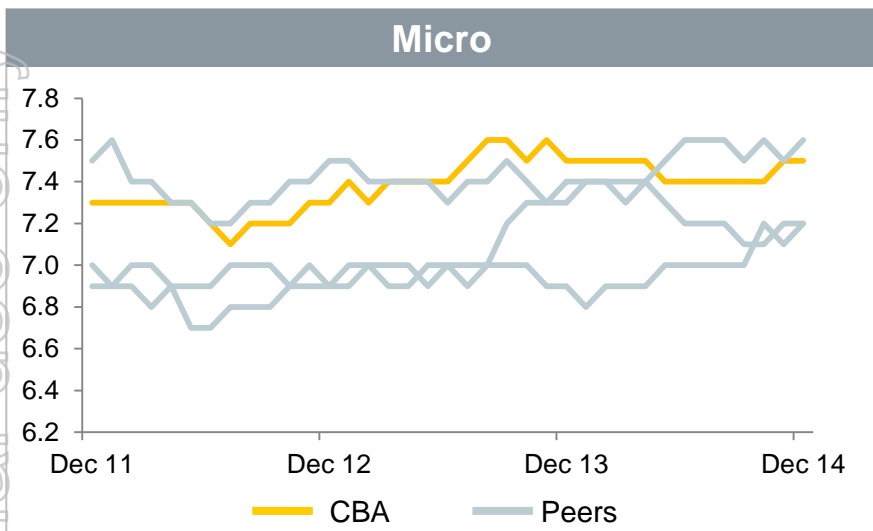


Business Customer Satisfaction⁴



Business Customer Satisfaction⁵

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

* Definition of Large segment changed in November 2012 from \$50M+ to \$50m<\$500M



Sustainability Progress

In the first half of 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

- The Group's sustainability practices were recognised with a place in the Dow Jones Sustainability Index (DJSI) World Index.
- The refreshed Supplier Code of Conduct with enhanced social, ethical and environmental criteria is now live.
- Productivity initiatives continue with 72 Black Belts and 264 Green Belts amongst our staff.

Responsible financial services

- The Group published its [Environmental, Social and Governance \(ESG\) Lending Commitments](#) that articulate our approach to assessing and managing ESG risks and opportunities associated with client activities.
- The ESG Lending Commitments include voluntary reporting of assessed carbon emissions arising from our project finance exposure to the energy sector – available at <https://www.commbank.com.au/about-us/who-we-are/sustainability/responsible-financial-services.html>

Engaged and talented people

- Launch of the Group's 2015-16 Accessibility and Inclusion Plan, which has been developed to improve customer access to our premises, technology and services and to provide an accessible and inclusive work environment for people with disability.
- We expect to achieve our target of 35% women in Executive Manager and above roles by April 2015. Working towards our original ambitious timeframe of December 2014, we put in place a suite of gender initiatives which have fuelled our progress from 26% in 2010 to 33.4% in December 2014. We will continue to focus our efforts until we reach the target.
- Indigenous employment continued with 16 interns commencing in December 2014 and 55 school-based and 15 full-time trainees commencing January 2015.

Community contribution and action

- Skilled volunteering program expanded with 14 Jawun secondees being placed in Indigenous organisations; 2 three month Empowered Communities secondments; and 11 staff members undertaking skilled volunteering secondments with a range of our not-for-profit banking clients.
- Supported rural communities with the Drought Emergency Assistance package, \$100k donation to the Salvation Army Drought Appeal and promotion of the We're for the Bush Drought Appeal on our website and in branches.

Environmental stewardship

- For the second year in a row the Group was the highest ranking Australian bank listed on the CDP Global Index and achieved an overall disclosure score of 100/100 and an 'A band' for climate performance.

Sustainability Scorecard

	Units	1H15	FY14	FY13	FY12	FY11	FY10	
Customer satisfaction	Roy Morgan MFI Retail Customer Satisfaction ¹	% Rank	83.2 2 nd	83.2 1 st	83.0 1 st	79.0 2 nd	75.2 4 th	75.6 2 nd
	DBM Business Financial Services Monitor ²	Avg. score Rank	7.5 =1 st	7.4 =1 st	7.4 =1 st	7.3 =1 st	7.1 =2 nd	7.0 =1 st
	Wealth Insights Platform Service Level Survey ³	Avg. score Rank	n/a	7.94 1 st	8.32 1 st	7.86 1 st	7.74 1 st	7.70 1 st
People	Employee Engagement Index Score ⁴	%	n/a	81	80	80	n/a	n/a
	Women in Manager and above roles ⁵	%	42.4	42.9	41.8	42.0	43.6	43.2
	Women in Executive Manager and above roles ⁵	%	33.4	32.8	30.3	30.9	28.2	26.3
	Lost Time Injury Frequency Rate (LTIFR) ⁶	Rate	1.2	1.5	1.9	2.8	2.4	2.7
	Absenteeism ⁷	Rate	6.0	6.0	6.2	6.2	6.0	5.9
	Employee Turnover Voluntary	%	10.3	10.6	10.6	12.9	12.7	12.7
Environment – Greenhouse Gas Emissions ⁸	Scope 1 emissions	tCO ₂ -e	4,047	7,936	8,064	8,192	8,183	8,711
	Scope 2 emissions	tCO ₂ -e	42,971	91,275	100,997	118,047	137,948	142,218
	Scope 3 emissions	tCO ₂ -e	20,337	44,918	47,453	47,667	63,719	47,522
Community – Financial literacy programs ⁹	School banking students (active)	Number	254,102	273,034	233,217	191,416	140,280	92,997
	StartSmart students (booked)	Number	154,610	288,728	284,834	235,735	200,081	119,669

Resources Exposure

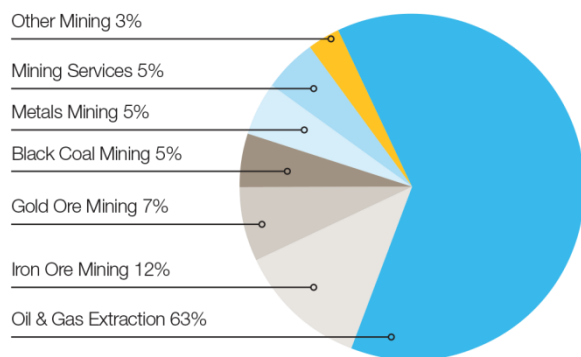
We recognise that we play a crucial role in enabling the economic and social development of Australia, supporting jobs, growth, innovation and opportunities for people and businesses. We also recognise our role in addressing the challenge of climate change, including helping organisations to transition to a low carbon economy, investing in renewables and ensuring we have robust responsible lending practices in place. The charts below show Group total exposures to mining and energy sectors and emissions arising from our project finance exposure³ to the energy sector.

Resources Industries Dec 14

Commercial Exposure ¹		
Sector	\$bn	% of Group TCE
Mining ex Oil & Gas Extraction	6.9	0.7
Oil and Gas Extraction	11.6	1.2
Energy ²	9.3	1.0
Coal Ports & Transport Terminals	1.7	0.2

Mining, Oil and Gas

Dec 14



Assessed Carbon Emissions – Project Finance

Assessed carbon emissions arising from the Group's project finance exposure to the energy sector, per the Group's ESG reporting commitments. Data is reported as at June 2014 due to availability of client and public data sources of generation, production and emissions data.

Project Financed Coal Operations

Emissions intensity of CBA project finance coal operations;

- Direct (scope 1 & 2) emissions:
 - 0.011tCO_{2e}/tonne extracted
 - 81tCO_{2e}/\$m project finance debt
- Indirect (scope 3 combustion) emissions:
 - 17.5ktCO_{2e}/\$m project finance debt

CBA project finance facilitated 940kt of coal extraction during FY14. This is approximately 0.19% of Australia's total coal production (FY14 produced saleable black coal and FY13 produced brown coal).

Project Financed Oil and Gas Operations

Direct (scope 1 & 2) emissions intensity of CBA project finance oil and gas operations: 41tCO_{2e}/\$m.

Project Financed Electricity Generation

Emissions intensity of CBA project finance electricity generation:

- 0.77tCO_{2e}/MWh in Australia, 9% below the Australian average emissions intensity of 0.85tCO_{2e}/MWh
- 0.45tCO_{2e}/MWh in the USA, 17% lower than the USA average grid emissions intensity of 0.55tCO_{2e}/MWh

1. Total Credit Exposure (TCE) = balance for uncommitted facilities and the greater of limit or balance for committed facilities. Calculated before collateralisation.

Includes ASB and Bankwest and excludes settlement exposures. Exposure assigned to ANZSIC Codes according to main business activity.

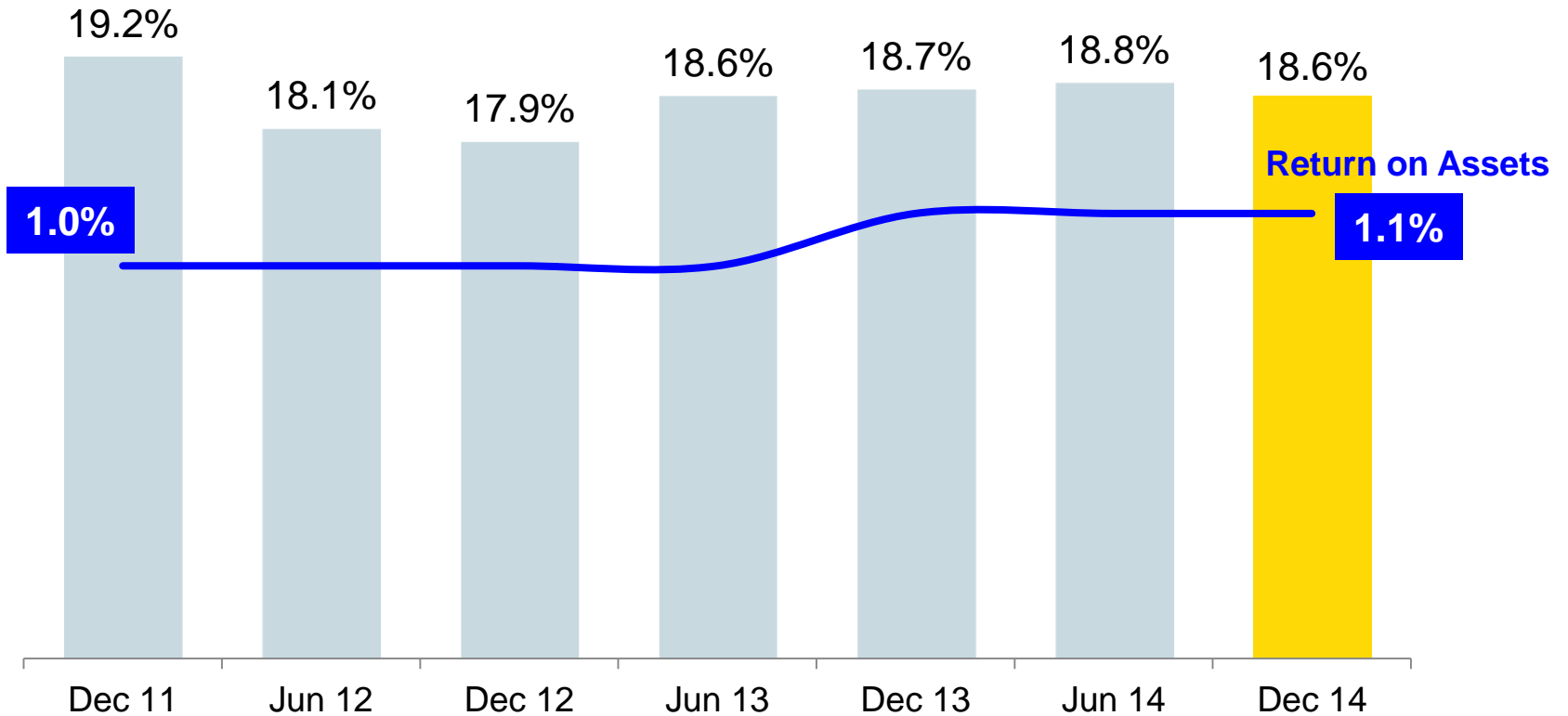
2. Energy includes: electricity generation, distribution & supply; and gas supply

3. Assessed carbon emissions arising from our project finance (definition at back of presentation) - includes both onshore and offshore



Return on Equity

Cash ROE

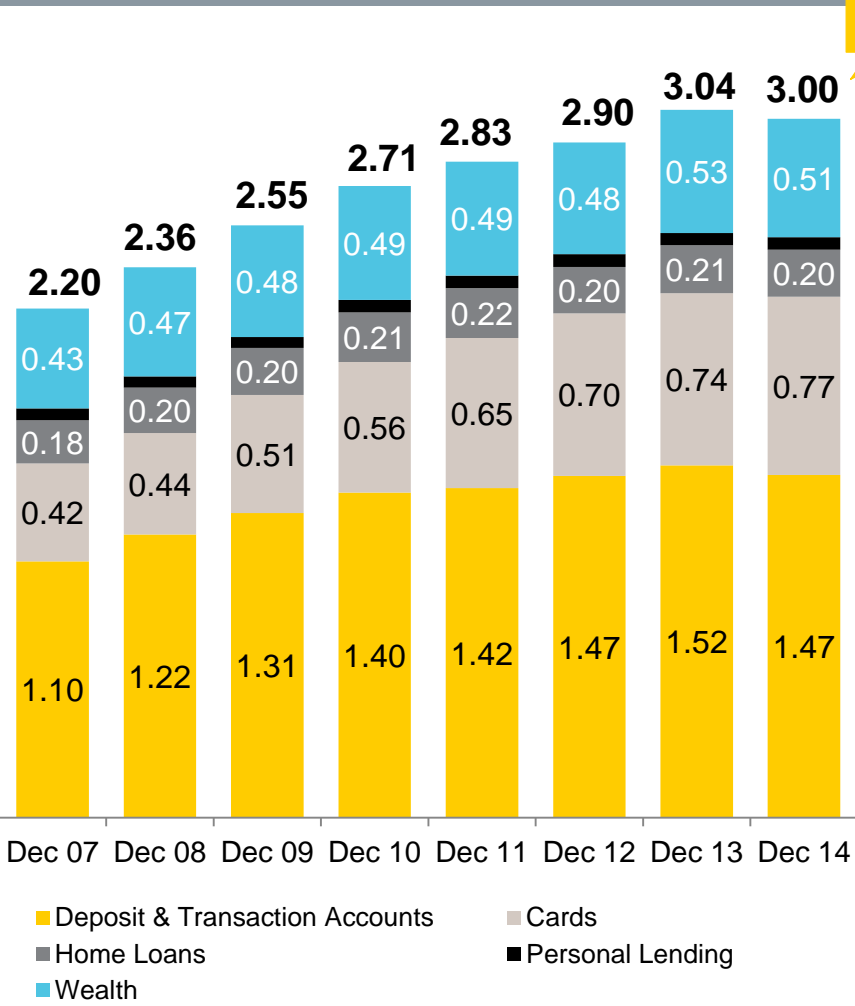


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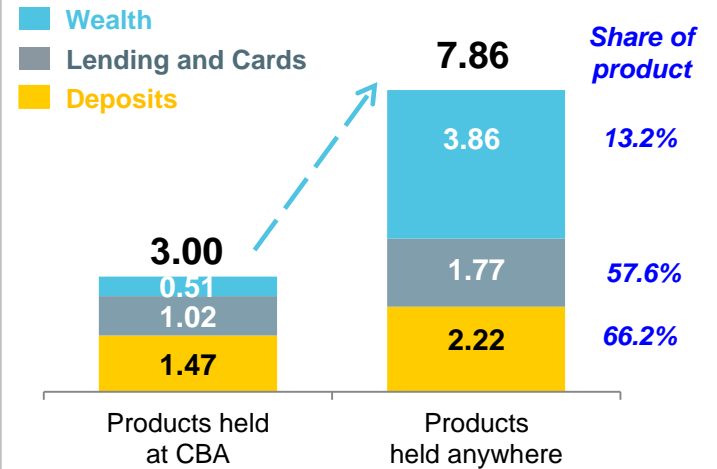
Customer needs met

Products per Customer ²

#1



Products per Customer ²



Wealth Product Penetration ⁸

CBA	13.2%
Peer 3	11.3%
Peer 1	8.6%
Peer 2	8.3%

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Australia's leading technology bank

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#1

Free financial
app¹

#1

Most innovative
bank⁹

#1

Innovative
banking app⁸

#1

Social
&
Facebook³

#1

Customer
Satisfaction –
Internet Banking⁶

#1

Customer
Satisfaction –
Apps²

#1

In the youth
segment⁵

5.3m

Active online
customers

MFI for

1 in 3

Australians⁷

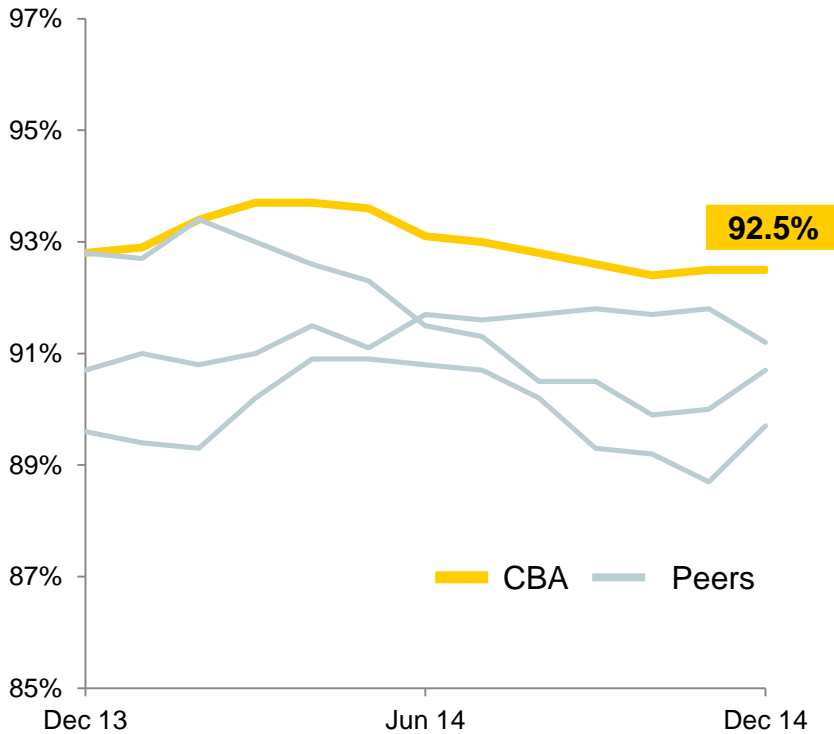


Customer Satisfaction - Online

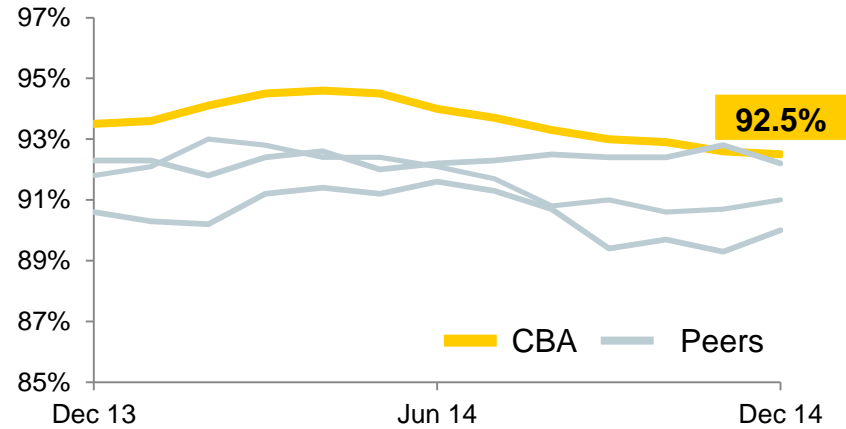
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Customer Satisfaction – Internet Banking ⁶

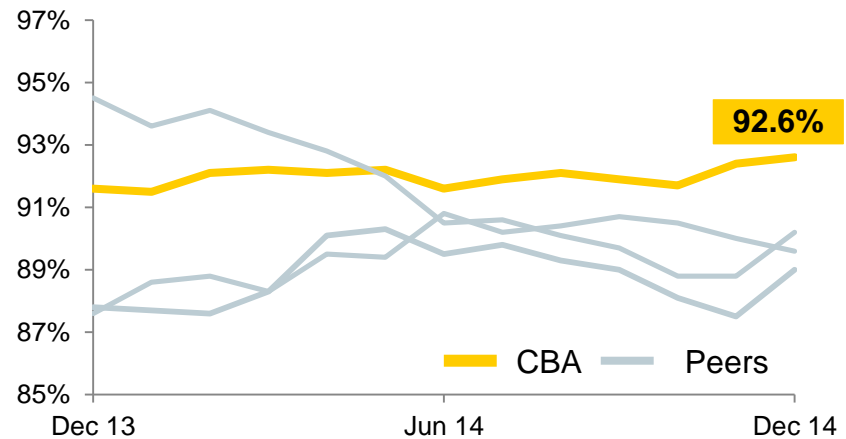
Satisfaction with Internet Banking Services via "Website" or "App"⁶



Customer Satisfaction - Website ⁴



Customer Satisfaction - Apps ²

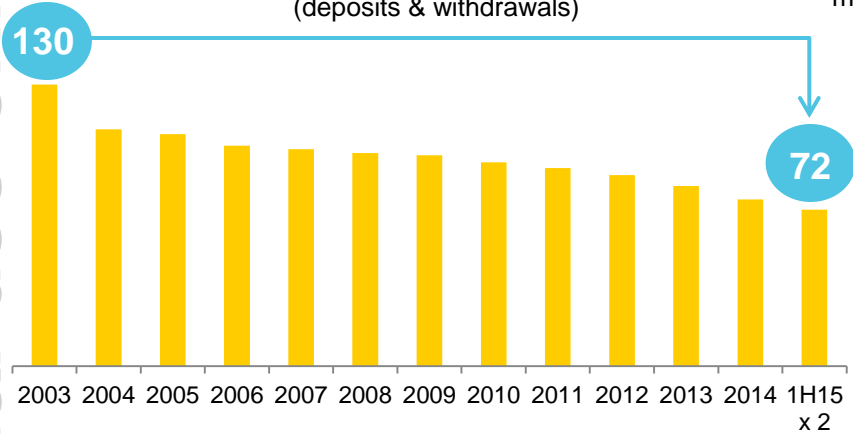


Transaction volumes

Branch

(deposits & withdrawals)

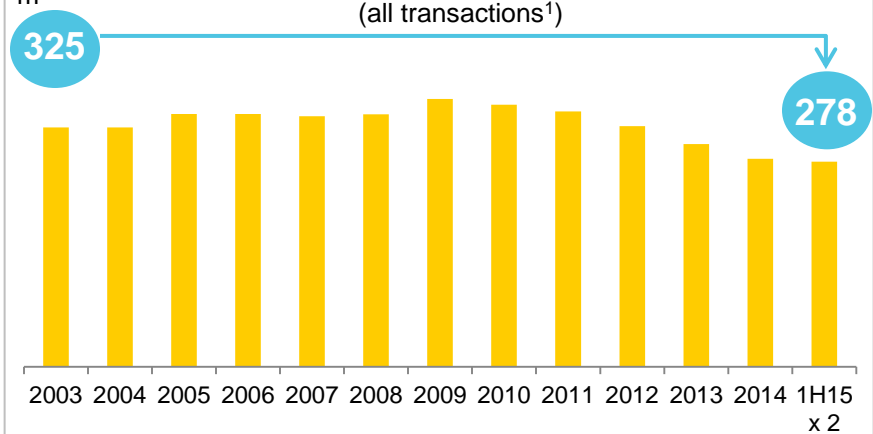
m



ATMs

(all transactions¹)

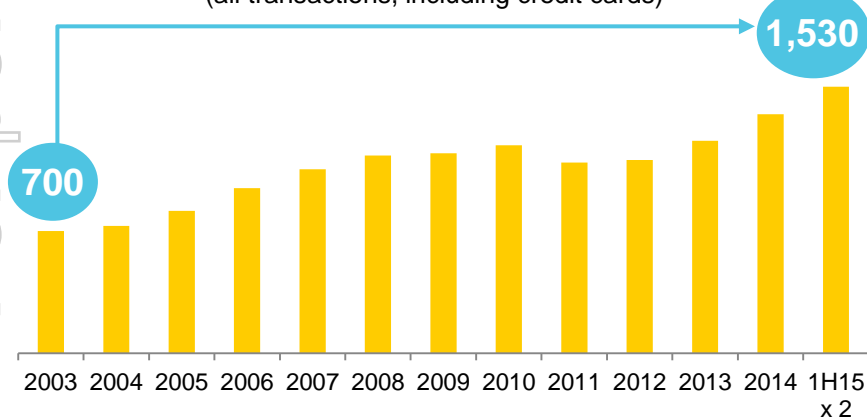
m



EFTPOS²

(all transactions, including credit cards)

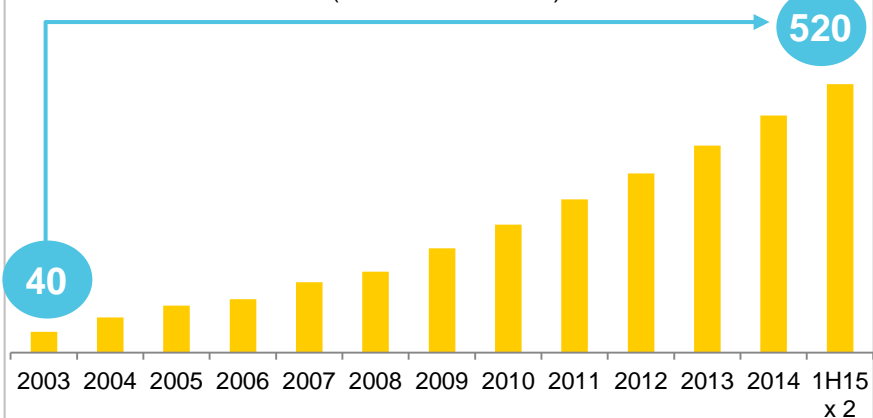
m



Internet³

(value transactions)

m



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.

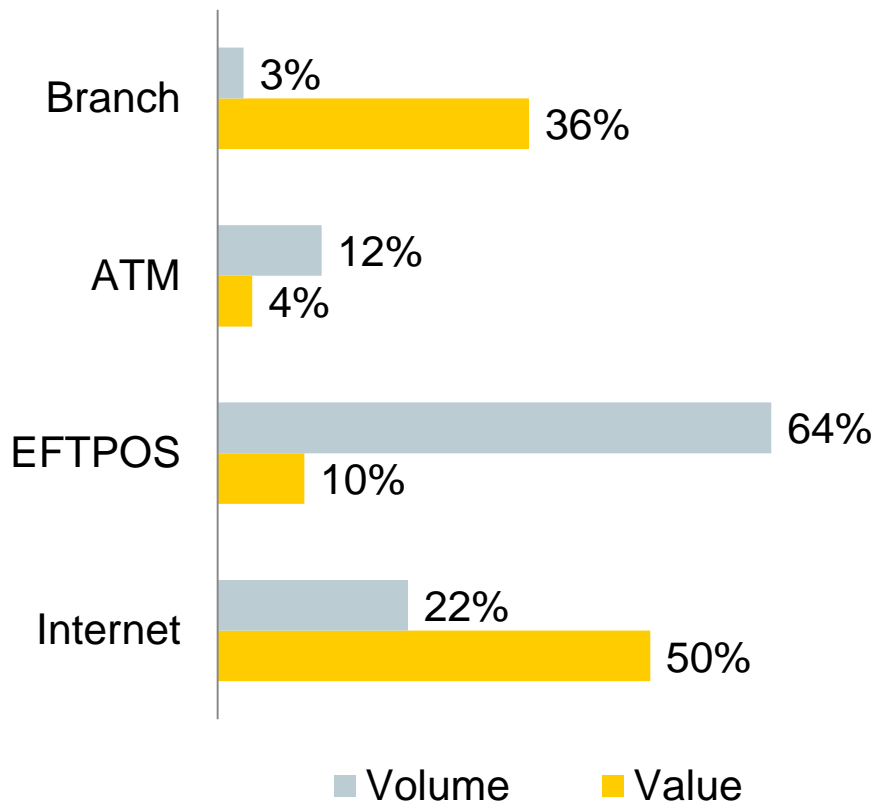


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Transaction volumes

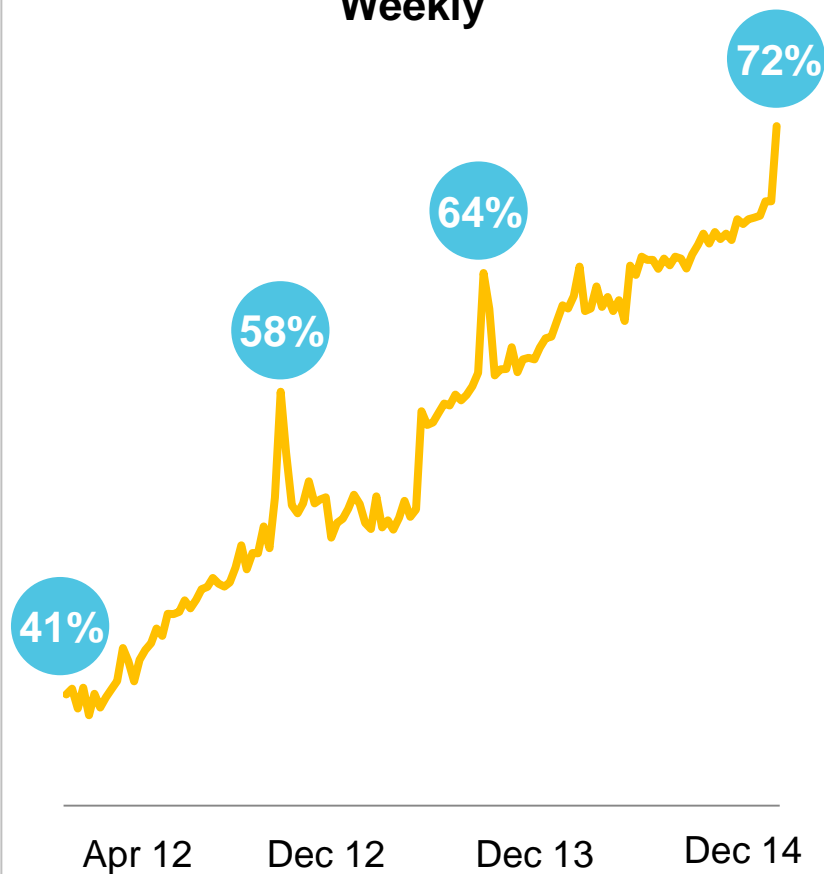
% of total transactions

1H15



NetBank logins via mobile device

Weekly



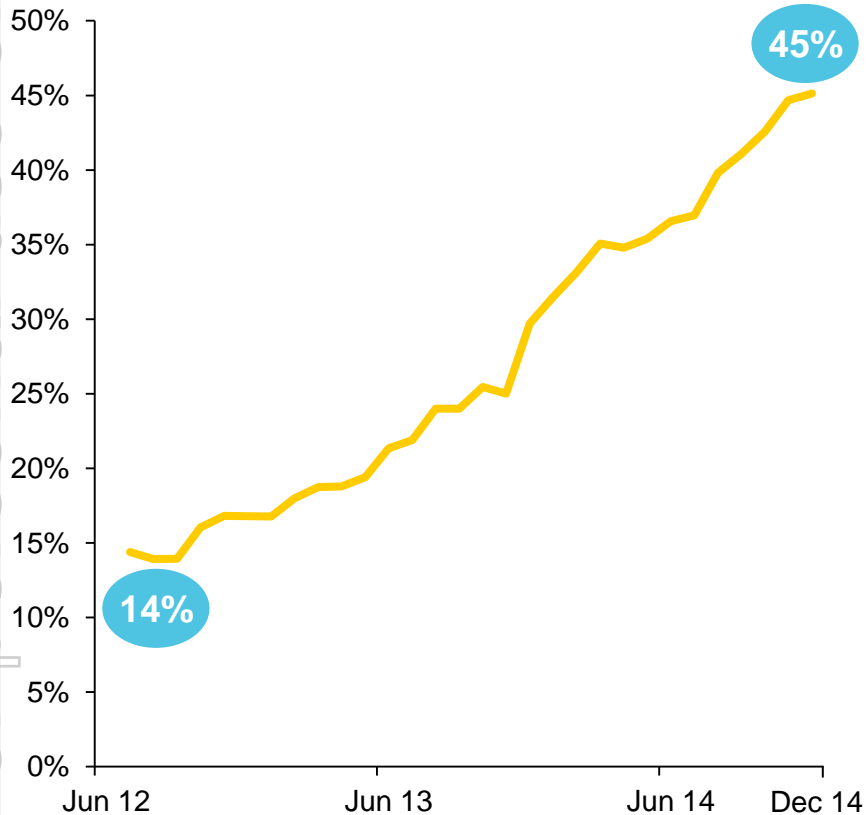
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Transaction volumes

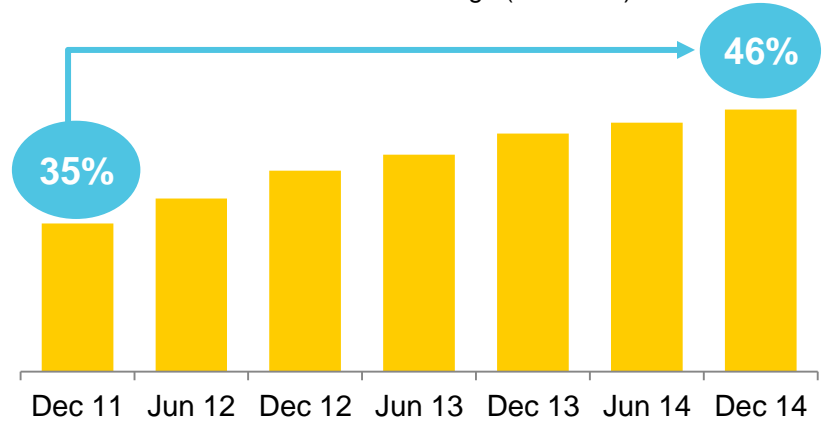
Intelligent Deposit Machines (IDMs)

% of deposits completed via IDM in branches that have had a machine for > 1 month



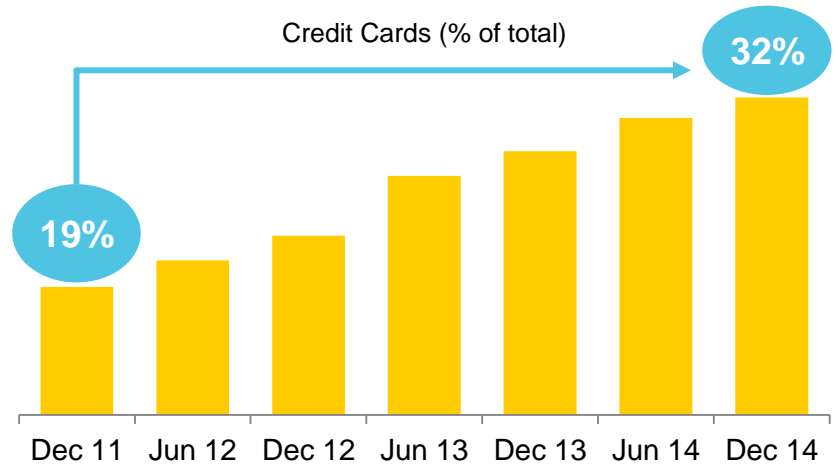
Accounts with e-statements

Transactions and Savings (% of total)



Accounts with e-statements

Credit Cards (% of total)



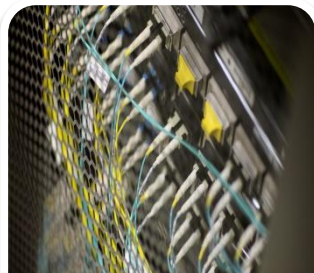
World leading technology

Putting the customer at the centre of everything we do



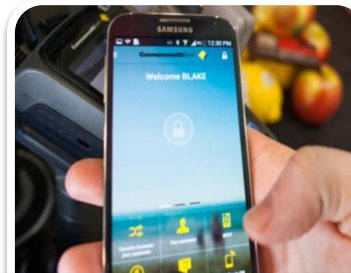
Revitalised front-line

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



State-of-the-art Core

- Legacy system replacement
- Real-time banking
- Straight-through processing
- Simplified architecture, building agile, resilient systems



Innovation Culture

- Innovation Lab
- CommBank app
- CommBiz
- CommSec
- FirstChoice
- CommBiz Mobile
- Pi, Albert, Leo, Emmy
- Small Business app



Securing the digital future

- Simplicity and convenience anywhere, anytime, any device
- Standardised platforms, simplified processes
- Digitised workflows
- Customer insights through analytics
- Leading privacy, trust and security



Leading technology, innovative solutions

Contactless



- Fast in-store payments
- CBA market leading in cards and terminals
- 33% of all credit transactions

Tap & Pay



- \$48 million+ in spend (12 mths)
- 2.3 million+ transactions (12 mths)
- Average spend per transaction \$21

Leading technology, innovative solutions

Small Business App & Emmy

Apr 14

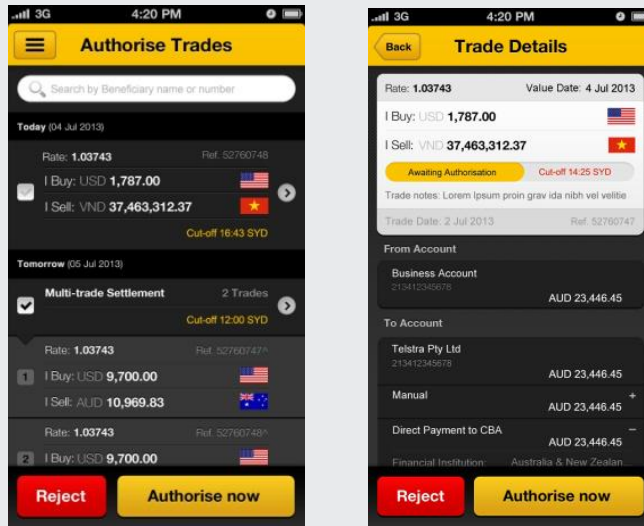
- Improved cash flow and reduced administration with on-the-spot payments and invoicing
- Provides customers more ways to pay, with BPAY™ included
- Easily track and follow up estimates to win more business
- Enables customers to split bills and add tips
- **CANSTAR Blue most satisfied Merchant Services – Small Business 2014¹**



1. Canstar Blue small business owners survey, 2014

Leading technology, innovative solutions

CommBiz Mobile



Mar 13

- 400k logins since the launch
- Real time account balances and transaction history
- Create, view and authorise payments, including FX

Daily IQ

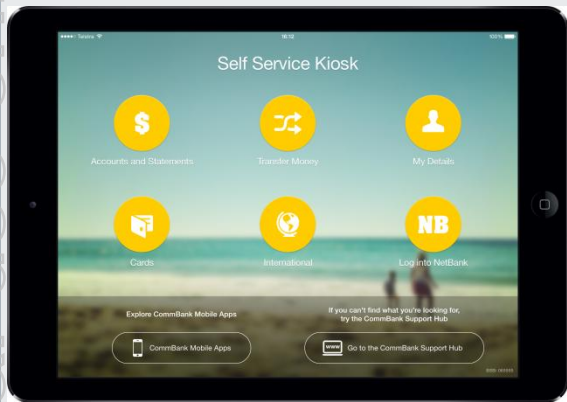


Mar 14

- Cash flow reporting
- Customer and merchant insights
- Cash flow forecasting and a working capital calculator recently implemented

Online Origination

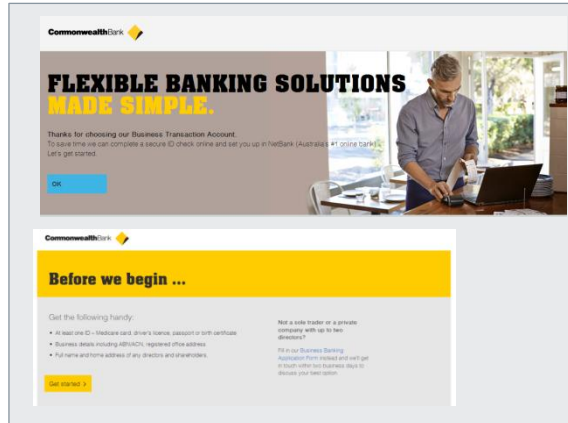
Everyday



Dec 13

- Account opening in <60 seconds¹
- 5% of accounts opened in branch now originated online using new branch kiosk tablets

Business



Jun 14

- Business transaction and savings accounts opened online, real-time in <10 mins
- > 2,500 accounts opened online since launch

Motor Insurance



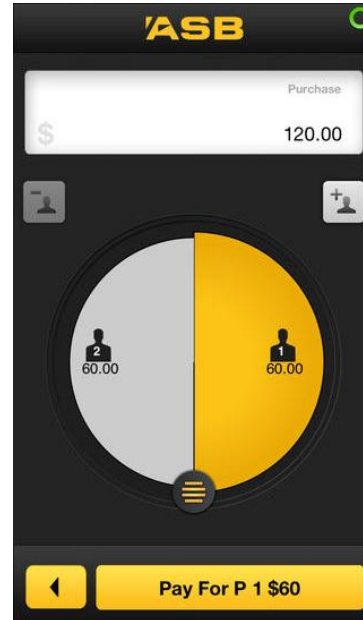
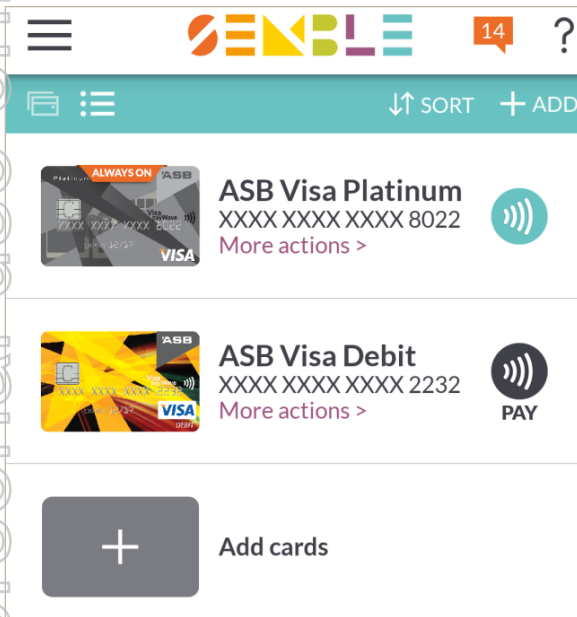
Jun 14

- Consistent double digit growth in sales since online origination launched
- Motor insurance sales via mobile devices represent 25% of all digital motor insurance sales

1 Transaction and saving accounts

Leading technology, innovative solutions

ASB



- ASB launches NZ's first public banking API technology
- Mobile app registrations up 65%; satisfaction remains one of the highest in NZ at 84.6%¹
- ASB Accept mPOS released allowing businesses to accept card payments via mobile devices
- NZ's industry-wide mobile wallet (Semble) trial underway with ASB and BNZ cards
- Online account provisioning and data feeds extended to MYOB

We're open for development.

Create innovative applications that integrate with ASB.



Branch of the future

Video conferencing facilities in all branches¹ - access to CBA specialists ~ 35,000 referrals in 1H15

Dedicated small business capability with 120 specialists

Tablets and software for branch concierges to enhance customer flow



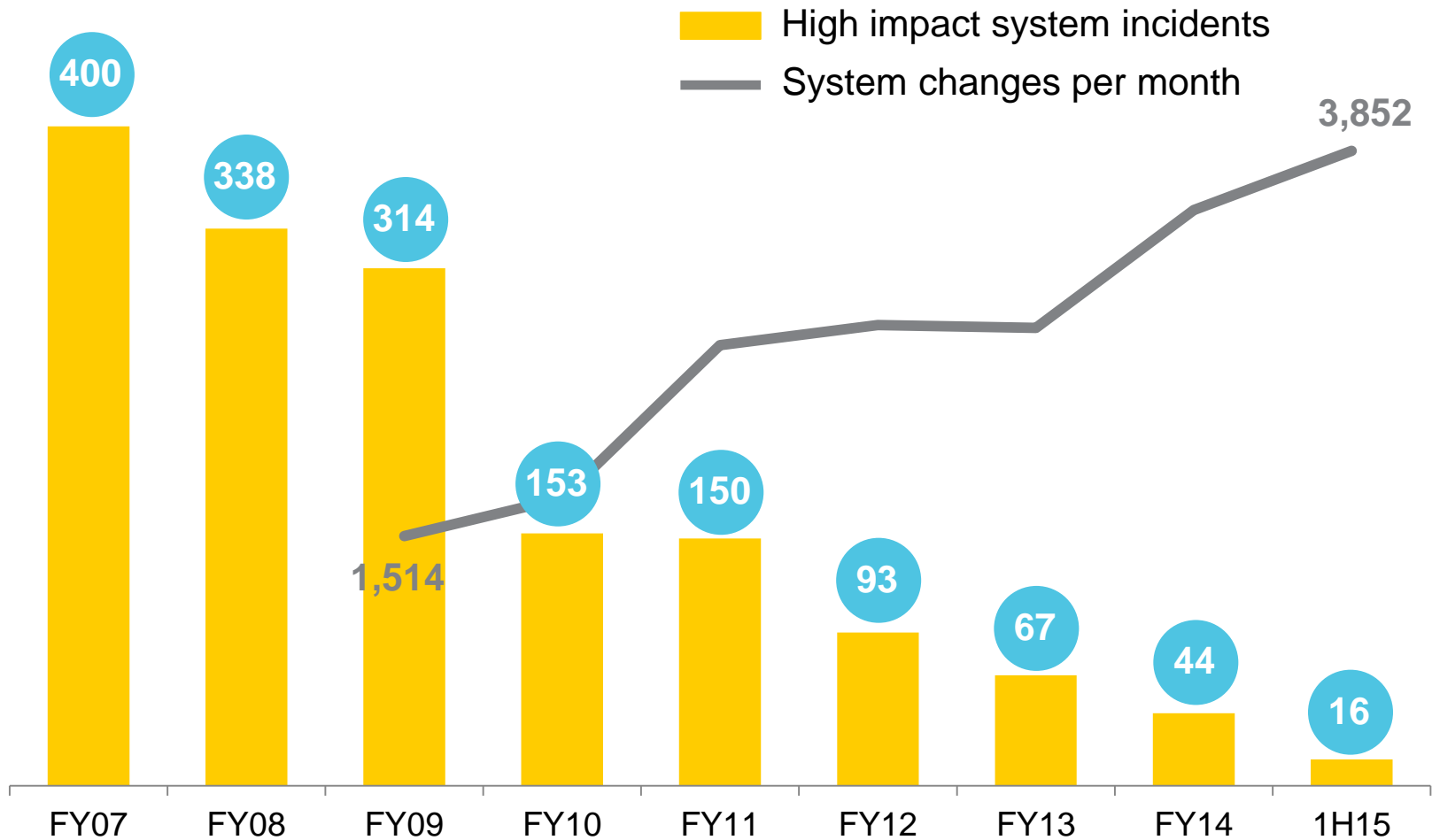
Express branches in select locations (39 to date) - smaller, smarter design with focus on self service

343 Intelligent Deposit Machines allowing anytime cash and cheque deposits – 94% self-service rate for deposits in express branches

¹ Excludes Bankwest and a very small number of CBA Branches

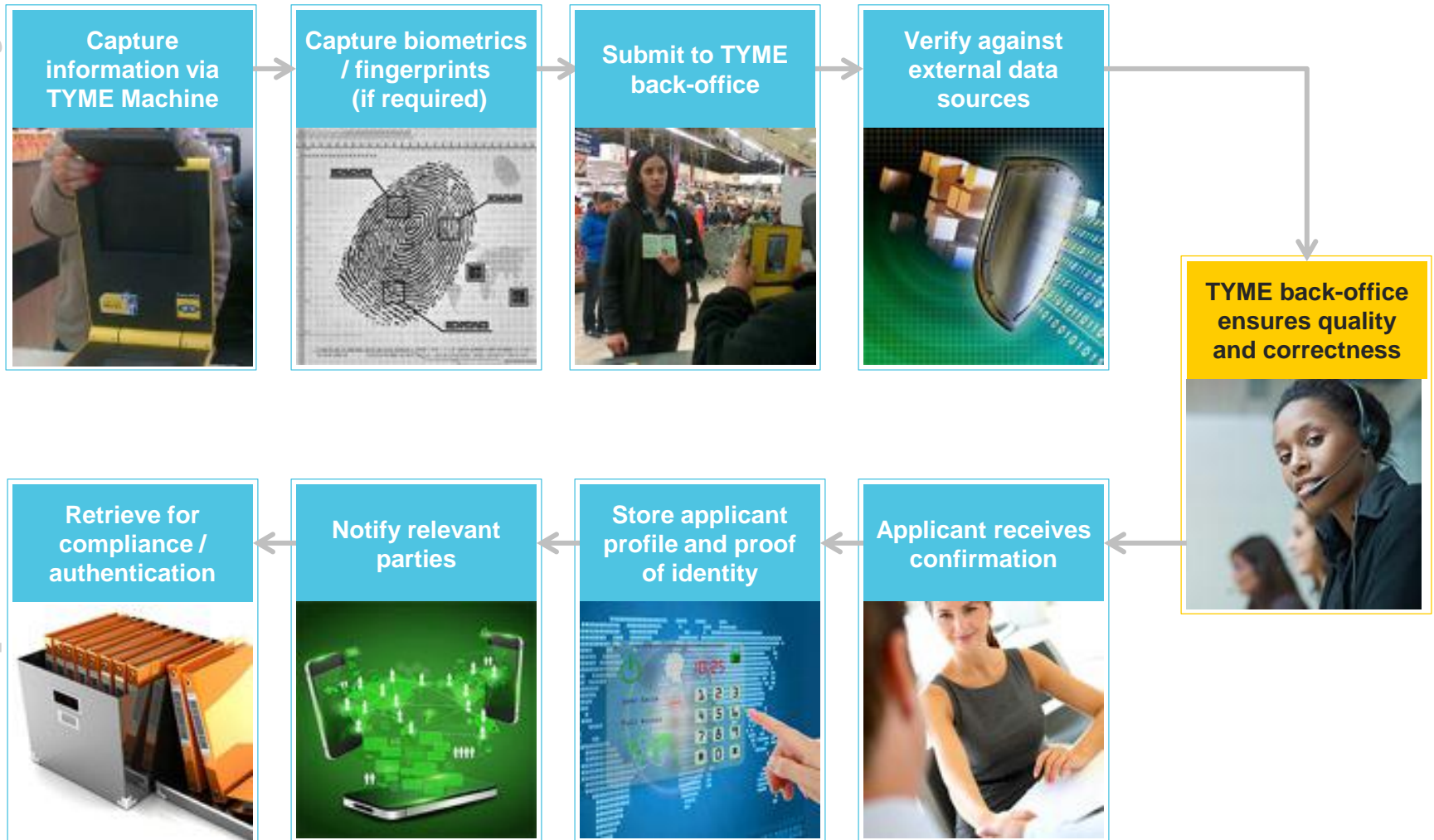
Accelerated change, more reliable systems

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TYME Identity KYC Process

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Digital Banking Ecosystem

TYME technology enables an ecosystem of partners to collectively deliver real-time banking services at ultra-low cost through a distribution network of proprietary and third party channels

Mobile Network Operator

- Customer base
- Data
- Distribution
- Airtime



Banking Partner

- Product
- Banking license
- Compliance

Retail Partners

- Cash in / out
- POS payments
- Sales & service

Retail Business



Transactional Account Users

- Cash in / out and deposits to bank account
- Card, transfers and point of sale payments
- Value added services
- Billing, payments and transaction history

Services



RBS Home Loan Book Quality Sound

- ▶ Portfolio dynamic LVR¹ of 48%
- ▶ 73% 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 (1.2% of total portfolio; only 0.1% of new approvals) with stringent lending criteria
- ▶ Portfolio regularly stress tested to identify areas of sensitivity
- ▶ Mortgagees in Possession (MIP) remain stable at 0.04% of portfolio balances

1. Defined as current balance/current valuation (data as at Sep 14 due to the lag in the publication of current valuations data)
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

Home Lending Practices

Overview

- CBA lending practices are broadly consistent with APRA's recent letter on sound mortgage lending practices.

Higher Risk Loans

- RBS Dynamic High LVR proportions (LVR>80%) have reduced to 15%.
- Small increase in interest only loans this period as customers seek greater flexibility - better arrears position than overall book.
- Interest only applications are assessed on a principal and interest basis.

Investor Lending

- We are comfortable with our risk settings for investor lending.
- Investor growth rate at 9.4% is below system and the APRA benchmark of 10%.

Servicing Assessment

- Buffers are used in the loan servicing calculation to ensure customer affordability in the event of an increase in interest rates.
- Minimum floor rates are in place.



RBS Home Loan Portfolio

	Dec 14	Jun 14	Dec 13		Dec 14	Jun 14	Dec 13
Total Balances - Spot (\$bn)	310	302	293	Total Funding (\$bn) ¹	40	73	37
Total Balances - Average (\$bn)	306	293	289	Average Funding Size (\$'000) ¹	267	254	252
Total Accounts (m)	1.5	1.5	1.4	Serviceability Buffer (%) ⁸	1.5	1.5	1.5
Variable Rate - % of balances	81	81	82	Variable Rate - % of funding ¹	83	81	80
Owner Occupied - % of balances	58	58	58	Owner Occupied - % of funding ¹	60	61	61
Investment - % of balances	36	35	35	Investment - % of funding ¹	36	35	35
Line of Credit - % of balances	6	7	7	Line of Credit - % of funding ¹	4	4	4
Proprietary - % of balances	62	62	63	Proprietary - % of funding ¹	60	62	62
Broker - % of balances	38	38	37	Broker - % of funding ¹	40	38	38
Interest Only - % of balances ²	36	34	34	Interest Only - % of funding ^{1,2}	38	35	35
First Home Buyers - % of balances ²	11	12	13	First Home Buyers - % of funding ^{1,2}	5	6	6
Low Doc - % of balances ²	1.2	1.4	1.6	Low Doc - % of funding ^{1,2}	0.1	0.1	0.2
LMI - % of balances ^{2,3}	24	24	25	LMI - % of funding ^{1,2,3}	19	21	21
LDP - % of balances ^{2,4}	7	6	6	Portfolio Run-Off (%) ¹	20	19	20
MIP - % of balances ⁵	0.04	0.04	0.06				
Customers in Advance (%) ⁶	73	76	78				
Payments in Advance (#) ⁷	7	7	7				
Portfolio Dynamic LVR (%) ⁹	48	48	49				

1. 12 months to June and 6 months to December

2. Excludes Viridian LOC

3. Lenders' Mortgage Insurance

4. Low Deposit Premium

5. Mortgagees in Possession

6. Any payment ahead of monthly minimum repayment

7. Average number of payments ahead of scheduled repayments

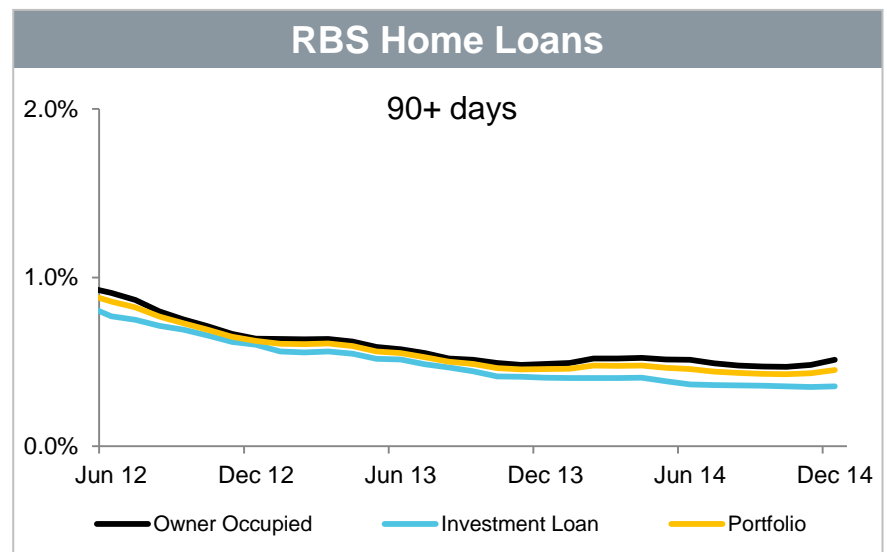
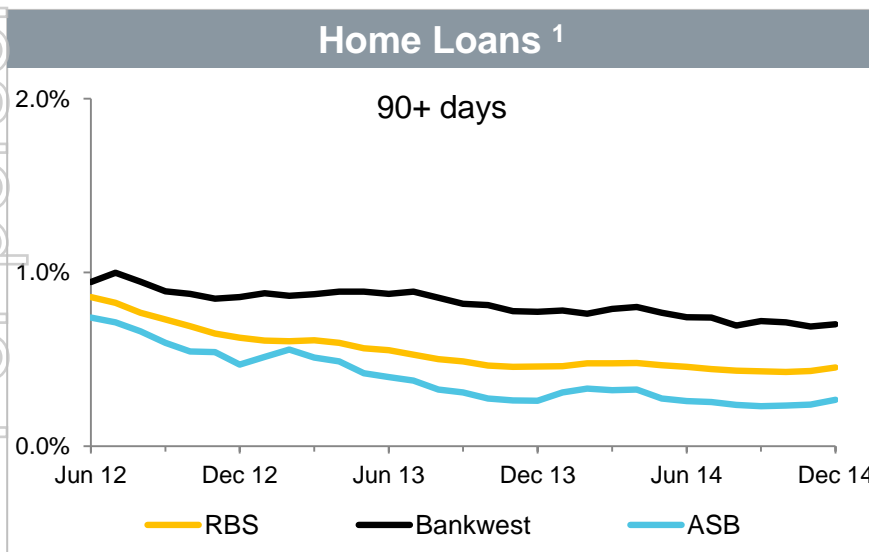
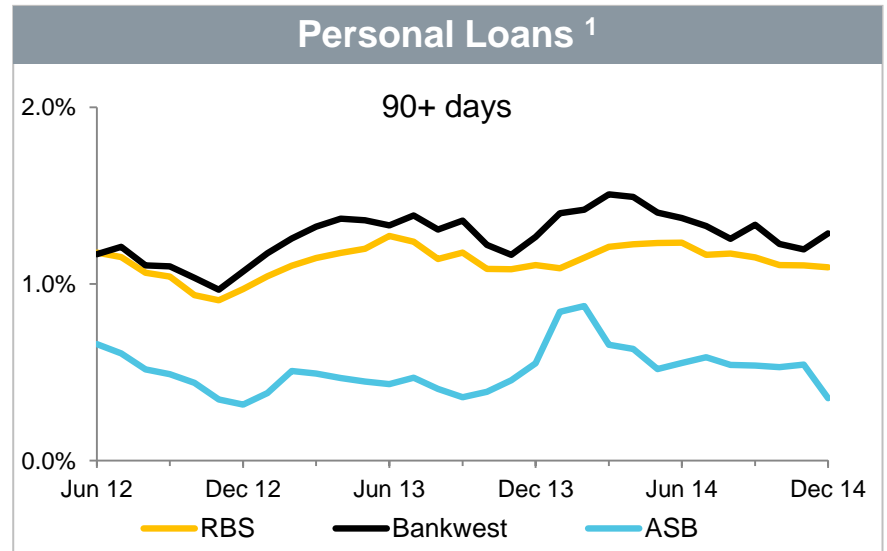
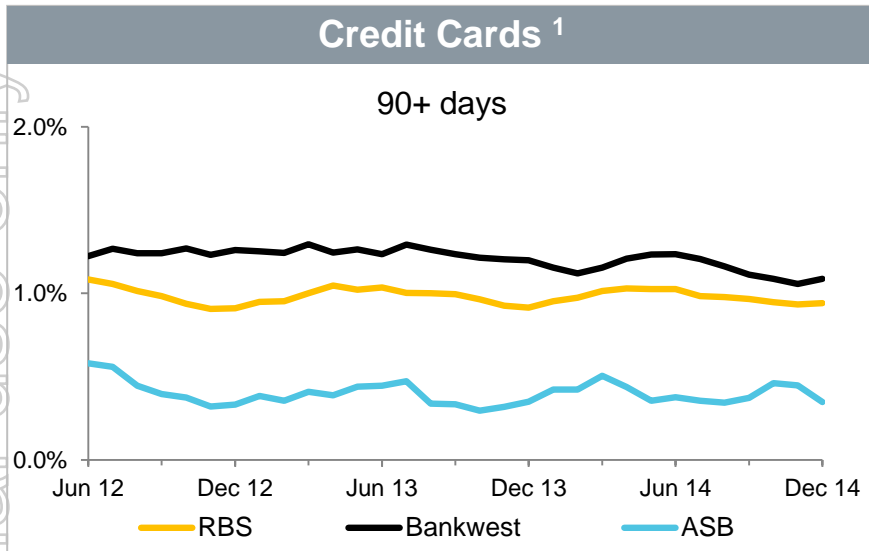
8. Serviceability test based on the higher of the customer rate plus a 1.5% interest rate buffer or a minimum floor rate

9. Defined as current balance/current valuation (data as at Sep 14)



Consumer Arrears (Group)

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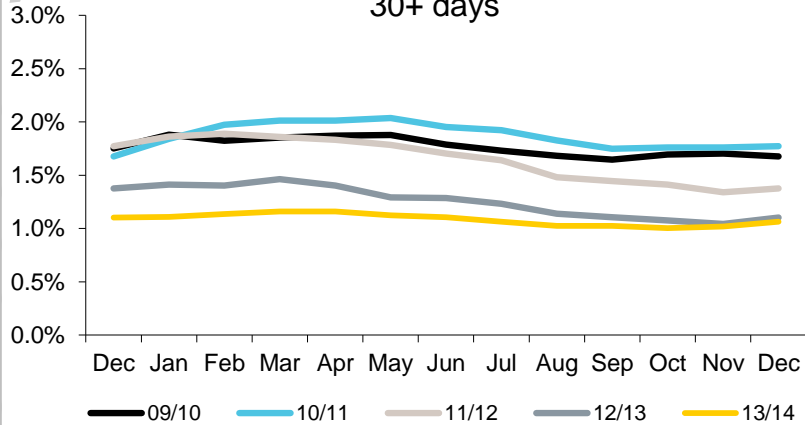
¹ Results not consistently measured/defined across the industry. CBA definition is conservative as it includes Hardship accounts.

Consumer Arrears (RBS)

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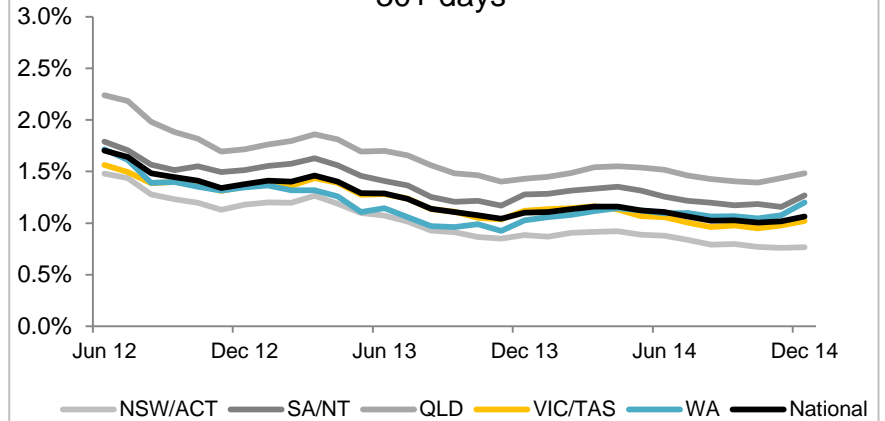
Home Loans

30+ days



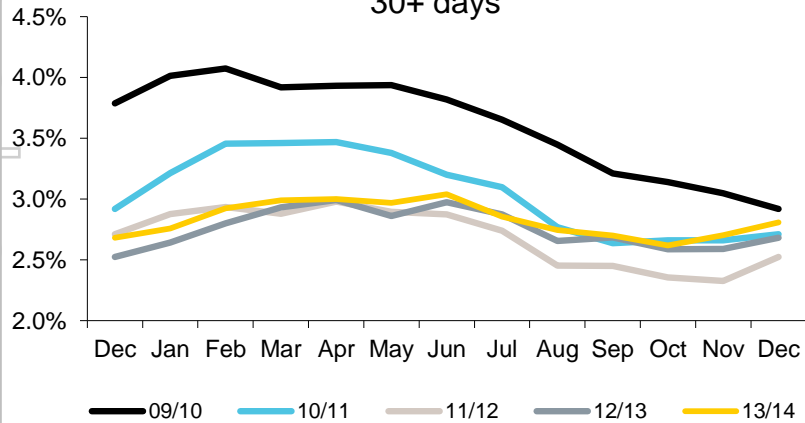
Home Loans by State

30+ days



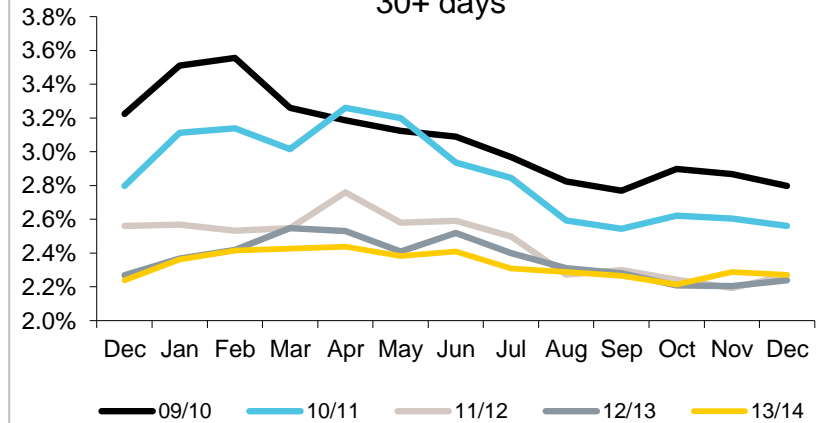
Personal Loans

30+ days



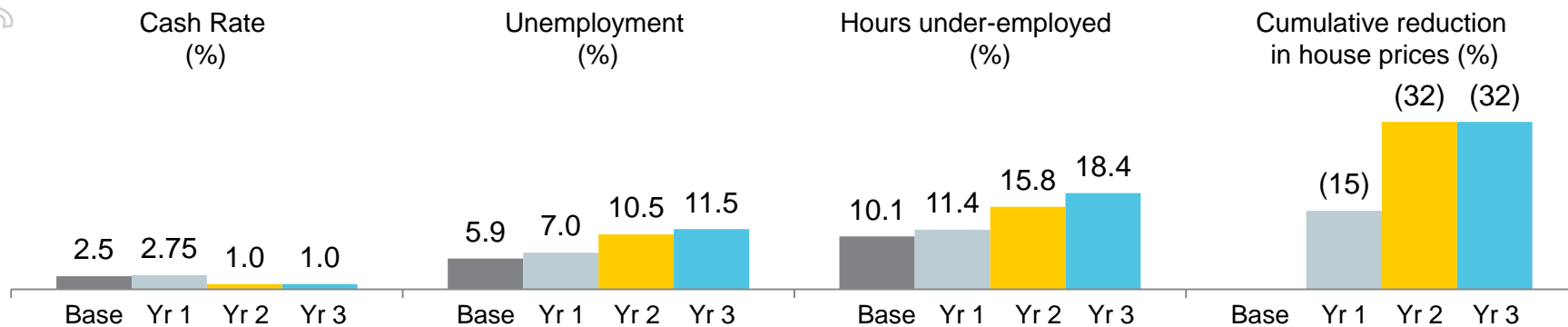
Credit Cards

30+ days



RBS Home Loans – Stress Test¹

Key Assumptions



Key Outcomes

	Total Potential Losses \$m	Insured Losses ² \$m	Net Losses \$m	Probability of Default
Year 1	584	224	360	1.14%
Year 2	1,059	403	656	1.74%
Year 3	1,492	574	918	2.48%
Total	3,135	1,201	1,934	

Results based on June 2014

Summary

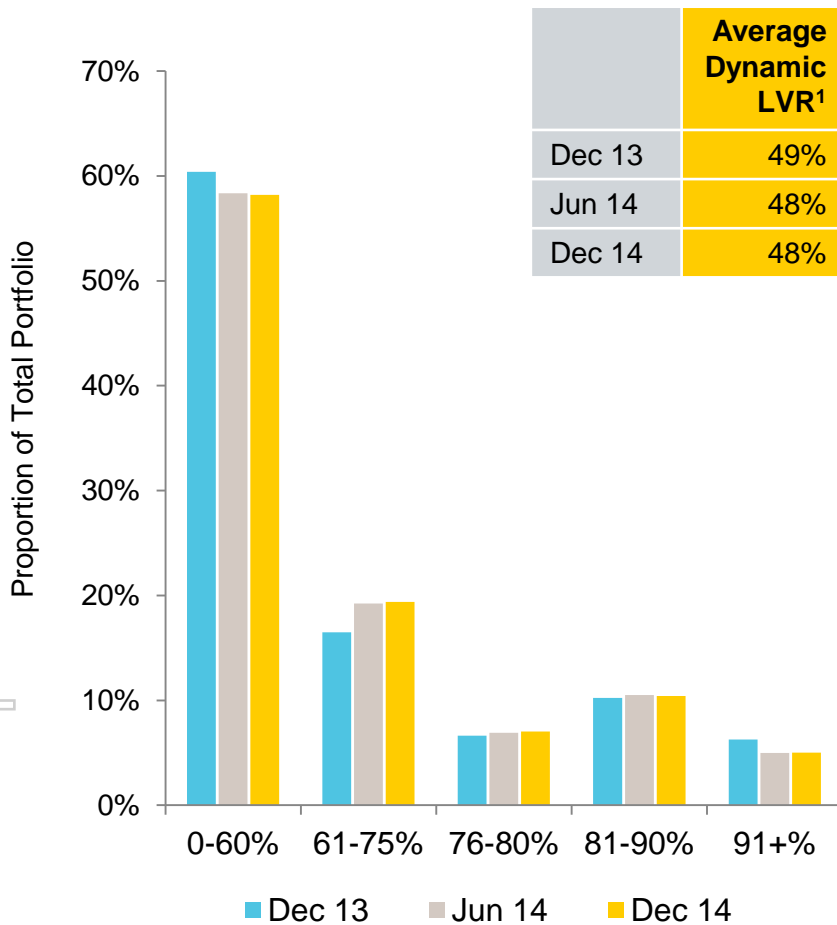
- 3 year “stress test” scenario of cumulative 32% house price decline, peak 11.5% unemployment and a reduction in the cash rate to 1%¹
- House prices and PDs are stressed at regional level
- Total potential losses over 3 years of \$3.14bn, of which \$1.93bn represents the losses net of LMI recoveries
- Total potential losses reduced by 10% between December 2013 (\$3.49bn) and June 2014 (\$3.14bn), primarily due to an increase in house prices over the period

1 One of multiple regular stress tests undertaken
 2 Assumes a payout ratio of 70% for each of the three years

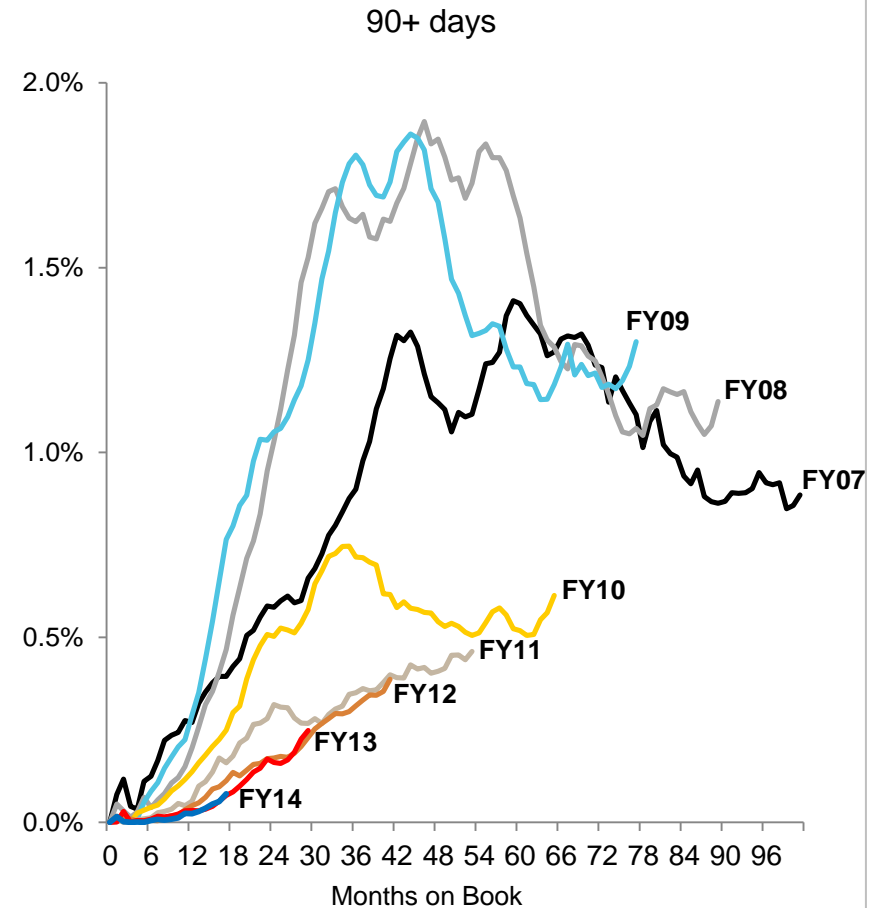


RBS Home Loans – LVR & Arrears

Home Loan Dynamic LVR¹ Profile



Home Loan Arrears Rates by Vintage

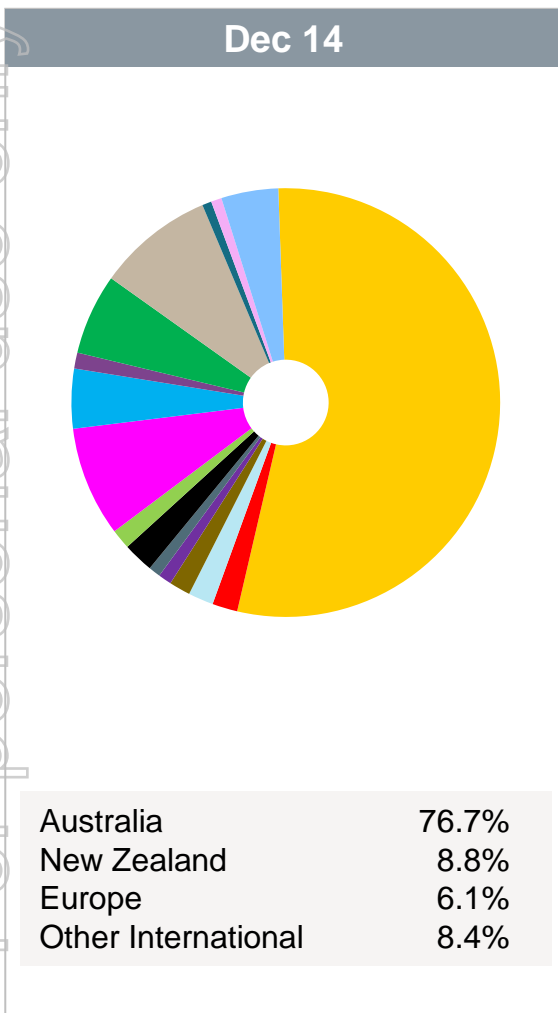


¹ Dynamic LVR is current balance / current valuation (data as at Sep 14 due to the lag in the publication of current valuations data)

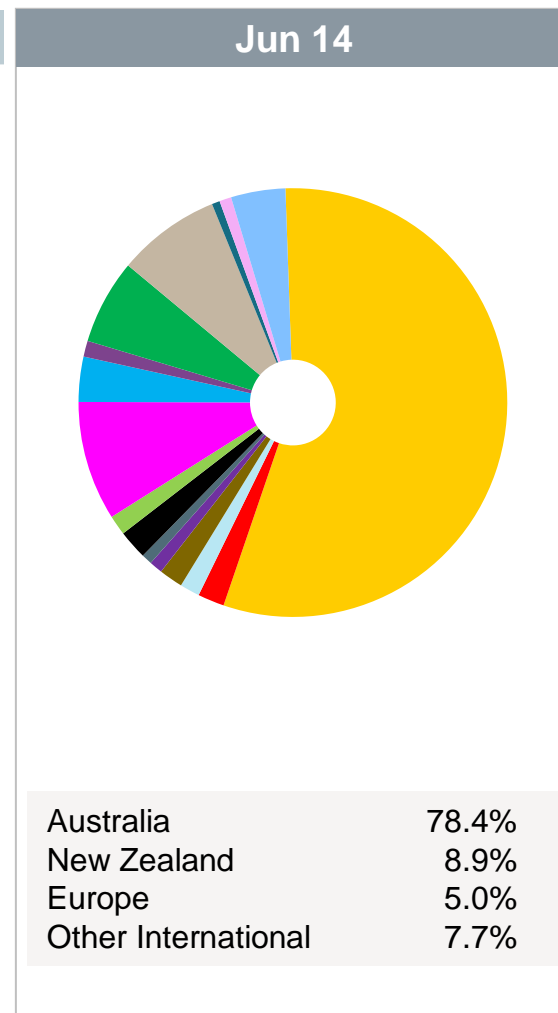
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Credit Exposures¹ by Industry

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	Dec 14	Jun 14
Consumer	54.2%	55.8%
Agriculture	1.9%	2.0%
Mining	1.9%	1.5%
Manufacturing	1.6%	1.8%
Energy	1.0%	1.0%
Construction	0.9%	0.8%
Retail & Wholesale	2.3%	2.2%
Transport	1.5%	1.5%
Banks	8.3%	9.0%
Finance – other	4.5%	3.4%
Business Services	1.2%	1.2%
Property	6.1%	6.4%
Sovereign	8.8%	7.8%
Health & Community	0.7%	0.6%
Culture & Recreation	0.8%	0.9%
Other	4.3%	4.1%
Total	100%	100%



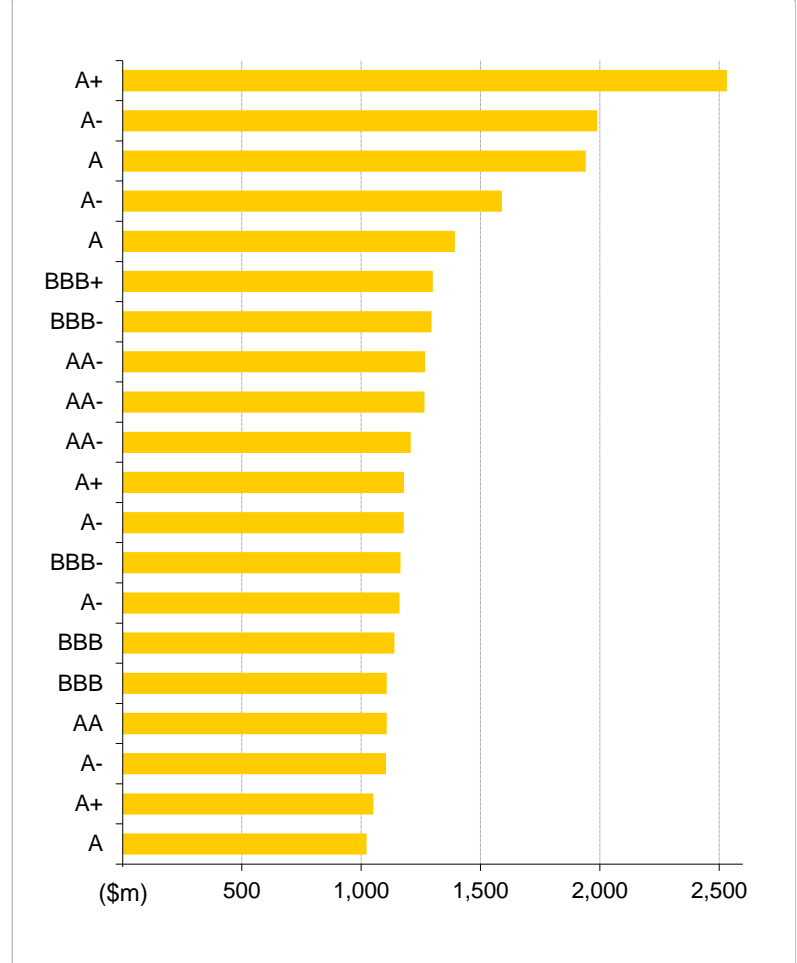
¹ Total Credit Exposure (TCE) = balance for uncommitted facilities or greater of limit or balance for committed facilities. Calculated before collateralisation. Includes ASB and Bankwest. Excludes settlement risk.

Sector Exposures

Commercial Exposures by Industry ^{1,2}

\$bn	AAA to AA-	A+ to A-	BBB+ to BBB-	Other	Total
Banks	35.9	38.9	3.6	1.8	80.2
Finance Other	23.1	12.1	4.4	4.1	43.7
Property	1.3	4.8	12.5	41.0	59.6
Sovereign	74.9	9.8	0.6	0.2	85.5
Manufacturing	0.2	3.1	5.9	6.7	15.9
Retail/Wholesale Trade	0.5	2.3	7.2	12.4	22.4
Agriculture	-	0.5	2.1	15.5	18.1
Energy	0.2	2.4	5.8	0.9	9.3
Transport	0.2	1.8	7.9	4.2	14.1
Mining	1.8	5.9	6.8	4.0	18.5
All other (ex consumer)	1.9	5.4	20.0	40.5	67.8
Total	140.0	87.0	76.8	131.3	435.1

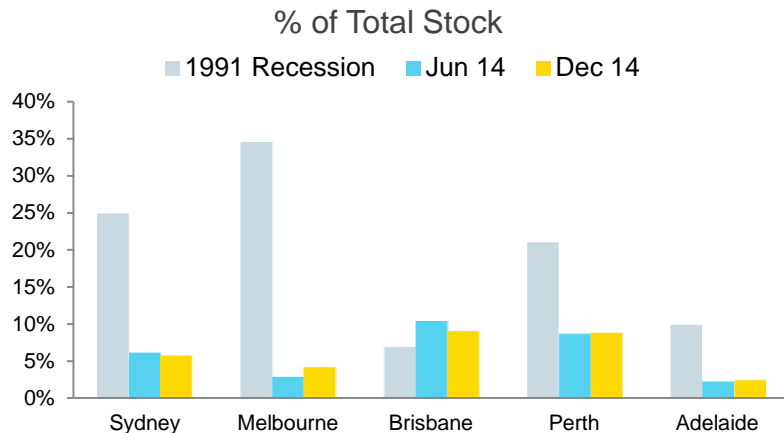
Top 20 Commercial Exposures²



1. Total Credit Exposure before collateralisation (TCE) = balance for uncommitted facilities and greater of limit or balance for committed facilities. Includes ASB and Bankwest, excludes settlement exposures.
 2. CBA grades in S&P Equivalents

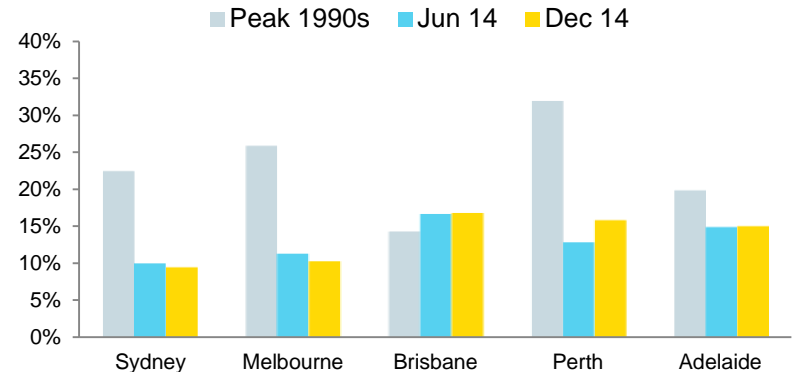
Commercial Property Market

CBD Office Supply Pipeline¹



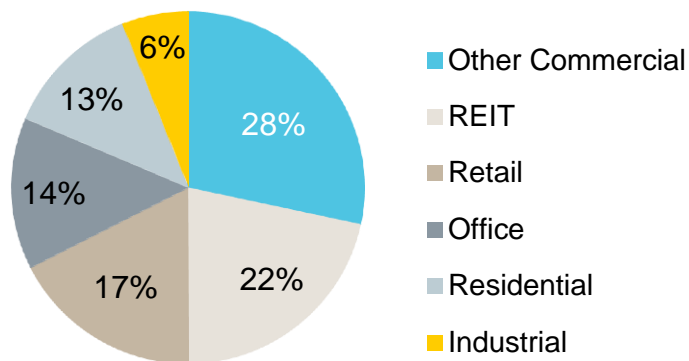
Source: JLL Research

CBD Vacancy Rates

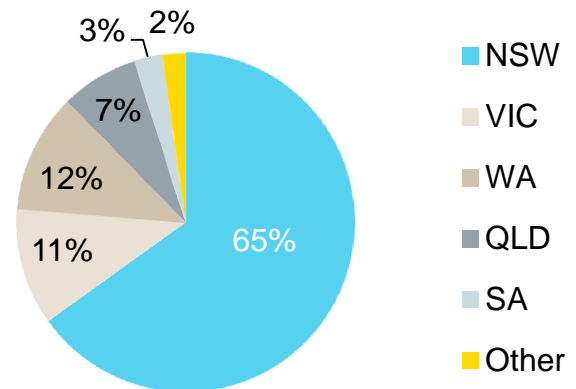


Source: JLL Research

Group Commercial Property Profile²



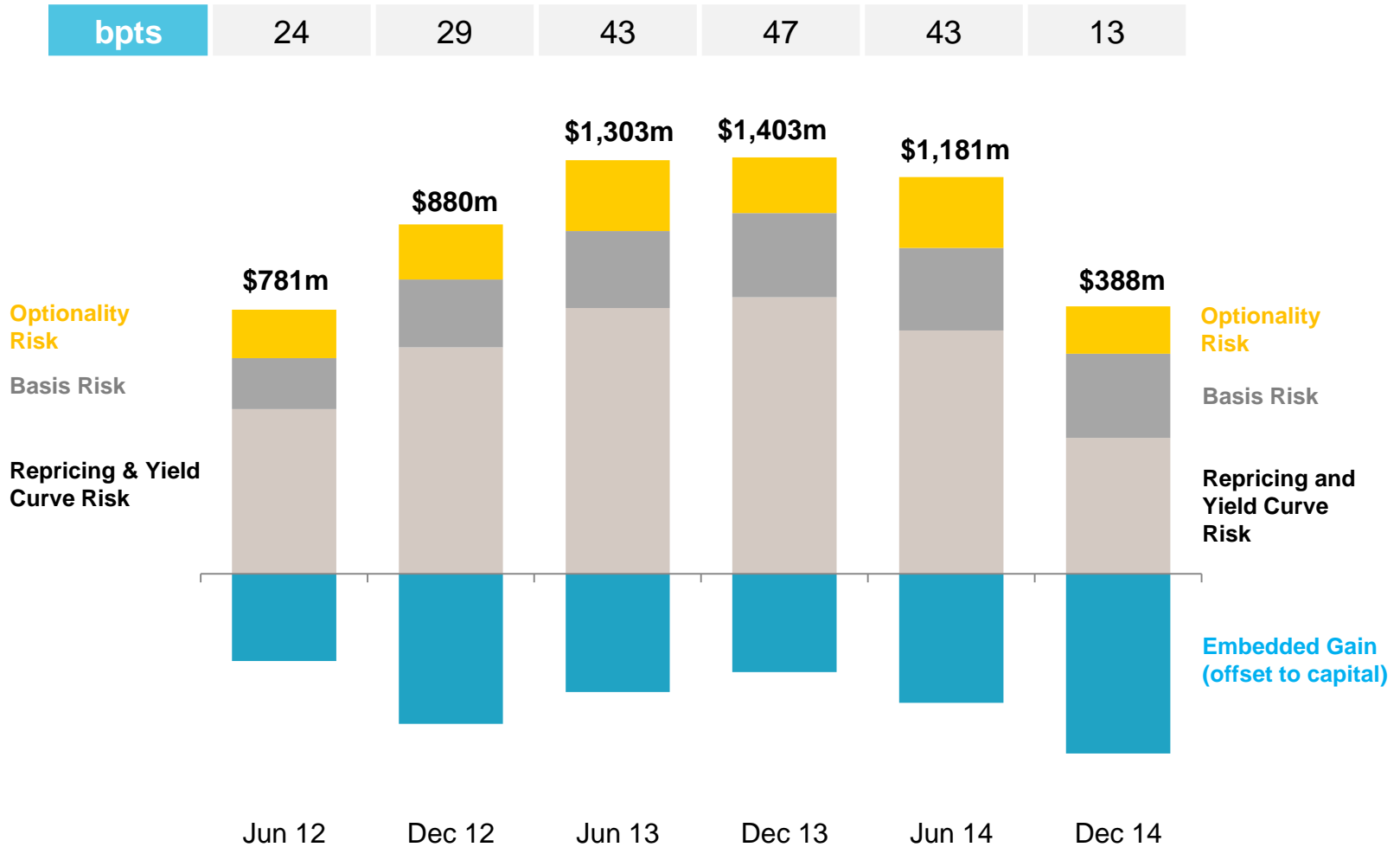
Commercial Property by State²



¹ The development pipeline includes projects currently under construction
² As at December 2014. Includes ASB and Bankwest, excludes service sectors.

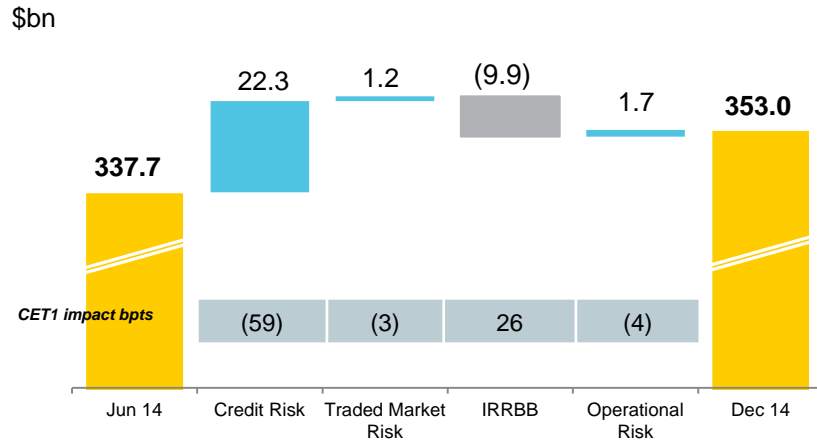
Interest Rate Risk in the Banking Book

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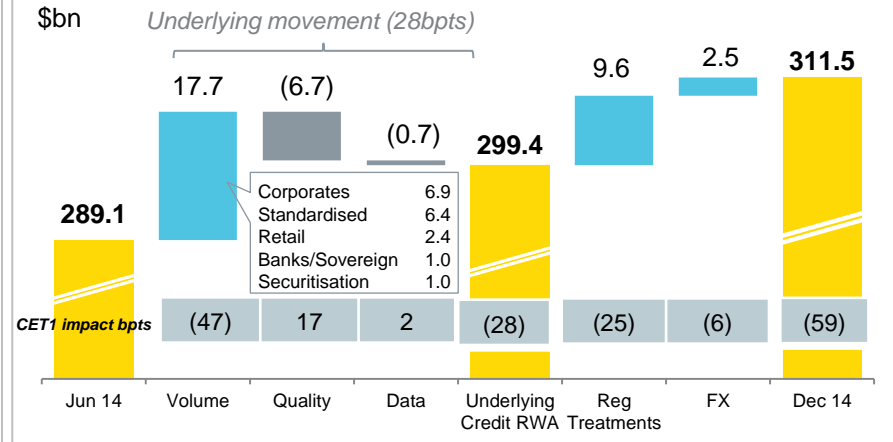


RWA & Capital Usage

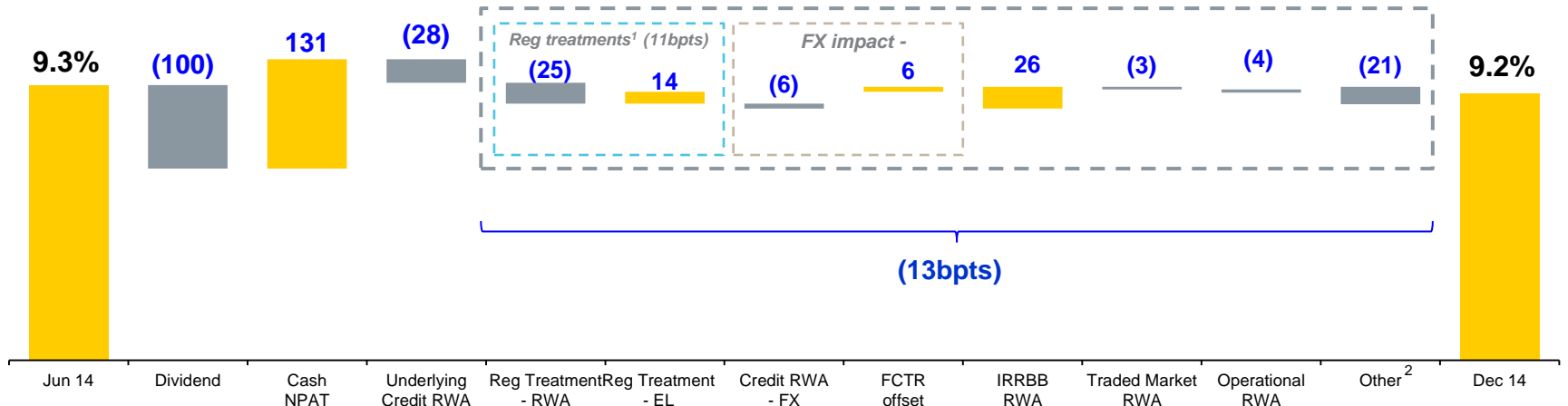
Total Risk Weighted Assets



Credit Risk Weighted Assets



Capital Usage



1 Treatments include change in methodology associated with expected loss on defaulted retail exposures and timing of recognition of corporate exposures
 2 Includes Equity Investments, Software and Capitalised costs and non-cash NPAT items

Regulatory Exposure Mix

%	Regulatory Credit Exposure Mix			
	CBA	Peer 1	Peer 2	Peer 3
Residential Mortgages	56%	34%	41%	56%
Corporate, SME & Specialised Lending	26%	34%	40%	30%
Bank	5%	14%	8%	4%
Sovereign	9%	10%	8%	6%
Qualifying Revolving	3%	3%	1%	2%
Other Retail	1%	5%	2%	2%
Total Advanced	100%	100%	100%	100%

Source: Pillar 3 disclosures for CBA as at December 2014 and Peers as at September 2014
 Excludes Standardised (including Other Assets and CVA) and Securitisation exposures (representing 7% of CBA, 7% of Peer 1, 18% of Peer 2 and 5% of Peer 3). Exposure mix is re-baselined to total 100%.



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APRA & International Comparison

The following table provides details on the differences, as at 31 December 2014, between the APRA Basel III prudential requirements and capital as measured on an Internationally Comparable basis¹.

%	CET1
Basel III (APRA)	9.2%
Equity investments	1.0%
Deferred tax assets	0.2%
IRRBB risk weighted assets	0.1%
Treatment of residential mortgages	0.8%
Treatment of specialised lending and other standardised exposures	0.9%
Treatment of corporate exposures	1.1%
<hr/>	
Total adjustments	4.1%
Basel III (Internationally Comparable)	13.3%

¹ The Group has revised its international measure of CET1 at 31 December 2014 with the methodology consistent with that detailed in the August 2014 PwC Australia report commissioned by the ABA



APRA & International Comparison

The APRA prudential requirements are more conservative than those of the Basel Committee on Banking Supervision (BCBS), leading to lower capital ratios under APRA's methodology:

Equity investments

A 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, which is reflected in the internationally comparable methodology.

Deferred tax assets

A 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, which is reflected in the internationally comparable methodology.

IRRBB RWA

APRA requires capital to be held for Interest Rate Risk in the Banking Book (IRRBB). The BCBS does not require capital to be held, which is reflected in the internationally comparable methodology.

Residential mortgages

APRA requires a minimum Loss Given Default (LGD) floor of 20% to be applied to mortgages, compared with a BCBS floor of 10%. The internationally comparable methodology applies a LGD level of 15%.

Specialised lending & other standardised exposures

APRA requires more conservative risk weighting treatment of specialised lending exposures and other standardised exposures than the BCBS. The internationally comparable methodology uses less conservative treatments.

Corporate exposures

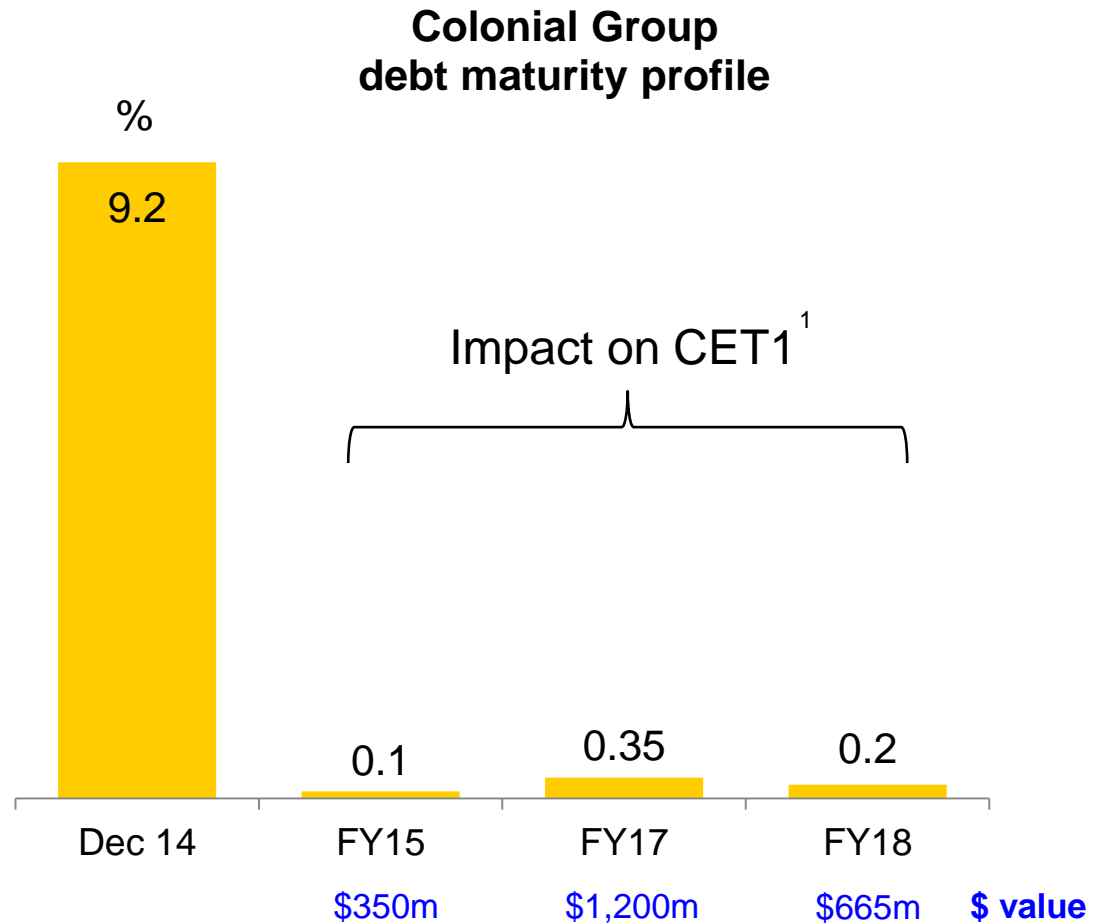
APRA requires conservative risk modelling, and applies national discretion, in relation to corporate exposures, which are not evident in most offshore jurisdictions. The internationally comparable methodology uses less conservative treatments.



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



¹ CET1 (APRA) impact based on Dec 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

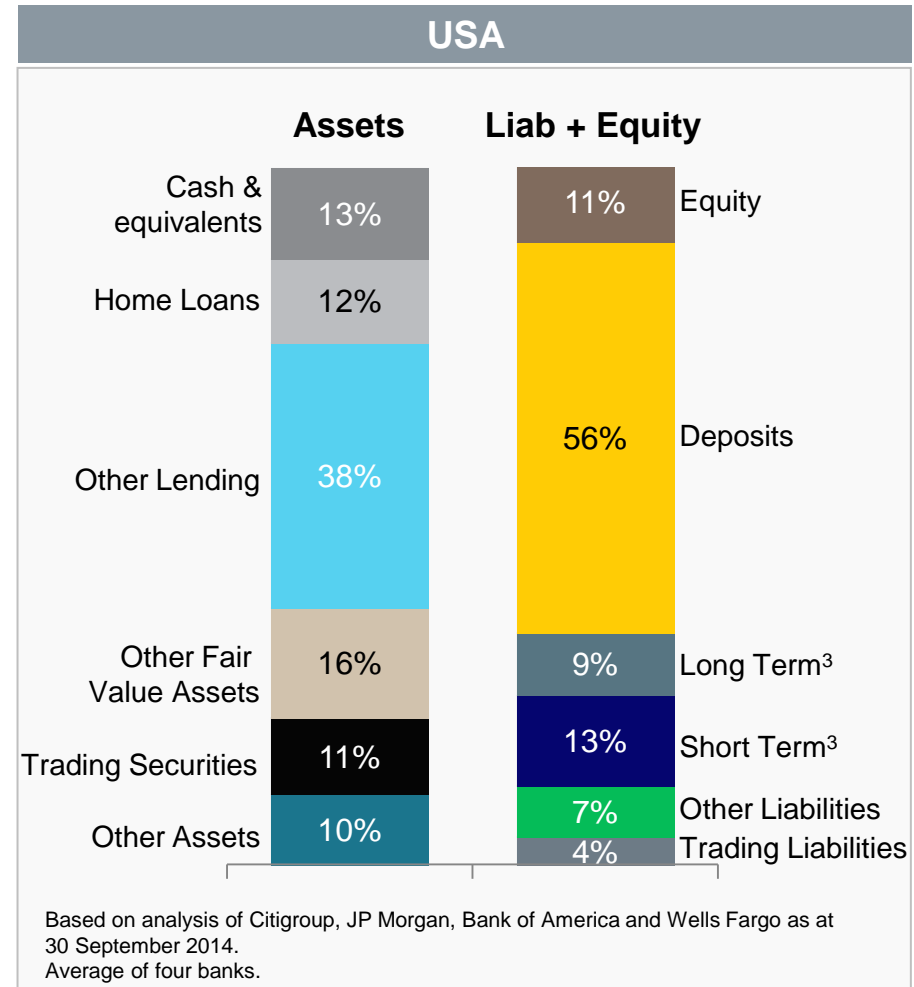
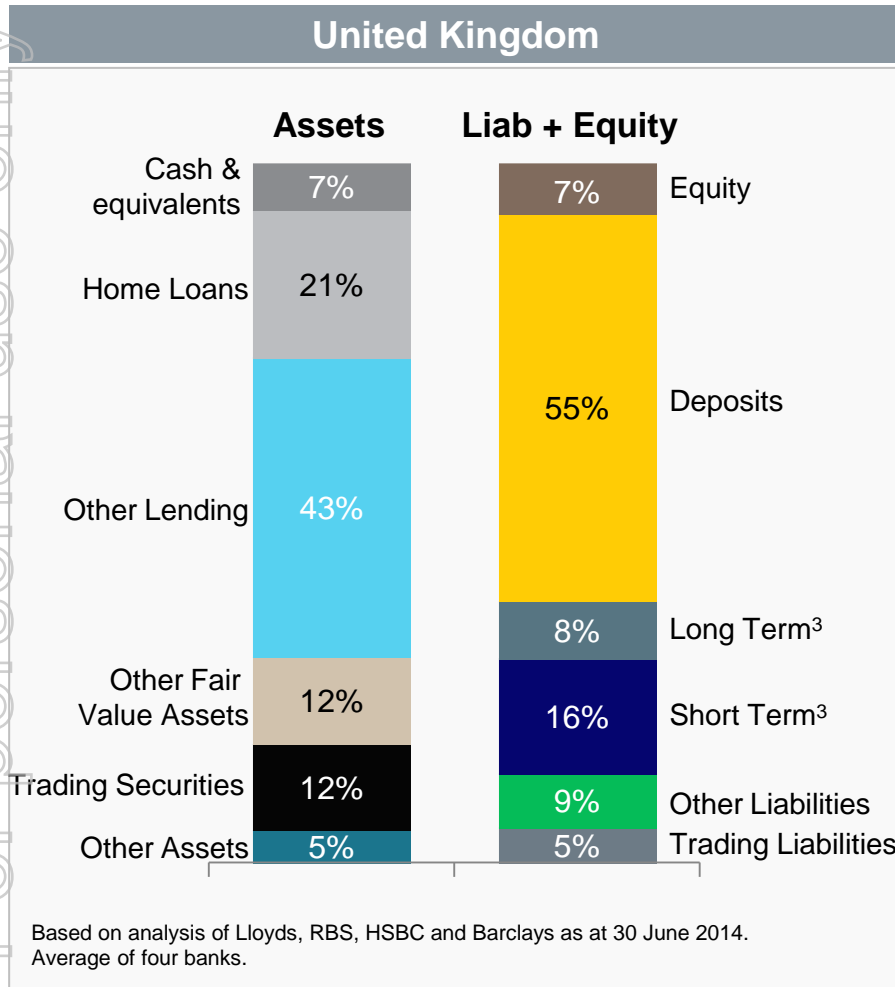
CET1 ratio	Value	% of earnings able to be used for discretionary payments
Above top of CCB	PCR + 3.5%, and above	100%
Fourth quartile of CCB	Less than PCR + 3.5%	60%
Third quartile of CCB	Less than PCR + 2.625%	40%
Second quartile of CCB	Less than PCR + 1.75%	20%
First quartile of CCB	Less than PCR +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

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



UK and US Balance Sheet Comparison 1,2

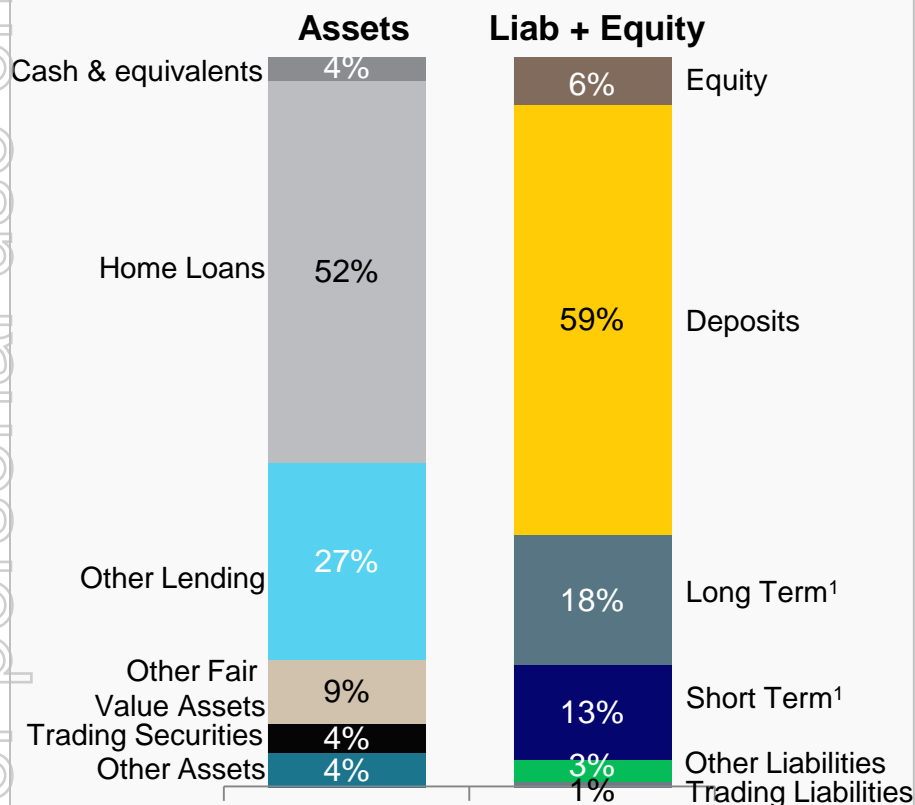
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1 Based on statutory balance sheets
 2 Balance sheets do not include derivative assets and liabilities
 3 Wholesale funding

Australian Banks – Safe Assets, Secure Funding

Commonwealth Bank



CBA balance sheet as at 31 December 2014.
Balance sheet does not include derivative assets and liabilities.
Based on statutory balance sheet.

Balance Sheet Comparisons

Assets – CBA has a safe, conservative asset profile:

- 52% of balance sheet is home loans, which are stable/long term.
- Trading securities and other fair value assets comprise just 13% of CBA balance sheet compared to 24% and 27% 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	80%	20%
UK	45%	56%
US	55%	45%

Funding – CBA has a secure, sustainable low risk funding profile:

- Higher deposit base than US and UK banks (59% including 28% of stable household deposits).
- Reliance on wholesale funding similar to UK and US banks, with longer duration wholesale funding profile compared to UK banks. This means CBA has lower dependence on wholesale funding markets in any given period compared to UK banks.

* Includes grossed up derivatives.

1 Wholesale funding - based on residual maturity

Regulatory Expected Loss

\$m	Dec 14	Jun 14	Dec 13
Regulatory Expected Loss (EL)¹	4,281	4,669	4,516
Eligible Provisions (EP)			
Collective Provisions ²	2,613	2,614	2,722
Specific Provisions ^{2,3}	1,956	1,980	2,192
General Reserve for Credit Losses adjustment	321	305	283
less ineligible provisions ⁴	(711)	(732)	(917)
Total Eligible Provisions	4,179	4,167	4,280
Regulatory EL in Excess of EP	102	502	236
Common Equity Tier 1 Adjustment	102	502	236

¹ In the December 2014 half year a change in the treatment of the Retail Best Estimate of Expected Loss (BEEL) resulted in a decrease in the defaulted Expected Loss, offset by an increase in credit RWA

² Includes transfer from collective provision to specific provisions in accordance with APS 220 requirements (Dec 14: \$150m, Jun 14: \$165m, Dec 13: \$148m)

³ Specific provisions at December 2014 includes \$690m in partial write offs (Jun 14: \$688m, Dec 13: \$628m)

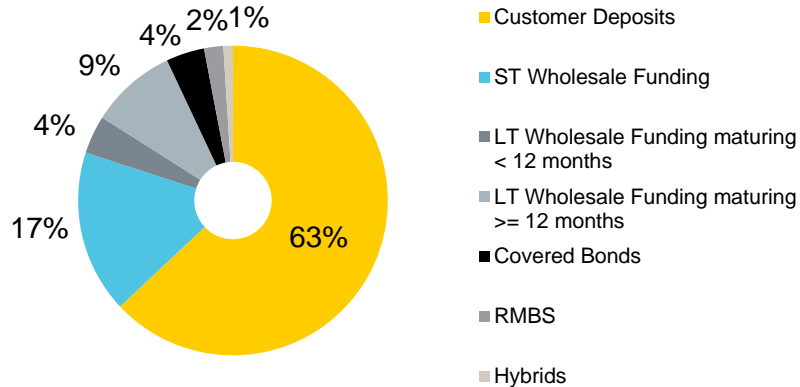
⁴ Includes provisions for assets under standardised portfolio



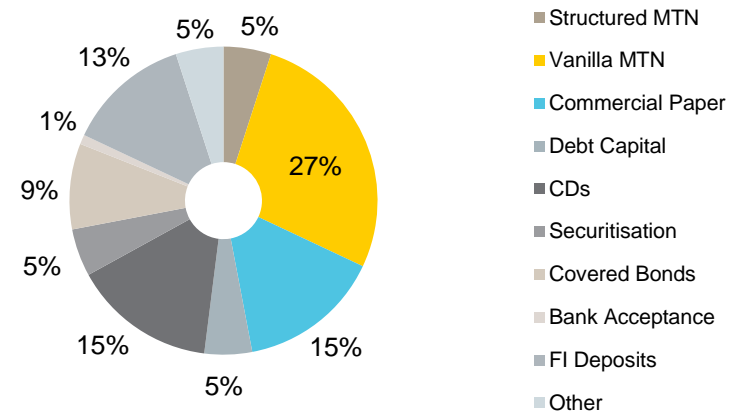
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Funding - Portfolio

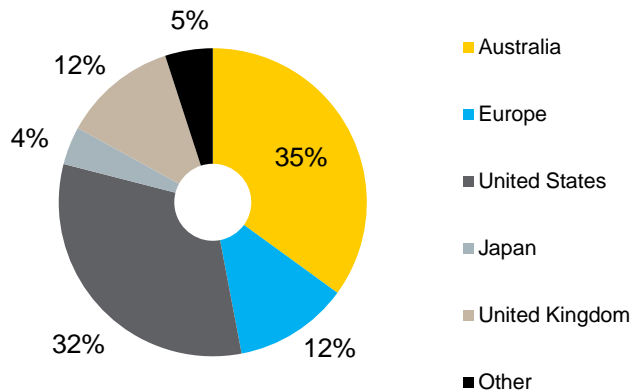
Funding Composition



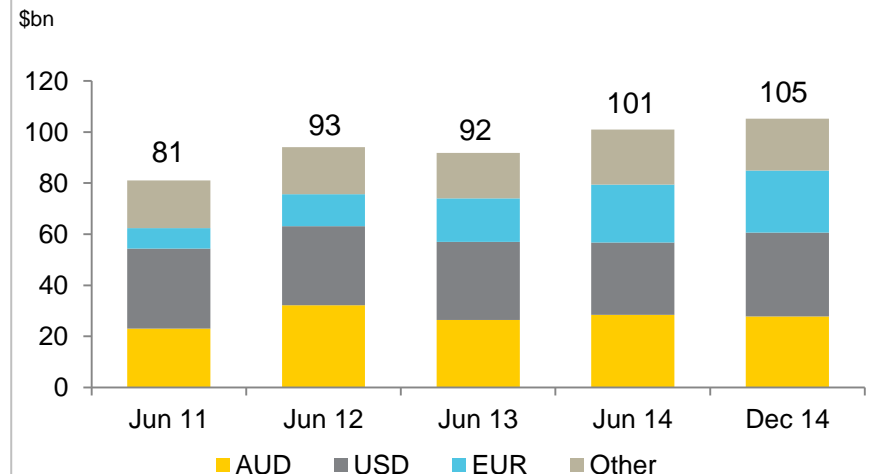
Wholesale Funding by Product



Wholesale Funding by Currency



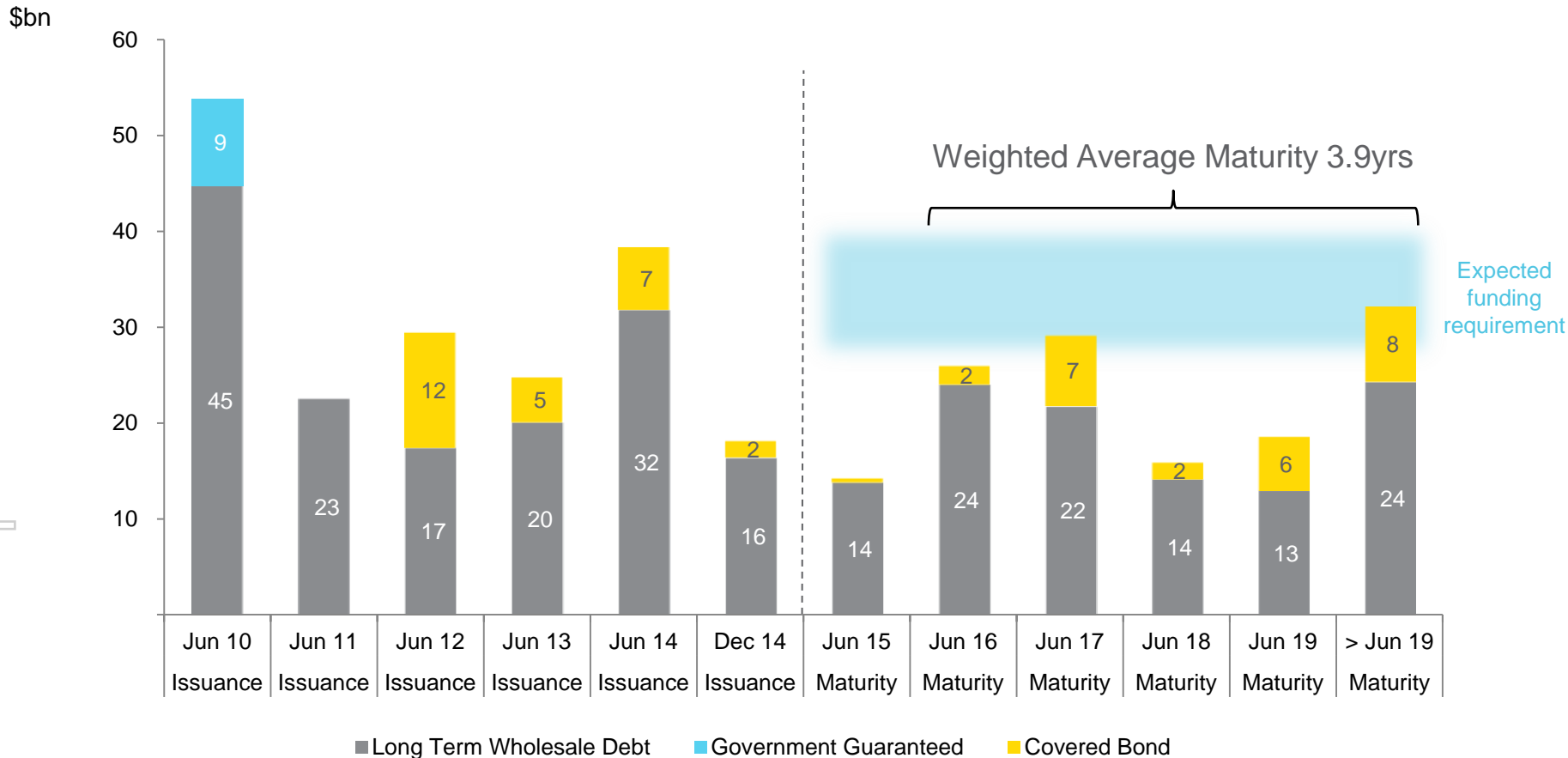
Term Debt Issues Outstanding (>12mths)¹



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

Funding – Issuance and Maturity¹

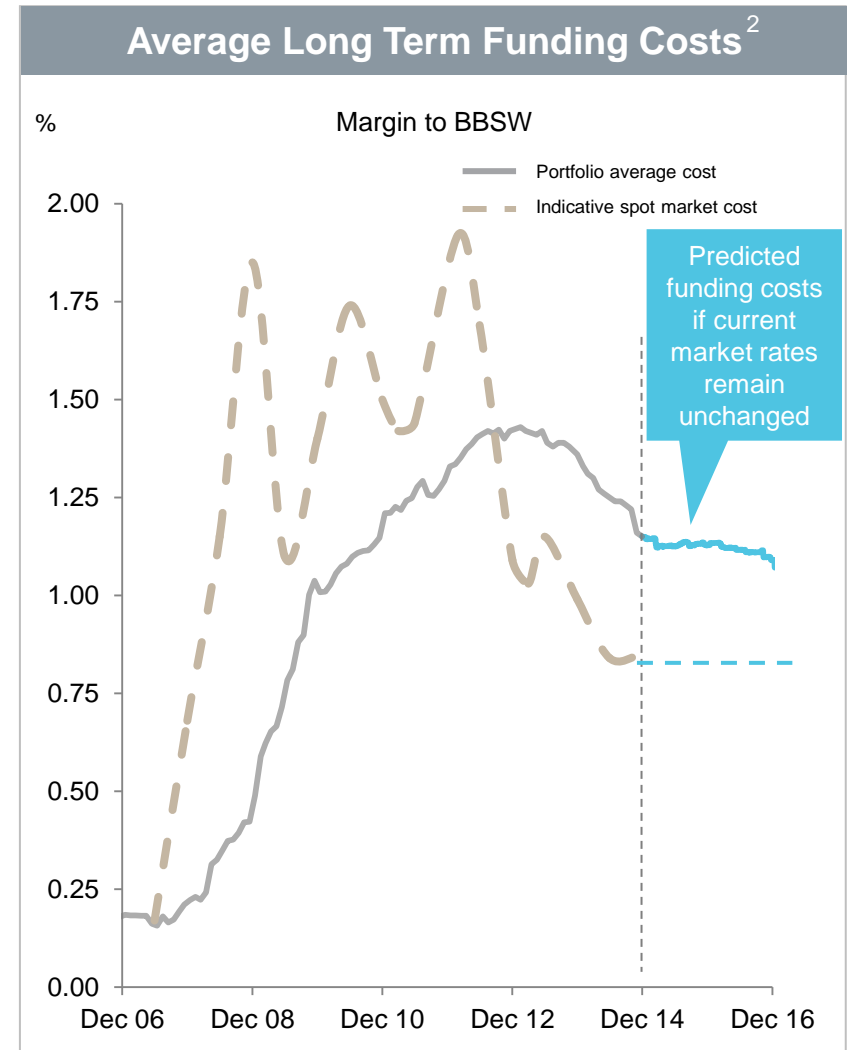
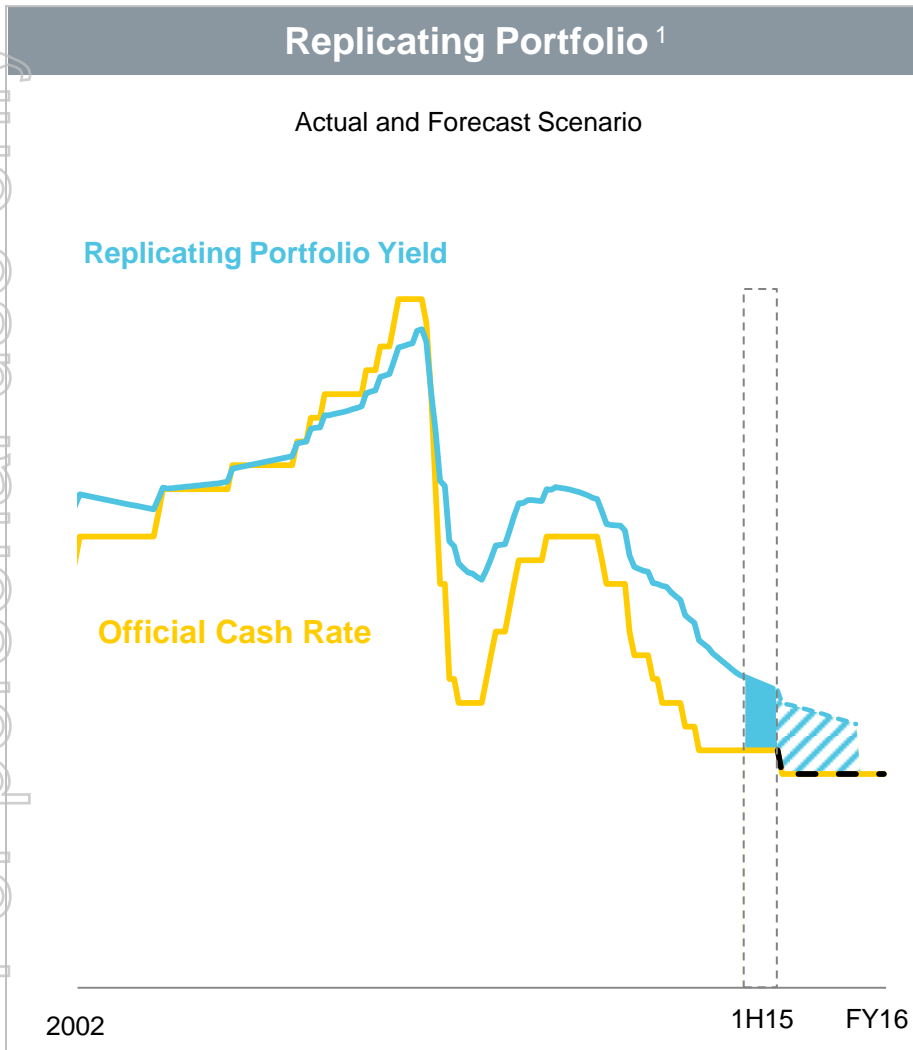
- ◆ Funding strategy driven by market and investor diversity, appropriate maturity profile and overall cost
- ◆ Term wholesale funding requirement has eased materially since FY 2010



¹ Maturity profile includes all long term wholesale debt. Weighted Average Maturity of 3.9 years includes all deals with first call or maturity of 12 months or greater.

Replicating Portfolio and Funding Costs

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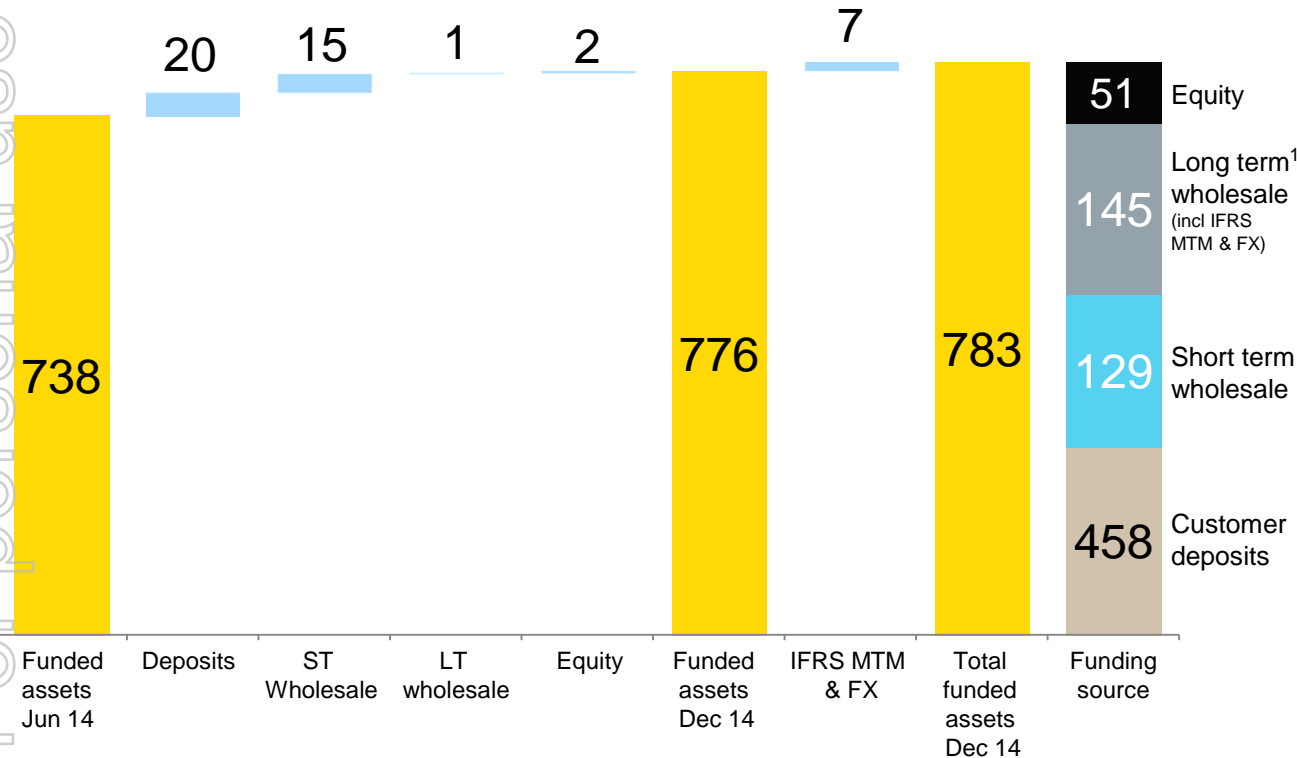


¹ Replicating portfolio provides partial economic hedge for certain liabilities and assets that display imperfect correlation between the cash rate and the product interest rate

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

Funded Assets

\$bn

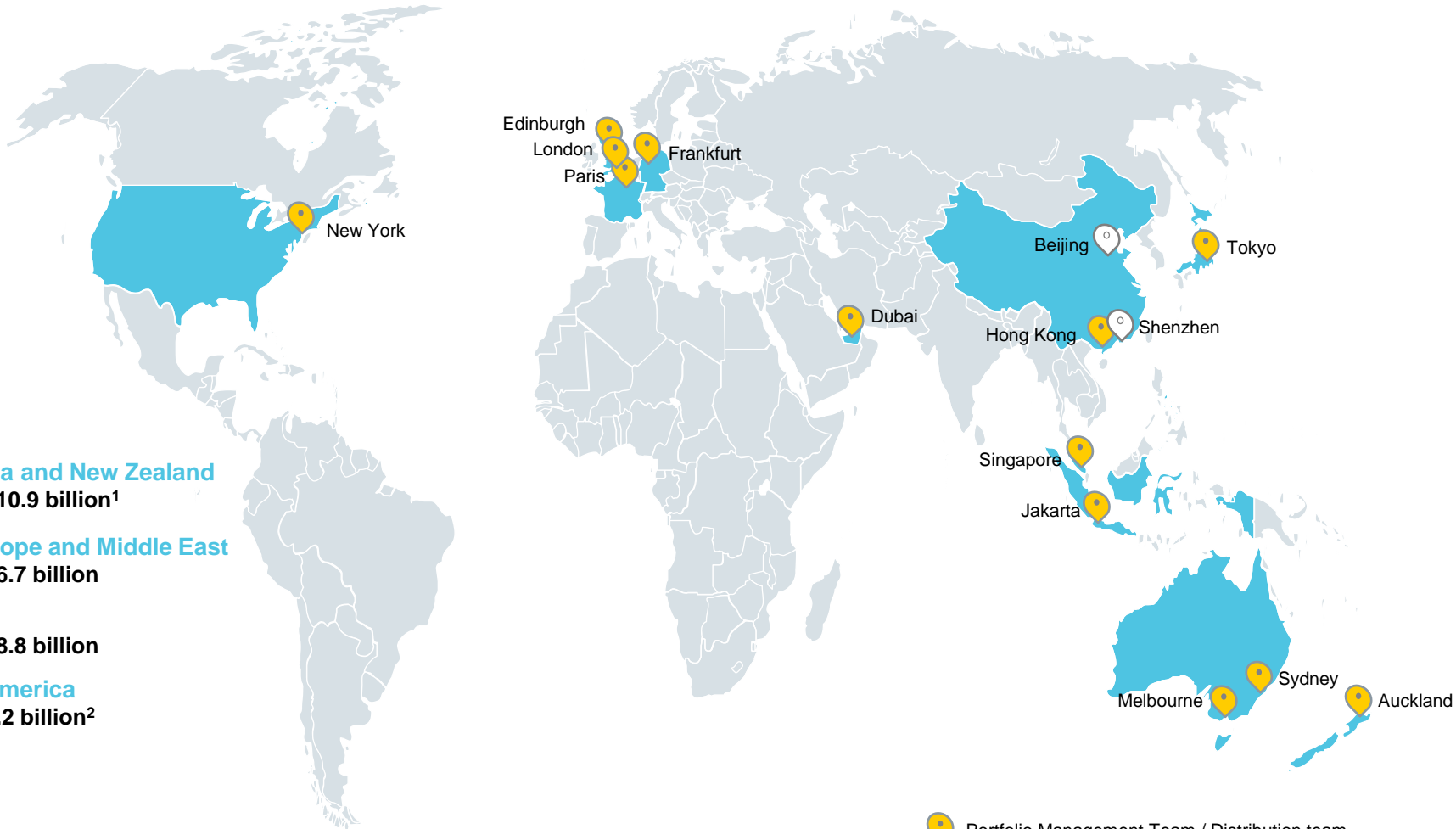


\$bn	Dec 14	Jun 14
Transactions	82	77
Savings	163	155
Investments	198	193
Other	15	14
Total customer deposits	458	439
Wholesale funding	274	250
Total funding	732	689
Equity	51	49
Total funded assets	783	738
Customer % of total funding	63%	64%

1 Maturity based on original issuance date

CFSGAM – Global Reach

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AUM as at 31 December 2014

1. Includes Realindex Investments which is a wholly owned investment management subsidiary of the Colonial First State group of companies
 2. 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		Dec 14	Jun 14	Dec 13	Dec 14 vs Jun 14	Dec 14 vs Dec 13
Net interest income	Home loans	1,763	1,738	1,727	1%	2%
	Consumer finance	920	906	876	2%	5%
	Retail deposits	1,137	1,022	942	11%	21%
	Other	38	43	53	(12%)	(28%)
		3,858	3,709	3,598	4%	7%
Other banking income	Home loans	112	102	109	10%	3%
	Consumer finance	299	267	278	12%	8%
	Retail deposits	228	233	222	(2%)	3%
	Distribution	201	198	195	2%	3%
	Other	48	43	48	12%	-
	888	843	852	5%	4%	
Total banking income	Home loans	1,875	1,840	1,836	2%	2%
	Consumer finance	1,219	1,173	1,154	4%	6%
	Retail deposits	1,365	1,255	1,164	9%	17%
	Distribution	201	198	195	2%	3%
	Other	86	86	101	-	(15%)
	4,746	4,552	4,450	4%	7%	
Operating expenses		(1,635)	(1,565)	(1,608)	4%	2%
Loan impairment expense		(268)	(285)	(297)	(6%)	(10%)
Cash NPAT		1,992	1,894	1,784	5%	12%



Retail Banking Services

\$m	Dec 14	Dec 14 vs Jun 14	Dec 14 vs Dec 13
Home loans	1,875	2% <ul style="list-style-type: none"> Solid balance growth within competitive market. Seasonally higher new business volumes 	2% <ul style="list-style-type: none"> Solid balance growth within competitive market. Focus on profitable growth
Consumer finance	1,219	4% <ul style="list-style-type: none"> Solid balance growth & increased credit card spend 	6% <ul style="list-style-type: none"> Strong balance growth
Retail Deposits	1,365	9% <ul style="list-style-type: none"> Improved investment margin Solid growth in transactions and savings balances 	17% <ul style="list-style-type: none"> Improved investment margin Strong balance growth in transactions & savings
Distribution	201	2% <ul style="list-style-type: none"> Growth in FX income 	3% <ul style="list-style-type: none"> Growth in FX and sale of insurance products
Other	86	- <ul style="list-style-type: none"> Lower business lending balances Increased merchant income 	(15%) <ul style="list-style-type: none"> Decline in business lending balances
Total banking income	4,746	4%	7%
Operating expenses	(1,635)	4% <ul style="list-style-type: none"> Inflation related staff expenses & seasonally higher loyalty expenses 	2% <ul style="list-style-type: none"> Inflation related staff expenses and investment in digital capabilities
Loan impairment expense	(268)	(6%) <ul style="list-style-type: none"> Seasonal trends in personal loans 	(10%) <ul style="list-style-type: none"> Strong housing market
Cash NPAT	1,992	5%	12%

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BPB – 6 Month Periods

\$m		Dec 14	Jun 14	Dec 13	Dec 14 vs Jun 14	Dec 14 vs Dec 13
Net interest income	Corporate Financial Services	496	469	456	6%	9%
	Regional & Agribusiness	281	275	275	2%	2%
	Local Business Banking	435	416	415	5%	5%
	Private Bank	131	123	121	7%	8%
	CommSec	75	71	74	6%	1%
			1,418	1,354	1,341	5%
Other banking income	Corporate Financial Services	148	139	143	6%	3%
	Regional & Agribusiness	47	44	44	7%	7%
	Local Business Banking	85	87	90	(2%)	(6%)
	Private Bank	30	27	25	11%	20%
	CommSec	96	82	83	17%	16%
			406	379	385	7%
Total banking income	Corporate Financial Services	644	608	599	6%	8%
	Regional & Agribusiness	328	319	319	3%	3%
	Local Business Banking	520	503	505	3%	3%
	Private Bank	161	150	146	7%	10%
	CommSec	171	153	157	12%	9%
			1,824	1,733	1,726	5%
Operating expenses		(697)	(673)	(665)	4%	5%
Loan impairment expense		(63)	(157)	(80)	(60%)	(21%)
Cash NPAT		743	635	686	17%	8%



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Business and Private Banking

\$m	Dec 14	Dec 14 vs Jun 14	Dec 14 vs Dec 13
Corporate Financial Services	644	6% <ul style="list-style-type: none"> ▪ Solid Lending and Deposit balance growth in addition to increased Global Markets revenue 	8% <ul style="list-style-type: none"> ▪ Strong Lending and Deposit balance growth in addition to increased Global Markets revenue
Regional & Agribusiness	328	3% <ul style="list-style-type: none"> ▪ Moderate Lending balance growth in addition to increased Global Markets revenue 	3% <ul style="list-style-type: none"> ▪ Moderate Lending and solid Deposit balance growth in addition to increased Global Markets revenue
Local Business Banking	520	3% <ul style="list-style-type: none"> ▪ Solid Deposit and Business Lending balance growth, partly offset by flat Home Lending balance growth 	3% <ul style="list-style-type: none"> ▪ Solid Deposit and Business Lending balance growth, partly offset by flat Home Lending balance growth
Private Bank	161	7% <ul style="list-style-type: none"> ▪ Solid Deposit balance growth and increased activity in Equity Capital Markets 	10% <ul style="list-style-type: none"> ▪ Strong Deposit balance growth and increased activity in Equity Capital Markets. Funds Under Advice ↑26%
CommSec	171	12% <ul style="list-style-type: none"> ▪ Increased activity in Equity Capital Markets and Trading Volumes 	9% <ul style="list-style-type: none"> ▪ Increased activity in Equity Capital Markets and Trading Volumes
Total banking income	1,824	5%	6%
Operating expenses	(697)	4% <ul style="list-style-type: none"> ▪ Investment in technology related initiatives and front line capacity 	5% <ul style="list-style-type: none"> ▪ Investment in technology related initiatives and front line capacity in addition to wage inflation
Loan impairment Expense	(63)	(60%) <ul style="list-style-type: none"> ▪ Non-recurrence in small number of large individual provisions 	(21%) <ul style="list-style-type: none"> ▪ Increased write-backs and stable underlying portfolio quality
Cash NPAT	743	17%	8%

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IB&M – 6 Month Periods

\$m		Dec 14	Jun 14	Dec 13	Dec 14 vs Jun 14	Dec 14 vs Dec 13
Net interest income	Institutional Banking	632	638	610	(1%)	4%
	Markets	78	75	81	4%	(4%)
		710	713	691	-	3%
Other banking income	Institutional Banking	401	388	394	3%	2%
	Markets	323	207	273	56%	18%
		724	595	667	22%	9%
Total banking income	Institutional Banking	1,033	1,026	1,004	1%	3%
	Markets	401	282	354	42%	13%
		1,434	1,308	1,358	10%	6%
Operating expenses		(475)	(492)	(451)	(3%)	5%
Loan impairment expense		(97)	(40)	(21)	large	large
Cash NPAT		653	582	670	12%	(3%)

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Institutional Banking and Markets

\$m	Dec 14	Dec 14 vs Jun 14	Dec 14 vs Dec 13
Institutional Banking	1,033	1% <ul style="list-style-type: none"> Growth in average lending and average transaction deposit balances, partly offset by lower margins 	3% <ul style="list-style-type: none"> Growth in average lending and average transaction deposit balances, partly offset by lower margins
Markets	401	42% <ul style="list-style-type: none"> Strong sales and trading performance, particularly in Rates, and favourable CVA¹ 	13% <ul style="list-style-type: none"> Strong sales performance and favourable CVA¹
Total banking income	1,434	10%	6%
Operating expenses	(475)	(3%) <ul style="list-style-type: none"> Non repeat of one offs 	5% <ul style="list-style-type: none"> Investment in technology and people
Loan impairment expense	(97)	large <ul style="list-style-type: none"> Portfolio growth and provisions related to certain legacy balances 	large <ul style="list-style-type: none"> Provisions related to certain legacy balances, lower write backs and portfolio growth
Cash NPAT	653	12%	(3%)

¹ Counterparty fair value adjustment



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WM – 6 Month Periods¹

		Dec 14	Jun 14	Dec 13	Dec 14 vs Jun 14	Dec 14 vs Dec 13
Total operating income	CFSGAM	402	371	368	8%	9%
	Colonial First State ²	451	407	421	11%	7%
	CommInsure	338	357	350	(5%)	(3%)
		1,191	1,135	1,139	5%	5%
Operating expenses	CFSGAM	(257)	(241)	(227)	7%	13%
	Colonial First State ²	(295)	(318)	(272)	(7%)	8%
	CommInsure	(162)	(156)	(158)	4%	3%
	Other	(69)	(63)	(87)	10%	(21%)
	(783)	(778)	(744)	1%	5%	
Underlying profit after tax	CFSGAM	114	109	120	5%	(5%)
	Colonial First State ²	108	66	104	64%	4%
	CommInsure	124	140	142	(11%)	(13%)
	Other	(44)	(48)	(63)	(8%)	(30%)
	302	267	303	13%	-	
Cash NPAT	CFSGAM	112	111	127	1%	(12%)
	Colonial First State ²	110	79	105	39%	5%
	CommInsure	163	199	175	(18%)	(7%)
	Other	(38)	(45)	(63)	(16%)	(40%)
	347	344	344	1%	1%	

1 Excludes Property

2 Colonial First State incorporates the results of all financial planning businesses



Wealth Management¹

\$m	Dec 14	Dec 14 vs Jun 14	Dec 14 vs Dec 13
CFSGAM	402	8% Average AUM ↑6%, investment outperformance, foreign exchange benefits, stronger margins	9% Average AUM ↑10%, investment outperformance and foreign exchange benefits
CFS ²	451	11% Strong investment performance, positive net flows, higher Advice fees	7% Strong investment performance and positive net flows
CommInsure	338	(5%) Annual Inforce Premiums ↑3%, lower reserving and improved lapse rates offset by higher event claims	(3%) Annual Inforce Premiums ↑5%, improved Wholesale life result offset by higher claims including General Insurance events
Total operating income	1,191	5%	5%
Operating expenses	(783)	1% Inflation related salary increases, performance incentives and the impact of AUD depreciation, partly offset by timing and productivity	5% Inflation related salary increases, performance incentives and the impact of AUD depreciation
Cash NPAT	347	1%	1%

¹ Excludes Property

² Colonial First State incorporates the results of all financial planning businesses



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NZ – 6 Month Periods

NZ\$m		Dec 14	Jun 14	Dec 13	Dec 14 vs Jun 14	Dec 14 vs Dec 13
Net interest income	ASB	827	755	743	10%	11%
	Other	4	14	5	(71%)	(20%)
	Total NII	831	769	748	8%	11%
Other banking income	ASB	169	160	177	6%	(5%)
	Other	(16)	(15)	(15)	7%	7%
	Total OBI	153	145	162	6%	(6%)
Total banking income	ASB	996	915	920	9%	8%
	Other	(12)	(1)	(10)	large	20%
	Total banking income	984	914	910	8%	8%
Funds management income	38	33	34	15%	12%	
Insurance income	119	125	97	(5%)	23%	
Total operating income	1,141	1,072	1,041	6%	10%	
Operating expenses	(461)	(445)	(443)	4%	4%	
Loan impairment expense	(37)	(35)	(21)	6%	76%	
Investment experience after tax	5	4	-	25%	large	
Corporate tax expense	(163)	(145)	(144)	12%	13%	
Cash NPAT	485	451	433	8%	12%	



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New Zealand

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NZ\$m	Dec 14	Dec 14 vs Jun 14	Dec 14 vs Dec 13
ASB Operating Income	1,032	9% <ul style="list-style-type: none"> Lending ↑ 3% and retail deposits ↑ 6% (spot) Continued favourable funding conditions 	9% <ul style="list-style-type: none"> Lending ↑ 5% and retail deposits ↑ 9% (spot) Strong business and rural growth and favourable funding conditions
ASB Operating Expenses	399	4% <ul style="list-style-type: none"> Inflation related salary increases and investment in frontline capability and technology 	3% <ul style="list-style-type: none"> Inflation related salary increases and investment in frontline capability and technology
ASB Impairment Expense	37	6% <ul style="list-style-type: none"> Continued growth across all lending portfolios 	76% <ul style="list-style-type: none"> Increase in CP following continuing growth in all lending portfolios Stabilising home loan arrears rates vs decreases in prior period
Sovereign Cash NPAT	57	(10%) <ul style="list-style-type: none"> Higher lapse rates Positive claims experience and continued inforce growth 	43% <ul style="list-style-type: none"> Strong claims experience improvement Inforce premiums ↑ 5%
Cash NPAT	485	8%	12%

Bankwest – 6 Month Periods

\$m	Dec 14	Jun 14	Dec 13	Dec 14 vs Jun 14	Dec 14 vs Dec 13
Net interest income	803	773	804	4%	-
Other banking income	109	103	103	6%	6%
Total banking income	912	876	907	4%	1%
Operating expenses	(397)	(401)	(405)	(1%)	(2%)
Loan impairment expense	26	(6)	(5)	large	large
Net profit before tax	541	469	497	15%	9%
Corporate tax expense	(163)	(144)	(147)	13%	11%
Cash NPAT	378	325	350	16%	8%



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Bankwest

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\$m	Dec 14	Dec 14 vs Jun 14	Dec 14 vs Dec 13
Banking income	912	4% <ul style="list-style-type: none"> Continued growth in average interest earning assets Improvement in Net Interest Margin due to improved investment deposit margins 	1% <ul style="list-style-type: none"> Balance growth across most product lines Lower net interest margin
Operating expenses	(397)	(1%) <ul style="list-style-type: none"> Lower salary related expenses due to productivity initiatives offset by one-off property charge 	(2%) <ul style="list-style-type: none"> Lower salary related expenses due to productivity initiatives
Loan impairment expense	26	large <ul style="list-style-type: none"> Reduced individual provision charges Run-off of troublesome and impaired portfolio 	large <ul style="list-style-type: none"> Reduced individual provision charges Run-off of troublesome and impaired portfolio
Cash NPAT	378	16%	8%



CBA in Asia

Cash NPAT¹

\$m

Solid revenue growth offset by cost of strategic initiatives and footprint expansion

Profit in line with prior comparative period

Growth in Lending, Leasing and Trade Finance businesses, combined with the benefit of a weaker Australian dollar.

201

(6)

1

5

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1H14

IFS Asia

Wealth Management

IB&M and BPB

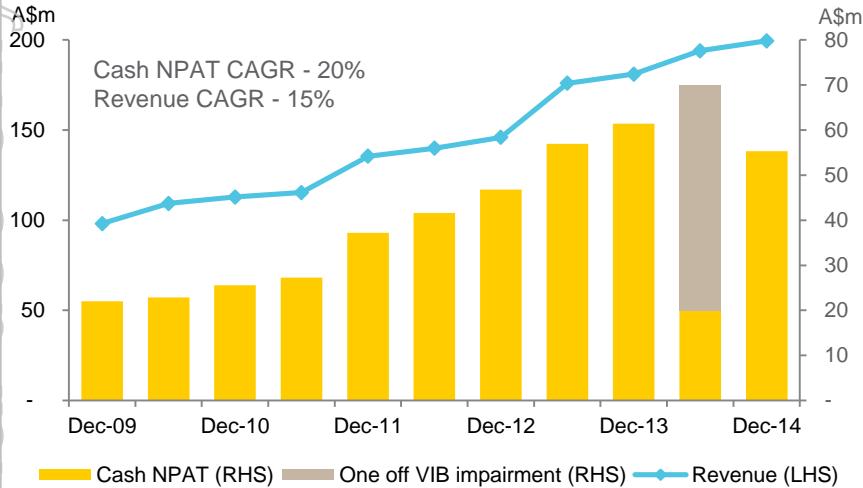
1H15

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.

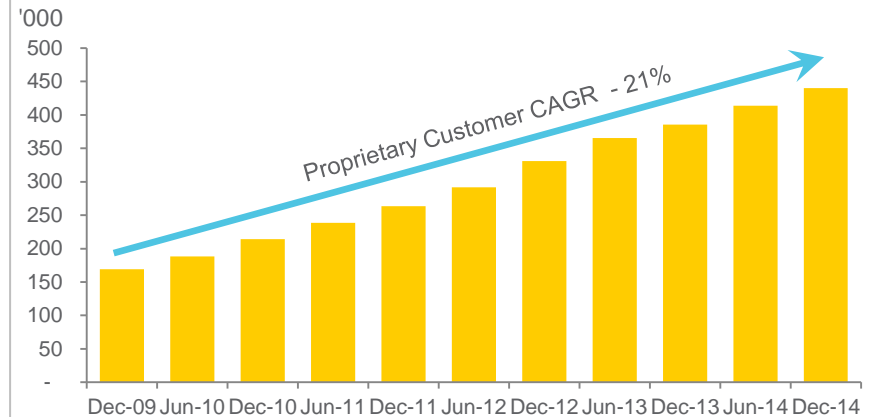


IFS Asia – Continued growth despite economic slowdown

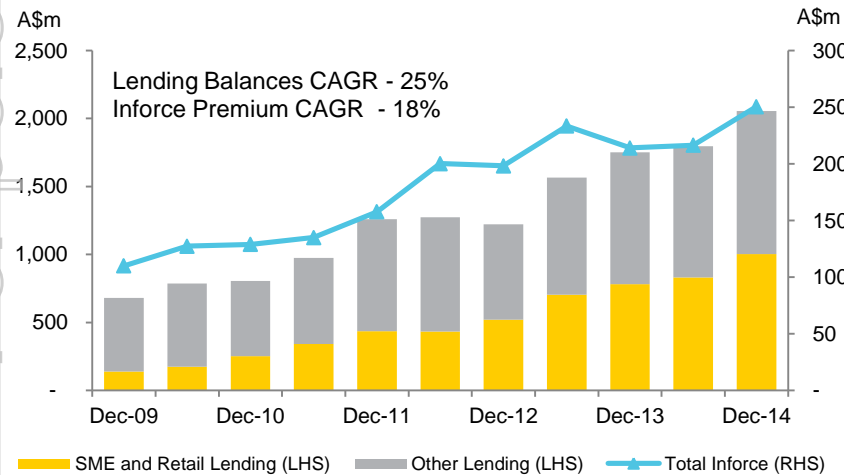
NPAT and Revenue (A\$m)¹



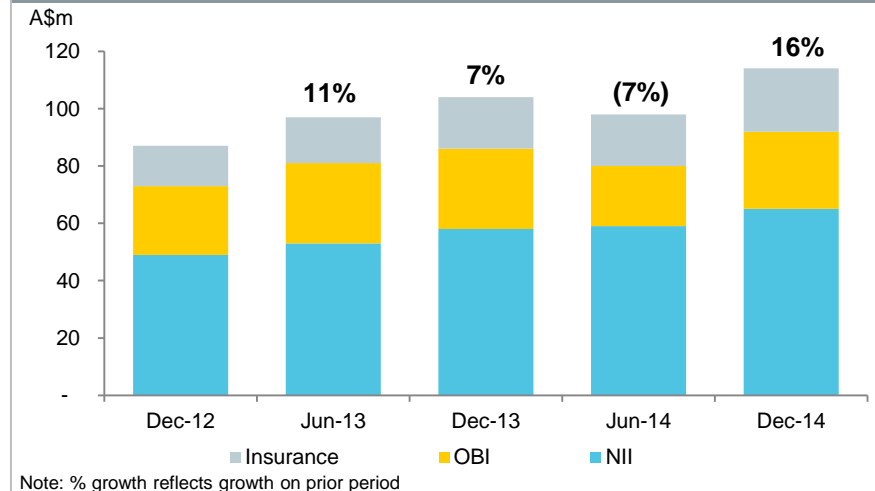
Proprietary Customers²



Proprietary Loans and Inforce Premium²



Proprietary Income²

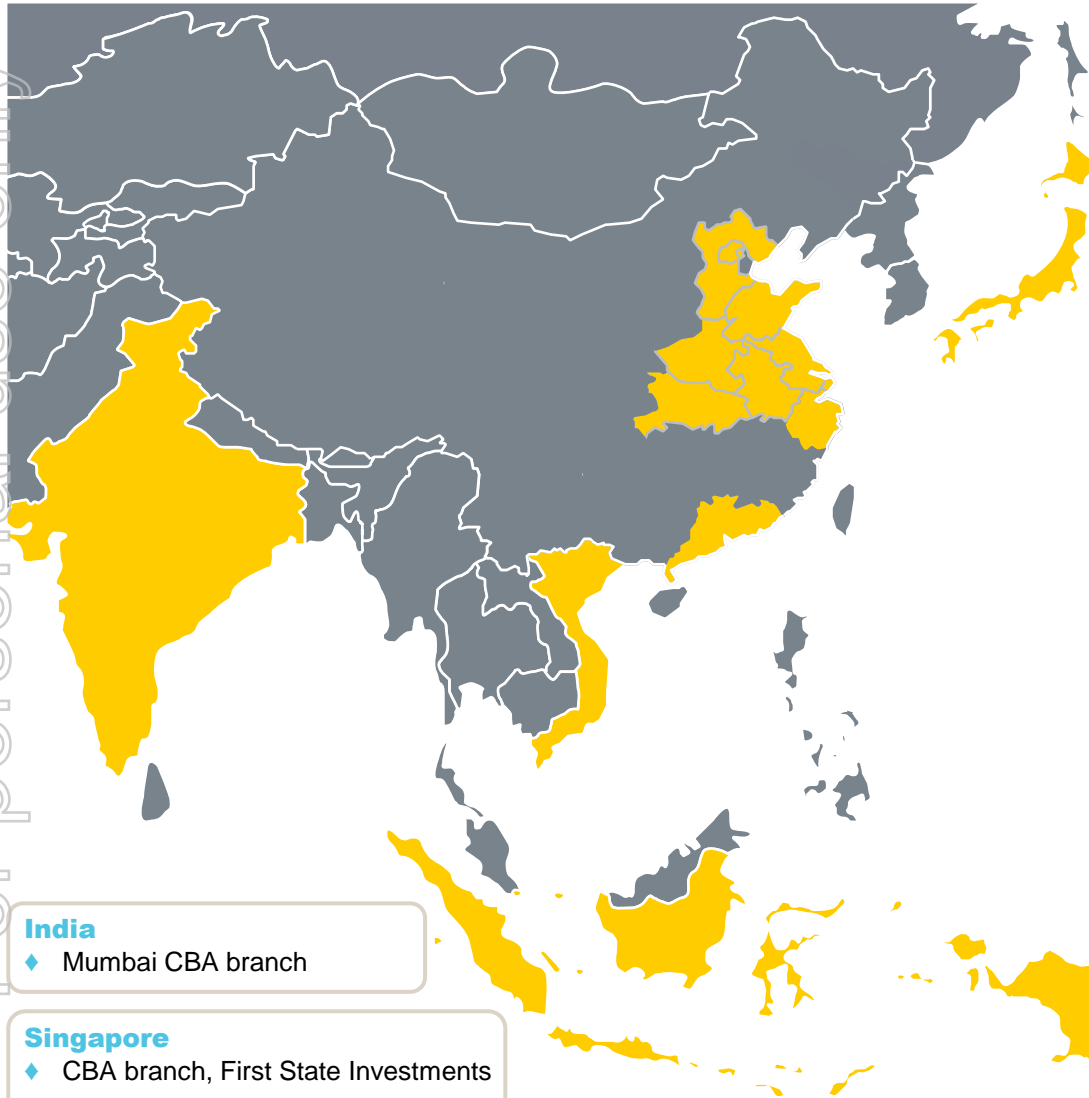


1 IFS Asia NPAT includes proprietary businesses in China, Indonesia, Vietnam, India and Japan and income from investments in Bank of Hangzhou, Qilu Bank, BoCommLife and Vietnam International Bank

2 IFS Asia proprietary business includes China County Banks, Indonesian banking and insurance businesses, Vietnam branch, India branch and Japan branch

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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%): 159 branches
- ◆ Qilu Bank (20%): 102 branches
- ◆ County Banking
 - Henan: 7 Banks and 4 branches (5 Banks and 4 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 Investments Hong Kong and First State Cinda JV (46%)
- ◆ Colonial Mutual Group Beijing Rep Office

Vietnam

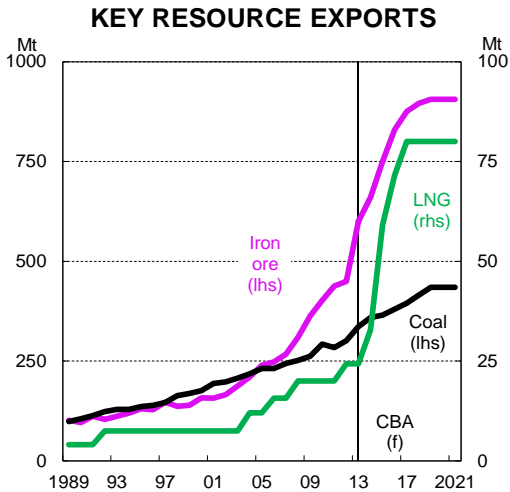
- ◆ Vietnam International Bank (20%): 159 branches
- ◆ Hanoi Representative Office
- ◆ Ho Chi Minh City CBA branch; 29 ATMs

Indonesia

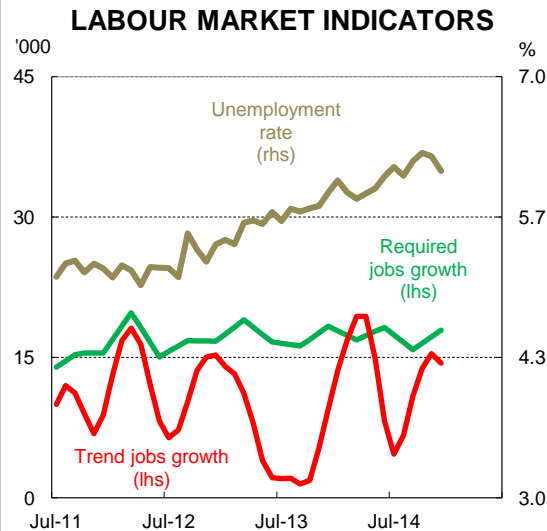
- ◆ PT Bank Commonwealth (99%): 91 branches and 144 ATMs
- ◆ PT Commonwealth Life (80%): 33 life offices
- ◆ First State Investments

Australian economy – growth transition

Key resource exports

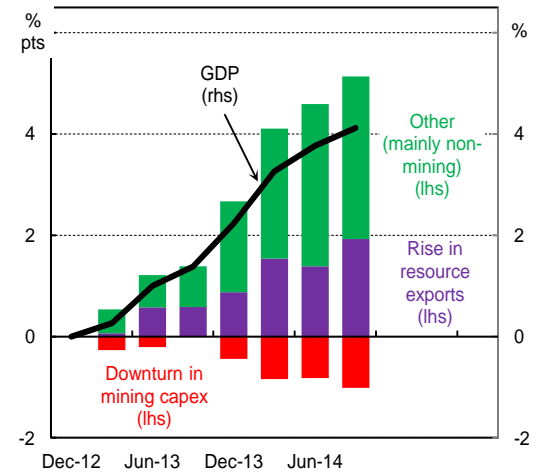


Labour market indicators



Growth drivers from mining peak

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

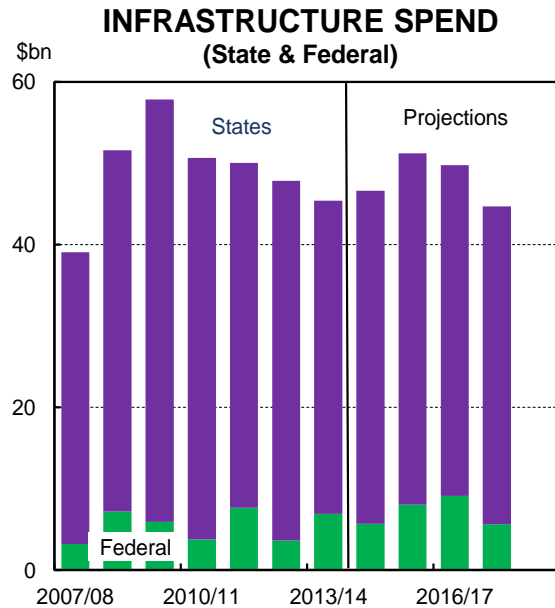


- Australian growth to run a little below trend in 2015 as growth transition proceeds
 - the economy needs to generate more income and more jobs;
 - resource exports set to deliver significant income boost;
 - the growth transition to generate jobs is underway but the unemployment rate remains high;
 - more than construction required to drive growth over the medium term.

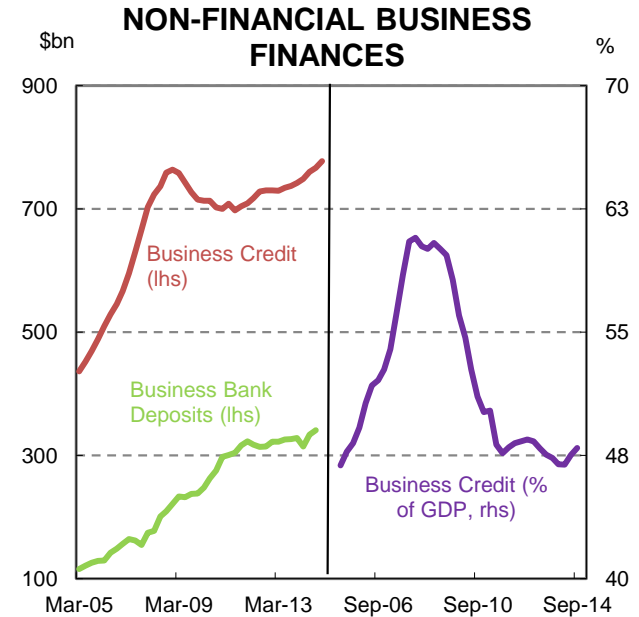


Growth transition – Infrastructure & business investment

Infrastructure spend



Business finances

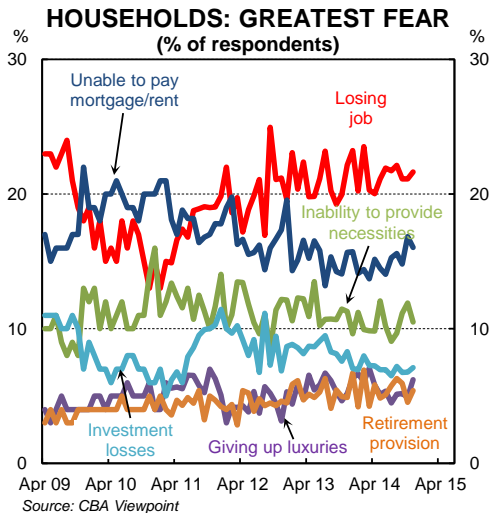


- Infrastructure spend by Government will boost GDP. IMF estimates show a 1% of GDP lift in infrastructure spending boosts output by 0.4% in Year 1 and 1.5% after four years.
- RBA believes that it has created an environment where businesses can play their part in the growth dynamic.

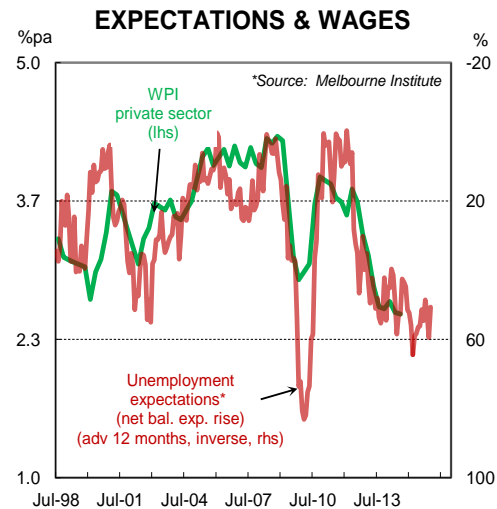


Growth transition – the role of the consumer

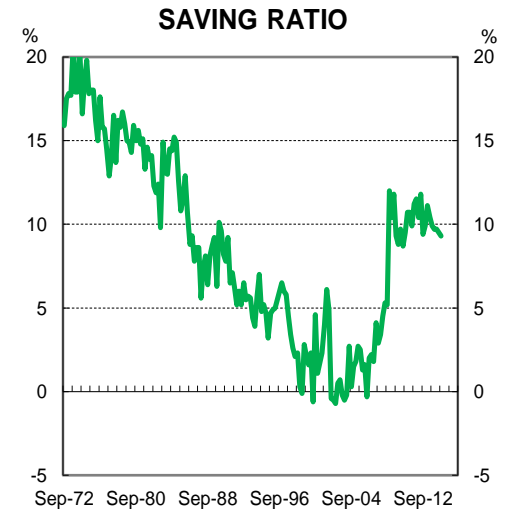
Households: Greatest fear



Unemployment Expectations & Wages



Saving ratio

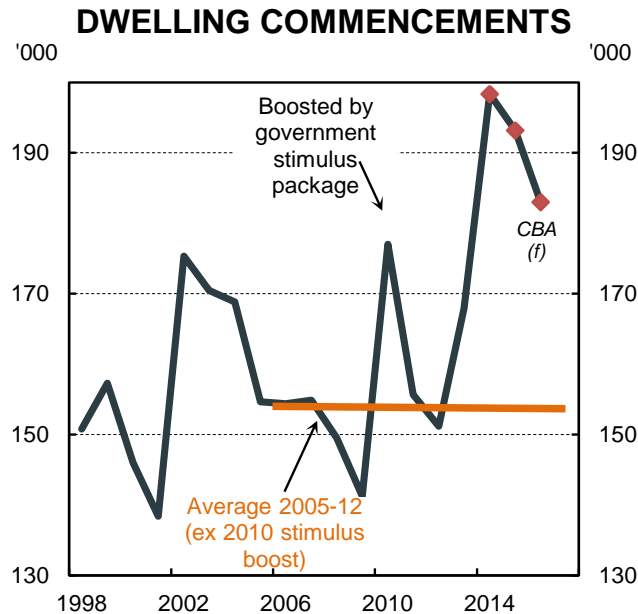


- Households that are worried about job prospects typically:
 - are less responsive to low interest rates;
 - want to save more and spend less;
 - are reluctant to borrow and focus on paying off debt; and
 - are less inclined to seek wage rises



Growth transition – housing construction

Dwelling commencements



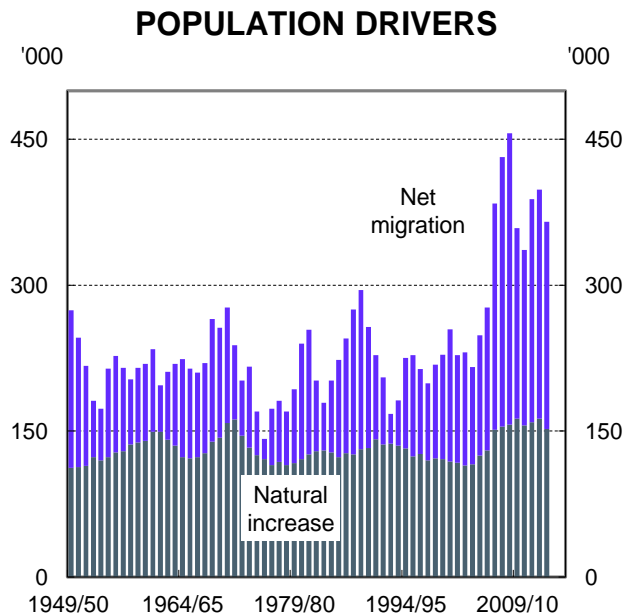
CBA Dwelling starts forecast

Calendar year	Dwelling starts
2012	151k
2013	168k
2014e	198k
2015f	193k
2016f	183k

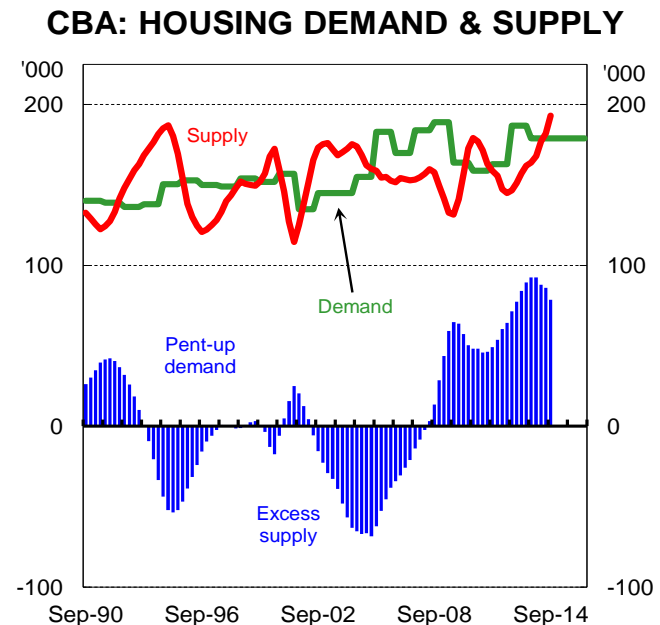
- Dwelling commencements look to have hit a record high in 2014, and will be at a similar level in 2015.
- Construction activity to run well above 150k “normal” level.
- Composition of lending (more focussed on multi-density dwellings) argues for a drawn out peak.

Housing market dynamics

Population growth is solid in Australia because of a high migration program



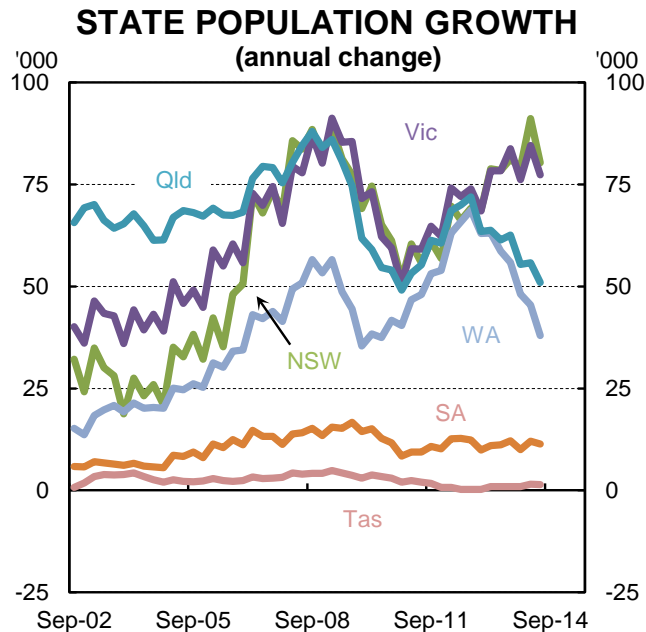
High population growth increased demand for housing



- Australia's population growth rate of 1.6% is well above the OECD average of 0.7%.
- Strong population growth has increased housing demand while the supply of new dwellings has been low because of competition with mining and infrastructure. Underlying demand for housing has run ahead of new supply until very recently. So there is an accumulated demand for housing.

Housing market dynamics

State population growth



Dwelling price growth

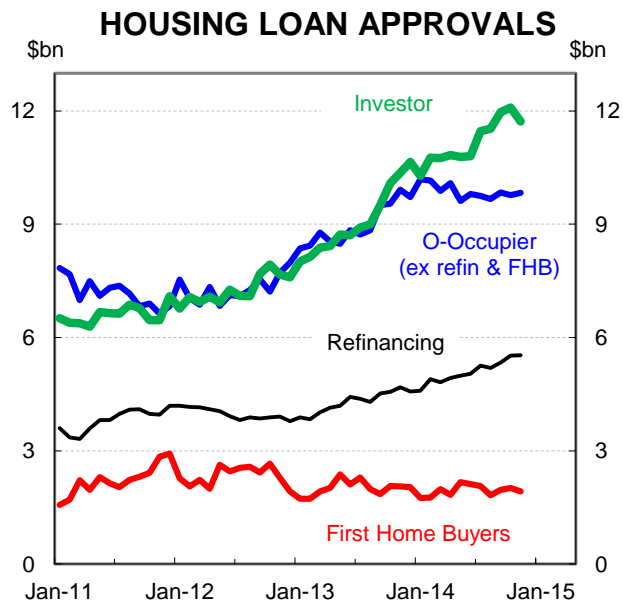
change (%)	3 Years to Dec 14	12 mths to Dec 14	6 mths to Dec 14
Sydney	30.6	12.4	6.5
Melbourne	13.4	7.6	4.5
Brisbane	9.2	4.8	2.5
Adelaide	6.4	4.3	3.5
Perth	13.1	2.1	2.1
Australia	18.1	7.9	4.5

Source: CoreLogic RP Data, Hedonic Index.

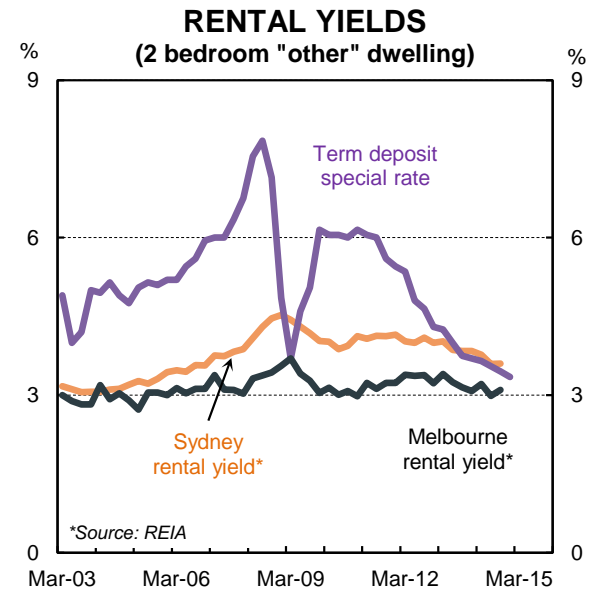
- Rising dwelling prices is one of the transmission paths for monetary policy.
- Higher dwelling prices boost wealth and consumer spending, encourage new construction and lift sentiment.
- House prices are rising ahead of income, so household leverage is lifting again.

Housing market dynamics

Are investors a problem?



Rental yields

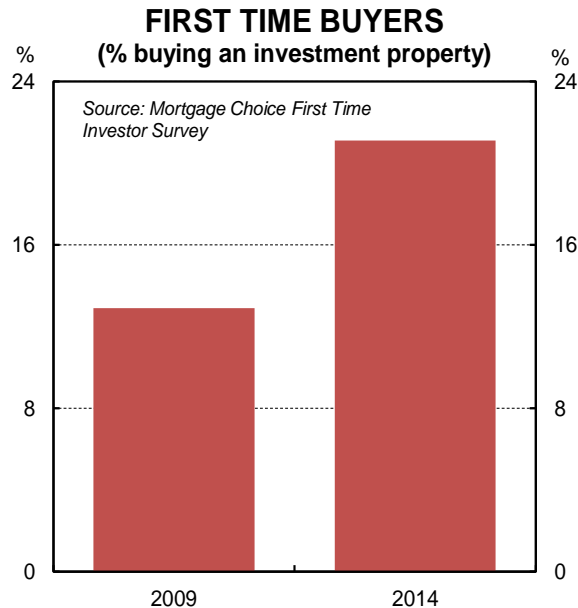


- RBA concerns about the level of investor interest in the housing market are likely to remain in 2015. This investor interest is a rational response to the environment created by central banks. The low debt rate environment encouraged a search for yield.
- Some “investors” may in fact be concealed first-home buyers. Affordability constraints mean they are initially entering the market as investors and taking advantage of the rental income and tax offsets for a while before shifting to owner occupation.

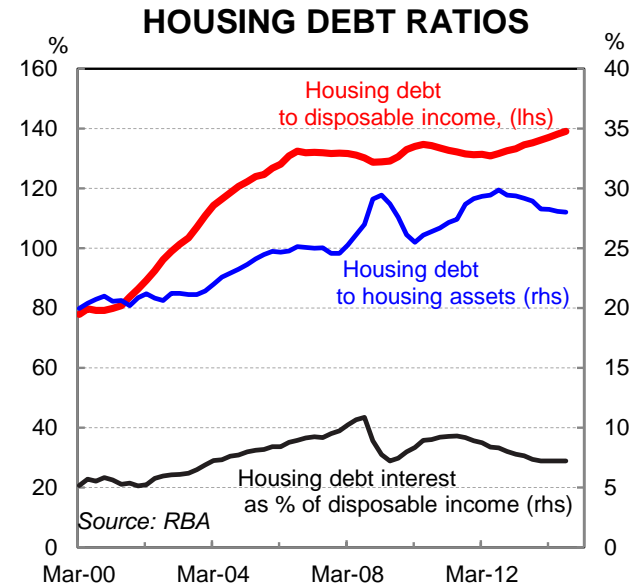


Housing market dynamics

First time buyers



Housing debt



- The RBA is now favouring the use of macroprudential tools. APRA has delivered a relatively restrained response. APRA will further lift supervisory oversight and loan affordability tests for the investor segment in 2015. These tools may dampen the housing contribution to the growth transition at the margin. But it is unlikely to derail the process.
- Australian household leverage ratios are creeping up again but, debt servicing remains manageable.



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 at the bottom end of the range of the past three decades.

Domestic economic shock – trigger for price correction

- ◆ Respectable Australian economic growth outcomes
- ◆ Unemployment rate has risen but arrears rates are low

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New Zealand

Economic Summary – New Zealand

	2010	2011	2012	2013	2014	2015 (f)	2016 (f)	2017 (f)
Credit growth (annual – June vs June)	0.7	1.5	3.2	3.9	4.2	3½- 5½	3½- 5½	3½- 5½
Household credit	2.5	1.2	1.8	5.1	5.2	3-5	3-5	2½- 4½
Business credit	-7.6	1.2	3.9	1.8	3.2	3½- 5½	5-7	5-7
Agriculture credit	2.6	-0.8	3.0	4.4	3.7	3½- 5½	4-6	4-6
GDP growth (annual average)	0.8	1.0	2.6	2.1	2.8	3.5	3.1	2.9
CPI (annual average)	1.8	3.8	2.2	0.8	1.5	0.6	1.7	2.4
Unemployment (year average)	6.6	6.6	6.6	6.7	5.9	5.4	5.2	4.9
OCR (June qtr)	2.75	2.5	2.5	2.5	3.25	3.5	3.5	3.5

ASB Economists Forecasts

Credit Growth

= 12 months to June qtr

GDP, Unemployment & CPI

= Year average

Cash Rate

= June qtr



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 December 2014. Peers includes 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 December 2014. CBA excludes Bankwest. Rank based on comparison to ANZ, NAB and Westpac. 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 December. Peers includes ANZ, NAB and Westpac (incl. St George Group). CBA includes Bankwest.
- 4 DBM Business Financial Services Monitor (December 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 Micro businesses are defined as those with annual turnover up to \$1 million, Small businesses are those with annual turnover of \$1 million to less than \$5 million, Medium businesses are those with annual turnover of \$5 million to less than \$50 million, and Large businesses are those with annual turnover of \$50m to less than \$500m. All charts use 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 December 2014. Calculated by dividing Wealth products held at institution by products held anywhere. Wealth Products includes Insurance, Managed Investments and Superannuation. CBA excludes Bankwest.
- 9 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 December 2014. Rank based on comparison to ANZ, NAB and Westpac.



Technology - Sources

- 1 CommBank app on iOS and Android in Australia. Sources are the Apple App Store and the Google Play Store.
- 2 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 December 2014. Rank based on comparison to ANZ, NAB and Westpac.
- 3 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 is the #1 Australian bank on their list: <http://thefinancialbrand.com/40900/power-100-2014-q2-bank-rankings/>
- 4 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 December 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 December 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 December 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 December 2014. CBA excludes Bankwest.
- 8 Money Magazine’s Best Innovative Banking App, awarded December 2014.
- 9 Business Review Weekly, Most Innovative Companies list, November 2014. Commonwealth Bank ranked #6, and was the only financial services company in the top 10. For more information: <http://www.brw.com.au/lists/50-most-innovative-companies/2014/>

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Productivity Metrics - Definitions

Measure	Metric	Timeframe
Teller transactions per CSR	Average number of transactions completed per week in branch by Retail Customer Service Representatives	1H15 v 1H13
Personal loans funded same day	Percentage of personal loans funded on day of application, excluding applications referred for manual decisioning and fraud verification	1H15 v 1H13
Credit approval time - asset finance	Average time taken to issue a credit approval	1H15 v 1H13
Turnaround time – home insurance claims	The median number of business days between claim notification and finalisation	1H15 v 1H14
Transactions per Intelligent Deposit Machine	Average number of transactions completed per week using an Intelligent Deposit Machine	1H15 v 1H13
Client on-boarding time – transaction banking	Number of Days to on-board clients	1H15 v Apr 14
Bankwest – Business Account documents required	Average number of documents that customer has to provide to support their maintenance request	1H15 v 1H14
Regional and Agribusiness - Client facing activities	Number of client facing activities logged by bankers	13 weeks to Oct 14 v 13 weeks to Nov13



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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, based on the Australian population aged 14+. Ranking relative to the other three main Australian banks (Westpac, NAB and ANZ). "FY" represents data to June, and "1H" represents data to December.
- 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. The survey is conducted annually.
- 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 and 31 December for 1H15. 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 Custom Solutions and CFSPM.
- 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 and 31 December for 1H15. Prior year data is updated due to change of reporting entity, late reporting and subsequent acceptance or rejection of claims made during the year. As a result, 2014 LTIFR has changed from 1.3 to 1.5.
- 7 Absenteeism is the annualised figure as at 31 May each year and 31 December for 1H15. 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 relates 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.
- 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.



CO_{2e} Emissions Method – Project Finance Energy Sector

The financed emissions analysis was conducted by EY, CBA's Sustainability Consultant, following the principles set out in the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard. This approach draws on the emerging protocols being discussed through the Greenhouse Gas Protocol and UNEP FI working group.

Project Finance definition used

Project finance is a method of financing in which the lender looks primarily to the revenues generated by a single project, both as the source of repayment and as security for the exposure.

The Equator Principles, June 2013

Allocation of emissions and energy production to CBA

For each asset class (electricity generation, oil & gas extraction, and coal mining), project emissions and energy production were allocated to CBA in proportion to the original committed debt provided by CBA as a percentage of total syndicate debt, under the assumption that the ratio of CBA debt share remains constant over the life of the loan. A consistent 70/30 debt-to-equity ratio was assumed for all projects.

Measure

tCO_{2e}/\$m lent: total of the weighted emissions on CBA debt share (tCO_{2e}), divided by the total Class 1 limits committed as at June 2014.

tCO_{2e}/tonne coal extracted: total of the weighted emissions on CBA debt share (tCO_{2e}), divided by the CBA debt share of total coal extracted (tonnes) for each project.

tCO_{2e}/MWh: total of the weighted emissions on CBA debt share of electricity generation from each generator (tCO_{2e}), divided by the CBA debt share of electricity generated (MWh) for each generator.

Coal and Oil & Gas

CBA's debt finance for coal and oil & gas activities includes infrastructure activities (e.g. construction of LNG facilities) as well as production (e.g. coal mining). Scope 1 & 2 emissions are associated with the project's activities, and are included in the assessment of emissions from CBA debt finance. Production and emissions data sources were drawn from publicly-available reports or other company disclosure.

- Coal - Analysis of emissions associated with the coal sector are presented for both Scope 1 and 2 emissions (associated with facility operations) and indirect emissions (Scope 3 arising from the combustion of coal by third-parties).
- Oil & Gas - As the majority of oil and gas projects financed by CBA are in development, emissions associated with the operation and construction of each asset were considered in determining CBA's debt share of total emissions from oil and gas projects.

Electricity

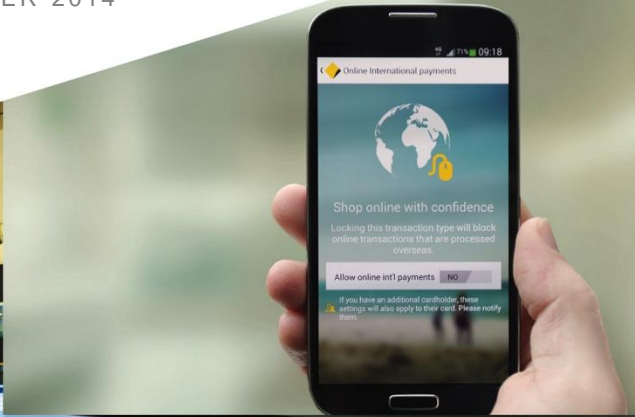
Emissions intensity of generation data for individual generators was sourced either through Australian Energy Market Operator (AEMO) records or from the Carbon Monitoring for Action (CARMA) database of fossil-fuel-powered power-plants. Annual generation data for specific facilities was sourced either from the grid-operators (AEMO/SWIS - South West Interconnected System) or from estimations made on the basis of generation capacity and expected usage.

In Australia, the grid average emissions intensity is the generation-weighted average of the emissions intensity of the National Energy Market (NEM), SWIS and NT (emissions intensity from National Greenhouse and Energy Reporting (NGER) Determination and generation from Bureau of Resources and Energy Economics (BREE) FY13). For the USA, the country-specific emissions intensity factor was taken from Econometrica.

RESULTS PRESENTATION

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

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