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FOCUS ON LONG TERM STRATEGIC PRIORITIES DRIVES STRONG REVENUE AND EARNINGS GROWTH

Highlights of 2013 Result

- Statutory net profit after tax (NPAT) of $7,677 million – up 8 per cent on prior year;
- Cash NPAT of $7,819 million – up 10 per cent;
- Return on Equity (cash basis) of 18.4 per cent;
- Fully franked final dividend of $2.00 per share, taking total for the year to $3.64, a 9 per cent increase on the prior year;
- Group in strong financial position with conservative provisioning and Common Equity Tier 1 Capital, on a fully harmonised Basel III basis, of 11.0 per cent – up by 120 basis points;
- Customer deposits up $26 billion to $405 billion – now represents 63 per cent of Group total funding; and
- Group well positioned with customer-focused business franchise operating off a conservative financial base and leading technology platform.

	2013	2013 v 2012
Statutory NPAT ($m)	7,677	8%
Cash NPAT ($m)	7,819	10%
Cash EPS ($ per share)	4.86	8%
Final Dividend ($ per share)	2.00	2%
Full year dividend ($ per share)	3.64	9%

Except where otherwise stated, all figures relate to the full year ended 30 June 2013. The term “prior year” refers to the full year ended 30 June 2012, while the term “prior half” refers to the half year ended 31 December 2012. Unless otherwise indicated all comparisons are to the “prior year”.

For an explanation of, and reconciliation between, Statutory and Cash NPAT refer to pages 2,3 and 15 of the Group’s Profit Announcement for the year ended 30 June 2013 which is available on www.commbank.com.au/shareholders.

A summary table of key financial information is attached as an appendix.

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SYDNEY, 14 AUGUST 2013: The Commonwealth Bank of Australia (the Group) today announced its results for the financial year ended 30 June 2013. The Group's statutory NPAT was $7,677 million, which represents an 8 per cent increase on the prior year. Cash NPAT was $7,819 million, an increase of 10 per cent on the prior year. Cash Return on Equity was 18.4 per cent.

Consistent with the Board's revised dividend policy, which more closely aligned the final and interim payout ratios, a final dividend of $2.00 has been declared.

Total dividend for the year was $3.64 – an increase of 9 per cent on the prior year. The cash dividend payout ratio for full year was 75.4 per cent of cash NPAT, which is in line with the prior year and within the Board's target range of 70 to 80 per cent.

The final dividend will be fully franked and will be paid on 3 October 2013. The ex-dividend date is 19 August 2013.

The Group's Dividend Reinvestment Plan (DRP) will continue to operate, but no discount will be applied to shares issued under the plan for this dividend. Given the Group's high level of Tier 1 capital, the Board has decided, as it did for the interim dividend, to neutralise or minimise the dilutive impact of the DRP through an on-market share purchase and transfer to participants.

Commenting on the result, Group CEO Ian Narev said: "This result again highlights the benefits of a multi-year focus on our strategic priorities. During this financial year, the Group achieved a six-year goal of becoming the market leader in customer satisfaction, completed the six-year implementation of Core Banking Modernisation, maintained a careful balance between volume growth and margin, strengthened our balance sheet and continued our focus on building a high integrity and collaborative culture. Consistent execution of these long-term priorities, combined with our focus on productivity and continuing innovation, have delivered good financial returns for our shareholders. We have momentum in all of our businesses, due to the hard work of our people and their commitment to enhancing the financial wellbeing of our customers."

Key components of the result include:

- Continuing success of the strategy of customer focus, with the Group achieving and maintaining its position as the number one in customer satisfaction (relative to peers) in its Australian retail banking business, while maintaining its leadership position in business customer satisfaction;
- Revenue increase of 7 per cent, leading to 3 per cent positive "jaws";
- Continuing focus on productivity, resulting in a further 100 basis point improvement in cost to income ratio, which is now at 45 per cent;

- Solid growth in the Australian banking businesses, with average interest earning assets up $24 billion to $654 billion;
- Strong growth in average interest bearing deposits[1] – up $25 billion to $443 billion – resulting in customer deposits as a proportion of total Group funding increasing to 63 per cent;
- Recovery in markets-based businesses with Wealth Management's earnings up 9 per cent and IB&M's Market's business rebounding;
- Strong operating performance from ASB Bank and Bankwest;
- Good progress in growing and strengthening Asian businesses;
- An increase of four basis points in Group Net Interest Margin (NIM) to 2.13 per cent as higher wholesale and deposit funding costs partially offset the positive impacts of asset re-pricing and mix changes;
- Substantial on-going investment in long term growth, amounting to $1,237 million, on a tightly managed set of initiatives focusing on technology, productivity and risk;
- A continuing conservative approach to provisioning, with total lending provisions of $4.5 billion, and provisions to credit risk weighted assets at 1.60 per cent. Collective provisions include a management overlay of $823 million including an unchanged economic overlay; and
- On-going organic capital generation, leading to an internationally harmonised Basel III Common Equity Tier 1 of 11.0 per cent, up 120 basis points.

The Group is one of only a limited number of global banks in the double-A ratings category.

Deposit growth during the period has seen the Group satisfy a significant proportion of its funding requirements from customer deposits. However, competition for deposits remains intense, and had a negative impact on margins. During the period, the Group took advantage of improving conditions in wholesale markets, issuing $25 billion of long term funding in multiple currencies.

While some of the Group's customers are facing challenges, this is not translating into a deterioration of credit quality. However, given the uncertain outlook for both the global and domestic economies, the Group maintains a strong balance sheet with high levels of capital and provisioning and $137 billion of liquidity as at 30 June 2013.

Turning to the outlook for the 2014 financial year Mr Narev said: "Our outlook for the global economy remains similar to six months ago. Our primary areas of economic focus are the level of confidence of Australian business and households, the impact of economic conditions in China on the demand and price for resources, the value of the Australian dollar and the resultant impact on export-sensitive parts of the Australian economy and the stability of funding markets. Indicators relating to all of these factors have been mixed

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(1) Includes transactions, savings and investment average interest bearing deposits.

over the past six months, and we expect that to remain the case in the near term. In addition, competition will remain strong in all our businesses, both from traditional financial services competitors and new technology-enabled business models.

"So overall, we believe that the underlying conditions for our business in the 2014 financial year will be similar to those we have experienced in the recently completed year. However, we are well positioned to meet the needs of our customers should the economy rebound more quickly than anticipated."

Ends

Media contact:

Bryan Fitzgerald
Ph: (02) 9117 7047
Mobile: 0414 789 649

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APPENDIX: SUMMARY TABLE OF KEY FINANCIAL INFORMATION

	Full Year Ended			Half Year Ended		
	30 Jun 13 $M	30 Jun 12 $M	Jun 13 vs Jun 12 %	30 Jun 13 $M	31 Dec 12 $M	Jun 13 vs Dec 12%
Highlights						
Retail Banking Services	**3,054**	2,703	13	1,548	1,506	3
Business and Private Banking	**1,488**	1,513	(2)	753	735	2
Institutional Banking and Markets	**1,210**	1,098	10	607	603	1
Wealth Management	**687**	629	9	353	334	6
New Zealand	**635**	541	17	326	309	6
Bankwest	**561**	527	6	303	258	17
Other	**184**	102	80	149	35	large
Net profit after income tax ("cash basis") (1)	**7,819**	**7,113**	**10**	**4,039**	**3,780**	**7**
Net profit after income tax ("statutory basis") (2)	**7,677**	**7,090**	**8**	**4,016**	**3,661**	**10**

	Full Year Ended			Half Year Ended		
	30 Jun 13	30 Jun 12	Jun 13 vs Jun 12 %	30 Jun 13	31 Dec 12	Jun 13 vs Dec 12 %
Key Shareholder Ratios						
Earnings per share ("cash basis") - basic (cents)	**485.8**	449.4	8	250.3	235.5	6
Return on equity ("cash basis") (%)	**18.4**	18.6	(20) bpts	18.8	18.1	70 bpts
Return on assets ("cash basis") (%)	**1.1**	1.0	10 bpts	1.1	1.0	10 bpts
Dividend per share - fully franked (cents)	**364**	334	9	200	164	22
Dividend payout ratio ("cash basis") (%)	**75.4**	75.0	40 bpts	80.2	70.2	large
Other Performance Indicators						
Total interest earning assets ($M)	**653,637**	629,685	4	657,951	649,394	1
Funds Under Administration - spot ($M) (3)	**249,695**	204,104	22	249,695	227,372	10
Net interest margin (%)	**2.13**	2.09	4 bpts	2.17	2.10	7 bpts
Operating expenses to total operating income (%)	**45.0**	46.0	(100) bpts	44.9	45.1	(20) bpts

(1) Net Profit after income tax ("cash basis") – represents net profit after tax and non-controlling interests before Bankwest non-cash items, the gain/loss on acquisition/disposal of controlled entities/investments, treasury shares valuation adjustment, Count Financial acquisition costs, Bell Group litigation expenses and unrealised gains and losses related to hedging and IFRS volatility. This is Management's preferred measure of the Group's financial performance.

(2) Net Profit after income tax ("statutory basis") – represents net profit after tax and non-controlling interests, Bankwest non-cash items, the gain/loss on acquisition/disposal of controlled entities/investments, treasury shares valuation adjustment, Count Financial acquisition costs, Bell Group litigation expenses and unrealised gains and losses related to hedging and IFRS volatility. This is equivalent to the statutory item "Net profit attributable to Equity holders of the Bank".

(3) Comparative information has been reclassified to conform to presentation in the current year.