



CommonwealthBank 

MEDIA PRESENTATION

FOR THE FULL YEAR ENDED 30 JUNE 2016

COMMONWEALTH BANK OF AUSTRALIA | ACN 123 123 124 | 10 AUGUST 2016

**WHEN
WE BELIEVE,
WE CAN.**

Our Strategy

Customer Focus

Capabilities

People



Productivity



Technology



Strength



Growth Opportunities

“One CommBank”

Continued growth in business and institutional banking

Disciplined capability-led growth outside Australia



TSR Outperformance



Our Vision and Values

Our Vision

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

Our Values

**Integrity
Accountability
Collaboration
Excellence
Service**



Cash NPAT up 3%

	Jun 16		Jun 16 vs Jun 15
Statutory Profit (\$m)	9,227	↑	2%
Cash NPAT (\$m)	9,450	↑	3%
ROE – Cash (%)	16.5%	↓	(170) bpts
Cash Earnings per Share (\$)	5.55	→	-
Dividend per Share (\$)	4.20	→	-



Australia's economy exposed to global uncertainty

GDP¹

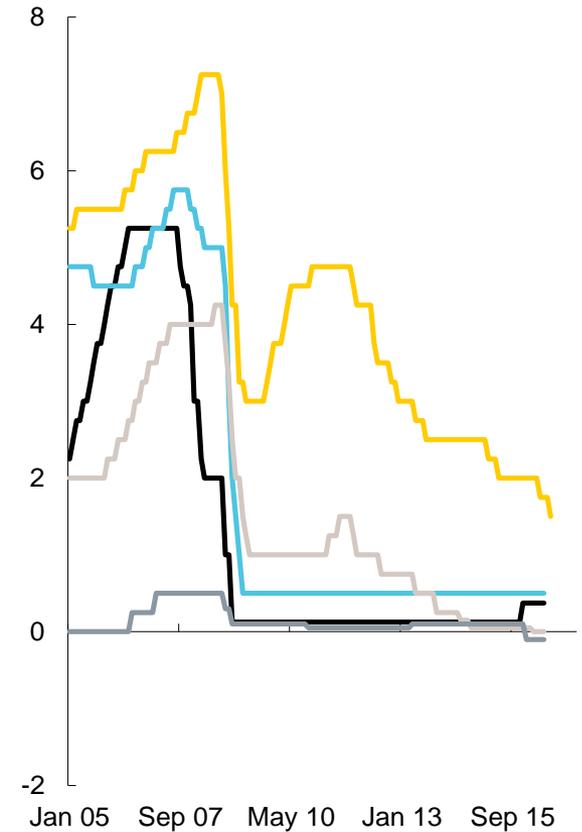
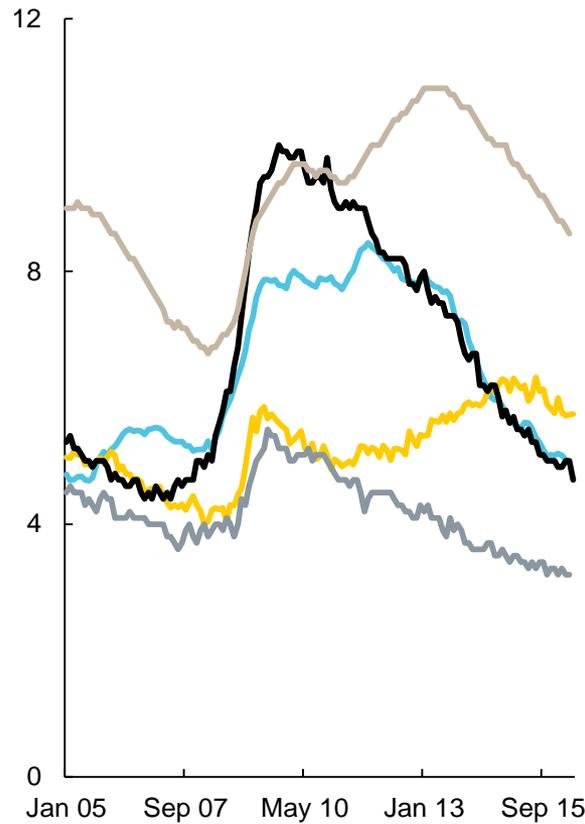
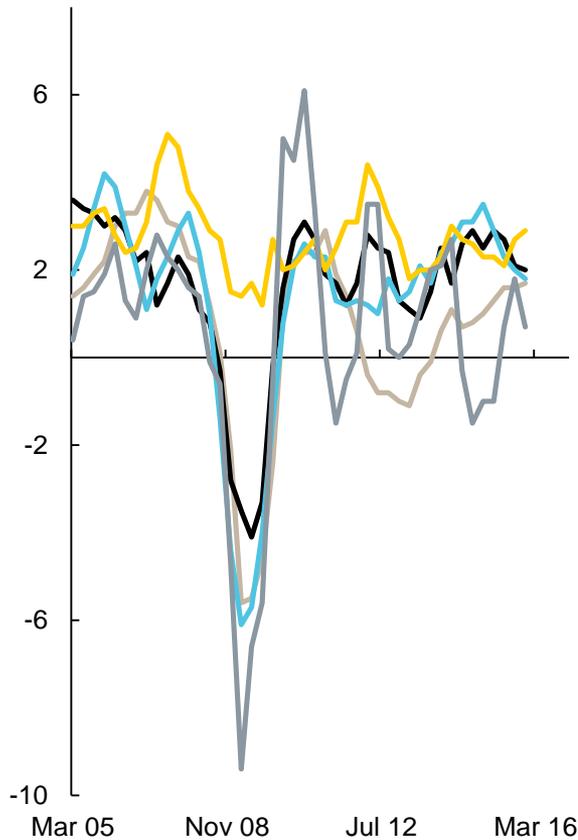
(annual % change)

Unemployment Rate²

(%)

Global Interest Rates¹

(%)



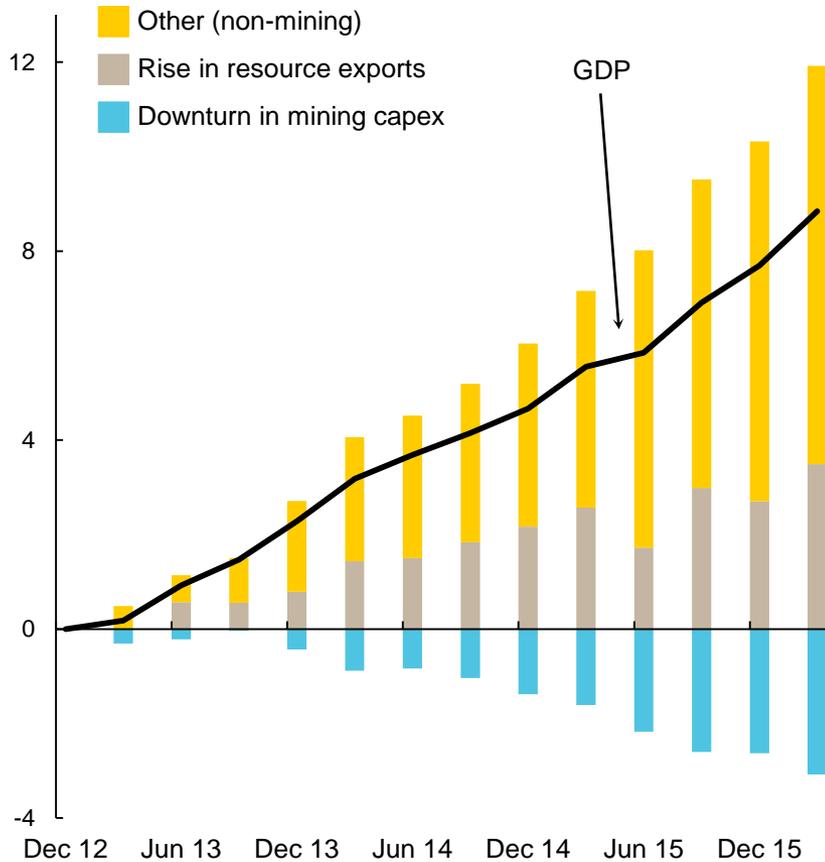
1. Source: Bloomberg
2. Source: CEIC



The domestic growth transition continues

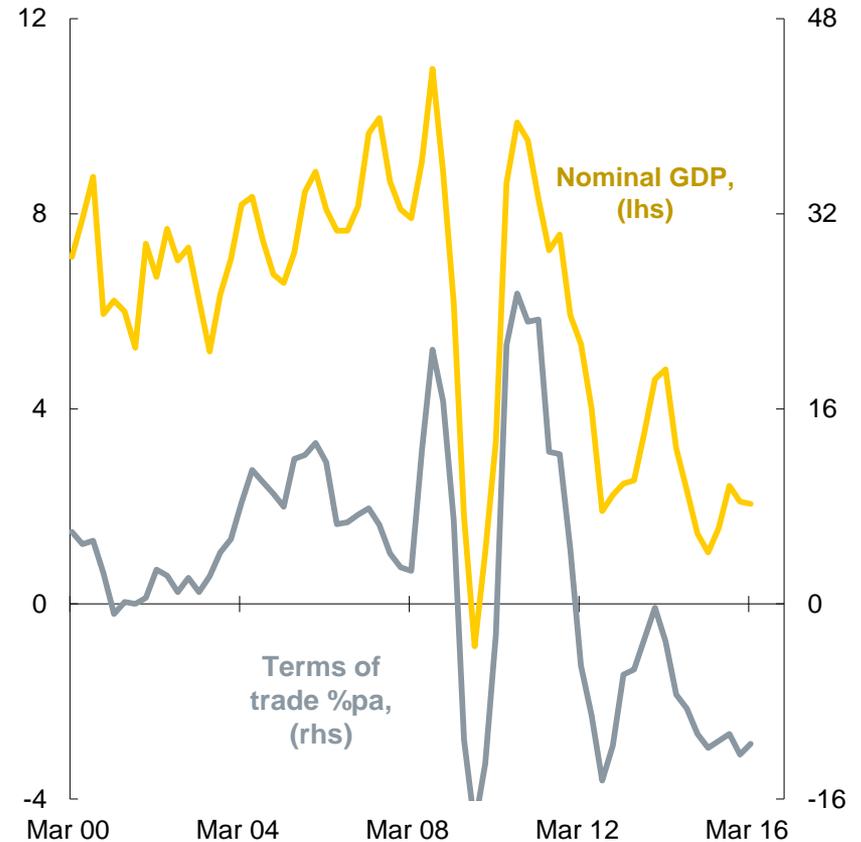
Growth drivers from mining peak¹

(cumulative contribution to GDP since end 2012)



Nominal GDP/Terms of Trade

(annual % change)



Continued focus on the customer

Customer Satisfaction

Retail

#1

Business

= #1

Wealth

#1

IFS

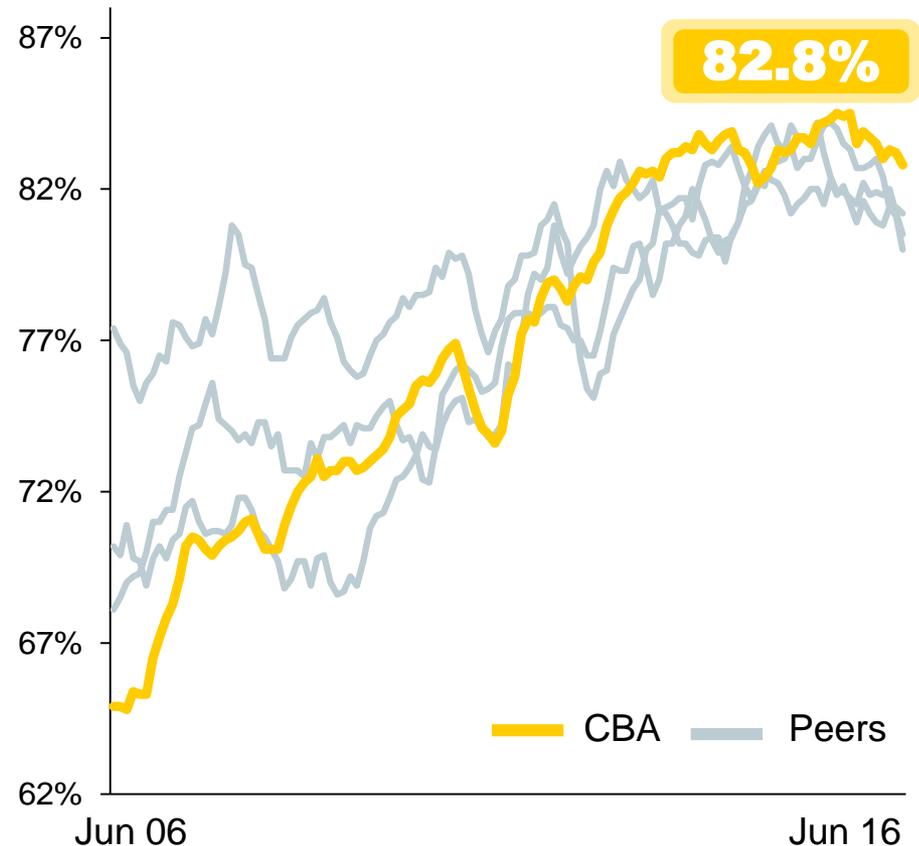
#1

Internet

#1

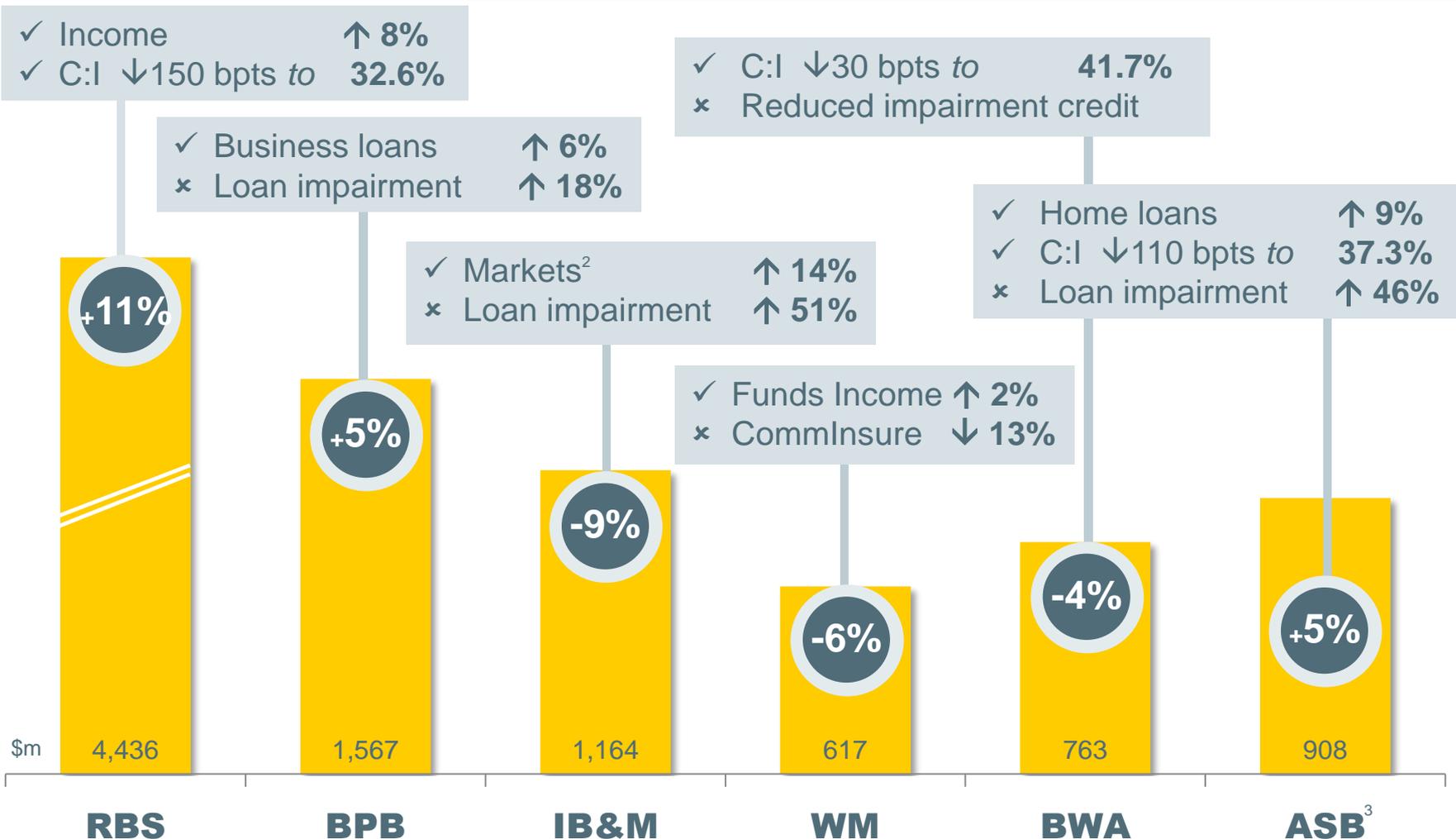
Retail Customer Satisfaction

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



Divisional Contributions

Cash NPAT FY16¹



1. All movements on prior comparative period except where noted
 2. Growth in Markets income excluding derivative valuation adjustments
 3. ASB result and performance metrics in NZD

Ongoing volume growth

Balance Growth¹

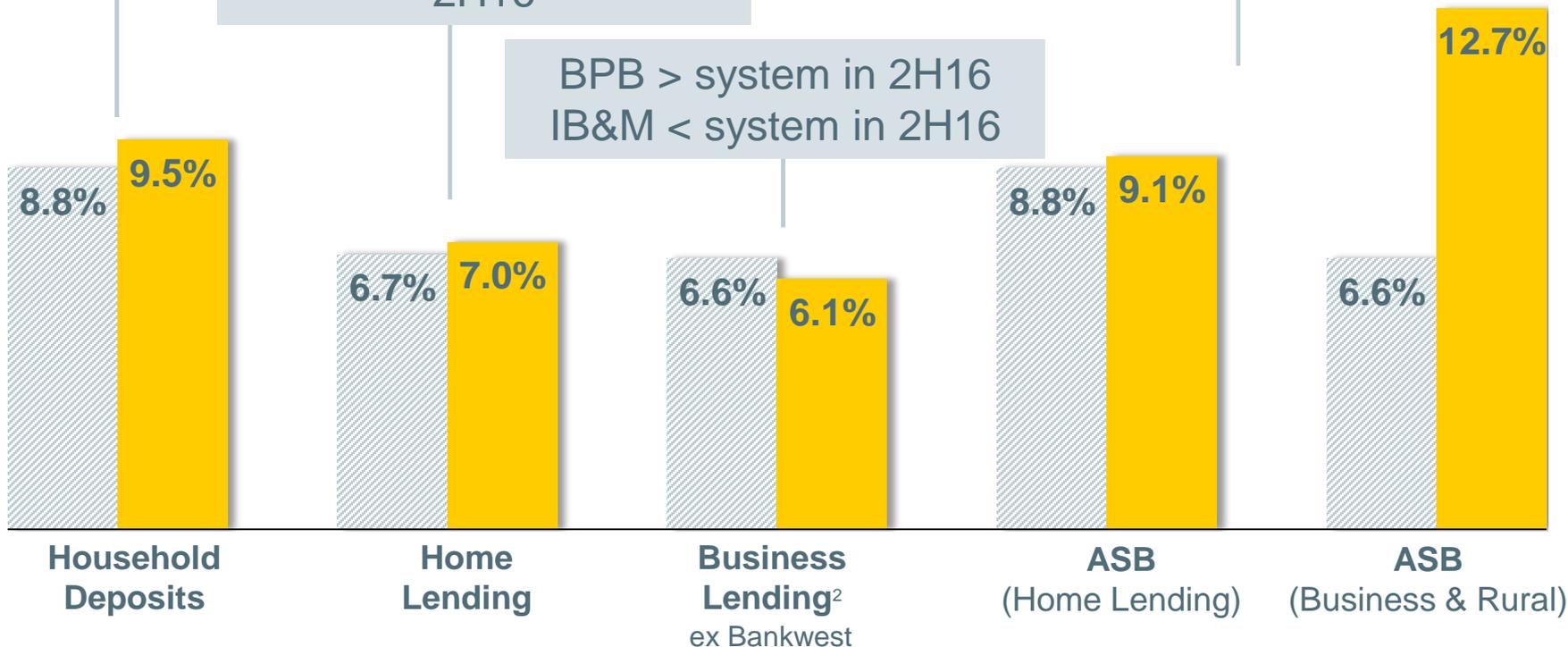
12 months to Jun 16

Driven by continued strong growth in Transaction Accounts

Above system growth in 2H16

ASB – strong growth across the board: housing, business, rural

BPB > system in 2H16
IB&M < system in 2H16

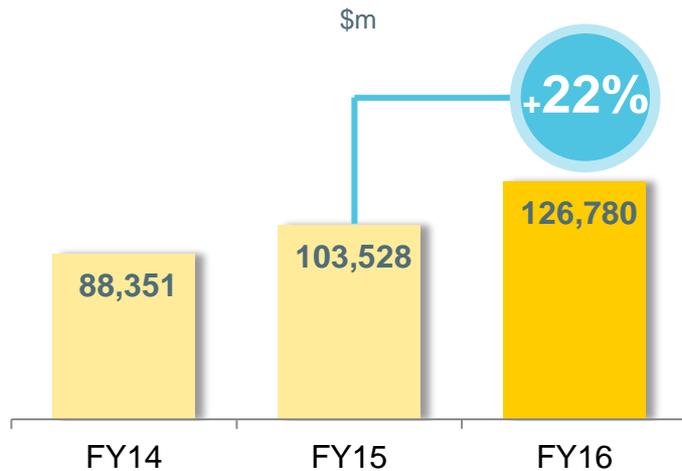


1. Spot balance growth twelve months to June 2016. Source RBA/APRA/RBNZ. CBA includes BWA except Business Lending. 2. Domestic Lending balance growth (BPB & IB&M). Source RBA.



Transaction Banking¹

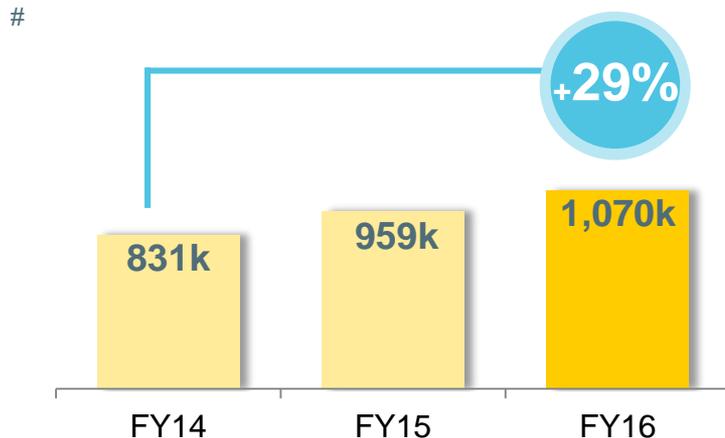
Group Transaction Balances



Strong growth across divisions



RBS New Transaction Accounts³



Innovation & Simplicity

- ✓ Real time
- ✓ Instant Banking
- ✓ Fast, simple processes

1. Includes non-interest bearing deposits. 2. Excludes Cash Management Pooling Facilities (CMPF). 3. Number of new RBS personal transaction accounts, including offset accounts.



Innovation and Simplicity

Simplified Personal Loans

Based on what you've told us we've estimated that you'd have...



- Existing expenses/debts
- New loan repayments
- Total remaining

It looks like you'd be spending **97%** of your monthly income if you get this loan.

Consider reviewing your loan options, allowing extra for unexpected costs e.g. interest rate increases if you've got variable rate loans or car repairs.

Easy application and approval with focus on financial wellbeing



Simplified Home Loans

GOOD NEWS! YOUR LOAN HAS BEEN **CONDITIONALLY APPROVED**



Jane Citizen

Application number: 1234567890

About your application
Your next steps are explained in your conditional eligibility letter. A copy of your letter will be saved in your NetBank inbox for your records. [Review your application](#)

We're here to help
To speak with one of our Home Lending Specialists call 13 22 24. 9am to 6pm, 365 days or [make an appointment](#)

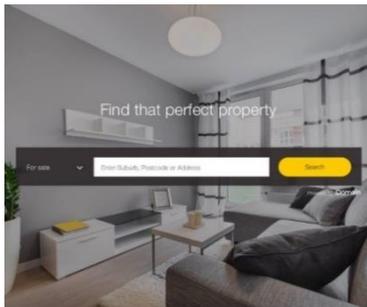
Found the perfect property?

Keep the ball rolling and apply online for a home loan today.

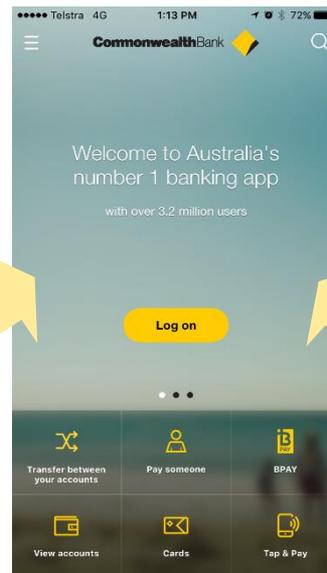
[Apply now](#)

Easy conversion of conditional to full approval

Enhanced Property Search



Now across key platforms – property listings, prices etc



Instant Banking

Open, fund and access transaction accounts in under 5 minutes



Innovation and Simplicity

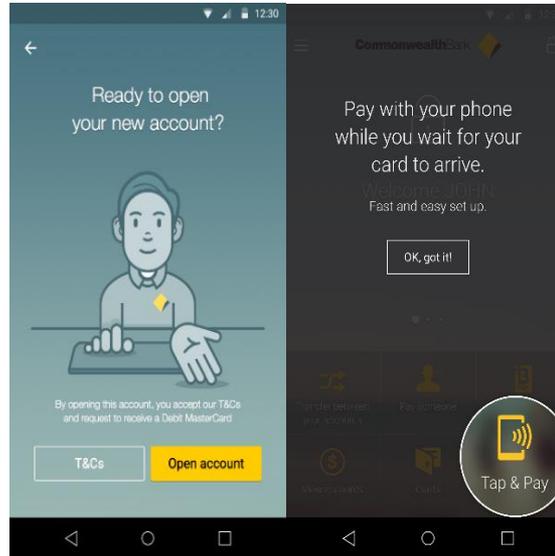
Paperless Statements



October 2015

Move to paperless statements with a single click - over 800,000 additional accounts now paperless¹

Instant Banking



May 2016

New transaction accounts opened < 5 minutes + instant access via Cardless Cash, Tap & Pay

Photo a bill



June 2016

BPAY details automatically populated from photo – simple click for payment

1. Since launch in October 2015



Productivity + Efficiency + Investment

Productivity

↓ 73%

Asset Finance Approval
(Turnaround time)

↓ 72%

SME Loan Approval - IFS
(Turnaround time)

↓ 85%

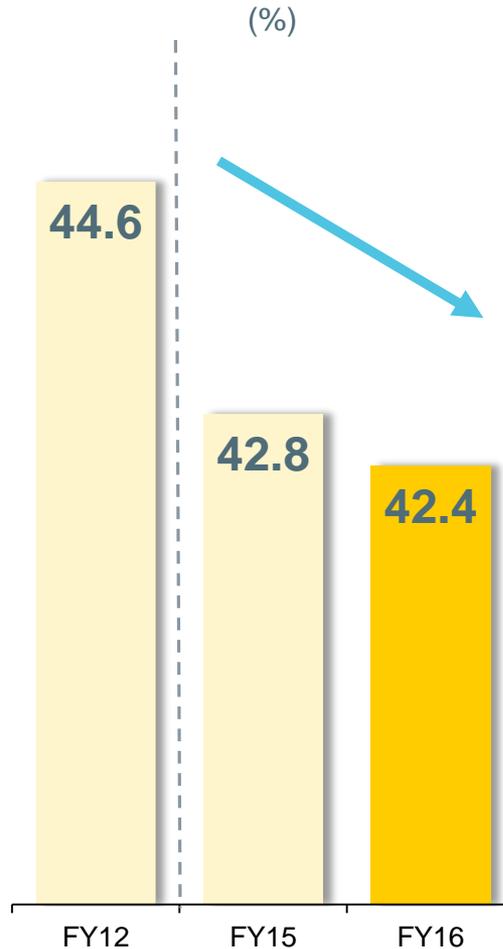
Colonial Customer Requests
(Turnaround time)

↓ 97%

Bankwest Small Business Credit Card
(Turnaround time)

Cost-to-Income

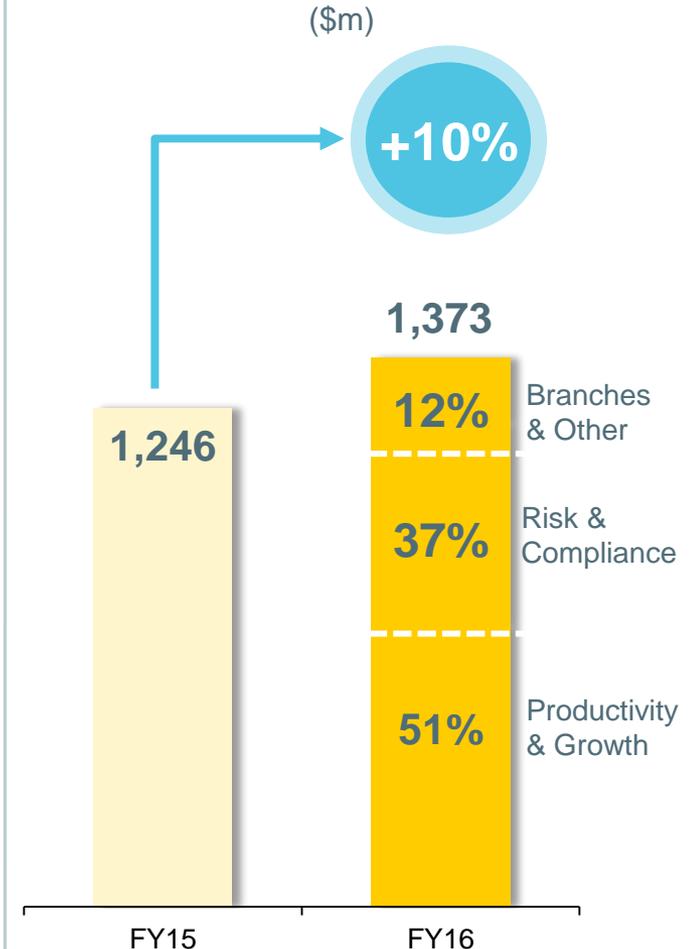
(%)



Reinvestment

(\$m)

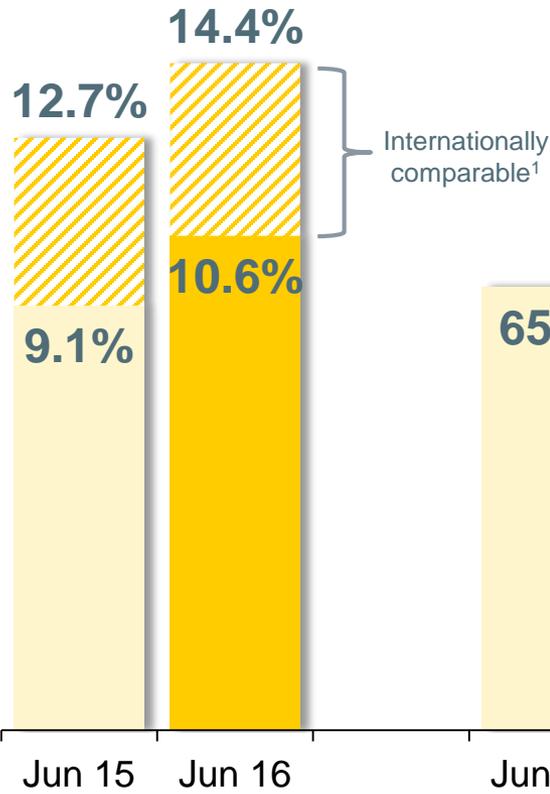
+10%



Strength

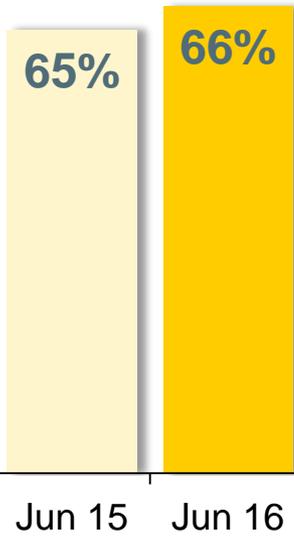
Capital

Basel III
Common Equity Tier 1



Deposit Funding

% of Total Funding



Wholesale Funding

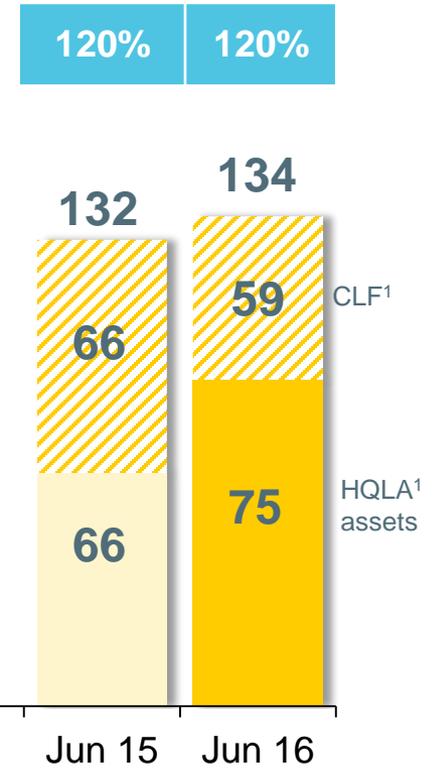
Portfolio Tenor²
(years)



Liquidity³

\$bn

LCR



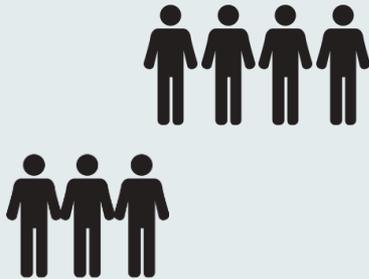
1. Refer glossary for definitions. 2. Weighted Average Maturity of long term wholesale debt. Includes all deals with first call or residual maturity of 12 months or greater. 3. Liquids are reported net of applicable regulatory haircuts.



Depositors and shareholders fund our lending to borrowers

Depositors

11.3 million
deposit customers



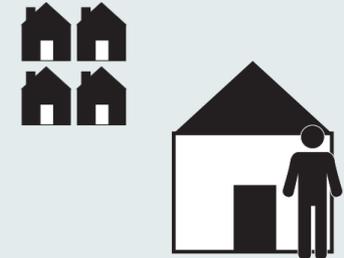
Shareholders

Over **800,000**
Australian households are
direct shareholders and
millions more individuals
through their
superannuation funds



Borrowers

1.9 million
home loan customers



A customer who invests in a 3
year term deposit offer will earn

\$575
more per year*

76%

of profits are paid to
shareholders as dividends.
The average retail shareholder
will receive \$3,738 this year

\$403
per year saved on the average
variable home loan**

* based on the average customer term deposit balance and CBA 3 year TD offer announced on 2 August, 2016

** based on rate reduction announced on 2 August, 2016

Broad contributor to Australian wellbeing

Operating Income FY16

\$24.6bn

Expenses

Including ~5,000 SME partners and suppliers (>90% Australian)

Loan impairment

Cost of lending across the economy

Tax expense

Australia's largest tax payer¹ and signatory of the Voluntary Tax Transparency Code

Salaries

Employing ~41,400 people in Australia, ~51,700 globally

\$6.2bn

\$1.3bn

\$4.2bn

\$3.6bn

\$2.3bn

\$7bn

Retained for capital and growth

Over \$192 billion in new lending in FY16

Dividends

Returned to over 800,000 shareholders & super funds



Outlook

- ◆ Solid underlying GDP growth and stable employment, but nominal growth remains weak
- ◆ Globally, monetary stimulus unable to offset low confidence from weak incomes and instability
- ◆ “More of the same” the most likely scenario, but with some downside risk
- ◆ For CBA – conservatism, focus on the long-term, wary of structural responses to cyclical trends



Customer Metrics - 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 2016. Peers includes ANZ, NAB and Westpac. CBA excludes Bankwest. (Slides 7)
- 2 DBM Business Financial Services Monitor (June 2016), 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. (Slides 7)
- 3 Wealth Insights platform service and 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 adviser 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. This measure is updated annually in April. (Slide 7)
- 4 PT Bank Commonwealth in Indonesia rated number one among foreign banks for customer service as measured by MRI (one of the leading industry Standards for Customer Service Excellence). (Slide 7)
- 5 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 2016. Rank based on comparison to ANZ, NAB and Westpac. (Slides 7)





CommonwealthBank 

MEDIA PRESENTATION

FOR THE FULL YEAR ENDED 30 JUNE 2016

COMMONWEALTH BANK OF AUSTRALIA | ACN 123 123 124 | 10 AUGUST 2016

**WHEN
WE BELIEVE,
WE CAN.**