Results Presentation
and Investor Discussion Pack

For the full year ended 30 June 2018

Becoming a simpler, better bank

CommonwealthBank

Results Presentation

Matt Comyn, Chief Executive Officer
Alan Docherty, Acting Chief Financial Officer

Commonwealth Bank of Australia | ACN 123 123 124 | 8 August 2018

Results presentation agenda

➢ Business update	Matt Comyn
➢ Full-year results	Alan Docherty
➢ Summary	Matt Comyn
➢ Questions & Answers	

Transformation underway

Customer and community	• Fixing mistakes and resolving complaints • Continued progress on financial wellbeing
Culture and governance	• New leadership team – 6 new appointments • Renewed purpose and values • Remuneration consequences for executives
Regulatory engagement	• AUSTRAC and BBSW settled • Significant investment in Financial Crimes • APRA endorsed action plan
Stronger, simpler portfolio	• Wealth and mortgage broking businesses demerger • NZ life sale completed ($1,275m) • BoComm Life sale signed ($668m) • Tighter international portfolio

Solid underlying results in a challenging year

Underlying business fundamentals remain strong

Our strategy

Become a simpler, better bank for our customers

Simplify our business

Lead in retail and commercial banking

Best in digital

Supported by stronger capabilities

Operational risk and compliance	Cost reduction	Data and analytics	Innovation

To deliver balanced and sustainable outcomes

Customers
Better outcomes

People
Energised, accountable

Shareholders
Long-term sustainable returns

Community
Trusted and reputable

Simplify our business

Core banking businesses

- Retail and business banking
  - Australia and New Zealand
- Institutional banking
  - clients with links to Australia

90+%
of FY18 NPAT

Demerger and divestments

- Wealth management
- Mortgage broking
- Life insurance
- South Africa

Strategic review

- General Insurance
- VIB (Vietnam)
- PTCL (Indonesia)

Lead in retail and commercial banking

Superior franchise

- Customer base
- Brand
- Distribution reach
- Merchant base

Leading technology

- Commbank App
- Netbank/CommBiz
- Data and analytics
- Real time banking

Strong balance sheet

- Capital
- Liquidity
- Funding tenor
- Deposit base

People dedicated to serving our customers

Best in digital

Broadest and richest data sets

- Leading MFI share[1]
- Leading transaction account share[2]
- Largest credit card share[3]
- Largest merchant base[4]

Market leading customer engagement engine

- 27 billion data points refreshed daily
- 21 million interactions daily[5]
- 4.6 million customers thanked for loyalty in FY18
- 200,000 customer details updated in FY18

Best digital customer interfaces

- 6.5 million active digital customers
- 5.1 million mobile app logins daily
- +38 NPS for mobile app
- Unrivalled opportunity to engage

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

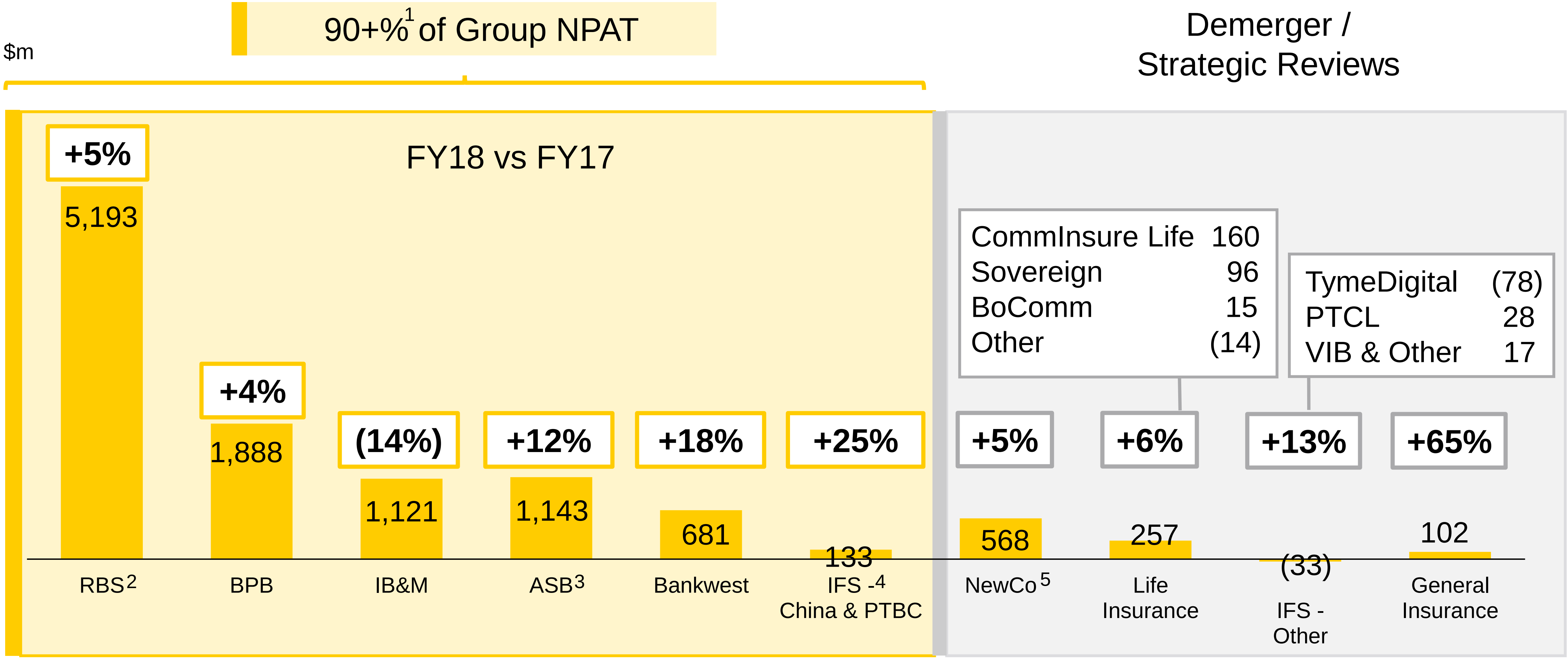
Solid underlying results

		Jun 18 vs Jun 17
Statutory profit ($m)	9,329	**(6.0%)**
Cash NPAT - continuing ($m)	9,233	**(4.8%)**
ROE (cash) - continuing (%)	14.1%	**(160)bpts**
ROE ex one-offs (%)	15.3%	**(30)bpts**
Dividend per share ($)	4.31	**+0.5%**

+3.7%
ex one-offs

Cash NPAT

Good contributions across the portfolio



1. Calculation based on the sum of the BU NPAT figures presented above and the FY18 cash NPAT (continuing operations) contribution from Other which was a loss of ($1,366m). 2. Includes NPAT impact of AHL and eChoice. 3. Result in NZD. 4. Includes IFS corporate centre. 5. The pro-forma financial disclosures above provide an unaudited and indicative view of the businesses that CBA intends to demerge (NewCo) as announced by CBA on 25 June 2018. The information provided above is for information purposes only and is not a representation or forecast of the financial position or future performance of NewCo. Past performance and trends should not be relied upon as being indicative of future performance. Further information regarding the demerger and NewCo will be provided to shareholders in due course. NewCo includes some elements currently disclosed in other divisions.

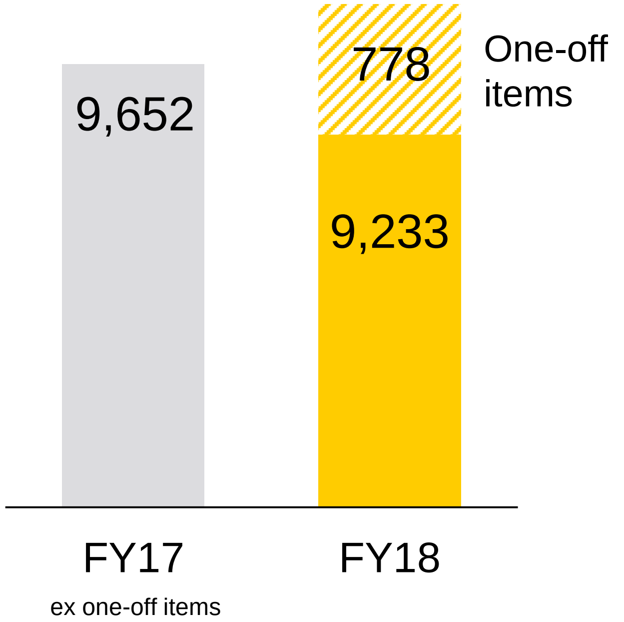
Franchise strength

Excluding one-off items, resilient business performance[1,2]

Cash NPAT

$m

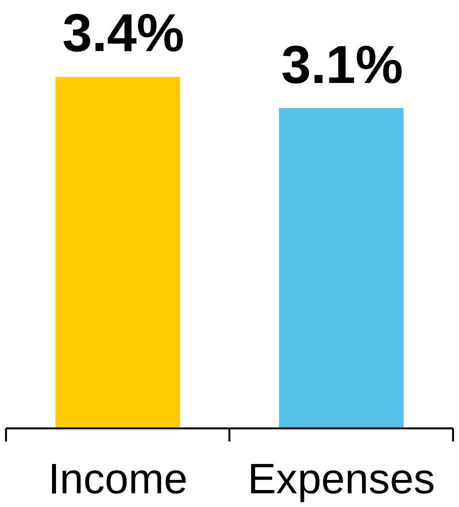
+3.7%



Operating Performance

%

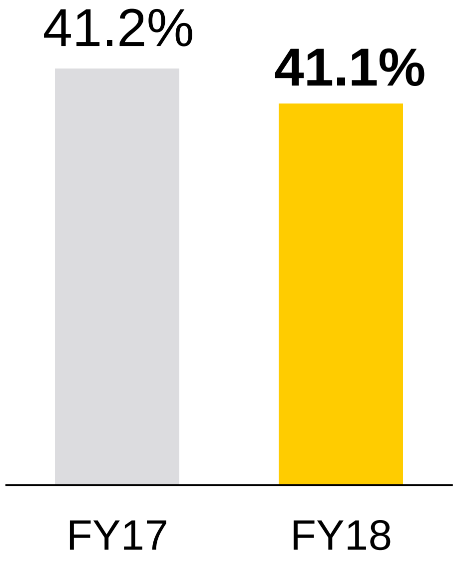
+3.7%



Cost-to-Income

%

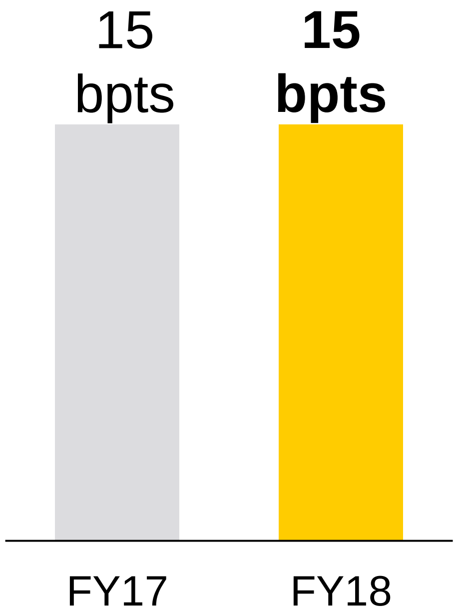
(10)bpts



LIE

Bpts of GLAA

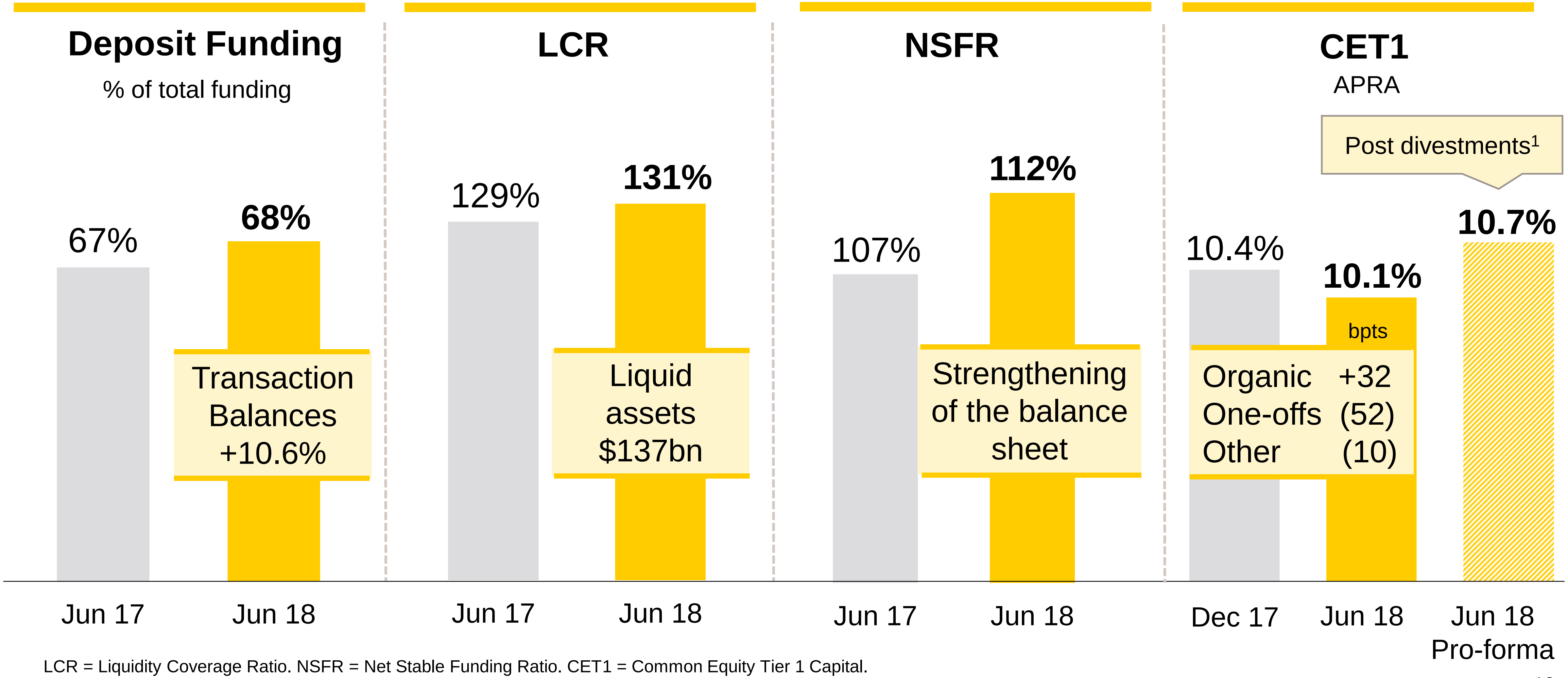
Flat



1. Presented on a continuing operations basis. 2. Excludes one-off items – see slide 17 for a full list of one-off items.

Balance sheet strength

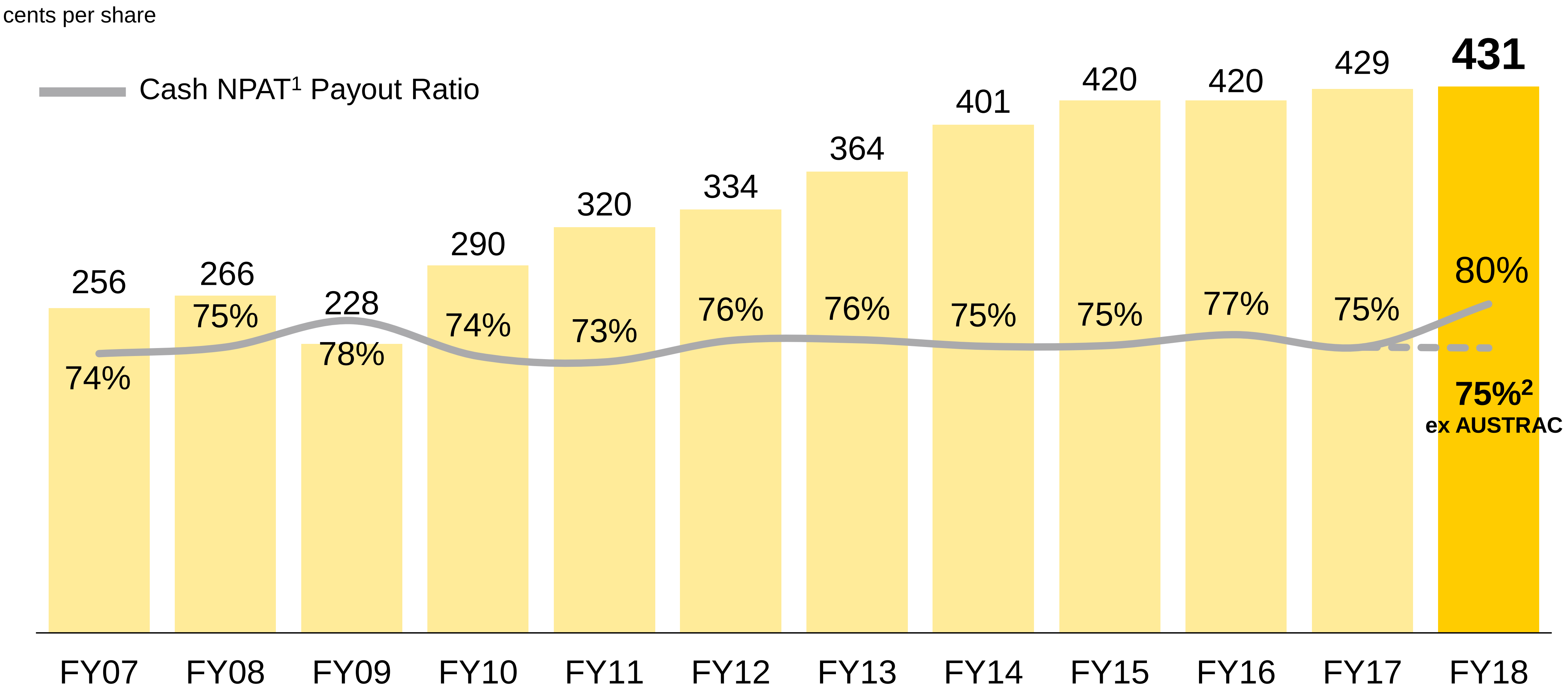
Strong funding and liquidity, pro-forma CET1 capital at 10.7%



LCR = Liquidity Coverage Ratio. NSFR = Net Stable Funding Ratio. CET1 = Common Equity Tier 1 Capital.
1. Includes impact of AASB 9 & AASB 15, and divestments of Sovereign, CMLA and BoComm Life.

Dividend

Final dividend of $2.31 - full year $4.31, payout ratio of 75% ex AUSTRAC



1. Cash NPAT inclusive of discontinued operations. 2. Full year payout ratio excluding the impact of the $700m AUSTRAC penalty.

Results Presentation

Alan Docherty, Acting Chief Financial Officer

Commonwealth Bank of Australia | ACN 123 123 124 | 8 August 2018

Summary

- A number of moving parts in this result:
  - Continuing vs discontinued operations
  - Statutory vs Cash NPAT
  - One-off items within Cash NPAT

Reconciliations on following slides

- Strong fundamentals:
  - Cash NPAT excluding one-off items up 3.7%[1]
  - Revenue – supported by asset repricing, with modest volume growth
  - Expenses – higher due to elevated risk and compliance spend
  - Balance sheet – conservative settings, continued to increase resilience
  - Capital - one-off impacts absorbed, clear path to “unquestionably strong”

1. See slide 17 for a full list of one-off items.

Statutory vs Cash NPAT

Statutory NPAT inclusive of gains and losses on divestments

$m	FY18
Statutory NPAT	**9,329**
Less	
Cash NPAT - discontinued operations	179
Non-cash items:	
- Net loss on disposal/closure/acquisition of entities	(183)
- Hedging[1] & other	100
Cash NPAT – continuing operations[2]	**9,233**

Discontinued operations

CommInsure Life	Expected to be sold in 2018
Sovereign	Completion of sale 2 Jul 18
BoComm	Expected to be sold in 2018
TymeDigital	Decided to exit business

Divestments/acquisitions

CommInsure Life & Sovereign	136
TymeDigital	91
Demerger costs provision	21
Gain on AHL acquisition	(58)
Other	(7)

Includes Wealth Management – NewCo demerger expected to complete 2019

1. Includes unrealised accounting gains and losses arising from the application of "AASB 139 Financial Instruments: Recognition and Measurement". 2. Includes one-off items, including a $700 million non-tax deductible expense for the AUSTRAC penalty. See slide 17 for the full list of one-off items.

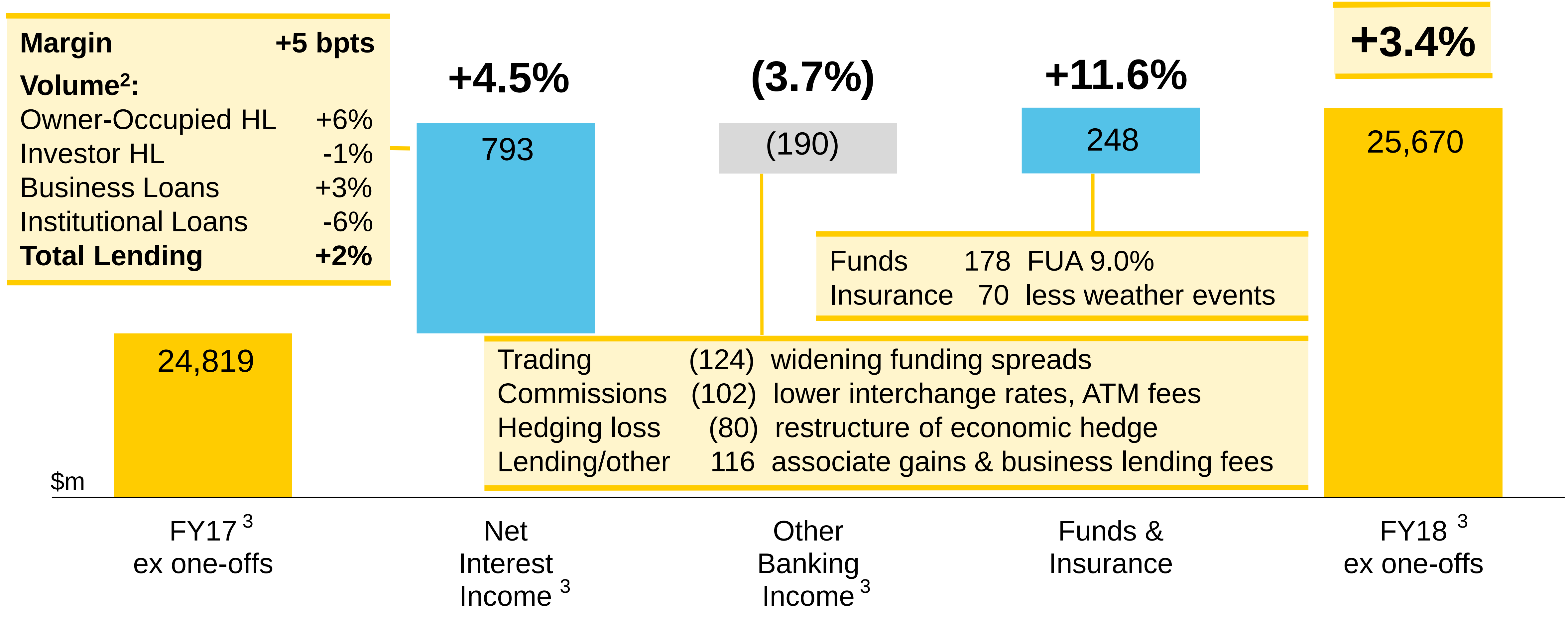
Cash NPAT excluding one-off items

	$m	FY17	FY18	%
Cash NPAT	Cash NPAT – continuing operations	9,696	9,233	(4.8%)
	One-off items (after tax)	(44)	778	
	Cash NPAT ex one-offs	**9,652**	**10,011**	**3.7%**
Income	Operating Income	25,257	25,907	2.6%
	Visa share sale	(397)		
	AHL[1]	(41)	(237)	
	Operating Income ex one-offs	**24,819**	**25,670**	**3.4%**
Expense	Operating Expense	10,622	11,599	9.2%
	Accelerated amort.	(393)		
	AHL[1]		(197)	
	AUSTRAC penalty[2]		(700)	
	One-off regulatory costs[3]		(155)	
	Operating Expense ex one-offs	**10,229**	**10,547**	**3.1%**

1. Includes eChoice in FY18. 2. AUSTRAC penalty a non-tax deductible expense. 3. Costs associated with AUSTRAC proceedings, Royal Commission and APRA Prudential Inquiry.

Operating income up 3.4%[1]

Asset repricing and higher funds/insurance offsetting lower fee and trading income

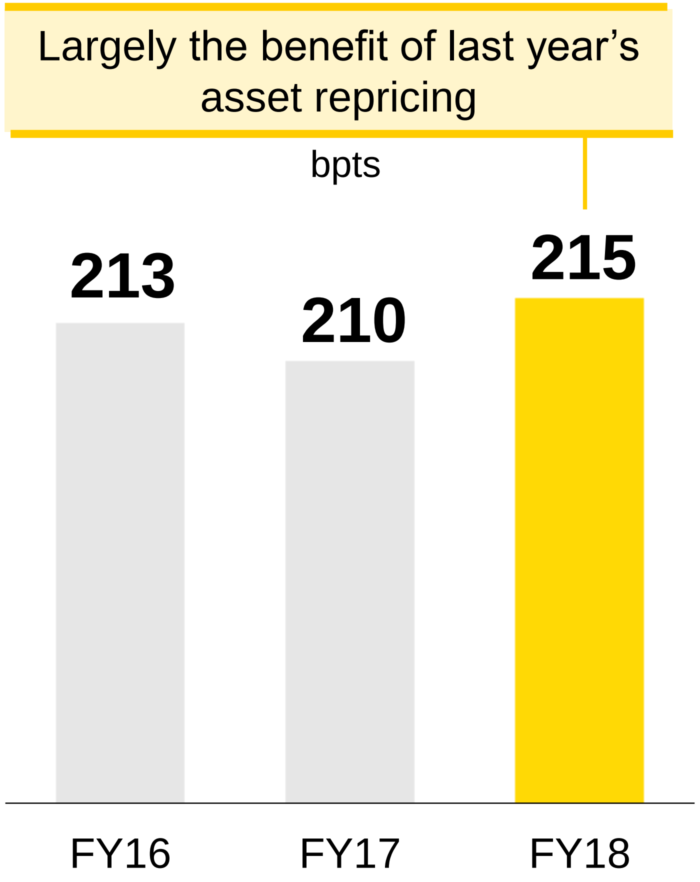


1. Presented on a continuing operations basis. 2. Spot balances. 3. Excludes one-off items, see slide 17 for the full list of one-off items.

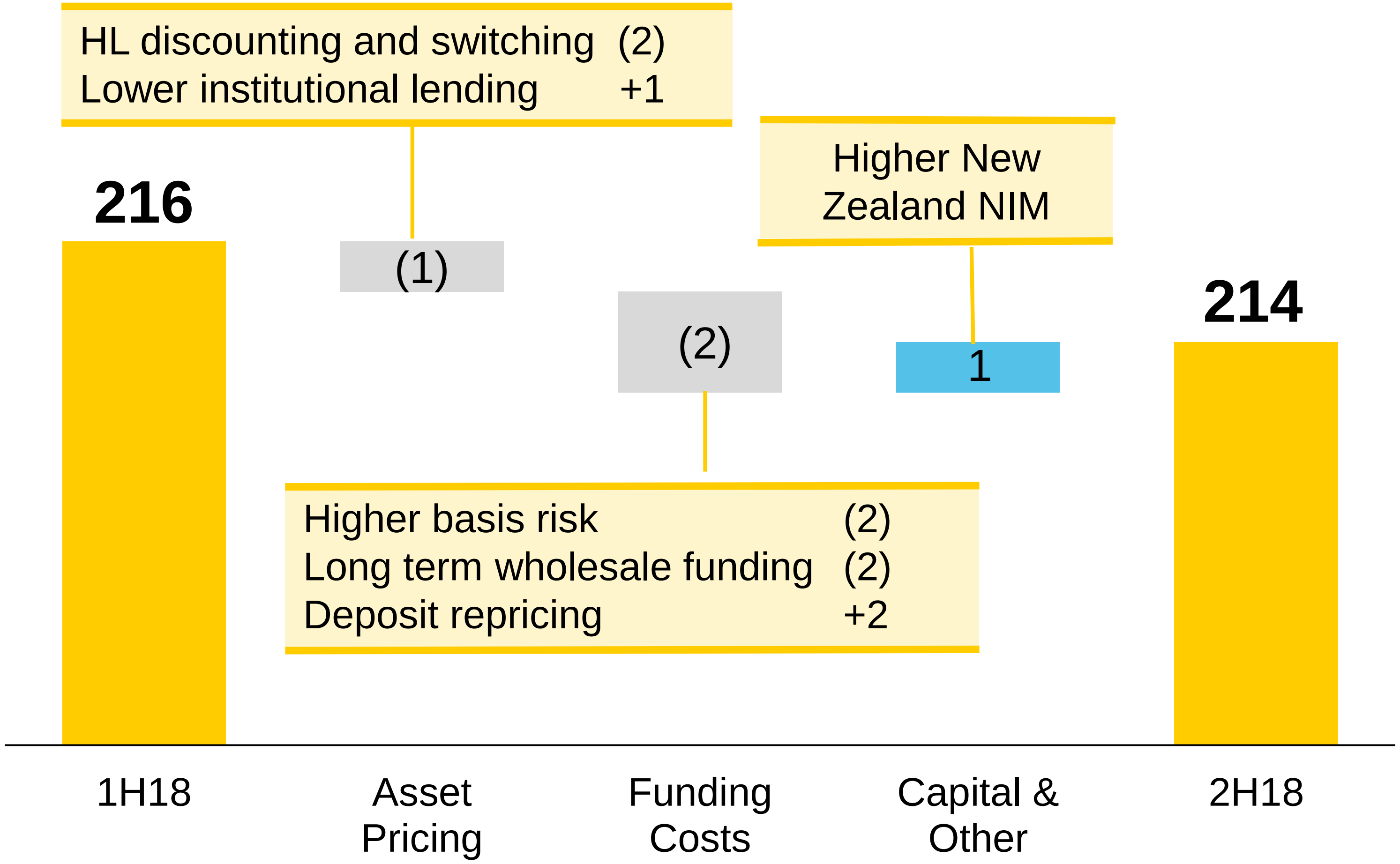
Group margin[1]

Up 5 bpts over the year, but lower home loan margins and basis risk impacted 2H18

12 Months



6 Months



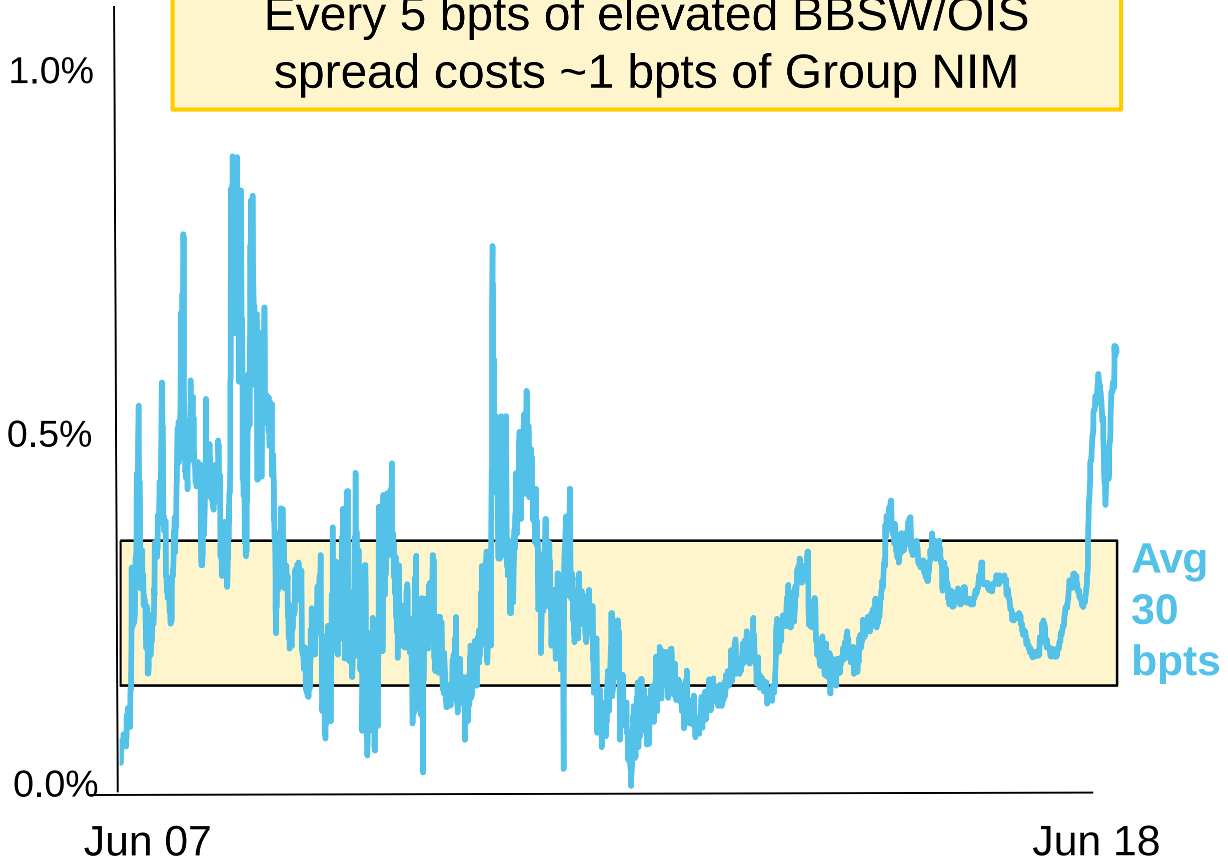
1. Comparative information has been restated to conform to presentation in the current period. Presented on a continuing operations basis.

Group margin – key sensitivities

Basis Risk and Replicating Portfolio

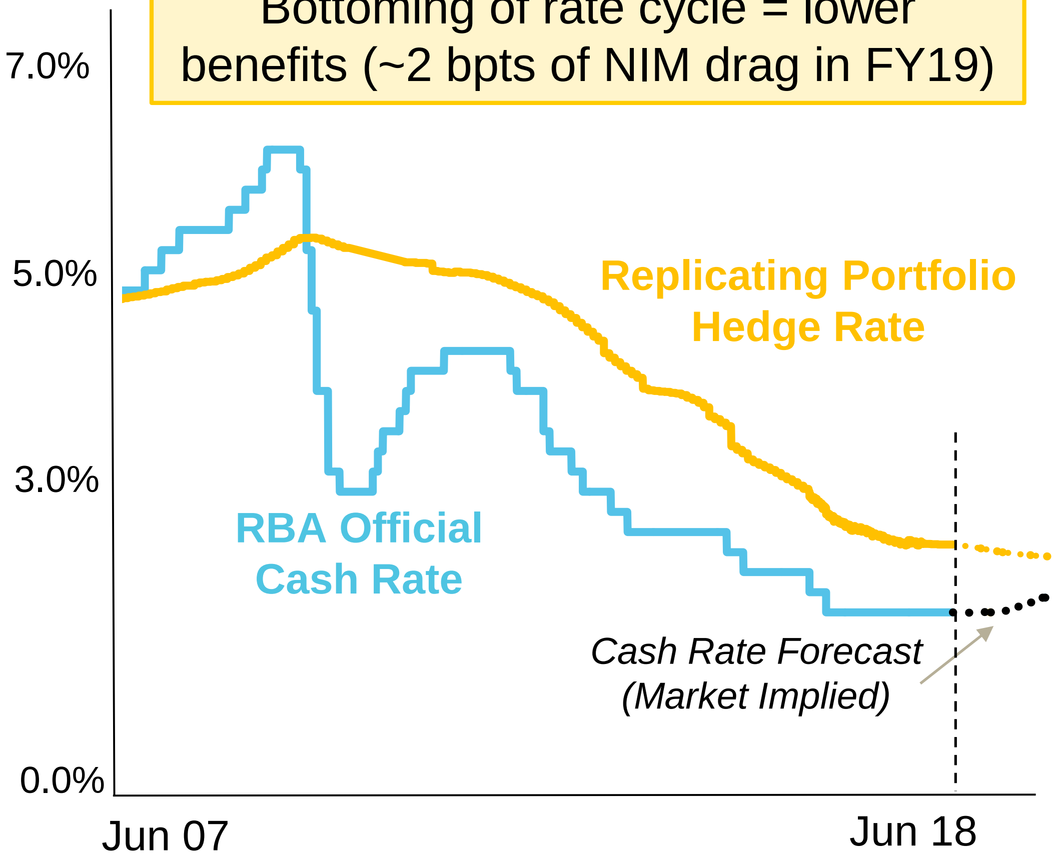
Basis Risk

Every 5 bpts of elevated BBSW/OIS spread costs ~1 bpts of Group NIM



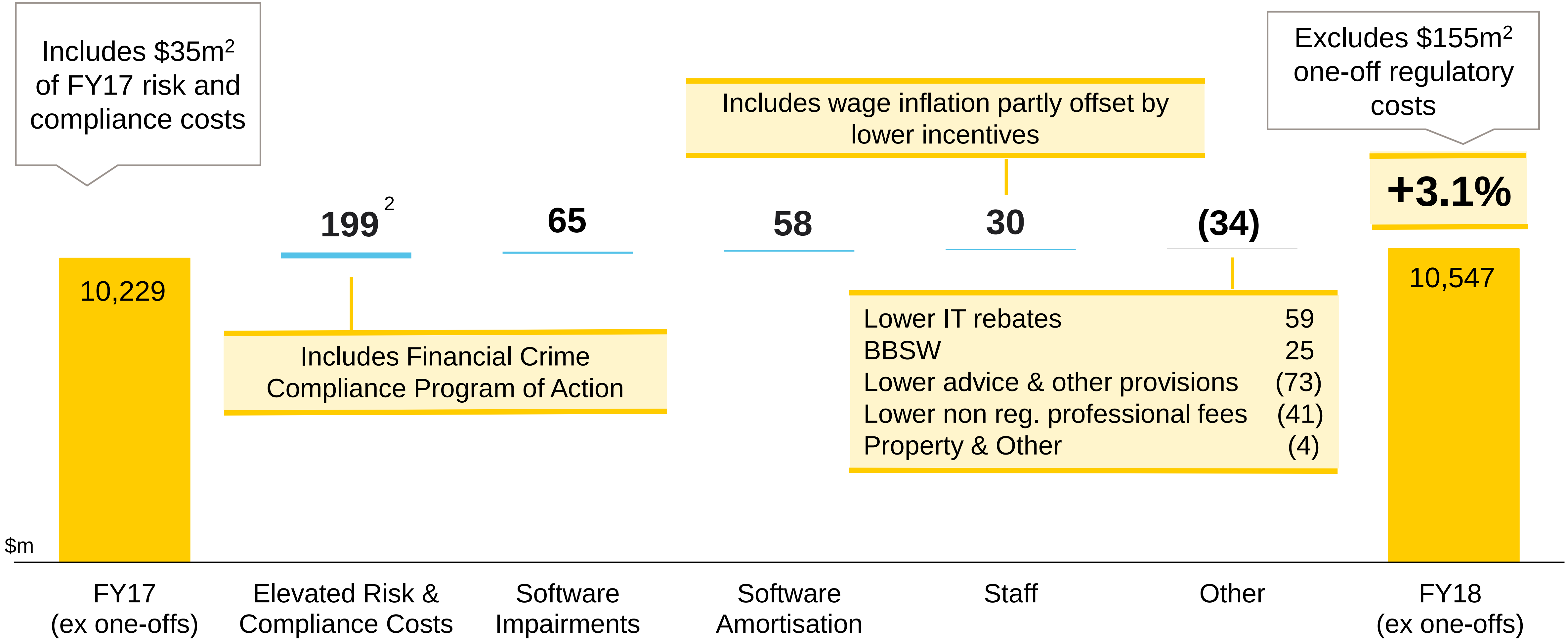
Replicating Portfolio

Bottoming of rate cycle = lower benefits (~2 bpts of NIM drag in FY19)



Operating expenses[1]

Elevated risk and compliance costs the largest contributor to expense growth



1. Presented on a continuing operations basis. 2. Combined total of $389 million additional provisions for the year ended 30 June 2018. This comprises new risk and compliance provisions of $234 million (a $199 million increase on FY17) and one-off regulatory costs of $155 million. These provisions relate to: Financial Crimes Compliance, ASIC investigation, shareholder class actions, AUSTRAC proceedings, Royal Commission and APRA Prudential Inquiry.

Balance sheet resilience

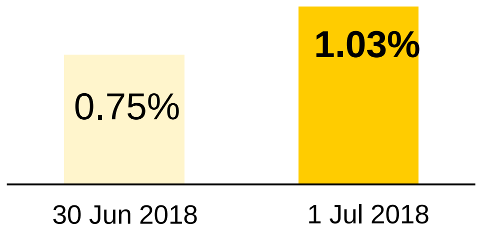
Conservative settings, fully prepared for a range of possible macro-economic outcomes

Strategic choices & changes

Credit Risk

- Strengthened underwriting
- Increased levels of provisioning
- AASB9

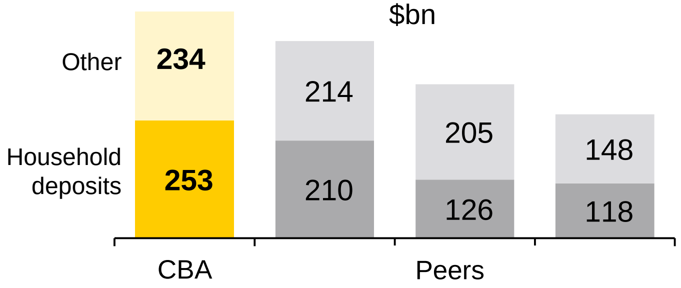
Collective Provision Coverage[1]



Funding & Liquidity Risk

- Duration of funding
- NSFR and LCR
- Strong transactions growth

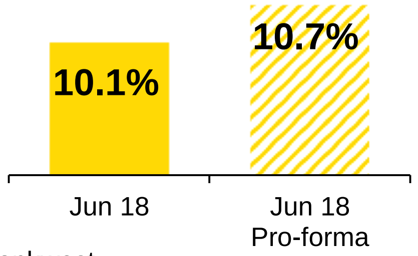
Deposits vs Peers[2]



Capital Generation

- Capital efficient NPAT growth
- Portfolio optimisation
- On track for "Unquestionably Strong"

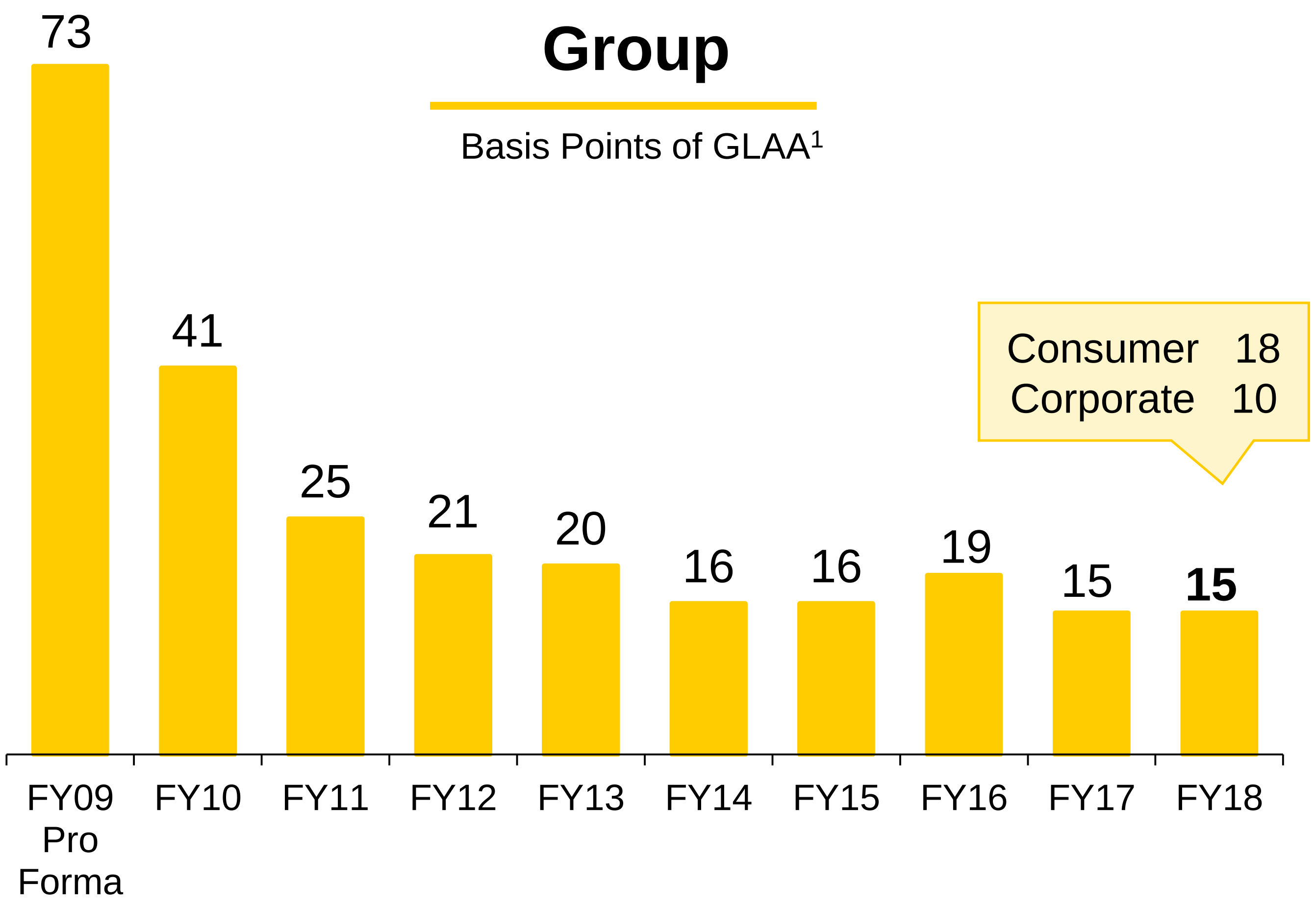
CET1



1. Collective provisions divided by credit risk weighted assets. 2. Source: APRA Monthly Banking Statistics. Total deposits (excluding CD's). CBA includes Bankwest.

Credit risk - Loan Impairment Expense

Credit risk outcomes broadly stable this period – LIE at 15 basis points



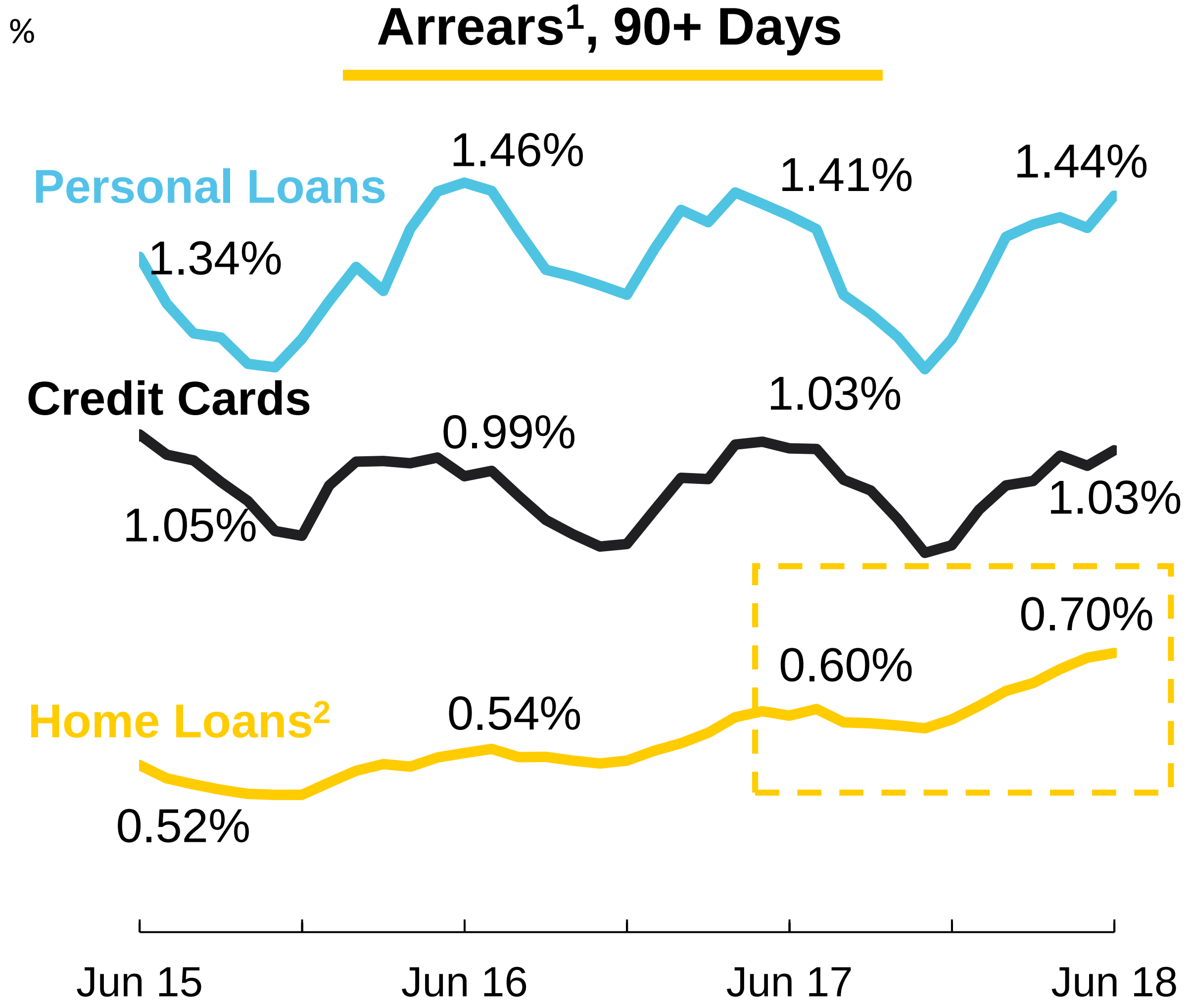
LIE/GLAA

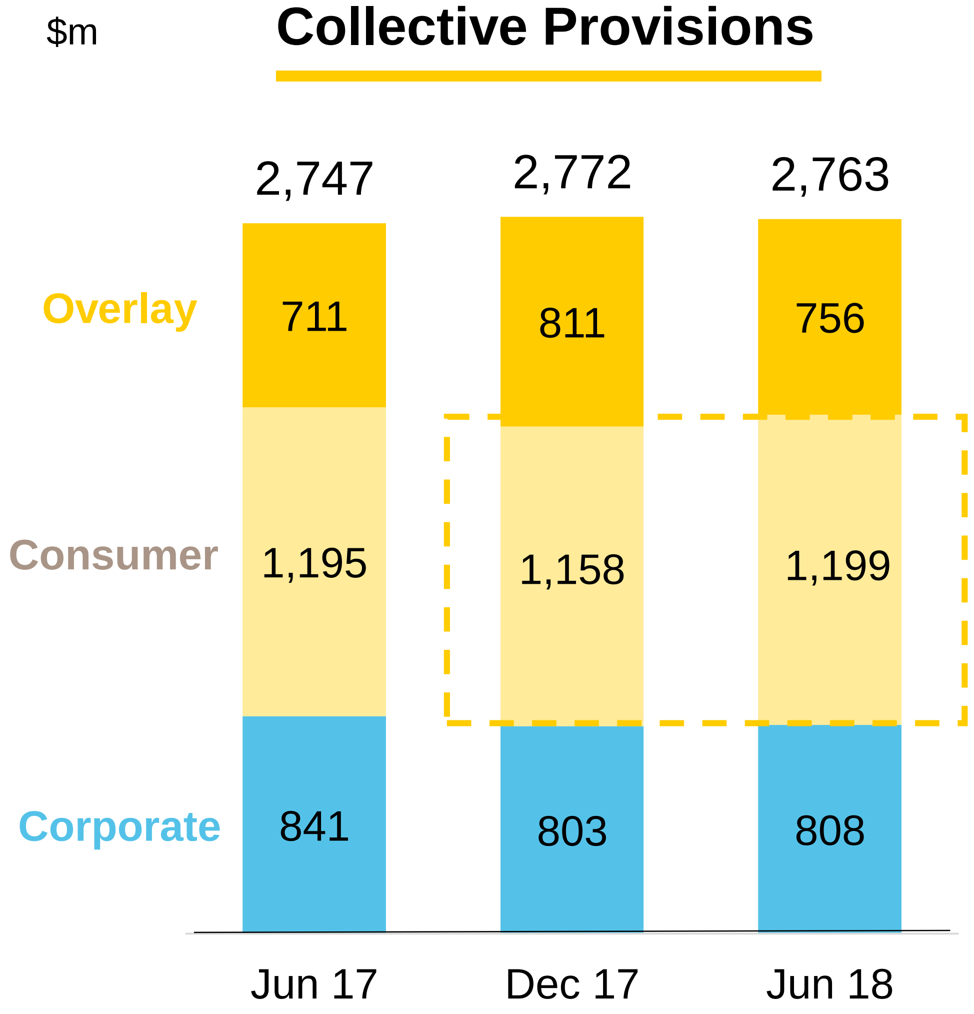
bpts	FY17	FY18
RBS	20	20
BPB	5	11
IB&M	6	8
BWA	14	7
ASB	9	10
Group[2]	**15**	**15**

1. Cash LIE as a percentage of average GLAA (bpts). FY09 includes Bankwest on a pro-forma basis and is based on LIE for the year. Statutory LIE for FY10 48 bpts and FY13 21 bpts.
2. Includes Other.

Credit risk - consumer arrears

Higher home loan arrears and consumer collective provisions reflecting pockets of stress



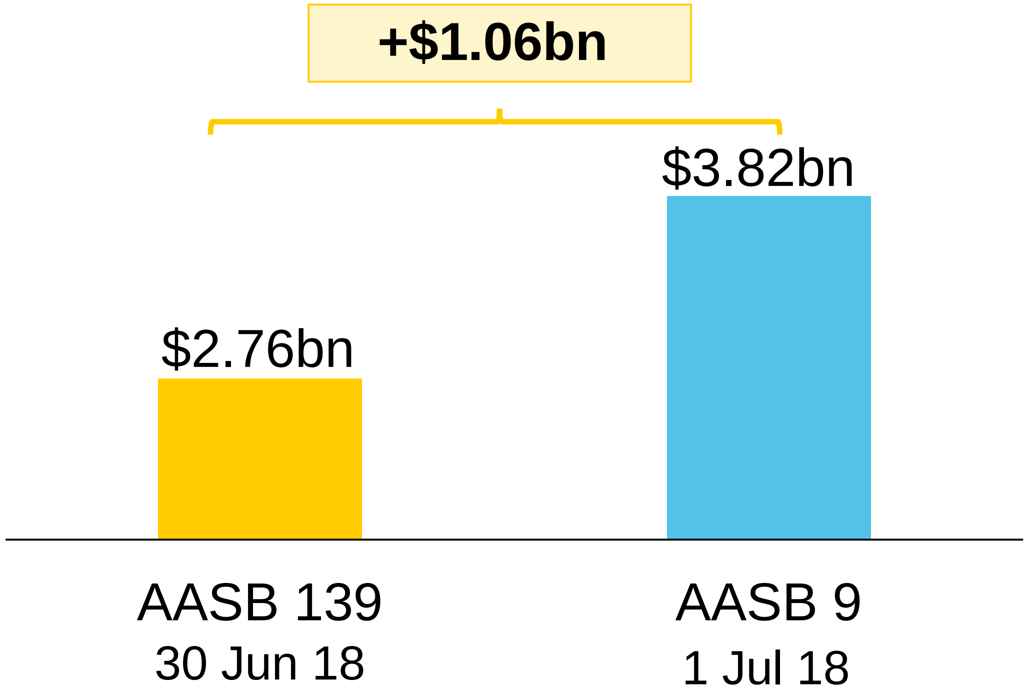


1. Consumer arrears includes retail portfolios of CBA (Retail Banking Services, Business and Private Banking), Bankwest and New Zealand.
2. Excludes Reverse Mortgage, Commonwealth Portfolio Loan (CBA) and Residential Mortgage Group (CBA) loans.

Credit risk - AASB 9

Higher collective provisioning took effect from 1 July 2018

Impact on Collective Provision



Provision Coverage[3]

0.75%	**1.03%**

- Increase of $1.06bn due to
  - forward-looking factors[1]
  - lifetime expected credit losses on stage 2 loans[2]
- Increase to be taken through opening retained earnings with no impact on the Income Statement
- CET1 ratio decrease of 18 bpts:
  - Higher Collective Provision (-23 bpts)
  - Reversal of CET1 deduction for the shortfall to Regulatory Expected Loss due to higher provisions under AASB 9 (+5 bpts)

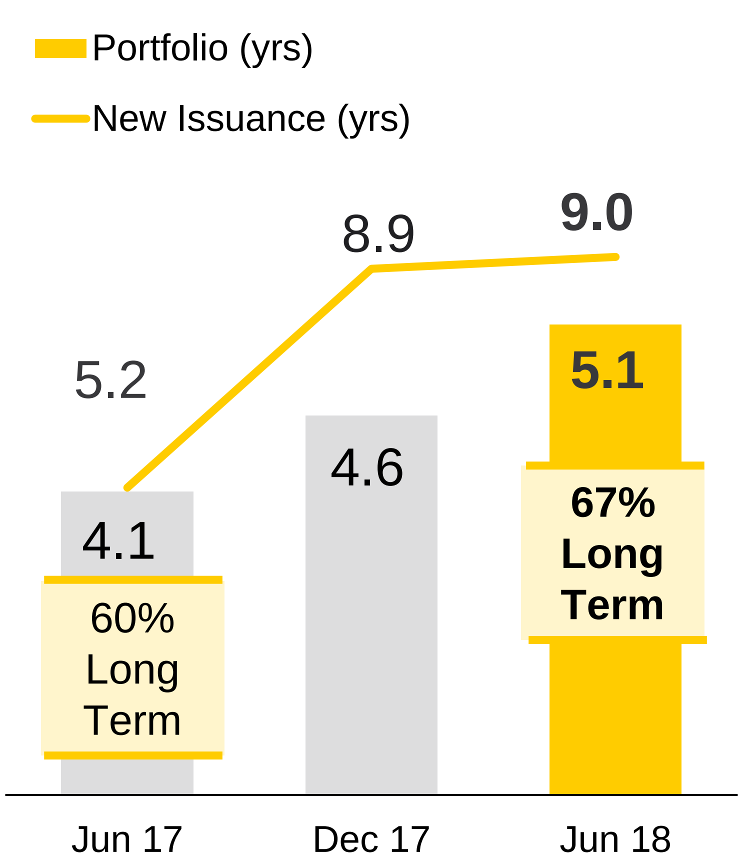
1. Collective provision under AASB 9 reflects management’s views about the impact of future forecast economic scenarios on the level of credit losses in the portfolio.
2. Stage 2 includes loans that have experienced significant deterioration in credit risk since origination.
3. Represents collective provisions divided by credit risk weighted assets.

Wholesale funding

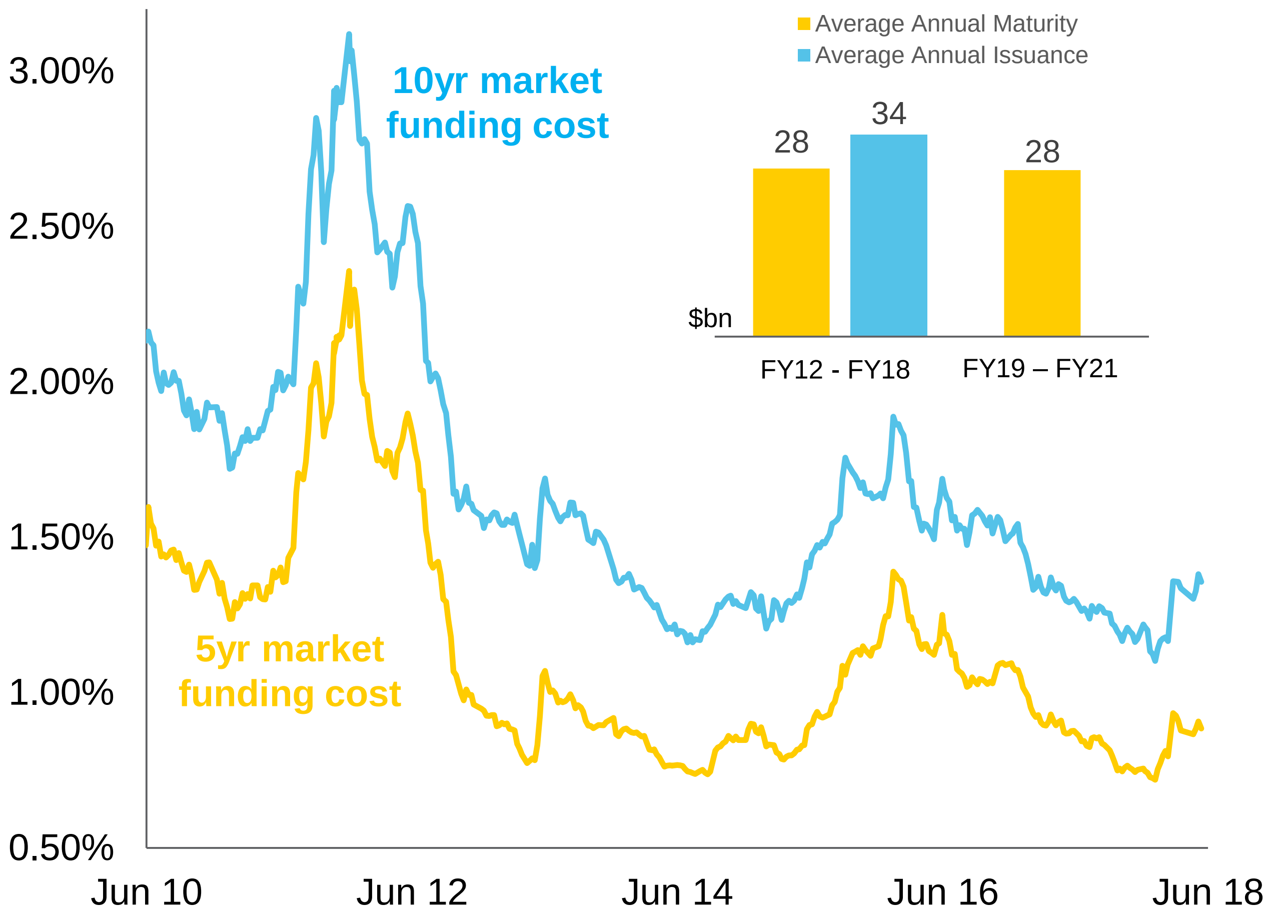
Lenghtened at favourable rates, reducing refinancing risk – cost pressures emerging

Wholesale Funding

Weighted Average Maturity[1]



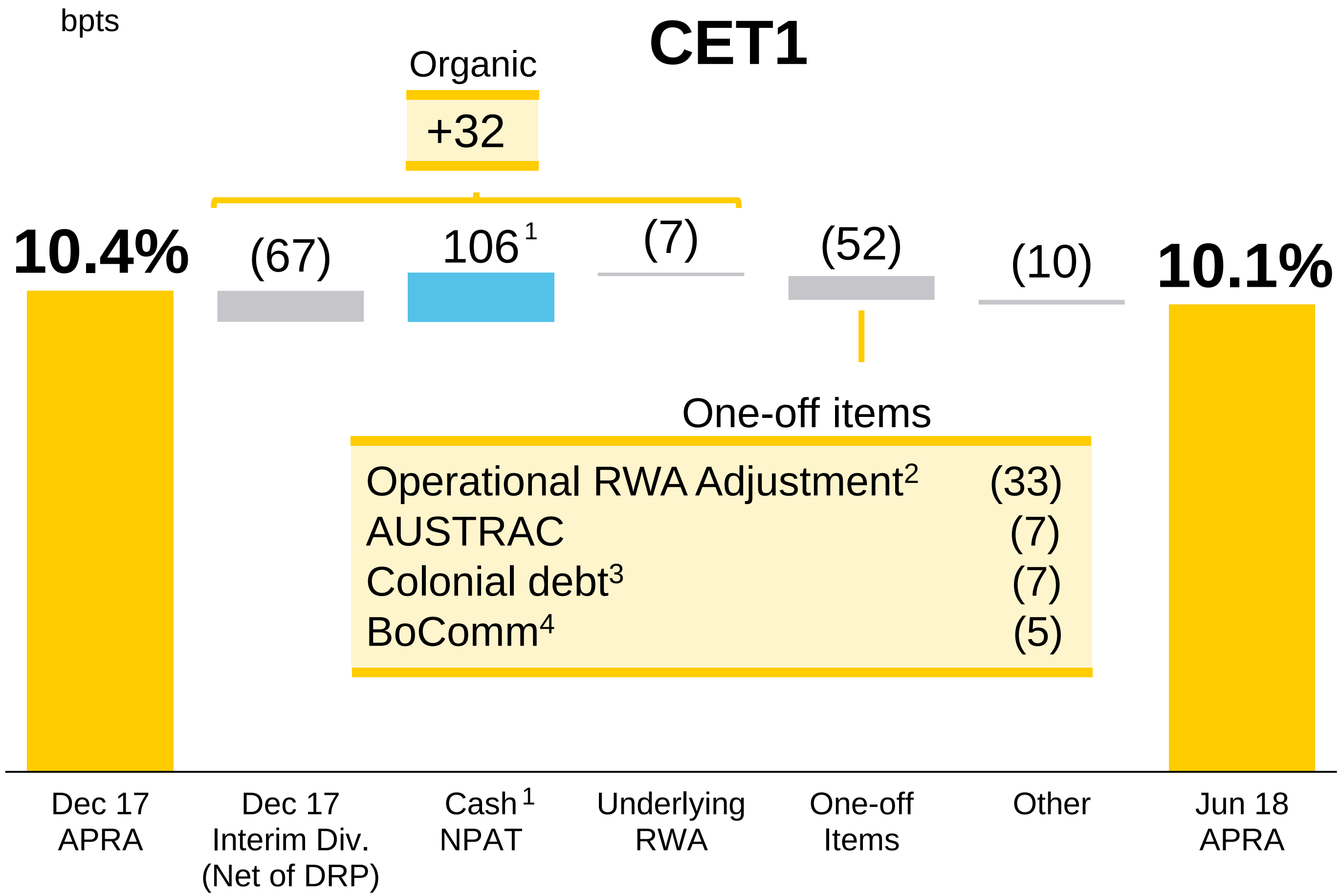
Indicative Funding Costs[2]

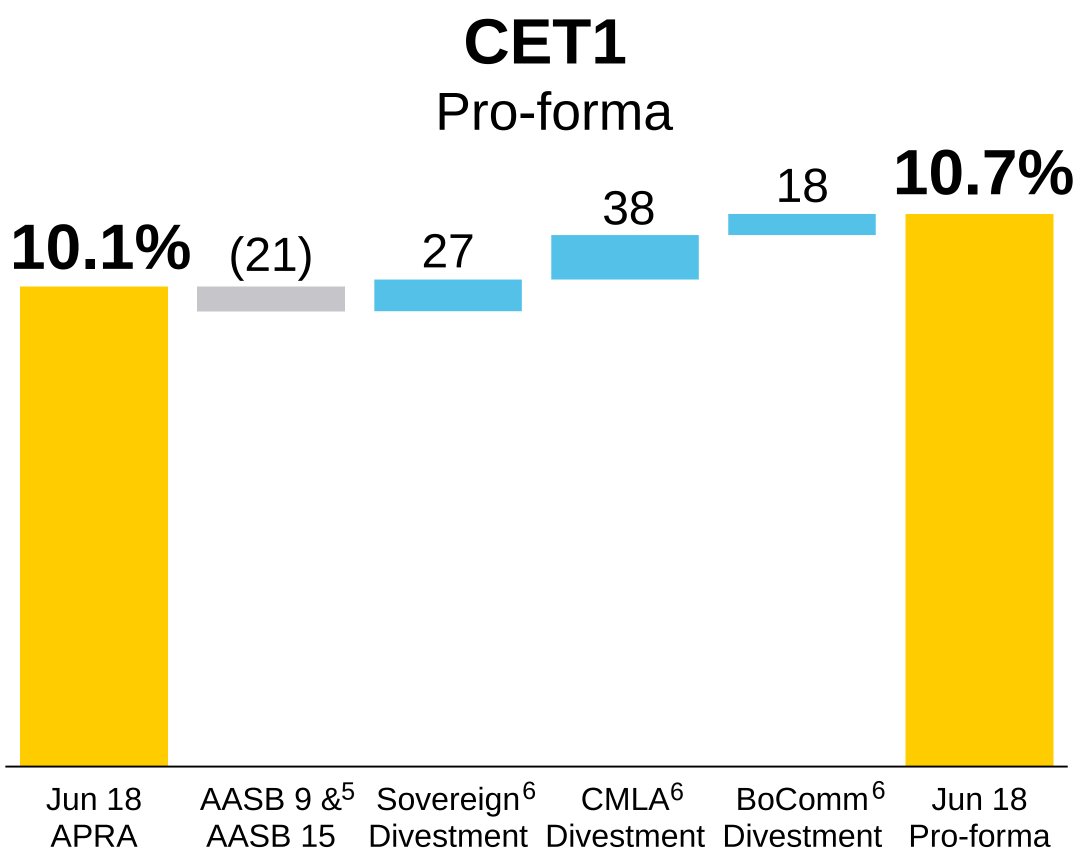


1. Long term wholesale funding (>12 months). 2. Indicative funding costs across major currencies. Represents the spread in BBSW equivalent terms on a swapped basis.

Capital

Op. risk add-on absorbed – clear path to "unquestionably strong" (pro-forma 10.7%)





1. $325m (-7bpts) for the AUSTRAC civil penalty shown separately in one-off items ($375m provided for in 1H18). 2. APRA's requirement to increase operational risk regulatory capital (-28bpts) and movement of Wealth Management Advice business to the regulatory consolidated group (-5bpts). 3. Maturity of final tranche ($315m) of Colonial debt that was subject to transitional relief. 4. Capital injection of AUD $235m into the 37.5% interest in BoComm Life Insurance, which will be fully reimbursed on completion of sale to Mitsui Sumitomo Insurance Co. Ltd. 5. 1 July 2018 implementation. 6. Sale of Sovereign completed July 2018. Sale of CMLA and BoComm expected to be completed by December 2018.

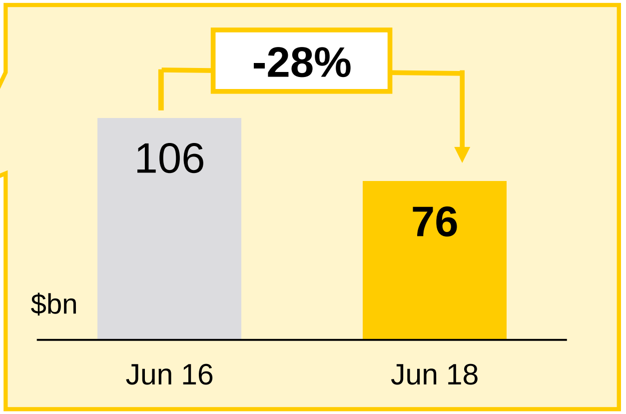
Capital generation

Focus on capital efficient NPAT growth

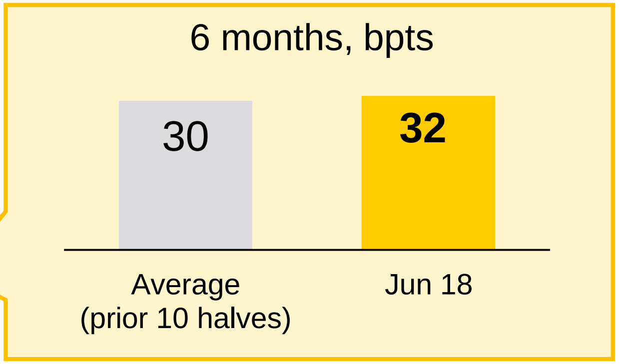
Organic Capital Generation[1]

2H18	$m	Bpts
RBS	2,352	51
BPB	485	11
IB&M	964	21
New Zealand	431	10
Bankwest	211	5
IFS and Other	(122)	(4)
Core	**4,321**	**94**
Wealth	232	5
1H18 Dividend (net DRP)	(2,969)	(67)
Total Organic Capital	**1,584**	**32**

IB&M Credit RWA



Organic Capital Generation



Future Opportunities

- More focused business
- Cost reduction
- Emphasis on regulatory risk-adjusted returns
- Improved data quality/models

1. Organic capital generation is Cash NPAT (excluding AUSTRAC penalty) less dividends (net of DRP) and underlying RWA (excluding major regulatory treatments and Op RWA adjustments).

Summary

- Underlying performance strong
- Focus on the core franchise
- Further potential in the core
- Strong team appointed
- Focused on execution

Group Overview

Leadership team

Matt Comyn, Chief Executive Officer
- 19 years at CBA
- CommSec, business banking, institutional, retail

David Cohen, Deputy Chief Executive Officer
- 10 years at CBA
- Previously 5 years at AMP and 12 years at Allens Arthur Robinson

Adam Bennett, Group Executive Business & Private Banking
- 14 years at CBA
- Technology, retail, business banking

Pascal Boillat, Chief Information Officer
- 30 years financial services experience
- Previously Deutsche Bank Global CIO

Alan Docherty, Acting Chief Financial Officer
- 15 years at CBA
- Finance, treasury, business and private banking

Andrew Hinchliff, Group Executive Institutional Banking & Markets
- 3 years at CBA
- Previously 14 years at Goldman Sachs

Coen Jonker, Group Executive International Financial Services
- 3 years at CBA
- 24 years' experience in legal, financial & professional services

Anna Lenahan, Group General Counsel & Group Executive Corporate Affairs
- 21 months at CBA
- Previously Chief Risk and Legal Officer of Suncorp Group

Sian Lewis, Group Executive Human Resources
- 4 years at CBA
- Previously 9 years at Westpac

Vittoria Shortt, Chief Executive Officer ASB
- 16 years at CBA
- Marketing, strategy, retail, Bankwest

Angus Sullivan, Group Executive Retail Banking Services
- 6 years at CBA
- Previously 11 years at McKinsey & Company

Michael Venter, Chief Operating Officer, Wealth Management
- 14 years at CBA
- CFO finance, international financial services, wealth

Nigel Williams, Chief Risk Officer
- 30 years banking experience
- Previously ANZ CRO

Deliver balanced and sustainable outcomes

Our Purpose

Improve the financial wellbeing of our customers and communities

Our Values

- We do what is right
- We are accountable
- We are dedicated to service
- We pursue excellence
- We get things done

Customers	• Better customer outcomes • Lead in customer experience • Resolve issues fairly and quickly	**#1 NPS[1,2]**
Community	• Earn trust • Contribute to our communities • Engage openly and transparently	**Top quartile RepTrak[3]**
People	• Energised and accountable • Clarity of purpose • Strong leadership	**Top 10% engagement[4]**
Shareholders	• Focus on core businesses • Reduce cost and risk • Invest and innovate to deliver growth	**Top quartile TSR[5]**

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

Lead in retail and commercial banking

Superior franchise

- #1 MFI share (34%)[1]
- #1 home loan share (24%)[2]
- #1 household deposits (28%)[3]
- #1 credit cards (27%)[3]
- #1 retail share trading[4]
- #1 business share (27%)[5]
- #1 branch footprint in Australia (1,082 branches)[6]
- #1 most valuable brand in Australia[7]

Leading technology

- #1 CommBank App NPS (+38)[8]
- #1 Internet Banking NPS (+31)[8]
- #1 Overall Platform Performance Index (CommBiz)[9]
- 27bn data points refreshed daily
- 6.5m active digital customers[10]
- 5.0m monthly unique CommBank app users[11]
- 5.1m mobile app logins daily
- Real-time core

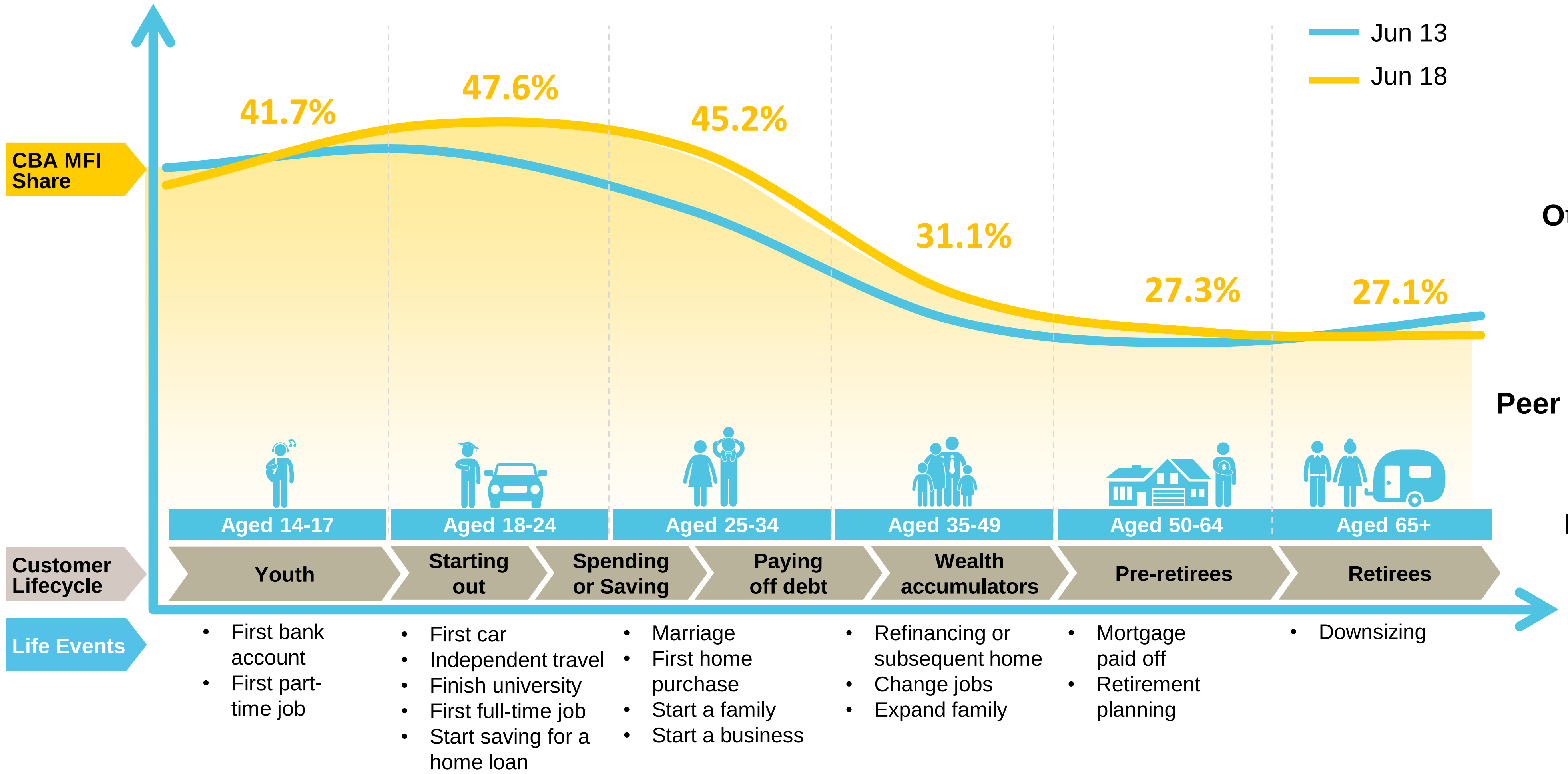
Strong balance sheet

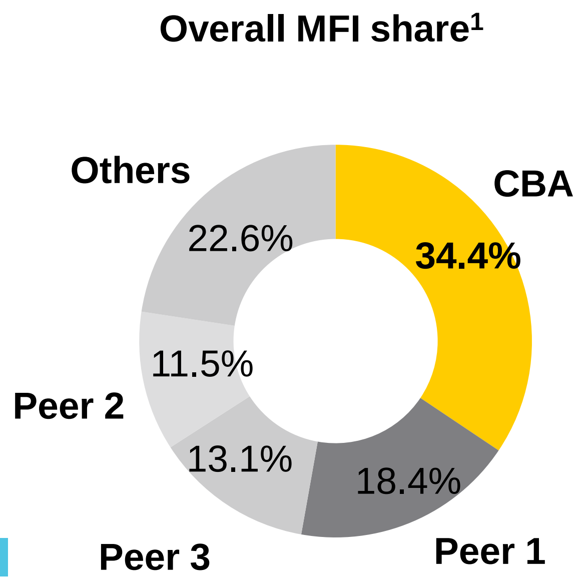
- 15.5% International CET1[12]
- 10.7% pro-forma APRA CET1[12]
- Clear path to unquestionably strong
- 68% deposit funding
- 131% LCR and 112% NFSR
- 5.1 years overall tenor
- 9.0 years WAM for new issuance
- $975bn total assets
- AA-/Aa3 /AA- credit rating[13]

1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13. Refer to notes slide at back of this presentation for source information.

Franchise strength

The Group maintains Australia's largest share of MFI customers[1]





1. Refer to notes slide at back of this presentation for source information.

Build stronger capabilities

Operational risk and compliance

- More accountable, customer-focused culture
- Better customer outcomes
- Proactive risk approach
- Stronger governance
- Improved execution

Cost reduction

- Simpler portfolio
- Simpler operating model
- Digitisation of distribution
- Automation
- Technology simplification

Data and analytics

- Deeper customer engagement
- Higher quality decisions and monitoring
- Better risk and fraud outcomes
- Volume / margin / risk optimisation

Innovation

- Increased investment in innovation in the core
- Continued leadership in digital
- High-quality partnerships

Operational risk and compliance action plan

Build a more accountable, customer-focused and transparent culture

Achieve better customer and risk outcomes

Take a proactive approach to risk

Strengthen governance and oversight

Improve execution and deliver our plan

APRA endorsed action plan

- Comprehensive transformation plan focusing on uplifting CBA's performance across customer and risk outcomes
- Addresses all 35 APRA recommendations
- Leadership accountability and ownership
- Independent review by Promontory Australasia (Sydney) Pty Ltd
- Governance and oversight by a small senior central team reporting to the CEO

Leading in digital

Committed to remaining a leader in technology and innovation

#1 Online Banking – 9 years in a row
(CANSTAR)[1]

#1 Mobile Banking – 3 years in a row
(CANSTAR)[2]

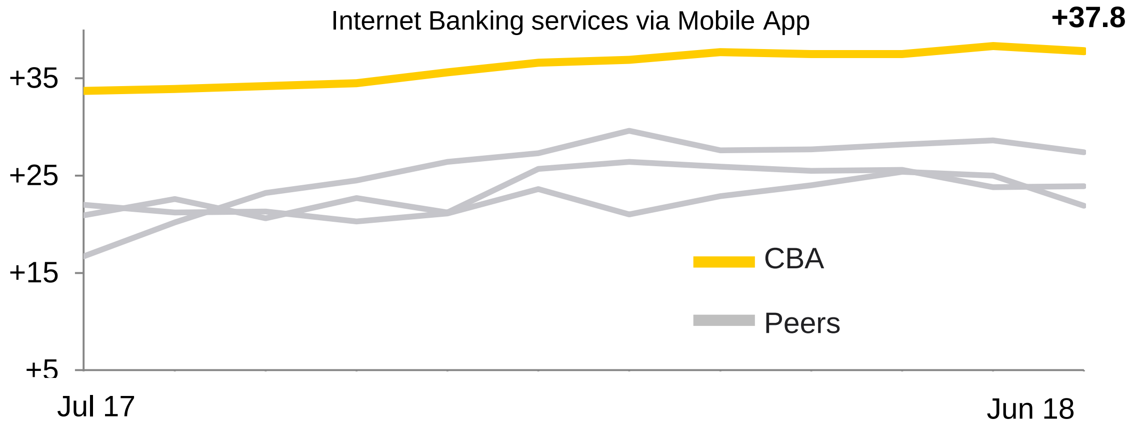
#1 Mobile Banking Provider of the Year
(Money Magazine)[3]

#1 Most Innovative Channel Experience of the Year – Ceba Virtual Assistant
(Australian Retail Banking Awards)[4]

#1 Ranked #1 Australian Mobile Banking App (Forrester)[5]

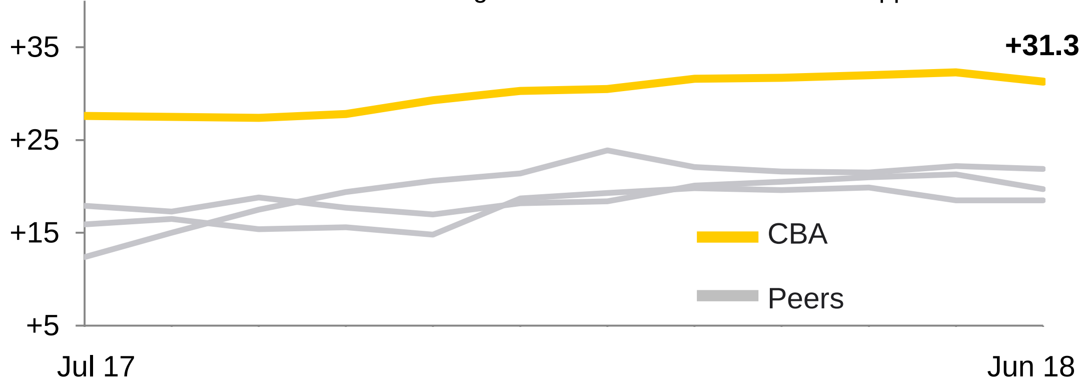
Mobile App Net Promoter Score[6]

Customer's likelihood to recommend main financial institution based on use of Internet Banking services via Mobile App



Internet Banking Net Promoter Score[6]

Customer's likelihood to recommend main financial institution based on use of Internet Banking services via Website or Mobile App



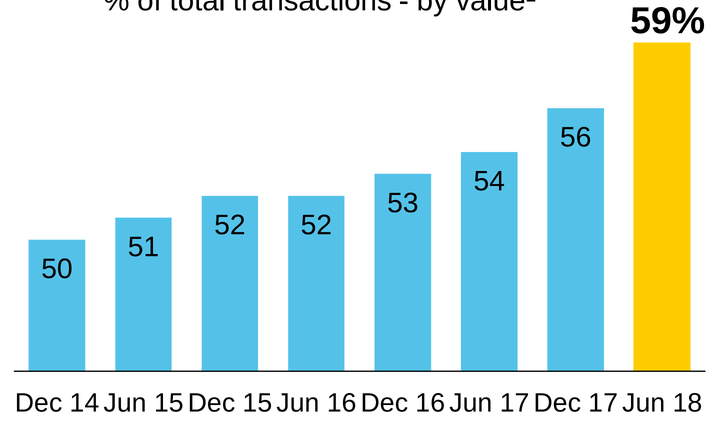
1, 2, 3, 4, 5, 6. Refer to notes slide at back of this presentation for source information.

Real time digital banking

Customer take-up of digital options

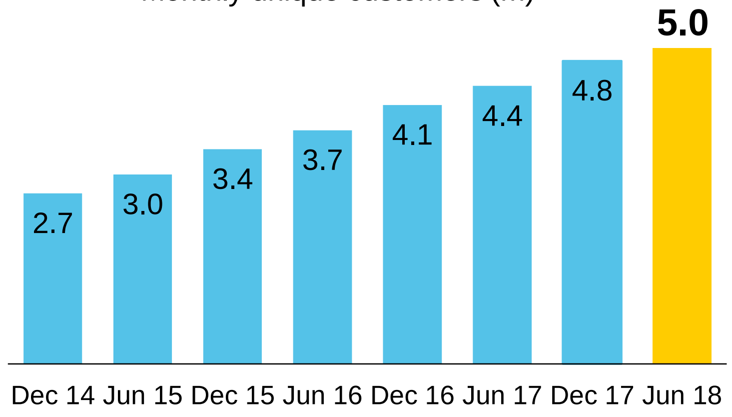
Digital transactions

% of total transactions - by value[1]



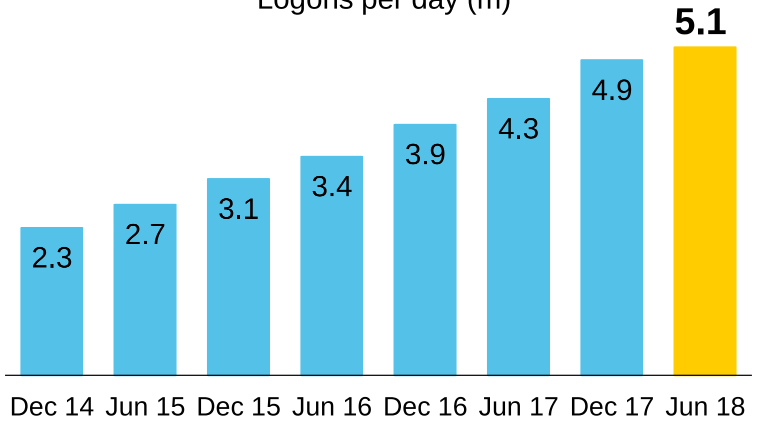
CommBank app users

Monthly unique customers (m)[2]



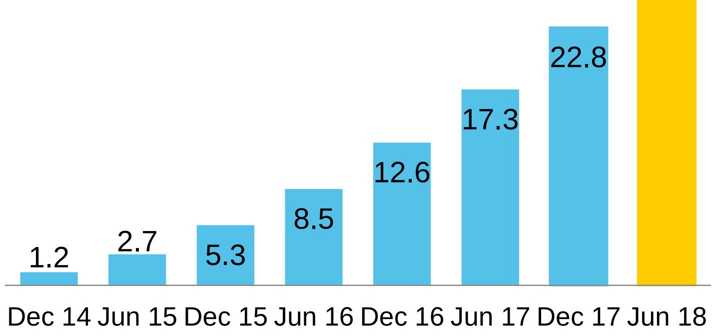
CommBank app

Logons per day (m)[3]



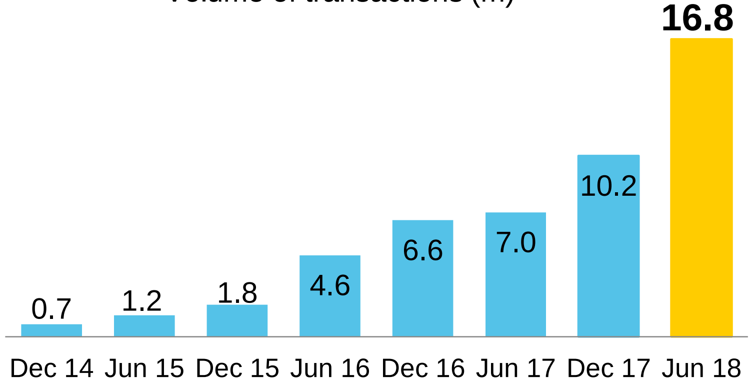
Cardless Cash

Cumulative volume of unique transactions (m)[4]



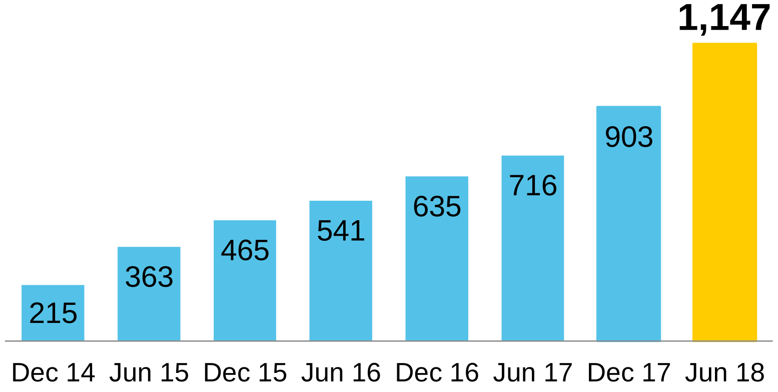
Tap & Pay

Volume of transactions (m)[5]



Lock, Block & Limit

Cumulative number of accounts enrolled (k)[6]

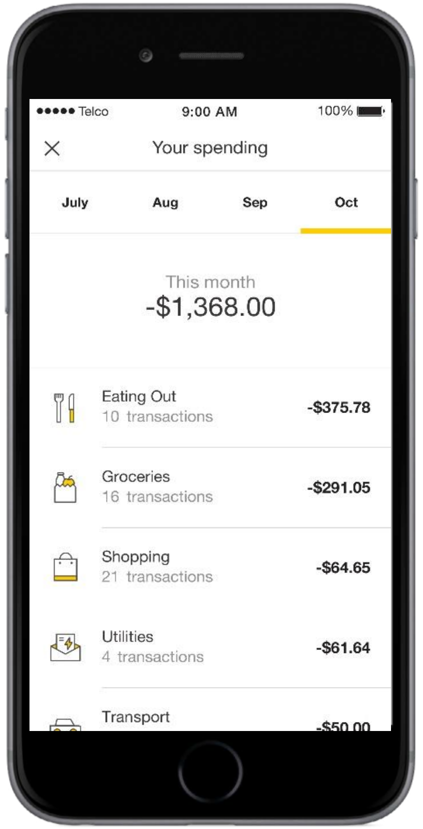


1. Digital transactions include transfers and BPAY payments made in CommBank app and NetBank. 2. CommBank app users are those who have logged into the CommBank App at least once for the month. 3. CommBank app logins per day for the month. 4. Cumulative volume of unique Cardless Cash transactions since April 2014 launch. 5. Volume of Tap & Pay transactions for each 6 month period (includes HCE, Paytag and Tokenisation). 6. Cumulative number of unique accounts that have enrolled for Lock, Block and Limit (excl. temp. lock) since launch.

Innovation

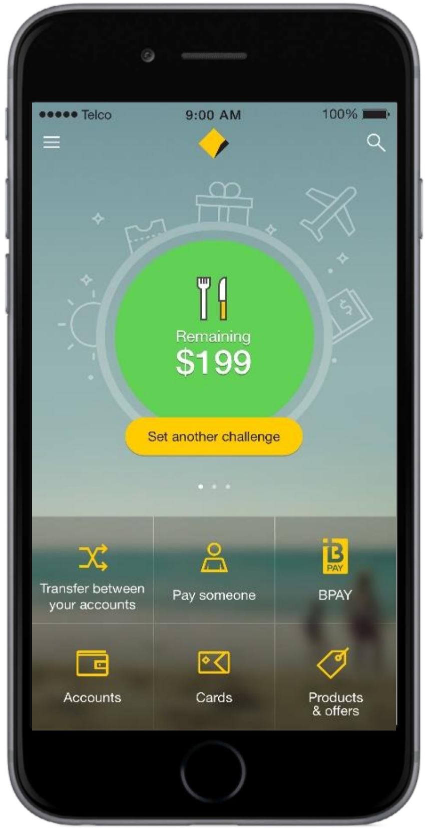
Helping customers to …

Budget



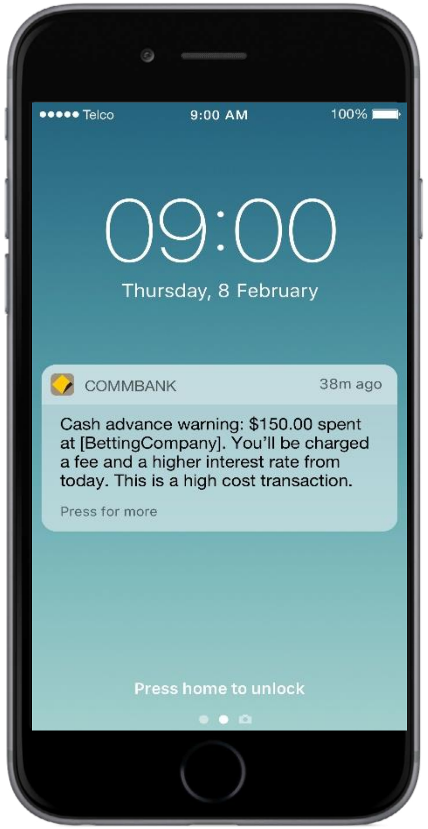
Spend Tracker

Save



Spend Less Challenge[1]

Avoid fees



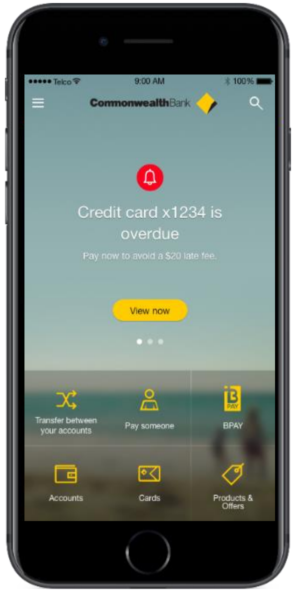
High Cost Transaction Notifications[2]

1. Spend Less Challenge is currently in customer pilot within the CommBank app. 2. High cost transactions refer to withdrawing cash or transferring funds from a credit card account (e.g. from an ATM or another channel), or using a credit card for cash equivalent transactions such as online gambling or buying lotto tickets.

Innovation

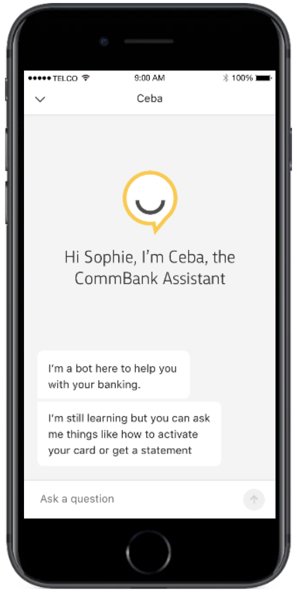
Keeping connected with customers

Activity Feed



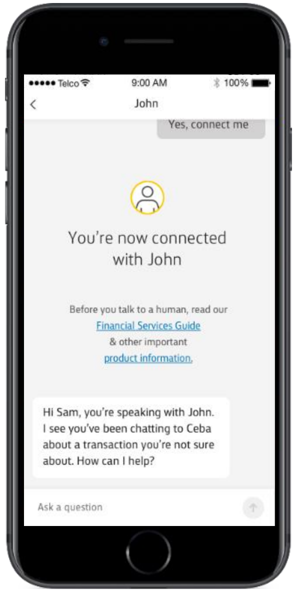
Get alerts about upcoming payments and transactions

Ceba



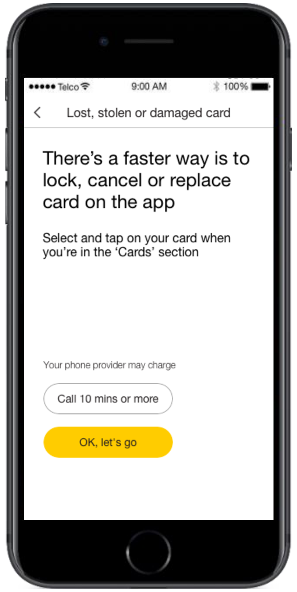
Chat to an automated banking assistant for simple enquiries, 24/7

Assisted Chat



Resolve your enquiry by securely chatting to a person online

Click-to-Call

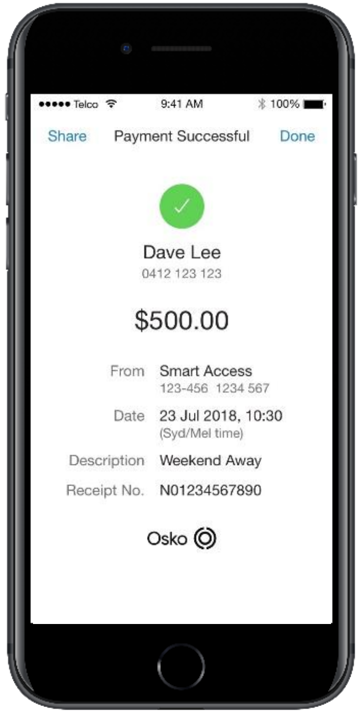


Go straight from the app to the right person on the phone, without repeating your details

Innovation

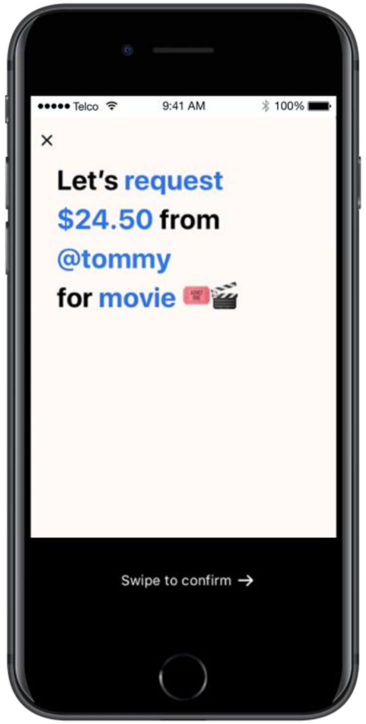
Making payments easier

PayID



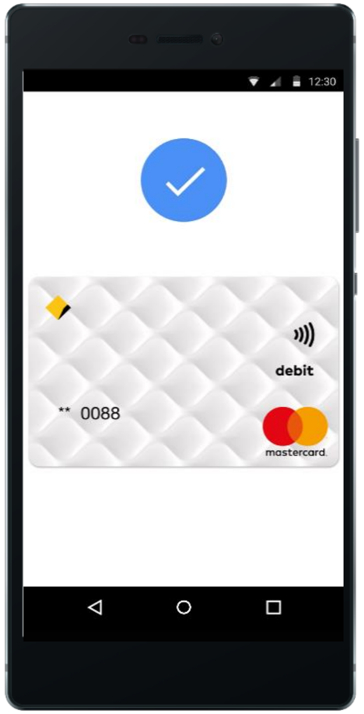
One of the first major banks to allow you to securely send and receive payments instantly using just your mobile number

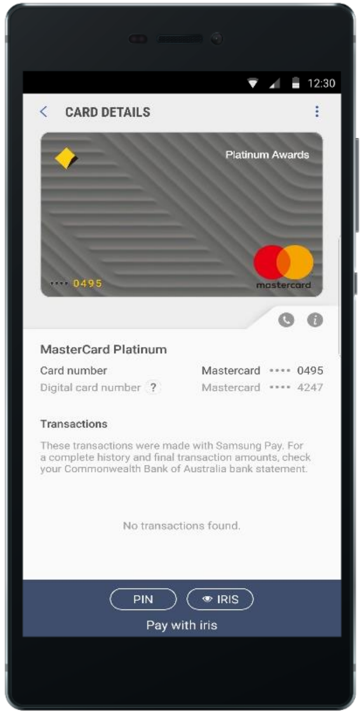
Beem It



CommBank collaboration with two other major banks to allow you to pay, request and split money with your smartphone

Google Pay, Samsung Pay





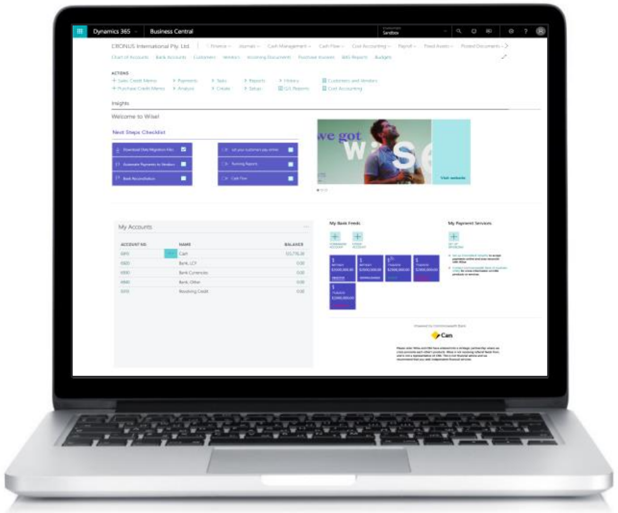
Secure payment experience via NFC[1], linked to your CommBank debit or credit card

1. NFC = Near Field Communication.

Innovation

Innovative solutions remain key to the Group’s business customer offerings

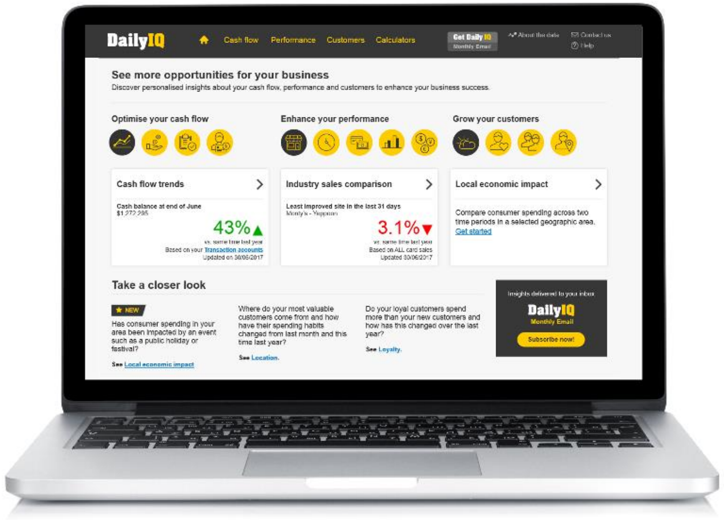
Wiise



A small and medium enterprise business management solution that integrates your banking, financials and operations

CBA, Microsoft, KPMG partnership
launching soon

DailyIQ



Giving customers 24/7 access to insights about their business

>600,000
users enabled

Albert

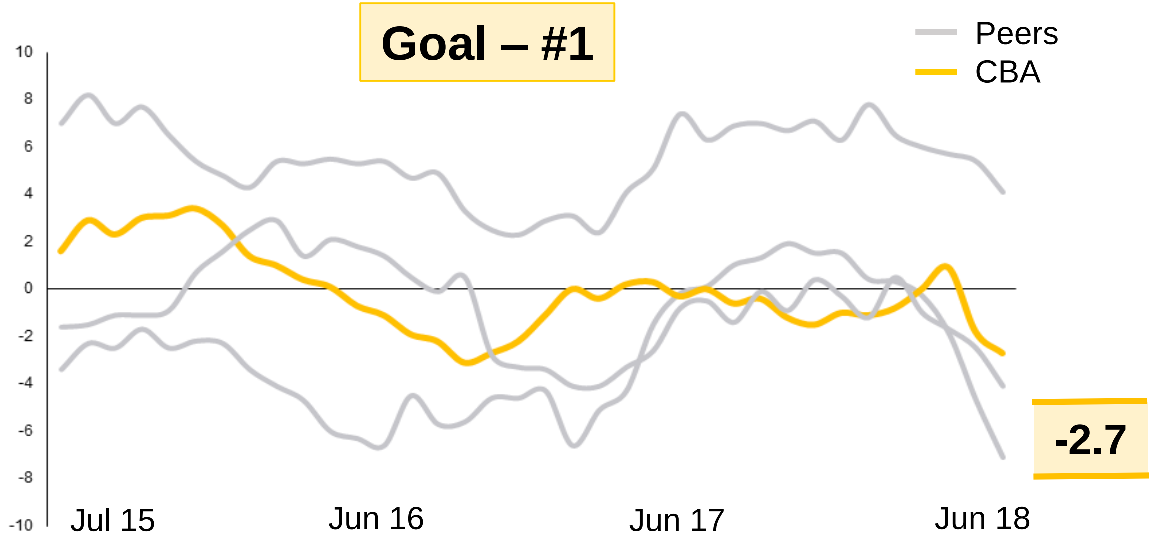
The clever EFTPOS tablet
50+ apps in total

94,000+
devices in market

Our strategy – measuring success

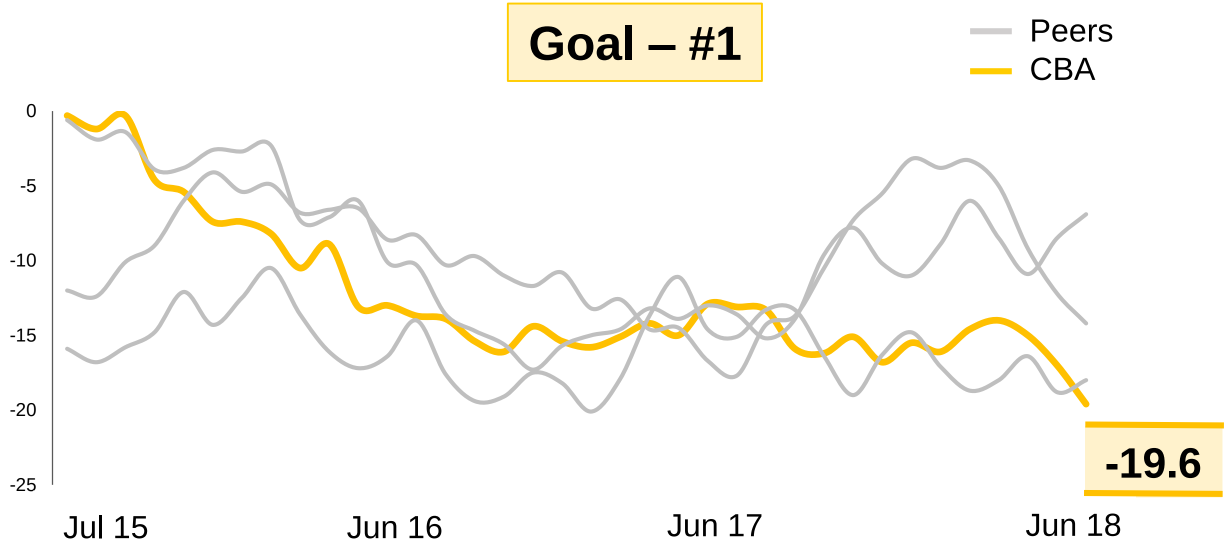
Net Promoter Score – Consumer[1]

Goal – #1



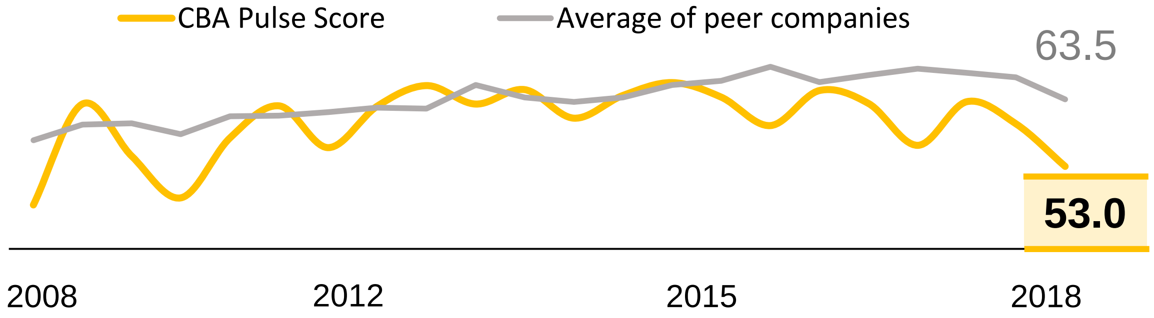
Net Promoter Score – Business[2]

Goal – #1



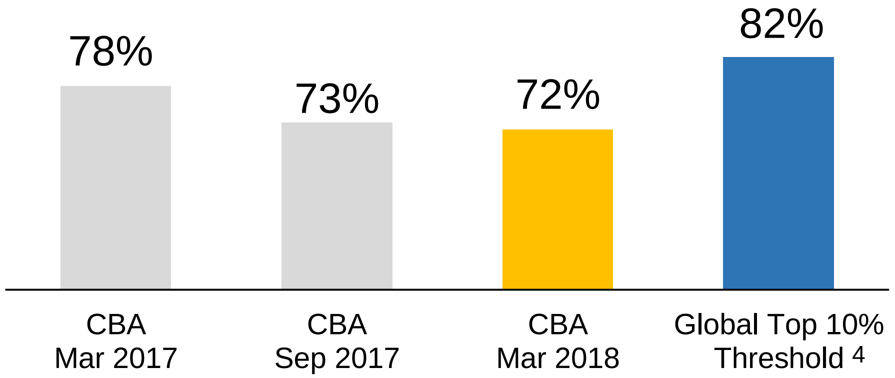
Reputation Scores[3]

Goal – Top quartile



Employee Engagement Index Score[4]

Goal – Global Top 10%



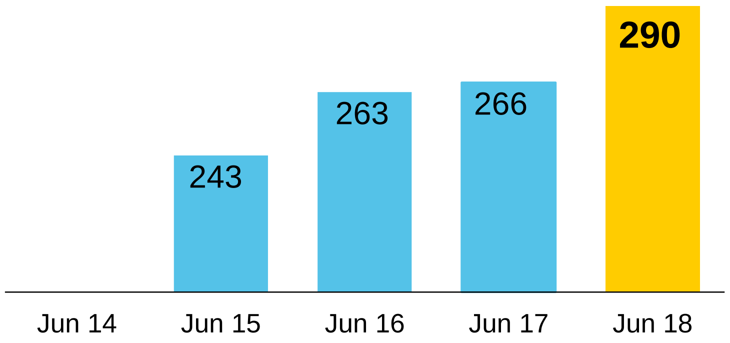
1, 2, 3, 4. Refer to notes slide at back of this presentation for source information.

Doing business sustainably

Delivering balanced and sustainable outcomes for all our stakeholders

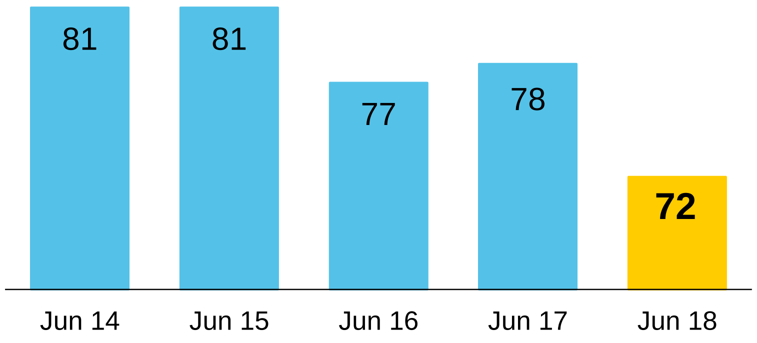
Community investment

Total community investment ($m)[1]



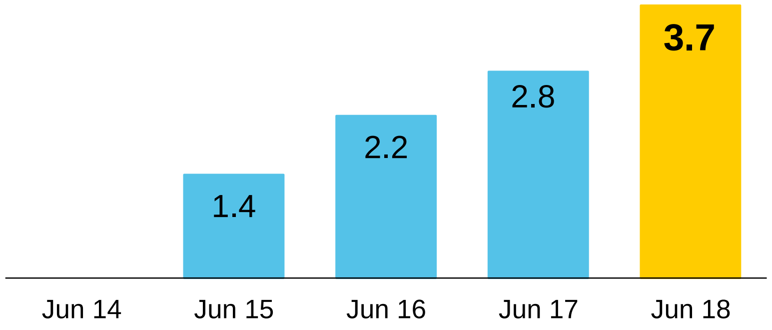
Employee engagement

Employee engagement index (%)[2]



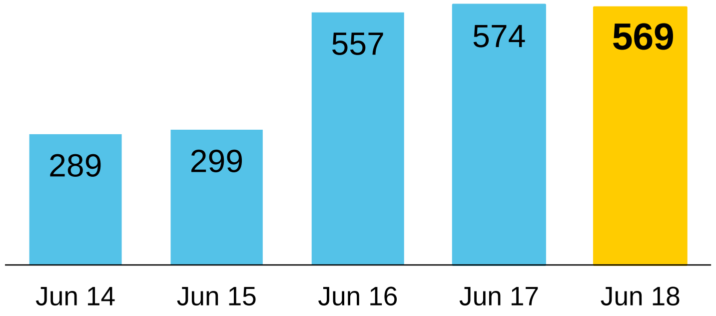
Renewable energy lending

Lending exposure ($bn)



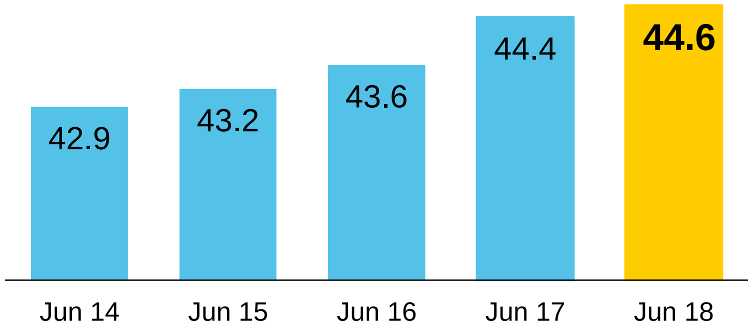
Start Smart

Students booked for Start Smart classes ('000)[3]



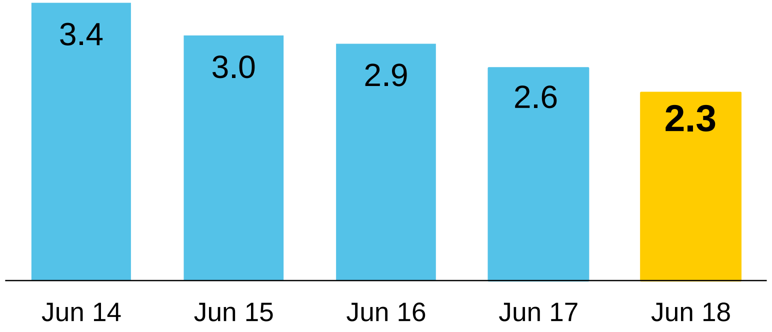
Women in management

Representation in Manager and above roles (%)[4]



Operation emissions intensity

Emissions per FTE, Scope 1+2, Australia (CO_2-e/FTE)[5]



1. Community investment includes forgone revenue, cash, time and management costs. 2. Employee engagement results from March 2018 Your Voice survey. 3. Start Smart classes cover different topics and the same student may be booked to attend a number of sessions. 4. Excludes ASB and Sovereign employees. 5. Scope 1 and 2 emissions, and full time equivalent (FTE) employees for Australian operations.

Task Force on Climate-related Financial Disclosures[1]

Initial reporting released – taking action on climate change

Better understand the impacts of climate change on the Bank
Increase the resilience of the Bank to climate risks
Take advantage of opportunities created by climate change
Support our customers and people in the transition to a low carbon economy

Governance

- Enhanced Board responsibility, including the setting of policy, agenda and targets
- Established Sustainable Finance Committee
- Updated investment-related ESG risk management policies

Strategy

- Undertook detailed climate scenario analysis, including:
  - Transition risks in business lending portfolio and FirstChoice Australian Share Fund
  - Physical risks in home lending and insurance portfolios
- Developed strategic response

Risk management

- Identified risks through climate scenario analysis
- Updated ESG risk assessment tool for business lending
- Updated ESG training for client facing roles and credit risk teams in business lending
- Reviewed Stranded Asset Risk Register

Metrics and targets

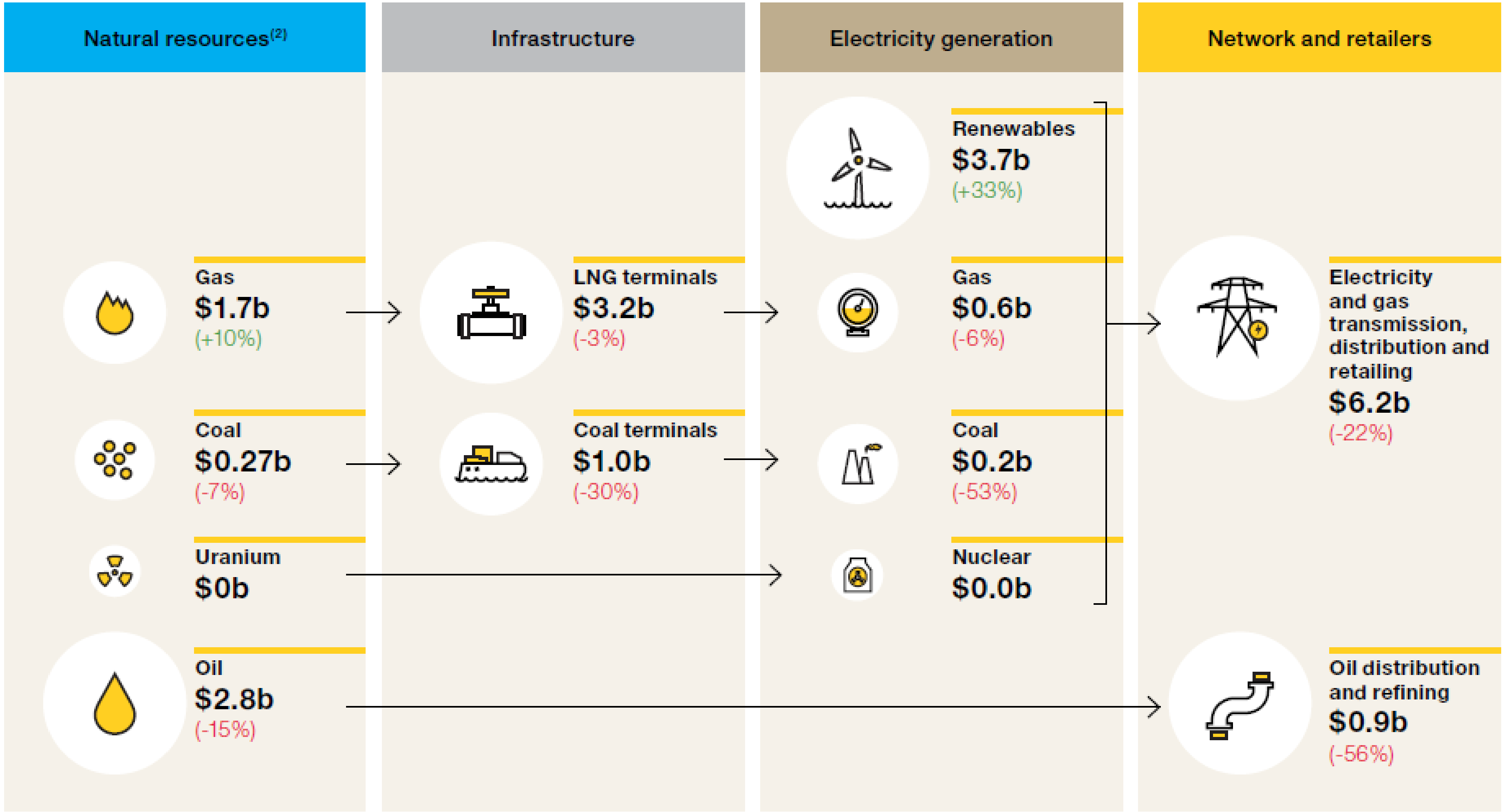
- $7.3bn financing towards our Low Carbon Target
- Reduced our carbon-related exposures – energy value chain, direct emissions reduction target
- Assessed emissions in business lending portfolio reduced in FY17 to 0.28kgCO_2/AUD[2]
- Carbon footprinting of our CFS equity investments

1. The Financial Stability Board's Task Force on Climate-related Financial Disclosures developed recommendations, released in June 2017, on financial disclosures to help investors better understand climate-related risks and opportunities to support more appropriate pricing of risks and allocation of capital globally. This is the Group's first year of reporting in line with these recommendations.
2. Our methodology for estimating financed emissions relies on client-specific data, which limits the timing for conducting this assessment.

Energy Value Chain

CBA exposure(1) to the Energy Value Chain as at 30 June 2018

Key: (+%) (-%)
Change since FY17



1. All figures are Total Committed Exposures (TCE) as at 30 June 2018. Figures represented have been specifically derived based on material client exposures.
2. Diversified miners not included.
3. Other energy related exposures ($0.2bn) includes smaller loans.

CBA overview

Delivering innovative solutions to ~16m customers

Customers

49,125[1] people delivering quality service to ~16m[1] customers

	Aust.	NZ	Other	Total
Customers	14.1	1.6m	0.4m	**16.1m**
Staff[1]	40.5k	5.1k	3.5k	**49.1k**
Branches	1,082	121	64	**1,267**
ATMs	3,669	457	127	**4,253**

Innovation

Australia's leading technology bank and the first to offer real-time banking, 24x7

Digital Customers[2]	**6.5m**
Customer Advocacy – Internet Banking[3]	**#1**
Logons per day CommBank App and NetBank	**6.5m**
CommBank App mobile users[4]	**5.0m**

Strength

Australia's 3rd largest company by market capitalisation

Market Capitalisation[5]	**#3**
Cash ROE[1,6]	**14.1%**
CET1 - APRA	**10.1%**
CET1 – International[7]	**15.5%**
Total Assets	**$975bn**
Credit Ratings[8]	**AA-/Aa3 /AA-**

1. Presented on a continuing operations basis. 2,3,4,5,7,8. Refer to the slide at the back of this presentation for source information. 6. Includes a $700 million expense for the AUSTRAC civil penalty.

Financial Overview

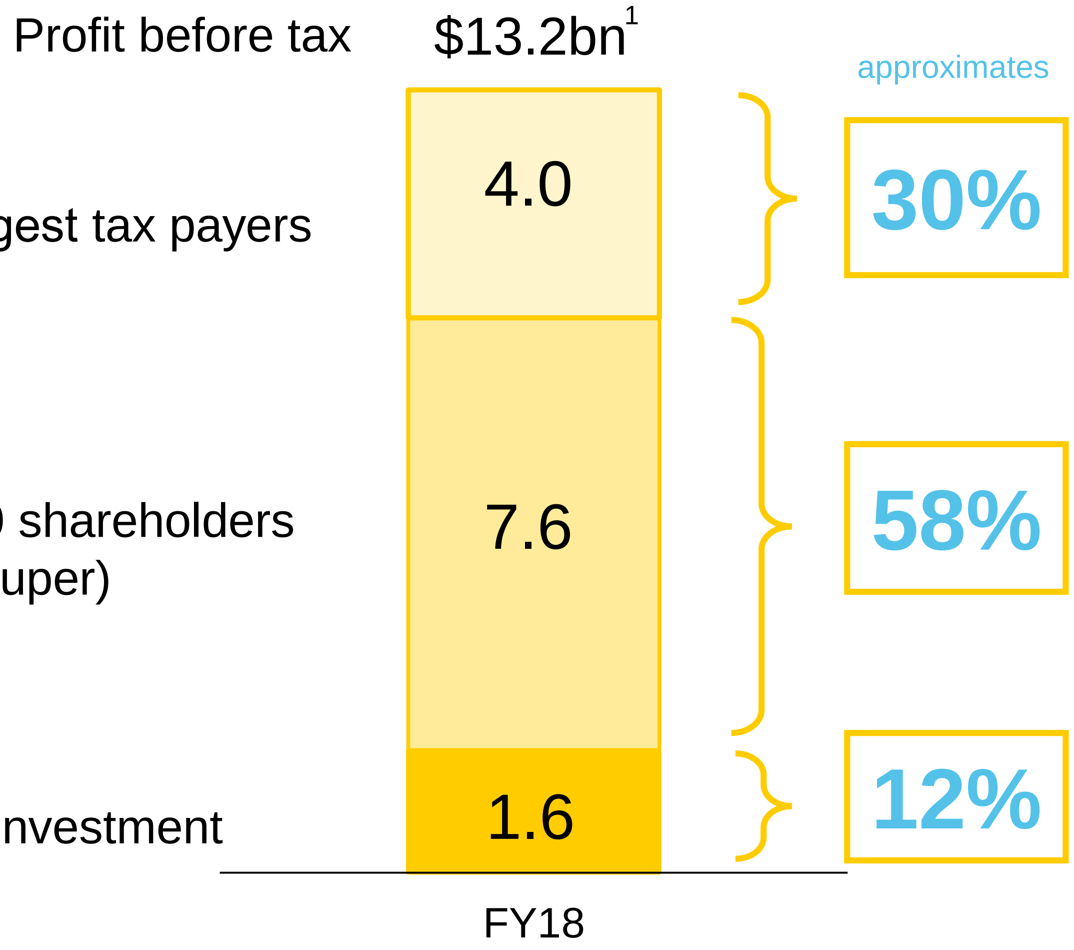
Our profits

88% of profits paid in tax and returned to shareholders

Tax Expense
One of Australia's largest tax payers

Dividends
Returned to ~800,000 shareholders
(+ millions more via Super)

Reinvested
Retained for lending, investment & growth



1. Presented on a continuing operations basis.

Key Comparative Financial Metrics

This result impacted by one-off items

Full year ended ("cash basis") [1]	Incl. of discontinued operations & incl. one-offs[2] FY18	FY18 v FY17	Continuing operations, incl. one-offs[2] FY18	FY18 v FY17	Pro-forma continuing operations, ex. one-offs[3] FY18	FY18 v FY17
Cash net profit after tax	$9,412m	(4.7%)	$9,233m	(4.8%)	$10,011m	3.7%
Cost-to-income [4]	45.4%	270 bpts	44.8%	270 bpts	41.1%	(10)bpts
Jaws [5]	(6.4%)	n/a	(6.6%)	n/a	0.3%	n/a
Effective tax rate	30.2%	180 bpts	30.2%	180 bpts	28.6%	20 bpts
Profit after capital charge [6]	$5,783m	(11.4%)	$5,803m	(11.1%)	$6,608	1.9%
Earnings per share (basic)	538.8c	(6.1%)	528.6c	(6.2%)	573.1c	2.2%
Return on equity	14.4%	(160)bpts	14.1%	(160)bpts	15.3%	(30)bpts

1. Presented on a cash basis unless otherwise stated. 2. Includes one-off items – see slide 17 for a full list of one-off items. 3 Excludes one-off items – see slide 17 for a full list of one-off items
4. Operating expenses to total operating income. 5. The Group uses Jaws as a key measure of financial performance. It is calculated as the difference between total operating income growth and operating expenses growth, compared to the prior comparative period. 6. The Group uses PACC, a risk adjusted measure, as a key measure of financial performance. It takes into account the profit achieved, the risk to capital that was taken to achieve it, and other adjustments.

FY18 – result overview[1]

Financial

Statutory NPAT[2] ($m)	9,375	(4.0%)
Cash NPAT[2] ($m)	9,233	(4.8%)
ROE[2] % (cash)	14.1	(160)bpts
EPS[2] cents (cash)	528.6	(6.2%)
DPS $	4.31	2 cents
Underlying C:I[2,3] (%)	41.1	(10)bpts
NIM[2] (%)	2.15	5 bpts
Op income[2,3] ($m)	25,670	3.4%
Op expenses[2,3] ($m)	10,547	3.1%
LIE to GLAA (bpts)	15	Flat

Balance Sheet, Capital & Funding

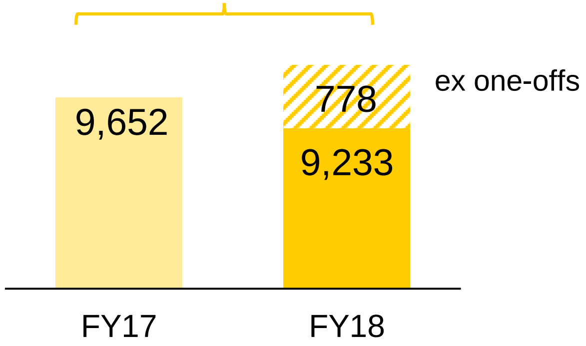
Capital – CET1 (Int'l)[4]	15.5%	(10)bpts
Capital – CET1 (APRA)	10.1%	Flat
Total assets ($bn)	975	(0.1%)
Total liabilities ($bn)	907	(0.6%)
Average FUA[2] ($bn)	154	9.0%
Deposit funding	68%	1.0%
LT wholesale funding WAM	5.1 yrs	1.0 yrs
Liquidity coverage ratio	131%	200 bpts
Leverage ratio (APRA)	5.5%	40 bpts
Net stable funding ratio	112%	5%
Credit Ratings[5]	AA-/Aa3/AA-	Refer footnote 5

1. All movements on prior comparative period unless stated. 2. Presented on a continuing operations basis. 3. Excludes one-off items – see slide 17 for a full list of one-off items. 4. Internationally comparable capital - refer glossary for definition. 5. S&P, Moody's and Fitch. S&P put major Australian Banks on "Outlook Negative" 7 Jul 16. Moody's lowered the rating on 19 Jun 17, outlook "Stable". Fitch updated the outlook on the bank sector to "Negative" on 2 Dec 16. Fitch updated outlook on CBA to negative on 7 May 2018.

Result overview

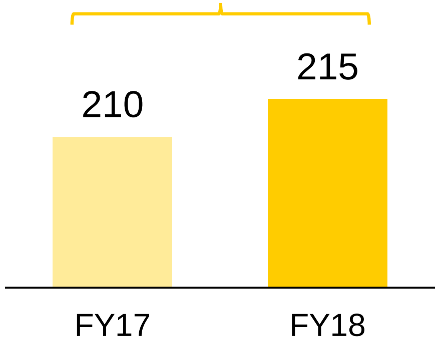
Cash NPAT[1,2] ($m)

+3.7%



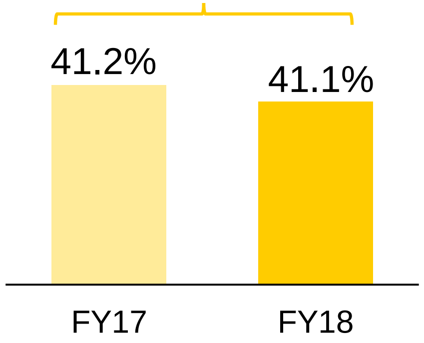
NIM[1]

+5 bpts



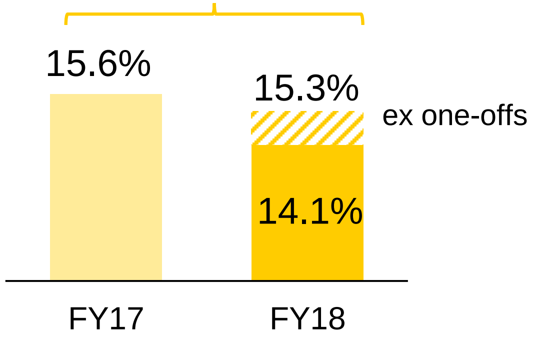
C:I ex one-offs[1,2]

(10)bpts



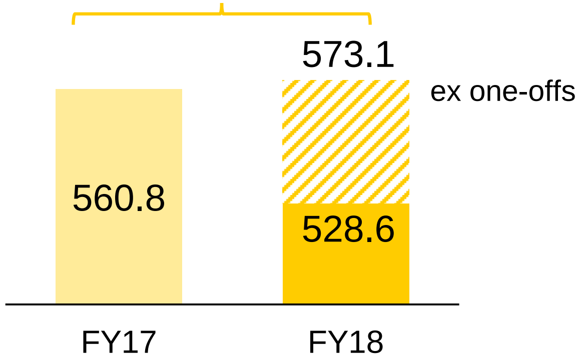
Cash ROE[1,2]

(30)bpts



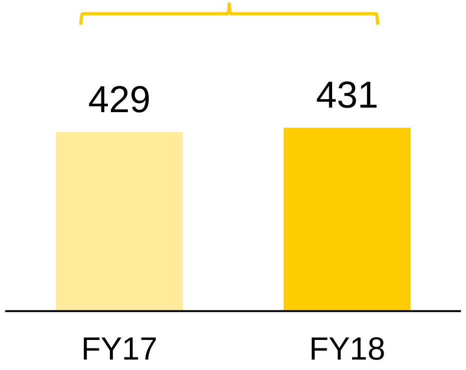
Cash EPS[1,2] (cents)

+2.2%



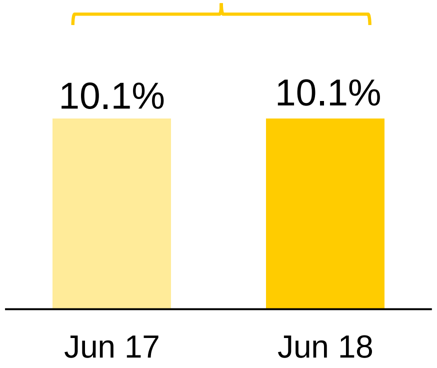
DPS (cents)

+ 2 cents



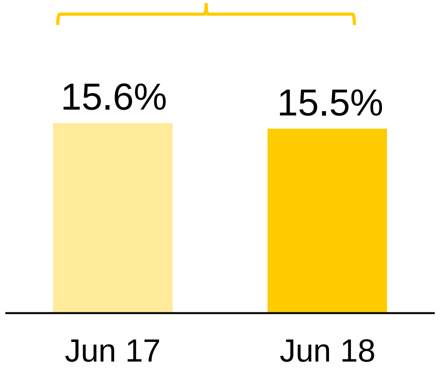
CET1 (APRA)

flat



CET1 (International)[3]

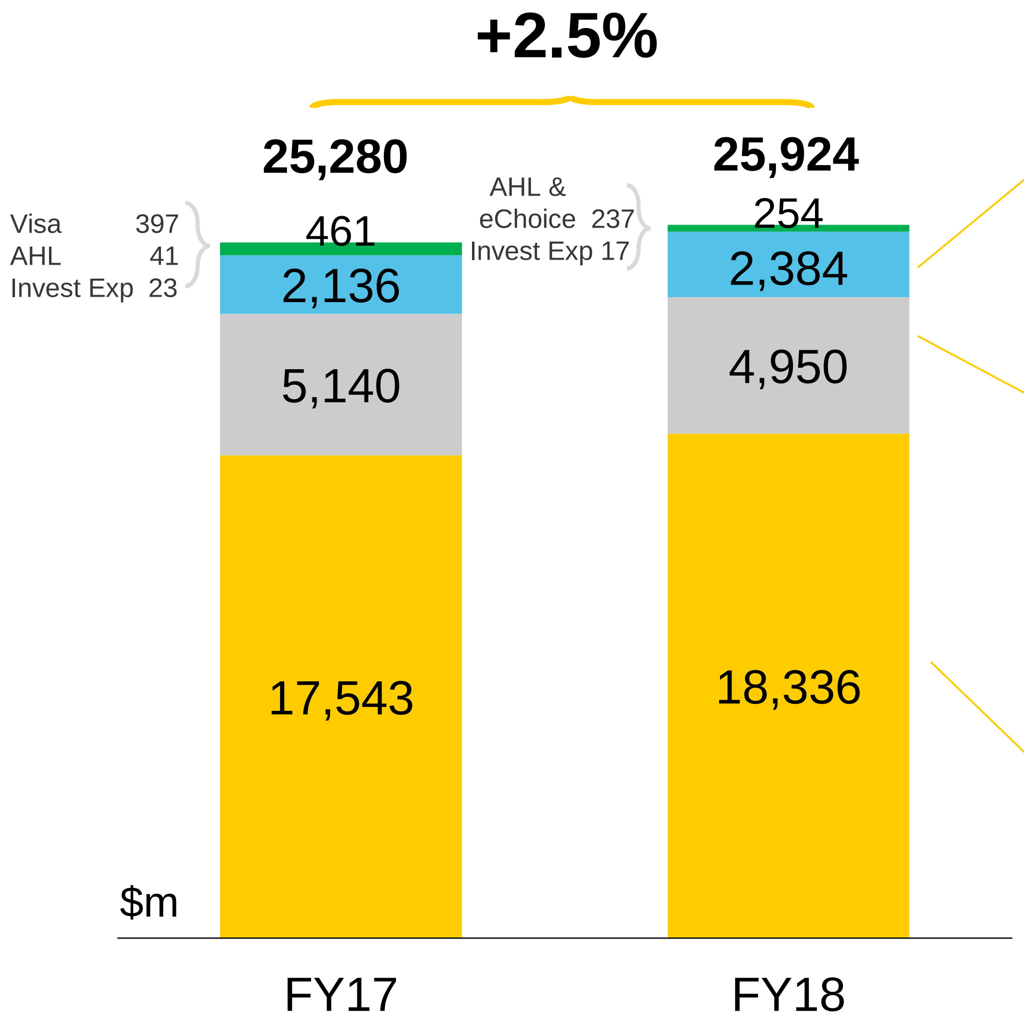
(10)bpts



1. Presented on a continuing operations basis. 2. Excludes one-off items – see slide 17 for a full list of one-off items. 3. Internationally comparable capital - refer to glossary for definition.

Total income drivers[1]

Gains in Net Interest Income and Funds/Insurance offset by lower OBI (trading)

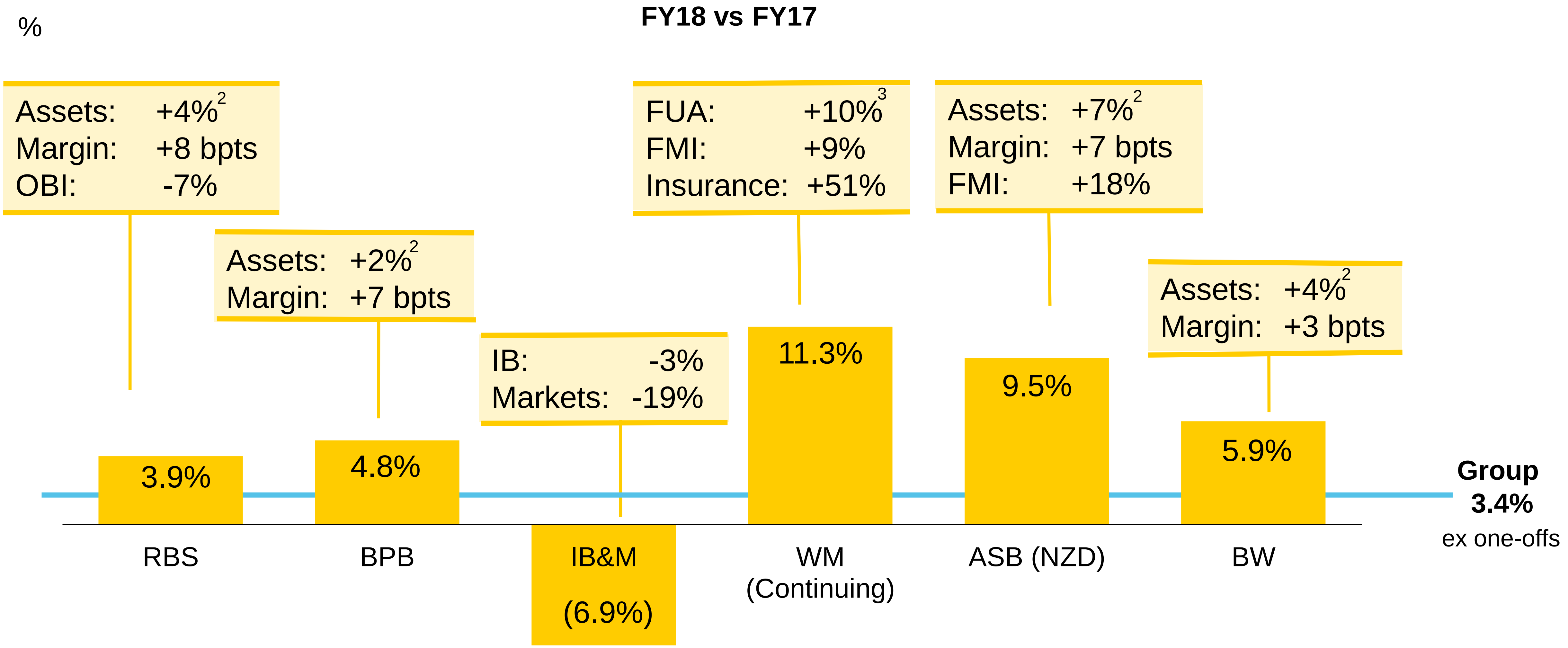


Funds & Insurance	**11.6%**
Average FUA	9.0%
Insurance income	31.4%
Other Banking Income[2]	**(3.7%)**
Derivative Valuation Adjustment (DVA)	+$4m
Lending fees	+2.9%
Trading (ex DVA)	(11.2%)
Commissions	(4.0%)
Net Interest Income[2]	**4.5%**
Volume	2.3%
Margin	+5 bpts

1. Presented on a continuing operations basis. 2. Excludes one-off items – see slide 17 for a full list of one-off items.

Operating income by line of business[1]

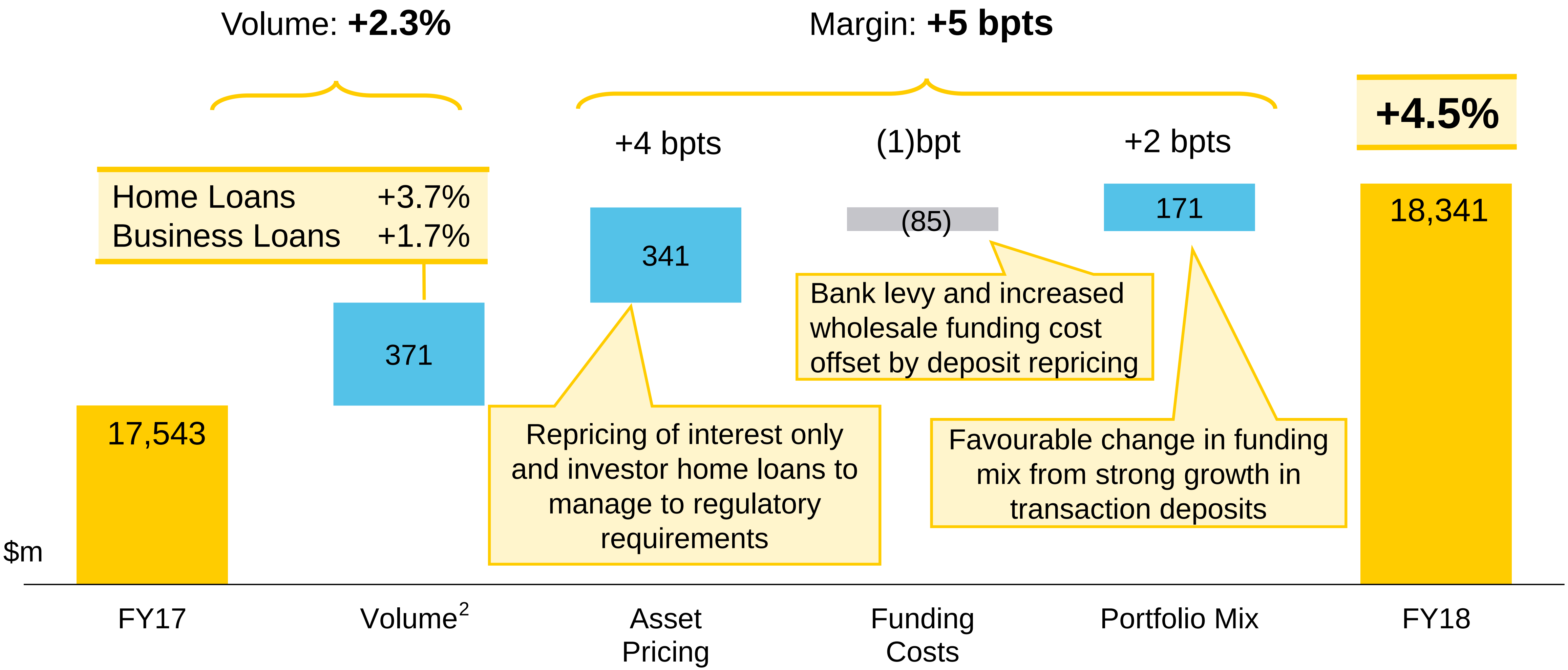
Divisional income growth broadly underpinned by asset repricing and modest volume growth



1. Presented on a continuing operations basis. To present an underlying view of the RBS result, the impact of AHL and eChoice consolidation has been excluded. Excludes Corporate Centre and other. 2. Movement in average interest earning assets. 3. Movement in average funds under administration.

Net Interest Income[1]

NII growth driven by margin gains from asset repricing and volume growth



1. Presented on a continuing operations basis.
2. Average interest earning assets.

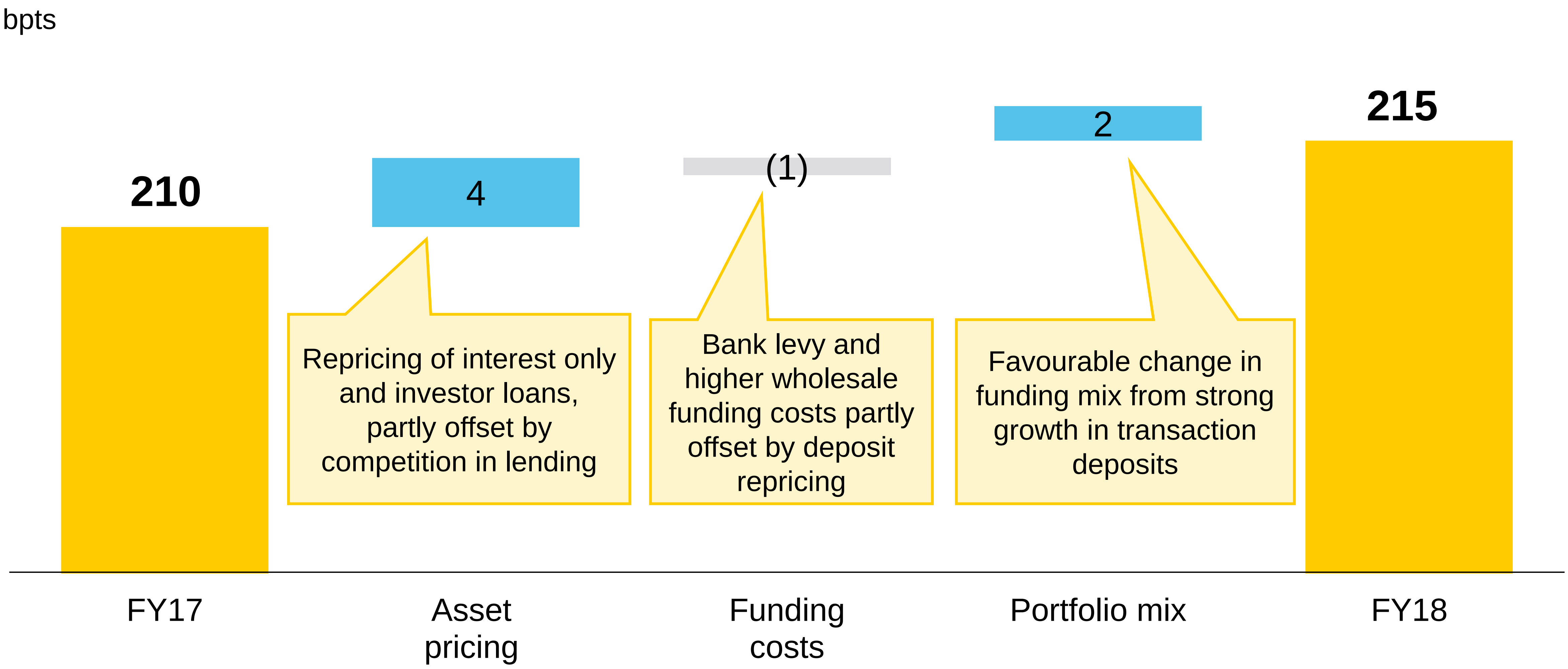
Balance Sheet[1]

$m	FY17	FY18	Mvt %
Home Loans	485,857	501,665	3.3%
Consumer finance	23,577	23,317	(1.1%)
Business and corporate loans	226,484	222,367	(1.8%)
Non-lending interest earning assets	163,665	150,306	(8.2%)
Other	76,735	77,510	1.0%
Total Assets	**976,318**	**975,165**	**Flat**
Total interest bearing deposits	580,972	571,677	(1.6%)
Debt issues	168,034	172,673	2.8%
Other interest bearing liabilities	57,531	54,124	(5.9%)
Non-interest bearing transaction deposits	44,032	48,831	10.9%
Other non-interest bearing liabilities	62,089	60,000	(3.4%)
Total liabilities	**912,658**	**907,305**	**(0.6%)**
Total Equity	**63,660**	**67,860**	**6.6%**

1. Current period balances have been impacted by the announced sale of the Group's life insurance businesses in Australia and New Zealand, the investment in BoComm Life and TymeDigital.

Group NIM[1]

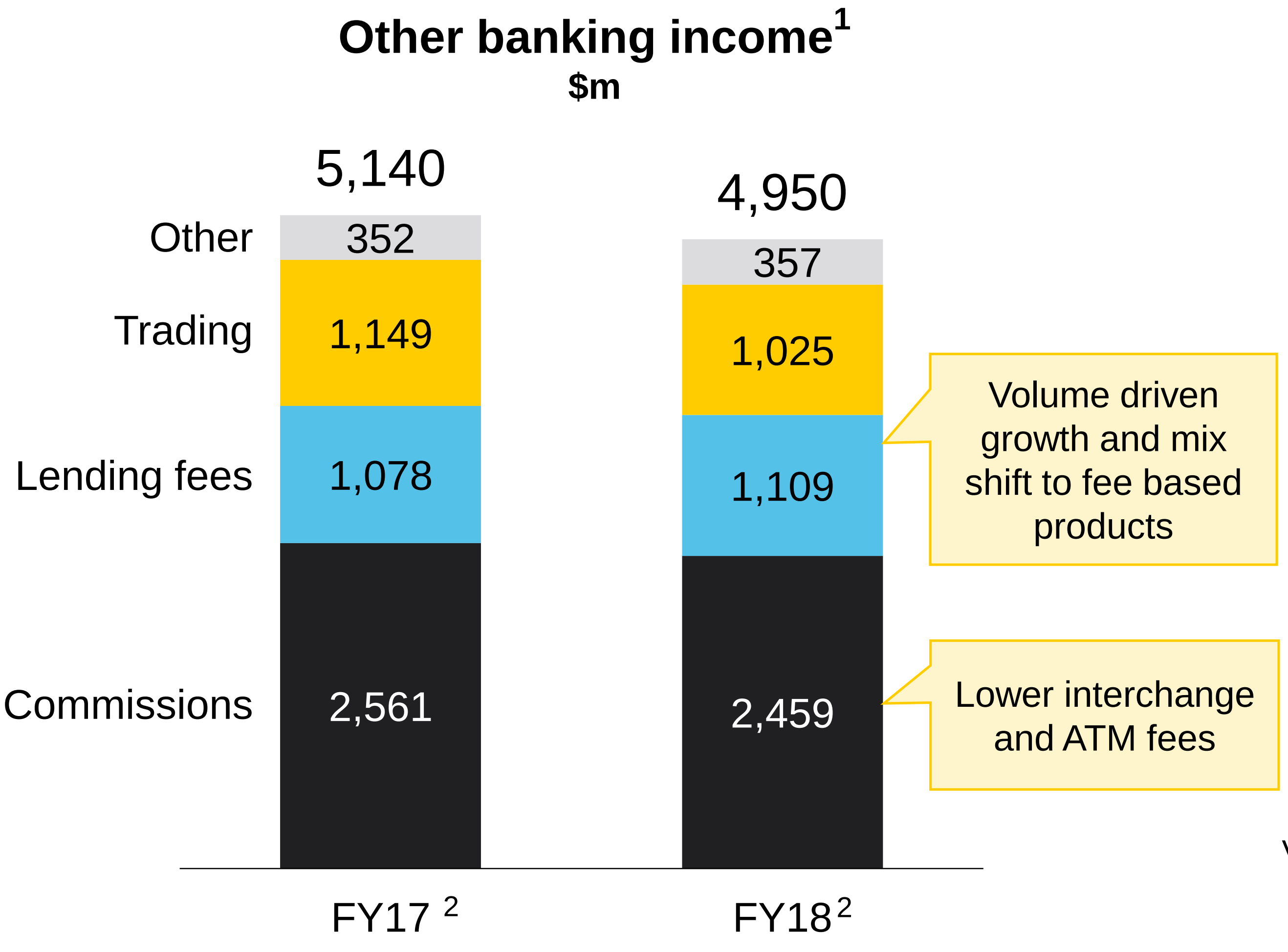
Up 5 bpts over the past 12 months, largely due to asset repricing in 1H18

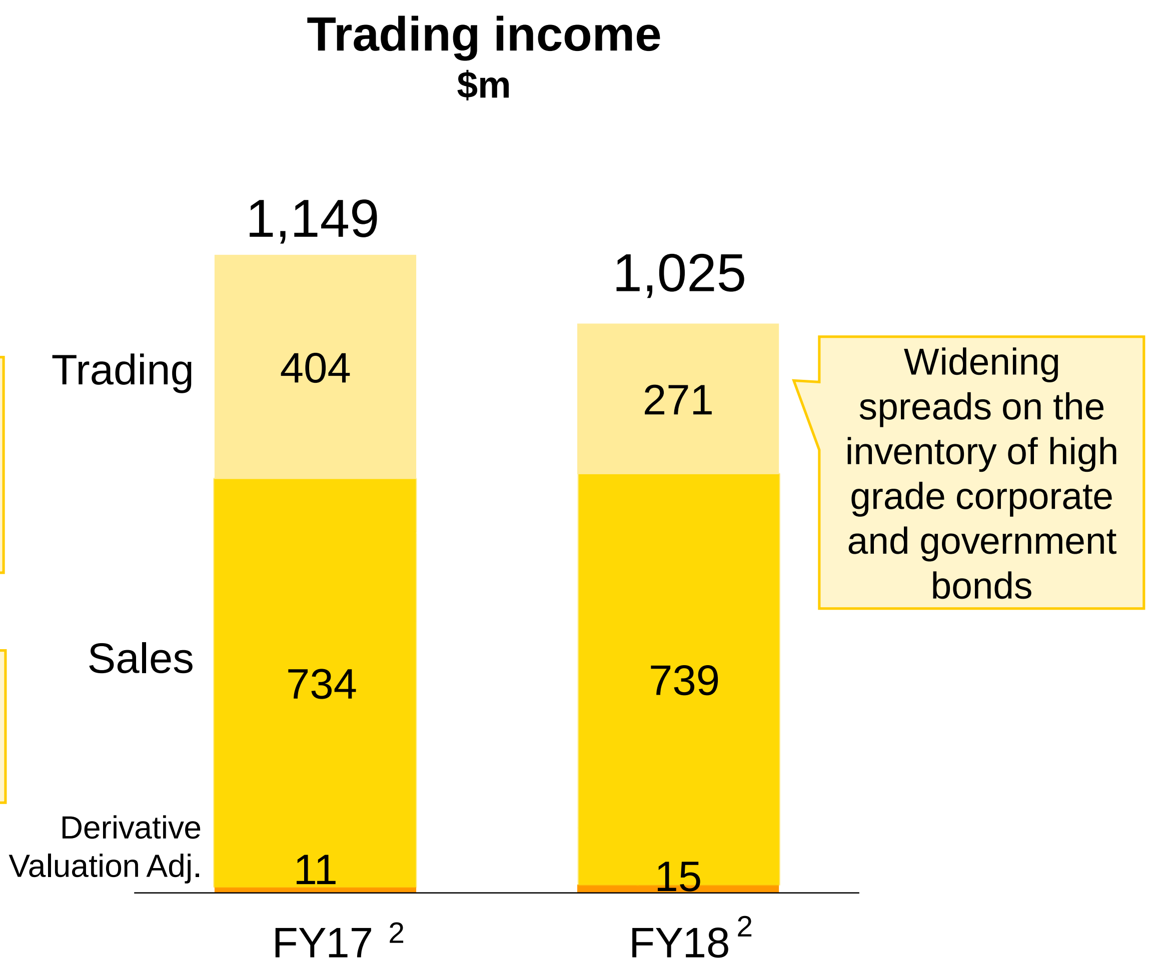


1. Comparative information has been restated to conform to presentation in the current period. Presented on a continuing operations basis.

Other banking income

Subdued OBI from lower trading, reduced interchange and removal of ATM fees

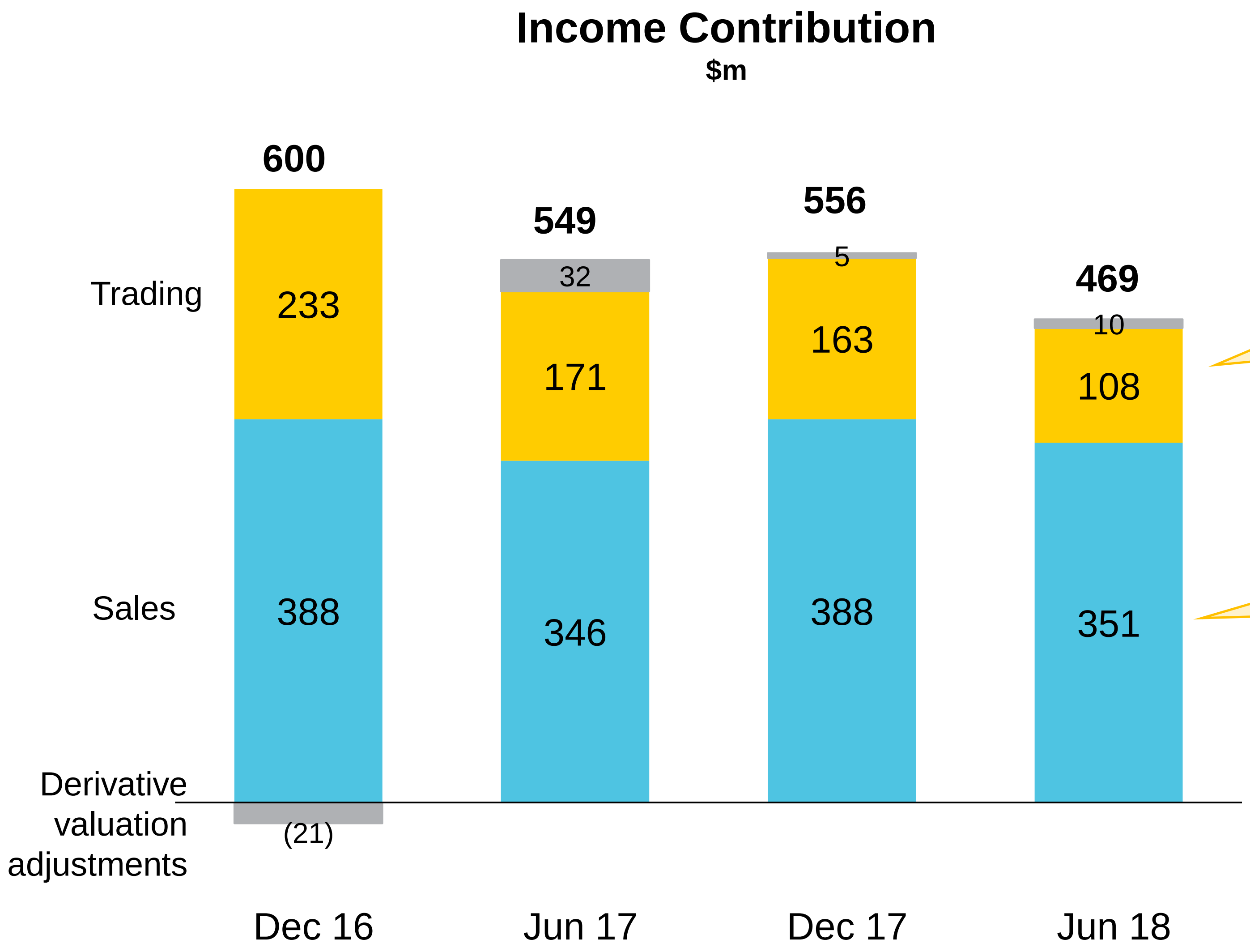




1. Excludes one-off items – see slide 17 for a full list of one-off items. 2. Presented on a continuing operations basis.

Markets income

Lower trading income due to widening of spreads and lower sales in 2nd Half



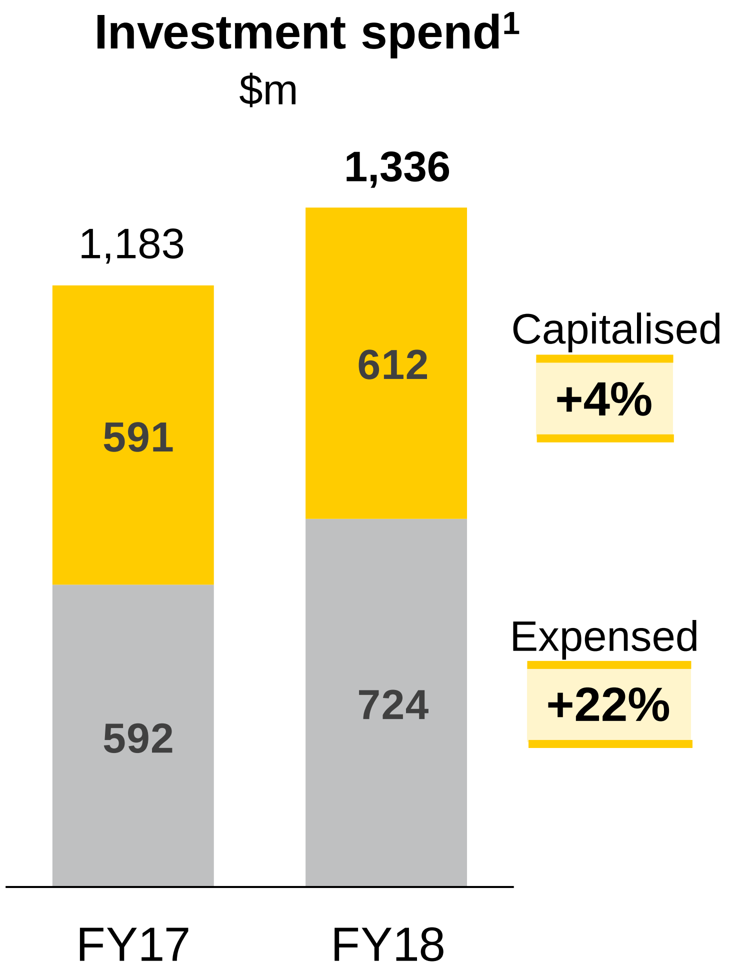
Jun 18 vs Dec 17

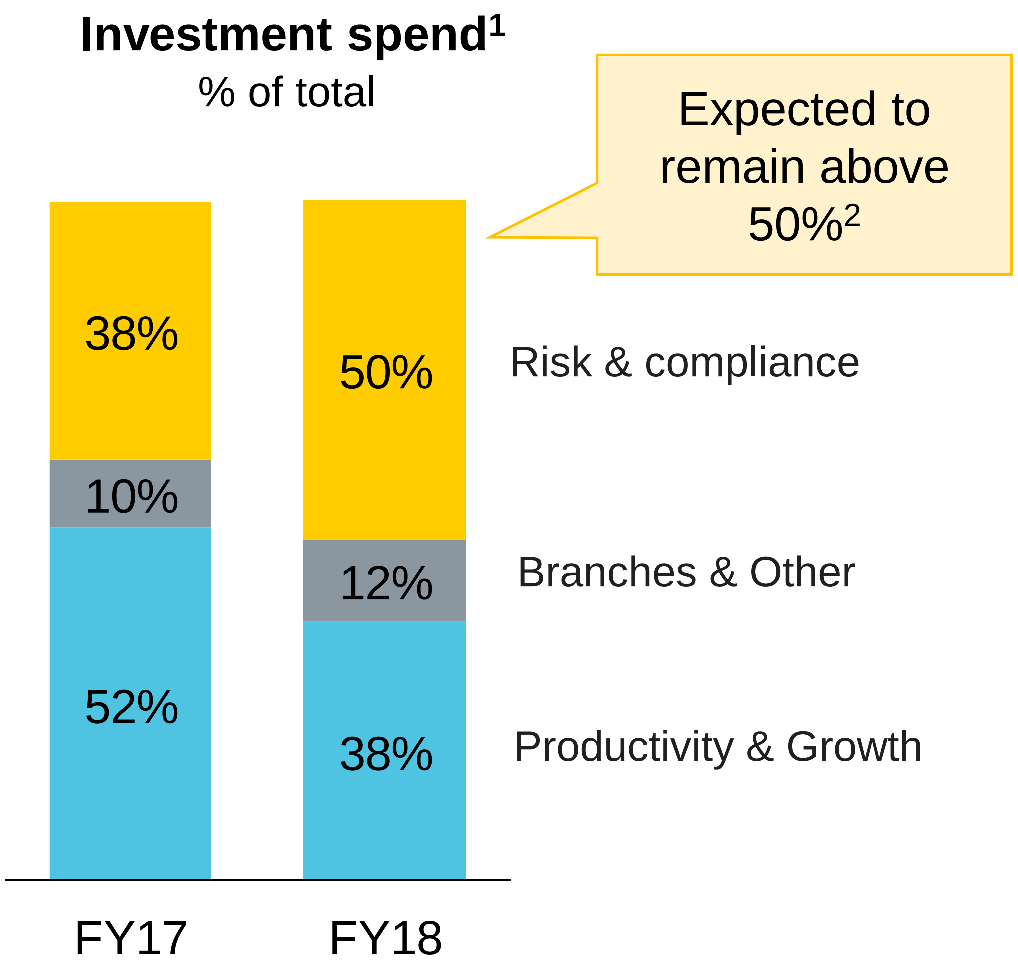
Widening of spreads on the inventory of high grade corporate and government bonds

Lower volatility resulting in lower client demand

Investment spend

Investment expense up 22% on higher financial crimes compliance costs



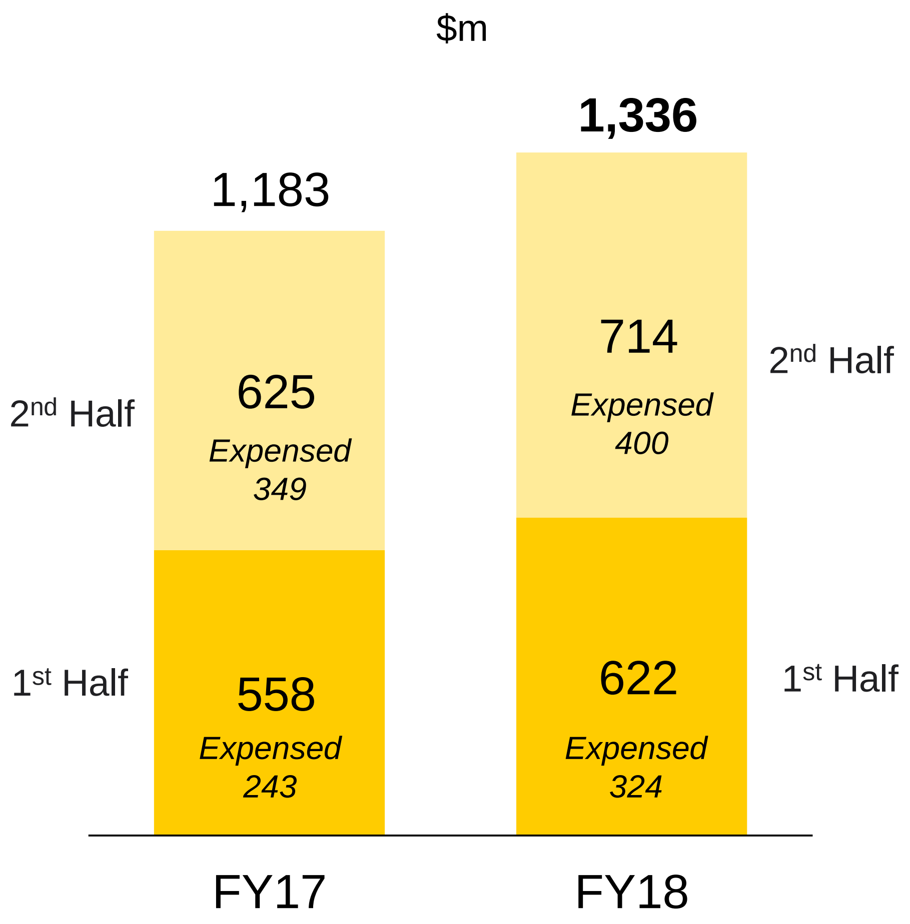


1. Comparative information has been restated to conform to presentation in the current period. 2. The prioritisation of investment toward improving management of non-financial risk is expected to continue, including addressing recommendations made by APRA's Prudential Inquiry. Risk and Compliance spend, including that on Financial Crimes Compliance, is expected to be more than 50% of total FY19 investment spend.

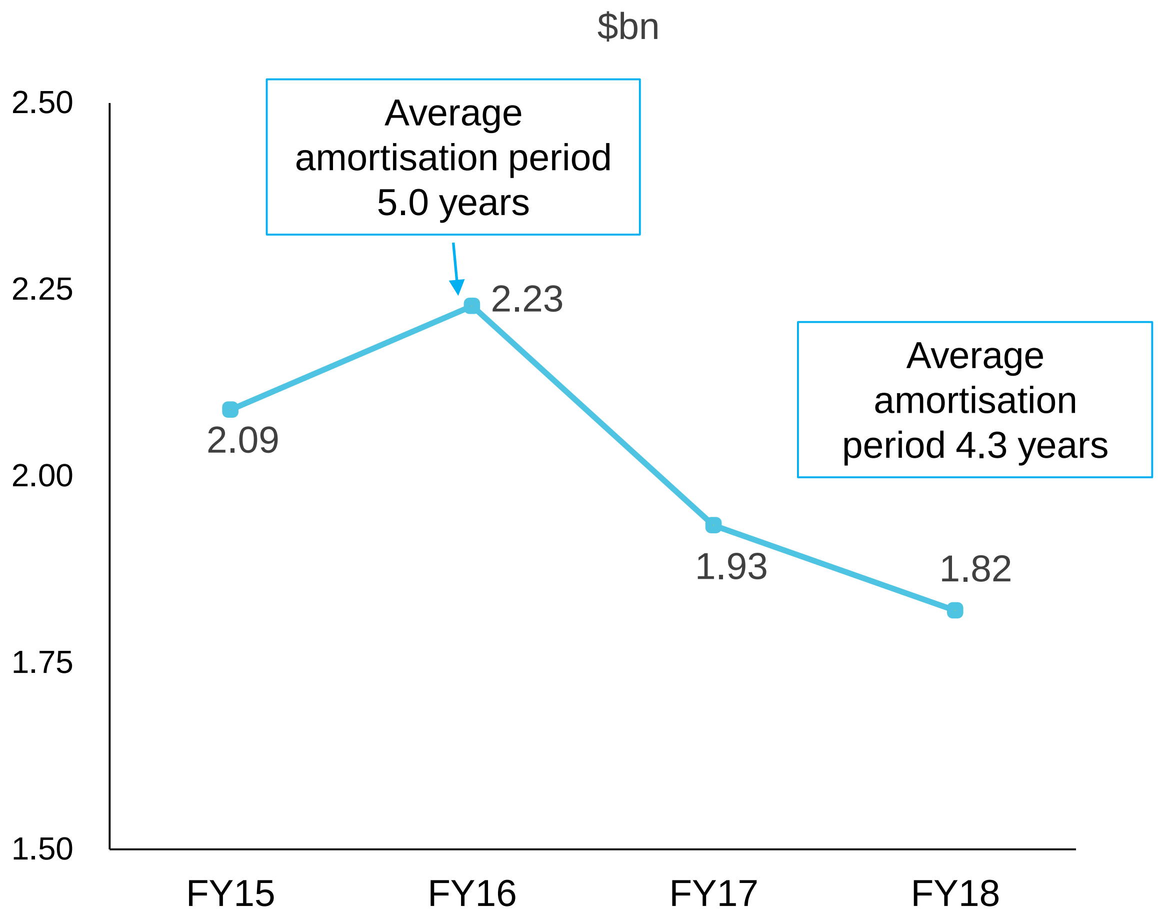
Investment spend and capitalised software

Investment spend increased due to the strengthening of financial crimes compliance

Gross investment spend[1]



Capitalised software balance

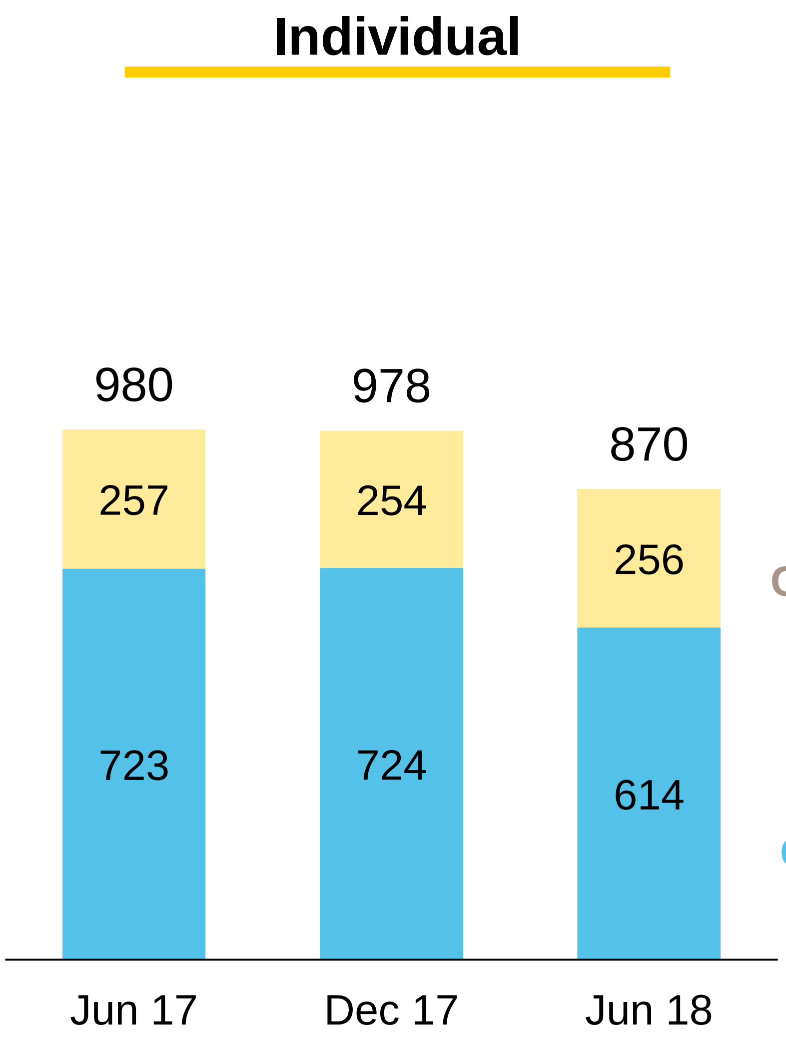


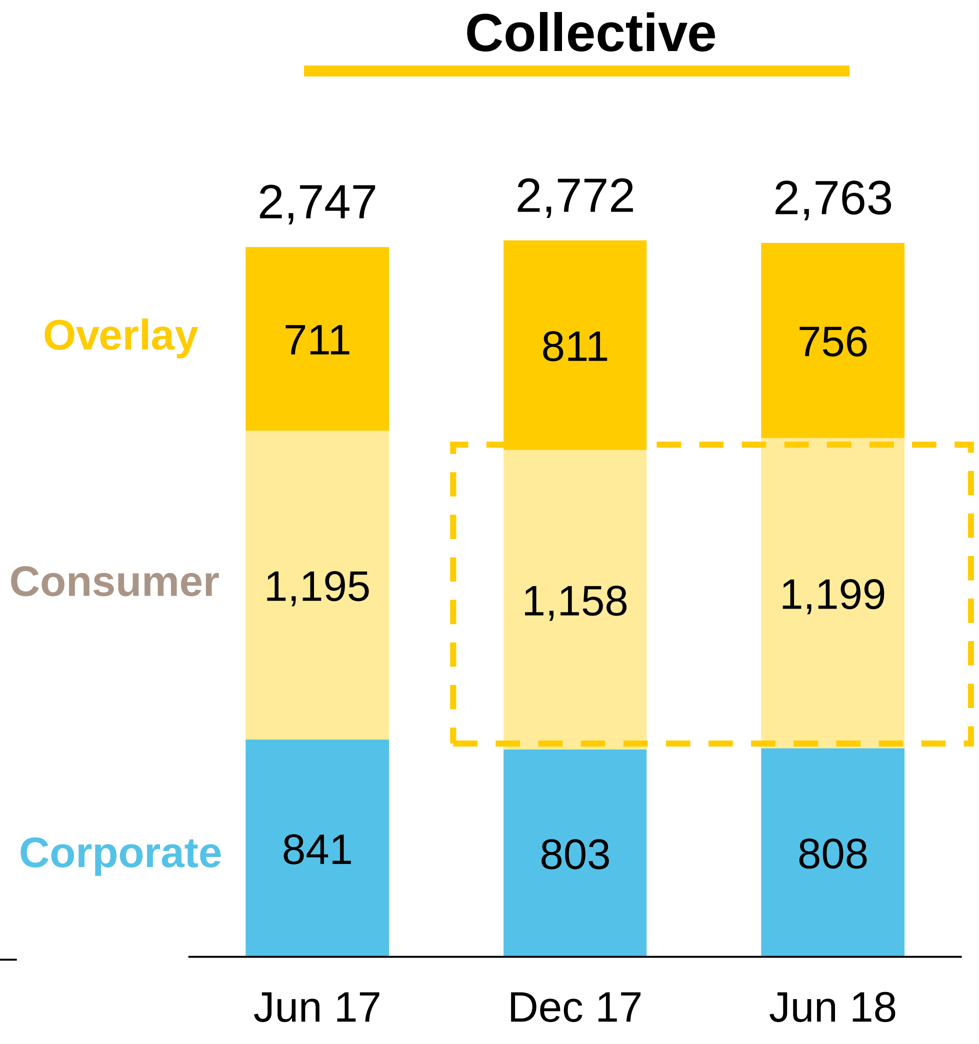
1. Presented on a continuing operations basis.

Provisioning

Higher consumer collective provisions

$m





Divisional contributions[1]

Good contributions across the portfolio

FY18 vs FY17

Business Unit [2]	% of Group NPAT [2] FY18	Operating Income	Operating Expenses	**Operating Performance**	LIE	**Cash NPAT**	Cost-to-Income FY18
RBS [3]	56.2%	3.9%	2.2%	**4.7%**	2.0%	**4.8%**	30.5%
BPB	20.4%	4.8%	1.4%	**6.8%**	Lge	**4.4%**	36.1%
IB&M	12.1%	(6.9%)	5.4%	**(14.4%)**	25.0%	**(14.5%)**	42.7%
Wealth	6.1%	11.3%	2.6%	**34.0%**	n/a	**33.4%**	66.6%
ASB [4]	11.0%	9.5%	5.4%	**11.7%**	15.9%	**11.5%**	34.6%
BW	7.4%	5.9%	(0.8%)	**11.4%**	(45.5%)	**18.2%**	42.1%
IFS	1.9%	2.1%	(17.7%)	**29.3%**	1.6%	**32.8%**	46.7%

1. Presented on a continuing operations basis. 2. Excludes Corporate Centre and Other, and therefore does not add to 100%. 3. RBS result excluding impact of AHL and eChoice consolidation, except for "% of Group NPAT". 4. ASB result in NZD except for "% of Group NPAT", which is in AUD.

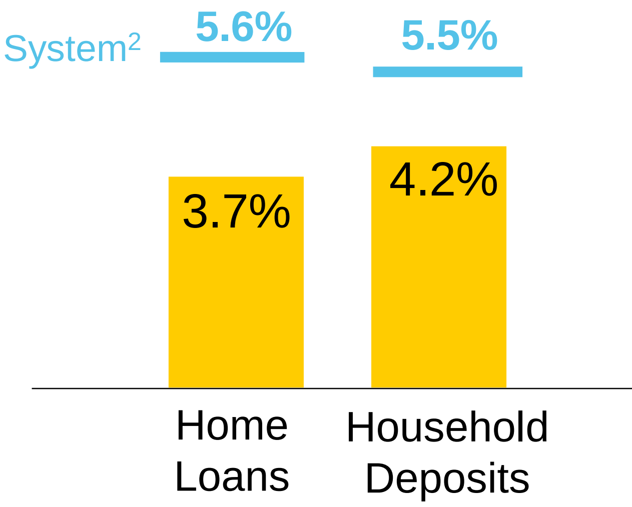
Retail Banking Services (RBS)

Managing revenue challenges whilst maintaining efficiency focus

Volume growth[1]

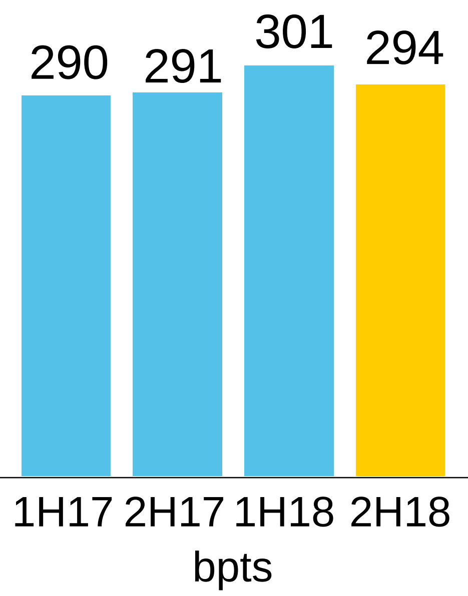
Balancing growth and returns - managing regulatory requirements

12 months – Jun 18



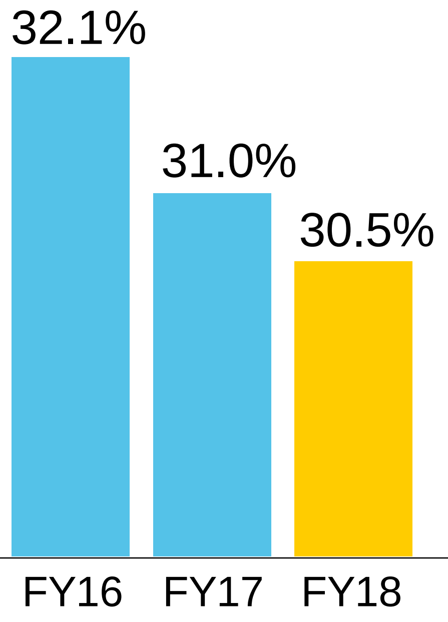
Margins[3]

Home Loan repricing, partly offset by mix shift and switching[4]



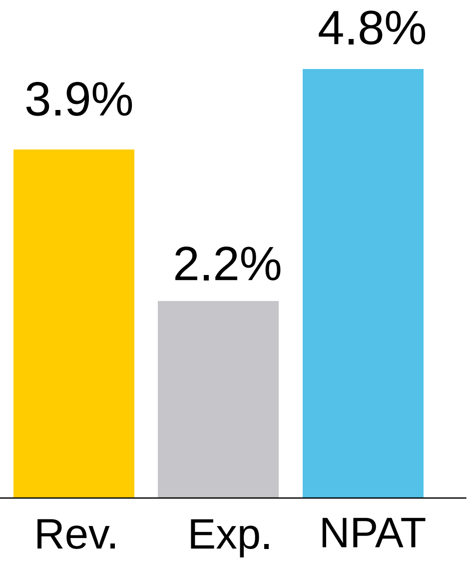
Cost-to-income[3]

Positive Jaws driving cost-to-income to historical lows



NPAT[3]

FY18 vs FY17



1. Source: RBA Lending and Credit Aggregates and APRA Monthly Banking Statistics. 2. System adjusted for new market entrants. 3. Excludes AHL and eChoice, but includes equity accounted profits earned pre-consolidation of AHL. 4. Mix shift to fixed rate home loans, and switching from Interest Only to Principal and Interest repayments.

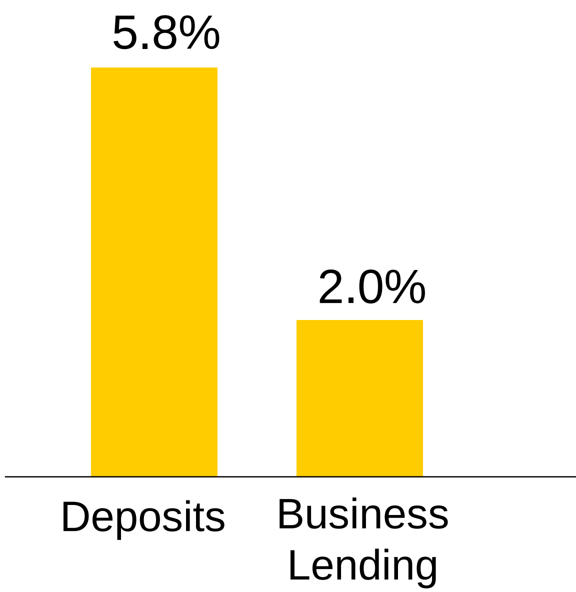
Business & Private Banking (B&PB)

Good volume growth in priority sectors, supported by improved margins

Volume growth

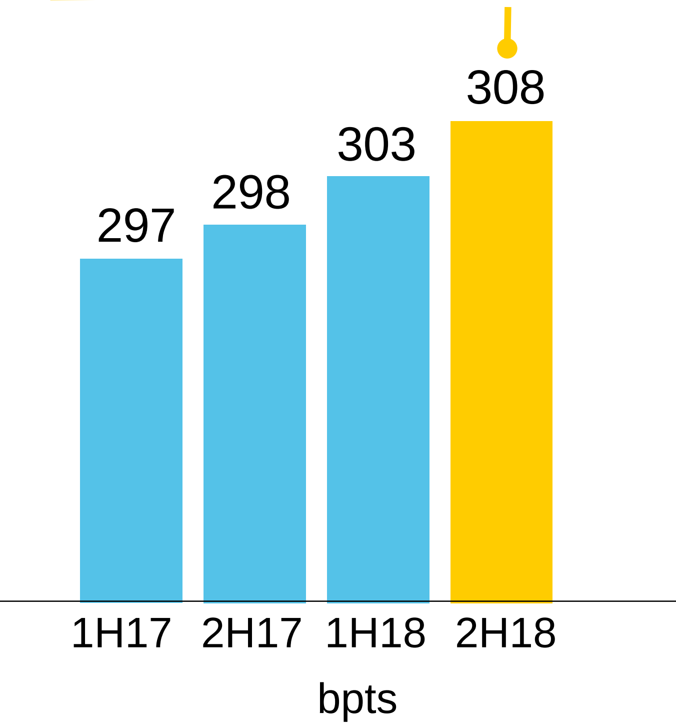
Health +14%
Agri +5%
Property -0.5%

12 months



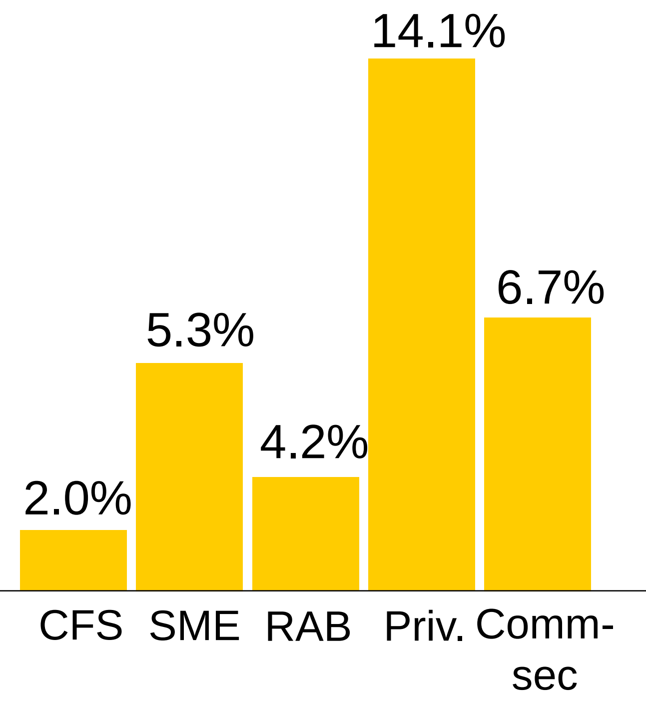
Margins

Higher deposit balances and margins partly offset by lower home loan margins



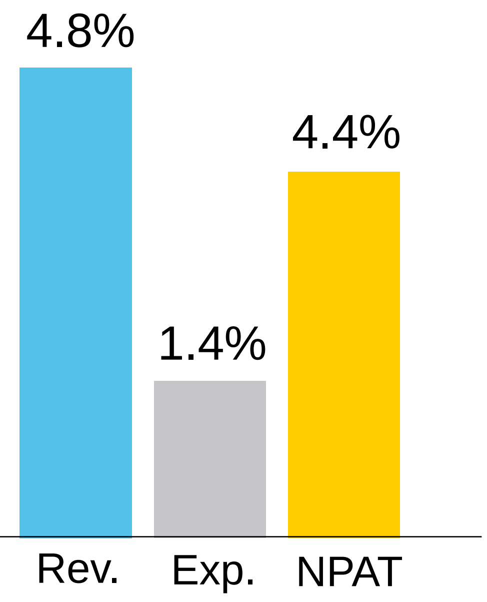
Revenue

Broad-based revenue growth across segments



NPAT

FY18 vs FY17



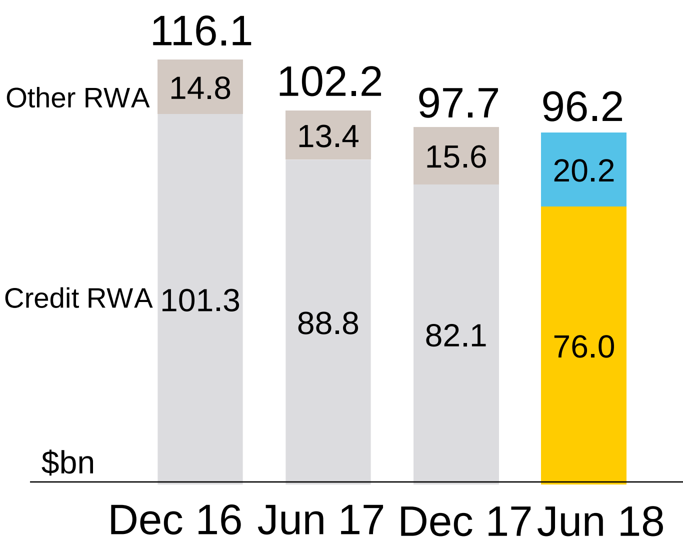
Institutional Banking and Markets (IB&M)

Market conditions impacted trading result - continued focus on RWA optimisation

Volumes

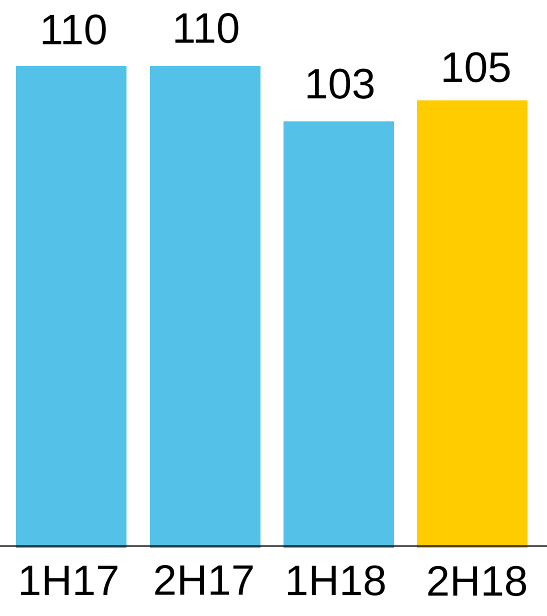
Portfolio optimisation of Credit RWA

RWA



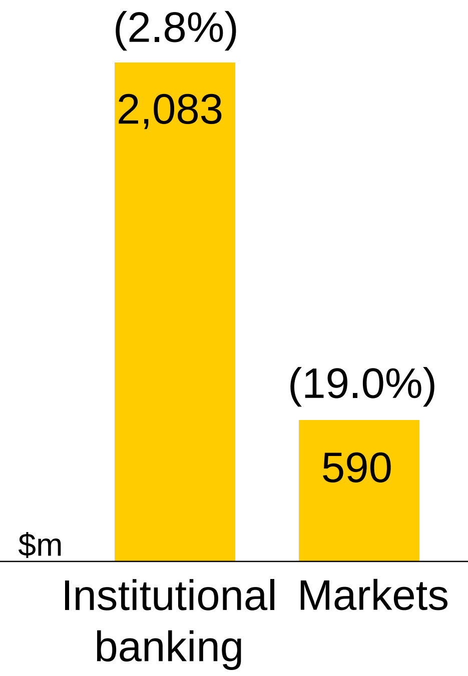
Net Interest Margins

Improved client margin this half



Revenue

Trading revenue impacted by market conditions

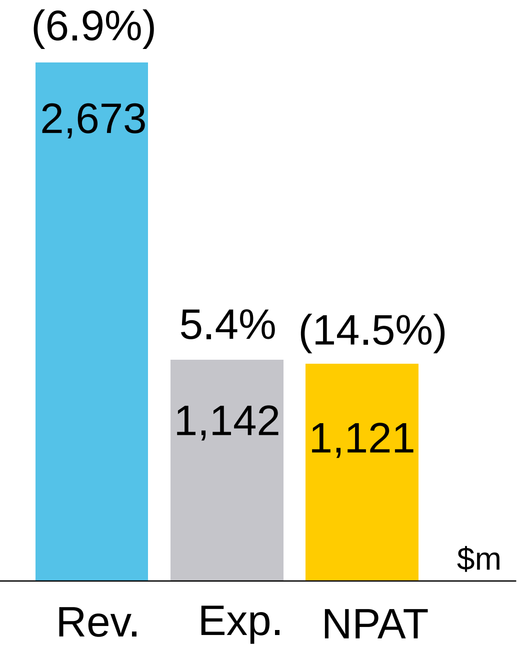


FY18

Movements FY18 vs FY17

NPAT

FY18 vs FY17

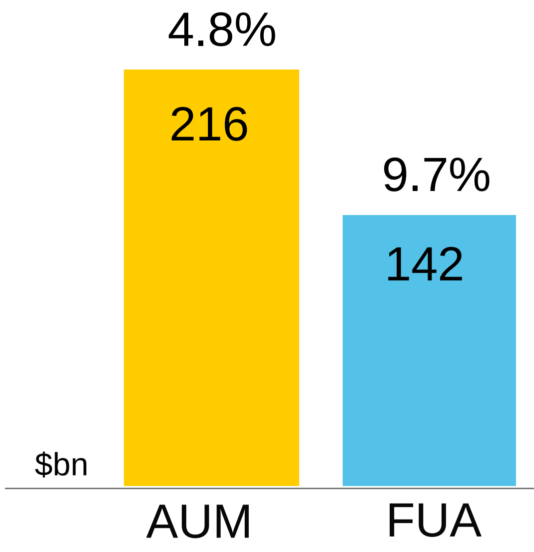


Wealth (Continuing Operations)

Revenue growth driven by funds volume growth, fewer weather events and lower remediation

Funds

Strong markets driving ↑ AUM/FUA



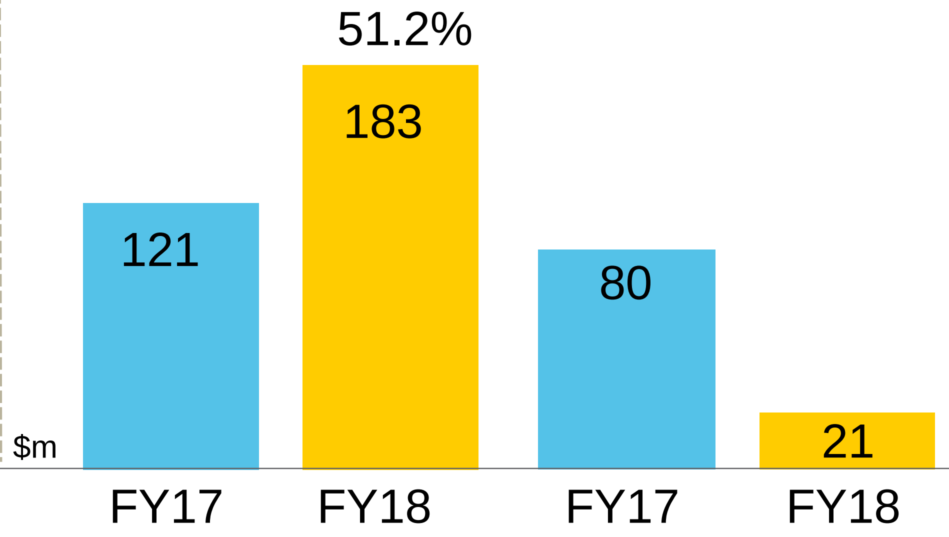
FY18 average balance
Movements FY18 vs FY17

General Insurance

General Insurance income benefited from lower event claims

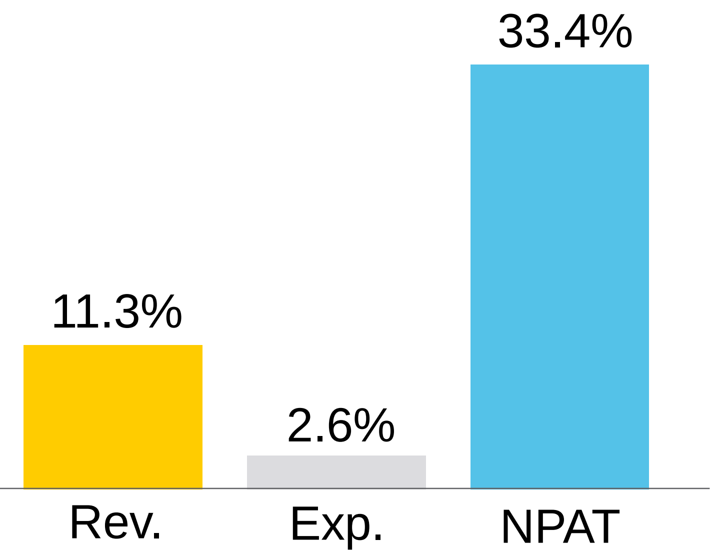
Income

Net Event Claims



NPAT

FY18 vs FY17



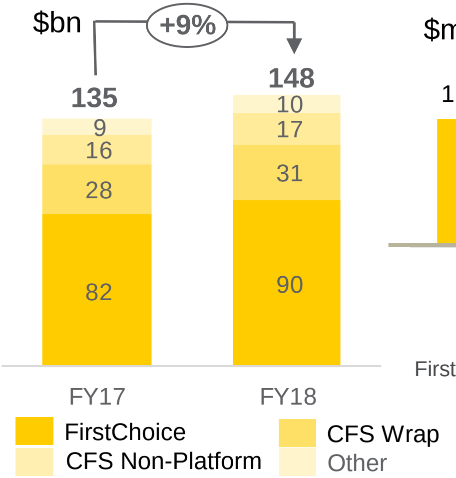
Wealth – Net flows

Mixed results - good net inflows into CFS, net outflows in CFSGAM

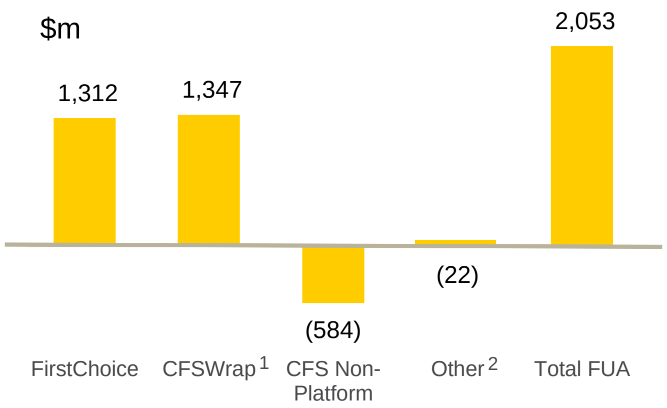
CFS INFLOWS AND OUTFLOWS BY PRODUCT

Funds Under Administration (FUA) $m	FY17		FY18	
	Inflows	Outflows	Inflows	Outflows
FirstChoice	16,234	(15,409)	15,316	(14,004)
CFSWrap[1]	8,333	(5,684)	6,912	(5,565)
CFS Non-Platform	8,752	(8,227)	9,690	(10,274)
Other[2]	1,417	(1,290)	1,201	(1,223)
FUA	**34,736**	**(30,610)**	**33,119**	**(31,066)**

CLOSING FUA (SPOT)



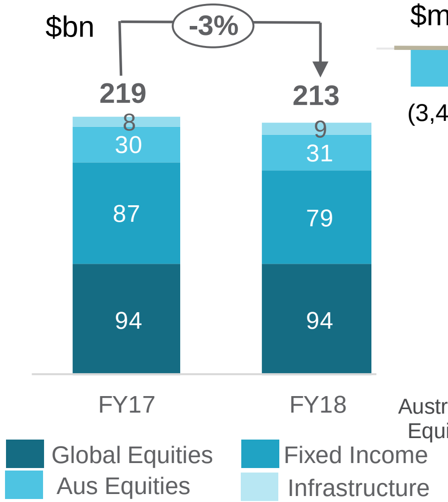
FY18 CFS NET FLOWS BY PRODUCT



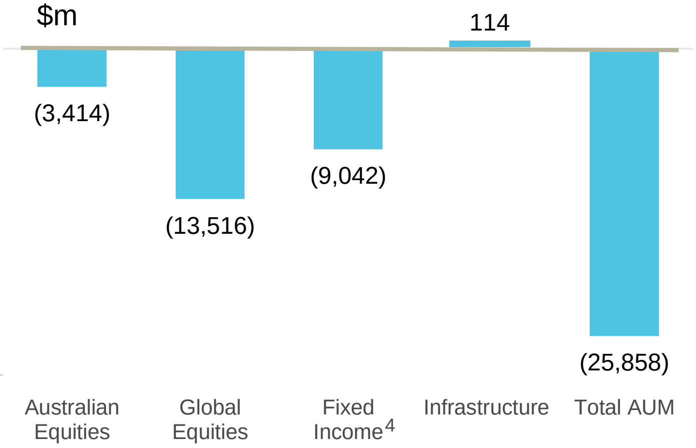
CFSGAM INFLOWS AND OUTFLOWS BY ASSET CLASS

Assets Under Management (AUM)[3] $m	FY17		FY18	
	Inflows	Outflows	Inflows	Outflows
Australian Equities	9,866	(9,911)	5,218	(8,632)
Global Equities	18,277	(23,928)	20,738	(34,254)
Fixed Income[4]	58,426	(48,498)	48,608	(57,650)
Infrastructure	2,012	(806)	825	(711)
AUM	**88,581**	**(83,143)**	**75,389**	**(101,247)**

CLOSING AUM (SPOT)



FY18 CFSGAM NET FLOWS BY ASSET CLASS

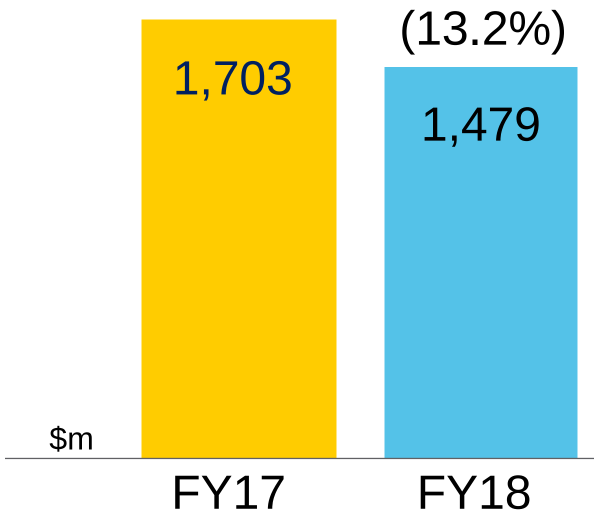


1. CFSWrap, formerly Custom Solutions, includes FirstWrap product.
2. Other includes value of Commonwealth Bank Group Super (FY17: $9.6bn; FY18: $10.2bn FUA).
3. AUM excludes the Group's interest in the First State Cinda Fund Management Company Limited.
4. Fixed income includes short-term investments and global credit.

Wealth (Discontinued Operations)

Inforce Premium

Loss of wholesale schemes



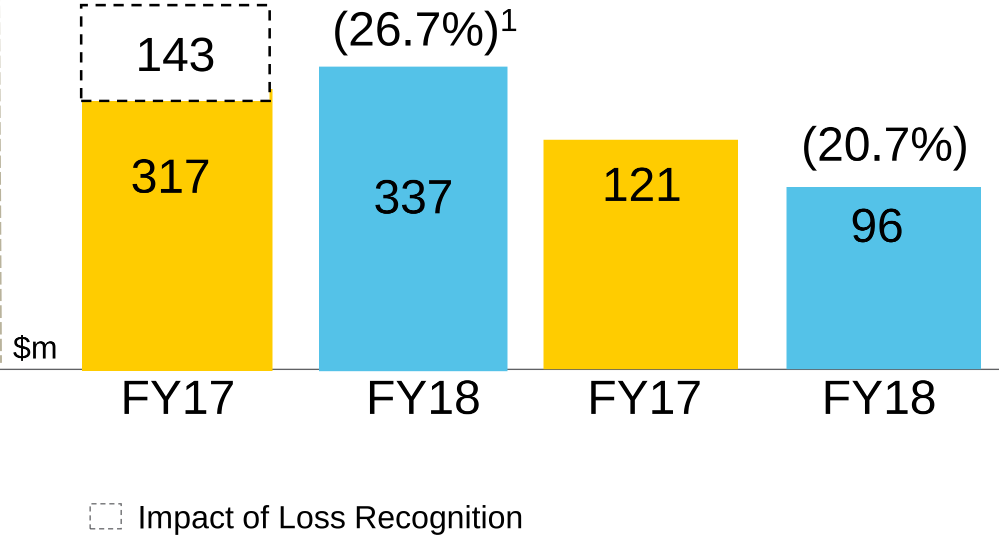
FY18 average

Life Business

Non-recurrence of IP loss recognition offsetting lower funds income

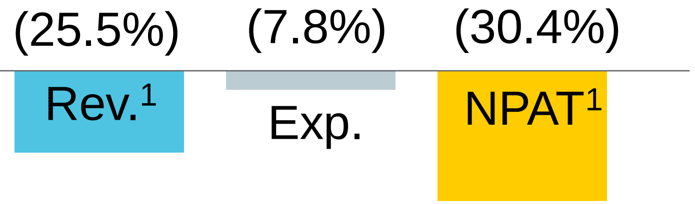
Insurance Income

Funds Income



NPAT

FY18 vs FY17



Movements FY18 vs FY17

1. Excluding loss recognition.

Wealth management and mortgage broking demerger

Creation of a new wealth management and mortgage broking company ("NewCo")

- Wealth management and mortgage broking company of scale:
  - FY18 Pro-forma Cash NPAT >$500m[1]
  - FTE ~2,850[2]
- Portfolio of businesses with attractive market positions and strong brands
- Opportunity to make investment decisions to drive growth

NewCo	
CFS Super and Investments	A leading investment platform provider Spot FUA $138bn[4] Colonial First State
CFS Global Asset Management	Global diversified asset manager Spot AUM $213bn[3] Colonial First State Global Asset Management; First State Investments
Aligned Advice and Mortgage Broking	Portfolio of leading advice and mortgage broker networks[5] Aussie; Financial Wisdom; Count Plus minority stakes in Mortgage Choice and CountPlus

1. The pro-forma financial disclosures above provide an unaudited and indicative view of the businesses that CBA intends to demerge (NewCo) as announced by CBA on 25 June 2018. The information provided above is for information purposes only and is not a representation or forecast of the financial position or future performance of NewCo. Past performance and trends should not be relied upon as being indicative of future performance. Further information regarding the demerger and NewCo will be provided to shareholders in due course. 2. FTEs are approximate to give an indicative view. 3. Reflects spot AUM as at 30 June 2018 excluding the Group's interest in the First State Cinda Fund Management Company Limited. 4. Reflects spot FUA as at 30 June 2018, including FirstChoice, CFSWrap and CFS Non-Platform FUA. Does not include $10bn Other FUA relating to Commonwealth Bank Group Super. 5. Includes minority equity stakes in Mortgage Choice and CountPlus.

NewCo[1] - ndicative

Profit & Loss

$m	FY17	FY18	Mvt %
Total operating income	1,735	**2,046**	18[2]
Operating expenses	(1,013)	**(1,310)**	29[2]
Net profit before tax	722	**736**	2
Corporate tax expense	(189)	**(181)**	(4)
Underlying profit after tax	533	**555**	4
Investment experience after tax	6	**13**	large
Cash NPAT	539	**568**	5

Key Financial Metrics

	FY17	FY18	Mvt %
Operating expense to total operating income (%)	58.4	**64.0**	large
AUM – average ($m) [3]	205,910	**215,768**	5
AUM – spot ($m) [3]	219,427	**213,242**	(3)
FUA – average ($m) [4]	119,674	**131,713**	10
FUA – spot ($m) [4]	125,880	**137,760**	9
Number of FTEs [5]	3,000	**2,850**	(5)
Net tangible assets ($m)	n/a	**883**	n/a

1. The pro-forma financial disclosures above provide an unaudited and indicative view of the businesses that CBA intends to demerge (NewCo) as announced by CBA on 25 June 2018. The information provided above is for information purposes only and is not a representation or forecast of the financial position or future performance of NewCo. Past performance and trends should not be relied upon as being indicative of future performance. Further information regarding the demerger and NewCo will be provided to shareholders in due course.
2. On 25 August 2017, CBA acquired the remaining 20% share in AHL, bringing its shareholding to 100%. As a result, the Bank now controls and consolidates AHL. This was equity accounted in the prior year.
3. AUM excludes the Group's interest in the First State Cinda Fund Management Company Limited.
4. FUA includes FirstChoice, CFSWrap and CFS Non-Platform FUA. Does not include $10bn Other FUA relating to Commonwealth Bank Group Super.
5. FTEs are approximate to give an indicative view.

CFS Super and Investments

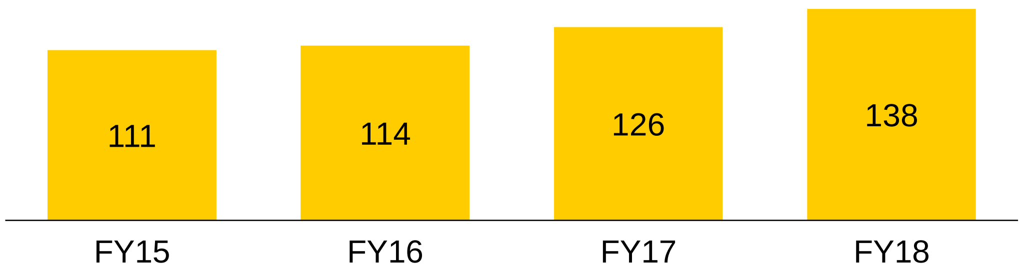
A leading superannuation, investment and retirement solutions platform provider

Colonial First State

Platform provider with scale

- Spot FUA $138bn[1]
- History of sustainable FUA growth
- Material market share position[3]
- Largest non-government payer of pension payments in Australia (FY18: $2.9bn)

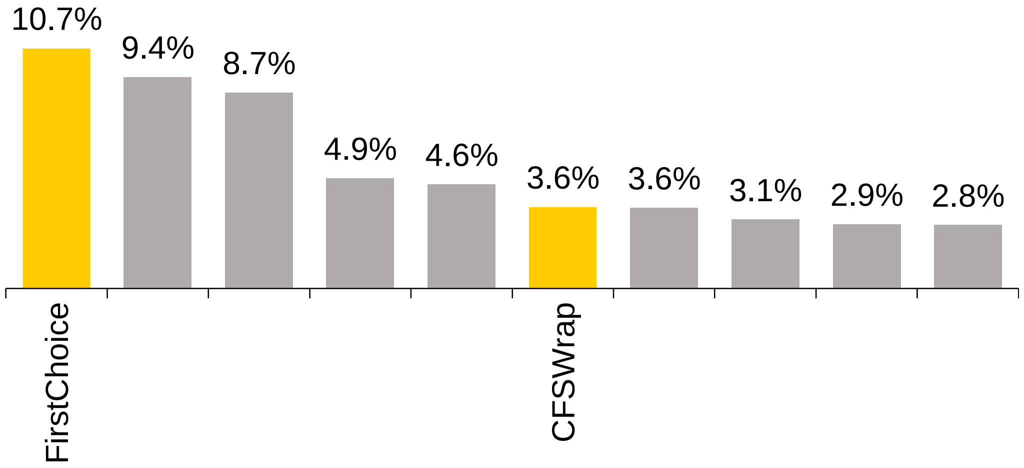
Historical FUA growth ($bn)



Highly regarded by financial advisers and their clients

- Well supported by over 10,000 advisers and their clients
- Most widely put forward by advisers as the best platform available[2]
- Voted #1 by advisors for overall satisfaction[4]

Market share of Platform FUA[3]



1. Reflects spot FUA as at 30 June 2018, including FirstChoice, CFSWrap and CFS Non-Platform FUA. Does not include $10bn Other FUA relating to Commonwealth Bank Group Super.
2. Sourced from Investment Trends: May 2018 Planner Technology Report.
3. Data sourced from Strategic Insight Mar-18 – platform administrator view.
4. Wealth Insights Platform Survey Level Report 2018.

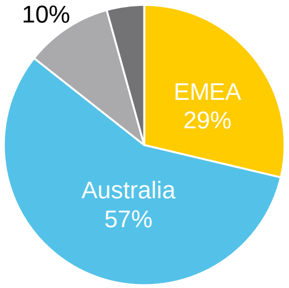
CFS Global Asset Management

A globally diversified asset manager of scale

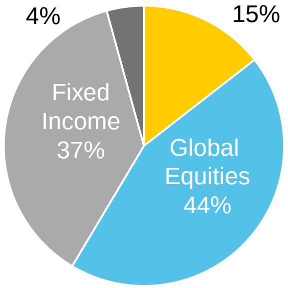
Colonial First State Global Asset Management | First State Investments

Large scale global asset manager	▶ AUM \$213bn[1] ▶ 11 global locations across Asia, Australia, EMEA and North America
Diversified by region and client type	▶ ~80% of revenue from AUM sourced outside Australia ▶ ~200 institutional client mandates globally
Specialist capabilities in sought after asset classes	▶ Specialist capabilities in high margin asset classes including global emerging markets and Asian equities, alternatives (mainly infrastructure) and systematic equities ▶ 17 investment teams
Disciplined philosophy and strong track record	▶ Commitment to responsible investment principles ▶ Focus on capital preservation through market cycles ▶ 70% of assets outperforming their respective benchmarks[2]

AUM by region[3]



AUM by asset class



1. Reflects spot AUM as at 30 June 2018 excluding the Group's interest in the First State Cinda Fund Management Company Limited.
2. 3 year rolling average percentage of weighted average assets outperforming benchmark returns as at 30 June 2018.
3. Reflects data as at 30 June 2018. AUM breakdown based on region of client domicile.

Aligned Advice and Mortgage Broking

Portfolio of leading distribution networks

Aussie

- Over 1,000 brokers
- Serving ~320,000 customers
- Highly regarded within the mortgage broking industry
- Continued customer demand for mortgages expected to drive growth

Count / Financial Wisdom

- ~770 financial advisers
- ~360 member practices
- Benefits from ongoing customer need for quality financial advice

Mortgage Choice and CountPlus

- Minority stakes in ASX-listed entities
  - 35.9% equity stake in CountPlus
  - 16.5% equity stake in Mortgage Choice

CBA excluding NewCo – Indicative[1]

FY18 ($m)	CBA Including NewCo	CBA Excluding NewCo	Mvt
Total banking income	23,523	23,280	(243)
Funds management income	2,091	288	(1,803)
Insurance Income	293	293	-
Total operating income	25,907	23,861	(2,046)
Investment experience	17	3	(14)
Total income	25,924	23,864	(2,060)
Operating expenses	11,599	10,289	(1,310)
LIE	1,079	1,079	-
Tax and other	4,013	3,831	(182)
Cash NPAT	**9,233**	**8,665**	**(568)**
Goodwill[2]	6,941	4,941	(2,000)
Other net assets	60,365	59,482	(883)
Shareholders' Equity	**67,306**	**64,423**	**(2,883)**

Key Metrics	CBA Including NewCo	CBA Excluding NewCo	Mvt
NIM	2.15%	2.15%	Flat
Operating expense to total operating income (%)	44.8%	43.1%	(170)bpts
Spot FTE	43,771	40,921	(2,850)
EPS (cash) - cents	528.6	496.1	(32.5)cents
CET1 - APRA	10.1%	10.1%	Flat

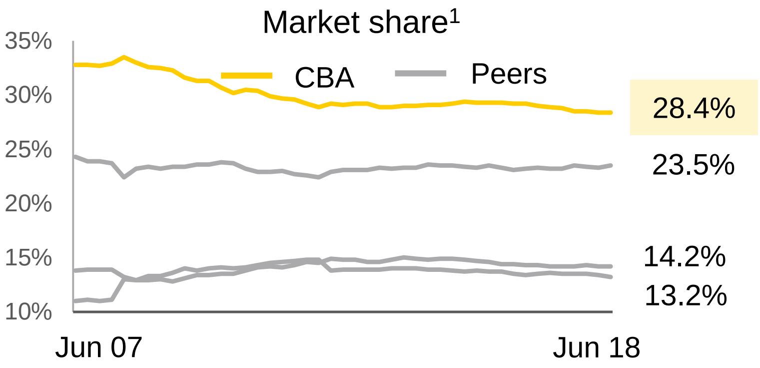
Represents elimination of goodwill and investments in subsidiaries – there is no material impact on the CET1 ratio (excl. transaction/separation costs), as these amounts are already fully deducted from CET1 capital

1. Presented on a continuing operations basis. Pro-forma financial disclosures provide an unaudited and indicative view of CBA excluding NewCo.
2. Goodwill excludes $1,323 million of goodwill associated with discontinued operations.

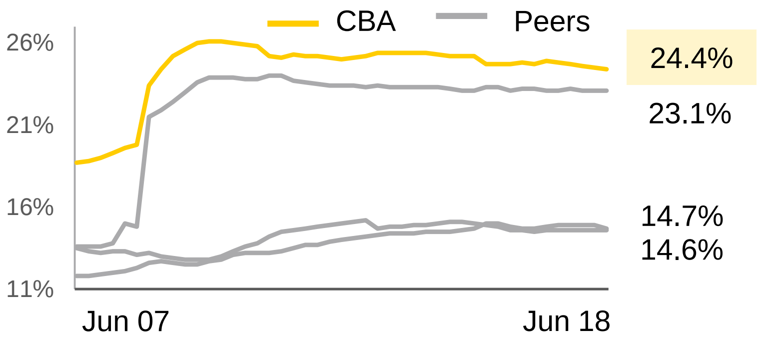
Volume growth[1]

Subdued volume growth in key markets this period

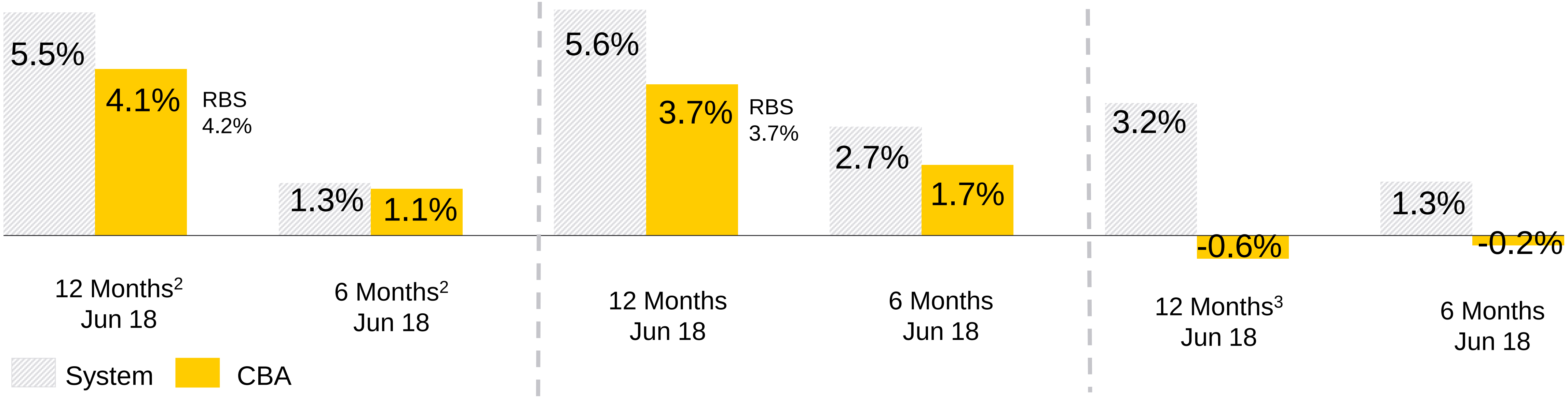
Household Deposits



Home Lending



Business Lending



1. Sources: RBA Lending and Credit Aggregates and APRA Monthly Banking Statistics. CBA includes BWA and subsidiaries. 2. System adjusted for new market entrants.

Market share[1]

%	Jun-18	Dec-17	Jun-17
Home loans	24.4	24.6	24.8
Credit cards – APRA[2]	27.2	27.3	27.0
Other household lending[3]	28.0	27.3	26.9
Household deposits.	28.4	28.5	28.8
Business lending – RBA	15.9	16.2	16.5
Business lending - APRA	17.8	18.4	18.6
Business deposits – APRA	20.2	20.4	20.3
Equities trading	4.1	4.0	3.9
Australian Retail - administrator view[4]	15.4	15.4	15.6
FirstChoice Platform[4]	10.7	10.7	10.7
Australia life insurance (total risk)[4 5]	8.0	9.9	9.9
Australia life insurance (individual risk)[4 5]	9.6	9.7	10.0
NZ Home Loans	21.7	21.8	21.7
NZ customer deposits	17.8	17.8	17.8
NZ business lending	15.0	14.5	14.4
NZ retail AUM[6]	13.2	13.0	12.4
NZ annual inforce premiums[5]	27.3	26.8	27.9

1. Current period and comparatives have been updated to reflect market restatements. 2 Credit Cards Market Share has been sourced from APRA Monthly Banking Statistics, Table 2: Loans and Advances on the books of individual banks: Households: Credit Cards. RBA Credit Cards measure, which had previously been used, is no longer published. 3. Other household lending market share includes personal loans, margin loans and other forms of lending to individuals. 4. As at 31 March 2018. 5. Metrics relate to discontinued operations. 6. Presented on a continuing operations basis.

Home and Consumer Lending

CommonwealthBank

Home lending - Overview

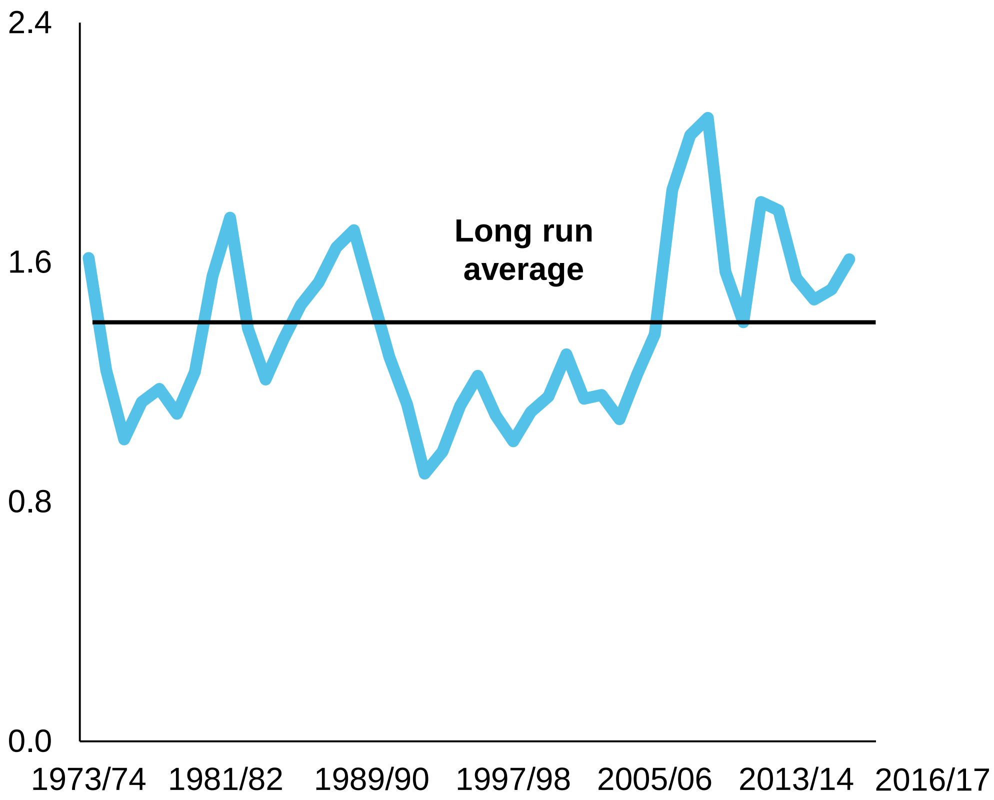
- Population growth continues to support overall housing system growth
- Regulatory changes have contributed to a cooling in housing and investment lending
- For CBA, the market slowdown has coincided with a loss of market share, reflecting early measures to manage regulatory requirements and a continued tightening in underwriting and serviceability assessments
- The Group has remained focused on its core market segment – owner-occupied, proprietary lending, and continues to take a balanced, “through-the-cycle” approach to the management of its home loan portfolio which optimises portfolio quality, growth and returns
- The Group’s home loan portfolio quality remains sound, highlighted by low loss rates, strong loan-to-valuation levels, serviceability and repayment buffers
- An uptick in arrears rates reflects pockets of stress as some households experienced difficulties with rising essential costs and limited income growth

System overview – housing credit

Population growth continues to underpin overall system growth

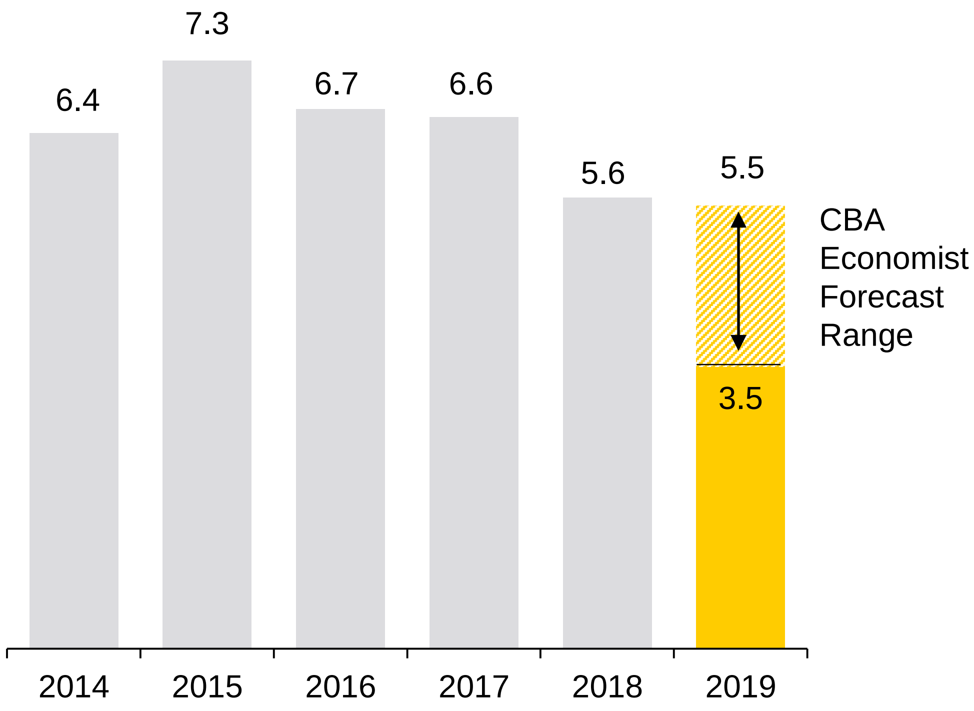
Population[1]

Annual % change



System Housing Credit Growth[2]

Annual % change



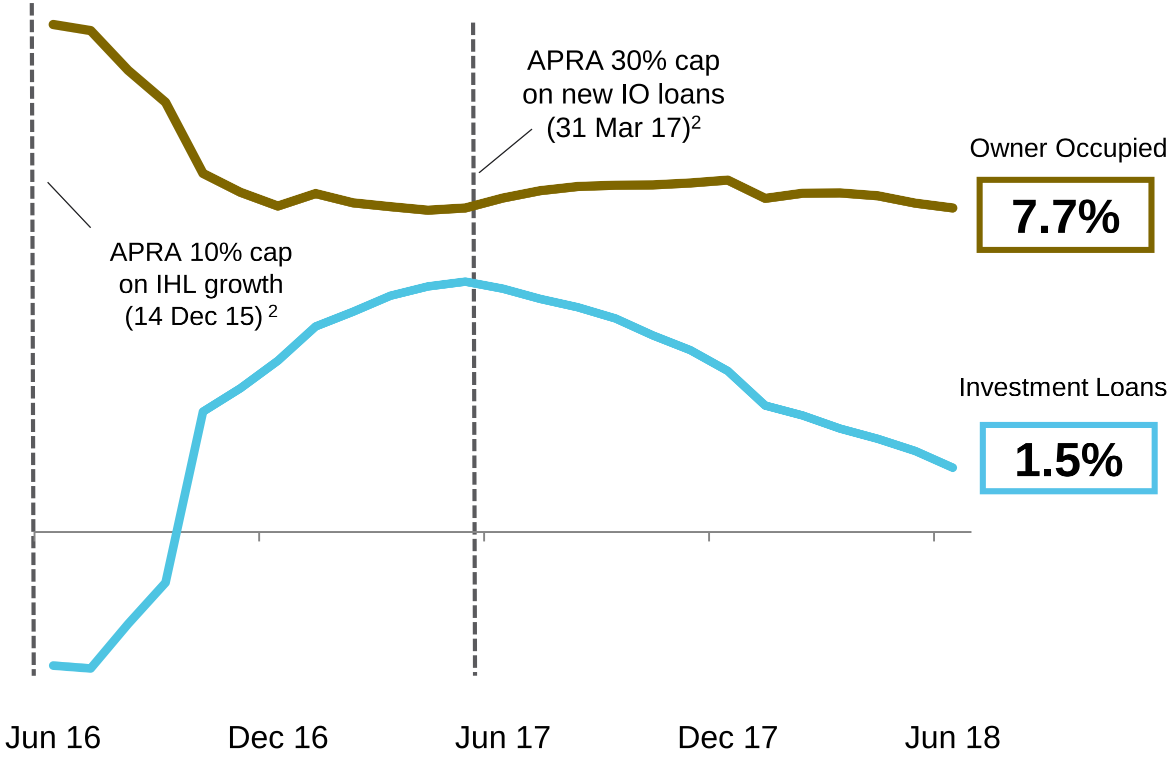
1. ABS. 2. System source: RBA.

System overview - housing credit

Regulatory changes have contributed to a cooling in housing and investment lending

Owner-Occupied vs Investor

System, 12 Month Rolling Growth[1]



Housing Price Growth[3]

Period Movements to June 2018
%

	3 Years	1 Year	6 Months
Sydney	13.5	-4.5	-2.6
Melbourne	21.6	1.0	-1.8
Brisbane	7.8	1.1	0.3
Adelaide	8.6	1.1	0.4
Perth	-9.3	-2.1	-1.0
Capital Cities (Combined)	**12.5**	**-1.6**	**-1.7**

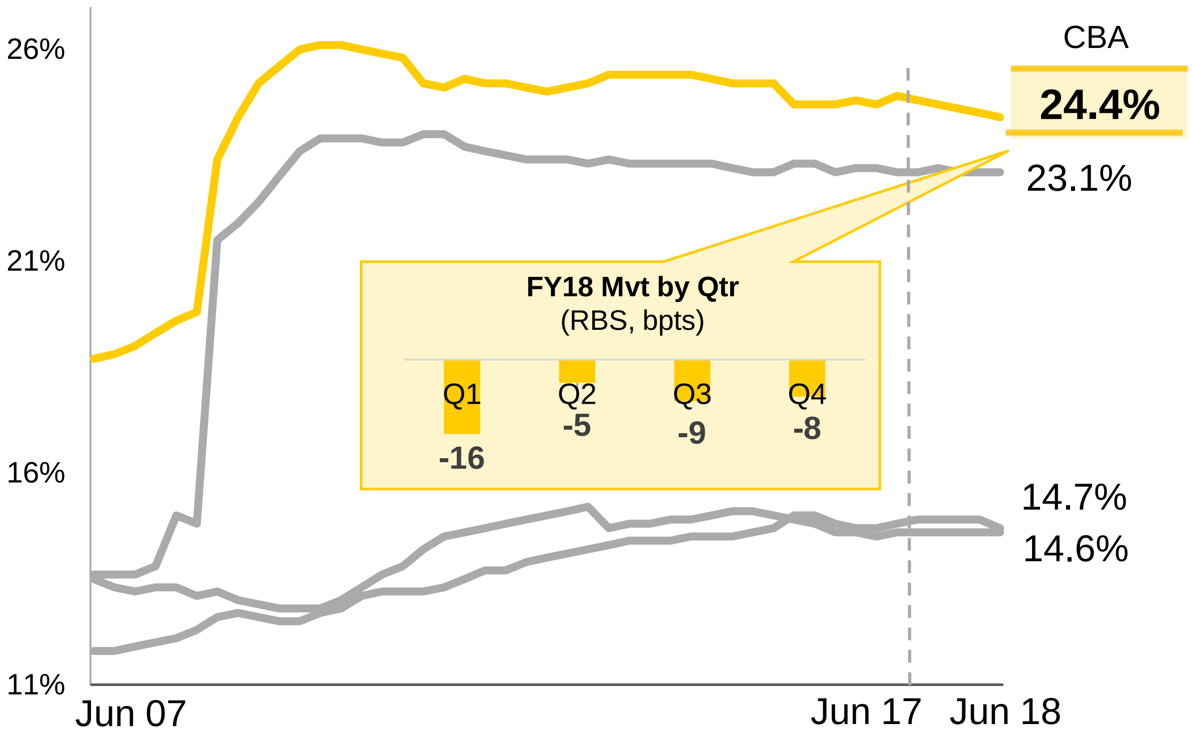
1. Source: RBA Lending and Credit Aggregates. 2. APRA letters to ADIs regarding reinforcing sound lending practices. 3. CoreLogic Hedonic Home Value Index.

CBA home lending[1]

CBA took early measures to manage regulatory requirements, ceding some share

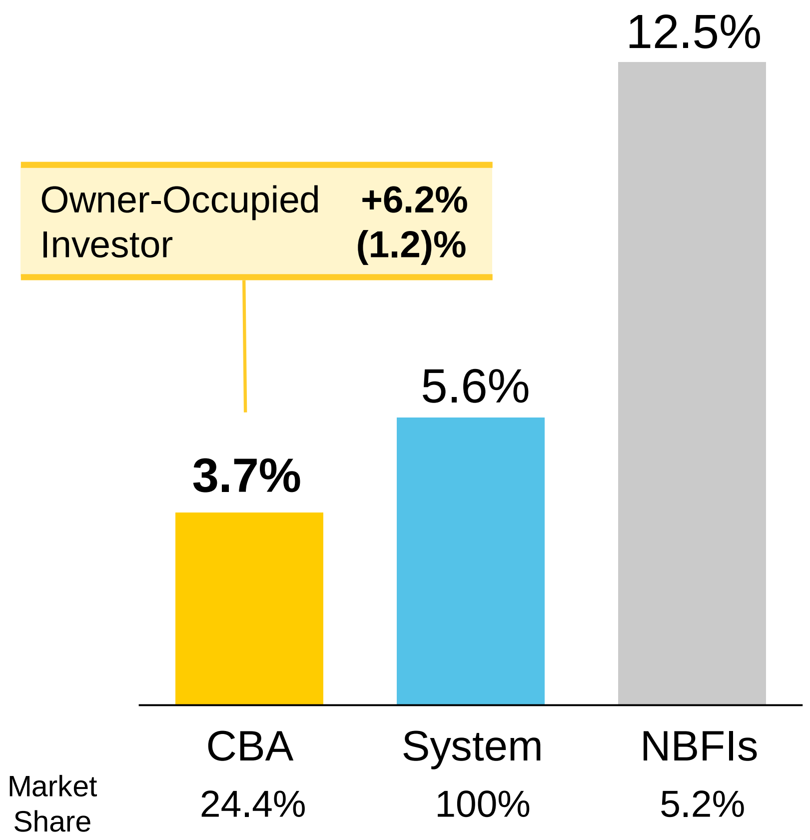
Home Lending

Market share



Home Lending Growth

12 months to Jun 18



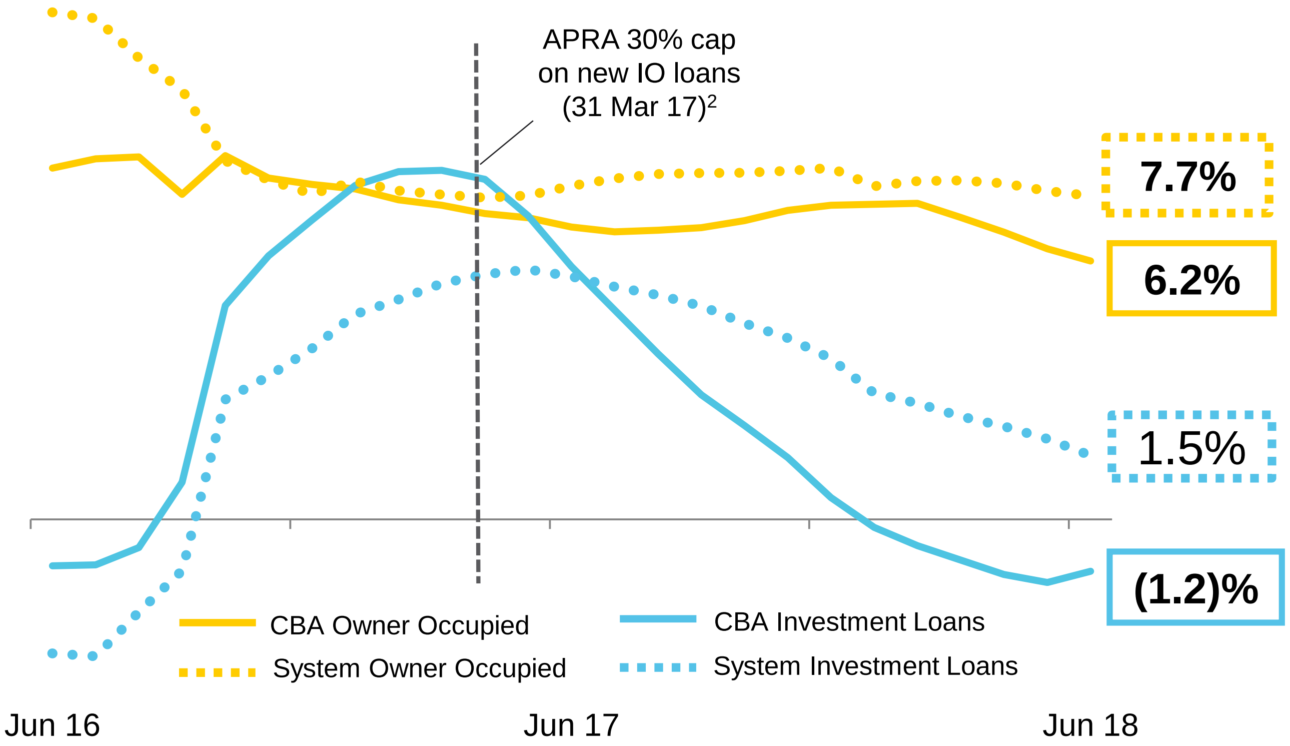
1. System source RBA Lending and Credit Aggregates and APRA Monthly Banking Statistics. CBA includes BWA and subsidiaries. NBFIs: Non-bank financial institutions.

CBA home lending

CBA remains focused on its core market – owner-occupied, proprietary lending

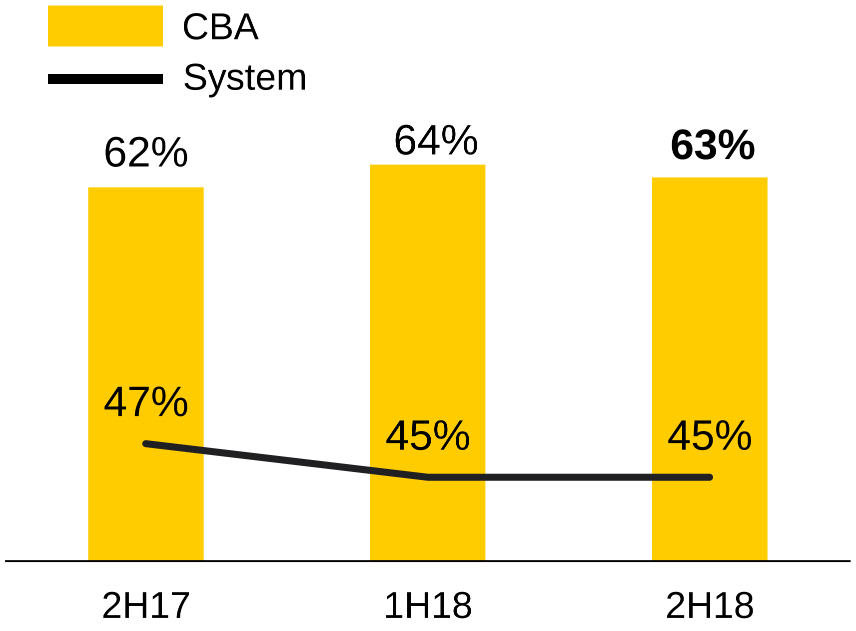
Owner-Occupied vs Investor

12 Month Rolling Growth[1]



Proprietary Home Loans[3]

Proprietary % of Total Home Loan Flows ($)



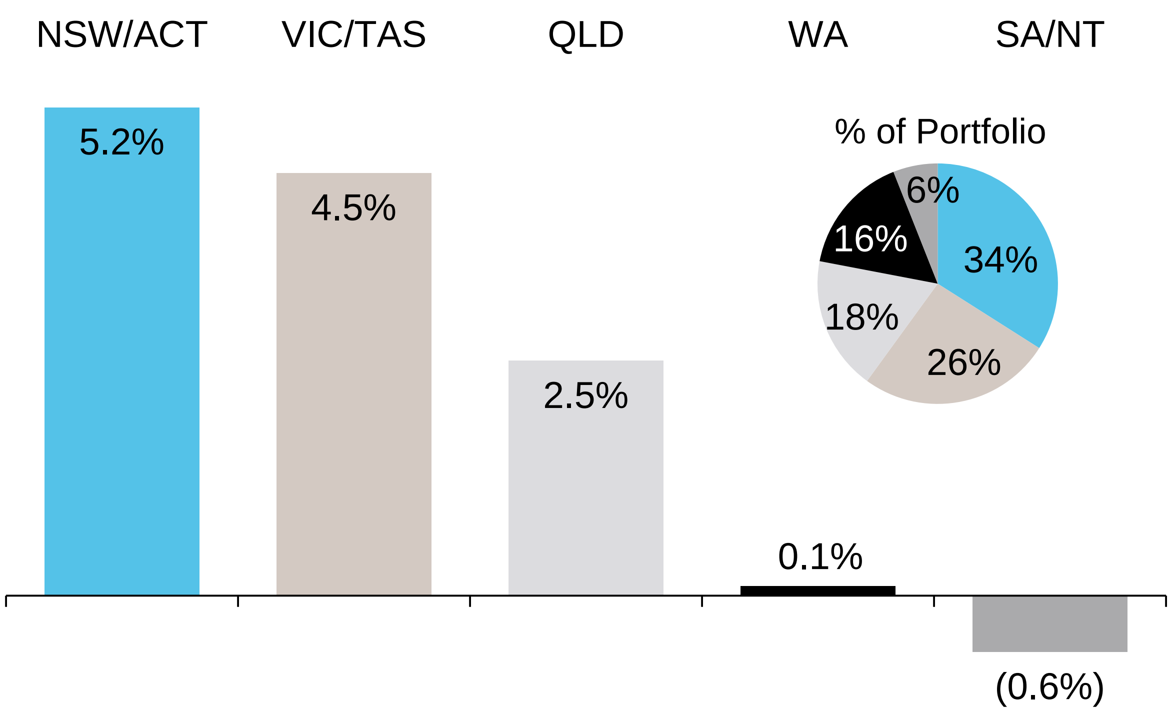
1. System source RBA Lending and Credit Aggregates. Includes CBA and Bankwest. 2. APRA letter to ADIs regarding reinforcing sound lending practices. 3. CBA only. System as at Mar 18 quarter. Source: MFAA.

Home lending

Portfolio growth remains strongest in NSW

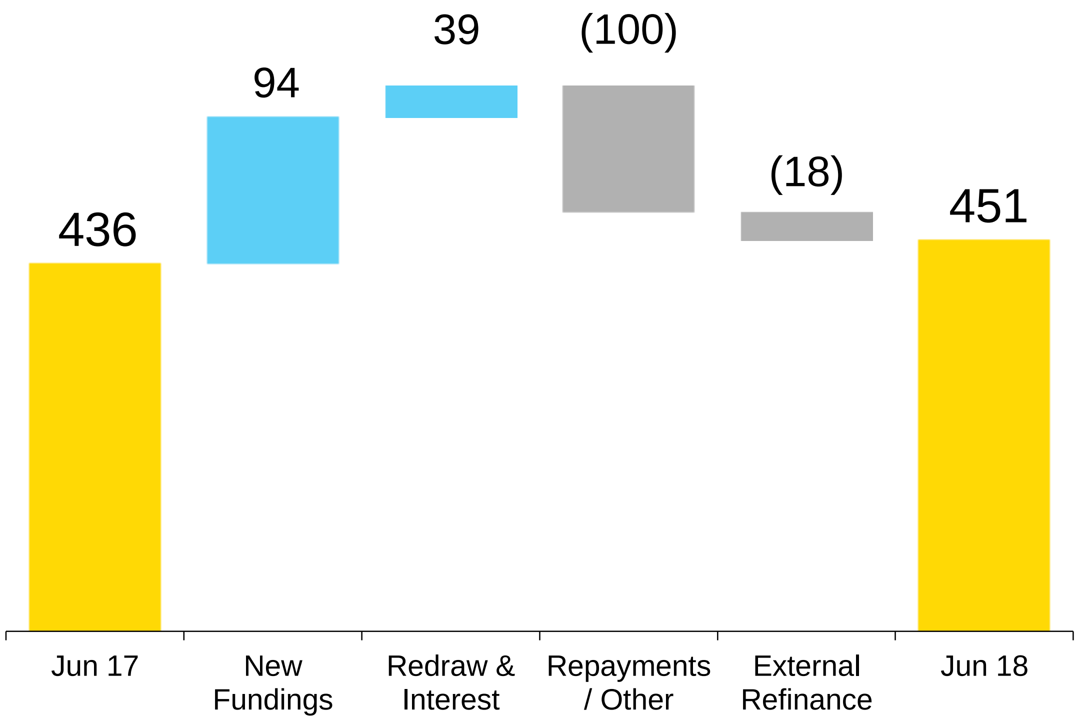
State Profile[1]

FY18 Balance Growth



Balance Growth[1]

$bn



1. Includes CBA and Bankwest. State Profile exclude Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loans (CBA) and Residential Mortgage Group (CBA) loans. State Profile determined by location of the underlying security.

Home lending

The Group has continued to tighten its serviceability and underwriting standards

FY16

- ❑ Increased serviceability buffers
- ❑ Reduced reliance on less stable income sources
- ❑ Income scaled living expense estimate in serviceability test
- ❑ Limits on lending in high risk areas
- ❑ Reduced LVRs for non-residents and removed some foreign income types

FY17

- ❑ Limited periods of interest-only (IO) to 5 years maximum
- ❑ Further limits on use of rental income and negative gearing
- ❑ LVR restrictions on interest-only and investment lending
- ❑ Limits on lending to high risk apartment areas
- ❑ Increased buffers on existing debts

FY18

- ❑ Further buffers on existing debts
- ❑ Increased verification of OFI debts
- ❑ Further limits on lending in high risk areas
- ❑ Launched Credit Assessment Summary acknowledging borrower information used in assessment
- ❑ Introduced minimum rental expense requirement for non-home owners
- ❑ Launched new Serviceability Calculator
- ❑ Introduced Debt-to-Income referral
- ❑ Launched data-driven liability capture

Jun 15 Jun 16 Jun 17 Jun 18

Home lending

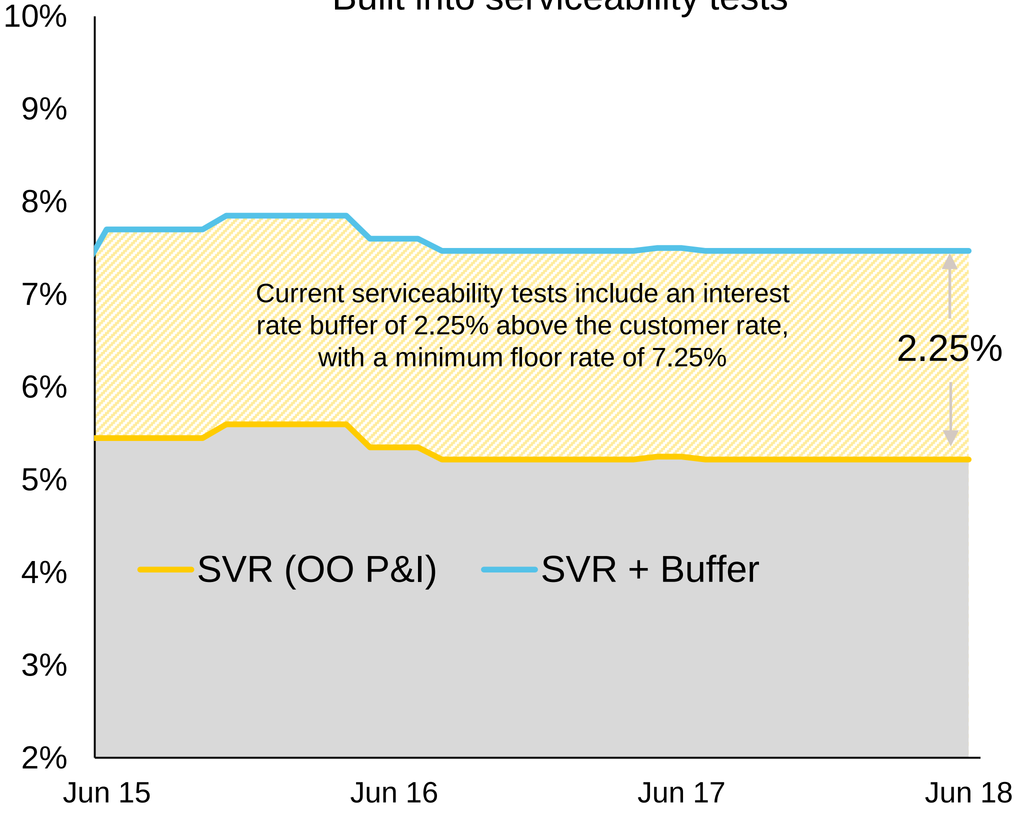
Australian Home Loan[1] Serviceability Assessment

Income	▪ All income used to assess serviceability is verified ▪ 80% or lower on less stable income sources (e.g. rent, bonuses) ▪ Limits on investor income allowances e.g. RBS restrict rental yield to 4.8% and use of negative gearing where LVR>90% ▪ High DTI application subject to manual credit assessment
Living Expenses	▪ Living expenses captured for all customers ▪ Higher of declared expenses or HEM adjusted by income
Interest Rates	▪ Assess customer ability to pay based on the higher of the customer rate plus serviceability buffer[2] (+2.25%) or the minimum floor rate (7.25% pa) ▪ Interest Only (IO) loans assessed on principal and interest basis over the residual term of the loan

Existing Debt	▪ CBA requires and reviews transaction statements to identify undisclosed debts
	▪ Automatic review of CBA personal transaction account data to identify undisclosed customer obligations
	▪ All existing customer commitments are verified
	▪ For repayments on existing mortgage debt –
	  ▪ CBA repayments recalculated using the assessment rate (min. 7.25%pa) over remaining loan term
	  ▪ 30% buffer implemented for OFI debt

Interest rate buffers

Built into serviceability tests[2]



1. Includes CBA and Bankwest. 2. 'SVR + Buffer' excludes discounts.

Home loan portfolio – Australia

A balanced approach to portfolio quality, growth and returns

Portfolio[1]	Jun 17	Dec 17	Jun 18
Total Balances - Spot ($bn)	436	444	451
Total Balances - Average ($bn)	423	440	443
Total Accounts (m)	1.8	1.8	1.8
Variable Rate (%)	84	82	81
Owner Occupied (%)	63	64	65
Investment (%)	33	32	32
Line of Credit (%)	4	4	3
Proprietary (%)	54	55	55
Broker (%)	46	45	45
Interest Only (%)[2]	39	33	30
Lenders' Mortgage Insurance (%)[2]	22	22	21
Mortgagee In Possession (bpts)	5	5	5
Annualised Loss Rate (bpts)	3	2	3
Portfolio Dynamic LVR (%)[3]	50	50	50
Customers in Advance (%)[4]	77	77	78
Payments in Advance incl. offset[5]	33	33	32
Offset Balances – Spot ($bn)	37	41	42

New Business[1]	Jun 17	Dec 17	Jun 18
Total Funding ($bn)	49	49	45
Average Funding Size ($'000)[6]	309	320	319
Serviceability Buffer (%)[7]	2.25	2.25	2.25
Variable Rate (%)	85	82	86
Owner Occupied (%)	67	71	70
Investment (%)	32	28	29
Line of Credit (%)	1	1	1
Proprietary (%)	57	60	59
Broker (%)	43	40	41
Interest Only (%)	41	22	23
Lenders' Mortgage Insurance (%)[2]	16	17	16
Loan-to-Income[8] (LTI) > 6 (%)	6.0	6.6	5.6

1. 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 June and December. Includes RBS (including those originated outside of RBS), Bankwest and Aussie Home Loans.
2. Excludes Line of Credit (Viridian LOC/Equity Line).
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 a 2.25% interest rate buffer or a minimum floor rate.
8. Loan Amount / Gross Income.

Home loan portfolio – CBA

A balanced approach to portfolio quality, growth and returns

Portfolio[1]	Jun 17	Dec 17	Jun 18
Total Balances - Spot ($bn)	368	374	381
Total Balances - Average ($bn)	357	371	374
Total Accounts (m)	1.5	1.5	1.5
Variable Rate (%)	83	82	81
Owner Occupied (%)	61	63	64
Investment (%)	35	33	33
Line of Credit (%)	4	4	3
Proprietary (%)	59	59	59
Broker (%)	41	41	41
Interest Only (%)[2]	39	34	30
Lenders' Mortgage Insurance (%)[2]	20	20	19
Low Deposit Premium (%)[2]	6	6	6
Mortgagee In Possession (bpts)	5	5	4
Annualised Loss Rate (bpts)	3	3	3
Portfolio Dynamic LVR (%)[3]	49	48	49
Customers in Advance (%)[4]	76	76	76
Payments in Advance incl. offset[5]	35	35	34
Offset Balances – Spot ($bn)	33	36	36

New Business[1]	Jun 17	Dec 17	Jun 18
Total Funding ($bn)	41	42	39
Average Funding Size ($'000)[6]	305	316	317
Serviceability Buffer (%)[7]	2.25	2.25	2.25
Variable Rate (%)	85	82	86
Owner Occupied (%)	65	69	70
Investment (%)	34	30	29
Line of Credit (%)	1	1	1
Proprietary (%)	62	64	63
Broker (%)	38	36	37
Interest Only (%)	40	22	23
Lenders' Mortgage Insurance (%)[2]	14	15	15
Low Deposit Premium (%)[2]	5	4	4

1. RBS retail mortgages, including those originated outside of RBS. All portfolio and new business metrics are based on balances and fundings respectively, unless stated otherwise. New business metrics are based on 6 months to June and December.
2. 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 a 2.25% interest rate buffer or a minimum floor rate.

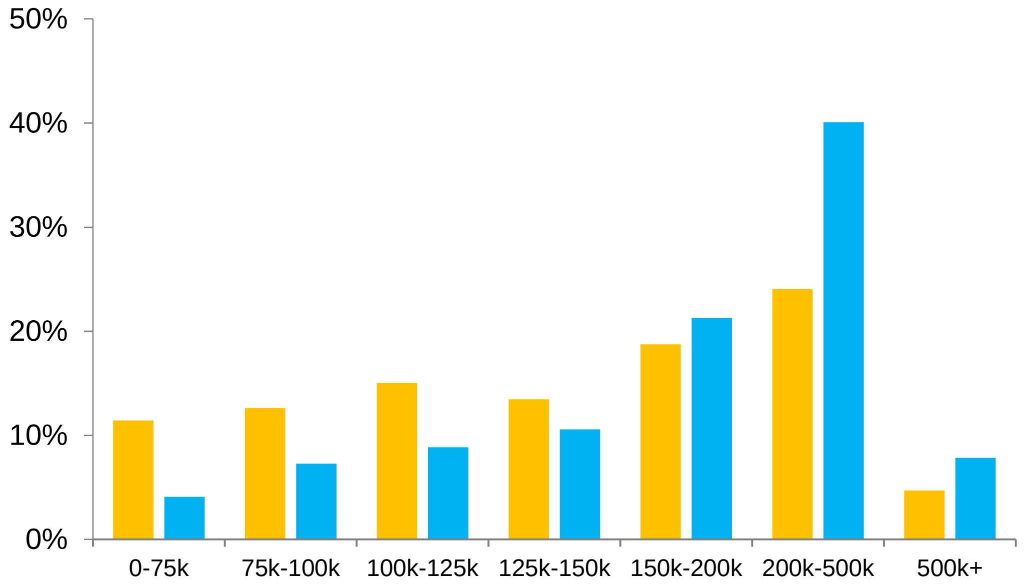
Home lending

CBA home lending supported by strong income profile

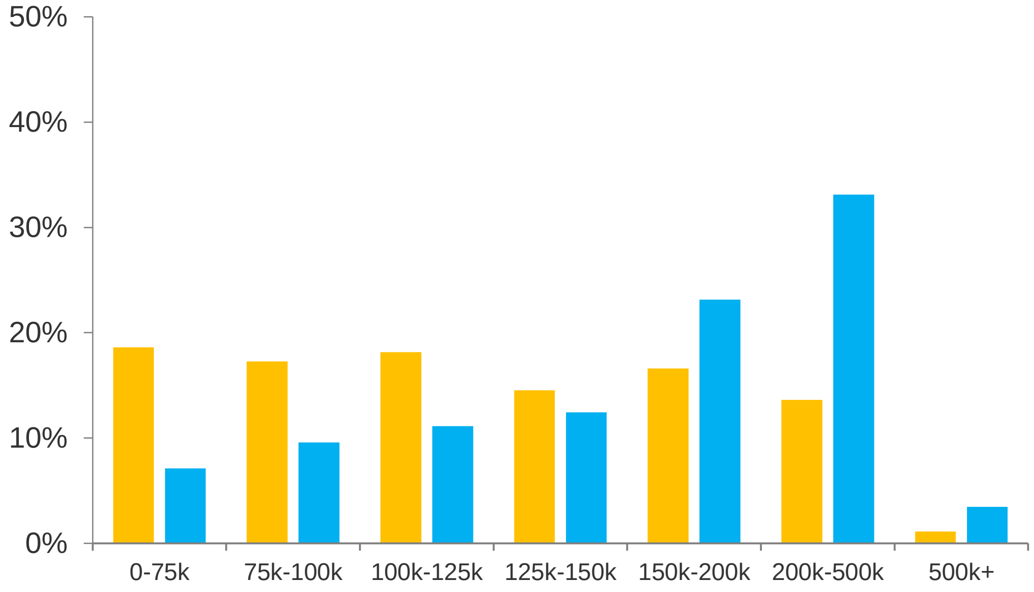
Applicant Gross Income Band[1]

Investor Home Loans
Owner Occupied

Fundings $
6 months to Jun 18



Fundings #
6 months to Jun 18

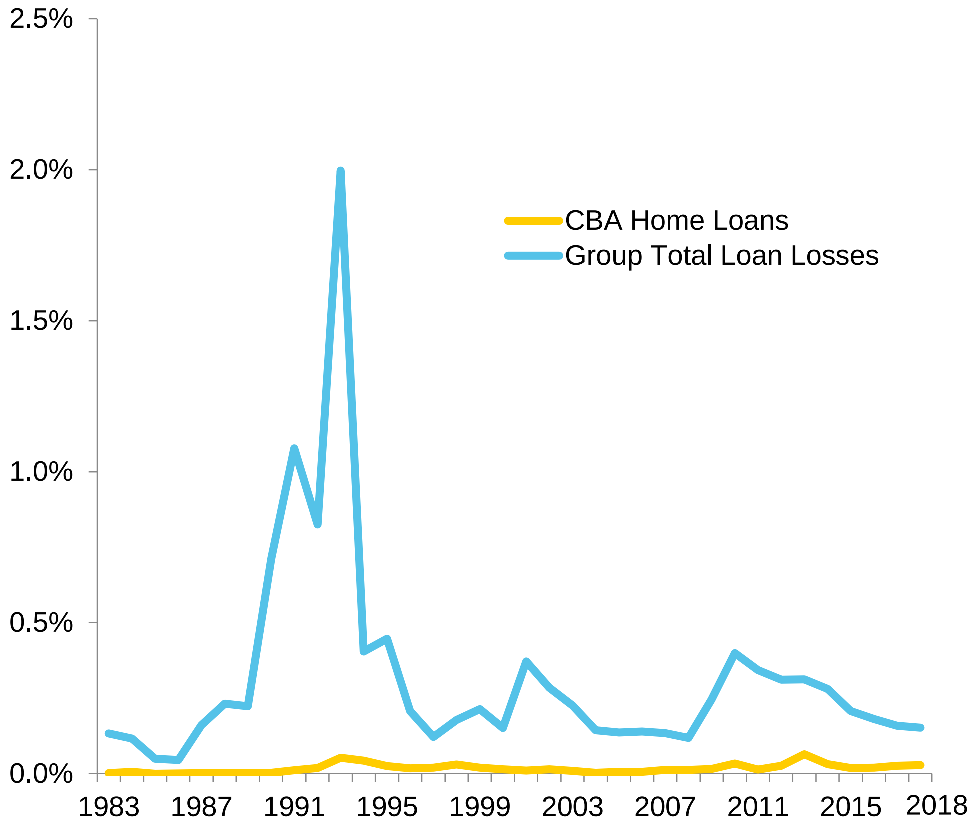


1. CBA only. Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loan and Residential Mortgage Group loans.

Home lending

Losses remain low and remain manageable under a stressed scenario

Losses to average gross loans[1]



Stress test

Stress scenario

3 year scenario of cumulative **31%** house price decline, peak **11%** unemployment and a reduction in the cash rate to **0.5%**

Outcomes ($m)	Total	Year 1	Year 2	Year 3
Stressed Losses	**4,061**	783	1,232	2,046
Insured Losses	**1,026**	209	316	501
Net Losses	**3,035**	574	916	1,545
Net Losses (bpts)[2]	**60**	11	18	31
PD %	**n/a**	0.95	1.65	2.39

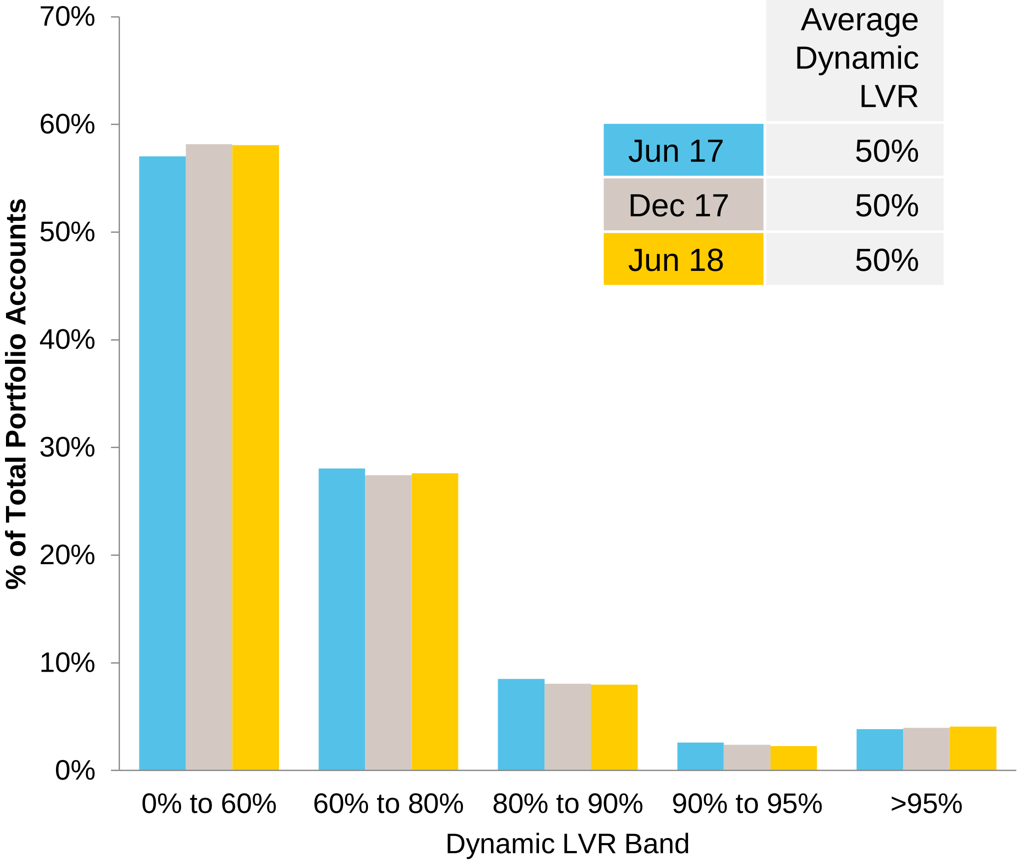
Marginal decrease in scenario potential net loss outcomes compared to prior period, reflective of relative stability in the portfolio.

1. CBA Home Loans represents Australian Home Loans and includes Bankwest from 2009. 2. Net losses (bpts) is calculated as total net losses divided by average exposure over the three years. Net losses reflect stressed macroeconomic and LMI assumptions (50%). Scenario does not include any benefits of Excess of Loss Re-insurance. Results based on December 2017 data.

Home lending

Portfolio dynamic LVR at 50% and well insured

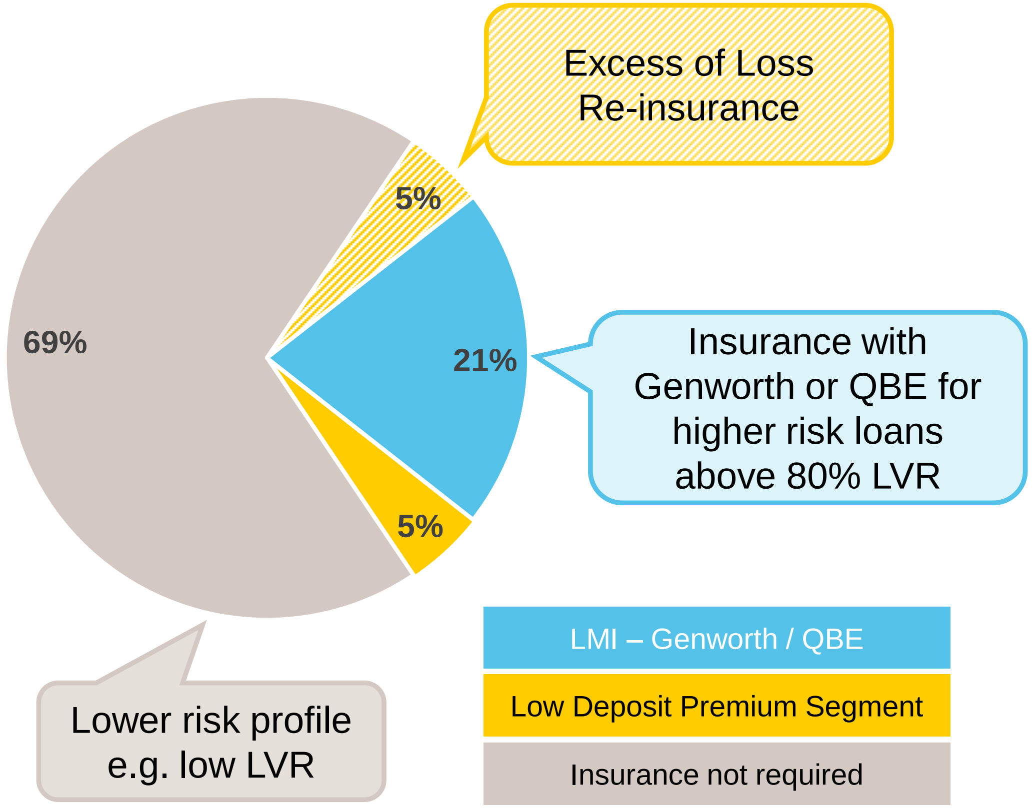
Home loan dynamic LVR[1]



	Average Dynamic LVR
Jun 17	50%
Dec 17	50%
Jun 18	50%

Portfolio Insurance Profile[2]

% of Australian Home Loan portfolio



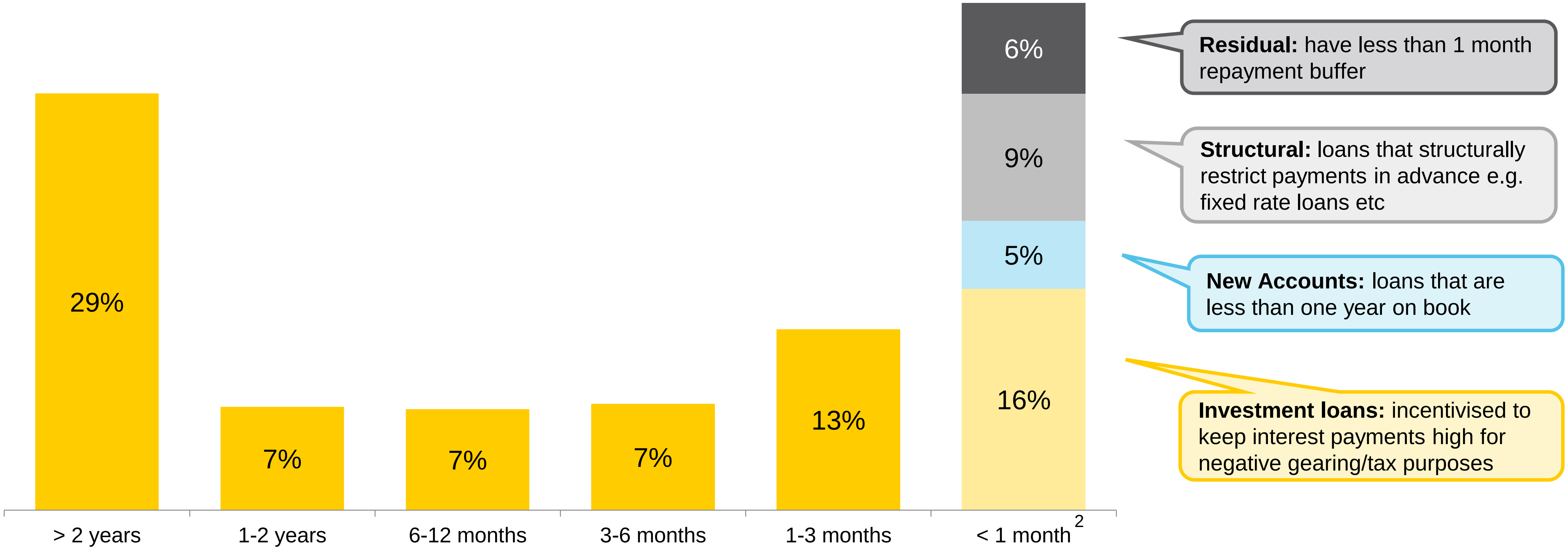
1. Includes CBA and Bankwest. Dynamic LVR is current balance / current valuation. 2. Includes CBA and Bankwest. Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loans and Residential Mortgage Groups loans.

Home lending

Significant repayment buffers reduce portfolio risk

Repayment buffers

(Payments in advance[1], % of accounts)



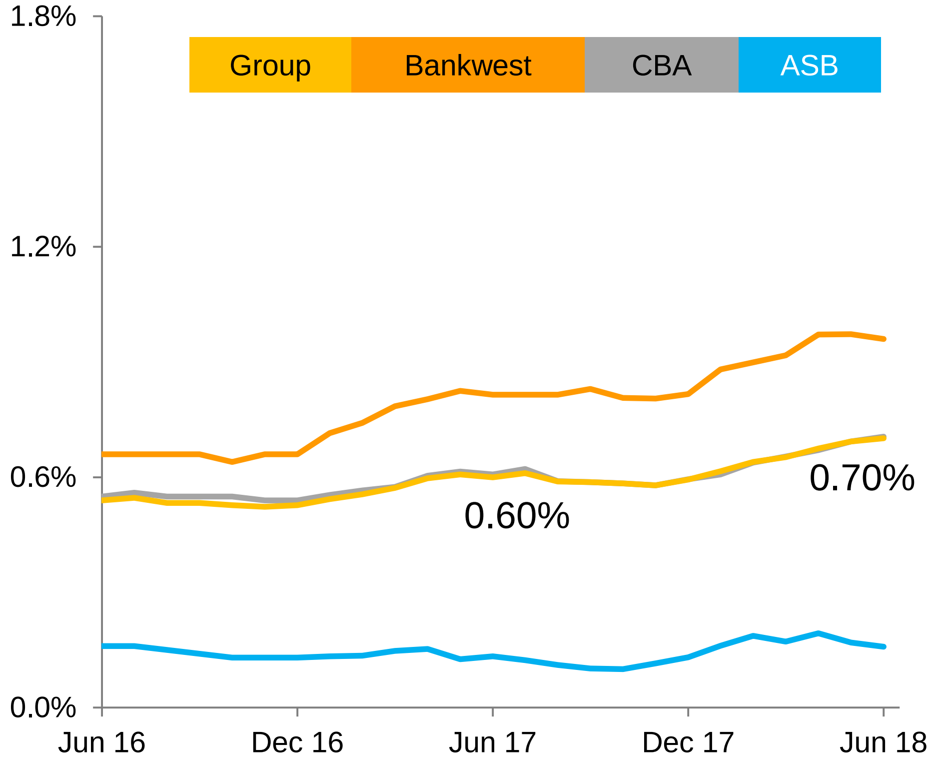
1. CBA only. Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loans and Residential Mortgage Group loans; Includes offset facilities; Loans in arrears (1%) are excluded. 2. Consists of loans that are up-to-date (23%) and less than one month in advance (13%).

Home loan arrears

An uptick in arrears reflects pockets of stress

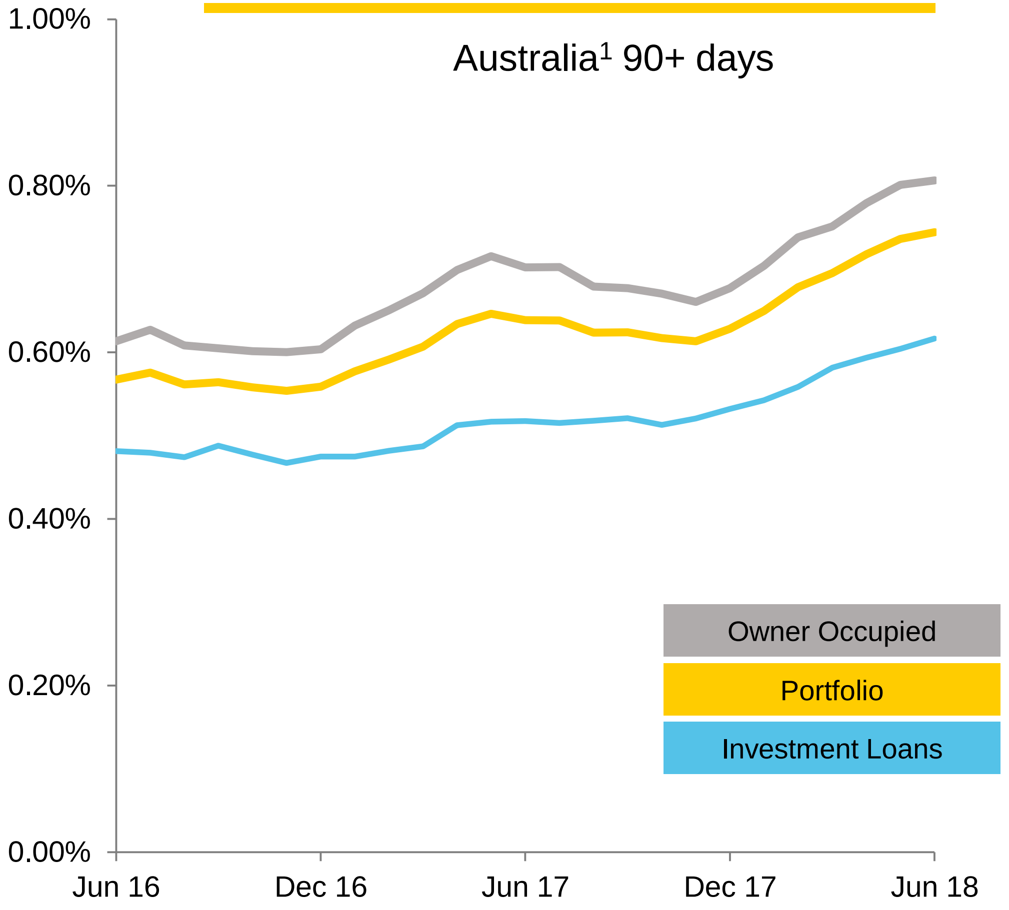
Arrears by Portfolio

90+ days



Arrears by Portfolio

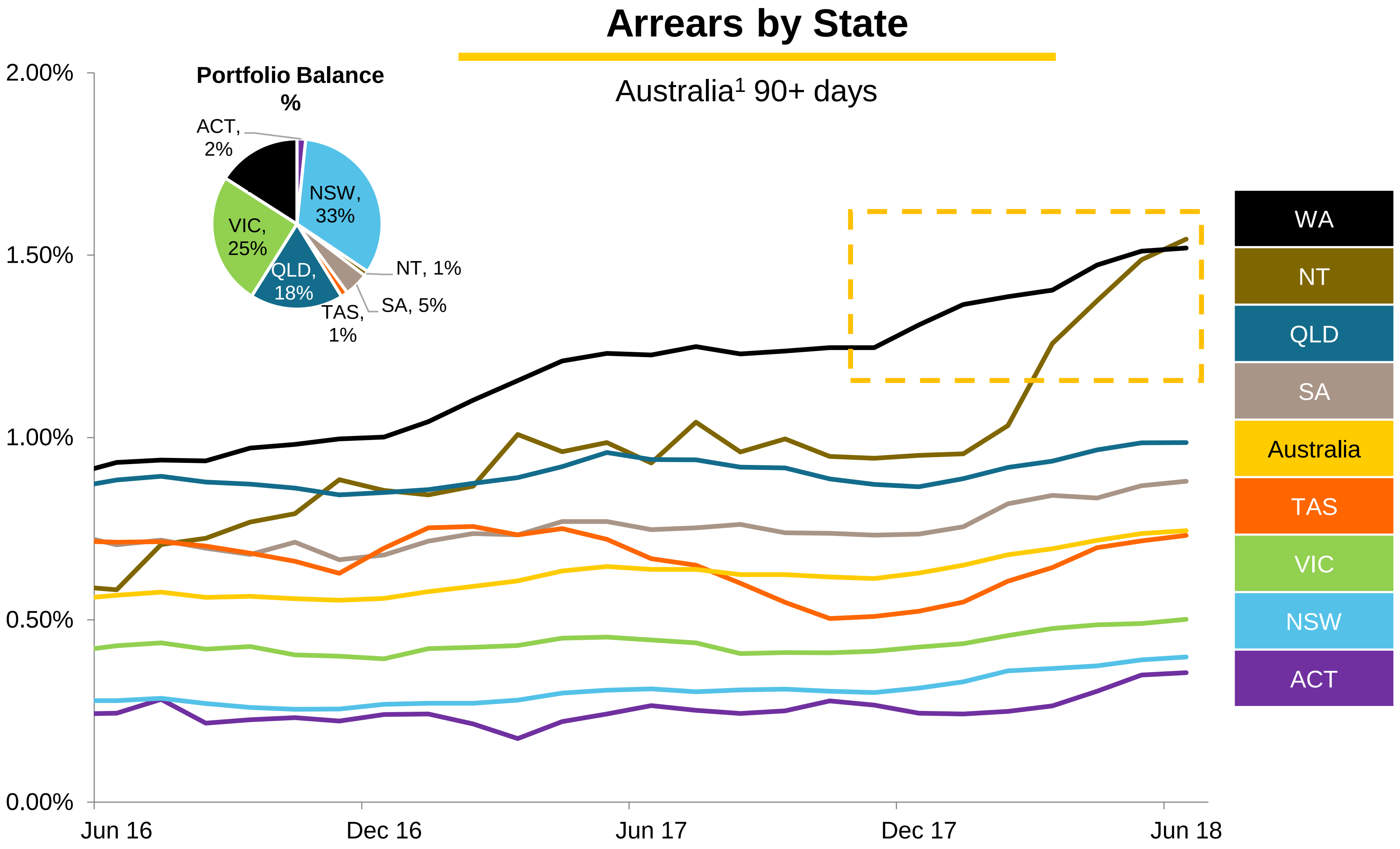
Australia[1] 90+ days



1. Includes CBA and Bankwest. Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loan and Residential Mortgage Group.

Home loan arrears

Largest increases have been in WA and NT

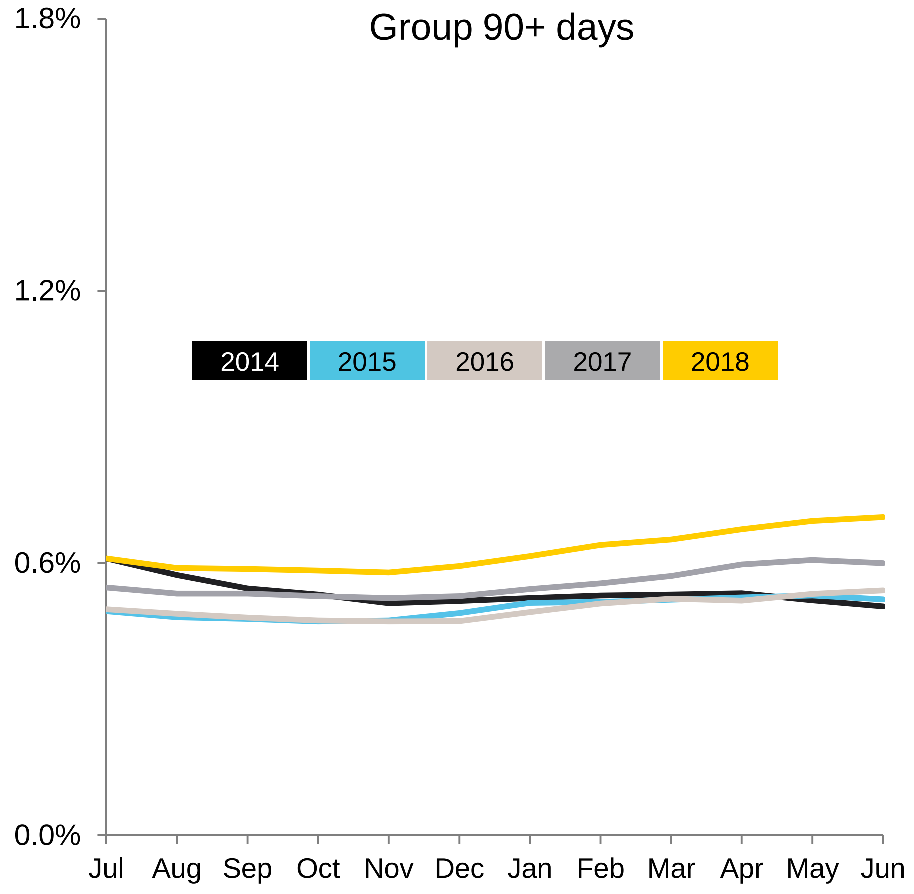


1. Includes CBA and Bankwest. Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loan and Residential Mortgage Group.

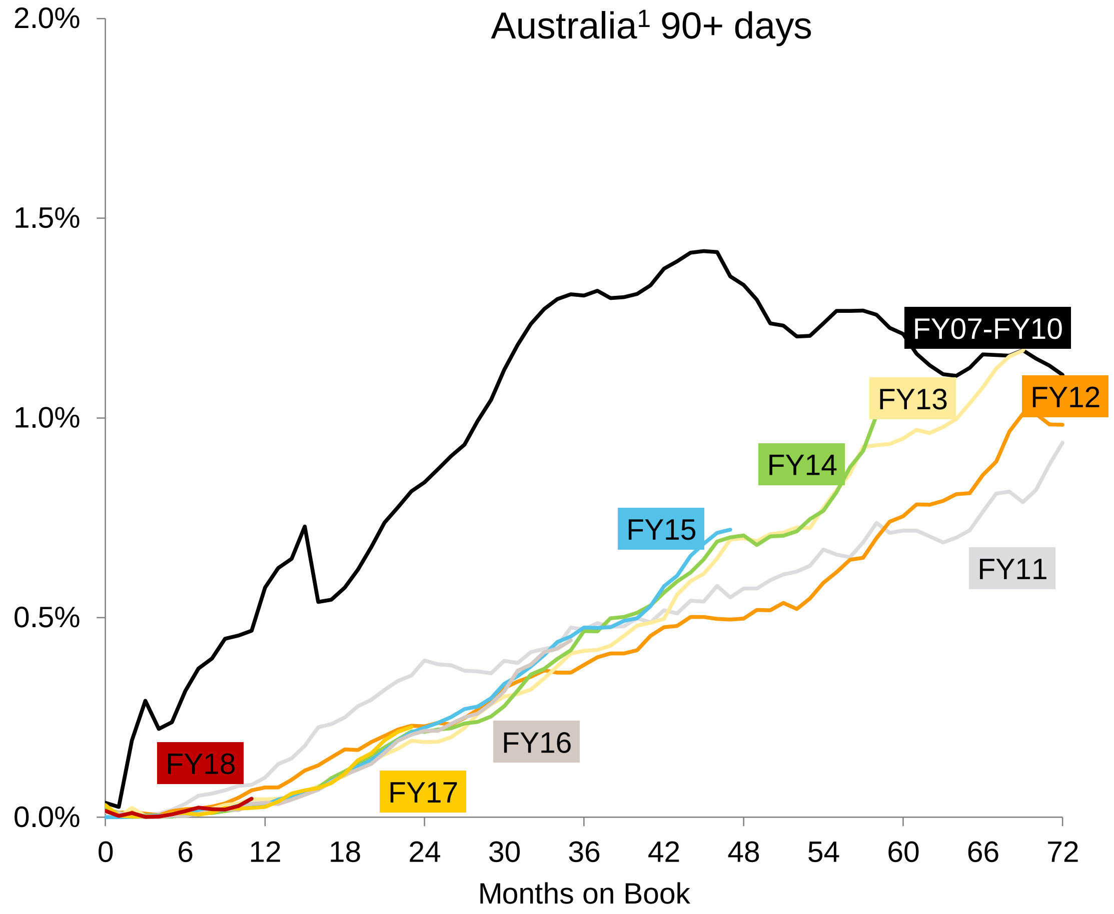
Home loan arrears

Current year arrears elevated but recent vintage performance remain strong

Arrears by Year



Arrears by Vintage

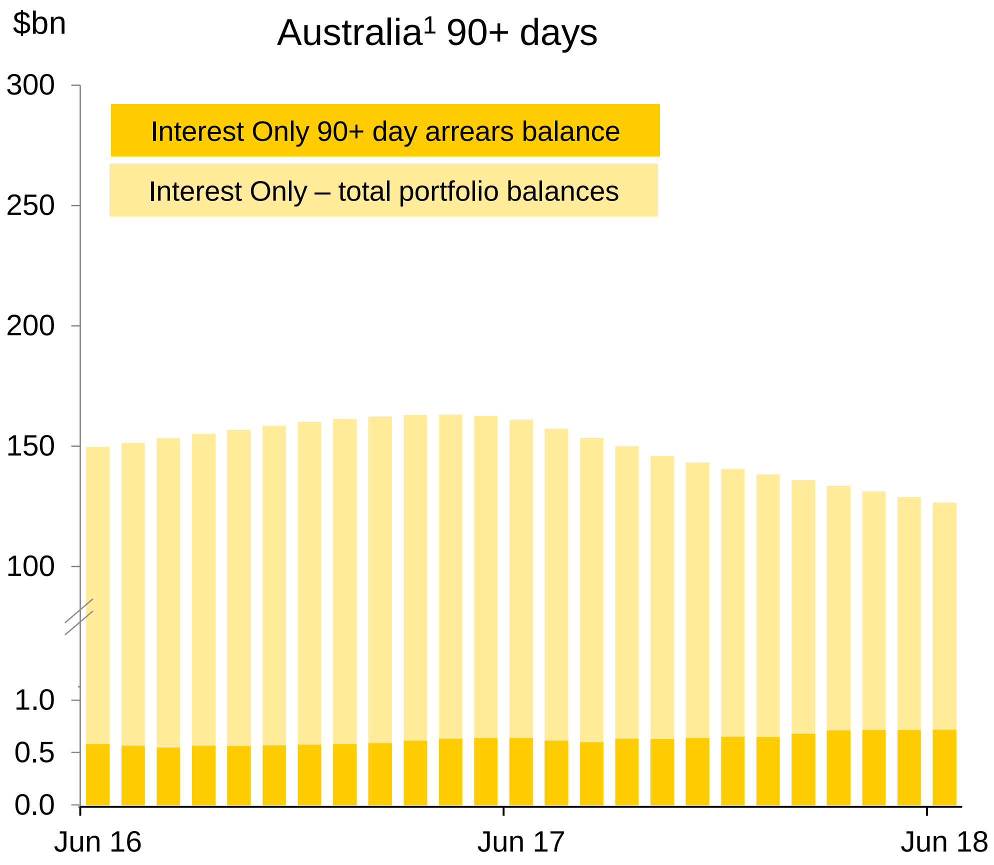


1. Includes CBA and Bankwest. Bankwest included from FY08.

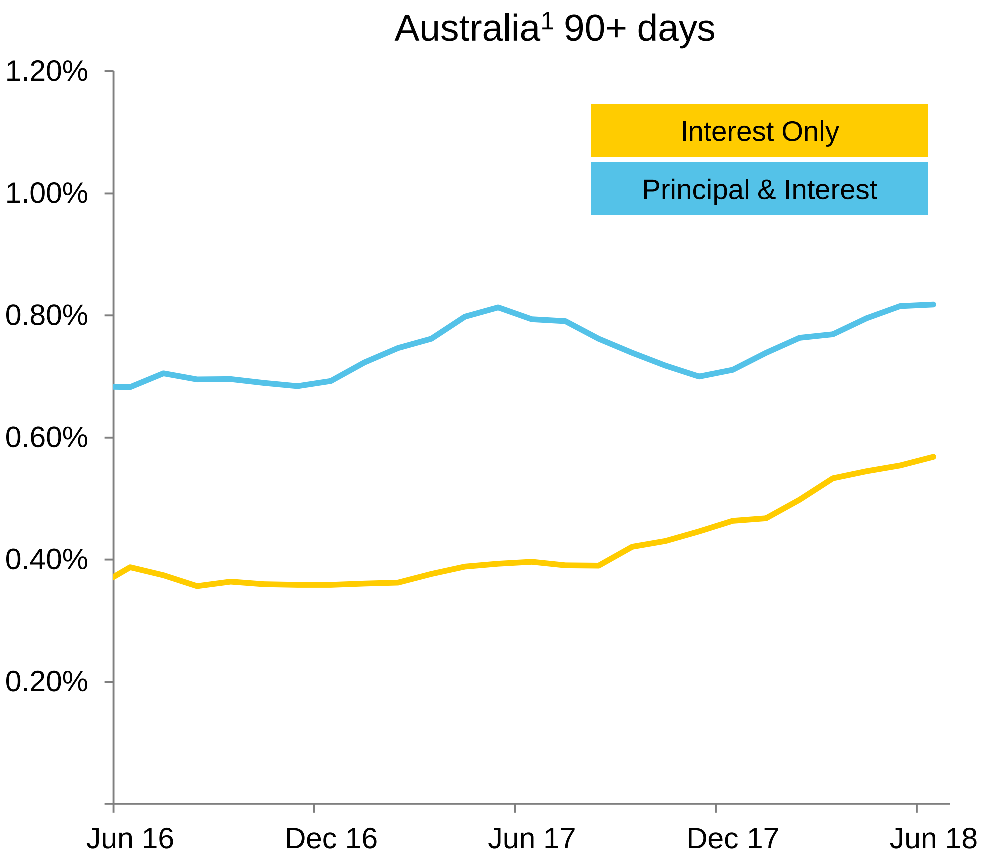
Home loan arrears - interest only

Interest only arrears rate impacted by reducing interest only portfolio balances

Arrears Balances



Arrears by Repayment



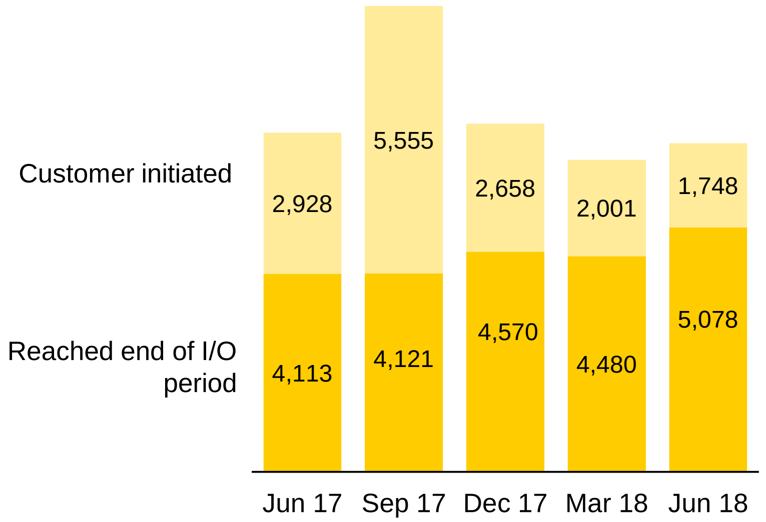
1. Includes CBA and Bankwest. Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loan and Residential Mortgage Group.

Interest only – switching

Switching activity peaked in Sep 17, with significant buffers in place

Balance Movement ($m)[1]

Interest Only (IO) to Principal and Interest (P&I) Quarterly



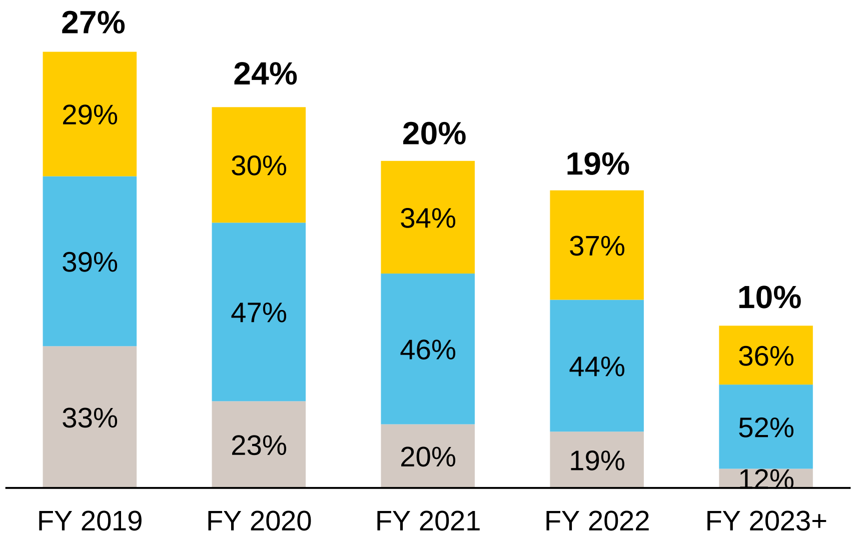
Payments in advance > 6 months[2]: accounts with a financial buffer to absorb any increased repayments

Investment Loans: incentivised to keep interest payments high for negative gearing/tax purposes

Residual: Over 65% originated after June 2015, with increased serviceability buffers

Scheduled IO term expiry[1]

(% of total IO Loans)

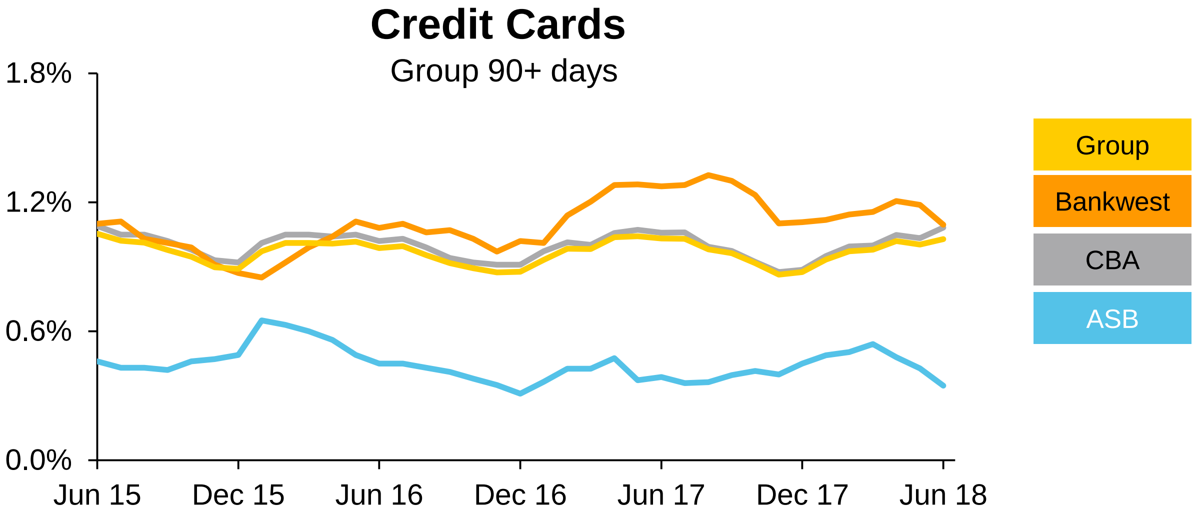


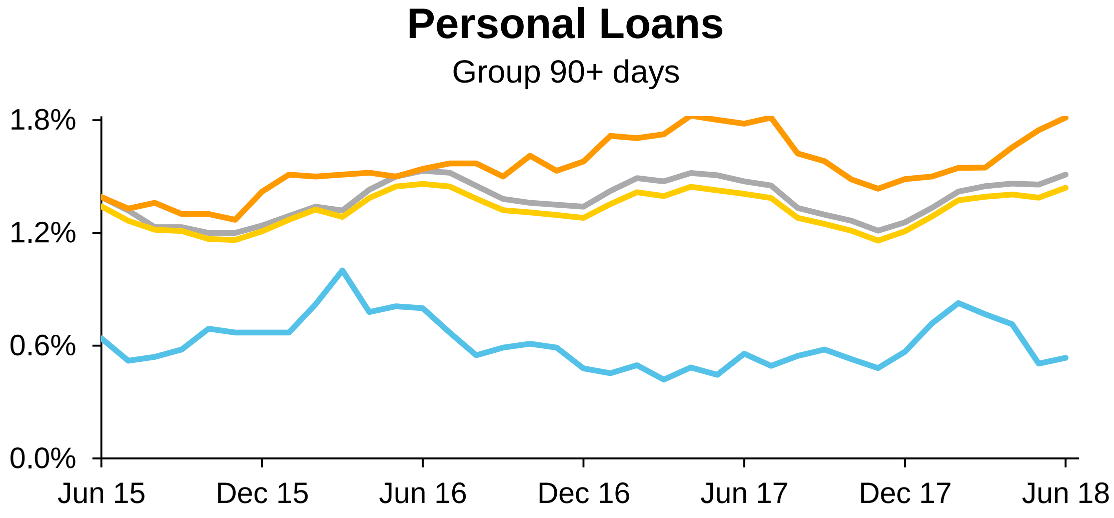
- Pricing and policy tightening measures have encouraged switching to P&I
- Interest only loans are assessed on P&I basis over residual term to ensure increased repayment levels can be met
- Additional serviceability buffers built into serviceability tests provide further support
- Approximately 27% expected to switch in FY2019 – majority are investors and those with large payment buffers

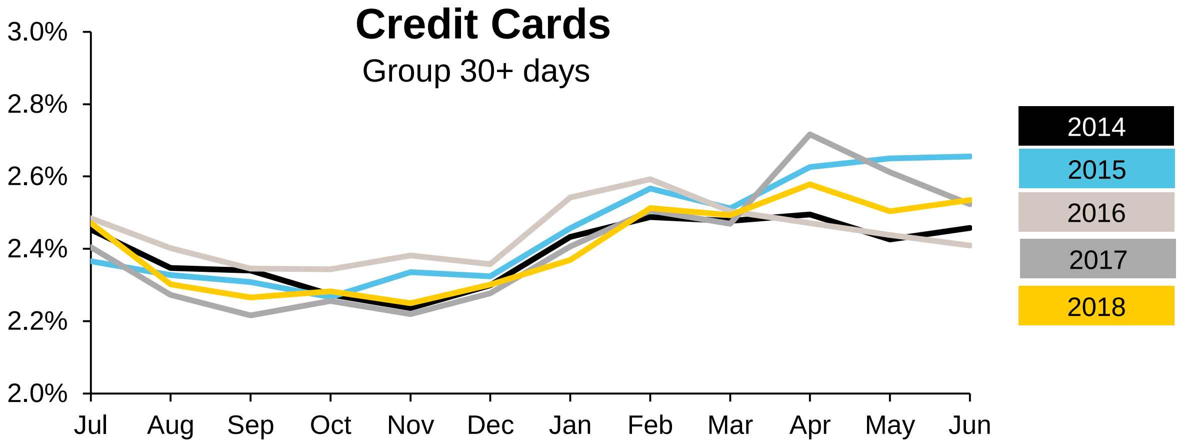
1. CBA only. Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loans and Residential Mortgage Group loans. 2. Payments in Advance defined as the number of monthly payments ahead of scheduled repayments by 6 or more months.

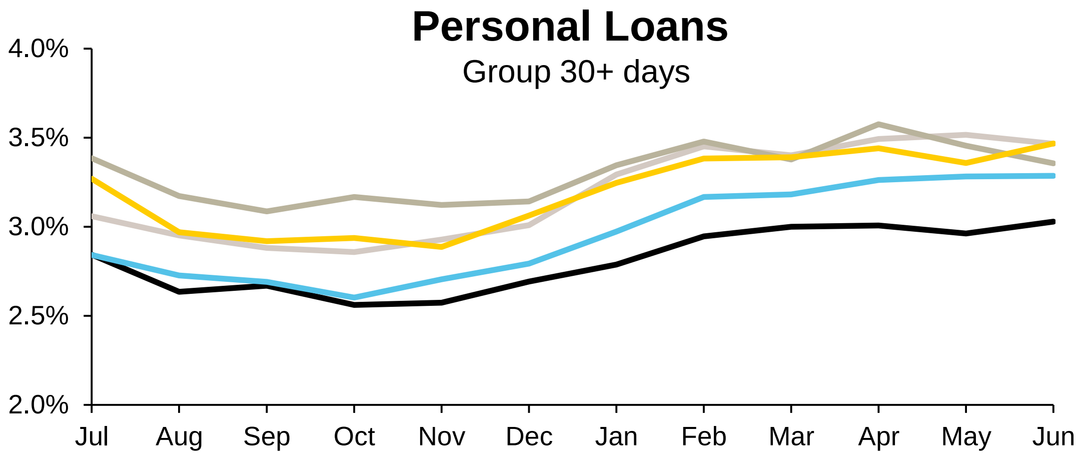
Consumer arrears[1]

Arrears rates remained broadly stable across unsecured retail portfolios









1. Consumer arrears includes retail portfolios of CBA (RBS and BPB), Bankwest and ASB. ASB write-off Credit Card and Personal Loans typically around 90 days past due if no agreed repayment plan.

Regulatory exposure mix[1]

CBA's portfolio is heavily weighted to home lending

Portfolio	Regulatory Credit Exposure Mix			
	CBA	Peer 1	Peer 2	Peer 3
Residential Mortgages	57%	41%	46%	57%
Corporate, SME, Specialised Lending	26%	31%	38%	29%
Bank	4%	5%	5%	2%
Sovereign	9%	16%	9%	8%
Qualifying Revolving	3%	2%	1%	2%
Other Retail	1%	5%	1%	2%
Total	100%	100%	100%	100%

1. Pillar 3 disclosures for CBA as at June 2018 and Peers as at March 2018. Excludes Standardised (including Other Assets, CVA) and Securitisation, which represents 5% of CBA, 4% of Peer 1, 6% of Peer 2 and 5% of Peer 3 before exclusions.

Business and Corporate Lending

CommonwealthBank

Business and Corporate Lending - Overview

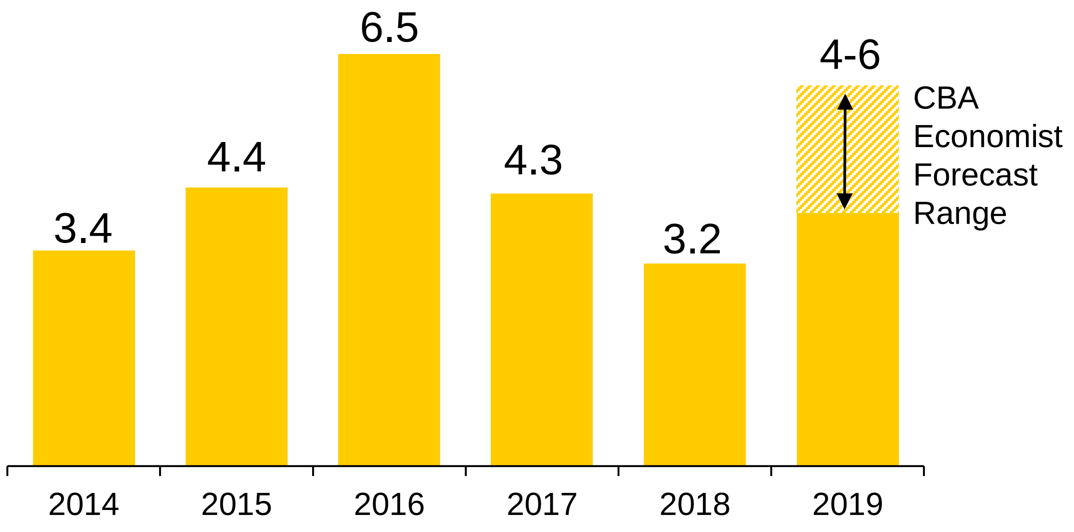
- System business credit growth remained relatively subdued through FY18 - a moderate pick-up is expected in FY19
- Credit conditions remained broadly stable, though sectors exposed to discretionary consumer spend remained challenged (eg Retail Trade)
- For CBA, focus remains on targeted growth in priority sectors (SME, Agri, Health) and active portfolio management in institutional lending
- Innovation remains key to the Bank's business customer offerings, including Daily IQ and Albert
- Book quality remains sound, with LIE at 10 bpts of GLAA in FY18

System overview – business credit

Business credit growth remained relatively subdued through FY18

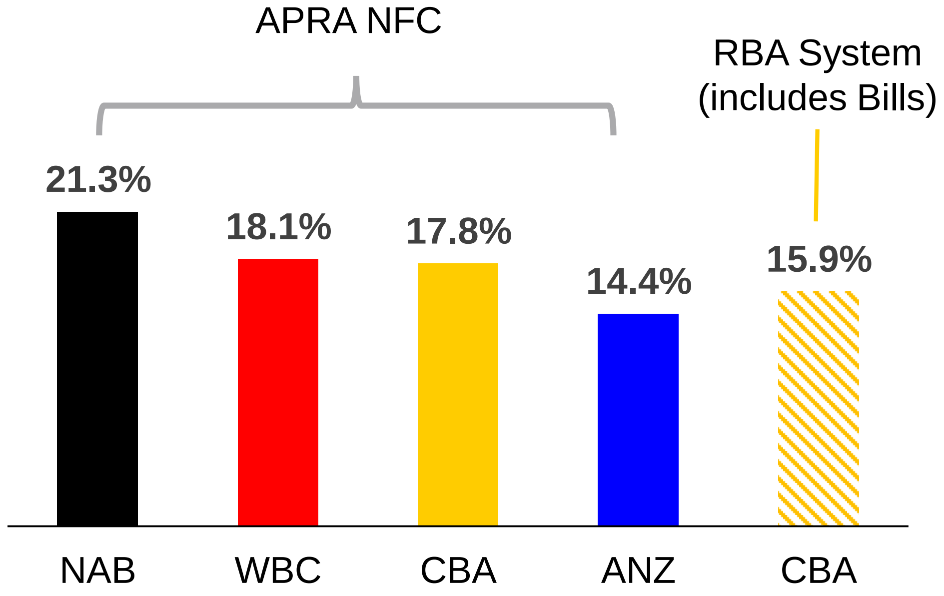
Business Credit Growth[1]

System, Year-to-June %



Market Shares[2]

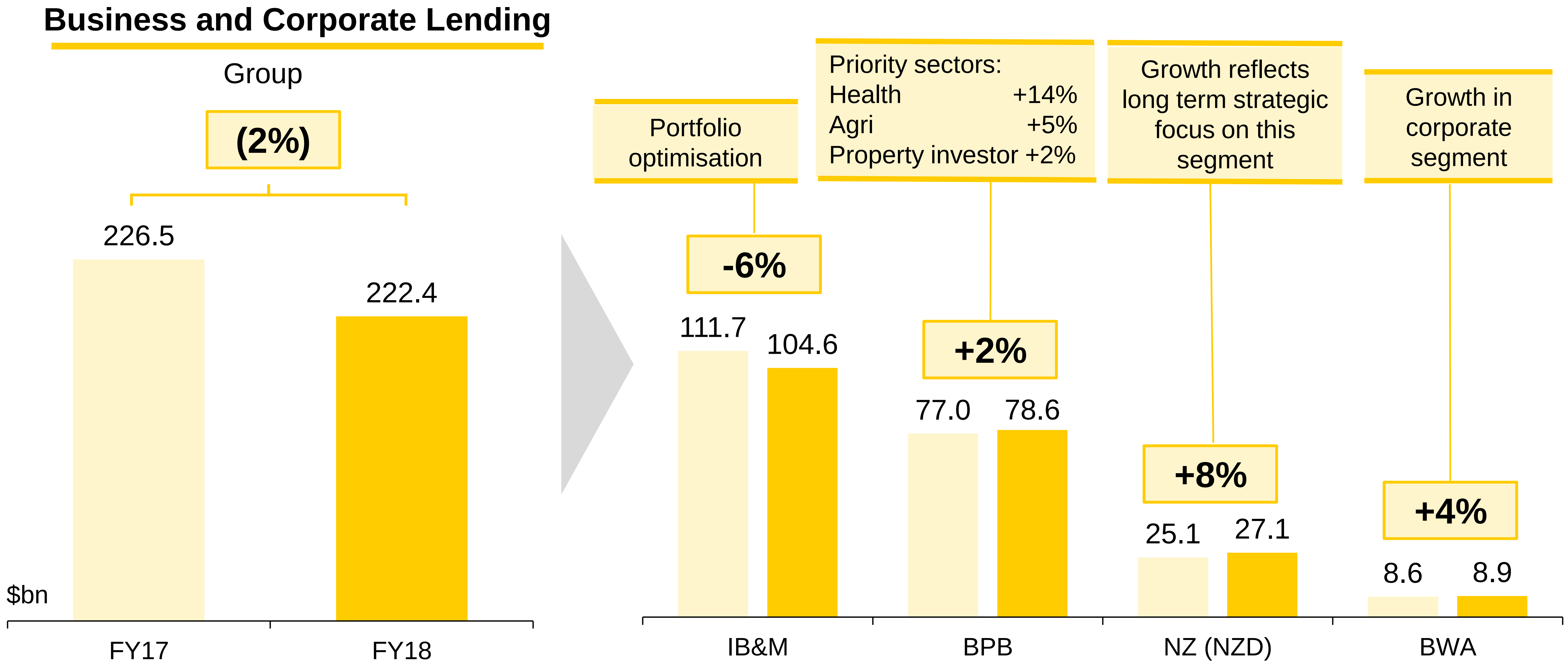
June 2018



1. Source: RBA. 2. System source: APRA Monthly Banking Statistics (excluded Bills). CBA includes Bankwest

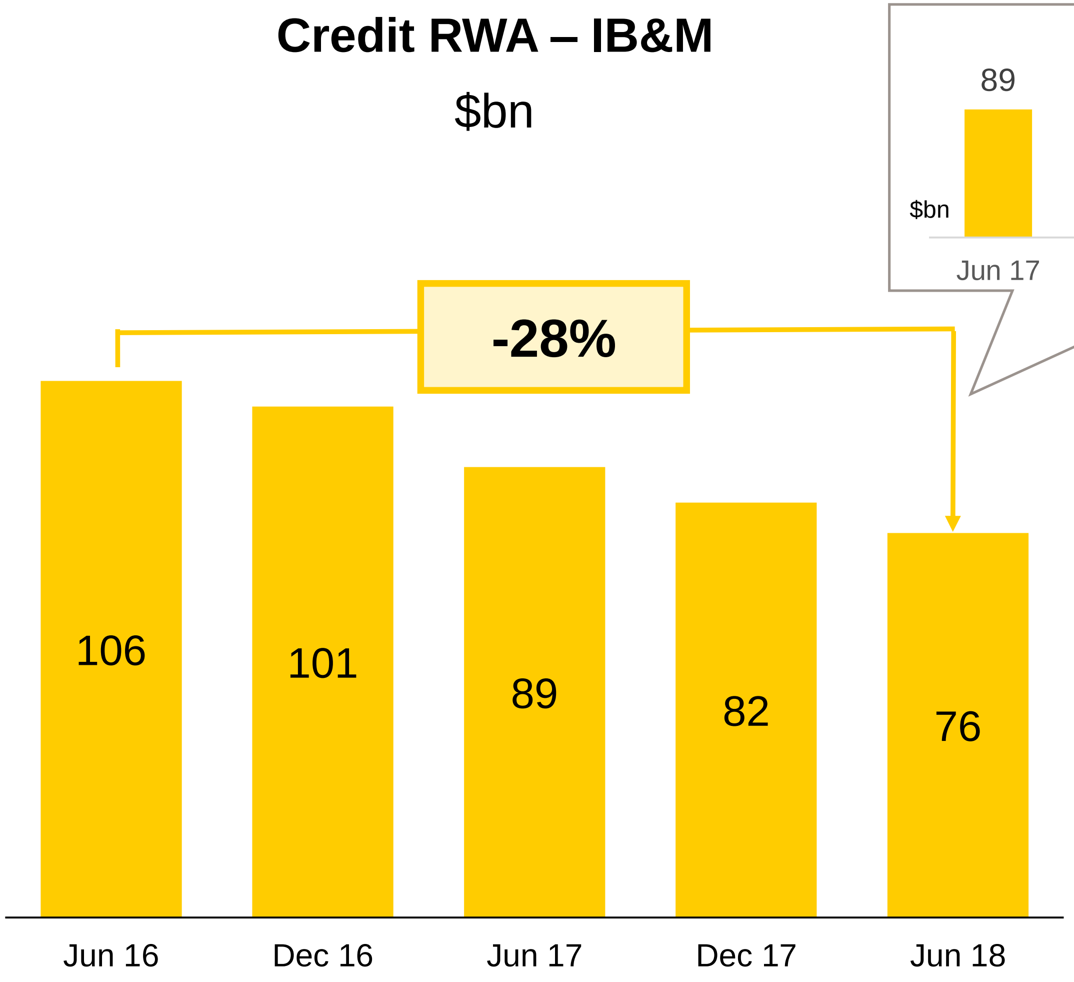
Business and Corporate Lending

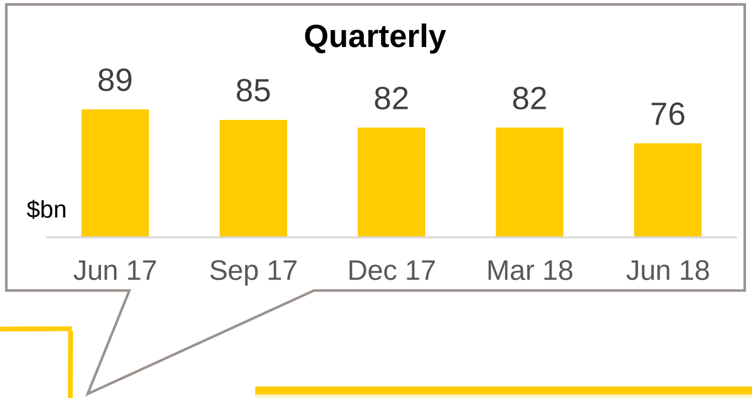
For CBA, focus is on portfolio optimisation and targeted growth in priority segments



IB&M – Credit RWA

Returns focus through disciplined balance sheet management



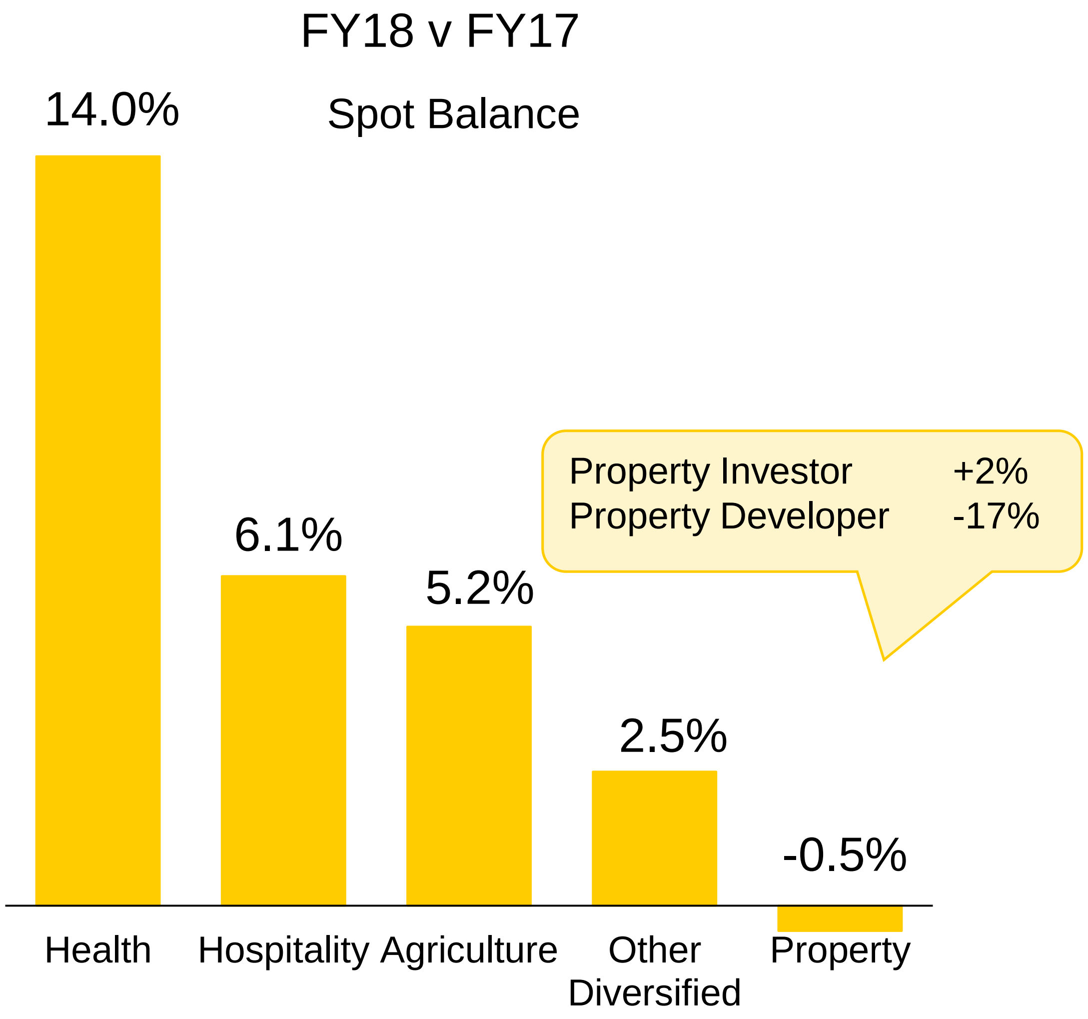


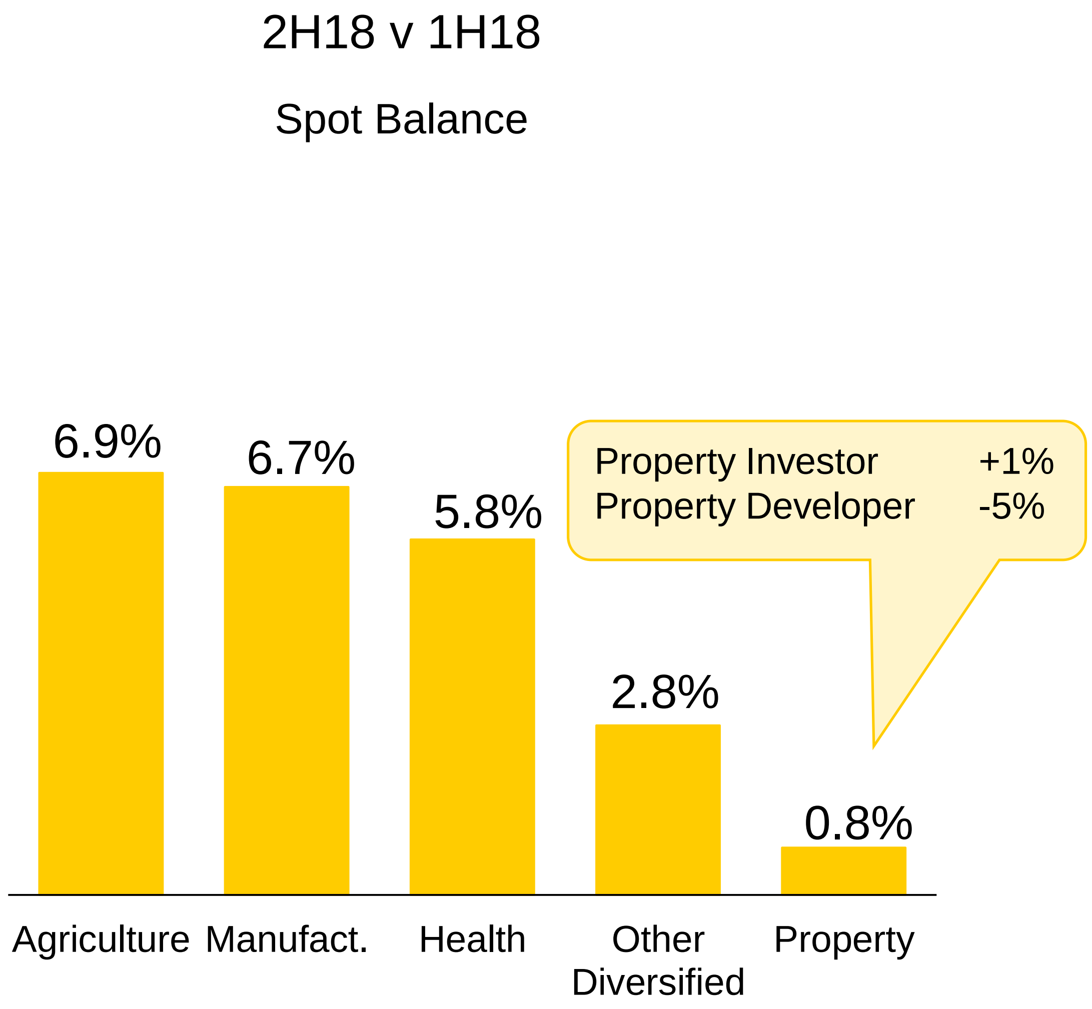
Key drivers

- Disciplined pricing with a focus on relationship returns
- Portfolio optimisation – actively reducing capital intensity of earnings
- Ongoing RWA modelling improvements incorporating updates to credit risk factor estimates and enhanced data quality
- Improved credit quality including management of troublesome and impaired loans

BPB - lending by sector

Strong growth in diversified industries partly offset by decline in property developer



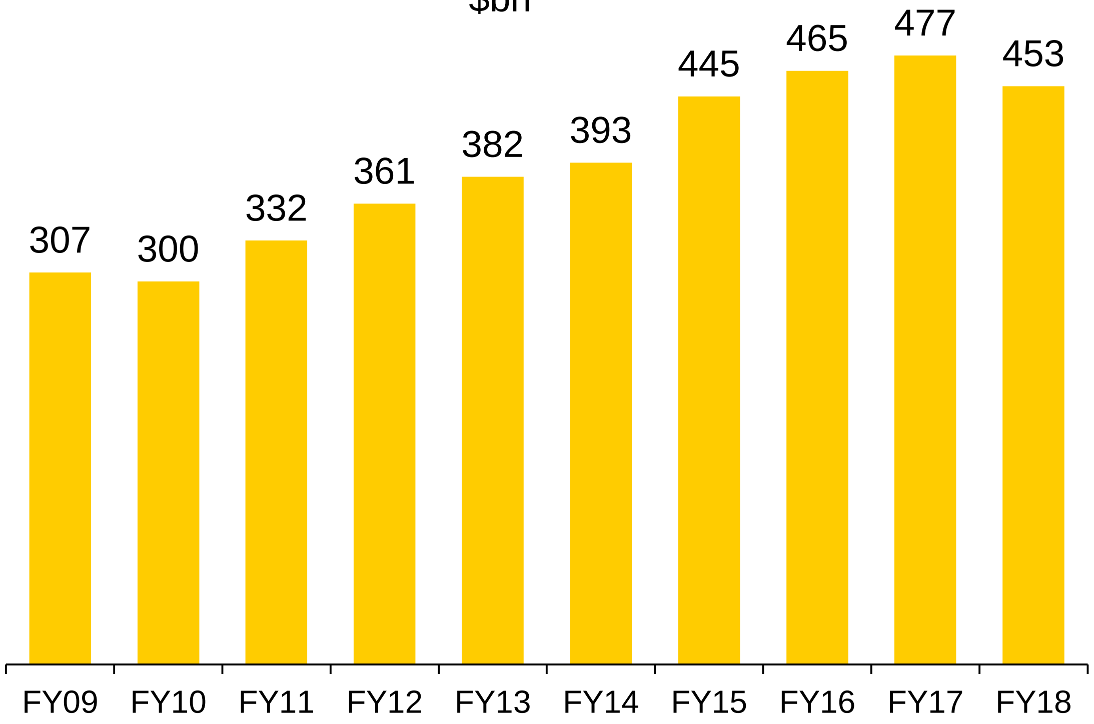


Corporate lending

Overall book quality remains sound, with cash LIE at 10 bpts of GLAA

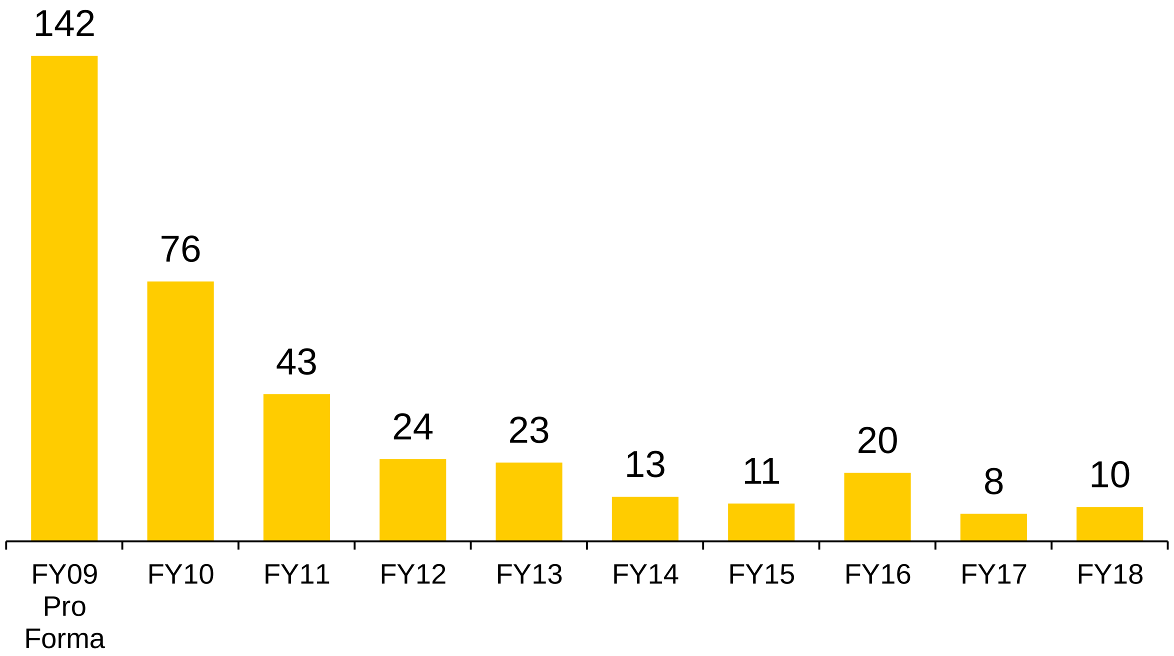
Corporate

Total Credit Exposures
$bn



Corporate LIE

Basis Points of GLAA
bpts

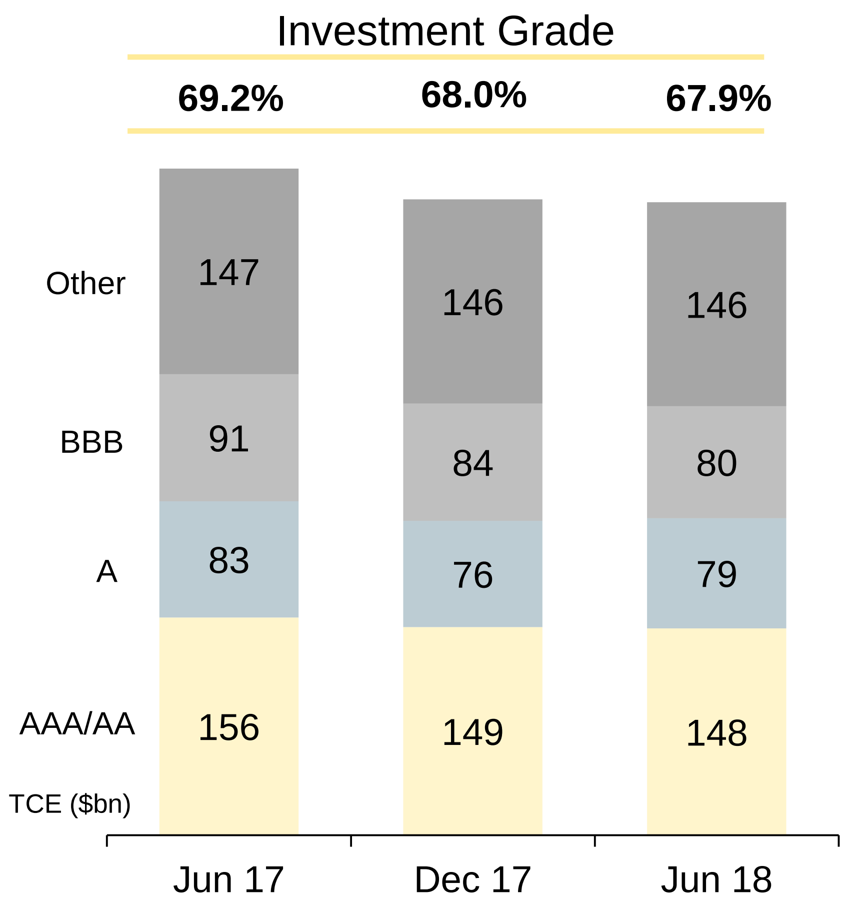


LIE = Loan Impairment Expense

Portfolio quality[1]

Approximately 68% of the corporate lending portfolio is rated investment grade

Corporate Portfolio Quality



Exposures by Industry

TCE $bn	AAA to AA-	A+ to A-	BBB+ to BBB-	Other	Jun 18
Sovereign	91.8	8.3	0.7	0.2	101.0
Property	2.7	6.0	13.8	44.7	67.2
Banks	28.0	24.2	5.1	2.7	60.0
Finance - Other	23.6	23.5	7.3	2.3	56.7
Retail & Wholesale Trade	-	1.3	5.0	15.8	22.1
Agriculture	-	0.2	2.6	19.0	21.8
Manufacturing	-	2.8	4.4	7.8	15.0
Transport	0.1	1.6	8.7	5.0	15.4
Mining	0.1	3.3	6.5	3.9	13.8
Energy	0.3	1.7	7.5	1.7	11.2
All other ex Consumer	1.5	6.3	18.8	42.2	68.8
Total	**148.1**	**79.2**	**80.4**	**145.3**	**453.0**

1. CBA grades in S&P equivalents.

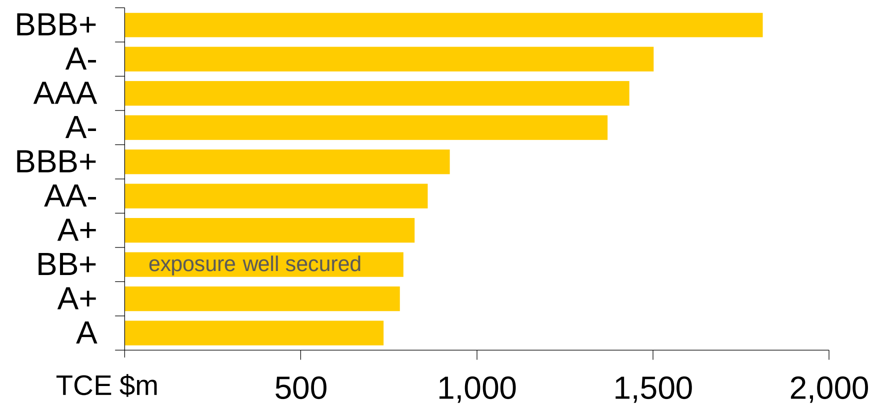
Credit exposure summary

Portfolio weighted to Australia and New Zealand, TIA/TCE stable at 0.60%

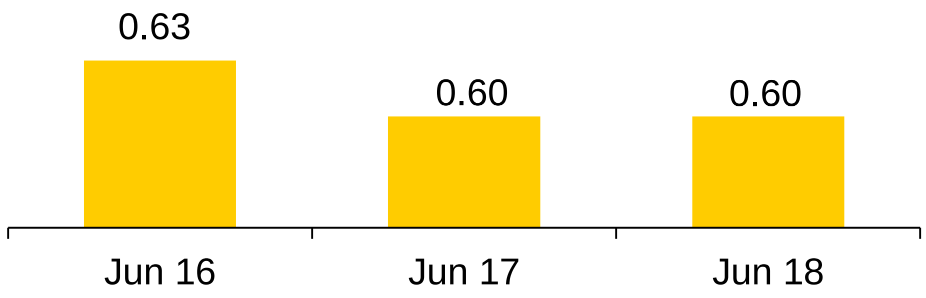
Group TCE by Geography

	Jun 16	Jun 17	Jun 18
Australia	76.7%	76.9%	77.6%
New Zealand	9.2%	9.7%	10.0%
Europe	5.4%	5.5%	4.7%
Other	8.7%	7.9%	7.7%

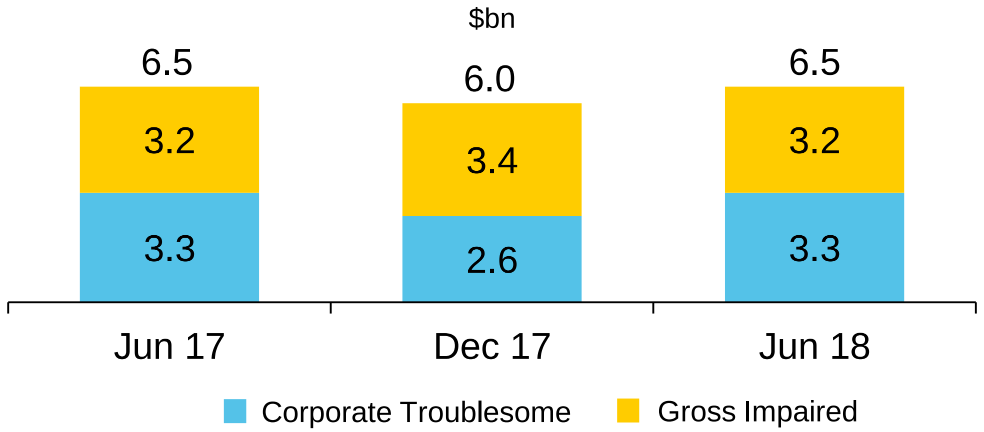
Top 10 Commercial Exposures



TIA % of TCE



Troublesome and Impaired Assets



Credit exposure summary

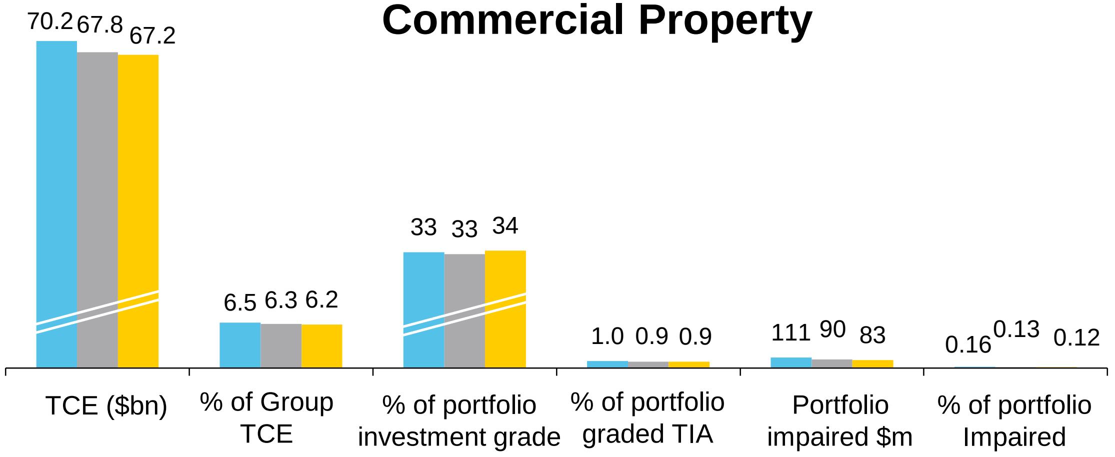
	Group TCE		TIA $m		TIA % of TCE	
	Dec 17	Jun 18	Dec 17	Jun 18	Dec 17	Jun 18
Consumer[1]	56.6%	57.4%	1,511	1,659	0.25%	0.27%
Sovereign	9.7%	9.3%	-	-	-	-
Property	6.3%	6.2%	586	632	0.86%	0.94%
Banks	5.2%	5.5%	9	9	0.02%	0.01%
Finance – Other	5.1%	5.2%	35	31	0.06%	0.05%
Retail, Wholesale Trade	2.1%	2.0%	488	487	2.13%	2.21%
Agriculture	2.0%	2.0%	876	900	4.07%	4.12%
Manufacturing	1.4%	1.4%	290	350	1.90%	2.34%
Transport	1.5%	1.4%	399	659	2.49%	4.29%
Mining	1.3%	1.3%	409	364	2.97%	2.64%
Business Services	1.3%	1.2%	349	184	2.56%	1.44%
Energy	1.1%	1.0%	9	4	0.08%	0.04%
Construction	0.8%	0.7%	223	297	2.73%	3.68%
Health & Community	0.9%	0.9%	225	218	2.42%	2.38%
Culture & Recreation	0.7%	0.6%	47	41	0.66%	0.62%
Other[1]	4.0%	3.9%	579	706	1.35%	1.67%
Total	**100.0%**	**100.0%**	**6,035**	**6,541**	**0.56%**	**0.60%**

1. Comparatives have been restated to conform to treatment in current period.

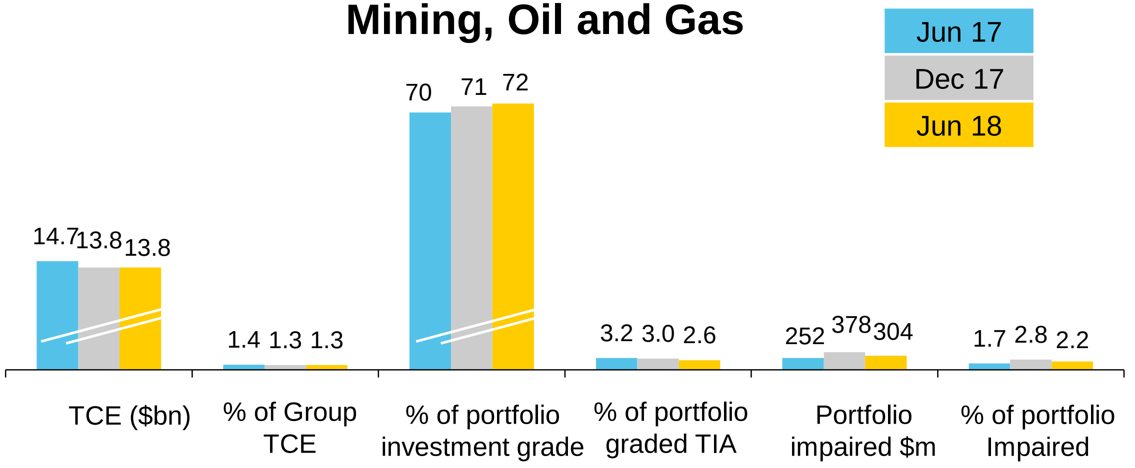
Sectors of Interest

Broadly stable outcomes across most sectors

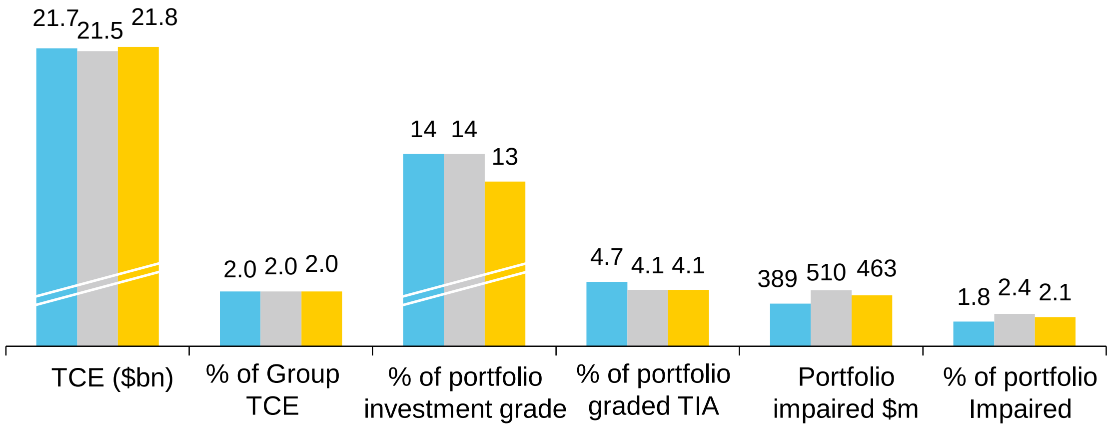
Commercial Property



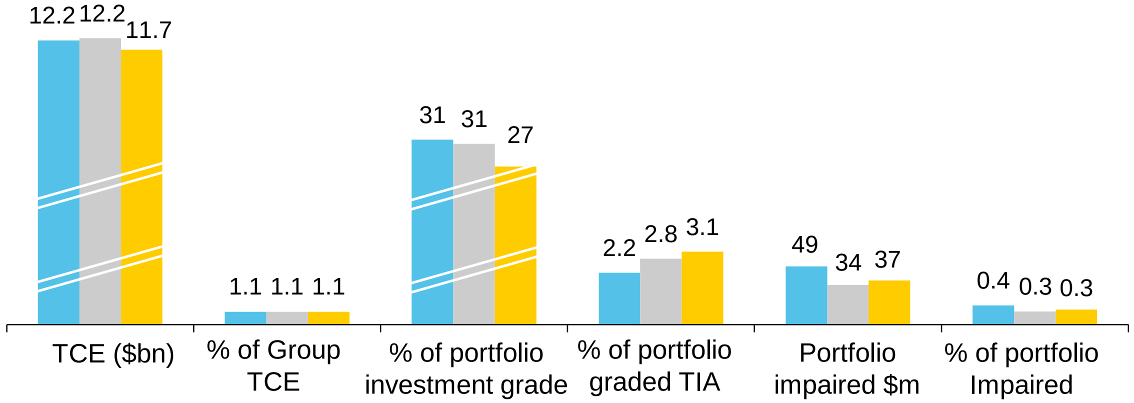
Mining, Oil and Gas



Agriculture



Retail Trade

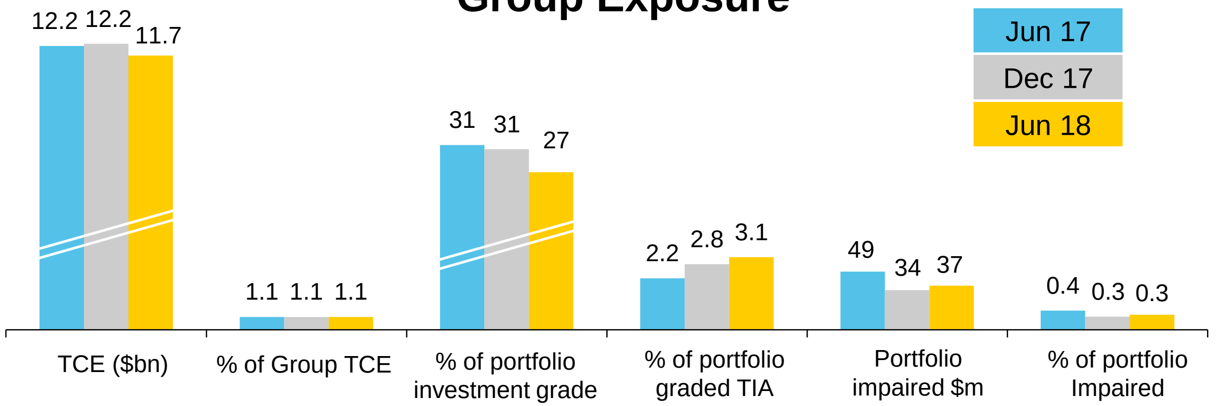


Retail trade

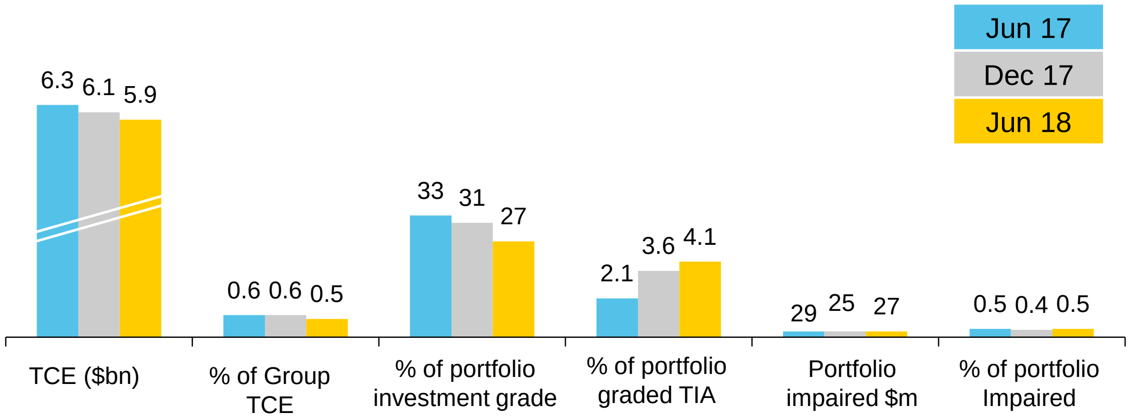
Conditions remain challenging in Retail Trade

- The sector remains challenged by low wage growth, pressure on consumer disposable income (housing affordability, rising energy, fuel and interest rate costs), the entrance of online disrupters and continued subdued consumer sentiment (despite an improvement in employment conditions).
- Discretionary Retail is expected to weaken further with competition high and downward pressure on prices and profitability.

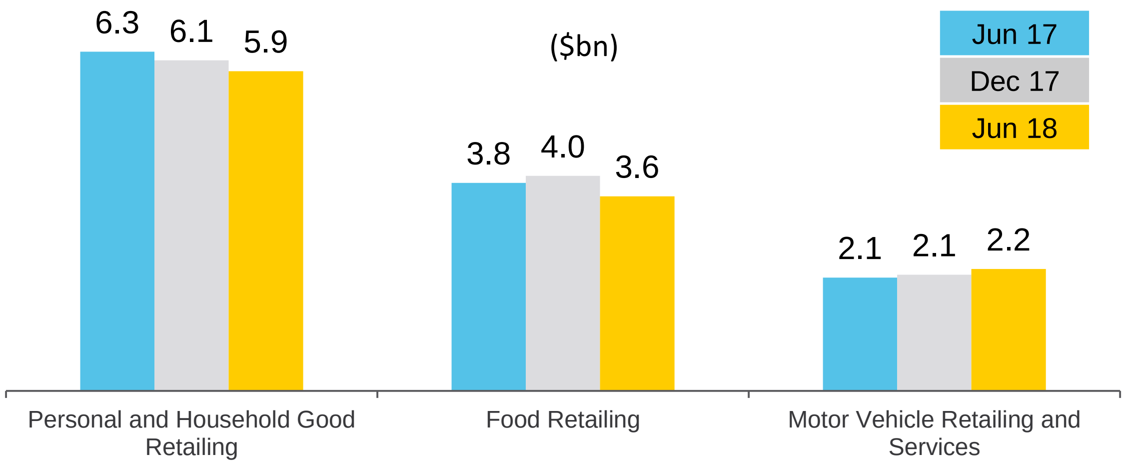
Group Exposure



Personal and Household Good Retailing



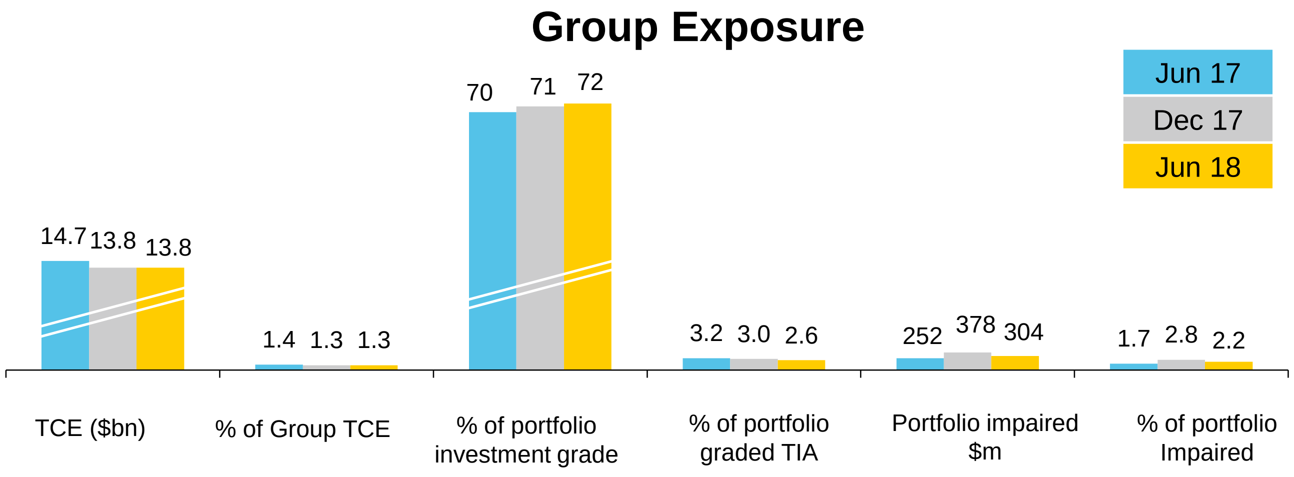
Group Exposure by Sector

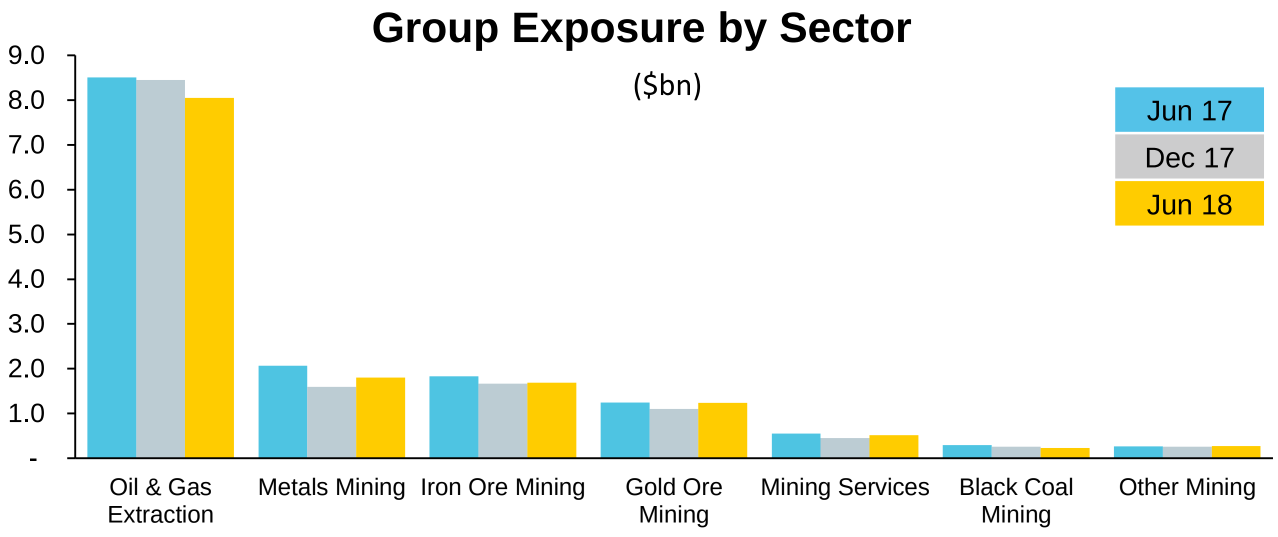


Mining, oil & gas

Exposures reduced over the year, well diversified

- Exposure of $13.8bn (1.3% of Group TCE) is lower over the year and in line with Dec 17. Reductions in Oil & Gas facilities were offset by increased committed facilities to Mining clients.
- Stable performance over the past 6 months:
  - Marginal improvement in investment grade to 72%.
  - Diversified by commodity/customer/region.
  - Focus on quality, low cost projects with strong fundamentals and sponsors.
- Oil & Gas Extraction is the largest sub-sector (58% of total): 70% investment grade with 27% related to LNG Terminals – typically supported by strong sponsors with significant equity contribution and offtake contracts from well-rated counterparties.
- Portfolio impaired level decreased to 2.2% due to a combination of migration to troublesome, write-downs and derivative exposure movements.
- Better trading conditions and continued positive commodity price momentum in general during 2nd half FY18.
- Stable outlook, however remain cautious of risk of commodity price pull back.

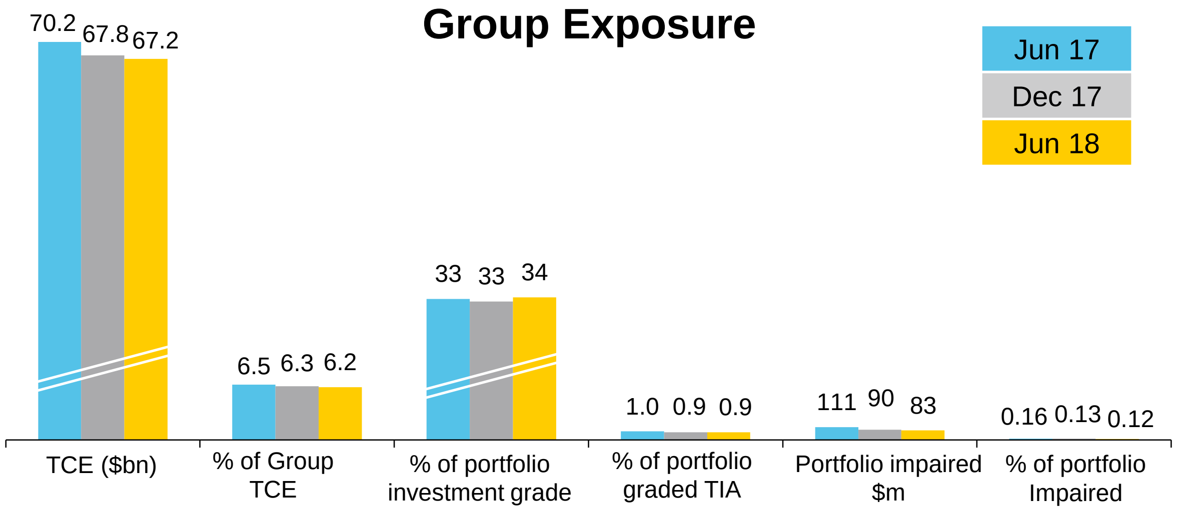


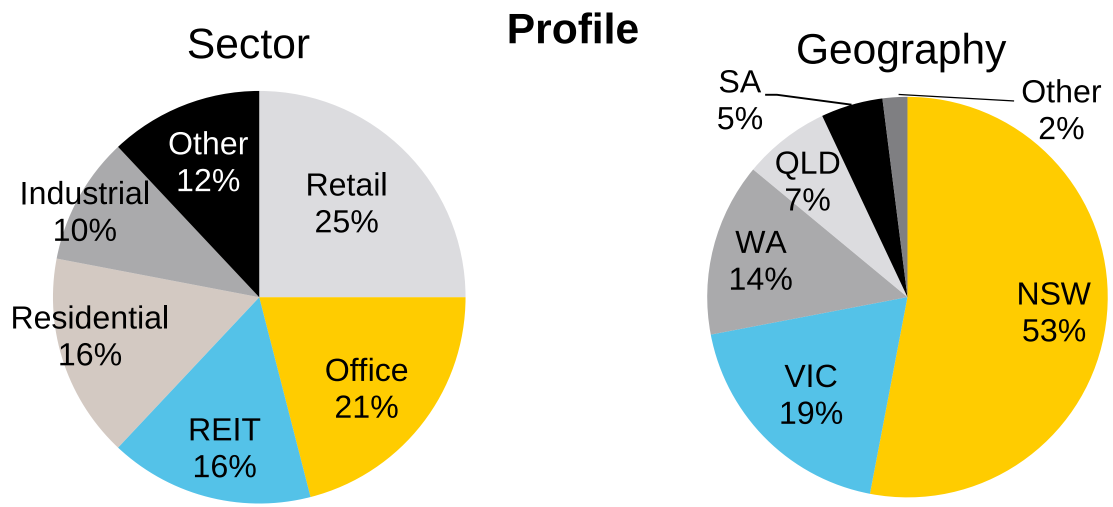


Commercial property

Portfolio weighted to NSW – TIA less than 1.0%

- Exposure has remained relatively flat in the half year. Remains diversified across sectors and by counterparty.
- Composition remains steady in last 6 months with 87% of Commercial Property exposure to investors and REITS, 13% to Developments.
- Top 20 counterparties primarily investment grade (weighted average rating of BBB equivalent) and account for 15.7% of Commercial property exposure.
- 34% of the portfolio investment grade, majority of sub-investment grade exposures secured (97%).
- Impaired exposures remain low (0.12% of the portfolio).
- Geographical weighting remaining steady during the half.
- Development exposure continues to reduce due to repayments from completed projects and active management of risk appetite in areas of concern.
- Ongoing comprehensive market, exposure and underwriting monitoring on the portfolio.





Sector profile is Group wide Commercial Property. Geographic profile is domestic Commercial Property.

Residential apartments – weighted to Sydney

Improved qualifying pre-sales, lower LVR

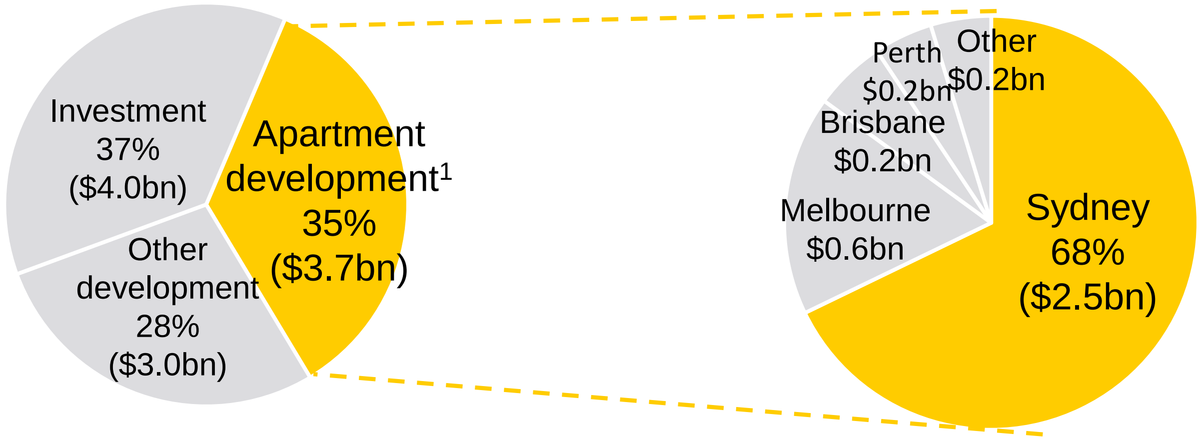
- Apartment Development[1] exposure reduced $0.3bn for the half.
- Facilities being repaid on time from pre-sale settlements.
- Weighting to Sydney remained stable over the last 6 months.
- Qualifying pre-sales improved to 112.0%.[2]
- Lower Portfolio LVR of 54.3%.
- Sydney developments are diversified across the metropolitan area.
- Ongoing comprehensive market, exposure and settlement monitoring on the portfolio.

1. Apartment Developments > $20m. Brisbane, Melbourne and Perth defined as all postcodes within a 15km radius of the capital city and Sydney is all metropolitan Sydney based on location of the development. Other is all other locations.
2. QPS refers to level of Qualifying Pre-Sales accepted as a pre-condition to loan funding. QPS Cover is level of QPS held to cover the exposure.

Profile

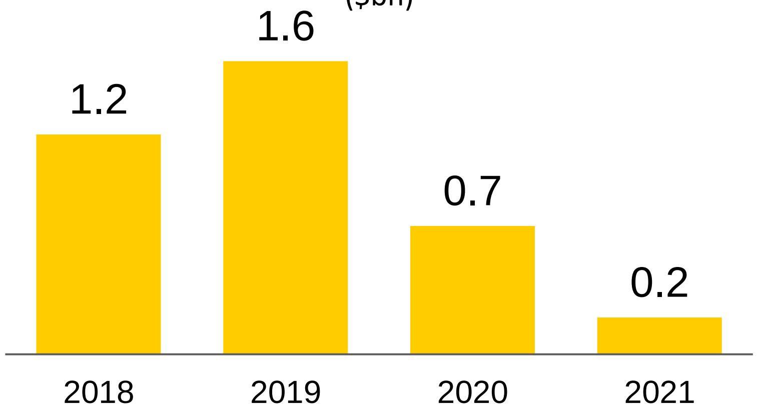
Total Residential
$10.7bn (16% of CP)

Apartment Development[1]
$3.7bn (0.3% of TCE)



Exposure Maturity Profile[1]

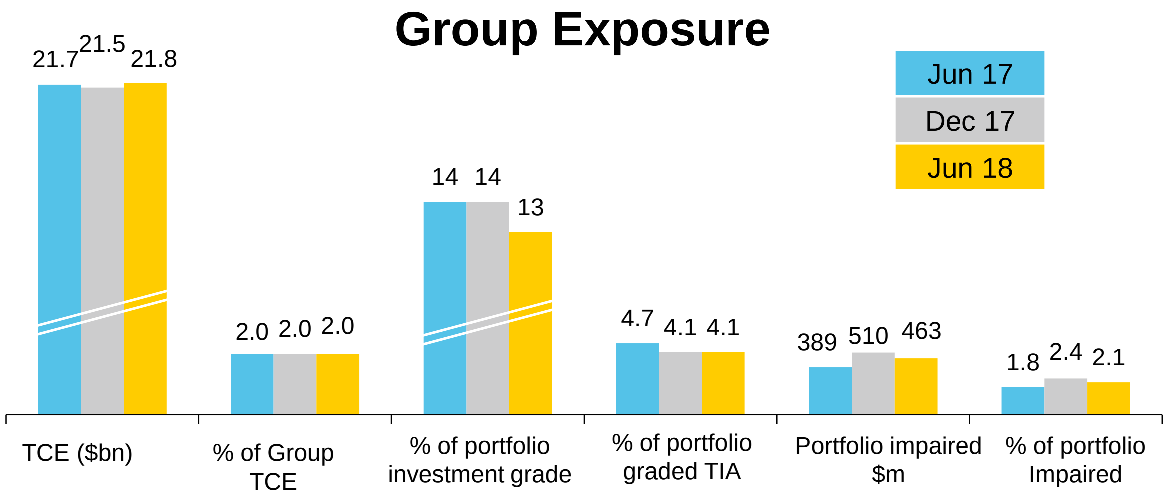
($bn)

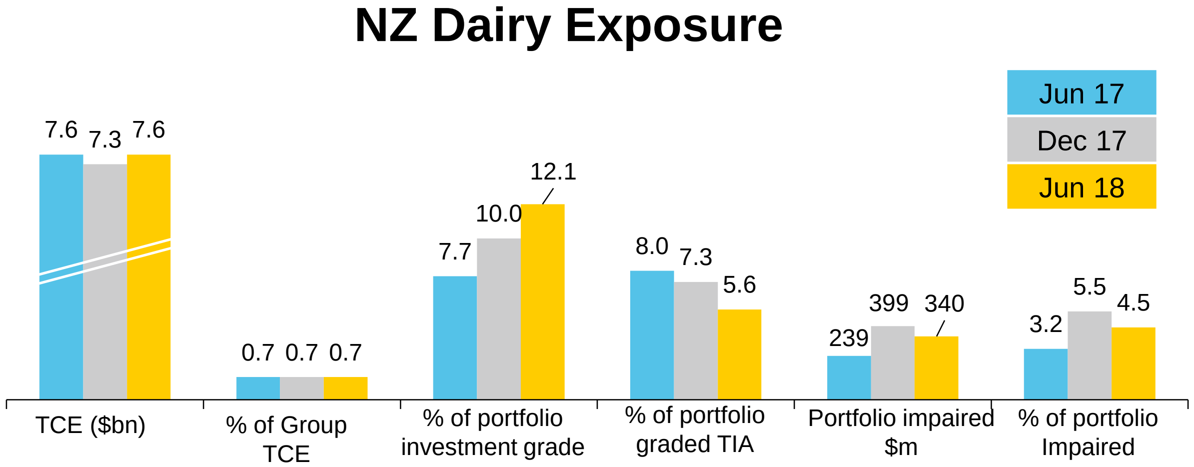


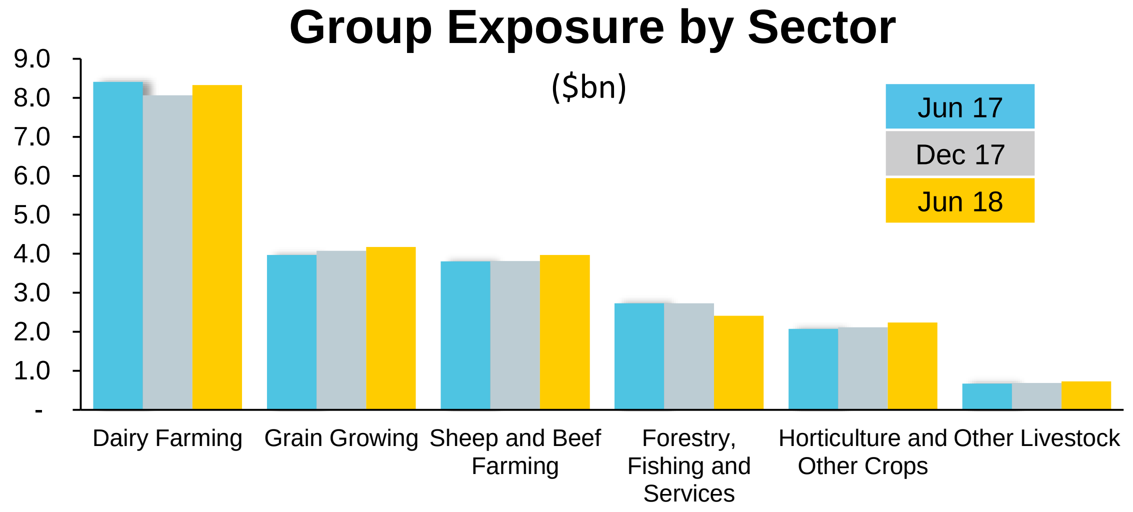
Agriculture

Well diversified portfolio, weighted to NZ dairy

- Group agriculture exposure of $21.8bn (2.0% of Group TCE) is well diversified by geography, sector and client base.
- Australian agriculture portfolio performance stable with some headwinds from seasonal conditions.
- NZ Dairy exposures stable, with quality continuing to improve:
  - NZ Dairy TIA continuing to reduce (currently 5.6%); and
  - Higher forecast 2018/19 milk prices will have a positive impact on the sector.





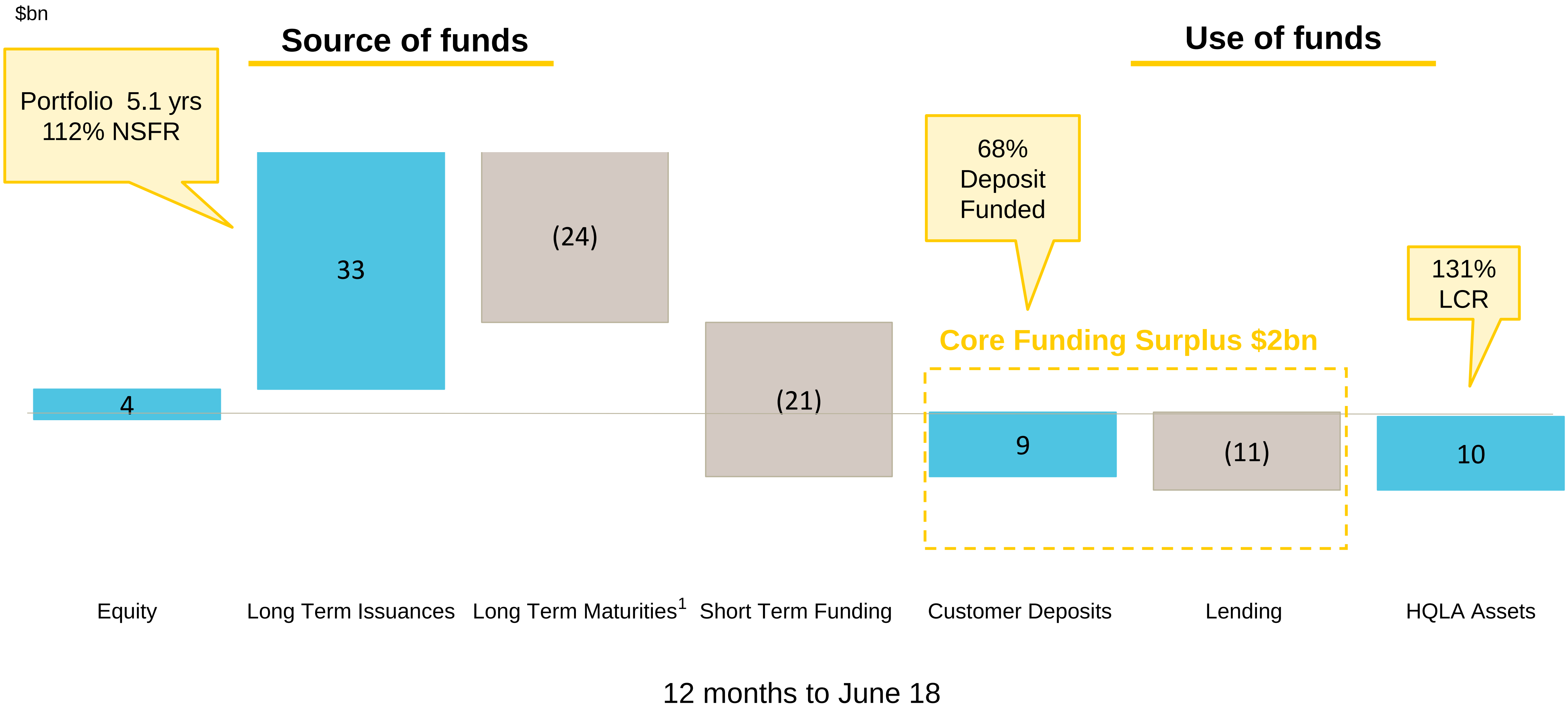


New Zealand dairy exposure (AUD) included in Group exposure.

Deposits, Funding and Liquidity

Funding overview

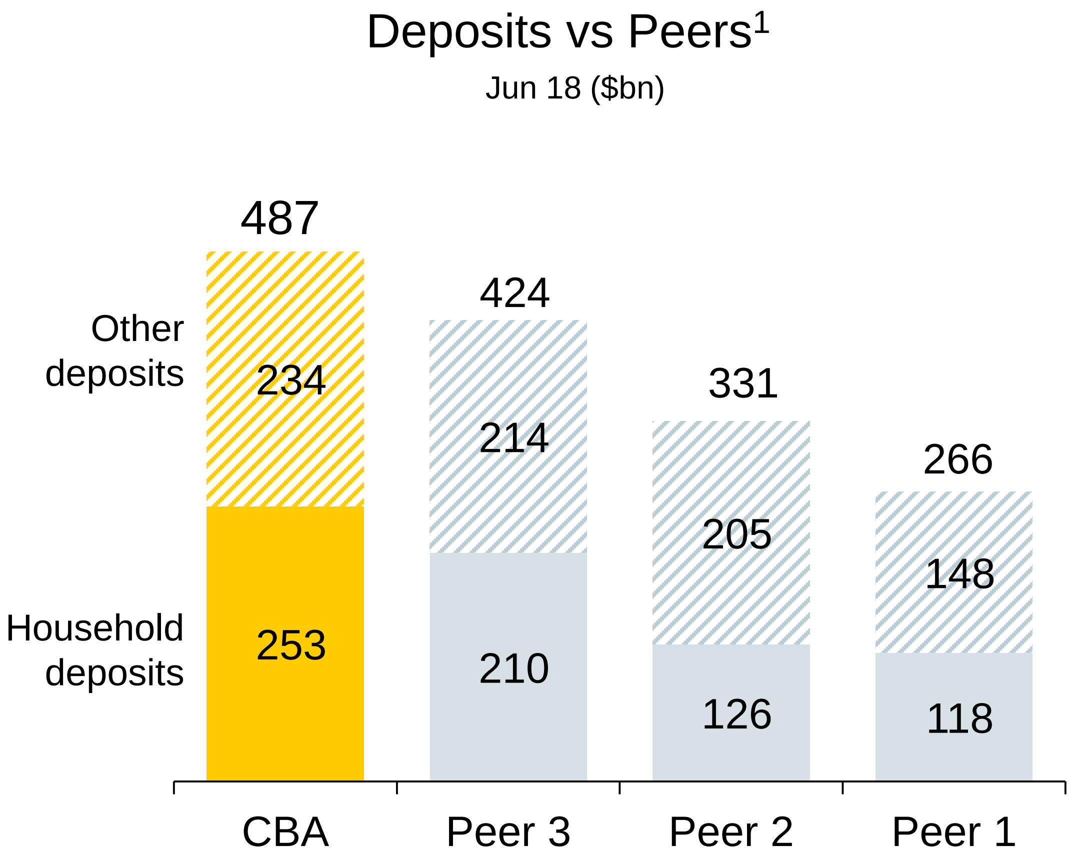
Over the last 12 months, the Group continued to strengthen its funding position

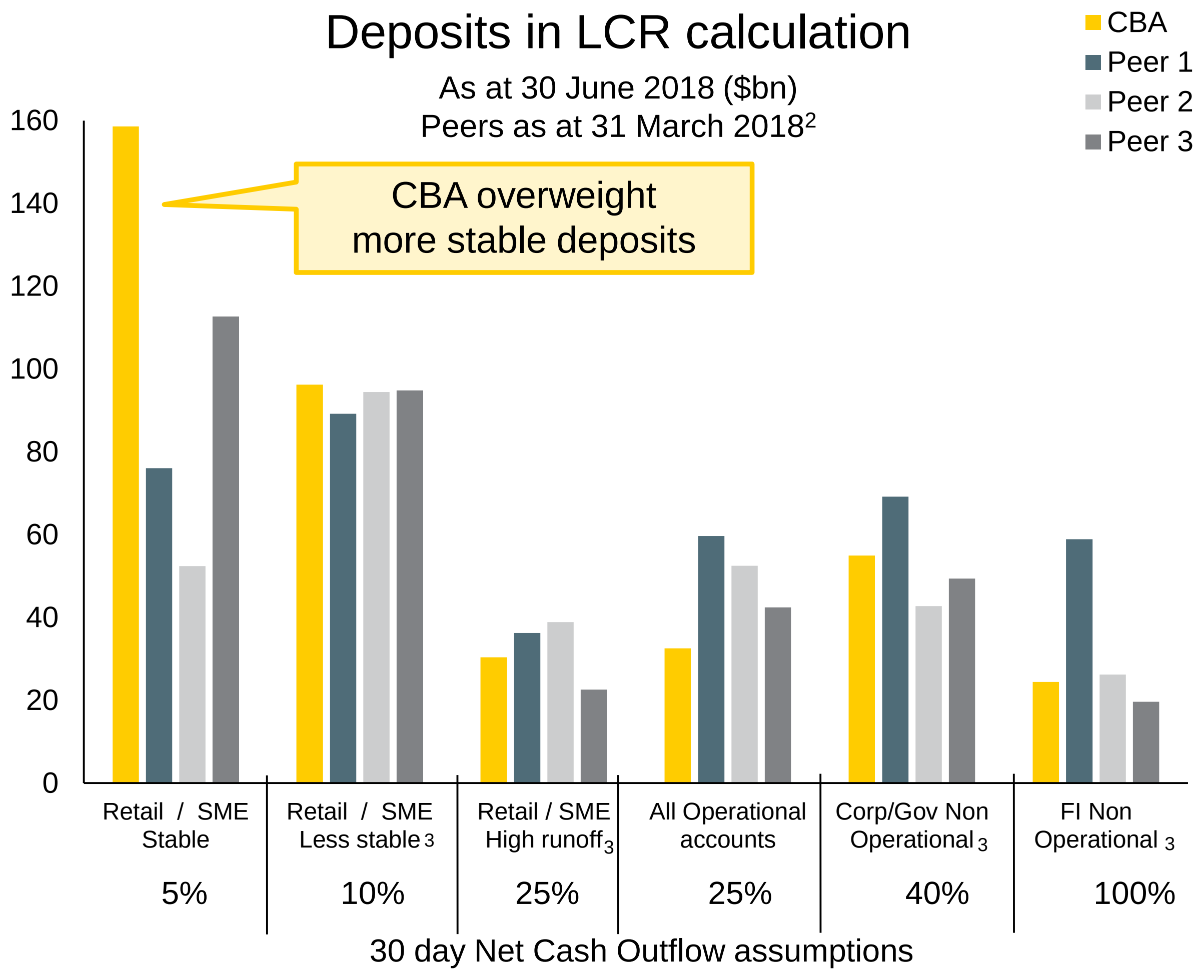


1. Reported at historical FX rates.

Deposit funding

The Group maintains the highest share of stable, household deposits in Australia





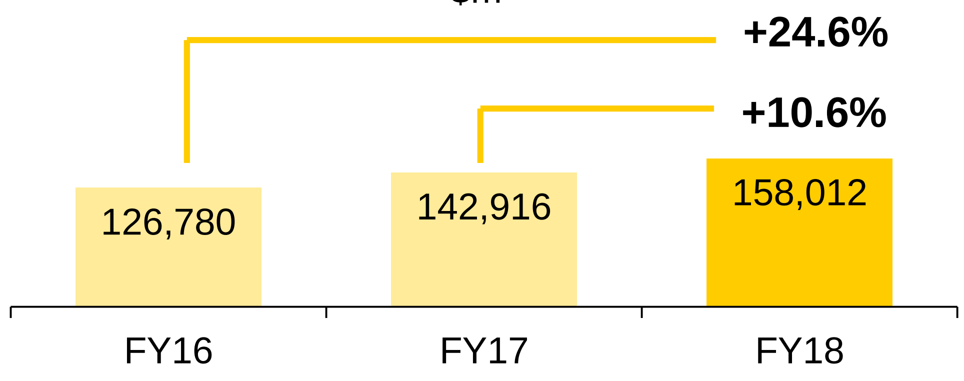
1. System source: APRA Monthly Banking Statistics. Total deposits (excluding CD's). CBA includes Bankwest. 2. Source: 31 March 2018 Pillar 3 Regulatory Disclosure; CBA reported as at 30 June 2018. 3. Peer comparisons are calculated from disclosures assuming there are not material balances in the "notice period deposits that have been called" and the "fully insured non-operational deposits" categories.

Deposit funding – transactions

Over one million new personal transaction accounts were opened in FY18

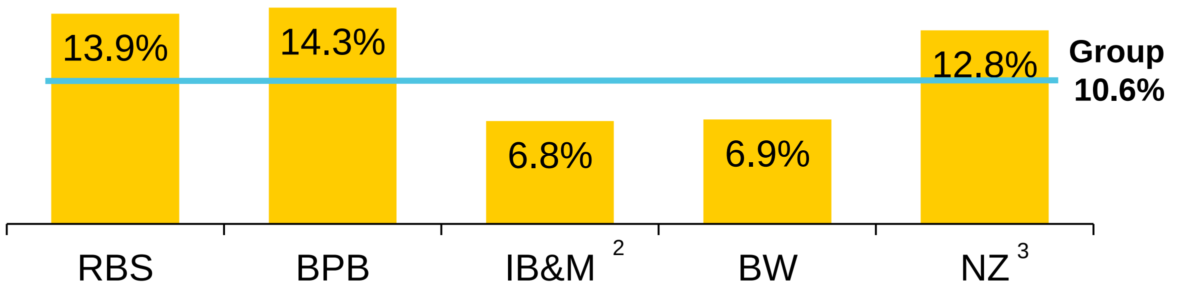
Group Transaction Balances[1]

$m



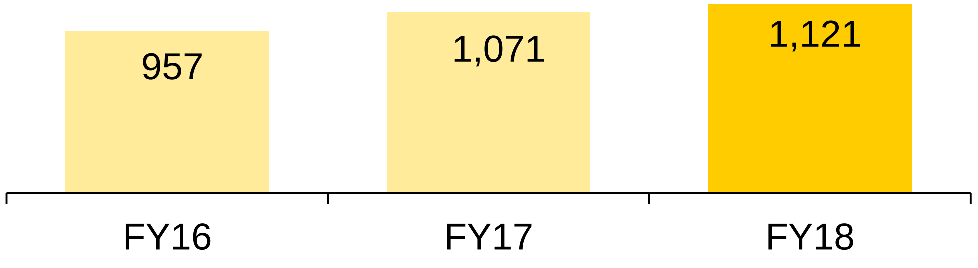
Transaction Balance Growth[1]

FY18 vs FY17



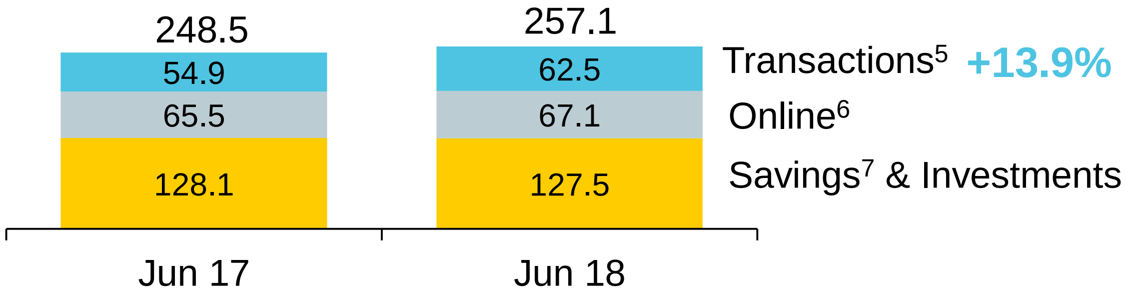
RBS New Transaction Accounts[4]

'000



Retail Deposit Mix

$bn



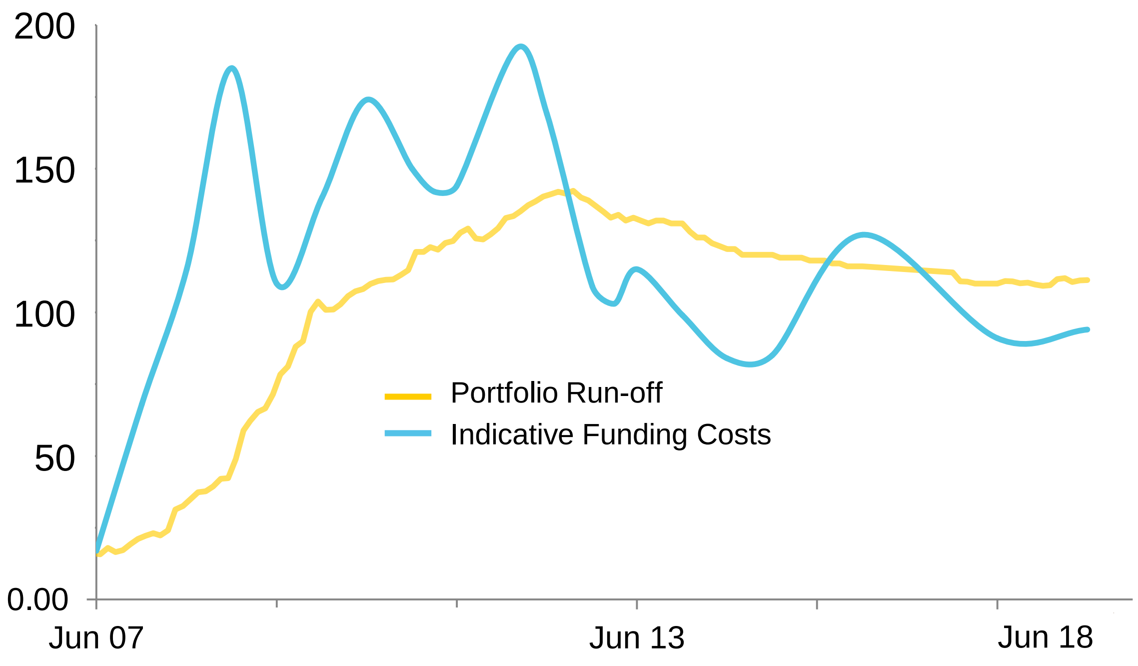
1. Includes non-interest bearing deposits. 2. Includes pooling facilities. 3. Denominated in NZD. 4. Number of new RBS personal transaction accounts, excluding offset accounts. 5. Includes non-interest bearing deposits and transaction offsets. 6. Online includes NetBank Saver, Goal Saver and Business Online Saver. 7. Includes savings offset accounts.

Funding costs - wholesale

Favourable funding conditions for opportunistic tenor lengthening

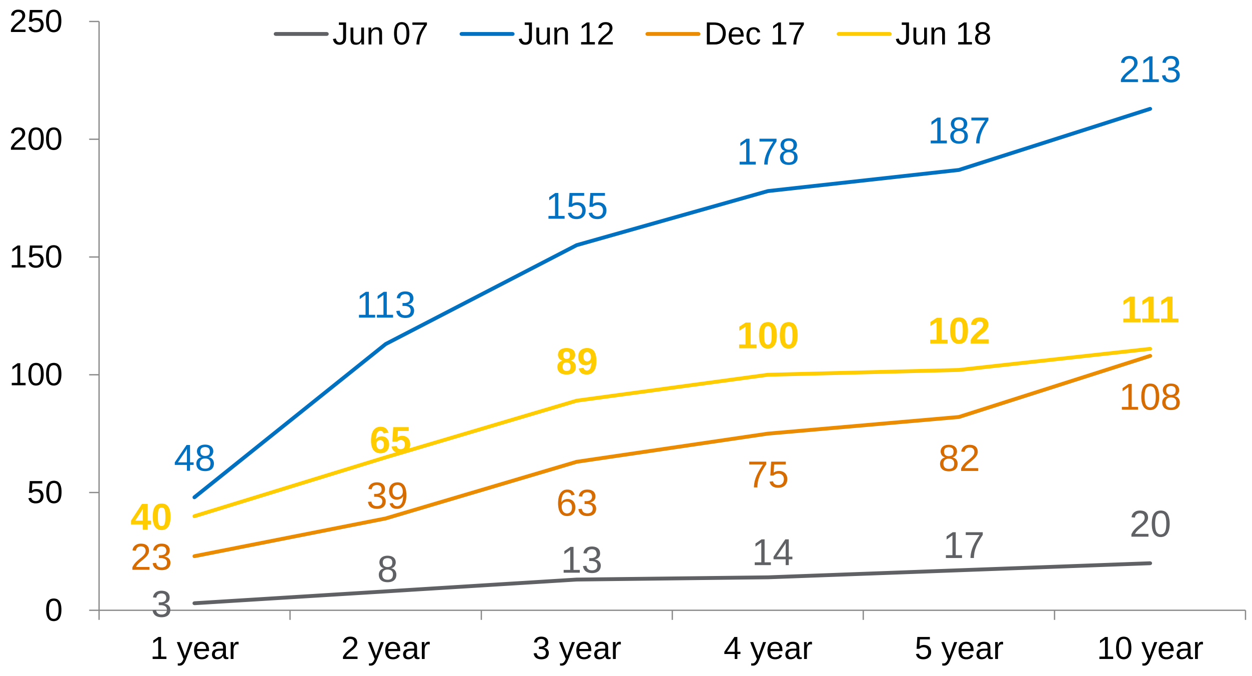
Average long term funding costs

Margin to BBSW (bpts)



Indicative funding cost curves

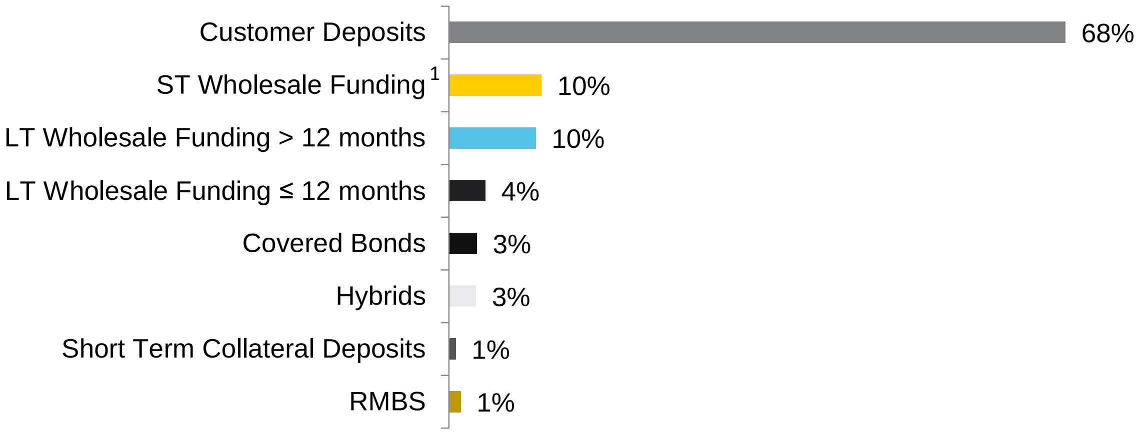
Margin to BBSW (bpts)



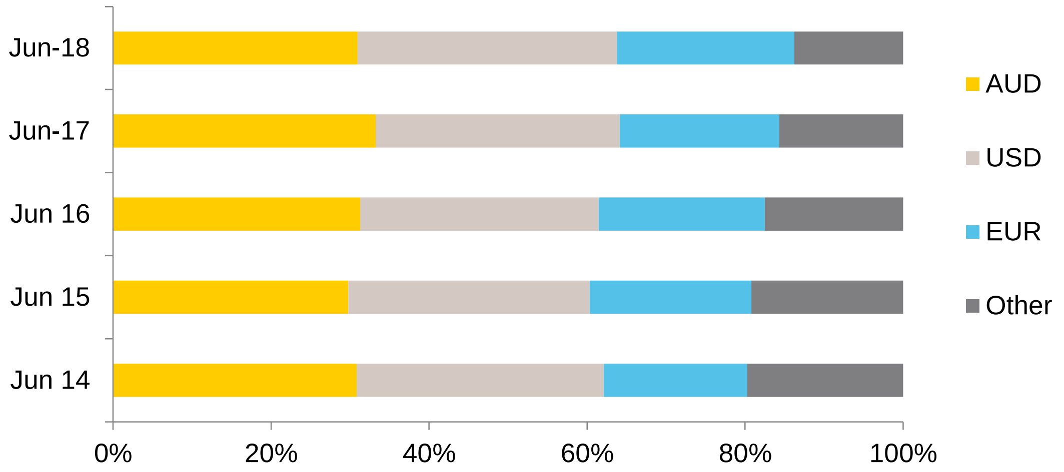
Wholesale funding – composition

Diversified wholesale funding across product, currency and tenor

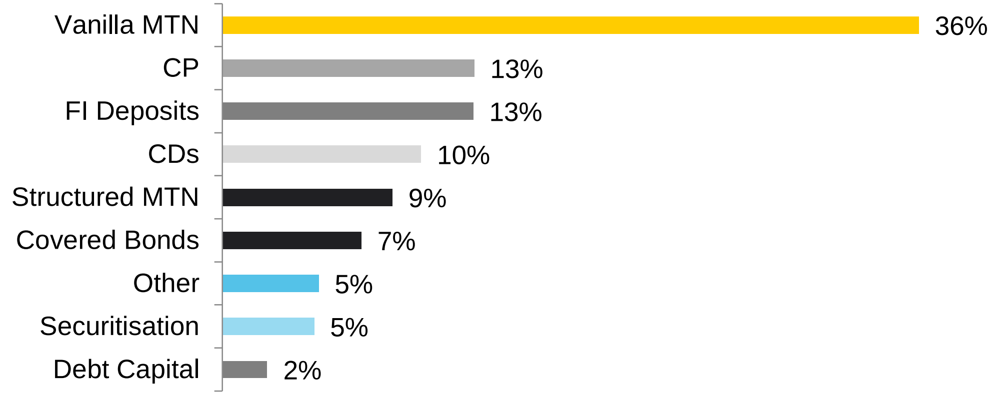
Funding composition



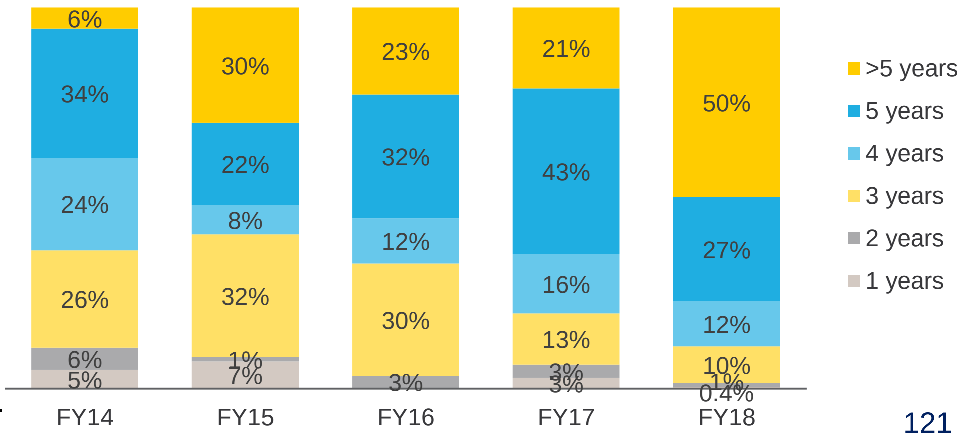
Term Wholesale Funding by Currency[2]



Wholesale Funding by product



New Term Issuance by Tenor



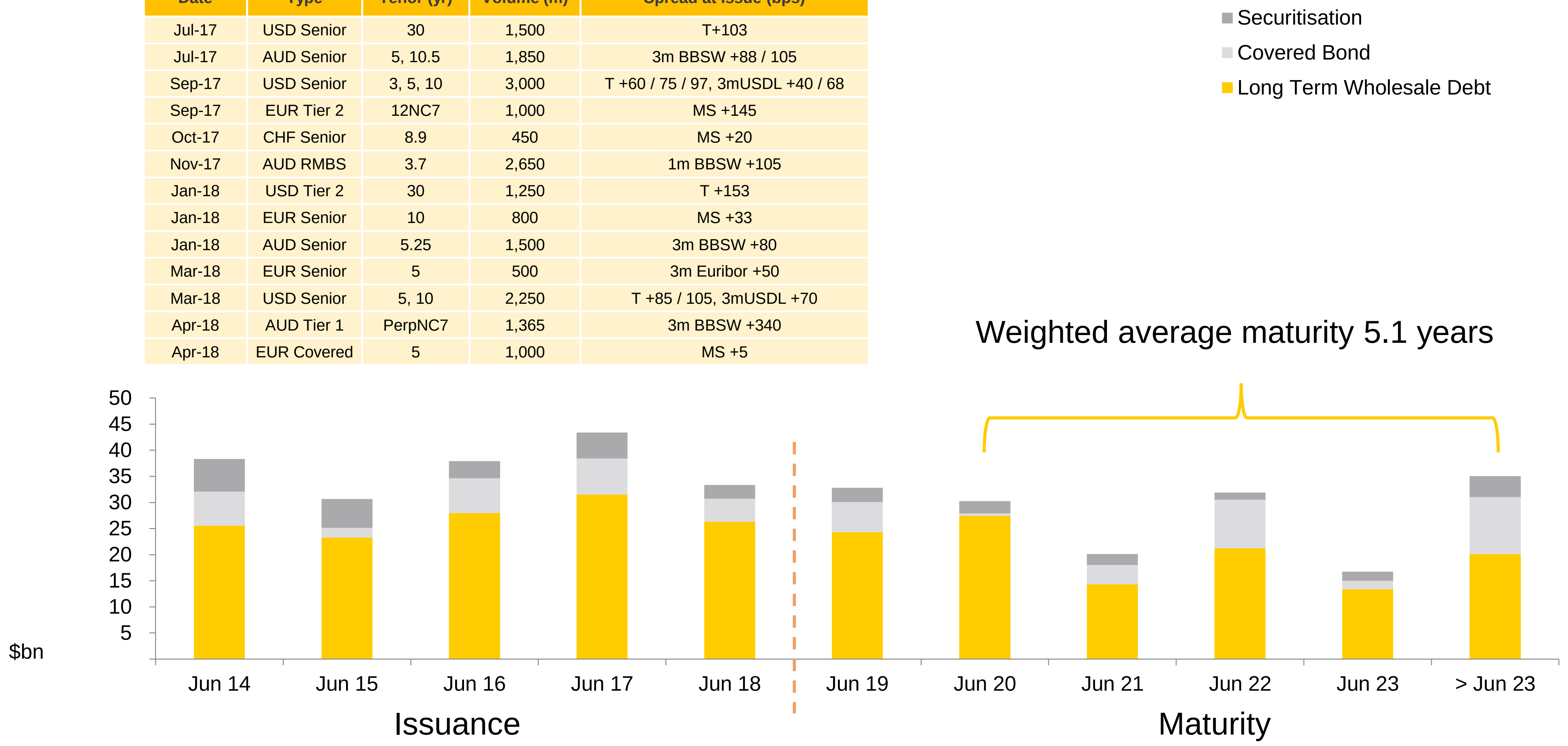
1. Includes the categories 'central bank deposits' and 'due to other financial institutions' (including collateral received).
2. Includes debt with an original maturity or call date of greater than 12 months (including loan capital).

Wholesale funding – issuance and maturity

$33bn wholesale issuance completed FY18

FY18 benchmark issuance

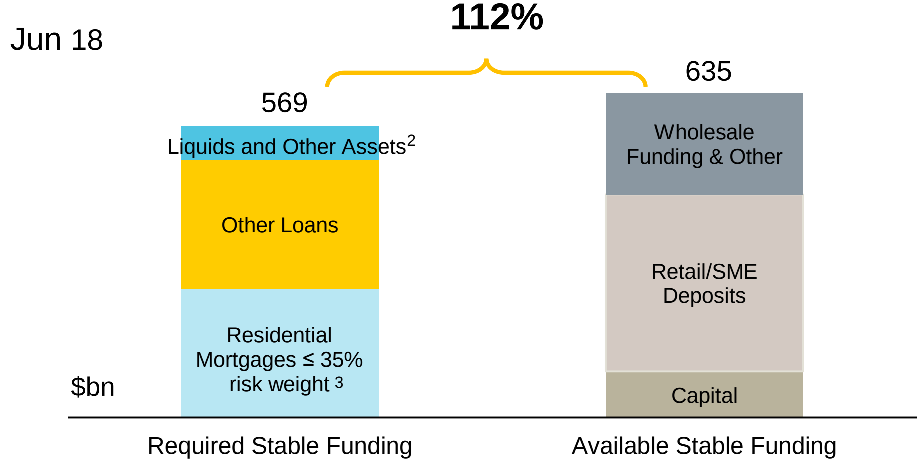
Date	Type	Tenor (yr)	Volume (m)	Spread at Issue (bps)
Jul-17	USD Senior	30	1,500	T+103
Jul-17	AUD Senior	5, 10.5	1,850	3m BBSW +88 / 105
Sep-17	USD Senior	3, 5, 10	3,000	T +60 / 75 / 97, 3mUSDL +40 / 68
Sep-17	EUR Tier 2	12NC7	1,000	MS +145
Oct-17	CHF Senior	8.9	450	MS +20
Nov-17	AUD RMBS	3.7	2,650	1m BBSW +105
Jan-18	USD Tier 2	30	1,250	T +153
Jan-18	EUR Senior	10	800	MS +33
Jan-18	AUD Senior	5.25	1,500	3m BBSW +80
Mar-18	EUR Senior	5	500	3m Euribor +50
Mar-18	USD Senior	5, 10	2,250	T +85 / 105, 3mUSDL +70
Apr-18	AUD Tier 1	PerpNC7	1,365	3m BBSW +340
Apr-18	EUR Covered	5	1,000	MS +5



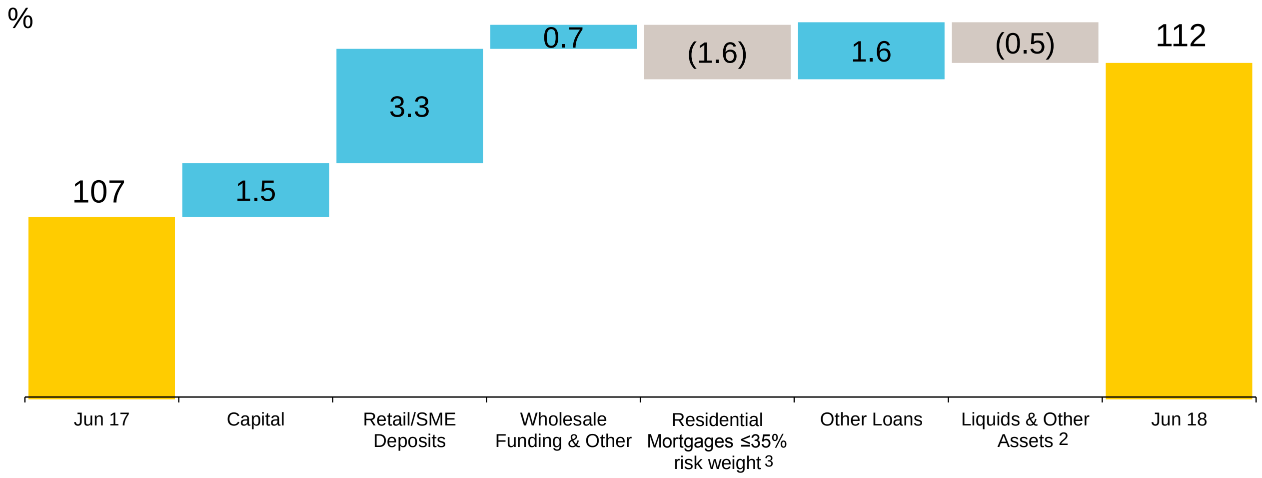
Funding and Liquidity Metrics[1]

The Group continues to maintain strong funding and liquidity positions

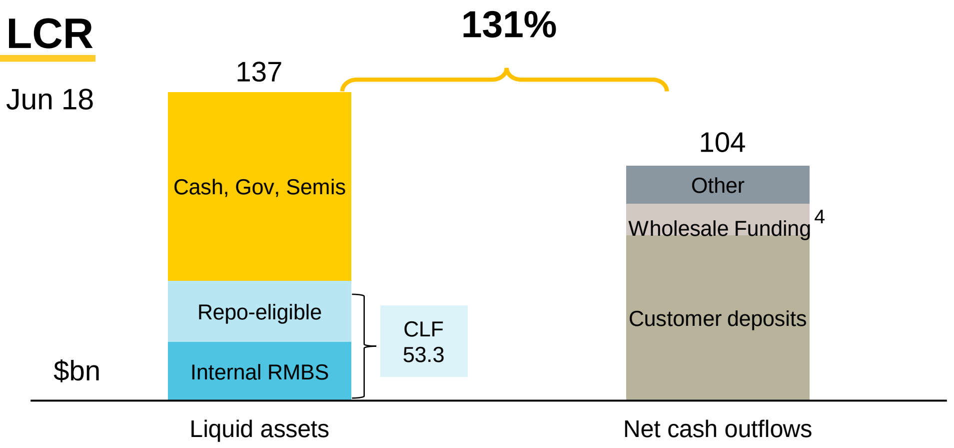
NSFR



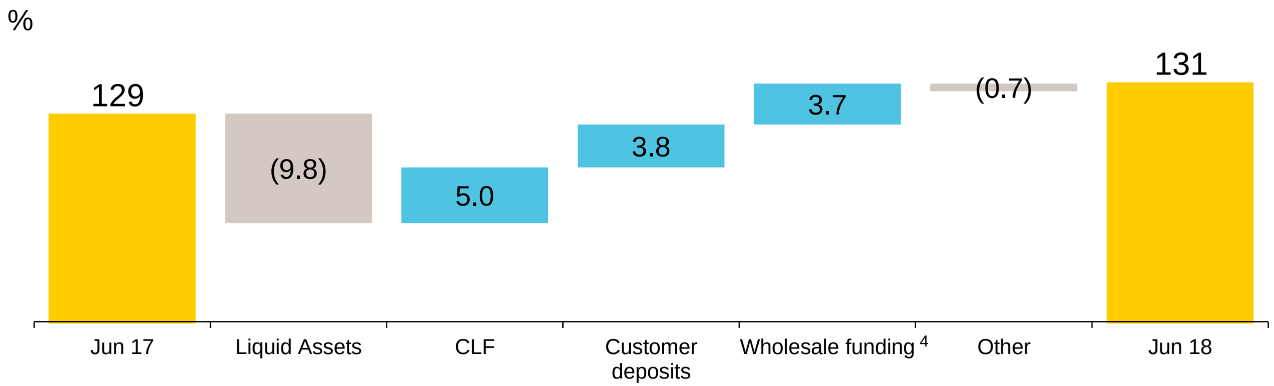
NSFR (%) FY17 vs FY18



LCR



LCR (%) FY17 vs FY18



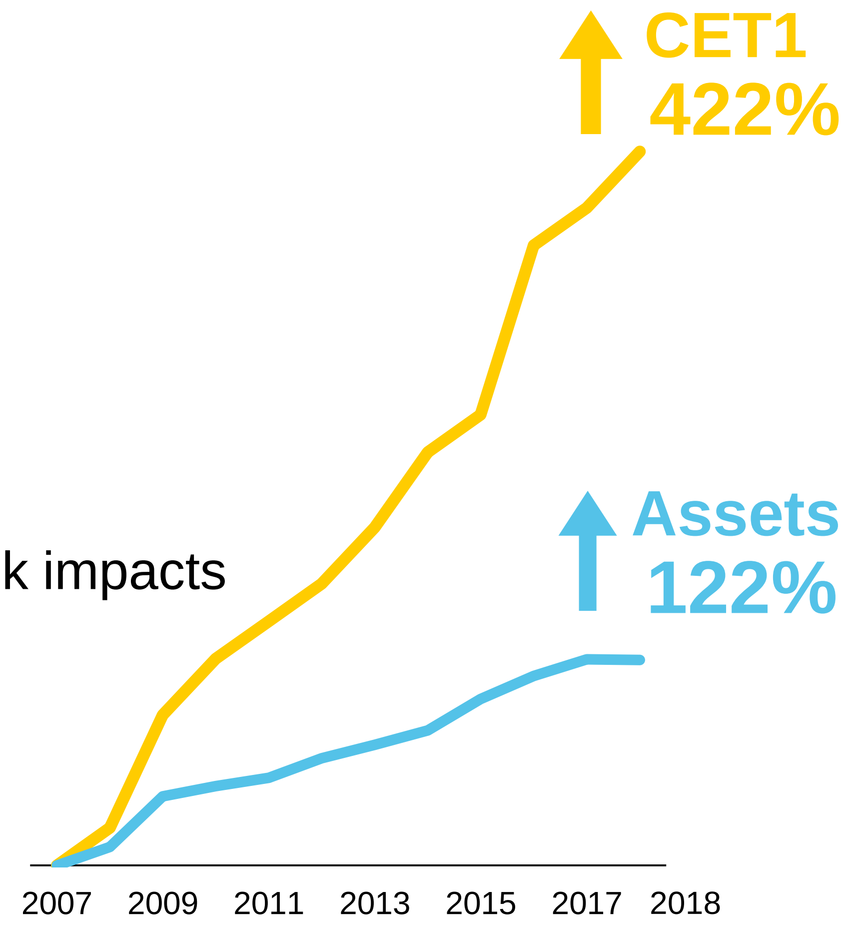
1. All figures shown on a Level 2 basis. 2. 'Other assets' includes non-performing loans, off-balance sheet items, net derivatives and other assets. 3. This represents residential mortgages with risk weighting ≤35% under APRA standard APS112 Capital Adequacy: Standardised Approach to Credit Risk. 4. includes all interbank deposits that are included as short term wholesale funding.

Capital

Capital Overview

The Group is committed to maintaining a strong capital position over time

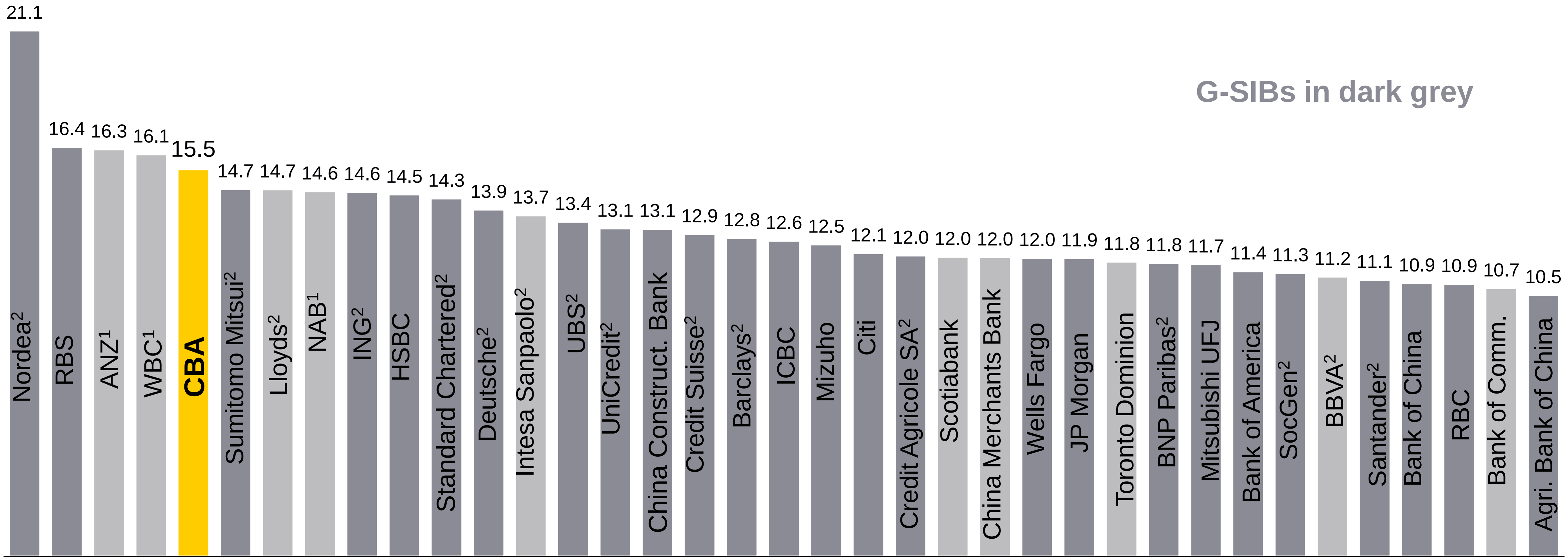
- A consistently strong capital position maintained over time
- CET1 growth has outstripped asset growth over last decade
- CBA one of the best capitalised banks in the world
- Always mindful of the importance of dividends to shareholders
- Jun-18 CET1 of 10.1%[1], inclusive of incremental operational risk impacts
- Pro-forma CET1 of 10.7% post announced divestments and accounting changes



1. Numbers are presented including discontinued operations.

International CET1 ratios

The Group is one of the best capitalised banks in the world



Source: Morgan Stanley and CBA. Based on last reported CET1 ratios up to 2 August 2018 assuming Basel III capital reforms fully implemented.
Peer group comprises listed commercial banks with total assets in excess of A$780 billion and which have disclosed fully implemented Basel III ratios or provided sufficient disclosure for a Morgan Stanley estimate.

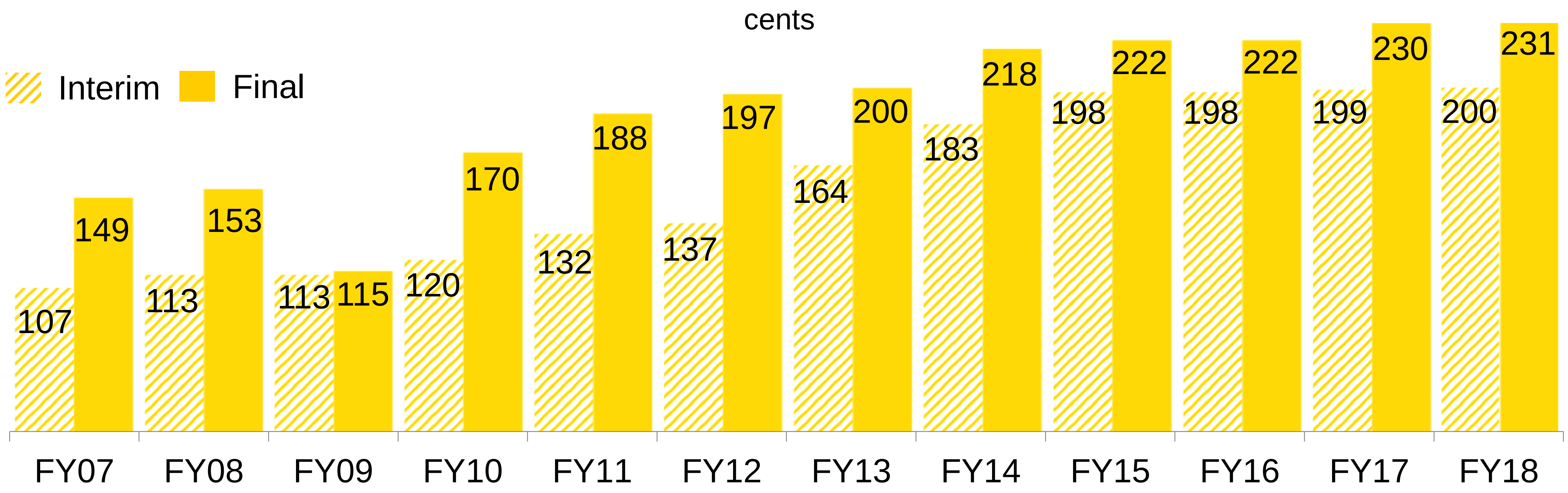
1. Domestic peer figures as at 31 March 2018.
2. Deduction for accrued expected future dividends added back for comparability.

Dividends

Always mindful of the importance of dividends to shareholders

Payout ratio (cash)

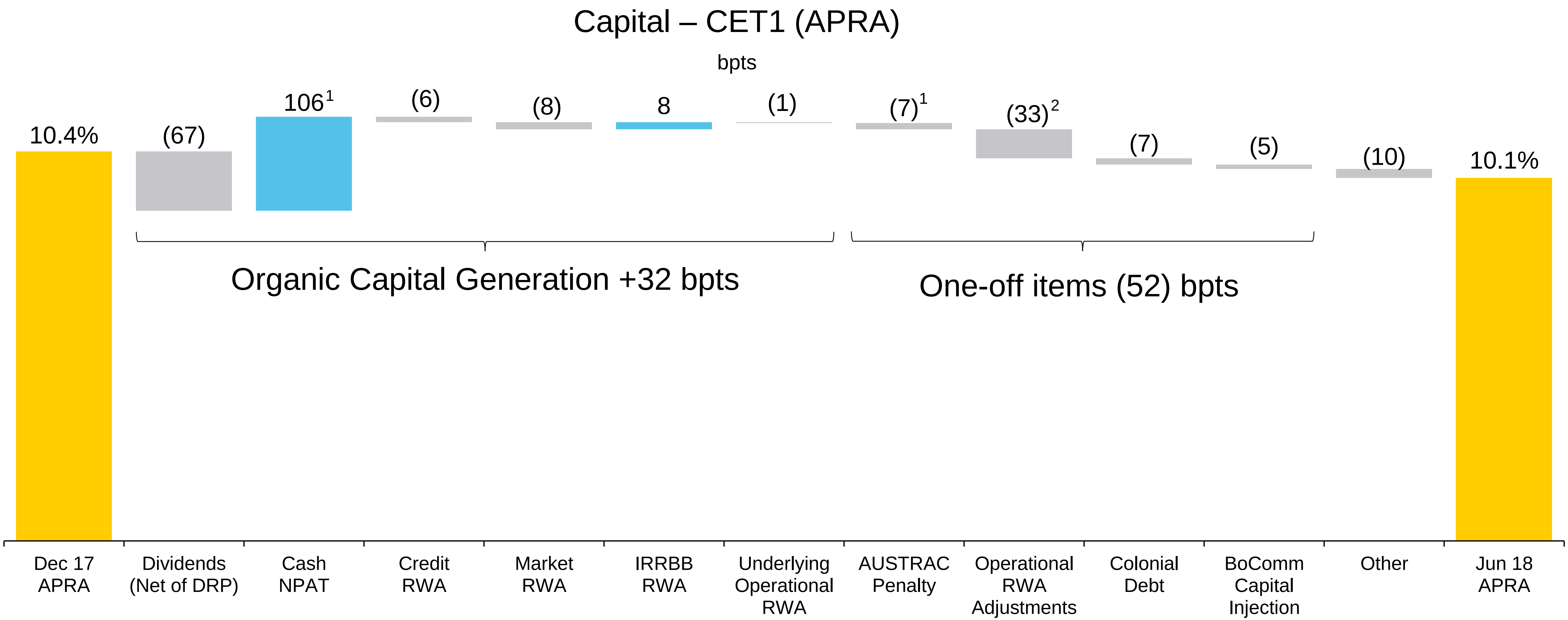
	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
	74%	75%	78%	74%	73%	76%	76%	75%	75%	77%	75%	80%[2]
Net of DRP	47%	52%	53%	61%[1]	53%	55%	76%[1]	67%[1]	62%	64%	53%	68%[3,4]



1. DRP neutralised: 2H10, 1H13, 2H13, and 2H14. 2. Full year payout ratio excluding the impact of the $700m AUSTRAC penalty 75%. 3. Full year FY18 payout ratio net of DRP and excluding the impact of AUSTRAC penalty 63%. 4. Assumes 2H18 DRP participation of 15%.

Capital drivers

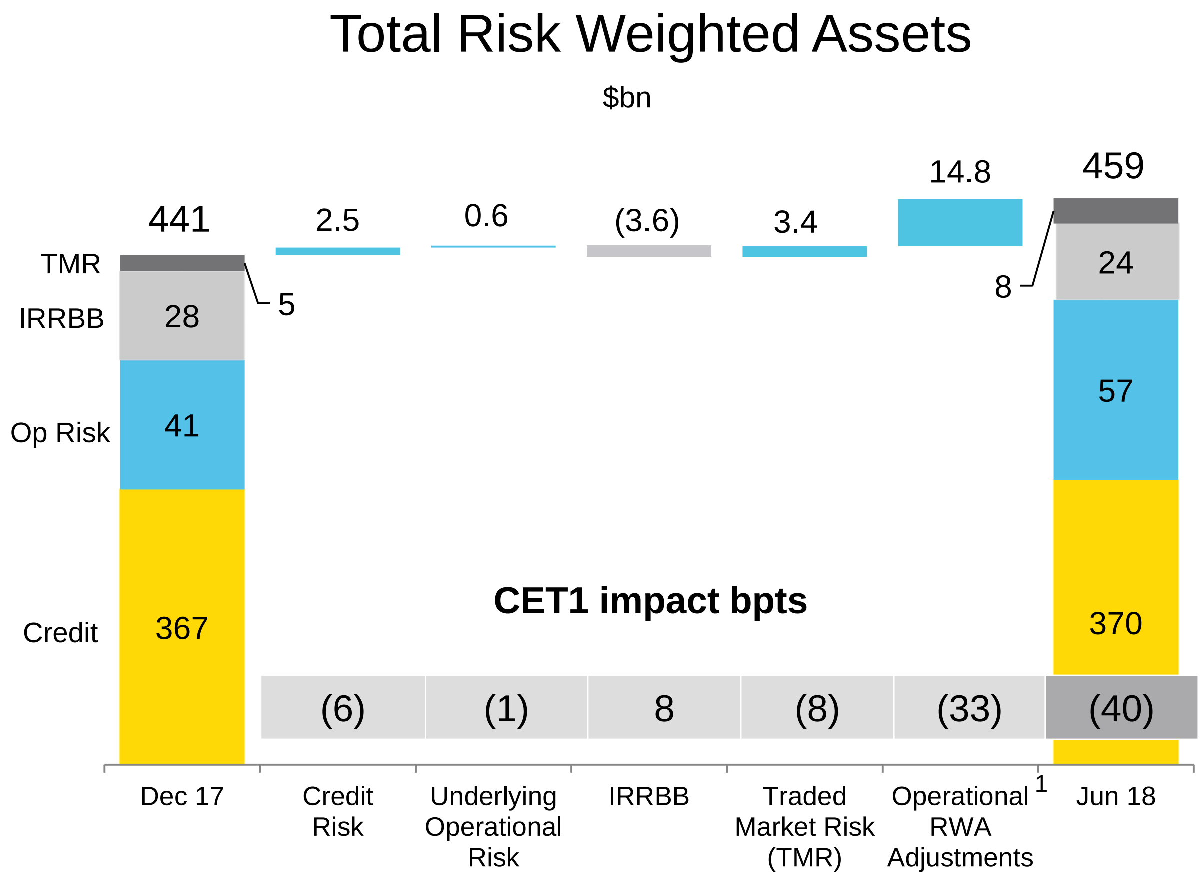
The Group's Jun-18 CET1 of 10.1% absorbs several one-off items

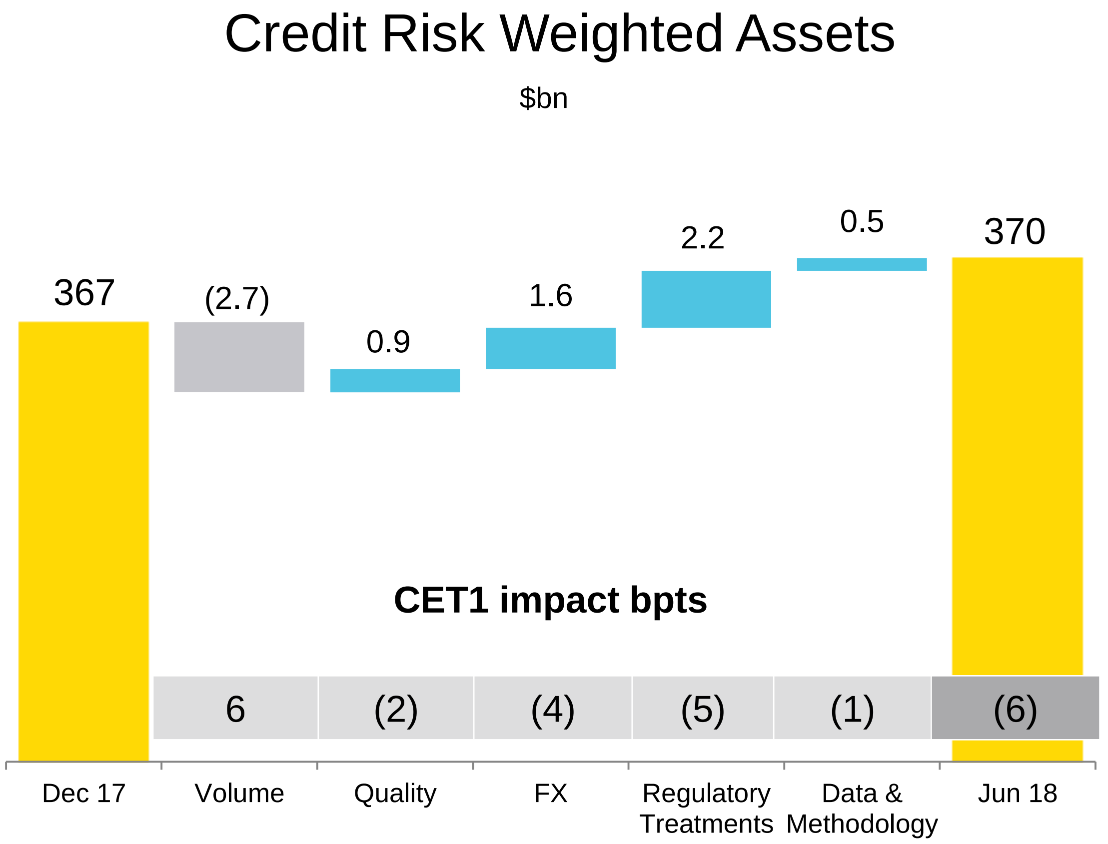


Basis points contribution to change in APRA CET1 ratio. 1. For the purposes of explaining the movement in CET1, the additional $325m (-7bpts) for the AUSTRAC civil penalty has been shown separately in one-off items. Of the $700m total penalty announced 4 June 2018, $375m was provided for in the Dec-17 (1H18) results. 2. Includes APRA's requirement to increase operational risk regulatory capital (-28bpts) and movement of Wealth Management Advice business to the regulatory consolidated group (-5bpts)

Capital drivers

Credit RWA impact of (6) bpts largely driven by FX and regulatory changes

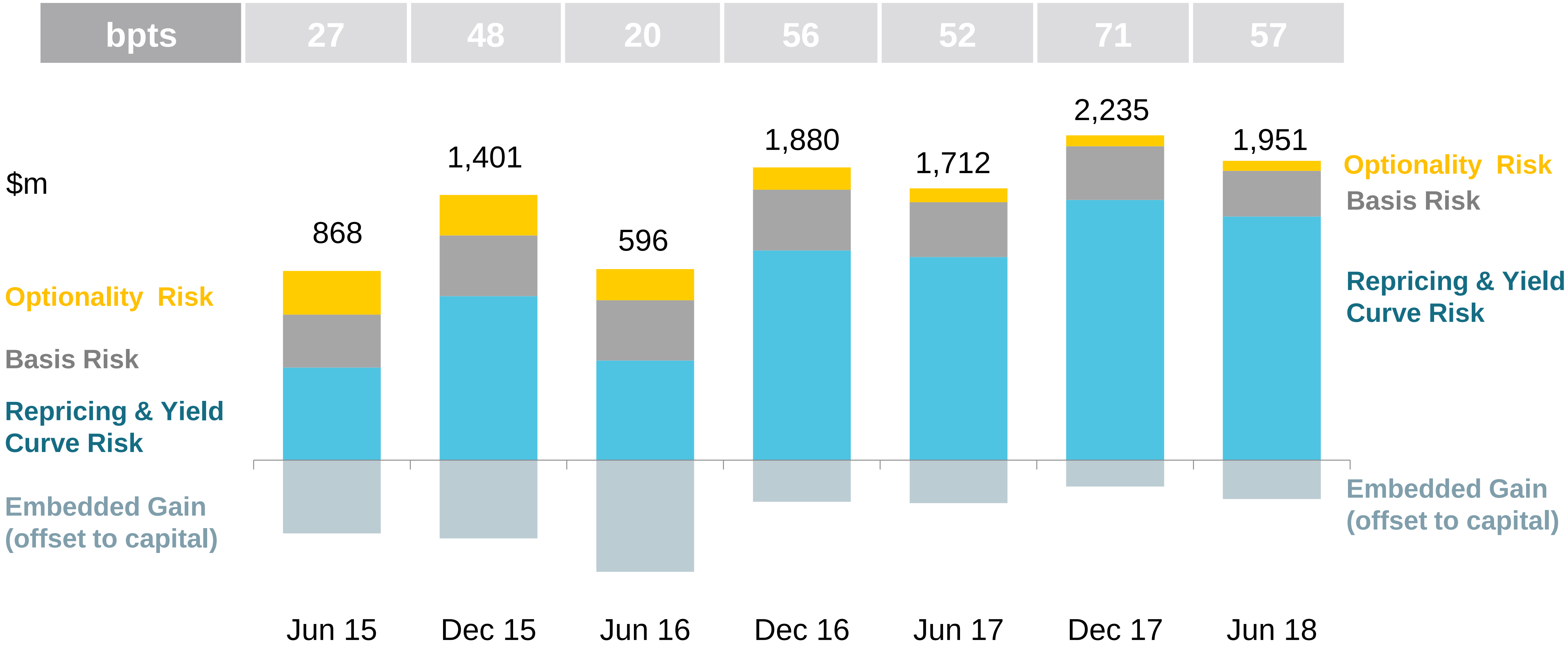




Basis points contribution to change in APRA CET1 ratio. 1. Includes APRA's requirement to increase operational risk regulatory capital ($12.5bn) and movement of Wealth Management Advice business to the regulatory consolidated group ($2.3bn).

Interest rate risk in the banking book (IRRBB)

A reduction in capital this period due to increases in hedging and embedded gains



Capital ($2.0bn) assigned to interest rate risk in banking book per APS117. Bpts (basis points) of APRA CET1 ratio.

APRA and International comparison

The Group's CET1 ratio of 10.1% translates to 15.5% on an international basis

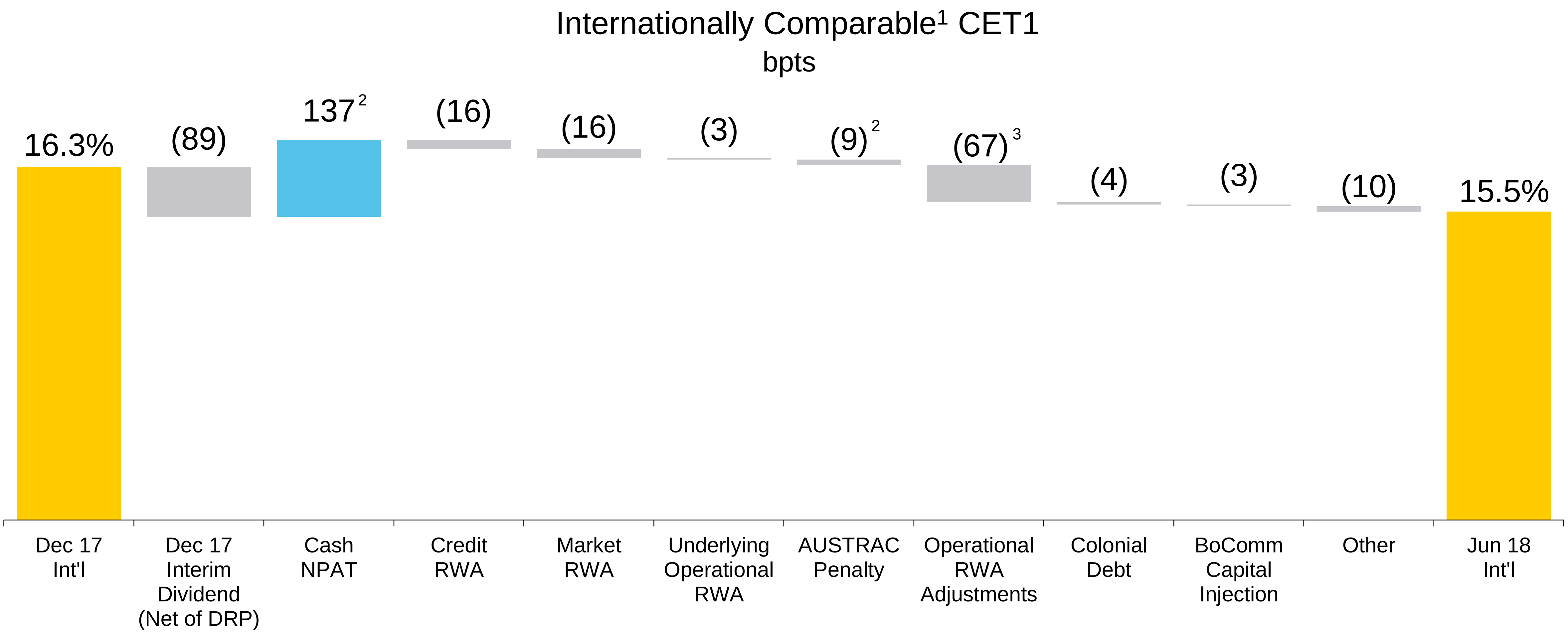
The following table provides details on the differences, as at 30 June 2018, between the APRA Basel III capital requirements and internationally comparable capital ratio[1].

CET1 APRA		10.1%
Equity investments	Balances below prescribed threshold are risk weighted, compared to a 100% CET1 deduction under APRA's requirements.	1.0%
Capitalised expenses	Balances are risk weighted, compared to a 100% CET1 deduction under APRA's requirements.	0.1%
Deferred tax assets	Balances below prescribed threshold are risk weighted, compared to a 100% CET1 deduction under APRA's requirements.	0.3%
IRRBB RWA	APRA requires capital to be held for Interest Rate Risk in the Banking Book (IRRBB). The BCBS does not.	0.6%
Residential mortgages	Loss Given Default (LGD) of 15%, compared to the 20% LGD floor under APRA's requirements and adjustments for higher correlation factor applied by APRA for Australian residential mortgages.	1.8%
Other retail standardised exposures	Risk-weighting of 75%, rather than 100% under APRA's requirements.	0.1%
Unsecured non-retail exposures	LGD of 45%, compared to the 60% or higher LGD under APRA's requirements.	0.4%
Non-retail undrawn commitments	Credit conversion factor of 75%, compared to 100% under APRA's requirements.	0.3%
Specialised lending	Use of AIRB probabilities of default (PD) 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.	0.7%
Currency conversion	Increase in A$ equivalent concessional threshold level for small business retail and small/medium corporate exposures.	0.1%
CET1 Internationally Comparable		**15.5%**
Tier 1 Internationally Comparable		**18.1%**
Total Capital Internationally Comparable		**21.3%**

1. Analysis aligns with the APRA study entitled "International capital comparison study" (13 July 2015).

CET1 – Internationally comparable

One-off items have driven the internationally comparable ratio lower this half



1. Internationally comparable capital - refer glossary for definition. 2. For the purposes of explaining the movement in CET1, the additional $325m for the AUSTRAC civil penalty has been shown separately. Of the $700m total penalty announced 4 June 2018, $375m was provided for in the Dec-17 (1H18) results. 3. Includes APRA's requirement to increase operational risk regulatory capital and movement of Wealth Management Advice business to the regulatory consolidated group.

Regulatory expected loss

$m	Jun 17	Dec 17	Jun 18
Regulatory Expected Loss (EL)	**4,736**	**4,592**	**4,453**
Eligible Provisions (EP)			
Collective Provisions[1]	2,486	2,525	2,484
Specific Provisions[1,2]	1,856	1,813	1,581
General Reserve for Credit Losses adjustment	589	554	589
Less: ineligible provisions (standardised portfolio)	(257)	(253)	(253)
Total Eligible Provisions	**4,674**	**4,639**	**4,401**
Regulatory EL in Excess of EP	62	(47)	52
Common Equity Tier 1 Adjustment[3]	218	99	212

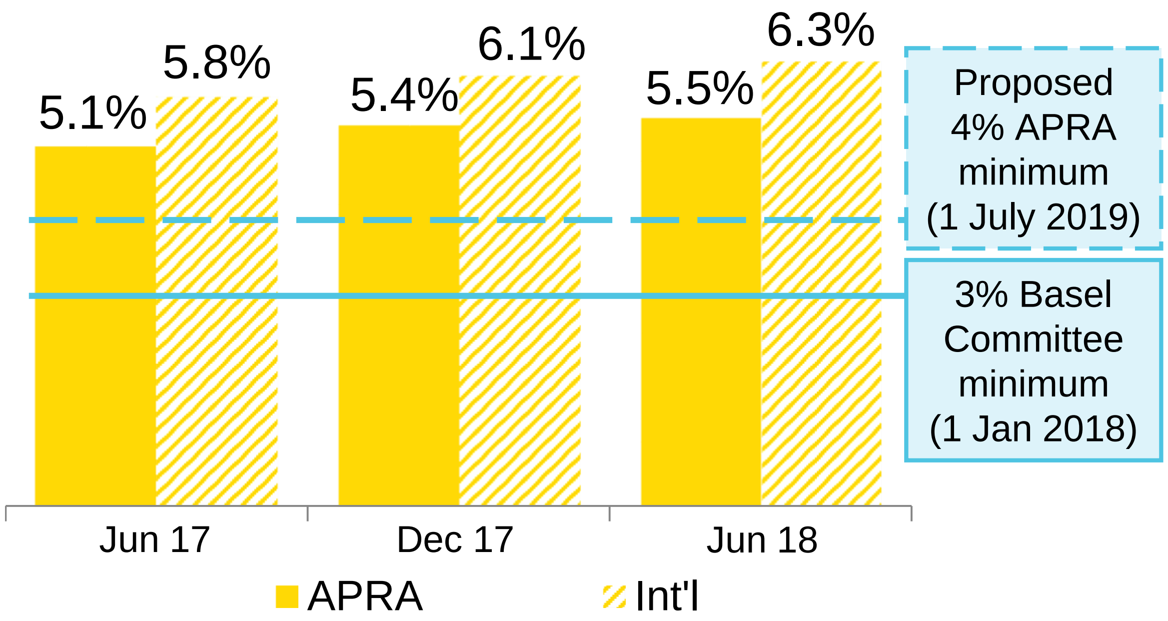
1. Includes transfer from collective provision to specific provisions (Jun 18: $279m, Dec 17: $247m, Jun 17: $261m). 2. Specific provisions includes partial write offs (Jun-18: $432m Dec 17: $588m, Jun 17: $615m). 3. Excess of eligible provisions compared to expected loss for defaulted exposures (Jun 18: $160m, Dec 17: $146m, Jun 17: $156m), not available to reduce the shortfall for non-defaulted exposures.

Leverage ratio

CBA leverage ratio is well above prescribed Basel Committee minimum

Leverage ratio introduced to constrain the build-up of leverage in the banking system.

Leverage ratio = $\frac{\text{Tier 1 Capital}}{\text{Total Exposures}}$



$m	Jun 18
Tier 1 Capital	56,432
Total Exposures	1,018,622
Leverage Ratio (APRA)	**5.5%**

$m	Jun 18
Group Total Assets	**975,165**
Less subsidiaries outside the scope of regulatory consolidations	(18,091)
Add net derivative adjustment	1,504
Add securities financing transactions	1,010
Less asset amounts deducted from Tier 1 Capital	(20,530)
Add off balance sheet exposures	79,564
Total Exposures	**1,018,622**

The Tier 1 capital included in the calculation of the internationally comparable leverage ratio aligns with the 13 July 2015 APRA study entitled “International capital comparison study”, and includes Basel III non-compliant Tier 1 instruments that are currently subject to transitional rules.

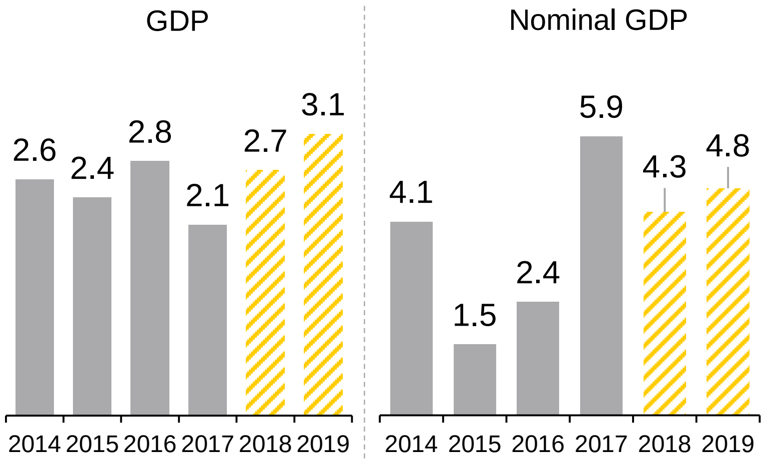
Regulatory change timetable

	2018	2019	2020	2021	2022
APRA's unquestionably strong	ADIs to target unquestionably strong capital ratios, which will also cover Basel Committee's finalised Basel III reforms APRA commenced consultation in February 2018		Capital to exceed unquestionably strong benchmark by 1 Jan 2020	Implementation	
Basel III Finalising Post-Crisis Reforms	Basel Committee finalised Dec 2017: • Changes to Standardised & Advanced Credit RWAs • Operational RWAs to Standardised approach • Capital floor of 72.5% (phased approach 1 Jan 2022 – 1 Jan 2027) Further consultation on the minimum capital requirements for Market Risk commenced in Mar 2018 APRA to consult on detailed prudential standards across 2018 and 2019 and finalise in 2019 or later. APRA plans to implement from 1 January 2021, 12 months ahead of Basel Committee implementation timeframe.				Basel Committee implementation date 1 Jan 2022
Leverage ratio	Basel Committee - Regulatory minimum of 3% effective from 1 Jan 2018 (APRA commenced consultation in February 2018, proposed minimum 4% from 1 July 2019)				*(Leverage ratio - revised measurement of certain exposures)*
Counterparty Credit Risk		Implementation 1 July 2019			
Loss Absorbing Capacity ("TLAC")	APRA to commence consultation in late 2018				
AASB 9 Provisioning	Implementation 1 July 2018				
AASB 15 Revenue	Implementation 1 July 2018				
AASB 16 Leasing		Implementation 1 July 2019			

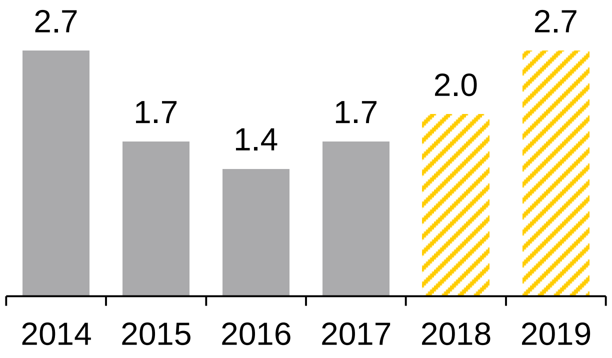
Economic Overview

Key economic indicators (June FY)

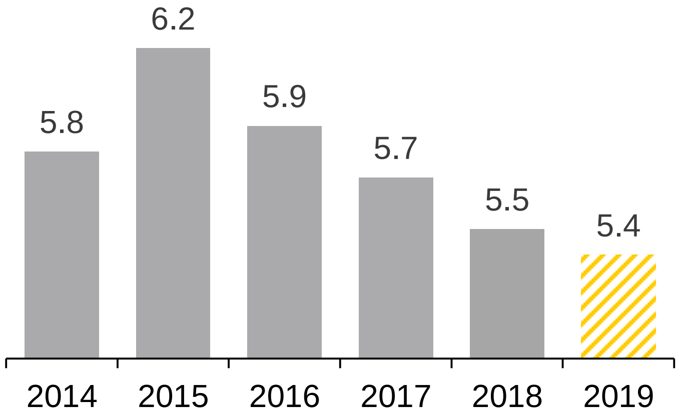
GDP %



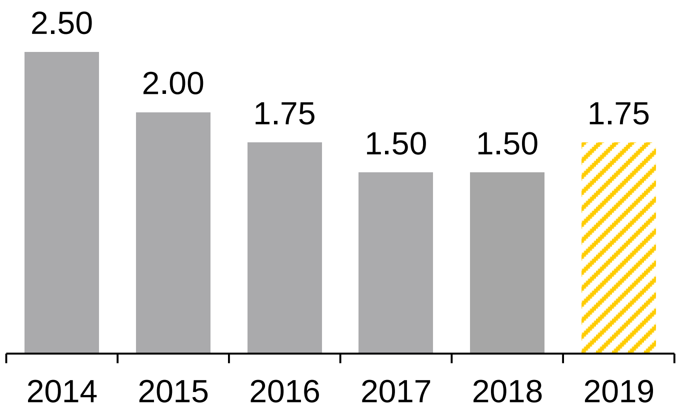
CPI%



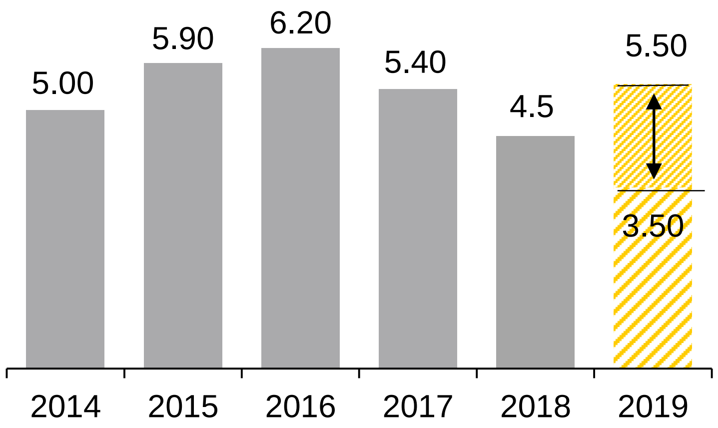
Unemployment Rate %



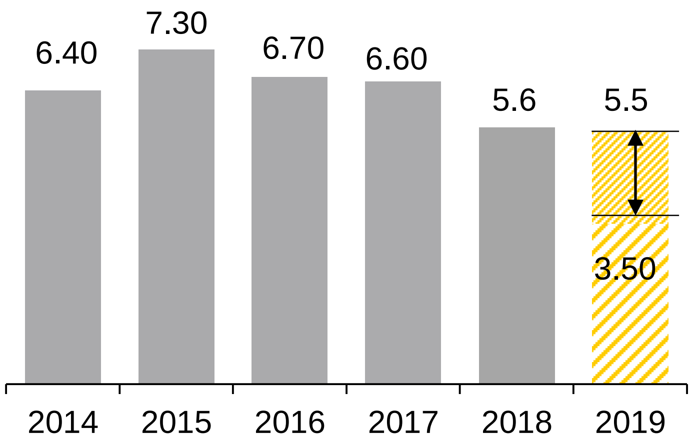
Cash Rate %



Total Credit Growth %



Housing Credit Growth %



Credit Growth = 12 months to June qtr
GDP, Unemployment & CPI = Financial year average
Cash Rate = As at end June qtr

= forecast

ABS, RBA

Key economic indicators (June FY)

		2013	2014	2015	2016	2017	2018	2019
World	GDP	3.5	3.6	3.5	3.2	3.8	3.9	3.9
Australia	Credit Growth % – Total	3.1	5.0	5.9	6.2	5.4	4.5	3½-5½
	Credit Growth % – Housing	4.6	6.4	7.3	6.7	6.6	5.6	3½-5½
	Credit Growth % – Business	1.2	3.4	4.4	6.5	4.3	3.2	4-6
	Credit Growth % – Other Personal	0.2	0.6	0.8	-0.6	-1.0	-1.3	-2 to 0
	GDP %	2.6	2.6	2.4	2.8	2.1	2.7	3.1
	CPI %	2.3	2.7	1.7	1.4	1.7	1.9	2.7
	Unemployment rate %	5.4	5.8	6.2	5.9	5.7	5.5	5.4
	Cash Rate %	2.75	2.50	2.00	1.75	1.50	1.50	1.75
New Zealand	Credit Growth % – Total	4.3	4.4	5.8	7.7	6.5	4-6	4-6
	Credit Growth % – Housing	5.2	5.3	5.4	8.8	7.7	4-6	4-6
	Credit Growth % – Business	2.8	2.8	5.9	7.2	6.2	5-7	5-7
	Credit Growth % – Agriculture	4.1	3.4	7.4	6.0	2.6	3-5	4-6
	GDP %	2.3	2.5	3.3	2.7	3.3	2.7	3.5
	CPI %	0.8	1.5	0.6	0.3	1.4	1.7	1.5
	Unemployment rate %	6.2	5.5	5.4	5.2	5.0	4.8	4.6
	Overnight Cash Rate %	2.50	3.25	3.25	2.25	1.75	1.75	2.00

Credit Growth = 12 months to June
GDP, Unemployment & CPI = Financial year average
Cash Rate = As at June

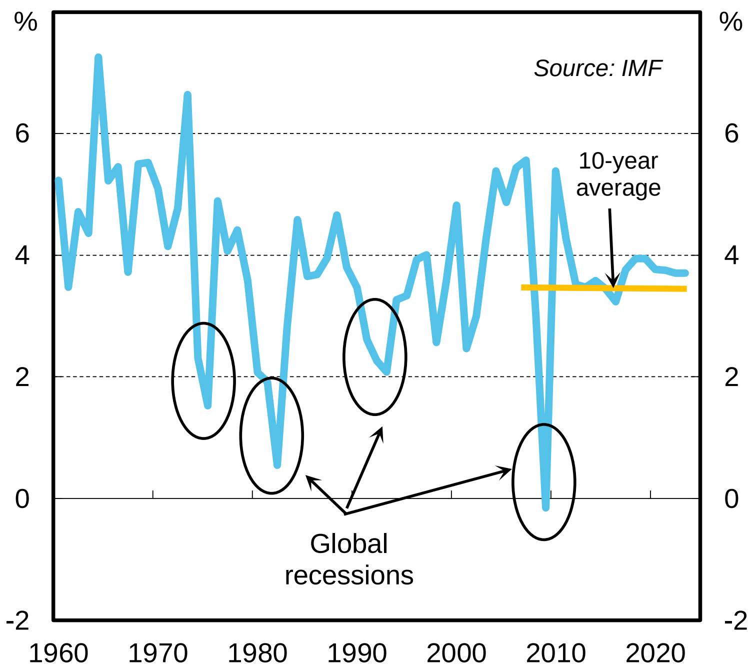
World GDP = Calendar Year Average
■ = forecast

The Global Economy Continues to Expand

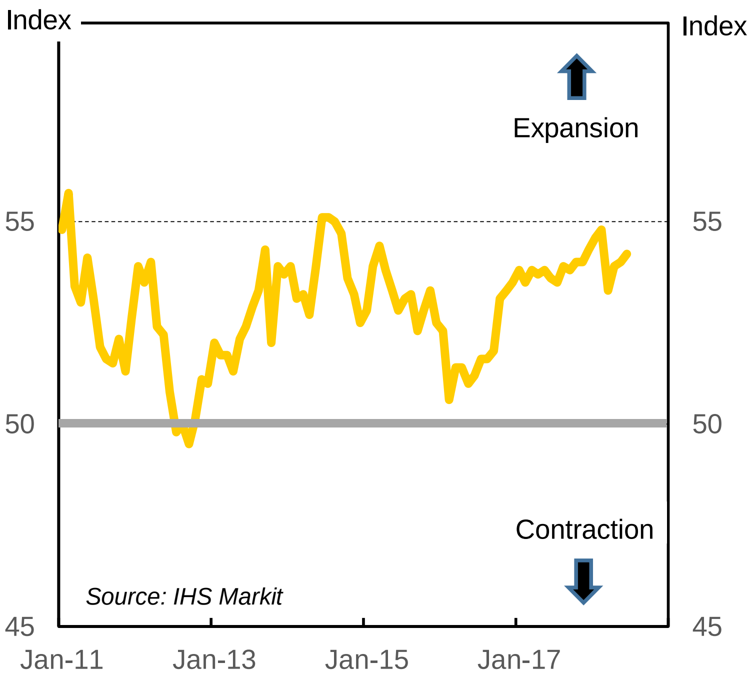
But the period of maximum acceleration is over

WORLD GROWTH

(annual % change)



GLOBAL COMPOSITE PMI



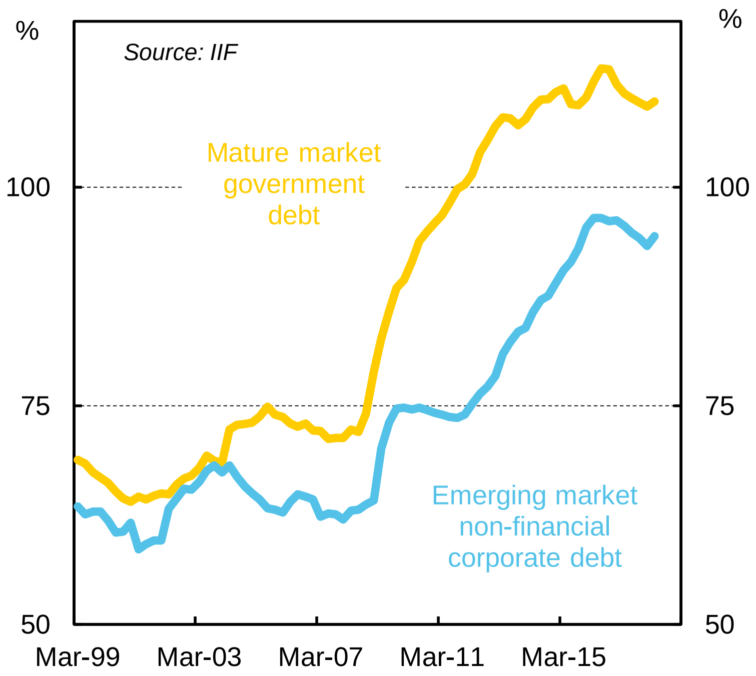
- The global economy continues to expand at a decent pace.
- But the period of maximum acceleration is over.

Some Downside Global Risks Are Building

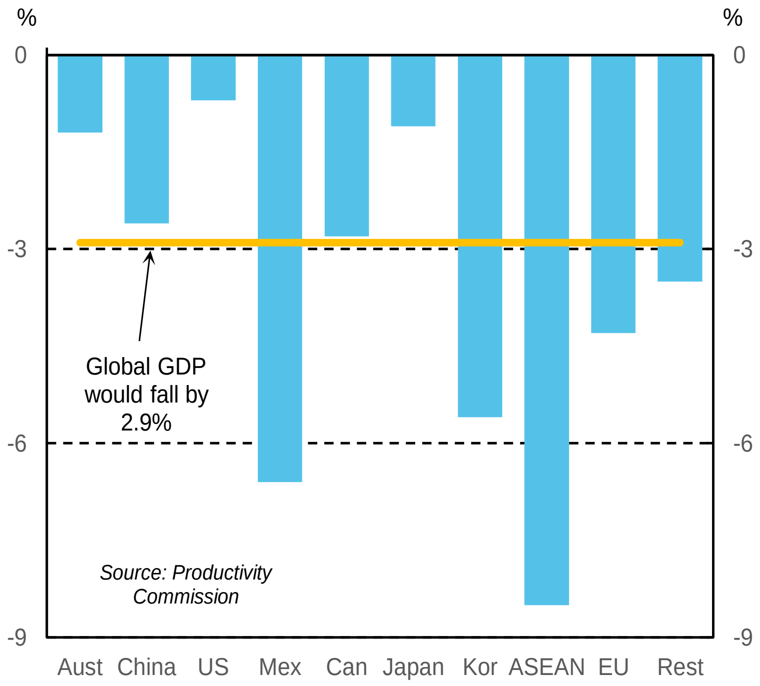
High debt levels and trade disputes are threats to global growth

GLOBAL DEBT

(% of GDP)



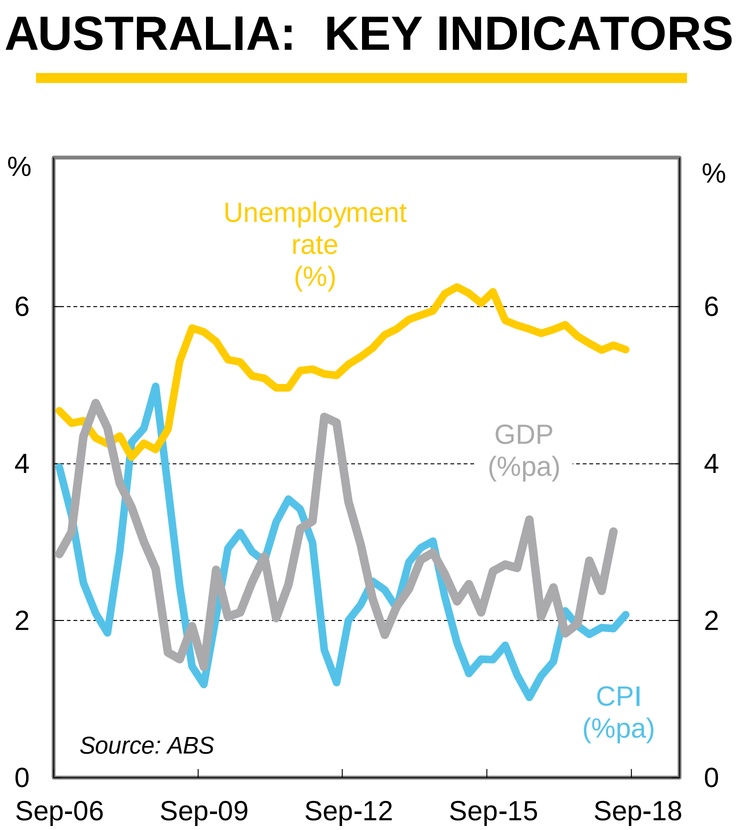
IMPACT OF A 15% TARIFF RISE

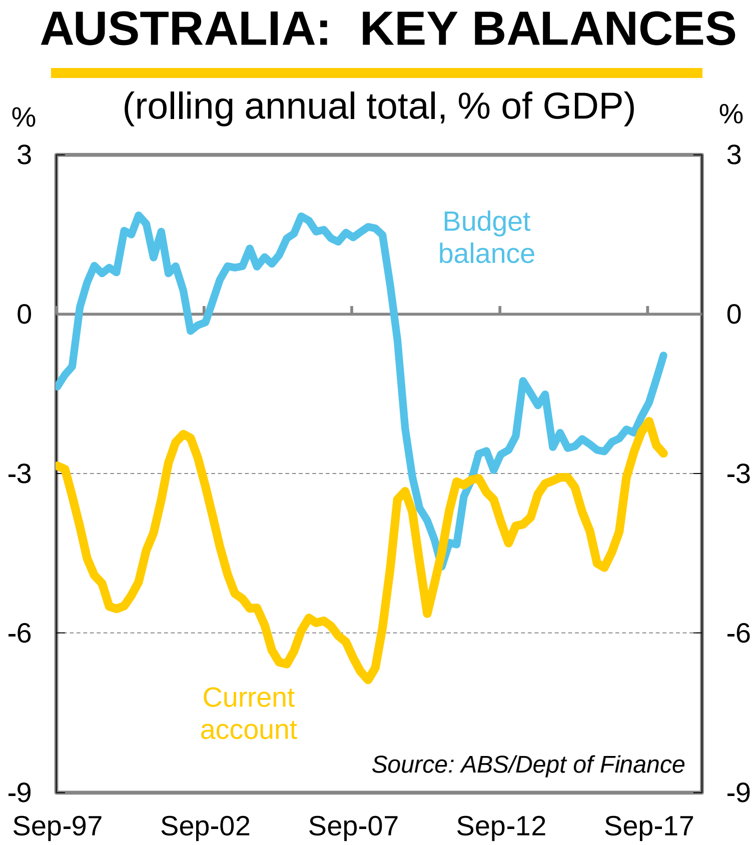


- High government debt in the mature economies limit the ability to use fiscal policy if needed. High corporate debt in the emerging economies brings refinancing risks.
- A trade war would damage growth prospects. Modelling work by the Productivity Commission concludes that a 15ppt rise in tariffs would cause a global recession, although the effects vary by region.

Australia: An Economic Snapshot

Favourable trends remain intact





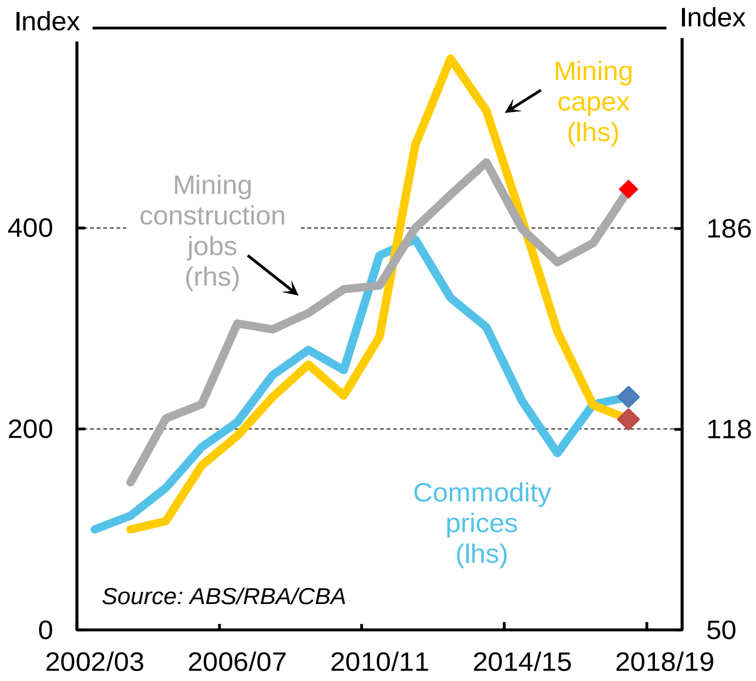
- The Australian economy is in good shape: economic growth is running above trend, unemployment is trending lower and inflation rates remain stable.
- The major economic imbalances are narrowing: the Budget deficit is shrinking rapidly and the current account deficit is trending lower.

The End Of The Growth Headwinds

The commodity "bust" is over and the economy has transitioned to non-mining growth

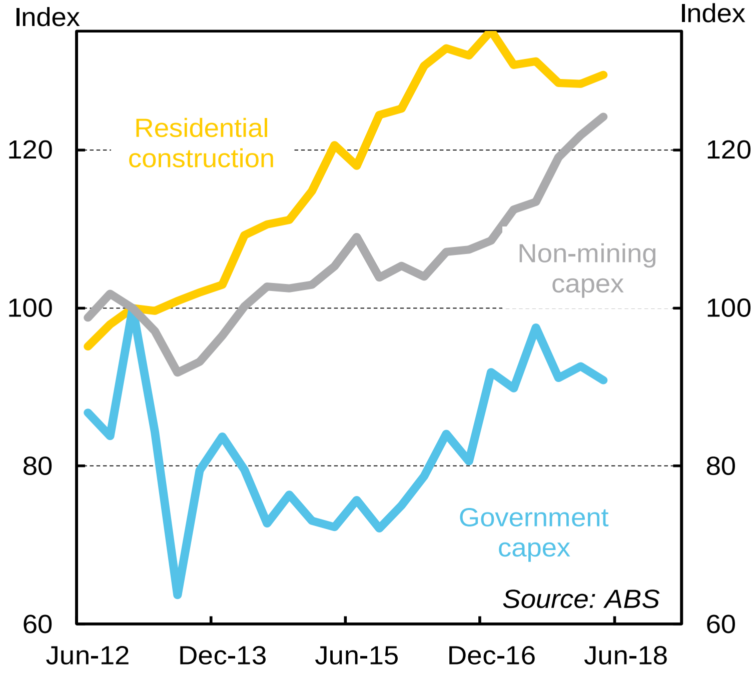
THE COMMODITY BOOM-BUST

(start=100)



TRANSITION DRIVERS

(end 2012=100)



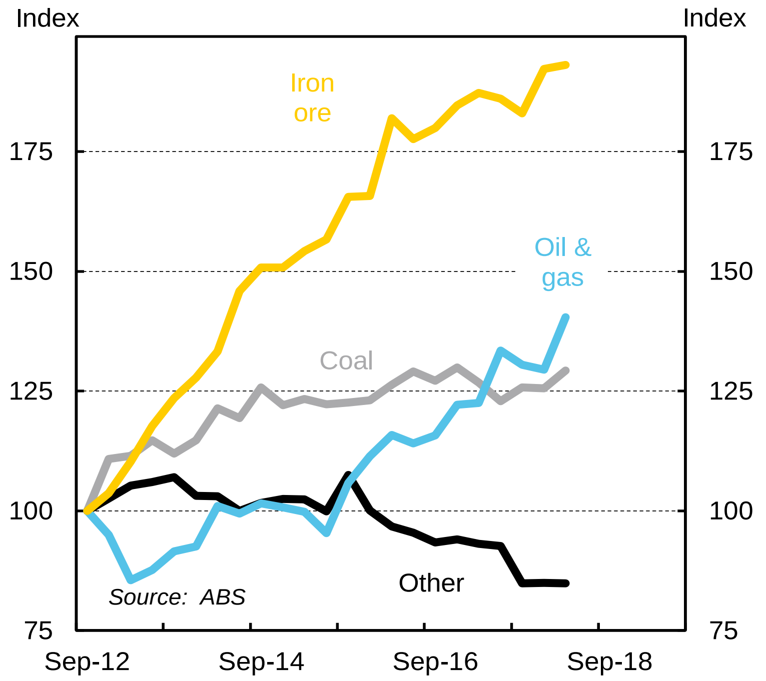
- Australia successfully digested the end of the biggest commodity price and mining capex booms ever seen. Falling commodity prices dragged on incomes and falling mining capex dragged on spending and jobs – but the drag is over.
- The transition to non-mining sources of growth succeeded.

Growth Positives

Rising resource exports and infrastructure spending are key growth drivers

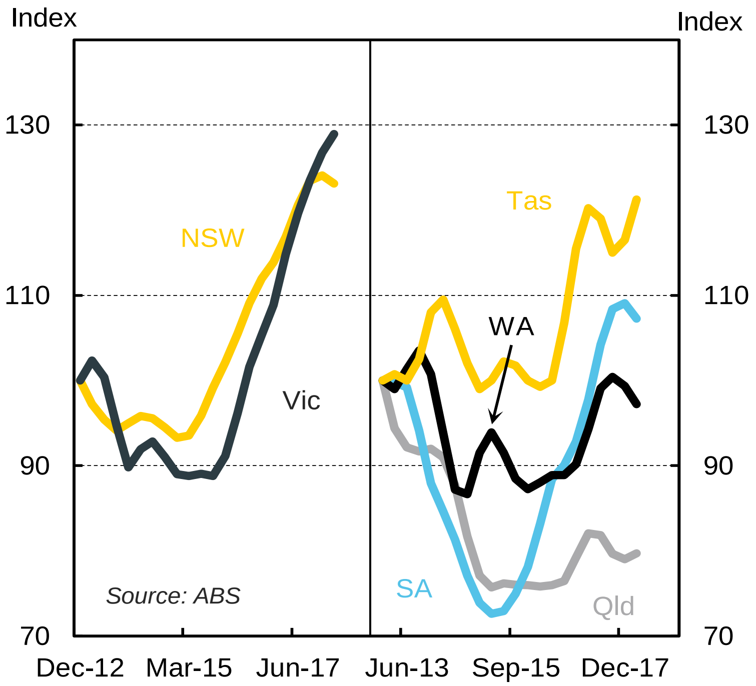
MINING OUTPUT BY SECTOR

(Q3'12=100)



STATE PUBLIC CAPEX

(trend, Dec'12=100)

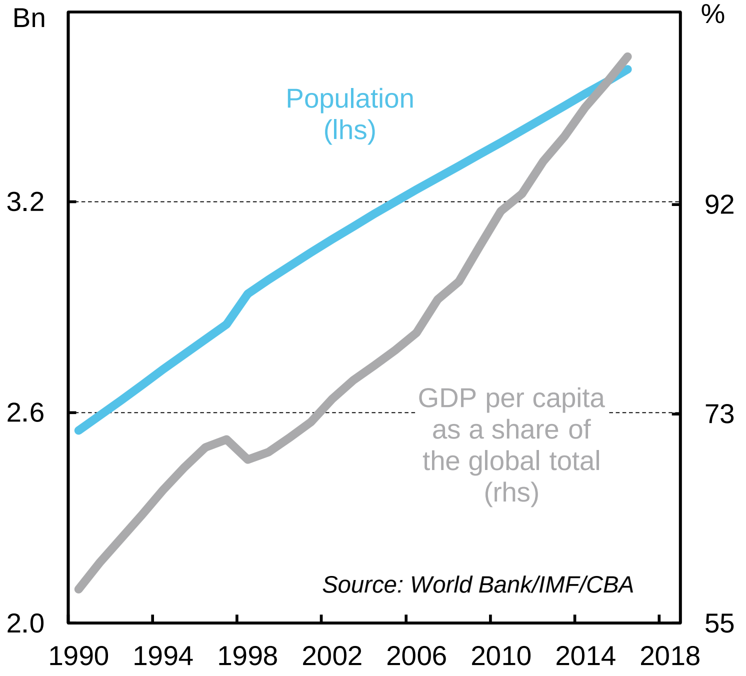


- New capacity means a significant lift in resource production and exports is underway.
- A major infrastructure boom, focussed on transport projects, is underway.

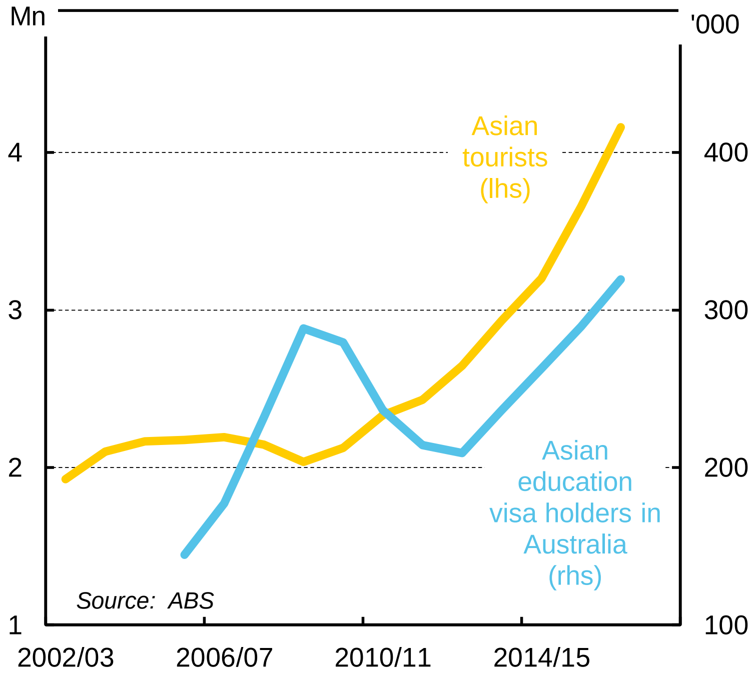
Growth Positives

Rising Asian income is driving booms in tourism and education

EMERGING & DEVELOPING ASIA



EDUCATION & TOURISM



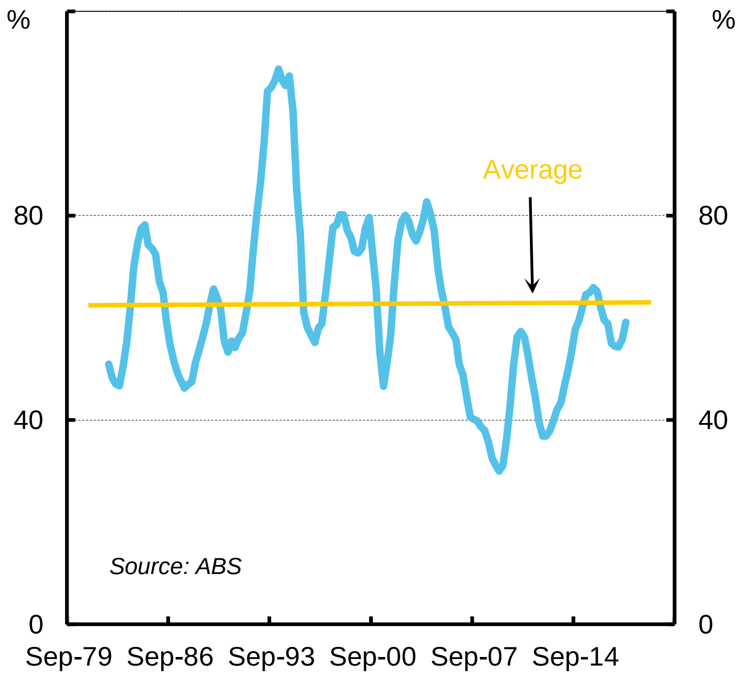
- Strong demographics and rising incomes in Asia offer opportunities for Australia.
- The current tourism and education booms are one outcome.

Easing Growth Risks

Population growth supports construction and business capex is lifting

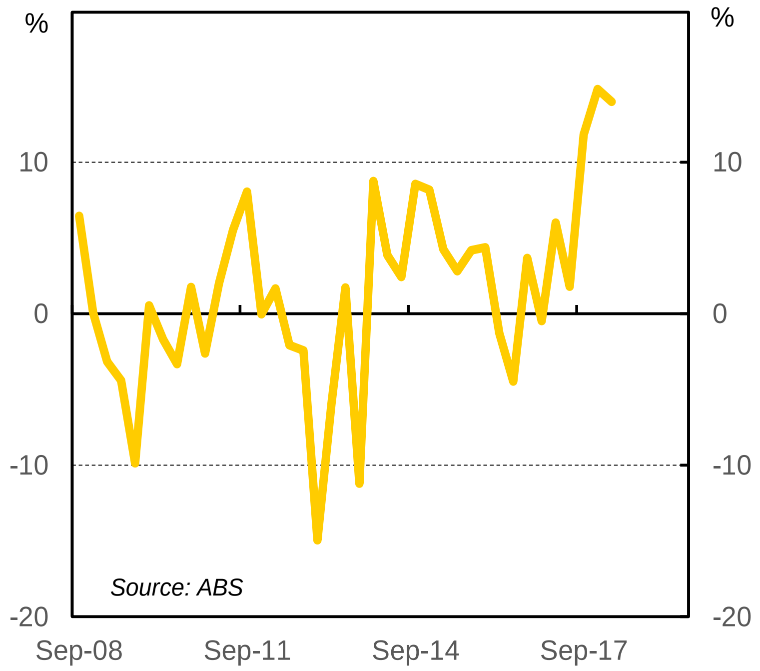
DWELLING SUPPLY

(new construction as % of population growth)



NON-MINING CAPEX

(annual % change)

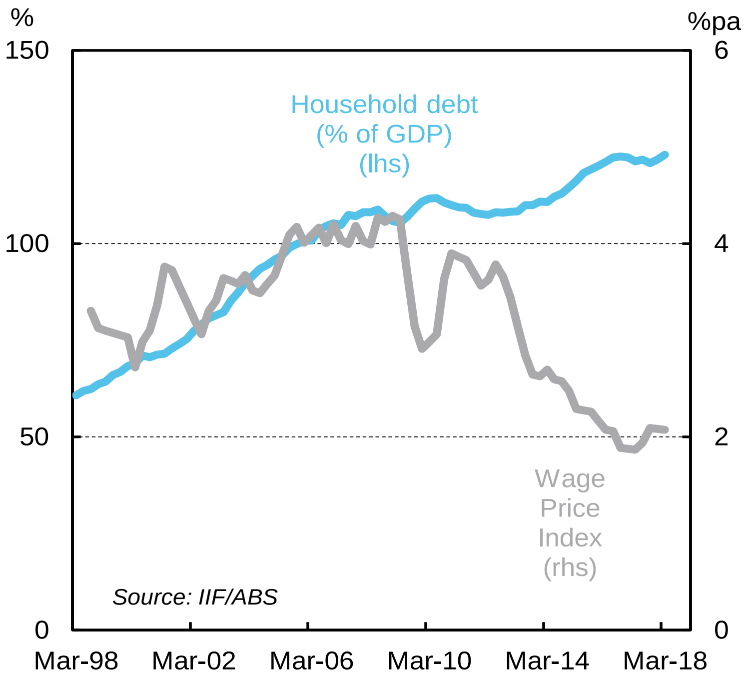


- A residential construction downturn is less likely at a time of strong population growth.
- The long-awaited pick up in non-mining capex is finally underway.

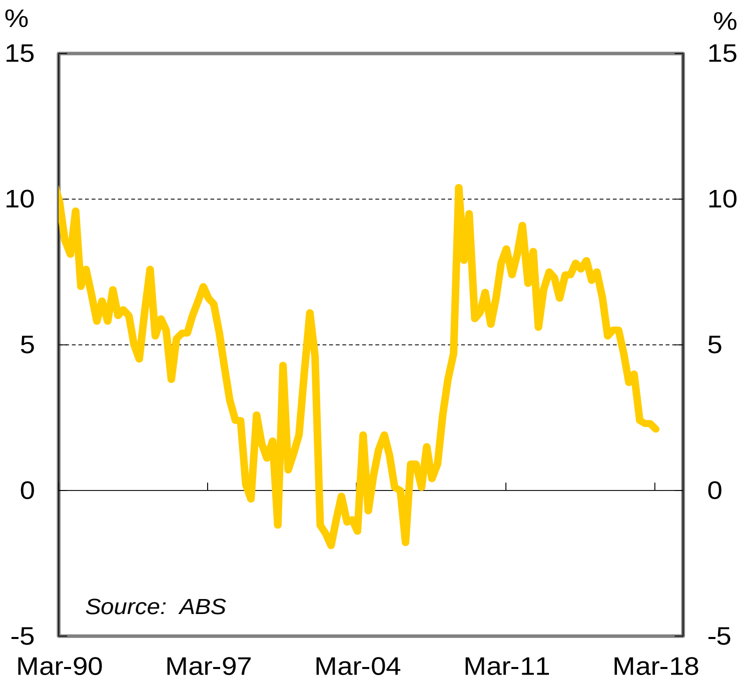
Growth Risks

High household debt at a time of weak income growth is the main domestic risk

WAGES & DEBT



SAVING RATIO



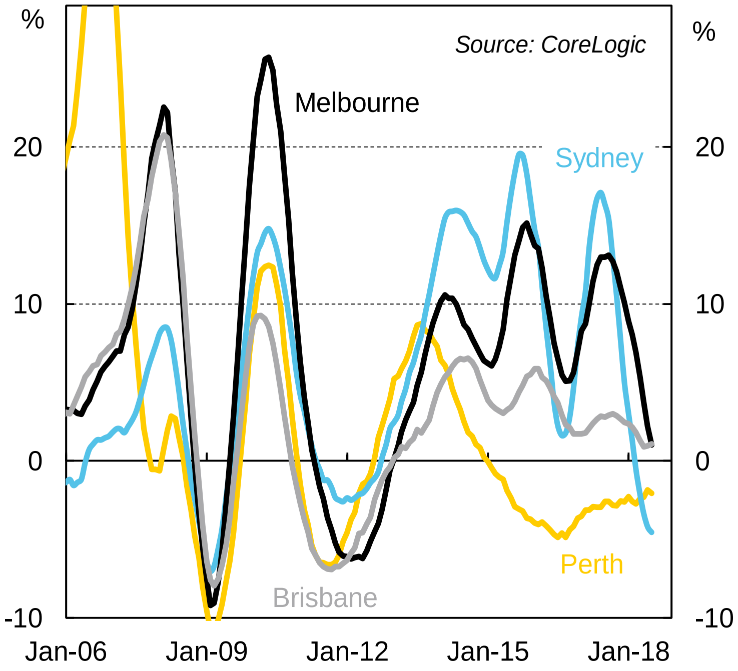
- Households are concerned about high debt levels at a time of weak income growth.
- Households have been happy to reduce savings rate to fund spending. But the focus is shifting to saving and paying off debt – a positive for financial stability but a negative for consumer activity.

Housing Risks

Prices falling after earlier large rises

DWELLING PRICES

(annual % change)



Housing Price Growth[3]

Period Movements to June 2018 %

	3 Years	1 Year	6 Months
Sydney	13.5	-4.5	-2.6
Melbourne	21.6	1.0	-1.8
Brisbane	7.8	1.1	0.3
Adelaide	8.6	1.1	0.4
Perth	-9.3	-2.1	-1.0
Capital Cities (Combined)	**12.5**	**-1.6**	**-1.7**

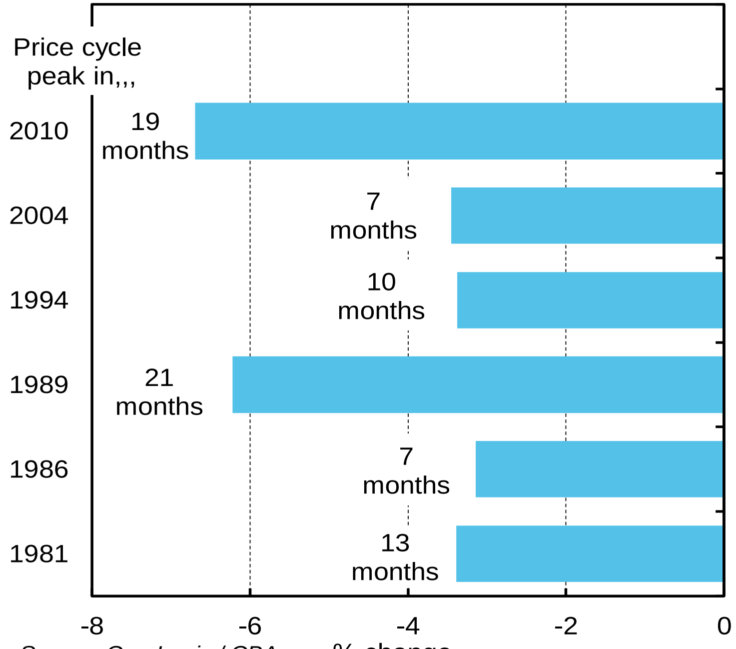
- The traditional triggers to turn the housing market from a financial stability risk to reality are higher interest rates and rising unemployment. Neither driver is currently present.
- Nevertheless, lower affordability and regulatory and other change have cooled the market.
- Price falls need to be benchmarked against the large price rises of recent years.

Housing Risks

The larger and longer price falls associated with extreme economic events

AUSTRALIA: DWELLING PRICE DROPS

(% decline from peak)



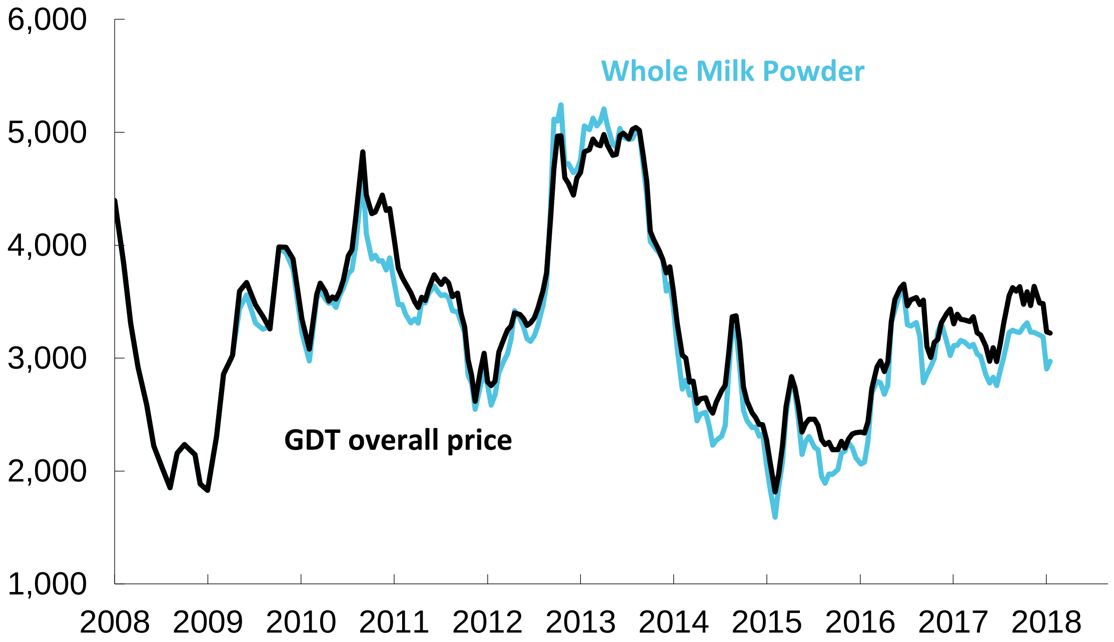
Source: CoreLogic / CBA

- The BIS identify Australia as having the longest-running housing boom.
- But prices have fallen.
- There are six episodes of falling dwelling prices since 1980.
- The longer and larger downturns are those associated with recessions in the early 1980s and 1990s or recession-type events like the global financial crisis.
- Excluding the recession-type episodes, downturns have been small and short-lived (averaging a 4% decline over 8 months).
- The current episode has been underway for 6 months and prices are 1.7% below the Oct’17 peak.

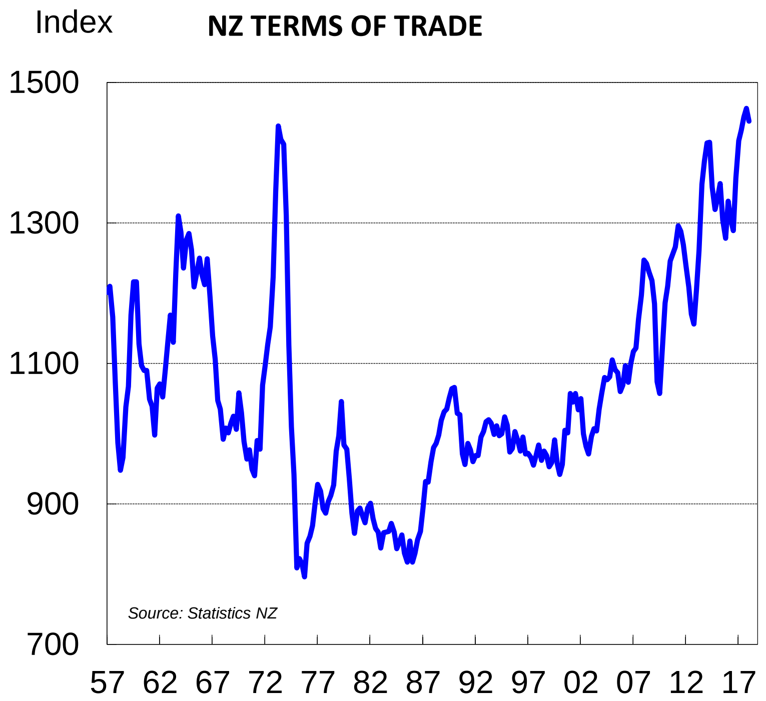
New Zealand

Global dairy trade auction results[1]

(USD/tonne)



NZ Terms of Trade[2]



Dairy prices have remained relatively steady since late 2016 at around average levels. Most dairy farms are profitable at these levels, but confidence in the dairy industry is likely to remain weighed by the recent outbreak of Mycoplasma Bovis and the attempt by officials to eradicate it.

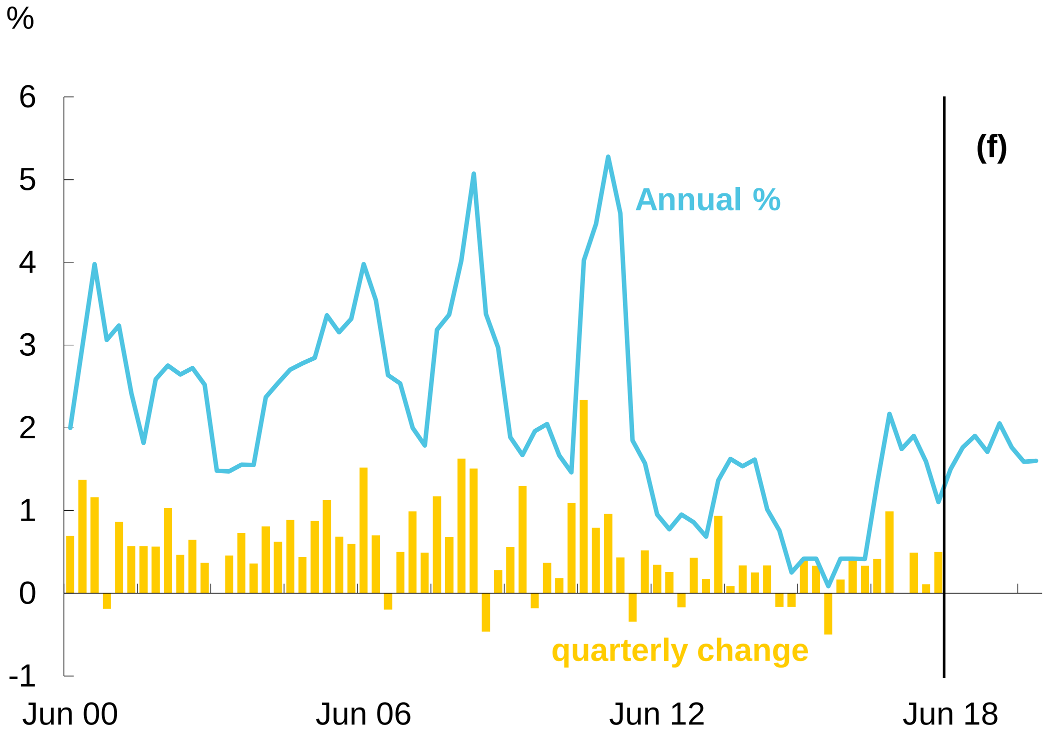
NZ's Terms of Trade posted a new record high at the end of 2017, and are forecast to remain close to record highs in the near term. Prices are a high across a range of exports (mostly primary), including kiwifruit, lamb and forestry.

1. Source: GlobalDairyTrade. 2. Source: Stats NZ.

New Zealand

NZ CPI inflation[1]

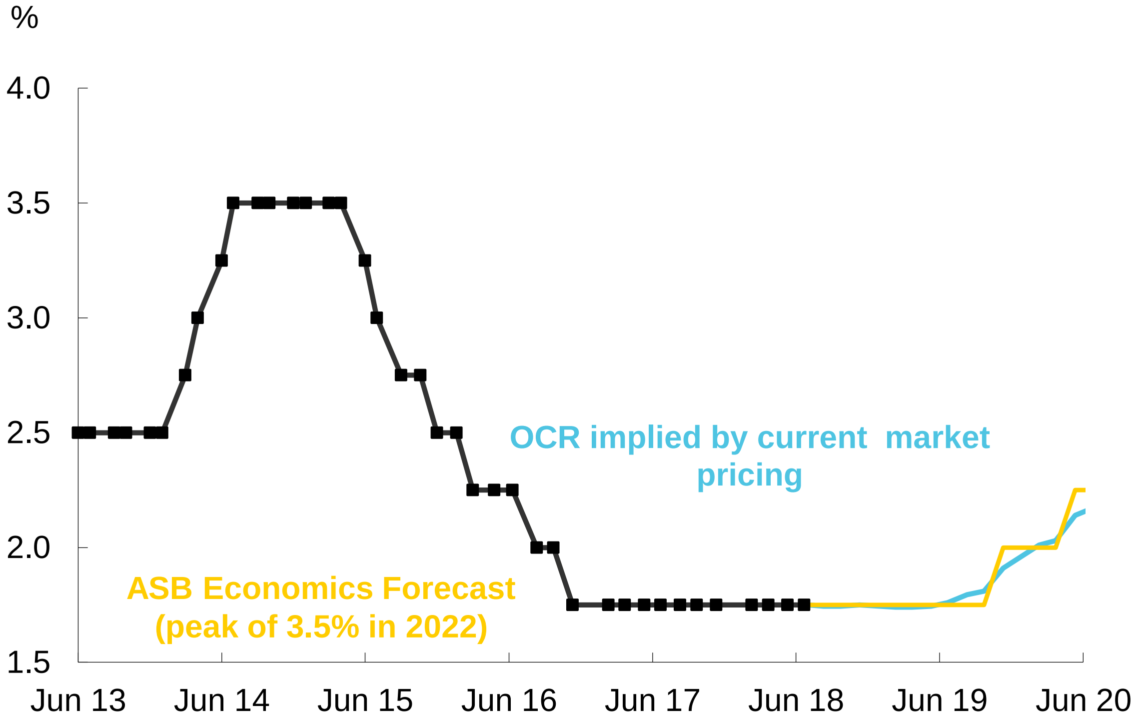
(%)



Inflation is likely to range between 1-2% over the next few years and remain in the lower half of the RBNZ's 1-3% target band after a sustained period of inflation below the target band.

OCR forecasts[2]

(ASB forecast and implied market pricing, %)



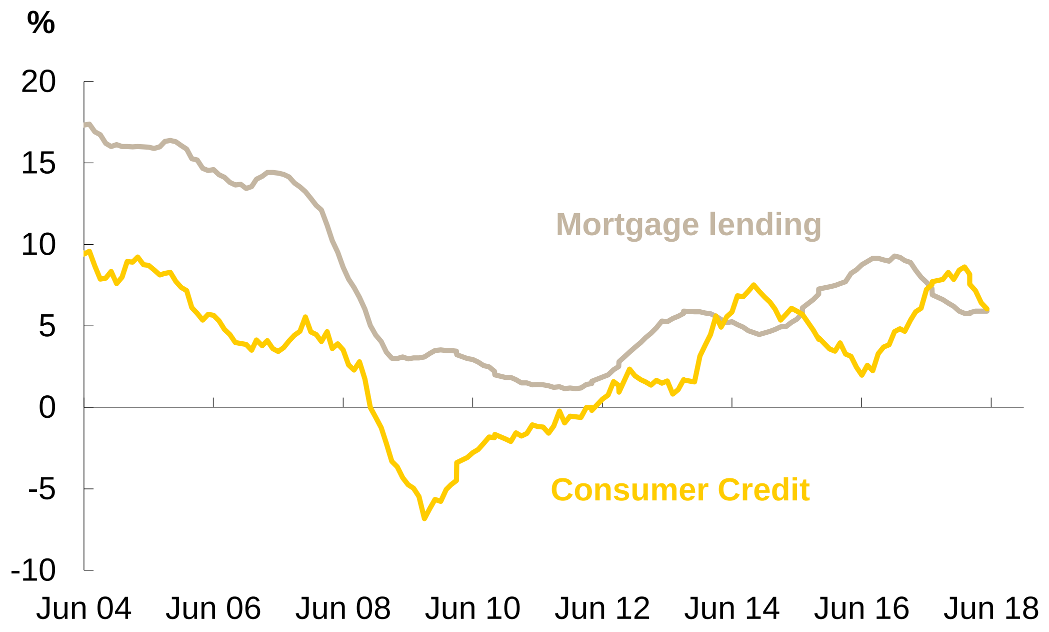
We expect the RBNZ to remain on hold for an extended period, until November 2019. Weak business confidence presents a risk to the growth outlook, but the hurdle for an OCR cut may be high given the firm near-term inflation outlook.

1. Source: Stats NZ / ASB. 2. Source: ASB.

New Zealand

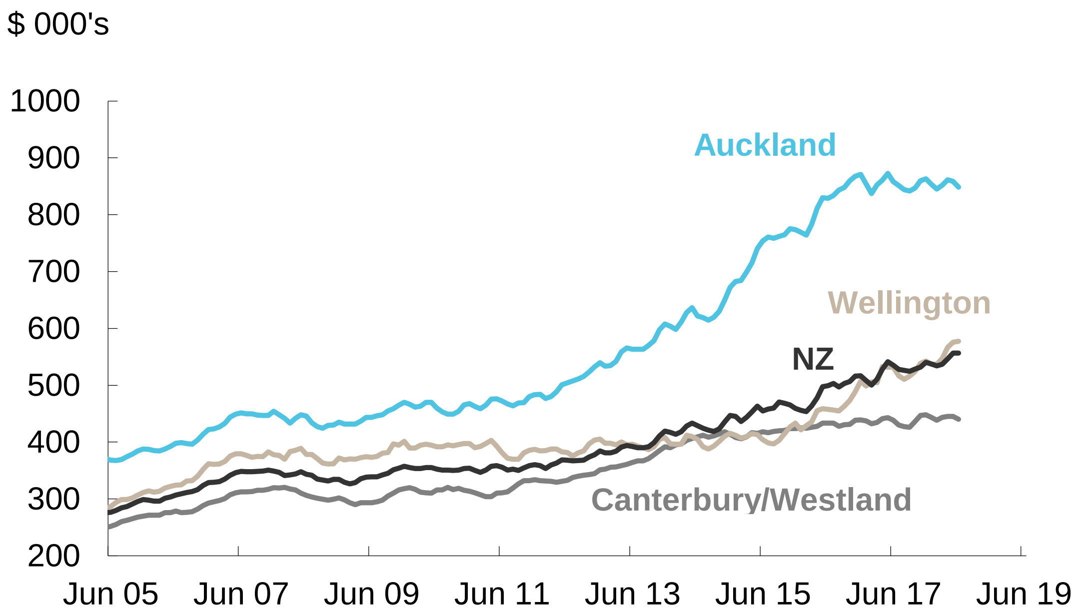
NZ household lending growth[1]

(annual % change)



NZ median house price[2]

(3 month moving average, $’000)



Home lending growth has been decelerating over 2017 and the first half of 2018. The new Government’s proposed housing policies are likely to reduce demand from some investors and contribute to a muted housing market over 2018 and 2019. Credit growth will remain modest, in line with a softer housing market.

House prices are flat/down in Auckland and Christchurch, but still growing in most of the regions. While the incoming Government’s policies are likely to soften housing demand from investors, we expect pent-up demand from first-home buyers, relaxed LVR-lending restrictions for owner occupiers, a strong labour market, low interest rates and housing supply shortages to provide base support to house prices.

1. Source: RBNZ / ASB. 2. Source: REINZ.

Sources & Notes

Sources and Notes

Best in digital

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 includes 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 June 2013 & 12 month average to June 2018)

2 Source: Roy Morgan over July 2017 to June 2018 in both AFR and MFI

3 Source: Australian Prudential Regulation Authority, Monthly Banking Statistics June 2018

4 Source: DBM, Merchant segment, Whole of Market Customer Share, Lending and Deposits, over July 2017 to June 2018

5 Daily on workday

CBA Overview - Innovation

2. Digital customers are those who have logged into NetBank or the CommBank app at least once for the month. 6.5m digital customers refers to June 2018.
3. Customer advocacy is measured with the Roy Morgan Service Used Net Promoter Score – Internet Banking. Rank based in comparison with ANZ, NAB and Westpac. As at June 2018, CBA has held the number one position every month since the metric commenced in February 2017.
4. CommBank app mobile users are those who have logged into the CommBank app at least once for the month. 5.0m CommBank app mobile users refers to June 2018.

CBA Overview - Strength

5. 3rd largest Australian company by market capitalisation – source Bloomberg 30 June 2018.
7. CET1 International - Internationally comparable capital - refer glossary for definition.
8. Credit ratings - S&P, Moody's and Fitch. S&P put major Australian Banks on "Outlook Negative" 7 Jul 16. Moody's lowered the rating on 19 Jun 17, outlook "Stable". Fitch updated the outlook on the bank sector to "Negative" on 2 Dec 16 – though individual CBA issuer rating remained "Stable". Fitch lowered the Outlook on CBA to "Negative" on 7 May 2018 .

Sources and Notes

Lead in retail and commercial banking

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 includes 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 June 2013 & 12 month average to June 2018)

2 Source: Reserve Bank of Australia, Lending and Credit Aggregates, APRA Monthly Banking Statistics

3 Source: APRA, Monthly Banking Statistics June 2018

4 Internal measurement based on ASX equity market trade volumes data sourced from IRESS. Twelve months rolling average of total equity market trade volumes for the Retail non-advice market

5 Source: DBM Whole of Market Customer Share, All Financial Relationships: Lending and Deposits (holds any of the above products with that institution), 12 month rolling to June 2018

6 Including Bankwest

7 Source: Brandz Top 40 most valuable Australian brands Kantar Millward Brown

8 Net Promoter Score – Mobile App (via mobile app on a mobile phone or tablet) and Internet Banking (via the website or mobile app): Roy Morgan Research. Australian population 14+ who used the internet banking services of their (self-nominated) main financial institution in the last 4 weeks, rolling average of the last 6 months of spot scores, as at June 2018

9 Source: Peter Lee Associates, Large Corporate and Institutional Transaction Banking, May 2018. The Platform Performance Index is a combined measure of eight qualitative evaluations

10 Digital customers are those who have logged into NetBank or the CommBank app at least once for the month. 6.5m digital customers refers to June 2018

11 CommBank app mobile users are those who have logged into the CommBank App at least once for the month. 5.0m CommBank App mobile users refers to June 2018

12 CET1 International - Internationally comparable capital - refer glossary for definition

13 Credit ratings - S&P, Moody's and Fitch. S&P put major Australian Banks on "Outlook Negative" 7 Jul 16. Moody's lowered the rating on 19 Jun 17, outlook "Stable". Fitch updated the outlook on the bank sector to "Negative" on 2 Dec 16 – though individual CBA issuer rating remained "Stable". Fitch lowered the Outlook on CBA to "Negative" on 7 May 2018.

Sources and Notes

Franchise Strength

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 includes 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 June 2013 & 12 month average to June 2018).

Leading in digital

1. Online banking: CBA won Canstar's *Bank of the Year – Online Banking* award for 2018 (for the 9th year in a row). Awarded June 2018.
2. Mobile banking: CBA won Canstar's *Bank of the Year - Mobile Banking* award for 2018. Awarded June 2018.
3. CBA won Money Magazine's *Mobile Banking Provider of the Year* award in its Consumer Finance Awards of 2018. Published June 2018.
4. CBA awarded the *Most Innovative Channel Experience of the Year* at the Australian Retail Banking Awards for 'Ceba'. Awarded June 2018.
5. The CommBank app received the highest scores in both functionality and user experience compared to the other major banks in the Forrester Banking Wave™: Australian Mobile Apps, Q2 2018. Published July 2018.
6. Net Promoter Score – Mobile App (via mobile app on a mobile phone or tablet) and Internet Banking (via the website or mobile app): Roy Morgan Research. Australian population 14+ who used the internet banking services of their (self-nominated) main financial institution in the last 4 weeks, rolling average of the last 6 months of spot scores, as at June 2018. Rank based on comparison to ANZ, NAB and Westpac.

Measuring Success

1 DBM Consumer MFI Net Promoter Score. Australian Population 14+ (from Aug 16; 18+ for data prior). Refers to customers' likelihood to recommend their MFI using a scale from 0-10 (where 0 being 'Not at all likely' and 10 being 'Extremely likely') and is calculated by subtracting the percentage of Total Detractors (0-6) from the percentage of Promoters (9-10). Note that percentage signs are not used to report NPS. 6 month rolling average. CBA excludes Bankwest, Westpac exclude St George.

2 DBM Business Net Promoter Score measures the net likelihood of recommendation to others of the customer's main financial institution. Net Promoter Score is a trademark of Bain & Co Inc., Satmetrix Systems, Inc., and Mr Frederick Reichheld. Using a scale of 0 to 10 (0 means 'extremely unlikely' and 10 means 'extremely likely'), the 0-6 raters (detractors) are deducted from the 9-10 raters (promoters). A 6-month rolling data is used. CBA excludes Bankwest and Westpac excludes St George

3 RepTrak score amongst top 16 ASX customer-facing companies. Source: RepTrak, Reputation Institute.

4 People engagement score. Source of global benchmark: IBM Kenexa, April 2018.

5 Total Shareholder Return amongst ASX20 excluding miners.

Glossary

Capital & Other

Risk Weighted Assets or 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 regulatory expected loss and eligible provisions 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 regulatory expected loss over eligible provisions in either assessments, the difference must be deducted from CET1. For non-defaulted exposures where the EL is lower than the eligible provisions, 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, with this ratio 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	A number of different valuation adjustments are made to the value of derivative contracts to reflect the additional costs 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 counterparty credit risk on uncollateralised derivative assets, 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 ADI's 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, Govt and Semi Govt 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	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.
TIA	Corporate Troublesome and Group Impaired assets.
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).

Notes

Disclaimer

The material in this presentation is general background information about the Group and its activities current as at the date of the presentation, 8 August 2018. It is information given in summary form and does not purport to be complete. Information in this presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. Investors should consider these factors, and consult with their own legal, tax, business and/or financial advisors in connection with any investment decision.

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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 4 of the Profit Announcement (PA), which can be accessed at our website: www.commbank.com.au/results

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