

## Commonwealth Bank of Australia – Overview

Commonwealth Bank of Australia (CBA) is Australia's leading provider of integrated financial services including retail banking, premium banking, business banking, institutional banking, funds management, superannuation, insurance, investment and sharebroking products and services.

Australia's largest bank and second largest listed company on the ASX  
 # 1 in household deposits with 28.8% market share  
 # 1 in home lending with 25.3% market share  
 # 1 wealth platform - FirstChoice with 11.6% market share  
 Large distribution footprint with 14.6 million customers

30 June 2013

Rating	Long Term	Short Term
Standard & Poor's	AA- (stable outlook)	A-1+
Moody's Investors Service	Aa2 (stable outlook)	P-1
Fitch Ratings	AA- (stable outlook)	F1+

## Financials

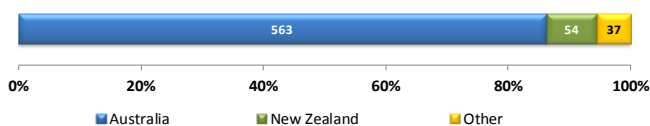
Full Year to 30 June 2013	2013	2012	2011
<b>Balance Sheet</b>			
Lending Assets	567,167	540,226	515,938
Total Assets	753,876	718,859	667,899
Deposits and Other Public Borrowings	459,429	437,655	401,147
Total Liabilities	708,384	677,287	630,612
Shareholders' Equity	45,492	41,572	37,287
<b>Income Statement</b>			
Net Interest Income	13,944	13,157	12,645
Other Operating Income	7,401	6,844	6,893
Total Operating Income	21,345	20,001	19,538
Investment expense	154	149	121
Operating Expenses	(9,605)	(9,196)	(8,891)
Loan Impairment Expense	(1,082)	(1,089)	(1,280)
Operating Profit before income tax expense	10,812	9,865	9,488
Corporate Tax Expense	(2,977)	(2,736)	(2,637)
Non-controlling interests	(16)	(16)	(16)
Net Profit after Tax ("cash basis")	7,819	7,113	6,835
IFRS and other non-cash items	(142)	(23)	(441)
Net Profit after tax and other significant items ("statutory basis")	7,677	7,090	6,394

Full Year ended 30 June 2013	2013	2012	2011
<b>Capital Adequacy</b>			
Common Equity Tier One*	8.2%	7.8%	7.7%
Tier 1*	10.2%	10.0%	10.0%
Total Capital*	11.2%	11.0%	11.7%
<b>Profitability</b>			
Return on Equity – (cash basis)	18.4%	18.6%	19.5%
Net Interest Margin	2.13%	2.09%	2.19%
Other banking Income / Total banking Income	23.2%	23.0%	23.9%
Operating expense / Total operating Income	45.0%	46.0%	45.5%
<b>Asset Quality</b>			
Loan Impairment Expense / Gross Loans and Acceptances annualised	0.20%	0.21%	0.25%
Collective Provisions / Gross Loans and Acceptances	0.50%	0.52%	0.59%

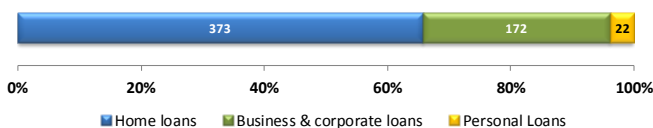
\* Capital numbers are reported using APRA Basel III capital standards from 1 January 2013

## Focused on Australia and mortgages

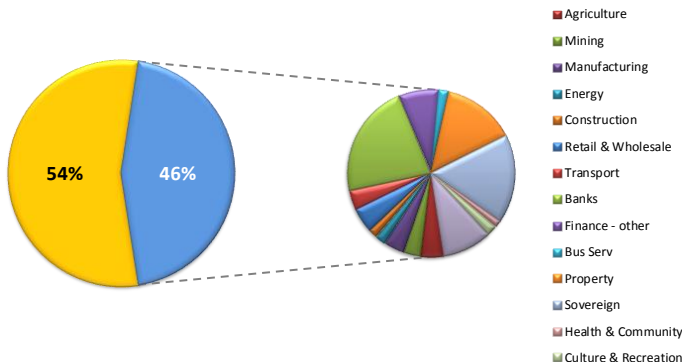
### Geographic interest-earning asset distribution (A\$bn)



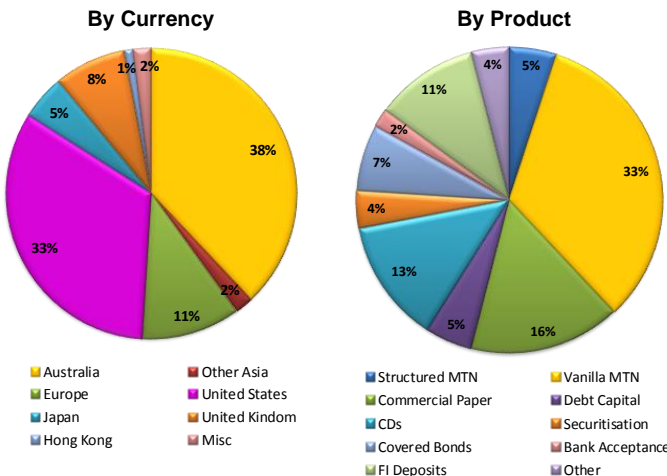
### Loan book composition (A\$bn)



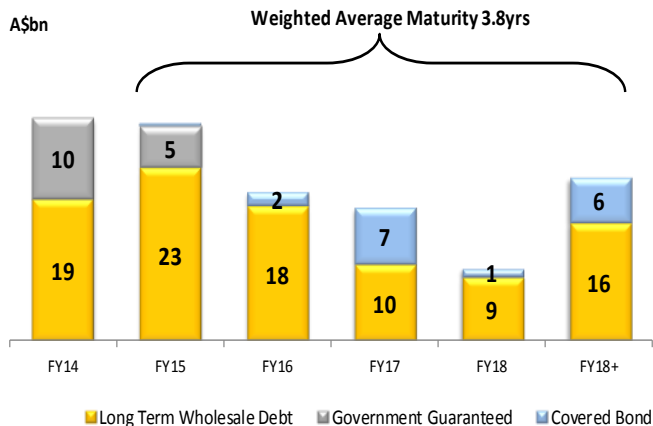
## Diversified credit portfolio



## Diversified wholesale funding

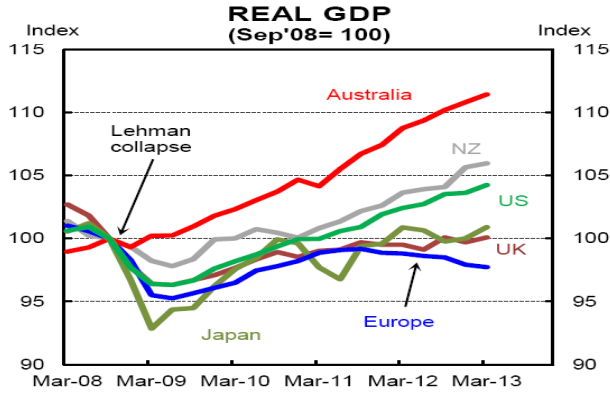


## Term debt maturity profile



## Australian Economy overview

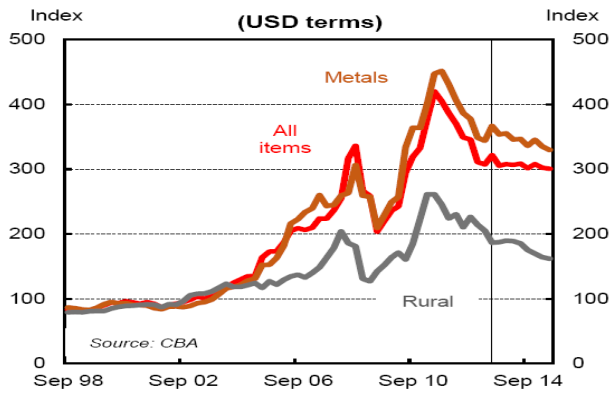
### Consistent steady growth in GDP



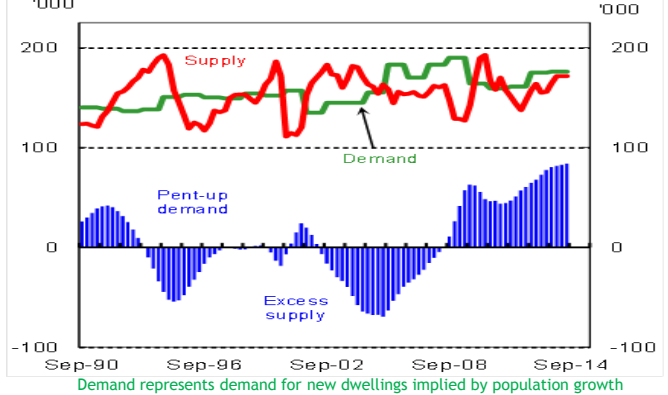
### Unemployment relatively low at 5.7%; growth around 3%



### Commodity prices to track sideways through 2014



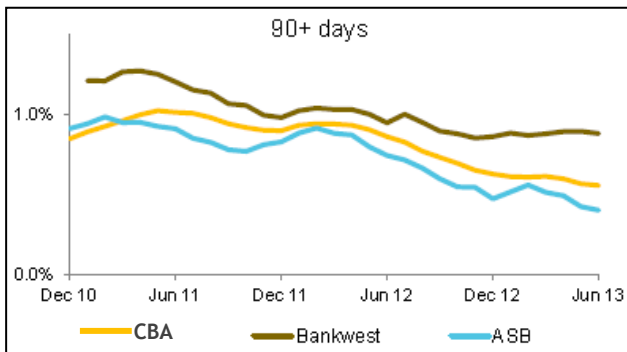
### Population and immigration growth faster than housing starts



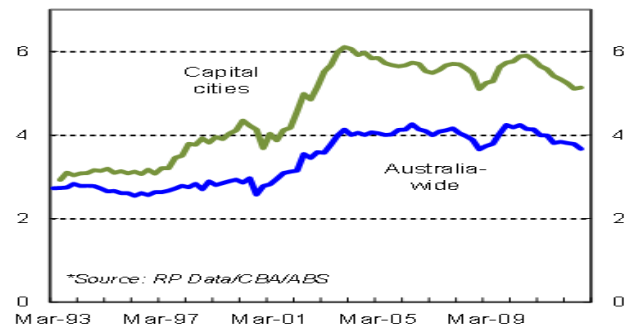
### CBA mortgage lending key characteristics

- Mortgages are typically variable rate, principal and interest amortising with full recourse to the borrower
- Lenders Mortgage Insurance (LMI) typically required for all loans with a Loan to Value Ratio (LVR) > 80%
- 81% of customers currently paying ahead of schedule (no pre-pay penalty, no tax deduction for interest on owner occupied housing)
- 98% of loans are full documentation with income verification

### CBA's portfolio is performing well



### Housing prices to household income has improved



### Principal Debt Programmes

- Euro Medium Term Note
- Domestic Debt
- Euro Commercial Paper & Certificate of Deposit
- US Medium Term Note
- US Commercial Paper

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