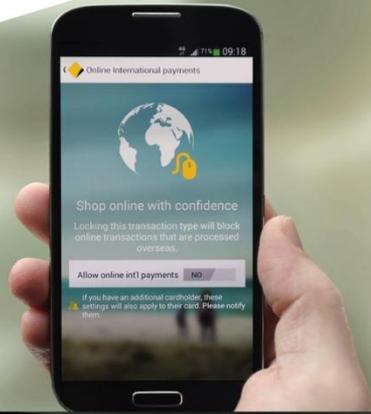


DEBT INVESTOR UPDATE - RESULTS PRESENTATION

FOR THE FULL YEAR ENDED 30 JUNE 2015



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, 12 August 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/>

Results & strategy

CBA Overview

Our Vision

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

Our Values

Integrity
Collaboration
Excellence
Accountability
Service

- ◆ Leading national franchise
- ◆ First in customer satisfaction – #1 “main financial institution”¹
- ◆ # 1 in home lending²
- ◆ # 1 in household deposits³
- ◆ Highly rated wealth platform⁴
- ◆ Earnings up 5% in FY15
- ◆ Peer leading ROE of 18.2%
- ◆ Strong levels of capital
 - ◆ CET1 (APRA) 9.1%
 - ◆ CET1 (Int'l) 12.7%⁵
- ◆ Highly rated AA- / Aa2 / AA-⁶

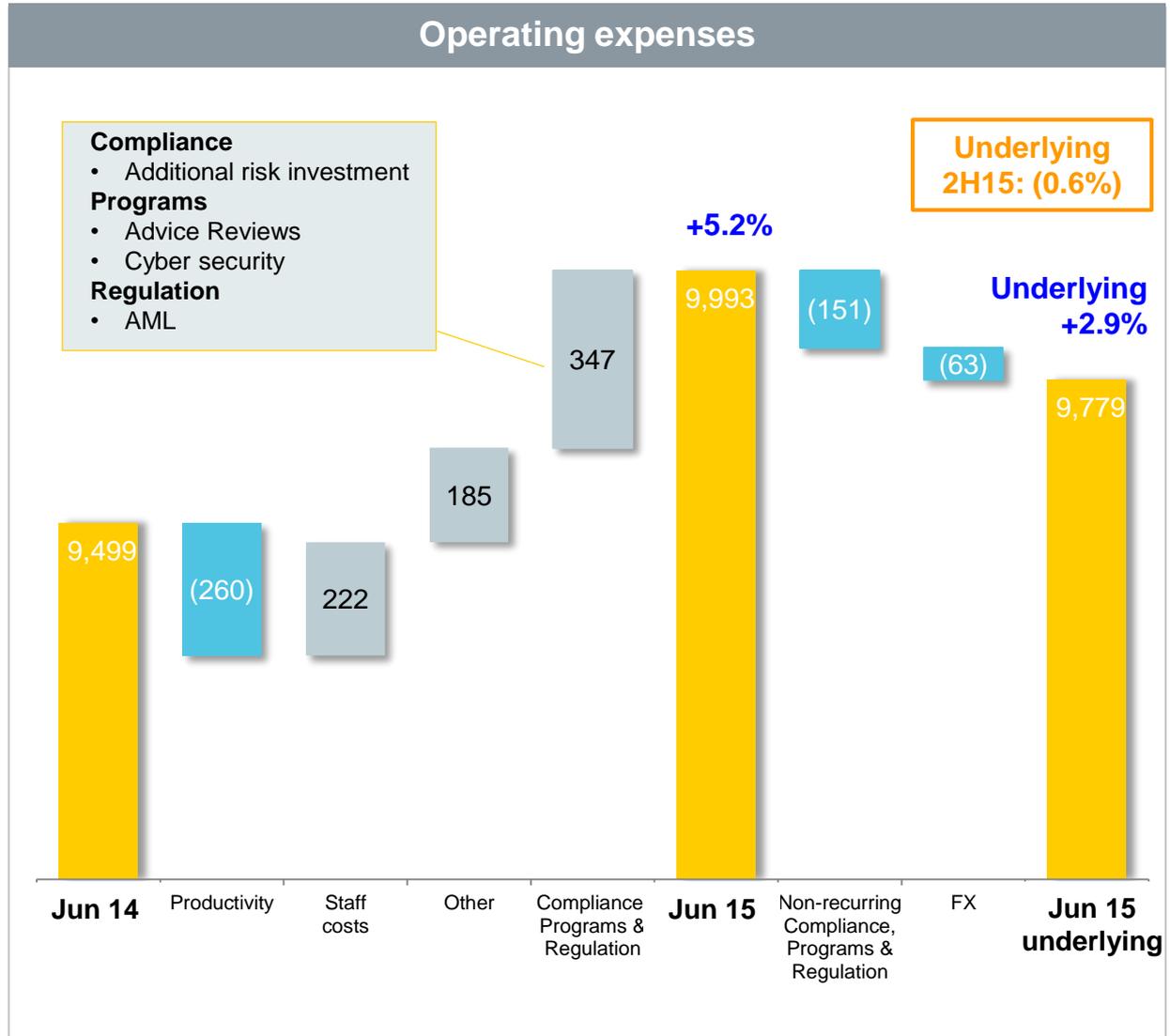
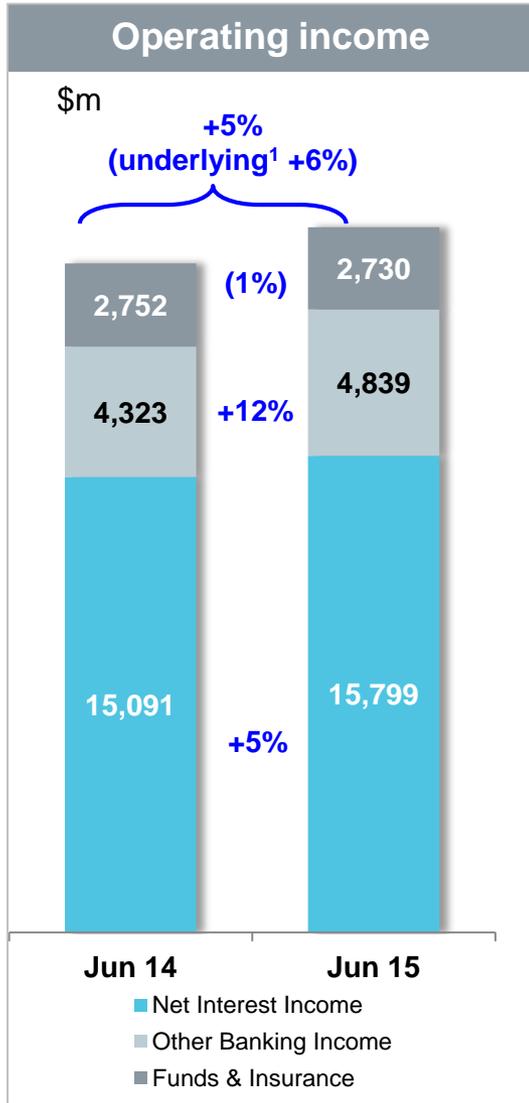


Cash Profit up 5%

\$m	Jun 15	Jun 14	Jun 15 vs Jun 14
Operating income	23,368	22,166	5%
Operating expenses	(9,993)	(9,499)	5%
Operating performance	13,375	12,667	6%
Investment experience	210	235	(11%)
Loan impairment expense	(988)	(953)	4%
Tax and non-controlling interests	(3,460)	(3,269)	6%
Cash NPAT	9,137	8,680	5%
Statutory NPAT	9,063	8,631	5%

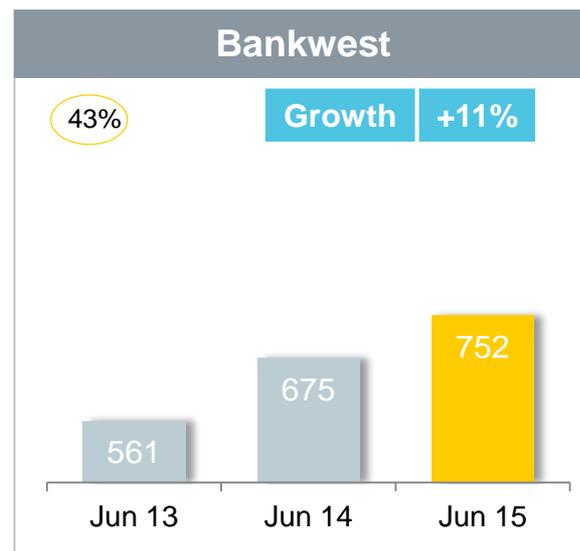
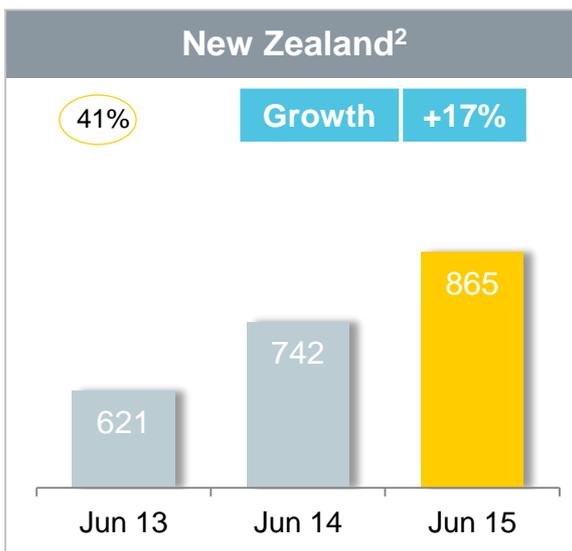
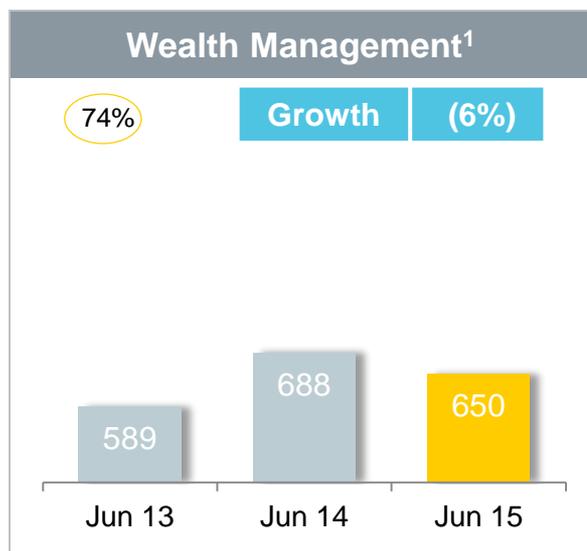
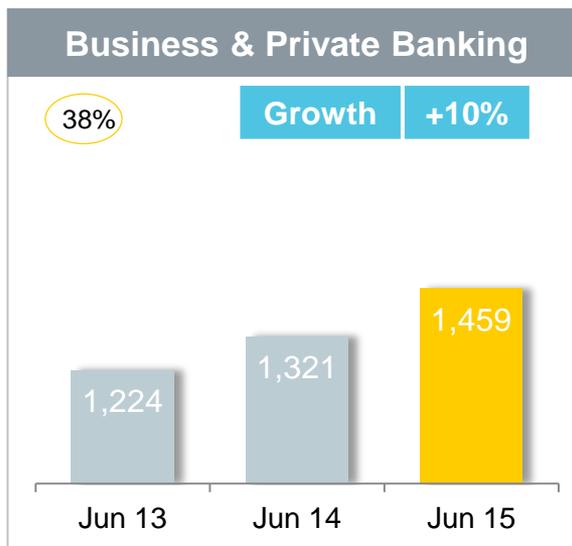
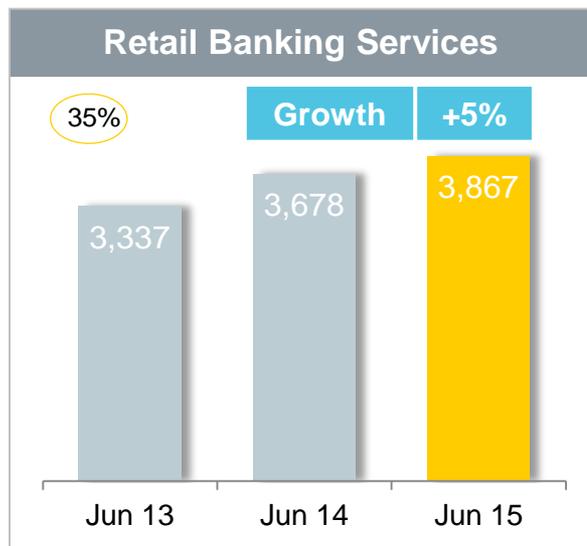


Operating Income and Expenses



1. Excluding Property

Business Unit Cash NPAT (\$m) - FY



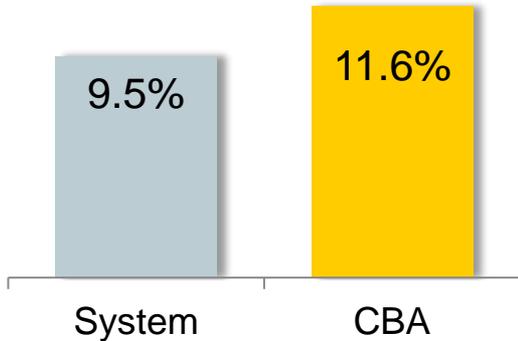
1. Excluding Property
2. NZ result in AUD

% Cost-to-income

Volume growth

Household Deposits

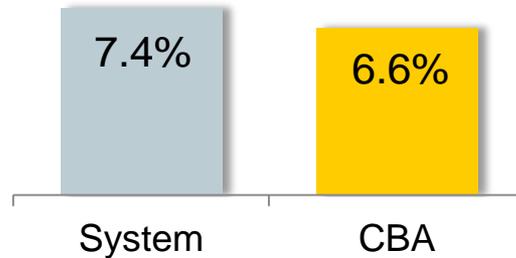
Balance Growth¹



Home Lending

Balance Growth¹

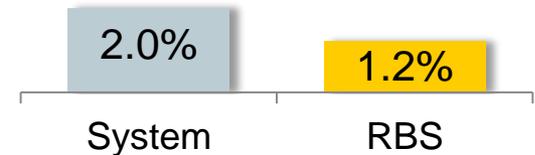
Underweight in higher growth segments – broker and investment lending



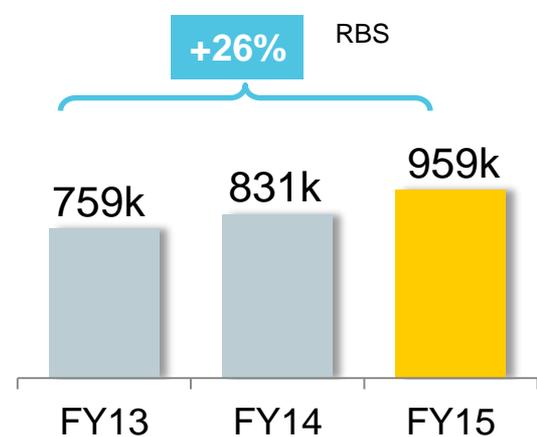
Credit Cards

Balance Growth¹

Not participating in zero balance transfer market

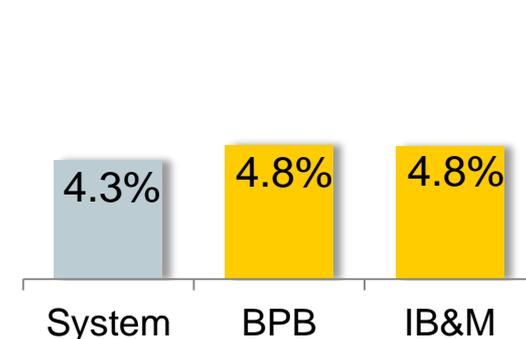


New Transaction Accts²



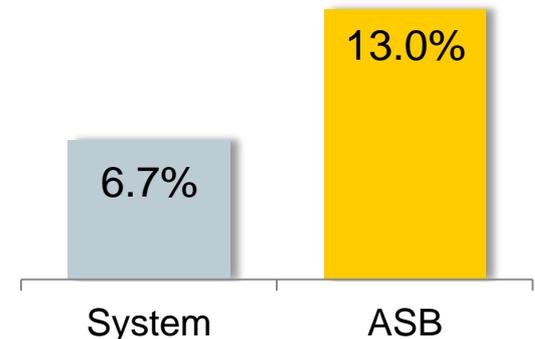
Business Lending

Balance Growth^{1,3}



ASB

Business & Rural Balance Growth¹



¹ Spot balance growth twelve months to June 15. 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)

Group NIM

bpts

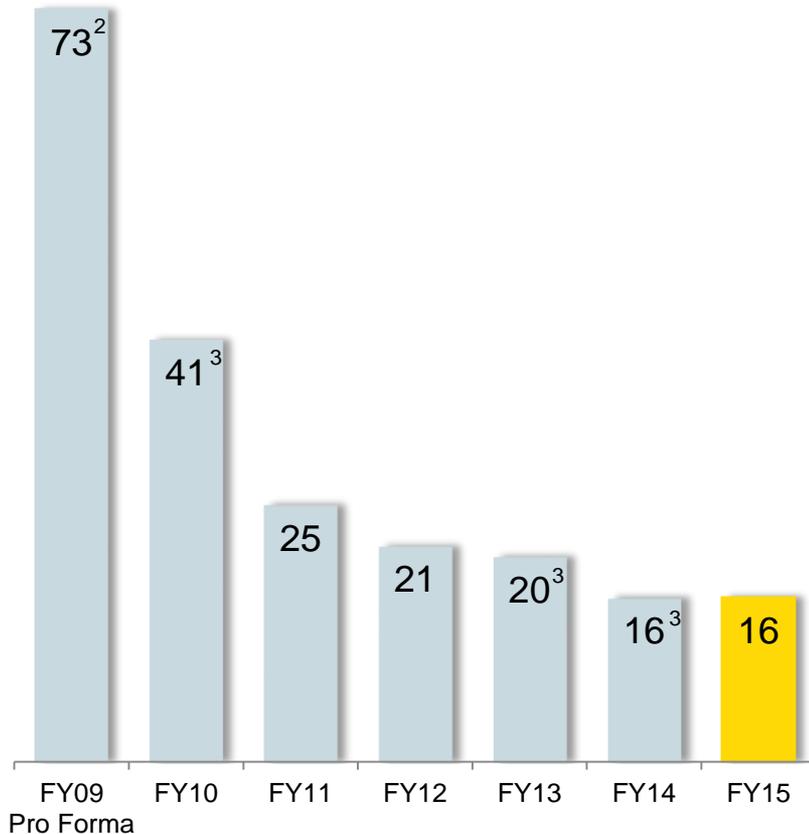
12 Month Movement



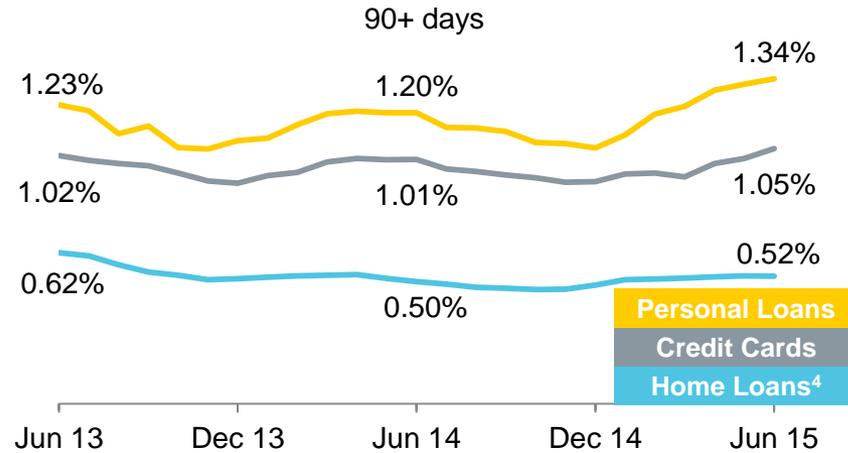
Credit quality

Loan Impairment Expense (Cash)

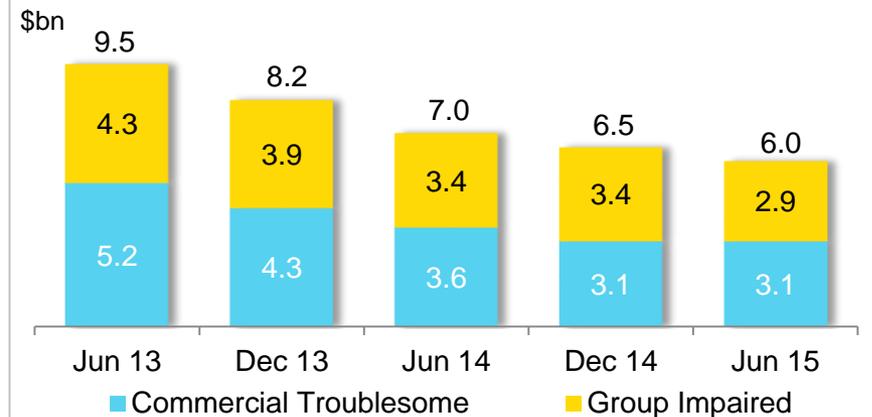
CBA Group
(basis points)¹



Group Consumer Arrears



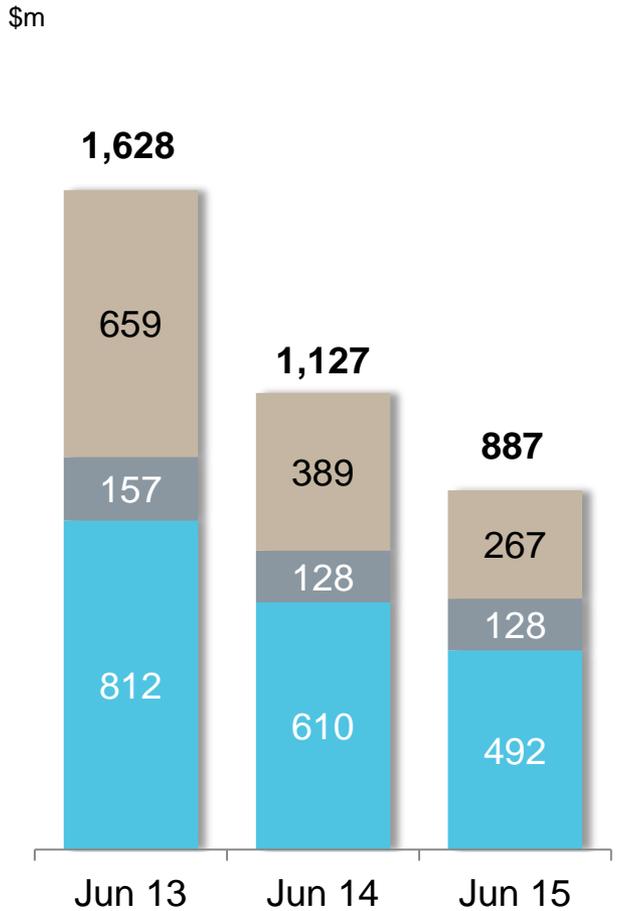
Troublesome and Impaired Assets



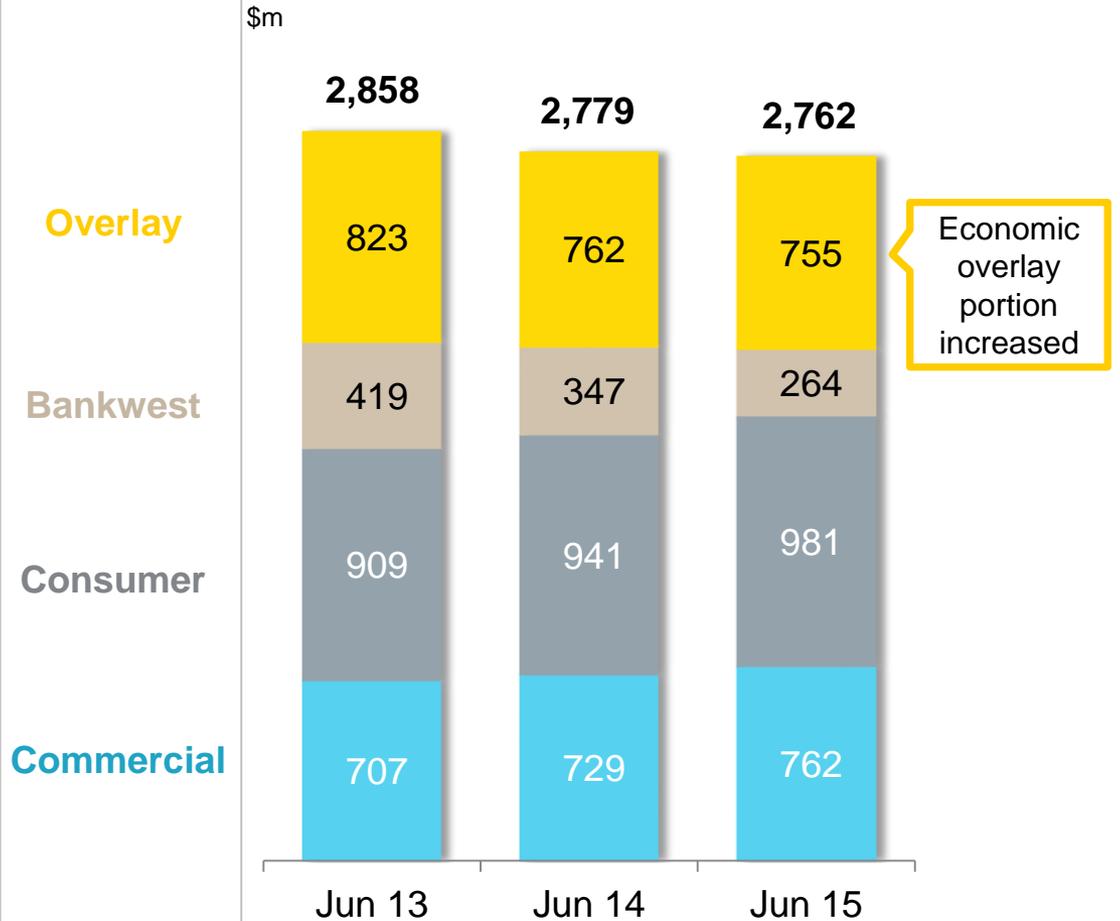
1 Basis points as a percentage of average Gross Loans and Acceptances (GLA)
 2 FY09 includes Bankwest on a pro-forma basis and is based on impairment expense for the year
 3 Statutory Loan Impairment Expense (LIE) for FY10 48 bpts, FY13 21 bpts and FY14 16 bpts
 4 Excludes Reverse Mortgage, Commonwealth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

Provisions

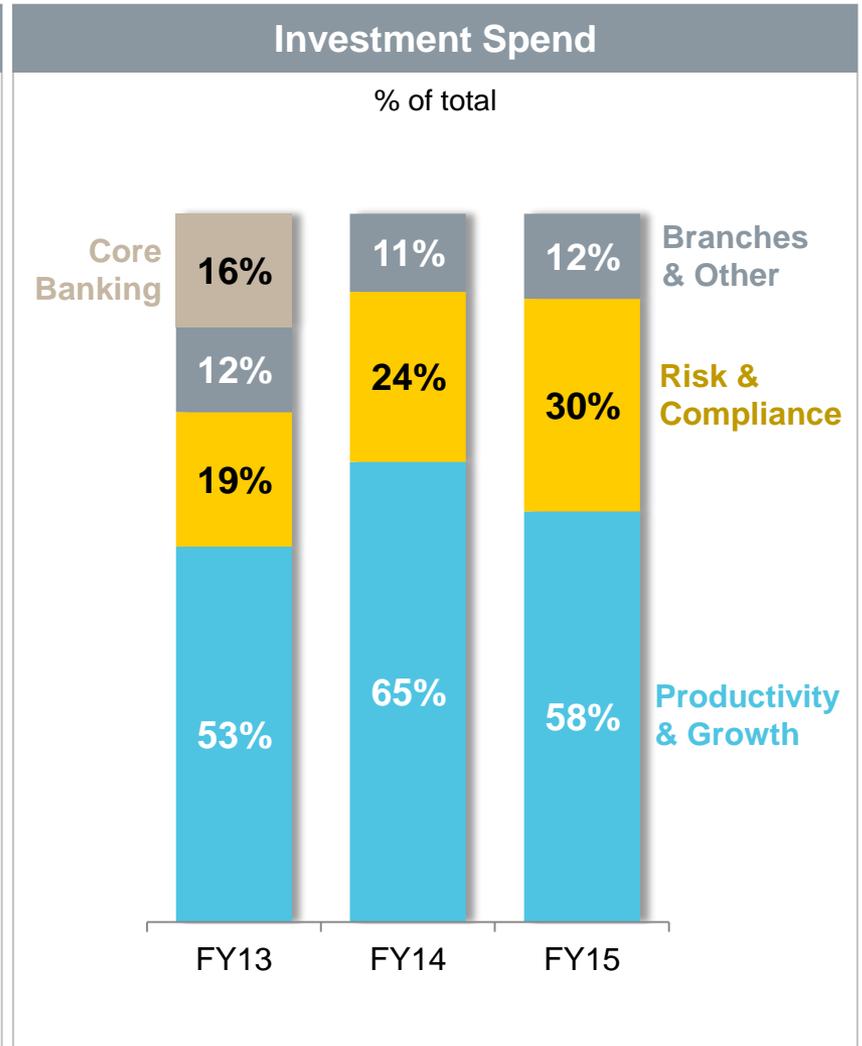
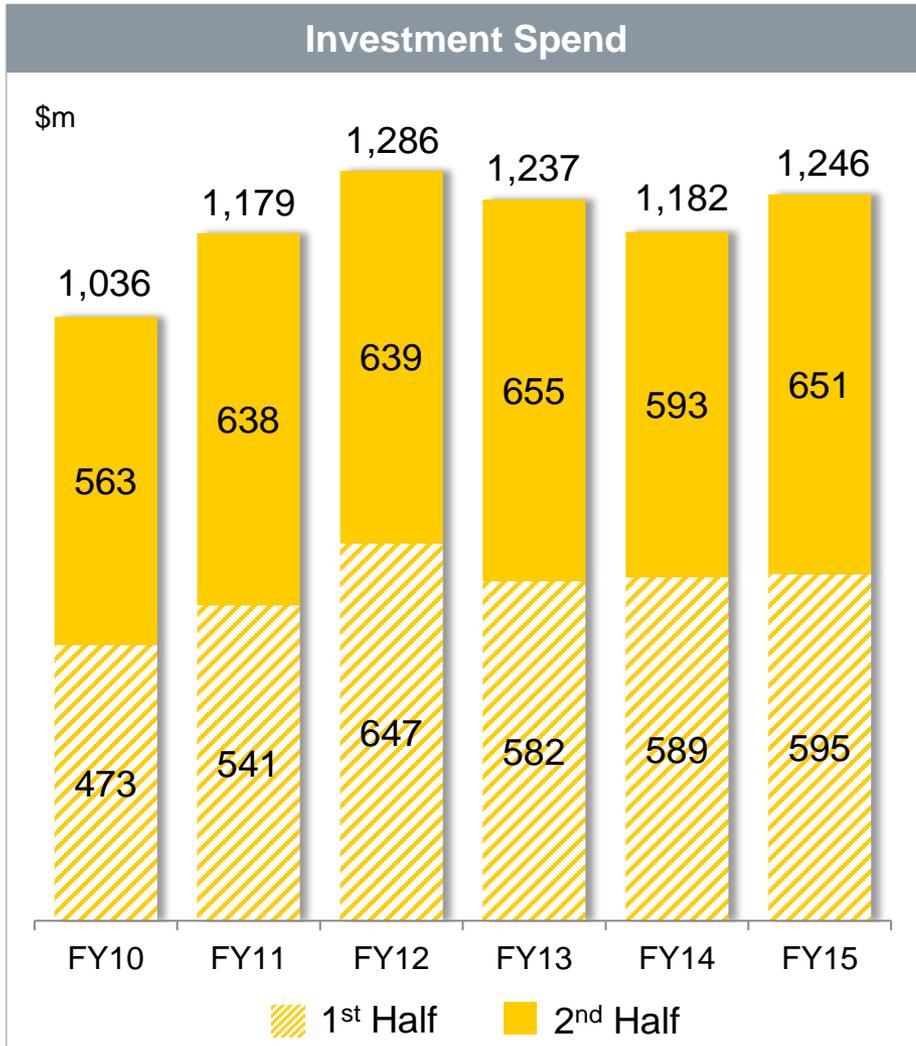
Individual Provisions



Collective Provisions



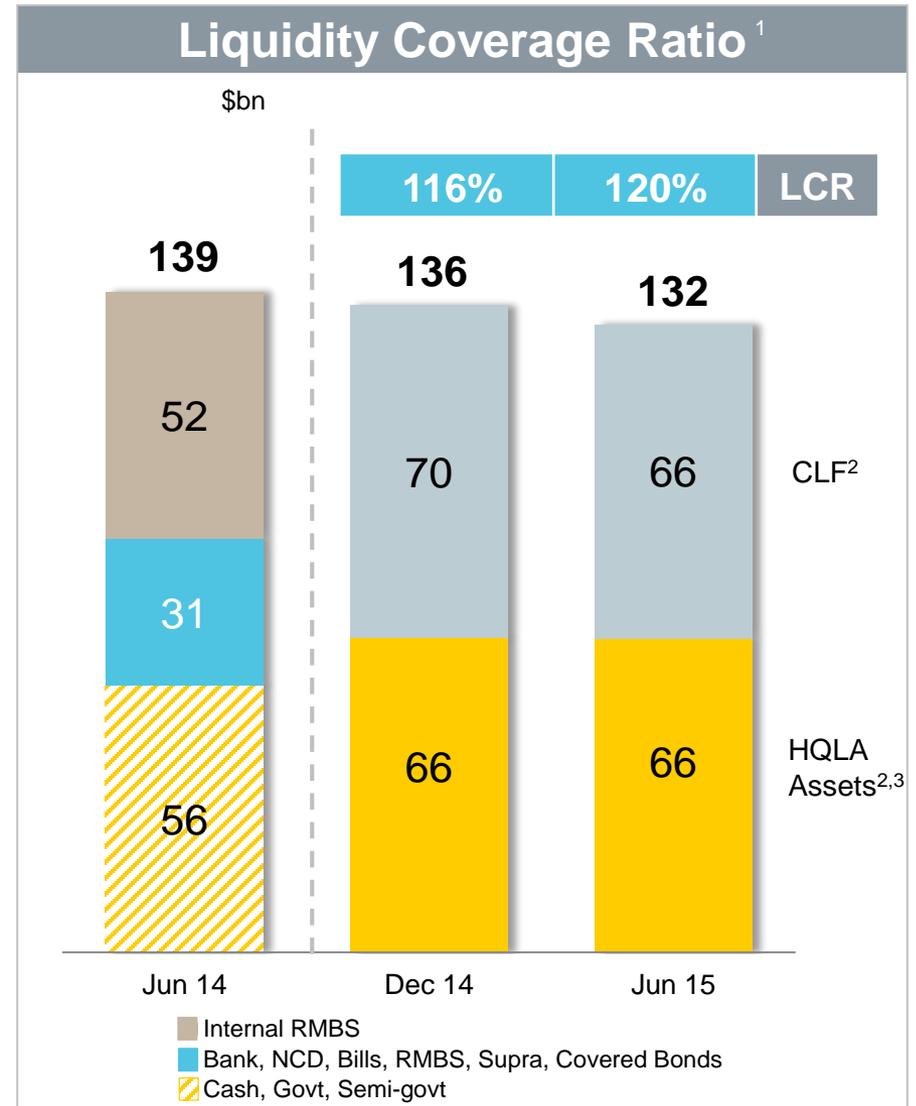
Investment spend



Funding, liquidity and capital

Liquidity

- ◆ Full Liquidity Coverage Ratio (LCR) compliance from 1 Jan 2015
- ◆ RBA Committed Liquidity Facility (CLF)
 - Available to meet AUD cash outflows
 - 15bp commitment fee on approved amount with additional cost if used
 - Collateralised by RBA repo-eligible securities (including Internal RMBS)
 - CBA has additional internal RMBS above amount used for CLF
- ◆ APRA determined the CBA CLF in context of AUD cash outflows and acceptable HQLA1 holdings - \$66bn for calendar year 2015²

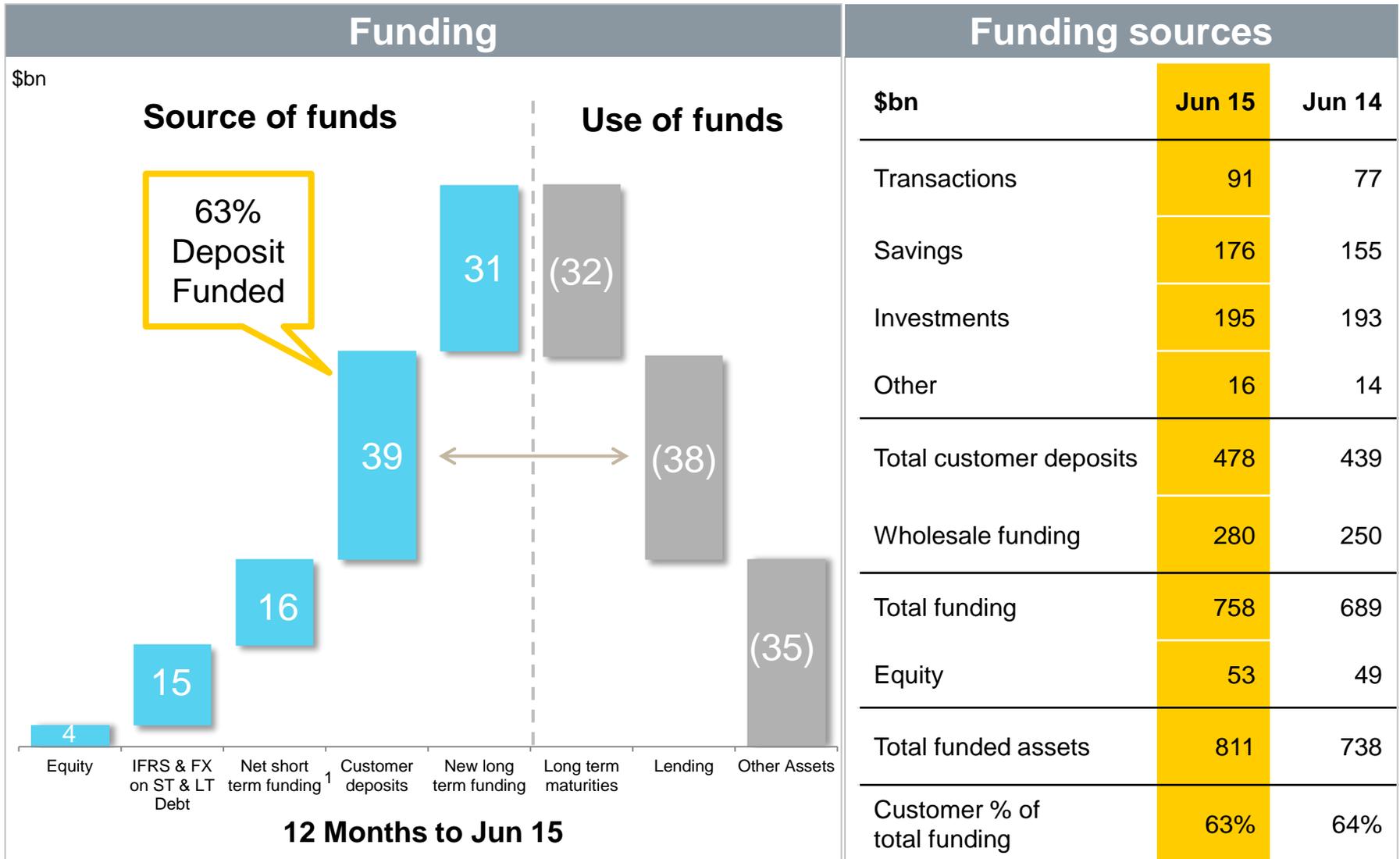


¹ Liquids are reported net of applicable regulatory haircuts. Dec 14 adjusted from Pro-forma to align with final reporting with APRA

² CBA provided with a CLF of \$70bn for period 1 Jan 2015 to 31 Mar 2015 inclusive, after which the CLF is \$66bn. The Exchange Settlement Account (ESA) balance is netted down by the Reserve Bank of Australia open-repo of internal RMBS

³ Qualifying HQLA includes cash, Govt and Semi Govt securities. Also includes \$5.6bn of RBNZ eligible securities

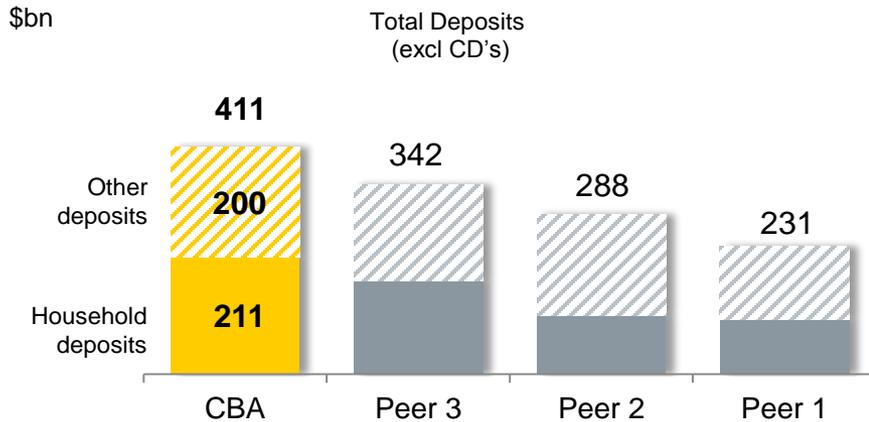
Funding



¹ Includes additional collateral received of \$9bn due to weaker AUD

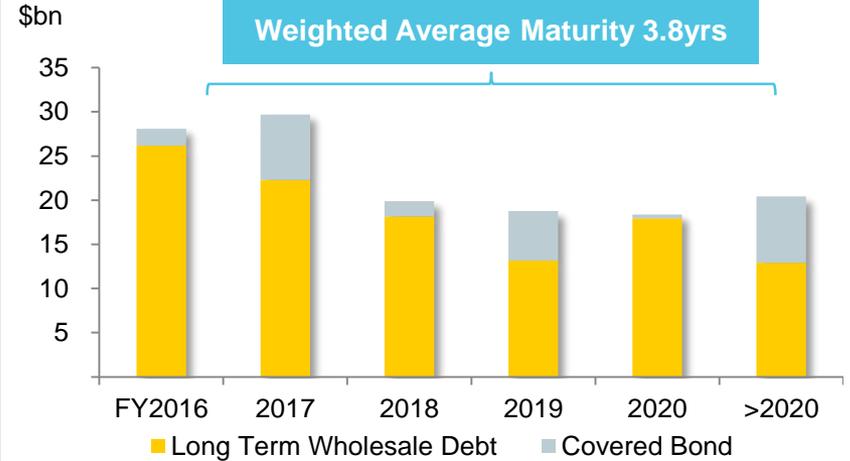
Funding

Australian Deposits

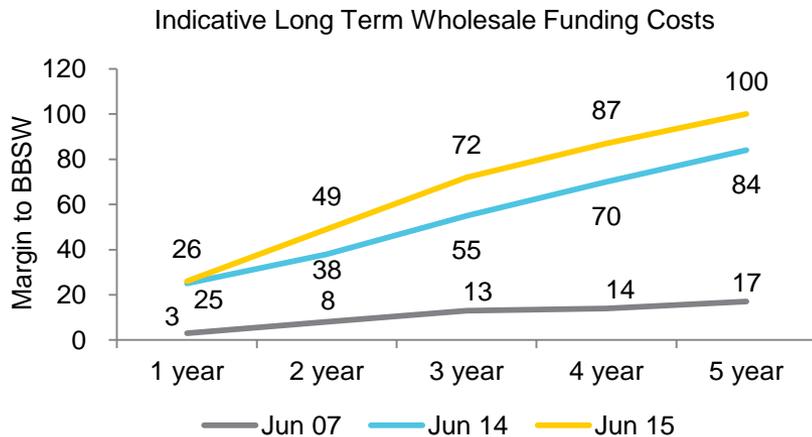


Source : APRA. CBA includes Bankwest

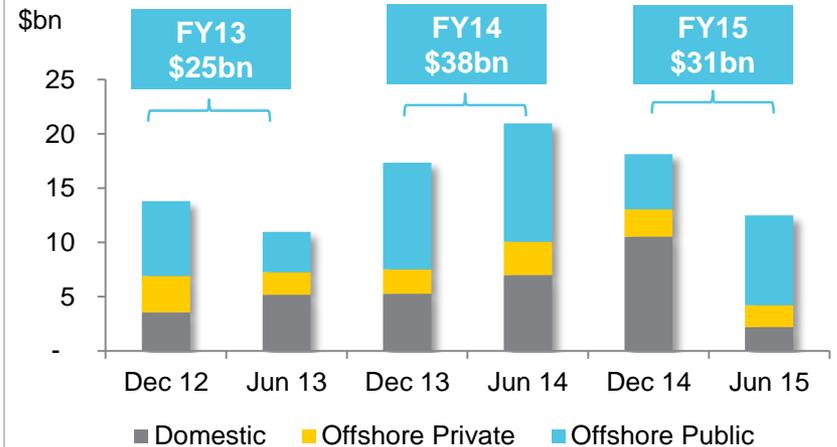
Term Maturity Profile¹



Funding Costs²



Term Issuance



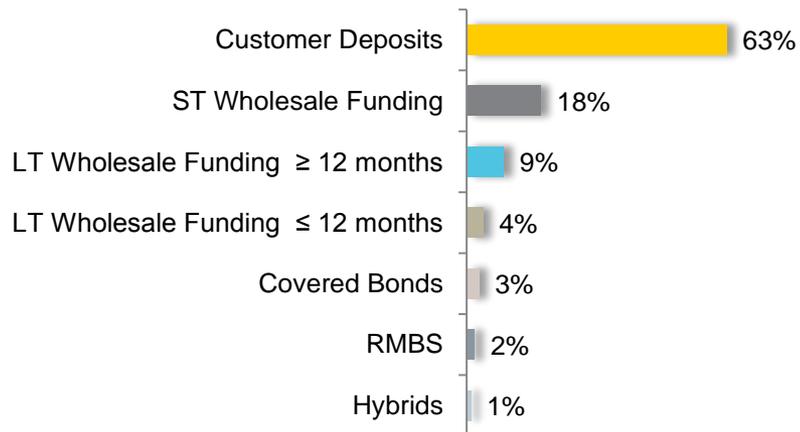
¹ Maturity profile includes all long term wholesale debt. Weighted Average Maturity of 3.8 years includes all deals with first call or residual maturity of 12 months or greater.

² CBA Group Treasury estimated blended wholesale funding costs

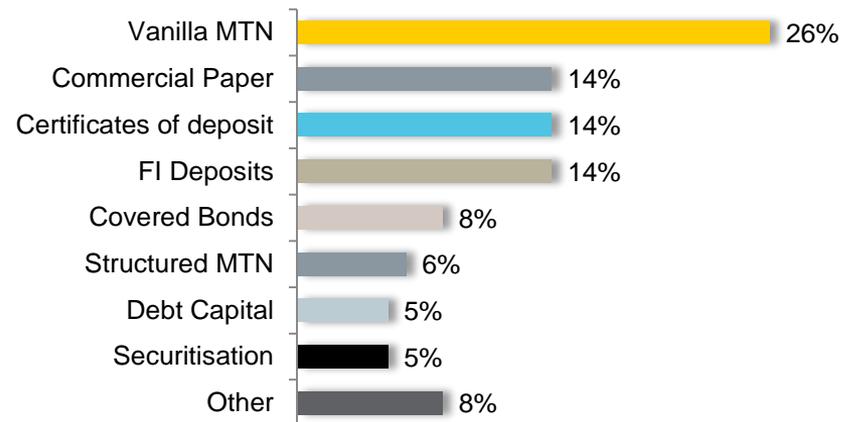


Funding – Portfolio

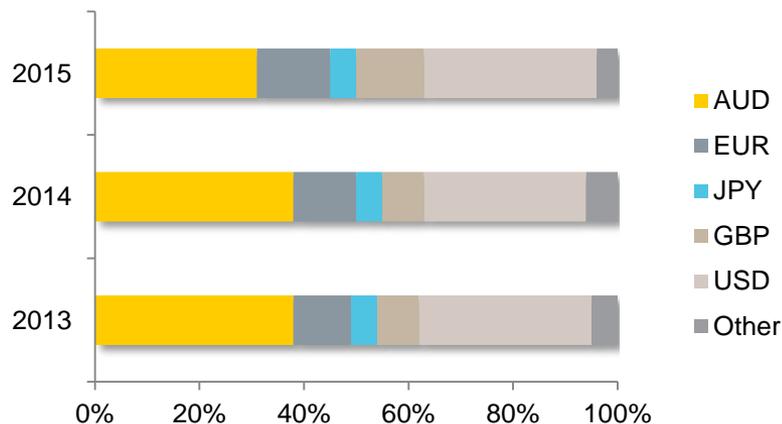
Funding Composition



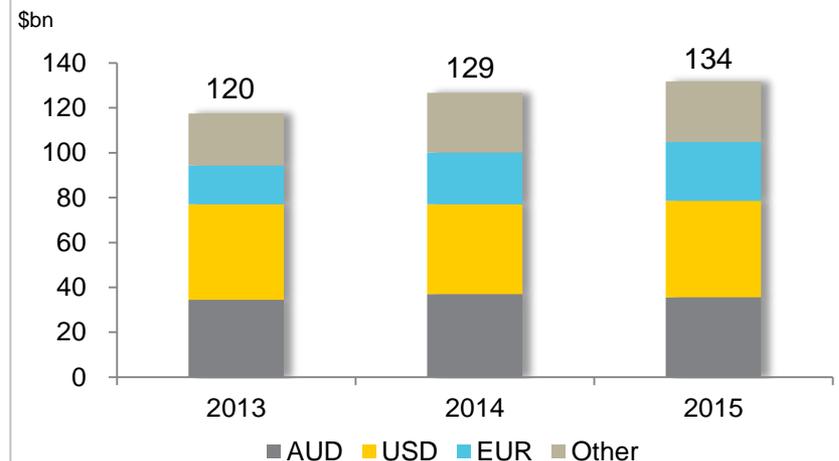
Wholesale Funding by Product



Wholesale Funding by Currency



Term Debt Issues Outstanding¹

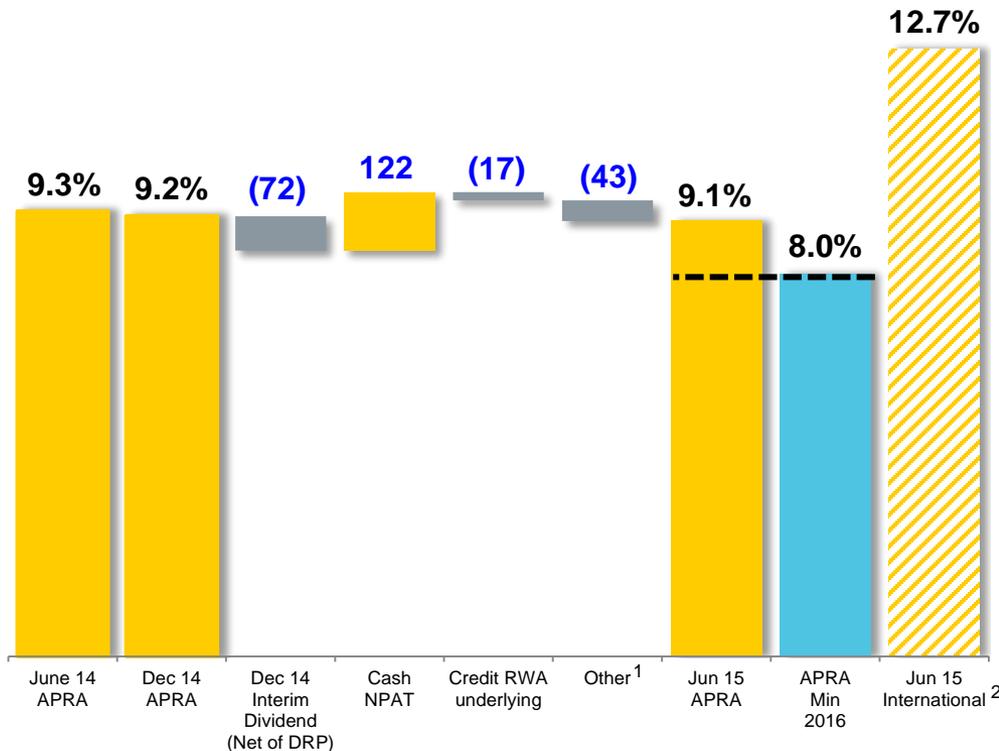


¹ Total of debt issues (at current FX) plus A\$ Transferable Certificates of deposit. Excludes IFRS. Includes Term debt maturing within 12 months.

Strong Capital Position

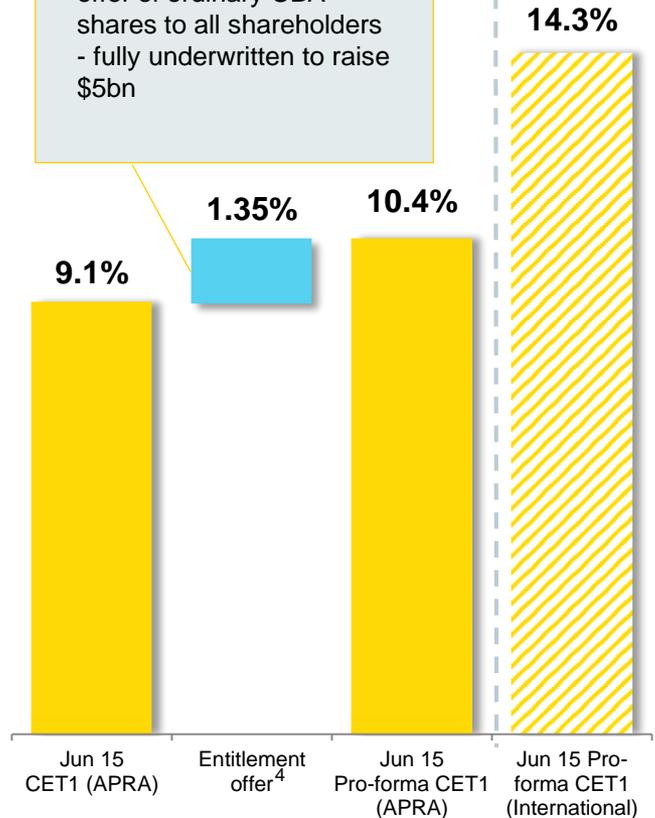
CET1

bpts



Pro-forma CET1³

Aug 2015 - Entitlement offer of ordinary CBA shares to all shareholders - fully underwritten to raise \$5bn



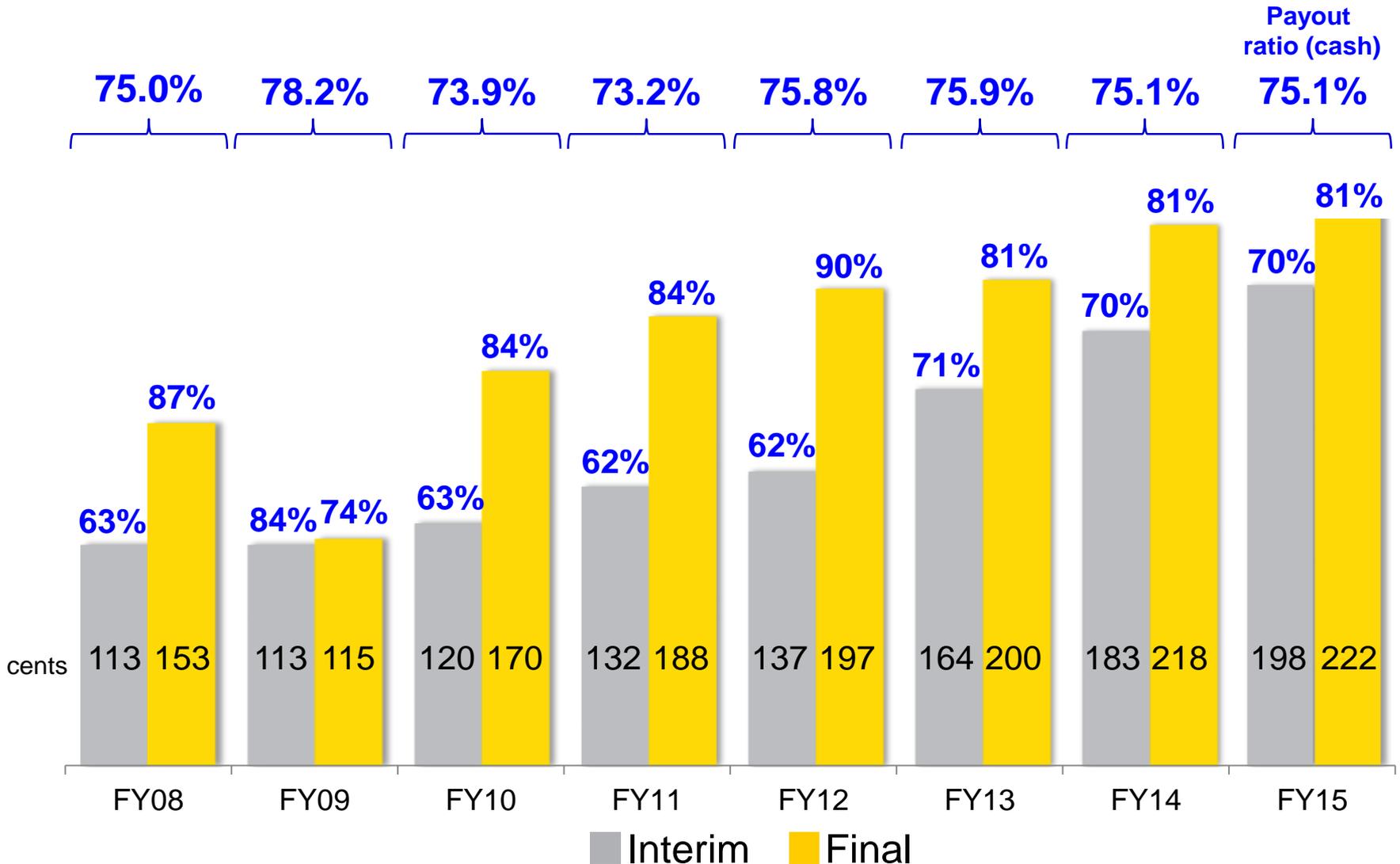
¹ Primarily relates to increases in IRRBB RWA and Operational RWA combined with maturity of the first tranche of the Colonial Debt

² Analysis aligns with the APRA study entitled "International capital comparison study" (13 July 2015).

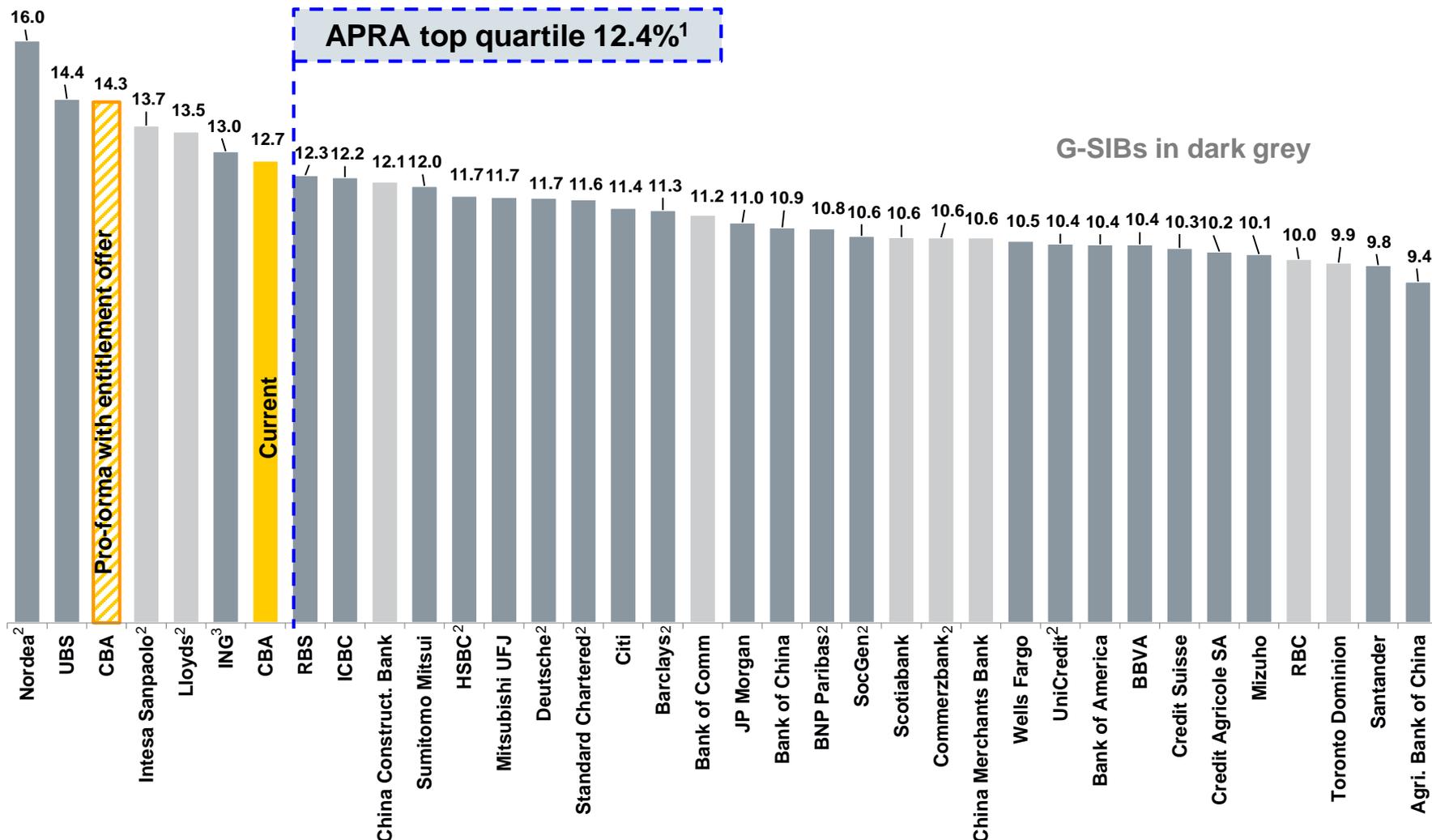
³ Does not include impact of future DRP participation or changes in margin or profit. All calculations are pro-forma, meaning they demonstrate the theoretical impact of an action. They do not take into account other relevant factors and are not a forecast

⁴ Net of transaction costs

Dividend



International Peer Basel III CET1



Source: Morgan Stanley and CBA. Based on last reported CET1 ratios up to 5 August 2015 assuming Basel III capital reforms fully implemented.

Peer group comprises listed commercial banks with total assets in excess of A\$700 billion and which have disclosed fully implemented Basel III ratios or provided sufficient disclosure for a Morgan Stanley estimate.

¹ Figure 2, APRA, Information paper "International capital comparison study", 13 July 2015

² Deduction for accrued expected future dividends added back for comparability

³ Interim profit not included in CET1 capital has been added back

APRA & International Comparison

The following table provides details on the differences, as at 30 June 2015, between the APRA Basel III capital requirements and internationally comparable capital ratios¹.

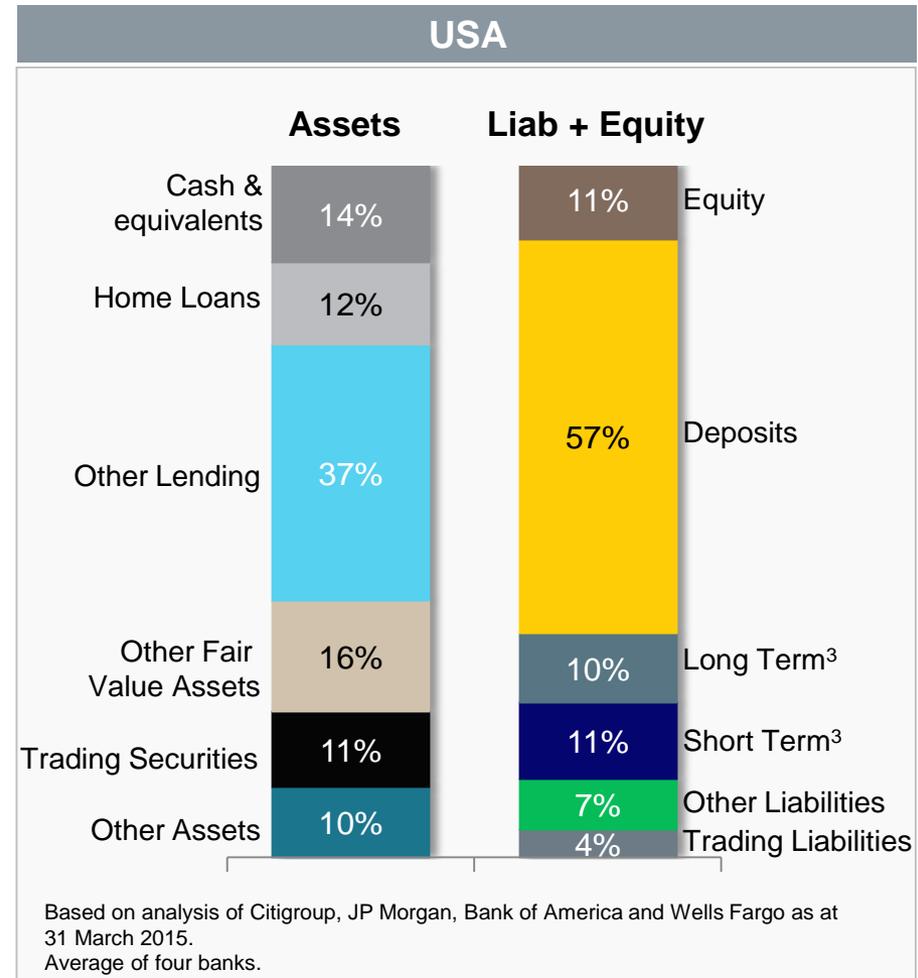
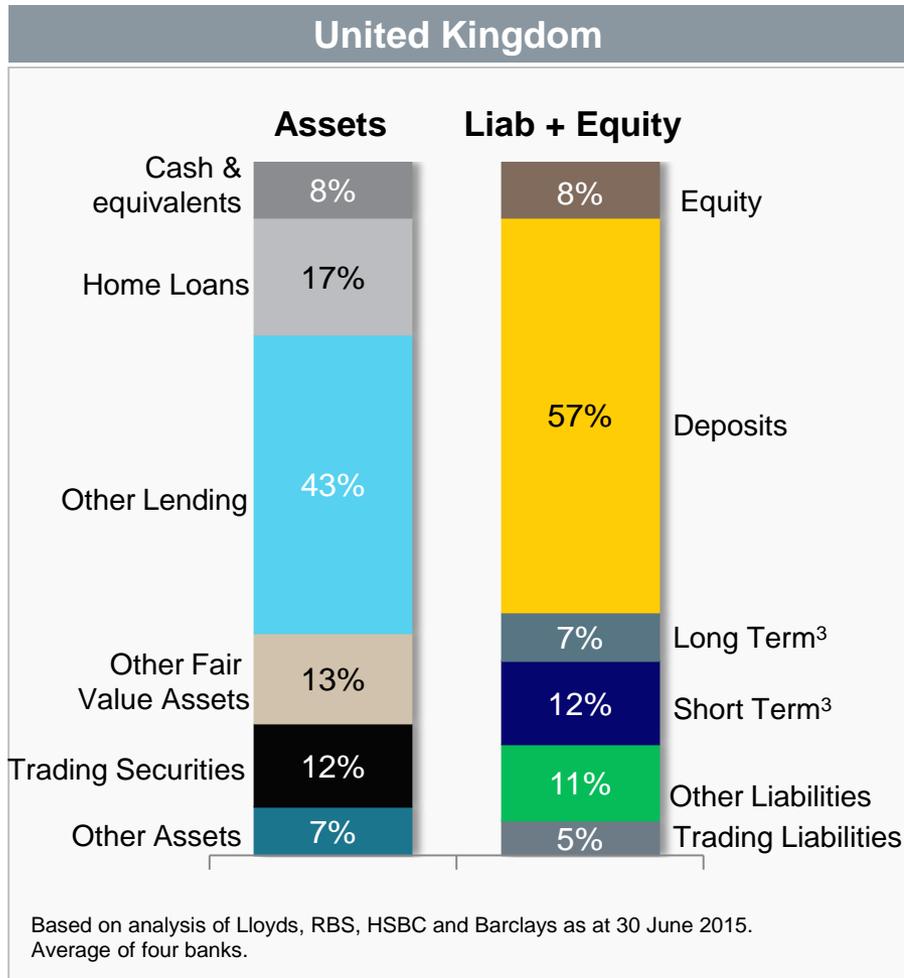
CET1	APRA Study ¹
Basel III (APRA)	9.1%
Equity investments	1.0%
Deferred tax assets	0.2%
IRRBB	0.3%
Residential mortgages	0.6%
Other retail standardised exposures	0.1%
Unsecured non-retail exposures	0.5%
Non-retail undrawn commitments	0.3%
Specialised lending	0.5%
Currency conversion threshold	0.1%
Capitalised expenses	N/A
Standardised mortgages and margin lending exposures	N/A
Total adjustments	3.6%
Basel III (Internationally Comparable)	12.7%

¹ Analysis aligns with the APRA study entitled "International capital comparison study" (13 July 2015)

Recent Australian regulatory developments

Overview	<ul style="list-style-type: none"> On 7 December 2014, the Government released the final report of the FSI. Covered areas of Common Equity Tier 1 (CET1), mortgage risk-weights, loss absorbency and leverage. No prescribed recommendations on amount or timing. APRA to determine and implement. APRA provided an initial response by way of two separate announcements (13th and 20th July 2015) 	
	FSI Recommendation – December 2014	APRA's Response – July 2015
Strong capital levels	<ul style="list-style-type: none"> Set capital levels such that capital ratios are unquestionably strong (top quartile of int'l active banks). 	<ul style="list-style-type: none"> Released paper "international capital comparisons study" Endorsed the FSI recommendation that Australia ADI's should be unquestionable strong. Confirmed that major banks are well-capitalised . Detailed adjustments that should be made to reported capital ratios in order to improve the comparability with other jurisdictions. <p>CBA June 15 Int'l Comparable CET1 ratio 12.7% placing it just within the top quartile.</p>
Higher RWA on mortgages	<ul style="list-style-type: none"> Improve competitiveness between ADI's by limiting distortion caused by regulatory treatments. Suggested range 25% - 30% average Internal Ratings-Based (IRB) mortgage risk weights. 	<ul style="list-style-type: none"> Increase in risk weighting for Australian residential mortgages Approximate increase to 25%, effective from 1 July 2016 Impact on CBA - approx 95 bps decrease in CET1.
Total Loss Absorbing Capital (TLAC)	<ul style="list-style-type: none"> Implement framework for minimum loss absorbing and recapitalisation capacity in line with emerging international practice, sufficient to facilitate orderly resolution of ADIs and minimise taxpayer support. Extension of TLAC requirements (applicable to G-SIBs) to Australian D-SIBs. Requires TLAC of the higher of 16% - 20% of RWAs or twice the capital required for the leverage ratio. TLAC requirements to be met through existing capital and Tier 3 capital (new tier of capital). 	<ul style="list-style-type: none"> No response to date
Leverage ratio	<ul style="list-style-type: none"> Leverage ratio minimum of 3% - 5%, based on Basel Framework 	<ul style="list-style-type: none"> Endorsed the Basel Committee framework and disclosure Australian ADI's to commence disclosures from Sept 15
Transparency	<ul style="list-style-type: none"> Improving the transparency of reporting by developing a reporting template for capital ratios that is transparent against the minimum Basel Framework requirements. 	<ul style="list-style-type: none"> The July 2015 release provided an assessment of material differences between APRA and Basel Framework. An APRA endorsed template – possible up to 2 years from being finalised

UK and US Balance Sheet Comparison 1,2



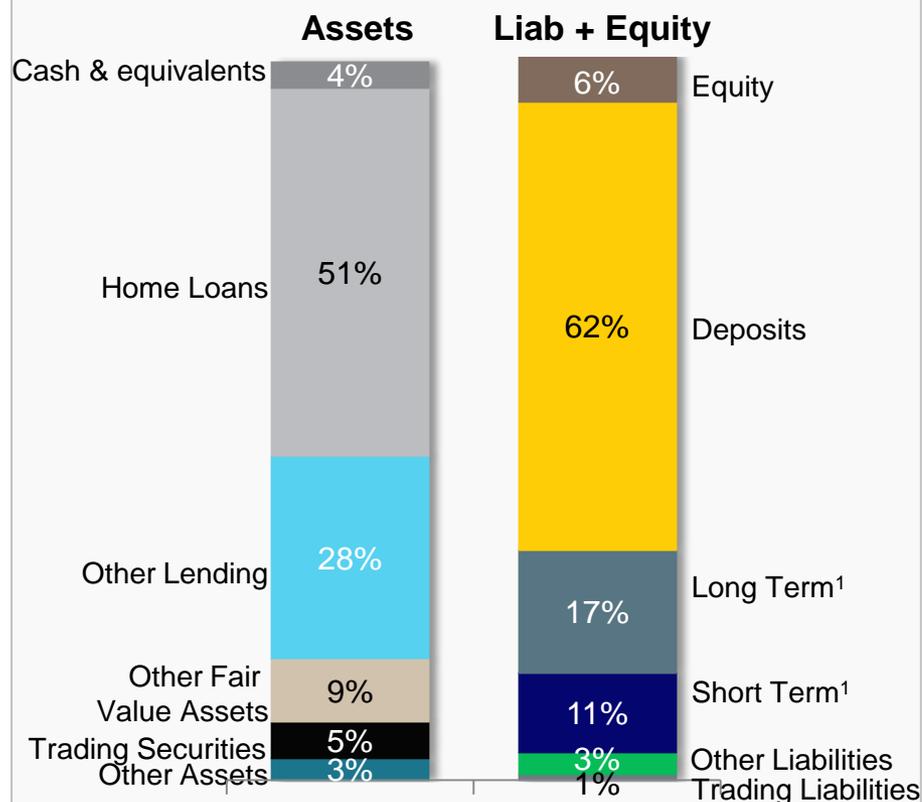
1 Based on statutory balance sheets.

2 Balance sheets do not include derivative assets and liabilities.

3 Wholesale funding.

Australian Banks

Commonwealth Bank



CBA balance sheet as at 30 June 2015.
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:

- 51% of balance sheet is home loans, which are stable/long term.
- Trading securities and other fair value assets comprise just 12% of CBA balance sheet compared to 24% and 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	81%	19%
UK	45%	55%
US	55%	45%

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

- Higher deposit base than US and UK banks (62% including 30% 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.

Strategy

Our strategy

Customer Focus

Capabilities

People



Productivity



Technology



Strength



“One CommBank”

Growth Opportunities

Continued growth in business and institutional banking

Disciplined capability-led growth outside Australia



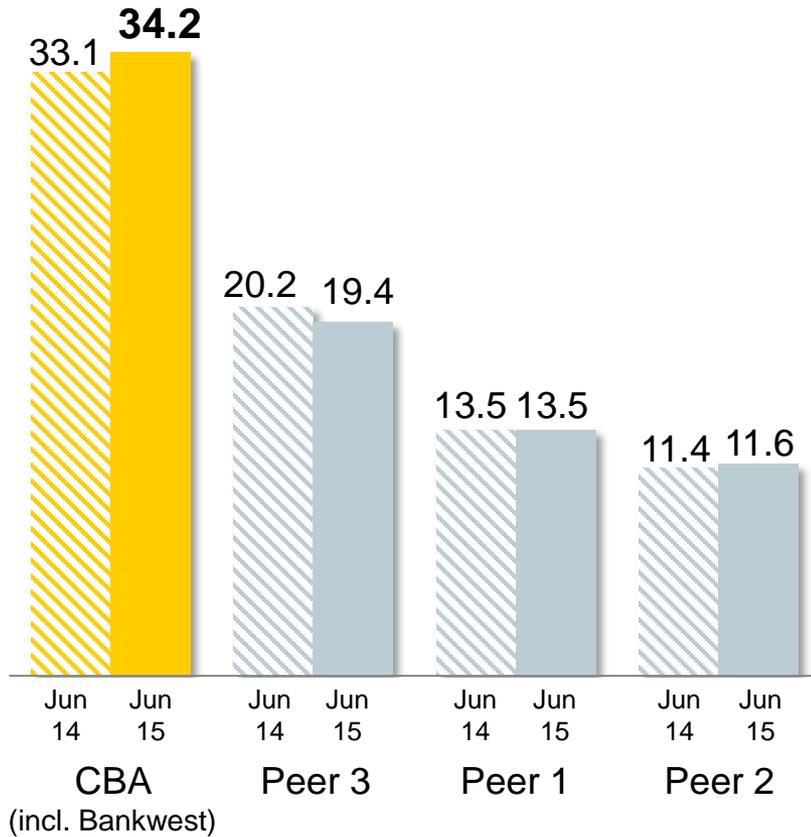
TSR Outperformance



MFI share

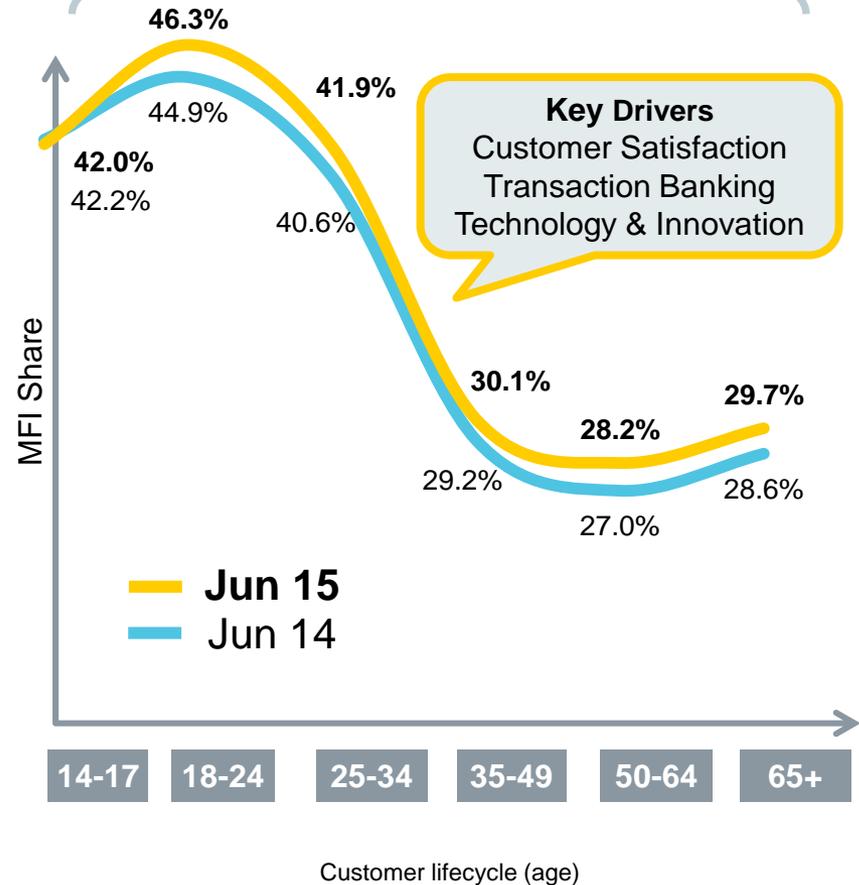
MFI share³

%



CBA MFI share by age³

Overall 34.2%



³ Refer notes page at back of presentation for source information

Continuous Innovation

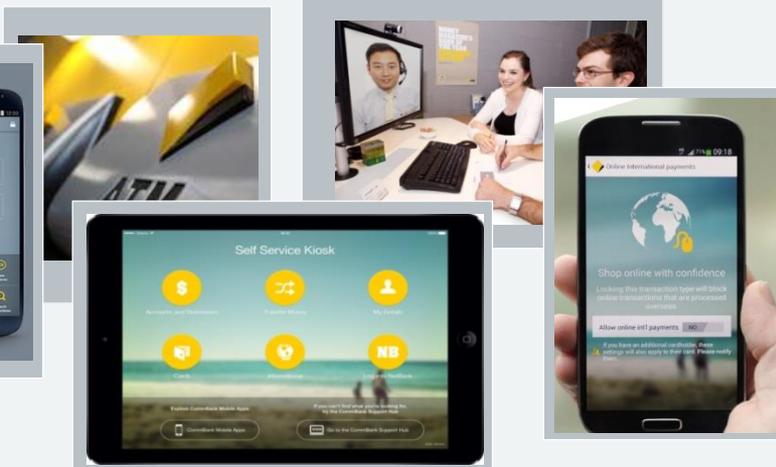
2011

NetBank for mobile
Android; Everyday
settlement



2013

MyWealth; Kaching for Facebook; CommBiz
mobile; Union Pay; Video Conferencing in
branches; Essential Super; CommBiz Markets
on mobile; Tap&Pay NFC with Samsung and
MasterCard; Everyday origination; SmartSign



2012

CommSec app for Android; New
generation ATMs; Better
Business Insights; Pi and Leo

2014

PayTag for Android & iPhone; New
CommBank app; DailyIQ; Lock & Limit;
Emmy; Cardless Cash; Small Business
app; Online origination; Innovation Lab;
Cancel and Replace; Temporary Lock;
PEXA settlement, TYME

2015

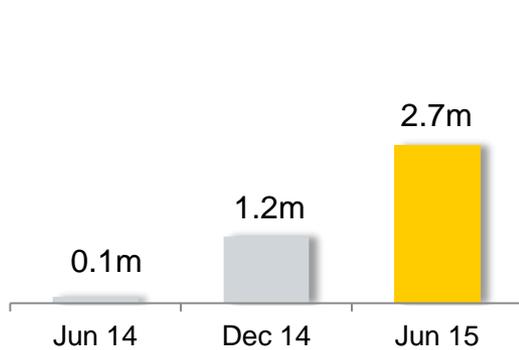
- “Albert” Eftpos tablet
- Apps for Tablets & Smartwatches
- Portfolio View
- Real Time Alerts
- Foreign Currency Accounts
- Touch ID



Key technology metrics

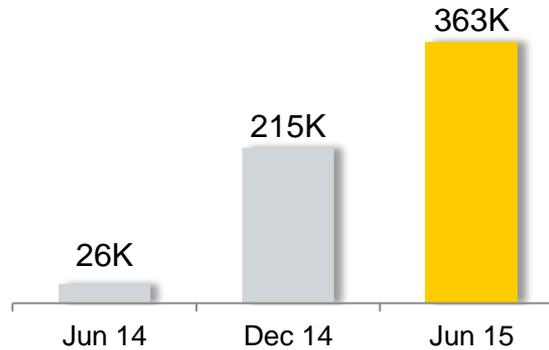
Cardless Cash

Total number of transactions



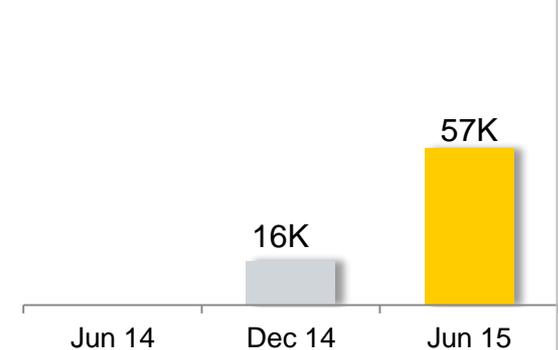
Lock, Block & Limit

Number of accounts enrolled



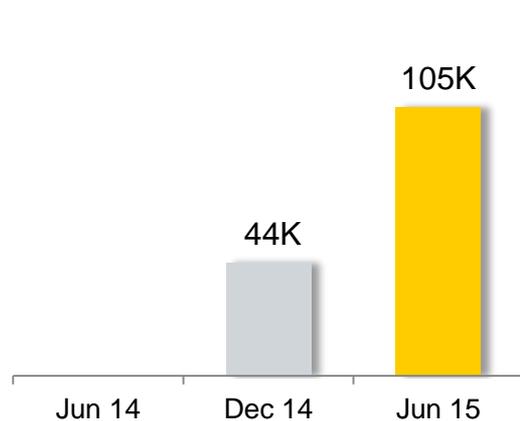
Temporary Lock¹

Number of accounts enrolled



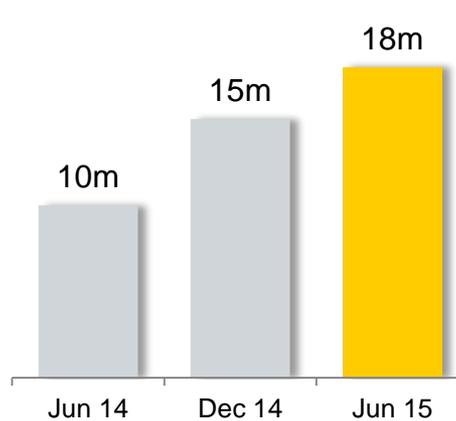
Cancel & Replace¹

Number of replacement requests



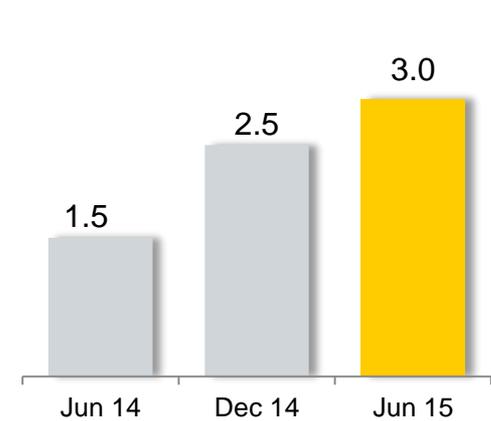
CBA App

Logons per week



CBA App

Transactions per week (\$bn)



¹ Launched Oct 14

Innovating in Transaction Banking

Transaction Accounts
Balance Growth
FY15



Continuous Innovation

- Cardless Cash
- Tap & Pay
- Intelligent Deposit Machines
- Real Time Alerts
- Foreign Current Accounts

Easy Account Opening

- Real time online origination in less than 5 minutes¹
- Bankwest online application times reduced by 33%²
- Digital channels 12% of new accounts and growing¹
- Real time funds transfer from another bank - start using your account straight away

¹ Personal Transaction accounts in RBS

² Average application times for new customers. Reduction of 33% in FY15.

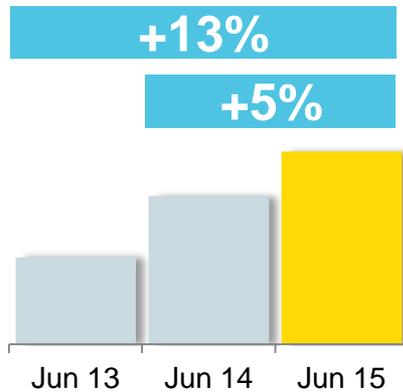
³ Excludes Cash Management Pooling Facilities (CMPF)



Productivity metrics

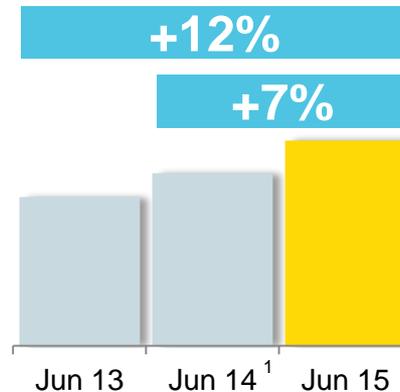
Customer Service

Telling transactions per CSR per week



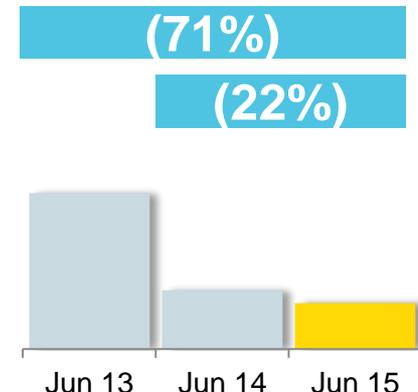
Personal Loans

% funded same day



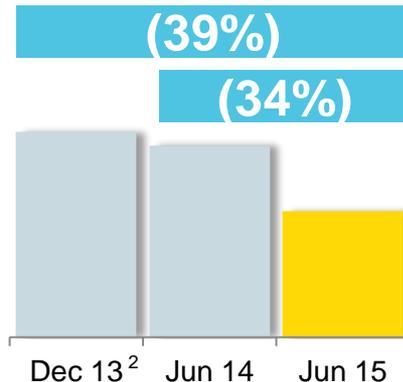
Asset Finance

Credit approval time (minutes)



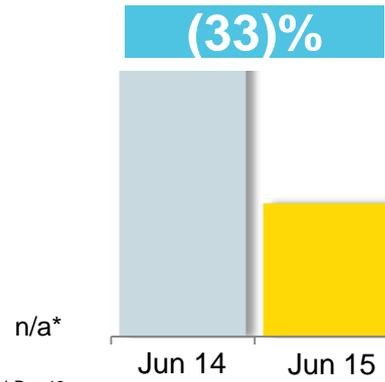
Home Insurance

Claims turnaround time (days)



Bankwest Transaction Accounts

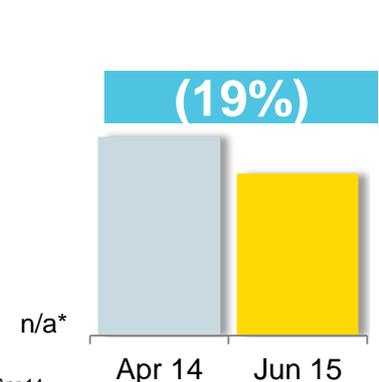
Online Accounts - average application time (minutes)



* Commenced Dec 13

Transaction Banking

Business client on-boarding time (days)



* Commenced Apr 14

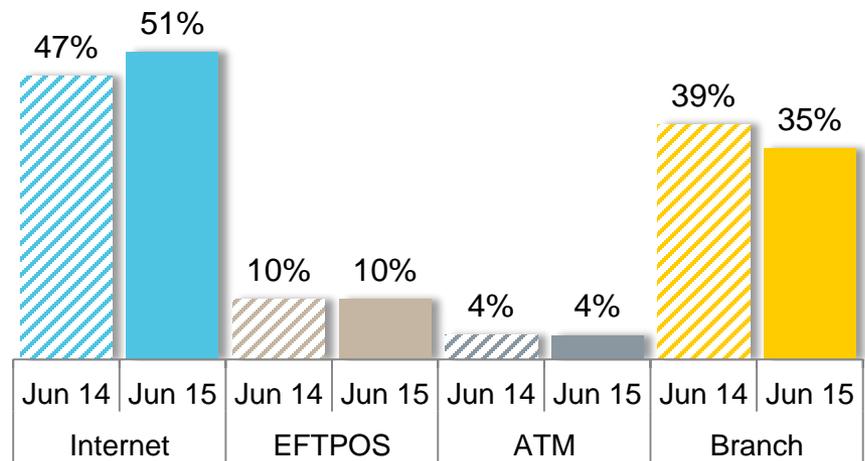
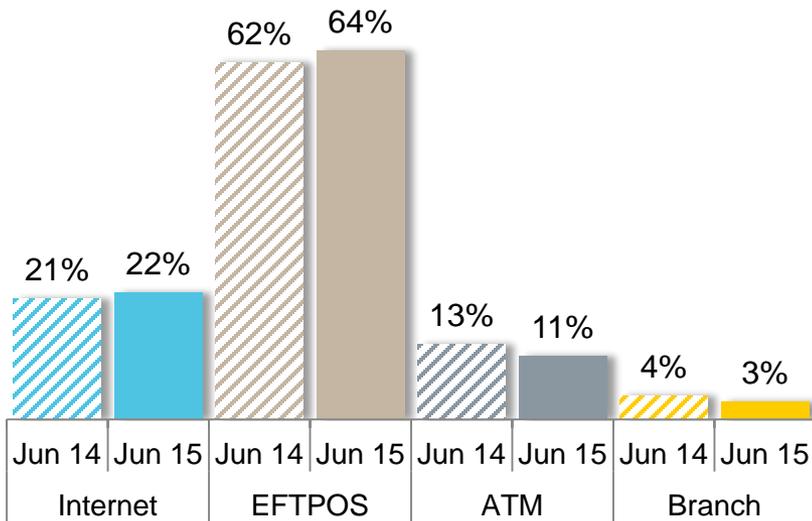
1. Comparative information has been restated to conform to presentation in the current period.
2. Commenced Dec 13. Data for 6 months to Dec 13.
3. Refer to notes page at back of presentation for productivity metrics.

Branch of the future



% of total by transaction number

% of total by transaction \$ value



CFSGAM – Global Reach



○ Joint venture

Australia and New Zealand
AUM \$113.2 billion¹

UK, Europe and Middle East
AUM \$61.3 billion

Asia (incl. Japan)
AUM \$21.7 billion

North America
AUM \$6 billion²

Spot

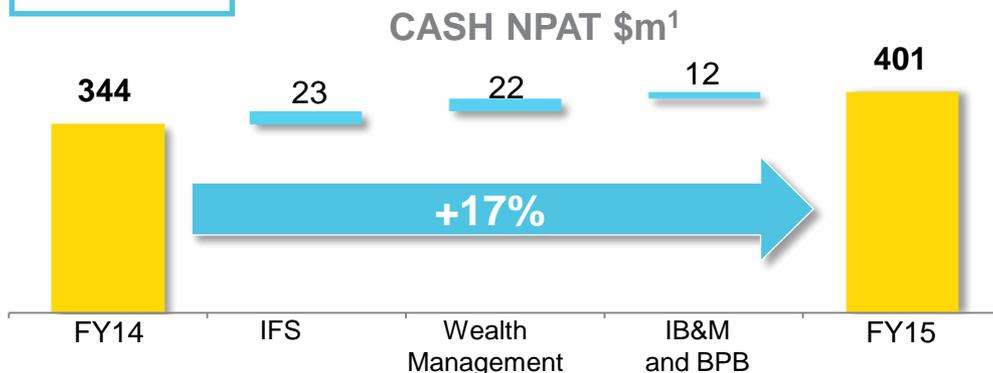
1. Assets under management indicated above includes Realindex Investments which is a wholly owned investment management subsidiary of the Colonial First State group of companies.
2. USA assets managed through CFSAMAL (Australia based non-domiciled), FSII (UK based non-domiciled), FSI Singapore (Singaporean based non-domiciled), USA SEC Registered Investment Advisers.



CBA in Asia and South Africa



Map not to scale



China

- ◆ Bank of Hangzhou (20%): 171 branches
- ◆ Qilu Bank (20%): 105 branches
- ◆ County Banking
 - Henan: 7 Banks and 5 branches (5 Banks and 5 branches @ 80% and 2 Banks @ 100% holding)
 - Hebei: 8 Banks (5 Banks @ 80% and 3 Banks @ 100% shareholding).
- ◆ CBA Beijing, Shanghai and Hong Kong branches
- ◆ BoCommLife JV (37.5%): operating in 11 provinces
- ◆ First State Investments Hong Kong and First State Cinda JV (46%)
- ◆ Colonial Mutual Group Beijing Rep Office

Indonesia

- ◆ PT Bank Commonwealth (99%): 91 branches and 144 ATMs
- ◆ PT Commonwealth Life (80%): 31 life offices
- ◆ First State Investments

Vietnam

- ◆ Vietnam International Bank (20%): 159 branches
- ◆ Hanoi Representative Office
- ◆ Ho Chi Minh City CBA branch; 28 ATMs

Singapore

- ◆ CBA branch,
- ◆ First State Investments

Japan

- ◆ Tokyo CBA branch,
- ◆ First State Investments

South Africa

- ◆ TYME

India

- ◆ Mumbai CBA branch

¹ Includes Asia region Cash NPAT from Business & Private Banking, Institutional Banking & Markets, Wealth Management and IFS businesses. IFS incorporates the Asian retail and business banking operations (Indonesia, China, Vietnam and India), investments in Chinese and Vietnamese banks, the joint venture Chinese life insurance business, the life insurance operations in Indonesia and acquisition of a South African based financial services technology company.

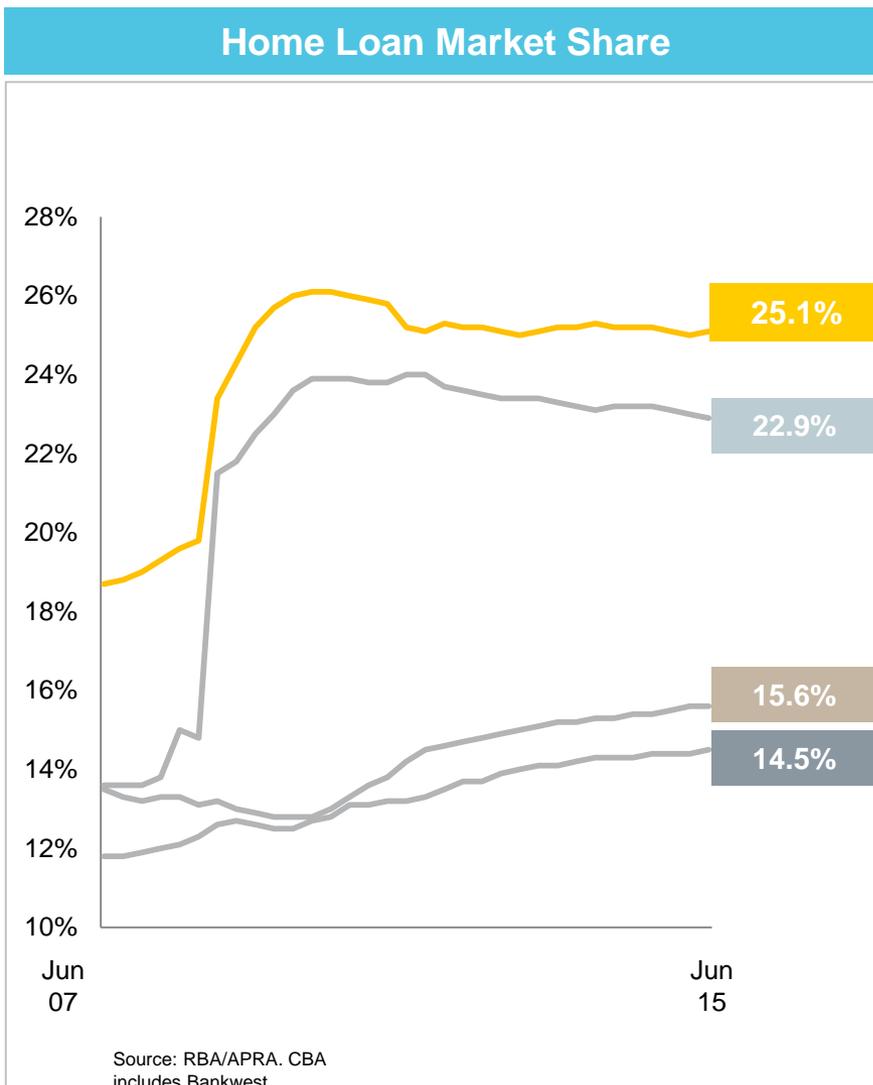
Outlook

- ◆ Result shows good economic foundations in savings, credit growth and credit quality, though near-term global risks remain
- ◆ Need for businesses and all sides of politics to work together towards diversified, sustainable growth
- ◆ Continued investment for CBA in same long-term priorities, with strong execution focus

Credit and housing

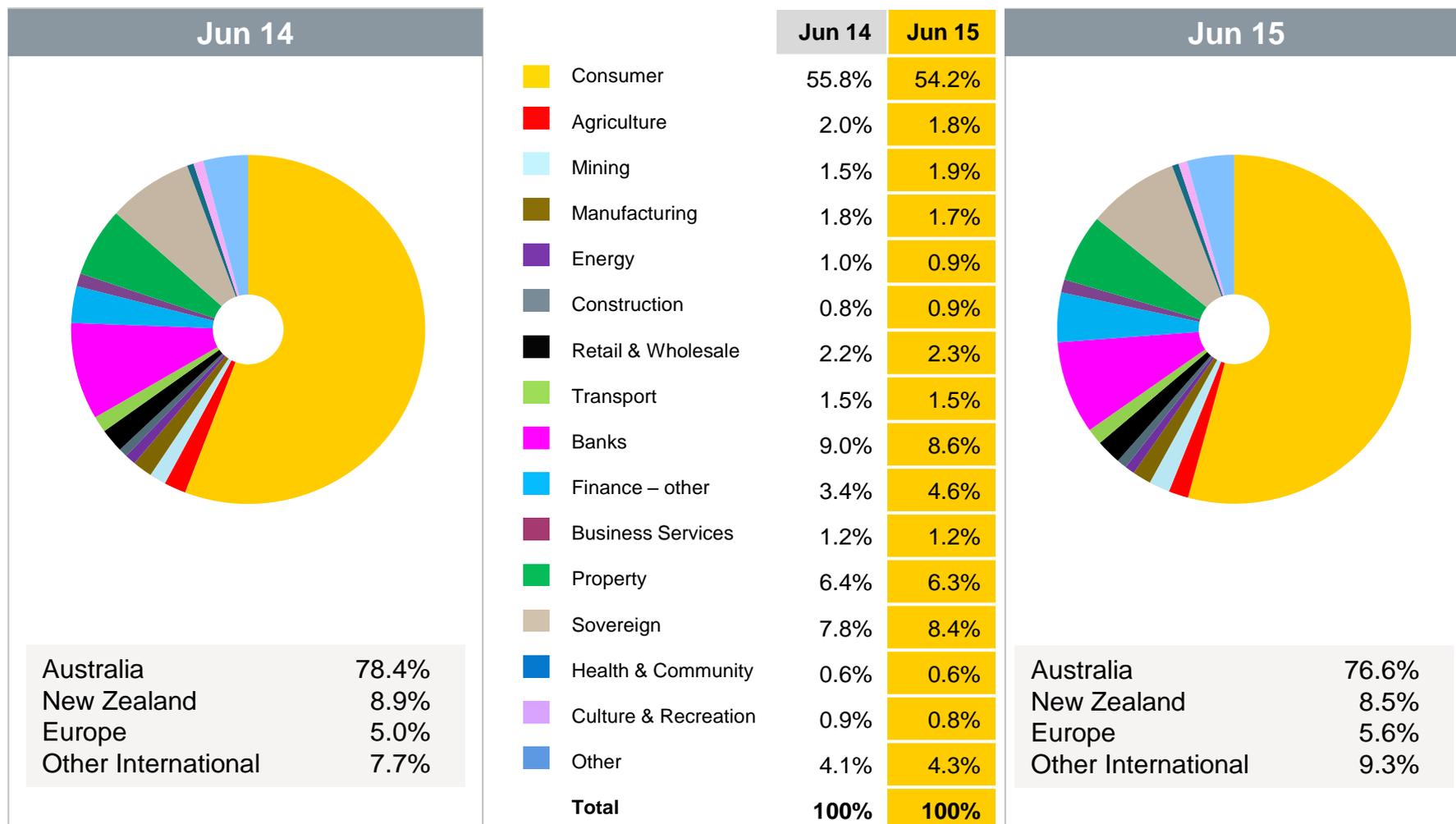
CBA Market share

%	Jun 15
Home loans	25.1
Credit cards – RBA ²	24.5
Other household lending ³	19.8
Household deposits ⁴	29.5
Business lending – RBA	17.2
Business lending - APRA	18.9
Business deposits – APRA	20.3
Asset finance	13.2
Equities trading	6.0
Australian Retail – administrator view ⁵	16.0
FirstChoice Platform ⁵	11.4
Australia life insurance (total risk) ⁵	12.3
Australia life insurance (individual risk) ⁵	11.7
NZ home loans	21.7
NZ retail deposits	21.4
NZ business lending	11.6
NZ retail FUA	16.2
NZ annual inforce premiums ⁵	28.8



1 Prior periods have been restated in line with market updates. 2 As at 31 May 2015. 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 31 Mar 2015.

Credit Exposures¹ by Industry



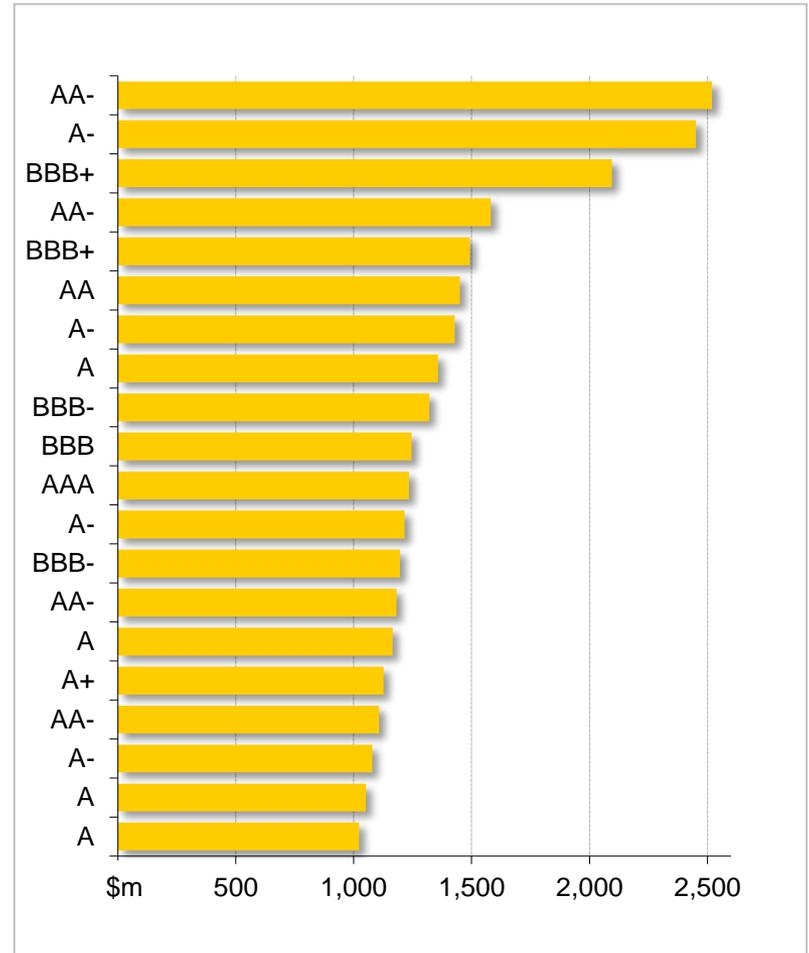
¹ Total Credit Exposure (TCE) basis = balance for uncommitted facilities and the greater of limit or balance for committed facilities. Calculated before collateralisation. Includes ASB and Bankwest and excludes settlement exposures.

Sector Exposures

Commercial Exposures by Industry ^{1,2}

TCE \$bn ¹	AAA to AA-	A+ to A-	BBB+ to BBB-	Other	Jun 15
Banks	36.7	42.4	4.7	1.9	85.7
Finance Other	22.8	13.9	5.5	3.1	45.3
Property	1.7	5.8	13.3	41.7	62.5
Sovereign	72.7	9.9	0.2	0.4	83.2
Manufacturing	1.0	2.7	6.1	6.9	16.7
Trade	1.0	2.0	6.3	13.5	22.8
Agriculture	0.0	0.3	2.1	15.8	18.2
Energy	0.2	1.3	6.6	0.8	8.9
Transport	0.4	1.5	8.5	4.5	14.9
Mining	1.7	5.7	7.3	4.0	18.7
All other (ex Consumer)	1.6	5.8	19.6	41.6	68.6
Total	139.8	91.3	80.2	134.2	445.5

Top 20 Commercial Exposures²



1 Total Credit Exposure (TCE) basis = 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.

2 CBA grades in S&P Equivalents

Australian Home Loan Portfolio¹

Overview	<ul style="list-style-type: none">▶ Portfolio losses low at < 2bpts▶ 77% of customers paying in advance² by 27 months on average, including offset facilities▶ Mortgage offset balances up 40% in FY15 to \$22 billion▶ Regular stress testing undertaken to identify areas of sensitivity▶ RBS Portfolio dynamic LVR³ of 48%▶ Limited “low doc”⁴ lending (0.1% of approvals and <1% of the portfolio)
Higher LVR Loans	<ul style="list-style-type: none">▶ Maximum LVR of 95%⁵ for all loans▶ RBS Dynamic High LVR proportions (LVR>80%) reduced by 3 basis points in FY15▶ Lenders’ Mortgage Insurance (LMI) required for higher-risk loans
Investor Lending	<ul style="list-style-type: none">▶ Investment loan growth <10%, below peers and sub-system▶ Investment loan arrears below portfolio average▶ LVR restrictions on Investment loan lending
Servicing	<ul style="list-style-type: none">▶ RBS – Higher of customer rate plus 2.25% or minimum floor rate of 7.25% pa▶ BWA – Higher of 7.57% assessment rate or minimum floor rate of 7.35% pa▶ 80% cap on less certain income sources (e.g. rent, bonuses etc.)▶ Limits on investor income allowances e.g. RBS restrict the use of negative gearing where LVR>90%▶ Buffer applied to existing mortgage repayments▶ Interest only loans assessed on principal and interest basis

1. CBA and Bankwest, except where noted 2. Defined as any payment ahead of monthly minimum repayment; includes offset facilities
3. Defined as current balance/current valuation (data as at Mar 15 due to lag in publication of current valuations data) 4. Documentation is required, including Business Activity Statements 5. For Bankwest, maximum LVR excludes any capitalised mortgage insurance



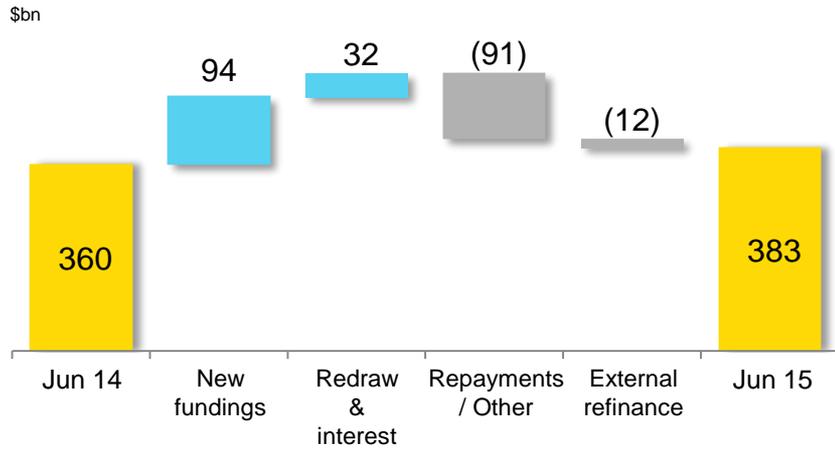
Australian Home Loan Portfolio¹

Portfolio ¹	Jun 14	Dec 14	Jun 15	New Business ¹	Jun 14	Dec 14	Jun 15
Total Balances - Spot (\$bn)	360	370	383	Total Funding (\$bn)	87	46	94
Total Balances - Average (\$bn)	349	365	371	Average Funding Size (\$'000)	256	269	274
Total Accounts (m)	1.7	1.7	1.7	Serviceability Buffer (%) (RBS) ⁶	1.5	1.5	2.25
Variable Rate (%)	83	82	85	Variable Rate (%)	82	84	87
Owner Occupied (%)	61	60	60	Owner Occupied (%)	63	61	60
Investment (%)	33	34	35	Investment (%)	34	36	37
Line of Credit (%)	6	6	5	Line of Credit (%)	3	3	3
Proprietary (%)	58	57	57	Proprietary (%)	57	57	55
Broker (%)	42	43	43	Broker (%)	43	43	45
Interest Only (%) ²	35	36	37	Interest Only (%) ²	37	39	41
Lenders' Mortgage Insurance (%) ²	27	27	26	Lenders' Mortgage Insurance (%) ²	25	22	21
Mortgagee In Possession (%)	0.05	0.04	0.04				
Portfolio Dynamic LVR (%) (RBS) ³	48	48	48				
Customers in Advance (%) ⁴	78	78	77				
Payments in Advance incl offset (#) ⁵	22	25	27				
Payments in Advance ex offset (RBS) ⁵	7	7	7				

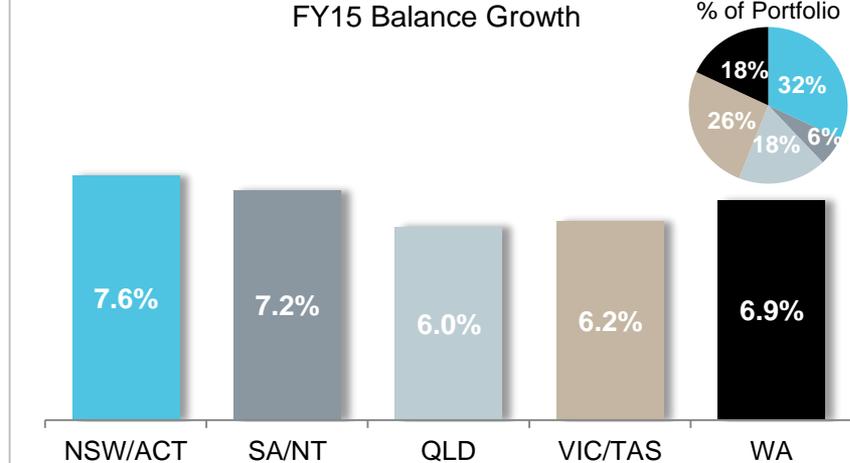
1. CBA and Bankwest, except where noted. All portfolio and new business metrics based on balances and fundings, respectively, except where noted. All new business metrics are based on 12 months to June and 6 months to December
2. Excludes Line of Credit (Viridian LOC/Equity Line)
3. LVR defined as current balance/current valuation (3 months lag due to data availability)
4. Any payment ahead of monthly minimum repayment. Includes offset facilities
5. Average number of payments ahead of scheduled repayments
6. Serviceability test based on the higher of the customer rate plus a 2.25% interest rate buffer or a minimum floor rate. Bankwest serviceability assessment rate is 7.57% as at Jun 15

Australian Home Loans¹

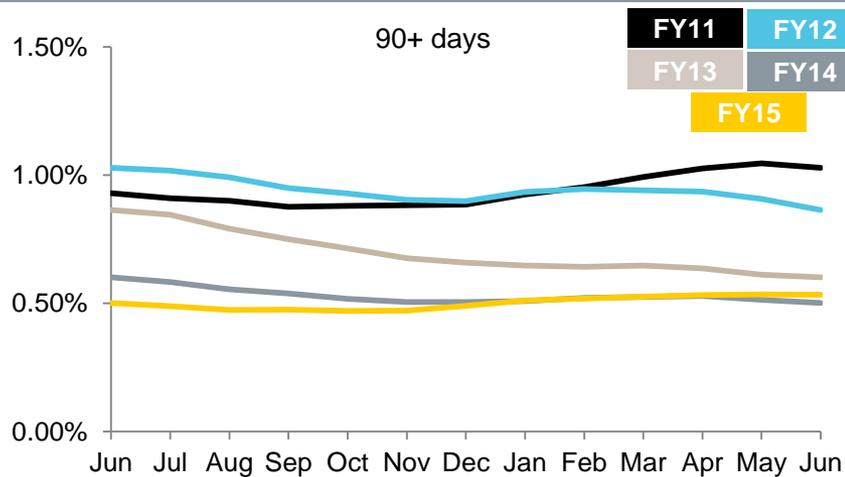
Australian Home Loan Balances



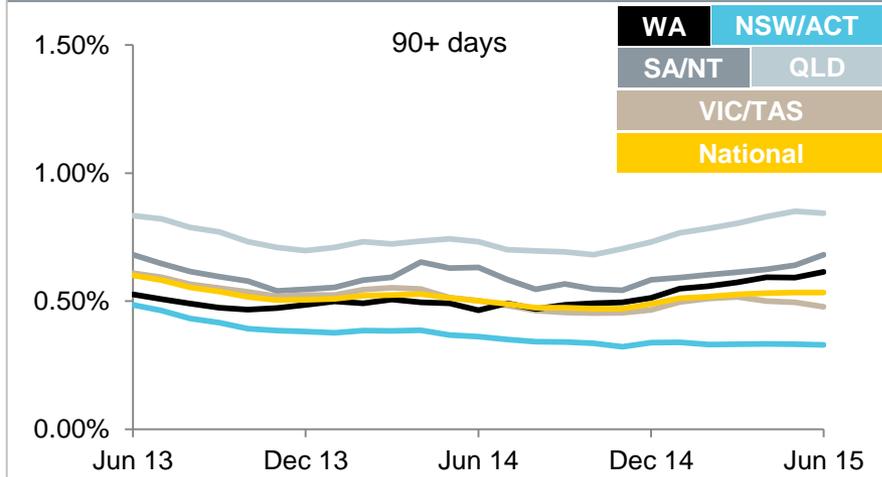
State Profile²



Arrears²



Arrears by State²



¹ CBA and Bankwest

² Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loans (RBS only) and Residential Mortgage Group (RBS only) loans

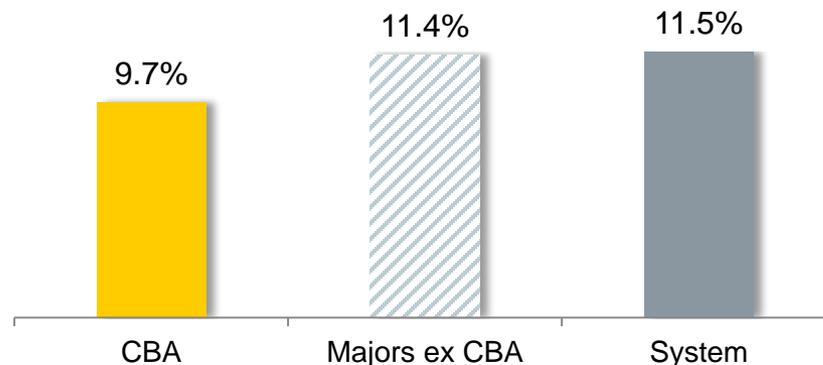
Australian Investment Home Loans¹

Overview

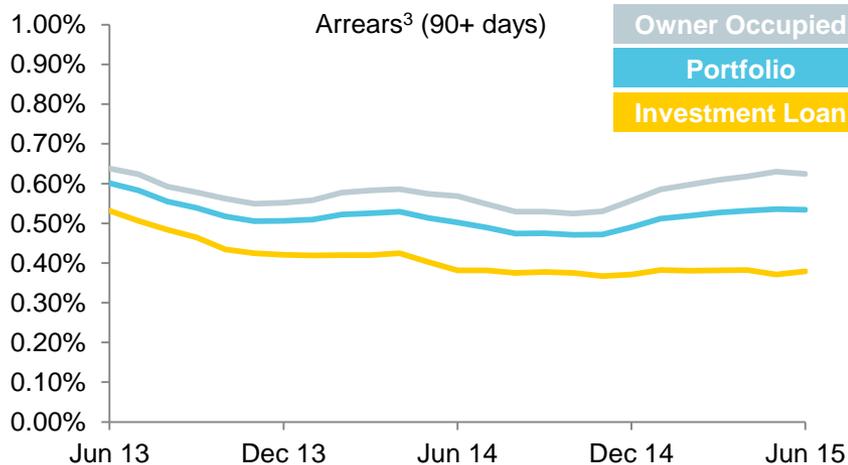
- Modest balance growth – sub-system, sub-peers and <10%
- Arrears lower than overall portfolio
- Strong borrower profile – skewed to higher income bands
- Credit policy restrictions e.g. LVR caps reduced
- Differential pricing

Modest balance growth

FY15 Balance Growth² Investment Home Loans

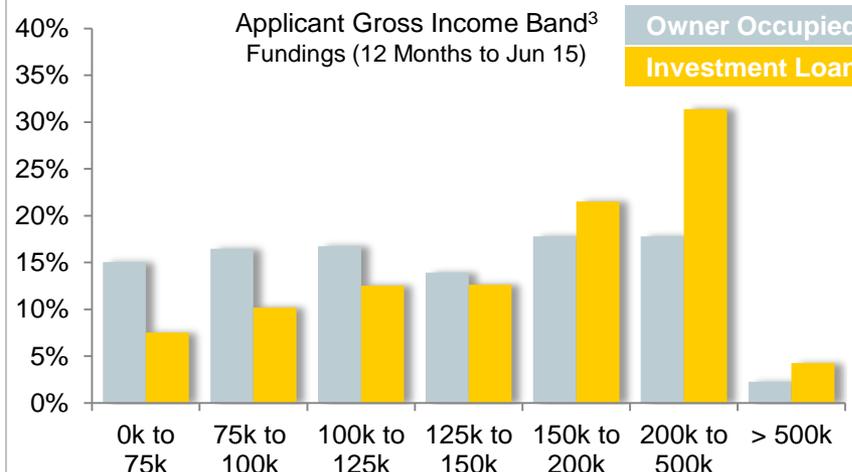


Relatively low arrears



Strong borrower profile

Applicant Gross Income Band³ Fundings (12 Months to Jun 15)

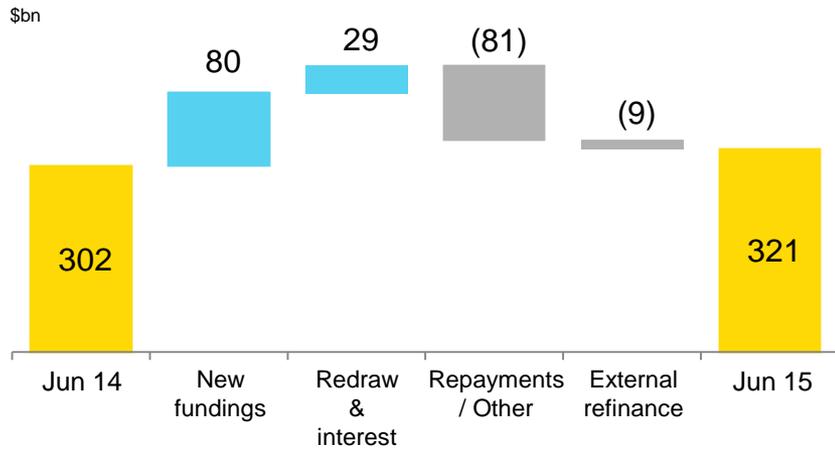


1. CBA and Bankwest, except where noted 2. CBA based on APRA definition consistent with ARF320.0 (items 5.1.1.2 plus 11.1.2). Majors ex CBA and System Growth excludes item 11.1.2 3. Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loan (RBS only) and Residential Mortgage Group (RBS only) loans

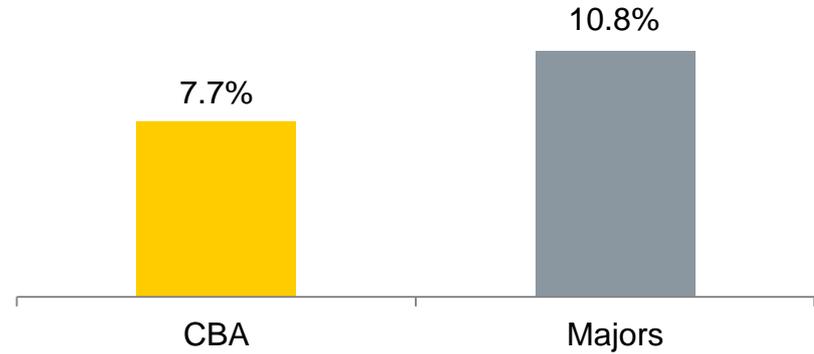


RBS Home Loan Growth Profile

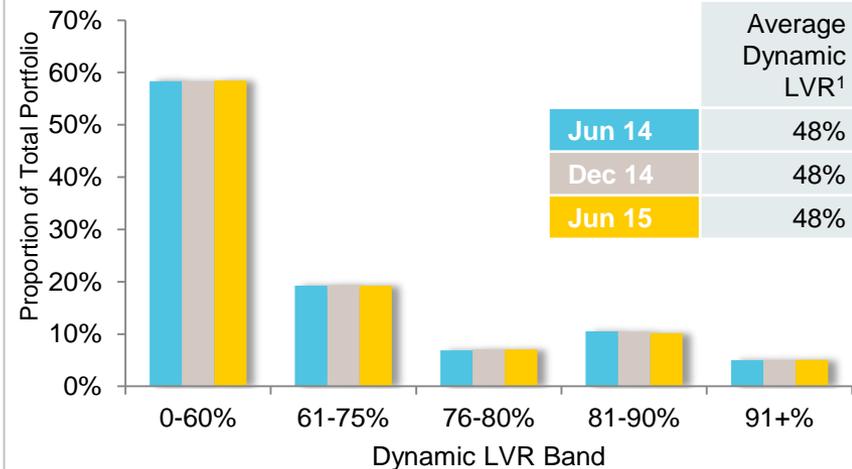
Home Loan Balances



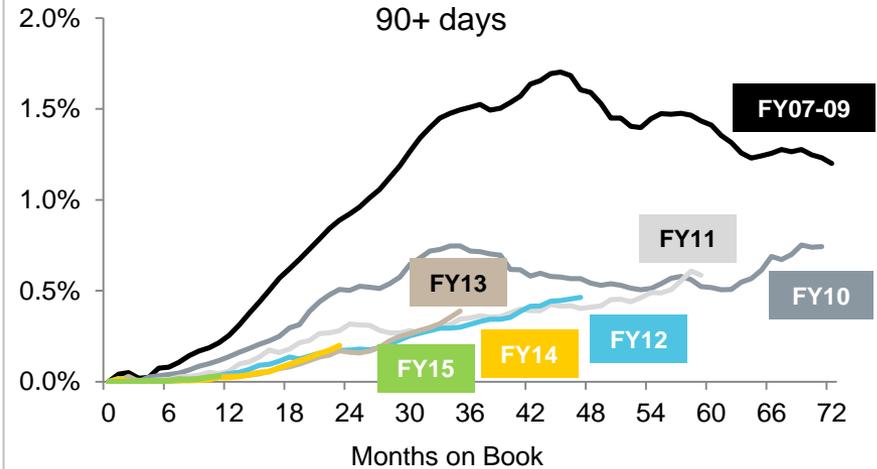
Broker Growth Profile²



Home Loan Dynamic LVR¹ Profile



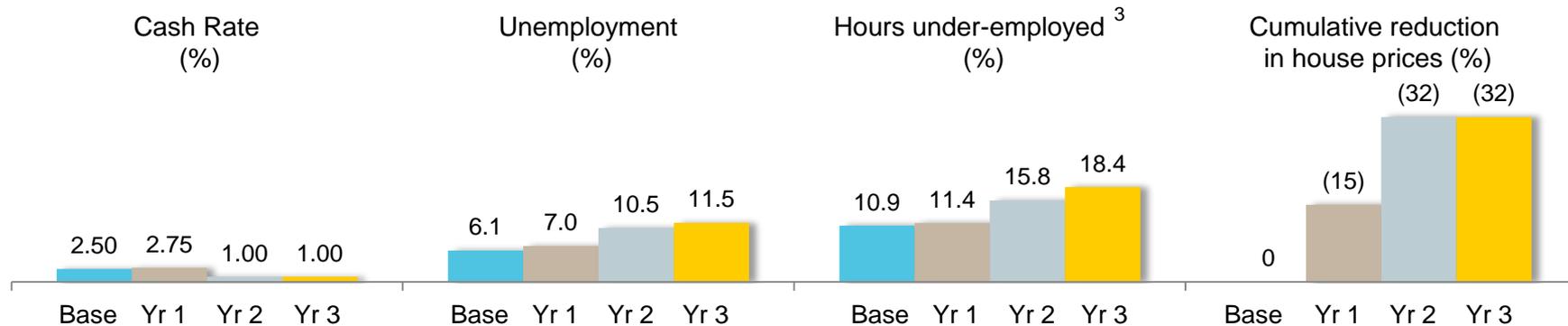
Home Loan Arrears Rates by Vintage³



1 Dynamic LVR is current balance / current valuation (data as at Mar 15 due to the lag in the publication of current valuations data)
 2 CBA estimates (Mar 15 vs Mar 14)
 3 Includes: Line of Credit, Reverse, CPL and RMG

RBS Home Loans – Stress Test¹

Key Assumptions



Key Outcomes

	Stressed Losses \$m	Insured Losses ² \$m	Net Losses \$m	Probability of Default
Year 1	602	227	375	1.22%
Year 2	1,028	384	644	1.70%
Year 3	1,537	574	963	2.51%
Total	3,167	1,184	1,983	

Results based on December 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%
- House prices and PDs are stressed at regional level
- Total stressed losses over 3 years of \$3.17bn, of which \$1.98bn represents the losses net of LMI recoveries
- Total stressed losses increased by 1% between June 2014 (\$3.14bn) and December 2014 (\$3.17bn), primarily due to growth in the Home Loan portfolio

¹ One of multiple regular stress tests undertaken

² Assumes a payout ratio of 70% for each of the three years

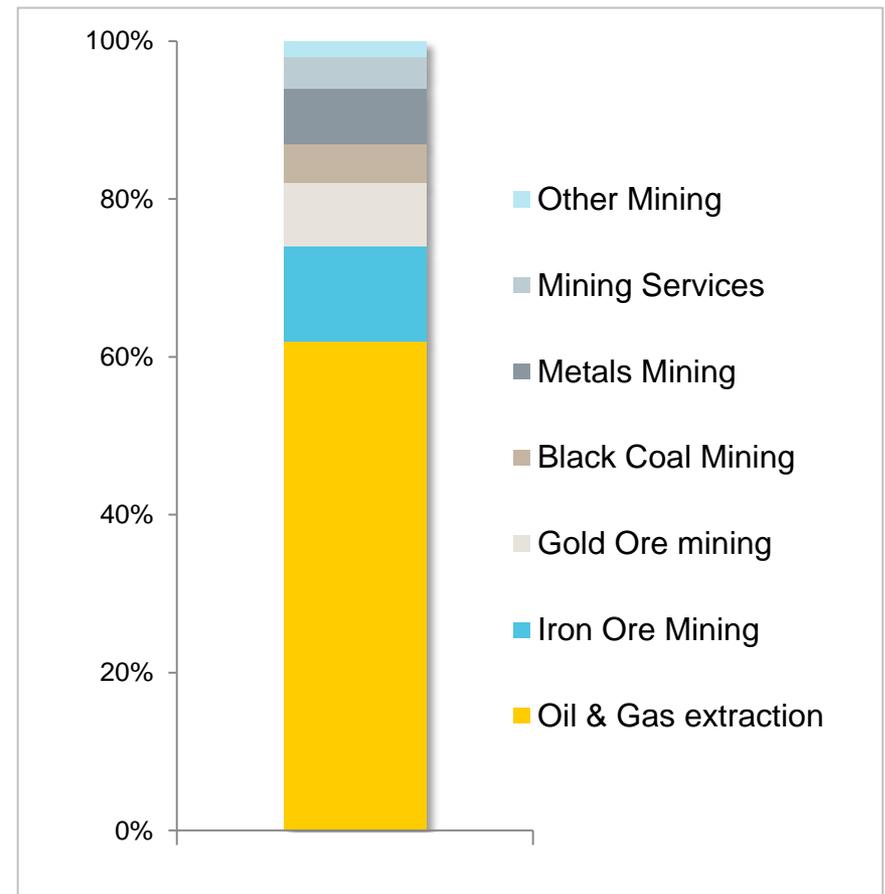
³ Measure of under-employed hours as a proportion of total labour force hours available for work

Resources Exposure

Resources Industries - June 2015

Commercial Exposure ¹		
Sector	\$bn	% of Group TCE
Mining	7.1	0.7
Oil and Gas Extraction	11.6	1.2
Energy ²	8.9	0.9
Coal Ports & Transport Terminals	1.7	0.2

Mining, Oil and Gas - June 2015



¹ Total Credit Exposure (TCE) basis = 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.

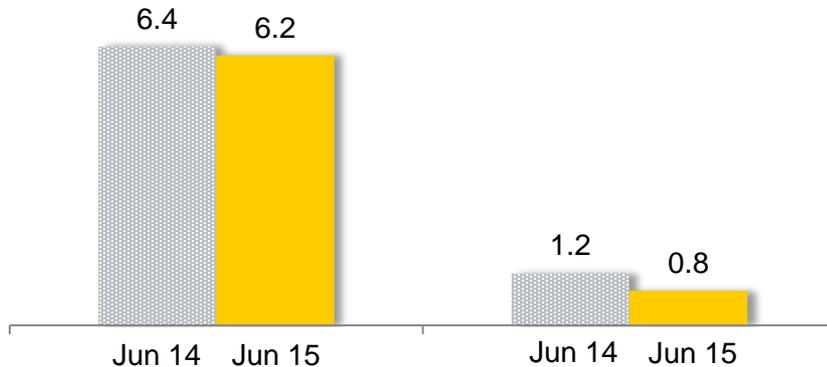
² Energy includes: electricity generation, distribution & supply; and gas supply

Commercial Property Exposure

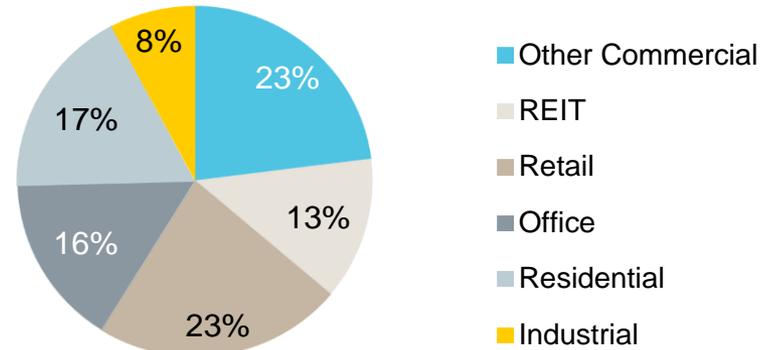
Overview

% of Group TCE¹

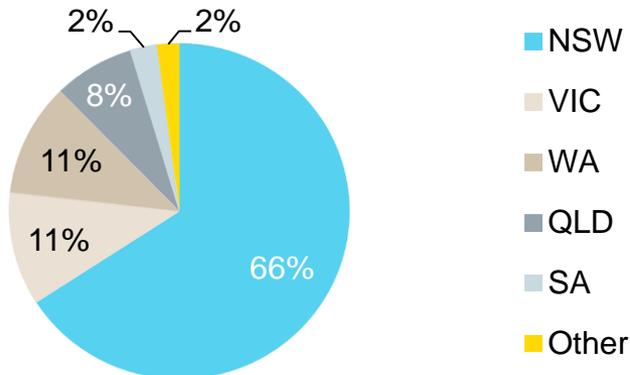
% of Portfolio graded troublesome or impaired



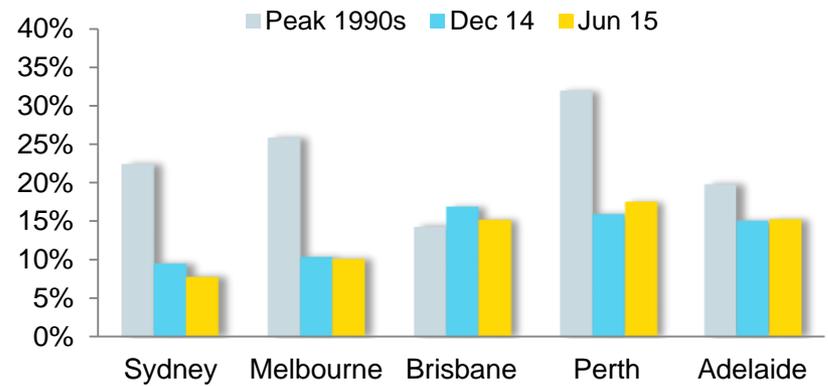
Group Sector Profile



Australian Exposure by State



CBD Vacancy Rates



Source: JLL Research

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

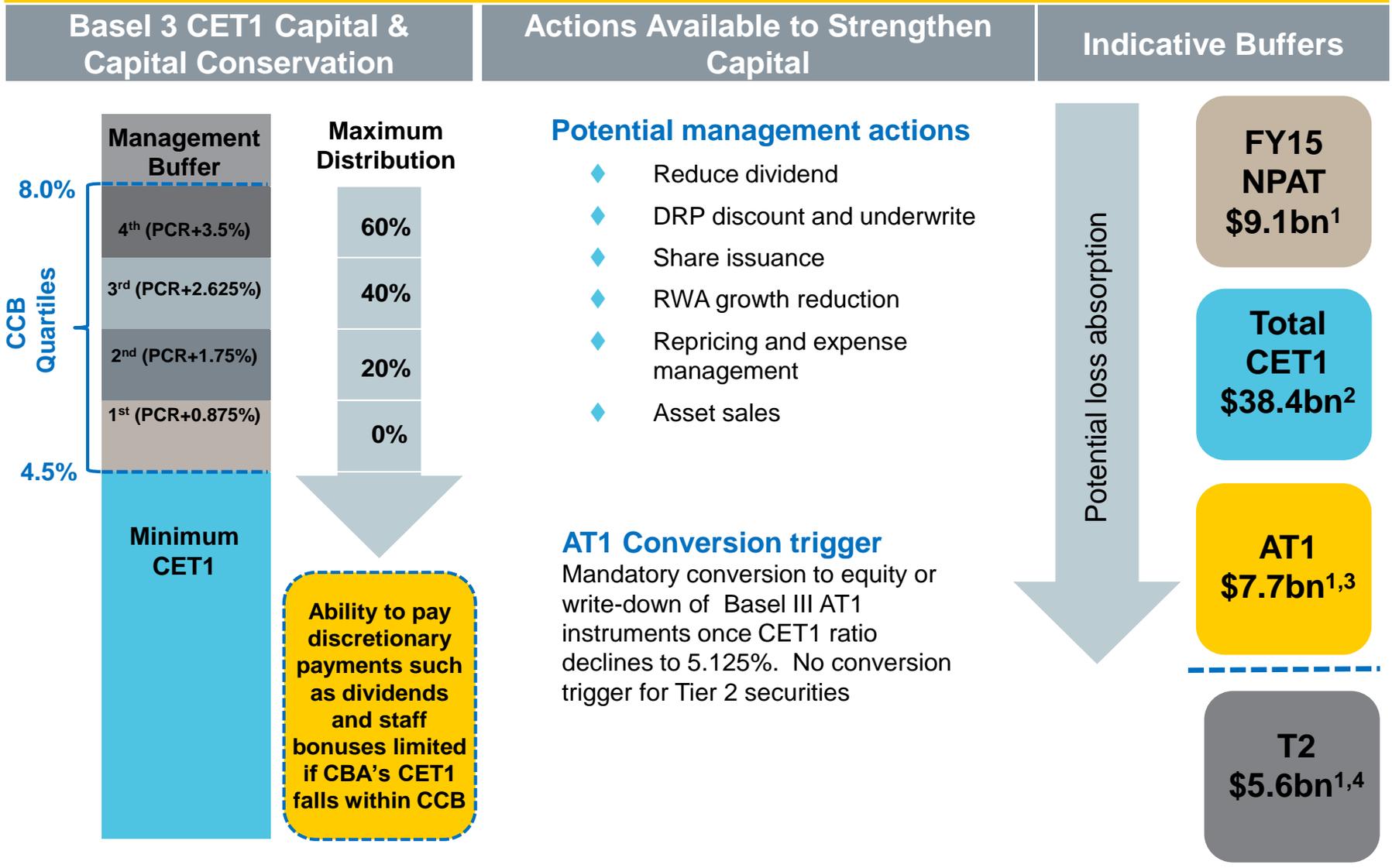
Australian Basel III Tier 2

Basel III Tier 2 in Australia

- ◆ Terms broadly consistent with European tier 2
- ◆ APRA requires contractual point of non-viability (PONV) – but no CET1 trigger (not a ‘co-co’ instrument)
- ◆ Contractual PONV provides clarity:
 - ◆ Loss absorbency mechanics known and contractually agreed at the outset
 - ◆ Capital hierarchy is preserved
- ◆ Conversion to equity provides potential upside to permanent write-off
- ◆ Investors can elect to receive cash
- ◆ A range of actions exist to strengthen capital if required



Actions & CCB key to prevent conversion



1. As at 30 Jun 2015
 2. Pro-forma : includes \$5bn rights issue completed 17 Sep 2015
 3. Of the \$7.7bn, \$5b of this balance are Basel III securities
 4. Of the \$5.6bn, \$2.3bn are Basel II securities. The \$2.3bn rank senior to the Basel III securities in liquidation

Global Tier 2 Structure Comparison

	Australia	US	Canada	UK	France	Netherlands	Scandinavia
Issue rating (vs Issuer unsupported rating)¹	2 notches (Moody's) 2 notches (S&P)	1 notch (Moody's) 1 notch (S&P)	2 notches (Moody's) 2 notches (S&P)	1 notch (Moody's) 2 or 3 notches (S&P)	1 notch (Moody's) 2 notches (S&P)	1 notch (Moody's) 2 notches (S&P)	1 notch (Moody's) 2 notches (S&P)
Ranking	Senior to Additional Tier 1 Capital	Senior to Additional Tier 1 Capital	Senior to Additional Tier 1 Capital	Senior to Additional Tier 1 Capital	Senior to Additional Tier 1 Capital	Senior to Additional Tier 1 Capital	Senior to Additional Tier 1 Capital
Step-ups	Not permitted	Not permitted	Not permitted	Not permitted	Not permitted	Not permitted	Not permitted
Capital amortisation	20% p.a. beginning 4 years prior to maturity	20% p.a. beginning 5 years prior to maturity (no credit in final year)	20% p.a. beginning 5 years prior to maturity (no credit in final year)	Amortizes on a daily basis beginning 5 years prior to maturity	Amortizes on a daily basis beginning 5 years prior to maturity	Amortizes on a daily basis beginning 5 years prior to maturity	Amortizes on a daily basis beginning 5 years prior to maturity
Early redemption	Tax Event / Capital Event	Tax Event / Capital Event	Tax Event / Capital Event	Tax Event / Capital Event	Tax Event / Capital Event	Tax Event / Capital Event	Tax Event / Capital Event
Point of non-viability							
Definition	Regulatory Discretion	Regulatory Discretion (Treasury Sec)	Regulatory Discretion	Regulatory Discretion	Regulatory Discretion	Regulatory Discretion	Regulatory Discretion
Approach	Contractual	Statutory	Contractual	Statutory	Statutory	Statutory	Statutory
Disclosure	Terms & Conditions	Not referenced ²	Terms & Conditions	Risk factor ³	Risk factor ³	Risk factor ³	Risk factor ³
Primary loss absorption mechanism	Conversion into ordinary shares (with share sale facility to deliver cash if requested)	Conversion ⁴	Conversion	Conversion or Write-down (Statutory)			

Source : Various, CBA 1. Notching is based on public disclosures by systemically important banks and in some cases may vary depending on issuing entity and volume of subordinated debt on issue 2. PONV not specifically mentioned. Basel 3 guidelines met through subordination language 3. Notes issued under non-EU law may require further disclosure on local bail in powers in addition to risk factor disclosures.

4. Assumed the Issuer would be subject to FDIC Orderly Liquidation Authority.

Key terms and conditions

The Issuer	<ul style="list-style-type: none"> Commonwealth Bank of Australia (“CBA”)
Securities being offered	<ul style="list-style-type: none"> Xx% Tier 2 Subordinated Notes (the “Subordinated Notes”), due []
Issuer Rating	<ul style="list-style-type: none"> Standard & Poor’s: AA- Stable Moody’s: Aa2 Stable Fitch: AA- Stable
Expected Rating	<ul style="list-style-type: none"> Standard & Poor’s: [BBB+] Stable Moody’s : [A3] Stable Fitch: [A+] Stable
Aggregate principal amount and specified currency	<ul style="list-style-type: none"> US\$ [●]m, as may be reduced due to Exchange or Write Down
Status of the Subordinated Notes	<ul style="list-style-type: none"> The Subordinated Notes will be unsecured, direct and subordinated obligations and claims in respect of Subordinated Notes will rank in a Winding-Up after the claims of all our Senior Ranking Obligations, <i>pari passu</i> with claims in respect of Equal Ranking Securities and ahead of claims in respect of Junior Ranking Securities.
Maturity Date	<ul style="list-style-type: none"> [] subject to earlier Redemption, Exchange or Write-Down
Non-Viability Trigger Event	<p>A Non-Viability Trigger Event occurs when APRA notifies us in writing that it believes:</p> <ul style="list-style-type: none"> an Exchange of all or some Subordinated Notes, or conversion or write down of capital instruments of the CBA Group, is necessary because, without it, we would become non-viable; or a public sector injection of capital, or equivalent support, is necessary because, without it, we would become non-viable
Loss Absorption Mechanism	<ul style="list-style-type: none"> If a Non-Viability Trigger Event occurs, we must Exchange such number of Subordinated Notes (or, if we so determine, such percentage of the Outstanding Principal Amount of each Subordinated Note) as is equal (taking into account any conversion or write down of other Relevant Securities) to the aggregate face value of capital instruments which APRA has notified us must be exchanged, converted or written down (or, if APRA has not so notified us, such number or, if we so determine, such percentage of the Outstanding Principal Amount of each Subordinated Note as is necessary to satisfy APRA that the Issuer will no longer be non-viable). We will first, exchange, convert or write down the face value of any Relevant Tier 1 Securities whose terms require or permit, or are taken by law to require or permit, them to be exchanged, converted or written down before Exchange of the Subordinated Notes.

Key terms and conditions

Share Sale Mechanism

- Where the holder of Subordinated Notes is an Ineligible Subordinated Holder or notifies us that it does not wish to receive Ordinary Shares in connection with an Exchange, we will issue Ordinary Shares to a nominee which will endeavor to sell the Ordinary Shares and pay the net proceeds therefrom (if any) to the holder of Subordinated Notes. The nominee will have no duty or obligation to seek a fair market price, or to engage in an arms-length transaction in such sale.
- Note: If for any reason, the Exchange fails to take effect and we have not otherwise issued Ordinary Shares within five Business Days after the occurrence of the Non-Viability Trigger Event, including because we are prevented from doing so by applicable law, court order, government action or for any other reason, then the rights of the holders of the Subordinated Notes in relation to such Subordinated Notes or percentage of the then Outstanding Principal Amount of the Subordinated Notes are Written Down and immediately and irrevocably terminated for no consideration in respect of such amount, with effect on and from 5:00p.m. (Sydney time) on the fifth Business Day following the occurrence of the Non-Viability Trigger Event.

Exchange

- The number of Ordinary Shares that a holder may receive upon an Exchange of Subordinated Notes will be calculated in accordance with a formula which provides for a calculation based on a discounted five Business Day VWAP. This period is retrospective, and means the period of five Business Days on which trading of Ordinary Shares took place immediately preceding, but not including, the occurrence of the Non-Viability Trigger Event.

Early Redemption

- We may only Redeem or Repurchase the Subordinated Notes after obtaining APRA's prior written approval. We have broad rights to Redeem the Subordinated Notes in the event of certain tax and regulatory events

Other Terms

- We are offering the Subordinated Notes in the United States through the Agents to QIBs in reliance on Rule 144A and in "offshore transactions" to persons that are not "U.S. persons" in reliance upon Regulation S.
- The Subordinated Notes will be issued only in fully registered form in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof.

Point Of Non-Viability (PONV) Declared

PONV has been declared by APRA : what then happens ?

Basel III AT1 instruments convert into CET1 – unless already converted due to 5.125% mandatory conversion

Is additional CET1 required?

No

Basel III Tier 2 unaffected

Yes

Can shares be issued ?

Yes

No

Basel III Tier 2 convert in to ordinary shares pro-rata up to required additional CET1

Instruments written down without write-up pro-rata up to required additional CET1

Has investor elected NOT to receive shares ?

Yes

No

Shares transferred to nominee to be sold on investor's behalf who then receives cash

Investor receives shares

Exchange mechanics

Conversion into CBA ordinary shares subject to a maximum number of shares calculated at issue:

$$\text{Exchange Number} = \frac{\text{Outstanding principal amount x Exchange Date Cross rate}}{P \times \text{VWAP}}$$

where:

“P” means 0.99.

“VWAP” (expressed in Australian dollars and cents) means the average of the daily volume weighted average prices of Ordinary Shares traded on ASX during the relevant VWAP Period.

$$\text{Maximum Exchange Number} = \frac{\text{Initial outstanding principal amount x Exchange Date Cross rate}}{0.2 \times \text{Issue Date VWAP}}$$

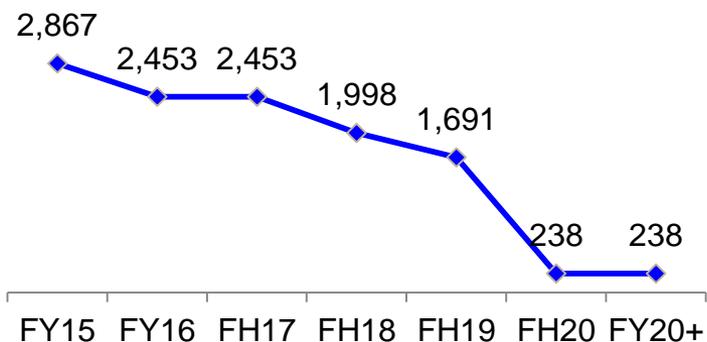
For example, if the Initial outstanding principal amount was A\$100 and the Issue Date VWAP was A\$80, the Maximum Exchange Number would be $100 / (0.2 \times 80) = 6.25$ Ordinary Shares per AT1.

Regulatory capital securities outstanding

Tier 2 Securities on Issue

Issue CCY	Volume A\$m ¹	Maturity	Call Date	PONV
JPY30bn	320	Oct-15	Oct-15	No
JPY9bn	96	Perpetual	May-16	No
USD350m	455	Jun-18	Jun-18	No
GBP150m	307	Dec-23	Dec-18	No
NZD400m	355	Jun-24	Jun-19	Yes
EUR1,000m	1,453	Aug-19	Aug-19	No
AUD1,000m	1,000	Nov-24	Nov-19	Yes
AUD25m	25	Apr-29	Apr-29	No
JPY20bn	213	Perpetual	Sep-29	No
CNY1,000m	210	Mar-25	Mar-20	Yes
EUR1,250m	1,817	Apr-27	Apr-22	Yes
Total	6,249			

Basel II Tier 2 outstandings at FY end (A\$m) ²



Additional Tier 1 Securities on Issue

	Volume A\$m	Call Date	Conversion Date ³	CET1 Trigger	PONV
TPS 2006	948 (US700)	Mar-16	N / A	No	N / A
PERLS III	1,166	Apr-16	N / A	No	N / A
PERLS VI	2,000	Dec-18	Dec-20	5.125%	Contractual
PERLS VII	3,000	Dec-22	Dec-24	5.125%	Contractual
Perp FRN	130 (US100)	Oct-91	N / A	No	N / A
ASB Capital	182 (NZ200)	Dec-07	N / A	No	N / A
ASB Capital 2	323 (NZ350)	Dec-09	N / A	No	N / A
Total	7,749				

- ◆ CET1 Trigger at 5.125% is a requirement for Basel III AT1 securities
- ◆ Basel III AT1 have PONV provided for contractually. Basel II AT1 are subject to the Banking Act which gives powers to a Statutory Manager (appointed by APRA)

1. Non-AUD issuances translated at spot FX rate on 30 June 2015, before amortisation.
2. Assuming redemption at first call date, which is subject to APRA approval
3. First possible conversion date on which securities convert into ordinary shares, subject to certain conditions being satisfied

Economic indicators

Economic indicators

		2011	2012	2013	2014	2015	2016	2017
World	GDP	4.2	3.4	3.4	3.4	3.5	3.7	3.2
Australia	Credit Growth % – Total	2.7	4.4	3.0	5.1	6.2	4¾-6¾	4¼-6¼
	Credit Growth % – Housing	6.0	5.0	4.6	6.5	7.4	6-8	5-7
	Credit Growth % – Business	-2.2	4.4	0.9	3.5	4.1	3-5	3-5
	Credit Growth % – Other Personal	0.6	-1.2	0.4	0.8	0.4	1-3	2-4
	GDP %	2.3	3.7	2.5	2.5	2.4	2.8	3.2
	CPI %	3.1	2.3	2.3	2.7	1.7	2.4	2.7
	Unemployment rate %	5.0	5.2	5.4	5.8	6.2	5.9	5.7
Cash Rate %	4¾	3½	2¾	2½	2	2	2	
New Zealand	Credit Growth % – Total	1.5	3.2	4.0	4.2	6.4	4-6	3-5
	Credit Growth % – Housing	1.2	1.8	5.0	5.3	5.6	3½-5½	2½-4½
	Credit Growth % – Business	1.2	3.9	1.9	3.1	6.2	5-7	5-7
	Credit Growth % – Agriculture	-0.8	3.0	4.4	3.7	7.6	4-6	4-6
	GDP %	1.0	2.6	2.1	2.9	2.9	2.5	3.2
	CPI %	3.8	2.2	0.8	1.5	0.5	1.1	1.8
	Unemployment rate %	6.6	6.6	6.7	6.0	5.7	5.7	5.0
	Overnight Cash Rate %	2.5	2.5	2.5	3.25	3.25	2.50	3.25

CBA Economics Forecasts

Credit Growth
GDP, Unemployment & CPI
Cash Rate

= 12 months to June qtr
= Financial year average
= As at end June qtr

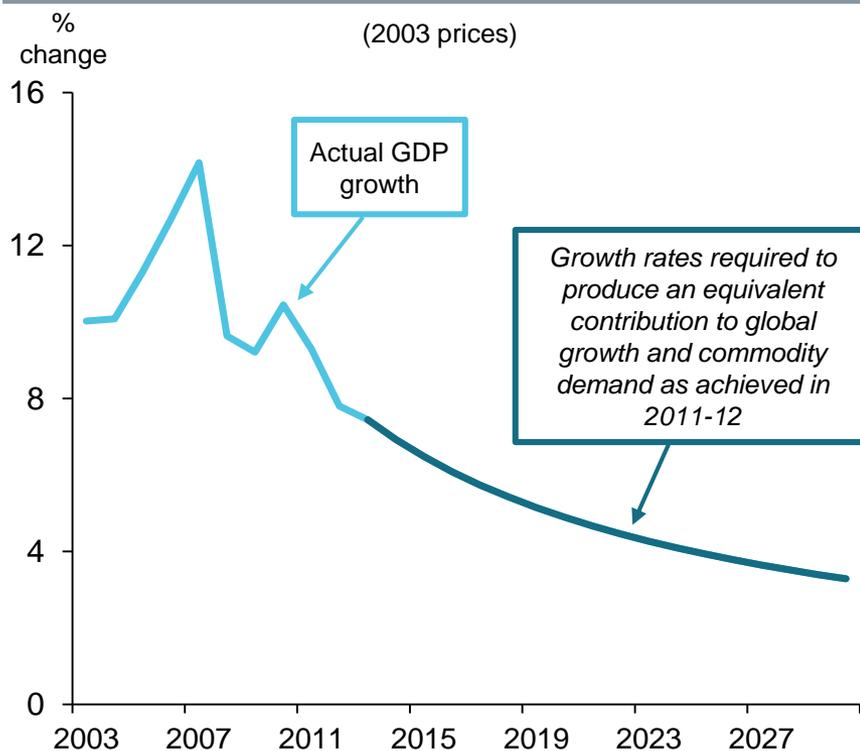
World GDP = Calendar Year Average

■ = forecast

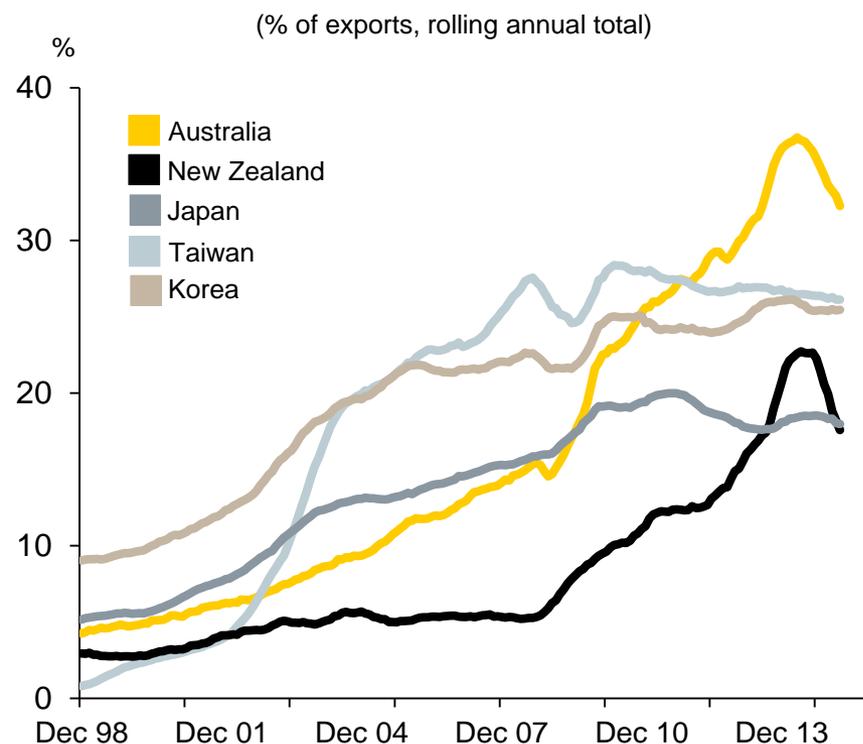
China growth slowing but remains solid

China/Asia is a major export market for other countries as well as Australia. Whilst the Chinese economy has slowed, outcomes in line with the growth target (of 7%pa) are still likely in 2015 and 2016. Growth near the target will be enough to generate substantial commodity demand from Australia.

China: GDP Growth¹



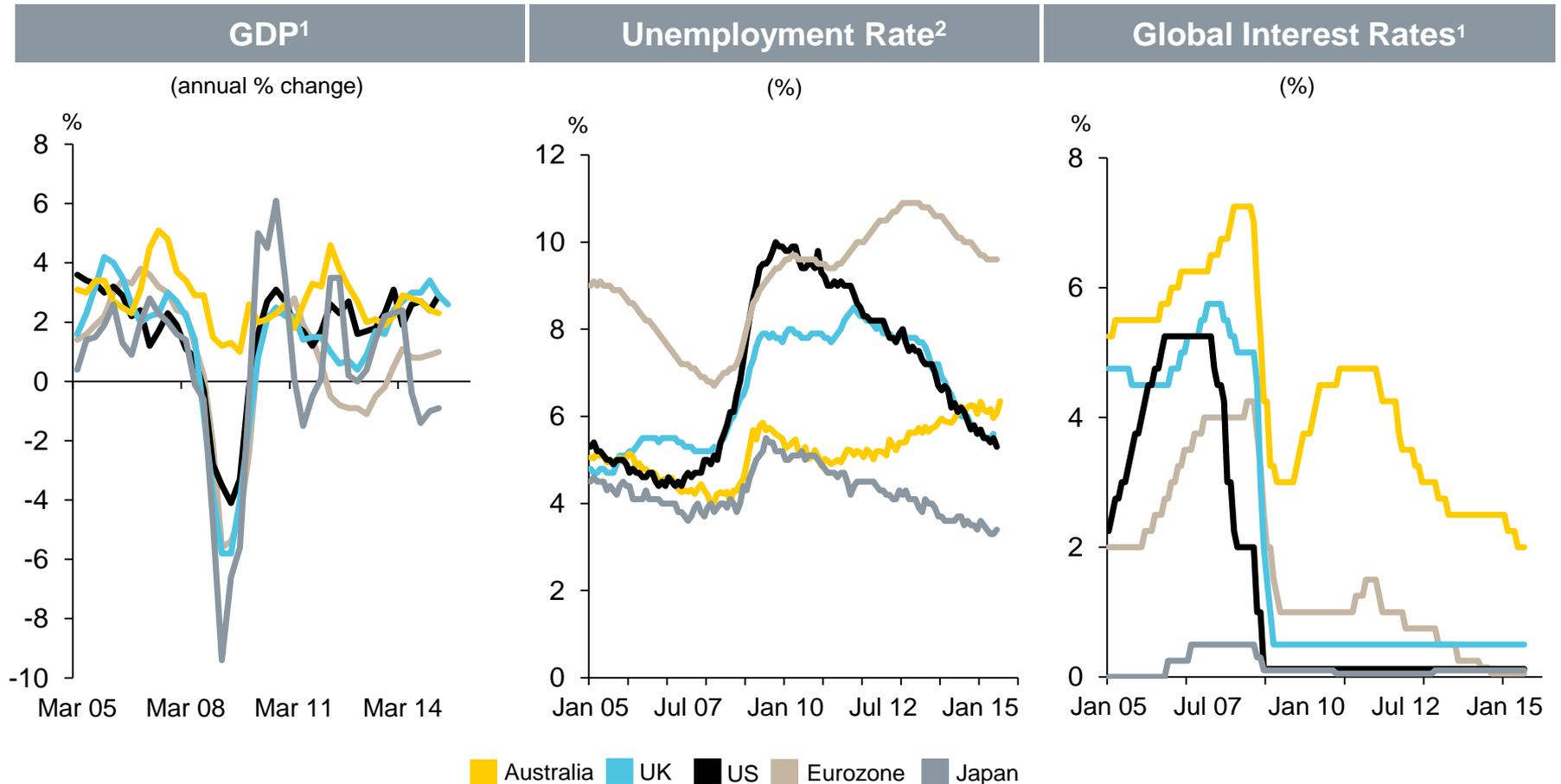
Share of Exports to China¹



¹ Source: IMF

Australia remains well placed

Australia is now well into its 24th year of uninterrupted economic growth. Australian policy makers retain some firepower – the RBA could cut interest rates if necessary.



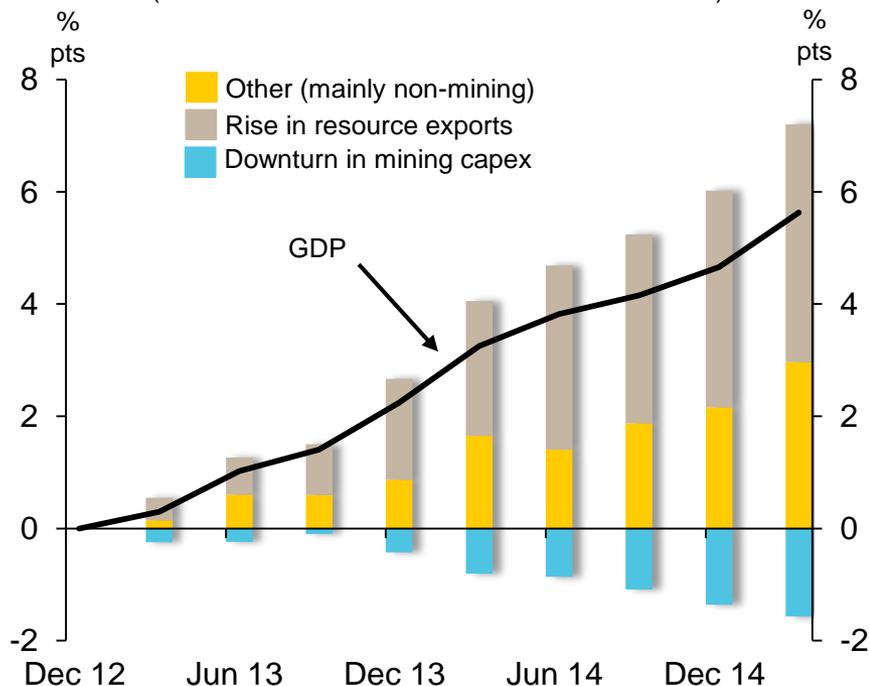
1 Source: Bloomberg
2 Source: CEIC

The growth transition continues

The transition from mining to non-mining led growth is proceeding. The addition to economic activity from resource exports and non-mining activity has more than offset the decline in mining capex and construction job gains have more than offset mining job losses.

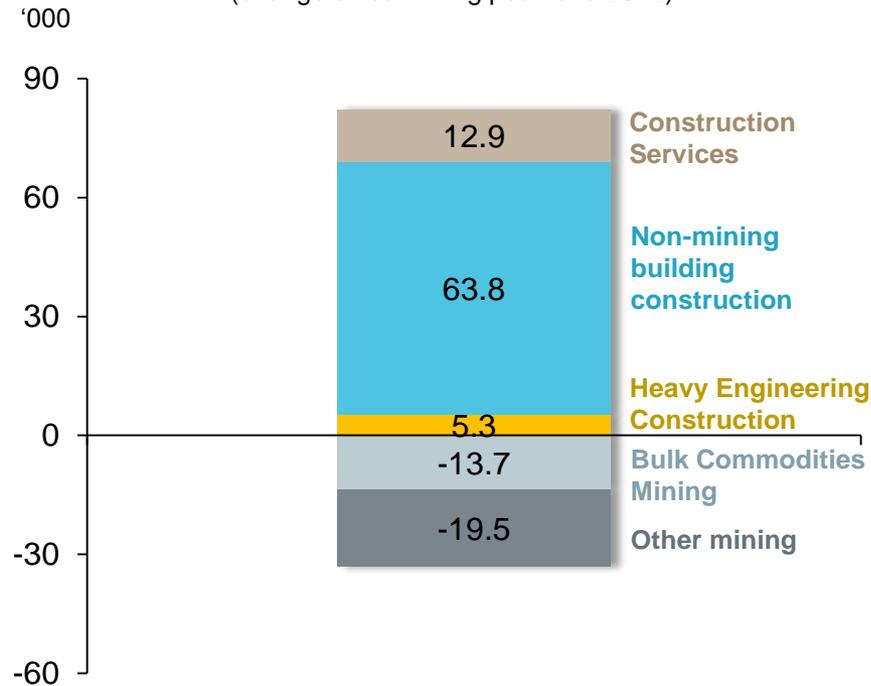
Growth drivers from mining peak¹

(cumulative contribution to GDP since end 2012)



Mining & Construction Jobs¹

(change since mining peak end 2012)



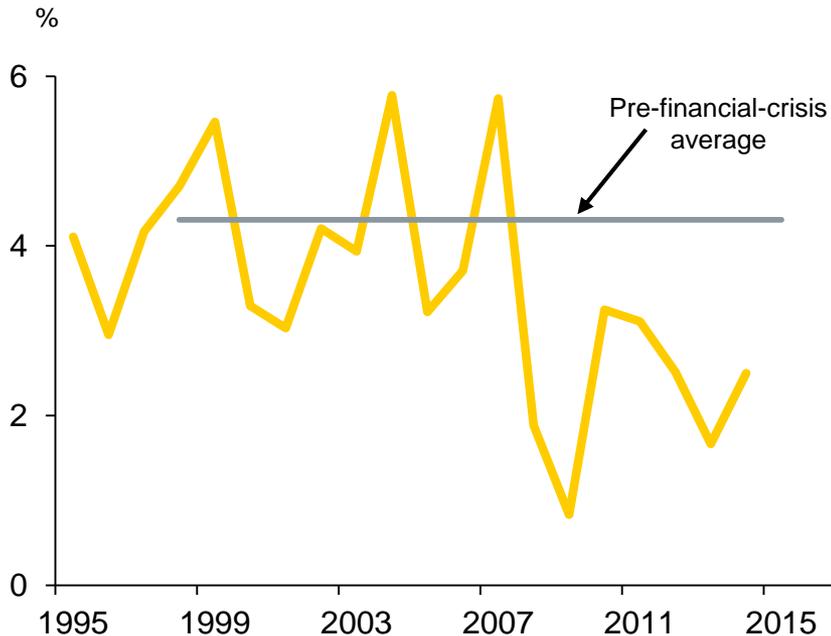
¹ Source: ABS

Confidence remains weak, but there are signs of improved consumer spending

Businesses remain cautious but AUD depreciation is boosting the competitiveness of exporters and import-competing industries. Consumer spending growth is lifting, despite the weakness in wages growth and confidence.

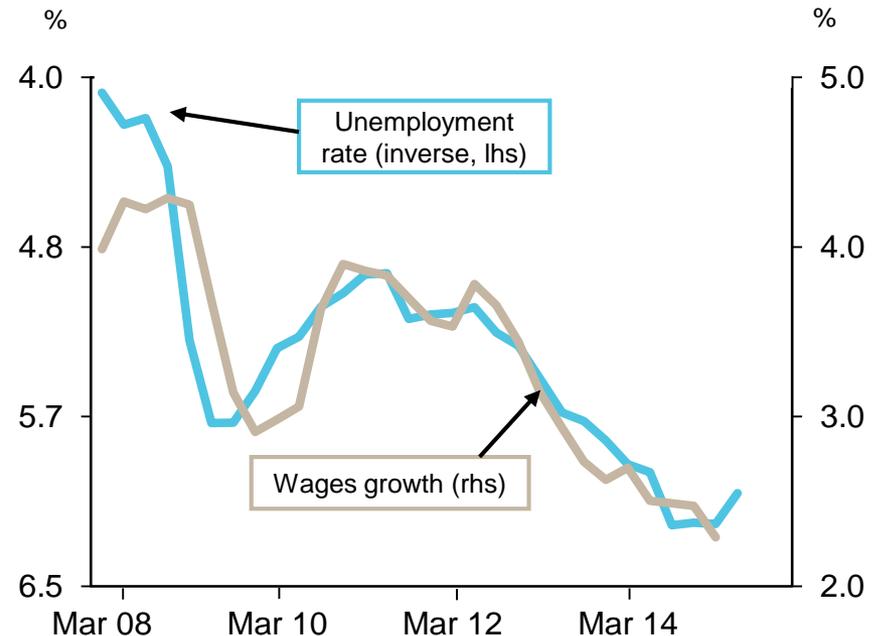
Consumer Spending¹

(annual % change)



Wages & Unemployment¹

(annual % change)



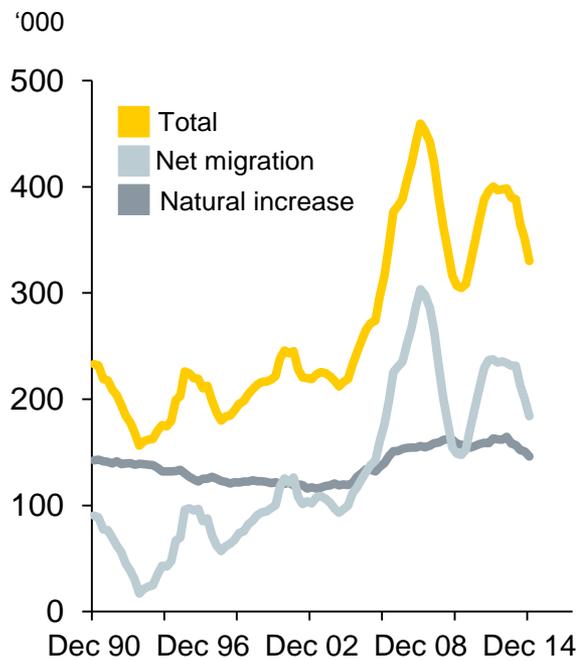
¹ Source: ABS

Strong population growth underpins housing demand

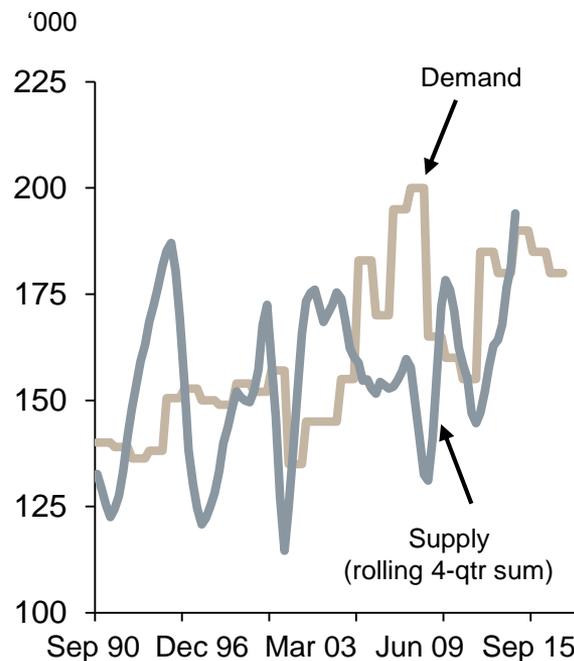
Strong population growth underpins a strong pick up in dwelling construction. The surge in dwelling construction will allow housing demand and supply to better align.

Population Growth¹

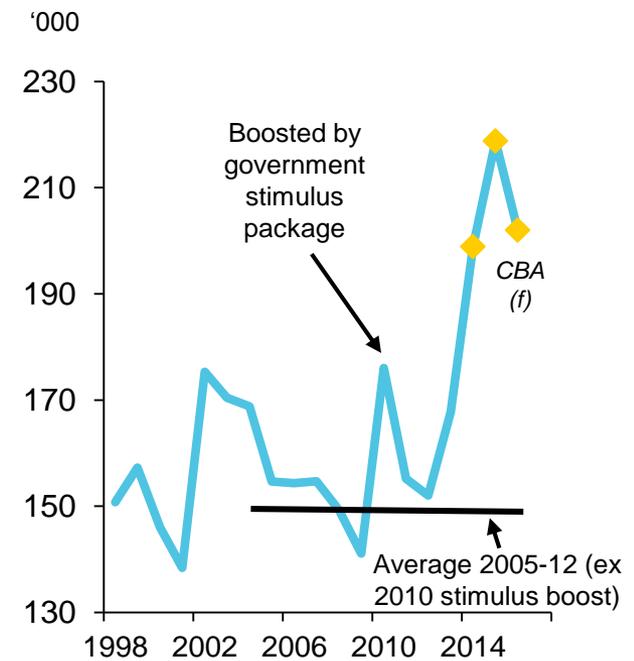
(moving annual total)



Housing Demand & Supply¹



Dwelling Commencements¹



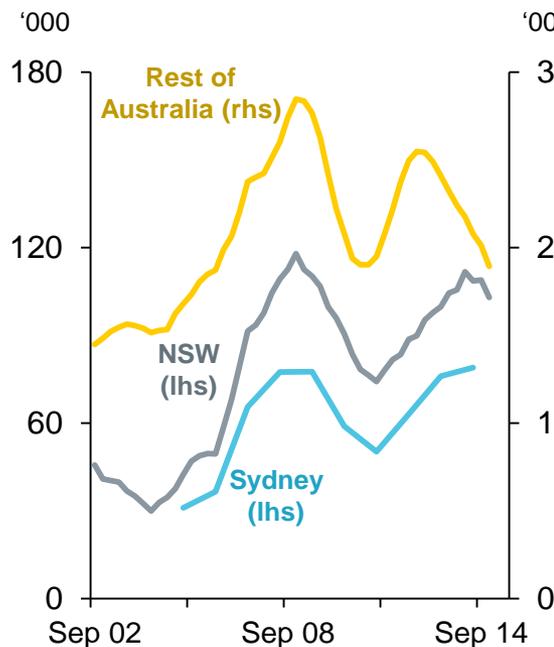
¹ Source: ABS

Low interest rates a key driver of housing growth

The low interest rate environment has encouraged a search for yield, driving the pick up in investor lending and credit growth. Dwelling price growth varies widely by region – Sydney is not representative of Australia.

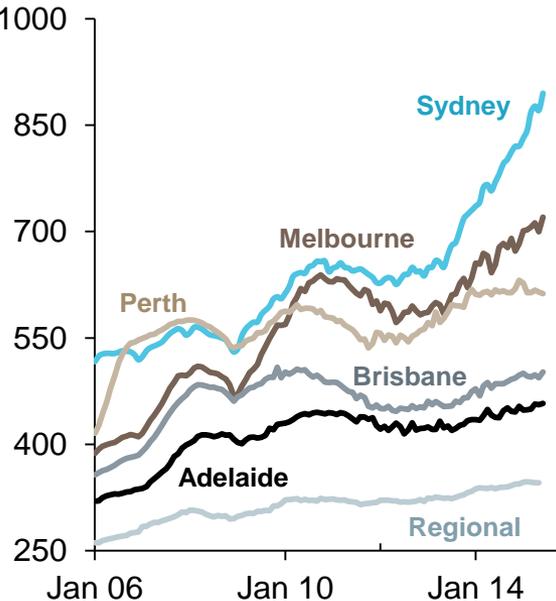
Population Growth¹

(annual change)



Dwelling Prices²

'000 Index



Housing Credit³

(annual % change)

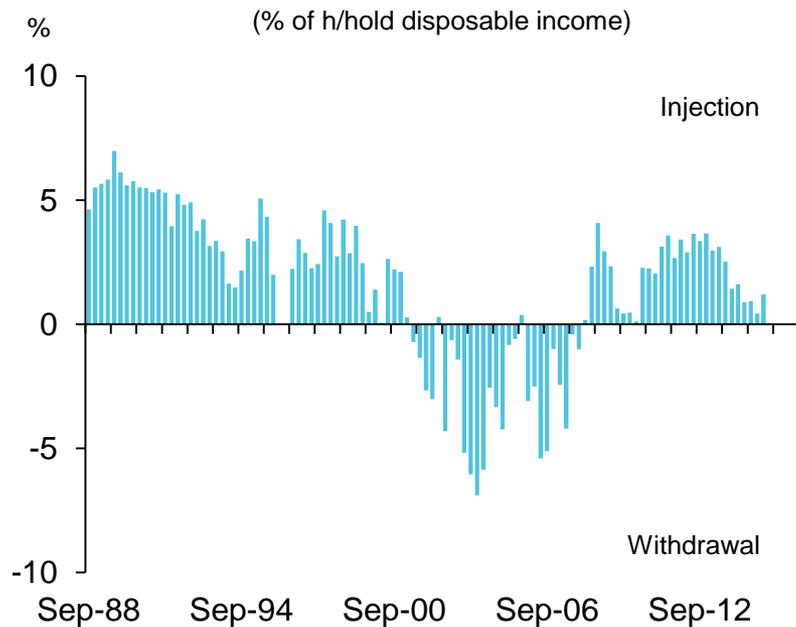


1 Source: ABS
 2 Source: CoreLogic RP Data
 3 Source: RBA

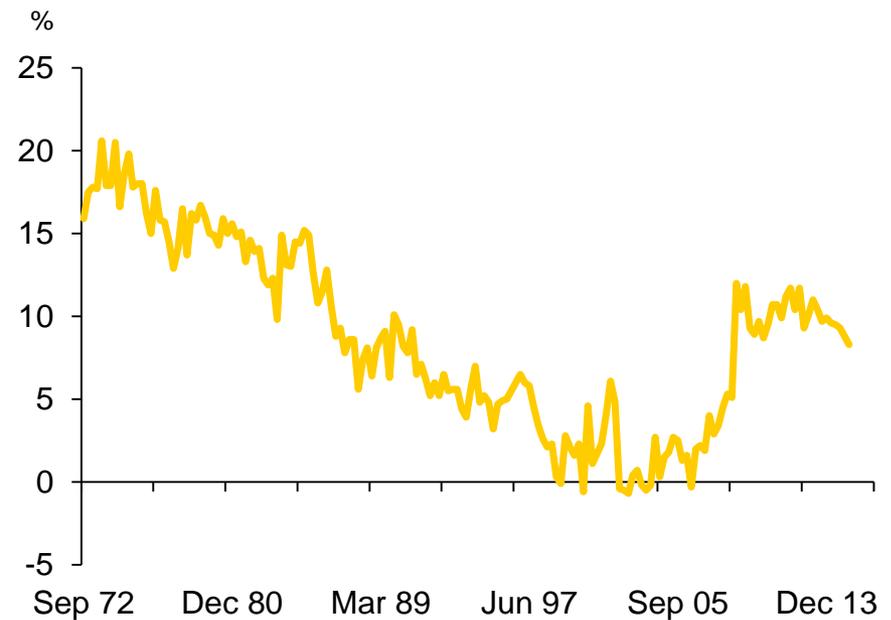
Household balance sheets remain strong

The upward trend in household credit (or debt) was a multi-decade event driven by structural factors. But household balance sheets are strong. Households have cut back their use of consumer debt (credit cards, margin loans). The savings ratio remains at the higher end of the range for the past 30 years.

Housing Equity Withdrawal¹



Saving Ratio²



¹ Source: CBA estimates
² Source: ABS

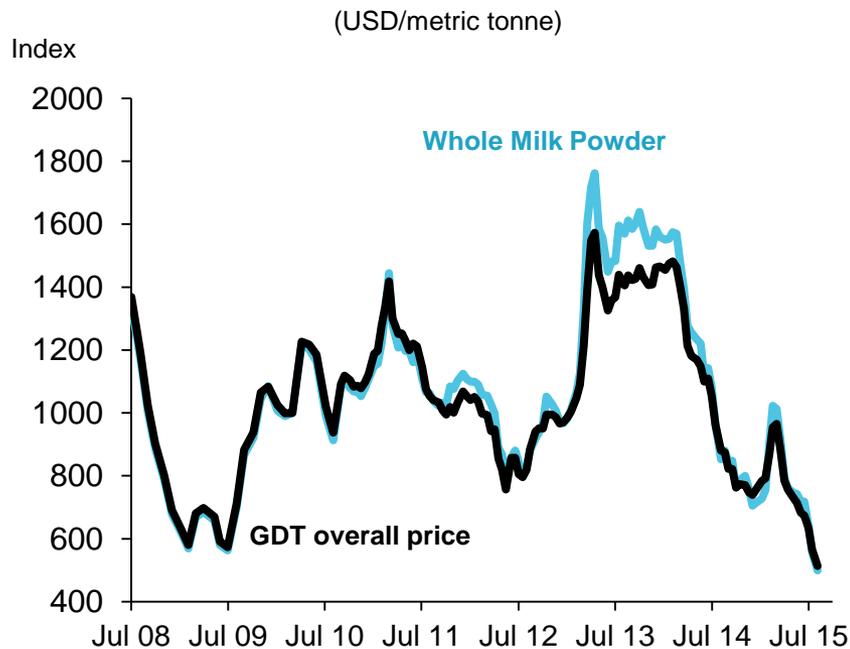
Factors that typically characterise a house price bubble are not evident in Australia

Housing “Bubble” – typical characteristics	Current position in Australia
Unsustainable asset prices	<ul style="list-style-type: none"> ◆ 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	<ul style="list-style-type: none"> ◆ 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	<ul style="list-style-type: none"> ◆ 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	<ul style="list-style-type: none"> ◆ 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	<ul style="list-style-type: none"> ◆ Respectable Australian economic growth outcomes ◆ Unemployment rate has risen but arrears rates are low

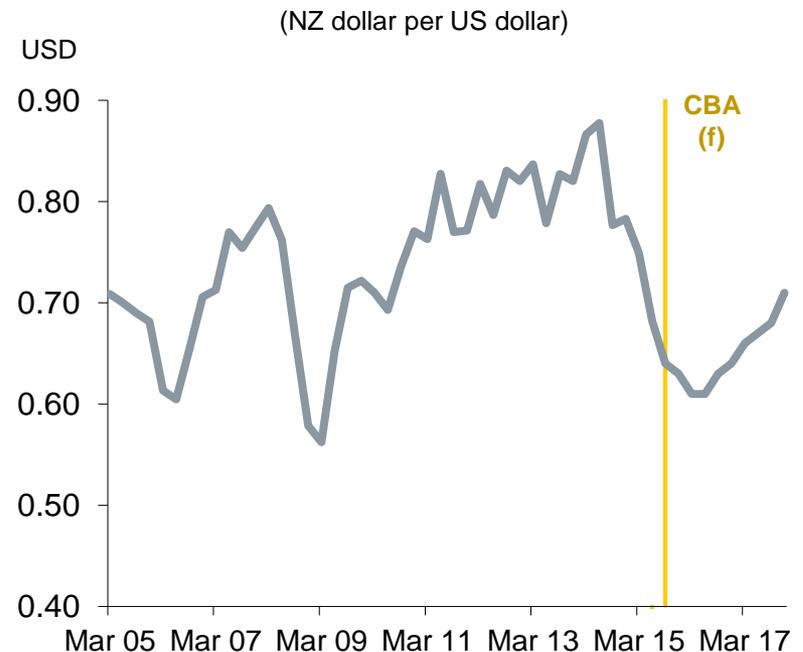
New Zealand

Dairy prices have weakened over 2014 and 2015. Global supply growth has been strong; Chinese import demand affected by high Chinese inventories. Sharp drop in NZ dollar will boost dairy earnings in the following season (year-ending May 2017).

Global Dairy Trade Auction Results¹



NZD/USD

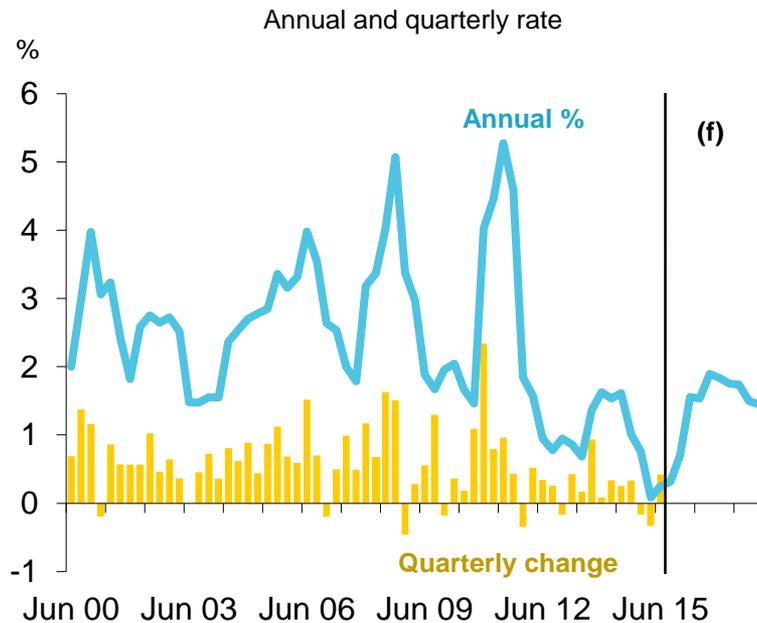


¹ Source: GlobalDairyTrade

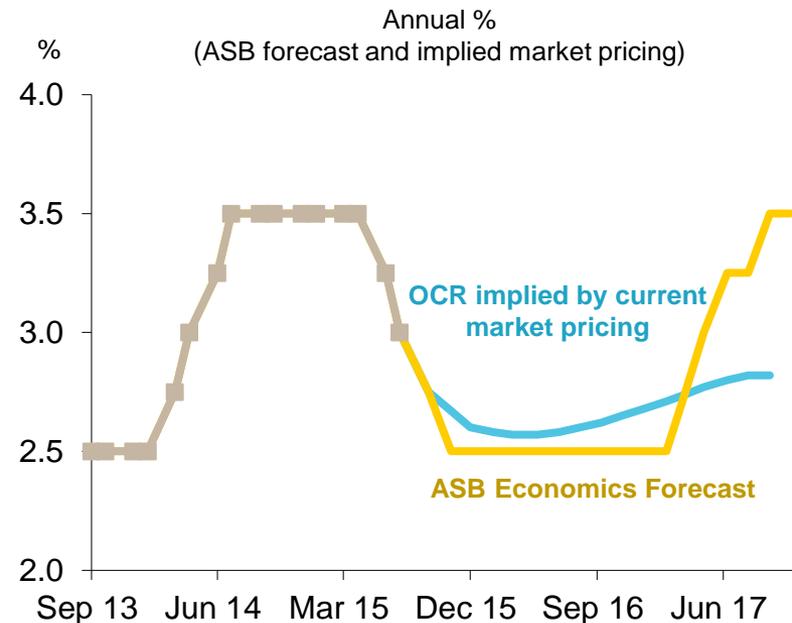
New Zealand

Inflation environment subdued, even with impact of NZ dollar depreciation over 2015-16. RBNZ has cut the Official Cash Rate from 3.5% to 3%. Expected to further cut the OCR to 2.5% in coming months. Headroom to cut further if needed.

NZ CPI Inflation¹



Official Cash Rate Forecasts²



¹ Source: Stats NZ, ASB

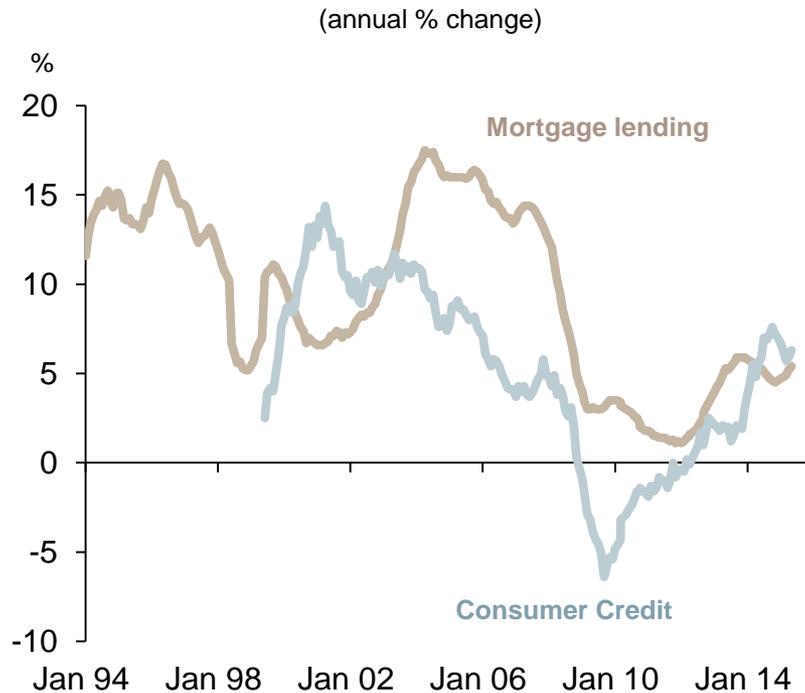
² Source: ASB



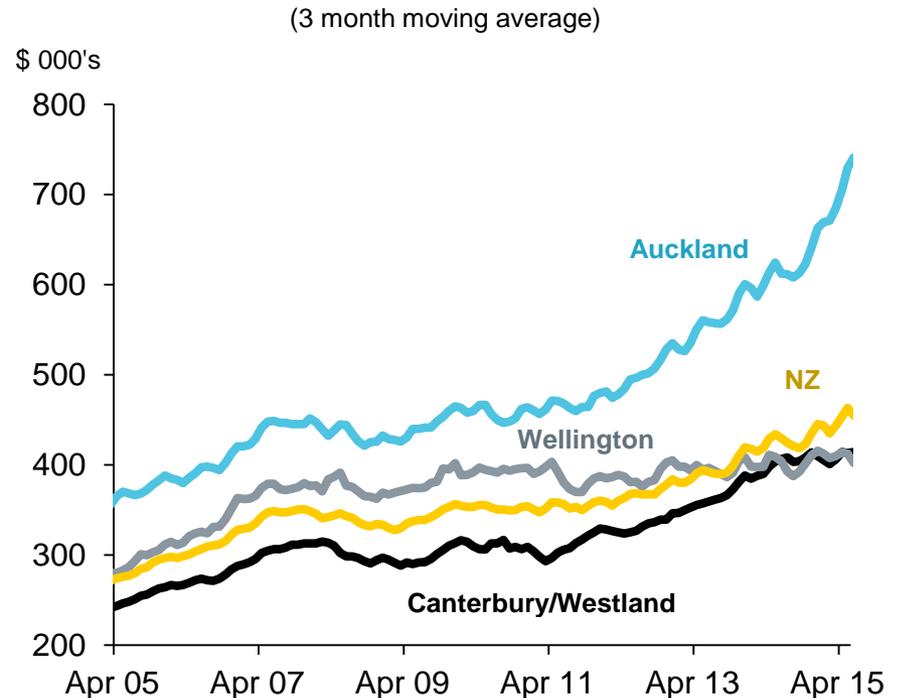
New Zealand

Housing market underpinned by strong inbound migration and falling interest rates. Construction to maintain a high level, with further growth in Auckland in particular. Moderate household credit growth being supported by housing activity and interest rates.

NZ Household Lending Growth¹



NZ Median House Price²



1 Source: RBNZ, ASB

2 Source: REINZ

