

Shareholder Review

2013

CommonwealthBank



KEY FINANCIALS

	JUN 2013	VS JUN 2012
OPERATING INCOME (\$M)	21,345	7%
OPERATING EXPENSES (\$M)	9,605	4%
CASH NPAT (\$M)	7,819	10%
STATUTORY NPAT (\$M)	7,677	8%
RETURN ON EQUITY - CASH (%)	18.4%	(20) bpts
CASH EARNINGS PER SHARE (CENTS)	485.8	8%
FULL YEAR DIVIDEND PER SHARE - FULLY FRANKED (CENTS)	364	9%

CASH NPAT CONTRIBUTION

RBS
\$3,054m (39%)

BPB
\$1,488m (19%)

IB&M
\$1,210m (16%)

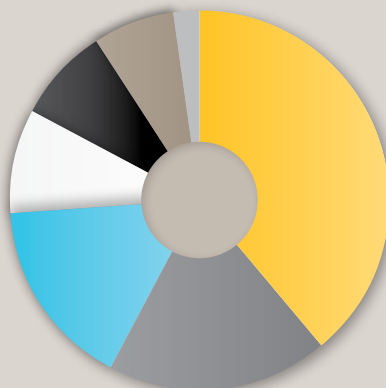
WM
\$687m (9%)

NZ
\$635m (8%)

BWA
\$561m (7%)

IFS & Other
\$184m (2%)

RBS: RETAIL BANKING SERVICES
BPB: BUSINESS & PRIVATE BANKING
IB&M: INSTITUTIONAL BANKING & MARKETS
WM: WEALTH MANAGEMENT
NZ: NEW ZEALAND
BWA: BANKWEST
IFS & OTHER: GROUP TREASURY, CENTRE FUNCTIONS, IFS ASIA

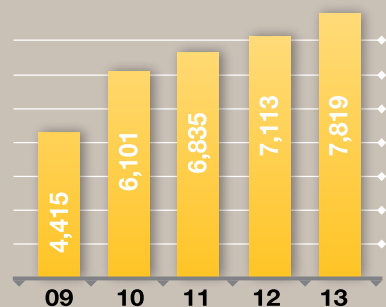
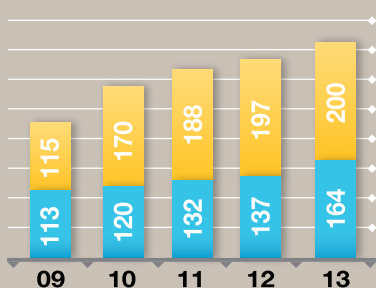


FULLY FRANKED DIVIDENDS (cents)

CASH NPAT (\$m)

FIRST HALF

SECOND HALF





CHAIRMAN & CEO'S REVIEW

2013 RESULT - A STRONG FINANCIAL RESULT

A continuing focus on our long term strategy ensured that, against a backdrop of mixed global economic environments, the Group performed well during the 2013 financial year. The Group has delivered another strong quality result driven by strong revenue and earnings growth.

Statutory net profit after tax (NPAT) for the 2013 financial year was \$7,677 million – up 8 per cent on the prior year. Cash earnings were \$7,819 million up 10 per cent on the

prior year. Cash return on equity was 18.4 per cent on a significantly stronger capital base of 11 per cent Core Equity Tier 1 (Internationally Harmonised).

This result is testimony to the benefits of focusing on long-term strategic priorities and continuing to deliver against the priorities. The Group's strategy has customer focus as its overarching priority with the underlying belief that satisfied customers lead to satisfied shareholders.

STRATEGIC ACHIEVEMENTS

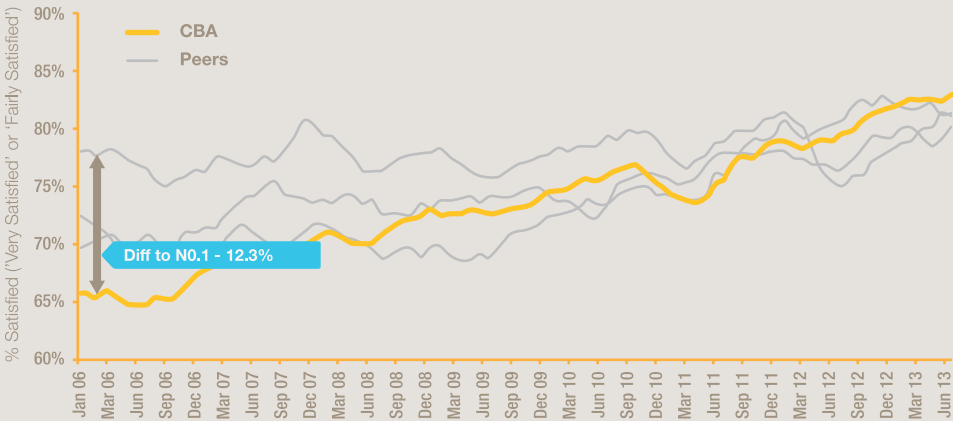
During the 2013 financial year, the Group achieved a six-year goal of becoming number one among Australia's major banks in terms of retail customer satisfaction, as measured by the Roy Morgan survey. When combined with leading customer satisfaction positions in our business and private banking, ASB, institutional banking and wealth management businesses, this provides a strong foundation for on-going success.

A critical part of our customer focus over many years has been our investment in technology and our goal to be world leading in the application of technology. During the 2013 financial year, we completed our Core Banking Modernisation upgrade. The completion

of this project resulted in industry-leading features for customers, centred around the only true 24 hours a day, seven days a week core banking system among the major banks in Australia (and one of the few in the world for a bank of this scale). With the project now completed, we are focused on continuous innovation for the benefit of our customers. We are still only at the start of our long term effort to apply world-leading technology for the benefit of our customers.

At the heart of our business lie our people and their skills and dedication. Development of talent programs, increasing skills across our businesses in Australia and overseas are central to the execution of our strategy and ongoing progress.

NUMBER 1 IN RETAIL CUSTOMER SATISFACTION



Source: Roy Morgan Research | 6 month rolling average

GOOD MOMENTUM

The consistent execution and the achievement of these long-term priorities have resulted in the Group having good momentum across all our businesses

with strong growth in home loans, household deposits, business lending and funds management net flows.

HOME LOANS

Balance Growth¹

+160bpts

5.1%

6.7%

System

CBA

HOUSEHOLD DEPOSITS

Balance Growth^{1,2}

+120bpts

5.3%

6.5%

System

CBA

BUSINESS LENDING

Balance Growth¹

5X

1.4%

7.0%

System

CBA

FUNDS MANAGEMENT

\$bn

Platform Net Flows

+76%

3.4

6.0

FY12

FY13

¹ Balance growth, 6 months to Jun 13 annualised. Source: RBA / APRA

² Household Deposits system growth.

FINANCIAL HIGHLIGHTS

Key components of the financial result included:

- Revenue increase of 7 per cent, leading to 3 per cent positive jaws*;
- Continuing focus on productivity, leading to a further 100 basis point improvement in cost to income ratio, to 45 per cent;
- An increase of four basis points in Net Interest Margin (NIM) to 2.13 per cent as higher wholesale and deposit funding costs partly offset the positive impacts of asset re-pricing, basis risk 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 lending provisions of \$4.5 billion, and lending provisions to credit risk weighted assets at a conservative 1.60 per cent. The Collective Provisions include a management overlay of \$823 million and an unchanged economic overlay; and
- Significant organic capital generation, leading to an internationally harmonised Basel III Common Equity Tier 1 of 11.0 per cent, up 120 basis points.

*difference between revenue increase and expense increase.

“ **This result again highlights the benefits of a multi-year focus on our strategic priorities. Consistent execution of these long-term priorities, combined with our focus on productivity and continuing innovation, have delivered good financial returns for our shareholders and we expect them to continue to do so.** ”

DIVIDENDS

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

Total dividend for the 2013 financial year was \$3.64 – an increase of 9 per cent on the prior year. The cash dividend payout ratio for the 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.

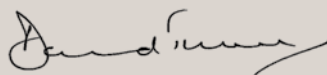
The Group's Dividend Reinvestment Plan (DRP) will continue to operate but no discount will be applied under the plan for the 2013 final dividend. Given the Group's high level of Tier 1 capital, the Board decided, as it did for the 2013 interim dividend, to neutralise or minimise the dilutive impact of the DRP through an on-market share purchase and transfer to participants.

LOOKING FORWARD

While we still remain positive about the long term outlook for the Australian economy, it is difficult to envisage any short term change in conditions with the lack of consumer and business confidence continuing to weigh on the economy.

This means that the underlying conditions for our business in the 2014 financial year are unlikely to be dramatically different from those we experienced in the just completed year. As a result, our business settings will remain reasonably conservative although we are clearly well positioned to meet the needs of our customers should the economy rebound more quickly than anticipated.

Finally, the Board and the Management team thank our customers and shareholders for their continuing support for the Commonwealth Bank of Australia and of course all the staff of the Group on whom we depend for our success.



David J Turner
CHAIRMAN
13 AUGUST 2013



Ian Narev
CHIEF EXECUTIVE OFFICER
13 AUGUST 2013

OUR VISION



Our vision is to excel at securing and enhancing the financial wellbeing of people, businesses and communities. This builds on our customer-focused culture, our sense of responsibility, and our desire to keep getting better.

Our vision encapsulates the Group's reason for being. We're supporting millions of our customers to own their own homes, to live and retire comfortably, and to protect their families and property. We're backing businesses of all sizes, and across a wide variety of industries. We're providing a livelihood for over 50,000 people in our businesses. We're contributing significantly to the communities in which we operate, including helping generations learn about managing money, thereby securing a better future. And our success helps approximately 800,000 households who own our shares directly, and millions more who own them through pension funds.

In achieving our vision we will be supported by three things:

- **Our strategy** - Customer focus continues to be the overarching priority of the Group's strategy, and is supported by our People, Technology, Strength and Productivity capabilities.
- **Our values** - Integrity, Collaboration, Accountability, Excellence and Service, define our culture and are how we are expected to treat each other and our external stakeholders as we work to achieve our vision.

- **Our people capabilities** - These are the skills, knowledge and behaviours that our people are all expected to display, to give us competitive advantage now and into the future. Our people capabilities are: Customer Focus, Team and Culture, Continuous Improvement, Effective Communication, Judgement, and Driving Results.

People, businesses and communities are entrusting us with something precious – their financial wellbeing. This is what motivates us to do our best. I am confident that with all the energy and passion of everyone at the Commonwealth Bank Group, we'll make the most of every opportunity to excel in meeting those financial needs.

We are all proud of our long history of meeting our customers' needs, working for our shareholders and contributing to the communities in which we operate. Our vision honours that proud history and gives us a strong sense of responsibility for what we do – and fulfillment when we get it right.

OUR STRATEGY

Our strategy remains focused on creating long-term value for our customers, our shareholders and our people.

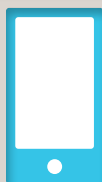
Our goal is to achieve significant long term growth, high employee engagement, a strong experience for our customers, and ongoing total shareholder return and outperformance for our shareholders.

CUSTOMER FOCUS

CAPABILITIES



People



Technology



Strength



Productivity

Customer Focus – Our customers are what unify us: they are at the heart of what we do. We will continue to secure and enhance the financial wellbeing of our customers. It is this focus that will see us continue to provide our customers with an outstanding experience with us. To enhance our customer focus, our strategy is supported by four clear capabilities – People, Technology, Strength and Productivity.

People – We have a vibrant, customer-focused and high integrity culture. Our people are central to our success. We will continue to invest in people development, talent management and making the Group a place committed to diversity, safety and one where our people are proud to work.

Technology – We are applying world-class technology to meet the evolving needs of our customers. We are

developing applications that leverage real-time capabilities, considering new ways for our customers to interact with us and continuing to use technology to enhance productivity.

Strength – Through the financial crisis we learnt that the Group's strength and stability make us the organisation Australians trust to look after their money. A strong and flexible balance sheet is important to ensuring we can continue to support our customers and capitalise on opportunities.

Productivity – We are continuously simplifying the way we do things to achieve better outcomes for our customers and our people. This is something good businesses do at all times and is critical to our long-term success.

TECHNOLOGY LED INNOVATION FROM STATE OF THE ART CORE SYSTEM

Having completed the replacement of its Core Banking system, the Group now delivers industry-leading features for customers, centred around the only true 24 hours a day, seven days a week Core Banking system among the major banks in Australia (and one of the few in the world for a bank of this scale). With the project now completed, we are focused on continuous innovation for the benefit of our customers.

We continued to evolve the mobile banking experience with more updates to our industry-leading apps for both smartphones and iPhones during 2013.

CommBank, one of Australia's most visited websites, was relaunched with a new look and enhanced user experience.

The introduction of video conferencing across our national branch network has successfully brought the 'bank to the branch'. Customers can now access our extensive range of financial specialists via

face-to-face video conferencing facilities at their local branch.

In an Australian-first, the Commonwealth Bank launched MyWealth, an innovative online hub to help DIY investors build and manage their own wealth.

Extending our success around the launch of the world's first retail banking platform Pi, the Commonwealth Bank introduced Leo, a device enabling businesses to turn their iPod Touch or iPhone 4 into a contactless payment platform.

We remain focused on further enriching the customer banking experience by putting the world's most advanced technology at our customers' finger tips.

OVERSEAS OPERATIONS

As a result of the Group's continued focus on developing its growth strategy in Asia, **International Financial Services Asia (IFS Asia)** has delivered a good result. IFS Asia's cash net profit after tax for the year ended 30 June 2013 was \$104 million, up 30 per cent on the prior year. This result was driven by stronger contribution from China investments and the Indonesian proprietary banking business.

The Group continued its expansion in Asia during the year with the opening of five new China County Banks. PT Commonwealth Life added two new proprietary life insurance sales offices in Indonesia bringing the total number to 30. Approval for a Beijing branch has also been received from the Chinese regulator.

In **Wealth Management**, CFSGAM's growth was driven by strong investment performance in improving equity markets. For **Institutional Banking and Markets**, higher institutional lending balances and improved trading performance in fixed income and rates contributed to the good result.

CommBiz Mobile



- > Real-time cash flow information for business customers
- > Payment authorisation from anywhere
- > 36,000 logins, >2,000 activations since launch in Mar 2013

OPERATING REVIEW



RETAIL BANKING SERVICES

Retail Banking Services cash net profit after tax for the full year ended 30 June 2013 was \$3,054 million, an increase of 13 per cent on the prior year.

The result was driven by continued strong growth in net interest income, sound management of operational expenses and an improvement in loan impairment expense.

Solid volume growth across all major products supported the result and this, combined with some recovery of margins to cover the increased cost of deposit funding, led to the strong growth in interest income.

The ongoing focus on productivity enabled continued investment in technology.

The Retail Bank reached number 1 in overall MFI Customer Satisfaction for the first time in January 2013 and finished the year ranked highest in customer satisfaction among its peers. This strategic focus had been in place since 2006 and has seen the Retail Bank move from last, with a gap of 12.5 per cent to number 1. During this time the Retail Bank has increased the products per customer to be peer leading at 3.00 products.

A good result in an uncertain and volatile environment, driven by focused delivery of our strategic priorities.



BUSINESS AND PRIVATE BANKING

Business and Private Banking achieved a cash net profit after tax of \$1,488 million for the year ended 30 June 2013, a decrease of 2 per cent on the prior year.

Commercial lending experienced balance growth of 6 per cent due to customer demand for market rate linked products such as commercial bills; however, this was offset by a decrease in net interest margin due to the highly competitive deposit market.

Demand by customers for risk management related products was lower as the trading environment was less volatile than the prior year.

Equity trading volumes decreased a further 12 per cent. This was partially offset by an improvement in yields.

Disciplined expense management combined with productivity initiatives

resulted in expenses remaining flat while investment in technology continued to increase.

Loan impairment expense increased 5 per cent on the prior year as a result of softening collateral values.

Customer focus remained a key strategic priority and the business was recognised as:

- Money Magazine Business Bank of the Year
- AB+F's Business Bank of the Year 2013
- Canstar's Best Value Bank for both Small Business and Agribusiness

INSTITUTIONAL BANKING AND MARKETS

Institutional Banking and Markets achieved a cash net profit after tax of \$1,210 million for the year ended 30 June 2013, which represented a 10 per cent increase on the prior year.



The result was driven by favourable counterparty fair value adjustments on derivatives, positive trading performance, higher asset leasing rental income and increased lending fee income.

Interest earning lending assets increased 5 per cent to \$76.8 billion.

Net interest margin was down 10 per cent on the prior year as a result of lower lending margins and continued declining deposit margins due to competition for deposits and customers shifting to lower margin term deposit products.

The increase in operating expenses of 7 per cent reflected higher depreciation due to the growth in asset leasing,

strategic investments to support growth and increase amortisation of technology investments.

Credit quality remained consistent with the overall credit rating of the portfolio remaining stable.

Continued focus on delivering leading transaction banking solutions to our customers resulted in continued momentum in mandate wins.

WEALTH MANAGEMENT

Cash net profit after tax for the full year ended 30 June 2013 was \$687 million, a 9 per cent increase on the prior year.

Funds Management income was \$2,075 million, an increase of 10 per cent on the prior year reflecting improved global investment markets, strong investment performance in the funds management business and platform net flows of \$6 billion.

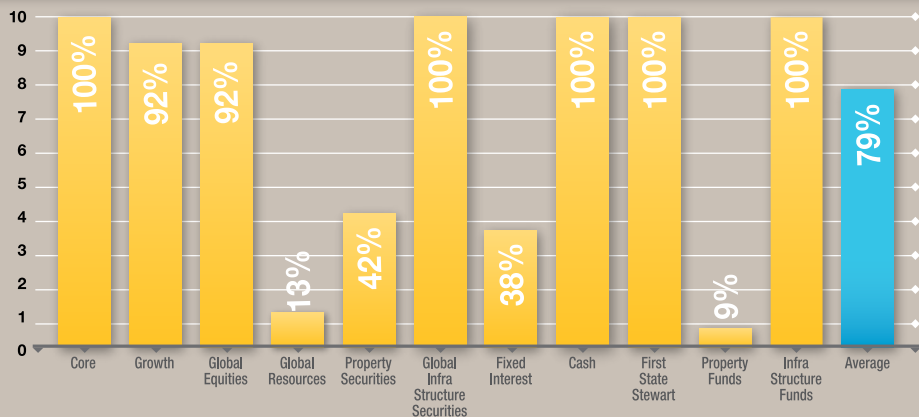
Insurance income was \$716 million, a 4 per cent increase on the prior year. This was driven by:

- Retail Life Insurance income increasing 12 per cent, due to strong growth in Retail Bank network sales; and
- General Insurance delivering a strong result with a 40 per cent increase in income driven by Inforce Premium growth of 18 per cent and improved event and working claims.

These increases were partially offset by Retail Advice lapse rates increasing over the year and Wholesale Life net revenue declining significantly due to unfavourable claims experience and claims reserve increases.

Operating expense growth was 9 per cent reflecting increased project and investment spend, including compliance and regulatory change programs. The result also incorporated the full period impact of the inclusion of Count Financial Limited.

STRONG INVESTMENT PERFORMANCE - 3 YEARS



Percentage of funds in each asset class outperforming benchmark



NEW ZEALAND

New Zealand cash net profit after tax for the year ended 30 June 2013 increased 14 per cent on the prior year to NZ\$800 million.



The result was driven by a strong performance from ASB Bank with improved margins, volume growth and increases in other banking income partially offset by higher impairment expense.

ASB Bank cash net profit after tax for the year ended 30 June 2013 increased 12 per cent on the prior year to NZ\$699 million. The result was driven by 7 per cent growth in operating income partially offset by an increase in loan impairment expense.

Operating expenses increased 1 per cent on the prior year. Disciplined cost management and the embedding of a productivity culture have seen inflationary pressures largely absorbed. The expense to income ratio was

42.1 per cent, an improvement of 260 basis points on the prior year.

Sovereign cash net profit after tax for the year increased 35 per cent on the prior year to NZ\$100 million. Inforce growth continues to remain solid and persistency and claims experience have been better than expected despite the competitive, low growth environment. Movement in interest rates together with an unfavourable actuarial policy valuation adjustment in the prior year has resulted in an improvement in investment experience.

ASB

 **SOVEREIGN**

BANKWEST

Bankwest cash net profit after tax for the year ended 30 June 2013 was \$561 million, an increase of 6 per cent on the prior year.



Key drivers of the result included growth in home loan balances, a decrease in low margin investment deposits and an increase in transaction deposits mainly to retail customers.

A strong focus on productivity and disciplined expense management resulted in operating expenses decreasing by 3 per cent. The expense to income ratio reduced by 380 basis points to 47.2 per cent.

Loan impairment expense increased by \$57 million on the prior year as loan impairment expense returned to more normal levels for this part of the cycle. Home loan arrears improved during the year as a result of consumers continuing to deleverage.



BOARD OF DIRECTORS



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01 David J Turner
CHAIRMAN

David has been a member of the Board since August 2006 and has been Chairman since February 2010. David is Chairman of the Board Performance and Renewal Committee. He was Chairman of Cobham plc from 2008 to 2010 and CEO of Brambles from 2003 until his retirement in 2007. David has held a number of directorships including Whitbread plc and Iron Trades Insurance Group and has been a member of the Quotations Committee of the London Stock Exchange. Age 68.

02 Ian Narev
MANAGING DIRECTOR & CEO

Ian commenced as MD and CEO in December 2011. He joined the Group in 2007 and worked as Group Head of Strategy and Group Executive, Business and Private Banking before being appointed as CEO. Prior to joining the Group, Ian was a partner of McKinsey's New York, Sydney and Auckland offices from 1998 to 2007. Ian is Chairman of Commonwealth Bank Foundation. Age 46.

03 Sir John A Anderson
KBE

Sir John has been a member of the Board since March 2007. He was CEO & Director of ANZ National Bank Ltd from 2003 to 2005 and National Bank of NZ Ltd from 1989 to 2003. Sir John is Chairman of PGG Wrightson Ltd, NPT Ltd. and Steel & Tube Holdings Ltd, and Deputy Chairman of Turners & Growers Limited. Age 68.

04 Jane S Hemstritch

Jane has been a member of the Board since October 2006. Jane is Chairman of the Remuneration Committee. She was MD – Asia Pacific for Accenture Ltd from 2004 until her retirement in 2007. Jane is a director of Lend Lease Corp Ltd, Santos Ltd, Tabcorp Holdings Ltd and Chairman of Victorian Opera Co Ltd. Age 60.

05 Launa K Inman

Launa has been a member of the Board since March 2011. She was appointed MD and CEO of Billabong Intl Ltd from May 2012 to August 2013. Prior to this, Launa was MD of Target Australia Pty Ltd from 2005 to 2011 and MD of Officeworks from 2004 to 2005. Age 57.

06 S Carolyn H Kay

Carolyn has been a member of the Board since March 2003. She has over 25 years of experience in international finance including working as both a banker and a lawyer at Morgan Stanley, JP Morgan and Linklaters & Paines in London, New York and Australia. Carolyn is a director of Allens, Brambles Ltd, Infrastructure NSW and Sydney Institute. Age 52.

07 Brian Long

Brian has been a member of the Board since September 2010. Brian is Chairman of the Audit Committee. He retired as partner of Ernst & Young in 2010. Until that time he was Chairman of both Ernst & Young Global Advisory Council and Oceania Area Advisory Council. Brian is Deputy Chairman of Ten Network Holdings Ltd. Age 67.

08 Andrew M Mohl

Andrew has been a member of the Board since July 2008. He was MD and CEO of AMP Ltd from 2002 to 2007 and former Group Chief Economist and MD of ANZ Funds Management at ANZ Banking Group. Andrew is Chairman of Federal Government Export Finance and Insurance Corp and retired as a director of AMP Foundation in 2012. Age 57.

09 Harrison Young

Harrison has been a member of the Board since February 2007. Harrison is Chairman of the Risk Committee. He was Chairman of Morgan Stanley Australia from 2003 to 2007. Harrison was a Director of the Bank of England until May 2012. He was Chairman of NBN Co Ltd and Better Place (Australia) Pty. Age 68.

REMUNERATION

NON-EXECUTIVE DIRECTORS

The Group has a strong composition of skilled, knowledgeable and experienced Non-Executive Directors on the Board.

Non-Executive Directors' fees reflect the scope of their roles and responsibilities. They receive fees for services on the Board and Committees. Fee levels are fixed and the total amount of all fees for Non-Executive Directors on the Board is capped by a shareholder-approved pool (currently \$4 million per year).

Non-Executive Directors

Remuneration in relation to the 2013 financial year

	Fees ¹ (\$000)	Superannuation (\$000)	Total Payments (\$000)
Chairman			
David Turner	840	16	856
Non-Executive Directors			
John Anderson	261	16	277
Jane Hemstritch	307	16	323
Launa Inman	267	16	283
Carolyn Kay	307	16	323
Brian Long	306	16	322
Andrew Mohl	278	16	294
Harrison Young	314	16	330

(1) Includes Board and Committee fees received as cash including minor adjustments in relation to previous years and the pre-tax portion of fees received as CBA shares.

Further information about Non-Executive Directors' remuneration is available on page 60 of 2013 Annual Report and on the Group's website www.commbank.com.au/shareholder

THE CEO AND GROUP EXECUTIVES

The CEO and Group Executives receive a mix of fixed and performance-based remuneration that is market competitive.

Performance-based remuneration includes short term incentives (STI) and long term incentives (LTI). These awards are aligned to the Group's short term and long term business strategies and reflect the Group's strategic priorities.

CEO and Group Executives

Remuneration in relation to the 2013 financial year

	Fixed Remuneration ¹ (\$000)	2013 STI for Performance to 30 June 2013 ² (\$000)	Total Cash Payments in relation to the 2013 year (\$000)	Previous Years' Awards that Vested during 2013 ³		Previous Years' Awards Forfeited/Lapsed during 2013 ⁴
				Deferred Cash Awards (\$000)	Deferred Equity Awards (\$000)	LTI Awards (\$000)
Ian Narev (CEO)	2,500	1,563	4,063	1,033	1,691	(172)
Simon Blair	830	506	1,336	454	-	-
David Cohen	900	563	1,463	559	1,765	(167)
Matthew Comyn⁵	873	567	1,440	-	-	-
David Craig	1,380	863	2,243	804	2,122	(212)
Michael Harte	1,075	634	1,709	592	1,963	(192)
Robert Jesudason	800	504	1,304	-	-	-
Melanie Laing	800	480	1,280	165	-	-
Grahame Petersen	1,175	629	1,804	578	2,125	(222)
Ian Saines	1,330	745	2,075	687	2,518	(263)
Annabel Spring	980	627	1,607	386	95	-
Alden Toevs	1,430	851	2,281	739	2,152	(283)

¹ Base Remuneration and superannuation make up an Executive's fixed Remuneration.

² This is 50% of the 2013 STI for performance during the 12 months to 30 June 2013 (payable in September 2013). The remaining 50% is deferred until 1 July 2014.

³ The value of all deferred cash and/or equity awards that vested during 2013 financial year. This includes the value of the award that vested, plus any interest and/or dividends accrued during the vesting period.

⁴ The value of any deferred cash and/or equity awards that were forfeited/lapsed during the 2013 financial year.

⁵ Matthew Comyn commenced in the KMP role effective 10 August 2012. His remuneration has been prorated accordingly.

Further information about executives' remuneration is available on pages 59 and 61 of 2013 Annual Report and on the Group's website www.commbank.com.au/shareholder

EXECUTIVE MANAGEMENT



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01 Simon Blair

Simon was appointed Group Executive International Financial Services in June 2009. He is responsible for managing the Group's Asian banking and life operations. Simon was MD of Sovereign New Zealand and COO of Medibank Private Australia. He also held senior roles at the World Bank and Inner & Eastern Health Care Network.

02 Barbara Chapman

Barbara was appointed Chief Executive and Managing Director of the Group's New Zealand subsidiary ASB in March 2011. She was also appointed non-executive director of the Group's New Zealand life insurance business, ASB Life Ltd (Sovereign). Her previous role was Group Executive Human Resources and Group Services since 2006.

03 David Cohen

David joined the Group as General Counsel in June 2008 and took on the role of leading Group Corporate Affairs in early 2012. He advises the CEO and the Board on legal matters and is also responsible for the Group's external and internal affairs, communications, sustainability and corporate governance. He had been General Counsel of AMP since 2003 and a partner with Allens Arthur Robinson for 12 years.

04 Matt Comyn

Matt was appointed Group Executive Retail Banking Services in August 2012, with responsibility for the Group's retail banking operation. Matt has been with the Group since 1999 and held the position of Executive General Manager for Local Business Banking. Prior to that Matt was MD of CommSec from 2006-2010.

05 David Craig

David commenced as Chief Financial Officer of the Group in September 2006. He is responsible for the overall financial functions of the Group. David has over 36 years' experience in banking and finance. He was CFO for Australand and COO for PricewaterhouseCoopers Australasia and a director of the Australian Gas Light Company.

06 Michael Harte

Michael joined the Group in April 2006 as Group Executive Enterprise Services, and Chief Information Officer. His experience includes information systems deployment and information management in Australia, Europe and US. Michael was previously VP Information Systems at Citibank. He has also worked at PNC Financial Services Group and Fonterra.

07**10****07 Rob Jesudason**

Rob joined the Group in December 2011 as the Group Head of Strategic Development. He was appointed a Group Executive from 1 July 2012. Rob is responsible for Group Strategy, Mergers and Acquisitions and also Business Productivity Improvement. He is also on the Board of ASB Bank in NZ. Prior to joining the Group, Rob held senior positions at Credit Suisse, JP Morgan, Barclays PLC and McKinsey. He has worked in Hong Kong, Europe and Japan.

10 Ian Saines

Ian was appointed Group Executive Institutional Banking & Markets in March 2009, with responsibility for providing total capital solutions to the Group's corporate, institutional and government clients. He joined the Group in 2004. Ian previously held senior leadership positions at Zurich Capital Markets Asia and Bankers Trust Australia Ltd.

08**11****08 Melanie Laing**

Melanie joined the Group in February 2012 as Group Executive Human Resources, with responsibility for all of the Group's HR functions. Melanie has a strong and diverse background leading HR divisions for large companies, and has headed global and regional HR functions for several multinational and ASX listed organisations, having worked in the US, Europe and Asia.

11 Annabel Spring

Annabel was appointed Group Executive Wealth Management in October 2011, with responsibility for Colonial First State, Colonial First State Global Asset Management, Advice and CommInsure. Prior to that, she was Group Head of Strategic Development and Communications since 2009. Previously she was a Managing Director at Morgan Stanley. She has worked in New York, and Asia.

09**12****09 Grahame Petersen**

Grahame was appointed Group Executive Business and Private Banking in October 2011, with responsibility for business banking, Private Banking and Equities and Margin Lending. Prior to that, he was Group Executive Wealth Management since 2006. He has more than 30 years of experience in the financial services industry, across retail banking, corporate banking, insurance and funds management.

12 Alden Toevs

Alden joined the Group in June 2008 as Group Chief Risk Officer. He serves as a Board member of the Colonial Mutual Life Assurance and the Centre for International Financial Research. He was with First Manhattan Consulting Group's risk management for eighteen years. Alden has advised more than 100 banks globally on risk, strategy, mergers and performance measurement.

5 YEARS

	2013 \$M
Income Statement	
Net interest income	13,944
Other operating income	7,555
Operating expenses	(9,605)
Impairment expense	(1,082)
Net profit before tax	10,812
Corporate tax expense	(2,977)
Non-controlling interests	(16)
Net profit after tax ("cash basis")	7,819
Hedging and IFRS volatility	27
Bankwest non-cash items	(71)
Tax on New Zealand structured finance transactions	–
Other non-cash items	(98)
Net profit after tax ("statutory basis")	7,677
Contributions to profit (after tax)	
Retail Banking Services	3,054
Business and Private Banking	1,488
Institutional Banking and Markets	1,210
Wealth Management	577
New Zealand	630
Bankwest	561
Other	194
Net profit after tax ("underlying basis")	7,714
Investment experience after tax	105
Net profit after tax ("cash basis")	7,819
Balance Sheet	
Loans, bills discounted and other receivables	555,648
Total assets	753,876
Deposits and other public borrowings	459,429
Total liabilities	708,384
Shareholders' equity	45,492

2012 ¹ \$M	2011 \$M	2010 \$M	2009 \$M
13,157	12,645	12,008	10,184
6,993	7,014	7,051	6,634
(9,196)	(8,891)	(8,601)	(7,765)
(1,089)	(1,280)	(2,075)	(3,048)
9,865	9,488	8,383	6,005
(2,736)	(2,637)	(2,266)	(1,560)
(16)	(16)	(16)	(30)
7,113	6,835	6,101	4,415
124	(265)	17	(245)
(89)	(147)	(216)	614
—	—	(171)	—
(58)	(29)	(67)	(61)
7,090	6,394	5,664	4,723
2,703	2,854	2,461	2,107
1,513	1,030	898	736
1,098	1,004	1,173	166
492	581	592	514
557	469	387	438
527	463	(45)	113
134	353	457	537
7,024	6,754	5,923	4,611
89	81	178	(196)
7,113	6,835	6,101	4,415
525,682	500,057	493,459	466,631
718,859	667,899	646,330	620,372
437,655	401,147	374,663	368,721
677,287	630,612	610,760	588,930
41,572	37,287	35,570	31,442

¹ Comparative information has been restated to conform with presentation in the current period

SUSTAINABILITY

BUILDING A SUSTAINABLE BUSINESS

Our vision is to excel at securing and enhancing the financial wellbeing of people, businesses and communities. Our Sustainability Strategic Framework, with its five focus areas, supports this vision and the creation of enduring value for our customers, people, shareholders and the broader community.

SUSTAINABLE BUSINESS PRACTICES

Our disciplined financial management and focus on transparency and accountability all underpin the sustainability of our business, helping us deliver sustainable total shareholder returns over the long term.

In addition and with a backdrop of increased competition and global financial uncertainty, we rolled out a number of productivity programs and initiatives that are having a positive impact on the culture of the organisation and delivering better outcomes for our customers.

- MyWealth, an online platform allowing self-directed investors to research and invest in a range of financial products.

We also continue to cater to specific customer segments with, for example, our Community Business Finance Program supporting Indigenous Australians who own or seek to start a business.

Our unwavering focus on customer service has helped us reach our goal of becoming the number one bank for customer satisfaction across all business areas, while delivering superior shareholder returns.

ENGAGED AND TALENTED PEOPLE

We are committed to providing a workplace which reflects the diversity and richness of the communities we serve.

In October 2012, the Executive Leadership Team endorsed the 2013–14 Diversity and Inclusion Strategy, structured around three pillars:

- Inclusion and respect;
- Diversity in leadership; and
- Adaptable work practices.

Cultural diversity and ethnicity, Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) are now part of our inclusion and respect pillar, which also continues to focus on disability.

RESPONSIBLE FINANCIAL SERVICES

We continue to focus on technology and the completion of our Core Banking Modernisation program, launched in 2008, provides a foundation platform to realise our customer-centric vision and deliver innovative solutions quickly and cost-effectively.

We were the first major Australian bank to offer our customers real-time settlement and real-time banking and we continue to transform the way Australians manage their money with innovations such as:

- CommBank Kaching for Facebook, the nation's first social media banking application; and

In the reporting period our people remained highly engaged, as shown by our recent Employee Engagement score of 80 per cent.



COMMUNITY CONTRIBUTION AND ACTION

We continue to strengthen and extend our involvement with the community. Examples include:

- The Commonwealth Bank Foundation StartSmart programs, which now include StartSmart Pathways, bringing money management skills to life for students enrolled in TAFE and vocational education;
- The launch in April 2013 of our fourth Reconciliation Action Plan (RAP), highlighting our achievements and plans as we continue to collaborate with Indigenous Australians to promote social, economic and financial inclusion;
- The matching of our people's contributions to the Staff Community Fund, Australia's largest and longest running workplace-giving program, which will award \$2 million in 2013 to grassroot programs focused on improving the health and wellbeing of Australian youth; and
- The growth of our skilled volunteering programs through the Jawun secondment program.

ENVIRONMENTAL STEWARDSHIP

In January 2013, and five months ahead of schedule, we reached the 20 per cent carbon reduction target we set ourselves in 2009.

A number of initiatives played a key role in achieving this target including:

- The Green Refresh Program, replacing inefficient lighting throughout the Group's branch network and upgrading the heating, ventilation and air conditioning (HVAC) systems in retail and commercial buildings; and
- One of Australia's most ambitious corporate property consolidations, which relocated the Group's people from 19 buildings across Sydney to three purpose-built and sustainable campuses, including the award-winning Commonwealth Bank Place in Sydney's Darling Quarter.

In addition, we remain committed to the continued development of the renewable energy and carbon markets and have been a major player in the renewable energy sector, with significant investments since 2004.

More information about the Group's approach to sustainability is available at www.commbank.com.au/sustainability2013



FINANCIAL CALENDAR

8 NOVEMBER 2013	2013 Annual General Meeting (Adelaide)
12 FEBRUARY 2014	Interim results and interim dividend announcement
17 FEBRUARY 2014	Ex-dividend date for interim dividend
21 FEBRUARY 2014	Record date for interim dividend
3 APRIL 2014	Interim dividend payment date
13 AUGUST 2014	Full year results and final dividend announcement
18 AUGUST 2014	Ex-dividend date for final dividend
22 AUGUST 2014	Record date for final dividend
2 OCTOBER 2014	Final dividend payment date

Dates may be altered by the Commonwealth Bank should circumstances require. Any changes will be advised to the Australian Securities Exchange Limited.

For further information about the Group's latest financial information, company announcements, current and historic share prices and dividends, key financial dates or to access and manage your shareholding online, please visit:
www.commbank.com.au/shareholder

Commonwealth Bank



ASB

bankwest



CommSec



CommInsure



Advice



Colonial First State

SOVEREIGN

Colonial First State

Global Asset Management



Commonwealth Life

YOUR COMMONWEALTH BANK DIVIDEND

Commonwealth Bank (the Group) pays shareholders with registered addresses in Australia, New Zealand and the United Kingdom cash dividends by direct credit. Shareholders can elect to participate in the Dividend Reinvestment Plan (DRP).

If you did not provide your direct credit instructions by the record date of 23 August 2013 and you are not a full DRP participant, your dividend payment is being held on your behalf in a non-interest bearing account. We encourage you to provide and keep your payment instructions up to date with Link Market Services Limited, the Group's share registrar. Payment of your dividend into your nominated bank account will be made as soon as possible after receipt of your direct credit instructions.

UPDATE YOUR DETAILS ONLINE

You can easily manage your holding online. This includes updating your registered address, payment instructions, communications preferences, DRP election or printing your dividend statements. All you have to do is to log on the Link Market Services Limited's (**Link**) website **www.linkmarketservices.com.au/investorcentre**

For a step-by-step demonstration on how to update your personal details online, please visit:
www.youtube.com/linkmarketservices

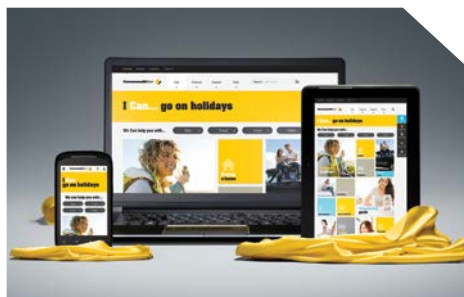
COMMBANK.COM.AU

Australia's number one financial services website now has a dramatically different, simplified and streamlined look.

Every week, 2 million customers access the CommBank website, and the extensive redesign and enhancements are a reflection of the shifting requirements of customers and shareholders.

So how does CommBank.com.au look different?

- The Utility navigation groups together popular features and is with you wherever you go on the site.
- The search function is more powerful than ever and delivers more relevant information.
- The new Can section is arranged in magazine-like tiles with practical and useful content for research.
- You can star pages to come back to later and share content with family and friends.
- The Support section is designed to help you access all the information to answer your questions.



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Annual Report

To request a copy of the Annual Report, please call Link Market Services Limited on +61 1800 022 440 or by email at cba@linkmarketservices.com.au. Electronic versions of Commonwealth Bank's past and current Annual Reports are available on www.commbank.com.au/shareholder/annualreports

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