

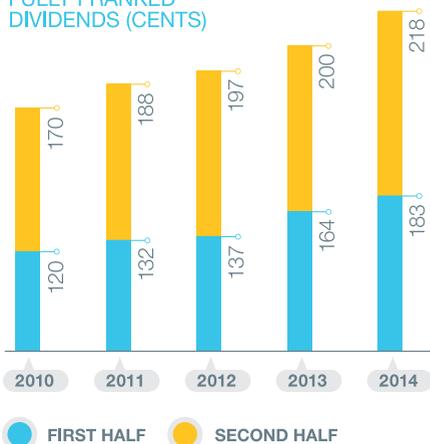
DEAR

SHAREHOLDERS.

“We are pleased to report that the Commonwealth Bank of Australia delivered a statutory net profit after tax (NPAT) for the 2014 financial year of **\$8,631 million**, up **13%** on the prior year. Cash NPAT for the period was **\$8,680 million** and our cash return on equity was **18.7%**.”

This is another good result, reflecting our continued focus on enhancing the financial wellbeing of our customers across all of our key businesses.

FULLY FRANKED DIVIDENDS (CENTS)



Consistent with the Board's dividend policy, a final dividend of \$2.18 per share was determined, bringing the total dividend for the year to \$4.01 per share. This represents an increase of 10% on the prior year and results in \$6.5 billion being returned to our 800,000 shareholders and superannuation funds.

In order to generate consistent, long-term value for our customers, our shareholders and our people, we have continued to maintain our Group-wide focus on customers, underpinned by our strategic priorities – people, technology, strength and productivity.

- Strong and improving **people** engagement and **customer** satisfaction continue across all of our businesses.

- We continue to leverage our real-time **technology** advantage for the benefit of our customers through product innovation and process simplification. During the year, we extended the capabilities of our mobile wallet offering and responded to the needs of our customers through the launch of the new and enhanced CommBank app, CommBank PayTag, Cardless Cash and Lock and Limit. We also gave businesses access to world-class mobile payment technology in the form of Leo and Emmy (with Albert in field testing), and the small business, CommBiz and Daily IQ apps.

- We have continued to reinvest in the long-term growth of our business, with over \$1 billion of investment in a variety of initiatives.

The Group is proud of its history in serving its customers and the broader Australian community for more than a century.

OUR VISION

Our vision – to excel at securing and enhancing the financial wellbeing of people, businesses and communities – is at the centre of everything we do as an organisation. We seek to be not only

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- We remain one of a handful of global banks to have maintained their AA credit rating and we have further **strengthened** our conservative business settings for capital, liquidity and funding. We are well-placed to address upcoming regulatory reforms and any changes to the macroeconomic environment.

the best-performing but also a highly trusted financial institution in all of our activities. We are determined to be an organisation with the highest possible ethical standards and do our utmost to earn the trust that customers put in us.

OUR PEOPLE

Our people continue to demonstrate their passion for our vision and for our values of integrity, collaboration, excellence, accountability and service. We are continuing to build and strengthen our vibrant, customer-focused and high-integrity culture, which is critical to our future success.

COMMONWEALTH FINANCIAL PLANNING

Our performance for 2014 has been marred by the negative and extensive publicity relating to shortcomings in our financial advice business in the past.

We are acutely aware of the impact the issues with our financial planning business have had on our customers, our employees and the broader community.

We deeply regret that some advisers provided poor advice to customers who trusted us at that time. We have no tolerance for any behaviour that runs counter to the best interests of our customers. When the extent and the seriousness of the issue were understood, we took decisive action to do the right thing for our customers and to change the way in which we run that part of our business.



However, despite these actions, we acknowledge that some of our customers hold the view that our initial approach was not sufficient. So we have put in place our Open Advice Program. Under this program, any customer who received advice from Commonwealth Financial Planning or Financial Wisdom between 1 September 2003 and 1 July 2012 and has concerns regarding that advice can call a dedicated number and request a review of any advice received during that period. This will include an offer of an Independent Customer Advocate funded by the Commonwealth Bank, and the option of a further review by an independent panel led by retired High Court Justice, the Hon Ian Callinan QC.

OUTLOOK

We remain reasonably positive about the economic outlook over the next few months. Although we have not observed a marked improvement in consumer or business confidence, Australia's housing and construction sectors are active, and the Australian economy remains generally strong.

Against this backdrop, we expect to maintain our conservative business settings and we will continue our focus on the future by building our key capabilities: people, technology, productivity and strength. At the same time we will ensure that we are well positioned to meet the ongoing needs of our customers.

“...we will continue our focus on the future and building our key capabilities: people, technology, productivity and strength.”

We believe this program demonstrates our commitment to delivering a fair and consistent outcome for these customers. It has always been our intention to make it right for them and to put them back in the position they would have been had they received suitable advice at that time. And in this regard we have already paid \$52 million in compensation to more than 1,100 customers of specific advisers who were identified as having provided poor advice. We have also invested significant amounts of money, in the years since these issues occurred, to strengthen our financial advice business. We have new systems, new processes, enhanced adviser supervision and improved training.

On behalf of the Commonwealth Bank Group, we would like to thank you, our shareholders, our customers and our people, for your continuing support and loyalty.



David J Turner
CHAIRMAN



Ian Narev
CHIEF EXECUTIVE OFFICER