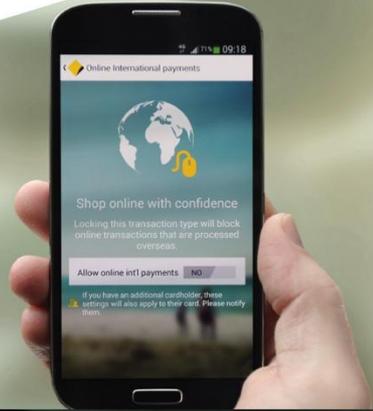


# MEDIA PRESENTATION

FOR THE FULL YEAR ENDED 30 JUNE 2015

Not for distribution or release in the United States



IAN NAREV  
CHIEF EXECUTIVE OFFICER

**Commonwealth**Bank



## Disclaimer

The material that follows is a presentation of general background information about the Group's activities current at the date of the presentation, 12 August 2015. It is information given in summary form and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor.

## Cash Profit

The Management Discussion and Analysis discloses the net profit after tax on both a statutory and cash basis. The statutory basis is prepared and reviewed in accordance with the Corporations Act 2001 and the Australian Accounting Standards, which comply with International Financial Reporting Standards (IFRS). The cash basis is used by management to present a clear view of the Group's underlying operating results, excluding items that introduce volatility and/or one-off distortions of the Group's current period performance. These items, such as hedging and IFRS volatility, are calculated consistently with the prior comparative period and prior half disclosures and do not discriminate between positive and negative adjustments. A list of items excluded from statutory profit is provided in the reconciliation of the Net profit after tax ("cash basis") on page 3 of the Profit Announcement (PA) and described in greater detail on page 15 of the PA and can be accessed at our website:

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

# Our Vision and Values

## Our Vision

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

## Our Values

Integrity

Collaboration

Excellence

Accountability

Service

# Our strategy

## Customer Focus

### Capabilities

People



Productivity



Technology



Strength



### Growth Opportunities

“One CommBank”

Continued growth in business and institutional banking

Disciplined capability-led growth outside Australia



## TSR Outperformance

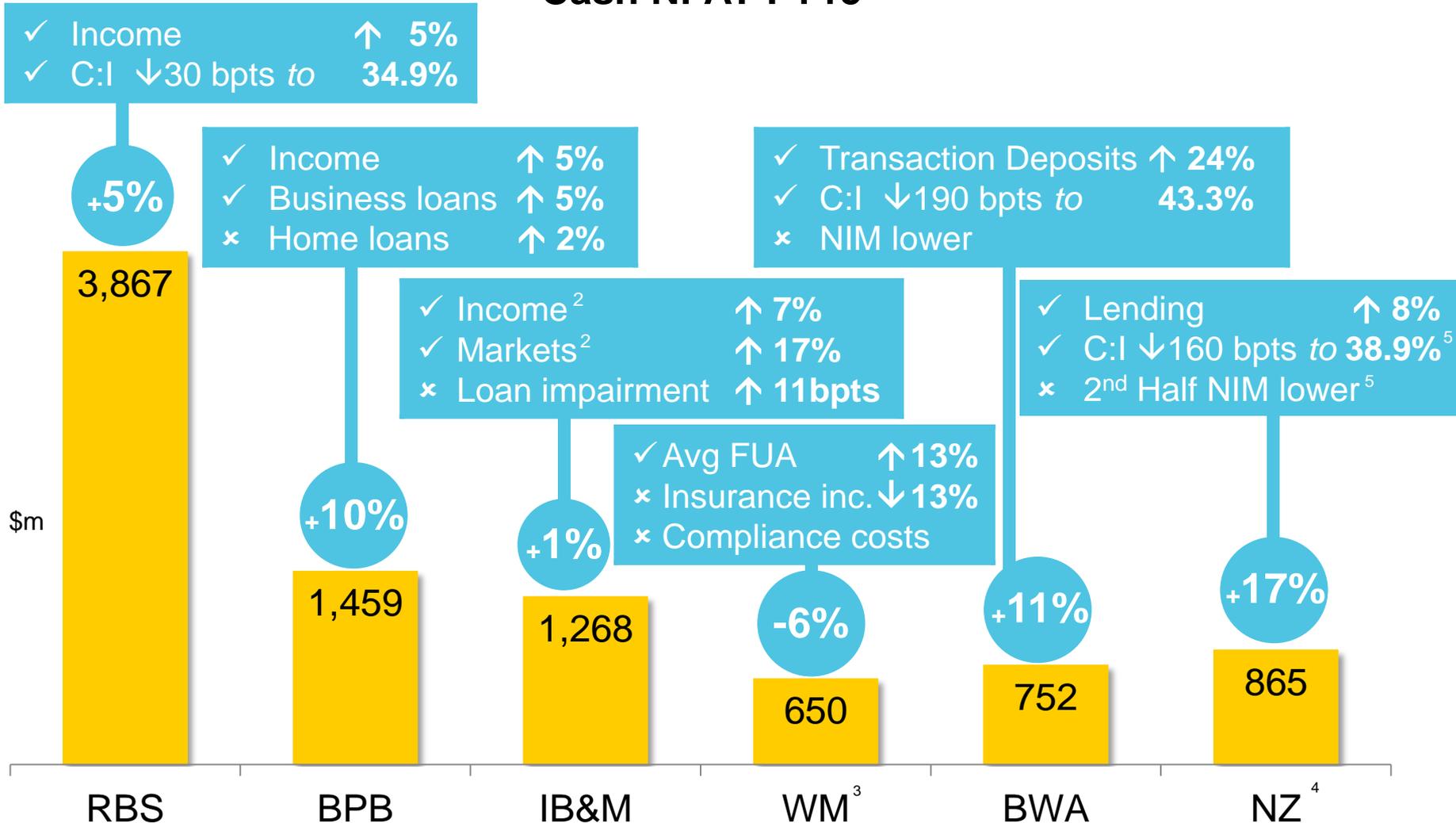
# Continuing growth

	Jun 15	Jun 15 vs Jun 14
Statutory Profit (\$m)	9,063	5%
Cash NPAT (\$m)	9,137	5%
ROE – Cash (%)	18.2	(50) bpts
Cash Earnings per Share (\$)	5.61	5%
Dividend per Share (\$)	4.20	5%



# All divisions contributing

## Cash NPAT FY15<sup>1</sup>



<sup>1</sup> All movements on prior comparative period except where noted

<sup>2</sup> Excluding CVA and FVA

<sup>3</sup> Excludes Property - The Property transactions were completed and businesses were exited during the 30 June 2014 financial year

<sup>4</sup> NZ result in AUD, performance metrics in NZD

<sup>5</sup> ASB



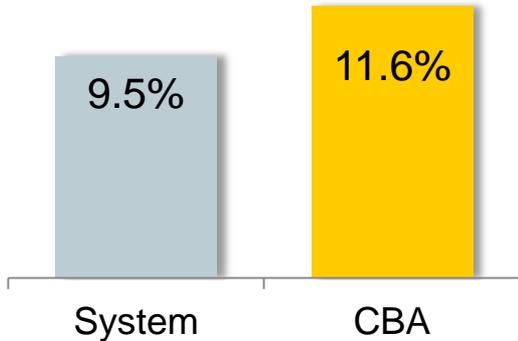
# Continued focus on the customer

Area	CBA Ranking
Retail <sup>1</sup>	1 <sup>st</sup>
Business – Micro <sup>3</sup>	=1 <sup>st</sup>
Business – Small <sup>3</sup>	=1 <sup>st</sup>
Business – Medium <sup>3</sup>	=1 <sup>st</sup>
Business – Large <sup>3</sup>	=1 <sup>st</sup>
Wealth <sup>4</sup>	2 <sup>nd</sup>
IFS <sup>5</sup>	1 <sup>st</sup>
Internet Banking <sup>6</sup>	1 <sup>st</sup>

# Continuing volume growth

## Household Deposits

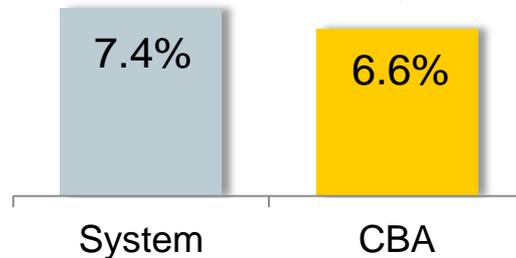
Balance Growth<sup>1</sup>



## Home Lending

Balance Growth<sup>1</sup>

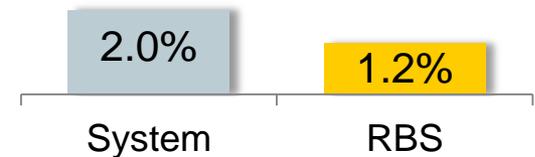
Underweight in higher growth segments – broker and investment lending



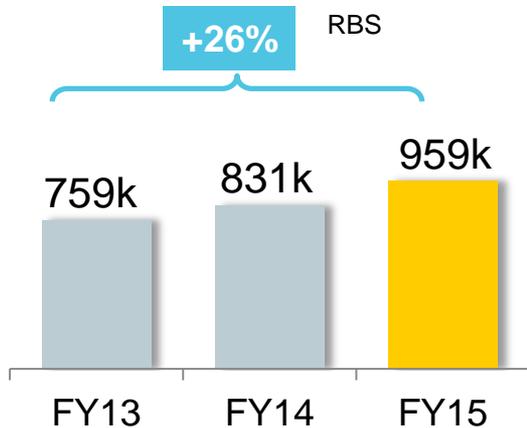
## Credit Cards

Balance Growth<sup>1</sup>

Not participating in zero balance transfer market

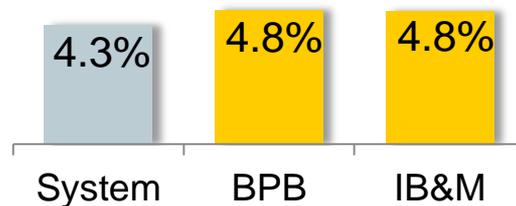


## New Transaction Accts<sup>2</sup>



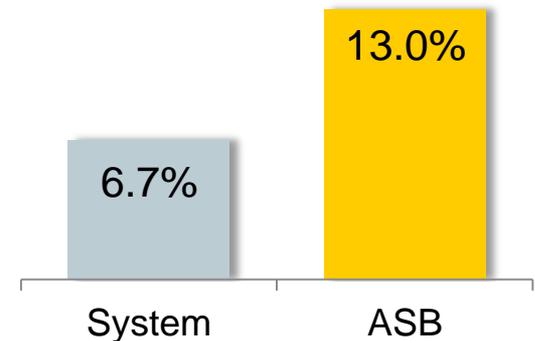
## Business Lending

Balance Growth<sup>1,3</sup>



## ASB

Business & Rural Balance Growth<sup>1</sup>



<sup>1</sup> Spot balance growth twelve months to June 15. Source RBA/APRA/RBNZ. CBA includes BWA except Business Lending. Business Lending is RBA.

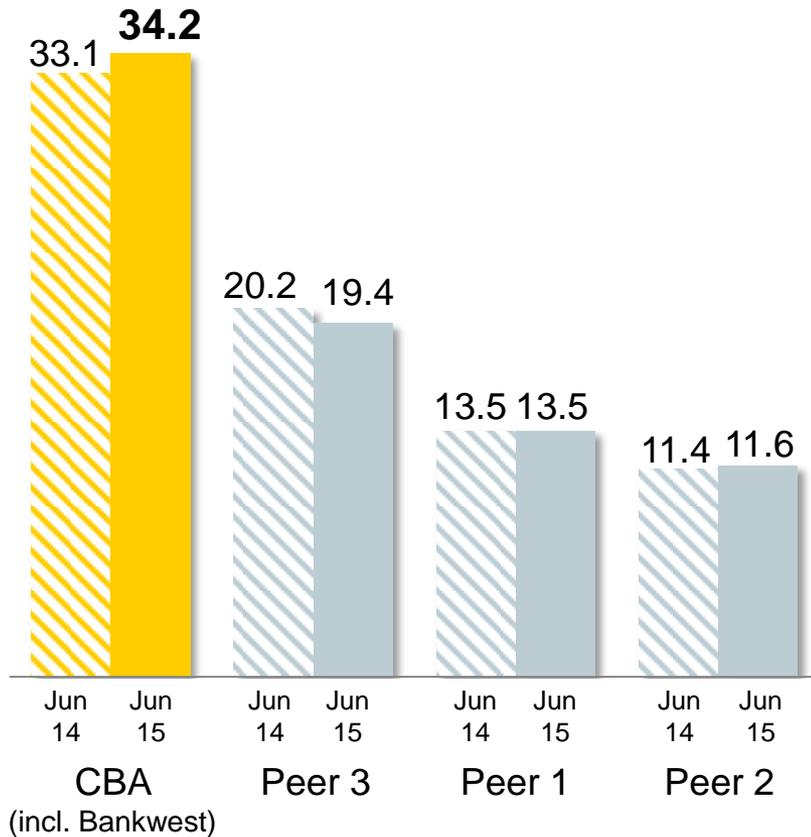
<sup>2</sup> Includes offset accounts

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

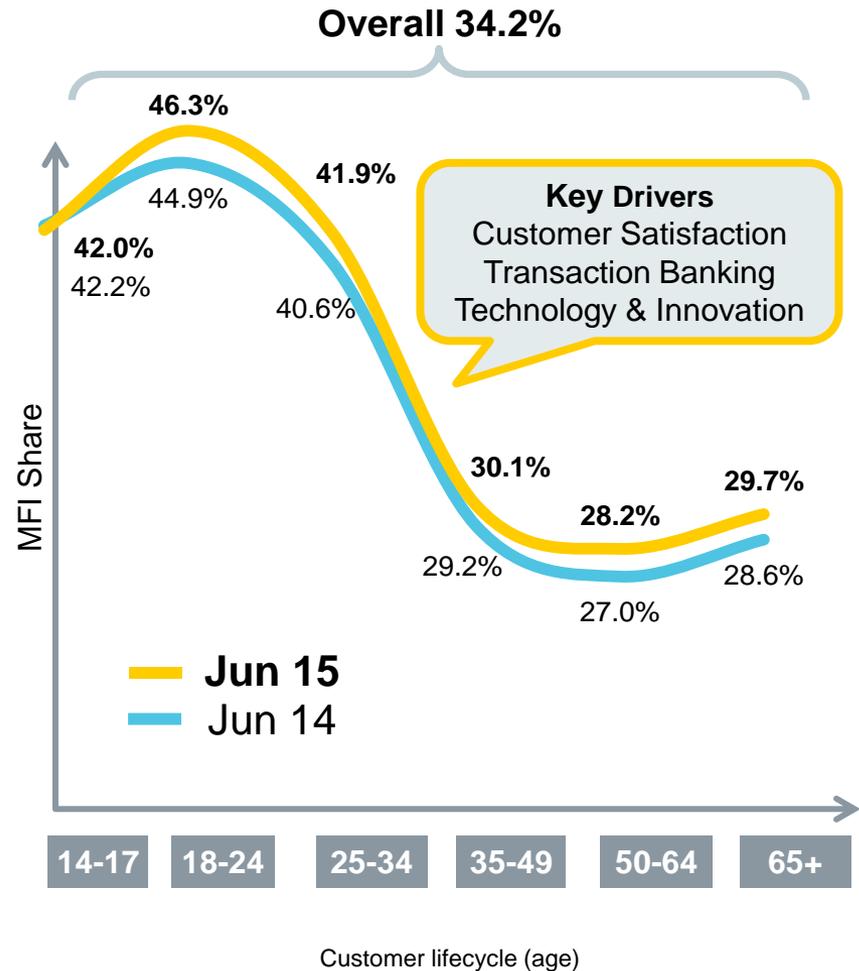
# MFI share

## MFI share<sup>2</sup>

%



## CBA MFI share by age<sup>2</sup>



<sup>2</sup> Refer notes page at back of presentation for source information

# Continuous Innovation

## 2011

NetBank for mobile  
Android; Everyday  
settlement

## 2013

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



## 2012

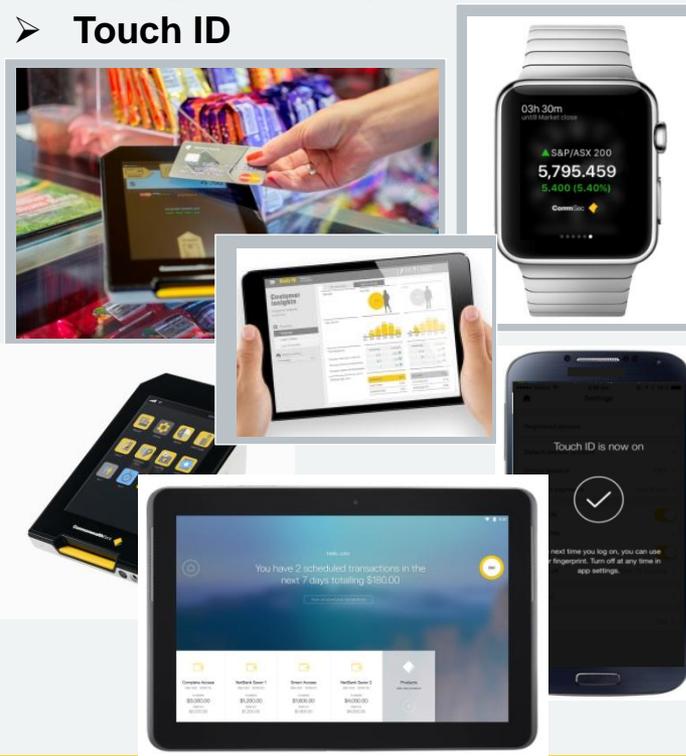
CommSec app for Android; New  
generation ATMs; Better  
Business Insights; Pi and Leo

## 2014

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

## 2015

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



# Innovating in Transaction Banking

Transaction Accounts  
Balance Growth  
FY15



## Continuous Innovation

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

## Easy Account Opening

- Real time online origination in less than 5 minutes<sup>1</sup>
- Bankwest online application times reduced by 33%<sup>2</sup>
- Digital channels 12% of new accounts and growing<sup>1</sup>
- Real time funds transfer from another bank - start using your account straight away

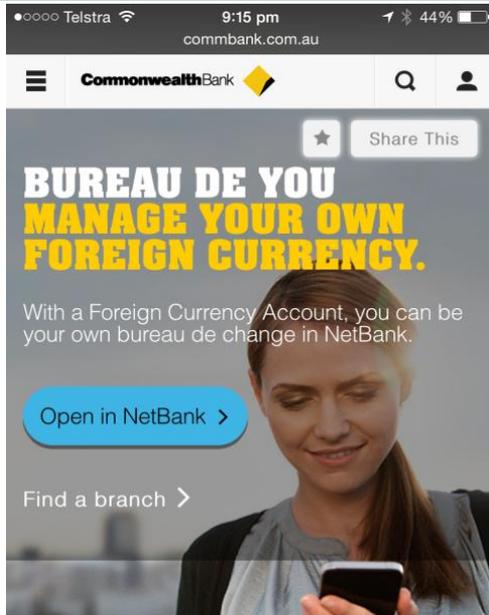
<sup>1</sup> Personal Transaction accounts in RBS

<sup>2</sup> Average application times for new customers. Reduction of 33% in FY15.

<sup>3</sup> Excludes Cash Management Pooling Facilities (CMPF)

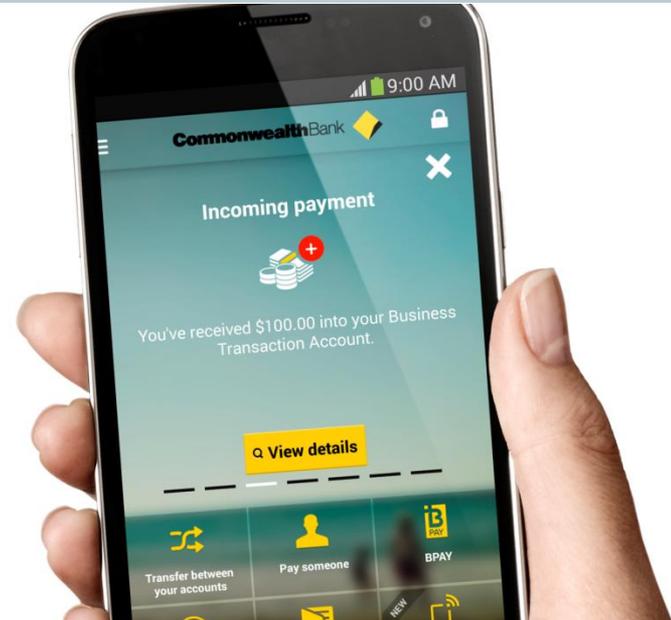
# Innovating in Transaction Banking

## Foreign Currency Accounts



~50k  
accounts<sup>1</sup>  
(\$3.2bn)

## Real time alerts



Nov 14

- Leveraging Core - originate & transact in real-time across devices
- Integrated across platforms - CommSee, CommBiz and NetBank

Jul 15

- Leveraging Core - real time alerts for business transaction account customers
- Alerts via SMS, email and App Push Notifications

<sup>1</sup> New and migrated accounts

# Innovating for Business

“Albert”

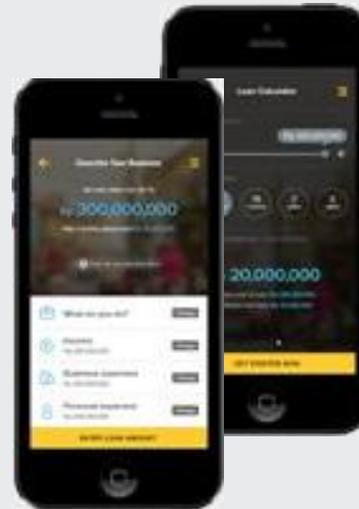


- Global first-to-market EFTPOS tablet
- Transforming the way merchants interact with their customers
- Tailored customer experience, portable, secure, user-friendly
- Over 3,000 devices in market across 2,500 merchants
- 2,000+ developers in Pi Business Network, 30+ apps in development

Mar 15

# Innovating Internationally

## International Financial Services



- Indonesia – new core, mobile, internet & funds platforms, data warehouse
- New mobile apps in Indonesia and Vietnam (Cashflow, Workflow, BizLoan etc)
- Partnership with FinTech Innovation Lab in Hong Kong
- TYME – opportunities for mobile banking in developing markets

# Productivity

## Cultural Change Embedded

### Training & Leadership

- ◆ >95% of staff trained
- ◆ Leadership focused Six Sigma training
- ◆ Visual Management Boards

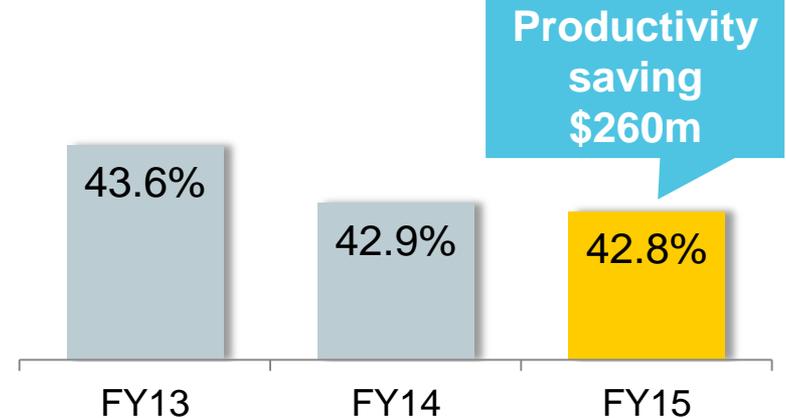
### Efficiency

- ◆ \$760m in benefits over past 3.5 years

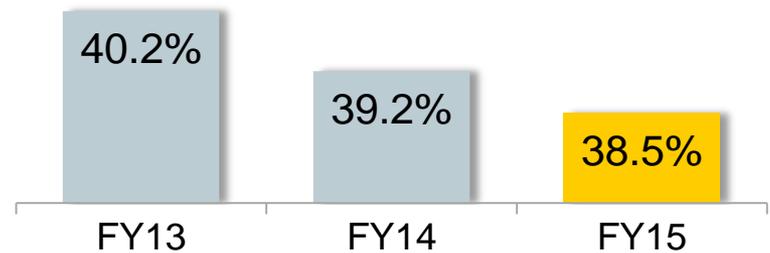
### Future

- ◆ Process centricity, standardised architecture, digitised workflows

## Group Cost-to-Income



## Banking Cost-to-Income<sup>1</sup>

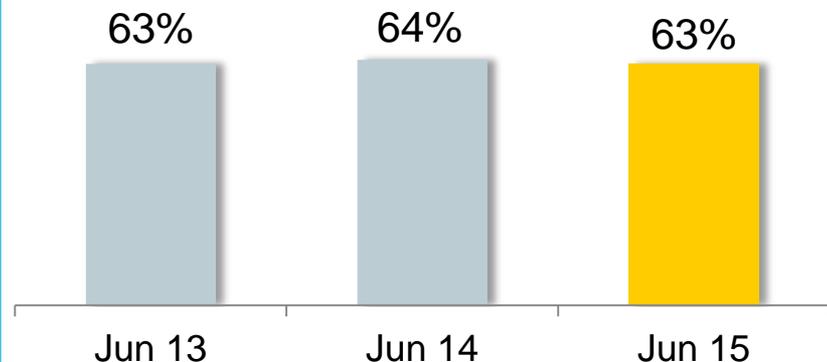


<sup>1</sup> Includes RBS, BPB, IB&M, Bankwest and ASB.

# Strength to support our customers

## Deposit Funding

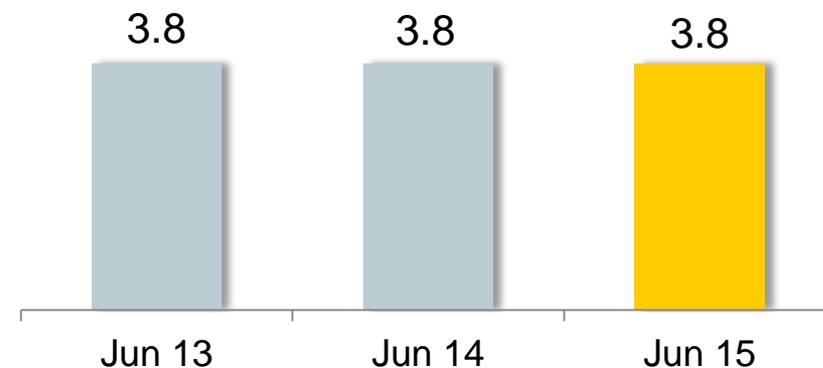
% of Total Funding



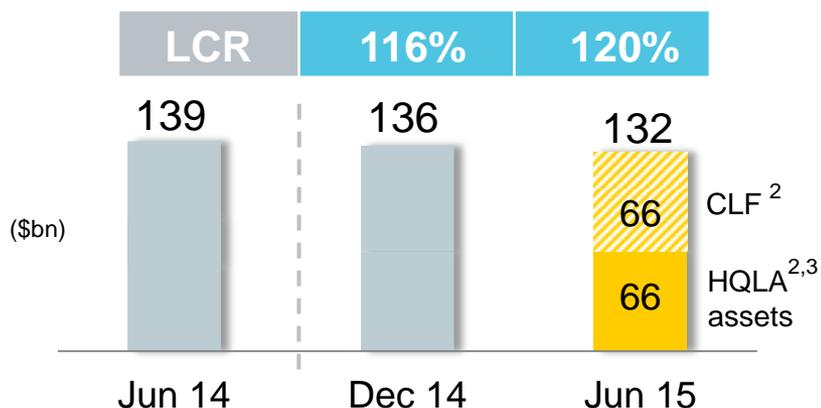
## Wholesale Funding Tenor

Years

Portfolio Tenor<sup>1</sup>

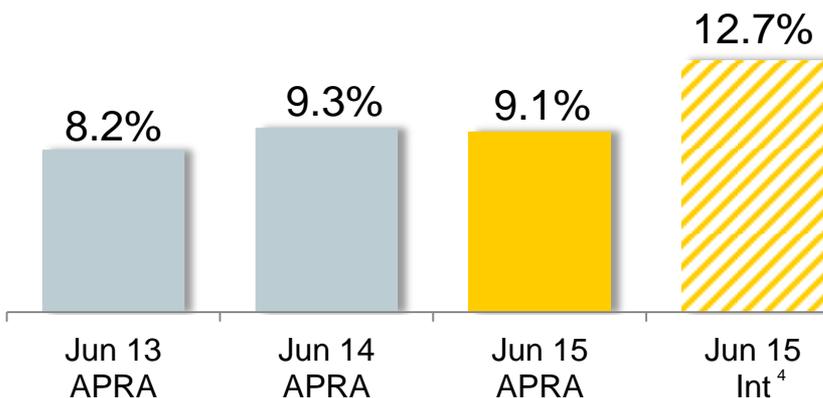


## Liquidity<sup>2</sup>



## Capital

Basel III Common Equity Tier 1



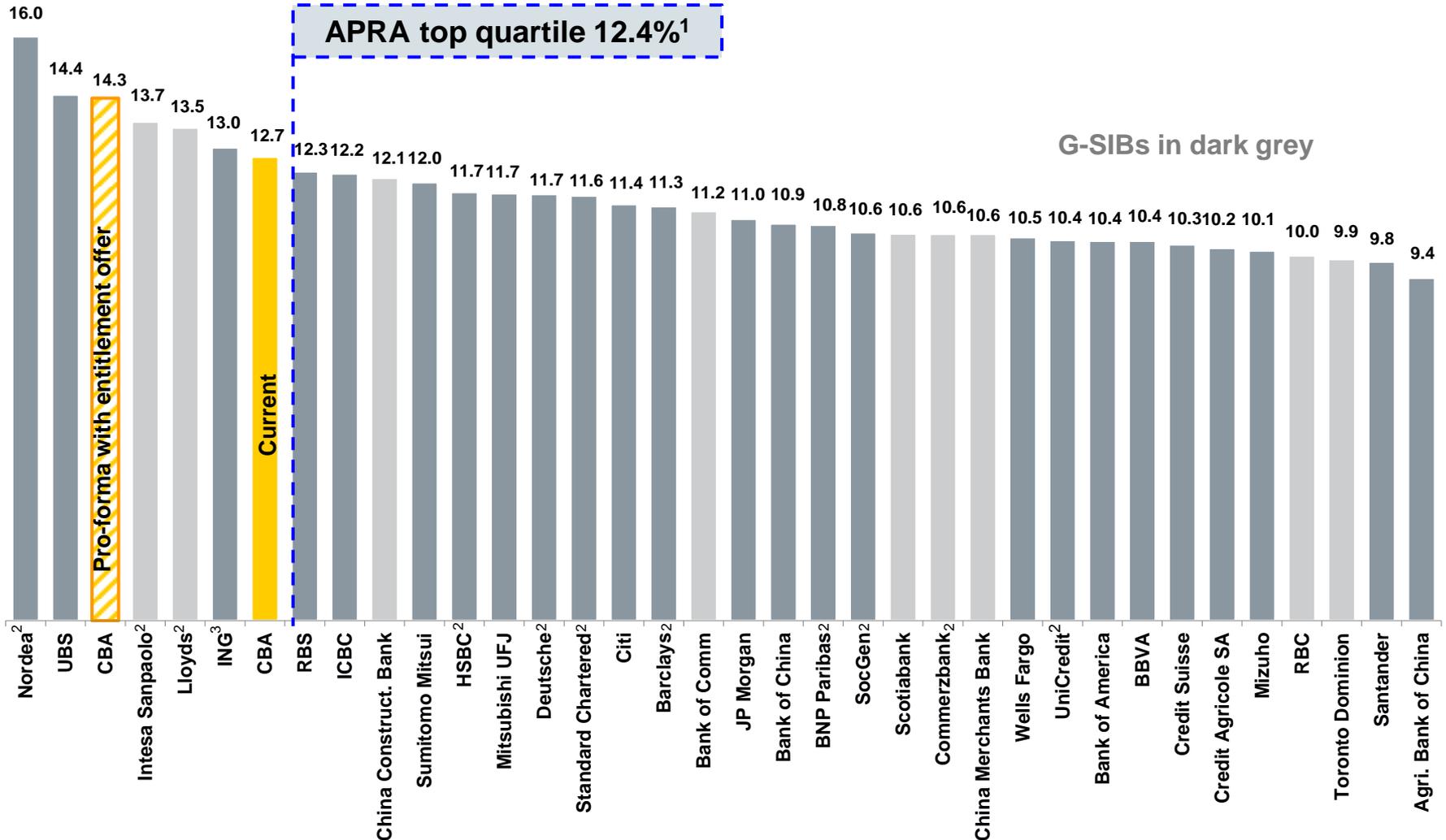
<sup>1</sup> Weighted Average Maturity of long term wholesale debt. Includes all deals with first call or residual maturity of 12 months or greater.

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

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

<sup>4</sup> Analysis aligns with the APRA study entitled "International capital comparison study" (13 July 2015).

# International Peer Basel III CET1



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

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

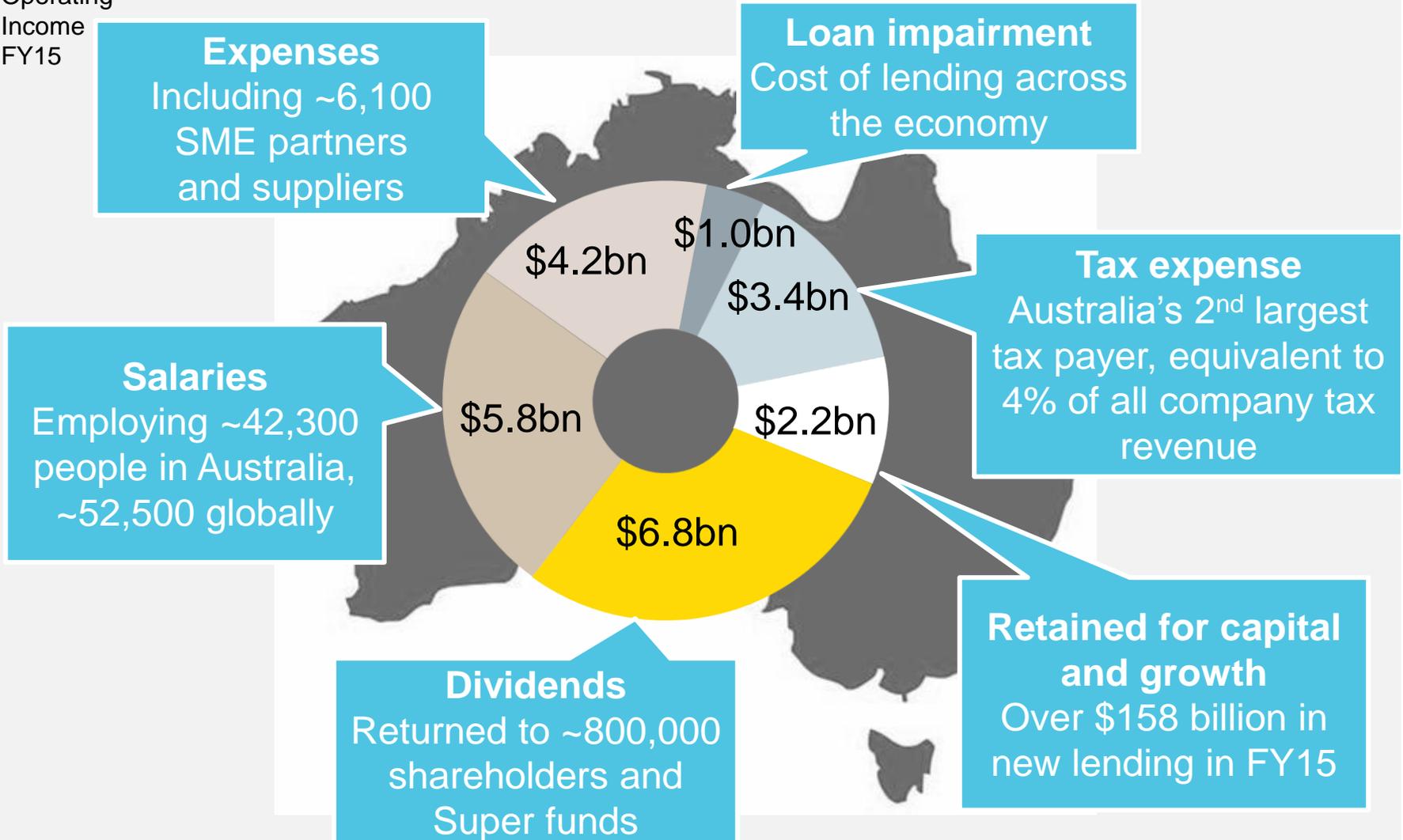
1 Figure 2, APRA, Information paper "International capital comparison study", 13 July 2015

2 Deduction for accrued expected future dividends added back for comparability

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

# Broad contributor to Australian wellbeing

Operating  
Income  
FY15



# Outlook

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



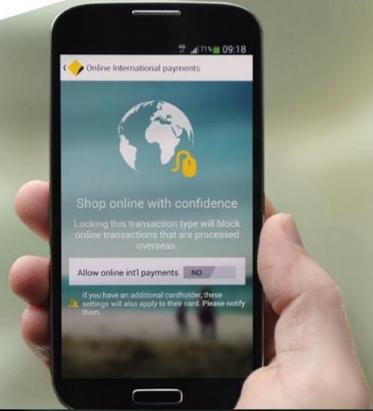
# Customer Satisfaction - Sources

- 1 Roy Morgan Research Retail Main Financial Institution (MFI) Customer Satisfaction. Australian population 14+, % “Very Satisfied” or “Fairly Satisfied” with relationship with that MFI. 6 month rolling average to June 2015. Peers includes ANZ, NAB and Westpac. CBA excludes Bankwest.
- 2 Roy Morgan Research, Australians 14+, Proportion of Banking and Finance MFI Customers that nominated each bank as their Main Financial Institution, 12 month average to June. Peers includes ANZ, NAB and Westpac (incl. St George Group). CBA includes Bankwest. “Internet Banking” refers to customers who conducted internet banking via app and website anywhere in the last 4 weeks.
- 3 DBM Business Financial Services Monitor. Micro businesses are defined as those with annual turnover up to \$1 million, Small businesses are those with annual turnover of \$1 million to less than \$5 million, Medium businesses are those with annual turnover of \$5 million to less than \$50 million, and Large businesses are those with annual turnover of \$50m to less than \$500m. All charts use a 6 month rolling average.
- 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 PT Commonwealth Bank Indonesia has once again retained its number one position in Synovate’s external customer service survey. The team has held first position amongst foreign banks for 10 consecutive years as of December 2014, with a score of 97.44, up from 93.53 in 2013. PT Commonwealth Life won Marketing Magazine and Service Excellence Magazine’s 2015 Contact Centre Service Excellence Awards. This is the 10th consecutive year the team has been recognised with a Service Excellence rating.
- 6 Roy Morgan Research. Australian population 14+. Proportion of customers who conducted internet banking via website or app with their Main Financial Institution in the last 4 weeks, who are either “Very Satisfied” or “Fairly Satisfied” with the service provided by that institution. 6 month average to June 2015. Rank based on comparison to ANZ, NAB and Westpac.

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