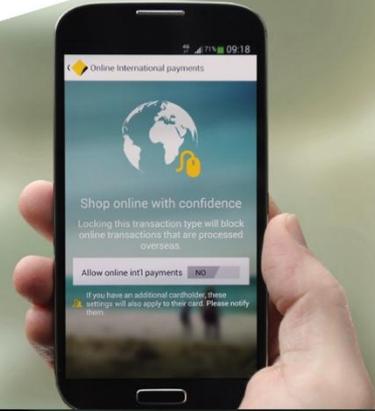


# RESULTS PRESENTATION

FOR THE FULL YEAR ENDED 30 JUNE 2015

Not for distribution or release in the United States



**IAN NAREV**  
CHIEF EXECUTIVE OFFICER

**DAVID CRAIG**  
CHIEF FINANCIAL 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

# Consistent strategy execution

## People



Focus on the customer

## Productivity



Cultural change driving service and efficiency benefits

## Technology



Customer value through world-class technology and operations

## Strength



Long term support for our customers



# Our strategy

## Customer Focus

### Capabilities

People



Productivity



Technology



Strength



“One CommBank”

### Growth Opportunities

Continued growth in business and institutional banking

Disciplined capability-led growth outside Australia



## TSR Outperformance

**Financial**

Cash earnings (\$m)	9,137	5%
ROE (Cash)	18.2%	(50) bpts
Cash EPS (\$)	5.61	5%
DPS (\$)	4.20	5%
Cost-to-Income	42.8%	(10) bpts
NIM (bpts)	209	(5) bpts
NIM (bpts) ex Treasury & Markets	203	(1) bpt

**Operating Performance<sup>2</sup>**

Group (\$m)	13,375	6%
Retail Banking Services (\$m)	6,144	5%
Business and Private Banking (\$m)	2,239	6%
Institutional Banking & Markets (\$m)	1,806	5%
Wealth Management (\$m)	623	(17%)
NZ (NZ\$m)	1,358	11%
Bankwest (\$m)	1,026	5%

**Balance Sheet**

Total assets (\$bn)	873	10%
Total liabilities (\$bn)	820	11%
FUA (\$bn) – average	287	9%
RWA (\$bn)	369	9%
Provisions to Credit RWAs (bpts)	114	(21) bpts

**Capital & Funding**

Capital – CET1 (Int) <sup>3</sup>	12.7%	n/a
Capital – CET1 (APRA)	9.1%	(20) bpts
LT wholesale funding WAM (yrs)	3.8	-
Deposit funding	63%	(1%)
Liquidity Coverage Ratio	120%	n/a

<sup>1</sup> All movements on prior comparative period unless stated otherwise.

<sup>2</sup> Operating Performance is Total Operating Income less Operating Expense. Wealth Management excludes property.

<sup>3</sup> Analysis aligns with the APRA study entitled "International capital comparison study" (13 July 2015).



# 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%



## Additional information

# Business Unit Summary

		FY15 vs FY14					
Business Unit <sup>1</sup>	% of Group NPAT	Operating Income	Costs	Operating Performance	LIE	Cash NPAT	Cost-to-Income Jun 15
RBS	42%	5%	4%	5%	8%	5%	35%
BPB	16%	5%	4%	6%	(36%)	10%	38%
IB&M	14%	6%	7%	5%	large	1%	36%
Wealth <sup>2</sup>	7%	3%	13%	(17%)	n/a	(6%)	74%
NZ <sup>3</sup>	9%	8%	5%	11%	59%	8%	41%
BWA	8%	2%	(3%)	5%	large	11%	43%
IFS	1%	29%	27%	33%	large	28%	65%

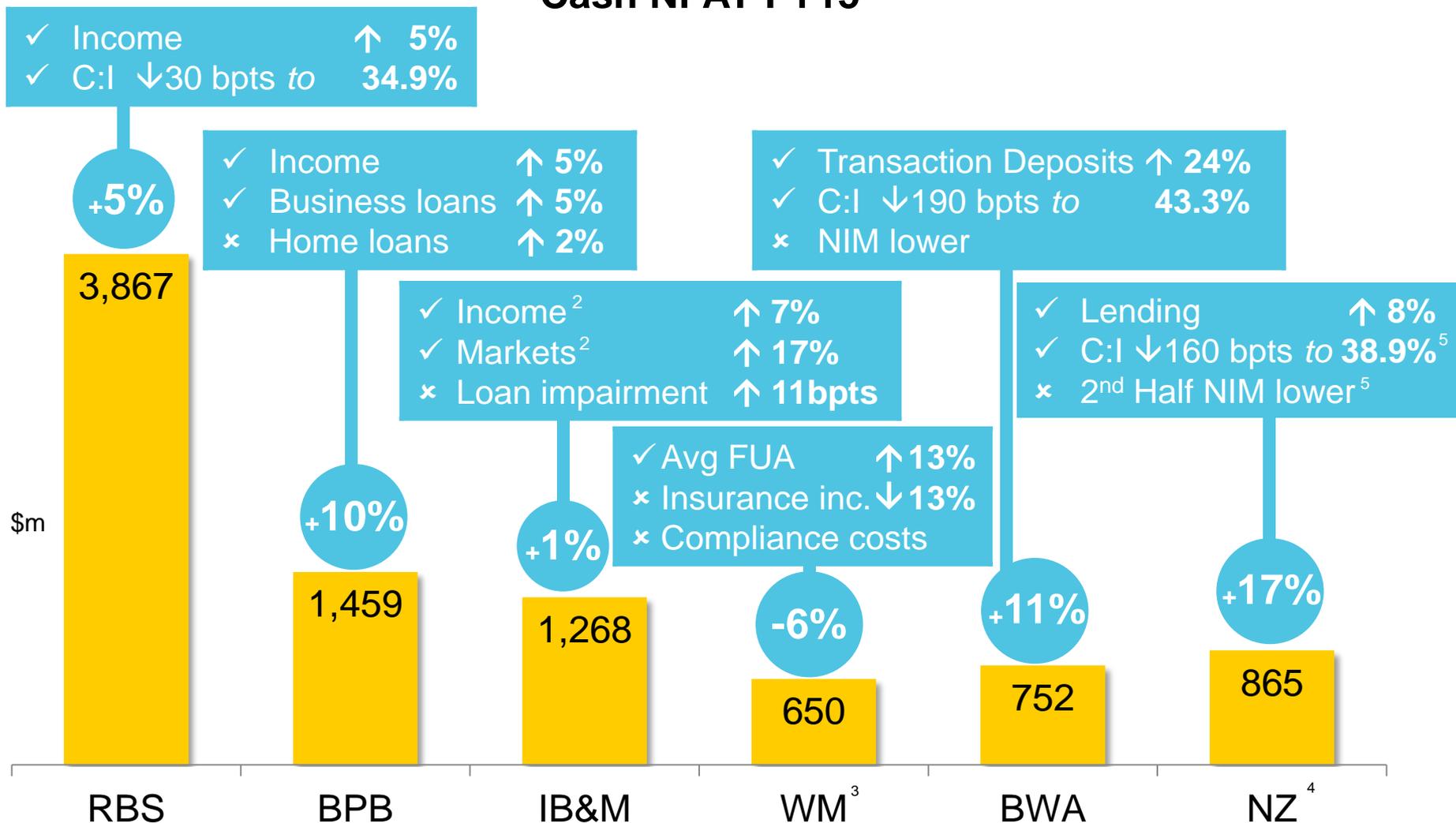
<sup>1</sup> Excludes Corporate Centre and Other.

<sup>2</sup> All figures exclude the contribution from the Property transactions and businesses.

<sup>3</sup> NZ result in NZD except for "% of Group NPAT", which is in AUD.

# 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>5</sup>	=1 <sup>st</sup>
Business – Small <sup>5</sup>	=1 <sup>st</sup>
Business – Medium <sup>5</sup>	=1 <sup>st</sup>
Business – Large <sup>5</sup>	=1 <sup>st</sup>
Wealth <sup>6</sup>	2 <sup>nd</sup>
IFS <sup>7</sup>	1 <sup>st</sup>
Internet Banking <sup>9</sup>	1 <sup>st</sup>

## Additional information

## Market Share<sup>1</sup>

%	Jun 15	Dec 14	Jun 14
Home loans	25.1	25.1	25.3
Credit cards – RBA <sup>2</sup>	24.5	25.1	24.7
Other household lending <sup>3</sup>	19.8	20.2	20.3
Household deposits <sup>4</sup>	29.5	29.1	29.0
Business lending – RBA	17.2	17.1	17.7
Business lending - APRA	18.9	18.6	18.8
Business deposits – APRA	20.3	20.4	21.1
Asset finance	13.2	13.4	13.2
Equities trading	6.0	5.8	5.2
Australian Retail – administrator view <sup>5</sup>	16.0	16.1	16.0
FirstChoice Platform <sup>5</sup>	11.4	11.4	11.5
Australia life insurance (total risk) <sup>5</sup>	12.3	12.1	12.4
Australia life insurance (individual risk) <sup>5</sup>	11.7	11.9	12.3
NZ home loans	21.7	21.7	21.9
NZ retail deposits	21.4	20.6	20.6
NZ business lending	11.6	11.5	11.0
NZ retail FUA	16.2	16.5	16.1
NZ annual inforce premiums <sup>5</sup>	28.8	29.0	29.1

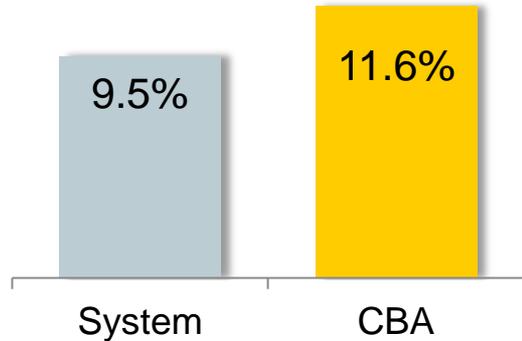
<sup>1</sup> Prior periods have been restated in line with market updates. <sup>2</sup> As at 31 May 2015. <sup>3</sup> Other household lending market share includes personal loans, margin loans and other forms of lending to individuals. <sup>4</sup> Comparatives have not been restated to include the impact of new market entrants in the current period. <sup>5</sup> As at 31 Mar 2015.



# Continuing volume growth

## Household Deposits

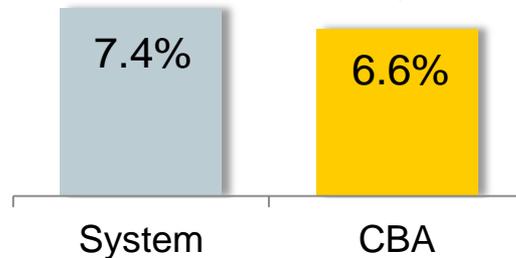
Balance Growth<sup>1</sup>



## Home Lending

Balance Growth<sup>1</sup>

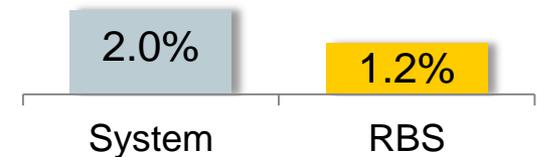
Underweight in higher growth segments – broker and investment lending



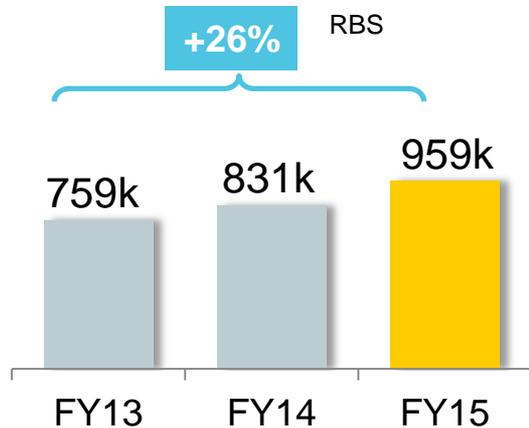
## Credit Cards

Balance Growth<sup>1</sup>

Not participating in zero balance transfer market

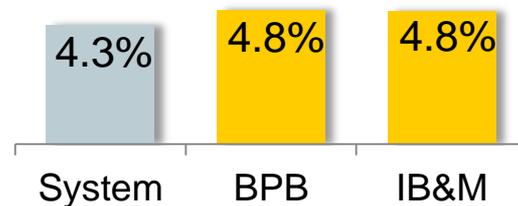


## New Transaction Accts<sup>2</sup>



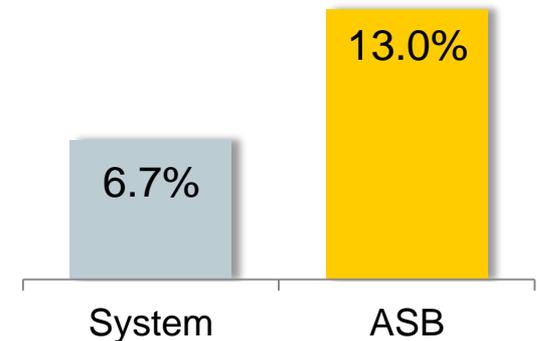
## Business Lending

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



## ASB

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

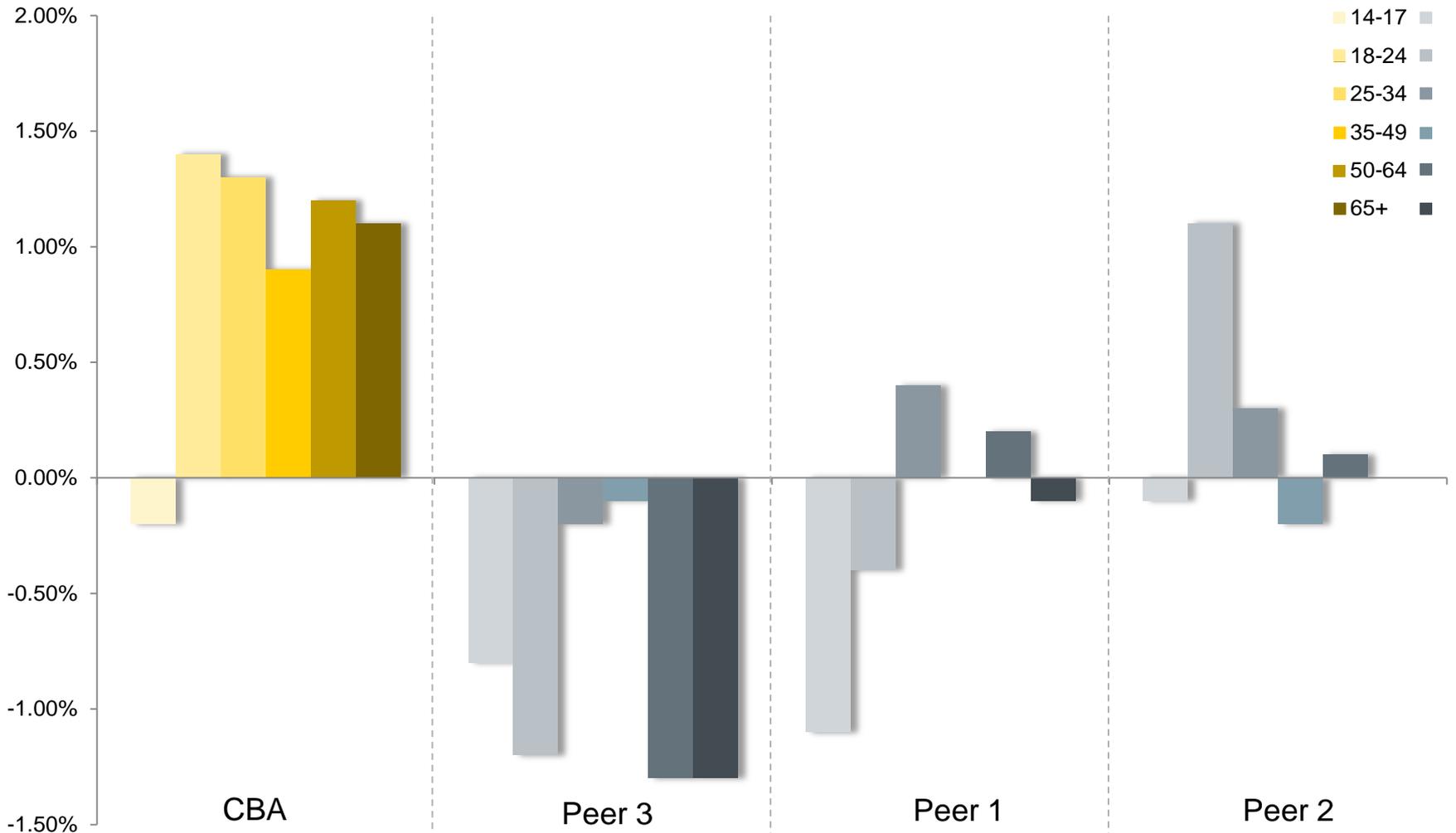


<sup>1</sup> Spot balance growth twelve months to June 15. Source RBA/APRA/RBNZ. CBA includes BWA except Business Lending. Business Lending is RBA.

<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 by Age – Mvt Jun 15 vs Jun 14<sup>3</sup>**

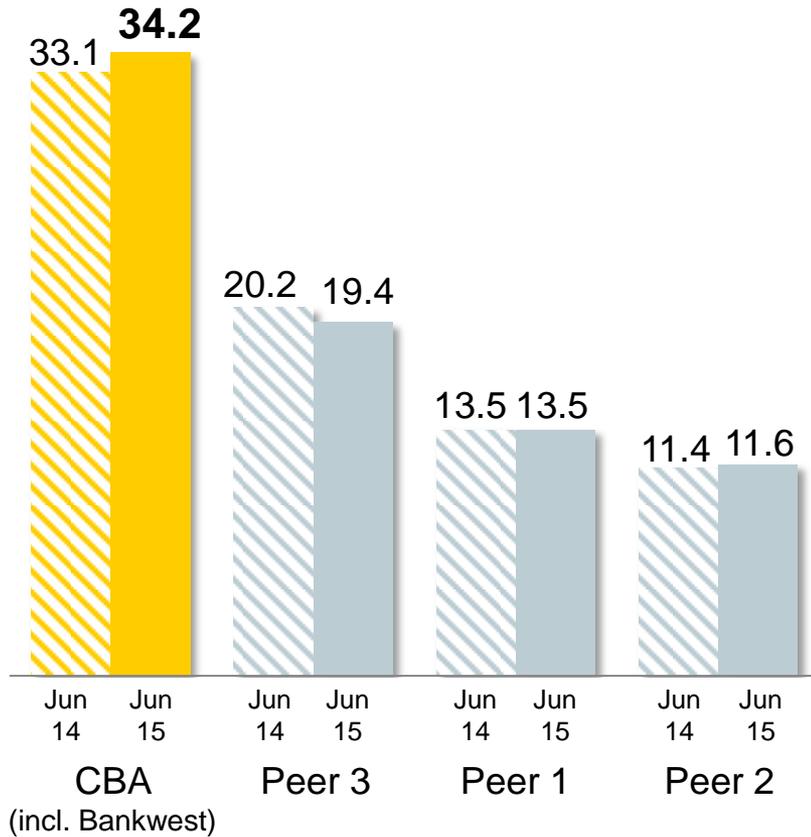


<sup>3</sup> Refer notes slide at back of this presentation for source information

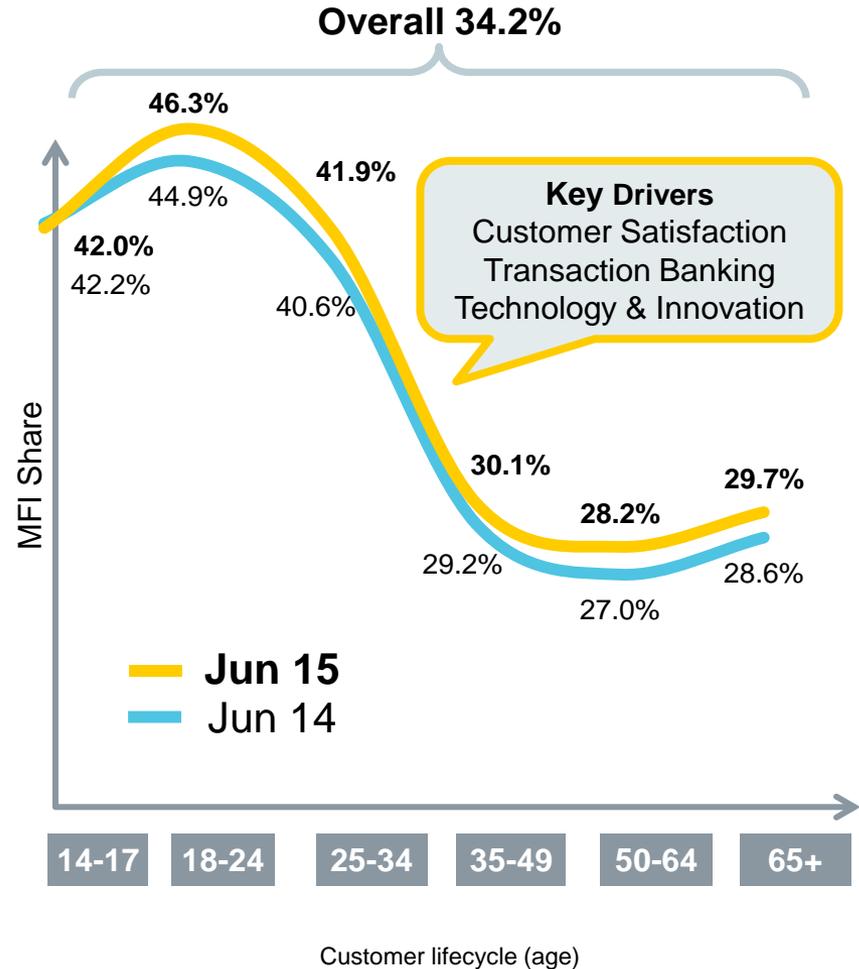
# MFI share

## MFI share<sup>3</sup>

%



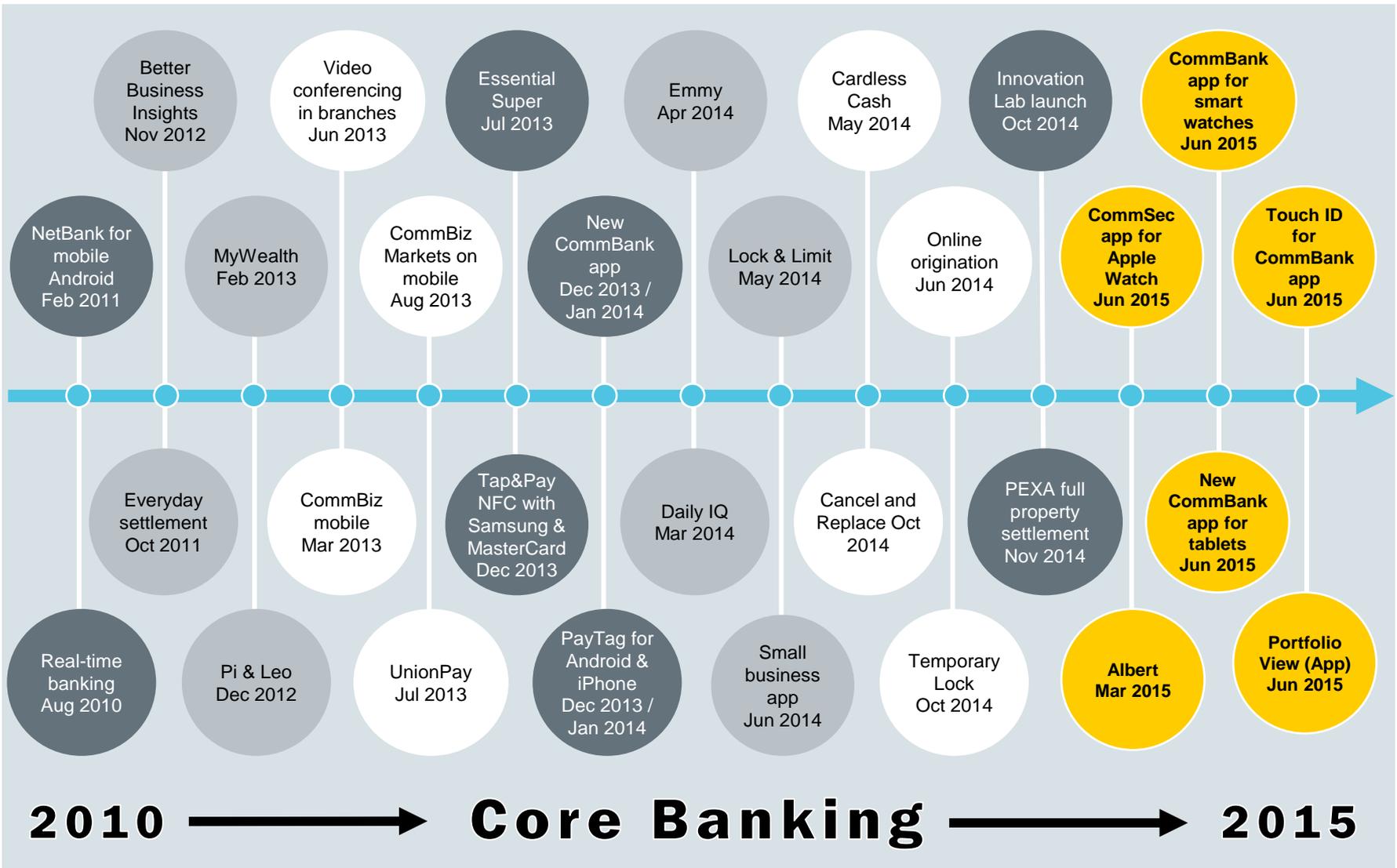
## CBA MFI share by age<sup>3</sup>



<sup>3</sup> Refer notes page at back of presentation for source information

## Additional information

# Leading technology, innovative solutions



# 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

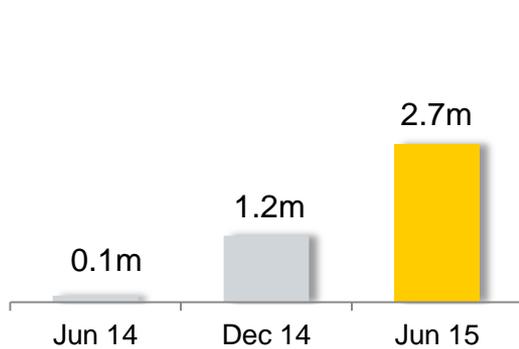
## 2015

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



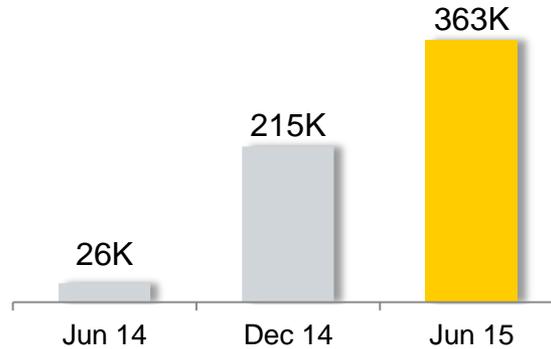
**Cardless Cash**

Total number of transactions



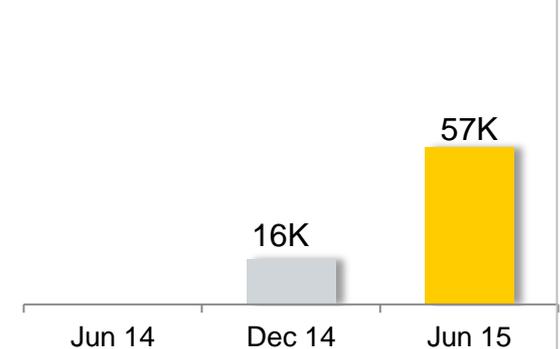
**Lock, Block & Limit**

Number of accounts enrolled



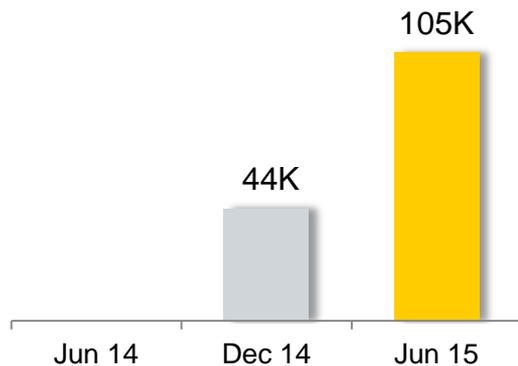
**Temporary Lock<sup>1</sup>**

Number of accounts enrolled



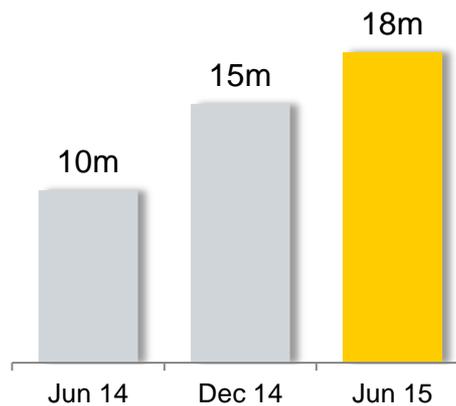
**Cancel & Replace<sup>1</sup>**

Number of replacement requests



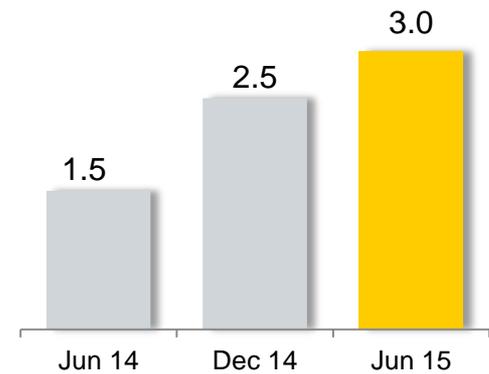
**CBA App**

Logons per week



**CBA App**

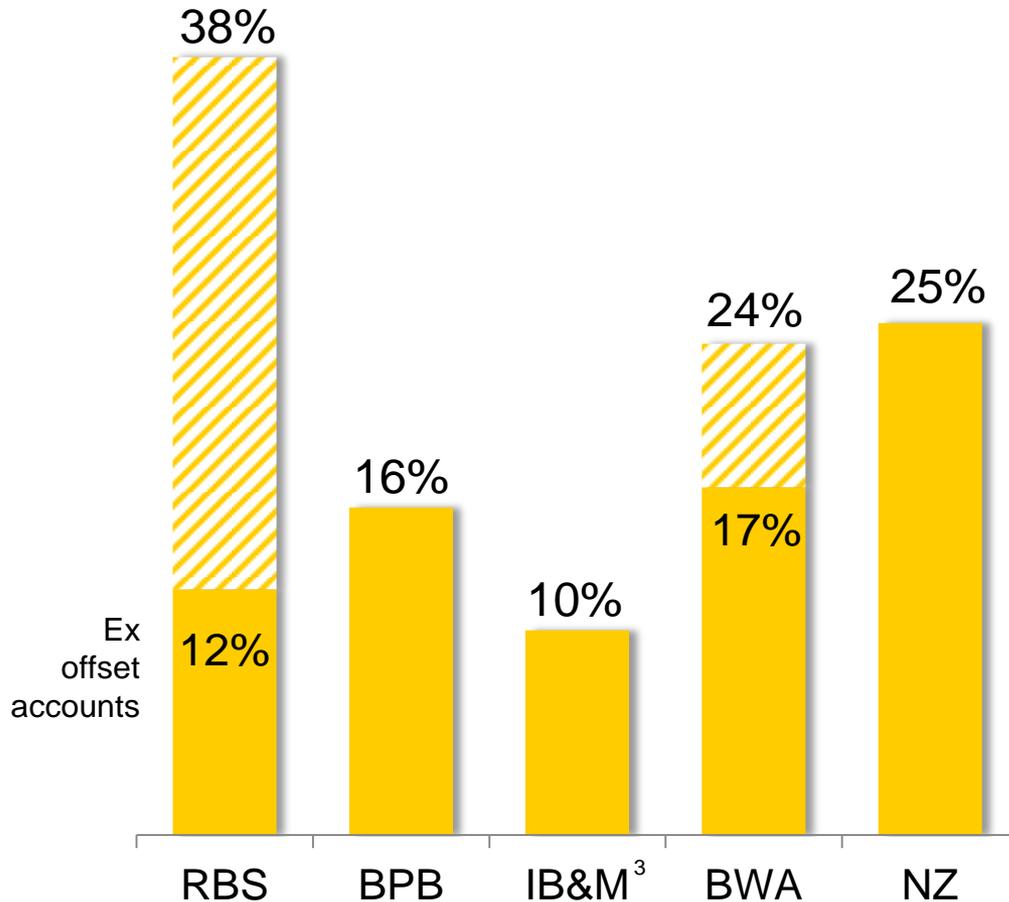
Transactions per week (\$bn)



<sup>1</sup> Launched Oct 14

# Innovating in Transaction Banking

Transaction Accounts  
Balance Growth  
FY15



## Continuous Innovation

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

## Easy Account Opening

- Real time online origination in less than 5 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.

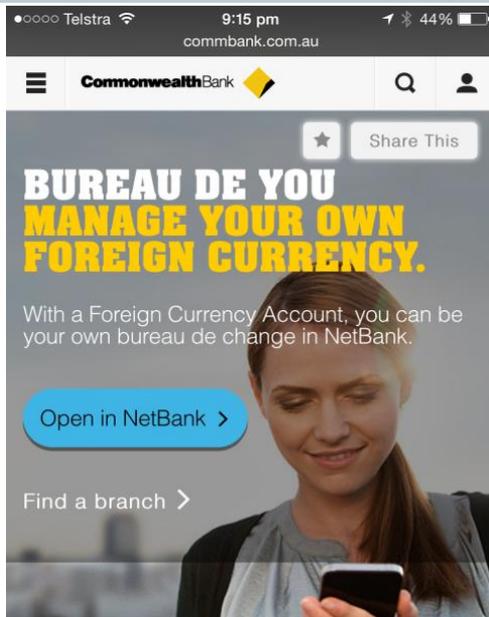
<sup>3</sup> Excludes Cash Management Pooling Facilities (CMPF)





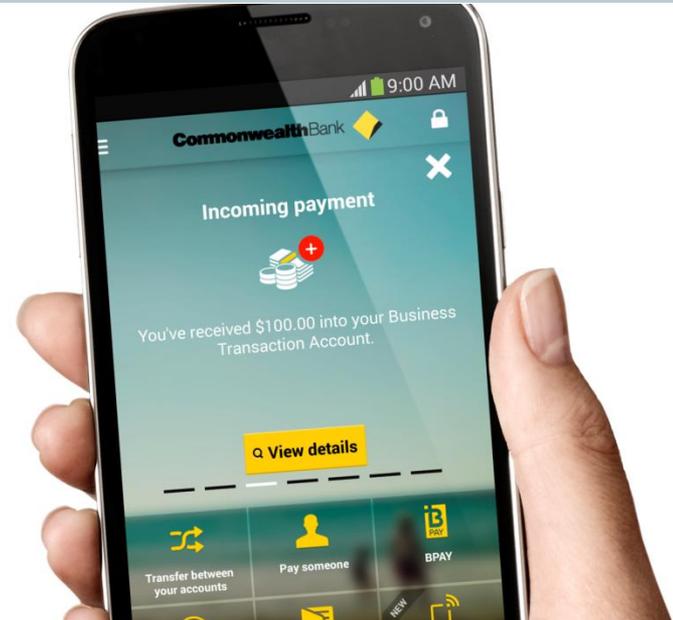
# Innovating in Transaction Banking

## 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”



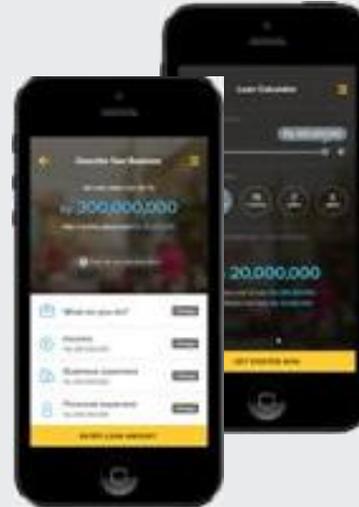
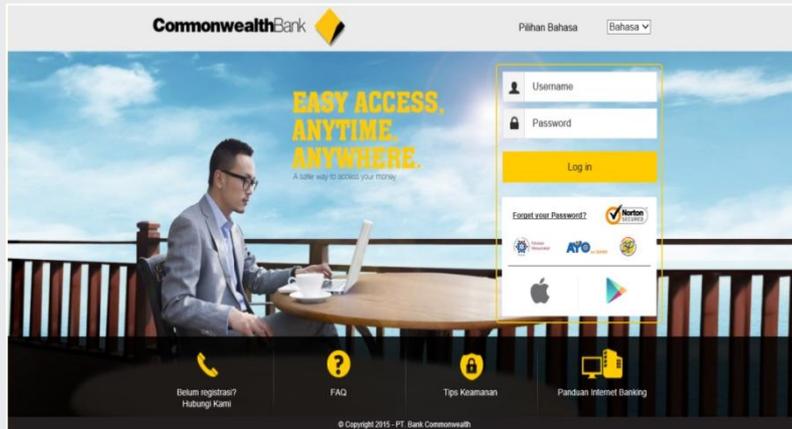
- Global first-to-market EFTPOS tablet
- Transforming the way merchants interact with their customers
- Tailored customer experience, portable, secure, user-friendly
- Over 3,000 devices in market across 2,500 merchants
- 2,000+ developers in Pi Business Network, 30+ apps in development

Mar 15



# Innovating Internationally

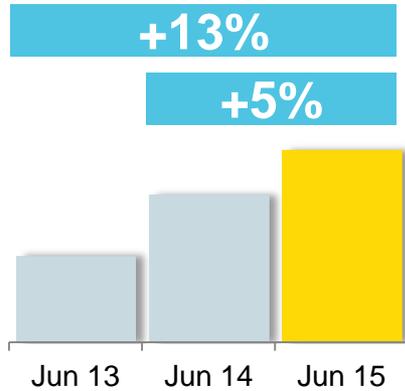
## International Financial Services



- 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

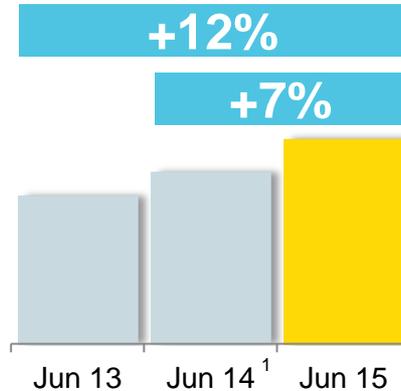
**Customer Service**

Telling transactions per CSR per week



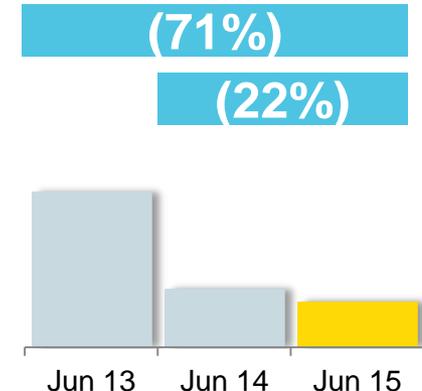
**Personal Loans**

% funded same day



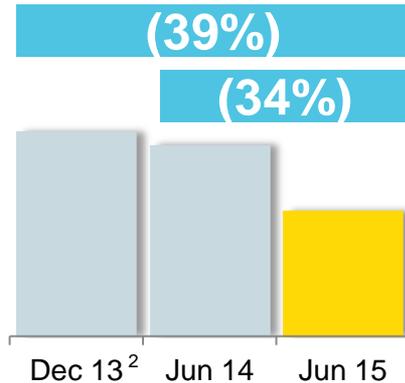
**Asset Finance**

Credit approval time (minutes)



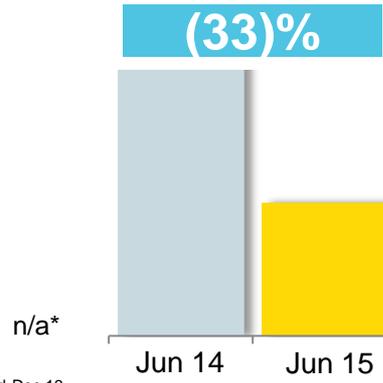
**Home Insurance**

Claims turnaround time (days)



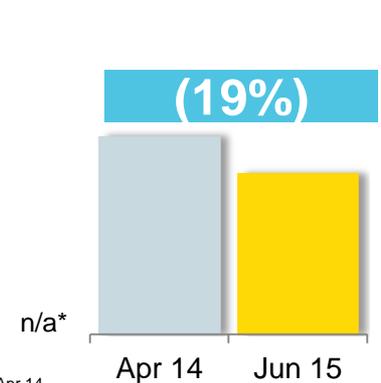
**Bankwest Transaction Accounts**

Online Accounts - average application time (minutes)



**Transaction Banking**

Business client on-boarding time (days)



\* Commenced Dec 13

\* Commenced Apr 14

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

# Productivity

## Cultural Change Embedded

### Training & Leadership

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

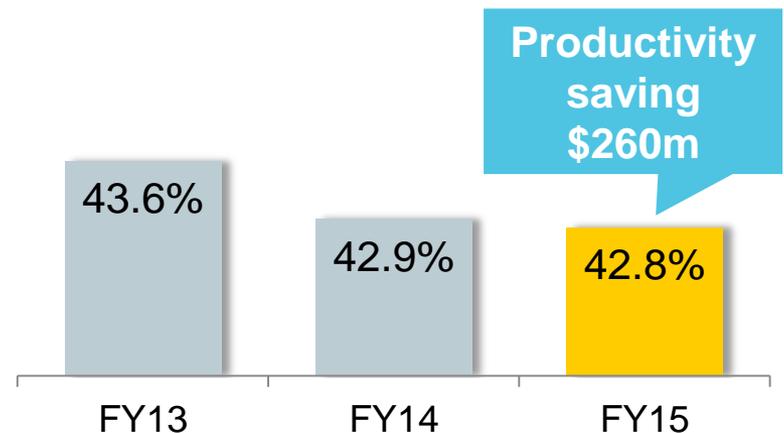
### Efficiency

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

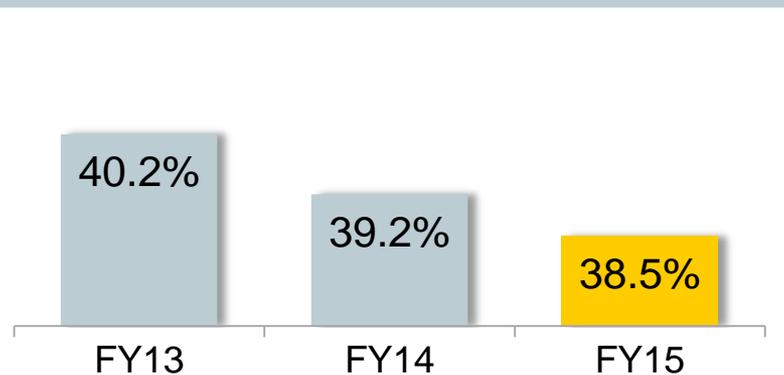
### Future

- ◆ Process centricity, standardised architecture, digitised workflows

## Group Cost-to-Income



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



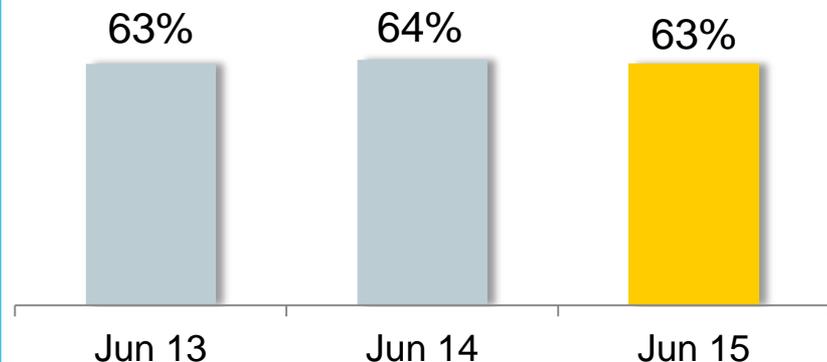
<sup>1</sup> Includes RBS, BPB, IB&M, Bankwest and ASB.



# Strength to support our customers

## Deposit Funding

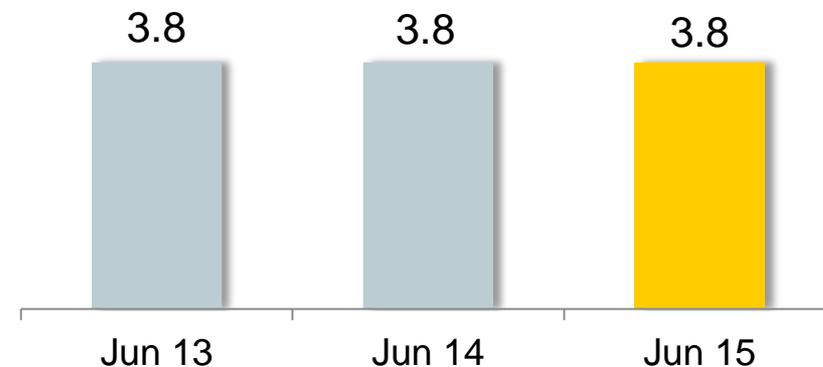
% of Total Funding



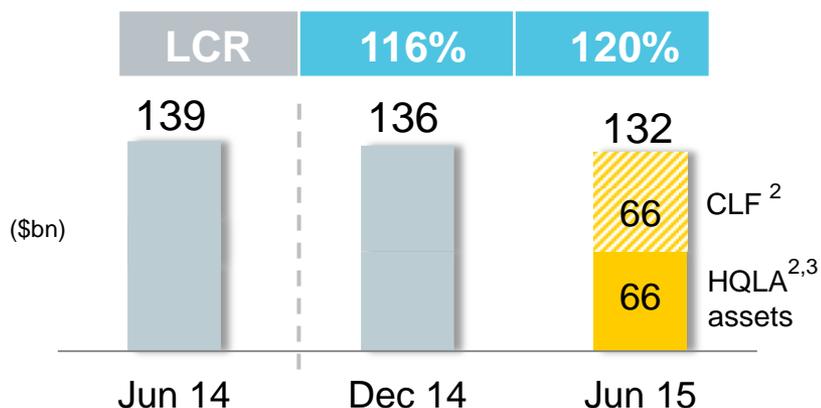
## Wholesale Funding Tenor

Years

Portfolio Tenor<sup>1</sup>

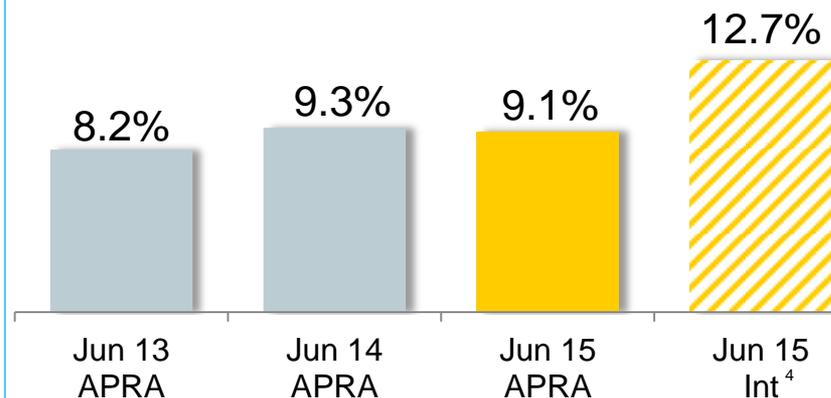


## Liquidity<sup>2</sup>



## 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

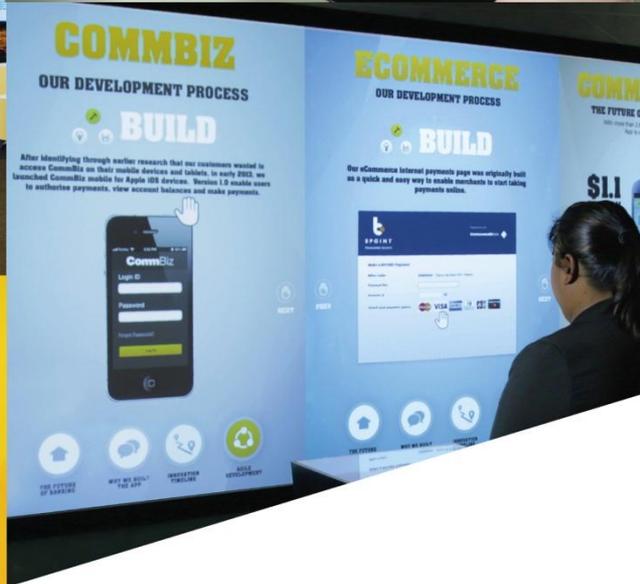
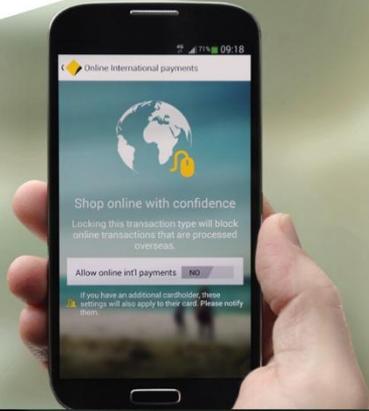
<sup>4</sup> Analysis aligns with the APRA study entitled "International capital comparison study" (13 July 2015).





# RESULTS PRESENTATION

FOR THE FULL YEAR ENDED 30 JUNE 2015



**DAVID CRAIG**  
CHIEF FINANCIAL OFFICER

**Commonwealth**Bank



\$m	Jun 15	Jun 14
Hedging and IFRS volatility		
<ul style="list-style-type: none"> <li>▪ Unrealised accounting gains and losses arising from the application of “AASB 139 Financial Instruments: Recognition and Measurement”</li> </ul>	6	6
Other		
<ul style="list-style-type: none"> <li>▪ Bankwest non-cash items</li> <li>▪ Treasury shares valuation adjustment</li> <li>▪ Bell Group litigation</li> <li>▪ Gain on sale of management rights</li> </ul>	(52)	(56)
	(28)	(41)
	-	25
	-	17
	(80)	(55)
<b>Total</b>	<b>(74)</b>	<b>(49)</b>

# Cash Profit up 5%

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

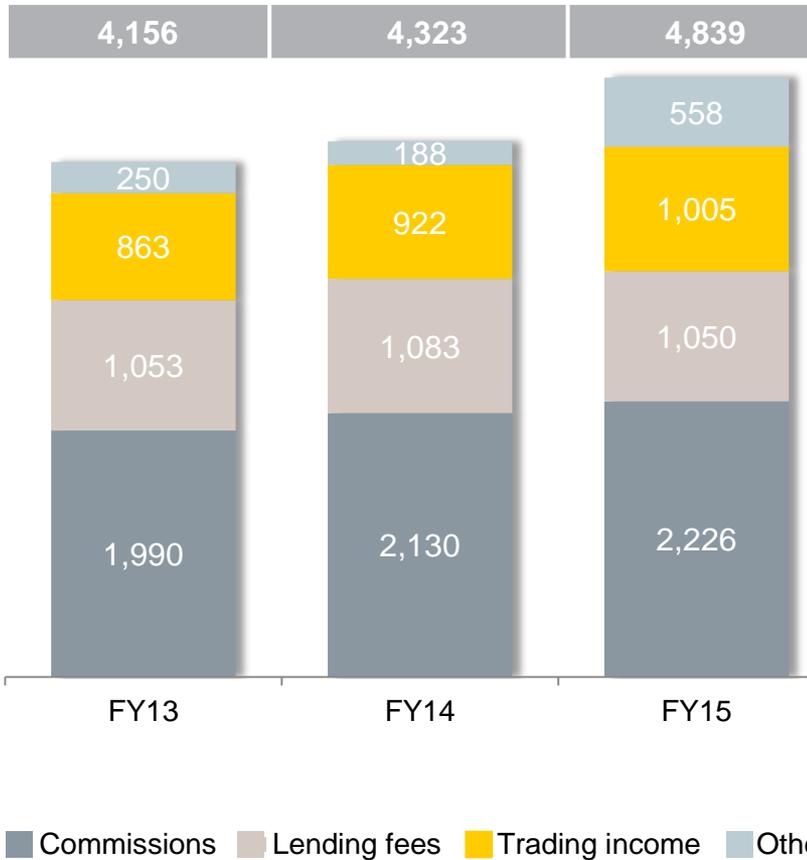


## Additional information

# Other Banking Income

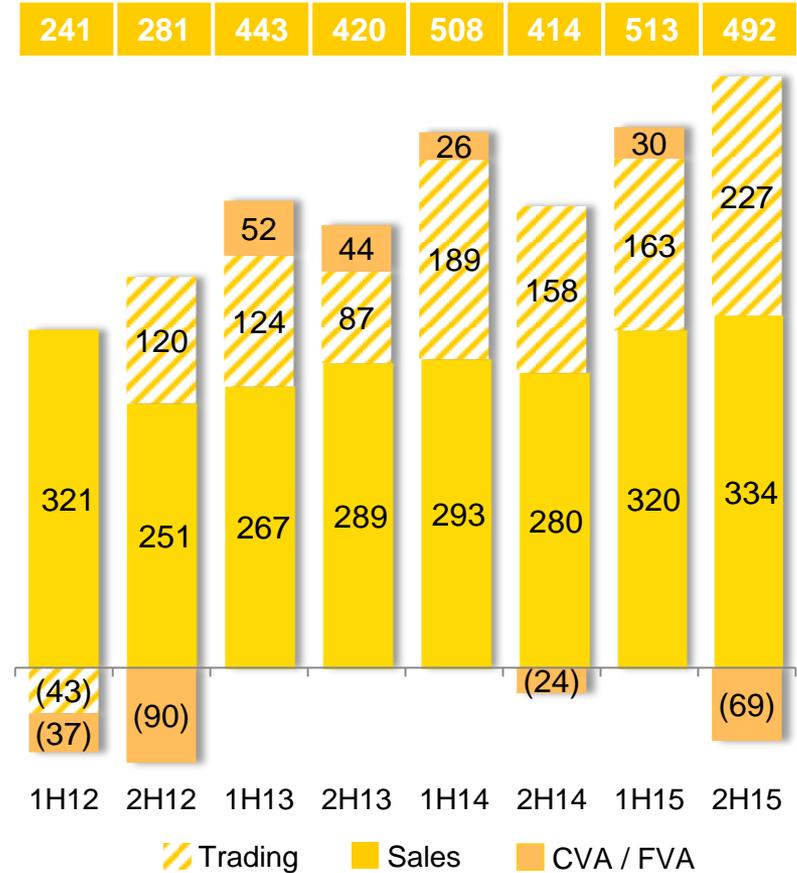
## Other Banking Income

\$m



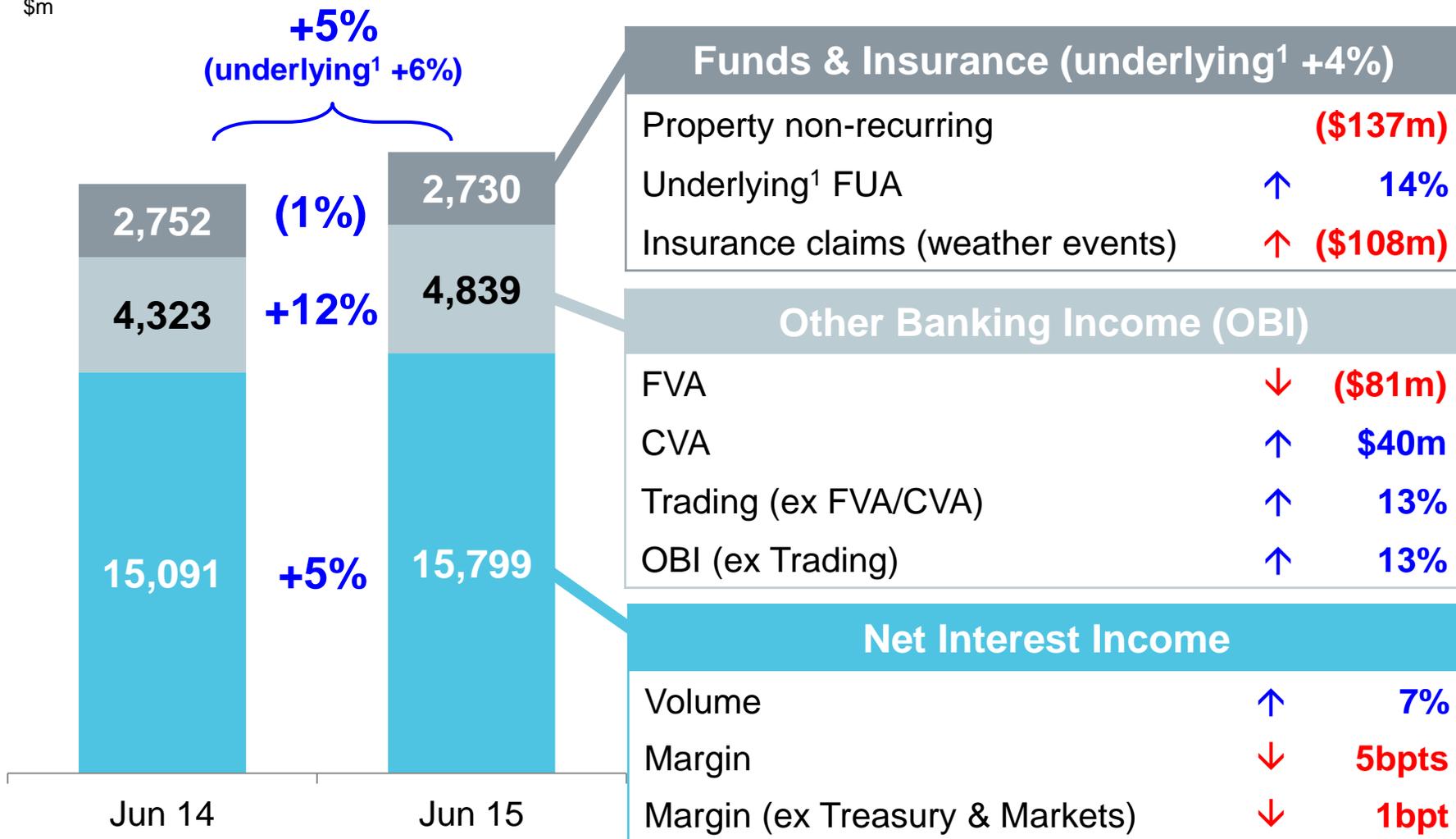
## Net Trading Income

\$m



# Operating Income

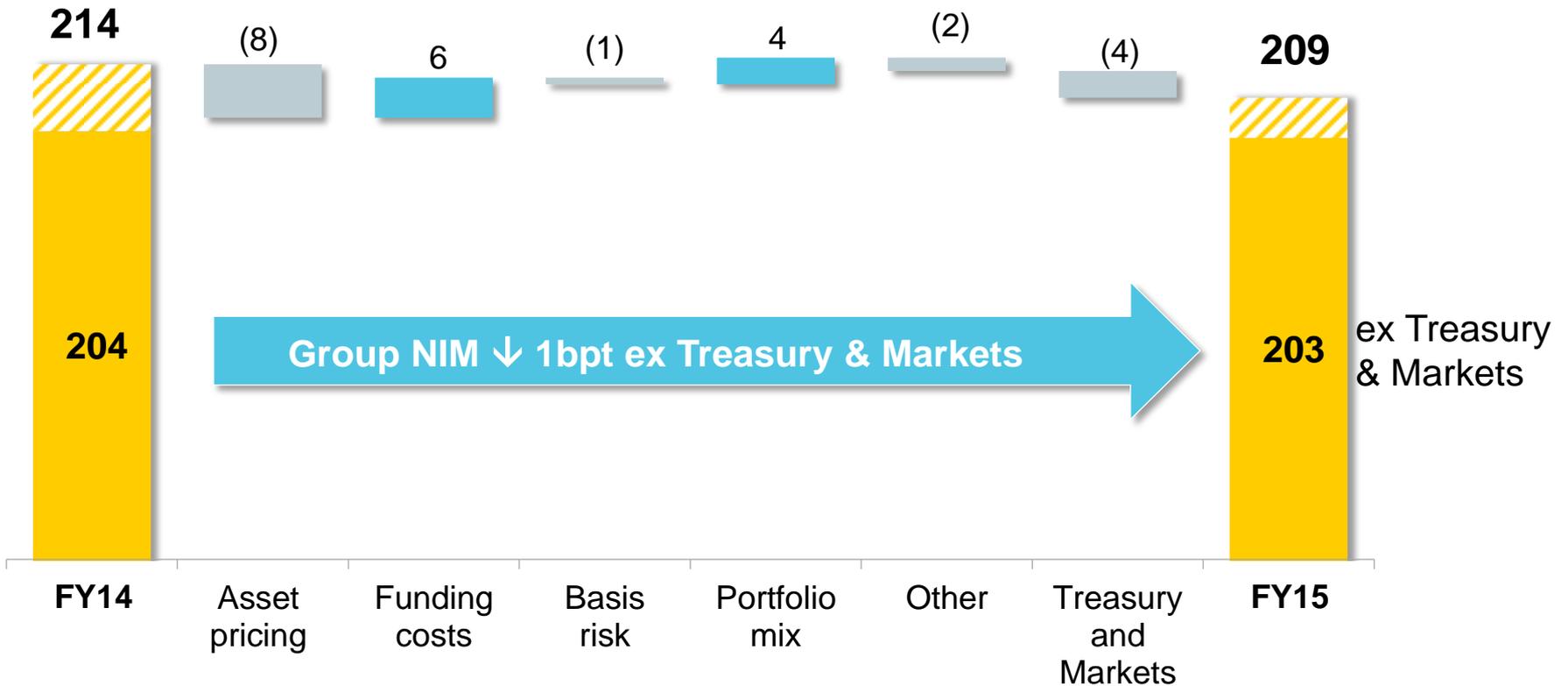
\$m



1. Excluding Property

bpts

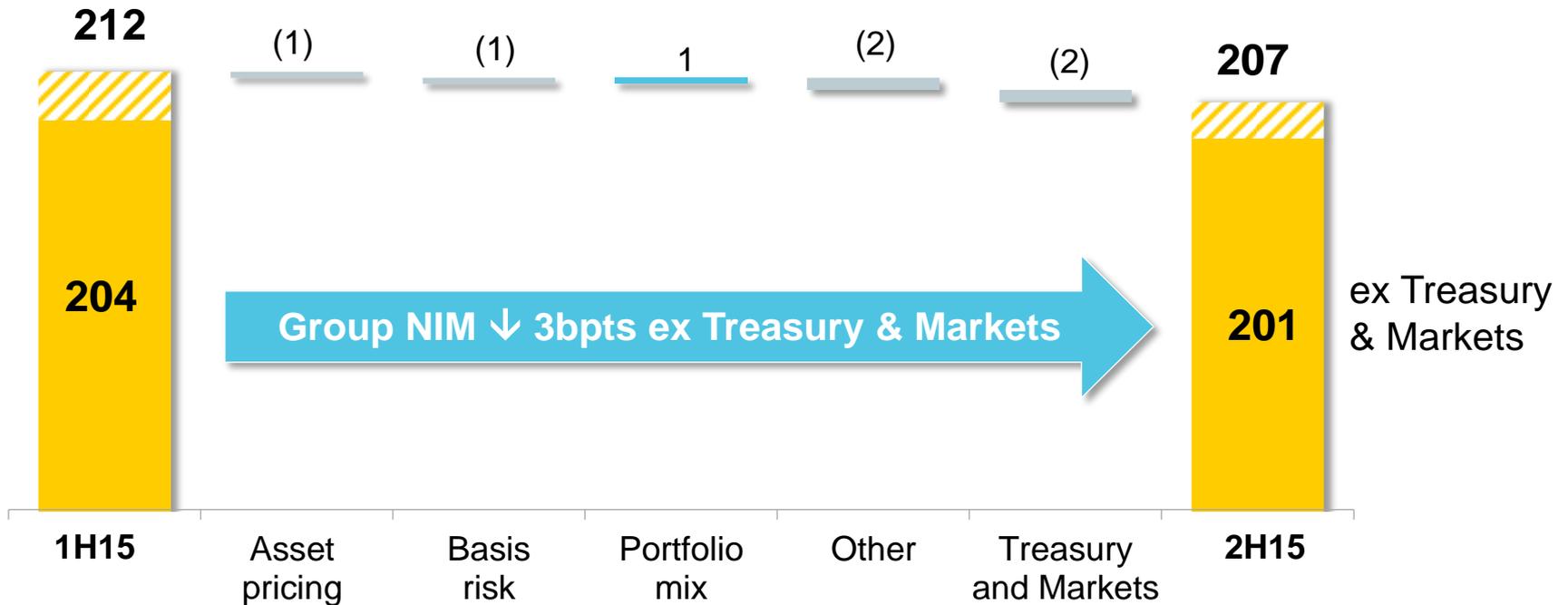
**12 Month Movement**



# Underlying<sup>1</sup> Group NIM down 3bpts

bpts

## 6 Month Movement



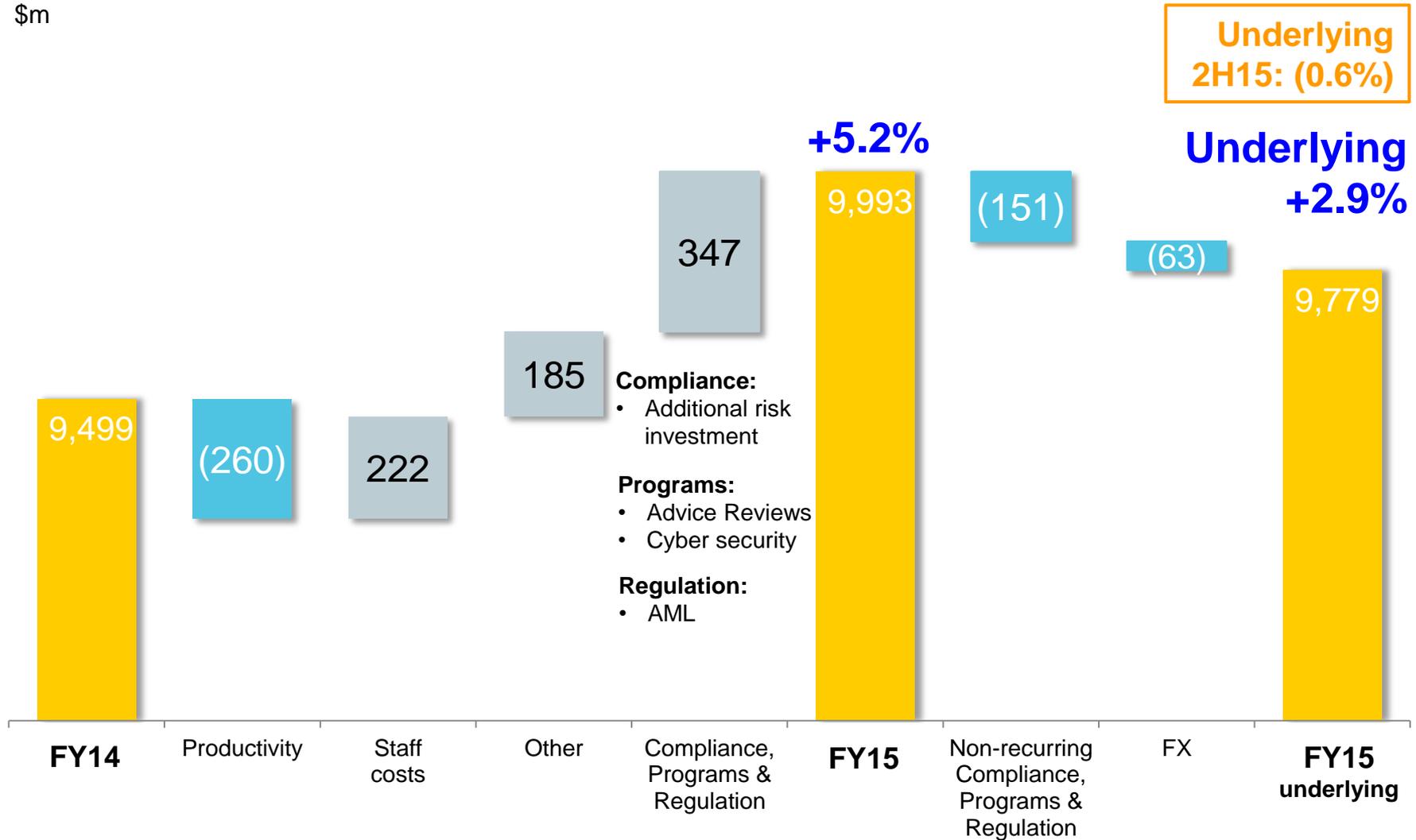
1. Excluding Treasury and Markets





# Operating Expenses

\$m



Putting the customer at the centre of everything we do



## Revitalised front-line

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



## State-of-the-art Core

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



## Innovation Culture

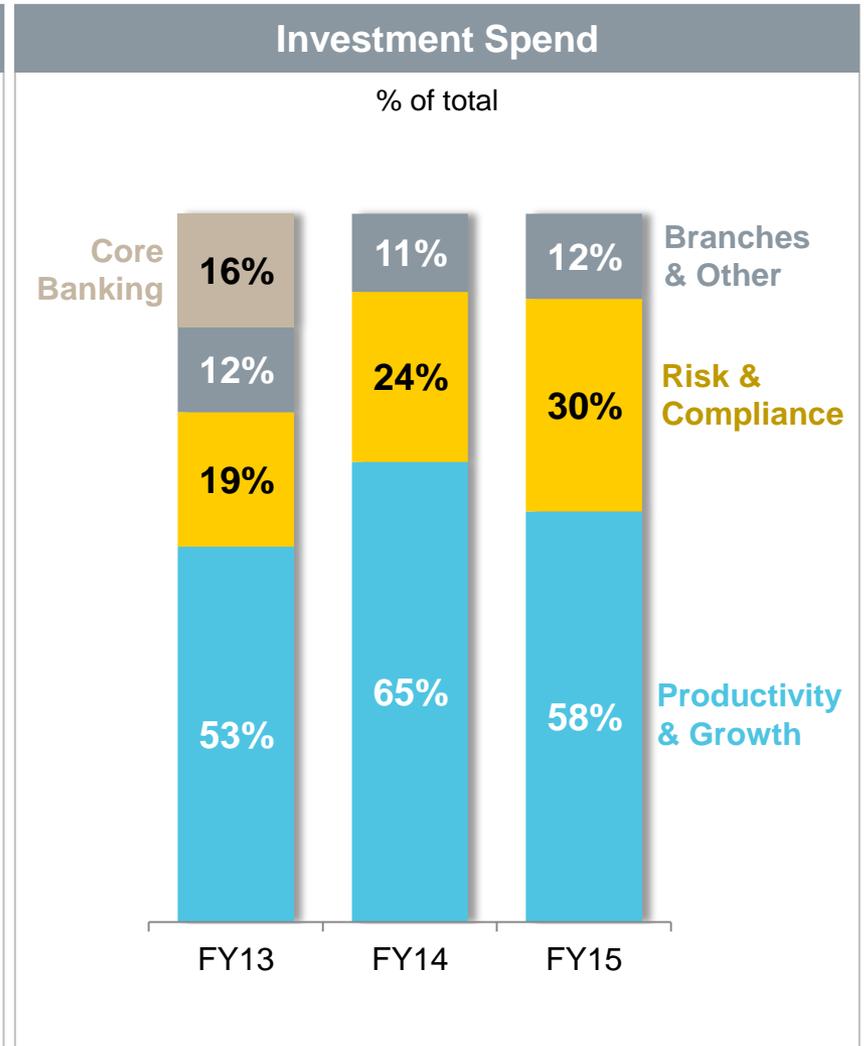
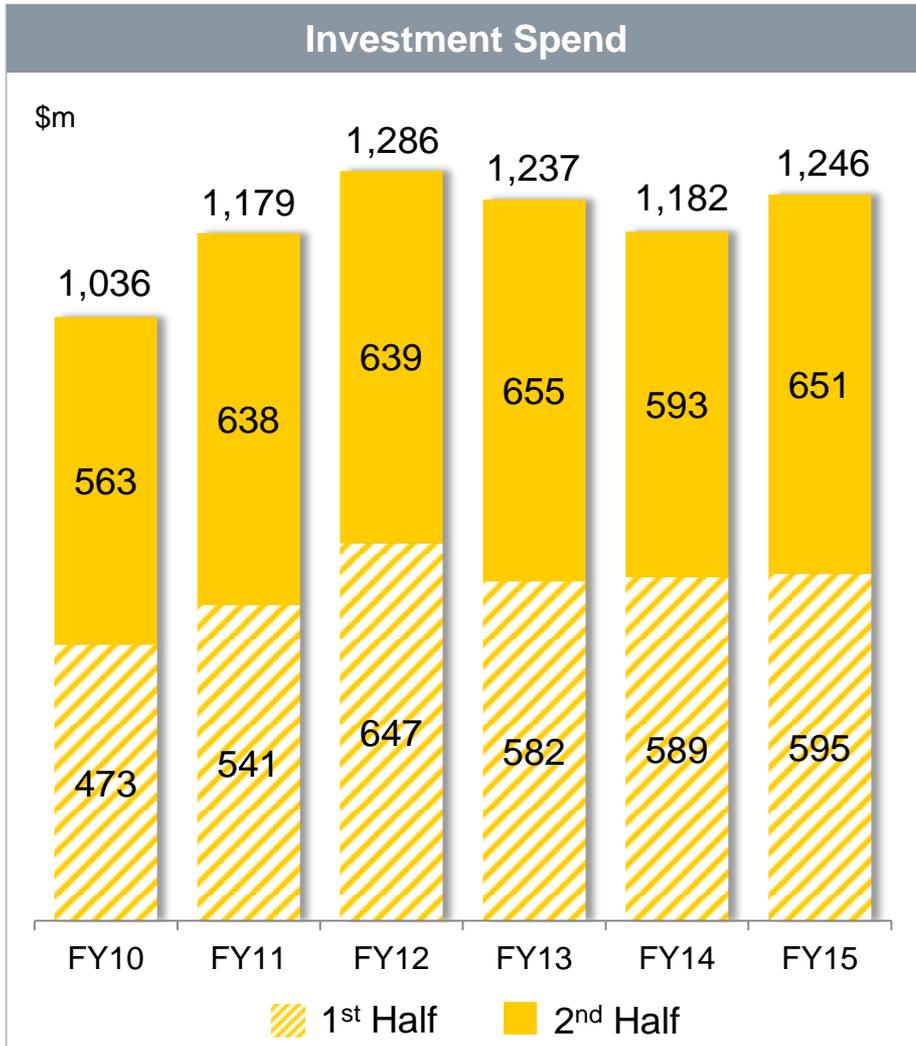
- Innovation Lab
- CommBank and Small Business apps
- CommBiz & CommSec
- FirstChoice
- CommBiz Mobile
- Pi, Albert, Leo, Emmy
- Apps for phones, tablets and smart watches



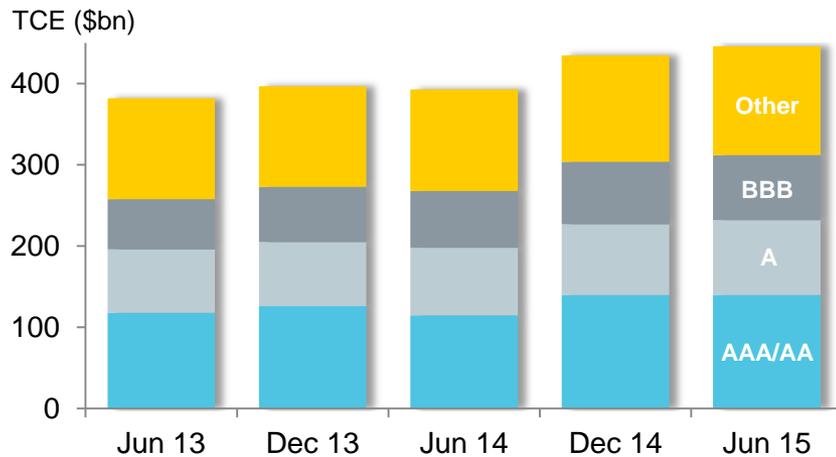
## Securing the digital future

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

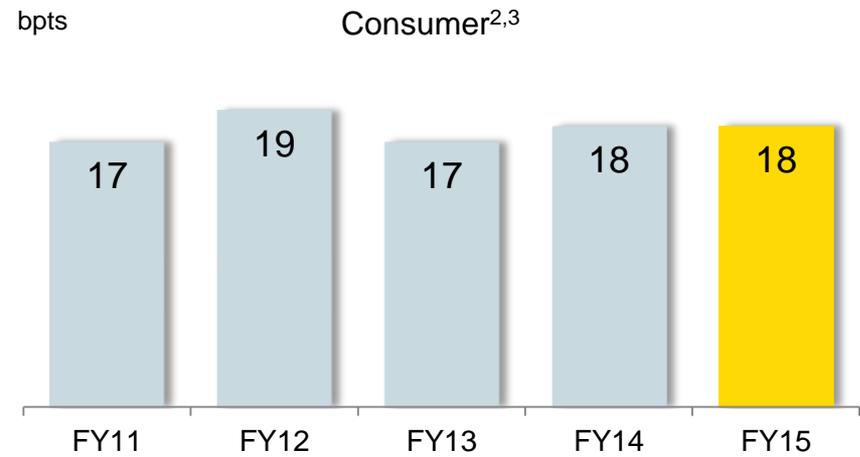
# Continuing to invest



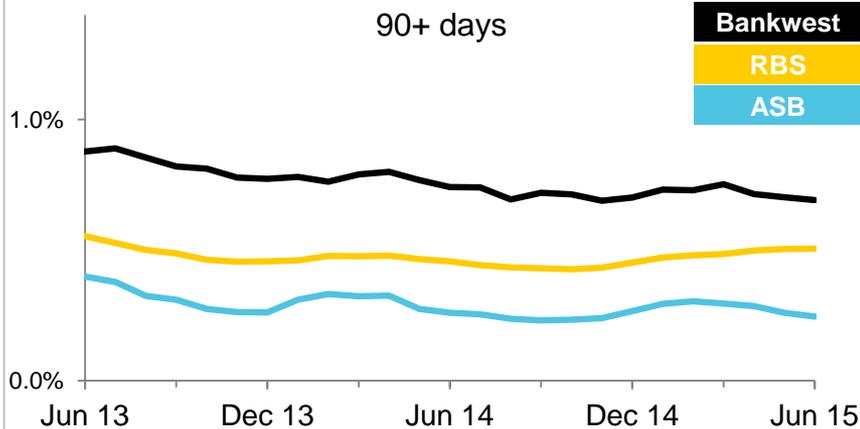
## Commercial Portfolio Quality<sup>1</sup>



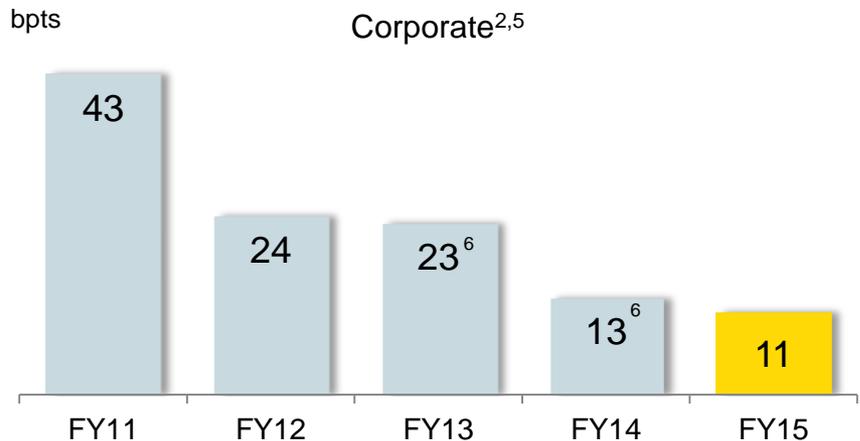
## Loan Impairment Expense (Cash) to Gross Loans



## Home Loan Arrears<sup>4</sup>



## Loan Impairment Expense (Cash) to Gross Loans

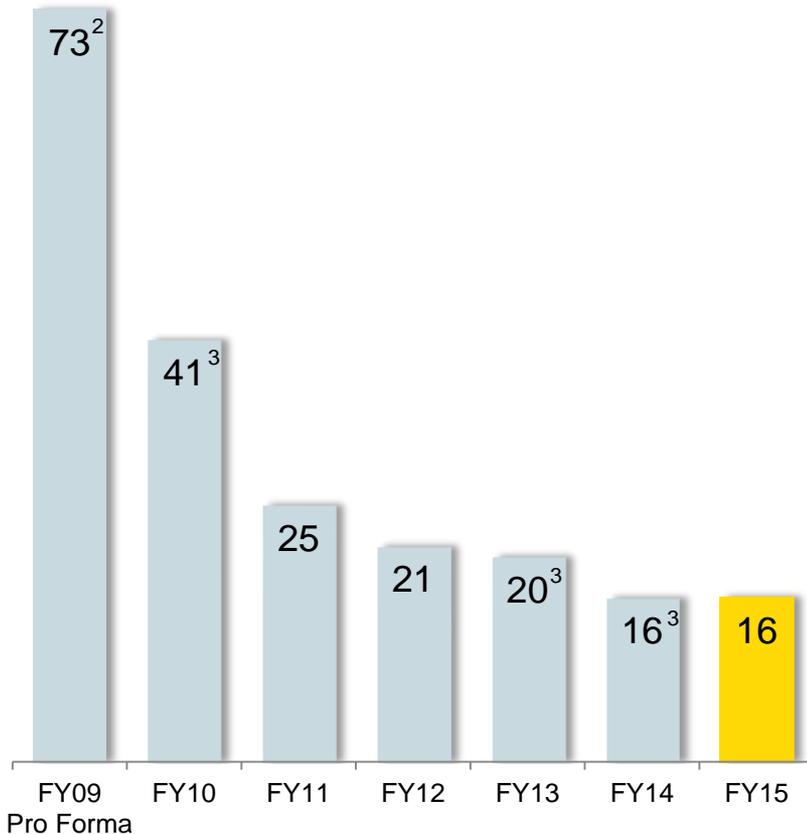


1. Total Credit Exposure (TCE) = balance for uncommitted facilities or greater of limit or balance for committed facilities. Calculated before collateralisation. Includes Bank and Sovereign exposures. CBA grades in S&P equivalents. 2. Basis points as a percentage of average Gross Loans and Acceptances (GLA). 3. Represents Retail Banking Services, ASB Retail and Bankwest Retail. 4. Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loan (RBS only) and Residential Mortgage Group (RBS only) loans. 5. Represents Institutional Banking and Markets, Business and Private Banking, ASB Business, Bankwest Business and other corporate related expense. 6. Statutory LIE for FY13 26 bpts and FY14 11 bpts.

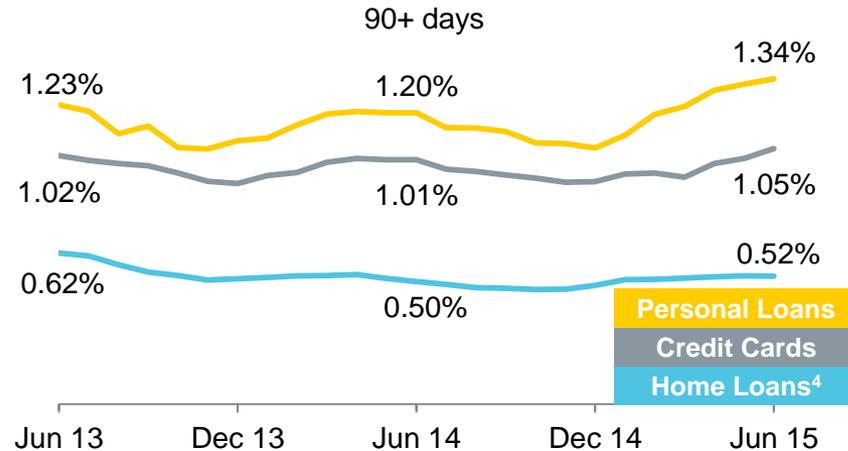
# Sound credit quality

## Loan Impairment Expense (Cash)

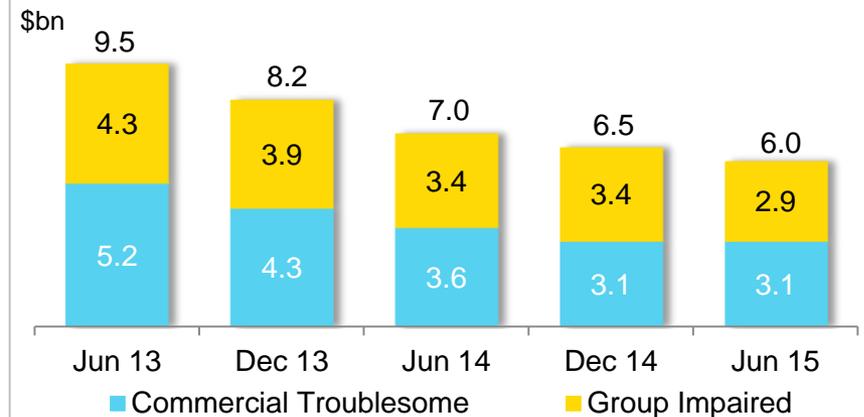
CBA Group  
(basis points)<sup>1</sup>



## Group Consumer Arrears

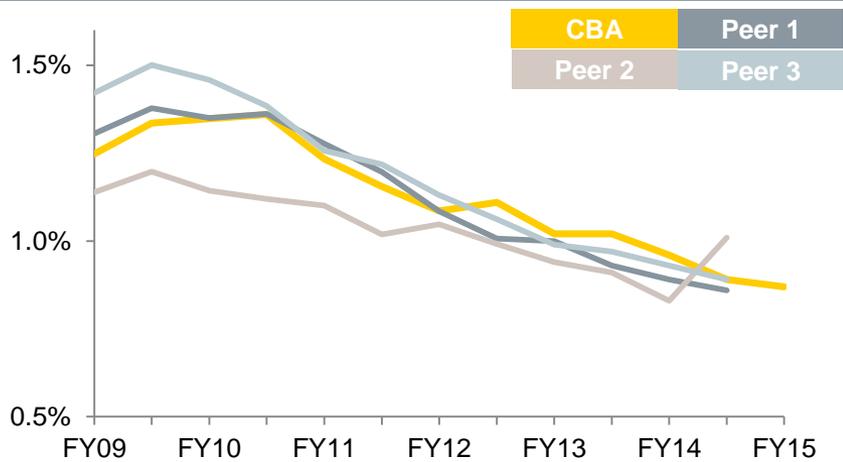


## Troublesome and Impaired Assets

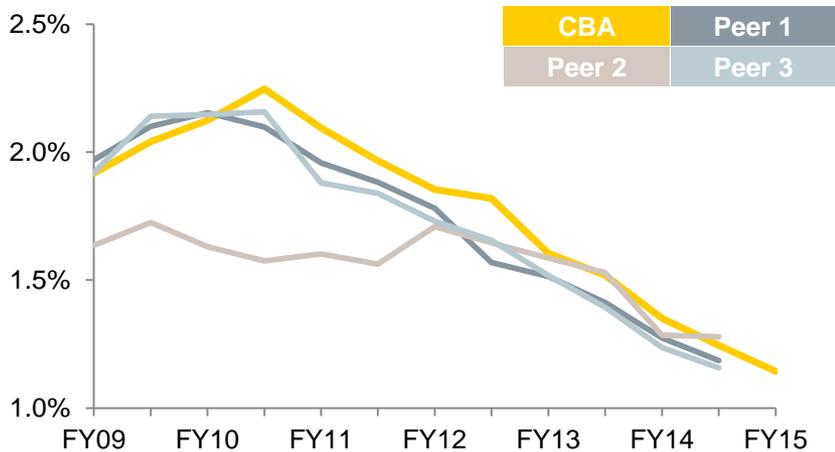


1 Basis points as a percentage of average Gross Loans and Acceptances (GLA)  
 2 FY09 includes Bankwest on a pro-forma basis and is based on impairment expense for the year  
 3 Statutory Loan Impairment Expense (LIE) for FY10 48 bpts, FY13 21 bpts and FY14 16 bpts  
 4 Excludes Reverse Mortgage, Commonwealth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

**Collective Provisions<sup>1</sup> to Credit RWA<sup>2</sup>**



**Total Provisions<sup>1</sup> to Credit RWA<sup>2</sup>**



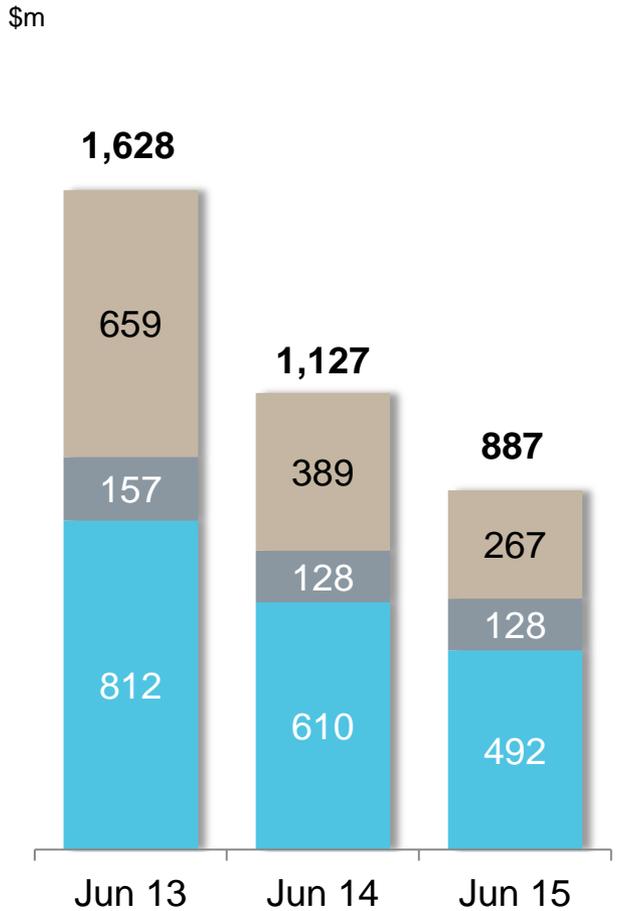
Charts based on financial year data (CBA: 31 December and 30 June, Peers: 31 March and 30 September).

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

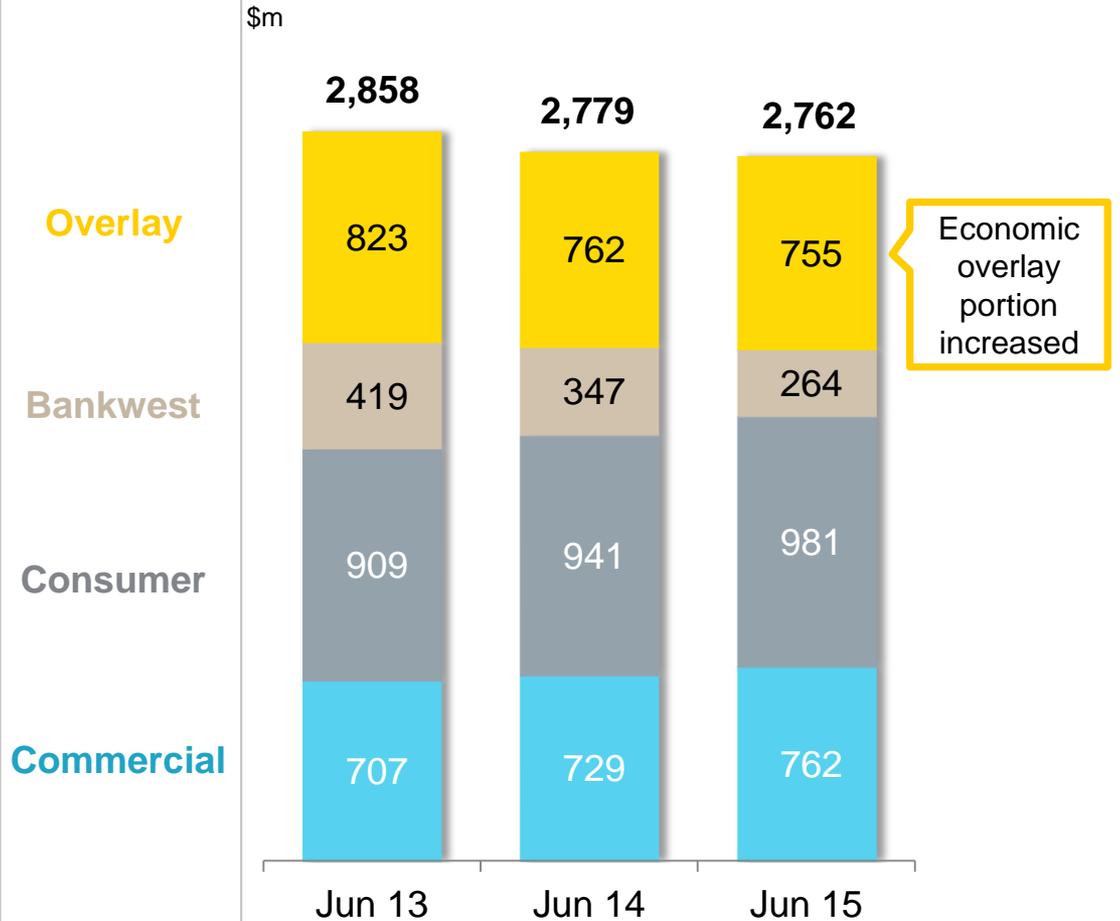
2 All ratios subsequent to 1 January 2013 are based on Basel III credit RWA, all ratios prior to this date are based on Basel II/Basel 2.5 credit RWA.

# Provisions

## Individual Provisions



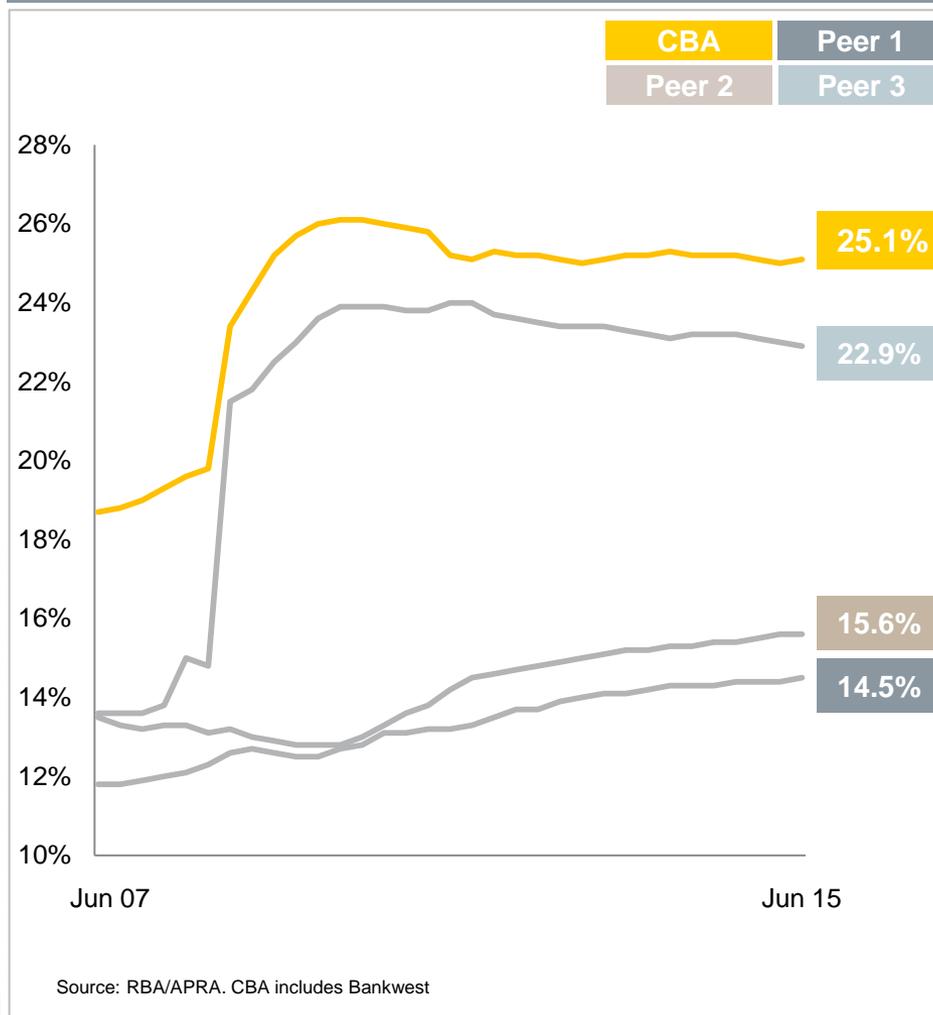
## Collective Provisions



**Retail Banking Services**

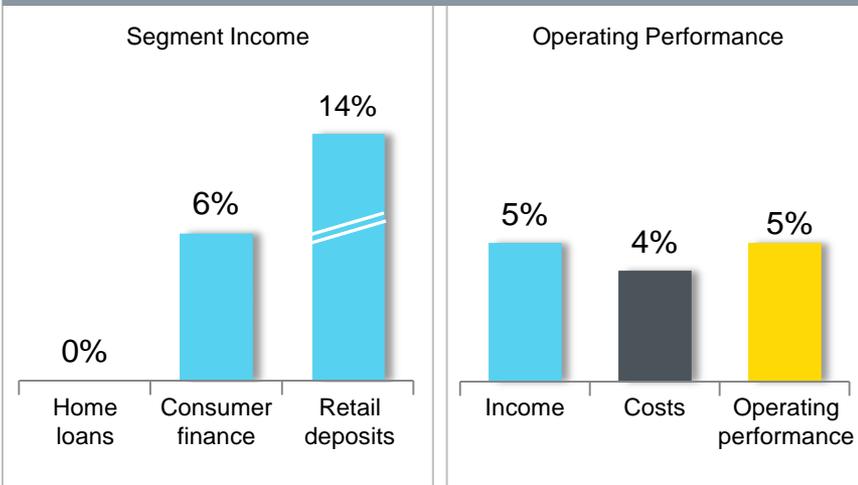
\$m	<b>FY15</b>	<b>FY15 vs FY14</b>
Home loans	3,676	0%
Consumer finance	2,456	6%
Retail deposits	2,749	14%
Distribution	395	1%
Other	161	(14%)
<b>Total banking income</b>	<b>9,437</b>	<b>5%</b>
Operating expenses	(3,293)	4%
<b>Operating performance</b>	<b>6,144</b>	<b>5%</b>
Loan impairment expense	(626)	8%
Tax	(1,651)	5%
<b>Cash net profit after tax</b>	<b>3,867</b>	<b>5%</b>

**Home Loan Market Share**

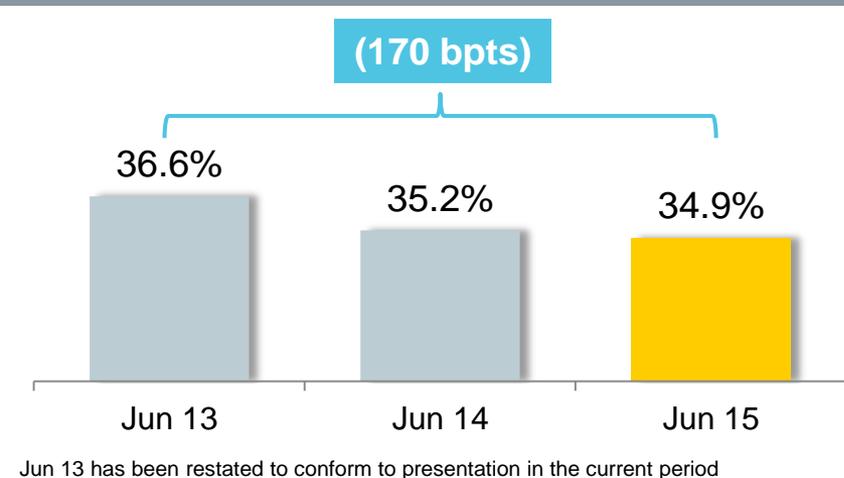


# Retail Banking Services

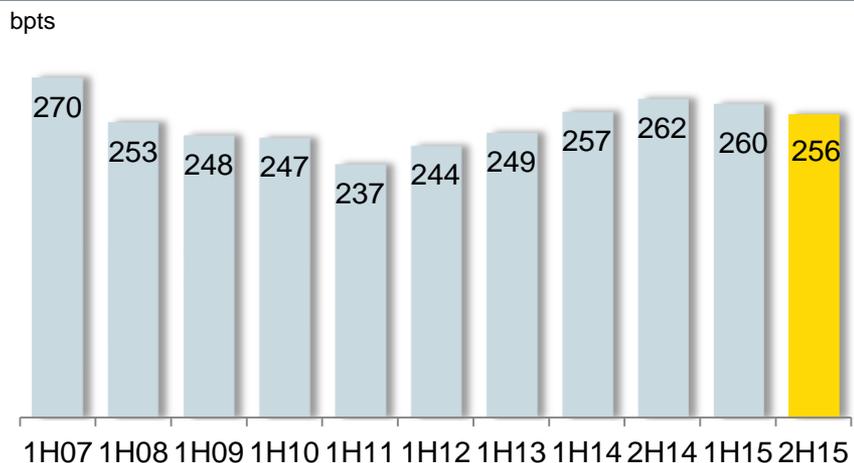
## FY15 vs FY14



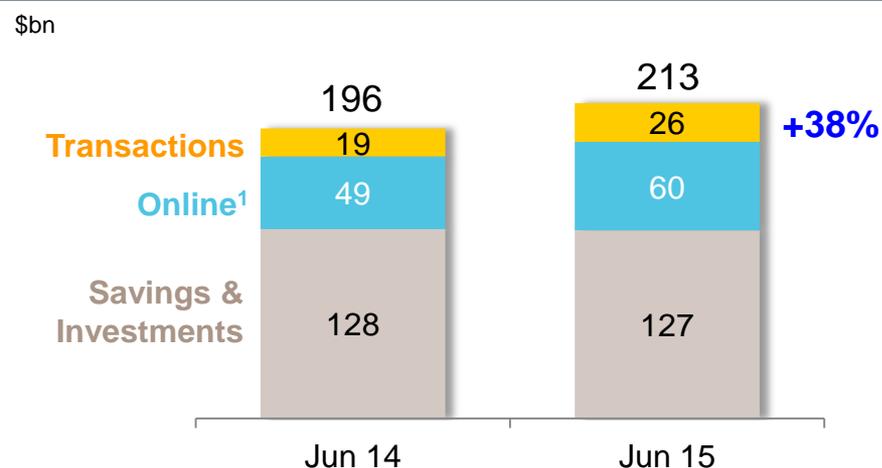
## Cost-to-Income Ratio



## RBS Margin



## Retail Deposit Mix



1. Online includes NetBank Saver, Goal Saver and Business Online Saver

## Additional information

# Corporate

### Business & Private Banking

\$m	FY15	FY15 vs FY14
Corporate Financial Services	1,278	7%
Regional and Agribusiness	647	2%
Local Business Banking	1,048	3%
Private Bank	325	9%
CommSec	338	10%
<b>Total banking income</b>	<b>3,636</b>	<b>5%</b>
Operating expenses	(1,397)	4%
<b>Operating performance</b>	<b>2,239</b>	<b>6%</b>
Loan impairment expense	(152)	(36%)
Tax	(628)	12%
<b>Cash net profit after tax</b>	<b>1,459</b>	<b>10%</b>

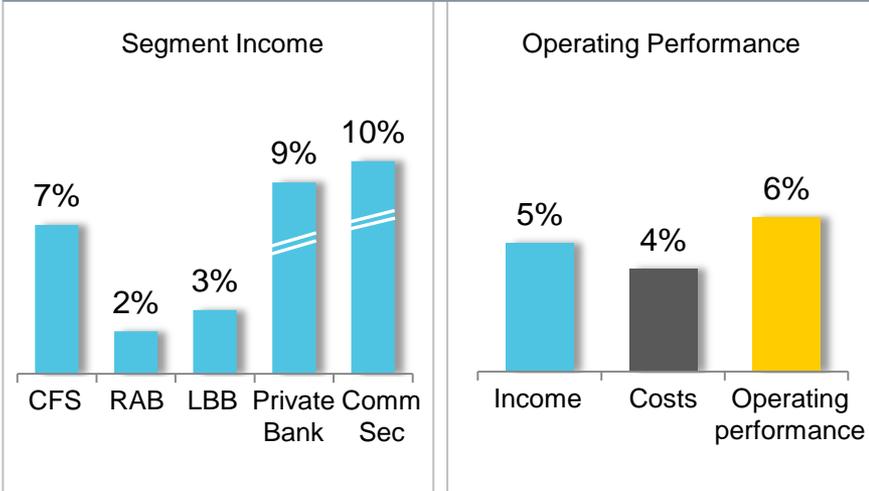
### Institutional Banking & Markets

\$m	FY15	FY15 vs FY14
Institutional Banking	2,107	4%
Markets	712	12%
<b>Total banking income</b>	<b>2,819</b>	<b>6%</b>
Operating expenses	(1,013)	7%
<b>Operating performance</b>	<b>1,806</b>	<b>5%</b>
Loan impairment expense	(167)	large
Tax	(371)	(10%)
<b>Cash net profit after tax</b>	<b>1,268</b>	<b>1%</b>

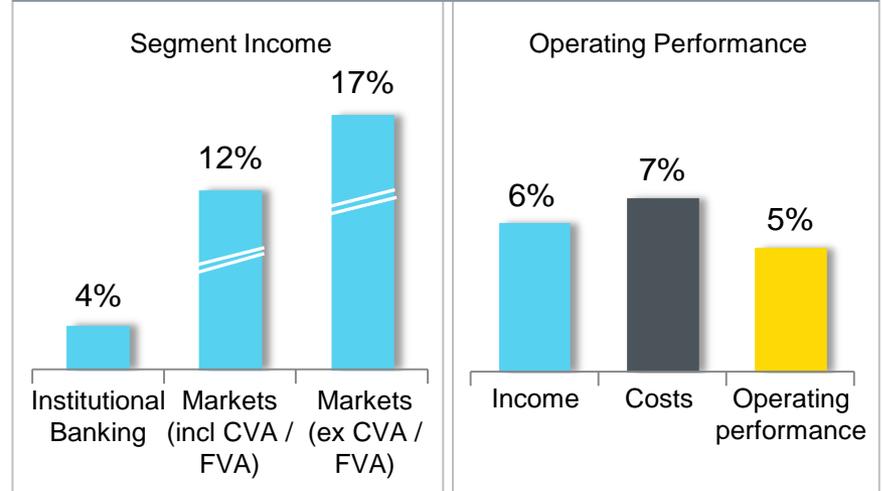


# Corporate

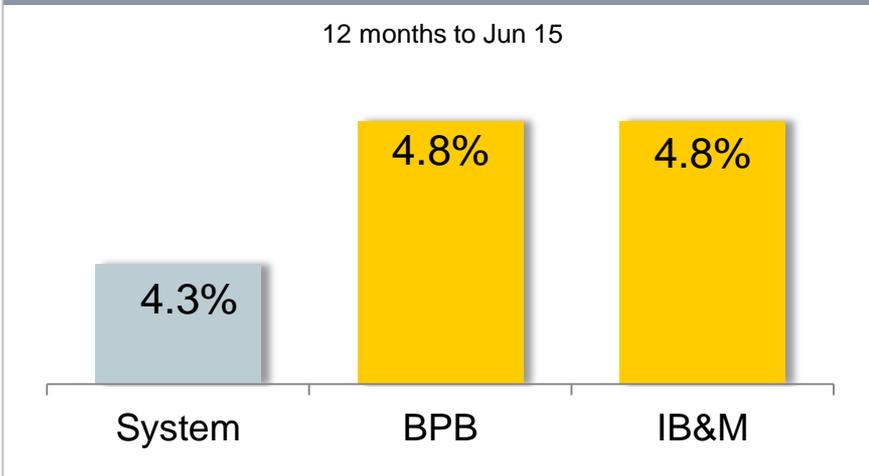
## BPB – FY15 vs FY14



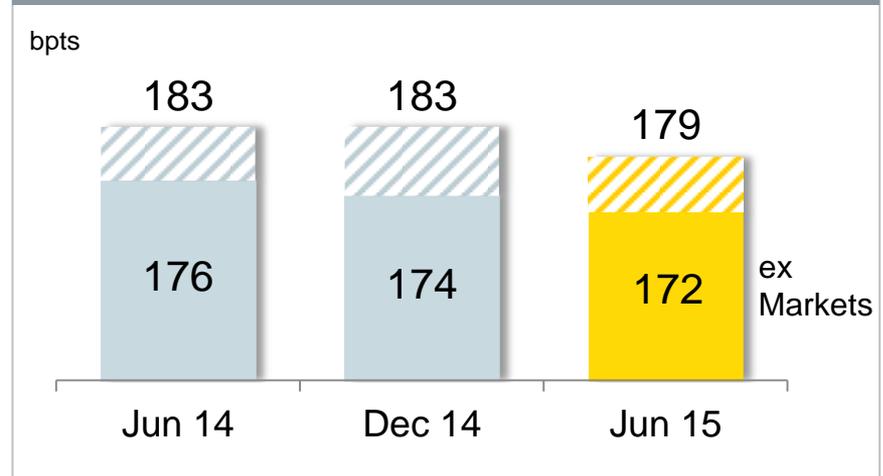
## IB&M – FY15 vs FY14



## Australian Business Lending Growth<sup>1</sup>



## NIM<sup>2</sup>



<sup>1</sup> Spot balance growth twelve months to June 15. Source RBA. IB&M represents Core Domestic Lending balance growth and excludes Cash Management Pooling Facilities (CMPF).

<sup>2</sup> Combined Institutional Banking and Markets and Business and Private Banking

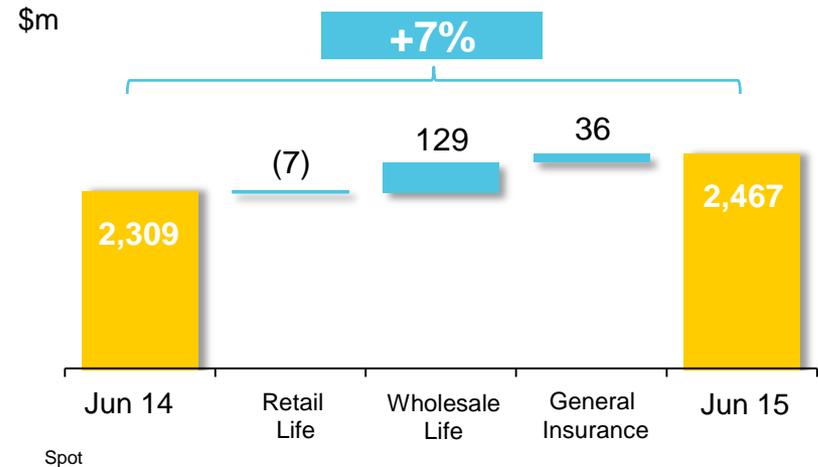
## Additional information

# Wealth Management<sup>1</sup>

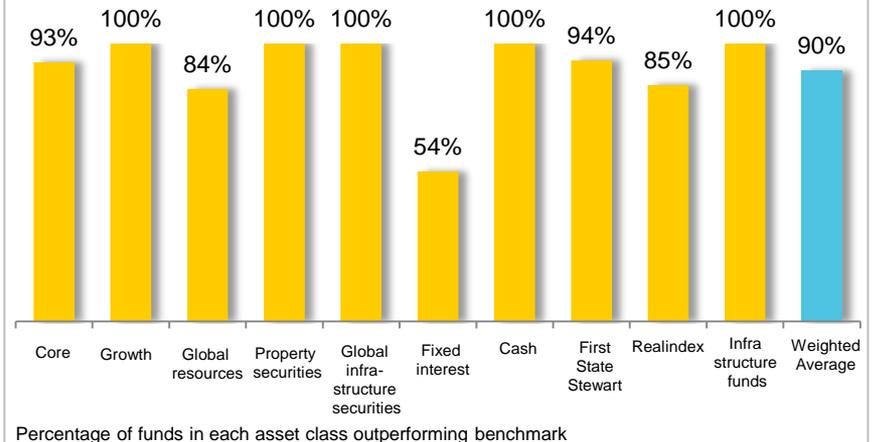
## Wealth Management

\$m	FY15	FY15 vs FY14
CFSGAM	847	15%
Colonial First State (CFS) <sup>2</sup>	866	5%
CommInsure (CI)	636	(10%)
<b>Total operating income</b>	<b>2,349</b>	<b>3%</b>
Operating expenses	(1,726)	13%
Tax	(148)	(19%)
<b>Underlying profit after tax</b>	<b>475</b>	<b>(17%)</b>
Investment experience	175	48%
<b>Cash net profit after tax</b>	<b>650</b>	<b>(6%)</b>

## Annual Inforce Premiums



## Strong Investment Performance – 3 years



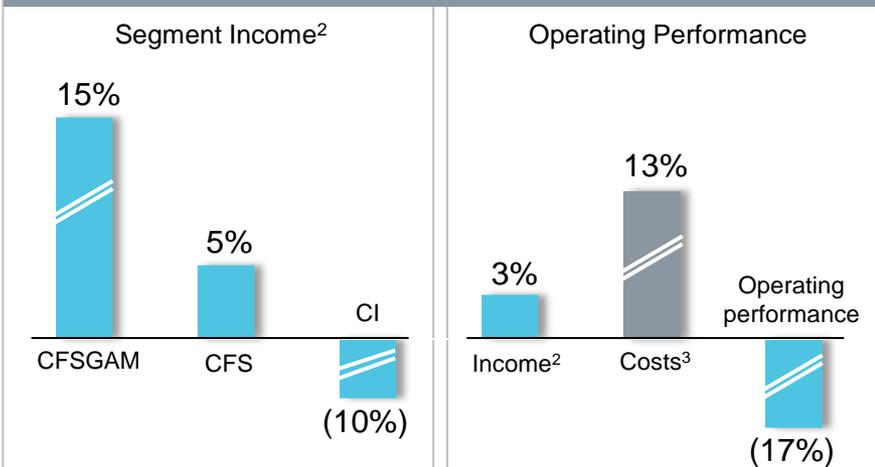
<sup>1</sup> Excludes Property - The Property transactions were completed and businesses were exited during the 30 June 2014 financial year

<sup>2</sup> Colonial First State incorporates the results of all Wealth Management financial planning businesses

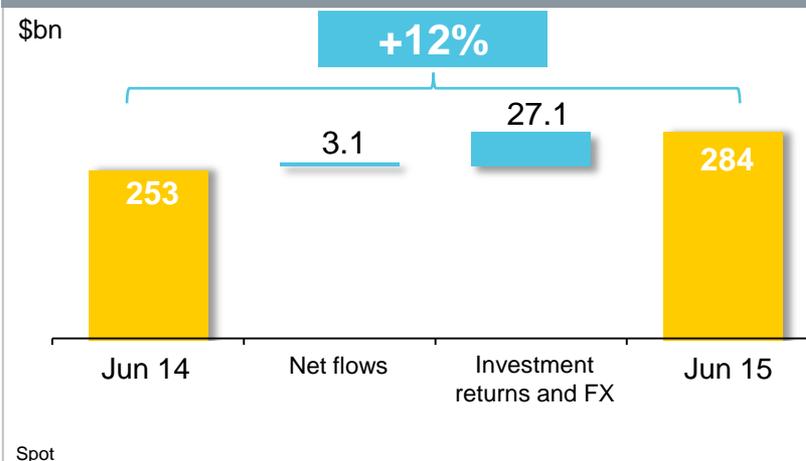


# Wealth Management<sup>1</sup>

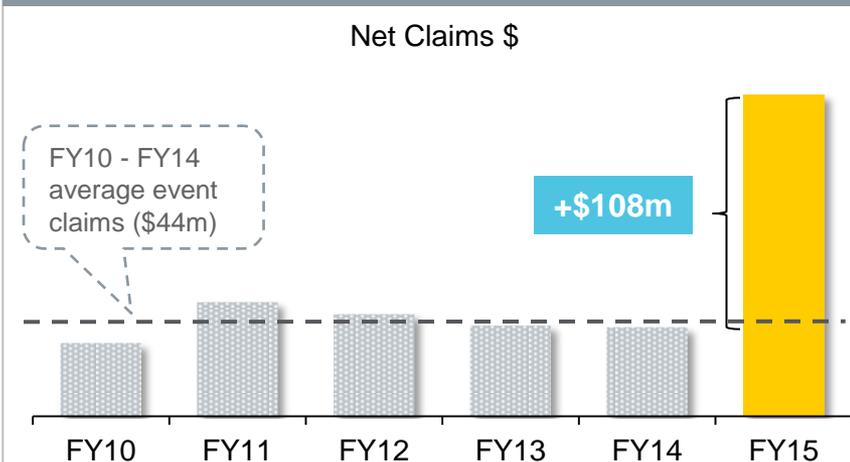
## FY15 vs FY14



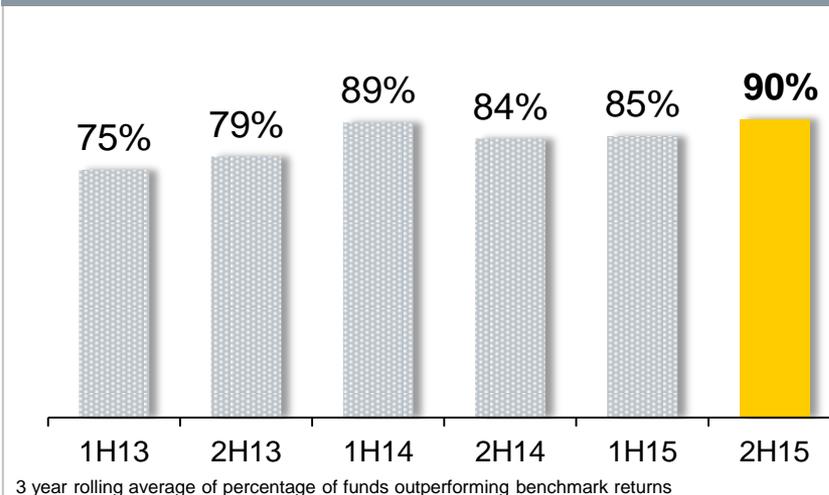
## FUA<sup>4</sup>



## General Insurance Claims

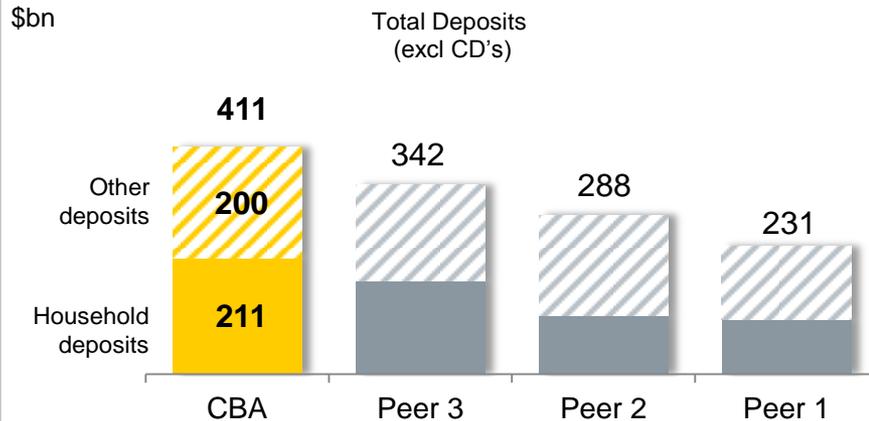


## CFSGAM Funds Performance



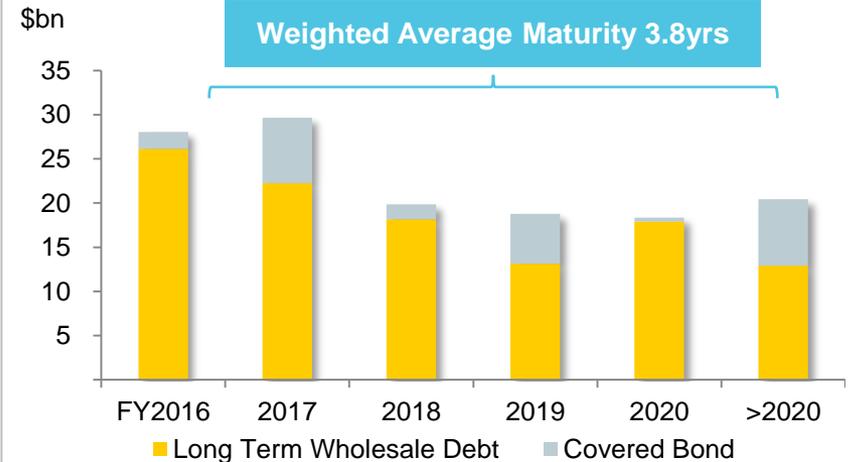
1 Excludes Property - The Property transactions were completed and businesses were exited during the 30 June 2014 financial year  
 2 Total operating income  
 3 Operating expenses  
 4 AUM and FUA includes Realindex Investments and excludes the Group's interest in the First State Cinda Fund Management Company Limited

## Australian Deposits

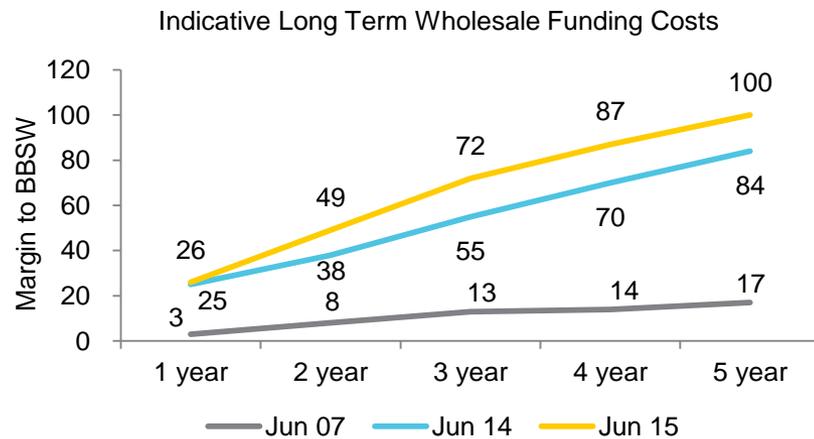


Source : APRA. CBA includes Bankwest

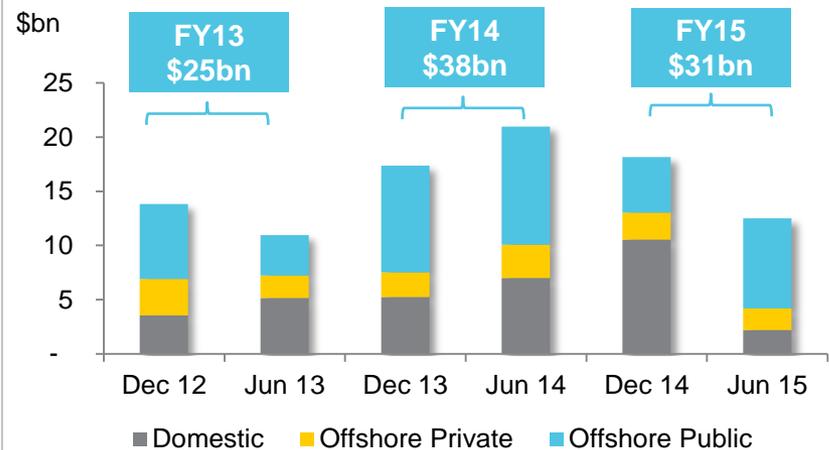
## Term Maturity Profile<sup>1</sup>



## Funding Costs<sup>2</sup>



## Term Issuance

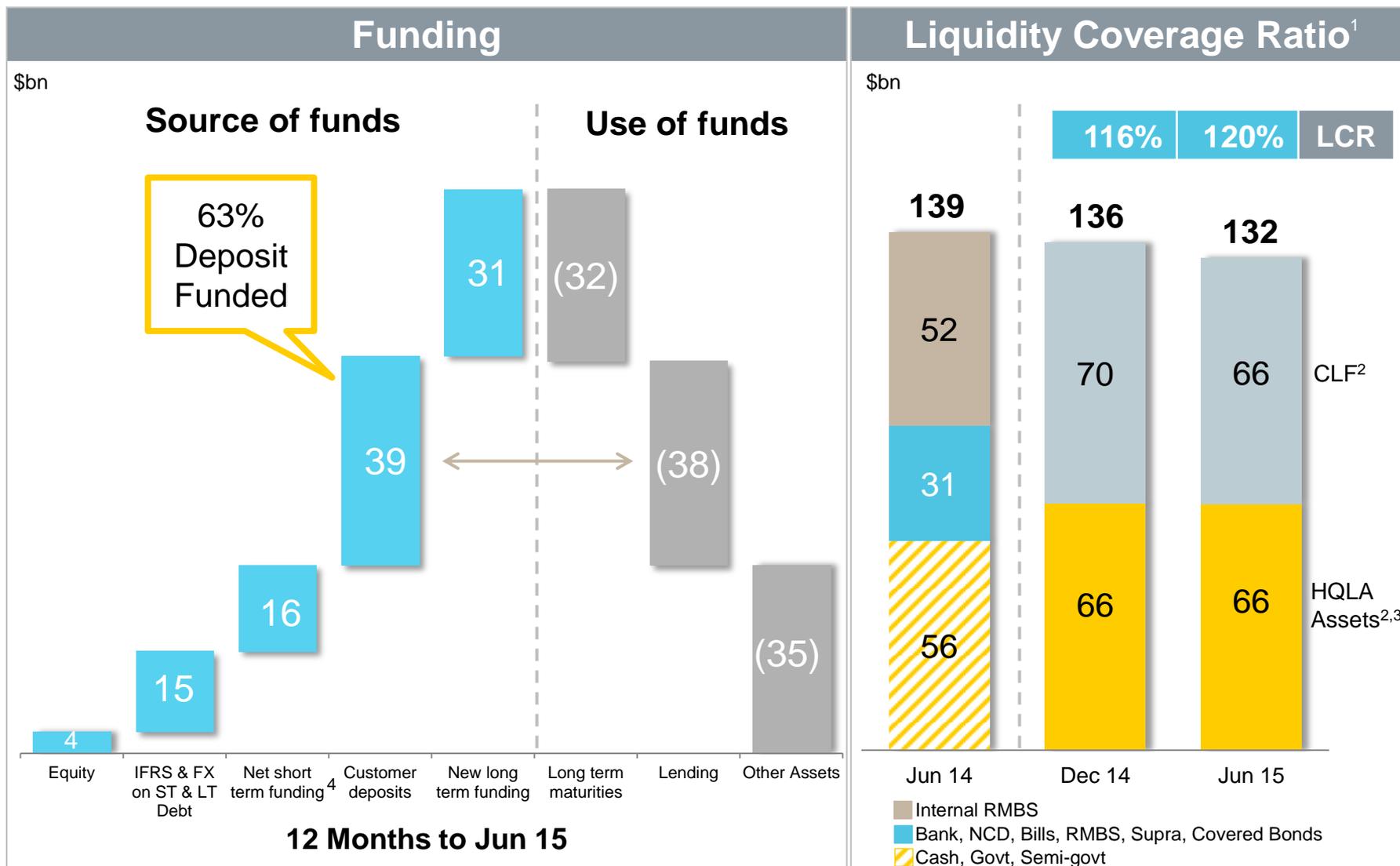


<sup>1</sup> Maturity profile includes all long term wholesale debt. Weighted Average Maturity of 3.8 years includes all deals with first call or residual maturity of 12 months or greater.

<sup>2</sup> CBA Group Treasury estimated blended wholesale funding costs



# Funding and Liquidity



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

<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

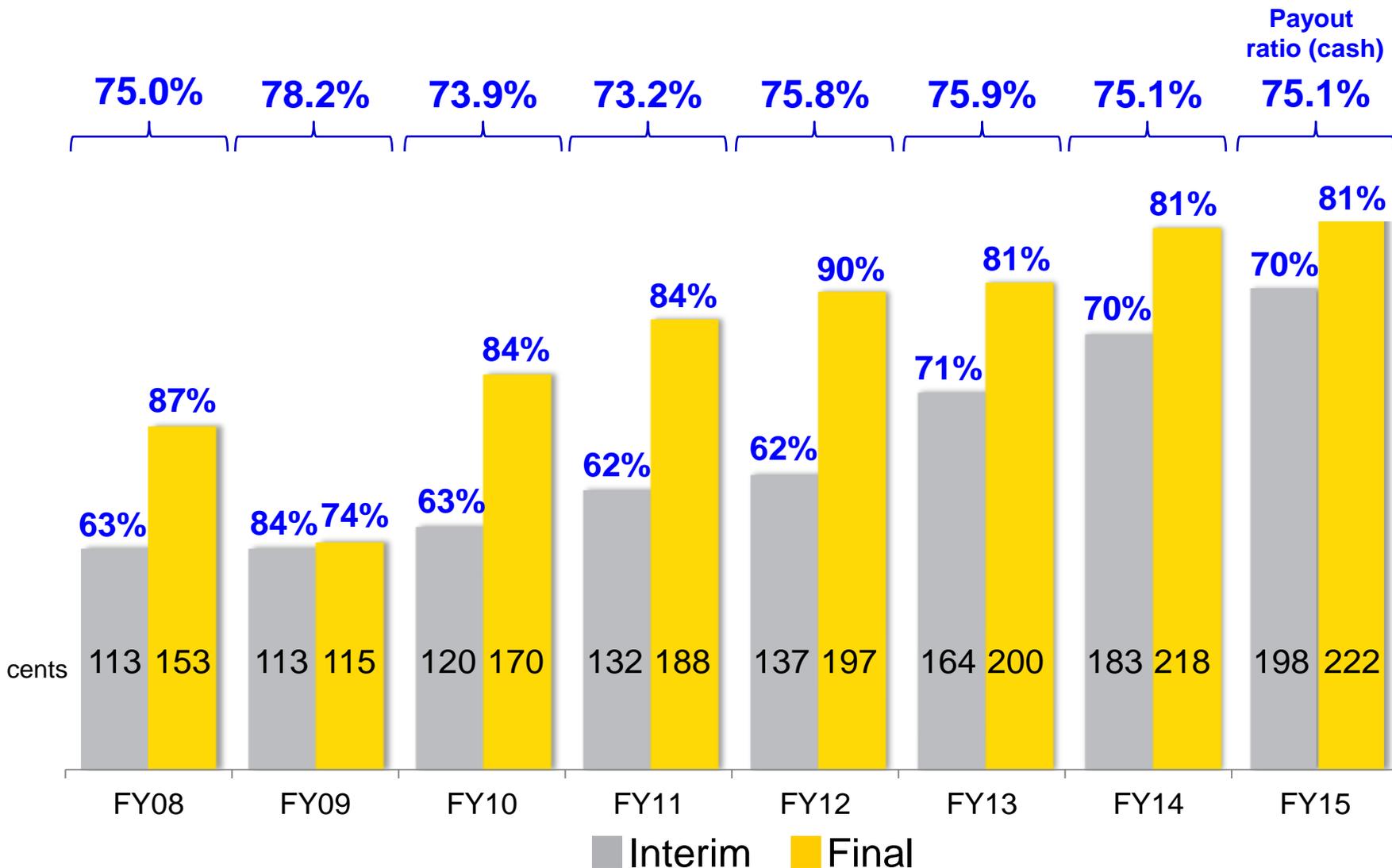
<sup>3</sup> Qualifying HQLA includes cash, Govt and Semi Govt securities. Also includes \$5.6bn of RBNZ eligible securities

<sup>4</sup> Includes additional collateral received of \$9bn due to weaker AUD



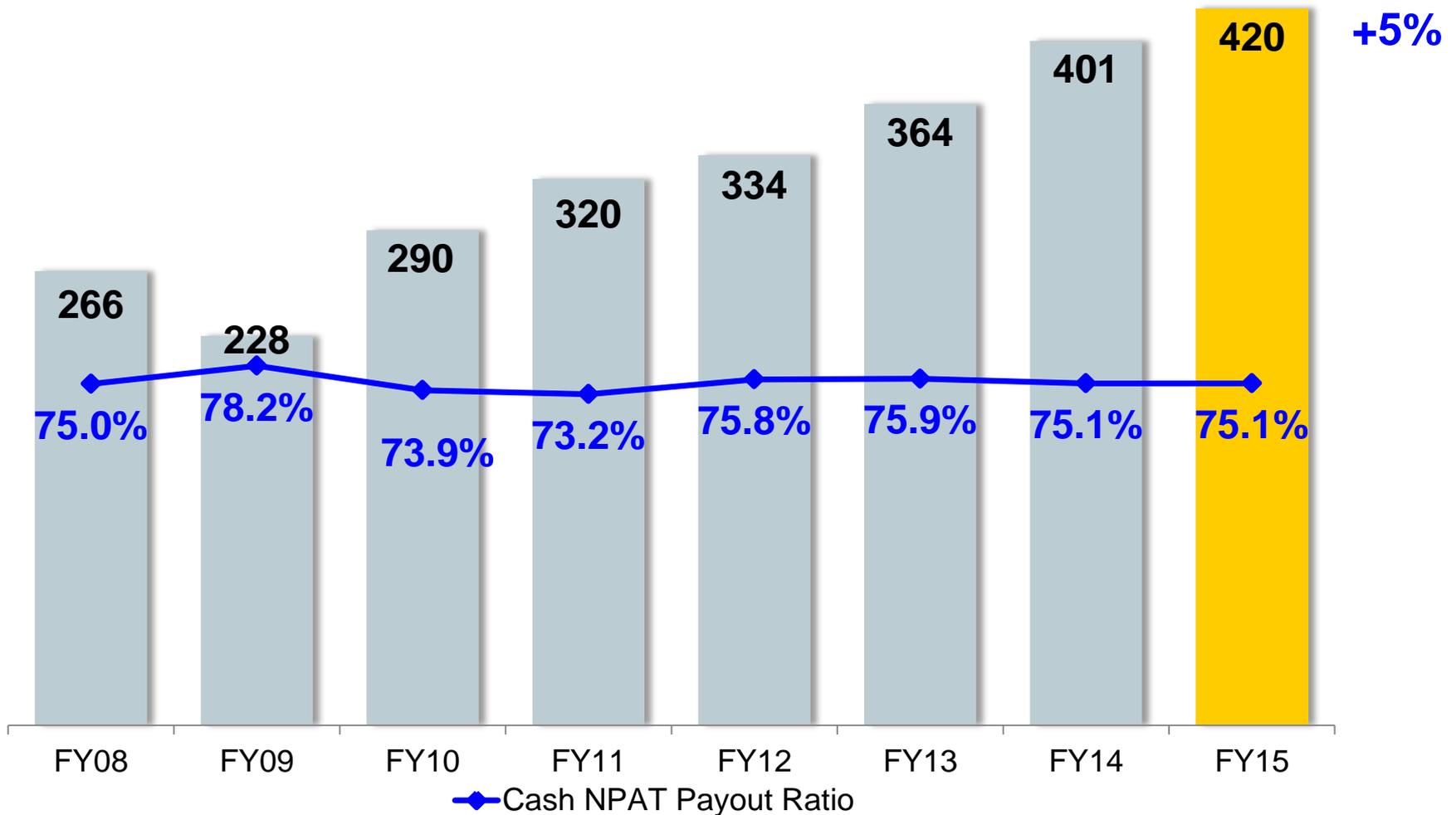
## Additional information

## Dividend per Share



# Dividend

cents per share

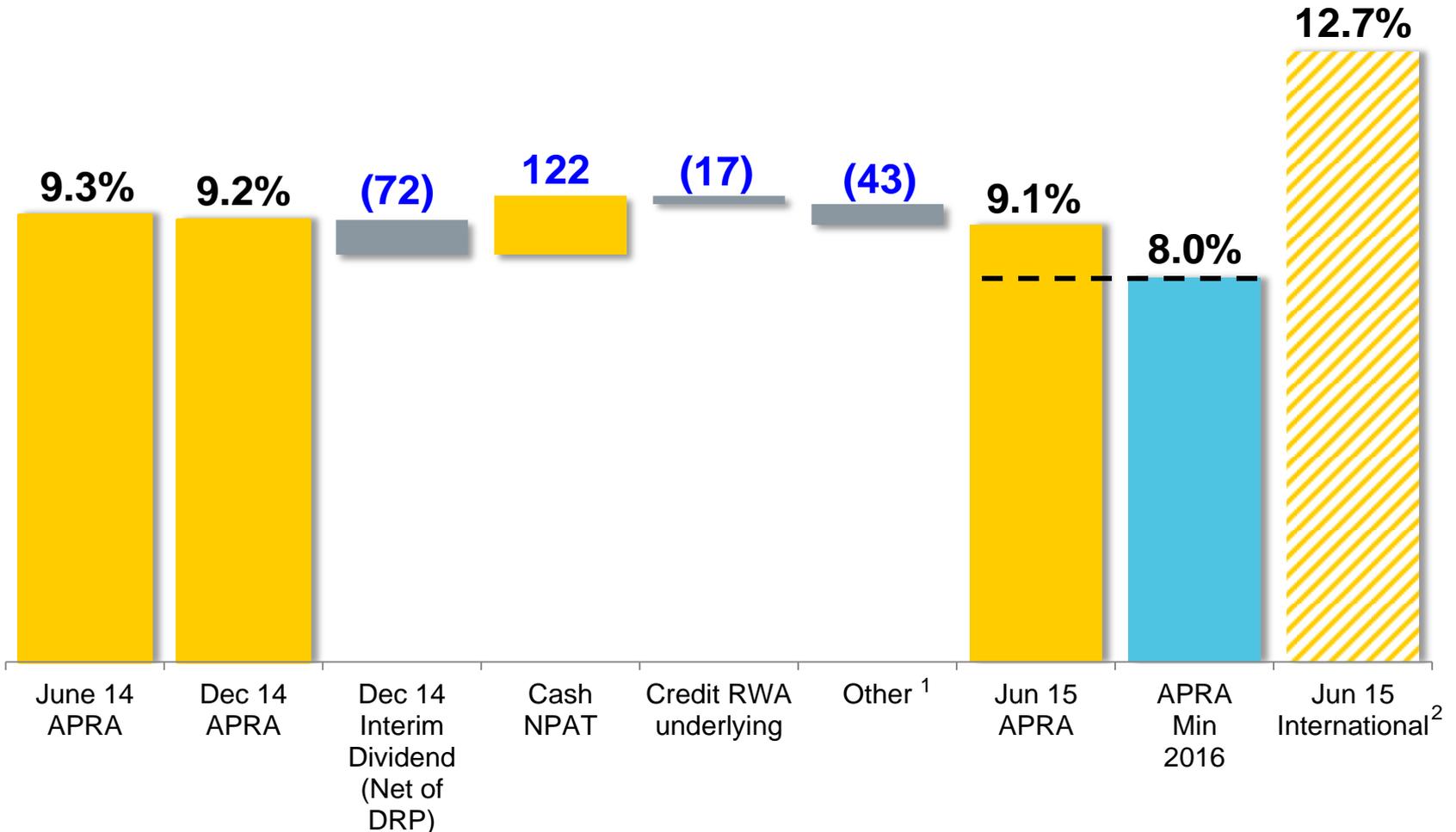




# Strong Capital Position

bpts

**CET1**



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

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



The APRA Basel III capital requirements are more conservative than those of the Basel Committee on Banking Supervision (BCBS), leading to lower reported capital ratios. In July 2015, APRA published a study that compared the major banks' capital ratios against a set of international peers<sup>1</sup>

<b>Equity investments</b>	Balances below prescribed threshold are risk weighted, compared to a 100% CET1 deduction under APRA's requirements.
<b>Deferred tax assets</b>	Balances below prescribed threshold are risk weighted, compared to a 100% CET1 deduction under APRA's requirements.
<b>IRRBB</b>	APRA requires capital to be held for Interest Rate Risk in the Banking Book (IRRBB). The BCBS does not have any capital requirement.
<b>Residential mortgages</b>	Loss Given Default (LGD) of 15%, compared to the 20% LGD floor under APRA's requirements.
<b>Other retail standardised exposures</b>	Risk-weighting of 75%, rather than 100% under APRA's requirements.
<b>Corporate exposures</b>	Unsecured non-retail exposures: LGD of 45%, compared to the 60% or higher LGD under APRA's requirements. Non-retail undrawn commitments: Credit conversion factor of 75%, compared to 100% under APRA's requirements.
<b>Specialised lending</b>	Use of IRB probabilities of default (PD) and LGDs for income producing real estate and project finance exposures, reduced by application of a scaling factor of 1.06. APRA applies higher risk weights under a supervisory slotting approach, but does not require the application of the scaling factor.
<b>Currency conversion threshold</b>	Increase in the A\$ equivalent concessional threshold level for small business retail and small/medium enterprise corporate exposures.

<sup>1</sup> APRA study entitled "International capital comparison study" (13 July 2015)

# APRA & International Comparison

The following table provides details on the differences, as at 30 June 2015, between the APRA Basel III capital requirements and internationally comparable capital ratios<sup>1</sup>. It also provides details on the differences from the PricewaterhouseCoopers (PwC) methodology published by the ABA in August 2014<sup>2</sup>

CET1	APRA Study <sup>1</sup>	PwC methodology <sup>2</sup>
<b>Basel III (APRA)</b>	<b>9.1%</b>	<b>9.1%</b>
Equity investments	1.0%	1.0%
Deferred tax assets	0.2%	0.2%
IRRBB	0.3%	0.3%
Residential mortgages	0.6%	0.6%
Other retail standardised exposures	0.1%	0.1%
Unsecured non-retail exposures	0.5%	0.6%
Non-retail undrawn commitments	0.3%	0.3%
Specialised lending	0.5%	0.8%
Currency conversion threshold	0.1%	0.1%
Capitalised expenses	N/A	0.1%
Standardised mortgages and margin lending exposures	N/A	0.2%
<b>Total adjustments</b>	<b>3.6%</b>	<b>4.3%</b>
<b>Basel III (Internationally Comparable)</b>	<b>12.7%</b>	<b>13.4%</b>

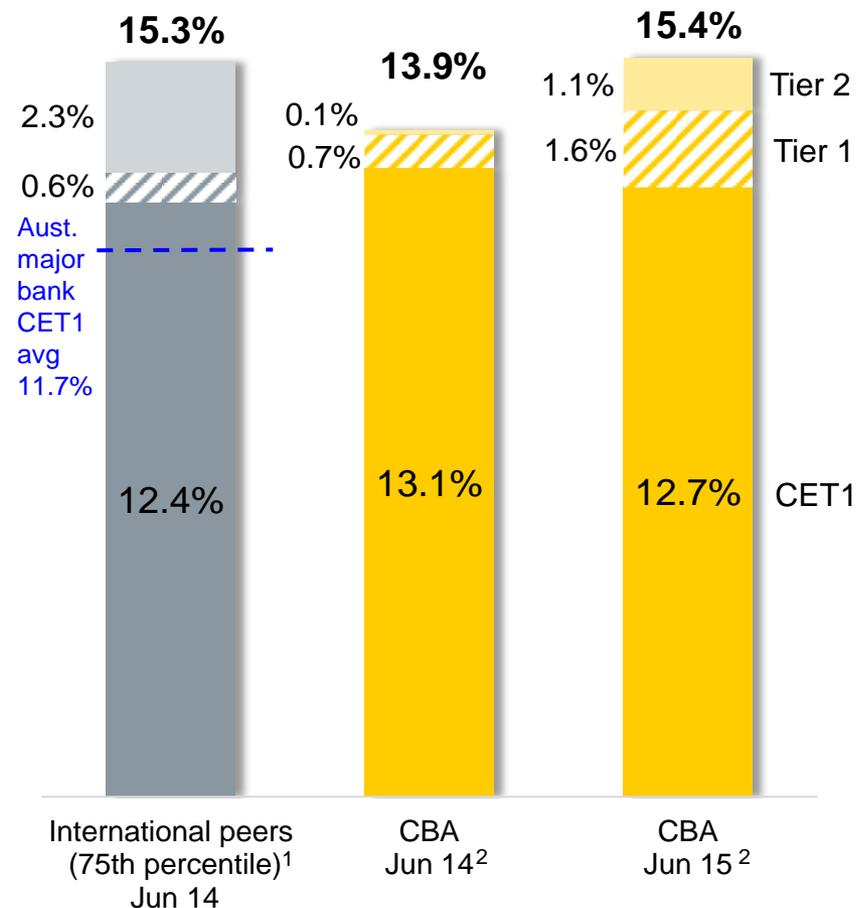
1 Analysis aligns with the APRA study entitled "International capital comparison study" (13 July 2015)

2 PricewaterhouseCoopers, "Australian Bankers' Association: International comparability of capital ratios of Australia's major banks", August 2014



# Strong Capital – International Basis

- ◆ In July 2015, APRA published a study that compared the major banks' capital ratios against a set of international peers
- ◆ CBA's internationally comparable ratios align with the APRA Study
- ◆ CBA's internationally comparable CET1, Tier 1 and Total Capital ratios are in the top quartile of international peers
- ◆ CBA raised \$3bn PERLS VII (Tier 1 Capital) and \$3bn Tier 2 Capital in FY2015



1 Figure 2, APRA, Information paper "International capital comparison study", 13 July 2015; Table A.3, Basel Committee on Banking Supervision, "Basel III Monitoring Report", March 2015

2 Assumes Basel III requirements have been fully implemented and that any transitional rules are no longer applicable



# Entitlement Offer

12 August 2015

## Additional information

# Mortgage Risk Weights

### Impact of changes to risk-weighting of Australian residential mortgages

- ◆ In July 2015, APRA announced an increase in the capital requirements under the Internal Ratings Based approach for Australian residential mortgages
- ◆ The change increases risk weights from approximately 16% to 25%. As at 30 June 2015, the impact for CBA would result in a decrease of 95bps in CET1 (approximately \$4bn)
- ◆ Change effective from 1 July 2016
- ◆ Any capital raised to satisfy these requirements will further support CBA's internationally comparable capital ratios

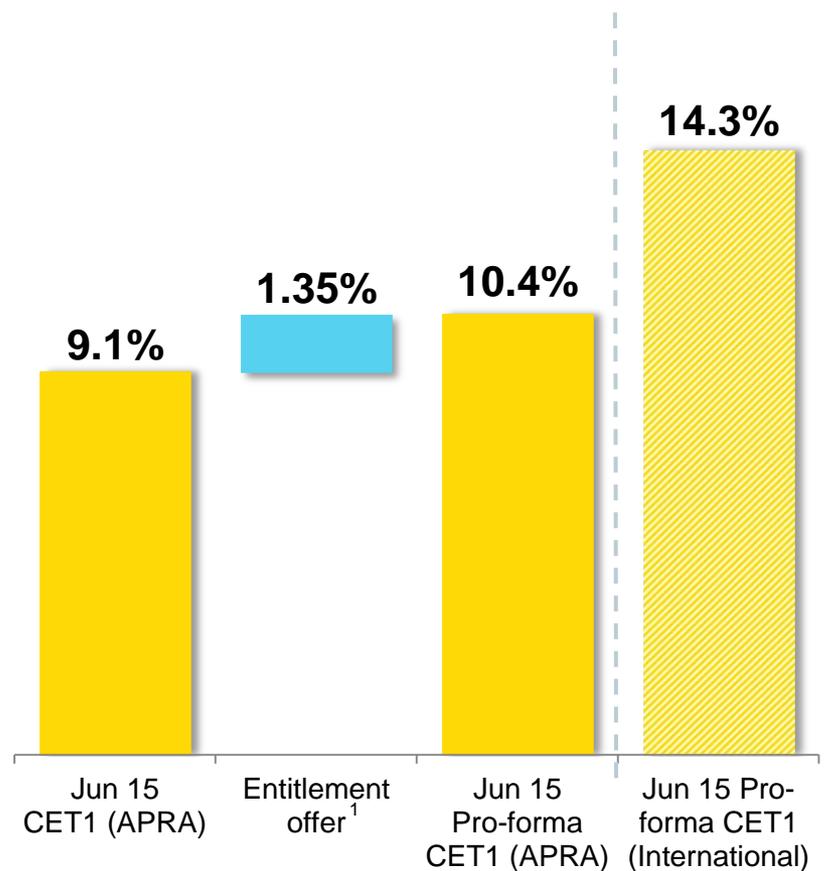


# Entitlement Offer

## Overview

- ◆ Entitlement offer of ordinary CBA shares to all shareholders - fully underwritten to raise \$5bn
- ◆ More than satisfies higher mortgage risk weight requirements introduced to increase competition – approx. \$4bn (implementation from Jul-16)
- ◆ Strengthens the Group's position within Global top quartile
- ◆ No change to dividend policy
- ◆ In FY16, expect:
  - min. 70% interim payout
  - 70-80% full year payout

## Pro-forma CET1



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

<sup>1</sup> Net of transaction costs



## Additional information

# Important Notices

### Status of New Shares

Investments in New Shares are not deposit liabilities or protected accounts of CBA under the Banking Act and are not guaranteed or insured by any Australian government, government agency or compensation scheme.

Investments in securities such as New Shares are subject to risks which could affect their performance, including loss of investment and income. CBA does not guarantee the market price of New Shares or any particular rate of return.

### No representations other than in this presentation

No person is authorised to provide any information or to make any representation in connection with the Offer that is not contained in this presentation. Any information or representation not contained in this presentation may not be relied upon as having been authorised by CBA.

### Past performance information

The financial information provided in this presentation is for information purposes only and is not a forecast of performance to be expected in future periods. Past performance and trends, including past share price performance, should not be relied upon as being indicative of, and provides no guarantee as to, future performance and trends including future share price performance.

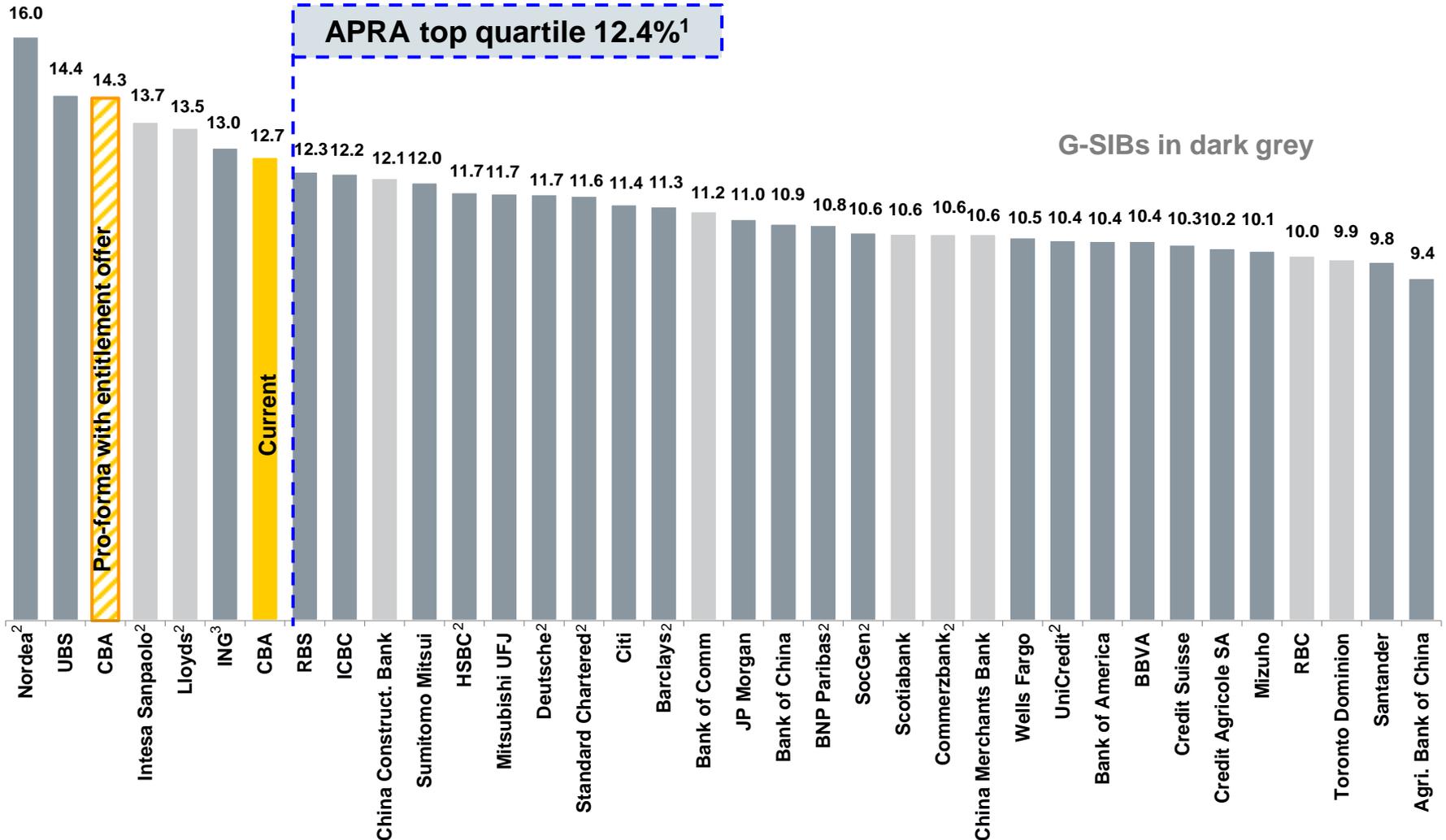
### Forward-looking statements

This presentation contains “forward-looking statements” within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of words such as “expect”, “anticipate”, “likely”, “intend”, “propose”, “should”, “could”, “may”, “predict”, “plan”, “will”, “believe”, “forecast”, “estimate”, “target” and other similar expressions and include, but are not limited to, statements regarding objectives, strategies and plans of management; expected financial performance; and pro forma calculations including in relation to the outcome of the Offer. The forward-looking statements are based on views and beliefs as at the date of this presentation. They involve known and unknown assumptions, factors and risks, many of which are beyond the control of CBA, may involve subjective judgement and may or may not be correct. You should consider any forward looking statements in light of the risks of investing in New Shares detailed in Appendix A (pages 134 to 143).

### Financial data

All dollar values are in Australian dollars (A\$) and financial data is presented with a financial year end of 30 June unless otherwise stated. The pro forma historical financial information included in this presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission. Investors should also be aware that certain financial data included in the Information are “non-GAAP financial measures” under Regulation G of the U.S. Securities Exchange Act of 1934, as amended. These measures include “cash basis” profit, “cash EPS”, and “ROE”. The disclosure of such non-GAAP financial measures in the manner included in the presentation may not be permissible in a registration statement under the U.S. Securities Act. These non-GAAP financial measures do not have a standardised meaning prescribed by Australian Accounting Standards and therefore may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Although the company believes these non-GAAP financial measures provide useful information to users in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-GAAP financial measures included in the presentation.

# 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.

<sup>1</sup> Figure 2, APRA, Information paper "International capital comparison study", 13 July 2015

<sup>2</sup> Deduction for accrued expected future dividends added back for comparability

<sup>3</sup> Interim profit not included in CET1 capital has been added back

**Additional  
information****Important Notices****Forward-looking statements (cont)**

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# Entitlement Offer

## Structure & Terms

- ◆ Eligible shareholders entitled to buy 1 new ordinary share in CBA (New Share) for every 23 CBA shares they hold (1:23)
- ◆ New Share offer price of \$71.50 per New Share
  - 10.5% discount to last closing price<sup>1</sup>
  - 10.1% discount to theoretical ex-rights price<sup>1</sup>
- ◆ New Shares rank equally with ordinary shares
- ◆ Ordinary shares purchased on or after Results announcement date not eligible for Entitlements
- ◆ Accelerated institutional offer to be completed by 14 August 2015
- ◆ Retail offer period from 24 August 2015 to 8 September 2015
- ◆ Retail entitlements can be sold on ASX from 17 August 2015
- ◆ Retail bookbuild for renounced entitlements on 14 September 2015

## Key Metrics

FY15	Reported	Pro-forma
ROE (Cash)	18.2%	16.8%
EPS (\$)	5.61	5.46
Capital – CET1 (Int)	12.7%	14.3%
Capital – CET1 (APRA)	9.1%	10.4%
Capital – Tier 1 (APRA)	11.2%	12.5%
Capital – Total (APRA)	12.7%	14.1%

Does not include impact of future DRP participation or changes in margin or profit. The pro-forma impact on ROE and EPS assumes the entitlement offer occurred on 1 July 2014

- ◆ All calculations are pro forma, meaning they demonstrate the theoretical impact of an action. They do not take into account other relevant factors and are not a forecast
- ◆ DPS may fall depending on actual earnings

<sup>1</sup> As at 11 August 2015. TERP is \$79.55. Both the last closing price and TERP are adjusted for the final dividend.



# Key Dates

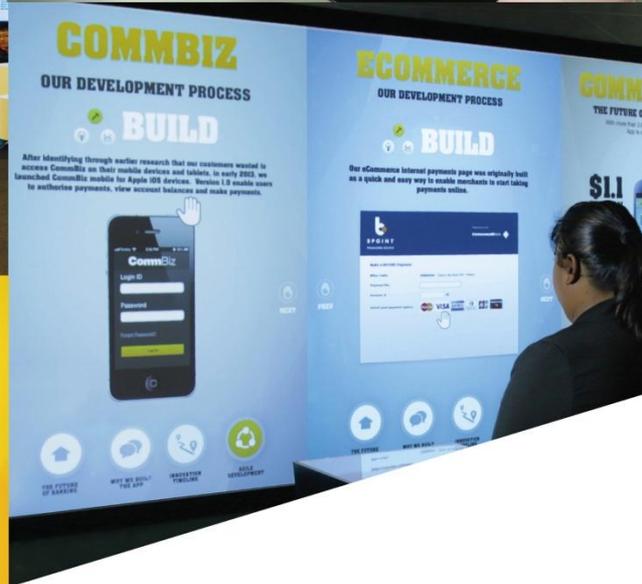
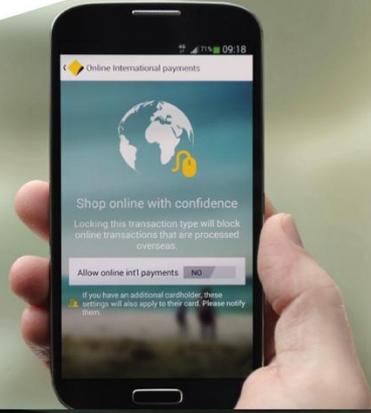
Timetable	Date
Announcement of the entitlement offer Ordinary Shares purchased on or after this date will not be eligible for the entitlement offer	Wednesday, 12 August 2015
Institutional offer (accelerated)	Wednesday, 12 August 2015 – Thursday, 13 August 2015
Institutional renounced entitlements bookbuild	Friday, 14 August 2015
Retail entitlements commence trading on ASX on a deferred settlement basis	Monday, 17 August 2015
Retail entitlement offer opens	Monday, 24 August 2015
Retail entitlements commence trading on ASX on normal settlement basis	Monday, 24 August 2015
Retail entitlements trading on ASX ends	Tuesday, 1 September 2015
Retail entitlement offer closes	Tuesday, 8 September 2015
Retail renounced entitlements bookbuild	Monday, 14 September 2015





# RESULTS PRESENTATION

FOR THE FULL YEAR ENDED 30 JUNE 2015



IAN NAREV  
CHIEF EXECUTIVE OFFICER

**Commonwealth**Bank



## Additional information

# Economic Indicators

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

### CBA Economics Forecasts

Credit Growth  
GDP, Unemployment & CPI  
Cash Rate

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

World GDP = Calendar Year Average

■ = forecast

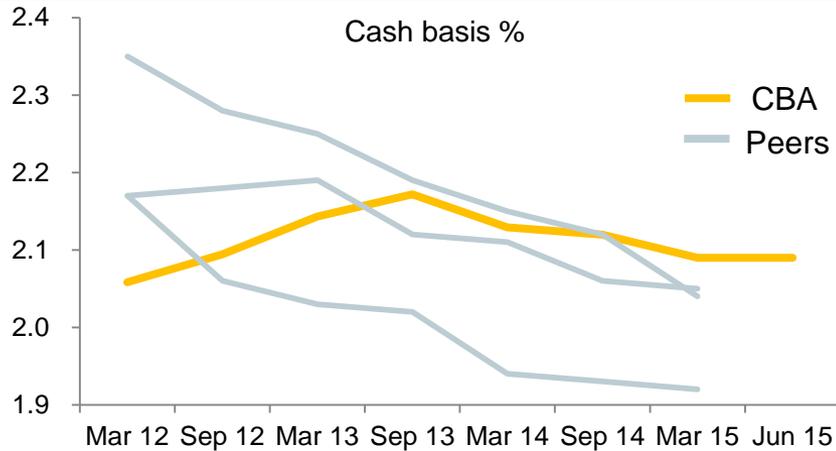
# Outlook

- ◆ 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

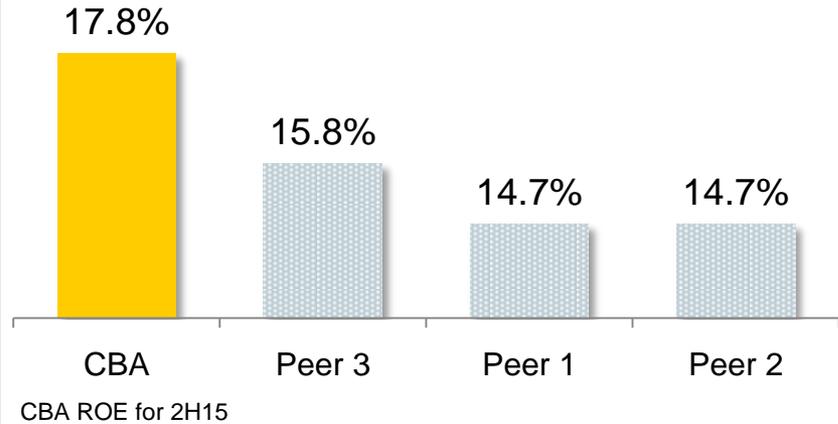
## Additional information

## Result quality

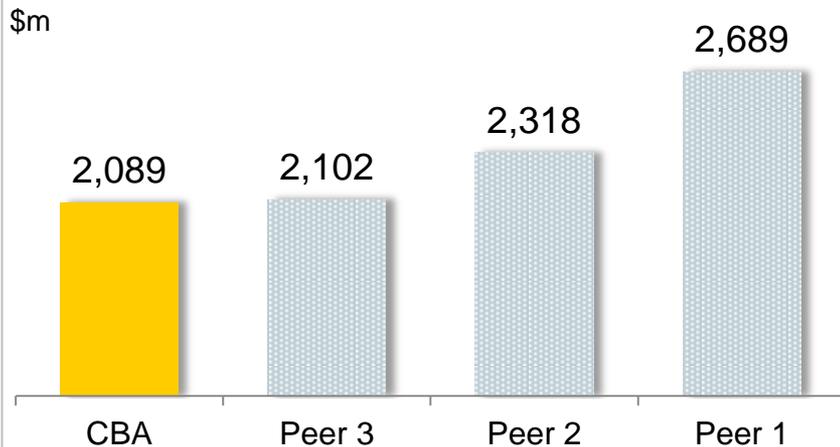
### Group NIM



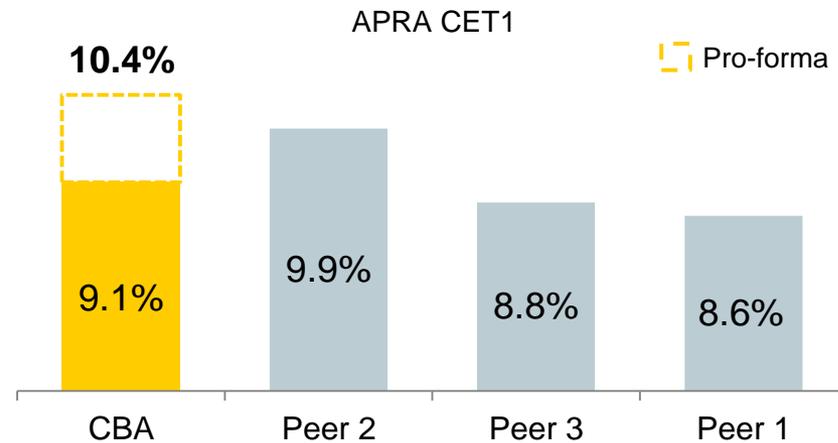
### ROE<sup>1</sup>



### Capitalised Software<sup>2</sup>



### Capital<sup>3</sup>



<sup>1</sup> CBA is half to June 2015. Peers are half to March 2015

<sup>2</sup> CBA as at June 2015. Peers 1, 2 and 3 as at March 2015

<sup>3</sup> Reported CBA and Peers 1 & 2 are as at June 2015. Peer 3 is as at March 2015.

# Summary

## Consistent strategy execution

### People

- ◆ Focus on the customer

### Productivity

- ◆ Driving service and efficiency benefits

### Technology

- ◆ Customer value through world class technology and operations

### Strength

- ◆ Long term support for our customers

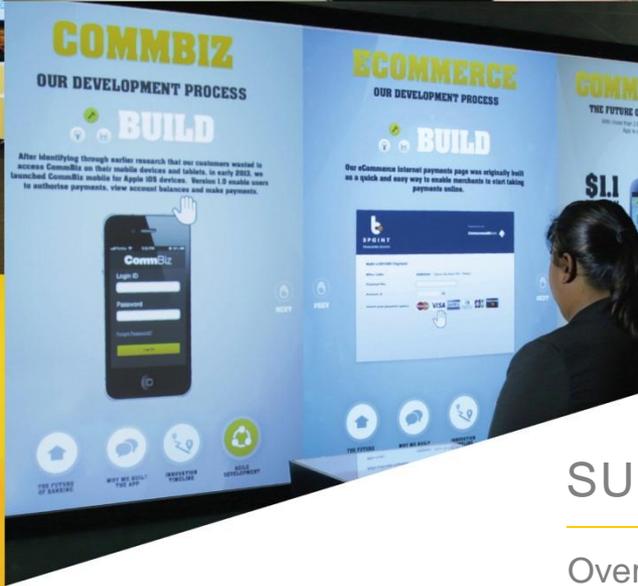
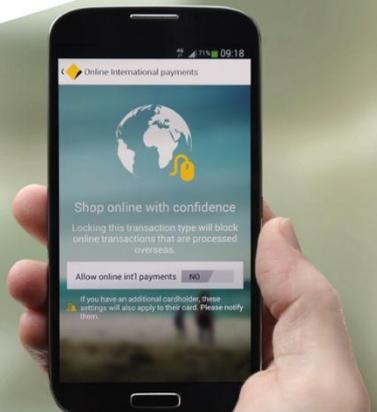
## Ongoing growth

- Solid earnings
  - Cash NPAT **+5%**
  - EPS **+5%**
  - DPS **+5%**
  - ROE **18.2%**
- All divisions contributing
- Supporting the community and contributing to Australian wellbeing



# RESULTS PRESENTATION

FOR THE FULL YEAR ENDED 30 JUNE 2015



## SUPPLEMENTARY SLIDES

Overview, Customers & People	79
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Strength – Capital, Funding & Risk	109
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**Commonwealth**Bank



# CBA Overview

## People, Customers & Delivery

	Australia	NZ	Other	Total
Customers	12.6m	2.2m	0.5m	<b>15.3m</b>
Staff	42,300	5,700	4,500	<b>52,500</b>
Branches	1,147	136	116	<b>1,399</b>
ATMs	4,440	460	172	<b>5,072</b>

## Market Shares

MFI <sup>3</sup>	<b>1<sup>st</sup></b>
Home Lending <sup>11</sup>	<b>1<sup>st</sup></b>
Household Deposits <sup>12</sup>	<b>1<sup>st</sup></b>
FirstChoice <sup>5</sup>	<b>1<sup>st</sup></b>

## Customer Satisfaction

Retail <sup>1</sup>	<b>1<sup>st</sup></b>
Business <sup>4</sup>	<b>=1<sup>st</sup></b>
Wealth <sup>6</sup>	<b>2<sup>nd</sup></b>
Internet Banking <sup>9</sup>	<b>1<sup>st</sup></b>

## Strength

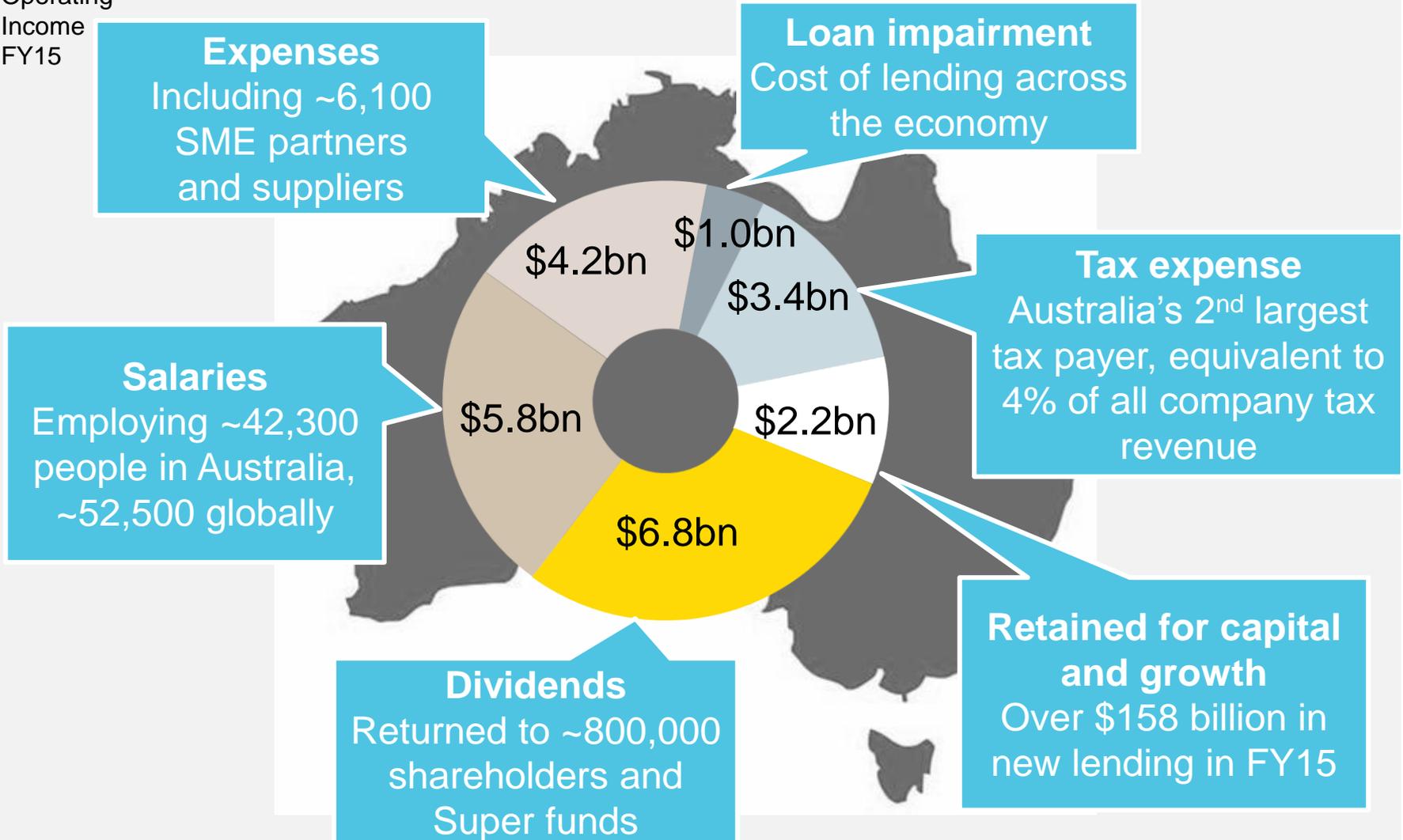
Market Cap. (ASX)	<b>1<sup>st</sup></b>
CET1 (APRA)	<b>9.1%</b>
Total Assets	<b>\$873bn</b>
Credit Ratings <sup>10</sup>	<b>AA-/Aa2 AA-</b>

1, 3, 4, 6, 9 Refer notes slide at back of this presentation for source information  
5 Source: Plan for Life Mar-15  
10 S&P, Moodys, Fitch

11 Source: RBA  
12 Source: APRA

# Broad contributor to Australian wellbeing

Operating  
Income  
FY15



# Creating jobs and opportunities

Providing direct employment to ~42,300 people in Australia, ~52,500 people globally



Paid \$4.8bn in wages to Australian households in FY15

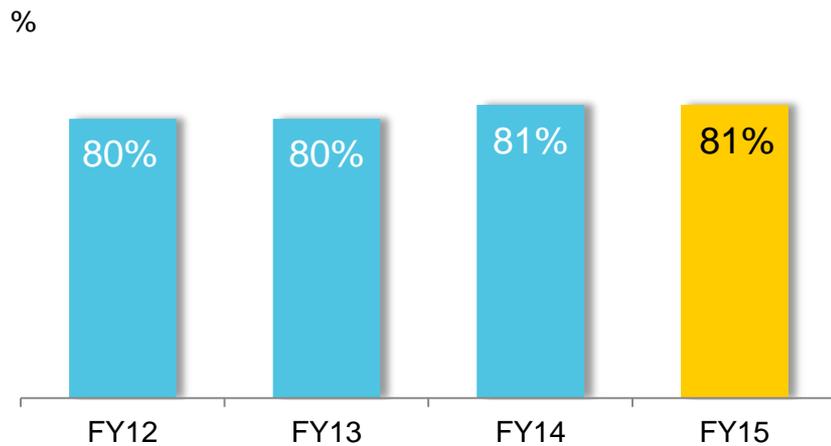
Employing over 1 in 10 people working in the Australian financial services sector



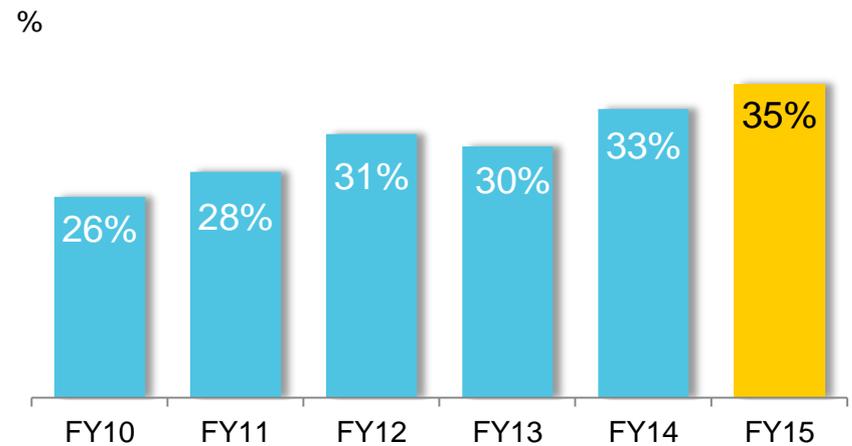
Paid over \$4bn to ~6,100 suppliers in FY15 – supporting employment across the economy

# Our People

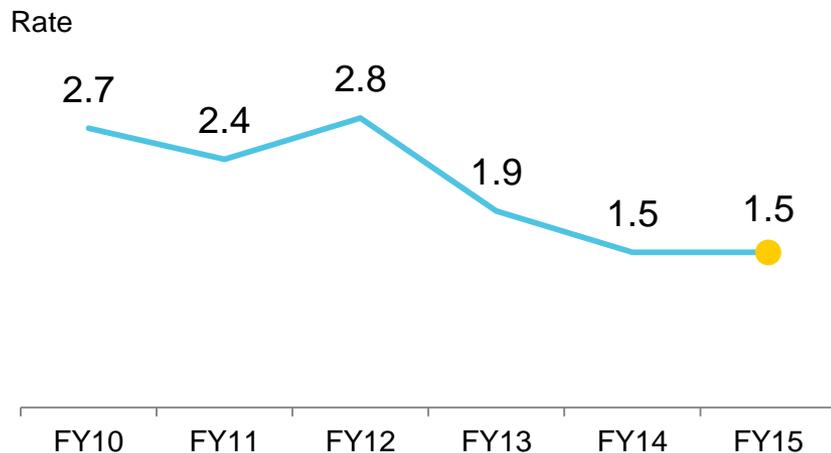
## Employee Engagement Index Score<sup>4</sup>



## Women in Executive Manager and above roles<sup>6</sup>



## Lost Time Injury Frequency Rate<sup>7</sup>



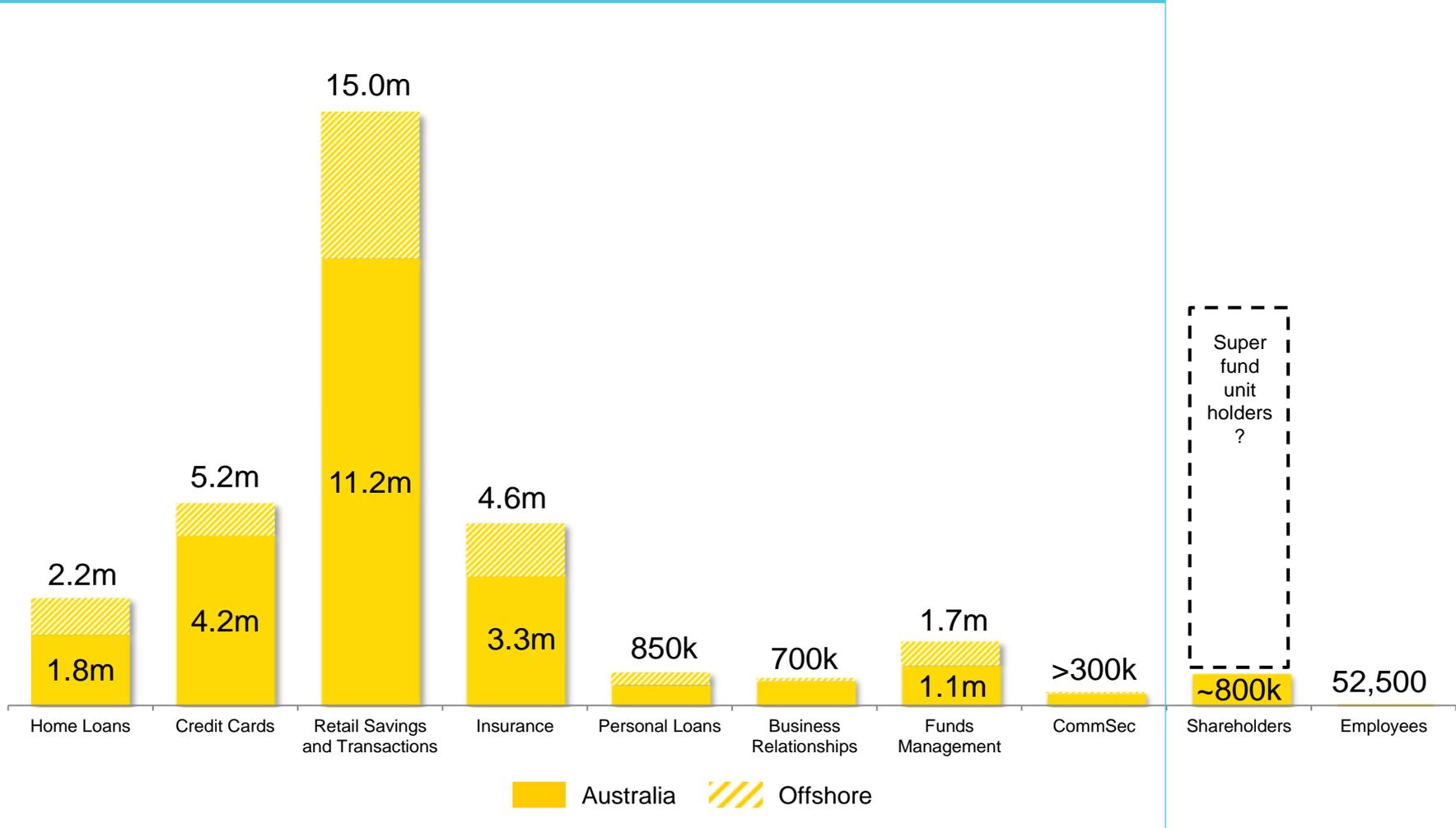
## Employee Turnover – Voluntary<sup>5</sup>



<sup>4,5,6,7</sup> Refer notes slide at back of this presentation for source information

# Our Stakeholders

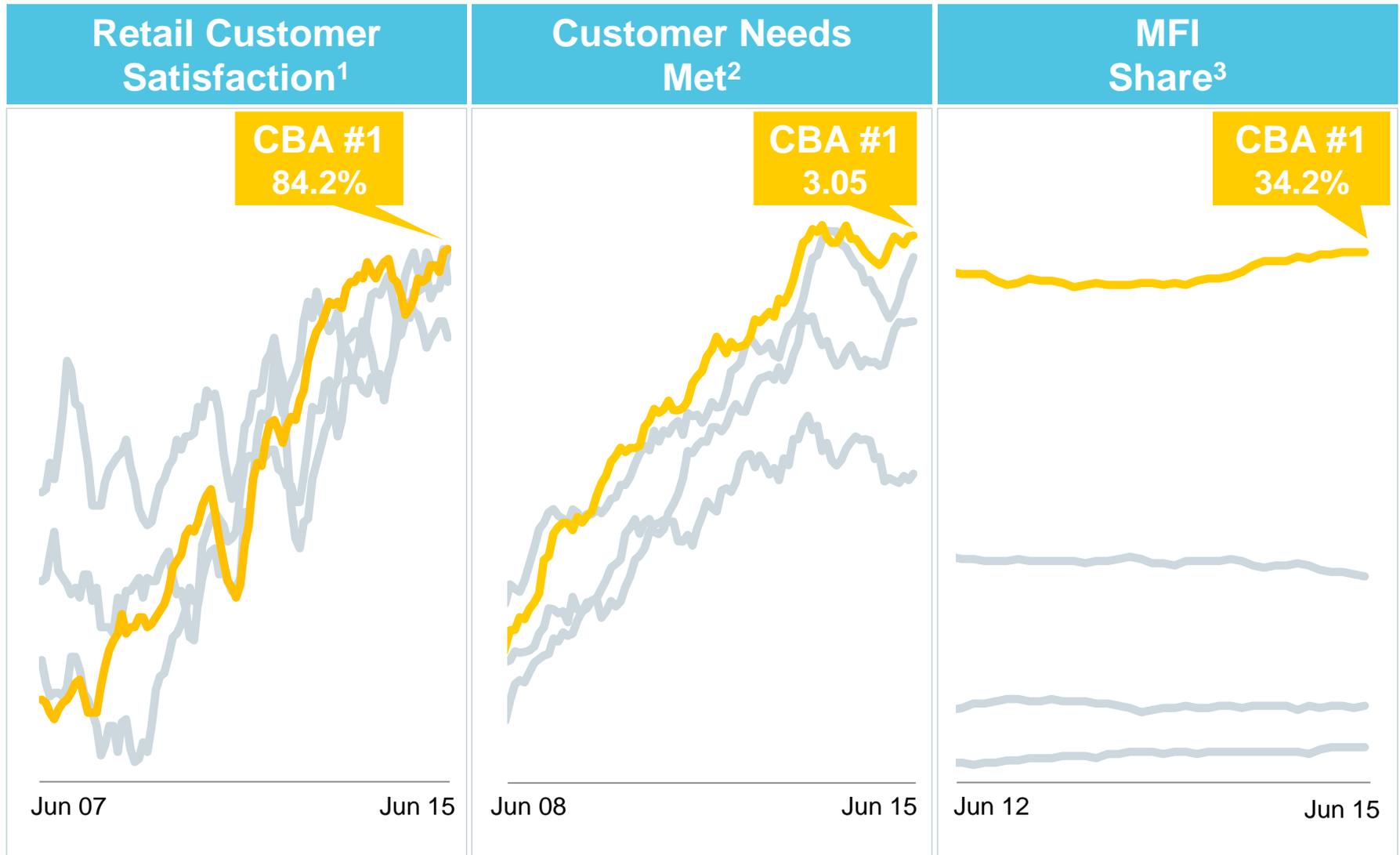
## Customer Product Holdings<sup>1</sup>



Super fund unit holders ?

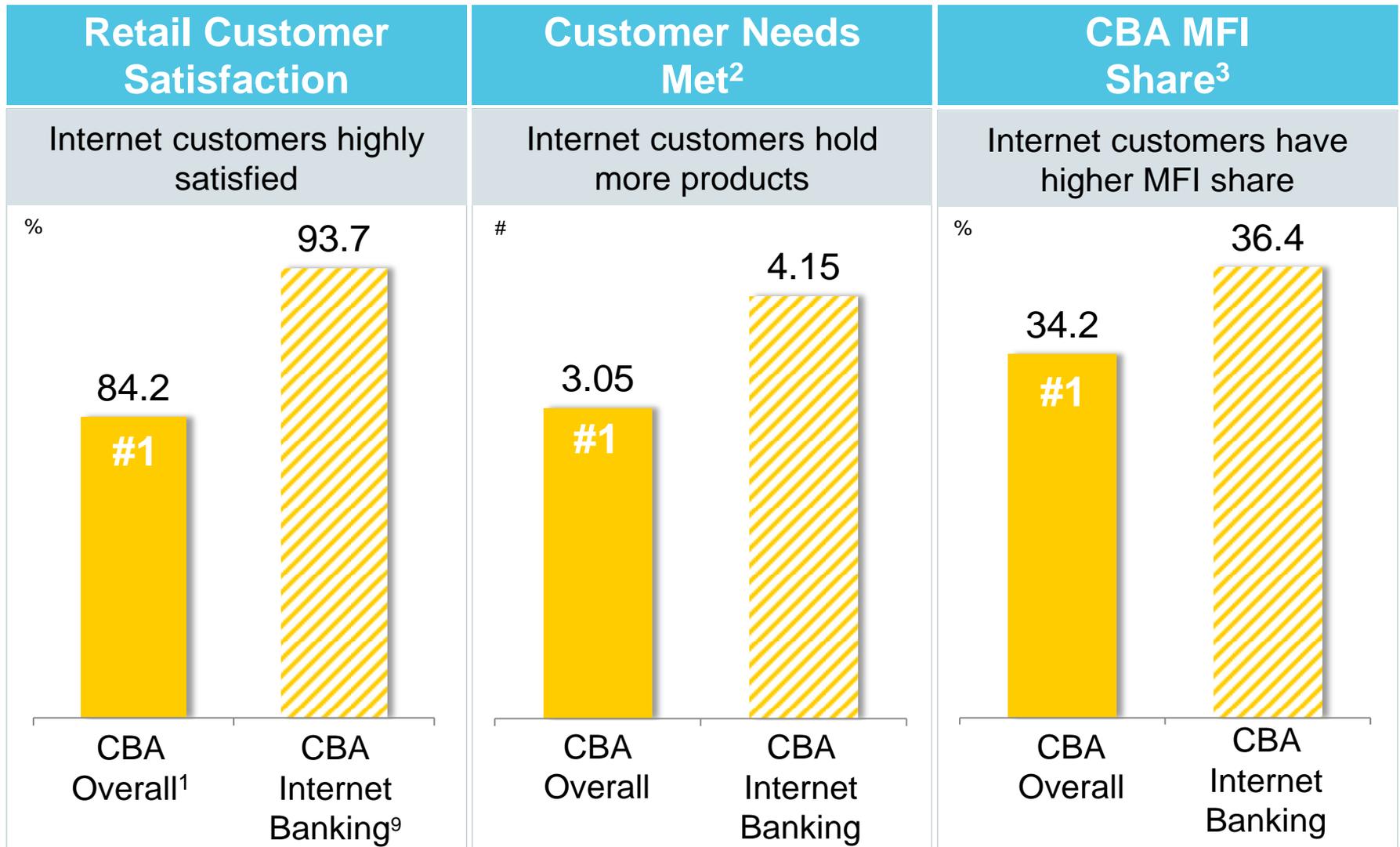
<sup>1</sup> Customers who hold at least one product in each of the major product categories shown. Totals not mutually exclusive – includes cross product holdings. Figures are approximates only and may include some level of duplication across customer segments. CommSec total includes active accounts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

# Customer Satisfaction and MFI share



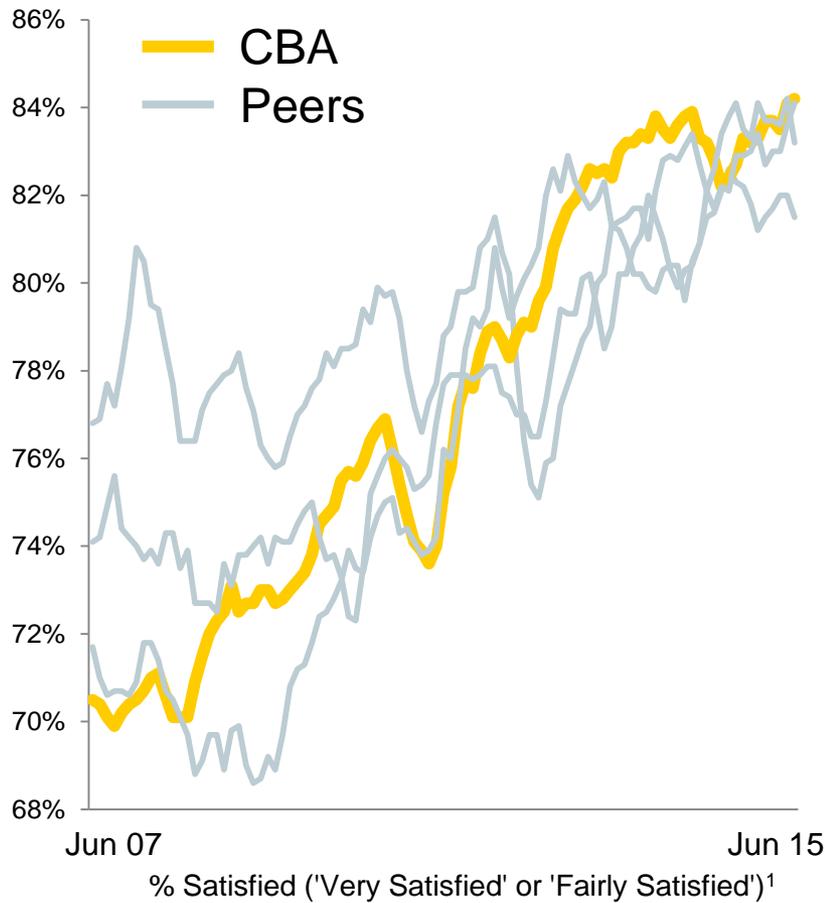
1, 2, 3 Refer notes slide at back of this presentation for source information

# Customer Satisfaction and MFI share

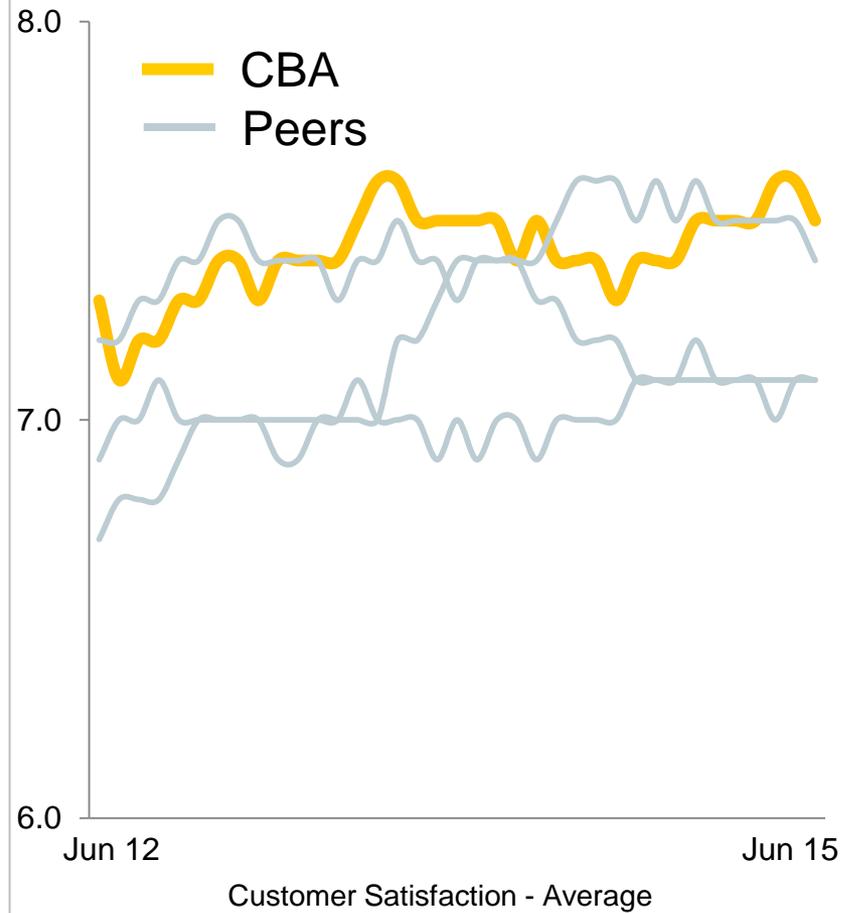


# Customer Satisfaction

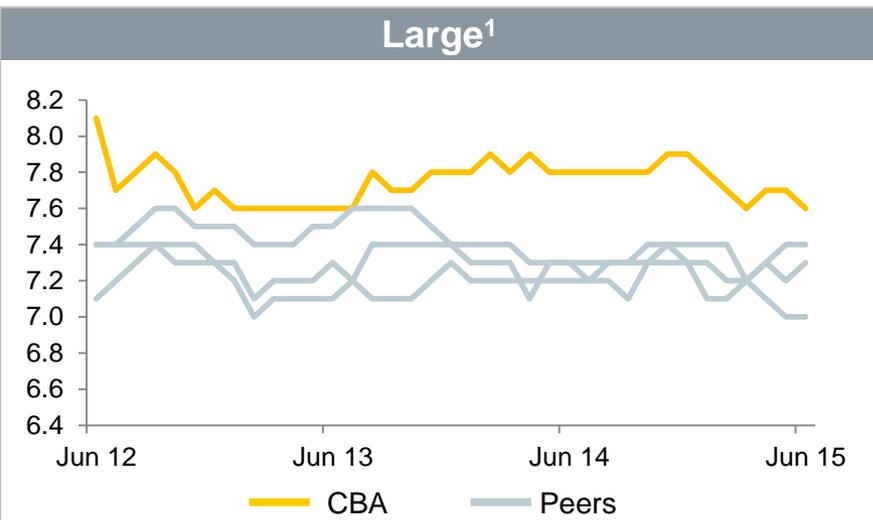
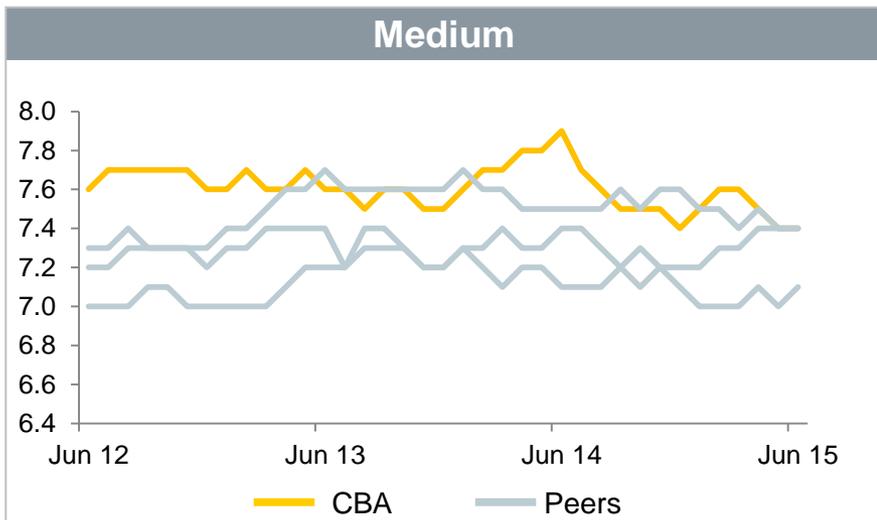
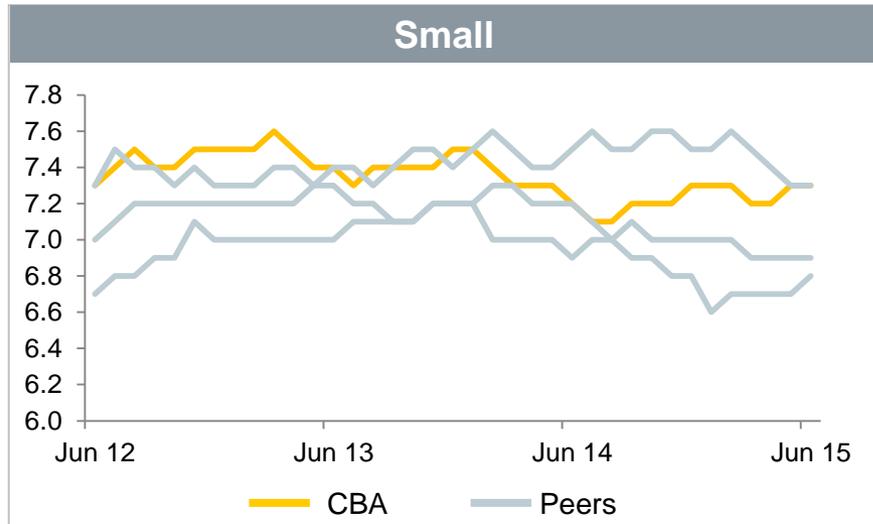
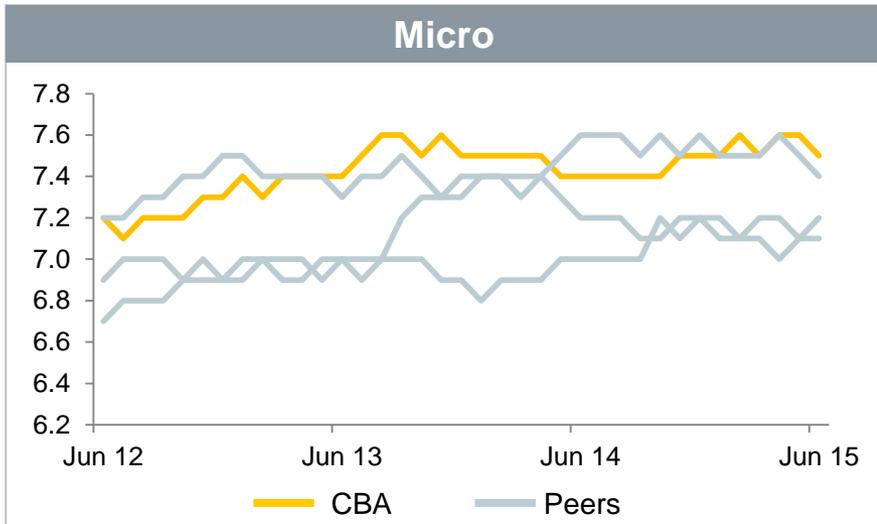
## Retail Customer Satisfaction<sup>1</sup>



## Business Customer Satisfaction<sup>4</sup>



# Business Customer Satisfaction<sup>5</sup>



<sup>1</sup> Definition of Large segment changed in November 2012 from annual turnover of \$50M+ to \$50m-<\$500M  
<sup>5</sup> Refer notes slide at back of this presentation for source information

# Corporate Responsibility

## FY15 Highlights



**100,000+**  
**CALLS TO OUR**  
**INDIGENOUS CUSTOMER**  
**ASSISTANCE LINE**



**\$243+ MILLION**  
**TOTAL COMMUNITY**  
**INVESTMENT**



**AUSTRALIA'S**  
**2ND LARGEST**  
**TAX PAYER**



**310,474**  
**CHILDREN**  
**LEARNED GOOD**  
**SAVING HABITS**



**NINE ESG**  
**LEADING**  
**COMMITMENTS**



**AUSTRALIAN BANK**  
**ON CDP CLIMATE**  
**DISCLOSURE**  
**LEADERSHIP INDICES**

## Recognition



In the 2015 financial year the Group was named the industry mover on the Dow Jones Sustainability World Index (DJSI) and received a bronze class distinction for sustainability performance.

# G100

The G100 is the global index of the world's most sustainable corporations. In 2015, the Group ranked 21st, making the Group the number one Australian company and the number two bank in the world.

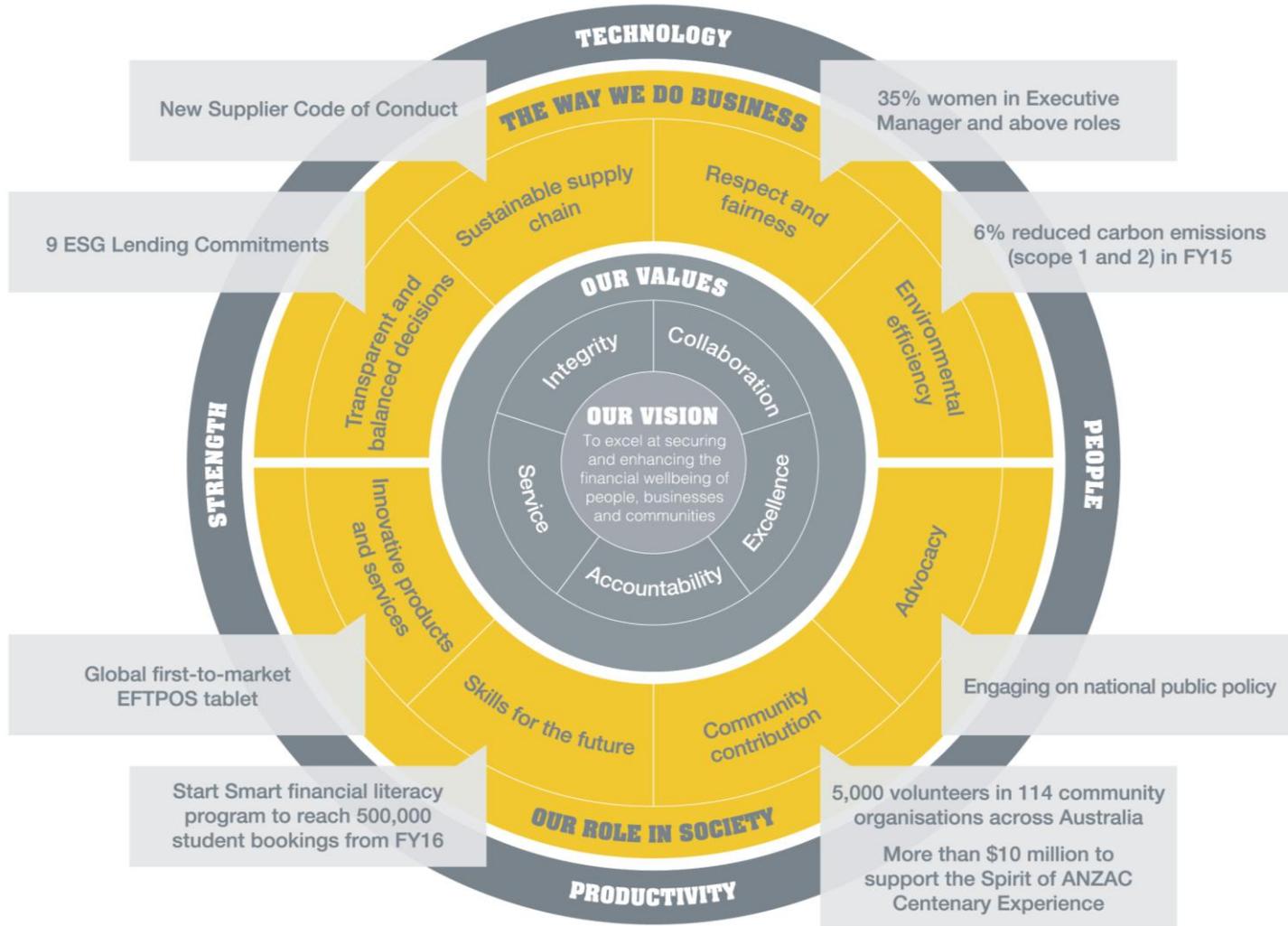


FTSE4Good

The Group is listed on the FTSE4Good. The FTSE4Good Index Series comprises companies demonstrating strong Environmental, Social and Governance (ESG) practices

# Corporate Responsibility

The Group's new 2016-2018 Corporate Responsibility (CR) strategy launched in FY15. The CR strategy is the Group's roadmap to secure and enhance the financial wellbeing of the communities in which we operate, through the **Way We Do Business** and **Our Role in Society**.



# Sustainability Scorecard

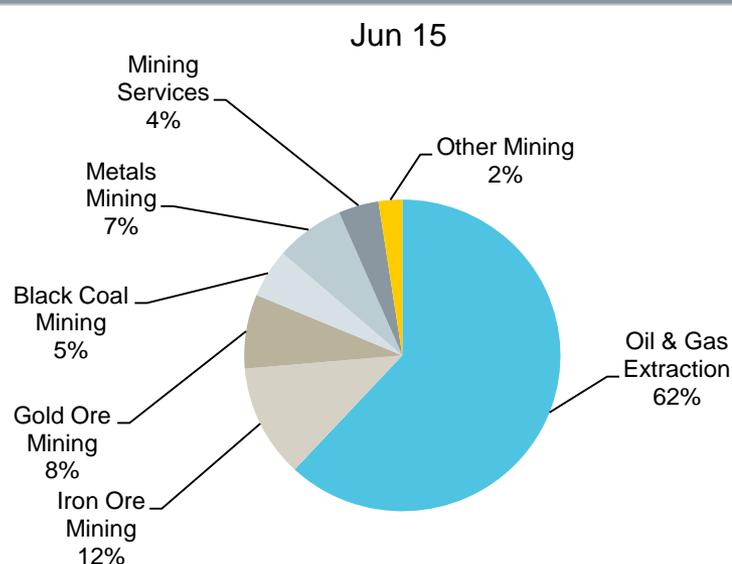
	Units	FY15	FY14	FY13	FY12	FY11	FY10	
Customer satisfaction	Roy Morgan MFI Retail Customer Satisfaction <sup>1</sup>	% Rank	<b>84.2</b> 1 <sup>st</sup>	83.2 1 <sup>st</sup>	83.0 1 <sup>st</sup>	79.0 2 <sup>nd</sup>	75.2 4 <sup>th</sup>	75.6 2 <sup>nd</sup>
	DBM Business Financial Services Monitor <sup>2</sup>	Avg. score Rank	<b>7.5</b> =1 <sup>st</sup>	7.4 =1 <sup>st</sup>	7.4 =1 <sup>st</sup>	7.3 =1 <sup>st</sup>	7.1 =2 <sup>nd</sup>	7.0 =1 <sup>st</sup>
	Wealth Insights Platform Service Level Survey <sup>3</sup>	Avg. score Rank	<b>7.75</b> 2 <sup>nd</sup>	7.94 1 <sup>st</sup>	8.32 1 <sup>st</sup>	7.86 1 <sup>st</sup>	7.74 1 <sup>st</sup>	7.70 1 <sup>st</sup>
People	Employee Engagement Index Score <sup>4</sup>	%	<b>81</b>	81	80	80	n/a	n/a
	Employee Turnover Voluntary <sup>5</sup>	%	<b>10.0</b>	10.2	10.2	12.9	12.7	12.7
	Women in Manager and above roles <sup>6</sup>	%	<b>43.2</b>	42.9	42.0	42.0	43.6	43.2
	Women in Executive Manager and above roles <sup>6</sup>	%	<b>35.0</b>	32.8	30.3	30.9	28.2	26.3
	Lost Time Injury Frequency Rate (LTIFR) <sup>7</sup>	Rate	<b>1.5</b>	1.5	1.9	2.8	2.4	2.7
	Absenteeism <sup>8</sup>	Rate	<b>6.0</b>	6.1	6.2	6.2	6.0	5.9
Greenhouse Gas Emissions <sup>9</sup>	Scope 1 emissions	tCO <sub>2</sub> -e	<b>7,249</b>	7,936	8,064	8,192	8,183	8,711
	Scope 2 emissions	tCO <sub>2</sub> -e	<b>86,264</b>	91,275	100,997	118,047	137,948	142,218
	Scope 3 emissions	tCO <sub>2</sub> -e	<b>39,361</b>	44,826	47,438	47,667	63,719	47,522
Financial literacy programs <sup>10</sup>	School banking students (active)	Number	<b>310,474</b>	273,034	233,217	191,416	140,280	92,997
	StartSmart students (booked)	Number	<b>298,505</b>	288,728	284,834	235,735	200,081	119,669

# Resources Exposure

## Resources Industries June 2015

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

## Mining, Oil and Gas



## Assessed Carbon Emissions – Business Lending

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

### Coal Mining Operations

The emissions intensity of Group business lending to coal mining;

Direct (scope 1 and 2) emissions:

- 99tCO<sub>2</sub>e/AUDm debt
- 0.05tCO<sub>2</sub>e/tonne coal extracted

Group business lending to coal mining supported:

- 4.67mt pa of coal production. This is the equivalent of approximately 1% of Australia's total coal production.

Indirect (scope 3 combustion) emissions:

- 5.1ktCO<sub>2</sub>e/AUDm business lending debt

### Oil and Gas Operations

The emissions intensity of Group business lending to the oil and gas sector;

Direct (scope 1 and scope 2) emissions:

- 114tCO<sub>2</sub>e/AUDm debt
- 0.04tCO<sub>2</sub>e/barrel of oil equivalent (boe) produced

Group business lending to oil and gas supported:

- 19.8mboe pa of production. This is the equivalent of approximately 4% of Australia's total oil and gas production.

### Electricity Generation

The emissions intensity of Group business lending to electricity generation:

Direct (scope 1 and 2) emissions:

- 1,916tCO<sub>2</sub>e/AUDm debt
- 0.71tCO<sub>2</sub>e/MWh generated. In Australia, the emissions intensity of Group debt finance to electricity generation was also 0.71tCO<sub>2</sub>e/MWh generated, compared to the Australian average emissions intensity of 0.85tCO<sub>2</sub>e/MWh.

Group business lending to the electricity sector supported:

- 6.64TWh of electricity generation

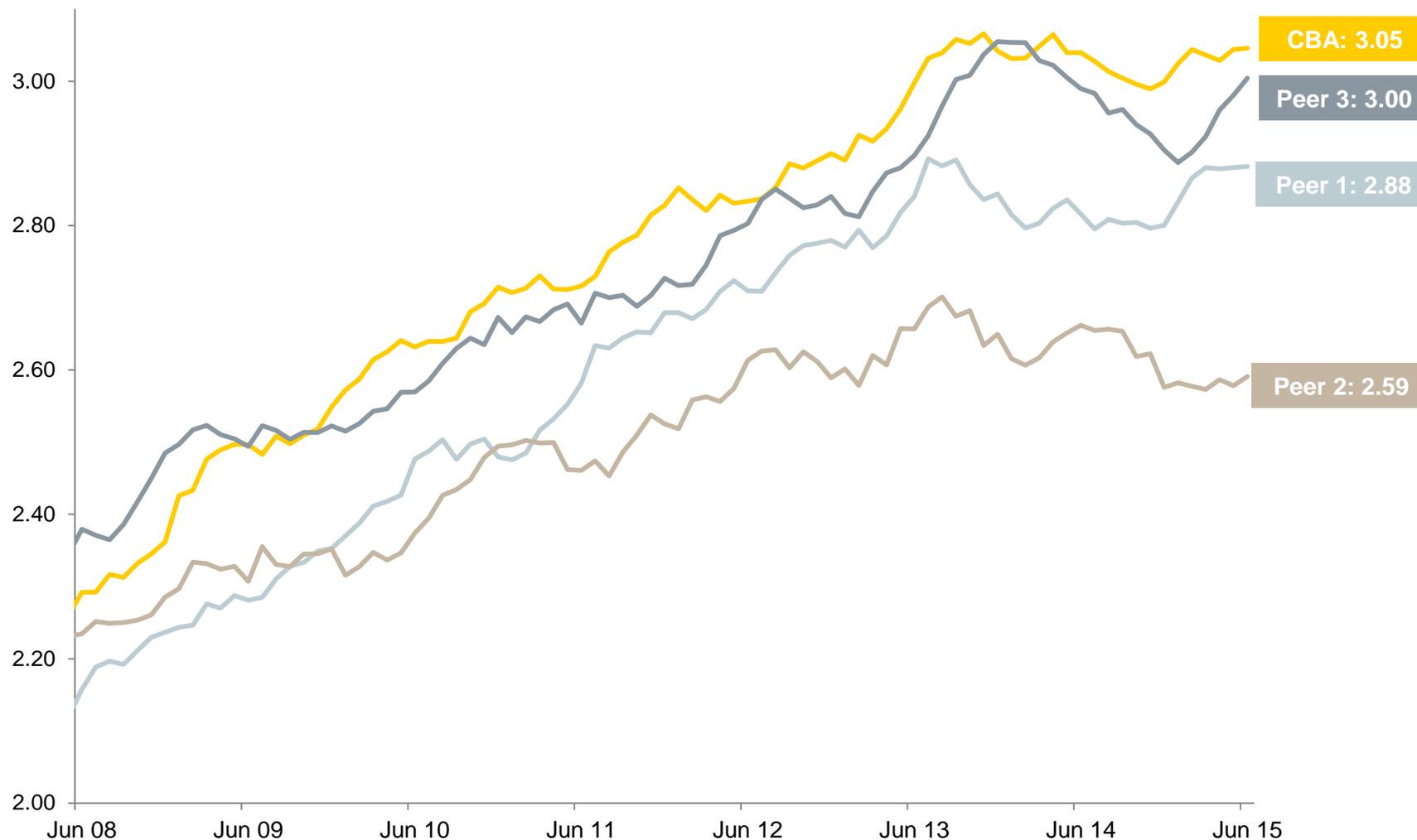
<sup>1</sup> Total Credit Exposure (TCE) basis = balance for uncommitted facilities and the greater of limit or balance for committed facilities. Calculated before collateralisation. Includes ASB and Bankwest and excludes settlement exposures. Exposure assigned to ANZSIC Codes according to main business activity.

<sup>2</sup> Energy includes: electricity generation, distribution & supply; and gas supply



# Customer needs met<sup>2</sup>

CBA leads peers in the number of products customers hold

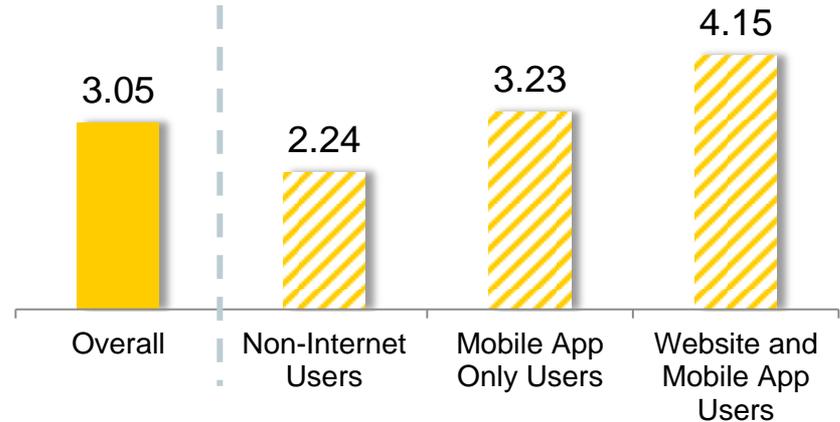


# Customer needs met<sup>2</sup>

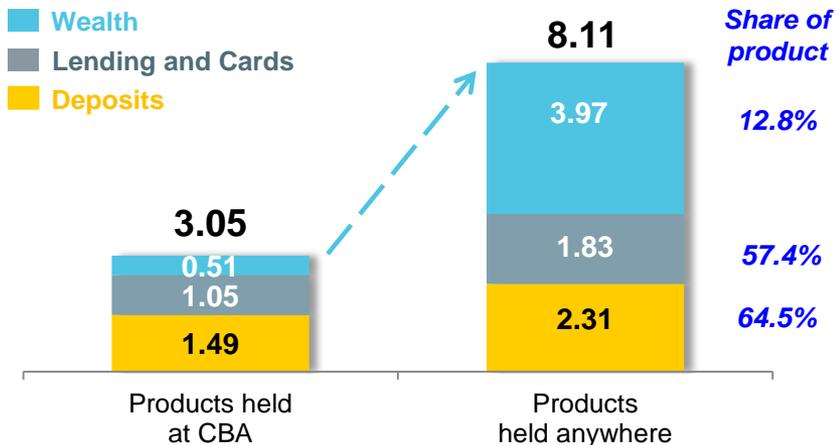
## By Age<sup>2</sup>

Age Band	Products per Customer
14 – 17	1.52
18 – 24	2.65
25 – 34	3.18
35 – 49	3.38
50 – 64	3.25
65+	2.50
<b>Total 18+</b>	<b>3.05</b>

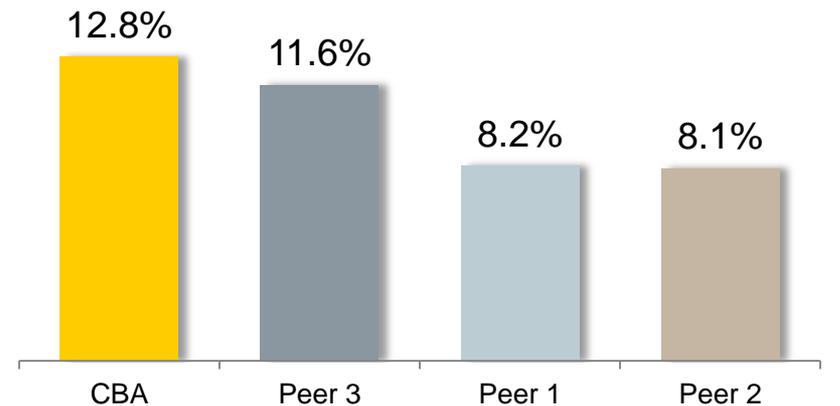
## Internet Banking<sup>2</sup>



## Share of Product<sup>2</sup>



## Wealth – Share of Product<sup>8</sup>

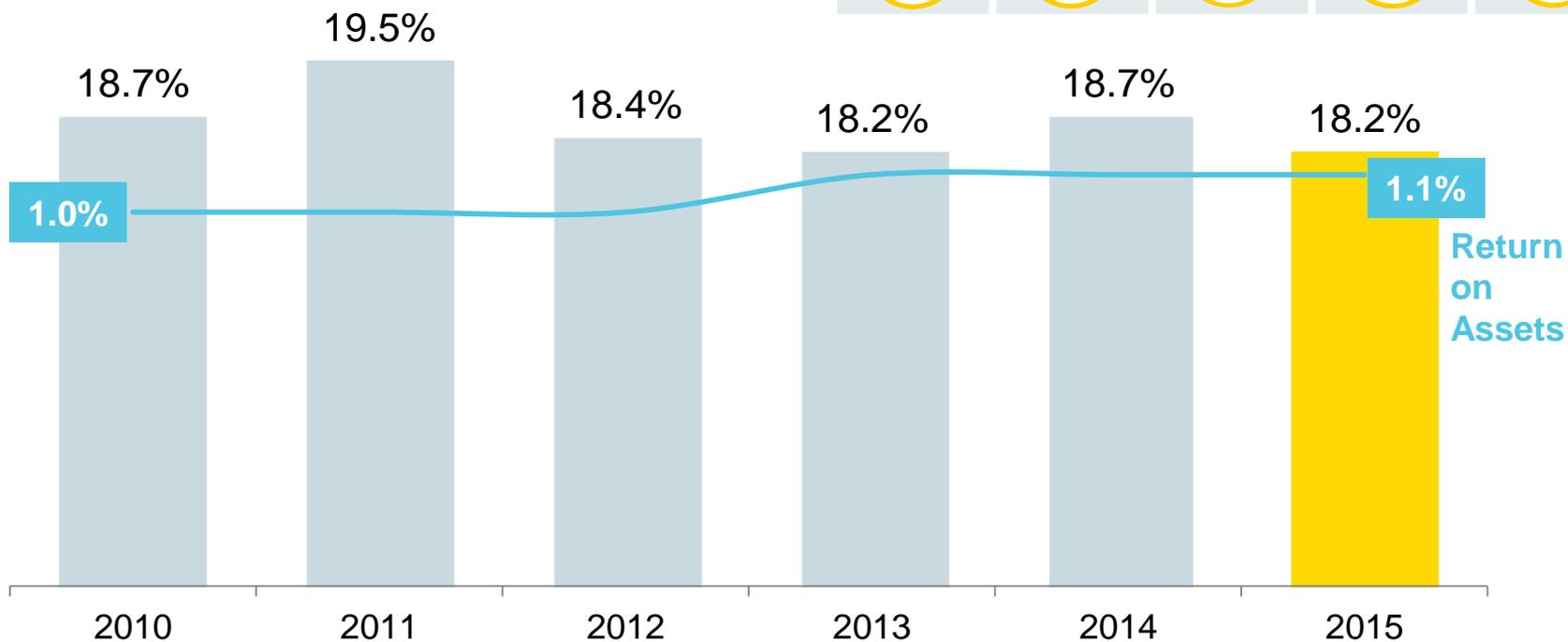


# Delivering consistent returns

## Cash ROE

### CBA Ranking<sup>1</sup>

Market Cap (ASX)	Dividend declared	Taxes Paid	Return on Equity	Return on Assets
1 <sup>st</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	27 <sup>th</sup>	73 <sup>rd</sup>



<sup>1</sup> Most recent annual results data amongst ASX 100 companies. Sourced from Bloomberg 29 July 2015.

# Australia's leading technology bank

**#1**

Free financial  
app<sup>1</sup>

**#1**

Most  
innovative bank<sup>9</sup>

**#1**

Innovative  
banking app<sup>8</sup>

**#1**

Social  
&  
Facebook<sup>3</sup>

**#1**

Customer  
satisfaction –  
Internet banking<sup>6</sup>

**#1**

Customer  
satisfaction –  
apps<sup>2</sup>

**#1**

In the youth  
segment<sup>5</sup>

**5.16m**

Active online<sup>10</sup>  
customers

MFI for

**1 in 3**

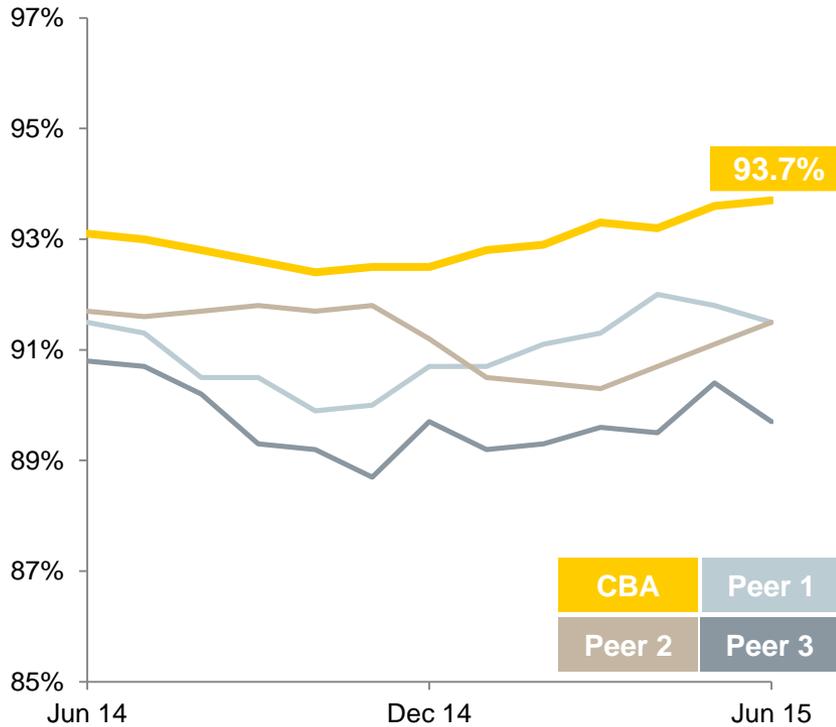
Australians<sup>7</sup>



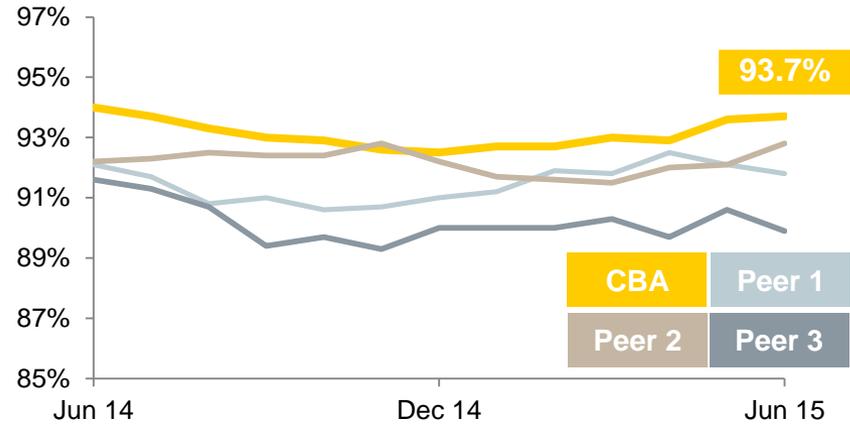
# Customer Satisfaction - Online

## Customer Satisfaction – Internet Banking <sup>6</sup>

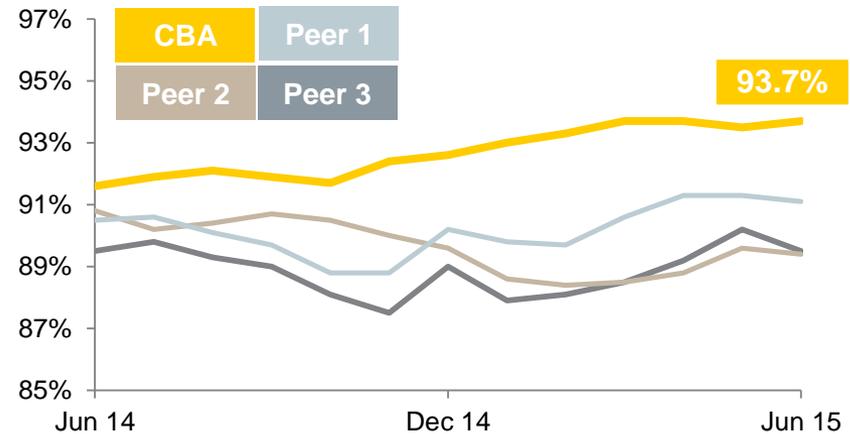
Satisfaction with Internet Banking Services via "Website" or "App"<sup>6</sup>



## Customer Satisfaction - Website <sup>4</sup>



## Customer Satisfaction - Apps <sup>2</sup>



# Branch of the future

Video conferencing facilities in all branches<sup>1</sup> - access to CBA specialists ~ 69,000 referrals in FY15

Dedicated small business capability with 165 specialists

Tablets and software for branch concierges to enhance customer flow



Express branches in select locations (56 to date) - smaller, smarter design with focus on self service

Over 400 Intelligent Deposit Machines allowing anytime cash and cheque deposits – 96% self-service rate for deposits in express branches

<sup>1</sup> Excludes Bankwest and a very small number of CBA Branches

# Continuous innovation

## Tap & Pay



Now on  
Android

## Touch ID



## Apps for Smartwatches



CommonwealthBank



CommSec

Use your iPhone or Android for MasterCard PayPass purchases in store<sup>1</sup>

Sign in to CommBank app with your fingerprint

CommBank and CommSec apps – account balances, ATM locator, transactions, live sharemarket information

- 450k+ customers
- Volumes +58% in FY15

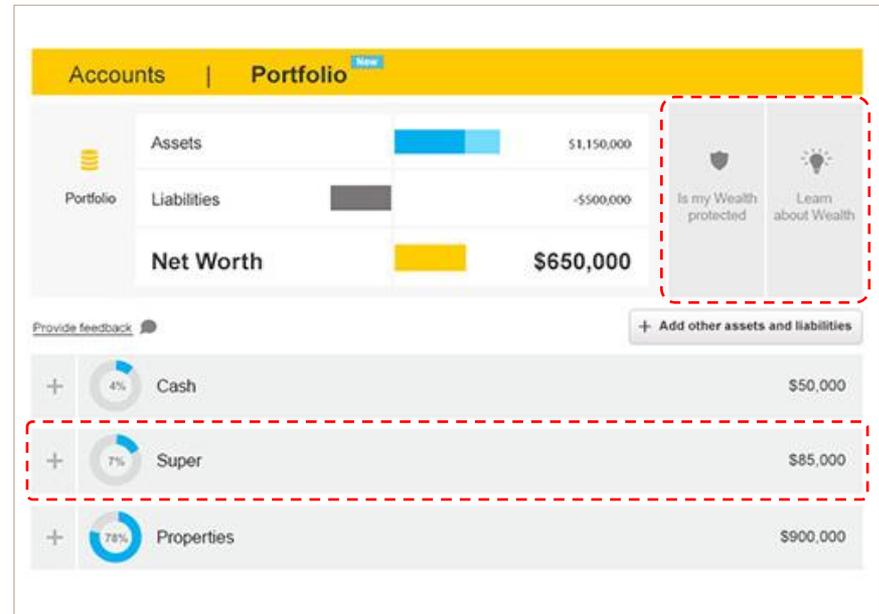
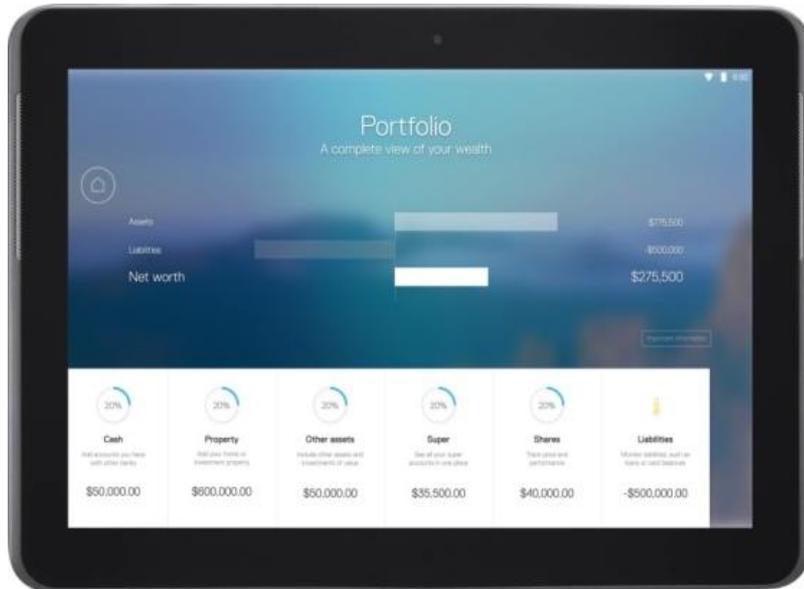
- Faster logon
- 100k users
- 700k logons p/week

- CBA first to market with transactional capability

<sup>1</sup> In store = Point of Sale (POS)

# Wealth Management innovation

## Portfolio View



- Integrated banking & wealth experience
- CBA and non-CBA holdings - holistic view of assets & liabilities
- Free property estimates, live pricing of share portfolio etc
- Single sign-on in NetBank into CommSec and MyWealth

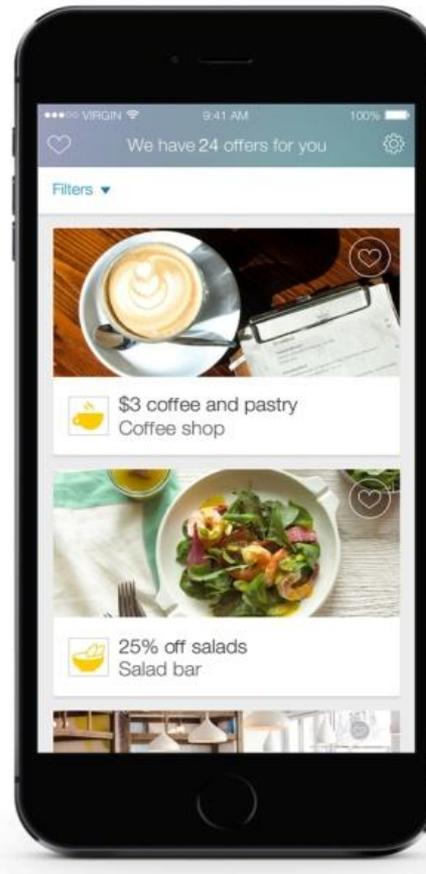
# Continuous innovation

## Mobile Wallet

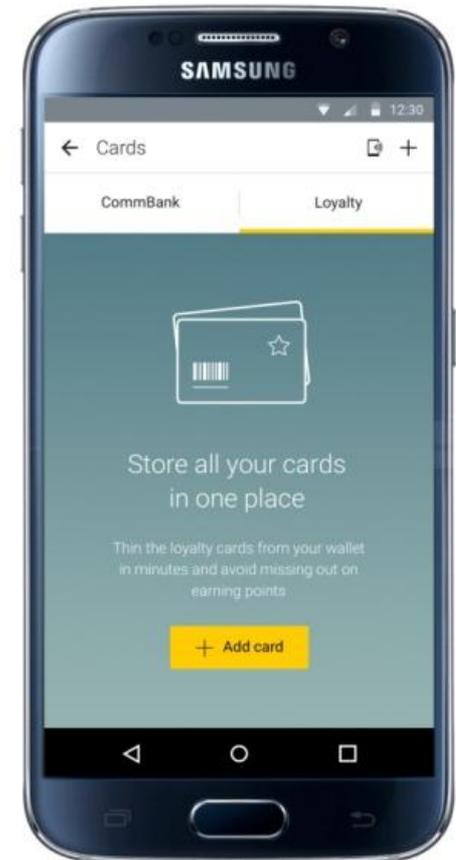
Jul 15

Taking consumers one step closer to a day when a physical wallet will not be needed.

- New functionality on CommBank app enables customers to store all their loyalty cards in the CommBank app
- New CommBank Offers app provides tailored merchant offers to CommBank customers shopping in a Westfield shopping centre – pilot in partnership with Westfield

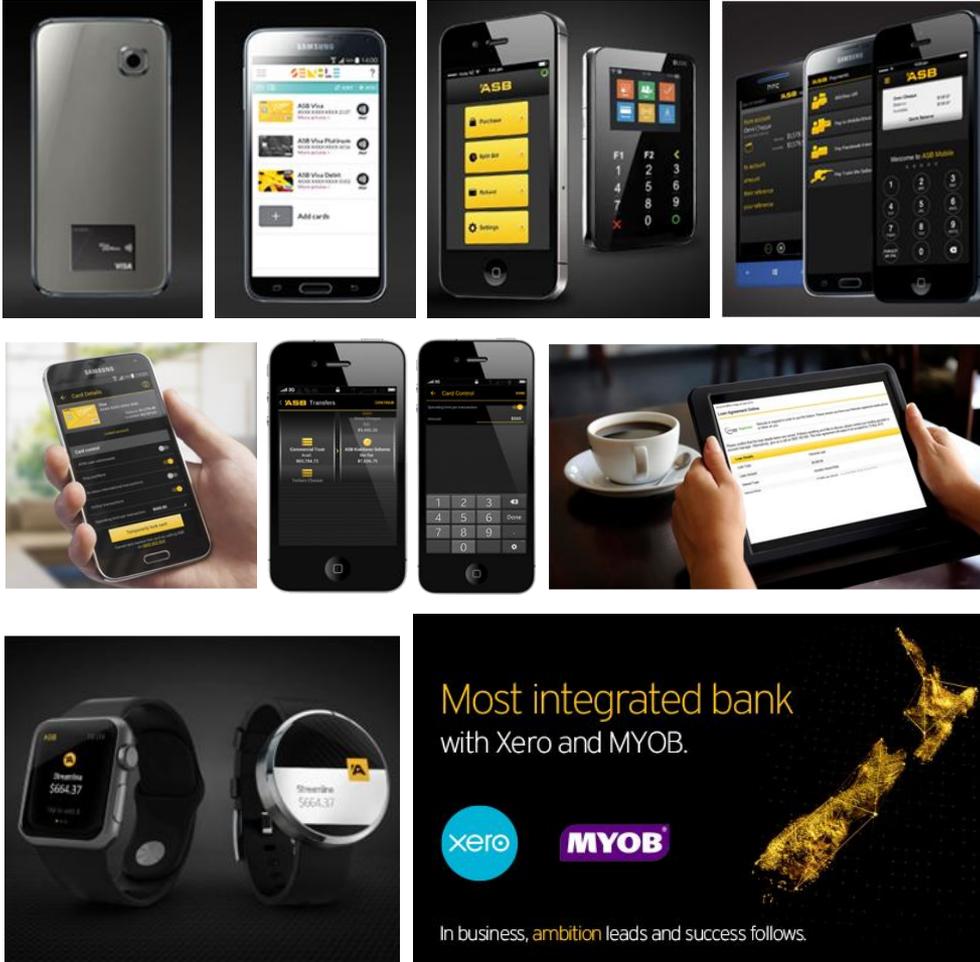


CommBank Offers



Loyalty on CommBank app

# ASB – innovative solutions

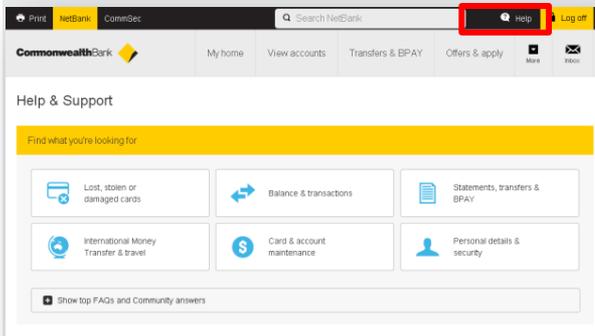


- Equal 1<sup>st</sup> Mobile app satisfaction at 87%<sup>1</sup>
- 1<sup>st</sup> to market with Card Control in mobile app: allowing customers to control several features including temporary lock, change limits and turn off online and/or international in-store purchases
- 1<sup>st</sup> to market with KiwiSaver transfers via online banking and mobile app
- >95% of credit card limit changes via digital channels
- Digital acceptance of loan documents via FastNet Classic
- Offering customers a choice of ways to pay – Semble mobile wallet, PayTag, mobile POS for businesses, and mobile app pay to email and mobile numbers

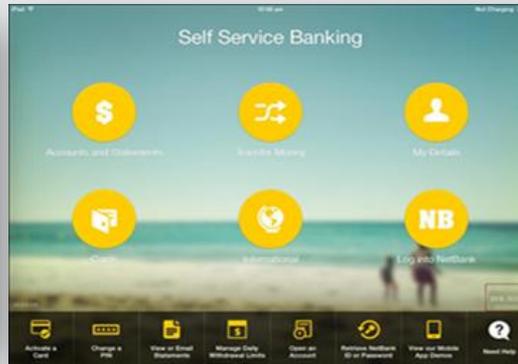
<sup>1</sup> Customer Retail Market Monitor, Camorra Research, June 2015

# Self service acceleration

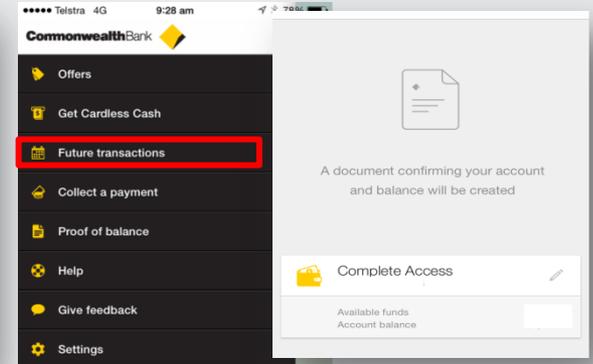
## NetBank: Enhanced Search & Support Hub



## Branch Self Service Kiosks



## Mini-Statements



May 15

- Single entry point to help and support within NetBank
- Driving uplift in self-service as well as simple sales
- Simple navigation to NetBank features

Nov 14

- More than 100k self-service interactions in-branch every month
- Starts the digital conversation with branch customers

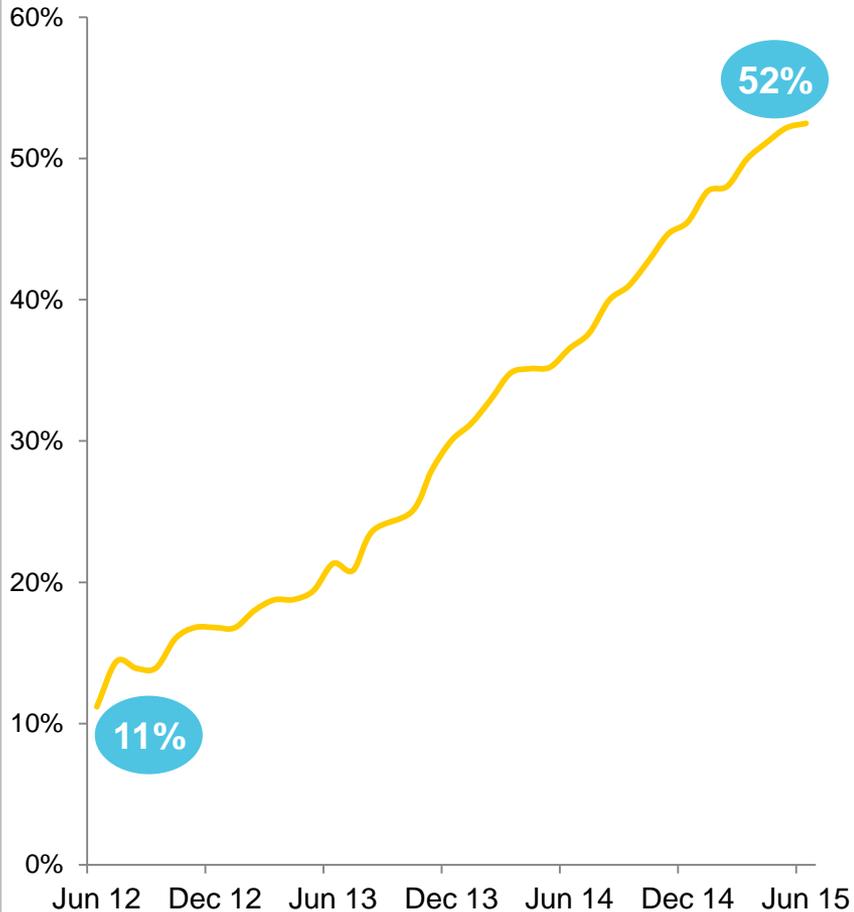
Mar 15

- 25% reduction in branch effort for transaction list printing
- Less requests in branches for statement-related enquiries – Daily average reduction of 14k

# Self service acceleration

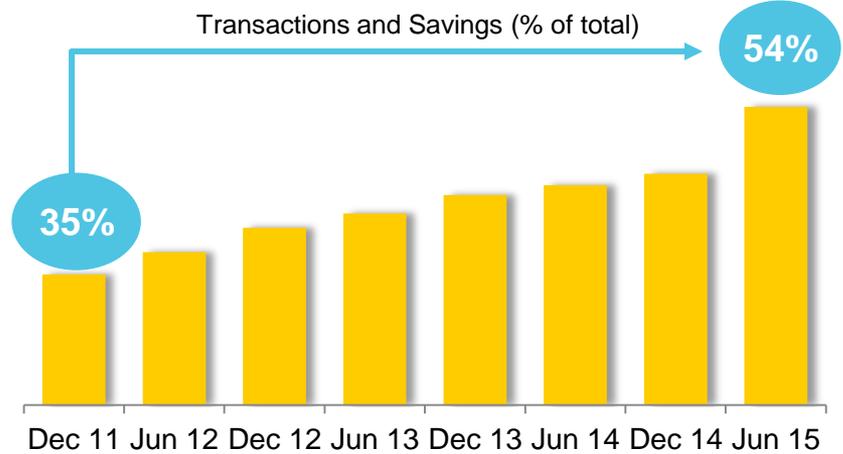
## Intelligent Deposit Machines (IDMs)

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



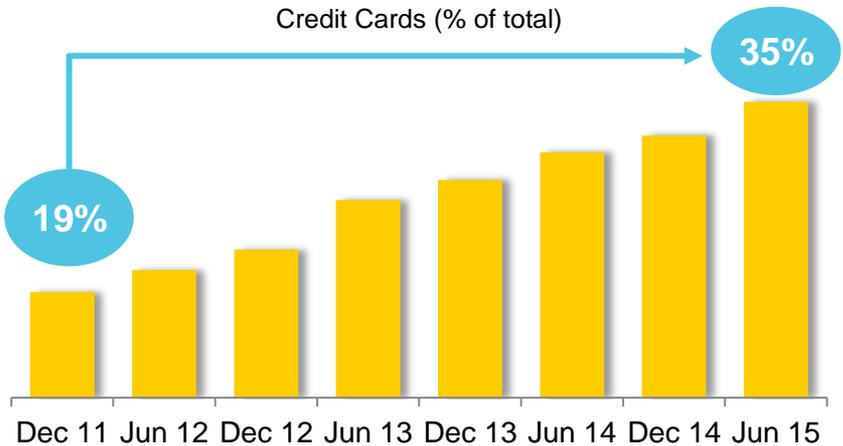
## Accounts with e-statements

Transactions and Savings (% of total)



## Accounts with e-statements

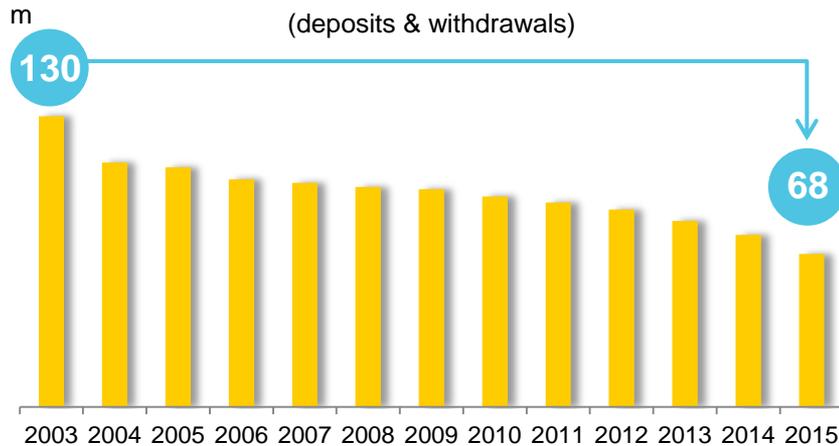
Credit Cards (% of total)



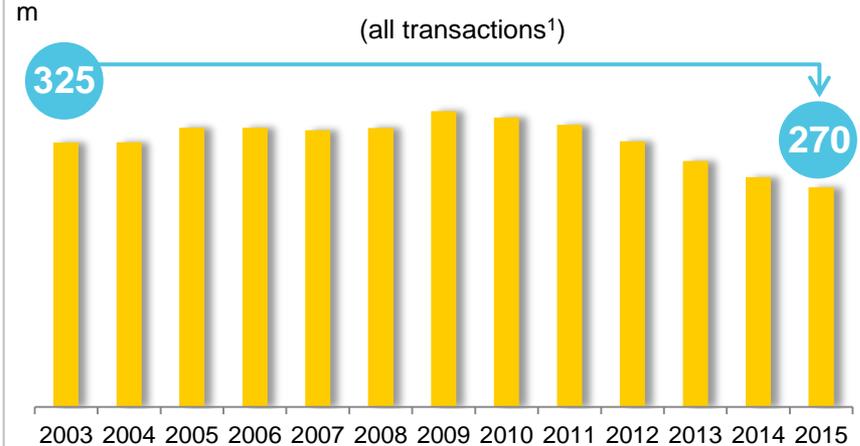
<sup>1</sup> The Intelligent Deposit Machine rate has been aligned with other migration measures

# Transaction volumes

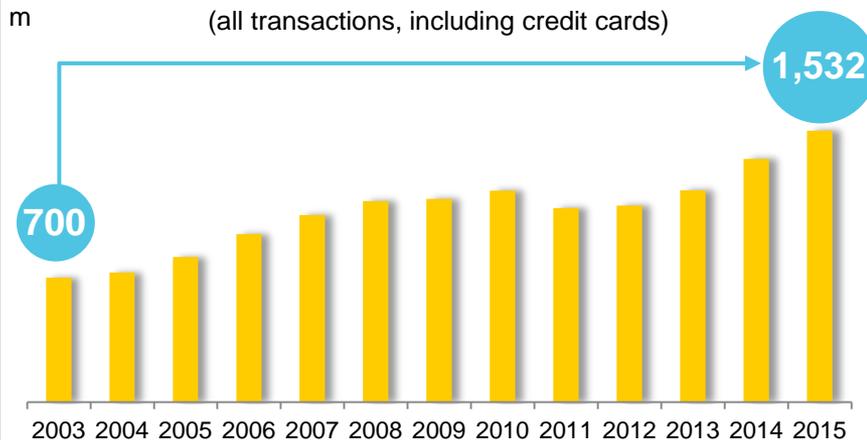
## Branch



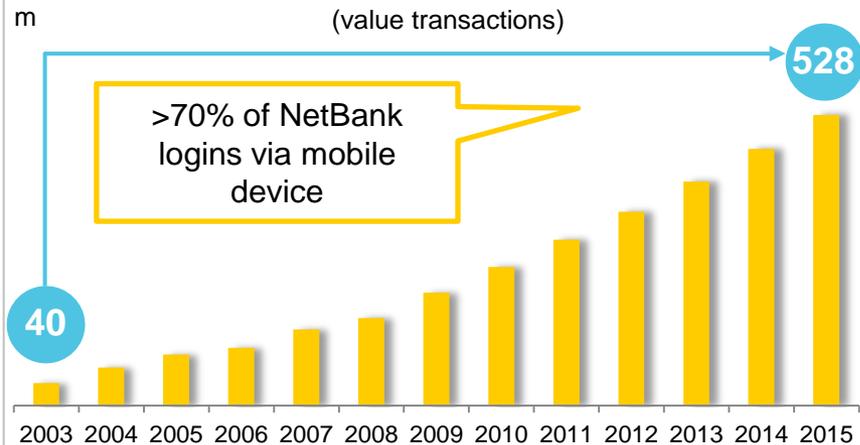
## ATM



## EFTPOS<sup>2</sup>



## Internet<sup>3</sup>



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.

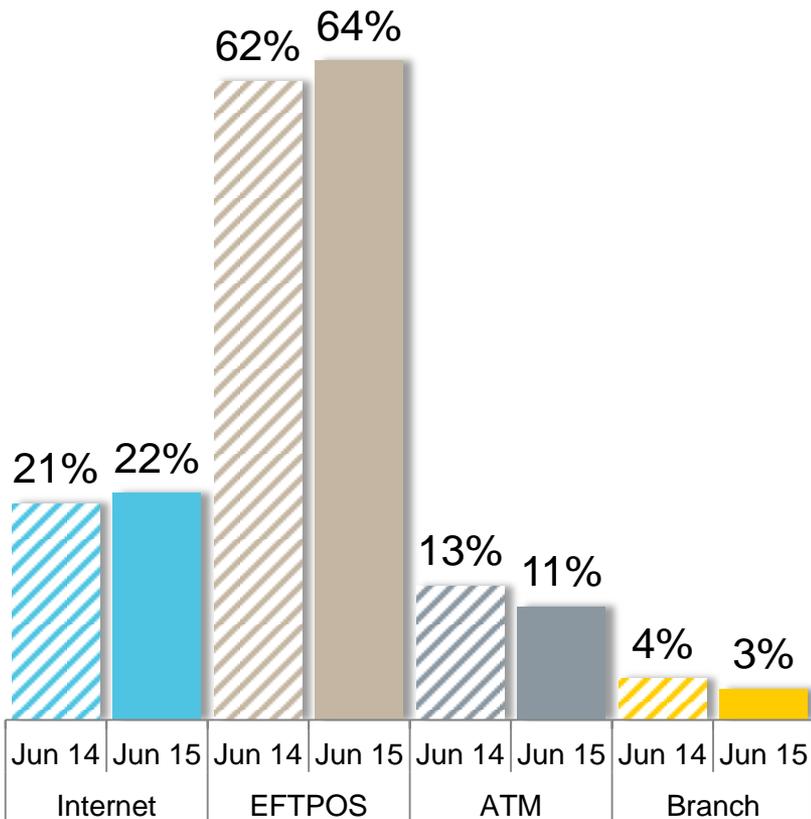
3 Calendar years to 2007; financial years thereafter. Includes BPAY.



# Transaction volumes

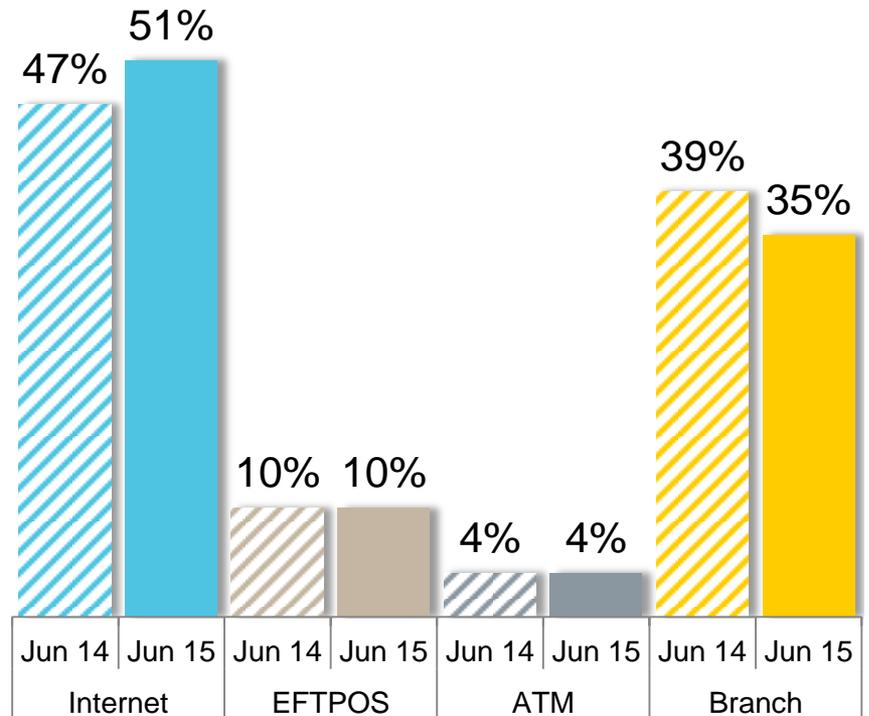
## Number %

Percentage of total transactions by number



## Value %

Percentage of total transactions by \$ value



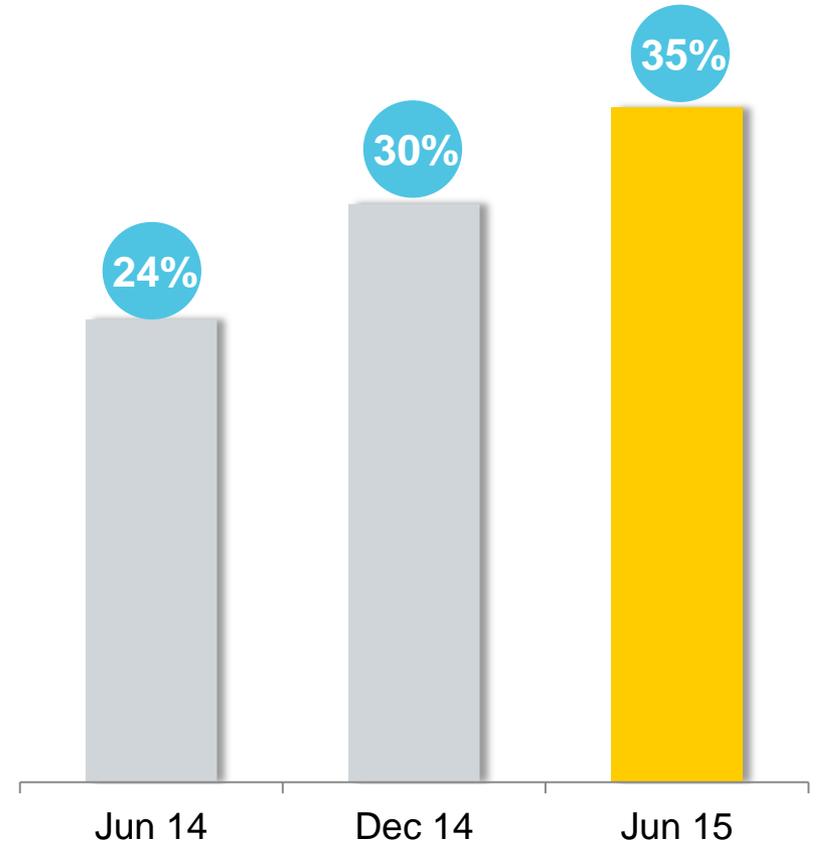
# Growing mobile

% of NetBank logins via mobile device

Weekly



% of Online Sales via mobile device<sup>1</sup>



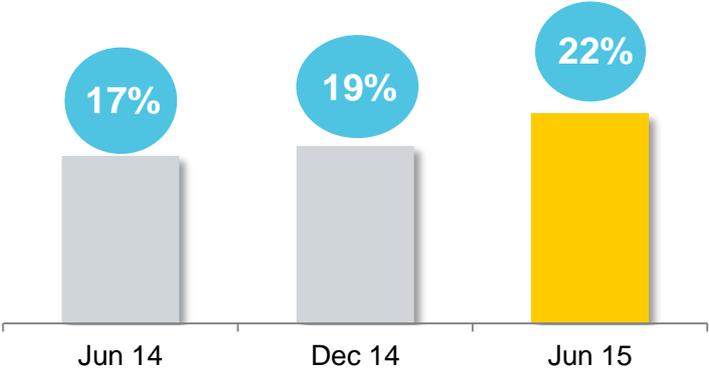
<sup>1</sup> RBS Products included: Savings & Transaction accounts (QNA), Credit Cards (exc. limit increases), Car & Home Insurance (Net new policies written), Essential Super (QNA), Personal Loans (Total fundings), Mortgage Lending, Consumer Credit Insurance, Personal Savings (\$) and Personal Overdrafts (#)



# Growing online sales

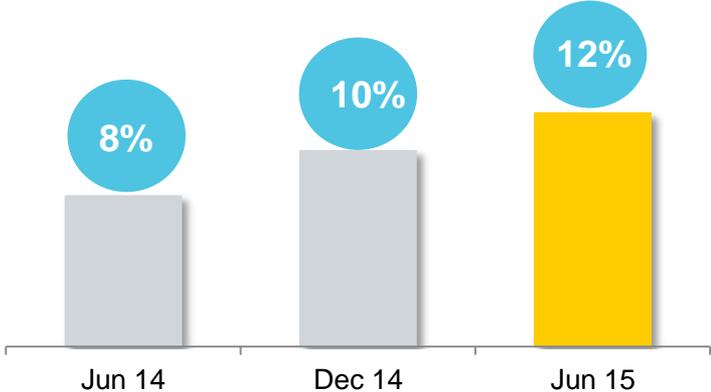
## Personal loans<sup>1</sup>

% of Sales Online



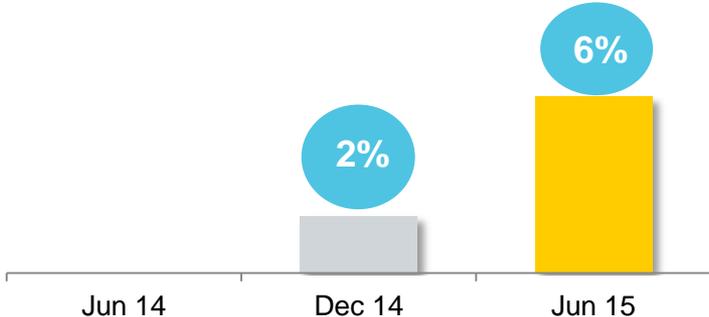
## Transactions QNA<sup>1, 2</sup>

% of Sales Online



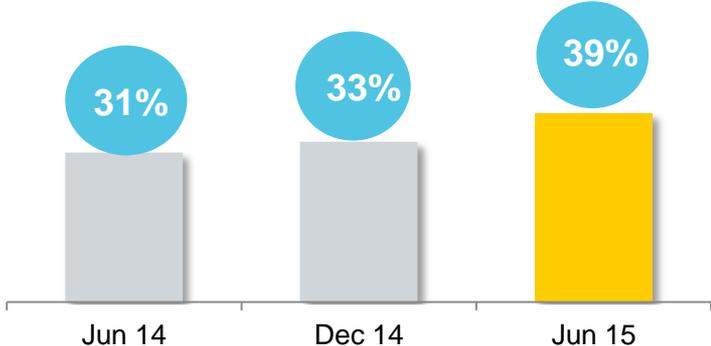
## Business transactions QNA<sup>1</sup>

% of Sales Online



## Credit cards<sup>1</sup>

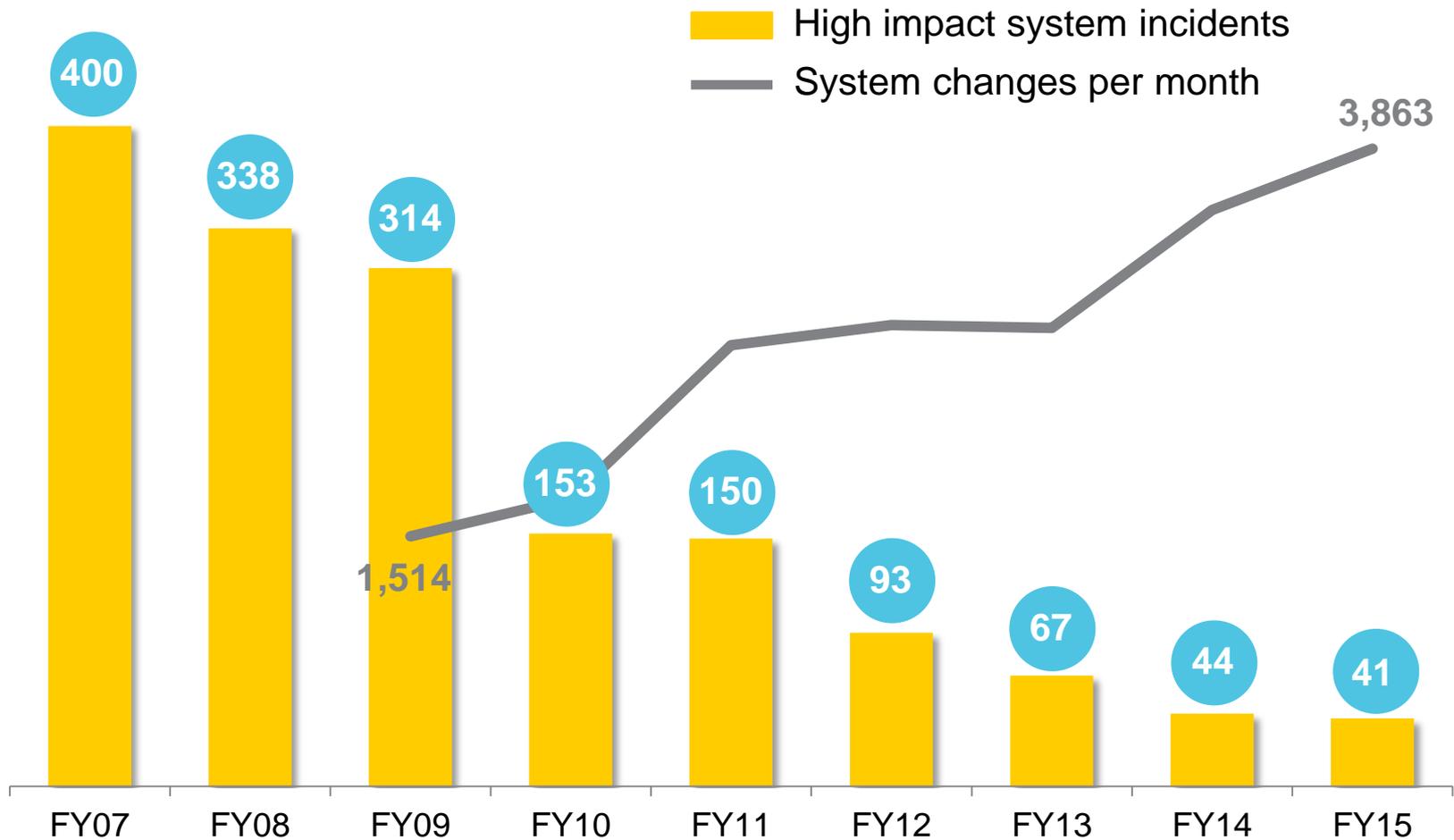
% of Sales Online



<sup>1</sup> RBS 6 month rolling averages

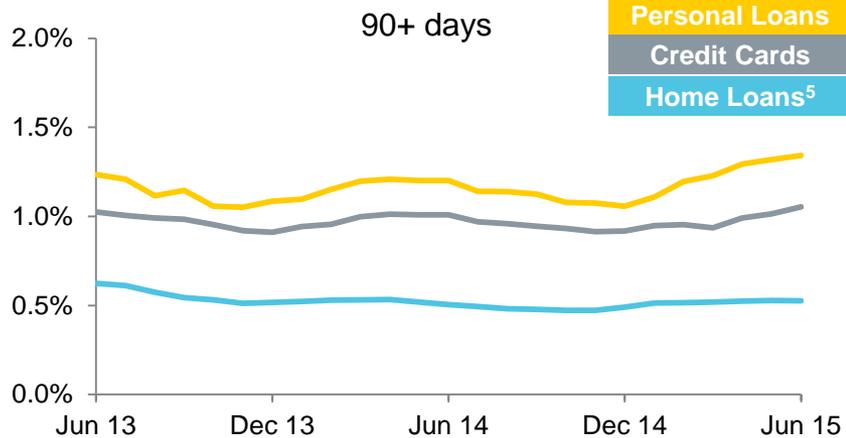
<sup>2</sup> QNA = Quality New Account – a new account which demonstrates certain types of transactional activity such as deposits, loan repayment deductions etc

# Accelerated change, more reliable systems

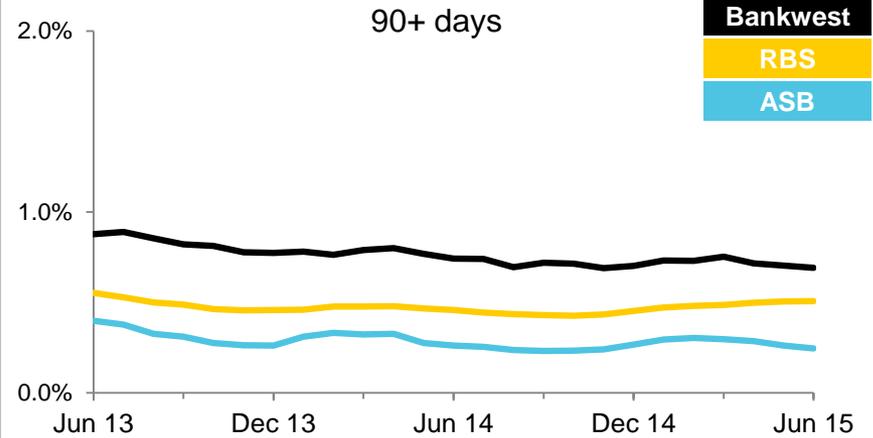


# Group Consumer Arrears

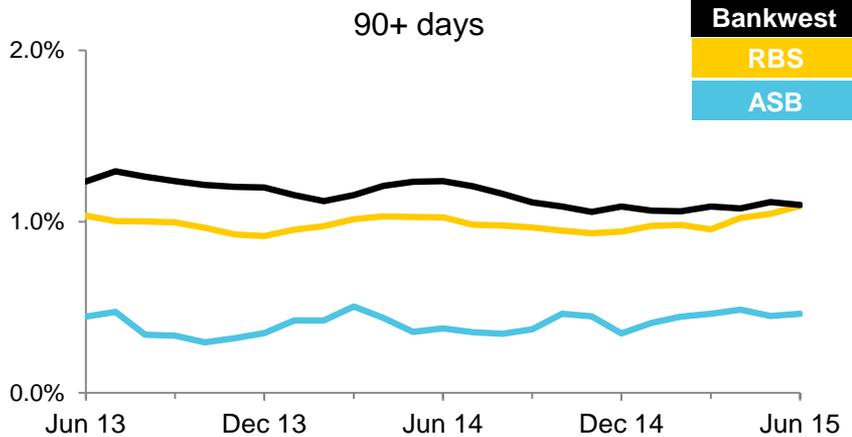
## Consumer Portfolios<sup>1</sup>



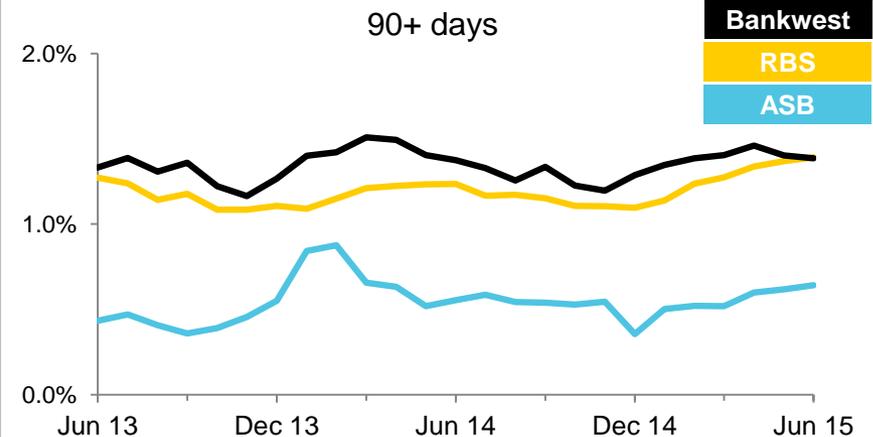
## Home Loans<sup>5</sup>



## Credit Cards<sup>2,4</sup>



## Personal Loans<sup>2,3,4</sup>



1. Represents Retail Banking Services, ASB Retail and Bankwest Retail 2. Results not consistently measured/defined across the industry. CBA definition is conservative as it includes Hardship accounts 3. Includes unsecured and secured personal loans 4. ASB write-off typically around 90 days past due if no agreed repayment plan 5. Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loan (RBS only) and Residential Mortgage Group (RBS only) loans

# RBS Home Loan Portfolio

Portfolio <sup>1</sup>	Jun 14	Dec 14	Jun 15	New Business <sup>1</sup>	Jun 14	Dec 14	Jun 15
Total Balances - Spot (\$bn)	302	310	321	Total Funding (\$bn)	73	40	80
Total Balances - Average (\$bn)	293	306	311	Average Funding Size (\$'000)	254	267	274
Total Accounts (m)	1.5	1.5	1.5	Serviceability Buffer (%) <sup>6</sup>	1.5	1.5	2.25
Variable Rate (%)	81	81	84	Variable Rate (%)	81	83	87
Owner Occupied (%)	58	58	58	Owner Occupied (%)	61	60	59
Investment (%)	35	36	36	Investment (%)	35	36	37
Line of Credit (%)	7	6	6	Line of Credit (%)	4	4	4
Proprietary (%)	62	62	61	Proprietary (%)	62	60	59
Broker (%)	38	38	39	Broker (%)	38	40	41
Interest Only (%) <sup>2</sup>	34	36	38	Interest Only (%) <sup>2</sup>	35	38	39
Lenders' Mortgage Insurance (%) <sup>2</sup>	24	24	24	Lenders' Mortgage Insurance (%) <sup>2</sup>	21	19	19
Mortgagee In Possession (%)	0.04	0.04	0.04				
Portfolio Dynamic LVR (%) <sup>3</sup>	48	48	48				
Customers in Advance (%) <sup>4</sup>	76	76	76				
Payments in Advance incl. offset (#) <sup>5</sup>	23	26	28				
Payments in Advance exc. offset (#) <sup>5</sup>	7	7	7				

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

# Australian Home Loan Portfolio<sup>1</sup>

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

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

# Australian Home Loan Portfolio<sup>1</sup>

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

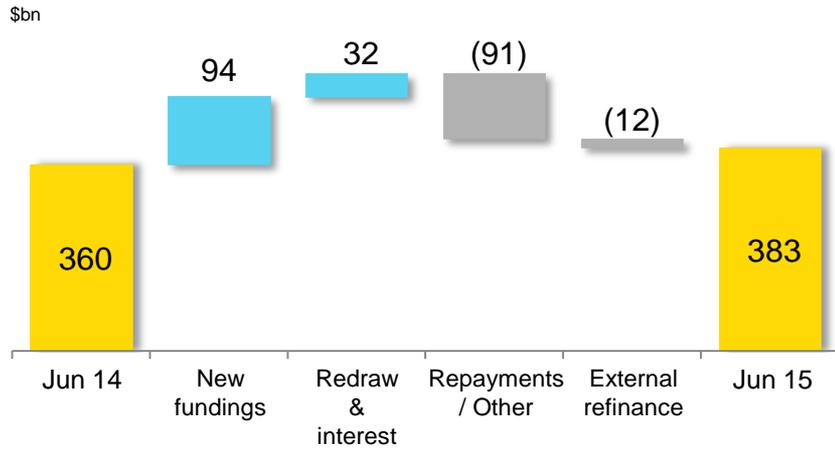
1. CBA and Bankwest, except where noted 2. Defined as any payment ahead of monthly minimum repayment; includes offset facilities

3. Defined as current balance/current valuation (data as at Mar 15 due to lag in publication of current valuations data) 4. Documentation is required, including Business Activity Statements 5. For Bankwest, maximum LVR excludes any capitalised mortgage insurance

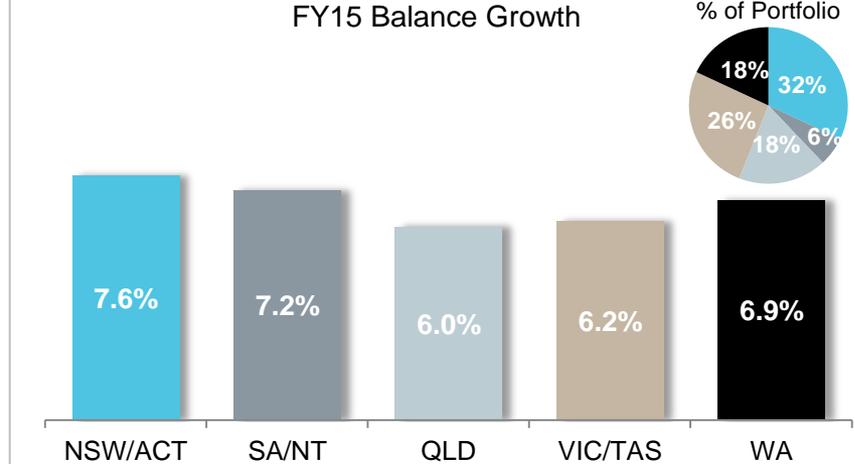


# Australian Home Loans<sup>1</sup>

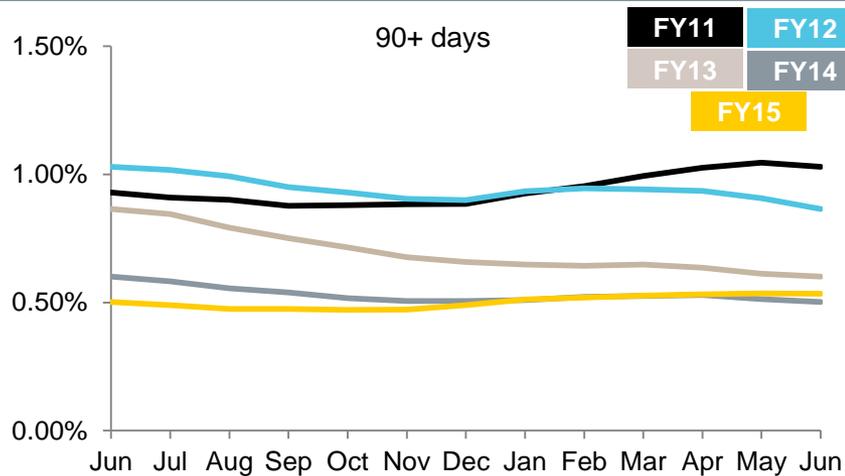
## Australian Home Loan Balances



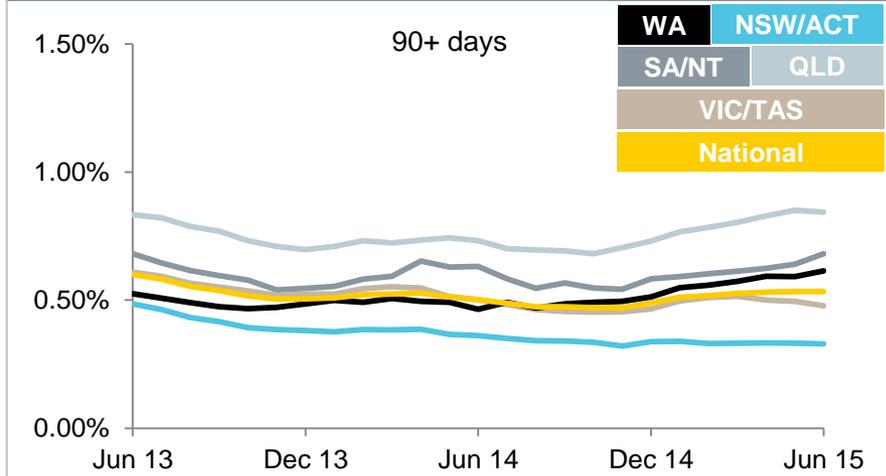
## State Profile<sup>2</sup>



## Arrears<sup>2</sup>



## Arrears by State<sup>2</sup>



<sup>1</sup> CBA and Bankwest

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

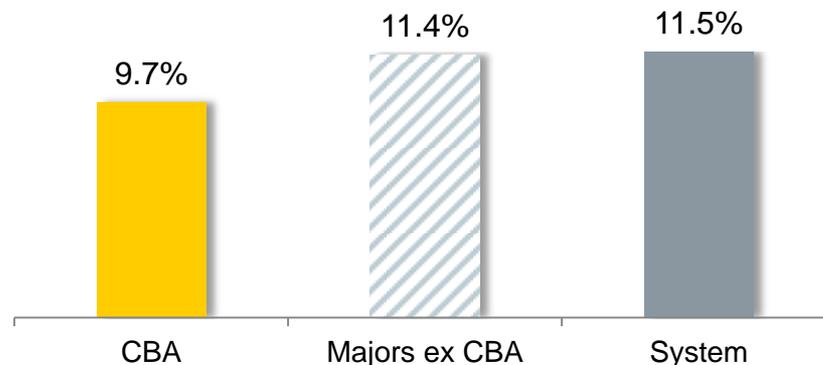
# Australian Investment Home Loans<sup>1</sup>

## Overview

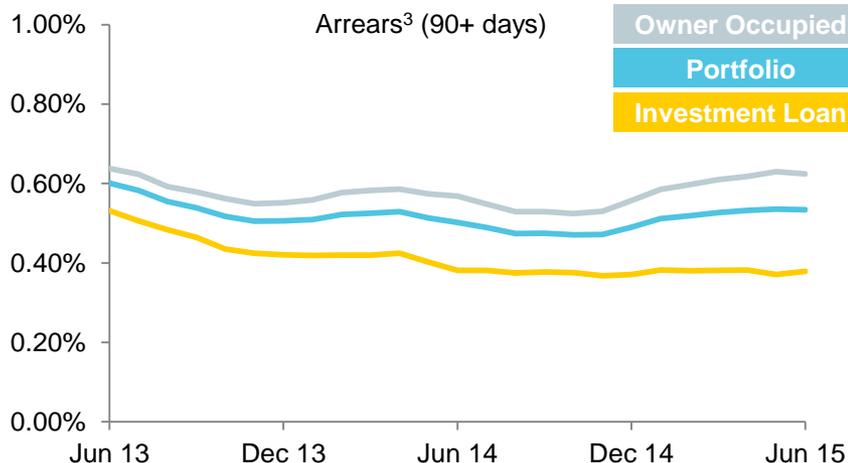
- Modest balance growth – sub-system, sub-peers and <10%
- Arrears lower than overall portfolio
- Strong borrower profile – skewed to higher income bands
- Credit policy restrictions e.g. LVR caps reduced
- Differential pricing

## Modest balance growth

FY15 Balance Growth<sup>2</sup> Investment Home Loans

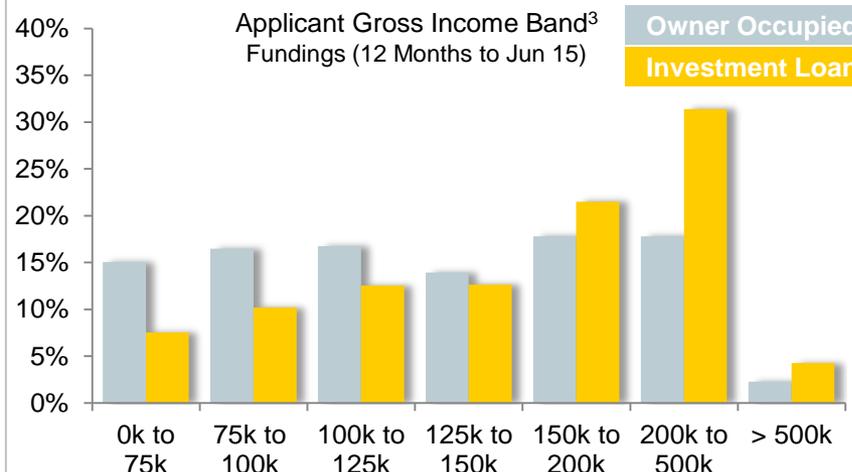


## Relatively low arrears



## Strong borrower profile

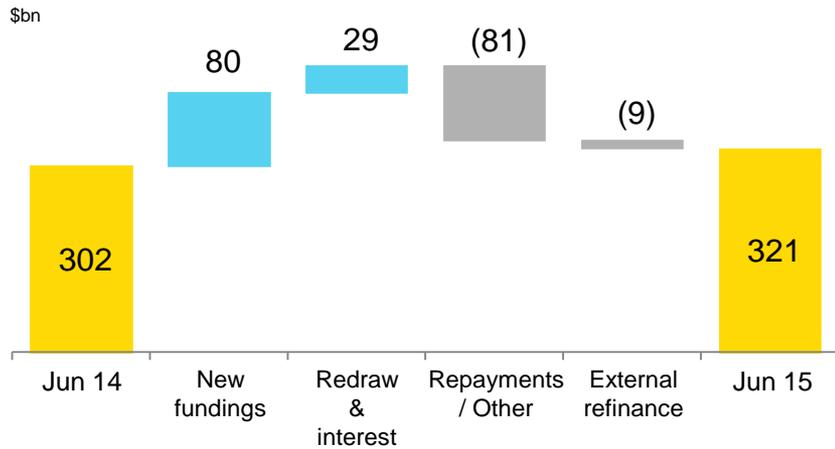
Applicant Gross Income Band<sup>3</sup> Fundings (12 Months to Jun 15)



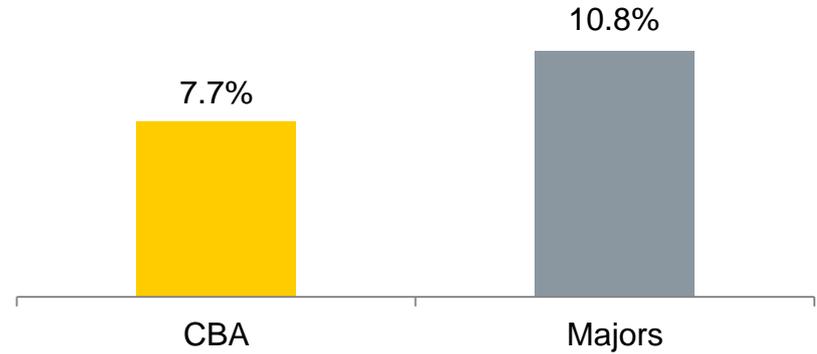
1. CBA and Bankwest, except where noted 2. CBA based on APRA definition consistent with ARF320.0 (items 5.1.1.2 plus 11.1.2). Majors ex CBA and System Growth excludes item 11.1.2 3. Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loan (RBS only) and Residential Mortgage Group (RBS only)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

# RBS Home Loan Growth Profile

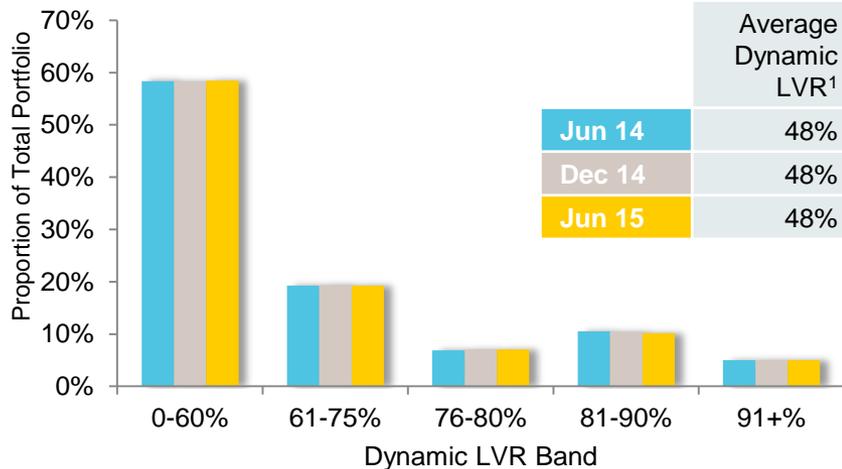
## Home Loan Balances



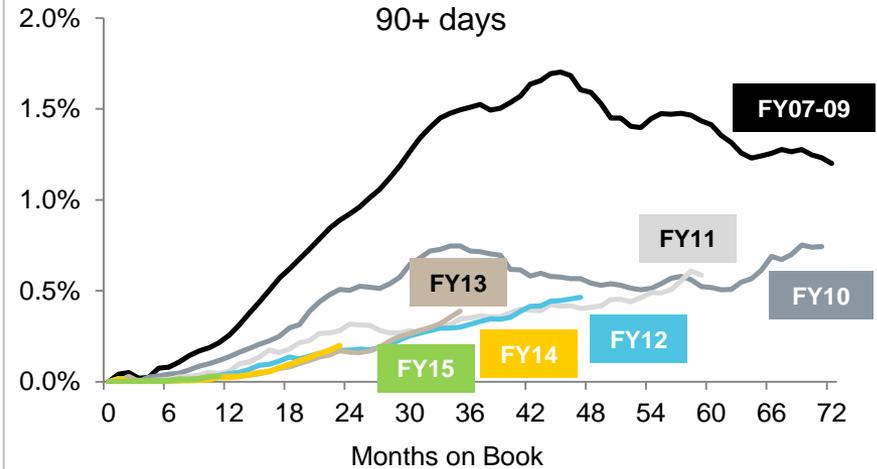
## Broker Growth Profile<sup>2</sup>



## Home Loan Dynamic LVR<sup>1</sup> Profile



## Home Loan Arrears Rates by Vintage<sup>3</sup>

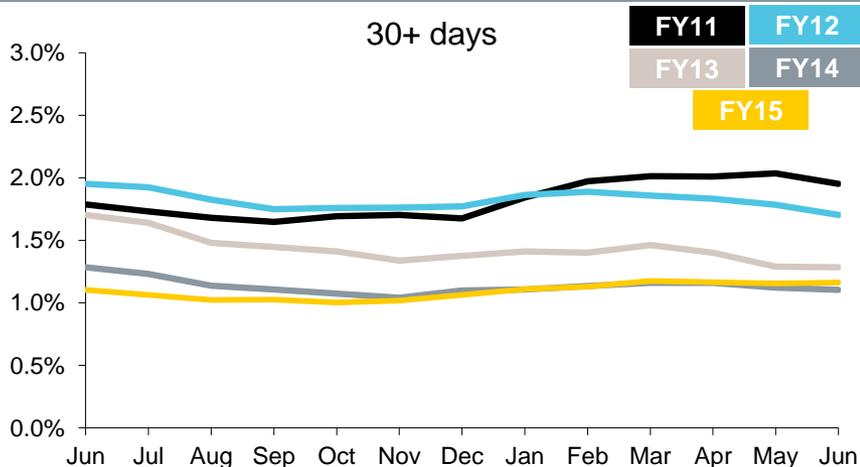


1 Dynamic LVR is current balance / current valuation (data as at Mar 15 due to the lag in the publication of current valuations data)  
 2 CBA estimates (Mar 15 vs Mar 14)  
 3 Includes: Line of Credit, Reverse, CPL and RMG

# RBS Consumer Arrears

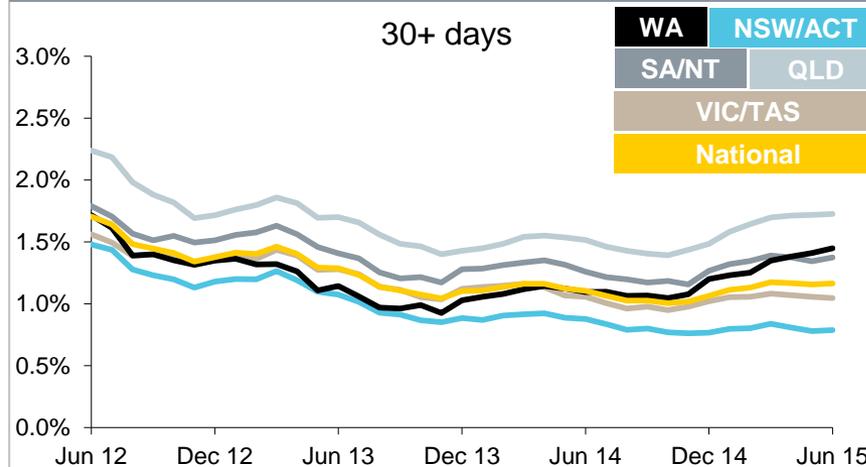
## Home Loans

30+ days



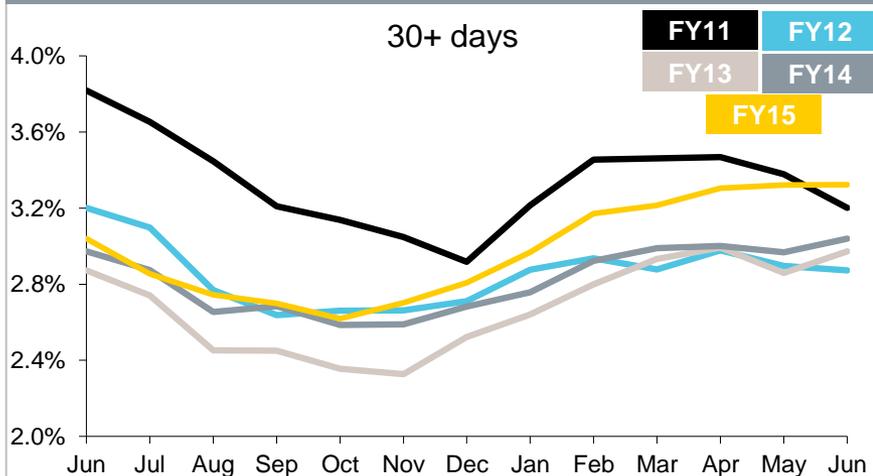
## Home Loans by State

30+ days



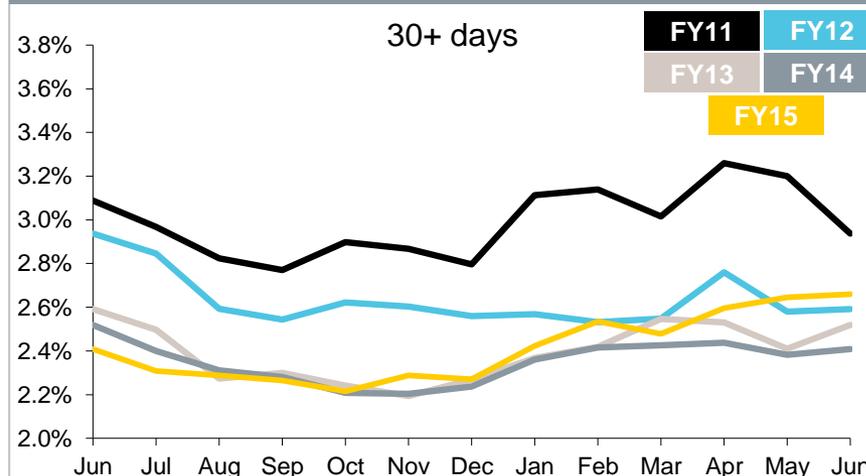
## Personal Loans

30+ days



## Credit Cards

30+ days

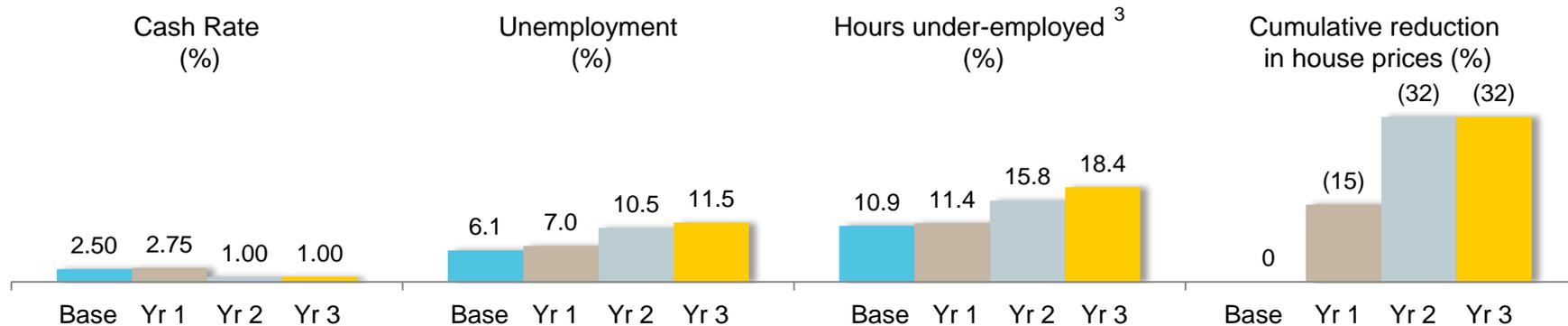


Results not consistently measured/defined across the industry. CBA definition is conservative as it includes Hardship accounts. Home Loans exclude Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loan and Residential Mortgage Group loans.



# RBS Home Loans – Stress Test<sup>1</sup>

## Key Assumptions



## Key Outcomes

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

Results based on December 2014

## Summary

- 3 year “stress test” scenario of cumulative 32% house price decline, peak 11.5% unemployment and a reduction in the cash rate to 1%
- House prices and PDs are stressed at regional level
- Total stressed losses over 3 years of \$3.17bn, of which \$1.98bn represents the losses net of LMI recoveries
- Total stressed losses increased by 1% between June 2014 (\$3.14bn) and December 2014 (\$3.17bn), primarily due to growth in the Home Loan portfolio

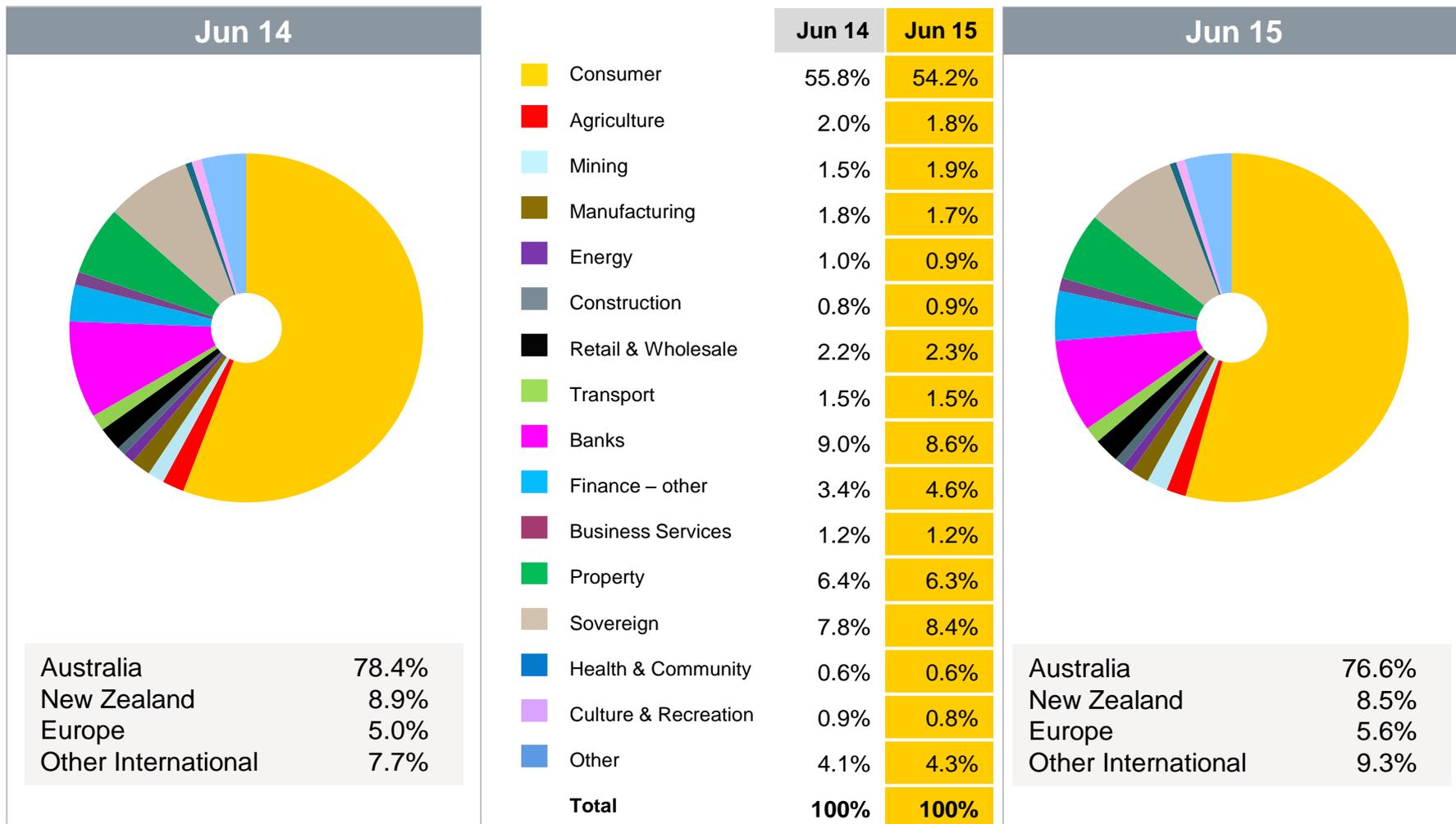
<sup>1</sup> One of multiple regular stress tests undertaken

<sup>2</sup> Assumes a payout ratio of 70% for each of the three years

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



# Credit Exposures<sup>1</sup> by Industry



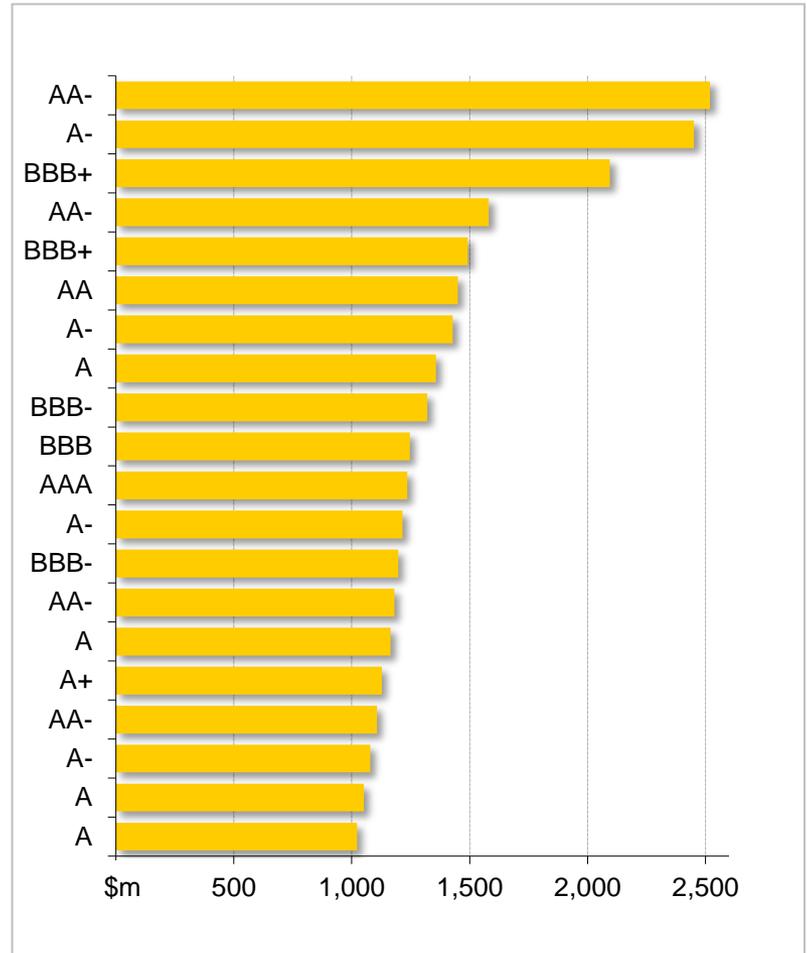
<sup>1</sup> Total Credit Exposure (TCE) basis = balance for uncommitted facilities and the greater of limit or balance for committed facilities. Calculated before collateralisation. Includes ASB and Bankwest and excludes settlement exposures.

# Sector Exposures

## Commercial Exposures by Industry <sup>1,2</sup>

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

## Top 20 Commercial Exposures<sup>2</sup>



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

<sup>2</sup> CBA grades in S&P Equivalents

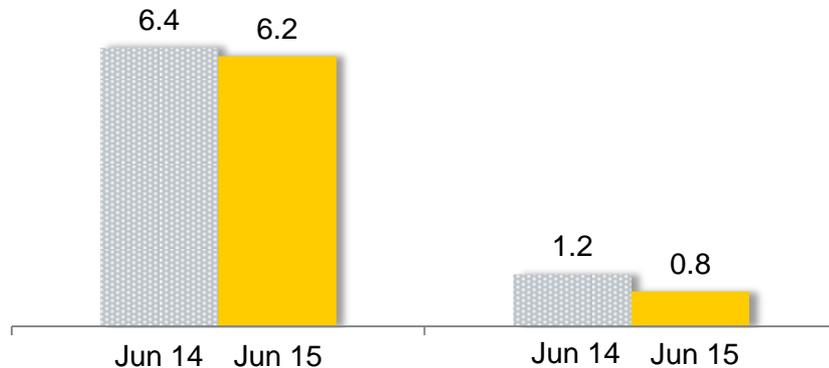


# Commercial Property Exposure

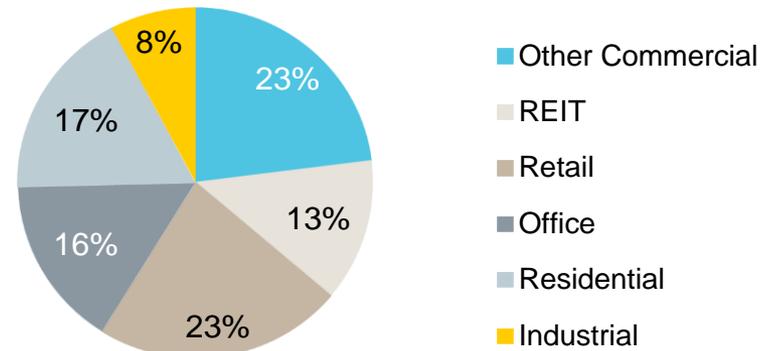
## Overview

% of Group TCE<sup>1</sup>

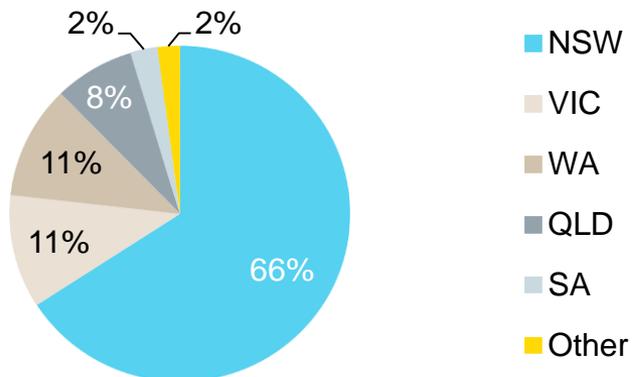
% of Portfolio graded troublesome or impaired



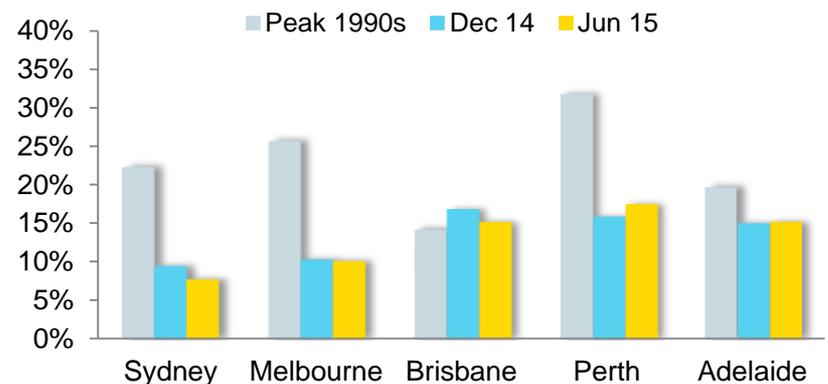
## Group Sector Profile



## Australian Exposure by State



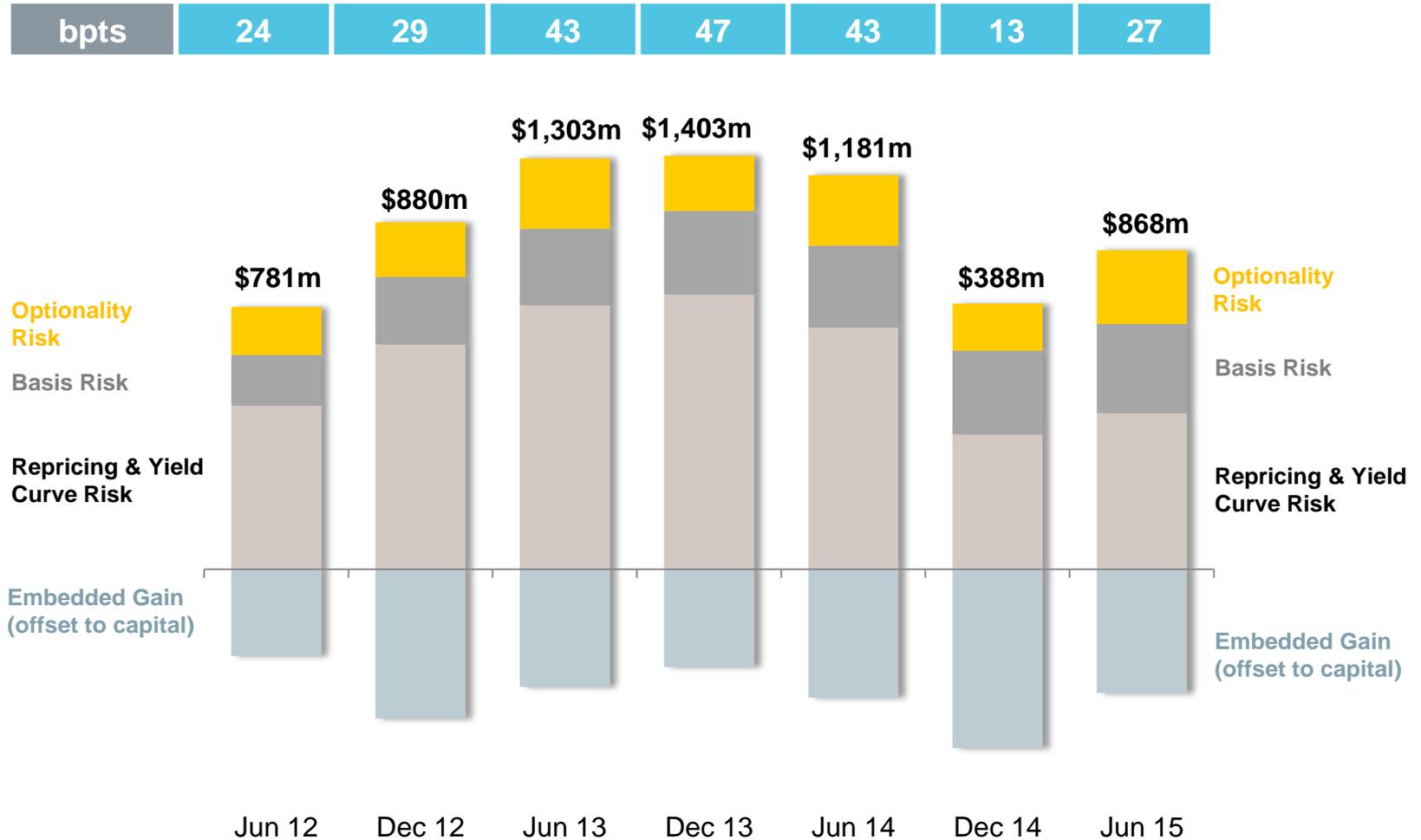
## CBD Vacancy Rates



Source: JLL Research

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

# Interest Rate Risk in the Banking Book



Capital assigned to interest rate risk in banking book per APS117. Basis points of APRA CET1 ratio.

# Regulatory Exposure Mix

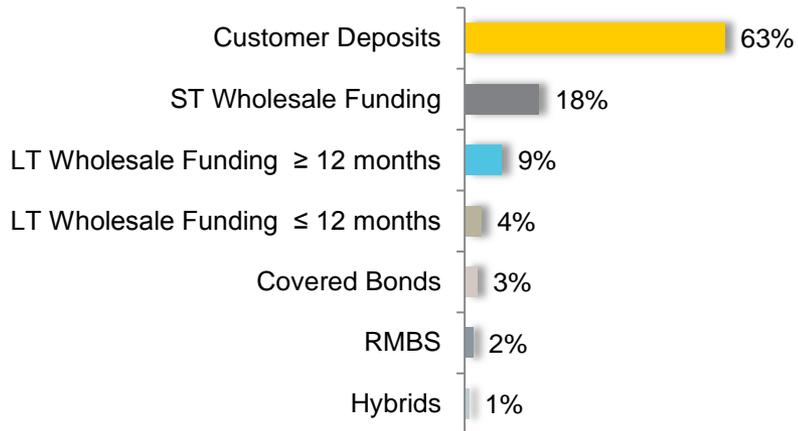
Portfolio	Regulatory Credit Exposure Mix			
	CBA	Peer 1	Peer 2	Peer 3
Residential Mortgages	56%	35%	40%	56%
Corporate, SME & Specialised Lending	26%	33%	39%	31%
Bank	6%	13%	10%	3%
Sovereign	8%	12%	9%	6%
Qualifying Revolving	3%	2%	1%	2%
Other Retail	1%	5%	1%	2%
<b>Total Advanced</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Pillar 3 disclosures for CBA as at June 2015 and Peers as at March 2015. Excludes Standardised (including Other Asset) exposures, CVA and Securitisation (representing 7% of CBA, 8% of Peer 1, 18% of Peer 2 and 5% of Peer 3). Exposure mix is re-baselined to total 100%.

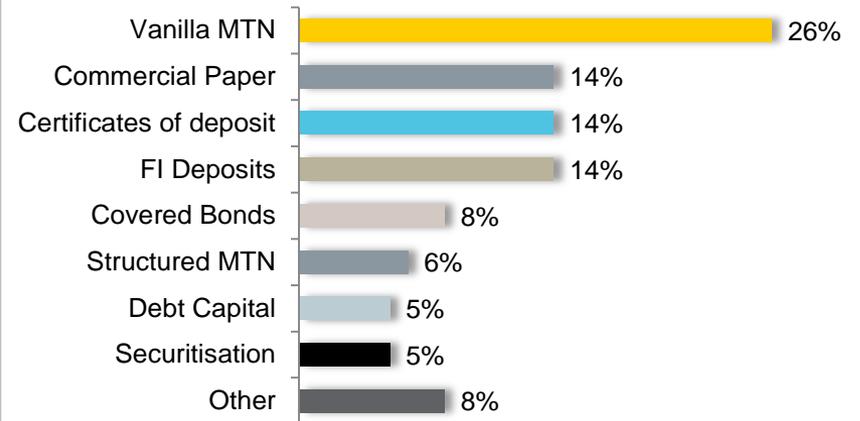


# Funding – Portfolio

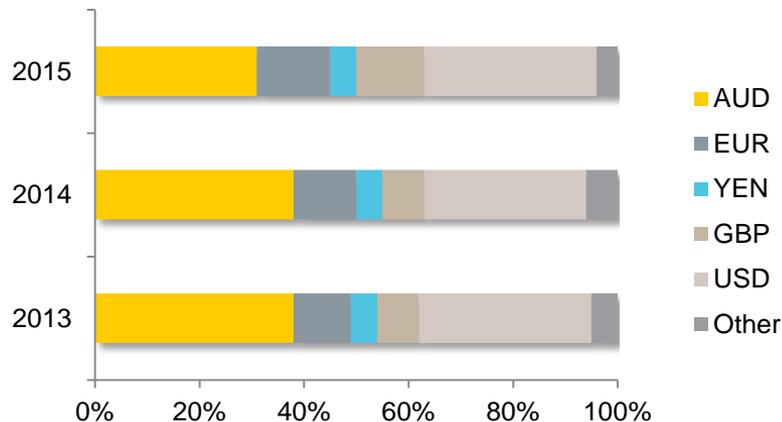
## Funding Composition



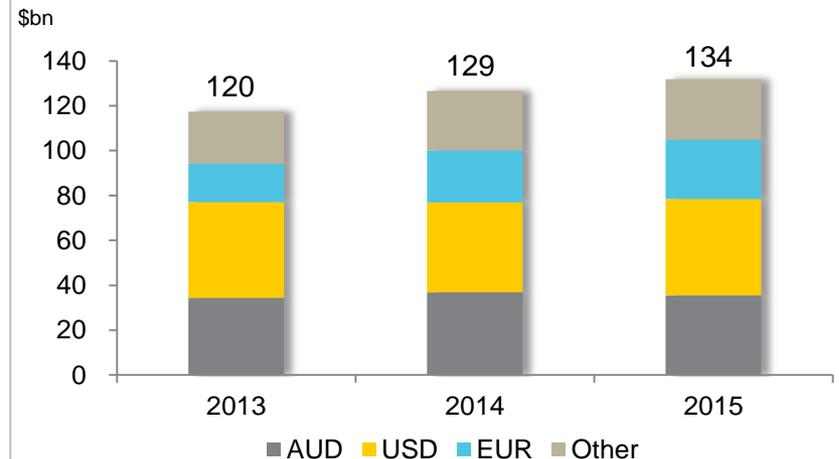
## Wholesale Funding by Product



## Wholesale Funding by Currency



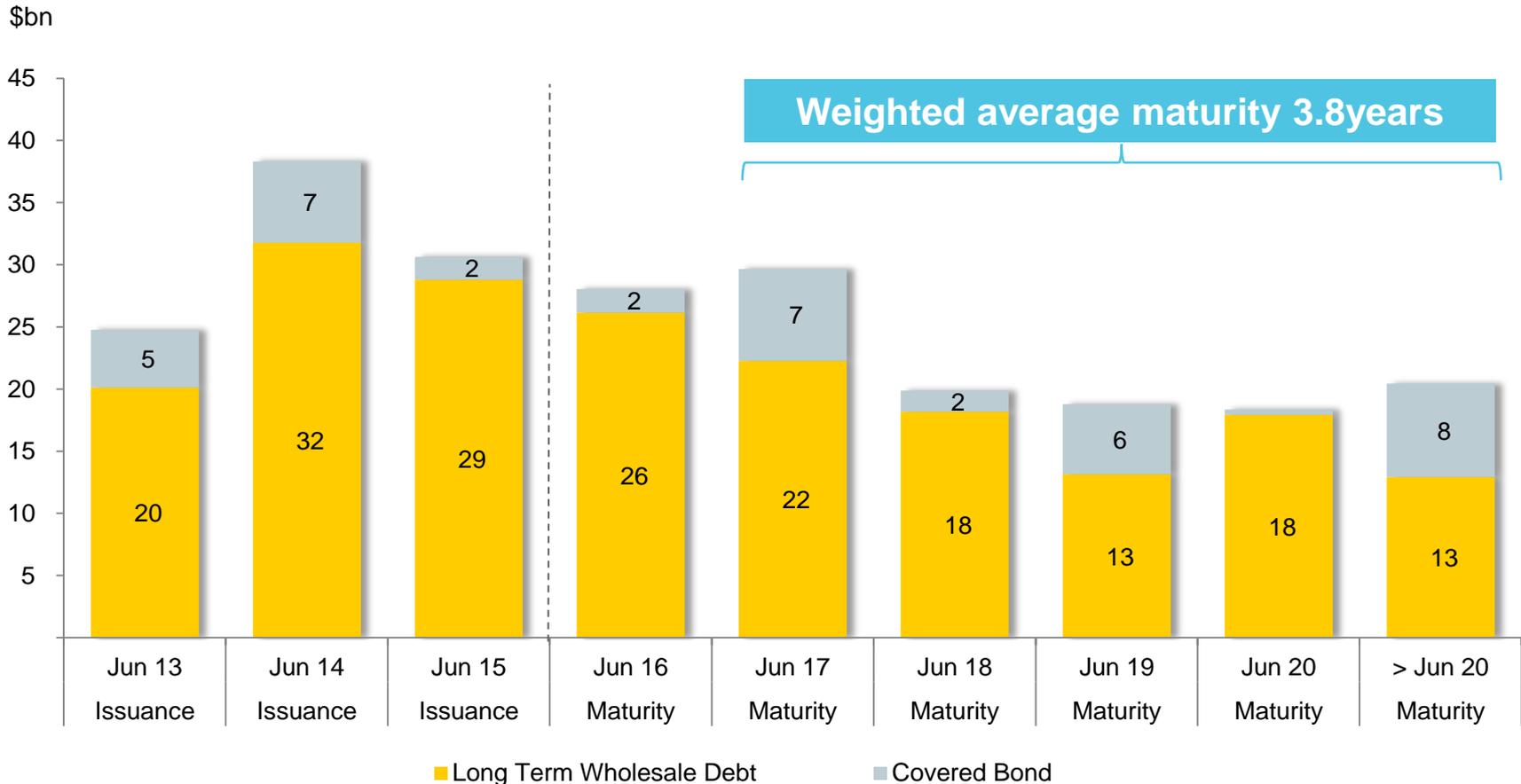
## Term Debt Issues Outstanding<sup>1</sup>



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

# Funding – Issuance and Maturity<sup>1</sup>

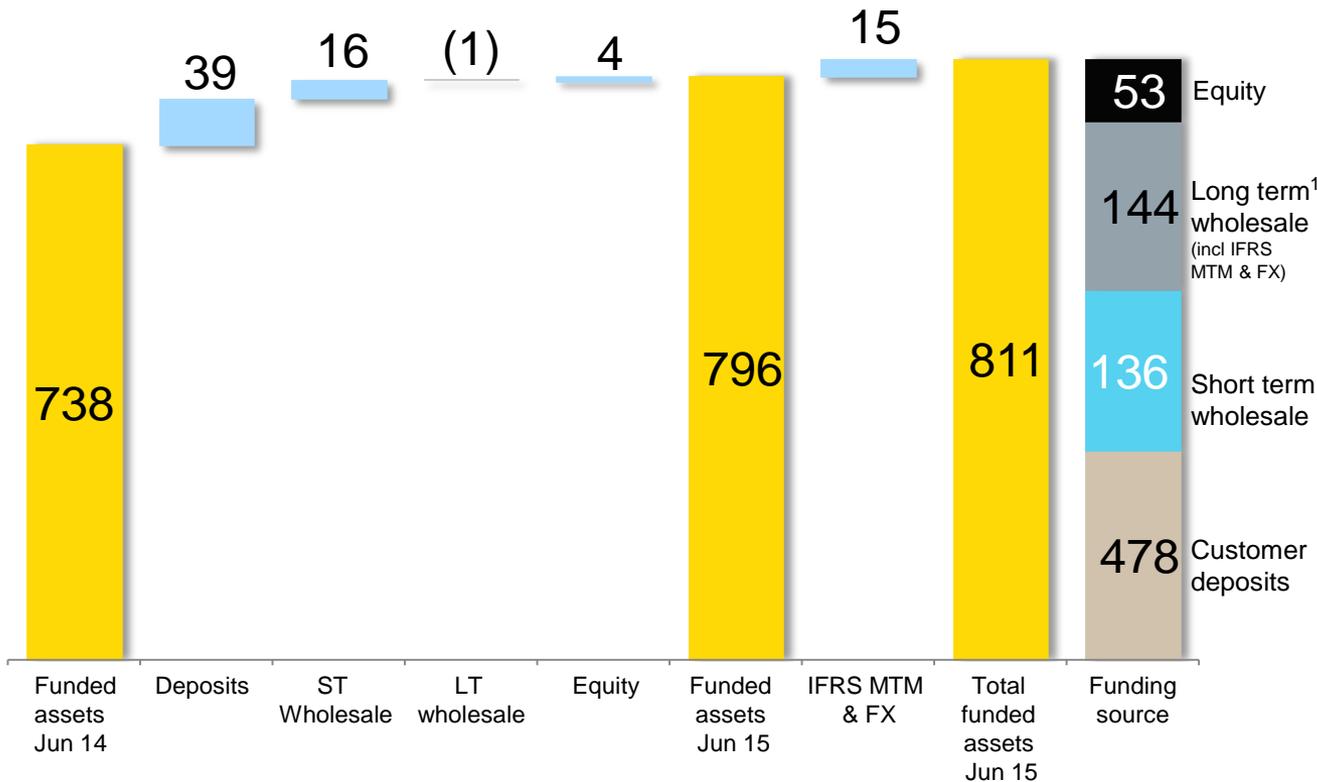
- ◆ Funding strategy driven by market and investor diversity, appropriate maturity profile and overall cost
- ◆ Annual term wholesale funding issuance requirement currently in a range between \$25 - \$35bn



<sup>1</sup> 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

\$bn



\$bn	Jun 15	Jun 14
Transactions	91	77
Savings	176	155
Investments	195	193
Other	16	14
<b>Total customer deposits</b>	<b>478</b>	<b>439</b>
Wholesale funding	280	250
<b>Total funding</b>	<b>758</b>	<b>689</b>
Equity	53	49
<b>Total funded assets</b>	<b>811</b>	<b>738</b>
<b>Customer % of total funding</b>	<b>63%</b>	<b>64%</b>

<sup>1</sup> Maturity based on original issuance date

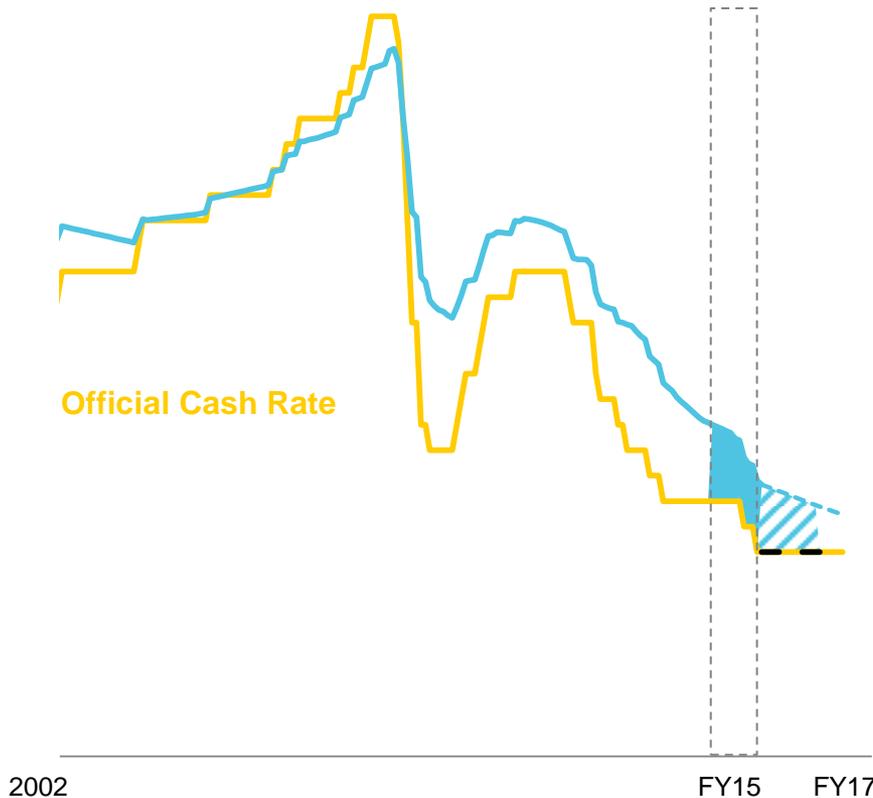
# Replicating Portfolio and Funding Costs

## Replicating Portfolio <sup>1</sup>

Actual and Forecast Scenario

Replicating Portfolio Yield

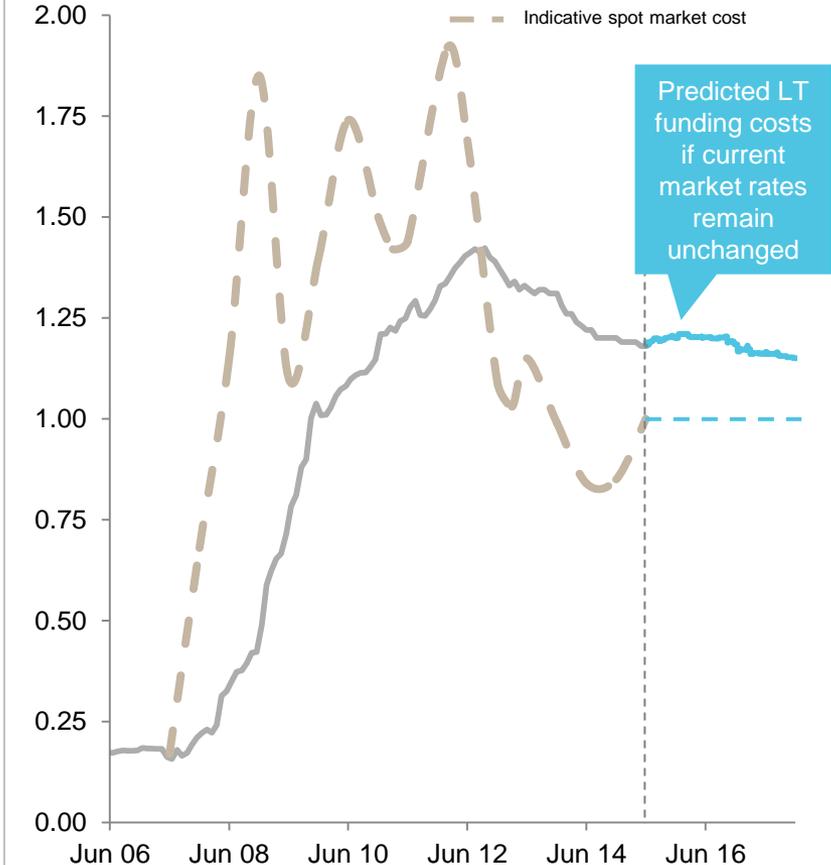
Official Cash Rate



## Average Long Term Funding Costs <sup>2</sup>

Margin to BBSW

— Portfolio average cost  
 - - Indicative spot market cost

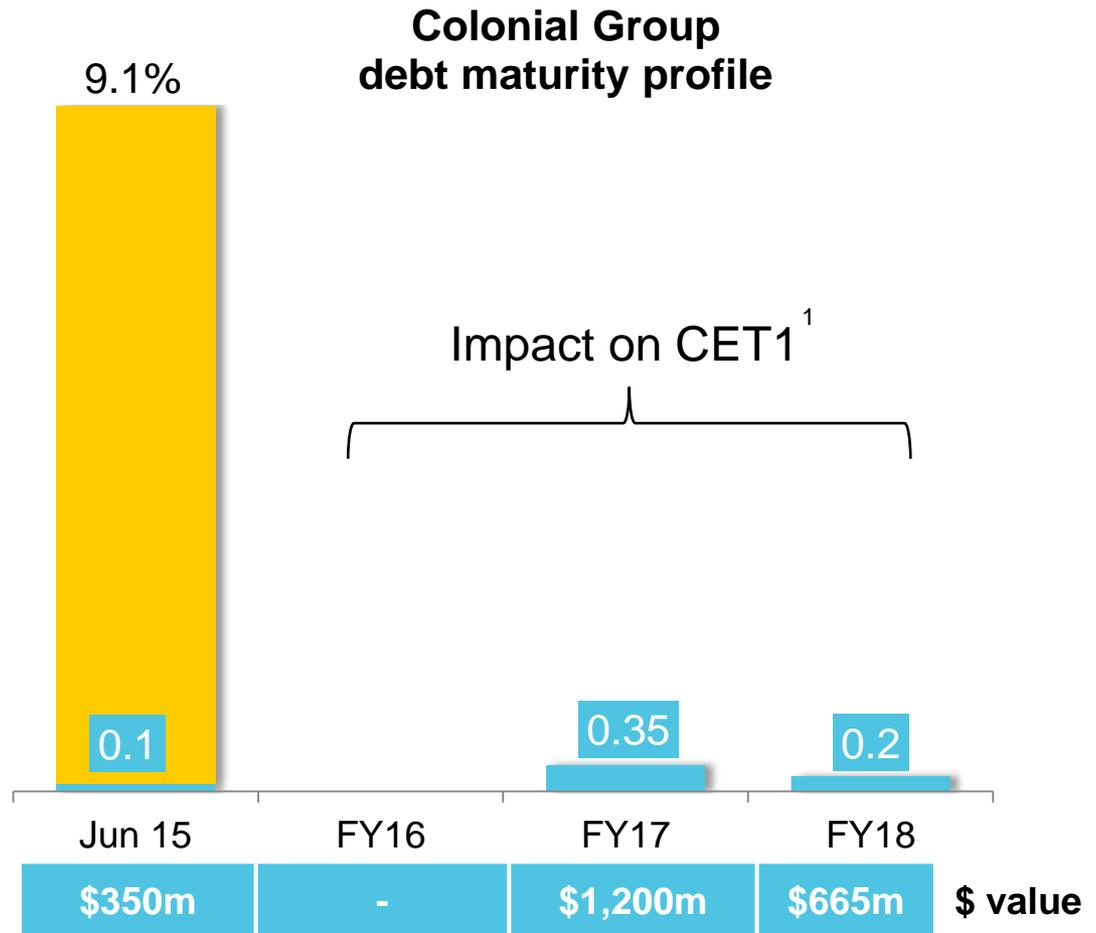


1 Replicating portfolio provides partial economic hedge for certain liabilities and assets that display imperfect correlation between the cash rate and the product interest rate

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

# Colonial Group Debt

- ◆ Capital benefit from Colonial Group phased out as existing debt matures
- ◆ First tranche matured April 2015 \$350m. Remaining debt to mature across FY17 and FY18.
- ◆ Timing of APRA Level 3 capital reforms not known but not expected to be material for the Group



<sup>1</sup> CET1 (APRA) impact based on Jun 15 RWA. Future growth in RWAs is expected to reduce the impact.

# D-SIB and CCB

- ◆ In December 2013, APRA announced that the Australian major banks are domestic systemically-important banks (D-SIBs)
- ◆ From 1 January 2016, D-SIBs are required to hold 1% additional capital in the form of CET1 (called the D-SIB buffer)
- ◆ D-SIB buffer forms part of the capital conservation buffer (CCB) – from 1 January 2016, if a bank's CET1 ratio falls within the capital conservation buffer, then it will only be able to use a certain percentage of its earnings to make discretionary payments such as dividends, hybrid Tier 1 distributions and bonuses

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

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

# Regulatory Expected Loss

\$m	Jun 15	Dec 14	Jun 14
<b>Regulatory Expected Loss (EL)</b>	<b>4,083</b>	<b>4,281</b>	<b>4,669</b>
<b>Eligible Provisions (EP)</b>			
Collective Provisions <sup>1</sup>	2,599	2,613	2,614
Specific Provisions <sup>1,2</sup>	1,656	1,956	1,980
General Reserve for Credit Losses adjustment	346	321	305
less ineligible provisions <sup>3</sup>	(593)	(711)	(732)
<b>Total Eligible Provisions</b>	<b>4,008</b>	<b>4,179</b>	<b>4,167</b>
<b>Regulatory EL in Excess of EP</b>	<b>75</b>	<b>102</b>	<b>502</b>
<b>Common Equity Tier 1 Adjustment<sup>4</sup></b>	<b>134</b>	<b>102</b>	<b>502</b>

<sup>1</sup> Includes transfer from collective provision to specific provisions in accordance with APS 220 requirements (Jun 15: \$163m, Dec 14: \$150m, Jun 14: \$165m)

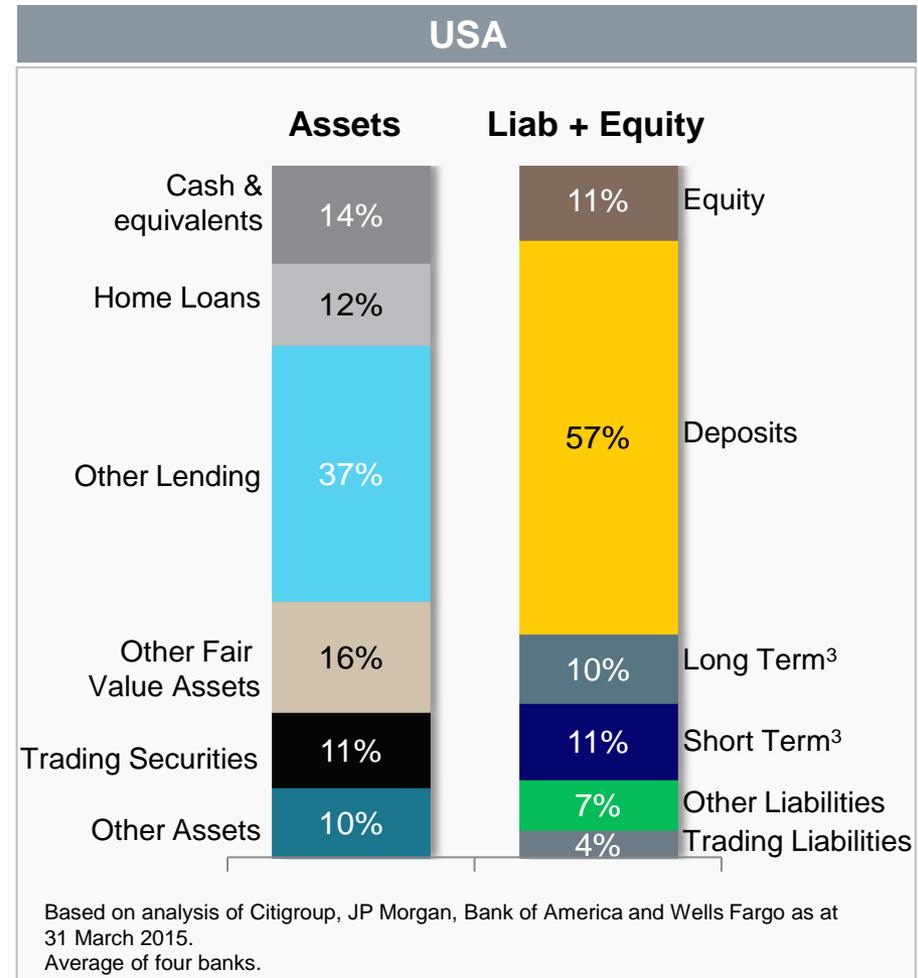
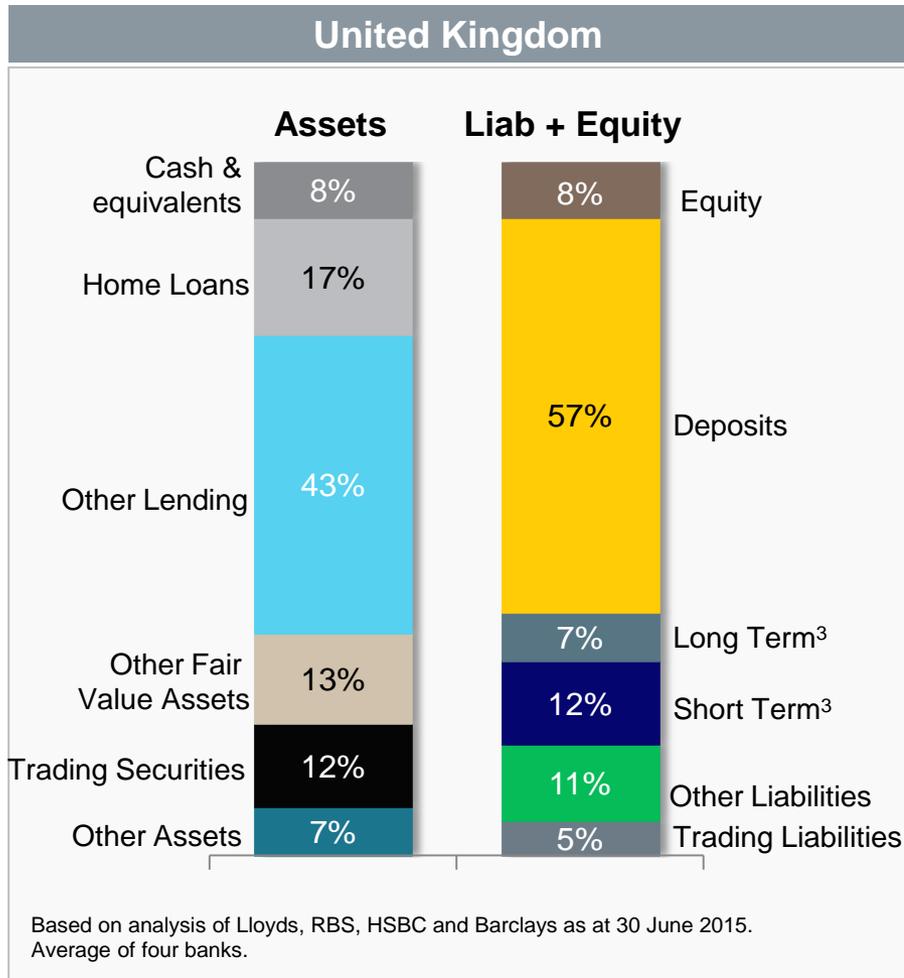
<sup>2</sup> Specific provisions at Jun 15 includes \$606m partial write offs (Dec 14: \$690m, Jun 14: \$688m)

<sup>3</sup> Includes provisions for assets under standardised portfolio

<sup>4</sup> Expected loss and eligible provisions are assessed separately for defaulted and non-defaulted exposures. At Jun 15, there was an excess of eligible provisions compared to expected loss for defaulted exposures of \$59m, which is not available to reduce the shortfall for non-defaulted exposures in the CET1 calculation.



# UK and US Balance Sheet Comparison 1,2



1 Based on statutory balance sheets.

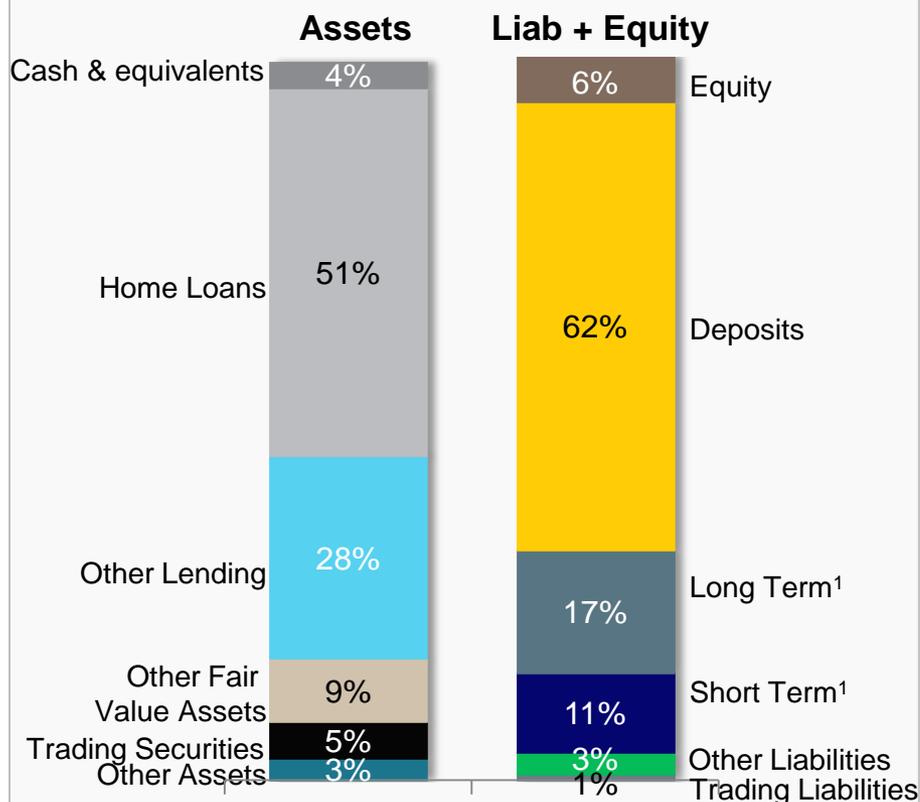
2 Balance sheets do not include derivative assets and liabilities.

3 Wholesale funding.



# Australian Banks – Safe Assets, Secure Funding

## Commonwealth Bank



CBA balance sheet as at 30 June 2015.  
Balance sheet does not include derivative assets and liabilities.  
Based on statutory balance sheet.

## Balance Sheet Comparisons

### Assets – CBA has a safe, conservative asset profile:

- 51% of balance sheet is home loans, which are stable/long term.
- Trading securities and other fair value assets comprise just 12% of CBA balance sheet compared to 24% and 27% for UK and US banks respectively.
- CBA's balance sheet is less volatile due to a lower proportion of fair value assets.

	Assets*	
	Amortised cost	Fair Value
CBA	81%	19%
UK	45%	55%
US	55%	45%

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

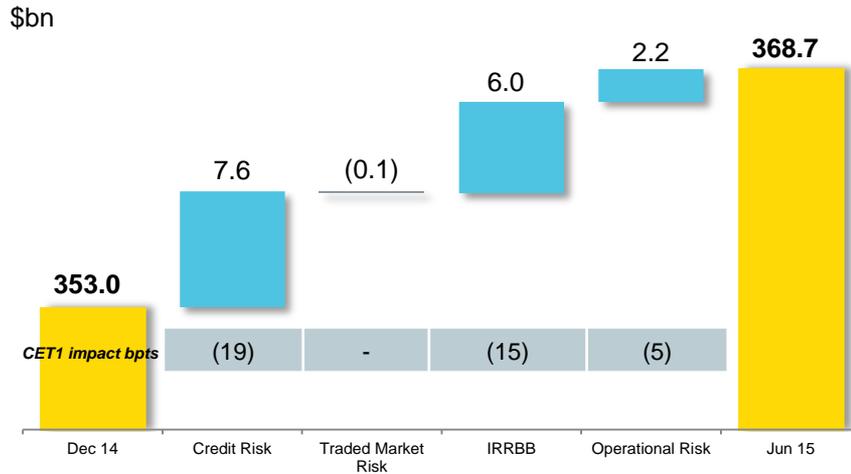
- Higher deposit base than US and UK banks (62% including 30% of stable household deposits).
- Reliance on wholesale funding similar to UK and US banks, with longer duration wholesale funding profile compared to UK banks. This means CBA has lower dependence on wholesale funding markets in any given period compared to UK banks.

\* Includes grossed up derivatives.

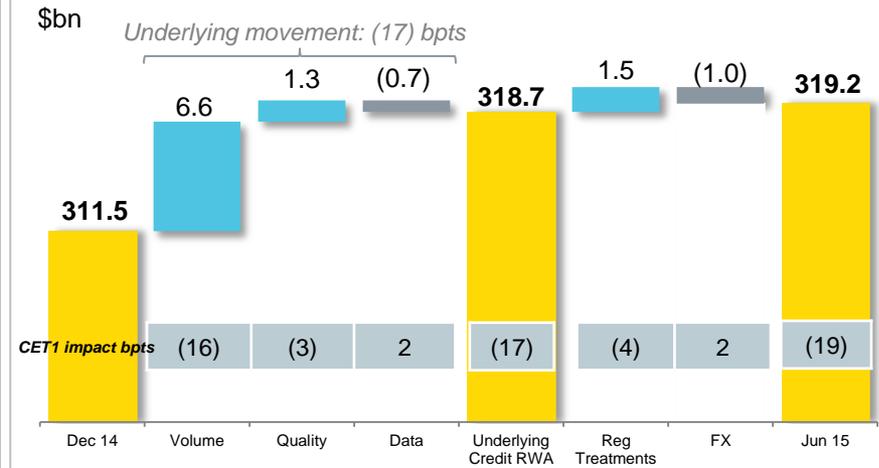
<sup>1</sup> Wholesale funding - based on residual maturity.

# RWA & Capital Usage

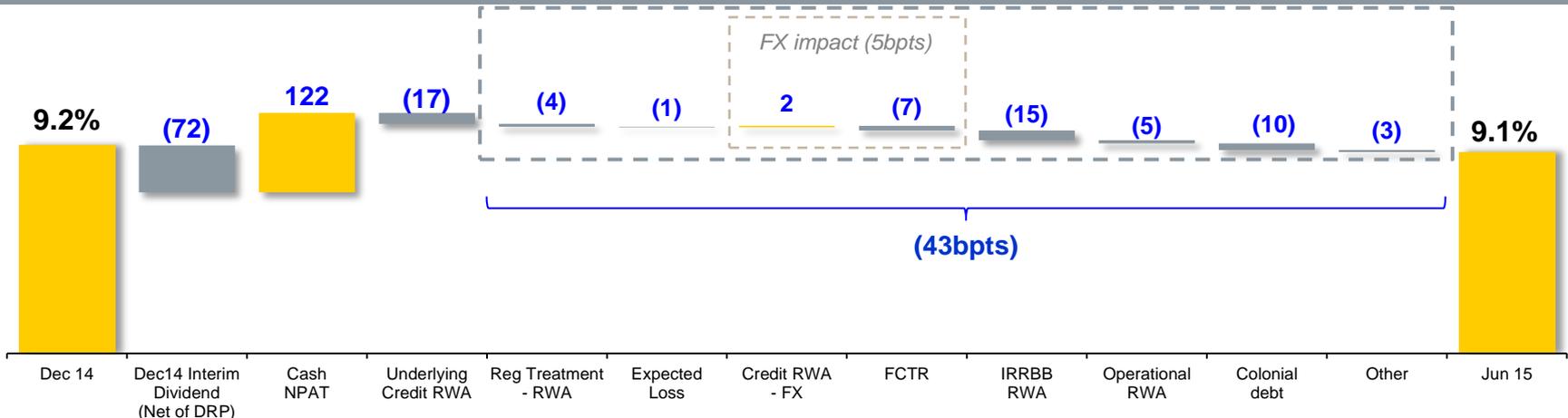
## Total Risk Weighted Assets



## Credit Risk Weighted Assets



## Capital Usage – CET1 (APRA)



# Entitlement Offer

12 August 2015

# Appendix A – Risks of participating in the Entitlement Offer and of Ordinary Shares

## Risks associated with CBA's businesses which may affect Ordinary Shares

### **CBA may be adversely affected by a downturn in the Australian economy**

A significant proportion of CBA's business is related to Australia. A material downturn in the Australian economy may increase unemployment, increase loan defaults, decrease house prices and other asset prices, decrease the value of security held and adversely affect CBA's opportunities for business growth. Different parts of the economy may be affected at different times. CBA monitors market, industry and company specific developments which may affect the Australian economy and adjusts its businesses to reflect current and expected conditions. However, it is difficult to predict every development that may affect the Australian economy, particularly international developments.

### **CBA may be adversely affected by disruption to global markets**

As a diversified financial institution, CBA may be affected by market disruption in a number of ways. CBA's ability to maintain its liquidity, which is critical to its solvency, may be affected. CBA's businesses also operate in, or depend on the operation of these markets, either directly or indirectly, including through exposures in securities, loans, derivatives and other activities (including risk management activities). CBA's insurance and wealth management businesses invest their assets in the financial markets. In addition, disruption to financial markets can flow through to the real economy, slowing or contracting major global economies, and adversely affecting CBA's opportunities for business growth.

CBA's ability to raise funding at an acceptable price, or at all, may be affected. This may adversely affect its costs, performance, financial position and financial flexibility. It may affect its ability to repay debt and access capital and funding for growth.

CBA monitors economic, market, industry and company specific developments. CBA also maintains substantial liquidity buffers and funds itself with a high proportion of long-term debt. However, it is difficult to predict how long adverse conditions will persist and which economies, markets, industries and companies will be affected.



# Appendix A – Risks of participating in the Entitlement Offer and of Ordinary Shares

## **CBA is subject to extensive regulation which may adversely affect its performance or financial position**

CBA and its businesses are subject to extensive regulation by Australian regulators and regulators in other jurisdictions in which CBA conducts business, particularly relating to capital levels, liquidity levels, provisioning, and insurance policy terms and conditions. APRA has very wide powers under the Banking Act, including in limited circumstances to direct banks, including CBA, not to make payments.

CBA's businesses and performance are also affected by the fiscal or other policies (including taxation) that are adopted by the Australian government and governments in other jurisdictions in which CBA conducts business.

CBA is currently carefully monitoring two areas of potential regulatory reform: the Financial System Inquiry, and the review of the regulatory capital framework being conducted by the Basel Committee on Banking Supervision ("BCBS") known as "Basel IV".

The Australian Government has recently completed a review of the Australian financial system, called the Financial System Inquiry. The Financial System Inquiry has released a final report containing recommendations for policy changes, but the Australian Government has not commented on any of these recommendations at this stage.

However, in July 2015, APRA responded to a Financial System Inquiry recommendation that Australian authorised deposit-taking institutions that use internal ratings based methodologies to determine their regulatory capital requirements should be required to hold higher levels of capital against the risk of loss associated with their mortgage portfolios. APRA announced an interim measure associated with this recommendation that results in CBA requiring approximately 0.95% of additional Common Equity Tier 1 Capital to support its mortgage book from 1 July 2016. This requirement is intended to be satisfied through this Offer.

In relation to the review known as Basel IV, the BCBS is reviewing a number of technical issues in relation to credit risk, trading risk and operational risk. It is also proposing to introduce a capital floor based on a standardised (or non-internal ratings based) approach. While the BCBS has conducted a number of quantitative impact studies on these issues, the results of those studies, and the potential direction of the final regulatory reforms, is not known. Banks globally have made representations to the BCBS that the proposals should include a sufficient implementation period to enable banks to implement the regulatory reforms in an orderly manner.

Any change in regulation or policy may adversely affect the performance or financial position of CBA, either on a short-term or long-term basis. CBA may also be adversely affected if the pace or extent of such change exceeds CBA's ability to implement these changes.



# Appendix A – Risks of participating in the Entitlement Offer and of Ordinary Shares

## **CBA may incur losses associated with customer, counterparty and supplier exposures**

CBA lends to both retail and non-retail customers. Customers may default on their obligations to CBA due to insolvency, and credit risk is one of CBA's most significant risks. CBA enters into transactions with a number of other counterparties, for example to hedge CBA's risks, and suppliers. These counterparties may default on their obligations to CBA due to insolvency, illiquid markets, foreign exchange controls, operational failure or other reasons, and failure of suppliers may affect CBA's ability to service its customers. CBA monitors economic, market, industry and company specific developments which may affect customers and counterparties and adjusts its exposures to customers and counterparties as necessary. However, it is not possible to predict every development that may affect a customer or counterparty.

## **CBA may be adversely affected by exchange rates**

A significant proportion of CBA's wholesale funding is raised in international capital markets in currencies other than Australian dollars. This exposes CBA to exchange rate risk as the currency in which CBA reports its financial position is Australian dollars. CBA hedges its funding to minimise this risk. Similarly, a proportion of CBA's profits from its operations in jurisdictions other than Australia is earned in currencies other than Australian dollars. CBA hedges these profits where appropriate. However, CBA's ability to hedge at an acceptable price, or at all, may be affected by a disruption to global markets. CBA may change its hedging strategy at that time and there is no guarantee that CBA's hedging strategy will be sufficient or effective. CBA may also be affected if a hedge counterparty defaults on its obligations to CBA.



# Appendix A – Risks of participating in the Entitlement Offer and of Ordinary Shares

## **CBA is subject to operational risks and may incur losses**

CBA's businesses are highly dependent on their ability to process and monitor a very large number of transactions, many of which are complex, across numerous and diverse markets and in many currencies, on a daily basis. CBA's financial, accounting, data processing or other operating systems and facilities may fail to operate properly, become unstable or vulnerable as a result of events that are wholly or partly outside CBA's control. Poor decisions may be made due to data quality issues and inappropriate data management. This may cause CBA to incur losses.

In addition, CBA is exposed to the risk of loss resulting from product complexity and pricing risk; client suitability and servicing risk (including distribution risk and mis-selling); incorrect evaluating, recording or accounting for transactions; human error; cyber-risk and data security risk from a failure of CBA's information technology systems; breaches of CBA's internal policies and regulations; breaches of security; theft and fraud; inappropriate conduct of employees; and improper business practices.

CBA employs a range of risk identification, mitigation and monitoring and review techniques. However, those techniques and the judgments that accompany their use cannot anticipate every risk and outcome or the timing of such incidents.

## **CBA may be adversely affected by changes in its own credit ratings**

CBA raises a significant proportion of its wholesale funding in international capital markets, which rely on its credit rating to evaluate CBA. CBA's ability to raise funding and other aspects of its performance may be affected if it fails to maintain its credit ratings. Credit rating agencies may withdraw, revise or suspend credit ratings or change the methodology by which they assign credit ratings.

## **CBA is subject to intense competition which may adversely affect its performance**

CBA faces intense competition in all of its businesses and jurisdictions in which it conducts business. This may affect profit margins, make businesses unsustainable, result in loss of key personnel, and adversely affect its performance and opportunities for growth.



# Appendix A – Risks of participating in the Entitlement Offer and of Ordinary Shares

## **CBA may be adversely affected by harm to its reputation**

CBA manages risks relating to legal and regulatory requirements, sales, trading and advisory practices, potential conflicts of interest, money laundering laws, foreign exchange controls, trade sanctions laws, privacy laws, ethical issues and conduct by companies in which CBA holds strategic investments, which may cause harm to its reputation amongst customers and investors.

In addition, failure to appropriately manage some of these risks could subject CBA to litigation, legal and regulatory enforcement actions, fines and penalties.

## **Acquisitions of other businesses, or divestments of existing businesses, by CBA may adversely affect its performance and financial position**

From time to time, CBA evaluates and undertakes acquisitions of other businesses. There is a risk that CBA may not achieve expected synergies from the acquisition as a result of not having the requisite skills and capabilities for the new business, difficulties in integrating systems and processes, not achieve expected cost savings or otherwise incur losses. This may adversely affect its performance and financial position.

In addition, there is a risk that CBA may experience disruptions to its existing businesses resulting from difficulties in integrating the systems and processes of the acquired business, and may lose customers and market share as a result. Multiple acquisitions at the same time may exacerbate these risks.

In relation to divestments, there is a risk that CBA may experience disruptions in the divestment process, including to existing businesses, which may cause customers to remove their business from CBA.

CBA employs a range of acquisition evaluation, risk monitoring and risk mitigation techniques. However, those techniques and the judgments that accompany their use cannot anticipate every risk and outcome or the timing of such outcome.



# Appendix A – Risks of participating in the Entitlement Offer and of Ordinary Shares

## **CBA may be adversely affected by catastrophic events**

CBA conducts business in many locations in many jurisdictions. If a catastrophic event (including fire, storm, flood, earthquake, pandemic or other widespread health emergency, civil unrest, war or terrorism) occurs in any of those locations, CBA may experience losses relating to property damage or disruptions to its business or its customers' businesses. This may affect the value of assets held by CBA or assets over which CBA holds security. CBA maintains a global insurance program for a number of these catastrophic risks. In addition, such events could affect market activity and confidence and cause disruption to global markets.

CBA operates general and life insurance businesses under various brands, including Commlnsure in Australia and Sovereign in New Zealand, and may experience higher than expected losses as a result of paying claims. CBA reinsures these risks where appropriate.

# Appendix A – Risks of participating in the Entitlement Offer and of Ordinary Shares

## Risks associated with participating in the Entitlement Offer

### Risk of doing nothing

If you do not exercise your Entitlements, then your Entitlements will be treated as renounced and will be sold on your behalf in the Institutional Bookbuild and any sale proceeds will be paid to you.

However, there is no guarantee that you will receive any or any significant value for your renounced Entitlements. All Shareholders whose Entitlements are sold in the Institutional Bookbuild will receive the same sale proceeds for each Entitlement sold. You cannot choose the price at which they are sold.

The ability to sell Entitlements in the Institutional Bookbuild will depend on various factors, including market conditions. The bookbuild price may not be the highest price available, but will be determined having regard to a number of factors, including having binding and bona fide offers which, in the reasonable opinion of the Underwriters, will, if accepted, result in otherwise acceptable allocations to clear the entire book.

To the maximum extent permitted by law, CBA, the Joint Lead Managers, their related bodies corporate, directors and employees disclaim any liability, including for negligence, for any failure to sell Entitlements in the Institutional Bookbuild at a price in excess of the Offer Price.

You should also note that if you do not exercise all of your Entitlements, then your percentage holding in Ordinary Shares will be diluted by not participating to the full extent allowed to you by the Entitlement Offer.

### Underwriting risk

The Offer is fully underwritten by the Underwriters, meaning that the Underwriters will accept all New Shares offered if they are not bought by investors.

CBA has entered into an agreement (“Underwriting Agreement”) with the Joint Lead Managers. If certain conditions are not satisfied or certain events occur, the Underwriters may terminate the Underwriting Agreement.

The ability of the Joint Lead Managers to terminate the Underwriting Agreement in respect of some events will depend on whether the event has or is likely to have a material adverse effect on the success of the Offer, settlement of the Offer, or the value of Ordinary Shares.

If the underwriting is terminated for any reason, then CBA may not receive the full amount of the Offer, its financial position may change, and it may need to take other steps to raise capital.



# Appendix A – Risks of participating in the Entitlement Offer and of Ordinary Shares

## Risks associated with Ordinary Shares specifically

### The market price of Ordinary Shares will fluctuate

Ordinary Shares trade on ASX. The market price of Ordinary Shares on ASX will fluctuate due to various factors, including:

- ◆ changes in Australian and international economic conditions, interest rates, credit margins, inflation rates and foreign exchange rate;
- ◆ the performance or financial position of CBA;
- ◆ movements in the market price of equity and/or other debt issued by CBA or by other issuers;
- ◆ changes in investor perceptions and sentiment in relation to CBA or the financial services industry; and
- ◆ other major Australian and international events such as hostilities and tensions, and acts of terrorism.

If Ordinary Shares trade at a market price below the amount at which you acquired them, there is a risk that, if you sell them, you may lose all or some of the money you invested.

CBA does not guarantee the market price of Ordinary Shares.

### Dividends may not be paid

CBA may not pay dividends. Dividends are discretionary and do not accrue.

Further, under the terms of some other securities issued by CBA, CBA may not be able to pay dividends if it does not pay distributions on those other securities.

From 1 January 2016, restrictions on the proportion of profits that can be paid through dividends, Additional Tier 1 Capital distributions and discretionary staff bonuses will apply if CBA's Common Equity Tier 1 Capital ratio falls into the capital conservation buffer, which is set at a level agreed with APRA.

### Dividends may fluctuate

Dividends are entirely discretionary. The rate and value of dividends may fluctuate. There is a risk that dividends may become less attractive compared to returns on comparable securities or investments.

CBA does not guarantee any particular rate of return on Ordinary Shares.



# Appendix A – Risks of participating in the Entitlement Offer and of Ordinary Shares

## **CBA may raise more debt and issue other securities**

CBA has the right in its absolute discretion to issue additional Ordinary Shares, debt or other securities, which may rank ahead of or equally with Ordinary Shares, whether or not secured. Any issue of other securities may dilute the relative value of existing Ordinary Shares and affect your ability to recover any value in a winding up.

There are no restrictions on CBA raising more debt or issuing other securities, requiring CBA to refrain from certain business changes, or requiring CBA to operate within certain ratio limits.

A holding of Ordinary Shares does not confer any right to participate in further issues of securities by CBA, other than future pro rata issues similar to the Entitlement Offer.

It is difficult to anticipate the effect such debt or other issues of securities may have on the market price or liquidity of Ordinary Shares.

## **Shareholders are subordinated and unsecured investors**

In a winding up of CBA, Shareholders' claims will rank after the claims creditors preferred by law, secured creditors and general creditors.

Shareholders' claims will rank equally with claims of holders of all other Ordinary Shares.

If CBA were to be wound up and, after the claims of creditors preferred by law, secured creditors and general creditors are satisfied, there are insufficient assets remaining, there is a risk that you may lose some or all of the money you invested in Ordinary Shares.

## **Investments in Ordinary Shares are not deposit liabilities or protected accounts under the Banking Act**

Investments in Ordinary Shares are an investment in CBA and will be affected by the ongoing performance, financial position and solvency of CBA. They are not deposit liabilities or protected accounts under the Banking Act. Therefore, Ordinary Shares are not guaranteed or insured by any Australian government, government agency or compensation scheme of Australia or any other jurisdiction.



# Appendix A – Risks of participating in the Entitlement Offer and of Ordinary Shares

## **Shareholders may be subject to Foreign Account Tax Compliance Act (“FATCA”) withholding and information reporting**

In order to comply with FATCA, it is possible that CBA (or, if Ordinary Shares are held through another financial institution, such other financial institution) may be required (pursuant to an agreement with the Internal Revenue Service (“IRS”) or otherwise under applicable law) to request certain information from holders or beneficial owners of Ordinary Shares, which information may in turn be provided to the IRS or other relevant tax authority. CBA may also be required to withhold US tax on some portion of payments in relation to Ordinary Shares if such information is not provided or if payments are made to certain foreign financial institutions that have not entered into a similar agreement with the IRS (and are not otherwise required to comply with the FATCA regime under applicable laws or are otherwise exempt from complying with the requirements to enter into a FATCA agreement with the IRS). If CBA or any other person is required to withhold amounts under, or in connection with FATCA from any payments made in relation to Ordinary Shares, Shareholders and beneficial owners of Ordinary Shares will not be entitled to receive any gross up or additional amounts to compensate them for such withholding.

This information is based on guidance issued by the IRS or other relevant tax authority as at the date of this presentation. Future guidance may affect the application of FATCA to CBA, Shareholders or beneficial owners of Ordinary Shares.



# Appendix B – Entitlement Offer selling restrictions

This presentation does not constitute an offer of entitlements ("Entitlements") or new ordinary shares ("New Shares") of the Group in any jurisdiction in which it would be unlawful. In particular, this presentation may not be distributed to any person, and the Entitlements and New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

## Canada (British Columbia, Ontario and Quebec provinces)

This presentation constitutes an offering of Entitlements and New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This presentation is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This presentation may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – Prospectus and Registration Exemptions, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this presentation, the merits of the Entitlements or the New Shares or the offering of such securities and any representation to the contrary is an offence. No prospectus has been, or will be, filed in the Provinces with respect to the offering of Entitlements or New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Entitlements or the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements.

The Company, and the directors and officers of the Company, may be located outside Canada, and as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada, and as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this presentation has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

Unless stated otherwise, all dollar amounts contained in this presentation are in Australian dollars.



# Appendix B – Entitlement Offer selling restrictions

## *Statutory rights of action for damages and rescission*

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the Entitlements or the New Shares purchased pursuant to this presentation (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this presentation or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this presentation contains a misrepresentation, a purchaser who purchases the Entitlements and the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased such securities with knowledge of the misrepresentation; (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of such securities as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which such securities were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.



# Appendix B – Entitlement Offer selling restrictions

*Certain Canadian income tax considerations.* Prospective purchasers of the Entitlements and the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of such securities as any discussion of taxation related matters in this presentation is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

*Language of documents in Canada.* Upon receipt of this presentation, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

## China

The information in this presentation does not constitute a public offer of the Entitlements or the New Shares, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The Entitlements and the New Shares may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to "qualified domestic institutional investors".



# Appendix B – Entitlement Offer selling restrictions

## European Economic Area – Austria, Belgium, Denmark, Germany and Netherlands

The information in this presentation has been prepared on the basis that all offers of Entitlements and New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to produce a prospectus for offers of securities.

An offer to the public of Entitlements and New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the Relevant Member State:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID"); or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID.

## France

This presentation is not being distributed in the context of a public offering of financial securities (offre au public de titres financiers) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (Code monétaire et financier) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers ("AMF"). The Entitlements and the New Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This presentation and any other offering material relating to the Entitlements and the New Shares have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed (directly or indirectly) to the public in France. Such offers, sales and distributions have been and shall only be made in France to qualified investors (investisseurs qualifiés) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.



# Appendix B – Entitlement Offer selling restrictions

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the Entitlements and the New Shares cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

## Hong Kong

WARNING: This presentation has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this presentation or to permit the distribution of this presentation or any documents issued in connection with it. Accordingly, the Entitlements and the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Entitlements and the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Entitlements and the New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Entitlements or New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this presentation have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this presentation, you should obtain independent professional advice.

## Ireland

The information in this presentation does not constitute a prospectus under any Irish laws or regulations and this presentation has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the "Prospectus Regulations"). The Entitlements and the New Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to "qualified investors" as defined in Regulation 2(I) of the Prospectus Regulations.



# Appendix B – Entitlement Offer selling restrictions

## Italy

The offering of the Entitlements and the New Shares in the Republic of Italy has not been authorized by the Italian Securities and Exchange Commission (Commissione Nazionale per le Società e la Borsa, "CONSOB") pursuant to the Italian securities legislation and, accordingly, no offering material relating to these securities may be distributed in Italy and these securities may not be offered or sold in Italy in a public offer within the meaning of Article 1.1(t) of Legislative Decree No. 58 of 24 February 1998, as amended ("Decree No. 58"), other than:

- to qualified investors ("Qualified Investors"), as defined in Article 100 of Decree No. 58 by reference to Article 34-ter of CONSOB Regulation no. 11971 of 14 May 1999, as amended ("Regulation No. 11971"); and
- in other circumstances that are exempt from the rules on public offer pursuant to Article 100 of Decree No. 58 and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Entitlements or the New Shares or distribution of any offer document relating to these securities in Italy (excluding placements where a Qualified Investor solicits an offer from the issuer) under the paragraphs above must be:

- made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993 (as amended), Decree No. 58, CONSOB Regulation No. 16190 of 29 October 2007 (as amended) and any other applicable laws; and
- in compliance with all relevant Italian securities, tax and exchange controls and any other applicable laws.

Any subsequent distribution of the Entitlements and the New Shares in Italy must be made in compliance with the public offer and prospectus requirement rules provided under Decree No. 58 and the Regulation No. 11971, unless an exception from those rules applies. Failure to comply with such rules may result in the sale of such securities being declared null and void and in the liability of the entity transferring the securities for any damages suffered by the investors.



# Appendix B – Entitlement Offer selling restrictions

## Japan

The Entitlements and the New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the Entitlements and the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires Entitlements or New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of Entitlements or New Shares is conditional upon the execution of an agreement to that effect.

## Korea

The Company is not making any representation with respect to the eligibility of any recipients of this presentation to acquire the Entitlements or the New Shares under the laws of Korea, including, without limitation, the Foreign Exchange Transaction Act and regulations thereunder. These securities have not been, and will not be, registered under the Financial Investment Services and Capital Markets Act of Korea ("FSCMA") and therefore may not be offered or sold (directly or indirectly) in Korea or to any resident of Korea or to any persons for re-offering or resale in Korea or to any resident of Korea (as defined under the Foreign Exchange Transaction Act of Korea and its enforcement decree), except as permitted under the applicable laws and regulations of Korea. Accordingly, the Entitlements and the New Shares may not be offered or sold in Korea other than to "qualified professional investors" (as defined in the FSCMA).

## Malaysia

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of Entitlements or New Shares. The Entitlements and the New Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act.



# Appendix B – Entitlement Offer selling restrictions

## New Zealand

This presentation has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The Entitlements and the New Shares in the entitlement offer are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the FMC Act and the Securities Act (Overseas Companies) Exemption Notice 2013. Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

## Norway

This presentation has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this presentation shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The Entitlements and the New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).



# Appendix B – Entitlement Offer selling restrictions

## Singapore

This presentation and any other materials relating to the Entitlements and the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this presentation and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Entitlements and New Shares, may not be issued, circulated or distributed, nor may the Entitlements and New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This presentation has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this presentation immediately. You may not forward or circulate this presentation to any other person in Singapore.

Any offer is not made to you with a view to the Entitlements or the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Entitlements or New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## Sweden

This presentation has not been, and will not be, registered with or approved by Finansinspektionen (the Swedish Financial Supervisory Authority). Accordingly, this presentation may not be made available, nor may the Entitlements or the New Shares be offered for sale in Sweden, other than under circumstances that are deemed not to require a prospectus under the Swedish Financial Instruments Trading Act (1991:980) (Sw. lag (1991:980) om handel med finansiella instrument). Any offering of Entitlements or New Shares in Sweden is limited to persons who are "qualified investors" (as defined in the Financial Instruments Trading Act). Only such investors may receive this presentation and they may not distribute it or the information contained in it to any other person.



# Appendix B – Entitlement Offer selling restrictions

## Switzerland

The Entitlements and the New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This presentation has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this presentation nor any other offering or marketing material relating to the Entitlements and the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. These securities will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations.

Neither this presentation nor any other offering or marketing material relating to the Entitlements and the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this presentation will not be filed with, and the offer of Entitlements and New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This presentation is personal to the recipient only and not for general circulation in Switzerland.

## United Arab Emirates

Neither this presentation nor the Entitlements and the New Shares have been approved, disapproved or passed on in any way by the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other governmental authority in the United Arab Emirates, nor has the Company received authorization or licensing from the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other governmental authority in the United Arab Emirates to market or sell the Entitlements or the New Shares within the United Arab Emirates. No marketing of any financial products or services may be made from within the United Arab Emirates and no subscription to any financial products or services may be consummated within the United Arab Emirates. This presentation does not constitute and may not be used for the purpose of an offer or invitation. No services relating to the Entitlements or the New Shares, including the receipt of applications and/or the allotment or redemption of such securities, may be rendered within the United Arab Emirates by the Company.

No offer or invitation to subscribe for Entitlements or New Shares is valid in, or permitted from any person in, the Dubai International Financial Centre.

# Appendix B – Entitlement Offer selling restrictions

## United Kingdom

Neither the information in this presentation nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Entitlements or the New Shares. This presentation is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and these securities may not be offered or sold in the United Kingdom by means of this presentation, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This presentation should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Entitlements or the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this presentation is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this presentation relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this presentation or any of its contents.



# Appendix B – Entitlement Offer selling restrictions

## Not an offer

This presentation is for information purposes only and is not a prospectus, product disclosure statement or other disclosure or offering document under Australian or any other law.

This presentation does not constitute an offer, invitation or recommendation to subscribe for or purchase any security and neither this presentation nor anything contained in it shall form the basis of any contract or commitment. In particular, this presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any person who is acting for the account or benefit of a person in the United States. This document may not be distributed or released in the United States. The securities in the proposed offering have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the securities in the proposed offering may not be offered or sold, directly or indirectly, to persons in the United States or to, or for any person who is acting for the account or benefit of a person in the United States, except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any applicable securities laws of any state or other jurisdiction of the United States.

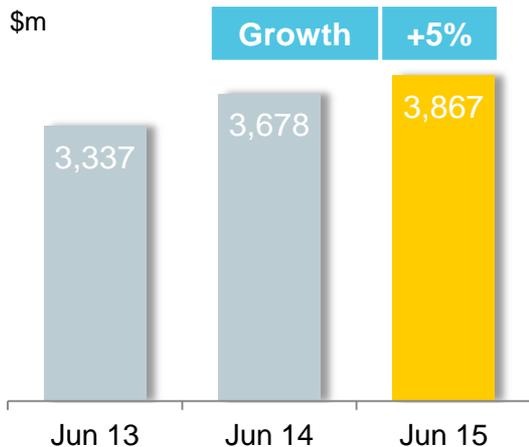
Each institution that reviews this presentation that is in the United States, or that is acting for the account or benefit of a person in the United States, can only be and will be deemed to represent that each such institution or person is a “qualified institutional buyer” within the meaning of Rule 144A of the U.S. Securities Act and to acknowledge and agree that it will not forward or deliver the presentation, electronically or otherwise, to any other person.



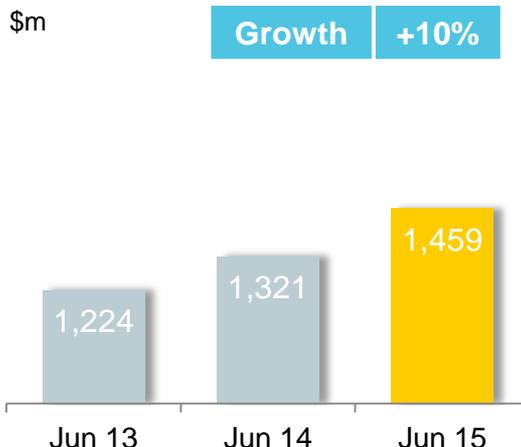


# Business Unit Cash NPAT

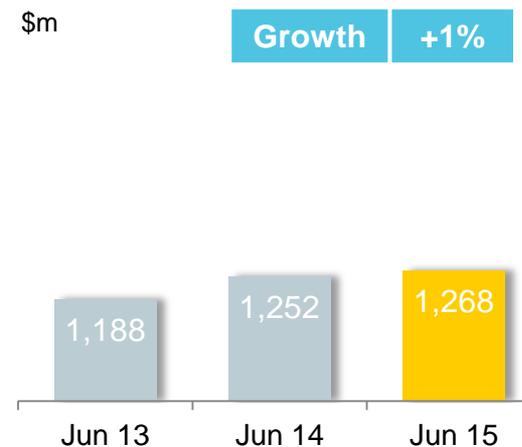
## Retail Banking Services



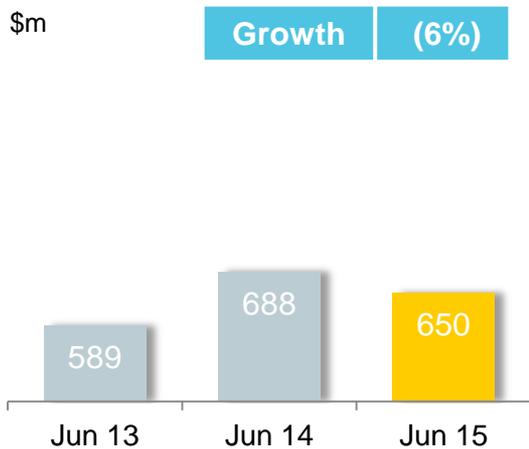
## Business & Private Banking



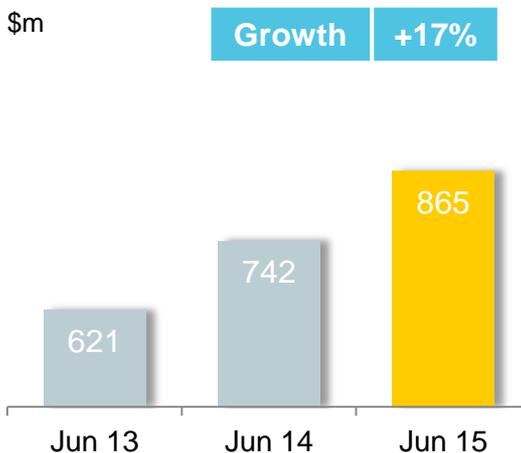
## Institutional Banking & Markets



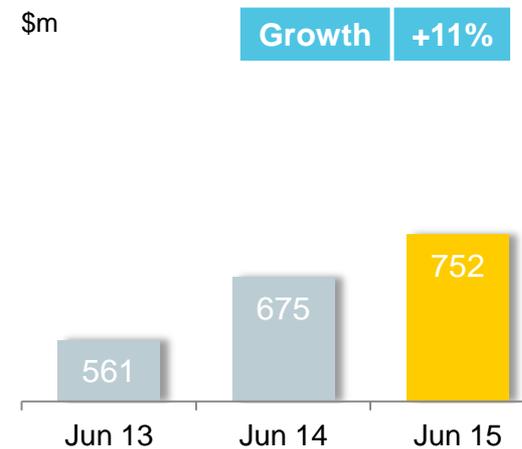
## Wealth Management<sup>1</sup>



## New Zealand<sup>2</sup>



## Bankwest



1. Excluding Property  
2. NZ result in AUD

# RBS – 6 Month Periods

\$m		Jun 15	Dec 14	Jun 14	Jun 15 vs Dec 14	Jun 15 vs Jun 14
<b>Net interest income</b>	Home loans	1,699	1,763	1,738	(4%)	(2%)
	Consumer finance	950	920	906	3%	5%
	Retail deposits	1,152	1,137	1,022	1%	13%
	Other	32	38	43	(16%)	(26%)
		3,833	3,858	3,709	(1%)	3%
<b>Other banking income</b>	Home loans	102	112	102	(9%)	-
	Consumer finance	287	299	267	(4%)	7%
	Retail deposits	232	228	233	2%	-
	Distribution	194	201	198	(3%)	(2%)
	Other	43	48	43	(10%)	-
	858	888	843	(3%)	2%	
<b>Total banking income</b>	Home loans	1,801	1,875	1,840	(4%)	(2%)
	Consumer finance	1,237	1,219	1,173	1%	5%
	Retail deposits	1,384	1,365	1,255	1%	10%
	Distribution	194	201	198	(3%)	(2%)
	Other	75	86	86	(13%)	(13%)
	4,691	4,746	4,552	(1%)	3%	
<b>Operating expenses</b>		(1,658)	(1,635)	(1,565)	1%	6%
<b>Loan impairment expense</b>		(358)	(268)	(285)	34%	26%
<b>Cash NPAT</b>		<b>1,875</b>	<b>1,992</b>	<b>1,894</b>	<b>(6%)</b>	<b>(1%)</b>



# Retail Banking Services

\$m	FY15	FY15 vs FY14	2H15	2H15 vs 1H15
Home loans	3,676	- <ul style="list-style-type: none"> <li>Growing contribution from broker</li> <li>Reduction in margins driven by intense pricing competition</li> </ul>	1,801	(4%) <ul style="list-style-type: none"> <li>Balance growth broadly in line with system</li> <li>Competition and basis risk impacting margin</li> </ul>
Consumer finance	2,456	6% <ul style="list-style-type: none"> <li>Increased credit card spend and solid personal loan growth</li> </ul>	1,237	1% <ul style="list-style-type: none"> <li>Income growth impacted by seasonality and competition</li> </ul>
Retail Deposits	2,749	14% <ul style="list-style-type: none"> <li>Strong growth in at-call deposits, and improved investment margins</li> </ul>	1,384	1% <ul style="list-style-type: none"> <li>Growth in transaction and savings accounts.</li> <li>Higher investment margins offset by decline in cash rate</li> </ul>
Distribution	395	1% <ul style="list-style-type: none"> <li>Growth in foreign exchange income</li> </ul>	194	(3%) <ul style="list-style-type: none"> <li>Lower foreign exchange income</li> </ul>
Other	161	(14%) <ul style="list-style-type: none"> <li>Lower business lending balances</li> </ul>	75	(13%) <ul style="list-style-type: none"> <li>Lower business lending balances and seasonally lower merchant income</li> </ul>
<b>Total banking income</b>	<b>9,437</b>	<b>5%</b>	<b>4,691</b>	<b>(1%)</b>
Operating expenses	(3,293)	4% <ul style="list-style-type: none"> <li>Inflation, investment in technology and frontline capabilities, partly offset by productivity</li> </ul>	(1,658)	1% <ul style="list-style-type: none"> <li>Investment in technology and frontline capabilities, partly offset by productivity</li> </ul>
Loan impairment expense	(626)	8% <ul style="list-style-type: none"> <li>Higher unsecured portfolio arrears</li> </ul>	(358)	34% <ul style="list-style-type: none"> <li>Higher unsecured portfolio arrears</li> </ul>
<b>Cash NPAT</b>	<b>3,867</b>	<b>5%</b>	<b>1,875</b>	<b>(6%)</b>



# BPB – 6 Month Periods<sup>1</sup>

\$m		Jun 15	Dec 14	Jun 14	Jun 15 vs Dec 14	Jun 15 vs Jun 14
<b>Net interest income</b>	Corporate Financial Services	490	495	464	(1%)	6%
	Regional & Agribusiness	274	281	275	(2%)	-
	Local Business Banking	440	439	421	-	5%
	Private Bank	135	130	124	4%	9%
	CommSec	70	73	70	(4%)	-
		1,409	1,418	1,354	(1%)	4%
<b>Other banking income</b>	Corporate Financial Services	145	148	139	(2%)	4%
	Regional & Agribusiness	44	48	44	(8%)	-
	Local Business Banking	84	85	87	(1%)	(3%)
	Private Bank	30	30	27	-	11%
	CommSec	100	95	82	5%	22%
		403	406	379	(1%)	6%
<b>Total banking income</b>	Corporate Financial Services	635	643	603	(1%)	5%
	Regional & Agribusiness	318	329	319	(3%)	-
	Local Business Banking	524	524	508	-	3%
	Private Bank	165	160	151	3%	9%
	CommSec	170	168	152	1%	12%
		1,812	1,824	1,733	(1%)	5%
<b>Operating expenses</b>		(700)	(697)	(673)	-	4%
<b>Loan impairment expense</b>		(89)	(63)	(157)	41%	(43%)
<b>Cash NPAT</b>		<b>716</b>	<b>743</b>	<b>635</b>	<b>(4%)</b>	<b>13%</b>

<sup>1</sup> Comparative information has been restated to conform with presentation in the current year



# Business and Private Banking

\$m	FY15	FY15 vs FY14	2H15	2H15 vs 1H15
Corporate Financial Services	1,278	7% <ul style="list-style-type: none"> <li>Strong Business Lending and Deposit balances</li> <li>Increased demand for interest rate risk management products</li> </ul>	635	(1%) <ul style="list-style-type: none"> <li>Decreased demand for interest rate risk management products</li> </ul>
Regional & Agribusiness	647	2% <ul style="list-style-type: none"> <li>Strong Deposit balances</li> <li>Lower Business Lending balance growth</li> </ul>	318	(3%) <ul style="list-style-type: none"> <li>Lower Business Lending margins</li> <li>Strong Deposit balances</li> </ul>
Local Business Banking	1,048	3% <ul style="list-style-type: none"> <li>Strong Business Lending and Deposit balances</li> <li>Lower Business Lending margins</li> </ul>	524	- <ul style="list-style-type: none"> <li>Moderate Deposit balances</li> <li>Lower Home Lending balance growth</li> </ul>
Private Bank	325	9% <ul style="list-style-type: none"> <li>Strong Deposit and Advisory balances</li> <li>Subdued Home Lending balances</li> </ul>	165	3% <ul style="list-style-type: none"> <li>Strong Deposit balances</li> <li>Lower equity capital market activity</li> </ul>
CommSec	338	10% <ul style="list-style-type: none"> <li>Higher equities trading volumes</li> <li>Higher equity capital markets activity</li> </ul>	170	1% <ul style="list-style-type: none"> <li>Higher equities trading volumes</li> <li>Lower equity capital markets activity</li> </ul>
<b>Total banking income</b>	<b>3,636</b>	<b>5%</b>	<b>1,812</b>	<b>(1%)</b>
Operating expenses	(1,397)	4% <ul style="list-style-type: none"> <li>Investment in frontline and technology-related initiatives</li> <li>Reduced amortisation and productivity benefits</li> </ul>	(700)	- <ul style="list-style-type: none"> <li>Investment in frontline, digital infrastructure and mandatory regulatory projects</li> <li>Productivity benefits</li> </ul>
Loan impairment expense	(152)	(36%) <ul style="list-style-type: none"> <li>Fewer individual provisions</li> </ul>	(89)	41% <ul style="list-style-type: none"> <li>Increased credit exposures</li> <li>Fewer individual provisions</li> </ul>
<b>Cash NPAT</b>	<b>1,459</b>	<b>10%</b>	<b>716</b>	<b>(4%)</b>

# IB&M – 6 Month Periods

\$m		Jun 15	Dec 14	Jun 14	Jun 15 vs Dec 14	Jun 15 vs Jun 14
<b>Net interest income</b>	Institutional Banking	646	632	638	2%	1%
	Markets	96	78	75	23%	28%
		742	710	713	5%	4%
<b>Other banking income</b>	Institutional Banking	428	401	388	7%	10%
	Markets	215	323	207	(33%)	4%
		643	724	595	(11%)	8%
<b>Total banking income</b>	Institutional Banking	1,074	1,033	1,026	4%	5%
	Markets	311	401	282	(22%)	10%
		1,385	1,434	1,308	(3%)	6%
<b>Operating expenses</b>		(538)	(475)	(492)	13%	9%
<b>Loan impairment expense</b>		(70)	(97)	(40)	(28%)	75%
<b>Cash NPAT</b>		615	653	582	(6%)	6%

# Institutional Banking and Markets

\$m	FY15	FY15 vs FY14	2H15	2H15 vs 1H15
Institutional Banking	2,107	4% ▪ Growth in average lending and leasing balances, partly offset by lower margins	1,074	4% ▪ Growth in average lending and deposit balances, partly offset by lower margins
Markets	712	12% ▪ Positive sales and trading performance	311	(22%) ▪ Unfavourable derivative valuation adjustments
<b>Total banking income</b>	<b>2,819</b>	<b>6%</b>	<b>1,385</b>	<b>(3%)</b>
Operating expenses	(1,013)	7% ▪ Investment in technology, people and compliance costs	(538)	13% ▪ Investment in technology, people and compliance costs
Loan impairment expense	(167)	large ▪ Portfolio growth and individual provisions	(70)	(28%) ▪ Reduced collective provisions
<b>Cash NPAT</b>	<b>1,268</b>	<b>1%</b>	<b>615</b>	<b>(6%)</b>



# WM – 6 Month Periods<sup>1</sup>

\$m		Jun 15	Dec 14	Jun 14	Jun 15 vs Dec 14	Jun 15 vs Jun 14
<b>Total operating income</b>	CFSGAM	445	402	371	11%	20%
	CFS <sup>2</sup>	415	451	407	(8%)	2%
	CI	298	338	357	(12%)	(17%)
		1,158	1,191	1,135	(3%)	2%
<b>Operating expenses</b>	CFSGAM	(269)	(257)	(241)	5%	12%
	CFS <sup>2</sup>	(440)	(295)	(318)	49%	38%
	CI	(157)	(162)	(156)	(3%)	1%
	Other	(77)	(69)	(63)	12%	22%
		(943)	(783)	(778)	20%	21%
<b>Underlying profit after tax</b>	CFSGAM	146	114	109	28%	34%
	CFS <sup>2</sup>	(16)	108	66	(large)	(large)
	CI	102	124	140	(18%)	(27%)
	Other	(59)	(44)	(48)	34%	23%
		173	302	267	(43%)	(35%)
<b>Cash Net profit after tax</b>	CFSGAM	174	112	111	55%	57%
	CFS <sup>2</sup>	(18)	110	79	(large)	(large)
	CI	153	163	199	(6%)	(23%)
	Other	(6)	(38)	(45)	(84%)	(87%)
		303	347	344	(13%)	(12%)

1 Excludes Property - The Property transactions were completed and businesses were exited during the 30 June 2014 financial year

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



# Wealth Management<sup>1</sup>

\$m	FY15	FY15 vs FY14	2H15	2H15 vs 1H15
CFSGAM	847	15% Average AUM ↑13% (spot ↑12%), strong investment markets, and weaker AUD	445	11% Average AUM ↑8% (spot ↑6%), strong investment markets and weaker AUD
CFS <sup>2</sup>	866	5% Average FUA ↑13% (spot ↑12%), strong investment markets, positive net flows, offset by impact provisioning for customer remediation	415	(8%) Average FUA ↑8% (spot ↑5%), provisioning for customer remediation impacting 2H15
CI	636	(10%) Average Annual Inforce Premiums ↑7% (spot ↑7%), repricing benefits, improved lapse experience, offset by impact of weather events	298	(12%) Average Annual Inforce premiums ↑3% (spot ↑4%), repricing benefits, offset by impact of weather events
<b>Total operating income</b>	<b>2,349</b>	<b>3%</b>	<b>1,158</b>	<b>(3%)</b>
Operating expenses	(1,726)	13% Program costs for customer remediation, inflation related salary and performance related increases, weaker AUD partly offset by productivity benefits	(943)	20% Program costs for customer remediation, increased investment spend, weaker AUD partly offset by productivity benefits
<b>Cash NPAT</b>	<b>650</b>	<b>(6%)</b>	<b>303</b>	<b>(13%)</b>

1 Excludes Property - The Property transactions were completed and businesses were exited during the 30 June 2014 financial year

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

# NZ – 6 Month Periods

NZ\$m		Jun 15	Dec 14	Jun 14	Jun 15 vs Dec 14	Jun 15 vs Jun 14
<b>Net interest income</b>	ASB	825	827	755	-	9%
	Other	(4)	4	14	Large	Large
		821	831	769	(1%)	7%
<b>Other banking income</b>	ASB	172	169	160	2%	8%
	Other	(17)	(16)	(15)	6%	13%
		155	153	145	1%	7%
<b>Total banking income</b>	ASB	997	996	915	-	9%
	Other	(21)	(12)	(1)	75%	Large
		976	984	914	(1%)	7%
<b>Funds management income</b>		39	38	33	3%	18%
<b>Insurance income</b>		131	119	125	10%	5%
<b>Total operating income</b>		1,146	1,141	1,072	-	7%
<b>Operating expenses</b>		(468)	(461)	(445)	2%	5%
<b>Loan impairment expense</b>		(52)	(37)	(35)	41%	49%
<b>Investment experience after tax</b>		2	5	4	(60%)	(50%)
<b>Corporate tax expense</b>		(154)	(163)	(145)	(6%)	6%
<b>Cash NPAT</b>		<b>474</b>	<b>485</b>	<b>451</b>	<b>(2%)</b>	<b>5%</b>

# New Zealand

NZ\$m	FY15	FY15 vs FY14	2H15	2H15 vs 1H15
ASB Operating Income	2,067	9% <ul style="list-style-type: none"> <li>Lending ↑ 8% and retail deposits ↑ 16% (spot)</li> <li>Strong business and rural lending growth</li> <li>Favourable funding conditions</li> </ul>	1,035	- <ul style="list-style-type: none"> <li>Improved home loan growth (in line with system)</li> <li>Pressure on lending and deposit margins</li> </ul>
ASB Operating Expenses	(805)	5% <ul style="list-style-type: none"> <li>Inflation related salary increases</li> <li>Continued investment in frontline capability and technology</li> </ul>	(406)	2% <ul style="list-style-type: none"> <li>Increased investment in technology</li> <li>Higher operational losses</li> </ul>
ASB Impairment Expense	(89)	59% <ul style="list-style-type: none"> <li>Unsecured retail portfolio growth and maturation</li> <li>Increase in rural lending provisioning</li> <li>Stabilising home loan expense</li> </ul>	(52)	41% <ul style="list-style-type: none"> <li>Increase in rural provisioning</li> </ul>
Sovereign Cash NPAT	123	19% <ul style="list-style-type: none"> <li>Positive claims experience</li> <li>Inforce premiums ↑ 5%</li> </ul>	66	16% <ul style="list-style-type: none"> <li>Continued inforce premium growth</li> <li>Stronger lapse rate experience</li> </ul>
<b>Cash NPAT</b>	<b>959</b>	<b>8%</b>	<b>474</b>	<b>(2%)</b>



# Bankwest – 6 Month Periods

\$m	Jun 15	Dec 14	Jun 14	Jun 15 vs Dec 14	Jun 15 vs Jun 14
Net interest income	791	803	773	(1%)	2%
Other banking income	108	109	103	(1%)	5%
<b>Total banking income</b>	<b>899</b>	<b>912</b>	<b>876</b>	(1%)	3%
Operating expenses	(388)	(397)	(401)	(2%)	(3%)
Loan impairment write-back/(expense)	24	26	(6)	(8%)	Lge
<b>Net profit before tax</b>	<b>535</b>	<b>541</b>	<b>469</b>	(1%)	14%
Corporate tax expense	(161)	(163)	(144)	(1%)	12%
<b>Cash NPAT</b>	<b>374</b>	<b>378</b>	<b>325</b>	(1%)	15%



# Bankwest

\$m	FY15	FY15 vs FY14	2H15	2H15 vs 1H15
Total Banking income	1,811	2% <ul style="list-style-type: none"> <li>Continued growth in average interest earning assets</li> <li>Lower net interest margin due to competitive market conditions</li> </ul>	899	(1%) <ul style="list-style-type: none"> <li>Balance growth across key product lines</li> <li>Lower net interest margin due to competitive market</li> <li>Adverse impact of day count</li> </ul>
Operating expenses	(785)	(3%) <ul style="list-style-type: none"> <li>Focus on productivity and disciplined cost management</li> </ul>	(388)	(2%) <ul style="list-style-type: none"> <li>Favourable impact of lower day count and focus on productivity</li> </ul>
Loan impairment expense	50	Lge <ul style="list-style-type: none"> <li>Reduction in individual provision charges</li> <li>Run-off of non-core business lending</li> </ul>	24	(8%) <ul style="list-style-type: none"> <li>Continued run-off of non-core business lending</li> </ul>
<b>Cash NPAT</b>	<b>752</b>	<b>11%</b>	<b>374</b>	<b>(1%)</b>



# IFS - significantly enhancing capabilities

## Customer focus

Build a digital banking ecosystem that focuses on delivering excellent customer service and enhanced financial literacy to our customers

### Key capabilities



#### People

Talent  
Culture  
People development



#### Technology

Stability  
Innovation  
Data and analytics



#### Partnerships

Customer acquisition  
Distribution scale  
Customer insights



#### Strength

Risk systems  
Infrastructure  
Cyber security



#### Productivity

Ultra-low cost  
Automation  
Standardisation

### Target markets

China

Indonesia

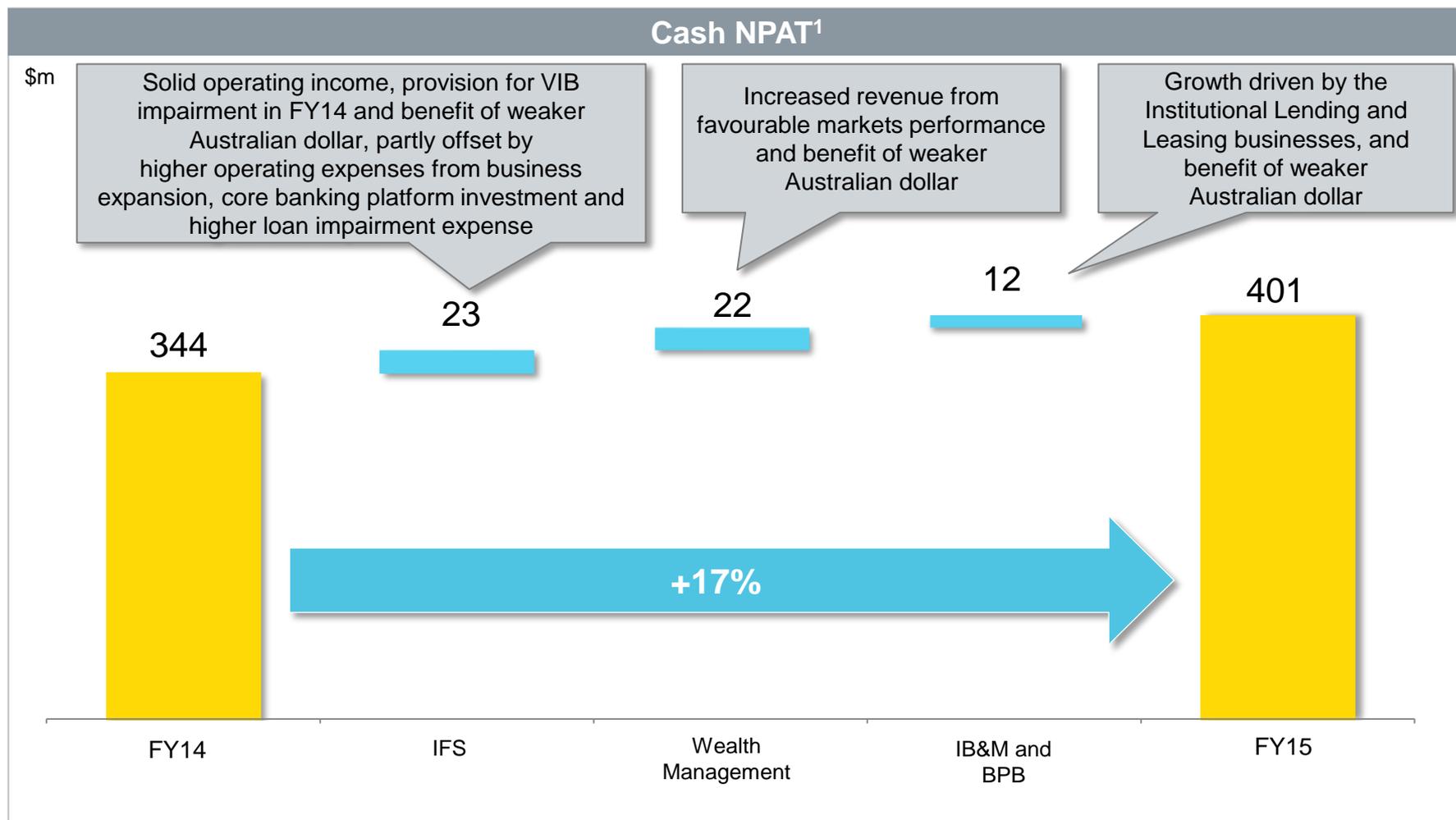
India

South Africa

Vietnam

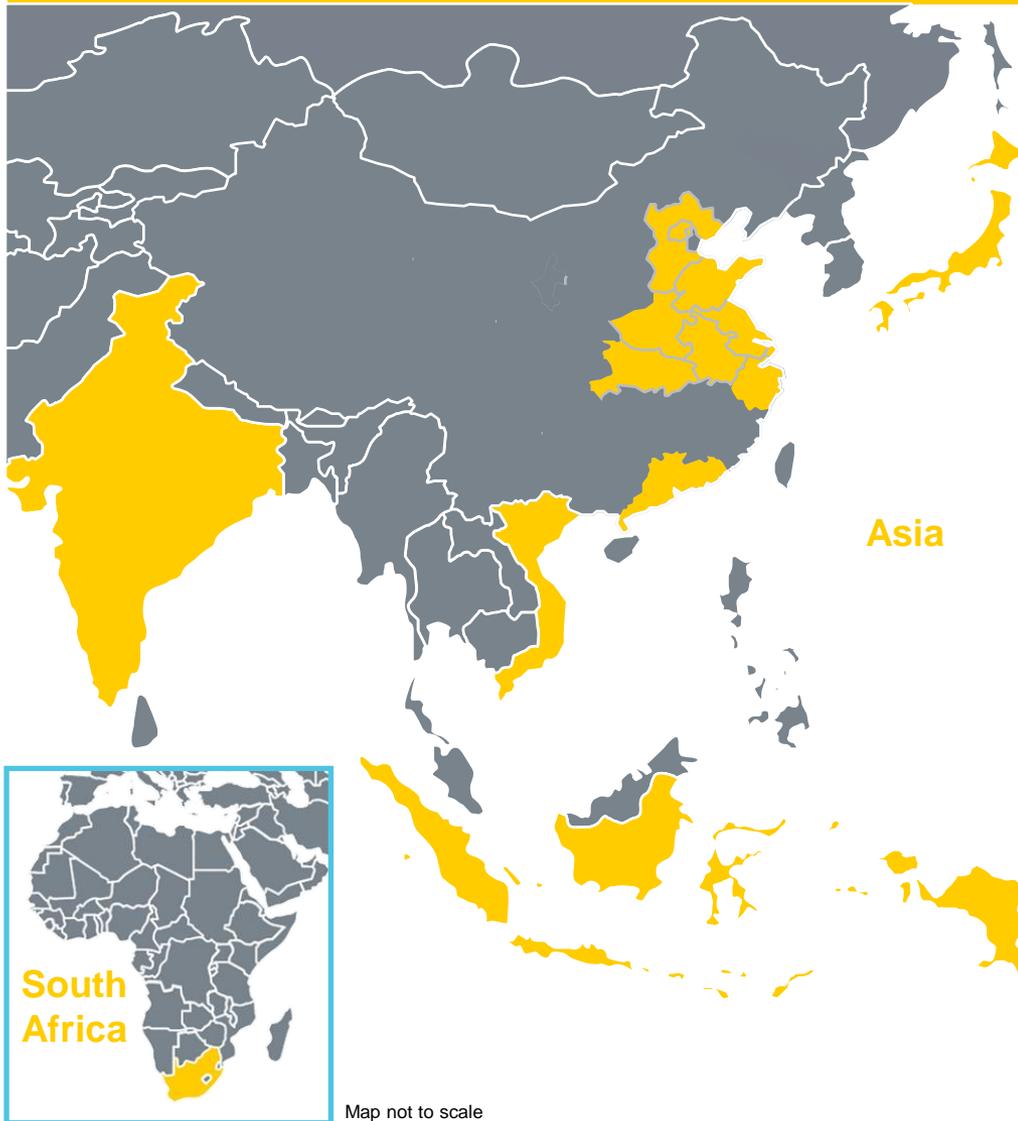


# CBA in Asia & South Africa



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

# CBA in Asia and South Africa



Map not to scale

## China

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

## Indonesia

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

## Vietnam

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

## Singapore

- ◆ CBA branch,
- ◆ First State Investments

## Japan

- ◆ Tokyo CBA branch,
- ◆ First State Investments

## South Africa

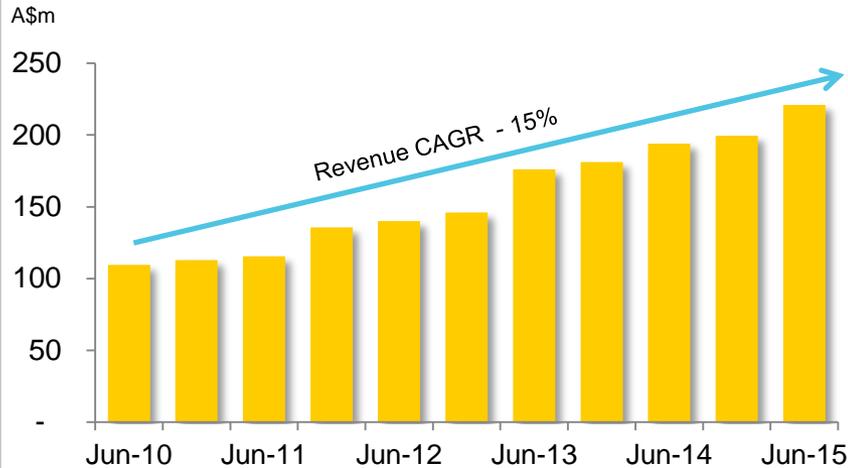
- ◆ TYME

## India

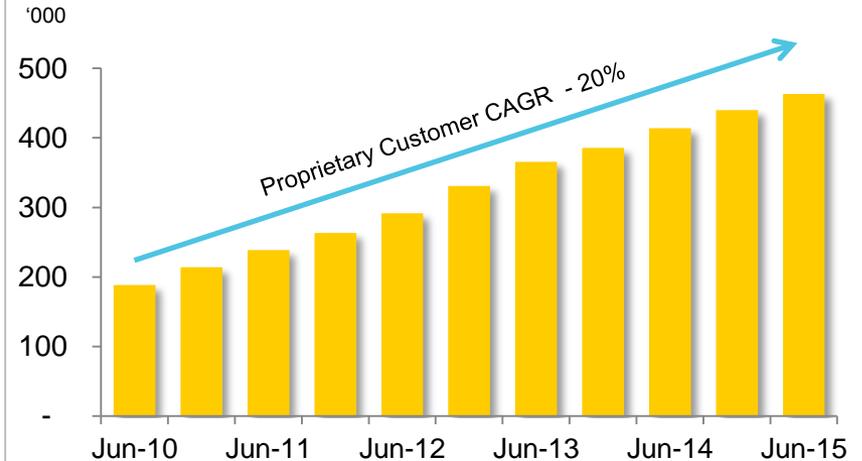
- ◆ Mumbai CBA branch

# IFS – Continued growth<sup>1</sup>

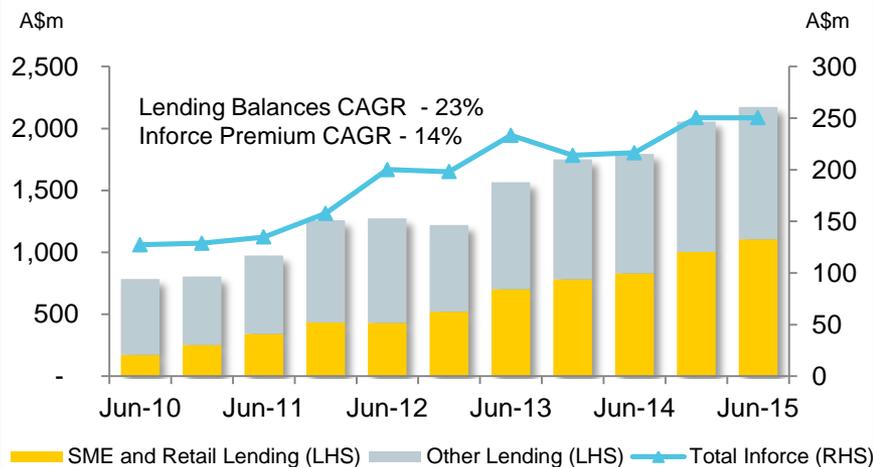
## Revenue (A\$m)



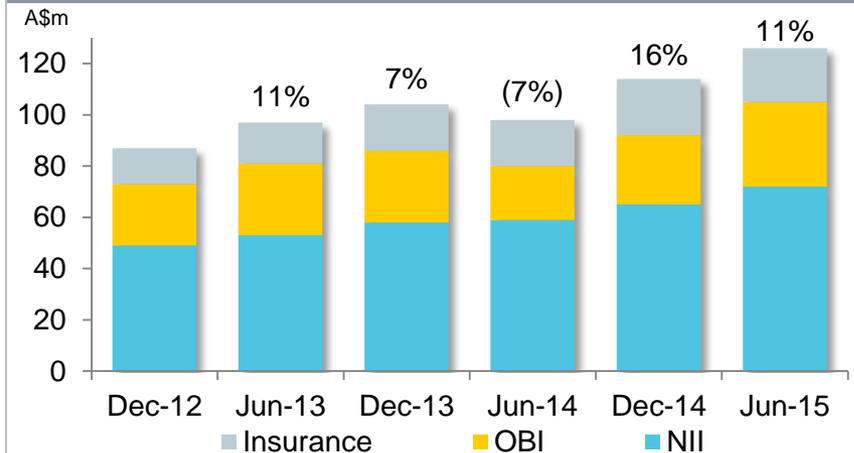
## Direct Proprietary Customers



## Proprietary Loans & Inforce Premium – spot



## Proprietary Income



Note: % growth reflects growth on prior period

<sup>1</sup> Incorporates the Asian retail and business banking operations (Indonesia, China, Vietnam and India), investments in Chinese and Vietnamese banks, the joint venture Chinese life insurance business, the life insurance operations in Indonesia and acquisition of a South African based financial services technology company.

# CFSGAM – Global Reach



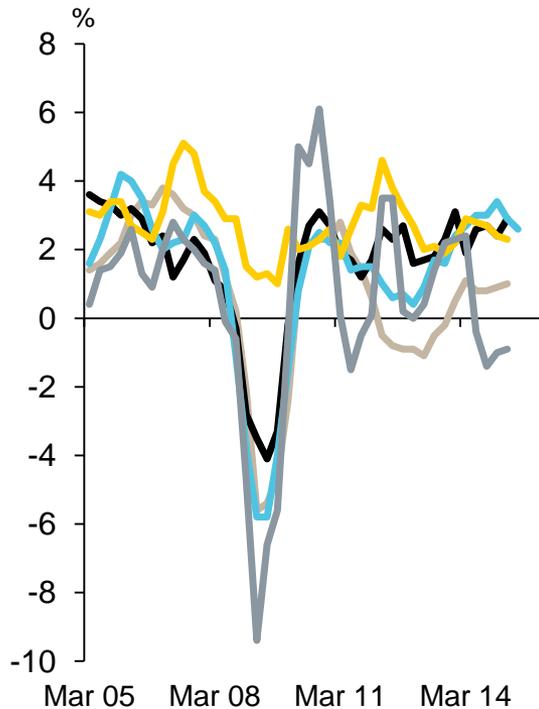
1. Assets under management indicated above includes Realindex Investments which is a wholly owned investment management subsidiary of the Colonial First State group of companies.  
 2. USA assets managed through CFSAMAL (Australia based non-domiciled), FSII (UK based non-domiciled), FSI Singapore (Singaporean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

# Australia remains well placed

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

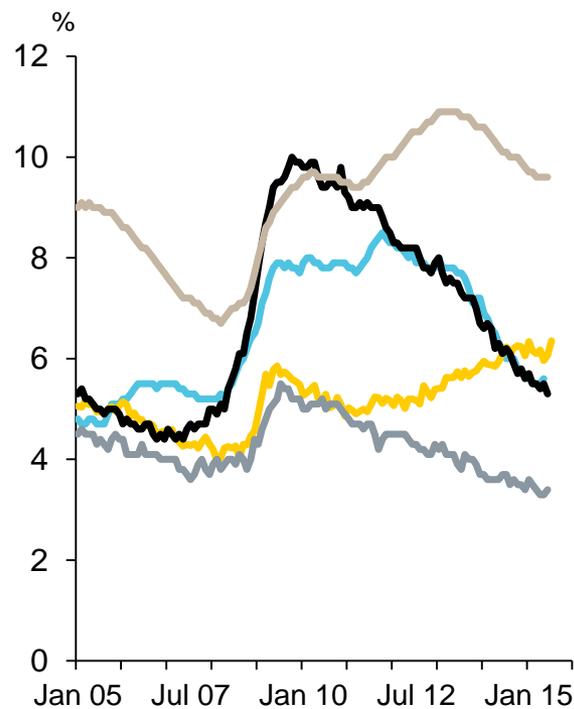
GDP<sup>1</sup>

(annual % change)



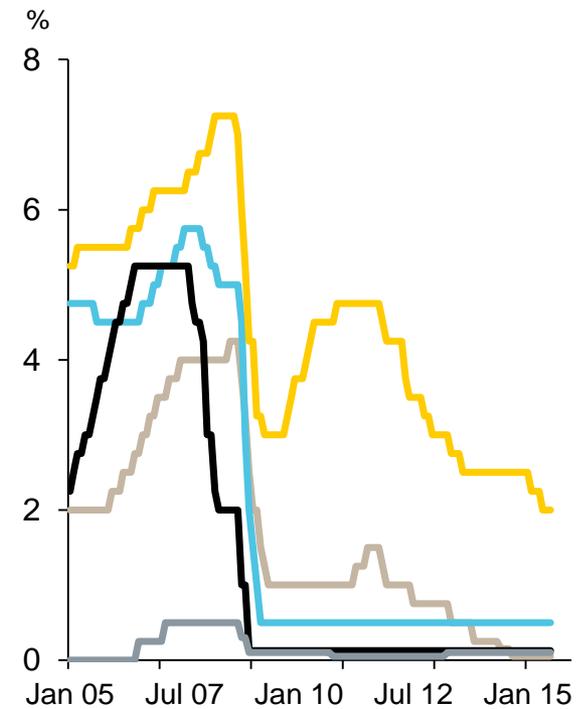
Unemployment Rate<sup>2</sup>

(%)



Global Interest Rates<sup>1</sup>

(%)



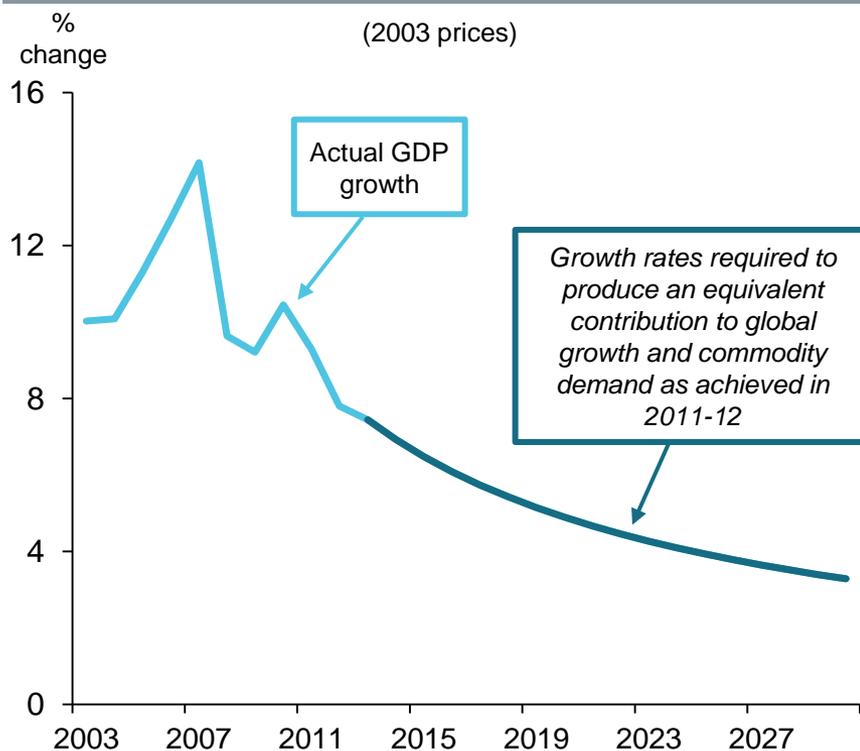
■ Australia 
 ■ UK 
 ■ US 
 ■ Eurozone 
 ■ Japan

1 Source: Bloomberg  
 2 Source: CEIC

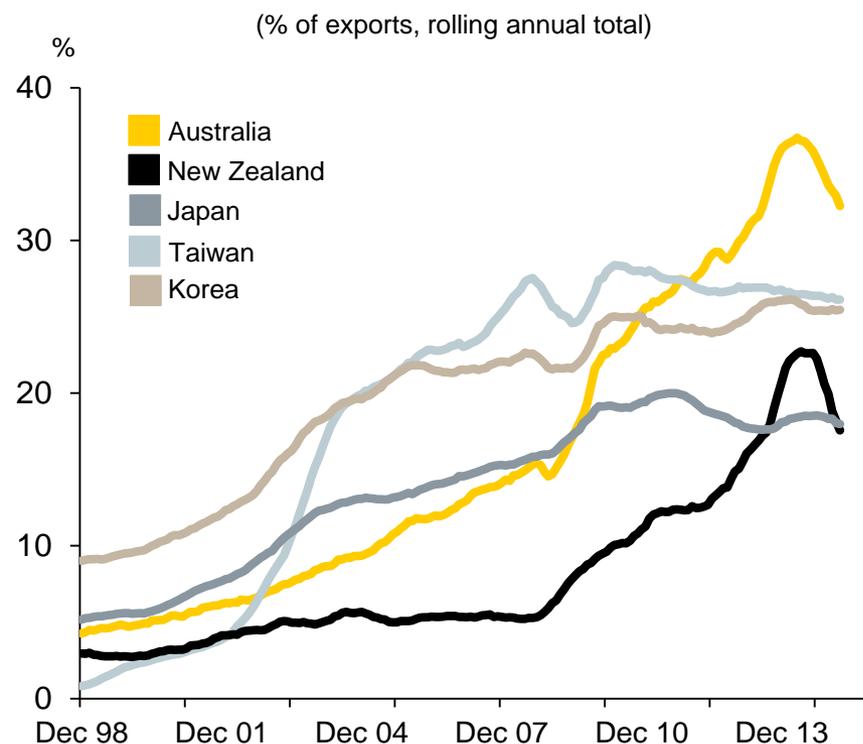
# China growth slowing but remains solid

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

### China: GDP Growth<sup>1</sup>



### Share of Exports to China<sup>1</sup>



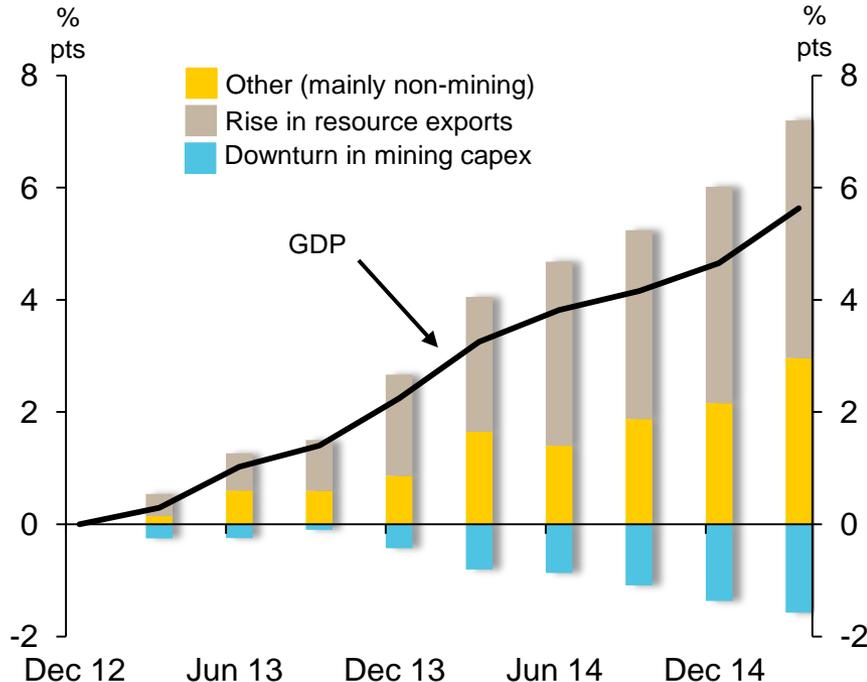
<sup>1</sup> Source: IMF

# The growth transition continues

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

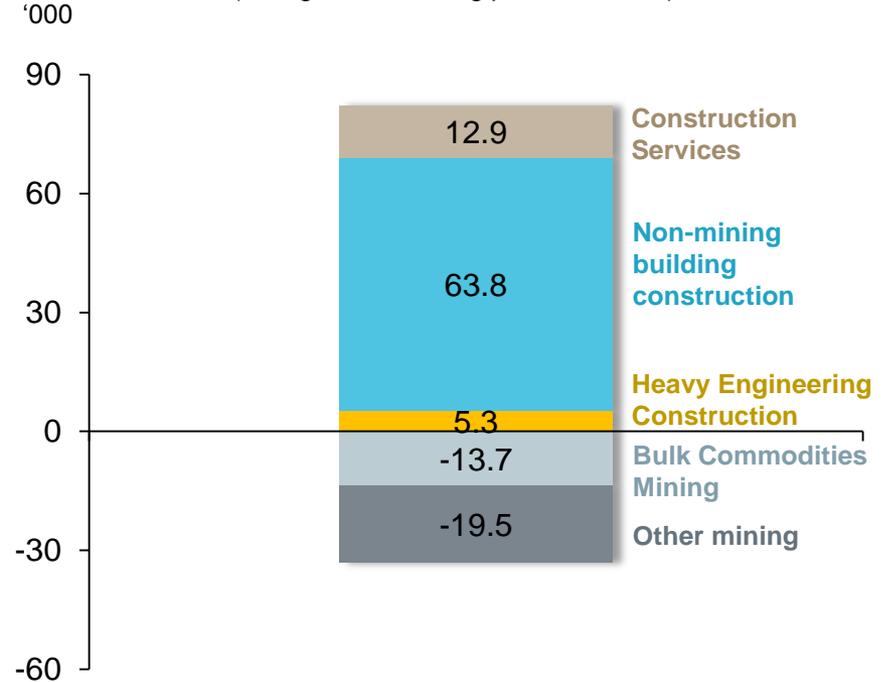
## Growth drivers from mining peak<sup>1</sup>

(cumulative contribution to GDP since end 2012)



## Mining & Construction Jobs<sup>1</sup>

(change since mining peak end 2012)



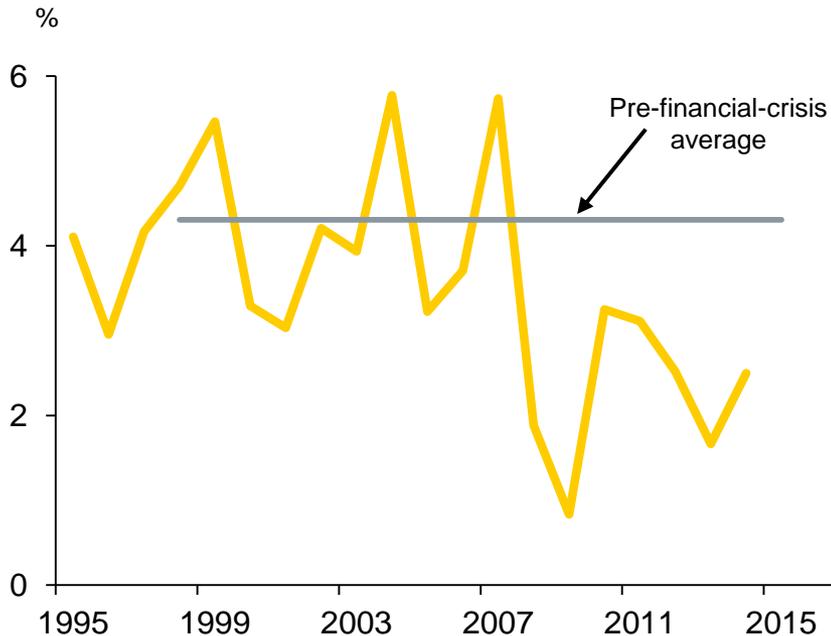
<sup>1</sup> Source: ABS

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

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

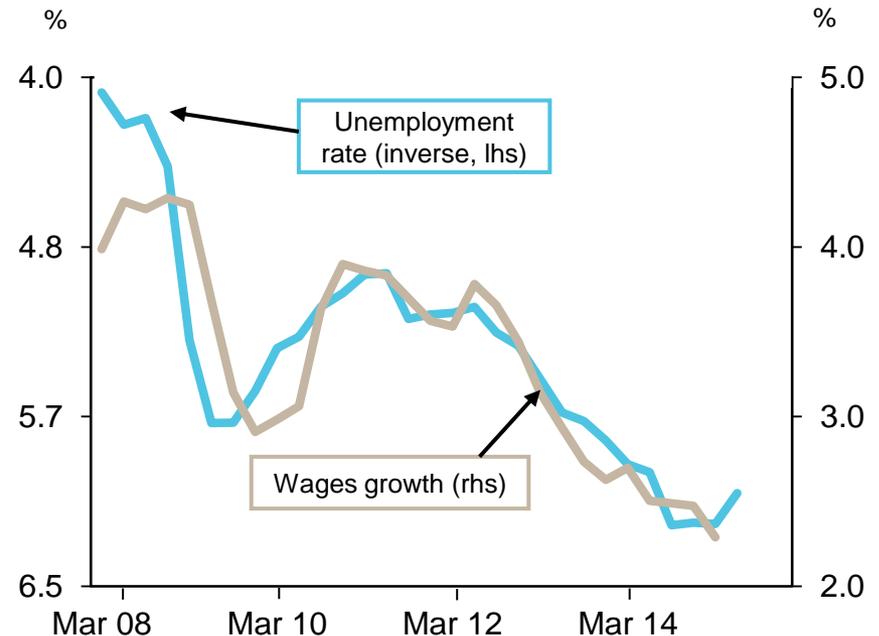
## Consumer Spending<sup>1</sup>

(annual % change)



## Wages & Unemployment<sup>1</sup>

(annual % change)



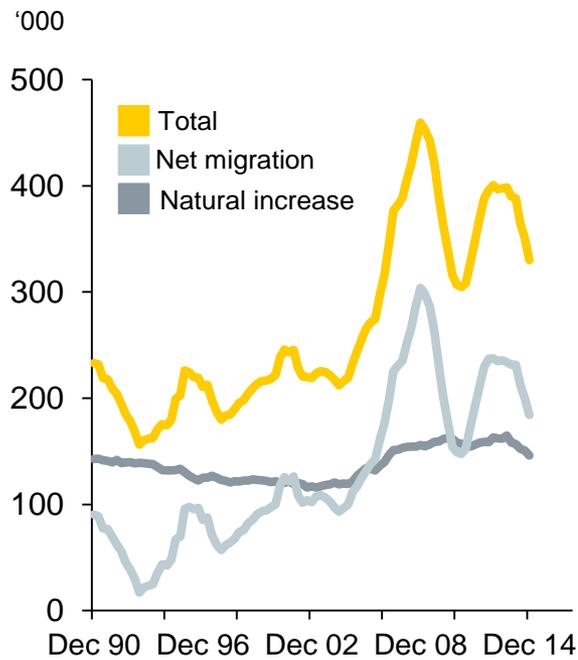
<sup>1</sup> Source: ABS

# Strong population growth underpins housing demand

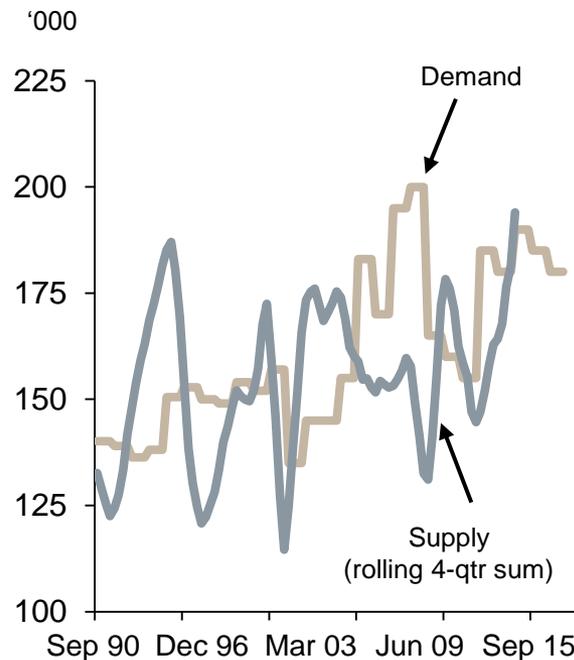
Strong population growth underpins a strong pick up in dwelling construction. The surge in dwelling construction will allow housing demand and supply to better align.

## Population Growth<sup>1</sup>

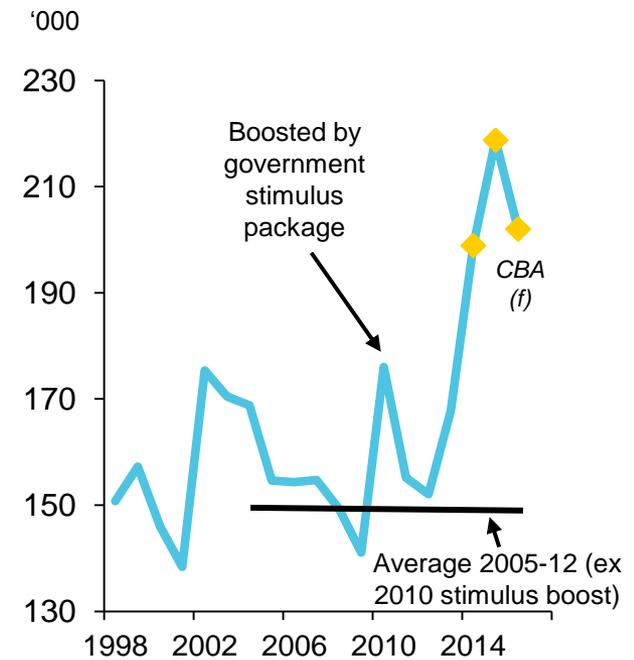
(moving annual total)



## Housing Demand & Supply<sup>1</sup>



## Dwelling Commencements<sup>1</sup>



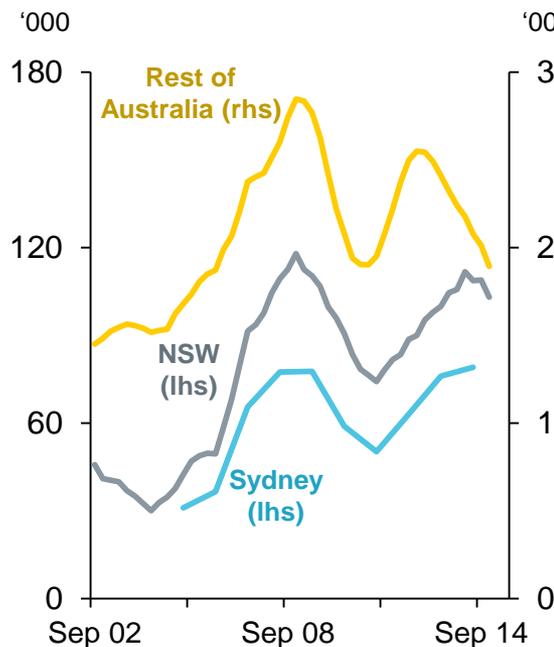
<sup>1</sup> Source: ABS

# Low interest rates a key driver of housing growth

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

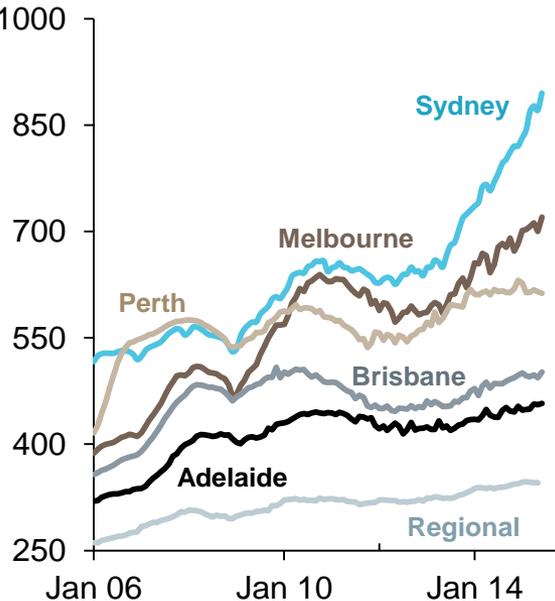
## Population Growth<sup>1</sup>

(annual change)



## Dwelling Prices<sup>2</sup>

'000 Index



## Housing Credit<sup>3</sup>

(annual % change)

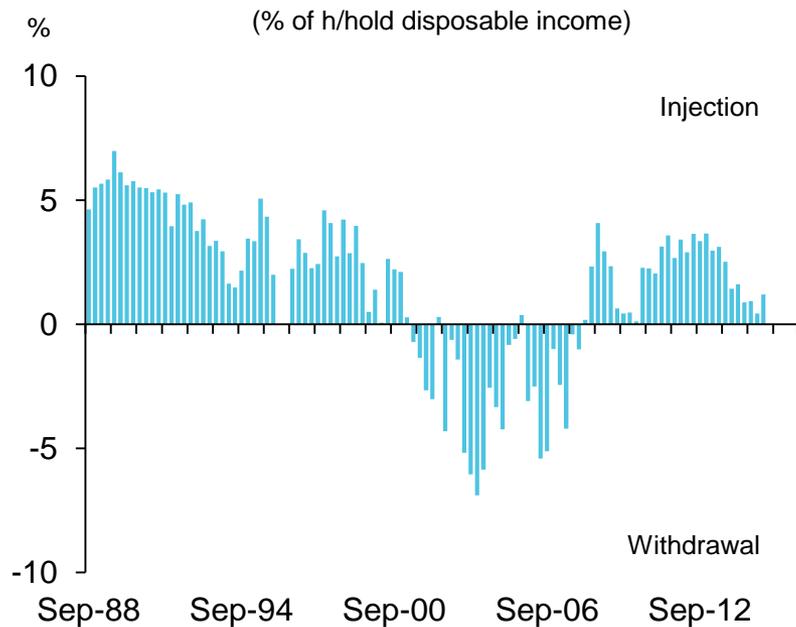


1 Source: ABS  
 2 Source: CoreLogic RP Data  
 3 Source: RBA

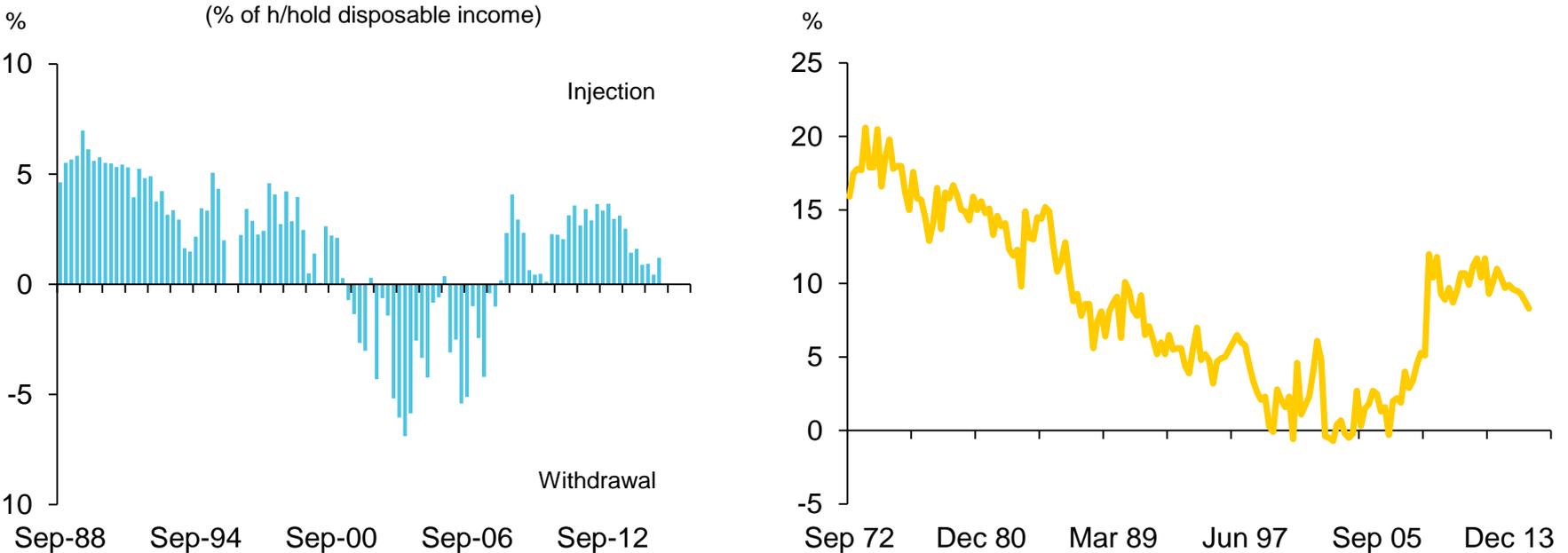
# Household balance sheets remain strong

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

## Housing Equity Withdrawal<sup>1</sup>



## Saving Ratio<sup>2</sup>



<sup>1</sup> Source: CBA estimates  
<sup>2</sup> Source: ABS

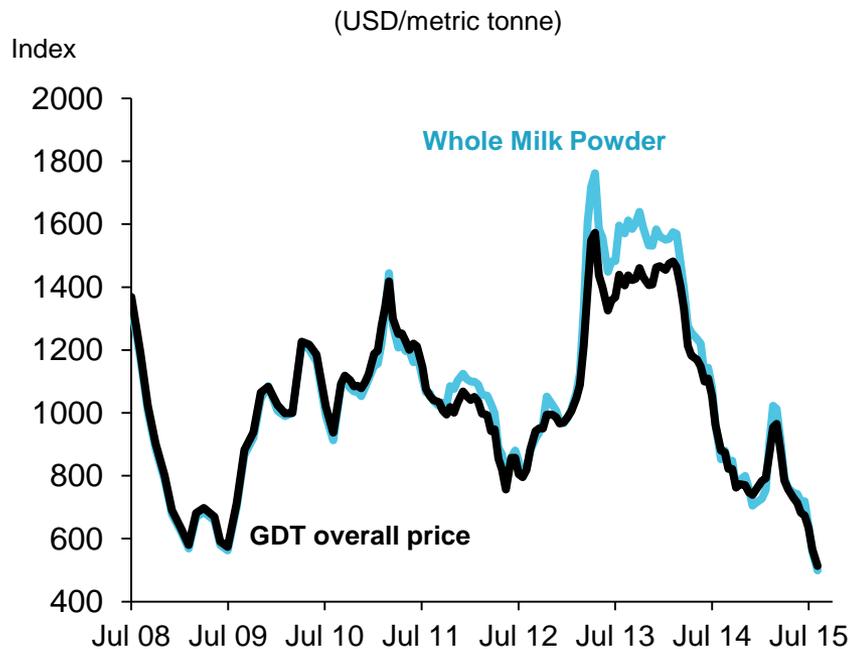
# Factors that typically characterise a house price bubble are not evident in Australia

Housing “Bubble” – typical characteristics	Current position in Australia
Unsustainable asset prices	<ul style="list-style-type: none"> <li>◆ Prices supported by the excess of demand over supply</li> <li>◆ Australia’s population continues to grow at above average rates</li> <li>◆ Supply-side responding – lift in construction underway</li> </ul>
Speculative investment artificially inflates asset prices	<ul style="list-style-type: none"> <li>◆ Investor interest is a rational response to low interest rates, rising risk appetite and the pursuit of yield.</li> </ul>
Strong volume growth driven by relaxed lending standards	<ul style="list-style-type: none"> <li>◆ Already stringent standards tightened through GFC</li> <li>◆ Minimal “low doc” lending</li> <li>◆ Mortgage insurance for higher LVR loans</li> <li>◆ Full recourse lending</li> </ul>
Interaction of high debt levels and interest rates	<ul style="list-style-type: none"> <li>◆ A high proportion of borrowers ahead of required repayment levels</li> <li>◆ Interest rate buffers built into loan serviceability tests at application</li> <li>◆ Housing credit growth remains at the bottom end of the range of the past three decades.</li> </ul>
Domestic economic shock – trigger for price correction	<ul style="list-style-type: none"> <li>◆ Respectable Australian economic growth outcomes</li> <li>◆ Unemployment rate has risen but arrears rates are low</li> </ul>

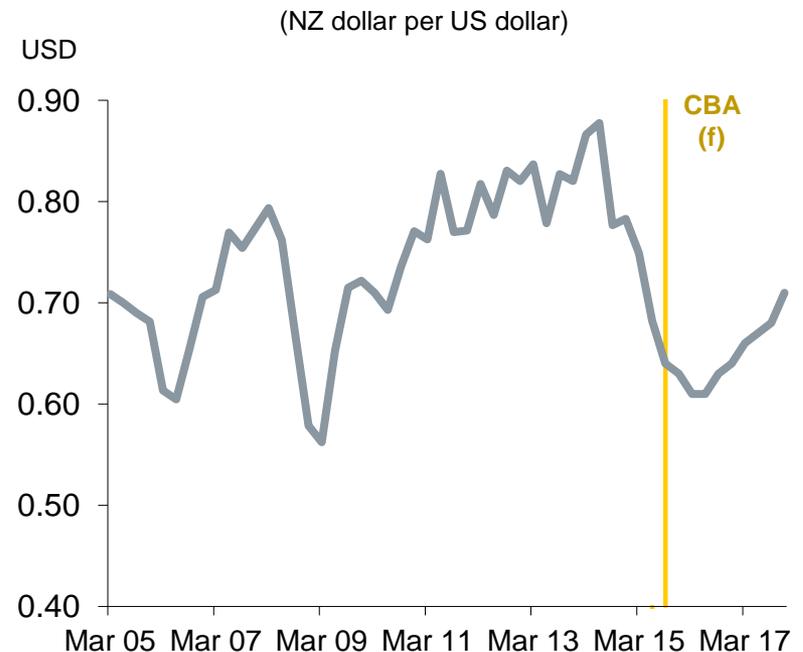
# New Zealand

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

## Global Dairy Trade Auction Results<sup>1</sup>



## NZD/USD

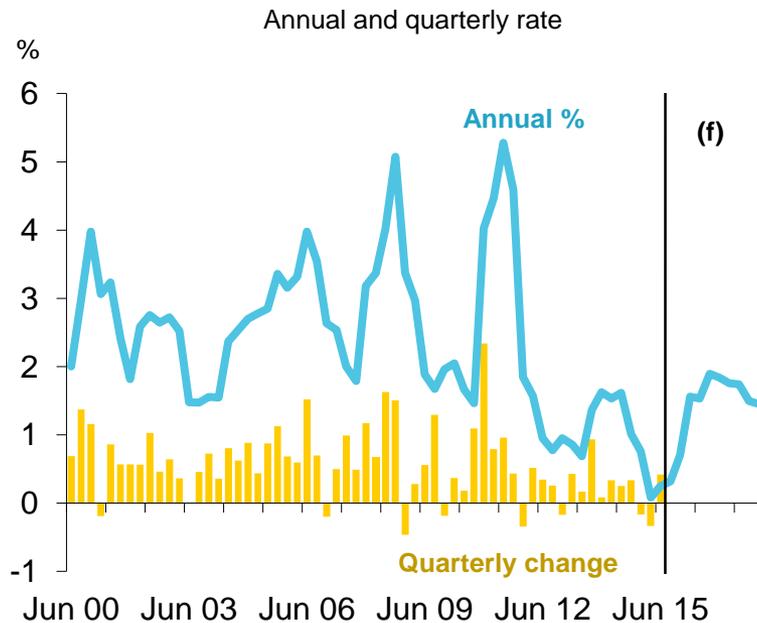


<sup>1</sup> Source: GlobalDairyTrade

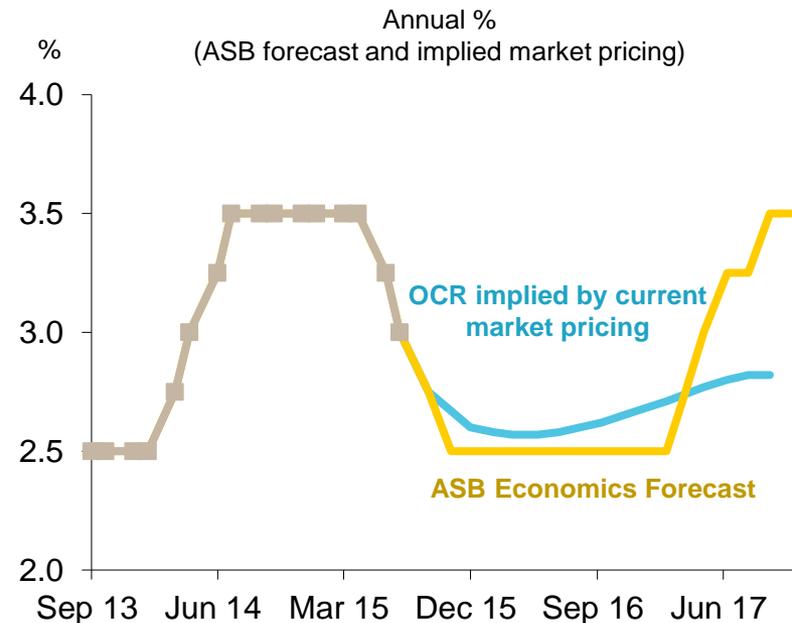
# New Zealand

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

## NZ CPI Inflation<sup>1</sup>



## Official Cash Rate Forecasts<sup>2</sup>



<sup>1</sup> Source: Stats NZ, ASB

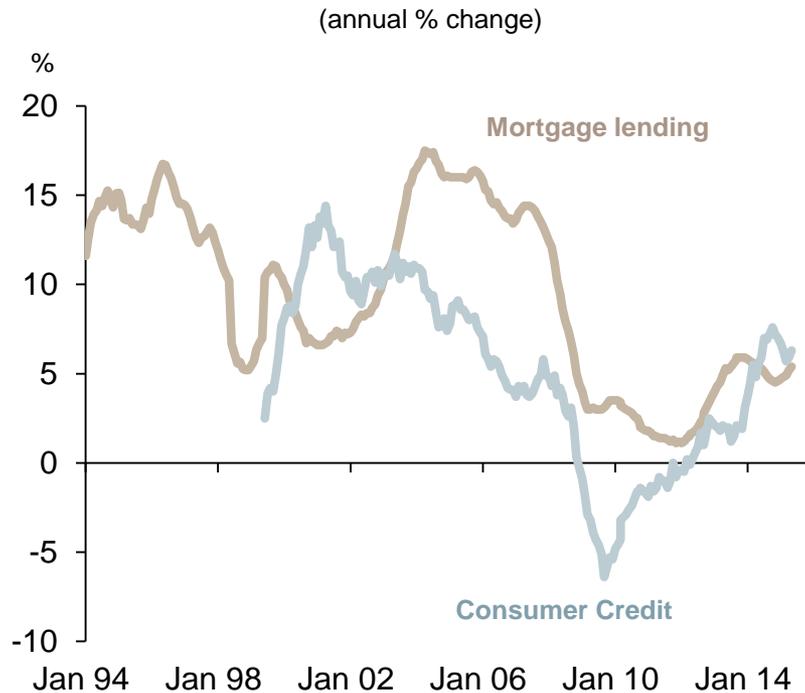
<sup>2</sup> Source: ASB



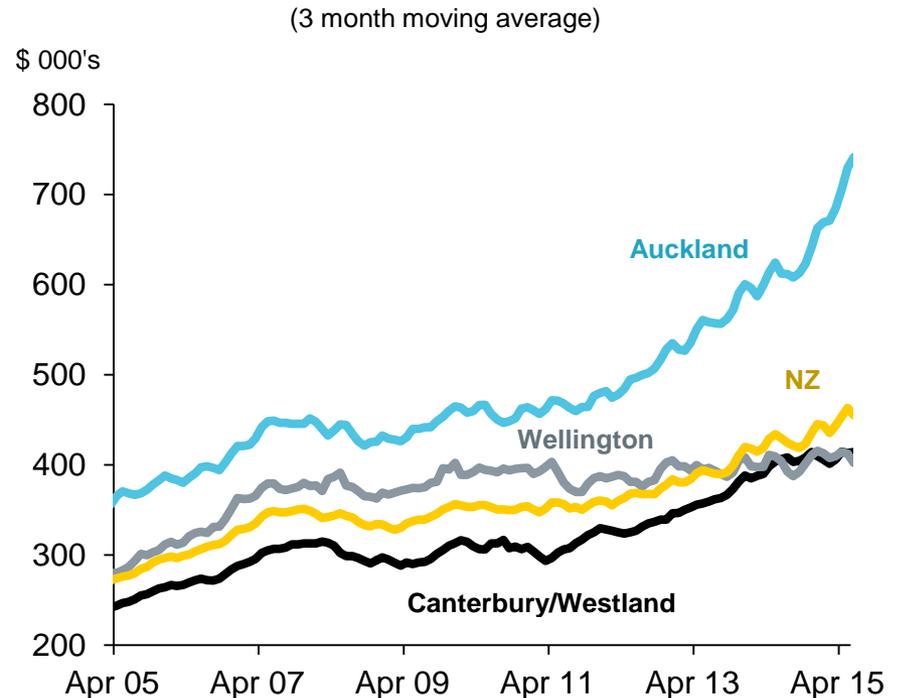
# New Zealand

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

## NZ Household Lending Growth<sup>1</sup>



## NZ Median House Price<sup>2</sup>



1 Source: RBNZ, ASB

2 Source: REINZ

# 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 Needs Met per Customer / Products per Customer – Roy Morgan Research. Australian Population 18+ (14+ included for Internet Banking), Banking and Finance products per Banking and Finance customer at financial institution. 6 month rolling average to June 2015. CBA excludes Bankwest. Rank based on comparison to ANZ, NAB and Westpac. Wealth includes Superannuation, Insurance and Managed Investments. Share of product is calculated by dividing Products held at CBA by Products held anywhere. “Internet Banking” refers to CBA customers who conducted internet banking in the last 4 weeks.
- 3 Roy Morgan Research, Australians 14+, Proportion of Banking and Finance MFI Customers that nominated each bank as their Main Financial Institution, 12 month average to 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.
- 4 DBM Business Financial Services Monitor (June 2015), average satisfaction rating of business customers’ Main Financial Institution (MFI), across all Australian businesses, using an 11 pt scale where 0 is Extremely Dissatisfied and 10 is Extremely Satisfied, 6 month rolling average.
- 5 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.
- 6 Wealth Insights overall satisfaction score - Ranking of Colonial First State (the platform provider) is calculated based on the weighted average (using Plan for Life FUA) of the overall satisfaction scores of FirstChoice and FirstWrap compared with the weighted average of other platform providers in the relevant peer set. The relevant peer set includes platforms belonging to Westpac, NAB, ANZ, AMP and Macquarie in the Wealth Insights survey.
- 7 PT 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.
- 8 Proportion of Banking & Finance customers’ Wealth products captured by the financial institution. Roy Morgan Research. Australian Population 18+ , 6 month average to June 2015. Calculated by dividing Wealth products held at institution by products held anywhere. Wealth Products includes Total Insurance (excl. Private Health), Managed Investments and Superannuation. CBA excludes Bankwest.
- 9 Roy Morgan Research. Australian population 14+. Proportion of customers who conducted internet banking via website or app with their Main Financial Institution in the last 4 weeks, who are either “Very Satisfied” or “Fairly Satisfied” with the service provided by that institution. 6 month average to June 2015. Rank based on comparison to ANZ, NAB and Westpac.

# Technology - Sources

- 1 CommBank app on iOS and Android in Australia. Sources are the Apple App Store and the Google Play Store.
- 2 Roy Morgan Research. Australian population 14+. Proportion of customers who conducted internet banking via an app with their Main Financial Institution in the last 4 weeks, who are either “Very Satisfied” or “Fairly Satisfied” with the service provided by that institution. 6 month rolling average to June 2015. Rank based on comparison to ANZ, NAB and Westpac.
- 3 CBA’s combined following across Facebook, Twitter, LinkedIn and Google+ is the largest of the main Australian banks. In addition, global independent website *The Financial Brand* rates the social media presence of banks and credit unions globally. For the second quarter of 2015, CBA is the #1 Australian bank on their list: <http://thefinancialbrand.com/52746/>
- 4 Roy Morgan Research. Australian population 14+. Proportion of customers who conducted internet banking via website with their Main Financial Institution in the last 4 weeks, who are either “Very Satisfied” or “Fairly Satisfied” with the service provided by that institution. 6 month rolling average to June 2015. Rank based on comparison to ANZ, NAB and Westpac.
- 5 Roy Morgan Research. Banking and Finance Customers aged 14-17, 12 month average to June 2015. CBA excludes Bankwest. Rank based on comparison to ANZ, NAB and Westpac.
- 6 Roy Morgan Research. Australian population 14+. Proportion of customers who conducted internet banking via website or app with their Main Financial Institution in the last 4 weeks, who are either “Very Satisfied” or “Fairly Satisfied” with the service provided by that institution. 6 month average to June 2015. Rank based on comparison to ANZ, NAB and Westpac.
- 7 Roy Morgan Research, Australians 14+, Proportion of Banking and Finance MFI Customers that nominated each bank as their Main Financial Institution, 12 month average to June 2015. CBA excludes Bankwest.
- 8 Money Magazine’s Best Innovative Banking App, awarded December 2014.
- 9 Business Review Weekly, Most Innovative Companies list, November 2014. Commonwealth Bank ranked #6, and was the only financial services company in the top 10. For more information: <http://www.brw.com.au/lists/50-most-innovative-companies/2014/>
- 10 As of January 2015, the term ‘active’ refers to customers who have been active for 30 days.

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# Productivity Metrics - Definitions

Measure	Metric	Timeframe
Teller transactions per CSR	Average number of transactions completed per week in branch by Retail Customer Service Representatives	FY15 v FY13
Personal loans funded same day	Percentage of personal loans funded on day of application, excluding applications referred for manual decisioning and fraud verification	FY15 v FY13
Credit approval time – asset finance	Average time taken to issue a credit approval	FY15 v FY13
Home insurance – Claims turn around time	The median number of business days between claim notification and finalisation	FY15 v FY14
Bankwest Transaction Accounts – Average application time	Average time taken in minutes for customers to open a transaction account online	FY15 v FY14
Client on-boarding time – transaction banking	Number of Days to on-board clients	FY15 v Apr 14

# Sustainability Scorecard – Sources and Definitions

Complete definitions for scorecard metrics are available at [www.commbank.com.au/sustainability2015](http://www.commbank.com.au/sustainability2015)

All metrics capture data from Australian domestic operations only (excluding Bankwest), unless otherwise stated.

- 1 The 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 CBA's Main Financial Institution (MFI) business customers as measured by DBM's Business Financial Services Monitor. Respondents rate their overall satisfaction using an 11-point scale (where 0 is 'Extremely Dissatisfied' and 10 is 'Extremely Satisfied'). Results are reported as a 6 month rolling average as at 30 June. The rank refers to CBA's position relative to the other three major Australian banks (Westpac, NAB and ANZ).
- 3 Score calculated based on the weighted average (based on Plan for Life FUA) of the overall satisfaction scores of FirstChoice and FirstWrap. 1 is 'Poor', 10 is 'excellent'. Ranking calculated by comparing the score with the weighted average of other platform providers in the relevant peer set to include platforms belonging to Westpac, NAB, ANZ, AMP and Macquarie in the Wealth Insights survey. In 2012 the satisfaction score was calculated on a straight average of FirstChoice and FirstWrap. Due to the change in calculation of the satisfaction score in 2013, historical results have been restated. As a result, the score and ranking for 2012 has changed from 7.69 (2nd) to 7.86 (1st).
- 4 Index showing the proportion of CBA employees replying with a score 4 or 5 to four engagement questions relating to satisfaction, retention, advocacy and pride on a scale of 1-5 (5 is "strongly agree", 1 is "strongly disagree"). In 2012, the Group moved the people and culture survey administration to a new provider, no prior year data is available.
- 5 Employee turnover refers to all voluntary exits of permanent employees as a percentage of the average, permanent headcount paid directly by the Group (full-time, part-time, job share or on extended leave). 2013 and 2014 figures are updated to include Bankwest and offshore but excluding ASB.
- 6 Percentage of roles at the level of both Manager and Executive Manager and above filled by women, in relation to the total domestic headcount at this level. Headcount captures permanent headcount (full-time, part-time, job share, on extended leave), and contractors (fixed term arrangements) paid directly by the Group. The percentage of roles at Executive Manager and above excludes Custom Solutions and Colonial First State Property Management and Bankwest. 2013 figure updated to reflect change of reporting entity.
- 7 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. This relates to CBA and Bankwest employees (permanent, casual and contractors paid directly by the Group). Data is presented using the information available as at 30 June for each financial year. Prior year data is updated to reflect change of reporting entity, late reporting and subsequent acceptance or rejection of claims made during the year. As a result, 2014 figure has been restated.
- 8 Absenteeism is the annualised figure as at 31 May each year. Absenteeism refers to the average number of sick leave days (and, for CommSec employees, carers leave days) per domestic full-time equivalent (FTE). 2013 and 2014 figures have been restated to include Bankwest.
- 9 Scope 1 and 2 data is collected in line with NGER legislation. Scope 3 relates to indirect emissions (tool-of-trade vehicles, natural gas and electricity), rental car and taxi use, business use of private vehicles, dedicated bus service, business flights, office paper and waste to landfill.
- 10 The number of active school banking students who banked at least once during a 12 month period through a school banking school and the number of students booked to attend Commonwealth Bank's StartSmart programs.

# CO<sub>2</sub>e Emissions Method – Business Lending

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

## Allocation of emissions and production to the Group

For each asset class (coal mining, oil and gas, and electricity generation), clients were selected based on their dominant business activity, or where their diversified activities included significant activity in the sector. Emissions and production were allocated to the Group in proportion to June 2014 Group debt as a percentage of total debt plus equity. For each client, total debt and equity was calculated using the equity and current and non-current borrowings reported on the balance sheet.

## Measure

- tCO<sub>2</sub>e/AUDm lent: total of the Group debt share of emissions, divided by the total of the Group debt exposure.
- tCO<sub>2</sub>e/tonne coal: total of the Group debt share of emissions arising from coal mining, divided by the total of the Group debt share of total coal extracted (tonnes) arising from Group clients.
- tCO<sub>2</sub>e/BOE: total of the Group debt share of emissions arising from oil and gas (tCO<sub>2</sub>e), divided by the total of the Group debt share of oil and gas arising from Group clients (barrel of oil equivalent).
- tCO<sub>2</sub>e/MWh: total of the Group debt share of emissions arising from electricity generation (tCO<sub>2</sub>e), divided by the total of the Group debt share of electricity generation arising from Group clients (megawatt hours).

## Coal and Oil and Gas

Group business lending for coal, oil and gas activities includes infrastructure activities (e.g. construction of LNG facilities) as well as production. Scope 1 and 2 emissions are associated with the client's activities, and are included in the assessment of emissions from Group business lending. Production and emissions data were drawn from National Greenhouse and Energy Reporting, the National Greenhouse Gas Inventory, publicly-available reports, subscription data providers or other company disclosures, and known performance measures.

- Coal: Estimates of emissions associated with the coal sector are presented for both Scope 1 and 2 emissions (associated with facility operations and fugitive emissions) and indirect emissions (scope 3 arising from the combustion of coal by third-parties).
- Oil and Gas: Estimates of emissions associated with the oil and gas sector are presented for both Scope 1 and 2 emissions. Where projects are in development, emissions associated with the construction of the assets were considered in determining the Group's debt share of total emissions. Emissions arising from the operation of LNG facilities are included for Australian operations where client reporting was available, or estimated from plant capacity.

## Electricity Generation

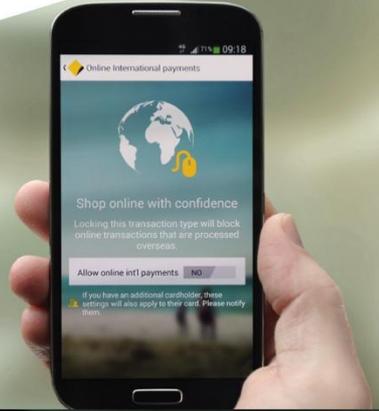
Production emissions and emissions intensity data sources for clients with a portfolio of generators were drawn from the Clean Energy Regulator, USEPA or client publication, National Greenhouse Accounts factors or third party. Emissions intensity of generation data was calculated from client specific emissions and generation data, or comparable technology performance data. Annual generation data for specific facilities was sourced either from the grid-operators (AEMO/SWIS - South West Interconnected System), client published data, or from estimations made on the basis of generation capacity and expected usage. Estimates of emissions associated with the Group's debt exposure to the electricity generation sector are presented for both Scope 1 and 2 emissions.

## Limitations and estimation

Not all companies in the coal mining, oil and gas, and electricity generation sectors report comprehensively on their emissions or production levels. At the same time, the Group extends business lending to a large number of clients within these sectors. In estimating the emissions arising from its lending activities, the Group focused on identifying client specific emissions and production data for those clients to which the Group has a material exposure. A sector specific uplift was applied to account for emissions arising from those Group clients where client specific data was not readily available, or where the Group's exposure to the client was not material.

# RESULTS PRESENTATION

FOR THE FULL YEAR ENDED 30 JUNE 2015



**IAN NAREV**  
CHIEF EXECUTIVE OFFICER

**DAVID CRAIG**  
CHIEF FINANCIAL OFFICER

**Commonwealth**Bank

