



Commonwealth
Bank

Results Presentation and Investor Discussion Pack

For the half year ended 31 December 2020

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The release of this announcement was authorised by Kristy Huxtable, Company Secretary

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Results Presentation

Matt Comyn, Chief Executive Officer

Overview

Delivering now, positioning for the future

Supporting

... our customers and communities with value-added products and services delivered simply, efficiently and effectively

Delivering

... balanced outcomes for all stakeholders reflecting our core franchise strengths, customer focus and operational discipline

Strengthening

... our already strong balance sheet settings, underpinned by improved risk management and good business practices

Evolving

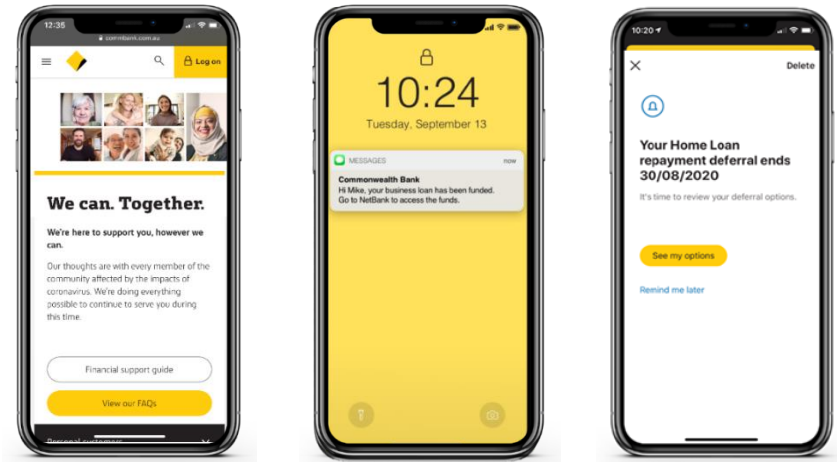
... our strategy, building from a position of strength with a more ambitious agenda



Supporting

Simply, efficiently, effectively

Support



COVID-19

>6.3m support page visits

<12mins BizExpress online applications funded

>730m in-app COVID-19 response messages

Repayment deferrals¹

Home lending

158k

Deferral Exits

133k
(84%)

Active deferrals
25k

Ever in deferral

92% returned to
pre-deferral terms
or closed

Business lending

83k

Deferral Exits

81k

Active deferrals
2k

Ever in deferral

96% returned to
repayment
or closed



1. Australian deferral accounts as at 31 January 2021. CBA Product view basis.

Delivering¹

Above system volume growth in core businesses

Home lending²

- Fundings up 23% (vs 1H20)
- 38% fixed rate (10%, 1H20)
- 56% proprietary (ex. Bankwest)

Household deposits³

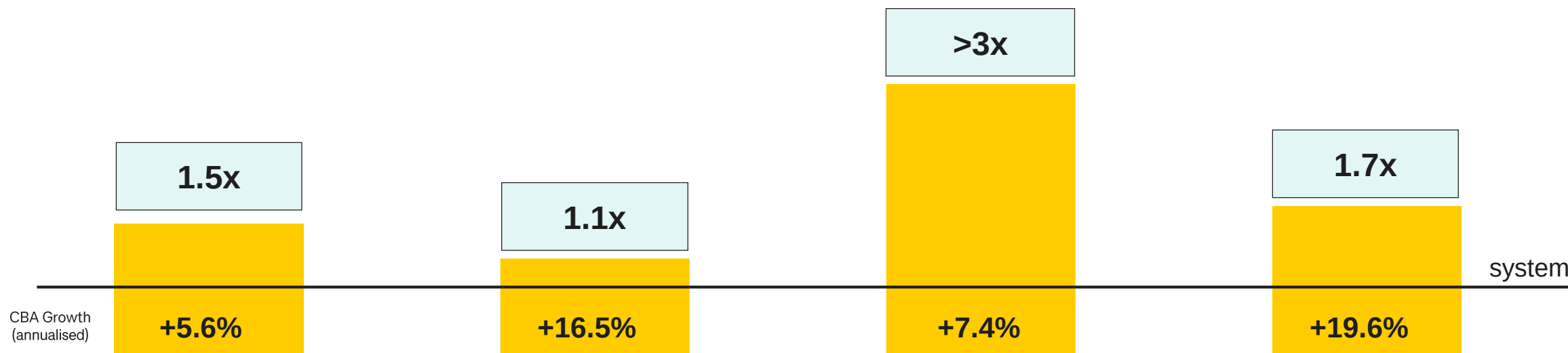
- RBS transaction balances +30%
- >400k new transaction accounts
- 75% deposit funded

Business lending⁴

- Asset finance fundings +20%
- >50% of SME guarantee lending
- ~80% SMEG lending used BizExpress

Business deposits⁵

- New transaction accounts +50%
- ~3,500 new accounts p/w
- 26% via digital



Growth vs System
(6 months to Dec 20)

1, 2, 3, 4, 5. Refer to notes slide at the back of this presentation for source information

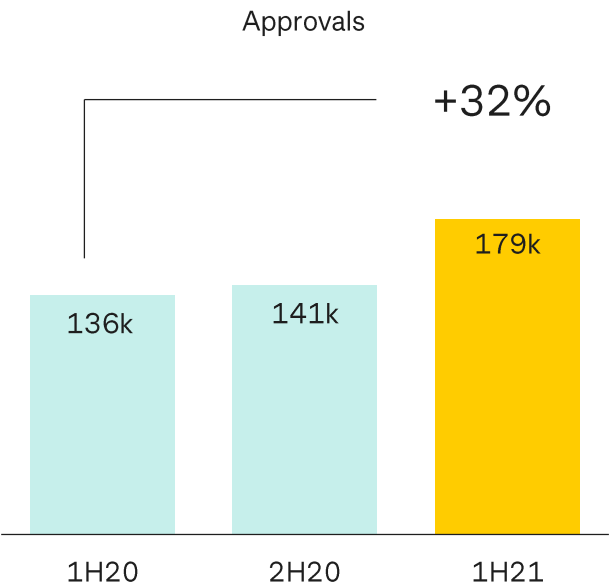


Delivering

Strong volume growth across the business

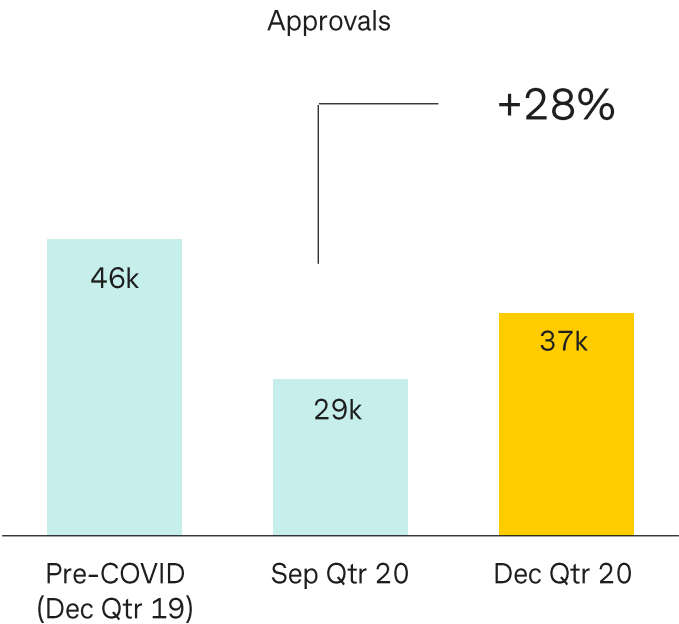
Home lending

Strong operational execution –
disciplined focus on turnaround times



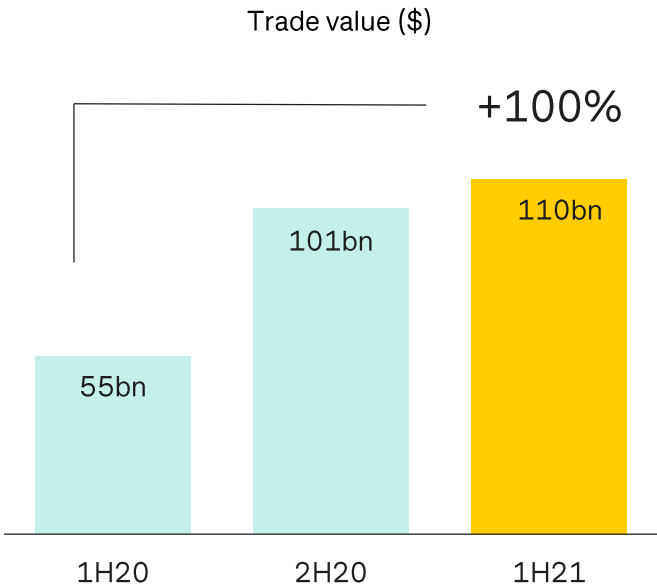
Credit cards

Neo >one-third of all approvals¹ –
Digital share of approvals 85%¹



CommSec²

>230k new accounts this half³ –
70% of new customer trade via app/pocket



1. Share of approvals for the month of December 2020. 2. CommSec excluding the Ausiex wholesale equity business that is being divested. 3. CommSec Australian equities and Pocket accounts.



Delivering

Balanced outcomes – delivering for all stakeholders

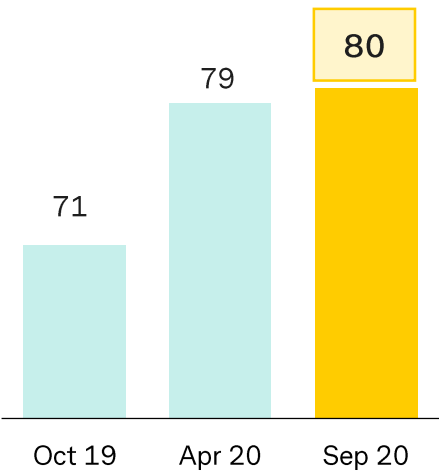
Customer

Net Promoter Scores

	Rank
Consumer ¹	#2
Business ²	#1
Institutional ³	#1
Mobile App ⁴	#1

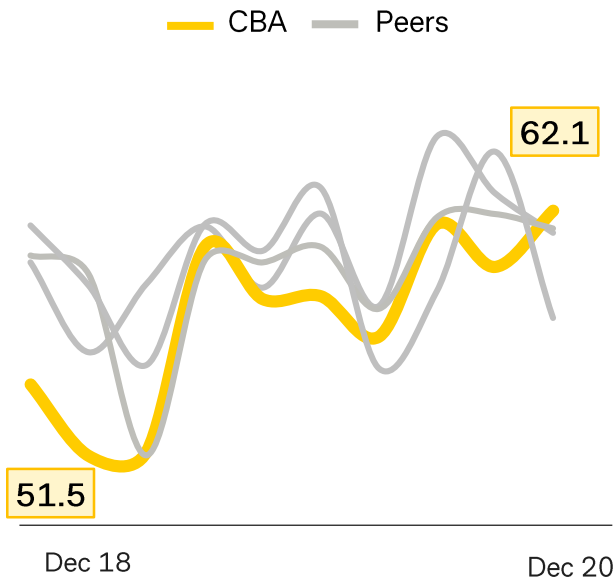
People

Employee engagement⁵



Community

Reputation score⁶



Shareholders

Total Shareholder Return⁷

Period	%	Rank
1yr	7%	#1
3yr	19%	#1
5yr	24%	#1
10yr	178%	#1

1, 2, 3, 4, 5, 6, 7. Refer to notes slide at the back of this presentation for source information.



Strengthening

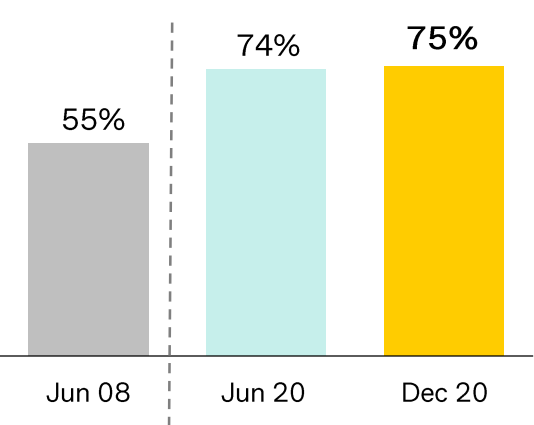
Already strong balance sheet and capital settings

Funding

- 75% deposit funded
- Group transaction balances +37%

Deposit funding

% of total funding



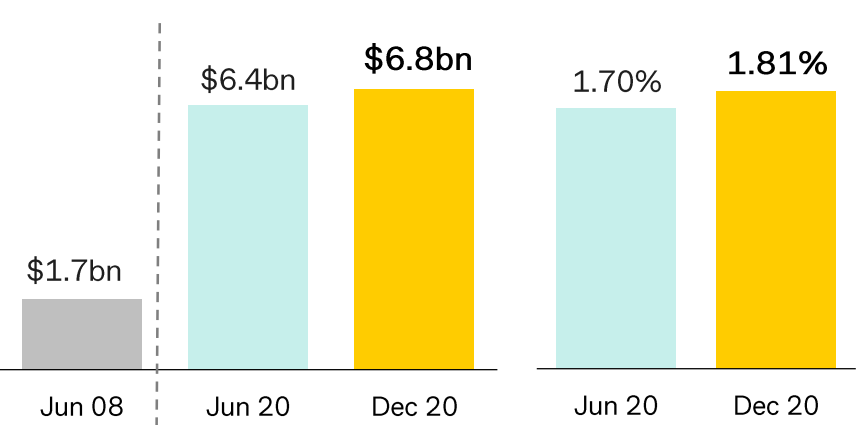
Provisioning

- Total provisions of \$6.8bn – increased coverage
- Ongoing adjustments for economic forecasts, stress factors

Coverage ratios

Total provisions

Total provisions to Credit RWAs

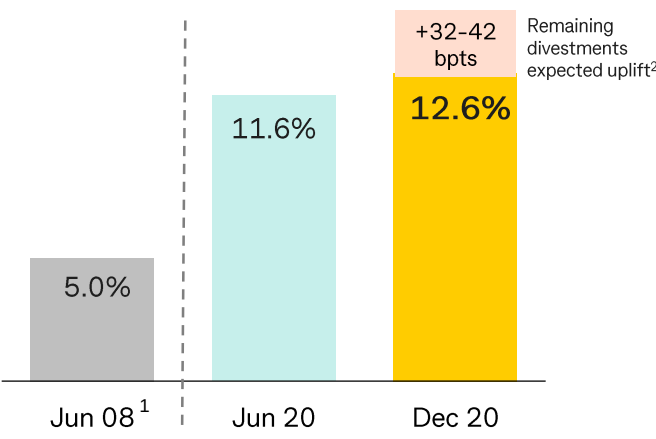


Capital

- CET1 ratio of 12.6% (Level 2)
- Pro-forma 12.9-13.0%

CET1 % Level 2

Pro-forma
12.9-13.0%



1. Calculated Basel III equivalent. 2. Expected CET1 uplifts from previously announced divestments: CommInsure Life (final instalment) 2bpts and majority sale of Colonial First State 30-40bpts. Completion of divestments subject to regulatory approvals.



Evolving

Building tomorrow's bank today for our customers

Our purpose	To improve the financial wellbeing of our customers and communities			
Our priorities	Leadership in Australia's recovery and transition	Reimagined products and services	Global best digital experiences and technology	Simpler, better foundations
	Build Australia's leading business bank Help build Australia's future economy Lead in the support we provide to customers and communities	Anticipate changing customer needs Differentiate our customer proposition Connect to external services and build new ventures	Deliver the best integrated digital experiences Build world-class engineering capability Modernise systems and digitise end-to-end	Deliver consistent operational excellence Sustain transparent and leading risk management Reduce operating costs and manage capital with discipline
Our culture	Living our values of care, courage and commitment			
	<i>Care</i> We care about our customers and each other – we serve with humility and transparency	<i>Courage</i> We have the courage to step in, speak up and lead by example	<i>Commitment</i> We are unwavering in our commitment – we do what's right and we work together to get things done	



Leadership in Australia's recovery and transition

Help build Australia's future economy

Building Australia's leading business bank

- Double business bankers in branches (by Jun-21)
- Simplification of credit processes and technology
- Increased capacity in 24/7 Australian contact centres
- Wider industry and geography coverage
- Live web messaging, real time smart alerts
- #1 in NPP payments
- Refreshed working capital offering

Help build Australia's future economy

- Helped Australian clients access \$159bn¹ of funding in 2020 (\$75bn for Federal/State Govts)
- Involved in \$1.9bn² of ESG-linked issuance (2020)
- \$100m committed to Australian Business Growth Fund
- \$4.4bn renewable energy exposure
- Green mortgage – \$500 cash-back with solar panels installed

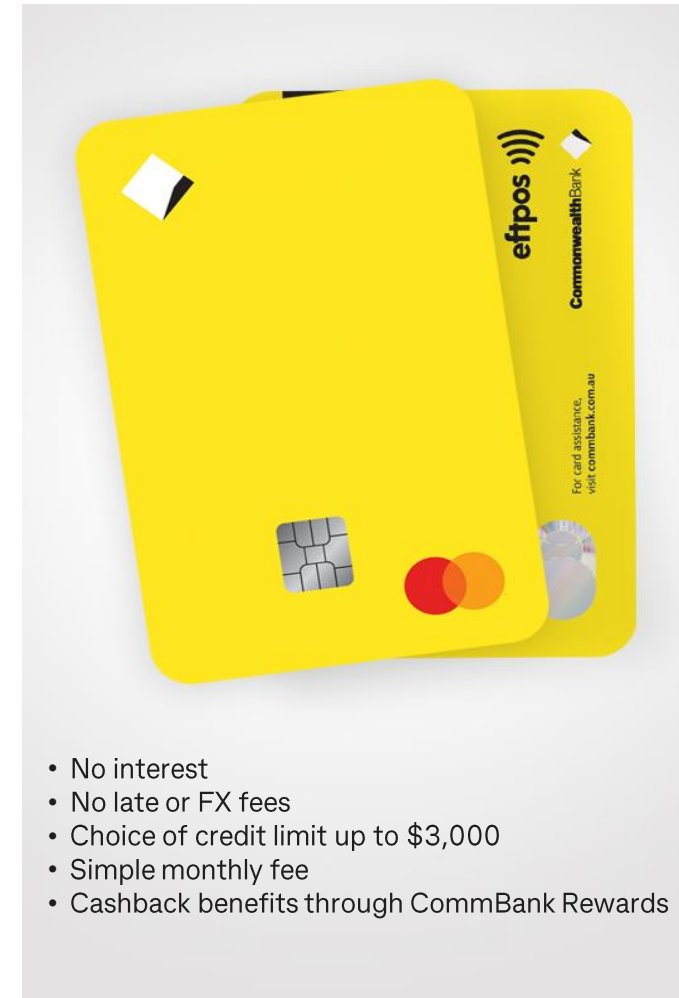
1. Source: Bloomberg. Represents total deal volume where CBA acted as bookrunner on Australian Syndicated Loans and A\$ domestic debt capital markets issuance including securitised notes where CBA acted as lead manager, excluding self-led transactions. 2. Source: Bloomberg. Includes debt capital markets and securitisation issuance where CBA acted as lead manager. Includes Lendlease's A\$500m green bond and NSW Treasury Corporations A\$1.3bn green bond.



Reimagined products and services

Innovative solutions to meeting customer needs

- **Differentiated customer propositions (anticipating customer needs)**
 - CommBank Neo – driving growth in application share
 - CommBank AdvancePay – early access to earned but not yet paid income
 - Leading digital features – Benefits Finder, Bill Sense
- **Connecting external services and new ventures**
 - Open banking – applied for accreditation (Consumer Data Right)
 - Home-in – now integrated in CommBank app and scaling nationally
 - Backr – now live, helping small business owners by simplifying business set up
 - Doshii – acquired, with plans to integrate and uplift CBA merchant capabilities
 - Klarna – 400+ merchants, 575k+ Australian customers



CommBank Neo

- No interest
- No late or FX fees
- Choice of credit limit up to \$3,000
- Simple monthly fee
- Cashback benefits through CommBank Rewards

Global best digital experiences and technology

Build on existing strength – target global best practice

- **Deliver best integrated digital experiences**
 - Build on existing strength – Australia's #1 Mobile App, App 4.0
 - 7.5m digitally active customers
 - Customer Engagement Engine (CEE) 2.0
 - 'For You' – personalised front-end experiences
- **Build world-class engineering capability**
 - ~5,000 engineers – with intention to increase
 - Partnerships – global technology leaders
 - Scaled remote working capabilities
- **Modernise systems, digitisation**
 - Continued migration to public cloud
 - Simplified and reduced application footprint
 - Digitisation end-to-end (e.g. PEXA 80% of HL settlements)

Forrester Digital Experience Review™

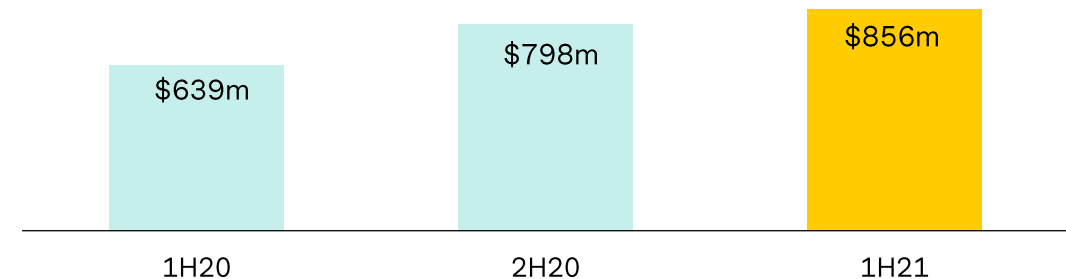
Global Mobile Banking Apps Summary 2020

Region	APAC
Country	Australia
Digital Experience Leader	CommBank
Functionality Leader	CommBank
User Experience Leader	CommBank

"CommBank delivers a first-class mobile banking experience. Not only did CommBank take the top spot for overall digital experience leader; it also led in both functionality and user experience¹"

"CommBank has a strong lead and differentiates with its personalised recommendations²"

Investment spend



1. The Forrester Digital Experience Review(TM): Australian Mobile Banking Apps, Q3 2020. 2. The Forrester Digital Experience Review(TM): Global Mobile Banking Apps Summary, 2020.



Simpler, better foundations

Fundamental to sustained performance – particularly in a low interest rate environment

- **Consistent operational excellence**
 - Taking ownership and following up
 - Focus on turnaround times
 - Digitising end-to-end
- **Transparent and leading risk management**
 - Remedial Action Plan – on track - \$500m capital release
 - Royal Commission – 37 recommendations underway
 - Financial Crime program of action
- **Reduce operating costs, manage capital with discipline**
 - Portfolio divestments well progressed – BoCommLife completed
 - Targeting long term cost reduction, whilst continuing to invest
 - Continued capital discipline – consistent organic generation/returns

Cost Approach

- Simpler, more efficient business for our customers and people
- Continue to invest in the business
- Strengthen our digital and technology capability for future growth
- Achieve long term cost reduction
- Deliver long term sustainable shareholder returns

Divestment status

Sovereign	Jul 18
TymeDigital	Nov 18
CFSGAM	Aug 19
Count Financial	Oct 19
CFP Pathways	Mar 20
Financial Wisdom	Jun 20
PT Commonwealth Life	Jun 20
BoCommLife	Dec 20
CommInsure Life	2H21
AUSIEX	2H21
Colonial First State	2H21
Aussie Home Loans	Mid CY21
General Insurance	Exploring alternatives

■ Completed

This result ¹

Cash earnings reflect COVID-19 impacts and low rates – large capital surplus – interim dividend of \$1.50

	1H21	vs 1H20
Statutory profit (\$m)	4,877	(20.8%)
Cash NPAT (\$m)	3,886	(10.8%)
CET1 (% , Level 2)	12.6%	+90bpts
EPS (cash, \$)	2.20	(26c)
Dividend per share (\$)	1.50	(0.50)

1. Statutory profit, CET1 and Dividend per share include discontinued operations. Cash NPAT and EPS are on a continuing operations basis.

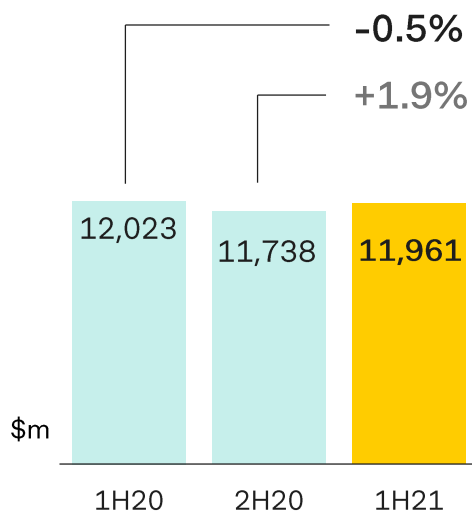


Cash NPAT¹

Responding to market challenges – investing in the franchise – earnings higher sequentially

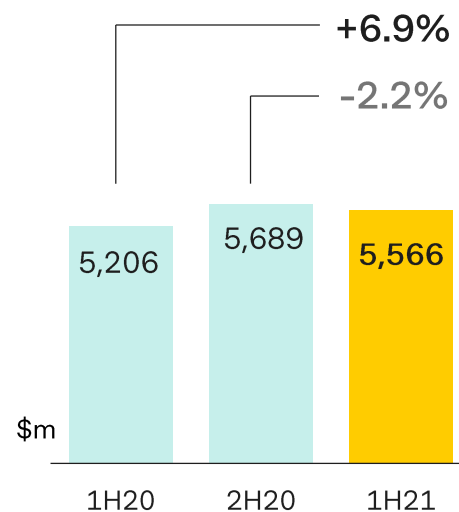
Operating Income

- Low rates impacting NIM
- Continued core volume growth



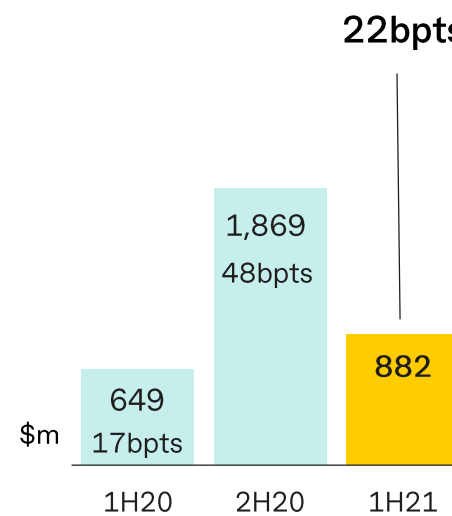
Operating Expenses

- Additional remediation
- Investment in franchise + volume



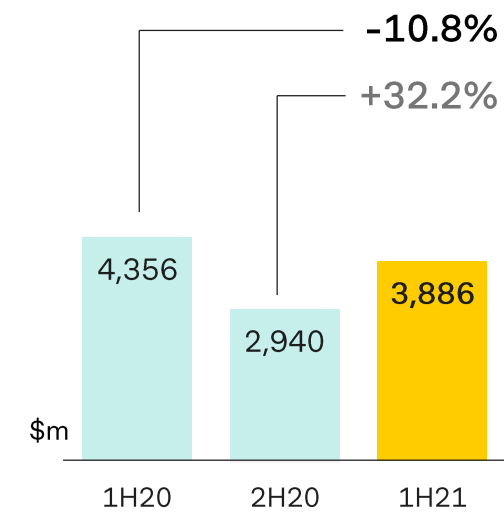
Loan Impairment Expense

- Insulated by support measures
- Strong provisioning



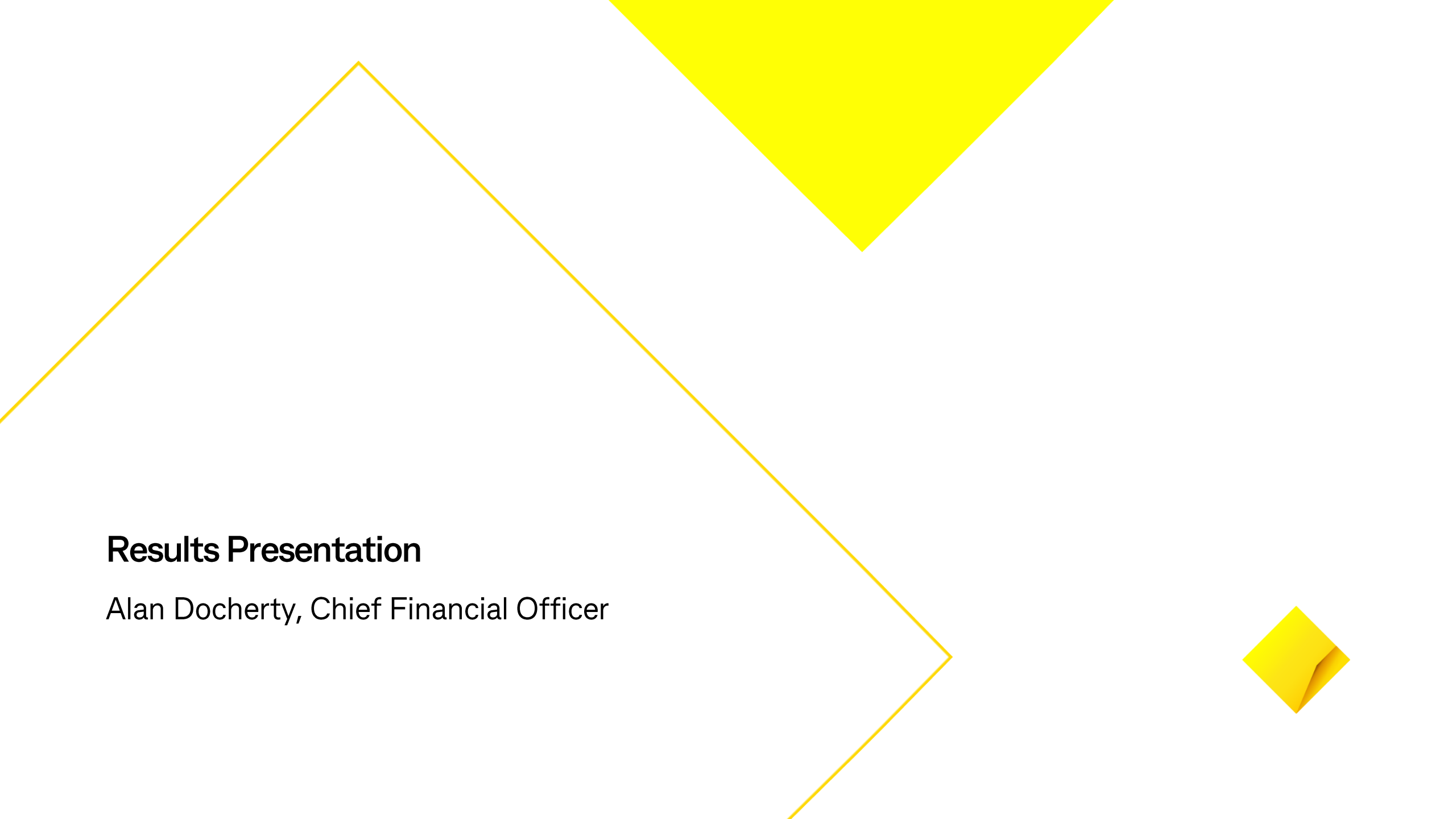
Cash NPAT

- COVID-19 + NIM pressures
- Higher sequentially



1. Presented on a continuing operations basis.





Results Presentation

Alan Docherty, Chief Financial Officer

Result overview

Competitive advantages + disciplined execution delivering strong outcomes – notwithstanding the current environment

Economic Environment

- Earnings pressure from low rates
- Elevated credit risks and loan provisioning
- Australia/NZ economic recovery

Competitive Advantages

- Digital leadership
- Scale advantage
- Business mix and capital efficiency

Disciplined Execution

- Customer support
- Operational execution
- Risk and capital discipline

Delivering Outcomes

- Share gains in all core products
- Strong provisioning
- Surplus capital, dividend growth



Statutory vs Cash NPAT

One-off gains on sale of wealth management businesses

\$m	1H20	2H20	1H21	
Statutory NPAT	6,161	3,473	4,877	
Less				
Cash NPAT – discontinued operations ¹	138	15	89	• Primarily CFS¹ related • Improved sequentially, mainly due to higher legal, remediation and compliance expense in the prior half
Non-cash items:				
– Transactions costs and gain on disposals ²	1,631	461	910	• Includes sale of BoCommLife and other previously announced divestments
– Hedging & IFRS volatility ³	36	57	(8)	• Losses on NZ hedges due to weakening AUD against NZD
Cash NPAT – continuing operations	4,356	2,940	3,886	

1. Discontinued operations include Colonial First State (55% divestment announced in May 2020), CFSGAM (sold in Aug 2019), CommInsure Life (joint co-operation agreement implemented in Nov 2019), PTCL (sold in Jun 2020), TSA and Other. 2. Includes post-completion adjustments (such as purchase price adjustments, and finalisation of accounting adjustments for goodwill and foreign currency translation reserve recycling) and transaction and separation costs associated with the disposal of previously announced divestments. 3. Includes unrealised accounting gains and losses arising from the application of "AASB 139 Financial Instruments: Recognition and Measurement".



1H21 result¹

Cash NPAT down 10.8% on lower operating performance and COVID-19 provisioning – strong sequential growth

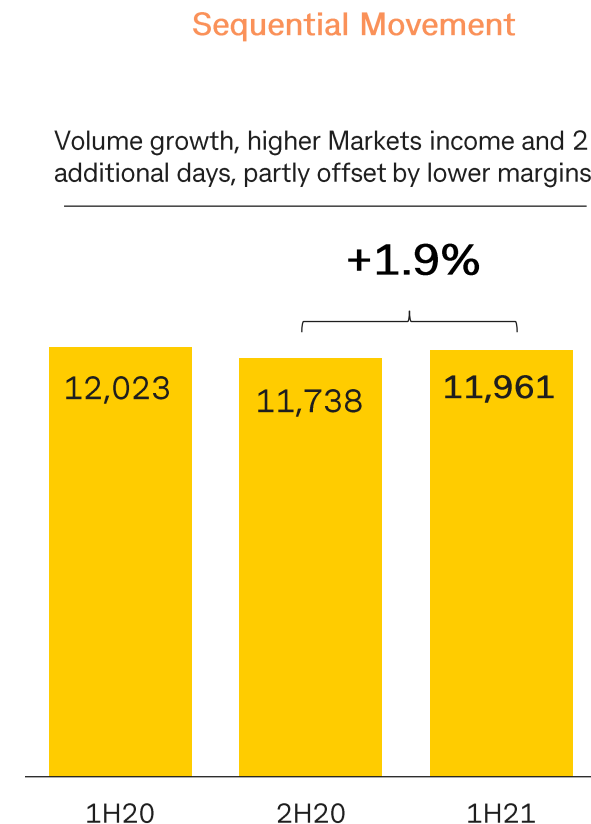
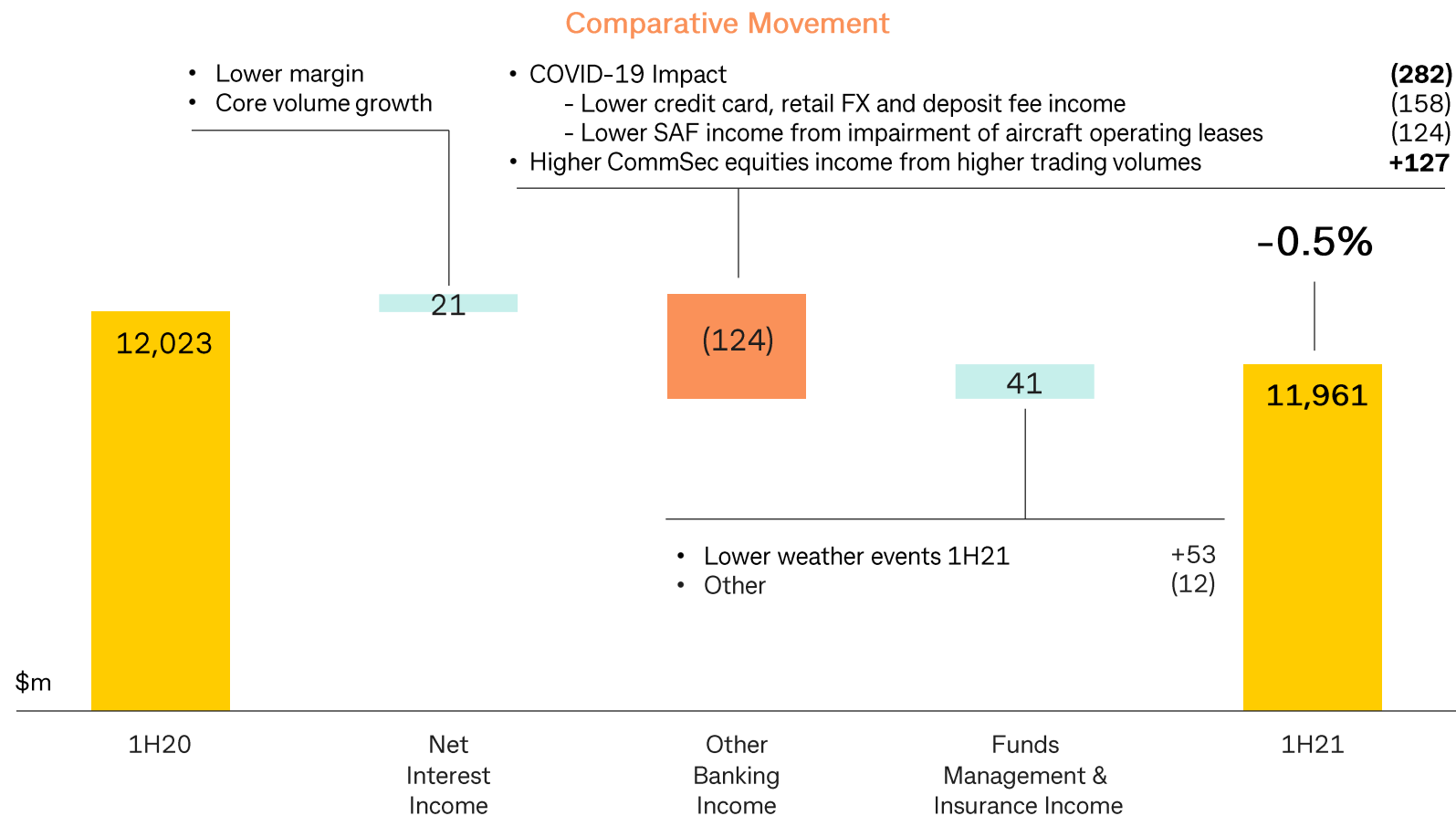
	1H21 \$m	1H21 vs 1H20	1H21 vs 2H20
Operating Income	11,961	↓ (0.5%)	↑ 1.9%
Operating Expenses	5,566	↑ 6.9%	↓ (2.2%)
Operating Performance	6,395	↓ (6.2%)	↑ 5.7%
Loan Impairment Expense	882	↑ 35.9%	↓ (52.8%)
Cash NPAT	3,886	↓ (10.8%)	↑ 32.2%

1. Presented on a continuing operations basis.



Operating income¹

Lower margin and impact of COVID-19, partly offset by core volume growth

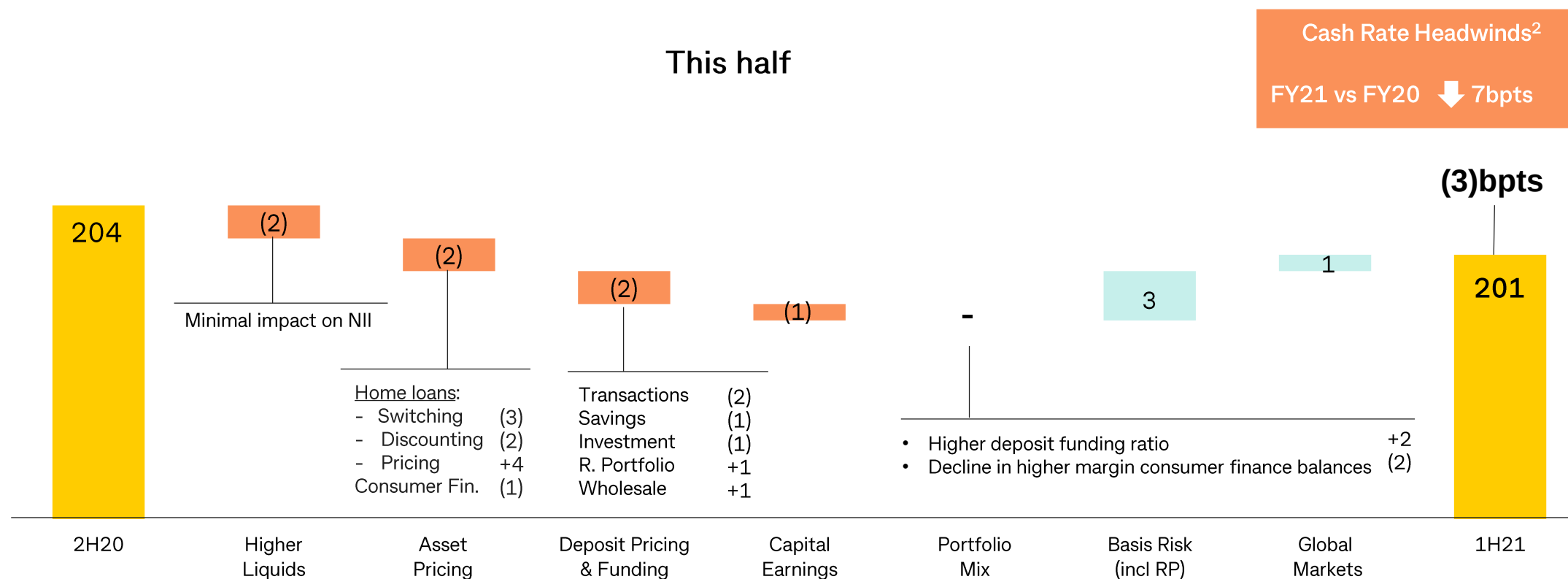


1. Presented on a continuing operations basis.



Group margin¹

Down 3bpts this half (-1bpt excl. impact of liquids) – lower interest rates, partly offset by reduced basis risk

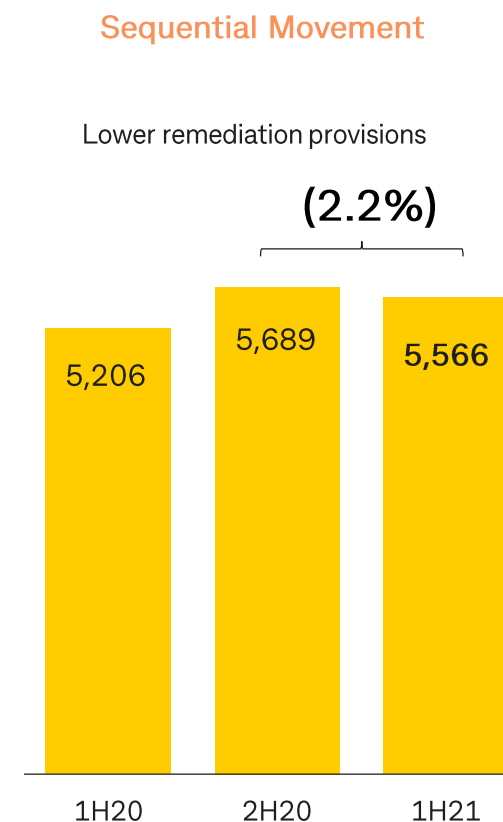
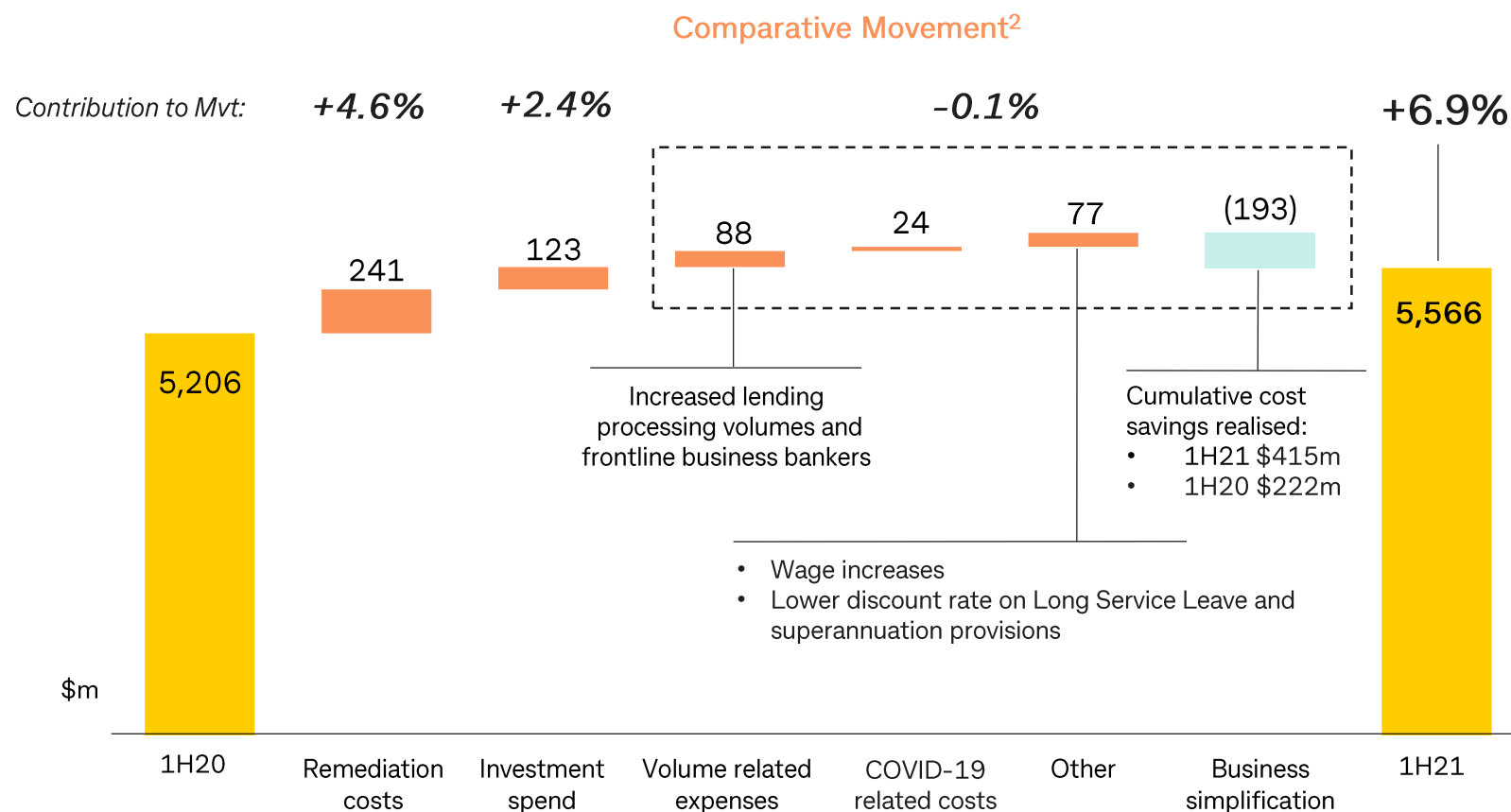


1. Presented on a continuing operations basis. 2. Estimated impact of the RBA's cash rate cuts in July and October 2019 and March and November 2020 on Group NIM, including the deposits impact, lower expected replicating portfolio and equity hedge benefits, and flow through of announced repricing. Excludes impact of any future cash rate movements.



Operating expenses¹

Up 2.3% (ex remediation), due to franchise investment, higher volumes, and continued momentum in simplification



1. Presented on a continuing operations basis. 2. Growth rate percentages represent growth on 1H20 cost base.



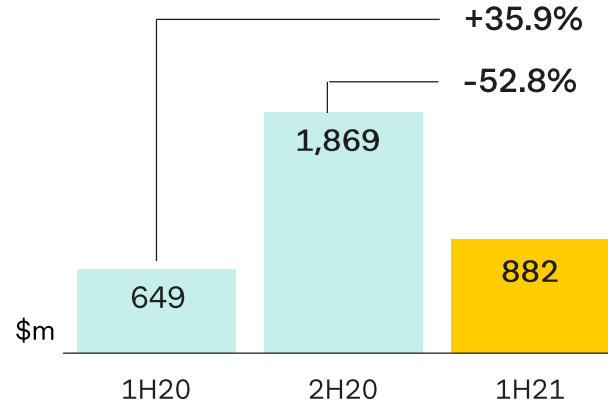
Credit risk

Key leading indicators remain insulated by COVID-19 support measures

Loan Impairment Expense

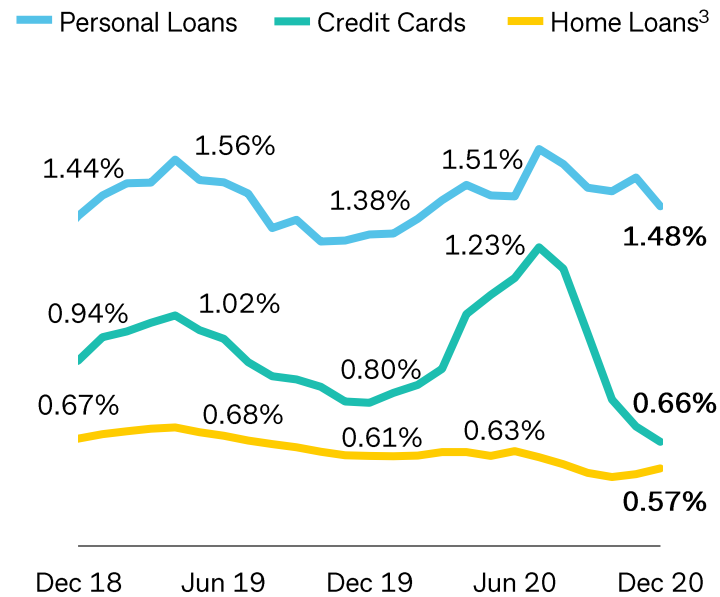
Loan loss rate (bpts)¹

bpts	1H20	2H20	1H21
Consumer	14	38	14
Corporate	24	75	45
Total	17	48	22

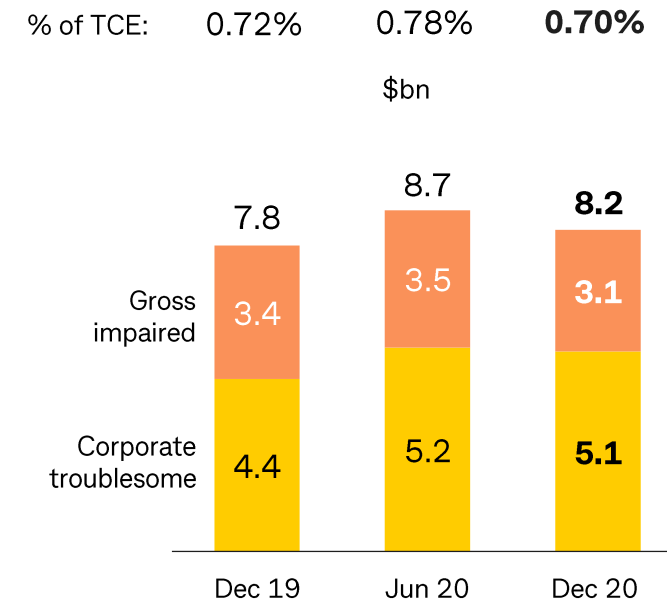


Arrears²

90+ days



TIA



1. Cash Loan Impairment Expense as a percentage of average Gross Loans and Acceptances (GLAA) (bpts) annualised. 2. Group consumer arrears including New Zealand. APRA's prudential relief for customers on eligible COVID-19 loan repayment deferral arrangements has effectively "stopped the clock" on home loan and personal loan arrears. 3. Excludes Reverse Mortgage, Commonwealth Portfolio Loan and Residential Mortgage Group loans.

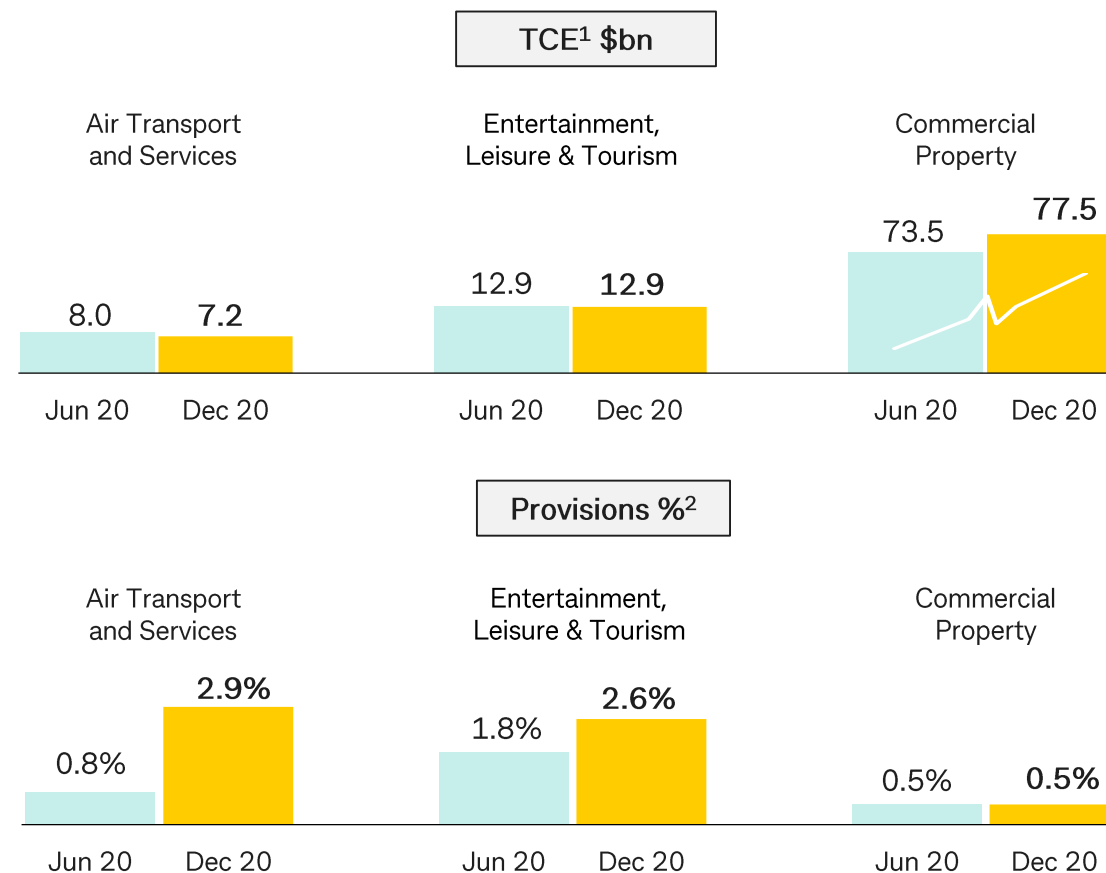


Sector focus

Close monitoring as COVID-19 support measures unwind – increased provisioning in sectors of concern

Sector focus

- **Air Transport and Services**
 - Facing an extended period of travel restrictions
 - Exposure split evenly between airports/airlines
 - Increased provisions, reduced carrying value of aircraft leases
- **Entertainment, Leisure & Tourism**
 - Close monitoring across a range of sub-sectors
 - e.g. businesses exposed to tourism/travel, inner city hospitality
- **Commercial Property**
 - Focus on sub-sectors susceptible to changing behaviour patterns
 - e.g. office buildings, student accommodation
 - TCE growth driven by office investors and residential developments



1. Total Committed Exposure (TCE). 2. Total provisions as a % of Total Committed Exposures.



Provisioning

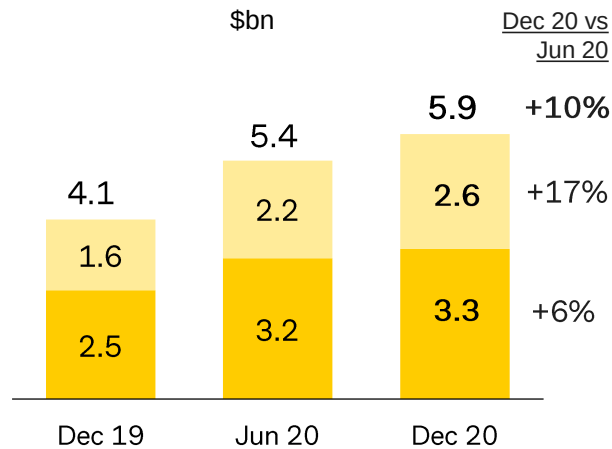
Strong provision coverage maintained – remain cautious notwithstanding improved economic outlook (vs Jun 20)

Collective Provisions

Provision Coverage¹

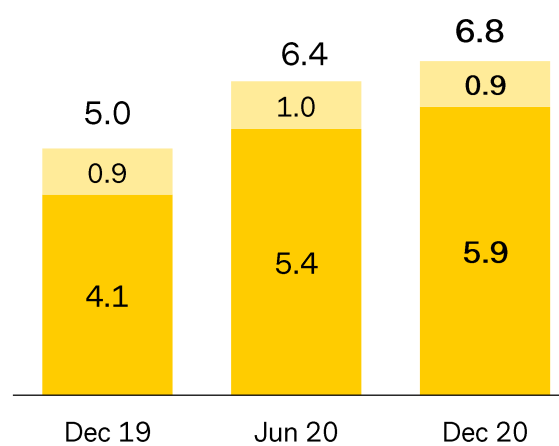
1.08% 1.44% 1.58%

Consumer Corporate

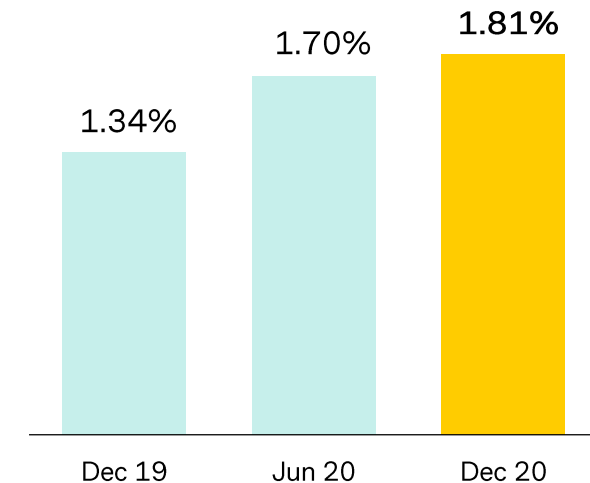


Total Provisions (\$bn)

Collective Individual



Provisions/CRWA²



1. Total collective provisions divided by credit risk weighted assets. 2. Total provisions divided by credit risk weighted assets.

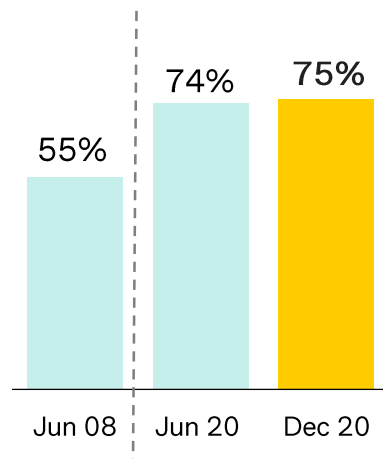


Funding

Strengthened settings – higher deposits, longer wholesale maturities, short term at historical lows

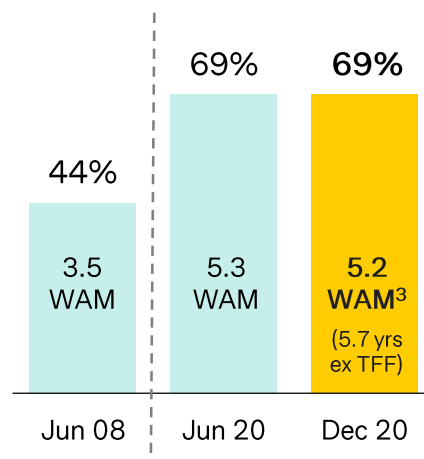
Deposit funding

% of total funding



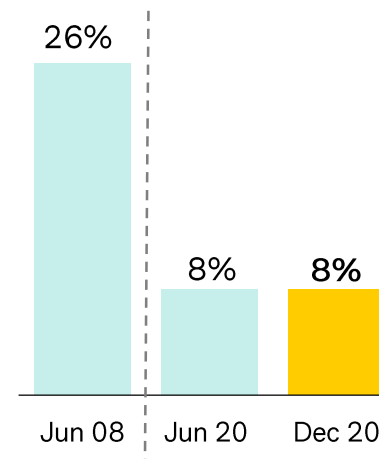
Long term funding¹

% of total wholesale funding²



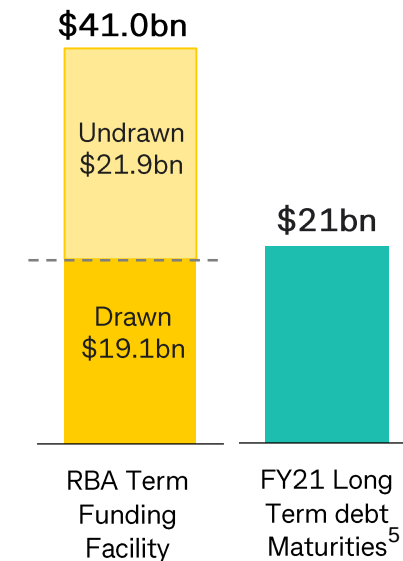
Short term funding⁴

% of total funding



Term Funding Facility

\$bn

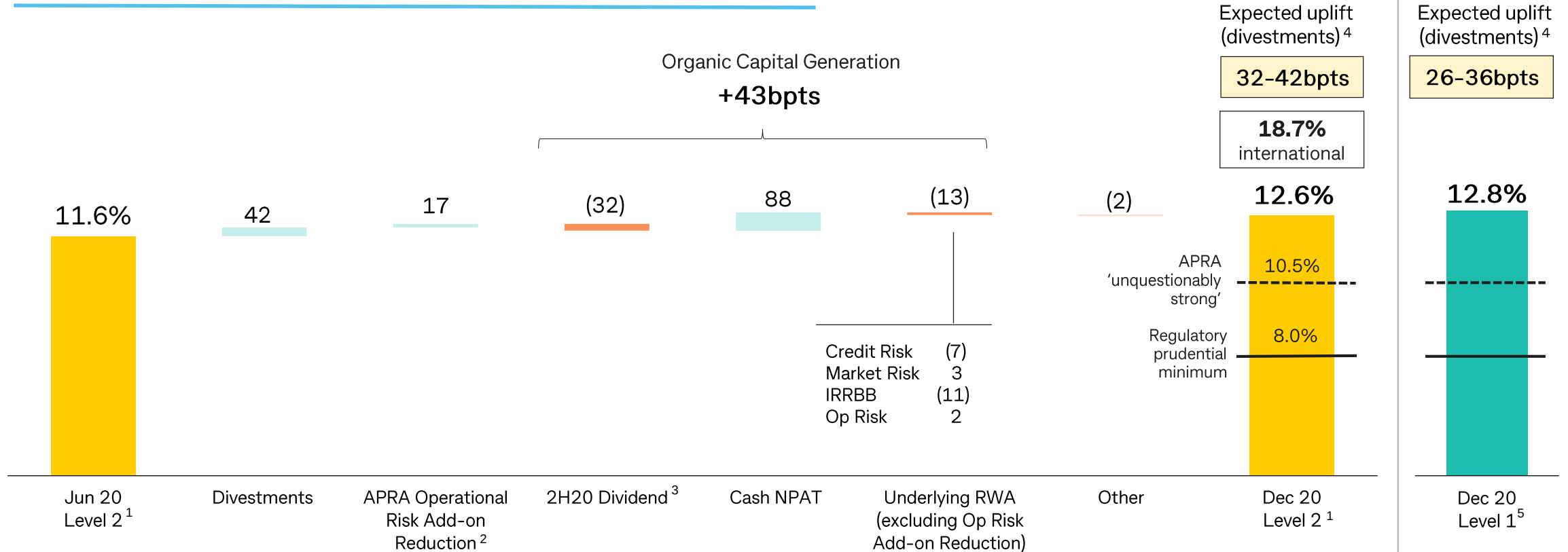


1. Long term wholesale funding (>12 months). 2. As at 31 December 2020, long term % of total wholesale funding and Weighted Average Maturity (WAM) includes Term Funding Facility drawdowns. 3. Represents the Weighted Average Maturity of outstanding long term wholesale debt with a residual maturity greater than 12 months as at reporting date. 4. Figures include 'other short term liabilities'. 5. Long term wholesale funding maturities.



Capital

CET1 of 12.6% after payment of 2H20 dividend



1. Level 2 is the consolidated banking group including banking subsidiaries such as ASB Bank and PT Bank Commonwealth (Indonesia) and excluding the insurance and funds management businesses. 2. Reflects APRA's announcement on 20 November 2020 resulting in a 50% reduction in CBA's operational RWA add-on (from \$12.5bn to \$6.25bn). 3. 2020 final dividend: included the issuance of shares in respect of the Dividend Reinvestment Plan. 4. Expected CET1 uplifts from previously announced divestments: Commlnsure Life (final instalment) and majority sale of Colonial First State. Completion of divestments subject to regulatory approvals. 5. Level 1 is the CBA parent bank, offshore branches and extended license entities approved by APRA.

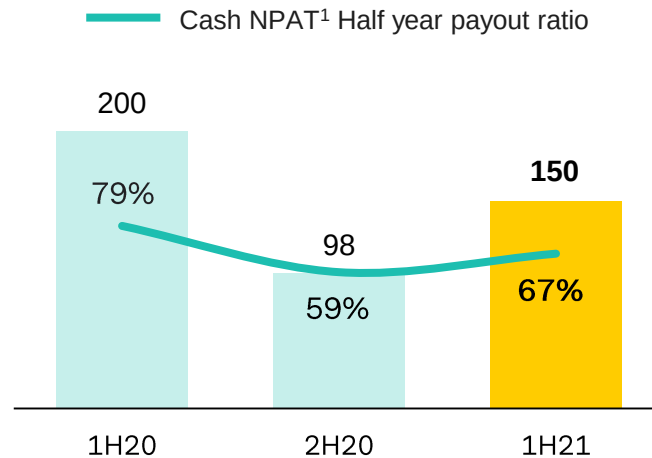
Capital and dividend considerations

Long term, disciplined approach supports returns and provides flexibility

Sustainable returns

Long term commitment to sustainable returns

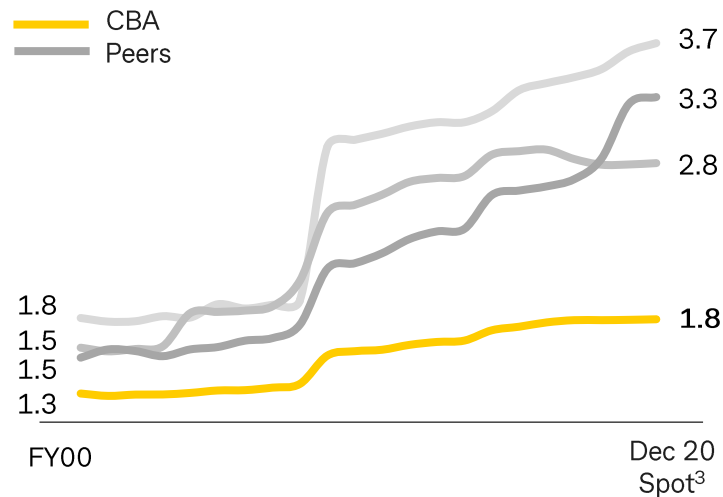
Dividend (cents)



Long term discipline

Lower share count supports sector-leading shareholder returns and dividends

Number of shares (bn)²



Creating flexibility

- The Board's long-term full year dividend payout range remains 70-80% - moderated payout in 1H21 due to uncertain economic environment
- Capital discipline underpins a strong surplus position, providing flexibility in decision-making, subject to;
 - Greater certainty regarding domestic economic performance and outlook
 - Ongoing assessment of portfolio credit quality/stress factors
 - Prudential regulatory guidance

1. Cash NPAT inclusive of discontinued operations. 2. Historical share count data sourced from Bloomberg, using the last trading day in September of each year. 3. Peer numbers as at 31 Dec 2020.

Economic outlook

Australia and New Zealand relatively well positioned

- Recovery in global growth in 2021 – unevenly distributed
- Australia and New Zealand relatively well positioned
 - Significant accumulated household savings
 - Strong recovery in labour market
 - High consumer and business confidence
 - Improved outlook for housing
- Base case similar to Reserve Bank of Australia – prepared for a range of scenarios
- Upside and downside risks
 - Ongoing management of the virus
 - Vaccine rollout – domestic and international
 - Local business investment and continued job creation – private sector led
 - Global trade and geopolitical tensions



Summary

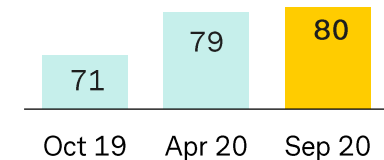
Delivering now – positioning for the future

- **Balanced outcomes**
 - Customer focus + engaged people = volume growth
 - Peer leading balance sheet strength
 - Leading returns
- **Strategy refresh**
 - Leadership in Australia's recovery and transition
 - Building Australia's leading business bank
 - Re-imagined products and services
 - Global best digital banking experiences
 - Simpler, better foundations

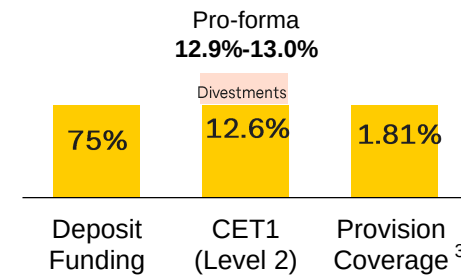
Volume Growth¹

1H21	CBA vs System
Business Lending	>3x
Business Deposits	1.7x
Home Lending	1.5x
Household deposits	1.1x

Employee Engagement²



Balance Sheet



Total Shareholder Return⁴

Period	Rank
1yr	#1
3yr	#1
5yr	#1
10yr	#1

1. As reported in APRA Monthly ADI Statistics (MADIS). System multiple calculated on a non-annualised basis. CBA business lending multiple estimate is based on Business Banking growth rate (excluding Institutional Banking and Markets) over published APRA Total Business Lending data (excluding estimated institutional lending balances). CBA business deposits multiple estimate is based on Total CBA Non – Financial business deposit growth rate over Market Non-Financial Business Deposit growth rate, as published by APRA. 2. Employee Engagement Index (EEI) from bi-annual engagement survey. 3. Total provisions divided by credit risk weighted assets. 4. Source: Bloomberg. Total Shareholder Return Rank reflects position compared to major bank peers as at 31 December 2020.



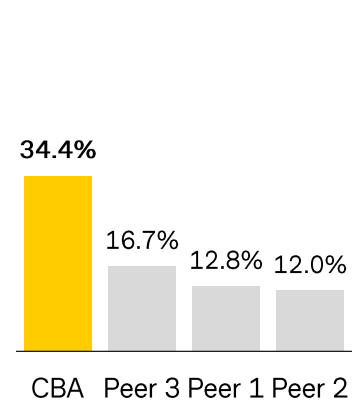


Overview & Strategy

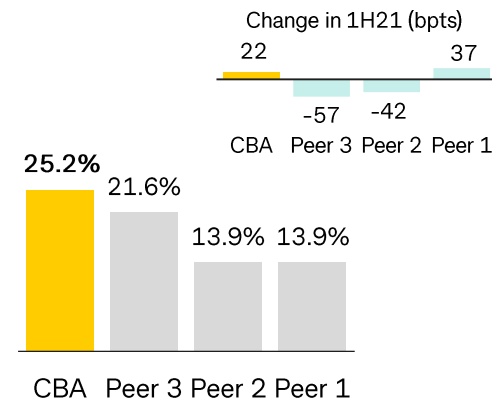
Why CBA?

Leading franchise - leading returns

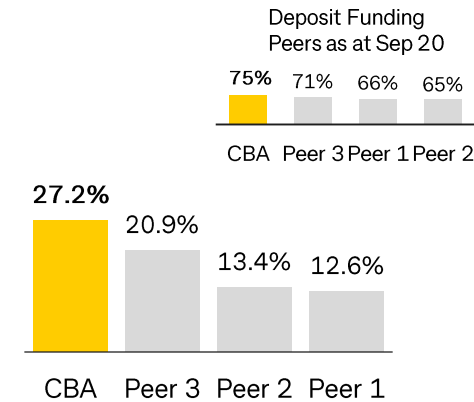
MFI share¹ (%)



Home Lending share² (%)

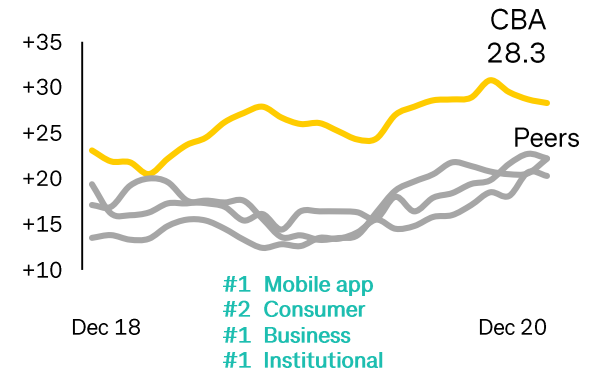


Household Deposits share³ (%)



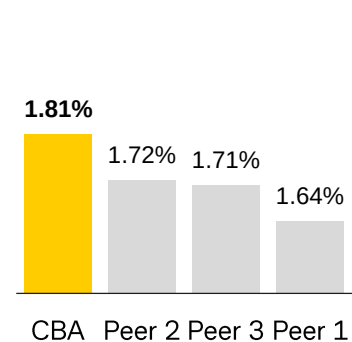
Net Promoter Scores (%)

Mobile App Net Promoter Score⁴



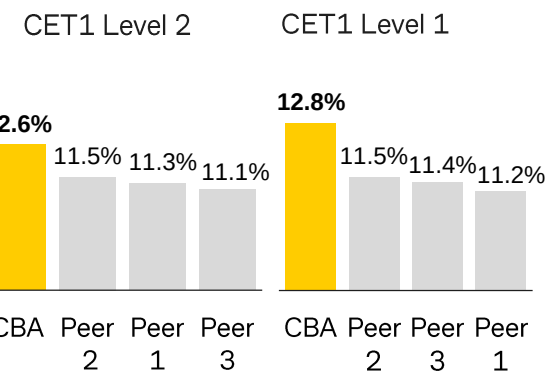
Provisioning (%)

Total provision coverage to Credit RWA⁵



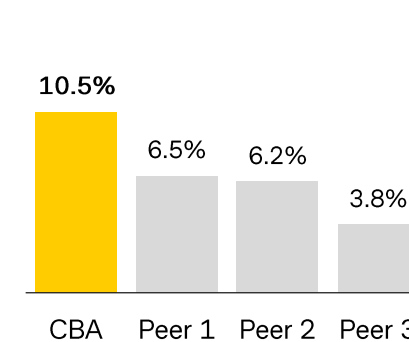
Capital (%)

Peers as at September 2020



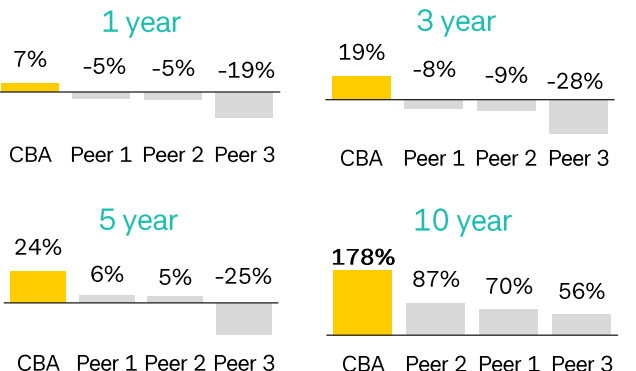
ROE (cash)⁶ (%)

Peers as at September 2020



Shareholder Returns (%)

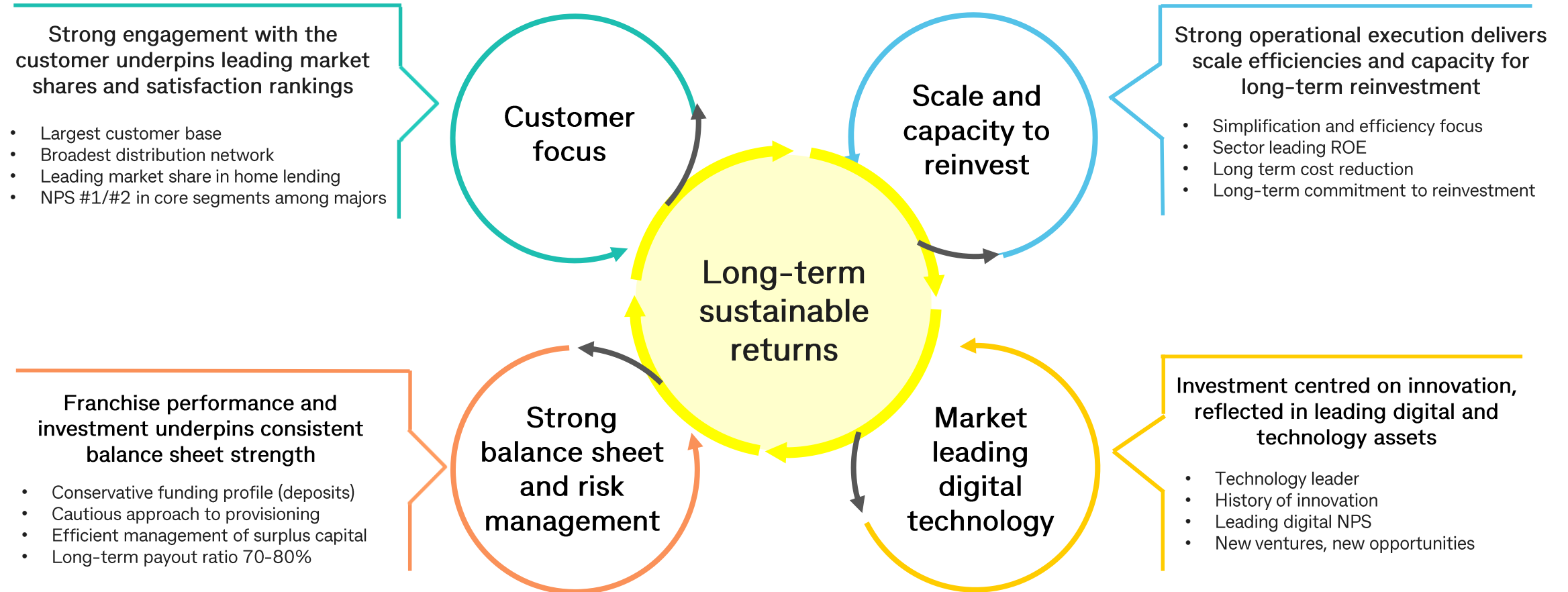
Total Shareholder Return⁷



1, 2, 3, 4, 5, 6, 7. Refer to notes slide at the back of this presentation for source information.

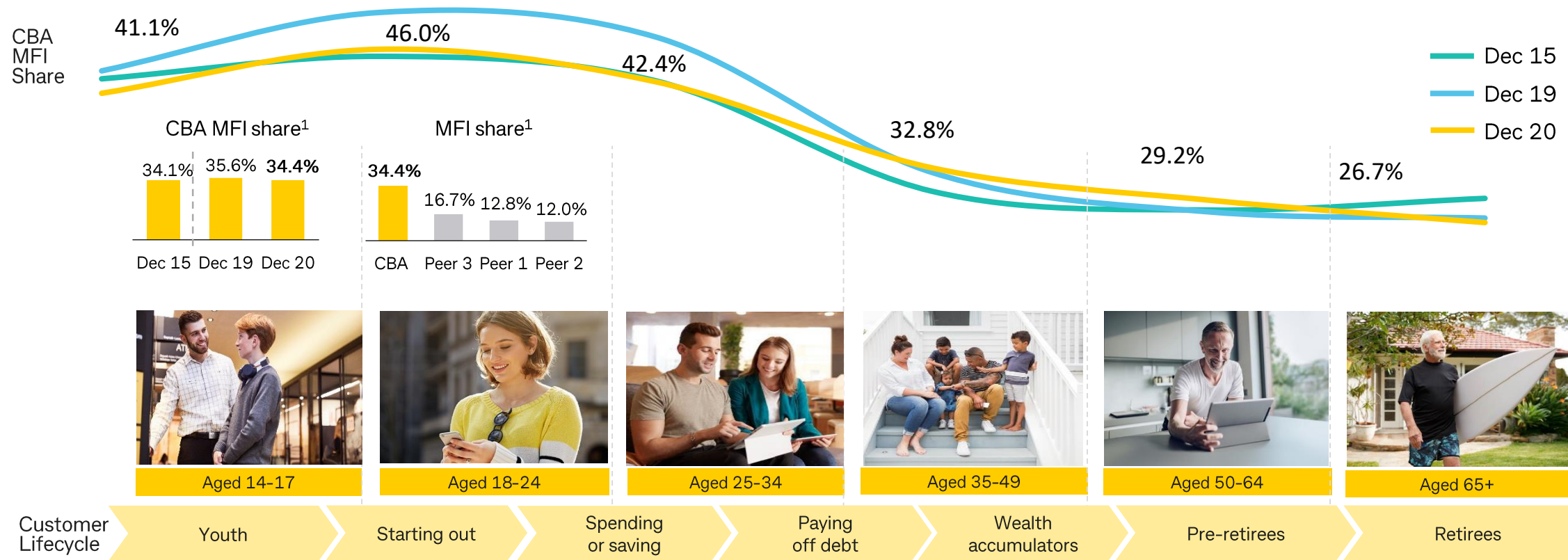
Delivering long-term sustainable returns

A consistent, long-term strategy - focused on the customer



Reimagined products and services

Franchise strength supporting our customers



1. MFI Share measures the proportion of Banking and Finance MFI Customers that nominated each bank as their Main Financial Institution. Main Financial Institution (MFI) definition: In the Roy Morgan Single Source Survey MFI is a customer determined response where one institution is nominated as the primary financial institution they deal with (when considering all financial products they hold). Peers include ANZ Group, NAB Group and Westpac Group (including St George Group). CBA Group includes Bankwest. Source: Roy Morgan's Single Source survey conducted by Roy Morgan, Australian population 14+ (12 month average to December 15, 12 month average to December 19 & 12 month average to December 2020), excl. unable to identify MFI.

Reimagined products and services

A ventures portfolio including new acquisitions and investments

The logo for x15, featuring a large pink 'x' followed by the number '15' in a bold, sans-serif font.

A dedicated vehicle
for scaling new digital
solutions for our
customers

With our strategic partners

The KPMG logo, consisting of the letters 'KPMG' in a bold, blue, sans-serif font.

Square Peg

The Zetta logo, featuring the word 'zetta' in a bold, orange, sans-serif font, with 'VENTURE PARTNERS' in a smaller, black, sans-serif font below it.

— FINANCIAL REVIEW BOSS —
MOST INNOVATIVE
COMPANIES

Banking, Superannuation and Financial Services category

#1 Overall
CommBank

#1 Product
Vonto by x15

Our portfolio



Everyday Banking



Home Buying



Business

The creditsavvy logo, featuring a stylized 'S' icon followed by the word 'creditsavvy' in a lowercase, sans-serif font.

Klarna.*

The PEXA logo, featuring a stylized 'X' icon followed by the word 'PEXA' in a bold, sans-serif font.The Home-in logo, featuring a stylized house icon with a checkmark inside, followed by the text 'Home-in'.The backr logo, featuring a stylized 'b' icon followed by the word 'backr' in a bold, sans-serif font.

vonto

doshii

The Slyp logo, featuring a stylized 'S' icon followed by the word 'Slyp' in a bold, sans-serif font.

And our Xccelerate2020 winners

The OwnHome logo, featuring a stylized 'H' icon followed by the word 'OwnHome' in a bold, sans-serif font.The Givvable logo, featuring a stylized 'G' icon followed by the word 'Givvable' in a bold, sans-serif font.

*Investment outside of x15 vehicle

Global best digital experiences

Building on a history of innovation

Foundations

Leadership

Extending leadership



Netbank

Full functionality
24-hour online
banking service

1997



CommSee

Proprietary
customer
relationship
system

2005

24/7

Core banking

Real-time
banking and
settlement

2009



CommBank app

#1 mobile
banking app
(Net Promoter
Score)

2013



Customer Engagement Engine

Learns from
customer
interactions to
drive personalised
and relevant
banking services

2014



CEBA

AI-powered
chatbot to assist
with 380
banking tasks

2018



New CommBank app

Personalised,
customisable
and accessible

2019

x15

Launch of x15ventures

Building a pipeline
of new digital
businesses

Klarna.

New integrated
shopping and
payment service

2020



Strengthening
capabilities and
extending
CBA's
technology
leadership in
new areas

2021+

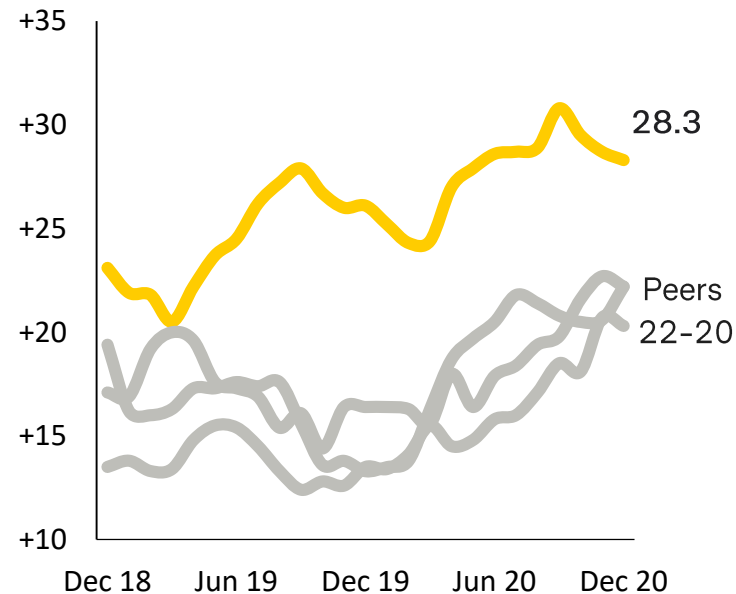
Global best digital experiences

Market leading digital assets – delivering brilliant customer experiences

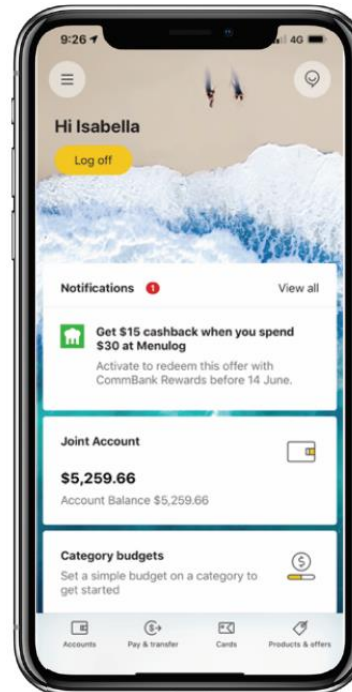
Leading customer experience

Mobile App Net Promoter Score

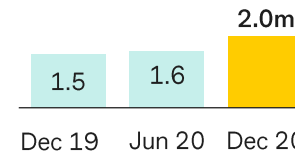
Customer's likelihood to recommend main financial institution based on use of internet banking services via mobile app¹



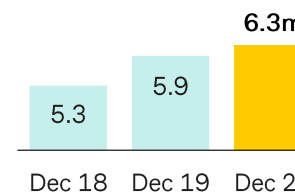
Strong customer engagement



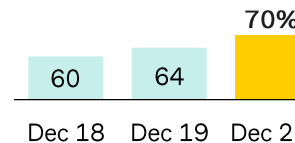
Customers Engaged with smart banking features²



CommBank app users³



Digital transactions % of total - by value⁴



Mobile banking leader

#1

Mobile app Net Promoter Score¹

#1

Online banking (Canstar - 11 years in a row)⁵

#1

Mobile banking (Canstar - 5 years in a row)⁶

#1

Overall Digital Experience Leader (Forrester - 4 years in a row)⁷

#1

Most Innovative Major Bank (DBM Australian Financial Awards)⁸

#1

Best Major Digital Bank (DBM Australian Financial Awards)⁹

#1

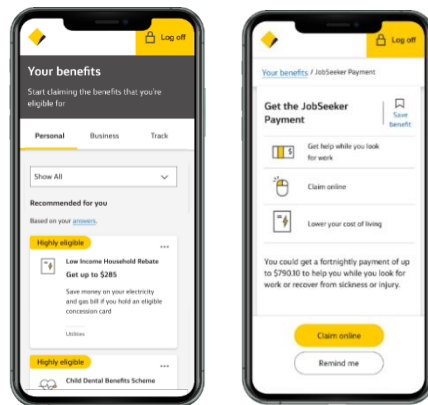
Most Innovative Banking App (RFi Group Australian Banking Innovation Awards)¹⁰

1, 2, 3, 4, 5, 6, 7, 8, 9, 10. Refer to notes slide at the back of this presentation for source information.

Global best digital experiences

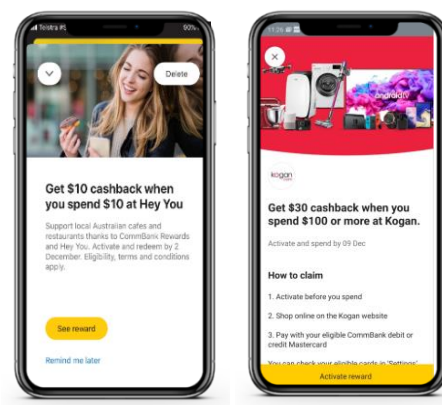
Market leading digital assets – delivering brilliant customer experiences

Benefits finder



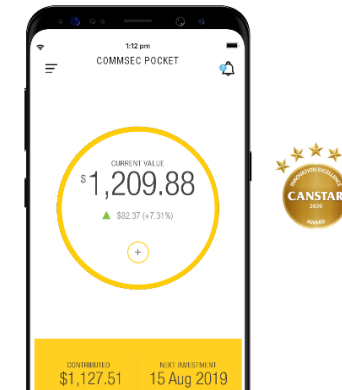
- >2.9m unique visits
- >900k claims started since launch
- Over 270 benefits available
- Saves customers >\$150m annually
- Leveraging #1 Banking App, CEE
- Globally awarded innovation

CommBank Rewards



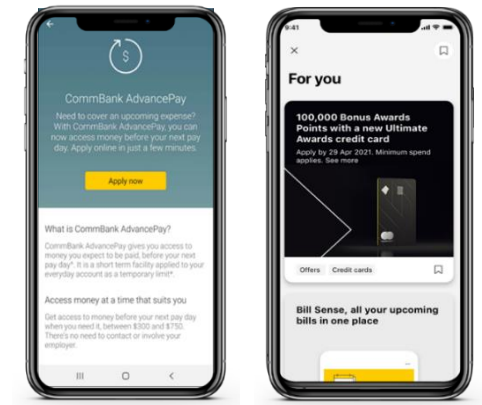
- Personalised cashback rewards
- Helping connect Australian businesses to digitally active customers
- >1.9 million customers engaged
- 105m rewards viewed
- >\$4 million in cashback to-date

CommSec Pocket



- Simple, low cost investing app
- Investing with as little as \$50
- Over 170k customers since launch
- Over \$360m invested since launch
- 80% of customers under 40yrs old
- Winner of a Canstar 2020 Innovation Excellence Awards

#1 Mobile App



- Advance Pay – access to money before your next pay day
- 'For You' – personalised promotions offers, rewards and tips
- Bills Sense – predictive timeline of upcoming bills using data and machine learning
- COVID money plan – practical, simple and actionable tools and guidance



Simpler, better foundations

Divestment program well progressed – BoCommLife completed – Aussie Home Loans / Lendi merger announced

Divestment Status

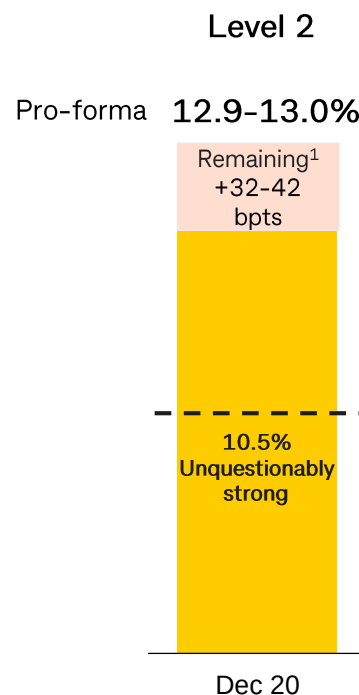
Completed

Sovereign	Jul 18
TymeDigital	Nov 18
CFSGAM	Aug 19
Count Financial	Oct 19
CFP Pathways	Cessation completed Mar 20
Financial Wisdom	Assisted closure completed Jun 20
PT Commonwealth Life	Jun 20
BoCommLife	Dec 20

Announced

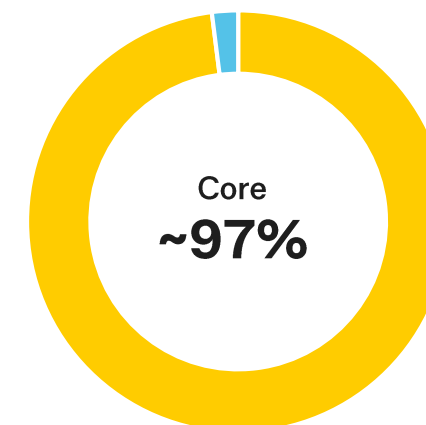
CommInsure Life	Expected completion 2H21
AUSIEX	Expected completion 2H21
Colonial First State	Expected completion 2H21
Aussie Home Loans	Expected completion mid CY21
General Insurance	Exploring alternatives

CET1 Impact



Core Business

1H21 Cash NPAT (\$m)



1. Expected CET1 uplifts from previously announced divestments: CommInsure Life (final instalment) 2bpts and majority sale of Colonial First State 30-40bpts. Completion of divestments subject to regulatory approvals.



Simpler, better foundations

Good progress on becoming a better bank for our customers

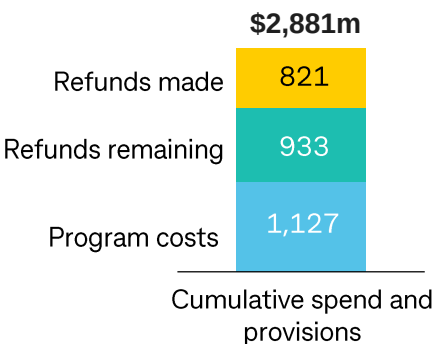
COVID-19 support

Rapid support to customers impacted by COVID-19

- +250k Loan repayment deferrals
- >1m Calls and online request for help
- >6.3m Visits to COVID-19 support page
- >50% Of all new SME Guarantee loans

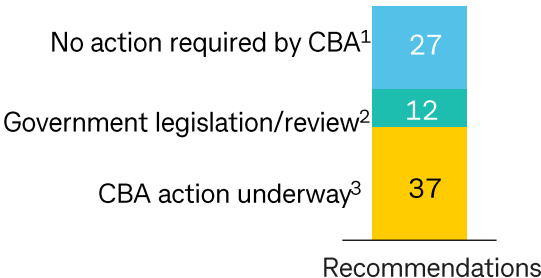
Customer Remediation

Committed to remediating customers quickly



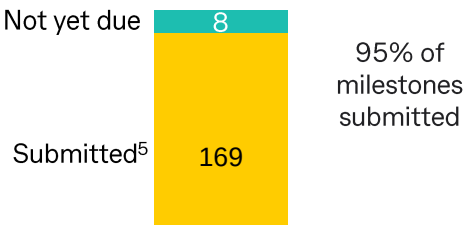
Royal Commission

Well progressed on implementing the recommendations of the Royal Commission



Remedial Action Plan⁴

Validation from APRA - significant progress in our Remedial Action Plan - \$500m capital release



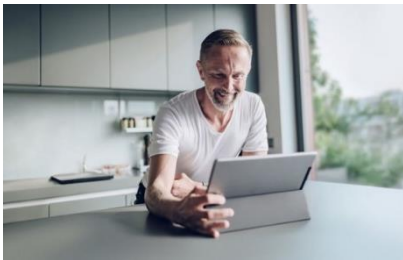
Open Banking

Consumers now able to share their data, with different products progressively enabled from July 20



Comprehensive Credit Reporting

Enhancing customers financial security. Implemented the supply of 100% of retail credit accounts in Sep 19



1. No action required as action is with Government/regulator/other or CBA does not operate in that business. 2. CBA will implement once regulation / legislation is in place. 3. Recommendations that are underway or implemented - some requiring regulatory or legislative action to complete. 4. The Remedial Action Plan is CBA's response to the recommendations contained in the Final Report of the Australian Prudential Regulation Authority (APRA) Prudential Inquiry into CBA released in May 18. Reflects revised milestones as outlined in the Independent Reviewer's most recently published report. 5. To Independent Reviewer.



Our commitment to sustainability

Making a positive contribution to our customers, community and our people

Supporting our customers

- Committed to a freeze on forced sales for COVID home loan deferral customers until September 2021
- Strengthened the **Community Wellbeing team** to better support customers in vulnerable circumstances
- **Doubling the number of business bankers in branches** by Jun-21 and **committed \$100 million** to the Australian Business Growth Fund
- Increased awareness on scams and cyber security for our customers and the community
- Launched new CommBank app features to help customers manage bills and stay in control of every day spending

Investing in our communities

- Enabled digital delivery of financial education workshops to support teachers and students engage virtually through COVID-19¹
- Launched our **Next Chapter program** to assist customers and members of the community impacted by financial abuse
- Spent **\$4.4 million** with Australian Indigenous suppliers in FY20 – tracking ahead of our FY24 target of 3% total annual domestic contestable spend
- Over 200 community organisations were supported with a Bushfire Recovery Grant of up to \$50,000
- Provided analytics and insight to the Federal Government as it considered how best to target support for those affected by the pandemic

Commitment to our people

- Refreshed our values to **Care, Courage, Commitment** to align our people's decisions and actions to the expectations set in our Code of Conduct
- Provided a range of support resources to ensure the safety, health and wellbeing of our people
- Recent Your Voice survey showed **89%** of employees are proud to work for the Bank and **91%** are confident in the future of CBA
- Engaged our people with activities during Mental Health Month, Safety Week, and NAIDOC Week
- Opened South Eveleigh workplace where we have met the highest standards in sustainable workplace design

Good business practice

- Strengthened our governance framework for climate, environmental and social risk
- Launched a CEO-chaired committee focused on environmental and social risk
- Continued to develop and update our approach and policies to drive progress on our commitments:
 - The Cyber Security Trust Statement provides information on policy requirements in place to secure customer information
 - **2021 Inclusion and Diversity Strategy**
 - Launched **2021-23 Accessibility and Inclusion Plan**²
- Received validation from APRA regarding significant progress in implementing the Prudential Inquiry Remedial Action Plan, with reduction in operational risk overlay from \$1bn to \$500m

1. Evaluation Report available at [commbank.com.au/StartSmartDigital](https://www.commbank.com.au/StartSmartDigital) 2. 2021-23 Accessibility and Inclusion Plan <https://www.commbank.com.au/articles/newsroom/2020/12/Accessibility-Inclusion-Plan.html>



Sustainable outcomes

Managing climate change risks and opportunities

Our climate commitment

We are committed to playing our part in limiting climate change in line with the goals of the Paris Agreement and supporting the responsible global transition to net zero emissions by 2050.

We recognise that to achieve the goals of the Paris Agreement, action over the next decade to 2030 is crucial while supporting the financial wellbeing of our customers, communities and the Australian economy.

Reducing our footprint



Achieved our goal of sourcing 100% of our Australian electricity needs from renewable energy.



Increased onsite renewable energy generation capacity¹ to 1570kW at 31 December 2020, exceeding our 2021 target of 1500kW



62.5%+ reduction in overall emissions since 2009

1. Renewable energy generated using solar photovoltaic panels on branches. For more details see: cbasolarpower.com.au. 2. As at 31 December 2020.

Sustainable finance

Supporting our customers and clients to improve their sustainability performance and support a low carbon future, including:

- NSW Treasury Corporation A\$1.3bn Syndicated Green Bond
- Lendlease A\$500m 7-year Green Bond
- Canberra Metro Light Rail Project A\$286m Green Loan

Key achievements

\$4.4bn²

in renewable energy exposure, up 4% from Jun 2020



Partnered with the Aboriginal Carbon Foundation, to purchase carbon credits to offset our unavoidable Australian non-electricity emissions as well as deliver social co-benefits

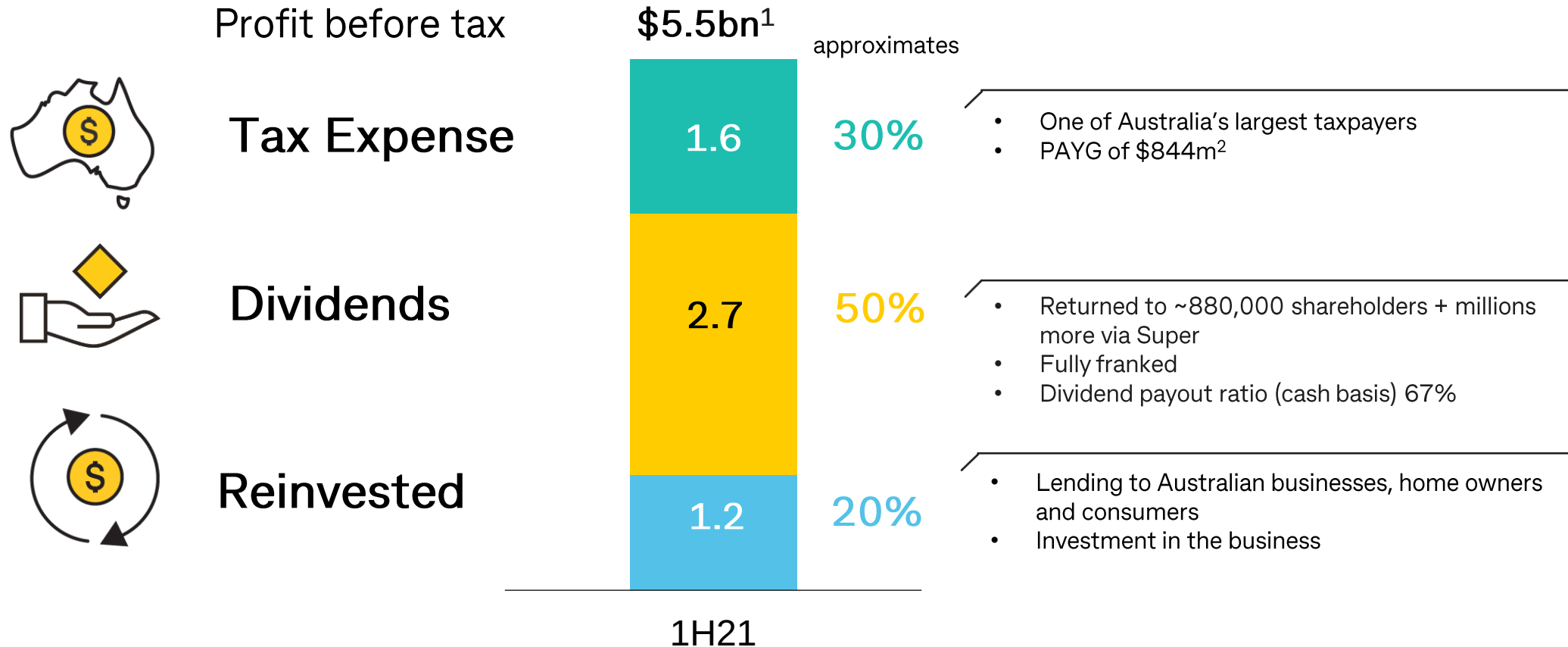




Financial Overview

Our profits

80% of profits paid in tax and returned to shareholders



1. Presented on a continuing operations "cash basis". 2. PAYG represents tax collected for the ATO in respect of payments made to employees of the Group.



Overview – 1H21 result¹

Key outcomes summary

Financial

Statutory NPAT ² (\$m)	4,877	(20.8%)
Cash NPAT ³ (\$m)	3,886	(10.8%)
ROE ³ % (cash)	10.5	(180)bpts
EPS ³ cents (cash)	220	(26c)
DPS ² \$	1.50	(50c)
Cost-to-income ³ (%)	46.5	+320 bpts
NIM ³ (%)	2.01	(10)bpts
Op income ³ (\$m)	11,961	(0.5%)
Op expenses ³ (\$m)	5,566	+6.9%
Profit after capital charge ^{3,4} (\$m)	1,821	(19.1%)
LIE to GLAA (bpts) ⁵	22	+5 bpts

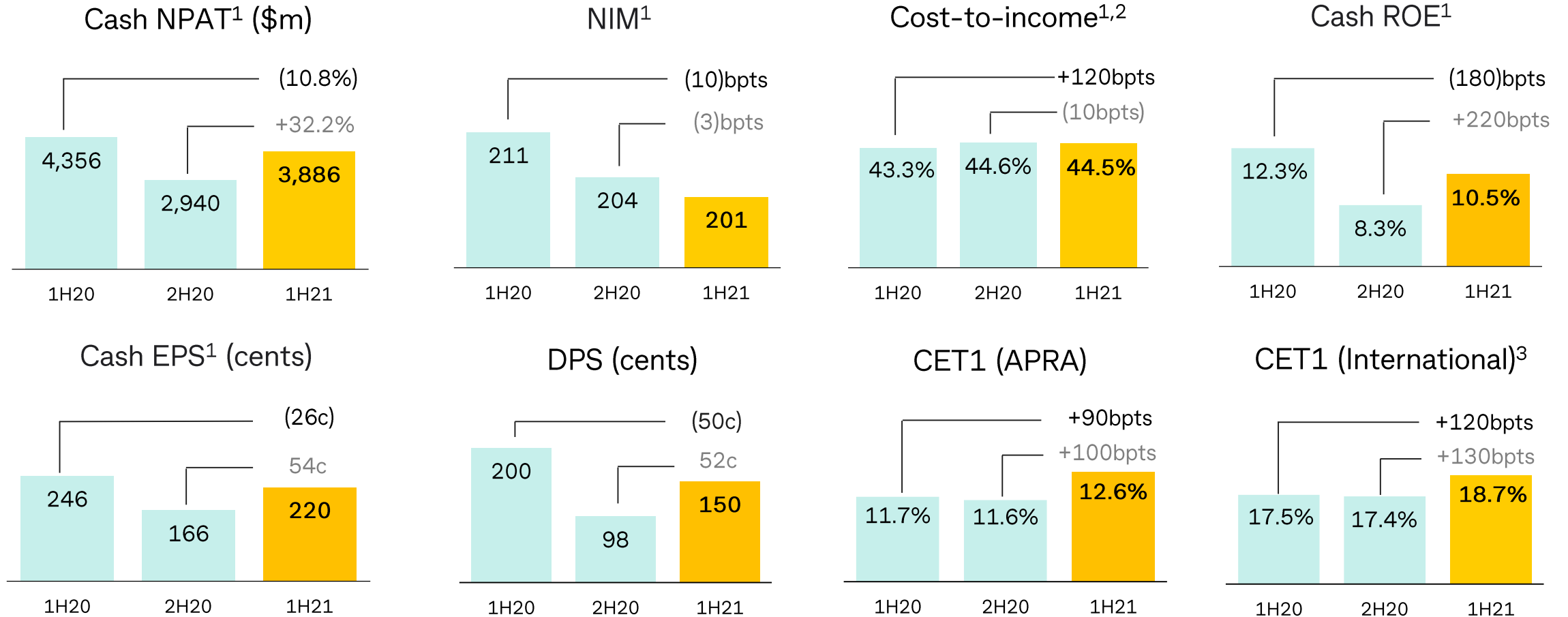
Balance sheet, capital & funding

Capital – CET1 ^{2,6} (Int'l)	18.7%	+120 bpts
Capital – CET1 ² (APRA)	12.6%	+90 bpts
Total assets (\$bn)	1,058	+7.9%
Total liabilities (\$bn)	983	+8.1%
Deposit funding	75%	+4.0%
LT wholesale funding WAM ⁷	5.2 yrs	(0.2)yrs
Liquidity coverage ratio ⁸	143%	+9%
Leverage ratio (APRA) ²	6.0%	(10)bpts
Net stable funding ratio	123%	+9%
Credit ratings ⁹	AA-/Aa3/A+	Refer footnote 9

1. All movements on prior comparative period unless otherwise stated. 2. Includes discontinued operations. 3. Presented on a continuing operations basis. 4. The Group uses PACC as a key measure of risk adjusted profitability. It takes into account the profit achieved, the risk to capital that was taken to achieve it, and other adjustments. 5. Cash Loan Impairment Expense as a percentage of average Gross Loans and Acceptances (GLAA) (bpts) annualised. 6. Internationally comparable capital - refer glossary for definition. 7. As at 31 December 2020, Weighted Average Maturity includes Term Funding Facility drawdowns. WAM as at 31 December 2020 excluding Term Funding Facility drawdowns is 5.7 years (+0.4yrs from 30 June 2020). 8. Quarterly average. 9. S&P, Moody's and Fitch. S&P revised Australian Major Banks outlook to "Negative" from "Stable" on 8th April 2020. Moody's affirmed CBA's ratings and stable outlook on 19th December 2019. Fitch affirmed CBA's A+ Negative Outlook rating on 21st September 2020.

Overview – 1H21 result

Key financial outcomes

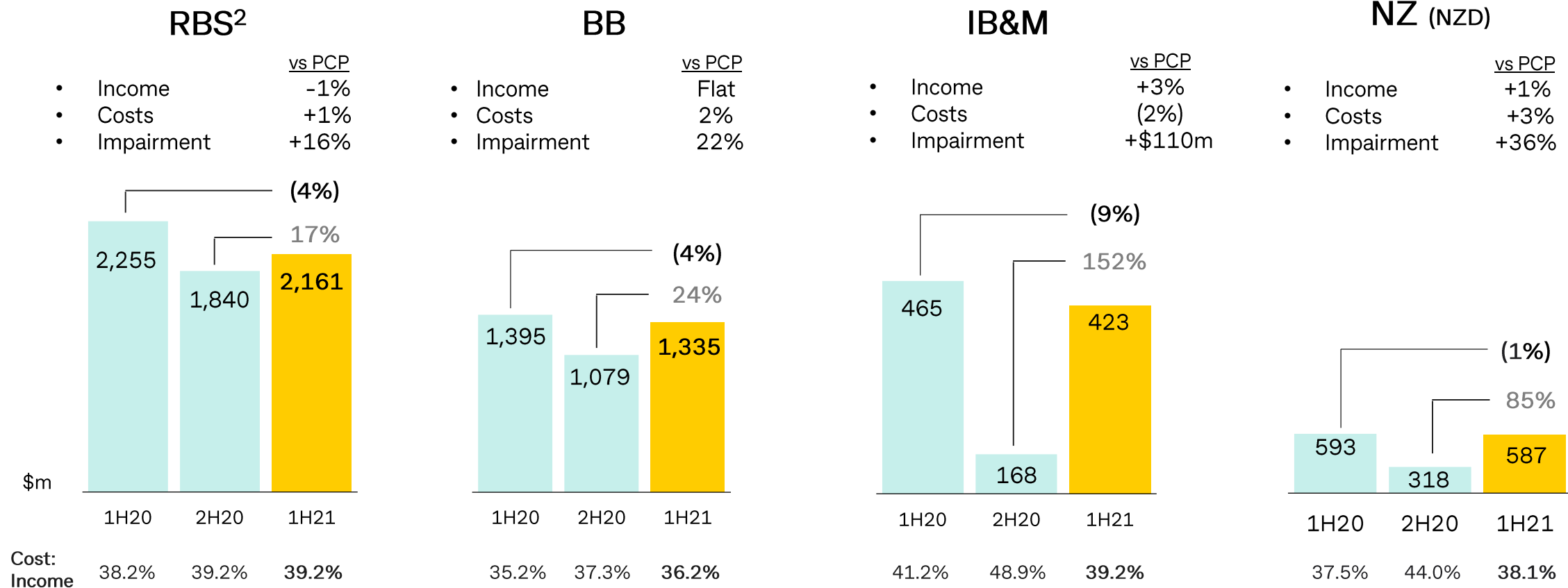


1. Presented on a continuing operations basis. 2. Excludes remediation costs. 3. Internationally comparable capital – refer to glossary for definition.



Cash NPAT by division¹

Higher provisioning (COVID-19) impact across business units – earnings higher sequentially

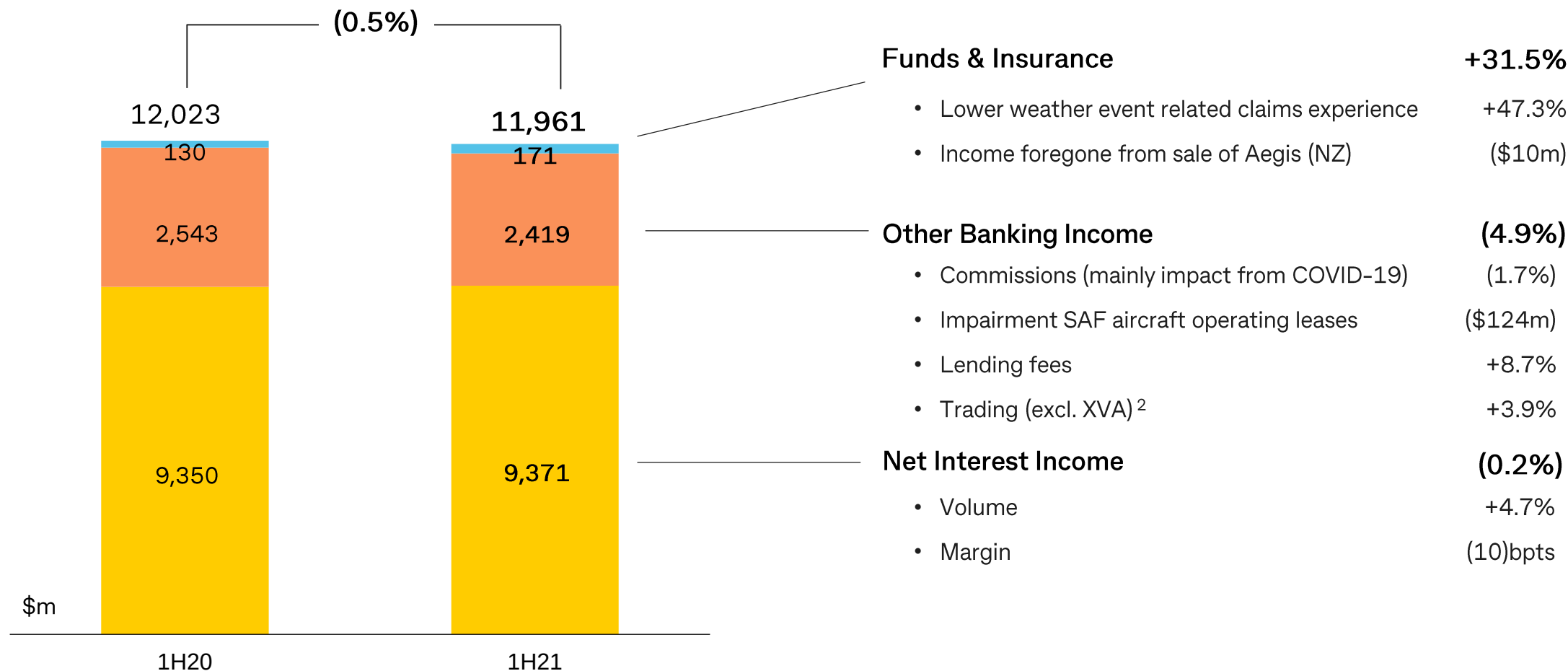


1. Presented on a continuing operations basis. 2. Includes Bankwest Retail and Commonwealth Financial Planning, excludes General Insurance and Mortgage Broking consolidation.



Total operating income drivers¹

Lower margin and OBI partly offset by higher volumes and Funds & Insurance

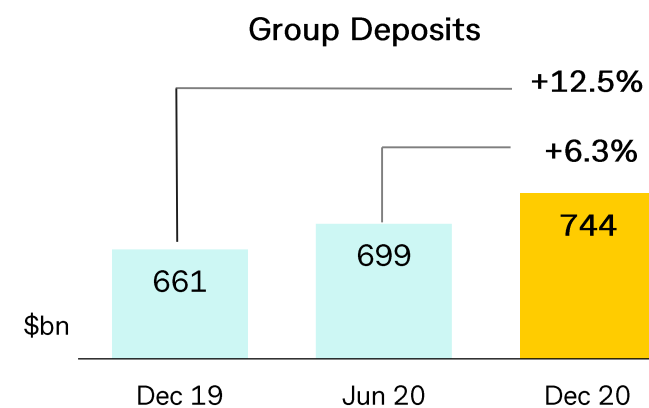
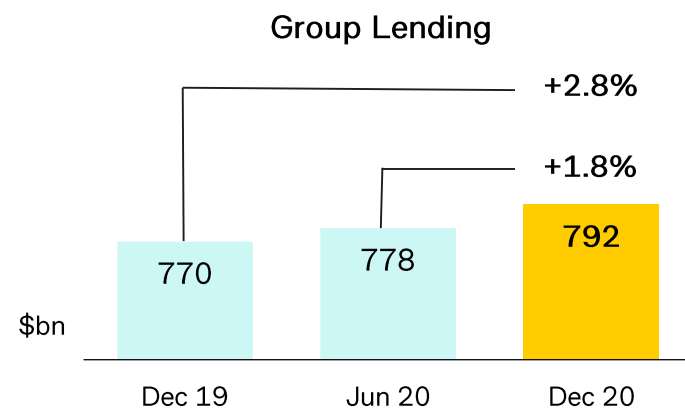


1. Presented on a continuing operations basis. 2. Derivative valuation adjustment (XVA) up +\$7m in 1H21 versus 1H20.



Balance sheet

Continued good growth in core markets



\$m	Dec 19	Jun 20	Dec 20	Dec 20 vs Jun 20	Dec 20 vs Dec 19
Home loans	535,090	542,880	559,318	3.0%	4.5%
Consumer finance	21,167	18,217	17,449	(4.2%)	(17.6%)
Business loans ¹	120,814	122,313	127,560	4.3%	5.6%
Institutional loans	93,331	94,382	87,780	(7.0%)	(5.9%)
Total Group Lending	770,402	777,792	792,107	1.8%	2.8%
Non-lending interest earning assets	159,391	178,806	201,833	12.9%	26.6%
Other assets (including held for sale)	50,075	57,462	63,794	11.0%	27.4%
Total Assets	979,868	1,014,060	1,057,734	4.3%	7.9%
Total interest bearing deposits	600,197	625,078	652,575	4.4%	8.7%
Non-interest bearing trans. deposits	60,871	74,335	91,013	22.4%	49.5%
Total Group Deposits	661,068	699,413	743,588	6.3%	12.5%
Debt issues	153,327	142,503	122,548	(14.0%)	(20.1%)
Other interest bearing liabilities	56,507	51,264	69,109	34.8%	22.3%
Other liabilities (including held for sale)	37,813	48,867	47,486	(2.8%)	25.6%
Total Liabilities	908,715	942,047	982,731	4.3%	8.1%

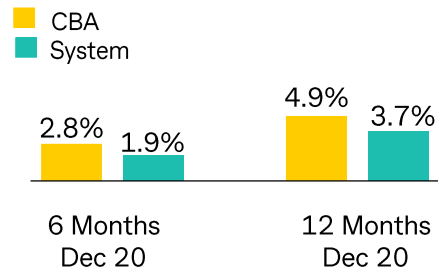
1. Business loan growth of +5.6% (vs Dec 19) driven by growth in Business Banking of 6.8%. NZ Business and Rural lending down 0.8% driven by FX (excl. FX, NZ business lending growth was +1.9%).



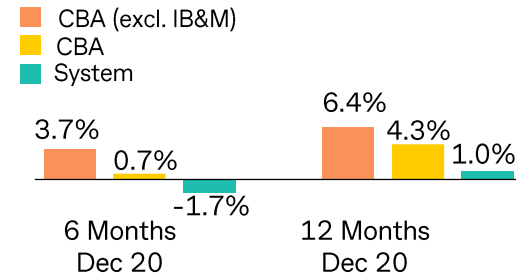
Volume growth

Above system growth in core products

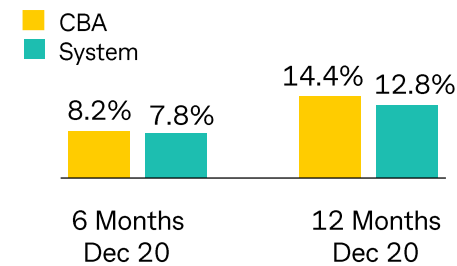
Home Lending¹



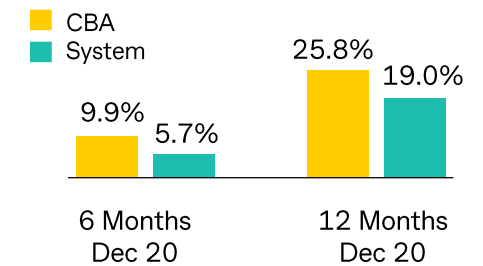
Business Lending^{1,2}



Household Deposits³

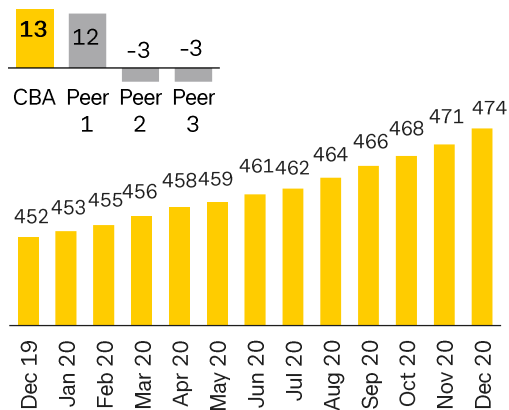


Business Deposits⁴

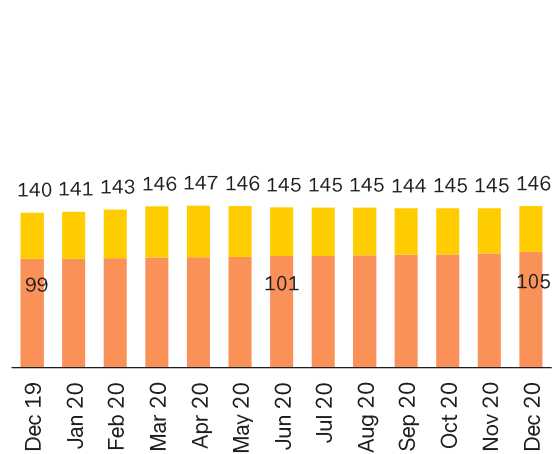


\$bn Balances by month

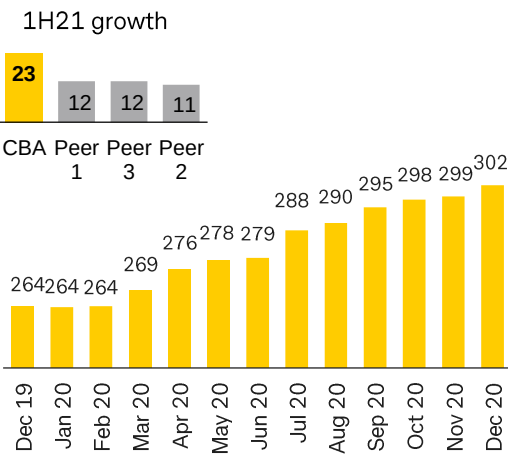
1H21 growth



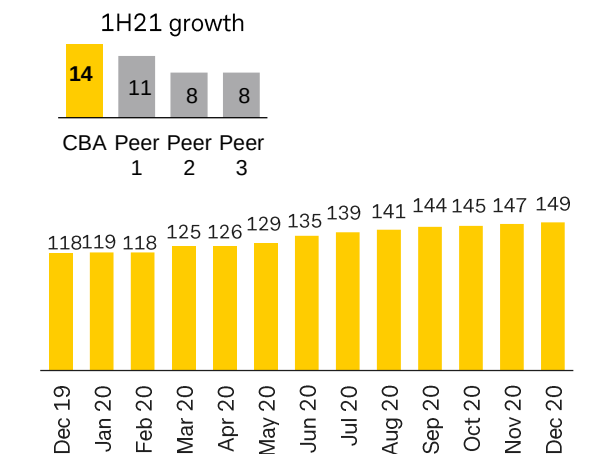
\$bn Balances by month



\$bn Balances by month



\$bn Balances by month



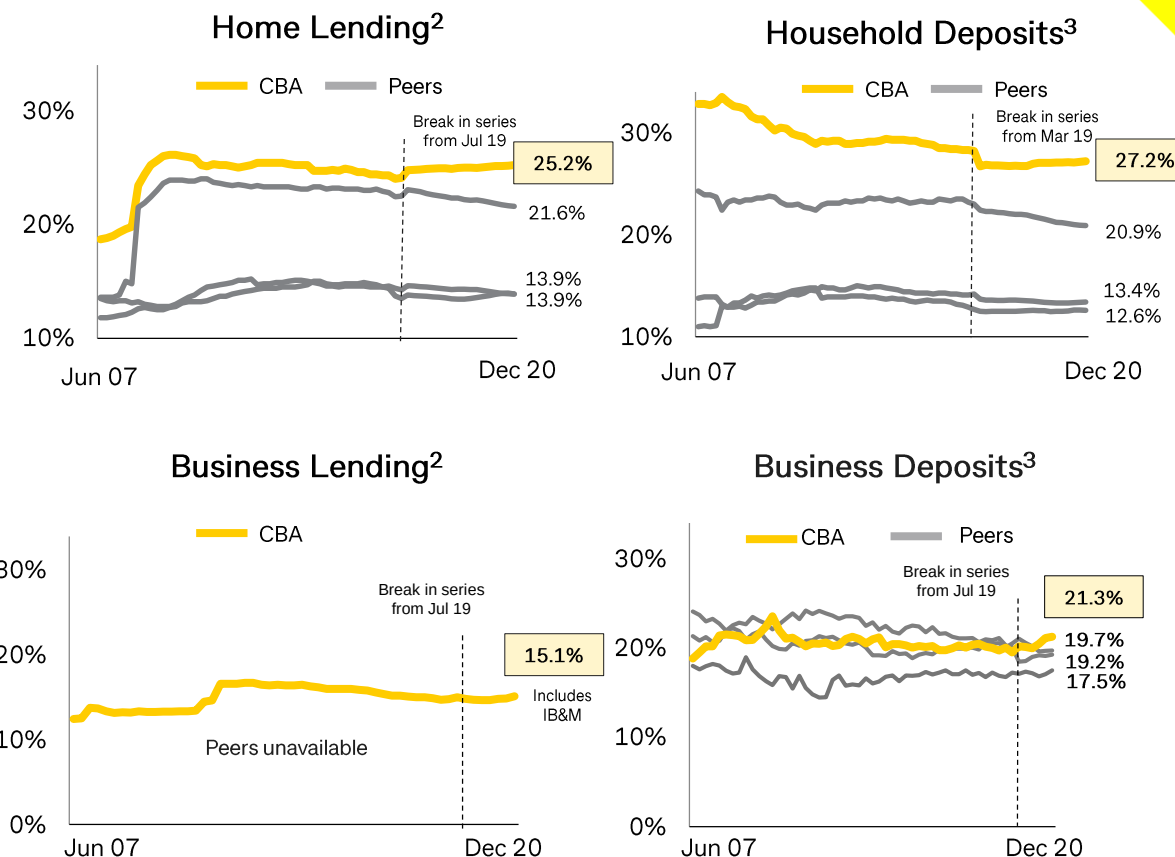
1. Source: RBA Lending and Credit Aggregates. 2. CBA excludes Cash Management Pooling Facilities. 3. Source: APRA Monthly Authorised Deposit-taking Institution Statistics (MADIS). 4. APRA NFB Deposits, including Institutional Banking and Markets.



Market share¹

Strong market share in core markets

%	Dec 20	Jun 20	Dec 19
Home loans – RBA ²	25.2	25.0	24.9
Home loans – APRA ³	25.9	25.7	25.5
Credit cards – APRA ³	27.5	26.5	26.6
Other household lending – APRA ^{3,4}	18.6	19.0	19.2
Household deposits – APRA ³	27.2	27.1	26.8
Business lending – RBA ²	15.1	14.8	14.7
Business lending – APRA ³	17.3	16.8	16.7
Business deposits – APRA ³	21.3	20.5	20.1
Equities trading ⁵	4.8	3.7	2.9
Australian Retail – administrator view ⁶	14.4	14.7	14.9
FirstChoice Platform ⁶	10.9	11.0	10.9
NZ home loans ⁷	21.8	21.5	21.5
NZ customer deposits ⁷	18.2	18.2	17.8
NZ business lending ^{7,8}	16.6	15.6	15.5
NZ retail AUM	14.9	14.8	14.9

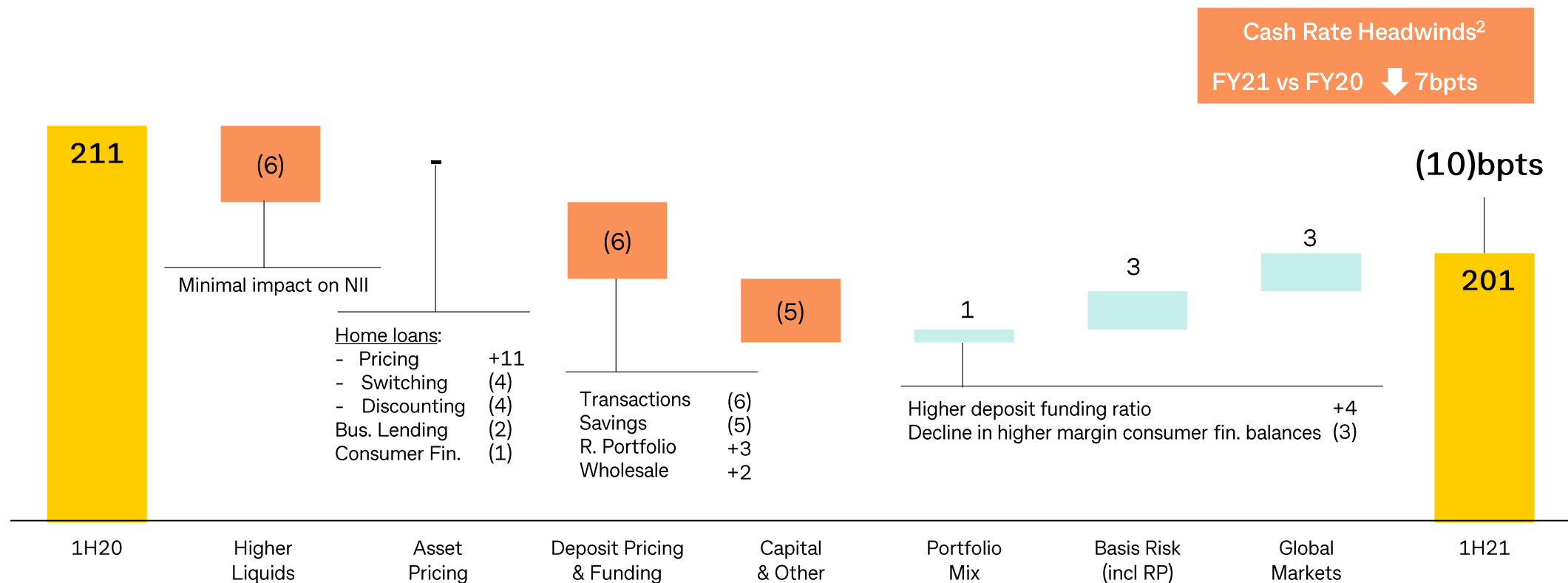


1. Comparatives have been updated to reflect market restatements. 2. System source: RBA Lending and Credit Aggregates. 3. System source: APRA's Monthly Authorised Deposit-taking Institution Statistics (MADIS) publication. 4. Other Household Lending market share includes personal loans, margin loans and other forms of lending to individuals. 5. Represents CommSec traded value (excluding AUSIEX) as a percentage of total Australian Equities markets, on a 12 month rolling average basis. 6. System source: Strategic Insights, as at September 2020 and includes CFS only. 7. As at November 2020 due to delay in publishing of RBNZ December 2020 data. 8. Comparatives have been normalised to exclude the impact of ANZ's sale of UDC Finance Limited in September 2020.



Group margin¹

Down 4bpts excluding the impact of higher liquids – mainly continued pressure from lower interest rates



1. Presented on a continuing operations basis. 2. Estimated impact of the RBA's cash rate cuts in July, October 2019, March and November 2020 on Group NIM, including the deposits impact, lower expected replicating portfolio and equity hedge benefits, and flow through of announced repricing. Excludes impact of any future cash rate movements.

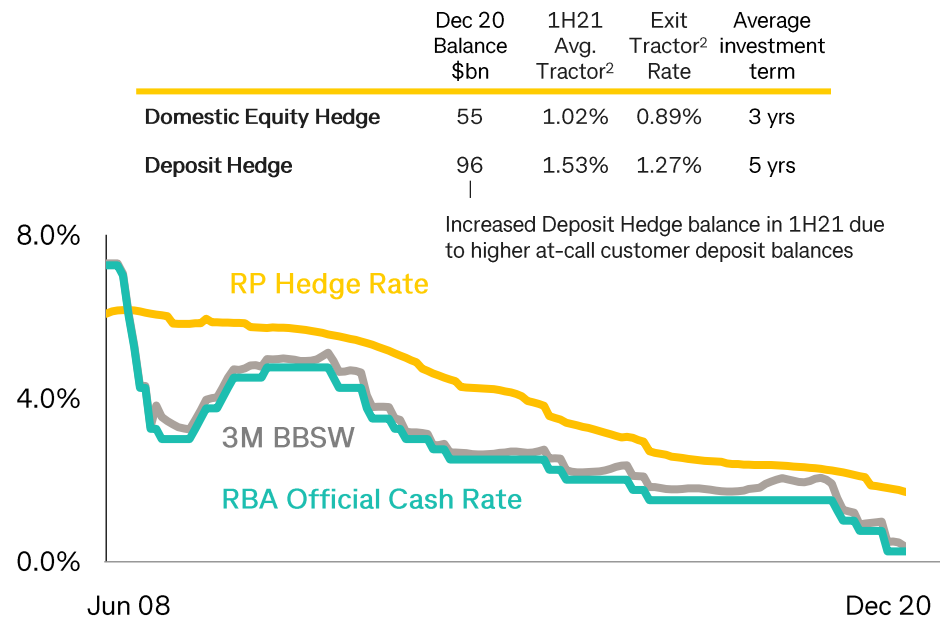


Group margin

Deposits hedge +3bpts - providing partial relief in a low interest rate environment

Replicating Portfolio (RP) & Equity Hedge

(Deposits Earnings¹: -11bpts, Deposits Hedge: +3bpts and Equity Hedge: -4bpts)



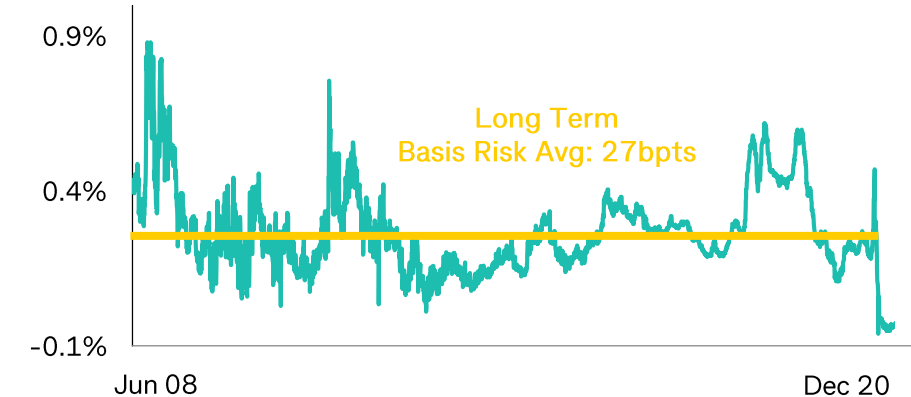
Liquidity & Basis Risk

Liquidity

- Every additional \$10bn of liquid assets³ is expected to reduce Group NIM by ~2bpts but have minimal effect on net interest income

Basis Risk

- As at Jun 20⁵, every 10 bpts = ~1bpt of NIM⁴
- As at Dec 20⁵, every 19bpts = ~1bpt of NIM⁴
- Significantly reduced sensitivity to basis risk in 1H21 due to the strong growth in at-call deposits and mix shift towards fixed rate home loans



1. Earnings impact on domestic transactions and savings deposits excluding impact from the hedge. 2. Tractor is the moving average hedge rate on equity and rate insensitive deposits. Exit Tractor rate represents average rate for December 2020. 3. Estimates based on December 2020 interest rates and assumes the additional liquids are funded with at-call deposits. 4. Includes the impact of basis risk on replicating portfolio. 5. Based on average exposure to Basis Risk in June and December 2020, respectively.

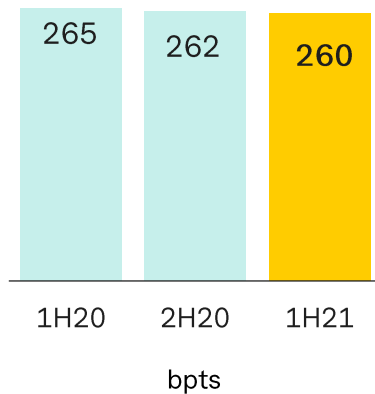


Margins by division

Lower interest rates impacting across business units

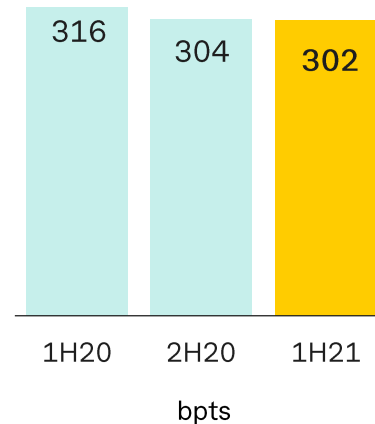
RBS¹

Lower deposit margins, increased home loan competition and unfavourable mix, partly offset by reduced funding costs and home loan repricing



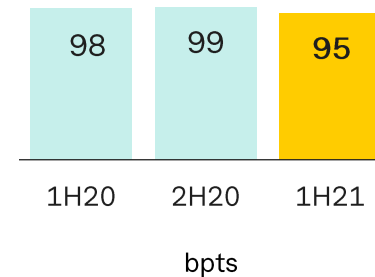
BB

Lower business lending and deposit margins, partly offset by favourable portfolio mix from at-call deposit growth



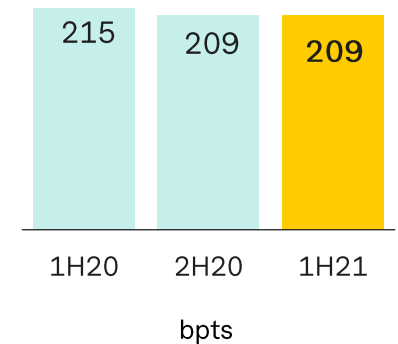
IB&M

Impact of the lower interest rate environment and unfavourable portfolio mix, partly offset by higher Global Markets income from wider bond spreads and increased commodities margins



NZ (ASB)

Lower deposits margins and equity earnings reflecting the lower interest rate environment, partly offset by reduced wholesale funding costs and improved portfolio mix

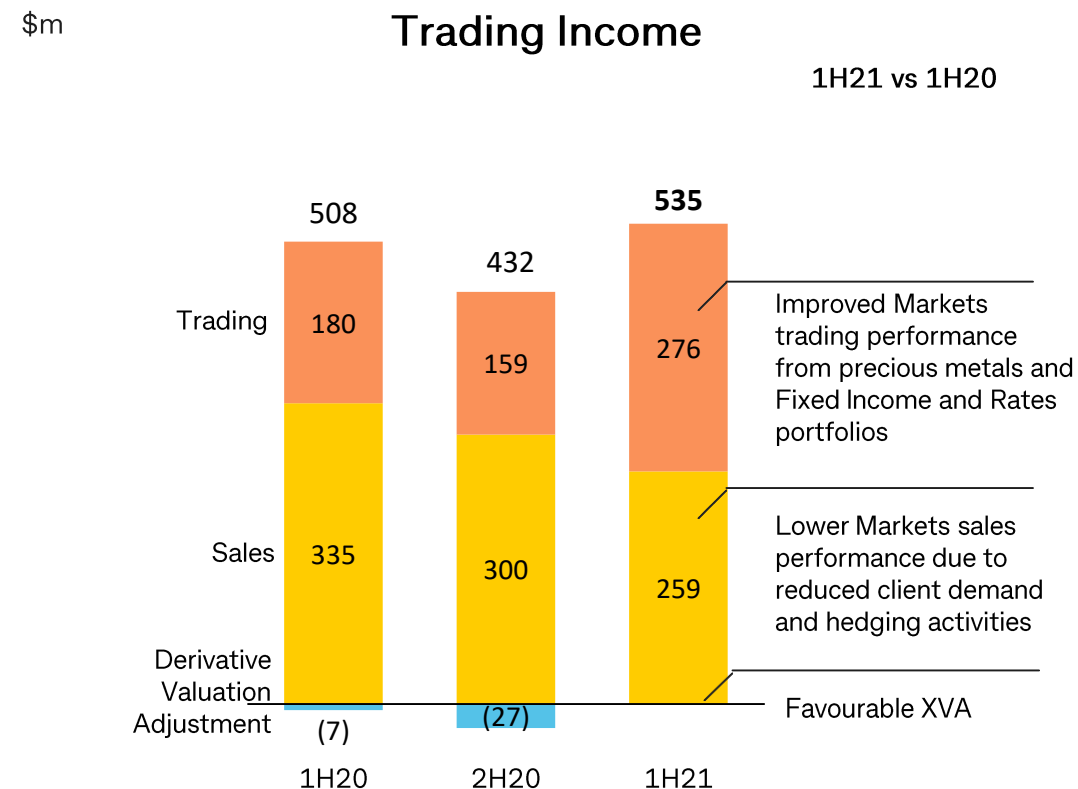
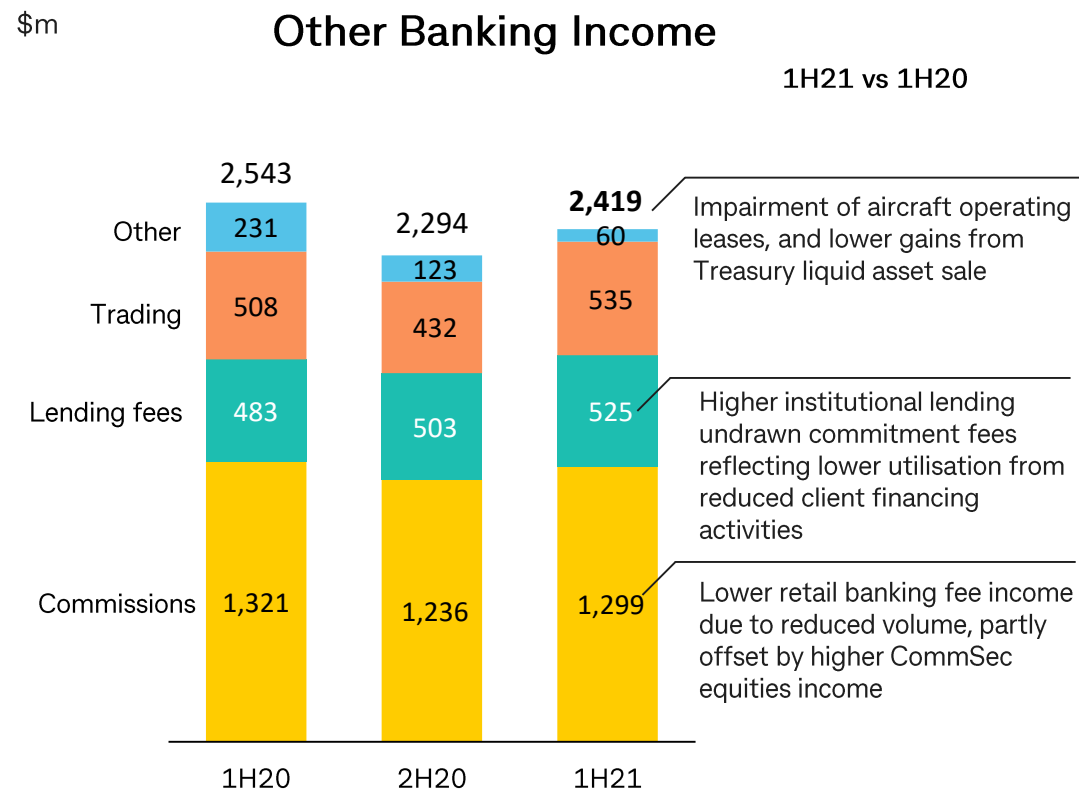


1. RBS excluding Mortgage Broking and General Insurance.



Other banking income (OBI)¹

Impact of COVID-19, partly offset by higher Markets trading income

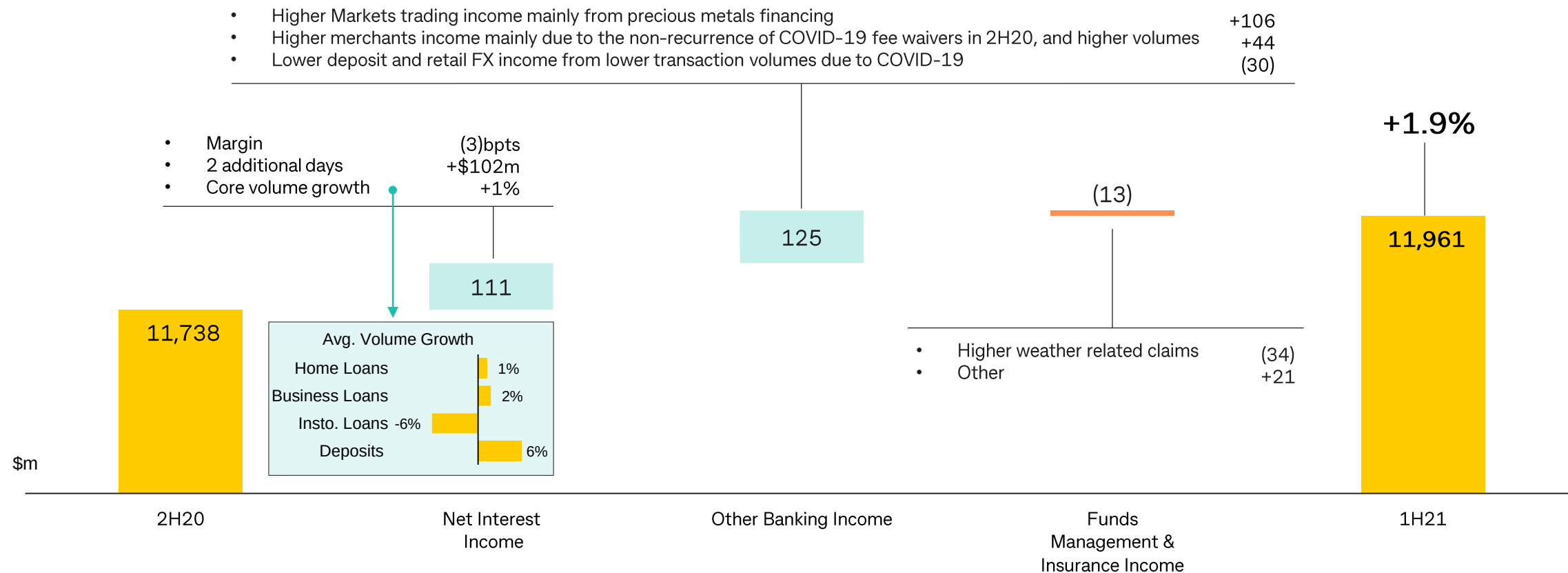


1. Presented on a continuing operations basis.



Sequential operating income¹

Higher OBI, core volume growth and 2 additional days, partly offset by lower margin

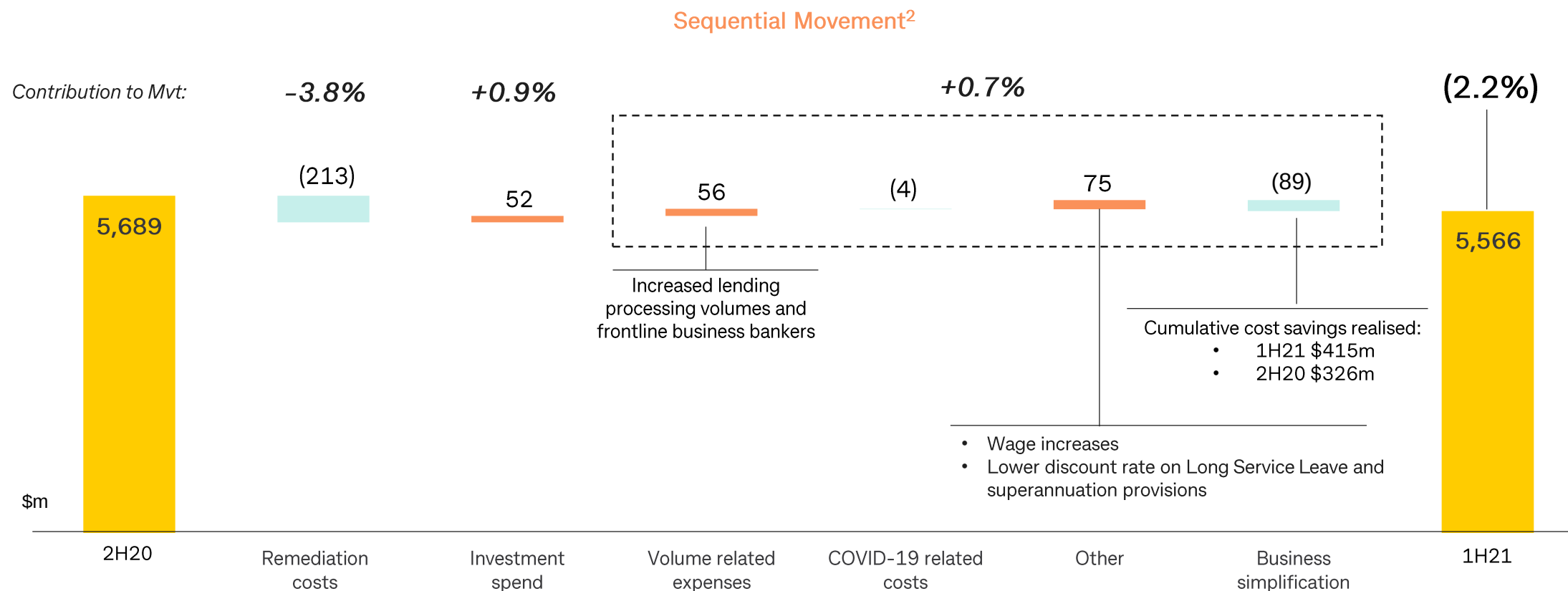


1. Presented on a continuing operations basis.



Sequential operating expenses¹

Lower remediation provisions, partly offset by higher investment and higher volume related costs



1. Presented on a continuing operations basis. 2. Growth rate percentages represent growth on 2H20 cost base.

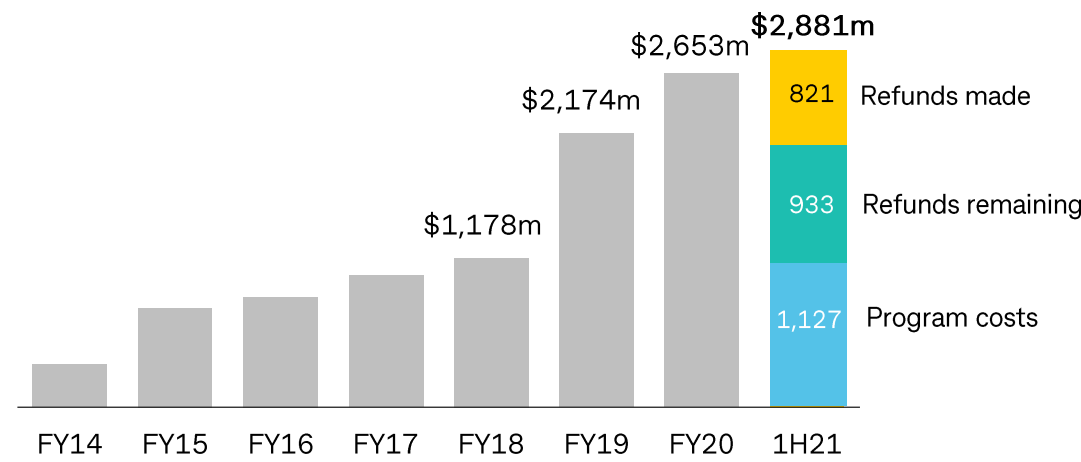


Customer remediation

Additional remediation provision – committed to remediating customers quickly

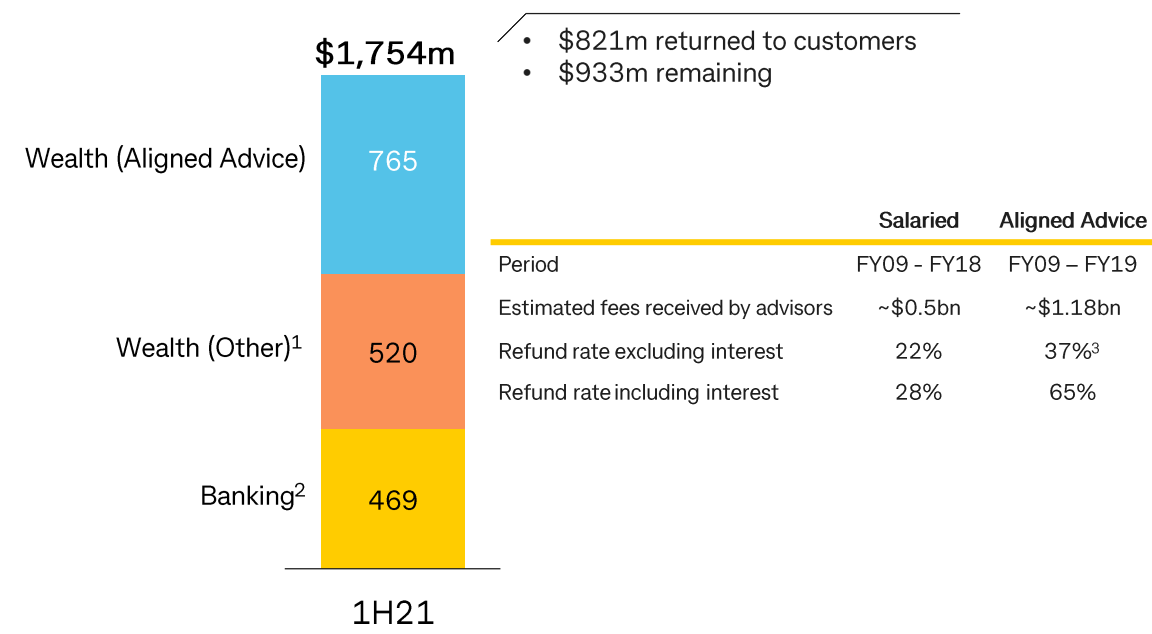
Remediation and program costs

Cumulative spend and provisions



Customer refunds

Cumulative customer refunds

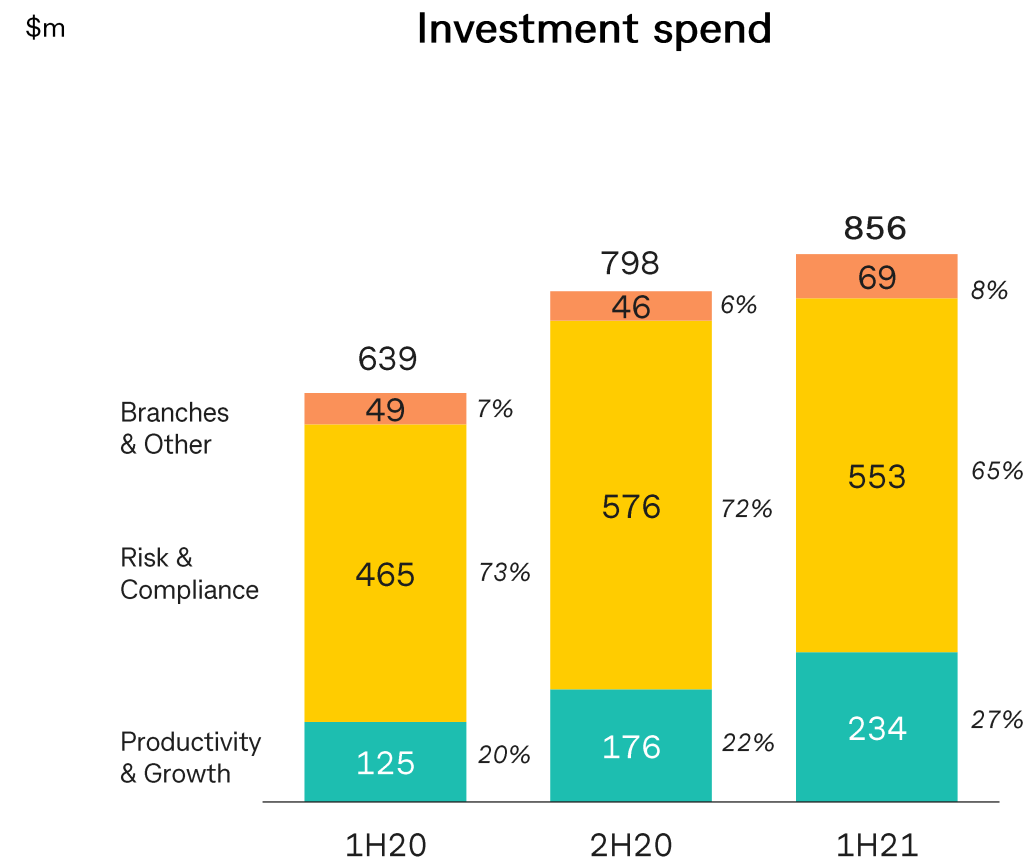
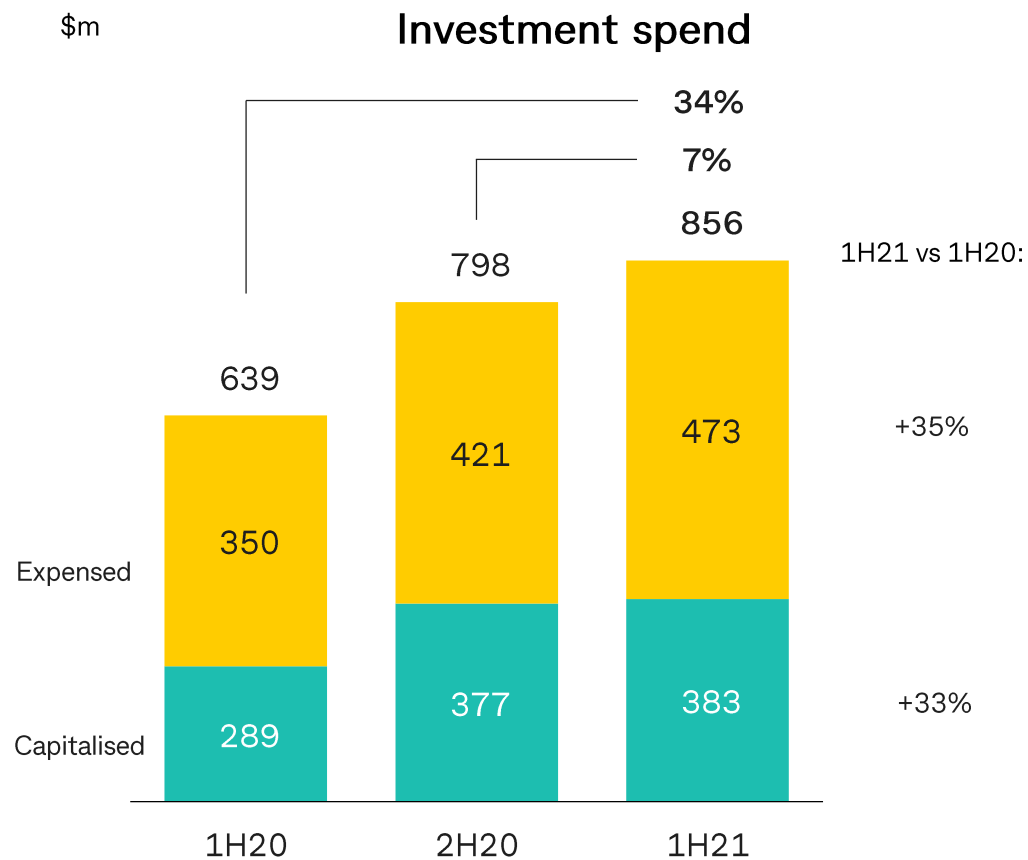


1. Includes an estimate of refunds and interest to customers relating to advice quality, fees where no service was provided in the Commonwealth Financial Planning Business, Credit Card Plus, CommInsure Life Insurance and Loan Protection Insurance. 2. Includes Business Banking remediation, package fees, interest and fee remediation. 3. An increase/(decrease) in the rate by 1% would result in an increase/(decrease) in the provision of approximately \$20 million.



Investment spend^{1,2}

Investment spend up 34%, with a higher proportion of productivity & growth related spend



1. Presented on continuing operations basis. 2. Capitalised software balance is \$1.40bn as at 31 December 2020, \$1.35bn as at 30 June 2020 and \$1.42bn as at 31 December 2019.



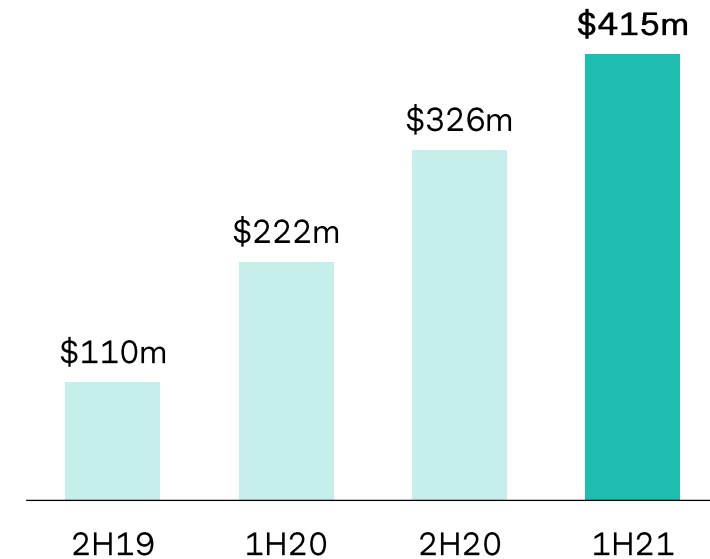
Strategic cost reduction

Building momentum – long-term cost reduction remains a priority

Focus	Approach
Embed better cost discipline	Tighten discretionary spend and realise cost benefits of portfolio changes
Simplify technology	Simplify IT architecture and reduce the unit costs of technology
Make it simpler for customers to bank with us	Ongoing digitisation benefits
Make it simpler for our people	Simpler operating model

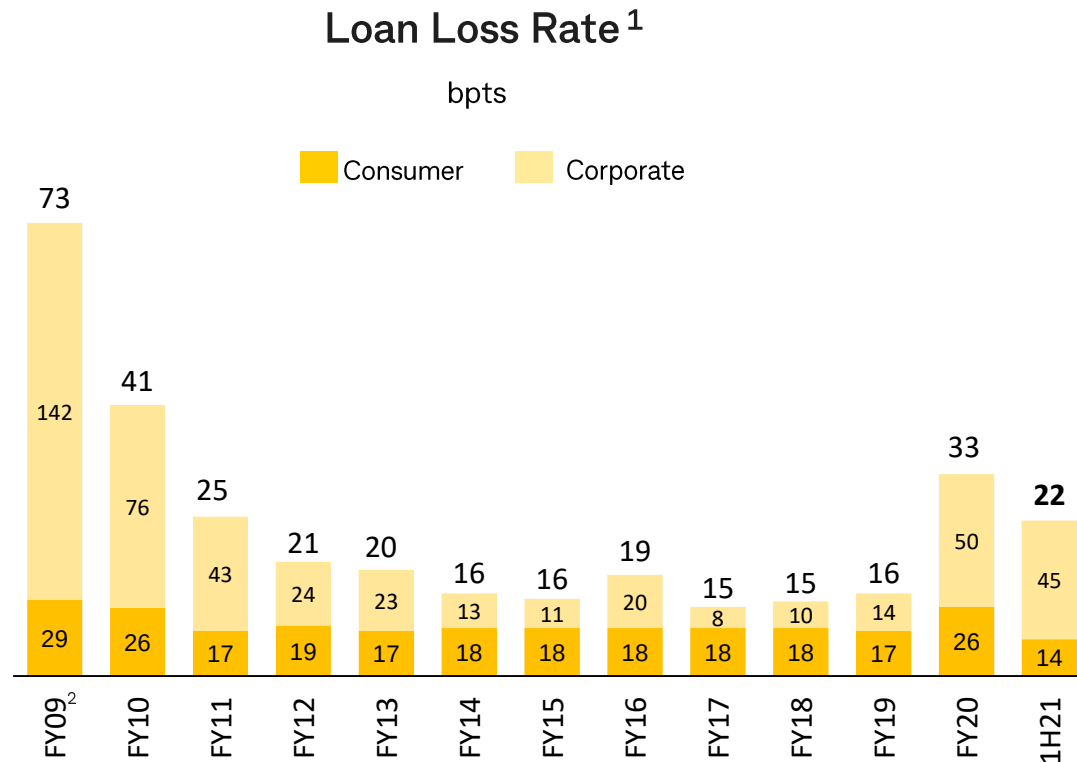
Progress to-date

Cumulative cost reduction achieved

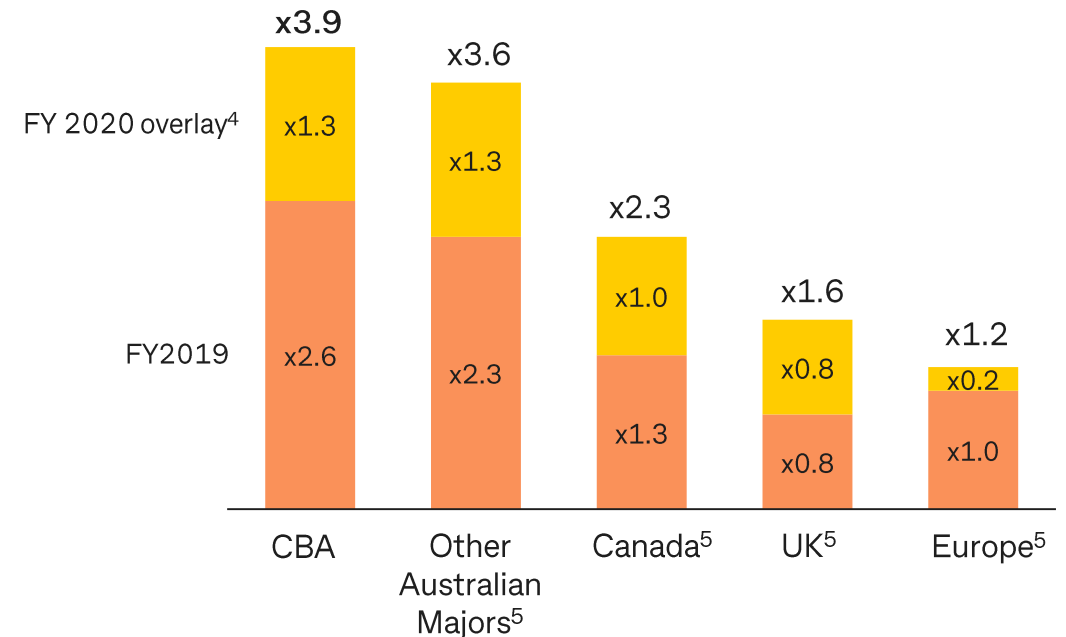


Loan losses and provisions

Cautious approach to provisions



Post-COVID provisions on performing loans as a multiple of historical LIE³



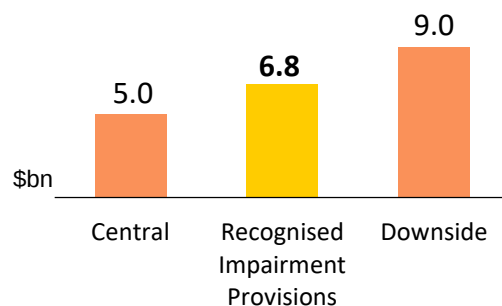
1. Cash Loan Impairment Expense as a percentage of average Gross Loans and Acceptances (GLAA) (bpts) annualised. 2. FY09 includes Bankwest on a pro-forma basis. 3. Stage 1 and Stage 2 provisions to historical LIE (2012-2019 average). 4. June 2020 for UK and Europe; July 2020 for Canada, September 2020 for Australia. 5. Australia = WBC, NAB, ANZ; UK = HSBC, Standard Chartered, Lloyds; Canada = RBC, TD Bank, BNS, BM, CIBC; Europe = Deutsche Bank, BNP, BPCE, Société Générale, UniCredit, Santander.

Provisioning Scenarios¹

Remain cautious notwithstanding some improvement in broad economic assumptions since June 20

- Macroeconomic assumptions reflect forward looking scenarios updated for current assessments of the impacts of COVID-19
- Cautious assumptions retained – Central scenario more conservative than February 2021 RBA baseline forecast; and Downside scenario unchanged given ongoing uncertainty in economic outlook
- Adequately provisioned between ‘Central’ and ‘Downside’ economic scenarios with increased provision coverage.

Multiple economic scenarios²



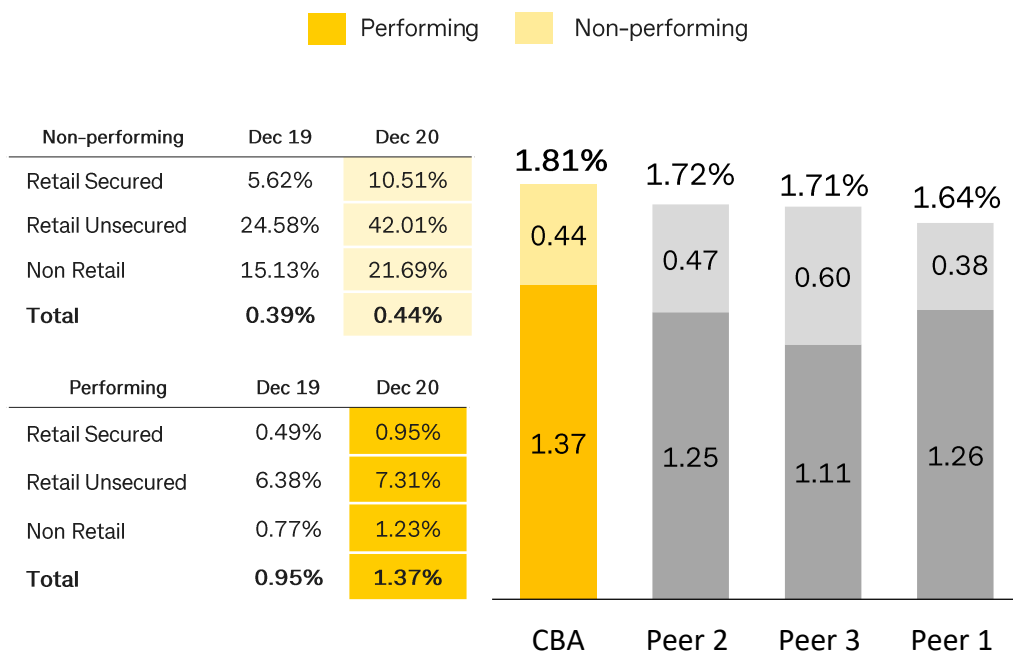
Key assumptions:	Current ³	Central			Downside		
		CY21	CY22	CY23	CY21	CY22	CY23
GDP Index (Dec-19 = 100)	95.8	100.8	104.8	108.0	93.2	95.8	98.2
<i>RBA assumptions (Feb-21)⁴</i>		101.4	105.0	n/a	99.0	102.0	n/a
Unemployment % ⁵	6.6%	6.5%	6.0%	5.5%	10.4%	9.3%	8.0%
<i>RBA assumptions (Feb-21)⁴</i>		6.0%	5.5%	n/a	6.8%	6.5%	n/a
Cash Rate	0.10%	0.10%			0.10%		
Business Investment (annual % change)	-9.2%	4.0%	9.0%	4.2%	-10.0%	-1.2%	2.5%
Outputs:	Current	Central peak			Downside peak		
Credit RWA intensity ⁶ – housing	24%	-			29%		
Credit RWA intensity ⁶ – business	56%	-			71%		
Credit RWA intensity ⁶ – total	33%	-			38%		
Notional Credit RWA increase	\$377bn	-			~\$60bn		
CET1 impact of notional CRWA increase	n/a	-			~130bps		

1. Central, Upside, Downside and Severe Downside. Central: Considers the Group’s base case assumptions, aligned to the RBA’s ‘Baseline’ forecast (Nov-20). Upside, Downside and Severe Downside assumptions are set relative to the Central scenario. 2. Assuming 100% weighting and holding all other assumptions including forward looking adjustments constant. 3. GDP and Business Investment at Sep-20 (Source: ABS, RBA), Unemployment at Dec-20 (Source: ABS). 4. Source: RBA Feb-21 Statement on Monetary Policy. 5. Forecast spot unemployment rate at December of each year. 6. RWA intensity represents the amount of credit risk weighted assets required to be held as a proportion of lending exposures. Housing and business Credit RWA intensity have been calculated excluding specialised lending exposures and exposures subject to the standardised approach.

Provisions¹

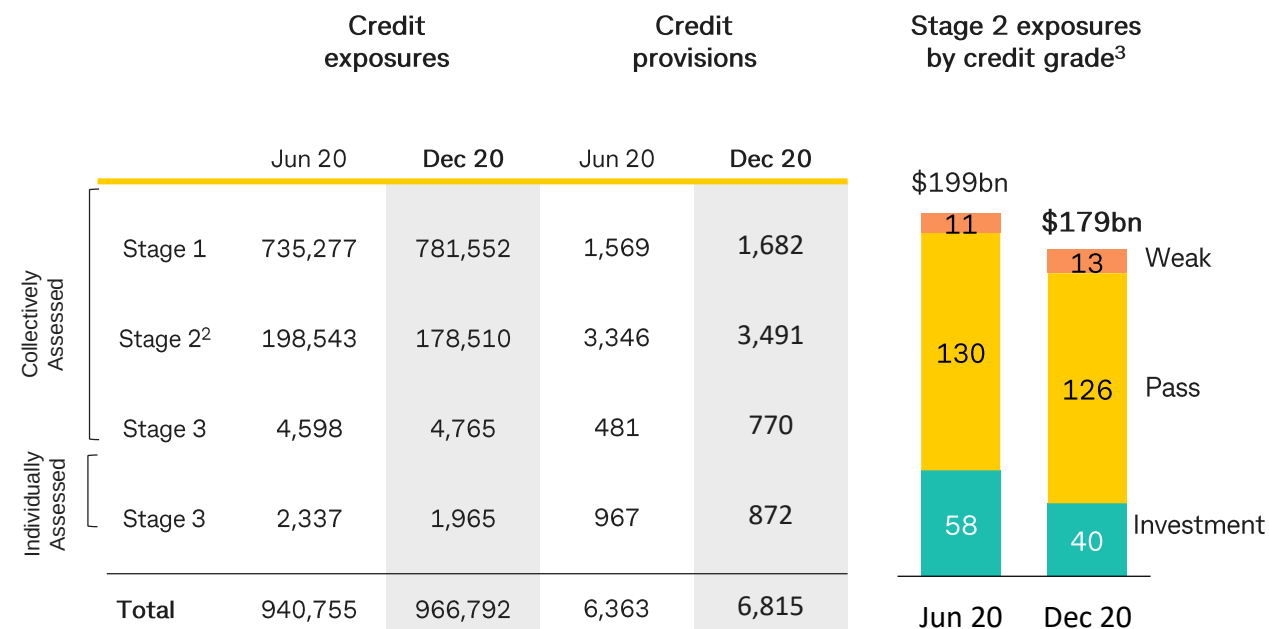
Strong provisioning coverage

Provision coverage/CRWA



\$m

Provisions by stage



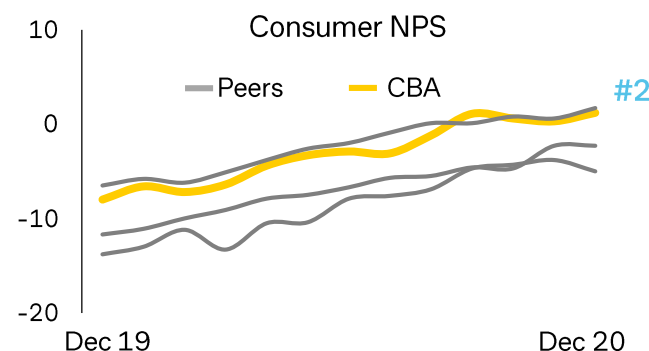
1. AASB 9 classifies loans into stages; Stage 1 – Performing, Stage 2 – Performing but significantly increased credit risk, Stage 3 – Non-performing (impaired). Performing relates to Stage 1 and Stage 2. Non-performing relates to Stage 3. Stage 2 is defined based on a significant deterioration in internal credit risk ratings, as well as other indicators such as arrears. Assessment of Stage 2 includes the impact of forward looking adjustments for emerging risk. 2. The assessment of significant increase in credit risk includes the impact of forward looking multiple economic scenarios in addition to adjustments for emerging risks at an industry, geographic location or particular portfolio segment level, which are calculated by stressing an exposure's internal credit rating grade at the reporting date. This accounts for approximately 57% of Stage 2 exposures as at 31 December 2020 (30 June 2020: 65%, 31 December 2019: 64%). 3. Segmentation of loans in retail and risk rated portfolios is based on the mapping of a counterparty's internally assessed PD to S&P Global ratings, reflecting a counterparty's ability to meet their credit obligations.



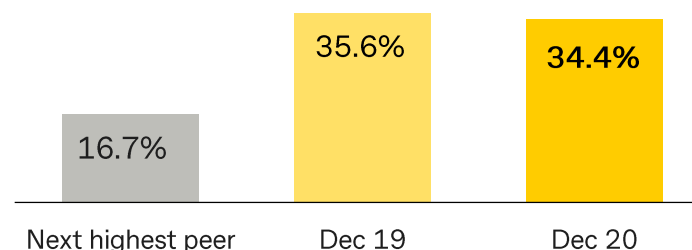
Retail Banking Services (RBS)¹

Operational execution – volume growth above system

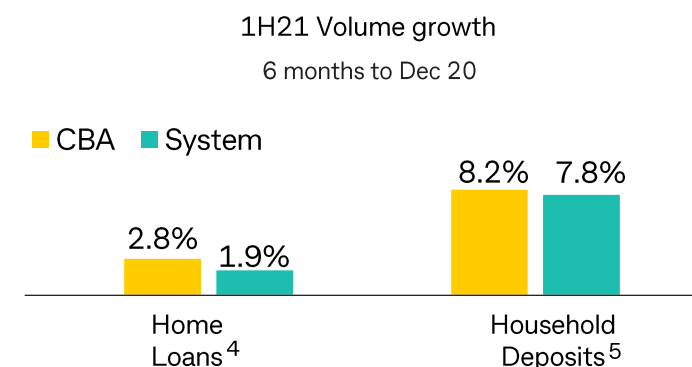
Net Promoter Score²



MFI Share³

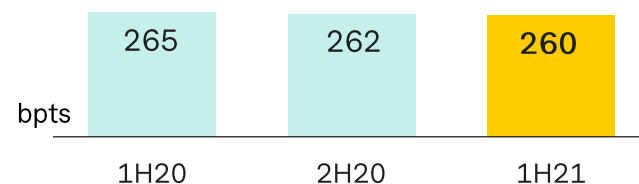


Volume growth



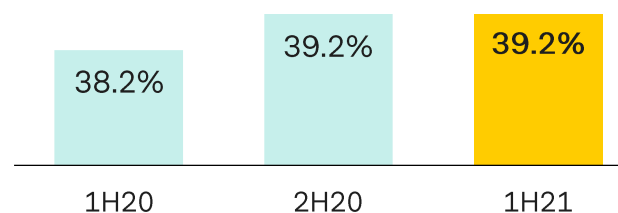
Margin

Lower deposit margins, increased home loan competition and unfavourable mix partly offset by reduced funding costs and home loan repricing



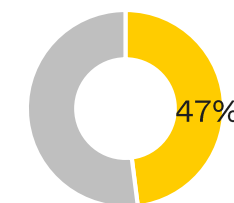
Cost-to-income

Higher cost-to-income ratio reflects lower income



Financials

% Group NPAT⁶



	\$m	Dec 20	%
Income		5,573	(1%)
Expense		(2,186)	+1%
Impairment		(308)	+16%
NPAT		2,161	(4%)

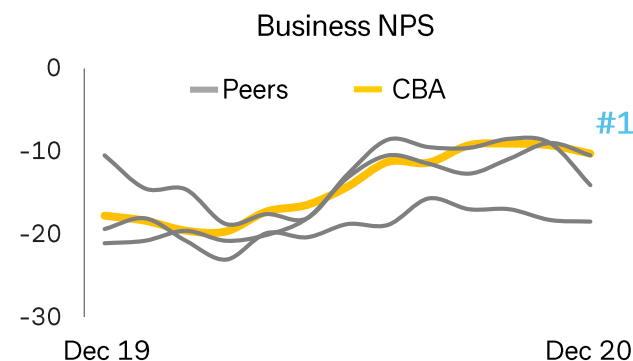
Income – lower margin and retail banking fees, partly offset by volume growth
Expense – Inflation, loan processing & investment, part offset by productivity
Impairment – COVID-19 related impacts

1. Includes Bankwest and Commonwealth Financial Planning, excludes General Insurance and Mortgage Broking consolidation. 2. Source: DBM Consultants. 3. Source: Roy Morgan Single Source survey conducted by Roy Morgan, Australian population 14+ (12 month averages to December 2020), excl. unable to identify MFI. 4. Source: RBA Lending and Credit Aggregates. 5. Source: APRA Monthly Authorised Deposit-taking Institution Statistics (MADIS). 6. Group Cash NPAT excludes Corporate Centre and Other.

Business Banking (BB)

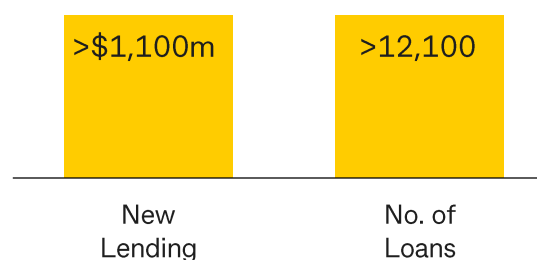
Renewed focus on service model and leveraging digital assets – improving NPS

Net Promoter Score¹



SME Guarantee Loan Scheme²

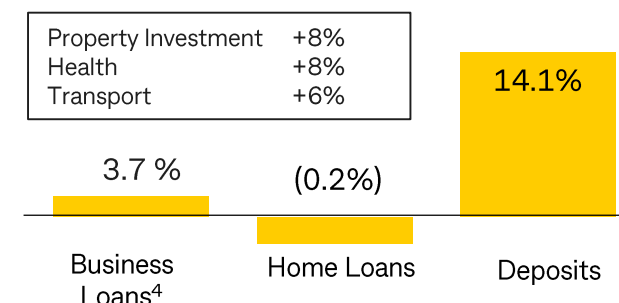
CBA has funded >50% of all SME Guarantee Loans issued to businesses across Australia³



Volume growth

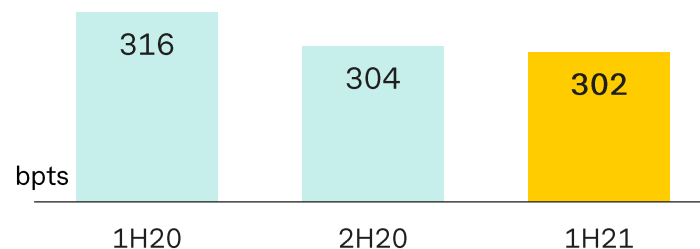
1H21 Volume growth

6 months to Dec 20



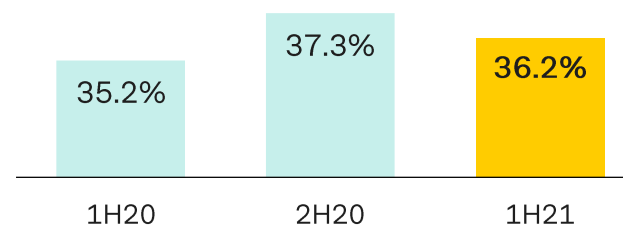
Margin

Lower business lending and deposit margins, partly offset by favourable portfolio mix from at-call deposit growth



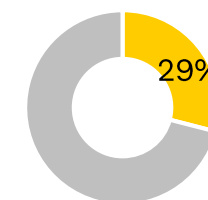
Cost-to-income

Increased investment in business banking product offerings and distribution capabilities. Reduced ratio in the half due to higher banking income.



Financials

% Group NPAT⁵



	\$m	Dec 20	%
Income	3,434		flat
Expense	(1,242)		+2%
Impairment	(286)		+22%
NPAT	1,335		(4%)

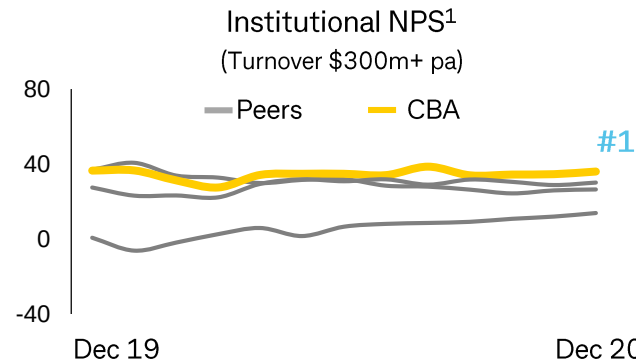
Income – Reduced margin offset by higher fee income from equities
Expense – Investment in product offerings and distribution capabilities
Impairment – COVID-19 related impacts

1. Net Promoter Score shows 6mth moving average. Source: DBM Consultants. 2. Funded Loans for Government SME Guarantee Scheme as at 31 December 2020. 3. ABA comparison of Funded Loans for Government SME Guarantee Scheme as at 27 November 2020. 4. Business loan growth includes retail lending products with a business purpose, predominantly reported within home loans in the Business Banking balance sheet. 5. Group Cash NPAT excludes Corporate Centre and Other.

Institutional Banking and Markets (IB&M)

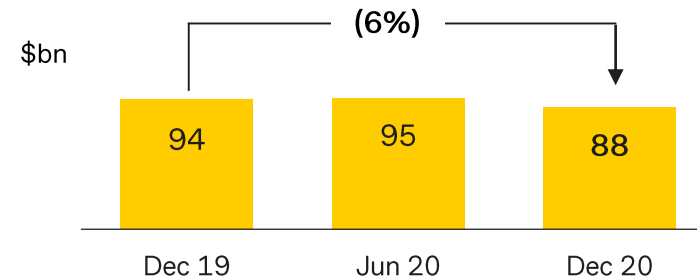
Combining global connectivity and capability to build a better Australia

Net Promoter Score



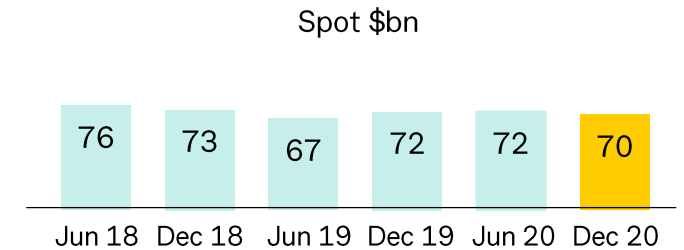
IB&M Lending

Lending decrease driven by lower institutional lending balances and volatility in pooled facilities



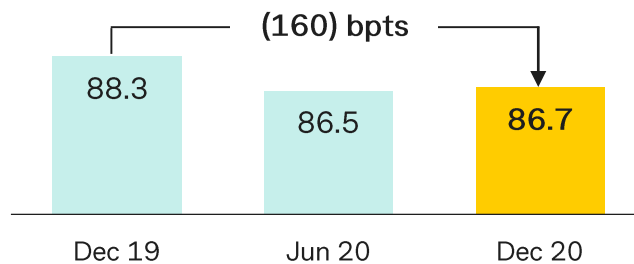
Credit RWAs

RWA decline driven primarily by foreign exchange impacts (AUD/USD appreciation)



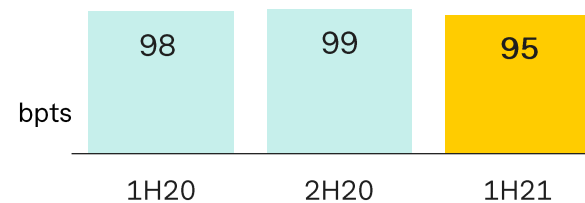
Asset quality²

Decline due to downgrades mainly in Aviation and Entertainment, Leisure and Tourism industries



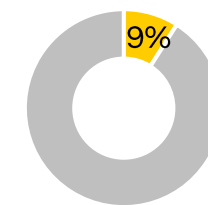
Net Interest Margin

Impact of the lower interest rate environment and unfavourable portfolio mix, partly offset by higher Global Markets income from wider bond spreads and increased commodities margins



Financials

% Group NPAT³



	\$m	Dec 20	%
Income	1,237		+3%
Expense	(485)		(2%)
Impairment	(177)		+\$110m
NPAT	423		(9%)

Income – Higher Global Markets, increased deposit volumes
Expense – Productivity initiatives, lower business travel
Impairment – COVID-19 related impacts

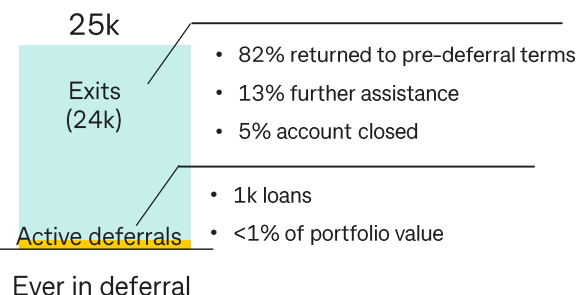
1. Turnover \$300m+ pa, as at Jun 20. Source: DBM Consultants. 2. Total committed exposures rated investment grade (%). 3. Group Cash NPAT excludes Corporate Centre and Other.

ASB

Volume growth, partly offset by COVID-19 driven impairments and higher expenses

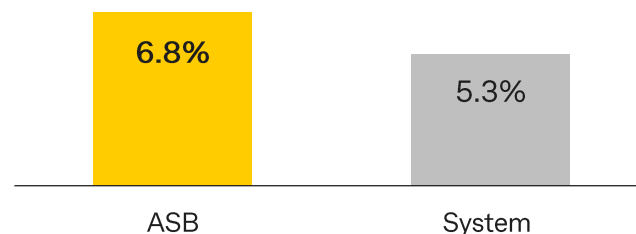
Home lending deferrals¹

Majority of loans that have exited deferral have returned to pre-deferral terms



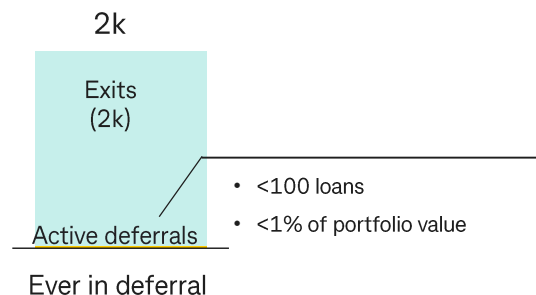
Home lending

6 months to Dec 20³



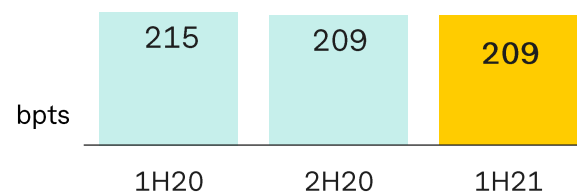
Business lending deferrals¹

Majority of loans have exited deferral



Margin

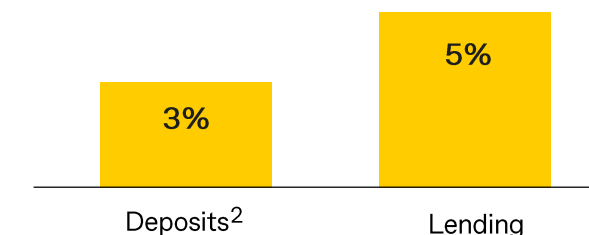
Lower deposits margins and equity earnings reflecting the lower interest rate environment, partly offset by reduced wholesale funding costs and improved portfolio mix



Volume growth

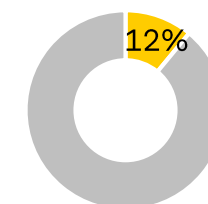
Sound lending and deposit volume growth

6 months to Dec 20



Financials

% Group NPAT⁴



Income – Volume growth partly offset by lower NIM, markets/card income
Expense – Technology and staff costs
Impairment – COVID-19 related impacts

\$NZDm	Dec 20	%
Income	1,404	+1%
Expense	(521)	+3%
Impairment	(30)	+36%
NPAT	614	(1%)

1. As at January 2021. 2. Includes non-interest bearing deposits. 3. System growth rates for the half year ended December 2020 are based on the run-rated growth rate for the five months to November 2020, due to a delay in the publishing of RBNZ December 2020 data. 4. Group Cash NPAT excludes Corporate Centre and Other.

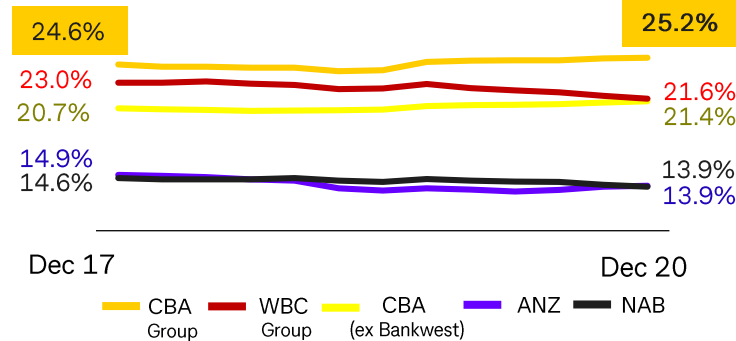


Home and Consumer Lending

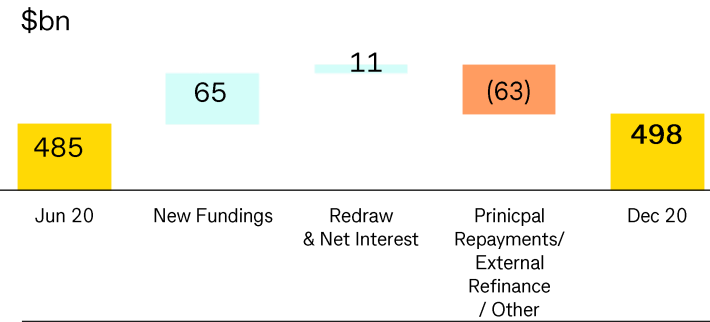
Home lending overview

Process efficiency – above system growth – strong risk profile

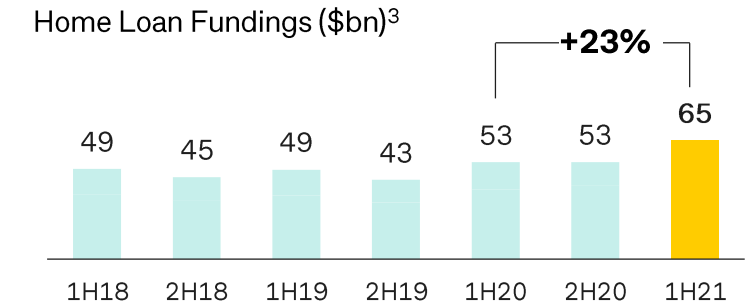
Consistent market share gains¹



Net growth this period a combination of strong new lending, redraws and run-off²

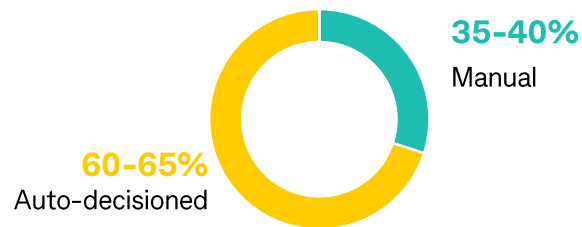


Strong growth in new fundings

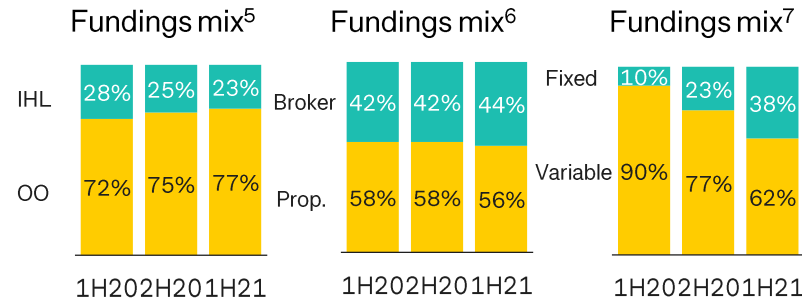


Assisted by process efficiencies

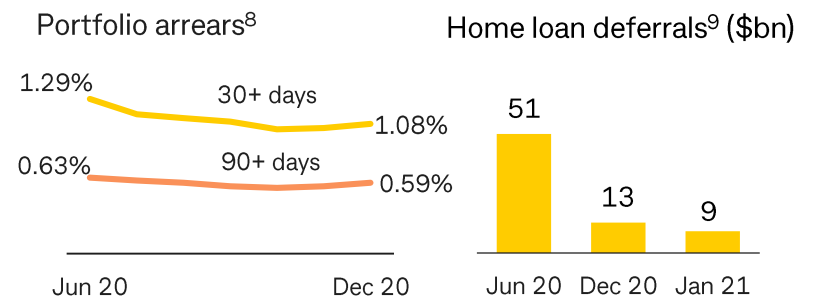
% Proprietary loans auto-decided same day⁴



Fundings weighted towards owner-occupied loans, increased fixed rate lending



Steady arrears with majority of loan deferral exits returned to pre-deferral terms

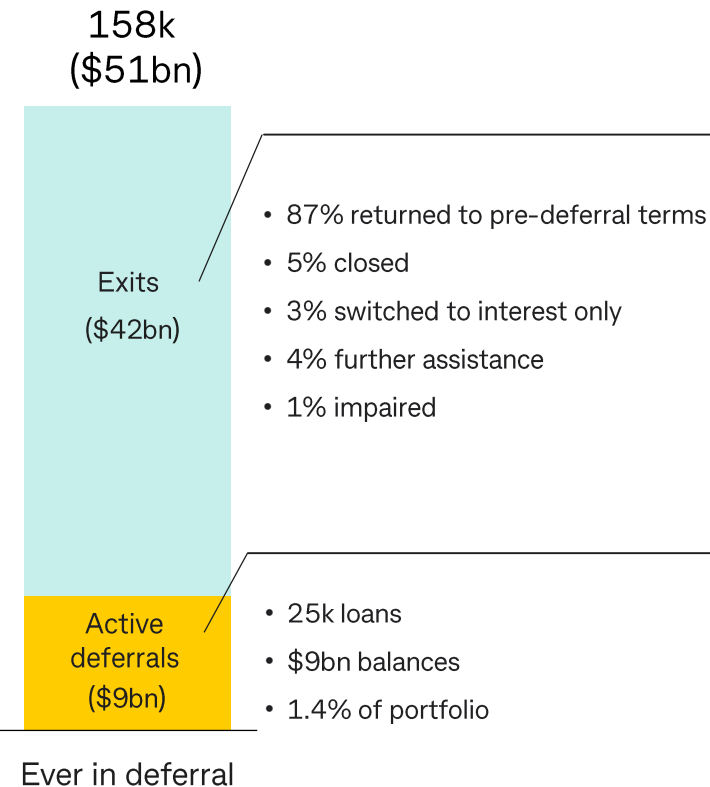


1. System source: RBA Lending and Credit Aggregates, series break due to new regulatory definitions set by APRA from 1 July 2019. As a result of this change, market share is not comparable to previous reporting periods. 2. Presented on a gross basis before value attribution to other business units. Includes RBS internal refinancing, Viridian Line of Credit (VLOC) and excludes Bankwest internal refinancing. 3. Includes RBS internal refinancing, excludes Viridian Line of Credit (VLOC) and excludes Bankwest internal refinancing. 4. Excludes Bankwest. Metric is a proxy. 5. Includes RBS internal refinancing, excludes VLOC and excludes Bankwest internal refinancing. 6. Excludes Bankwest. 7. CBA including Bankwest. 8. CBA including Bankwest. Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loans and Residential Mortgage Group. 9. Australian home lending deferral balances. CBA Product view basis.

Home loan repayment deferrals¹

Majority of exits do not require further assistance

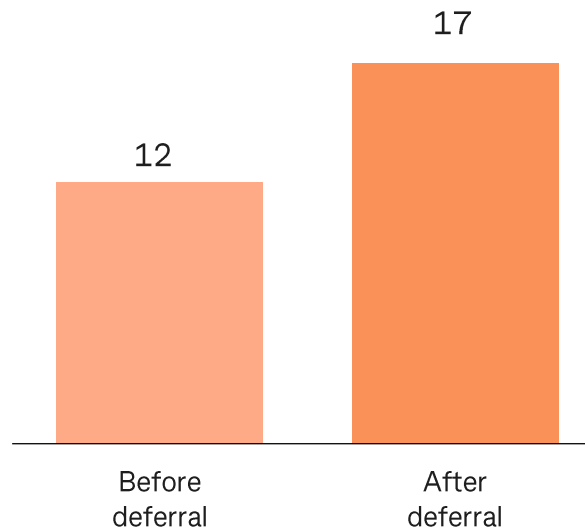
Home loan deferrals



Deferral exits

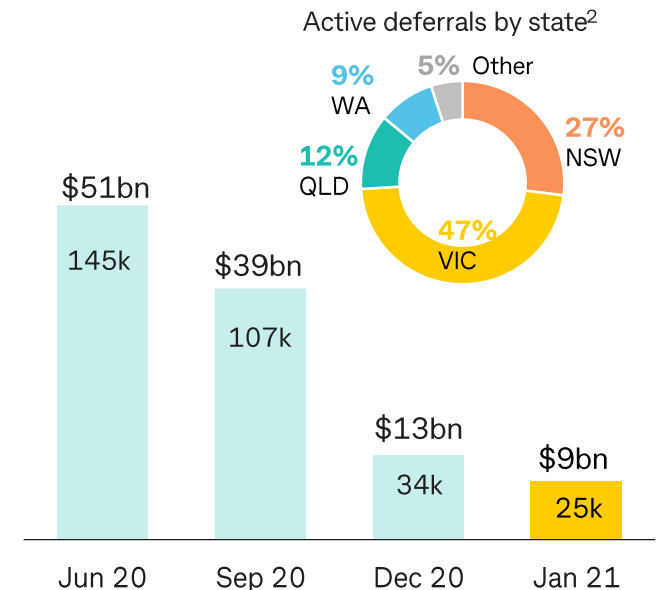
Customers exiting deferral with higher average payments in advance

Average payments in advance



Active deferrals

- 25k loans or 1.4% of portfolio
- 74% with DLVR <80%
- 17% with 3months+ redraw/offset
- 28% with LMI



1. Australian deferral accounts as at 31 January 2021. All metrics are based on number of accounts unless noted otherwise. CBA Product view basis. 2. Based on balance.



Serviceability assessment¹

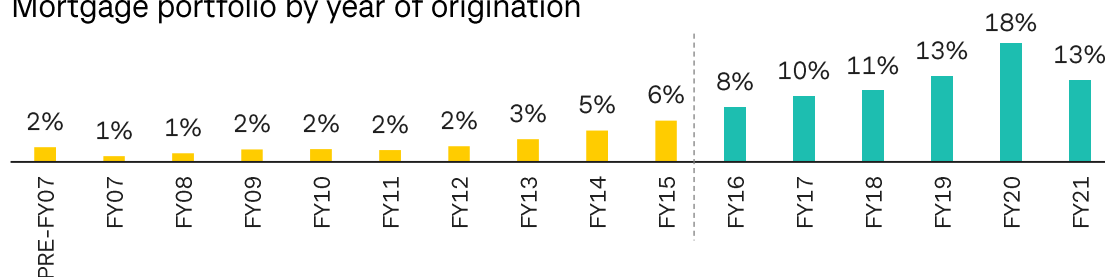
Tighter serviceability and underwriting standards

Stricter assessment criteria applied progressively from Apr 20²

- Additional cap on bonus & commission income
- Manual assessment where less stable income source used
- Lower of JobKeeper income or verified income prior to JobKeeper
- Reduction in age of verification source for income
- Updated BAS and business trading account statements required for COVID-19 impacted self-employed applicants
- Limits on lending in high risk areas e.g. areas reliant on tourism
- Reduced LVR limits on bridging and VLOC applications

~70% of the book originated under tightened standards since FY16

Mortgage portfolio by year of origination



New Loan Assessment

Income	• All income used in application to assess serviceability is verified • 80% or lower cap on less stable income sources (e.g. rent, bonus, overtime) • Applicants reliant on less stable sources of income manually decisioned • 90% cap on tax free income, including Government benefits • Limits on investor income allowances, e.g. RBS restrict rental yield to 4.8% and use of negative gearing where LVR>90%
Living Expenses	• Living expenses captured for all customers • Servicing calculations use the higher of declared expenses or HEM adjusted by income and household size
Interest Rates	• Assess customer ability to pay based on the higher of the customer rate plus serviceability buffer or minimum floor rate • Interest Only (IO) loans assessed on principal and interest basis over the residual term of the loan
Existing Debt	• All existing customer commitments are verified • Review of transaction statements to identify undisclosed debts • Automatic review of CBA personal transaction account and Comprehensive Credit Reporting (CCR) data to identify undisclosed customer obligations • For repayments on existing mortgage debt: • CBA & OFI repayments recalculated using the higher of the actual rate plus a buffer or minimum floor over remaining loan term • Credit cards repayments calculated at an assessment rate of 3.82%

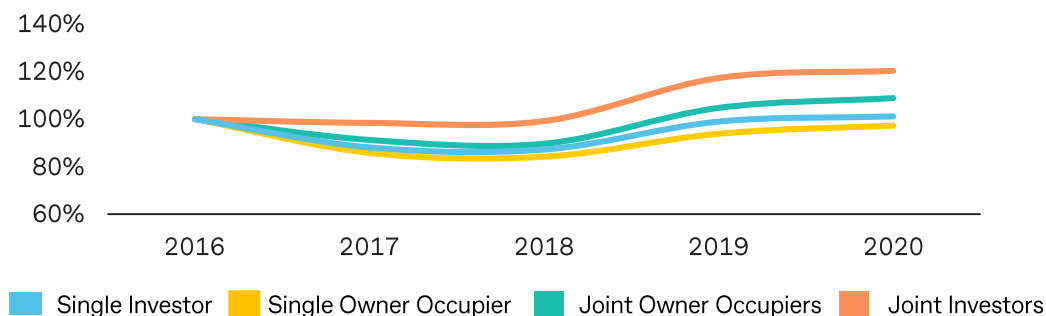
1. CBA excluding Bankwest unless stated otherwise. Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loan and Residential Mortgage Group. 2. Temporary changes implemented since 6 April 2020.

Borrowing capacity¹

Maintaining credit availability – lending growth within risk appetite

Borrowing capacity increased over the period

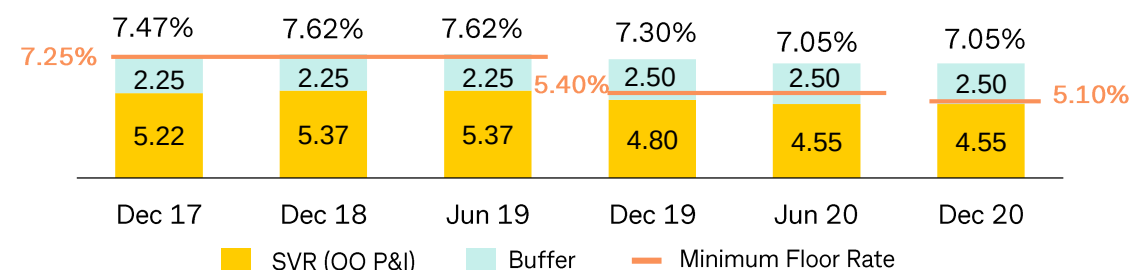
Change in maximum borrowing capacity² - Indexed Dec 16



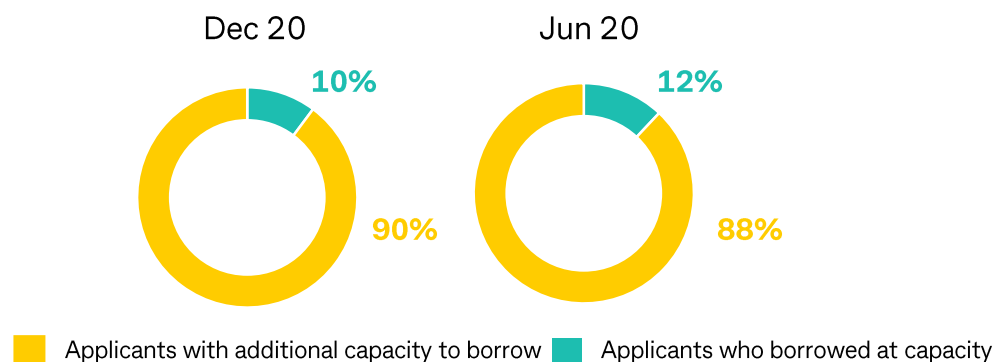
Driven by lower serviceability assessment floor rate

Interest rate buffers (%)

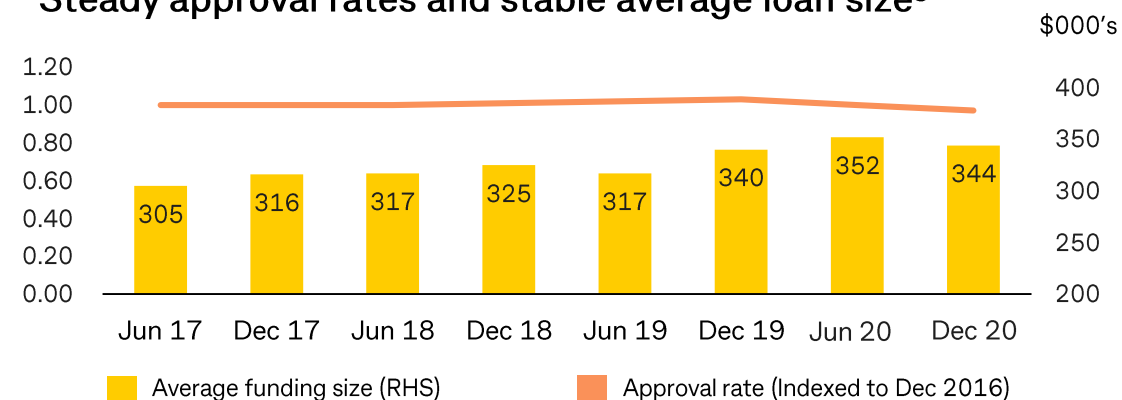
(Loans assessed based on the higher of the customer rate³ + buffer, or minimum floor rate)



More applicants with additional capacity to borrow⁴



Steady approval rates and stable average loan size⁵



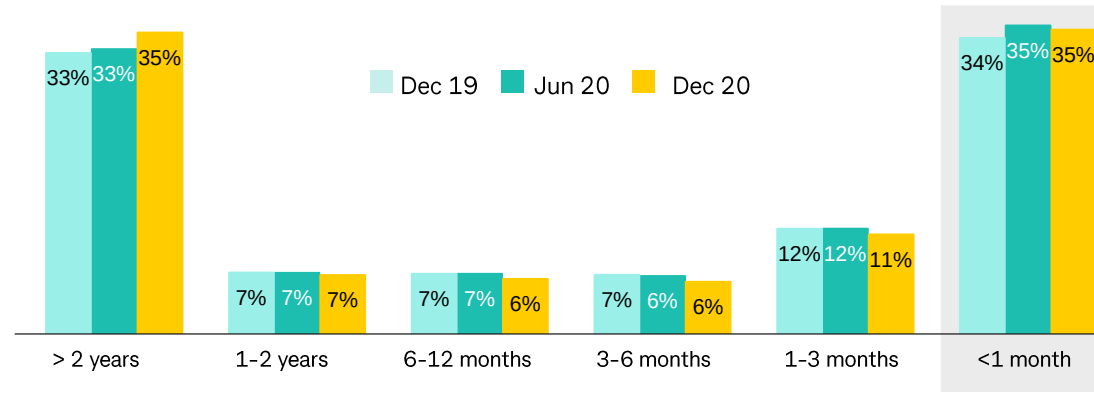
1. CBA excluding Bankwest. 2. Scenarios based on differing assumptions with respect to family types, number of dependents, loan size, income sources and existing liabilities/commitments. 3. Customer rate includes any customer discounts that may apply. 4. Applications that have passed system serviceability test; borrowed at capacity reflects applicants with minimal net income surplus. 5. Based on fundings 6 months ending.

Portfolio quality remains sound¹

Strong repayment buffers in place

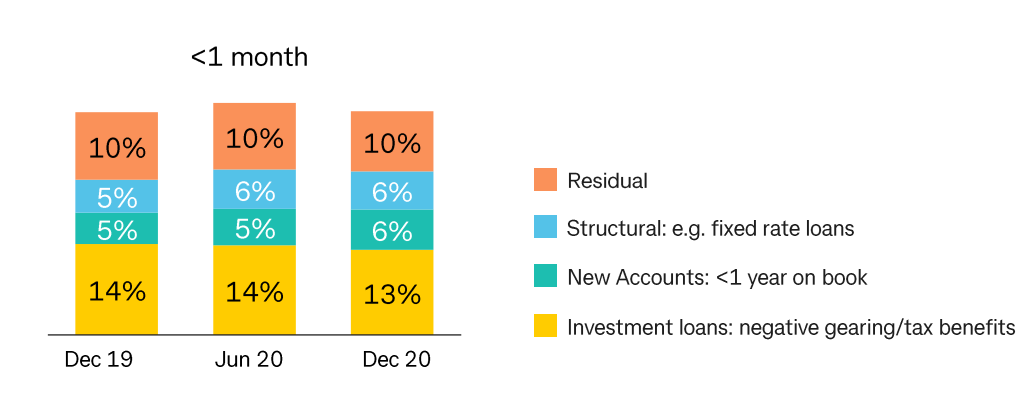
Repayment buffers

(Payments in advance², % of accounts)



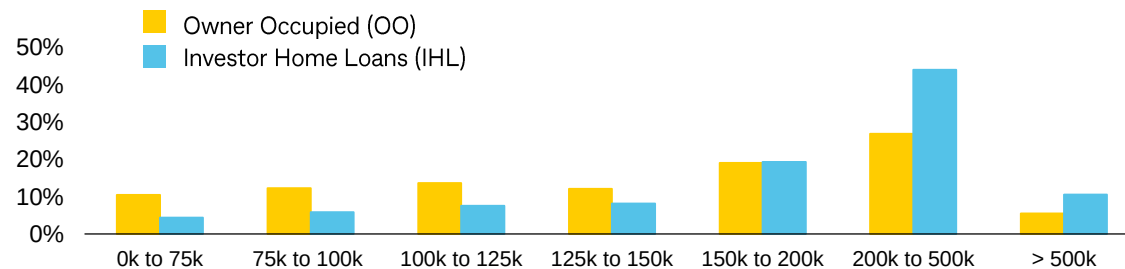
Those with less than 1 month buffer

include investors and new borrowers



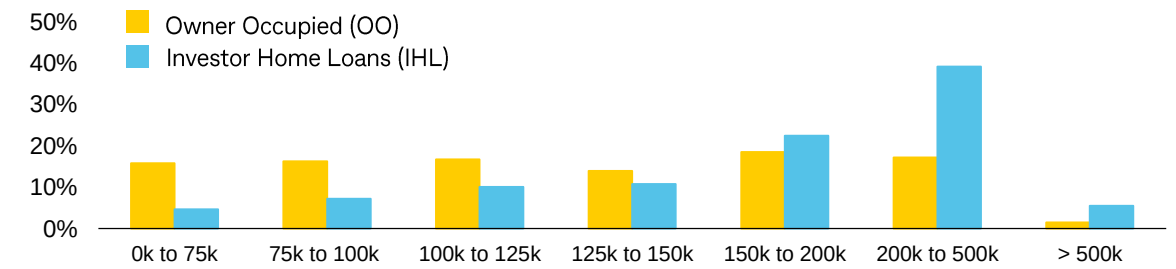
Applicant gross income band

6 months to Dec 20 – Fundings \$



Applicant gross income band

6 months to Dec 20 – Fundings #



1. CBA including Bankwest. Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loans and Residential Mortgage Group. 2. Includes offset facilities, excludes loans in arrears.



Home loan portfolio – CBA

A balanced approach to portfolio quality, growth and returns

Portfolio ¹	Dec 19	Jun 20	Dec 20
Total Balances - Spot (\$bn)	477	485	498
Total Balances - Average (\$bn)	472	482	492
Total Accounts (m)	1.8	1.8	1.9
Variable Rate (%)	81	77	73
Owner Occupied (%)	67	68	69
Investment (%)	31	30	29
Line of Credit (%)	2	2	2
Proprietary (%)	54	54	53
Broker (%)	46	46	47
Interest Only (%) ²	19	16	15
Lenders' Mortgage Insurance (%) ²	21	21	21
Mortgagee In Possession (bpts)	5	3	2
Negative Equity (%) ³	4.7	3.8	2.5
Annualised Loss Rate (bpts)	2	2	2
Portfolio Dynamic LVR (%) ⁴	53	53	51
Customers in Advance (%) ⁵	82	80	80
Payments in Advance incl. offset ⁶	35	36	38
Offset Balances – Spot (\$bn)	49	50	57

New Business ¹	Dec 19	Jun 20	Dec 20
Total Funding (\$bn)	53	53	65
Average Funding Size (\$'000) ⁷	343	354	344
Serviceability Buffer (%) ⁸	2.5	2.5	2.5
Variable Rate (%)	90	77	62
Owner Occupied (%)	72	75	77
Investment (%)	28	25	23
Line of Credit (%)	0	0	0
Proprietary (%)	52	53	52
Broker (%)	48	47	48
Interest Only (%) ⁹	20	19	18
Lenders' Mortgage Insurance (%) ²	19	18	20

1. CBA including Bankwest. All portfolio and new business metrics are based on balances and fundings respectively, unless stated otherwise. All new business metrics are based on 6 months to Dec 19, Jun 20 and Dec 20. Excludes ASB.
2. Excludes Line of Credit (Viridian LOC/Equity Line).
3. Negative equity arises when the outstanding loan balance (less offset balances) exceeds updated house value. Based on outstanding balances, taking into account both cross-collateralisation and offset balances. Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loans and Residential Mortgage Group.
4. Dynamic LVR defined as current balance/current valuation.
5. Any amount ahead of monthly minimum repayment; includes offset facilities.
6. Average number of monthly payments ahead of scheduled repayments.
7. Average Funding Size defined as funded amount / number of funded accounts.
8. Serviceability test based on the higher of the customer rate plus an interest rate buffer or min floor rate.
9. Based on the APRA definition of Interest Only reporting, inclusive of Construction loans.



Home loan portfolio – CBA ex Bankwest

A balanced approach to portfolio quality, growth and returns

Portfolio ¹	Dec 19	Jun 20	Dec 20
Total Balances - Spot (\$bn)	403	411	423
Total Balances - Average (\$bn)	399	407	417
Total Accounts (m)	1.6	1.6	1.6
Variable Rate (%)	81	77	72
Owner Occupied (%)	66	67	68
Investment (%)	31	31	30
Line of Credit (%)	3	2	2
Proprietary (%)	59	59	58
Broker (%)	41	41	42
Interest Only (%) ²	19	16	15
Lenders' Mortgage Insurance (%) ²	19	19	20
First Home Buyers (%)	9.7	9.7	9.9
Mortgagee In Possession (bpts)	5	3	1
Annualised Loss Rate (bpts)	2	2	1
Portfolio Dynamic LVR (%) ³	52	51	50
Customers in Advance (%) ⁴	80	78	78
Payments in Advance incl. offset ⁵	37	37	39
Offset Balances – Spot (\$bn)	42	43	49

New Business ¹	Dec 19	Jun 20	Dec 20
Total Funding (\$bn)	44	47	57
Average Funding Size (\$'000) ⁶	340	352	344
Serviceability Buffer (%) ⁷	2.5	2.5	2.5
Variable Rate (%)	90	75	60
Owner Occupied (%)	71	74	77
Investment (%)	29	26	23
Line of Credit (%)	0	0	0
Proprietary (%)	58	58	56
Broker (%)	42	42	44
Interest Only (%) ⁸	20	18	17
Lenders' Mortgage Insurance (%) ²	19	17	18
First Home Buyers (%)	12.2	12.2	13.6

1. CBA excluding Bankwest. All portfolio and new business metrics are based on balances and fundings respectively, unless stated otherwise. All new business metrics are based on 6 months to Dec 19, Jun 20 and Dec 20.

2. Excludes ASB. Excludes Line of Credit (Viridian LOC).

3. Dynamic LVR defined as current balance/current valuation.

4. Any amount ahead of monthly minimum repayment; includes offset facilities.

5. Average number of monthly payments ahead of scheduled repayments.

6. Average Funding Size defined as funded amount / number of funded accounts.

7. Serviceability test based on the higher of the customer rate plus an interest rate buffer or min floor rate.

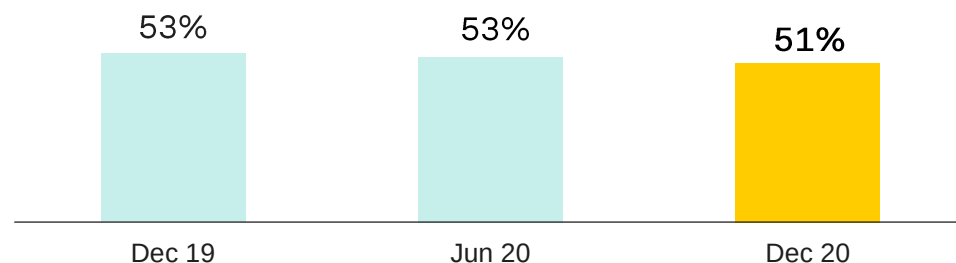
8. Based on the APRA definition of Interest Only reporting, inclusive of Construction loans.



Portfolio LVRs¹

Portfolio LVR improving in 1H21

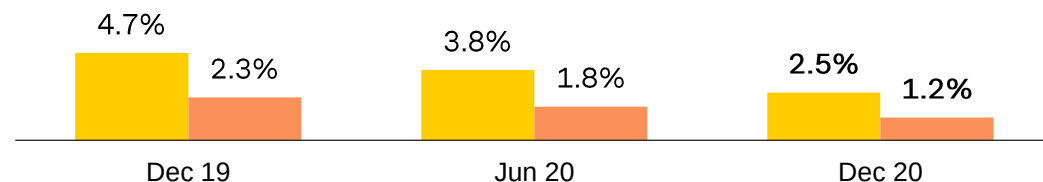
Average Portfolio Dynamic LVR²



Negative Equity⁴

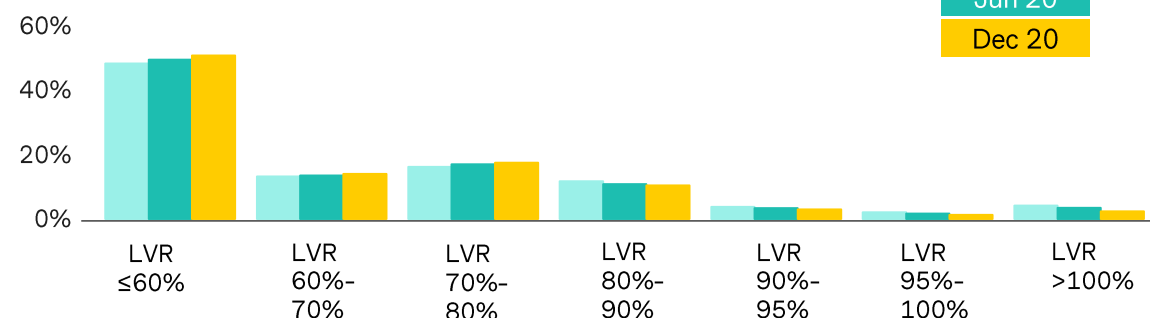
Proportion of balances in negative equity

- 58% of negative equity is from WA. 68% of customers ahead of repayments.
- 54% of home loans in negative equity have Lenders Mortgage Insurance.
- CBA updates house prices monthly using internal and external valuation data.



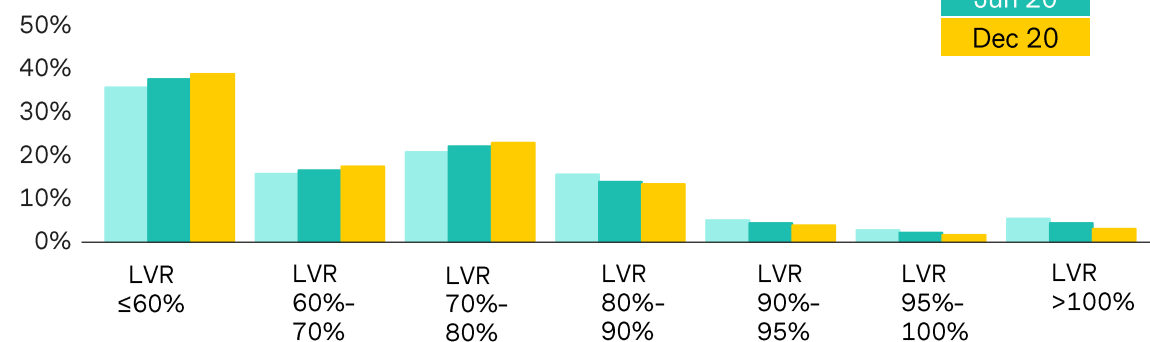
Dynamic LVR Bands³

% of total Portfolio Accounts



Dynamic LVR Bands³

% of total Portfolio Balances



1. CBA including Bankwest. Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loans and Residential Mortgage Group. 2. Based on accounts. Includes Bankwest, Line of Credit and Reverse Mortgage. 3. Taking into account cross-collateralisation. Offset balances not considered. 4. Negative equity arises when the outstanding loan (less offsets) exceeds house value. Based on outstanding balances, taking into account cross-collateralisation and offset balances.

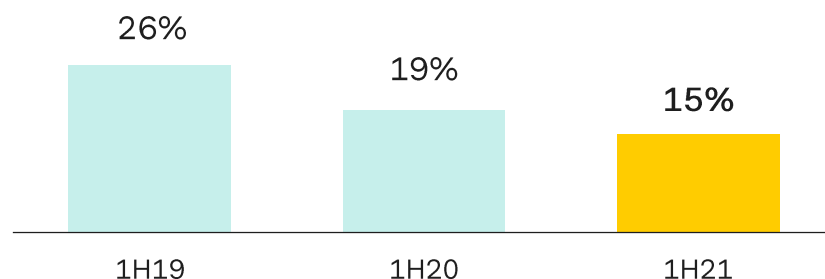


Interest Only (IO) home loans¹

Reducing proportion of IO home loans for total portfolio and new business flow

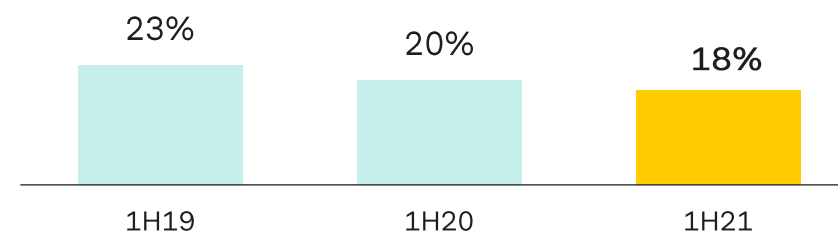
Portfolio of IO loans reducing

IO % of total home loans – total portfolio balance

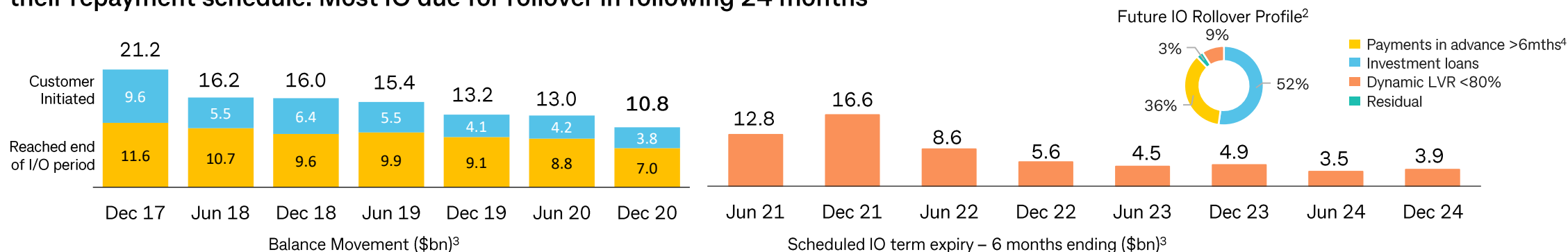


Augmented by a reducing proportion of total new business flows

IO % of total home loans – new business flow²



Switching from IO to principal and interest peaked in Dec 17 half. IO portfolio is dominated by investor loans, and customers ahead of their repayment schedule. Most IO due for rollover in following 24 months



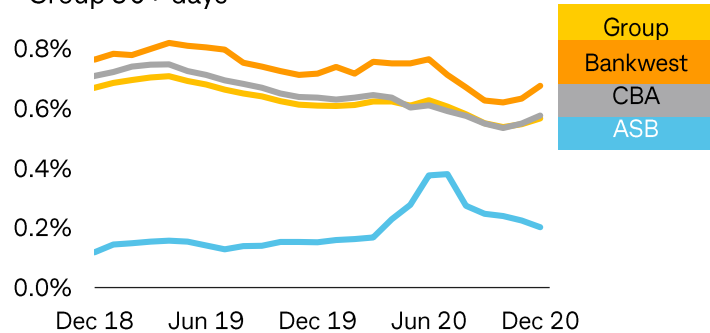
1. CBA including Bankwest unless stated otherwise. Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loan and Residential Mortgage Group. 2. Based on the APRA definition of Interest Only reporting, inclusive of Construction loans. 3 Includes Bankwest. Rollover status in FY21 takes snapshot at Dec 20 4. Payments in Advance defined as the number of monthly payments ahead of scheduled repayments by 6 or more months.

Home loan arrears

Continued to be insulated by repayment deferrals and government support initiatives

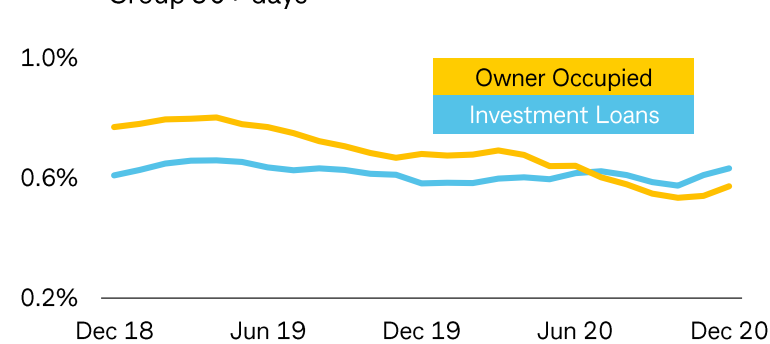
Arrears by portfolio

Group 90+ days



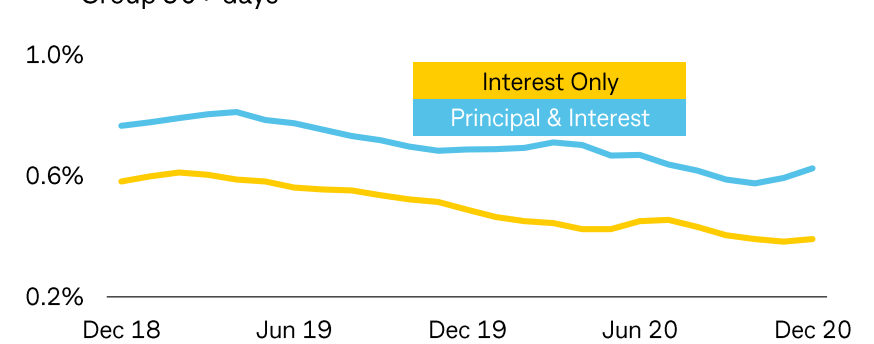
Arrears by product

Group 90+ days¹



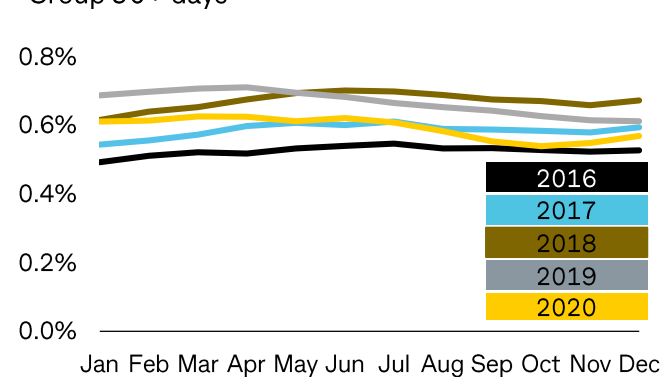
Arrears by repayment type

Group 90+ days¹



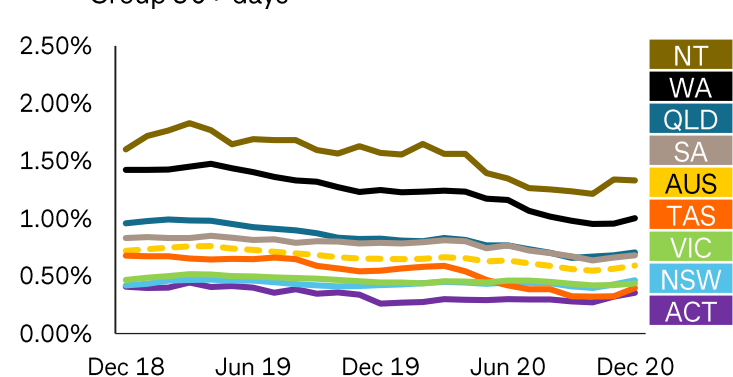
Arrears by year

Group 90+ days



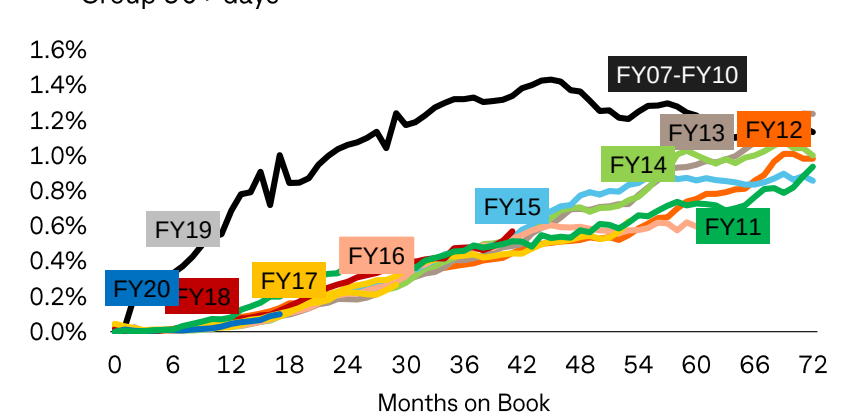
Arrears by state

Group 90+ days¹



Arrears by vintage

Group 90+ days^{1,2}



1. CBA including Bankwest. Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loan and Residential Mortgage Group. 2. Bankwest included from FY08.



Home loan impairments

Home loan impairments lower – influenced by deferrals and government support measures

Overview

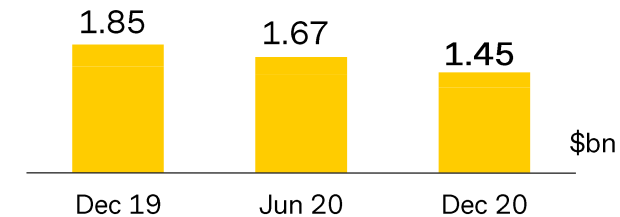
- Exits have outpaced entry into impairments over the half
- New impairment volumes reduced as a result of COVID-19 deferral take-up, where arrears are paused.

Process for identification of impairments¹

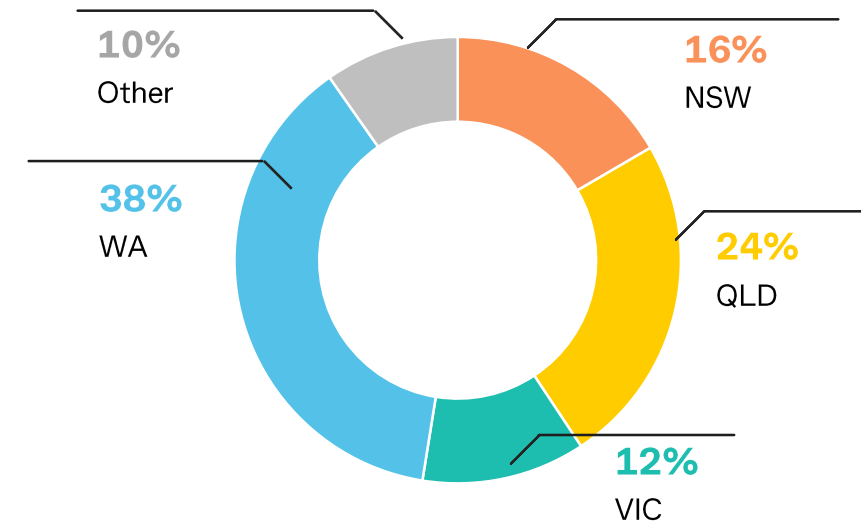
- Impairments aligned to APRA prudential standard (APS220);
- Impairment assessments are carried out at 90 days past due or observed events e.g. bankruptcy;
- Impairment is triggered where refreshed security valuation is less than the loan balance by $\geq \$1$;
- Impairment assessment takes into account cross-collateralisation;
- Impaired accounts 90+ days past due are included in 90+ arrears reporting.

1. CBA including Bankwest. 2. CBA excluding Equity Unlock for Seniors and Residential Mortgage Group.

Impaired home loans



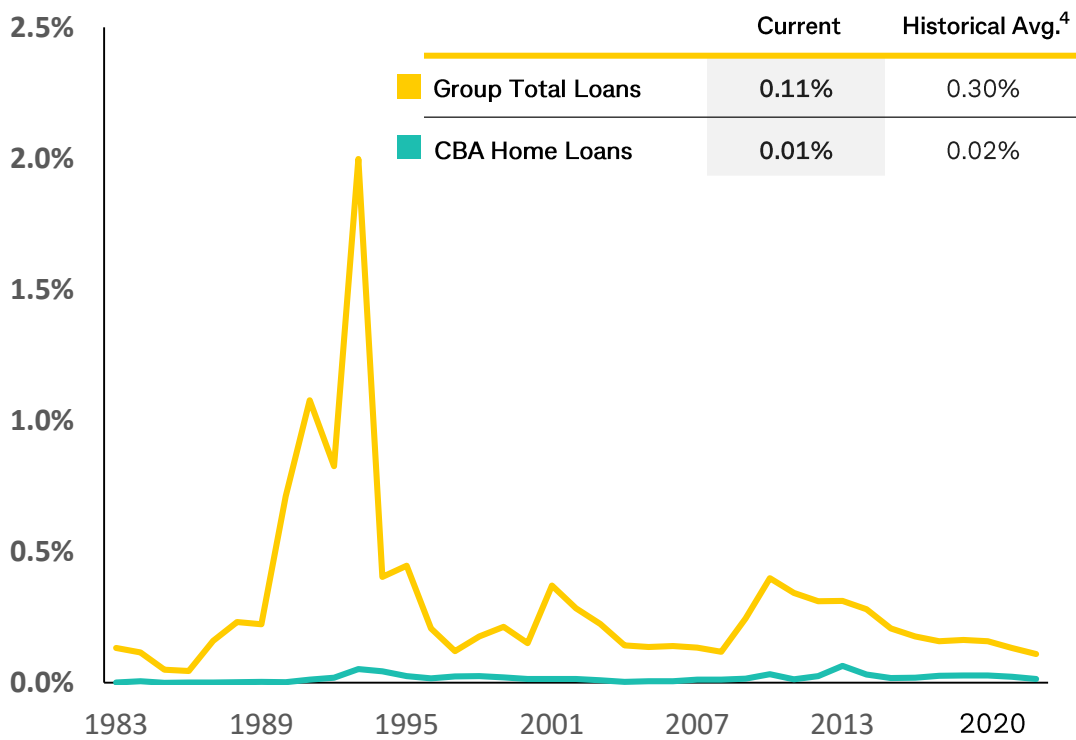
Impaired home loans – Dec 20 profile²



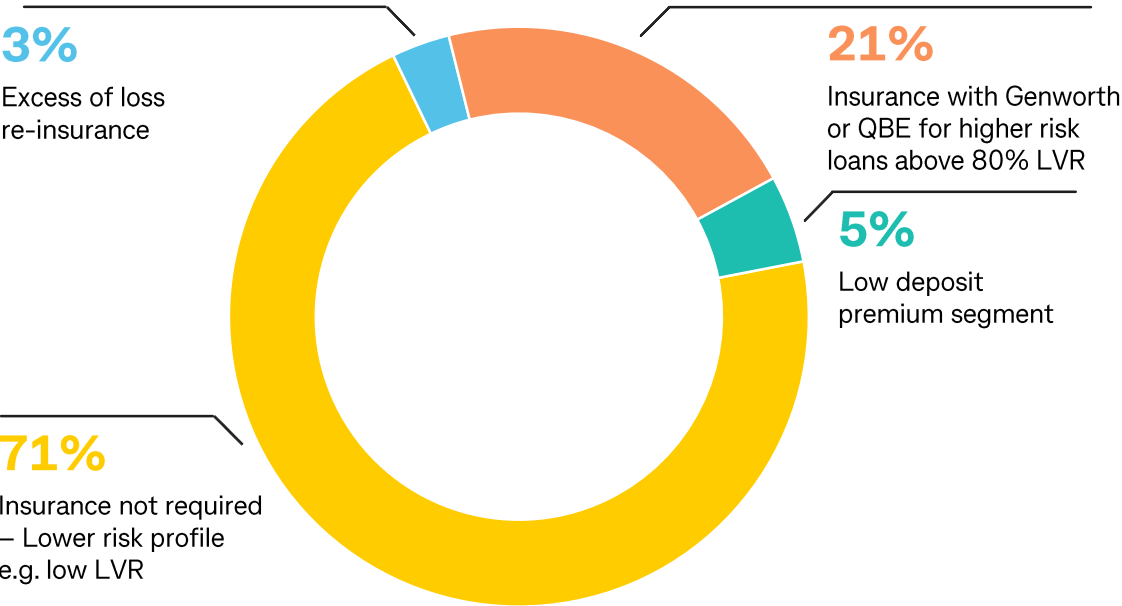
Portfolio losses and insurance¹

Portfolio losses remain historically low

Losses to average gross loans²



Portfolio Insurance Profile³
% of Home Loan portfolio



1. CBA including Bankwest. 2. Bankwest included from FY09. 3. Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loan and Residential Mortgage Group. 4. Historical average from 1983.

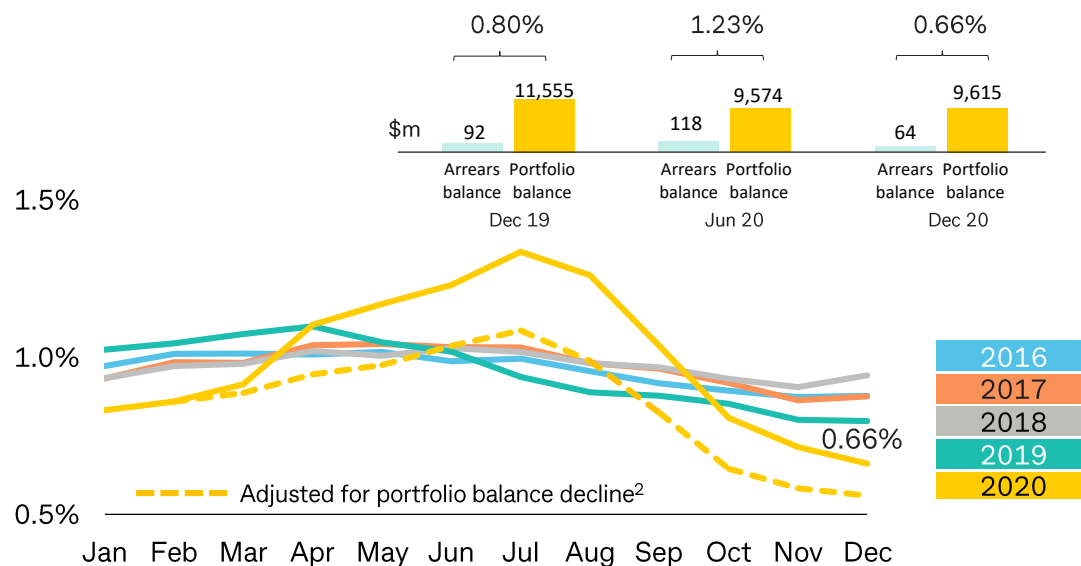


Managing unsecured lending

Focus on prudent acquisition and account management - healthy arrears despite balance contraction

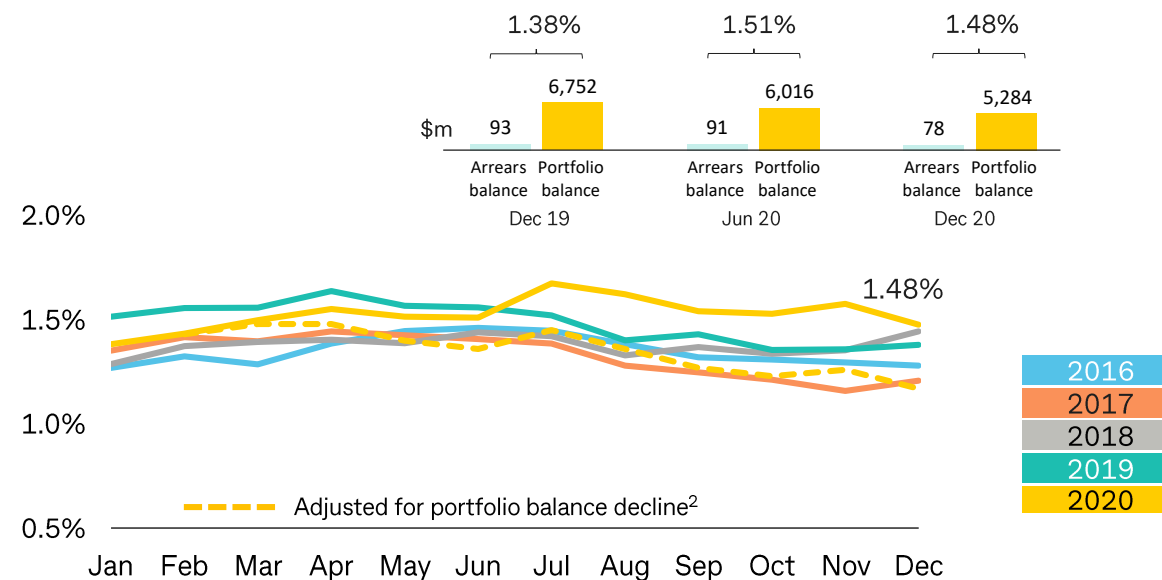
Credit Cards¹

Group 90+ days



Personal Loans¹

Group 90+ days



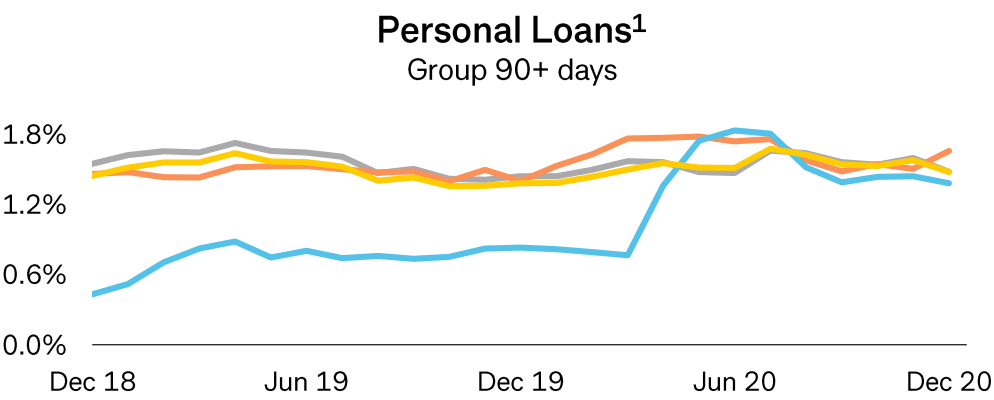
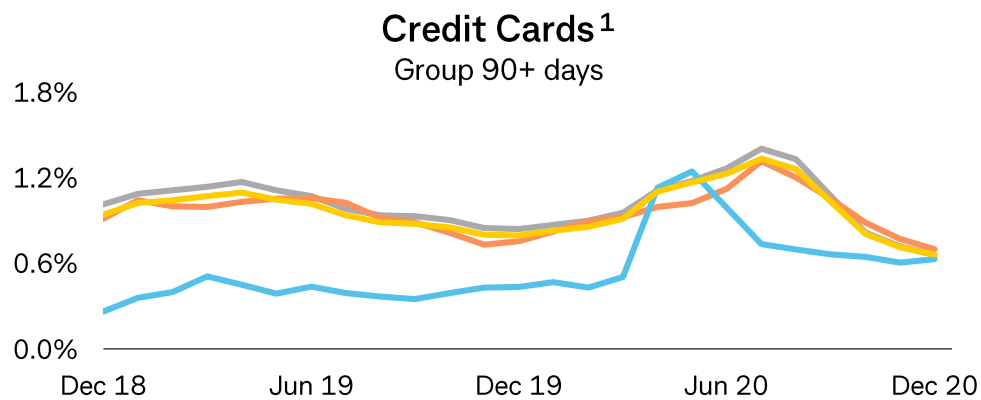
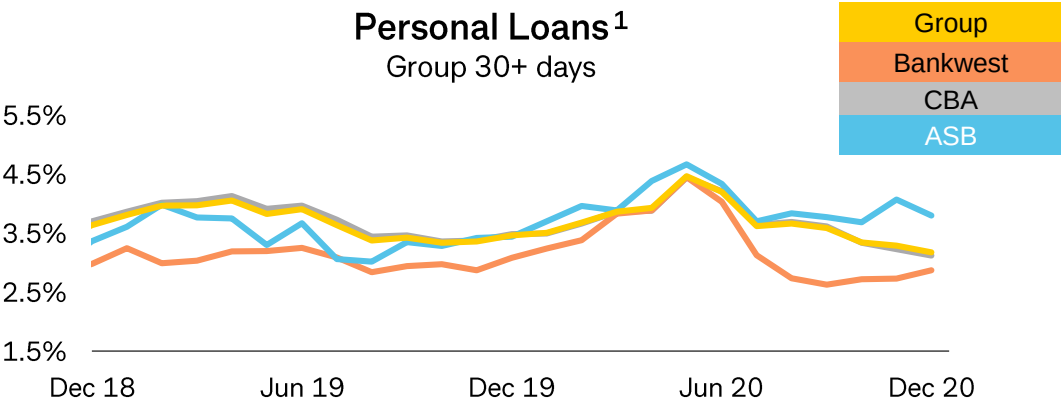
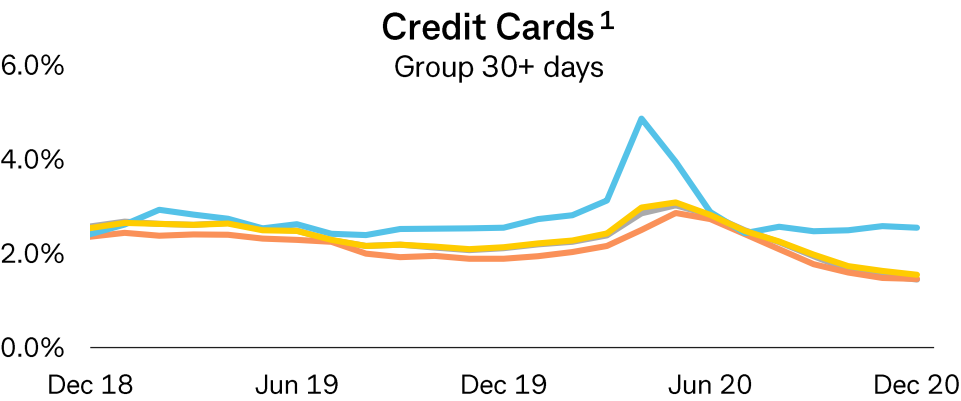
- Improvement in Credit Cards arrears rates positively influenced by government support initiatives and higher propensity for customers to pay down the debt
- Personal Loan arrears relatively flat in 1H21 despite balance contraction
- Credit risk settings for unsecured lending tightened in line with the changing economic environment
- Focus on prudent acquisition and account management, including refining credit settings where appropriate, whilst rebuilding business momentum in a controlled manner

1. ASB write-off Credit Card and Personal Loans typically around 90 days past due if no agreed repayment plan. 2. Portfolio balance held constant as at February 2020.



Consumer arrears

Arrears remain insulated by government support initiatives



1. ASB write-off Credit Card and Personal Loans typically around 90 days past due if no agreed repayment plan.





Business and Corporate Lending

Portfolio quality¹

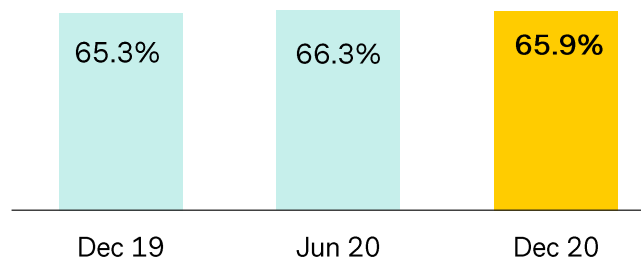
~66% investment grade – weighted to Australia/NZ

Exposures by Industry¹

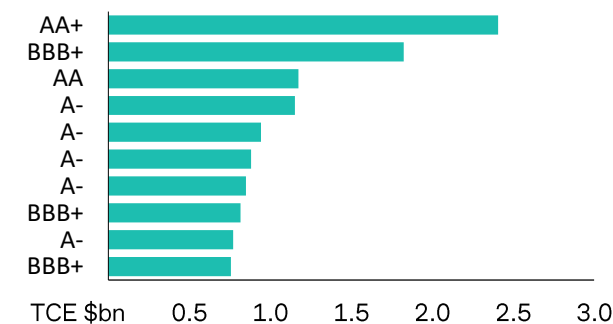
TCE \$bn	AAA to AA-	A+ to A-	BBB+ to BBB-	Other	Dec 20
Gov. Admin. & Def.	125.5	22.4	1.1	0.1	149.1
Finance & Insurance	37.7	32.8	6.9	2.6	80.0
Com. Property	2.8	7.4	18.5	48.8	77.5
Transport & Storage	0.1	2.2	13.2	11.3	26.8
Agriculture & Forestry	-	0.1	3.0	21.6	24.7
Manufacturing	0.7	1.2	4.4	9.7	16.0
Ent. Leisure & Tourism	0.1	0.1	1.4	11.3	12.9
Elect. Gas & Water	0.2	2.9	7.2	2.3	12.6
Business Services	-	0.3	3.0	8.7	12.0
Retail Trade	-	0.8	1.9	9.2	11.9
Health & Community	0.1	0.2	2.3	8.3	10.9
Wholesale Trade	-	0.3	2.1	7.9	10.3
Construction	-	-	1.2	8.7	9.9
Mining Oil & Gas	-	1.3	4.9	2.9	9.1
Media & Communications	1.2	1.3	1.4	1.4	5.3
All other ex Consumer	1.0	1.0	1.2	9.5	12.7
Total	169.4	74.3	73.7	164.3	481.7

Corporate portfolio quality²

Investment Grade



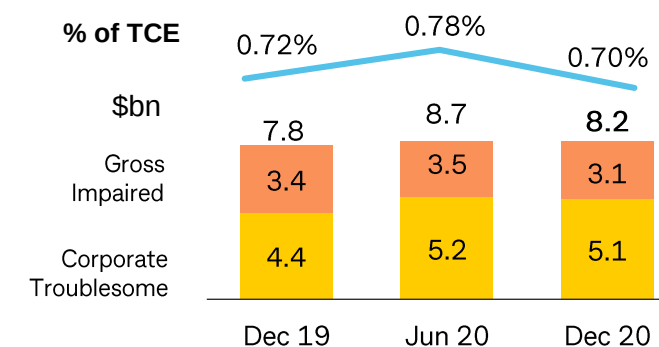
Top 10 commercial exposures



Group TCE by geography

	Dec 19	Jun 20	Dec 20
Australia	79.5%	79.8%	80.3%
New Zealand	10.8%	10.6%	10.3%
Europe	2.8%	3.0%	2.9%
Other	6.9%	6.6%	6.5%

Troublesome and Impaired Assets (TIA)



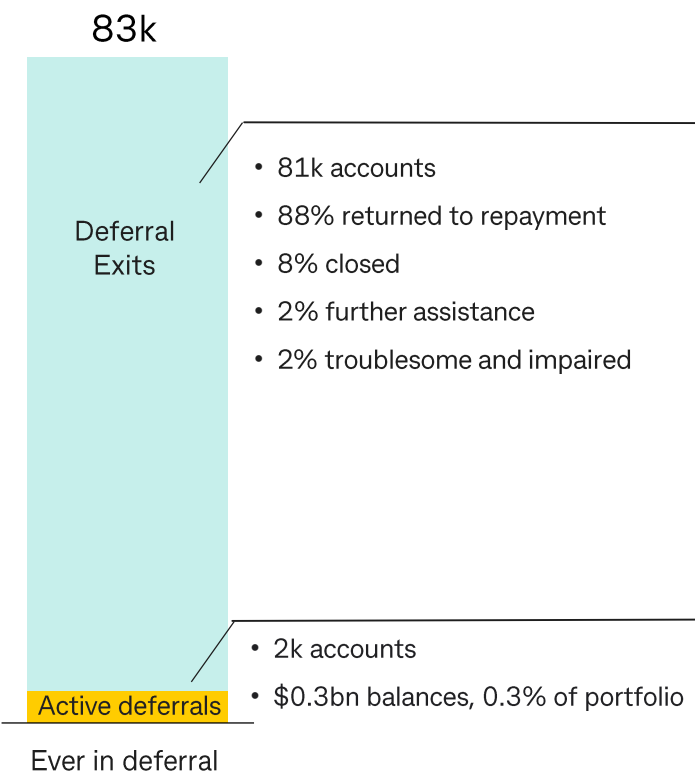
1. CBA grades in S&P equivalents. 2. Comparative information has been restated to conform to presentation in the current period.



Business loan repayment deferrals¹

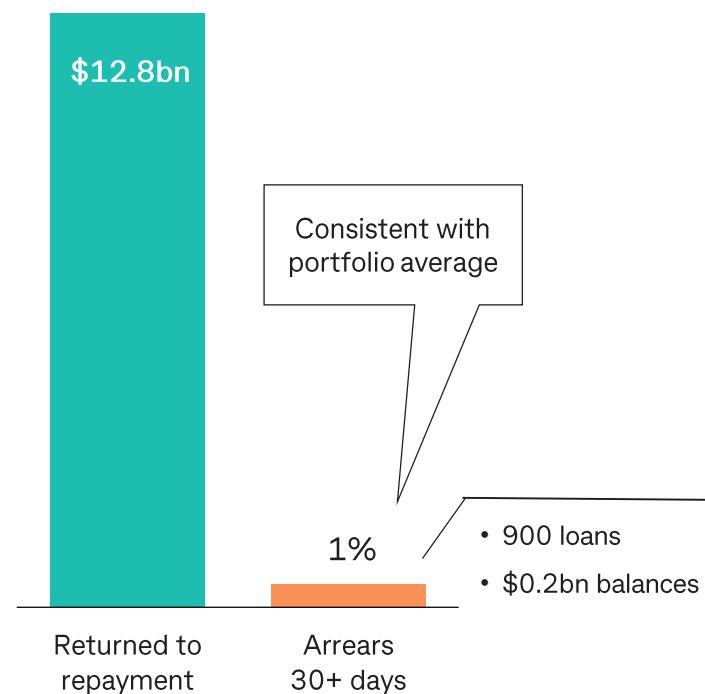
Majority of exits do not require further assistance

Business loan deferrals²



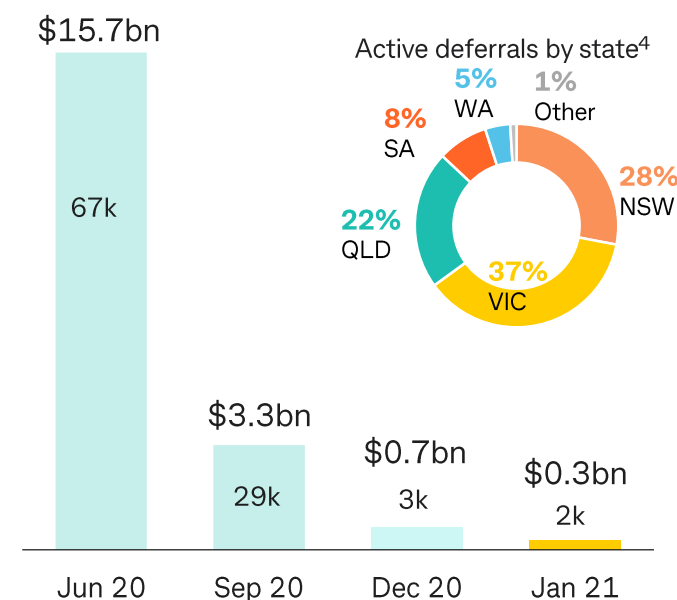
Deferral exits

Customers returning to repayments have an arrears profile consistent with the rest of the portfolio



Active deferrals³

- 2k loans or 0.3% of portfolio



1. Australian deferral accounts as at 31 January 2021. All metrics are based on number of accounts unless noted otherwise. Product view. 2. Values based on current balances as at 31 January. 3. Values based on balances at reporting date. 4. Based on balance.

Total committed exposure summary

Close monitoring of key sectors

	Group TCE ¹		TIA ¹ \$m		TIA % of TCE ¹		% of provisions to TCE ¹	
	Jun 20	Dec 20	Jun 20	Dec 20	Jun 20	Dec 20	Jun 20	Dec 20
Consumer	58.8%	58.7%	1,929	1,662	0.29%	0.24%	0.5%	0.5%
Government, Admin., & Defence	11.8%	12.8%	-	-	-	-	-	-
Finance & Insurance	7.6%	6.8%	48	21	0.06%	0.03%	-	-
Commercial Property	6.6%	6.6%	752	904	1.02%	1.17%	0.5%	0.5%
Transport & Storage	2.5%	2.3%	951	755	3.38%	2.82%	0.9%	2.2%
Agriculture & Forestry	2.1%	2.1%	948	861	4.12%	3.48%	1.1%	1.0%
Manufacturing	1.4%	1.4%	724	545	4.68%	3.41%	2.3%	1.6%
Entertainment, Leisure & Tourism	1.2%	1.1%	686	1,071	5.32%	8.27%	1.8%	2.6%
Electricity, Gas & Water	1.1%	1.1%	89	170	0.75%	1.35%	0.4%	0.6%
Retail Trade	1.0%	1.0%	572	424	5.08%	3.58%	1.9%	1.5%
Business Services	1.0%	1.0%	221	390	1.97%	3.26%	1.5%	1.2%
Mining, Oil & Gas	1.0%	0.8%	204	126	1.87%	1.38%	1.4%	1.2%
Construction	0.9%	0.8%	506	342	5.12%	3.46%	2.0%	1.7%
Health & Community Services	0.8%	0.9%	103	116	1.09%	1.07%	0.9%	0.9%
Wholesale Trade	0.8%	0.9%	269	262	2.94%	2.55%	1.1%	1.2%
Media & Communications	0.5%	0.5%	186	175	3.37%	3.30%	0.9%	0.9%
Personal & Other Services	0.3%	0.3%	128	105	4.43%	3.22%	0.9%	0.8%
Education	0.2%	0.3%	29	40	1.10%	1.28%	0.6%	0.7%
Other	0.4%	0.6%	365	226	5.77%	3.44%	n/a	n/a
Total	100.0%	100.0%	8,710	8,195	0.78%	0.70%	0.6%	0.6%

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

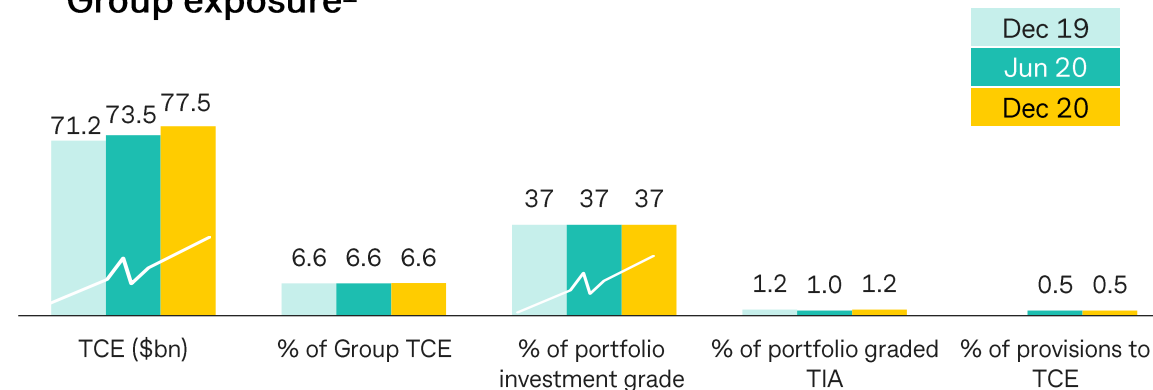
Refer separate slide following

Sector focus – commercial property

Portfolio weighted to NSW – TIAs remain low at 1.2%

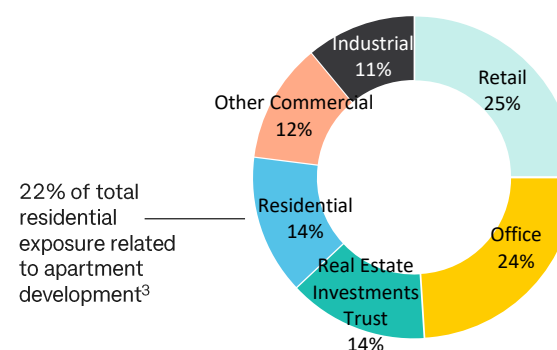
- Increased exposure this half primarily to office investors and residential developers in metropolitan Sydney and Melbourne.
- Diversified across sectors and by counterparty with the top 20 counterparties representing 16% of the portfolio and having a weighted average rating of BBB equivalent.
- Stable credit quality with investment grade concentration steady and 91% of sub-investment grade exposures fully secured.
- Impaired exposures remain low at 0.10% of portfolio, TIA at 1.2%.
- Geographical weighting remained relatively steady this half.
- Apartment development³ exposures this half increased by \$0.7bn to \$2.3bn, with weighting to Sydney (51%). Exposure 55% below the last peak (December 2016).
- Settlement defaults have not materially increased across the apartment development portfolio.
- Actively managing origination criteria, maintaining close portfolio oversight.

Group exposure¹

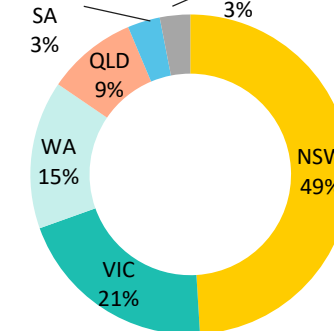


Profile²

By Sector



By Geography



1. Comparative information has been restated to conform to presentation in the current period. 2. Sector profile is Group-wide Commercial Property. Geographic profile is domestic Commercial Property, and excludes ASB exposures of \$9.5bn and other offshore exposures of \$2.9bn. 3. Apartment Developments > \$20m.



Sector focus – transport and storage

Conditions remain challenging

Airlines & Aircraft Lessors

- Reduced exposure by ~\$1bn over last 12mths (~22%) largely due to active portfolio management, amortisation and FX movements.
- ~75% of our airline portfolio exposure is to strong counterparties; state-owned, flag carriers, investment grade and well secured.
- Our portfolio is weighted towards airlines who generate the majority of their revenue from their domestic and internal travel markets.

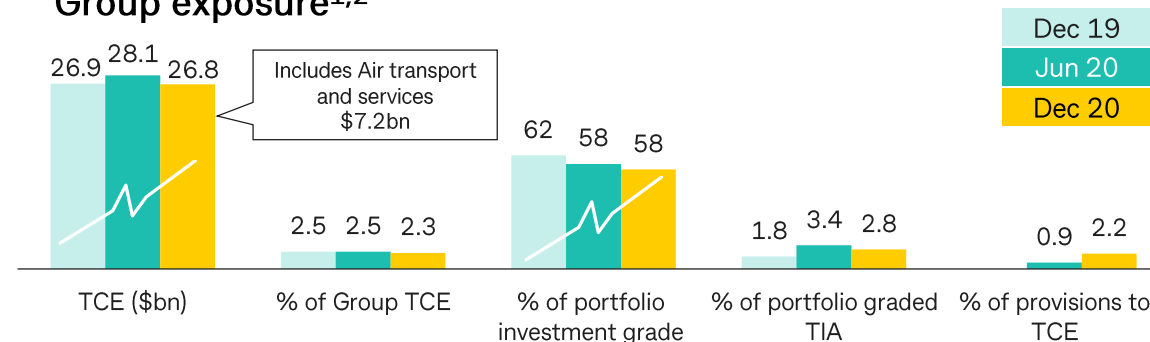
Aircraft Operating Leases

- The Group recognises ~\$0.9bn of aircraft operating leases on balance sheet. The fair value of these assets reduced by ~16% (~\$190m) during the period and by ~\$820m since Dec 19. As these assets are measured at amortised cost under AASB 116, this resulted in an impairment of ~\$124m in 1H21 (Life-to-date ~\$232m), as the historic carrying value did not reflect the embedded gain.

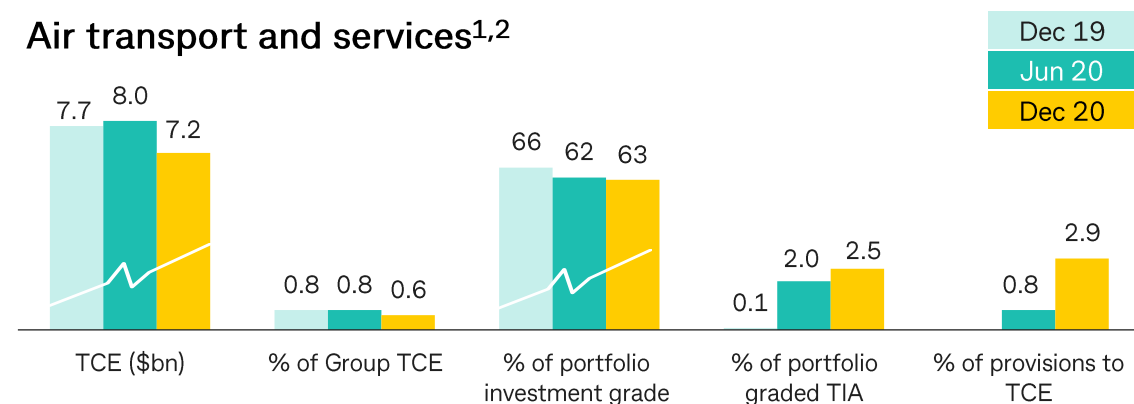
Airports

- Our exposure to domestic and overseas airports continued to be well supported by strong sponsors.
- Cash flows are being supported by combinations of cost reductions, deferring capital expenditure, limiting distributions and equity injections.
- 70% of our airport exposures are in Australia/NZ, 28% in UK.

Group exposure^{1,2}



Air transport and services^{1,2}



1. Comparative information has been restated to conform to presentation in the current period. 2. Excludes aircraft recognised on the Group's balance sheet and leased out to airlines.

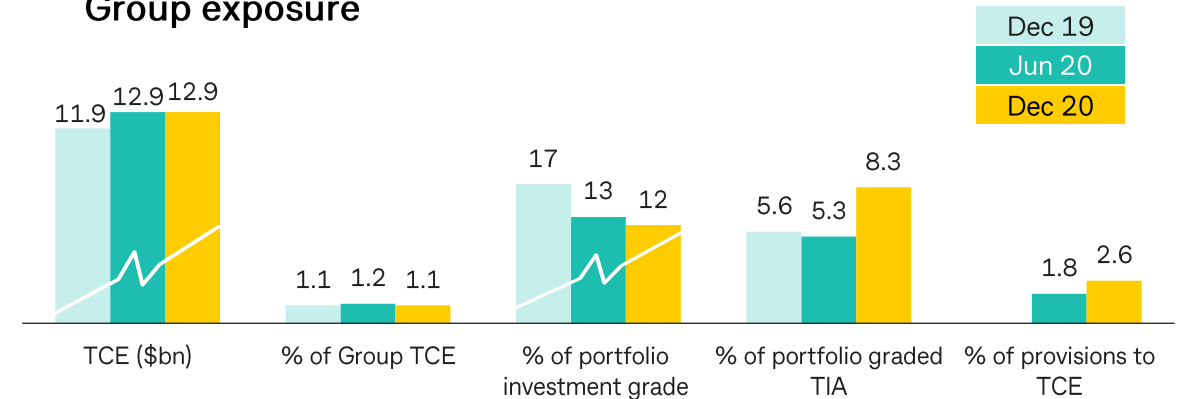


Sector focus – entertainment, leisure & tourism

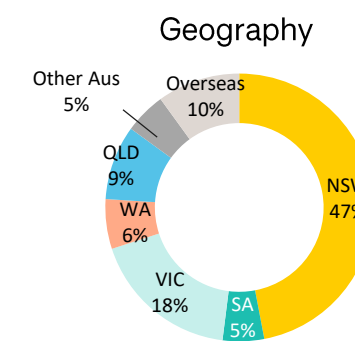
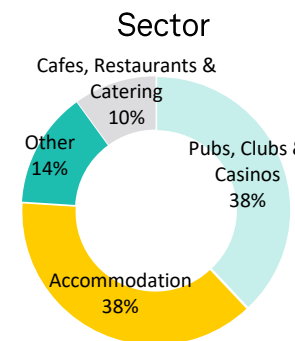
Conditions improving but remain challenging

- Diverse industry with many sub-sectors (including Accommodation, Casinos and Cinemas) impacted by government restrictions, including border closures, shutdowns and social distancing initiatives.
- Some pent up demand was visible upon relaxation of restrictions since June but this is expected to be impacted by new restrictions imposed during December.
- Restrictions regarding travel (both domestic and international) and social distancing will continue to weigh heavily on the sector as volumes are impacted and with added pressure as Government support initiatives reduce.
- Pubs and clubs have rebounded strongly and some accommodation markets have recovered. CBD assets and more remote regional locations reliant on international tourism will continue to have elevated risk.
- Many cafes and restaurant businesses are operating with high booking demand and increasing numbers as social distancing provisions are progressively wound back.
- TIAs have increased by 57% reflecting a deterioration in performance for some clients in the accommodation and events sectors.

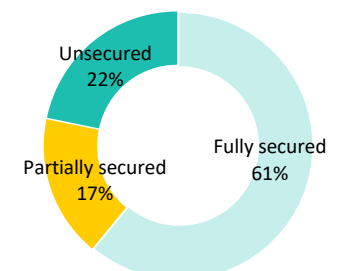
Group exposure



Profile



Security¹



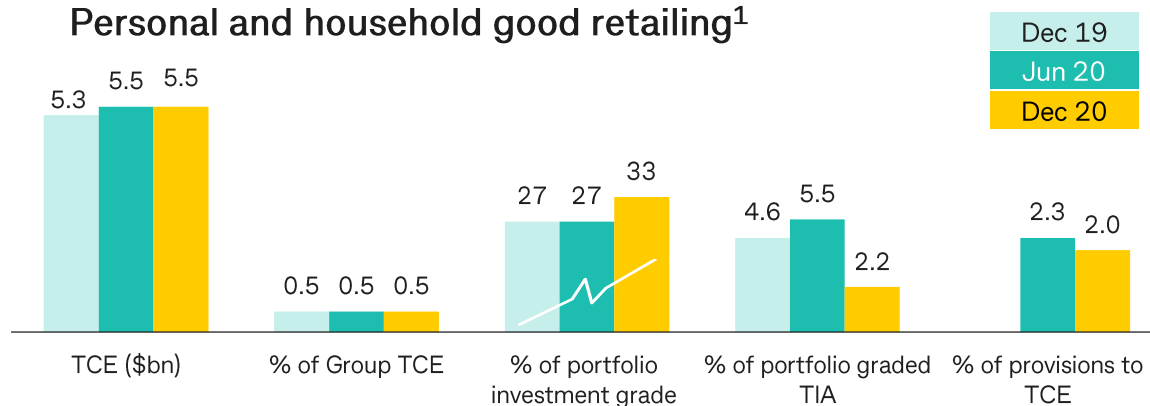
1. Fully Secured: Includes performing home loans and other exposures where the ratio of exposure to the estimated value of collateral (LVR) is less than or equal to 100%; Partially Secured: Includes defaulted home loans and other exposures where the LVR exceeds 100% but is not more than 250%; Unsecured: Includes personal loans, credit cards and other exposures where the LVR exceeds 250%.

Sector focus – retail trade

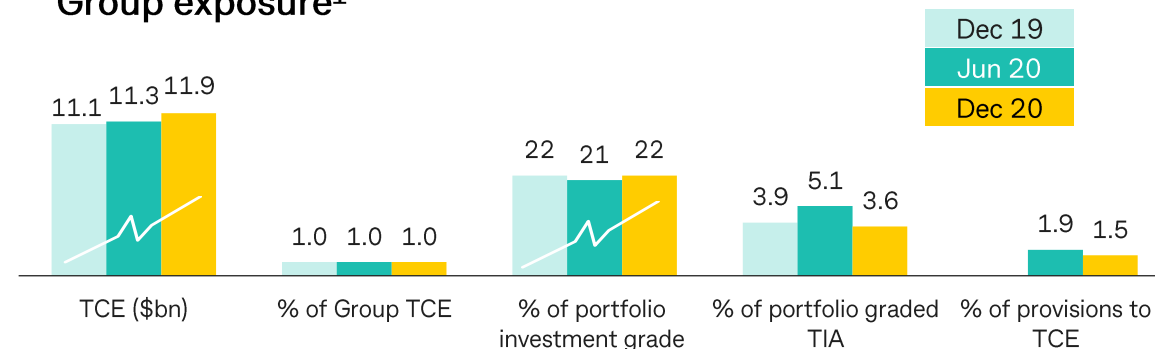
Consumer sentiment improving

- Consumer confidence has improved in recent months with external indices moving into optimistic territory and sales up in the half year period. Relaxation of border restrictions across the country will support improvement in trade.
- Increased exposures in the food retailing sector. Credit migration within the discretionary retail segment has moderated, with some market leaders in the retail segment benefiting from lifestyle changes associated with COVID-19 including limited socialising, working from home and domestic recreational activity.
- Reduction in TIAs is attributed to the Food Retailing and Personal household Good Retailing sectors.

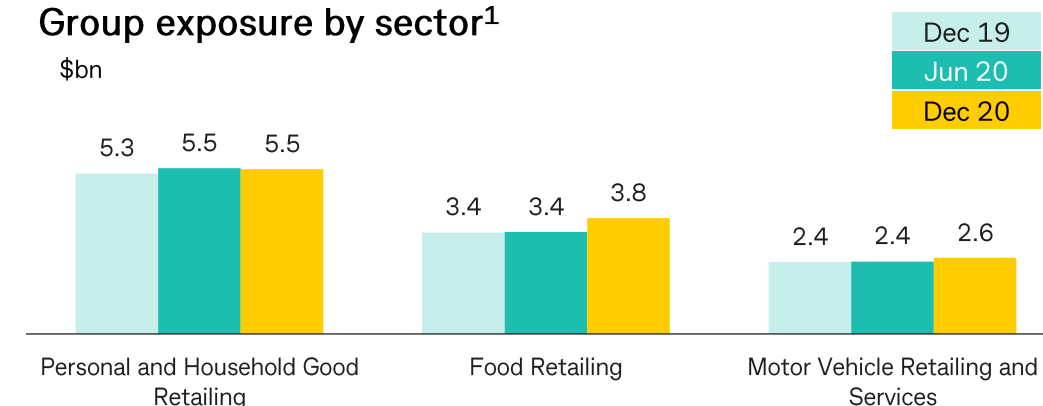
Personal and household good retailing¹



Group exposure¹



Group exposure by sector¹



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

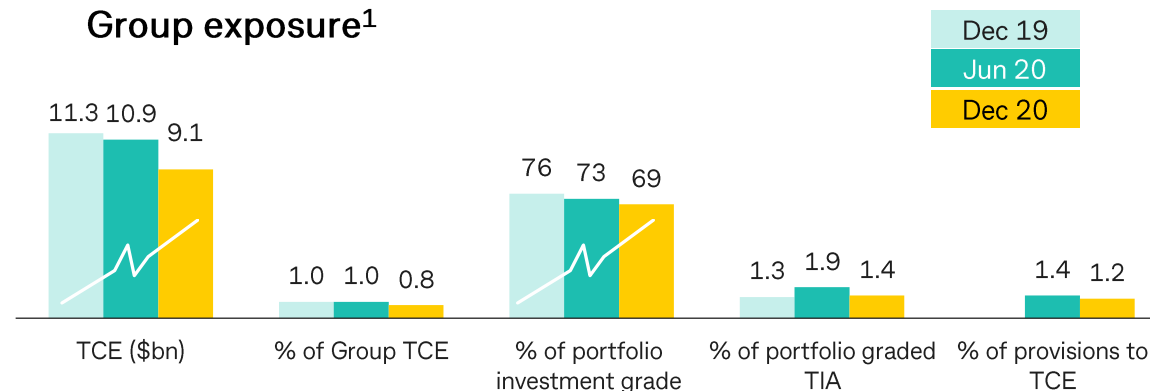


Sector focus – mining, oil and gas

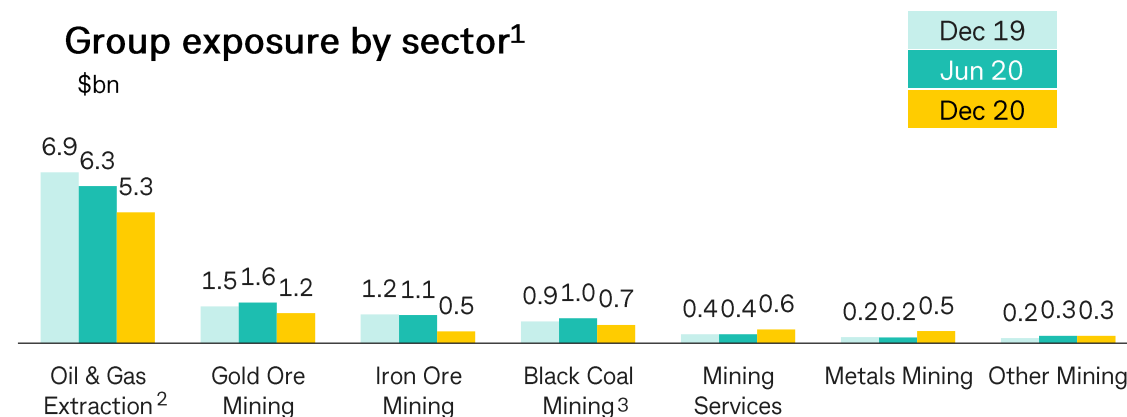
Exposures broadly stable, well diversified

- Exposures of \$9.1bn (0.8% of Group TCE), reduced by \$1.8bn over the past 6 months mainly from stronger AUD and reduced Oil & Gas and Iron Ore facilities.
- Stable performance over the past 6 months:
 - Investment grade marginally down to 69% of portfolio;
 - Diversified by commodity/customer/region; and
 - Focus on quality, low cost projects with strong fundamentals and sponsors.
- Oil & Gas Extraction is the largest sub-sector (58% of total), 77% investment grade with 30% related to LNG Terminals – typically supported by strong sponsors and offtake contracts from well-rated counterparties.
- Portfolio impaired level decreased to 1.4% mainly due to the recovery on a single name.
- Commodity demand is recovering and supports sector stability.

Group exposure¹



Group exposure by sector¹



1. Comparative information has been restated to conform to presentation in the current period. 2. 'Oil & Gas Extraction' includes businesses that are predominantly involved in Oil and Gas Production as well as LNG Terminals. Group Exposure is based on the ANZSIC classification. 3. Includes all exposure with Black Coal Mining as the ANZSIC classification. Includes 100% of CBA's exposure to diversified miners that derive the largest proportion of their earnings from Black Coal Mining. Total includes non-Black Coal Mining related exposures within these diversified miners.

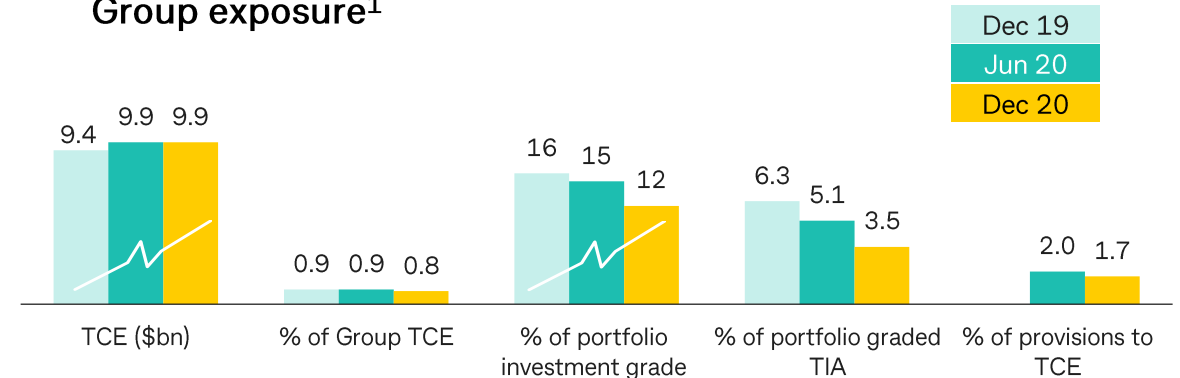
Sector focus – construction

Outlook is uncertain

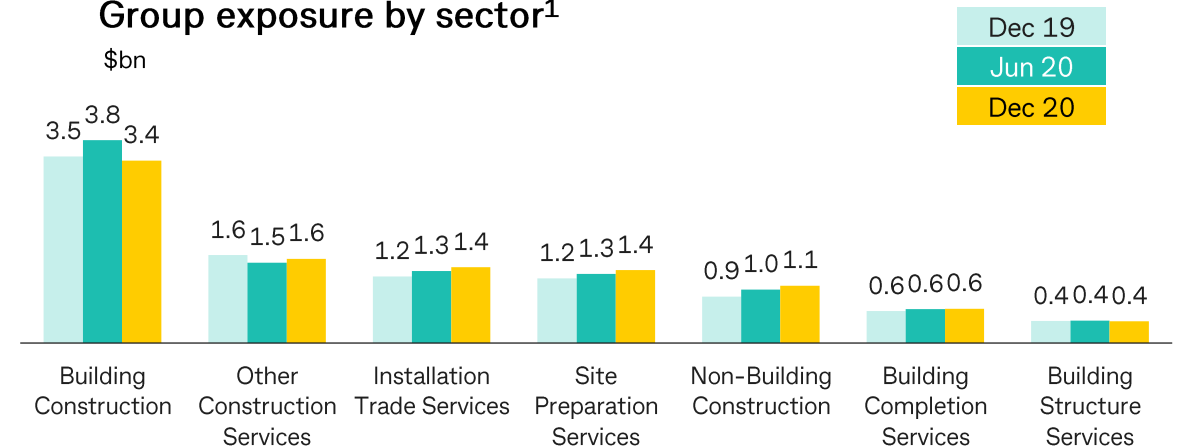
- As a designated essential industry, the sector has continued to operate through COVID-19 with some level of disruption and productivity loss due to lockdowns and social distancing, more materially in Victoria. The industry has been a recipient of significant Job Keeper assistance.
- Investment grade is lower since June 2020 following the repayment by a material single customer.
- Active management of the existing stressed portfolio, combined with fewer larger new stressed customers is driving a lower proportion of TIAs.
- Risk appetite continues to be cautious. The operating environment and outlook remain uncertain albeit accelerated Government infrastructure investment is expected to underpin recovery.
- Increased tender competition may lead to some margin compression for clients.

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

Group exposure¹



Group exposure by sector¹





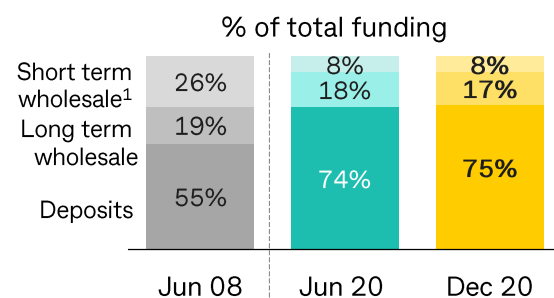
Funding, Liquidity and Capital

Funding overview

Resilient balance sheet with significant excess liquidity

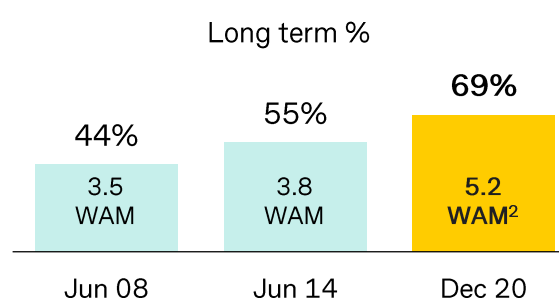
Funding composition

Deposit growth supporting 75% of funding



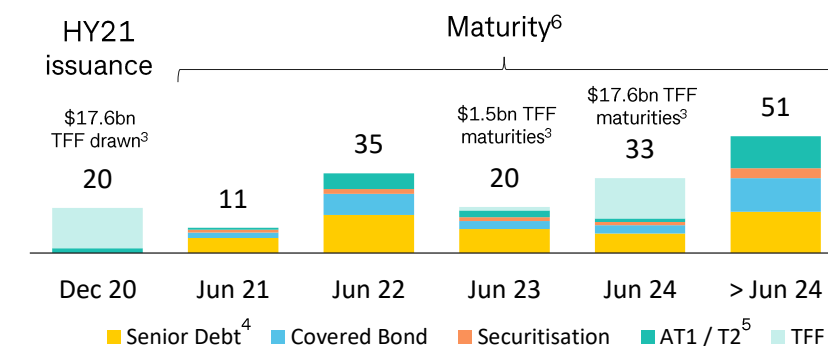
Wholesale funding

Weighted to long term



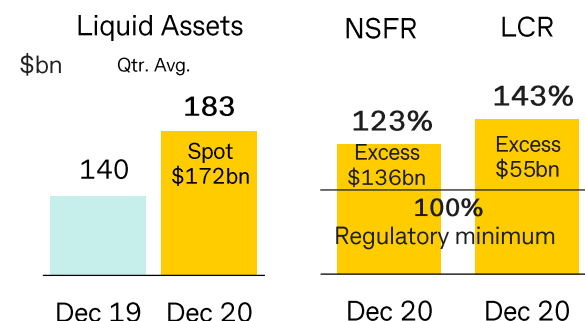
Funding profile

Balanced profile reducing refinancing risk



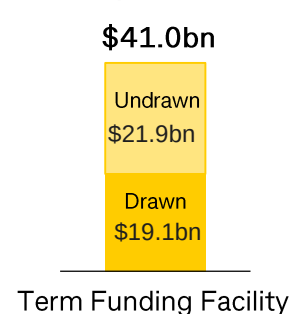
Liquidity metrics⁷

Significant excess liquidity



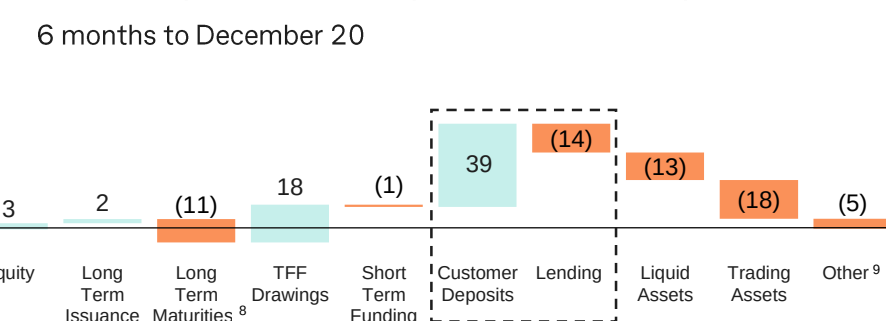
RBA Term Funding Facility

Additional funding support



Sources and uses of funds

Core funding surplus, reducing in wholesale funding

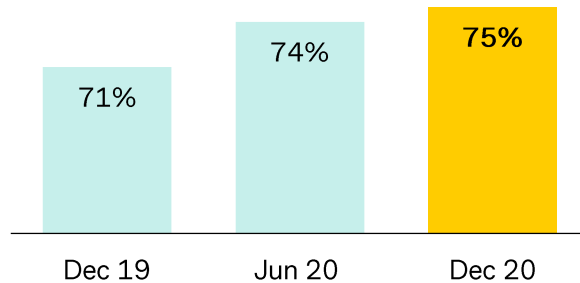


1. Includes other short term liabilities. 2. Represents the Weighted Average Maturity of outstanding long term wholesale debt with a residual maturity greater than 12 months as at reporting date. As at 31 December 2020, Weighted Average Maturity and Long term % includes Term Funding Facility drawdowns. WAM as at 31 December 2020 excluding Term Funding Facility drawdowns is 5.7 years. 3. Total TFF drawn by 31 December 2020 is \$19.1bn (includes \$1.5bn TFF drawdown during FY20). 4. Includes Senior Bonds and Structured MTN. 5. Additional Tier 1 and Tier 2 Capital. 6. Maturities may vary quarter to quarter due to FX revaluation. 7. NSFR: Spot, LCR: Pillar 3 Quarter Average. 8. Reported at historical FX rates. 9. Includes FX revaluation.

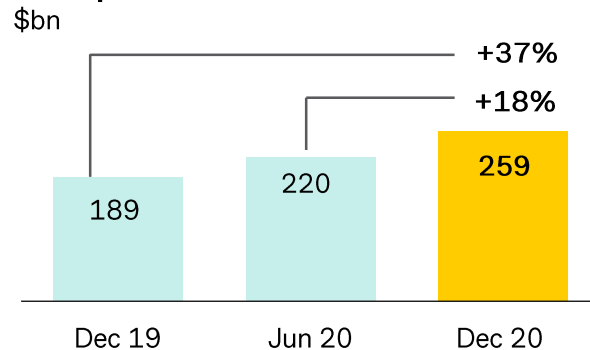
Deposit funding

Highest share of stable household deposits in Australia

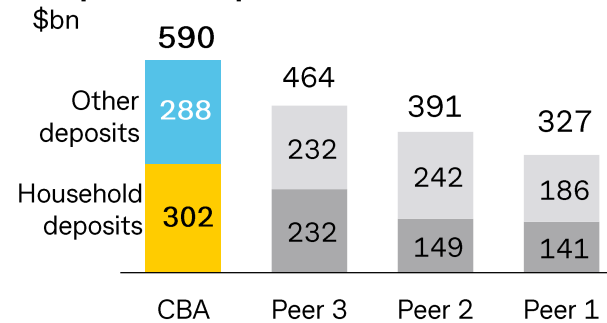
Deposit funding



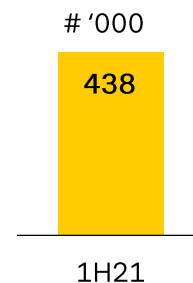
Group transaction balances⁴



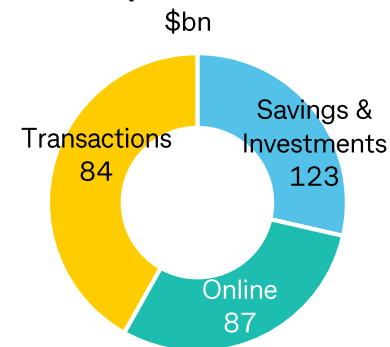
Deposits vs peers¹



New transaction accounts⁵

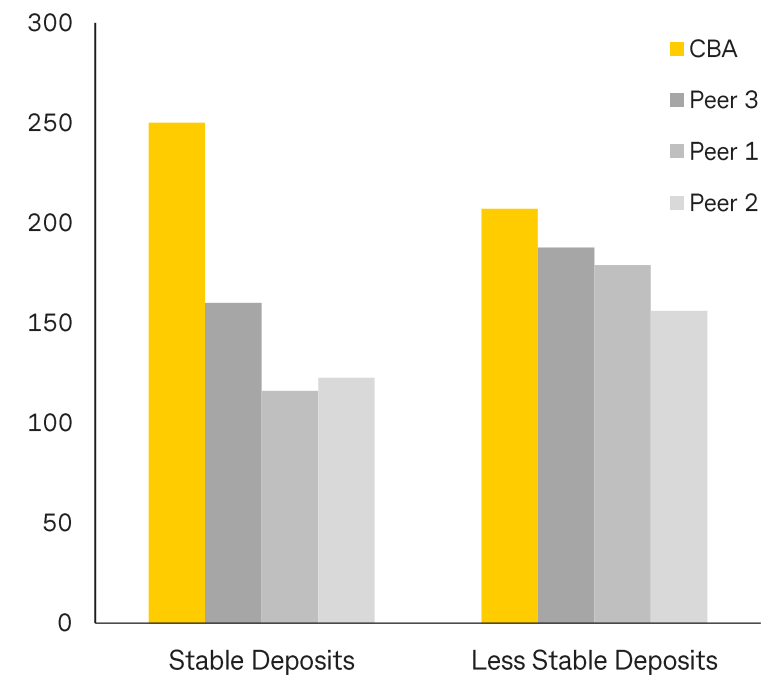


Deposit mix⁶



Deposits in NSFR²

As at December 2020 (\$bn)
Peers as at September 2020³



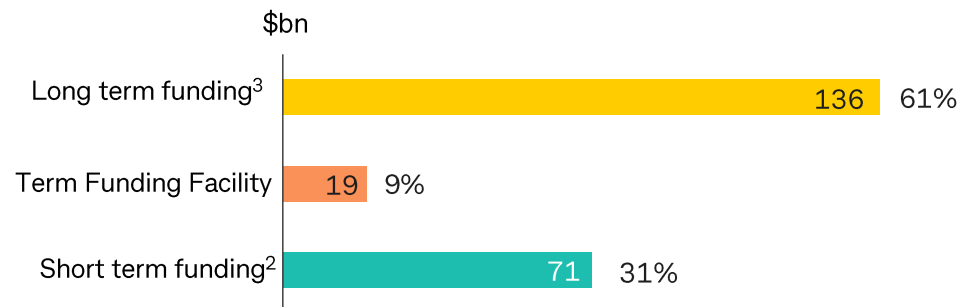
1. Source: APRA Monthly Authorised Deposit Taking Institution Statistics (MADIS). Total deposits (excluding CDs). 2. Stable and less stable deposits in NSFR calculation. Excludes operational deposits, other deposits and wholesale funding. 3. Source: 30 September 2020 Pillar 3 Regulatory Disclosures; CBA reported as at 31 December 2020. 4. Includes non-interest bearing deposits. 5. Number of new personal transaction accounts, excluding offset accounts, includes CBA and Bankwest. 6. Transactions include non-interest bearing deposits and transaction offsets. Online includes NetBank Saver (NBS), Goal Saver, Business Online Saver, Bankwest Hero Saver, Smart eSaver and Telenet Saver. Savings and Investments includes savings offset accounts. Presented on a net basis after value attribution to other business units.



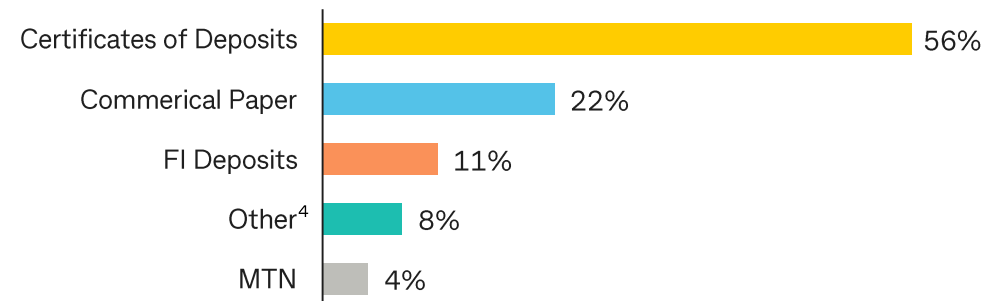
Wholesale funding

Diversified wholesale funding across product, currency and tenor

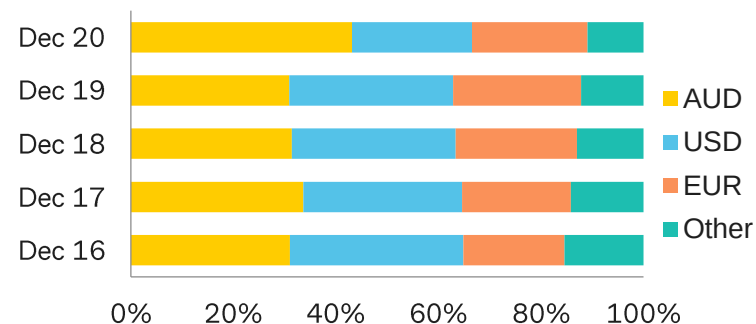
Portfolio mix¹



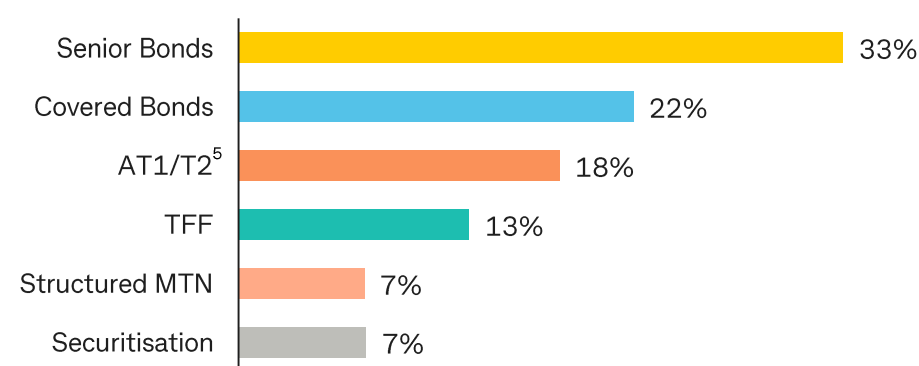
Short term funding by product²



Long term funding by currency³



Long term funding by product³



1. Numbers do not sum to 100% due to rounding. 2. Includes the categories 'central bank deposits' and 'due to other financial institutions'. 3. Includes IFRS MTM and derivative FX revaluation, includes debt with an original maturity or call date of greater than 12 months (including loan capital) and TFF drawdowns. 4. Other includes net repo. 5. Additional Tier 1 and Tier 2 Capital.

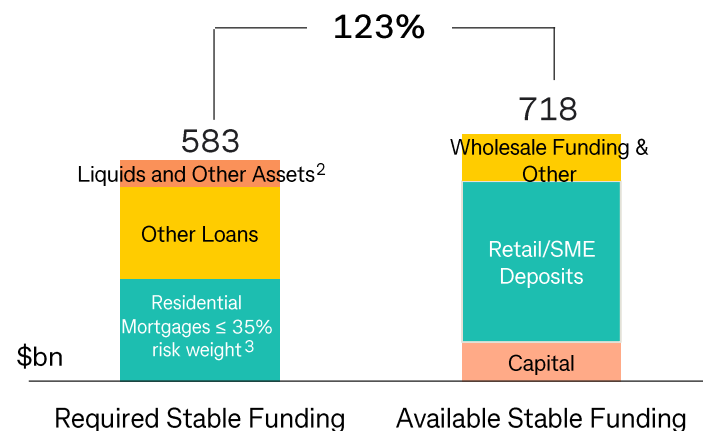


Funding and liquidity metrics¹

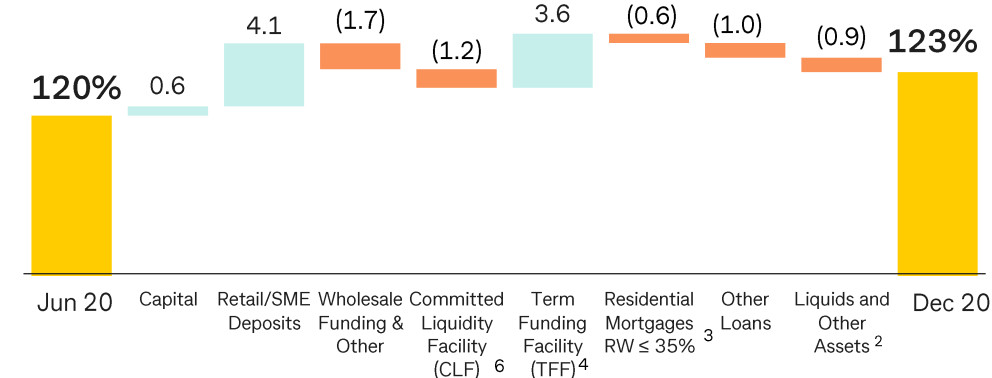
Strong funding and liquidity positions maintained

NSFR

Dec 20

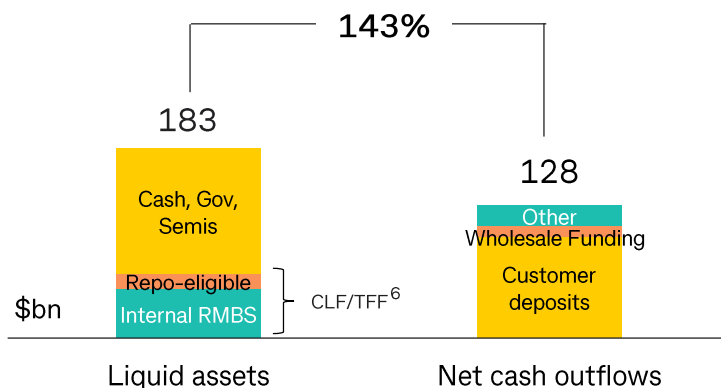


NSFR (%)⁷

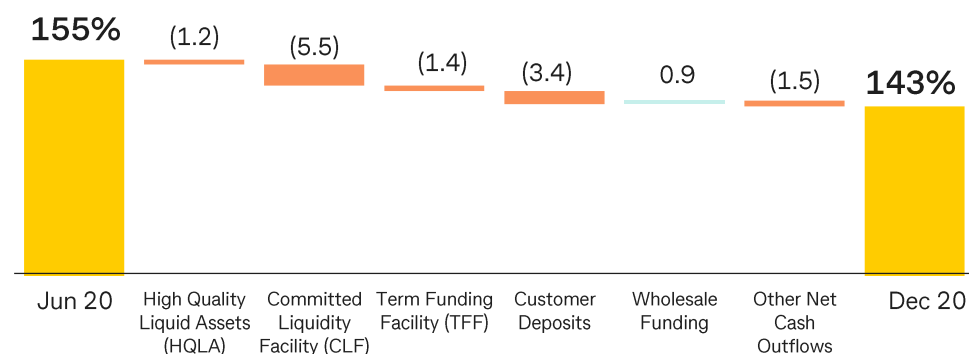


LCR⁵

Dec 20



LCR (%)⁷

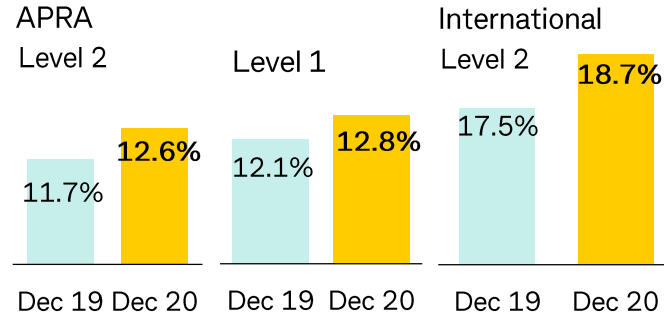


1. All figures shown on a Level 2 basis. 2. 'Other assets' includes non-performing loans, off-balance sheet items, net derivatives and other assets. 3. This represents residential mortgages with risk weighting ≤35% under APRA standard APS112 Capital Adequacy: Standardised Approach to Credit Risk. 4. Includes \$19.1bn of TFF drawings. 5. Quarter average. 6. The Group's CLF decreased to \$30.0bn from \$45.8bn on 1 December 2020. 7. Calculation reflects movements in both the numerator and denominator.

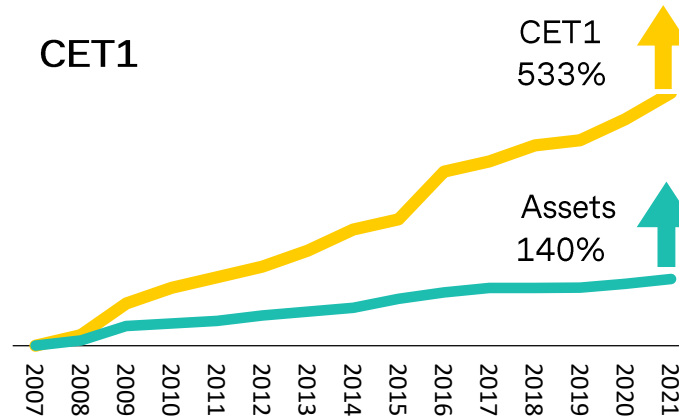
Capital overview

Strong capital position maintained

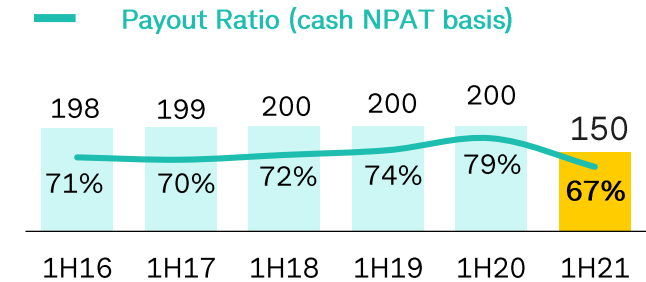
CET1



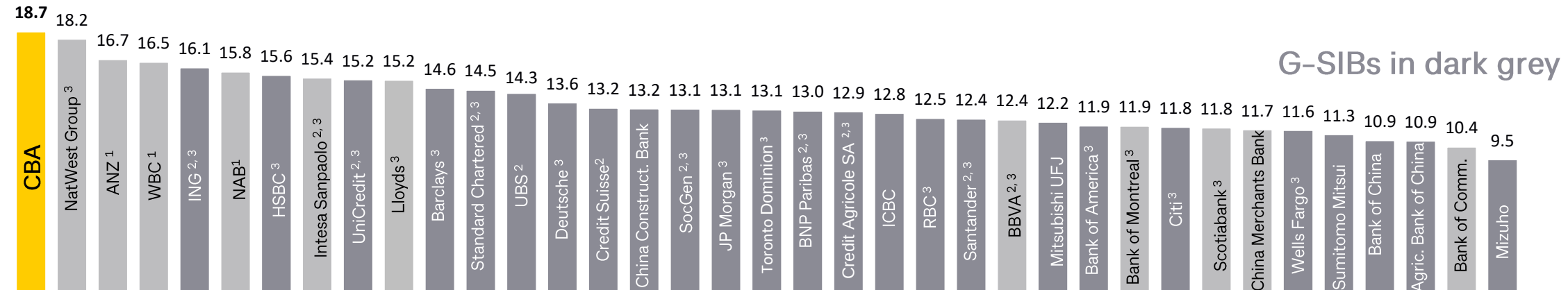
CET1



Dividend per Share (cents)



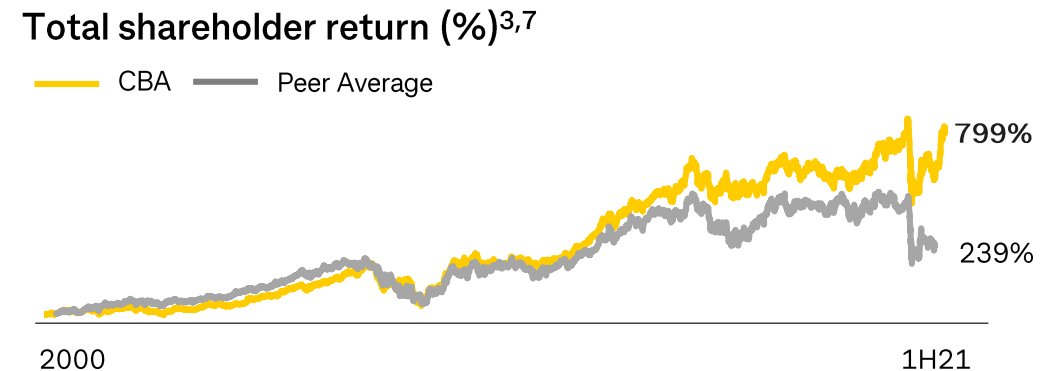
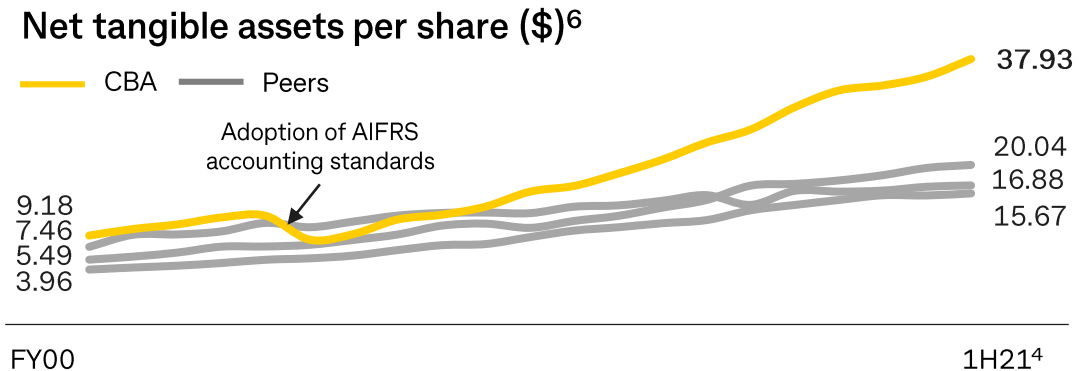
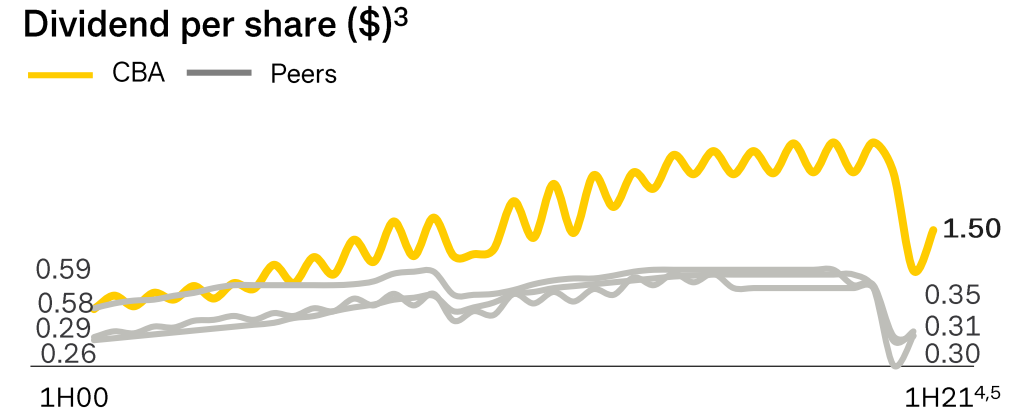
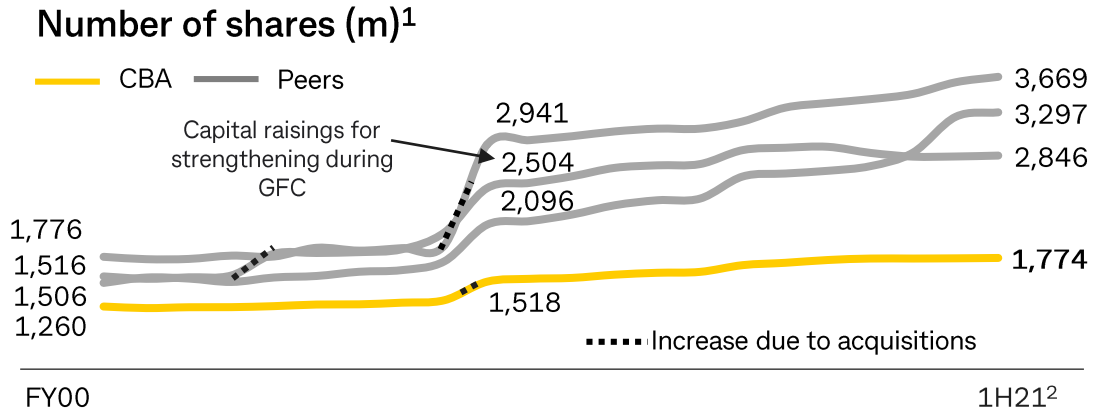
International CET1 ratios



Source: Morgan Stanley and CBA. Based on last reported CET1 ratios up to 4 February 2021 assuming Basel III capital reforms fully implemented. Peer group comprises domestic peers and listed commercial banks with total assets in excess of A\$1,000 billion which have disclosed fully implemented Basel III ratios or provided sufficient disclosure for a Morgan Stanley estimate. 1. Domestic peer figures as at 30 September 2020. 2. Deduction for accrued expected future dividends added back for comparability. 3. CET1 includes benefit of Covid-19 transitional arrangements for expected credit loss provisioning.

Capital

Lower share count supports higher shareholder returns and dividends compared to peers



1. Historical share count data sourced from Bloomberg, using the last trading day in Sep of each year. 2. Peer numbers as at 31 Dec 2020. 3. Source: Bloomberg. 4. Peer numbers as at 30 Sep 2020. 5. Reflects final dividend for peers and interim for CBA. 6. Net tangible assets per share as reported. FY00 – FY04 Net Tangible Assets have not been normalised for the impact of the transition to AIFRS in 2005. 7. Peer average is the average of our major bank peers.

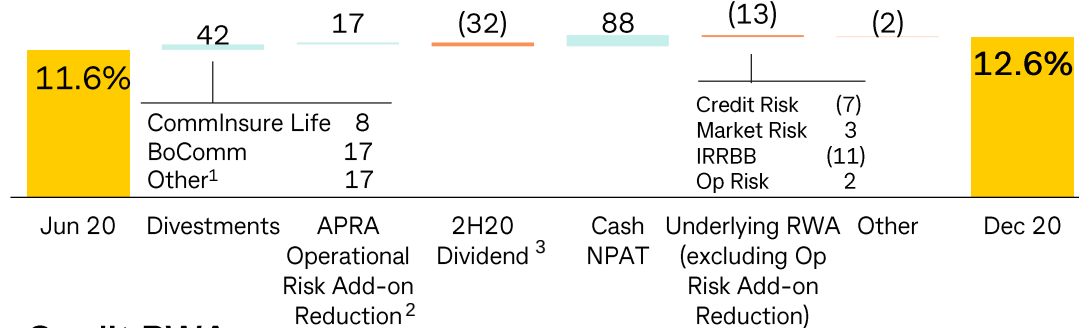


Capital drivers

Lower risk weighted assets this half

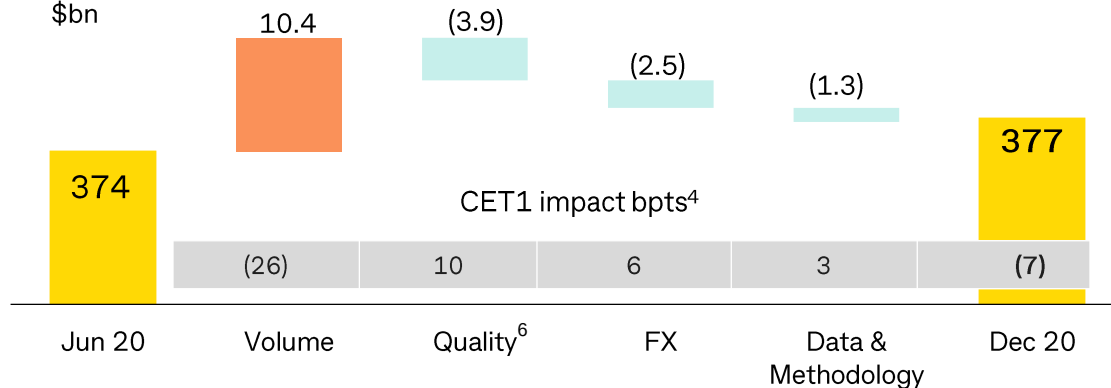
CET1

bpts



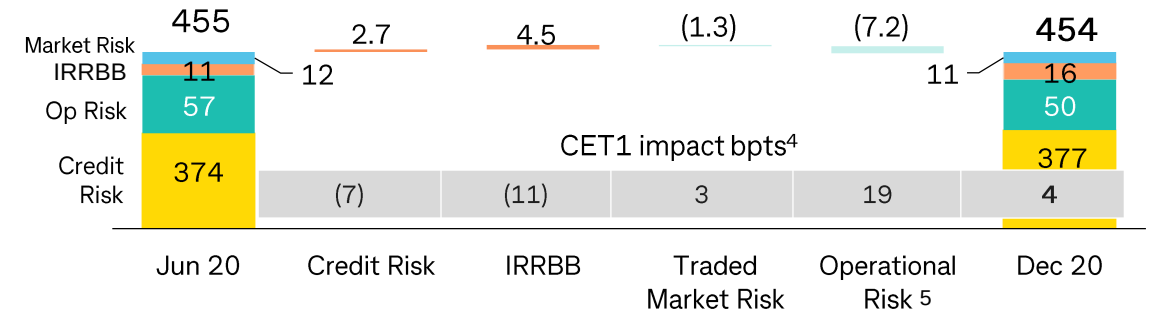
Credit RWA

\$bn



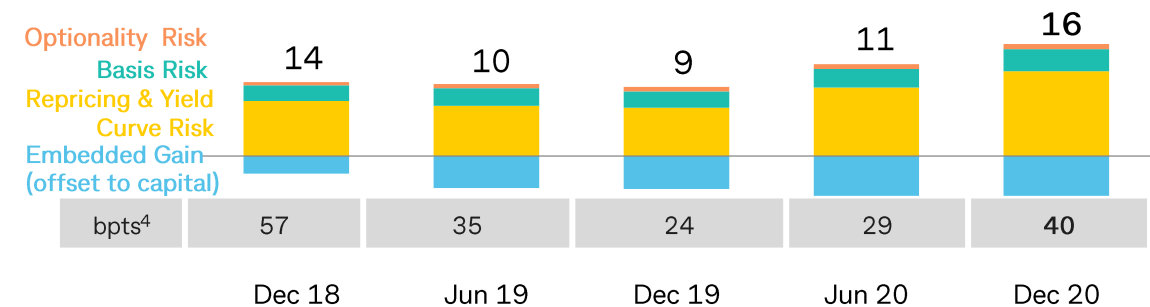
Total Risk Weighted Assets (RWA)

\$bn



Interest Rate Risk in Banking Book (IRRBB)

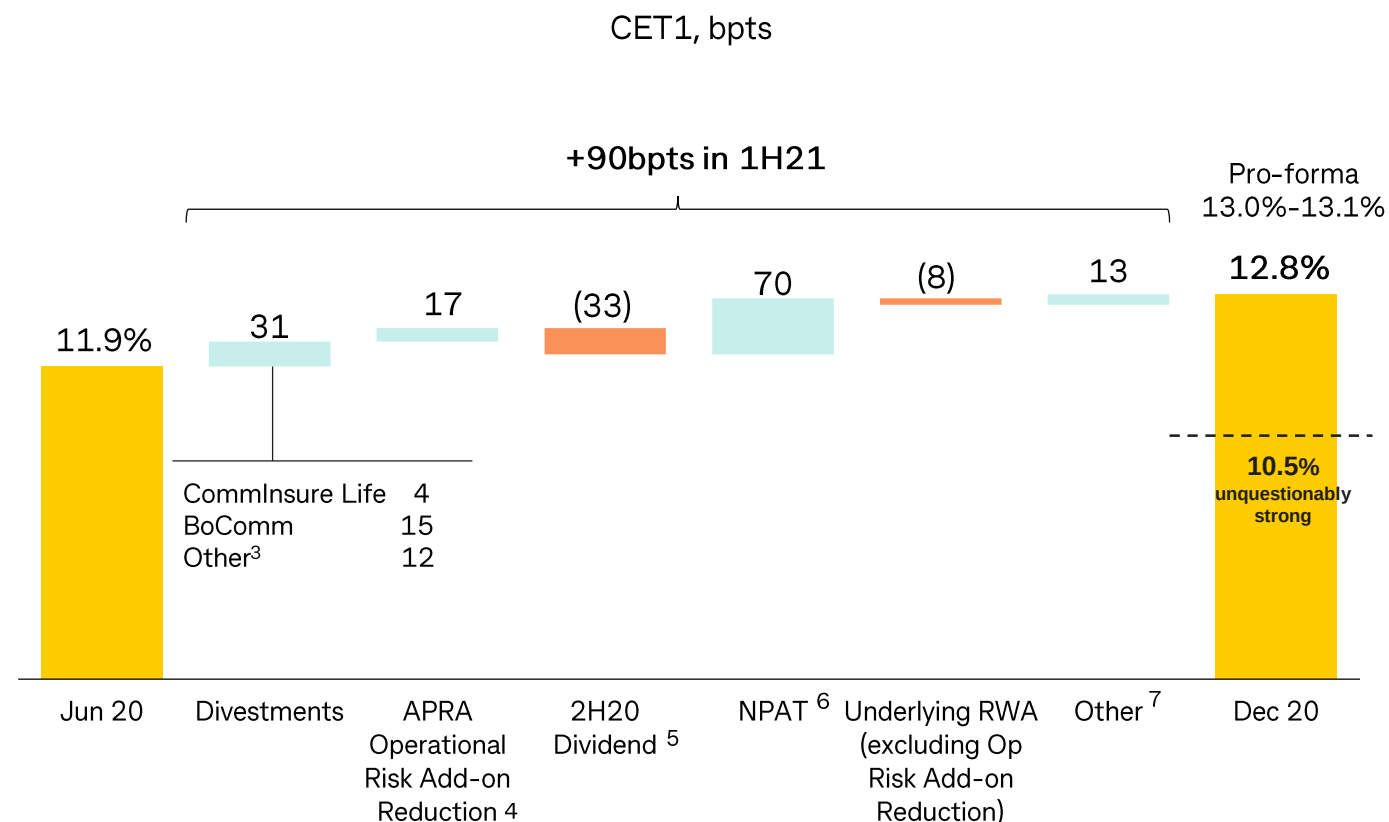
\$bn



1. Relates to the revised calculation of non-cash gains and losses on disposal of previously announced divestments. The revisions include the finalisation of accounting adjustments for goodwill, foreign currency translation reserve recycling and updated estimates for transaction and separation costs. 2 Reflects APRA's announcement on 20th November 2020 resulting in a 50% reduction in CBA's operational RWA add-on (from \$12.5bn to \$6.25bn). 3. 2020 final dividend: included the issuance of shares in respect of the Dividend Reinvestment Plan. 4. Basis points contribution to change in APRA CET1 ratio. 5. Includes the impact from the 50% reduction in CBA's operational RWA add-on (from \$12.5bn to \$6.25bn). 6. Quality includes the impact of changes in portfolio mix.

CET1 (Level 1)

CET1 Level 1¹ +20 bpts above Level 2² at 12.8%



Differences between Level 1 and Level 2	Impact (bpts)
Lower RWA at Level 1 due to the exclusion of banking subsidiaries	125
Investment in insurance subsidiaries risk weighted at 400% at Level 1 - full deduction at Level 2	5
Lower reserves and retained earnings at Level 1	(55)
Investments in regulated banking subsidiaries (e.g. ASB) risk weighted at 400% ⁸ at L1, eliminated at L2	(75)
Goodwill & Intangibles	20
Level 1 vs Level 2	20

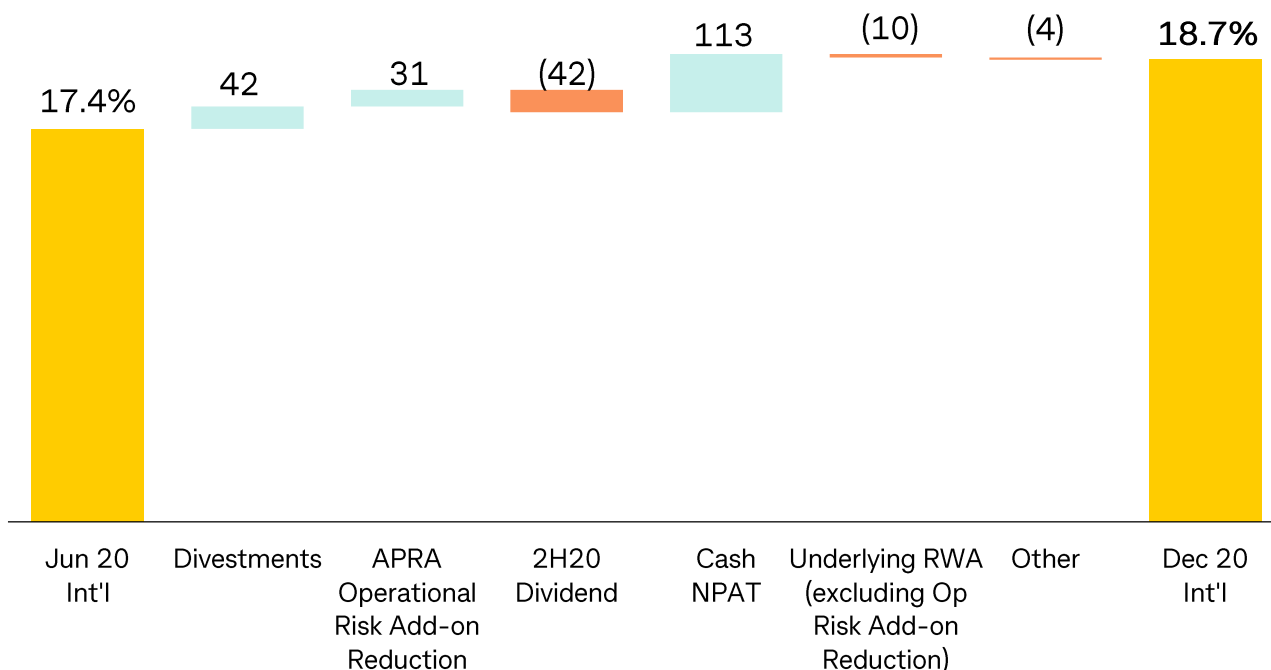
1. Level 1 is the CBA parent bank, offshore branches, and extended license entities approved by APRA. 2. Level 2 is the consolidated banking group (including banking subsidiaries such as ASB Bank, PT Bank Commonwealth (Indonesia) etc.) and excluding the insurance and funds management businesses. 3. Relates to the revised calculation of non-cash gains and losses on disposal of previously announced divestments. The revisions include the finalisation of accounting adjustments for goodwill, foreign currency translation reserve recycling and updated estimates for transaction and separation costs. 4. Reflects APRA's announcement on 20th November 2020 resulting in a 50% reduction in CBA's operational RWA add-on (from \$12.5bn to \$6.25bn). 5. 2020 final dividend: included the issuance of shares in respect of the Dividend Reinvestment Plan 6. Excludes profit/loss on sale of announced divestments and includes dividend income received from subsidiaries. 7. Primarily related to the revaluation of the HQLA portfolio. 8. Under proposed changes to APS 111 risk weighting will move to 250%, capped at 10% of CET1 capital, above which investments are treated as a 100% CET1 deduction.

CET1 – internationally comparable

The Group's CET1 ratio of 12.6% translates to 18.7% on an international basis

Internationally comparable¹ CET1

bpts



1. Internationally comparable capital – refer glossary for definition.



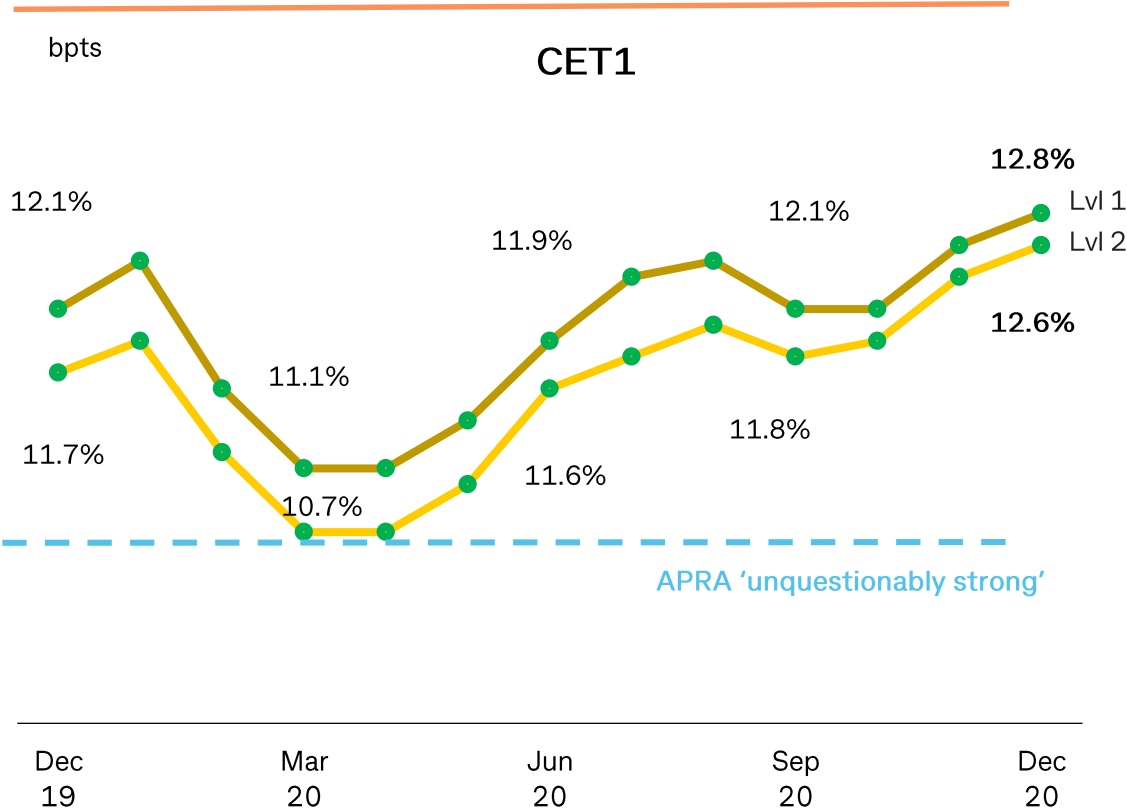
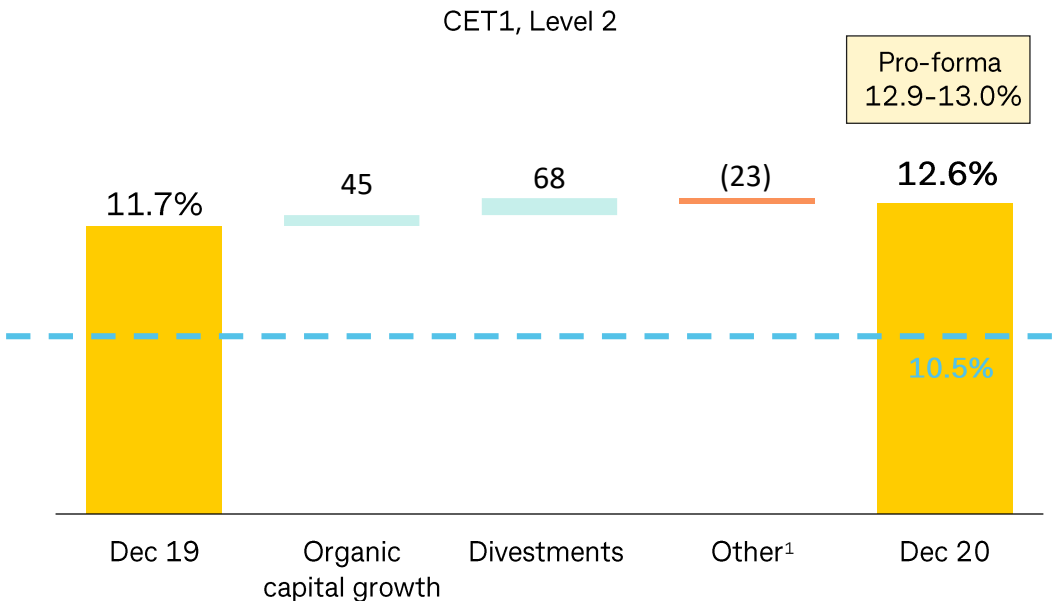
CET1 APRA		12.6%
Equity investments	Balances below prescribed threshold risk weighted, compared to 100% CET1 deduction under APRA	0.7%
Capitalised expenses	Balances are risk weighted, compared to a 100% CET1 deduction under APRA	0.1%
Deferred tax assets	Balances below prescribed threshold risk weighted compared to a 100% CET1 deduction under APRA	0.5%
IRRBB RWA	APRA requires capital to be held for IRRBB. The BCBS does not have any capital requirement	0.4%
Residential mortgages	LGD of 15%, compared to 20% LGD floor under APRA and adjustments for higher correlation factor applied by APRA for Australian residential mortgages	2.4%
Other retail standardised exposures	75% Risk weighting, rather than 100% under APRA	-
Unsecured non-retail exposures	LGD of 45%, compared to 60% or higher LGD under APRA	0.4%
Non-retail undrawn commitments	75% Credit conversion factor, compared to 100% under APRA	0.4%
Specialised lending	Use of AIRB PDs and LGDs for income producing real estate and project finance exposures, reduced by application of a scaling factor of 1.06. APRA applies higher risk weights under a supervisory slotting approach, but does not require the application of the scaling factor	1.1%
Currency conversion	Increase in A\$ equivalent concessional threshold level for small business retail and SME corporate exposures	0.1%
CET1 internationally comparable		18.7%

Capital strength

Significant capital surplus, excess franking credits

Capital generation

Significant growth in surplus capital notwithstanding sector leading COVID-19 provisioning, balance sheet growth and dividend payments



1. Includes higher 2H20 loan loss provisions related to COVID-19 (-43bpts in 2H20), partially offset by removal of 50% of the Operational risk overlay in 1H21 (+17bpts).



Regulatory capital changes

Scheduled implementation of Basel III reforms in Australia deferred by one year

Change	Details	Implementation
APRA's revisions to the ADI capital framework	- In December 2020, APRA released a further consultation package of the reviewed capital framework. APRA is targeting a capital outcome in dollar terms that remains broadly constant and consistent with the "unquestionably strong" capital benchmark. APRA's proposals include: - Higher regulatory capital buffers, with the CCyB default level set at 100 basis points for all ADIs and the CCB increasing from 250 to 400 basis points for IRB ADIs such as CBA; - Implementing more risk sensitive risk weights, particularly for residential mortgage lending; - Closer alignment of non-retail RWAs relative to overseas peers; - RWA for New Zealand subsidiaries to be determined under RBNZ rules at the consolidated group level; and - Implementing a 72.5% output floor to limit the capital benefit for IRB ADIs relative to standardised ADIs.	1 Jan 2023 (APS 111 Jan 2022, APS 116 Jan 2024)
Loss Absorbing Capacity ("LAC")	Total Capital increase of 3% for all domestically systemically important banks (D-SIBs).	1 Jan 2024
RBNZ Capital Review	- RWA of internal ratings based banks will effectively increase to 90% of that required under a standardised approach through the introduction of an 85% output floor and increasing the IRB scalar from 1.06 to 1.2; - D-SIB Tier 1 capital requirement of 16% with at least 13.5% in the form of CET1; and - Implementation from Jul 2022 with a transitional period of 6 years.	1 Jul 2028 (Output floor 1 Jan 2022, IRB Scalar 1 Oct 2022)
Leverage ratio	Proposed minimum 3.5% from 1 Jan 2023.	1 Jan 2023
APS 220 Credit Risk Management	Enhancements covering a broad range of issues including credit standards, ongoing monitoring and management of credit portfolios and Board oversight. From a regulatory capital perspective, proposals include the removal of the General Reserve for Credit Losses (GRCL) from provision requirements.	1 Jan 2022
Dividend Guidance and Restrictions	- APRA –Guidance issued in July 2020 requiring banks to preserve capital through retaining at least half of their earnings during the period of disruption caused by COVID-19, will no longer apply from calendar year 2021. APRA still expects banks to moderate dividend payout ratios to ensure they are sustainable, taking into account the outlook for profitability, capital and the broader environment. - RBNZ – Prohibition of dividends or redemption on non-CET1 capital instruments until 31 March 2021 or later if required.	Immediately (APRA announced 7 April 2020 29 July 2020 and 15 December 2020, RBNZ announced 2 April 2020 and 11 November 2020)



Regulatory expected loss

Increase in provisions due to COVID-19

\$m	Dec 19		Jun 20		Dec 20	
	Defaulted	Non-Defaulted	Defaulted	Non-Defaulted	Defaulted	Non-Defaulted
Regulatory Expected Loss (EL)	1,367	3,073	1,710	3,200	1,891	3,062
Eligible Provisions (EP)						
Collective Provisions ¹	108	3,555	95	4,807	125	5,149
Specific Provisions ^{1,2}	1,647	-	1,769	-	1,907	-
Less: ineligible provisions (standardised portfolio)	(88)	(242)	(95)	(220)	(88)	(252)
Total Eligible Provisions	1,667	3,313	1,769	4,587	1,944	4,897
Regulatory EL in Excess of EP	(300)	(240)	(59)	(1,387)	(53)	(1,835)
Common Equity Tier 1 deduction ³	-	-	-	-	-	-
Tier 2 Capital Add-back⁴	N/A	240	N/A	1,387	N/A	1,835

1. Includes transfer from collective provision to specific provisions (Dec20: \$669m, Jun 20: \$494m, Dec 19: \$404m). 2. Specific provisions includes partial write offs (Dec20: \$366m, Jun 20: \$308m, Dec 19: \$284m). 3. Shortfall of eligible provisions for both defaulted and non-defaulted exposures are subject to deduction from CET1 capital. 4. Excess of eligible provisions for non-defaulted exposures are included in Tier 2 capital, subject to a maximum of 0.6% of credit RWA under the IRB approach.



APRA's LAC requirements

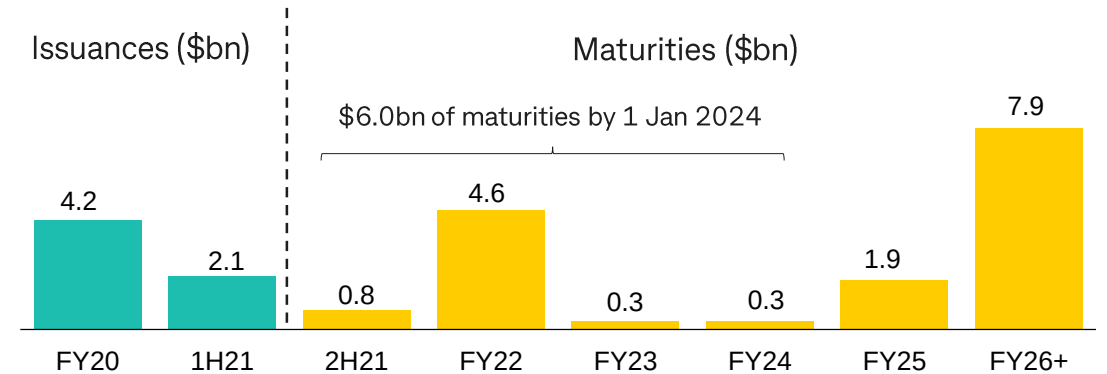
3% increase in Total Capital by 2024 to increase loss absorbing capacity (LAC)

- Based on APRA's existing capital framework, CBA requires an additional \$4.9bn of LAC qualifying issuance by 1 Jan 24 (excluding maturities).
- Expected Tier 2 issuance of \$4-5bn in FY21.
- In December 2020, APRA announced proposed changes to the capital framework and is evaluating any consequential adjustment to the required amount of LAC.

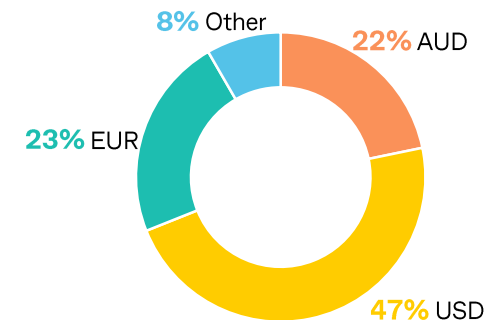
\$bn	Dec 20
Risk Weighted Assets	453.6
Tier 2 Requirement @ 5% by 1 Jan 2024 ¹	22.7
Existing Tier 2 at December 2020 (3.9%) ²	17.8
Current shortfall (excluding AT1)	4.9
Maturities by 1 Jan 2024	6.0

1. Based on APRA's existing capital framework. 2. Inclusive of \$2.1bn provisions eligible for inclusion in Tier 2. 3. Represents spot FX translation at Dec-20. 4. Securities in callable format profiled to first call date. Securities in bullet format profiled to maturity date (5 year amortisation period).

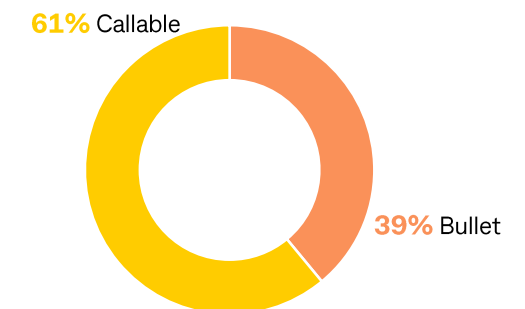
T2 Capital Profile^{3,4}



Currency %



Format %





Economic Overview

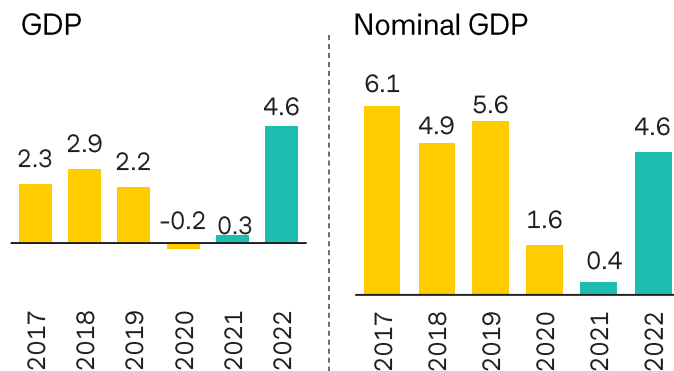
CBA Chief Economist

Key Australian economic indicators (June FY)

GDP %

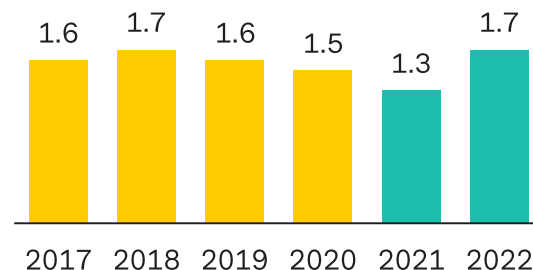
Financial year average

GDP



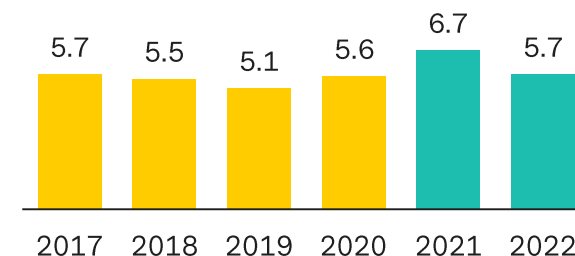
Trimmed mean CPI %

Financial year average



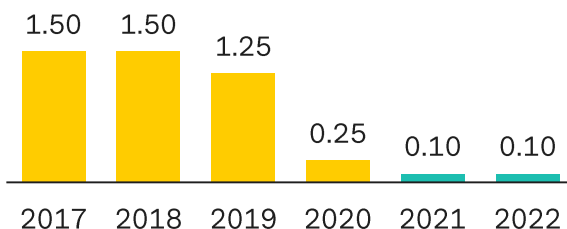
Unemployment rate %

Financial year average



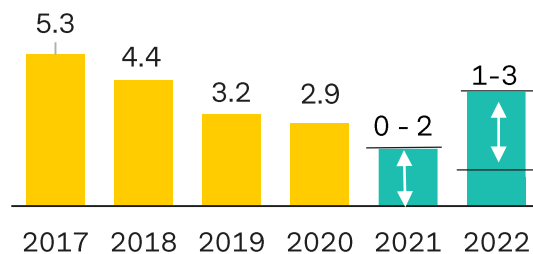
Cash rate %

As at June



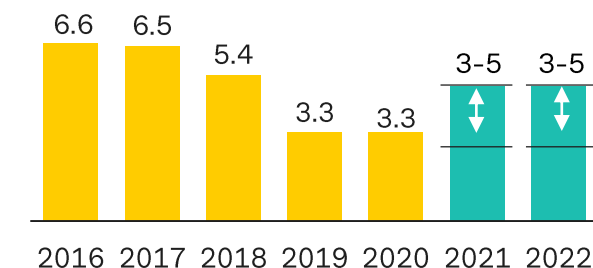
Total credit growth %

12 months to June



Housing credit growth %

12 months to June



Forecast

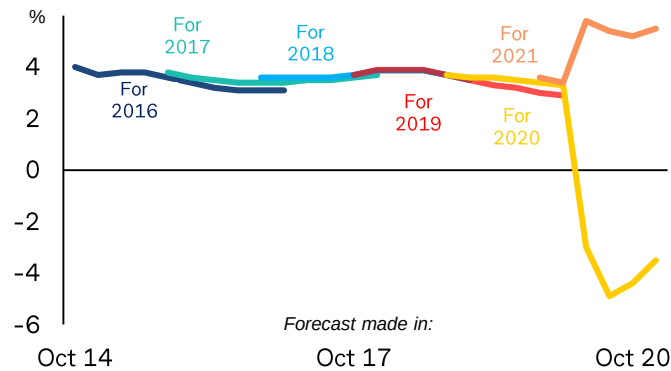


The global economy

A divergent global economy, vaccine hopes lift for 2021

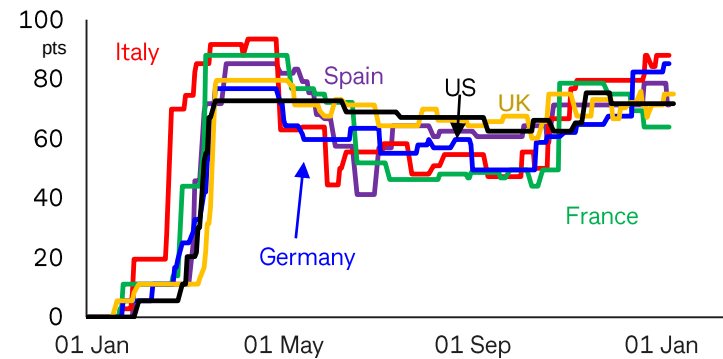
The global economy to recover in 2021

Global Growth Forecast Evolution¹ (annual % change)



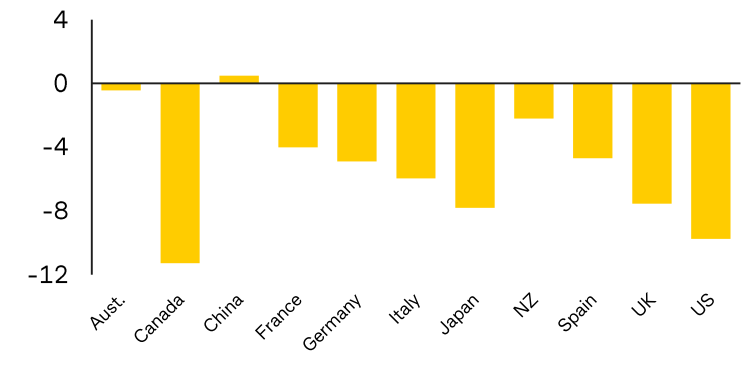
Risk of double dip recessions in Eurozone and UK

COVID-19 Government Response Stringency Index² (pts)



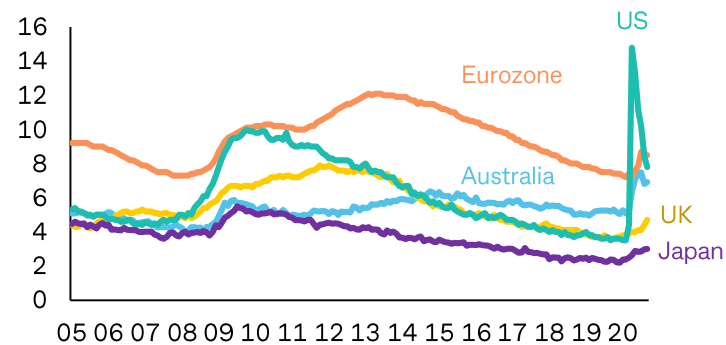
Risk to outlook is prematurely tightening fiscal policy

2021 Pre-set Fiscal contraction³ (% of GDP)



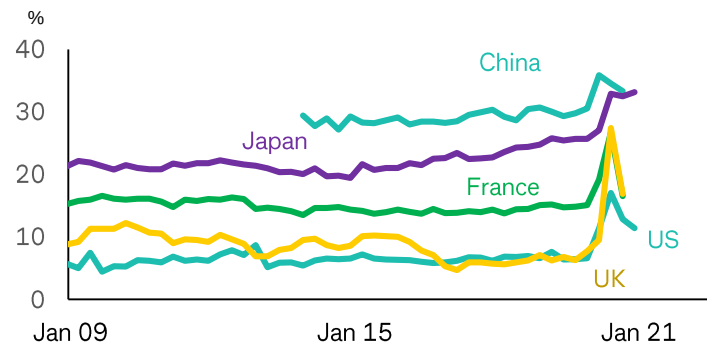
Unemployment high but lower than peak

Unemployment rates⁴



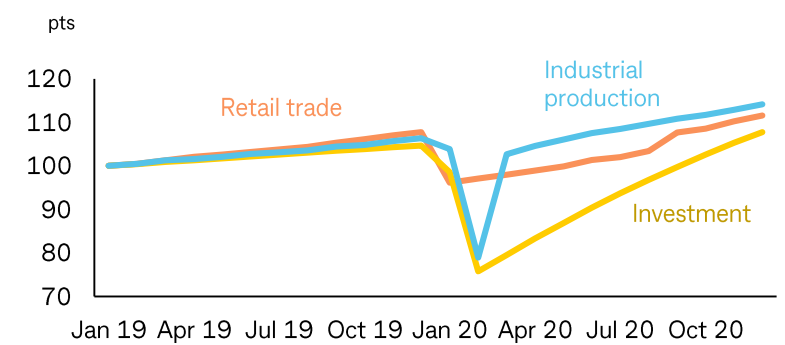
Households saving more as a precaution

Household saving rate⁵(% of household income)



China's economic recovery has been the bright spot for the global economy

China key indicators⁶

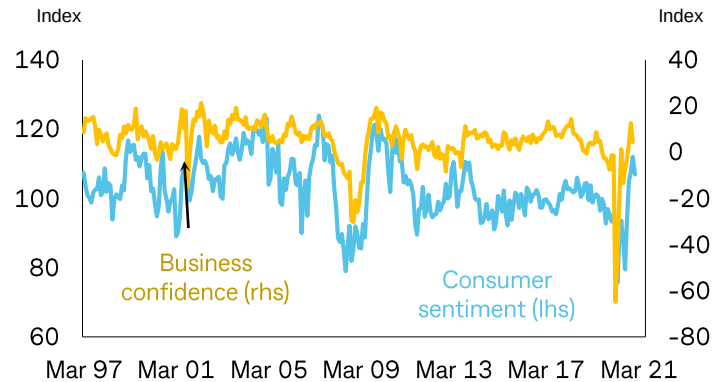


1. Source: IMF. 2. Source: Oxford University. 3. Source: IMF, CBA. 4. Source: Thomson Reuters. 5. Source: CBA, Bloomberg, CEIC. 6. Source: CEIC, NBS, CBA.

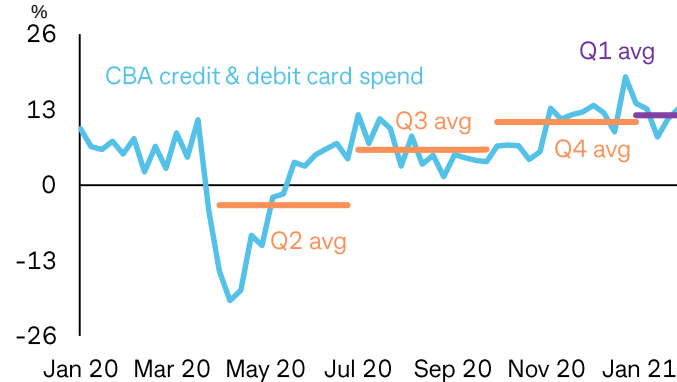
The Australian Economy

Recovery underway across a range of indicators, caution warranted with recent outbreaks

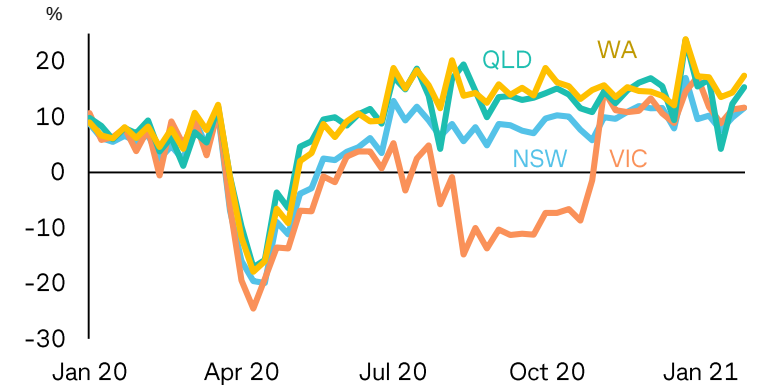
Consumer and business sentiment remains high despite falls in January



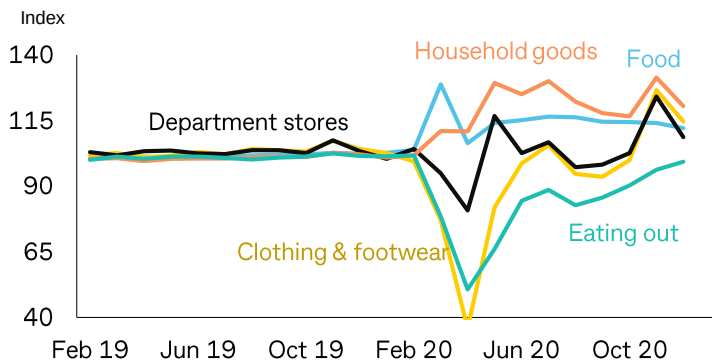
Consumer spending is recovering
CBA credit & debit card spend² (annual % change)



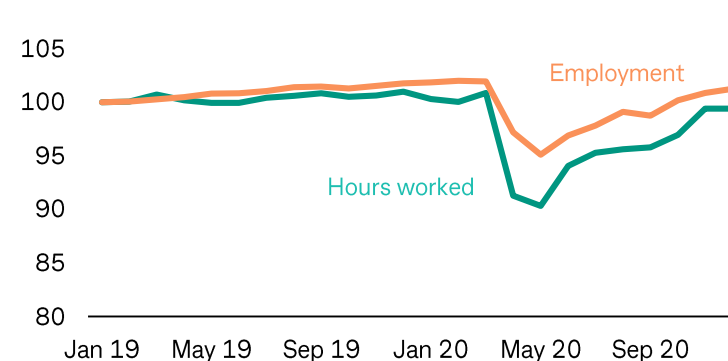
Restrictions do impact on spending
CBA credit & debit card spend by State³ (annual % change)



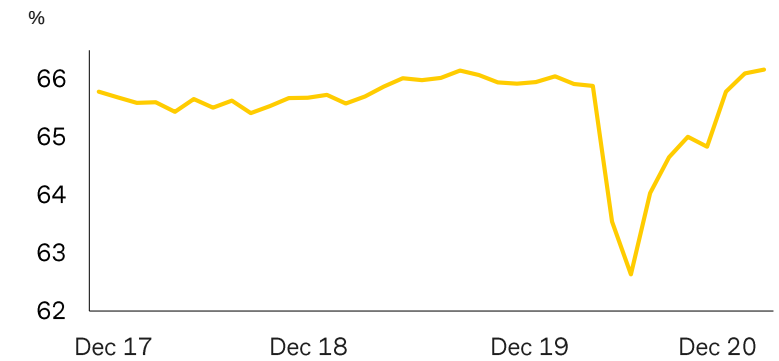
Retail trade spending overall higher than pre-COVID
Spend by type (\$A value. Index = 100 in Jan 2019)⁴



Employment improved more than hours worked
Hours worked⁵ (Index, Jan 19 = 100)⁵



Participation rate back to record high
Percentage rate (%)⁶



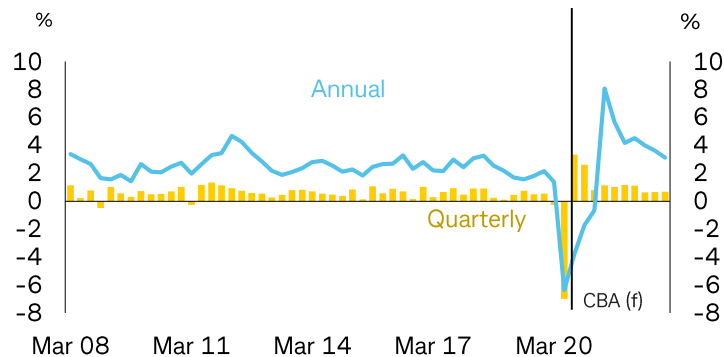
1. Source: NAB, WBC/MI, 2. Source: CBA. 3. Source: CBA. 4. Source: ABS 5. Source: ABS. 6. Source: CBA.

The Australian Economy

The outlook from here looks positive

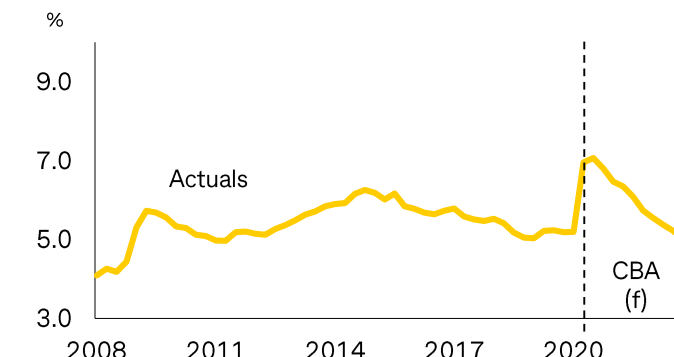
Australian economic recovery is underway

CBA forecast: GDP¹ (annual/qtr% change)



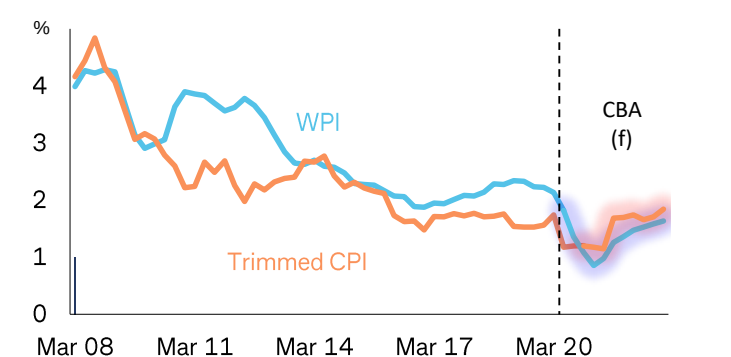
Unemployment has peaked, will keep falling in 21/22

Employment rate² (qtrly average, %)



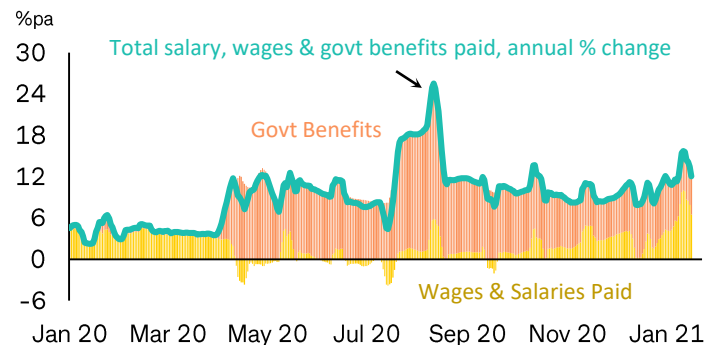
Inflation rates troughed while wages remain soft

CBA forecast: wages & prices³ (annual % change)



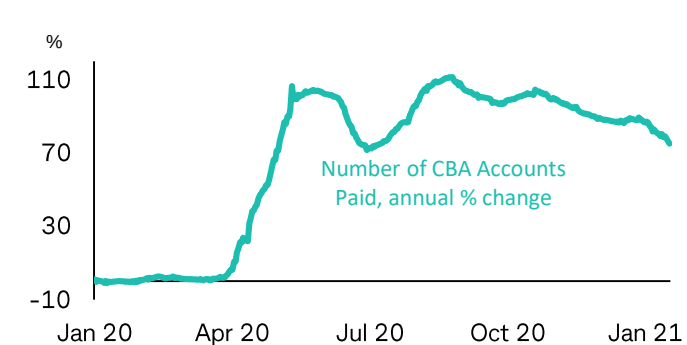
Income switch from gov't support to wages/salaries

Wages & Gov't benefits paid (contribution to growth, 1 wk smoothed)⁴



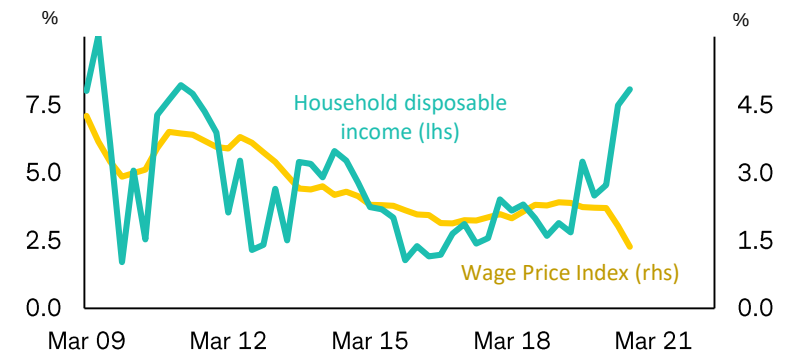
JobSeeker payments are falling

JobSeeker⁵ (28 day rolling total, annual % change)



Household income growth will remain strong

Income measures (annual % change)⁶



1. Source: ABS, CBA. 2. Source: ABS, CBA. 3. Source: ABS, CBA. 4. Source: CBA. 5. Source: CBA. 6. Source: ABS, CBA

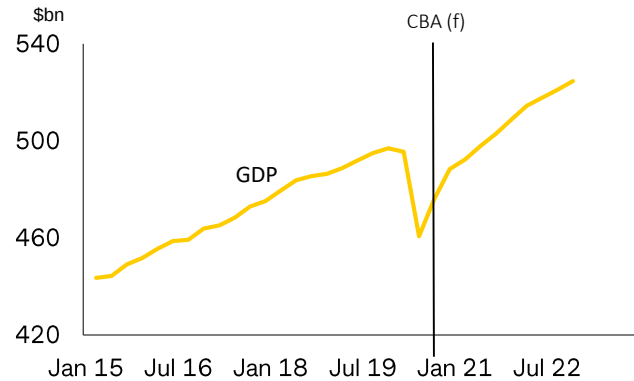


The Australian Economy

Some downside risks and areas to watch

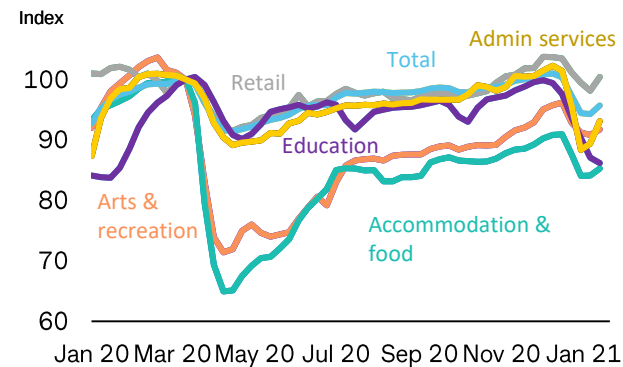
Australian economy to regain lost output by Q2 21

Real GDP¹ (quarterly, \$bn)



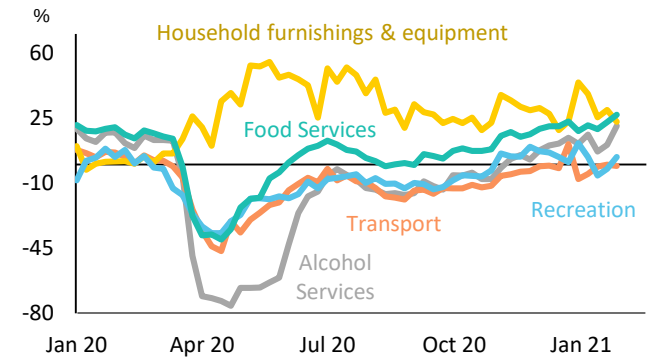
Some industries will take longer than others

Payroll jobs by industry² (index = 100 March 14)



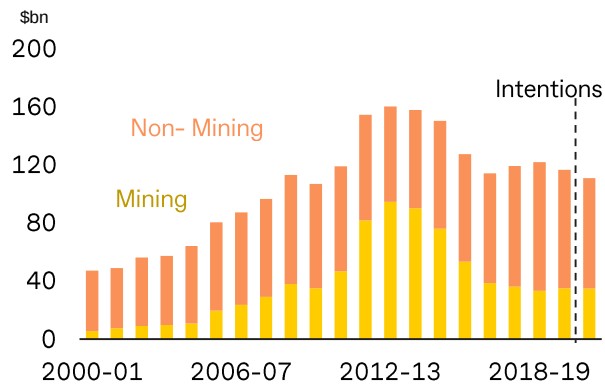
Transition in consumer spending

CBA credit & debit card spending³ (annual % change)



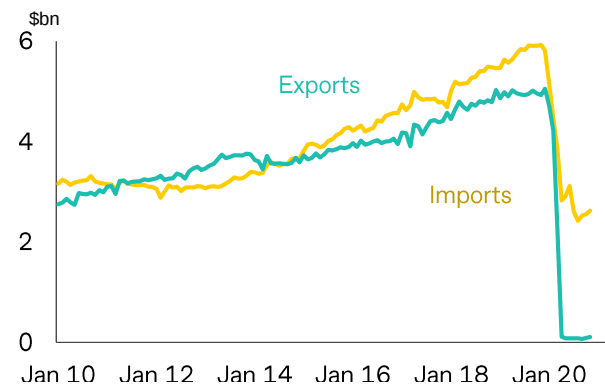
Business investment remains on the soft side

Capex – actual and intentions (\$bn)⁴



International tourism still closed, domestic is a tailwind

International tourism⁵ (value, \$Abn per qtr)



Some states more exposed to net overseas migration

Net overseas migration (% population growth)⁶



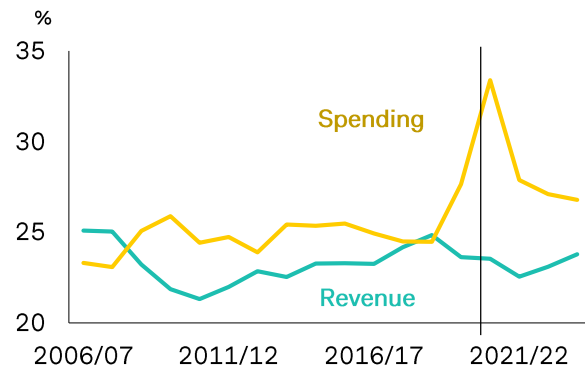
1. Source: ABS, CBA. 2. Source: ABS. 3. Source: CBA. 4. Source: ABS, CBA. 5. Source: ABS. 6. Source: ABS, CBA

The Australian Economy

External sector in mixed shape, monetary and fiscal support helping

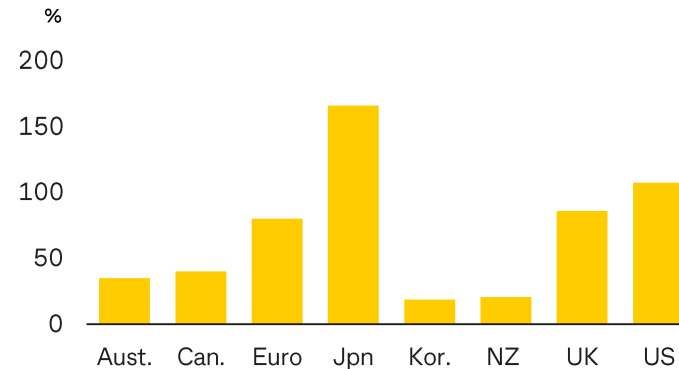
Gov't spending has risen sharply, but retreats quickly

Taxes and spending¹ (% of GDP)



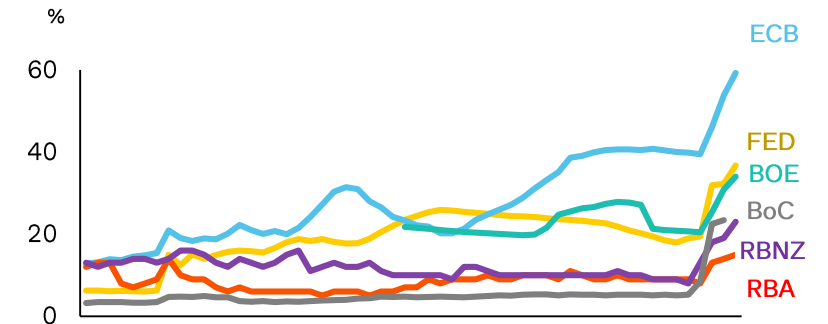
Gov't debt does remain low in comparison

Net Government debt² (% of GDP)



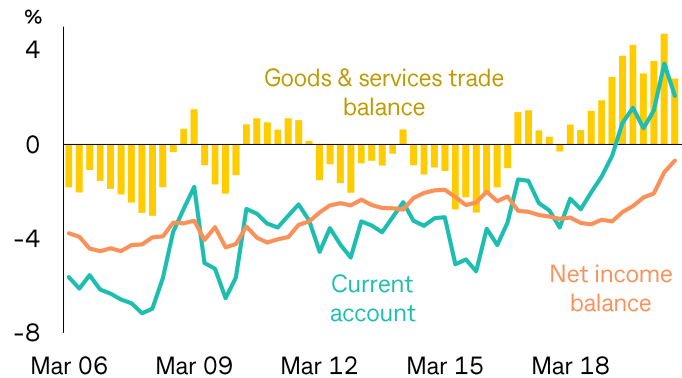
RBA's balance sheet lift as gov't bond buying extended

Central Bank total assets³ (% of GDP)



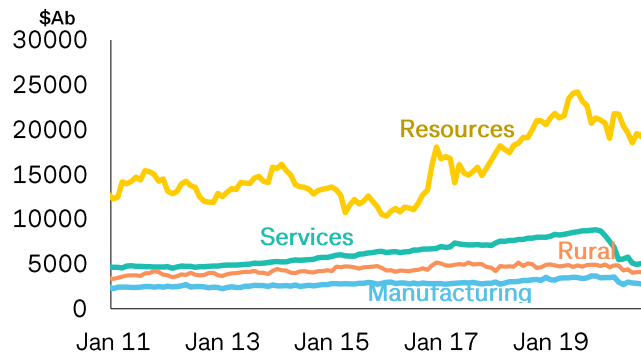
External sector in a good position

The current account (% of GDP)⁴



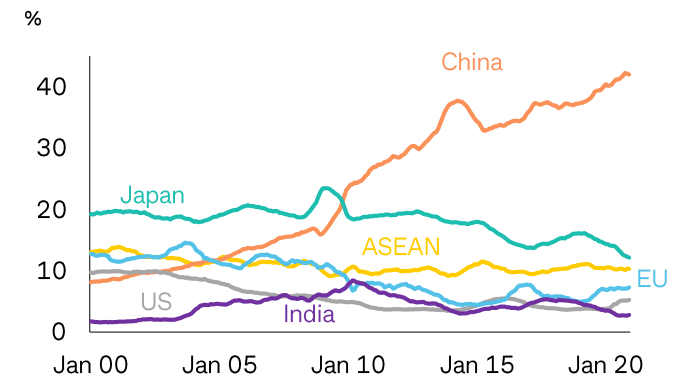
Exports lower for a number of reasons

Goods and services exports⁵ (monthly, sa)



China dominates Australia's export relationship

Export shares (% share of annual exports)⁶



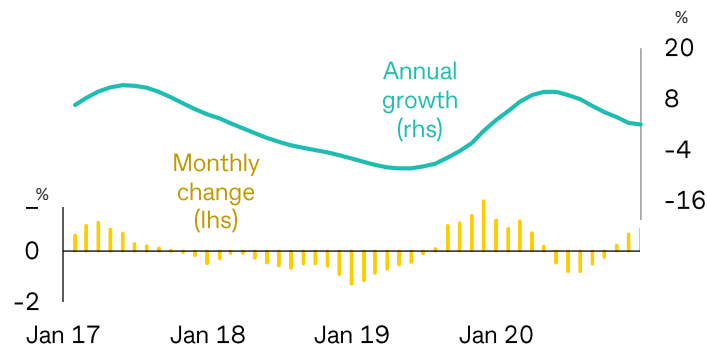
1. Source: Commonwealth Treasury. 2. Source: IMF. 3. Source: Thomson Reuters. 4. Source: ABS. 5. ABS. 6. ABS

Home lending

Housing market to continue its resurgence, driven by low interest rates and stimulus

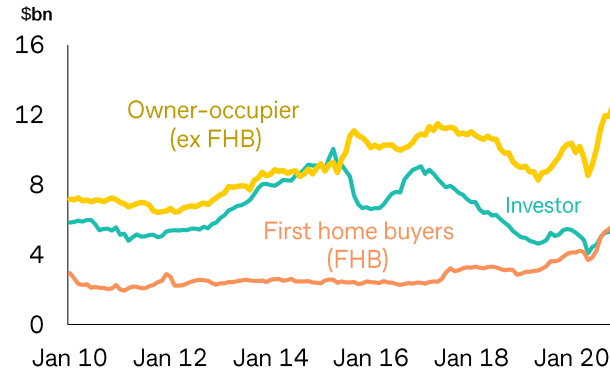
Residential property prices back to record high

Dwelling prices¹ (8 capital cities)



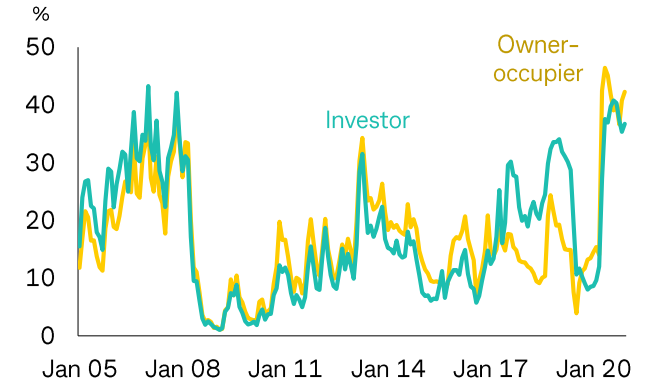
Demand by first home buyers and owner-occupiers

Housing loan approvals² (excluding refinancing)



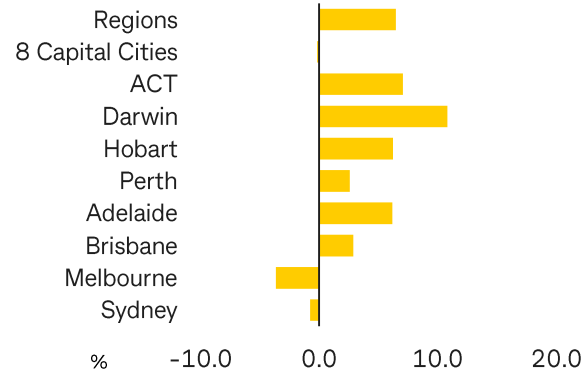
Strong preference for fixed rate lending

CBA fixed rate lending³ (% of total)



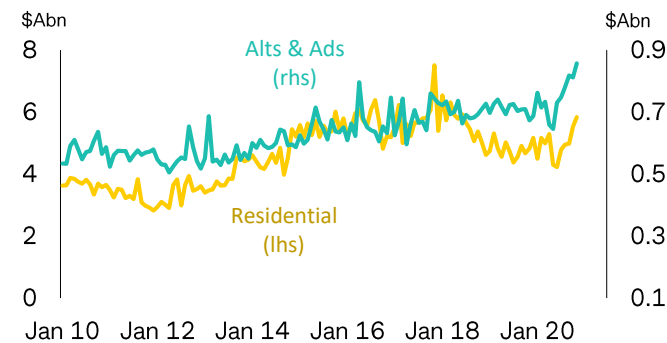
Divergence between capital city and regional prices

Index⁴



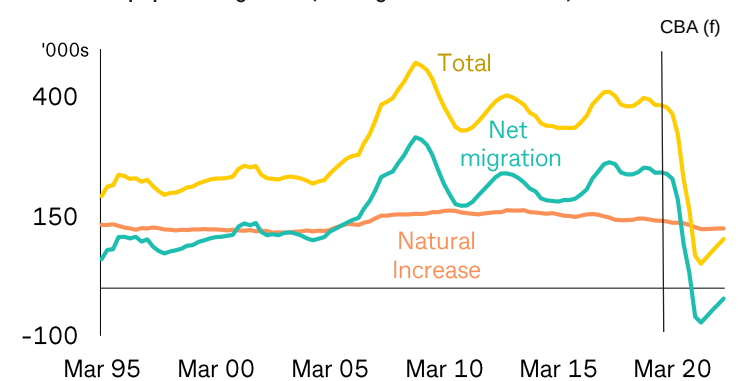
Construction supported by renovation activity

Residential approvals⁵ (\$Abn)



Weaker population growth is a headwind for the sector

Australian population growth (moving annual total '000s)⁶

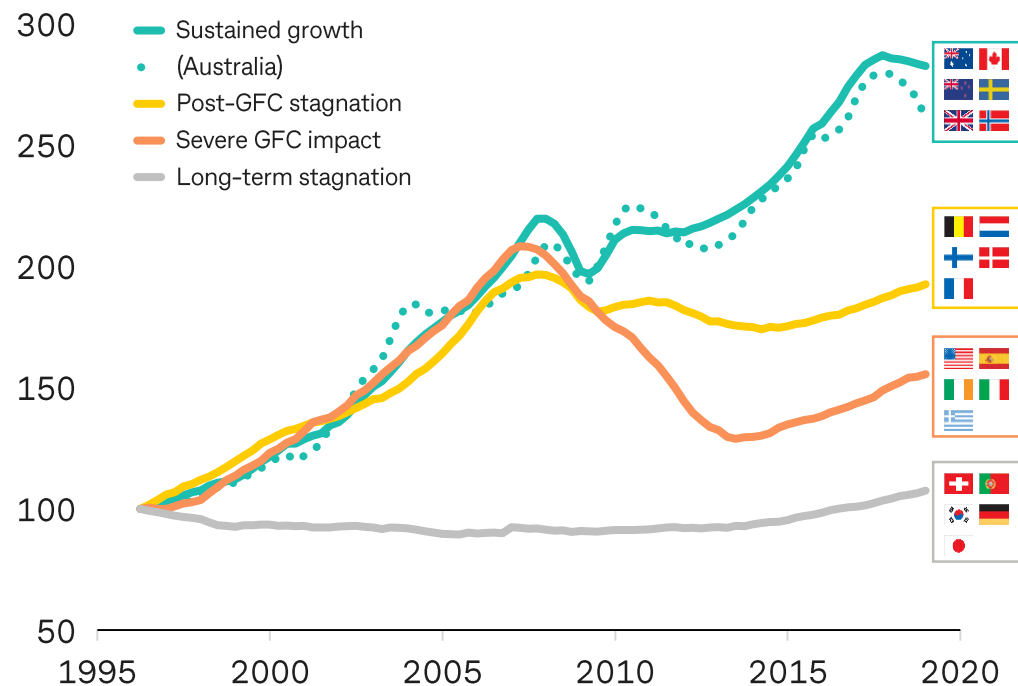


1. Source: CoreLogic. 2. Source: ABS. 3. Source: CBA. 4. CoreLogic, CBA. 5. ABS. 6. ABS, CBA.

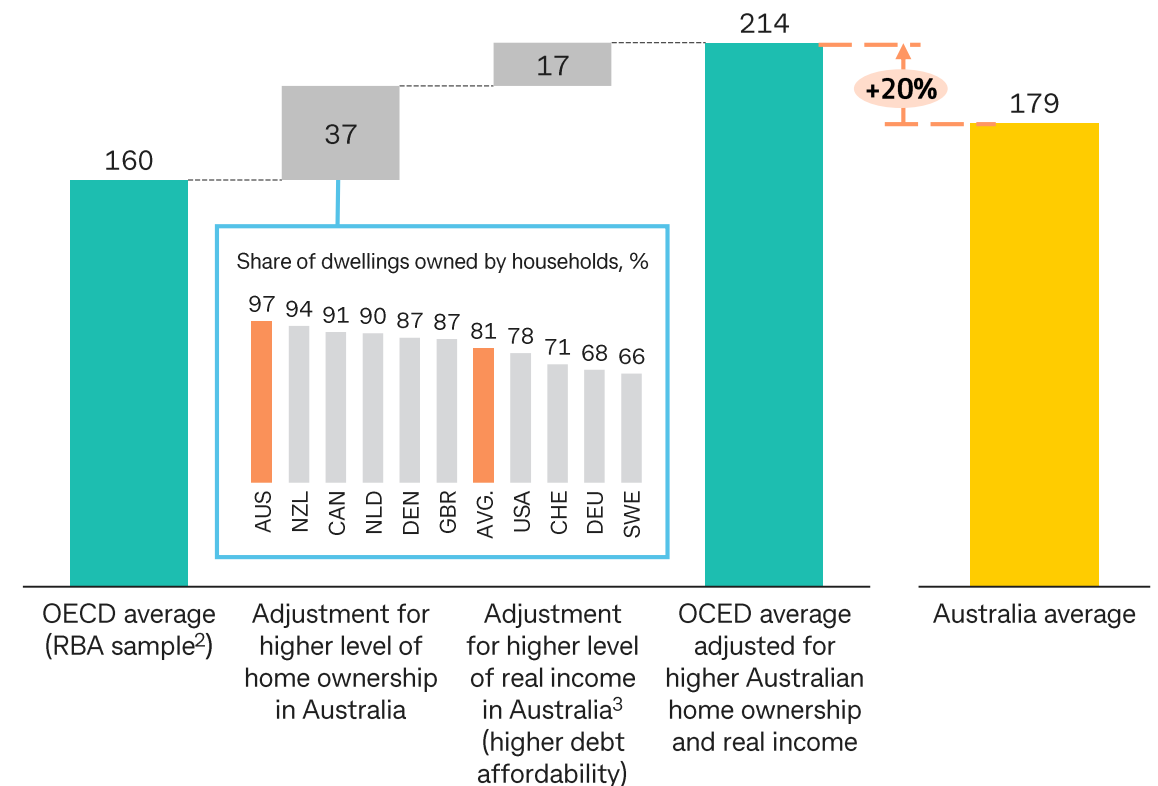
Sustainability of the Australian housing market

Australia housing prices and households debt is aligned to other developed economies

CPI-adjusted change in house prices



RBA analysis¹: Households debt-to-income⁴

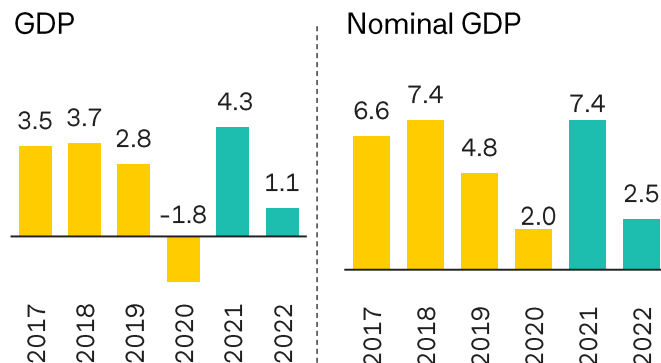


1 <https://www.rba.gov.au/publications/rdp/2020/pdf/rdp2020-05.pdf> . 2 Includes Switzerland, Sweden, Denmark, Netherlands, Australia, US, UK, Canada, NZ and Germany. 3 Australia households gross income (adjusted to USD and Parity Purchasing Power) in Australia is ~10% higher than for the remaining countries included in the RBA sample: US\$ 39k compared to US\$ 35k. 4 Household debt-to-income as of 2016 – As of Sep-20, Australia Households Debt-To-Income was still 180%. The OECD average has remained flat during 2016-18 (latest reported by OECD).

Key New Zealand economic indicators (June FY)

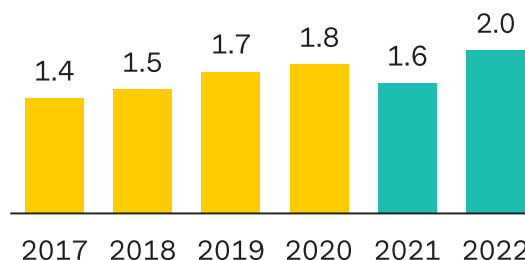
GDP %

Financial year average



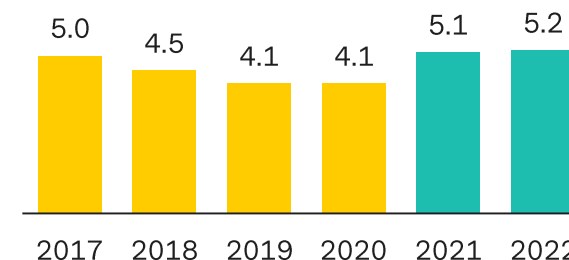
CPI %

Financial year average



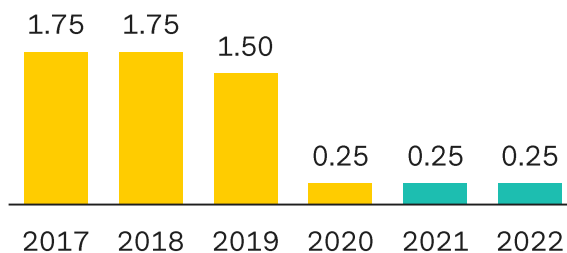
Unemployment rate %

Financial year average



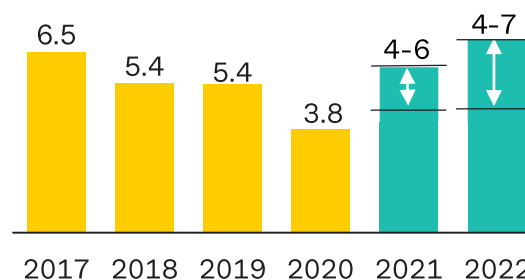
Cash rate %

As at June



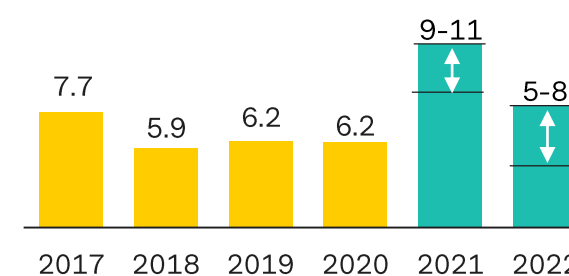
Total credit growth %

12 months to June



Housing credit growth %

12 months to June



Forecast

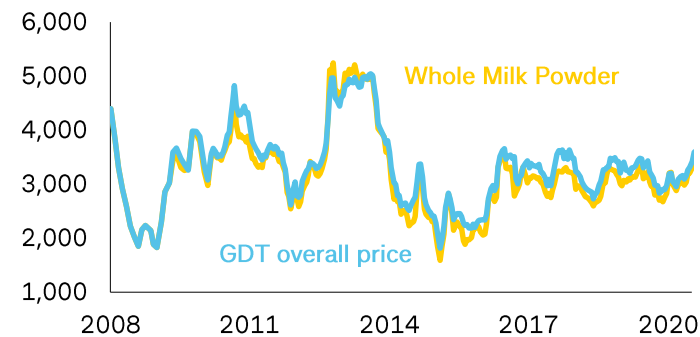


New Zealand

NZ economy swiftly recovers from COVID-19 disruption

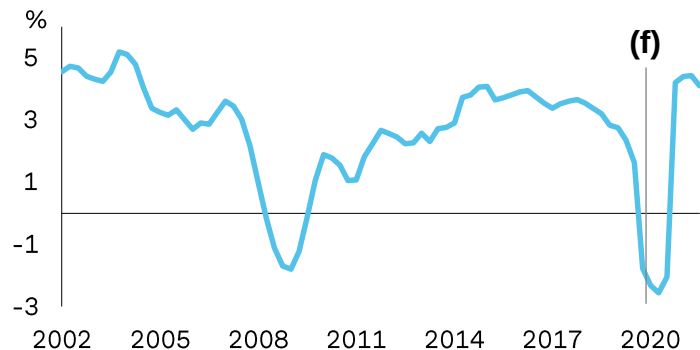
Dairy prices up after COVID-19 dip

Global dairy trade auction results¹ (USD/tonne)



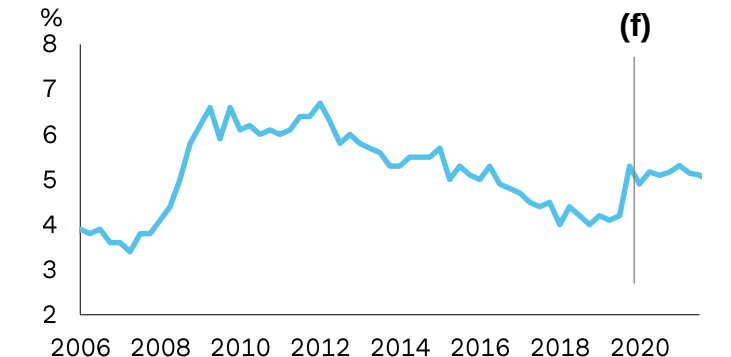
NZ economy has quickly recovered to pre-Covid levels of GDP

NZ GDP growth (annual average)²



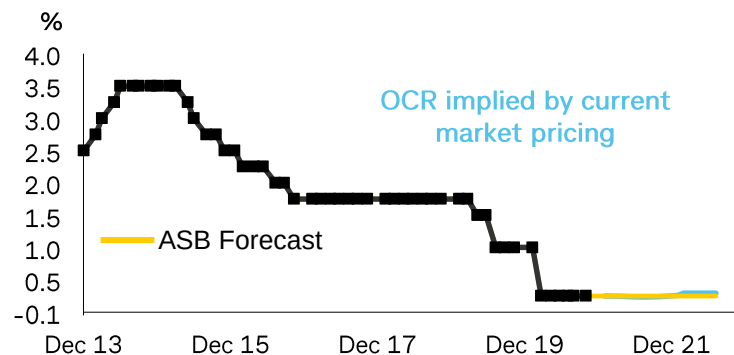
NZ unemployment rate may be past its peak

NZ unemployment rate³



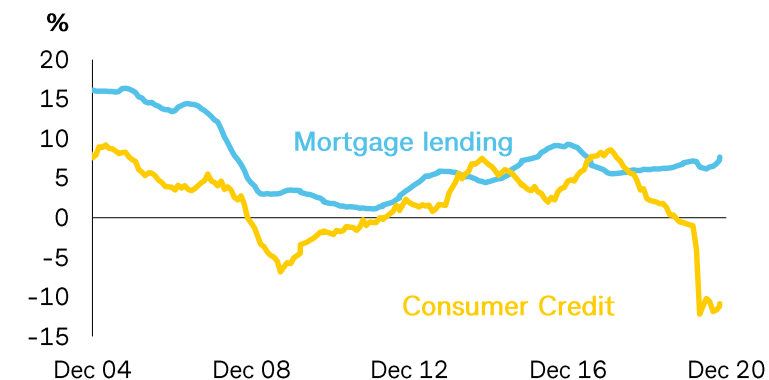
RBNZ to hold OCR at 0.25%

OCR Forecasts⁴ (ASB forecast and implied market pricing)



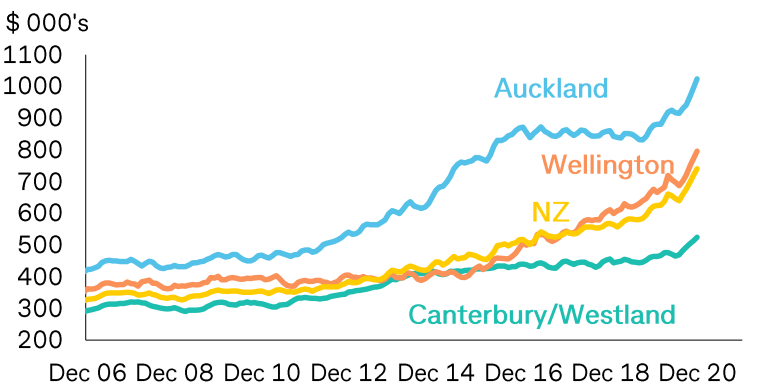
Home lending demand lifted over first half of FY21

NZ household lending growth⁵ (annual % change)



House price growth lifts as NZ housing market tightens

NZ median house price⁶ (3 month moving average)



1. Source: GlobalDairyTrade. 2. Source: Statistics NZ. 3. Source: Statistics NZ/ASB. 4. Source: ASB. 5. Source: RBNZ. 6. Source: REINZ.



Sources, Glossary & notes

Sources and notes

Delivering

Slide 7

1. As reported in APRA Monthly ADI Statistics (MADIS). System multiple calculated on a non-annualised basis. CBA business lending multiple estimate is based on Business Banking growth rate (excluding Institutional Banking and Markets) over published APRA Total Business Lending data (excluding estimated institutional lending balances). CBA business deposits multiple estimate is based on Total CBA Non –Financial business deposit growth rate over Market Non-Financial Business Deposit growth rate, as published by APRA.
2. Home loan fundings +23% vs 1H20, includes RBS internal refinancing, excludes Viridian Line of Credit (VLOC) and excludes Bankwest internal refinancing. Fixed rate and proprietary percentages relate to the dollar value of new fundings. Fixed rate fundings includes Bankwest. Proprietary funding's excludes Bankwest.
3. RBS transaction account balances +30% vs 1H20, includes interest bearing and non-interest bearing accounts. Number of new personal transaction accounts excludes offset accounts, includes CBA and Bankwest.
4. SME guarantee lending is funded loans compared to ABA Market reporting 16 December 2020. ~80% of Better Business Loans (BBL's) sold under SME Guarantee scheme (SMEG) originated through Biz Express.
5. Increase in new business transaction accounts is 1H21 vs 1H20. Equates to ~3,500 new accounts per week.



Sources and notes

Delivering

Slide 9

1. DBM Consumer MFI *Net Promoter Score. Based on Australian population aged 14+ years old rating their Main Financial Institution. Net Promoter Score refers to customer likelihood to recommend their MFI using a scale from 0-10 (where 0 is 'Not at all likely' and 10 is 'Extremely likely') and NPS is calculated by subtracting the percentage of Detractors (scores 0-6) from the percentage of Promoters (scores 9-10). NPS results are shown as a six-month rolling average. For the major banks, NPS is reported for main brand only. *Net Promoter Score is a trademark of Bain & Co Inc., Satmetrix Systems, Inc., and Mr Frederick Reichheld.
2. DBM Business MFI *Net Promoter Score: Based on Australian businesses rating their Main Financial Institution for Business Banking. Net Promoter Score refers to customer likelihood to recommend their MFI using a scale from 0-10 (where 0 is 'Extremely unlikely' and 10 is 'Extremely likely') and NPS is calculated by subtracting the percentage of Detractors (scores 0-6) from the percentage of Promoters (scores 9-10). NPS results are shown as a six-month rolling average. For the major banks, NPS is reported for main brand only. *Net Promoter Score is a trademark of Bain & Co Inc., Satmetrix Systems, Inc., and Mr Frederick Reichheld.
3. DBM Institutional \$300M+ Business MFI *Net Promoter Score: Based on Australian businesses with an annual revenue of \$300M or more for the previous financial year rating their Main Financial Institution for Business Banking. Net Promoter Score refers to customer likelihood to recommend their MFI using a scale from 0-10 where (where 0 is 'Extremely unlikely' and 10 is 'Extremely likely') and NPS is calculated by subtracting the percentage of Detractors (scores 0-6) from the percentage of Promoters (scores 9-10). NPS results are shown as a twelve-month rolling average. For the major banks, NPS is reported for main brand only. *Net Promoter Score is a trademark of Bain & Co Inc., Satmetrix Systems, Inc., and Mr Frederick Reichheld.
4. DBM Consumer MFI Mobile Banking App *Net Promoter Score: Based on Main Financial Institution (MFI) customers rating their likelihood to recommend their MFI Mobile Banking App used in the last 4 weeks. Net Promoter Score refers to customer likelihood to recommend their MFI using a scale from 0-10 (where 0 is 'Extremely unlikely' and 10 is 'Extremely likely') and NPS is calculated by subtracting the percentage of Detractors (scores 0-6) from the percentage of Promoters (scores 9-10). NPS results are shown as a six-month rolling average. For the major banks, NPS is reported for main brand only. *Net Promoter Score is a trademark of Bain & Co Inc., Satmetrix Systems, Inc., and Mr Frederick Reichheld.
5. Employee Engagement Index (EEI) from bi-annual engagement survey. Based on advances in engagement research, we enhanced our EEI metric in September 2020 from a 4-item metric to 5-item to include items related to discretionary effort and work involvement and removal of work satisfaction as a predictor of engagement. Historical comparisons have been re-adjusted based on the updated EEI.
6. CBA and Major Bank Peer reputation scores. Source: RepTrak, The RepTrak Company (formerly Reputation Institute). Data shown is from reputation scores captured in November 2018, March 2019, June 2019, September 2019, November 2019, March 2020, April-June 2020, July-September 2020, October-December 2020.
7. Source: Bloomberg. Total Shareholder Return as at 31 December 2020



Sources and notes

Why CBA?

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1. MFI Share measures the proportion of Banking and Finance MFI Customers that nominated each bank as their Main Financial Institution. Main Financial Institution (MFI) definition: In the Roy Morgan Single Source Survey MFI is a customer determined response where one institution is nominated as the primary financial institution they deal with (when considering all financial products they hold). Peers include ANZ Group, NAB Group and Westpac Group (including St George Group). CBA Group includes Bankwest. Source: Roy Morgan Single Source survey conducted by Roy Morgan, Australian population 14+ (12 month averages to December 2020), excl. unable to identify MFI.
2. Source: RBA Lending and Credit Aggregates.
3. Source: APRA Monthly Authorised Deposit-taking Institution Statistics (MADIS).
4. DBM Consumer MFI Mobile Banking App *Net Promoter Score: Based on Main Financial Institution (MFI) customers rating their likelihood to recommend their MFI Mobile Banking App used in the last 4 weeks. Net Promoter Score refers to customer likelihood to recommend their MFI using a scale from 0-10 (where 0 is 'Extremely unlikely' and 10 is 'Extremely likely') and NPS is calculated by subtracting the percentage of Detractors (scores 0-6) from the percentage of Promoters (scores 9-10). NPS results are shown as a six-month rolling average. For the major banks, NPS is reported for main brand only. *Net Promoter Score is a trademark of Bain & Co Inc., Satmetrix Systems, Inc., and Mr Frederick Reichheld.
5. Total provisions divided by credit risk weighted assets. Excludes impairment provisions for derivatives at fair value.
6. Peers as reported at September 2020. On continuing operations basis where applicable.
7. Source: Bloomberg. Total Shareholder Return as at 31 December 2020.



Sources and notes

Global best digital experiences

Slide 39

1. DBM Consumer MFI Mobile Banking App *Net Promoter Score: Based on Main Financial Institution (MFI) customers rating their likelihood to recommend their MFI Mobile Banking App used in the last 4 weeks. Net Promoter Score refers to customer likelihood to recommend their MFI using a scale from 0-10 (where 0 is 'Extremely unlikely' and 10 is 'Extremely likely') and NPS is calculated by subtracting the percentage of Detractors (scores 0-6) from the percentage of Promoters (scores 9-10). NPS results are shown as a six-month rolling average. For the major banks, NPS is reported for main brand only. *Net Promoter Score is a trademark of Bain & Co Inc., Satmetrix Systems, Inc., and Mr Frederick Reichheld.
2. The total number of customers that have used at least 1 or more smarter banking features in the month. Smarter Banking features include Spend Tracker, Goal Tracker, Cash Flow View, Bill Sense & Category Budgets.
3. The total number of customers that have logged into the CommBank mobile app at least once in the month of December 2020. Includes Face ID logons.
4. The total value (\$) of transfers and BPAY payments made in digital (NetBank, the CommBank mobile app, CommBank tablet app and old mobile app) as a proportion of the total value (\$) of transfers in over-the-counter, ATM, EFTPOS and digital transactions over the period of July – December for years 2018, 2019 and 2020.
5. Online banking: CBA won Canstar's *Bank of the Year - Online Banking* award for 2020 (for the 11th year in a row). Awarded June 2020.
6. Mobile banking: CBA won Canstar's *Bank of the Year - Mobile Banking* award for 2020 (for the 5th year in a row). Awarded June 2020.
7. The Forrester Digital Experience Review™: Australian Mobile Banking Apps, Q3 2020. Commonwealth Bank of Australia was named the Overall Digital Experience Leader™ among mobile apps in Australia in Forrester's proprietary Digital Experience Review™. Forrester Research does not endorse any company included in any Digital Experience Review™ report and does not advise any person or organization to select the products or services of any particular company based on the ratings included in such reports.
8. DBM Australian Financial Awards - Most Innovative Major Bank. Presented March 2020. Award based on DBM Atlas data January to December 2019.
9. DBM Australian Financial Awards - Best Major Digital Bank. Presented March 2020. Award based on DBM Atlas data January to December 2019.
10. RFI Group Australian Banking Innovation Awards (ABIA), Most Innovative Banking App 2020. Awarded November 2020



Sources and notes

Cash Profit

The Profit Announcement discloses the net profit after tax on both a statutory and cash basis. The statutory basis is prepared in accordance with the Corporations Act 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 Bank's operating results. It is not a measure based on cash accounting or cash flows. The items excluded from cash profit, such as hedging and IFRS volatility and losses or gains on acquisition, disposal, closure and demerger of businesses are calculated consistently with the prior year and prior half disclosures and do not discriminate between positive and negative adjustments. A list of items excluded from cash profit is provided on page 3 of the Group's 31 December 2020 Profit Announcement (PA), which can be accessed at our website: www.commbank.com.au/results

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Glossary

Capital & Other

Risk Weighted Assets (RWA)	The value of the Group's On and Off Balance Sheet assets are adjusted by risk weights calculated according to various APRA prudential standards. For more information, refer to the APRA website.
CET1 Expected Loss (EL) Adjustment	CET1 adjustment that represents the shortfall between the calculated EL and Eligible Provisions (EP) with respect to credit portfolios which are subject to the Basel advanced capital IRB approach. The adjustment is assessed separately for both defaulted and non-defaulted exposures. Where there is an excess of EL over EP in either assessments, the difference must be deducted from CET1. For non-defaulted exposures where the EL is lower than the EP, this may be included in Tier 2 capital up to a maximum of 0.6% of total credit RWAs.
Leverage Ratio	Tier 1 Capital divided by Total Exposures, expressed as a percentage. Total exposures is the sum of On Balance Sheet items, derivatives, securities financing transactions (SFTs), and Off Balance Sheet items, net of any Tier 1 regulatory deductions that are already included in these items.
Internationally Comparable Capital	The Internationally Comparable CET1 ratio is an estimate of the Group's CET1 ratio calculated using rules comparable with our global peers. The analysis aligns with the APRA study entitled "International capital comparison study" (13 July 2015).
Derivative Valuation Adjustments (XVA)	A number of different valuation adjustments are made to the value of derivative contracts to reflect the additional costs or benefits in holding these contracts. The material valuation adjustments included within the CBA result are CVA and FVA.
Credit Value Adjustment (CVA)	The market value of the counterparty credit risk on the derivative portfolio, calculated as the difference between the risk-free portfolio value and the true portfolio value that takes into account the possibility of a counterparty's default.
Funding Valuation Adjustment (FVA)	The expected funding cost or benefit over the life of the uncollateralised derivative portfolio.

Funding & Risk

Liquidity Coverage Ratio (LCR)	The LCR is the first quantitative liquidity measure that is part of the Basel III reforms. It was implemented by APRA in Australia on 1 Jan 2015. It requires Australian ADIs to hold sufficient liquid assets to meet 30 day net cash outflows projected under an APRA-prescribed stress scenario.
High Quality Liquid Assets (HQLA)	As defined by APRA in Australian Prudential Standard APS210: Liquidity. Qualifying HQLA includes cash, government and semi-government securities, and RBNZ eligible securities.
Committed Liquidity Facility (CLF)	Given the limited amount of Commonwealth government and Semi-government debt in Australia, participating ADIs can access contingent liquidity via the RBA's CLF. The amount of the CLF for each ADI is set annually by APRA. To access the CLF, ADIs need to meet certain conditions and pledge qualifying securities to the RBA.
Net Stable Funding Ratio (NSFR)	The NSFR is the second quantitative liquidity measure of the Basel III reforms, in addition to the LCR. It was implemented by APRA in Australia on 1 Jan 2018. It requires Australian ADIs to fund their assets with sufficient stable funding to reduce funding risk over a one year horizon. APRA prescribed factors are used to determine the stable funding requirement of assets and the stability of funding.
Troublesome and Impaired Assets (TIA)	Corporate troublesome and Group gross impaired exposures
Corporate Troublesome	Corporate Troublesome includes exposures where customers are experiencing financial difficulties which, if they persist, could result in losses of principal or interest, and exposures where repayments are 90 days or more past due and the value of security is sufficient to recover all amounts due.
Total Committed Exposure (TCE)	Total Committed Exposure is defined as the balance outstanding and undrawn components of committed facility limits. It is calculated before collateralisation and excludes settlement exposures.
Credit Risk Estimates (CRE)	Refers to the Group's regulatory estimates of long-run Probability of Default (PD), downturn Loss Given Default (LGD) and Exposure at Default (EAD).





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