

# Results Presentation and Investor Discussion Pack

For the full year ended 30 June 2020

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This announcement has been authorised for release by Kara Nicholls, Group Company Secretary.

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## **Results Presentation**

Matt Comyn, Chief Executive Officer

# Overview



Supporting customers – balanced outcomes – further strategic progress

- **Supporting** customers quickly with simple and efficient processes
- **Delivering** balanced outcomes reflecting core franchise strength
- **Strengthening** already strong balance sheet settings
- **Executing** our strategy: leading in retail, business and digital

# Balanced outcomes

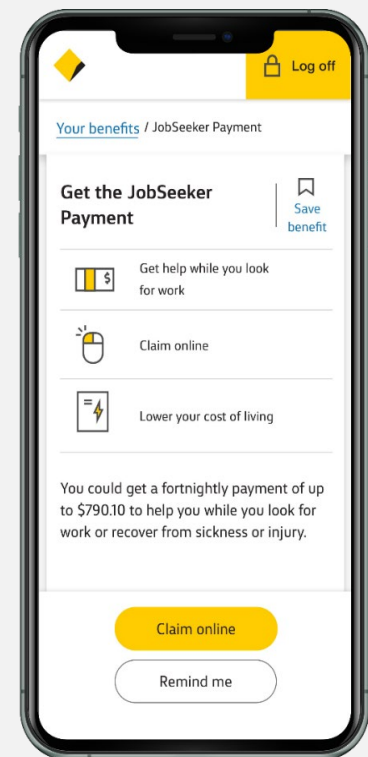
## Delivering for all our stakeholders



### Customers & Community

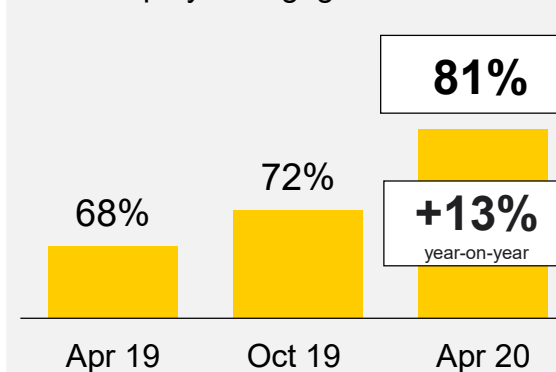
All figures are approximates

- 1 million calls/online requests for help
- 250 million personalised support messages
- 5.5 million visits to COVID-19 support page
- 690,000+ Benefits finder claims (since launch)
- 250,000+ loan repayment deferrals
- \$100bn+ of new home lending
- \$27bn of new business lending
- >50% of all new SME Guarantee loans
- \$3bn in tax<sup>4</sup> – one of Australia's largest taxpayers



### People

#### Employee engagement<sup>1</sup>



89%

Proud to work for CBA<sup>2</sup>

90%

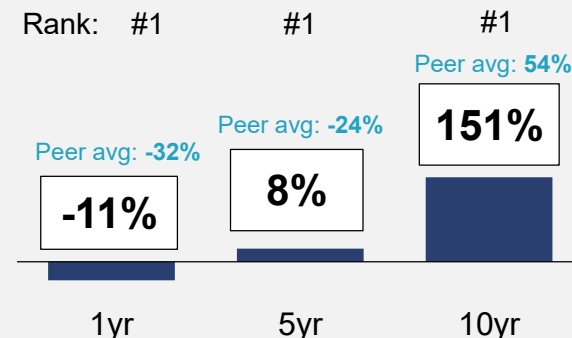
Confident in the future of CBA<sup>2</sup>

41%

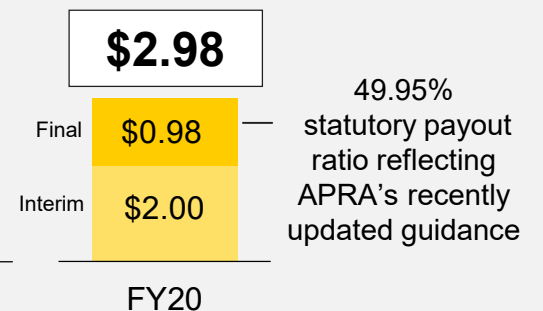
Women in Executive Manager+ roles<sup>3</sup>

### Shareholders

#### Total Shareholder Return<sup>5</sup>



#### Dividend per Share



1. Employee Engagement Index (EEI) from bi-annual engagement survey. 2. Key indicators of employee engagement from bi-annual engagement survey. 3. Representation of women in Executive Manager and above roles. Excludes ASB. 4. \$3bn represents tax expense in FY20. 5. Source: Bloomberg. Total Shareholder Return as at 30 June 2020. Rank reflects position compared to major bank peers. Peer average is the average of our major bank peers.

# Supporting our customers

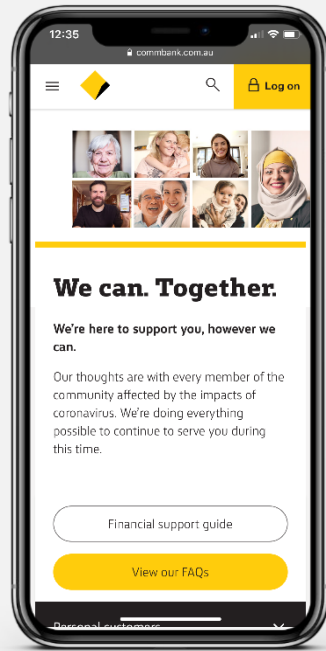
Simply, efficiently, effectively



## Informative

>5.5 million

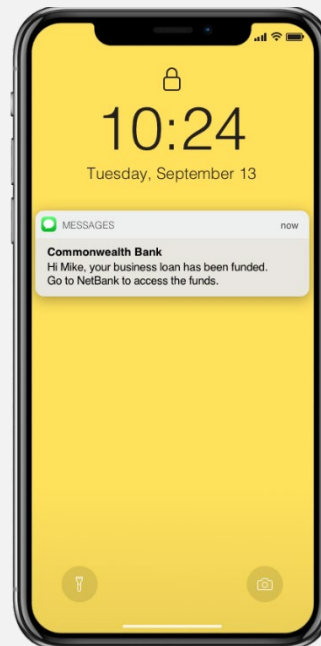
COVID-19 support page visits



## Fast

BizExpress<sup>1</sup>

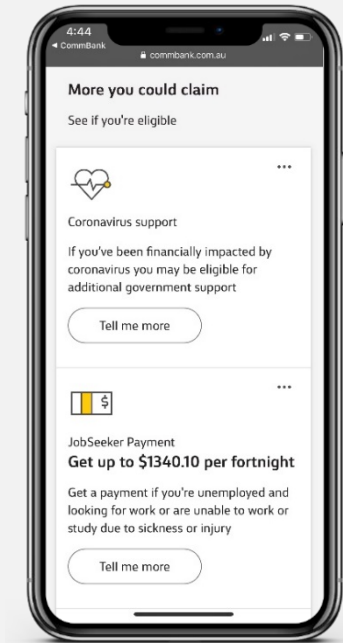
Approval & funding in <20 minutes<sup>2</sup>



## Value-add

>690k

Benefits finder claims



1. 90% of applications processed same day. 2. From 31 July 20, end-to-end funding for eligible digital customers.

# This result<sup>1</sup>



Lower cash profit on higher provisioning – strong capital – final dividend of \$0.98

	FY20	FY20 vs FY19
▪ Statutory profit (\$m)	<b>9,634</b>	+12.4%
▪ Cash NPAT (\$m)	<b>7,296</b>	(11.3%)
▪ CET1 (%, Level 2)	<b>11.6%</b>	+90bpts
▪ EPS (cash, \$)	<b>4.13</b>	(53c)
▪ Dividend per share (\$)	<b>2.98</b>	(1.33)

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



# Cash NPAT<sup>1</sup>



Lower due to COVID-19 provisions – subdued growth in income and expenses

## Operating Income

\$m

- Volume growth
- COVID-19 impacts

**+0.8%**

23,577

23,758

FY19

FY20

## Operating Expenses

\$m

- Increased COVID-19 costs
- Simplification benefits

**+0.7%**

10,824

10,895

FY19

FY20

## Loan Impairment Expense

\$m

- COVID-19 provisioning
- Customer assistance focus

**33bpts**

1,201

2,518

FY19

FY20

## Cash NPAT

\$m

- Lower on higher provisions
- Op. perf. +1% (RBS<sup>2</sup> +7%)

**-11.3%**

8,221

COVID-19 provision

7,296

FY19

FY20

1. Presented on a continuing operations basis. 2. RBS excluding Mortgage Broking and General Insurance.

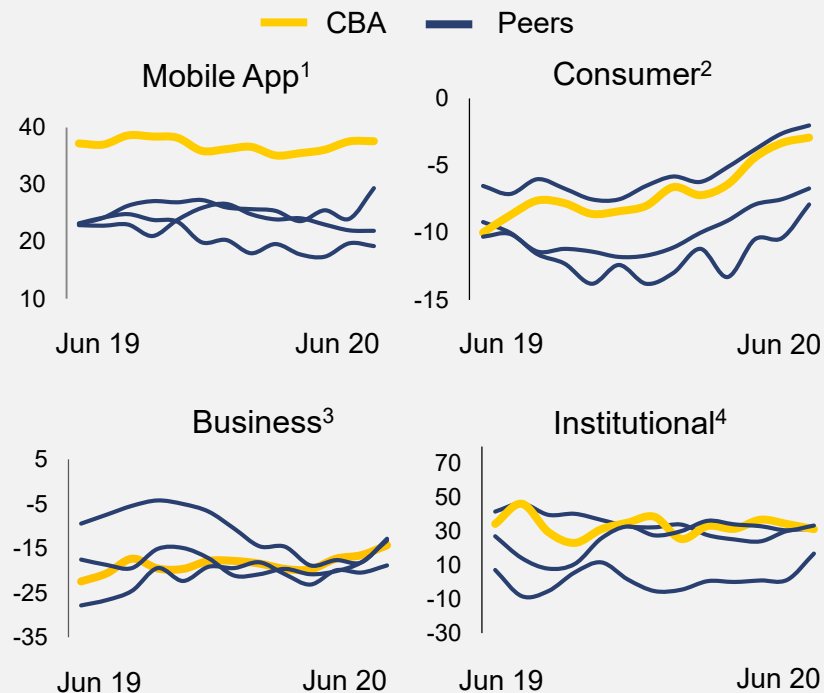
# Core franchise strength

Volume growth underpinned by customer focus, operational execution



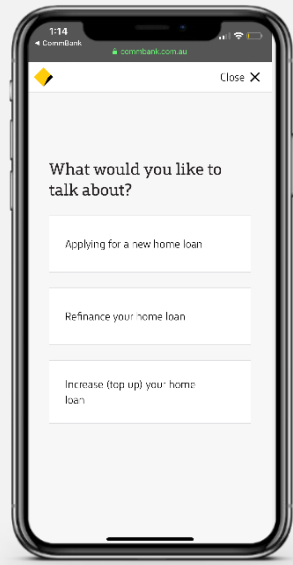
## Customer focus

- Positive NPS trends
- Maintaining digital leadership



## Operational execution

- Simpler processes and digitisation
- Customer focus re-engineering



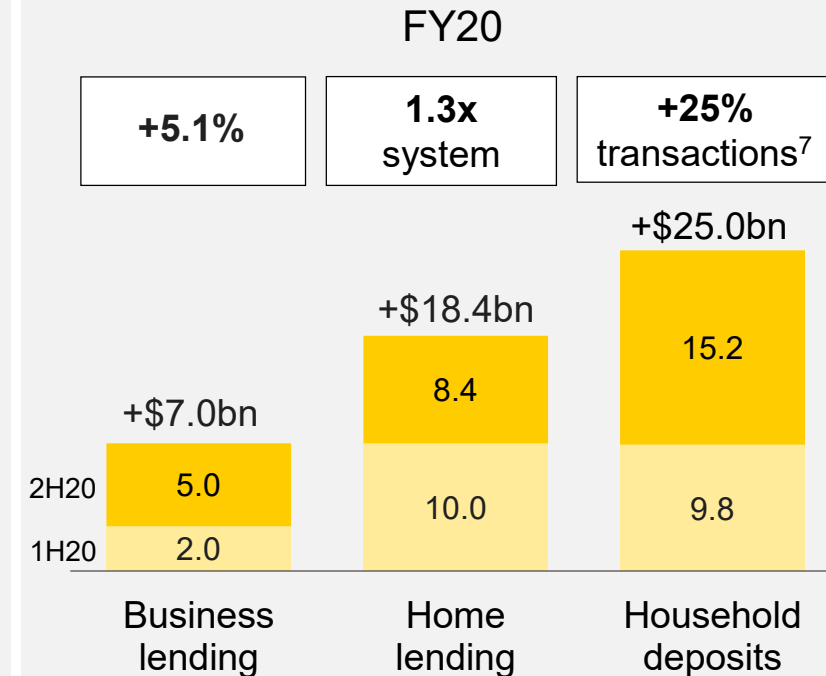
Consistent home loan decision times

80% of settlements via PEXA

Same day decisioning on BizExpress<sup>5</sup>

## Volume growth<sup>6</sup>

- Strong growth in all core markets
- Transactions +25% (spot)<sup>7</sup>



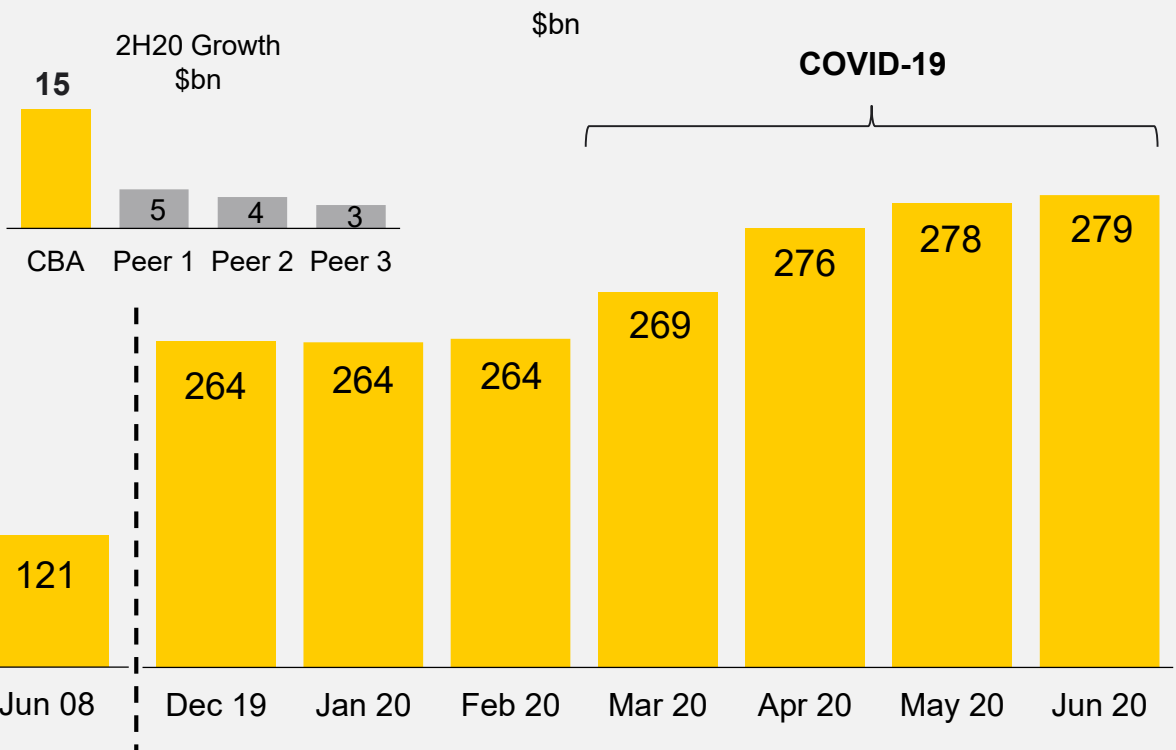
# Deposits

## Strong, transactions-driven deposits growth



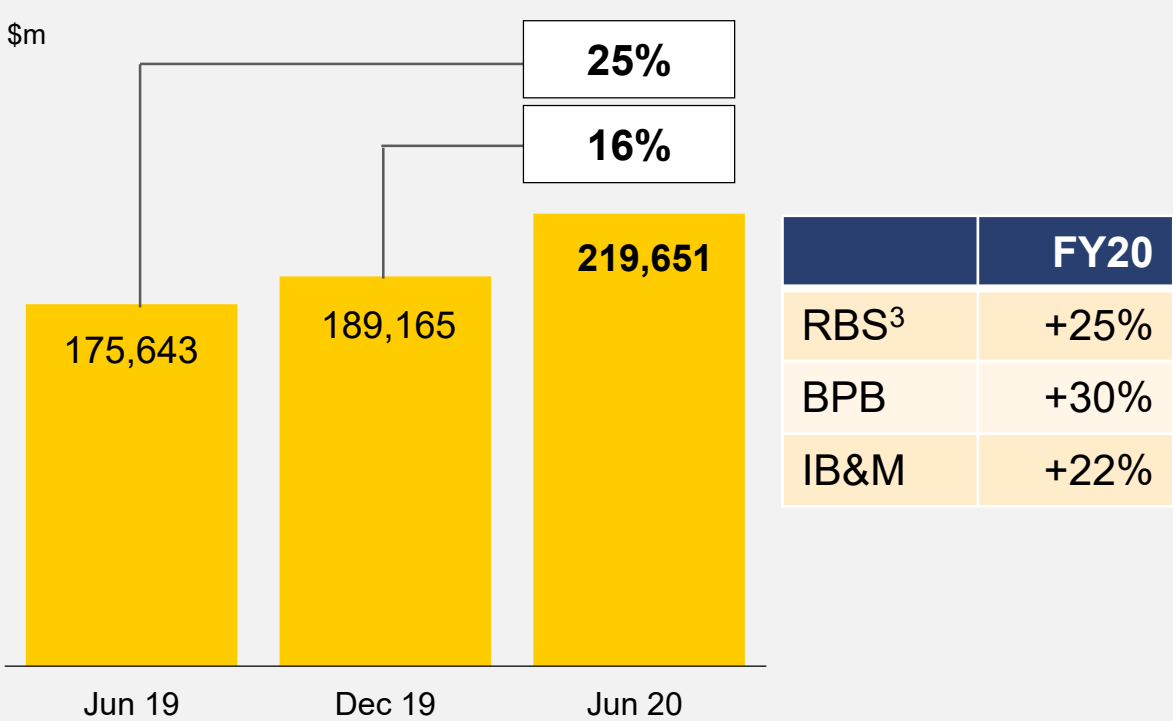
### Household Deposits<sup>1</sup>

- Above system growth in 2H20
- Leading market share further extended



### Transactions<sup>2</sup>

- Transaction account balances +25% (+16% in 2H20)
- Strong growth across business units



	FY20
RBS <sup>3</sup>	+25%
BPB	+30%
IB&M	+22%

1. Source: APRA Monthly Authorised Deposit-taking Institution Statistics (MADIS) from March 2019. Prior to March 2019 APRA Monthly Banking Statistics (MBS). All periods include Bankwest. 2. Includes non-interest bearing deposits. 3. Excludes Mortgage Broking and General Insurance. 11

# Balance sheet strength

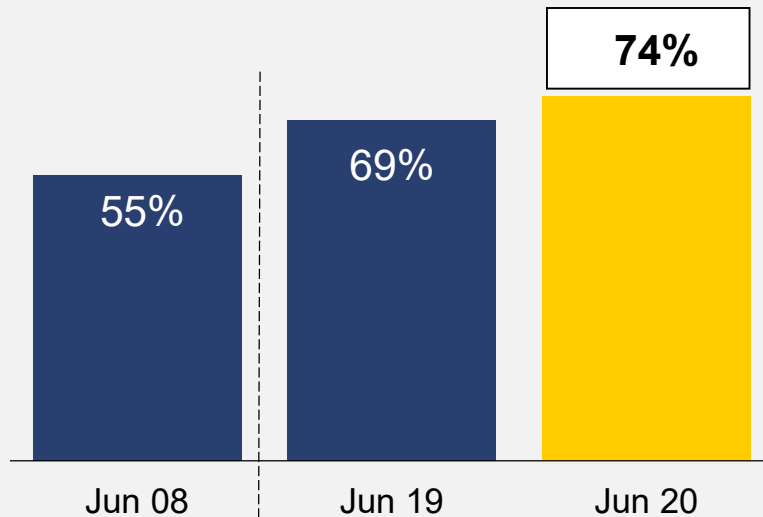
Long term strengthening – well placed across all metrics



## Funding

- 74% deposit funded, NSFR 120%
- \$191bn of liquid assets, LCR 155%<sup>1</sup>

Deposit funding %

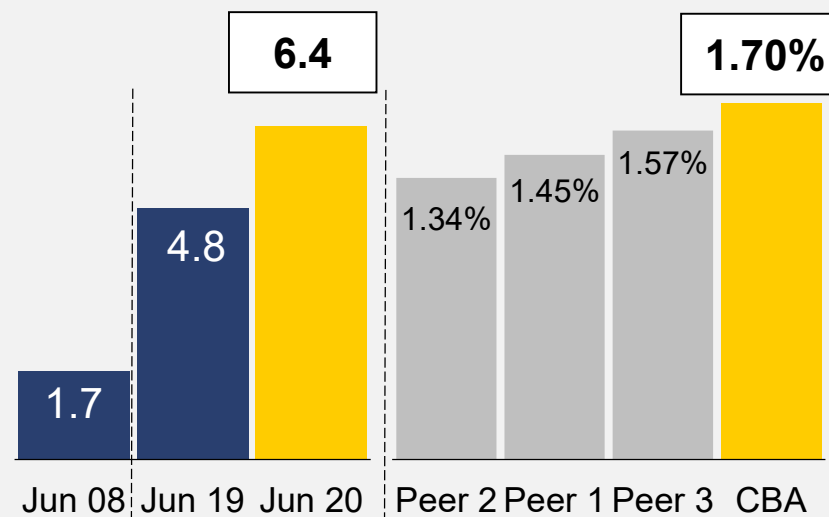


## Provisioning

- \$1.5bn COVID-19 provision (in 3Q20)
- Peer leading coverage ratio of 1.70%

Total credit provisions (\$bn)

Coverage ratio<sup>2</sup>



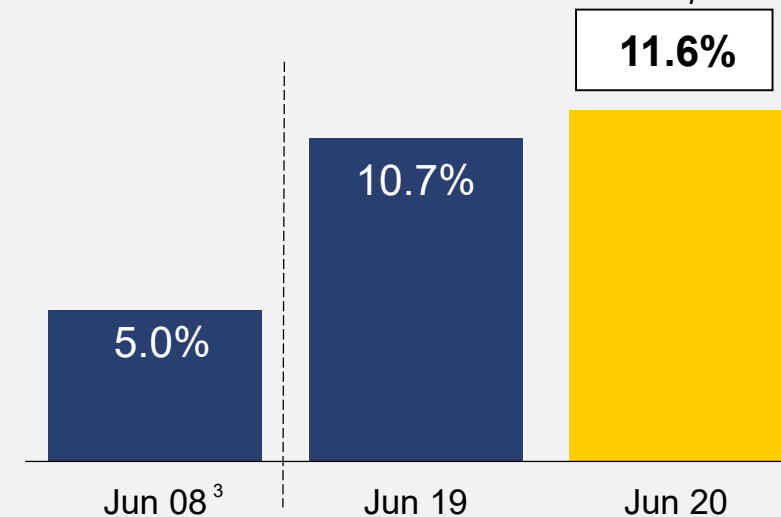
## Capital

- CET1 ratio of 11.6% (Level 2)
- Another 58-68bpts expected (divestments)

CET1 %

Level 2

*Divestments  
expected uplift  
58-68bpts*



1. Pillar 3 Quarter average. 2. Total provisions divided by credit risk weighted assets. Excludes impairment provisions for derivatives at fair value. 3. Calculated Basel III equivalent.

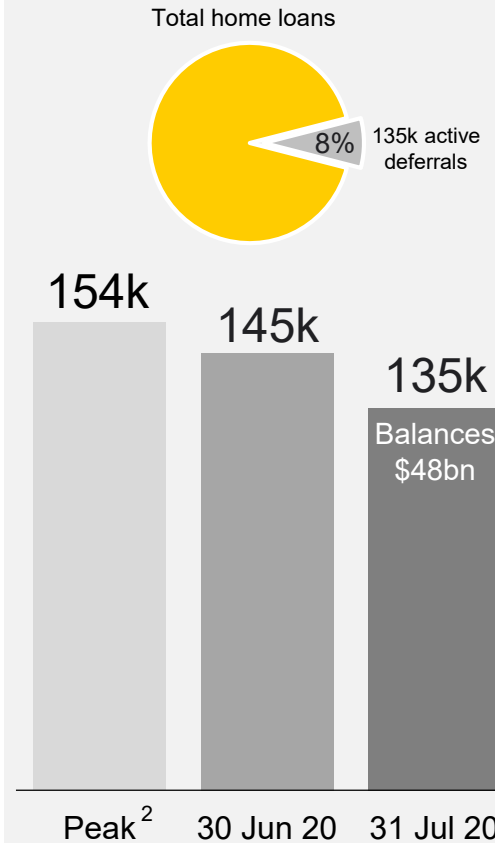
# Repayment deferrals<sup>1</sup>



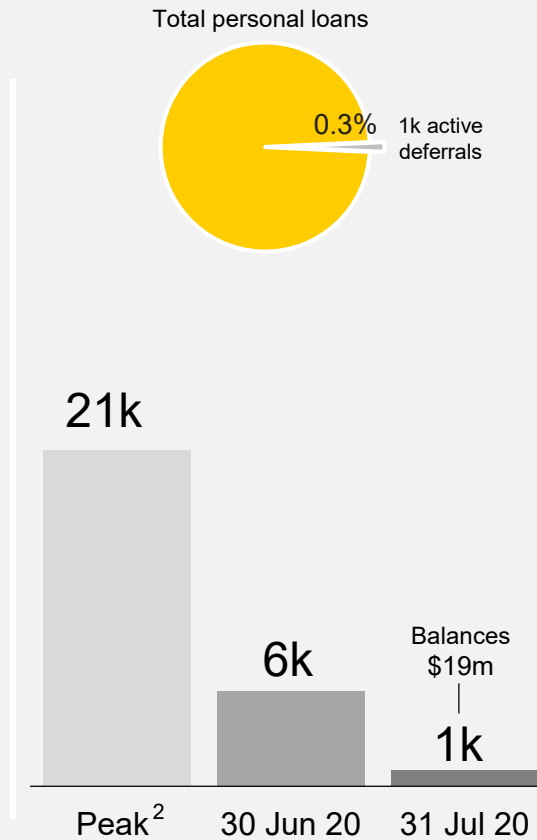
Working with customers to return to normal arrangements as soon as possible

- Ongoing reviews
- Proactive assistance
- Regular check-in via digital platforms
- Direct contact with high risk customers
- Opt-out process via Netbank, app
- Early exits eligible for 1yr Interest Only<sup>3,4</sup>

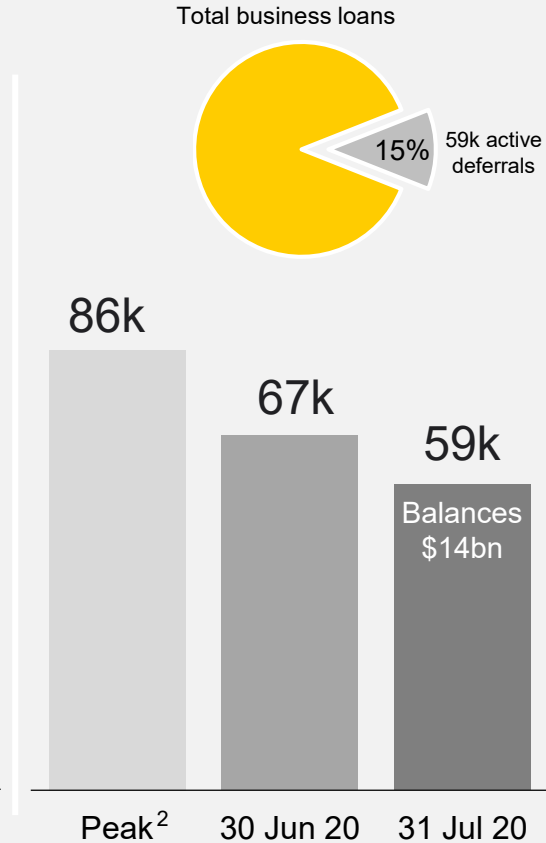
## Home Loans



## Personal Loans



## Business Loans



1. Australian totals, including Bankwest. Percentages of total loans relate to accounts for home loans and personal loans, balances for business loans. 2. Peak number of approved deferrals. Business Lending includes auto-deferrals offered and additional customer requests. 3. Subject to approval/assessment. Not available to customers in arrears. 4. Applicable to Home Lending repayment deferrals.

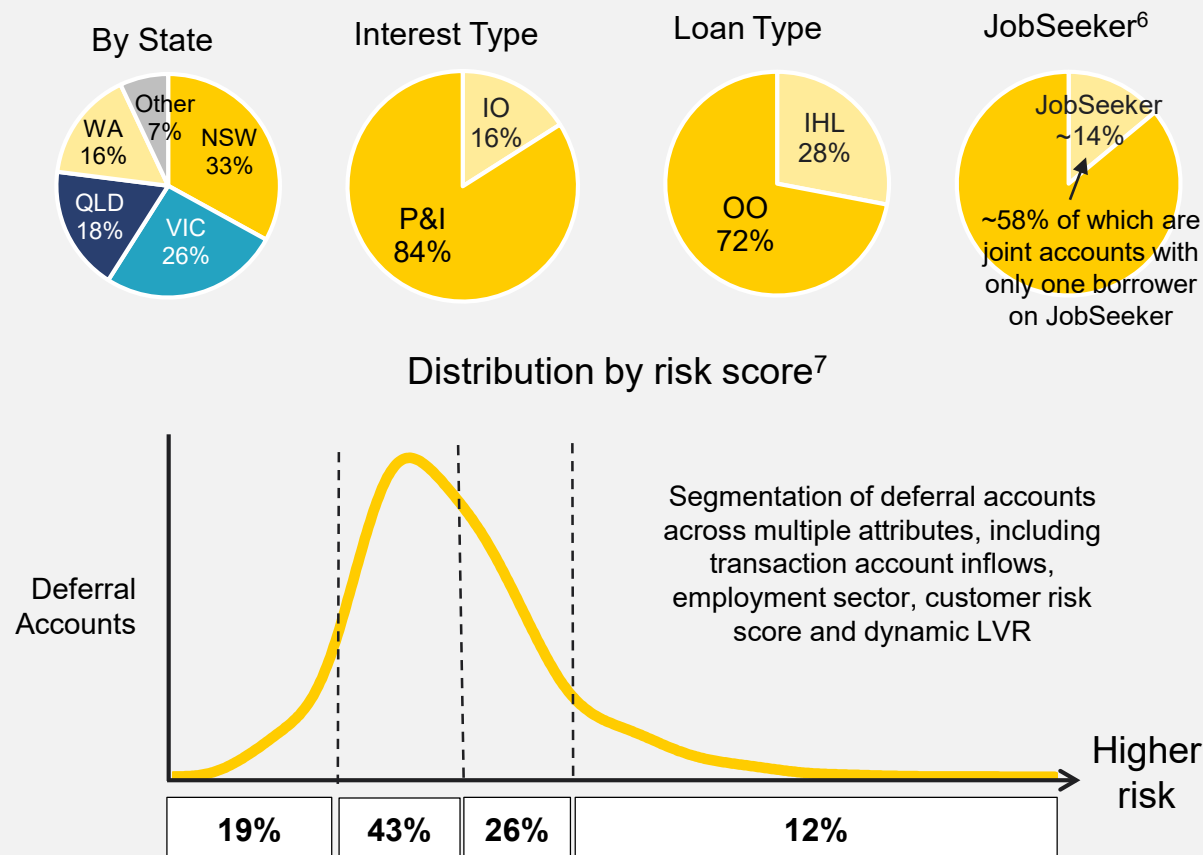
# Repayment deferrals – home lending<sup>1</sup>

## Majority in lower risk segments

### Home lending deferrals<sup>1</sup>

- 8% of accounts in deferral (~135,000)
- \$48bn in balances
- <20% in higher risk occupations<sup>2</sup>
- 67% with DLVR <80%
- 25% making some repayments<sup>3</sup>
- 14% 12 months or more in advance<sup>4</sup>
- Risk scoring of every deferral account every month
- Assesses propensity to resume normal repayments
- Measures multiple attributes - including transaction account inflows, employment sector, customer risk score and dynamic LVR

### Profile<sup>5</sup>



1. Active Australian deferral accounts as at 31 July 2020. All metrics are based on number of accounts unless noted otherwise. 2. Higher risk occupations include those in Retail, Airlines, Hospitality, Food, Travel industries. 3. Includes any loan repayment since deferral started. 4. Includes redraw and offset balances. 5. Based on balances. 6. Based on CBA transactional data, does not capture payment flows to non-CBA accounts. 7. Approximate risk score of deferred home loans as at 31 July 2020.

# Repayment deferrals – business lending<sup>1</sup>

Rapid early support including 73,000 loans auto-deferred<sup>2</sup>

## Business lending deferrals

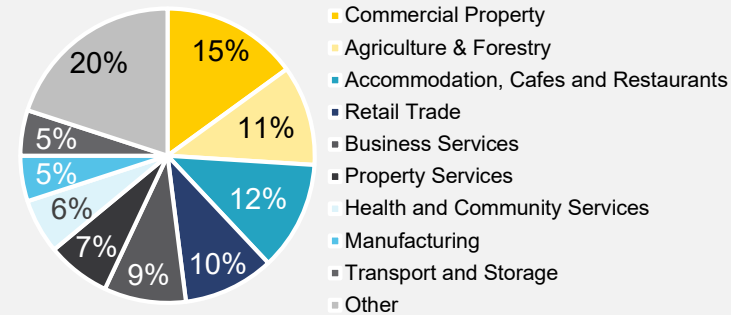
- ~86k at peak (~73k auto-deferred)
- ~59k active deferrals
- \$14bn in balances (15% of book)
- 30% making repayments in full<sup>3,4</sup>
- 89% secured<sup>3,4</sup>
- >50% relationship managed
- Approximately 30% receiving JobKeeper
- Ongoing review and customer contact
- Facility level risk-based segmentation

Total business loans<sup>3</sup>

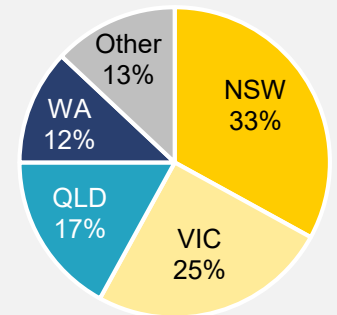
Deferrals 15%

## Profile<sup>3</sup>

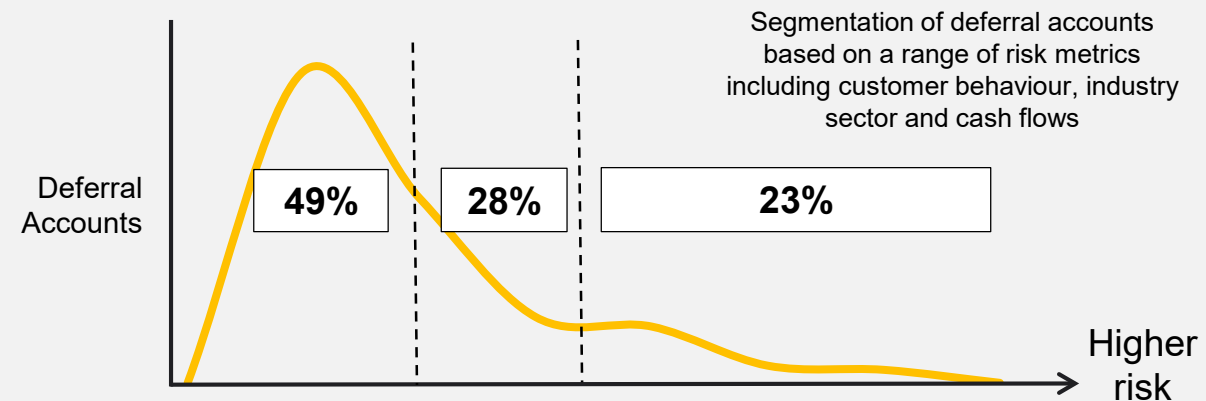
Deferrals by Sector



Deferrals by State



Distribution by risk score<sup>5</sup>



# Executing our strategy

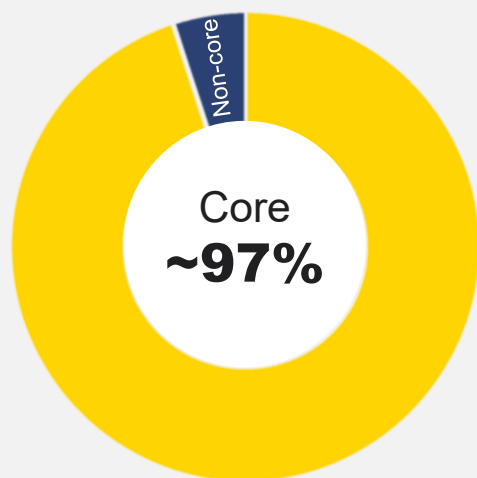
Simplification, lead in retail, business and digital



## Simplify our business

- Majority sale of CFS (55%)
- Core franchise >97% of Cash NPAT

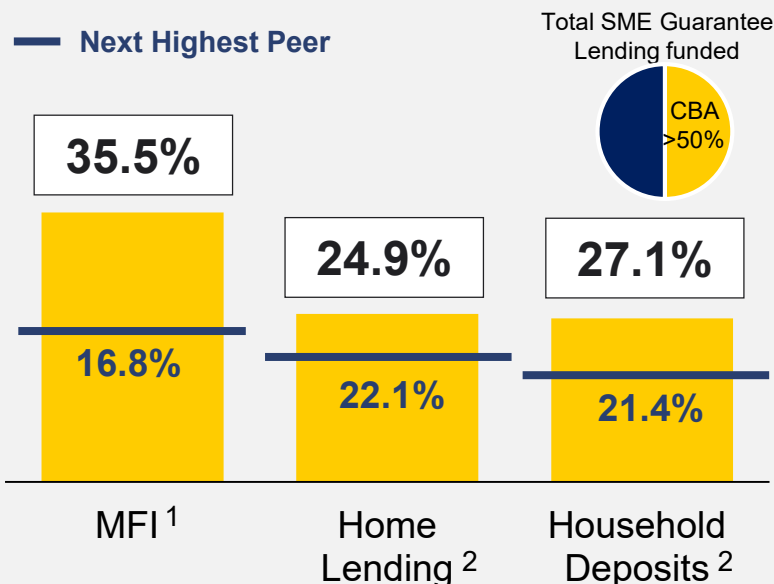
FY20 Cash NPAT  
\$m



## Lead in retail & business

- #1 share – MFI, home loans, deposits
- >50% of SME Guarantee Lending

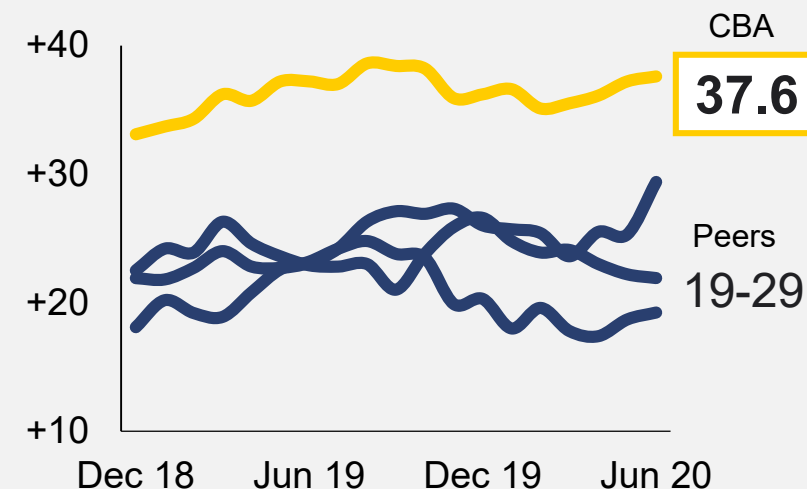
Market shares



## Best in digital banking

- Australia's #1 banking app<sup>3</sup>
- Innovating for future growth

Net Promoter Score – Mobile App<sup>4</sup>





# Australia's #1 digital bank



Personalised services - smart features - a better banking experience

## Personalised experience

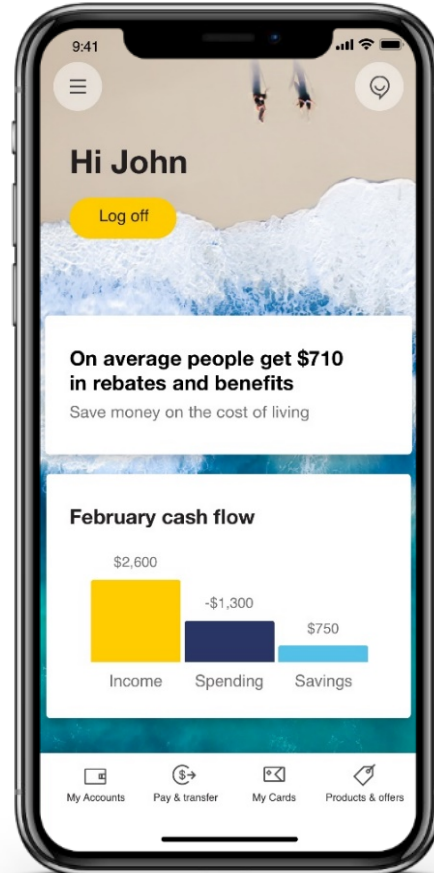
Customisable dashboard with relevant and personalised notifications

## Coronavirus money plan

Practical, simple, actionable guidance and tools to minimise the negative impact of coronavirus on financial wellbeing

## Bill prediction

A timeline of upcoming bills generated using data and machine learning



## CommBank Rewards

Personalised shopping rewards from big brands like Caltex, Myer, JB Hi-Fi and Coles

## Benefits finder

Connecting individuals and small businesses with over 230 rebates and benefits

## Klarna

Buy now, pay later shopping and payment service integrated into the CommBank app



## **Results Presentation**

Alan Docherty, Chief Financial Officer

# Summary



## Franchise strength and disciplined execution – delivering in a difficult environment

### Economic Environment

**Earnings pressure in a low interest rate, COVID-19 environment**

### Franchise Strengths

- Lower volatility of earnings
- Organic capital generation
- Scale advantage
- Digital engagement

### Disciplined Execution

- Customer support
- Operational execution
- Capital discipline
- Conservative settings

### Delivering Outcomes

- Home loan share gains
- Capital surplus/dividend
- Peer leading provisioning
- HH deposits share gains

# Statutory vs Cash NPAT

## One-off gains on sale of wealth management businesses



\$m	FY19	FY20	
<b>Statutory NPAT</b>	<b>8,571</b>	<b>9,634</b>	
Less			
Cash NPAT - discontinued operations	485	<b>153</b>	<ul style="list-style-type: none"> <li>• CFSGAM sold Aug 19</li> <li>• CommInsure de-consolidated Nov 19</li> <li>• PTCL sold Jun 20</li> <li>• CFS divestment expected 2H21</li> </ul>
Non-cash items:			
- Gains/(losses) on disposals, transaction costs <sup>1</sup>	(61)	<b>2,092</b>	<ul style="list-style-type: none"> <li>• Includes sale of CFSGAM, CommInsure Life, CFS, PTCL, Count Financial</li> </ul>
- Hedging <sup>2</sup> & other	(74)	<b>93</b>	<ul style="list-style-type: none"> <li>• Hedging volatility and AUD appreciating against NZD</li> </ul>
<b>Cash NPAT – continuing operations</b>	<b>8,221</b>	<b>7,296</b>	

1. Includes gains and losses net of transaction and separation costs associated with the disposal of CFS, CFSGAM, Sovereign, TymeDigital SA, PTCL, Count Financial, Aegis, AUSIEX and other businesses, the deconsolidation and divestment of CommInsure Life, the dilution of the Group's interest in Bank of Hangzhou and demerger costs for NewCo. 2. Includes unrealised accounting gains and losses arising from the application of "AASB 139 Financial Instruments: Recognition and Measurement". 20

# FY20 result<sup>1</sup>



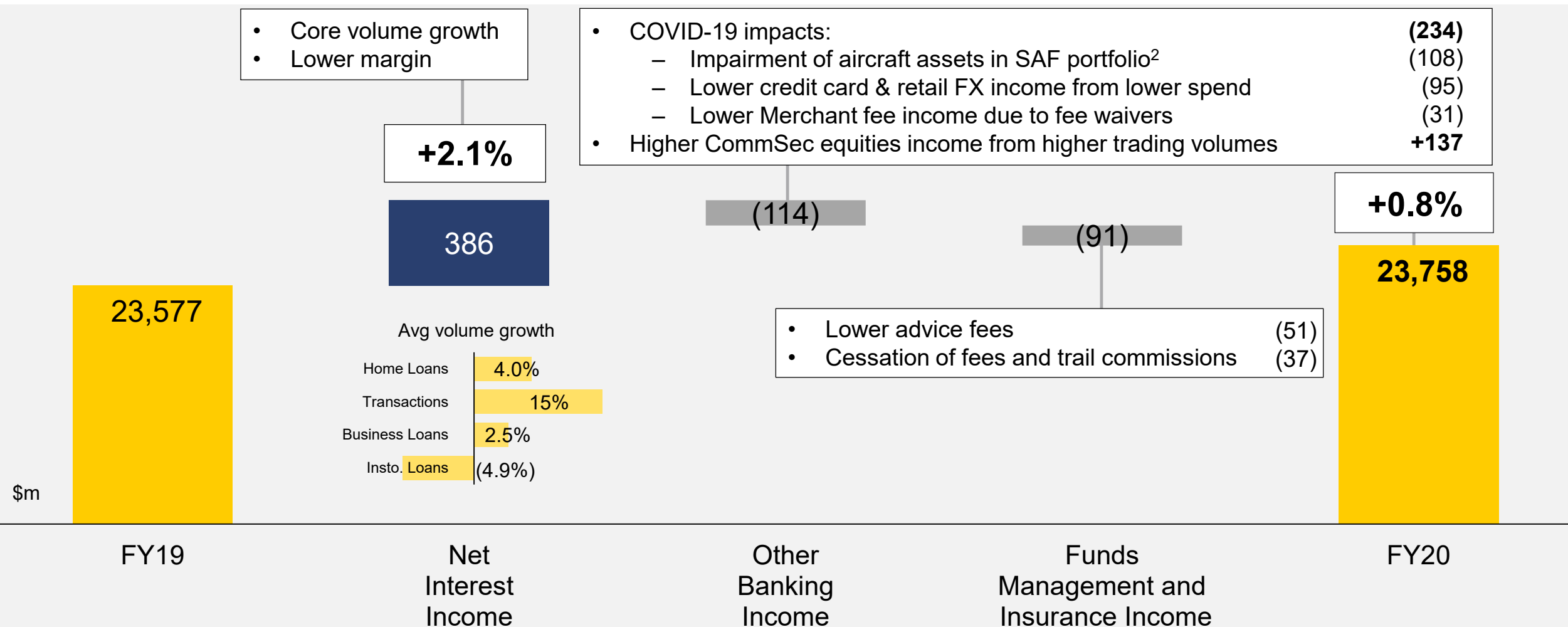
Cash NPAT down 11.3% due to COVID-19 provisioning – operating performance +1%

	FY20 \$m	FY20 vs FY19
Operating Income	23,758	⬆ 0.8%
Operating Expenses	10,895	⬆ 0.7%
Operating Performance	12,863	⬆ 0.9%
Loan Impairment Expense	2,518	⬆ Lge
<b>Cash NPAT</b>	<b>7,296</b>	<b>⬇ (11.3%)</b>

1. Presented on a continuing operations basis.

# Operating income<sup>1</sup>

Core volume growth, partly offset by impact of COVID-19

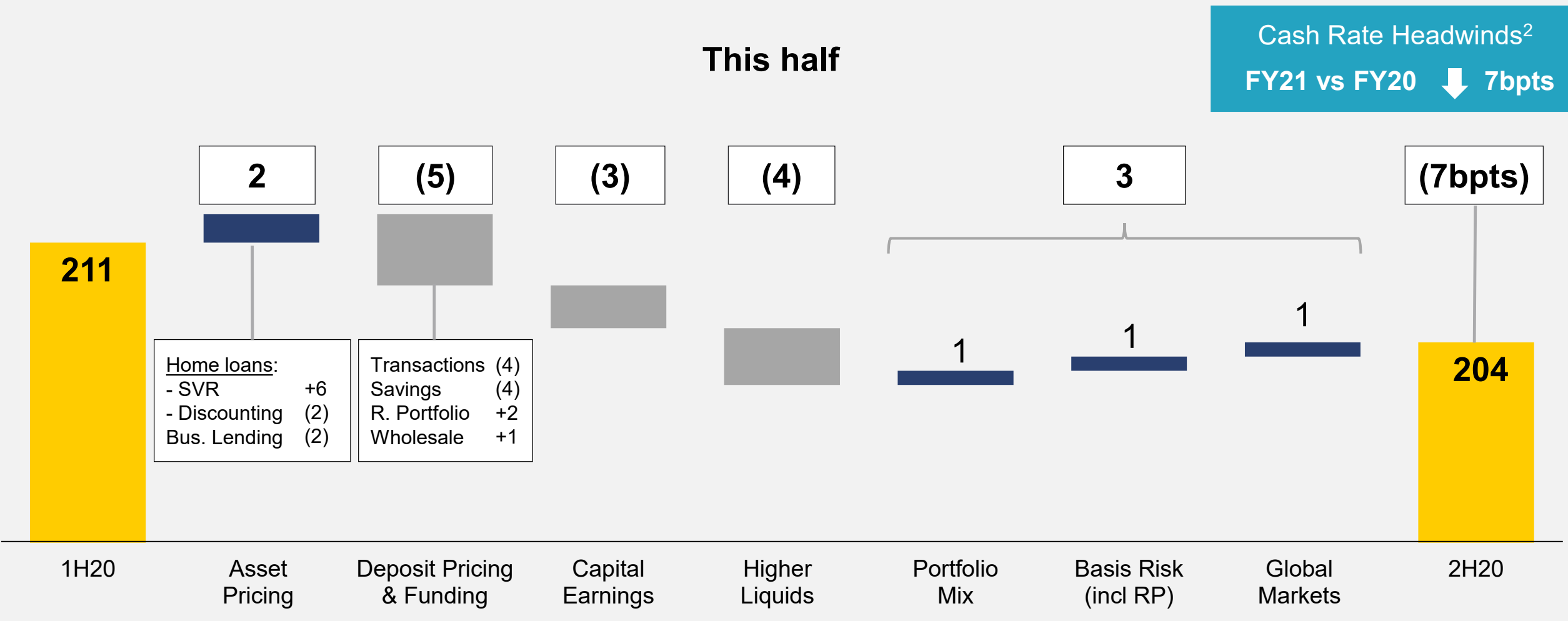


1. Presented on a continuing operations basis. 2. Includes additional costs associated with the impairment such as hedging break costs.

# Group margin<sup>1</sup>



Net interest margin lower in 2H20 - impacted by cash rate cuts and higher liquid assets

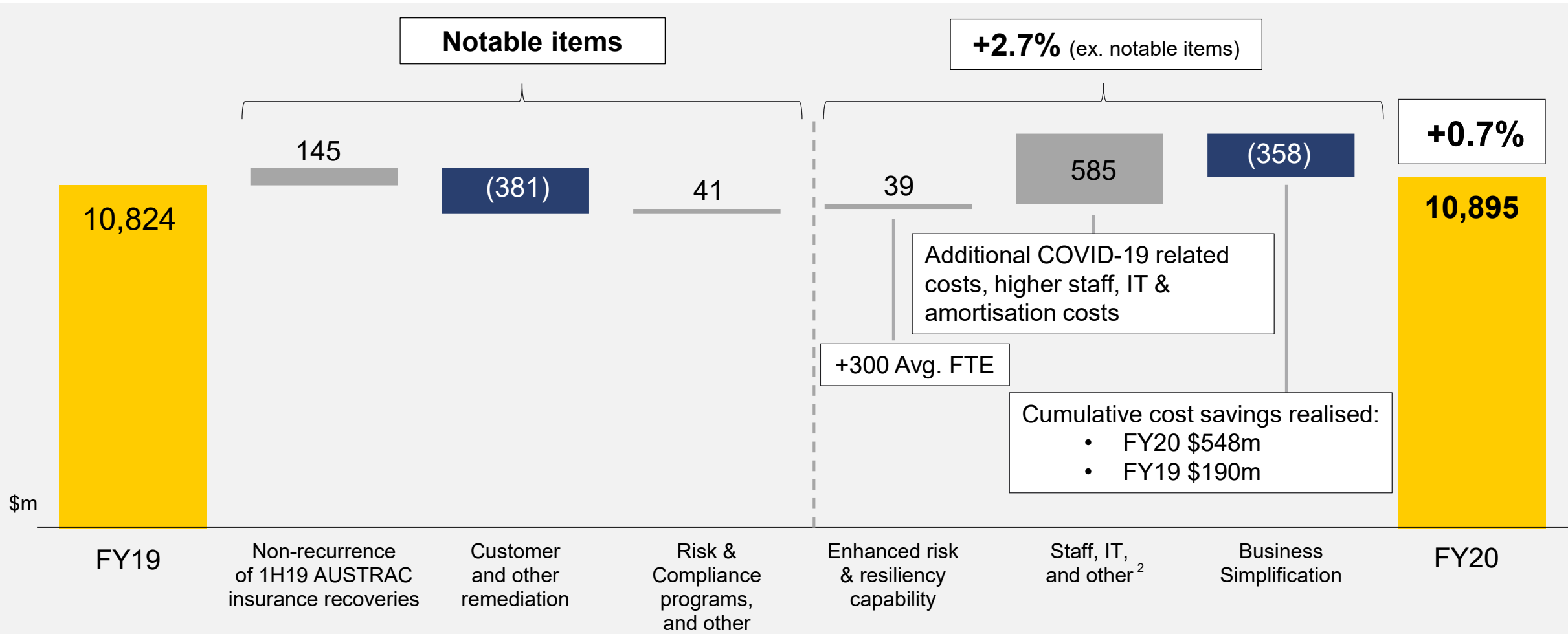


1. Presented on a continuing operations basis. 2. Estimated impact of the RBA's cash rate cuts in June, July, October 2019 and March 2020 on Group NIM, including the deposits impact, lower expected replicating portfolio and equity hedge benefits, and flow through of announced repricing. Excludes impact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

# Operating expenses<sup>1</sup>



Lower remediation costs – higher cost of doing business in COVID-19



1. Presented on a continuing operations basis. 2. Excludes staff, IT and other costs related to notable items, enhanced risk and resiliency capability and simplification.



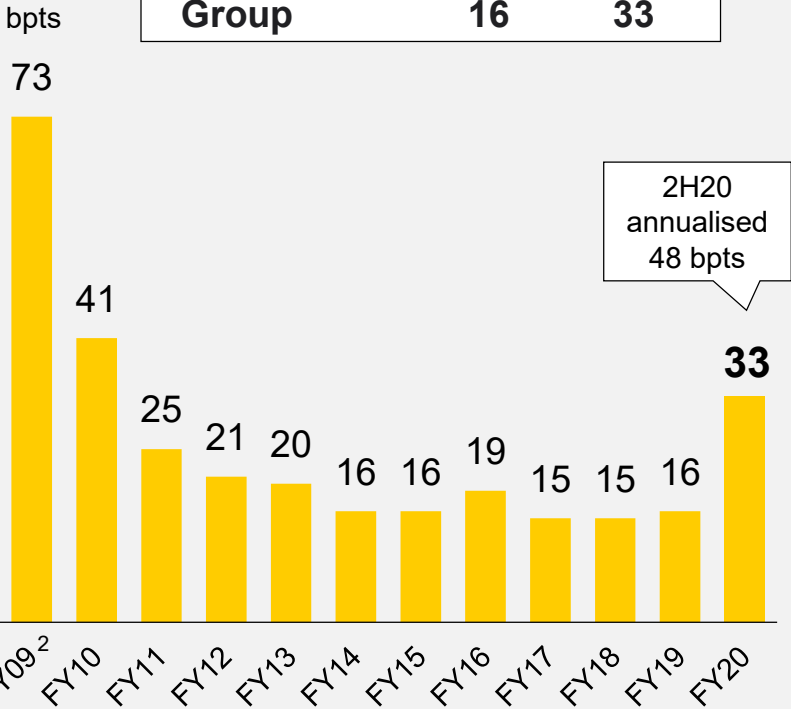
# Credit risk



## Loan loss rate inclusive of COVID-19 provisioning – some signs of emerging stress

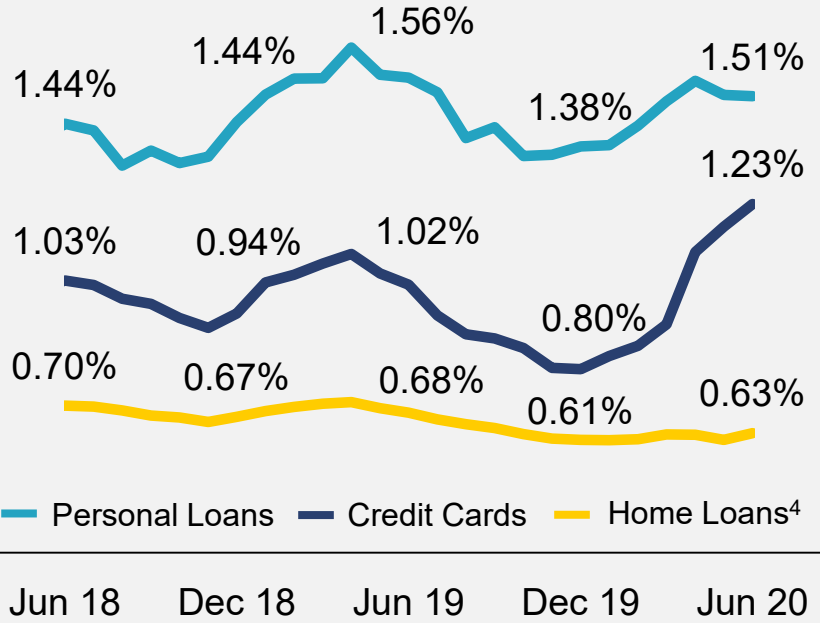
### Loan Loss Rate<sup>1</sup> - Group

	FY19	FY20
Consumer	17	26
Corporate	<u>14</u>	<u>50</u>
<b>Group</b>	<b>16</b>	<b>33</b>



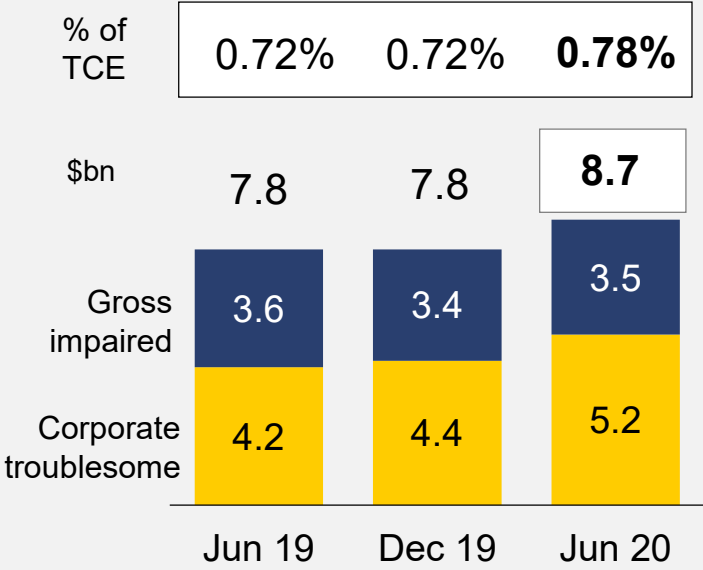
### Arrears<sup>3</sup>

- HL & PL's insulated by loan deferrals
- Signs of stress in credit cards + lower balances (denominator effect)



### TIA

- Emerging stress across a range of sectors impacted by COVID-19



1. Cash Loan Impairment Expense as a percentage of average Gross Loans and Acceptances (GLAA) (bpts). 2. FY09 includes Bankwest on a pro-forma basis. 3. Group consumer arrears including New Zealand. APRA's prudential relief for customers on eligible COVID-19 loan repayment deferral arrangements has effectively "stopped the clock" on home loan and personal loan arrears. 4. Excludes Reverse Mortgage, Commonwealth Portfolio Loan and Residential Mortgage Group loans.

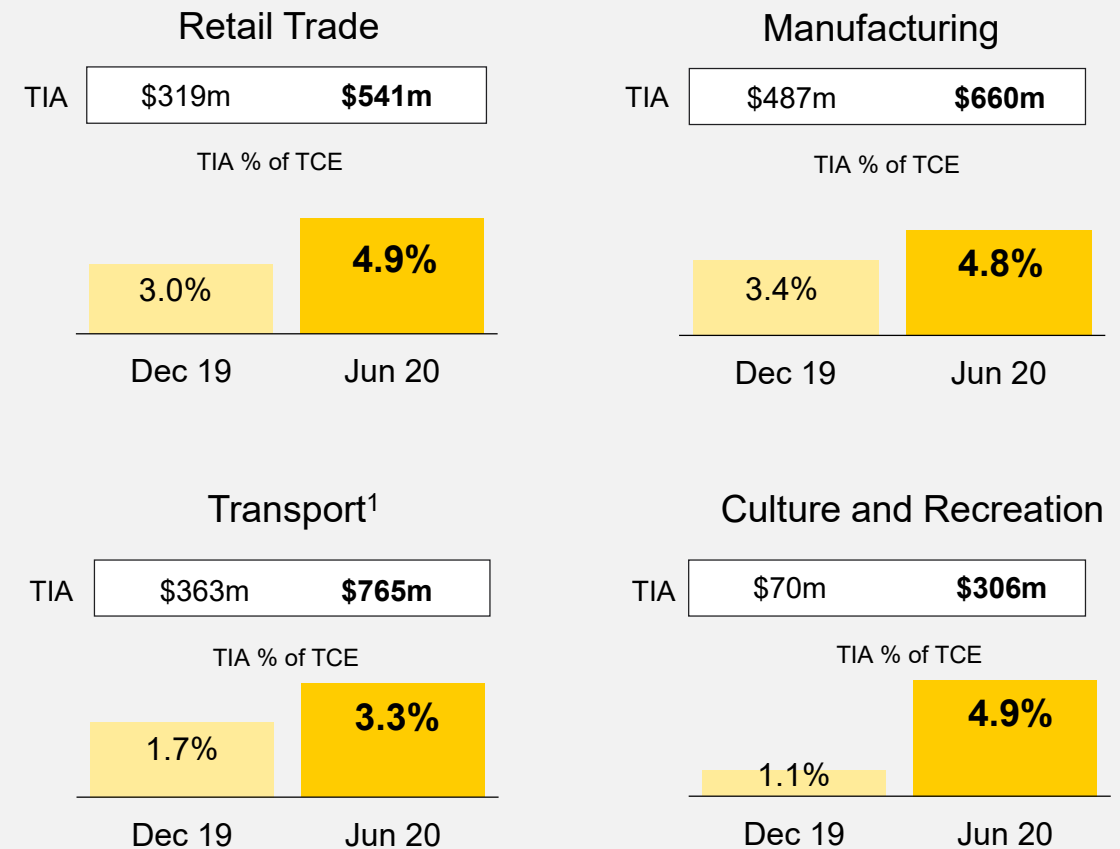
# COVID-19 areas of focus



## Customer support - granular modelling of expected impacts

- Early impacts predominantly in Institutional exposures, with consumer and SME portfolios benefiting from loan repayment deferrals
- Bottom-up, granular assessment of likely stress at customer, industry and sector level
- For retail portfolios, conducted analysis of customer dimensions including impacted occupations, postcodes, deferral characteristics and anticipated impacts on arrears and house prices
- For non-retail portfolios, focus on expected cash flow impacts to at-risk industries and geographies – notching of PD's and LGD's

### Most impacted sectors

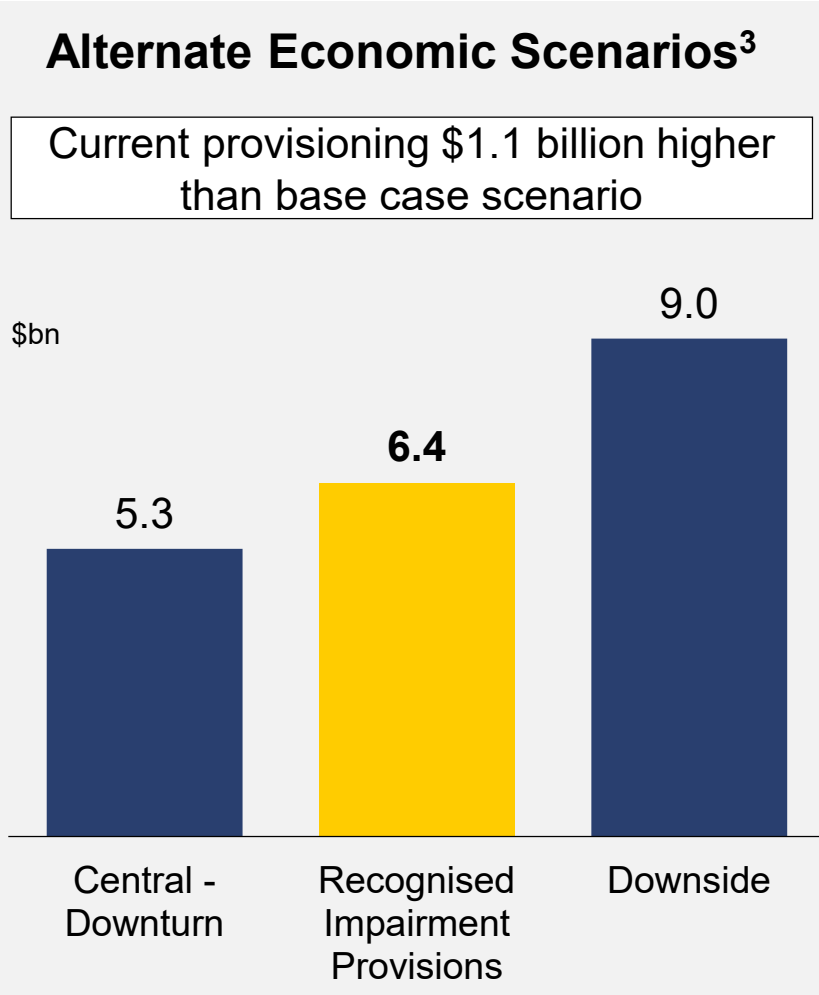
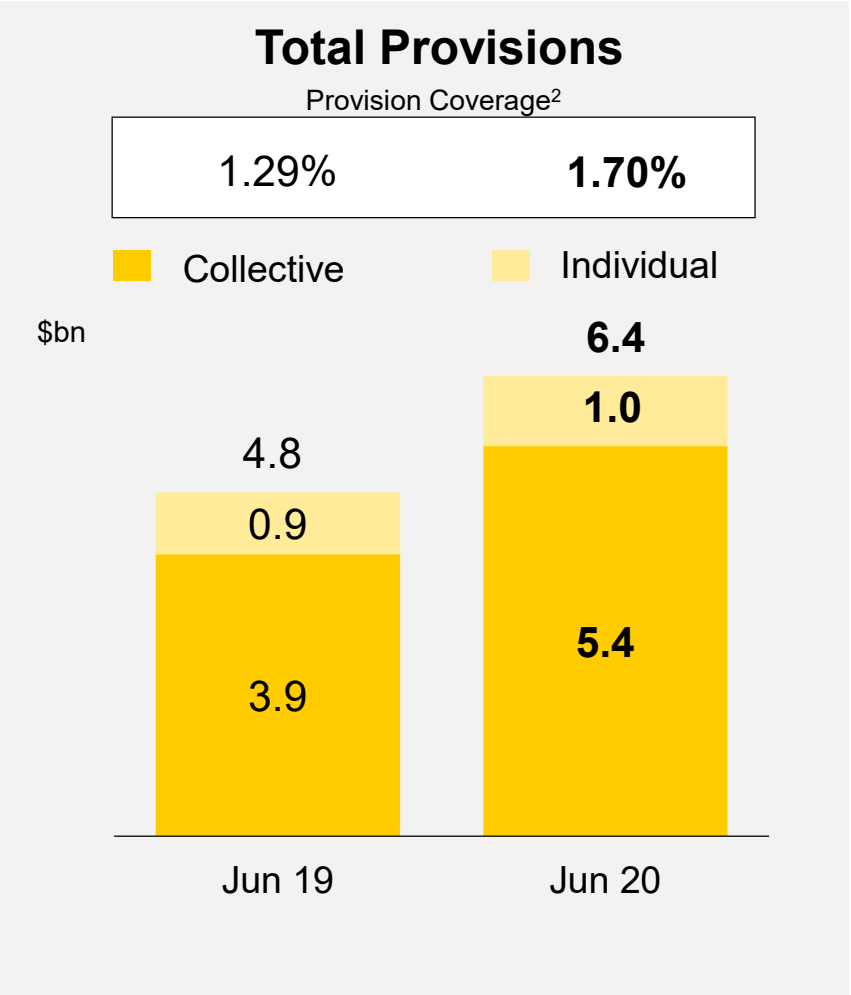
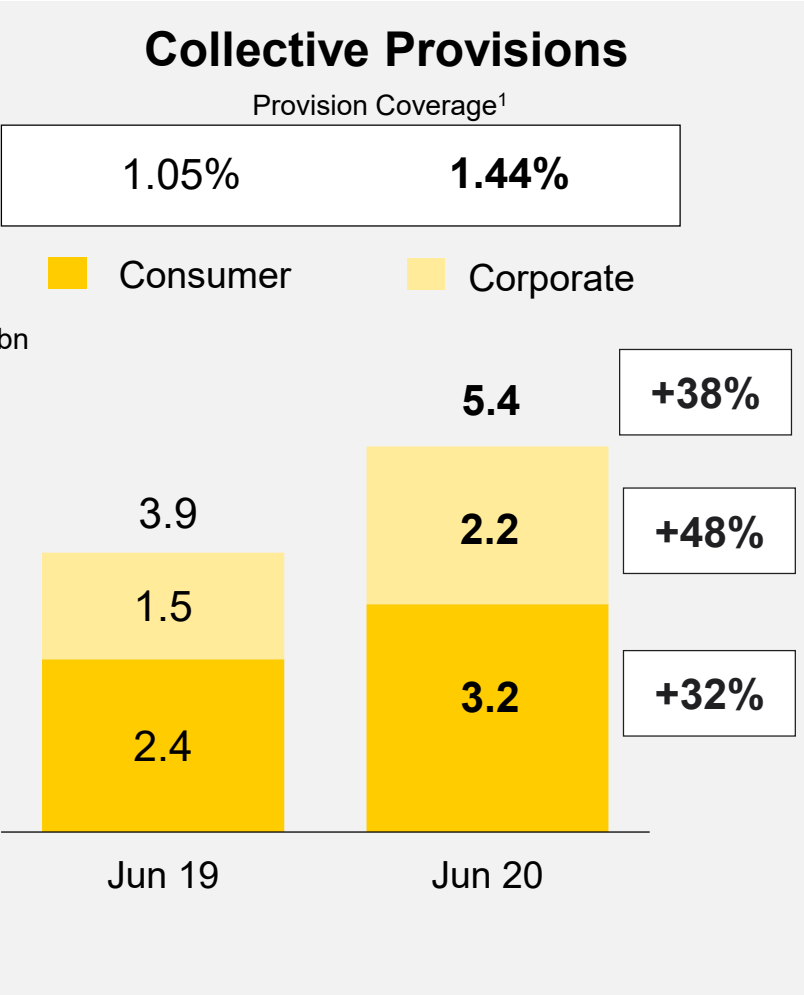


1. Includes Transport, Air transport and Storage.

# Provisioning



Significantly strengthened provisioning across both consumer and corporate portfolio



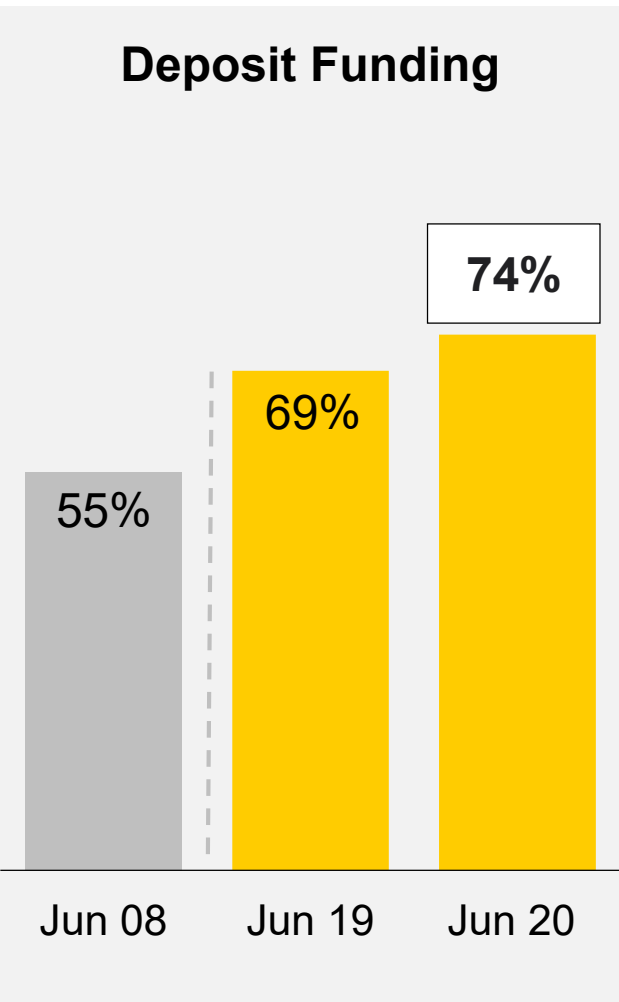
1. Total collective provisions divided by credit risk weighted assets. Excludes impairment provisions for derivatives at fair value. 2. Total provisions divided by credit risk weighted assets. Excludes impairment provisions for derivatives at fair value. 3. Assuming 100% weighting and holding all other assumptions, including forward looking adjustments, constant.

# Funding – strengthened settings

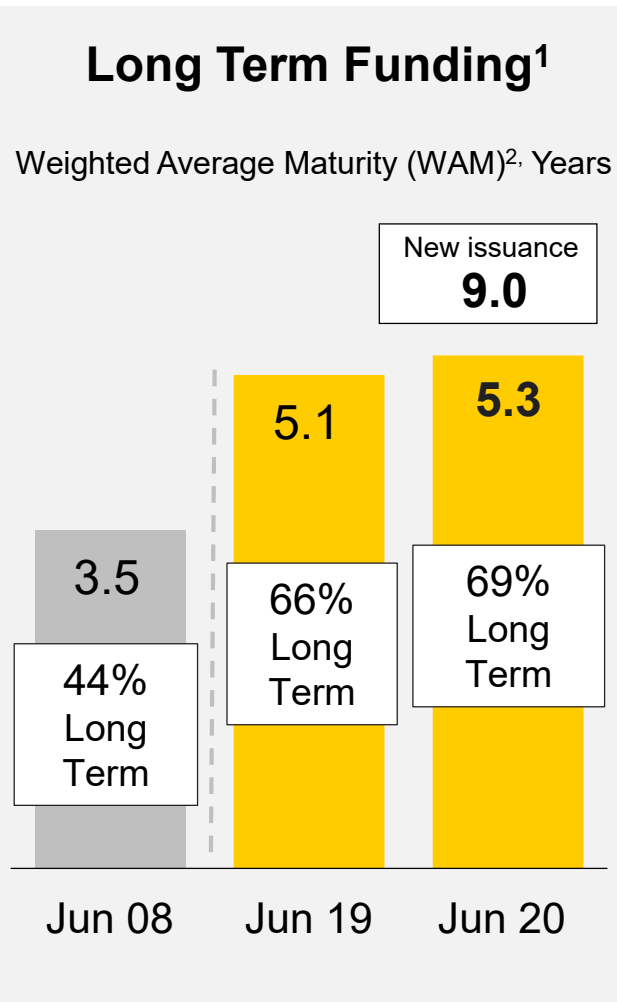


Higher deposits, longer wholesale maturities, short-term funding at historical lows

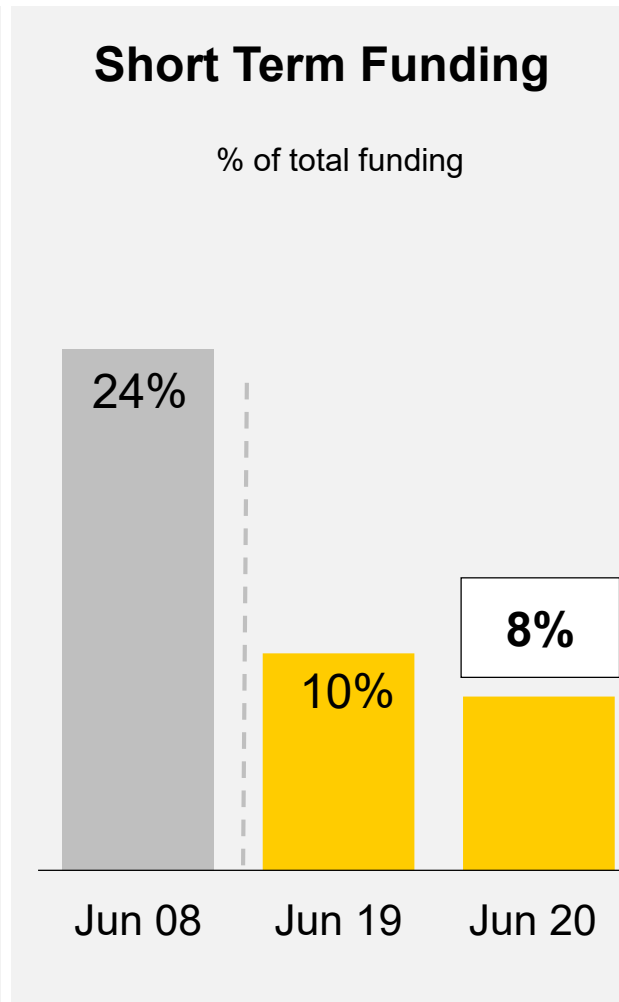
## Deposit Funding



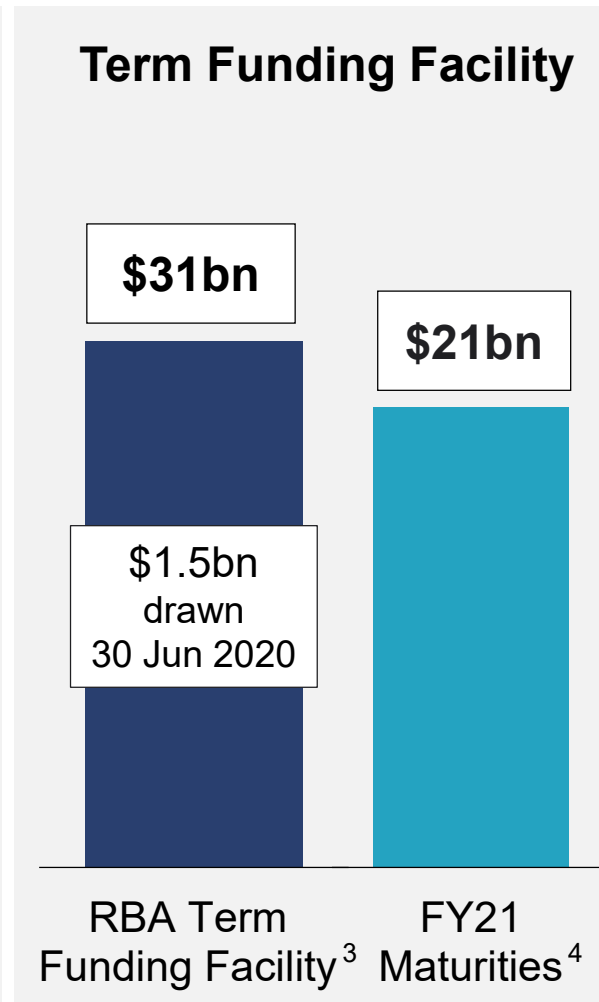
## Long Term Funding<sup>1</sup>



## Short Term Funding



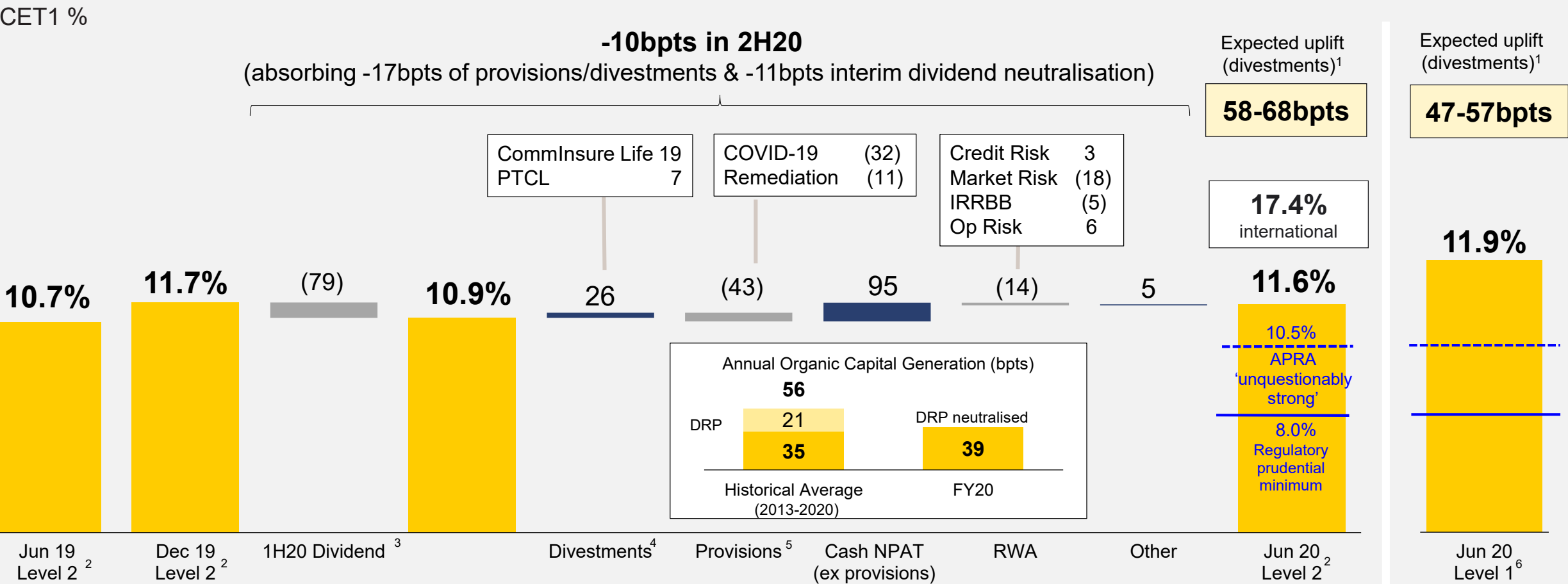
## Term Funding Facility



1. Long term wholesale funding (>12 months). 2. Weighted Average Maturity excluding Term Funding Facility drawdowns. 3. As at 7 August 2020, the Group's total available Term Funding Facility allocation was \$31 billion. \$1.5bn drawdown to date as at 30 June 2020. 4. Long Term Wholesale Funding maturities.

# Capital

## CET1 of 11.6% after payment of 1H20 dividend, COVID-19 provision

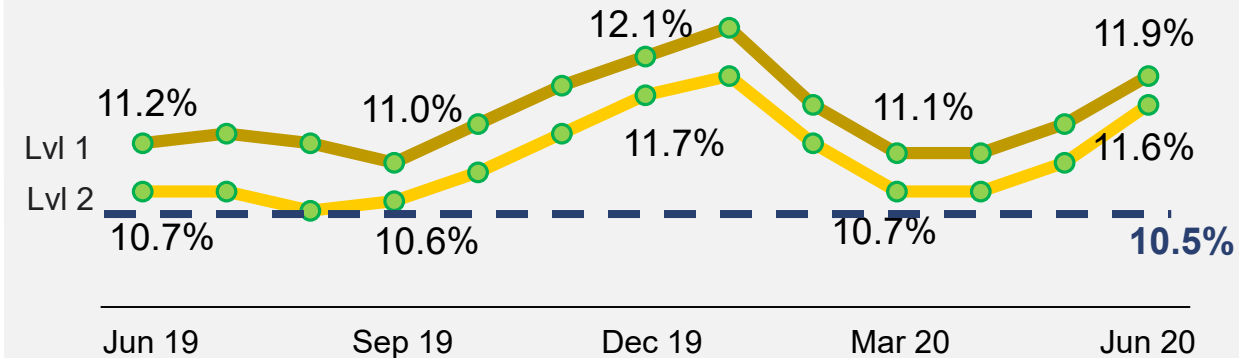


1. Expected CET1 uplifts from previously announced divestments: BoCommLife, CommInsure Life and majority sale of Colonial First State. Completion of divestments subject to regulatory approvals 2. Level 2 is the consolidated banking group (including banking subsidiaries such as ASB Bank and PT Bank Commonwealth (Indonesia) and excluding the insurance and funds management businesses. 3. 2020 interim dividend: included the on-market purchase of shares in respect of the Dividend Reinvestment Plan 4. Relates to additional receipt of funds as part of the divestment of CommInsure Life and the completion of sale of PTCL. 5. Includes additional provisions raised for COVID-19 (\$1.5bn) and remediation (\$481m) 6. Level 1 is the CBA parent bank, offshore branches, and extended license entities approved by APRA.

# CET1 trajectory

Consistently above targets through FY20, despite market volatility

- Above “unquestionably strong” throughout FY20
- Maintaining surplus capital given significant economic uncertainty
- Volatility over last two quarters:
  - COVID-19 provision
  - 1H20 Dividend
  - Credit spreads and market volatility
- Continued focus on better capital disciplines



## Level 2 CET1 capital impact (bpts)

	3Q20	4Q20
NPAT less 1H20 dividend	(52)	38
Market volatility <sup>1</sup>	(66)	38
Granular allocation of CP on defaults <sup>2</sup>	-	9
Credit quality deterioration	-	(12)
Other <sup>3</sup> (including divestments)	23	12
<b>Total</b>	<b>(95)</b>	<b>85</b>

1. Includes impact from FX and derivative volatility in credit RWAs; the revaluation of the Group's high quality liquid assets portfolio due to changes in credit spreads; and volatility in counterparty credit risk, CVA, traded market risk and IRRBB RWAs. 2. Granular allocation of collective provisions in the calculation of RWA for defaulted assets that are well secured. 3. Includes other movements in RWA and regulatory adjustments to CET1 capital, in addition to impact from divestments.

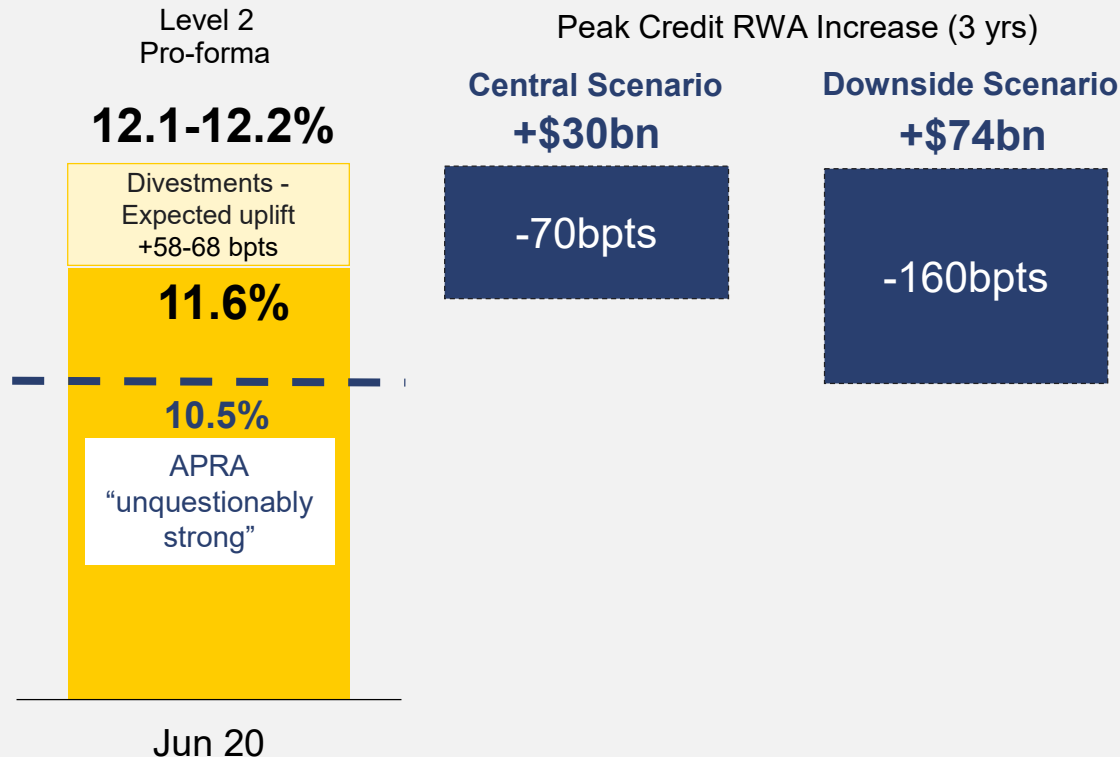
# Capital and dividend considerations

Strong capital position - well placed for economic uncertainty



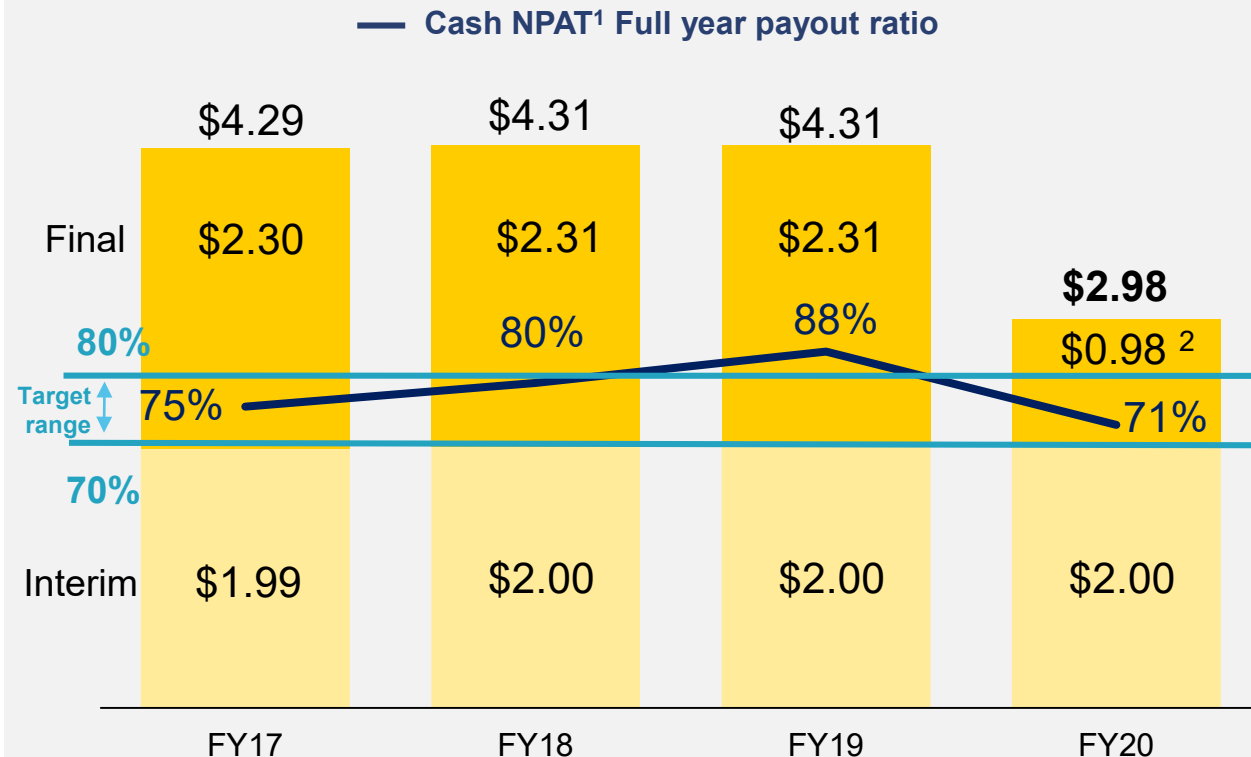
## Well placed

- Very strong capital surplus
- Credit RWA migration scenarios comfortably absorbed



## Dividend

- Reflects APRA's recently updated guidance
- 2H20 stat payout ratio 49.95%, DRP via share issuance



# Economic Outlook



## Supporting our customers - prepared for a range of economic outcomes

- Continued uncertainty in all major economies
- Australia and New Zealand relatively well positioned
  - Starting from position of fiscal and economic strength
  - Strong mining exports, agriculture recovery, infrastructure pipeline
  - Significant and effective income support measures in place
- Base case similar to Reserve Bank – prepared for a range of scenarios
- Upside and downside risks
  - Management of the virus – test, trace and isolate effectiveness
  - Vaccine development and treatment improvements
  - Business and consumer confidence – demand and job creation

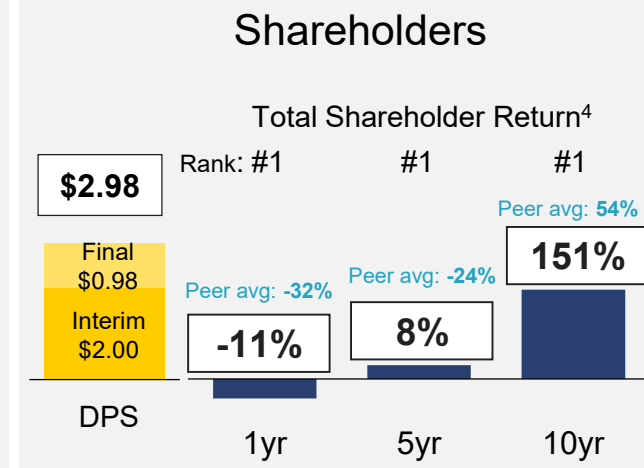
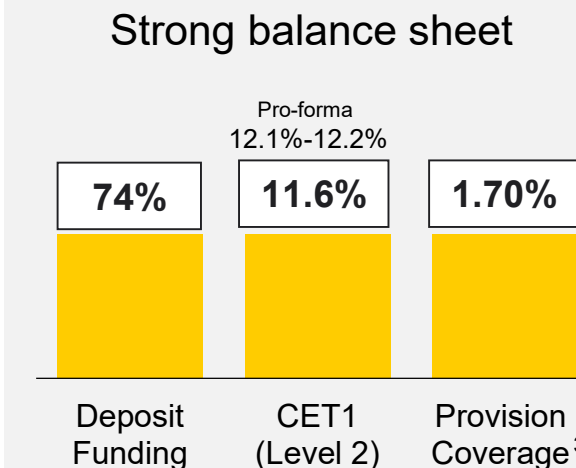
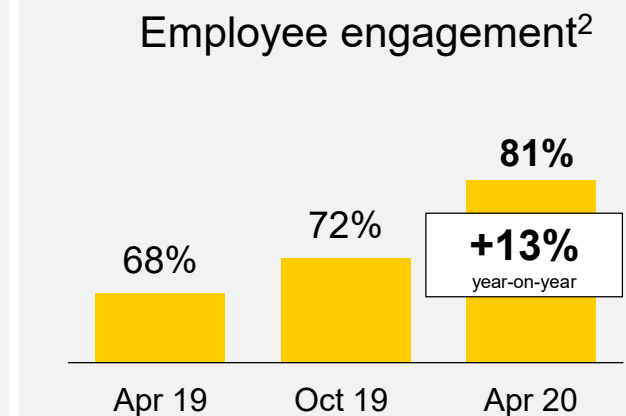
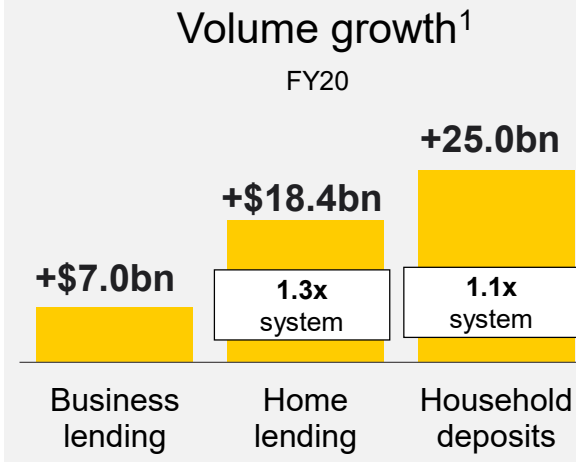


# Summary

## Core franchise strength – supporting customers - balanced outcomes



- Supporting our customers and communities
- Strong employee engagement
- Improving Net Promoter Scores
- Volume growth in core markets
- Well provisioned
- Strong capital, funding and liquidity
- Executing strategy
- Final dividend of \$0.98



1. As reported in RBA Lending and Credit Aggregates (Home Lending and Business Lending) and APRA Monthly Authorised Deposit-taking Institution Statistics (MADIS) (Household Deposits). RBA collection data was aligned to the new regulatory definitions set by APRA from July 2019, therefore system multiple has been calculated for the 11 months to June 2020 annualised. Business Lending includes Business Banking, Bankwest and Institutional Banking and Markets (ex. CMPF). 2. Employee Engagement Index (EEI) from bi-annual engagement survey. 3. Total provisions divided by credit risk weighted assets. Excludes impairment provisions for derivatives at fair value. 4. Source: Bloomberg. Total Shareholder Return as at 30 June 2020.

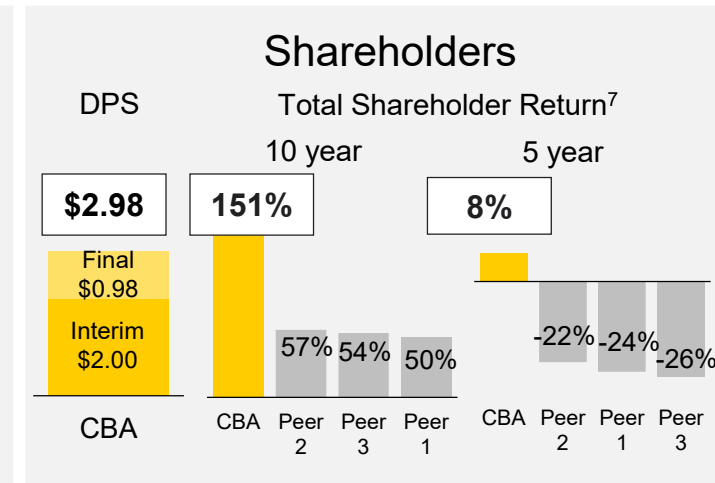
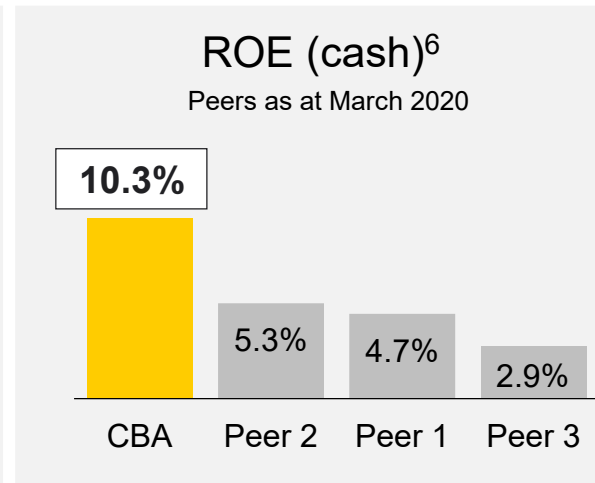
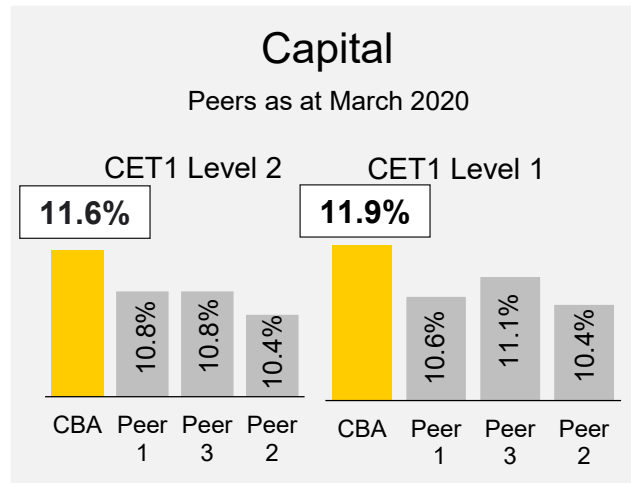
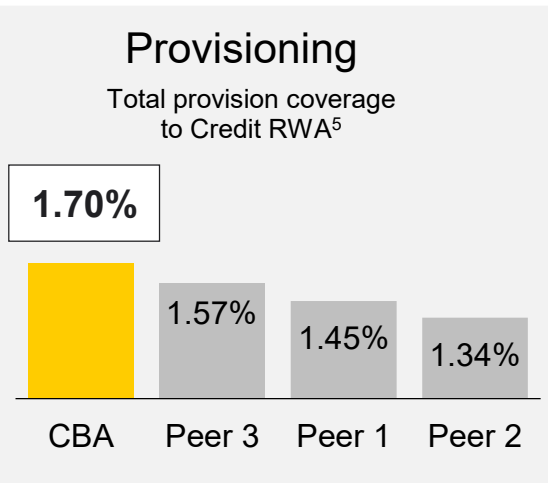
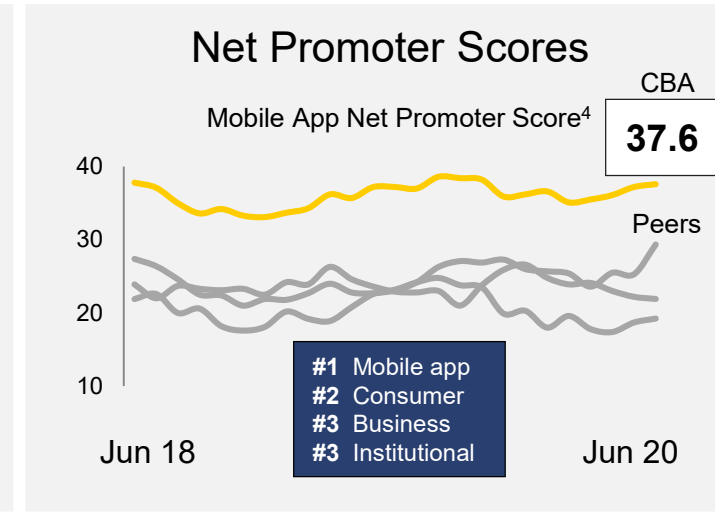
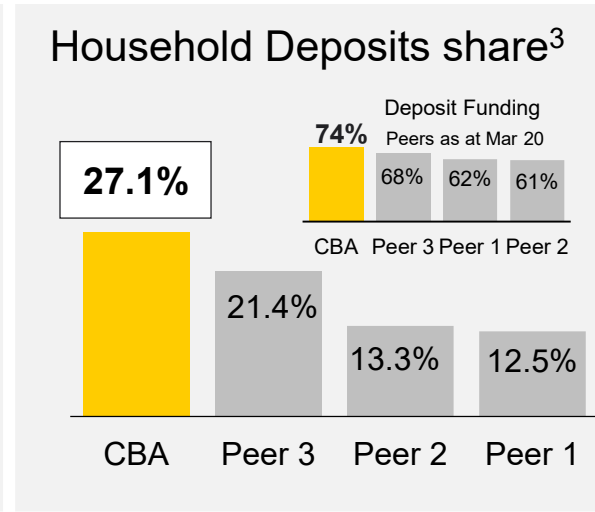
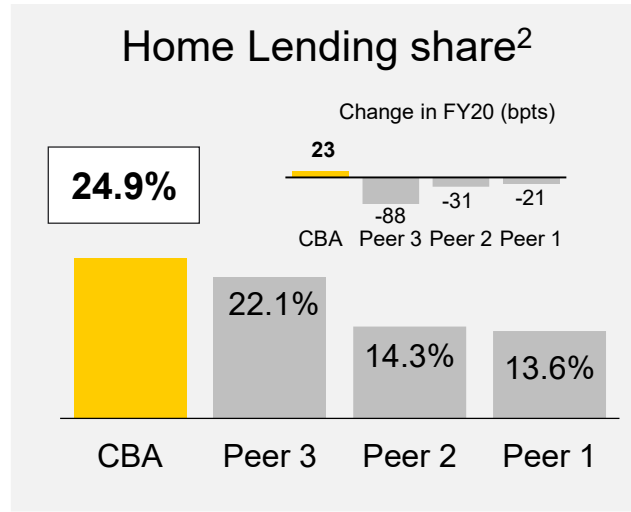
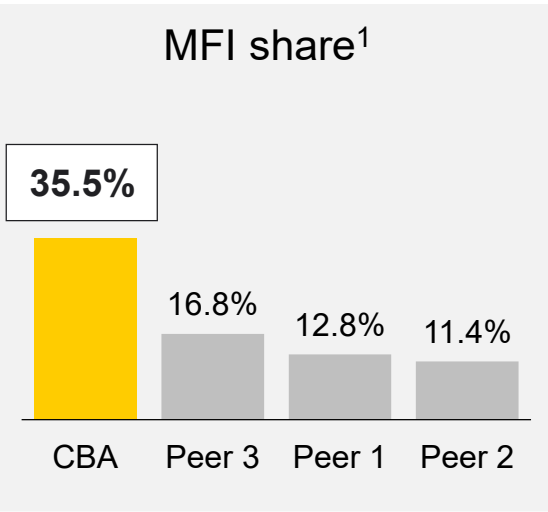


# Overview & Strategy



# Why CBA?

## Leading franchise - leading returns



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

# Our strategy

Continued progress on becoming a simpler, better bank for our customers

Become a simpler, better bank for our customers

## Execution priorities

Simplify our business

Lead in retail and business banking

Best in digital

## Supported by stronger capabilities

Operational risk  
and compliance

Data and analytics

Cost reduction

Innovation

To deliver balanced and sustainable outcomes



# Delivering long-term sustainable returns



Building on our competitive advantages and becoming a simpler, better bank

## Building on our competitive advantages



- **Leading franchise**
  - Largest customer base
  - Broadest distribution network
  - Technology leader
- **Strong balance sheet**
  - Unquestionably strong capital
  - 74% deposit funded
  - Conservative business settings

## Becoming a simpler, better bank



- **Divesting non-core**
  - Reduced business complexity
  - Better risk outcomes
  - Surplus capital
- **Focus on core**
  - Innovation and simplification
  - Absolute cost reduction
  - Better customer outcomes

## Delivering growth & sustainable returns



- **Strong growth**
  - Seek opportunities to invest in core
  - Target sub 40% cost-to-income
  - Organic capital generation
- **Sustainable returns**
  - Efficient management of surplus capital
  - Dividend per share
  - Long term payout ratio 70-80%

# A simpler bank

Divestment program well progressed – majority sale of CFS announced May 2020

## Divestment Status

### Completed

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

### Announced

CommInsure Life <sup>1</sup>	JCA entered Nov-19
BoCommLife	Expected completion 1H21
AUSIEX	Expected completion 2H21
Colonial First State	Expected completion 2H21

### Exploring alternatives

General Insurance  
Vietnam International Bank  
Aussie Home Loans  
ASX-listed equity stakes<sup>2</sup>

## CET1 Impact

### Level 2

12.1-12.2%

Pro-forma

Remaining  
+58-68 bpts

Colonial First State	30-40
CommInsure Life <sup>1</sup>	10
BoCommLife	18

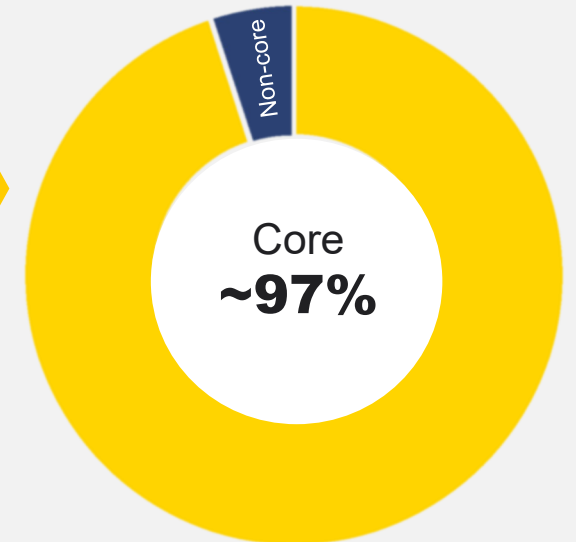
11.6%

10.5%  
Unquestionably  
strong

Jun 20

## Core Business

FY20 Cash NPAT  
\$m

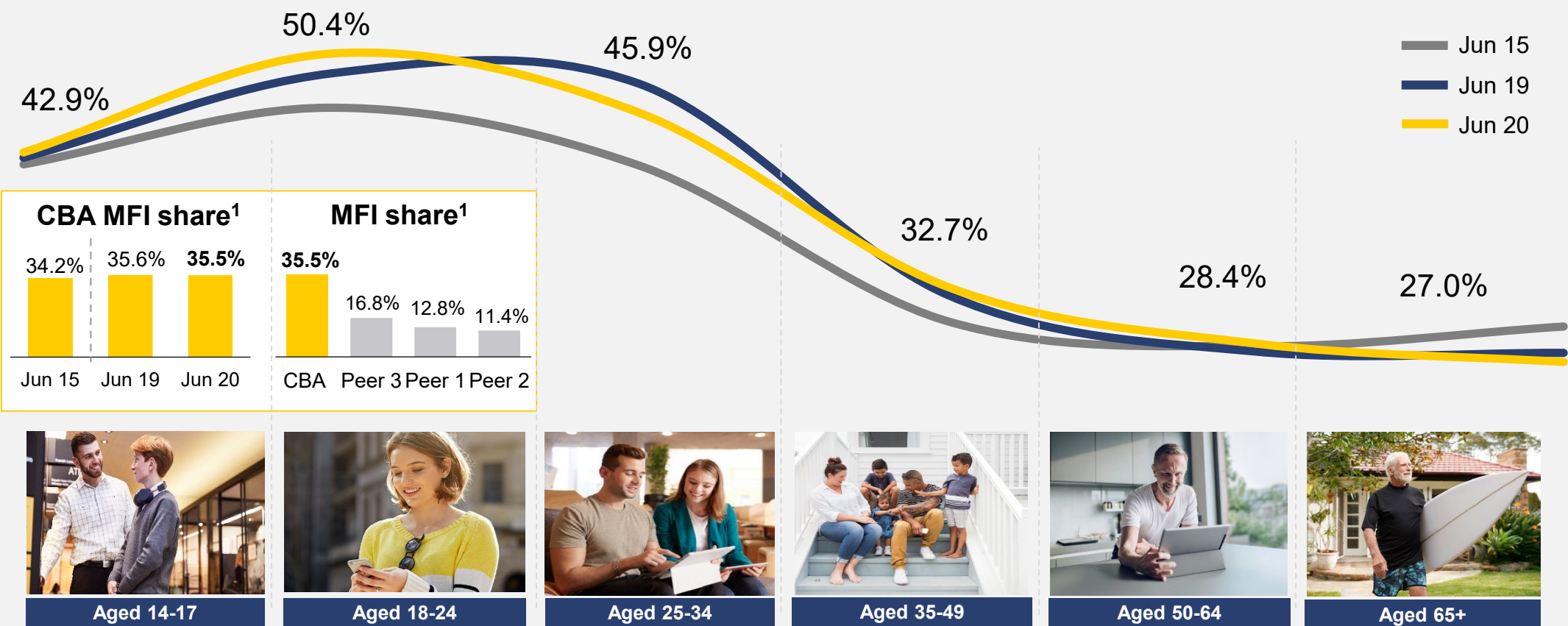


1. On 1 November 2019, AIA obtained an appropriate level of direct management and oversight of CommInsure Life, with the divestment to proceed through either a share sale or a statutory asset transfer. Under a share sale, the transaction is expected to complete shortly following the completion of BoCommLife. In the event of a statutory asset transfer, the transaction is expected to complete in 2H21, with the proceeds to be received in instalments. CBA has received instalment payments equivalent to 29bpts of CET1 Capital, with the remaining outstanding instalments estimated at approximately 10bpts of CET1 Capital. 2. Mortgage Choice (16.5%) and CountPlus (35.8%).

# Lead in retail banking

Franchise strength supporting customers across the lifecycle<sup>1</sup>

CBA MFI Share



Customer Lifecycle

Youth

Starting out

Spending or saving

Paying off debt

Wealth accumulators

Pre-retirees

Retirees

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

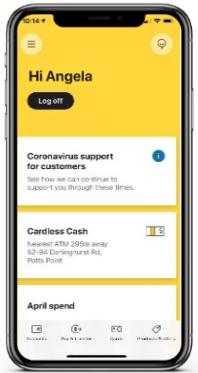


# Lead in retail banking

## Leveraging digital assets - enhanced core product offerings – improving NPS



### Leading digital assets

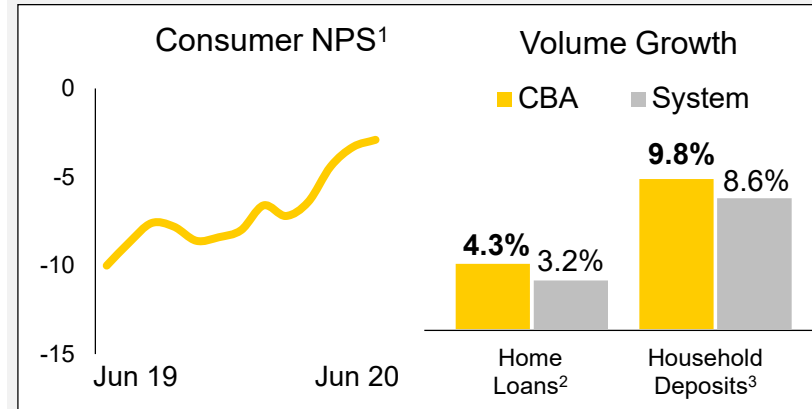


- #1 Mobile app
- #1 Online banking
- #1 Mobile banking
- #1 Ranked in Australia
- #1 Most Innovative Bank
- #1 Best Major Digital Bank

### Enhanced core products

- First Home Loan Deposit Scheme
- Home Loan Compassionate Care
- CommSec Pocket – Canstar award
- Home-In – x15 venture
- CommBank Rewards
- World debit and Ultimate awards card

### Delivering for customers



#### CommSec

- Record retail investor activity
- 400k new accounts
- 400k app downloads
- CommSec Pocket – simple investing

#### Home Loan Compassionate Care

- Launched 24 Feb 20
- Protects owner occupied borrowers and their families
- Cover for terminal illness and death
- Up to 12mths of repayment support
- Available to new/existing customers

#### First Home Loan Deposit Scheme

- Government initiative from 1 Jan 20
- Supporting first home buyers
- Minimum deposit of 5%
- > 3,200 customers<sup>4</sup> in FY20
- 10,000 places<sup>5</sup> each financial year

1. Source: DBM Consultants. DBM Consumer MFI \*Net Promoter Score. 2. Source: Home Loans from RBA Lending and Credit Aggregates. RBA collection data was aligned to the new regulatory definitions set by APRA from 1 July 2019, therefore volume growth has been calculated for the 11 months to June 2020 annualised. 3. Source: APRA Monthly Authorised Deposit-taking Institution Statistics (MADIS). Growth over 12 month period to June 2020. Source: APRA Monthly Authorised Deposit-taking Institution Statistics (MADIS). 4. Number of First Home Loan Deposit Scheme allocations to CBA customers. 5. Total places allowed by the Government.



# Strength in business banking

## Improved service model – enhanced core product offering – improving NPS



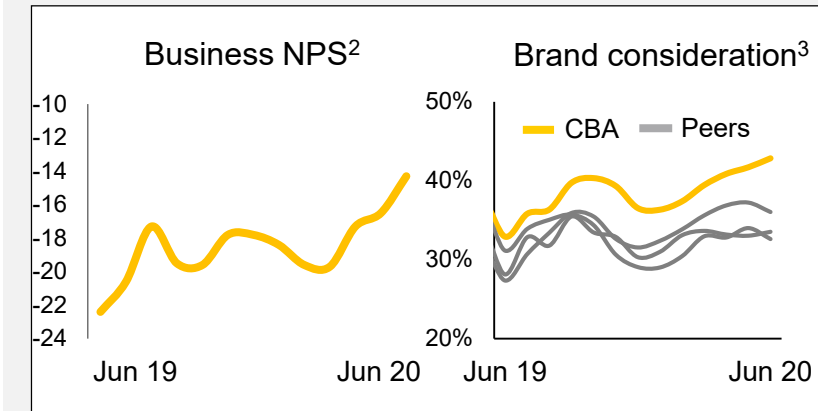
### Improved service model

- >2,500 Business Bankers and Specialists<sup>1</sup>
- >240 Locations supporting regional and metro
- Expanded 24/7 Australian based contact centres
- Enhanced digital banking solutions
- Removing more business banking fees
- Digital handover tool simplifying processes

### Enhanced core products

- BizExpress – same-day loan decisioning
- Vonto – personalised business insights
- Backr – simplifying small business set-up
- Benefits finder – extended to businesses
- Fee Free Business Transaction Account
- E-commerce solutions

### Delivering for customers



#### Digital Banking

- Fee Free Business Transaction Account when you switch to digital
- Real time smart alerts
- E-commerce solutions
- Ceba – digital banking assistant
- CommBiz Mobile

#### Vonto

- Providing personalised insights for small businesses
- Connecting key business tools in one place
- Powerful, easy and free
- Built with security and data protection in mind

#### BizExpress

- Same day lending decisions for unsecured loans up to \$250k and secured loans up to \$1m
- Supporting lending under Government SME Scheme
- CBA has provided >50% of scheme loans. >\$650m for >7,300 loans<sup>4</sup> – 81% via BizExpress

# Strong technology foundations

Strengthening capabilities - extending leadership in new areas – innovation focus

## Foundations



### Netbank

Full functionality 24-hour online banking service

1997



### CommSee

Proprietary customer relationship system

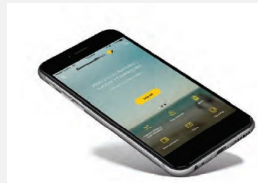
2005

24/7

### Core banking

Real-time banking and settlement

2009



### CommBank app

#1 mobile banking app (Net Promoter Score)

2013



### Customer Engagement Engine

Learns from customer interactions to drive personalised and relevant banking services

2014

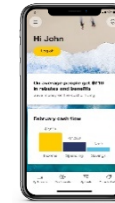


### CEBA

AI-powered chatbot to assist with 380 banking tasks

2018

## Extending leadership



### New CommBank app

Personalised, customisable and accessible

2019

x15

### Launch of x15ventures

Building a pipeline of new digital businesses

2020

### Klarna.

New integrated shopping and payment service



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

2021+

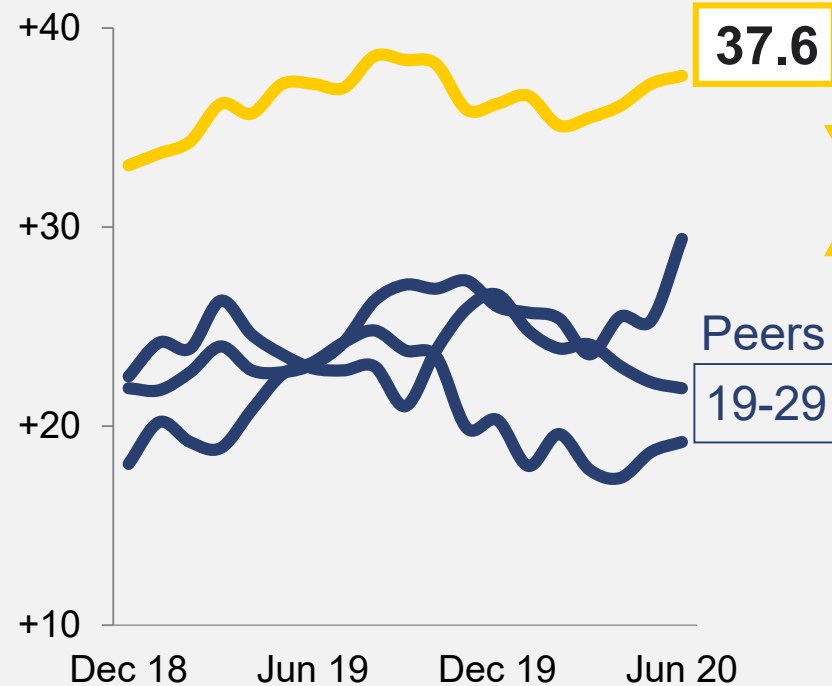
# Best in digital

## Market leading digital assets – delivering brilliant customer experiences

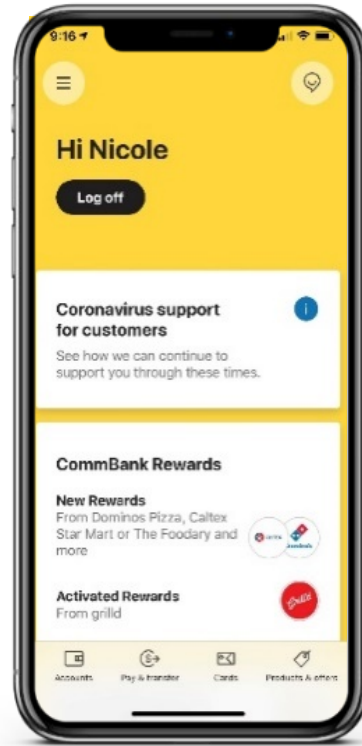
### Leading customer experience

#### Net Promoter Score

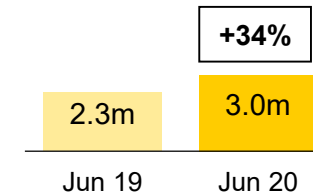
Customer's likelihood to recommend main financial institution based on use of internet banking services via mobile app<sup>1</sup>



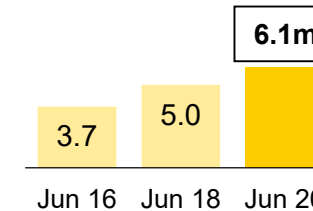
### Strong customer engagement



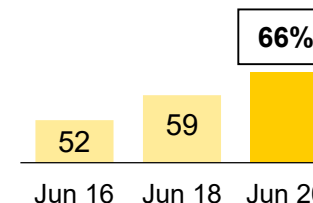
#### Customers Engaged with smart features<sup>2</sup>



#### CommBank app users<sup>3</sup>



#### Digital transactions % of total - by value<sup>4</sup>



### Mobile banking leader

#### Recognition and engagement

#1

Mobile app Net Promoter Score<sup>5</sup>

#1

Online banking (Canstar - 11 years in a row)<sup>6</sup>

#1

Mobile banking (Canstar - 5 years in a row)<sup>7</sup>

#1

Ranked in Australia (Forrester – 4 years in a row)<sup>8</sup>

#1

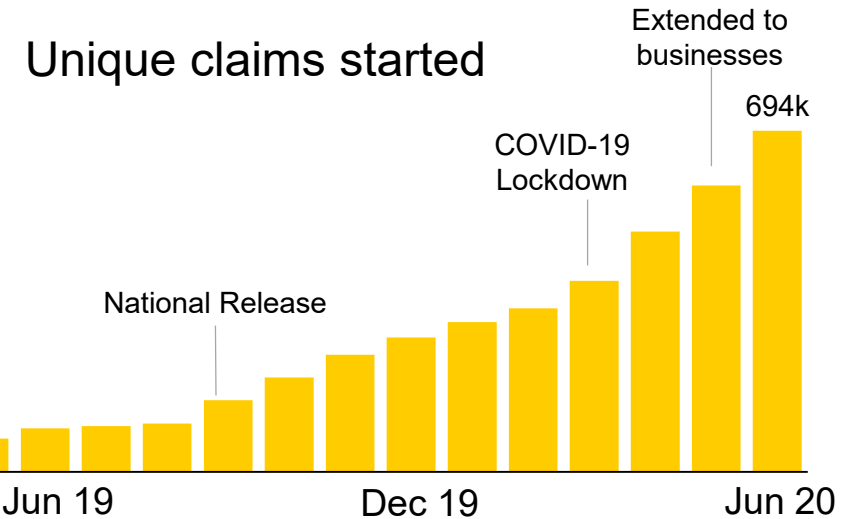
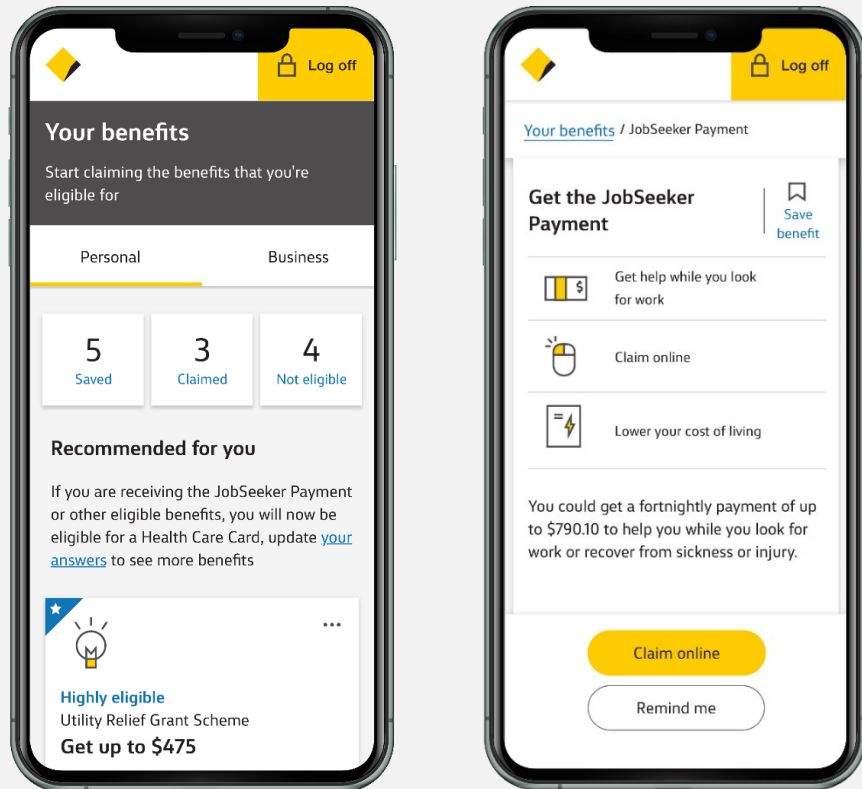
Most Innovative Major Bank (DBM Australian Financial Awards)<sup>9</sup>

#1

Best Major Digital Bank (DBM Australian Financial Awards)<sup>10</sup>

# Benefits finder

## Value-added support to customers in time of need



- >2.2m unique customer visits
- >690k claims started since launch, with 370k during COVID-19<sup>1</sup>
- Over 230 benefits available, and now for small businesses
- Saved customers >\$150m in utility bills, govt payments alone
- Leveraging #1 Banking App and Customer Engagement Engine
- Globally awarded banking innovation



Gartner

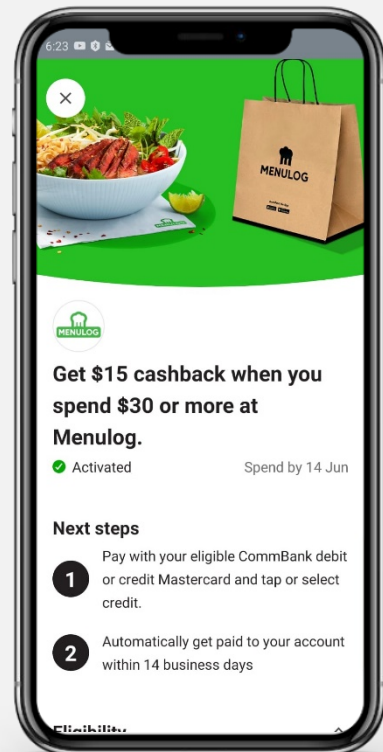
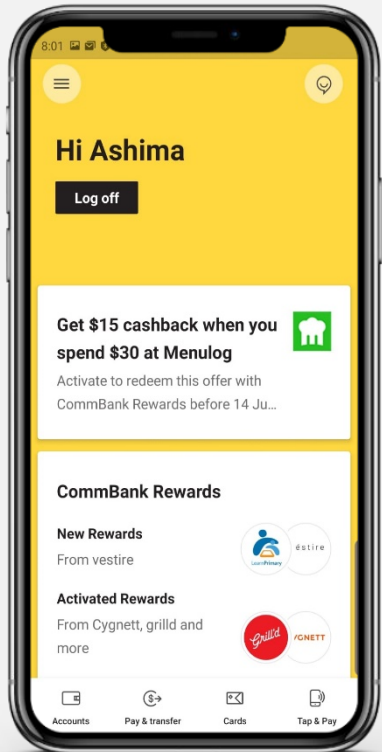


accenture  
High performance. Delivered.

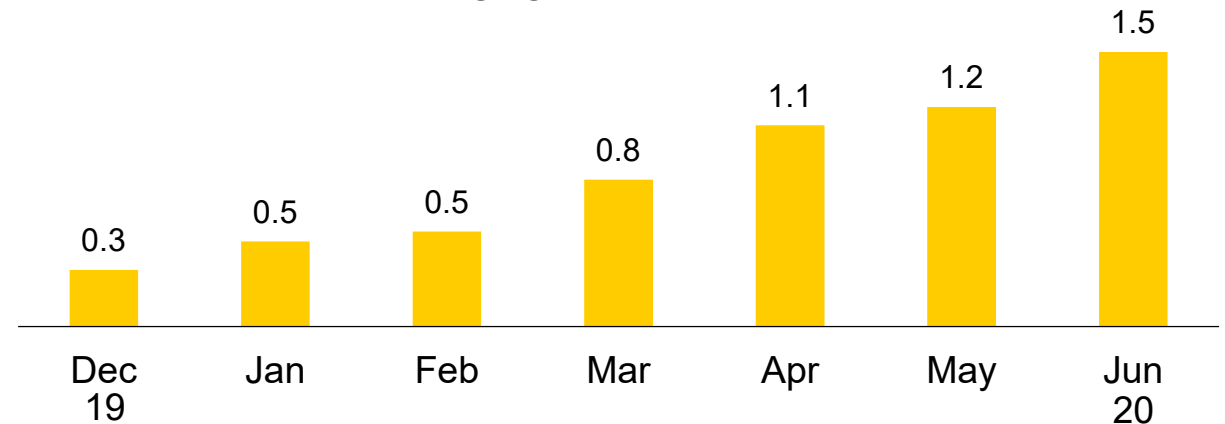
1. Start of COVID-19 Pandemic refers to March 11 2020, following the announcement from World Health Organisation.

# CommBank Rewards

## Cashbacks when paying with a CommBank debit/credit Mastercard



Engaged Customers (millions)



- Personalised rewards based on where you shop
- Earn cashbacks from well known brands and track how much you save
- Launched in December 2019 with 1.5 million customers now engaged
- Total \$1.7 million given in cashback savings to customers
- ~900 unique rewards presented from partners such as Coles, Caltex, Myer, Supercheap, The Iconic, JBHifi, Flight Centre, Dominos and more
- Adapted strategy in response to COVID-19 – partnering with more online servers such as Menulog, leading to our largest volume to date with 223k reward activations

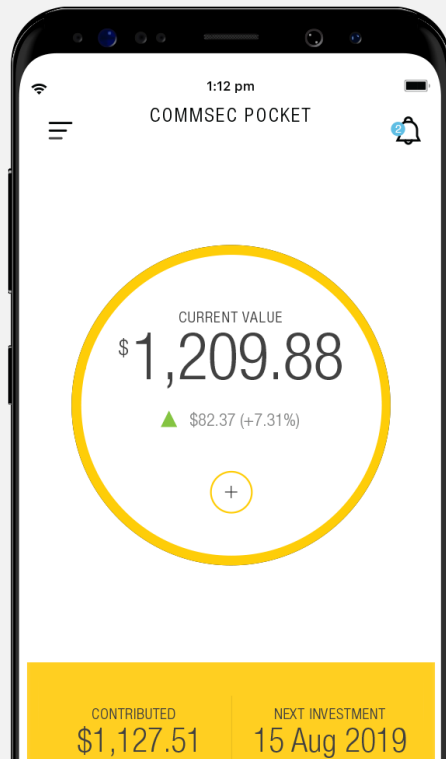
# CommSec Pocket

Simple, low cost investing



## New to investing?

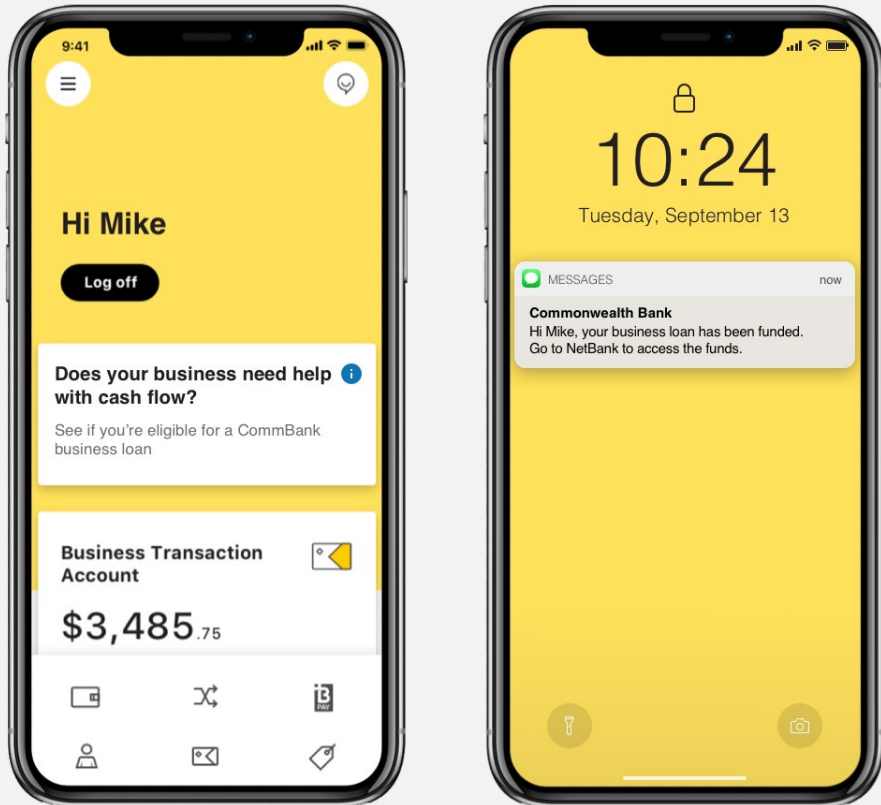
Start small with CommSec Pocket



- Putting investments within reach of more Australians
- Simple and low cost investing app for new investors
- Investing directly in the share market with as little as \$50
- Automated regular investing
- 7 locally and globally themed investment options
- Learn as you go with tips and articles
- ~100k customers, >\$177m invested since launch (July 19)
- 80% of customers under 40 years old
- Winner of Canstar's Innovation Excellence Award 2020

# BizExpress

Simple, fast lending decisions when needed most



- BizExpress enhanced and re-shaped for rapid COVID-19 support
- Focus on SME lending under the Government Guarantee Scheme
- Made available 2 days after scheme announcement
- Unsecured lending up to \$250k – with same day lending decisions
- CBA has funded >50% of scheme loans
- >\$650m for >7,300 loans<sup>1</sup> – 81% via BizExpress
- Same day decisions maintained despite increased enquiry volumes



# Extending digital leadership

## Focus on 6 key areas



### Deep personalisation



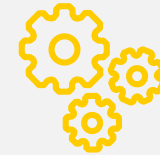
- Embedded personalisation in app.
- AI powered Customer Engagement Engine
- Data enhancing customer financial wellbeing

### Integrated digital experiences



- Partnering to deliver best experiences
- Launched first phase of Open Banking
- Innovating for growth (x15ventures)

### Digitising end-to-end



- Digitised COVID-19 response
- PEXA – digitised 80% of HL settlements
- Same-day decisioning - BizExpress

### Intelligent protection



- 100% security guarantee
- Real-time alerts, automated blocking
- Customer cyber education sessions

### Resilient, modern platforms



- “Platform-as-a-service”
- >95% of compute in public cloud over 5-7 yrs
- Simplified and reduced application footprint

### Globally leading capability

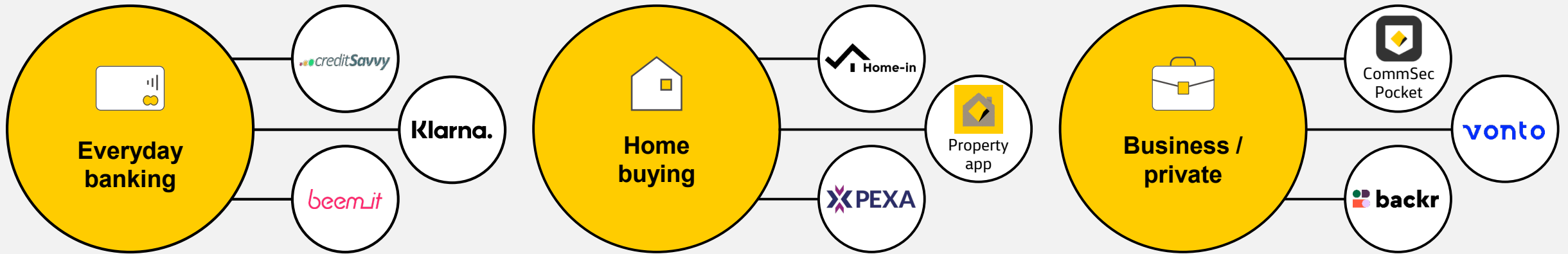


- Partnerships - global technology leaders
- Scaled remote working capabilities
- ‘Academy for Career Excellence’



# Innovating for future growth

Portfolio of ventures to enhance our core business – and two new strategic partners



**x15**

A dedicated vehicle for building new digital solutions for our customers

**25+**  
ventures  
in 5 years

**4**  
strategic  
partners

**KPMG**  
High Growth  
Ventures

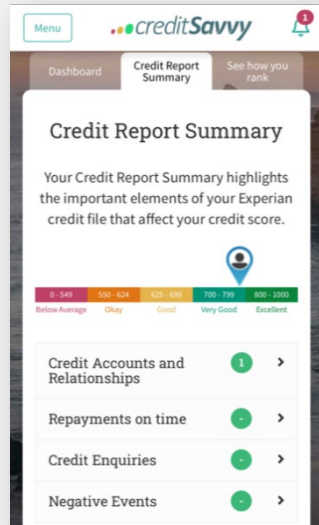
**Microsoft**

**zetta**  
VENTURE PARTNERS

**Square Peg**

# Innovating for future growth

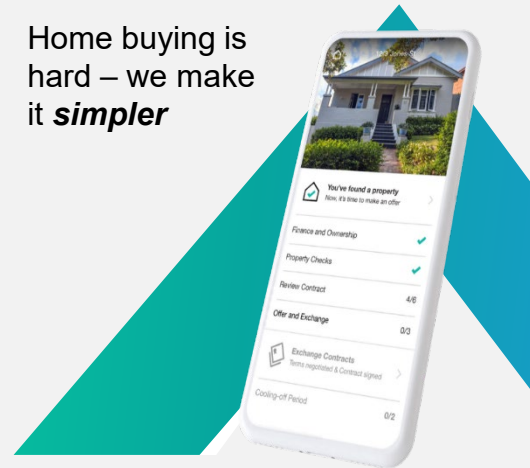
A strong pipeline through x15ventures – 4 ventures in market, 12 in development



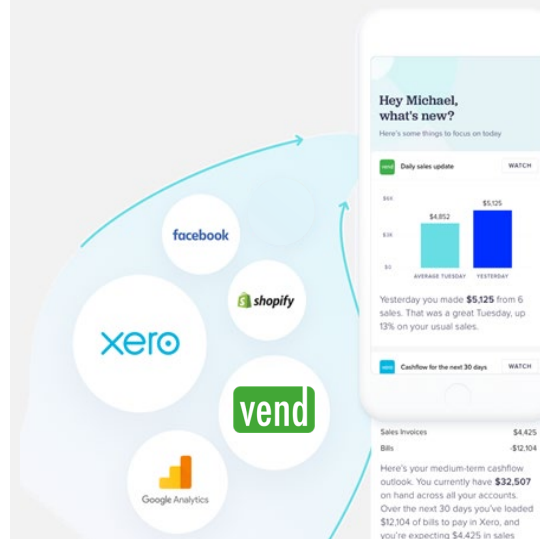
- Free access to credit scores
- Track, learn and compare offers
- Alerts to spot identity theft
- 880k customers - record growth rate



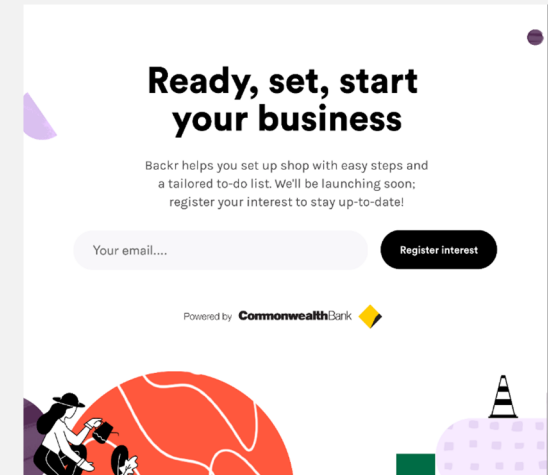
Home buying is hard – we make it **simpler**



- Simplifying the home buying process
- Step-by-step guidance
- Contract review to settlement
- ~\$125m of homes settled to date



- Tool for small business owners
- Aggregating and analysing data
- Providing actionable insights
- 15k app downloads to date

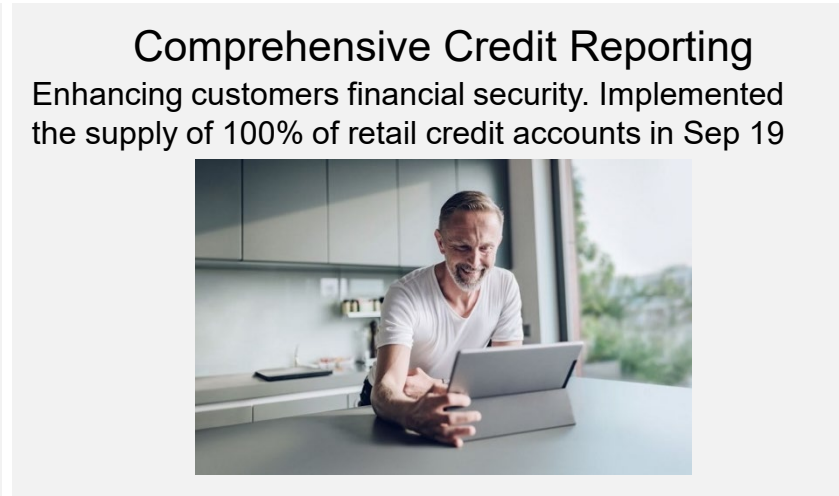
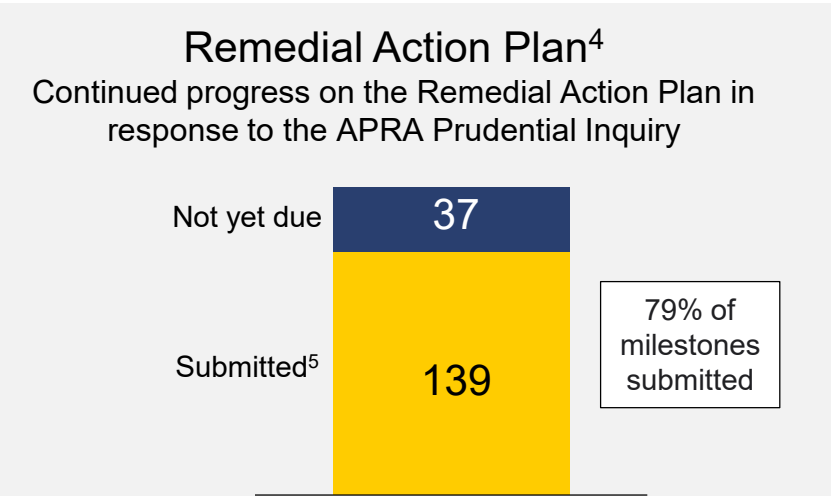
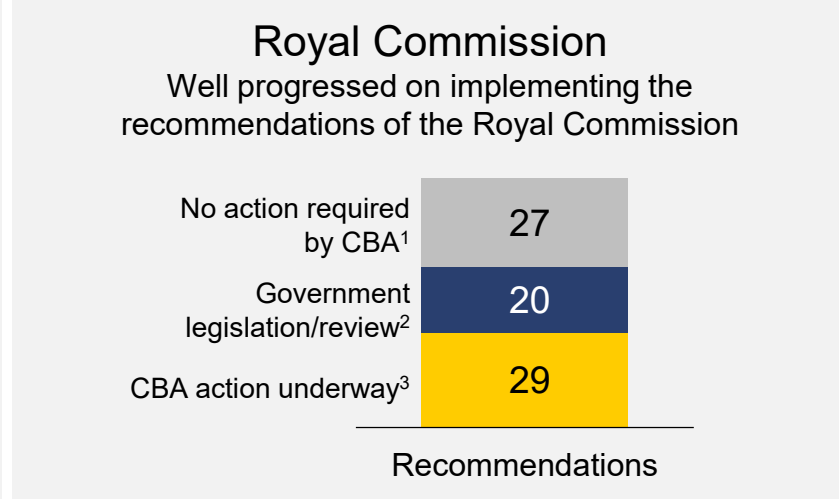
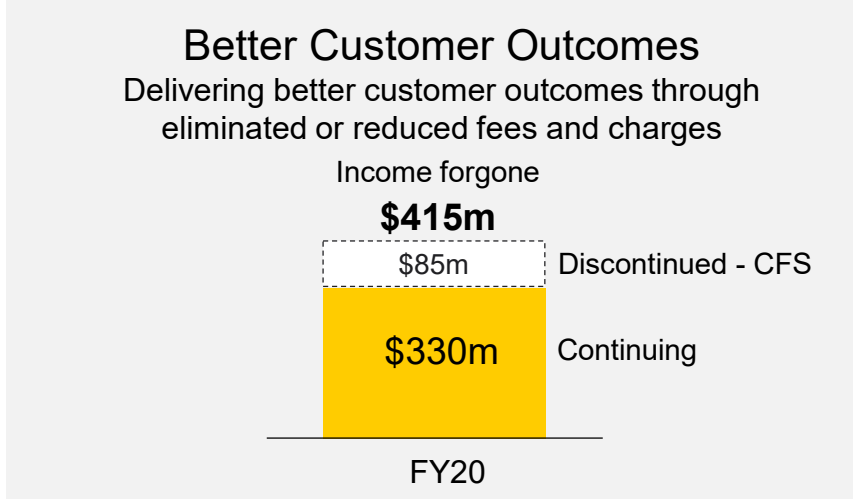
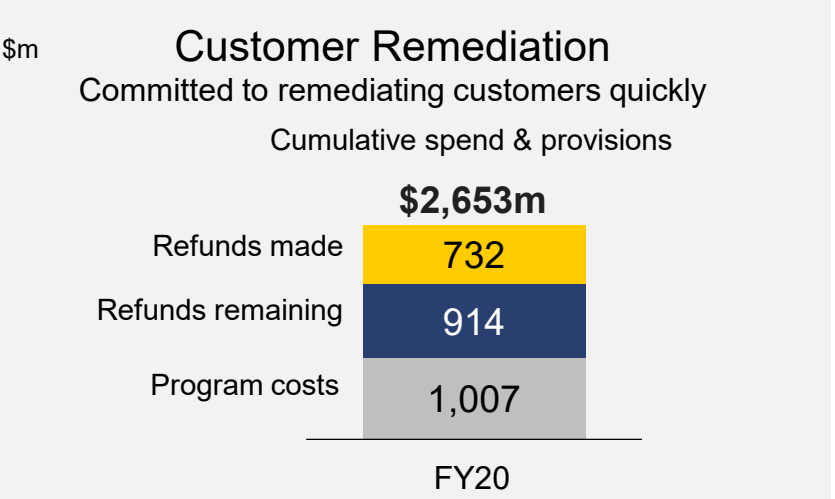


- Simplifying business set-up process
- Task based, step-by-step guidance
- Register your business, develop a business plan, invoice template

# Good business practice



## Good progress on becoming a better bank for our customers



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

# Increased regulatory requirements



## Engaging with our regulators across a range of matters

- **APRA** – delivering all 176 milestones of the Remedial Action Plan, with updates to APRA by the Independent Reviewer every 3 months. Delivering on APRA requirements and recommendations as part of their ongoing prudential supervision. Responding to APRA on investigations and additional license conditions in respect of our superannuation businesses.
- **ASIC** – focusing on constructive and transparent engagement across a range of matters including close and continuous monitoring, industry and targeted reviews, current enforceable undertakings and investigation of a range of matters breach reported, those considered by the Royal Commission or otherwise under investigation.
- **Royal Commission** – addressing recommendations and implementing the necessary changes, regulators investigating referred matters.
- **Financial crime** – continued strengthening of financial crime capabilities, working closely with both domestic and offshore regulators.
- **Banking Code of Practice** – supporting the Australian Banking Association’s revised Banking Code of Practice (Code) and continuing to strengthen its relationship with the Banking Code Compliance Committee (BCCC) established in June 2019 to support introduction of the Code.
- **Remediation and compliance programs** – investigating and scoping programs, compensating customers and fixing business processes and systems.
- **New legislation** – delivering on key government policies reforms such as open banking and preparing for the commencement of design and distribution obligations.
- **New regulatory obligations** – ensuring compliance with new requirements, including data information security (CPS 234), large credit exposures (APS 221).
- **Litigation** – managing litigation including nine class actions across the Group, including four superannuation class actions<sup>1</sup>. ASIC has commenced civil proceedings in relation to four regulatory matters that were Royal Commission case studies. CBA did not defend two of those matters, the other two matters relate to superannuation and are before the courts.
- **Employee matters** – working with Fair Work Ombudsman to assist with its investigation into issues relating to employee arrangements and entitlements, and engaging with other key stakeholders.

The Bank and its operations are subject to heightened regulatory scrutiny and requirements. Regulatory actions (including potential enforcement actions) or policy changes may negatively impact the Bank’s financial position or standing. There are a range of matters where the outcome and any associated costs cannot be reliably estimated. For further disclosure refer to Note 7.1 to the Financial Statements in the Group’s 30 June 2020 Annual Report. It is not currently possible to determine the ultimate impact of these class actions either individually or collectively on the Group.

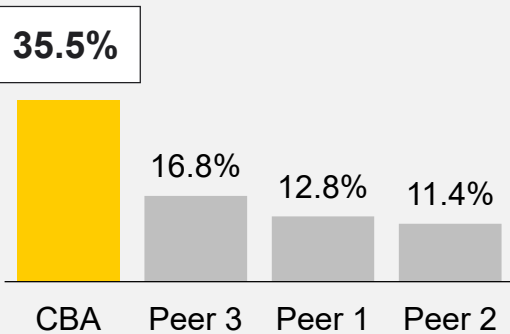
# Delivering for our stakeholders

## Balanced and sustainable outcomes for all our stakeholders

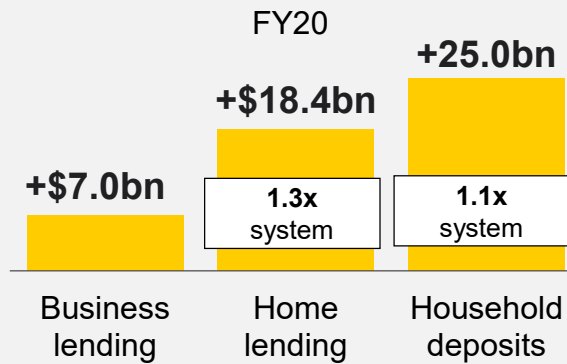


### Customers & Community

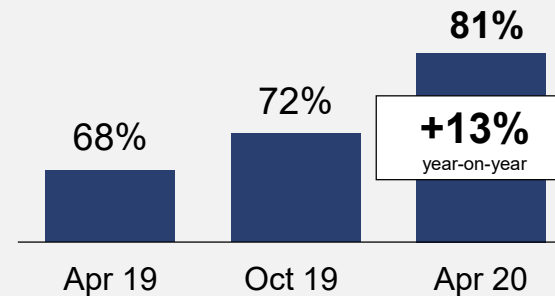
MFI share<sup>1</sup>



Volume growth<sup>2</sup>

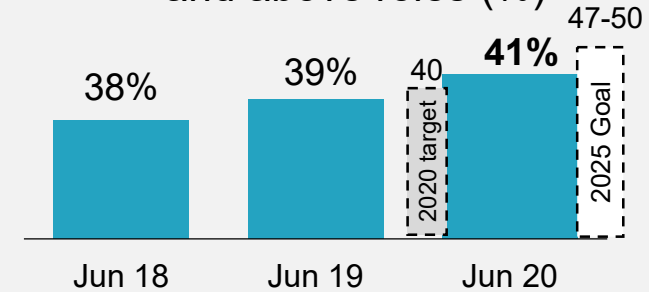


Employee engagement<sup>3</sup>



### People

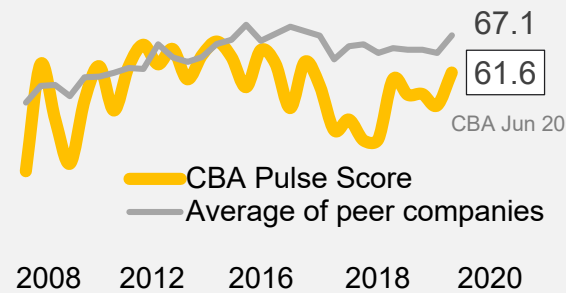
Women in Executive Manager and above roles (%)<sup>4</sup>



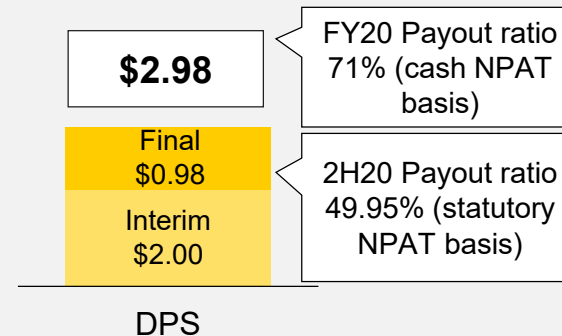
### Net Promoter Scores

- #2 Consumer NPS<sup>5</sup>
- #3 Business NPS<sup>6</sup>
- #3 Institutional NPS<sup>7</sup>
- #1 Mobile App NPS<sup>8</sup>

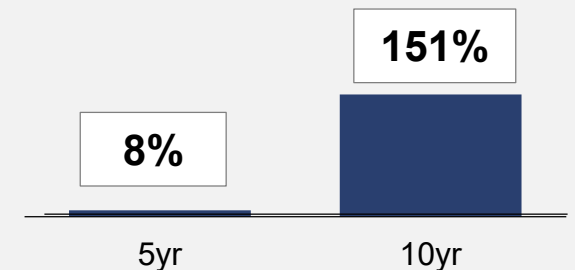
### Reputation score<sup>9</sup>



### Shareholders



Total Shareholder Return<sup>10</sup>



# Sustainable outcomes



## Managing climate change risks and opportunities

### Our climate commitment

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

### Our lending commitments

- Exit thermal coal mining and coal-fired power generation by 2030, subject to Australia having a secure energy platform.
- Only provide banking and finance activity to new oil, gas or metallurgical coal projects if supported by an ESG assessment and in line with the goals of the Paris Agreement.

### Seizing opportunities

**\$5.4bn** in **low carbon project** funding, up **5%**, including **\$4.2bn** in renewable energy exposure  
Launched new **Green, Social and Sustainability Funding Framework**<sup>1</sup>

### Reducing our footprint



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



Increased onsite renewable energy generation capacity<sup>2</sup> to 1510kW, exceeding our 2020 target of 1250kW.

### Helping customers transition

**\$9.5bn** of climate bonds arranged<sup>3</sup>  
**4,700+** customers taking up green mortgage cashback offer

### Transparent disclosures

- We report our approach to managing climate change risk in line with the **Task Force on Climate-related Financial Disclosures (TCFD)** recommendations.<sup>4</sup>
- We disclose the emissions intensity of our business lending and our exposures to energy-related assets.<sup>4</sup>

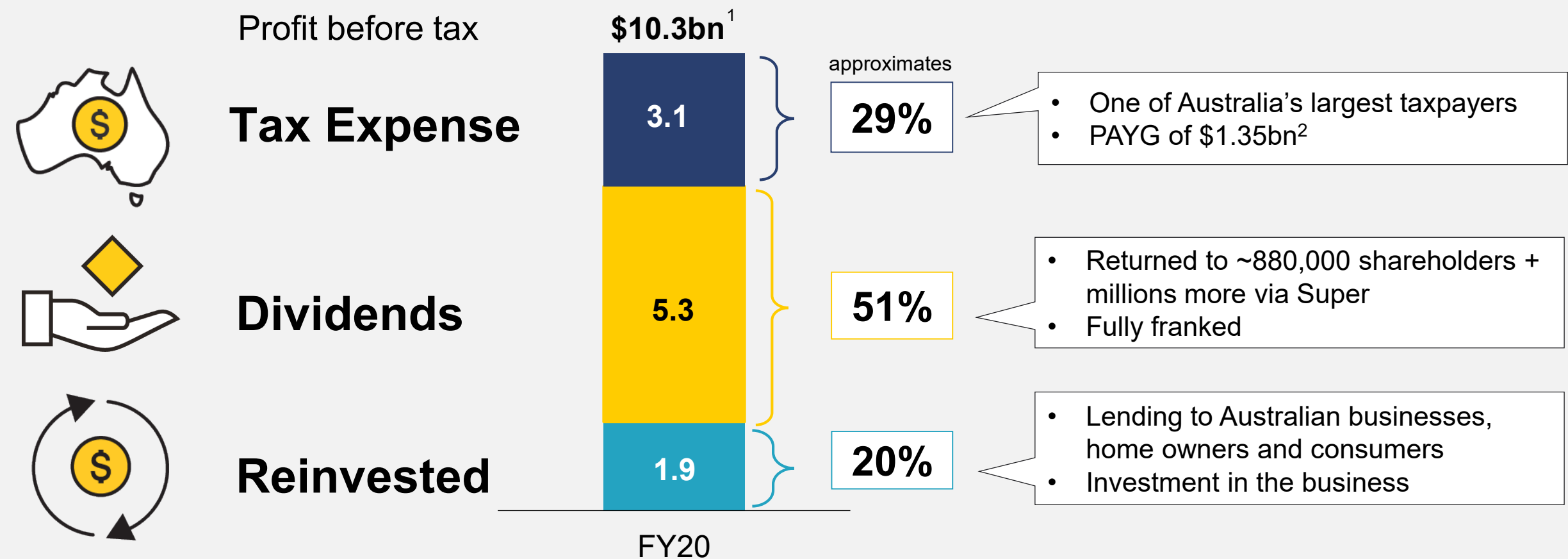
1. Available at [commbank.com.au/sustainabilityinstruments](https://commbank.com.au/sustainabilityinstruments). 2. Renewable energy generated using solar photovoltaic panels on branches. For more details see: [cbasolarpower.com.au](https://cbasolarpower.com.au). 3. Includes the full value of the transactions where CBA has acted as an Involved Party. 4. For details, see our Annual Report [commbank.com.au/AnnualReport2020](https://commbank.com.au/AnnualReport2020).



# **Financial Overview**

# Our profits

80% of profits paid in tax and returned to shareholders



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



# Overview - FY20 result<sup>1</sup>



## Key outcomes summary

Financial			Balance sheet, capital & funding		
Statutory NPAT <sup>2</sup> (\$m)	9,634	+12.4%	Capital – CET1 <sup>2,4</sup> (Int'l)	17.4%	+120 bpts
Cash NPAT <sup>3</sup> (\$m)	7,296	(11.3%)	Capital – CET1 <sup>2</sup> (APRA)	11.6%	+90 bpts
ROE <sup>3</sup> % (cash)	10.3	(180) bpts	Total assets (\$bn)	1,014	+3.8%
EPS <sup>3</sup> cents (cash)	413	(53c)	Total liabilities (\$bn)	942	+3.9%
DPS <sup>2</sup> \$	\$2.98	(\$1.33)	Deposit funding	74%	+5.0%
Cost-to-income <sup>3</sup> (%)	45.9	-	LT wholesale funding WAM <sup>5</sup>	5.3 yrs	+0.2 yrs
NIM <sup>3</sup> (%)	2.07	(2) bpts	Liquidity coverage ratio <sup>6</sup>	155%	+23%
Op income <sup>3</sup> (\$m)	23,758	+0.8%	Leverage ratio (APRA)	5.9%	+30 bpts
Op expenses <sup>3</sup> (\$m)	10,895	+0.7%	Net stable funding ratio	120%	+8%
LIE to GLAA (bpts)	33	+17 bpts	Credit ratings <sup>7</sup>	AA-/Aa3/A+	Refer footnote 7

1. All movements on prior year unless otherwise stated. 2. Includes discontinued operations. 3. Presented on a continuing operations basis. 4. Internationally comparable capital - refer glossary for definition. 5. Weighted Average Maturity excluding Term Funding Facility drawdowns. 6. Quarter average. 7. S&P, Moody's and Fitch. S&P revised Australian Major Banks outlook to "Stable" from "Negative" on 9 July 2019. Moody's lowered the rating on 19 June 2017, outlook "Stable". Fitch updated outlook on CBA to negative on 7 May 2018.

# Overview - FY20 result



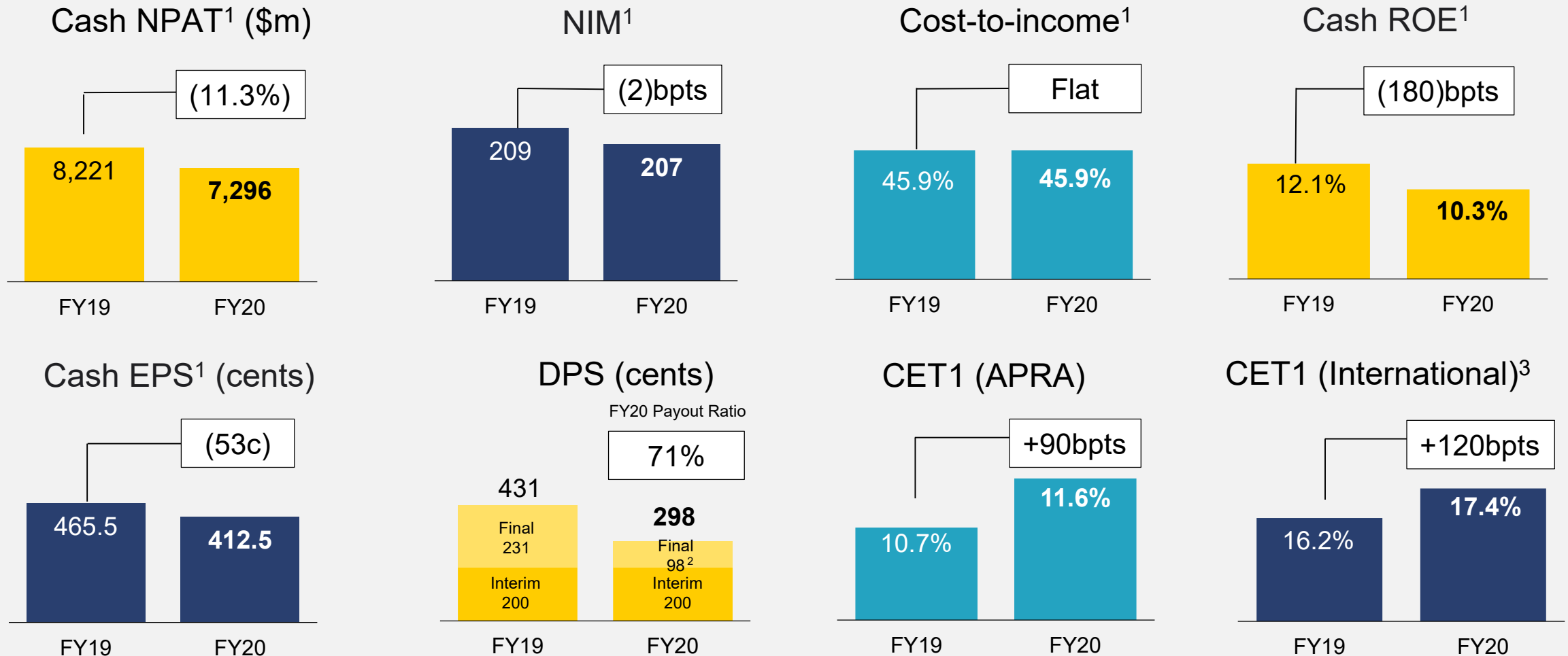
## Key financial outcomes

Financial year ended ("cash basis")	Incl. discontinued operations		Continuing operations	
	FY20	FY20 vs FY19	FY20	FY20 vs FY19
Cash net profit after tax	\$7,449m	(14.4%)	\$7,296m	(11.3%)
Cost-to-income <sup>1</sup>	47.2%	(60)bpts	45.9%	Flat
Effective tax rate	29.5%	+80 bpts	29.5%	+80 bpts
Cost of Capital	10.0%	Flat	10.0%	Flat
Profit after capital charge (PACC) <sup>2</sup>	\$3,913m	(9.7%)	\$3,864m	(5.2%)
Earnings per share (basic)	421c	(72c)	413c	(53c)
Return on equity	10.5%	(230)bpts	10.3%	(180)bpts

1. Operating expenses to operating income. 2. The Group uses PACC as a key measure of risk adjusted profitability. It takes into account the profit achieved, the risk to capital that was taken to achieve it, and other adjustments.

# Overview - FY20 result

## Key financial outcomes



1. Presented on a continuing operations basis. 2. 2H20 Payout ratio 49.95% (statutory NPAT basis). 3. Internationally comparable capital - refer to glossary for definition.

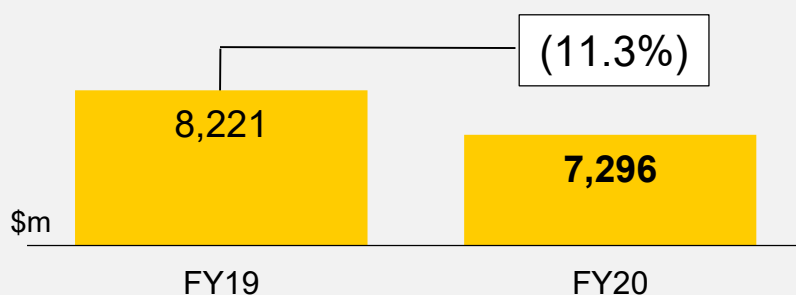
# Financial overview<sup>1</sup>



## Core franchise strength and operational execution in a challenging operating context

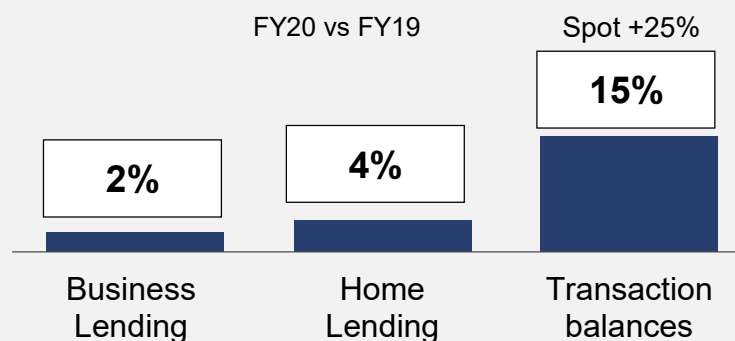
### Cash NPAT

Lower Cash NPAT



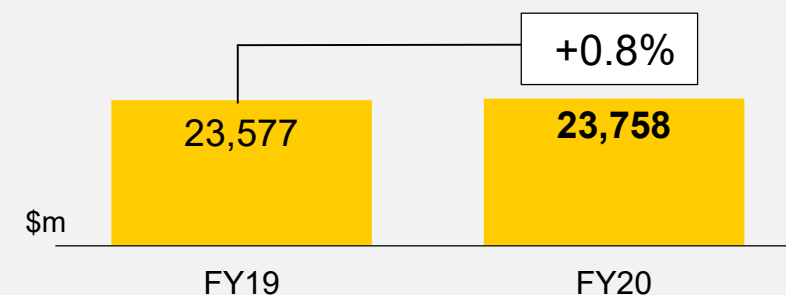
### Volume growth<sup>2</sup>

Solid growth in core markets of business lending, home lending and transactions.



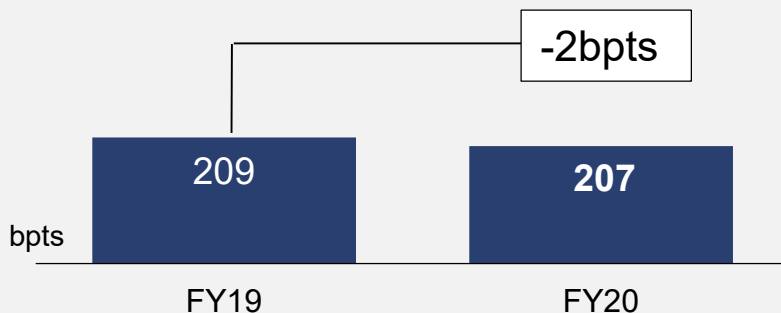
### Operating income

Higher income with volume growth in core markets, partly offset by lower non-interest income



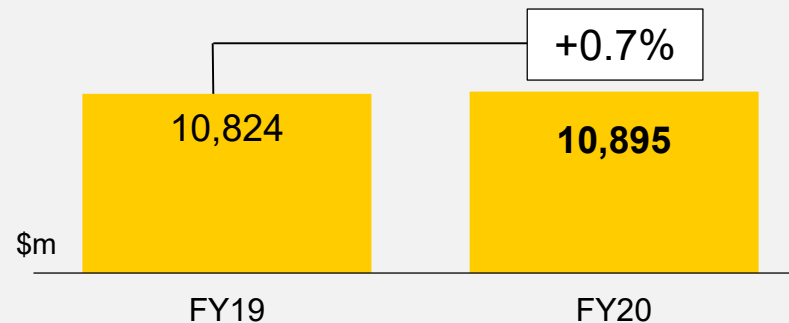
### Group NIM

NIM lower due to cash rate reductions partly offset by lower basis risk



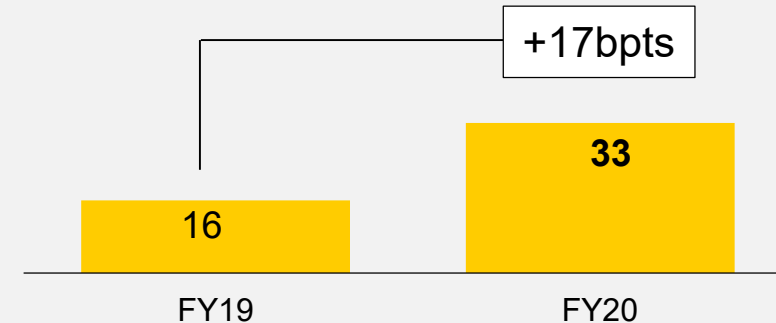
### Operating expenses

Higher staff and IT costs, partly offset by business simplification initiatives



### Loan Impairment Expense<sup>3</sup>

Portfolio credit quality remains sound. Loan Impairment Expense at 33bpts reflecting increased provisions



1. Presented on a continuing operations basis. 2. Average balances. 3. Cash Loan Impairment Expense annualised as a percentage of average Gross Loans and Acceptances (GLAA) bpts.

# Financial overview<sup>1</sup>



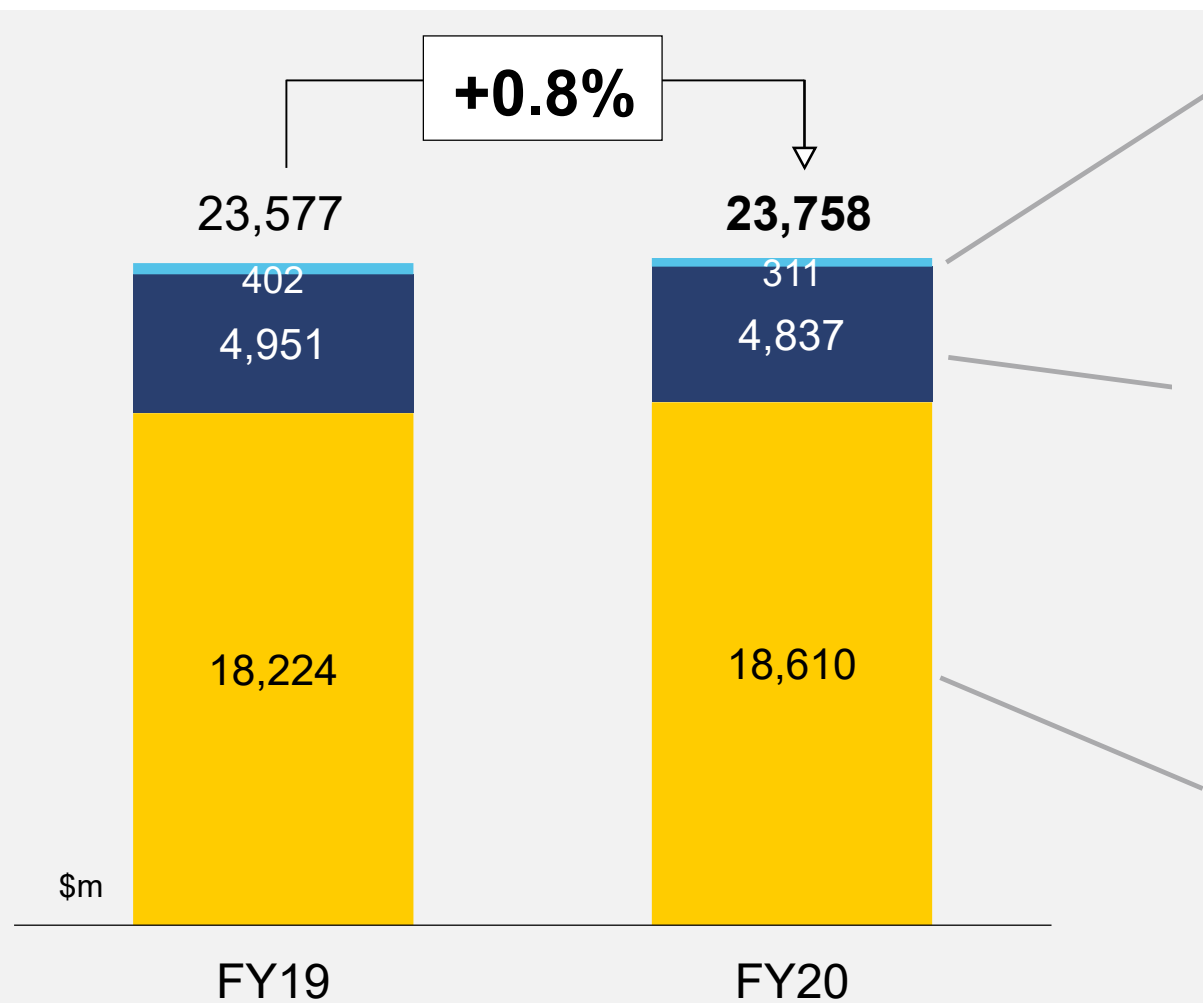
## Divisional contributions

FY20 vs FY19 Business Unit	% of Group NPAT FY20 <sup>2</sup>	Operating Income	Operating Expenses	Operating Performance	Loan Impairment Expense	Cash NPAT	Cost-to- Income FY20
<b>RBS<sup>3</sup></b>	54.1%	4.6%	1.3%	<b>6.8%</b>	50.3%	<b>1.9%</b>	38.7%
<b>BPB</b>	36.4%	0.6%	0.1%	<b>0.8%</b>	Lge	<b>(9.5%)</b>	36.1%
<b>IB&amp;M</b>	9.0%	(7.3%)	0.8%	<b>(12.8%)</b>	Lge	<b>(41.4%)</b>	44.4%
<b>ASB<sup>4</sup></b>	11.1%	(0.7%)	11.1%	<b>(7.1%)</b>	Lge	<b>(19.6%)</b>	39.6%
<b>IFS</b>	1.8%	(19.3%)	(1.3%)	<b>(28.0%)</b>	Lge	<b>(47.6%)</b>	40.1%

1. Presented on a continuing operations basis. 2. Excludes Corporate Centre and Other, and therefore does not add to 100%. 3. RBS result excluding General Insurance and Mortgage Broking consolidation. 4. ASB result in NZD except for “% of Group NPAT”, which is in AUD.

# Total operating income drivers<sup>1</sup>

Higher volumes offset by lower margin, OBI, Funds and Insurance



## Funds & Insurance

**(22.6%)**

Insurance income	(5%)
Lower advice fees	(\$51m)
Cessation of fees and trail commissions	(\$37m)

## Other Banking Income

**(2.3%)**

SAF aircraft assets impairments <sup>2</sup>	(\$108m)
Lending fees	(0.6%)
Trading (excl. XVA) <sup>3</sup>	+10.7%
Commissions	(4.5%)

## Net Interest Income

**+2.1%**

Volume	+3.0%
Margin	(2bpts)

1. Presented on a cash continuing operations basis. 2. Includes additional costs associated with the impairment such as hedging break costs. 3. Derivative valuation adjustment (XVA) down -\$7m in FY20 versus FY19.

# Net interest income<sup>1</sup>

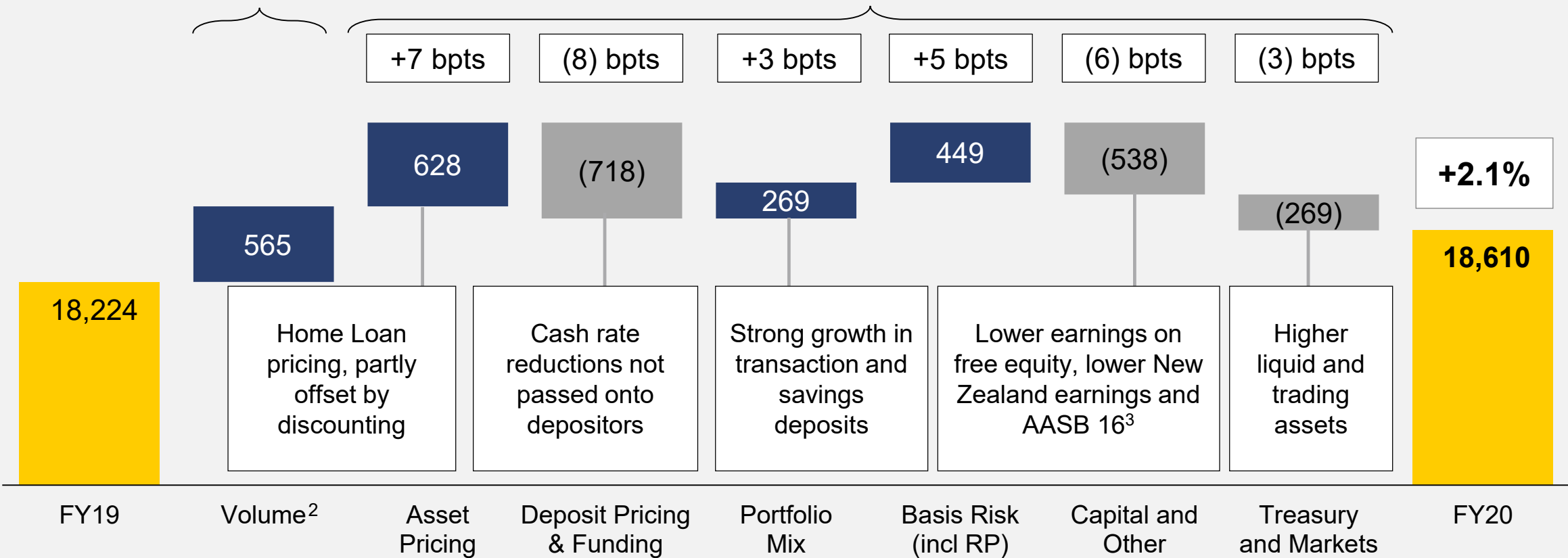


Growth in lending and deposits, partly offset by impacts of cash rate reductions

\$m

Volume: **+3.0%**

Margin: **(2) bpts**



1. Presented on a continuing operations basis. 2. Average interest earning assets. 3. The implementation of AASB 16 results in the recognition of a lease liability and therefore higher interest expense.

# Volume growth

Above system growth in home lending and household deposits



## Home Lending<sup>1</sup>

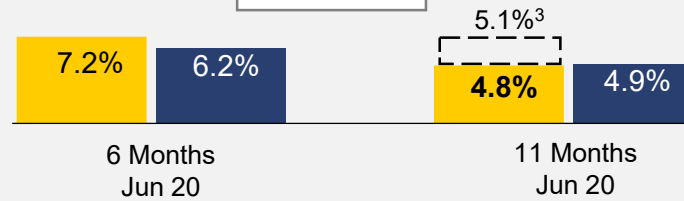
■ CBA ■ System  
annualised



## Business Lending<sup>1,2</sup>

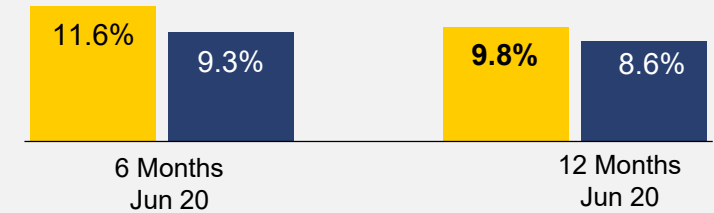
■ CBA ■ System  
annualised

CBA Includes IB&M



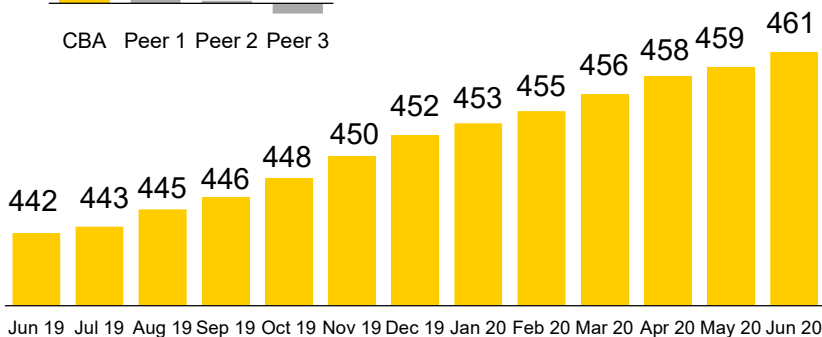
## Household Deposits<sup>4</sup>

■ CBA ■ System  
annualised



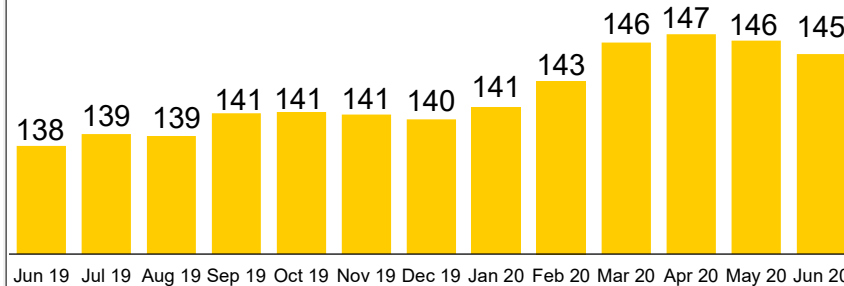
## Balances by month

\$bn  
FY20 growth  
■ CBA ■ Peer 1 ■ Peer 2 ■ Peer 3



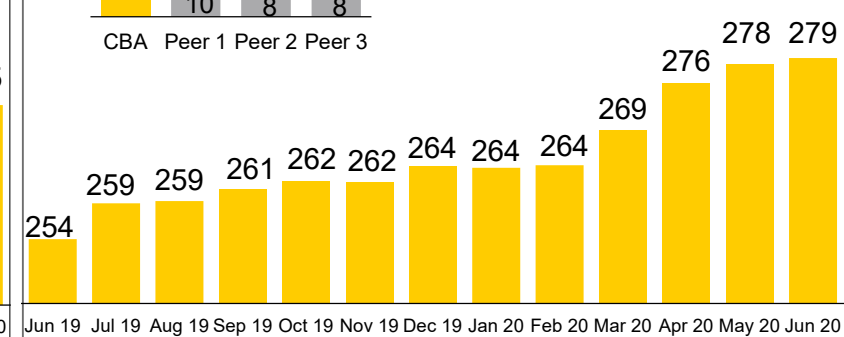
## Balances by month

\$bn



## Balances by month

\$bn  
FY20 growth  
■ CBA ■ Peer 1 ■ Peer 2 ■ Peer 3



1. Source: RBA Lending and Credit Aggregates. RBA collection data was aligned to the new regulatory definitions set by APRA from July 2019, therefore volume growth where compared to system has been calculated for the 11 months to June 2020 annualised. 2. Excludes CMPF. 3. CBA growth for 12 months to June 2020. 4. Source: APRA Monthly Authorised Deposit-taking Institution Statistics (MADIS).

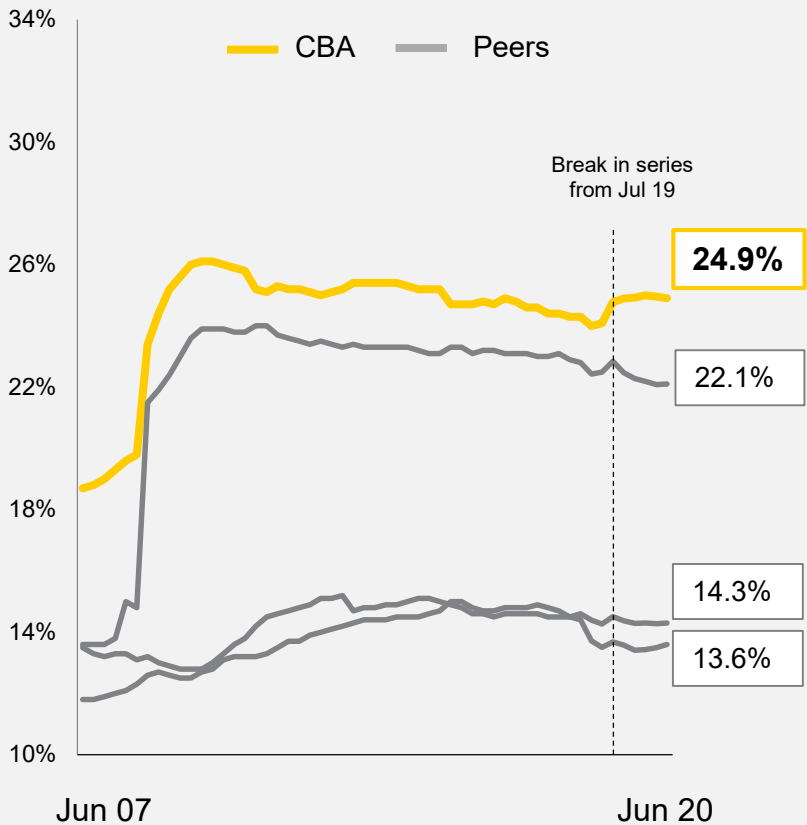


# Market share

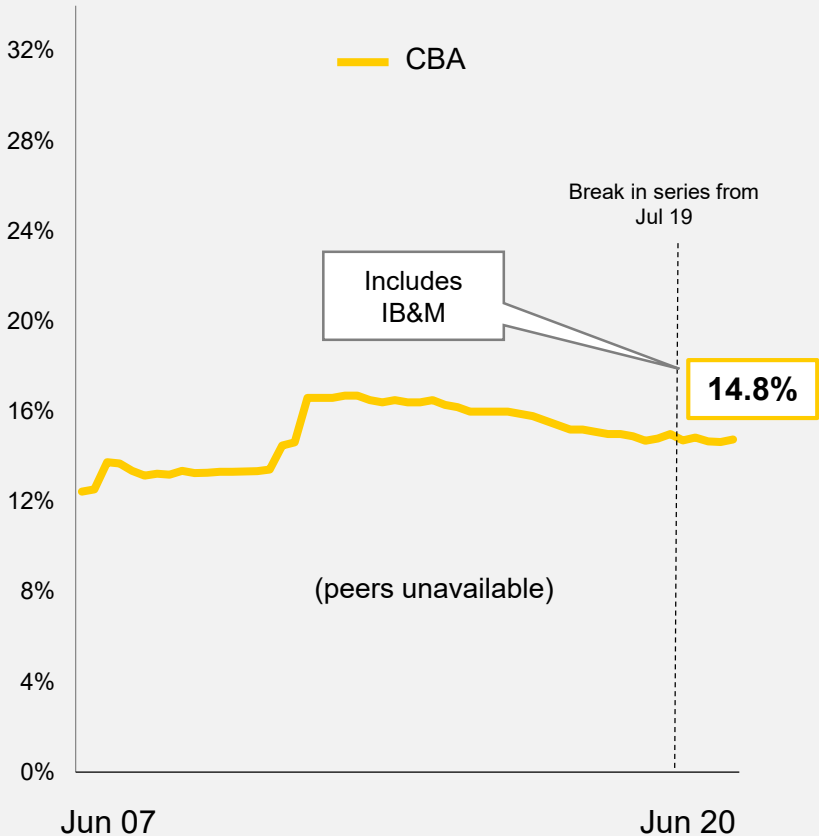
## Strong market shares in core markets



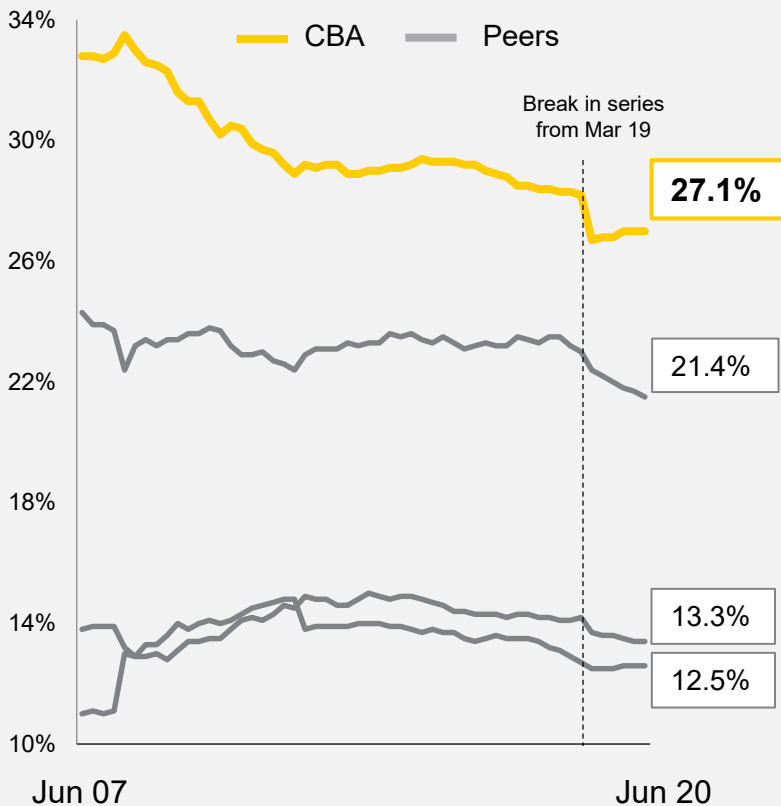
### Home Lending<sup>1</sup>



### Business Lending<sup>1</sup>



### Household Deposits<sup>2</sup>



1. Source: RBA Lending and Credit Aggregates, series break due to new regulatory definitions set by APRA from 1 July 2019. As a result of this change, market share is not comparable to previous reporting periods. 2. Market share calculated based on APRA Monthly Authorised Deposit-taking Institution Statistics (MADIS) from Mar 19, with prior periods based on MBS publication. As a result of this change, market share is not comparable to previous reporting periods.

# Market share<sup>1</sup>



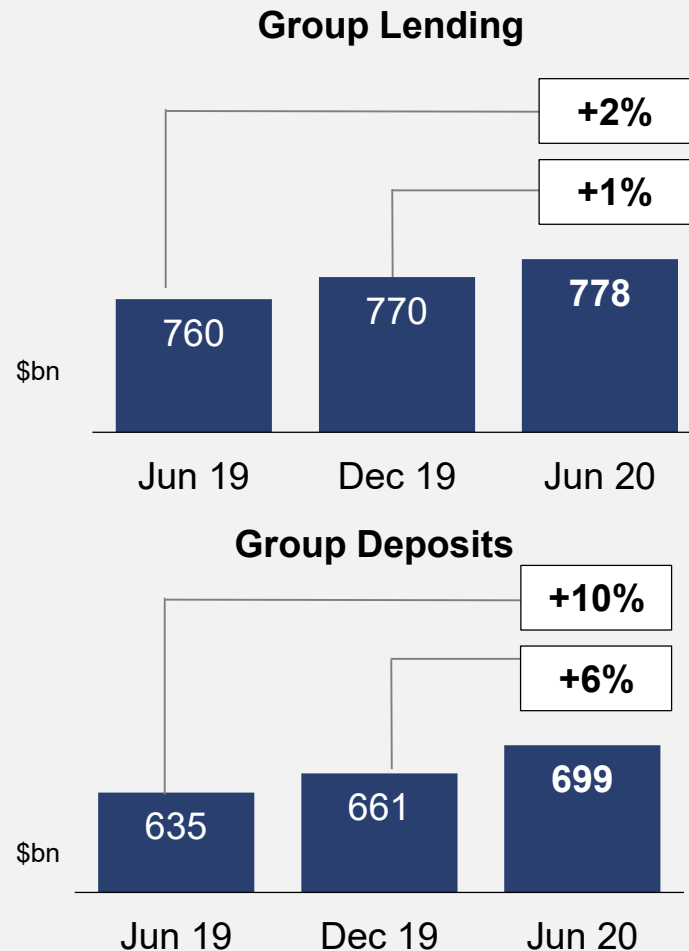
## Strong market shares in core markets

%	Jun 20	Dec 19	Jun 19
Home loans – RBA <sup>2</sup>	24.9	24.9	N/A
Home loans - APRA <sup>3</sup>	25.7	25.5	25.2
Credit cards - APRA <sup>3</sup>	26.5	26.6	26.6
Other household lending – APRA <sup>3,4</sup>	18.9	19.1	19.3
Household deposits - APRA <sup>3</sup>	27.1	26.8	26.7
Business lending – RBA <sup>2</sup>	14.8	14.7	N/A
Business lending – APRA <sup>3</sup>	16.8	16.7	16.7
Business deposits – APRA <sup>3</sup>	20.3	19.9	19.7
Equities trading	4.8	3.9	3.7
Australian Retail - administrator view <sup>5</sup>	14.9	14.9	14.8
FirstChoice Platform <sup>5</sup>	10.9	11.0	10.9
NZ home loans	21.5	21.5	21.7
NZ customer deposits	18.2	17.8	17.7
NZ business lending	15.3	15.2	15.4
NZ retail AUM <sup>6</sup>	14.8	14.9	15.4

1. Comparatives have been updated to reflect market restatements. 2. System source: RBA Lending and Credit Aggregates. RBA collection data was aligned to the new regulatory definitions set by APRA from 1 July 2019. As a result of this change, the 30 June 2019 Market Share is not comparable to the other reporting periods. 3. System source: ARPA's Monthly Authorised Deposit-taking Institutions Statistics (MADIS) publication. 4. Other Household Lending market share includes personal loans, margin loans and other forms of lending to individuals. 5. System source: Strategic Insights, as at March 2020 and includes CFS only. 6. Presented on a continuing operations basis.

# Balance sheet

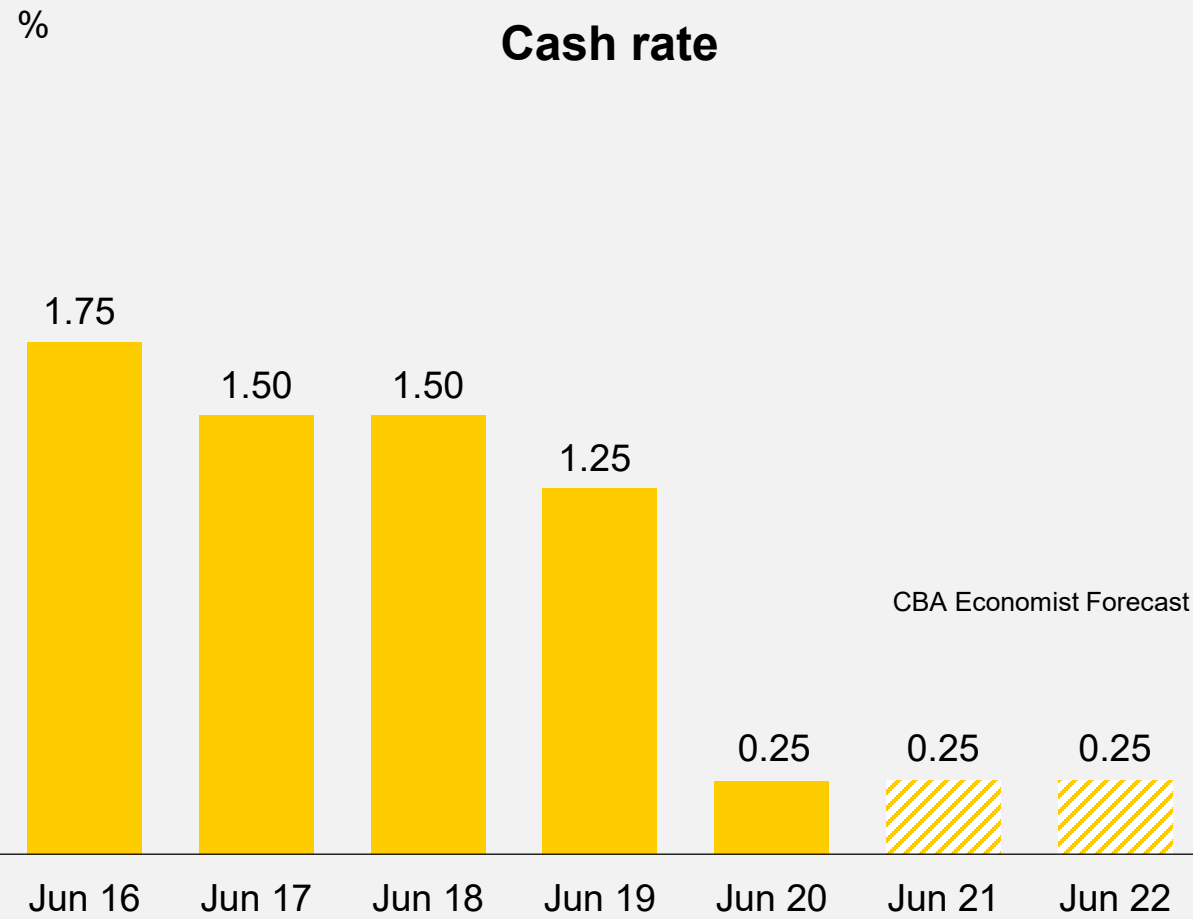
Continued good growth in core markets



\$m	Jun 19	Dec 19	Jun 20	Jun 20 vs Dec 19	Jun 20 vs Jun 19
Home Loans	522,942	535,090	542,880	1.5%	3.8%
Consumer finance	21,993	21,167	18,217	(13.9%)	(17.2%)
Business and corporate loans	214,953	214,145	216,695	1.2%	0.8%
<b>Total Group Lending</b>	<b>759,888</b>	<b>770,402</b>	<b>777,792</b>	<b>1.0%</b>	<b>2.4%</b>
Non-lending interest earning assets	155,821	159,391	178,806	12.2%	14.8%
Other assets (including held for sale)	60,793	50,075	57,462	14.8%	(5.5%)
<b>Total Assets</b>	<b>976,502</b>	<b>979,868</b>	<b>1,014,060</b>	<b>3.5%</b>	<b>3.8%</b>
Total interest bearing deposits	581,416	600,197	625,078	4.1%	7.5%
Non-interest bearing trans. deposits	53,896	60,871	74,335	22.1%	37.9%
<b>Total Group Deposits</b>	<b>635,312</b>	<b>661,068</b>	<b>699,413</b>	<b>5.8%</b>	<b>10.1%</b>
Debt issues	164,022	153,327	142,503	(7.1%)	(13.1%)
Other interest bearing liabilities	54,840	56,507	51,264	(9.3%)	(6.5%)
Other liabilities (including held for sale)	52,679	37,813	48,867	29.2%	(7.2%)
<b>Total Liabilities</b>	<b>906,853</b>	<b>908,715</b>	<b>942,047</b>	<b>3.7%</b>	<b>3.9%</b>

# Impact of low interest rates

## Managing a low interest rate environment

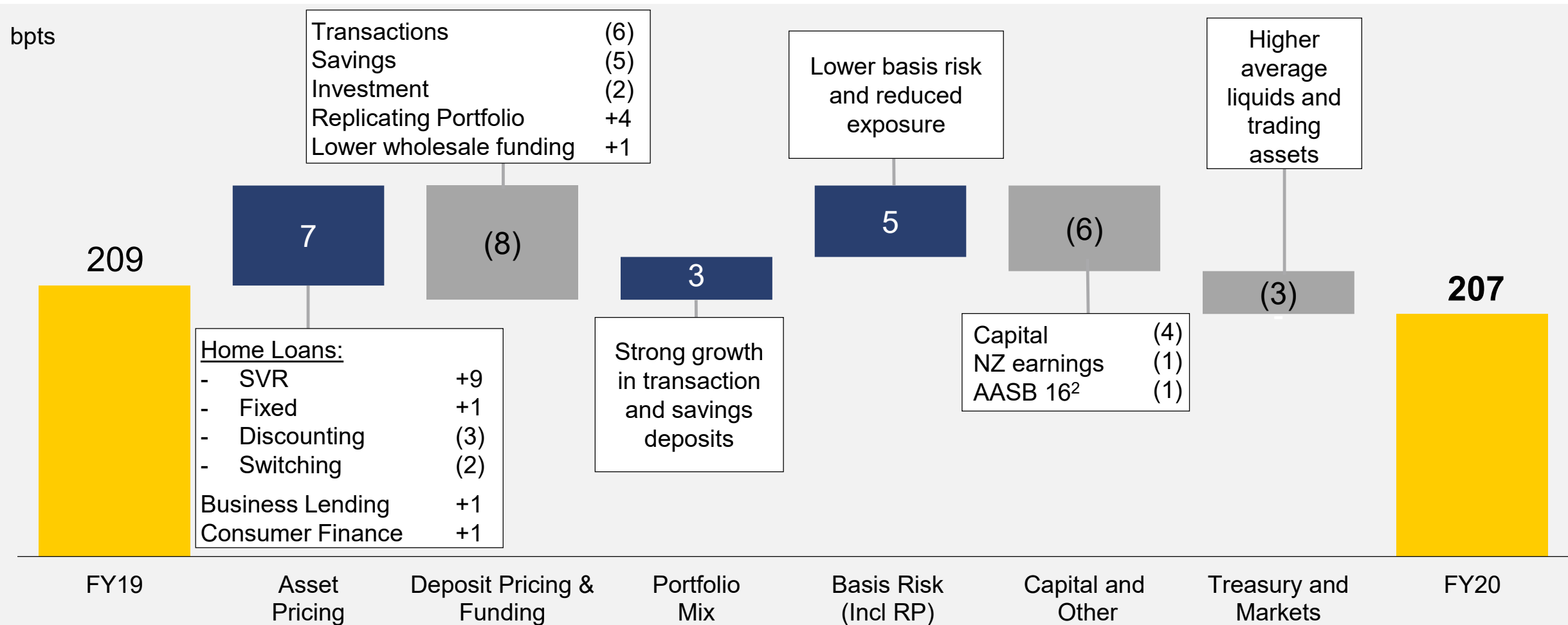


### Approach

- Group wide co-ordination
- Preserving strong funding & liquidity position, optimising portfolio composition
- Granular deposit margin management aligned with customer and regulatory value
- Product structuring, focusing on customer value
- Dynamic review of risk management strategies in relation to Interest Rate Risk
- Operational risk management, reviewing systems, product terms & documentation

# Group margin<sup>1</sup>

Margin lower due to impact of cash rate reductions, partly offset by lower basis risk



1. Presented on a continuing operations basis. 2. The implementation of AASB 16 results in the recognition of a lease liability and therefore higher interest expense.

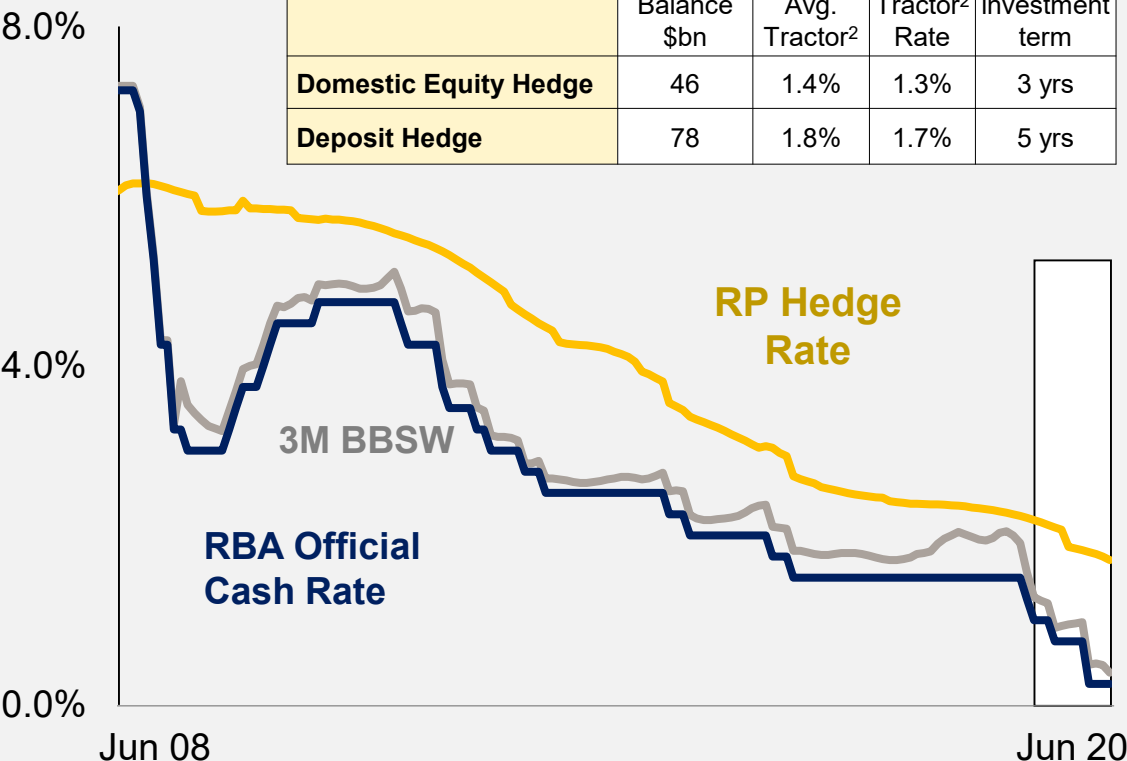
# Group margin

Deposits hedge +4bpts - providing partial relief in a low interest rate environment

## Replicating Portfolio (RP) & Equity Hedge

(Deposits Earnings<sup>1</sup>: -11bpts, Deposits Hedge +4bpts and Equity Hedge: -4bpts)

	Jun 20 Balance \$bn	2H20 Avg. Tractor <sup>2</sup>	Exit Tractor <sup>2</sup> Rate	Average investment term
Domestic Equity Hedge	46	1.4%	1.3%	3 yrs
Deposit Hedge	78	1.8%	1.7%	5 yrs



## Liquidity & Basis Risk

Liquidity	<ul style="list-style-type: none"><li>Every additional \$10bn of liquid assets<sup>3</sup> is expected to reduce Group NIM by ~2bpts but increase Group NPAT by ~\$14m p.a.</li></ul>
Basis Risk	<ul style="list-style-type: none"><li>In FY20, every 6 bpts = ~1bpt of NIM<sup>4</sup></li><li>As at Jun-20<sup>5</sup>, every 10bpts = ~1bpt of NIM<sup>4</sup></li><li>Reduced exposure to basis risk in 2H20 due to strong growth in cash rate linked deposits</li></ul>



1. Earnings impact on domestic transactions and savings deposits excluding impact from the hedge. 2. Tractor is the moving average hedge rate on equity and rate insensitive deposits. Exit Tractor rate represents average rate for June 2020. 3. Estimates based on Jun-20 interest rates and assumes the additional liquids are funded with a combination of at-call deposits and partial drawdown of TFF 4. Includes the impact of basis risk on replicating portfolio. 5. Average exposure to Basis Risk in June 2020.

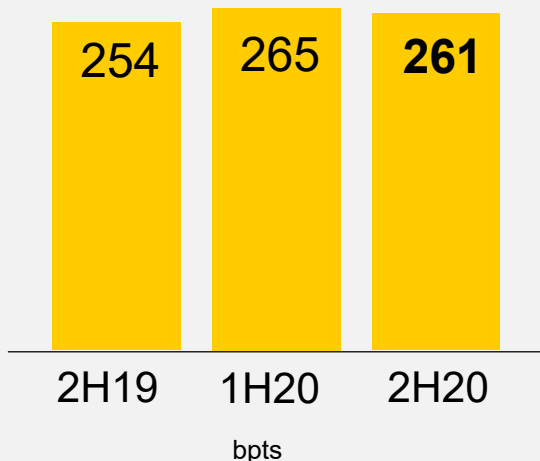
# Margins by division<sup>1</sup>



## Lower interest rates impacting across business units

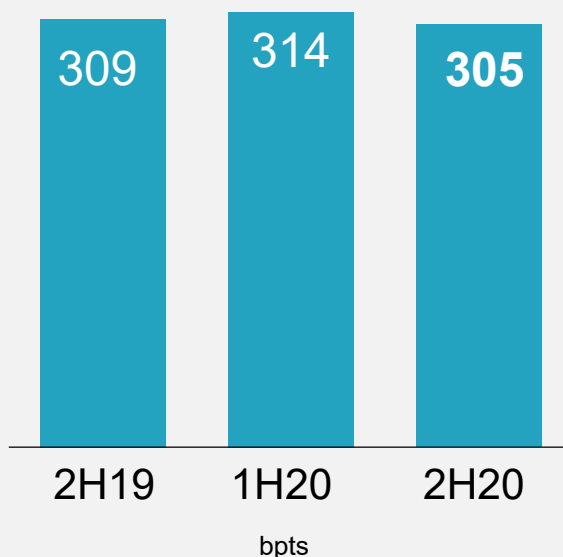
### RBS<sup>2</sup>

Lower wholesale funding costs & home loan repricing offset by increased competition, lower deposit margins and mix



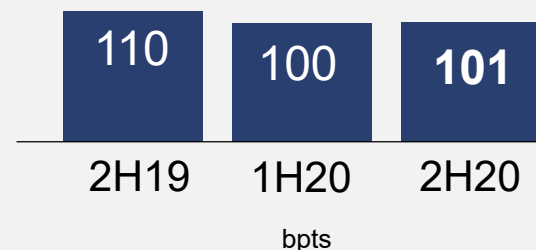
### BPB

Lower business lending and deposit margins in the half, partly offset by higher home lending margins



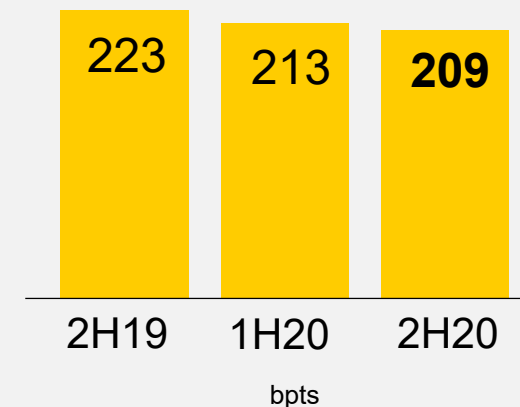
### IB&M

Higher 2H20 margin driven by higher Markets income, partly offset by lower earnings on equity, loss on finance leases and reduced deposits margin



### NZ (ASB)

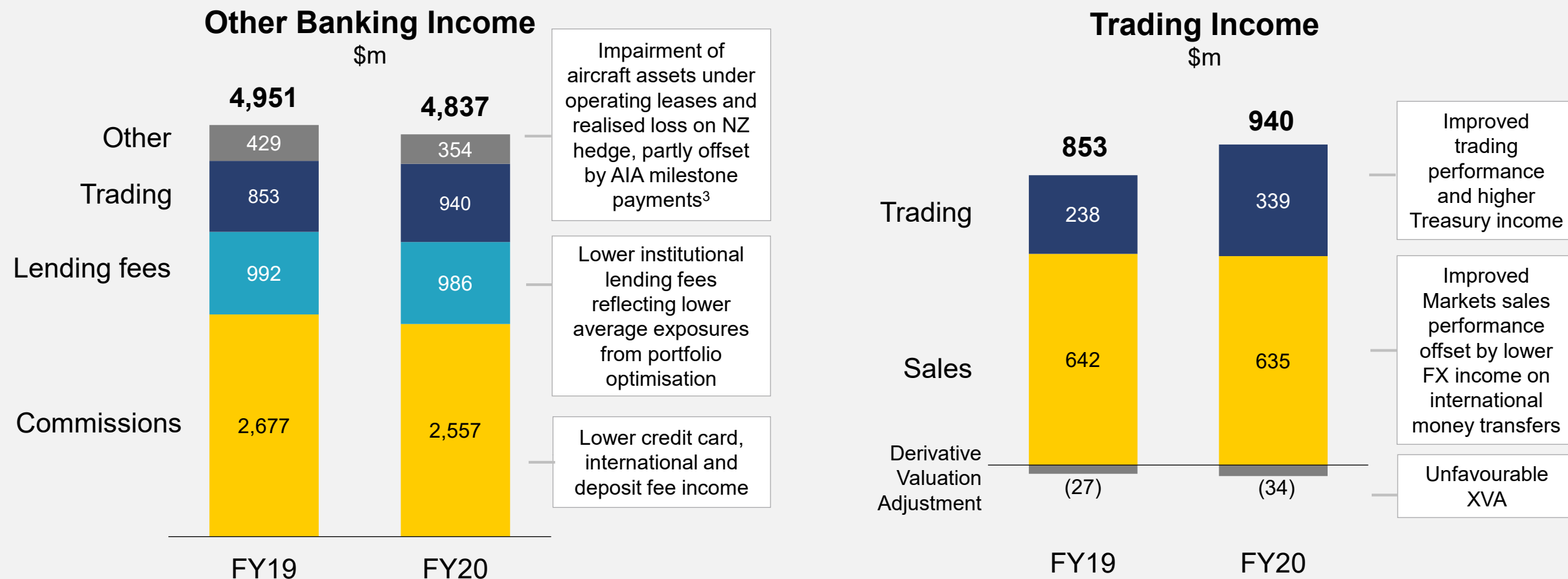
Declining margin reflecting the impact of the lower interest rate environment on deposit margins



1. Comparative information has been restated to conform to presentation in the current period. 2. RBS excluding Mortgage Broking and General Insurance.

# Other banking income (OBI)<sup>1,2</sup>

Lower commissions, impairment of aircraft assets, and realised loss on NZ hedge

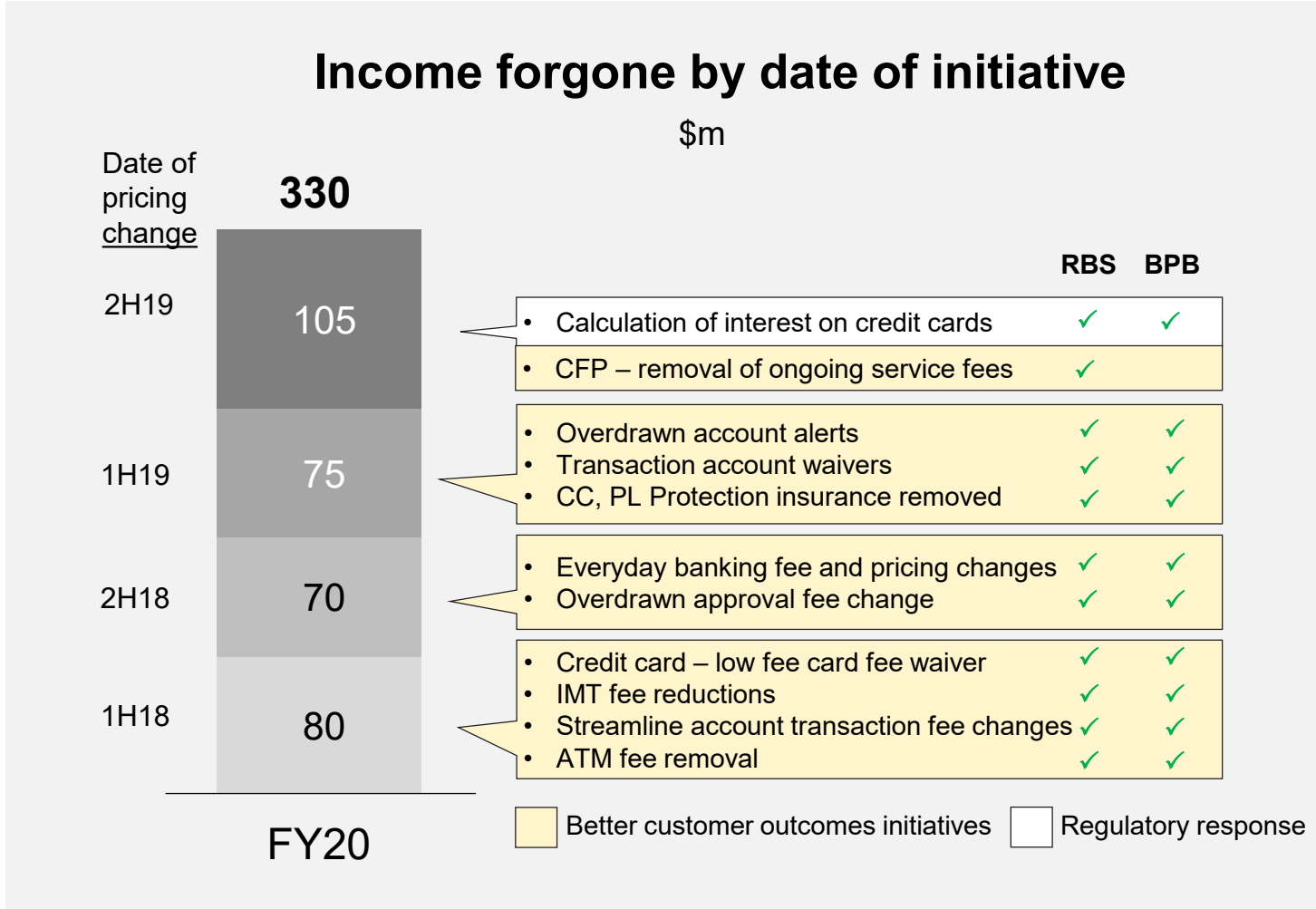
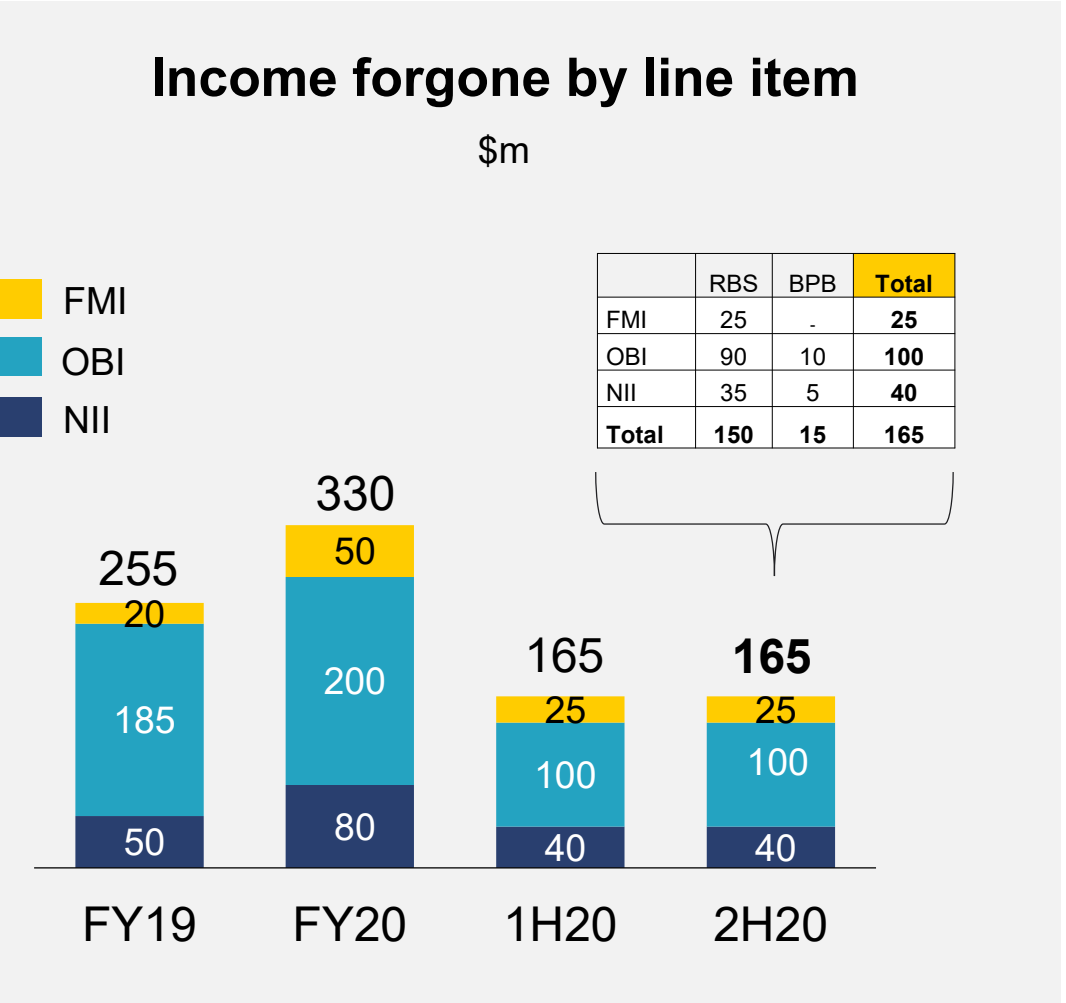


1. Presented on a continuing operations basis. 2. Comparative information has been restated to conform to presentation in the current period. 3. AIA milestone payments relate to payments received from AIA reflecting progress in meeting partnership milestones following the sale of CommInsure Life.



# Income forgone<sup>1</sup>

Delivering savings to customers – impact largely embedded in run-rate

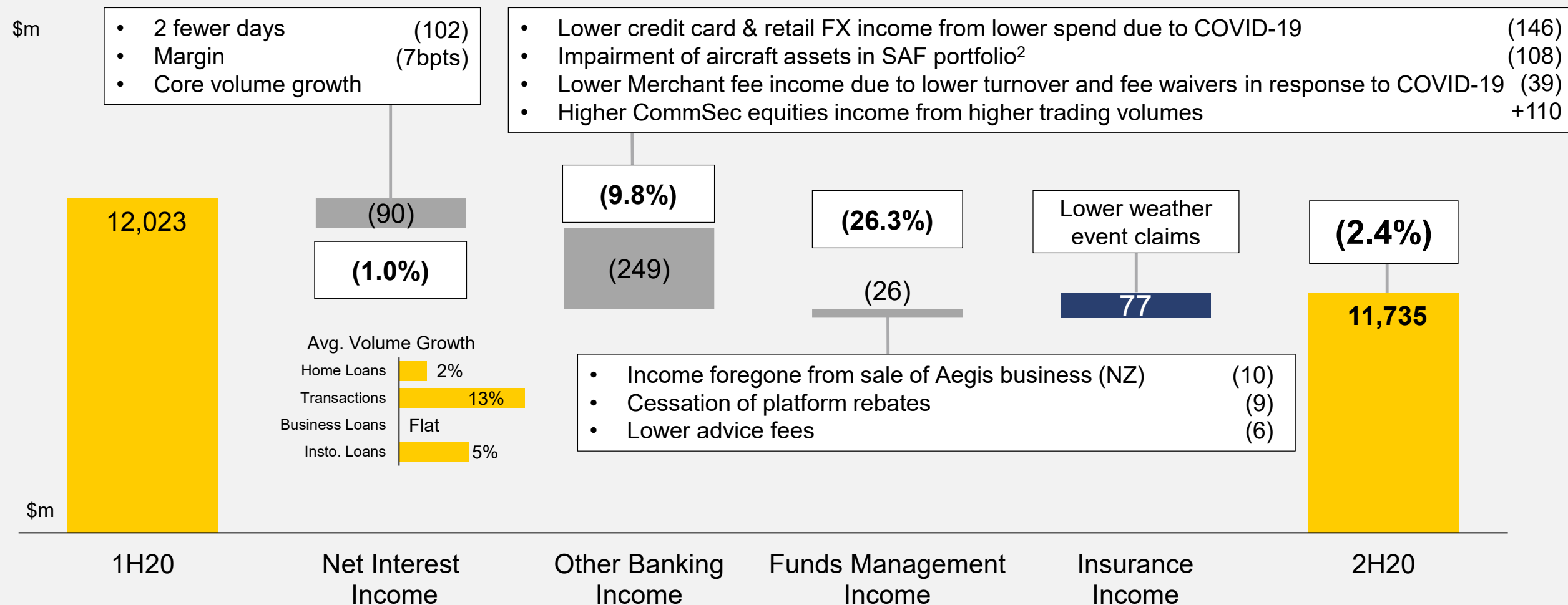


1. Presented on a continuing operations basis excluding CFS impact of \$85m in FY20.

# Sequential operating income<sup>1</sup>



Lower margin, 2 fewer days, lower banking income, partly offset by core volume growth

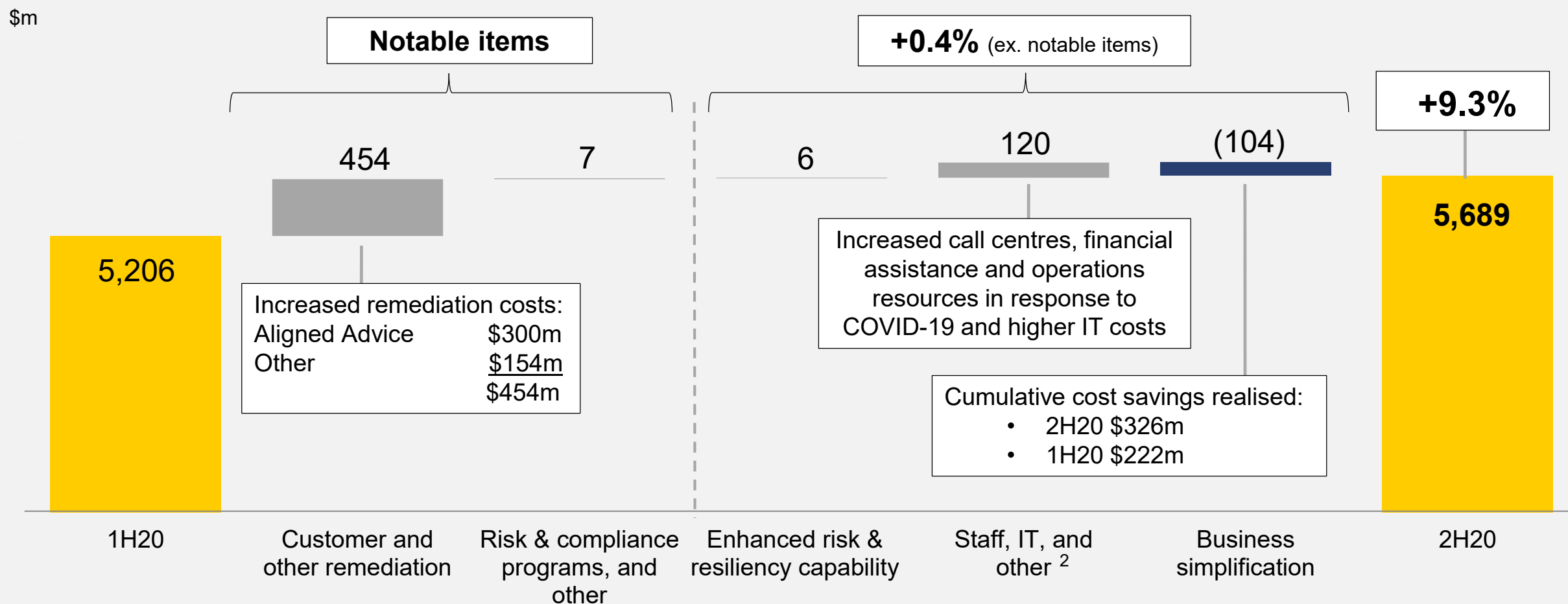


1. Presented on a continuing operations basis. 2. Includes additional costs associated with the impairment such as hedging break costs.

# Sequential operating expenses<sup>1</sup>



Higher remediation provisions, COVID-19 related costs and IT increases

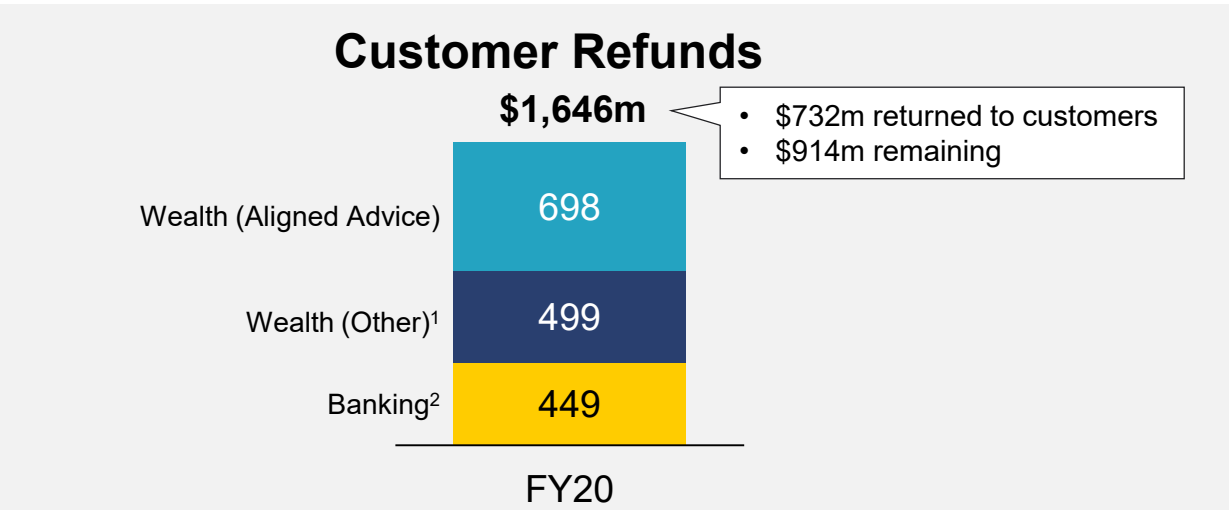
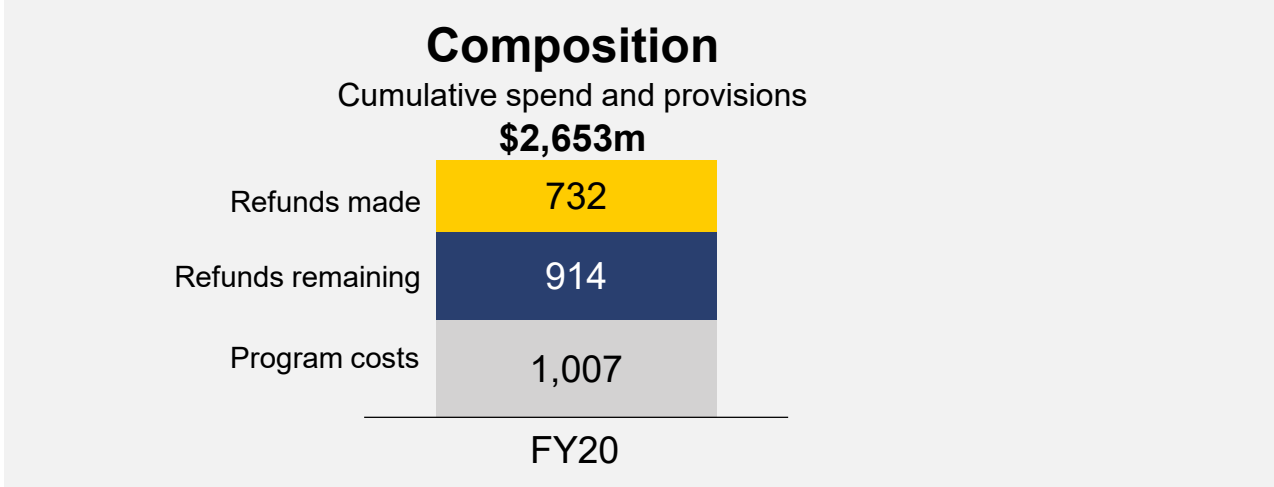
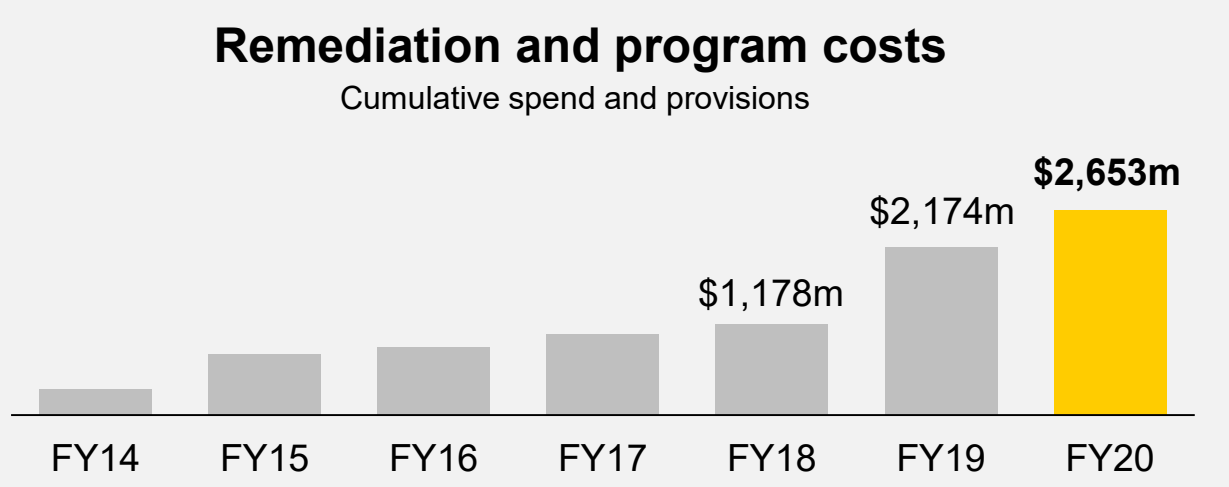


1. Presented on a continuing operations basis. 2. Excludes staff, IT and other costs related to notable items, enhanced risk and resiliency capability and simplification.

# Customer remediation



Additional remediation provision – committed to remediating customers quickly



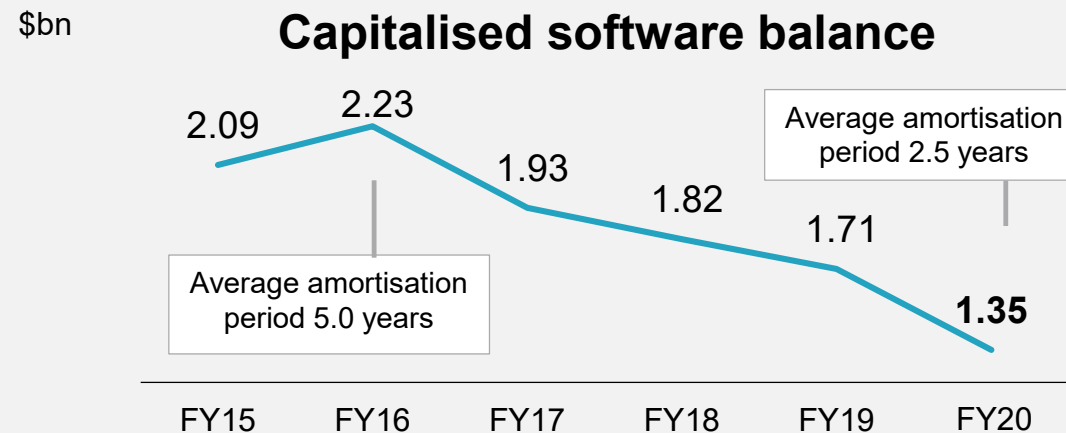
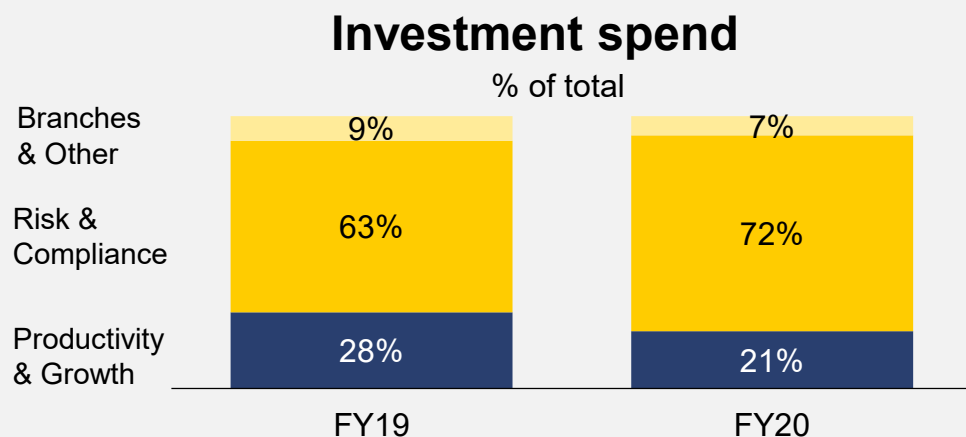
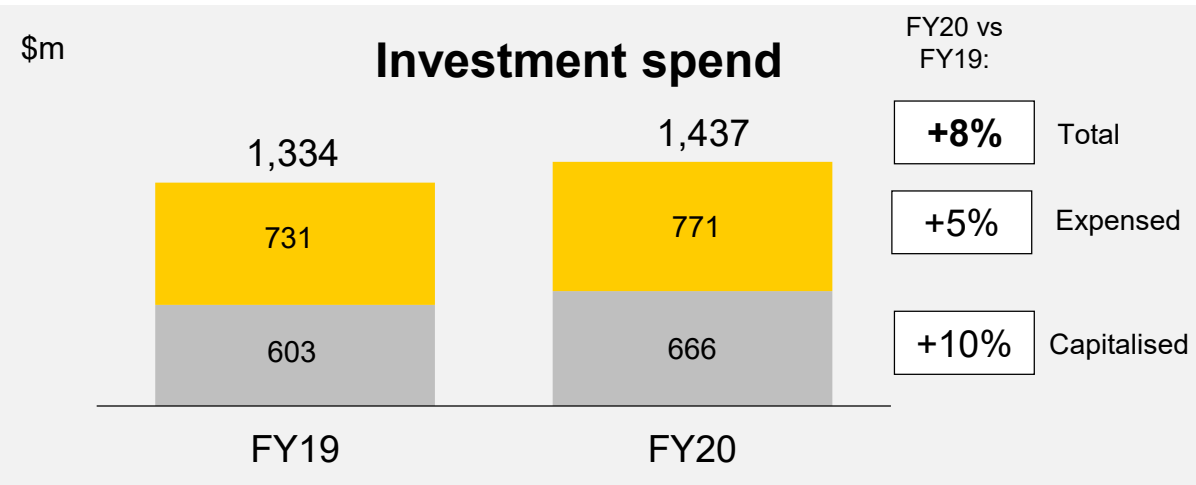
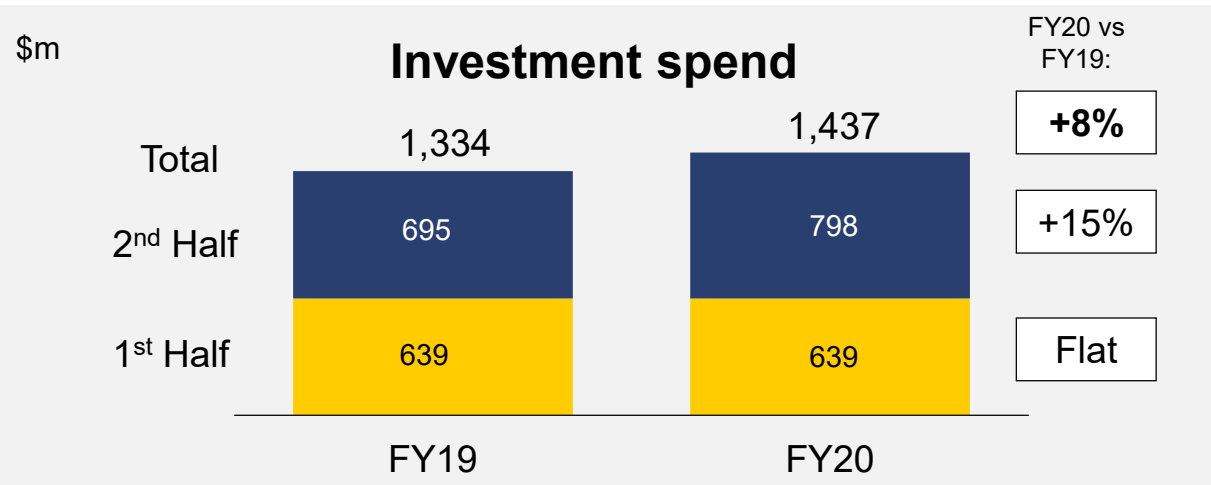
### Aligned Advice remediation – key assumptions

	Salaried	Aligned Advice
Period	FY09 - FY18	FY09 – FY19
Estimated fees received by advisors	~\$0.5bn	~\$1.15bn
Refund rate excluding interest	22%	37% <sup>3</sup>
Refund rate including interest	28%	61%

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

# Investment spend<sup>1</sup>

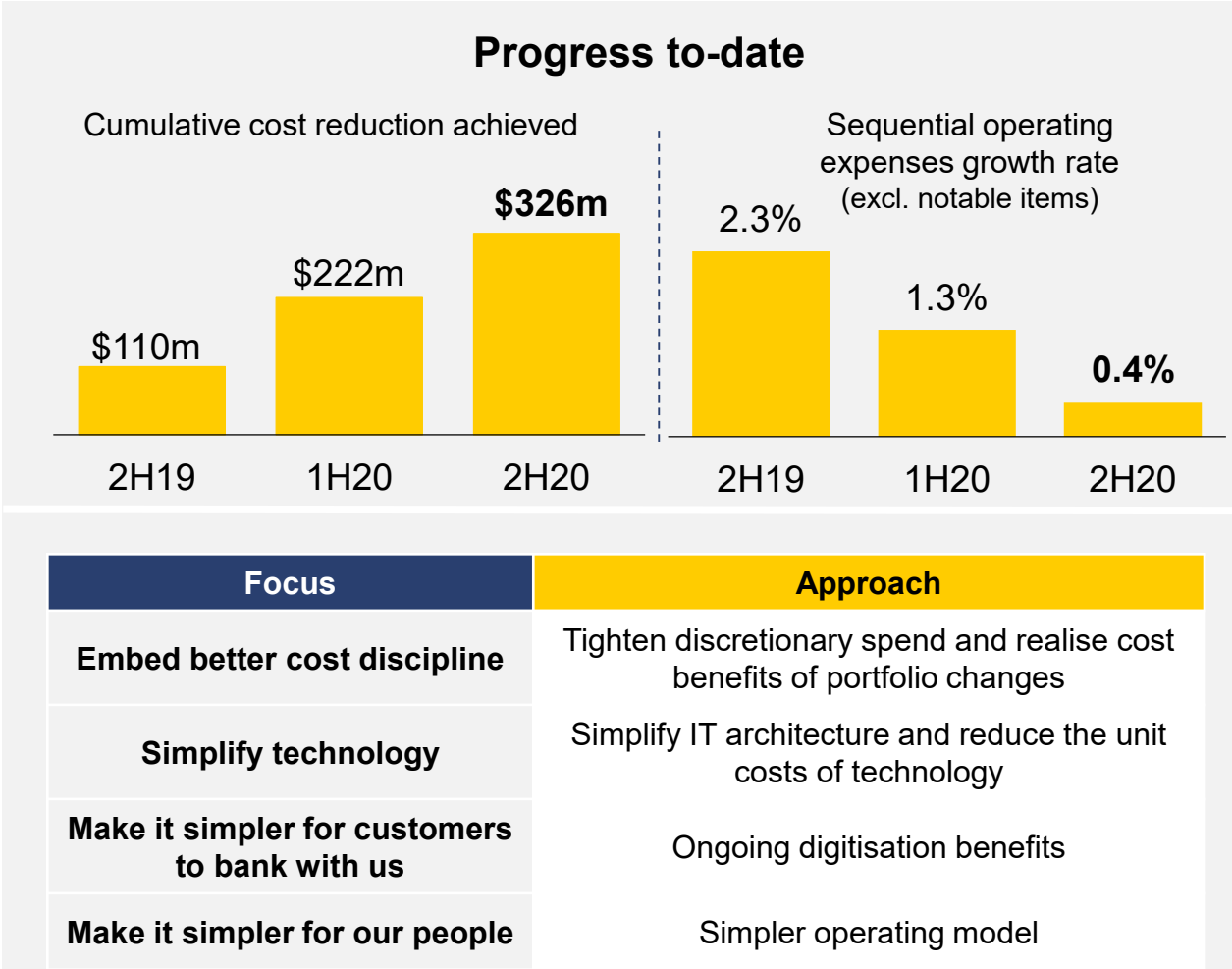
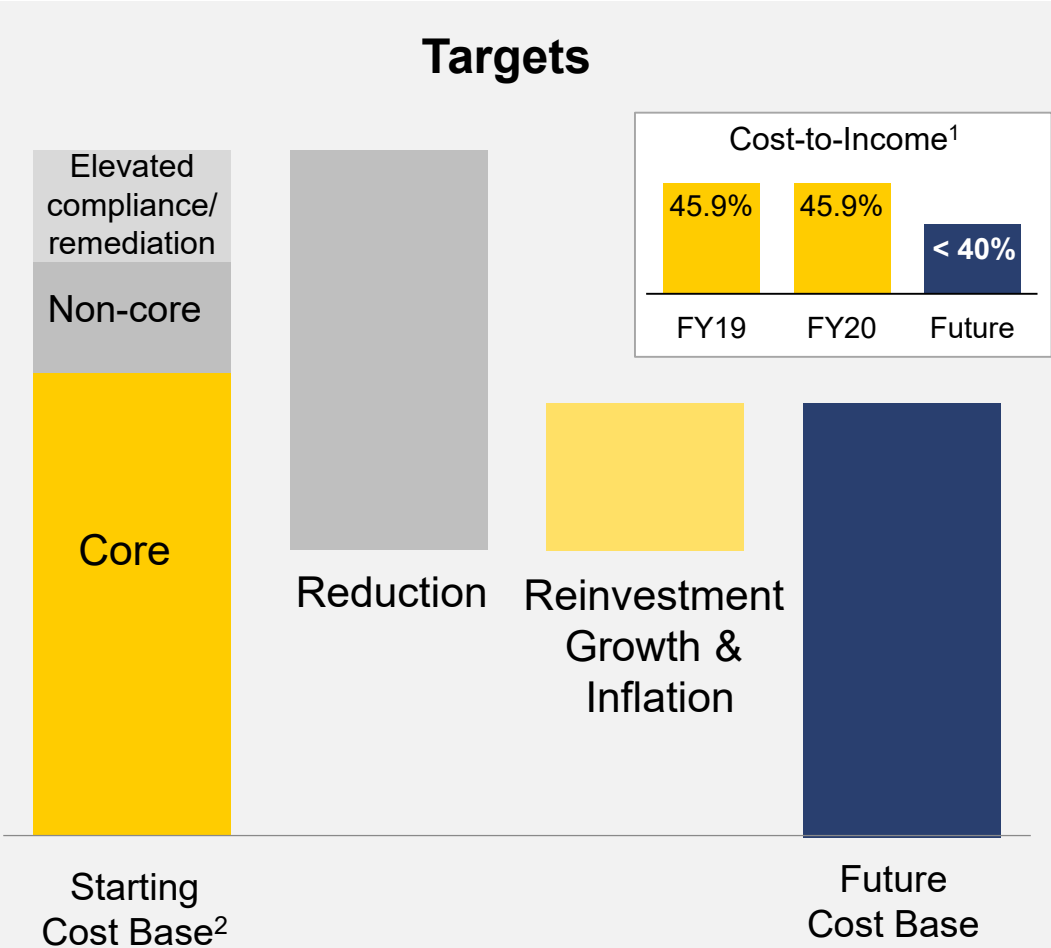
Investment spend up 8% in FY20 – risk and compliance now 72% of total spend



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

# Strategic cost reduction

Building momentum – committed to long-term cost reduction



1. Operating expenses to total operating income. 2. FY18 headline operating expenses excluding AUSTRAC penalty of \$700m.

# Balance sheet resilience

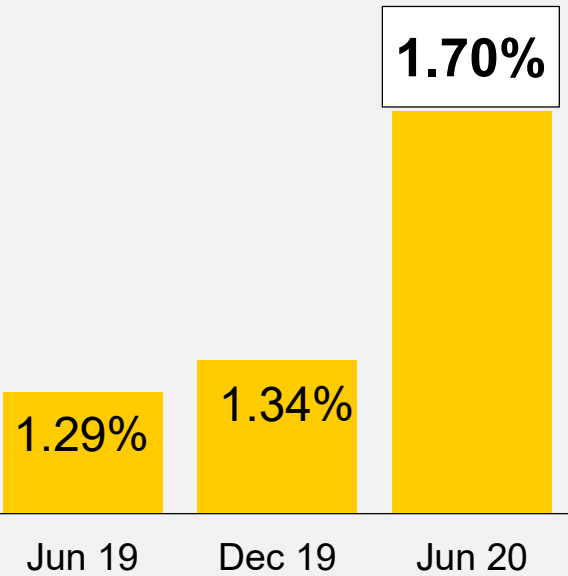


Conservative settings – prepared for a range of possible macro-economic outcomes

## Credit Risk

- Disciplined approach
- COVID-19 provision

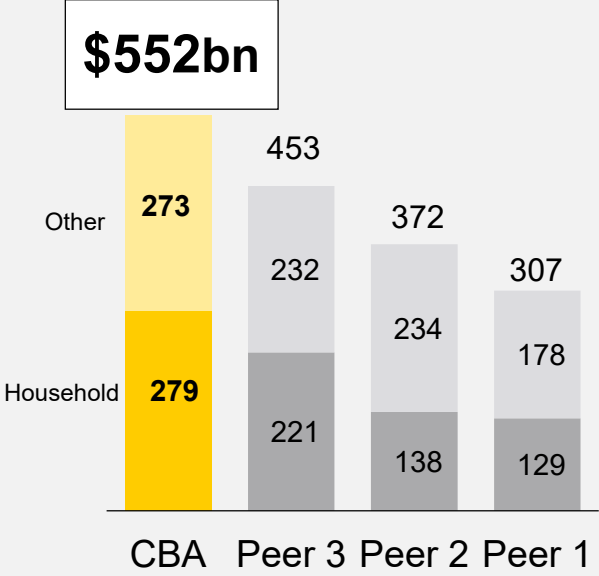
Total Provision Coverage<sup>1</sup>



## Funding

- Peer leading deposits
- NSFR 120%

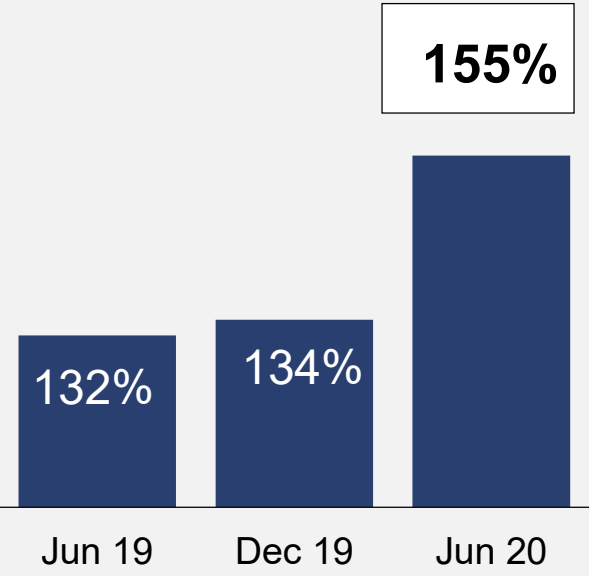
Deposit Balances<sup>2</sup>



## Liquidity

- Significant excess liquidity
- LCR well above minimum

LCR<sup>3</sup>

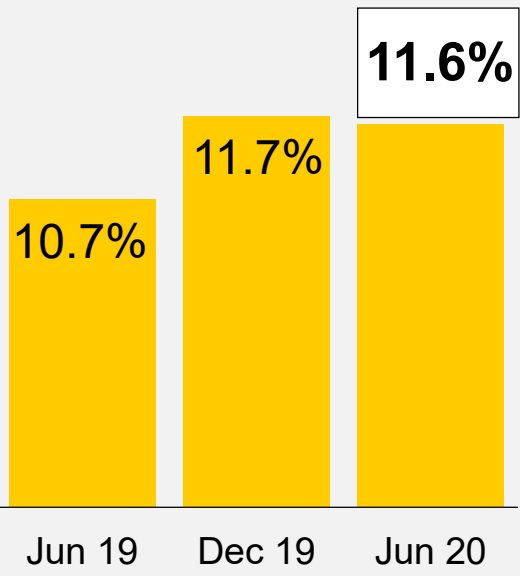


## Capital

- Unquestionably strong
- DRP via share issuance

CET1

Level 2



1. Total provisions divided by credit risk weighted assets. Excludes impairment provisions for derivatives at fair value. 2. Source: APRA Monthly Authorised Deposit Taking Institution Statistics (MADIS). Total deposits (excluding CDs). 3. Quarter average.

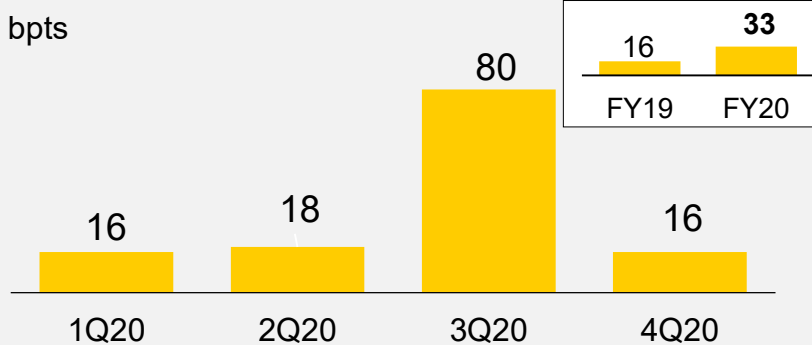
# Asset quality

## Sound portfolio credit quality – deferrals assisting – well provisioned



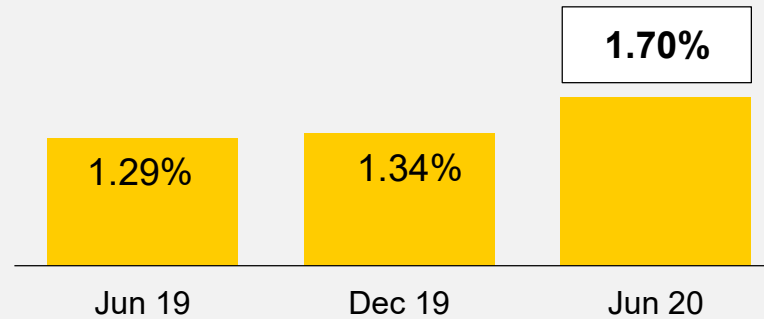
### Loan Impairment Expense<sup>1</sup>

Impairment Expense at 33bpts reflecting COVID-19 provisioning



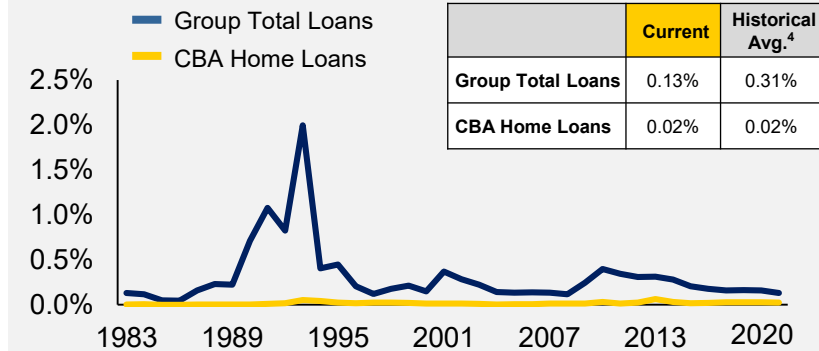
### Provision coverage<sup>2</sup>

Prudent levels of credit provisioning



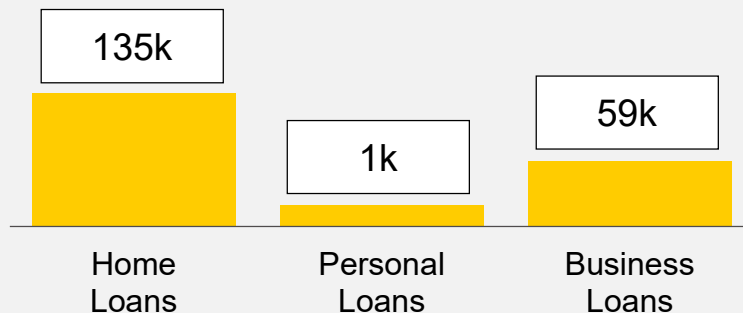
### Loan losses<sup>3</sup>

Portfolio losses remain low



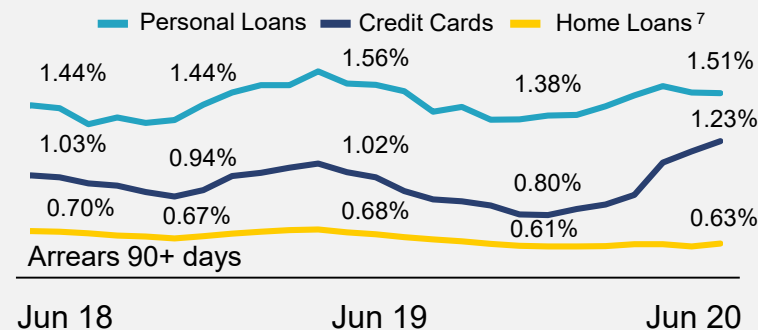
### Loan repayment deferrals<sup>5</sup>

Working with customers to return to normal arrangements as soon as possible



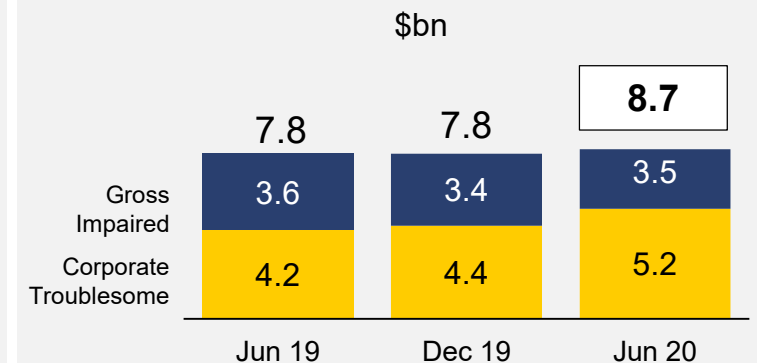
### Consumer arrears<sup>6</sup>

Repayment deferrals assisting. Increasing credit card arrears due to portfolio contraction



### Troublesome and Impaired Assets

Emerging stress in expected areas



1. Cash Loan Impairment Expense annualised as a percentage of average Gross Loans and Acceptances (GLAA) (bpts). 2. Total provisions divided by credit risk weighted assets. Excludes impairment provisions for derivatives at fair value. 3. Bankwest included from FY09. 4. Historical average from 1983. 5. Active deferral accounts as at 31 July 2020. Includes Bankwest. 6. Group consumer arrears including New Zealand. APRA's prudential relief for customers on eligible COVID-19 loan repayment deferral arrangements has effectively "stopped the clock" on home loan and personal loan arrears. 7. Excludes Reverse Mortgage, Commonwealth Portfolio Loan and Residential Mortgage Group loans.



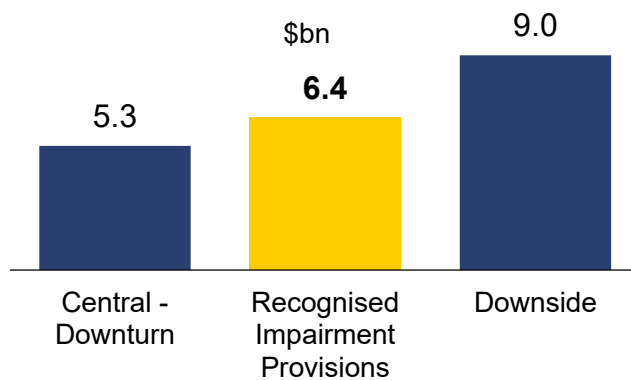
# Provisions, Scenarios & Credit RWA migration



A range of scenarios considered – provisioned between Central (Downturn) and Downside

- Macroeconomic assumptions reflect forward looking scenarios updated for current assessments of the impacts of COVID-19
- Collective Provisions include the impact of four probability-weighted economic scenarios<sup>1</sup> and adjustments for emerging risk at an industry, geography or segment level.
- Adequately provisioned between 'Central (Downturn)' and 'Downside' economic scenarios with peer-leading provision coverage.

Alternate economic scenarios<sup>2</sup>



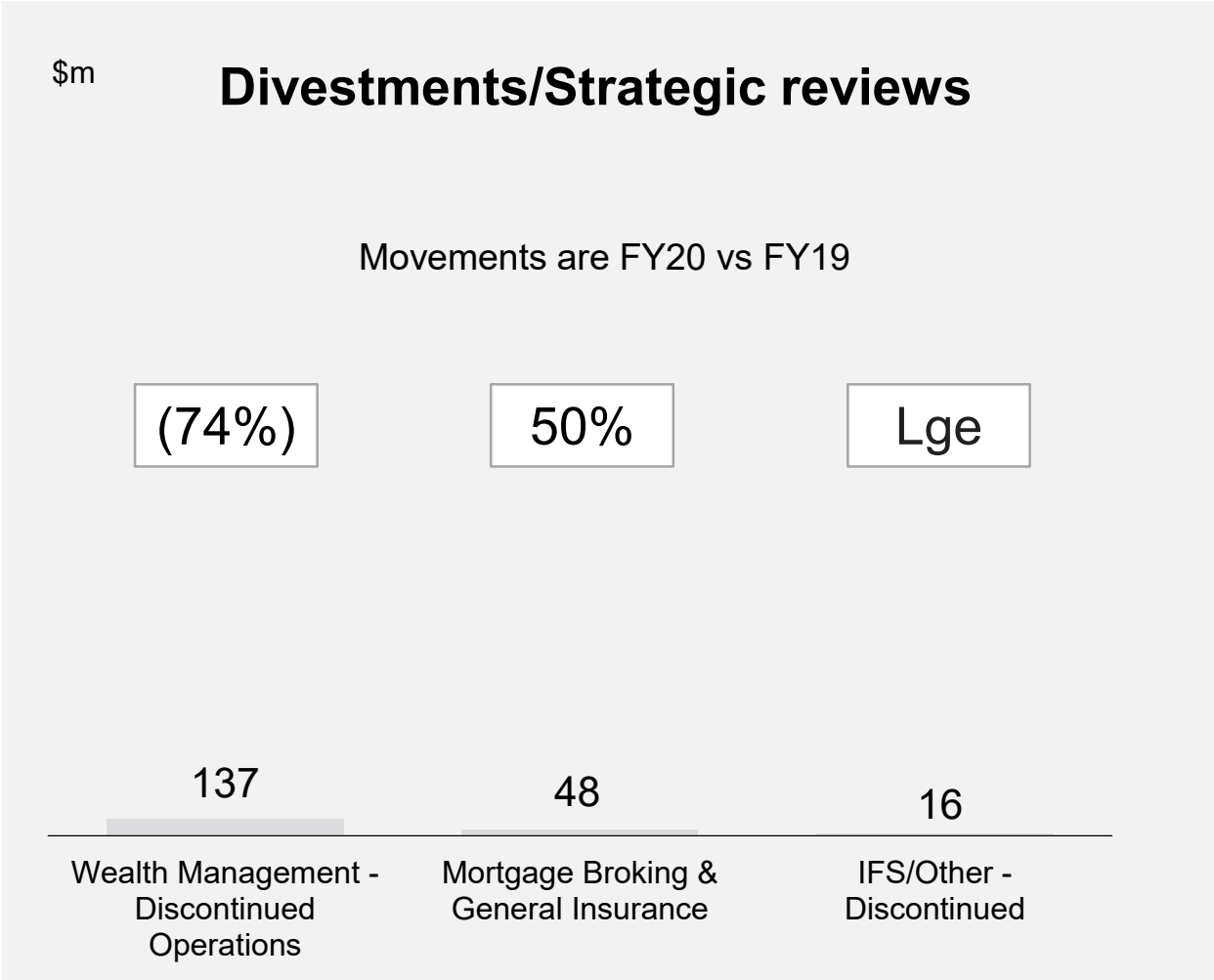
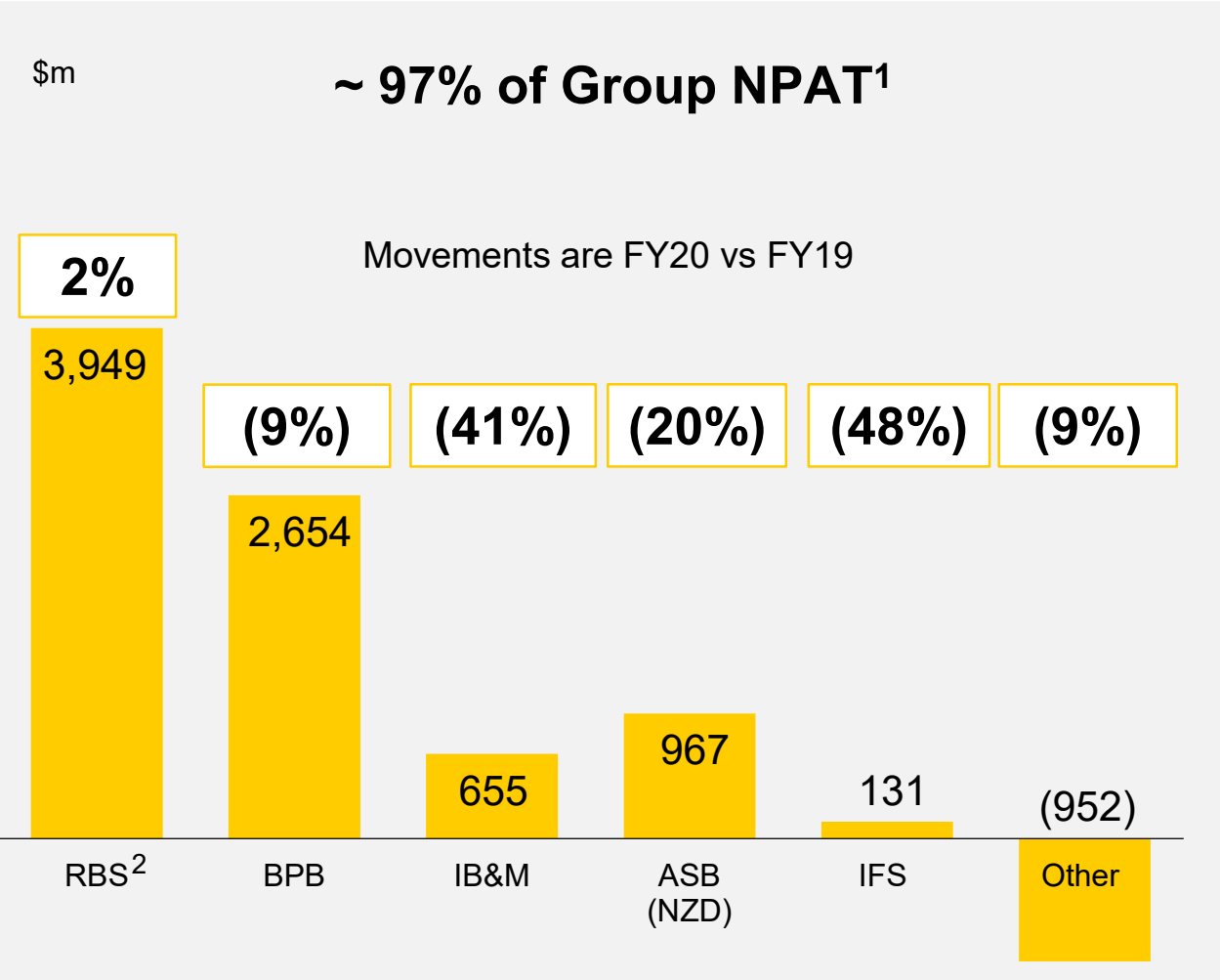
	Central - Downturn			Downside		
Key assumptions:	CY20	CY21	CY22	CY20	CY21	CY22
GDP (annual % change)	-6.0%	6.0%	3.0%	-7.1%	1.4%	2.3%
Unemployment % <sup>3</sup>	9.0%	7.5%	6.3%	10.0%	8.5%	6.9%
House Price Index (peak-to-trough)		-12%			-29%	
Cash Rate		0.25%			0.25%	
Business Investment (annual % change)	-13.0%	4.0%	4.4%	-14.0%	-7.5%	0.6%
Outputs:	<i>Current Jun-20</i>	<i>Central peak</i>		<i>Downside peak</i>		
Credit RWA intensity <sup>4</sup> – housing	25%	27%		31%		
Credit RWA intensity <sup>4</sup> – business	58%	66%		72%		
Credit RWA intensity <sup>4</sup> – total	34%	37%		41%		
Notional Credit RWA increase	\$374bn	+\$30bn		+\$74bn		
CET1 impact of notional Credit RWA increase	n/a	~70bps		~160bps		

1. Central (Downturn), Upside, Downside and Severe Downside. Central: Considers the Group's base case assumptions, aligned to the RBA's 'Baseline' forecast (May 2020). Upside, Downside and Severe Downside assumptions are set relative to the Central scenario. 2. Assuming 100% weighting and holding all other assumptions including forward looking adjustments constant. 3. Forecast spot unemployment rate at December of each year. 4. RWA intensity represents the amount of credit risk weighted assets required to be held as a proportion of lending exposures. Housing and business Credit RWA intensity have been calculated excluding specialised lending exposures and exposures subject to the standardised approach.

# Business units



Core businesses contribute ~97% of Group NPAT



1. Calculation based on the sum of the BU NPAT figures presented above divided by FY20 cash NPAT (incl. discontinued operations). 2. Includes Bankwest and Commonwealth Financial Planning, excludes General Insurance and Mortgage Broking.

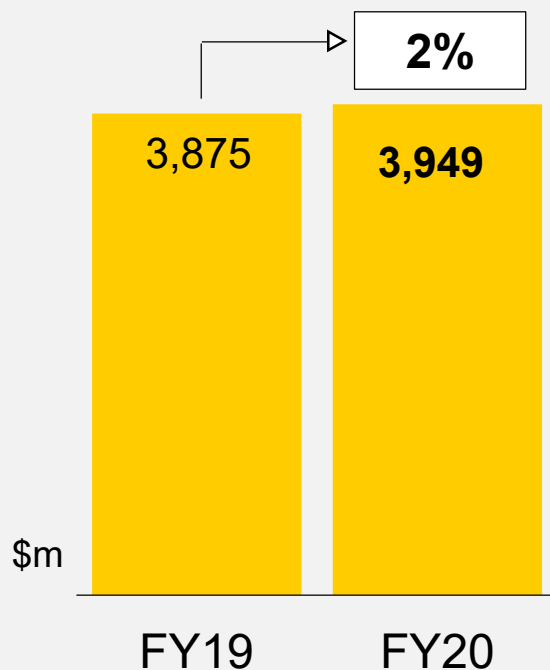
# Cash NPAT by division<sup>1</sup>

Higher provisioning (COVID-19) impacted across business units



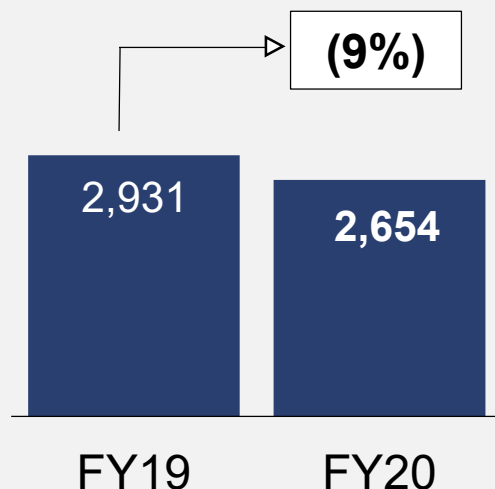
## RBS<sup>2</sup>

- Income +5%
- Costs +1%
- Impairment +50%



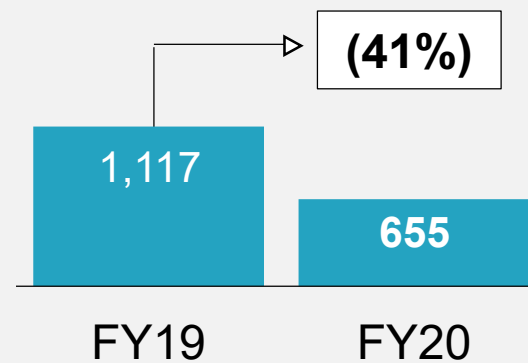
## BPB

- Income 1%
- Costs flat
- Impairment +\$430m



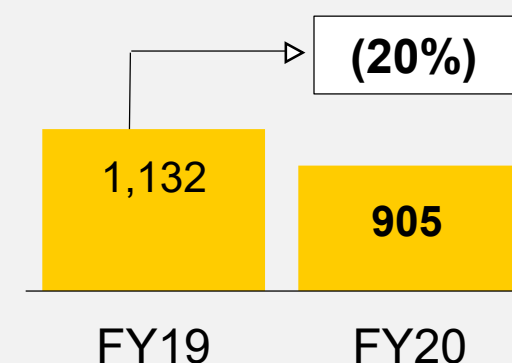
## IB&M

- Income (7%)
- Costs +1%
- Impairment +\$330m



## NZ (NZD)

- Income flat
- Costs +11%
- Impairment +\$198m

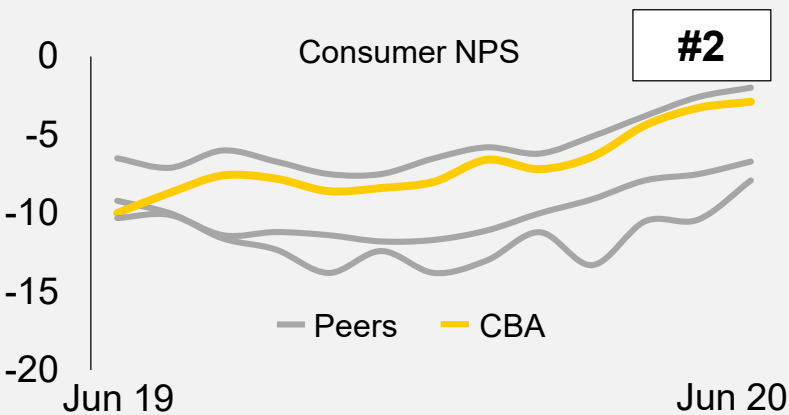


# Retail Banking Services (RBS)<sup>1</sup>

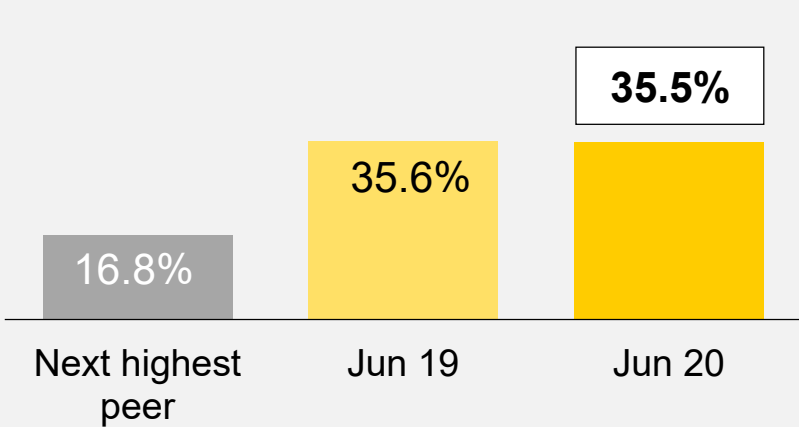
Operational execution – improved NPS – volume growth above system – income up 5%



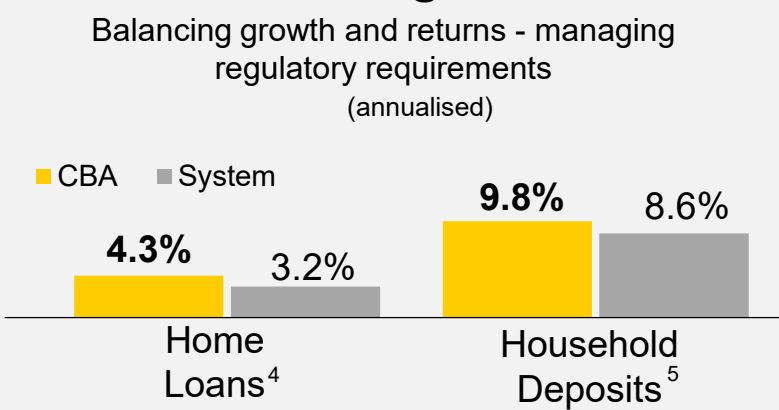
## Net Promoter Score<sup>2</sup>



## MFI Share<sup>3</sup>

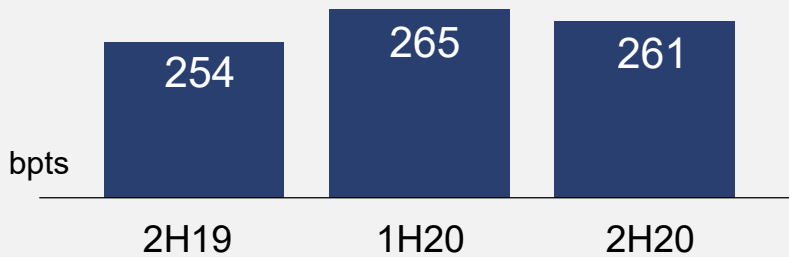


## Volume growth



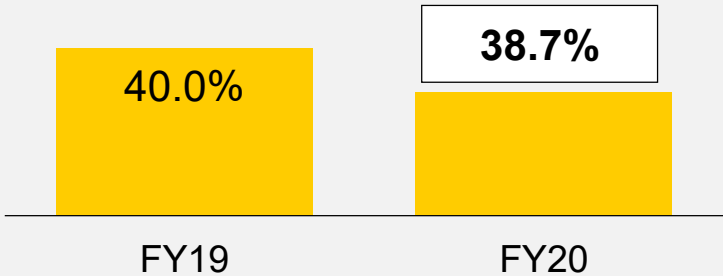
## Margin

Lower wholesale funding costs & home loan repricing offset by increased competition, lower deposit margins and mix



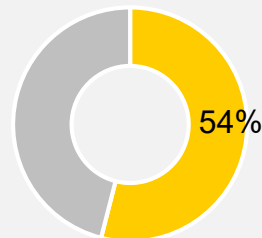
## Cost-to-income

Volume growth supporting a reduced cost-to-income ratio



## Financials

% Group NPAT<sup>6</sup>



\$m	Jun 20	%
Income	10,819	5
Expense	(4,191)	1
Impairment	(1,010)	50
NPAT	3,949	2

Income – volume growth, basis risk & repricing benefit offset by discounting  
Expense – inflation, compliance and operational losses  
Impairment – COVID-19 related impacts

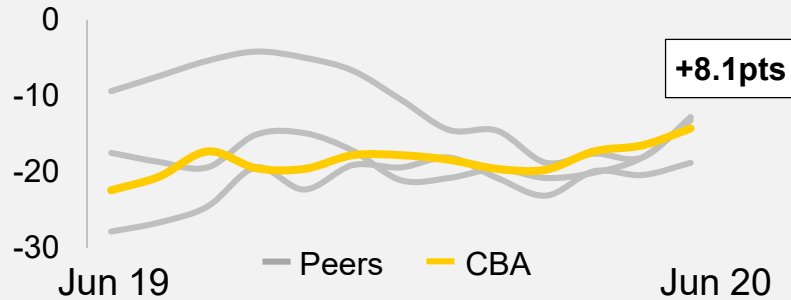
1. Includes Bankwest and Commonwealth Financial Planning, excludes General Insurance and Mortgage Broking consolidation. 2. Source: DBM Consultants. 3. Source: Roy Morgan Single Source survey conducted by Roy Morgan, Australian population 14+ (12 month averages to June 2020), excl. unable to identify MFI. 4. Source: RBA Lending and Credit Aggregates. RBA collection data was aligned to the new regulatory definitions set by APRA from 1 July 2019, therefore volume growth has been calculated for the 11 months to June 2020. 5. Growth over 12 month period to June 2020. Source: APRA Monthly Authorised Deposit-taking Institution Statistics (MADIS). 6. Group Cash NPAT excludes Corporate Centre and Other.

# Business and Private Banking (BPB)

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

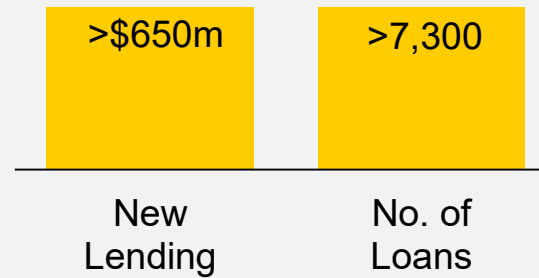
## Net Promoter Score<sup>1</sup>

In June, CBA achieved its highest NPS score in the last 2 years with an improvement of 8.1pts over the year



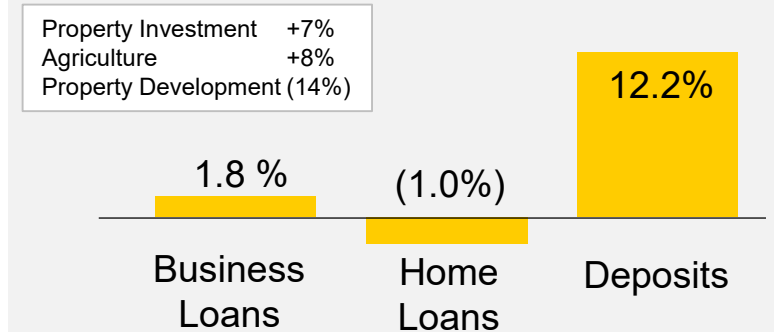
## SME Guarantee Loan Scheme<sup>2</sup>

CBA has funded more than 50% of all SME Guarantee Loans issued to businesses across Australia



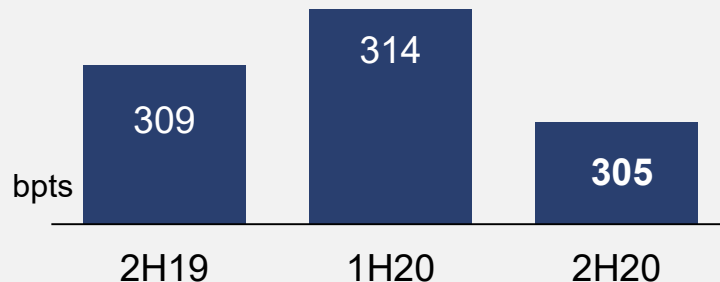
## Volume growth

Jun 20 vs Jun 19



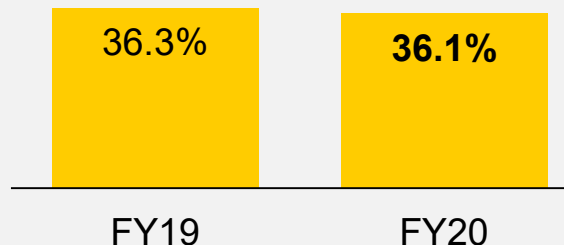
## Margin

Lower business lending and deposit margins in the half, partly offset by higher home lending margins.



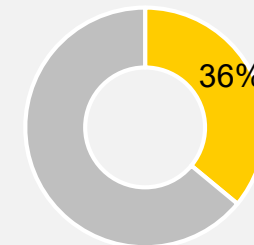
## Cost-to-income

Benefitting from lower remediation expense offset by continued investment in business banking product offerings and distribution capabilities



## Financials

% Group NPAT<sup>3</sup>



\$m	June 20	%
Income	7,219	1
Expense	(2,606)	-
Impairment	(814)	large
<b>NPAT</b>	<b>2,654</b>	<b>(9)</b>

Income – Flat NIM over the year with higher fee income from equities  
Expense – Lower remediation costs offset by investment in capability  
Impairment – COVID-19 related impacts

# Institutional Banking and Markets (IB&M)

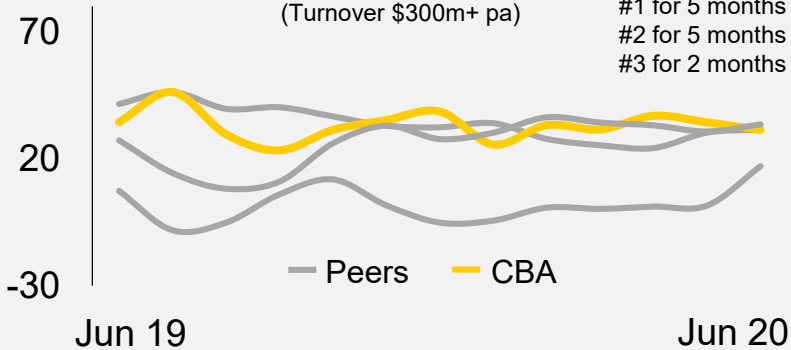
Combining global connectivity and capability to build a better Australia



## Net Promoter Score

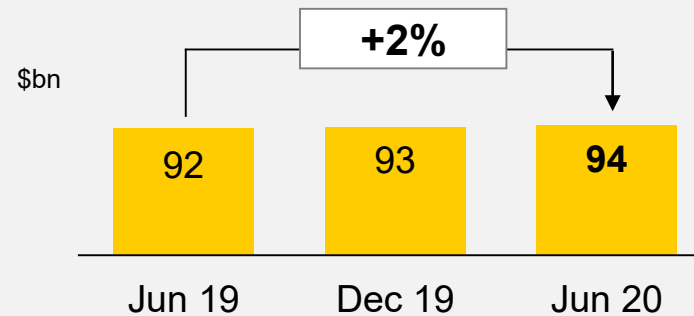
Institutional NPS<sup>1</sup>  
(Turnover \$300m+ pa)

#1 for 5 months  
#2 for 5 months  
#3 for 2 months



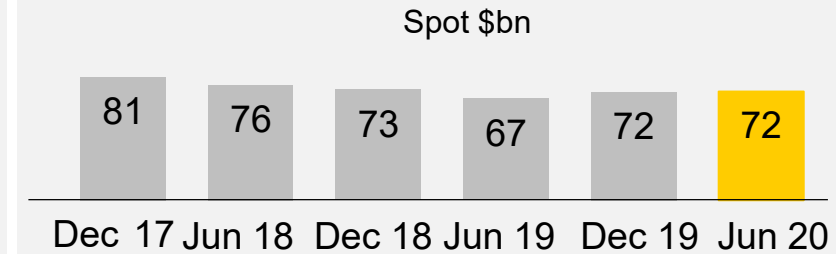
## IB&M Lending

Higher drawdown of warehouse facilities



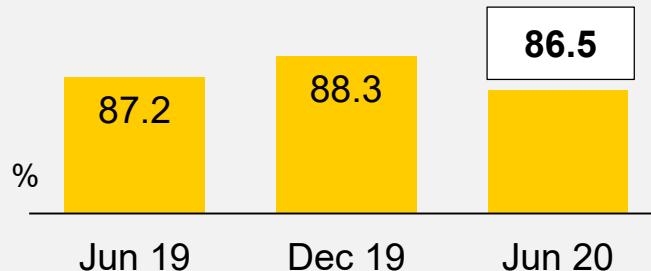
## Credit RWAs

FY20 growth driven by regulatory changes, foreign currency movements and a deterioration in credit quality



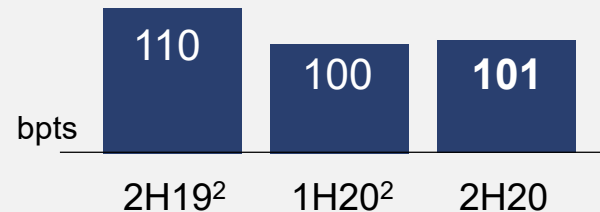
## Asset quality

Institutional committed exposures rated investment grade



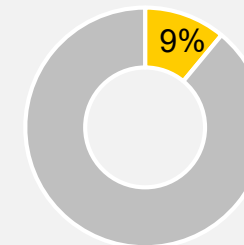
## Net Interest Margin

Higher HoH margin in FY20 driven by higher Markets income, partly offset by lower earnings on equity, loss on finance leases and reduced deposits margin



## Financials

% Group NPAT<sup>3</sup>



\$m	Jun 20	%
Income	2,300	(7)
Expense	(1,022)	1
Impairment	(347)	Lge
<b>NPAT</b>	<b>655</b>	<b>(41)</b>

Income – aircraft impairment, lower deposit margins, higher Markets  
Expense – productivity initiatives offset by higher risk/compliance  
Impairment – COVID-19 related impacts

1. Turnover \$300m+ pa, as at Jun 20. Source: DBM Consultants. 2. Comparative information has been restated to conform to presentation in the current period. 3. Group Cash NPAT excludes Corporate Centre and Other.



## Strong deposit growth, partly offset by COVID-19 driven impairments and higher expenses

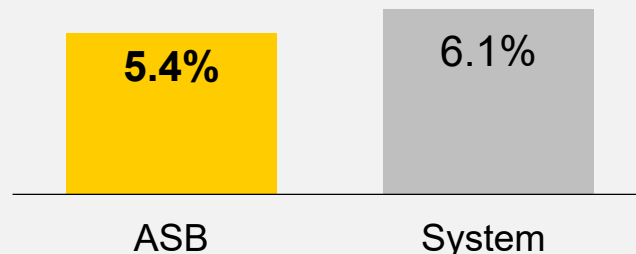
### COVID-19 Customer Support

ASB has provided support to customers through COVID-19 relief packages, including loan repayment deferrals and temporary overdrafts

Support packages	Customers #	Value \$m
Personal customers	21,237	6,377
Business customers	10,306	5,238

### Home Lending

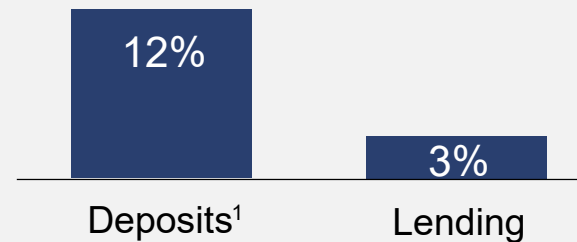
12 months to Jun 20



### Volume growth

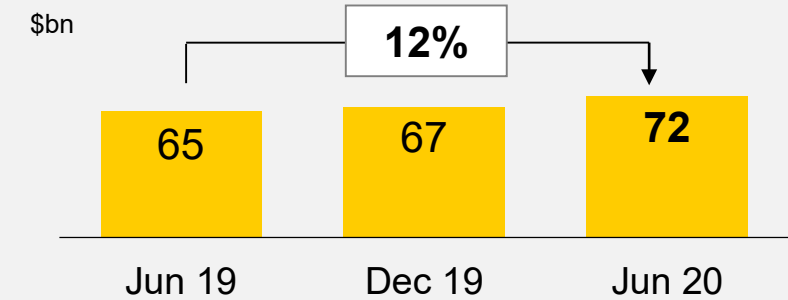
Strong deposit volume growth

12 months to Jun 20



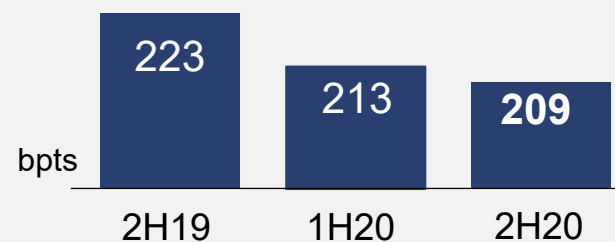
### Deposits

Strong deposit growth reflecting heightened system liquidity



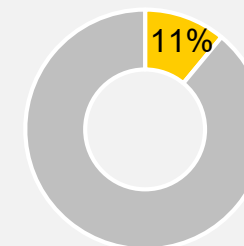
### Margin

Declining margin reflecting the lower interest rate environment impacting deposit margins



### Financials

% Group NPAT<sup>2</sup>



\$m	Jun 20	%
Income	2,725	(1)
Expense	(1,078)	11
Impairment	(306)	large
<b>NPAT</b>	<b>967</b>	<b>(20)</b>

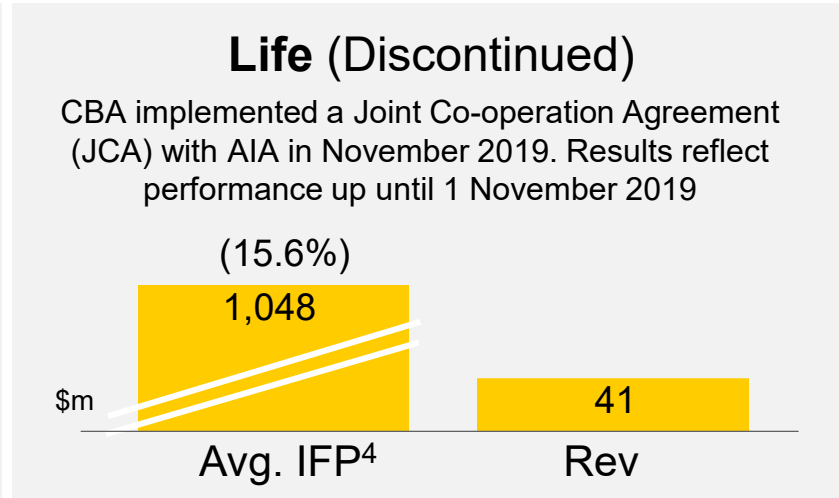
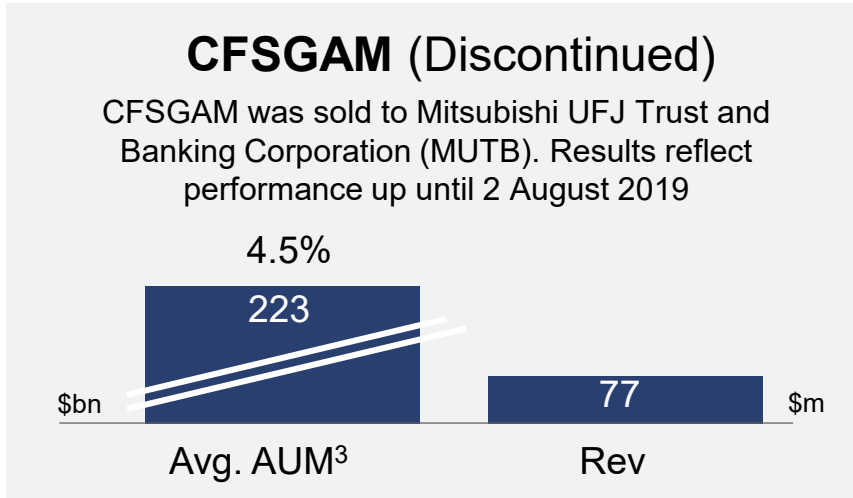
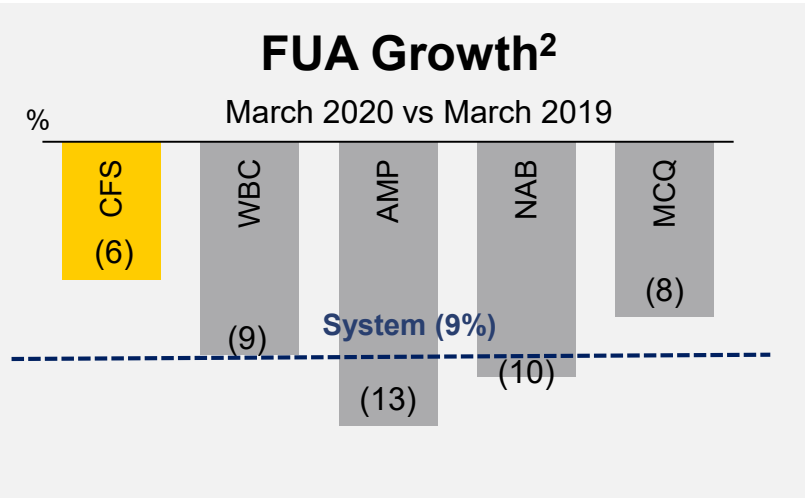
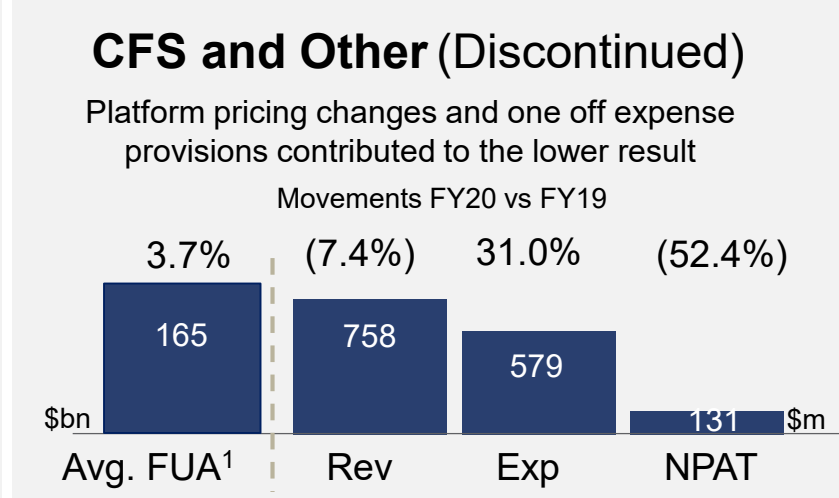
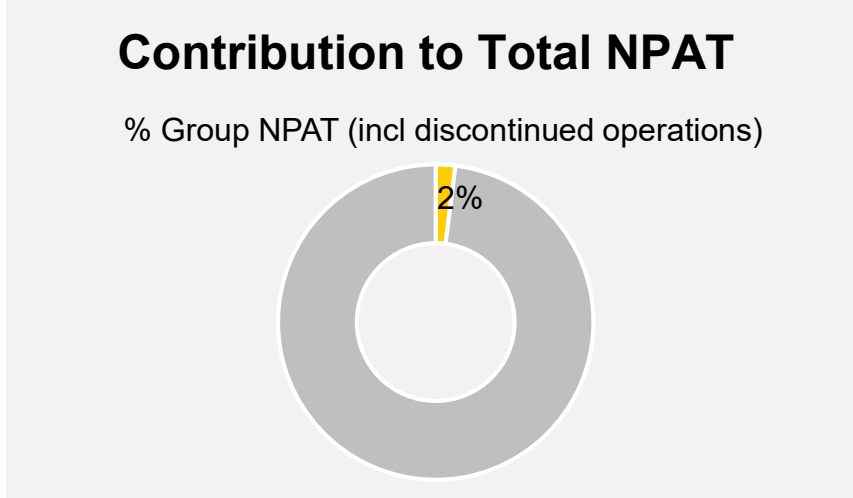
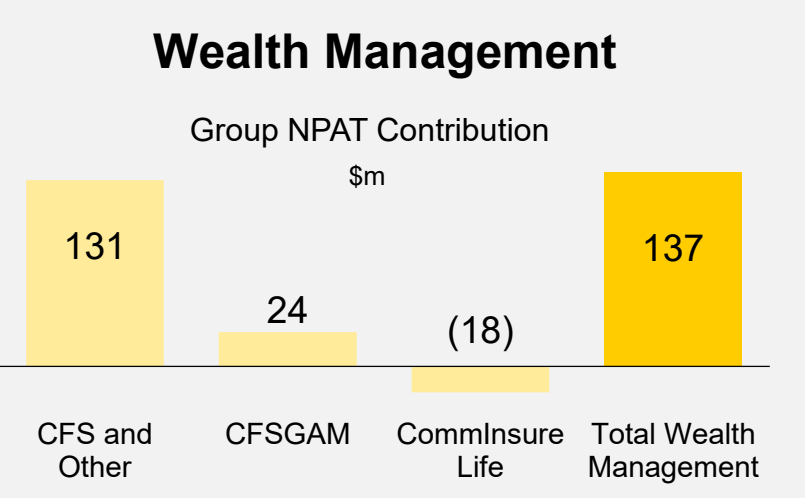
Income – Lower NIM, partly offset by volume growth  
Expense – Staff, technology and risk/compliance costs  
Impairment – COVID-19 related impacts

1. Includes non-interest bearing deposits. 2. Group Cash NPAT excludes Corporate Centre and Other.

# Wealth



## Discontinued operations impacted by one off expense provisions



1. Incorporates the results of Colonial First State, Group Super and CommInsure Life Investments has been calculated using the average for the period the Group operated CommInsure Life up until 1 November 2019. 2. Source: Strategic Insights Retail FUA. 3. AUM average has been calculated using the average for the period the Group owned CFSGAM up until 2 August 2019. 4. Inforce Premium average has been calculated using the average for the period the Group owned CommInsure Life up until 1 November 2019.



# Home and Consumer Lending

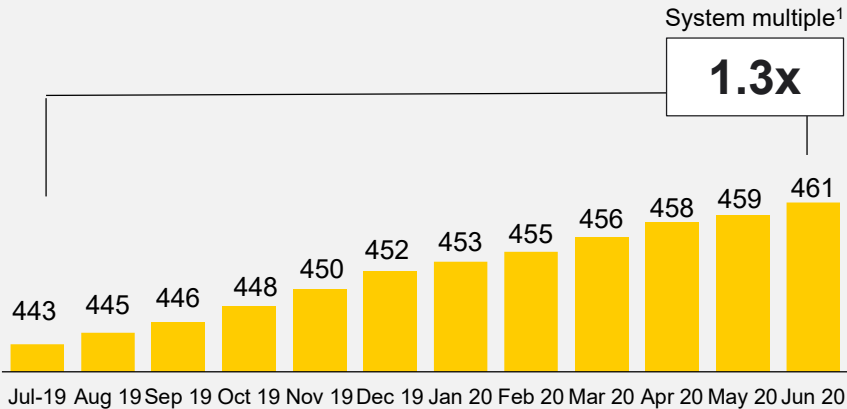


# Home lending overview

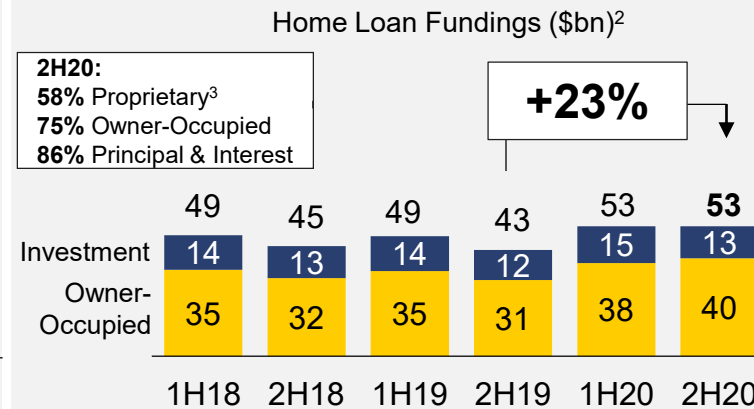
## Process efficiency – above system growth - strong risk profile



### Consistent balance growth

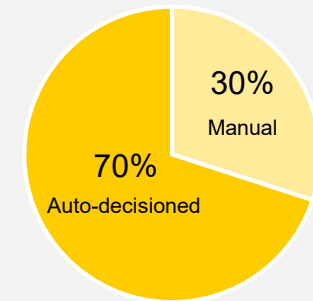


### Growth driven by new fundings

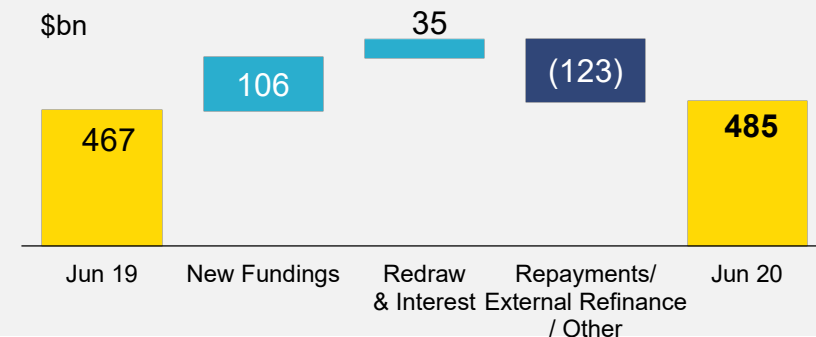


### Assisted by process efficiencies

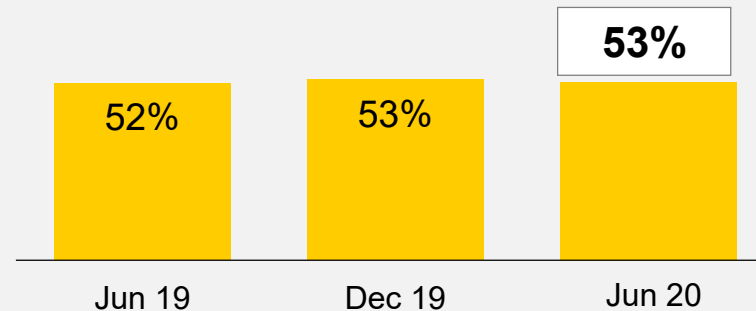
Proprietary - % of loans auto-decided same day<sup>4</sup>



### Net growth reflects the combination of new lending, redraws and run-off<sup>5</sup>

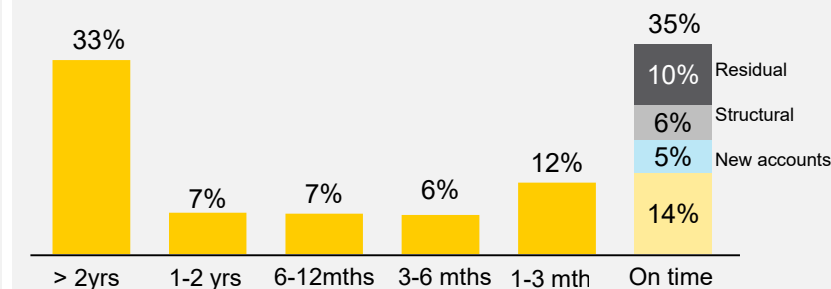


### Portfolio LVR is relatively stable<sup>6</sup>



### Strong repayment buffers in place<sup>7</sup>

(Payments in advance<sup>8</sup>, % of accounts)



1. System source: RBA Lending and Credit Aggregates. RBA collection data was aligned to the new regulatory definitions set by APRA from 1 Jul 19, therefore system multiple has been calculated for the 11 months to June 2020 annualised. 2. Includes RBS internal refinancing, excludes Viridian Line of Credit (VLOC) and excludes Bankwest internal refinancing. 3. Excludes Bankwest. 4. Excludes Bankwest. 70% auto-decided is FY20 average. 5. Presented on a gross basis before value attribution to other business units. Includes RBS internal refinancing, VLOC and excludes Bankwest internal refinancing. 6. Based on accounts. Includes Bankwest, Line of Credit and Reverse Mortgage. 7. Includes offset facilities, excludes loans in arrears. 8. Defined as the number of monthly payments ahead of scheduled repayments.

# Serviceability assessment<sup>1</sup>

## Tighter serviceability and underwriting standards in the current environment

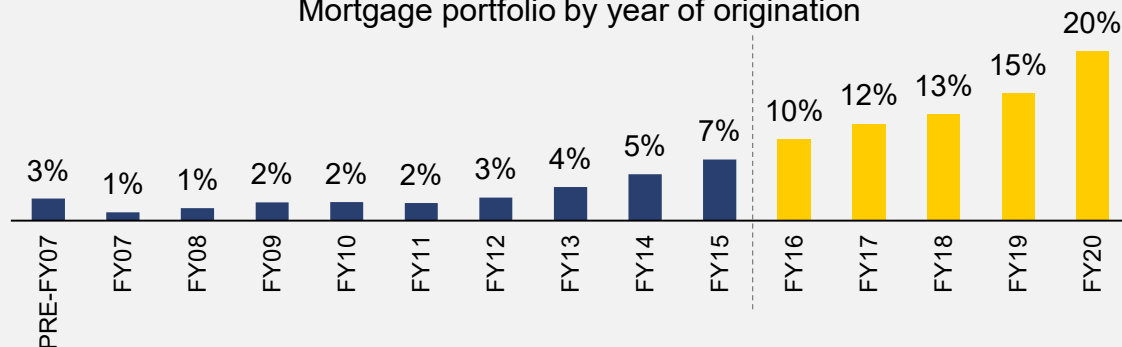


### Stricter assessment criteria applied progressive from April 2020<sup>2</sup>

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

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

Mortgage portfolio by year of origination



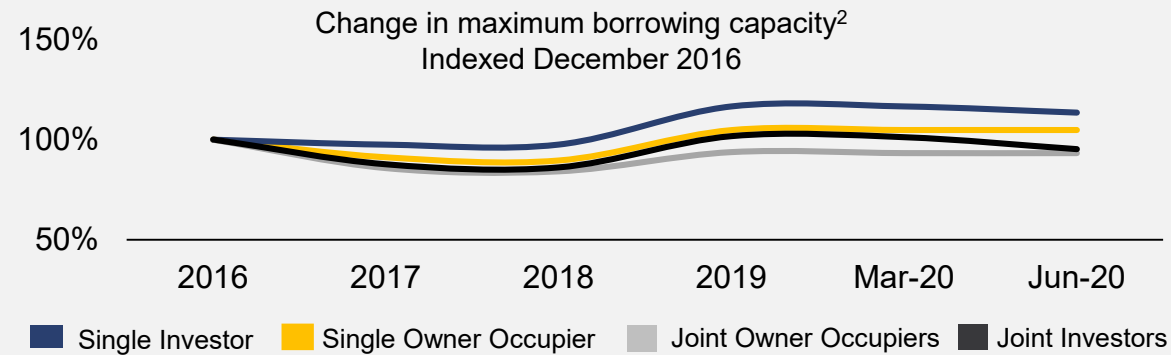
### New Loan Assessment

Income	<ul style="list-style-type: none"><li>■ All income used in application to assess serviceability is verified</li><li>■ 80% or lower cap on less stable income sources (e.g rent, bonus, overtime)</li><li>■ Applicants reliant on less stable sources of income manually decisioned</li><li>■ 90% cap on tax free income, including Government benefits</li><li>■ Limits on investor income allowances, e.g. RBS restrict rental yield to 4.8% and use of negative gearing where LVR&gt;90%</li></ul>
Living Expenses	<ul style="list-style-type: none"><li>■ Living expenses captured for all customers</li><li>■ Servicing calculations use the higher of declared expenses or HEM adjusted by income and household size</li></ul>
Interest Rates	<ul style="list-style-type: none"><li>■ Assess customer ability to pay based on the higher of the customer rate plus serviceability buffer or minimum floor rate</li><li>■ Interest Only (IO) loans assessed on principal and interest basis over the residual term of the loan</li></ul>
Existing Debt	<ul style="list-style-type: none"><li>■ All existing customer commitments are verified</li><li>■ Review of transaction statements to identify undisclosed debts</li><li>■ Automatic review of CBA personal transaction account and Comprehensive Credit Reporting (CCR) data to identify undisclosed customer obligations</li><li>■ For repayments on existing mortgage debt:<ul style="list-style-type: none"><li>■ CBA &amp; OFI repayments recalculated using the higher of the actual rate plus a buffer or minimum floor over remaining loan term</li><li>■ Credit cards repayments calculated at an assessment rate of 3.82%</li></ul></li></ul>

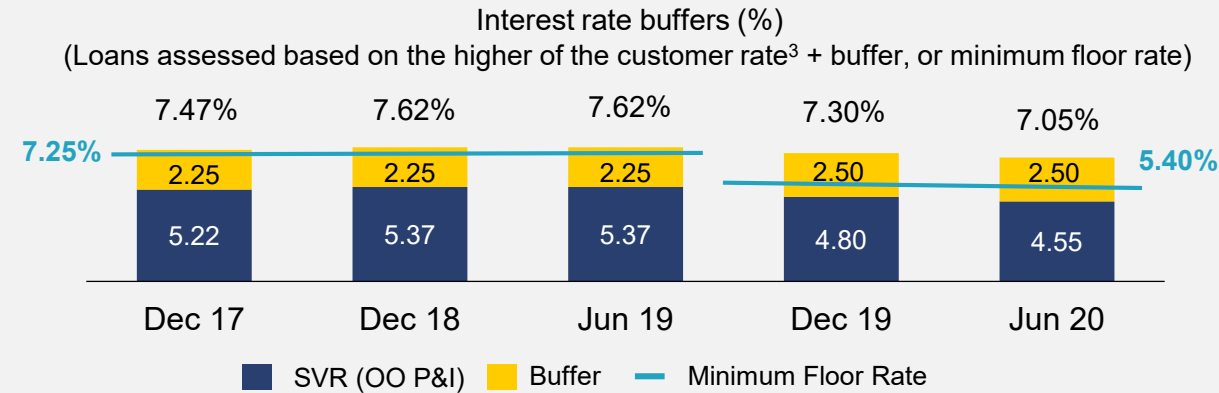
# Borrowing capacity<sup>1</sup>

## Maintaining credit availability – lending growth well within risk appetite

Reduced borrowing capacity for investors due to lower interest rates impacting negative gearing



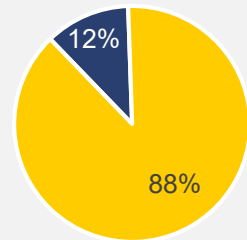
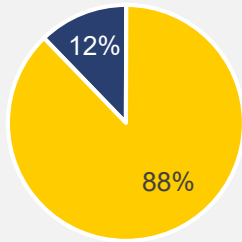
Lower floor rates supportive - broadly offsetting impact of revised HEM



Additional capacity to borrow<sup>4</sup> remains stable

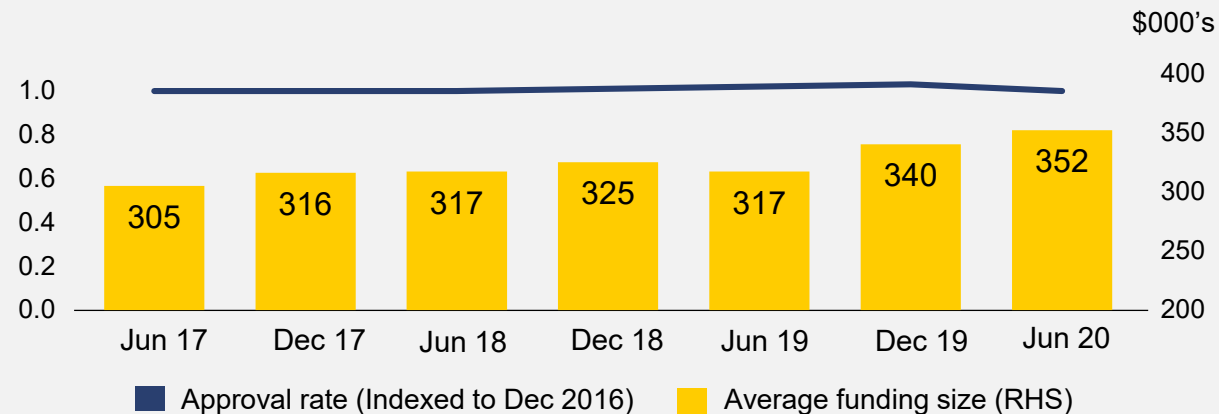
Dec 19

Jun 20



Legend: CBA applicants with additional capacity to borrow (Yellow), CBA applicants who borrowed at capacity (Dark Blue)

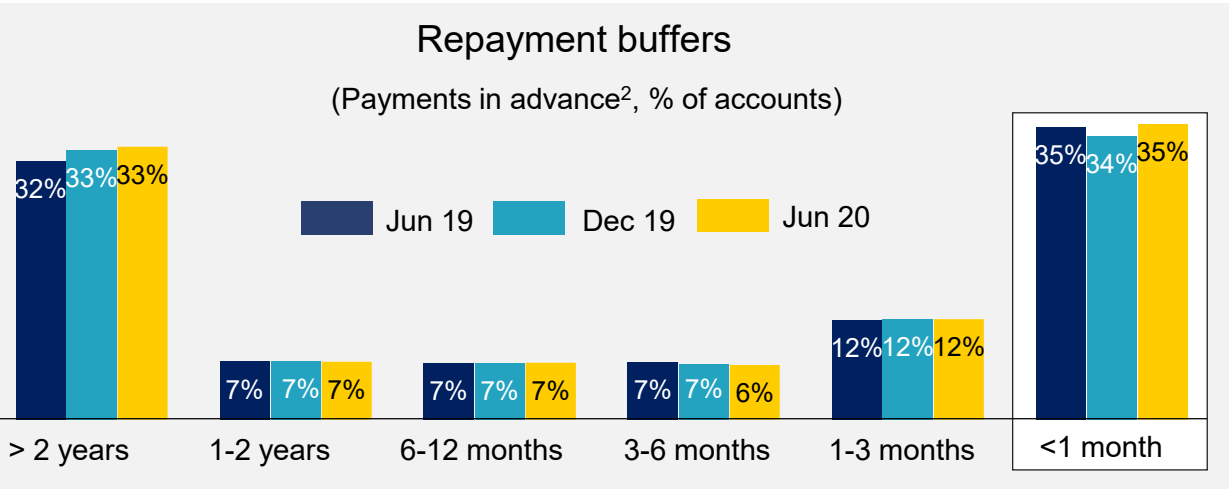
...with steady approval rates and higher average loan size<sup>5</sup>



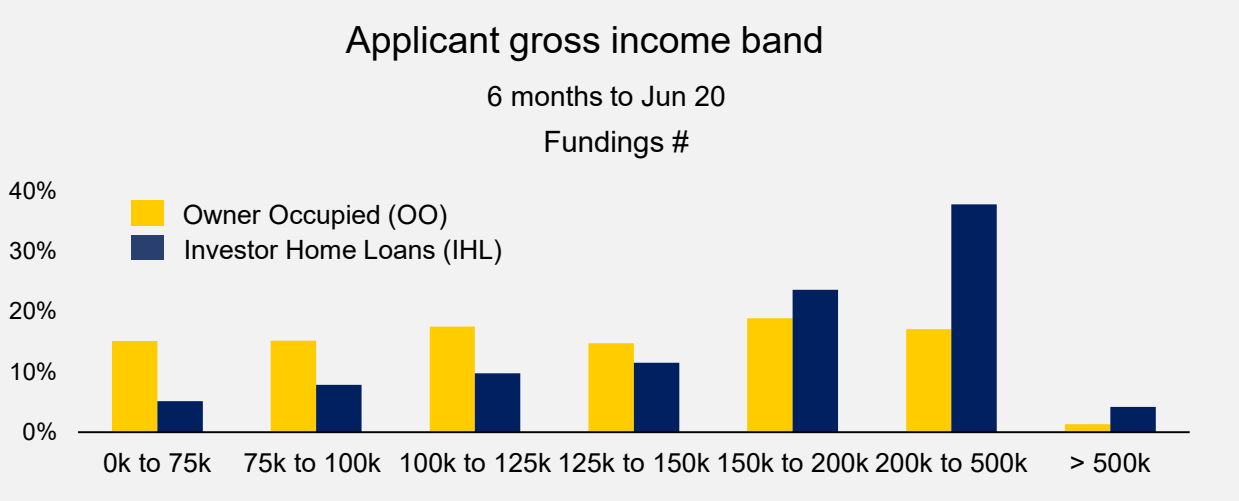
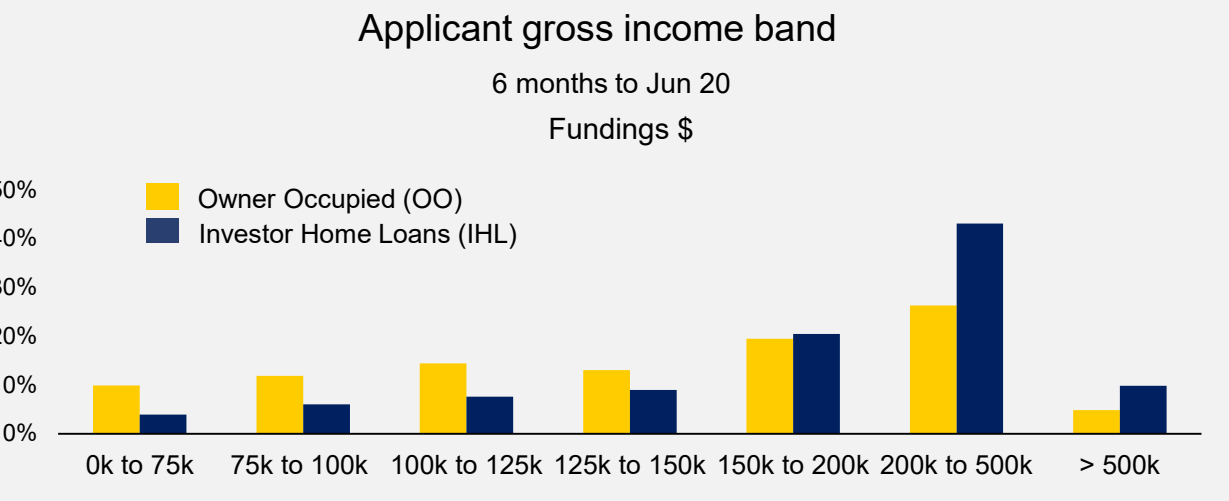
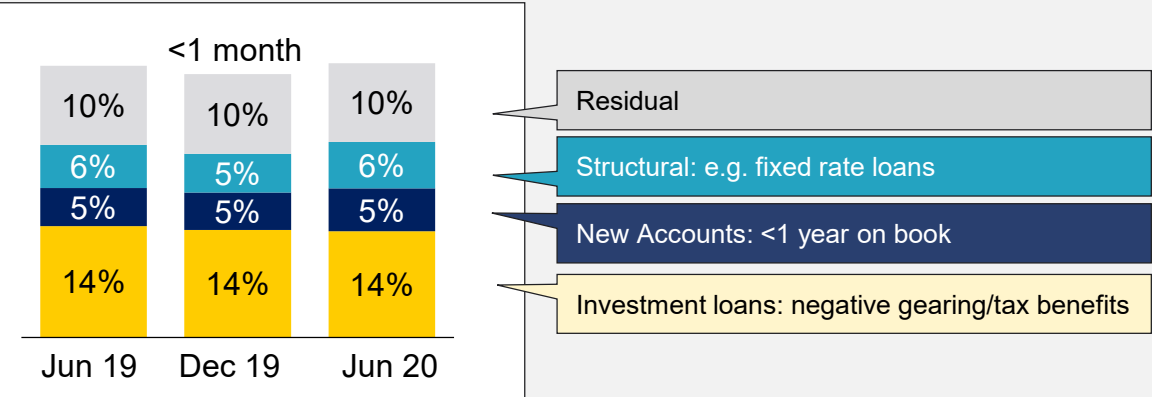
1. CBA excluding Bankwest. 2. Scenarios based on differing assumptions with respect to family types, number of dependents, loan size, income sources and existing liabilities/commitments. 3. Customer rate includes any customer discounts that may apply. 4. Applications that have passed system serviceability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

# Portfolio quality remains sound<sup>1</sup>

## Strong repayment buffers in place



Those with less than 1 month buffer include investors and new borrowers



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

# Home loan portfolio – CBA



## A balanced approach to portfolio quality, growth and returns

Portfolio <sup>1</sup>	Jun 19	Dec 19	Jun 20
Total Balances - Spot (\$bn)	467	477	485
Total Balances - Average (\$bn)	462	472	482
Total Accounts (m)	1.8	1.8	1.8
Variable Rate (%)	80	81	77
Owner Occupied (%)	66	67	68
Investment (%)	31	31	30
Line of Credit (%)	3	2	2
Proprietary (%)	54	54	54
Broker (%)	46	46	46
Interest Only (%) <sup>2</sup>	22	19	16
Lenders' Mortgage Insurance (%) <sup>2</sup>	21	21	21
Mortgagee In Possession (bpts)	6	5	3
Negative Equity (%) <sup>3</sup>	4.5	4.7	3.8
Annualised Loss Rate (bpts)	3	2	2
Portfolio Dynamic LVR (%) <sup>4</sup>	52	53	53
Customers in Advance (%) <sup>5</sup>	78	82	80
Payments in Advance incl. offset <sup>6</sup>	33	35	36
Offset Balances – Spot (\$bn)	45	49	50

New Business <sup>1</sup>	Jun 19	Dec 19	Jun 20
Total Funding (\$bn)	43	53	53
Average Funding Size (\$'000) <sup>7</sup>	320	343	354
Serviceability Buffer (%) <sup>8</sup>	2.25	2.5	2.5
Variable Rate (%)	80	90	77
Owner Occupied (%)	71	72	75
Investment (%)	28	28	25
Line of Credit (%)	1	0	0
Proprietary (%)	52	52	53
Broker (%)	48	48	47
Interest Only (%) <sup>9</sup>	22	20	19
Lenders' Mortgage Insurance (%) <sup>2</sup>	18	19	18

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

2. Excludes Line of Credit (Viridian LOC/Equity Line).

3. Negative equity arises when the outstanding loan balance (less offset balances) exceeds updated house value. Based on outstanding balances, taking into account both cross-collateralisation and offset balances. Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loans and Residential Mortgage Group.

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

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

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

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

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

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

# Home loan portfolio – CBA ex Bankwest



## A balanced approach to portfolio quality, growth and returns

Portfolio <sup>1</sup>	Jun 19	Dec 19	Jun 20
Total Balances - Spot (\$bn)	395	403	411
Total Balances - Average (\$bn)	391	399	407
Total Accounts (m)	1.5	1.6	1.6
Variable Rate (%)	79	81	77
Owner Occupied (%)	65	66	67
Investment (%)	32	31	31
Line of Credit (%)	3	3	2
Proprietary (%)	59	59	59
Broker (%)	41	41	41
Interest Only (%) <sup>2</sup>	22	19	16
Lenders' Mortgage Insurance (%) <sup>2</sup>	19	19	19
First Home Buyers (%)	9.7	9.7	9.7
Mortgagee In Possession (bpts)	5	5	3
Annualised Loss Rate (bpts)	3	2	2
Portfolio Dynamic LVR (%) <sup>3</sup>	51	52	51
Customers in Advance (%) <sup>4</sup>	77	80	78
Payments in Advance incl. offset <sup>5</sup>	35	37	37
Offset Balances – Spot (\$bn)	39	42	43

New Business <sup>1</sup>	Jun 19	Dec 19	Jun 20
Total Funding (\$bn)	36	44	47
Average Funding Size (\$'000) <sup>6</sup>	317	340	352
Serviceability Buffer (%) <sup>7</sup>	2.25	2.5	2.5
Variable Rate (%)	80	90	75
Owner Occupied (%)	70	71	74
Investment (%)	29	29	26
Line of Credit (%)	1	0	0
Proprietary (%)	59	58	58
Broker (%)	41	42	42
Interest Only (%) <sup>8</sup>	22	20	18
Lenders' Mortgage Insurance (%) <sup>2</sup>	18	19	17
First Home Buyers (%)	11.6	12.2	12.2

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

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

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

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

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

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

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

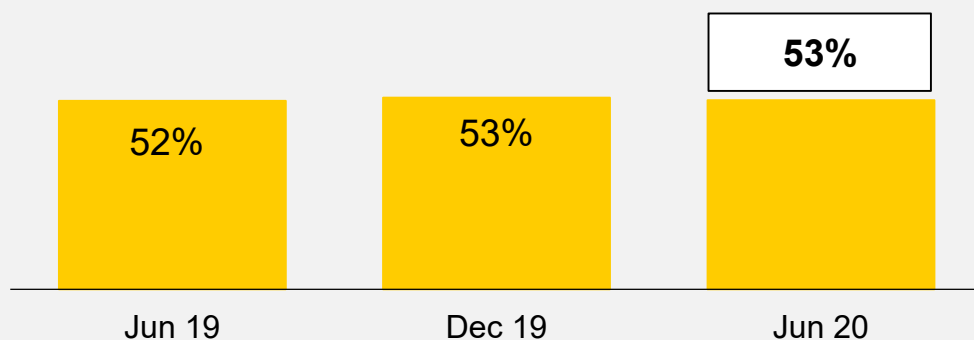
8. Based on the APRA definition of Interest Only reporting, inclusive of Construction loans.

# Portfolio LVRs<sup>1</sup>

## Portfolio LVRs stable in FY20

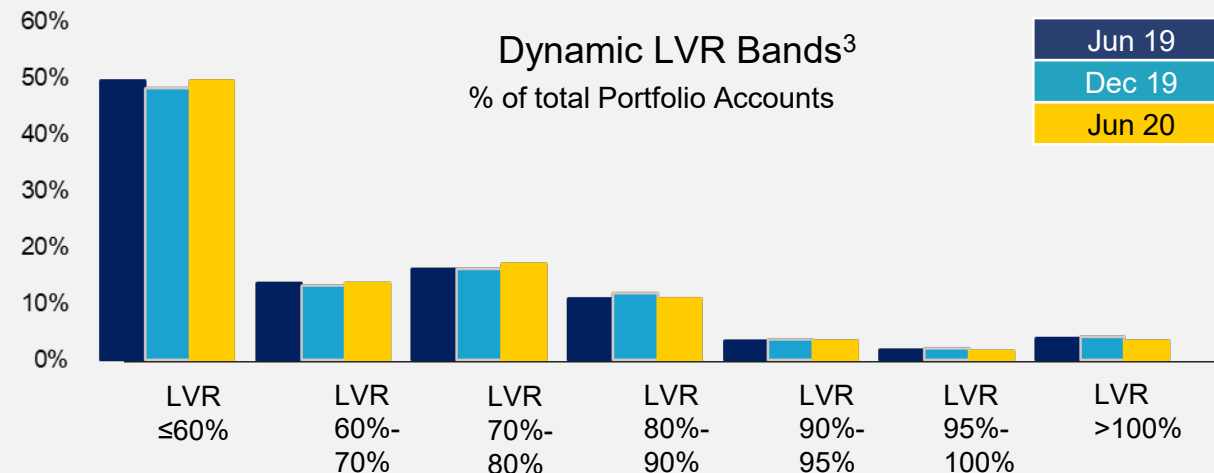


Average Portfolio Dynamic LVR<sup>2</sup>



Dynamic LVR Bands<sup>3</sup>

% of total Portfolio Accounts

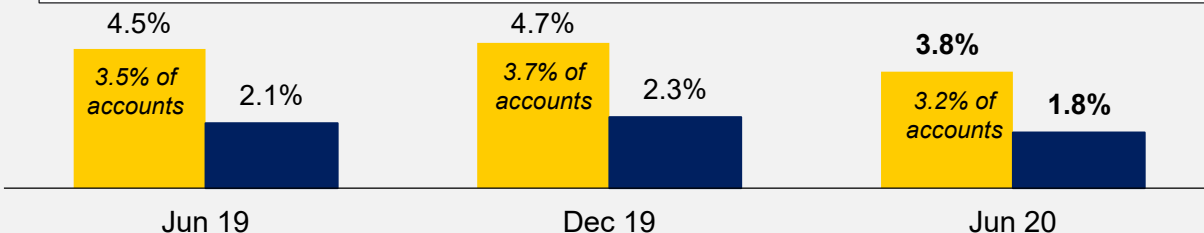


Negative Equity<sup>4</sup>

Proportion of balances in negative equity

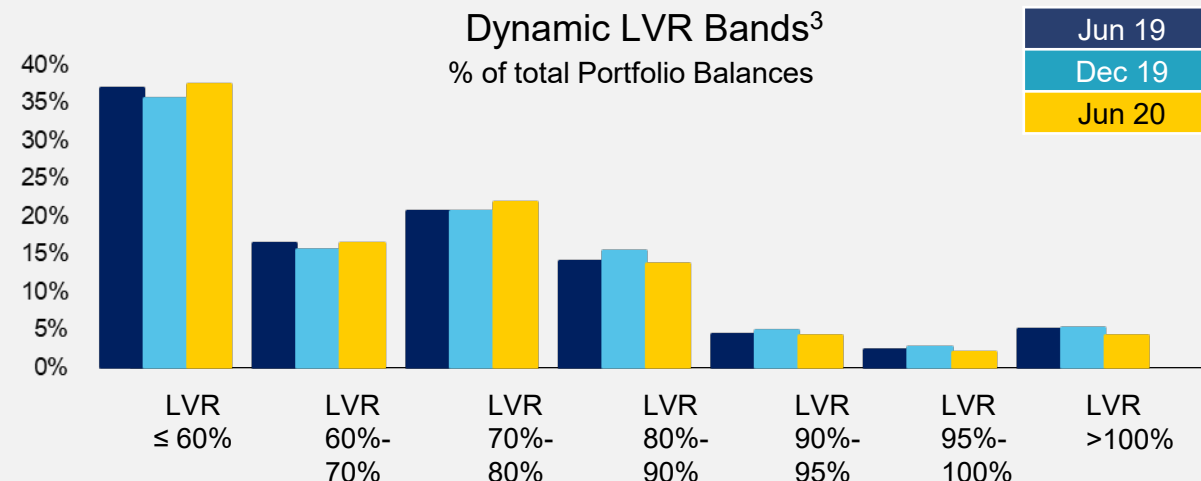
■ Negative Equity  
■ Negative Equity > \$50k

- Negative Equity balances peaked in Aug 19 (4.9%), but improved since then.
- 60% of negative equity is from WA. 69% of customers ahead of repayments.
- 55% of home loans in negative equity have Lenders Mortgage Insurance.
- CBA updates house prices monthly using internal and external valuation data.



Dynamic LVR Bands<sup>3</sup>

% of total Portfolio Balances



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

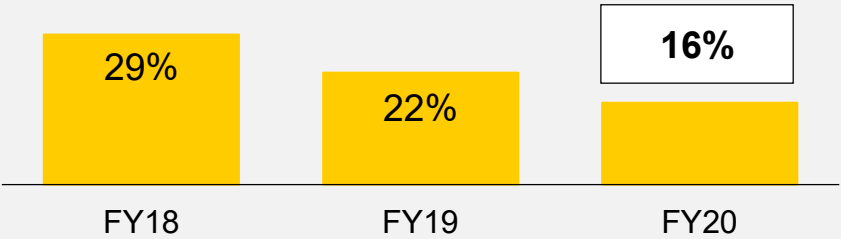


# Interest Only (IO) home loans<sup>1</sup>



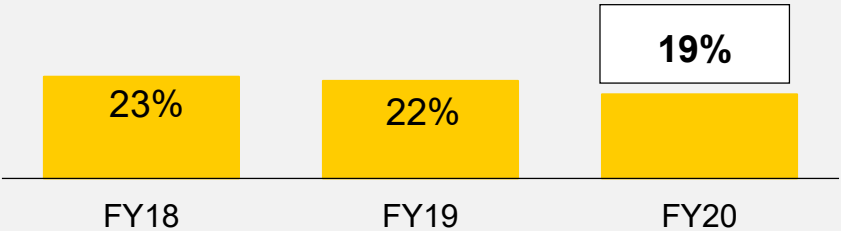
## Reducing proportion of IO home loans for total portfolio and new business flow

Proportion of IO loans reducing  
IO % of total home loans – total portfolio balance

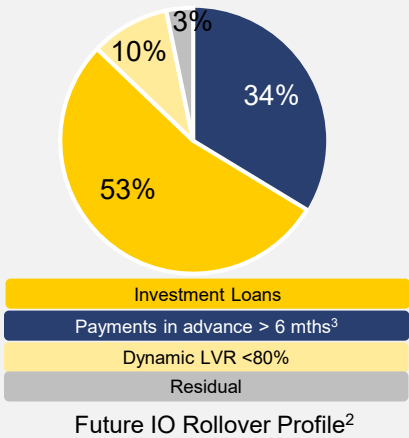
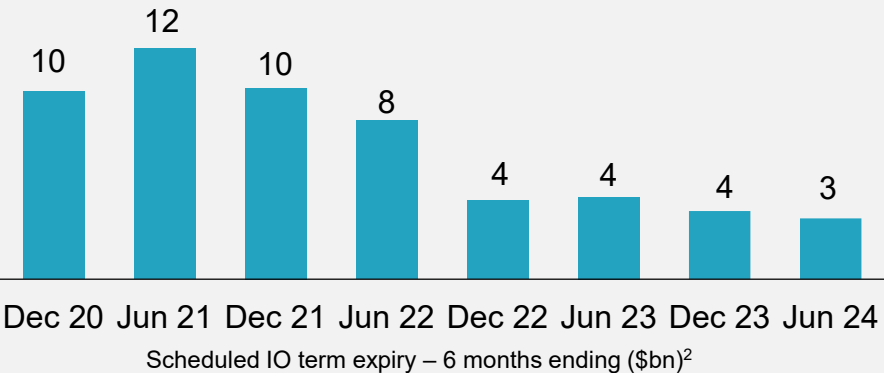
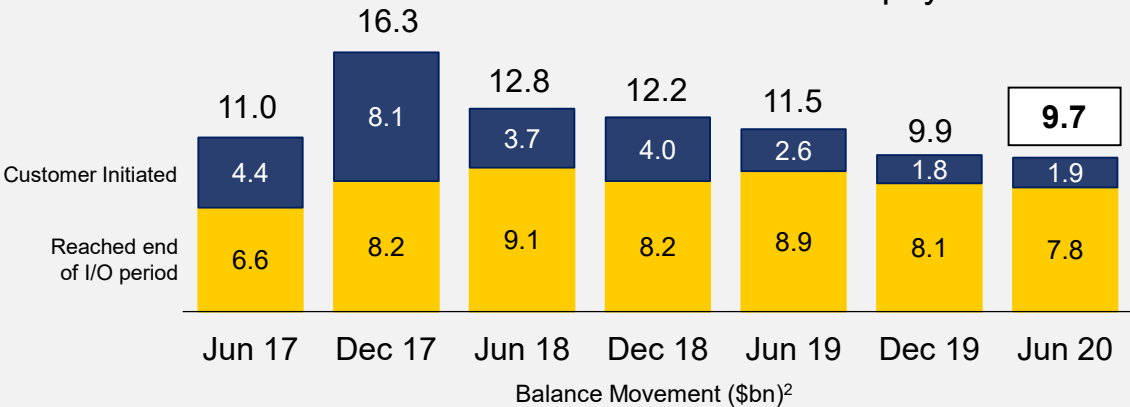


Augmented by a reducing proportion of total new business flows

IO % of total home loans – new business flow



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

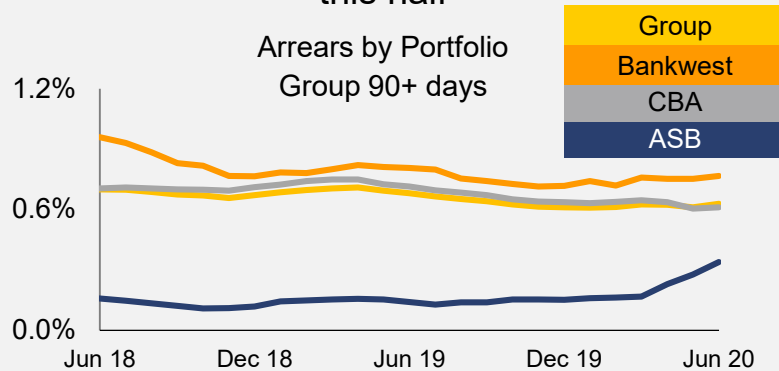


1. CBA including Bankwest unless stated otherwise. Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loan and Residential Mortgage Group. 2. Excludes Bankwest. 3. Payments in Advance defined as the number of monthly payments ahead of scheduled repayments by 6 or more months. 97

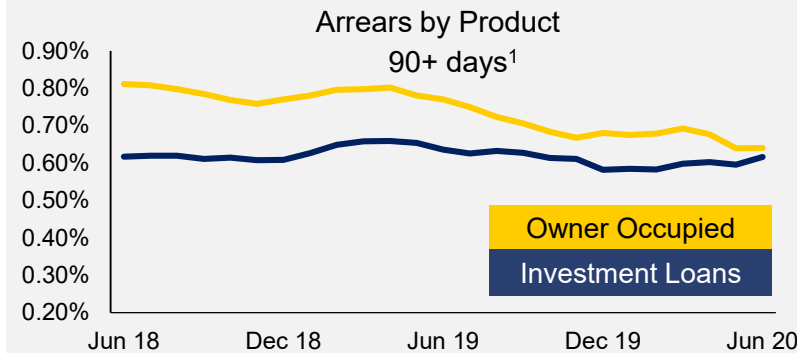
# Home loan arrears

Relatively stable due to focused collections practices, repayment deferrals and low cash rate

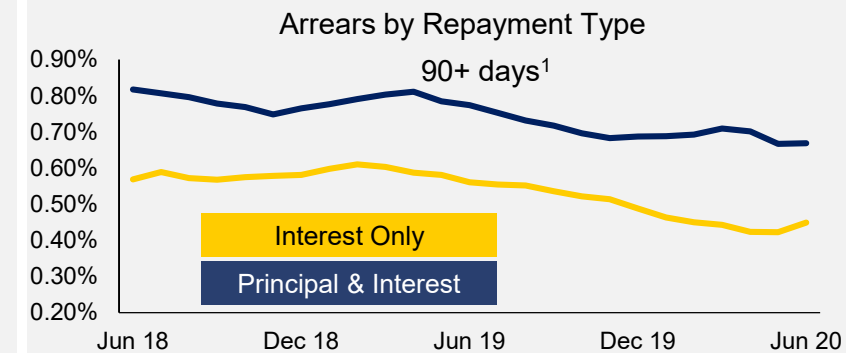
Group portfolio arrears relatively stable this half



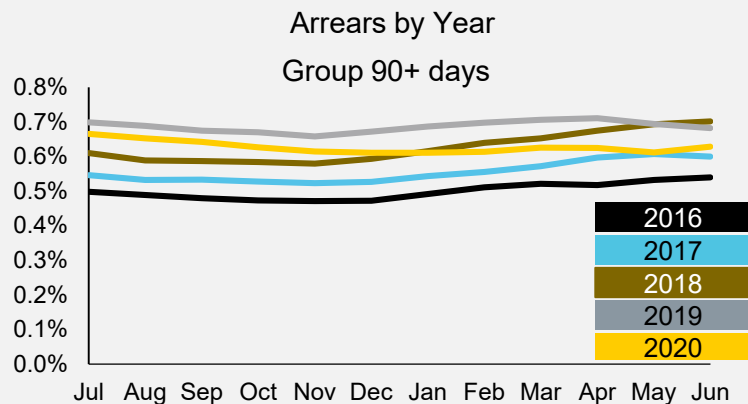
Continued downward trends on Owner Occupied



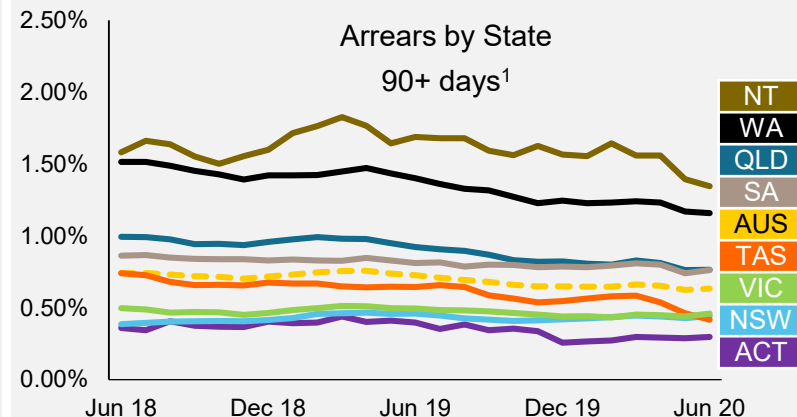
...with interest only arrears improved year-on-year, with minor deterioration in the last quarter



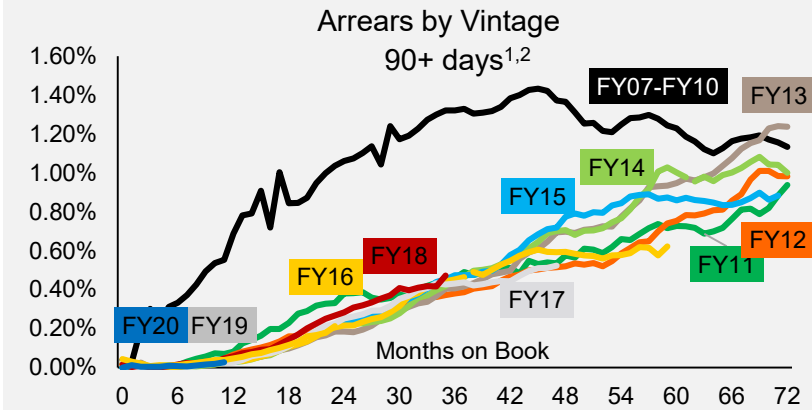
Overall arrears down on 2018/2019



Improved arrears year on year across states



Sound origination quality



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

# Home loan impairments

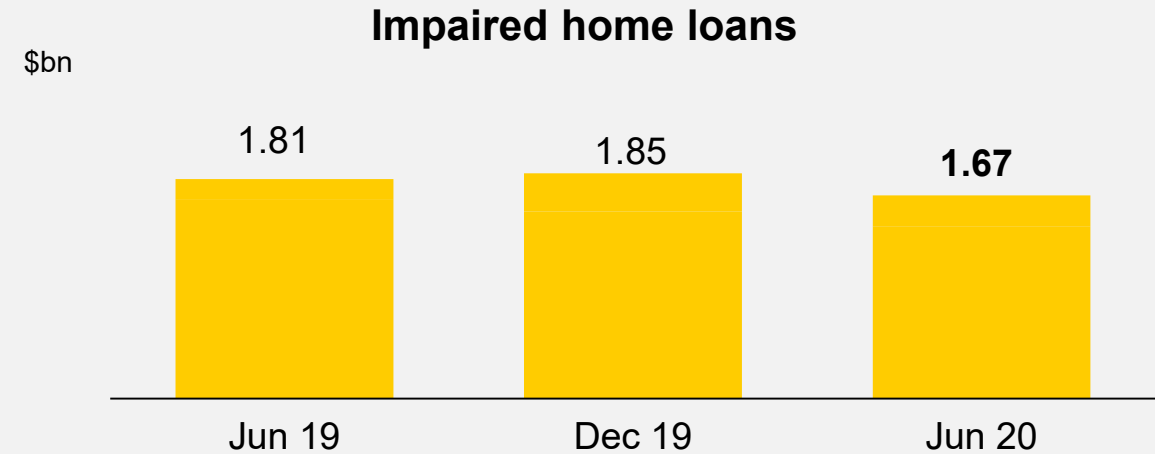
## Reduced impairments given loan repayment deferrals

### Overview

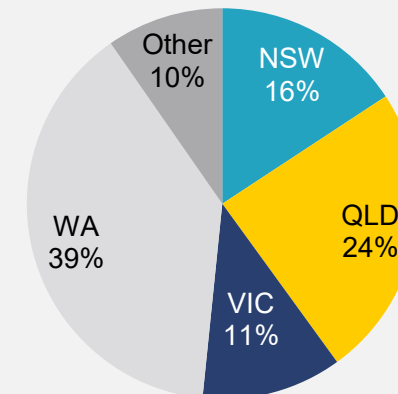
- Exits outpaced new impairments in the six months to Jun-20
- New impairment volumes reduced as a result of the take up of COVID-19 deferrals, where arrears are paused
- Highest proportion of exits from WA and QLD (~55%), reflecting improved conditions particularly in mining towns

### Process for identification of impairments<sup>1</sup>

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



### Impaired home loans – Jun 20 profile<sup>2</sup>

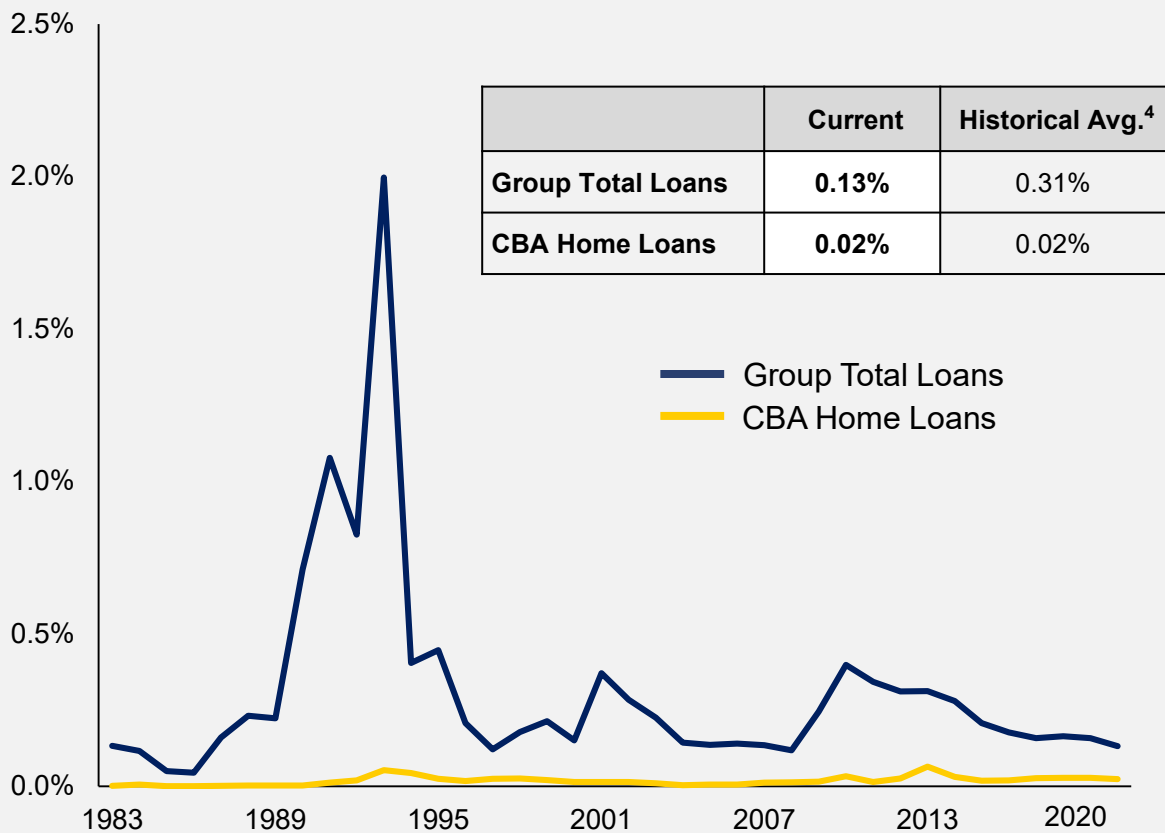


1. CBA including Bankwest. 2. CBA excluding Equity Unlock for Seniors and Residential Mortgage Group.

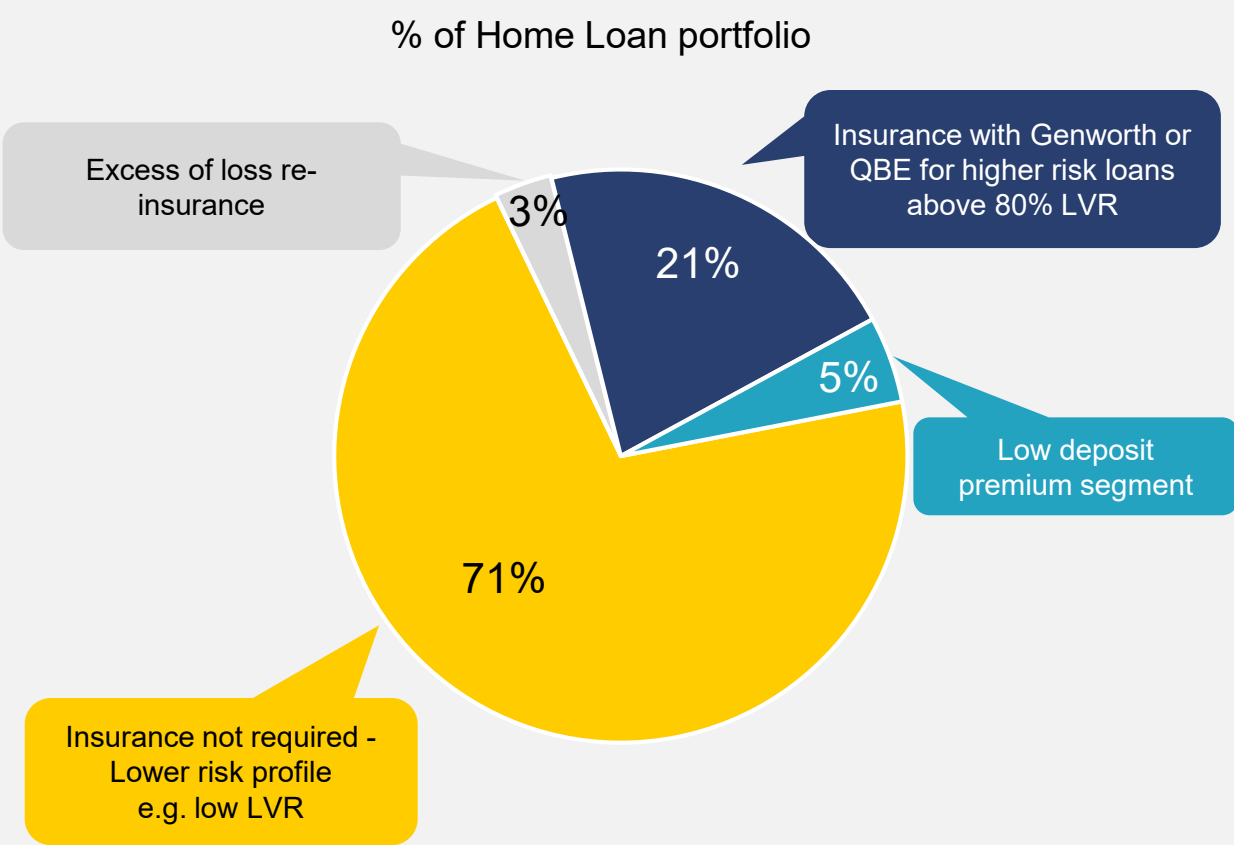
# Portfolio losses and insurance<sup>1</sup>

Portfolio losses remain historically low and manageable in a severe stress scenario

Losses to average gross loans<sup>2</sup>



Portfolio Insurance Profile<sup>3</sup>



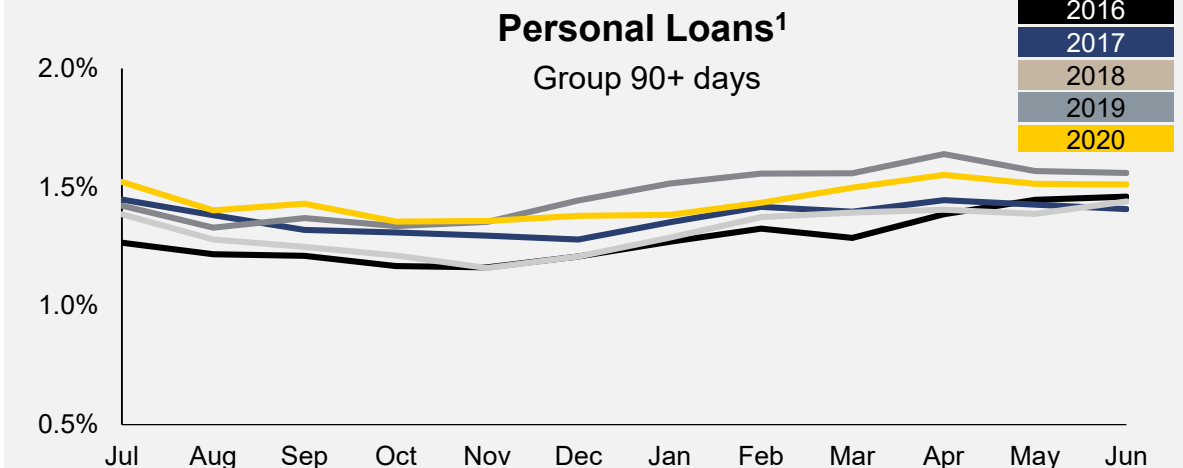
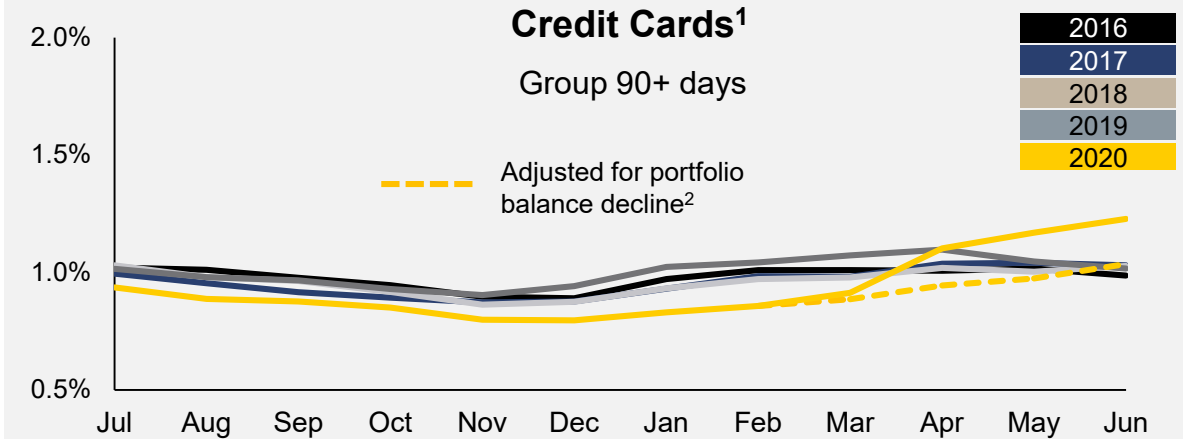
1. CBA including Bankwest. 2. Bankwest included from FY09. 3. Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loan and Residential Mortgage Group. 4. Historical average from 1983.

# Managing unsecured lending

## Personal loan arrears steady given loan deferrals – emerging stress in credit cards



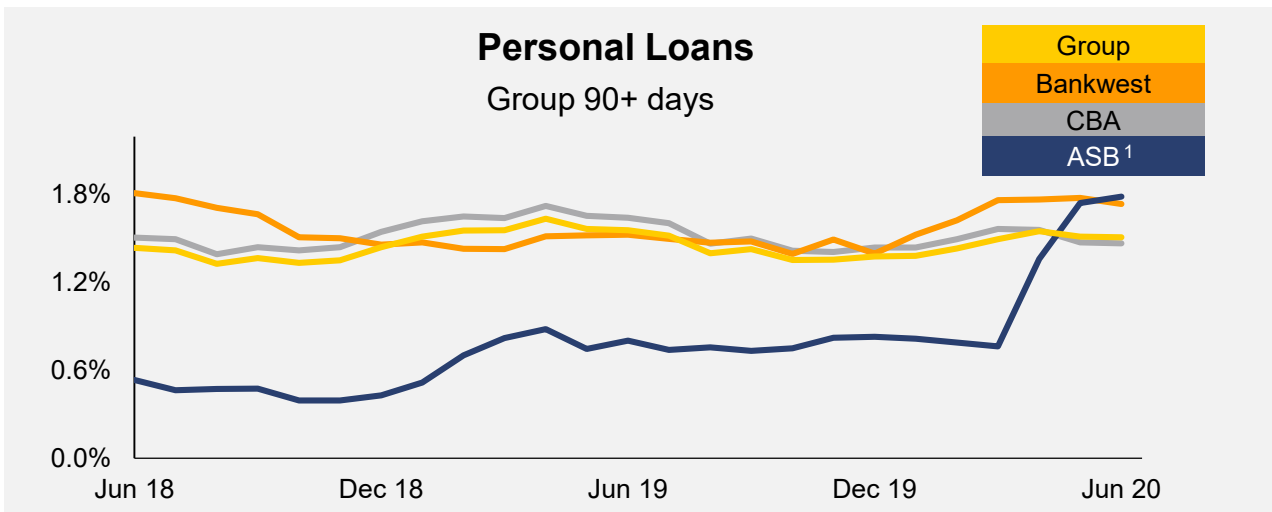
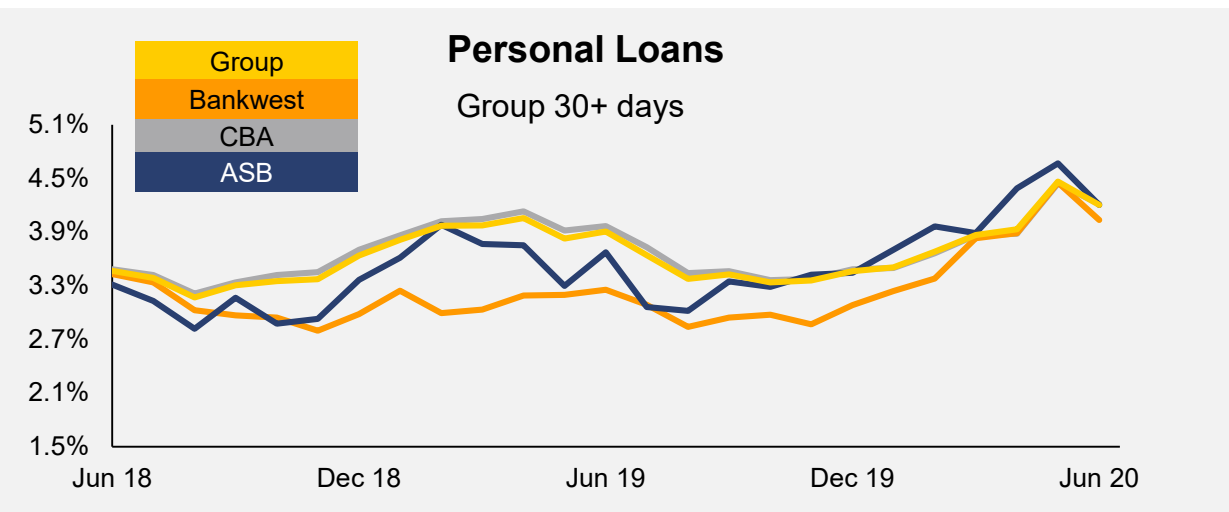
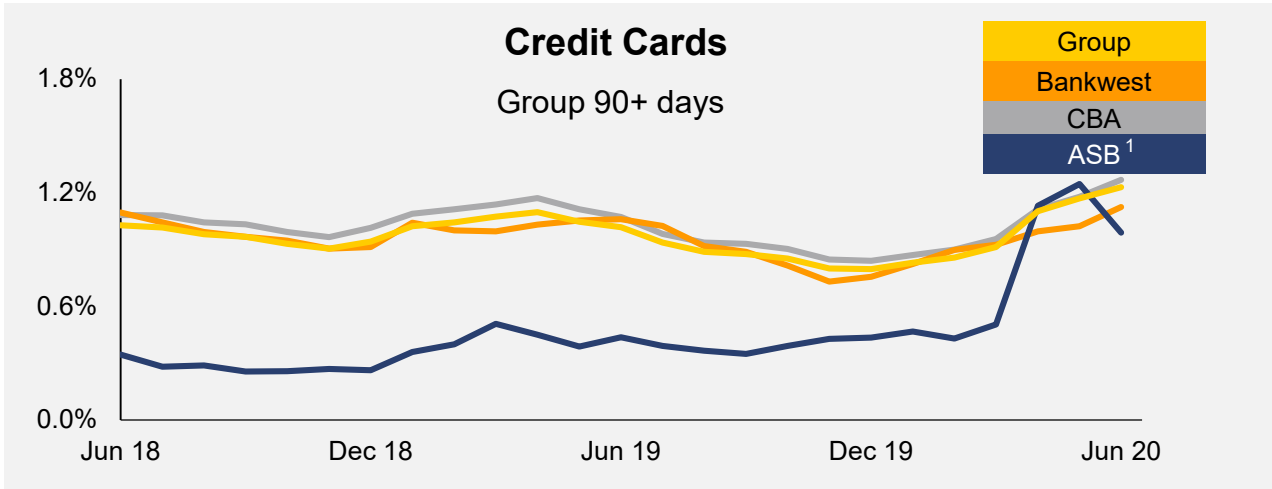
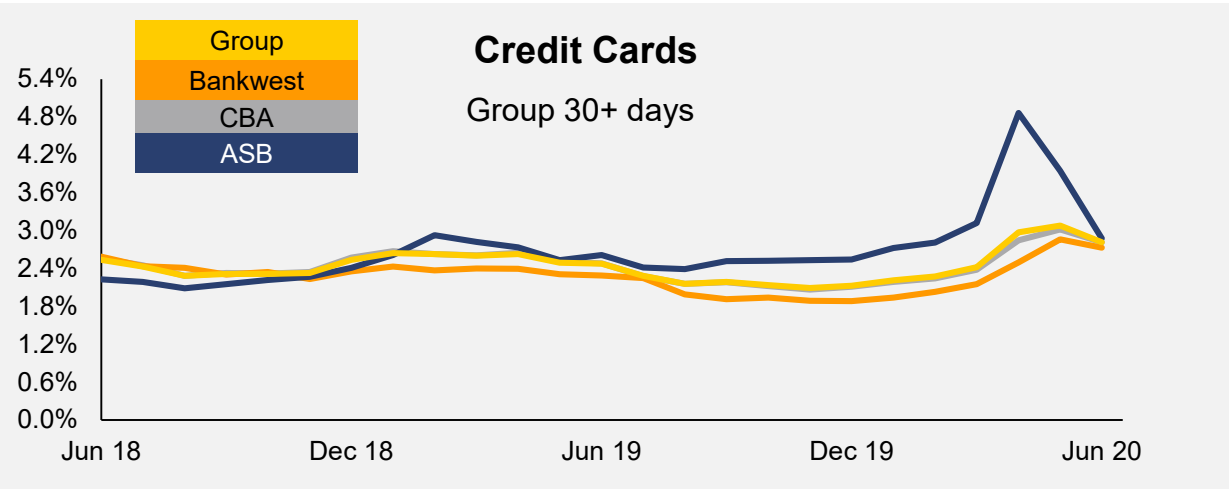
- Credit Cards arrears rates increased in 4Q20 driven by reduced portfolio balances and emerging COVID-19 related stress.
- Personal Loan arrears were broadly unchanged, with arrears paused for customers on payment deferral.
- Credit risk settings for unsecured lending tightened in line with the changing economic environment.
- Focus remains on prudent acquisition and account management, including enhanced verification for higher risk employment sectors and optimised credit limit assignment.



# Consumer arrears



Collections resources re-allocated to customer support, impacting new arrears, ASB write-offs



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



# **Business and Corporate Lending**



# Portfolio quality<sup>1</sup>

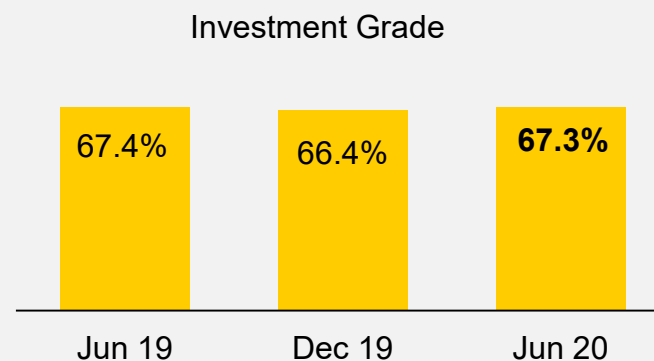
67% investment grade – weighted to Australia/NZ



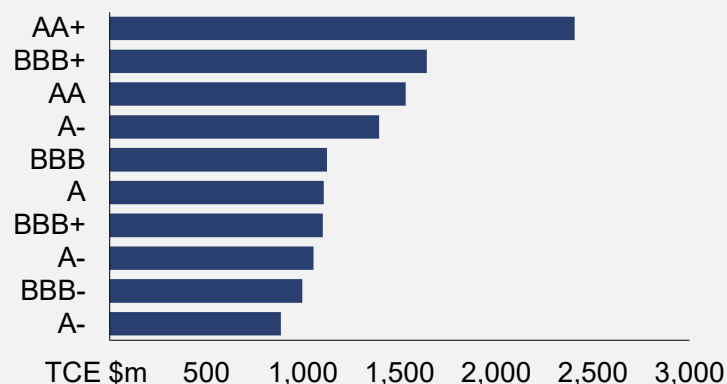
## Exposures by Industry

TCE \$bn	AAA to AA-	A+ to A-	BBB+ to BBB-	Other	Jun 20
Sovereign	118.0	12.4	0.7	0.1	131.2
Property	2.9	7.9	16.3	46.3	73.4
Banks	15.0	14.6	2.0	-	31.6
Finance - Other	23.9	20.6	5.9	2.3	52.7
Retail & Wholesale Trade	-	1.0	3.6	15.1	19.7
Agriculture	-	0.1	2.9	19.2	22.2
Manufacturing	-	1.5	4.7	7.5	13.7
Transport	0.4	1.7	12.3	9.1	23.5
Mining	-	1.9	5.8	2.8	10.5
Energy	0.2	1.6	6.1	1.6	9.5
All other ex Consumer	2.4	3.7	13.0	43.3	62.4
<b>Total</b>	<b>162.8</b>	<b>67.0</b>	<b>73.3</b>	<b>147.3</b>	<b>450.4</b>

## Corporate portfolio quality



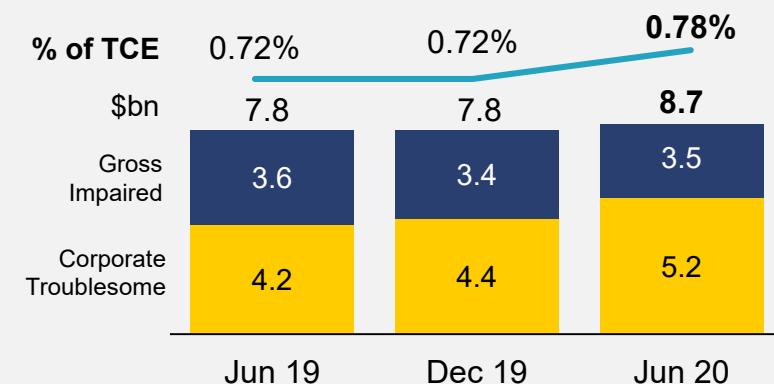
## Top 10 commercial exposures



## Group TCE by geography

	Jun 19	Dec 19	Jun 20
<b>Australia</b>	78.4%	79.5%	79.8%
<b>New Zealand</b>	10.6%	10.8%	10.6%
<b>Europe</b>	3.5%	2.8%	3.0%
<b>Other</b>	7.5%	6.9%	6.6%

## Troublesome and Impaired Assets



1. CBA grades in S&P equivalents.



# Credit exposure summary



**TIA/TCE at 0.78% - emerging stress in impacted sectors**

	Group TCE <sup>1</sup>		TIA \$m		TIA % of TCE <sup>1</sup>	
	Dec 19	Jun 20	Dec 19	Jun 20	Dec 19	Jun 20
Consumer	60.0%	58.8%	2,111	1,952	0.32%	0.30%
Sovereign	9.9%	11.7%	-	-	-	-
Property	6.5%	6.6%	835	714	1.17%	0.97%
Finance – Other	4.9%	4.7%	33	45	0.06%	0.09%
Banks	3.0%	2.8%	-	-	-	-
Transport, Air Transport & Storage	2.0%	2.1%	363	765	1.65%	3.25%
Agriculture	2.1%	2.0%	927	859	4.10%	3.86%
Manufacturing	1.3%	1.3%	487	660	3.43%	4.80%
Business Services	1.1%	1.0%	438	533	3.70%	4.67%
Mining	1.0%	0.9%	145	199	1.32%	1.89%
Retail Trade	1.0%	1.0%	319	541	2.95%	4.91%
Accommodation, Cafes & Restaurants	0.9%	0.9%	670	618	7.00%	6.16%
Energy	0.9%	0.9%	81	80	0.80%	0.84%
Health & Community Services	0.8%	0.8%	94	96	1.06%	1.05%
Wholesale Trade	0.9%	0.8%	328	263	3.45%	3.02%
Construction	0.7%	0.8%	530	426	6.53%	4.98%
Culture & Recreation	0.6%	0.6%	70	306	1.13%	4.86%
Education	0.2%	0.2%	19	39	0.73%	1.42%
Other	2.2%	2.1%	360	614	1.56%	2.54%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>7,810</b>	<b>8,710</b>	<b>0.72%</b>	<b>0.78%</b>

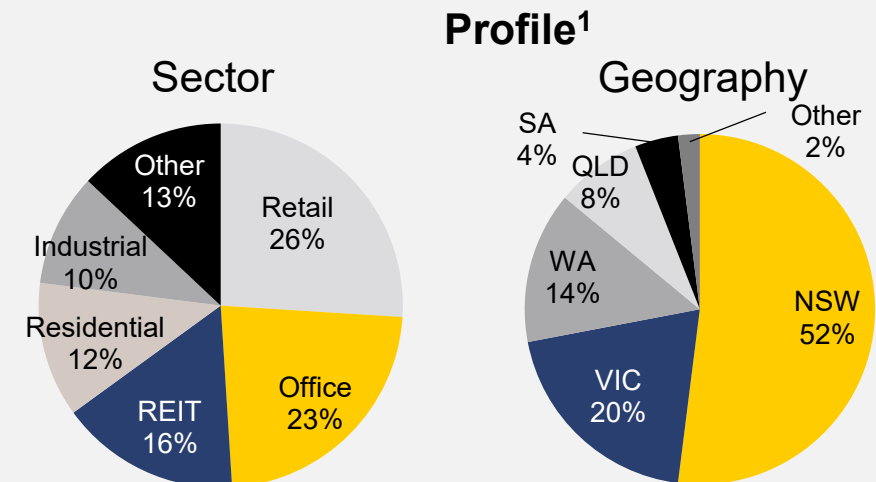
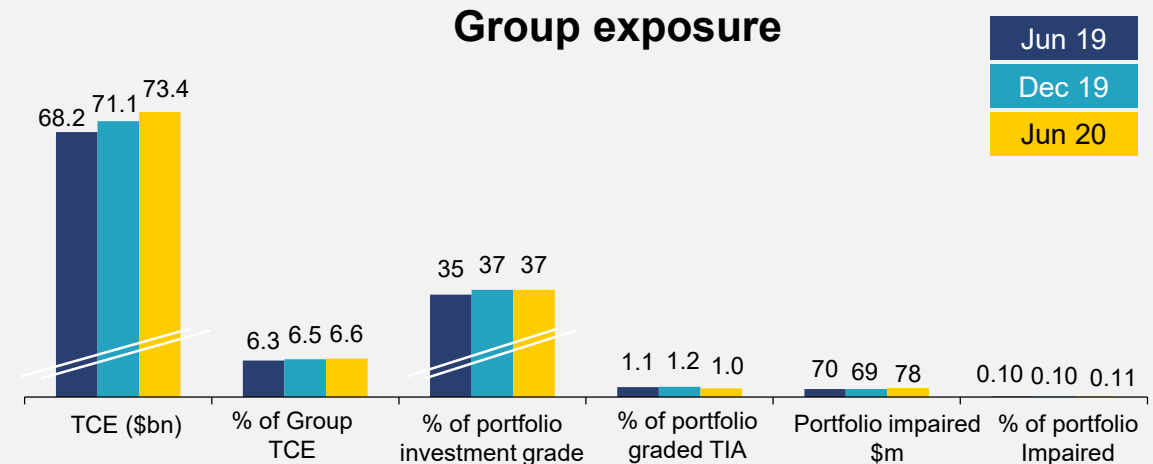
1. Comparative information has been restated to conform to presentation in the current period.

Refer separate slide following

# Sector focus – commercial property

## Portfolio weighted to NSW – TIAs remain low at 1.0%

- Increased exposure this half primarily to investors.
- Diversified across sectors and by counterparty with the top 20 counterparties representing 17% of the portfolio and having a weighted average rating of BBB equivalent.
- Stable credit quality with investment grade exposures steady at 37% and 91% of sub-investment grade exposures fully secured.
- Impaired exposures remain low at 0.11% of portfolio, TIA at 1.0%.
- Geographical weighting remained steady this half.
- Level of exposure to apartment developments continued to decline.
- Outlook remains cautious, maintaining close portfolio oversight.

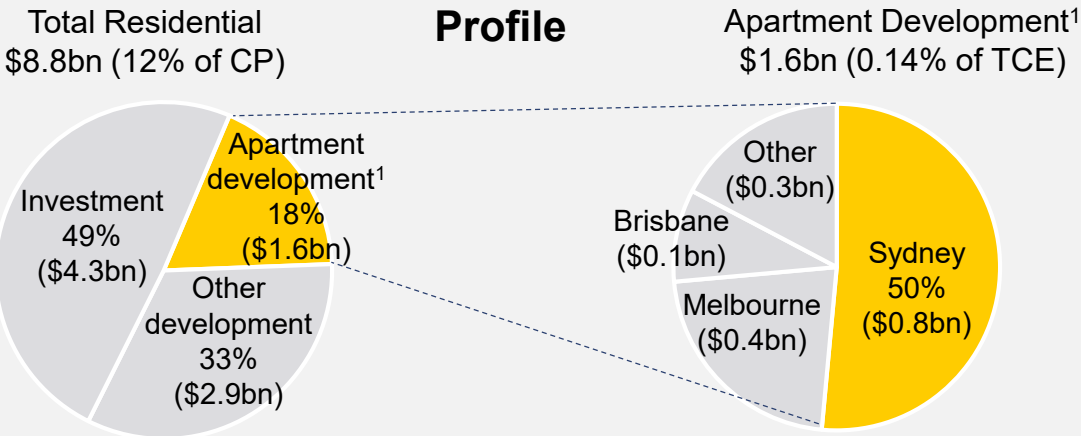


1. Sector profile is Group wide Commercial Property. Geographic profile is domestic Commercial Property.

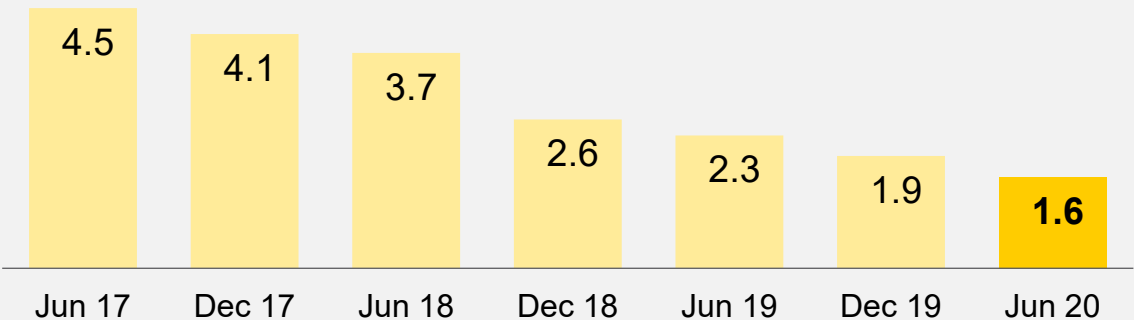
# Sector focus – residential apartments

Weighted to Sydney – sound leverage and qualifying pre-sale debt coverage

- Sound credit quality with TIA for the Total Residential segment <0.3% of total Commercial Property exposure.
- Apartment Development<sup>1</sup> exposure has reduced 65% since June 17, with the concentration to Sydney decreasing over the half from 60%.
- Portfolio LVR sound and Qualifying Pre-sales<sup>2</sup> slightly below full debt coverage at 57.6% and 99.2% respectively.
- Short duration portfolio with >75% of exposure maturing by the end of 2021.
- Project specific issues, including those arising from COVID-19 restrictions and economic impacts (lower valuations, uncertain employment status), has at this point resulted in pre-sale settlements taking longer and delaying full repayment on only a small number of projects.



**Residential apartment development**  
Total Exposure (\$bn)



**Exposure maturity profile<sup>1</sup>**  
(\$bn)



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 cover is the ratio of Qualifying Pre-Sales to loan exposures.

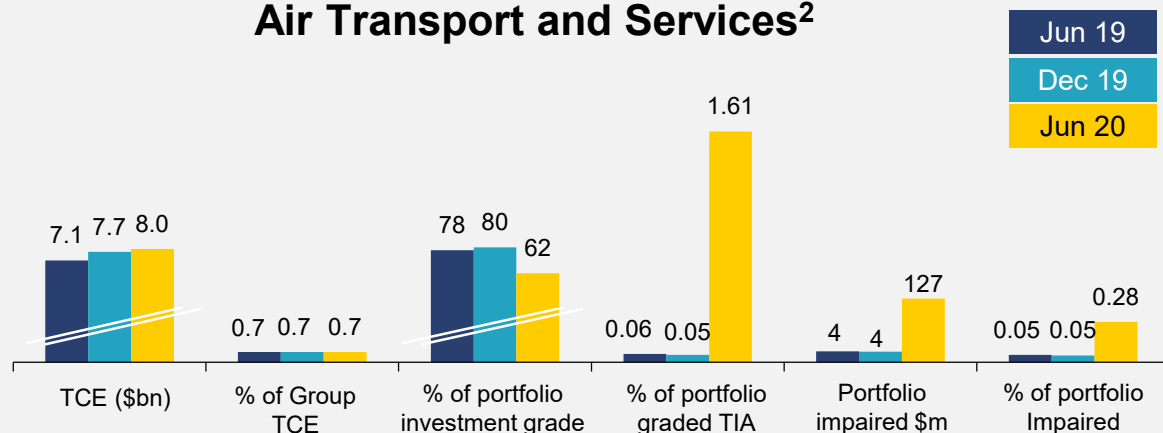
# Sector focus – transport and storage



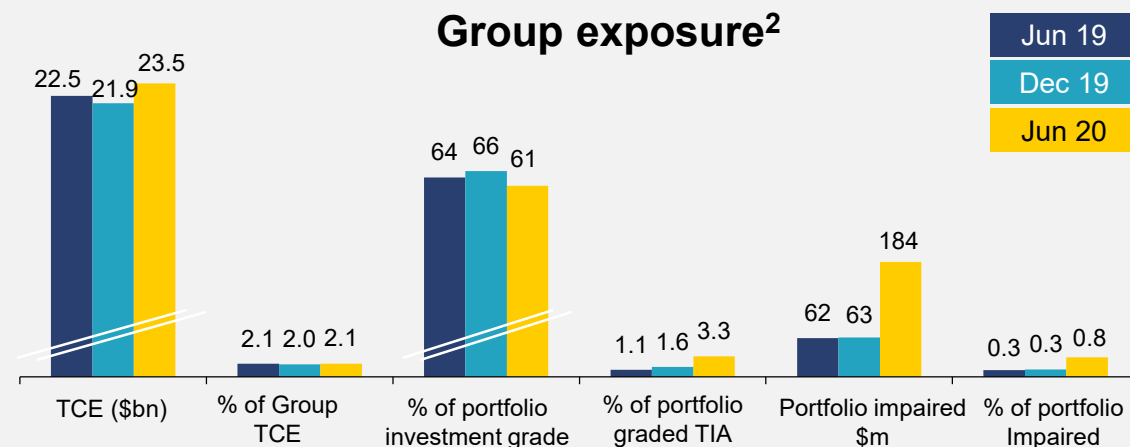
## Conditions remain challenging

- The Air Transport and Services sector includes aviation and airport exposures which have been heavily impacted by passenger reductions resulting from COVID-19 restrictions, reducing credit ratings.
- TIAs have increased materially and are expected to remain elevated as the rate of recovery in this sector is expected to be more gradual than other industries.
- The Group also recognises ~\$1bn of aircraft assets on balance sheet, which are excluded from these charts. The fair value of these assets reduced by ~35% (~\$630m) during the period. As these assets are measured at amortised cost under AASB 116, this resulted in an impairment of \$108m<sup>1</sup>, as the historic carrying value did not reflect the embedded gain.

### Air Transport and Services<sup>2</sup>

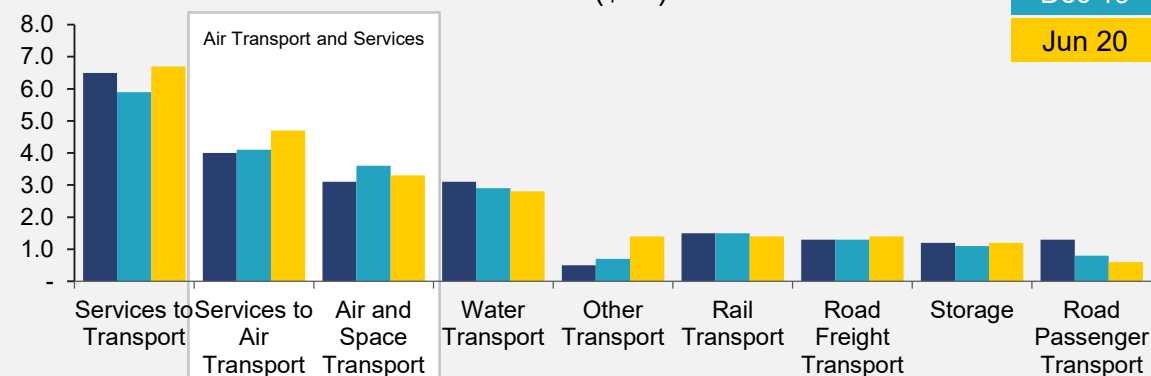


### Group exposure<sup>2</sup>



### Group exposure by sector<sup>1</sup>

(\$bn)



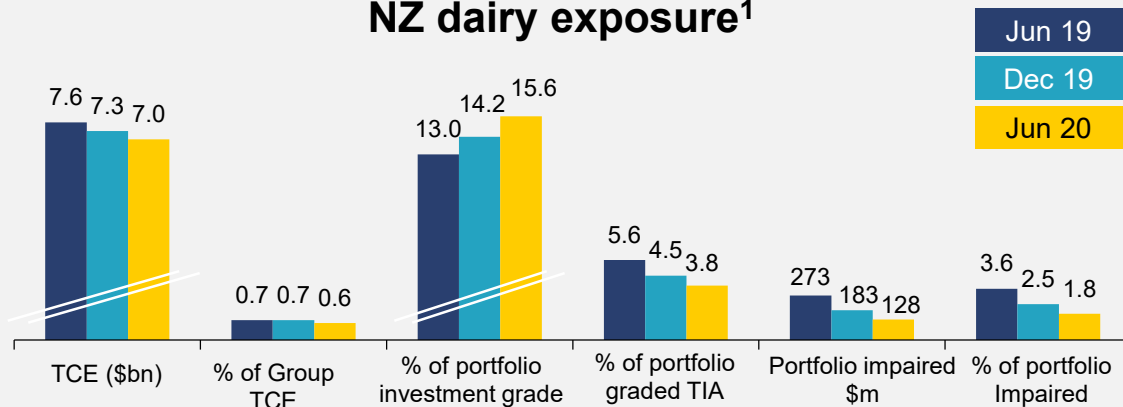
1. Includes impairment expense of \$92m and associated break costs of \$16m. 2. Excludes aircraft recognised on the Group's balance sheet and leased out to airlines or other lessees.

# Sector focus – agriculture

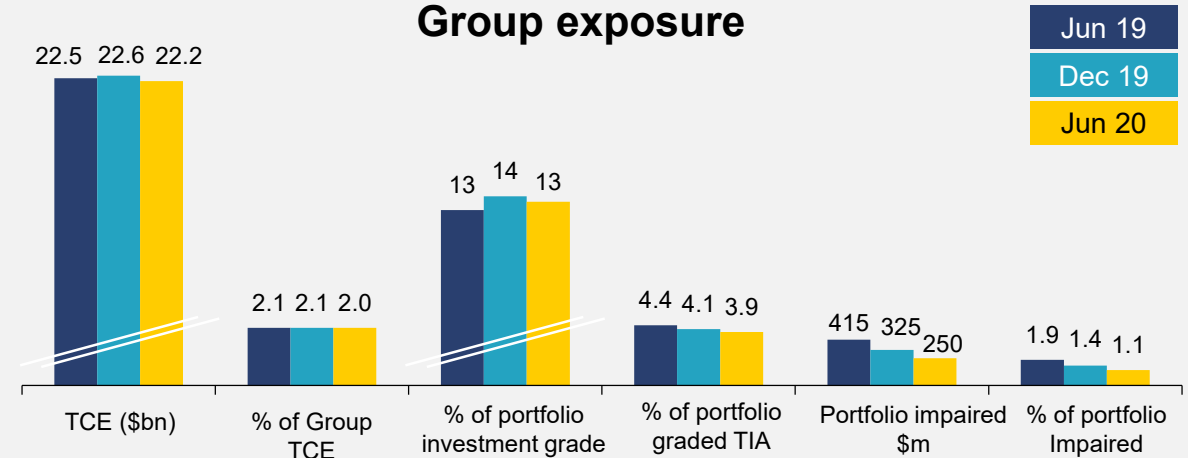
Well diversified, weighted to NZ dairy – some risk to supply chains due to COVID-19

- Group agriculture exposure of \$22.2bn (2.0% of Group TCE) – diversified by geography, sector and client base.
- NZ Dairy sector milk prices for 2019/20 season closing strong and, although outlook for 2020/21 is slightly softer, remains supportive of on-going debt repayment strategies in place.
- Australian portfolio remained stable over the last 12 months and currently has a positive outlook. Solid Eastern Australian rainfall in the second half of 2020 reduced drought severity and favourable seasonal conditions to continue for much of the country.
- Some disruption to supply chains due to COVID-19 observed in high-end export markets and across wholesale/food service networks.

## NZ dairy exposure<sup>1</sup>



## Group exposure



## Australian agriculture exposure

	Jun 19	Dec 19	Jun 20
Exposure (TCE)	\$11.2bn	\$11.7bn	\$11.7bn
% of Group TCE	1.03%	1.08%	1.04%
% of portfolio investment grade	11%	11%	8%
% of portfolio graded TIA	4.2%	4.3%	4.5%
% of portfolio impaired	0.8%	0.8%	0.8%

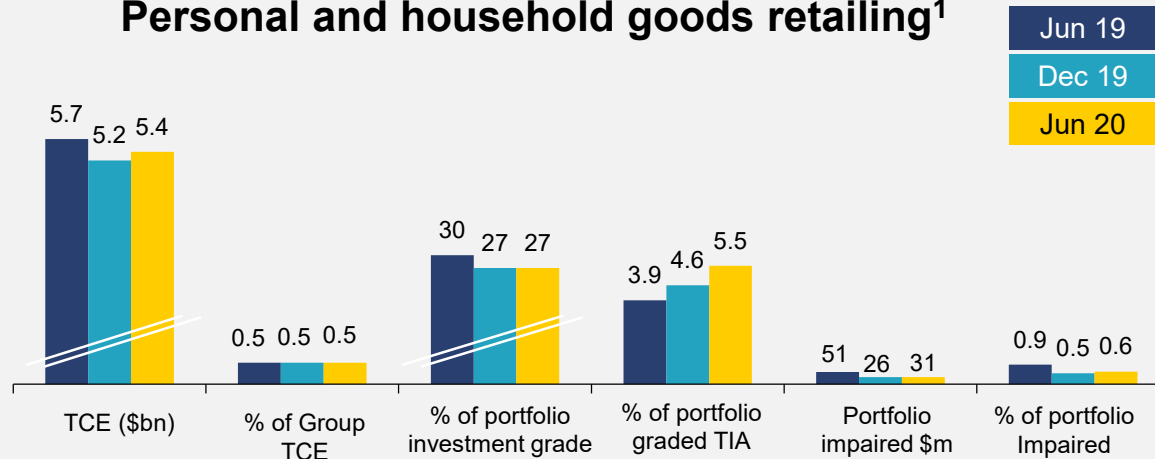
1. New Zealand dairy exposure (AUD) included in Group exposure.

# Sector focus – retail trade

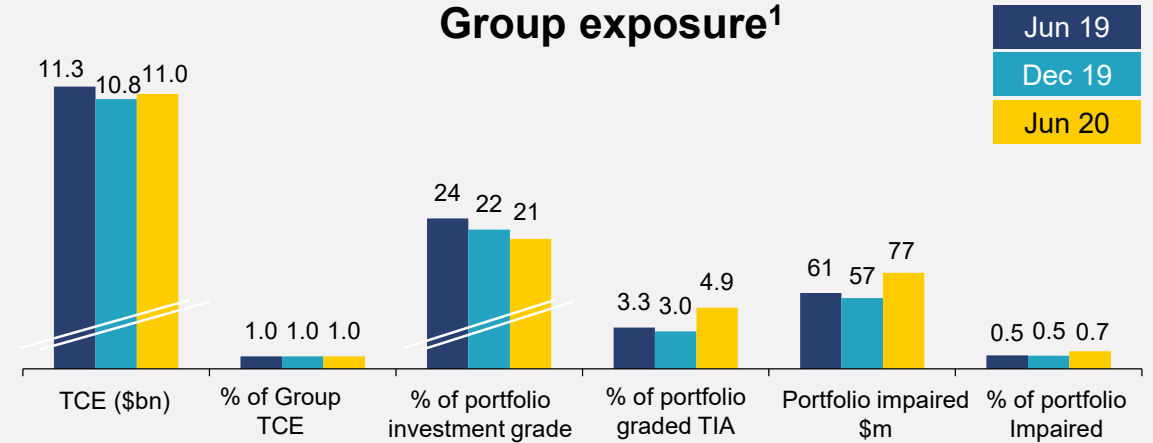
## Conditions remain challenging

- The retail trade sector remains weak, challenged by COVID-19 and ongoing, long term competitive pressures.
- COVID-19 has increased sector challenges particularly in discretionary segments where some store networks remain closed.
- Trading conditions, particularly in the discretionary retail sectors, are expected to continue to be challenged by fragile consumer confidence, higher competition and downward pressure on prices and profitability.
- TIA increase mainly due to larger single name exposures.

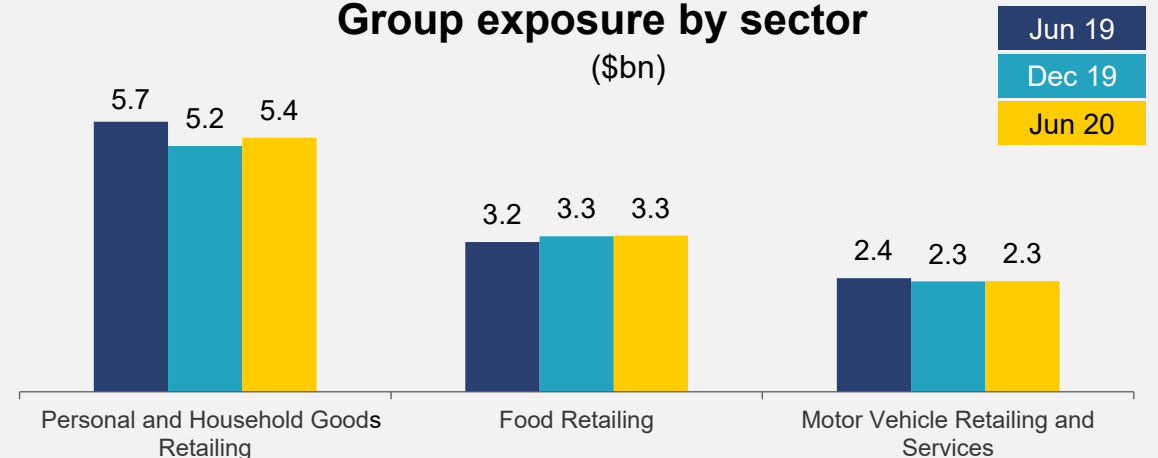
### Personal and household goods retailing<sup>1</sup>



### Group exposure<sup>1</sup>



### Group exposure by sector (\$bn)



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

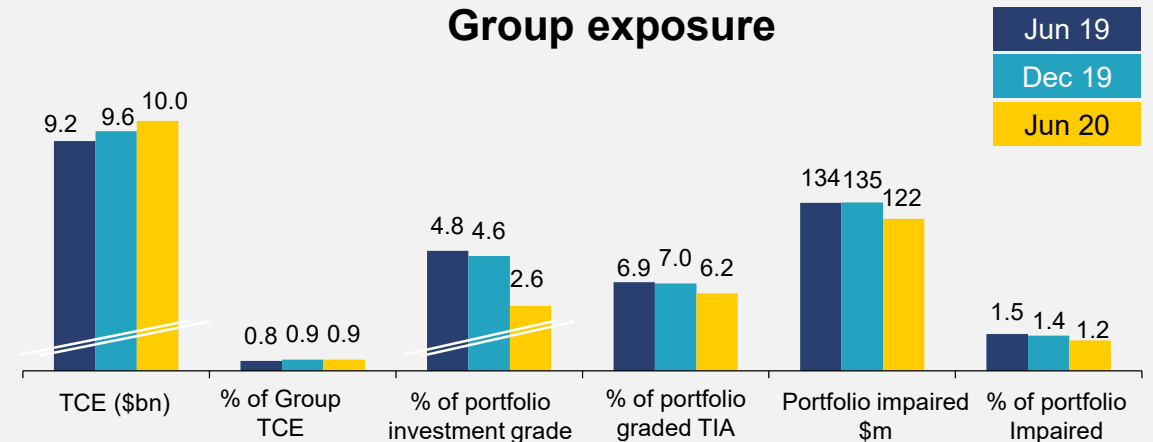
# Sector focus – accommodation, cafes and restaurants



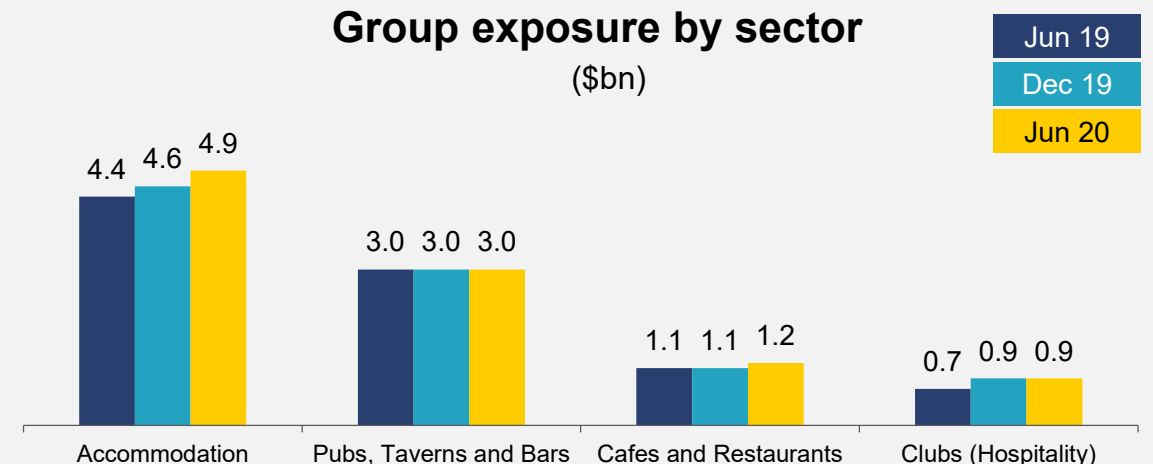
## Conditions remain challenging

- The closure of international borders and restrictions on domestic tourism, combined with social distancing rules has materially impacted the sector.
- Pubs, clubs, cafes and restaurants are trading subject to social distancing in most states, with the severity differing depending on state and regional restrictions.
- Accommodation spend has materially declined due to low tourism activity and business travel. Whilst domestic tourism is expected to increase, it will be insufficient to offset the lost \$45bn annual spend from overseas tourists. Domestic tourism is further hampered by border closures and quarantine rules.
- Recent Stage 4 lockdown in Victoria highlights the risk to the industry of “second waves” with restrictions re-introduced.
- The Bank has increased its forward looking provision for COVID-19 losses within core hospitality segments.

### Group exposure



### Group exposure by sector (\$bn)



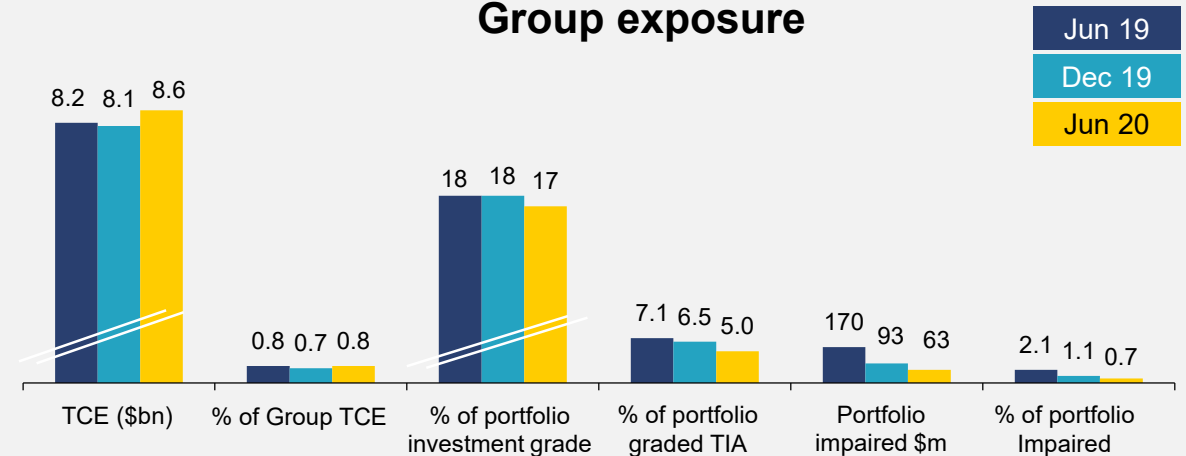
# Sector focus – construction

## Outlook is uncertain

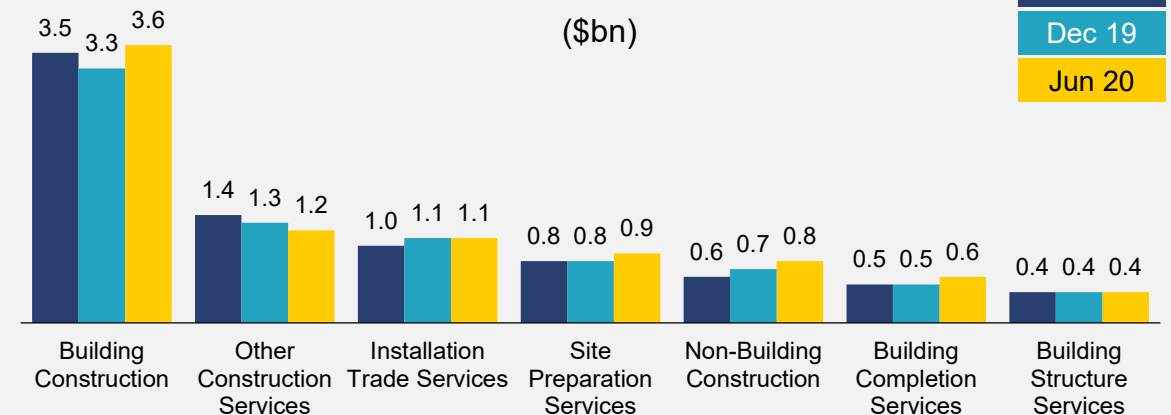
- Exposure is higher in the half, while TIAs have reduced. Risk appetite continues to be cautious.
- As a designated essential industry, the sector has continued to operate through COVID-19 with varying levels of disruption across regions. In some sub-sectors the pipeline of work has reduced.
- The operating environment and outlook remain uncertain with ongoing lockdowns and social distancing orders impacting productivity in some sub-sectors.
- Government planned infrastructure spend and recently announced commitment to accelerate development approval processes is expected to improve the short to medium term outlook.



### Group exposure



### Group exposure by sector



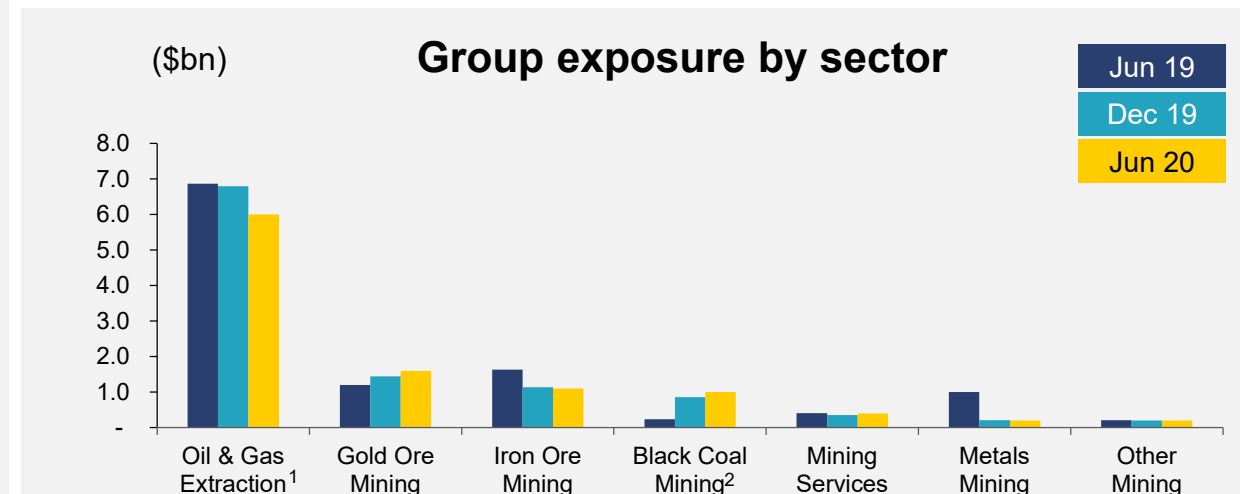
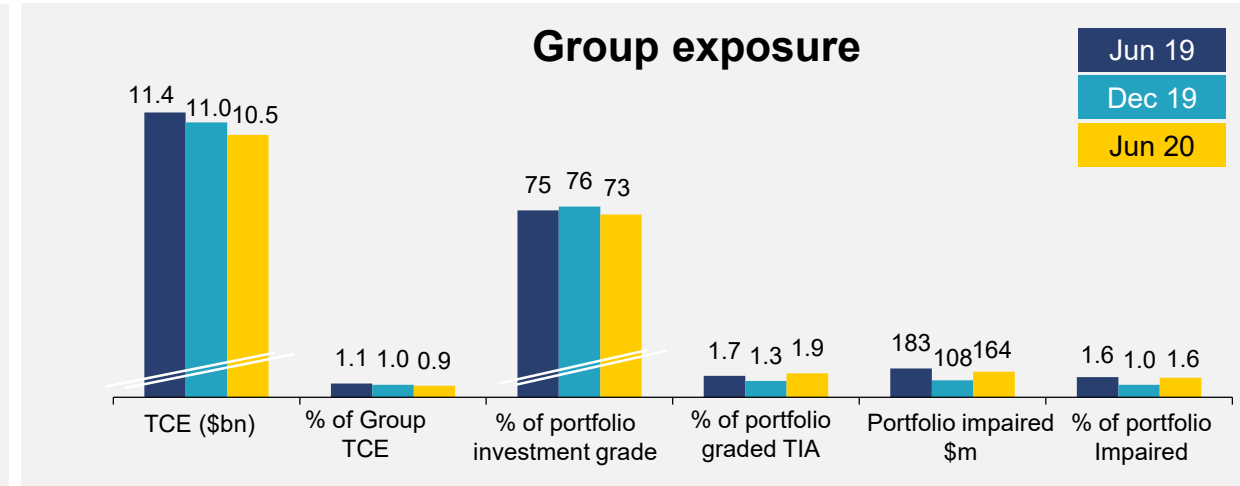


# Sector focus – mining, oil and gas



## Exposures broadly stable, well diversified

- Exposures of \$10.5bn (0.9% of Group TCE), reduced by \$0.5bn over the past 6 months mainly from reduced Oil & Gas facilities.
- Stable performance over the past 6 months:
  - Investment grade marginally down to 73% of portfolio;
  - Diversified by commodity/customer/region; and
  - Focus on quality, low cost projects with strong fundamentals and sponsors.
- Oil & Gas Extraction is the largest sub-sector (58% of total), 74% investment grade with 32% related to LNG Terminals – typically supported by strong sponsors and offtake contracts from well-rated counterparties.
- Portfolio impaired level increased 1.6% mainly due to the addition of an Oil & Gas name.
- Negative outlook, driven by lower commodity prices and lower demand inflicted by COVID-19.



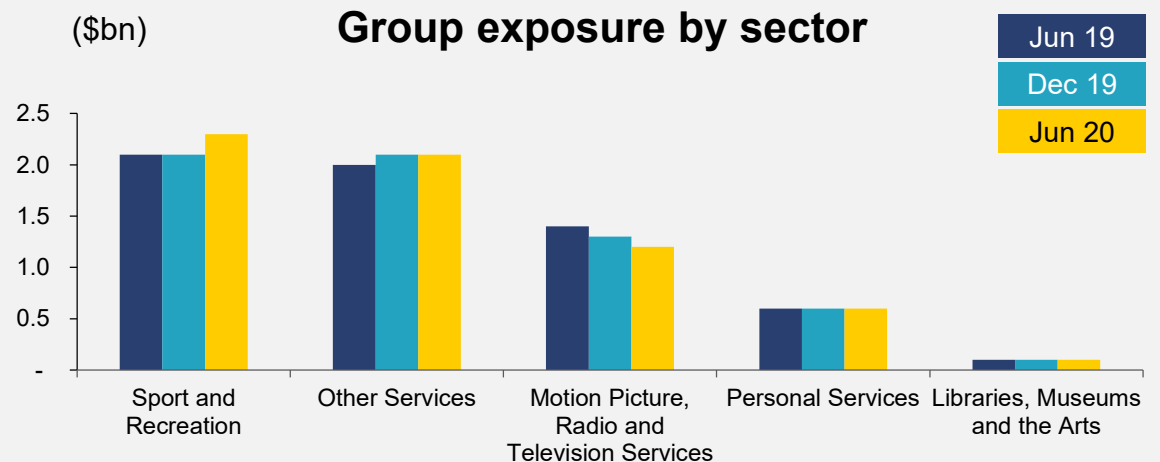
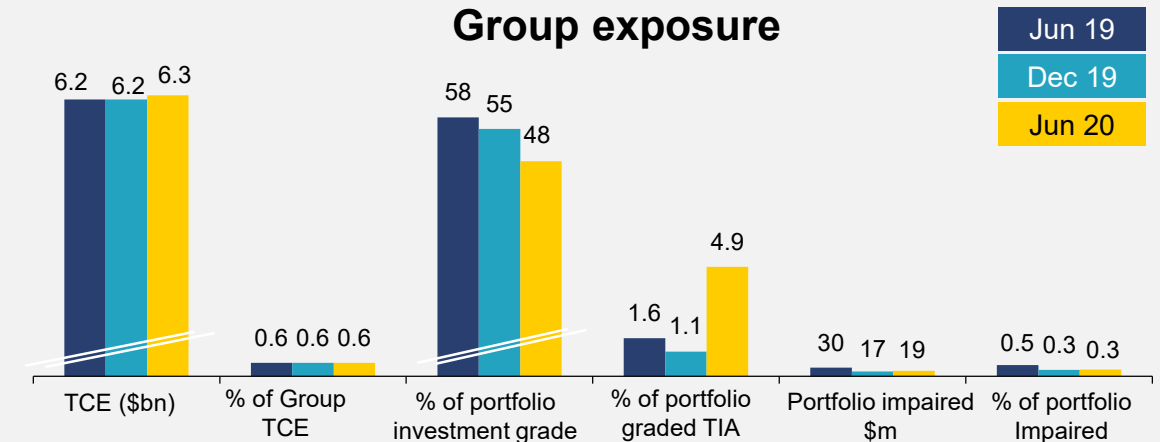
1. 'Oil & Gas Extraction' includes businesses that are predominantly involved in Oil and Gas Production as well as LNG Terminals. Group Exposure is based on the ANZSIC classification. 2. Includes all exposures with Black Coal Mining as the ANZSIC classification. Includes 100% of CBA's exposure to diversified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

# Sector focus – cultural and recreational services



## Outlook remains weak

- Diverse industry with many sub-sectors (including Casinos and Cinemas) impacted by government restrictions, including shutdowns and social distancing initiatives.
- Certain sectors, particularly those focused on entertainment, remain vulnerable to the level of discretionary spend combined with a material reduction in tourism.
- Essential services such as waste collection and corrective services, whilst more resilient, will be affected by lower volumes (former) and a higher vulnerability to outbreaks (latter).
- Media sectors expecting lower advertising revenues.
- TIA increase influenced by larger single names.
- Outlook remains weak. Continued COVID-19 related operating restrictions combined with a decrease in Job Keeper subsidies and potentially higher unemployment are likely to result in further stress across the portfolio.





# **Deposits, Funding and Liquidity**



# Funding overview

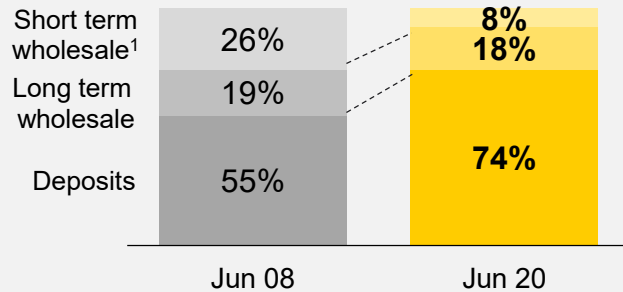
## Resilient balance sheet – lengthened funding profile – excess liquidity



### Funding composition

Deposit growth supporting 74% of funding

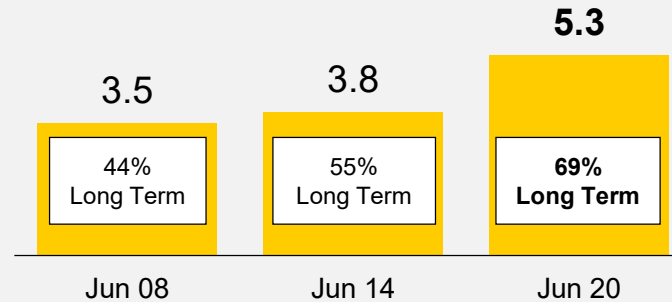
% of total funding



### Wholesale funding

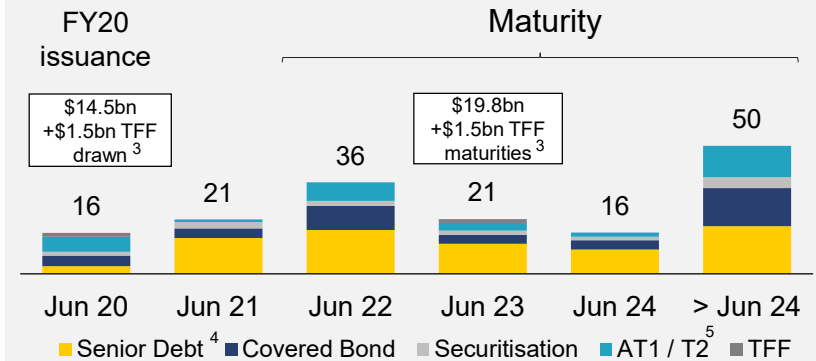
Wholesale funding weighted to Long Term

Weighted Average Maturity<sup>2</sup>, years



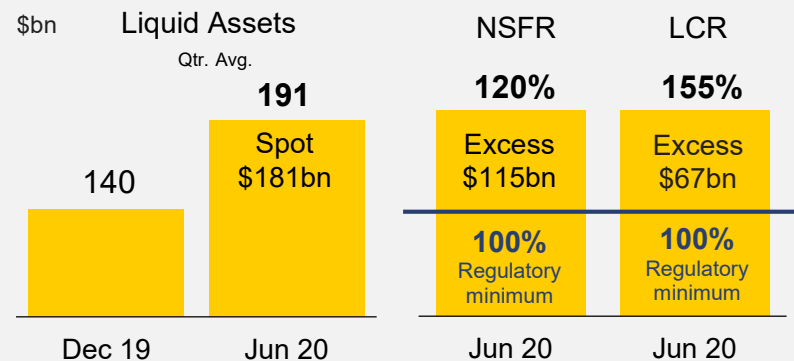
### Funding profile

Balanced maturity profile reducing refinancing risk



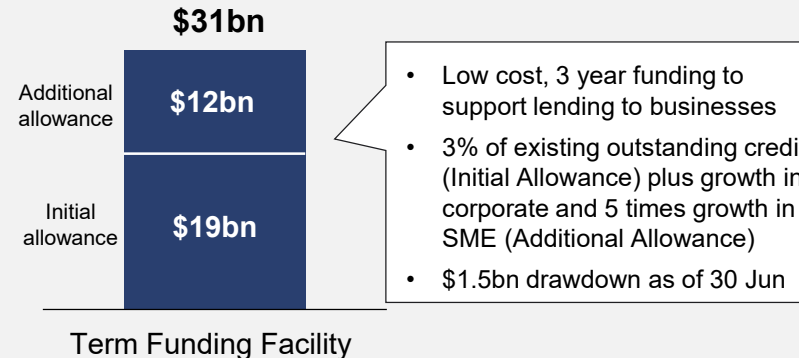
### Liquidity metrics<sup>6</sup>

Significant excess liquidity



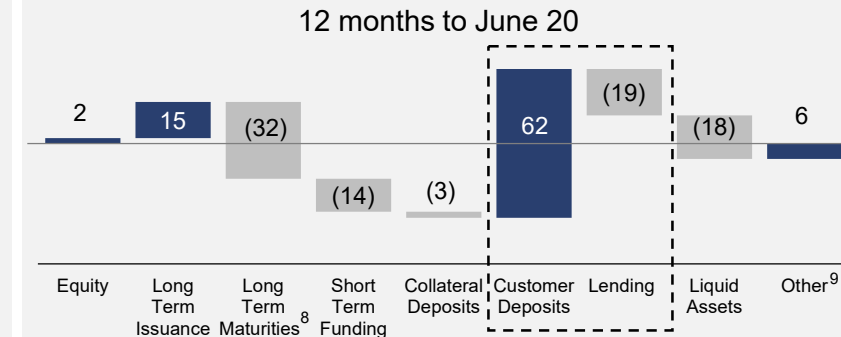
### RBA Term Funding Facility<sup>7</sup>

Additional funding support



### Sources and uses of funds

With a core funding surplus of \$43bn allowing for a reduction in wholesale funding



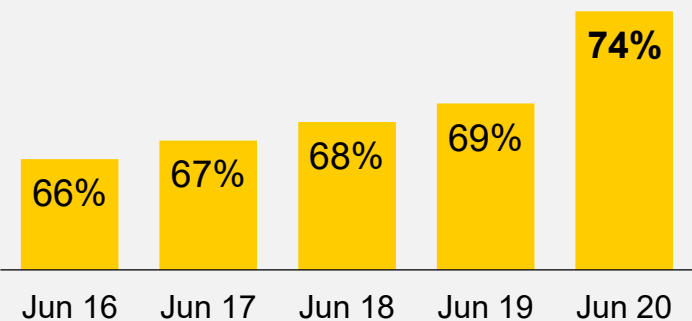
1. Includes other short term liabilities. 2. Represents the weighted average maturity of outstanding long term wholesale debt with a residual maturity greater than 12 months as at reporting date excluding Term Funding Facility drawdowns. 3. \$1.5bn TFF drawdown to date as at 30 June 2020. 4. Includes Senior Bonds and Structured MTN. 5. Additional Tier 1 and Tier 2 Capital. 6. NSFR: Spot, LCR: Pillar 3 Quarter Average. 7. As at 7 August 2020, the Group's total available Term Funding Facility allocation was \$31 billion. 8. Reported at historical FX rates. 9. Includes FX revaluation and \$1.5bn TFF drawdown.

# Deposit funding

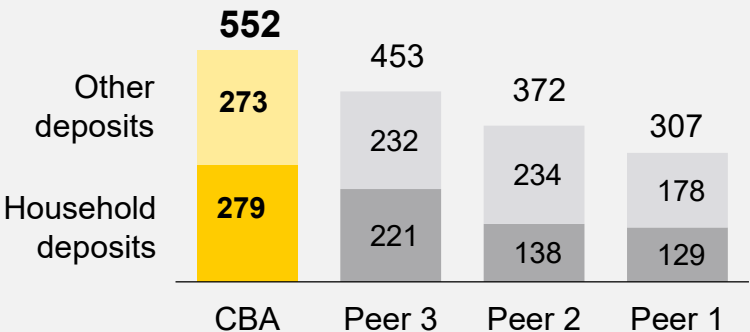
## Highest share of stable household deposits in Australia



Deposit funding

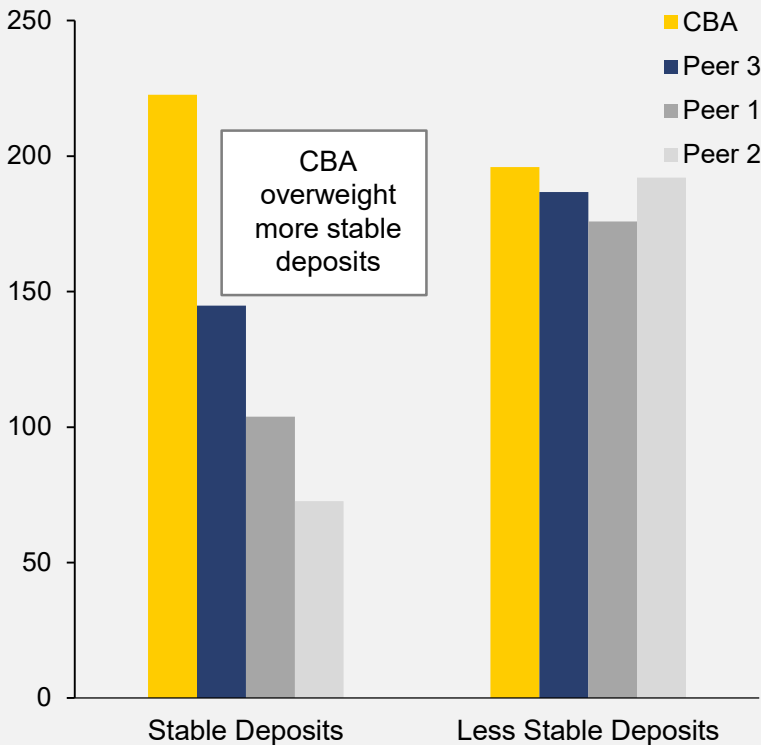


\$bn Deposits vs peers<sup>1</sup>

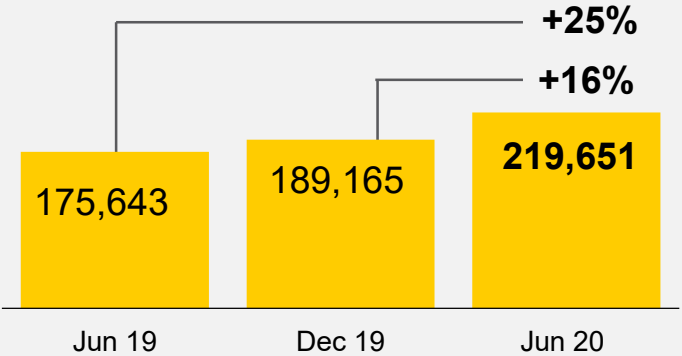


Deposits in NSFR<sup>2</sup>

As at 30 Jun 2020 (\$bn)  
Peers as at 31 March 2020<sup>3</sup>



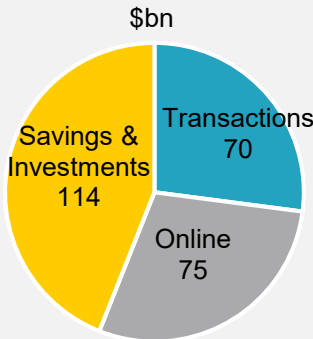
\$m Group transaction balances<sup>4</sup>



New transaction accounts<sup>5</sup>



Retail Deposit Mix<sup>6</sup>



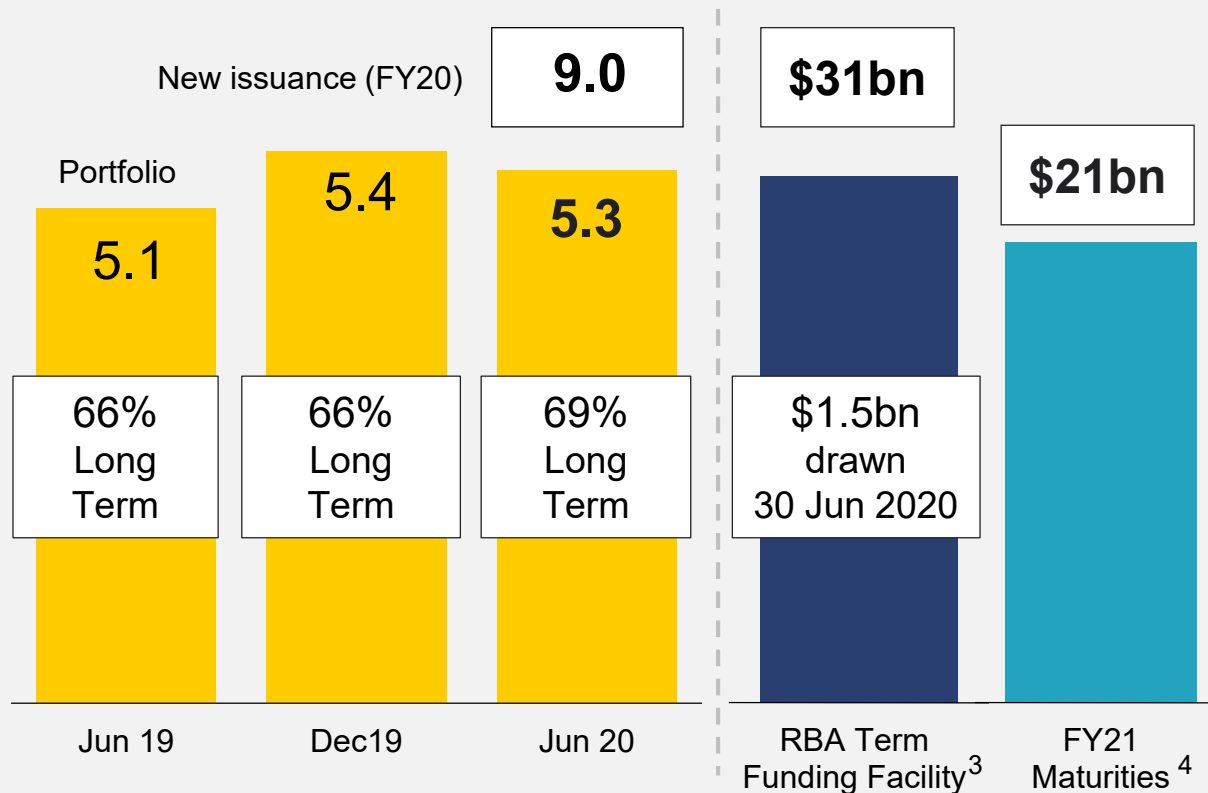
1. Source: APRA Monthly Authorised Deposit Taking Institution Statistics (MADIS). Total deposits (excluding CDs). 2. Stable and less stable deposits in NSFR calculation. Excludes operational deposits, other deposits and wholesale funding. 3. Source: 31 March 2020 Pillar 3 Regulatory Disclosures; CBA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

# Wholesale funding

Well funded - portfolio WAM at 5.3 years

## Long term funding<sup>1</sup>

Weighted Average Maturity (WAM)<sup>2</sup>, Years



## Indicative funding costs<sup>5</sup>



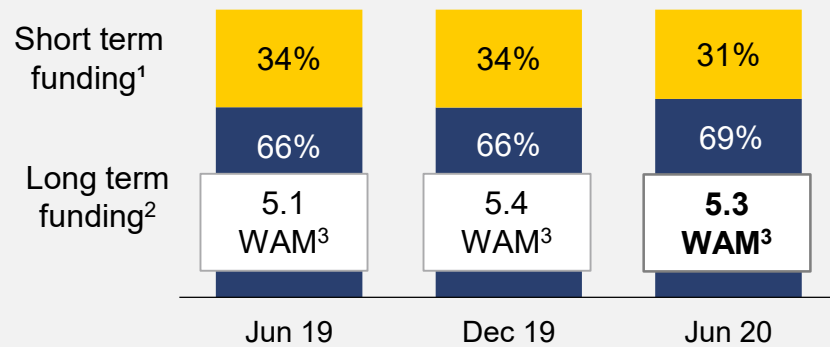
1. Long term wholesale funding (>12 months). 2. Weighted Average Maturity excluding Term Funding Facility drawdowns. 3. As at 7 August 2020, the Group's total available Term Funding Facility allocation was \$31 billion. \$1.5bn drawdown to date as at 30 June 2020. 4. Long Term Wholesale Funding maturities. 5. Weighted average indicative funding costs across major currencies swapped to BBSW equivalent.

# Wholesale funding

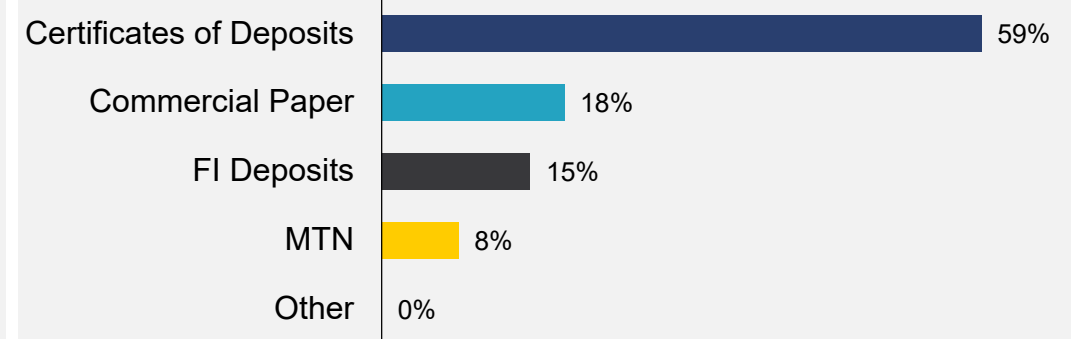
## Diversified wholesale funding across product, currency and tenor



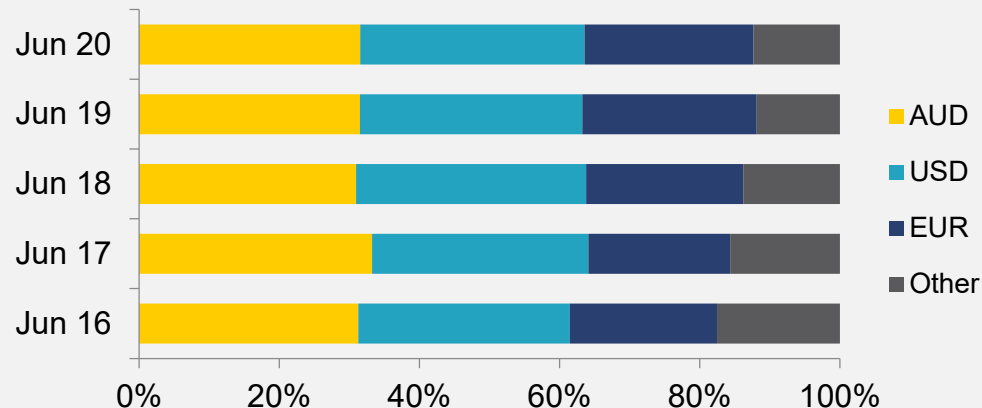
**Portfolio mix**



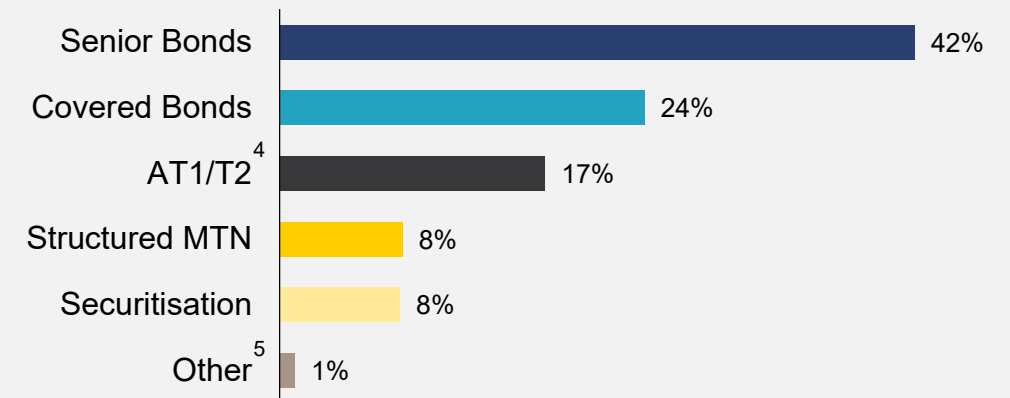
**Short term funding by product<sup>1</sup>**



**Long term funding by currency<sup>2</sup>**



**Long term funding by product<sup>2</sup>**



1. Includes the categories 'central bank deposits' and 'due to other financial institutions'. 2. Includes IFRS MTM and derivative FX revaluation, and includes debt with an original maturity or call date of greater than 12 months (including loan capital). 3. Represents the weighted average maturity of outstanding long term wholesale debt with a residual maturity greater than 12 months as at reporting date, excluding Term Funding Facility drawdowns. 4. Additional Tier 1 and Tier 2 Capital. 5. Includes TFF Drawdown

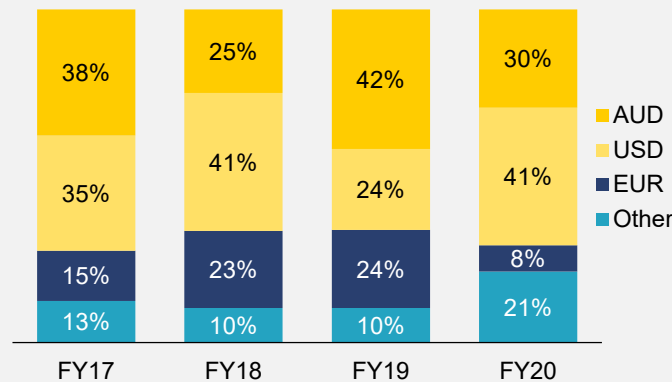
# Long term funding

**\$14.5bn long term wholesale funding issued and \$1.5bn TFF drawdown completed in FY20**

## Group FY20 benchmark issuance

Date	Entity	Type	Tenor (yr)	Volume (m)	Spread at Issue (bpts)
Aug-19	ASB	NZD Senior	3	NZD 600	MS + 85
Sep-19	CBA	USD Tier 2	15NC10/20	USD 2,500	T+205 / T+170
Sep-19	ASB	EUR Senior	10	EUR 500	MS + 65
Oct-19	CBA	USD Covered	3	USD 1,250	MS + 30
Nov-19	CBA	AUD Tier 1	7.5	AUD 1,650	3m BBSW + 300
Dec-19	CBA	Securitisation	2.9	AUD 1,500	AONIA + 125
Jan-20	CBA	GBP Covered	5	GBP 1,000	SONIA + 55

## New term issuance by currency



## New term issuance by tenor

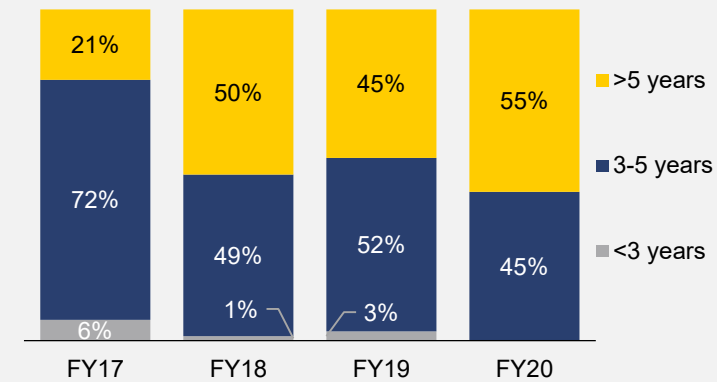
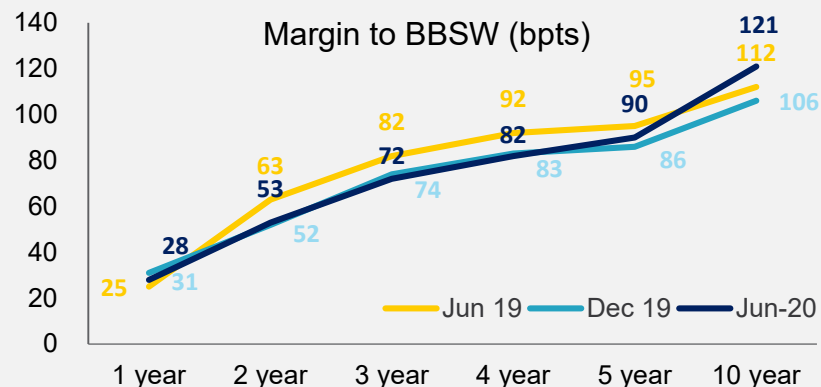


Chart totals do not add to 100% due to rounding.

## Indicative funding cost curves<sup>1</sup>



\$bn

## Issuance



## Maturity

Weighted average maturity 5.3 years<sup>2</sup>

\$19.8bn + \$1.5bn TFF maturities<sup>3</sup>

1. Indicative funding costs across major currencies. Represents the spread in BBSW equivalent terms on a swapped basis. 2. Represents the weighted average maturity of outstanding long-term wholesale debt with a residual maturity greater than 12 months at 30 June 2020, excluding Term Funding Facility drawdowns. 3. \$1.5bn TFF drawdown to date as at 30 June 2020. 4. Includes Senior Bonds and Structured MTN. 5. Additional Tier 1 and Tier 2 Capital.



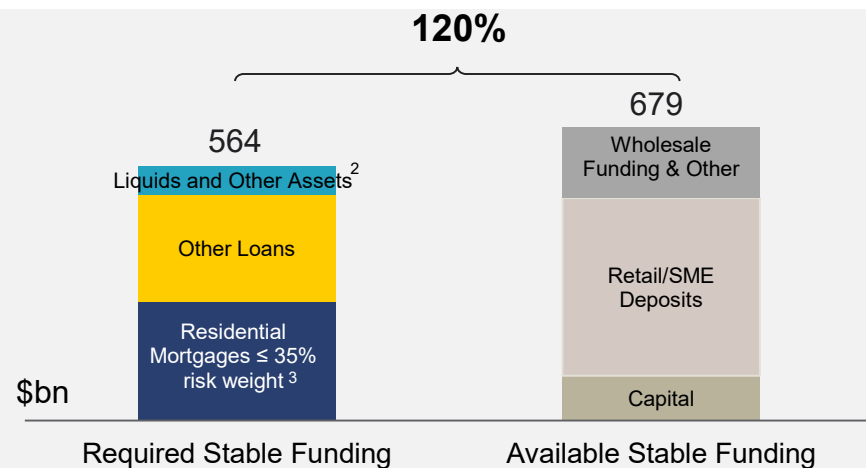
# Funding and Liquidity metrics<sup>1</sup>

Strong funding and liquidity positions maintained



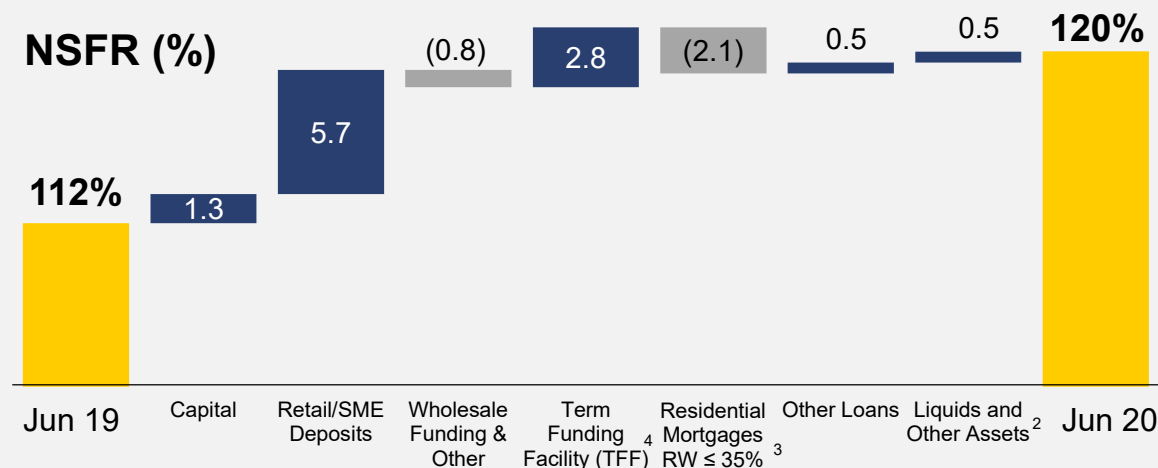
## NSFR

Jun 20



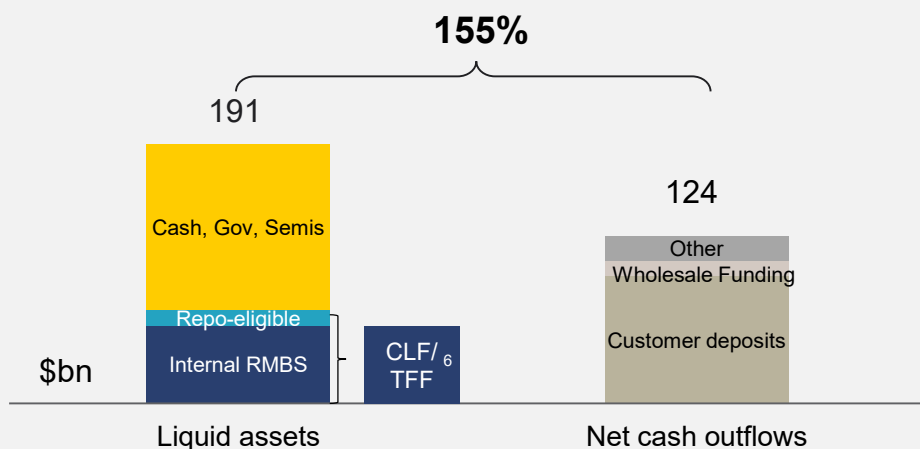
## NSFR (%)

Jun 19



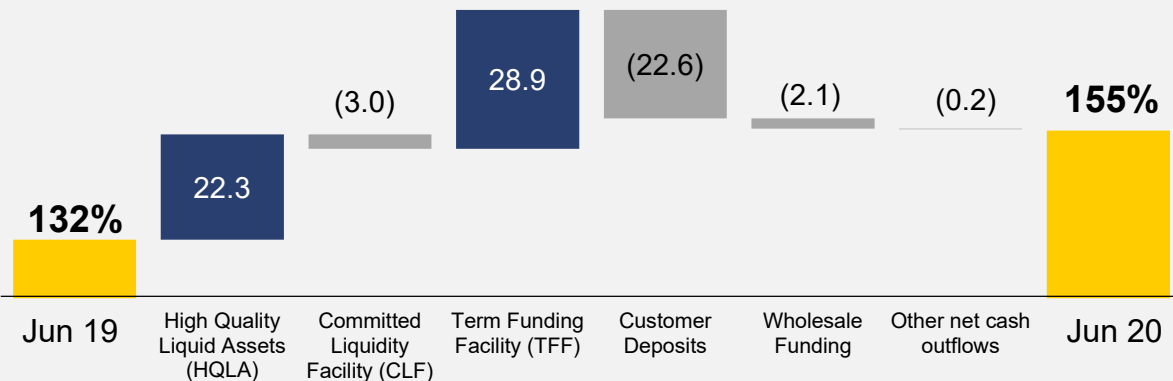
## LCR<sup>5</sup>

Jun 20



## LCR (%)<sup>7</sup>

Jun 19



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 \$1.5bn of TFF drawings. 5. Quarter average. 6. The Group's CLF for calendar year 2020 is \$45.8bn and TFF allocation is \$26.6bn as at 30 June 2020. 7. Calculation reflects movements in both the numerator and denominator.

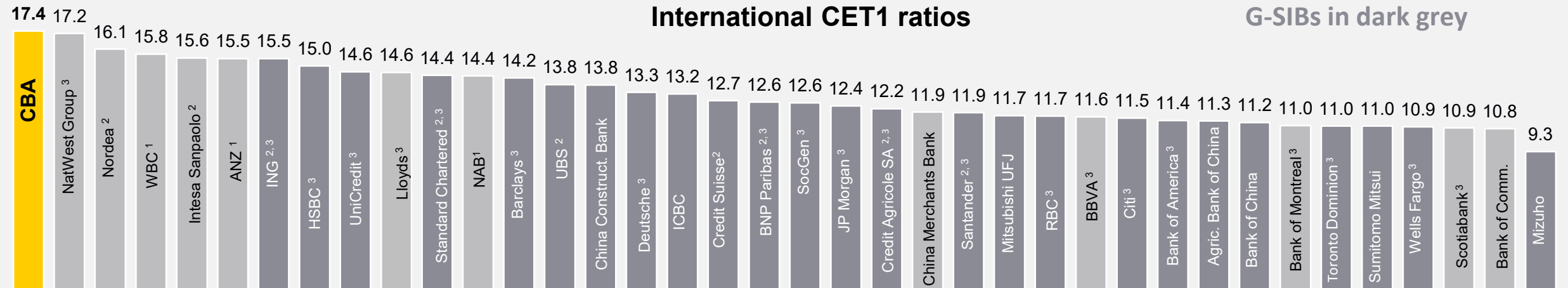
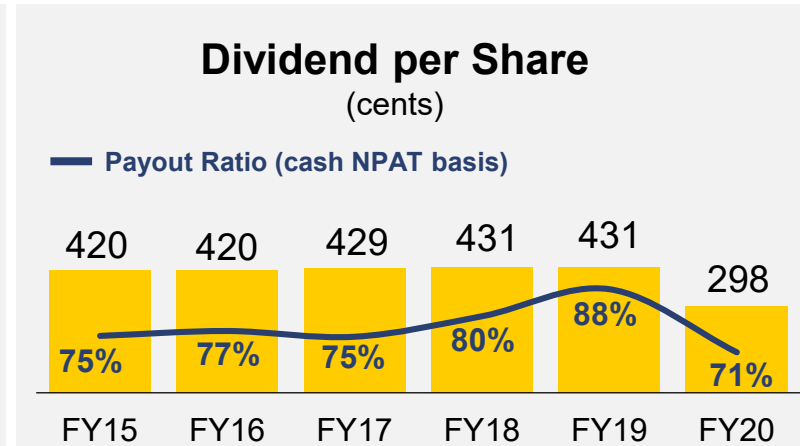
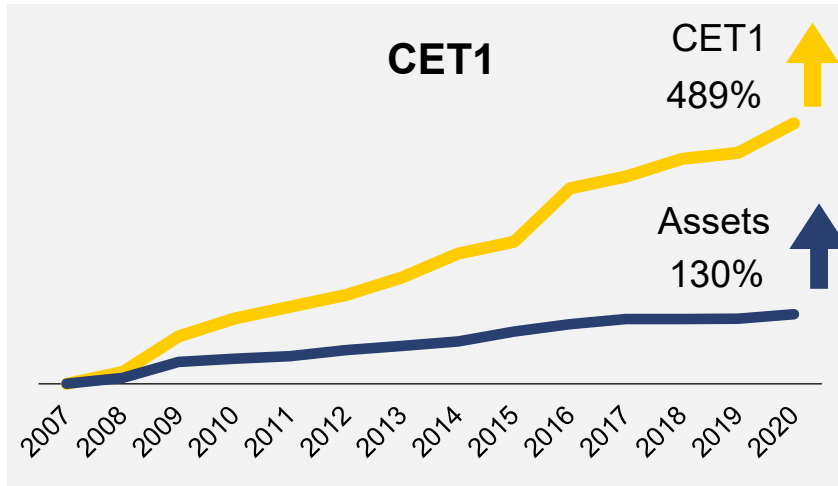
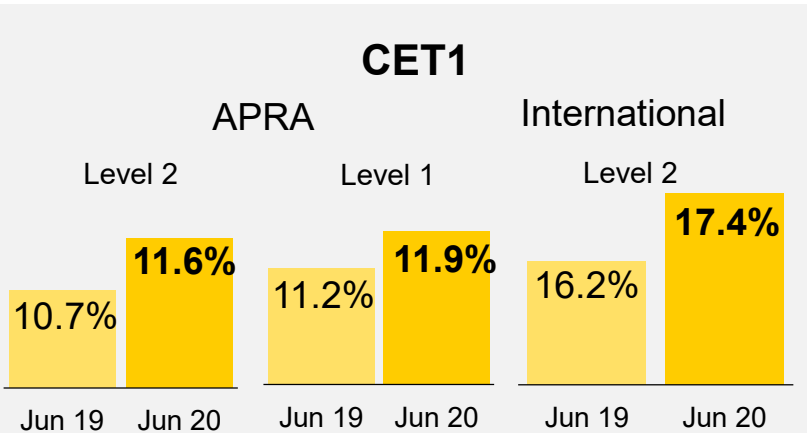


# Capital



# Capital overview

## Strong capital position maintained

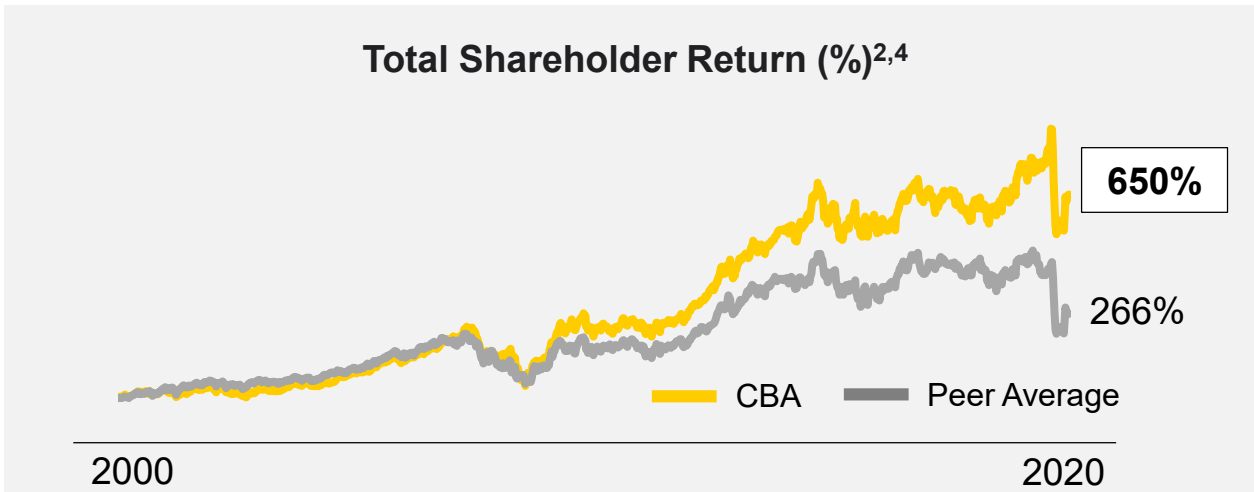
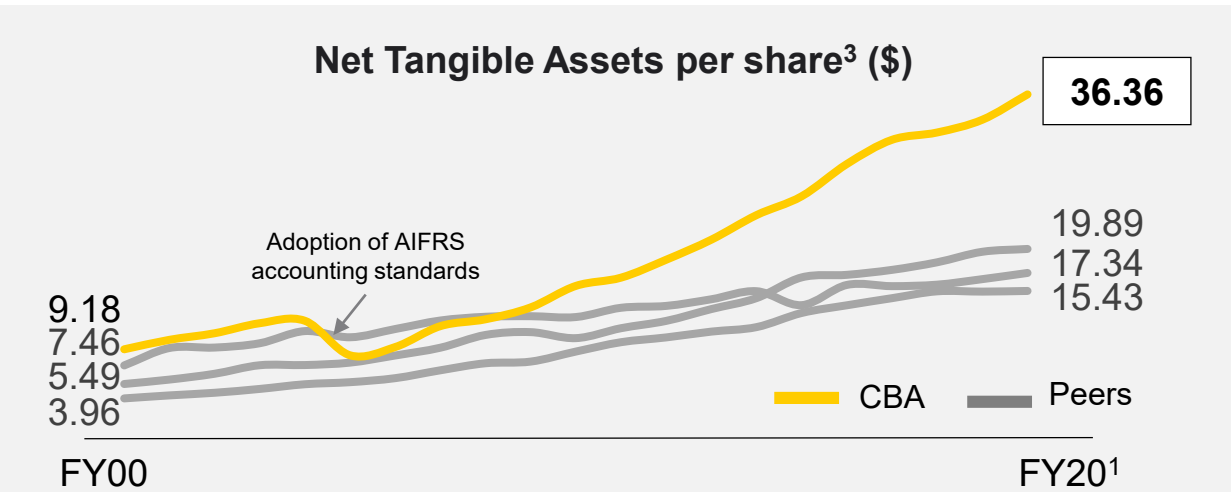
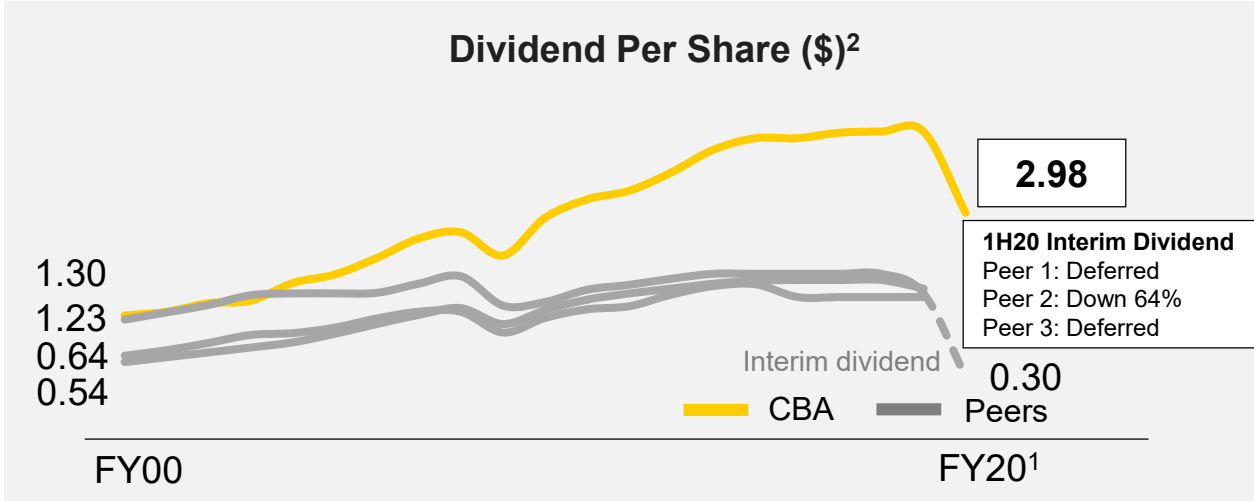
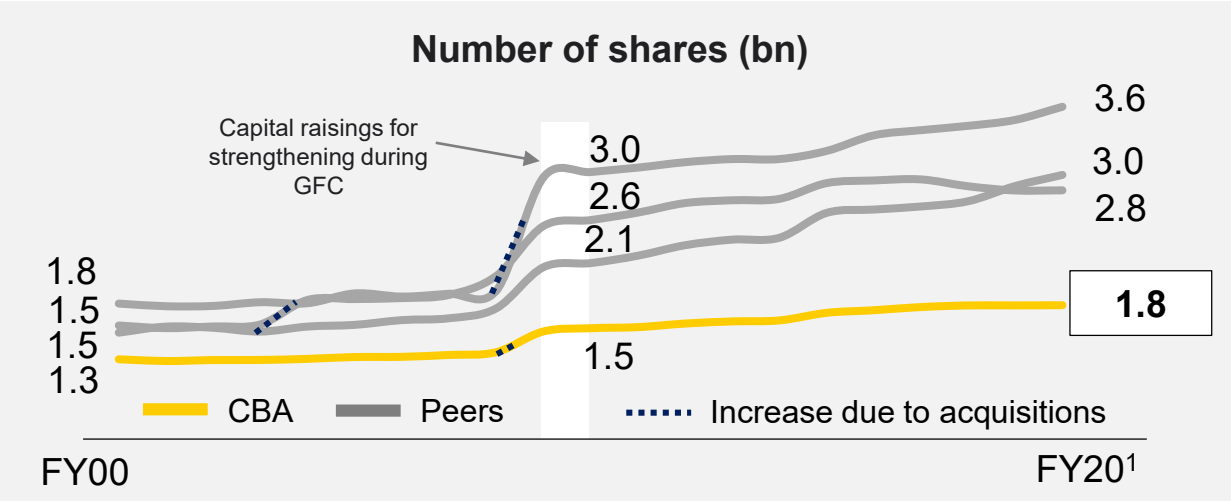


Source: Morgan Stanley and CBA. Based on last reported CET1 ratios up to 6 August 2020 assuming Basel III capital reforms fully implemented. Peer group comprises domestic peers and listed commercial banks with total assets in excess of A\$1,000 billion which have disclosed fully implemented Basel III ratios or provided sufficient disclosure for a Morgan Stanley estimate. 1. Domestic peer figures as at 31 March 2020. 2. Deduction for accrued expected future dividends added back for comparability. 3. CET1 includes benefit of Covid-19 transitional arrangements for expected credit loss provisioning.

# Capital



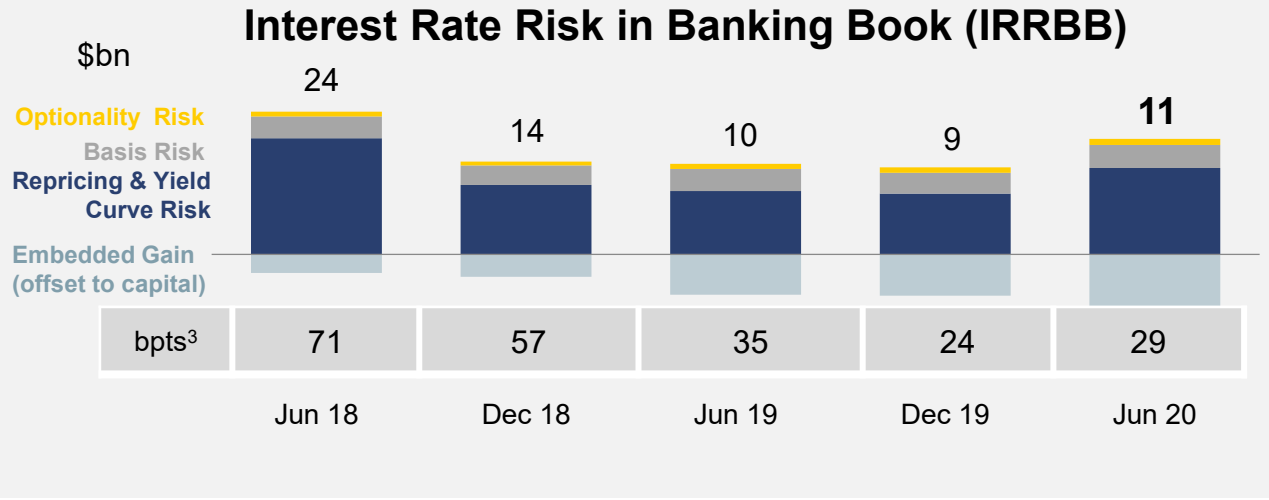
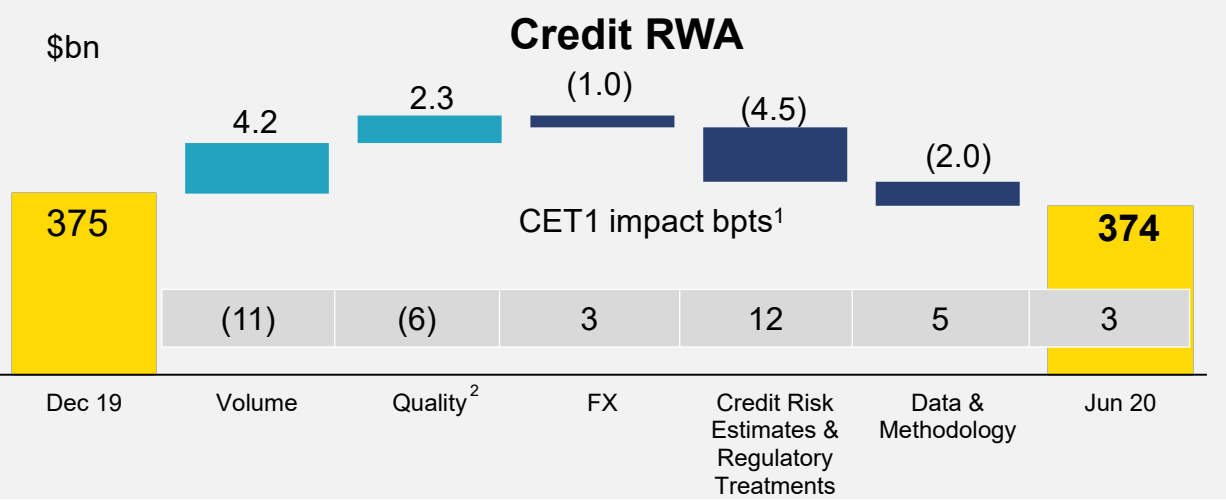
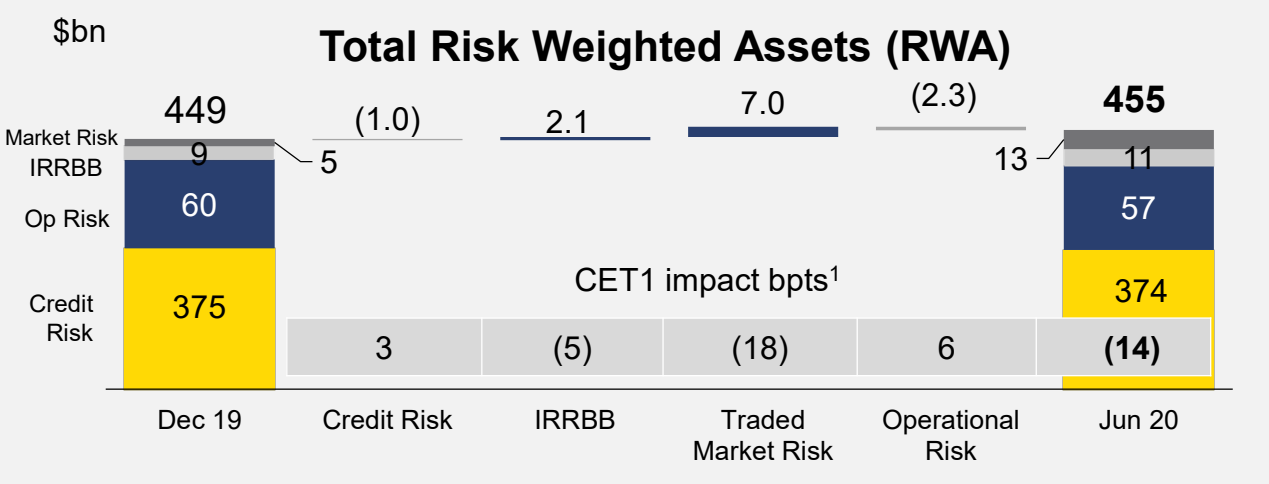
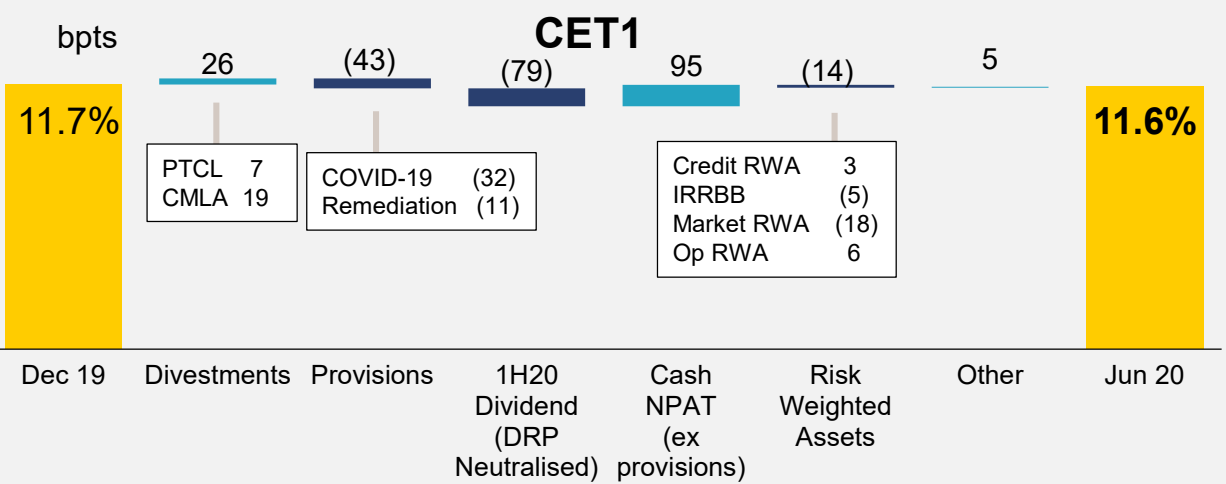
Lower share count supports higher shareholder returns and dividends compared to peers



1. Peer numbers for the 6 months ended 31 March 2020. Not reflective of share count increases as a result of capital raisings post March 2020. 2. Source: Bloomberg. 3. Net tangible assets per share as reported. FY00 – FY04 Net Tangible Assets have not been normalised for the impact of the transition to AIFRS in 2005. 4. Peer average is the average of our major bank peers.

# Capital drivers

## Higher Risk Weighted Assets this half



1. Basis points contribution to change in APRA CET1 ratio. 2. Credit quality includes portfolio mix. 3. Basis points of APRA CET1 ratio.

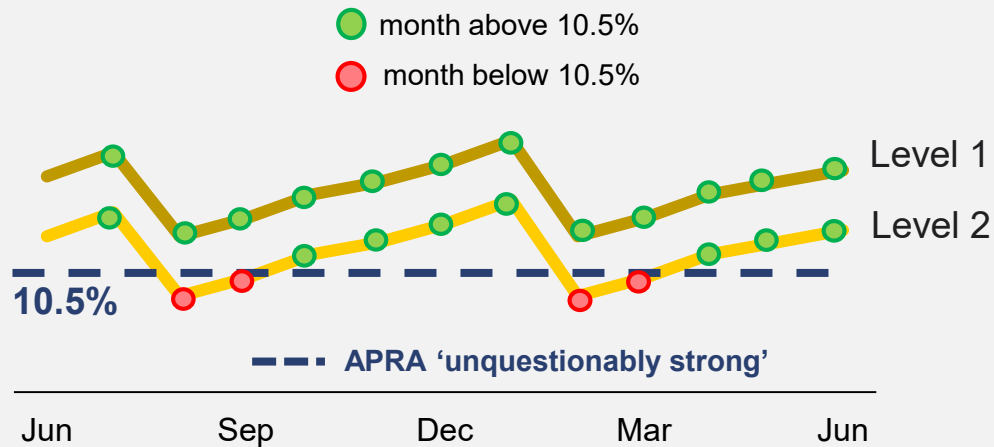
# Capital targets and focus areas

## Target setting underpinned by ongoing capital discipline



bpts

### Illustrative Targets



- Short term - maintaining surplus given economic uncertainty
- Long term - target at/above 10.5% for majority of the year (7 mths+)
- Focus on capital discipline and organic capital generation
- Opportunities - Simpler operating model, Cost reduction, Capital efficient NPAT growth, Improved data quality/ models/pricing tools

### Organic Capital Generation<sup>1</sup>

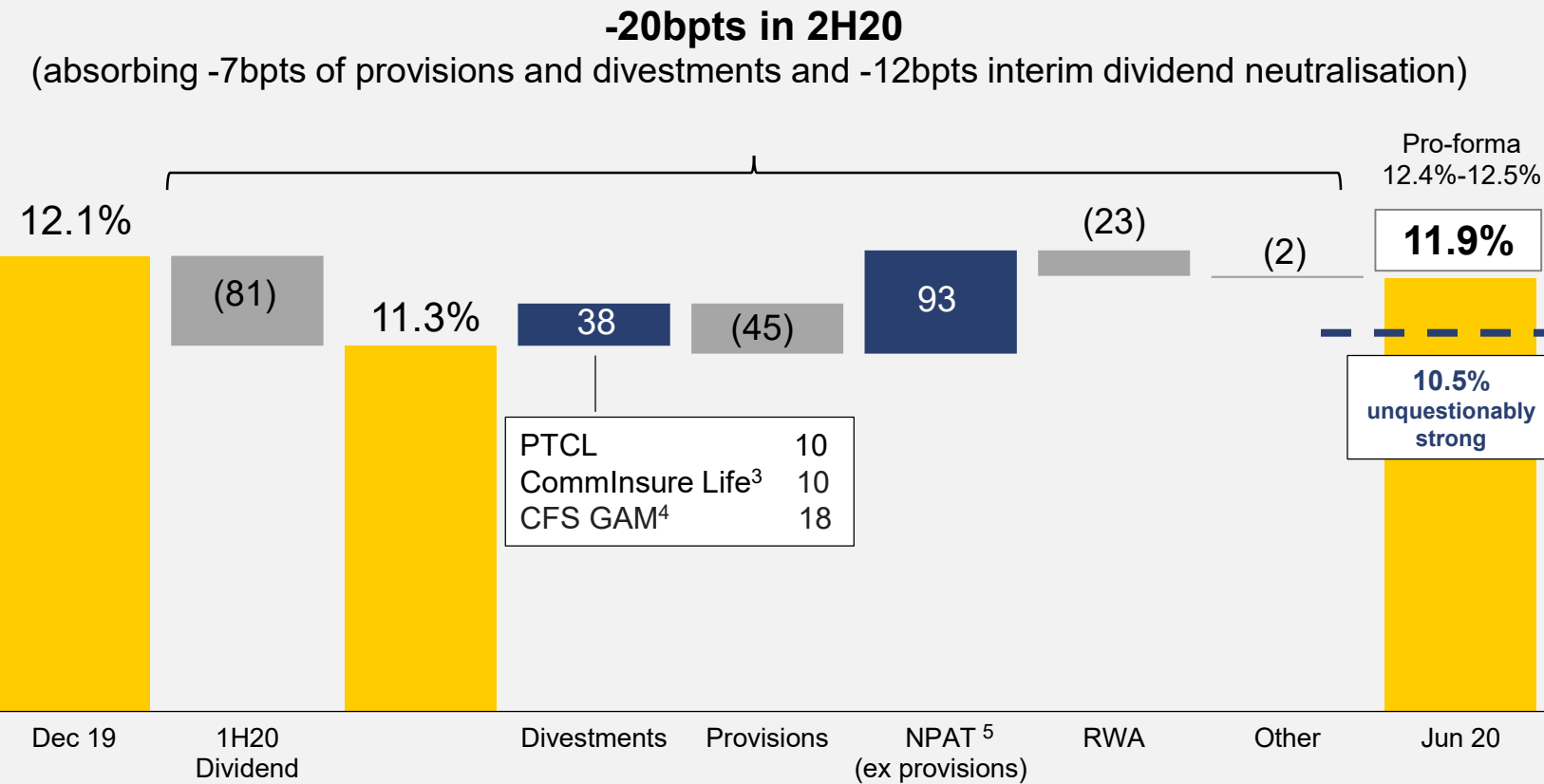
FY20	\$m	Bpts
<b>RBS</b>	4,538	99
<b>BPB</b>	2,483	56
<b>IB&amp;M</b>	386	10
<b>New Zealand</b>	918	19
<b>Wealth</b>	186	4
<b>IFS and Other</b>	(525)	(10)
<b>BU Total</b>	<b>7,986</b>	<b>178</b>
<b>Dividend (net DRP)</b>	(7,629)	(169)
COVID-19/Remediation provisions <sup>2</sup>	1,387	30
<b>Total Organic Capital</b>	<b>1,744</b>	<b>39</b>

1. Organic capital generation is Cash NPAT less dividends (net of DRP) and underlying RWA movements (excluding major regulatory treatments). 2. Represents the NPAT impact associated with the additional provisions raised as part of COVID-19 and remediation which have been excluded from organic capital generation.

# CET1 (Level 1)

CET1 Level 1<sup>1</sup> +30 bpts above Level 2<sup>2</sup> at 11.9%

CET1, bpts



Differences between Level 1 and Level 2	Impact (bpts)
Lower RWA at Level 1 due to the exclusion of banking subsidiaries	120
Investment in insurance subsidiaries risk weighted at 400% at Level 1 - full deduction at Level 2	5
Lower reserves and retained earnings at Level 1	(45)
Investments in regulated banking subsidiaries (e.g. ASB) risk weighted at 400% <sup>6</sup> at L1, eliminated at L2	(70)
Goodwill & Intangibles	20
Level 1 vs Level 2	30

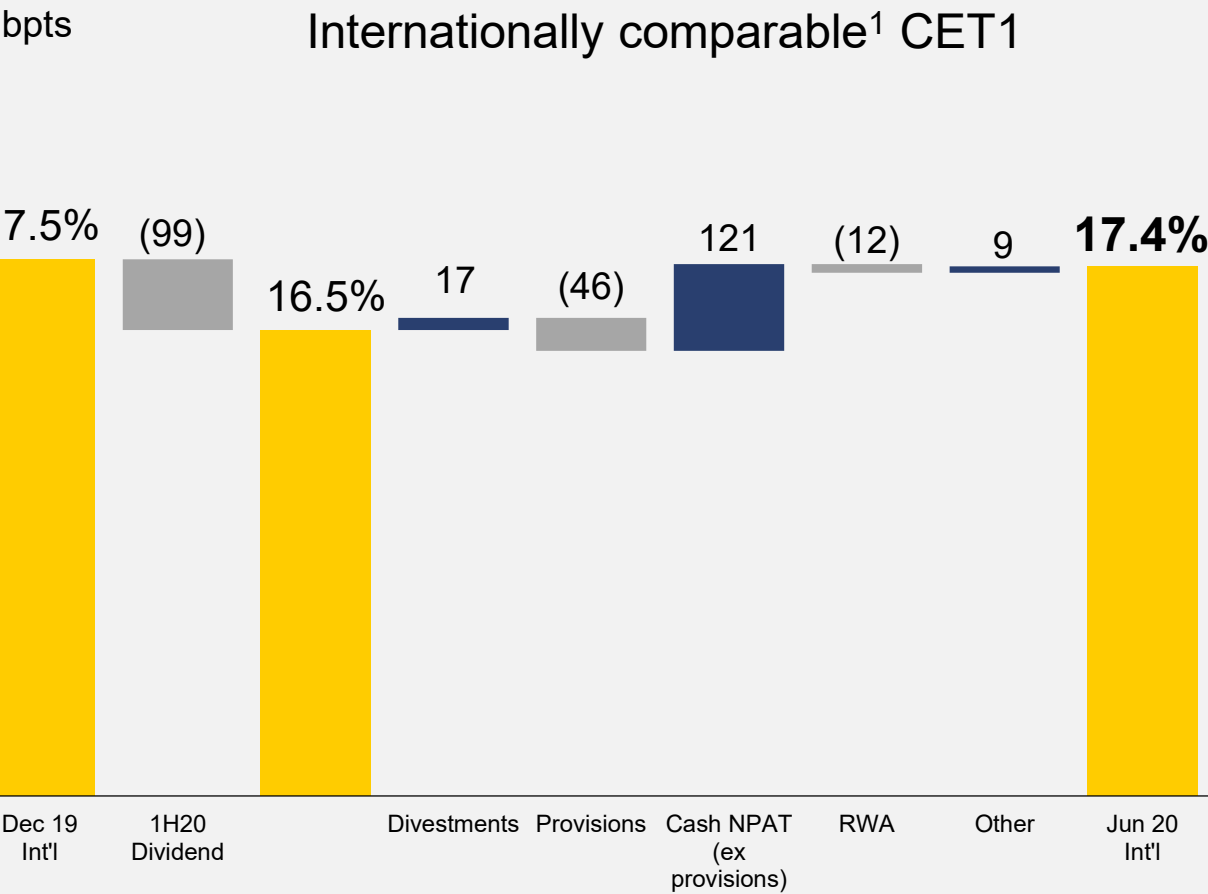
1. Level 1 is the CBA parent bank, offshore branches, and extended license entities approved by APRA. 2. Level 2 is the consolidated banking group (including banking subsidiaries such as ASB Bank, PT Bank Commonwealth (Indonesia) etc.) and excluding the insurance and funds management businesses. 3. CommInsure Life reflects the benefit from cash proceeds in 2H20. 4. Related to the repatriation of capital back to CBA parent from subsidiaries entities as part of the finalisation of CFSGAM sale (no impact at Group level). 5. Excludes profit/loss on sale of announced divestments and includes dividend income received from subsidiaries. 6. Under proposed changes to APS 111 risk weighting will move to 250%, capped at 10% of CET1 capital, above which investments are treated as a 100% CET1 deduction.



# CET1 – internationally comparable



The Group’s CET1 ratio of 11.6% translates to 17.4% on an international basis



CET1 APRA	11.6%
Equity investments	0.8%
Capitalised expenses	0.1%
Deferred tax assets	0.5%
IRRBB RWA	0.3%
Residential mortgages	2.3%
Other retail standardised exposures	-
Unsecured non-retail exposures	0.4%
Non-retail undrawn commitments	0.4%
Specialised lending	0.9%
Currency conversion	0.1%
CET1 internationally comparable	17.4%
Tier 1 internationally comparable	20.4%
Total capital internationally comparable	24.9%

1. Internationally comparable capital - refer glossary for definition.



# Regulatory expected loss

## Increase in provisions due to COVID-19



\$m	Jun 19	Dec 19	Jun 20
<b>Regulatory Expected Loss (EL)</b>	<b>4,706</b>	<b>4,440</b>	<b>4,910</b>
Eligible Provisions (EP)			
Collective Provisions <sup>1</sup>	3,510	3,663	4,902
Specific Provisions <sup>1,2</sup>	1,751	1,647	1,769
General Reserve for Credit Losses adjustment <sup>3</sup>	515	-	-
Less: ineligible provisions (standardised portfolio)	(353)	(330)	(315)
<b>Total Eligible Provisions</b>	<b>5,423</b>	<b>4,980</b>	<b>6,357</b>
Regulatory EL in Excess of EP <sup>4</sup>	(717)	(540)	(1,447)
Common Equity Tier 1 Adjustment	-	-	-

1. Includes transfer from collective provision to specific provisions (Jun 20: \$494m, Dec 19: \$404m Jun 19: \$394m). 2. Specific provisions includes partial write offs (Jun 20: \$308m, Dec 19: \$284m Jun 19: \$462m). 3. Effective 31 December 2019, the Group's General Reserve for Credit Losses (GRCL) is lower than the provision recognised for accounting purposes, resulting in no additional GRCL requirement. 4. Excess of eligible provisions for non-defaulted exposures included in Tier 2 capital (Jun 20: \$1,387m, Dec 19: \$240m Jun 19: \$527m).

# Regulatory capital changes



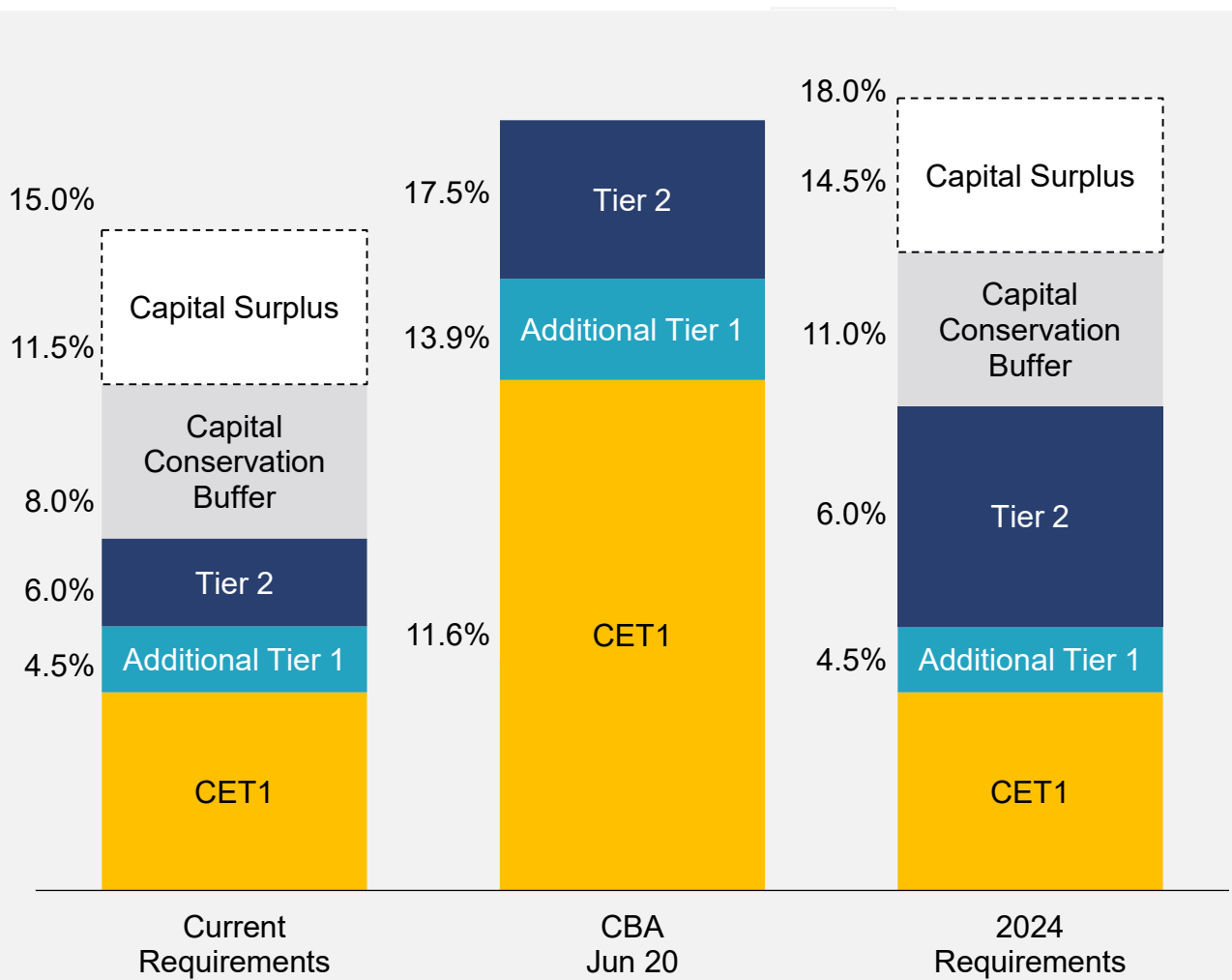
## Scheduled implementation of Basel III reforms in Australia deferred by one year

Change	Details	Implementation
<b>APRA's revisions to the ADI capital framework</b>	<p>APRA commenced consultation on:</p> <ul style="list-style-type: none"> <li>• Revisions to risk-based capital requirements for credit, interest rate risk in banking book and operational risk;</li> <li>• Transparency, comparability and flexibility of the ADI capital framework; and</li> <li>• Measurement of capital (APS 111), including capital treatment of parent ADI investments in banking and insurance subsidiaries.</li> </ul> <p>Consultation on the Fundamental Review of the Trading Book (APS 116) has not commenced.</p>	<p>1 Jan 2023 (APS 111 Jan 2021, APS 115 optional early adoption 1 Jan 2022 and APS 116 Jan 2024)</p>
<b>Loss Absorbing Capacity ("LAC")</b>	<ul style="list-style-type: none"> <li>• Total Capital increase of 3% for all domestically systemically important banks (D-SIBs).</li> </ul>	<p>1 Jan 2024</p>
<b>RBNZ Capital Review</b>	<ul style="list-style-type: none"> <li>• RWA of internal ratings based banks will increase to 90% of that required under a standardised approach;</li> <li>• D-SIB Tier 1 capital requirement of 16% with at least 13.5% in the form of CET1; and</li> <li>• Implementation from Jul 2021 with a transitional period of 7 years.</li> </ul>	<p>1 Jul 2028 (7 year transition period from Jul 2021)</p>
<b>Leverage ratio</b>	<ul style="list-style-type: none"> <li>• Proposed minimum 3.5% from 1 Jan 2023.</li> </ul>	<p>1 Jan 2023</p>
<b>APS 220 Credit Risk Management</b>	<ul style="list-style-type: none"> <li>• Enhancements covering a broad range of issues including credit standards, ongoing monitoring and management of credit portfolios and Board oversight. From a regulatory capital perspective, proposals include the removal of the General Reserve for Credit Losses (GRCL) from provision requirements. Consultation closed Jun 2019.</li> </ul>	<p>1 Jan 2022</p>
<b>Dividend Guidance and Restrictions</b>	<ul style="list-style-type: none"> <li>• APRA – ADIs should use stress testing to inform decisions on dividends and other capital actions, as well as to assess lending capacity under a range of different scenarios. For 2020, APRA expects that ADIs retain at least 50% of earnings and use capital management initiatives to at least partially offset the diminution in capital from distributions; and</li> <li>• RBNZ - Prohibition of dividends or redemption on non-CET1 capital instruments.</li> </ul>	<p>Immediately (APRA announced 7 April 2020 and 29 July 2020, RBNZ announced 2 April 2020)</p>

# APRA's LAC requirements



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



- Additional 3% of RWA in Total Capital applicable to all domestically systemically important banks (D-SIBs) by 1 Jan 24.
- CBA requires an additional \$6.3bn of LAC qualifying issuance by 1 Jan 24.
- FY20 LAC qualifying issuances included \$1.65bn Additional Tier 1 and \$4.2bn Tier 2.
- APRA may consider feasible alternative methods for raising additional 1-2% of RWA, in consultation with industry and other stakeholders.

\$bn	Jun 20
Risk Weighted Assets	454.9
Tier 2 Requirement @ 5% by 1 Jan 2024	22.7
Existing Tier 2 at June 2020 (3.6%) <sup>1</sup>	16.4
Current shortfall (excluding AT1)	6.3

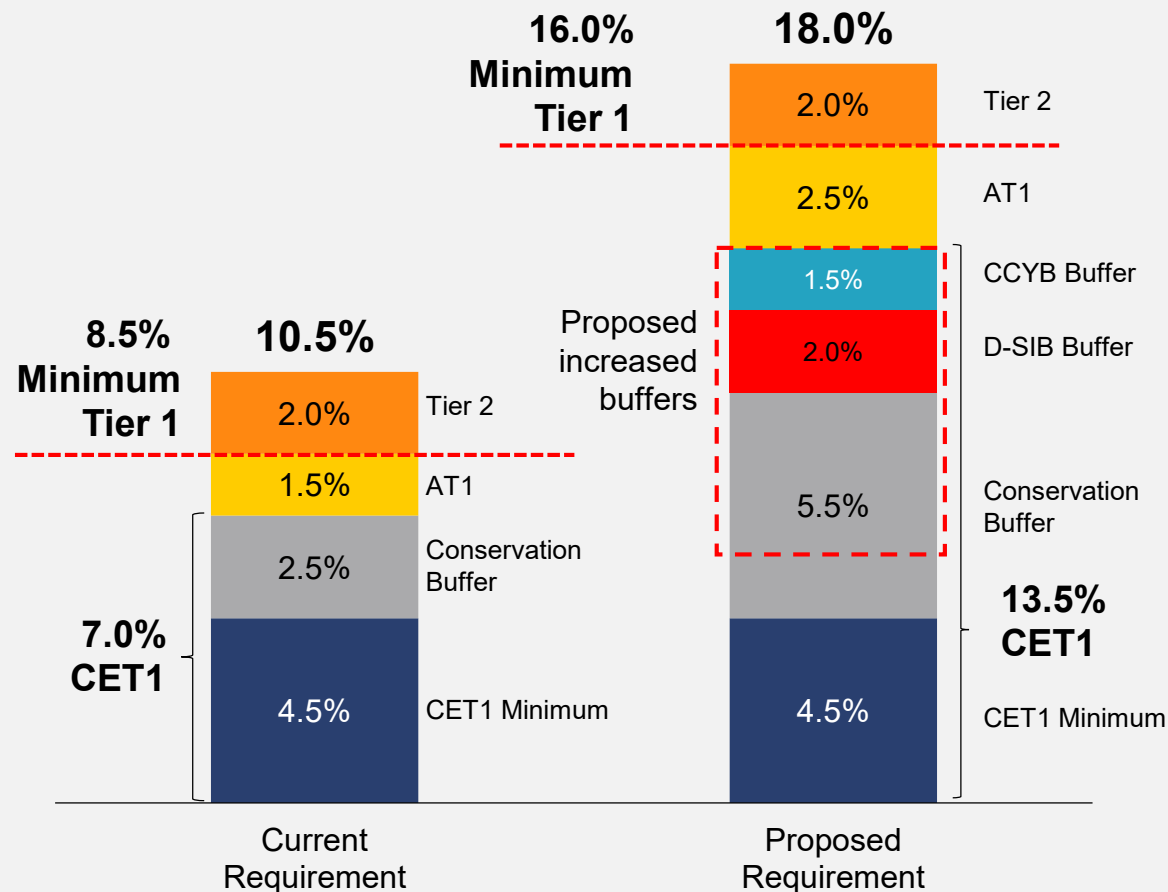
1. Inclusive of \$1.6bn provisions eligible for inclusion in Tier 2.

# RBNZ capital requirements

## New Zealand Tier 1 minimum to increase to 16%



### RBNZ capital requirement changes



- Due to COVID-19 implementation was delayed by one year until July 2021 with a transitional period of 7 years.
- Under APRA's proposed revisions to APS111, any equity injections of additional capital into ASB over the transition period would eventually result in a reduction in CBA's Level 1 CET1 ratio.
- CBA's Level 2 CET1 ratio will not be affected by these requirements.
- CBA well placed to meet changes and will consider ways to minimise the financial impact from the requirements while supporting our customers and growth in the New Zealand economy.

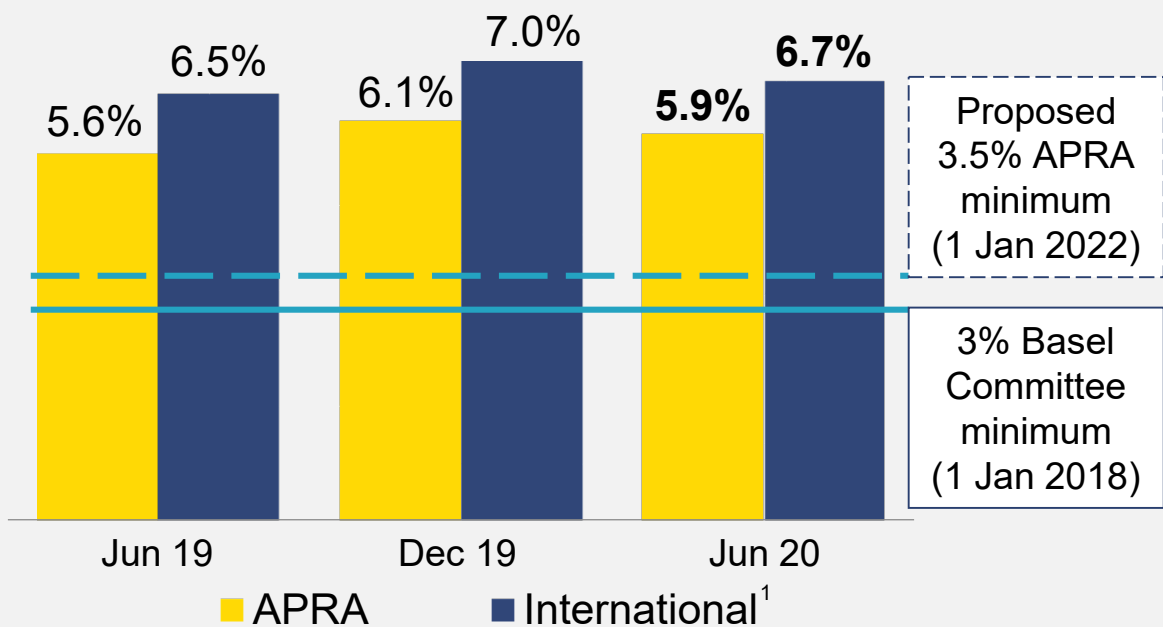
# Leverage ratio



## CBA leverage ratio well above proposed APRA 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 20
Tier 1 Capital	63,414
Total Exposures	1,073,131
<b>Leverage Ratio (APRA)</b>	<b>5.9%</b>

\$m	Jun 20
<b>Group Total Assets</b>	<b>1,014,060</b>
Less subsidiaries outside the scope of regulatory consolidations	(6,152)
Less net derivative adjustment	(2,656)
Add securities financing transactions	391
Less asset amounts deducted from Tier 1 Capital	(18,794)
Add off balance sheet exposures	86,282
<b>Total Exposures</b>	<b>1,073,131</b>

1. 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.



# Economic Overview

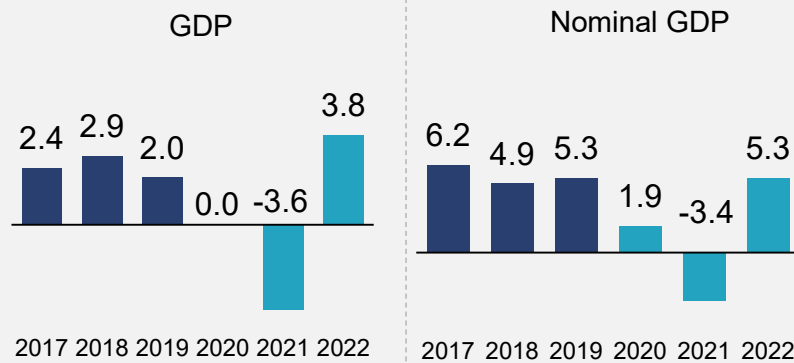
CBA Chief Economist



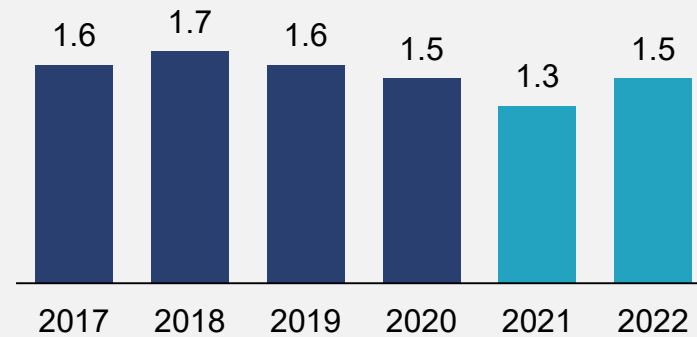


# Key Australian economic indicators (June FY)

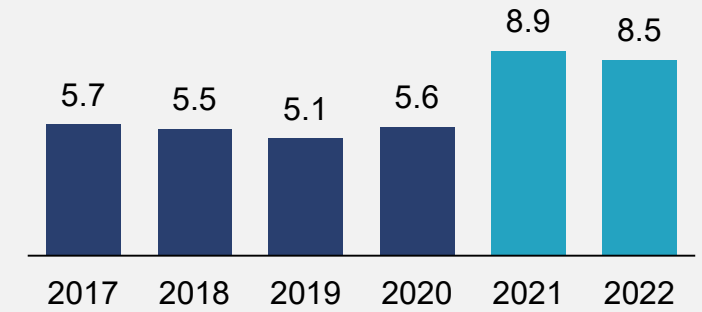
GDP %



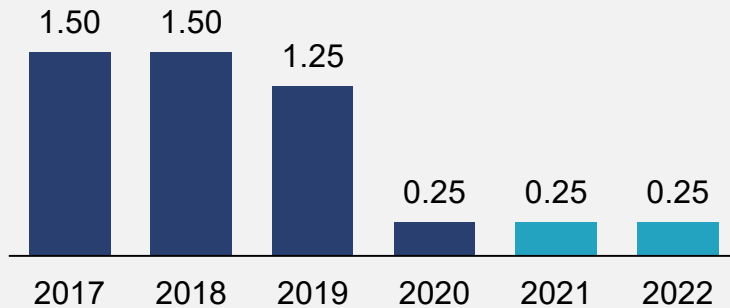
Trimmed Mean CPI %



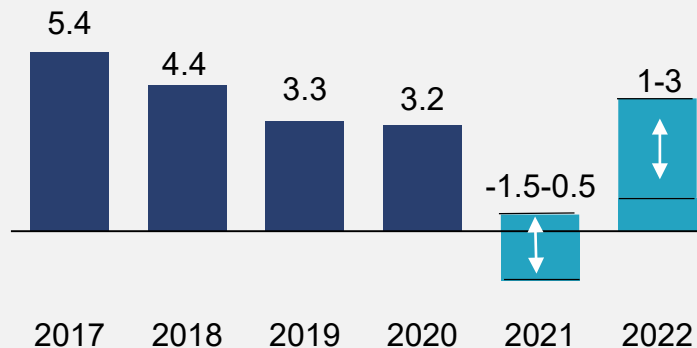
Unemployment rate %



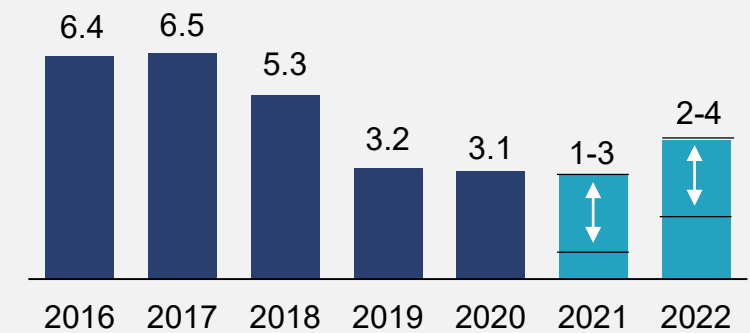
Cash rate %



Total credit growth %



Housing credit growth %



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

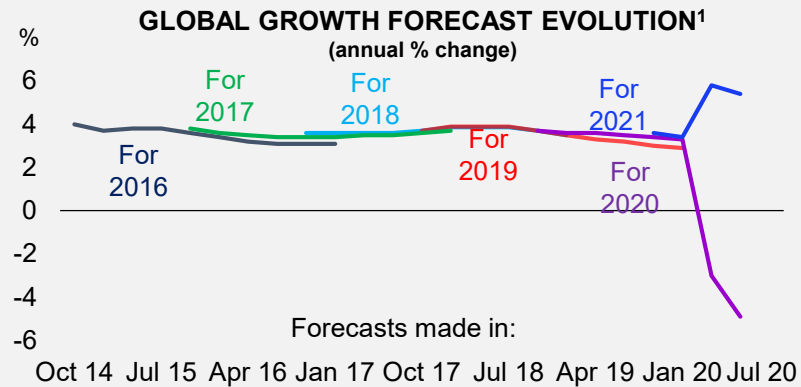
■ = CBA Economist Forecast

# The Global Economy

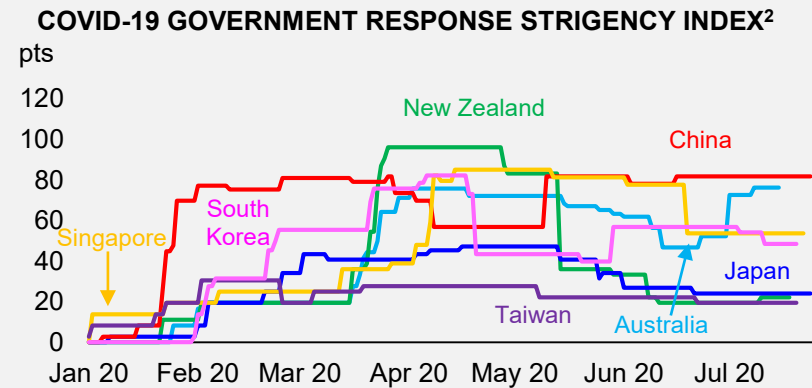
Risks remain elevated despite some improvement



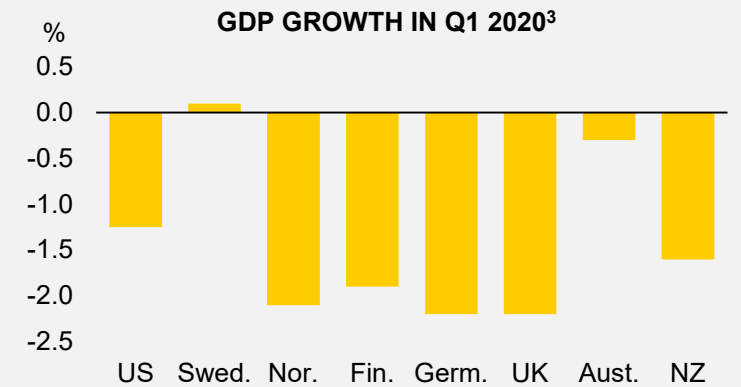
The global economy is in recession



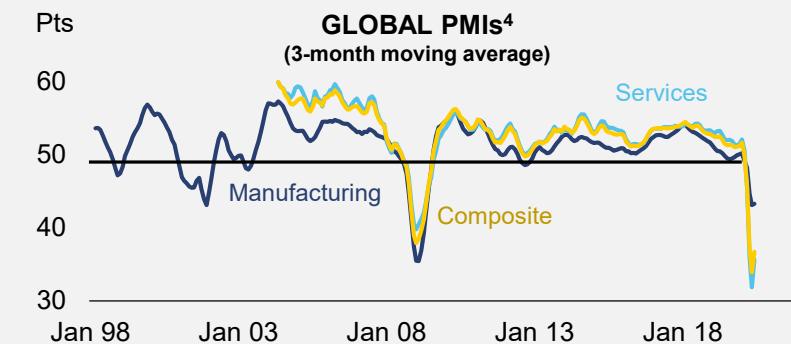
As the severity of Covid-19 lockdowns differed..



...so did the economic contraction in Q1 20



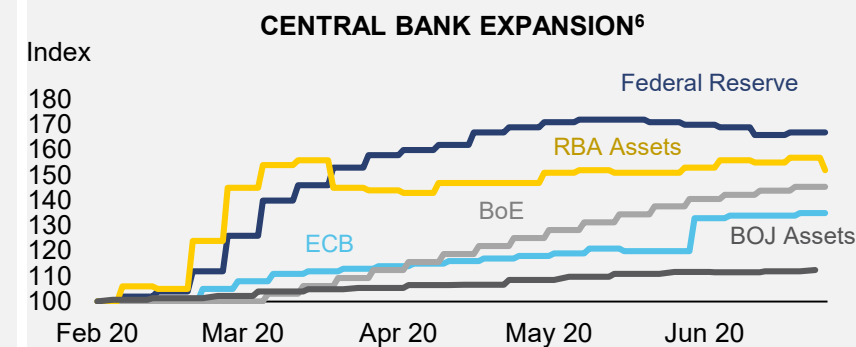
Led by the services sector



Global tourism to take a hit



Central banks easing policy, balance sheet expansion and targeted programs



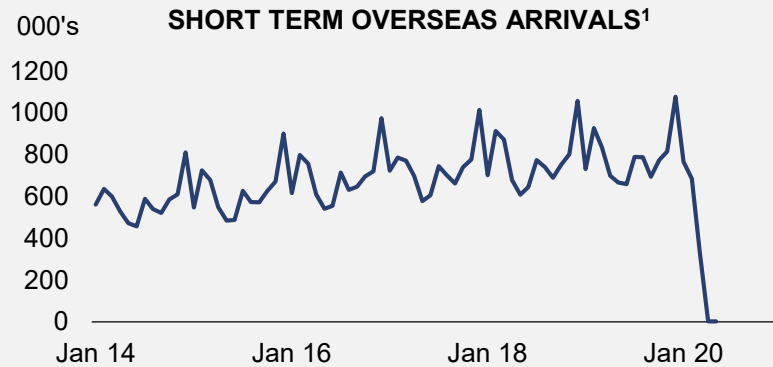


# The Australian Economy

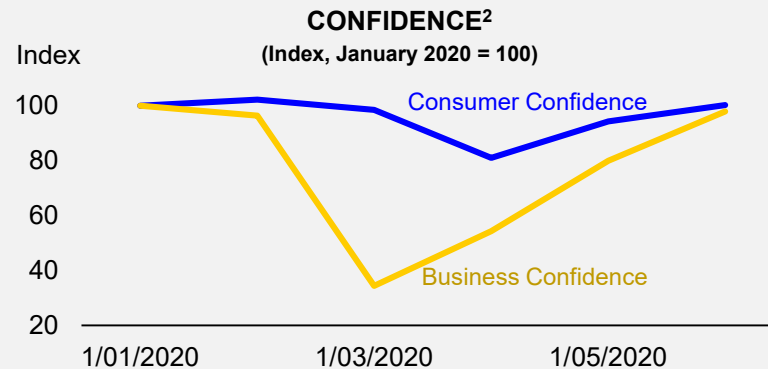
## The breadth and depth of the Covid-19 impact



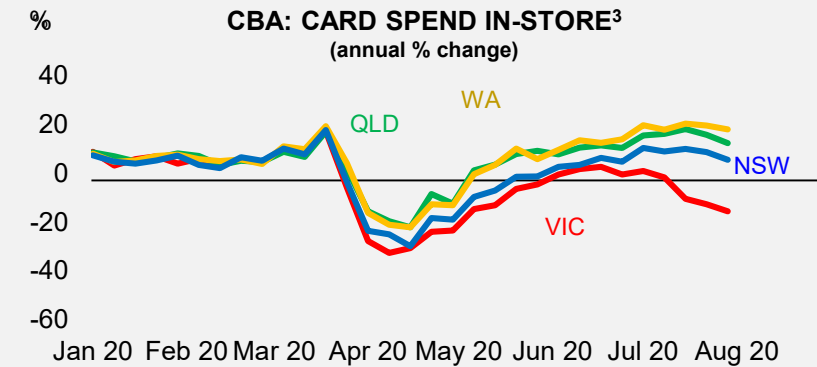
Border closures impacting international tourism



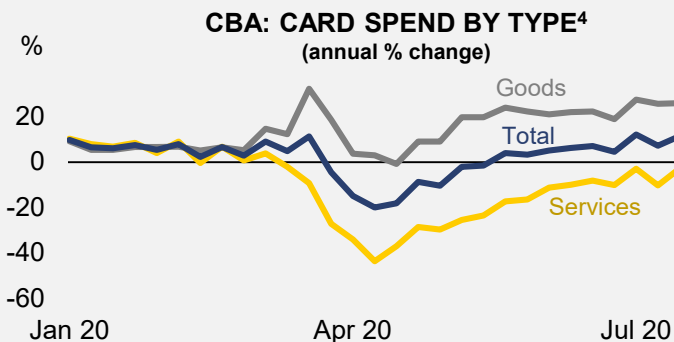
Business confidence retreated more than consumer confidence



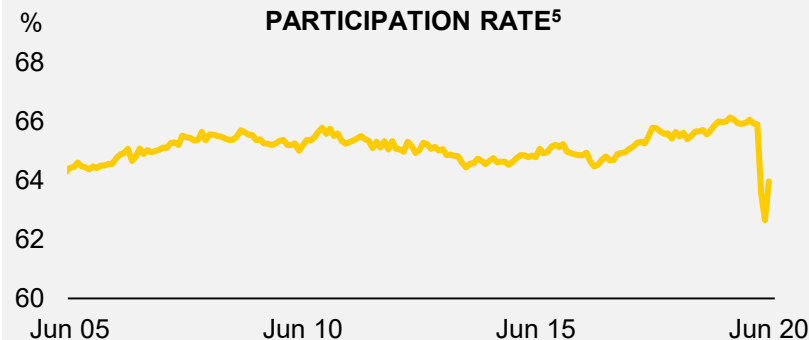
State lockdown measures impacting spending



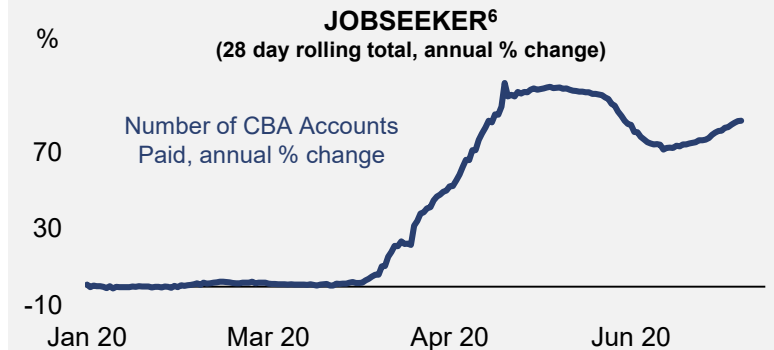
Services spend fell but now recovering



Large fall in the participation rate as people left the work force



JobSeeker numbers rose sharply

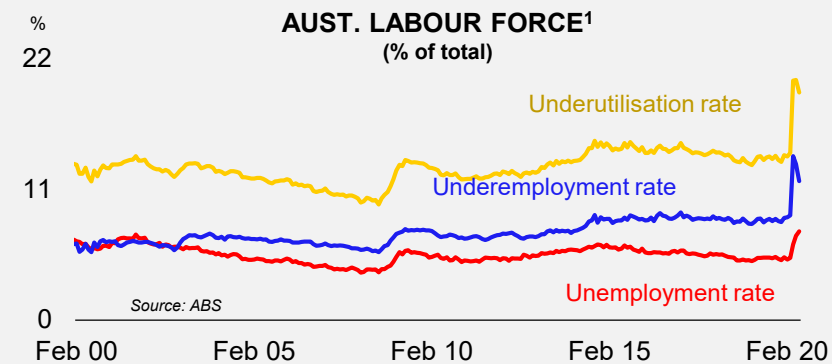


1. Source: ABS. 2. Source: Westpac, NAB, CBA. 3. Source: CBA. 4. Source: CBA. 5. Source: ABS. 6. Source: CBA.

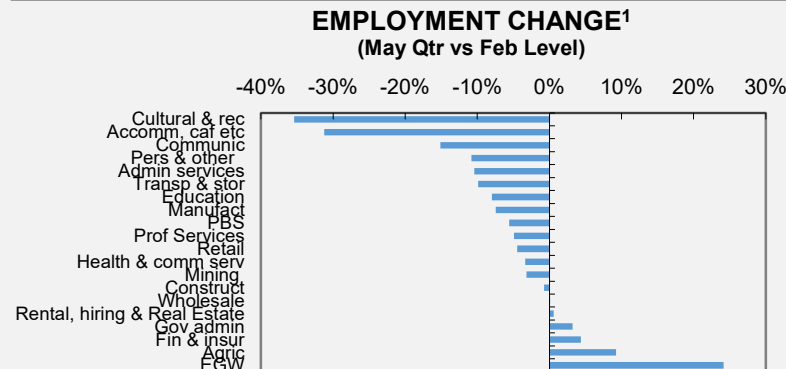
# The Australian Economy

## The medium term Covid-19 impact

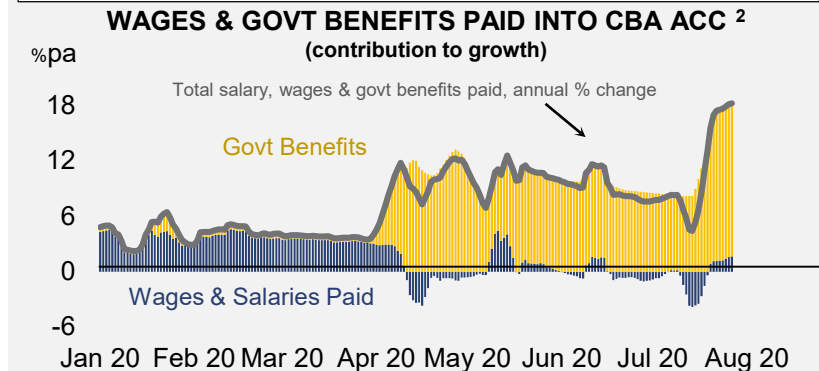
Spare capacity in the labour market to remain elevated



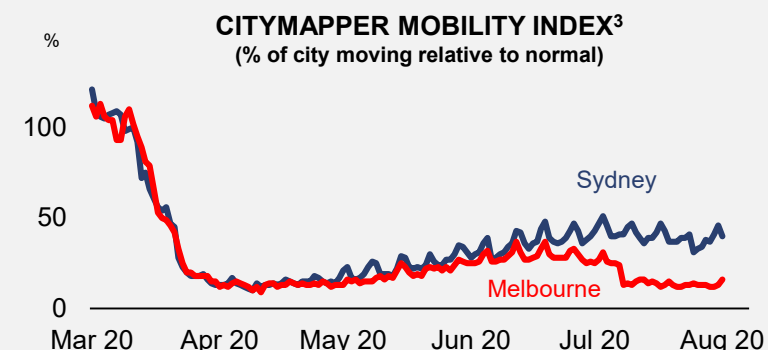
Some industries will take longer to recoup than others, judged by job losses to date



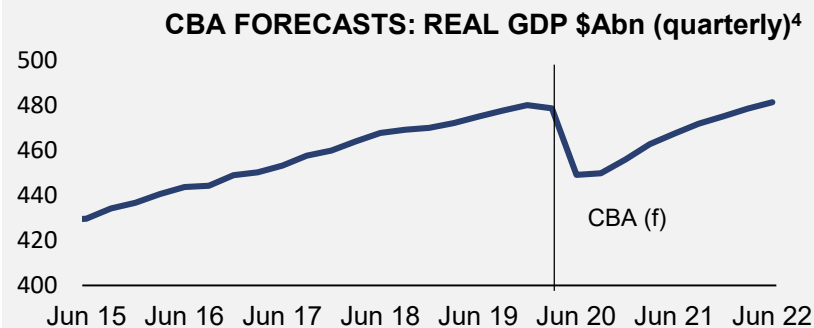
Household incomes being supported by government payments



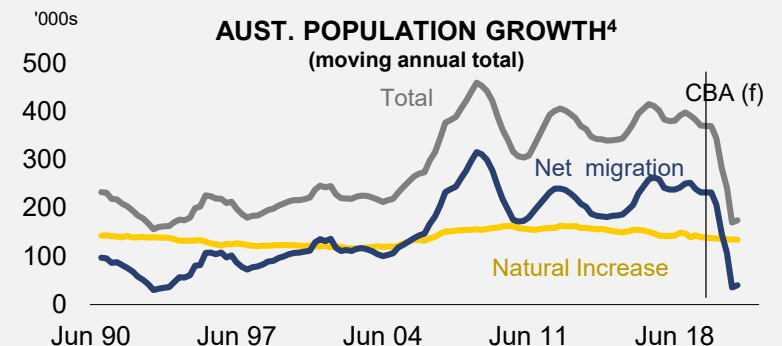
Shutdown measures, work from home and social distancing impacting the economy



Economy to still be behind Q4 19 level in 2022



Population growth to slow

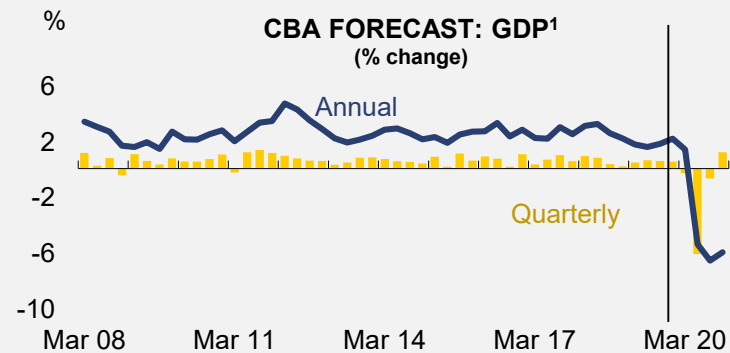


# The Australian Economy

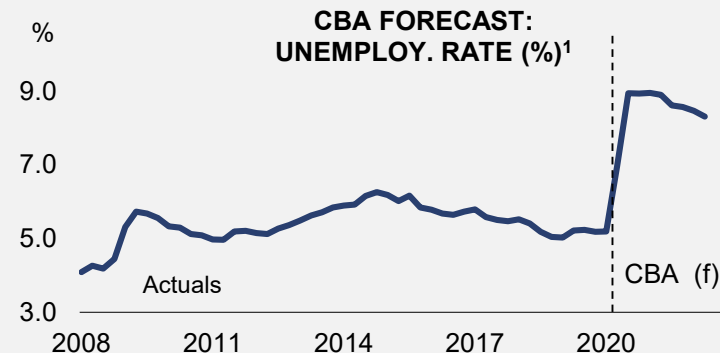
## The outlook from here and other themes



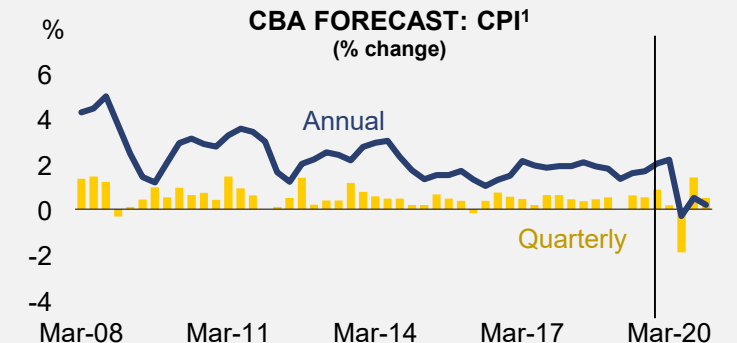
Australia is in recession – growth of -4.2% expected in calendar 2020



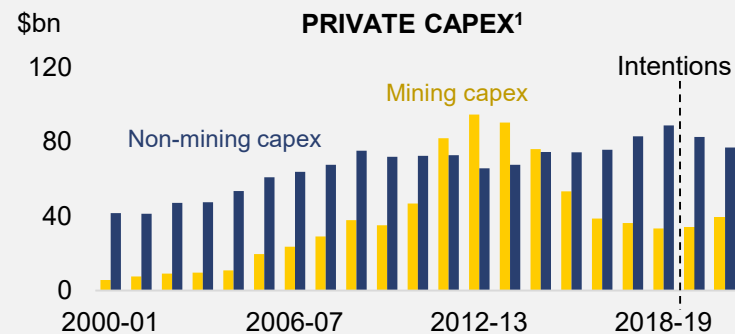
The unemployment rate to peak ~9% and take a long period to retreat



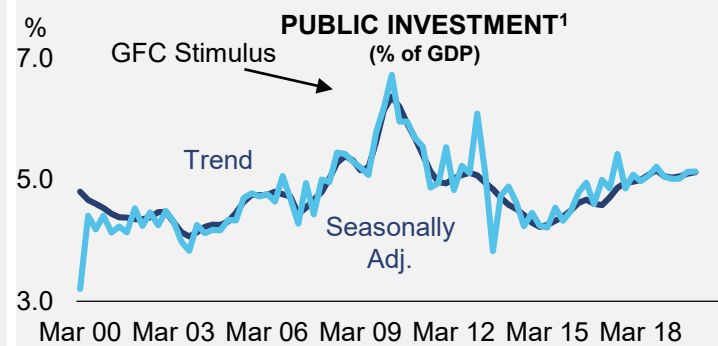
Inflation rates to weaken



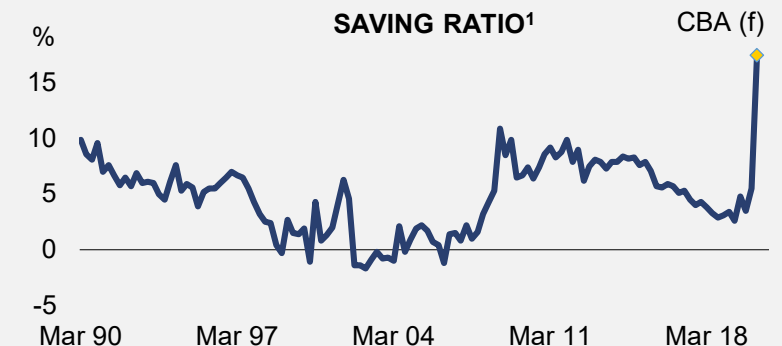
Mining investment on the rise but caution on non-mining investment



Infrastructure spending to support growth



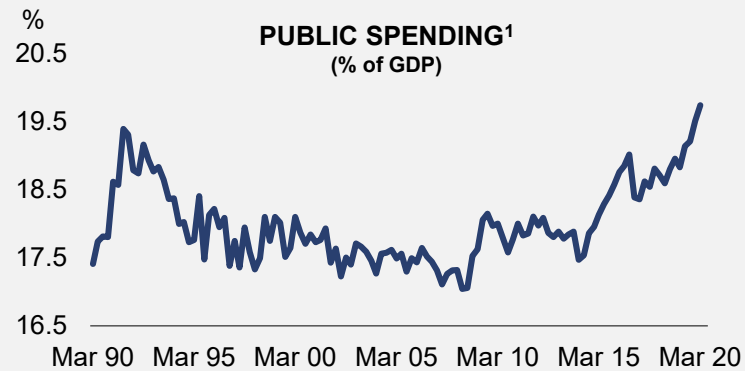
Household caution could persist



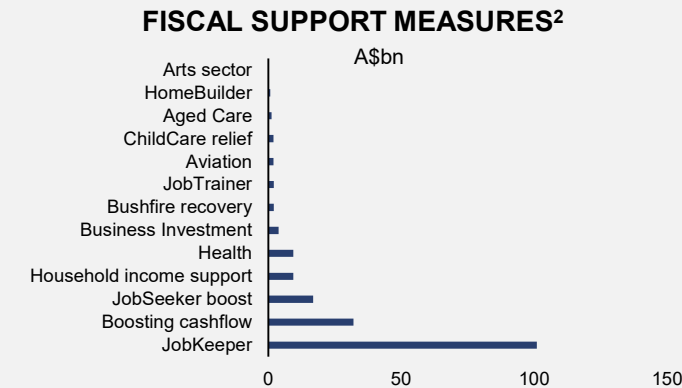
# The Australian Economy

External sector in good shape, but there are risks and support measures

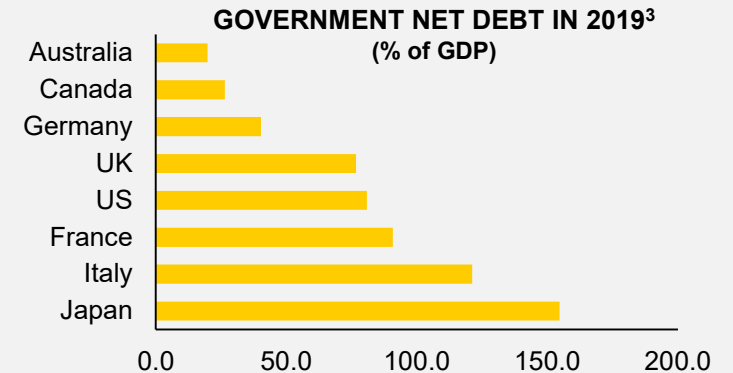
Government share of the economy is rising



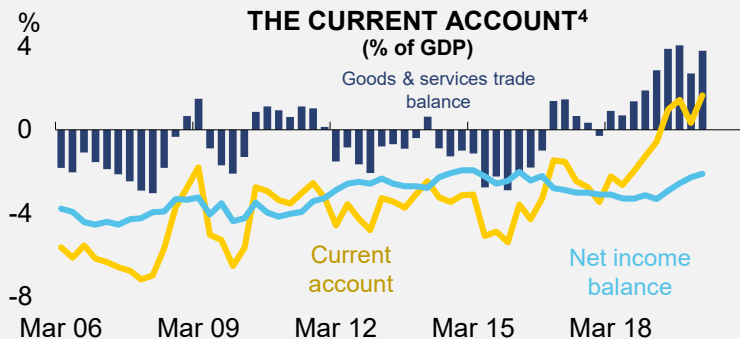
Stimulus has been large and extended



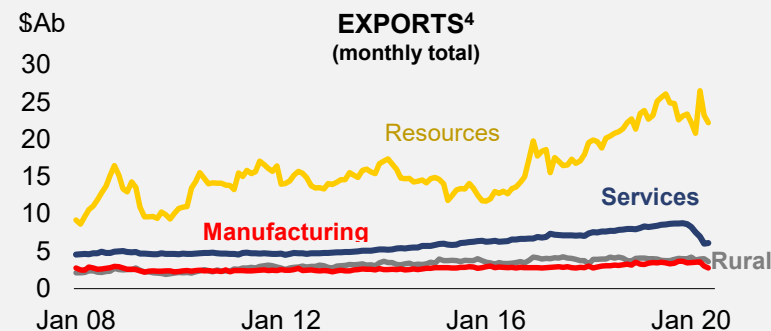
Public debt was low going into crisis



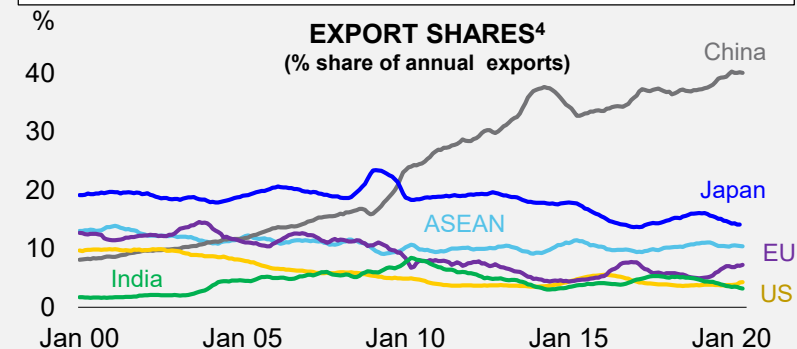
The external sector is in a good position with Current Account Surpluses expected in 2020



Tourism and Education exports hit hard, while Chinese stimulus supporting mining



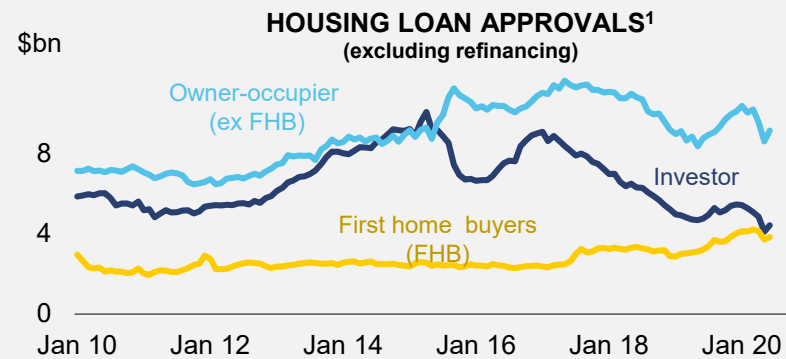
China dominates Australia's export relationship



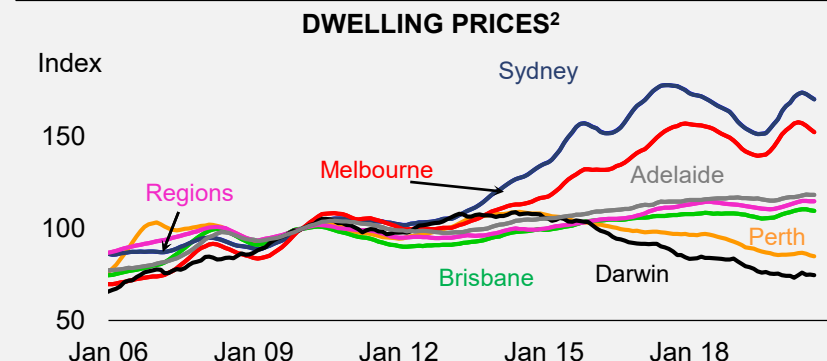
# Home lending

## COVID-19 impacting demand for housing despite low interest rates

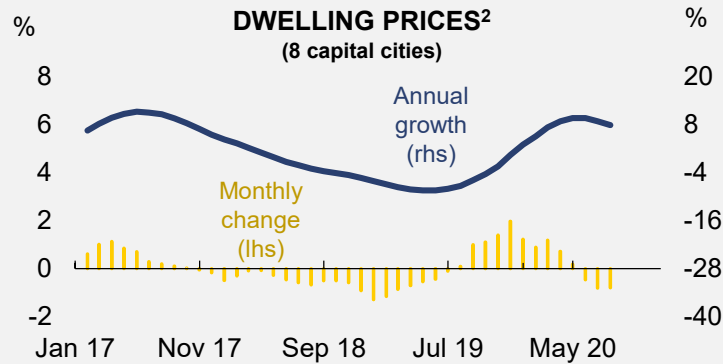
A strong recovery saw a pause in lending pre-COVID-19 which accelerated during COVID-19



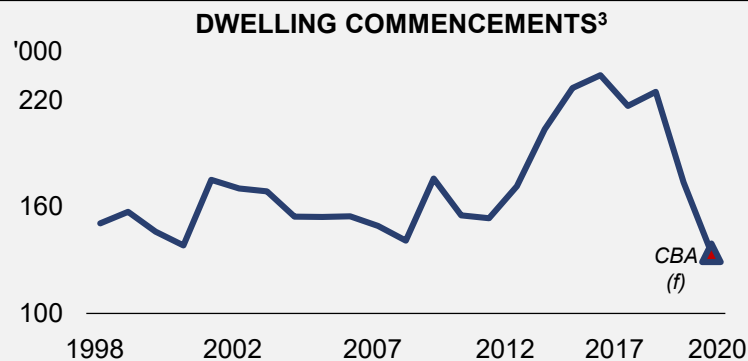
Sydney and Melb prices falling because they had risen faster and as population growth slows



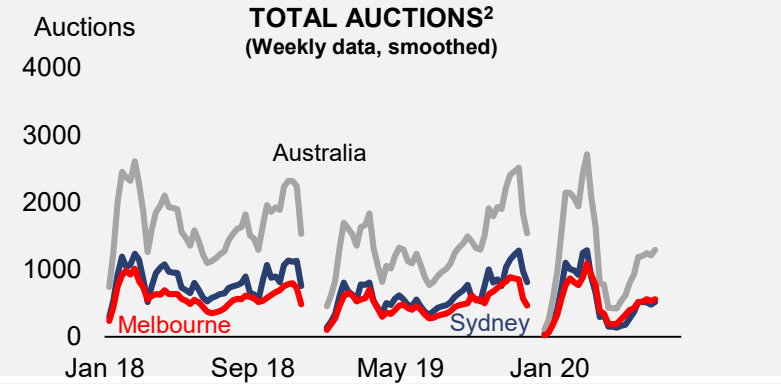
Dwelling prices started falling in May after previous strong gains



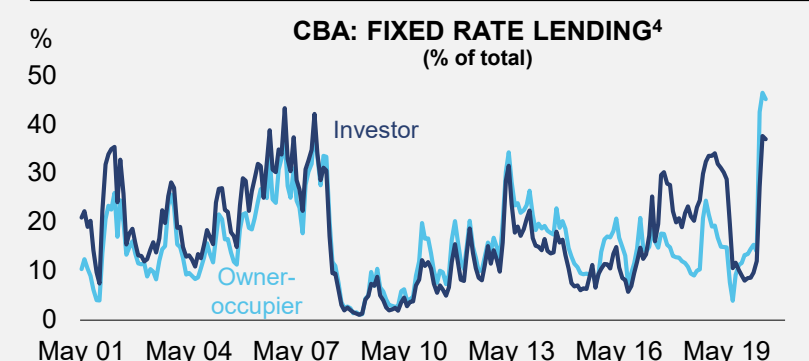
Population growth to slow dramatically leading to a slump in housing demand



Number of auctions collapsed on uncertainty and restrictions



Preference for fixed rate mortgages have risen due to lower interest rates



# Household Spending Intention Series

## Household Spending Intention Series (HSIS) at June 2020



### Spending intentions snapshot



Home Buying



Retail



Motor Vehicle



Entertainment



Travel



Education



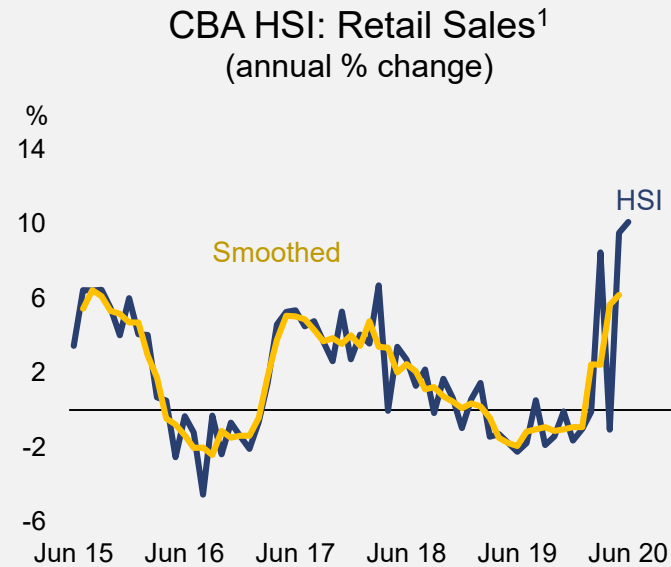
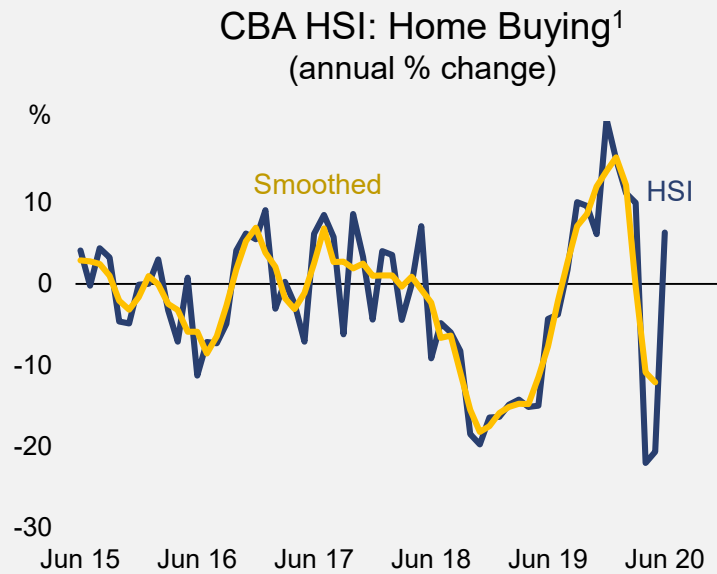
Health & Fitness

- Combines actual CBA transactional data and publically available Google Trends search data.
- Combined, these two data sets provide unique insights and a new perspective on the Australian economy.
- Results are published monthly for 7 different categories of the economy: Home buying, Retail, Travel, Health & Fitness, Entertainment, Education and Motor Vehicles.
- The Household Spending Intentions series data to end June 2020 shows that, notwithstanding the concerning increase in COVID-19 cases in Victoria and subsequent reintroduction of lock-down measures, the re-opening of large parts of the Australian economy is clearly evident in a general improvement in spending intentions in June 2020.

# Household Spending Intention Series



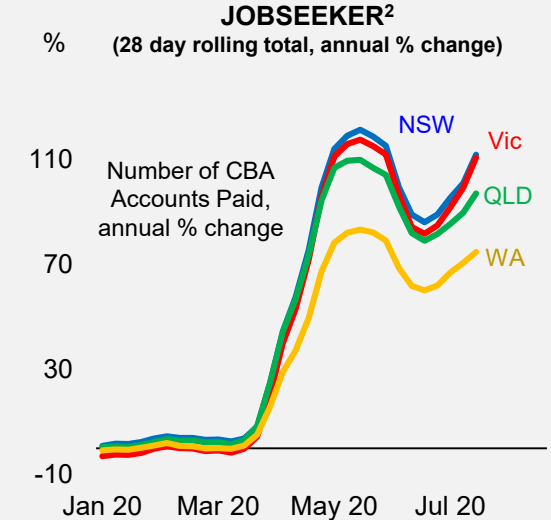
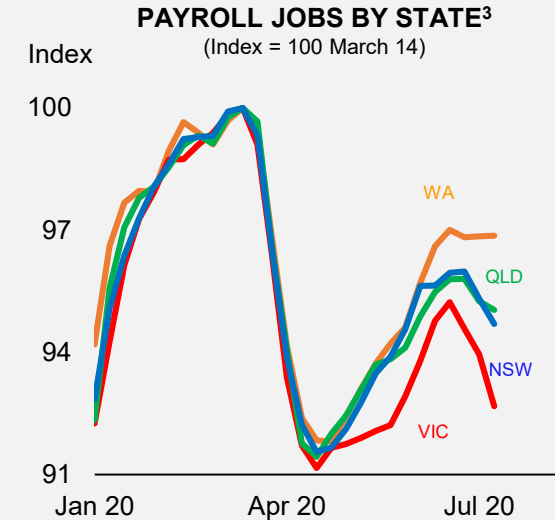
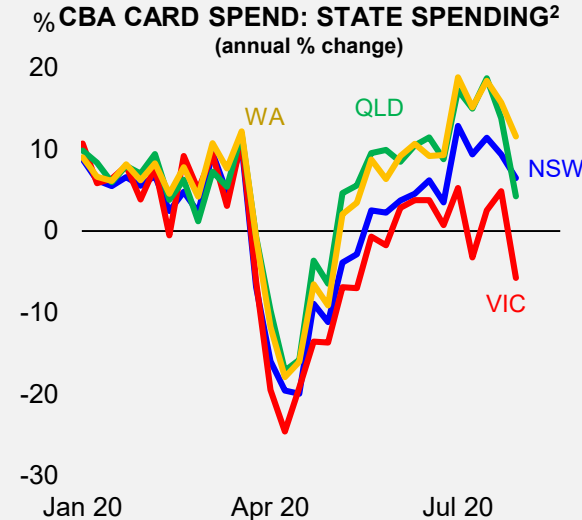
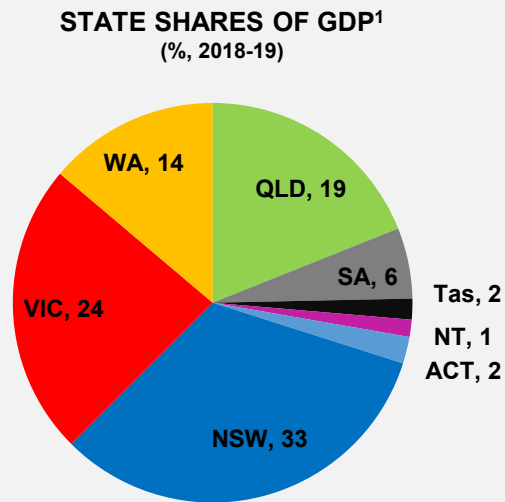
## Home buying intentions and retail sales



- Home Buying spending intentions recovered much lost ground in June, returning back close to levels seen in March – after much weaker readings in April and May. The improvement in June came on the back of increases in both home loan applications and Google searches.
- Retail spending intentions continued their solid rebound in June. The improvement was seen across a number of categories; including clothing (including school uniforms), grocery stores & supermarkets, household furnishings & equipment, hardware and digital. Not surprisingly, the area of most weakness was in duty free spending.

# Evolving economic situation in Victoria

## The impact of lockdowns

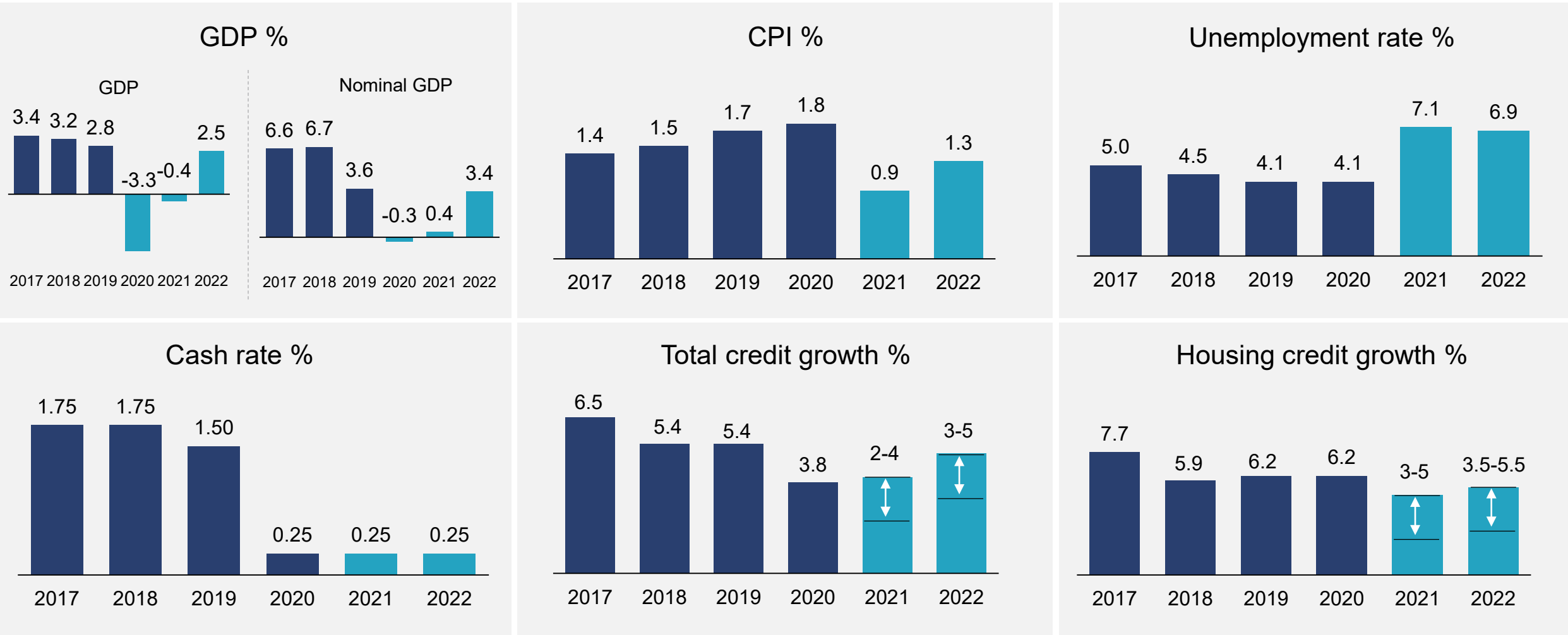


- The Victorian economy is 24% of Australia's total GDP and the combination of stage 3 and stage 4 lockdowns are anticipated to reduce economic activity by A\$10-A\$12bn in the September Quarter.
- CBA card spend data has already deteriorated in Victoria and we expect this next stage of lockdown to have a profound impact on consumer spending and the labour market in the state. JobSeeker payments are also expected to rise and the JobKeeper package has been amended to lift eligibility as the Federal Treasury expect around 500,000 additional employees to seek access to the package adding to the current 3.5 million employees on JobKeeper.





# New Zealand economic indicators (June FY)



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

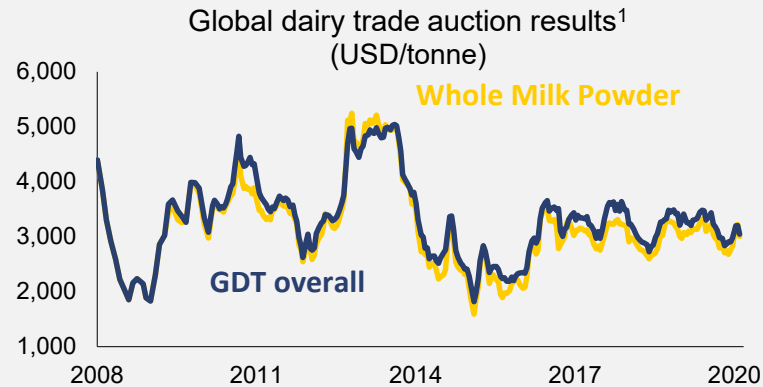
= forecast

# New Zealand

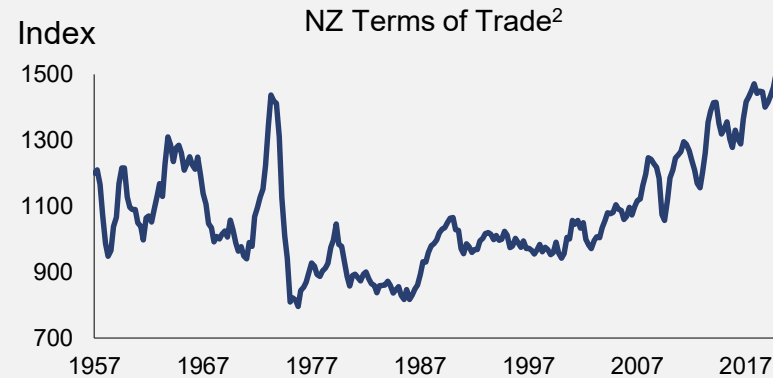
## NZ economy was picking up ahead of COVID-19



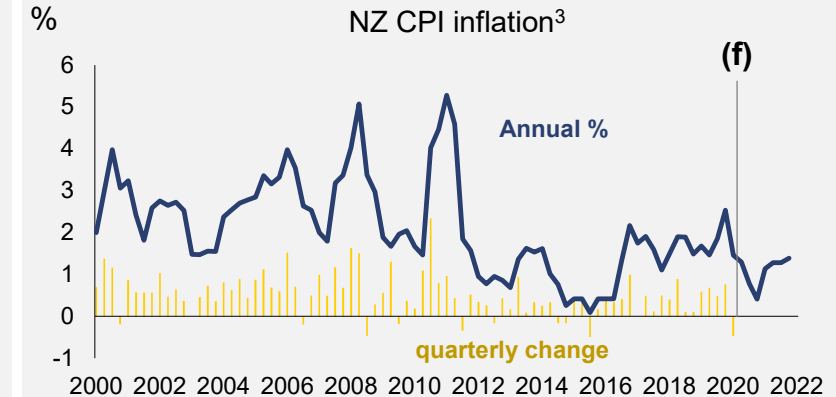
Dairy prices edging up after COVID-19 dip



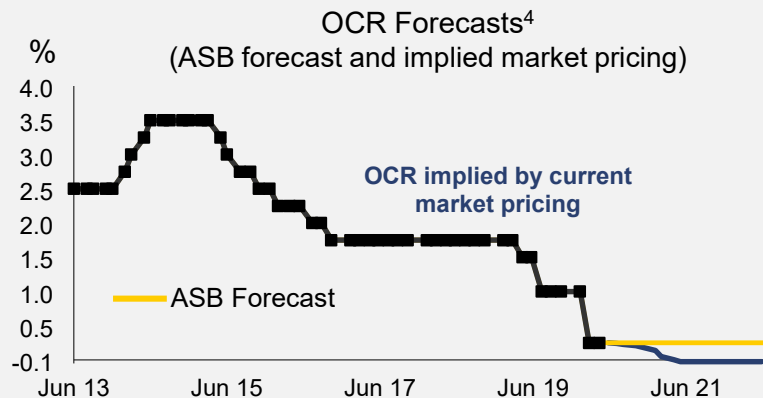
NZ's Terms of Trade expected to hold up



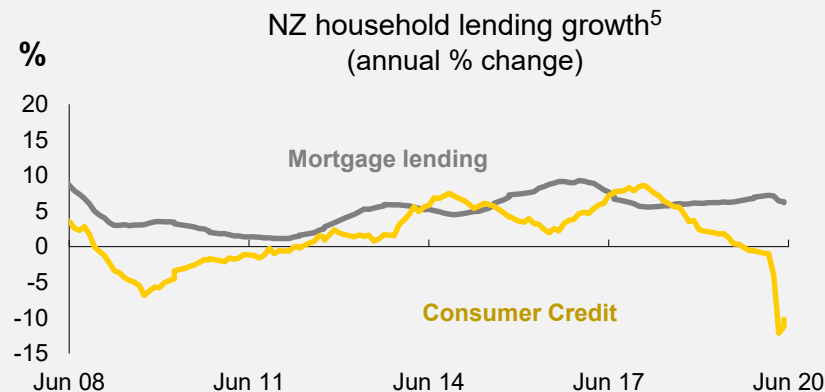
Inflation to fall below 1%-3% target



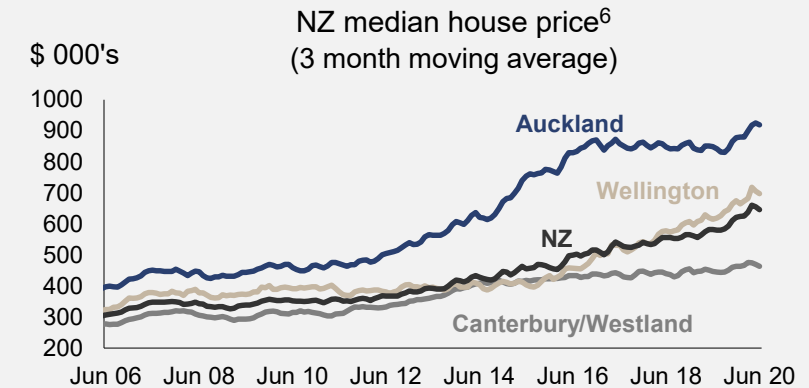
RBNZ to hold OCR at 0.25% into early 2021



Home lending growth eased at end of FY20



House price growth flat since lockdown





# Sources, Glossary & Notes



# Sources and Notes



## Core franchise strength

### Slide 10

1. Net Promoter Score - Mobile App (via mobile app on a mobile phone or tablet): 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 2020. Rank based on comparison to ANZ, NAB and Westpac (at a brand level). Net Promoter®, Net Promoter System®, Net Promoter Score®, NPS® and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc. Total average NetBank, the CommBank mobile app, CommBank tablet app and old mobile app logons per day in the month of June 2020. Includes Face ID logons.
2. DBM Consumer MFI \*Net Promoter Score. Based on Australian population aged 14+ years old rating their Main Financial Institution. Net Promoter Score refers to customer likelihood to recommend their MFI using a scale from 0-10 (where 0 is 'Not at all likely' and 10 is 'Extremely likely') and NPS is calculated by subtracting the percentage of Detractors (scores 0-6) from the percentage of Promoters (scores 9-10). NPS results are shown as a six-month rolling average. For the major banks, NPS is reported for main brand only. \*Net Promoter Score is a trademark of Bain & Co Inc., Satmetrix Systems, Inc., and Mr Frederick Reichheld.
3. DBM Business MFI \*Net Promoter Score: Based on Australian businesses rating their Main Financial Institution for Business Banking. Net Promoter Score refers to customer likelihood to recommend their MFI using a scale from 0-10 (where 0 is 'Extremely unlikely' and 10 is 'Extremely likely') and NPS is calculated by subtracting the percentage of Detractors (scores 0-6) from the percentage of Promoters (scores 9-10). NPS results are shown as a six-month rolling average. For the major banks, NPS is reported for main brand only. \*Net Promoter Score is a trademark of Bain & Co Inc., Satmetrix Systems, Inc., and Mr Frederick Reichheld.
4. DBM Institutional \$300M+ Business MFI \*Net Promoter Score: Based on Australian businesses with an annual revenue of \$300M or more for the previous financial year rating their Main Financial Institution for Business Banking. Net Promoter Score refers to customer likelihood to recommend their MFI using a scale from 0-10 where (where 0 is 'Extremely unlikely' and 10 is 'Extremely likely') and NPS is calculated by subtracting the percentage of Detractors (scores 0-6) from the percentage of Promoters (scores 9-10). NPS results are shown as a six-month rolling average. For the major banks, NPS is reported for main brand only. \*Net Promoter Score is a trademark of Bain & Co Inc., Satmetrix Systems, Inc., and Mr Frederick Reichheld.
5. BizExpress in FY20 was an assisted experience for business lending <\$1m. BizExpress has been extended this financial year to Online access. 90% of applications via BizExpress processed on the same day.
6. As reported in RBA Lending and Credit Aggregates (Home Lending and Business Lending) and APRA Monthly ADI Statistics (MADIS) (Household Deposits). RBA collection data was aligned to the new regulatory definitions set by APRA from July 2019, therefore the Home Lending system multiple has been calculated for the 11 months to June 2020 annualised. Business Lending includes Business and Private Banking, Bankwest and Institutional Banking and Markets (ex. CMPF) and growth is calculated for 12 months.
7. Total group transaction deposits growth, including non-interest bearing deposits.

# Sources and Notes



## Executing our strategy

### Slide 16

1. MFI Share measures the proportion of Banking and Finance MFI Customers that nominated each bank as their Main Financial Institution. Main Financial Institution (MFI) definition: In the Roy Morgan Single Source Survey MFI is a customer determined response where one institution is nominated as the primary financial institution they deal with (when considering all financial products they hold). Peers include ANZ Group, NAB Group and Westpac Group (including St George Group). CBA Group includes Bankwest. Source: Roy Morgan Single Source survey conducted by Roy Morgan, Australian population 14+ (12 month averages to June 2020), excl. unable to identify MFI.
2. RBA Lending and Credit Aggregates (Home Loans) and APRA Monthly Authorised Deposit-taking Institution Statistics (MADIS) (Deposits). RBA collection data was aligned to the new regulatory definitions set by APRA from 1 July 2019.
3. *The Forrester Digital Experience Review™: Australian Mobile Banking Apps, Q3 2020. Forrester Research does not endorse any company included in any Digital Experience Review™ report.*
4. Net Promoter Score - Mobile App (via mobile app on a mobile phone or tablet): 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 2020. Rank based on comparison to ANZ, NAB and Westpac (at a brand level). Net Promoter®, Net Promoter System®, Net Promoter Score®, NPS® and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.

## Why CBA?

### Slide 35

1. MFI Share measures the proportion of Banking and Finance MFI Customers that nominated each bank as their Main Financial Institution. Main Financial Institution (MFI) definition: In the Roy Morgan Single Source Survey MFI is a customer determined response where one institution is nominated as the primary financial institution they deal with (when considering all financial products they hold). Peers include ANZ Group, NAB Group and Westpac Group (including St George Group). CBA Group includes Bankwest. Source: Roy Morgan Single Source survey conducted by Roy Morgan, Australian population 14+ (12 month averages to June 2020), excl. unable to identify MFI.
2. Source: RBA Lending and Credit Aggregates, series break due to new regulatory definitions set by APRA from 1 July 2019. As a result of this change, market share is not comparable to previous reporting periods and for the purpose of this chart has been compared to July 2019.
3. Market share calculated based on APRA Monthly Authorised Deposit-taking Institution Statistics (MADIS) .
4. Net Promoter Score - Mobile App (via mobile app on a mobile phone or tablet): 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 2020. Rank based on comparison to ANZ, NAB and Westpac (at a brand level). Net Promoter®, Net Promoter System®, Net Promoter Score®, NPS® and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.
5. Total provisions divided by credit risk weighted assets. Excludes impairment provisions for derivatives at fair value.
6. Peers as reported at March 2020. On continuing operations basis where applicable.
7. Source: Bloomberg. Total Shareholder Return as at 30 June 2020.

# Sources and Notes



## Best in digital

### Slide 43

1. Net Promoter Score (NPS) - Mobile App (via mobile app on a mobile phone or tablet): 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 2020. Rank based on comparison to ANZ, NAB and Westpac (at a brand level). Net Promoter®, Net Promoter System®, Net Promoter Score®, NPS® and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.
2. Total number of customers that use 1 or more extended features in the month (e.g. Cash Flow View).
3. The total number of customers that have logged into the CommBank mobile app at least once in the month of June 2020. Includes Face ID logons.
4. The total value (\$) of transfers and BPAY payments made in digital (NetBank, the CommBank mobile app, CommBank tablet app and old mobile app) as a proportion of the total value (\$) of transfers in over-the-counter, ATM, EFTPOS and digital transactions over the period of July 2019 – June 2020.
5. Net Promoter Score - Mobile App (via mobile app on a mobile phone or tablet): 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 2020. Rank based on comparison to ANZ, NAB and Westpac (at a brand level). Net Promoter®, Net Promoter System®, Net Promoter Score®, NPS® and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.
6. Online banking: CBA won Canstar's *Bank of the Year - Online Banking* award for 2020 (for the 11<sup>th</sup> year in a row). Awarded June 2020.
7. Mobile banking: CBA won Canstar's *Bank of the Year - Mobile Banking* award for 2020 (for the 5<sup>th</sup> year in a row). Awarded June 2020.
8. The Forrester Digital Experience Review™: Australian Mobile Banking Apps, Q3 2020. Commonwealth Bank of Australia was named the Overall Digital Experience Leader™ among mobile apps in Australia in Forrester's proprietary Digital Experience Review™. Forrester Research does not endorse any company included in any Digital Experience Review™ report and does not advise any person or organization to select the products or services of any particular company based on the ratings included in such reports.
9. DBM Australian Financial Awards - Most Innovative Major Bank. Presented March 2020. Award based on DBM Atlas data January to December 2019.
10. DBM Australian Financial Awards - Best Major Digital Bank. Presented March 2020. Award based on DBM Atlas data January to December 2019.

# Sources and Notes



## Delivering for our stakeholders

### Slide 53

1. MFI Share measures the proportion of Banking and Finance MFI Customers that nominated each bank as their Main Financial Institution. Main Financial Institution (MFI) definition: In the Roy Morgan Single Source Survey MFI is a customer determined response where one institution is nominated as the primary financial institution they deal with (when considering all financial products they hold). Peers include ANZ Group, NAB Group and Westpac Group (including St George Group). CBA Group includes Bankwest. Source: Roy Morgan Single Source survey conducted by Roy Morgan, Australian population 14+ (12 month averages to June 2020), excl. unable to identify MFI.
2. As reported in RBA Lending and Credit Aggregates (Home Lending and Business Lending) and APRA Monthly ADI Statistics (MADIS) (Household Deposits). Business Lending includes Business Banking, Bankwest and Institutional Banking and Markets (ex. CMPF). RBA collection data was aligned to the new regulatory definitions set by APRA from 1 July 2019, therefore system multiple has been calculated for the 11 months to June 2020 annualised.
3. Employee Engagement Index (EEI) from bi-annual engagement survey.
4. Representation of women in Executive Manager and above roles. Excludes ASB.
5. DBM Consumer MFI \*Net Promoter Score. Based on Australian population aged 14+ years old rating their Main Financial Institution. Net Promoter Score refers to customer likelihood to recommend their MFI using a scale from 0-10 (where 0 is 'Not at all likely' and 10 is 'Extremely likely') and NPS is calculated by subtracting the percentage of Detractors (scores 0-6) from the percentage of Promoters (scores 9-10). NPS results are shown as a six-month rolling average. For the major banks, NPS is reported for main brand only. \*Net Promoter Score is a trademark of Bain & Co Inc., Satmetrix Systems, Inc., and Mr Frederick Reichheld.
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8. Net Promoter Score - Mobile App (via mobile app on a mobile phone or tablet): 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 2020. Rank based on comparison to ANZ, NAB and Westpac (at a brand level). Net Promoter®, Net Promoter System®, Net Promoter Score®, NPS® and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc. Total average NetBank, the CommBank mobile app, CommBank tablet app and old mobile app logons per day in the month of June 2020. Includes Face ID logons.
9. Reputation score amongst top 16 ASX customer-facing companies. Source: RepTrak, The RepTrak Company (formerly Reputation Institute), June 2020.
10. Source: Bloomberg. Total Shareholder Return as at 30 June 2020.

# Sources and Notes



## Cash Profit

The Profit Announcement discloses the net profit after tax on both a statutory and cash basis. The statutory basis is prepared in accordance with the Corporations Act and the Australian Accounting Standards, which comply with International Financial Reporting Standards (IFRS). The cash basis is used by management to present a clear view of the Bank's operating results. It is not a measure based on cash accounting or cash flows. The items excluded from cash profit, such as hedging and IFRS volatility and losses or gains on acquisition, disposal, closure and demerger of businesses are calculated consistently with the prior year and prior half disclosures and do not discriminate between positive and negative adjustments. A list of items excluded from cash profit is provided on page 3 of the Group's 30 June 2020 Profit Announcement (PA), which can be accessed at our website: [www.commbank.com.au/results](http://www.commbank.com.au/results)

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# 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 EL and Eligible Provisions (EP) with respect to credit portfolios which are subject to the Basel advanced capital IRB approach. The adjustment is assessed separately for both defaulted and non-defaulted exposures. Where there is an excess of EL over EP in either assessments, the difference must be deducted from CET1. For non-defaulted exposures where the EL is lower than the EP, this may be included in Tier 2 capital up to a maximum of 0.6% of total credit RWAs.
Leverage Ratio	Tier 1 Capital divided by Total Exposures, 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 (XVA)	A number of different valuation adjustments are made to the value of derivative contracts to reflect the additional costs or benefits in holding these contracts. The material valuation adjustments included within the CBA result are CVA and FVA.
Credit Value Adjustment (CVA)	The market value of the counterparty credit risk on the derivative portfolio, calculated as the difference between the risk-free portfolio value and the true portfolio value that takes into account the possibility of a counterparty's default.
Funding Valuation Adjustment (FVA)	The expected funding cost or benefit over the life of the uncollateralised derivative portfolio.

## Funding & Risk

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

# Contact us



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For more information

**[commbank.com.au/investors](http://commbank.com.au/investors)**

# Thank You



**Commonwealth**Bank