

Results Presentation

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

CommonwealthBank



IAN NAREV
CHIEF EXECUTIVE OFFICER

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Notes

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 February 2014. It is information given in summary form and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice when deciding if an investment is appropriate.

Cash Profit

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

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

Agenda



Ian Narev, CEO – Company Update

David Craig, CFO – Financial Overview

Ian Narev, CEO – Outlook and Summary

Questions and Answers

Additional information

Snapshot – 1H14 Results¹

| Financial | | | Operating Performance by Division ² | | |
|----------------------------------|-------|-----------|------------------------------------------------|-------|---------|
| Cash earnings (\$m) | 4,268 | 14% | Retail Banking Services (\$m) | 2,674 | 11% |
| ROE (Cash) | 18.7% | 80 bpts | Business and Private Banking (\$m) | 1,226 | 3% |
| Cash EPS (\$) | 2.64 | 13% | Institutional Banking & Markets (\$m) | 913 | 4% |
| DPS (\$) | 1.83 | 12% | Wealth Management (\$m) | 449 | 20% |
| Cost-to-Income (Cash) | 42.9% | (90) bpts | NZ (NZ\$m) | 598 | 11% |
| NIM (bpts) | 214 | 4 bpts | Bankwest (\$m) | 506 | 11% |
| Balance Sheet | | | Capital & Funding | | |
| Total assets (\$bn) | 782 | 8% | Capital – Basel III CET1 (Int'l) | 11.4% | 80 bpts |
| Total liabilities (\$bn) | 735 | 8% | Capital – Basel III CET1 (APRA) | 8.5% | 40 bpts |
| FUA (\$bn, spot) | 271 | 19% | LT wholesale funding WAM (yrs) | 3.8 | 0.1 |
| RWA ³ (\$bn) | 334 | 6% | Deposit funding | 63% | - |
| Provisions to Credit RWAs (bpts) | 152 | na | Liquids (\$bn) | 137 | 6% |

1 All movements on prior comparative period unless stated otherwise.
2 Operating Performance is Total Operating Income less Operating Expense.
3 Growth rate relative to 1 January 2013.

Continuing momentum

| | Dec 13 | Dec 13 vs Dec 12 |
|------------------------------|---------------|-----------------------------|
| Statutory Profit (\$m) | 4,207 | 16% |
| Cash NPAT (\$m) | 4,268 | 14% |
| ROE – Cash (%) | 18.7% | 80 bpts |
| Cash Earnings per Share (\$) | 2.64 | 13% |
| Dividend per Share (\$) | 1.83 | 12% |



Additional information

| Business Unit | % of Group NPAT | 1H14 vs 1H13 | | | | | C:I Dec 13 |
|-----------------|-----------------|------------------|-------|-----------------------|-------|-----------|------------|
| | | Operating Income | Costs | Operating Performance | LIE | Cash NPAT | |
| RBS | 39% | 9% | 6% | 11% | 18% | 10% | 37.0% |
| BPB | 19% | 3% | 2% | 3% | (42%) | 10% | 36.6% |
| IB&M | 16% | 5% | 5% | 4% | (78%) | 13% | 33.3% |
| Wealth | 9% | 11% | 6% | 20% | n/a | 19% | 63.8% |
| NZ ¹ | 8% | 18% | 21% | 15% | (18%) | 16% | 44.5% |
| BWA | 8% | 4% | (4%) | 11% | (94%) | 37% | 44.2% |
| IFS | 1% | 24% | 22% | 28% | (50%) | 30% | 59.1% |

1 NZ result in AUD.

All businesses contributing well

1H14 vs 1H13

| | Operating Performance ¹ | Cash NPAT | Drivers |
|-----------------|------------------------------------|-----------|-------------------------------------------------------------------------------------------------------------------------|
| RBS | 11% | 10% | <ul style="list-style-type: none"> Income ↑ 9% Home loan balances ↑ 7% |
| BPB | 3% | 10% | <ul style="list-style-type: none"> Business loan balances² ↑ 5% NIM lower (deposits) |
| IB&M | 4% | 13% | <ul style="list-style-type: none"> Markets (ex CVA) ↑ 16% Loan Impairment Expense ↓ 78% |
| Wealth | 20% | 19% | <ul style="list-style-type: none"> Avg FUA ↑ 22% Net op. income ↑ 11% |
| NZ ³ | 15% | 16% | <ul style="list-style-type: none"> Lending growth ↑ 6% ASB NIM higher (deposits) |
| BWA | 11% | 37% | <ul style="list-style-type: none"> Income ↑ 4% Expenses ↓ 4% |
| IFS | 28% | 30% | <ul style="list-style-type: none"> Income ↑ 24% Lending balances ↑ 43% |

1 Operating Performance is Total Operating Income less Operating Expense.

2 Source: RBA Business Lending. 12 months to Dec 13.

3 NZ result in AUD.

Additional information

Our Strategy

Customer Focus

Capabilities

People



Technology



Strength



Productivity



Growth opportunities

“One CommBank”

Continued growth in business and institutional banking

Disciplined capability-led growth outside Australia

TSR Outperformance

Long-term strategy underpins performance

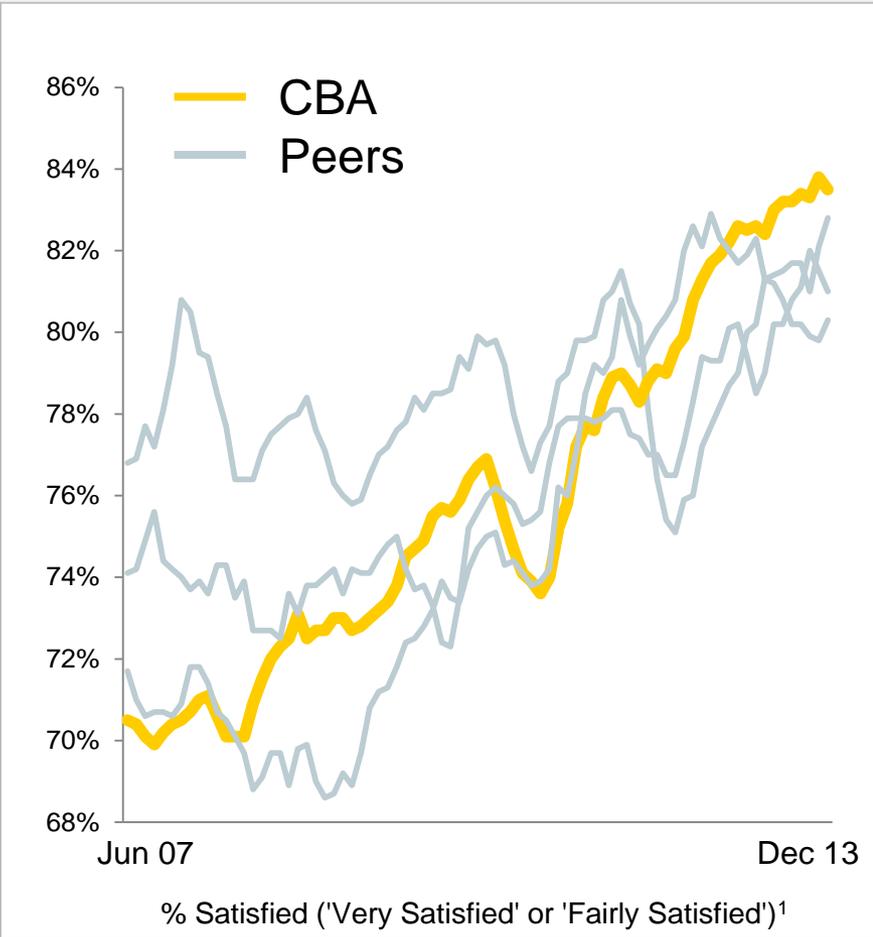
| | Progress 1H14 |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| People & Culture | <ul style="list-style-type: none">▪ Peer leading customer satisfaction driving good momentum across the business |
| Productivity | <ul style="list-style-type: none">▪ Sustained cultural change enabling investment and benefiting underlying expense growth |
| Technology | <ul style="list-style-type: none">▪ Leveraging technology advantage for continued product innovation, process simplification and enhanced delivery |
| Strength | <ul style="list-style-type: none">▪ Already strong capital, funding and liquidity positions further strengthened |



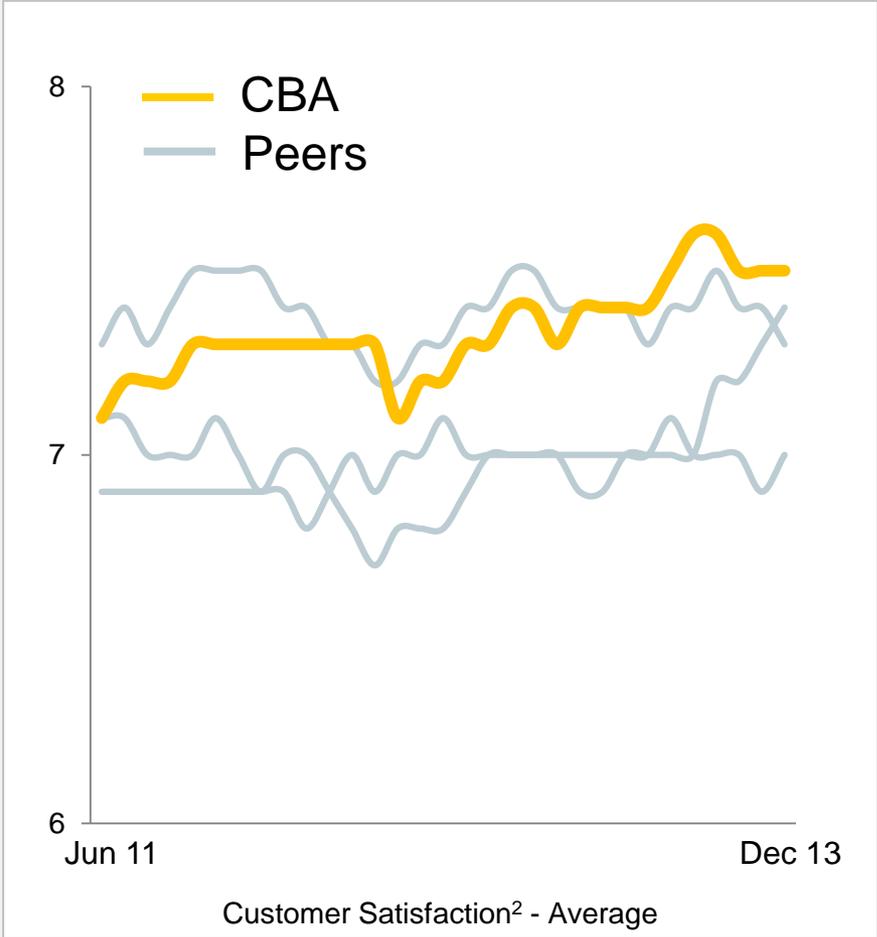
Additional information

Peer leading customer satisfaction

Retail



Business



1, 2 Refer notes slide at back of this presentation for source information.

Peer leading customer satisfaction

| Area | Measure | CBA Rank |
|-------------------------------|-----------------------------------------|------------------|
| Retail | Roy Morgan ¹ | 1 st |
| Business | DBM ^{2,3} | =1 st |
| Wealth | Wealth Insights ⁴ | 1 st |
| ASB | TNS; ⁵ Camorra* ⁶ | =1 st |
| IFS (PT Bank Commonwealth) | MRI – Foreign Banks ⁷ | 1 st |

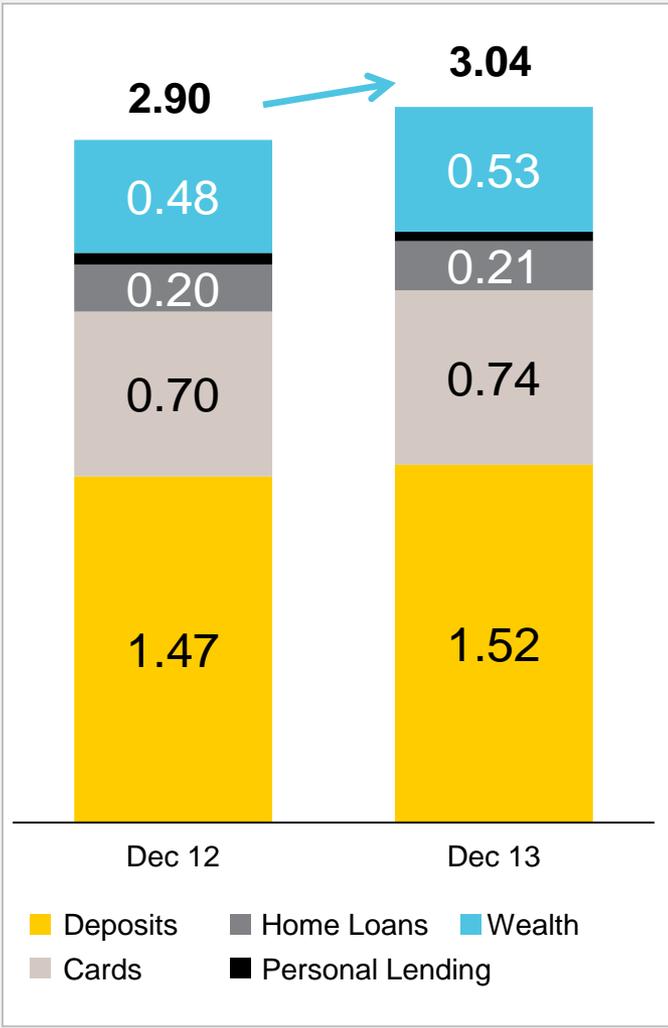
1, 2, 3, 4, 5, 6, 7 Refer notes slide at back of this presentation for source information.

* Of the 4 major banks.

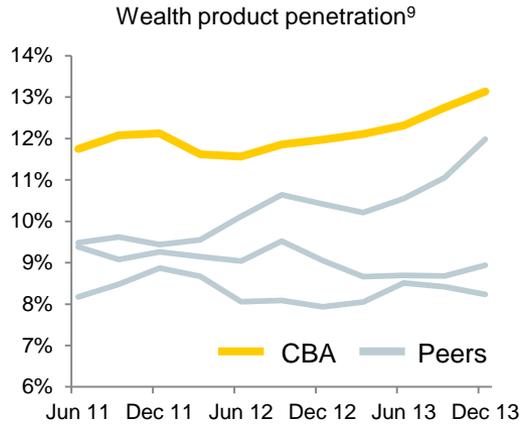


Additional information

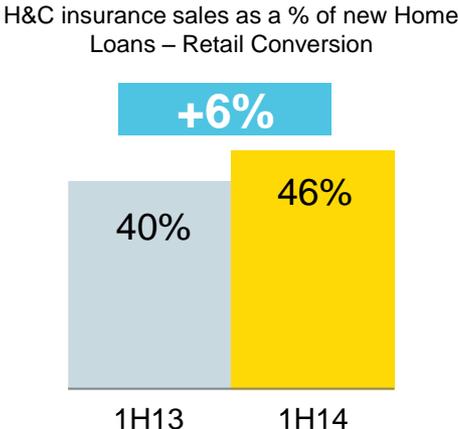
Products per customer ⁸



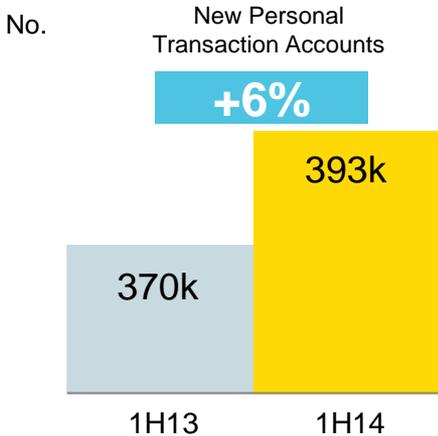
Wealth ⁹



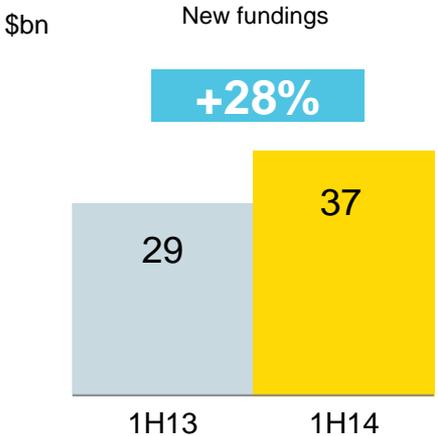
Insurance



Transaction Accounts

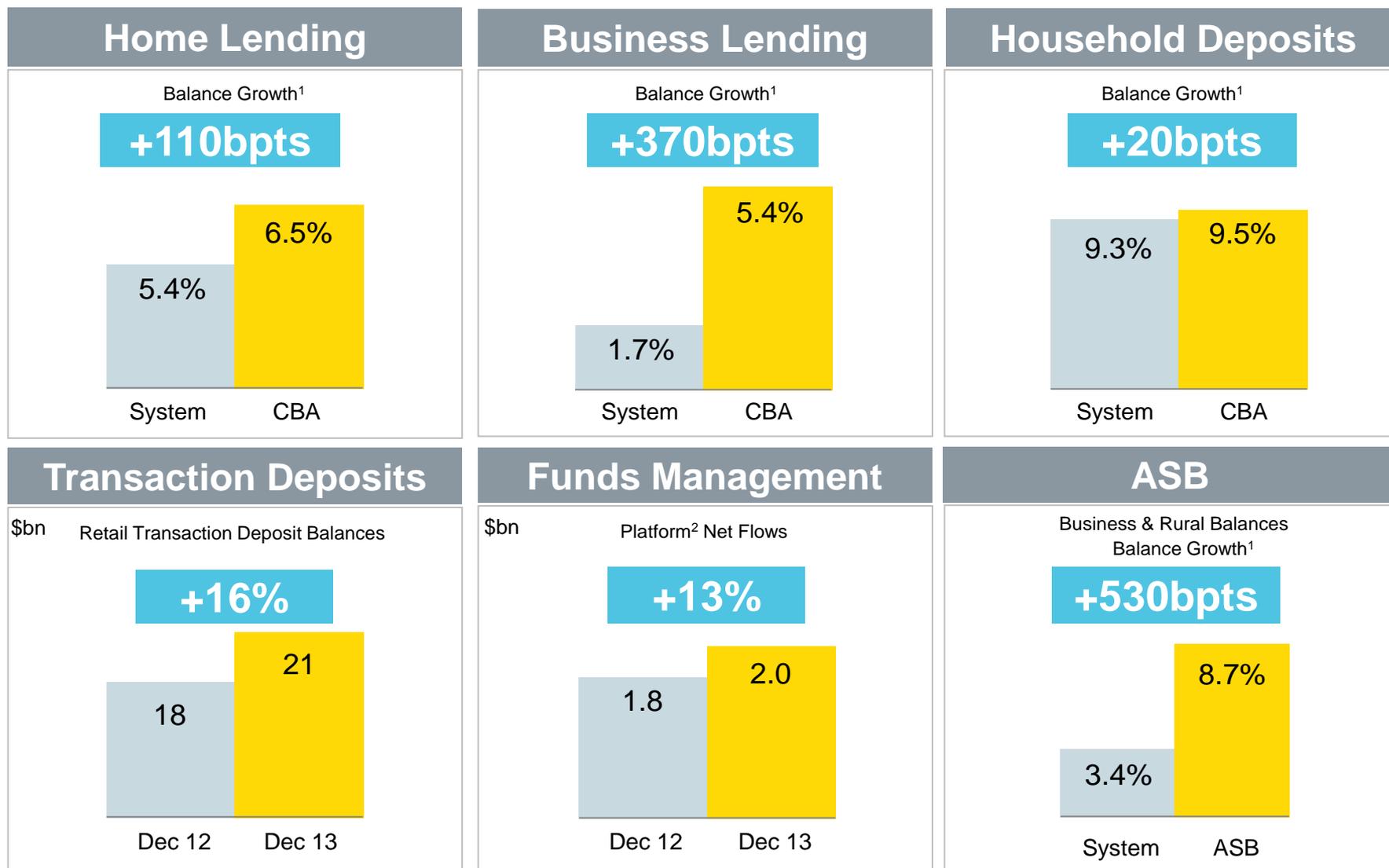


Home Loans



8, 9 Refer notes page at back of presentation for source information.

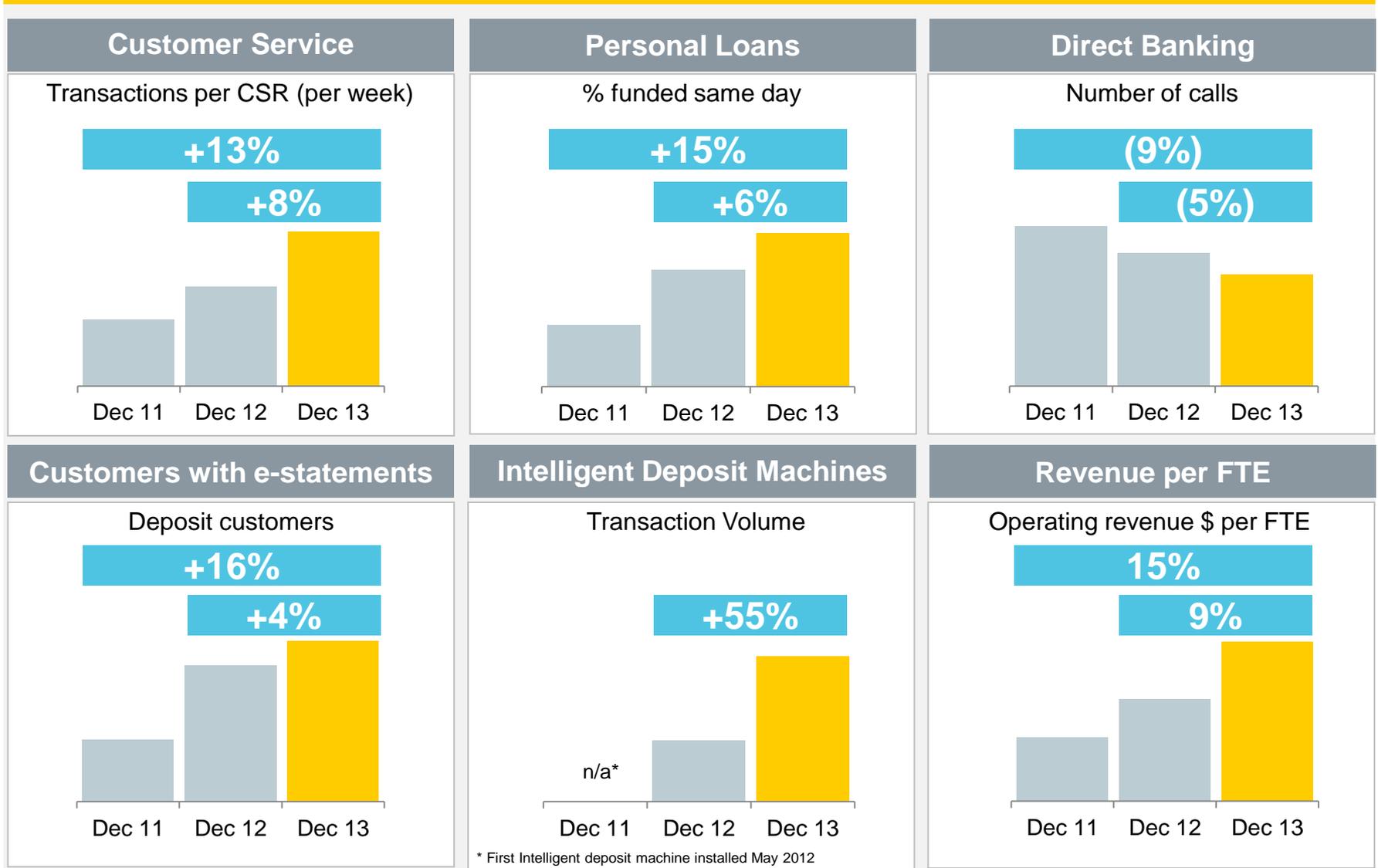
Revenue growth a key driver of performance



1 Balance growth figures are 12 months to Dec 13. Business Lending is ex Bankwest. Source RBA/APRA/RBNZ. System figures adjusted for series breaks to normalise growth, including the impact of new market entrants.

2 FirstChoice and Custom Solutions.

Additional information



Productivity culture enabling on-going investment

Sustained Improvements¹

Customer Service Transactions per FTE



% Personal Loans funded same day



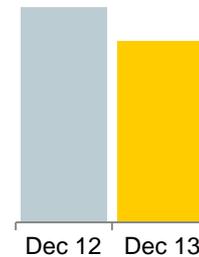
% Deposit customers with e-statements



Case Study – WM Unit Pricing

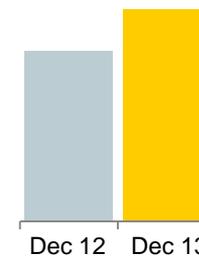
Average Turnaround Time

(8%)



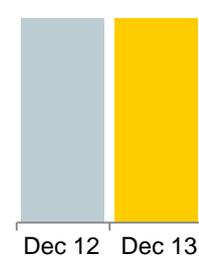
Volumes

+10%



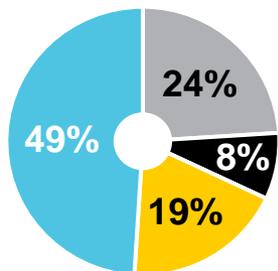
Headcount

flat

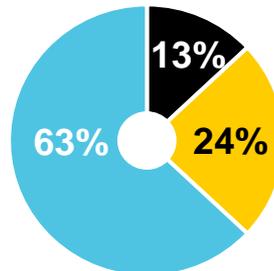


Investment Spend

1H13
\$582m



1H14
\$589m



Productivity & Growth
Branches & Other

Risk/Compliance
Core Banking

Expense Growth

Productivity Saving \$234m

Operating expenses

\$m

4,467

1H13

+1.7%

4,544

1H14 underlying

+6.4%

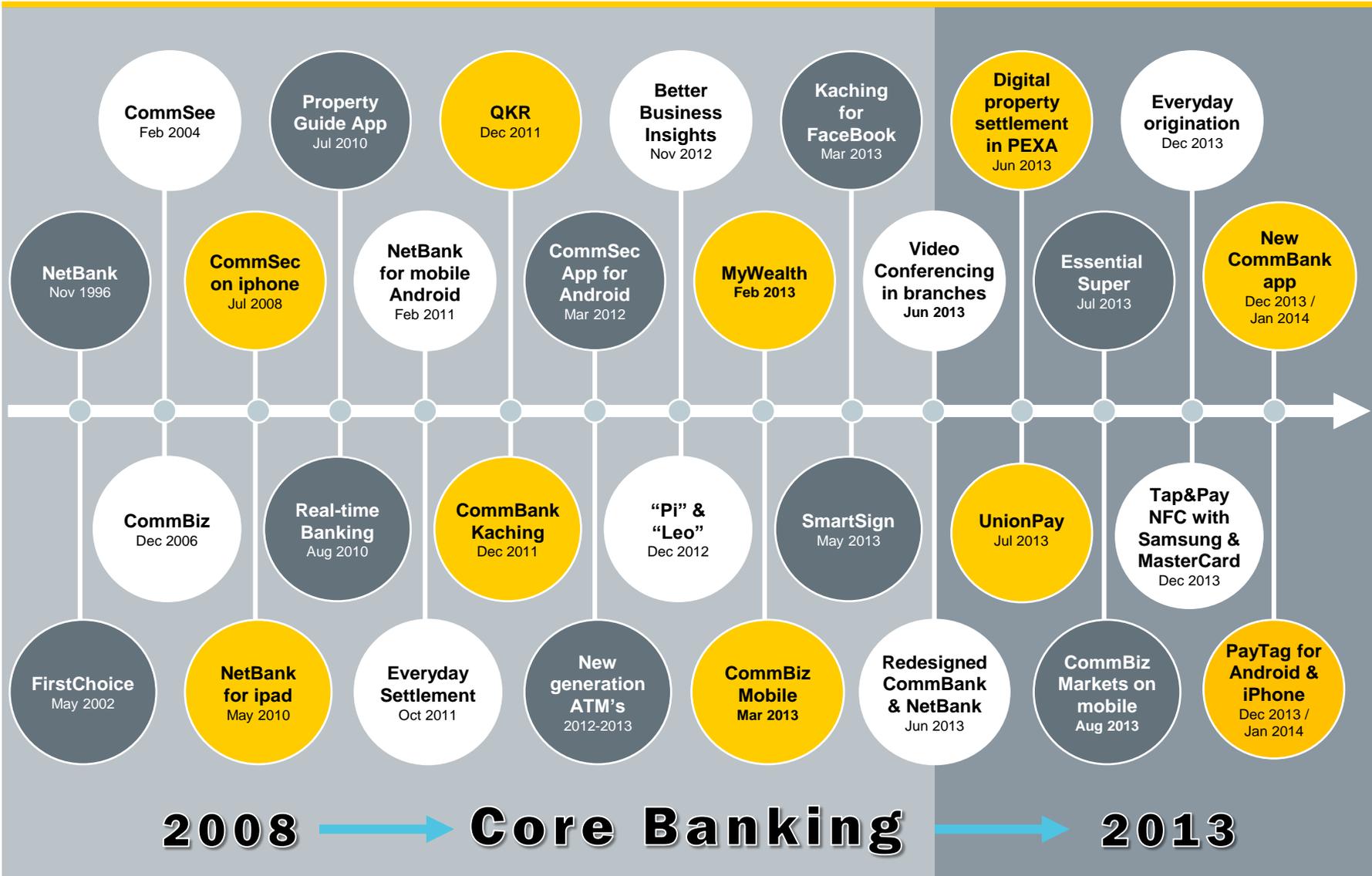
4,751

1H14

¹ 1 Yr movements are 1H14 vs 1H13, 2 Yr movements are 1H14 vs 1H12. Refer notes page at back of presentation for definition of productivity metrics.



Additional information



Technology a continuing investment priority

New CommBank app



Over 1 million registered users since launch Dec-13

Simplified Processes



Simplified processes reducing online account opening times¹ by 80%

Express Branches



Smaller, smarter design with focus on self-service & technology

Customer Video-Conferencing

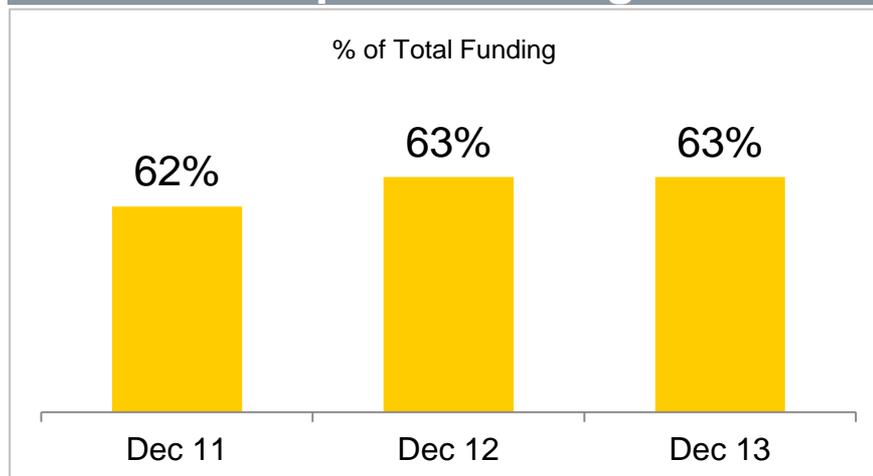


Rolled out across the network, with over 24,000 referrals to date

¹ Transaction and saving accounts.

Conservative business settings

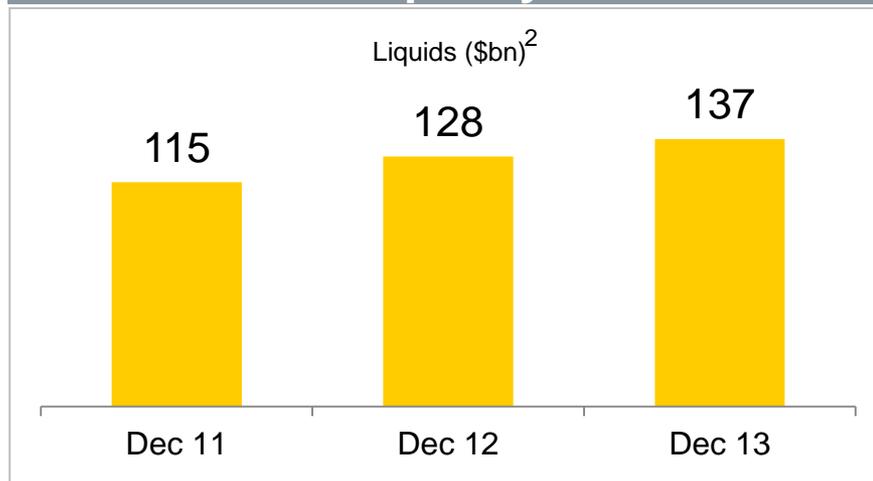
Deposit Funding



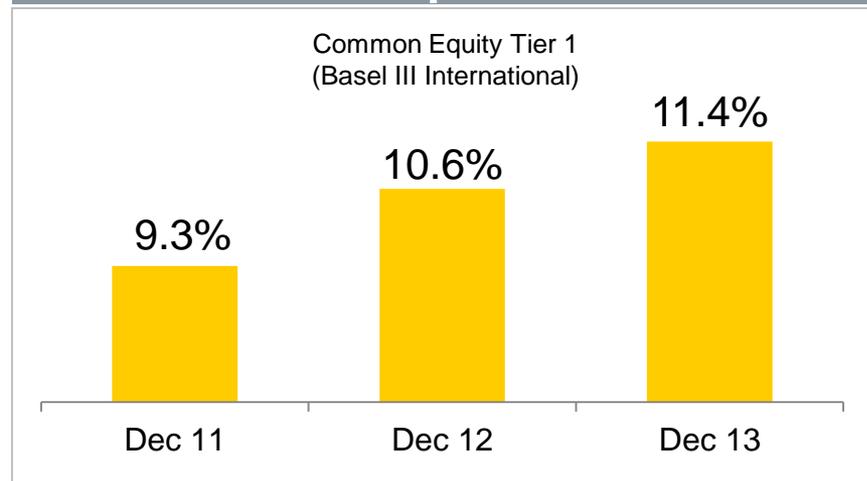
Wholesale Funding



Liquidity



Capital



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

2 Liquids reported post applicable haircuts.



Results Presentation

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

CommonwealthBank



DAVID CRAIG

CHIEF FINANCIAL OFFICER

A strong financial result

| \$m | Dec 13 | Dec 12 | Dec 13 vs Dec 12 |
|-----------------------------------|--------------|--------------|---------------------|
| Operating income | 11,067 | 10,205 | 8% |
| Operating expenses | (4,751) | (4,467) | 6% |
| Operating performance | 6,316 | 5,738 | 10% |
| Investment experience | 81 | 84 | (4%) |
| Loan impairment expense | (457) | (616) | (26%) |
| Tax and non-controlling interests | (1,672) | (1,456) | 15% |
| Cash NPAT | 4,268 | 3,750 | 14% |



Additional information

Non-cash Items

| \$m | Dec 13 | Dec 12 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|---------------------------|
| 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” | (5) | (10) |
| Other | | |
| <ul style="list-style-type: none"> ▪ Bankwest non-cash items ▪ Treasury shares valuation adjustment ▪ Bell Group Litigation ▪ Gain on sale of management rights | (30) (28) - 2 | (33) (31) (45) - |
| | (56) | (109) |
| Total | (61) | (119) |

Statutory Profit

| \$m | Dec 13 | Dec 12 | |
|-----------------------------|--------------|--------------|-------------|
| Cash NPAT | 4,268 | 3,750 | +14% |
| Hedging and IFRS volatility | (5) | (10) | |
| Other non-cash items | (56) | (109) | |
| Statutory NPAT | 4,207 | 3,631 | +16% |

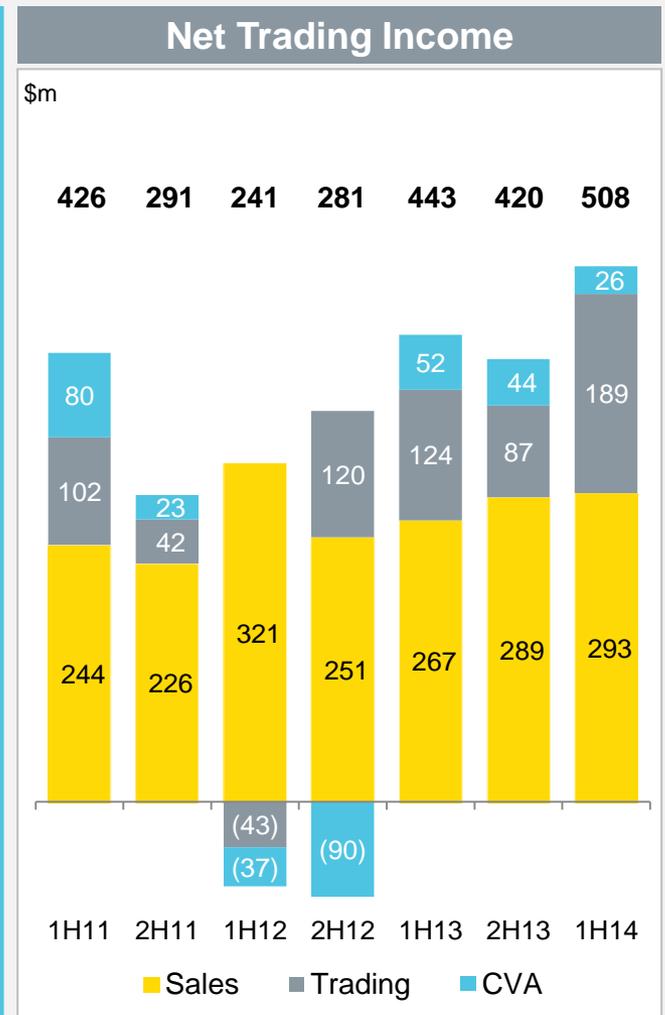


Additional information

Other Banking Income

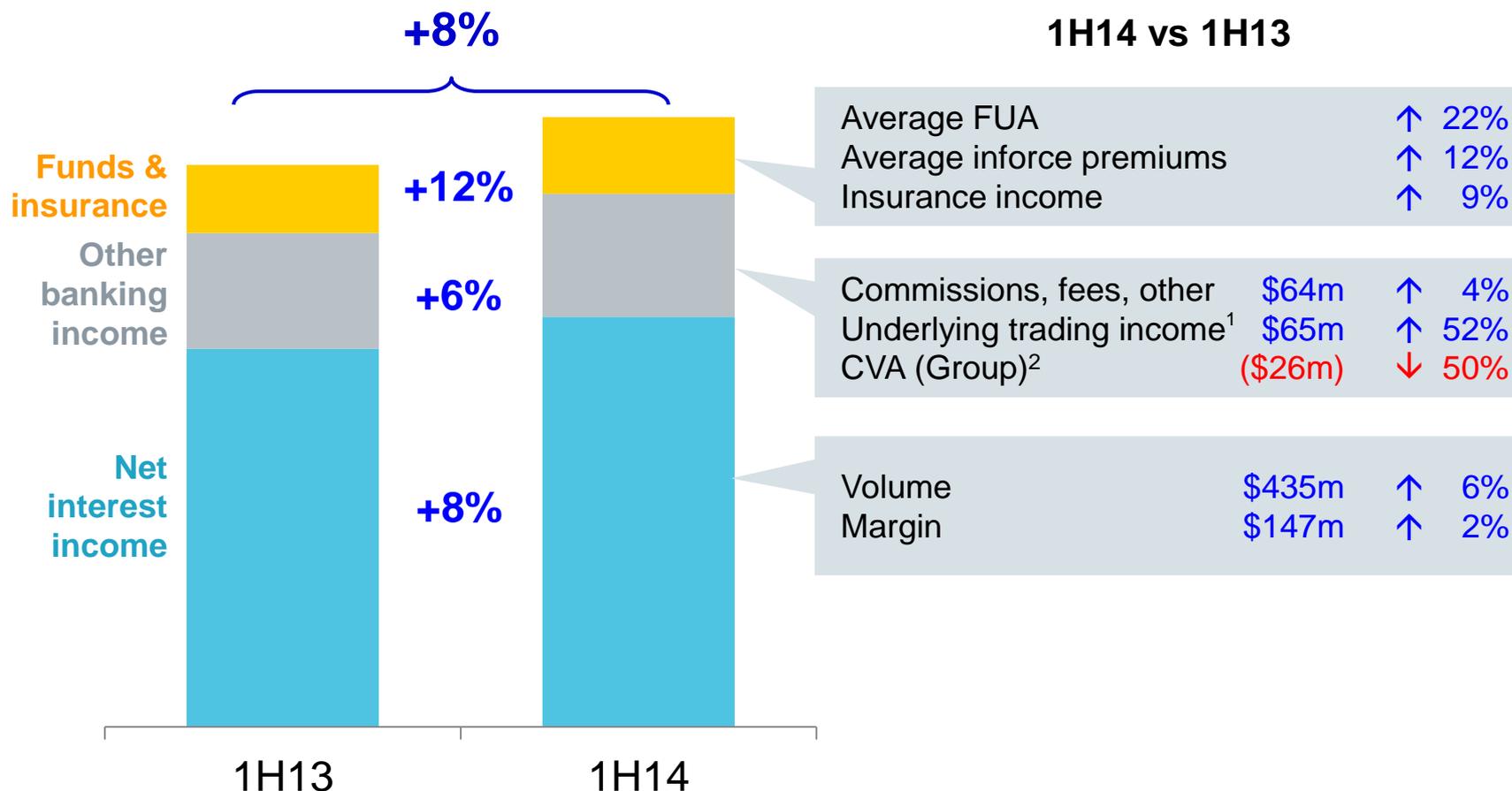
| \$m | Dec 13 | Dec 12 | Dec 13 vs Dec 12 |
|------------------|--------------|--------------|------------------|
| Commissions | 1,081 | 993 | 9% |
| Lending fees | 537 | 509 | 6% |
| Other | 108 | 160 | (33%) |
| Sub-total | 1,726 | 1,662 | 4% |
| Trading income | 508 | 443 | 15% |
| Total | 2,234 | 2,105 | 6% |

Net Trading Income



Income growth across all key lines

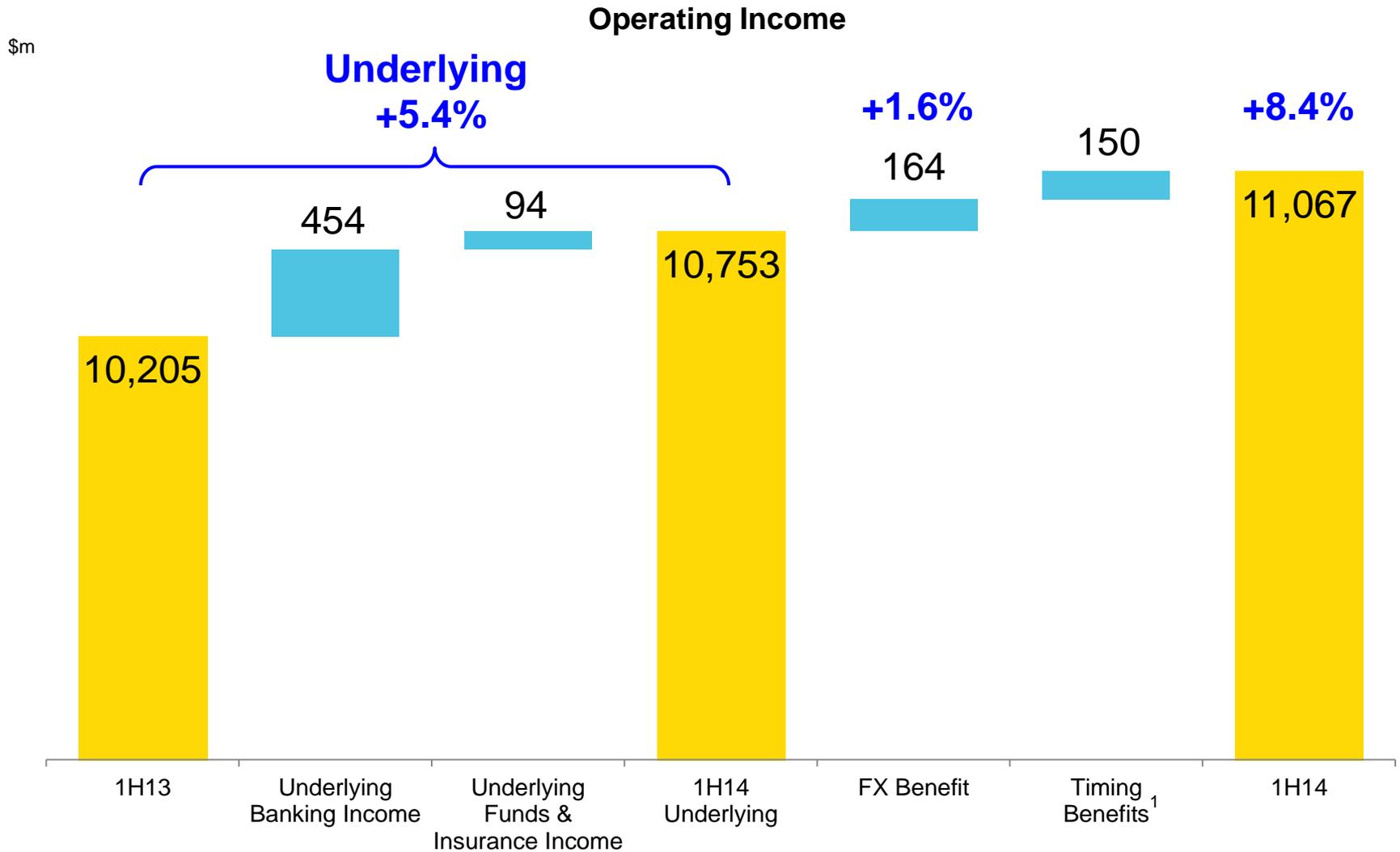
Operating Income



¹ Underlying Trading ex CVA and Sales.

² Group CVA movement of (\$26m) comprises IB&M (\$23m), Bankwest (\$2m) and BPB (\$1m).

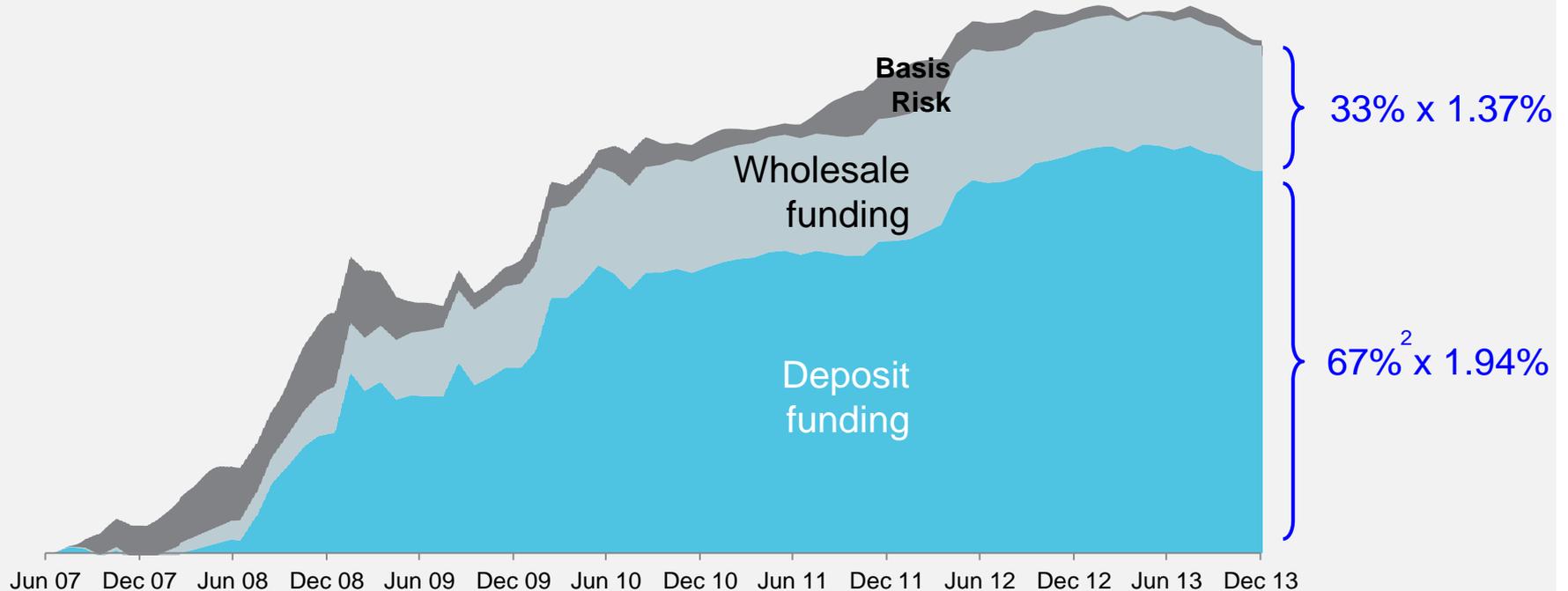
Income growth assisted by FX and timing benefits



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

Additional information

Increase in retail bank funding costs since Jun 07



| | Dec 12 (6 month average) | Dec 13 (6 month average) |
|--------------------------------------------|-----------------------------|-----------------------------|
| Increase in wholesale funding ¹ | 1.53% | 1.37% |
| Increase in deposit funding | 1.87% | 1.94% |
| Increase in weighted average cost | 1.75% | 1.75% |

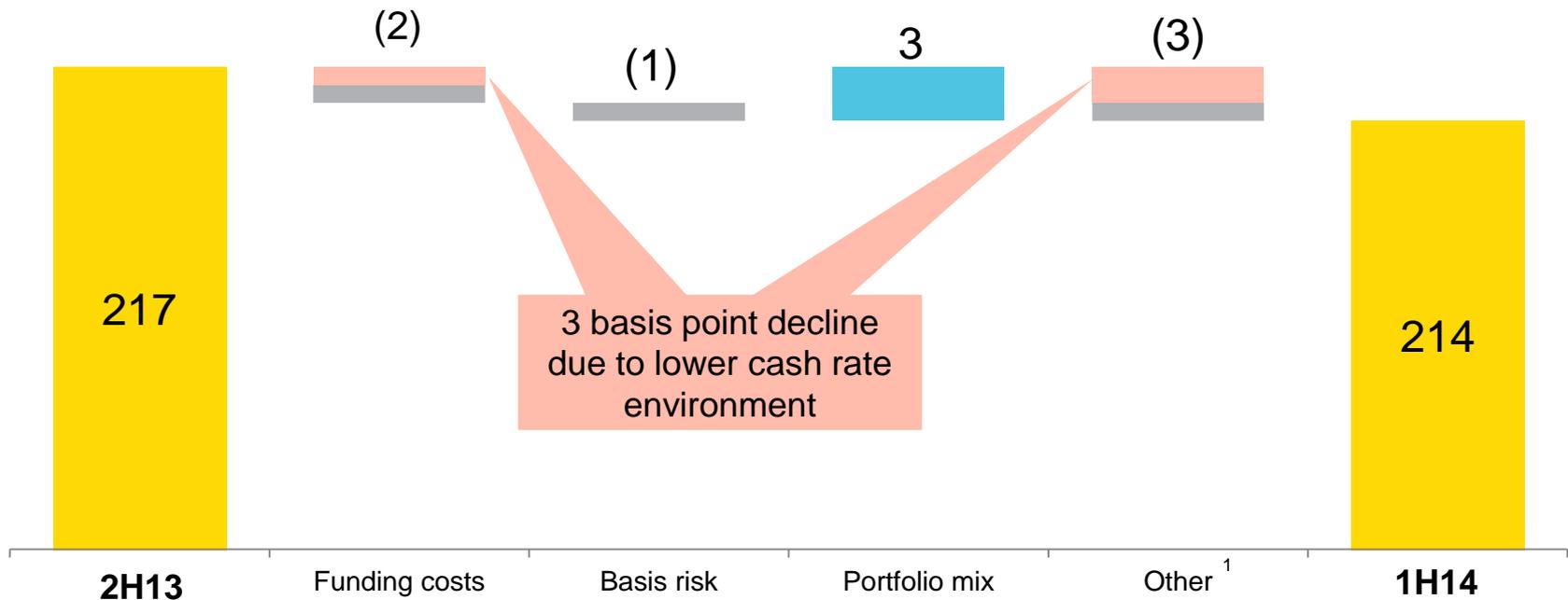
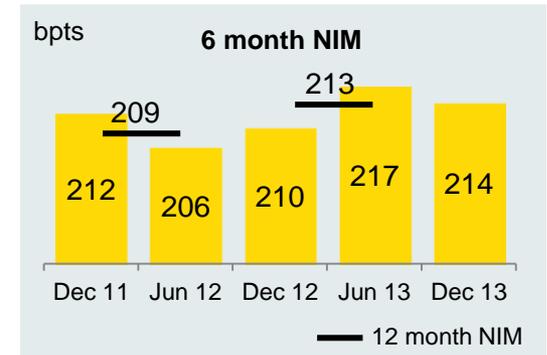
1 Includes basis risk.

2 Retail deposits as a proportion of retail lending.

Group NIM marginally lower in the half

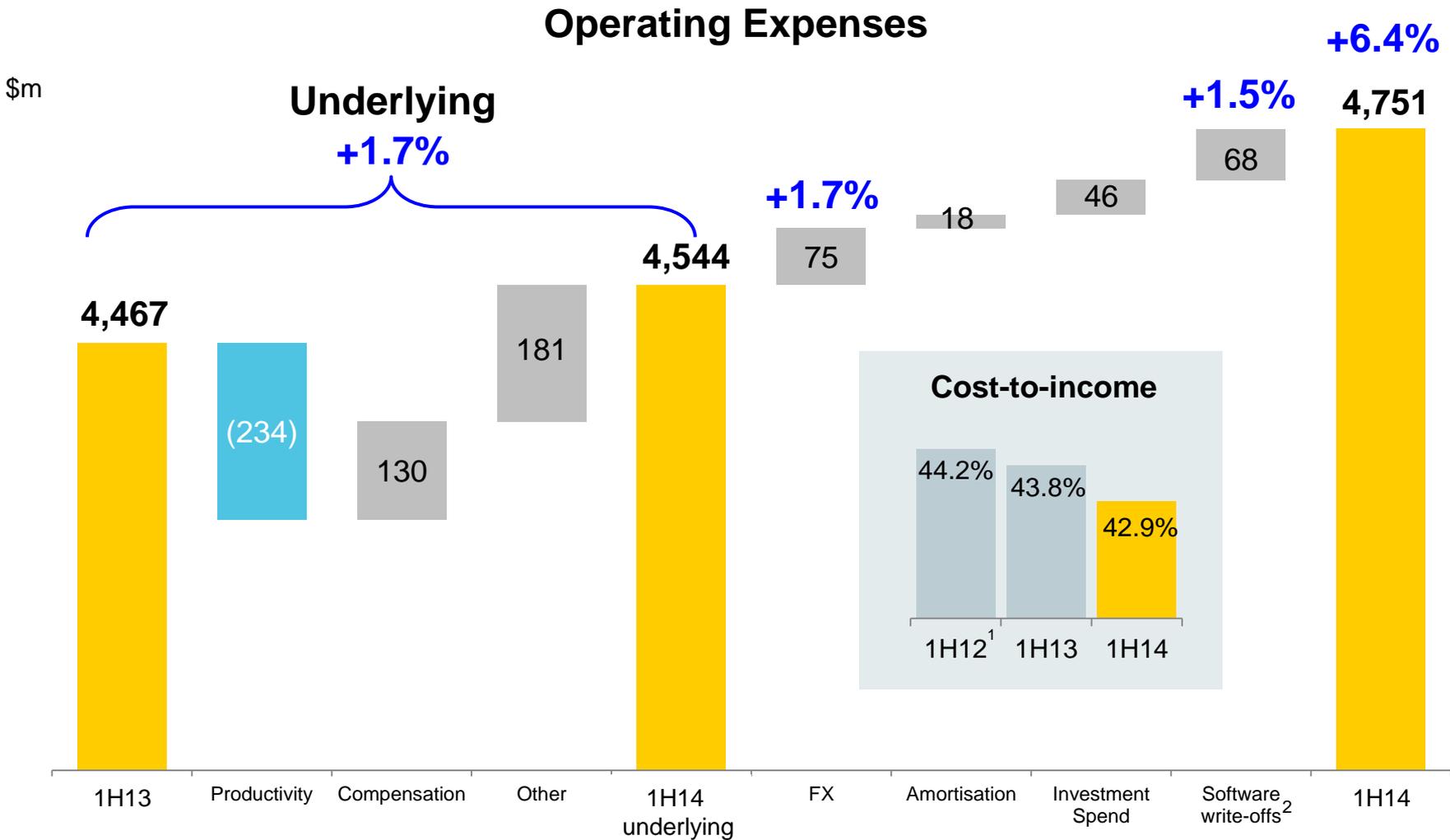
bpts

Group NIM (6 Month Movement)



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

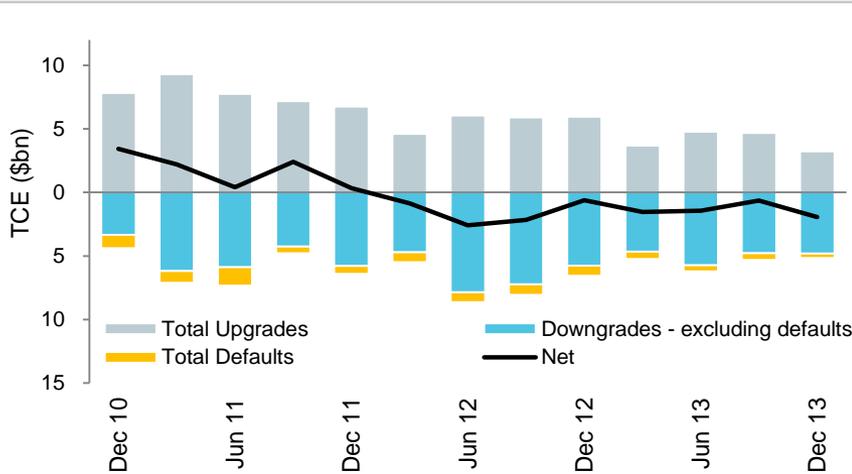
Productivity benefiting underlying expense growth



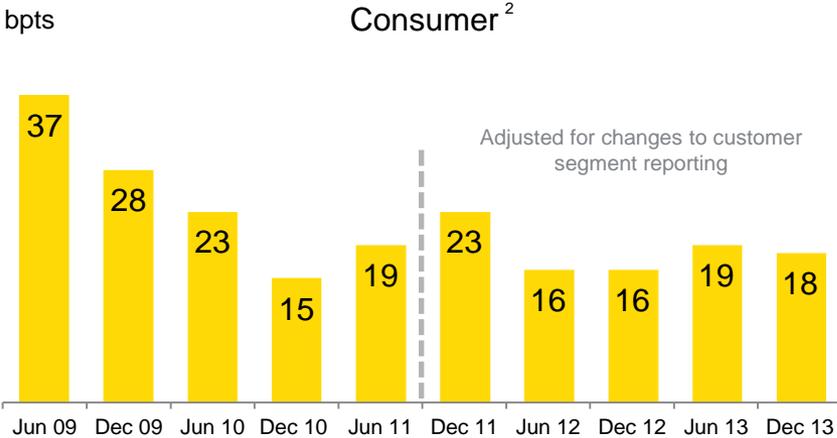
1 Adjusted to conform to presentation in 1H13 and 1H14.
 2 Represents write-off of approximately 30 individual projects completed prior to 2012.

Additional information

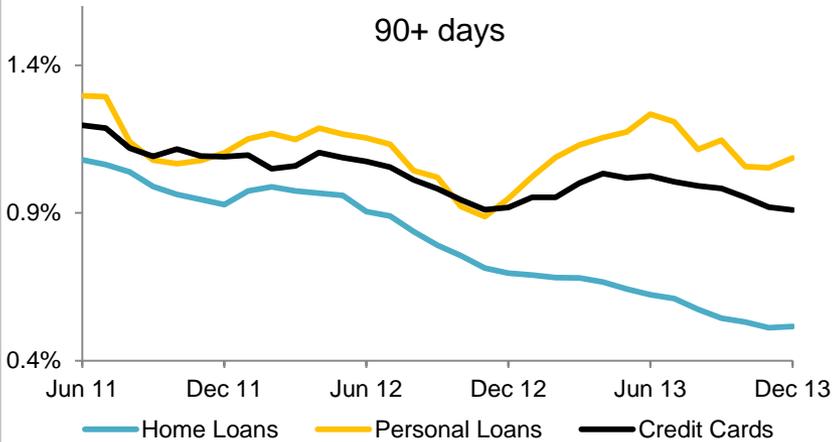
PD Ratings Migration Risk-Rated Portfolio¹



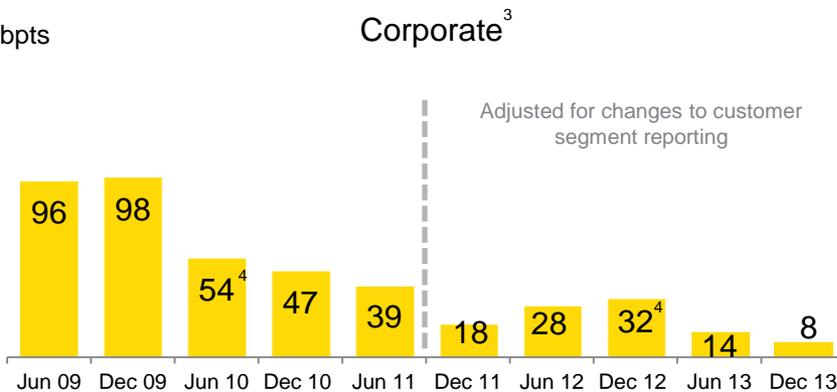
Loan Impairment Expense (Cash) to Gross Loans



Group Consumer Arrears



Loan Impairment Expense (Cash) to Gross Loans



¹ Excludes Banks and Sovereigns.

² Represents Retail Banking Services, ASB Retail and Bankwest Retail. Six months annualised basis points as a percentage of average GLA.

³ Represents Institutional Banking and Markets, Business and Private Banking, ASB Business, Bankwest Business and other corporate related expense.

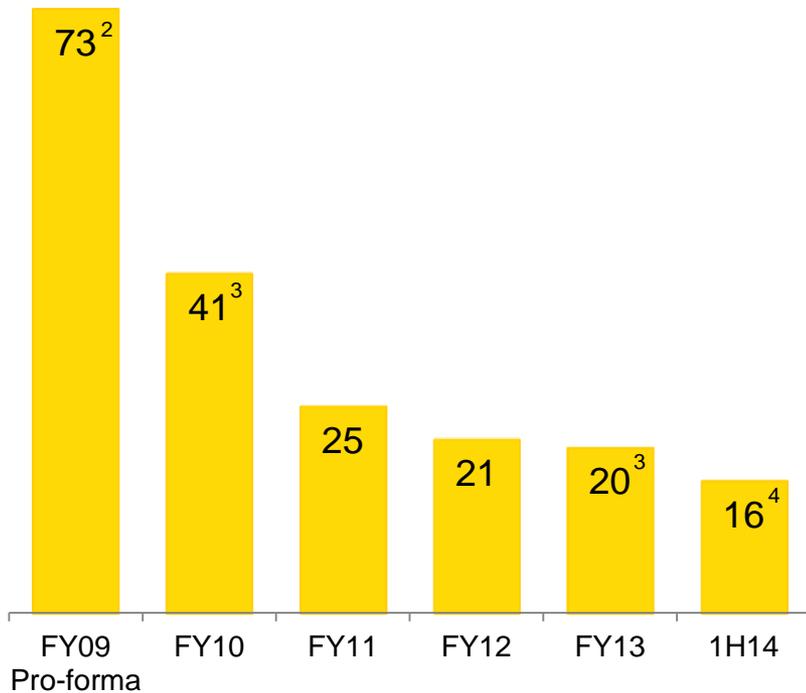
⁴ Six months annualised basis points as a percentage of average Gross Loans and Acceptances (GLA).

⁵ Statutory Loan Impairment Expense (LIE) for June 2010 90 bpts and for December 2012 38 bpts.

Sound credit quality

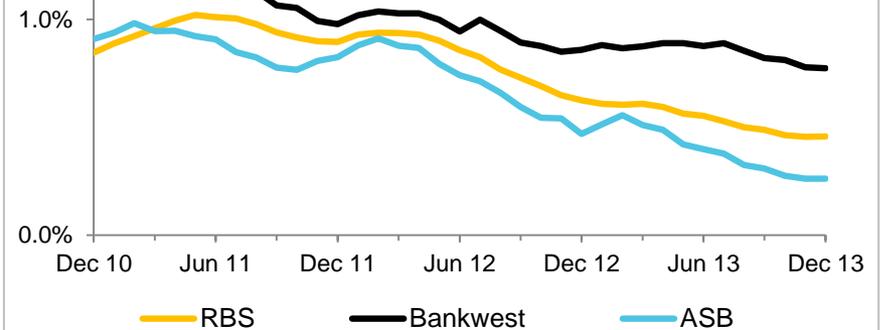
Loan Impairment Expense

Loan Impairment Expense (Cash) to average GLA
(basis points)¹

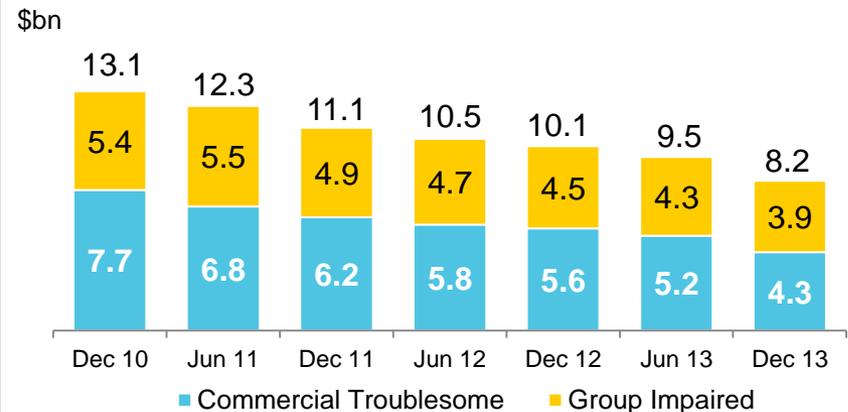


Home Loan Arrears

90+ days



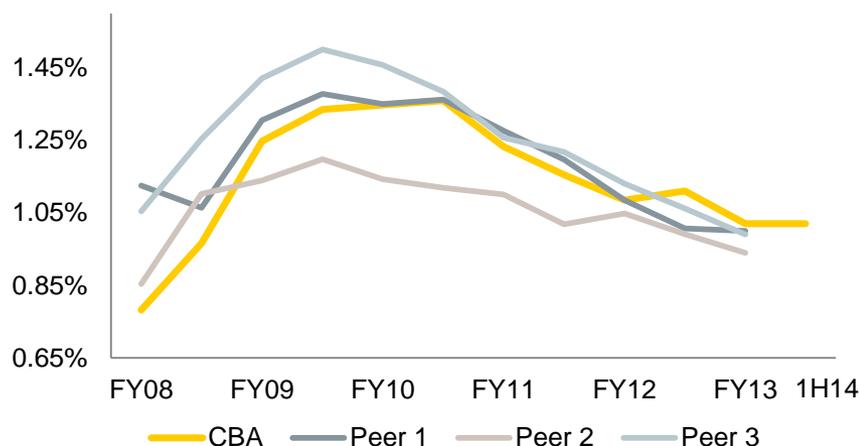
Troublesome and Impaired Assets



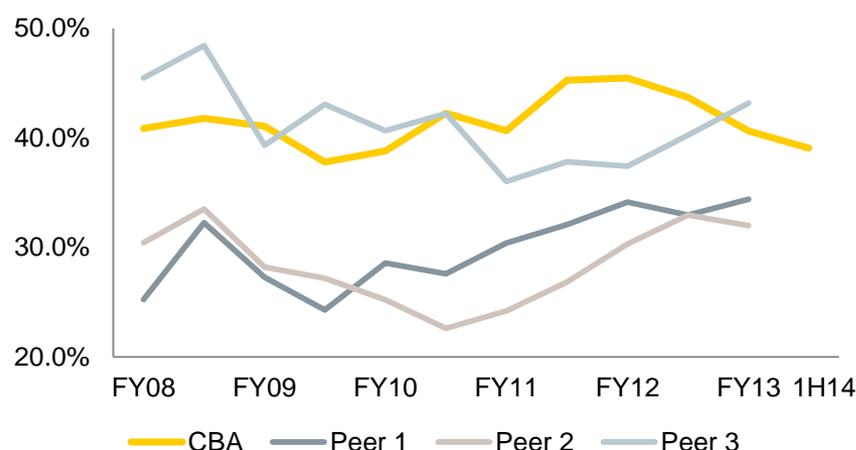
1 Basis points as a percentage of average Gross Loans and Acceptances (GLA).
 2 FY09 includes Bankwest on a pro-forma basis and is based on impairment expense for the year.
 3 Statutory Loan Impairment Expense (LIE) for FY10 48 bpts and for FY13 21 bpts.
 4 Six months annualised.

Additional information

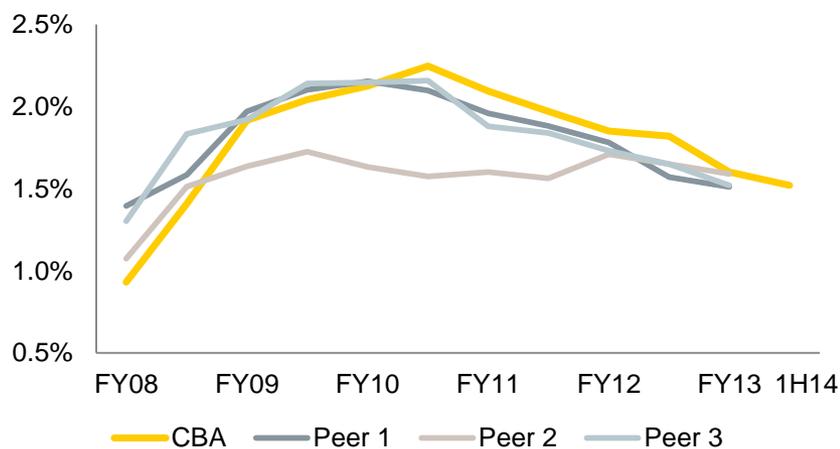
Collective Provisions¹ to Credit RWA²



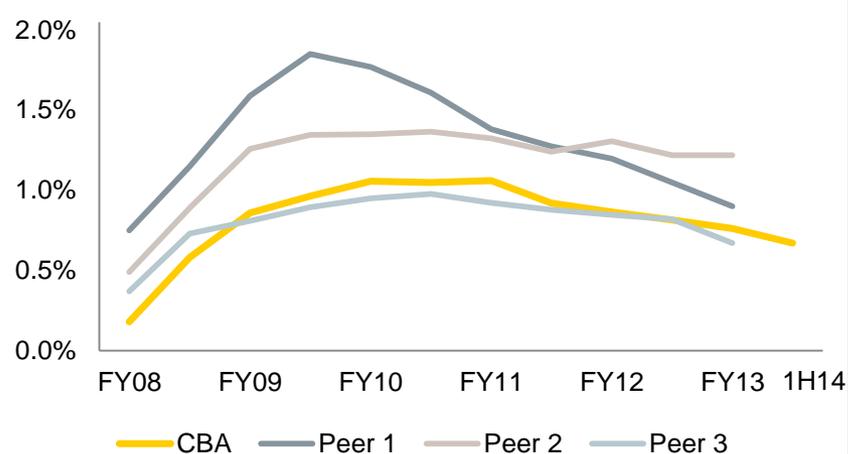
Provisions for Impaired Assets³ to Impaired Assets⁴



Total Provisions¹ to Credit RWA²



Impaired Assets⁴ to Gross Loans and Acceptances



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

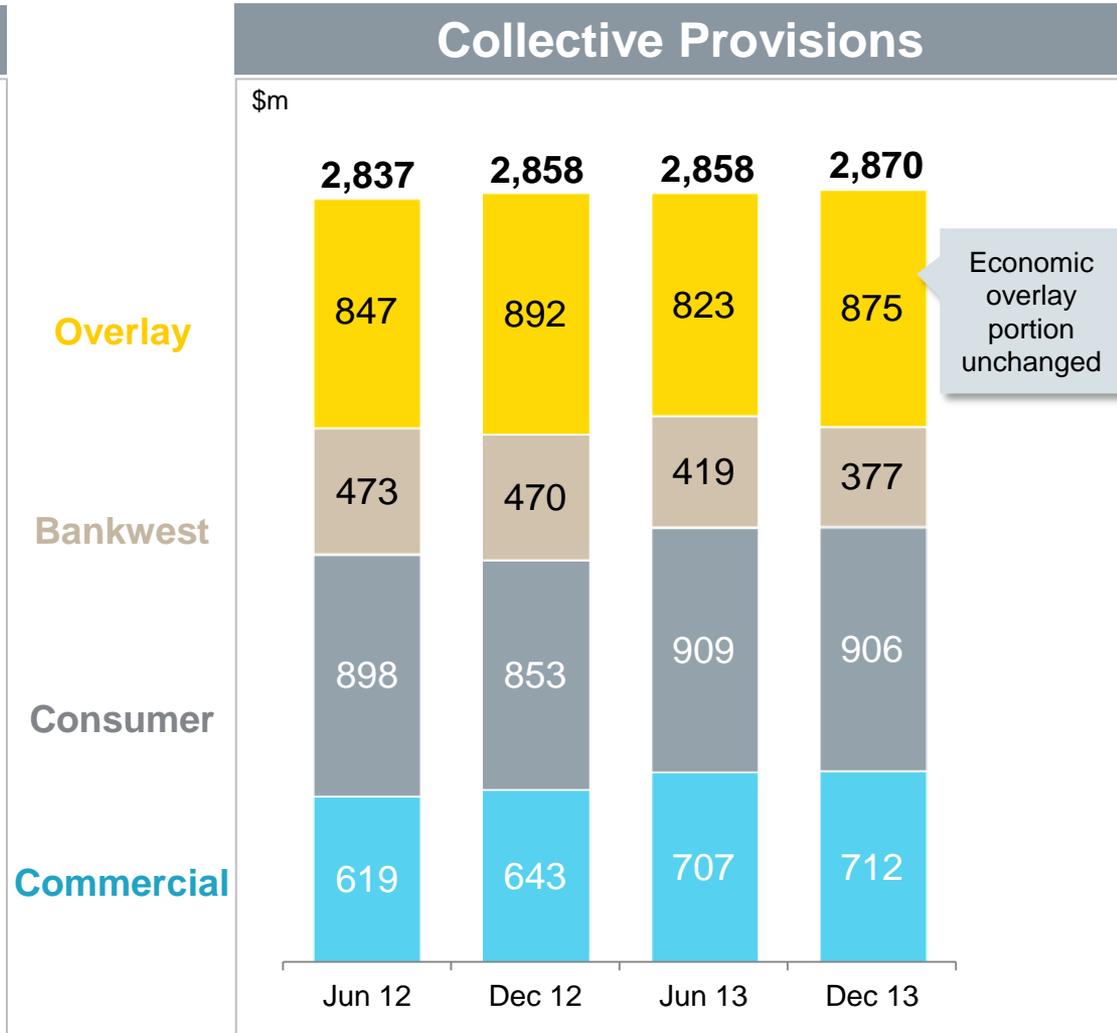
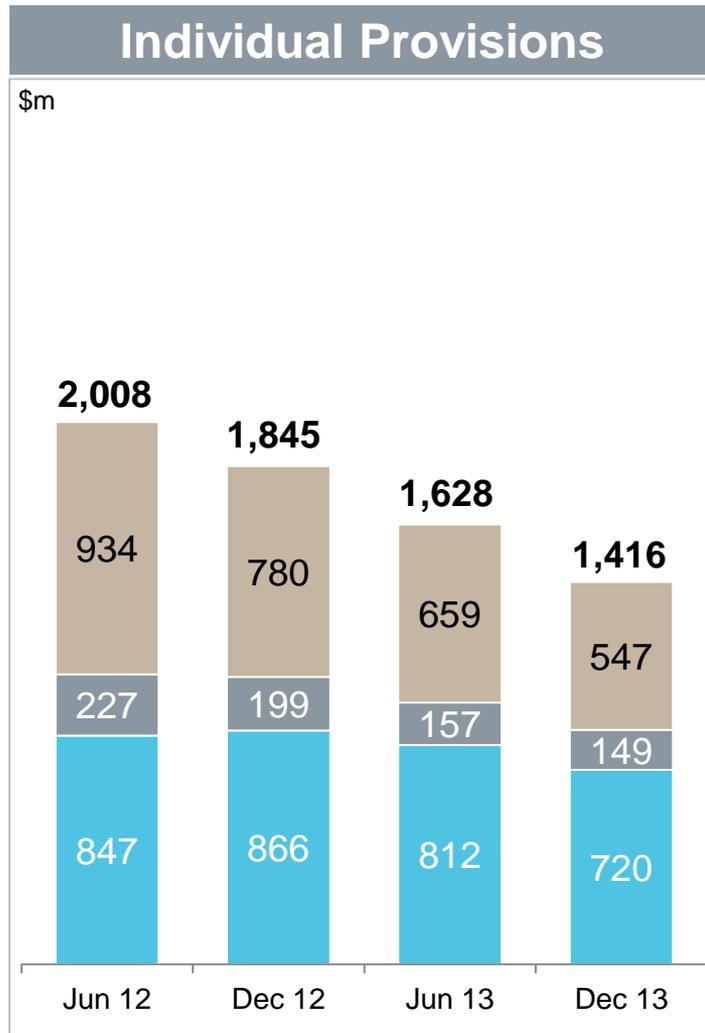
1 Provisions do not include General Reserve for Credit Losses, equity reserves or other similar adjustments.

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

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

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

Provisioning

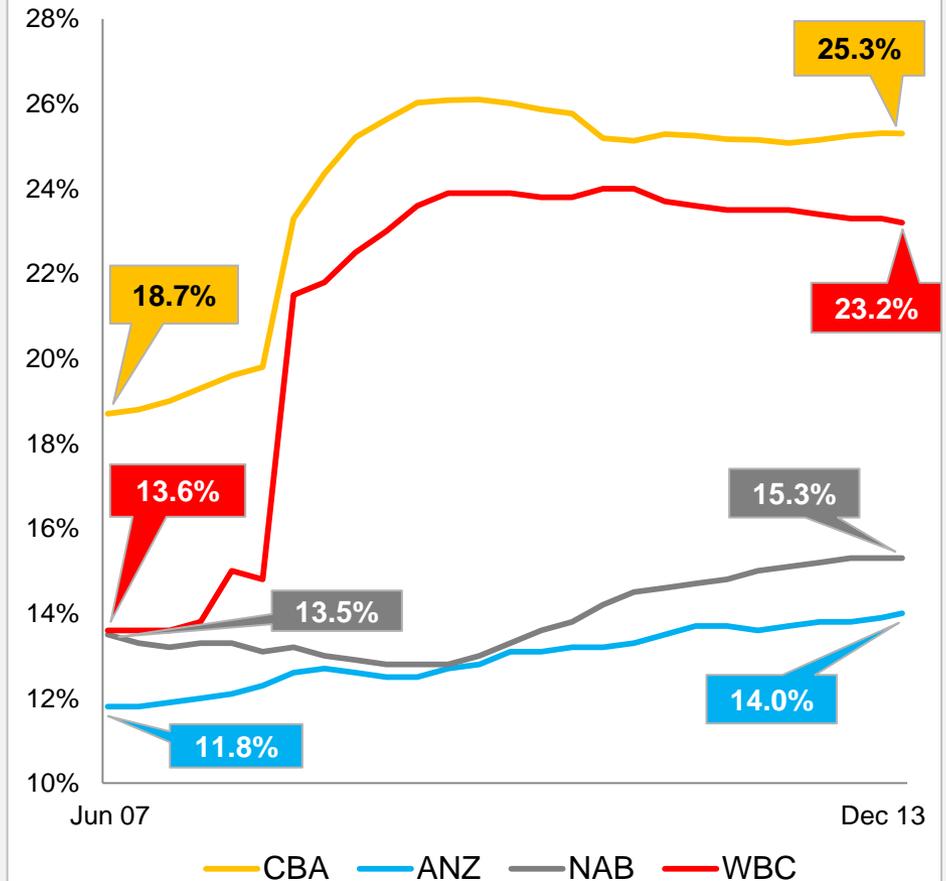


Additional information

Retail Banking Services

| \$m | Dec 13 | Dec 13 vs Dec 12 |
|----------------------------------|--------------|------------------|
| Home loans | 1,772 | 15% |
| Consumer finance | 1,129 | 12% |
| Retail deposits | 1,088 | (4%) |
| Distribution | 203 | 17% |
| Other | 54 | (8%) |
| Total banking income | 4,246 | 9% |
| Operating expenses | 1,572 | 6% |
| Operating performance | 2,674 | 11% |
| Loan impairment expense | 290 | 18% |
| Tax | 713 | 10% |
| Cash net profit after tax | 1,671 | 10% |

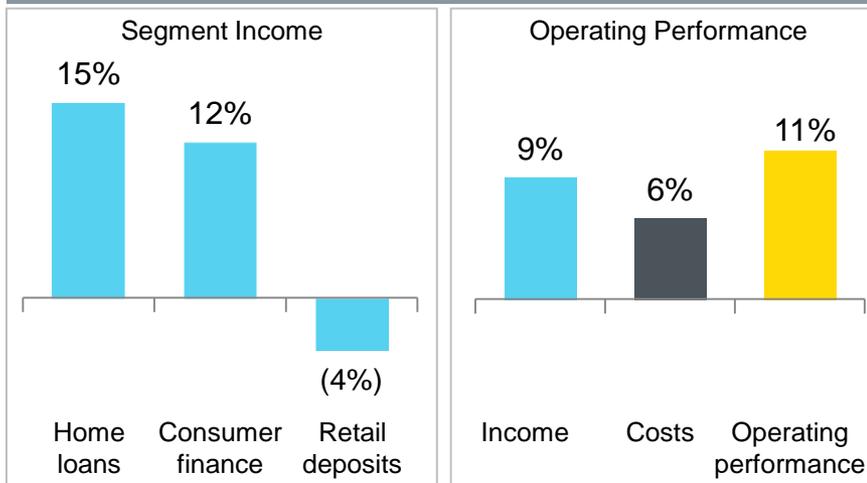
Home Loan Market Share



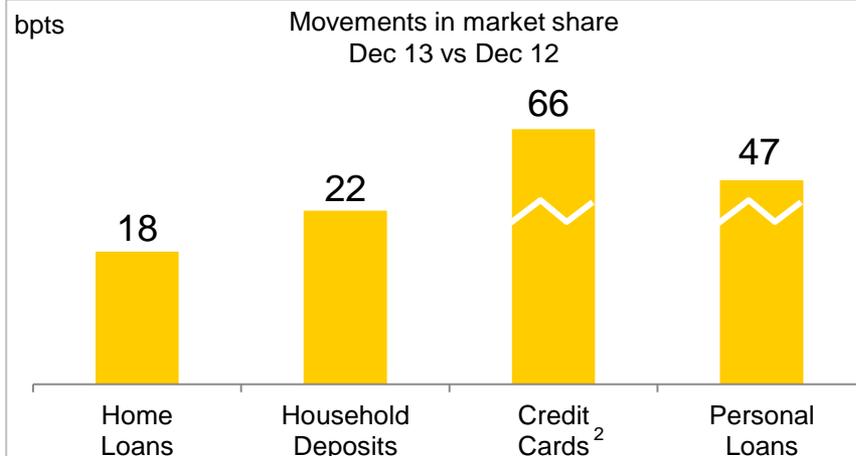
Source: RBA/APRA. CBA includes Bankwest.

Retail Banking Services

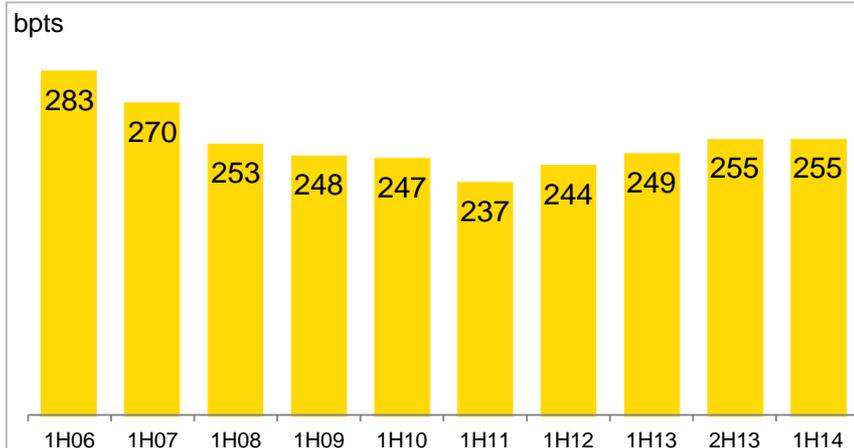
Dec 13 vs Dec 12



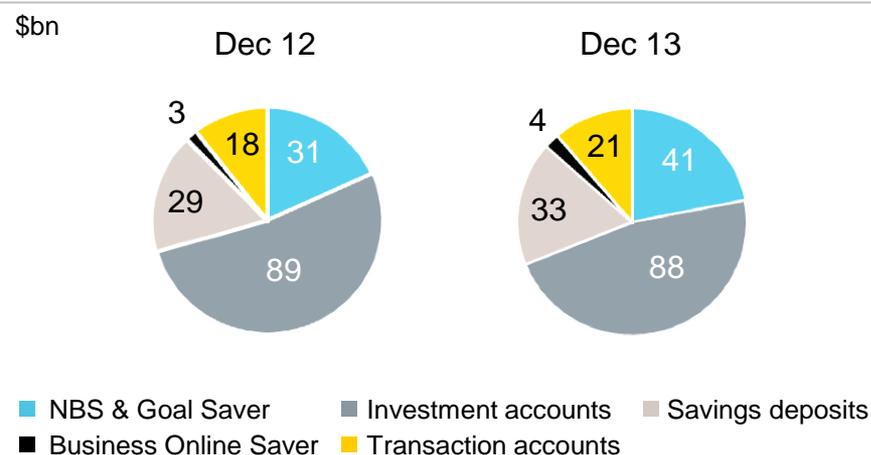
Improved Market Shares¹



RBS Margin



Retail Deposit Mix



1 System figures adjusted for series breaks to normalise movement. CBA only. Home Loans / Credit Cards (RBA), Household Deposits (APRA), Personal Loans (Retail finance intelligence).

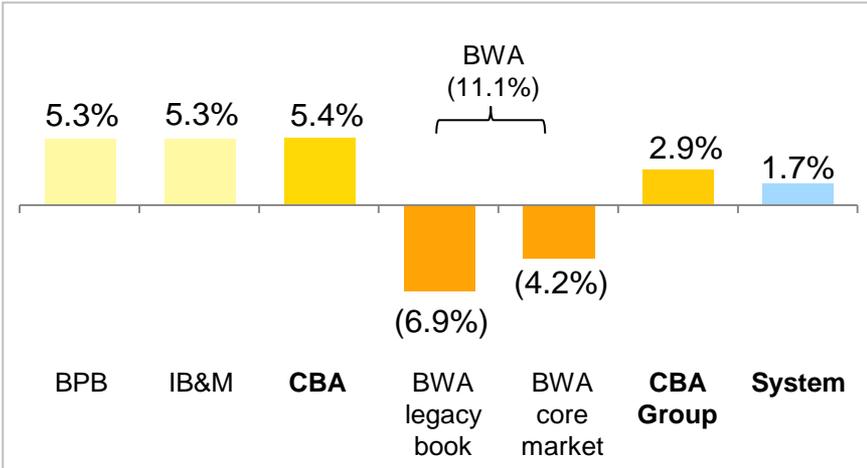
2 Credit Cards movement is Dec 12 to Nov 13 (latest data).

Additional information

| Business & Private Banking | | | Institutional Banking & Markets | | |
|----------------------------------|--------------|------------------|----------------------------------|--------------|------------------|
| \$m | Dec 13 | Dec 13 vs Dec 12 | \$m | Dec 13 | Dec 13 vs Dec 12 |
| Corporate Financial Services | 657 | 2% | Institutional Banking | 1,006 | 4% |
| Regional and Agribusiness | 331 | 2% | Markets | 362 | 6% |
| Local Business Banking | 644 | 4% | | | |
| Private Bank | 149 | 5% | | | |
| CommSec | 154 | - | | | |
| Total banking income | 1,935 | 3% | Total banking income | 1,368 | 5% |
| Operating expenses | (709) | 2% | Operating expenses | (455) | 5% |
| Operating performance | 1,226 | 3% | Operating performance | 913 | 4% |
| Loan impairment expense | (87) | (42%) | Loan impairment expense | (21) | (78%) |
| Tax | (342) | 9% | Tax | (218) | 20% |
| Cash net profit after tax | 797 | 10% | Cash net profit after tax | 674 | 13% |

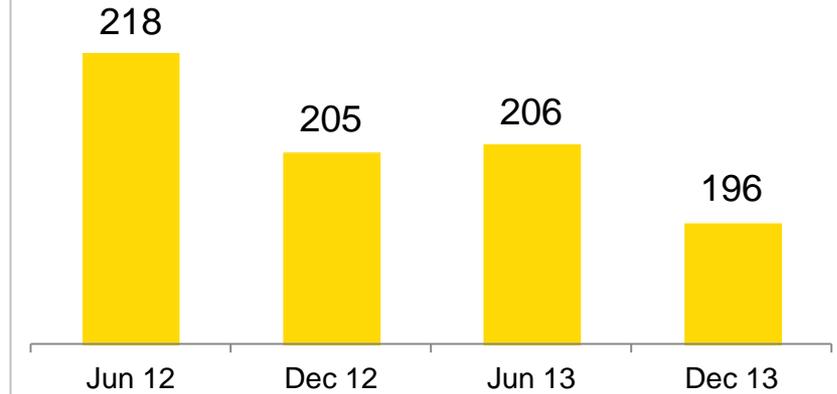
Corporate

Business Lending Growth (RBA)¹

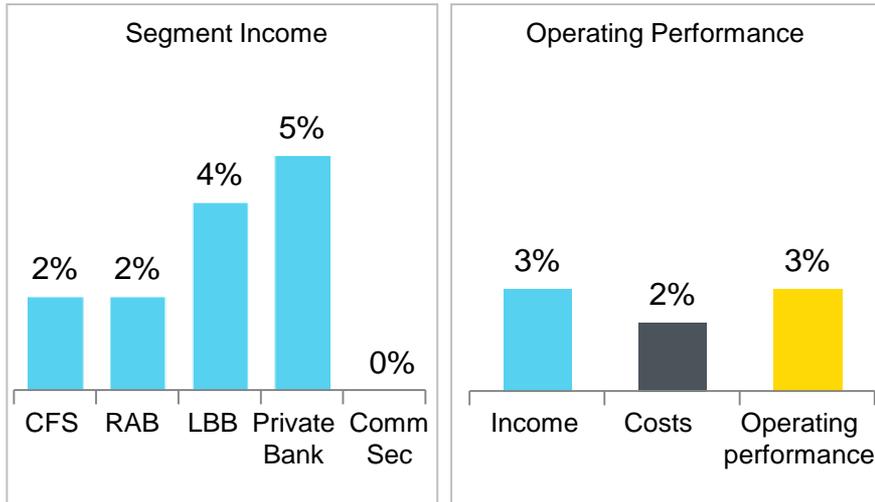


NIM²

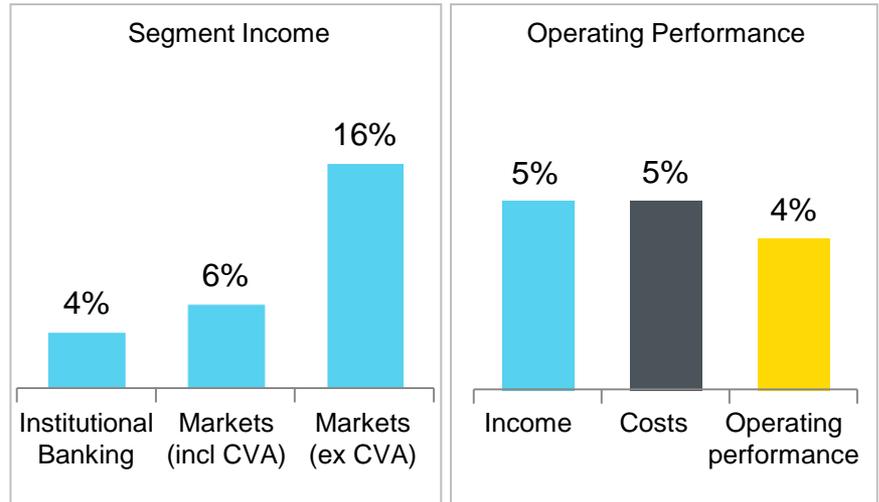
bpts



BPB – Dec 13 vs Dec 12



IB&M – Dec 13 vs Dec 12



¹ Source: RBA. 12 months to Dec 13.

² Combined Institutional Banking and Markets and Business and Private Banking.

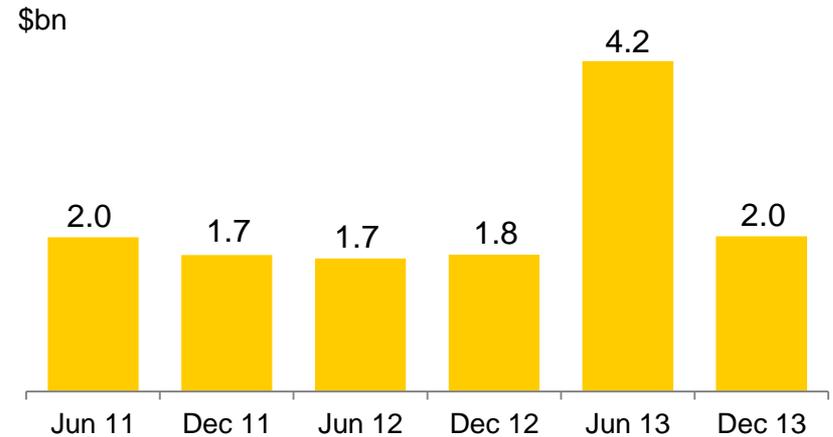
Additional information

Wealth Management

| \$m | Dec 13 | Dec 13 vs Dec 12 |
|------------------------------------|--------------|------------------|
| CFSGAM | 468 | 15% |
| Colonial First State ¹ | 421 | 11% |
| CommInsure | 350 | 5% |
| Other | - | - |
| Net operating income | 1,239 | 11% |
| Operating expenses | (790) | 6% |
| Tax | (108) | 7% |
| Underlying profit after tax | 341 | 25% |
| Investment experience | 54 | (7%) |
| Cash net profit after tax | 395 | 19% |

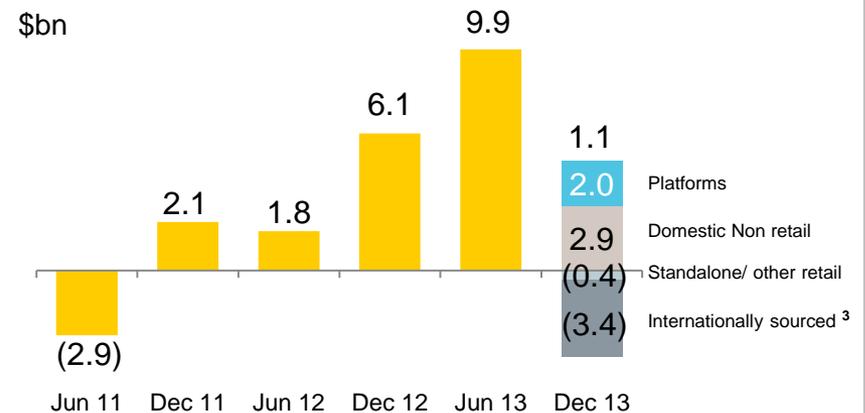
1 Colonial First State incorporates the results of all financial planning businesses including Commonwealth Financial Planning.

Platform² Half Year Net Flows



2 FirstChoice and Custom Solutions

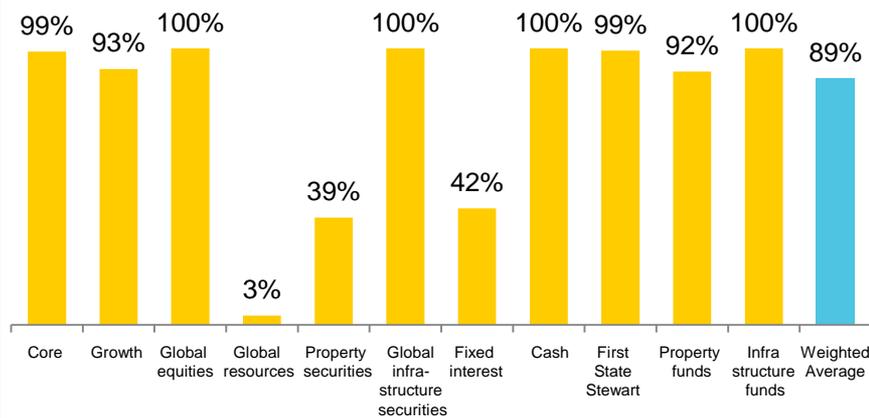
FUA Net Flows



3 Includes Kiwi Income Property Trust transaction

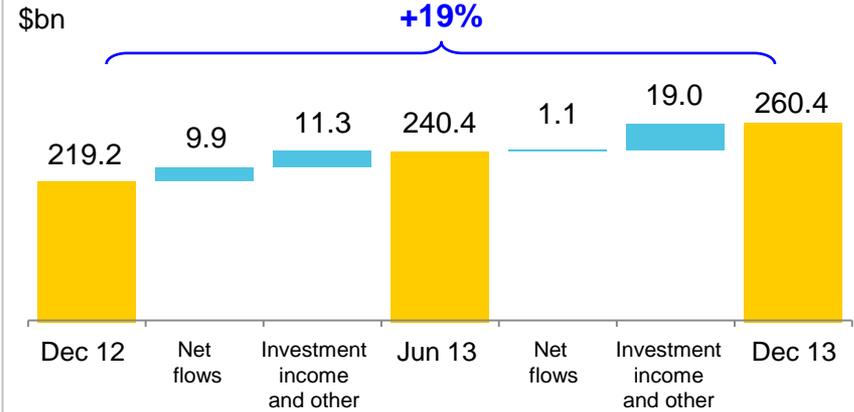
Wealth Management

Strong Investment Performance – 3 years



Percentage of funds in each asset class outperforming benchmark

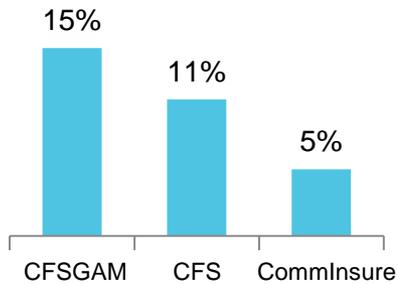
FUA



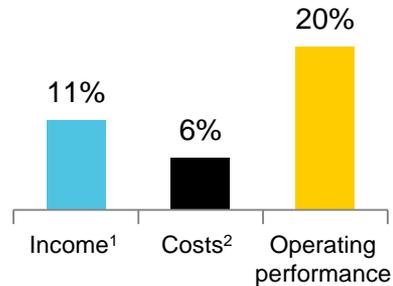
Spot movement

Dec 13 vs Dec 12

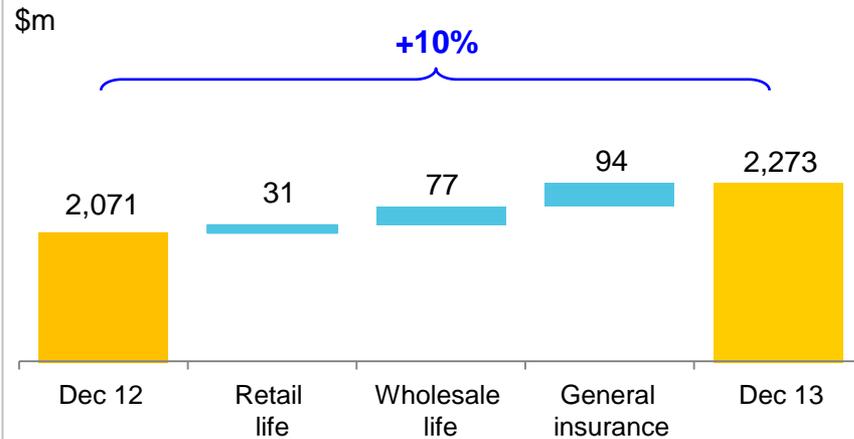
Segment Income¹



Operating Performance



Inforce Premiums

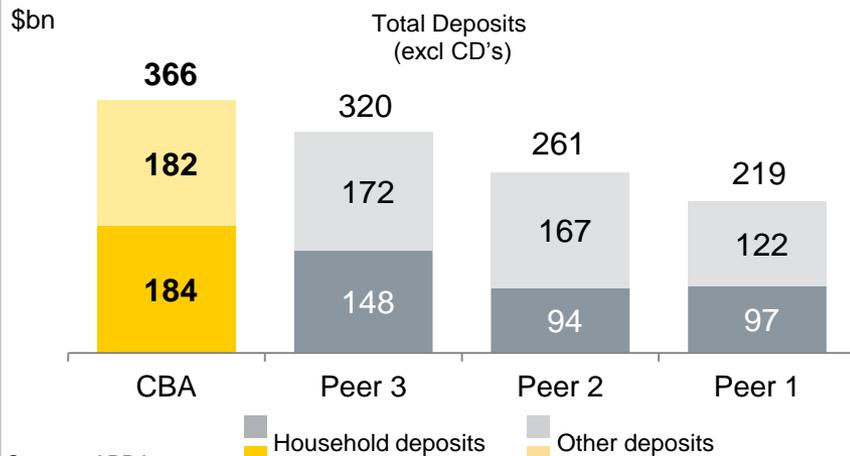


Spot movement

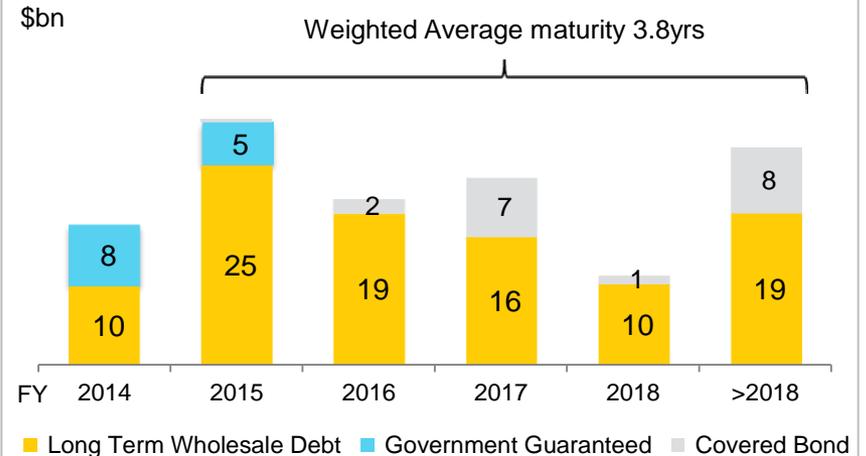
1 Net operating income.
2 Operating expenses.

Additional information

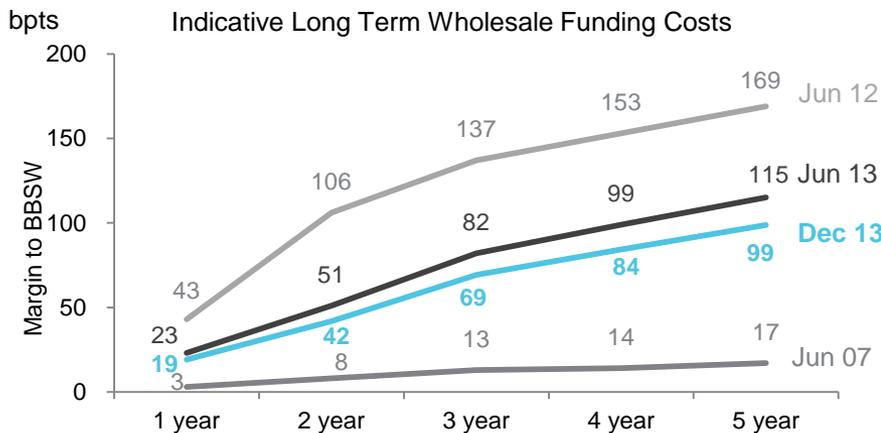
Australian Deposits



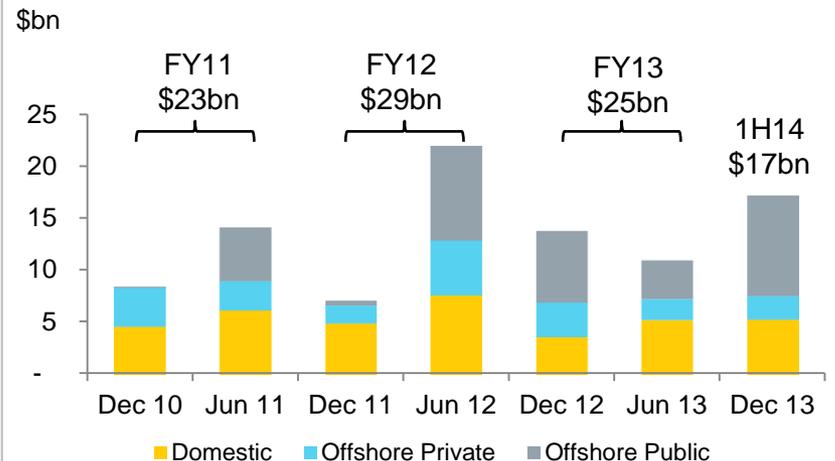
Term Maturity Profile¹



Funding Costs²



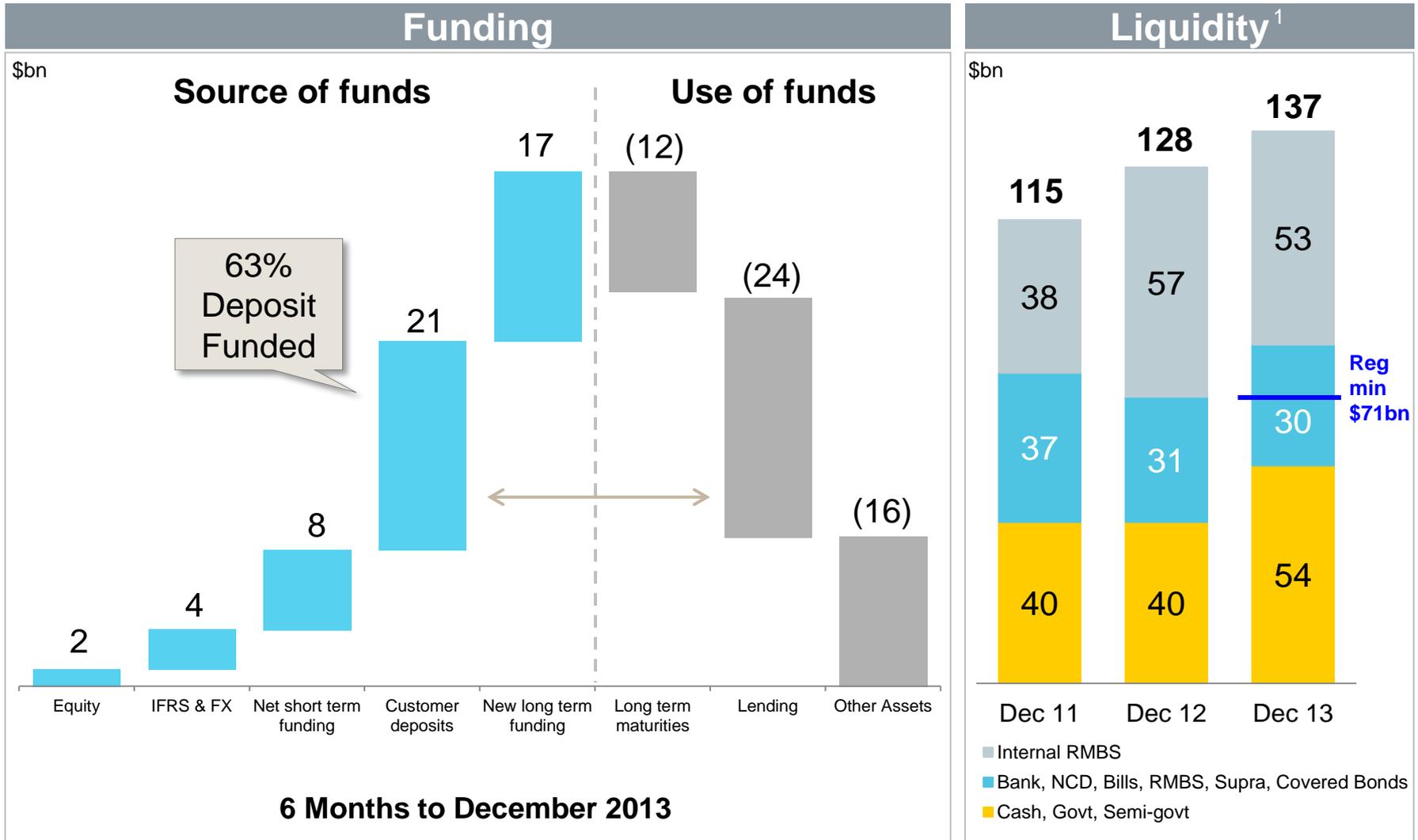
Term Issuance



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

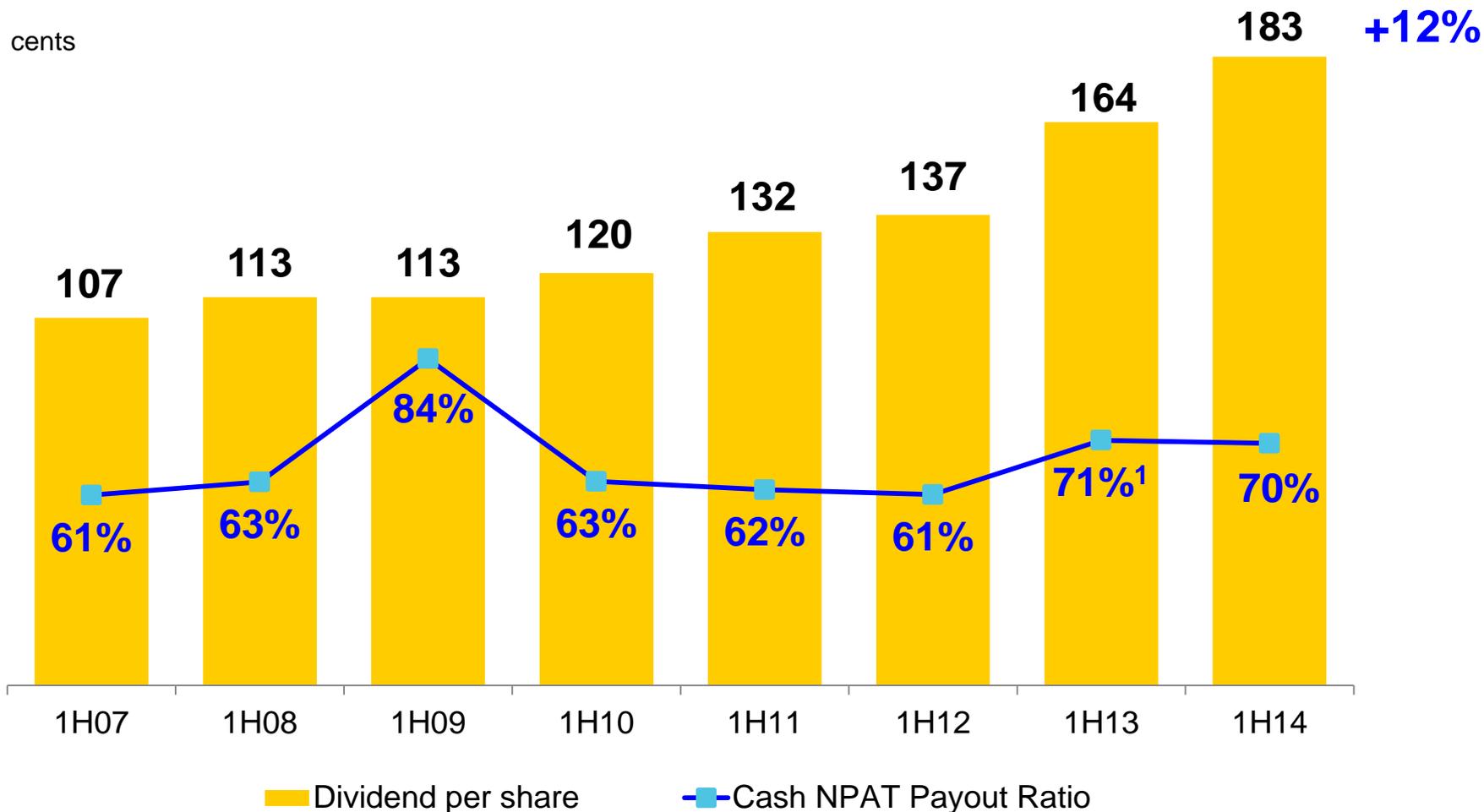
2 CBA Group Treasury estimated blended wholesale funding costs.

Funding and Liquidity



¹ Liquids reported post applicable haircuts.

Interim Dividend

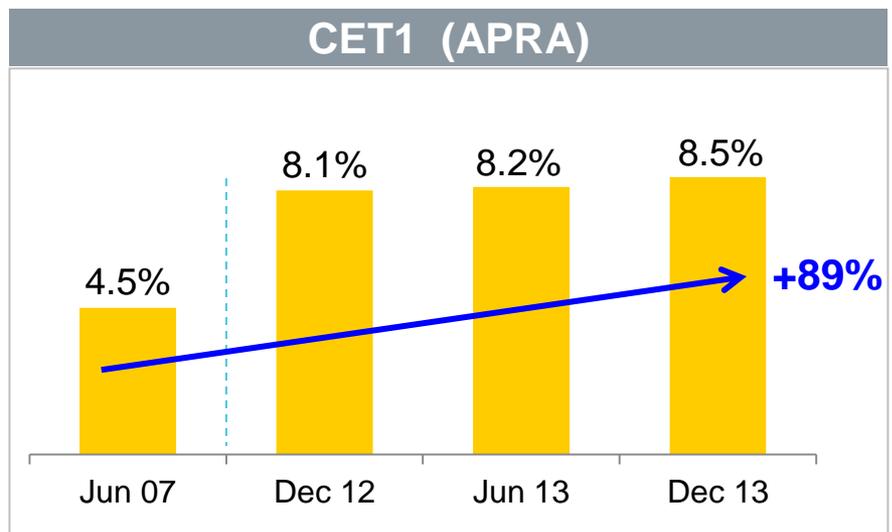
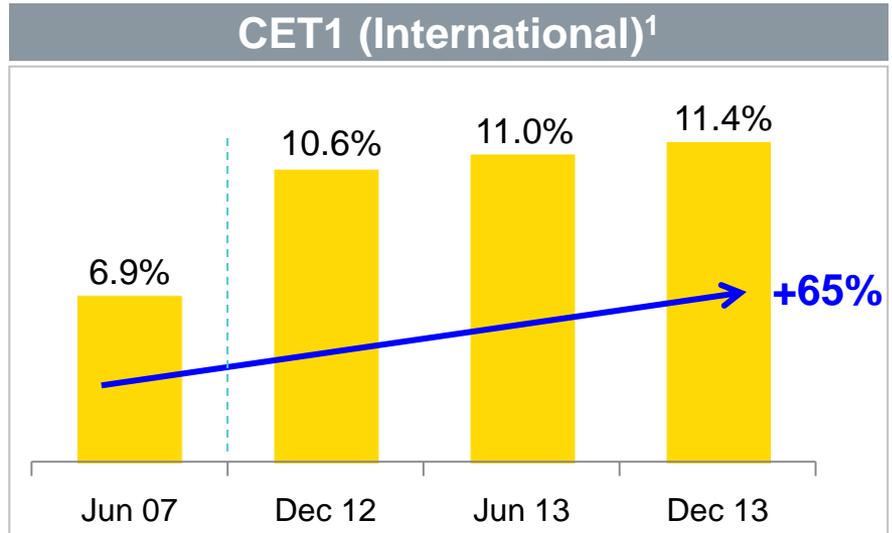


1 Dividend payout ratios for 2013 have been restated to conform to the presentation in the current period.



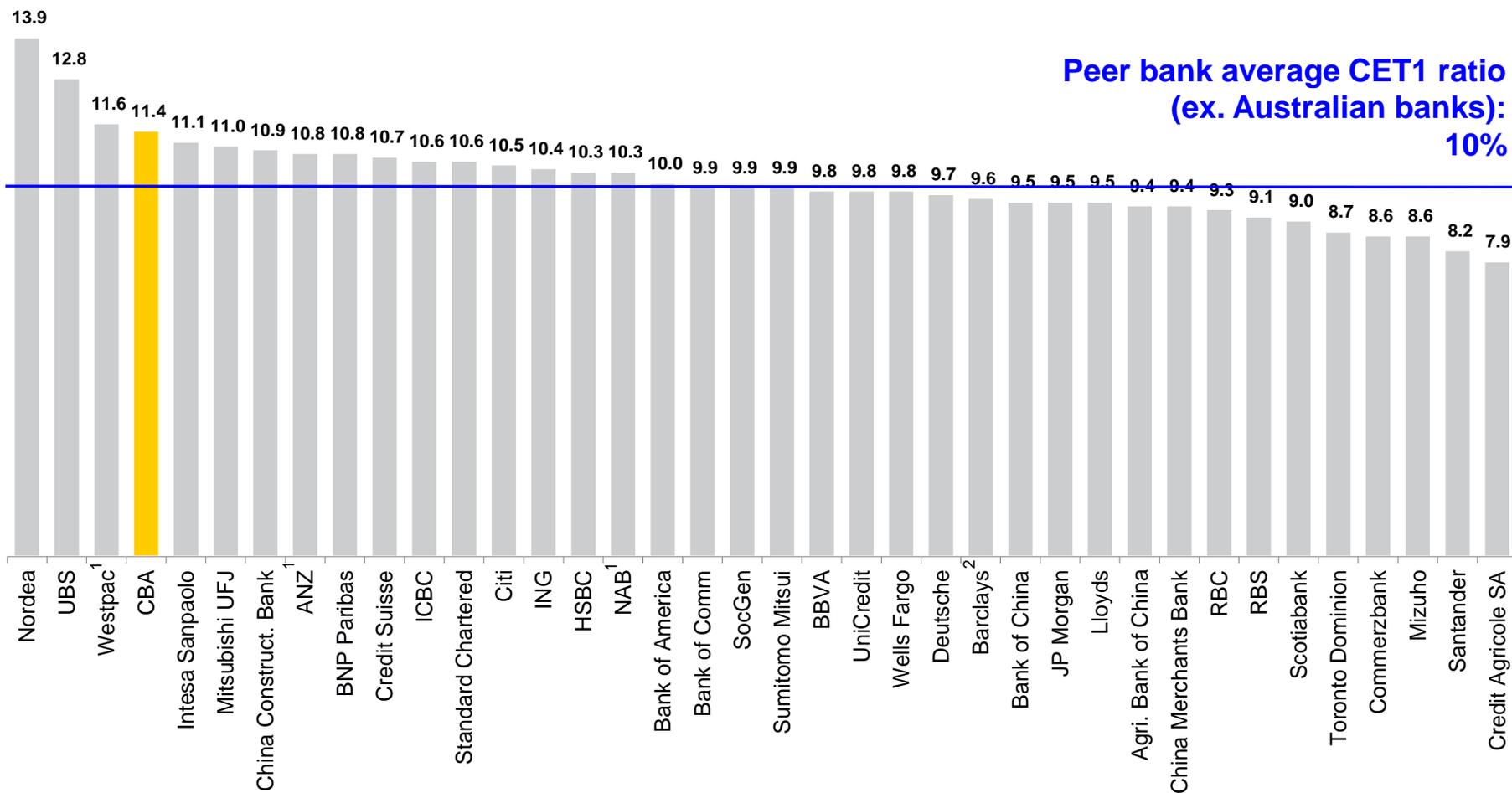
Strong Capital Position

- ◆ CET1 (International) of 11.4% well above international peer average of 10%
- ◆ Strong organic growth in the half year with CET1 +40 bps and up over 65% since Jun 07
- ◆ CET1 (APRA) of 8.5%. APRA adopts a more conservative measurement of capital than other jurisdictions



¹ Assumes Basel III Capital reforms have been fully implemented.

International peer Basel III CET1



Source: Morgan Stanley. Based on last reported CET1 ratios up to 7 February 2014 assuming Basel III capital reforms fully implemented.

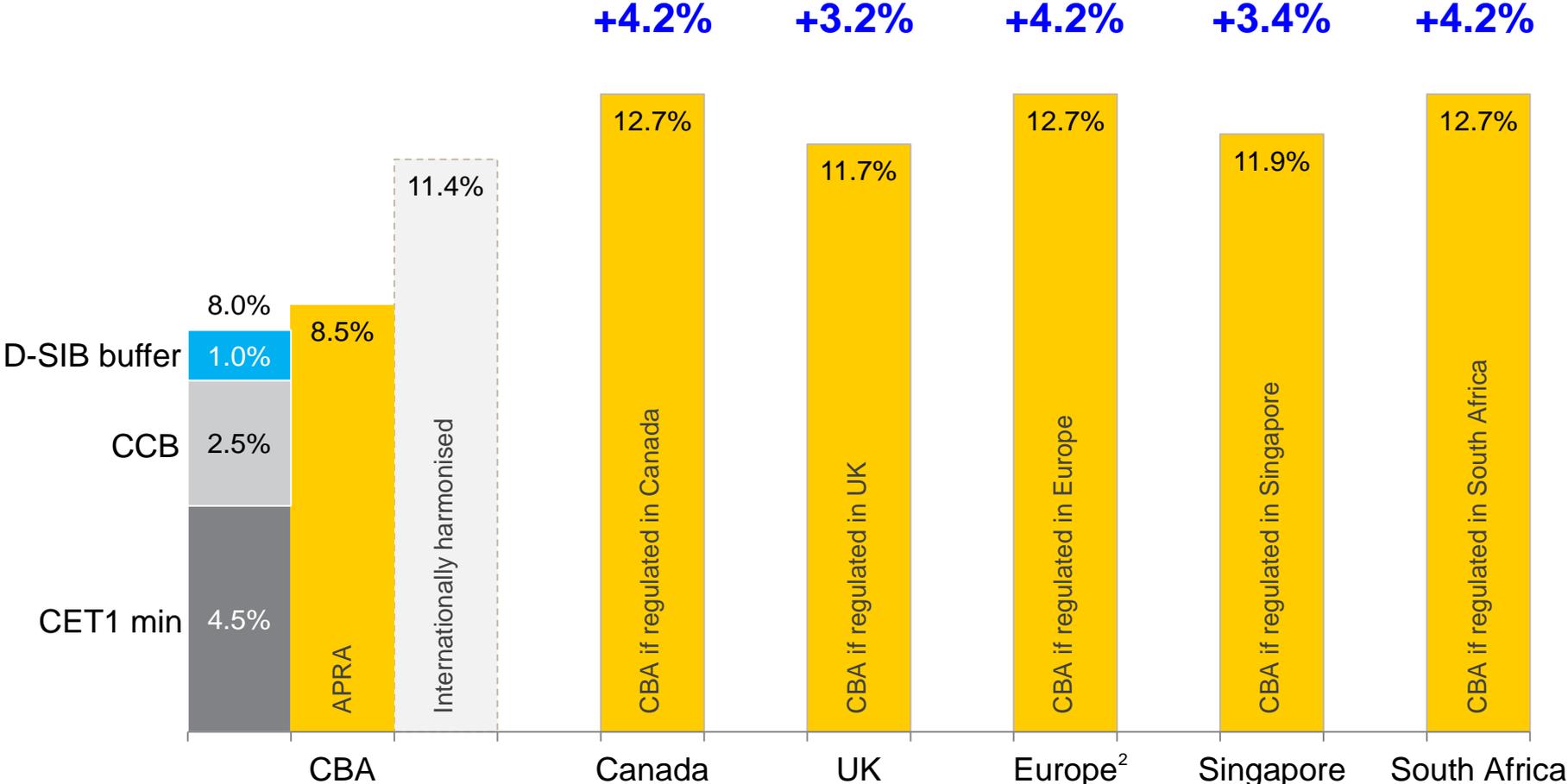
Peer group comprises listed commercial banks with total assets in excess of A\$700 billion and which have disclosed fully implemented Basel III ratios or provided sufficient disclosure for a Morgan Stanley estimate.

¹ Domestic peer figures as at September 2013. Westpac excludes impact of Lloyds Australia acquisition.

² Barclays includes impact of rights issue (120bp) settled on 4 October 2013.



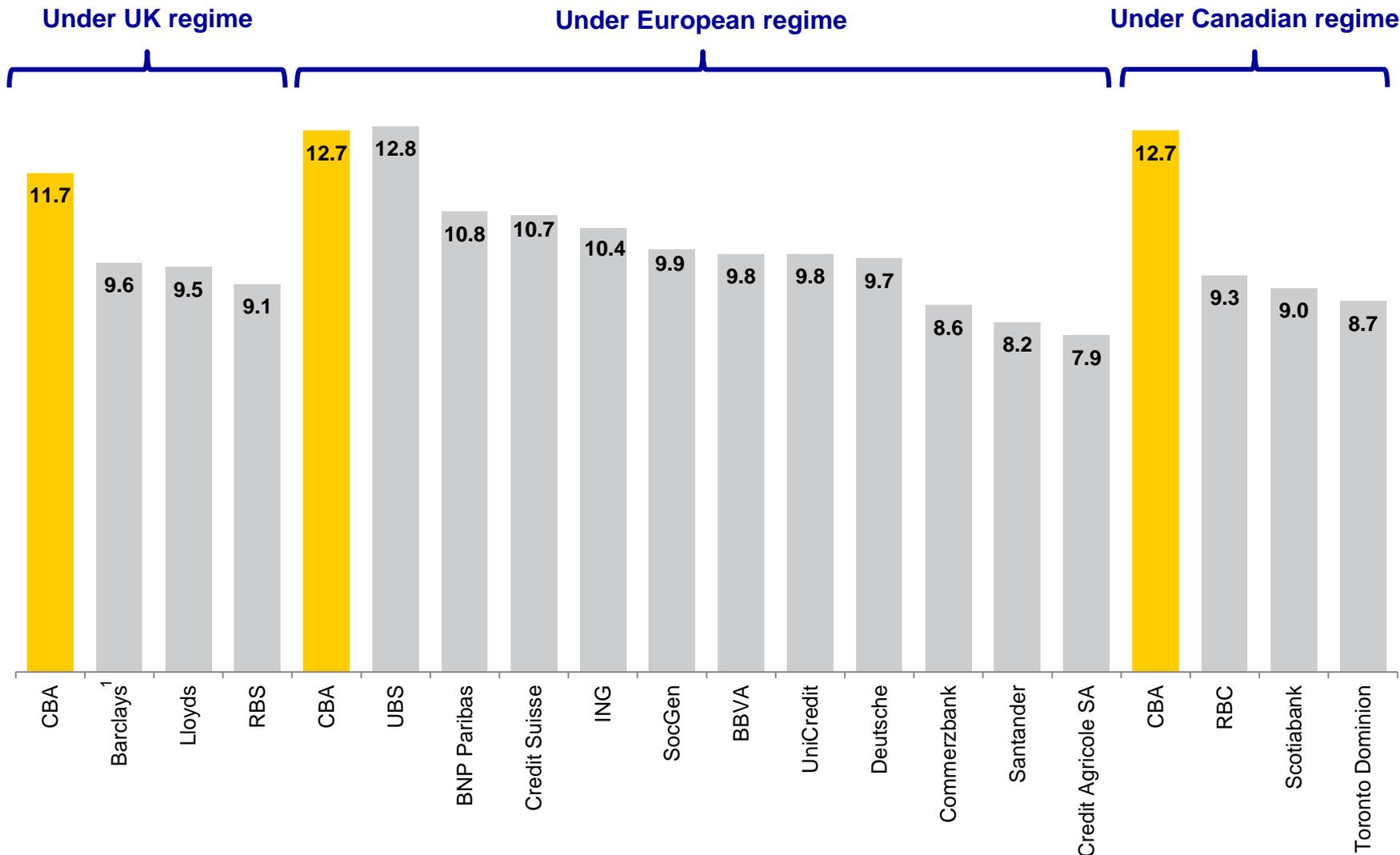
CBA CET1 under various regulatory regimes¹



Source: CBA, PwC and Morgan Stanley. Morgan Stanley has reviewed the methodology used to calculate the impact in Canada, UK and Europe only.

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. Based on CRD IV as implemented by the European Commission.

CBA vs peers in each jurisdiction



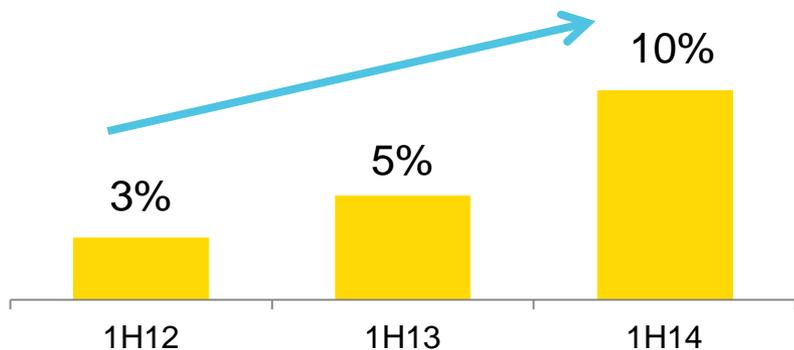
Source: CBA, PwC and Morgan Stanley. Based on last reported CET1 ratios up to 7 February 2014 assuming Basel III capital reforms fully implemented.

1. Barclays includes impact of rights issue (120bp) settled on 4 October 2013.

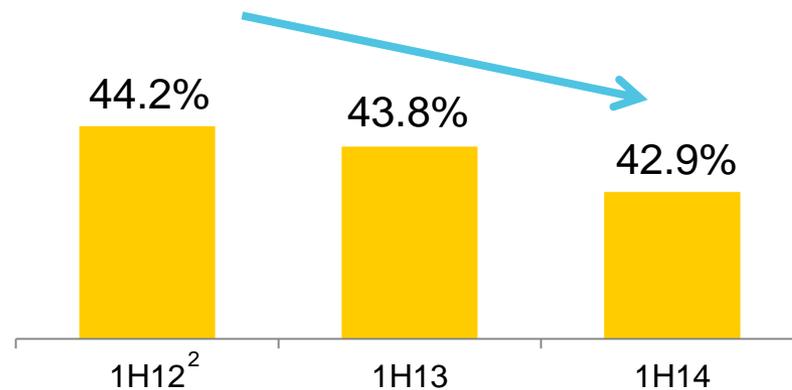
Financial Summary

Good momentum

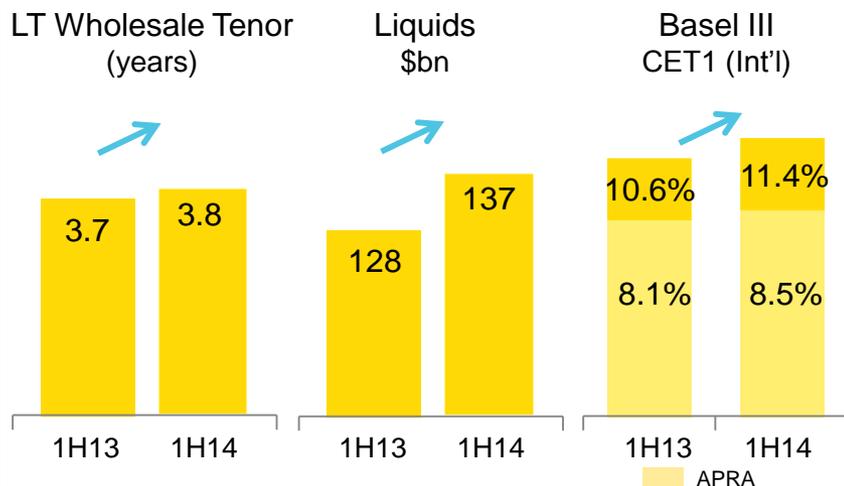
Operating Performance¹



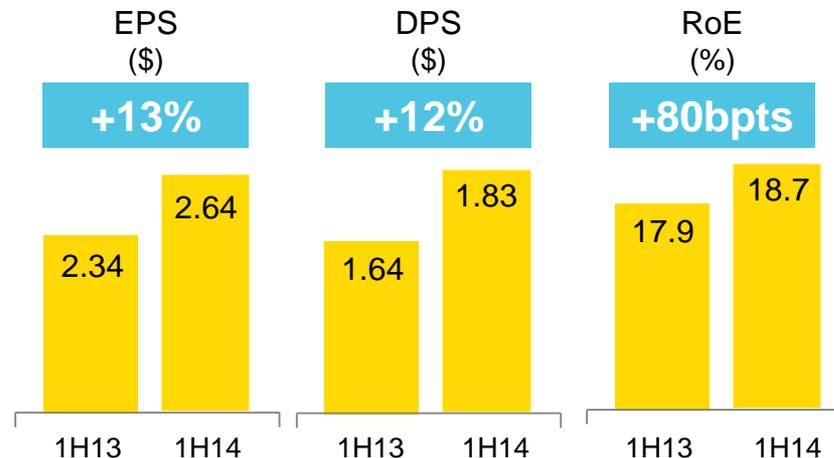
Cost-to-income lower



Conservative business settings



Strong returns



1 Operating Performance is Total Operating Income less Operating Expense. Movement on prior comparative period.
 2 Adjusted to conform to presentation in 1H13 and 1H14.

Results Presentation

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

CommonwealthBank



IAN NAREV
CHIEF EXECUTIVE OFFICER

Additional information

Economic Summary - Australia

| | 2010 | 2011 | 2012 | 2013 | 2014 (f) | 2015 (f) |
|----------------------------------|------|------|------|------|----------|----------|
| Credit Growth % – Total | 3.0 | 2.7 | 4.4 | 3.1 | 3½-5½ | 4½-6½ |
| Credit Growth % – Housing | 8.0 | 6.0 | 5.0 | 4.6 | 5-7 | 5½-7½ |
| Credit Growth % – Business | -4.0 | -2.2 | 4.4 | 1.0 | 1-3 | 3-5 |
| Credit Growth % – Other Personal | 3.0 | 0.6 | -1.4 | 0.4 | 1-3 | 2-4 |
| GDP % | 2.0 | 2.2 | 3.6 | 2.7 | 2.6 | 2.9 |
| CPI % | 2.3 | 3.1 | 2.3 | 2.3 | 2.5 | 2.6 |
| Unemployment rate % | 5.5 | 5.1 | 5.2 | 5.4 | 5.8 | 5.9 |
| Cash Rate % | 4½ | 4¾ | 3½ | 2¾ | 2½ | 3 |

CBA Economist's Forecasts

Credit Growth

= 12 months to June qtr

GDP, Unemployment & CPI

= Financial year average

Cash Rate

= As at end June qtr



Outlook

- ◆ Positive on medium term outlook, with short term improvements likely to be gradual rather than dramatic
- ◆ Domestic confidence slow to rebuild
- ◆ Key question is whether lower dollar will stimulate non-resource driven growth
- ◆ Global volatility likely to continue due to tapering and mixed growth signals
- ◆ Economic narrative critical
- ◆ Conservative settings retained, with flexibility to adapt as circumstances dictate to support customers

Summary

- ◆ Continuing momentum from a long-term strategy
- ◆ All divisions contributing, with good momentum across the business
- ◆ Still considerable upside from effective execution of the strategy;
 - On-going strengthening of customer focused culture
 - Productivity focus enabling on-going investment
 - Long-term commitment to technology leadership
 - Disciplined capability transfer in selected off-shore markets
 - Conservative business settings

Results Presentation

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

CommonwealthBank



PAGE

| | |
|------------------------------|-----|
| Strategy | 65 |
| Business Performance | 85 |
| Risk and Credit Quality | 99 |
| Capital, Funding & Liquidity | 111 |
| Economic Indicators | 127 |

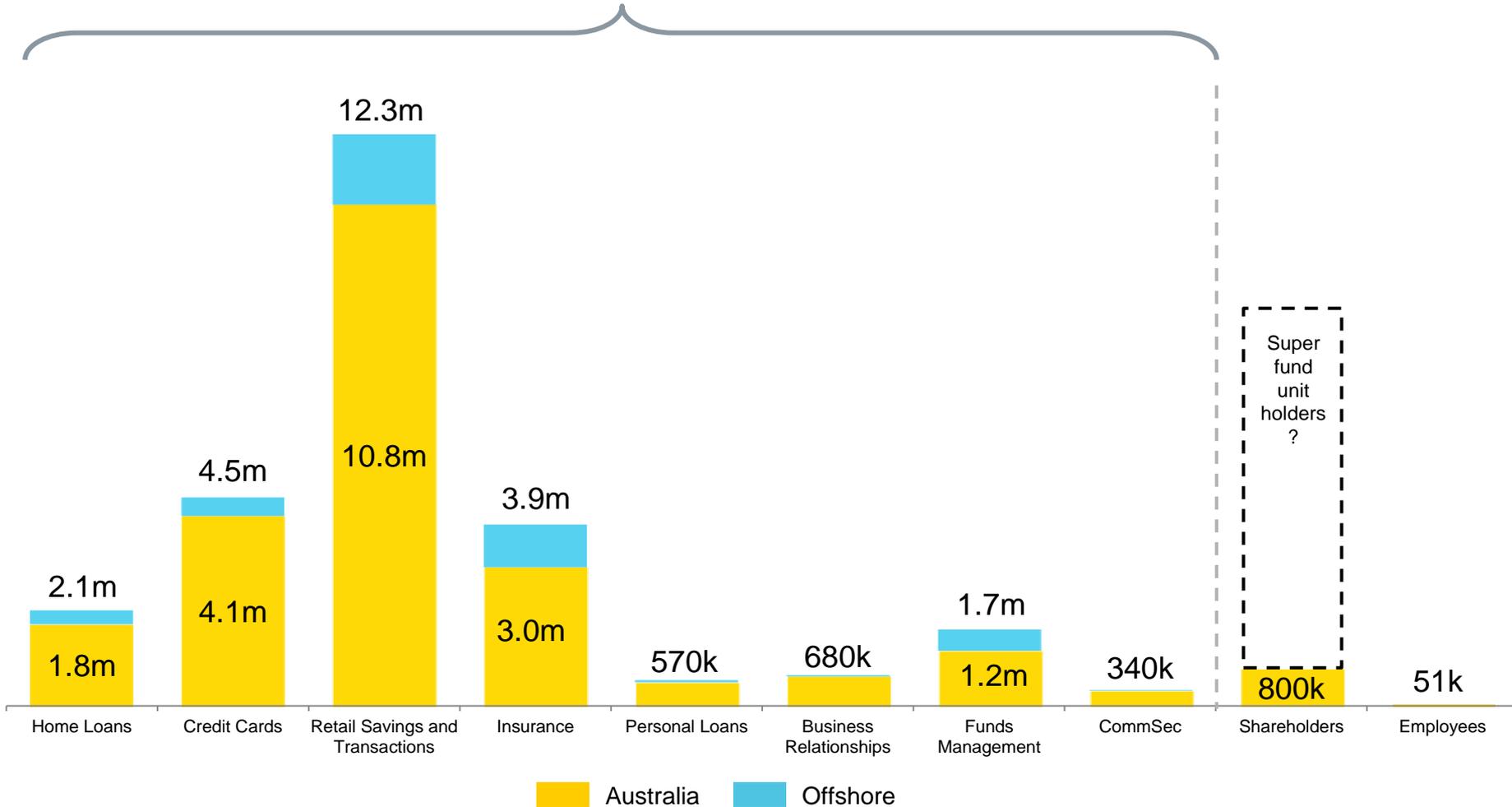
SUPPLEMENTARY SLIDES

CBA Overview

| | |
|---|-----------------------------------------------------|
| ✓ | Largest Australian bank by market capitalisation |
| ✓ | AA- / Aa2 / AA- Credit Ratings (S&P, Moodys, Fitch) |
| ✓ | Basel III CET1 (International) 11.4% |
| ✓ | Total assets of \$782bn |
| ✓ | ~14.5 million customers |
| ✓ | ~51,000 staff |
| ✓ | 1,155 branches (includes Bankwest) |
| ✓ | #1 in household deposits |
| ✓ | #1 in home lending |
| ✓ | #1 FirstChoice platform |

Stakeholders

Customer Product Holdings¹

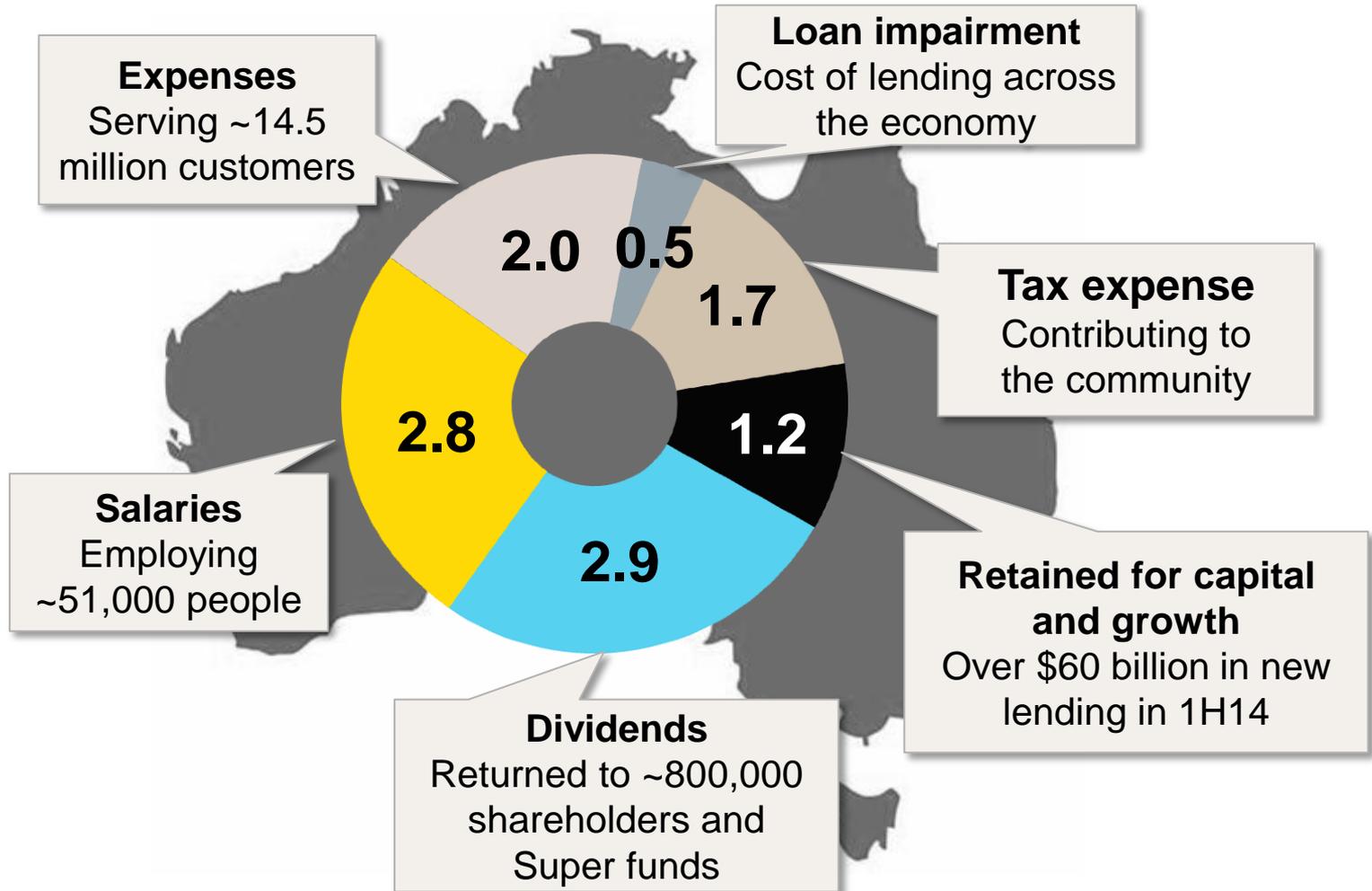


¹ Customers who hold at least one product in each of the major product categories shown. Totals not mutually exclusive – includes cross product holdings. Figures are approximates only and may include some level of duplication across customer segments. CommSec total includes active accounts only.

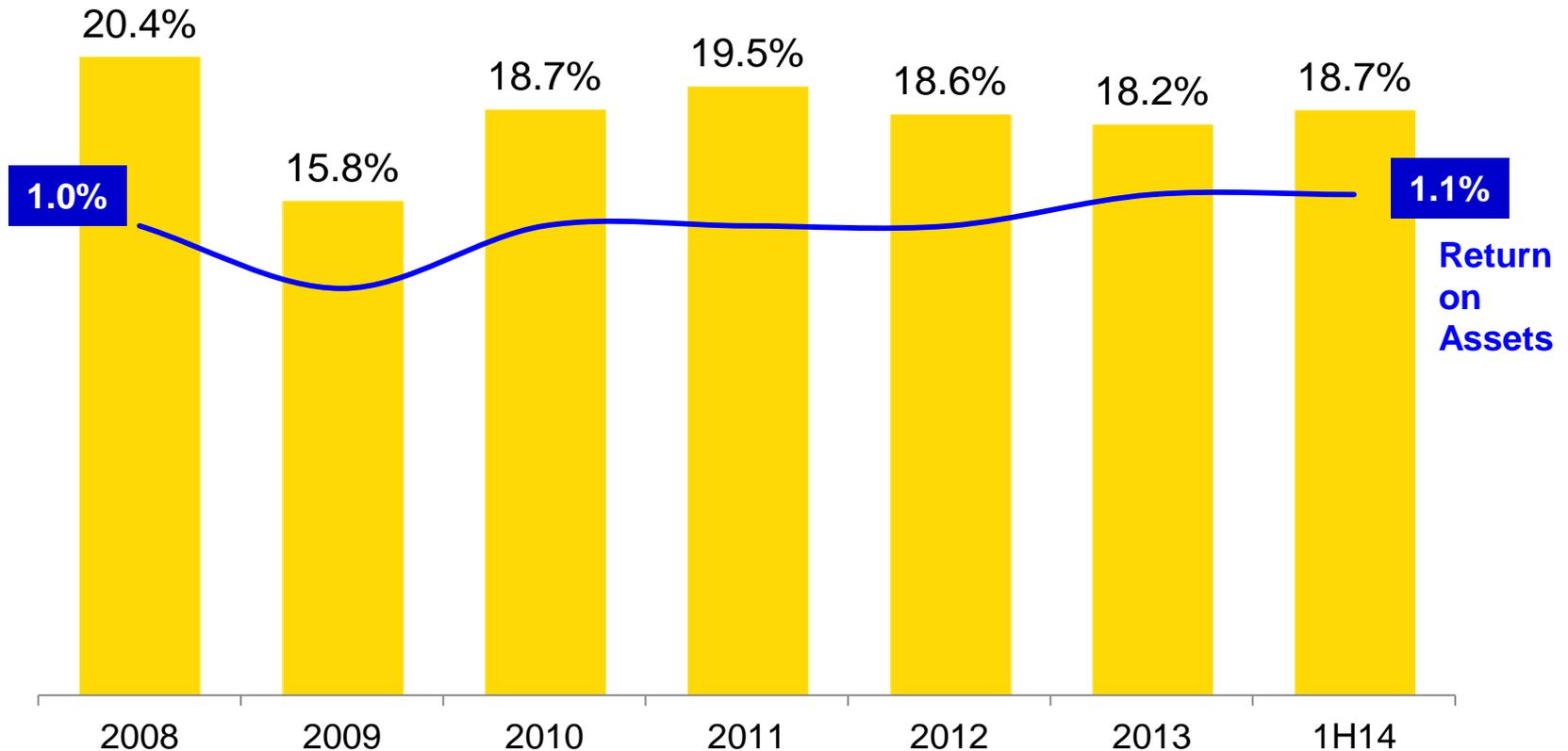
Strong contributor to Australian economy

Where does our income go?

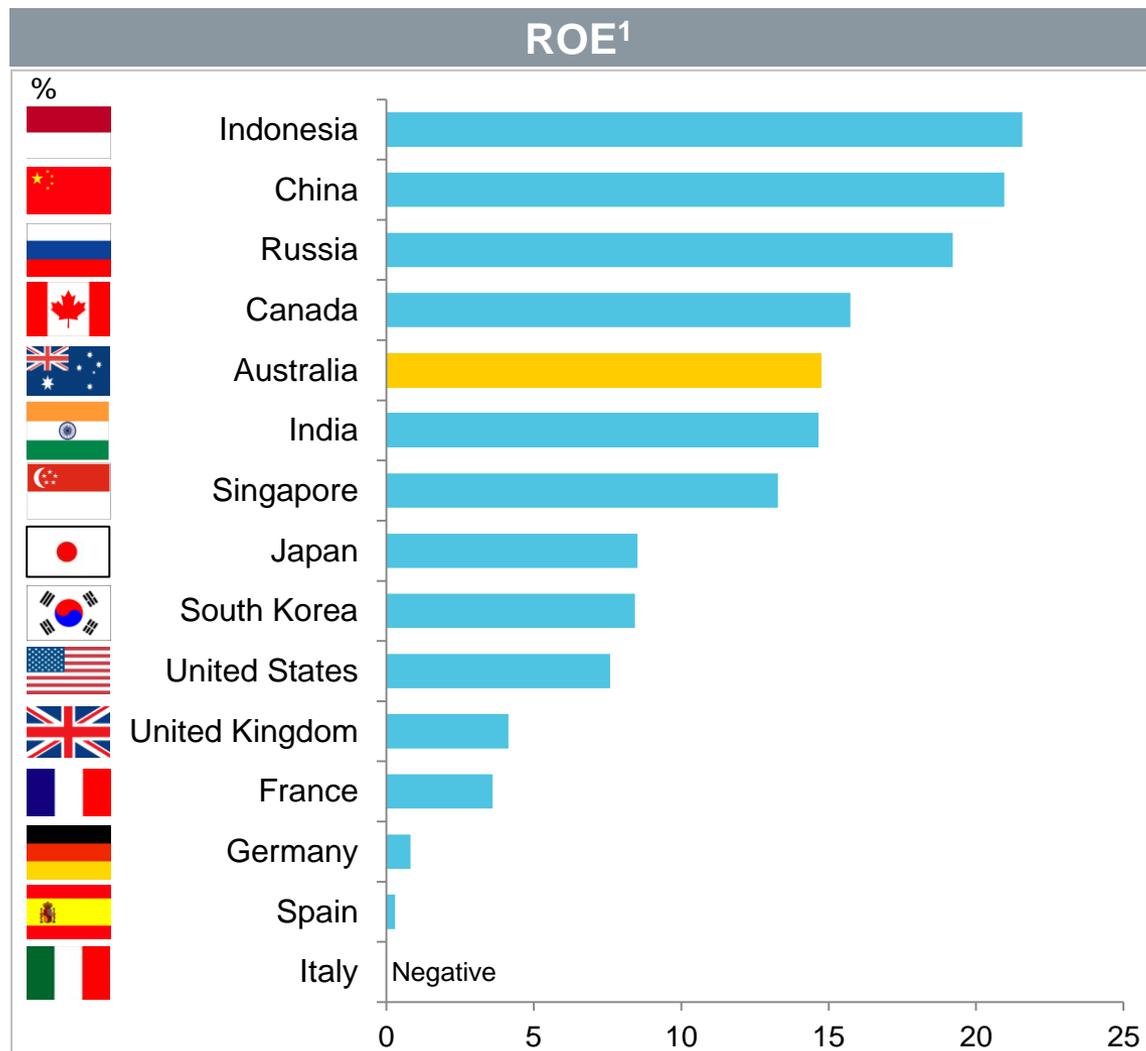
1H14
(\$bn)



Return on Equity (Cash)



Bank Profitability



CBA Ranking

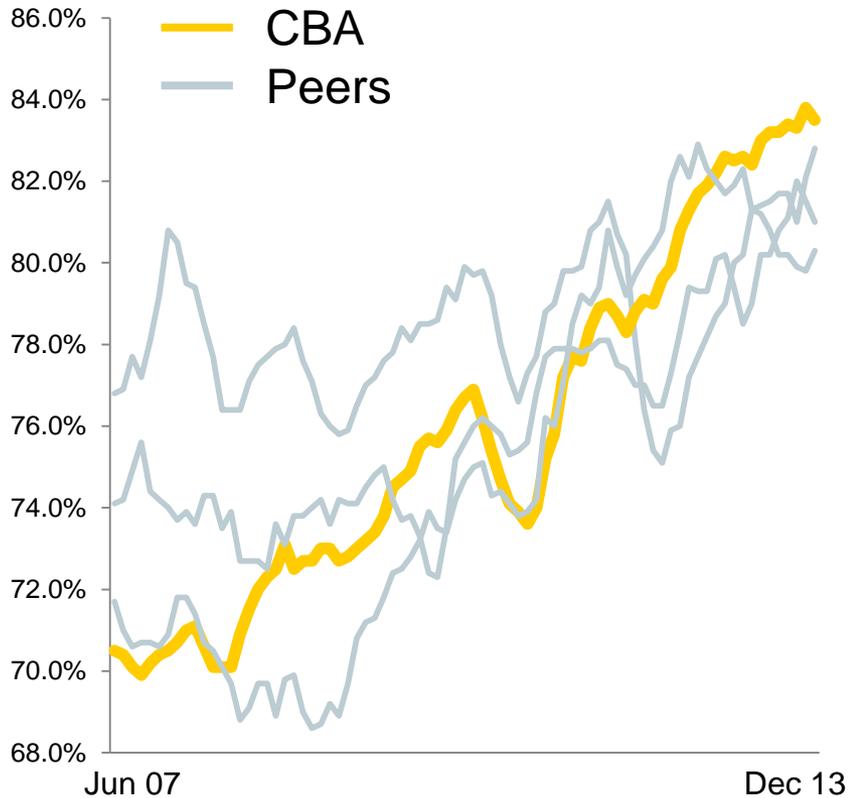
(Amongst ASX 100 companies)

| | CBA Rank ² |
|-----------------------------|-----------------------|
| Market capitalisation (ASX) | 2 nd |
| Dividends declared | 1 st |
| Taxes Paid | 3 rd |
| Return-on-Equity (ROE) | 27 th |
| Return-on-Assets (ROA) | 77 th |

1. Source: Factset. Weighted average 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 5 February 2014.

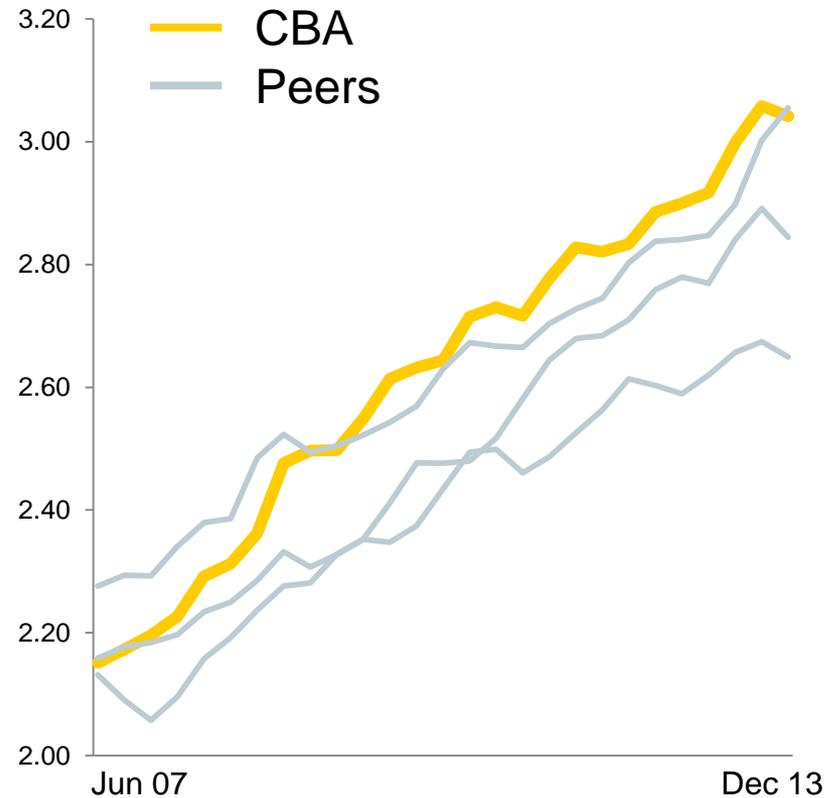
Customer satisfaction and products per customer

Retail Customer Satisfaction



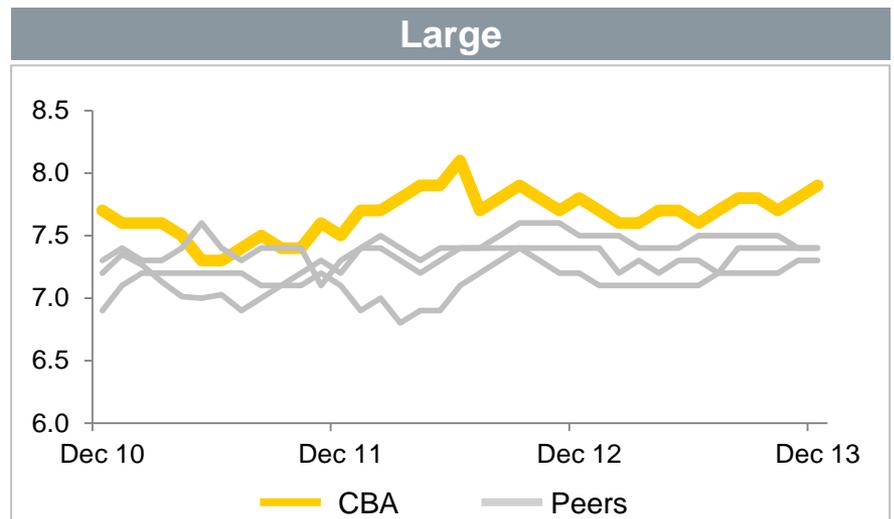
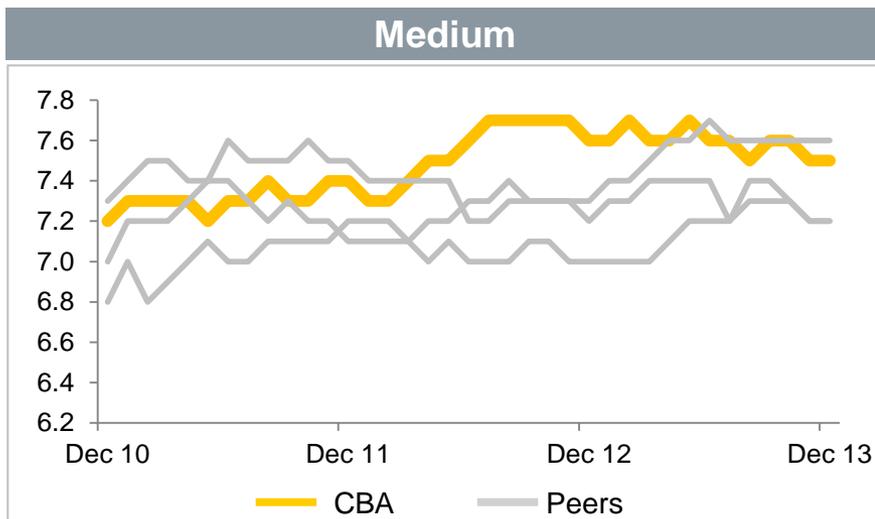
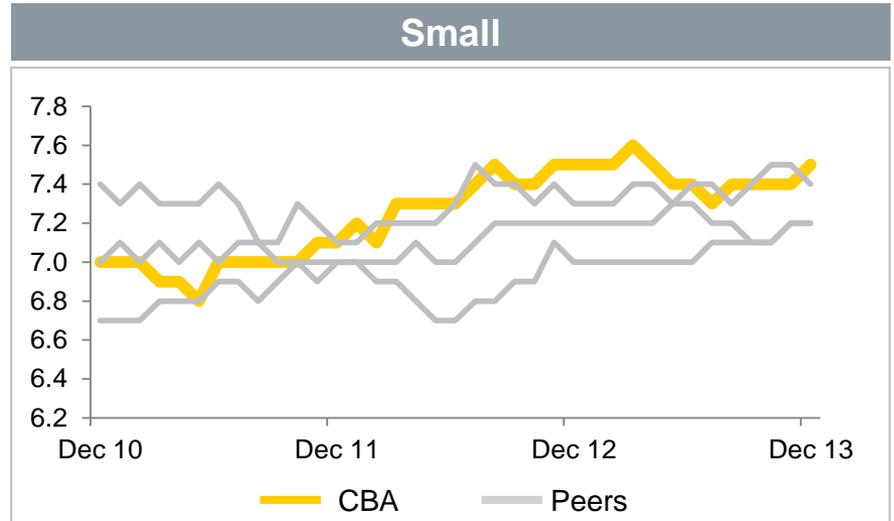
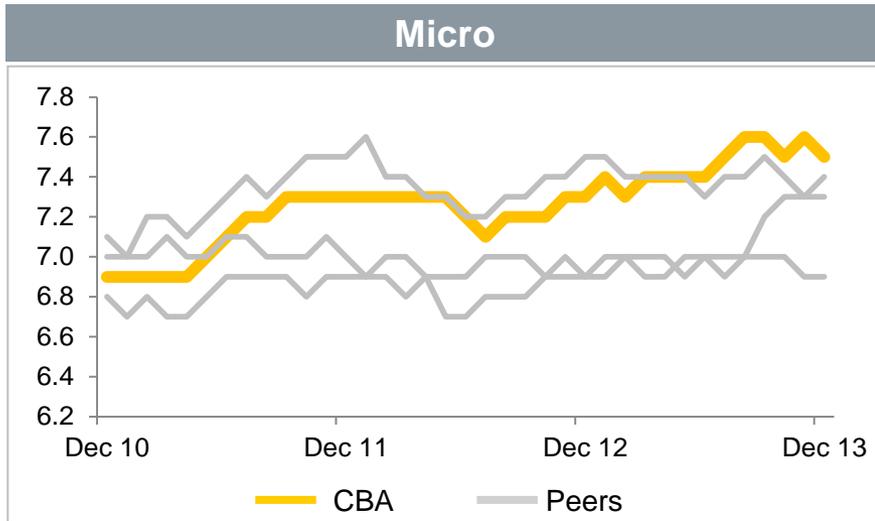
% Satisfied ('Very Satisfied' or 'Fairly Satisfied')¹

Products per Customer



Average Number of Banking and Finance Products held by Customers 18+ (at the Financial Institution)⁸

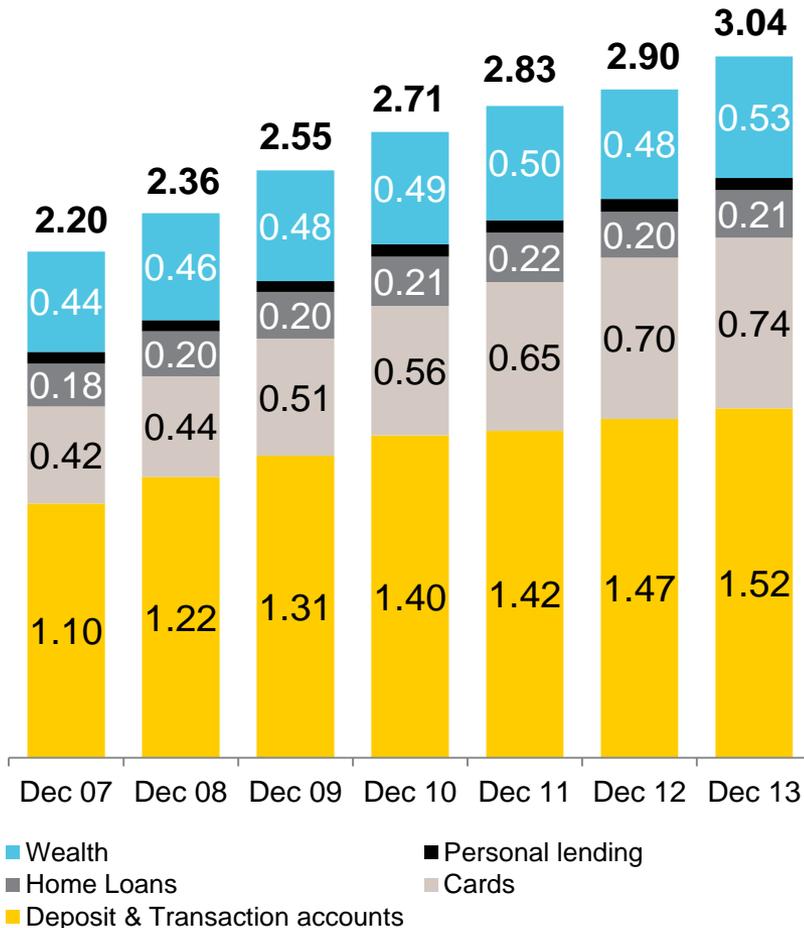
Business customer satisfaction by segment³



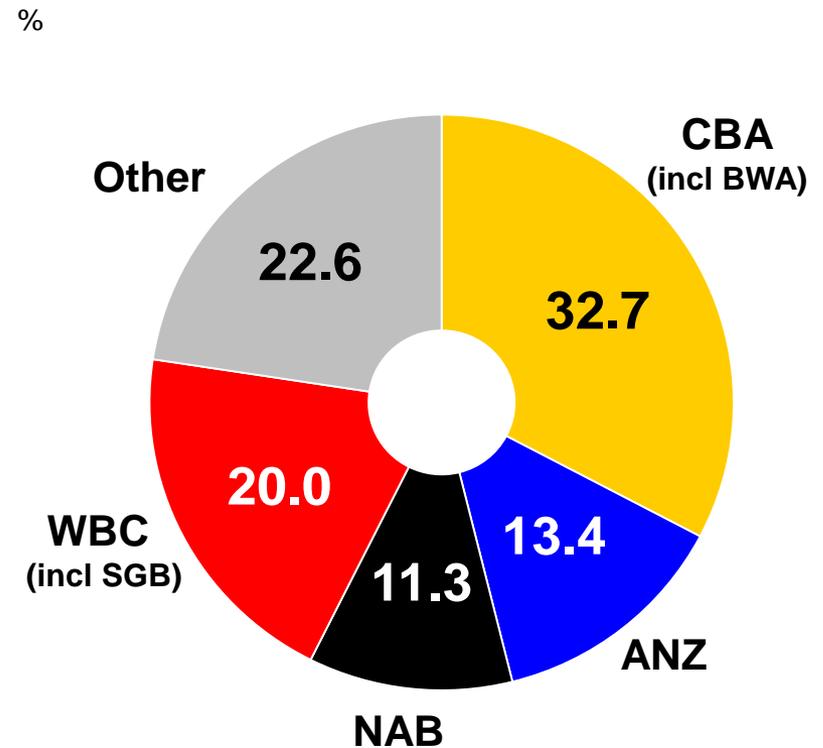
³ Refer notes slide at back of this presentation for source information.

Products per Customer and MFI

Products per Customer⁸



MFI Customer Proportion¹⁰



⁸ Refer notes slide at back of this presentation for source information. Wealth includes Superannuation, Managed Investments and Insurance.

¹⁰ Refer notes slide at back of this presentation for source information.



Branch of the Future



3 key pillars - proud people, simple and easy processes, leading technology



Video conferencing facilities in all branches¹



Dedicated small business capability with 123 new specialists



New concept branches being trialled across Australia



189 Smart ATMs allowing anytime deposits



New tablet and software for branch concierges to enhance customer flow



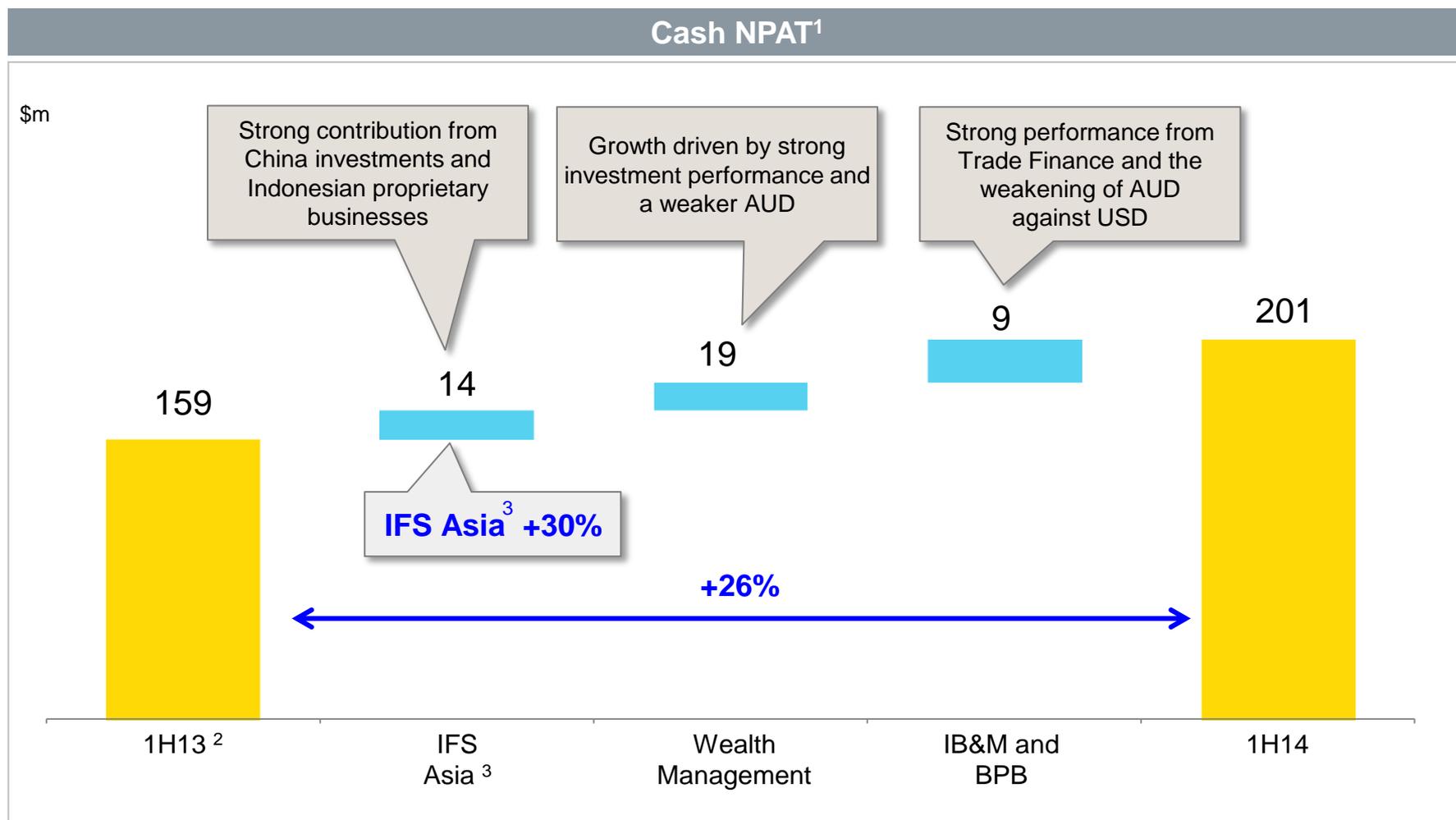
¹ Excludes Bankwest and a very small number of CBA Branches.

CFSGAM– Global Reach



^ 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 – strong growth



1 Includes Asia region Cash NPAT from Business & Private Banking, Institutional Banking & Markets, Wealth Management and IFS Asia businesses.

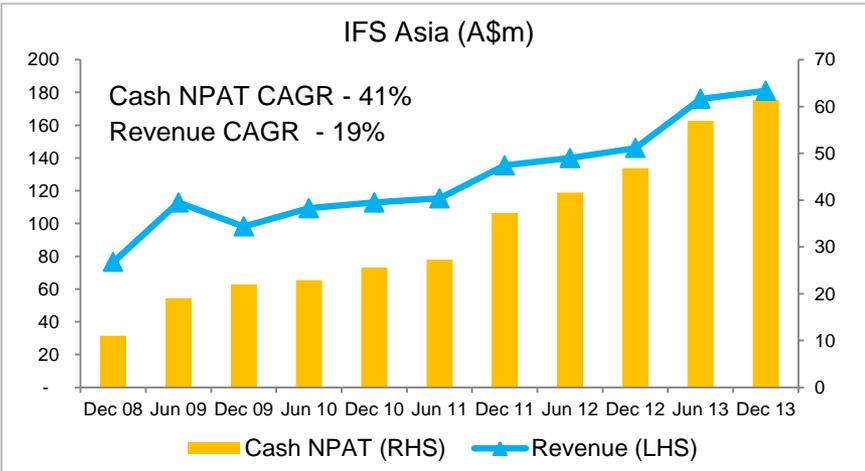
2 Previously reported 1H13 result restated to include IFS Asia head office support costs and to restate Wealth Management history in line with amended structure.

3 Includes China, Indonesia, Vietnam, India and Japan IFS Asia businesses. Represents IFS Asia growth in Cash NPAT.

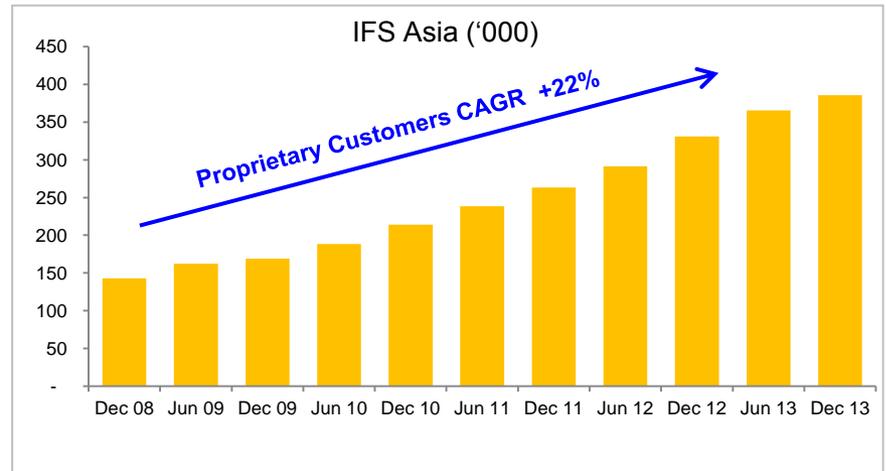


CBA in Asia – strong proprietary growth

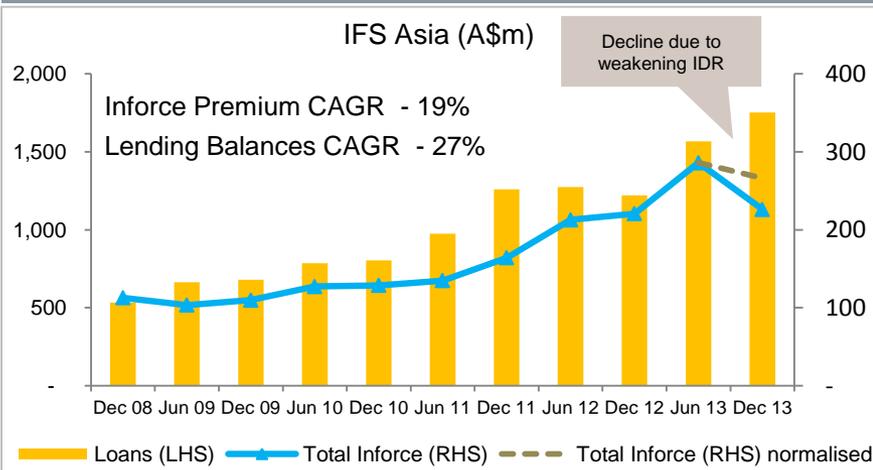
NPAT and Revenue¹



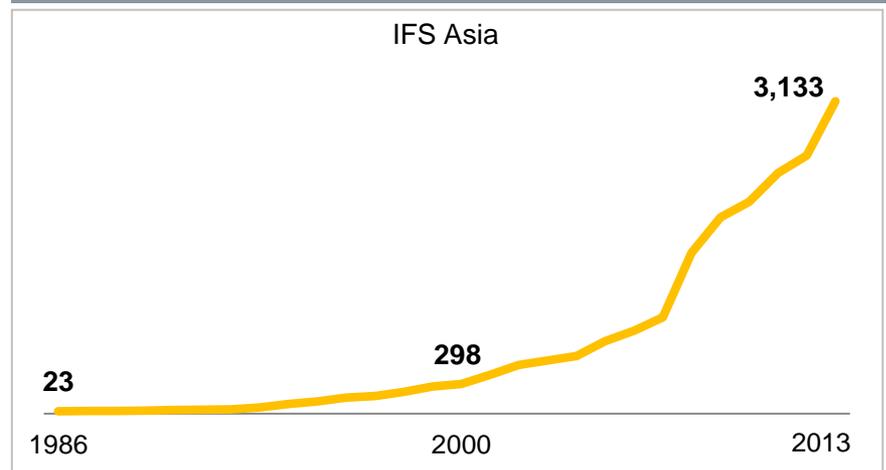
Proprietary Customers²



Proprietary Loans and Inforce Premium²



Proprietary FTE



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 includes China County Banks, Indonesian banking and insurance businesses, Vietnam branch and India branch.

CBA in Asia



| Country | Representation as at December 2013 |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| China | Bank of Hangzhou (20%) – 140 branches Qilu Bank (20%) – 85 branches County Banking – 7 County Banks and 1 County Bank branch in Henan (5 Banks and 1 County Bank branch @ 80% and 2 Banks @ 100% shareholding) and 3 banks in Hebei (100% shareholding). Beijing Representative Office and Beijing Branch BoCommLife JV (37.5%) – operating in 6 provinces First State Cinda JV, FSI Hong Kong Hong Kong and Shanghai branches |
| Indonesia | PTBC (98.88%) – 91 branches and 142 ATMs PT Commonwealth Life (80%) – 31 life offices First State Investments (FSI) |
| Vietnam | VIB (20%) – 154 branches CBA branch Ho Chi Minh City and 24 ATMs Hanoi Representative Office |
| India | CBA branch Mumbai |
| Japan | CBA branch Tokyo, FSI Tokyo |
| Singapore | CBA branch, First State Investments |

Sustainability progress

In the first half of the financial year 2014, the Board-endorsed sustainability strategic 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

- ◆ Maintained our focus on productivity, disciplined financial management, rigorous governance practices and transparent reporting.
- ◆ Continued to work with internal and external stakeholders to incorporate Environmental, Social and Governance (ESG) considerations in our business practices in light of our material issues and a rapidly changing operating environment.

Responsible Financial Services

- ◆ Maintained number one position in customer satisfaction among our peers across all key businesses since January 2013.
- ◆ Successfully completed the ambitious upgrade of our core systems and continued to implement world-leading technology with innovations such as the new CommBank website, video conferencing and a range of mobile applications.

Engaged and Talented People

- ◆ Updated our performance management framework with our values of Integrity, Collaboration, Accountability, Excellence and Service to support our vision to excel at securing and enhancing the financial wellbeing of people, businesses and communities.
- ◆ Continued to progress our Diversity and Inclusion agenda with the launch of ENABLE, our disability employee network which aims to increase opportunities for our people with disability and improve accessibility of our products and services for our customers; the establishment of a gender diversity employee group to accelerate the advancement of women, a key priority for the organisation; and demonstrated our support of LGBTI inclusion by becoming a principal partner of the 2014 Bingham Cup, the biennial international gay rugby tournament to be hosted in Sydney this year.

Community Contribution and Action

- ◆ Continued to strengthen our ties with our community by delivering the StartSmart financial literacy program to more than 145,000 students across the country in the first half of the financial year, awarding \$2 million in community grants to 235 organisations through the Staff Community Fund and supporting Indigenous Australia in the promotion of social, economic and financial inclusion.
- ◆ Donated \$100,000 and collected almost \$400,000 in donations on behalf of Red Cross in the wake of the New South Wales bushfires; and collected more than \$985,000 for the Australian Red Cross Typhoon Haiyan (Philippines) Appeal.

Environmental Stewardship

- ◆ Achieved a position in CDP's Global 500 and ASX 200 Climate Performance Leadership Indices (CPLI) in recognition of our programs to reduce our carbon emissions, mitigate the risks and identify the opportunities presented by climate change and was recognised as the highest ranking Australian bank in the CDP Australia and NZ Climate Report 2013 report.

Sustainability scorecard

| | Units | 1H14 | FY13 | FY12 | FY11 | FY10 | FY09 | |
|------------------------------------------------------|------------------------------------------------------------|---------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Customer satisfaction | Roy Morgan MFI retail customer satisfaction ¹ | % Rank | 83.5 1 st | 83.0 1 st | 79.0 2 nd | 75.2 4 th | 75.6 2 nd | 73.0 3 rd |
| | DBM Business Financial Services Monitor ² | Avg. score Rank | 7.5 =1 st | 7.4 =1 st | 7.3 =1 st | 7.1 =2 nd | 7.0 =1 st | n/a |
| | Wealth Insights Platform Service Level Survey ³ | Avg. score Rank | Annual | 8.32 1 st | 7.86 1 st | 7.74 1 st | 7.70 1 st | 7.59 1 st |
| People | Employee Engagement Index Score ⁴ | % | Annual | 80 | 80 | n/a | n/a | n/a |
| | Women in Executive Manager and above roles ⁵ | % | 31.3 | 30.3 | 30.9 | 28.2 | 26.3 | 26.1 |
| | Lost Time Injury Frequency Rate (LTIFR) ⁶ | Rate | 1.4 | 2.0 | 2.7 | 2.5 | 2.8 | 2.4 |
| | Absenteeism ⁷ | Rate | 6.3 | 6.2 | 6.2 | 6.0 | 5.9 | 5.9 |
| | Employee Turnover Voluntary | % | 10.7 | 10.6 | 12.9 | 12.7 | 12.7 | 11.4 |
| Environment – Greenhouse Gas Emissions ⁸ | Scope 1 emissions | tCO ₂ -e | 4,872 | 8,780 | 8,941 | 9,835 | 10,248 | 12,018 |
| | Scope 2 emissions | tCO ₂ -e | 45,962 | 100,997 | 118,047 | 137,948 | 142,218 | 139,303 |
| | Scope 3 emissions | tCO ₂ -e | 8,698 | 17,767 | 20,137 | 22,885 | 24,340 | 21,431 |
| Community – Financial literacy programs ⁹ | School banking students (active) | Number | 221,521 | 233,217 | 191,416 | 140,280 | 92,997 | 91,601 |
| | StartSmart students (booked) | Number | 147,622 | 284,834 | 235,735 | 200,081 | 119,669 | 51,426 |

Technology transformation – delivering strategic competitive advantage



Revitalised front-line customer interface

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

Best-in-class online, mobile and social platforms

- NetBank
- CommBiz
- CommSec
- FirstChoice
- Kaching

Innovating in the back-end

- Legacy system replacement
- Real-time banking delivering relationship value
- Straight-through processing
- Concurrent process redesign

Supporting One CommBank

- Deeper customer relationships through personalised value offers (price & bundle)
- Simplicity and convenience anywhere, anytime, on any device
- Customer insights e.g. budgeting and planning tools
- Leading privacy, trust and security

Real time technology innovation

Everyday Settlement



- Same day access to funds, everyday, for merchant customers
- Market leading innovation enabled by Core
- Material benefit to customer cash flows

CommBiz Mobile



- Real-time cash flow information
- Payment authorisation from anywhere
- 120k logins, 28k authorisations since launch
- CommBiz Markets launched August 2013

Contactless Payments



- Fast, simple in-store payments
- CBA market leading (cards and terminals)
- 15% of total card transactions and growing

CommBank PayTag



- The Bank's new contactless payments solution for smartphones, available from Dec 2013 for Android and from Jan 2014 for iPhone customers

Pi, Albert & Leo



- World first innovations revolutionising point-of-sale experience
- Pi launched and growing, Leo in rollout, Albert pilot coming soon

SmartSign



WITH SMARTSIGN, COMMBANK CAN.

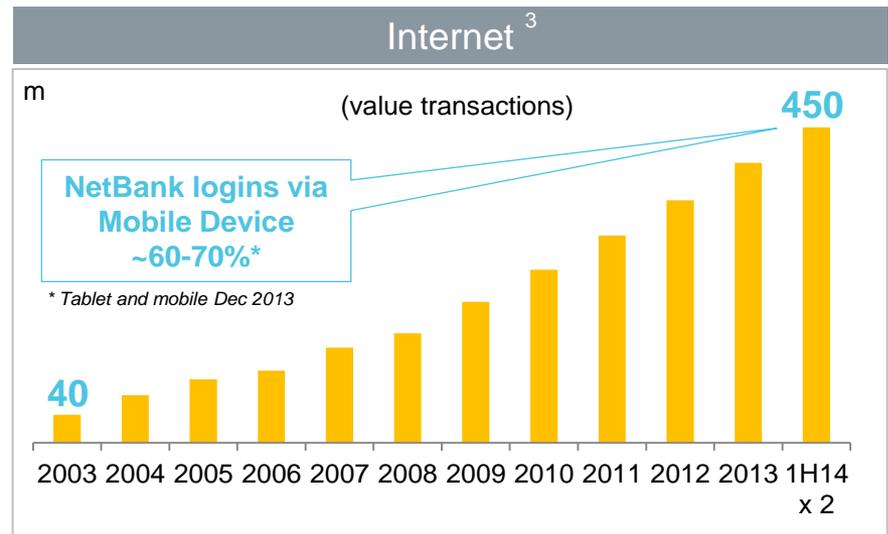
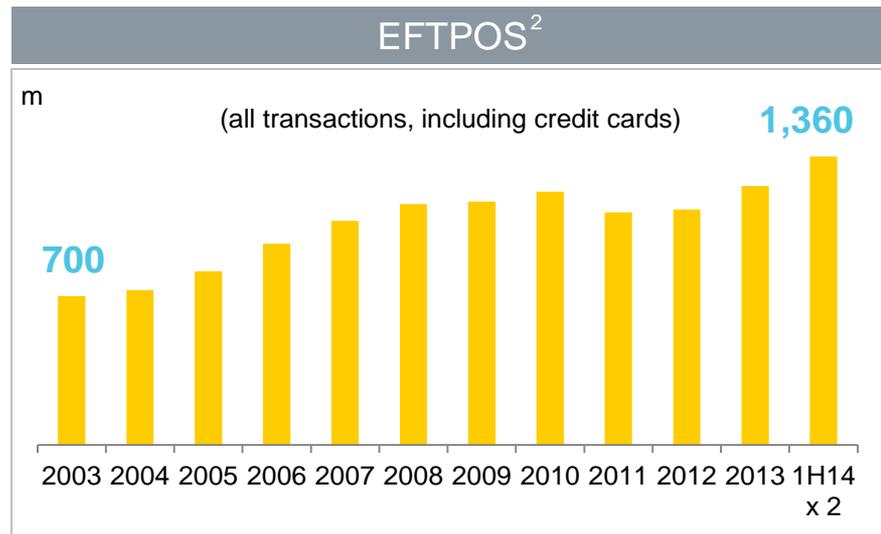
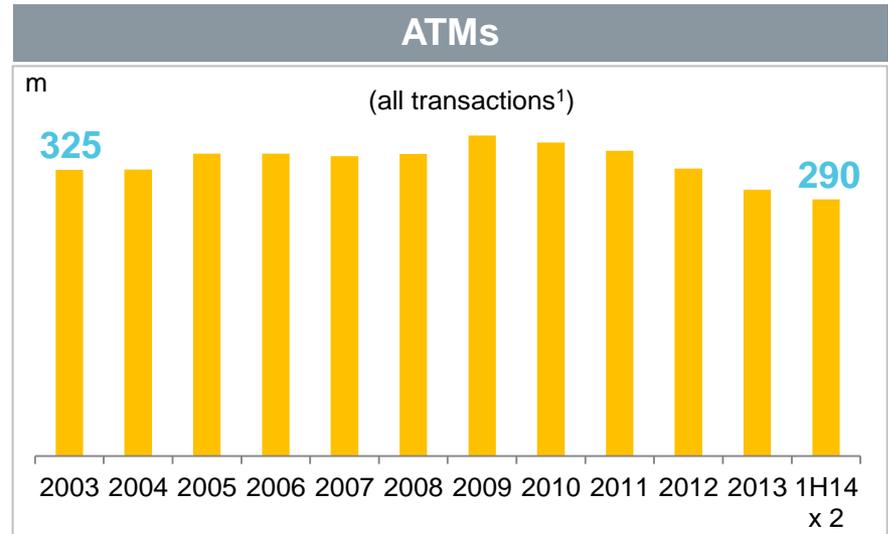
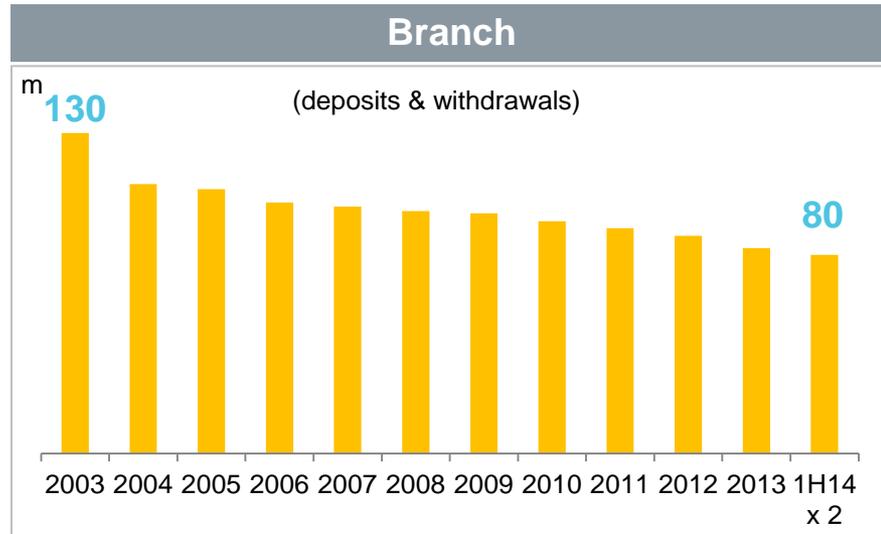
Commbank's Equipment Finance is a fast, simple, and easy way to get money for new business equipment. And now, with Commbank's online technology, SmartSign, the time between signing and having access to funds is less than 4 hours.

[Apply now](#)

- Online contract acceptance¹
- 85% of asset finance transactions via SmartSign
- Average document turn-around-times reduced by 85% in last 6 months

1 For Asset Finance, Business Transaction account opening and CommBiz applications.

Transaction volumes



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.

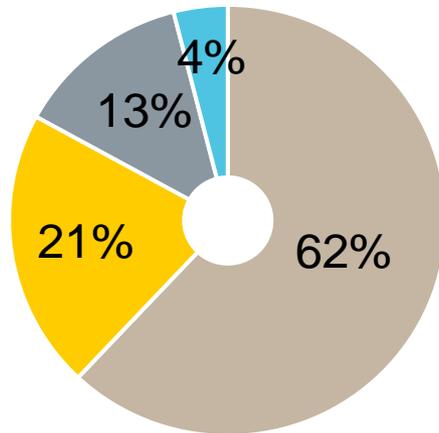
³ Calendar years to 2007; financial years thereafter. Includes BPAY.

Transaction volumes

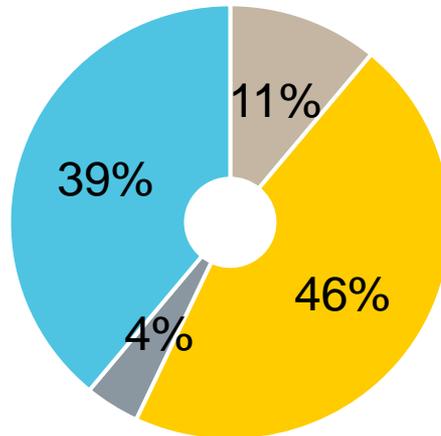
% of total transactions

1H14

By number



By value

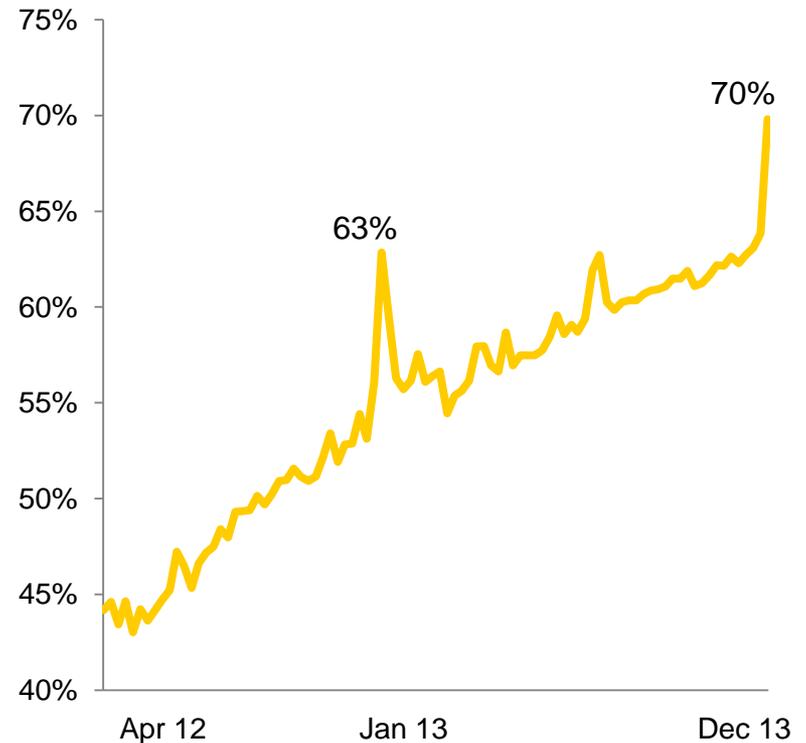


EFTPOS
Internet

ATM
Branch

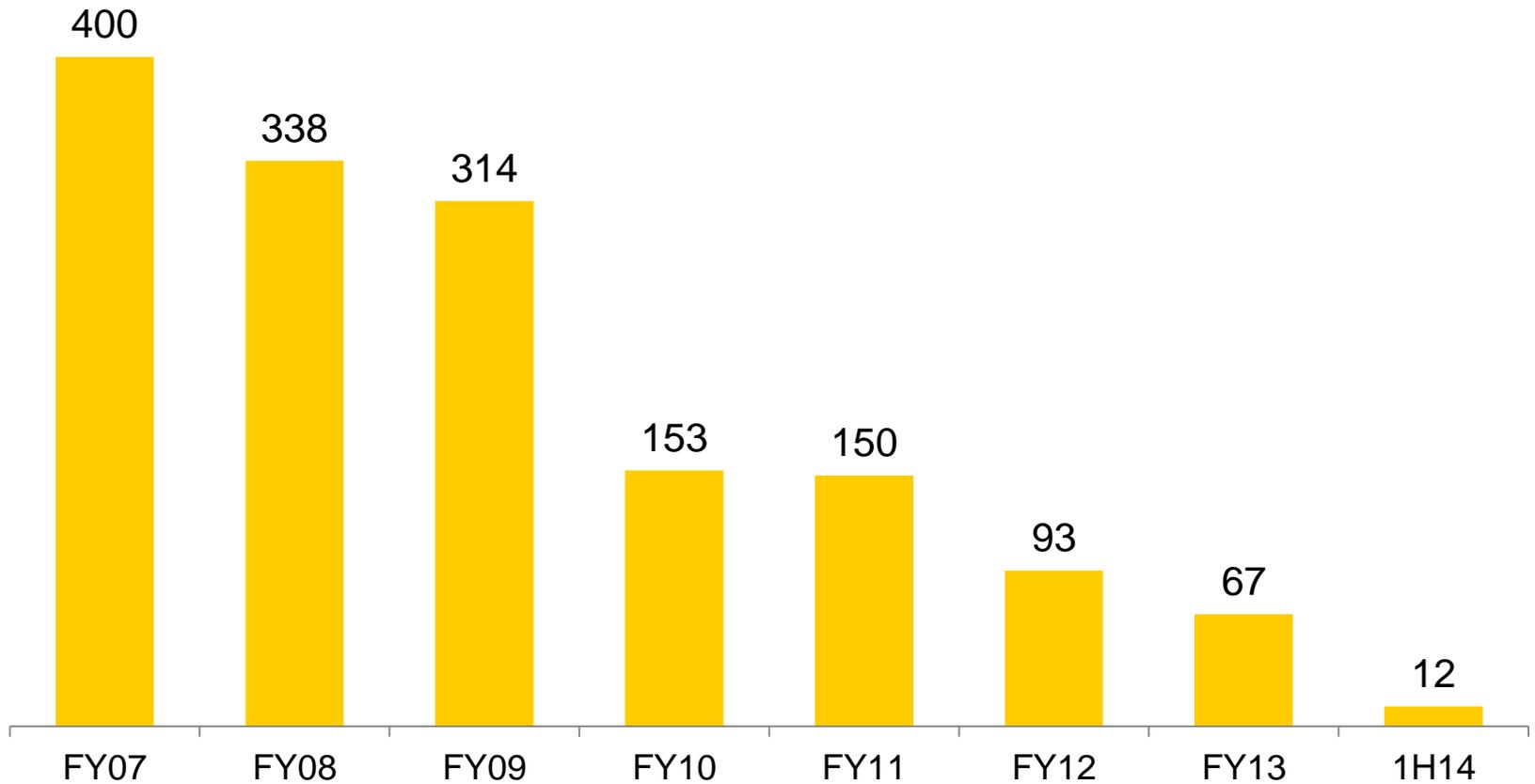
NetBank logins via mobile device*

Weekly



* Tablet and mobile

Total High Impact system incidents



Market share¹

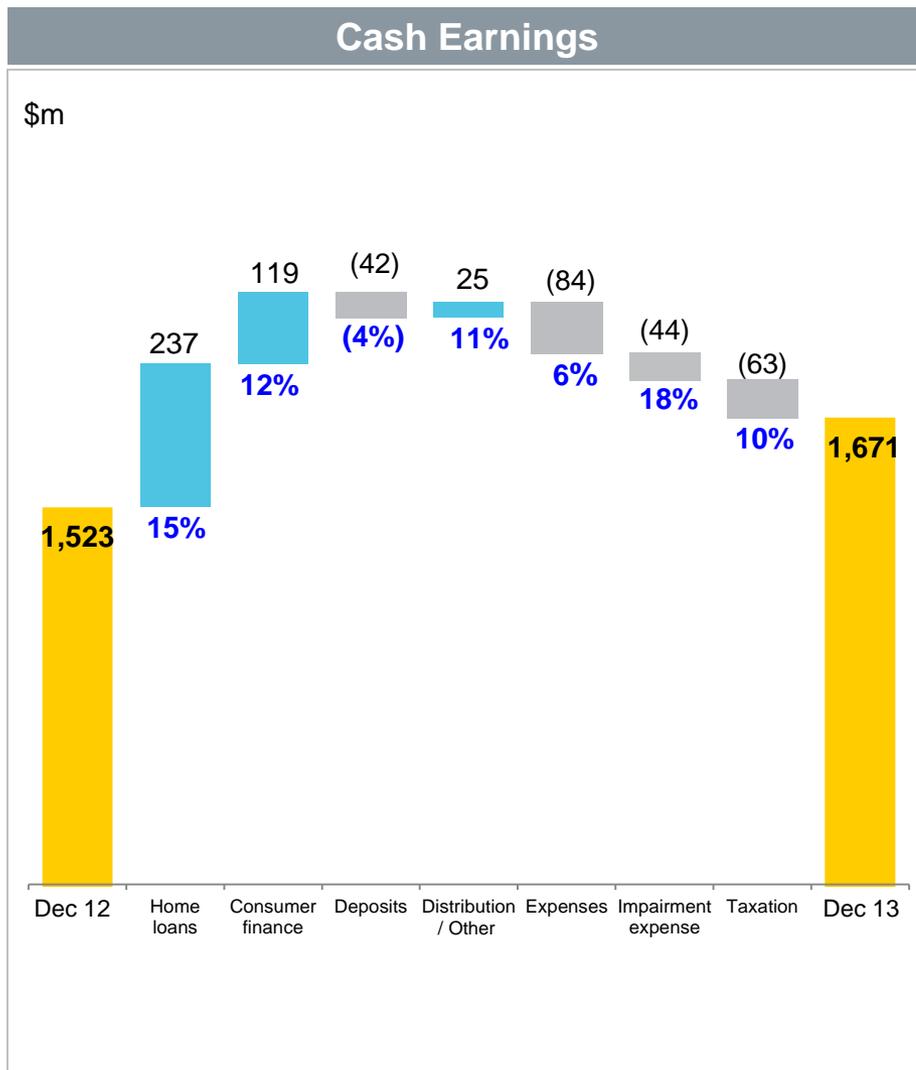
| % | Dec 13 | | Group | Jun 13 | Dec 12 |
|---------------------------------------------------------|--------|-----|-------|--------|--------|
| | CBA | BWA | | Group | Group |
| Home loans | 21.2 | 4.1 | 25.3 | 25.3 | 25.1 |
| Credit cards – RBA ² | 21.9 | 2.8 | 24.7 | 24.4 | 23.9 |
| Other household lending ³ | 17.1 | 1.1 | 18.2 | 16.9 | 16.6 |
| Household deposits ⁴ | 25.8 | 2.8 | 28.6 | 28.8 | 28.8 |
| Retail deposits ⁵ | 22.5 | 2.9 | 25.4 | 25.5 | 25.3 |
| Business lending – RBA | 15.6 | 2.4 | 18.0 | 18.0 | 17.8 |
| Business deposits – APRA | 18.5 | 2.7 | 21.2 | 21.7 | 20.8 |
| Asset finance | 13.3 | - | 13.3 | 13.3 | 13.3 |
| Equities trading | 5.1 | - | 5.1 | 5.2 | 5.4 |
| Australian Retail – administrator view ⁶ | 15.7 | - | 15.7 | 15.7 | 15.3 |
| FirstChoice Platform ⁶ | 11.4 | - | 11.4 | 11.5 | 11.6 |
| Australia life insurance (total risk) ⁶ | 12.9 | - | 12.9 | 13.1 | 13.4 |
| Australia life insurance (individual risk) ⁶ | 12.7 | - | 12.7 | 12.9 | 13.2 |
| NZ home loans | | | 22.1 | 22.3 | 22.1 |
| NZ retail deposits | | | 20.4 | 20.1 | 20.2 |
| NZ business lending | | | 10.6 | 10.4 | 10.1 |
| NZ retail FUA | | | 17.3 | 17.9 | 17.7 |
| NZ annual inforce premiums | | | 29.4 | 29.5 | 29.7 |

¹ Prior periods have been restated in line with market updates. ² As at 30 November 2013. ³ Other household lending market share includes personal loans, margin loans and other forms of lending to individuals. In the current period, certain revolving credit products were reclassified from Home loans to Other household lending, resulting in the increase in this category. ⁴ Comparatives have not been restated to include the impact of new market entrants in the current period. ⁵ In accordance with RBA guidelines, these measures include some products relating to both the retail and corporate segments. ⁶ As at 30 September 2013.

RBS – 6 Month Periods

| \$m | | Dec 13 | Jun 13 | Dec 12 | Dec 13 vs Dec 12 |
|--------------------------------|------------------|---------|---------|---------|------------------|
| Net interest income | Home loans | 1,665 | 1,567 | 1,431 | 16% |
| | Consumer finance | 858 | 804 | 764 | 12% |
| | Retail deposits | 890 | 874 | 937 | (5%) |
| | Other | 19 | 20 | 28 | (32%) |
| | | 3,432 | 3,265 | 3,160 | 9% |
| Other banking income | Home loans | 107 | 103 | 104 | 3% |
| | Consumer finance | 271 | 237 | 246 | 10% |
| | Retail deposits | 198 | 193 | 193 | 3% |
| | Other | 35 | 33 | 31 | 13% |
| | Distribution | 203 | 191 | 173 | 17% |
| | 814 | 757 | 747 | 9% | |
| Total banking income | Home loans | 1,772 | 1,670 | 1,535 | 15% |
| | Consumer finance | 1,129 | 1,041 | 1,010 | 12% |
| | Retail deposits | 1,088 | 1,067 | 1,130 | (4%) |
| | Other | 54 | 53 | 59 | (8%) |
| | Distribution | 203 | 191 | 173 | 17% |
| | 4,246 | 4,022 | 3,907 | 9% | |
| Operating expenses | | (1,572) | (1,504) | (1,488) | 6% |
| Loan impairment expense | | (290) | (287) | (246) | 18% |
| Cash NPAT | | 1,671 | 1,566 | 1,523 | 10% |





Financial Summary

| \$m | Dec 13 | Dec 13 vs Dec 12 | |
|-----------------------------|--------------|------------------|--------------------------------------------------------------------------------------------------|
| Home loans | 1,772 | 15% | ▪ Above system balance growth |
| Consumer finance | 1,129 | 12% | ▪ Successful new business campaigns |
| Retail Deposits | 1,088 | (4%) | ▪ Strong growth in at call savings products & transactions ▪ Lower margins due to competition |
| Distribution | 203 | 17% | ▪ Strong FX performance including Travel Money Card ▪ Increased insurance commissions |
| Other | 54 | (8%) | ▪ Merchants growth ▪ Decrease in Asset Finance |
| Total banking income | 4,246 | 9% | |
| Operating expenses | (1,572) | 6% | ▪ Inflation related staff expenses & one off impairment |
| Loan impairment expense | (290) | 18% | ▪ Volume and elevated personal loans arrears |
| Cash NPAT | 1,671 | 10% | |

BPB – 6 Month Periods

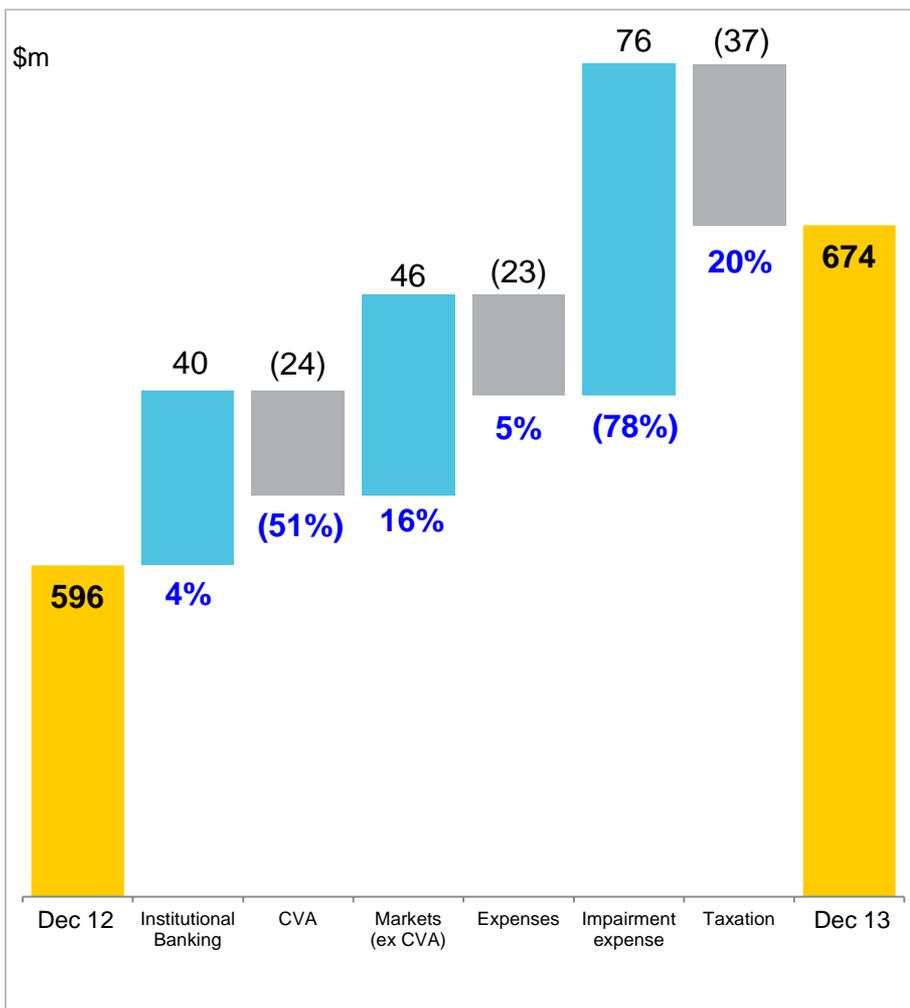
| \$m | | Dec 13 | Jun 13 | Dec 12 | Dec 13 vs Dec 12 |
|--------------------------------|------------------------------|--------|--------|--------|---------------------|
| Net interest income | Corporate Financial Services | 489 | 481 | 489 | - |
| | Regional & Agribusiness | 283 | 283 | 278 | 2% |
| | Local Business Banking | 536 | 526 | 512 | 5% |
| | Private Bank | 123 | 122 | 120 | 3% |
| | CommSec | 70 | 68 | 73 | (4%) |
| | | 1,501 | 1,480 | 1,472 | 2% |
| Other banking income | Corporate Financial Services | 168 | 141 | 157 | 7% |
| | Regional & Agribusiness | 48 | 48 | 46 | 4% |
| | Local Business Banking | 108 | 103 | 107 | 1% |
| | Private Bank | 26 | 25 | 22 | 18% |
| | CommSec | 84 | 87 | 81 | 4% |
| | | 434 | 404 | 413 | 5% |
| Total banking income | Corporate Financial Services | 657 | 622 | 646 | 2% |
| | Regional & Agribusiness | 331 | 331 | 324 | 2% |
| | Local Business Banking | 644 | 629 | 619 | 4% |
| | Private Bank | 149 | 147 | 142 | 5% |
| | CommSec | 154 | 155 | 154 | - |
| | | 1,935 | 1,884 | 1,885 | 3% |
| Operating expenses | | (709) | (696) | (696) | 2% |
| Loan impairment expense | | (87) | (130) | (150) | (42%) |
| Cash NPAT | | 797 | 748 | 726 | 10% |

IB&M – 6 Month Periods

| \$m | | Dec 13 | Jun 13 | Dec 12 | Dec 13 vs Dec 12 |
|--------------------------------|-----------------------|--------------|--------------|--------------|------------------|
| Net interest income | Institutional Banking | 615 | 551 | 587 | 5% |
| | Markets | 89 | 93 | 110 | (19%) |
| | | 704 | 644 | 697 | 1% |
| Other banking income | Institutional Banking | 391 | 412 | 379 | 3% |
| | Markets | 273 | 217 | 230 | 19% |
| | | 664 | 629 | 609 | 9% |
| Total banking income | Institutional Banking | 1,006 | 963 | 966 | 4% |
| | Markets | 362 | 310 | 340 | 6% |
| | | 1,368 | 1,273 | 1,306 | 5% |
| Operating expenses | | (455) | (439) | (432) | 5% |
| Loan impairment expense | | (21) | (57) | (97) | (78%) |
| Cash NPAT | | 674 | 599 | 596 | 13% |



Cash Earnings



Financial Summary

| \$m | Dec 13 | Dec 13 vs Dec 12 | |
|-----------------------------|--------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| Institutional Banking | 1,006 | 4% | <ul style="list-style-type: none"> Growth in asset balances partly offset by lower deposits income. |
| Markets | 362 | 6% | <ul style="list-style-type: none"> Favourable trading performance, partly offset by less favourable CVA¹. |
| Total banking income | 1,368 | 5% | |
| Operating expenses | (455) | 5% | <ul style="list-style-type: none"> Higher amortisation of IT platforms and inflation related salary increases. |
| Loan impairment expense | (21) | (78%) | <ul style="list-style-type: none"> Higher level of write-backs and recoveries. |
| Cash NPAT | 674 | 13% | |

1 Counterparty fair value adjustment.

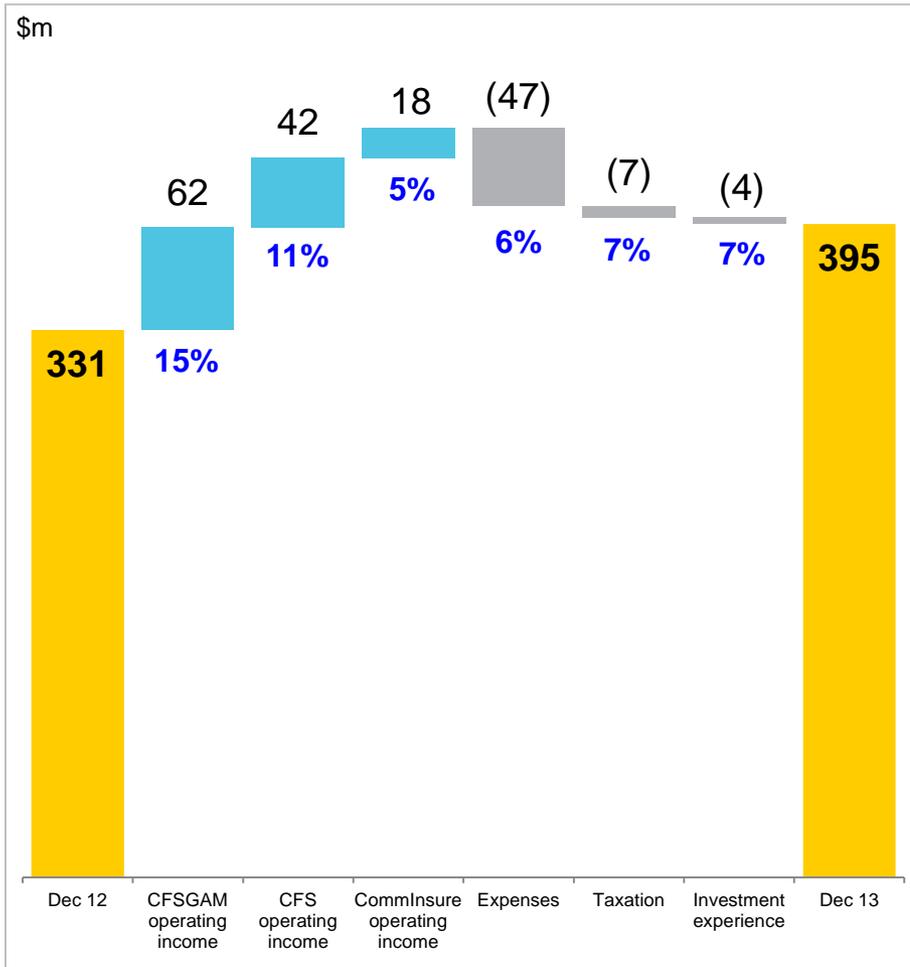
WM – 6 Month Periods

| \$m | | Dec 13 | Jun 13 | Dec 12 | Dec 13 vs Dec 12 |
|------------------------------------|-----------------------------------|--------|--------|--------|------------------|
| Total operating income | CFSGAM | 468 | 433 | 406 | 15% |
| | Colonial First State ¹ | 421 | 400 | 379 | 11% |
| | CommInsure | 350 | 327 | 332 | 5% |
| | | 1,239 | 1,160 | 1,117 | 11% |
| Operating expenses | CFSGAM | (276) | (241) | (235) | 17% |
| | Colonial First State ¹ | (272) | (298) | (278) | (2%) |
| | CommInsure | (158) | (162) | (156) | 1% |
| | Other | (84) | (50) | (74) | 14% |
| | | (790) | (751) | (743) | 6% |
| Underlying profit after tax | CFSGAM | 156 | 143 | 139 | 12% |
| | Colonial First State ¹ | 104 | 72 | 71 | 46% |
| | CommInsure | 142 | 117 | 123 | 15% |
| | Other | (61) | (28) | (60) | 2% |
| | | 341 | 304 | 273 | 25% |
| Cash NPAT | CFSGAM | 176 | 159 | 152 | 16% |
| | Colonial First State ¹ | 105 | 71 | 73 | 44% |
| | CommInsure | 175 | 151 | 169 | 4% |
| | Other | (61) | (33) | (63) | (3%) |
| | | 395 | 348 | 331 | 19% |

¹ Colonial First State incorporates the results of all financial planning businesses including Commonwealth Financial Planning.

Wealth Management

Cash Earnings



Financial Summary

| \$m | Dec 13 | Dec 13 vs Dec 12 |
|-------------------------------|--------------|------------------|
| CFSGAM | 468 | 15% |
| CFS ¹ | 421 | 11% |
| CommInsure | 350 | 5% |
| Total operating income | 1,239 | 11% |
| Operating expenses | (790) | 6% |
| Cash NPAT | 395 | 19% |

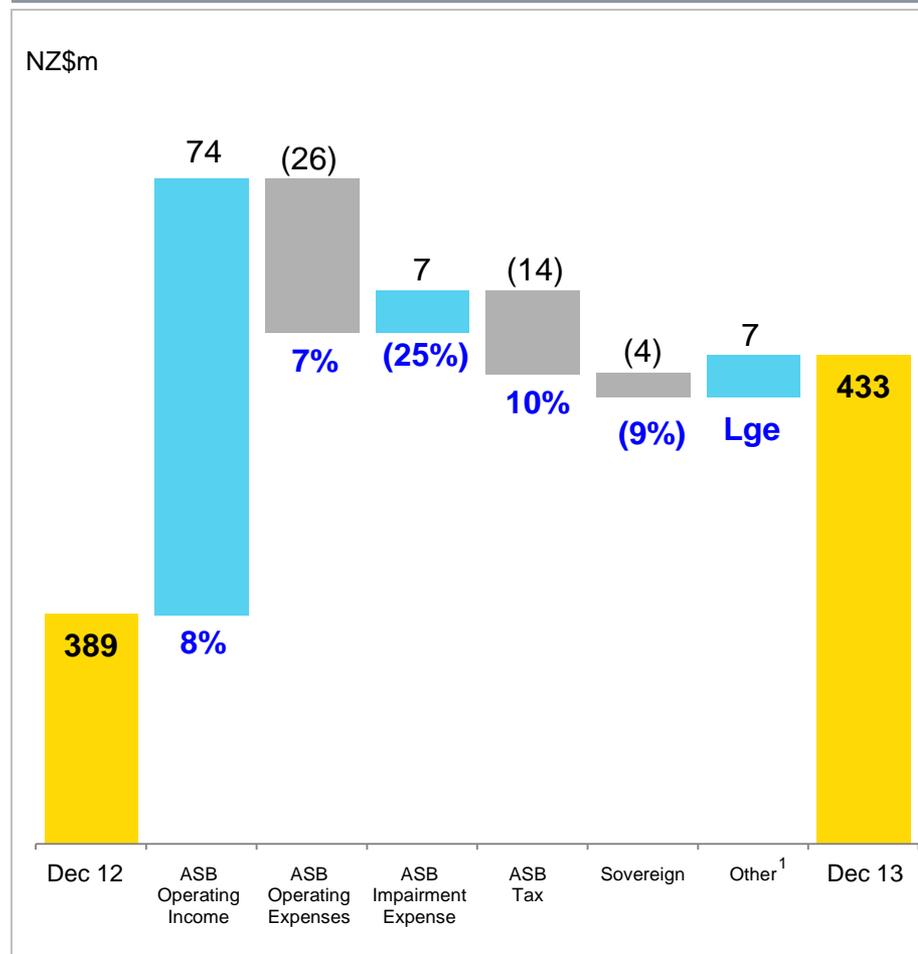
- Average AUM ↑19% due to equity markets, strong investment performance and foreign exchange benefits
- Improved market conditions and solid net flows
- Average Inforce Premiums ↑10% and lower lapse rates partially offset by further reserve strengthening and higher event claims
- Productivity gains offset by inflation related salary increases and the impact of AUD depreciation

New Zealand – 6 Month Periods

| NZ\$m | | Dec 13 | Jun 13 | Dec 12 | Dec 13 vs Dec 12 |
|----------------------------------------|----------------------|--------|--------|--------|------------------|
| Net interest income | ASB | 743 | 693 | 672 | 11% |
| | Other | 5 | (2) | (3) | Large |
| | Total NII | 748 | 691 | 669 | 12% |
| Other banking income | ASB | 177 | 167 | 179 | (1%) |
| | Other | (15) | (16) | (19) | (21%) |
| | Total OBI | 162 | 151 | 160 | 1% |
| Total banking income | ASB | 920 | 860 | 851 | 8% |
| | Other | (10) | (18) | (22) | (55%) |
| | Total banking income | 910 | 842 | 829 | 10% |
| Funds management income | | 34 | 32 | 29 | 17% |
| Insurance income | | 97 | 115 | 97 | - |
| Total operating income | | 1,041 | 989 | 955 | 9% |
| Operating expenses | | (443) | (439) | (415) | 7% |
| Loan impairment expense | | (21) | (28) | (28) | (25%) |
| Investment experience after tax | | - | 4 | 2 | Large |
| Corporate tax expense | | (144) | (130) | (125) | 15% |
| Cash NPAT | | 433 | 396 | 389 | 11% |

New Zealand

Cash Earnings



Financial Summary

| NZ\$m | Dec 13 | Dec 13 vs Dec 12 | |
|------------------------|------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ASB Operating Income | 951 | 8% | <ul style="list-style-type: none"> Lending and retail deposits both ↑ 6% Careful margin management across the deposit portfolio |
| ASB Operating Expenses | (386) | 7% | <ul style="list-style-type: none"> Uplift in staff levels to grow frontline capacity and annual salary increase |
| ASB Impairment Expense | (21) | (25%) | <ul style="list-style-type: none"> Strengthening of the New Zealand economy and the housing market has resulted in an improved home loan portfolio |
| Sovereign | 40 | (9%) | <ul style="list-style-type: none"> Adverse claims experience and lower investment returns Inforce premiums ↑ 5% |
| Cash NPAT | 433 | 11% | |

1 Other includes ASB and Sovereign funding entities and elimination entries between Sovereign and ASB.

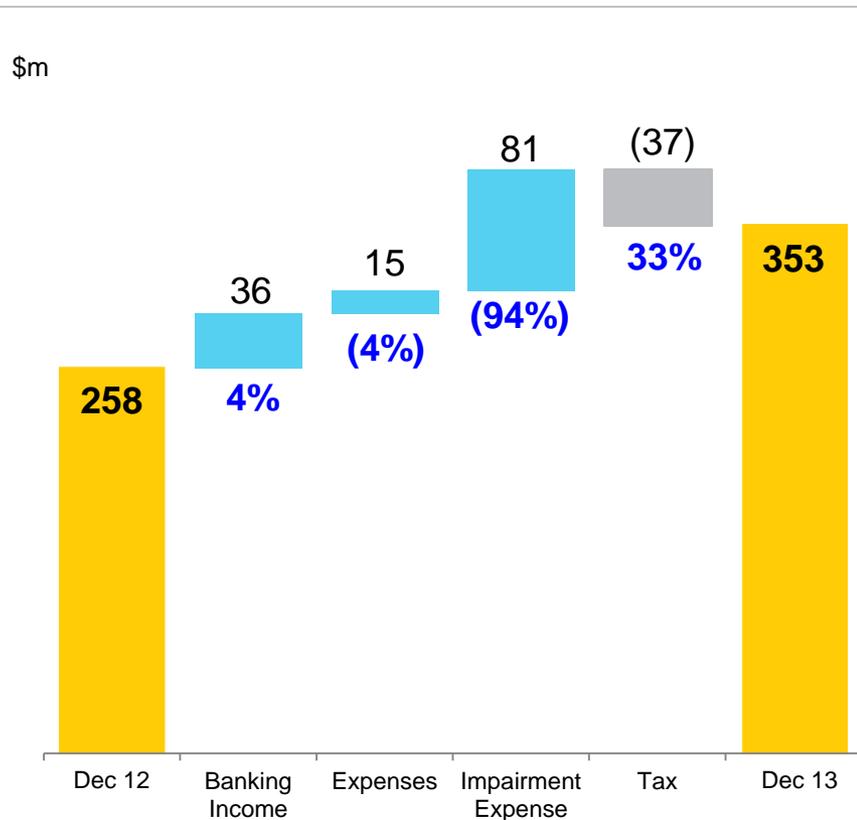
Bankwest – 6 Month Periods

| \$m | Dec 13 | Jun 13 | Dec 12 | Dec13 vs Dec 12 |
|------------------------------|------------|------------|------------|--------------------|
| Net interest income | 804 | 776 | 761 | 6% |
| Other banking income | 103 | 100 | 110 | (6%) |
| Total banking income | 907 | 876 | 871 | 4% |
| Operating expenses | (401) | (409) | (416) | (4%) |
| Loan impairment expense | (5) | (32) | (86) | (94%) |
| Net profit before tax | 501 | 435 | 369 | 36% |
| Corporate tax expense | (148) | (132) | (111) | 33% |
| Cash NPAT | 353 | 303 | 258 | 37% |



Bankwest

Cash Earnings



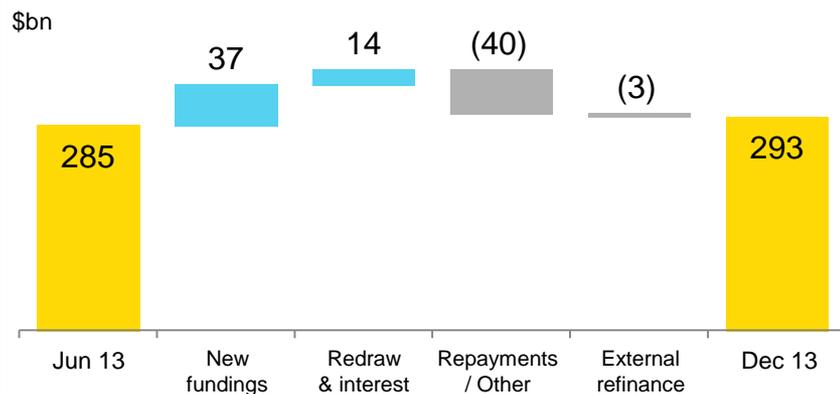
Financial Summary

| \$m | Dec 13 | Dec 13 vs Dec 12 | |
|-------------------------|------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Banking income | 907 | 4% | <ul style="list-style-type: none"> Modest growth in average interest earning assets Improved net interest margin |
| Operating expenses | (401) | (4%) | <ul style="list-style-type: none"> Efficiency savings in technology expenses Lower salary related expenses |
| Loan impairment expense | (5) | (94%) | <ul style="list-style-type: none"> Reduced individual provision charges Significant run-off of troublesome and impaired portfolio |
| Cash NPAT | 353 | 37% | |



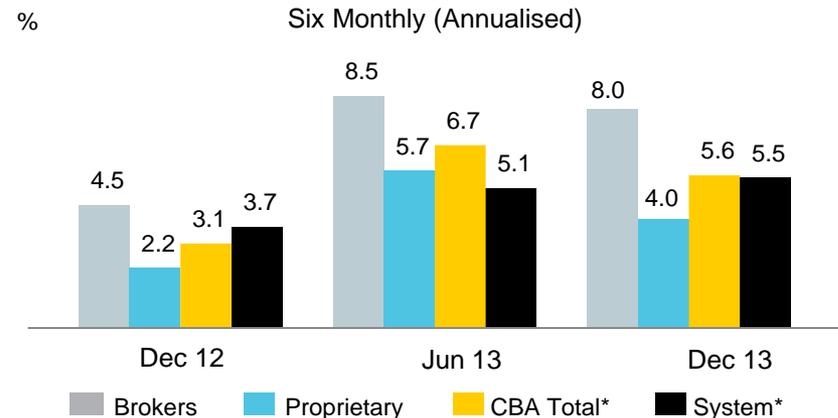
Home Lending Growth Profile

Home Loan Balances



Excludes Bankwest

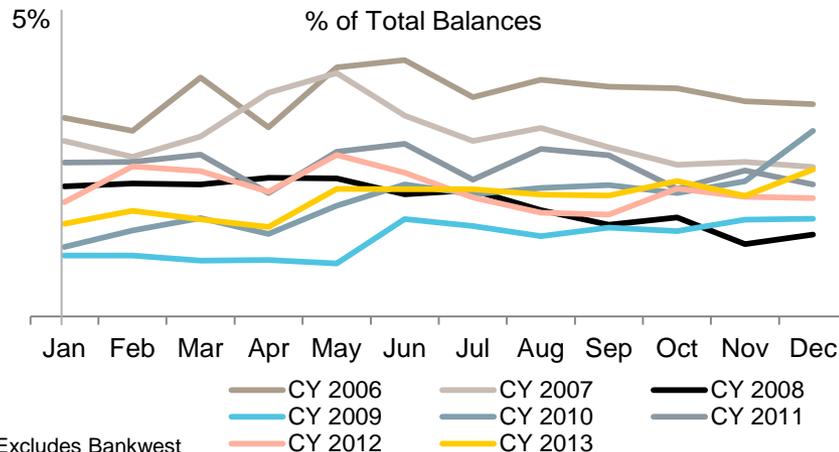
Balance Growth¹ by Channel



CBA excludes Bankwest

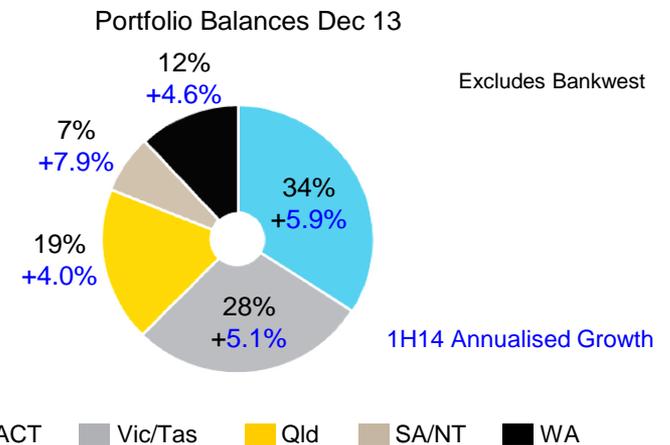
* Source RBA

External Refinancing



Excludes Bankwest

Growth Summary



Excludes Bankwest

¹ System figures adjusted for series breaks to normalise growth.

Regulatory Exposure Mix

| | Regulatory Credit Exposure Mix | | | |
|--------------------------------------|--------------------------------|-------------|-------------|-------------|
| | CBA | Peer 1 | Peer 2 | Peer 3 |
| Residential Mortgages | 58% | 36% | 42% | 56% |
| Corporate, SME & Specialised Lending | 24% | 33% | 41% | 30% |
| Bank | 5% | 13% | 8% | 4% |
| Sovereign | 9% | 10% | 6% | 5% |
| Qualifying Revolving | 3% | 3% | 2% | 3% |
| Other Retail | 1% | 5% | 1% | 2% |
| Total Advanced | 100% | 100% | 100% | 100% |

Source: Pillar 3 disclosures for CBA as at December 2013 and Peers as at September 2013.
 Excludes Standardised (including Other Assets and CVA) and Securitisation exposures (representing 7% of CBA, 6% of Peer 1, 17% of Peer 2 and 5% of Peer 3). Exposure mix is re-baselined to total 100%.



RBS home loan book quality very sound

- ▶ Portfolio dynamic LVR¹ of 47% and portfolio LVR² of 51%
- ▶ 78% of customers paying in advance of required monthly mortgage repayment ³
- ▶ Maximum LVR of 95%⁴ for low risk customers
- ▶ Lenders Mortgage Insurance (LMI) is required for higher LVR loans
- ▶ Low Deposit Premium (LDP) available to low risk customers for LVR 80%-90%
- ▶ Serviceability test based on higher of the customer rate plus a 1.5% interest rate buffer or a minimum floor rate
- ▶ First Home Buyer arrears similar to overall portfolio
- ▶ Limited “Low Doc” lending (1.6% of total portfolio; only 0.2% of new approvals) with stringent lending criteria
- ▶ Under aggressive “stress test” scenarios, potential losses manageable
- ▶ Mortgages in Possession (MIP) represents 0.06% of portfolio balances (down from 0.11% in December 2012)

All statements relate to the RBS home loan book.

1 Defined as current balance/current valuation. Current balance and valuations as at September 2013.

2 Defined as current balance/original valuation. Current balance as at December 2013.

3 Defined as any payment ahead of monthly minimum repayment.

4 Excluding any capitalised mortgage insurance.

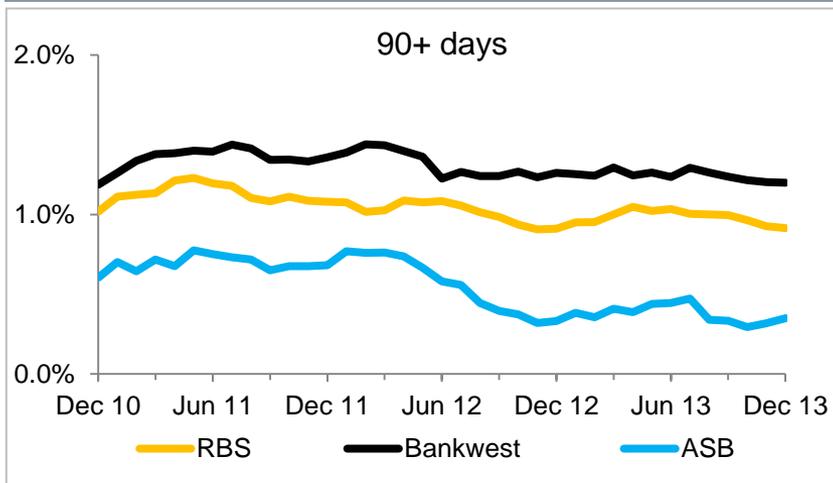
RBS Home Loan Portfolio Profile

| RBS Portfolio | Dec 13 | Jun 13 | Dec 12 | RBS Portfolio | Dec 13 | Jun 13 | Dec 12 |
|----------------------------------------------|--------|--------|--------|-----------------------------------------------|--------|--------|--------|
| Total Balances - Spot (\$bn) | 293 | 285 | 276 | Total Funding (\$bn) ¹ | 37 | 63 | 29 |
| Total Balances - Average (\$bn) ¹ | 289 | 278 | 274 | Average Funding Size (\$'000) ¹ | 252 | 244 | 243 |
| Total Accounts (m) | 1.4 | 1.4 | 1.4 | Serviceability Buffer (%) ⁷ | 1.5 | 1.5 | 1.5 |
| Variable Rate - % of balances | 82 | 84 | 87 | Variable Rate - % of funding ¹ | 80 | 82 | 88 |
| Owner Occupied - % of balances | 58 | 58 | 58 | Owner Occupied - % of funding ¹ | 61 | 62 | 62 |
| Investment - % of balances | 35 | 34 | 34 | Investment - % of funding ¹ | 35 | 33 | 33 |
| Line of Credit - % of balances | 7 | 8 | 8 | Line of Credit - % of funding ¹ | 4 | 5 | 5 |
| Proprietary - % of balances | 63 | 63 | 63 | Proprietary - % of funding ¹ | 62 | 63 | 64 |
| Broker - % of balances | 37 | 37 | 37 | Broker - % of funding ¹ | 38 | 37 | 36 |
| Interest Only - % of balances ² | 34 | 32 | 32 | Interest Only - % of funding ^{1,2} | 35 | 33 | 32 |
| First Home Buyers - % of balances | 13 | 14 | 15 | First Home Buyers - % of funding ¹ | 6 | 11 | 13 |
| Low Doc - % of balances | 1.6 | 1.9 | 2.2 | Low Doc - % of funding ¹ | 0.2 | 0.2 | 0.3 |
| LMI - % of balances ³ | 25 | 25 | 25 | LMI - % of funding ^{1,3} | 21 | 23 | 24 |
| MIP - % of balances ⁴ | 0.06 | 0.08 | 0.11 | Portfolio Dynamic LVR (%) ⁸ | 47 | 48 | 49 |
| Customers in Advance (%) ⁵ | 78 | 80 | 81 | Portfolio Run-Off (%) ⁹ | 20 | 18 | 18 |
| Payments in Advance (#) ⁶ | 7 | 7 | 7 | | | | |

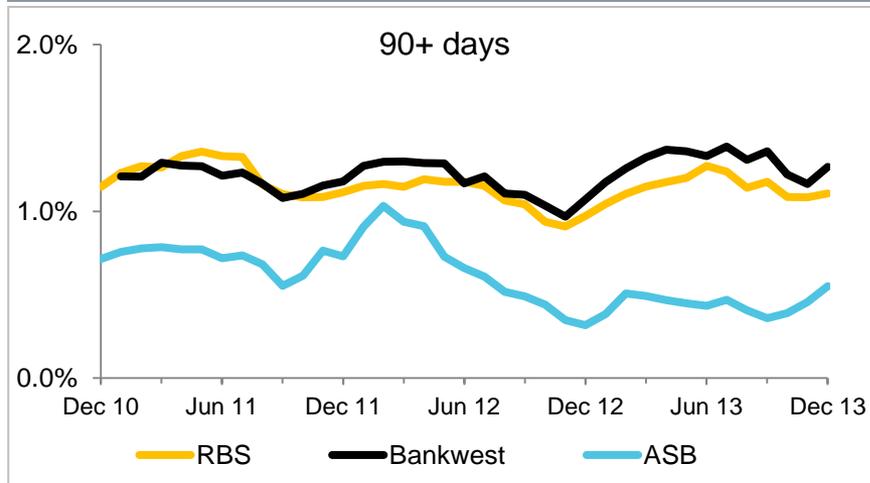
1. 6 months to December and 12 months to June. 2. Excludes Viridian LOC. 3. Lenders' Mortgage Insurance. 4. Mortgage in Possession. 5. Any payment ahead of monthly minimum repayment. 6. Average number of payments ahead of scheduled repayments. 7. Serviceability test based on the higher of the customer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

Consumer Arrears (Group)

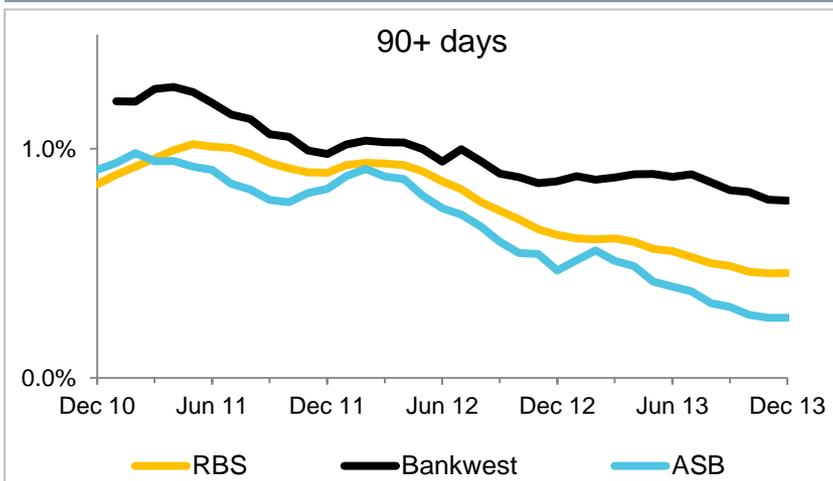
Credit Cards ¹



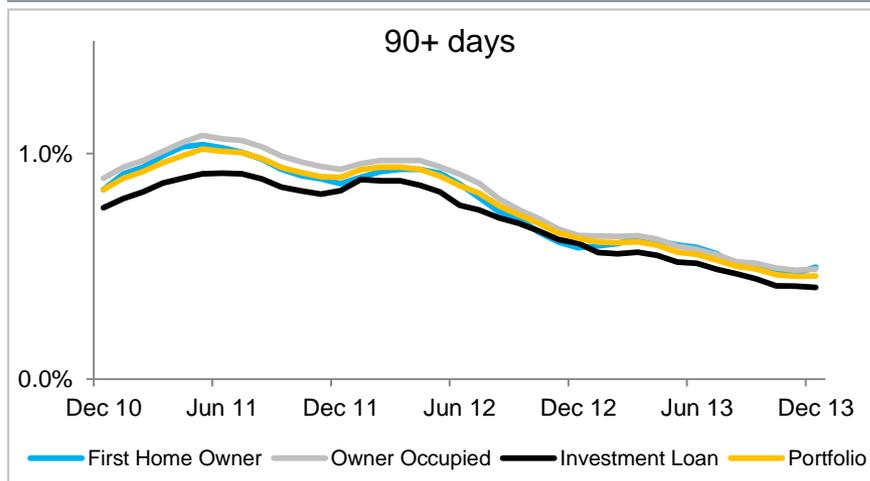
Personal Loans ¹



Home Loans ¹



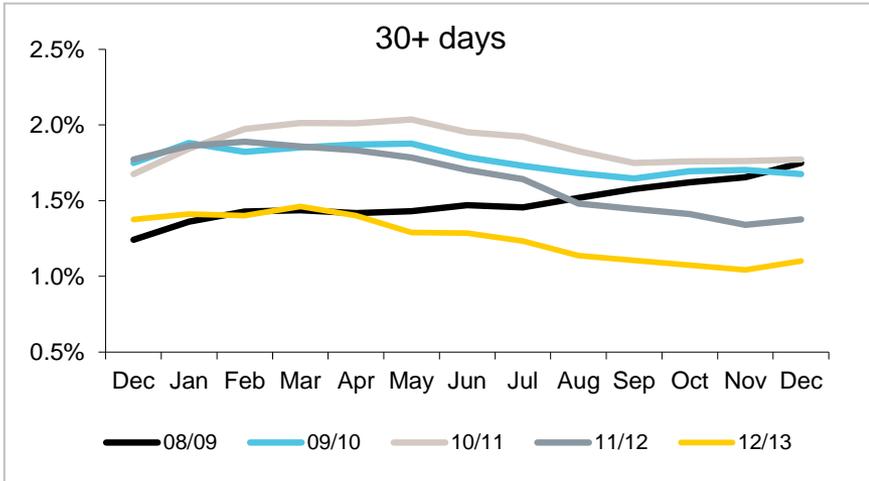
RBS Home Loans



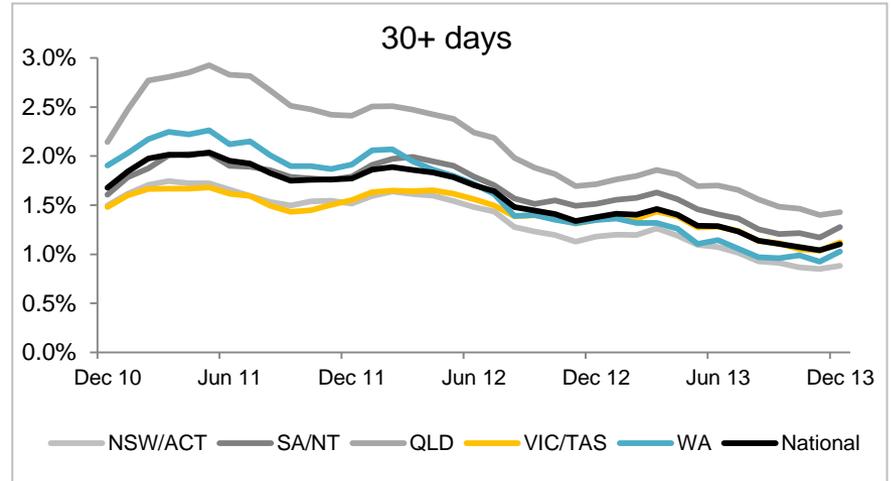
¹ Results not consistently measured/defined across the industry. CBA definition is conservative as it includes Hardship accounts.

Consumer Arrears (RBS)

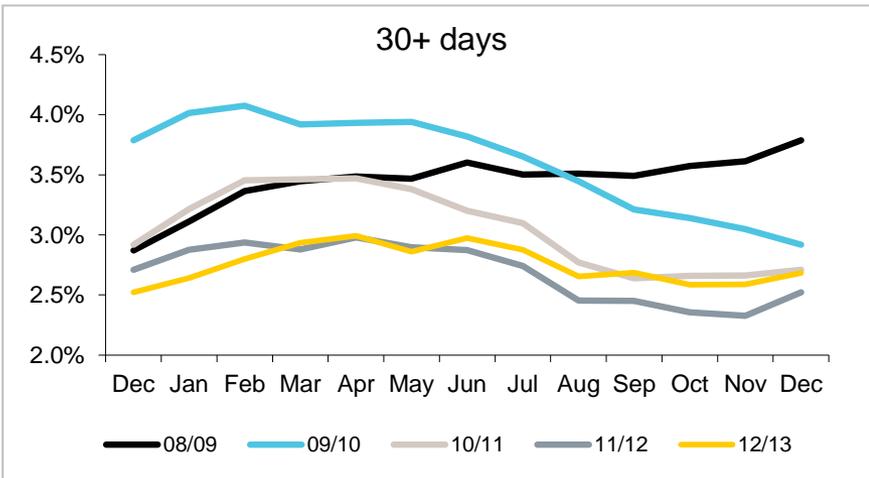
Home Loans



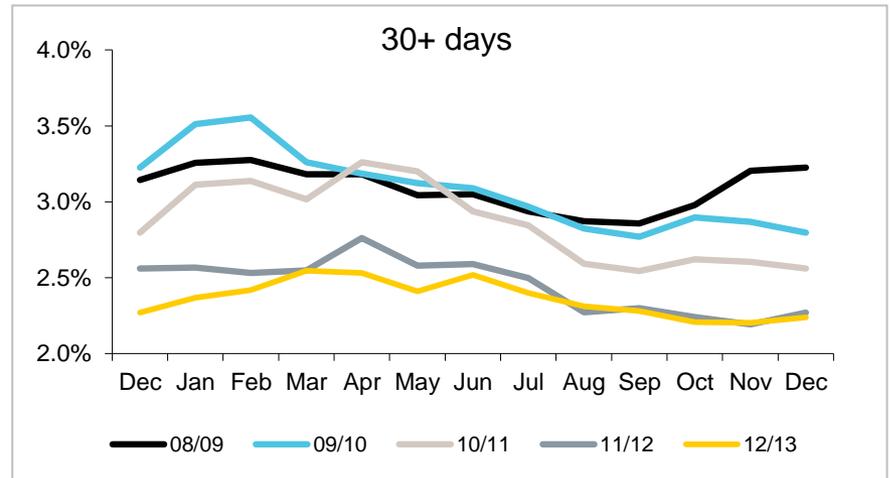
Home Loans by State



Personal Loans

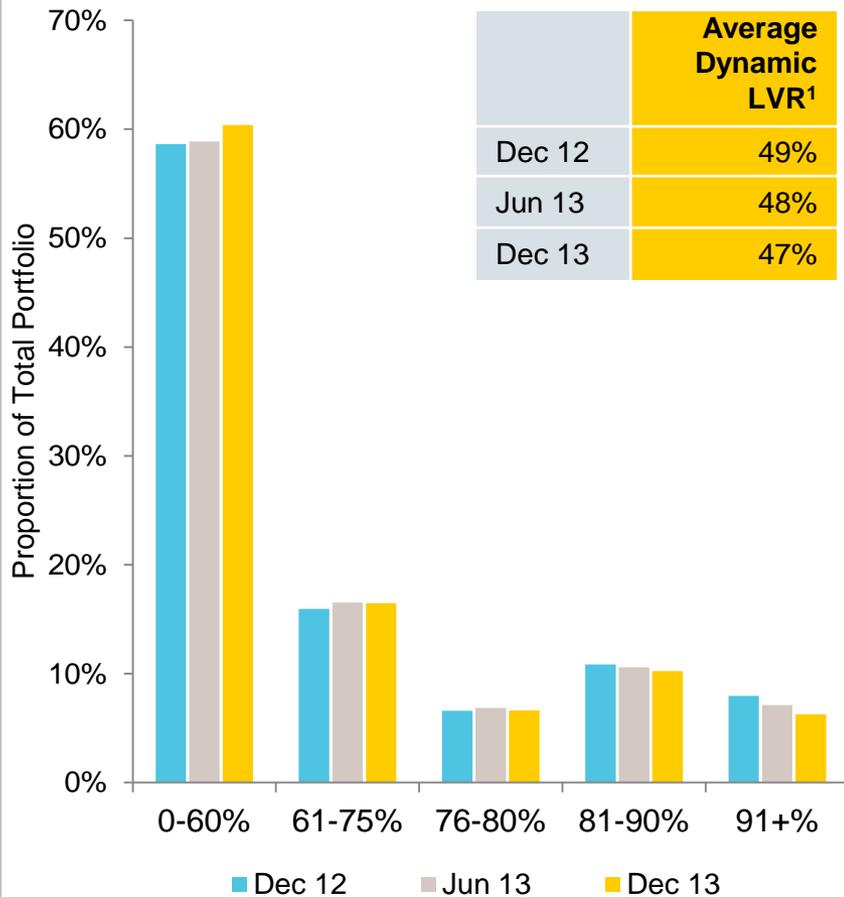


Credit Cards

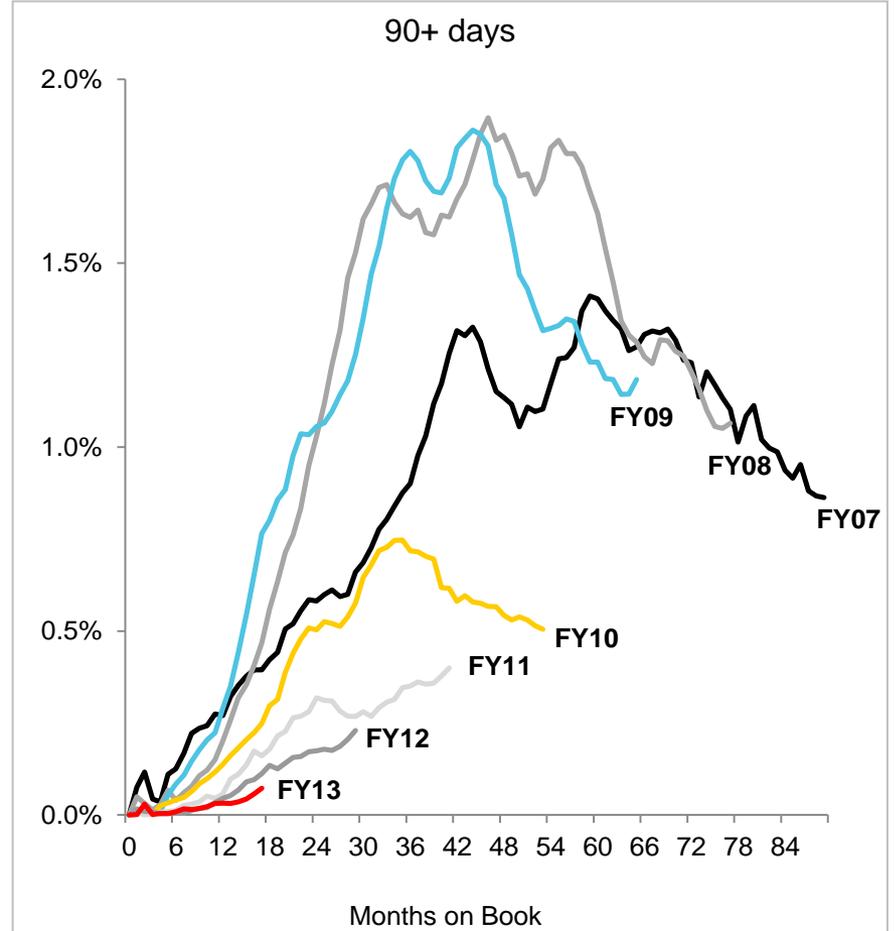


RBS Home Loans – LVR and Arrears by Vintage

Home Loan Dynamic LVR¹ Profile



Home Loan Arrears Rates by Vintage



¹ Dynamic LVR is current balance / current valuation. Current period balance and valuations as at September 2013.

RBS Home Loans – Stress Test

Observations

- ◆ Aggressive three-year “stress test” scenario of cumulative 32% house price decline and peak 11.5% unemployment
- ◆ House prices and PDs are stressed at regional level
- ◆ Total potential losses of \$1.69bn for the uninsured portfolio only over three years (down slightly from Dec 12)
- ◆ Potential claims on LMI of \$1.91bn¹ over three years
- ◆ The key drivers of the decrease in potential losses are an increase in market valuations and improved portfolio quality, partly offset by net portfolio growth

Key Assumptions

| | Base | Year 1 | Year 2 | Year 3 |
|-----------------------------------|-------|--------|--------|--------|
| Unemployment | 5.5% | 7.0% | 10.5% | 11.5% |
| Hours under-employed ¹ | 8.1% | 11.4% | 15.8% | 18.4% |
| Cumulative House Prices | n/a | -15% | -32% | -32% |
| Cash Rate | 2.75% | 2.75% | 1.00% | 1.00% |

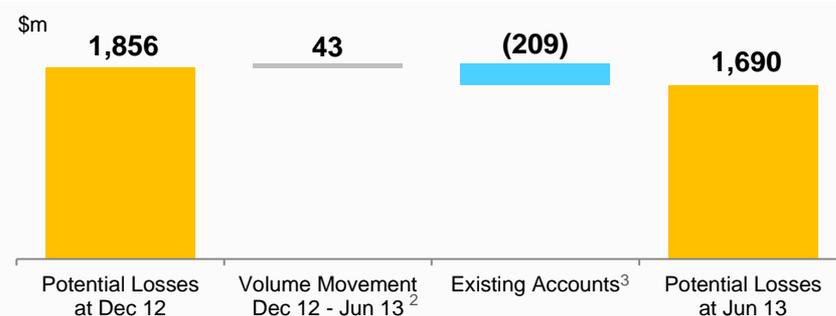
¹ The total number of hours not worked relative to the size of the workforce.

Key Outcomes

| | Year 1 | Year 2 | Year 3 |
|-----------------------------|--------|--------|--------|
| Stressed Losses | \$334m | \$572m | \$784m |
| Probability of Default (PD) | 1.12% | 1.78% | 2.49% |

- Results based on December 2012, due to the lag in the publication of current valuations data.
- Total potential losses of \$1,690m for the uninsured portfolio predicted over 3 years.

Key Drivers of Movement

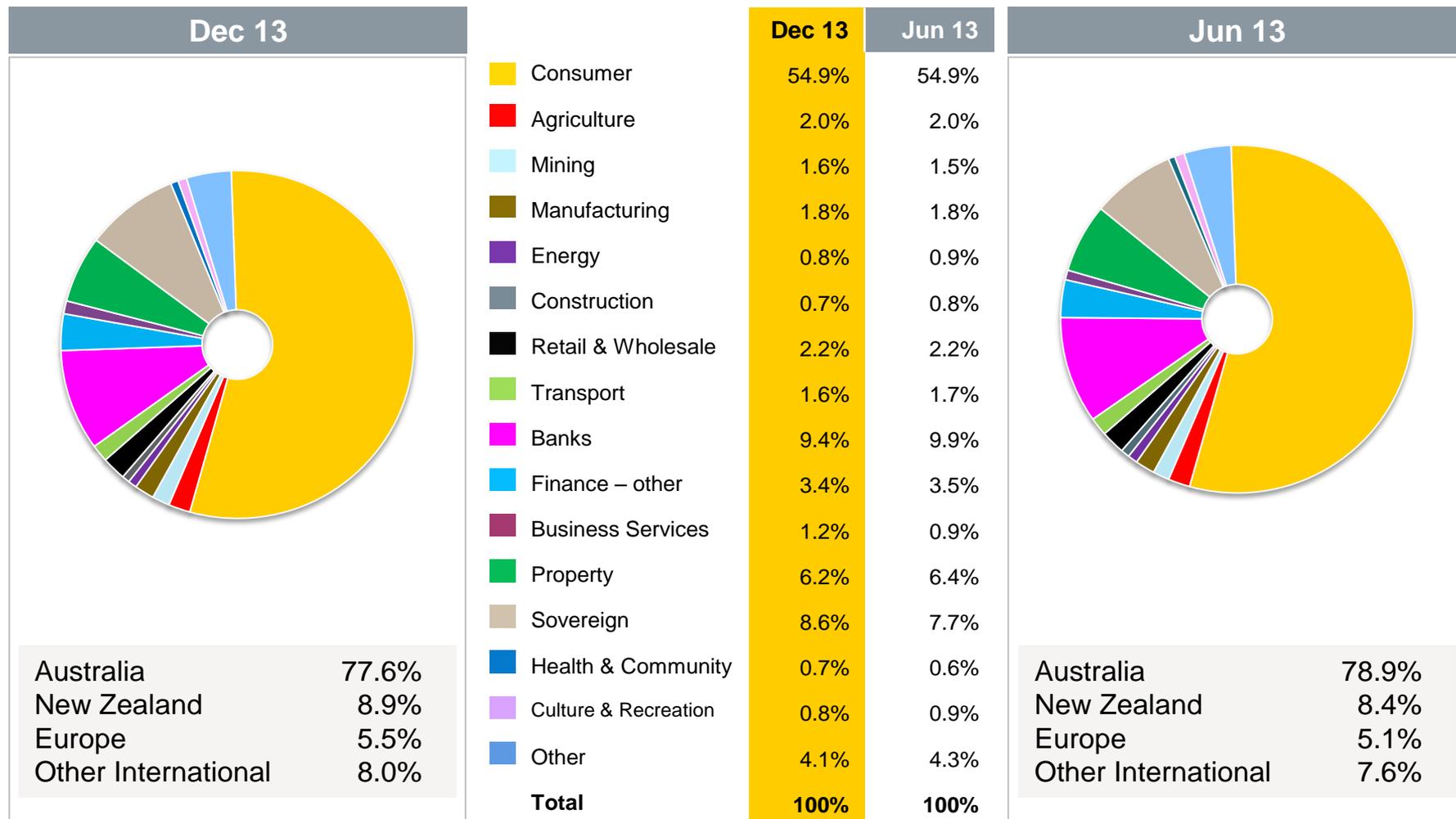


¹ Conservative in that it assumes all loans that become 90 days in arrears will result in a claim.

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

³ Change in potential loss for accounts that have remained on book between December 2012 and June 2013.

Credit Exposure¹ by Industry



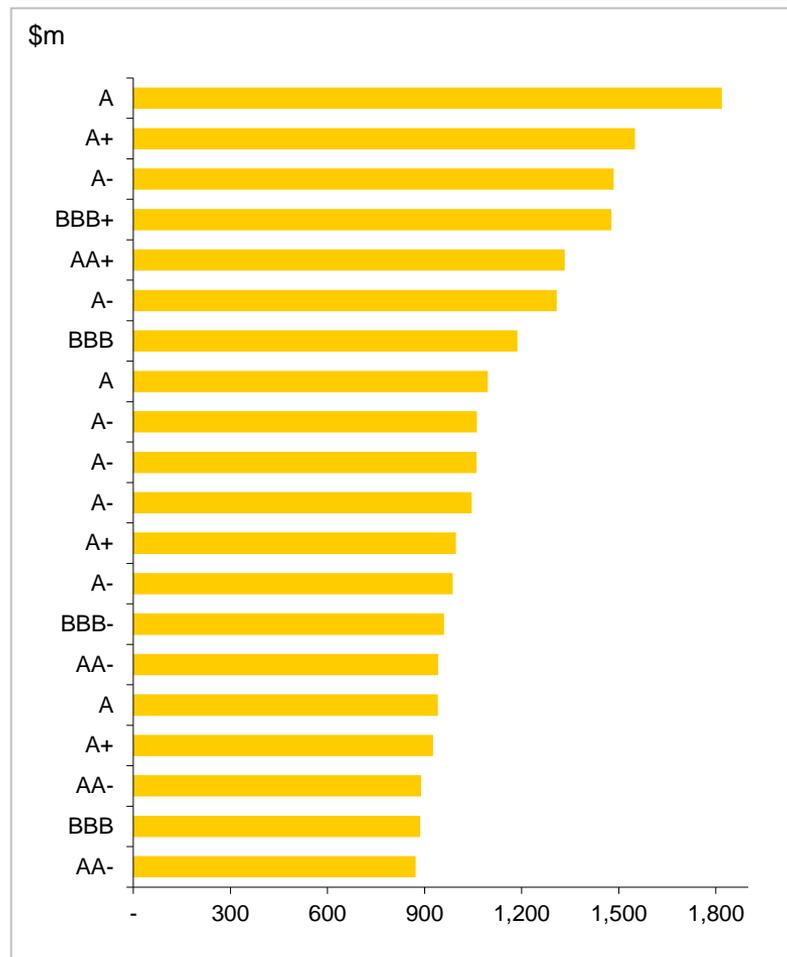
¹ Total committed credit exposure (TCE) = balance for uncommitted facilities or greater of limit or balance for committed facilities. Calculated before collateralisation. Includes ASB and Bankwest. Excludes settlement risk.

Sector Exposures

Commercial Exposures¹ by Industry

| \$bn | AAA to AA- | A+ to A- | BBB+ to BBB- | Other | Total |
|-------------------------|--------------|-------------|--------------|--------------|--------------|
| Banks | 34.9 | 42.2 | 6.5 | 1.3 | 84.9 |
| Finance Other | 10.9 | 11.2 | 3.4 | 4.7 | 30.2 |
| Property | 0.3 | 5.5 | 11.9 | 38.3 | 56.0 |
| Sovereign | 75.6 | 1.1 | 0.5 | 0.3 | 77.5 |
| Manufacturing | 0.3 | 2.6 | 6.3 | 7.1 | 16.3 |
| Retail/Wholesale Trade | 0.1 | 2.1 | 5.5 | 11.9 | 19.6 |
| Agriculture | - | 0.3 | 1.9 | 15.5 | 17.7 |
| Energy | 0.1 | 1.7 | 4.8 | 0.8 | 7.4 |
| Transport | 0.2 | 2.0 | 8.3 | 3.9 | 14.4 |
| Mining | 1.3 | 6.1 | 2.7 | 4.1 | 14.2 |
| All other (ex consumer) | 2.3 | 4.5 | 16.2 | 36.1 | 59.1 |
| Total | 126.0 | 79.3 | 68.0 | 124.0 | 397.3 |

Top 20 Commercial Exposures²

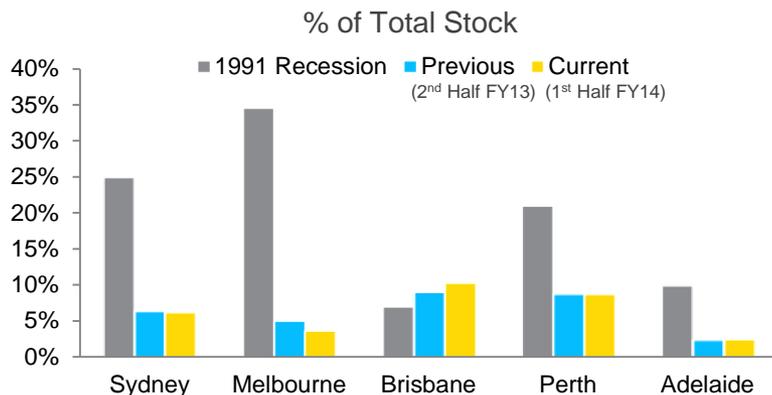


1 Gross credit exposure before collateralisation (TCE) = balance for uncommitted facilities and greater of limit or balance for committed facilities. Includes ASB and Bankwest, and excludes settlement exposures and leasing exposures.

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

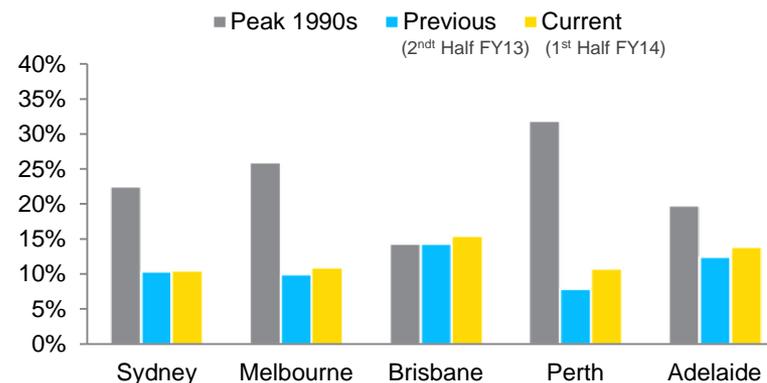
Commercial Property Market

CBD Office Supply Pipeline¹



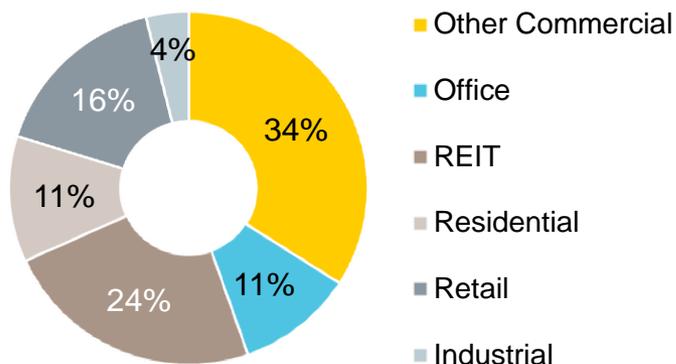
Source : Jones Lang LaSalle Research

CBD Vacancy Rates

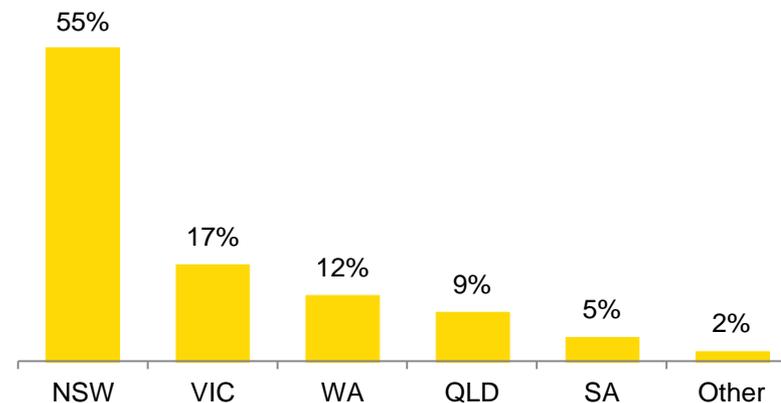


Source : Jones Lang LaSalle Research

Group Commercial Property Profile²



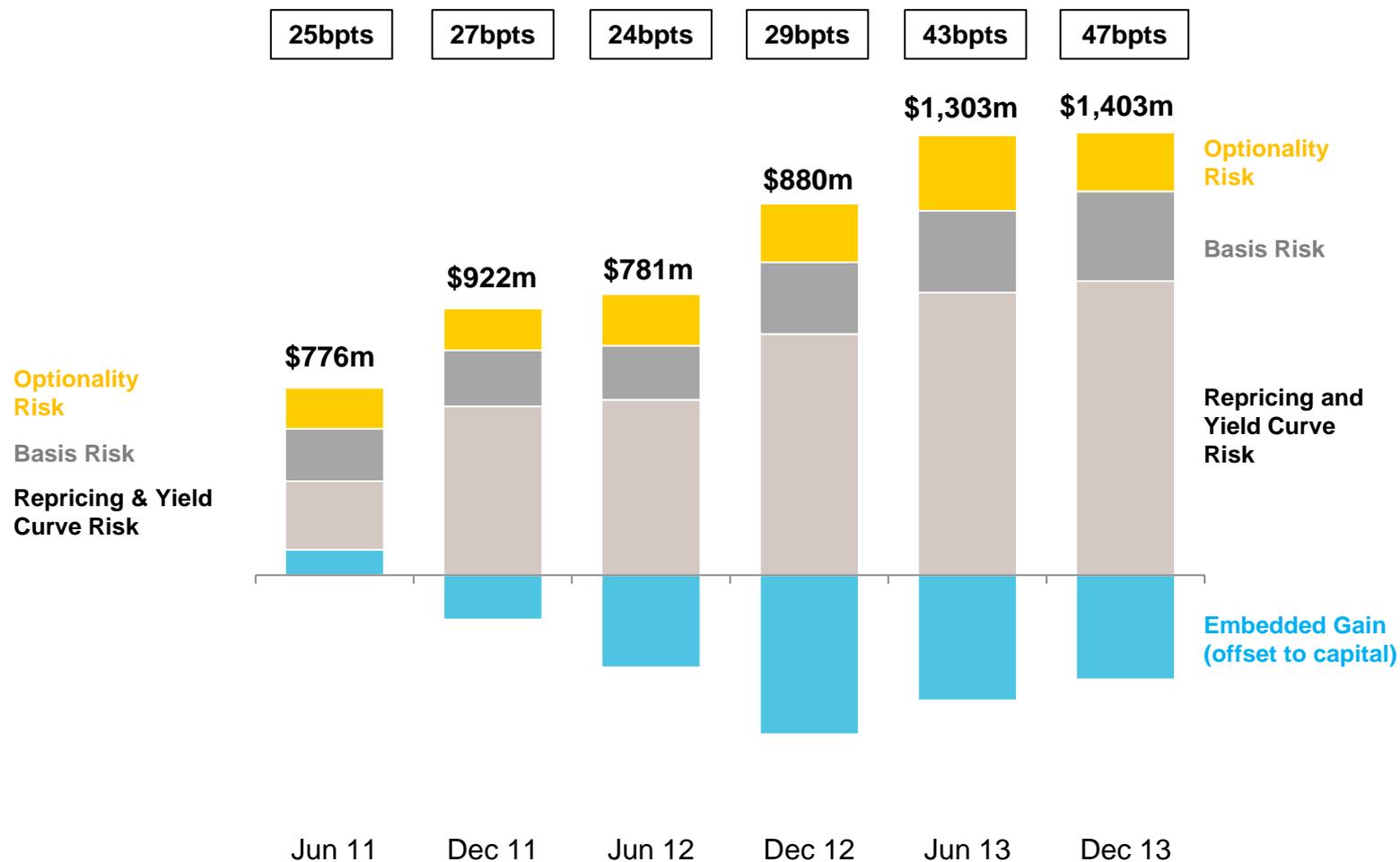
Commercial Property by State²



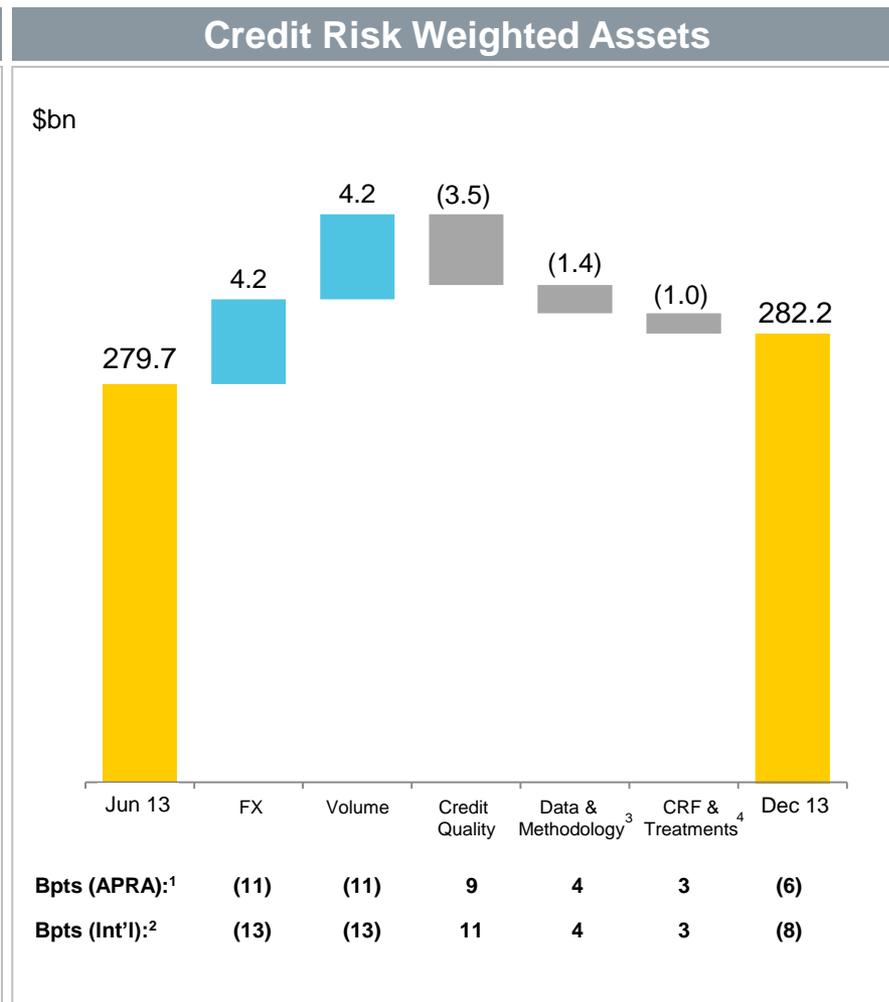
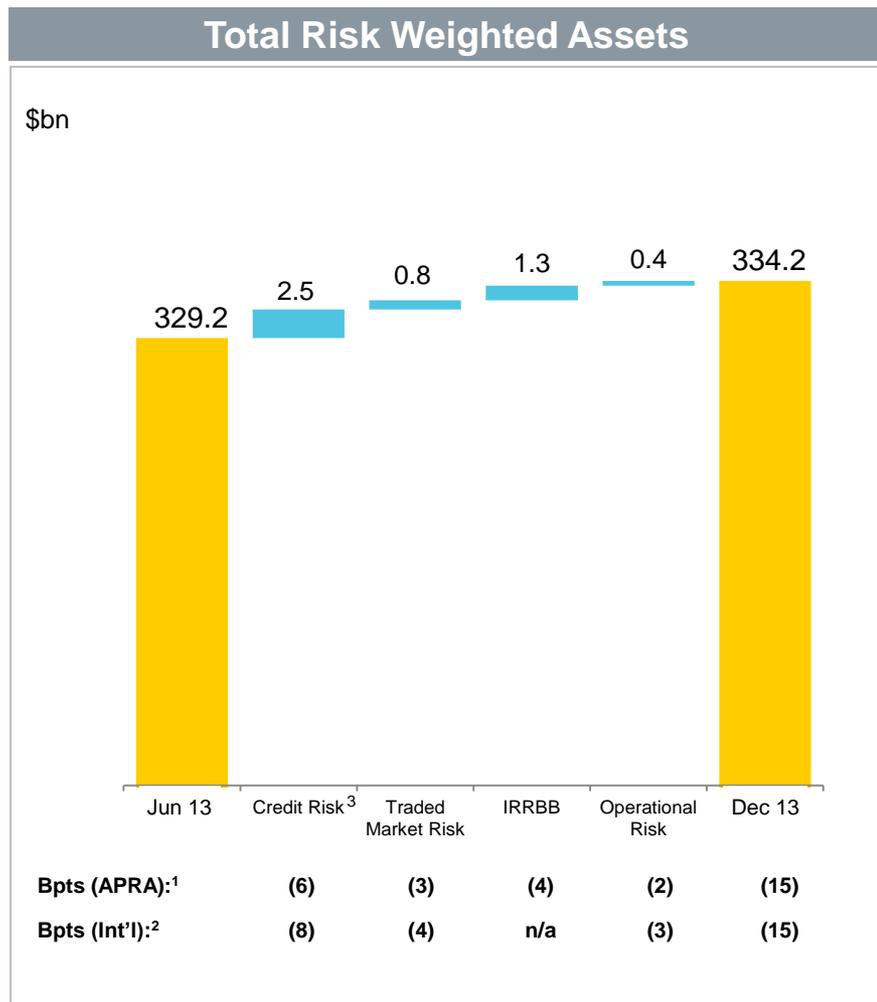
¹ The development pipeline includes all projects currently under construction.

² Includes ASB and Bankwest. Excludes service sectors.

Interest Rate Risk in the Banking Book



Risk Weighted Assets



1 Basis points contribution to change in APRA CET1 ratio.

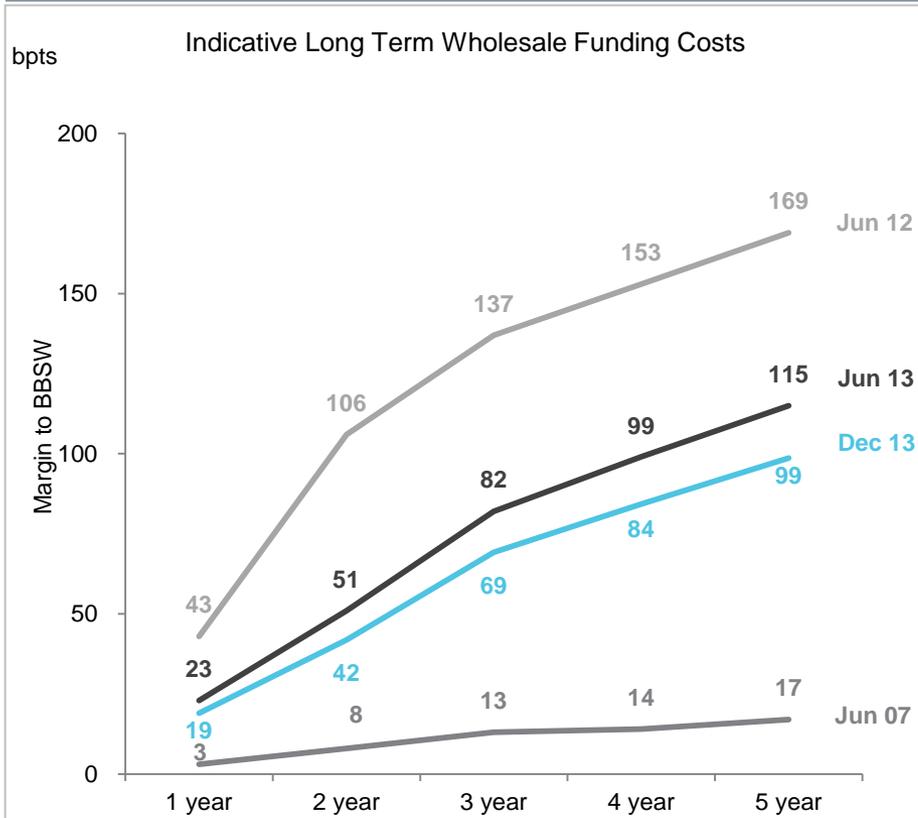
2 Basis points contribution to change in internationally harmonised CET1 ratio.

3 Includes reclassification of Bankwest non-retail AIRB portfolio to standardised as at 31 December 2013.

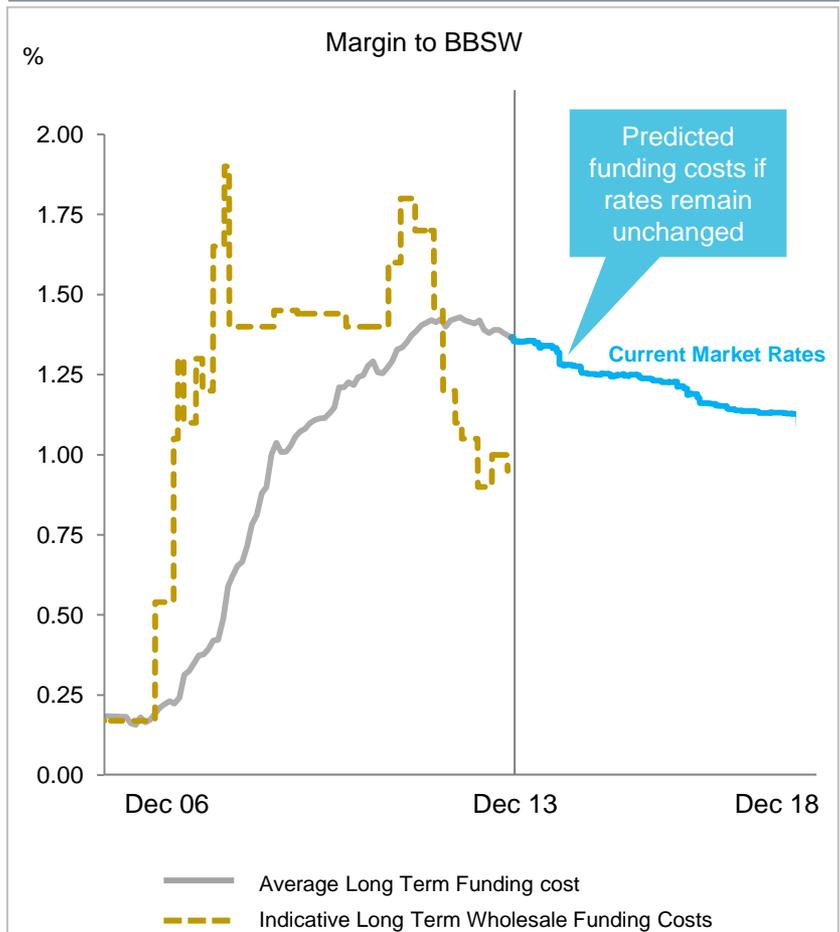
4 Credit Risk Factors (CRF) refers to the Group's estimates of regulatory PD, LGD and EAD.

Wholesale Funding Costs

Marginal Funding Costs¹



Average Long Term Funding Costs²



1 CBA Group Treasury estimated blended wholesale funding costs.

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

APRA & International Comparison

The following table provides details of the impact on CBA Group capital, as at 31 December 2013, of the differences between the APRA Basel III prudential requirements¹ and the requirements of the Basel Committee on Banking Supervision (BCBS).²

| | CET1 % | Tier 1 Capital % | Total Capital % |
|----------------------------------|--------------|------------------------|-----------------------|
| Basel III (APRA) | 8.5% | 10.6% | 11.4% |
| Equity investments | 1.0% | 1.0% | 1.0% |
| Deferred tax assets | 0.3% | 0.3% | 0.3% |
| IRRBB risk weighted assets | 0.5% | 0.6% | 0.6% |
| RWA treatment - mortgages | 1.1% | 1.2% | 1.4% |
| Total adjustments | 2.9% | 3.1% | 3.3% |
| Basel III (International) | 11.4% | 13.7% | 14.7% |

¹ APRA Basel III final standards released September 2012.

² BCBS December 2010 Paper.



APRA & International Comparison

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

| | |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Equity investments | 100% deduction is required from CET1 for equity investments in financial institutions and entities that are not consolidated for regulatory purposes (e.g. insurance and funds managements businesses). APRA requires these equity investments to be 100% deducted from CET1. The BCBS allows a concessional threshold before the deduction is required. |
| Deferred tax assets | 100% deduction is required from CET1 for deferred tax assets relating to temporary differences. APRA requires all deferred tax assets, including those relating to temporary differences, to be 100% deducted from CET1. The BCBS allows a concessional threshold before the deduction is required. |
| IRRBB RWA | APRA requires the inclusion of IRRBB within RWA. The BCBS requirements make no reference to IRRBB RWA. |
| RWA treatment - mortgages | APRA imposes a floor of 20% on the downturn Loss Given Default (LGD) used in advanced credit models for determining credit RWAs for residential mortgages. The BCBS imposes a downturn LGD floor of 10% for these exposures. |



Regulatory Expected Loss

| | Basel III Dec 13 ¹ (\$m) | Basel III Jun 13 (\$m) | Basel III Dec 12 (\$m) |
|------------------------------------------------------|-------------------------------------------|------------------------------|------------------------------|
| CBA Regulatory Expected Loss (EL) | 4,516 | 5,682 | 5,497 |
| Eligible Provision | | | |
| Collective provision ² | 2,698 | 2,668 | 2,701 |
| Individually assessed provisions ^{2,3} | 2,192 | 2,668 | 2,622 |
| Other provisions | 24 | 31 | 18 |
| Subtotal | 4,914 | 5,367 | 5,341 |
| General Reserve for Credit Losses adjustment | 283 | 297 | 282 |
| less ineligible provisions ⁴ | (917) | (253) | (302) |
| Total Eligible Provision | 4,280 | 5,411 | 5,321 |
| Regulatory EL in excess of Eligible Provision | 236 | 271 | 176 |
| Common Equity Tier 1 Adjustment | 236 | 271 | 176 |

¹ Effective from 31 December 2013. APRA revoked AIRB accreditation in respect of the Bankwest non retail portfolio. The impact on the Group's capital level was not material.

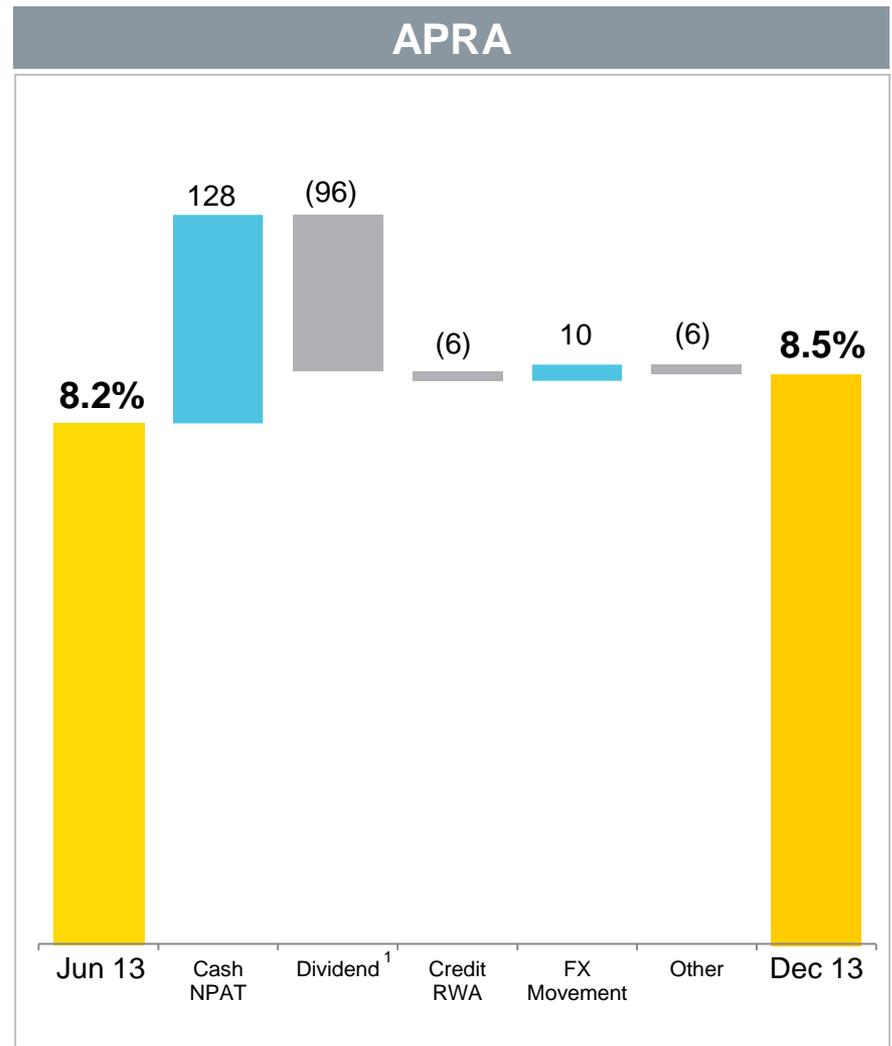
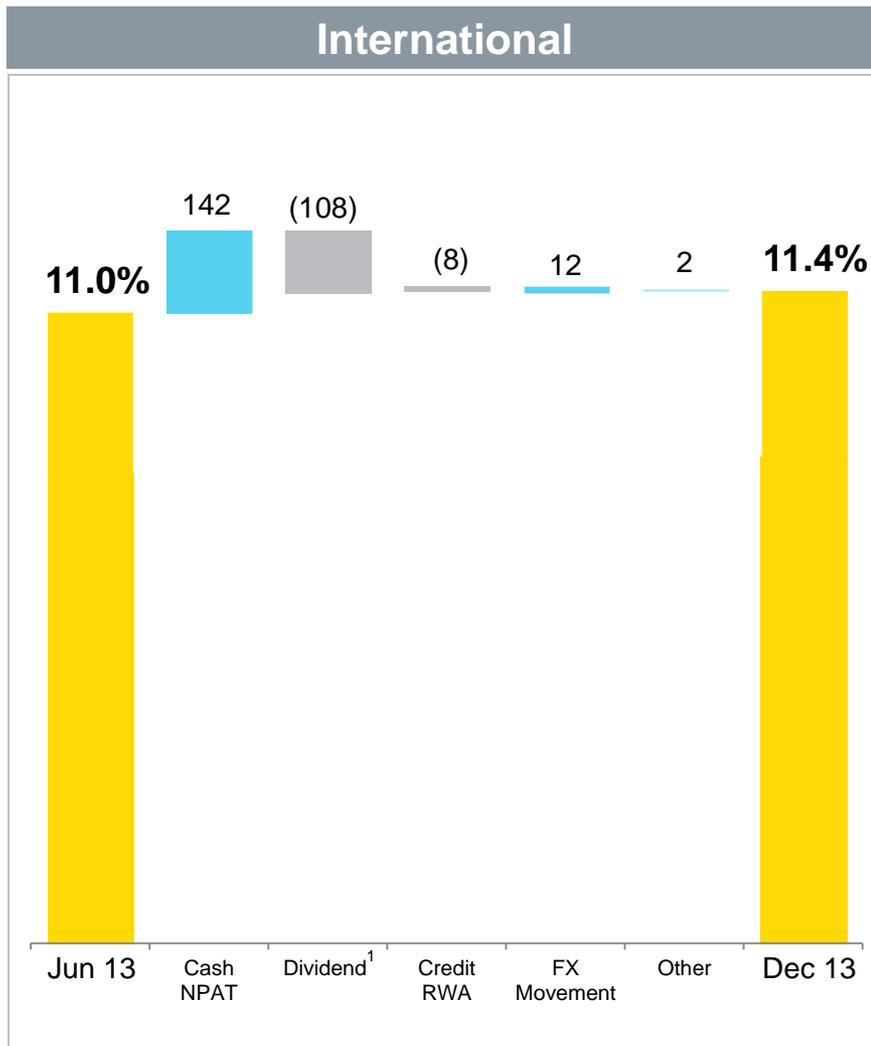
² Includes transfer from Collective provision to Individually assessed provisions in accordance with APS 220 requirements (Dec 13: \$148m, June 13: \$159m, Dec 12: \$139m).

³ Individually assessed provisions at Dec 2013 include \$628m in partial write offs (June 13: \$881m, Dec 12: \$638m).

⁴ Includes provisions for assets under standardised portfolio.



CET1 – Movement in 1H14

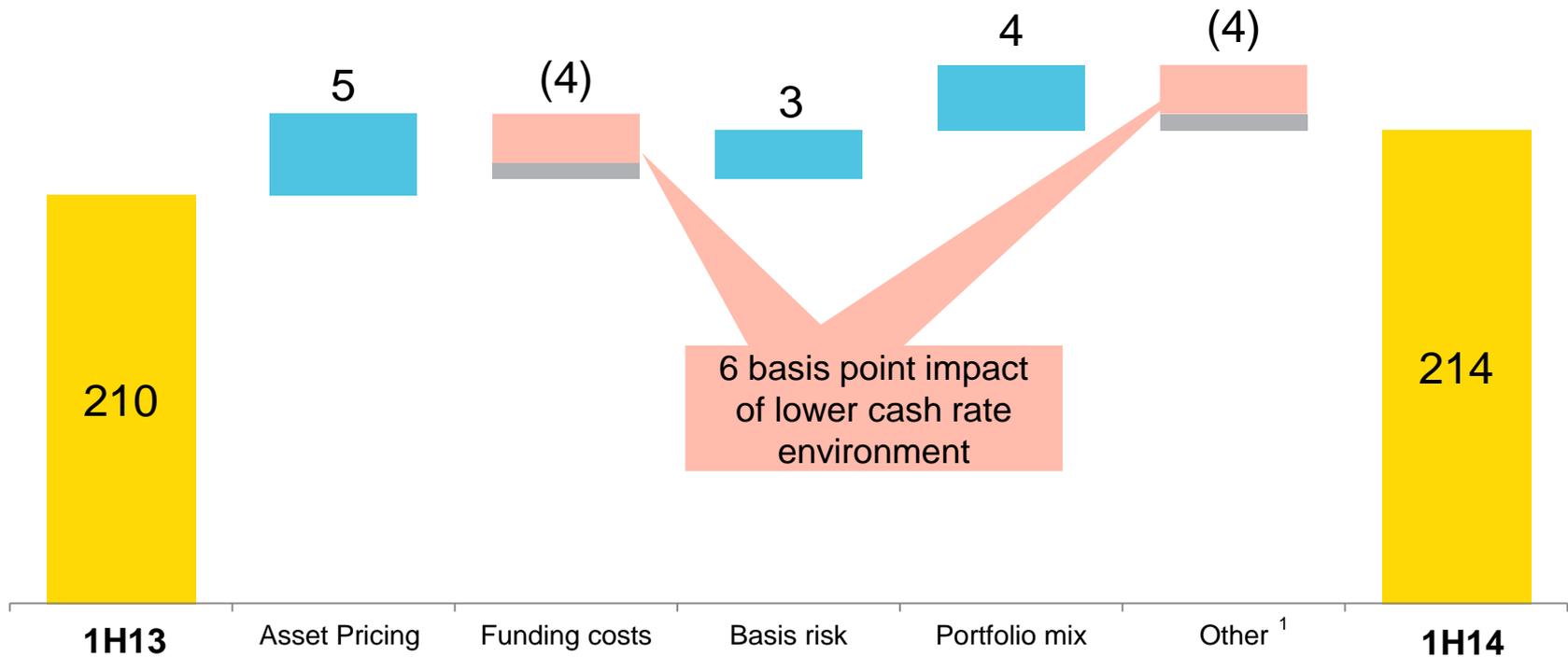


¹ Dec 13 movement reflects June 2013 final dividend (declared August 2013), in which the dilutive impact of the DRP was neutralised.

Group NIM

12 Month Movement

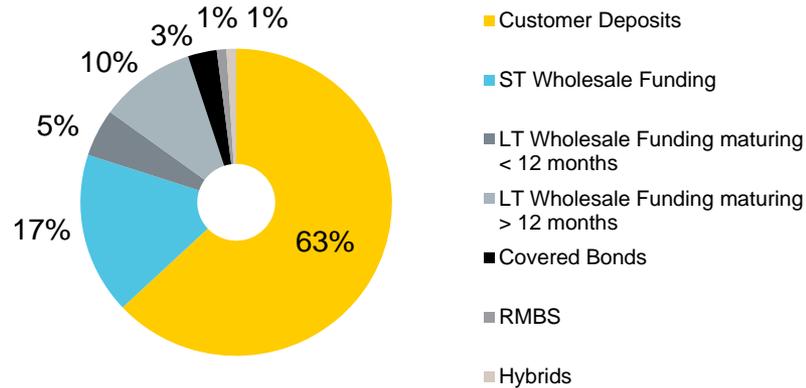
bpts



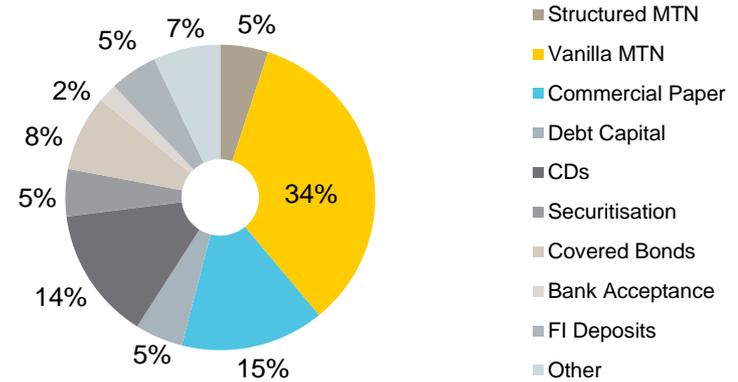
¹ Includes Treasury, Replicating Portfolio, impact from change in Non Lending IEA's and other unallocated items.

Funding – Portfolio

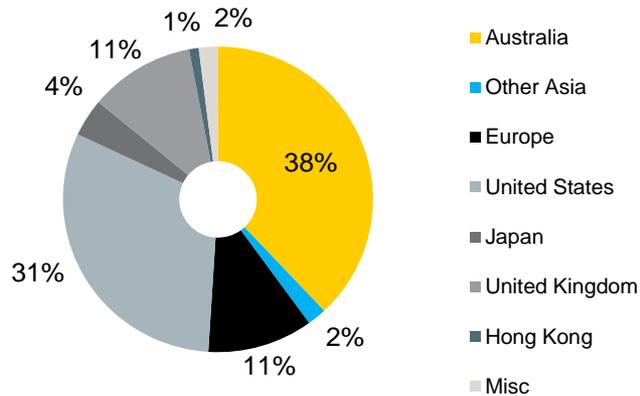
Funding Composition



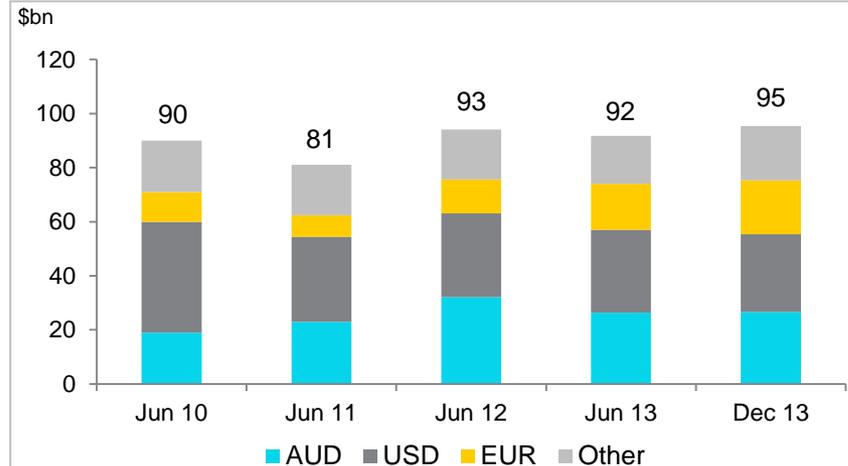
Wholesale Funding by Product



Wholesale Funding by Currency

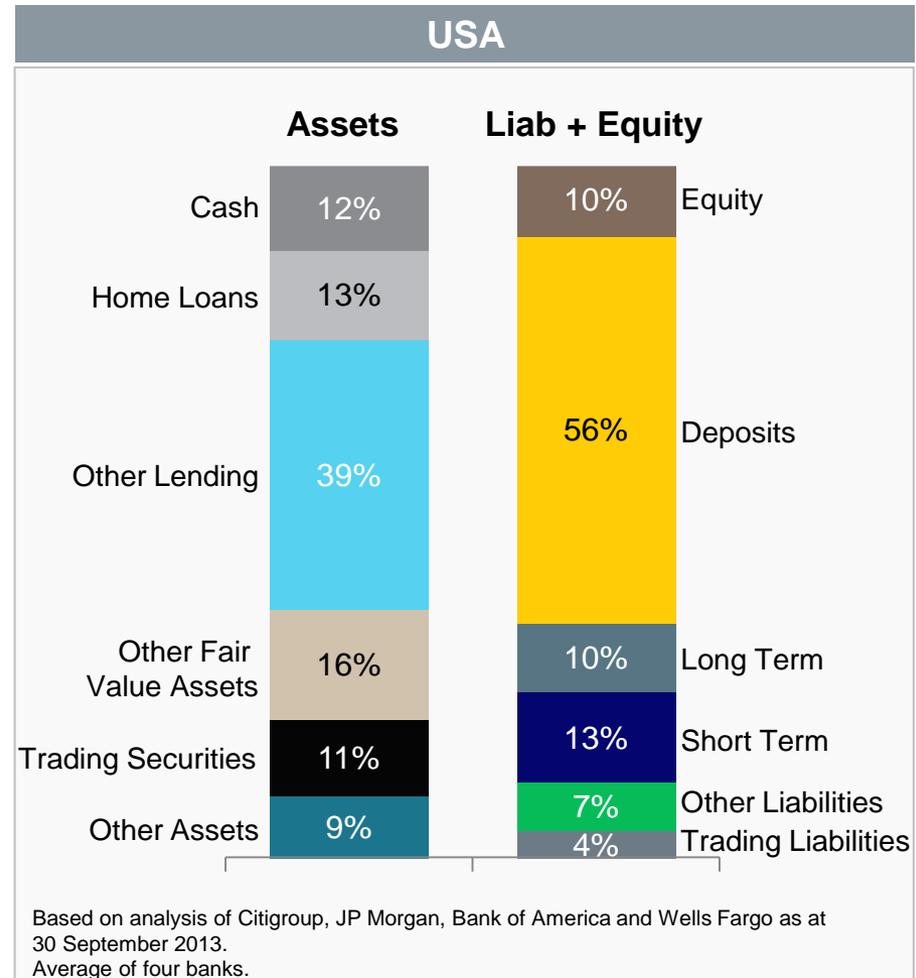
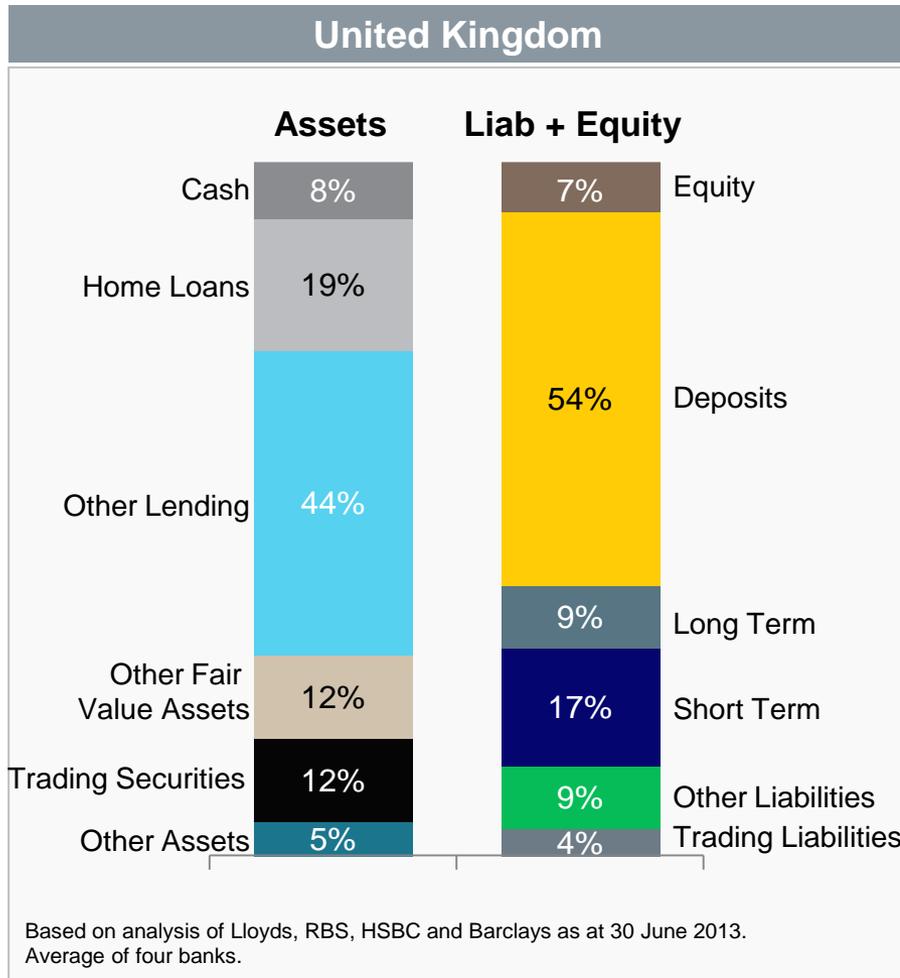


Term Debt Issues Outstanding (>12mths)¹



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

UK and US Balance Sheet Comparison

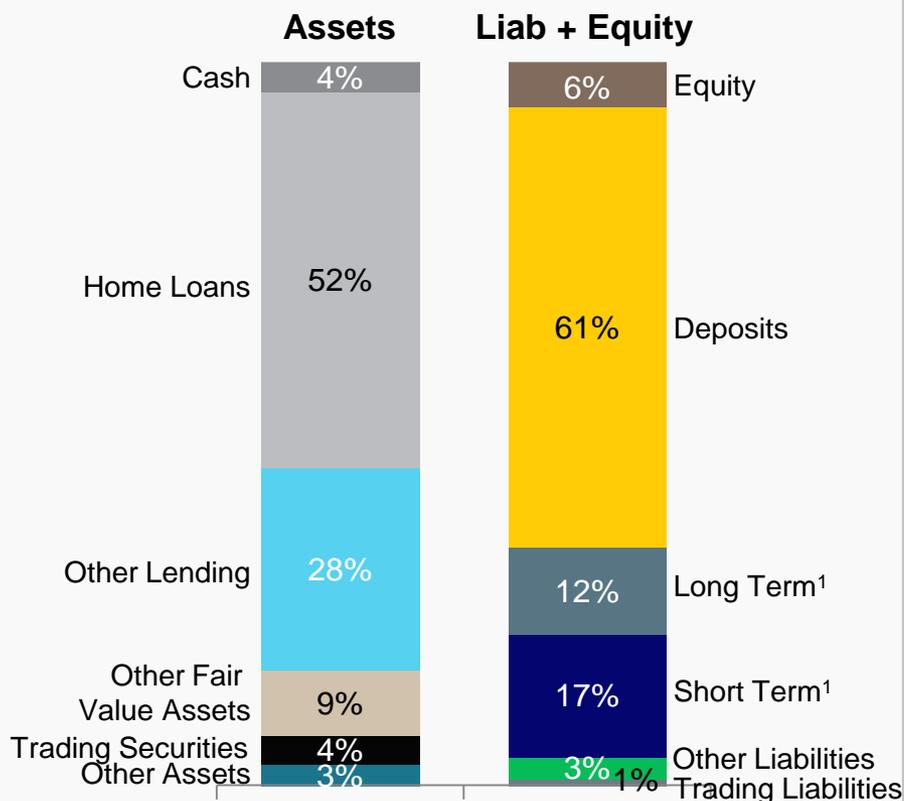


Based on statutory balance sheets.

Balance sheets do not include derivative assets and liabilities.

Australian Banks – Safe Assets, Secure Funding

Commonwealth Bank



CBA balance sheet as at 31 December 2013.
Balance sheet does not include derivative assets and liabilities.
Based on statutory balance sheet.

Balance Sheet Comparisons

Assets – CBA's assets are safer because:

- 52% of balance sheet is home loans, which are stable/long term
- Trading securities and other fair value assets comprise just 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 | 81% | 19% |
| UK | 46% | 54% |
| US | 54% | 46% |

Funding – a more secure profile because:

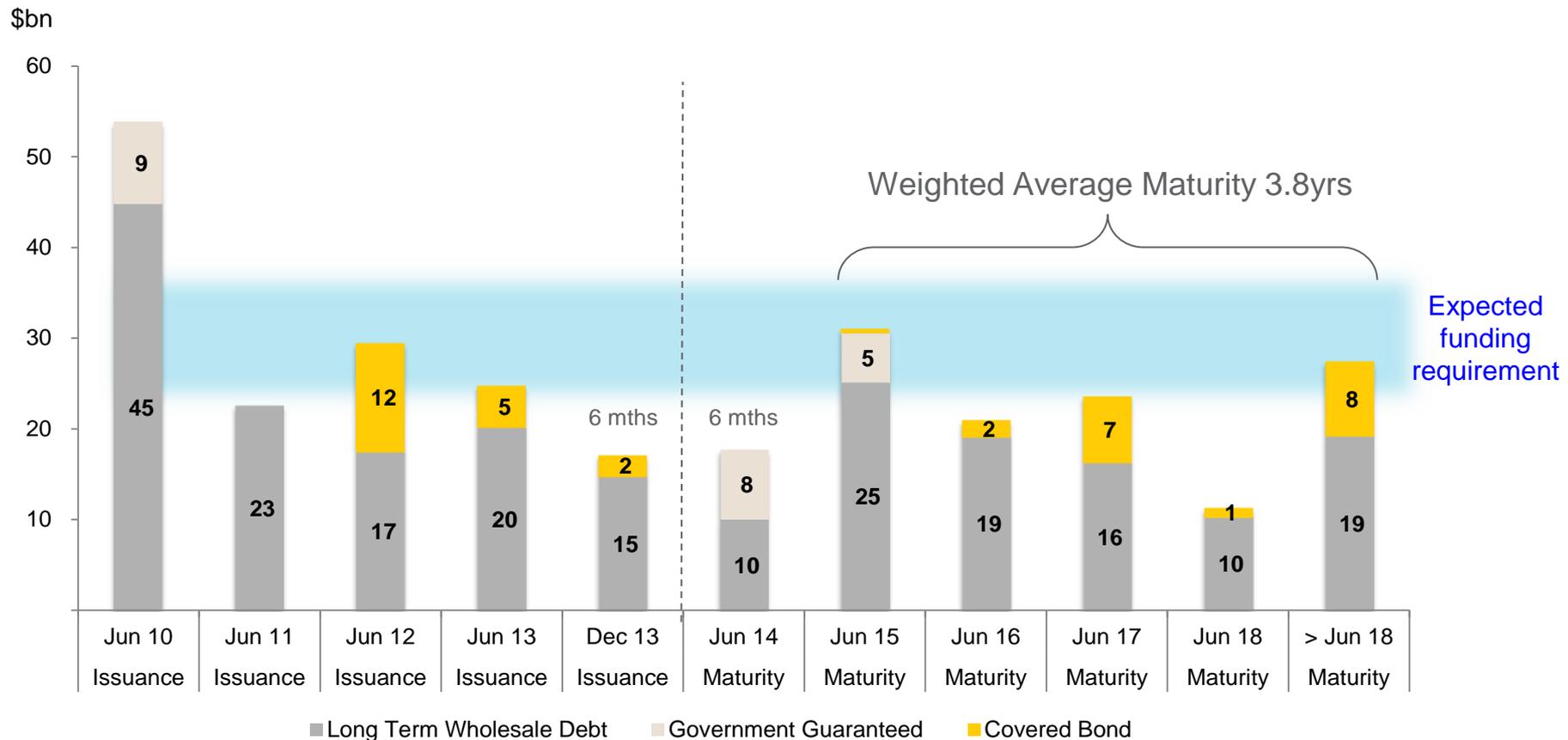
- Highest deposit base (61% including 29% of stable household deposits)
- Reliance on wholesale funding similar to UK and US banks, although a longer profile than UK banks, which gives CBA a buffer against constrained liquidity in the wholesale markets

* Includes grossed up derivatives.

¹ Based on residual maturity.

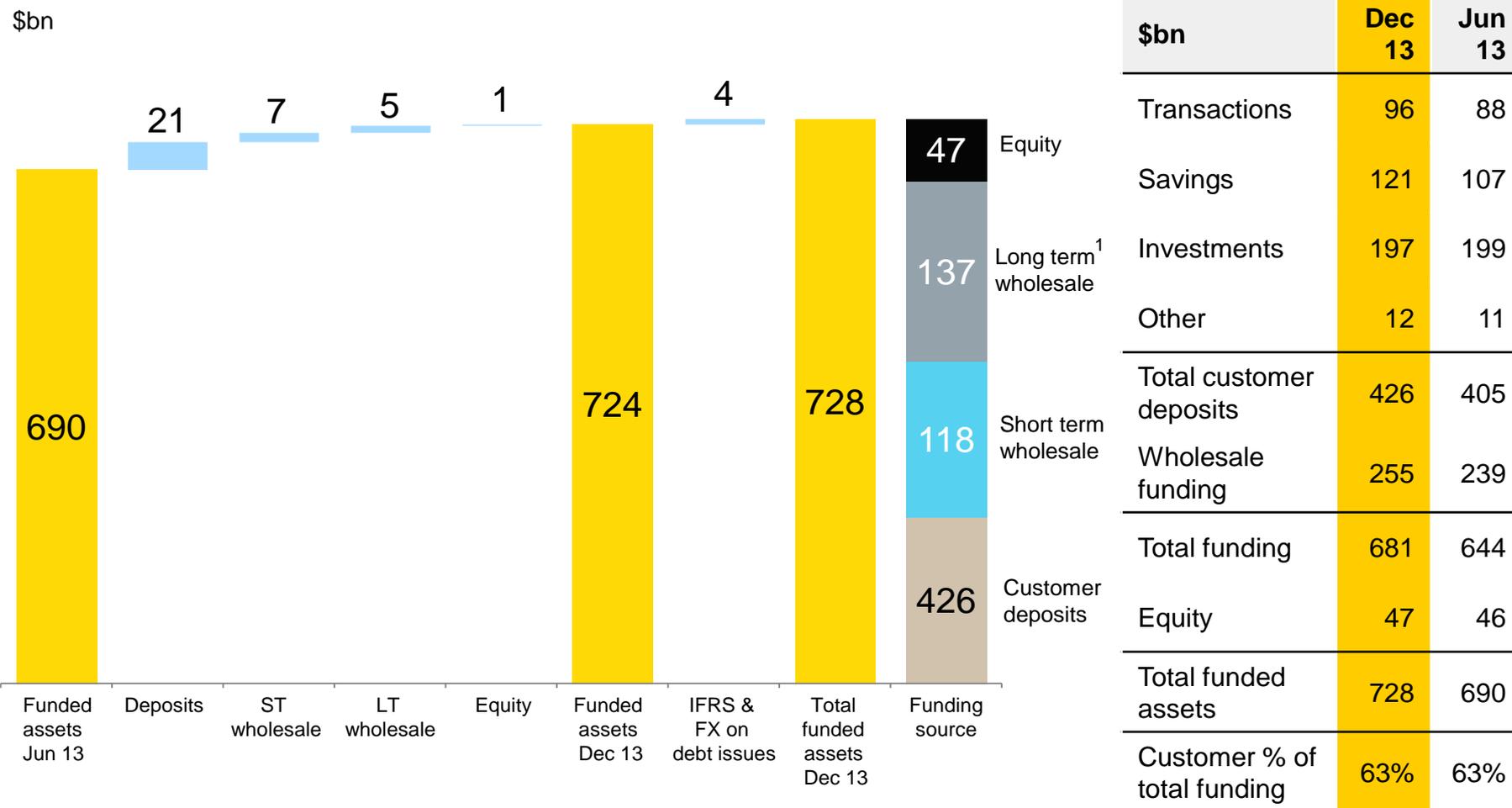
Funding – Issuance and Maturity¹

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



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

Funded Assets

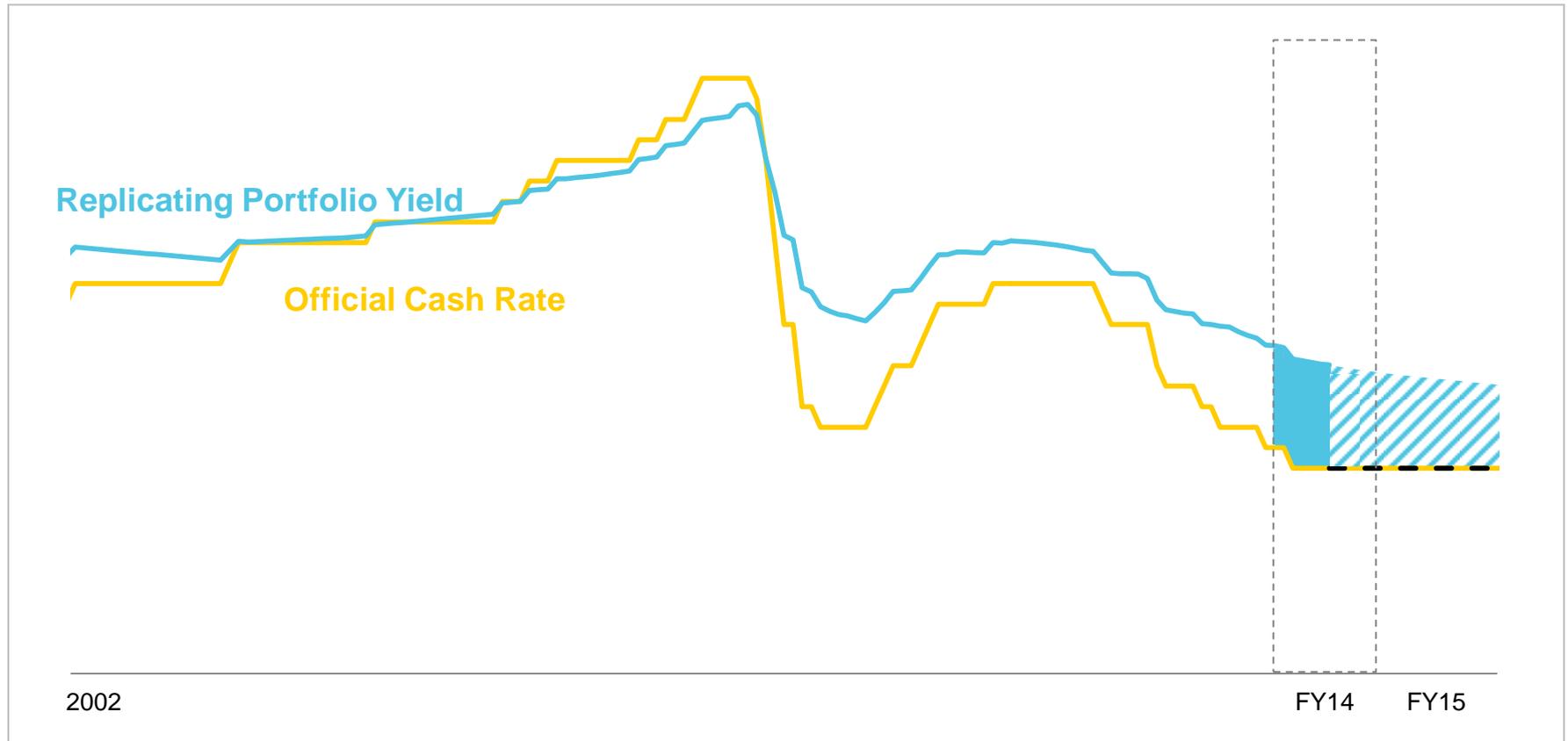


1 Maturity based on original issuance date.

Replicating Portfolio

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

Actual and Forecast Scenario



Leverage ratio

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

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

- ◆ APRA expected to follow Basel Committee proposals

APRA's view of industry levels (November 2011)

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

Leverage ratio should not be the constraint on typical Australian banks

10

Regulatory Change

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|----------------|------------------------------------------------------------------------------------------------------------------------------------|------|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|------|----------------------------------------------|
| Capital | Bank capital (Basel III) - implemented (CET1 min 4.5%) Life and general insurance capital - implemented | | Leverage ratio - observation period (publicly disclosed) Level 3 reforms - to be implemented | Capital conservation buffer - to be implemented (CET1 2.5%) D-SIB surcharge - to be implemented (CET1 1.0%) | | Leverage ratio - to be implemented |

Capital

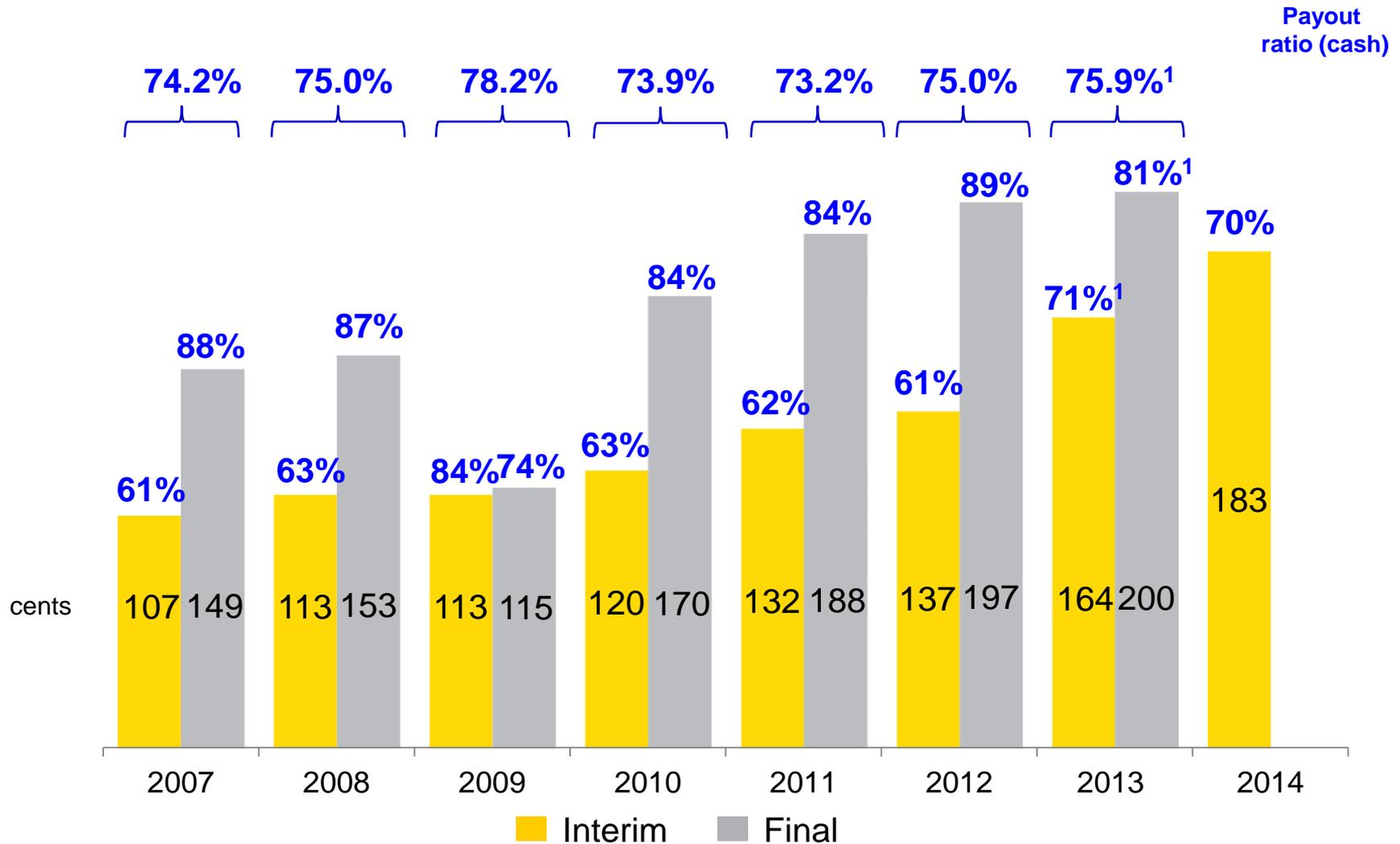
- ◆ Strong capital levels in lead up to implementation of capital conservation buffer and D-SIB surcharge in 2016
- ◆ Draft Level 3 (conglomerate) standards released by APRA in May 2013 – expect current capital levels to be sufficient
- ◆ Leverage ratio public disclosure from 1 January 2015 testing a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

| | 2013 | Q1 14 | Q2 14 | 2015 | 2016 | 2017 | 2018 |
|--------------------------------|---------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|--------------------------------------|------------------------------------------------|------|------|------------------------------------|
| Liquidity & Funding | LCR & NSFR - BCBS observation period LCR - APS 210 finalised | CLF - portfolio guidance expected Mar 14 LCR - forecast CLF application | LCR - begin APRA reporting | LCR - to be implemented (LCR > 100%) | | | NSFR - to be implemented |

Liquidity & Funding

- ◆ APRA standard finalised Dec 2013 with effect from 1 Jan 2014
- ◆ Liquidity Coverage Ratio (LCR) applies from 1 Jan 2015 with no phase in
- ◆ RBA to provide Committed Liquidity Facility (CLF) to address shortage of \$A HQLA1
- ◆ Aggregate level of \$A HQLAs currently held by scenario analysis banks seen as appropriate
- ◆ Net Stable Funding Ratio (NSFR) to be considered after finalisation of global arrangements

Dividend per share

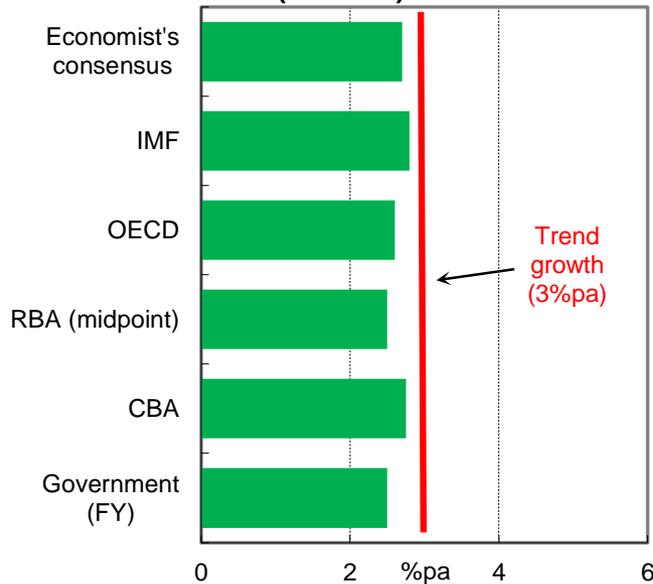


¹ Dividend payout ratios for 2013 have been restated to conform to the presentation in the current period.

Australia in perspective

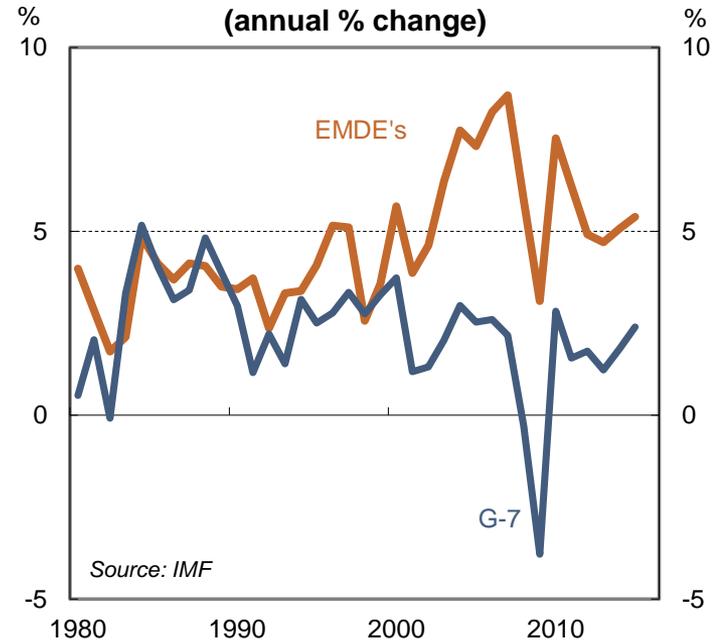
Australian growth will be sub-trend
in the near-term

AUSTRALIAN GROWTH FORECASTS (for 2014)



While other advanced economies
are picking up

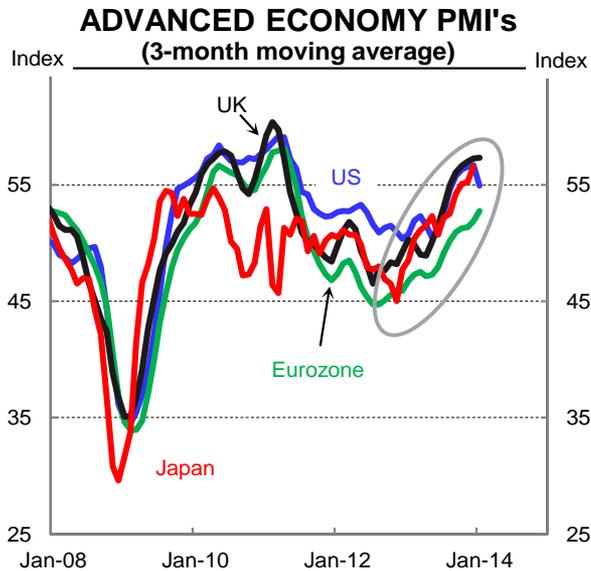
GDP GROWTH (annual % change)



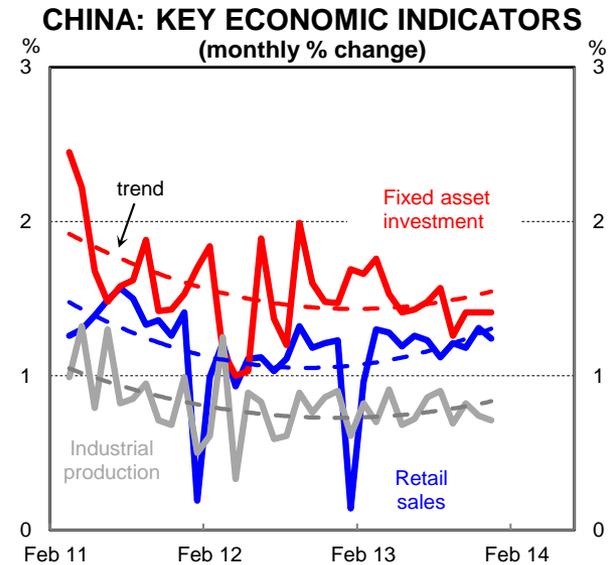
- ◆ The Australian economy is expected to run a little below trend over 2014. With the advanced economies lifting, the Australian relative outperformance theme of the past few years will weaken.
- ◆ Nevertheless, Australia is set to complete 23 years of uninterrupted economic growth in 2014.

The global backdrop

Synchronised recovery in advanced economies



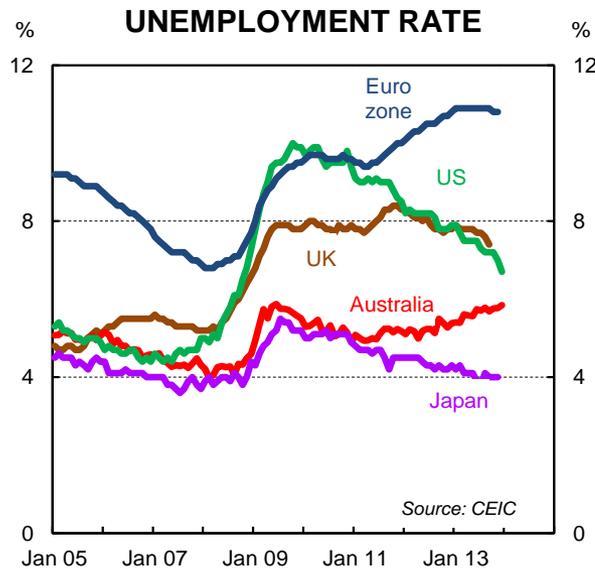
Trend improvement in the key Chinese growth drivers



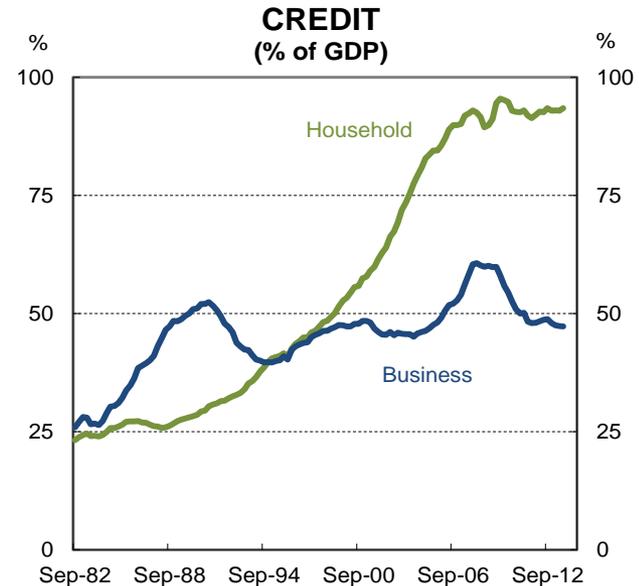
- ◆ There is a synchronised upturn underway in the advanced economies.
- ◆ China's potential growth rate has moved lower over the past few years. But a cyclical variation driving fluctuations around that potential will continue. The cyclical component of Chinese growth is picking up with some of that benefit flowing into commodity-intensive areas such as construction and infrastructure.

Australia in perspective

Unemployment remains at relatively low levels



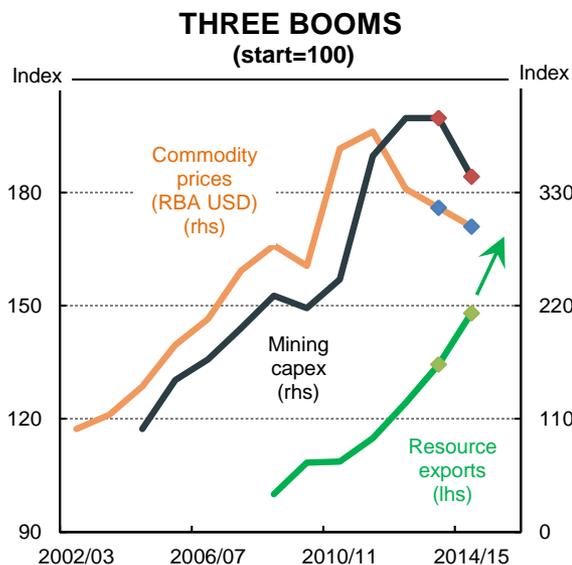
The period of rising leverage has finished



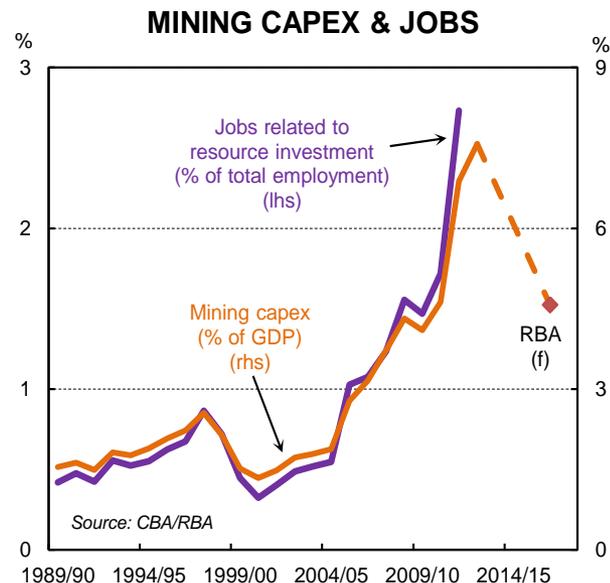
- ◆ Australian growth outperformance may be narrowing. But public finances and the financial system remain in good shape. Household and corporate balance sheets are significantly stronger than before the 2008-09 financial crisis.
- ◆ Below trend growth means unemployment will rise further. But Australia's unemployment rate is relatively low on a global perspective.

The resources boom is the defining feature of the Australian landscape over the past 10 years

The resources boom has really been three overlapping waves



Lower mining construction will result in job losses

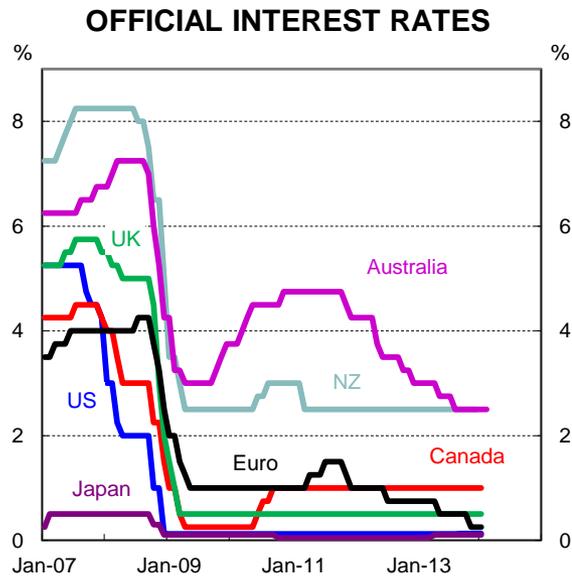


- ◆ The resources boom is composed of three overlapping waves:
 - the income phase associated with the step up in commodity prices is over;
 - the mining investment phase triggered by high prices is ending; but
 - the production and export phase is just beginning.
- ◆ Resource exports will offset some of the downturn in mining capex. But the operational phase is less labour intensive than the construction phase. A bigger contribution from those parts of the non-mining economy with the greatest complementarity to mining construction is needed to avoid job losses.

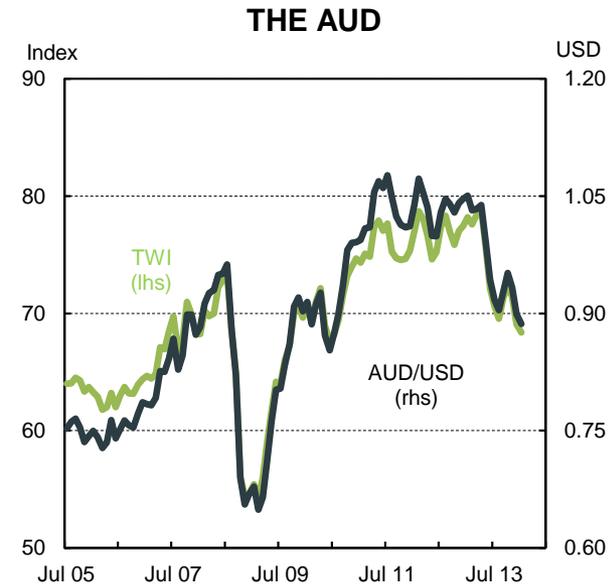


Policy settings are stimulatory

The cash rate has been cut by 225bps since 2011



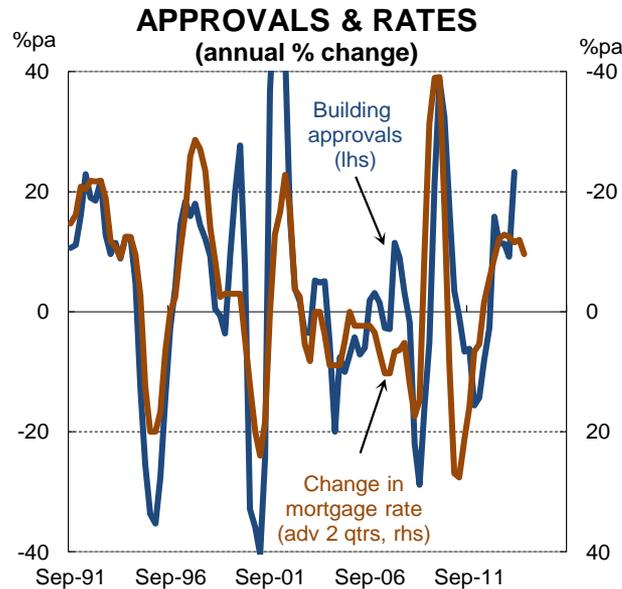
The exchange rate depreciated by 14% during 2013



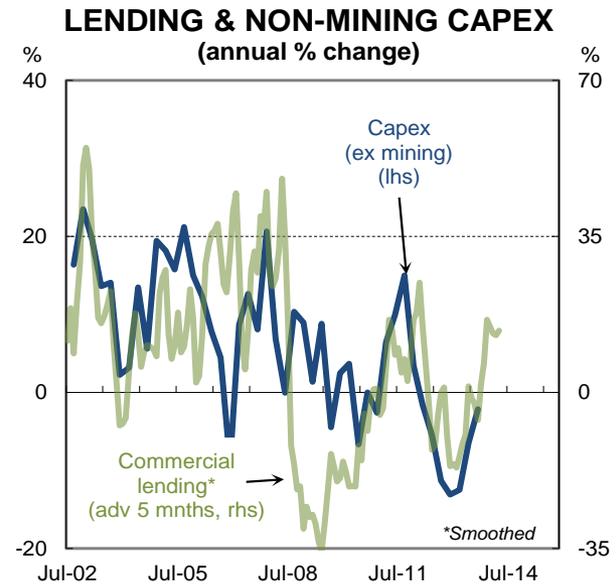
- ◆ The cash rate stands at a record low of 2.5%. The resultant stimulus is working and further rate cuts seem unlikely. Policy makers would prefer to see any further stimulus come via a lower AUD.
- ◆ The AUD/USD depreciated by 14% during 2013. A lower currency is providing much needed relief for exporters and import-competing sectors. The AUD/USD is likely to edge lower during 2014.

Policy is working

Building approvals have surged in response to lower lending rates



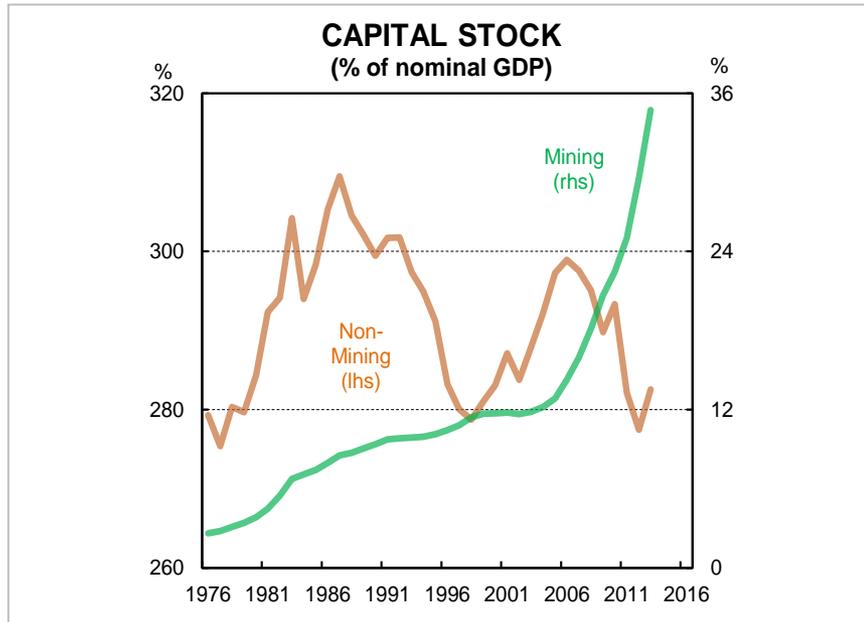
Commercial finance commitments have turned up



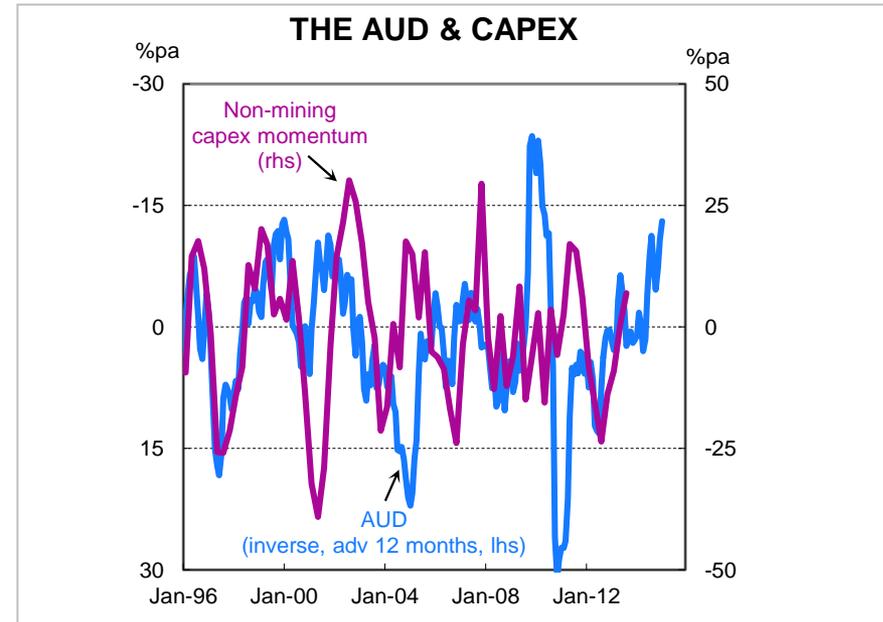
- ◆ Stimulatory policy settings are working.
- ◆ Housing activity has lifted significantly. Residential construction will move higher in 2014. Together with a wealth effect from higher prices, consumer activity should benefit as well. Commercial finance commitments, a funding source for non-mining business capex, are also now rising. The growth transition towards the non-mining economy is underway.

The transition from mining to non-mining led growth: non-mining business capex

The fundamentals favour a lift in non-mining investment



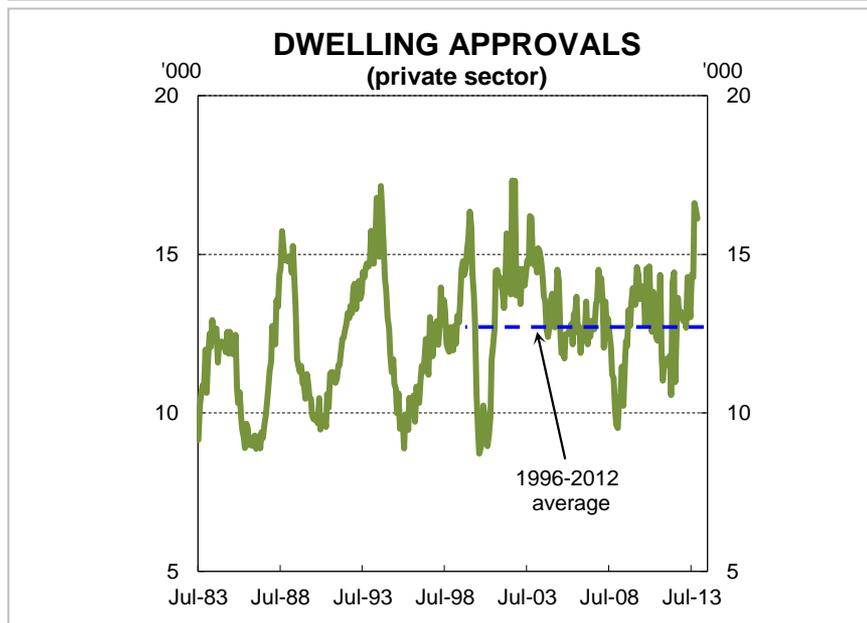
A lower currency should assist non-mining capex activity



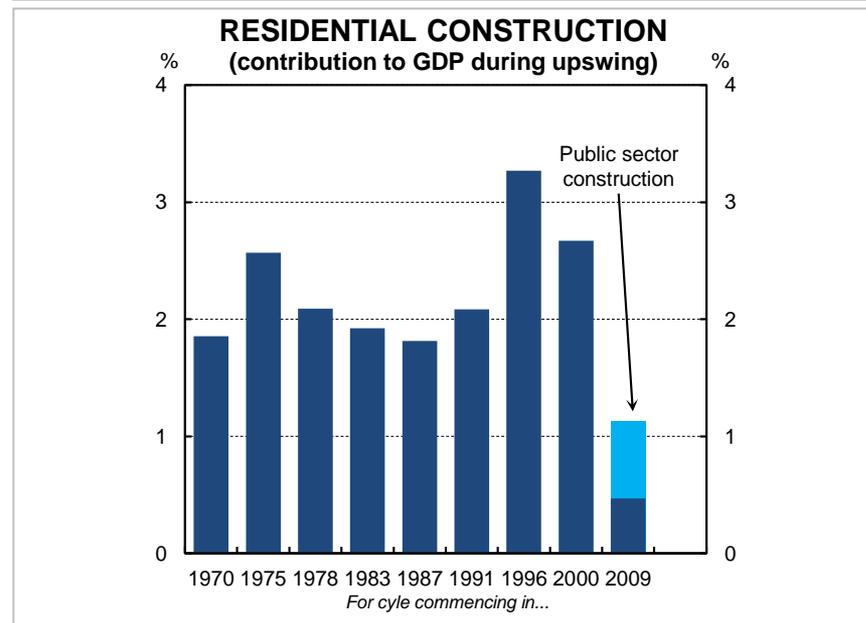
- ◆ One of the targeted areas to offset a fall in mining construction is non-mining business capex. The evidence on this part of the growth story was initially weak but now looks more convincing.
- ◆ The fundamentals favour a lift in non-mining capex. The non-mining sector has allowed its capex focus to stagnate.
- ◆ A lower AUD is reinforcing the stimulus from lower interest rates to non-mining capex and across the broader economy.

The transition from mining to non-mining led growth: residential construction

Housing construction is rising



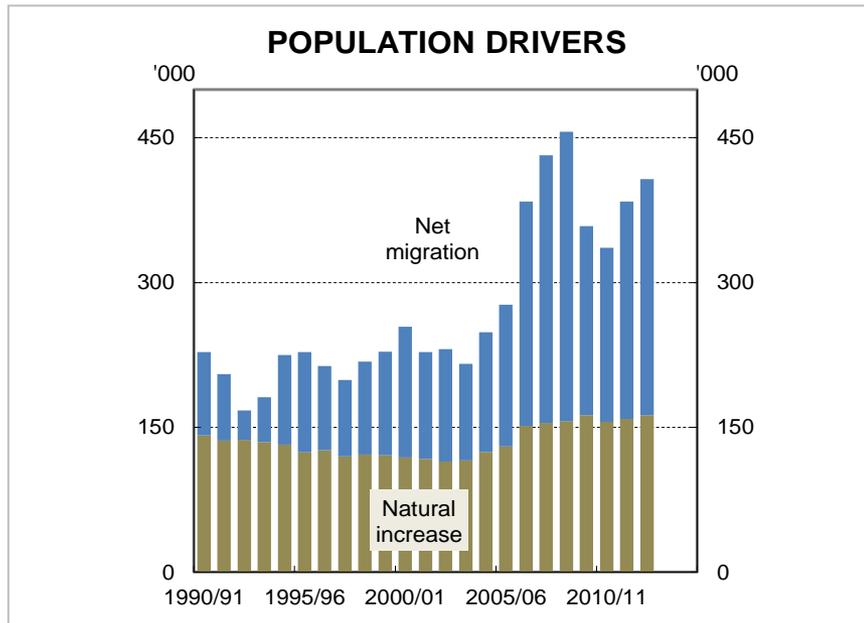
Residential construction upswings add significantly to GDP growth



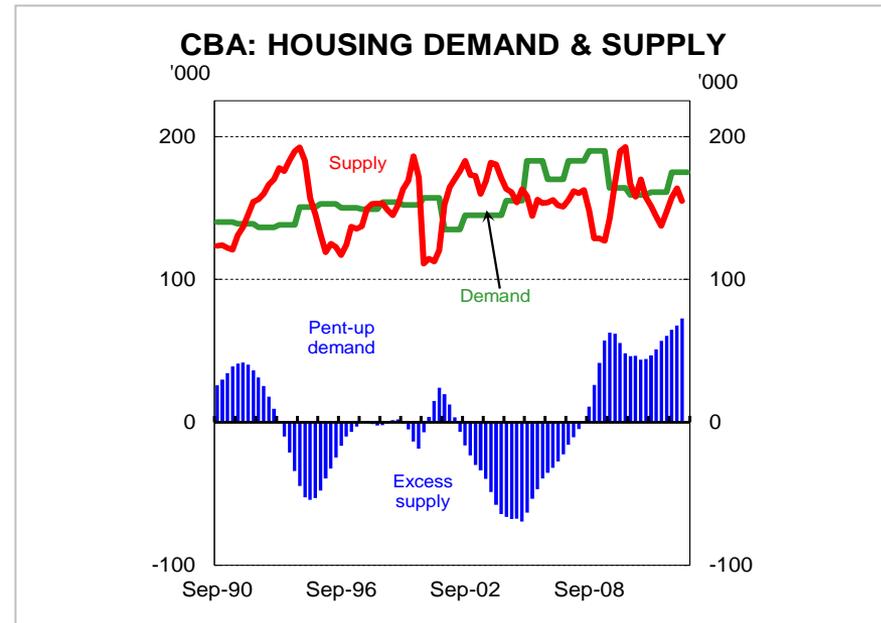
- ◆ The other area policy makers are targeting is residential construction. Significant progress has been made and the residential construction upturn looks entrenched.
- ◆ Low lending rates have unlocked housing demand through improving affordability.
- ◆ Higher residential construction will add significantly to GDP growth, boost wealth positions (through higher house prices) and have a multiplier spending effect on other industries such as retail.

The transition from mining to non-mining led growth: residential construction

Stronger population growth is lifting demand for housing



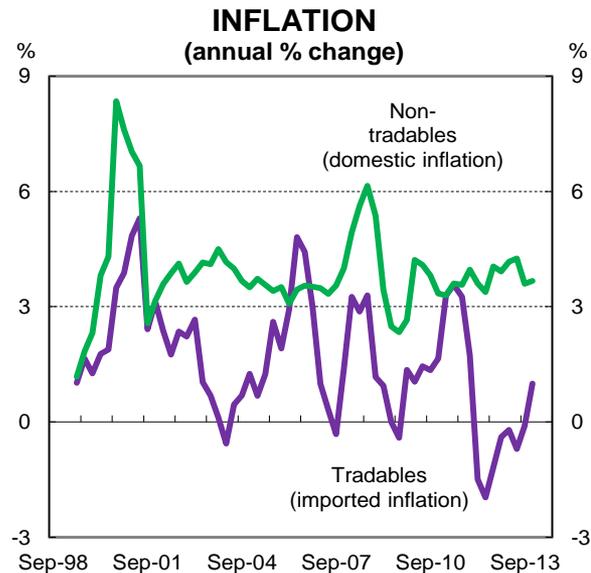
Prior underbuilding has led to a significant level of pent-up demand



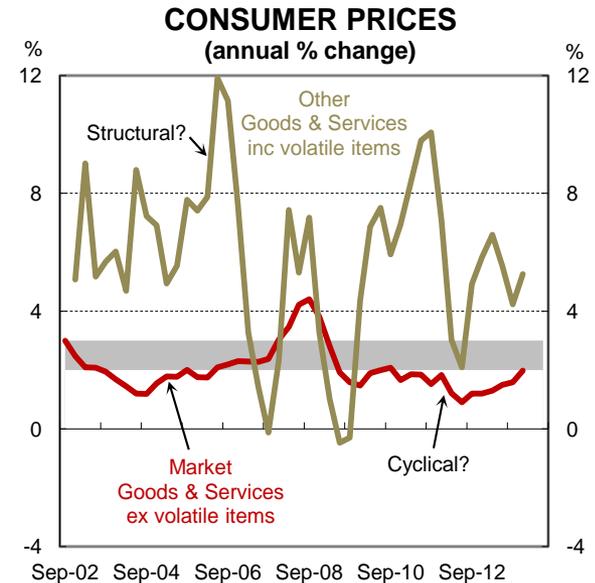
- ◆ Targeting residential construction is a smart policy. The fundamentals favour a lift in housing construction.
- ◆ Population growth is lifting again which means strong demographic demand for new housing.
- ◆ New construction has fallen short of demand in recent years as the sector competed for labour and materials with mining and infrastructure. This has led to a significant pent-up demand for housing.

Upside inflation risks are appearing

A lower AUD is boosting imported inflation



While domestic inflation looks to remain high because of structural factors



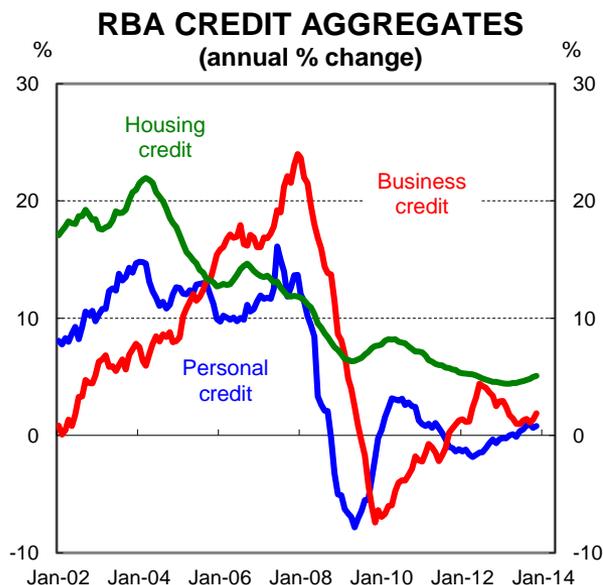
- ◆ A lower currency helps economic activity. But it also brings some upside price pressures as well. The RBA has recently revised up its inflation forecasts, partly because of the lower AUD.
- ◆ Domestic inflation needs to slow to offset the lift in import prices. But domestic inflation is proving sticky and seems to reflect some *structural* influences. There are some upside risks to overall inflation rates in 2014 as a result.

Housing market - summary

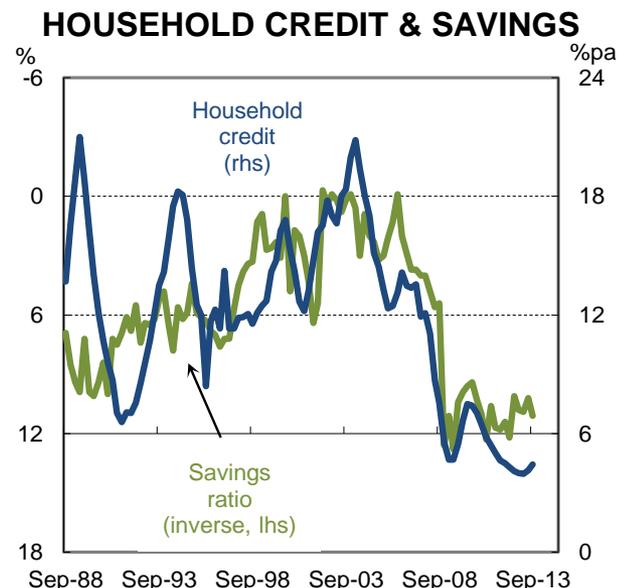
- ◆ An orderly adjustment occurred in the Australian housing market after the Global Financial Crisis. The adjustment was characterised by slower credit growth, increased savings and lower servicing ratios.
- ◆ Australian house prices underwent a modest correction as part of the adjustment and are rising again.
- ◆ Recent increases in house prices have been concentrated in Sydney (where real prices were little changed from 2004) and Perth (where population growth is still strong). Prices in Melbourne (where excess demand pressures are weaker compared to the national average) have just passed previous peaks. Price trends in other capitals and regional areas are more restrained.
- ◆ Demand-supply imbalance in the housing market and improved affordability significantly reduce the risk of a material decline in house prices.
- ◆ Factors that typically characterise a house price bubble, such as rapid credit growth, an easing in lending standards and expectations of rapidly rising prices are either not evident or evident only to a limited extent in Australia.
- ◆ Recent investor interest in the housing market is a rational response to the low-interest rate environment created by central banks.
- ◆ RBA Governor Stevens notes that “Australian dwelling prices, relative to income, are in the pack of comparable countries”¹.
- ◆ Legal and employment differences to the US suggest minimal risk of a US-style house price collapse.
- ◆ Recent arrears trends suggest limited stress in the housing market.
- ◆ Stress testing indicates that modest and manageable housing portfolio losses are the most likely outcome.

Credit growth is slowly edging higher

Credit growth is lifting slowly, particularly housing credit



But, elevated savings means that consumer caution remains

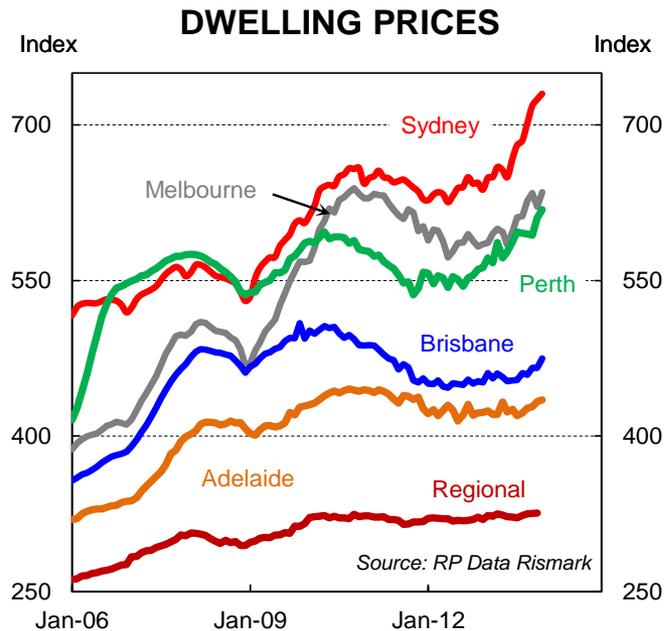


- ◆ Household and corporate balance sheets are in good shape given cautious approach to increasing debt over the past few years.
- ◆ Australian households are not deleveraging in a strict sense. But the period of rising leverage has ended.



Australian dwelling prices are rising again, after a period of stabilisation

Dwelling prices



Dwelling price growth

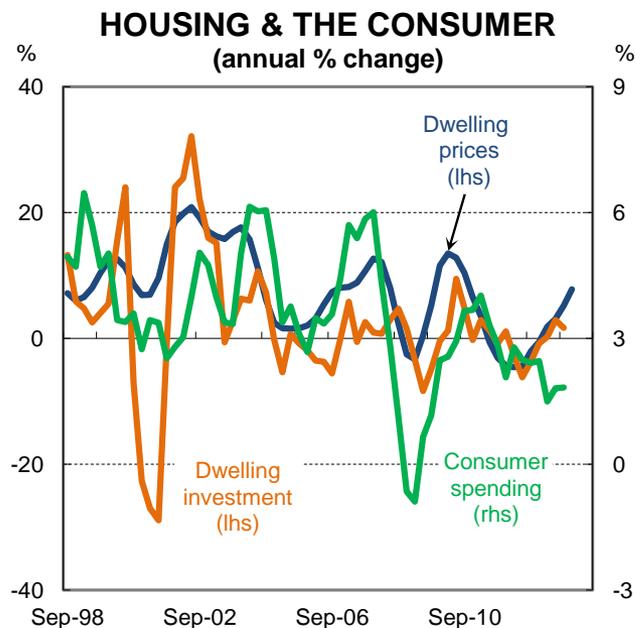
| change (%) | 3 Years to Dec 13 | 12 mths to Dec 13 | 6 mths to Dec 13 |
|------------------|-------------------|-------------------|------------------|
| Sydney | 13.4 | 14.5 | 9.4 |
| Melbourne | 0.9 | 8.5 | 6.3 |
| Brisbane | (2.5) | 5.1 | 4.7 |
| Adelaide | (2.2) | 2.8 | 2.1 |
| Perth | 6.8 | 9.9 | 5.3 |
| Australia | 5.3 | 9.8 | 6.6 |

Source: RP-Data Rismark, Hedonic Index.

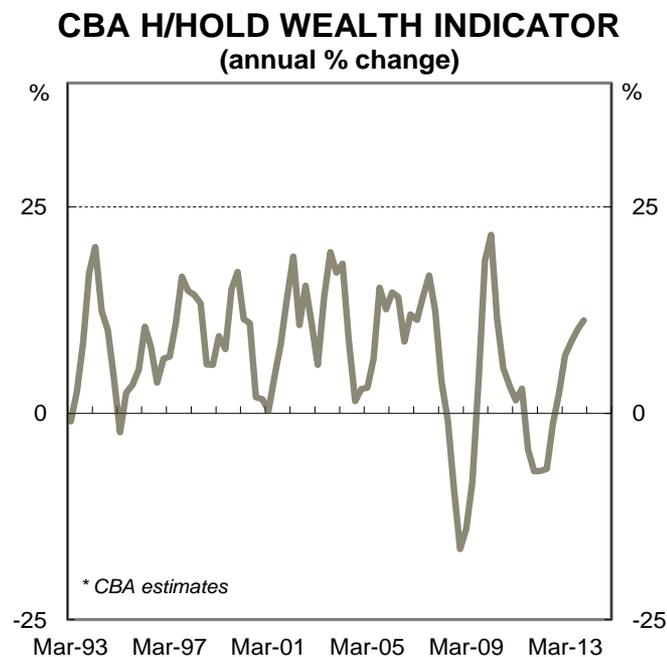
- ◆ Rising dwelling prices is one of the transmission paths for monetary policy.
- ◆ The recent pick up in dwelling prices has been focussed in the Sydney and Perth markets. These are also the States that have had the most residential *underbuilding* over the past few years.
- ◆ Rising dwelling prices boosts wealth, encourages construction activity and lifts sentiment.

The transmission of higher house prices

Rising house prices boosts wealth, encourages construction activity and lifts sentiment



Higher house prices are positive for wealth positions



- ◆ Policy stimulus has boosted house prices – the dominant part of wealth.
- ◆ Australian studies suggest that each \$1 change in wealth moves consumer spending by 4-5¢. Positive spinoffs to consumer sentiment as well.

Urbanisation rates important in assessing house prices



- ◆ Australia is one of the most urbanised countries in the world; ~54% of urban population in 2 major cities.
- ◆ Housing demand and higher incomes are concentrated in the capital cities.
- ◆ Price (capital city)-to-Australia-wide income \approx 5 times.
- ◆ Price-to-income (Australia wide) \approx 4 times.

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

| Housing “Bubble” – typical characteristics | Current position in Australia |
|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Unsustainable asset prices | <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 ◆ Below-average residential vacancy rates and above-average rents |
| 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 subdued – 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 ◆ Relatively low unemployment, high quality lending, low arrears |

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

| | CBA / Aust | US |
|-----------------------------|----------------------|---------------------|
| Unemployment | 5.8% ¹ | 6.7% ² |
| No-Recourse Lending | No | Yes |
| Variable vs Fixed | ~85%/15% | ~15%/85% |
| Sub-Prime (% of mkt) | Minimal ³ | ~10% ⁴ |
| Securitisation % | 7.8% ⁵ | 22% ⁶ |
| Account ownership | Retained by bank | Extensively on-sold |
| Arrears | 1.18% ⁷ | 6.41% ⁸ |

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

1. ABS, Jan'14.

4. Federal Reserve Bank of San Francisco QIII 09.

7. S&P, Nov'13.

2. Bureau of Labor Statistics, Jan'14.

5. RBA, Nov'13.

8. Mortgage Bankers Association, QIII 2009.

3. RBA FSR, Mar'13, graph 3.21.

6. US Federal Reserve, Mar'13.



New Zealand

Economic Summary – New Zealand

| | 2010 | 2011 | 2012 | 2013 | 2014 (f) | 2015 (f) |
|---------------------------------------|------|------|------|------|----------|----------|
| Credit growth (annual – June vs June) | 0.7 | 1.5 | 2.5 | 4.1 | 4-6 | 4-6 |
| Household credit | 2.5 | 1.1 | 1.8 | 5.1 | 5-6 | 4-6 |
| Business credit | -7.9 | 1.1 | 4.0 | 1.6 | 2-4 | 4-6 |
| Agriculture credit | 2.3 | -0.9 | 3.1 | 4.4 | 3-5 | 5-7 |
| GDP growth (annual average) | 1.2 | 1.2 | 2.8 | 2.2 | 3.4 | 3.5 |
| CPI (annual average) | 1.8 | 3.8 | 2.2 | 0.8 | 1.7 | 2.4 |
| Unemployment (year average) | 6.6 | 6.5 | 6.6 | 6.6 | 6.2 | 5.8 |
| OCR (June qtr) | 2.75 | 2.5 | 2.5 | 2.5 | 3.0 | 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. The ranking refers to CBA’s position relative to the other three main Australian banks (Westpac, NAB and ANZ). CBA excludes Bankwest.
- 2 DBM Business Financial Services Monitor (December 2013), 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.
- 3 DBM Business Financial Services Monitor defines micro business as those with annual turnover up to \$1 million, small businesses have turnover of \$1 million to less than \$5 million, medium businesses have turnover of \$5 million to less than \$50 million, large businesses have turnover of \$50m or more, and uses a 6 month rolling average.
- 4 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.
- 5 TNS (BFM) Business Finance Monitor. Decision makers in business – Business, Commercial, Institutional & Rural. Approx. 4,100 annual surveys, 4 quarter rolling data. Overall Performance measure of ‘Main Bank’ relationship -‘top 2 box’ score on a 1-6 scale (‘Excellent’ or ‘Very Good’). Sep 2013. Ranking amongst ASB, ANZ, BNZ, Westpac.
- 6 Camorra (RMM) Retail Market Monitor. New Zealand population 15+. Approx. 13,000 annual surveys, 12 month rolling data. Overall Performance measure of ‘Main Bank’ relationship -‘top 2 box’ score on a 1-5 scale (‘Excellent’ or ‘Very Good’). Dec 2013. Ranking amongst ASB, ANZ, BNZ, Westpac, excludes Kiwibank.
- 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 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. CBA excludes Bankwest.
- 9 Proportion of Banking & Finance customers’ Wealth products captured by the financial institution. Roy Morgan Research. Australian Population 18+ , 6 month rolling average. Wealth Products includes Insurance, Managed Investments and Superannuation. CBA excludes Bankwest.
- 10 Roy Morgan Research, Australians 14+, Proportion of Banking and Finance MFI Customers that nominated each bank as their Main Financial Institution, 12 month rolling data to December 2013. CBA includes Bankwest.



Notes

Productivity Metrics - Definitions

Customer service transactions per FTE - Average number of transactions completed per week in branch by Retail Customer Service Representatives.

% Personal loans funded same day - Percentage of personal loans funded on day of application based on applications eligible for same day funding service.

Direct Banking number of calls presented - Total calls answered and processed by all agents.

% Deposit customers receiving e-statements - Percentage of deposit account holders who have elected to receive electronic statements using NetBank.

Transactions per intelligent deposit machine - Average number of transactions completed per week using an intelligent deposit machine.

WM average turnaround time - Average time to complete all unit prices.

WM volumes - Number of fund unit prices completed daily.

WM Headcount - Number of full time equivalent headcount.

Notes

Sustainability scorecard

Complete definitions for scorecard metrics are available at www.commbank.com.au/sustainability2013

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).
- 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 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 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'). The survey is conducted annually. In 2012, the Group moved the people and culture survey administration to a new provider, no prior year data is available.
- 5 Percentage of roles at the level of Executive Manager and above filled by women, in relation to the total domestic headcount at the level of Executive Manager and above as at 30 June and 31 December for 1H14.
- 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 complete as at 30 June and 31 December for 1H14. Prior year data is updated due to late reporting of incidents that occurred during the year, or the subsequent acceptance or rejection of claims made in the year. As a result, 2013 year has changed from 1.7 to 2.0.
- 7 Absenteeism is the annualised figure as at 30 June and 31 December for 1H14. Absenteeism refers to the average number of sick leave days (and, for CommSec employees, carers leave days) per domestic full-time equivalent (FTE).
- 8 Scope 1 and 2 data is collected in line with NGER legislation. Scope 3 relate to the upstream emissions related to Scope 1 and 2 emission sources.
- 9 The number of active school banking students banked at least once during a 12 month period through a school banking school and the number of students booked to attend Commonwealth Bank Foundation's StartSmart programs.

Results Presentation

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

CommonwealthBank



IAN NAREV
CHIEF EXECUTIVE OFFICER

DAVID CRAIG
CHIEF FINANCIAL OFFICER