Commonwealth Bank of Australia
U.S. Disclosure Document
For the Full Year ended 30 June 2015

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Introduction

Certain material information about the Group, including information regarding the Group's risk management policies and procedures, use of derivative financial instruments and the market risk attributable to such instruments, liquidity and capital resources and other important information, is included in the Group's 2014 Financial Report and 2015 Financial Report (each as defined below). In particular, Note 31 to the 2015 Financial Report (2014: Note 33) describes certain aspects of the Group's risk management policies and procedures. In addition, the Group prepares a U.S. Investor Basel III Capital Adequacy and Risks Disclosures report, which includes certain information about the Group's capital and assets. As a result, this Annual U.S. Disclosure Document for the Full Year ended 30 June 2015 (this "Document") should be read in conjunction with:

- The Commonwealth Bank of Australia Financial Report (U.S. Version) – Year Ended 30 June 2015, which contains the Financial Statements for the years ended 30 June 2013, 2014 and 2015 and as at 30 June 2014 and 2015 (the "2015 Financial Report");
- The Commonwealth Bank of Australia Financial Report (U.S. Version) – Year Ended 30 June 2014, which contains the Financial Statements for the years ended 30 June 2012, 2013 and 2014 and as at 30 June 2013 and 2014 (the "2014 Financial Report"); and
- The Commonwealth Bank of Australia U.S. Investor Basel III Capital Adequacy and Risks Disclosures for the Full Year ended 30 June 2015.

In each case, these are found on the U.S. Investor Website located at www.commbank.com.au/usinvestors (the "U.S. Investor Website").

Except as otherwise stated, references within this Document to the "Financial Report" or "Notes to the Financial Statements" are to the 2015 Financial Report and references to the "Financial Reports" are to the 2014 Financial Report and the 2015 Financial Report.

Except as otherwise stated, all figures herein relate to the financial year ended 30 June 2015 and comparatives for the Balance Sheet and Income Statement are to the financial year ended 30 June 2014, '$' and 'AUD' refer to Australian dollars, 'USD' refers to U.S. dollars, references to the "Bank" or "CBA" refer to the Commonwealth Bank of Australia and references to the "Group" refer to the Bank and its subsidiaries on a consolidated basis. The Group's financial years end on June 30 of each year. References to the 2015 financial year or to the "current year" are to the financial year ended 30 June 2015, references to the 2014 financial year are to the financial year ended 30 June 2014, references to the 2013 financial year are to the financial year ended 30 June 2013 and references to the "prior year" are to the Group's prior financial year.

Segment Disclosure

The Group conducts its businesses through seven segments: Retail Banking Services; Business and Private Banking; Institutional Banking and Markets; Wealth Management; New Zealand; Bankwest and International Financial Services (IFS) and Other. For an overview of each segment, see "Description of Business Environment" in this Document and Note 26 to the 2015 Financial Report.

Special Note Regarding Forward-Looking Statements

Certain statements under the captions "Highlights", "Risk Factors", "Group Performance Analysis", "Retail Banking Services", "Business and Private Banking", "Institutional Banking and Markets", "Wealth Management", "New Zealand", "Bankwest", "IFS and Other", "Liquidity and Capital Resources" and elsewhere in this Document constitute "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements, including economic forecasts and assumptions and business and financial projections, involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such factors include changes in political, social, credit, liquidity, investor confidence and economic conditions in Australia, New Zealand and elsewhere where the Group or its customers operate or raise funds; the impact of natural disasters; demographic changes; technological changes; changes in competitive conditions in Australia, New Zealand, Asia, the United States or the United Kingdom; changes in the regulatory structure of the banking, life insurance and funds management industries in Australia, New Zealand, the United Kingdom or Asia; changes in global credit and equity market conditions including funding costs, credit ratings and access; regulatory proposals for reform of the banking, life insurance and funds management industries in Australia and other regions where the Group operates; changes in the rate of exchange of Australian dollars, which is the Group's financial reporting currency, and the other currencies in which the Group conducts business; the impact of existing or potential litigation and regulatory actions or requirements applicable to the Group, its business or its customers; and various other factors beyond the Group's control. Given these risks, uncertainties and other factors, potential investors are cautioned not to place undue reliance on such forward-looking statements.

Risk factors applicable to the Group are detailed on pages 16 to 22 of this Document.

Disclosures

Financial Information Definitions

Basis of preparation

The consolidated Financial Statements of the Group for the years ended 30 June 2015, 2014 and 2013 comply with International Financial Reporting Standards (IFRS).

The Financial Reports are presented in Australian dollars.

The Management Discussion and Analysis herein discloses the Net profit after tax on both a "statutory basis" and a "cash basis". The statutory basis is prepared in accordance with the Corporations Act 2001 and the Australian Accounting Standards, which comply with IFRS. The cash basis is used by management to present a view of the Group's underlying operating results, excluding a number of items that introduce volatility and/or one-off distortions of the Group's current period performance. These items, such as hedging and IFRS volatility, are calculated consistently year on year and do not discriminate between positive and negative adjustments. A list of items excluded from statutory profit is provided in the reconciliation of the Net profit after tax ("cash basis"), and each item is described in greater detail on page 9 of this Document. A reconciliation of the Net profit after tax ("cash basis") by business segment is provided in Note 26 to the 2015 Financial Report. Appendix A to this Document supplies certain 2013, 2012 and 2011 comparative information, prepared on an IFRS basis.

Non-GAAP Financial Measures

In this Document, the Group presents its profit on a "statutory basis", which is calculated in accordance with IFRS.

In addition to its financial results reported in this Document and the Financial Reports in accordance with IFRS, the Group reports and describes in this Document certain non-GAAP financial measures (as defined in SEC Regulation G) of the financial performance and results of the Group. These non-GAAP financial measures are not calculated in accordance with IFRS. This Document contains reconciliations of these non-GAAP financial measures to the Group's financial results prepared in accordance with IFRS.

The non-GAAP financial measures included in this Document are:

- **Cash basis** – the Group presents its results on a Net profit after tax ("cash basis"). "Cash basis" is defined by management as Net profit after tax and non-controlling interests, before Bankwest non-cash items, the gain/loss on disposal of controlled entities/investments, treasury shares valuation adjustment, Bell Group litigation expense, gain on sale of management rights and unrealised gains and losses related to hedging and IFRS volatility. Management believes that "cash basis" is a meaningful measure of the Group's performance and provides a basis for the determination of the Group's dividends. A list of items excluded from statutory profit is provided in the reconciliation of the Net profit after tax ("cash basis") and each item is described in greater detail on page 9 of this Document. A reconciliation of the Net profit after tax ("cash basis") by business segment is provided in Note 26 to the 2015 Financial Report.
- **Earnings per share ("cash basis")** – the Group presents its earnings per share on both a statutory and a cash basis. "Earnings per share ("cash basis")" is defined by management as Net profit after tax ("cash basis"), divided by the weighted average of the Group's ordinary shares outstanding over the relevant period.
- **Funds Under Administration ("FUA")** – represents funds administered by the Group and includes Assets Under Management ("AUM") and funds managed externally. The Group derives funds management fees from FUA and AUM and management believes that the reporting of these measures assists investors in evaluating the Group's funds management operations.

The Group also presents its dividend payout ratio on both a statutory and cash basis. The dividend payout ratio ("statutory basis") is calculated by dividing the dividends paid on ordinary shares by the Net profit after tax ("statutory basis"), net of dividends on other equity instruments. The dividend payout ratio ("cash basis") is calculated by dividing the dividends paid on ordinary shares by the Net profit after tax ("cash basis"), net of dividends on other equity instruments. Similarly, the Group presents "Dividend cover – statutory", which is Net profit after tax ("statutory basis"), net of dividends on other equity instruments divided by dividends on ordinary shares for the applicable period, and "Dividend cover – cash", which is Net profit after tax ("cash basis") net of dividends on other equity instruments divided by dividends on ordinary shares for the applicable period. These ratios are provided on both a statutory and cash basis since Net profit after tax, the primary component of these ratios, is also presented on a statutory and cash basis, for the reasons described above.

Reclassification of certain Income Statement and Balance Sheet Information

During the 2015 financial year, the Group has made the following changes to financial reporting:

- **Small Business** – the Group created a new Small Business customer channel within Retail Banking Services, to which all non-relationship managed business clients (primarily from Business and Private Banking) have been transferred. This re-segmentation will not impact the Group's results, but does result in changes to the presentation of the Profit and Loss and the Balance Sheet of the affected business segments.
- **Deposit reclassification** – deposit products have been reclassified to align more consistently with the changing nature of product usage by the customer. For example, the 'Business Online Saver' deposit product, which was previously classified as a transaction deposit due to its "at-call" nature, has been reclassified to savings deposits. This is a presentational change only and has no impact on regulatory treatment or market share statistics.
- **Other changes** – minor refinements have been made to the allocation of customer balances and associated revenue and expenses between business segments. These refinements will not impact the Group's results, but will result in changes to presentation of the Profit and Loss and the Balance Sheet of the affected business segments.

The affected comparatives in tables throughout this Document are footnoted. The impact of these changes on each segment's Net profit after tax ("cash basis"), Balance Sheet and cost to income ratios for the comparative periods is set out in Appendix C to this Document.

Reclassification of certain Income Statement and Balance Sheet Information (continued)

In order to provide a meaningful comparison to the Group's historical operations, where applicable, "Restated" financial information is presented for the 2015 financial year and the 2014 financial year and "As reported" financial information is presented for the 2014 financial year and 2013 financial year in this Document. In particular, where applicable, the Management Discussion and Analysis comparing the 2015 financial year and the 2014 financial year references "Restated" financial information, while, where applicable, the Management Discussion and Analysis comparing the 2014 financial year and the 2013 financial year references "As reported" financial information.

Impact of Foreign Currency Movements

The Group's consolidated financial results are presented in Australian dollars. In order to prepare the Group's consolidated financial results, the financial results of any reporting entities of the Group with a functional currency other than Australian dollars are translated into Australian dollars for each reporting period. As foreign exchange rates are subject to change, the Group's financial results can be affected by the prevailing rate of the Australian dollar at the time of such translations. The effects of these translations on various segments of the Group's business are noted throughout this Document.

The movement of the Australian dollar against the following currencies is highlighted in the table below.

Exchange Rates Utilised [1]	Currency	As at 30 Jun 15	30 Jun 14	30 Jun 13
AUD 1.00 =	USD [2]	**0. 7681**	0. 9405	0. 9268
	EUR	**0. 6880**	0. 6892	0. 7098
	GBP	**0. 4893**	0. 5525	0. 6076
	NZD	**1. 1283**	1. 0762	1. 1860
	JPY	**94. 0578**	95. 4517	91. 5647

1. End of day, Sydney time.
2. USD translated from AUD using 30 June 2015 month end Noon Buying Rate (see month end Noon Buying Rate in the table on page 23 of this Document).

Exchange Rates Utilised [1]	Currency	Average rates 30 Jun 15	30 Jun 14	30 Jun 13
AUD 1.00 =	USD [2]	**0. 8355**	0. 9147	1. 0241
	EUR	**0. 6960**	0. 6729	0. 7903
	GBP	**0. 5303**	0. 5602	0. 6531
	NZD	**1. 0745**	1. 1026	1. 2453
	JPY	**95. 5100**	92. 3763	90. 0354

1. Average of end of day Sydney time rates for the 12 month period. Source: Noon Buying Rate (as defined in "Financial Review – Exchange Rates" on page 23 of this Document) for USD; Oanda for other currencies.
2. USD translated from AUD using 30 June 2015 month end Noon Buying Rate (see month end Noon Buying Rate in the table on page 23 of this Document.

The Group hedges foreign currency exposures on debt issues and significant foreign currency earnings exposures in offshore locations.

For further information regarding the composition of the Group's income by location please refer to Note 26 to the 2015 Financial Report.

The references to the weaker Australian dollar or lower Australian dollar in this Document are to the weakening of the Australian dollar against the currencies disclosed in the table above.

Non-Cash Items Included in Statutory Profit

	Full Year Ended				
	30 Jun 15 $M	30 Jun 14 $M	30 Jun 13 $M	Jun 15 vs Jun 14 %	Jun 14 vs Jun 13 %
Hedging and IFRS volatility	**6**	6	27	-	(78)
Bankwest non-cash items	**(52)**	(56)	(71)	(7)	(21)
Treasury shares valuation adjustment	**(28)**	(41)	(53)	(32)	(23)
Bell Group litigation	**-**	25	(45)	large	large
Gain on sale of management rights	**-**	17	-	large	large
Other non-cash items	**(80)**	(55)	(169)	45	(67)
Total non-cash items (after tax)	**(74)**	(49)	(142)	51	(65)

Non-cash items are excluded from Net profit after tax ("cash basis"), which is management's preferred measure of the Group's financial performance, as they tend to be non-recurring in nature or are not considered representative of the Group's ongoing financial performance. The impact of these items on the Group's Net profit after tax ("statutory basis") is outlined below and treated consistently with prior year disclosures. A reconciliation of the Net profit after tax ("cash basis") by business segment is provided in Note 26 to the 2015 Financial Report.

Hedging and IFRS volatility

Hedging and IFRS volatility includes unrealised fair value gains or losses on economic hedges that do not qualify for hedge accounting under IFRS, including:

- Cross currency interest rate swaps hedging foreign currency denominated debt issues; and
- Foreign exchange hedges relating to future New Zealand earnings.

Hedging and IFRS volatility also includes unrealised fair value gains or losses on the ineffective portion of economic hedges that qualify for hedge accounting under IFRS.

Fair value gains or losses on all of these economic hedges are excluded from cash profit, because the asymmetric recognition of the gains or losses does not affect the Group's performance over the life of the hedge. A $6 million after tax gain was recognised in statutory profit for the year ended 30 June 2015 (30 June 2014: $6 million after tax gain; 30 June 2013: $27 million after tax gain).

Bankwest non-cash items

The acquisition of Bankwest resulted in the recognition of assets at fair value, representing certain financial instruments, core deposits and brand name totalling $463 million that are being amortised over their useful lives. This resulted in amortisation charges of $52 million after tax in the year ended 30 June 2015 (30 June 2014: $56 million; 30 June 2013: $71 million).

These items were not recognised in cash profit as they were not representative of the Group's expected ongoing financial performance.

Treasury shares valuation adjustment

Under IFRS, Commonwealth Bank of Australia shares held by the Group in the managed funds and life insurance businesses are defined as treasury shares and are held at cost. Distributions and realised and unrealised gains and losses are recognised in cash profit representing the performance of the asset portfolio attributable to the wealth and life insurance businesses. These distributions, gains and losses are reversed as non-cash items for statutory reporting purposes. A $28 million after tax loss was included in statutory profit in the year ended 30 June 2015 (30 June 2014: $41 million after tax loss; 30 June 2013: $53 million after tax loss).

Bell Group litigation

Proceedings were brought by the liquidators of the Bell Group of companies against the consortium of banks that restructured its facilities on 26 January 1990. The Supreme Court of Western Australia Court of Appeal ruling on 17 August 2012 was adverse for the consortium of banks and resulted in an additional provision being raised by the Group. Settlement was reached during the 2014 financial year, resulting in a partial write-off and release of the remaining provision. This is reported as a non-cash item due to its historic and one-off nature.

Gain on sale of management rights

During the 2014 financial year, the Group successfully completed the internalisation of the management of CFS Retail Property Trust (CFX) and Kiwi Income Property Trust (KIP), which resulted in a gain (net of transaction costs and indemnities) of $17 million for the year ended 30 June 2014.

Policyholder tax

Policyholder tax is included in the Wealth Management business results for statutory reporting purposes. In the year ended 30 June 2015, tax expense of $99 million (30 June 2014: $126 million; 30 June 2013: $112 million), Funds management income of $21 million (30 June 2014: $59 million; 30 June 2013: $77 million) and insurance income of $78 million (30 June 2014: $67 million; 30 June 2013: $35 million) was recognised. The gross up of these items are excluded from cash profit, as they do not reflect the underlying performance of the business, which is measured on a net of policyholder tax basis.

Investment experience

Investment experience primarily includes the returns on shareholder capital invested in the wealth management and insurance businesses, as well as the volatility generated through the economically hedged guaranteed annuity portfolio held by the Group's Wealth Management division. This item is classified separately within cash profit.

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Highlights

Highlights

Group Performance Highlights [1]

	Full Year Ended ("statutory basis")				Full Year Ended ("cash basis")			
	30 Jun 15	30 Jun 14	30 Jun 13	Jun 15 vs Jun 14 %	30 Jun 15	30 Jun 14	30 Jun 13	Jun 15 vs Jun 14 %
Net profit after tax ($M)	**9,063**	8,631	7,618	5	**9,137**	8,680	7,760	5
Return on equity (%)	**18. 2**	18. 7	18. 0	(50)bpts	**18. 2**	18. 7	18. 2	(50)bpts
Earnings per share - basic (cents)	**557. 0**	533. 8	474. 2	4	**560. 8**	535. 9	482. 1	5
Dividends per share (cents)	**420**	401	364	5	**420**	401	364	5

(1) Comparative information has been restated to conform to presentation in the current year. Refer to "Disclosures – Financial Information Definitions - Reclassification of certain Income Statement and Balance Sheet Information", Note 1 to the 2015 Financial Report and Appendix C of this Document for further details.

These "Highlights" contain forward-looking statements. See "Disclosures - Special Note Regarding Forward-Looking Statements" on page 5 of this Document.

Financial Performance

The Group's Net profit after tax ("statutory basis") for the year ended 30 June 2015 increased 5% on the prior year to $9,063 million.

Return on equity ("statutory basis") was 18.2% and Earnings per share ("statutory basis") was 557.0 cents, an increase of 4% on the prior year.

The Management Discussion and Analysis herein discloses the Net profit after tax on both a statutory and cash basis. The statutory basis is prepared and reviewed in accordance with the Corporations Act 2001 and the Australian Accounting Standards, which comply with IFRS. The cash basis is used by management to present what it believes to be a clear view of the Group's underlying operating results, excluding items that introduce volatility and/or one-off distortions of the Group's current period performance. These items, such as hedging and IFRS volatility, are calculated consistently year on year and do not discriminate between positive and negative adjustments. A list of items excluded from statutory profit is provided in the reconciliation of the Net profit after tax ("cash basis"), and each item is described in greater detail, on page 9 of this Document. A reconciliation of the Net profit after tax ("cash basis") by business segment is provided in Note 26 to the 2015 Financial Report.

The Group's vision is to excel at securing and enhancing the financial well-being of people, businesses and communities. The long-term strategies that the Group has pursued to achieve this vision have continued to deliver high levels of customer satisfaction across all businesses and another solid financial result for the year ended 30 June 2015.

Operating income growth was solid across most businesses, relative to the prior year.

Operating expenses increased due to underlying inflationary pressures, the impact of foreign exchange and the cost of regulatory, compliance and remediation programs, partly offset by the incremental benefit generated from productivity initiatives.

Loan impairment expense increased in line with portfolio growth in a relatively stable economic environment as we believe it pertains to the Group. Management believes that provisioning levels remain prudent. Overlays remain largely unchanged on the prior year.

Net profit after tax ("cash basis") for the year ended 30 June 2015 increased 5% on the prior year to $9,137 million. Cash earnings per share increased 5% on the prior year to 560.8 cents per share.

Return on equity ("cash basis") for the year ended 30 June 2015 was 18.2%, a decrease of 50 basis points on the prior year.

Capital

The Group continued to maintain its strong capital position under the Basel III regulatory capital framework. As at 30 June 2015, our Basel III Common Equity Tier 1 (CET1) ratio was 9.1% on an APRA basis.

This continues to place the Group in a favourable position relative to our peers, and is well above the regulatory minimum levels.

Funding

Management believes that the Group has continued to maintain conservative Balance Sheet settings, with a considerable portion of the Group's lending growth funded by growth in customer deposits, which increased to $478 billion as at 30 June 2015, up $39 billion on the prior year.

Dividends

The final dividend declared was $2.22 per share, bringing the total dividend for the year ended 30 June 2015 to $4.20 per share, an increase of 5% on the prior year. This represents a dividend payout ratio ("cash basis") of 75%.

The final dividend payment will be fully franked and paid on 1 October 2015 to owners of ordinary shares at the close of business on 20 August 2015 (record date). Our ordinary shares were quoted ex–dividend on 18 August 2015.

Outlook

The discussion below includes forward-looking statements. See "Disclosures – Special Note Regarding Forward-Looking Statements" on page 5 of this Document.

We believe that the Australian economy has some good foundations. Risks remain in the near-term resulting from some ongoing volatility in parts of the global economy. We believe one important factor to watch over the next year will be whether the lower Australian dollar stimulates investment in Australia by export-sensitive industries that create jobs and stimulates consumer demand.

In the longer term, we have a positive view of the Australian economy. We believe Australia's natural and human resources position us well.

At CBA we intend to continue our significant investment in our long-term strategic priorities. Our ongoing goal is to have highly motivated people putting the customer at the center of everything we do, and focusing on deploying leading technology to simplify our customers' dealings with us, and to continuously make the organisation more productive.

Group Performance Summary [1]	Full Year Ended ("cash basis") 30 Jun 15 $M	30 Jun 14 $M	30 Jun 13 $M	Full Year Ended ("statutory basis") 30 Jun 15 $M	Restated 30 Jun 14 $M	As reported 30 Jun 14 $M	30 Jun 13 $M
Net interest income	**15,799**	15,091	13,944	**15,795**	15,101	15,101	13,934
Other banking income	**4,839**	4,323	4,156	**4,856**	4,320	4,320	4,172
Total banking income	**20,638**	19,414	18,100	**20,651**	19,421	19,421	18,106
Funds management income	**1,938**	1,933	1,828	**2,003**	2,034	2,034	1,847
Insurance income	**792**	819	739	**1,014**	1,033	1,033	923
Total operating income	**23,368**	22,166	20,667	**23,668**	22,488	22,488	20,876
Investment experience	**210**	235	154	**n/a**	n/a	n/a	n/a
Total income	**23,578**	22,401	20,821	**23,668**	22,488	22,488	20,876
Operating expenses	**(9,993)**	(9,499)	(9,010)	**(10,068)**	(9,573)	(9,573)	(9,085)
Loan impairment expense	**(988)**	(953)	(1,082)	**(988)**	(918)	(918)	(1,146)
Net profit before tax	**12,597**	11,949	10,729	**12,612**	11,997	11,997	10,645
Corporate tax expense [2]	**(3,439)**	(3,250)	(2,953)	**(3,528)**	(3,347)	(3,347)	(3,011)
Non-controlling interests [3]	**(21)**	(19)	(16)	**(21)**	(19)	(19)	(16)
Net profit after tax ("cash basis")	**9,137**	8,680	7,760	**n/a**	n/a	n/a	n/a
Hedging and IFRS volatility [4]	**6**	6	27	**n/a**	n/a	n/a	n/a
Other non-cash items [4]	**(80)**	(55)	(169)	**n/a**	n/a	n/a	n/a
Net profit after tax ("statutory basis") [4]	**9,063**	8,631	7,618	**9,063**	8,631	8,631	7,618
Represented by:							
Retail Banking Services				**3,867**	3,678	3,472	3,089
Business and Private Banking				**1,459**	1,321	1,526	1,474
Institutional Banking and Markets				**1,268**	1,277	1,283	1,150
Wealth Management				**622**	765	769	626
New Zealand				**908**	752	752	597
Bankwest				**700**	619	624	490
IFS and Other				**239**	219	205	192
Net profit after tax ("statutory basis") [4]				**9,063**	8,631	8,631	7,618

(1) Comparative information has been restated to conform to presentation in the current year. However, certain reclassifications among the Group's customer segments have not been restated for the 2013 financial year. Refer to "Disclosures - Financial Information Definitions - Reclassification of certain Income Statement and Balance Sheet Information", Note 1 to the 2015 Financial Report and Appendix C of this Document for further details.

(2) For purposes of presentation, policyholder tax expense components of corporate tax expense are shown on a net basis (30 June 2015: $99 million; 30 June 2014: $126 million; and 30 June 2013: $112 million).

(3) Non-controlling interests include preference dividends paid to holders of preference shares in ASB Capital Limited and ASB Capital No.2 Limited.

(4) Please refer to "Disclosures - Non-Cash Items Included in Statutory Profit" on page 9 of this Document for further details. Non-cash items are excluded from Net profit after tax ("cash basis"), which is management's preferred measure of the Group's financial performance, as they tend to be non-recurring in nature or not considered representative of the Group's ongoing financial performance. The items for the period are unrealised gains and losses related to hedging and IFRS volatility ($6 million gain), Bankwest non-cash items ($52 million expense) and treasury shares valuation adjustment ($28 million expense). A reconciliation of the Net profit after tax ("cash basis") by business segment is provided in Note 26 to the 2015 Financial Report.

Highlights

Key Performance Indicators [(1)]	Full Year Ended 30 Jun 15	Restated 30 Jun 14	As reported 30 Jun 14	As reported 30 Jun 13
Group				
Net profit after tax ("statutory basis") ($M)	**9,063**	8,631	8,631	7,618
Net interest margin (%)	**2. 09**	2. 14	2. 14	2. 13
Net interest margin excluding Treasury and Markets (%) [(2)]	**2. 03**	2. 04	n/a	n/a
Average interest earning assets ($M)	**754,872**	705,371	705,371	653,637
Average interest bearing liabilities ($M)	**714,159**	661,733	661,733	609,557
Statutory funds management income to average Funds Under Administration (FUA) (%)[(1)]	**0. 70**	0. 77	0. 77	0. 81
FUA - average ($M)	**287,136**	263,860	263,860	227,780
Statutory insurance income to average inforce premiums (%)	**31. 1**	33. 7	33. 7	32. 6
Average inforce premiums ($M)	**3,259**	3,068	3,068	2,834
Statutory operating expenses to total operating income (%)	**42. 5**	42. 6	42. 6	43. 5
Statutory effective corporate tax rate (%)	**27. 4**	27. 1	27. 1	27. 5
Retail Banking Services				
Net profit after tax ("statutory basis") ($M)	**3,867**	3,678	3,472	3,089
Statutory operating expenses to total banking income (%)	**34. 9**	35. 2	36. 0	37. 7
Business and Private Banking				
Net profit after tax ("statutory basis") ($M)	**1,459**	1,321	1,526	1,474
Statutory operating expenses to total banking income (%)	**38. 4**	38. 7	37. 0	36. 9
Institutional Banking and Markets				
Net profit after tax ("statutory basis") ($M)	**1,268**	1,277	1,283	1,150
Statutory operating expenses to total banking income (%)	**35. 9**	35. 4	35. 3	33. 8
Wealth Management				
Net profit after tax ("statutory basis") ($M)	**622**	765	769	626
FUA - average ($M) [(3)]	**273,800**	241,405	241,405	202,259
Average inforce premiums ($M)	**2,388**	2,237	2,237	2,068
Statutory funds management income to average FUA (%) [(3)]	**0. 70**	0. 70	0. 78	0. 80
Statutory insurance income to average inforce premiums (%)	**28. 7**	32. 5	32. 5	34. 5
Statutory operating expenses to net operating income (%) [(3)]	**66. 5**	59. 3	59. 1	60. 6
New Zealand				
Net profit after tax ("statutory basis") ($M)	**908**	752	752	597
FUA - average ($M)	**13,336**	10,877	10,877	8,484
Average inforce premiums ($M)	**638**	590	590	516
Statutory funds management income to average FUA (%) [(4)]	**0. 54**	0. 55	0. 55	0. 58
Statutory insurance income to average inforce premiums (%) [(4)]	**35. 5**	40. 2	40. 2	35. 3
Statutory operating expenses to total operating income (%) [(4)]	**40. 3**	42. 8	42. 8	44. 9
Bankwest				
Net profit after tax ("statutory basis") ($M)	**700**	619	624	490
Statutory operating expenses to total banking income (%)	**47. 5**	49. 5	49. 1	52. 4
Capital (Basel III)				
Common Equity Tier 1 APRA (%)	**9. 1**	9. 3	9. 3	8. 2

(1) Comparative information has been restated to conform to presentation in the current year. However, certain reclassifications among the Group's customer segments have not been restated for the 2013 financial year. In order to provide a meaningful comparison to the Group's historical operations, "Restated" customer segment figures are presented for the 2015 financial year and the 2014 financial year and "As reported" customer segment figures are presented for the 2014 financial year and 2013 financial year in the chart above. Refer to "Disclosures - Financial Information Definitions - Reclassification of certain Income Statement and Balance Sheet Information", Note 1 to the 2015 Financial Report and Appendix C of this Document for further details.

(2) This measure was reported for the first time in the 2015 Financial Report.

(3) In the prior year, the Property Transactions (as defined on page 29) were completed and the businesses were exited. Excluding this contribution, Net profit after tax ("statutory basis") decreased 6% on the prior year.

(4) Key financial metrics are calculated in New Zealand dollar terms.

Shareholder Summary	Full Year Ended 30 Jun 15	30 Jun 14	30 Jun 13
Dividends per share - fully franked (cents)	**420**	401	364
Dividend cover - statutory (times)	**1. 3**	1. 3	1. 3
Dividend cover - cash (times)	**1. 3**	1. 3	1. 3
Earnings per share (cents) (1)			
Statutory basis - basic	**557. 0**	533. 8	474. 2
Statutory basis - fully diluted	**542. 7**	521. 9	461. 0
Cash basis - basic	**560. 8**	535. 9	482. 1
Cash basis - fully diluted	**546. 3**	524. 0	468. 6
Dividend payout ratio (%) (2)			
Statutory basis	**75. 7**	75. 5	77. 4
Cash basis	**75. 1**	75. 1	75. 9
Weighted average no. of shares ("statutory basis") - basic (M) (3)	**1,618**	1,608	1,598
Weighted average no. of shares ("cash basis") - basic (M) (4)	**1,620**	1,611	1,601
Return on equity ("statutory basis") (%) (5)	**18. 2**	18. 7	18. 0
Return on equity ("cash basis") (%) (6)	**18. 2**	18. 7	18. 2

(1) Earnings per Share: Calculated in accordance with AASB 133: Earnings per Share.
(2) Dividend payout ratio: Dividends paid on ordinary shares divided by earnings (earnings are net of dividends on other equity instruments).
(3) Weighted average number of shares ("statutory basis") - basic: Includes an adjustment to exclude "Treasury Shares" related to investments in the Group's shares held by both the life insurance statutory funds and by the employee share scheme trust. Fully diluted weighted average number of shares are disclosed in Note 6 to the 2015 Financial Report.
(4) Weighted average number of shares ("cash basis") - basic: Includes an adjustment to exclude "Treasury Shares" related to investment in the Group's shares held by the employee share scheme trust.
(5) Return on equity ("statutory basis"): Based on Net profit after tax ("statutory basis") less other equity instruments' distributions applied to average shareholders' equity, excluding non-controlling interests and other equity instruments.
(6) Return on equity ("cash basis"): Based on Net profit after tax ("cash basis") and non-controlling interests less other equity instruments' distributions applied to average shareholders' equity, excluding non-controlling interests, other equity instruments and treasury shares.

Market Share (1)	As at 30 Jun 15 %	31 Dec 14 %	30 Jun 14 %	Jun 15 vs Dec 14 %	Jun 15 vs Jun 14 %
Home loans	**25. 1**	25. 1	25. 3	-	(20)bpts
Credit cards - RBA (2)	**24. 5**	25. 1	24. 7	(60)bpts	(20)bpts
Other household lending (3)	**19. 8**	20. 2	20. 3	(40)bpts	(50)bpts
Household deposits (4)	**29. 5**	29. 1	29. 0	40 bpts	50 bpts
Business lending - RBA	**17. 2**	17. 1	17. 7	10 bpts	(50)bpts
Business lending - APRA	**18. 9**	18. 6	18. 8	30 bpts	10 bpts
Business deposits - APRA	**20. 3**	20. 4	21. 1	(10)bpts	(80)bpts
Asset Finance	**13. 2**	13. 4	13. 2	(20)bpts	-
Equities trading	**6. 0**	5. 8	5. 2	20 bpts	80 bpts
Australian Retail - administrator view (5)	**16. 0**	16. 1	16. 0	(10)bpts	-
FirstChoice Platform (5)	**11. 4**	11. 4	11. 5	-	(10)bpts
Australia life insurance (total risk) (5)	**12. 3**	12. 1	12. 4	20 bpts	(10)bpts
Australia life insurance (individual risk) (5)	**11. 7**	11. 9	12. 3	(20)bpts	(60)bpts
NZ lending for housing	**21. 7**	21. 7	21. 9	-	(20)bpts
NZ retail deposits	**21. 4**	20. 6	20. 6	80 bpts	80 bpts
NZ lending to business	**11. 6**	11. 5	11. 0	10 bpts	60 bpts
NZ retail FUA	**16. 2**	16. 5	16. 1	(30)bpts	10 bpts
NZ annual inforce premiums (5)	**28. 8**	29. 0	29. 1	(20)bpts	(30)bpts

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

Our Senior Unsecured Debt Credit Ratings	Long-term	Short-term	Outlook
Fitch Ratings	AA-	F1+	Stable
Moody's Investor Services	Aa2	P-1	Stable
Standard & Poor's	AA-	A-1+	Stable

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by an assigning rating agency. Ratings should be evaluated independently of any other information.

Risk Factors

This section describes the principal risk factors that could materially affect the Group's businesses, its revenues, operating income, net income, net assets, liquidity, funding and capital resources. These should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties that the Group faces. Additional risks that the Group is unaware of, or that it currently considers to be immaterial, may also become important risks that affect the Group. The factors below should be considered in connection with the "Special Note Regarding Forward-Looking Statements" on page 5 and the "Principal Risk Types" identified on pages 102 to 104 of this Document. Notes 32 to 34 of the 2015 Financial Report provide details on how the Group manages its credit, market and liquidity and funding risks.

The Group's businesses may be adversely affected by economic conditions, disruptions in the global financial markets and associated impacts.

Uncertainty and volatility continue to characterise global financial markets. Concerns about a potential exit by Greece from the European Union and achieving a permanent solution regarding Greece's sovereign debt, the recent declines in the Chinese share market, transition in China towards a more sustainable growth model, together with sharp oil price declines, the ongoing financial crisis in Russia and volatile commodity prices all pose risks to global economic growth and financial stability. Geopolitical instability, including potential for, threats of, or actual conflict occurring around the world, including the ongoing unrest and conflicts in the Ukraine, North Korea, Syria, Egypt, Afghanistan, Iraq and elsewhere in the world as well as the current high threat of terrorist activities may also adversely affect global financial markets, general economic and business conditions. This in turn may adversely affect the Group's business, operations, and financial condition. In addition, diverging policy settings between different economic regions will continue to challenge market conditions, with the European Central Bank recently announcing a new large-scale financial asset purchase program (commonly referred to as "quantitative easing") to boost economic growth and lower the risk of deflation, while the U.S. Federal Reserve recently ceased its own quantitative easing program and discussed the possibility of raising its benchmark interest rate towards the end of 2015.

As a diversified financial institution that operates in various financial markets, the Group has been adversely impacted, both directly and indirectly, by difficult market conditions and may experience similar or other adverse impacts in the future. The Group's businesses operate in, or depend on the operation of, these markets, including through exposures in securities, loans, derivatives and other activities. In addition, turmoil in the financial markets can flow into the wider economy and feed back into the financial system.

By the nature of its operations, the Group faces the risk of financial contagion and its results of operations could be adversely impacted if economic conditions offshore deteriorate to the extent that sovereign or non-sovereign entities default on their debt obligations, the Euro destabilises, one or more European countries re-introduce country-specific currencies, and global financial markets cease to operate efficiently. Changes in monetary policies may also adversely affect the Group's business, operations and financial condition. The Group continues to monitor industry and company specific developments and the state of the global and Australian economies and markets.

During the 2015 financial year, the value of the Australian dollar declined by more than 20% from a high of US$0.9457 on July 2, 2014 to a low of US$0.7580 as of April 2, 2015 before declining further to US$0.7227 as of August 25, 2015. While some sectors of the Australian economy (and therefore some of the Group's customers) could be adversely affected by a declining Australian dollar, there are other sectors that benefit by a declining Australian dollar, including agricultural exports, tourism, manufacturing and retail. The Reserve Bank of Australia currently believes that a lower Australian dollar would be a net benefit to Australian economic activity in providing a more diversified economic base. This transition has contributed to a period of below-trend economic growth and rising unemployment. These trends may impact adversely on parts of the domestic economy and, in turn, the Group's results of operations.

Financial markets are by their nature characterised by volatility and this volatility has offsetting forces. Trading income can benefit or be harmed by market volatility, depending on the composition of the Group's trading portfolio. Volatility can adversely impact the Group's liquidity position. These impacts may be exacerbated if market conditions worsen, the Group underperforms or experiences a ratings downgrade.

A downturn in the Australian and New Zealand economies could adversely impact the Group's results.

As a financial group whose core businesses are banking, funds management and insurance primarily located in Australia and New Zealand, the performance of the Group is dependent on the state of the Australian and New Zealand economies, as well as customer and investor confidence and prevailing market conditions. The Group can give no assurances as to the likely future conditions of the Australian and New Zealand economies, which can be influenced by many factors, which are outside of its control.

Concerns about sovereign debt, banking and financial system fragility, and weaknesses in some of Australia and New Zealand's trading partners persist. China is a major trading partner and a significant driver of commodity demand and prices. Weak commodity prices have weighed on Australian and New Zealand incomes, including profits, wages and government revenue. This income weakness has impacted negatively on economic growth, labour employment and capital expenditure. Anything that adversely affects China's economic growth could adversely affect Australian and New Zealand economic activity and incomes.

During the 2015 financial year, the fundamentals of the Australian and New Zealand economies remained sound; however, higher levels of unemployment and uncertainty in the outlook for the local and global economies resulted in the persistence of higher rates of savings, limited appetite for credit and lower discretionary spending.

A material downturn in the Australian and/or New Zealand economies could adversely impact future results and could potentially result in further increases in the amount overdue on individual loans. Recessive economic cycles also have a negative influence on, amongst other things, liquidity levels, credit defaults of corporations and other borrowers and return on assets. The Group's banking business is affected by market conditions in that there may be less demand for loan, deposit or other products or certain customers may face difficulty in meeting their obligations.

Residential, commercial and rural property lending, together with property finance, including real estate development and investment property finance, constitute important businesses to the Group. A significant or sustained decrease in the Australian and New Zealand housing markets or property valuations could adversely affect the Group's business, operations and financial condition. Furthermore, weaknesses in global securities or other financial markets due to credit, liquidity or other problems could result in a decline in the Group's revenues from its funds management and insurance business.

Adverse financial and credit market conditions may significantly affect the Group's ability to access international debt markets, on which it relies for a substantial amount of its wholesale funding.

In recent years, the global debt and equity markets have experienced significant volatility due to factors such as concern over European sovereign debt levels and the downgrade in the ratings of sovereigns and banks by the securities ratings agencies. While the majority of the Group's funding comes from deposits, it remains reliant on offshore wholesale funding markets to source a significant amount of its funding. Global market volatility may result in increased competition for deposits in Australia, which could adversely impact the cost of this funding and increase the cost of accessing wholesale funding markets. If the Group is unable to pass increased funding costs on to its customers, its net interest margins will contract, which will adversely impact the Group's results of operations and the ability of the Group to maintain or grow its current business operations. Disruptions, uncertainty or volatility in financial markets may limit the Group's access to funding, particularly its ability to issue securities, and, of those, notably longer-dated debt securities, in international markets at a cost that is acceptable to the Group. These market conditions may limit the Group's ability to replace, in a timely manner, maturing liabilities and access the funding necessary to grow the Group's businesses. As such, the Group may decide to issue securities with shorter tenors than it prefers, or pay less attractive interest rates, thereby increasing its interest expense, decreasing its profitability and significantly reducing its financial flexibility.

If the Group is unable to source appropriate funding, it may also be forced to reduce its lending or begin to sell liquid securities. Such activities may adversely affect the Group's business.

Adverse financial market conditions or specific Group circumstances may significantly affect the Group's ability to access domestic and international capital markets.

Disruptions, uncertainty or volatility in financial markets may limit the Group's ability to access capital markets in a timely manner or at a cost that is acceptable to the Group. There may be circumstances where Group specific conditions (for example reduced profitability), as opposed to general market conditions (for example a global recession), could also limit the Group's access to capital markets.

The Group operates an Internal Capital Adequacy Assessment Process (ICAAP) to manage its capital levels and to maintain them above Board approved minimum levels (which in turn are set to exceed regulatory minimal standards). The ICAAP includes forecasting and stress testing of capital levels which guides the Group in selecting any capital management initiatives it may undertake. However, should the ICAAP forecasts or stress tests prove to be ineffective, the Group's business may be adversely impacted.

Adverse financial market conditions or specific Group circumstances may significantly affect the Group's ability to maintain adequate levels of liquidity.

The Group's liquidity and funding policies are designed to address liquidity and funding risks by ensuring it will meet its obligations as and when they fall due, by seeking to ensure it is able to borrow on an unsecured basis, has sufficient assets to borrow against on a secured basis, or has sufficient high quality liquid assets to sell to raise immediate funds without adversely affecting the Group's net asset value. The Group actively monitors and manages its liquidity and funding profile, however if it is unable to maintain adequate levels of liquid assets (for example should financial markets close for an extended period of time), it could have adverse effects on the Group's operations and financial condition. Note 34 to the 2015 Financial Report provides an overview of the Group's liquidity and funding risk management framework.

The Group is subject to extensive regulation, which could impact its results.

The Group's banking, funds management and insurance activities are subject to extensive regulation, including those relating to capital levels, liquidity levels, solvency, risk management, provisioning, insurance policy terms and conditions, accounting and reporting requirements, taxation, remuneration, consumer protection, competition, anti-bribery and corruption, anti-money laundering and counter-terrorism financing. Anti-money laundering, counter-terrorism financing, sanctions compliance and market manipulations have been the subject of increasing regulatory change and enforcement in recent years. The increasingly complicated environment in which the Group operates has heightened these operational and compliance risks. If the Group fails to comply with the requirements of such regulations, it may become subject to significant regulatory fines, regulatory sanctions and suffer material financial loss or loss of reputation. The increasing volume, complexity and global reach of such regulatory requirements, and the increased propensity for sanctions and the level of financial penalties for breaches of requirements could exacerbate the severity of this risk. The Group's business and earnings are also affected by the fiscal or other policies that are adopted by various regulatory authorities of the Australian and New Zealand governments and the governments and regulators of the other jurisdictions in which the Group conducts business.

The requirement to maintain certain levels of Common Equity Tier One, Tier One and Total Capital determines the level of lending activity, or alternatively, requires the issue of additional equity capital or subordinated debt, which are additional sources of funds for the Group. Any change in regulation, including changes that increase the requirements of regulatory capital, for example the Australian Prudential Regulation Authority (APRA) have informed Australian banks of an increase in capital requirements for home lending, could have an adverse impact on the Group's results of operations, or the ability of the Group to maintain or grow its current businesses.

Any changes to the regulatory requirements to which the Group is subject could have an adverse impact on the Group's results of operations. For example, any changes to the liquidity requirements that increase the minimum level of liquid assets to be held could increase the Group's funding costs. Significant breaches of regulatory requirements could also have a material adverse impact on the Group's results of operation and financial condition.

Regulatory actions taken now or in the future may significantly affect the Group's operations and financial condition.

The Group and its businesses are subject to extensive regulation by Australian regulators and regulators in other jurisdictions in which the Group conducts business. The events in the financial services industry and, more generally, in the international financial markets and the global economy over the past seven years, have resulted in various proposals to change the regulation of the financial services industry.

Over the last few years, the Australian government has announced a set of measures to promote a competitive and sustainable banking system. While the Group has adapted to these reforms and has maintained its competitive position, any further regulatory or behavioural change that occurs in response to these reforms could have the effect of limiting or reducing the Group's revenue earned from its banking or other operations.

In stages which began on 1 January 2013, APRA has introduced regulations designed to enhance the capital adequacy of, and liquidity and funding risk management by, Authorised Deposit-taking Institutions (ADIs), including CBA, based on the proposals adopted by the Basel Committee on Banking Supervision (Basel III).

APRA implemented the base capital requirements of Basel III on 1 January 2013. From 1 January 2016, APRA will require ADIs to maintain a capital conservation buffer of 2.5 percent of risk weighted assets above the Basel III minimum requirements and will also have the discretion to apply an additional countercyclical buffer of up to 2.5 percent of risk weighted assets. APRA will also require domestic systemically important Australian banks, including CBA, to hold a further buffer of 1 percent of risk weighted assets from 1 January 2016. On 1 January 2015, APRA also implemented the Basel III Liquidity Cover Ratio (LCR). The LCR requires ADIs to hold a stock of high quality liquid assets to meet expected cash outflows for a 30-day period under a severe stress scenario.

A report following the Financial System Inquiry (the "Inquiry") initiated by the Australian Federal Government was released on 7 December 2014. The Inquiry was given the task of examining how the Australian financial system could be positioned to best meet Australia's evolving needs and support Australia's economic growth. The report released by the Inquiry has made a number of detailed recommendations across five specific themes (improving the financial system's resilience, strengthening the superannuation system, facilitating innovation, improving consumer outcomes and refining Australia's regulatory system with the aim of keeping it 'fit for purpose'). Foremost amongst these was the recommendation for the banking sector to be "unquestionably strong" which the report defines as being "in the top quartile of internationally active banks". While the Australian government has announced that it intends to consult with industry and consumers before making any decisions on the recommendations, any resulting legislative changes may impact the operations or profitability of the Group, including an increase in required levels of capital.

In addition, there has been increasing scrutiny by the Australian Federal Government on the areas of financial planning and advice. In September 2014, the Australian Senate referred an inquiry into the Scrutiny of Financial Advice to the Senate Economics References Committee, which will look into allegations of misconduct related to the provision of financial advice and other related matters. The committee is expected to report back to the Senate in February 2016. While the inquiry is not anticipated to lead to direct penalties or sanctions levied at the Group, the inquiry could lead to more restrictive rules and regulations in the areas of financial planning and advice, which could lead to greater compliance cost for the Group in providing these products and services, which in turn could adversely affect the Group's business and operations.

In the United States, the Group is subject to the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank) which, subject to certain exceptions and transition periods, generally restricts the ability of banking entities to engage in proprietary trading, to sponsor or invest in private funds and to conduct certain transactions with sponsored or advised funds.

The Group does not engage in material amounts of proprietary trading and has been actively positioning its business to address these changes, but there can be no assurance that these changes will not have an adverse impact on the Group. The Group is also subject to regulation as a foreign banking organisation under Dodd-Frank. Reforms in the over-the-counter derivatives markets continue on a global basis, with the governments of the G20 nations proceeding with plans to transform the capital regimes, national regulatory frameworks and infrastructures in which the Group and other market participants operate. As these reforms are passed, the Group will likely experience changes in its wholesale banking business, some of which will impact its client- and trading-related derivatives revenues.

The Group has registered as a swap dealer in the United States to enable the continuation of its swaps business with United States persons. Regulations issued by the United States Commodity Futures Trading Commission (CFTC) impose substantial new requirements on registered swap dealers. Application of these requirements to the Group's swaps business is likely to present an implementation burden, may duplicate or conflict with legal requirements applicable to the Group outside the United States and may place the Group at a competitive disadvantage with banks that are not CFTC-registered swap dealers. The effect on the Group's business cannot yet be determined fully because the regulations have not yet been finalised.

Regulation is becoming increasingly extensive and complex. Some areas of potential regulatory change involve multiple jurisdictions seeking to adopt a coordinated approach. Notwithstanding regulators' efforts to coordinate their approach, many measures adopted or proposed differ significantly across the major jurisdictions, making it increasingly difficult to manage a global institution.

While there can be no assurance that any or all of these regulatory changes will ultimately be adopted, or the form that any such regulations may ultimately take, any such changes, if enacted or adopted, may impact the profitability or size of the Group's business activities, require changes to certain business practices, and expose the Group to additional costs. Such additional costs may result from, among other things, holding additional capital and significant levels of liquid assets and undertaking changes to the Group's wholesale funding profile. These changes may also require the Group to invest significant management attention and resources to make any necessary changes, and could therefore also adversely affect the Group's business and operations.

Failure to maintain credit ratings could adversely affect the Group's cost of funds, liquidity, access to debt and capital markets, and competitive position.

A credit rating is an opinion on the general creditworthiness of an obligor. The Group's credit ratings affect the cost and availability of its funding from debt markets and other funding sources. Credit ratings may also impact the cost and availability of capital. Credit ratings may be an important source of information used by current and potential customers, counterparties, intermediaries and lenders when evaluating the Group's products and creditworthiness. Investors may also consider the credit rating prior to investing in the Group. Therefore, maintaining the Group's current high quality credit ratings is important.

The rating agencies determine the Group's credit rating after an initial assessment of a number of stand-alone factors including the Group's financial strength and outlook and its key operating environments (such as the Australian and New Zealand financial systems). The Group's stand-alone assessment is then coupled with an assessed level of government support and hence is also influenced by the credit rating of the Commonwealth of Australia. The manifestation of one or more of the risk factors highlighted in this section could affect the Group's financial position and outlook, and could contribute to a change in the Group's credit ratings. A downgrade in a credit rating could be due to a change in the rating agencies' assessment and rating methodology or from an adverse change in the Group's financial position and outlook. A downgrade could also be due to a change in the outlook of the sovereign and its ability to provide support in times of stress.

In addition, in March 2015 and April 2015, Moody's Investors Services and Standard & Poor's, respectively, released new bank rating methodologies. While this did not result in a change to the credit ratings assigned to the Group by either Moody's or Standard & Poor's, there can be no assurance that the Group's credit ratings will not be downgraded in the future under the new rating methodologies as a result of the factors described above.

A downgrade to the Group's credit ratings, or the ratings of the Commonwealth of Australia, could adversely affect the Group's cost of funds and related margins, liquidity position, collateral requirements and cost of capital. A downgrade to the Group's credit ratings could also negatively affect its competitive position. The extent and nature of these effects would depend on various factors, including the extent of any ratings change and the Group's credit rating relative to its peers.

Failure to hedge effectively against adverse fluctuations in exchange rates could negatively impact the Group's results of operations.

The Group undertakes a substantial portion of its wholesale funding in international capital markets in currencies other than the Australian dollar, principally the U.S. dollar and the Euro. This exposes the Group to risks associated with exchange rates for the Australian dollar which is the currency in which it prepares its financial statements and the principal currency of the Group's revenue and operating cash flows. The impact of such exchange rate risk cannot be predicted reliably. The Group manages its exchange rate risk with a view to minimising any adverse effect on its financial position and performance. However, the level of the Group's hedging may change over time, and the Group may change its hedging policy at any time. The Group's results of operations may be adversely affected if its hedges are not effective to mitigate exchange rate risks or for Balance Sheet purposes, if the Group is inappropriately hedged or if a hedge provider defaults on its obligations under the Group's hedging agreements. There can be no assurance that the Group's exchange rate hedging arrangements or hedging policy will be sufficient or effective.

The Group may incur losses associated with its counterparty exposures.

As with any financial services organisation, the Group assumes counterparty risk in connection with its lending, trading, derivatives, insurance and other businesses where it relies on the ability of its counterparties to satisfy its financial obligations to the Group on a timely basis. The Group faces the possibility that a counterparty may be unable to honour its contractual obligations. Such parties may default on their obligations to the Group due to bankruptcy, lack of liquidity, operational failure or other reasons. This risk may arise, for example, from entering into swap or other derivative contracts under which counterparties have obligations to make payments to the Group, executing currency or other trades that fail to settle at the required time due to non-delivery by the counterparty or systems failure by clearing agents, exchanges, clearing houses or other financial intermediaries. This risk also arises from the Group's exposure to lenders mortgage, insurance providers and re-insurance providers (for the Group's insurance businesses). The Group is also subject to the risk that its rights against counterparties may not be enforceable in certain circumstances.

The risk of credit-related losses may also be increased by a number of factors, including deterioration in the financial condition of the economy, a sustained high level of unemployment, a deterioration of the financial condition of the Group's counterparties and a reduction in the value of assets the Group holds as collateral. In addition, in assessing whether to extend credit or enter into other transactions with counterparties, the Group relies on information provided by, or on behalf of, the counterparties, including financial statements and other financial information. The Group's financial performance could be negatively impacted to the extent that it relies on information that is inaccurate or materially misleading.

Unexpected credit losses could have significant adverse effect on the Group's business, operations and financial condition.

The Group faces operational risks associated with being a complex financial institution and may incur losses as a result of ineffective risk management processes and strategies.

Operational risk is defined as the risk of economic gain or loss resulting from (i) inadequate or failed internal processes and methodologies, (ii) people, (iii) systems and models used in making business decisions or (iv) external events. The Group is exposed to the risk of loss resulting from human error, the failure of internal or external processes and systems or from external events including the failure of third party suppliers and vendors to provide the contracted services. Such operational risks may include theft and fraud, improper business practices, client suitability and servicing risks, product complexity and pricing risk or improper recording, evaluating or accounting for transactions, breach of security and physical protection systems, or breaches of the Group's internally or externally imposed policies and regulations.

As the Group increases its analytical capabilities and the use of models in its decision making, the reliability of the Group's data and models is becoming even more crucial. There is a risk that the Group makes inappropriate decisions due to poor data quality or models that are not fit for purpose, resulting in actual risk exposures being greater than expected by Management, leading to unexpected losses and depletion of capital levels. While the Group employs a range of risk monitoring and risk mitigation techniques as part of the implementation of its Operational Risk Management Framework, there can be no assurance that the risk management processes and strategies that the Group has developed in response to current market conditions will adequately anticipate additional market stress or unforeseen circumstances. Therefore, the Group may, in the course of its activities, incur losses or reputational harm as a result of operational disruptions.

The Group may incur losses as a result of the inappropriate conduct of its staff.

The Group operates in a range of regulated markets both in Australia and globally and is highly dependent on the conduct of its employees, contractors and external service providers. The Group could, for example, be adversely affected if an employee, contractor or external service provider does not act in accordance with regulations and associated procedures, or engages in inappropriate or fraudulent conduct. Losses, financial penalties or variations to the operating licenses may be incurred from an unintentional or negligent failure to meet a professional obligation to specific clients, including fiduciary and suitability requirements, or from the nature or design of a product. These may include client, product and business practice risks such as product defects and unsuitability, market manipulation, insider trading, misleading or deceptive conduct in advertising and inadequate or defective financial advice. While the Group has policies and processes to minimise the risk of human error and employee, contractor or external service provider misconduct, these policies and processes may not always be effective.

The Group is exposed to risks pertaining to the provision of advice, recommendations or guidance about financial products and services in the course of its sales and marketing activities that may adversely affect the Group's business and operations.

A material portion of the Group's revenues comes from the provision of advice, recommendations or guidance about financial products and services in the course of its sales and marketing activities. As such, the Group is subject to risks, including the provision of unsuitable or inappropriate advice (e.g., that is not commensurate with a customer's objectives and appetite for risk), misrepresentation or inaccurate disclosure about a product or service, failure to appropriately manage conflicts of interest within sales and/or promotion processes (including incentives and remuneration for staff engaged in promotion, sales and/or the provision of advice) and failure to deliver product features and benefits in accordance with their terms, disclosures, recommendations. On 3 July 2014 the Group established the Open Advice Review program, a review and remediation program designed to identify and compensate for poor financial advice that may have been provided to customers by advisers of Commonwealth Financial Planning Limited and Financial Wisdom Limited, subsidiaries of CBA, between 1 September 2003 and 1 July 2012. Customers had until 3 July 2015 to register their interest to participate in the program.

Exposure to such risks may increase during periods of declining investment asset values (such as during periods of economic downturn or investment market volatility), leading to sub-optimal performance of investment products and/or portfolios that are not aligned with the customer's objectives and risk appetite. The Group is subject to various rules and regulations in the countries in which it operates that provide for consumer protection around advisory, marketing and sales practices. These may include, but are not limited to, appropriate management of conflicts of interest, appropriate accreditation standards for staff authorised to provide advice about financial products and services, disclosure standards, standards for ensuring adequate assessment of client/ product suitability, quality assurance activities, adequate record keeping, and procedures for the management of complaints and disputes. Inappropriate advice about financial products and services may result in material litigation (and associated financial and reputational costs), regulatory actions, and/or reputational consequences.

The Group faces technology risks associated with being a complex financial institution and may incur losses as a result of ineffective risk management processes and strategies.

The Group's businesses are highly dependent on the Group's ability to process and monitor, in many cases on a daily basis, a very large number of transactions, many of which are highly complex, across multiple markets in many currencies. The Group's financial, accounting, data processing or other operating systems and facilities may fail to operate properly or may become disabled as a result of events that are wholly or partially beyond its control, such as a spike in transaction volume, adversely affecting its ability to process these transactions or provide these services.

As with any business operating in the financial services market, the Group utilises complex technology frameworks and systems to deliver its services and manage internal processes. Some of these technology systems are provided and/or supported by third party suppliers and vendors. Additionally, the Group's strategy seeks to establish long-term global competitive advantage through leadership in the application of technology.

Disruptions to the technology framework can have a significant impact on the Group's operations. These disruptions can be caused from internal events (e.g. system upgrades) and external events (e.g. failure of vendors' systems or power supplies or technology attacks by third parties).

As part of its Technology Risk Management Framework, the Group employs a range of risk monitoring and risk mitigation techniques however there can be no assurance that the risk management processes and strategies that the Group has developed in response to current market conditions will adequately anticipate additional market stress or unforeseen circumstances. Therefore the Group may, in the course of the Group's activities, incur losses or reputational harm as a result of technology disruptions.

The Group faces information security risks, including cyber-attacks that could have a material adverse effect on the Group's business and operations.

The Group's businesses are highly dependent on its information technology systems. Technology and information security risks are covered by the Group's Operational Risk Management Framework and the Group devotes significant effort to protecting the confidentiality, integrity and availability of its computer systems, software and networks, including maintaining the confidentiality of information that may reside on those assets. These efforts include an inflight multi-year program designed to enhance existing Cyber Security governance, intelligence and capabilities. However, the Group's security measures cannot provide absolute security. Exposure to information security risks occurs when information is acquired or created, processed, used, shared, accessed, retained or disposed.

Information security risks for large financial institutions have increased in recent years, in part because of the proliferation of new technologies, the use of Internet and telecommunications technology and the increased sophistication and activities of organised criminals, hackers, terrorists and other external parties. In addition, to access the Group's products and services, customers may use personal smartphones, personal computers, personal tablet computers and other computing/mobile devices that are beyond the Group's control systems. Although the Group takes protective measures and endeavours to modify them as circumstances warrant, its computer systems, software and networks may be vulnerable to unauthorised access, misuse, denial-of-service attacks, phishing attacks, computer viruses or other malicious code and other events that could result in the unauthorised release, gathering, monitoring, misuse, loss or destruction of confidential, proprietary and other information of the Group, its employees, customers or of third parties or otherwise materially disrupt the Group's or its customers' or third parties network access or business operations.

It is possible that the Group (or its third party suppliers) may not be able to anticipate or to implement effective measures to prevent or minimise damage that may be caused by all information security threats, because the techniques used can be highly sophisticated, can evolve rapidly and those that would perpetrate attacks can be well resourced. Information security threats may also occur as a result of the Group's size and role in the financial services industry, its plans to continue to implement internet banking and mobile banking channel strategies and develop additional remote connectivity solutions, the outsourcing of some of the Group's business operations and the threat of cyber terrorism. An information security failure could have serious consequences for the Group including, among other things, operational disruption, financial losses, a loss of customer or business opportunities, litigation, regulatory penalties or intervention, reputational damage, theft of intellectual property and customer data, and could result in violations of applicable privacy laws, all of which could have a material impact on the Group.

Reputational damage could harm the Group's business and prospects.

Various issues may give rise to reputational risk and cause harm to the Group's business and prospects. These issues could include inappropriately dealing with potential conflicts of interest and breaching legal and regulatory requirements (such as money laundering, trade sanctions and privacy laws), inadequate sales and trading practices, inappropriate management of conflicts of interest and other ethical issues, technology failures, and non-compliance with internal policies and procedures. Failure to address these issues appropriately could also give rise to additional legal risk, subjecting the Group to regulatory enforcement actions, fines and penalties, or harm the Group's reputation and integrity among the Group's customers, investors and other stakeholders.

Market risks could adversely impact the Group's results.

Market risk is the potential of loss arising from adverse changes in interest rates, foreign exchange rates, commodity and equity prices, credit spreads, lease residual risk values, and implied volatility levels for all assets and liabilities where options are transacted. For the purposes of market risk management, the Group makes a distinction between traded and non-traded market risks. Traded market risks principally arise from the Group trading and distributing financial markets products and providing risk management services to customers on a global basis. The predominant non-traded market risk is interest rate risk in the banking book. Other non-traded markets risks are transactional and structural foreign exchange risk arising from capital investments in offshore operations, non-traded equity risk, market risk arising from the insurance business and lease residual value risk. For a description of these specific risks, see Note 33 to the 2015 Financial Report.

Insurance risk could adversely impact the Group's results.

Insurance risk is the risk of loss due to increases in policy benefits arising from variations in the incidence or severity of insured events. Insurance risk exposure arises in the insurance business as the risk that claims payments are greater than expected. In the life insurance business this exposure arises primarily through mortality (death) and morbidity (illness and injury) related claims being greater than expected whereas for the general insurance business variability arises mainly through weather related incidents (such as floods or bushfires) and similar calamities, as well as general variability in home, motor and travel insurance claim amounts. The Group believes its exposure to insurance risk is small due to the size its insurance business relative to the size of its other operations (banking and funds management).

Strategic business risk could adversely impact the Group's results.

The Group is subject to strategic business risk which is defined as the risk of economic loss resulting from changes in the business environment caused by macroeconomic conditions, competitive forces, technology, regulation and/or social trends. While the Board receives reports on and monitors business plans, major projects and the implementation of other significant initiatives, there can be no assurance that such initiatives will always be successful or that they will not result in financial loss or loss of reputation for the Group as business strategies and objectives are defined.

In recent times, there have been increasing instances of investor activism in Australia where shareholder or special interest groups target the Group in relation to particular social or environmental issues and influence how the Group operates or implements its strategy. Areas which have attracted investor activism in Australia, including among institutional shareholders, include making socially responsible investment and avoiding financing or interacting with businesses that do not demonstrate responsible management or environmental and social issues. The prevalence of investor activism could adversely impact management's decision-making and the success of the implementation of its initiatives, which in turn could affect the Group's results of operations.

The Group faces intense competition, which could adversely impact its results.

The Group faces intense competition in all of its principal areas of operation and geographical markets, principally Australia and New Zealand. Competition in the banking and funds management markets has, however, had the most significant effect on the Group's results and operations. As financial markets recover and the Group's competitors overcome any difficulties they have experienced, competition is expected to increase, especially if non-Australian financial services providers continue to expand in Australia.

If the Group is unable to compete effectively in its various businesses and markets, its market share may decline. Increased competition may also adversely affect its results of operations by diverting business to competitors or creating pressure to lower margins. Further details on the competition faced by the Group are detailed in "Description of Business Environment – Competition" on page 99 of this Document.

The Group's business may be adversely affected by acquisitions of businesses.

From time to time, the Group evaluates and undertakes acquisitions of businesses. With acquisitions there is a risk that we may suffer a downgrade of the Group's credit ratings, the Group may not achieve expected synergies from the acquisition as a result of difficulties in integrating information and other systems, the Group may achieve lower than expected cost savings or otherwise incur losses, the Group may lose customers and market share, the Group may face disruptions to the Group's operations resulting from integrating the systems and processes of the acquired business into the Group or the acquisition may have other negative impacts on the Group's results, financial condition or operations. Where acquisitions are outside of Australia and New Zealand, the Group may be exposed to heightened levels of political, social or economic disruption that are currently intrinsic in many such economies. These risks are considered as part of any due diligence undertaken. The Group regularly assesses acquisition opportunities and if it were to undertake other acquisitions these risks may be exacerbated.

The Group could suffer losses due to catastrophic events.

The Group and its customers operate businesses and hold assets in a diverse range of geographical locations. Any significant environmental change or external catastrophic event (including fire, storm, flood, earthquake, pandemic or other widespread health emergency, civil unrest, war or terrorism) in any of these locations has the potential to disrupt business activities, impact on the Group's operations, damage property and otherwise affect the value of assets held in the affected locations and the Group's ability to recover amounts owing to it. In addition, such an event could have an adverse impact on economic activity, consumer and investor confidence or the levels of volatility in financial markets. This risk of losses due to catastrophic events is also directly relevant to the Group's insurance business.

Substantial legal liability or regulatory action against the Group could negatively impact the Group's business.

Due to the nature of the Group's business, it is involved in litigation, arbitration and regulatory proceedings, principally in Australia and New Zealand. Such matters are subject to many uncertainties, and the outcome of individual matters cannot be predicted with certainty. If the Group is ordered to pay money (for example, damages, fines, penalties or legal costs), has orders made against its assets (for example, a charging order or writ of execution), is ordered to carry out conduct which adversely affects its business operations or reputation (for example, corrective advertising) or is otherwise subject to adverse outcomes of litigation, arbitration and regulatory proceedings, the Group's profitability may be adversely affected.

Selected Consolidated Income Statement Data ("statutory basis")	Full Year Ended 30 June 2015 USD$M [1]	2015 (AUD$ millions, except where indicated)	2014	2013	2012	2011
Interest income	**26,192**	**34,100**	33,645	34,739	38,258	37,477
Interest expense	**14,060**	**18,305**	18,544	20,805	25,136	24,883
Net interest income	**12,132**	**15,795**	15,101	13,934	13,122	12,594
Impairment expense	**759**	**988**	918	1,146	1,089	1,280
Non-interest income	**6,047**	**7,873**	7,387	6,942	6,588	6,803
Operating expenses	**7,733**	**10,068**	9,573	9,085	8,762	9,060
Net profit before income tax	**9,687**	**12,612**	11,997	10,645	9,859	9,057
Income tax expense	**2,710**	**3,528**	3,347	3,011	2,827	2,647
Net profit after income tax	**6,977**	**9,084**	8,650	7,634	7,032	6,410
Non-controlling interests	**(16)**	**(21)**	(19)	(16)	(16)	(16)
Net profit attributable to Equity holders of the Bank	**6,961**	**9,063**	8,631	7,618	7,016	6,394
Dividend declared [2]	**5,241**	**6,823**	6,484	3,224	3,137	2,930
Weighted average number of shares (basic) (M)		**1,618**	1,608	1,598	1,570	1,545
Earnings per share, basic (cents)	**427. 8**	**557. 0**	533. 8	474. 2	444. 2	411. 2
Earnings per share, fully diluted (cents)	**416.8**	**542. 7**	521. 9	461. 0	428. 5	395. 1
Dividends per share (cents)	**323**	**420**	401	364	334	320
Dividend payout ratio (%) [3]		**75. 7**	75. 5	77. 4	76. 0	78. 3

1. USD translated from AUD using 30 June 2015 month end Noon Buying Rate, as described below.
2. Represents final dividend declared for each respective year ended 30 June.
3. Dividends paid on ordinary shares divided by statutory earnings (earnings are net of dividends on other equity instruments).

Exchange Rates

For each of the Group’s financial years indicated, as well as for July and August (to date) of 2015, the period end and average exchange rates are set out below, together with the high, low and month end rates (unless otherwise indicated) for recent months. All rates referred to are the Noon Buying Rate in New York City for cable transfers in Australian dollars as certified for customs purposes by the Federal Reserve Bank of New York (the “Noon Buying Rate”).

To calculate the USD figures provided herein for comparison purposes as at and for the year ended 30 June 2015, the 30 June 2015 month end Noon Buying Rate has been used.

	Full Year Ended 30 June 2015 (expressed in USD$ per AUD$1.00)	2014	2013	2012	2011
Period End	**0.7681**	0.9405	0.9268	1.0236	1.0732
Average Rate	**0.8289**	0.9147	1.0272	1.0323	0.9905

	Month Ended 2015 (expressed in USD$ per AUD$1.00) August [1]	July	June	May	April	March
High	**0.7417**	0.7424	0.7783	0.8103	0.8011	0.7874
Low	**0.7227**	0.7690	0.7618	0.7637	0.7580	0.7607
Month End Noon Buying Rates	**0.7227**	0.7290	0.7681	0.7660	0.7970	0.7631

1. Represents the most current August 2015 exchange rate data ended 25 August 2015.

Consolidated Balance Sheet Data	2015 USD$M [1]	2015	2014	2013	2012	2011
		Full Year Ended 30 June (AUD$ millions, except where indicated)				
Assets						
Cash and liquid assets	**25,436**	**33,116**	26,409	20,634	19,666	13,241
Receivables due from other financial institutions	**8,864**	**11,540**	8,065	7,744	10,886	10,393
Assets at fair value through income statement:						
Trading	**20,296**	**26,424**	21,459	19,617	13,816	20,469
Insurance	**10,821**	**14,088**	15,142	14,359	14,525	14,998
Other	**982**	**1,278**	760	907	980	824
Derivative assets	**35,451**	**46,154**	29,247	45,340	39,567	30,317
Available-for-sale investments	**57,365**	**74,684**	66,137	59,601	60,827	45,171
Loans, bills discounted and other receivables	**491,017**	**639,262**	597,781	556,648	525,682	500,057
Bank acceptances of customers	**1,493**	**1,944**	5,027	6,063	9,717	10,734
Property, plant and equipment	**2,176**	**2,833**	2,816	2,718	2,503	2,366
Investments in associates	**2,025**	**2,637**	1,844	2,281	1,898	1,712
Intangible assets	**7,658**	**9,970**	9,792	10,423	10,281	9,603
Deferred tax assets	**350**	**455**	586	916	960	1,300
Other assets	**6,960**	**9,061**	6,386	6,606	7,531	6,714
Total Assets	**670,894**	**873,446**	791,451	753,857	718,839	667,899
Liabilities						
Deposits and other public borrowings	**417,256**	**543,231**	498,352	459,429	437,655	401,147
Payables due to other financial institutions	**27,971**	**36,416**	24,978	25,922	22,126	15,899
Liabilities at fair value through income statement	**6,523**	**8,493**	7,508	8,701	6,555	10,491
Derivative liabilities	**27,047**	**35,213**	27,259	38,580	39,851	33,976
Bank acceptances	**1,493**	**1,944**	5,027	6,063	9,717	10,734
Current tax liabilities	**507**	**661**	688	1,529	1,537	1,222
Deferred tax liabilities	**270**	**351**	366	471	338	301
Other provisions [2]	**1,326**	**1,726**	1,363	1,249	1,224	1,277
Insurance policy liabilities	**9,917**	**12,911**	13,166	13,004	12,994	13,652
Debt issues	**118,617**	**154,429**	142,219	132,808	124,712	118,652
Managed fund units on issue	**883**	**1,149**	1,214	891	995	1,048
Bills payable and other liabilities [2]	**8,530**	**11,105**	10,369	9,986	9,493	10,652
Total Liabilities	**620,340**	**807,629**	732,509	698,633	667,197	619,051
Loan capital [3]	**9,850**	**12,824**	9,594	9,687	10,022	11,561
Total liabilities and loan capital	**630,190**	**820,453**	742,103	708,320	677,219	630,612
Net Assets	**40,704**	**52,993**	49,348	45,537	41,620	37,287
Total Shareholders' Equity [2]	**40,704**	**52,993**	49,348	45,537	41,620	37,287
Other equity instruments	**721**	**939**	939	939	939	939
Total Shareholders' Equity excluding other equity instruments	**39,983**	**52,054**	48,409	44,598	40,681	36,348

1. USD translated from AUD at 30 June 2015 (see month end Noon Buying Rate in the table on page 23 of this Document).
2. Comparative information has been restated to conform to presentation in the current year. Refer to "Disclosures – Financial Information Definitions - Reclassification of certain Income Statement and Balance Sheet Information", Note 1 to the 2015 Financial Report and Appendix C of this Document for further details.
3. Represents interest bearing liabilities qualifying as regulatory capital.

Consolidated Ratios and Operating Data	2015 USD$M [1]	2015	2014	2013	2012	2011
	Full Year Ended 30 June					
		(AUD$ millions, except where indicated)				
Profitability						
Net interest margin (%) [2]		**2. 09**	2. 14	2. 13	2. 09	2. 12
Interest spread (%) [3]		**1. 96**	2. 00	1. 91	1. 82	1. 83
Return on average Shareholders' Equity (%) [4]		**18. 2**	18. 7	18. 0	18. 5	18. 4
Return on average total assets (%) [4]		**1. 1**	1. 1	1. 0	1. 0	1. 0
Productivity						
Total operating income per full-time staff equivalent	**390,639**	**508,578**	500,034	479,308	454,554	421,125
Staff expense/total operating income (%) [5]		**24. 9**	25. 0	23. 9	24. 3	24. 7
Total operating expenses/total operating income (%)[5]		**42. 8**	42. 9	44. 9	45. 8	46. 7
Capital Adequacy (at year end)						
Basel III						
Risk weighted assets	**283,215**	**368,721**	337,715	329,158	n/a	n/a
Tier One capital	**31,605**	**41,147**	37,608	33,750	n/a	n/a
Tier Two capital	**4,348**	**5,661**	2,935	3,088	n/a	n/a
Total capital	**35,953**	**46,808**	40,543	36,838	n/a	n/a
Tier One capital/risk weighted assets (%)		**11. 2**	11. 1	10.2	n/a	n/a
Tier Two capital/risk weighted assets (%)		**1. 5**	0. 9	1.0	n/a	n/a
Total capital/risk weighted assets (%)		**12. 7**	12. 0	11.2	n/a	n/a
Average Shareholders' Equity/average total assets (%)		**6. 1**	6. 1	6.0	n/a	n/a
Basel II						
Risk weighted assets	**n/a**	**n/a**	n/a	n/a	302,787	281,711
Tier One capital	**n/a**	**n/a**	n/a	n/a	30,299	28,213
Tier Two capital	**n/a**	**n/a**	n/a	n/a	2,939	4,749
Total capital [6]	**n/a**	**n/a**	n/a	n/a	33,238	32,962
Tier One capital/risk weighted assets (%)	**n/a**	**n/a**	n/a	n/a	10. 0	10. 0
Tier Two capital/risk weighted assets (%)	**n/a**	**n/a**	n/a	n/a	1. 0	1. 7
Total capital/risk weighted assets (%)	**n/a**	**n/a**	n/a	n/a	11. 0	11. 7
Average Shareholders' Equity/average total assets (%)	**n/a**	**n/a**	n/a	n/a	5. 6	5. 5

1. USD translated from AUD at 30 June 2015 (see month end Noon Buying Rate in the table on page 23 of this Document).
2. Net interest income divided by average interest earning assets for the year.
3. Difference between the average interest rate earned and the average rate paid on funds.
4. Calculations based on Net profit after tax ("statutory basis"), net of dividends on other equity investments, divided by average Shareholders' Equity and average total assets respectively.
5. Total operating income represents net interest income before deducting loan impairment expense plus non-interest income.
6. Represents Tier One capital and Tier Two capital less deductions under statutory guidelines imposed by APRA. Refer to "Group Operations and Business Settings" for further details.

Consolidated Ratios and Operating Data	Full Year Ended 30 June 2015 USD$M (1)	2015	2014	2013	2012	2011
		(AUD$ millions, except where indicated)				
Asset Quality Data (2)						
Non-accrual loans (3)	**1,731**	**2,253**	2,475	3,523	4,218	4,923
Gross impaired assets (4)	**2,193**	**2,855**	3,367	4,330	4,687	5,502
Individually assessed provisions for impairment	**681**	**887**	1,127	1,628	2,008	2,125
Collective provisions for impairment	**2,121**	**2,762**	2,779	2,858	2,837	3,043
Net impaired assets (net of interest reserved)	**1,405**	**1,829**	2,101	2,571	2,556	3,265
Total provisions for impairment/average credit risk (%) (4)		**0. 4**	0. 4	0. 5	0. 6	0. 7
Loan impairment expense/average credit risk (%) (5)		**0. 1**	0. 1	0. 1	0. 1	0. 2
Gross impaired assets/credit risk (%) (6)		**0. 3**	0. 3	0. 5	0. 5	0. 7
Net impaired assets/total Shareholders' Equity (%)		**3. 5**	4. 3	5. 6	6. 1	8. 8
Collective provision for impairment/risk weighted assets (%) Basel III		**1. 0**	0. 8	0. 9	n/a	n/a
Collective provision for impairment/risk weighted assets (%) Basel II		**n/a**	n/a	n/a	0. 9	1. 1

(1) USD translated from AUD at 30 June 2015 (see month end Noon Buying Rate for 2015 financial year in the table on page 23 of this Document).
(2) All impaired asset balances and ratios are net of interest reserved.
(3) Non-accrual facilities comprise any credit risk exposure where a specific provision for impairment has been raised, or is maintained on a cash basis because of significant deterioration in the financial position of the borrower, or where loss of principal or interest is anticipated.
(4) Gross impaired assets comprise non-accrual loans, restructured loans, Other real estate owned assets and Other assets acquired through security enforcement.
(5) Average credit risk is based on gross credit risk less unearned income. Averages are based on current and previous year-end balances.
(6) Gross impaired assets as a percentage of credit risk as disclosed in Note 13 to the 2015 Financial Report less unearned income as presented in Note 12 to the 2015 Financial Report.

Summary Cash Flows Data

Further details of the Group's cash flows are found in the 2015 Financial Report and Notes to the Financial Statements.

Summary Cash Flows (1)	Full Year Ended 30 June 2015 USD$M (2)	2015	2014	2013	2012	2011
		(AUD$ millions, except where indicated)				
Net Cash (used in)/provided by operating activities	**5,517**	**7,183**	3,963	6,577	8,847	14,445
Net Cash (used in)/provided by investing activities	**(933)**	**(1,215)**	201	(1,256)	(1,281)	(1,041)
Net Cash (used in)/provided by financing activities (3)	**(4,475)**	**(5,826)**	2,346	(5,306)	(1,688)	(13,117)
Net (decrease)/increase in cash and cash equivalents	**109**	**142**	6,510	15	5,878	287
Cash and cash equivalents at beginning of period	**14,692**	**19,128**	12,618	12,603	6,725	6,438
Cash and cash equivalents at end of period	**14,801**	**19,270**	19,128	12,618	12,603	6,725

1. Comparative information has been restated to conform to presentation in the current year. Refer to "Disclosures – Financial Information Definitions - Reclassification of certain Income Statement and Balance Sheet Information", Note 1 to the 2015 Financial Report and Appendix C of this Document for further details.
2. USD translated from AUD at 30 June 2015 (see month end Noon Buying Rate for 2015 financial year in the table on page 23 of this Document).
3. Includes the balance 'Effect of foreign exchange rates on cash and cash equivalents'.

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Contents

Group Performance Analysis

Financial Performance and Business Review

This Group Performance Analysis contains certain forward-looking statements. See "Disclosures - Special Note Regarding Forward-Looking Statements" on page 5 of this Document.

Year Ended June 2015 versus June 2014

The Group's Net profit after tax ("statutory basis") increased 5% on the prior year to $9,063 million.

Earnings per share ("statutory basis") increased 4% on the prior year to 557.0 cents per share and Return on equity ("statutory basis") decreased 50 basis points on the prior year to 18.2%.

The key components of the Group result were:

- **Net interest income** increased 5% to $15,795 million. This reflects 7% growth in average interest earning assets, partly offset by a five basis point decrease in net interest margin. Net interest margin excluding Treasury and Markets decreased one basis point to 2.03%;
- **Other banking income** increased 12% to $4,856 million, including a 1% benefit from the lower Australian dollar. This reflects volume driven growth in commissions, higher trading income driven by a strong Markets sales and trading performance, a favourable counterparty valuation adjustment of $42 million, and the impact of the impairment of the investment in Vietnam International Bank (VIB) in the prior year. This was partly offset by lower lending fees, and the implementation of a funding valuation adjustment (FVA) to the fair value of uncollateralised derivatives in response to growing evidence that market participants incorporate FVA in the valuation of such instruments, which resulted in an initial cost of $81 million;
- **Funds management income** decreased 2% to $2,003 million. Excluding the impact of the Property Transactions (as defined in the next column on this page) and businesses from comparative results, Funds management income increased 8%, driven by a 14% increase in average FUA from positive net flows, a strong investment performance and a 3% benefit from the lower Australian dollar. The increase was partly offset by provisioning for customer remediation as part of the Open Advice Review program;
- **Insurance income** decreased 2% to $1,014 million, due to deterioration in claims experience, partly offset by average inforce premium growth of 6% as a result of improved pricing and lapse rates. This increase includes a 1% benefit from the lower Australian dollar;
- **Operating expenses** increased 5% to $10,068 million, including a 1% impact from the lower Australian dollar. This reflects higher staff costs from inflation-related salary increases, and the cost of regulatory, compliance and remediation programs. This was partly offset by the continued realisation of operational efficiencies from productivity initiatives; and
- **Loan impairment expense** increased 8% to $988 million, primarily due to higher arrears in the unsecured portfolio in Retail Banking Services, and an increase in a small number of large individual provisions and lending volume growth in Institutional Banking and Markets.

Year Ended June 2014 versus June 2013

The Group's Net profit after tax ("statutory basis") increased 13% on the prior year to $8,631 million.

Earnings per share ("statutory basis") increased 13% on the prior year to 533.8 cents per share and Return on equity ("statutory basis") increased 70 basis points on the prior year to 18.7%.

The key components of the Group result ("statutory basis") were:

- **Net interest income** increased 8% to $15,101 million, including a 1% benefit from the lower Australian dollar. This result was otherwise driven by 8% growth in average interest earning assets and a one basis point increase in net interest margin;
- **Other banking income** increased 4% to $4,320 million due to volume driven growth in commissions and higher Markets trading income, partly offset by a lower favourable counterparty fair value adjustment and an impairment of the investment in VIB;
- **Funds management income** increased 10% to $2,034 million. During the period, the Group completed the internalisation of the management of CFS Retail Property Trust Group (CFX) and Kiwi Income Property Trust (KIP), and ceased to manage the Commonwealth Property Office Fund (CPA). The Group also sold its entire proprietary unit holding in CPA and KIP and part of its proprietary unit holding in CFX (together, the Property Transactions). As such, these Property Transactions have been excluded from the calculation of Funds management income. Excluding the Property Transactions, Funds management income increased 15% due to a 20% increase in average FUA from positive net flows, strong investment performance and a 5% benefit from the lower Australian dollar. The increase was partly offset by a change in business mix;
- **Insurance income** increased 12% to $1,033 million due to 8% average inforce premium growth (a result of reducing lapse rates) and a 3% benefit from the lower Australian dollar;
- **Operating expenses** increased 5% to $9,573 million, including a 2% impact from the lower Australian dollar, and was otherwise due to higher staff costs from inflation-related salary increases, higher Information Technology (IT) expenses due to increased amortisation and software write-offs. This was partly offset by the continued realisation of operational efficiencies from productivity initiatives; and
- **Loan impairment expense** decreased 20% to $918 million due to a reduction in individual provisioning requirements.

More comprehensive disclosure of performance highlights by key business segments is contained on pages 54-85 of this Document.

Group Performance Analysis

Net Interest Income

	Full Year Ended				
	30 Jun 15 $M	30 Jun 14 $M	Jun 15 vs Jun 14 %	30 Jun 13 $M	Jun 14 vs Jun 13 %
Net interest income ("cash basis")	**15,799**	15,091	5	13,944	8
Hedging and IFRS volatility	**(4)**	16	large	20	(20)
Bankwest non-cash items	**-**	(6)	large	(30)	(80)
Net interest income ("statutory basis") (1)	**15,795**	15,101	5	13,934	8
Average interest earning assets					
Home loans	**410,306**	386,160	6	360,319	7
Personal loans	**23,481**	22,499	4	21,395	5
Business and corporate loans	**190,537**	177,249	7	168,296	5
Total average lending interest earning assets	**624,324**	585,908	7	550,010	7
Non-lending interest earning assets	**130,548**	119,463	9	103,627	15
Total average interest earning assets	**754,872**	705,371	7	653,637	8
Net interest margin ("statutory basis") (%)	**2.09**	2.14	(5)bpts	2.13	1 bpt
Net interest margin excluding Treasury and Markets (%)	**2.03**	2.04	(1)bpt	2.03	1 bpt

(1) Please refer to "Disclosures - Non-Cash Items Included in Statutory Profit" on page 9 of this Document for further details. A reconciliation of the Net profit after tax ("cash basis") by business segment is provided in Note 26 to the 2015 Financial Report.

Year Ended June 2015 versus June 2014

Net interest income ("statutory basis") increased 5% on the prior year to $15,795 million. The result was driven by growth in average interest earning assets of 7%, partly offset by a five basis point decrease in net interest margin.

Average Interest Earning Assets

Average interest earning assets increased $50 billion on the prior year to $755 billion, reflecting:

- Home loan average balances increased $24 billion or 6% on the prior year to $410 billion. The growth in home loan balances was largely driven by domestic banking growth.
- Average balances for business and corporate lending increased $13 billion on the prior year to $191 billion driven by growth in institutional and business banking lending balances.
- Average non-lending interest earning assets increased $11 billion on the prior year due to higher cash and liquid assets and trading assets.

Net Interest Margin

The Group's net interest margin decreased five basis points on the prior year to 2.09%. The key drivers of the movement were:

Asset pricing: Decreased margin of eight basis points reflecting competitive pricing.

Funding costs: Increased margin of six basis points reflecting lower wholesale funding costs of five basis points and a one basis point decrease in deposit costs.

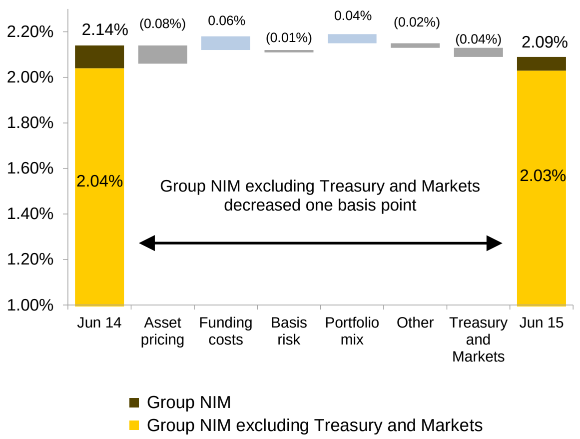
Basis risk: Basis risk arises from funding assets which are priced relative to the cash rate with liabilities priced relative to the bank bill swap rate. The margin decreased one basis point as a result of an increase in the spread between the cash rate and the bank bill swap rate during the year.

Portfolio mix: Increased margin of four basis points from strong growth in higher margin portfolios and favourable funding mix.

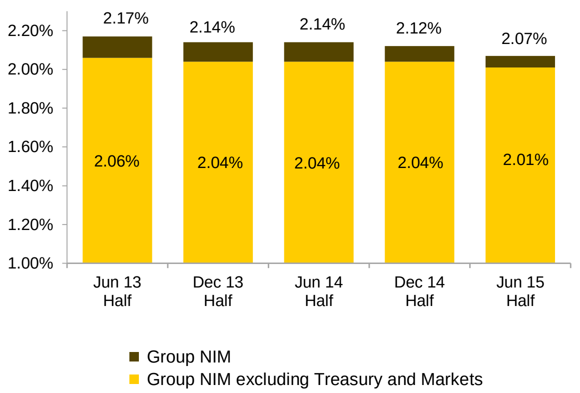
Other: Decreased margin of two basis points, primarily driven by the impact of the falling cash rate environment on free equity funding.

Treasury and Markets: Decreased margin of four basis points, primarily driven by the impact of the falling cash rate environment on free equity funding and increased holdings of liquid assets.

NIM movement since June 2014



Group NIM (Half Year Ended)



Year Ended June 2014 versus June 2013

Net interest income ("statutory basis") increased 8% on the prior year to $15,101 million. The result was driven by growth in average interest earning assets of 8% and a one basis point increase in net interest margin. This includes a 1% benefit from the lower Australian dollar.

Average Interest Earning Assets

Average interest earning assets increased $52 billion on the prior year to $705 billion, reflecting a $36 billion increase in average lending interest earning assets and a $16 billion increase in average non-lending interest earning assets.

Home loan average balances increased $26 billion, or 7%, on the prior year to $386 billion. The growth in home loan balances was largely driven by domestic banking growth that was in line with system.

Average balances for business and corporate lending increased $9 billion on the prior year to $177 billion, driven by growth in institutional lending balances.

Average non-lending interest earning assets increased $16 billion on the prior year due to higher average levels of cash and liquid assets and trading assets.

Net Interest Margin

The Group's net interest margin ("statutory basis") increased one basis point on the prior year to 2.14%. The key drivers of the movement were:

Asset pricing: Decreased margin of two basis points, reflecting competitive pricing and change in mix with a shift in customer preference towards fixed rate home loans.

Funding costs: Increased margin of one basis point, reflecting lower wholesale funding costs of two basis points, partly offset by a one basis point increase in deposits costs from ongoing strong competition and the impact of the falling cash rate environment.

Basis risk: The margin increased one basis point as a result of a reduction in the spread between the cash rate and the bank bill swap rate during the year.

Portfolio mix: Increased margin of four basis points from strong growth in higher margin portfolios, plus favourable funding mix.

Other: Decreased margin of three basis points, primarily driven by increased holdings of liquid assets.

Other Banking Income

	Full Year Ended				
	30 Jun 15 $M	30-Jun-14 $M	Jun 15 vs Jun 14 %	30 Jun 13 $M	Jun 14 vs Jun 13 %
Commissions	**2,226**	2,130	5	1,990	7
Lending fees	**1,050**	1,083	(3)	1,053	3
Trading income	**1,005**	922	9	863	7
Other income	**558**	188	large	250	(25)
Other banking income ("cash basis")	**4,839**	4,323	12	4,156	4
Hedging and IFRS volatility	**17**	(27)	large	16	large
Gain/loss on disposal of controlled entities	**-**	24	large	-	large
Other banking income ("statutory basis") (1)	**4,856**	4,320	12	4,172	4

(1) Please refer to "Disclosures - Non-Cash Items Included in Statutory Profit" on page 9 of this Document for further details. A reconciliation of the Net profit after tax ("cash basis") by business segment is provided in Note 26 to the 2015 Financial Report.

Year Ended June 2015 versus June 2014

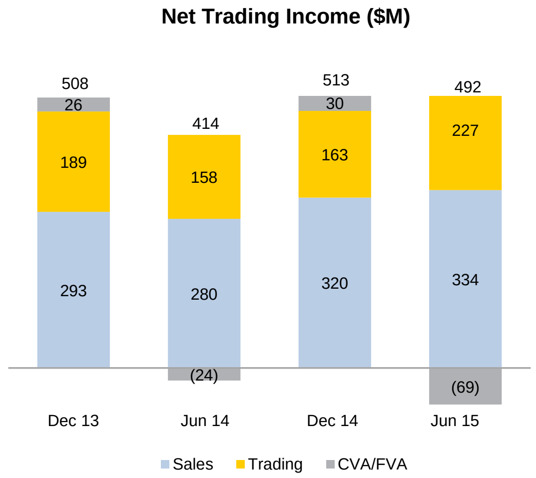
Other banking income ("statutory basis") increased 12% on the prior year to $4,856 million, driven by the following revenue items:

Commissions: Increased 5% on the prior year to $2,226 million, driven by higher card interchange income, increased home loan fee income from higher volumes, and higher equities trading volumes;

Lending fees: Decreased 3% on the prior year to $1,050 million due to lower line fees, reflecting competitive pressures;

Trading income: Increased 9% on the prior year to $1,005 million. This was primarily driven by a strong Markets sales and trading performance, and favourable counterparty valuation adjustments of $42 million, partly offset by the initial cost of implementing a funding valuation adjustment to the fair value of derivatives of $81 million; and

Other income: Increased on the prior year to $558 million, due to a reduced loss on the hedge of New Zealand earnings, higher structured asset finance income, gain on sale of investments, as well as the impairment of the investment in VIB in the prior year.



Year Ended June 2014 versus June 2013

Other banking income ("statutory basis") increased 4% on the prior year to $4,320 million, driven by the following revenue items:

Commissions: Increased 7% on the prior year to $2,130 million, driven by higher credit card interchange income and a strong performance of retail foreign exchange products;

Lending fees: Increased 3% on the prior year to $1,083 million due to volume growth in cash advance facilities;

Trading income: Increased 7% on the prior year to $922 million, primarily driven by a strong performance in Markets and Treasury, and partly offset by a reduced benefit from favourable counterparty fair value adjustments; and

Other income: Decreased 25% on the prior year to $188 million, mainly driven by an impairment of the investment in VIB and the loss on the hedge of New Zealand earnings due to the NZ$ appreciation.

Funds Management Income

	Full Year Ended				
	30 Jun 15 $M	30 Jun 14 (1) $M	Jun 15 vs Jun 14 %	30 Jun 13 $M	Jun 14 vs Jun 13 %
CFS Global Asset Management (CFSGAM) (2)	**847**	739	15	647	14
Colonial First State (2)	**866**	828	5	779	6
CommInsure	**133**	132	1	117	13
New Zealand	**71**	60	18	49	22
Property (3)	**-**	137	large	192	(29)
Other	**21**	37	(43)	44	(16)
Funds management income ("cash basis")	**1,938**	1,933	-	1,828	6
Treasury shares valuation adjustment	**(22)**	(46)	(52)	(63)	(27)
Policyholder tax	**21**	59	(64)	77	(23)
Investment experience	**66**	88	(25)	5	large
Funds management income ("statutory basis") (4)	**2,003**	2,034	(2)	1,847	10

(1) Comparative information has been restated to conform to presentation in the current year.
(2) Colonial First State incorporates the results of all financial planning businesses including Commonwealth Financial Planning.
(3) Property includes the Property Transactions.
(4) Please refer to "Disclosures - Non-Cash Items Included in Statutory Profit" on page 9 of this Document for further details. A reconciliation of the Net profit after tax ("cash basis") by business segment is provided in Note 26 to the 2015 Financial Report.

Year Ended June 2015 versus June 2014

Funds management income ("statutory basis") decreased 2% on the prior year to $2,003 million. Excluding the contribution from the Property Transactions, Funds management income increased 8% on the prior year, driven by:

- A 14% increase in average FUA reflecting favourable equity markets and investment performance, with strong growth in the ASB Aegis fund and KiwiSaver scheme; and
- Positive net flows and the benefit of the lower Australian dollar; partly offset by
- A four basis point decline in Funds management margin as a result of lower Advice revenue, continued run-off in the legacy investment business, and provisioning for customer remediation as part of the Open Advice Review program.

Year Ended June 2014 versus June 2013

Funds management income ("statutory basis") increased 10% on the prior year to $2,034 million. During the period, the Group completed the Property Transactions. Excluding the Property Transactions, Funds management income increased 15% on prior year, driven by:

- A 20% increase in average FUA due to favourable investment markets and strong investment performance; and
- Positive net flows and the benefit of a lower Australian dollar; partly offset by Funds management margin, which declined seven basis points largely due to business mix and higher volume expenses.

Insurance Income

	Full Year Ended				
	30 Jun 15 $M	30-Jun-14 $M	Jun 15 vs Jun 14 %	30 Jun 13 $M	Jun 14 vs Jun 13 %
CommInsure	**503**	575	(13)	542	6
New Zealand	**232**	202	15	171	18
IFS	**42**	36	17	30	20
Other	**15**	6	large	(4)	large
Insurance income ("cash basis")	**792**	819	(3)	739	11
Policyholder tax	**78**	67	16	35	91
Investment experience	**144**	147	(2)	149	(1)
Insurance income ("statutory basis") (1)	**1,014**	1,033	(2)	923	12

(1) Please refer to "Disclosures - Non-Cash Items Included in Statutory Profit" on page 9 of this Document for further details. A reconciliation of the Net profit after tax ("cash basis") by business segment is provided in Note 26 to the 2015 Financial Report.

Year Ended June 2015 versus June 2014

Insurance income ("statutory basis") decreased 2% on the prior year to $1,014 million impacted by:

- A deterioration in claims experience from a number of severe weather events across New South Wales and Queensland during the year; partly offset by
- An increase in average inforce premiums of 6% to $3,259 million, across CommInsure and New Zealand;
- Reduced reserve strengthening in the year and improved pricing in CommInsure Wholesale Life; and
- An improvement in lapse rates in CommInsure, as well as favourable claims and lapse experience in New Zealand.

Year Ended June 2014 versus June 2013

Insurance income ("statutory basis") increased 12% on the prior year to $1,033 million, driven by:

- An increase in average inforce premiums of 8% to $3,068 million, driven by strong new business sales and the positive impact of retention initiatives on reducing lapse rates across CommInsure and New Zealand; and
- The benefit from foreign-sourced income from New Zealand and Asia as result of a lower Australian dollar; partly offset by
- An increase in working claims in CommInsure General Insurance, increased claims experience in Retail Life and further reserve strengthening in Wholesale Life.

Operating Expenses

	Full Year Ended				
	30 Jun 15 $M	30-Jun-14 $M	Jun 15 vs Jun 14 %	30 Jun 13 $M	Jun 14 vs Jun 13 %
Staff expenses	**5,816**	5,542	5	5,232	6
Occupancy and equipment expenses	**1,086**	1,053	3	1,018	3
Information technology services expenses	**1,292**	1,337	(3)	1,299	3
Other expenses	**1,799**	1,567	15	1,461	7
Operating expenses ("cash basis")	**9,993**	9,499	5	9,010	5
Bankwest non-cash items	**75**	74	1	75	(1)
Operating expenses ("statutory basis") (1)	**10,068**	9,573	5	9,085	5
Statutory operating expenses to total operating income (%)	**42. 5**	42. 6	(10)bpts	43. 5	(90)bpts
Statutory banking expense to operating income (%)	**39. 5**	40. 1	(60)bpts	41. 0	(90)bpts

(1) Please refer to "Disclosures - Non-Cash Items Included in Statutory Profit" on page 9 of this Document for further details. A reconciliation of the Net profit after tax ("cash basis") by business segment is provided in Note 26 to the 2015 Financial Report.

Year Ended June 2015 versus June 2014

Operating expenses ("statutory basis") increased 5% on the prior year to $10,068 million. The key drivers were:

Staff expenses: Increased 5% to $5,816 million largely due to a 1% impact from the lower Australian dollar and inflation-related salary increases;

Occupancy and equipment expenses: Increased 3% to $1,086 million, primarily due to adjustments resulting from rental reviews;

Information technology services expenses: Decreased 3% to $1,292 million, driven by lower amortisation expenses and software write-offs;

Other expenses: Increased 15% to $1,799 million, driven by increased credit card loyalty redemption, and the cost of regulatory, compliance and remediation programs; and

Group expense to income ratio: Improved ten basis points on the prior year to 42.5%, reflecting higher revenues and productivity initiatives. The banking expense to income ratio improved 60 basis points on the prior year to 39.5%.

Group Performance Analysis

Year Ended June 2014 versus June 2013

Operating expenses ("statutory basis") increased 5% on the prior year to $9,573 million. The key drivers were:

Staff expenses: Increased 6% to $5,542 million, including a 2% impact from the lower Australian dollar, and were otherwise driven by inflation-related salary increases and performance-related incentives;

Occupancy and equipment expenses: Increased 3% to $1,053 million due to higher occupancy costs in New Zealand related to the head office relocation and an unfavourable foreign exchange impact;

Information technology services expenses: Increased 3% to $1,337 million, driven by higher amortisation expenses and software write-offs;

Other expenses: Increased 7% to $1,567 million, driven by increased professional fees and increased loyalty redemption volumes; and

Group expense to income ratio: Improved 90 basis points on the prior year to 42.6%, reflecting higher revenues and realised benefits from productivity initiatives. The Banking expense to income ratio improved 90 basis points on the prior year to 40.1%.

Staff Numbers

	Full Year Ended		
Full-Time Equivalent Staff	**2015**	**2014**	**2013**
Australia	**35,878**	34,312	35,749
Total	**45,948**	44,329	44,969

Investment Spend

	Full Year Ended				
	30 Jun 15 $M	**30 Jun 14 $M**	**Jun 15 vs Jun 14 %**	**30 Jun 13 $M**	**Jun 14 vs Jun 13 %**
Expensed investment spend (1)	**539**	598	(10)	566	6
Capitalised investment spend	**707**	584	21	671	(13)
Investment spend	**1,246**	1,182	5	1,237	(4)
Comprising:					
Productivity and growth	**728**	774	(6)	651	19
Core Banking Modernisation	**-**	-	-	200	large
Risk and compliance	**378**	280	35	234	20
Branch refurbishment and other	**140**	128	9	152	(16)
Investment spend	**1,246**	1,182	5	1,237	(4)

(1) Included within Operating Expense disclosure on page 33 (previous page) of this Document.

The Group has continued to invest strongly to deliver on the strategic priorities of the business with $1,246 million incurred in the full year to 30 June 2015, an increase of 5% on the prior year.

The increase is largely due to increased spend on risk and compliance initiatives, branch refurbishment, and other projects, partly offset by reduced spend on productivity and growth initiatives.

Significant spend on risk and compliance projects has continued as systems are implemented to assist in satisfying new regulatory obligations, including Stronger Super, Future of Financial Advice (FOFA) reforms, and the Foreign Account Tax Compliance Act (FATCA). In addition, the Group further invested in safeguarding the Group's information security to mitigate cyber-security risks and provide greater stability for customers.

Spend on branch refurbishment and other costs increased from the prior year, largely driven by increased spend on the refreshing of branches and ATMs.

Spend on productivity and growth continued to focus on delivering further enhancements to the Group's sales management capabilities, product systems across retail, business and institutional segments, digital channels and customer data insights.

Several initiatives are ongoing to deliver on the Group's One Commbank strategy, which aims to focus on better understanding customer needs and developing deeper customer relationships.

Loan Impairment Expense

	Full Year Ended					
		Restated		As reported		
	30 Jun 15 $M	30 Jun 14 (1) $M	Jun 15 vs Jun 14 %	30 Jun 14 $M	30 Jun 13 $M	Jun 14 vs Jun 13 %
Retail Banking Services	**626**	582	8	566	533	6
Business and Private Banking	**152**	237	(36)	253	280	(10)
Institutional Banking and Markets	**167**	26	large	26	218	(88)
New Zealand	**83**	51	63	51	44	16
Bankwest	**(50)**	11	large	11	118	(91)
IFS and Other	**10**	11	(9)	11	(47)	large
Loan impairment expense ("statutory basis")	**988**	918	8	918	1,146	(20)

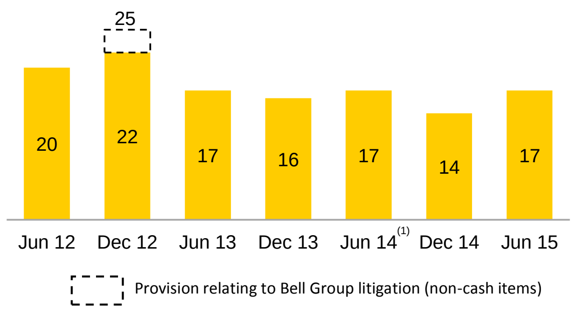
(1) Comparative information has been restated to conform to presentation in the current year.

Year Ended June 2015 versus June 2014

Loan impairment expense ("statutory basis") increased 8% on the prior year to $988 million. The increase was driven by:

- An increase in Retail Banking Services as a result of higher arrears in the unsecured portfolios and some portfolio growth;
- An increase in Institutional Banking and Markets due to a small number of large individual provisions and growth in client exposures; and
- An increase in New Zealand due to higher rural lending and unsecured retail provisions; partly offset by
- Fewer individual provisions in Business and Private Banking; and
- Reduced levels of individual provisions in Bankwest, consistent with the impact of the low interest rate environment.

Half Year Loan Impairment Expense (Annualised) as a % of Average Gross Loans and Acceptances (bpts)



(1) Would be 16 basis points if the Bell Group write-back, a non-cash item, was included.

Year Ended June 2014 versus June 2013

Loan impairment expense ("statutory basis") decreased 20% on the prior year to $918 million. The decrease was driven by:

- A significant reduction in the Bankwest individual provision funding charges, consistent with the impact of the low interest rate environment; and
- Increased write-backs and recoveries in Institutional Banking and Markets; partly offset by
- Increased expense in Retail Banking Services as a result of continued portfolio growth and increased write-offs in the unsecured portfolios.

Taxation Expense

Income Tax	30 Jun 15 $M	Restated 30 Jun 14 [1] $M	Jun 15 vs Jun 14 %	As reported 30 Jun 14 $M	As reported 30 Jun 13 $M	Jun 14 vs Jun 13 %
	Full Year Ended					
Retail Banking Services	**1,651**	1,569	5	1,482	1,315	13
Business and Private Banking	**628**	563	12	651	623	4
Institutional Banking and Markets	**371**	410	(10)	413	359	15
Wealth Management	**199**	231	(14)	233	249	(6)
New Zealand	**295**	239	23	239	204	17
Bankwest	**324**	291	11	293	243	21
IFS and Other	**(29)**	(53)	(45)	(61)	(40)	53
Total income tax expense ("cash basis")	**3,439**	3,250	6	3,250	2,953	10
Non-cash tax expense [2]	**89**	97	(8)	97	58	67
Total income tax expense ("statutory basis") [2]	**3,528**	3,347	5	3,347	3,011	11

Effective Tax	30 Jun 15 %	Restated 30 Jun 14 %	Jun 15 vs Jun 14 %	As reported 30 Jun 14 %	As reported 30 Jun 13 %	Jun 14 vs Jun 13 %
	Full Year Ended					
Retail Banking Services	29. 9	29. 9	-	29. 9	29. 9	-
Business and Private Banking	30. 1	29. 9	20 bpts	29. 9	29. 7	20 bpts
Institutional Banking and Markets	22. 6	24. 7	(210)bpts	24. 8	22. 8	200 bpts
Wealth Management	24. 8	23. 3	150 bpts	23. 4	27. 6	(420)bpts
New Zealand	25. 8	24. 4	140 bpts	24. 4	24. 7	(30)bpts
Bankwest	30. 1	30. 1	-	30. 1	29. 8	30 bpts
Total – corporate	27. 4	27. 1	30 bpts	27. 1	27. 5	(40)bpts

(1) Comparative information has been restated to conform to presentation in the current year. However, certain reclassifications among the Group's customer segments have not been restated for the 2013 financial year. In order to provide a meaningful comparison to the Group's historical operations, "Restated" figures are presented for the 2015 financial year and the 2014 financial year and "As reported" figures are presented for the 2014 financial year and 2013 financial year in the chart above. Refer to "Disclosures - Financial Information Definitions - Reclassification of certain Income Statement and Balance Sheet Information", Note 1 to the 2015 Financial Report and Appendix C of this Document for further details.

(2) Please refer to "Disclosures - Non-Cash Items Included in Statutory Profit" on page 9 of this Document for further details. A reconciliation of the Net profit after tax ("cash basis") by business segment is provided in Note 26 to the 2015 Financial Report.

June 2015 versus Restated June 2014

Corporate tax expense ("statutory basis") for the year ended 30 June 2015 increased 5% on the prior year, representing a 27.4% effective tax rate.

The effective tax rate is below the Australian company tax rate of 30% primarily as a result of the profit earned by the offshore banking units and offshore jurisdictions that have lower corporate tax rates.

As reported June 2014 versus June 2013

Corporate tax expense ("statutory basis") for the year ended 30 June 2014 was $3,347 million, an 11% increase on the prior year, representing a 27.1% effective tax rate.

The effective tax rate was below the Australian company tax rate of 30% primarily as a result of the profit earned by the offshore banking units and offshore jurisdictions that have lower corporate tax rates.

Review of Group Assets and Liabilities

	Full Year Ended					
		Restated		As reported		
Total Group Assets and Liabilities	**30 Jun 15 $M**	**30 Jun 14 [1] $M**	**Jun 15 vs Jun 14 %**	**30 Jun 14 $M**	**30 Jun 13 $M**	**Jun 14 vs Jun 13 %**
Interest earning assets						
Home loans	**422,851**	399,685	6	399,685	372,840	7
Personal loans	**23,497**	23,058	2	23,058	22,013	5
Business and corporate loans	**198,476**	183,930	8	183,930	172,314	7
Loans, bills discounted and other receivables	**644,824**	606,673	6	606,673	567,167	7
Non-lending interest earning assets	**136,643**	119,699	14	119,699	106,060	13
Total interest earning assets	**781,467**	726,372	8	726,372	673,227	8
Other assets [2]	**91,979**	65,079	41	65,079	80,630	(19)
Total assets	**873,446**	791,451	10	791,451	753,857	5
Interest bearing liabilities						
Transaction deposits	**90,589**	76,947	18	102,086	87,673	16
Savings deposits	**176,497**	155,142	14	127,430	106,935	19
Investment deposits	**195,065**	192,956	1	195,529	199,397	(2)
Other demand deposits	**67,074**	60,832	10	60,832	54,472	12
Total interest bearing deposits	**529,225**	485,877	9	485,877	448,477	8
Debt issues	**156,372**	147,246	6	147,246	138,871	6
Other interest bearing liabilities	**57,523**	42,079	37	42,079	44,306	(5)
Total interest bearing liabilities	**743,120**	675,202	10	675,202	631,654	7
Non-interest bearing liabilities	**77,333**	66,901	16	66,901	76,666	(13)
Total liabilities	**820,453**	742,103	11	742,103	708,320	5

(1) Comparative information has been restated to conform to presentation in the current year. However, certain reclassifications among the Group's customer segments have not been restated for the 2013 financial year. In order to provide a meaningful comparison to the Group's historical operations, "Restated" figures are presented for the 2015 financial year and the 2014 financial year and "As reported" figures are presented for the 2014 financial year and 2013 financial year in the chart above. Refer to "Disclosures - Financial Information Definitions - Reclassification of certain Income Statement and Balance Sheet Information", Note 1 to the 2015 Financial Report and Appendix C of this Document for further details.

(2) Loans, bills discounted and other receivables exclude provisions for impairment which are included in Other assets.

June 2015 versus Restated June 2014

Asset growth of $82 billion, or 10%, on the prior year was due to increased home lending, increased business and corporate lending, and higher cash and liquid asset balances and derivative assets.

The Group continued to satisfy a significant portion of lending growth from customer deposits. Customer deposits now represent 63% of total funding (30 June 2014: 64%).

Home loans

Home loan balances increased $23 billion to $423 billion, reflecting a 6% increase on the prior year. Growth in Retail Banking Services and Bankwest was slightly below system growth, within a competitive market environment.

Consumer finance

Personal loans, including credit cards and margin lending, increased 2% on the prior year to $23 billion with solid growth in personal lending and credit cards in Retail Banking Services, Business and Private Banking and New Zealand.

Business and corporate loans

Business and corporate loans increased $15 billion to $198 billion, an 8% increase on the prior year, or 7% excluding the effect of a 1% benefit from the lower Australian dollar. This was driven by strong growth in commercial and institutional lending balances, higher leasing balances, and above system growth in New Zealand. This was partly offset by the continued reduction in higher risk pre-acquisition exposures in Bankwest.

Non-lending interest earning assets

Non-lending interest earning assets increased $17 billion to $137 billion, reflecting a 14% increase on the prior year, including a 3% benefit from the lower Australian dollar. This was driven by higher liquid asset balances held as a result of Balance Sheet growth and regulatory requirements.

Other assets

Other assets, including derivative assets, insurance assets and intangibles, increased $27 billion to $92 billion, a 41% increase on the prior year. This increase reflected higher derivative asset balances due to foreign exchange volatility.

Interest bearing deposits

Interest bearing deposits increased $43 billion to $529 billion, a 9% increase on the prior year. This was driven by growth of $21 billion in savings deposits, a $14 billion increase in transaction deposits, a $6 billion increase in other demand deposits, and a $2 billion increase in investment deposits.

Debt issues

Debt issues increased $9 billion to $156 billion, a 6% increase on the prior year.

Refer to page 50 of this Document for further information on debt programs and issuance for the year ended 30 June 2015.

Other interest bearing liabilities

Other interest bearing liabilities, including loan capital, liabilities at fair value through the income statement and amounts due to other financial institutions, increased $15 billion to $58 billion, a 37% increase on the prior year.

Non-interest bearing liabilities

Non-interest bearing liabilities, including derivative liabilities and insurance policy liabilities, increased $10 billion to $77 billion, a 16% increase on the prior year.

Group Performance Analysis

As reported June 2014 versus June 2013

Asset growth of $38 billion, or 5%, on the prior year was due to increased home lending, business and corporate lending and higher cash and liquid asset balances.

The Group continued to satisfy a significant portion of its funding requirements from customer deposits. Customer deposits represented 64% of total funding, a 1% increase since 30 June 2013.

Home loans

Home loan balances increased $27 billion to $400 billion, reflecting a 7% increase on the prior year. This includes a 1% increase due to the lower Australian dollar. Growth in Retail Banking Services was broadly in line with system growth within a competitive market environment, while Bankwest achieved above system growth.

Consumer finance

Personal loans, including credit cards and margin lending, increased 5% on the prior year to $23 billion due to continued growth in personal loan balances and above market credit card growth in Retail Banking Services and New Zealand.

Business and corporate loans

Business and corporate loans increased $12 billion to $184 billion, a 7% increase on the prior year. This includes a 1% increase due to the lower Australian dollar. This was driven by strong growth in commercial and institutional lending balances, higher leasing balances (mainly in the United Kingdom and Asia) and above system growth in New Zealand. This was partly offset by the continued reduction in higher risk pre-acquisition exposures in Bankwest.

Non-lending interest earning assets

Non-lending interest earning assets increased $14 billion to $120 billion, reflecting a 13% increase on the prior year. This includes a 2% increase due to the lower Australian dollar. This increase was driven by higher liquid asset balances held as a result of Balance Sheet growth and regulatory requirements.

Other assets

Other assets, including derivative assets, insurance assets and intangibles, decreased $16 billion to $65 billion, a 19% decrease on the prior year. This decrease reflected lower derivative asset balances due to foreign exchange volatility.

Interest bearing deposits

Interest bearing deposits increased $37 billion to $486 billion, an 8% increase on the prior year.

This was driven by growth of $20 billion in savings deposits, a $14 billion increase in transaction deposits and a $6 billion increase in other demand deposits. This was partly offset by a $4 billion decrease in investment deposits.

Debt issues

Debt issues increased $8 billion to $147 billion, a 6% increase on the prior year.

Other interest bearing liabilities

Other interest bearing liabilities, including loan capital, liabilities at fair value through the income statement and amounts due to other financial institutions, decreased $2 billion to $42 billion, a 5% decrease on the prior year.

Non-interest bearing liabilities

Non-interest bearing liabilities, including derivative liabilities and insurance policy liabilities, decreased $10 billion to $67 billion, a 13% decrease on the prior year.

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Contents

Loan Impairment Provisions and Credit Quality

Provisions for Impairment

	As at				
	30 Jun 15 $M	30 Jun 14 $M	30 Jun 13 $M	Jun 15 vs Jun 14 %	Jun 14 vs Jun 13 %
Provisions for impairment losses					
Collective provision	**2,762**	2,779	2,858	(1)	(3)
Individually assessed provisions	**887**	1,127	1,628	(21)	(31)
Total provisions for impairment losses	**3,649**	3,906	4,486	(7)	(13)
Less: Off balance sheet provisions	**(31)**	(40)	(31)	(23)	29
Total provisions for loan impairment	**3,618**	3,866	4,455	(6)	(13)

Year Ended June 2015 versus June 2014

Total provisions for impairment losses decreased 7% on the prior year to $3,649 million. The movement in the level of provisioning reflects:

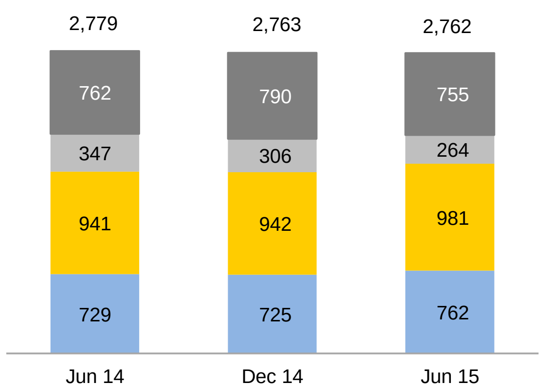
- A reduction in individually assessed provisions as the level of impaired assets continued to reduce;
- A reduction of Bankwest collective provisions as troublesome loans continued to be refinanced or repaid; partly offset by
- An increase in collective provisioning in the Consumer portfolios, reflecting higher volume of loans and higher arrears;
- An increase in collective provisioning in the Commercial portfolios as a result of the annual review of factors and refinements to models; and
- Economic overlays remain largely unchanged on the prior year.

Year Ended June 2014 versus June 2013

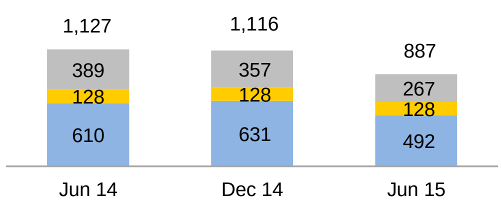
Total provisions for impairment losses decreased 13% on the prior year to $3,906 million. The movement in the level of provisioning reflects:

- A reduction in individually assessed provisions as the level of impaired assets continued to reduce; and
- A reduction of Bankwest collective provisions as troublesome loans continued to be refinanced or repaid; partly offset by
- An increase in collective provisioning in the Commercial and Consumer portfolios as a result of the annual review of factors and refinements to models; and
- Economic overlays remaining unchanged on the prior year.

Collective Provisions ($M)



Individually Assessed Provisions ($M)



Overlay Bankwest Consumer Commercial

Group Operations and Business Settings

Loan Impairment Provisions and Credit Quality

Credit Quality

Credit Quality Metrics	30 Jun 15	30 Jun 14	Jun 15 vs Jun 14 %	30 Jun 13	Jun 14 vs Jun 13 %
Gross loans and acceptances (GLAA) ($M)	**646,172**	608,127	6	568,821	7
Risk weighted assets (RWA) - Basel III ($M)	**368,721**	337,715	9	329,158	3
Credit risk weighted assets - Basel III ($M)	**319,174**	289,138	10	279,674	3
Gross impaired assets ($M)	**2,855**	3,367	(15)	4,330	(22)
Net impaired assets ($M)	**1,829**	2,101	(13)	2,571	(18)
Provision Ratios					
Collective provision as a % of credit risk weighted assets - Basel III	**0. 87**	0. 96	(9)bpts	1. 02	(6)bpts
Total provision as a % of credit risk weighted assets - Basel III	**1. 14**	1. 35	(21)bpts	1. 60	(25)bpts
Total provisions for impaired assets as a % of gross impaired assets	**35. 94**	37. 60	(166)bpts	40. 62	(302)bpts
Total provisions for impairment losses as a % of GLAA's	**0. 56**	0. 64	(8)bpts	0. 79	(15)bpts
Asset quality ratios					
Gross impaired assets as a % of GLAA's	**0. 44**	0. 55	(11)bpts	0. 76	(21)bpts
Loans 90+ days past due but not impaired as a % of GLAA's	**0. 36**	0. 39	(3)bpts	0. 39	-
Loan impairment expense ("statutory basis") annualised as a % of average GLAA's	**0. 16**	0. 16	-	0. 20	(4)bpts

Full Year Ended

Provision Ratios

Management believes provision coverage ratios remain prudent with collective provisions to Credit Risk Weighted Assets at 0.87% and Total Provisions to Credit Risk Weighted Assets at 1.14%.

Asset Quality

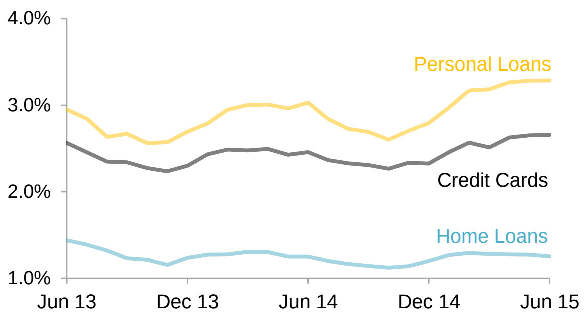
The low interest rate environment means that troublesome and impaired assets have continued to decline, and while arrears for the retail portfolios have increased marginally, they remain low relative to historical experience.

Retail Portfolios – Arrears Rates

Retail arrears across all products increased marginally above seasonal expectations throughout the year.

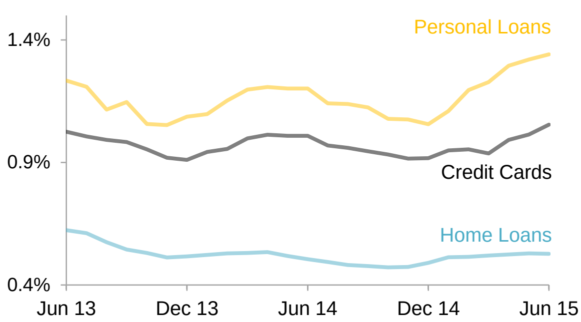
Home loan arrears were mixed over the year, with 30+ day arrears flat at 1.25% and 90+ day arrears increasing marginally from 0.50% to 0.52%. Credit card arrears deteriorated with 30+ day arrears increasing from 2.46% to 2.66%, and 90+ day arrears increasing marginally from 1.01% to 1.05%. Personal loan arrears increased, with 30+ day arrears increasing from 3.03% to 3.28%, and 90+ day arrears increasing from 1.20% to 1.34%.

30+ Days Arrears Ratios (%) [1]



(1) Includes retail portfolios of Retail Banking Services, Bankwest and New Zealand.

90+ Days Arrears Ratios (%) [1]

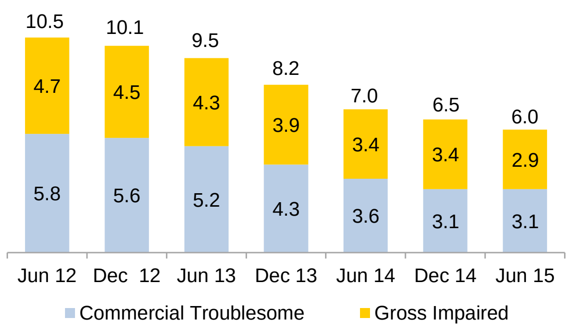


Troublesome and Impaired Assets

Commercial troublesome assets declined 15% during the year to $3,059 million.

Gross impaired assets decreased 15% on the prior year to $2,855 million. Gross impaired assets as a proportion of gross loans and acceptances of 0.44% decreased 11 basis points on the prior year, reflecting the improving quality of the corporate portfolios.

Troublesome and Impaired Assets ($B)



Capital

Basel Regulatory Framework

Background

As a result of the issues which led to the Global Financial Crisis, the Basel Committee on Banking Supervision (BCBS) has implemented a set of capital, liquidity and funding reforms known as "Basel III". The objectives of the capital reforms are to increase the quality, consistency and transparency of capital, to enhance the risk coverage framework, and to reduce systemic and pro-cyclical risk. The major reforms are being implemented on a phased approach to 1 January 2019.

The Basel III capital reforms were implemented in Australia on 1 January 2013. APRA has adopted a more conservative approach than the minimum standards published by the BCBS and also adopted a relatively accelerated timetable for implementation.

The APRA prudential standards require a minimum CET1 ratio of 4.5% effective from 1 January 2013. An additional CET1 capital conservation buffer of 3.5%, inclusive of a Domestic Systemically Important Bank (DSIB) requirement of 1%, will be implemented on 1 January 2016, bringing the CET1 requirement for the Group to 8%.

Financial System Inquiry

In December 2014, the Government released the final report of the Financial System Inquiry (FSI). The key recommendations from the report included:

- Setting capital standards such that Australian ADI capital ratios are unquestionably strong;
- Raising the average Internal Ratings-Based (IRB) mortgage risk weight for ADIs using IRB risk-weight models;
- Implementing a framework for minimum loss absorbing and recapitalisation capacity in line with emerging international practice, sufficient to facilitate the orderly resolution of ADIs and minimise taxpayer support;
- Introducing a leverage ratio, in line with the Basel Committee, that acts as a backstop to the capital position of ADIs; and
- Developing a reporting template to improve the transparency and comparability of capital ratios.

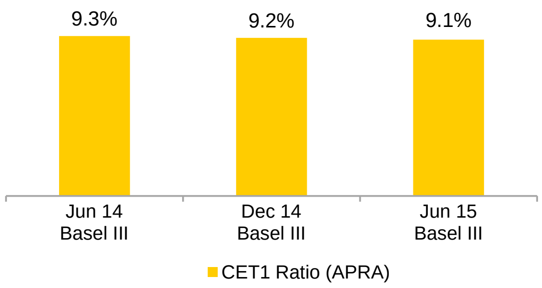
In July 2015, in connection with the FSI recommendations, APRA released the following:

- An APRA study titled "International capital comparison study", which endorsed the FSI recommendation that the capital of Australian ADIs should be unquestionably strong. However, APRA did not confirm the definition of "unquestionably strong". Nevertheless, the report confirmed that the major banks are well-capitalised and compared the major banks' capital ratios against a set of international peers; and
- An announcement in relation to increases in the capital requirements under the IRB approach for Australian residential mortgages, which will increase the average risk weighting for a mortgage portfolio to approximately 25% from 16%, effective from 1 July 2016.

Capital (continued)

Capital Position

The Group maintained a strong capital position with capital ratios well in excess of regulatory minimum capital adequacy requirements at all times throughout the year ended 30 June 2015.



The Group's CET1 ratio as measured on an APRA basis was 9.1% at 30 June 2015, compared with 9.2% at 31 December 2014 and 9.3% at 30 June 2014. Upon completion of the $5 billion pro rata renounceable entitlement offer for CBA ordinary shares, which launched on 12 August 2015 and is expected to be issued by 18 September 2015, the Group's pro forma 30 June 2015 CET1 measured on an APRA basis would be 10.4%.

The decrease in capital across the June 2015 half and full year reflects capital generated from earnings, more than offset by the impact of dividend payments, higher Risk Weighted Assets (RWA) and the first reduction in the capital benefits that had previously arisen from the debt issued by the Colonial Group.

Capital Initiatives

The following significant CET1 capital initiatives were undertaken during the year:

- The Dividend Reinvestment Plan (DRP) in respect of the 2014 final dividend was satisfied in full by the on-market purchase of shares. The participation rate for the DRP was 19.9%; and
- The DRP in respect to the 2015 interim dividend was satisfied by the allocation of approximately $571 million of ordinary shares. The participation rate for the DRP was 17.9%.

U.S. Investor Basel III Capital Adequacy and Risk Disclosures

Details on the market disclosures required under U.S. Investor Basel III Capital Adequacy and Risk Disclosures, per prudential standard APS 330 "Public Disclosure", are provided on the Group's website.

Other Regulatory Changes

Basel Committee on Banking Supervision

During the second half of the 2014 calendar year, the BCBS issued a number of papers with proposals for consultation including:

- "Capital Floors: The Design of a Framework based on Standardised Approaches";
- "Revisions to the Standardised Approach for Credit Risk";
- "Fundamental Review of the Trading Book: Outstanding Issues"; and
- "Revisions to the Simpler Approaches – Operational Risk".

Consultation has now closed, and finalisation of all of the above proposals is expected by the end of 2015.

In June 2015, the BCBS issued a paper with proposals for consultation titled "Interest Rate Risk in the Banking Book", which is open for consultation until September 2015.

Composition of Level 2 ADI Groups

In May 2014, APRA provided more clarity on the definition of the Level 2 Banking Group. Subsidiary intermediate holding companies are considered part of the Level 2 Group, regardless of the nature of any activity undertaken by their operating subsidiaries. As a result, capital benefits arising from the debt issued by the Colonial Group will be phased out.

APRA granted transition arrangements on these changes, in line with the maturity profile of the debt.

Leverage Ratio

The leverage ratio is defined as Tier 1 Capital as a percentage of exposures. Public disclosure of the leverage ratio by Australian ADIs commenced on 1 July 2015.

The BCBS has advised that any adjustments to the definition and calibration of the ratio will be made by 2017 with migration to a Pillar 1 (minimum capital requirement) expected from 1 January 2018.

Conglomerate Groups

APRA has proposed extending its prudential supervision framework to Conglomerate Groups that have material operations in more than one APRA regulated industry and/or have one or more material unregulated entities. The aims of this proposal is to ensure that a Conglomerate Group holds adequate capital to protect the APRA regulated entities from potential contagion and other risks within the Group. APRA released revised conglomerate standards in August 2014. However, a decision on the implementation date has yet to be provided. APRA has confirmed that a minimum transition period of 12 months will apply before the implementation date.

Capital (continued)

The tables below show the APRA Basel III capital adequacy calculation at 30 June 2015 together with prior period comparatives.

Risk Weighted Capital Ratios	APRA 30 Jun 15 %	APRA 31 Dec 14 %	APRA 30 Jun 14 %
Common Equity Tier 1	**9.1**	9.2	9.3
Tier 1	**11.2**	11.6	11.1
Tier 2	**1.5**	1.1	0.9
Total Capital	**12.7**	12.7	12.0

	APRA 30 Jun 15 $M	APRA 31 Dec 14 $M	APRA 30 Jun 14 $M
Ordinary Share Capital and Treasury Shares			
Ordinary Share Capital	**27,619**	27,039	27,036
Treasury Shares [1]	**279**	287	291
Ordinary Share Capital and Treasury Shares	**27,898**	27,326	27,327
Reserves			
Reserves	**2,345**	2,674	2,009
Reserves related to non consolidated subsidiaries [2]	**(93)**	(126)	(47)
Total Reserves	**2,252**	2,548	1,962
Retained Earnings and Current Period Profits			
Retained earnings and current period profits	**21,528**	19,823	18,827
Retained earnings adjustment from non consolidated subsidiaries [3]	**(529)**	(377)	(368)
Net Retained Earnings	**20,999**	19,446	18,459
Non controlling interest			
Non controlling interest [4]	**562**	556	537
Less ASB perpetual preference shares	**(505)**	(505)	(505)
Less other non controlling interests not eligible for inclusion in regulatory capital	**(57)**	(51)	(32)
Minority Interest	**-**	-	-
Common Equity Tier 1 Capital before regulatory adjustments	**51,149**	49,320	47,748

(1) Represents shares held by the Group's life insurance operations ($107 million) and employee share scheme trusts ($172 million).

(2) Represents foreign currency translation reserve and available-for-sale investments reserve balances associated with the insurance and funds management entities and those entities through which securitisation of the Group's assets are conducted. These entities are classified as non-consolidated subsidiaries by APRA and are excluded from the Level 2 Regulatory Consolidated Banking Group.

(3) Cumulative current year profit and retained earnings adjustments for subsidiaries not consolidated for regulatory purposes.

(4) Non-controlling interests predominantly comprise ASB Perpetual Preference Shares of NZ$550 million issued by a New Zealand subsidiary entity. These are non-redeemable and carry limited voting rights. These are classified as Additional Tier 1 Capital.

Capital (continued)

	APRA Basel III 30 Jun 15 $M	APRA Basel III 31 Dec 14 $M	APRA Basel III 30 Jun 14 $M
Common Equity Tier 1 regulatory adjustments			
Goodwill	**(7,599)**	(7,576)	(7,566)
Other intangibles (excluding software) (1)	**(164)**	(225)	(295)
Capitalised costs	**(337)**	(341)	(285)
Capitalised software	**(2,089)**	(1,979)	(1,854)
Defined benefit superannuation plan surplus (2)	**(193)**	-	-
General reserve for credit losses (3)	**(242)**	(225)	(214)
Deferred tax asset (4)	**(1,164)**	(1,024)	(1,164)
Cash flow hedge reserve (5)	**(263)**	(459)	(224)
Employee compensation reserve (5)	**(122)**	(79)	(125)
Equity investments (6)	**(3,179)**	(2,990)	(2,589)
Equity investments in non consolidated subsidiaries (7)	**(1,705)**	(1,307)	(1,219)
Shortfall of provisions to expected losses (8)	**(134)**	(102)	(502)
Deferred fees	**(222)**	(145)	(103)
Gain due to changes in own credit risk on fair valued liabilities	**(144)**	(113)	(48)
Other	**(194)**	(170)	(148)
Common Equity Tier 1 regulatory adjustments	**(17,751)**	(16,735)	(16,336)
Common Equity Tier 1	**33,398**	32,585	31,412
Additional Tier 1 Capital			
Basel III Complying Instruments (9)	**5,000**	5,000	2,000
Basel III non complying instruments net of transitional amortisation (10)	**2,749**	3,413	4,196
Additional Tier 1 Capital	**7,749**	8,413	6,196
Tier 1 Capital	**41,147**	40,998	37,608
Tier 2 Capital			
Basel III Complying Instruments (11)	**3,268**	1,254	234
Basel III non complying instruments net of transitional amortisation (12)	**2,257**	2,493	2,530
Holding of own Tier 2 Capital	**(20)**	(30)	-
Prudential general reserve for credit losses (13)	**156**	186	171
Total Tier 2 Capital	**5,661**	3,903	2,935
Total Capital	**46,808**	44,901	40,543

(1) Other intangibles (excluding capitalised software costs), net of any associated deferred tax liability.

(2) In accordance with APRA regulations, the surplus in the Group's defined benefit superannuation fund, net of any deferred tax liability, must be deducted from Common Equity Tier 1.

(3) Adjustment to ensure the Group has sufficient provisions and capital to cover credit losses estimated to arise over the full life of individual facilities, as required by APRA Prudential Standard APS 220.

(4) Deferred tax assets net of deferred tax liabilities.

(5) Cash flow Hedge Reserve and Employee Compensation Reserve balances are ineligible for inclusion in CET1.

(6) Represents the Group's non-controlling interest in other entities.

(7) Represents the net tangible assets within the non-consolidated subsidiaries (primarily the insurance and funds management companies operating within the Colonial Group). The adjustment is net of $900 million in non-recourse debt (31 December 2014: $1,250 million, 30 June 2014: $1,250 million) and $1,000 million in Colonial Group Subordinated Notes (31 December 2014: $1,000 million, 30 June 2014: $1,000 million). In April 2015, the first tranche of the non-recourse debt matured ($350 million), and was replaced with an equivalent amount of an ordinary share capital injection from the Group's parent. The Group's insurance and fund management companies held $1,579 million of capital in excess of minimum regulatory capital requirements at 30 June 2015.

(8) Regulatory Expected Loss (pre-tax) using stressed loss given default assumptions associated with the loan portfolio in excess of eligible credit provisions (pre-tax).

(9) As at 30 June 2015, comprises PERLS VI $2,000 million issued in October 2012 and PERLS VII $3,000 million issued in October 2014.

(10) As at 30 June 2015, represents APRA Basel III non-compliant Additional Tier 1 Capital Instruments (PERLS III, Trust Preferred Securities (TPS) 06, ASB Perpetual Preference Shares, and Perpetual Exchangeable Floating Rate Note). These instruments are eligible for Basel III transitional relief. In June 2015, the Group redeemed USD550 million in TPS 03. In October 2014 the Group bought back and cancelled AUD2,000 million of PERLS V.

(11) As at 30 June 2015, comprises the following subordinated notes: Chinese Renminbi 1,000 million issued in March 2015, EUR1,250 million issued in April 2015, AUD1,000 million issued in November 2014 and NZ$400 million issued in April 2014. The NZ$400 million notes were issued through ASB, the Group's New Zealand subsidiary. The ASB notes are Basel III compliant Tier 2 securities and fully contribute towards ASB capital ratios. The amount of the ASB notes that contributes to ASB capital in excess of its minimum regulatory requirements is not eligible for inclusion in the Group's capital (30 June 2015 ineligible amount, AUD114 million, 31 December 2014 ineligible amount, AUD129 million, 30 June 2014 ineligible amount, AUD138 million).

(12) Includes both perpetual and term instruments subordinated to depositors and general creditors, having an original maturity of at least five years. APRA require these to be included as if they were unhedged. Term instruments are amortised 20% of the original amount during each of the last five years to maturity. These instruments are eligible for Basel III transitional relief.

(13) Represents the collective provision and general reserve for credit losses for exposures in the Group which are measured for capital purposes under the Standardised approach to credit risk.

Capital (continued)

Risk Weighted Assets	Risk Weighted Assets Basel III 30 Jun 15 $M	Basel III 31 Dec 14 $M	Basel III 30 Jun 14 $M
Credit Risk			
Subject to Advanced IRB approach			
Corporate	**60,879**	56,612	49,067
SME Corporate	**25,289**	23,913	22,478
SME Retail	**5,068**	4,963	5,280
SME Retail secured by residential mortgage	**2,949**	3,285	3,543
Sovereign	**5,163**	5,432	5,330
Bank	**12,024**	10,983	10,131
Residential mortgage (1)	**74,382**	72,278	65,986
Qualifying revolving retail (1)	**8,861**	8,533	8,215
Other retail (1)	**13,942**	13,620	12,757
Impact of the regulatory scaling factor (2)	**12,513**	11,977	10,967
Total Risk Weighted Assets subject to Advanced IRB approach	**221,070**	211,596	193,754
Specialised lending exposures subject to slotting criteria	**51,081**	48,774	48,935
Subject to Standardised approach			
Corporate	**10,357**	11,358	10,850
SME Corporate	**5,921**	5,470	4,924
SME Retail	**5,843**	5,571	5,207
Sovereign	**209**	169	124
Bank	**244**	204	220
Residential mortgage	**6,728**	6,416	6,040
Other retail	**2,679**	2,946	2,648
Other assets	**4,982**	4,924	4,214
Total Risk Weighted Assets subject to Standardised approach	**36,963**	37,058	34,227
Securitisation	**1,653**	5,016	5,010
Credit valuation adjustment	**7,712**	8,126	6,636
Central counterparties	**695**	954	576
Total Risk Weighted Assets for Credit Risk Exposures	**319,174**	311,524	289,138
Traded market risk	**6,335**	6,466	5,284
Interest rate risk in the banking book	**10,847**	4,846	14,762
Operational risk	**32,365**	30,212	28,531
Total Risk Weighted Assets	**368,721**	353,048	337,715

(1) A change in the application of the Retail Best Estimate of Expected Loss (BEEL) resulted in an increase RWA of $6.4 billion which was largely offset by a drop in the regulatory Expected Loss deduction for CET1 capital.

(2) APRA requires RWA amounts that are derived from IRB risk weight functions to be multiplied by a factor of 1.06.

Group Operations and Business Settings

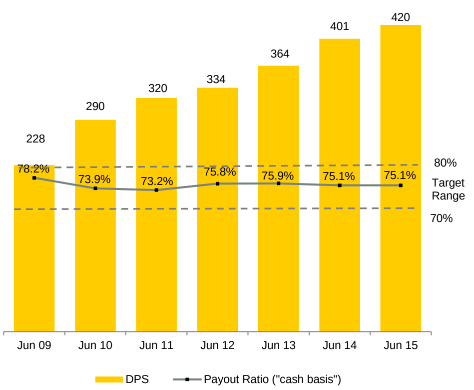
Dividends

Final Dividend for the Year Ended 30 June 2015

The final dividend declared was $2.22 per share, bringing the total dividend for the year ended 30 June 2015 to $4.20 per share. This represents a dividend payout ratio ("statutory basis") of 76% and is 5% above the prior full year dividend.

The final dividend will be fully franked and will be paid on 1 October 2015 to owners of ordinary shares at the close of business on 20 August 2015 (record date). Shares will be quoted ex-dividend on 18 August 2015. See Appendix D of this Document for further information on our ordinary shares.

Full Year Dividend History (cents per share)



Dividend Reinvestment Plan

The DRP will continue to be offered to shareholders but no discount will be applied to shares allocated under the plan for the final dividend.

Dividend Policy

The Group will seek to:

- Pay cash dividends at strong and sustainable levels;
- Target a full-year payout ratio of 70% to 80%; and
- Maximise the use of its franking account by paying fully franked dividends.

Liquidity

Level 2 [1]	As at 30 Jun 15 $M	31 Dec 14 $M	Jun 15 vs Dec 14 %
Liquidity Coverage Ratio (LCR)			
High Quality Liquid Assets (HQLA) [2]	**65,940**	65,818	-
Committed Liquidity Facility (CLF)	**66,000**	70,000	(6)
Total LCR liquid assets	**131,940**	135,818	(3)
Net Cash Outflows			
Customer deposits	**65,832**	78,901	(17)
Wholesale funding [3]	**30,753**	24,635	25
Other net cash outflows [4]	**13,819**	13,903	(1)
Total net cash outflows	**110,404**	117,439	(6)
Liquidity Coverage Ratio (%)	**120**	116	400 bpts
LCR surplus	**21,536**	18,379	17

1. New liquidity standard (APS210) incorporating the Liquidity Coverage Ratio (LCR) was not implemented in Australia until 1 January 2015, therefore comparable numbers for June 2014 and June 2013 not available.
2. Includes all repo-eligible securities with the Reserve Bank of New Zealand. The Exchange Settlement Account (ESA) cash balance is netted down by the Reserve Bank of Australia open-repo of internal RMBS.
3. Includes all interbank deposits that are included as short-term wholesale funding on page 51.
4. Includes cash inflows.

Year Ended June 2015 versus June 2014

The Group holds what it believes to be high quality, well diversified liquid assets to meet Balance Sheet liquidity needs and regulatory requirements. From 1 January 2015, the Group is subject to APRA's LCR, which requires LCR liquid assets to exceed net cash outflows projected under a prescribed 30 day stress scenario. As at 30 June 2015, the LCR was 120% with LCR liquid assets of $132 billion, including a $66 billion CLF from the RBA.

In the six months to June 2015, the LCR increased from 116% to 120%, with a $7 billion decrease in net cash outflows, more than offsetting a $4 billion decrease in LCR liquid assets, due to a $4 billion reduction in the CLF to $66 billion from 1 April 2015. The introduction of a 31 day notice period for early withdrawals of term deposits and other liquidity management measures taken contributed to the reduction in net cash outflows.

Year Ended June 2014 versus June 2013

During the years ended 30 June 2014 and 2013, the Group was not subject to APRA's LCR. During the year ended 30 June 2014, liquid assets increased $3 billion to $139 billion, a 2% increase on the prior year. The increase was driven by the growth in deposits, which increased the regulatory minimum requirement.

Excluding internal Residential Mortgage-Backed Securities (RMBS), the Group held $88 billion of liquid assets, well above the regulatory minimum requirement of $69 billion.

For further information on the Group's liquidity management please see Note 34 to the 2015 Financial Report.

Liquidity and Capital Resources

The Group's key liquidity tools include:

- A liquidity management model similar to a "maturity ladder" or "liquidity gap analysis" that allows forecasting of liquidity needs on a daily basis;
- An additional liquidity management model that implements the agreed prudential liquidity policies. This model is calibrated with a series of "stress" liquidity crisis scenarios, incorporating both systemic and "name" crisis assumptions, such that the Group expects to have sufficient liquid assets available to ensure it meets all of its obligations as and when they fall due;
- Central bank repurchase agreement facilities provide the Group with the ability to borrow funds on a secured basis, even when normal funding markets are unavailable; and
- The Contingent Funding Plan, as discussed in Note 34 to the 2015 Financial Report, is in place and regularly tested so that it can be initiated in case of need due to a liquidity event.

Debt Issues

	2015 $M	2014 $M	2013 $M
Medium term notes	**76,039**	72,608	71,039
Commercial paper	**37,032**	32,905	34,602
Securitisation notes	**12,603**	11,426	8,929
Covered bonds	**28,755**	25,280	18,238
Total debt issues	**154,429**	142,219	132,808
Short Term Debt Issues by currency			
USD	**36,543**	32,155	34,230
EUR	**-**	178	99
AUD	**267**	164	91
GBP	**169**	333	182
Other currencies	**53**	75	-
Total short term debt issues (1)	**37,032**	32,905	34,602
Long Term Debt Issues by currency (1) (2)			
USD	**43,049**	39,996	41,719
EUR	**26,247**	23,166	17,314
AUD	**21,167**	19,728	15,985
GBP	**9,195**	7,314	5,602
NZD	**3,670**	4,019	3,465
JPY	**6,448**	6,353	6,698
Other currencies	**7,169**	8,292	7,384
Offshore loans (all JPY)	**452**	446	39
Total long term debt issues	**117,397**	109,314	98,206
Maturity Distribution of Debt Issues (3)			
Less than twelve months	**59,532**	53,280	54,718
Greater than twelve months	**94,897**	88,939	78,090
Total debt issues	**154,429**	142,219	132,808

(1) Comparatives have been reclassified to conform to presentation in the current period.
(2) Long-term debt disclosed relates to debt issues which have a maturity at inception of 12 months or greater.
(3) Represents the remaining contractual maturity of the underlying instrument; other than for Residential Mortgage-Backed Securities (RMBS) which is based on expected life.

For further information on the Group's Debt Issues please see Note 20 to the 2015 Financial Report.

Debt Issues (continued)

The following table details the current debt programs and issuing shelves along with program or shelf size as at 30 June 2015. Access in a timely and flexible manner to a diverse range of debt markets and investors is provided by the following programs.

Debt Programs and Issuing Shelves

Program/Issue Shelf	Program/Issuing Shelf Type
Australia	
Unlimited	Domestic Debt Issuance Program
Unlimited	CHCL A$ Debt Issuance Program
Euro Market	
EUR 7 billion	ASB Covered Bond Program(1)
USD 7 billion	ASB Euro Commercial Paper Program(1)
USD 20 billion(2)	CBA Euro Commercial Paper Program
USD 70 billion	Euro Medium-Term Note Program (1)(3)
Asia	
JPY 500 billion	Uridashi shelf (4)
JPY 500 billion	Samurai shelf
New Zealand	
Unlimited	ASB Domestic Medium-Term Note Program
Unlimited	ASB Registered Certificate of Deposit Program
United States	
USD 7 billion (1)	ASB Commercial Paper Program(1)
USD 35 billion	CBA Commercial Paper Program
USD 50 billion	U.S. Rule 144A/Regulation S Medium-Term Note Program
USD 30 billion	CBA Covered Bond Program
USD 25 billion	CBA 3(a)(2) Program

(1) ASB Finance Limited, London Branch, is also an issuer under this program. Issuances by ASB Finance Limited, London Branch, under this program are unconditionally and irrevocably guaranteed by ASB Bank Limited.
(2) Internally set limit.
(3) ASB Bank Limited is not an issuer under this program.
(4) Amount is reflected under the $70 billion Euro Medium Term Note Program.

An analysis of our borrowings and outstandings from existing debt programs and issuing shelves including the maturity profile, currency and interest rate structure can be found in Notes 20 and 22 to the 2015 Financial Report.

Funding

Group Funding (1)	30 Jun 15 $M	30 Jun 14 $M	30 Jun 13 $M	Jun 15 vs Jun 14 %	Jun 14 vs Jun 13 %
	As at				
Customer deposits	**477,811**	438,890	405,377	9	8
Short-term wholesale funding	**131,837**	109,318	107,758	21	1
Short sales	**4,437**	4,103	2,837	8	45
Long-term wholesale funding - less than one year residual maturity	**27,479**	30,892	29,129	(11)	6
Long-term wholesale funding - more than one year residual maturity (2)	**105,055**	102,163	96,611	3	6
IFRS MTM and derivative FX revaluations	**11,657**	3,251	1,837	large	77
Total wholesale funding	**280,465**	249,727	238,172	12	5
Total funding	**758,276**	688,617	643,549	10	7

(1) Shareholders' equity is excluded from this view of funding sources, other than the USD Trust Preferred Securities, which are classified as other equity instruments in the statutory Balance Sheet.

(2) Residual maturity of long-term wholesale funding included in Debt issues, Loan capital and Share capital – other equity instruments, is the earlier of the next call date or final maturity.

Year Ended June 2015 versus June 2014

Customer Deposits

Customer deposits accounted for 63% of total funding at 30 June 2015, compared to 64% in the prior year. Deposit growth has seen the Group satisfy a significant proportion of lending growth from customer deposits. The remaining 37% of total funding comprised various wholesale debt issuances.

Short-Term Wholesale Funding

Short-term wholesale funding includes debt with an original maturity or call date of less than 12 months, and consists of Certificates of Deposit and Bank Acceptances, as well as debt issued under domestic, Euro and US Commercial paper programs by the Commonwealth Bank of Australia and ASB. Short-term funding (including short sales) accounted for 49% of total wholesale funding at 30 June 2015, up from 45% in the prior year, largely driven by the impact of the lower Australian dollar.

Long-Term Wholesale Funding

Long-term wholesale funding includes debt with an original maturity or call date of greater than 12 months. Long-term wholesale funding conditions remained stable over the year compared to the previous 12 months with continued central bank stimulus. During the year, the Group issued $31 billion of long-term wholesale debt transactions in multiple currencies including AUD, USD, EUR, and GBP. Given steady funding conditions, most issuances were in senior unsecured format, although the Group also used RMBS and its covered bond program to provide cost, tenor and diversification benefits. The Weighted Average Maturity (WAM) of new long-term wholesale debt issued in the year was 4.2 years. The WAM of outstanding long-term wholesale debt was 3.8 years at 30 June 2015.

Long-term wholesale funding (including adjustment for IFRS Mark-to-market (MTM) and derivative FX revaluations) accounted for 51% of total wholesale funding at 30 June 2015, compared to 55% at prior year end.

Year Ended June 2014 versus June 2013

Customer Deposits

Customer deposits accounted for 64% of total funding at 30 June 2014, compared to 63% in the prior year. Strong deposit growth saw the Group satisfy a significant proportion of its funding requirements from customer deposits. The remaining 36% of total funding comprised various wholesale debt issuances.

Short-Term Funding

Short-term funding (including short sales) accounted for 45% of total wholesale funding at 30 June 2014, down from 46% in the prior year.

Long-Term Funding

Long-term wholesale funding conditions improved during the year compared to the prior year as northern hemisphere central banks provided ongoing support to their economies and banking systems. During the year, the Group issued $38 billion of long-term wholesale debt in multiple currencies including AUD, USD, EUR, and GBP. Given improved funding conditions, most issuances were in senior unsecured format, although the Group also used RMBS and its covered bond program to provide cost, tenor and diversification benefits. The WAM of new long-term wholesale debt issued in the year was 3.9 years. The WAM of outstanding long-term wholesale debt was 3.8 years at 30 June 2014.

Long-term funding (including adjustment for IFRS MTM and derivative FX revaluations) accounted for 55% of total wholesale funding at 30 June 2014, compared to 54% at prior year end.

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Contents

Divisional Performance

Retail Banking Services

	Full Year Ended					
		Restated		As reported		
	30 Jun 15	30 Jun 14 (1)	Jun 15 vs	30 Jun 14	30 Jun 13	Jun 14 vs
	$M	$M	Jun 14 %	$M	$M	Jun 13 %
Net interest income	**7,691**	7,307	5	7,004	6,425	9
Other banking income	**1,746**	1,695	3	1,619	1,504	8
Total banking income	**9,437**	9,002	5	8,623	7,929	9
Operating expenses	**(3,293)**	(3,173)	4	(3,103)	(2,992)	4
Loan impairment expense	**(626)**	(582)	8	(566)	(533)	6
Net profit before tax	**5,518**	5,247	5	4,954	4,404	12
Corporate tax expense	**(1,651)**	(1,569)	5	(1,482)	(1,315)	13
Net profit after tax ("cash basis")	**3,867**	3,678	5	3,472	3,089	12
Net profit after tax ("statutory basis") (2)	**3,867**	3,678	5	3,472	3,089	12
Income analysis:						
Net interest income						
Home loans	**3,462**	3,465	-	3,346	2,998	12
Consumer finance (3)	**1,870**	1,782	5	1,749	1,568	12
Retail deposits	**2,289**	1,964	17	1,866	1,811	3
Other (4)	**70**	96	(27)	43	48	(10)
Total net interest income	**7,691**	7,307	5	7,004	6,425	9
Other banking income						
Home loans	**214**	211	1	207	207	-
Consumer finance (3)	**586**	545	8	530	483	10
Retail deposits	**460**	455	1	407	386	5
Distribution (5)	**395**	393	1	409	364	12
Other (4)	**91**	91	-	66	64	3
Total other banking income	**1,746**	1,695	3	1,619	1,504	8
Total banking income	**9,437**	9,002	5	8,623	7,929	9

	As at					
		Restated		As reported		
	30 Jun 15	30 Jun 14 (1)	Jun 15 vs	30 Jun 14	30 Jun 13	Jun 14 vs
Balance Sheet	$M	$M	Jun 14 %	$M	$M	Jun 13 %
Home loans	**290,222**	271,244	7	262,823	246,147	7
Consumer finance (3)	**16,892**	16,387	3	15,768	15,014	5
Other interest earning assets	**2,130**	2,303	(8)	1,631	1,863	(12)
Total interest earning assets	**309,244**	289,934	7	280,222	263,024	7
Other assets	**1,069**	839	27	840	1,308	(36)
Total assets	**310,313**	290,773	7	281,062	264,332	6
Transaction deposits (6)	**25,811**	18,750	38	22,155	17,879	24
Savings deposits	**108,238**	88,434	22	81,487	69,030	18
Investment deposits and other	**78,530**	88,978	(12)	86,398	89,043	(3)
Total interest bearing deposits	**212,579**	196,162	8	190,040	175,952	8
Non-interest bearing liabilities	**8,439**	7,222	17	6,813	6,334	8
Total liabilities	**221,018**	203,384	9	196,853	182,286	8

(1) Comparative information has been restated to conform to presentation in the current year. However, certain reclassifications among the Group's customer segments have not been restated for the 2013 financial year. In order to provide a meaningful comparison to the Group's historical operations, "Restated" figures are presented for the 2015 financial year and the 2014 financial year and "As reported" figures are presented for the 2014 financial year and 2013 financial year in the table above. Refer to "Disclosures - Financial Information Definitions - Reclassification of certain Income Statement and Balance Sheet Information", Note 1 to the 2015 Financial Report and Appendix C of this Document for further details.

(2) Please refer to "Disclosures - Non-Cash Items Included in Statutory Profit" on page 9 of this Document for further details. A reconciliation of the Net profit after tax ("cash basis") by business segment is provided in Note 26 to the 2015 Financial Report.

(3) Consumer finance includes personal loans and credit cards.

(4) Other includes asset finance, merchants and business lending.

(5) Distribution includes income associated with the sale of foreign exchange products, and commissions received from the distribution of wealth management products through the retail network.

(6) Includes 'Everyday Offset' accounts.

	Full Year Ended					
		Restated		As reported		
			Jun 15 vs			Jun 14 vs
Key Financial Metrics	30 Jun 15	30 Jun 14 (1)	Jun 14 %	30 Jun 14	30 Jun 13	Jun 13 %
Performance indicators						
Return on assets (%)	**1. 2**	1. 3	(10)bpts	1. 3	1. 2	10 bpts
Statutory impairment expense annualised as a % of average GLAA's (%)	**0. 21**	0. 21	-	0. 21	0. 20	1 bpt
Statutory operating expenses to total banking income (%)	**34. 9**	35. 2	(30)bpts	36. 0	37. 7	(170)bpts
Other asset/liability information						
Average interest earning assets ($M)	**298,055**	281,676	6	270,911	254,630	6
Average interest bearing liabilities ($M)	**206,038**	191,866	7	185,164	170,045	9

(1) Comparative information has been restated to conform to presentation in the current year. However, certain reclassifications among the Group's customer segments have not been restated for the 2013 financial year. In order to provide a meaningful comparison to the Group's historical operations, "Restated" figures are presented for the 2015 financial year and the 2014 financial year and "As reported" figures are presented for the 2014 financial year and 2013 financial year in the chart above. Refer to "Disclosures - Financial Information Definitions - Reclassification of certain Income Statement and Balance Sheet Information", Note 1 to the 2015 Financial Report and Appendix C of this Document for further details.

Retail Banking Services

Financial Performance and Business Review

This Retail Banking Services analysis contains forward-looking statements. See "Disclosures - Special Note Regarding Forward-Looking Statements" on page 5 of this Document. During the 2015 financial year, the Group made certain changes to its financial reporting that affected Retail Banking Services. Refer to "Disclosures – Financial Information Definitions – Reclassification of certain Income Statement and Balance Sheet Information" in this Document for further information. In order to provide a meaningful comparison to the Group's historical operations, "Restated" financial information is presented for the 2015 financial year and the 2014 financial year and "As reported" financial information is presented for the 2014 financial year and the 2013 financial year in this section. The Management Discussion and Analysis below comparing the 2015 financial year and the 2014 financial year references "Restated" financial information, while the Management Discussion and Analysis comparing the 2014 financial year and the 2013 financial year that follows references "As reported" financial information.

Year Ended June 2015 versus Restated June 2014

Retail Banking Services' Net profit after tax ("statutory basis") for the full year ended 30 June 2015 was $3,867 million, an increase of 5% on the prior year. The result was driven by continued solid growth in total banking income, partly offset by higher expenses due to inflation and investment in distribution, and increased loan impairment expense.

Net Interest Income

Net interest income was $7,691 million, an increase of 5% on the prior year. This was supported by solid volume growth across all key product areas.

Balance Sheet growth included:

- Home loan growth of 7%, with a growing contribution from the broker channel in line with the broader market;
- Consumer finance growth of 3%, due to increased credit card spend and solid growth in personal lending; and
- Interest bearing deposit balance growth of 8%, driven by strong growth in savings and transaction accounts with customer preference for at-call deposits.

Net interest margin decreased, reflecting:

- Reduced margins across the lending portfolio driven by intense pricing competition; partly offset by
- Improved margins for deposits, driven by higher investment margins, partly offset by the reduction in the cash rate.

Other Banking Income

Other banking income was $1,746 million, an increase of 3% on the prior year, reflecting:

- Growth in consumer finance fees of 8% primarily driven by strong credit card purchase volumes;
- Higher deposit fee income due to increased interchange revenue; and
- Home loan fee income up 1% from higher volumes.

Operating Expenses

Operating expenses for the year were $3,293 million, an increase of 4% on the prior year. The key drivers were inflation, higher credit card loyalty redemption activity and ongoing investment in technology and frontline capabilities, partly offset by productivity savings.

The operating expense to total banking income ratio was 34.9%, a decrease of 30 basis points on the prior year.

Loan Impairment Expense

Loan impairment expense was $626 million, an increase of 8% on the prior year. This result was mainly driven by higher unsecured portfolio arrears.

As reported June 2014 versus June 2013

Retail Banking Services Net profit after tax ("statutory basis") for the full year ended 30 June 2014 was $3,472 million, an increase of 12% on the prior year. The result was driven by continued strong growth in net interest income and other banking income, partly offset by higher expenses, including inflationary increases, the one-off impact of capitalised software write-offs and increased loan impairment expense. Customer satisfaction levels remained a priority during the year, with the Retail bank maintaining the number one ranking amongst its peers for the full financial year[(1)].

Net Interest Income

Net interest income was $7,004 million, an increase of 9% on the prior year. This was supported by solid volume growth across all major product areas and an improved net interest margin.

Balance Sheet growth included:

- Home loan growth of 7%, broadly in line with system, driven by solid lending growth within a competitive market environment;
- Consumer finance growth of 5%, reflecting a solid performance relative to the broader market; and
- Interest bearing deposit balance growth of 8%, driven by strong balance growth in savings and transaction accounts.

Net interest margin increased, reflecting:

- Improving margins across lending products, partly offset by a decrease in deposit margins driven by the lower cash rate environment, competition for deposits and growth in lower margin savings products.

Other Banking Income

Other banking income was $1,619 million, an increase of 8% on the prior year, reflecting:

- Growth in consumer finance fees of 10%, primarily driven by higher credit card transaction volumes as well as increased foreign currency purchases;
- A 5% increase in deposit fee income from an increase in the number of accounts and higher interchange revenue; and
- An increase in distribution income[(2)] of 12% due to strong performance of insurance and foreign exchange products, including the Travel Money Card.

Operating Expenses

Operating expenses for the year were $3,103 million, an increase of 4% on the prior year. The increase reflected the one-off write-off of capitalised software in the first half of the year, inflationary increases and higher credit card loyalty redemption activity.

The operating expense to total banking income ratio was 36.0%, a decrease of 170 basis points on the prior year.

Loan Impairment Expense

Loan impairment expense for the year ended 30 June 2014 was $566 million, an increase of 6% on the prior year.

This was driven by continued portfolio growth and an increase in write-offs in the unsecured portfolio, partly offset by reduced home loan losses as a result of improving quality of the portfolio and the strengthening housing market.

(1) Roy Morgan Research, Retail Main Financial Institution (MFI) Customer Satisfaction, Australians 14+, % "Very Satisfied" or "Fairly Satisfied" with relationship with that MFI. Six month rolling average. Rank based on the major four Australian banks.

(2) Income associated with the sale of foreign exchange products, and commissions received from the distribution of Wealth Management products through the retail network.

Business and Private Banking

	Full Year Ended					
		Restated		As reported		
	30 Jun 15	30 Jun 14 (1)	Jun 15 vs	30 Jun 14	30 Jun 13	Jun 14 vs
	$M	$M	Jun 14 %	$M	$M	Jun 13 %
Net interest income	**2,827**	2,695	5	2,997	2,952	2
Other banking income	**809**	764	6	859	817	5
Total banking income	**3,636**	3,459	5	3,856	3,769	2
Operating expenses	**(1,397)**	(1,338)	4	(1,426)	(1,392)	2
Loan impairment expense	**(152)**	(237)	(36)	(253)	(280)	(10)
Net profit before tax	**2,087**	1,884	11	2,177	2,097	4
Corporate tax expense	**(628)**	(563)	12	(651)	(623)	4
Net profit after tax ("cash basis")	**1,459**	1,321	10	1,526	1,474	4
Net profit after tax ("statutory basis") (2)	**1,459**	1,321	10	1,526	1,474	4
Income analysis:						
Net interest income						
Corporate Financial Services	**985**	918	7	932	895	4
Regional & Agribusiness	**555**	549	1	622	614	1
Local Business Banking	**879**	841	5	1,052	1,053	-
Private Bank	**265**	245	8	246	242	2
CommSec	**143**	142	1	145	148	(2)
Total net interest income	**2,827**	2,695	5	2,997	2,952	2
Other banking income						
Corporate Financial Services	**293**	281	4	318	285	12
Regional & Agribusiness	**92**	88	5	105	103	2
Local Business Banking	**169**	178	(5)	217	211	3
Private Bank	**60**	52	15	53	47	13
CommSec	**195**	165	18	166	171	(3)
Total other banking income	**809**	764	6	859	817	5
Total banking income	**3,636**	3,459	5	3,856	3,769	2
Income by product:						
Business Products	**2,148**	2,093	3	2,197	2,141	3
Retail Products	**995**	918	8	1,199	1,157	4
Equities and Margin Lending	**316**	277	14	283	283	-
Markets	**130**	123	6	125	131	(5)
Other	**47**	48	(2)	52	57	(9)
Total banking income	**3,636**	3,459	5	3,856	3,769	2

(1) Comparative information has been restated to conform to presentation in the current year. However, certain reclassifications among the Group's customer segments have not been restated for the 2013 financial year. In order to provide a meaningful comparison to the Group's historical operations, "Restated" figures are presented for the 2015 financial year and the 2014 financial year and "As reported" figures are presented for the 2014 financial year and 2013 financial year in the chart above. Refer to "Disclosures - Financial Information Definitions - Reclassification of certain Income Statement and Balance Sheet Information", Note 1 to the 2015 Financial Report and Appendix C of this Document for further details.

(2) Please refer to "Disclosures - Non-Cash Items Included in Statutory Profit" on page 9 of this Document for further details. A reconciliation of the Net profit after tax ("cash basis") by business segment is provided in Note 26 to the 2015 Financial Report.

Balance Sheet	30 Jun 15 $M	Restated 30 Jun 14 [1] $M	Jun 15 vs Jun 14 %	As reported 30 Jun 14 $M	As reported 30 Jun 13 $M	Jun 14 vs Jun 13 %
			As at			
Home loans	**31,990**	31,238	2	39,659	39,594	-
Consumer finance	**756**	722	5	1,094	1,070	2
Business loans	**62,225**	59,414	5	60,013	58,500	3
Margin loans	**2,676**	2,714	(1)	2,731	2,813	(3)
Total interest earning assets	**97,647**	94,088	4	103,497	101,977	1
Non-lending interest earning assets	**233**	176	32	176	247	(29)
Other assets [2]	**512**	191	large	191	208	(8)
Total assets	**98,392**	94,455	4	103,864	102,432	1
Transaction deposits	**12,516**	10,795	16	22,468	21,394	5
Savings deposits	**27,703**	23,693	17	13,575	11,303	20
Investment deposits and other	**25,090**	22,566	11	28,021	26,861	4
Total interest bearing deposits	**65,309**	57,054	14	64,064	59,558	8
Non-interest bearing liabilities [2]	**5,829**	5,081	15	5,627	5,282	7
Total liabilities	**71,138**	62,135	14	69,691	64,840	7

Key Financial Metrics	30 Jun 15	Restated 30 Jun 14 [1]	Jun 15 vs Jun 14 %	As reported 30 Jun 14	As reported 30 Jun 13	Jun 14 vs Jun 13 %
			Full Year Ended			
Performance indicators						
Return on assets (%)	**1. 5**	1. 4	10 bpts	1. 5	1. 4	10 bpts
Statutory impairment expense annualised as a % of average GLAA's (%)	**0. 16**	0. 26	(10)bpts	0. 25	0. 28	(3)bpts
Statutory operating expenses to total banking income (%)	**38. 4**	38. 7	(30)bpts	37. 0	36. 9	10 bpts
Other asset/liability information						
Average interest earning assets ($M)	**95,906**	91,900	4	102,597	99,893	3
Average interest bearing liabilities ($M)	**63,066**	55,817	13	62,428	58,850	6

(1) Comparative information has been restated to conform to presentation in the current year. However, certain reclassifications among the Group's customer segments have not been restated for the 2013 financial year. In order to provide a meaningful comparison to the Group's historical operations, "Restated" figures are presented for the 2015 financial year and the 2014 financial year and "As reported" figures are presented for the 2014 financial year and 2013 financial year in the chart above. Refer to "Disclosures - Financial Information Definitions - Reclassification of certain Income Statement and Balance Sheet Information", Note 1 to the 2015 Financial Report and Appendix C of this Document for further details.

(2) Other assets include intangible assets and Non-interest bearing liabilities include non-interest bearing deposits.

Business and Private Banking

Financial Performance and Business Review

This Business and Private Banking analysis contains forward-looking statements. See "Disclosures - Special Note Regarding Forward-Looking Statements" on page 5 of this Document. During the 2015 financial year, the Group made certain changes to its financial reporting that affected Business and Private Banking. Refer to "Disclosures – Financial Information Definitions – Reclassification of certain Income Statement and Balance Sheet Information" in this Document for further information. In order to provide a meaningful comparison to the Group's historical operations, "Restated" financial information is presented for the 2015 financial year and the 2014 financial year and "As reported" financial information is presented for the 2014 financial year and the 2013 financial year in this section. The Management Discussion and Analysis below comparing the 2015 financial year and the 2014 financial year references "Restated" financial information, while the Management Discussion and Analysis comparing the 2014 financial year and the 2013 financial year that follows references "As reported" financial information.

Year Ended June 2015 versus Restated June 2014

Business and Private Banking's Net profit after tax ("statutory basis") for the full year ended 30 June 2015 was $1,459 million, an increase of 10% on the prior year. The result was driven by strong growth in deposit and business lending income, reflecting above system balance growth in key product lines, and lower loan impairment expense. This was partly offset by growth in operating expenses of 4%.

Net Interest Income

Net interest income was $2,827 million, an increase of 5% on the prior year. This reflected strong growth in deposit and business lending balances with a continued focus on meeting more customer needs, and higher margins.

Balance Sheet growth included:

- An increase of 14% in interest bearing customer deposits with strong growth across all products;
- Business lending growth of 5% reflecting continued customer demand for market rate linked products; and
- Home loan increase of 2%, with subdued growth in new business volumes, partly offset by higher levels of repayments.

Net interest margin increased reflecting higher deposit margins.

Other Banking Income

Other banking income was $809 million, an increase of 6% on the prior year, due to:

- An increase of 13% in equities trading volumes;
- Higher revenue from increased equity capital markets activity; and
- Higher revenue from the sale of interest rate risk management products.

Operating Expenses

Operating expenses were $1,397 million, an increase of 4% on the prior year, reflecting investment in frontline and technology-related initiatives, partly offset by reduced amortisation and a continued focus on productivity.

Loan Impairment Expense

Loan impairment expense was $152 million, a decrease of 36% on the prior year, reflecting fewer individual provisions.

The quality of the underlying portfolio remains stable, due in part to a low interest rate environment.

Loan impairment expense as a percentage of average gross loans and acceptances, decreased 10 basis points to 16 basis points.

As reported June 2014 versus June 2013

Business and Private Banking achieved a Net profit after tax ("statutory basis") of $1,526 million for the year ended 30 June 2014, an increase of 4% on the prior year. The result was driven by growth in business and home lending income, partly offset by lower income from deposits. Growth in expenses of 2% reflected higher staff and amortisation expense, partly offset by disciplined cost management. Loan impairment expense decreased 10% on the prior year reflecting stable portfolio quality.

Net Interest Income

Net interest income of $2,997 million increased 2% on the prior year. This reflected strong growth in average deposit balances and solid growth in average business lending balances, partly offset by a slight decrease in net interest margin.

Balance Sheet growth included:

- Growth in interest bearing customer deposits of 8% with the majority of the growth in transaction and savings products;
- Business lending growth of 3% reflecting continued customer demand for market rate linked products; and
- Subdued home loan balances, reflecting lending growth offset by higher levels of loan repayments.

Net interest margin decreased, with lower deposit margins, reflecting the impact of lower average cash rates, and continued customer demand for higher yield deposit products.

Other Banking Income

Other banking income of $859 million increased 5% on the prior year due to:

- Higher commercial lending fee revenue arising from volume growth in cash advance facilities;
- Higher foreign exchange revenue driven by movement of the Australian Dollar; partly offset by
- A 3% decrease in equities trading volumes; and
- Lower income from the sale of risk management related products due to lower interest rate volatility.

Operating Expenses

Operating expenses of $1,426 million increased 2% on the prior year, due to higher staff expenses, and amortisation costs. A continued focus on productivity and expense management enabled selective investments to be made in projects, including digital infrastructure.

Loan Impairment Expense

Loan impairment expense of $253 million decreased 10% on the prior year reflecting stable portfolio quality in a low interest rate environment.

Loan impairment expense as a percentage of average gross loans and acceptances, decreased three basis points to 25 basis points.

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Institutional Banking and Markets

	Full Year Ended					
		Restated		As reported		
	30 Jun 15	30 Jun 14 (1)	Jun 15 vs	30 Jun 14	30 Jun 13	Jun 14 vs
	$M	$M	Jun 14 %	$M	$M	Jun 13 %
Net interest income	**1,452**	1,404	3	1,421	1,341	6
Other banking income	**1,367**	1,262	8	1,258	1,238	2
Total banking income	**2,819**	2,666	6	2,679	2,579	4
Operating expenses	**(1,013)**	(943)	7	(947)	(871)	9
Loan impairment expense	**(167)**	(61)	large	(61)	(154)	(60)
Net profit before tax	**1,639**	1,662	(1)	1,671	1,554	8
Corporate tax expense	**(371)**	(410)	(10)	(413)	(359)	15
Net profit after tax ("cash basis")	**1,268**	1,252	1	1,258	1,195	5
Bell Group litigation (after tax)	**-**	25	large	25	(45)	large
Net profit after tax ("statutory basis") (2)	**1,268**	1,277	(1)	1,283	1,150	12
Income analysis:						
Net interest income						
Institutional Banking	**1,278**	1,248	2	1,250	1,138	10
Markets	**174**	156	12	171	203	(16)
Total net interest income	**1,452**	1,404	3	1,421	1,341	6
Other banking income						
Institutional Banking	**829**	782	6	778	791	(2)
Markets	**538**	480	12	480	447	7
Total other banking income	**1,367**	1,262	8	1,258	1,238	2
Total banking income	**2,819**	2,666	6	2,679	2,579	4
Income by product:						
Institutional Products	**1,716**	1,741	(1)	1,738	1,684	3
Asset Leasing	**302**	238	27	238	183	30
Markets	**712**	636	12	651	650	-
Other	**89**	51	75	52	62	(16)
Total banking income	**2,819**	2,666	6	2,679	2,579	4

	As at					
		Restated		As reported		
	30 Jun 15	30 Jun 14 (1)	Jun 15 vs	30 Jun 14	30 Jun 13	Jun 14 vs
Balance Sheet	$M	$M	Jun 14 %	$M	$M	Jun 13 %
Interest earning lending assets	**98,400**	87,882	12	88,184	78,009	13
Non-lending interest earning assets	**49,730**	43,348	15	43,348	34,872	24
Other assets (3)	**33,789**	18,270	85	18,270	33,526	(46)
Total assets	**181,919**	149,500	22	149,802	146,407	2
Transaction deposits	**36,749**	35,517	3	45,578	38,494	18
Savings deposit	**8,070**	10,624	(24)	-	-	-
Investment deposits	**40,761**	35,194	16	34,886	39,335	(11)
Certificates of deposit and other	**17,920**	12,495	43	12,478	11,379	10
Total interest bearing deposits	**103,500**	93,830	10	92,942	89,208	4
Due to other financial institutions	**21,970**	19,835	11	19,835	17,272	15
Debt issues and other (4)	**9,588**	11,076	(13)	11,075	10,495	6
Non-interest bearing liabilities (5)	**26,996**	21,741	24	21,605	32,564	(34)
Total liabilities	**162,054**	146,482	11	145,457	149,539	(3)

(1) Comparative information has been restated to conform to presentation in the current year. However, certain reclassifications among the Group's customer segments have not been restated for the 2013 financial year. In order to provide a meaningful comparison to the Group's historical operations, "Restated" figures are presented for the 2015 financial year and the 2014 financial year and "As reported" figures are presented for the 2014 financial year and 2013 financial year in the chart above. Refer to "Disclosures - Financial Information Definitions - Reclassification of certain Income Statement and Balance Sheet Information", Note 1 to the 2015 Financial Report and Appendix C of this Document for further details.

(2) Please refer to "Disclosures - Non-Cash Items Included in Statutory Profit" on page 9 of this Document for further details. A reconciliation of the Net profit after tax ("cash basis") by business segment is provided in Note 26 to the 2015 Financial Report.

(3) Other assets include intangible assets and derivative assets.

(4) Debt issues and other includes bank acceptances, liabilities at fair value and loan capital.

(5) Non-interest bearing liabilities include derivative liabilities.

Key Financial Metrics	Full Year Ended					
		Restated		As reported		
	30 Jun 15	30 Jun 14 (1)	Jun 15 vs Jun 14 %	30 Jun 14	30 Jun 13	Jun 14 vs Jun 13 %
Performance indicators						
Return on assets (%)	**0. 7**	0. 8	(10)bpts	0. 8	0. 8	-
Statutory impairment expense annualised as a % of average GLAA's (%)	**0. 18**	0. 07	11 bpts	0. 07	0. 20	(13)bpts
Statutory operating expenses to total banking income (%)	**35. 9**	35. 4	50 bpts	35. 3	33. 8	150 bpts
Other asset/liability information						
Average interest earning assets ($M)	**140,659**	127,754	10	127,812	108,876	17
Average interest bearing liabilities ($M)	**125,611**	124,820	1	124,911	115,997	8

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Financial Performance and Business Review

This Institutional Banking and Markets analysis contains forward-looking statements. See "Disclosures - Special Note Regarding Forward-Looking Statements" on page 5 of this Document. During the 2015 financial year, the Group made certain changes to its financial reporting that affected Institutional Banking and Markets. Refer to "Disclosures – Financial Information Definitions – Reclassification of certain Income Statement and Balance Sheet Information" in this Document for further information. In order to provide a meaningful comparison to the Group's historical operations, "Restated" financial information is presented for the 2015 financial year and the 2014 financial year and "As reported" financial information is presented for the 2014 financial year and the 2013 financial year in this section. The Management Discussion and Analysis below comparing the 2015 financial year and the 2014 financial year references "Restated" financial information, while the Management Discussion and Analysis comparing the 2014 financial year and the 2013 financial year that follows references "As reported" financial information.

Year Ended June 2015 versus Restated June 2014

Institutional Banking and Markets' Net profit after tax ("statutory basis") for the full year ended 30 June 2015 was $1,268 million, a decrease of 1% on the prior year. The result was driven by growth in both institutional lending and asset leasing volumes, and positive sales and trading revenues in Markets. This was offset by the implementation of a new derivative valuation methodology in the second half of the financial year, lower lending margins, increased operating expenses and a higher loan impairment expense.

Net Interest Income

Net interest income was $1,452 million, an increase of 3% on the prior year. This was driven by growth in lending volumes more than offsetting the impact of lower margins, and an increase in Markets' financing activities supporting clients' working capital needs.

Average balance growth included:

- A 10% increase in average lending balances, including a 2% benefit from the lower Australian dollar, primarily reflecting above-system domestic growth, as well as targeted international growth in strategic focus industries;
- Average asset leasing balances increased 20% with growth mainly in the transport industry; and
- Average interest bearing deposit balance growth of 2% driven by growth in transaction deposits.

Net interest margin decreased reflecting:

- Continued competitive pressure on lending margins;
- Lower amortisation of deferred fees; and
- Declining deposit margins due to a low rate environment and competition.

Other Banking Income

Other banking income was $1,367 million, an increase of 8% on the prior year, reflecting:

- A strong Markets sales and trading performance due to increased client hedging activities as a result of ongoing market volatility. This resulted in a 19% increase in income mainly for Rates and Commodities; partly offset by
- An unfavourable derivative valuation adjustment following the implementation of a new funding valuation adjustment, which resulted in an initial cost of $81 million, partly offset by a favourable counterparty valuation adjustment of $47 million.

Operating Expenses

Operating expenses were $1,013 million, an increase of 7% on the prior year. Excluding the impact of the lower Australian dollar, operating expenses increased 6%.

The increase reflects investment in technology and people in targeted industry and product areas, and higher compliance-related project costs, partly offset by the ongoing realisation of productivity benefits.

Loan Impairment Expense

Loan impairment expense was $167 million, an increase of $106 million on the prior year, following a particularly benign level of loan losses in the prior year.

This was driven by a small number of large individual provisions, an increase in overall client exposures, and a lower level of recoveries.

Corporate Tax Expense

The corporate tax expense was $371 million. The effective tax rate of 22.6% was lower than the prior year, due to higher offshore profits at lower corporate tax rates and utilisation of legacy tax losses.

Institutional Banking and Markets

As reported June 2014 versus June 2013

Institutional Banking and Markets achieved a Net profit after tax ("statutory basis") of $1,283 million for the year ended 30 June 2014, which represented a 12% increase on the prior year. The result was driven by a positive trading performance in Markets, growth in average lending balances, and lower loan impairment expense. This was partly offset by the non-recurrence of prior year positive counterparty fair value adjustments and lower deposits income.

Net Interest Income

Net interest income increased 6% on the prior year to $1,421 million, driven by growth in average balances. This was partly offset by lower deposit margins and lower interest income in the Markets business.

Average balance growth included:

- Average deposit volumes increased 9%, largely in transaction deposits;
- Average asset leasing balances increased 28%, largely in the United Kingdom and Asia, with growth mainly in the transport industry; and
- A 9% increase in average lending balances, particularly in the strategic focus industries of natural resources, utilities and financial institutions.

Net interest margin decreased, reflecting:

- Declining deposit margins impacted by competition for deposits, a low cash rate environment and a continuing shift in customer preference to lower margin deposits; and
- Lower amortisation of deferred fees; partly offset by
- Higher lending and asset leasing margins.

Other Banking Income

Other banking income was $1,258 million, an increase of 2% on the prior year due to:

- A strong trading performance in Markets; and
- Growth in offshore trade finance income; partly offset by
- Unfavourable counterparty fair value adjustments of $1 million for the year, compared to $94 million favourable in the prior year.

Operating Expenses

Operating expenses increased 9% on the prior year to $947 million. Excluding the impact of the lower Australian dollar and non-recurring expenses, operating expenses increased 3%. The increase reflects higher amortisation and investment in IT platforms, and inflation-related salary increases. This was partly offset by a continued focus on productivity and disciplined cost management across the business.

Loan Impairment Expense

Loan impairment expense was $61 million, a decrease of 60% on the prior year, driven by a higher level of write-backs. The overall credit rating of the Institutional portfolio remained stable.

Corporate Tax Expense

The corporate tax expense for the year ended 30 June 2014 was $413 million. The effective tax rate of 24.8% was higher than the prior year due to lower dividend distributions in offshore jurisdictions.

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Wealth Management

	Full Year Ended					
		Restated		As reported		
	30 Jun 15	30 Jun 14 (1)	Jun 15 vs	30 Jun 14	30 Jun 13	Jun 14 vs
	$M	$M	Jun 14 %	$M	$M	Jun 13 %
Funds management income	**1,846**	1,699	9	1,700	1,543	10
Insurance income	**503**	575	(13)	575	542	6
Total operating income	**2,349**	2,274	3	2,275	2,085	9
Operating expenses	**(1,726)**	(1,522)	13	(1,517)	(1,393)	9
Net profit before tax	**623**	752	(17)	758	692	10
Corporate tax expense	**(148)**	(182)	(19)	(184)	(180)	2
Underlying profit after tax	**475**	570	(17)	574	512	12
Investment experience after tax	**175**	118	48	118	77	53
Net profit after tax ("cash basis") (excluding Property)	**650**	688	(6)	692	589	17
Property net profit after tax	**-**	101	large	101	90	12
Net profit after tax ("cash basis") (including Property)	**650**	789	(18)	793	679	17
Treasury shares valuation adjustment (after tax)	**(28)**	(41)	(32)	(41)	(53)	(23)
Gain on sale of management rights	**-**	17	large	17	-	large
Net profit after tax ("statutory basis") (2)	**622**	765	(19)	769	626	23
Represented by:						
CFS Global Asset Management	**286**	238	20	238	221	8
Colonial First State (3)	**92**	184	(50)	184	144	28
CommInsure	**316**	374	(16)	374	320	17
Property (4)	**-**	101	large	101	90	12
Other	**(72)**	(132)	(45)	(128)	(149)	(14)
Net profit after tax ("statutory basis") (2)	**622**	765	(19)	769	626	23

	Full Year Ended					
		Restated		As reported		
			Jun 15 vs			Jun 14 vs
Key Financial Metrics (5)	30 Jun 15	30 Jun 14 (1)	Jun 14 %	30 Jun 14	30 Jun 13	Jun 13 %
Performance indicators						
Statutory funds management income to average FUA (%) (6)	**0. 70**	0. 78	(8)bpts	0. 78	0. 80	(2)bpts
Statutory insurance income to average inforce premiums (%)	**28. 7**	32. 5	(380)bpts	32. 5	34. 5	(200)bpts
Statutory operating expenses to net operating income (%)	**66. 5**	59. 3	large	59. 1	60. 6	(150)bpts
FUA - average ($M) (5)	**273,800**	241,405	13	241,405	202,259	19
FUA - spot ($M) (5)	**283,644**	253,483	12	253,483	223,507	13
Assets under management - average ($M) (6)	**195,406**	173,417	13	173,417	147,661	17
Assets under management - spot ($M) (6)	**202,168**	180,848	12	180,848	162,331	11
Retail net funds flows (Australian Retail) ($M)	**3,292**	3,188	3	3,188	4,244	(25)
Annual Inforce Premiums - average ($M)	**2,388**	2,237	7	2,237	2,068	8
Annual Inforce Premiums - spot ($M)	**2,467**	2,309	7	2,309	2,165	7

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(2) Please refer to "Disclosures - Non-Cash Items Included in Statutory Profit" on page 9 of this Document for further details. A reconciliation of the Net profit after tax ("cash basis") by business segment is provided in Note 26 to the 2015 Financial Report.

(3) Colonial First State incorporates the results of all financial planning businesses including Commonwealth Financial Planning.

(4) Property includes the operations of the CFS Retail Property Trust, Commonwealth Property Office Fund, Kiwi Income Property Trust, unlisted property funds (the "Trusts") and the asset management and development businesses. In addition, it includes the gain on the sale of the CPA units and distributions from the Trusts. Comparative information has been restated to separately disclose the Property Transactions and businesses.

(5) Property is excluded from the calculation of the key financial metrics (as well as for comparative information).

(6) AUM and FUA include Realindex Investments and excludes the Group's interest in the China Cinda Joint Venture.

	Full Year Ended										
	CFS Global Asset Management					Colonial First State [1]					
						Restated			As reported		
	Jun 15 $M	Jun 14 $M	Jun 15 vs Jun 14 %	Jun 13 $M	Jun 14 vs Jun 13 %	Jun 15 $M	Jun 14 [2] $M	Jun 15 vs Jun 14 %	Jun 14 $M	Jun 13 $M	Jun 14 vs Jun 13 %
Gross Funds management income	**1,050**	919	14	817	12	**1,087**	1,003	8	1,003	913	10
Volume expenses	**(203)**	(180)	13	(170)	6	**(221)**	(175)	26	(174)	(134)	30
Funds Management income	**847**	739	15	647	14	**866**	828	5	829	779	6
Gross Insurance income	**-**	-	-	-	-	**-**	-	-	-	-	-
Volume expenses	**-**	-	-	-	-	**-**	-	-	-	-	-
Insurance Income	**-**	-	-	-	-	**-**	-	-	-	-	-
Total operating Income	**847**	739	15	647	14	**866**	828	5	829	779	6
Operating expenses	**(526)**	(468)	12	(375)	25	**(735)**	(590)	25	(591)	(576)	3
Net profit before tax	**321**	271	18	272	-	**131**	238	(45)	238	203	17
Corporate tax expense	**(61)**	(42)	45	(55)	(24)	**(39)**	(68)	(43)	(68)	(60)	13
Underlying profit after tax	**260**	229	14	217	6	**92**	170	(46)	170	143	19
Investment experience after tax	**26**	9	large	4	large	**-**	14	large	14	1	large
Net profit after tax ("cash basis")	**286**	238	20	221	8	**92**	184	(50)	184	144	28
Treasury shares valuation adjustment (after tax)	**-**	-	-	-	-	**-**	-	-	-	-	-
Count Financial Limited acquisition costs (after tax)	**-**	-	-	-	-	**-**	-	-	-	-	-
Net profit after tax ("statutory basis") [3]	**286**	238	20	221	8	**92**	184	(50)	184	144	28

	Full Year Ended										
	CommInsure					Other					
						Restated			As reported		
	Jun 15 $M	Jun 14 $M	Jun 15 vs Jun 14 %	Jun 13 $M	Jun 14 vs Jun 13 %	Jun 15 $M	Jun 14 [2] $M	Jun 15 vs Jun 14 %	Jun 14 $M	Jun 13 $M	Jun 14 vs Jun 13 %
Gross Funds management income	**164**	165	(1)	152	9	**-**	-	-	-	-	-
Volume expenses	**(31)**	(33)	(6)	(35)	(6)	**-**	-	-	-	-	-
Funds Management income	**133**	132	1	117	13	**-**	-	-	-	-	-
Gross Insurance income	**658**	725	(9)	716	1	**-**	-	-	-	-	-
Volume expenses	**(155)**	(150)	3	(174)	(14)	**-**	-	-	-	-	-
Insurance Income	**503**	575	(13)	542	6	**-**	-	-	-	-	-
Total operating Income	**636**	707	(10)	659	7	**-**	-	-	-	-	-
Operating expenses	**(319)**	(314)	2	(318)	(1)	**(146)**	(150)	(3)	(144)	(124)	16
Net profit before tax	**317**	393	(19)	341	15	**(146)**	(150)	(3)	(144)	(124)	16
Corporate tax expense	**(91)**	(111)	(18)	(101)	10	**43**	39	10	37	36	3
Underlying profit after tax	**226**	282	(20)	240	18	**(103)**	(111)	(7)	(107)	(88)	22
Investment experience after tax	**90**	92	(2)	80	15	**59**	3	large	3	(8)	large
Net profit after tax ("cash basis")	**316**	374	(16)	320	17	**(44)**	(108)	(59)	(104)	(96)	8
Treasury shares valuation adjustment (after tax)	**-**	-	-	-	-	**(28)**	(41)	(32)	(41)	(53)	(23)
Sale of management rights (after rights)	**-**	-	-	-	-	**-**	17	large	17	-	large
Net profit after tax ("statutory basis") [3]	**316**	374	(16)	320	17	**(72)**	(132)	(45)	(128)	(149)	(14)

(1) Colonial First State incorporates the results of all financial planning businesses including Commonwealth Financial Planning.

(2) Comparative information has been restated to conform to presentation in the current year. However, certain reclassifications among the Group's customer segments have not been restated for the 2013 financial year. In order to provide a meaningful comparison to the Group's historical operations, "Restated" figures are presented for the 2015 financial year and the 2014 financial year and "As reported" figures are presented for the 2014 financial year and 2013 financial year in the chart above. Refer to "Disclosures - Financial Information Definitions - Reclassification of certain Income Statement and Balance Sheet Information", Note 1 to the 2015 Financial Report and Appendix C of this Document for further details.

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Wealth Management

Financial Performance and Business Review [1]

This Wealth Management analysis contains forward-looking statements. See "Disclosures - Special Note Regarding Forward-Looking Statements" on page 5 of this Document. During the 2015 financial year, the Group made certain changes to its financial reporting that affected Wealth Management. Refer to "Disclosures – Financial Information Definitions – Reclassification of certain Income Statement and Balance Sheet Information" in this Document for further information. In order to provide a meaningful comparison to the Group's historical operations, "Restated" financial information is presented for the 2015 financial year and the 2014 financial year and "As reported" financial information is presented for the 2014 financial year and the 2013 financial year in this section. The Management Discussion and Analysis below comparing the 2015 financial year and the 2014 financial year references "Restated" financial information, while the Management Discussion and Analysis comparing the 2014 financial year and the 2013 financial year that follows references "As reported" financial information.

Year Ended June 2015 versus Restated June 2014

Wealth Management's Net profit after tax ("statutory basis") for the full year ended 30 June 2015 was $622 million, a decrease of 6% on the prior year after excluding the contribution from the Property Transactions as defined on page 29 of this Document. Strong growth in Funds management income was offset by the impact of further provisioning for customer remediation (as part of the Open Advice Review program) and lower insurance income due to a number of weather events. Expense growth reflected investment in technology, higher staff costs and the cost of regulatory, compliance and remediation programs, partly offset by continued benefits from productivity initiatives. Investment experience grew strongly as a result of divestment and revaluation gains, and falling bond yields contributed to favourable fixed interest returns.

The Group has provided for the licensee conditions imposed on Commonwealth Financial Planning Limited ("CFPL") and Financial Wisdom Limited ("FWL"), and separately announced during the prior year an Open Advice Review program for customers of CFPL and FWL who received financial advice between 1 September 2003 and 1 July 2012.

The Open Advice Review program closed for expressions of interest on 3 July 2015. Total expressions of interest and completed registration forms received were over 23,000 and 7,000, respectively. For additional information on the Open Advice Review program and licensee conditions, see Note 19 to the 2015 Financial Report.

Funds Management Income

Funds management income was $1,846 million, an increase of 9% on the prior year.

Average Assets Under Management (AUM) increased 13% to $195 billion, driven by a strong performance in investment markets and the benefit of a lower Australian dollar, with 90% of assets outperforming their three year benchmark. Net flows benefited from continued momentum in the infrastructure business and emerging markets equities, with flows significantly higher than the prior year.

Australian Retail Average FUA increased 12% to $114 billion with Custom Solutions platforms continuing strong growth, with average FUA reaching $20 billion for the first time, a 20% increase on the prior year.

Funds management margins declined three basis points due to lower Advice revenue, continued run-off in the legacy investment business, and the impact of provisioning for customer remediation (as part of the Open Advice Review program).

Insurance Income

Insurance income was $503 million, a 13% decrease on the prior year.

Wholesale Life Insurance income increased strongly on the prior year as a result of repricing, and reduced reserve strengthening.

Retail Life Insurance income decreased 3% on the prior year, impacted by poorer claims experience and lower sales, partly offset by an improvement in lapse rates.

General Insurance income was significantly lower than the prior year, primarily due to inforce premiums, which were up 5% driven by a significant improvement in renewals. This was further impacted by a number of weather events during the year in New South Wales and Queensland.

Operating Expenses

Operating expenses were $1,726 million, an increase of 13% on the prior year, driven by a number of factors including investment in technology-related initiatives, increased provisioning for regulatory, compliance and remediation program costs, higher salary-related costs, and a lower Australian dollar.

The business also benefited from a range of productivity initiatives that streamlined processes throughout Wealth Management with deployments being run across operations and distribution channels.

Investment Experience

Investment experience includes the return on invested shareholder capital. Investment experience after tax increased $57 million driven by the gain on sale of the remaining units in the Novion Property Group (formerly CFX), investment revaluation gains on infrastructure holdings, higher fixed interest returns as a result of falling bond yields and changes to economic assumptions.

As reported June 2014 versus June 2013

Wealth Management's Net profit after tax ("statutory basis") for the full year ended 30 June 2014 was $769 million, a 23% increase on the prior year. Excluding the Property Transactions, Net profit after tax ("statutory basis") for the full year increased 25%, reflecting continued investment market gains and strong investment performance. Total operating income increased 9% on the prior year with FUA, as at 30 June 2014, increasing 13% to $253 billion. Insurance Inforce Premiums increased 7% to $2.3 billion.

During the period, the Group also completed the Property Transactions.

Funds Management Income

Funds management income was $1,700 million, an increase of 10% on the prior year.

Average AUM increased 17% to $173 billion, driven by a strong performance in investment markets and the benefit of a lower Australian dollar, with 84% of assets outperforming the three year benchmark. Weaker investor sentiment contributed to a $5.1 billion net outflow from emerging market funds during the year.

Australian Retail FUA reached a new milestone as it exceeded $100 billion at year-end. Colonial First State FirstChoice and Custom Solutions platforms captured $4.1 billion of net flows during the year, with Custom Solutions FUA growing 25%, reflecting the success from partnering with advisers and clients.

Funds management margin declined six basis points, largely due to business mix and higher volume expenses.

Insurance Income

Insurance income was $575 million, a 6% increase on the prior year.

Retail Life Insurance income increased 9% on the prior year. Lapse rates improved in Retail Life following the implementation of retention initiatives; however, this was partially offset by a weaker claims experience.

Wholesale Life income benefited from repricing, partly offset by a $61 million strengthening of reserves in the year.

General Insurance income benefited from higher premiums with strong sales via the Retail Bank network in the first half of the year. Improved event claims were partially offset by a deterioration in working claims experience.

Operating Expenses

Operating expenses increased 9% to $1,517 million, reflecting the impact of a lower Australian dollar, inflation-related salary and performance-related increases and further investment in IT platforms. In addition, the business continued its focus on compliance and regulatory change programs.

A range of productivity initiatives have been implemented covering all businesses, with processes simplified across claims, operations, call centres and distribution channels.

Investment Experience

Investment experience includes the return on invested shareholder capital, which benefited from higher fixed interest returns from falling bond yields and changes to economic assumptions. This was partially offset by a lower mark to market revaluation gain on the Guaranteed Annuity portfolio.

1. Unless otherwise stated, the commentary excludes the contribution from the Property Transactions and businesses in the prior year.

Wealth Management

Assets Under Management (AUM) [1]	30 Jun 15 $M	30 Jun 14 $M	Jun 15 vs Jun 14 %	30 Jun 13 $M	Jun 14 vs Jun 13 %
	Full Year Ended				
Australian equities	**28,451**	28,247	1	24,213	17
Global equities	**92,000**	75,297	22	68,834	9
Cash and fixed interest	**73,138**	69,612	5	62,489	11
Property and Infrastructure [2]	**8,579**	7,692	12	6,795	13
Total Wealth Management (excluding Property)	**202,168**	180,848	12	162,331	11
Property	**-**	-	-	17,232	large
Total Wealth Management (including Property)	**202,168**	180,848	12	179,563	1

Sources of Profit from CommInsure	30 Jun 15 $M	30 Jun 14 $M	Jun 15 vs Jun 14 %	30 Jun 13 $M	Jun 14 vs Jun 13 %
	Full Year Ended				
Life insurance operating margins					
Planned profit margins	**200**	156	28	167	(7)
Experience variations	**(42)**	(40)	5	(71)	(44)
Funds management operating margins	**87**	89	(2)	80	11
General insurance operating margins	**(19)**	77	large	64	20
Operating margins	**226**	282	(20)	240	18
Investment experience after tax	**90**	92	(2)	80	15
Net profit after tax ("cash basis")	**316**	374	(16)	320	17
Non-cash adjustments (after tax)	**-**	-	-	-	-
Net profit after tax ("statutory basis")	**316**	374	(16)	320	17

(1) AUM includes Realindex Investments and does not include the Group's interest in the China Cinda Joint Venture.
(2) This asset class includes unlisted infrastructure holdings and global listed property securities.

Annual Inforce Premiums - Risk Business	Opening Balance 30 Jun 14 $M	Sales/New Business $M	Lapses $M	Closing Balance 30 Jun 15 $M
	Full Year Ended 30 June 2015			
Retail life	895	158	(165)	888
Wholesale life	757	239	(110)	886
General insurance	657	155	(119)	693
Total	2,309	552	(394)	2,467

Annual Inforce Premiums - Risk Business	Opening Balance 30 Jun 13 $M	Sales/New Business $M	Lapses $M	Closing Balance 30 Jun 14 $M
	Full Year Ended 30 June 2014			
Retail life	875	195	(175)	895
Wholesale life	692	137	(72)	757
General insurance	598	168	(109)	657
Total	2,165	500	(356)	2,309

Annual Inforce Premiums - Risk Business	Opening Balance 30 Jun 11 $M	Sales/New Business $M	Lapses $M	Closing Balance 30 Jun 13 $M
	Full Year Ended 30 June 2013			
Retail life	815	240	(180)	875
Wholesale life	651	162	(121)	692
General insurance	505	159	(66)	598
Total	1,971	561	(367)	2,165

Funds Under Administration	Opening Balance 30 Jun 14 $M	Inflows $M	Outflows $M	Net Flows $M	Investment Income & Other [1] $M	Closing Balance 30 Jun 15 $M
	Full Year Ended 30 June 2015					
FirstChoice	67,481	17,295	(15,757)	1,538	4,563	73,582
Custom Solutions [2]	18,070	5,968	(4,139)	1,829	1,404	21,303
Standalone (including Legacy) [3]	20,725	8,429	(8,403)	26	930	21,681
Retail products [4]	106,276	31,692	(28,299)	3,393	6,897	116,566
Other retail [5]	990	27	(128)	(101)	61	950
Australian retail	107,266	31,719	(28,427)	3,292	6,958	117,516
Wholesale	72,427	24,924	(25,566)	(642)	3,532	75,317
Property	3,771	902	(223)	679	102	4,552
Other [6]	3,697	23	(119)	(96)	156	3,757
Domestically sourced	187,161	57,568	(54,335)	3,233	10,748	201,142
Internationally sourced	66,322	34,830	(34,965)	(135)	16,315	82,502
Total Wealth Management (excluding Property)	253,483	92,398	(89,300)	3,098	27,063	283,644
Property	-	-	-	-	-	-
Total Wealth Management (including Property)	253,483	92,398	(89,300)	3,098	27,063	283,644

Funds Under Administration	Opening Balance 30 Jun 13 $M	Inflows $M	Outflows $M	Net Flows $M	Investment Income & Other [1] $M	Closing Balance 30 Jun 14 $M
	Full Year Ended 30 June 2014					
FirstChoice	58,787	15,589	(13,500)	2,089	6,605	67,481
Custom Solutions [2]	14,464	5,300	(3,313)	1,987	1,619	18,070
Standalone (including Legacy) [3]	19,684	7,363	(8,135)	(772)	1,813	20,725
Retail products [4]	92,935	28,252	(24,948)	3,304	10,037	106,276
Other retail [5]	1,007	30	(146)	(116)	99	990
Australian retail	93,942	28,282	(25,094)	3,188	10,136	107,266
Wholesale	60,675	29,254	(22,602)	6,652	5,100	72,427
Property	2,693	1,167	(339)	828	250	3,771
Other [6]	3,529	24	(135)	(111)	279	3,697
Domestically sourced	160,839	58,727	(48,170)	10,557	15,765	187,161
Internationally sourced	62,668	25,172	(29,461)	(4,289)	7,943	66,322
Total Wealth Management (excluding Property)	223,507	83,899	(77,631)	6,268	23,708	253,483
Property	16,845	384	(52)	332	(17,177)	-
Total Wealth Management (including Property)	240,352	84,283	(77,683)	6,600	6,531	253,483

(1) Includes foreign exchange gains and losses from translation of internationally sourced business.
(2) Custom Solutions includes the FirstWrap product.
(3) Includes cash management trusts.
(4) Retail funds that align to Plan for Life market share releases.
(5) Includes regular premium plans. These retail products are not reported in market share data.
(6) Includes life company assets sourced from retail investors but not attributable to a funds management product.

Wealth Management

Funds Under Administration	Opening Balance 30 Jun 12 $M	Inflows $M	Outflows $M	Net Flows $M	Investment Income & Other [1] $M	Closing Balance 30 Jun 13 $M
	Full Year Ended 30 June 2013					
FirstChoice	50,014	14,291	(12,441)	1,850	6,923	58,787
Custom Solutions [2]	9,081	6,803	(2,663)	4,140	1,243	14,464
Standalone (including Legacy) [3]	18,137	7,263	(8,898)	(1,635)	3,182	19,684
Retail products [4]	77,232	28,357	(24,002)	4,355	11,348	92,935
Other retail [5]	1,001	30	(141)	(111)	117	1,007
Australian retail	78,233	28,387	(24,143)	4,244	11,465	93,942
Wholesale	47,167	32,688	(23,715)	8,973	4,535	60,675
Property	2,244	328	(6)	322	127	2,693
Other [6]	3,432	28	(143)	(115)	212	3,529
Domestically sourced	131,076	61,431	(48,007)	13,424	16,339	160,839
Internationally sourced	48,212	25,713	(23,232)	2,481	11,975	62,668
Total Wealth Management (excluding Property)	179,288	87,144	(71,239)	15,905	28,314	223,507
Property	16,911	116	(41)	75	(141)	16,845
Total Wealth Management (including Property)	196,199	87,260	(71,280)	15,980	28,173	240,352

(1) Includes foreign exchange gains and losses from translation of internationally sourced business.
(2) Custom Solutions includes the FirstWrap product.
(3) Includes cash management trusts.
(4) Retail funds that align to Plan for Life market share releases.
(5) Includes regular premium plans. These retail products are not reported in market share data.
(6) Includes life company assets sourced from retail investors but not attributable to a funds management product.

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New Zealand

	Full Year Ended				
	30 Jun 15 [5] NZ$M	30 Jun 14 NZ$M	Jun 15 vs Jun 14 %	30 Jun 13 NZ$M	Jun 14 vs Jun 13 %
Net interest income	**1,652**	1,517	9	1,360	12
Other banking income [1]	**308**	307	-	311	(1)
Total banking income	**1,960**	1,824	7	1,671	9
Funds management income	**77**	67	15	61	10
Insurance income	**250**	222	13	212	5
Total operating income	**2,287**	2,113	8	1,944	9
Operating expenses	**(929)**	(888)	5	(854)	4
Loan impairment expense	**(89)**	(56)	59	(56)	-
Net profit before tax	**1,269**	1,169	9	1,034	13
Corporate tax expense	**(317)**	(289)	10	(255)	13
Underlying profit after tax	**952**	880	8	779	13
Investment experience after tax	**7**	4	75	6	(33)
Net profit after tax ("cash basis")	**959**	884	8	785	13
Hedging and IFRS volatility (after tax)	**(23)**	3	large	(3)	large
Net profit after tax ("statutory basis") [2] [6]	**936**	887	6	782	13
Represented by :					
ASB	**823**	779	6	695	12
Sovereign	**123**	103	19	100	3
Other [3]	**(10)**	5	large	(13)	large
Net profit after tax ("statutory basis") [2] [6]	**936**	887	6	782	13

	Full Year Ended				
	30 Jun 15 [5] A$M	30 Jun 14 A$M	Jun 15 vs Jun 14 %	30 Jun 13 A$M	Jun 14 vs Jun 13 %
Net interest income	**1,536**	1,378	11	1,093	26
Other banking income [2]	**253**	192	32	237	(19)
Total banking income	**1,789**	1,570	14	1,330	18
Funds management income	**71**	60	18	49	22
Insurance income	**232**	202	15	171	18
Total operating income	**2,092**	1,832	14	1,550	18
Operating expenses	**(861)**	(805)	7	(686)	17
Loan impairment expense	**(83)**	(51)	63	(45)	13
Net profit before tax	**1,148**	976	18	819	19
Corporate tax expense	**(289)**	(237)	22	(203)	17
Underlying profit after tax	**859**	739	16	616	20
Investment experience after tax	**6**	3	large	5	(40)
Net profit after tax ("cash basis")	**865**	742	17	621	19
Hedging and IFRS volatility (after tax)	**43**	10	large	(24)	large
Net profit after tax ("statutory basis") [3] [6]	**908**	752	21	597	26

	Full Year Ended				
Key Financial Metrics [4]	30 Jun 15 [5]	30 Jun 14	Jun 15 vs Jun 14 %	30 Jun 13	Jun 14 vs Jun 13 %
Statutory funds management income to average FUA (%)	**0. 54**	0. 55	(1)bpt	0. 58	(3)bpts
Statutory insurance income to average inforce premiums (%)	**35. 5**	40. 2	(470)bpts	35. 3	490 bpts
Statutory operating expenses to total operating income (%)	**40. 3**	42. 8	(250)bpts	44. 9	(210)bpts

1. Other banking income disclosed in AUD includes realised gains or losses associated with the hedge of the New Zealand result.
2. Please refer to "Disclosures - Non-Cash Items Included in Statutory Profit" on page 9 of this Document for further details. A reconciliation of the Net profit after tax ("cash basis") by business segment is provided in Note 26 to the 2015 Financial Report.
3. Other includes ASB and Sovereign funding entities and elimination entries between Sovereign and ASB and foreign currency impacts on allocated capital charges.
4. Key financial metrics are calculated in New Zealand dollar terms.
5. The New Zealand result incorporates ASB Bank and Sovereign Insurance businesses. The CBA Branch results relating to the Institutional Banking and Markets business in New Zealand are not included.
6. Includes allocated capital charges and other CBA costs.

Financial Performance and Business Review

This New Zealand analysis contains forward-looking statements. See "Disclosures - Special Note Regarding Forward-Looking Statements" on page 5 of this Document.

Year Ended June 2015 versus June 2014

New Zealand(1) Net profit after tax(2) ("statutory basis") for the full year ended 30 June 2015 was NZ$936 million, an increase of 6% on the prior year, driven by a strong performance from both ASB Bank and Sovereign Assurance Company (Sovereign).

The Australian dollar equivalent line item growth rates are impacted by the appreciation of the New Zealand dollar and the mark-to-market movements in foreign exchange hedges relating to New Zealand earnings.

As reported June 2014 versus June 2013

New Zealand(1) Net profit after tax(2) ("statutory basis") for the year ended 30 June 2014 increased 13% on the prior year to NZ$887 million. The result was driven by a solid performance from ASB Bank with strong deposit volumes combined with improved margins and higher Funds management income. Sovereign profit increased on the prior year with strong persistency experience and solid growth in inforce premiums.

(1) The New Zealand result incorporates ASB Bank and Sovereign Insurance businesses. The CBA Branch results relating to the Institutional Banking and Markets business in New Zealand are not included.

(2) Includes allocated capital charges and other CBA costs.

New Zealand

ASB Bank	30 Jun 15 NZ$M	30 Jun 14 NZ$M	Jun 15 vs Jun 14 %	30 Jun 13 NZ$M	Jun 14 vs Jun 13 %
	Full Year Ended				
Net interest income	**1,652**	1,498	10	1,365	10
Other banking income	**341**	337	1	346	(3)
Total banking income	**1,993**	1,835	9	1,711	7
Funds management income	**74**	64	16	55	16
Total operating income	**2,067**	1,899	9	1,766	8
Operating expenses	**(805)**	(769)	5	(741)	4
Loan impairment expense	**(89)**	(56)	59	(56)	-
Net profit before tax	**1,173**	1,074	9	969	11
Corporate tax expense	**(327)**	(298)	10	(271)	10
Net profit after tax ("cash basis")	**846**	776	9	698	11
Hedging and IFRS volatility (after tax)	**(23)**	3	large	(3)	large
Net profit after tax ("statutory basis") (1)	**823**	779	6	695	12

Balance Sheet	30 Jun 15 NZ$M	30 Jun 14 NZ$M	Jun 15 vs Jun 14 %	30 Jun 13 NZ$M	Jun 14 vs Jun 13 %
	As at				
Home loans	**43,737**	41,581	5	40,310	3
Business and rural lending	**20,019**	17,556	14	16,291	8
Other interest earning assets	**1,809**	1,641	10	1,472	11
Total lending interest earning assets	**65,565**	60,778	8	58,073	5
Non-lending interest earning assets	**7,297**	5,599	30	6,523	(14)
Other assets	**2,993**	1,918	56	2,125	(10)
Total assets	**75,855**	68,295	11	66,721	2
Customer deposits	**46,751**	40,152	16	37,721	6
Debt issues	**11,076**	9,612	15	7,459	29
Other interest bearing liabilities (2)	**4,198**	7,302	(43)	10,835	(33)
Total interest bearing liabilities	**62,025**	57,066	9	56,015	2
Non-interest bearing liabilities	**6,013**	4,246	42	4,045	5
Total liabilities	**68,038**	61,312	11	60,060	2

(1) Please refer to "Disclosures - Non-Cash Items Included in Statutory Profit" on page 9 of this Document for further details. A reconciliation of the Net profit after tax ("cash basis") by business segment is provided in Note 26 to the 2015 Financial Report.

(2) Includes NZ$4.1 billion due to Group companies (30 June 2014: NZ$4.1 billion).

Key Financial Metrics	Full Year Ended 30 Jun 15	30 Jun 14	Jun 15 vs Jun 14 %	30 Jun 13	Jun 14 vs Jun 13 %
Performance indicators					
Return on assets (%)	**1. 2**	1. 1	10 bpts	1. 0	10 bpts
Statutory impairment expense annualised as a % of average GLAA's (%)	**0. 14**	0. 09	5 bpts	0. 09	-
Statutory funds management income to average FUA (%)	**0. 54**	0. 55	(1)bpt	0. 58	(3)bpts
Statutory operating expenses to total operating income (%)	**39. 5**	42. 8	(330)bpts	44. 9	(210)bpts
Other asset/liability information					
Average interest earning assets	**69,380**	65,796	5	62,837	5
Average interest bearing liabilities	**59,308**	56,202	6	54,808	3

New Zealand - Funds Under Administration	As at 30 Jun 15 NZ$M	30 Jun 14 NZ$M	Jun 15 vs Jun 14 %	30 Jun 13 NZ$M	Jun 14 vs Jun 13 %
Opening balance	**13,003**	11,080	17	10,084	10
Inflows	**3,709**	3,536	5	2,387	48
Outflows	**(2,595)**	(2,542)	2	(2,413)	5
Net flows	**1,114**	994	12	(26)	large
Investment income & other	**1,487**	929	60	1,022	(9)
Closing balance	**15,604**	13,003	20	11,080	17

New Zealand

ASB Bank: Year Ended June 2015 versus June 2014

ASB Bank's Net profit after tax ("statutory basis") for the full year ended 30 June 2015 was NZ$823 million, an increase of 6% on the prior year. Operating income growth of 9% was driven by favourable funding conditions and strong business and rural lending growth, partly offset by home loan margin compression, and increased operating expenses and loan impairment expense.

Net Interest Income

Net interest income was NZ$1,652 million, an increase of 10% on the prior year, with improved retail deposit margins and strong volume growth in key portfolios.

Balance Sheet growth included:

- Home loan growth of 5%, with continued customer preference for fixed rate lending;
- Business and rural loan growth of 14%, delivering above system growth due to continued investment in these business; and
- Growth in customer deposits of 16% driven by strong demand across the retail deposit portfolio.

Net interest margin increased, reflecting improved deposit margins, partly offset by a reduction in lending margins in a highly competitive environment and the continued customer preference for lower margin fixed rate mortgages.

Other Banking and Funds Management Income

Other banking income was NZ$341 million, an increase of 1% on the prior year, due to higher lending fee income principally as a result of business lending growth, and higher fixed rate loan prepayment fees. This was partly offset by the higher cost of hedging foreign currency deposits and lower service fees.

Funds management income was NZ$74 million, an increase of 16% on the prior year, resulting from strong FUA and AUM.

Operating Expenses

Operating expenses were NZ$805 million, an increase of 5% on the prior year. This increase was driven by higher staff expenses due to inflationary-related salary increases and continued investment in frontline capability, ongoing technology investment and higher operational losses and professional fees.

The expense to income ratio for ASB Bank was 39.5%, an improvement of 330 basis points, reflecting a continued focus on productivity across the Bank.

Loan Impairment Expense

Loan impairment expense was NZ$89 million, an increase of 59% on the prior year, primarily due to higher unsecured retail provisioning as the portfolio seasoned as expected throughout the year, an increase in rural lending provisioning, and stabilising home loan impairment expense.

ASB Bank: Year Ended June 2014 versus June 2013

ASB Bank's Net profit after tax ("statutory basis") for the year ended 30 June 2014 increased 12% on the prior year to NZ$779 million. The result was driven by growth in operating income, partly offset by an increase in operating expenses.

Net Interest Income

Net interest income was NZ$1,498 million, an increase of 10%, with strong lending and deposit growth in key portfolios combined with an improvement in funding conditions.

Balance Sheet growth included:

- Home loan balances increased 3%, despite intense competition, with a continued shift to fixed rate loans;
- Business and rural loans increased 8%, significantly above system growth, due to the continued focus on growing the customer base and broadening specialist capability; and
- Customer deposit balances increased 6%, with strong growth in retail deposits.

Net interest margin increased, reflecting lower funding costs, partly offset by a decrease in home, business and rural lending margins driven by competitive pressures and strong growth in lower margin fixed rate home loans.

Other Banking and Funds Management Income

Other banking income decreased 3% to NZ$337 million, reflecting lower fixed rate loan prepayment fees and lower institutional trading performance, partly offset by higher card fee income due to volume growth. Funds management income increased 16% as a result of strong growth in FUA.

Operating Expenses

Operating expenses increased 4% to NZ$769 million. This increase was driven by higher staff expenses due to inflationary pressures combined with higher staff levels in order to grow frontline capacity. Occupancy costs increased primarily due to an increase in head office rental and depreciation costs.

The expense to income ratio for the Bank was 42.8%, an improvement of 210 basis points on the prior year.

Loan Impairment Expense

Loan impairment expense was flat at NZ$56 million. Home loan impairment expense decreased, driven by the continued strengthening of the New Zealand economy and housing market, resulting in lower arrears rates. This was offset by higher impairment expense across the unsecured portfolio and business and rural portfolios as a result of strong balance growth.

Sovereign	30 Jun 15 NZ$M	30 Jun 14 NZ$M	Jun 15 vs Jun 14 %	30 Jun 13 NZ$M	Jun 14 vs Jun 13 %
	Full Year Ended				
Insurance income	**225**	201	12	190	6
Operating expenses	**(124)**	(119)	4	(112)	6
Net profit before tax	**101**	82	23	78	5
Corporate tax benefit	**5**	10	(50)	9	11
Underlying profit after tax	**106**	92	15	87	6
Investment experience after tax	**17**	11	55	13	(15)
Net profit after tax ("cash basis")	**123**	103	19	100	3
Net profit after tax ("statutory basis") (1)	**123**	103	19	100	3
Sources of profit represented by:					
The margin on services profit from ordinary activities after income tax is represented by:					
Planned profit margins	**87**	84	4	80	5
Experience variations	**19**	8	large	7	14
Operating margins	**106**	92	15	87	6
Investment experience after tax	**17**	11	55	13	(15)
Net profit after tax ("statutory basis") (1)	**123**	103	19	100	3

(1) Please refer to "Disclosures - Non-Cash Items Included in Statutory Profit" on page 9 of this Document for further details. A reconciliation of the Net profit after tax ("cash basis") by business segment is provided in Note 26 to the 2015 Financial Report.

Key Financial Metrics	30 Jun 15	30 Jun 14	Jun 15 vs Jun 14 %	30 Jun 13	Jun 14 vs Jun 13 %
	Full Year Ended				
Performance indicators					
Statutory insurance income to average inforce premiums (%)	**31. 9**	40.2	190 bpts	53.6	large
Average inforce premiums (NZ$M)	**705**	669	5	639	5

New Zealand - Annual Inforce Premiums	30 Jun 15 NZ$M	30 Jun 14 NZ$M	Jun 15 vs Jun 14 %	30 Jun 13 NZ$M	Jun 14 vs Jun 13 %
	As at				
Opening balance	**684**	654	5	623	5
Sales/new business	**121**	103	17	100	3
Lapses	**(84)**	(73)	15	(69)	6
Closing balance	**721**	684	5	654	5

1. Please refer to "Disclosures - Non-Cash Items Included in Statutory Profit" on page 9 of this Document for further details. A reconciliation of the Net profit after tax ("cash basis") by business segment is provided in Note 26 to the 2015 Financial Report.

Sovereign: Year Ended June 2015 versus June 2014

Sovereign Net profit after tax ("statutory basis") for the full year ended 30 June 2015 was NZ$123 million, an increase of 19% on the prior year. The increase was driven by favourable claims and investment experience, with the higher investment experience primarily driven by a decrease in New Zealand Government bond rates.

Insurance Income

Insurance income was NZ$225 million, an increase of 12% on the prior year, with growth in annual inforce premium income of 5% and positive claims experience. Sovereign risk and health lapse rate continued to be amongst the best in the industry.

Operating Expenses

Operating expenses were NZ$124 million, an increase of 4% on the prior year, driven by restructuring, consulting and rebranding expenses.

Sovereign: Year Ended June 2014 versus June 2013

Sovereign Net profit after tax ("statutory basis") increased 3% on the prior year to NZ$103 million, driven by strong persistency experience and solid growth in inforce premiums, offset by deterioration in claims experience and investment experience.

The lower investment experience was primarily driven by an increase in New Zealand Government bond rates.

Insurance Income

Insurance income of NZ$201 million increased 6%, with annual inforce premium growth of 5% and a continuation of strong persistency, partly offset by deterioration in claims experience. Sovereign's risk and health lapse rate improved 50 basis points compared to the prior year. The deterioration in claims experience was largely driven by an unusually high claims expense at the beginning of the year; however, experience was favourable over the remainder of the year.

Operating Expenses

Operating expenses of NZ$119 million increased 6%, driven by restructuring costs and the write-off of internally capitalised software.

Bankwest

		As at				
		Restated		As reported		
	30 Jun 15	30 Jun 14 [(1)]	Jun 15 vs	30 Jun 14	30 Jun 13	Jun 14 vs
	$M	$M	Jun 14 %	$M	$M	Jun 13 %
Net interest income	**1,594**	1,577	1	1,577	1,537	3
Other banking income	**217**	206	5	206	210	(2)
Total banking income	**1,811**	1,783	2	1,783	1,747	2
Operating expenses	**(785)**	(806)	(3)	(799)	(825)	(3)
Loan impairment expense	**50**	(11)	large	(11)	(118)	(91)
Net profit before tax	**1,076**	966	11	973	804	21
Corporate tax expense	**(324)**	(291)	11	(293)	(243)	21
Net profit after tax ("cash basis")	**752**	675	11	680	561	21
Other non-cash items	**(52)**	(56)	(7)	(56)	(71)	(21)
Merger related amortisation and integration expenses (after tax)	**-**	-	-	-	-	-
Net profit after tax ("statutory basis") [(2)]	**700**	619	13	624	490	27

		As at				
		Restated		As reported		
	30 Jun 15	30 Jun 14 [(1)]	Jun 15 vs	30 Jun 14	30 Jun 13	Jun 14 vs
Balance Sheet	$M	$M	Jun 14 %	$M	$M	Jun 13 %
Home loans	**61,472**	58,251	6	58,251	52,738	10
Other interest earning assets	**17,398**	18,112	(4)	18,112	20,308	(11)
Non-lending interest earning assets	**2**	11	(82)	11	25	(56)
Total interest earning assets	**78,872**	76,374	3	76,374	73,071	5
Other assets	**269**	421	(36)	421	710	(41)
Total assets	**79,141**	76,795	3	76,795	73,781	4
Transaction deposits	**11,238**	9,037	24	9,037	7,627	18
Savings deposits	**10,882**	10,463	4	10,463	9,300	13
Investment deposits	**26,473**	25,052	6	25,052	23,568	6
Certificates of deposit and other	**42**	40	5	40	36	11
Total interest bearing deposits	**48,635**	44,592	9	44,592	40,531	10
Other interest bearing liabilities	**57**	103	(45)	103	155	(34)
Non-interest bearing liabilities	**807**	976	(17)	976	1,239	(21)
Total liabilities	**49,499**	45,671	8	45,671	41,925	9

		As at				
		Restated		As reported		
	30 Jun 15	30 Jun 14 [(1)]	Jun 15 vs	30 Jun 14	30 Jun 13	Jun 14 vs
Key Financial Metrics	$M	$M	Jun 14 %	$M	$M	Jun 13 %
Performance indicators						
Return on assets (%)	**1. 0**	0. 9	10 bpts	0. 9	0. 8	10 bpts
Statutory impairment expense annualised as a % of average GLAA's (%)	**(0. 06)**	0. 01	(7)bpts	0. 01	0. 16	(15)bpts
Statutory operating expenses to total banking income (%)	**47. 5**	49. 5	(200)bpts	49. 1	52.4	(330)bpts
Other asset/liability information						
Average interest earning assets ($M)	**77,257**	74,568	4	74,568	73,188	2
Average interest bearing liabilities ($M)	**46,615**	42,608	9	42,608	42,821	-

(1) Comparative information has been restated to conform to presentation in the current year. However, certain reclassifications among the Group's customer segments have not been restated for the 2013 financial year. In order to provide a meaningful comparison to the Group's historical operations, "Restated" figures are presented for the 2015 financial year and the 2014 financial year and "As reported" figures are presented for the 2014 financial year and 2013 financial year in the chart above. Refer to "Disclosures - Financial Information Definitions - Reclassification of certain Income Statement and Balance Sheet Information", Note 1 to the 2015 Financial Report and Appendix C of this Document for further details.

(2) Please refer to "Disclosures - Non-Cash Items Included in Statutory Profit" on page 9 of this Document for further details. A reconciliation of the Net profit after tax ("cash basis") by business segment is provided in Note 26 to the 2015 Financial Report.

Financial Performance and Business Review

This Bankwest analysis contains forward-looking statements. See "Disclosures - Special Note Regarding Forward-Looking Statements" on page 5 of this Document. During the 2015 financial year, the Group made certain changes to its financial reporting that affected Bankwest. Refer to "Disclosures – Financial Information Definitions – Reclassification of certain Income Statement and Balance Sheet Information" in this Document for further information. In order to provide a meaningful comparison to the Group's historical operations, "Restated" financial information is presented for the 2015 financial year and the 2014 financial year and "As reported" financial information is presented for the 2014 financial year and the 2013 financial year in this section. The Management Discussion and Analysis below comparing the 2015 financial year and the 2014 financial year references "Restated" financial information, while the Management Discussion and Analysis comparing the 2014 financial year and the 2013 financial year that follows references "As reported" financial information.

Year Ended June 2015 versus Restated June 2014

Bankwest Net profit after tax ("statutory basis") for the full year ended 30 June 2015 was $700 million, an increase of 13% on the prior year. The result was driven by a 2% increase in total banking income, a 3% reduction in operating expenses, and substantially lower loan impairment expense.

Net Interest Income

Net interest income was $1,594 million, an increase of 1% on the prior year, reflecting volume growth in home lending, core business lending and customer deposits, offset by lower margins.

Balance Sheet movements included:

- Home loan growth of 6% achieved through a focus on priority customer segments within a competitive market;
- Modest growth in core business lending;
- An increase of 24% in transaction deposits due to strengthened customer relationships, particularly in retail products;
- Growth of 4% in savings deposits, reflecting continued online customer growth; and
- A 6% increase in investment deposit balances; partly offset by
- A decrease in higher risk, non-core business lending.

Net interest margin decreased, reflecting lower lending margins, due to increased competition, a change in product mix, and lower deposit margin impacted by the lower cash rate.

Other Banking Income

Other banking income was $217 million, an increase of 5% on the prior year, due to increased retail lending income, partly offset by lower business lending fees.

Operating Expenses

Operating expenses were $785 million, a decrease of 3% on the prior year, reflecting a continued focus on productivity and disciplined expense management. The expense to income ratio of 47.5% decreased 200 basis points compared to the prior year.

Loan Impairment Expense

Loan impairment expense decreased $61 million on the prior year, due to reduced levels and write-backs of individual provisions, partly offset by the slower run-off of the troublesome and impaired book.

As reported June 2014 versus June 2013

Bankwest Net profit after tax ("statutory basis") for the year ended 30 June 2014 was $624 million, an increase of 27% on the prior year. The result was driven by a 2% increase in total banking income, a reduction in operating expenses of 3% and substantially lower loan impairment expense.

Net Interest Income

Net interest income of $1,577 million increased 3% on the prior year, reflecting modest growth in average interest earning assets and an improved net interest margin.

Balance Sheet movements included:

- Home loan growth of 10%, reflecting above system growth in a positive credit growth environment;
- Continued decrease in business lending due to run off of pre-acquisition higher risk exposures, a refocused Australian East Coast target market and a subdued business credit growth environment;
- An increase of 18% in transaction deposits through strengthened customer relationships;
- Savings deposit increases of 13% reflecting online customer growth; and
- An increase of 6% in investment deposit balances through growth in Money Market Investment accounts.

Net interest margin increased, reflecting higher lending margins due to improved pricing on Money Market Investment deposits. This was partly offset by the impact of the lower cash rate on transaction deposit margins.

Other Banking Income

Other banking income of $206 million decreased 2% on the prior year due to lower business lending activity and decreased trading income.

Operating Expenses

Operating expenses of $799 million decreased 3% on the prior year, reflecting a continued focus on productivity and disciplined expense management. The decrease was mainly attributable to IT savings, particularly from supplier contracts. The expense to income ratio of 49.1% decreased 330 basis points compared to the prior year.

Loan Impairment Expense

Loan impairment expense of $11 million, decreased $107 million on the prior year due to a significant reduction in individual provision charges compared to the prior year and run off of the historical troublesome and impaired portfolio.

IFS and Other

	Full Year Ended					
		Restated		As reported		
	30 Jun 15	30 Jun 14 [1]	Jun 15 vs	30 Jun 14	30 Jun 13	Jun 14 vs
	$M	$M	Jun 14 %	$M	$M	Jun 13 %
IFS	**104**	81	28	81	104	(22)
Corporate Centre	**20**	69	(71)	65	(1)	large
Eliminations/Unallocated	**152**	73	large	63	38	66
Net profit after tax ("cash basis")	**276**	223	24	209	141	48
Hedging and IFRS volatility (after tax)	**(37)**	(4)	large	(4)	51	large
Other (after tax)	**-**	-	-	-	-	-
Net profit after tax ("statutory basis") [2]	**239**	219	9	205	192	7

	Full Year Ended				
	30 Jun 15	30 Jun 14	Jun 15 vs	30 Jun 13	Jun 14 vs
IFS [3]	$M	$M	Jun 14 %	$M	Jun 13 %
Net interest income	**137**	116	18	102	14
Other banking income	**241**	173	39	190	(9)
Total banking income	**378**	289	31	292	(1)
Insurance income	**42**	36	17	30	20
Total operating income	**420**	325	29	322	1
Operating expenses	**(274)**	(215)	27	(194)	11
Loan impairment expense	**(25)**	(7)	large	(8)	(13)
Net profit before tax	**121**	103	17	120	(14)
Corporate tax expense	**(21)**	(22)	(5)	(15)	47
Non-controlling interests	**(4)**	(5)	(20)	(4)	25
Underlying profit after tax	**96**	76	26	101	(25)
Investment experience after tax	**8**	5	60	3	67
Net profit after tax ("cash basis")	**104**	81	28	104	(22)
Net profit after tax ("statutory basis") [2]	**104**	81	28	104	(22)

1. Comparative information has been restated to conform to presentation in the current year. However, certain reclassifications among the Group's customer segments have not been restated for the 2013 financial year. In order to provide a meaningful comparison to the Group's historical operations, "Restated" figures are presented for the 2015 financial year and the 2014 financial year and "As reported" figures are presented for the 2014 financial year and 2013 financial year in the chart above. Refer to "Disclosures - Financial Information Definitions - Reclassification of certain Income Statement and Balance Sheet Information", Note 1 to the 2015 Financial Report and Appendix C of this Document for further details.
2. Please refer to "Disclosures - Non-Cash Items Included in Statutory Profit" on page 9 of this Document for further details. A reconciliation of the Net profit after tax ("cash basis") by business segment is provided in Note 26 to the 2015 Financial Report.
3. International Financial Services (IFS) incorporates the Asian retail and Small Medium Enterprises (SME) banking operations (Indonesia, China, Vietnam and India), investment in Chinese and Vietnamese banks, the joint venture Chinese life insurance business and the life insurance operations in Indonesia. It does not include the Business and Private Banking, Institutional Banking and Markets and Colonial First State Global Asset Management businesses in Asia.

Financial Performance and Business Review

This analysis contains forward-looking statements. See "Special Note Regarding Forward-Looking Statements" on page 5 of this Document. During the 2015 financial year, the Group made certain changes to its financial reporting that affected IFS and Other. Refer to "Disclosures – Financial Information Definitions – Reclassification of certain Income Statement and Balance Sheet Information" in this Document for further information. In order to provide a meaningful comparison to the Group's historical operations, "Restated" financial information is presented for the 2015 financial year and the 2014 financial year and "As reported" financial information is presented for the 2014 financial year and the 2013 financial year in this section. The Management Discussion and Analysis below comparing the 2015 financial year and the 2014 financial year references "Restated" financial information, while the Management Discussion and Analysis comparing the 2014 financial year and the 2013 financial year that follows references "As reported" financial information.

IFS: Year Ended June 2015 versus June 2014

IFS Net profit after tax ("statutory basis") for the full year ended 30 June 2015 was $104 million, an increase of 28% on prior year, including an 18% benefit from the lower Australian dollar. Excluding the $50 million provision for impairment of the investment in VIB in prior year, Net profit after tax ("cash basis") decreased 21%. The result was driven by higher operating expenses from business expansion, core banking platform investment and higher loan impairment expense, partly offset by solid operating income.

In January 2015, IFS acquired new capability through the acquisition of Take Your Money Everywhere (TYME), a South African based financial services technology company. TYME designs, builds and operates digital banking ecosystems that serve customers in emerging markets.

The expansion in Asia continued with the total number of direct customers growing 12% to over 463,000. The IFS management team relocated to Hong Kong in the third quarter of the year.

Net Interest Income

Net interest income was $137 million, an increase of 18% on the prior year, including a 4% benefit from the lower Australian dollar. This reflected solid lending and deposit balance growth in Indonesia and the China County Banks, despite the slowdown of these economies, partly offset by lower net interest margin.

Balance Sheet growth included:

- Growth in business and consumer lending of 19% and 20%, respectively;
- Growth in deposit and lending balances in China County Banks of 70% and 25%, respectively; and

- Continued growth in proprietary banking operations in India and Vietnam.

Net interest margin decreased due to interest rate liberalisation in China and competitive pressures on deposits and lending.

Other Banking Income

Other banking income was $241 million, an increase of 39% on the prior year, including an 11% benefit from the lower Australian dollar. Excluding the provision for impairment of the investment in VIB in prior year, other banking income increased 8%. This result reflects fee income from the TYME business and higher wealth management product sales in PT Bank Commonwealth (PTBC), partly offset by lower share of profits from investments in associates in China.

Insurance Income

Insurance income was $42 million, an increase of 17% on the prior year, including a 2% benefit from the lower Australian dollar, with higher first year premiums and investment returns.

Operating Expenses

Operating expenses were $274 million, an increase of 27% on the prior year, including a 4% increase from the lower Australian dollar. This reflects footprint expansion in China, core banking platform investment in China and Indonesia, relocation of the IFS head office to Hong Kong, and growth in the proprietary businesses.

Loan Impairment Expense

Loan impairment expense was $25 million, driven by Non-Performing Loans (NPLs) in the PTBC business lending book.

IFS: Year Ended June 2014 versus June 2013

IFS Net profit after tax ("statutory basis") was $81 million, 22% below the prior year, due to the provision for impairment of the investment in VIB) of $50 million and investment in new business development. Excluding these, underlying Net profit after tax ("cash basis") increased 35% to $140 million. The depreciation of the Vietnamese Dong, and the lower valuation of Vietnamese banks in general has led to the impairment of our investment. The key strategic IFS businesses continued to grow strongly, and Net profit after tax ("cash basis")in China and the Indonesian proprietary banking and insurance businesses increased 41% and 27% on the prior year respectively.

The Group continued its expansion in Asia, with business licences issued to seven new County Bank outlets in China, the opening of the Beijing branch, and the addition of three new sales offices for PT Commonwealth Life. This brings the total number of China proprietary outlets and proprietary life insurance sales offices in Indonesia to 19 and 33 respectively. The total number of Commonwealth Bank of Australia branches and sales offices in Asia was 155 as at 30 June 2014, up from 145 as at 30 June 2013.

Total direct customer numbers in Asia have grown 13% since June 2013 to 414,000, with proprietary customers including multifinance and group insurance participants, now at 1.2 million. Customers outside Indonesia increased 60% on the prior year, and now represent 9% of total direct customers.

Significant investment was made in technology infrastructure during the year with the successful implementation of a new core banking platform in China and the commencement of a core banking platform replacement in Indonesia.

Net Interest Income

Net interest income of $116 million increased 14% on the prior year driven by strong lending balance growth in Indonesia and China County Banks. Net interest margin remained strong despite higher competition for deposits in Indonesia.

Total lending and deposit balances increased 32% and 31% (normalised for foreign currency fluctuations) respectively on the prior year. Key strategic Retail and Small-Medium Enterprises (SME) lending continued to outperform and now comprised 46% of total lending balances.

Consumer, business and SME lending balances in Indonesia increased 24%, 26% and 28% in local currency respectively. Multifinance lending balances also increased 28% on the prior year as growth returned to this market following the impact of regulatory changes introduced in June 2012.

County Banks' lending balances continued to grow significantly faster than system. The proprietary banking businesses in India and Vietnam also continued to grow strongly, with 28% of total lending now originating from outside Indonesia, up from 20% as at 30 June 2014.

Other Banking Income

Other banking income, excluding the VIB impairment, increased 17% to $223 million, due to solid contributions from the Bank of Hangzhou and Qilu Bank. Bank of Hangzhou continued to perform well despite the slowing Chinese economy. Qilu Bank continued to grow strongly. Higher sales of foreign exchange products in PT Bank Commonwealth (Indonesia), was partly offset by lower wealth management product sales due to recent economic conditions in Indonesia. Including the VIB impairment, other banking income decreased 9% on the prior year.

Insurance Income

Insurance income from PT Commonwealth Life increased 20% to $36 million, from higher renewals and lower acquisition costs. New business sales decreased on the prior year driven by recent economic conditions. However, Inforce premiums increased 12% over the prior year to IDR2.4 trillion (Indonesian Rupiah) and persistency remained strong at 89%.

BoCommLife in China continued to grow steadily and expand its footprint. Total premium income increased 183% from growth in new business sales and higher renewals.

Operating Expenses

Operating expenses increased 11% to $215 million, including investment in new business development. Excluding this, operating expenses increased 5% on the prior year reflecting footprint expansion in China, growth in the proprietary Indonesian businesses and core banking platform costs in China and Indonesia, partly offset by strong cost control.

IFS and Other

Corporate Centre (2)	30 Jun 15 $M	Restated 30 Jun 14 (1) $M	Jun 15 vs Jun 14 %	As reported 30 Jun 14 $M	30 Jun 13 $M	Jun 14 vs Jun 13 %
Net interest income	**499**	555	(10)	539	450	20
Other banking income	**173**	150	15	150	81	85
Total operating income	**672**	705	(5)	689	531	30
Operating expenses	**(644)**	(626)	3	(616)	(556)	11
Net profit before tax	**28**	79	(65)	73	(25)	large
Corporate tax expense	**(8)**	(10)	(20)	(8)	24	large
Net profit after tax ("cash basis")	**20**	69	(71)	65	(1)	large
Hedging and IFRS volatility	**(37)**	(4)	large	(4)	51	large
Other (after tax)	**-**	-	-	-	-	-
Net profit after tax ("statutory basis") (3)	**(17)**	65	large	61	50	22

Full Year Ended

(1) Comparative information has been restated to conform to presentation in the current year. However, certain reclassifications among the Group's customer segments have not been restated for the 2013 financial year. In order to provide a meaningful comparison to the Group's historical operations, "Restated" figures are presented for the 2015 financial year and the 2014 financial year and "As reported" figures are presented for the 2014 financial year and 2013 financial year in the chart above. Refer to "Disclosures - Financial Information Definitions - Reclassification of certain Income Statement and Balance Sheet Information", Note 1 to the 2015 Financial Report and Appendix C of this Document for further details.

(2) Corporate Centre includes the results of unallocated Group support functions such as Investor Relations, Group Strategy, Marketing, Secretariat and Treasury.
Treasury is primarily focused on the management of the Group's interest rate risk, funding and liquidity requirements, and management of the Group's capital.
The Treasury function includes:

- Portfolio Management: manages the interest rate risk of the Group's non-traded Balance Sheet using transfer pricing to consolidate risk into Treasury and hedging the residual mismatch between assets and liabilities using swaps and futures and the Group's prudent liquidity requirements;
- Group Funding & Liquidity : manages the Group's long-term and short-term wholesale funding requirements; and
- Capital and Regulatory Strategy: manages the Group's capital requirements.

(3) Please refer to "Disclosures - Non-Cash Items Included in Statutory Profit" on page 9 of this Document for further details. A reconciliation of the Net profit after tax ("cash basis") by business segment is provided in Note 26 to the 2015 Financial Report.

Corporate Centre: Year Ended June 2015 versus Restated June 2014

Corporate Centre Net loss after tax ("statutory basis") for the full year ended 30 June 2015 decreased $82 million on the prior year to $17 million. Total operating income decreased 5% to $672 million, driven by:

- Less favourable Treasury earnings from management of interest rate risk; partly offset by
- The impact of debt buy backs in the prior year.

Operating expenses were $644 million, an increase of 3% on the prior year, primarily driven by inflation-related costs within support functions.

Corporate Centre: As reported June 2014 versus June 2013

Corporate Centre Net profit after tax ("statutory basis") for the full year ended 30 June 2014 increased $11 million on the prior year to $61 million. Total operating income increased 30% to $689 million, driven by:

- Increased earnings on larger liquid asset holdings;
- Favourable Treasury earnings from management of interest rate risk; and
- Lower break fees related to debt buybacks in the prior year.

Operating expenses increased 11% to $616 million, primarily driven by increased project costs within support functions.

Eliminations/Unallocated [2]	30 Jun 15 $M	Restated 30 Jun 14 [1] $M	Jun 15 vs Jun 14 %	As reported 30 Jun 14 $M	As reported 30 Jun 13 $M	Jun 14 vs Jun 13 %
	Full Year Ended					
Net interest income	**63**	59	7	59	44	34
Other banking income	**33**	(119)	large	(134)	(121)	11
Total banking income	**96**	(60)	large	(75)	(77)	(3)
Funds management income	**21**	37	(43)	36	44	(18)
Insurance income	**15**	6	large	6	(4)	large
Total operating income	**132**	(17)	large	(33)	(37)	(11)
Loan impairment expense	**15**	(4)	large	(4)	56	large
Net profit before tax	**147**	(21)	large	(37)	19	large
Corporate tax expense	**61**	91	(33)	97	31	large
Non-controlling interests	**(17)**	(14)	21	(14)	(12)	17
Underlying profit after tax	**191**	56	large	46	38	21
Investment experience after tax	**(39)**	17	large	17	-	large
Net profit after tax ("cash basis")	**152**	73	large	63	38	66
Hedging and IFRS volatility	**-**	-	-	-	-	-
Net profit after tax ("statutory basis") [3]	**152**	73	large	63	38	66

(1) Comparative information has been restated to conform to presentation in the current year. However, certain reclassifications among the Group's customer segments have not been restated for the 2013 financial year. In order to provide a meaningful comparison to the Group's historical operations, "Restated" figures are presented for the 2015 financial year and the 2014 financial year and "As reported" figures are presented for the 2014 financial year and 2013 financial year in the chart above. Refer to "Disclosures - Financial Information Definitions - Reclassification of certain Income Statement and Balance Sheet Information", Note 1 to the 2015 Financial Report and Appendix C of this Document for further details.

(2) Group wide Eliminations/Unallocated includes intra-group elimination entries arising on consolidation, centrally raised provisions and other unallocated revenue and expenses.

(3) Please refer to "Disclosures - Non-Cash Items Included in Statutory Profit" on page 9 of this Document for further details. A reconciliation of the Net profit after tax ("cash basis") by business segment is provided in Note 26 to the 2015 Financial Report.

Eliminations/Unallocated: Year Ended June 2015 versus Restated June 2014

Eliminations/Unallocated Net profit after tax ("statutory basis") for the full year ended 30 June 2015 was $152 million, an increase of $79 million on the prior year. This was primarily driven by timing of recognition of unallocated revenue items and a decrease in centrally held loan impairment provisions.

Eliminations/Unallocated: As reported June 2014 versus June 2013

Eliminations/Unallocated Net profit after tax ("statutory basis") for the year ended 30 June 2014 increased $25 million on the prior year to $63 million. This was primarily driven by timing of recognition of unallocated revenue items, an increase in centrally held loan impairment provisions and the release of tax provisions related to prior periods following settlements of certain long-standing issues.

Group Operating Expenses

The following table sets out the Group's operating expenses for financial years 2015, 2014 and 2013.

	2015 $M	2014 $M	2013 $M
Staff Expenses			
Salaries and related on-costs [1]	**5,321**	5,089	4,786
Share-based compensation [1]	**96**	99	100
Superannuation	**399**	354	346
Total staff expenses	**5,816**	5,542	5,232
Occupancy and Equipment Expenses			
Operating lease rentals	**620**	607	580
Depreciation on property, plant and equipment	**253**	244	234
Other occupancy expenses [1]	**213**	202	204
Total occupancy and equipment expenses	**1,086**	1,053	1,018
Information Technology Services			
Application, maintenance and development	**430**	412	439
Data processing [1]	**183**	175	196
Desktop	**110**	101	100
Communications	**190**	189	202
Amortisation of software assets	**308**	328	245
Software write-offs	**11**	70	-
IT equipment depreciation	**60**	62	77
Total information technology services	**1,292**	1,337	1,259
Other Expenses			
Postage and stationery	**195**	188	199
Transaction processing and market data [1]	**153**	156	134
Fees and commissions:			
Professional fees	**390**	257	230
Other [1]	**97**	99	120
Advertising, marketing and loyalty	**522**	477	463
Amortisation of intangible assets (excluding software and merger related amortisation)	**16**	19	20
Non-lending losses	**118**	97	67
Other [1]	**308**	274	268
Total other expenses	**1,799**	1,567	1,501
Total expenses	**9,993**	9,499	9,010
Investment and restructuring			
Merger related amortisation [2]	**75**	74	75
Total investment and restructuring	**75**	74	75
Total operating expenses	**10,068**	9,573	9,085

	2015	2014	2013
Net hedging ineffectiveness comprises:			
Gain/(Loss) on fair value hedges:			
Hedging instruments	**(568)**	59	(614)
Hedged items	**493**	(71)	617
Cash flow hedge ineffectiveness	**(20)**	(9)	(28)
Net hedging ineffectiveness	**(95)**	(21)	(25)

1. Comparative information has been reclassified to conform with presentation in the current year.
2. Merger related amortisation relates to Bankwest core deposits and customer lists.

Risk Management

Risk Management Framework

Managing financial risks, especially credit risk, and nonfinancial risks is a fundamental part of the Group's business activities.

The Group has an integrated Risk Management Framework in place to manage risks (including identifying, measuring, assessing, reporting and mitigating risks) and risk-adjusted returns on a consistent and reliable basis. The Framework incorporates the requirements of APRA's prudential standard for risk management (CPS220), and is structured around the interaction and integration of its key Documentary components:

- The Group's Risk Appetite Statement (RAS) articulates the type and degree of risk the Board is prepared to tolerate.
- The Group's business plan summarises the Group's strategy, including the strategic growth opportunities and capabilities supporting their achievement, and the risks to the strategy. Consideration of risk is an integral part of the Group's strategic planning process both at a Group level and in supporting Business Unit (BU) and Line of Business (LoB) strategic plans.
- The Group's Risk Management Strategy (RMS) is guided by the business plan and RAS, and Documents the Group's approach to risk management for each of its material risks and the way that this is operationalised through governance, policy, reporting and infrastructure.

This framework requires each business to plan and manage the outcome of its risk-taking activities. This is supported by an internal risk-adjusted-performance measurement approach that allows for "the costs of risk" and on which results are assessed and incentives are based.

The framework requires that each business:

- proactively manages its risk profile within risk appetite levels;
- uses risk-adjusted outcomes and considerations as part of day-to-day business decision-making processes; and
- establishes and maintains appropriate risk controls.

Risk Governance

Risk Management governance originates at Board level, and cascades through the Group via policies, delegated authorities and committee structures. The Board and its Risk Committee operate under the direction of their respective charters. The Board sets the foundation for risk management via its articulated RAS. It is also responsible for overseeing the establishment of systems of risk management by approving management's RMS Document and the key frameworks and policy components.

The Risk Committee oversees the Group's risk management framework and helps formulate the Group's risk appetite for consideration by the Board. It reviews regular reports from management on the measurement of risk and the adequacy and effectiveness of the Group's risk management and internal controls systems. The Risk Committee also monitors the health of the Group's risk culture, and reports any significant issues to the Board. Tax and accounting risks are governed by the Audit Committee.

Risk Infrastructure

Risk management infrastructure incorporates people, processes and systems. A fundamental aspect of this is the internal approach for risk management accountability which is structured according to a "Three Lines of Defence" model:

- Line 1 – Business Management is responsible for managing the risks for its business.
- Line 2 – Risk Management teams provide independent expertise and oversight for Business Management risk-taking activities.
- Line 3 – Group Audit and Assurance provides independent assurance regarding the adequacy and effectiveness of the Group's system of internal controls, risk management procedures and governance processes.

Risk Management

Principal Risk Types

Risk Type	Description	Governing Policies and Key Management Forums	Key Limits and Approaches Management via:
Credit Risk (refer to Note 32 to the 2015 Financial Report)	Credit risk is the potential of loss arising from failure of a debtor or counterparty to meet their contractual obligations. It arises primarily from lending activities, the provision of guarantees (including letters of credit), commitments to lend, investments in bonds and notes, financial market transactions, providers of credit enhancements (such as credit default swaps and lenders mortgage insurance), securitisations and other associated activities. In the insurance business, credit risk arises from investment in bonds and notes, loans, and reliance on reinsurance. At a portfolio level, credit risk includes concentration risk arising from interdependencies among counterparties and concentration of exposure to countries, geographical regions, industry sectors and products.	▪ The Group Credit Risk Framework and Policies, (including: Aggregation Policy, Portfolio Standards, Product Standards, Large Credit Exposure Policy; Country Risk Exposure Policy; and Industry Sector Concentration Policy). ▪ Key Forum: Executive Risk Committee.	▪ Exposures to a single or groups of related counterparties (differentiated by counterparty type including individual, commercial, bank and government client groups; Probability of Default rating; security cover; and facility maturity); ▪ Industry limits in terms of exposure and risk adjusted concentration; ▪ Country exposure limits to control transfer/cross-border and sovereign default risks; and ▪ Exposures to consumer credit products managed within credit quality boundaries in BU RAS. The measurement of credit risk is based on an internal credit risk-rating system, which uses judgements on individuals or management, supported by analytical tools (including scorecards) to estimate expected and unexpected loss within the credit portfolio.
Market Risk (including Equity Risk) (refer to Note 33 to the 2015 Financial Report)	Market risk is the potential of an adverse impact on the Group's earnings or capital from changes in interest rates, foreign exchange rates, equity and commodity prices, credit spreads, and the resale value of assets underlying operating leases at maturity and economic drivers of the Commonwealth Bank Group Super Fund. The Group distinguishes between two main types of market risk: ▪ Traded market risk principally arises from the Group's trading book activities within the Institutional Banking and Markets business and its subsidiary financial institutions. ▪ Non-traded market risk includes interest rate risk arising from the banking book (IRRBB), non-traded equity risk, market risk arising from the insurance business, structural foreign exchange risk and lease residual value risk.	▪ The Group Market Risk Framework (including the Group Market Risk Policy and Trading Book Policy Statement). ▪ Key Forum: Asset and Liability Committee.	▪ Traded market risk (VaR and stress testing limits); ▪ IRRBB (Market Value Sensitivity and Net Interest Earnings at Risk Limits); ▪ Lease residual value risk limits; ▪ Market risk in insurance business (VaR limits); ▪ Non-traded equity limits; and ▪ Super funds surplus and risk management reviews.
Liquidity and Funding Risk (refer to Note 34 to the 2015 Financial Report)	Liquidity risk is the combined risks of not being able to meet financial obligations as they fall due (funding liquidity risk), and that liquidity in financial markets, such as the market for debt securities, may reduce significantly (market liquidity risk).	▪ Group Liquidity Risk Management Policy and Strategy. ▪ Key Forum: Asset and Liability Committee.	▪ The Liquidity Coverage Ratio (LCR), which requires liquid assets exceed modelled 30 day stress outflows; ▪ Additional market and idiosyncratic stress test scenarios; and ▪ Limits that set tolerances for the sources and tenor of funding.

Principal Risk Types (continued)

Risk Type	Description	Governing Policies and Key Management Forums	Key Limits and Approaches Management via:
Operational Risk	Operational risk is risk of economic loss arising from inadequate or failed internal processes, people, systems or from external events.	▪ Operational Risk Management Framework (ORMF). ▪ Key Forum: Executive Committee.	▪ Investigation and reporting of loss and near miss incidents; ▪ Comprehensive risk assessment and control assurance processes; ▪ Quantitative Risk Assessment Framework, ORMF and Capital modelling; ▪ Support from skilled risk professionals embedded across the Group; and ▪ Single integrated operational risk and compliance system (RiskinSite) in use to enable consistent application of the ORMF/CRMF across the Group, transparency and reporting of risk management activities for business management and monitoring, and review activities.
Compliance Risk	Compliance risk is the risk of legal or regulatory sanctions, material financial loss, or loss of reputation that the Group may suffer as a result of its failure to comply with requirements of relevant laws, regulatory bodies, industry standards and codes.	▪ Compliance Risk Management Framework (CRMF). ▪ Key Forum: Executive Committee.	▪ A structured hierarchy of committees and forums across the Group, each with specified accountabilities, primarily undertaken at the BU level; ▪ Maintaining pro-active relationships with our regulators at all times; ▪ Establishing appropriate policies, processes and procedures; ▪ Undertaking robust and well-informed advocacy and lobbying activities including participation in 'quantitative impact studies' for regulators; and ▪ Employing appropriate management, monitoring and reporting of compliance activities.

Principal Risk Types (continued)

Risk Type	Description	Governing Policies and Key Management Forums	Key Limits and Approaches Management via:
Insurance Risk	Insurance risk is the risk of loss due to increases in claim payments arising from variations in the incidence or severity of insured events. In the life insurance business this arises primarily through mortality (death) or morbidity (illness or injury) claims being greater than expected. In the general insurance business, variability arises mainly through weather-related incidents and similar events, as well as general variability in home, motor and travel insurance claim amounts.	▪ Risk Management Frameworks (including RMS and RAS, and underwriting and claims standards) of insurance writing businesses. ▪ Key Forum: Executive Committees of insurance writing businesses.	The management of insurance risk is an integral part of the operation of the Group's insurance businesses. It is applied on an end-to-end basis, from underwriting to policy termination or claim payment. The major methods of mitigating insurance risk are: ▪ Sound product design and pricing, to ensure that customers understand the extent of their cover and that premiums are sufficient to cover the risk involved; ▪ Underwriting new customers to ensure that the cover provided and the premium rates quoted are appropriate for the level of risk accepted; ▪ Regular review of insurance experience, so that product design, policy liabilities and pricing remain sound; ▪ Claims management to ensure that claims are paid within the agreed policy terms and that these genuine claims are paid as soon as possible after Documentation is received and reasonable investigations are undertaken; and ▪ Transferring a proportion of insurance risk to reinsurers to keep within risk appetite.
Strategic Business Risk	Strategic business risk is defined as the risk of economic loss resulting from changes in the business environment caused by macroeconomic conditions, competitive forces at work, technology, regulatory or social trends.	▪ Group RMS. ▪ Key Forum: Executive Committee.	Elements of other risk type policies and processes in addition to management controls including strategic planning and implementation, and financial management. The Board accepts or amends the Group's overall strategy and each key BU's strategic plans. They do so as they simultaneously consider: ▪ Development and consideration by the Board of the most significant risks (current and emerging); and ▪ BU's and RAS', which include references to key risk limits, and changes to the risk profile arising from adopting the strategy.
Reputational Risk	Reputational risk arises from negative perception on the part of customers, counterparties, shareholders, investors, debt holders, market analysts, regulators and other relevant parties of the Group. In many, but not all respects, adverse reputational risk outcomes flow from the failure to manage other types of risk.	▪ Cultural Framework and Statement of Professional Practice. ▪ Sustainability Framework. ▪ Key Forum: Executive Committee.	▪ Risk culture and behavioural standards are set out in the Group's RAS and various other codes of conduct and related standards; ▪ Reinforcing Group-wide requirements on leadership values that support the Group's vision to excel at securing and enhancing the financial wellbeing of people, businesses and communities; and ▪ Elements of other risk type policies and processes in addition to: – Crisis management testing of leadership team; – Support from skilled risk professionals embedded across the Group; – Sustainability framework which supports the Group in managing its Environmental, Social and Governance (ESG) risks.

Cross-Border Outstandings

Cross-border outstandings are based on the country of domicile of the borrower or guarantor of the ultimate risk. Outstandings include loans, acceptances and other monetary assets denominated in other than the counterparties' local currency. Local currency activities with local residents by foreign branches and controlled entities of the Group are excluded.

At 30 June 2015, bank cross-border outstanding exposures of $15.4 billion, exceeded 1% of the Group's total assets. At 30 June 2015, the United Kingdom, with cross-border outstanding exposures of $7.9 billion, was the only country other than Australia that exceeded 0.75% of the Group's total assets.

At 30 June 2014, bank cross-border outstanding exposures of $15.9 billion, exceeded 1% of the Group's total assets. At 30 June 2014, the United States, with cross-border outstanding exposures of $6.2 billion, was the only country other than Australia that exceeded 0.75% of the Group's total assets.

Off-Balance Sheet Arrangements

The Group is a full service financial institution that offers a range of On-Balance Sheet and Off-Balance Sheet arrangements and commitments to customers in the normal course of business. In addition, the Group has a number of other arrangements that form part of its day-to-day business operations. Such activities include traditional Off-Balance Sheet credit risk related instruments, commitments under operating leases, provision of liquidity facilities to securitisation programs and other contractual arrangements. These transactions combine varying levels of credit, interest rate, foreign exchange and liquidity risk. Risk Concentrations are managed by a combination of risk policies which limit exposures to individual counterparties, countries, industries, markets and liquidity risk. The impact on the Consolidated Income Statement from these Off-Balance Sheet arrangements is not material.

Consolidated Entities

The Group is involved with a number of special purpose entities in the ordinary course of business, primarily to provide funding and financial services to our customers. Under accounting standards these entities are consolidated in the Financial Statements if they meet the definition of control. The definition of control depends upon substance rather than form and, accordingly, determination of the existence of control involves management judgment.

Special Purpose Entities

The Group conducts a Loan Securitisation program through which it packages loans and issues securities to investors. The Group also has a Covered Bond Program whereby it issues securities to investors that are secured by a pool of residential mortgage loans originated and equitably assigned by the Group to a trust. The Group has a policy of funding diversification and assets are securitised to provide greater diversification of the Group's funding sources. The Group's funding strategy is designed to avoid over-reliance on funding from any one market sector (refer to Note 34 to the 2015 Financial Report – Liquidity and Funding Risk). In addition, the Group's capital management benefits from reduced risk under APRA Prudential capital adequacy guidelines.

The Group securitises mortgage loans through Special Purpose Entities (SPEs). The SPEs are separate, bankruptcy-remote vehicles. The SPEs operate through segregated series and the securities issued in different series may have different credit ratings. The primary source of repayment of the securities issued is the cash flow from the pools of assets. Investors in the securities issued have no recourse to the general assets of the Group. Under accounting standards the assets and liabilities of the SPEs are deemed to be controlled and therefore consolidated into the Group's Balance Sheet. Fee income is recognised on an accruals basis in relation to the period in which the costs of providing these services are incurred. The Group is entitled to any residual income of the programs after all payments due to investors and costs of the program have been met. The value of securitisation fees and residual income is not a material component of the Group's fee income.

Similarly, covered bonds issued under the Group's Covered Bond Program are guaranteed by a trust. The trust is a separate, bankruptcy-remote SPE and its assets comprise a pool of residential mortgage loans originated and equitably assigned to the trust by the Group. Investors in such securities have recourse against the general assets of the Group and also receive the benefit of a guarantee provided by the trust. Under applicable accounting standards, the residential mortgage loans sold to the trust have not been derecognized from the Group's Balance Sheet.

Interest rate swaps and liquidity facilities, as appropriate, are provided at arm's length to the programs by the Group in accordance with APRA Prudential Guidelines.

For further information on the Group's exposures to unconsolidated SPEs, refer to Note 36 of the 2015 Financial Report.

Group Arrangements with Issuers	2015 $M	2014 $M	2013 $M
Liquidity facilities utilised by Issuers	2,755	1,302	1,128
Derivatives fair value provided to Issuers	7	598	1,106

Credit Risk Related Instrument

The Group is party to a range of financial instruments that give rise to contingent and/or future liabilities. These transactions are a consequence of the Group's normal course of business to meet the financing needs of its customers and in managing its own risk. These financial instruments include guarantees, letters of credit, bill endorsements and other commitments to provide credit. The face (contract) value represents the maximum potential amount that could be lost if the counterparty fails to meet its financial obligations.

As these items are contingent upon the clients default or drawdown of the commitment, the potential funded exposure is expected to be significantly less than the face value.

These transactions combine varying levels of credit, interest rate, foreign exchange and liquidity risk. In accordance with Bank policy, exposure to any of these transactions (net of collateral) is not carried at a level that would have material adverse effect on the financial condition of the Bank and its controlled entities.

The only material category of commitments is the $166 billion of commitments to provide credit (2014: $151 billion). These are committed but undrawn facilities available to borrowers at call. The commitment to provide cash under these instruments is managed within the Group's liquidity and funding policies under current APRA Prudential Standards.

Details of contingent liabilities and Off-Balance Sheet business are set out in Note 30 to the 2015 Financial Report – Contingent Liabilities, Contingent Assets and Commitments.

	Face Value			Credit Equivalent		
	2015	2014	2013	2015	2014	2013
	$M	$M	$M	$M	$M	$M
Credit risk related instruments						
Guarantees	**6,181**	6,121	5,696	**6,181**	6,121	5,696
Documentary letters of credit	**1,764**	4,729	3,653	**1,621**	4,546	3,621
Performance related contingents	**2,007**	1,585	1,542	**1,881**	1,409	1,510
Commitments to provide credit	**165,511**	151,135	139,964	**157,387**	143,270	132,451
Other commitments	**2,113**	2,362	2,021	**1,852**	1,901	1,663
Total credit risk related instruments	**177,576**	165,932	152,876	**168,922**	157,247	144,941

Guarantees are undertakings given to support the obligations of a customer to third parties.

Standby letters of credit are undertakings to pay, against presentation of Documents, an obligation in the event of a default by a customer.

Bills of exchange endorsed by the Group which represent liabilities in the event of default by the acceptor and the drawer of the bill.

Documentary letters of credit are undertakings by the Group to pay or accept drafts drawn by an overseas supplier of goods against presentation of Documents in the event of payment default by a customer.

Performance-related contingents are undertakings that oblige the Group to pay third parties should a customer fail to fulfil a contractual non-monetary obligation.

Commitments to provide credit include all obligations on the part of the Group to provide credit facilities. As facilities may expire without being drawn upon, the notional amounts do not necessarily reflect future cash requirements.

Other commitments include underwriting facilities and commitments with certain drawdowns.

Fixed rate or fixed spread commitments extended to customers that allow net settlement of the change in the value of the commitment are written options and are recorded at fair value (Refer to Note 30 to the 2015 Financial Report – Contingent Liabilities, Contingent Assets and Commitments).

Other commitments include the Group's obligations under sale and repurchase agreements, outright forward purchases and forward deposits and underwriting facilities. Other commitments also include obligations not otherwise disclosed above to extend credit that are irrevocable because they cannot be withdrawn at the discretion of the Group without the risk of incurring significant penalty or expense. In addition commitments to purchase or sell loans are included in other commitments.

These transactions are categorised and credit equivalents calculated under APRA guidelines for the risk-based measurement of capital adequacy. The credit equivalent amounts are a measure of potential loss to the Group in the event of non- performance by the counterparty.

Under Basel III advanced internal ratings based approach for credit risk, the credit equivalent amount is the face value of the transaction, on the basis that at default the exposure is the amount fully advanced. Only when approved by APRA may an exposure less than the fully-advanced amount be used as the credit equivalent exposure amount.

As the potential loss depends on counterparty performance, the Group utilises the same credit policies in making commitments and conditional obligations as it does for on-Balance Sheet instruments. The Group takes collateral where it is considered necessary to support Off-Balance Sheet financial instruments with credit risk. If an event has occurred that gives rise to a present obligation and it is probable a loss will eventuate, then provisions are raised.

The carrying value of net future payments that may be required for Guarantees as defined in ASC Codification Topic 460: Guarantees, is set out by term in the table below:

	Carrying Value (1)		
	2015	2014	2013
	$M	$M	$M
Guarantees	**8**	3	6
Standby letters of credit	**-**	-	-
Bill endorsements	**-**	1	-
Documentary letters of credit	**3**	4	2
Performance related contingents	**20**	21	23
Total	**31**	29	31

(1) These instruments have a maturity profile within one year from the Balance Sheet date.

Off-Balance Sheet Arrangements

Securitisation of Assets

The Group conducts a Loan Securitisation program as described under "Special Purpose Entities" on page 92 of this Document.

The outstanding balance of securitised loans at 30 June 2015 was $14,264 million (2014: $12,982 million). No credit losses were incurred by the Group in relation to these securitised loans during the financial years 2015 and 2014. The credit risk in respect of these loans is fully covered through mortgage insurance.

Interest rate swaps and liquidity facilities are provided at arm's length to the program by the Group in accordance with APRA Prudential Guidelines.

Liquidity facilities are disclosed in Note 34 to the 2015 Financial Report. These commitments are considered minor in the totality of the Group's business.

Fee income is recognised as described under "Special Purpose Entities" on page 92 of this Document. For further information on the Group's securitisation activities refer to Note 41 to the 2015 Financial Report.

Commitments

This "Commitments" section contains certain forward-looking statements. See "Disclosures - Special Note Regarding Forward-Looking Statements" on page 5 of this Document.

At the end of financial years 2015 and 2014, the Group had commitments for capital expenditure and lease commitments (see Note 29 to the 2015 Financial Report). These commitments are minor in the totality of the Group's commitments.

The Group also had various monetary contractual liabilities, such as deposits and other public borrowings, payables to other financial institutions, bank acceptances, life liabilities, debt issues and loan-capital, and other monetary liabilities. Refer to Note 34 to the 2015 Financial Report for the maturity distribution of these monetary contractual liabilities. Details of the Group's contractual obligations are set out in the table below.

Contractual Obligations

	Payments due by period at 30 June 2015					
	Total	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Unspecified
	$M	$M	$M	$M	$M	$M
On-Balance Sheet (1)						
Debt Issues	166,273	62,600	45,560	29,640	28,473	-
Deposits and other Public Borrowings	546,835	523,362	15,696	7,638	139	-
Loan Capital	16,131	2,038	1,299	2,560	10,234	-
Total On-Balance Sheet	729,239	588,000	62,555	39,838	38,846	-
Off-Balance Sheet						
Credit risk related instruments (2)	177,576	177,576	-	-	-	-
Lease commitments - Property, Plant and Equipment (3)	3,024	573	892	678	881	-
Commitments for capital expenditure not provided for in the accounts	94	94	-	-	-	-
Total Off-Balance Sheet	180,694	178,243	892	678	881	-

(1) Contractual On-Balance Sheet obligations also include contractual interest; refer to Note 34 to the 2015 Financial Report.
(2) Credit risk related instruments, see page 92 of this Document.
(3) Refer Note 29 to the 2015 Financial Report.

Commitments

Lease Arrangements

Operating leases are entered into to meet the business needs of entities in the Group. Leases are primarily over commercial and retail premises and plant and equipment.

Lease rentals are determined in accordance with market conditions when leases are entered into or on rental review dates.

Failure to Settle Risk

The Group is subject to a credit risk exposure in the event that another financial institution fails to settle for its payments clearing activities, in accordance with the regulations and procedures of the following clearing systems of the Australian Payments Clearing Association Limited: The Australian Paper Clearing System, The Bulk Electronic Clearing System, The Consumer Electronic Clearing System and the High Value Clearing System (only if operating in "fall-back mode"). This credit risk exposure is unquantifiable in advance, but is well understood, and is extinguished upon settlement at 9am each business day.

Capital Commitments

The Group is committed for capital expenditure on property, plant and equipment and computer software under contract of $21 million as at 30 June 2015 (2014: $19 million). The Bank is committed for $16 million (2014: $11 million). These commitments are expected to be extinguished within 12 months.

Services Agreements

The maximum contingent liability for termination benefits in respect of service agreements with the Chief Executive Officer and other Group Key Management Personnel at 30 June 2015 was $4.9 million (2014: $4.9 million).

Transactions in Own Shares

The Group had the following employee share plans in place during the year ended 30 June 2015:

- Employee Share Plan (ESP);
- Employee Share Performance Units Plan (ESPUP);
- Group Leadership Reward Plan (GLRP);
- Employee Share Acquisition Plan (ESAP);
- International Employee Share Acquisition Plan (IESAP);
- Employee Salary Sacrifice Share Plan (ESSSP);
- Group Rights Plan (GRP); and
- Non-Executive Directors Share Plan (NEDSP).

For further information regarding compensation arrangements and agreements with Group Key Management Personnel, see the Remuneration Report in the 2015 Financial Report.

Business Strategies and Future Developments

The Group believes it has maintained a strong Balance Sheet throughout the year, including more than adequate levels of capital with all ratios well in excess of regulatory minimum capital adequacy requirements. As discussed under "Capital" on page 44 of this Document, the Group is raising capital to meet future requirements including the change to average mortgage risk weights for Australian residential mortgages announced by APRA in July 2015. This further strengthens the Group's internationally comparable capital ratios and places the Group in the top quartile of its international peers in relation to its capital levels.

Over many years now we have pursued a simple, consistent strategy. Our results for the year ended 30 June 2015 demonstrate that execution of that strategy continues to deliver well for our customers and our investors. This financial year saw all-time highs in retail customer satisfaction, with the Retail Banking Services[(1)] returning to the number one position at year end, and ongoing high levels of customer satisfaction in our other businesses. As a result, our Balance Sheet continued to grow, and combined with ongoing margin discipline, this resulted in good levels of revenue growth given market conditions. We also maintained our focus on productivity, which is particularly important given increasing levels of regulatory and compliance costs. Technology again featured strongly in the high levels of investment that we maintained throughout this financial year. Our focus remains on the use of technology to improve all our channels, and to underpin continuous process improvement, to simplify our customers' experience with us. We believe the impact of our technology focus is particularly clear in transaction banking and deposits in this result. Maintaining a flexible and strong Balance Sheet, including a strong capital position, continues to be a strategic focus for the Group. We now have greater certainty regarding the key requirements of global relativity and mortgage risk weights. This result strengthens our position in response to those requirements. This will provide us with on-going flexibility so we can continue to support our customers.

These results can only be achieved by the hard work and dedication of our people. Their commitment to securing and enhancing the financial wellbeing of people, businesses and communities benefits a wide range of stakeholders. These include more than 15 million customers, and nearly 800,000 Australian households who directly own our shares and the millions more who own their shares through their superannuation funds. This year we paid over $6.8 billion in dividends to our shareholders and they saw the value of their investment grow by $9 billion. Beyond our customers and shareholders, our performance has benefited a broader group of stakeholders including our 52,000 people, more than 6,000 small businesses which supply goods and services to us, and the broader communities in which we operate, particularly the education sector in which we have recently announced significant new initiatives.

History and Ownership

The Commonwealth Bank of Australia was founded under the Commonwealth Bank Act in 1911 and commenced operations in 1912, empowered to conduct both savings and general (trading) bank business with the security of a Federal Government guarantee. In 1920, responsibility for note issue was transferred to the Commonwealth Bank. The next two decades saw the Commonwealth Bank's responsibilities expand to encompass those of a central bank. These powers were codified by emergency legislation enacted during the early days of World War II. Subsequent legislative amendment in 1959 created a separate Reserve Bank of Australia to take over the central bank functions from the Bank.

In December 1990, the Commonwealth Bank's Restructuring Act 1990 was passed, which provided for:

- The conversion of the Bank into a public company with a share capital, governed by its Memorandum and Articles of Association but subject to certain overriding provisions of the Banking Act;
- The Bank to become the successor in law of the State Bank of Victoria (SBV); and
- The issue of shares in the Bank to the public.

On 17 April 1991, the organisation became a public company with share capital governed by the Corporations Law but subject to certain overriding provisions of the Commonwealth Banks Act 1959. The Commonwealth Bank was fully privatised in three stages from 1991 to July 1996.

The Commonwealth Bank has been involved in many mergers. These mergers include:

1913: State Savings Bank of Tasmania (1902 - 1913) incorporating: Post Office Savings Bank of Tasmania (1882-1902);

1920: Queensland Government Savings Bank (1916 - 1920) incorporating:

- Moreton Bay Savings Bank (1856 - 1865)
- Ipswich Savings Bank (1861 - 1866)
- Toowoomba Savings Bank (1862 - 1867)
- Government Savings Bank of Queensland (1865 - 1916)

1931: State Savings Bank of Western Australia (1926 - 1931) incorporating: Government Savings Bank of WA (1906 -1926) which had previously incorporated Post Office Savings Bank of Western Australia (1863 - 1908);

1931: Government Savings Bank of NSW (1871 - 1931) incorporating: Savings Bank of NSW (1832-1914) which had previously incorporated NSW Savings Bank/Campbell's Bank (1819 - 1833) and Port Stephens Savings Bank (1830 - 1832);

1989: ASB Bank Ltd (1987-current) 75% holding expanded to 100% in 2000, incorporating:

- Auckland Savings Bank/ASB Trust Bank (1847-1987)
- Westland Bank
- Sovereign Ltd (1989-current)
- Retail stockbroking and fixed income operations from Warburg Dillon Read (1997-current) which had previously incorporated S G Warburg & Co and Dillon, Read & Co;

(1) Roy Morgan Research, Retail Main Financial Institution (MFI) Customer Satisfaction, Australians 14+, % "Very Satisfied" or "Fairly Satisfied" with relationship with that MFI. Six month rolling average. Rank based on the major four Australian banks.

1991: State Bank of Victoria/SBV (1842-1991) formerly Savings Bank of Victoria/SSB and Savings Bank of Port Phillip;

2000: Colonial Limited, formerly Colonial Mutual (1873-2000) incorporating:

- Trust Bank (1991-1999) formed out of a merger between Hobart Savings Bank/Savings Bank of Tasmania (1845-1991) and the Tasmania Bank, formerly Launceston Bank for Savings (1835-1991) which had previously incorporated Tasmanian Permanent Building Society;
- Legal & General, Australia (1953-1998);
- State Bank of New South Wales (1931-1994), formerly the Rural Bank; and
- Prudential Corporation – Australia & New Zealand (1925-1998)

2008: Bank of Western Australia Ltd. (Bankwest) and St Andrew's Australia Pty Ltd (St Andrew's) (Note: St Andrew's insurance business was sold effective 1 July 2010).

Australia

Financial Services

Financial services providers in Australia offer household and business customers a wide range of products and services encompassing retail, business and institutional banking, funds management, superannuation, insurance, investment, risk management and stockbroking. The domestic competitive landscape includes the four major banks, regional banks, building societies and credit unions, foreign retail banks, local and global investment banks, fund managers, private equity firms, insurance companies, brokers and third party distributors.

Banking

We intend to continue pursuing our vision to excel at securing and enhancing the financial wellbeing of people, businesses and communities.

We believe our strategy to achieve that has served our customers and shareholders well over recent years. We believe that there is still considerable upside yet to be realised in these key themes of customer focus, people, technology, productivity and strength.

Funds Management

Domestic markets rose during the 2015 financial year, with the average ASX 200 up 6%, with the performance of offshore market indices contributing to an improved result. In addition, the long-term growth outlook of the Australian funds management industry is positive, underpinned by the increase in compulsory superannuation contributions from 9.5% to 12% by the 2026 financial year. Global funds management markets are also expected to continue to grow over the long-term, driven by increasing wealth in developing countries.

The demand for simple, transparent and lower fee products is expected to continue as investors shift towards cash products and focus on net-of-fee performance. Australia's aging population and the requirement for income streams for retirement is expected to drive demand for products which address market volatility, inflationary threats and longevity risks.

Margin pressure within the domestic funds management industry will remain as a result of changing investor product preferences and ongoing regulatory change, which is expected to reduce revenue and increase capital requirements and costs. Consolidation is expected to continue as participants seek scale and expand capabilities to counteract these impacts.

Insurance

The Australian insurance market growth is expected to continue, largely driven by greater consumer awareness and access through a wider array of channels. Bancassurance, master trusts and industry funds continue to be the strongest areas of growth, with a particular focus on direct channels. To meet the growing needs of consumers, insurance manufacturers are placing a greater emphasis on technology and service efficiency.

Advice-based product profitability is being impacted by rising loss ratios. Lapse rates of advice-based products have improved compared to historical levels due to continuous investments in retention initiatives. Loss ratios have been increasing in General Insurance due to a number of significant weather events and the general insurance market remains highly competitive with a few large players dominating the industry.

New Zealand

The Group's banking activities in New Zealand are conducted by ASB Bank and also by the New Zealand branch of CBA. The Group's insurance activities in New Zealand are conducted by Sovereign.

Competition

Competitive Landscape

Australia and New Zealand are strongly competitive financial services markets across the range of banking, funds management and insurance products. Competitors include the major Australian/NZ banks (Australia and New Zealand Banking Group (ANZ), National Australia Bank (NAB) and Westpac Banking Corporation (WBC)), regional banks, foreign banks and both local and international non-bank intermediaries.

Each of the major banks offer a full range of financial products and services through branch networks, electronic channels and third party intermediaries across Australia. The regional banks, while smaller than the majors, operate across state borders, or nationally, primarily in mortgage lending, facilitated by non-bank mortgage originators and brokers. Non-bank financial intermediaries such as building societies and credit unions operate in the areas of accepting deposits and residential mortgage lending, mainly for owner-occupied housing. Since 2008's credit crisis, regional banks and non-bank financial intermediaries have not been as active competitors of the major banks due to changes in markets and consumer preference.

In addition, the Wealth Management businesses compete with both domestic and international funds management and insurance providers. The domestic competitors include AMP, ANZ, WBC, NAB, IAG, QBE, Suncorp and specialist providers.

The Australian and New Zealand financial services sector performed strongly in the decade ended in late 2008, largely driven by strong growth in lending. Since 2008 this trend has changed to lower credit growth and higher savings growth with the expectation that this trend will continue.

Changes in the financial needs of consumers, regulatory changes, and technology developments have also changed the competitive landscape. In particular, the development of electronic delivery channels and the reduced reliance on a physical network to facilitate the entry of new players from related industries, such as retailers, telecommunication companies and utilities. Technological change has provided opportunities for new entrants with differing combinations of expertise and has enabled the unbundling of the value chain.

Employees

Our results reflect the ongoing dedication of our people. Regardless of role, our people work together to achieve our vision. We are proud of their commitment to serve the needs of our customers and continuously improve our customers' experience. We continue to support our people by constantly emphasising the importance of values and culture, and by investing in their development and in initiatives that foster a vibrant, safe and supportive work environment. We are also committed to building an inclusive culture, where our people mirror our customer base and society more broadly, and where everyone feels empowered and supported to give of her or his best. Most importantly, we want everyone to feel valued and respected, regardless of their gender, ethnicity, religion, sexual orientation or age, or of any disability. Diversity must be about much more than "tolerance". Rather, we aspire to embrace and celebrate it. Our ongoing commitment to our culture has translated into high levels of engagement among our people, as shown by the Group's employee engagement score of 81%.

Technology

The strength of our business has enabled us to continue to innovate through investment in technology. We continue to focus on the use of technology for the benefit of our customers. One of the keystones of our technology has been the CommBank app. This year we have continued to improve and develop the app. In October 2014, we launched a 'temporary lock' feature to help our credit card customers avoid cancelling misplaced cards. At the same time we provided customers with the ability to instantly cancel and replace a lost, stolen or damaged card. We also introduced the CommBank app for smart watches, allowing our customers to view balances, find an ATM and withdraw money using our 'Cardless Cash' offering. For our business customers we launched 'Albert', a global first-to-market EFTPOS tablet. The device allows businesses to create a tailored experience for their customers. Among Albert's unique features are the ability to e-mail receipts and invoices, split bills up to nine ways, record and track payments, and collect real-time analytics and business insights. In October 2014, we unveiled the Group's Innovation Lab at Commonwealth Bank Place in Sydney. The Lab provides a creative space for our people and customers to innovate together to deliver market-leading solutions and services to our customers. During the year we also acquired TYME – Take Your Money Everywhere. TYME is a South African based global leader in designing and building digital banking technology. TYME gives us new opportunities in our emerging markets businesses, as well as providing capability to enhance innovation in our core markets. We will continue to innovate to ensure we differentiate ourselves from emerging competitors and to meet the evolving needs of our customers. We also continue to see the benefits of our investment in our Core Banking Modernisation upgrade, which was completed in 2013. This provides our customers with industry-leading features through the only genuine 24 hours a day, seven days a week core banking system among the major banks in Australia. The extra convenience for customers arising from this new technology was a major driver behind our above-market growth in deposits and transaction accounts this year. This provides us with a competitive advantage that benefits our customers.

Productivity

We are in the third year of continuing to focus on productivity initiatives. We believe this has become a new way of life for our people, for the benefit of our customers. Productivity is not about short-term cost cutting initiatives, redundancy plans or offshoring Australian jobs. It requires a cultural focus on simplicity and continuous improvement. At the heart of our approach to productivity is the belief that customer satisfaction and efficiency for shareholders are mutually reinforcing outcomes. We believe that our results thus far show that by focusing on simplicity, we can reduce turnaround times, error rates and costs simultaneously.

Strength

Financial strength, including a strong capital position, is the fourth pillar of CBA's strategy. The Group maintained a strong Balance Sheet throughout the year, including high levels of capital, with all ratios well in excess of regulatory minimum capital adequacy requirements. This was against a backdrop of uncertainty in the domestic economy and volatility on global markets. The Group continued to work closely with APRA, our regulator, to ensure we remain well-placed to act on future capital reforms. During the year, APRA acted on two recommendations from the recent Financial System Inquiry. The first set an expectation for Australian banks to be "unquestionably strong" relative to global peers. The second required large banks to hold more capital against home loans, with the goal of stimulating greater competition. As a result of those developments, the Board decided to undertake a $5 billion entitlement offer, which is expected to be settled on 17 September 2015. On a pro forma basis this action is expected to boost the Group's Common Equity Tier 1 (CET1) capital ratio to 10.4% on an APRA basis.

Key financial highlights

Underlying the 2015 result were contributions from all business divisions.

- Solid growth in Net interest income and other banking income contributed to Retail Banking Services cash earnings growth of 5%. Deposit balances grew particularly strongly at 8%, underpinned by strong growth in savings and transaction accounts;
- Wealth Management's Funds management income increased 9% (excluding Property[(1)]), driven by a 13% increase in average Funds Under Administration;
- Business and Private Banking performed well, buoyed by strong growth in deposit and business lending income, reflecting growth across key product lines, continuing benefit of our core banking platform and a focus on transaction banking;
- Institutional Banking and Markets achieved positive client sales and Markets revenues as well as strong growth in lending and asset leasing. The result was partly impacted by the initial implementation of a new derivative valuation methodology, funding valuation adjustment, which had a negative one-off impact of $81 million;
- Cash earnings grew in New Zealand (including ASB Bank and Sovereign) by 17%. The ASB Bank result was highlighted by strong lending growth and good margin management;
- Bankwest experienced solid growth in transaction deposit volumes, however, growth was impacted by lower margins. Expenses were well contained with the cost to income ratio declining 190 bpts to 43.3%; and
- Our International Financial Services business continued its disciplined growth in selected Asian markets, with the total number of direct customers growing by 12%.

Investment in our community

Throughout the year we continued to support the communities around us, as they form an important part of our vision. As the largest financial institution in Australia, we have an important role to play in the financial education of young Australians. In 2009, we made a commitment to improve the financial literacy of one million children by 2015. We have exceeded that goal with 1.23 million children booked in one of our free Start Smart workshops through their school. We also believe that even better schools will make a better country. So, we announced that we will invest an additional $50 million in our education programs over the next three years, starting with an ambitious plan to double the reach of financial literacy training by 2016. In addition, our support for teachers is growing through a partnership with Social Ventures Australia to create the Australian Teaching and Learning Toolkit, as well as recognising outstanding teachers through our annual Teaching Awards. As a proud Australian company, we have also been involved in the "We're for the Bush" drought appeal, we have continued to invest in our indigenous customer assistance line and we are proud to be supporting the Spirit of ANZAC Centenary Experience which will start its two year program of travel across Australia this September. As the major sponsor of the Australian of the Year Awards for 35 years, Commonwealth Bank is proud to help celebrate the extraordinary individuals that make such a difference to our country. We have extended that program of recognition of the unsung community heroes with our Australian of the Day program.

Financial System Regulation in Australia

A report following the Financial System Inquiry (the "Inquiry") initiated by the Australian Federal Government was released on 7 December 2014. The Inquiry was given the task of examining how the Australian financial system could be positioned to best meet Australia's evolving needs and support Australia's economic growth. The report released by the Inquiry has made a number of detailed recommendations across five specific themes (improving the financial system's resilience, strengthening the superannuation system, facilitating innovation, improving consumer outcomes and refining Australia's regulatory system with the aim of keeping it 'fit for purpose'). Foremost amongst these was the recommendation for the banking sector to be "unquestionably strong" which the report defines as being "in the top quartile of internationally active banks". While the Australian government has announced that it intends to consult with industry and consumers before making any decisions on the recommendations, any resulting legislative changes may impact the operations or profitability of the Group, including an increase in required levels of capital.

Australia has, by international standards, what is recognised as a high quality financial system which aims to regulate financial products and services consistently, regardless of the type of financial institutions providing them.

The main regulators of financial services in Australia are the Reserve Bank of Australia (RBA), APRA, the Australian Securities and Investments Commission (ASIC), the Australian Transaction Reports and Analysis Centre (AUSTRAC) and the Australian Competition and Consumer Commission (ACCC).

Each agency has system-wide responsibilities for the different objectives of government oversight of the financial system. A description of these agencies and their general responsibilities and functions is set out below.

The RBA is responsible for monetary policy, financial system stability and regulation of the payments system. APRA has responsibility for the prudential supervision of banks, building societies and credit unions, life and general insurance companies, friendly societies and superannuation funds (pension funds). Unless an institution is authorised under the Banking Act 1959 or exempted by APRA, it is prohibited from engaging in the general business of deposit-taking.

(1) During the 2014 financial year the Group successfully completed the internalisation of the management of CFS Retail Property Group (CFX) and Kiwi Income Property Trust (KIP), and the Group has ceased to manage the Commonwealth Property Office Fund (CPA). The Group also sold its entire proprietary unit holding in CPA and KIP, and part of its proprietary unit holding in CFX. As such, these Property transactions and businesses have been excluded from the calculation of certain financial metrics and comparative information.

ASIC has responsibility for regulating and enforcing Company and financial services laws that protect consumers, investors and creditors, including the Corporations Act 2001. The Corporations Act 2001 provides for a single licensing regime for sales, advice and dealings in financial products and services, consistent and comparable financial product disclosure and a single authorisation procedure for financial exchanges and clearing and settlement facilities. ASIC is also responsible for the National Consumer Credit Protection Act and the responsible lending framework it imposes upon credit providers.

The ACCC promotes competition and fair trade to benefit consumers, business and the community through the administration of the Competition and Consumer Protection Act 2010.

AUSTRAC has responsibility for overseeing compliance with the Anti-Money Laundering and Counter Terrorism Financing Act 2006 and the Financial Transaction Reports Act 1988. As a provider of financial services in Australia and internationally, the Group is committed to the principles of the Financial Action Task Force as the international standard setter for anti-money laundering and counter-terrorism financing efforts.

Australia implements United Nations Security Council (UNSC) sanctions regimes and Australian autonomous sanctions regimes under Australian sanction laws.

UNSC sanctions regimes are primarily implemented under the Charter of the United Nations Act 1945 (the United Nations Act) and its sets of regulations. There is a separate set of regulations under the United Nations Act for each UNSC sanctions regime.

Australian autonomous sanctions regimes are primarily implemented under the Autonomous Sanctions Act 2011 (the Autonomous Act) and the Australian Autonomous Sanctions Regulations 2011. There is only one set of regulations under the Autonomous Act. The Department of Foreign Affairs and Trade (DFAT) administers the United Nations Act, the Autonomous Act and their regulations.

Owing to the geographic reach of its activities and operations, the Group must also comply with the sanctions regimes in a number of different countries. These regimes include (but are not limited to) sanctions administered by the U.S. Office of Foreign Assets Control, Hong Kong Monetary Authority and Monetary Authority of Singapore.

Supervisory Arrangements

The Bank is an ADI under the Banking Act 1959 and is subject to prudential regulation by APRA.

In carrying out its prudential responsibilities, APRA closely monitors the operations of banks to ensure that they operate within the prudential framework and that sound management practices are followed.

APRA's broader supervision program includes a combination of on-site thematic reviews, regular engagement with the Board and senior management of individual institutions, prudential consultations and reviews of regular statistical returns reported by individual institutions.

In addition, APRA has established arrangements under which each bank's external auditor reports to APRA regarding observance of Prudential Standards and other supervisory requirements.

The prudential framework applied by APRA is embodied in a series of Prudential Standards and other requirements including:

(i) Capital, Funding and Liquidity

APRA has approved the Group's application to use the advanced internal ratings-based approach to credit risk and the advanced measurement approach to operational risk for the purposes of calculating capital requirements under the Basel III Framework.

Details of the Group's regulatory capital position and capital management activities are disclosed in Note 25 to the 2015 Financial Report.

APRA's prudential guidance for liquidity risk management requires ADIs to maintain a liquidity management policy, governance and management framework and funding strategy that complies with the requirement to prudently manage all liquidity risks. The Group's liquidity policy and management framework requires an appropriate level of high quality liquid assets be held to support both business as usual and under a stress scenario. The liquid assets holding requirements includes Certificates of Deposit, Bills of Exchange, securities issued by the Federal and State Governments, as well as selected securities issued by selected supranational agencies and specific mortgage backed securities available for repurchase by the RBA. The liquid asset definition also includes the cash balance of CBA's Exchange Settlement Account with the RBA. APRA has implemented changes to liquidity management standards as part of the Basel III global banking reforms.

The Group has been required to meet a LCR since 1 January 2015 and revised definitions of eligible High Quality Liquid Asset holding requirements within these changes. More details on the Group's liquidity and funding risks are provided in Note 34 to the 2015 Financial Report.

(ii) Large Credit Exposures

APRA requires banks to ensure that, other than in exceptional circumstances, individual credit exposures to non-bank, non-government clients do not exceed 25% of the capital base. Exposure to unrelated ADIs is not to exceed 50% of the capital base. Prior consultation must be held with APRA if a bank intends to exceed set thresholds. For information on the Group's large exposures refer to Note 32 to the 2015 Financial Report.

(iii) Ownership and Control

In pursuit of transparency and risk minimisation, the Financial Sector (Shareholding) Act 1998 embodies the principle that regulated financial institutions should maintain widespread ownership. The Act applies a common 15% shareholding limit for ADIs, insurance companies and their holding companies.

The Commonwealth Treasurer has the power to approve acquisitions exceeding 15% where this is in the national interest, taking into account advice from the ACCC in relation to competition considerations and APRA on prudential matters. The Treasurer may also delegate approval powers to APRA where one financial institution seeks to acquire another.

The Government's present policy is that mergers among the four major banks will not be permitted until the Government is satisfied that competition from new and established participants in the financial industry has increased sufficiently.

Proposals for foreign acquisition of Australian banks are subject to approval by the Treasurer under the Foreign Acquisitions and Takeovers Act 1975.

(iv) Banks' Association with Non-Banks

There are formal guidelines (including maximum exposure limits) that control investments and dealings with subsidiaries and associates. A bank's equity associations with other institutions should normally be in the field of finance. APRA has expressed an unwillingness to allow subsidiaries of a bank to exceed a size which would endanger the stability of the parent. No bank can enter into any agreements or arrangements for the sale or disposal of its business, or effect a reconstruction or carry on business in partnership with another bank, without the consent of the Treasurer.

(v) Fit and Proper and Governance

ADIs are subject to APRA's "Fit and Proper" and "Governance" Prudential Standards. ADIs are required to implement a Board approved Fit and Proper policy covering minimum requirements for the fitness and proprietary of their responsible persons, which include designated members of senior management. ADIs also have to comply with APRA's Governance Prudential Standards, which sets out requirements for Board size and composition, independence of directors, executive remuneration and other APRA governance matters.

(vi) Supervision of Non-Bank Group Entities

The Australian life insurance company subsidiaries, general insurance company subsidiaries and the superannuation trustees of the Group also come within the supervisory review of APRA, for further details please refer to "Insurance and Wealth Management Regulation" below.

Insurance and Wealth Management Regulation

The Group conducts general and life insurance business, funds management, asset management, custodial services, investor directed portfolio services, financial advice and superannuation (trustee) businesses through its Wealth Management division. The key regulators for the Group's wealth management businesses are APRA and ASIC. The Group's insurance and superannuation businesses are required to comply with relevant legislations including the Life Insurance Act 1995, Insurance Act 1973 and the Superannuation Industry (Supervision) Act 1993. They are also required to comply with APRA's Prudential Standards. These standards cover, amongst others, capital adequacy, governance and risk management and reporting standards. The Group's wealth management businesses are also governed by the Corporations Act 2001, which is administered by ASIC. In regard to the Group's life insurance business in Australia, the Life Insurance Act 1995 sets forth a two tiered framework for the calculation of regulatory capital requirements for life insurance companies – 'solvency' and 'capital adequacy'. The capital adequacy test for statutory funds is always equal to or greater than the solvency test[1].

There are no regulatory capital requirements for life insurance companies in New Zealand, though the directors of any company must certify its solvency under the Companies Act 1993. The Group determines the minimum capital requirements for its New Zealand life insurance business according to the professional standard, 'Solvency Reserving for Life Insurance Business', issued by the New Zealand Society of Actuaries. The Group's general insurance businesses are regulated by APRA under the Insurance Act 1973. The Group determines capital requirements for general insurance businesses in accordance with APRA Prudential Standards.

The Group's financial advice businesses are licensed and regulated by ASIC.

From 1 July 2013, APRA introduced additional Prudential Standards that introduce new financial, reporting and operational requirements for licensed superannuation trustees. ASIC has imposed new financial requirements that apply to all responsible entities that operate funds management businesses. New financial requirements imposed by ASIC also extend to custodial services and investor directed portfolio services. These new requirements apply to the Group's responsible entity, custodial services and investor directed portfolio services businesses with full effect from 1 July 2014.

Legal Proceedings

The Group is not engaged in any litigation or claim which is likely to have a materially adverse effect on the business, financial condition or operating results of the Group. For all litigation exposure where some loss is probable and can be reliably estimated an appropriate provision has been made. Litigation related contingent liabilities at 30 June 2015 included:

Storm Financial

Class action proceedings were commenced in the Federal Court against the Group in relation to Storm Financial on 1 July 2010. The hearing of the proceedings concluded in November 2013 and judgement was reserved. The parties exchanged a Deed of Settlement in an attempt to resolve the class action on 27 February 2015, and the Federal Court approved the proposed settlement on 7 July 2015. The Court's decision to approve the settlement was not appealed within the relevant appeal period. Accordingly, the Group has commenced to implement the settlement. Pursuant to the Deed of Settlement, the Group has committed to make an amount of approximately $34 million (inclusive of compensation and legal costs) available under the settlement. The Group holds adequate provisions to cover this.

Exception Fee Class Action

In May 2011, Maurice Blackburn announced that it intended to sue various Australian banks with respect to exception fees. Proceedings were issued against Commonwealth Bank of Australia in December 2011 and against Bankwest in April 2012. Neither claim has been progressed and both have been stayed since issue, and currently until December 2015, pending the outcome of similar proceedings against another bank where an appeal process to the High Court has been commenced. The Group denies the claims and the financial impact, if any, is not anticipated to have a material impact on the Group.

Open Advice Review program

On 3 July 2014, the Group announced an Open Advice Review program for customers of CFPL and FWL who received advice between 1 September 2003 and 1 July 2012. The Open Advice Review program involves:

- A free review of past advice by a specialist Commonwealth Bank team for customers who have a concern;
- Customers having access to an independent customer advocate funded by the Group and an Independent Review Panel chaired by the Hon. Ian Callinan AC;
- The Group will be bound by any determinations made by the Independent Review Panel; however, customers will retain their rights to escalate their concerns to the

Financial Ombudsman Service or otherwise pursue a claim; and

- Independent reporting by Promontory Financial Group.

Since the announcement of the Open Advice Review program, the Group has established an Independent Review Panel and appointed Independent Customer Advocates. The Group also appointed Promontory Financial Group ("Promontory") as an Independent Expert to oversee the Open Advice Review program. Promontory has delivered two public reports in December 2014 and May 2015. Customer file assessments and remediation have commenced and are ongoing.

The Open Advice Review program closed for expressions of interest on 3 July 2015. Total expressions of interest and completed registration forms received were over 23,000 and 7,000, respectively. For additional information on the Open Advice Review program and licensee conditions, see Note 19 to the 2015 Financial Report.

Critical Accounting Policies and Estimates

Note 1 to the 2015 Financial Report contains a summary of the Group's significant accounting policies. Certain of these policies are considered to be more important in the determination of the Group's financial position, since they require management to make difficult, complex or subjective judgements, some of which may relate to matters that are inherently uncertain. Management discusses the accounting policies which are sensitive to the use of judgement, estimates and assumptions with the Board Audit Committee. These policies include provisions for impairment, actuarial assumptions in determining life insurance policy liabilities, determining whether certain entities should be consolidated, determining the fair value of financial instruments, assessing goodwill for impairment, provisions for taxation and other future obligations and actuarial assumptions in determining defined benefit plan obligations. An explanation of these policies and the related judgements and estimates involved is set out in Note 1 to the 2015 Financial Report.

Remuneration of Auditors

Disclosure of the Remuneration of Auditors is set out in Note 28 to the 2015 Financial Report.

Corporate Governance

Introduction

This statement outlines the key aspects of the corporate governance framework of the Bank and its related bodies corporate (Group). The Group is committed to ensuring that its policies and practices reflect a high standard of governance. The Board has adopted a comprehensive framework of Corporate Governance Guidelines, designed to balance properly performance and conformance. This enables the Group to undertake, in an effective manner, the prudent risk-taking activities which are the basis of its business.

Throughout the 2015 financial year, the Group's governance arrangements were consistent with the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

This statement is current as at 28 August 2015, and has been approved by the Board of the Commonwealth Bank (Bank).

The Board

The Board's Directors are accountable to the shareholders for the Group's performance and governance. Management is responsible for implementing the Group's strategy and objectives, and for carrying out the day-to-day management and control of the Group's affairs.

Charter

The Board's role and responsibilities are set out in the Board Charter. The responsibilities include:

- The Group's corporate governance, including the establishment of Committees;
- Oversight of the business and affairs of the Group by:
  - Establishing, with management, and approving the strategies and financial objectives;
  - Approving major corporate and capital management initiatives, capital expenditure, acquisitions and divestments in excess of limits delegated to management;
  - Overseeing the establishment of appropriate risk management systems, including defining the Group's risk appetite and establishing appropriate financial policies such as target capital and liquidity ratios; and
  - Monitoring the performance of management and the environment in which the Group operates;
- Approving Documents (including reports and statements to shareholders) required by the Bank's Constitution and relevant regulation;
- Approving the Group's major HR policies and overseeing the development of strategies for senior and high performing executives;
- Employing the Chief Executive Officer (CEO); and
- Reviewing diversity initiatives and progress, including monitoring and reporting on the relative proportion of women and men in the workforce at all levels of the Group.

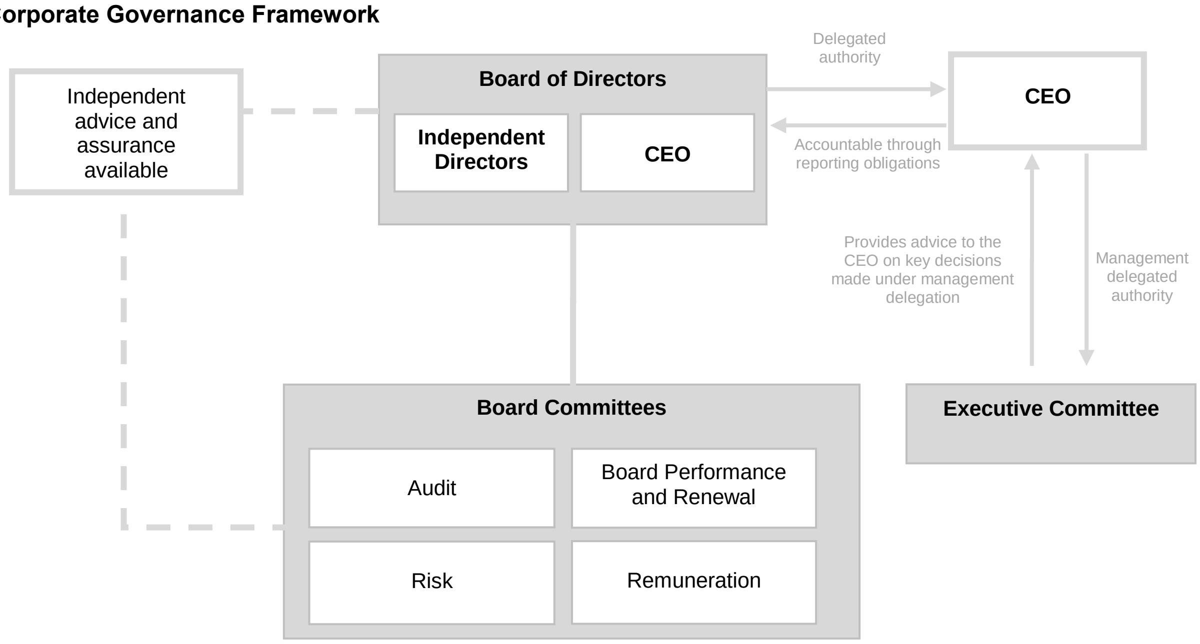
Delegation of Authority

The Board has delegated to the CEO and, through the CEO, to other senior executives, responsibility for the day-to-day management of the Group's business and implementation of the Group's strategy and policy initiatives. The CEO and other senior executives operate in accordance with a comprehensive set of management delegations under the Group's Delegation of Authorities framework. These delegations cover commitments around project investment, operational expenditure and non-financial activities and processes, and are designed to accelerate decision-making and improve both efficiency and customer service.

Overview of Corporate Governance Framework

An overview of the Group's Corporate Governance Framework is depicted below.

Corporate Governance Framework



Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

Composition of the Board

The Bank's Constitution provides that there will be a minimum of nine (9) Directors and a maximum of thirteen (13) Directors on the Board, including the Managing Director/CEO, and not more than three (3) Executive Directors

The Board currently comprises of eleven (11) Directors, of which ten (10) are independent Non-Executive Directors and one is an Executive Director, being the CEO.

The roles of Chairman and CEO are not exercised by the same individual, and the Bank's Constitution provides that the CEO and any other Executive Directors are not eligible to stand for election as Chairman of the Bank.

Details of the period of office held by each current Director and the year of their last election are as follows:

Director	Appointed	Last Elected at an AGM
David Turner (Chairman)	2006	2012
Ian Narev (CEO)	2011	-
Sir John Anderson	2007	2013
Shirish Apte	2014	2014
Jane Hemstritch	2006	2013
Sir David Higgins	2014	2014
Launa Inman	2011	2014
Brian Long	2010	2013
Andrew Mohl	2008	2014
Wendy Stops	2015	-
Harrison Young	2007	2012

Chairman

The Chairman is an independent Non-Executive Director. The Chairman leads the Board and sets its tone, and is responsible for the effective organisation and conduct of the Board's affairs. The Chairman builds and maintains an effective working relationship with the CEO, and encourages contribution by all Board members. The Chairman also represents the Bank to shareholders and in the wider community.

Committees

To assist the Board to carry out its responsibilities, the Board has established a Board Performance & Renewal Committee, a Remuneration Committee, an Audit Committee, and a Risk Committee.

These Committees review matters on behalf of the Board and as determined by the relevant Charter:

- Refer matters to the Board for decision, with a recommendation from the Committee, or
- Determine matters (where the Committee acts with delegated authority), which the Committee then reports to the Board.

The Chairman of each Committee provides a report to the Board following each Committee meeting.

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Tenure

The Bank's Constitution specifies that at each Annual General Meeting (AGM), one third of Directors (other than the CEO) will retire from office and may stand for re-election.

The policy of the Board is that Non-Executive Directors are normally expected to serve a term of six (6) years from the date of first election by shareholders, subject to re-election by shareholders as required under the Bank's Constitution and the Australian Securities Exchange (ASX) Listing Rules. That term may be extended to nine (9) years where, at the end of the initial six (6) year period, the Board determines that such an extension would be of benefit to the Bank and the Director is agreeable. On an exceptional basis, the Board may annually exercise its discretion to further extend the term of a Director should the circumstances be such that the Board deems it appropriate, subject to the total term of appointment not exceeding twelve (12) years. The Chairman would normally be expected to serve a term of at least five (5) years in that capacity.

Director Independence

The Group's Non-Executive Directors are required to be independent of management and free of any business or other relationship that could materially interfere with the exercise of unfettered and independent judgement. The Board regularly assesses each Director's independence to ensure ongoing compliance with this requirement.

Directors are required to conduct themselves in accordance with the ethical policies of the Bank and be meticulous in their disclosure of any material contract or relationship. This disclosure extends to the interests of family companies and spouses. Directors must also strictly adhere to the participation and voting constraints in relation to matters in which they may have an interest. Each Director may from time to time have personal dealings with the Bank or be involved with other companies or professional firms which may have dealings with the Group. Full details of related party dealings are set out in Note 38 to the 2015 Financial Report.

All the current Non-Executive Directors of the Bank have been assessed as independent Directors. In reaching that determination, the Board has taken into account (in addition to the matters set out above):

- The specific disclosures made by each Non-Executive Director;
- Where applicable, the related party dealings referable to each Non-Executive Director;
- That no Non-Executive Director is, or has been associated directly with, a substantial shareholder of the Bank;
- That no Non-Executive Director has ever been employed by the Bank or any of its subsidiaries;
- That no Non-Executive Director is, or has been associated with, a supplier, professional adviser, consultant to or customer of the Group which is material under the accounting standards;
- That no Non-Executive Director personally carries on any role for the Group otherwise than as a Director of the Bank; and
- That no Non-Executive Director has a material contractual relationship with the Group other than as a Director of the Bank.

David Turner has served on the Board for more than nine (9) years. In October 2015 Jane Hemstritch will have served on the Board for nine (9) years. The Board does not believe that their tenure interferes with their ability to act in the best interests of the Group or compromises their ability to exercise independent judgement.

Director Induction and Education

Directors participate in an induction program upon appointment and in ongoing education sessions on a regular basis. This program of continuing education ensures that the Board is kept up to date with developments in the industry both locally and globally. It also includes sessions with local and overseas experts in the particular fields relevant to the Group's operations.

Board Performance and Renewal Committee

The Board Performance and Renewal Committee assists the Board's function by considering and advising the Board on issues relevant to:

- The Governance of the Group;
- The selection, remuneration, education and evaluation of Directors;
- The relationship between Board and Management; and
- Policies relating to diversity for the Board and the Group Executives.

The Board Performance and Renewal Committee consists solely of independent Non-Executive Directors. The minimum number of Committee members is three (3) and the Chairman of the Board chairs the Committee.

A copy of the Board Performance and Renewal Committee Charter is available on the Group's website.

The Committee's members are:

David Turner (Chairman)
Sir John Anderson
Brian Long (from 12 August 2015)
Harrison Young

The Board Performance and Renewal Committee annually reviews the Group's corporate governance procedures. It considers the composition and effectiveness of the Group's Board and also the boards of the Group's major wholly owned subsidiaries. It also ensures that the Board annually reviews its own performance, policies and practices. These reviews seek to identify where improvements can be made in Board processes. The review also assesses the quality and effectiveness of information made available to Directors.

Evaluation of Board Performance

The Board conducts regular evaluations of the performance of the Board, individual Directors and the Board's Committees. Every two (2) years, this process is facilitated by an external consultant. Every other year, the assessment is carried out internally.

During the 2015 financial year the Board used an external consultant to evaluate the performance of the Board and of individual Directors.

The assessment has been considered by the Board, enhancements to process were implemented, and individual Director assessments have been discussed.

After considering the results of the performance review, the Board determined to endorse the Directors to stand for re-election at the 2015 AGM.

The Non-Executive Directors meet several times a year without management, in a forum intended to allow for an open discussion on Board and management performance. This is in addition to the consideration of the CEO's performance and remuneration, which is conducted by the Board in the CEO's absence.

Non-Executive Directors spend at least sixty (60) days each year (considerably more in the case of Committee Chairmen) on Board business and activities, including Board and Committee meetings, meetings with senior management to discuss strategy, visits to operations and meetings with employees, customers and other stakeholders. During the 2015 financial year, the Board spent a week in Silicon Valley in the United States (US) and met with several companies and leaders in the technology space. The Board also spent a week in South Africa where it met with a range of political, business and other leaders across the country in various industries including financial services, retail and technology.

Assessment of Senior Executive Performance

Senior executives are provided with a written employment agreement which sets out the terms and conditions of their appointment. Senior executives' annual performance evaluations are conducted following the end of the financial year. For the 2015 financial year, the evaluations were conducted in July 2015.

Selection of Directors

The Board Performance and Renewal Committee's set of criteria for Director appointments is reviewed annually and adopted by the Board. The criteria is aimed at creating a Board capable of challenging, stretching and motivating management to achieve sustained, outstanding performance in all respects. The Group's aim is to ensure that any new appointee is able to contribute to the Board constituting a competitive advantage for the Group. Based on these criteria, each Director should:

- Be capable of operating as part of an effective team;
- Vigorously debate and challenge management in a constructive manner;
- Contribute outstanding performance and exhibit impeccable values;
- Be capable of contributing strongly to risk management, strategy and policy;
- Provide a mix of skills and experience required to challenge and contribute to the future strategy of the Group;
- Be well prepared and receive all necessary education; and
- Provide important and significant insights, input and questions to management from their experience and skill.

Professional intermediaries are engaged to identify a diverse range of potential candidates for appointment as Directors based on the identified criteria.

The Board Performance and Renewal Committee assesses the skills, experience and personal qualities of these candidates. It also takes into consideration other attributes, including diversity, to ensure that any appointment decisions adequately reflect the environment in which the Group operates.

Appropriate checks are undertaken prior to appointing a person and recommending that person for election as a Director. These include checks as to the person's character, experience, education, criminal record and bankruptcy history. As a Director is a responsible person under the applicable Australian Prudential Regulation Authority (APRA) Prudential Standard background checks as to fitness and propriety are carried out before a person is appointed to the Board.

Candidates who are considered suitable for appointment as Directors by the Board Performance and Renewal Committee are then recommended for decision by the Board and, if appointed, stand for election at the next AGM, in accordance with the Constitution. The Bank includes in the Notice of Meeting for the AGM all material information known to the Bank which is relevant to a decision whether or not to elect or re-elect a Director.

On behalf of the Bank, the Chairman provides a letter to each new Director upon appointment, setting out the terms of appointment and relevant Board policies. These include time commitment, code of ethics and continuing education. All current Directors have been provided with a letter confirming the terms of their appointment. A copy of the form of the appointment letter is available on the Group's website.

Director skills and experience

The Directors possess a range of skills which, as a group, enable the Board to discharge its obligations effectively, challenge management and contribute to the Group's strategic debate. Every Director has had considerable exposure to current corporate governance practices and all Directors possess significant financial acumen, with five (5) of the Directors being qualified accountants. The following table summarises the key skills and experience of the Directors:

Skills and Experience	No. of Directors
Retail & Corporate Banking/ Financial Institutions	5
Financial Acumen	11
New Media & Technology	4
Experience as a non-executive director of at least two other listed entities	7
General management exposure to international operations	11
Held CEO or similar position in non-financial organisation	6
Expert experience in financial regulation	5

The Board currently comprises of eleven (11) Directors of which ten (10) are independent Non-Executive Directors and one (1) is an Executive Director, being the CEO.

Policies

Board policies relevant to the composition of the Board, its Committees and the functions of Directors and Committee Members include that:

- The Board will consist of a majority of independent Non-Executive Directors. The Chairman of the Board will be an independent Non-Executive Director;
- The Board Performance and Renewal Committee will consist of at least three (3) members. All members must be independent Non-Executive Directors. The Chairman of the Board should chair the Committee;
- The Remuneration Committee will consist of at least three (3) members. All members must be independent Non-Executive Directors and have an appropriate level of knowledge and understanding of remuneration practice, including legal and regulatory requirements. The Board will determine the Committee Chairman;
- The Audit Committee will consist of at least three (3) members. All members must be independent Non-Executive Directors and financially literate. The Audit Committee shall be chaired by an independent Non-Executive Director who is not the Chairman of the Board;
- The Risk Committee will consist of at least four (4) members. All members must be independent Non-Executive Directors. The Risk Committee shall be chaired by an independent Non-Executive Director who is not the Chairman of the Board;
- The Board will meet on a regular and timely basis. The meeting agendas and papers will provide adequate information about the affairs of the Group. They also enable the Board to guide and monitor management, and assist in its involvement in discussions and decisions on strategy. Strategic matters are given priority on regular Board meeting agendas. In addition, ongoing strategy is the major focus of at least one Board meeting annually;
- The Directors are entitled to obtain access to Group Documents and information, and to meet with management; and
- The Directors are entitled, after appropriate consultation, to seek independent professional advice, at the expense of the Group, to assist them to carry out their duties as Directors. The policy of the Group provides that any such advice is generally made available to all Directors.

Ethical Standards

Conflicts of Interest

In accordance with the Bank's Constitution and the Corporations Act 2001 (Corporations Act), Directors are required to disclose to the Board any material contract in which they may have an interest. In compliance with section 195 of the Corporations Act, any Director with a material personal interest in a matter being considered by the Board will not vote on the matter or be present when the matter is being considered. If the material personal interest is disclosed or identified before a Board or Committee meeting takes place, those Directors will also not receive a copy of any paper dealing with the matter.

Share Trading

The Board has adopted a Group Securities Trading Policy. Under that Policy, Directors are permitted to deal with the Group's securities only within certain periods, as long as they are not in the possession of unpublished price-sensitive information.

These periods include the thirty (30) days after the half yearly and final results announcements, and fourteen (14) days after quarterly trading update releases.

The Policy also requires that Directors do not deal on the basis of considerations of a short term nature or to the extent of trading in those securities. Similar restrictions apply to Executives of the Group, which is in addition to the prohibition of any trading (including hedging) in positions prior to vesting of shares or options.

Directors and Executives who report to the CEO are also prohibited from:

- Any hedging of publicly disclosed shareholding positions; and

- Entering into or maintaining arrangements for margin borrowing, short selling or stock lending, in connection with the securities of the Group.

A copy of the Group Securities Trading Policy is available on the Group's website.

Remuneration

Remuneration Committee

The Remuneration Committee assists the Board to fulfil its responsibilities to shareholders and regulators in relation to remuneration within the Bank and the Group. In general, the Remuneration Committee is responsible for recommending to the Board for approval:

- Remuneration arrangements and all reward outcomes for the CEO, senior direct reports to the CEO and other individuals whose roles may affect the financial soundness of the Group;
- Remuneration arrangements for Finance, Risk & Internal Control Personnel; and
- Significant changes in remuneration policy and structure, including superannuation, employee equity plans and benefits.

The Remuneration Committee also serves as the remuneration committee for those entities within the Group that are regulated by APRA, and those offshore entities subject to remuneration-related regulation that may delegate their remuneration committee function to the Board's Committee from time to time.

The Remuneration Committee consists solely of independent Non-Executive Directors who are free from any business or other relationship that, in the opinion of the Board, would materially interfere with the exercise of his or her independent judgement as a member of the Remuneration Committee. The minimum number of Committee members is three (3) and meetings are chaired by an independent Non-Executive Director.

Committee members are expected to have an appropriate level of knowledge and understanding of remuneration practice, as well as legal and regulatory requirements relating to remuneration.

A copy of the Remuneration Committee Charter is available on the Group's website.

The Committee's members are:

Jane Hemstritch (Chairman)
Launa Inman
Andrew Mohl
David Turner
Sir David Higgins
Wendy Stops

Meetings are held quarterly or more frequently if required.

The Remuneration Committee is authorised to appoint independent remuneration experts to advise them on specific remuneration issues, and will do so independently of management.

The Remuneration Committee has free access at all times to risk and financial control personnel and any other parties (internal and external) in carrying out its duties.

The Remuneration Committee has the power to call any individuals to attend Committee meetings.

Audit

Audit Committee

The Audit Committee assists the Board in fulfilling its statutory, regulatory and fiduciary responsibilities. It provides an objective and independent review of the effectiveness of:

- The external reporting of financial information, including the suitability of accounting policies, and the application of accounting requirements;
- The internal control environment of the Group, including the governance of financial, tax and accounting risks;
- The Group's Audit and external audit functions, including an assessment of the independent, adequacy and effectiveness of these functions; and
- The Group's Risk Management Framework, in conjunction with the Risk Committee.

The Audit Committee consists solely of independent Non-Executive Directors who are financially literate. Members between them have the accounting and financial expertise and sufficient understanding of the financial services industry to be able to discharge the Audit Committee's mandate effectively. The term of each member will be determined by the Board through annual review.

The minimum number of Committee members is three (3) and meetings are chaired by an independent Non-Executive Director who is not the Chairman of the Board. The Risk Committee Chairman is a member of the Audit Committee and vice-versa to assist with the flow of relevant information between the two Committees.

A copy of the Audit Committee Charter is available on the Group's website.

The Committee's members are:

Brian Long (Chairman)
Sir John Anderson
Shirish Apte
Sir David Higgins
Launa Inman
Harrison Young

Meetings are held at least quarterly or more frequently if required.

The external auditor and the Group's internal auditor will be invited to all meetings. Meetings will be held from time to time with the external and internal auditor without management or others being present.

The Audit Committee has the power to call attendees as required, including open access to management, external and internal auditors and the right to seek explanations and additional information.

Senior management and the external and internal auditor have free and unfettered access to the Audit Committee with the Group Auditor having a direct reporting line, while maintaining a management reporting line to the Chief Financial Officer (CFO).

The Committee has the option, with the concurrence of the Chairman of the Board, to retain independent legal, accounting or other advisors, to the extent the Committee considers necessary, at the Group's expense.

Prior to approval of the Group's financial statements for the 2015 financial year, the CEO and the CFO gave the Board a declaration that, in their opinion, the financial records of the Group had been properly maintained in accordance with the

Corporations Act, that the financial statements complied with the appropriate accounting standards and gave a true and fair view of the financial position and performance of the Group, and that their opinion had been formed on the basis of a sound system of risk management and internal compliance and control which was operating effectively.

Internal Audit

The Bank has an Internal Audit function, called Group Audit and Assurance (GAA). GAA comprises of three main functions which include Internal Audit, Credit Portfolio Assurance and Retail Network Assurance.

GAA's responsibilities include the following:

- Develop a risk based Annual Audit Plan (Plan) for approval by the Audit Committee, and adjust the Plan, where necessary, to reflect current and emerging risks and changes in the Group's business, risks, operations, programs, systems and controls;
- Execute the approved Plan in line with the relevant GAA methodologies, and report the results of work performed to senior management and the Audit Committee;
- Issue periodic reports summarising progress against the approved Plan, any significant changes to the Plan, the results of GAA activities including reportable issues (defined as very high or high rated) raised, and other matters that need to be brought to the attention of the Audit Committee;
- Maintain regular and formal dialogue with the external auditors and other assurance functions (e.g. Operational Risk and Group Security) to share knowledge of significant issues, and ensure effective collaboration and appropriate reliance on each other's work;
- Escalate to senior management and the Audit Committee, as appropriate, instances where GAA believes that management has accepted a level of risk in excess of any relevant approved risk appetite;
- Maintain effective relationships with regulators, including providing access to relevant work files in the event of an inspection or if otherwise required by law;
- Maintain a professional team of GAA personnel with appropriate skills, knowledge and experience;
- Agree annually, with the Chairman of the Audit Committee, the Group's Directors' Key Performance Indicators (KPIs) and report at least annually to the Audit Committee against KPIs;
- Maintain an appropriate Quality Assurance programme to ensure the effectiveness and continuous improvement of the GAA function, including annual reporting of the results of internal assessments and independent assessments at least once every five (5) years;
- At the request of management, provide assurance to external parties to meet their respective risk management requirements. GAA will establish in writing the scope and objectives of such assurance, with clear definition of the acceptable use and distribution of the results; and
- Fulfil all regulatory requirements pertaining to GAA.

While maintaining a management reporting line to the CFO, the head of GAA has a direct reporting line to the Audit Committee so as to bring the requisite degree of independence and objectivity to the role.

External Auditor

PricewaterhouseCoopers (PwC) was appointed as the external auditor of the Bank at the 2007 AGM, effective from the beginning of the 2008 financial year.

The PwC partner managing the Group's external audit will attend the 2015 AGM and be available to respond to shareholder questions relating to the external audit.

In line with current legislation, the Group requires that the partner be changed within five (5) years of being appointed. The lead partner from PwC was changed with effect from 1 July 2012.

The Group and its external auditor must continue to comply with US Auditor independence requirements. US Securities and Exchange Commission (SEC) rules still apply to various activities that the Group undertakes in the US, even though the Bank is not registered under its Exchange Act.

Non-Audit Services

The External Auditor Services Policy (Policy) requires the Audit Committee (or its delegate) to approve all audit and non-audit services before engaging the external auditors to perform the work. The Policy also prohibits the external auditors from providing certain services to the Group or its affiliates. The objective of this Policy is to avoid prejudicing the external auditor's independence.

The Policy is designed to ensure that the external auditors do not:

- Assume the role of management or act as an employee;
- Become an advocate for the Group;
- Audit their own work;
- Create a mutual or conflicting interest between themselves and the Group;
- Require an indemnification from the Group to themselves;
- Seek contingency fees; or
- Have a direct financial or business interest or a material indirect financial or business interest in the Group or any of its affiliates, or an employment relationship with the Group or any of its affiliates.

Under the Policy, the external auditor must not provide certain services, including the following services:

- Bookkeeping or other services relating to accounting records or Financial Statements of the Group;
- Financial information systems design and implementation;
- Appraisal or valuation services (other than certain tax only valuation services) and fairness opinions or contribution-in-kind reports;
- Actuarial services unless approved in accordance with independence guidelines;
- Internal audit outsourcing services;
- Management functions, including acting as an employee and secondment arrangements;
- Human resources;
- Broker-dealer, investment adviser or investment banking services;
- Legal services;
- Expert services for the purpose of advocating the interests of the Group;
- Services relating to marketing, planning or opining in favour of the tax treatment of certain transactions;

- Tax services in connection with certain types of tax transactions;
- Tax services to individuals, and any immediate family members of any individuals, in a Financial Reporting Oversight Role;
- Certain corporate recovery and similar services; and
- Certain assurance or other services relating to regulatory investigations or potential contravention of legislation.

In general terms, the permitted services are:

- Audit services to the Group or an affiliate;
- Related services connected with the lodgement of statements or Documents with the Australian Securities and Investments Commission (ASIC), ASX, APRA or other regulatory or supervisory bodies;
- Services reasonably related to the performance of the audit services;
- Agreed-upon procedures or comfort letters provided by the external auditor to third parties in connection with the Group's financing or related activities; and
- Other services pre-approved by the Audit Committee.

Risk Management

Risk Management governance originates at Board level, and cascades through the Group via policies, delegated authorities and committee structures. The Board and its Risk Committee operate under the direction of their respective Charters.

The Board sets the foundation for risk management via its articulated Risk Appetite Statement (RAS). It is also responsible for overseeing the establishment of systems of risk management by approving management's Risk Management Strategy (RMS) Document and the key frameworks and policy components.

Risk Committee

The Risk Committee oversees and annually reviews the Group's Risk Management Framework (RMF) and helps formulate the Group's risk appetite for consideration by the Board. It reviews regular reports from management on the measurement of risk and the adequacy and effectiveness of the Group's risk management and internal controls systems. Such reviews took place in the 2015 financial year. Tax and accounting risks are governed by the Audit Committee.

The Committee monitors management's compliance with the Group's RMF, including management's implementation of key policies that underpin the Group RMS.

The Risk Committee also monitors the health of the Group's risk culture, and reports any significant issues to the Board.

The Risk Committee consists solely of independent Non-Executive Directors. The minimum number of Committee members is four (4) and meetings are chaired by an independent, Non-Executive Director of the Board. The Audit Committee Chairman is a member of the Risk Committee and vice-versa to ensure the flow of relevant information between the two Committees.

A copy of the Risk Committee Charter is available on the Group's website.

The Committee's members are:
Harrison Young (Chairman)
David Turner
Sir John Anderson
Shirish Apte
Jane Hemstritch
Brian Long
Andrew Mohl

Meetings are held at least quarterly or more frequently if required.

The Risk Committee will meet the regulators on request. The Risk Committee has the option, with the concurrence of the Chairman of the Board, to retain independent legal, accounting or other advisors, to the extent the Committee considers necessary, at the Group's expense.

Risk Management Framework

The Group has an integrated RMF in place to manage risks and risk adjusted returns on a consistent and reliable basis.

The Group's RMF incorporates the requirements of APRA's prudential standard for risk management (CPS220) and is structured around the interaction and integration of its key Documentary components, which consists of RAS, RMS and the Group's business plan.

Material Exposure to Economic, Environmental and Social Sustainability Risks

There are a number of material business risks that could adversely affect the Group and the achievement of the Group's financial performance objectives.

Continuous Disclosure

Matters which could be expected to have a material effect on the price or value of the Group's securities must be disclosed under the Corporations Act and the ASX Listing Rules. The Group's Guidelines for Communication between the Bank and Shareholders is available on the Group's website. These set out the processes to ensure that shareholders and the market are provided with full and timely information about the Group's activities in compliance with continuous disclosure requirements.

Continuous disclosure policy and processes are in place throughout the Group to ensure that all material matters which may potentially require disclosure are promptly reported to the CEO. This is achieved via established reporting lines or as part of the deliberations of the Group's Executive Committee. Matters reported are assessed and, where required by the ASX Listing Rules, advised to the market. The Group's Company Secretary is responsible for communications with the ASX and for ensuring that such information is not released to any person until the ASX has confirmed its release to the market.

Shareholder Communication

The Group believes it is very important for its shareholders to make informed decisions about their investment in the Bank. In order for the market to have an understanding of the business operations and performance, the Group aims to provide shareholders with access to quality information in the form of:

- Interim and final results;
- Annual reports;
- Shareholder newsletters;

- Matters discussed at the Annual General Meeting;
- Quarterly trading updates and Business Unit briefings where considered appropriate;
- All other price sensitive information will be released to the ASX in a timely manner;
- The Group's website at www.commbank.com.au; and
- The Group's investor relations app.

The Group employs a wide range of communication approaches, including direct communication with shareholders, publication of all relevant Group information on the shareholder centre section of the website and webcasting of most market briefings for shareholders. Upcoming webcasts are announced to the market via ASX announcements and publicised on the website to enable interested parties to participate. To make its general meetings more accessible to shareholders, the Group moves the location of its AGM between Australian capital cities each year and live webcasts are available for viewing online. The Group has taken these actions to encourage shareholder participation at general meetings. Shareholders have the option to receive communications from, and send communications to, the Bank and its share registry electronically.

The Group has in place an investor relations programme to facilitate effective two way communication with investors. A summary record of issues discussed at one-on-one or group meetings with investors and analysts, including a record of those present, time and venue of the meeting, is kept for internal reference only.

The Group is committed to maintaining a level of disclosure that meets the highest of standards and provides all investors with timely and equal access to information.

Ethical Policies

The values of the Group are integrity, collaboration, excellence, accountability and service. The Board carries out its legal duties in accordance with these values and having appropriate regard to the interests of the Group's customers, shareholders, people and the broader community in which the Group operates.

Policies and codes of conduct have been established by the Board and management to support the Group's objectives, vision and values.

Statement of Professional Practice

The Group's code of ethics, known as the Statement of Professional Practice, sets standards of behaviour required of all employees and Directors including:

- To act properly and efficiently in pursuing the objectives of the Group;
- To avoid situations which may give rise to a conflict of interest;
- To know and adhere to the Group's Equal Employment Opportunity policy and programs;
- To maintain confidentiality in the affairs of the Group and its customers; and
- To be absolutely honest in all professional activities.

These standards are regularly communicated to the Group's people. In addition, the Group Securities Trading Policy is designed to ensure that unpublished price-sensitive information is not used in an illegal manner for personal advantage.

Our People

The Group has implemented various policies, processes and systems to enable its people to carry out their duties in accordance with the Group's values. These include:

- Workplace Conduct (EEO);
- Work Health and Safety;
- Recruitment and Selection;
- Performance Management;
- Talent Management and Succession Planning;
- Remuneration and Recognition;
- Employee Share Plans; and
- Supporting Professional Development.

Diversity

In December 2009 the Group set a target to increase the representation of women in Executive Management and above roles from 26.6% to 35% by December 2014. As at 30 June 2015 the Group achieved 35% women in Executive Management and above roles. Overall, women make up almost 60% of the Group's workforce and 43% of them are in management roles.

In the senior leadership roles, women make up 33.3% of the Executive Committee and 30% of the Non-Executive Directors on the Board.

The Group's most recent Gender Equality Indicators, as defined in and published under the Workforce Gender Equality Act, can be viewed at www.wgea.gov.au

Workplace Responsibilities, Behaviours and Compliance

The Group is strongly committed to maintaining an ethical workplace and to complying with its legal and ethical responsibilities. The Group has a number of policies relating to workplace responsibilities, behaviours and compliance that apply to and must be observed by Group staff.

The Group has a system in place which allows staff to report (and remain anonymous if they wish) suspected fraud or corrupt, unlawful or improper conduct. The Group also has a "SpeakUP Hotline" which is available for staff to raise issues (anonymously if they wish) affecting their role or their wellbeing at work. The SpeakUP Hotline is an external telephone and email service staffed by independent consultants qualified and equipped to respond to such matters.

Code Of Conduct

The Board operates in a manner reflecting the Group's values and in accordance with its Corporate Governance Guidelines, the Bank's Constitution, the Corporations Act and all other applicable regulations.

The Board employs and requires at all levels impeccable values, honesty and openness. Through its processes it achieves transparent open governance and communications, and it addresses both performance and compliance.

The Board's policies and codes include detailed provisions dealing with:

- The interaction between the Board and management to ensure there is effective communication of the Board's views and decisions, resulting in motivation and focus towards long term shareholder value behaviours and outcomes;
- Disclosure of relevant personal interests so that potential conflict of interest situations can be identified and

appropriate action undertaken to avoid compromising the independence of the Board; and

- Security dealings in compliance with the Group's strict guidelines and in accordance with its values of integrity, collaboration, excellence, accountability and service.

Conclusion

The Board recognises that practices and procedures can always be improved. Accordingly, the Group's Corporate Governance Framework is kept under review to take into account changing standards and regulations.

Five Year Financial Summary

	2015	2014 [1]	2013	2012	2011
	$M	$M	$M	$M	$M
Net interest income	**15,799**	15,091	13,944	13,157	12,645
Other operating income [2]	**7,779**	7,310	6,877	6,319	7,014
Total operating income	**23,578**	22,401	20,821	19,476	19,659
Operating expenses	**(9,993)**	(9,499)	(9,010)	(8,627)	(8,891)
Impairment expense	**(988)**	(953)	(1,082)	(1,089)	(1,280)
Net profit before tax	**12,597**	11,949	10,729	9,760	9,488
Corporate tax expense	**(3,439)**	(3,250)	(2,953)	(2,705)	(2,637)
Non-controlling interests	**(21)**	(19)	(16)	(16)	(16)
Net profit after tax ("cash basis")	**9,137**	8,680	7,760	7,039	6,835
Treasury shares valuation adjustment	**(28)**	(41)	(53)	(15)	(22)
Hedging and IFRS volatility	**6**	6	27	124	(265)
Gain/(Loss) on disposal of controlled entities/investments	**-**	17	-	-	(7)
Bankwest non-cash items	**(52)**	(56)	(71)	(89)	(147)
Count Financial acquisition costs	**-**	-	-	(43)	-
Bell Group litigation	**-**	25	(45)	-	-
Net profit after income tax attributable to Equity holders of the Bank ("statutory basis")	**9,063**	8,631	7,618	7,016	6,394
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
Net profit after tax ("cash basis")	**9,137**	8,680	7,760	7,039	6,835
Investment experience after tax	**(150)**	(197)	(105)	(89)	(81)
Net profit after tax ("underlying basis")	**8,987**	8,483	7,655	6,950	6,754
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
Net tangible assets	**41,522**	38,080	33,638	29,869	26,217
Risk weighted assets - Basel III (APRA)	**368,721**	337,715	329,158	n/a	n/a
Risk weighted assets - Basel II (APRA)	**n/a**	n/a	n/a	302,787	281,711
Average interest earning assets	**754,872**	705,371	653,637	629,685	597,406
Average interest bearing liabilities	**714,159**	661,733	609,557	590,654	559,095
Assets (on Balance Sheet) - Australia	**741,249**	669,293	644,043	621,965	581,695
Assets (on Balance Sheet) - New Zealand	**72,299**	69,110	61,578	55,499	54,993
Assets (on Balance Sheet) - Other	**59,898**	53,048	48,236	41,375	31,211

(1) Comparative information has been restated to conform to presentation in the current year. Refer to “Disclosures – Financial Information Definitions - Reclassification of certain Income Statement and Balance Sheet Information”, Note 1 to the 2015 Financial Report and Appendix C of this Document for further details.

(2) Includes investment experience.

Five Year Financial Summary

	2015	2014	2013	2012	2011
Shareholder summary					
Dividends per share - fully franked (cents)	**420**	401	364	334	320
Dividend cover - statutory (times)	**1.3**	1.3	1.3	1.3	1.3
Dividend cover - cash (times)	**1.3**	1.3	1.3	1.3	1.4
Earnings per share (cents)					
Basic					
Statutory	**557.0**	533.8	474.2	444.2	411.2
Cash basis	**560.8**	535.9	482.1	444.7	438.7
Fully diluted					
Statutory	**542.7**	521.9	461.0	428.5	395.1
Cash basis	**546.3**	524.0	468.6	429.0	420.6
Dividend payout ratio (%)					
Statutory	**75.7**	75.5	77.4	76.0	78.3
Cash basis	**75.1**	75.1	75.9	75.8	73.2
Net tangible assets per share ($)	**25.5**	23.5	20.9	18.8	16.8
Weighted average number of shares ("statutory" basic) (M)	**1,618**	1,608	1,598	1,570	1,545
Weighted average number of shares ("statutory" fully diluted) (M)	**1,702**	1,681	1,686	1,674	1,668
Weighted average number of shares ("cash" basic) (M)	**1,620**	1,611	1,601	1,573	1,548
Weighted average number of shares ("cash" fully diluted) (M)	**1,704**	1,684	1,689	1,677	1,671
Number of shareholders	**787,969**	791,564	786,437	792,906	792,765
Share prices for the year ($)					
Trading high	**96.69**	82.68	74.18	53.80	55.77
Trading low	**73.57**	67.49	53.18	42.30	47.05
End (closing price)	**85.13**	80.88	69.18	53.10	52.30
Performance ratios (%)					
Return on average Shareholders' equity					
Statutory	**18.2**	18.7	18.0	18.5	18.4
Cash basis	**18.2**	18.7	18.2	18.4	19.5
Return on average total assets					
Statutory	**1.1**	1.1	1.0	1.0	1.0
Cash basis	**1.1**	1.1	1.1	1.0	1.0
Capital adequacy - Common Equity Tier One - Basel III (APRA)	**9.1**	9.3	8.2	n/a	n/a
Capital adequacy - Tier One - Basel III (APRA)	**11.2**	11.1	10.3	n/a	n/a
Capital adequacy - Tier Two - Basel III (APRA)	**1.5**	0.9	0.9	n/a	n/a
Capital adequacy - Total - Basel III (APRA)	**12.7**	12.0	11.2	n/a	n/a
Capital adequacy - Tier One - Basel II	**n/a**	n/a	n/a	10.0	10.0
Capital adequacy - Tier Two - Basel II	**n/a**	n/a	n/a	1.0	1.7
Capital adequacy - Total - Basel II	**n/a**	n/a	n/a	11.0	11.7
Net interest margin	**2.09**	2.14	2.13	2.09	2.12
Other information (numbers)					
Full-time equivalent employees	**45,948**	44,329	44,969	44,844	46,060
Branches/services centres (Australia)	**1,147**	1,150	1,166	1,167	1,160
Agencies (Australia)	**3,670**	3,717	3,764	3,818	3,795
ATM's (proprietary)	**4,440**	4,340	4,304	4,213	4,173
EFTPOS terminals	**208,202**	200,733	181,227	175,436	170,855
Productivity (1)					
Total income per full-time (equivalent) employee ($)	**508,578**	500,034	459,583	430,983	424,186
Employee expense/Total income (%)	**24.9**	25.0	25.3	25.1	24.5
Total operating expenses/Total income (%) ("cash basis")	**42.8**	42.9	43.6	44.6	45.5

(1) The productivity metrics have been calculated on a "cash basis". Please refer to "Disclosures - Non-Cash Items Included in Statutory Profit" on page 9 of this Document for further details. A reconciliation of the Net profit after tax ("cash basis") by business segment is provided in Note 26 to the 2015 Financial Report.

For the purposes of providing investors with a thorough understanding of the Group's performance, this Appendix provides relevant financial year 2011 and 2012 information not provided within the 2015 Financial Report.

Provisions for Impairment

Provisions for impairment losses	2012 $M	2011 $M
Collective provision		
Opening balance	3,043	3,461
Acquisitions	-	-
Net collective provision funding	312	45
Impairment losses written off	(740)	(646)
Impairment losses recovered	228	206
Fair value and other	(6)	(23)
Closing balance	2,837	3,043
Individually assessed provisions		
Opening balance	2,125	1,992
Acquisitions	-	-
Net new and increased individual provisioning	1,202	1,602
Write-back of provisions no longer required	(425)	(367)
Discount unwind to interest income	(122)	(147)
Fair value and other	365	374
Impairment losses written off	(1,137)	(1,329)
Closing balance	2,008	2,125
Total provisions for impairment losses	4,845	5,168
Less: Off Balance Sheet provisions	(18)	(21)
Total provisions for loan impairment	4,827	5,147

Provision ratios	2012 %	2011 %
Collective provision as a % of credit risk weighted assets - Basel II	1. 09	1. 23
Total provision as a % of credit risk weighted assets - Basel II	1. 85	2. 09
Total provisions for impaired assets as a % of gross impaired assets	45. 5	40. 7
Total provisions for impairment losses as a % of gross loans and acceptances	0. 89	1. 00

Appendix A – Additional Historical Information

Credit Risk Management

The following tables set out the Group's impaired asset position by industry and asset class as at 30 June 2013, 2012 and 2011.

							2013
Industry	Loans $M	Gross Impaired Loans $M	Individually Assessed Provisions $M	Net Impaired Loans $M	Write-offs $M	Recoveries $M	Net Write-offs $M
Australia							
Sovereign	1,971	-	-	-	-	-	-
Agriculture	5,971	398	(168)	230	30	-	30
Bank and other financial	7,929	300	(217)	83	79	(8)	71
Home Loans	338,023	924	(182)	742	217	(4)	213
Construction	2,634	110	(89)	21	139	-	139
Other Personal	21,796	255	(142)	113	622	(113)	509
Asset Financing	8,414	58	(23)	35	25	(6)	19
Other commercial and industrial	110,545	1,494	(871)	623	686	(13)	673
Total Australia	497,283	3,539	(1,692)	1,847	1,798	(144)	1,654
Overseas							
Sovereign	9,670	-	-	-	-	-	-
Agriculture	6,480	142	(16)	126	4	-	4
Bank and other financial	7,029	36	(5)	31	10	(1)	9
Home Loans	34,817	171	(17)	154	21	(1)	20
Construction	301	4	-	4	-	-	-
Other Personal	863	9	(3)	6	25	(8)	17
Asset Financing	274	4	-	4	-	-	-
Other commercial and industrial	6,041	81	(26)	55	31	-	31
Total overseas	65,475	447	(67)	380	91	(10)	81
Gross balances	562,758	3,986	(1,759)	2,227	1,889	(154)	1,735

Credit Risk Management (continued)

	2012						
Industry	Loans $M	Gross Impaired Loans $M	Individually Assessed Provisions $M	Net Impaired Loans $M	Write-offs $M	Recoveries $M	Net Write-offs $M
Australia							
Sovereign	1,619	-	-	-	-	-	-
Agriculture	5,251	224	(89)	135	32	-	32
Bank and other financial	10,225	341	(235)	106	51	(17)	34
Home loans	322,918	910	(256)	654	88	(5)	83
Construction	2,796	218	(152)	66	45	-	45
Other Personal	21,772	212	(131)	81	657	(147)	510
Asset Financing	8,214	53	(14)	39	38	(17)	21
Other commercial and industrial	104,330	2,193	(1,163)	1,030	884	(30)	854
Total Australia	477,125	4,151	(2,040)	2,111	1,795	(216)	1,579
Overseas							
Sovereign	10,235	-	-	-	-	-	-
Agriculture	5,198	56	(7)	49	5	-	5
Bank and other financial	3,156	79	(6)	73	1	-	1
Home loans	30,063	162	(28)	134	24	-	24
Construction	345	-	-	-	-	-	-
Other Personal	656	10	(3)	7	19	(8)	11
Asset Financing	468	7	-	7	-	-	-
Other commercial and industrial	5,134	97	(47)	50	33	(4)	29
Total overseas	55,255	411	(91)	320	82	(12)	70
Gross balances	532,380	4,562	(2,131)	2,431	1,877	(228)	1,649

Credit Risk Management (continued)

							2011
		Gross	Individually	Net			
		Impaired	Assessed	Impaired			Net
	Loans	Loans	Provisions	Loans	Write-offs	Recoveries	Write-offs
Industry	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**
Australia							
Sovereign	2,212	-	-	-	-	-	-
Agriculture	5,278	191	(87)	104	10	-	10
Bank and other financial	9,986	387	(254)	133	107	(3)	104
Home Loans	306,250	734	(202)	532	84	(43)	41
Construction	2,877	233	(133)	100	89	-	89
Other Personal	22,144	10	(11)	(1)	567	(134)	433
Asset Financing	8,328	85	(37)	48	26	(2)	24
Other commercial and industrial	98,538	2,857	(1,307)	1,550	989	(17)	972
Total Australia	455,613	4,497	(2,031)	2,466	1,872	(199)	1,673
Overseas							
Sovereign	4,603	-	-	-	-	-	-
Agriculture	4,920	123	(11)	112	17	-	17
Bank and other financial	6,988	59	(1)	58	1	-	1
Home Loans	29,591	177	(25)	152	26	-	26
Construction	322	-	-	-	1	-	1
Other Personal	559	1	-	1	22	(7)	15
Asset Financing	1,256	-	-	-	-	-	-
Other commercial and industrial	3,489	293	(57)	236	36	-	36
Total overseas	51,728	653	(94)	559	103	(7)	96
Gross balances	507,341	5,150	(2,125)	3,025	1,975	(206)	1,769

Credit Risk Management (continued)

The following tables set out the Group's credit risk by industry and asset class as at 30 June 2013, 2012 and 2011.

Maximum Exposure to Credit Risk by Industry and Asset Class before Collateral Held or Other Credit Enhancements

At 30 June 2013

	Sovereign $M	Agri-culture $M	Bank & Other Financial $M	Home Loans $M	Constr-uction $M	Personal $M	Asset Financing $M	Other Comm & Indust. $M	Other $M	Total $M
Australia										
Credit risk exposures relating to on Balance Sheet assets:										
Cash and liquid assets	-	-	5,857	-	-	-	-	-	-	5,857
Receivables due from other financial institutions	-	-	3,808	-	-	-	-	-	-	3,808
Assets at fair value through Income Statement:										
Trading	9,726	-	1,078	-	-	-	-	2,406	-	13,210
Insurance [(1)]	945	-	8,013	-	-	-	-	3,487	-	12,445
Other	44	-	145	-	-	-	-	-	-	189
Derivative assets	422	33	35,189	-	42	-	-	4,539	-	40,225
Available-for-sale investments	28,587	-	23,311	-	-	-	-	859	-	52,757
Loans, bills discounted and other receivables	1,971	5,971	7,929	338,023	2,634	21,796	8,414	110,545	-	497,283
Bank acceptances	3	2,770	190	-	554	-	-	2,537	-	6,054
Other assets [(2)]	98	22	1,802	770	7	49	12	469	17,607	20,836
Total on Balance Sheet Australia	41,796	8,796	87,322	338,793	3,237	21,845	8,426	124,842	17,607	652,664
Credit risk exposures relating to off Balance Sheet assets:										
Guarantees	1,430	46	192	-	726	-	-	2,935	-	5,329
Loan commitments	919	1,470	1,905	60,584	1,615	18,625	-	37,686	-	122,804
Other commitments	123	22	3,477	-	538	-	-	1,903	-	6,063
Total Australia	44,268	10,334	92,896	399,377	6,116	40,470	8,426	167,366	17,607	786,860
Overseas										
Credit risk exposures relating to on Balance Sheet assets:										
Cash and liquid assets	-	-	14,777	-	-	-	-	-	-	14,777
Receivables due from other financial institutions	-	-	3,936	-	-	-	-	-	-	3,936
Assets at fair value through Income Statement:										
Trading	493	-	798	-	-	-	-	5,116	-	6,407
Insurance [(1)]	-	-	1,914	-	-	-	-	-	-	1,914
Other	587	-	131	-	-	-	-	-	-	718
Derivative assets	474	15	3,481	-	-	-	-	1,145	-	5,115
Available-for-sale investments	5,460	-	1,359	-	-	-	-	25	-	6,844
Loans, bills discounted and other receivables	9,670	6,480	7,029	34,817	301	863	274	6,041	-	65,475
Bank acceptances	-	-	-	-	-	-	-	9	-	9
Other assets [(2)]	24	1	426	1	1	-	2	36	1,617	2,108
Total on Balance Sheet overseas	16,708	6,496	33,851	34,818	302	863	276	12,372	1,617	107,303
Credit risk exposures relating to off Balance Sheet assets:										
Guarantees	7	2	43	-	45	-	-	270	-	367
Loan commitments	388	447	132	4,066	729	1,383	-	10,015	-	17,160
Other commitments	76	5	191	-	10	-	75	796	-	1,153
Total overseas	17,179	6,950	34,217	38,884	1,086	2,246	351	23,453	1,617	125,983
Total gross credit risk	61,447	17,284	127,113	438,261	7,202	42,716	8,777	190,819	19,224	912,843

(1) In most cases the credit risk of insurance assets is borne by policyholders. However, on certain insurance contracts the Group retains exposure to credit risk.

(2) Other assets predominantly comprises assets which do not give rise to credit exposure, including intangible assets, property, plant and equipment, and defined benefit superannuation plan surplus, which are shown in "Other" for the purpose of reconciling to the Balance Sheet.

Credit Risk Management (continued)

Maximum Exposure to Credit Risk by Industry and Asset Class before Collateral Held or Other Credit Enhancements

At 30 June 2012	Sovereign $M	Agri-culture $M	Bank & Other Financial $M	Home Loans $M	Constr-uction $M	Personal $M	Asset Financing $M	Other Comm & Indust. $M	Other $M	Total $M
Australia										
Credit risk exposures relating to on Balance Sheet assets:										
Cash and liquid assets	-	-	7,519	-	-	-	-	-	-	7,519
Receivables due from other financial institutions	-	-	6,135	-	-	-	-	-	-	6,135
Assets at fair value through Income Statement:										
Trading	5,560	-	975	-	-	-	-	2,416	-	8,951
Insurance (1)	929	-	8,476	-	-	-	-	3,413	-	12,818
Other	-	-	6	-	-	-	-	-	-	6
Derivative assets	311	66	30,138	-	31	-	-	4,846	-	35,392
Available-for-sale investments	25,639	-	26,604	-	-	-	-	479	-	52,722
Loans, bills discounted and other receivables	1,619	5,251	10,225	322,918	2,796	21,772	8,214	104,330	-	477,125
Bank acceptances	3	2,886	191	-	603	-	-	6,032	-	9,715
Other assets (2)	37	61	184	1,165	11	32	17	480	14,023	16,010
Total on Balance Sheet Australia	34,098	8,264	90,453	324,083	3,441	21,804	8,231	121,996	14,023	626,393
Credit risk exposures relating to off Balance Sheet assets:										
Guarantees	1,241	34	258	14	903	-	-	2,766	-	5,216
Loan commitments	1,117	814	2,082	57,158	1,903	18,923	-	32,674	-	114,671
Other commitments	96	13	1,770	4	725	-	-	2,042	-	4,650
Total Australia	36,552	9,125	94,563	381,259	6,972	40,727	8,231	159,478	14,023	750,930
Overseas										
Credit risk exposures relating to on Balance Sheet assets:										
Cash and liquid assets	-	-	12,147	-	-	-	-	-	-	12,147
Receivables due from other financial institutions	-	-	4,751	-	-	-	-	-	-	4,751
Assets at fair value through Income Statement:										
Trading	407	-	859	-	-	-	-	3,599	-	4,865
Insurance (1)	-	-	1,707	-	-	-	-	-	-	1,707
Other	967	-	7	-	-	-	-	-	-	974
Derivative assets	225	1	3,157	-	-	-	-	792	-	4,175
Available-for-sale investments	6,948	-	1,156	-	-	-	-	1	-	8,105
Loans, bills discounted and other receivables	10,235	5,198	3,156	30,063	345	656	468	5,134	-	55,255
Bank acceptances	-	-	-	-	-	-	-	2	-	2
Other assets (2)	19	1	5,378	1	-	-	1	37	1,746	7,183
Total on Balance Sheet overseas	18,801	5,200	32,318	30,064	345	656	469	9,565	1,746	99,164
Credit risk exposures relating to off Balance Sheet assets:										
Guarantees	-	1	2	-	12	-	-	127	-	142
Loan commitments	392	375	197	3,849	168	1,172	-	7,009	-	13,162
Other commitments	71	1	-	-	3	-	-	1,032	-	1,107
Total overseas	19,264	5,577	32,517	33,913	528	1,828	469	17,733	1,746	113,575
Total gross credit risk	55,816	14,702	127,080	415,172	7,500	42,555	8,700	177,211	15,769	864,505

(1) In most cases the credit risk of insurance assets is borne by policyholders. However, on certain insurance contracts the Group retains exposure to credit risk.

(2) Other assets predominantly comprises assets which do not give rise to credit risk exposure, including intangible assets, property, plant and equipment, and defined benefit superannuation plan surplus, which are shown in "Other" for the purpose of reconciling to the Balance Sheet.

Credit Risk Management (continued)

Maximum Exposure to Credit Risk by Industry and Asset Class before Collateral Held or Other Credit Enhancements

	At 30 June 2011									
	Sovereign $M	Agri-culture $M	Bank & Other Financial $M	Home Loans $M	Constr-uction $M	Personal $M	Asset Financing $M	Other Comm & Indust. $M	Other $M	Total $M
Australia										
Credit risk exposures relating to on Balance Sheet assets:										
Cash and liquid assets	-	-	6,193	-	-	-	-	-	-	6,193
Receivables due from other financial institutions	-	-	5,203	-	-	-	-	-	-	5,203
Assets at fair value through Income Statement:										
Trading	11,129	-	670	-	-	-	-	3,430	-	15,229
Insurance (1)	844	-	9,871	-	109	-	-	2,559	-	13,383
Other	-	-	-	-	-	-	-	-	-	-
Derivative assets	143	33	23,055	-	43	-	-	3,669	-	26,943
Available-for-sale investments	14,851	-	23,184	-	-	-	-	641	-	38,676
Loans, bills discounted and other receivables	2,212	5,278	9,986	306,250	2,877	22,144	8,328	98,538	-	455,613
Bank acceptances	4	3,071	213	-	528	-	-	6,918	-	10,734
Other assets (2)	83	43	5,171	945	46	7	18	371	13,443	20,127
Total on Balance Sheet Australia	29,266	8,425	83,546	307,195	3,603	22,151	8,346	116,126	13,443	592,101
Credit risk exposures relating to off Balance Sheet assets:										
Guarantees	90	29	166	14	550	-	-	3,478	-	4,327
Loan commitments	3,258	967	1,802	54,015	2,897	17,907	-	30,154	-	111,000
Other commitments	42	20	1,803	259	909	-	-	2,003	-	5,036
Total Australia	32,656	9,441	87,317	361,483	7,959	40,058	8,346	151,761	13,443	712,464
Overseas										
Credit risk exposures relating to on Balance Sheet assets:										
Cash and liquid assets	-	-	7,048	-	-	-	-	-	-	7,048
Receivables due from other financial institutions	-	-	5,190	-	-	-	-	-	-	5,190
Assets at fair value through Income Statement:										
Trading	1,961	-	1,201	-	-	-	-	2,078	-	5,240
Insurance (1)	-	-	1,615	-	-	-	-	-	-	1,615
Other	299	5	496	-	-	3	-	21	-	824
Derivative assets	222	-	2,502	-	-	-	-	650	-	3,374
Available-for-sale investments	4,793	-	1,046	-	-	-	-	656	-	6,495
Loans, bills discounted and other receivables	4,603	4,920	6,988	29,591	322	559	1,256	3,489	-	51,728
Bank acceptances	-	-	-	-	-	-	-	-	-	-
Other assets (2)	23	-	247	1	1	-	-	62	1,234	1,568
Total on Balance Sheet overseas	11,901	4,925	26,333	29,592	323	562	1,256	6,956	1,234	83,082
Credit risk exposures relating to off Balance Sheet assets:										
Guarantees	-	-	3	-	13	-	-	119	-	135
Loan commitments	4,341	367	289	3,370	154	1,164	-	5,649	-	15,334
Other commitments	31	1	-	-	2	-	-	268	-	302
Total overseas	16,273	5,293	26,625	32,962	492	1,726	1,256	12,992	1,234	98,853
Total gross credit risk	48,929	14,734	113,942	394,445	8,451	41,784	9,602	164,753	14,677	811,317

(1) In most cases the credit risk of insurance assets is borne by policyholders. However, on certain insurance contracts the Group retains exposure to credit risk.

(2) Other assets predominantly comprises assets which do not give rise to credit exposure, including intangible assets, property, plant and equipment, and defined benefit superannuation plan surplus, which are shown in "Other" for the purpose of reconciling to the Balance Sheet.

Credit Risk Management (continued)

Large Exposures

Concentrations of exposure to any debtor or counterparty group are controlled by a large credit exposure policy. All exposures outside the policy require approval by the Executive Risk Committee and are reported to the Board Risk Committee.

The following table shows the aggregated number of the Group's Corporate and Industrial counterparty exposures (including direct and contingent exposures) which individually were greater than 5% of the Group's capital resources (Tier One and Tier Two capital):

	2013 Number	2012 Number	2011 Number
5% to less than 10% of the Group's capital resources	-	1	-
10% to less than 15% of the Group's capital resources	-	-	-

Asset Quality

Financial assets individually assessed as impaired

	2013			2012		
	Gross Impaired Assets $M	Total Provisions for Impaired Assets $M	Net Impaired Assets $M	Gross Impaired Assets $M	Total Provisions for Impaired Assets $M	Net Impaired Assets $M
Australia						
Loans and other receivables:						
Housing Loans	946	(182)	764	919	(256)	663
Other Personal	255	(142)	113	212	(131)	81
Asset Financing	58	(23)	35	53	(14)	39
Other commercial and industrial	2,620	(1,345)	1,275	3,079	(1,639)	1,440
Financial assets individually assessed as impaired - Australia	3,879	(1,692)	2,187	4,263	(2,040)	2,223
Overseas						
Loans and other receivables:						
Housing Loans	171	(18)	153	163	(28)	135
Other Personal	9	(3)	6	10	(3)	7
Asset Financing	4	-	4	7	-	7
Other commercial and industrial	267	(46)	221	244	(60)	184
Financial assets individually assessed as impaired - overseas	451	(67)	384	424	(91)	333
Total financial assets individually assessed as impaired	4,330	(1,759)	2,571	4,687	(2,131)	2,556

	2012			2011		
	Gross Impaired Assets $M	Individually Assessed Provisions $M	Net Impaired Assets $M	Gross Impaired Assets $M	Individually Assessed Provisions $M	Net Impaired Assets $M
Australia						
Loans and other receivables:						
Housing Loans	919	(256)	663	734	(202)	532
Other Personal	212	(131)	81	10	(120)	(110)
Asset Financing	53	(14)	39	85	(37)	48
Other commercial and industrial	3,079	(1,639)	1,440	3,811	(1,781)	2,030
Financial assets individually assessed as impaired - Australia	4,263	(2,040)	2,223	4,640	(2,140)	2,500
Overseas						
Loans and other receivables:						
Housing loans	163	(28)	135	177	(25)	152
Other Personal	10	(3)	7	1	(3)	(2)
Asset Financing	7	-	7	-	-	-
Other commercial and industrial	244	(60)	184	479	(69)	410
Financial assets individually assessed as impaired - overseas	424	(91)	333	657	(97)	560
Total financial assets individually assessed as impaired	4,687	(2,131)	2,556	5,297	(2,237)	3,060

Asset Quality (continued)

	Australia 2013 $M	Overseas 2013 $M	Total 2013 $M
Non-Performing Loans by Size of Loan			
Less than $1 million	1,359	185	1,544
$1 million to $10 million	1,159	146	1,305
Greater than $10 million	1,361	120	1,481
Total	3,879	451	4,330

	Australia 2012 $M	Overseas 2012 $M	Total 2012 $M	Australia 2011 $M	Overseas 2011 $M	Total 2011 $M
Non-Performing Loans by Size of Loan						
Less than $1 million	1,108	186	1,294	829	215	1,044
$1 million to $10 million	1,359	110	1,469	1,414	129	1,543
Greater than $10 million	1,796	128	1,924	2,397	313	2,710
Total	4,263	424	4,687	4,640	657	5,297

Euro-zone Exposures

This table includes exposures to Euro-zone countries that are currently experiencing significant economic, fiscal and/or political strains such that likelihood of default would be higher than would be anticipated when such factors do not exist.

The exposures below are represented gross unless cash collateral has been pledged which is the case for derivative exposures.

The total exposures to these countries are 100% funded. No further unfunded committed exposures exist.

The Group continues to monitor these exposures and notes, that due to their size and associated security, they are not considered significant to the Group as a whole.

It should be noted that the interest rate risk exposures on these positions is insignificant to the Group as a whole.

	As at 30 June 2015			
	Sovereign Exposure	Non Sovereign Exposure		Total Exposure
		Bank	Corporate	
Financial Instrument	$M	$M	$M	$M
Italy				
Loans and Leases	-	-	-	-
Available for Sale Assets	-	70	-	70
Derivative Assets	-	-	3	3
	-	70	3	73
Spain				
Loans and Leases	-	-	133	133
Derivative Assets	-	5	-	5
	-	5	133	138
Ireland				
Loans and Leases	-	-	851	851
Available for Sale Assets	-	-	-	-
Off Balance Sheet	-	-	32	32
Trading at Fair Value	-	-	-	-
Derivative Assets	9	-	21	30
	9	-	904	913
Greece				
Loans and Leases	-	-	-	-
Derivative Assets	-	-	-	-
	-	-	-	-
Total Exposure	9	75	1,040	1,124

Average Balances and Related Interest

Net interest margin	Avg Bal $M 2013	Income $M 2013	Yield % 2013
Total interest earning assets	653,637	34,739	5. 32
Total interest bearing liabilities	609,557	20,805	3. 41
Net interest income and interest spread		13,934	1. 91
Benefit of free funds			0. 22
Net interest margin			2. 13

Appendix A – Additional Historical Information

Loans, Advances and Other Receivables

	2013 $M	2012 $M	2011 $M
Australia			
Overdrafts	20,039	21,497	21,930
Home loans [(1)]	338,023	322,918	306,250
Credit card outstandings	11,457	11,149	10,798
Lease financing	4,328	4,250	4,404
Bills discounted	22,017	16,777	14,820
Term loans	101,141	99,902	96,097
Other lending	271	625	1,310
Other securities	7	7	4
Total Australia	497,283	477,125	455,613
Overseas			
Overdrafts	1,098	891	629
Home loans [(1)]	34,817	30,063	29,591
Credit card outstandings	676	603	572
Redeemable preference share financing	-	-	-
Lease financing	392	478	468
Term loans	28,492	23,220	20,468
Total overseas	65,475	55,255	51,728
Gross loans, bills discounted and other receivables	562,758	532,380	507,341
Less			
Provisions for Loan Impairment:			
Collective provision	(2,827)	(2,819)	(3,022)
Individually assessed provisions	(1,628)	(2,008)	(2,125)
Unearned income:			
Term loans	(900)	(1,032)	(1,153)
Lease financing	(755)	(839)	(984)
	(6,110)	(6,698)	(7,284)
Net loans, bills discounted and other receivables	556,648	525,682	500,057

(1) Home loans balance includes residential mortgages that have been assigned to securitisation vehicles and covered bond trusts. Liabilities of similar values are included in Debt Issues (Group).

Finance Leases

	2013 $M	2012 $M	2011 $M
Minimum lease payments receivable:			
Not later than one year	1,390	1,235	1,389
Later than one year but not later than five years	2,736	2,592	2,516
Later than five years	595	901	967
Total finance leases	4,721	4,728	4,872

Deposits and Other Public Borrowings

	2013 $M
Australia	
Certificates of deposit	42,346
Term deposits	157,959
On demand and short term deposits	195,017
Deposits not bearing interest	8,891
Securities sold under agreements to repurchase	5,502
Total Australia	409,715
Overseas	
Certificates of deposit	6,238
Term deposits	26,881
On demand and short term deposits	14,464
Deposits not bearing interest	2,061
Securities sold under agreements to repurchase	70
Total overseas	49,714
Total deposits and other public borrowings	459,429

Appendix B – Market Share Definitions

Market Share Definitions

Retail Banking (1)

Home loans	CBA Loans to individuals that are Owner Occupied and Investment Home Loans + Securitised Housing Loans as per APRA Banking Stats + separately reported subsidiaries: Wallaby Trust, Residential Group Mortgage Group P/L and Homepath P/L RBA Total Housing Loans (incl. securitisations) (includes Banks and non-banks)
Credit cards (RBA)	CBA Personal Credit Card Lending (APRA) Credit Cards excluding those issued to Business, with Interest free period + without interest free period (from RBA market which includes NBFI's unlike APRA)
Consumer finance (other household lending)	CBA Lending to Individuals which includes: Personal Loans, Margin Lending, Personal Leasing, Revolving Credit and Overdrafts Loans to Households: Other (APRA Monthly Banking Statistics back series)
Household deposits	Total CBA transaction and non-transaction account deposit balances from residents as reported under APRA definitions for Households (individuals) excluding Self-Managed Super Funds (as per deposit balances submitted to APRA in ARF 320.0) Household Deposits (from APRA Monthly Banking Statistics back series)

Business Banking (1)

Business lending (APRA)	CBA Total loans to residents as reported under APRA definitions for the non-financial corporation's sector (as per lending balances submitted to APRA in ARF 320.0) (this includes some Housing Loans) Total loans to the Non-Financial Corporations sector (from APRA Monthly Banking stats back series)
Business lending (RBA)	CBA and CBFC (subsidiary) business lending and credit: specific "business lending" categories in lodged APRA returns – ARF 320.0 Statement of Financial Position Domestic Book, ARF 320.1 Debt Securities Held and ARF 320.4 Accepted and Endorsed Bills, excluding sub-categories of Banks, ADIs, RFCs and Governments Total of business lending category of the RBA Aggregate Lending seasonally adjusted
Business deposits (APRA)	Total CBA transaction and non-transaction account deposit balances from residents as reported under APRA definitions for the non-financial corporation's sector (as per deposit balances submitted to APRA in ARF 320.0) Loans to Non-Financial Corporations (from APRA Monthly Banking Stats back series)
Asset Finance	CBA Leasing as reported to Australian Equipment Lessors Association (AELA) Total AELA Leasing Market including major competitors
Equities trading	Twelve months rolling average of total value of equities trades Twelve months rolling average of total value of equities market trades as measured by ASX

Wealth Management

Australian Retail	Total funds in CBA Wealth Management retail investment products (including WM products badged by other parties) Total funds in retail investment products market (from Plan for Life)
FirstChoice Platform	Total funds in FirstChoice platform Total funds in platform/masterfund market (from Plan for Life)
Australia life insurance (total risk)	Total risk inforce premium of all CBA Group Australian life insurance companies Total risk inforce premium for all Australian life insurance companies (from Plan for Life)
Australia life insurance (individual risk)	(Individual lump sum + individual risk income) inforce premium of all CBA Group Australian life insurance companies Individual risk inforce premium for all Australian life insurance companies (from Plan for Life)

(1) For this purpose, "CBA" includes balances relating to Bankwest following the relinquishing of the Bankwest banking license in October 2012.

Market Share Definitions (continued)

New Zealand

Home Loans	All ASB residential mortgages to personal customers for housing purposes (including off Balance Sheet) / Total New Zealand residential mortgages to personal customers for housing purposes (from New Zealand Reserve Bank)
Retail deposits	All New Zealand dollar retail deposits on ASB Balance Sheet / Total New Zealand dollar retail deposits of all New Zealand registered banks (from New Zealand Reserve Bank)
Business Lending	All New Zealand dollar claims on ASB Balance Sheet excluding Agriculture, Finance, Insurance, Government, Household and Non-Resident sector loans / Total New Zealand dollar credit to the resident business sector, based on Australia New Zealand Standard Industrial Classification (ANZSIC) excluding the following: Agriculture, Finance, Insurance, General Government, Household and Non-Resident sector loans (from New Zealand Reserve Bank)
Retail FUA	Total ASB FUA + Sovereign FUA / Total Market net Retail FUA (from Fund Source Research Limited)
Annual inforce premiums	Total Sovereign inforce premiums excluding health (opening inforce annual premium income + new business - exits - other) / Total inforce premium for New Zealand (from Financial Services Council of New Zealand statistics)

Appendix C – Disclosure Changes

Disclosure Changes

The Group has made a number of changes to disclosures within this Profit Announcement.

During the current year, the Group has made the following changes to financial reporting:

- **Small Business** – the Group has created a new Small Business customer channel within Retail Banking Services, to which all non-relationship managed business clients primarily from Business and Private Banking have been transferred. This re-segmentation will not impact the Group's results, but will result in changes to the presentation of the Profit and Loss and the Balance Sheet of the affected business segments.
- **Deposit reclassification** – deposit products have been reclassified to align more consistently with the changing nature of product usage by the customer. For example, the 'Business Online Saver' deposit product, which was previously classified as a transaction deposit due to its "at-call" nature, has been reclassified to savings deposits. This is a presentational change only and has no impact on regulatory treatment or market share statistics.
- **Other changes** – minor refinements have been made to the allocation of customer balances and associated revenue and expenses between business segments. These refinements will not impact the Group's results, but will result in changes to presentation of the Profit and Loss and the Balance Sheet of the affected business segments.

The impact of these changes on each segment's Net profit after tax ("statutory basis"), Balance Sheet and cost to income ratios for the comparative periods is set out below:

Segment Statutory NPAT (impact by adjustment type)

	Full Year Ended 30 June 2014							
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Man-agement	New Zealand	Bankwest	IFS and Other	Group
	$M	$M	$M	$M	$M	$M	$M	$M
Statutory NPAT - as published	3,472	1,526	1,283	769	752	624	205	**8,631**
Restatements:								
Small Business re-segmentation	205	(205)	-	-	-	-	-	**-**
Other	1	-	(6)	(4)	-	(5)	14	**-**
Statutory NPAT - as restated	**3,678**	**1,321**	**1,277**	**765**	**752**	**619**	**219**	**8,631**

Segment Statutory NPAT (impact by P&L line item)

	Full Year Ended 30 June 2014							
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Man-agement	New Zealand	Bankwest	IFS and Other	Group
	$M	$M	$M	$M	$M	$M	$M	$M
Statutory NPAT - as published	3,472	1,526	1,283	769	752	624	205	**8,631**
Restatements:								
Increase/(decrease) in Total operating income	379	(397)	(13)	(1)	-	-	32	**-**
(Increase)/decrease in Operating expenses	(70)	88	4	(5)	-	(7)	(10)	**-**
(Increase)/decrease in Loan impairment expense	(16)	16	-	-	-	-	-	**-**
(Increase)/decrease in Corporate tax expense	(87)	88	3	2	-	2	(8)	**-**
Statutory NPAT - as restated	**3,678**	**1,321**	**1,277**	**765**	**752**	**619**	**219**	**8,631**

Segment Balance Sheet

	As at 30 June 2014							
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Man-agement	New Zealand	Bankwest	IFS and Other	Group
	$M	$M	$M	$M	$M	$M	$M	$M
Total Assets - as published	281,062	103,864	149,802	20,759	65,736	76,795	93,433	**791,451**
Increase/(decrease)	9,711	(9,409)	(302)	-	-	-	-	-
Total Assets - as restated	**290,773**	**94,455**	**149,500**	**20,759**	**65,736**	**76,795**	**93,433**	**791,451**
Total Liabilities - as published	196,853	69,691	145,457	24,133	58,149	45,671	202,149	**742,103**
Increase/(decrease)	6,531	(7,556)	1,025	-	-	-	-	-
Total Liabilities - as restated	**203,384**	**62,135**	**146,482**	**24,133**	**58,149**	**45,671**	**202,149**	**742,103**

Segment Cost to Income Ratios

	Full Year Ended 30 June 2014							
	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Man-agement	New Zealand	Bankwest	IFS and Other	Group
	%	%	%	%	%	%	%	%
Statutory operating expenses to total operating income - as published	36.0	37.0	35.3	59.1	42.8	49.1	84.5	**42. 6**
Statutory operating expenses to total operating income - as restated	35.2	38.7	35.4	59.3	42.8	49.5	82.9	**42. 6**

Appendix D - Shareholding Information

Top 20 Holders of Fully Paid Ordinary Shares as at 7 August 2015

Rank	Name of Holder	Number of Shares	%
1	HSBC Custody Nominees (Australia) Limited	270,757,648	16.64
2	J P Morgan Nominees Australia Limited	168,399,464	10.35
3	National Nominees Limited	127,377,721	7.83
4	Citicorp Nominees Pty Limited	86,227,061	5.30
5	BNP Paribas Noms Pty Ltd	36,846,518	2.26
6	Bond Street Custodians Limited	23,666,301	1.45
7	RBC Dexia Investor Services Australia Nominees Pty Limited	14,324,684	0.88
8	Australian Foundation Investment Company Limited	8,482,900	0.52
9	UBS Wealth Management Australia Nominees Pty Ltd	5,354,366	0.33
10	Navigator Australia Ltd	3,661,180	0.22
11	Milton Corporation Limited	3,034,225	0.19
12	Argo Investments Limited	2,952,895	0.18
13	Dawnraptor Pty Limited	2,747,995	0.17
14	Pacific Custodians Pty Limited	2,356,942	0.14
15	UBS Nominees Pty Ltd	2,221,306	0.14
16	Nulis Nominees (Australia) Limited	2,213,025	0.14
17	Invia Custodian Pty Limited	2,152,627	0.13
18	Questor Financial Services Limited	2,027,086	0.12
19	Mr. Barry Martin Lambert	1,643,613	0.10
20	McCusker Holdings Pty Ltd	1,435,000	0.09

The top 20 shareholders hold 767,882,557 shares which is equal to 47.18% of the total shares on issue.

Stock Exchange Listing

The shares of the Commonwealth Bank of Australia (Bank) are listed on the Australian Securities Exchange under the trade symbol CBA, with Sydney being the home exchange.

Details of trading activity are published in most daily newspapers, generally under the abbreviation of CBA or C'wealth Bank. The Bank is not currently in the market conducting an on market buy-back of its shares.

Range of Shares (Fully Paid Ordinary Shares and Employee Shares) as at 7 August 2015

Range	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Issued Capital
1 – 1,000	582,440	73.77	189,855,444	11.67
1,001 – 5,000	181,143	22.95	378,040,880	23.23
5,001 – 10,000	18,000	2.28	123,072,869	7.56
10,001 – 100,000	7,633	0.97	143,953,570	8.84
100,001 and over	199	0.03	792,669,950	48.70
Total	789,415	100.00	1,627,592,713	100.00
Less than marketable parcel of $500	12,795	1.62	33,832	0.02

Voting Rights

Under the Bank's Constitution, each person who is a voting Shareholder and who is present at a general meeting of the Bank in person or by proxy, attorney or official representative is entitled:

- On a show of hands – to one vote; and
- On a poll – to one vote for each share held or represented.

If a person present at a general meeting represents personally or by proxy, attorney or official representative more than one Equity holder, on a show of hands the person is entitled to one vote even though he or she represents more than one Equity holder.

If an Equity holder is present in person and votes on a resolution, any proxy or attorney of that Equity holder is not entitled to vote.

If more than one official representative or attorney is present for an Equity holder:

- None of them is entitled to vote on a show of hands; and
- On a poll only one official representative may exercise the Equity holder's voting rights and the vote of each attorney shall be of no effect unless each is appointed to represent a specified proportion of the Equity holder's voting rights, not exceeding in aggregate 100%.

If an Equity holder appoints two proxies and both are present at the meeting:

- If the appointment does not specify the proportion or number of the Equity holder's votes each proxy may exercise, then on a poll each proxy may exercise one half of the Equity holder's votes;
- Neither proxy shall be entitled to vote on a show of hands; and
- On a poll each proxy may only exercise votes in respect of those shares or voting rights the proxy represents.

Top 20 Holders of Perpetual Exchangeable Repurchaseable Listed Shares III ("PERLS III") as at 7 August 2015

Rank	Name of Holder	Number of Shares	%
1	UBS Wealth Management Australia	218,283	3.74
2	National Nominees Limited	153,517	2.63
3	AMP Life Limited	135,309	2.32
4	J P Morgan Nominees Australia	125,628	2.15
5	Citicorp Nominees Pty Limited	115,228	1.98
6	HSBC Custody Nominees	72,400	1.24
7	Navigator Australia Ltd	69,261	1.19
8	Nulis Nominees (Australia)	55,758	0.96
9	The Australian National	51,614	0.88
10	Catholic Education Office	49,750	0.85
11	Australian Executor Trustees Limited	41,206	0.71
12	Mutual Trust Pty Ltd	39,338	0.67
13	RBC Dexia Investor Services	37,597	0.64
14	Mr Walter Lawton	35,799	0.61
15	Truckmate (Australia) Pty Ltd	35,000	0.60
16	BNP Paribas Noms Pty Ltd	31,793	0.55
17	Netwealth Investments Limited	27,928	0.48
18	Mifare Pty Ltd	25,000	0.43
19	Fleischmann Holdings Pty Ltd	22,500	0.39
20	UBS Nominees Pty Ltd	22,477	0.39

The top 20 PERLS III shareholders hold 1,365,386 shares which is equal to 23.41% of the total shares on issue.

Stock Exchange Listing

PERLS III are preference shares issued by Preferred Capital Limited (a wholly-owned entity of the Bank). They are listed on the Australian Securities Exchange under the trade symbol PCAPA. Details of trading activity are published in most daily newspapers.

Range of Shares (PERLS III) as at 7 August 2015

Range	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Issued Capital
1 – 1,000	16,857	96.42	2,975,547	51.02
1,001 – 5,000	554	3.17	1,065,895	18.28
5,001 – 10,000	38	0.22	274,466	4.71
10,001 – 100,000	28	0.16	779,324	13.36
100,001 and over	5	0.03	737,049	12.64
Total	17,482	100.00	5,832,281	100.00
Less than marketable parcel of $500	19	0.11	34	0.00

Voting Rights

PERLS III do not confer any voting rights in the Bank but if they are exchanged for or convert into ordinary shares or preference shares of the Bank in accordance with their terms of issue, then the voting rights of the ordinary shares will be as set out on page 132 and the voting rights of the preferences shares will be as set out in the PERLS III prospectus.

Appendix D - Shareholding Information

Top 20 Holders of Perpetual Exchangeable Resaleable Listed Securities VI ("PERLS VI") as at 7 August 2015

Rank	Name of Holder	Number of Securities	%
1	UBS Wealth Management Australia	631,001	3.16
2	Bond Street Custodians Limited	500,756	2.50
3	J P Morgan Nominees Australia Limited	396,781	1.98
4	Questor Financial Services	284,337	1.42
5	HSBC Custody Nominees (Australia) Limited	278,822	1.39
6	National Nominees Limited	257,747	1.29
7	Australian Executor Trustees Limited	184,319	0.92
8	Snowside Pty Ltd	136,318	0.68
9	Netwealth Investments Limited	132,983	0.66
10	Nulis Nominees (Australia)	130,908	0.65
11	BNP Paribas Noms Pty Ltd	130,077	0.65
12	Citicorp Nominees Pty Limited	104,986	0.52
13	Dimbulu Pty Ltd	100,000	0.50
14	Eastcote Pty Limited	100,000	0.50
15	RBC Dexia Investor Services Australia Nominees Pty Limited	89,377	0.45
16	Navigator Australia	84,032	0.42
17	V S Access Pty Ltd	80,000	0.40
18	Invia Custodian Pty Limited	58,282	0.29
19	Marento Pty Ltd	52,916	0.26
20	Junax Capital Pty Ltd	50,000	0.25

The top 20 PERLS VI security holders hold 3,783,642 securities which is equal to 18.92% of the total securities on issue.

Stock Exchange Listing

PERLS VI are subordinated unsecured notes issued by the Bank. They are listed on the Australian Securities Exchange under the trade symbol CBAPC. Details of trading activity are published in most daily newspapers.

Range of Securities (PERLS VI) as at 7 August 2015

Range	Number of Security Holders	Percentage of Security Holders	Number of Securities	Percentage of Issued Capital
1 – 1,000	26,551	90.21	8,506,888	42.53
1,001 – 5,000	2,575	8.75	5,364,480	26.82
5,001 – 10,000	205	0.70	1,547,527	7.74
10,001 – 100,000	89	0.30	2,273,662	11.37
100,001 and over	9	0.04	2,307,443	11.54
Total	29,429	100.00	20,000,000	100.00
Less than marketable parcel of $500	7	0.02	15	0.00

Voting Rights

PERLS VI do not confer any voting rights in the Bank but if they are exchanged for ordinary shares of the Bank in accordance with their terms of issue, then the voting rights of the ordinary shares will be as set out on page 132 for the Group's ordinary shares.

Top 20 Holders of CommBank PERLS VII Capital Notes ("PERLS VII") as at 7 August 2015

Rank	Name of Holder	Number of Securities	%
1	UBS Wealth Management Australia	1,802,742	6.01
2	Bond Street Custodians Limited	734,347	2.45
3	HSBC Custody Nominees	690,665	2.3
4	National Nominees Limited	484,614	1.62
5	Questor Financial Services	396,931	1.32
6	J P Morgan Nominees Australia Limited	254,392	0.85
7	Citicorp Nominees Pty Limited	241,559	0.81
8	Netwealth Investments Limited	209,736	0.70
9	Australian Executor Trustees Limited	198,149	0.66
10	Navigator Australia	188,196	0.63
11	Nulis Nominees (Australia)	186,105	0.62
12	Avanteos Investments Limited	139,807	0.47
13	Invia Custodian Pty Limited	115,109	0.38
14	Trend Equities Pty Ltd	102,934	0.34
15	Dimbulu Pty Ltd	100,000	0.33
16	RBC Dexia Investor Services Australia Nominees Pty Limited	89,789	0.30
17	Randazzo C & G Developments	84,286	0.28
18	BNP Paribas Noms Pty Ltd	80,227	0.27
19	Tsco Pty Ltd	80,000	0.27
20	JMB Pty Ltd	67,850	0.23

The top 20 PERLS VII security holders hold 6,247,438 securities which is equal to 20.82% of the total securities on issue.

Stock Exchange Listing

PERLS VII are subordinated unsecured notes issued by the Bank. They are listed on the Australian Securities Exchange under the trade symbol CBAPD. Details of trading activity are published in most daily newspapers.

Range of Securities (PERLS VII) as at 7 August 2015

Range	Number of Security holders	Percentage of Security holders	Number of Securities	Percentage of Issued Capital
1 – 1,000	29,388	87.19	10,114,556	33.72
1,001 – 5,000	3,807	11.30	8,198,179	27.33
5,001 – 10,000	299	0.89	2,255,952	7.52
10,001 – 100,000	197	0.58	4,666,503	15.56
100,001 and over	14	0.04	4,764,810	15.88
Total	33,705	100.00	30,000,000	100.00
Less than marketable parcel of $500	7	0.02	29	0.00

Voting Rights

PERLS VII do not confer any voting rights in the Bank but if they are exchanged for ordinary shares of the Bank in accordance with their terms of issue, then the voting rights of the ordinary shares will be as set out on page 132 for the Group's ordinary shares.

Trust Preferred Securities

700,000 Trust Preferred Securities were issued on 15 March 2006. Cede & Co is registered as the sole holder of these securities.

The Trust Preferred Securities do not confer any voting rights in the Bank but if they are exchanged for or converted into ordinary shares or preference shares of the Bank in accordance with their terms of issue, then the voting rights of the ordinary shares will be as set out on page 132 and the voting rights of the preference shares will be as set out in the Trust Preferred Securities information memorandums.