



CommonwealthBank 

MEDIA PRESENTATION

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

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

**WHEN
WE BELIEVE,
WE CAN.**

Disclaimer

The material that follows is a presentation of general background information about the Group's activities current at the date of the presentation, 10 February 2016. It is information given in summary form and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor.

Cash Profit

The Management Discussion and Analysis 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 International Financial Reporting Standards (IFRS). The cash basis is used by management to present 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 with the prior comparative period and prior half disclosures 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") on page 3 of the Profit Announcement (PA) and described in greater detail on page 15 of the PA and can be accessed at our website:

<http://www.commbank.com.au/about-us/shareholders/financial-information/results/>

Our Vision and Values

Our Vision

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

Our Values

Integrity

Accountability

Collaboration

Excellence

Service



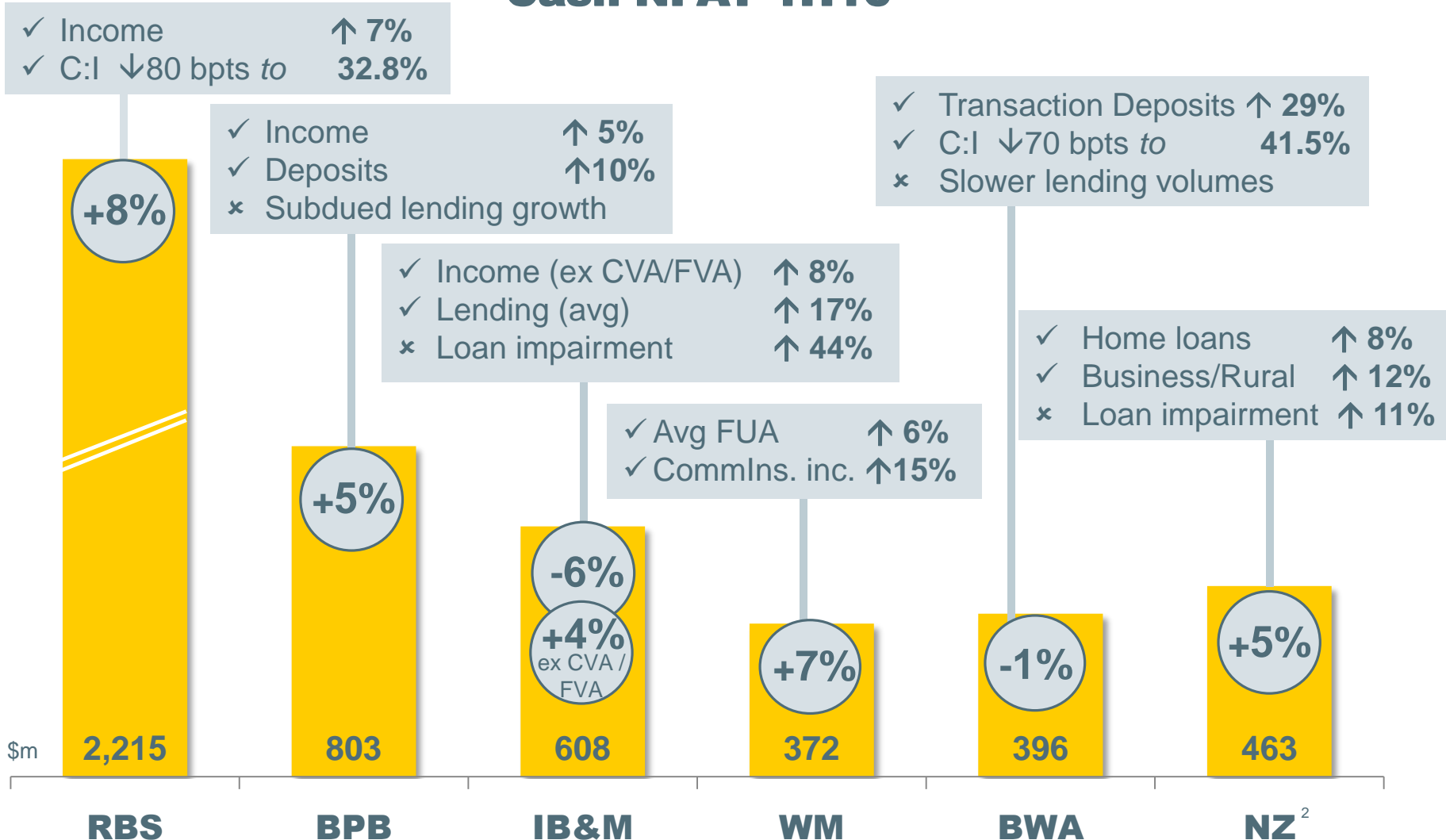
Cash NPAT up 4%

	Dec 15	Dec 15 vs Dec 14
Statutory Profit (\$m)	4,618	2%
Cash NPAT (\$m)	4,804	4%
ROE – Cash (%)	17.2%	(140) bpts
Cash Earnings per Share (\$)	2.84	1%
Dividend per Share (\$)	1.98	-



All divisions contributing

Cash NPAT 1H16¹



¹ All movements on prior comparative period except where noted

² NZ result in AUD, performance metrics in NZD. Home loan and Business/Rural growth, source RBNZ 12 months to Dec 15.

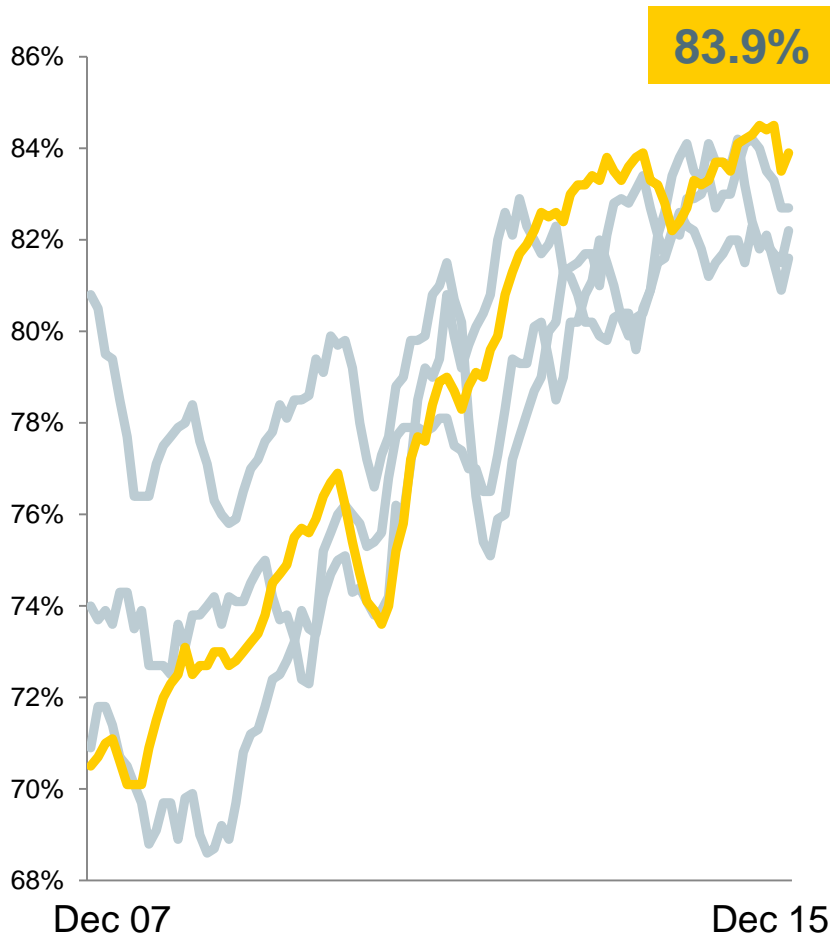
Continued focus on the customer

	Ranking
Customer Satisfaction - Retail	#1
Customer Satisfaction - Business	= #1
Customer Satisfaction - Wealth	#2
Customer Satisfaction - IFS	#1
Customer Satisfaction - Internet	#1

Customer focus - more needs met

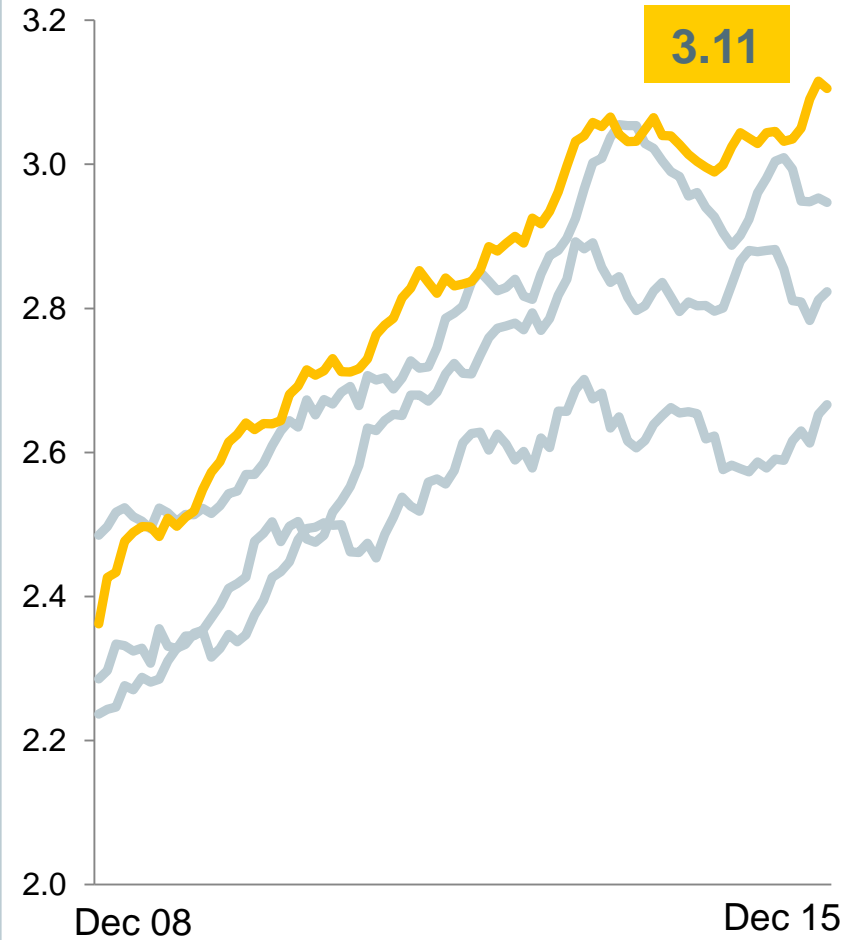
Retail Customer Satisfaction

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



Customer Needs Met

(#)



Ongoing volume growth

Balance Growth¹

12 months to Dec 15

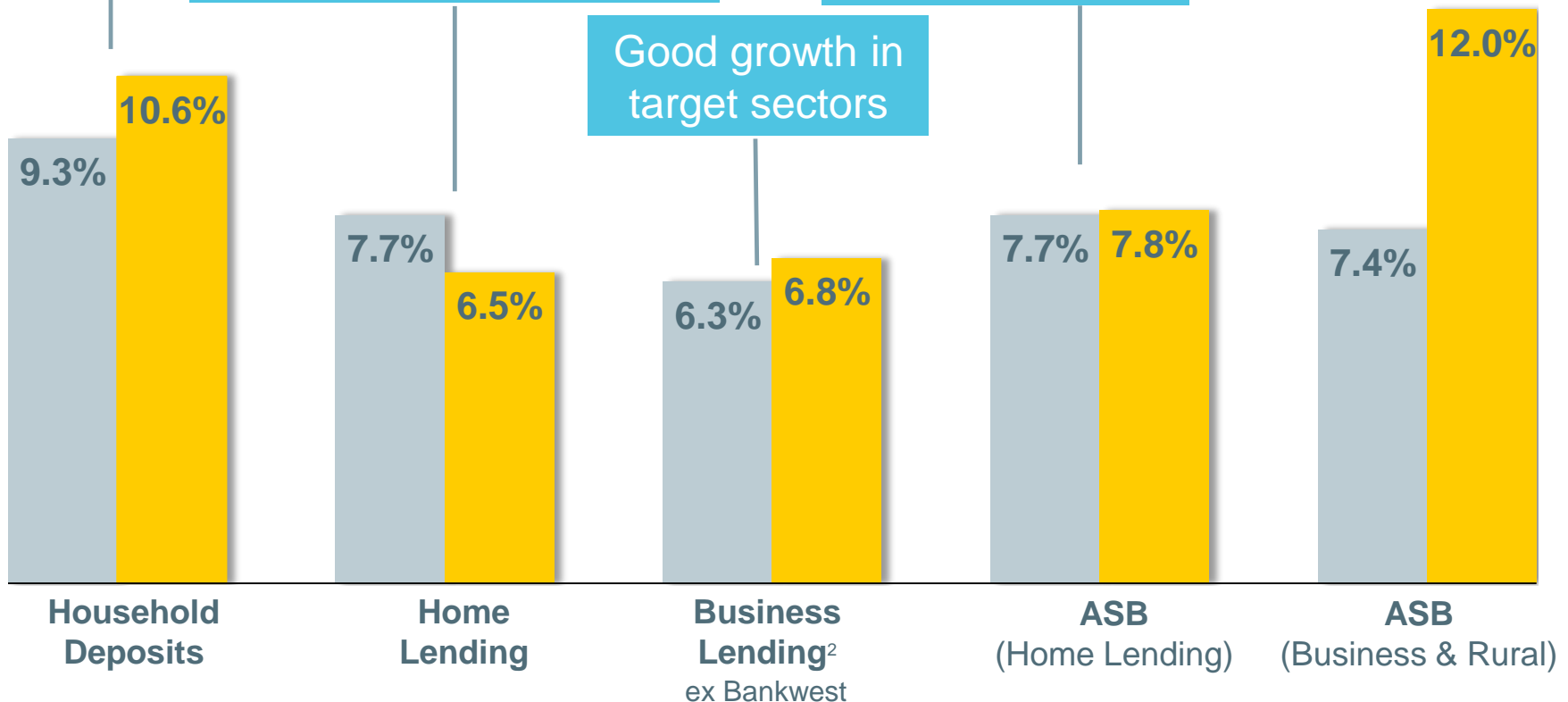
Continued strong growth in Transaction Accounts

A balanced volume/margin outcome

Growth in line with system

Reflects long term investment in frontline

Good growth in target sectors



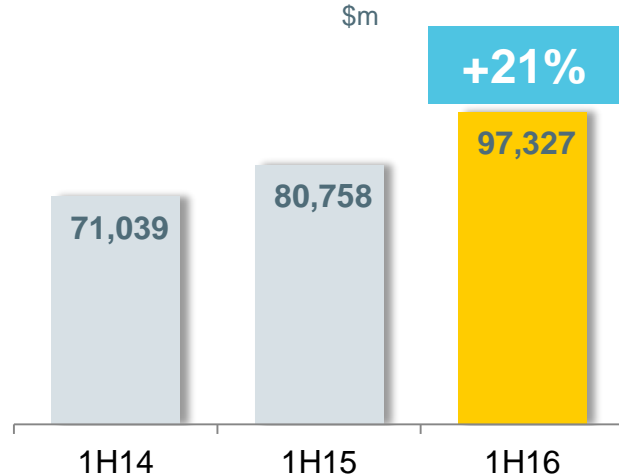
System CBA

¹ Spot balance growth twelve months to December 2015. Source RBA/APRA/RBNZ. CBA includes BWA except Business Lending.

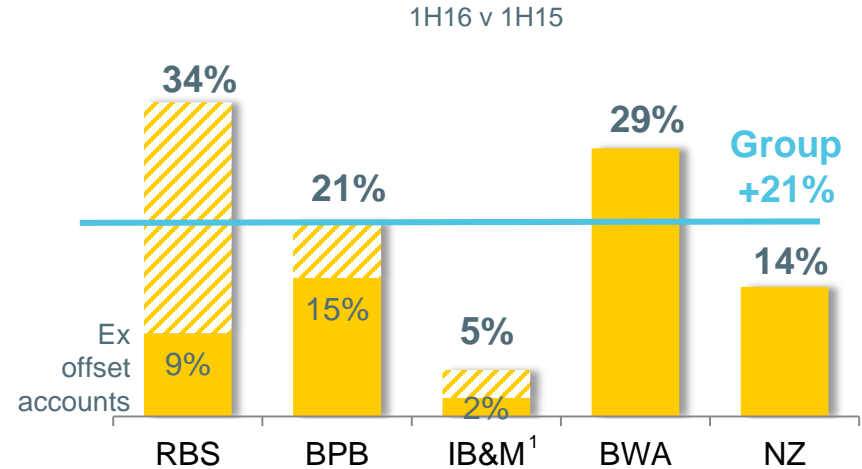
² Domestic Lending balance growth (BPB & IB&M). Source RBA.

Transaction Banking

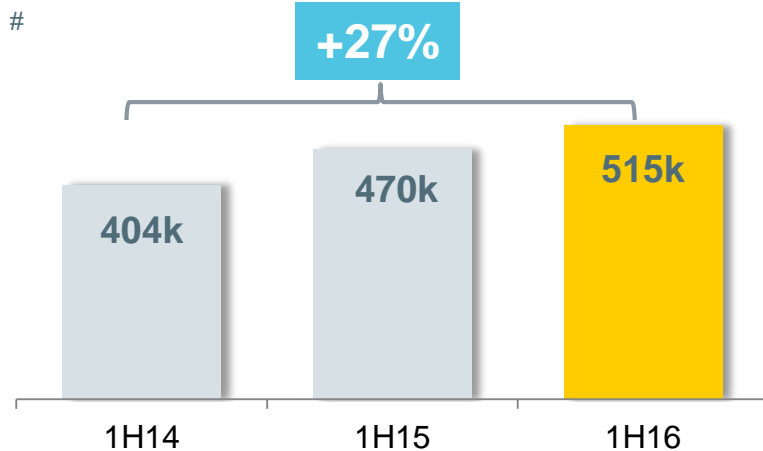
Group Transaction Balances



Strong growth across divisions



RBS New Transaction Accounts²



- Fast, simple processes in real time
- Growing digital - 15% of new accounts
- Real time funds transfer from other banks
- Continuous product innovation:
 - Cardless Cash, Tap & Pay, Intelligent Deposit Machines, Real Time Alerts, Foreign Current Accounts, Digital wallet

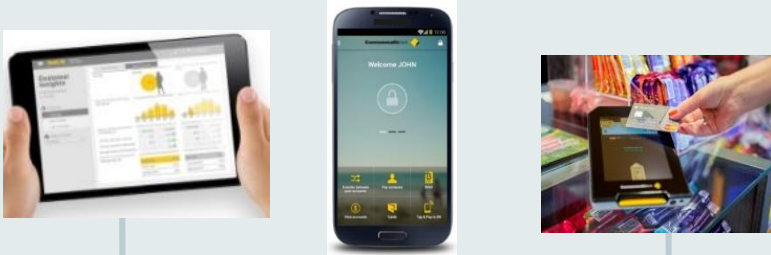
¹ Excludes Cash Management Pooling Facilities (CMPF)

² Number of new accounts. Includes offset accounts. Personal transaction accounts in RBS.

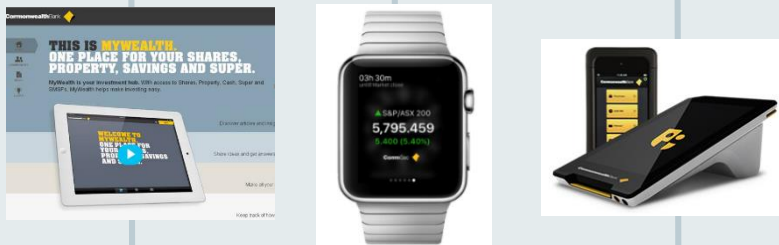


Continuous Innovation

2010 – 2015

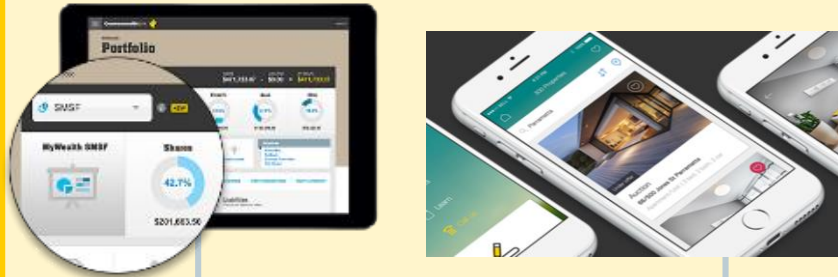


Everyday settlement, Online origination, MyWealth, Pi & Leo, Touch ID, Portfolio View, Small Business app, Daily IQ, PayTag, Tap&Pay, VC in branches, Apps for smart watches and tablets, PEXA property settlement, Cardless cash, Cancel and Replace & Temp Lock, Lock & Limit, Albert, Innovation Lab



Real time banking (Core)

1H16



- Innovating in Wealth, ASB & IFS
- Expanding the digital wallet
- New property app
- Exploring new opportunities: Blockchain, Quantum, Cyber Security etc.



Continuous Innovation

Wealth

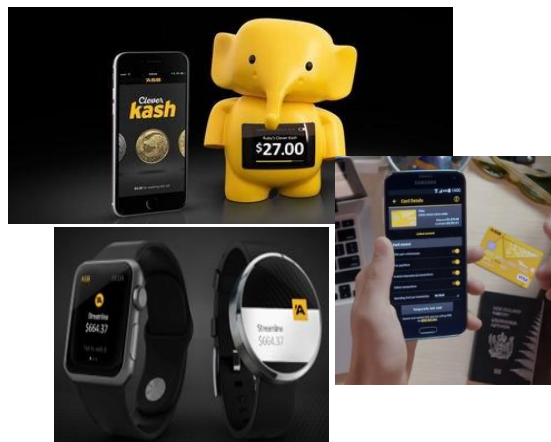


Portfolio View - SMSF

Complete view of investment portfolio - shares, cash, property

Latest insights at the customer's fingertips

ASB



Clever Kash – cashless interactive moneybox

37% increase in Mobile app users¹

Mobile app 1st in customer satisfaction²

TYME



Rapid cycle testing of digital strategy solutions

R&D + partnerships + banking licence

Kiosk developed for low cost physical presence

¹ 12 months to December 2015

² Customer Retail Market Monitor, Camorra Research, December 2015

Exploring new opportunities

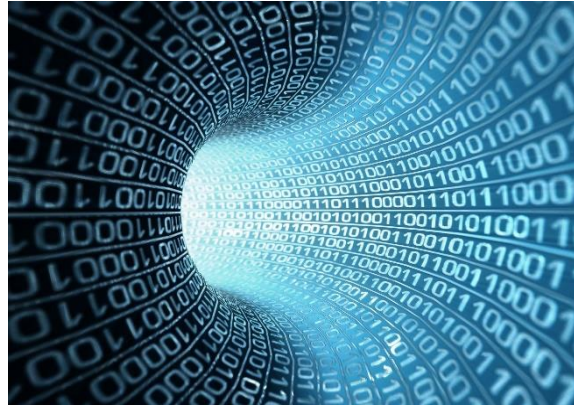
Supporting Australia's growing digital economy

Quantum



Supporting Australian researchers in developing the world's first silicon-based quantum computer

Blockchain



Driving collaboration and innovation through the R3 partnership and the CBA-sponsored workshops

Cyber Security



Partnership with UNSW in a centre of expertise boosting Australia's reserve of security engineering professionals

Productivity

Case Study

Retail Collections & Customer Solutions¹

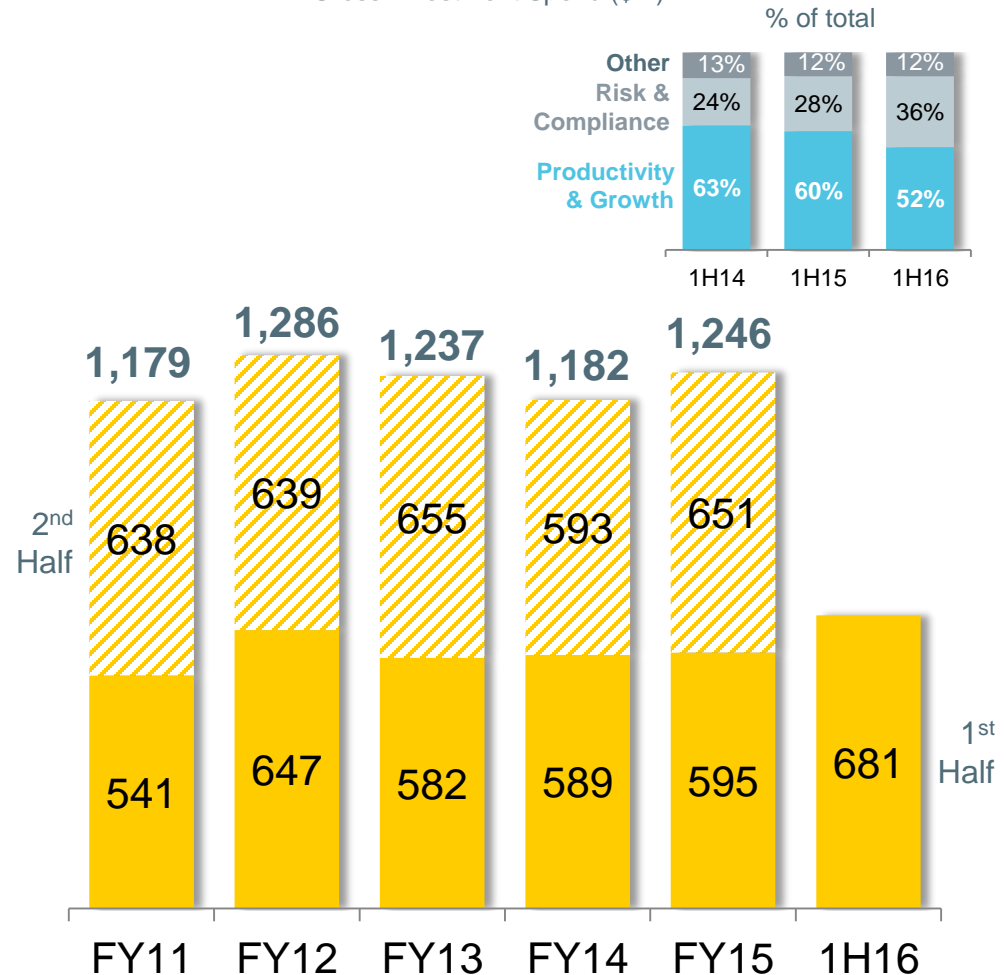
Continuous improvement culture, process simplification and elimination of non-value tasks, supported by robust measurement systems

Hand-offs	↓	90%
Turnaround times	↓	60%
Cost to Collect	↓	20%
Employee Engagement*		86%

* 2% above Global Best in Class (Kenexa)

Enabling Reinvestment

Gross Investment Spend (\$m)



1. All movements since inception of productivity programme (3-5 yrs)

Strength to support our customers

Capital

Basel III
Common Equity Tier 1

Deposit Funding

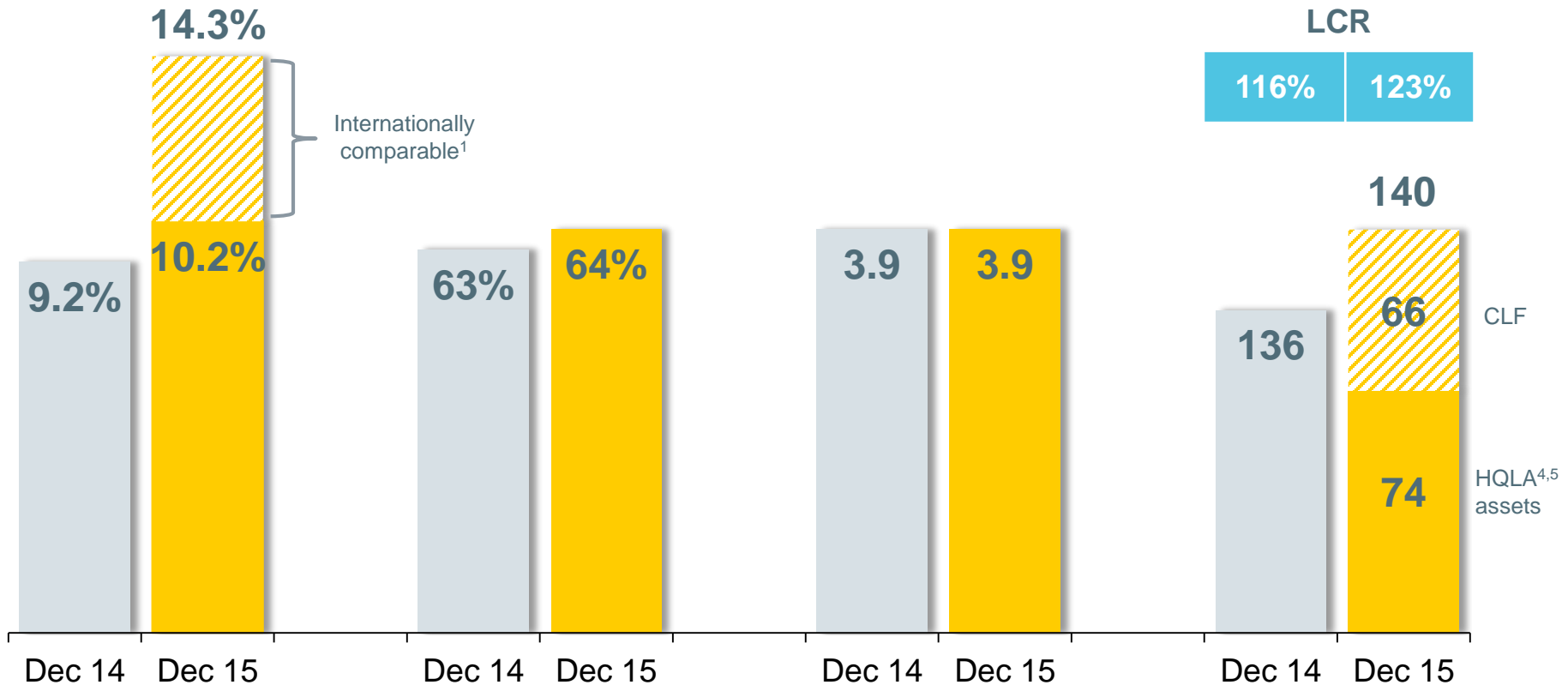
% of Total Funding

Wholesale Funding

Portfolio Tenor²
(years)

Liquidity³

\$bn



1 Analysis aligns with the APRA study entitled "International capital comparison study" (13 July 2015)
 2 Weighted Average Maturity of long term wholesale debt. Includes all deals with first call or residual maturity of 12 months or greater.
 3 Liquids are reported net of applicable regulatory haircuts. Dec 14 adjusted to align with final reporting with APRA.
 4 The Exchange Settlement Account (ESA) balance is netted down by the Reserve Bank of Australia open-repo of internal RMBS.
 5 Qualifying HQLA includes cash, Govt and Semi Govt securities. Also includes \$5.6bn of RBNZ eligible securities.

Supporting jobs and growth

- ◆ \$6 billion in salaries and wages to 41,000 Australians and 51,000 people overall
- ◆ \$4 billion to 6,000 SME partners and suppliers
- ◆ Over \$3 billion in tax, representing more than 4.5% of Australia's total corporate tax
- ◆ \$5.5 billion in dividends to Australian shareholders, including more than 800,000 households, either directly or through Australian super funds

Outlook

- ◆ Steady transition, driven by sound monetary policy and lower AUD
- ◆ Global volatility warrants caution, but overreaction also a threat
- ◆ Long term policy needed for on-going transition: tax, infrastructure, spending
- ◆ Financial services a prevailing strength – must be forward looking post FSI
- ◆ Continuation of long-term strategy for CBA



Summary

- ◆ Operating momentum across all businesses from ongoing customer focus
- ◆ Continuing commitment to invest – adapting a strong franchise for the future
- ◆ Circumspect about global volatility. Long-term strategies and policies needed for continuing economic transition in Australia

Customer Metrics - Sources

- 1 Roy Morgan Research Retail Main Financial Institution (MFI) Customer Satisfaction. Australian population 14+, % “Very Satisfied” or “Fairly Satisfied” with relationship with that MFI. 6 month rolling average to December 2015. Peers includes ANZ, NAB and Westpac. CBA excludes Bankwest. (Slides 6 & 7)
- 2 Customer Needs Met / Products per Customer – Roy Morgan Research. Australian Population 18+ (14+ included for Internet Banking), Banking and Finance products per Banking and Finance customer at financial institution. 6 month rolling average to December 2015. CBA excludes Bankwest. Rank based on comparison to ANZ, NAB and Westpac. Wealth includes Superannuation, Insurance and Managed Investments. Share of product is calculated by dividing Products held at CBA by Products held anywhere. “Internet Banking” refers to CBA customers who conducted internet banking in the last 4 weeks. Note: Individual products may not add up to the overall totals due to rounding. (Slides7)
- 3 DBM Business Financial Services Monitor (December 2015), average satisfaction rating of business customers’ Main Financial Institution (MFI), across all Australian businesses, using an 11 pt scale where 0 is Extremely Dissatisfied and 10 is Extremely Satisfied, 6 month rolling average. (Slides 6)
- 4 Wealth Insights overall satisfaction score - Ranking of Colonial First State (the platform provider) is calculated based on the weighted average (using Plan for Life FUA) of the overall satisfaction scores of FirstChoice and FirstWrap compared with the weighted average of other platform providers in the relevant peer set. The relevant peer set includes platforms belonging to Westpac, NAB, ANZ, AMP and Macquarie in the Wealth Insights survey. This measure is updated annually in April. (Slide 6)
- 5 PT Commonwealth Life won Contact Centre Service Excellence Awards 2015 conducted by Marketing Magazine and Service Excellence Magazine. This is the 10th consecutive year the team has been recognised with a Service Excellence rating. (Slide 6)
- 6 Roy Morgan Research. Australian population 14+. Proportion of customers who conducted internet banking via website or app with their Main Financial Institution in the last 4 weeks, who are either “Very Satisfied” or “Fairly Satisfied” with the service provided by that institution. 6 month average to December 2015. Rank based on comparison to ANZ, NAB and Westpac. (Slides 6)



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