

## SHAREHOLDER REVIEW

2015

**Commonwealth**Bank



- ✓ **\$9,063m statutory NPAT**  
Up 5% on prior year
- ✓ **\$4.20 full year dividend per share – fully franked**  
Up 5% on prior year
- ✓ **\$1.2bn investment spend**  
Continued investment in technology and productivity
- ✓ **9.1% capital ratio (CET1)**  
Funding and provisioning all remain strong
- ✓ **\$478bn customer deposits**  
Up \$39bn on prior year
- ✓ **\$243m community investment**  
Supporting the communities in which we operate
- ✓ **#1 Australian company on G100 Global Index**  
G100 is the global index for the world's most sustainable corporations
- ✓ **38% reduction in carbon emissions**  
Combined CBA and Bankwest reduction, between 2009 – 2015

## Dear Shareholders



**David Turner**  
CHAIRMAN

**Ian Narev**  
MANAGING DIRECTOR & CEO

# 2015:

**\$9,137m**

Net profit after  
tax (cash)

**561** cents

Earnings per  
share (cash)

**18.2%**

Return on  
equity (cash)

We are pleased to deliver a solid result for the year ended 30 June. Statutory net profit after tax (NPAT) increased 5% to \$9,063 million. Net profit after tax on a cash basis was \$9,137 million, up 5% on the prior year.

The Board declared a final dividend of \$2.22 per share, bringing the total dividend to \$4.20 per share, an increase of 5% on the prior year. This represents a dividend payout ratio of 75.1% and results in \$6.8 billion being returned to our 800,000 shareholders and superannuation funds.



The CommBank Innovation Lab is a cutting edge space to introduce clients and staff to our innovation process. It allows visitors to explore the Bank's latest products, while also providing the tools to work together and create the next generation of products.

## CUSTOMER FOCUS

This result reflects our continued focus on our customers, through our long-term strategic priorities – people, productivity, technology and strength.

We are pleased to report that during the period we regained the number one position in customer satisfaction among the major Australian banks in our Australian retail banking business, while maintaining equal first position in business customer satisfaction.

## TECHNOLOGY

Technology and innovation continue to be a focus for the Group. We are focused on the use of technology for the benefit of our customers, such as the launch of the Group's Innovation Lab at Commonwealth Bank Place in Sydney this year. The Lab provides a creative space for our people and customers to cultivate ideas and we have received very positive feedback about

how the Lab has assisted the development of market-leading solutions and services for our customers.

More information can be found on page 8.

## STRENGTH

Financial strength, including a strong capital position, is a pillar of our strategy. Throughout the year, the Group maintained a strong Balance Sheet, including high levels of capital with all ratios well in excess of regulatory minimum capital adequacy requirements.

During the year, APRA announced changes to capital requirements. As a result, your Board decided to undertake a \$5 billion entitlement offer. This offer is expected to boost the Group's pro forma Common Equity Tier 1 (CET1) capital ratio to 14.3% on an internationally comparable basis, or 10.4% on an APRA basis. This positions us comfortably within the top quartile of international peers in relation to capital levels.

## VISION AND VALUES

We remain committed to our long-term vision – to secure and enhance the financial wellbeing of people, businesses and communities. We seek to be not only the best performing but also a highly trusted financial institution in all of our activities.

In seeking to operate at the highest levels of ethical behaviour, we are very focused on strengthening our values-based culture built around integrity, collaboration, excellence, accountability and service. Over the last 12 months, the Group undertook an extensive review of our culture, assisted by external advisers, The Ethics Centre, KPMG and Gilbert & Tobin.

announcement of our Open Advice Review program. The program was open for registrations for one year from 3 July 2014 to any Commonwealth Financial Planning or Financial Wisdom customer who had received advice between 1 September 2003 and 1 July 2012. We have designed the program to empower and give confidence to our customers. We adopted a fair and consistent approach to advice reviews, underpinned by several layers of independence. Due to the complexity of the issues and the overriding need to get to the right answer for our customers, we expect the program to take about two years to complete.

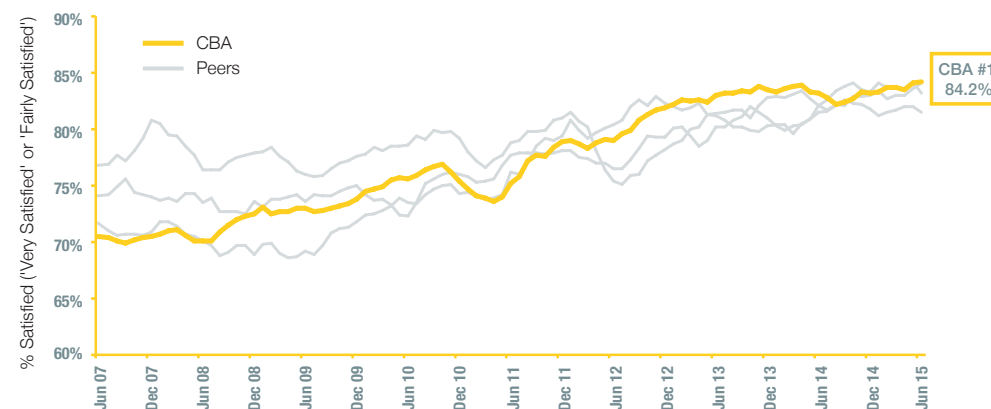
## THE ENVIRONMENT

We fully understand our role in addressing the challenge of climate change. We have robust, responsible lending practices in place, helping organisations to transition to a low carbon economy, investing in the renewable energy sector and measuring

## COMMONWEALTH FINANCIAL PLANNING

In last year's Shareholder Review, we referred to the shortcomings in our financial advice business in the past and the

## Number 1 in Retail Customer Satisfaction



Source: Roy Morgan Research | 6 month rolling average



and reducing our own environmental footprint.

We take a responsible approach to the way we provide financial products and services. Part of that approach has been the development and implementation of our Environmental, Social & Governance (ESG) Lending Commitments. Our ESG Lending Commitments set out how we approach the assessment and management of ESG risks and opportunities associated with client activities, such as carbon intensity, human rights and corruption. The Group has commenced reporting publicly on the progress of the implementation of these Lending Commitments.

More information can be found on page 12.

## ECONOMIC OUTLOOK

Looking ahead, we remain positive about the long-term performance of the Australian economy although there are inevitably short-term economic challenges. Whilst there are signs that the transition from the mining boom to non-mining led growth is occurring, we are yet to see the full transition.

As the country moves to a more balanced economy, we believe there are opportunities

that Australia can harness given our close proximity to Asia. To support the transition, we need to focus on consistent policies, support for long-term investment and encouragement for business.

We will remain conservative and we will stay focused on our long-term strategic priorities – people, productivity, technology and strength. We will strive to continue to deliver long-term value to our customers, shareholders, people and the broader community in which we operate.

Finally, we would like to thank you, our shareholders, our customers and our people for your continuing support for the Commonwealth Bank of Australia.

David J Turner  
CHAIRMAN  
12 AUGUST 2015

Ian Narev  
CHIEF EXECUTIVE OFFICER  
12 AUGUST 2015

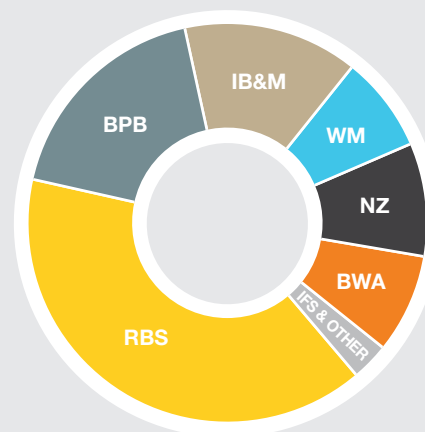
“ Our vision – to excel at securing and enhancing the financial wellbeing of people, businesses and communities – is at the centre of everything we do as an organisation. We seek to not only be the best performing but also a highly trusted financial institution in all of our activities. ”

# Delivering Results

## Key Financials

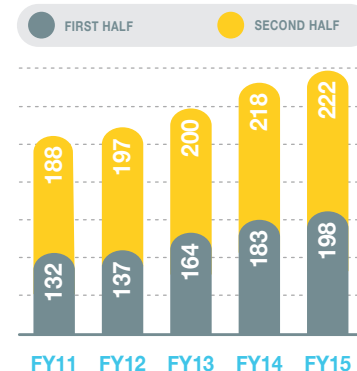
	JUN 15		VS JUN 14
OPERATING INCOME (\$M)	\$23,368	↑	5%
OPERATING EXPENSES (\$M)	\$9,993	↑	5%
CASH NPAT (\$M)	\$9,137	↑	5%
STATUTORY NPAT (\$M)	\$9,063	↑	5%
RETURN ON EQUITY – CASH (%)	18.2%	↓	(50) bpts
CASH EPS (CENTS)	561	↑	5%
DIVIDEND PER SHARE – FULLY FRANKED (CENTS)	420	↑	5%

## Cash NPAT Contribution

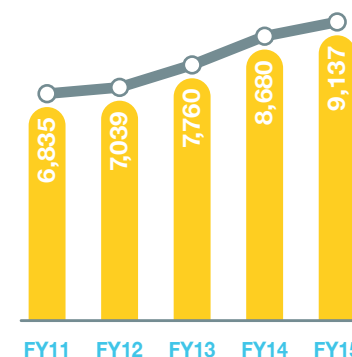


RBS: RETAIL BANKING SERVICES	\$3,867m (42%)
BPB: BUSINESS & PRIVATE BANKING	\$1,459m (16%)
IB&M: INSTITUTIONAL BANKING & MARKETS	\$1,268m (14%)
WM: WEALTH MANAGEMENT	\$650m (7%)
NZ: NEW ZEALAND	\$865m (10%)
BWA: BANKWEST	\$752m (8%)
IFS & OTHER: GROUP TREASURY, CENTRE FUNCTIONS, IFS ASIA	\$276m (3%)

## Fully Franked Dividends (cents)

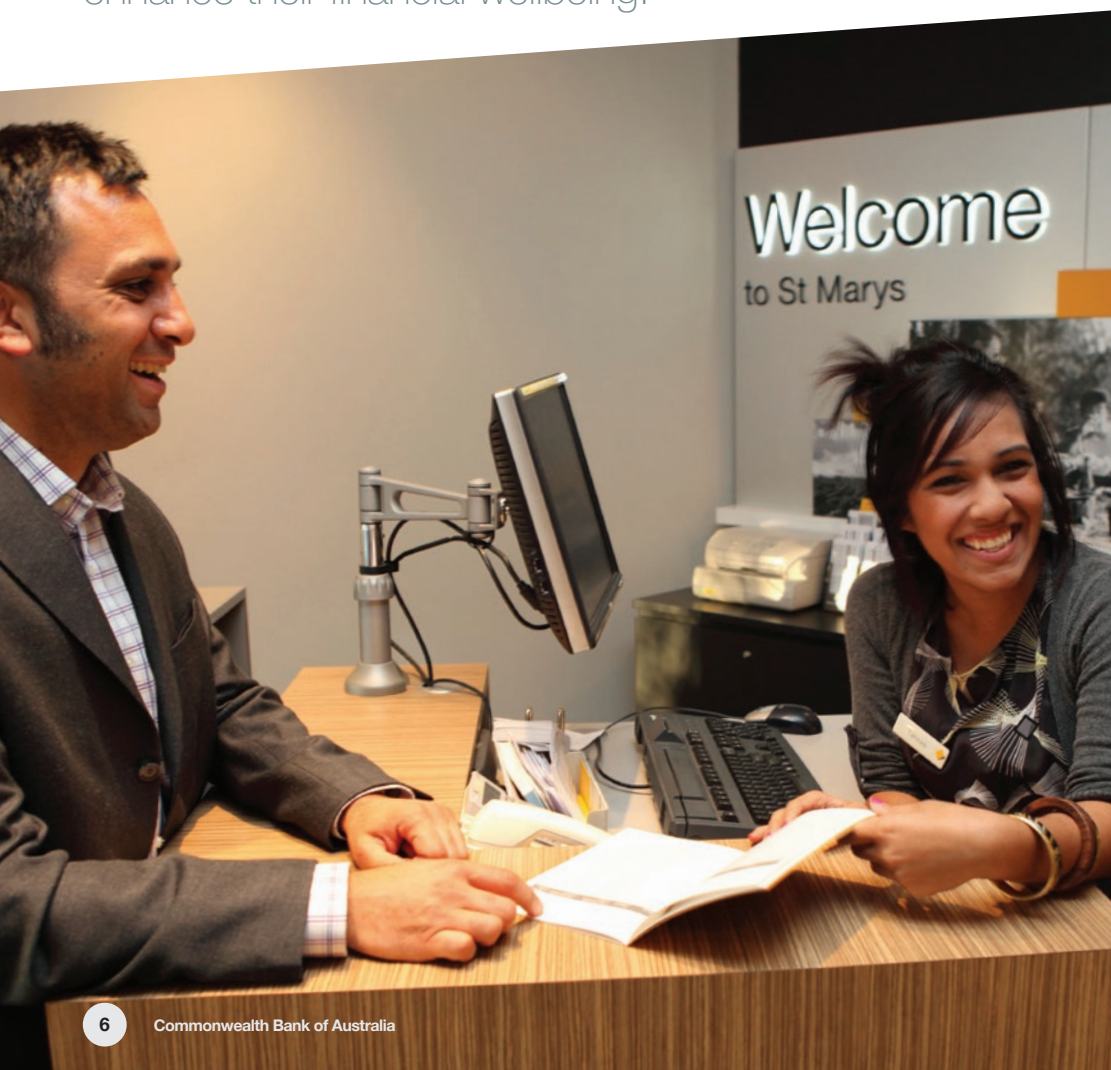


## Cash NPAT (\$m)



## Our Strategy

Our strategy remains focused on creating long-term value for our customers, our shareholders and our people. Our overarching priority is customer focus. This means we are committed to putting customers at the centre of everything we do, to secure and enhance their financial wellbeing.



## Strategic Priorities

Our customer-focused strategy is supported by four key strategic priorities to enhance business performance and future growth.

### Customer Focused

#### PEOPLE



Our people are central to our success. We remain focused on attracting, retaining and developing good quality people. We are committed to fostering a culture where our people are engaged, passionate and valued, as success with our people will lead to success with our customers, shareholders and our community over the long-term.

#### STRENGTH



Throughout the year the Group maintained a strong Balance Sheet, including high levels of capital, with all ratios well in excess of regulatory minimum capital adequacy requirements. A strong and flexible Balance Sheet is important to ensuring we can continue to support our customers and capitalise on opportunities.

#### PRODUCTIVITY



We continue to build a productivity-focused culture within the organisation. More of our people were trained in productivity-enhancing skills over the year and we can see that our people are adopting a 'continuous improvement' mindset to create more simplified processes. This ensures we make it easier for our customers to interact with us.

#### TECHNOLOGY



We aspire to become a global leader in the application of technology to financial services. Over the past year we have again made significant progress towards this goal, launching a number of new innovative technologies and services that fundamentally change the way our customers access and manage their finances.

# Leading Technology

We continue to invest in innovative technologies to create an outstanding service experience for our customers.

## Meet Albert



A GLOBAL **FIRST-TO-MARKET** EFTPOS TABLET



HELPS BUSINESSES IMPROVE AND TAILOR THEIR **CUSTOMER OFFERING**



**PORTABLE, USER-FRIENDLY, SECURE** POINT-OF-SALE DEVICE



CUSTOMERS CAN SPLIT PAYMENTS, ADD TIPS, EMAIL RECEIPTS



## Temporary Lock



**TEMPORARILY** LOCK AND UNLOCK COMMBANK CREDIT CARDS VIA THE COMMBANK APP AND NETBANK



CARDS CAN ALSO BE **CANCELLED AND REPLACED**

## Portfolio View



**ONE COMPLETE VIEW** OF YOUR ASSETS AND LIABILITIES IN NETBANK



**SUPPORT TOOLS** TO MAKE MORE INFORMED FINANCIAL DECISIONS



## CommBank app

### For smartwatches



COMMBANK APP FOR ANDROID AND APPLE SMARTWATCHES

- ATM locator
- View account balances
- Transactional capability with Cardless Cash



COMMSEC APP FOR APPLE WATCH

- View live sharemarket information
- View share portfolio and share holdings
- Receive share price, volume and news alerts

### New features for mobile



**TOUCH ID NOW AVAILABLE**  
Sign in with your fingerprint



**TAP & PAY WITH ANDROID PHONE**  
Make purchases on the go



**VIEW AND MAINTAIN TRAVEL MONEY CARD**  
Lock in exchange rates and reload in real time, wherever you are



**COMMBANK APP NOW AVAILABLE ON TABLET**



## Take Your Money Everywhere (TYME)



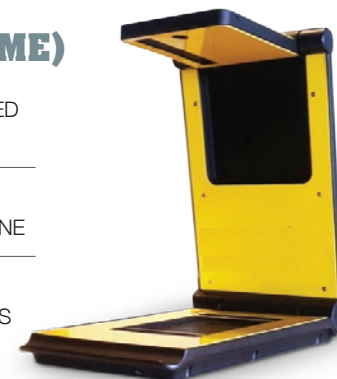
THE GROUP ACQUIRED **TYME**, A SOUTH AFRICAN BASED FINANCIAL SERVICES TECHNOLOGY COMPANY



ALLOWS CUSTOMERS TO **OPEN AND MANAGE REGULATED BANK ACCOUNTS** USING A MOBILE PHONE



THE GROUP IS EXPLORING HOW TYME CAN **PROVIDE BANKING SERVICES** TO UNDER-SERVED COMMUNITIES IN DEVELOPING MARKETS SUCH AS **ASIA**



# The Group at a glance

Our diversified business segments ensure the Group is able to achieve profitable growth and support our customers.



CASH NET PROFIT AFTER  
TAX FOR THE YEAR ENDED  
30 JUNE 2015 WAS  
**\$3,867m**  
↑ 5%

## RETAIL BANKING SERVICES (RBS)

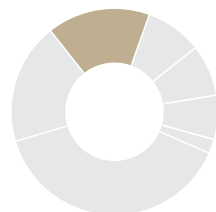
Retail Banking Services provides home loan, consumer finance and retail deposit products and servicing to all Retail bank customers and non-relationship managed small business customers. In addition, commission is received for the distribution of Wealth Management products through the retail distribution network.



CASH NET PROFIT AFTER  
TAX FOR THE YEAR ENDED  
30 JUNE 2015 WAS  
**\$1,459m**  
↑ 10%

## BUSINESS & PRIVATE BANKING (BPB)

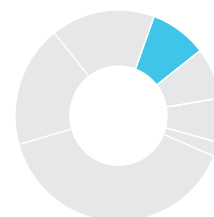
Business and Private Banking provides specialised banking services to relationship managed business and Agribusiness customers, private banking to high net worth individuals and margin lending and trading through CommSec.



CASH NET PROFIT AFTER  
TAX FOR THE YEAR ENDED  
30 JUNE 2015 WAS  
**\$1,268m**  
↑ 1%

## INSTITUTIONAL BANKING & MARKETS (IB&M)

Institutional Banking and Markets services the Group's major corporate, institutional and government clients using a relationship management model based on industry expertise and local insights. The client offering includes debt and equity capital raising, financial and commodities price risk management and transactional banking capabilities. Institutional Banking and Markets has international operations in New Zealand, Japan, Singapore, Hong Kong, Shanghai, London, Malta, New York and Houston.



CASH NET PROFIT AFTER  
TAX FOR THE YEAR ENDED  
30 JUNE 2015 WAS  
**\$650m**  
↓ 18%

## WEALTH MANAGEMENT (WM)

Wealth Management includes the Global Asset Management (including operations in Asia and Europe), Platform Administration, Financial Advice and Life and General Insurance businesses of the Australian operations.



CASH NET PROFIT AFTER  
TAX FOR THE YEAR ENDED  
30 JUNE 2015 WAS  
**\$865m**  
↑ 17%

## NEW ZEALAND (NZ)

New Zealand includes the Banking, Funds Management and insurance businesses operating in New Zealand (excluding the international business of Institutional Banking and Markets).



CASH NET PROFIT AFTER  
TAX FOR THE YEAR ENDED  
30 JUNE 2015 WAS  
**\$752m**  
↑ 11%

## BANKWEST

Bankwest is active in all domestic market segments, with lending diversified between the business, rural, housing and personal markets, including a full range of deposit products.



CASH NET PROFIT AFTER  
TAX FOR THE YEAR ENDED  
30 JUNE 2015 WAS  
**\$276m**  
↑ 24%

## INTERNATIONAL FINANCIAL SERVICES (IFS)

International Financial Services incorporates the Asian retail and SME 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 investment in a South African based financial services technology company. It does not include the Business and Private Banking, Institutional Banking and Markets and Colonial First State Global Asset Management businesses in Asia.



# Corporate Responsibility

Corporate responsibility has always played an important part in our business. During the year we launched our new 2016-2018 Corporate Responsibility Strategy. This is our 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*.

## The way we do business

We strive to continually improve our operations through programs and initiatives that let us:

- ✓ Make transparent and balanced decisions
- ✓ Use our influence to enhance environmental, social and economic outcomes in our supply chain
- ✓ Treat all people with respect and fairness
- ✓ Improve the environmental efficiency of our operations

For more, read our Sustainability Report at: [commbank.com.au/sustainability2015](http://commbank.com.au/sustainability2015)

## FY15 performance highlights

### ZERO TOLERANCE TO BRIBERY, CORRUPTION AND FACILITATION PAYMENTS

The Group is committed to a stance of zero tolerance to bribery and corruption, including facilitation payments across all areas of the business, regardless of jurisdiction.

### RESPONSIBLE LENDING

Since becoming a signatory to the third iteration of the Equator Principles, we have published nine ESG Lending Commitments to further guide our lending decisions. This year we commenced regular reporting against our ESG Lending Commitments. We also released our Financed Emissions Reports, which provide an assessment of carbon emissions arising from our portfolio. Our February 2015 report was one of the first reports of its kind across the financial services industry in Australia.

### BUILDING A BALANCED PORTFOLIO

The Group strongly supports the growth of the renewable energy sector. We have been a senior investor in clean and renewable energy projects since 2004, and we have exposure to more than 180 renewable energy projects.

### SUPPORTING DIVERSITY

Our culture reflects the diversity of the communities we serve. We have programs to ensure that the diverse groups within our organisation feel included, connected and have a sense of belonging. Throughout the year, our internal programs such as Mosaic, which celebrates the cultural diversity of our employees, and Enable, our employee disability network, have helped build a more inclusive workplace.

### OUR ENVIRONMENTAL FOOTPRINT

We have a longstanding commitment to reducing our environmental impact, having measured our environmental footprint since 2001 and achieved significant reductions in carbon emissions. In July 2015, Commonwealth Bank Place in Sydney (pictured below) received a 6 Star Green Star performance rating from the Green Building Council of Australia. Commonwealth Bank Place is now the first building in Australia to receive a 6 Star Green Star rating across four categories: Design, As-Built, Interiors and, now, Performance. Home to around 6,000 of our employees, Commonwealth Bank Place is one of the country's most sustainable, and most awarded, workplaces.





# Corporate Responsibility

## Our role in society

We strive to make a positive contribution beyond our core business through programs and initiatives that allow us to:

- ✓ Develop innovative products and services to support our customers in the economy of the future
- ✓ Invest in skills for the workplace of the future
- ✓ Create opportunities for our people to contribute to their communities
- ✓ Advocate for public policies that secure and enhance the financial wellbeing of people, businesses and communities

For more, read our Sustainability Report at: [commbank.com.au/sustainability2015](http://commbank.com.au/sustainability2015)

## FY15 performance highlights

### IMPROVING FINANCIAL LITERACY

We believe that teaching financial literacy to students is an important way to deliver economic benefits to the nation. In 2009 we committed to improving the financial literacy of one million kids by 2015. We have exceeded that goal with 1.23 million kids booked to participate in one of our free Start Smart workshops through their school, as at June 2015. We are investing \$50 million in education programs over three years from 2015, starting with an ambitious plan to double the reach of Start Smart by 2016. This will allow 500,000 student bookings for the free financial literacy workshops each year.

In addition, our School Banking program which gives primary schools an easy, fun and interactive way for children to develop a basic understanding of money management skills has been growing. In the 2015 financial year participation grew to more than 310,000 students at 3,818 schools.

### COMMBANK IN THE COMMUNITY

We encourage our people to give their time and expertise to registered charities and not-for-profit organisations. During the 2015 financial year, we placed more than 5,000 volunteers into 114 community organisations across Australia, representing a total 40,695 volunteering hours. The equivalent contribution in wages is \$1.8 million.

Our employees also contribute to the community via our Staff Community Fund, Australia's longest running workplace giving program. The fund has 13,000 members and all employee donations are matched dollar-for-dollar by the Group. In 2015, the Fund awarded more than \$2 million in community grants of up to \$10,000 to 228 youth-focused organisations.



Delivered by a national team of world-class facilitators, the Group's Start Smart workshops are designed to teach money management in a motivating and inspiring way. The aim is to equip students with the confidence and competence to make smart decisions about money.

# Board of Directors



◀ **David Turner**  
CHAIRMAN

David has been a Director of the Board since August 2006 and Chairman since February 2010. David is Chairman of the Board Performance & Renewal Committee, and a member of the Risk Committee and the Remuneration Committee. He was Chairman of Cobham plc (2008 to 2010) and CEO of Brambles (2003 to 2007). David has held a number of directorships including Whitbread plc, GKN plc, Booker plc, the Iron Trades Insurance Group, and has been a member of the Quotations Committee of the London Stock Exchange.

**Ian Narev** ▶  
MANAGING DIRECTOR & CEO

Ian was appointed MD and CEO in December 2011. Ian was a member of the Risk Committee until August 2014. He joined the Group in May 2007 and was Group Head of Strategy and Group Executive, Business and Private Banking. Prior to CBA, Ian was a partner of McKinsey's New York, Sydney and Auckland offices (1998 to 2007). Ian is Chairman of Commonwealth Bank Foundation, and Director of the Financial Markets Foundation for Children.



◀ **Sir John Anderson** KBE

Sir John has been a Director of the Board since March 2007, and is a member of the Audit Committee, the Risk Committee, and the Board Performance & Renewal Committee. He was CEO & Director of ANZ National Bank Ltd (2003 to 2005) and National Bank of New Zealand Ltd (1989 to 2003). Sir John is Chairman of NPT Ltd, Steel & Tube Holdings Ltd, Deputy Chairman of T&G Global Limited, and Director of APN News & Media Limited.



**Shirish Apte** ▶

Shirish has been a Director of the Board since June 2014. Shirish is a member of the Audit Committee and the Risk Committee. He was Co-Chairman of Citi Asia Pacific Banking (2012 to 2014) and CEO of Citi Asia Pacific (2009 to 2011). Shirish is a Director of IHH Healthcare Bhd., Crompton Greaves Ltd, Citibank Japan, and a member of the Supervisory Board of Citibank Handlowy, Poland.



◀ **Jane Hemstritch**

Jane has been a Director of the Board since October 2006. Jane is Chairman of the Remuneration Committee, and is a member of the Risk Committee. She was MD Asia Pacific for Accenture Ltd (2004 to 2007). Jane is a member of the Global Council of Herbert Smith Freehills, Director of Lend Lease Corporation Ltd, Santos Ltd, Tabcorp Holdings Ltd, and Chairman of Victorian Opera Company Ltd.



◀ **Sir David Higgins**

Sir David has been a Director of the Board since September 2014. Sir David is a member of the Audit Committee and the Remuneration Committee. He was Chief Executive of the Network Rail Infrastructure Ltd and Chief Executive of the Olympic Delivery Authority (2006 to 2011). Sir David is the Chairman of High Speed Two (HS2) Ltd.

**Launa Inman** ▶

Launa has been a Director of the Board since March 2011. Launa is a member of the Audit Committee and the Remuneration Committee, and was a member of the Risk Committee until August 2014. She was MD and CEO of Billabong International Limited (2012 to 2013), MD of Target Australia Pty Ltd (2005 to 2011), and MD of Officeworks (2004 to 2005). Launa is a Director of Bellamy's Australia Limited, Virgin Australia Melbourne Fashion Festival and The Alannah and Madeline Foundation.



◀ **Brian Long**

Brian has been a Director of the Board since September 2010. Brian is Chairman of the Audit Committee, a member of the Risk Committee, and the Board Performance & Renewal Committee. He retired as partner of Ernst & Young in June 2010. Until that time he was Chairman of both Ernst & Young Global Advisory Council and the Oceania Area Advisory Council. Brian is Director of Brambles Ltd, Ten Network Holdings Ltd (Deputy Chairman), and Cantarella Bros. Pty Ltd.



**Andrew Mohl** ▶

Andrew has been a Director of the Board since July 2008. Andrew is a member of the Risk Committee and the Remuneration Committee. He was MD and CEO of AMP Ltd (2002 to 2007) and former Group Chief Economist and MD of ANZ Funds Management at ANZ Banking Group. He was Chairman of Federal Government Export Finance and Insurance Corporation until December 2014.



◀ **Wendy Stops**

Wendy has been a Director of the Board since March 2015. Wendy is a member of the Remuneration Committee. She was Senior Managing Director, Technology – Asia Pacific for Accenture Limited from 2012 until June 2014. At Accenture Limited she was also Global Managing Director of both Technology Quality & Risk Management (2009 to 2012) and Outsourcing Quality & Risk Management (2008 to 2009), acted as Director of Operations, Asia Pacific (2006 to 2008), and served on Accenture's Global Leadership Council from 2008 until June 2014.



**Harrison Young** ▶

Harrison has been a Director of the Board since February 2007. Harrison is Chairman of the Risk Committee, a member of the Audit Committee, and the Board Performance & Renewal Committee. He was Chairman of NBN Co Ltd (2010 to 2013) and Morgan Stanley Australia (2003 to 2007), and Director of the Bank of England (2009 to 2012).



# Executive Management



## ◀ Kelly Bayer Rosmarin

Kelly was appointed Group Executive, Institutional Banking and Markets in December 2013. She is responsible for providing a full range of capital raising, transaction banking and risk management products and services to the Group's corporate and government clients as well as institutional investors. Kelly joined CBA in 2004 and has held a variety of senior roles. She is a member on the Board of AFMA and the Stanford Australia Foundation. Prior to CBA Kelly worked for Boston Consulting Group, PeopleSoft and Callico Commerce.

## Adam Bennett ▶



Adam was appointed Group Executive, Business and Private Banking in January 2015. He is responsible for the Group's Business Banking divisions (Corporate Financial Services, Local Business Banking and Regional and Agribusiness Banking), Private Banking and CommSec. Adam joined CBA in 2004 as the Chief Information Officer for the Retail Banking and Business Banking divisions during the Core Banking Modernisation project. Prior to CBA, Adam was Principal at strategic consulting practice A.T. Kearney, working across industries in Australia, New Zealand, Asia and Europe.



## ◀ Barbara Chapman

Barbara was appointed Chief Executive and Managing Director of the Group's New Zealand subsidiary ASB in April 2011. Since 1994 she has held a number of senior executive roles across the Group. She started her career with the Group as Chief Manager Marketing at ASB. 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.

## David Cohen ▶



David commenced as Group 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, leads the Group's legal team and is also responsible for the Group's external and internal affairs, communications, sustainability and corporate governance. Previously he was General Counsel of AMP and a partner with Allens Arthur Robinson for 12 years.



## ◀ Matt Comyn

Matt was appointed Group Executive, Retail Banking Services in August 2012. He is responsible for the Group's retail banking operation. Previously he was MD of CommSec (2006 to 2010) and EGM for Local Business Banking. He has also held a number of roles in the Institutional Banking division. Matt played a pivotal role in the development of the CommSee platform, the Group's customer relationship management system.

## 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 39 years' experience in banking and finance. He was CFO for Australand, Global CFO of PwC Consulting, COO for PricewaterhouseCoopers Australasia and a director of the Australian Gas Light Company. David is Deputy Chairman of the Victor Chang Cardiac Research Institute and a director of the Financial Executives Institute.



## ◀ Melanie Laing

Melanie commenced as Group Executive, Human Resources in February 2012 and is responsible for all of the Group's HR functions. Melanie has extensive experience and a diverse background leading HR divisions for large companies, including global and regional HR functions for several multinational and ASX listed organisations having worked in the US, Europe and Asia.

## Rob Jesudason ▶



Rob was appointed Group Executive, International Financial Services in November 2014. He is responsible for managing the Group's offshore growth in retail and commercial banking, digital banking and life insurance in China, India, Indonesia, Vietnam and South Africa. Rob joined CBA in December 2011. Prior to CBA Rob held senior positions at Credit Suisse, JP Morgan, Barclays PLC and McKinsey. He has worked in Hong Kong, Europe and Japan.



## ◀ Vittoria Shortt

Vittoria was appointed Group Executive, Marketing and Strategy, in March 2015. She is responsible for Group Strategy, Group Mergers and Acquisitions and Group Marketing. Vittoria joined CBA in 2002 and has held a number of roles in CBA and Bankwest, including Chief Marketing Officer and Chief Executive, Retail Bankwest. Prior to CBA Vittoria worked in corporate finance and mergers and acquisitions with Deloitte and Carter Holt Harvey in New Zealand.

## Annabel Spring ▶



Annabel was appointed Group Executive, Wealth Management in October 2011. She is responsible for Colonial First State, Colonial First State Global Asset Management, Advice and CommInsure. Annabel joined CBA in 2009 as Group Head of Strategic Development. Prior to CBA, Annabel was Managing Director and Global Head of Firm Strategy and Execution at Morgan Stanley. Annabel has experience in Australia, Asia and the US. She is a member of the Advisory Board for the Salvation Army Australian Eastern Territories and a director of the Financial Services Council.



## ◀ Alden Toews

Alden commenced as Group Chief Risk Officer in 2008. He is responsible for providing leadership in ensuring effective risk management and governance. Prior to CBA Alden was with First Manhattan Consulting Group for 18 years, advising more than 100 banks globally on risk, strategy, mergers, and performance measurement. He serves as a Board member of the Centre for International Financial Research and Bell Shakespeare.

## David Whiteing ▶



David was appointed Group Executive, Enterprise Services and Chief Information Officer in July 2014. David is responsible for leading the technology and operations teams and delivering the Group's strategic pillar of the 'world-leading application of operations and technology'. David is a highly experienced business and IT executive with a track record of delivering technology transformation in many industries both in Australia and overseas. Prior to CBA he was Vice President of Enterprise Systems at BP in the UK.



# 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 2015 financial year

	Fees <sup>1</sup> (\$000)	Superannuation <sup>2</sup> (\$000)	Total Payments (\$000)
<b>Chairman</b>			
<b>David Turner</b>	841	19	860
<b>Non-Executive Directors</b>			
<b>John Anderson</b>	289	19	308
<b>Shirish Apte</b>	296	5	301
<b>Jane Hemstrich</b>	309	19	328
<b>David Higgins<sup>3</sup></b>	218	15	233
<b>Launa Inman</b>	280	19	299
<b>Brian Long</b>	311	19	330
<b>Andrew Mohl</b>	280	19	299
<b>Wendy Stops<sup>3</sup></b>	79	6	85
<b>Harrison Young</b>	323	19	342
<b>Former Non-Executive Director</b>			
<b>Carolyn Kay<sup>4</sup></b>	212	14	226

<sup>1</sup> Fees include Board and Committee fees received as cash including the portion of fees used to purchase CBA shares. For Shirish Apte this also includes payments in relation to tax advice and includes minor adjustments made in relation to the prior year.

<sup>2</sup> Superannuation contributions are capped at the superannuation maximum contributions base as prescribed under the Superannuation Guarantee legislation. For Shirish Apte, superannuation is paid on the Australian portion of his fees and includes minor adjustments made in relation to the prior year.

<sup>3</sup> David Higgins was appointed as a Non-Executive Director on 1 September 2014 and Wendy Stops was appointed as a Non-Executive Director on 9 March 2015. Their remuneration has been prorated accordingly. To comply with the Non-Executive Director shareholding requirement, shares for both David Higgins and Wendy Stops were purchased during the 2015 financial year.

<sup>4</sup> Carolyn Kay retired from the Group on 31 March 2015 and her remuneration has been prorated accordingly.

Further information about Non-Executive Directors' remuneration is available on page 57 of the 2015 Annual Report and on the Group's website [www.commbank.com.au/shareholder](http://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 2015 financial year

	Fixed Remuneration <sup>1</sup> (\$000)	Cash STI <sup>2</sup> (\$000)	Total Cash in relation to 2015 (\$000)	Previous Years' Awards that Vested during 2015 <sup>3</sup>		Previous Years' Awards Forfeited/Lapsed during 2015 <sup>4</sup>
				Deferred Cash Awards (\$000)	Deferred Equity Awards (\$000)	LTI Awards (\$000)
<b>Ian Narev (CEO)</b>	2,650	1,590	4,240	1,526	2,201	(63)
<b>Kelly Bayer Rosmarin</b>	1,020	613	1,633	341	477	–
<b>Adam Bennett<sup>5</sup></b>	456	254	710	–	–	–
<b>David Cohen</b>	900	583	1,483	476	2,115	(60)
<b>Matthew Comyn</b>	1,030	619	1,649	696	612	–
<b>David Craig</b>	1,380	852	2,232	917	3,301	(94)
<b>Robert Jesudason<sup>6</sup></b>	948	575	1,523	593	–	–
<b>Melanie Laing</b>	845	495	1,340	522	–	–
<b>Vittoria Shortt<sup>5</sup></b>	280	167	447	–	–	–
<b>Annabel Spring</b>	1,030	662	1,692	641	663	–
<b>Alden Toevs</b>	1,430	845	2,275	961	3,423	(98)
<b>David Whiteing<sup>5</sup></b>	916	532	1,448	–	–	–

<sup>1</sup> Fixed remuneration includes base remuneration and superannuation.

<sup>2</sup> This is the 50% of the 2015 STI for performance during the 12 months to 30 June 2015 (payable September 2015). The remaining 50% is deferred until 1 July 2016. Deferred STI awards are subject to Board review at the time of payment.

<sup>3</sup> The value of all deferred cash and/or equity awards that vested during 2015 financial year. This includes the value of the award that vested, plus any interest and/or dividends accrued during the vesting period. A portion of Ian Narev's deferred equity award was delivered in the form of cash, which was paid to registered charities pursuant to an option that the Board made available.

<sup>4</sup> The value of any deferred cash and/or equity awards that were forfeited/lapsed during the 2015 financial year.

<sup>5</sup> David Whiteing commenced in the KMP role on 14 July 2014, Adam Bennett commenced in the KMP role on 12 January 2015 and Vittoria Shortt commenced in the KMP role on 2 March 2015. Remuneration reflects time in the KMP role.

<sup>6</sup> Robert Jesudason was in the Group Executive, Group Strategic Development role from 1 July 2014 to 31 October 2014 and was appointed to the Group Executive, International Financial Services role from 1 November 2014. Robert's 2015 remuneration reflects an increase received on changing roles.

Further information about Executives' remuneration is available on pages 56 and 58 of the 2015 Annual Report and on the Group's website [www.commbank.com.au/shareholder](http://www.commbank.com.au/shareholder)

# 5 Year Summary

	2015 \$M	2014 <sup>1</sup> \$M	2013 <sup>1</sup> \$M	2012 \$M	2011 \$M
INCOME STATEMENT					
Net interest income	15,799	15,091	13,944	13,157	12,645
Other operating income <sup>2</sup>	7,779	7,310	6,877	6,319	7,014
Operating expenses	(9,993)	(9,499)	(9,010)	(8,627)	(8,891)
Impairment expense	(988)	(953)	(1,082)	(1,089)	(1,280)
<b>Net profit before tax</b>	<b>12,597</b>	<b>11,949</b>	<b>10,729</b>	<b>9,760</b>	<b>9,488</b>
Corporate tax expense	(3,439)	(3,250)	(2,953)	(2,705)	(2,637)
Non-controlling interests	(21)	(19)	(16)	(16)	(16)
<b>Net profit after tax ("cash basis")</b>	<b>9,137</b>	<b>8,680</b>	<b>7,760</b>	<b>7,039</b>	<b>6,835</b>
Hedging and IFRS volatility	6	6	27	124	(265)
Bankwest non-cash items	(52)	(56)	(71)	(89)	(147)
Total other non-cash items	(28)	1	(98)	(58)	(29)
<b>Net profit after income tax attribute to Equity holders of the Bank ("statutory basis")</b>	<b>9,063</b>	<b>8,631</b>	<b>7,618</b>	<b>7,016</b>	<b>6,394</b>
CONTRIBUTIONS TO PROFIT (AFTER TAX)					
Retail Banking Services	3,867	3,678	3,089	2,703	2,854
Business and Private Banking	1,459	1,321	1,474	1,513	1,030
Institutional Banking and Markets	1,268	1,252	1,195	1,098	1,004
Wealth Management	650	789	679	629	642
New Zealand	865	742	621	541	470
Bankwest	752	675	561	527	463
IFS and Other	276	223	141	28	372
<b>Net profit after tax ("cash basis")</b>	<b>9,137</b>	<b>8,680</b>	<b>7,760</b>	<b>7,039</b>	<b>6,835</b>
Investment experience after tax	(150)	(197)	(105)	(89)	(81)
<b>Net profit after tax ("underlying basis")</b>	<b>8,987</b>	<b>8,483</b>	<b>7,655</b>	<b>6,950</b>	<b>6,754</b>
BALANCE SHEET					
Loans, bills discounted and other receivables	639,262	597,781	556,648	525,682	500,057
Total assets	873,446	791,451	753,857	718,839	667,899
Deposits and other public borrowings	543,231	498,352	459,429	437,655	401,147
Total liabilities	820,453	742,103	708,320	677,219	630,612
Shareholders' Equity	52,993	49,348	45,537	41,620	37,287

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

<sup>2</sup> Includes investment experience.

# Financial Calendar

17 November 2015	2015 Annual General Meeting (Sydney)
10 February 2016	Interim results and interim dividend announcement
16 February 2016	Ex-dividend date for interim dividend
18 February 2016	Record date for interim dividend
31 March 2016	Interim dividend payment date
10 August 2016	Full year results and final dividend announcement
16 August 2016	Ex-dividend date for final dividend
18 August 2016	Record date for final dividend
29 September 2016	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.

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

Commonwealth Bank



ASB

bankwest



CommSec



CommInsure



Advice



Colonial  
First State

SOVEREIGN

Colonial  
First State  
Global Asset Management

CommonwealthLife

## CBA Investor Relations app for iPad



The Commonwealth Bank Investor Relations app gives you the latest CBA financial information at your fingertips. Keep up to date on corporate news and events with access to share prices, Annual Report publications, results, ASX announcements, investor presentations and webcasts. To download the app for free, simply visit the iTunes store on your iPad.

Commonwealth Bank pays cash dividends by direct credit to shareholders with registered addresses in Australia, New Zealand and the United Kingdom.

Shareholders can elect to participate in the Dividend Reinvestment Plan (DRP). Please visit the Commonwealth Bank Shareholder Centre to find out more about the DRP.

Commonwealth Bank encourages shareholders to elect to receive electronic communications for a sustainable environment. Notifications of Dividends, Notices of Meetings, Annual Reports and other important notifications and announcements can be delivered via email.

To receive shareholder communications electronically, contact Link Market Services or log on to Link's Investor Centre:

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



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## SHAREHOLDER INFORMATION

[www.commbank.com.au/shareholder](http://www.commbank.com.au/shareholder)

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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](mailto:cba@linkmarketservices.com.au)

Electronic versions of Commonwealth Bank's Annual Reports are available at [www.commbank.com.au/shareholder/annualreports](http://www.commbank.com.au/shareholder/annualreports)

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## AUSTRALIAN SECURITIES EXCHANGE LISTING

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