Commonwealth Bank

Fixed Income Investor Discussion Pack

For the half year ended 31 December 2021

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The release of this announcement was authorised by the Continuous Disclosure Committee.

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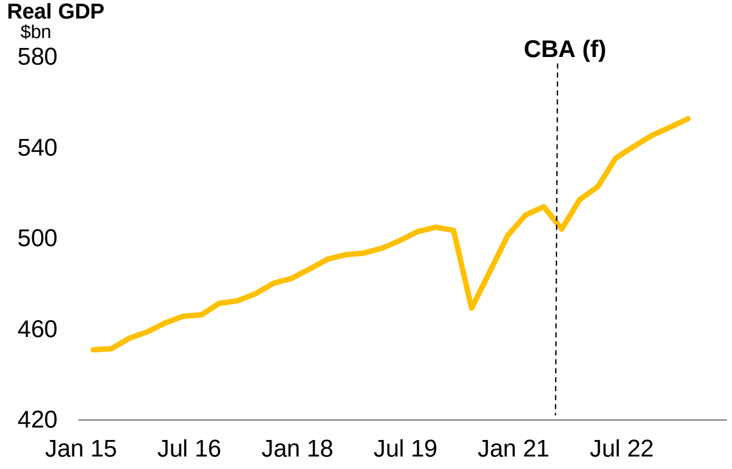
Overview & Strategy

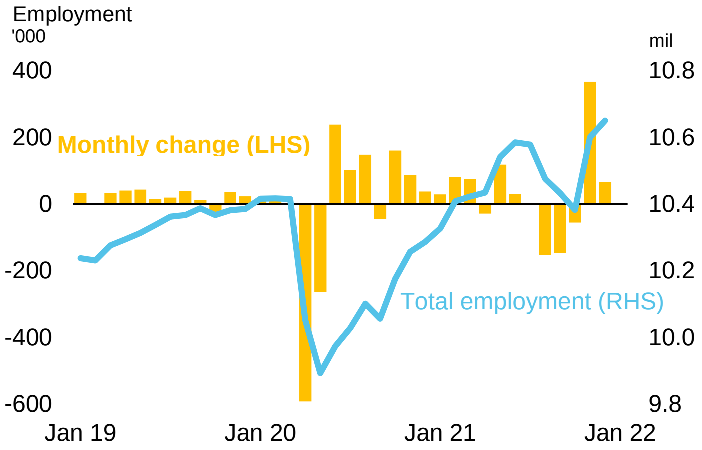
The Australian Economy

Post Delta recovery was strong, but caution over the near term impact from Omicron

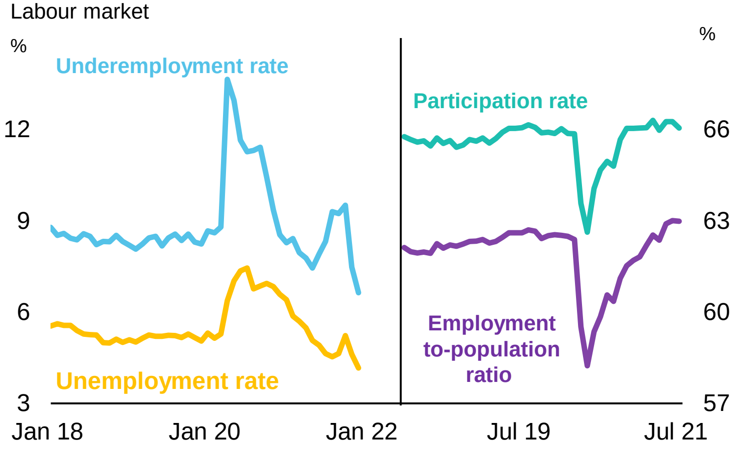
GDP fell less than expected in Q3 21[1]



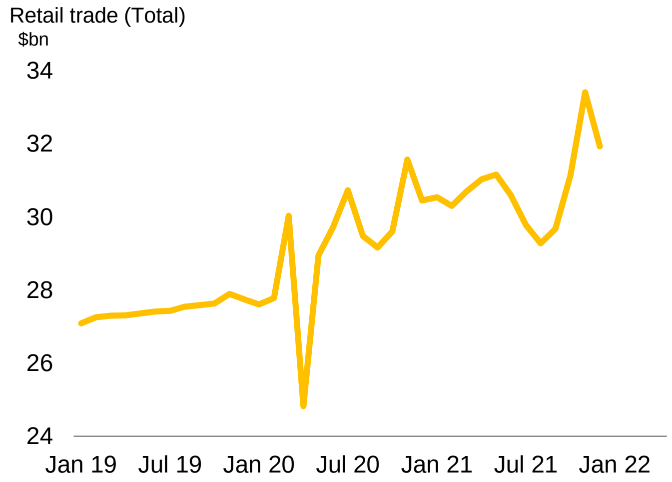
Labour market recovered swiftly[2]



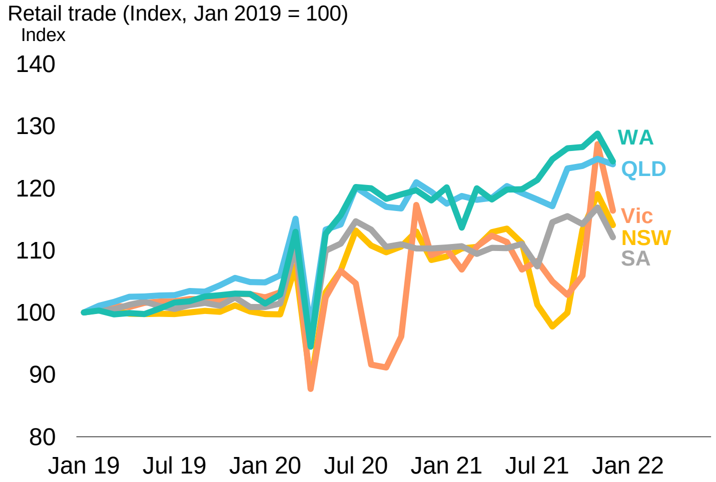
Including participation rate and unemployment rate[3]



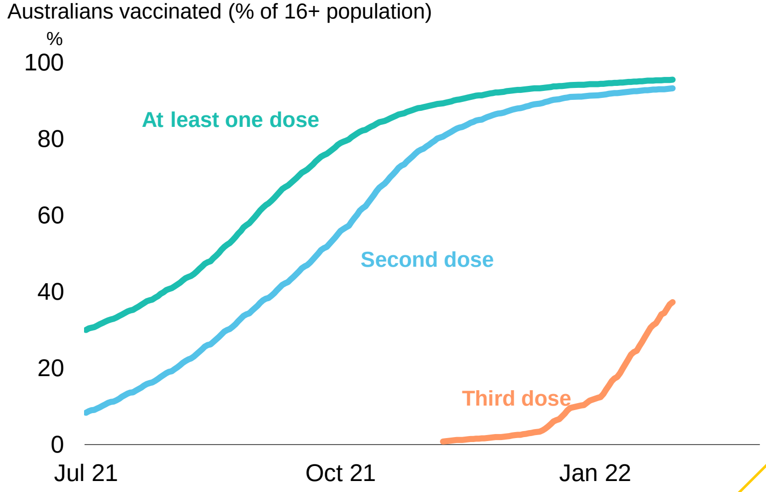
Consumer spending picked up post Delta[4]



Across all states[5]



Helped by high vaccination rates and booster roll out[6]



1. Source: ABS, CBA Global Economic & Markets Research. 2. Source: ABS. 3. Source: ABS. 4. Source: ABS 5. Source: ABS. 6. Source: Health Department

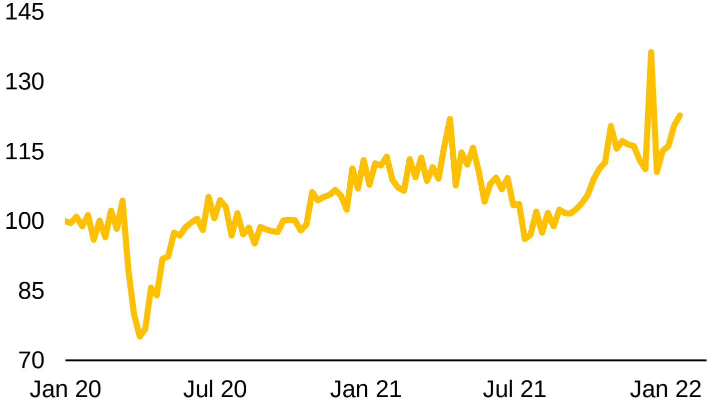
The Australian Economy

Some caution over the impact from Omicron while inflation pressures build

High frequency CBA card spend data holding up[1]

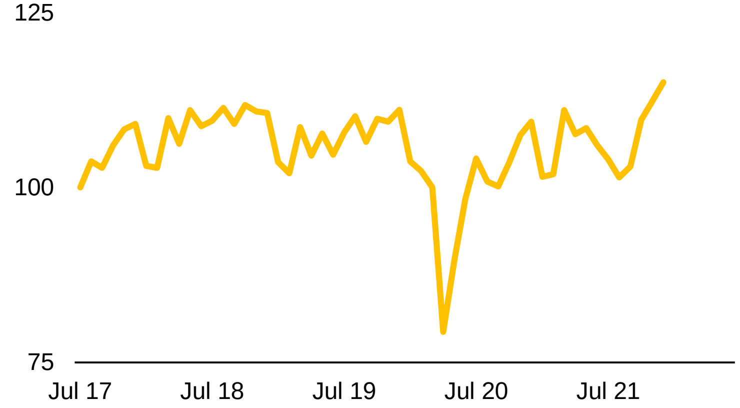
Total spending - CBA Tracker (January 2020 = 100)

Based on % change relative to corresponding week in 2019



Household Spending Intentions strong in December[2]

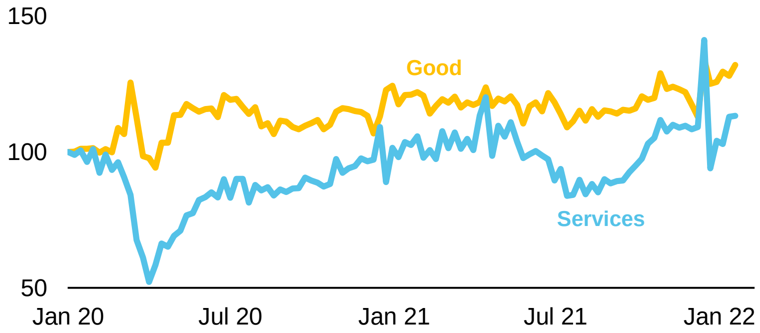
CBA-Google HSI: Index (weighted index = 100 July 2017)



CBA card spend recovering for services during late January[3]

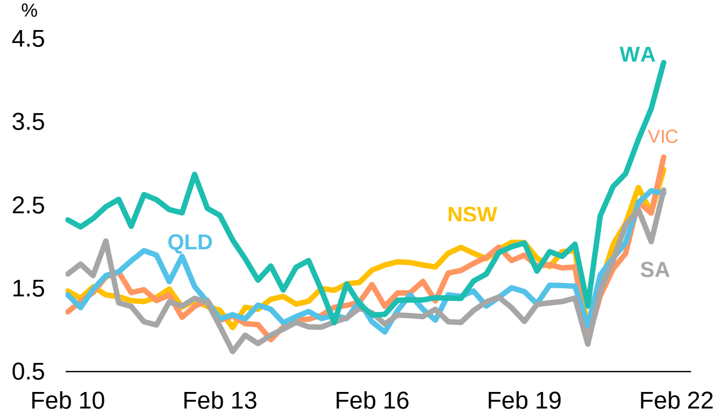
CBA card spend tracker (January 2020 = 100)

based on % change relative to corresponding week in 2019



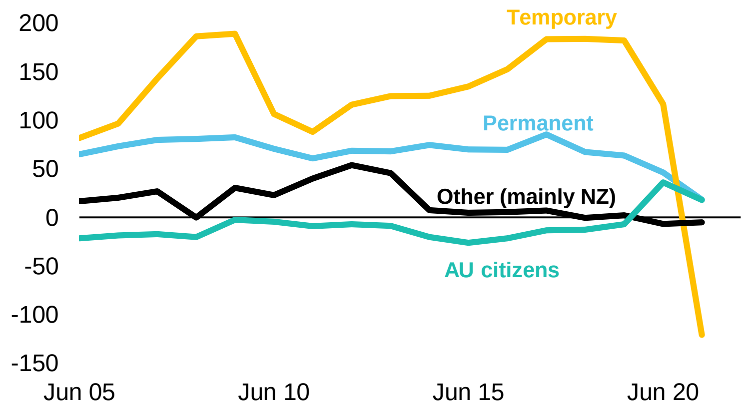
Case numbers and isolation requirements have compounded staff shortages[4]

Vacancies share of labour force (qtrly, % of total)



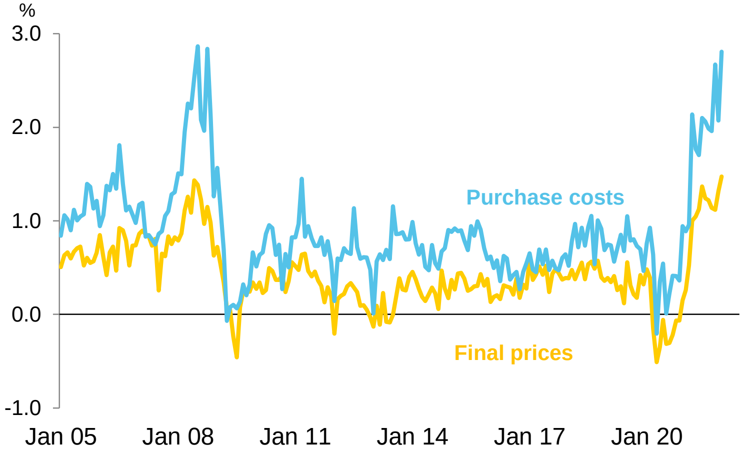
Border closures for two years has reduced labour supply as well[5]

Net overseas migration (000s, visas arrived on)



Business costs rising quickly and being passed through[6]

Prices (quarterly % change)



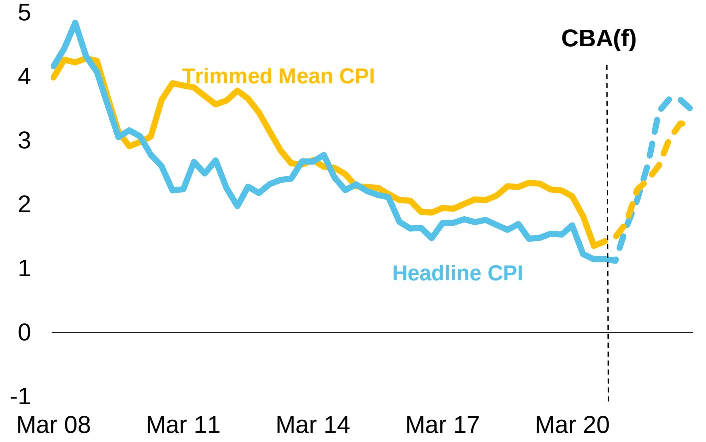
1. Source: CBA . 2. Source: CBA, Google. 3. Source: CBA. 4. Source: ABS. 5. Source: ABS. 6. Source: NAB.

The Australian Economy

Economic recovery is broad based across consumer, businesses and agriculture

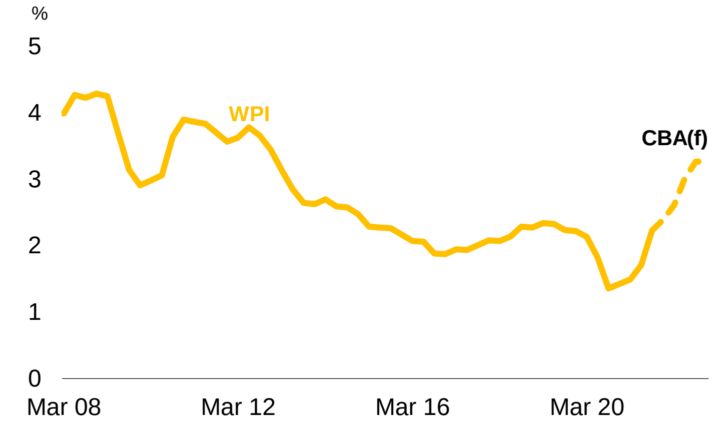
Inflation to rise faster than RBA expects[1]

Inflation (annual % change)



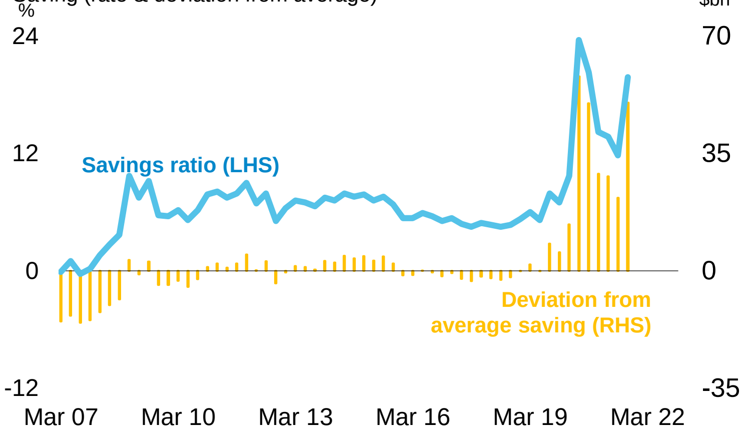
Further evidence that wages growth is accelerating[2]

Wages (annual % change)



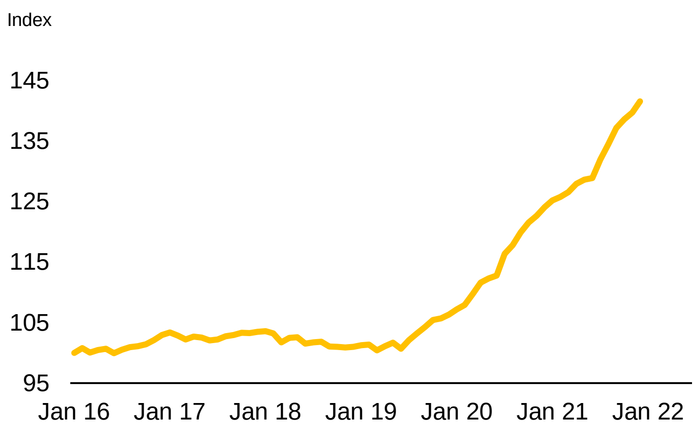
Household savings are elevated[3]

Saving (rate & deviation from average)



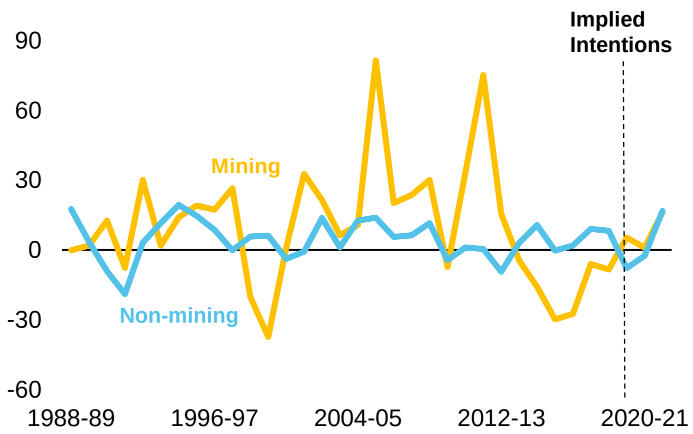
This will help support consumer spending[4]

CBA cash savings indicator (Index, Jan 2016 = 100)



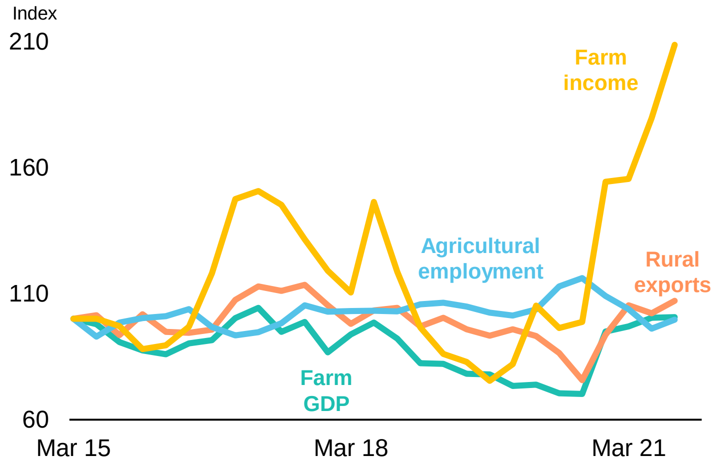
Business investment is accelerating[5]

CAPEX (annual % change)



Farm sector is strong[6]

Farm indicators (Q1 15=100)

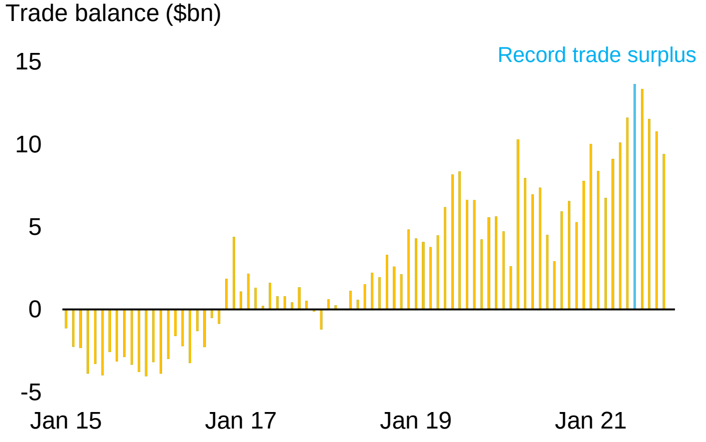


1. Source: ABS, CBA Global Economic & Markets Research. 2. Source: ABS, CBA Global Economic & Markets Research. 3. Source: CBA, ABS. 4. Source: CBA. 5. Source: ABS, CBA. 6. Source: ABS, CBA

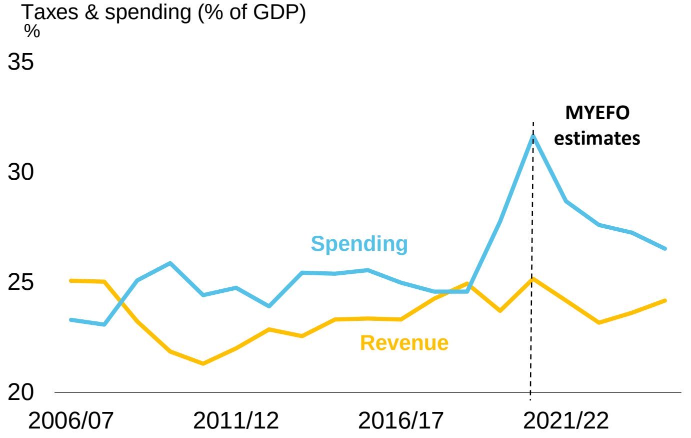
The Australian Economy

External sector in good shape, fiscal policy still expansionary, higher official interest rates to come

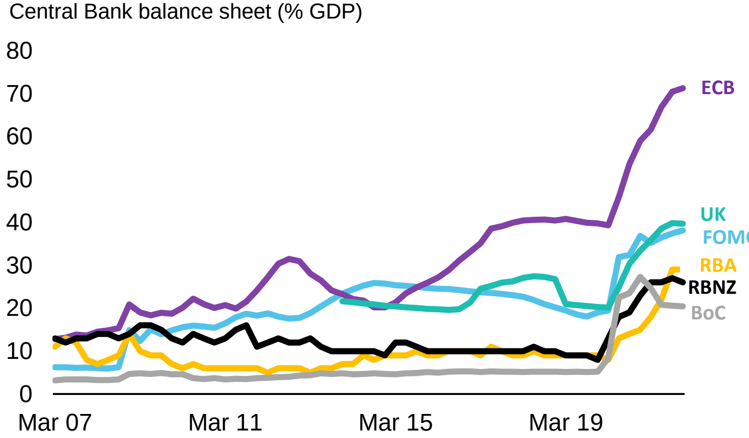
Trade surplus remains large but has peaked[1]



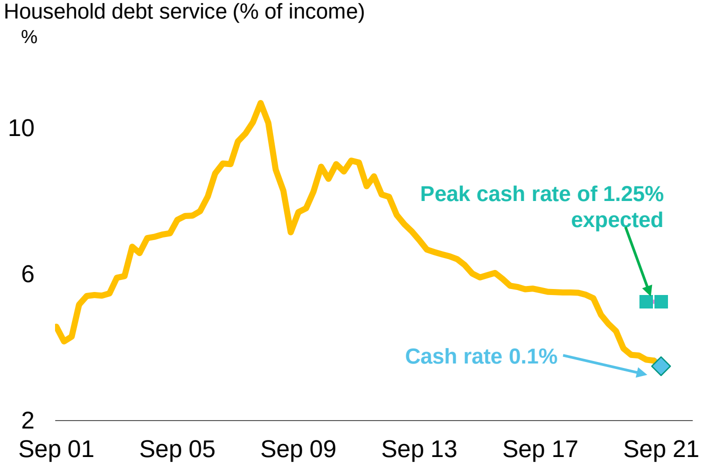
Fiscal settings remain expansionary for longer[2]



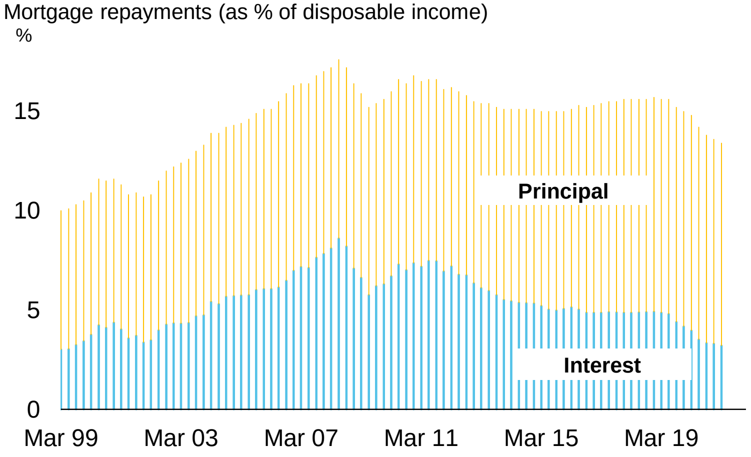
RBA to stop asset purchases, first rate hike August 2022[3]



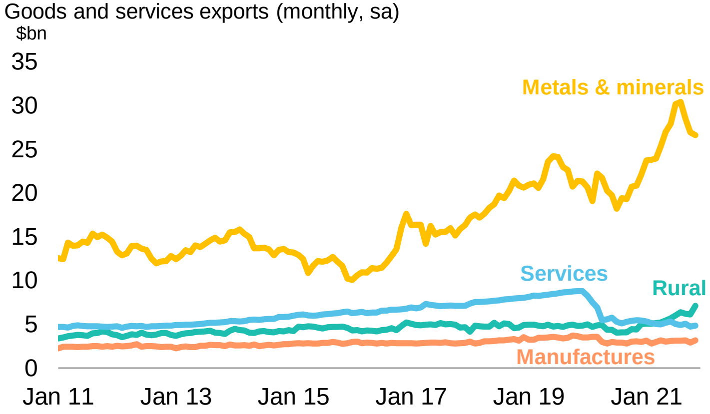
Only a shallow rate hike cycle expected[4]



As household sector leverage has lifted[5]



Australia susceptible to changing climate goals given its export mix[6]



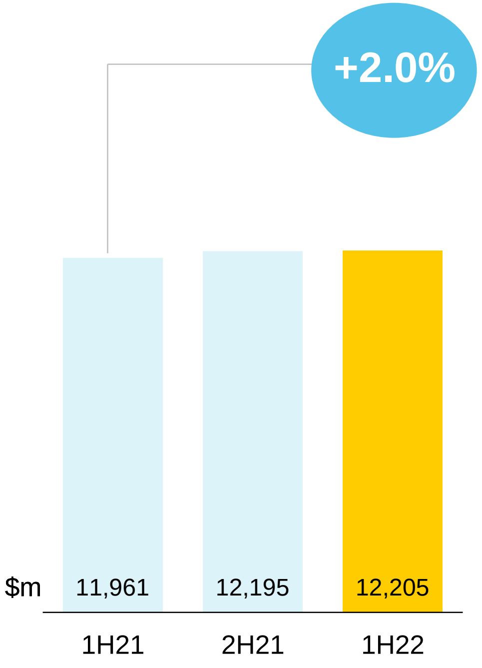
1. Source: ABS. 2. Source: MYEFO 2021/22. 3. Source: Thomson Reuters 4. Source: ABS, RBA, CBA. 5. BIS, RBA. 6. ABS

Cash NPAT [1]

Higher income, flat costs (reduced remediation), low loan impairment

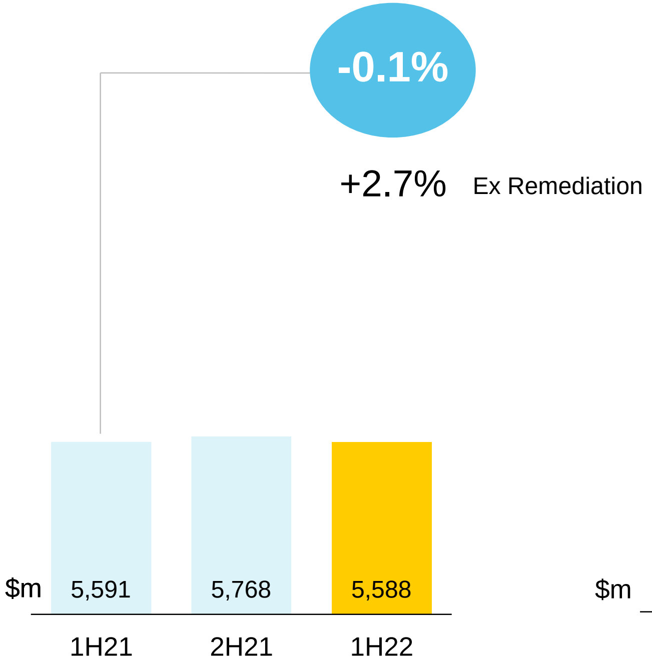
Operating Income

- Continued core volume growth
- Margin pressures



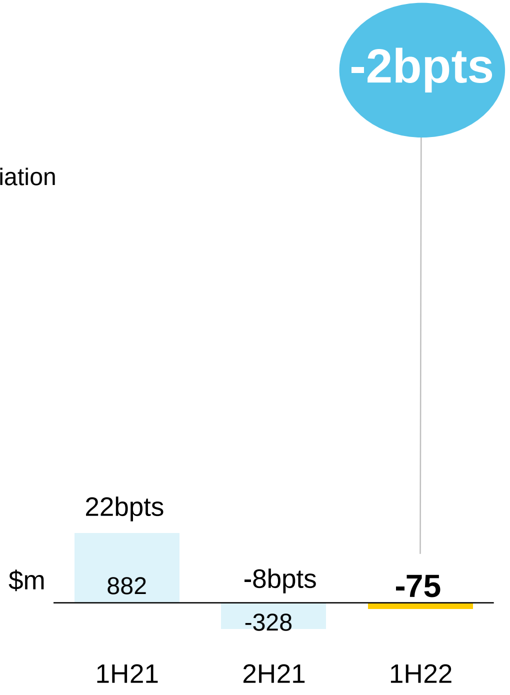
Operating Expenses

- Volume & investment driven growth
- Lower remediation costs

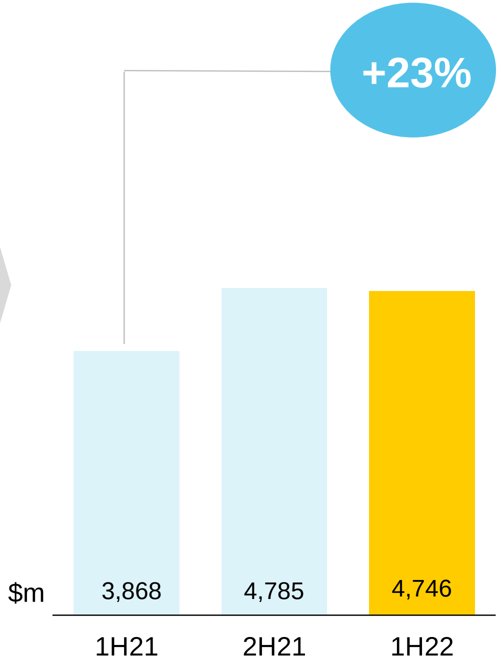


Loan Impairment Expense

- Improved economic outlook
- Cautious provisioning



Cash NPAT

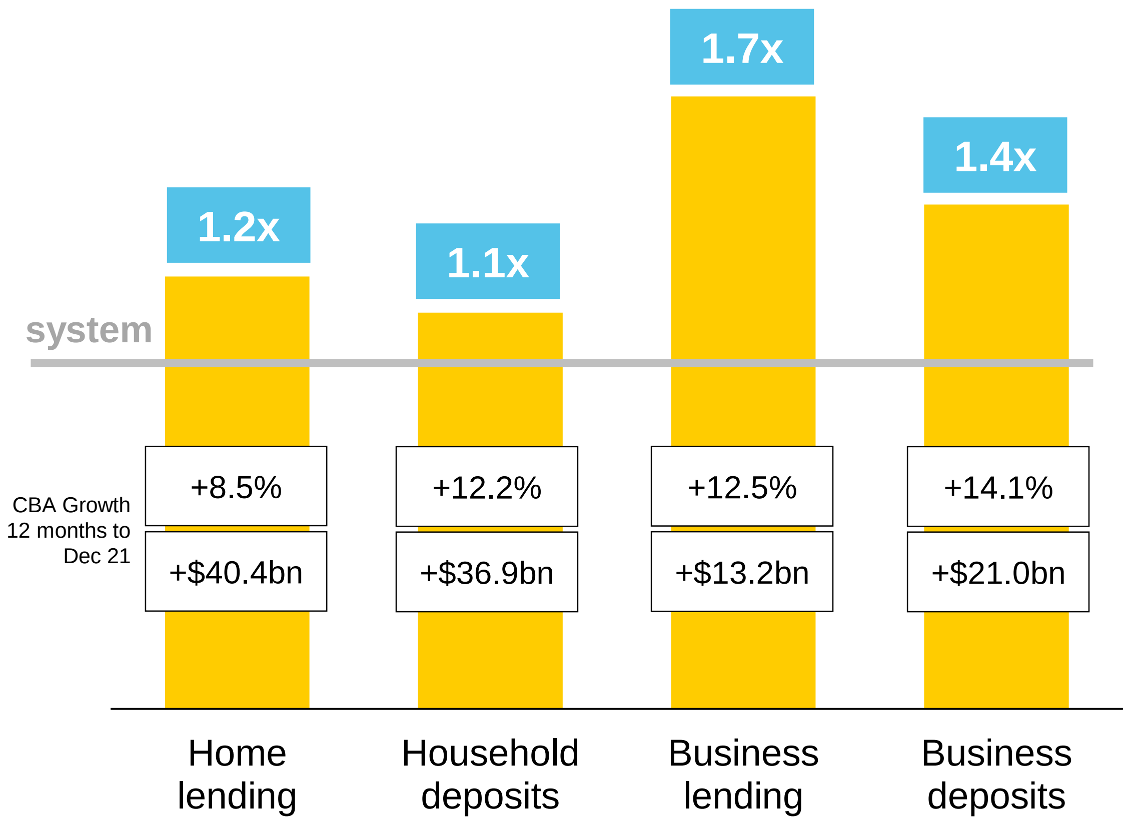


1. Presented on a continuing operations basis.

Delivering

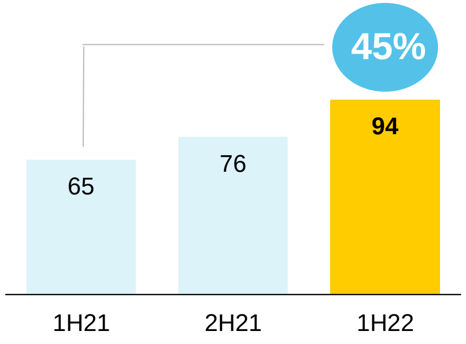
Strong volume growth across the business[1]

Dec 21 vs Dec 20



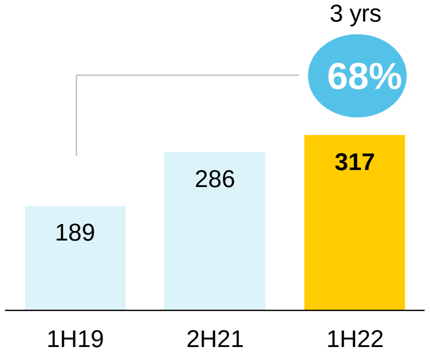
Home Loan Fundings[2]

Funding $bn

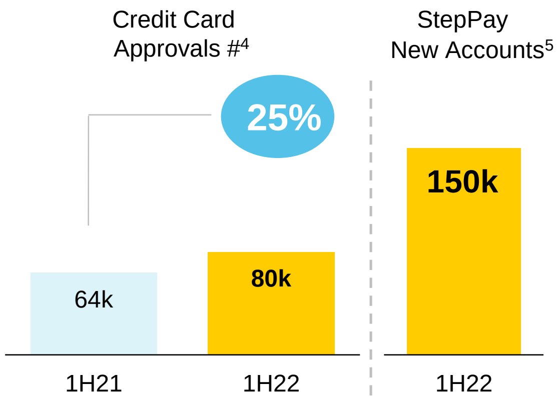


Transaction Balances[3]

Balances $bn

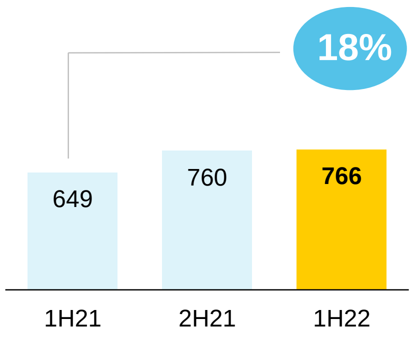


Consumer Finance



CommSec

Active Accounts (‘000)



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

Strength

Strong balance sheet – provisioned for economic uncertainty - excess capital returned to shareholders

Funding

- 73% deposit funded
- Transaction balances +22%

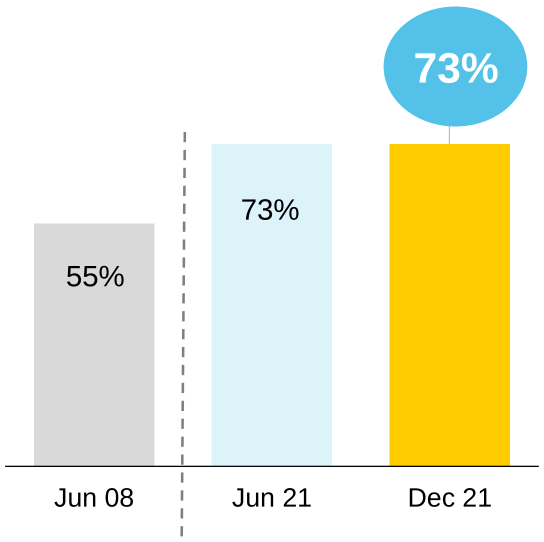
Provisioning

- Improved portfolio credit quality (TIA lower)
- Improved economic outlook

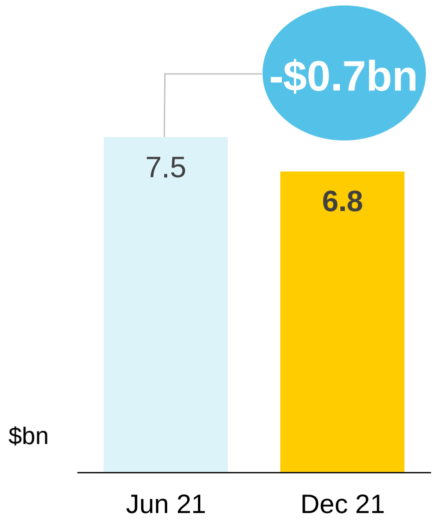
Capital

- $6bn buy-back completed, CFS divestment
- $2bn on-market buy-back announced

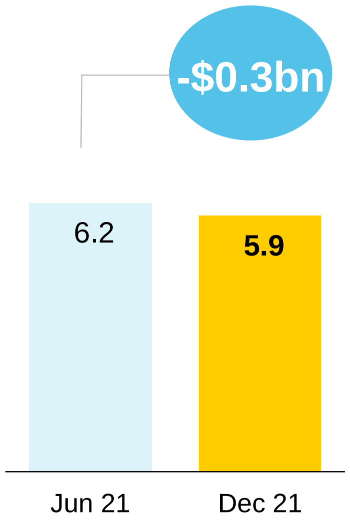
Deposit funding
% of total funding



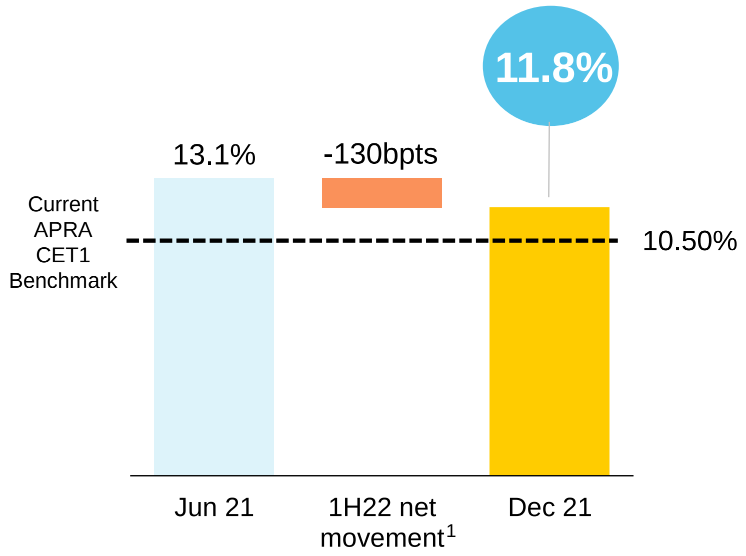
Troublesome & Impaired Assets (TIA)



Total Credit Provisions $bn



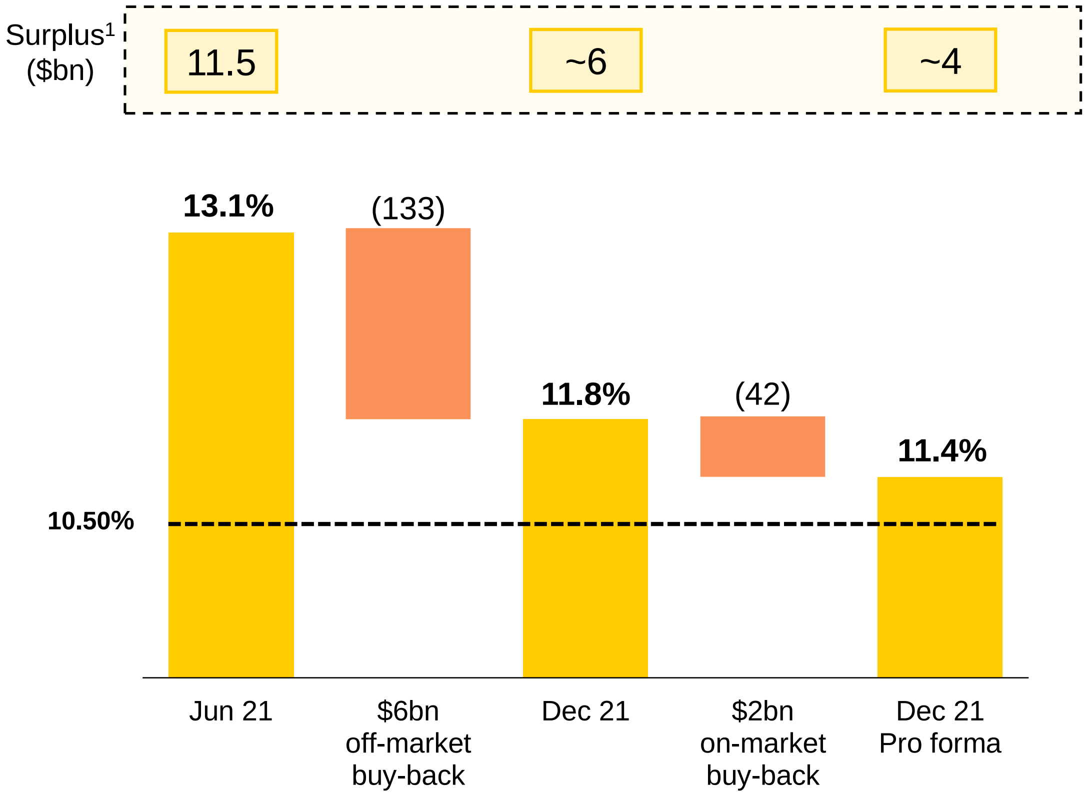
CET1 %
Level 2



1. Inclusive of share buyback (-133bpts), capital generated from earnings (+98bpts), payment of the 2H21 dividend (-79bpts), benefit from CFS divestment (+32bpts), higher Risk Weighted Assets (-54bpts) and other movements in capital (+6bpts).

Capital

Continued capital management with $2bn on-market buy-back

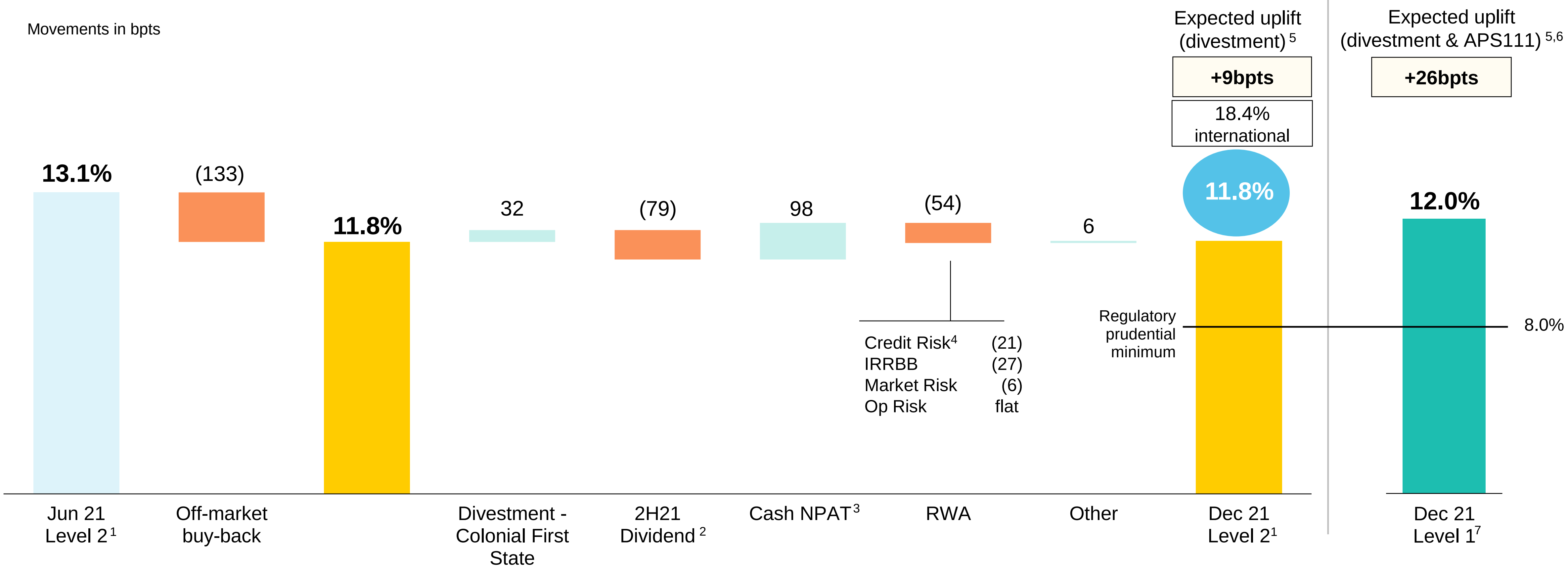


- CBA's strong capital position creates flexibility to continue to support our customers and manage ongoing uncertainties, while returning a portion of surplus capital to shareholders.
- Capital management in 2021 included a $6 billion off-market share buy-back and continued neutralisation of the DRP.
- CBA now intends to undertake further capital management via an on-market buy-back of up to $2 billion[2].
- The buy-back is expected to reduce the CET1 capital ratio by approximately 42 basis points (Dec 21 pro-forma CET1 of 11.4%). Post the buy-back, CBA will remain well placed to accommodate changes under APRA's new capital framework effective 1 Jan 23.
- CBA expects to commence the buy-back after the completion of the on-market share purchase associated with neutralising the impact of 1H22 DRP.
- The timing and actual number of shares purchased under the buy-back will depend on markets conditions, available trading windows, the prevailing share price and other considerations.

1. Capital surplus above APRA's 10.5% current CET1 benchmark, incorporates impact of buy-backs as well as other capital and RWA movements. 2. CBA reserves the right to vary, suspend or terminate the buy-back at any time.

Capital

Strong capital position retained post off-market buy-back and dividends



1. Level 2 is the consolidated banking group including banking subsidiaries such as ASB Bank, PT Bank Commonwealth (Indonesia) and CBA Europe N.V. It excludes the insurance businesses.
2. 2021 final dividend included the on-market purchase of shares in respect of the DRP. 3. Excludes equity accounting profits from minority investments as it is capital neutral with offsetting increases in capital deductions. 4. Excludes impact of FX movements which is included in 'Other'. 5. Expected CET1 uplift from the previously announced divestment CommInsure General Insurance (Level 2: 9bpts, Level 1: 6bpts). Completion of divestments subject to regulatory approvals. 6. Implementation of the revised final APS 111 from 1 January 2022, in which investments in regulated banking and insurance subsidiaries will be risk weighted at 250% (currently 400%), capped at 10% of CET1 capital, above which investments are treated as a 100% CET1 deduction. The revision will contribute 20bpts uplift in Level 1 CET1 ratio.
7. Level 1 is the CBA parent bank, offshore branches and extended license entities approved by APRA.

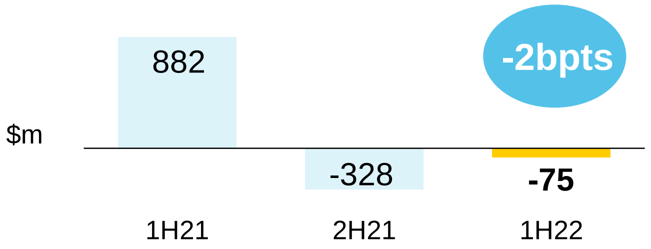
Credit risk

Leading indicators reflect continued improvement in economic conditions and outlook

Loan Impairment Expense

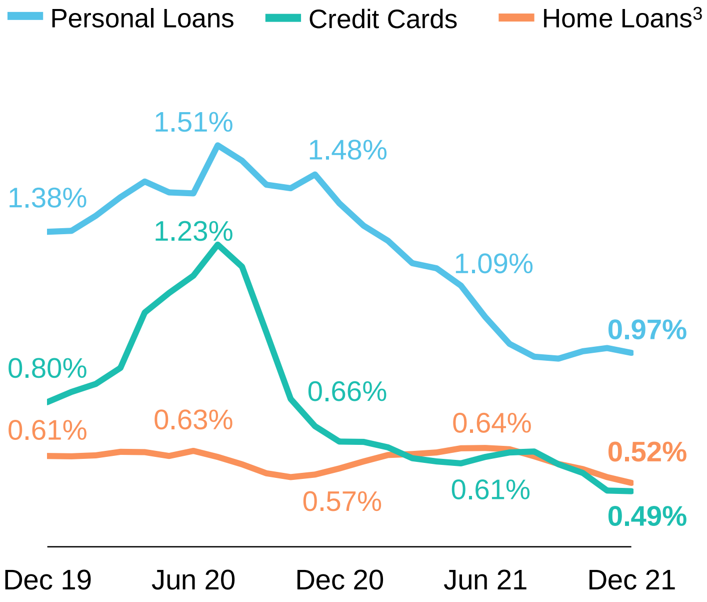
Loan loss rate (bpts)[1]

bpts	1H21	2H21	1H22
Consumer	14	-6	0
Corporate	44	-13	-7
Total	**22**	**-8**	**-2**



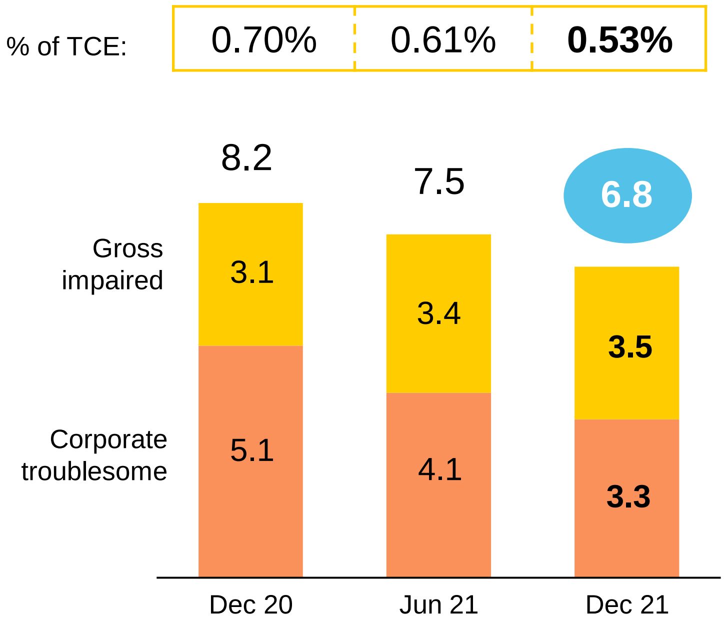
Arrears [2]

90+ days



TIA

$bn



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

Our strategy

Building tomorrow's bank today for our customers

Our purpose	**Building a brighter future for all**

Our priorities

Leadership in Australia's recovery and transition	Reimagined products and services	Global best digital experiences and technology	Simpler, better foundations
Build Australia's leading business bank	Anticipate changing customer needs	Deliver the best integrated digital experiences	Deliver consistent operational excellence
Help build Australia's future economy	Differentiate our customer proposition	Build world-class engineering capability	Sustain transparent and leading risk management
Lead in the support we provide to customers and communities	Connect to external services and build new ventures	Modernise systems and digitise end-to-end	Reduce operating costs and manage capital with discipline

Our culture

Living our values of care, courage and commitment

Care	Courage	Commitment
We care about our customers and each other – we serve with humility and transparency	We have the courage to step in, speak up and lead by example	We are unwavering in our commitment – we do what's right and we work together to get things done

Leadership in Australia’s recovery and transition

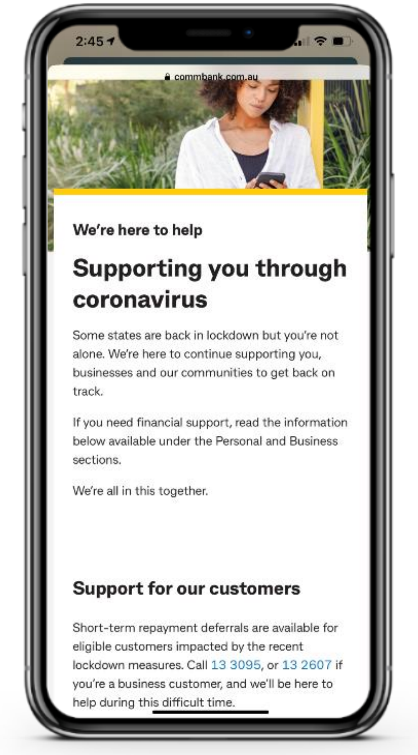
Supporting our customers and communities – helping to build Australia’s future economy

Supporting our customers and communities[1]

- **7m** visits to COVID support page (1.8m personalised reminders)
- **6** vaccination hubs across Australia
- **250k** loan repayment deferrals concluded
- **1.8m** claims initiated in Benefits Finder (15k Business)
- **$186bn** in new home lending[2]
- **1.8m** customers contacted regarding natural disasters[2,3]

Help build Australia's future economy

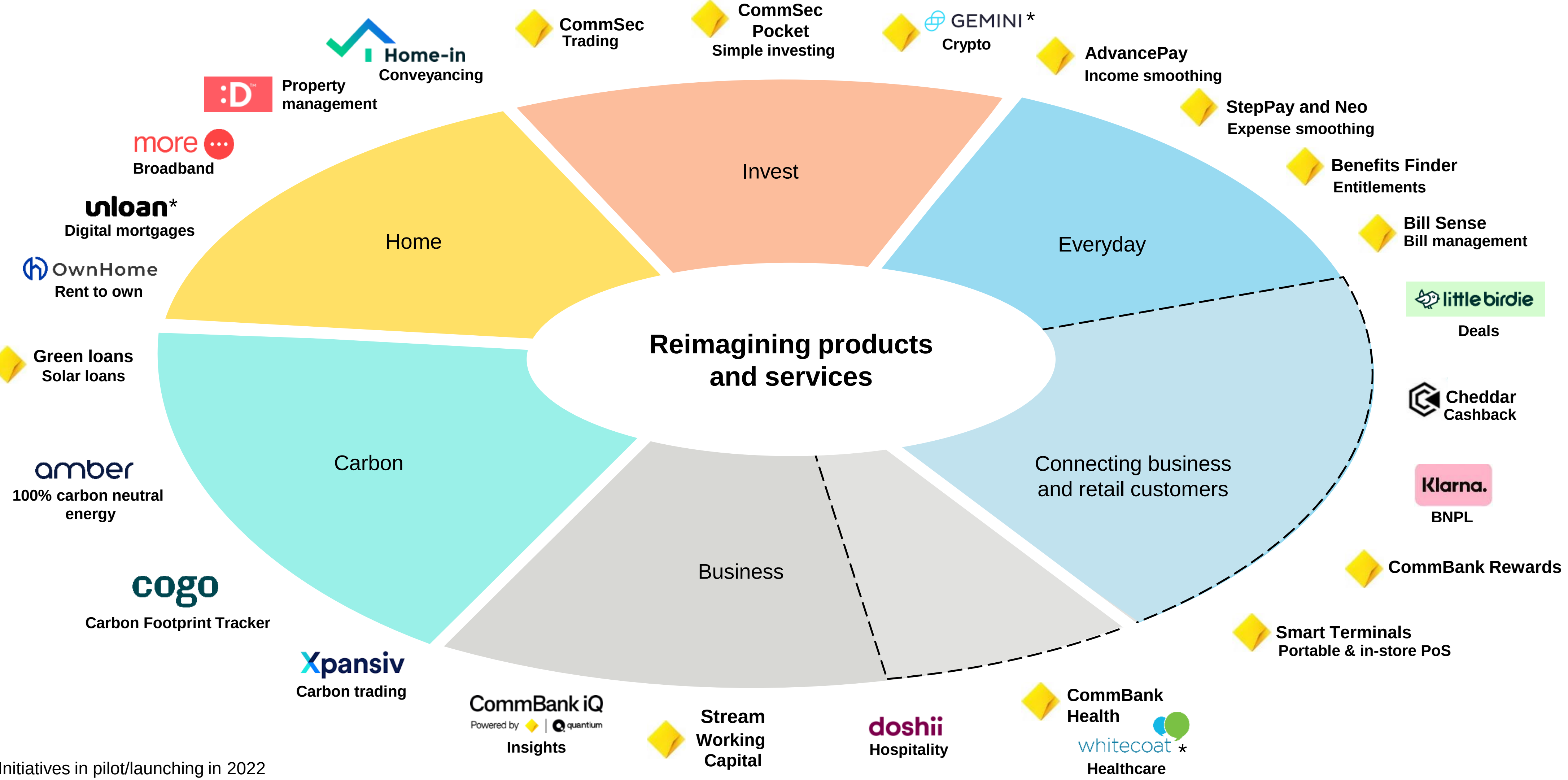
- **1st** in Australian debt capital markets[4]
- **$200bn+** in funding raised for Australian clients[5]
- **$60bn** in new business lending[2]
- **$2.8bn** in SME Guarantee Scheme lending[6]
- **$7.8bn** in ESG bonds arranged[7]



1. All numbers are since inception unless otherwise stated. 2. 12 months to December 2021. Includes Bankwest and ASB. 3. The total number of customers who were sent a digital Next Best Conversation to provide support during a natural disaster in their area. 4. Source: Bloomberg excluding self-led deals. 5. Represents total deal volume where CBA acted as manager/bookrunner on syndicated loans, debt capital markets and securitisation issuance for Australian clients. Cumulative from July 2020 to December 2021. 6. Total cumulative loans approved for Government SME Guarantee Scheme, since inception, as at 31 December 2021. 7. Source: Bloomberg and transaction documentation. The full value of all Green, Social, Sustainable, Sustainability-linked and Transition bonds arranged during the 6 months ended 31 Dec, in which CBA acted as Global Coordinator, Manager/Bookrunner or Lead Arranger.

Reimagined products and services

Reinforcing our core proposition – example initiatives

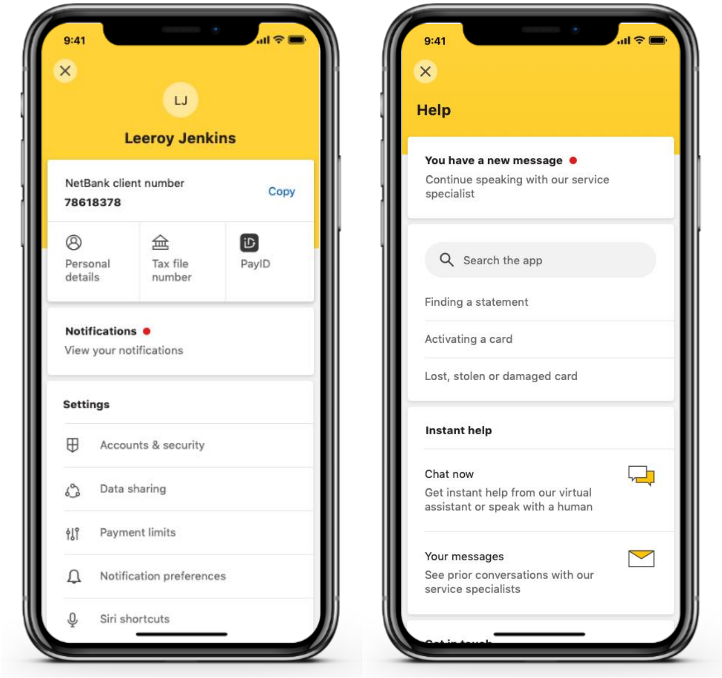


* Initiatives in pilot/launching in 2022

Global best digital experiences

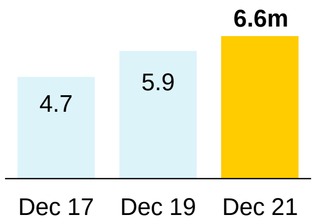
Market leading digital assets – delivering brilliant customer experiences

Leading customer experience

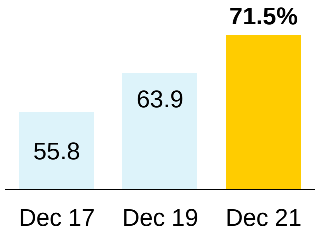


Strong customer engagement

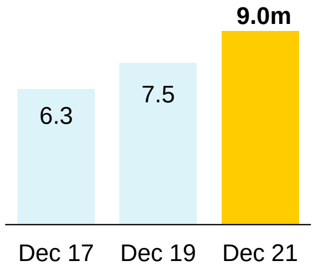
CommBank app users[1]



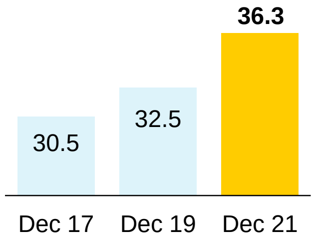
Digital transactions
% of total - by value[2]



Average daily customer logins[3]



Average monthly logins per active customer[4]



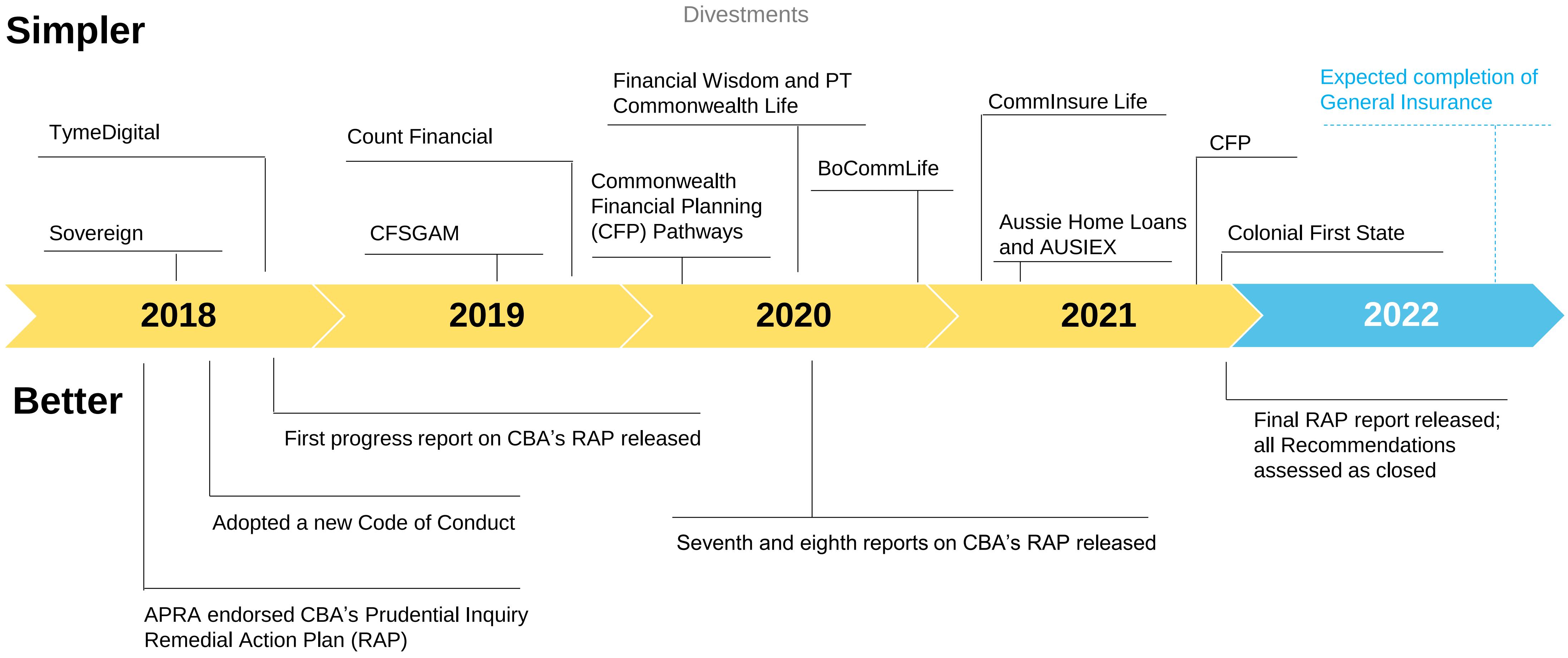
Mobile banking leader

#1	Mobile app Net Promoter Score[5]
#1	Online banking (Canstar - 12 years in a row)[6]
#1	Mobile banking (Canstar – 6 years in a row)[7]
#1	Overall Digital Experience Leader (Forrester – 5 years in a row)[8]
#1	Most Innovative Major Bank (DBM Australian Financial Awards)[9]
#1	Best Major Digital Bank (DBM Australian Financial Awards)[9]

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

Simpler, better foundations

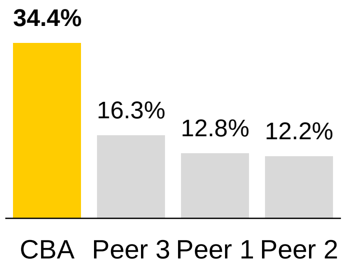
Disciplined execution – sale of 55% interest in CFS completed



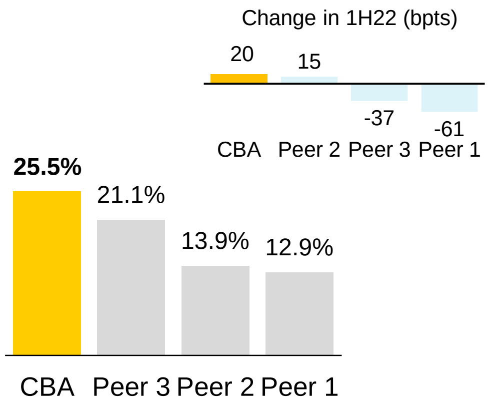
Why CBA?

Leading franchise – leading returns

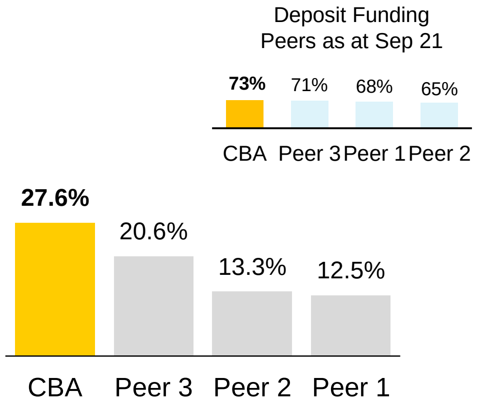
MFI share[1] (%)



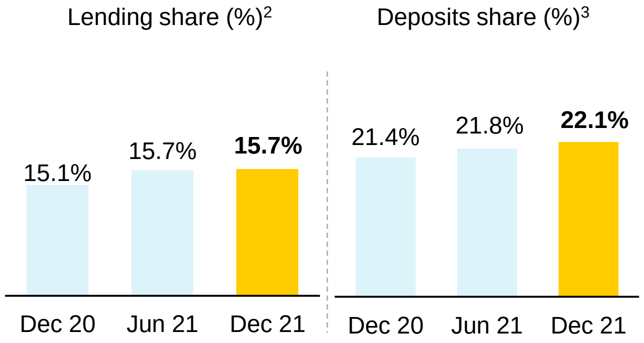
Home Lending share[2] (%)



Household Deposits share[3] (%)

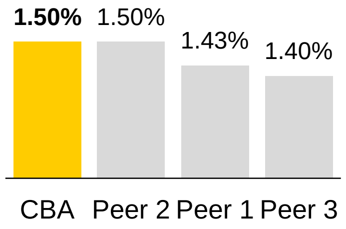


Business Banking share



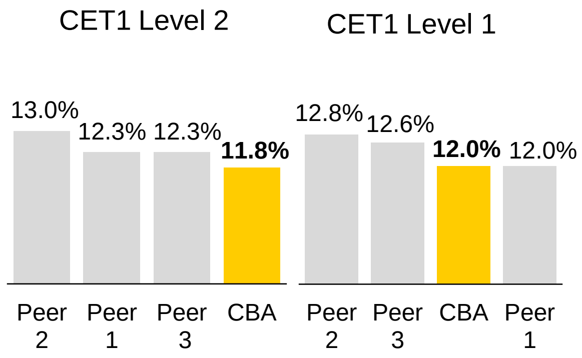
Provisioning (%)

Total provision coverage to Credit RWA[4]



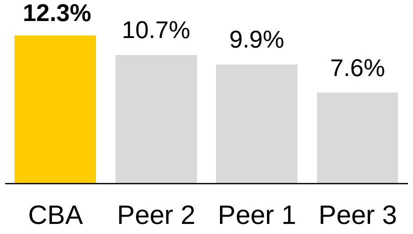
Capital (%)

Peers as at September 2021



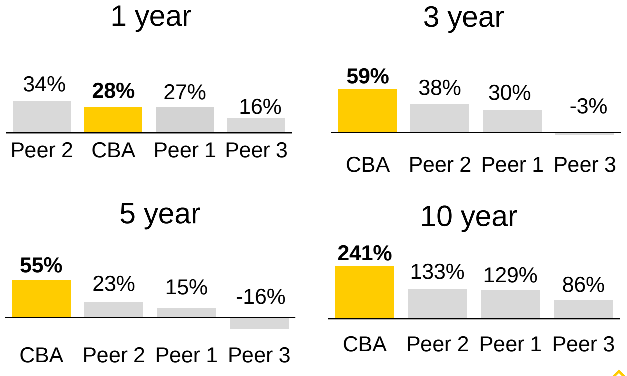
ROE (cash)[5] (%)

Peers as at September 2021



Shareholder Returns (%)

Total Shareholder Return[6]



1. Refer to the glossary at the back of the presentation for source information. 2. Source: RBA Lending and Credit Aggregates. 3. Source: APRA Monthly Authorised Deposit-taking Institution Statistics (MADIS). 4. Total provisions divided by credit risk weighted assets. Excludes impairment provisions for derivatives at fair value. Peers as at September 2021. 5. On continuing operations basis where applicable. Peers represent headline ROE for full year ended 30 September 2021. 6. Source: Bloomberg. Total Shareholder Return as at 31 December 2021.

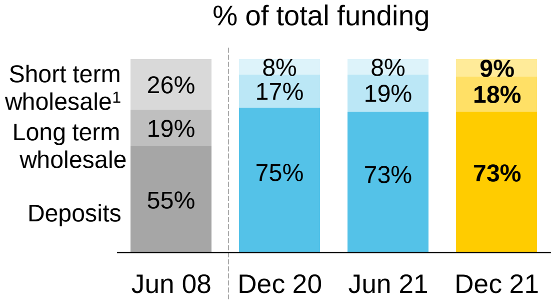
Funding, Liquidity and Capital

Funding overview

Resilient balance sheet with significant excess liquidity

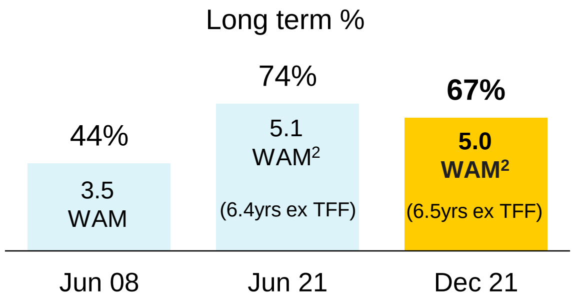
Funding composition

Deposit growth supporting 73% of funding



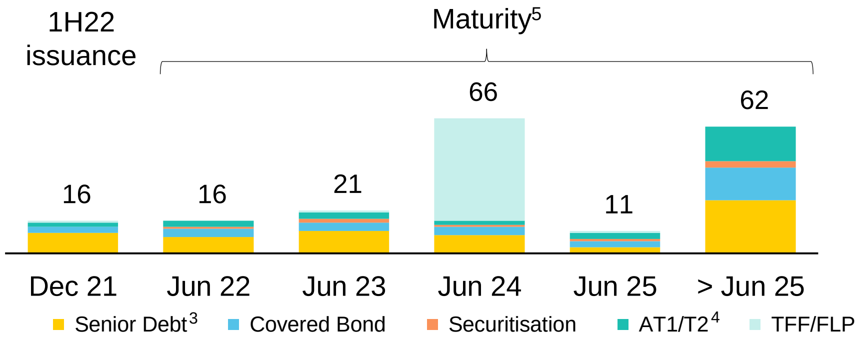
Wholesale funding

Weighted to long term



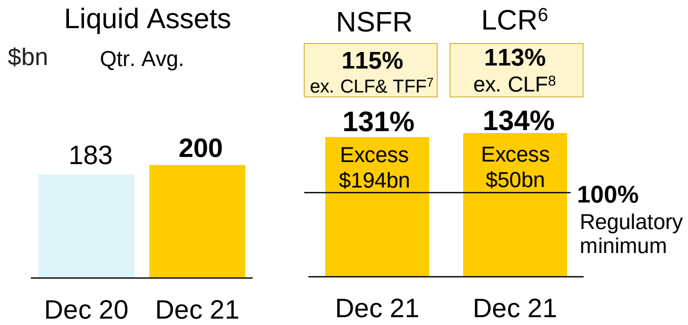
Funding profile

TFF refinance to be managed across FY23-FY25 period

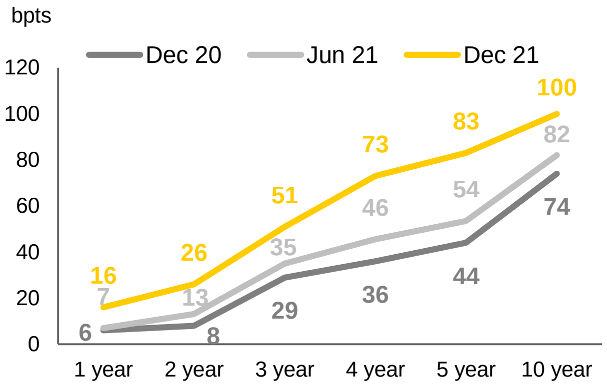


Liquidity Metrics

Compliant to APRA's LCR excl. CLF >100% requirement

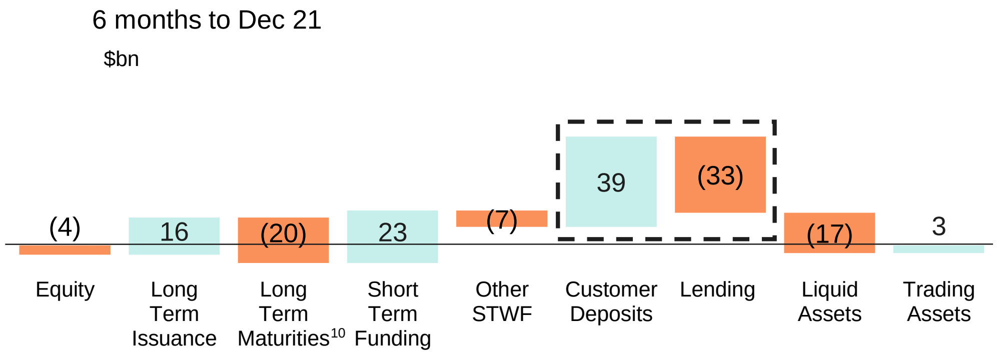


Indicative Wholesale Funding Costs[9]



Sources and uses of funds

Core funding surplus due to strong deposit growth over the half year

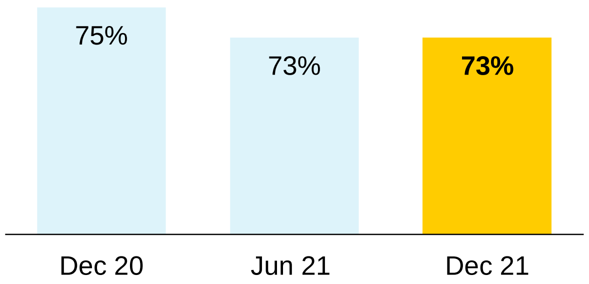


1. Includes other short term liabilities 2. Represents the Weighted Average Maturity of outstanding long term wholesale debt with a residual maturity greater than 12 months as at reporting date. As at 31 December 2021, WAM and Long term % includes Term Funding Facility (TFF) drawdowns. 3. Includes Senior Bonds and Structured MTN. 4. Additional Tier 1 and Tier 2 Capital. 5. Maturities may vary quarter to quarter due to FX revaluation. 6. LCR: Pillar 3 Quarter Average. 7. NSFR numerator (ASF) excludes the size of CBA's TFF drawdowns. Denominator (RSF) increases weighting for CLF and TFF collateral by 55%, such that it receives the 65% RSF weighting applicable to unencumbered residential mortgages. 8. Quarterly Average LCR excl. CLF numerator excludes the size of CBA's available CLF. 9. Weighted average indicative funding costs across major currencies swapped to BBSW equivalent. 10. Includes debt buybacks and reported at historical FX rates.

Deposit funding

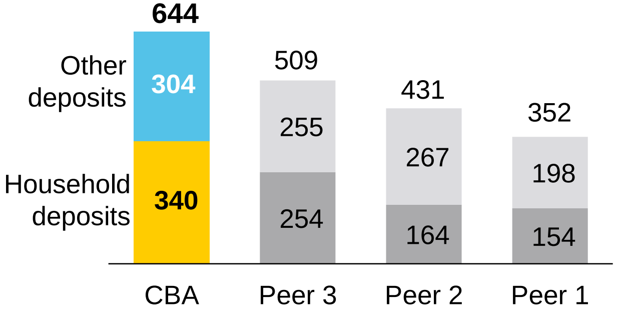
Highest share of stable household deposits in Australia

Deposit funding



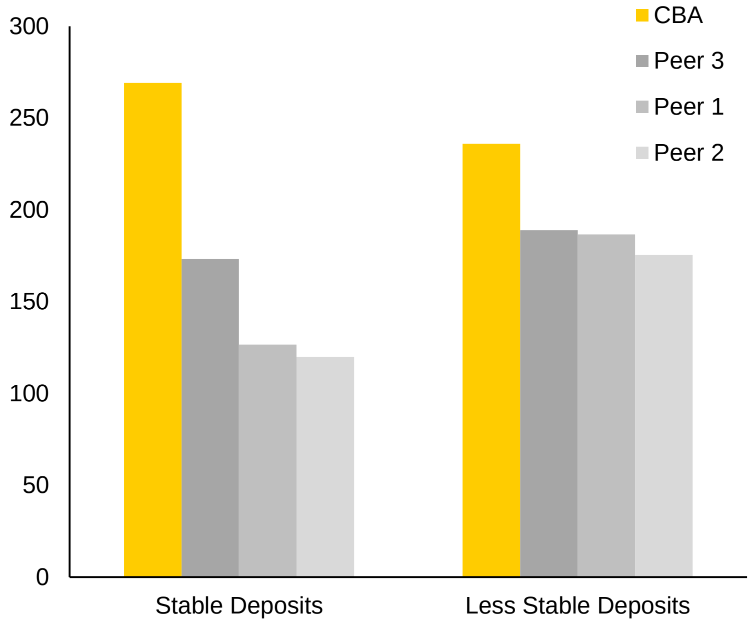
Deposits vs peers[1]

$bn



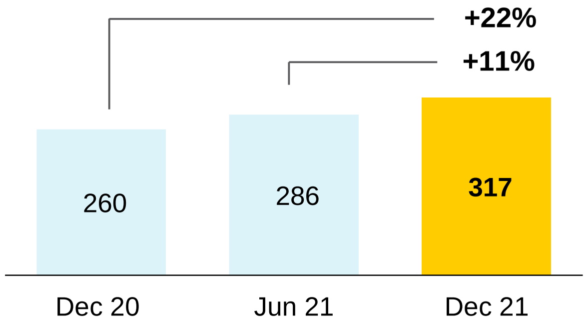
Deposits in NSFR[2]

As at December 2021 ($bn)
Peers as at September 2021[3]

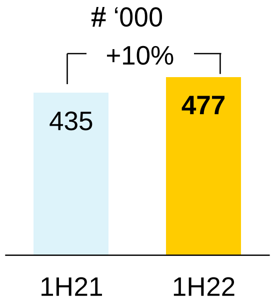


Group transaction balances[4]

$bn

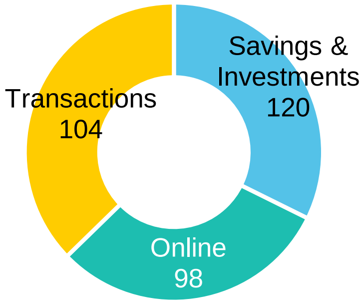


New transaction accounts[5]



Retail deposit mix[6]

$bn

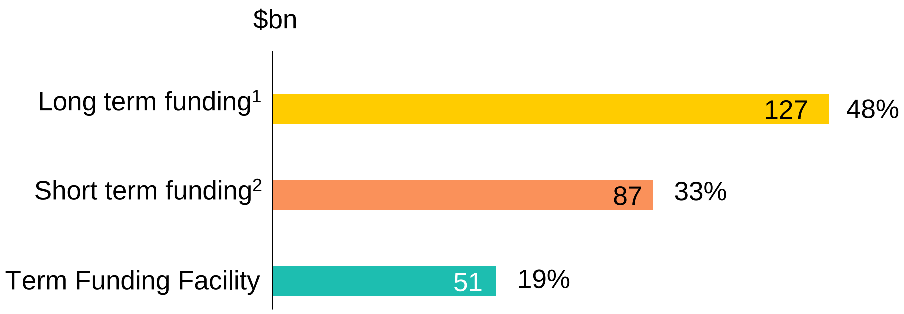


1. Source: APRA Monthly Authorised Deposit Taking Institution Statistics (MADIS). Total deposits (excluding CDs). 2. Stable and less stable deposits in NSFR calculation. Excludes operational deposits, other deposits and wholesale funding. 3. Source: 30 September 2021 Pillar 3 Regulatory Disclosures; CBA reported as at 31 December 2021. 4. Includes non-interest bearing deposits. 5. Number of new personal transaction accounts, excluding offset accounts, includes CBA and Bankwest. Comparative information has been restated to conform to presentation in the current period. 6. Transactions include non-interest bearing deposits and transaction offsets. Online includes NetBank Saver (NBS), Goal Saver, Business Online Saver, Bankwest Hero Saver, Smart eSaver and Telenet Saver. Savings and Investments includes savings offset accounts. Presented on a net basis after value attribution to other business units.

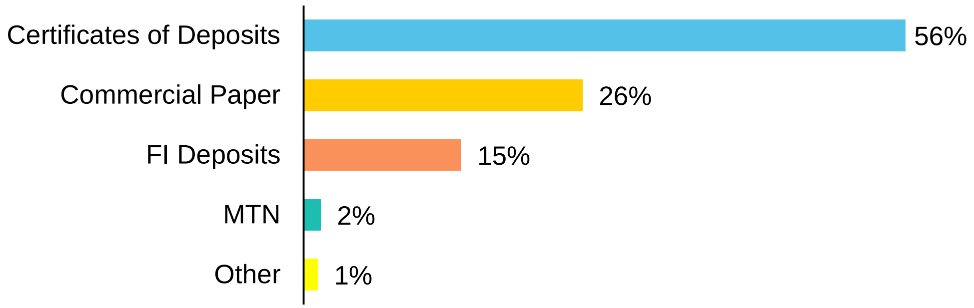
Wholesale funding

Diversified wholesale funding across product, currency and tenor

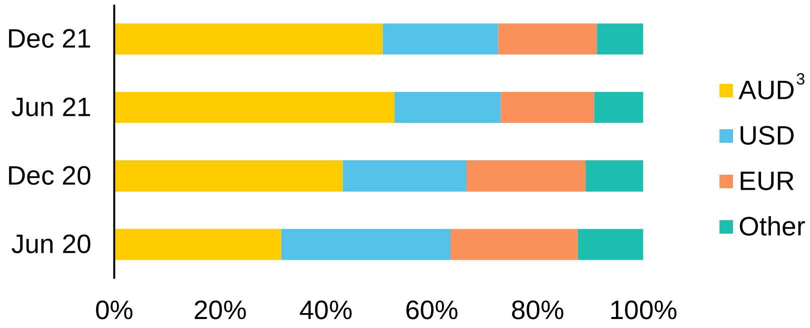
Portfolio mix



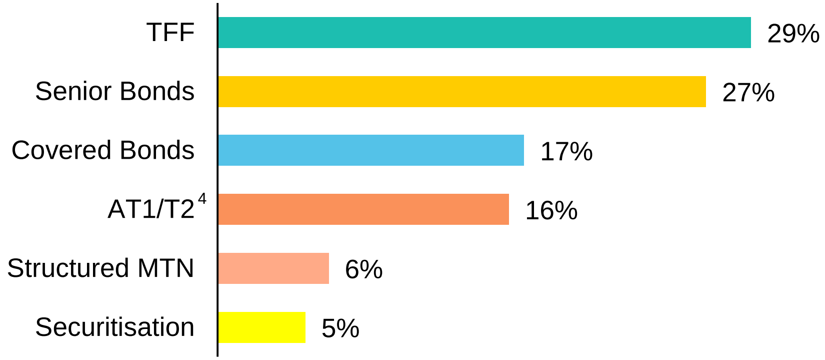
Short term funding by product



Long term funding by currency



Long term funding by product

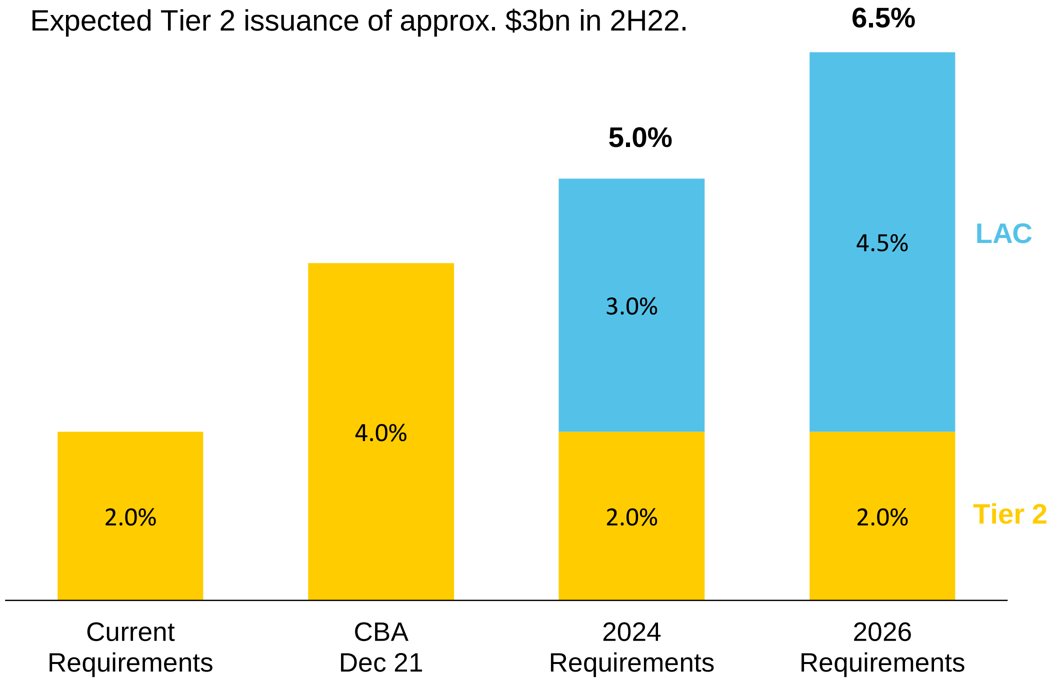


1. Includes IFRS MTM and derivative FX revaluation, includes debt with an original maturity or call date of greater than 12 months (including loan capital) and excludes TFF drawdowns. 2. Includes Central Bank deposits. 3. Includes TFF drawdowns. 4. Additional Tier 1 and Tier 2 Capital.

APRA's LAC requirements

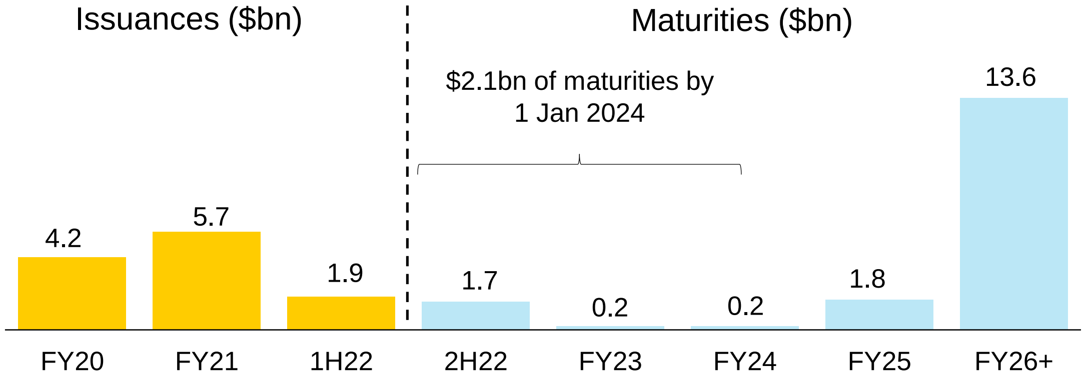
3% increase in Total Capital by 2024, rising to 4.5% by 2026 to meet loss absorbing capacity (LAC) requirement

- Based on the Dec 2021 RWA, CBA requires an additional $4.7bn and $11.8bn of LAC qualifying issuance (excluding maturities) by 1 Jan 2024 and 1 Jan 2026 respectively.
- The amount of required LAC qualifying issuance may vary depending on the impact of the revised APRA capital framework on CBA's RWA, effective from 1 Jan 2023.
- Expected Tier 2 issuance of approx. $3bn in 2H22.



$bn	@ 5% by 1 Jan 2024	@ 6.5% by 1 Jan 2026
Risk Weighted Assets at Dec 2021	**471.9**	**471.9**
Tier 2 Requirement	**23.6**	**30.7**
Existing Tier 2 at Dec 2021 (4.1%)[1]	**18.9**	**18.9**
Current shortfall (excluding AT1)	**4.7**	**11.8**
Maturities by 1 Jan 2024 / 1 Jan 2026	**2.1**	**5.2**

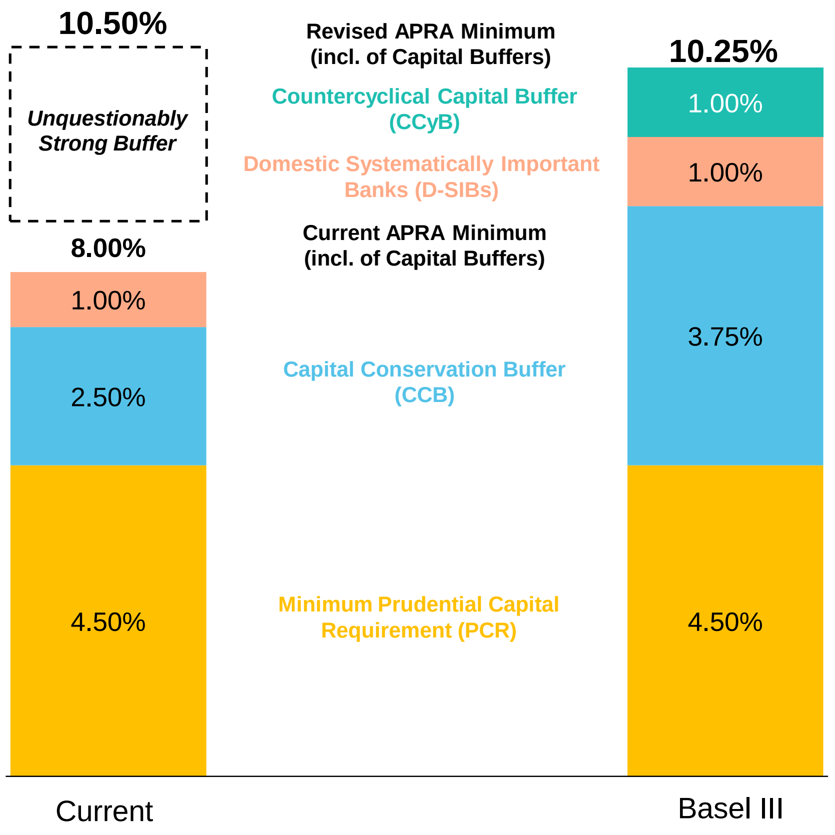
T2 Capital Profile[2,3]



1. Inclusive of $1.6bn provisions eligible for inclusion in Tier 2. 2. Represents spot FX translation at Dec 21. 3. Securities in callable format profiled to first call date. Securities in bullet format profiled to maturity date (5 year amortisation period).

Basel III Reforms

Basel III regulatory reform finalised, with new revised minimum CET1 ratio of 10.25% effective from Jan 2023



- Revisions to capital framework finalised in November 2021.
- Implementation on 1 January 2023.
- The reforms will result in changes to the calculation and presentation of capital ratios.
- APRA has stated that the new framework does not require banks to raise additional capital.
- Minimum CET1 ratio 10.25%.
- Includes a baseline countercyclical capital buffer (CCyB) of 1% that can be released in times of systemic stress.
- Enhancing risk sensitivity in residential mortgage and commercial property portfolio. Higher capital requirements for high-risk segments such as interest only and investor mortgages.
- 72.5% output floor to limit the gap between standardised and Internal Ratings-based ADIs.
- Aligning RWA of New Zealand banking subsidiaries by applying a similar framework to Reserve Bank of New Zealand.

Financials

Overview – 1H22 result[1]

Key outcomes summary

Financial

Statutory NPAT[2] ($m)	4,741	+26.1%
Cash NPAT[2] ($m)	4,746	+22.7%
ROE[2] % (cash)	12.3	+180bpts
EPS[2] cents (cash)	273	+54c
DPS[3] $	1.75	+25c
Cost-to-income[2] (%)	45.8	(90bpts)
NIM[2] (%)	1.92	(14bpts)
Op income[2] ($m)	12,205	+2.0%
Op expenses[2] ($m)	5,588	(0.1%)
Profit after capital charge[2,4] ($m)	2,006	+11.5%
LIE to GLAA (bpts)[5]	(2)	(24bpts)

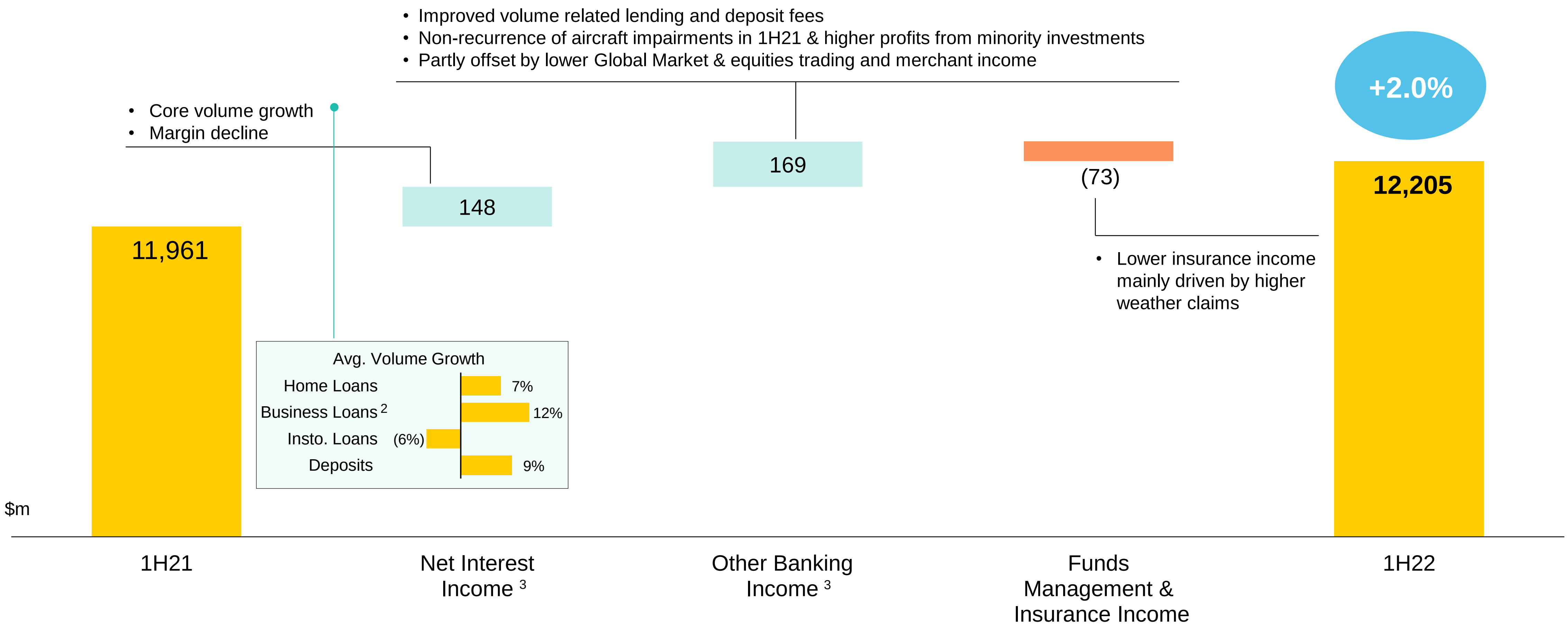
Balance sheet, capital & funding

Capital – CET1[3,6] (Int'l)	18.4%	(30bpts)
Capital – CET1[3] (APRA)	11.8%	(80bpts)
Total assets ($bn)	1,150	+8.6%
Total liabilities ($bn)	1,075	+9.2%
Deposit funding	73%	(2%)
LT wholesale funding WAM[7]	5.0 yrs	(0.2yrs)
Liquidity coverage ratio[8]	134%	(9%)
Leverage ratio (APRA)[3]	5.3%	(70bpts)
Net stable funding ratio	131%	+8%
Credit ratings[9]	AA-/Aa3/A+	Refer footnote 9

1. All movements on the prior comparative period unless otherwise stated. 2. Presented on a continuing operations basis. 3. Includes discontinued operations. 4. The Group uses PACC as a key measure of risk adjusted profitability. It takes into account the profit achieved, the risk to capital that was taken to achieve it, and other adjustments. 5. Loan Impairment Expense as a percentage of average Gross Loans and Acceptances (GLAA) (bpts). 6. Internationally comparable capital - refer glossary for definition. 7. As at 31 December 2021, Weighted Average Maturity includes Term Funding Facility (TFF) drawdowns. WAM excluding TFF drawdowns is 6.5 years (+0.1yrs from 30 June 2021). 8. Quarterly average. 9. S&P, Moody's and Fitch. Moody's affirmed CBA's ratings and stable outlook on 1 November 2021. Fitch affirmed CBA's ratings and stable outlook on 24 August 2021.

Operating income[1]

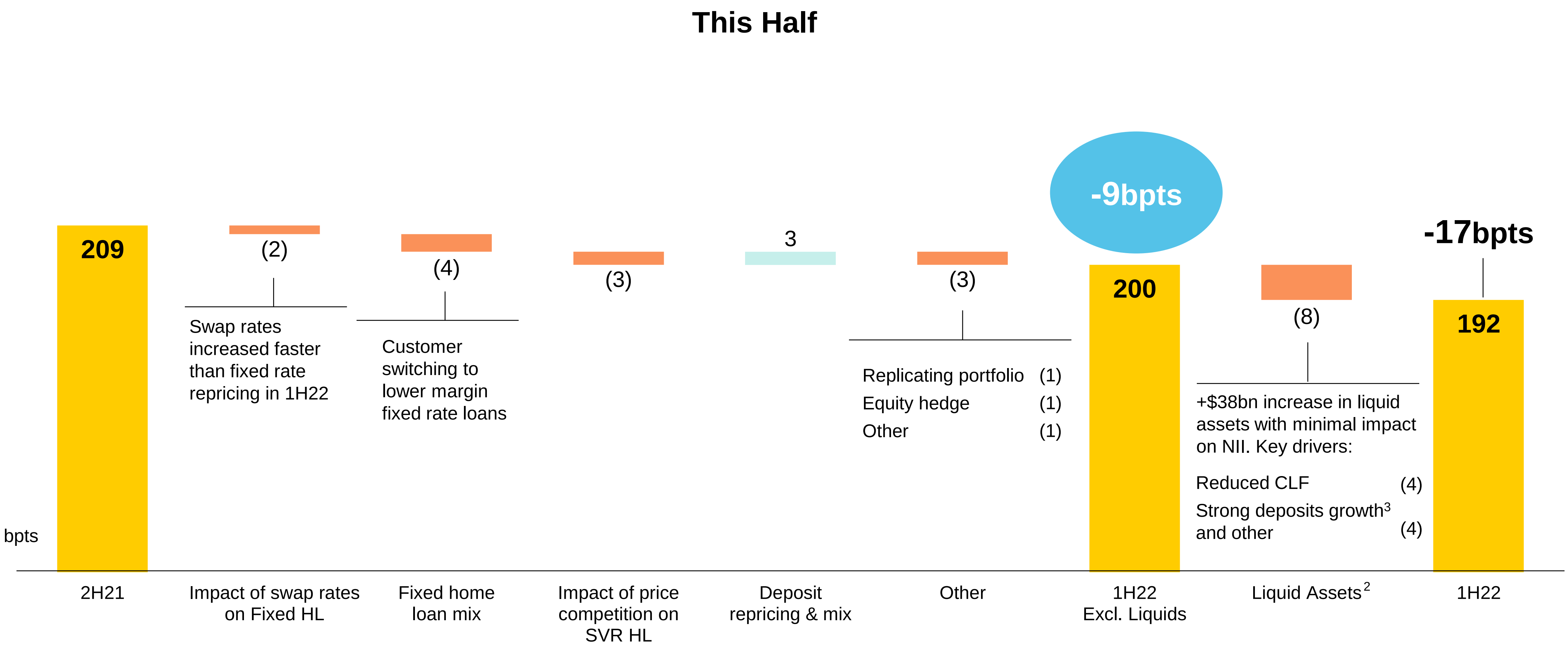
Strong core volume growth & higher OBI, partly offset by lower margin & reduced insurance income



1. Presented on a continuing operations basis. 2. Includes NZ and other Business Loans. 3. Comparative information has been restated to conform to presentation in the current period.

Group margin[1] – last 6 months

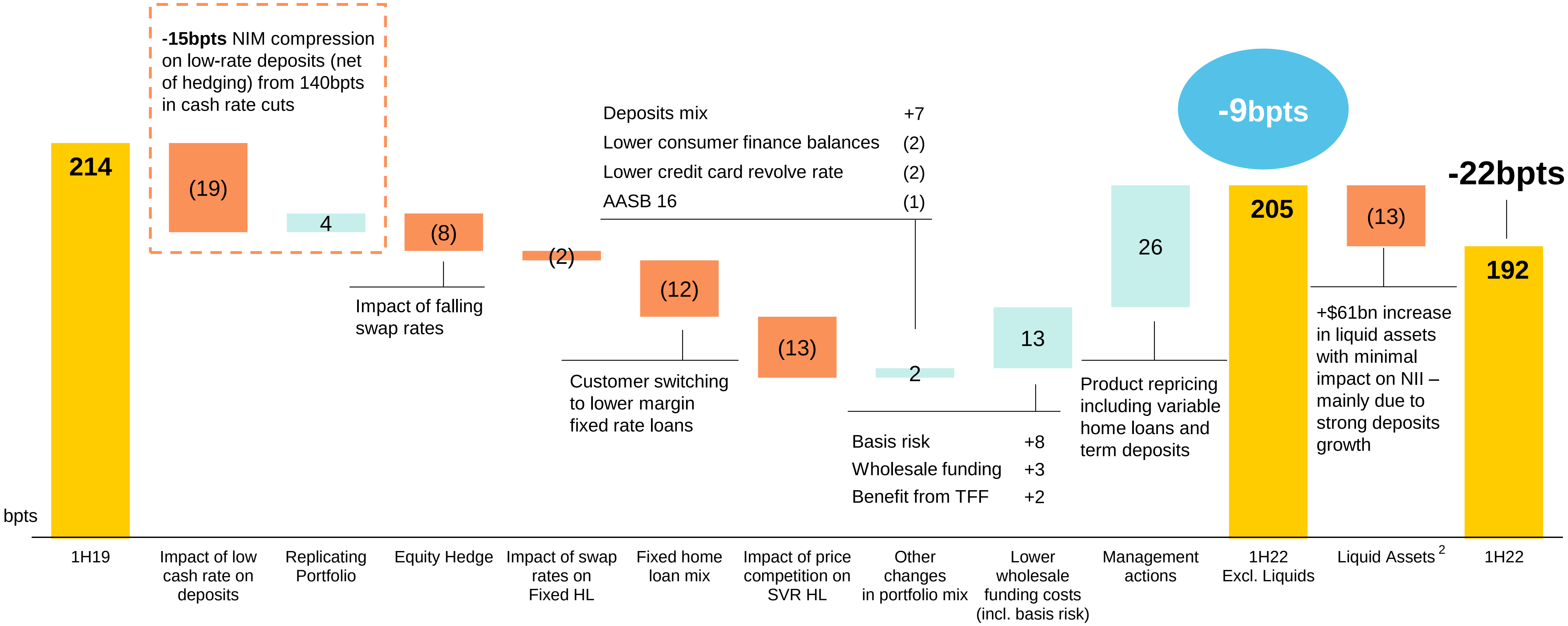
Impacted by continued fixed rate switching and home loan competition



1. Presented on a continuing operations basis. Comparative information has been restated to conform to presentation in the current period. 2. Average external non-lending interest earning assets held by the Group for liquidity purposes and included in LCR liquid assets. 3. Growth in deposits drives higher requirement to hold liquid assets under APRA's Liquidity Coverage Ratio.

Group margin[1] – last 3 years

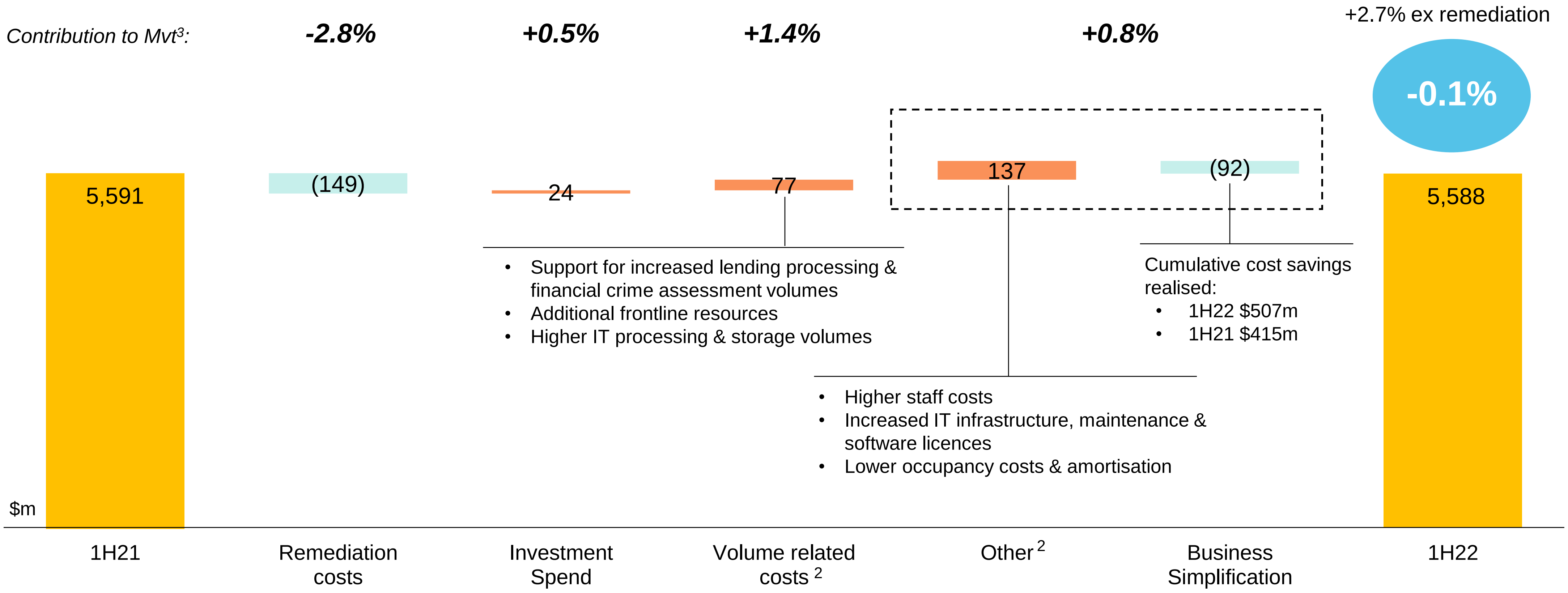
Significant impact of falling cash rate on at-call deposits; customer switching to fixed rates and home loan competition



1. Presented on a continuing operations basis. Comparative information has been restated to conform to presentation in the current period. 2. Average external non-lending interest earning assets held by the Group for liquidity purposes and included in LCR liquid assets.

Operating expenses[1]

Lower remediation costs & business simplification benefits offsetting higher investment spend, volume and staff costs

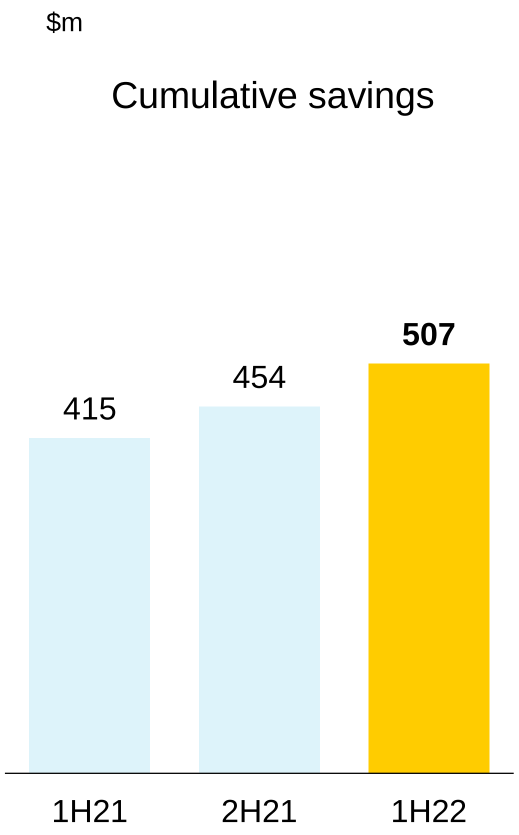


1. Presented on a continuing operations basis. 2. Excludes remediation and investment spend. 3. Growth rate percentages calculated on 1H21 cost base excluding remediation.

Cost approach supporting investment spend

Long term cost reduction creating capacity for long term investment

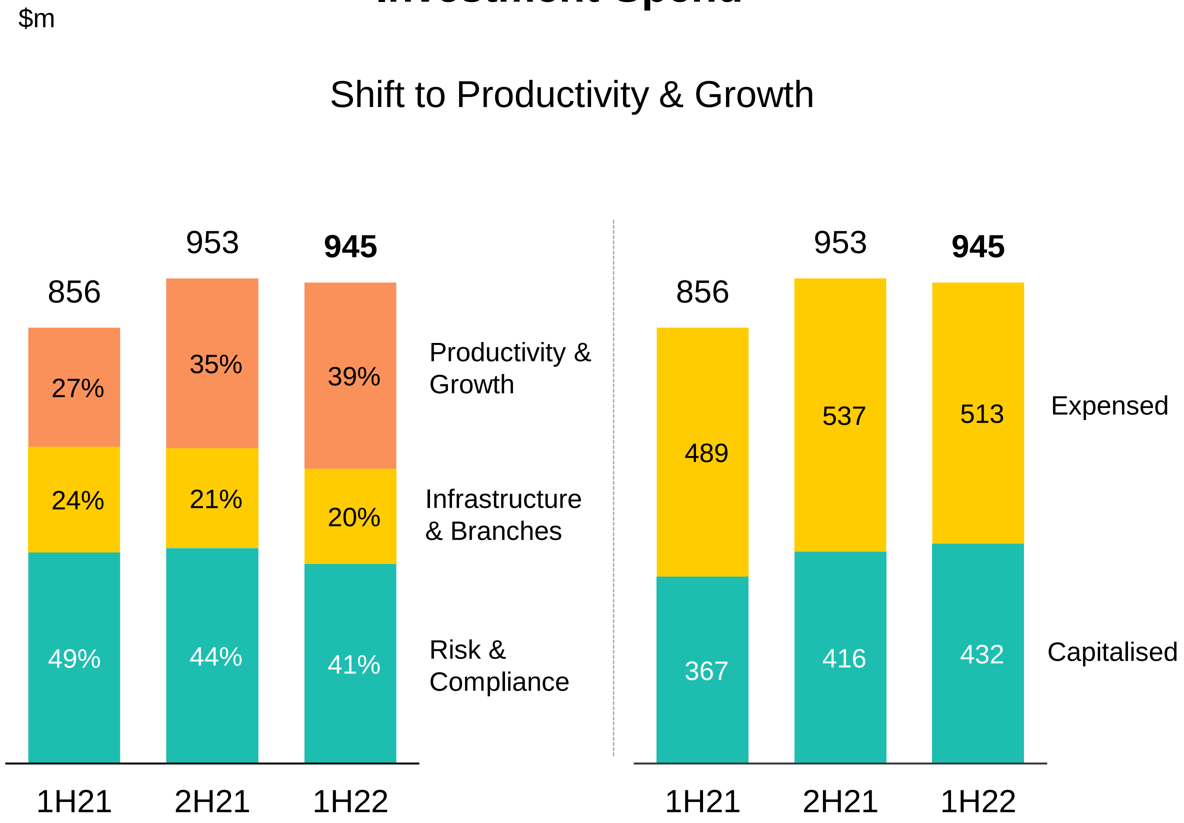
Cost Reduction



Cost approach

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

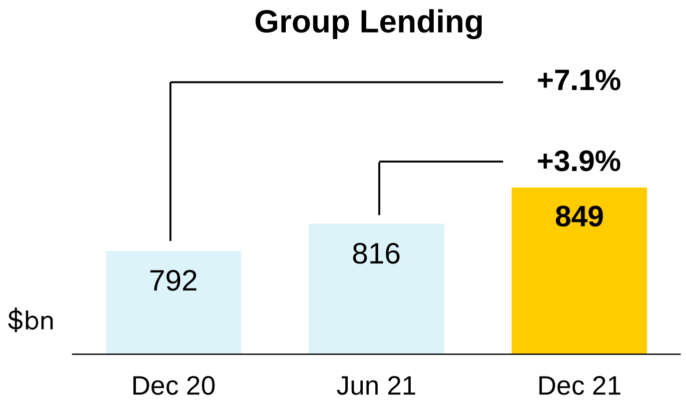
Investment Spend[1,2]

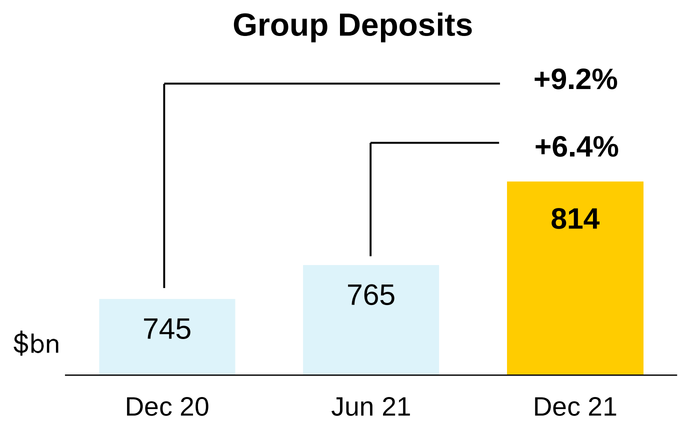


1. Presented on continuing operations basis. 2. Capitalised software balance is $1.59bn as at 31 December 2021, $1.43bn as at 30 June 2021 and $1.33bn as at 31 December 2020.

Balance sheet

Continued strong growth in core markets





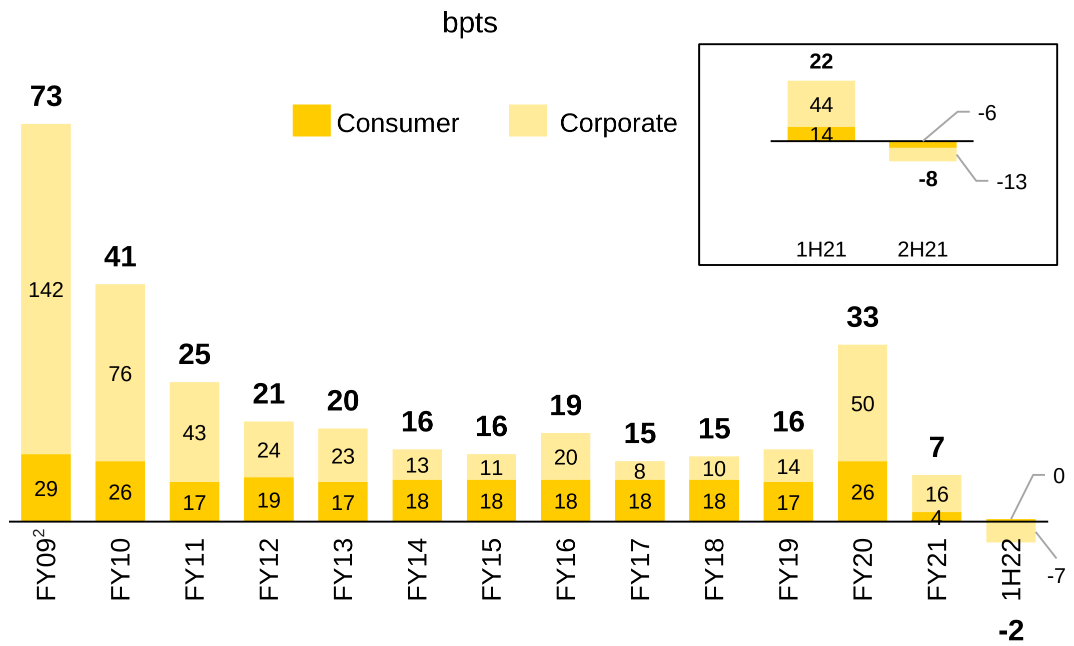
$bn	Dec 20	Jun 21	**Dec 21**	**Dec 21 vs Jun 21**	**Dec 21 vs Dec 20**
Home loans	559.3	579.8	605.9	4.5%	8.3%
Consumer finance	17.4	17.0	16.7	(1.8%)	(4.0%)
Business loans	128.0	135.2	141.5	4.7%	10.5% [1]
Institutional loans	87.4	84.4	84.5	0.1%	(3.3%)
Total Group Lending	**792.1**	**816.4**	**848.6**	**3.9%**	**7.1%**
Non-lending interest earning assets	201.8	219.5	247.9	12.9%	22.8%
Other assets (including held for sale)	65.3	56.1	53.3	(5.0%)	(18.4%)
Total Assets	**1,059.2**	**1,092.0**	**1,149.8**	**5.3%**	**8.6%**
Total interest bearing deposits	654.1	652.0	679.3	4.2%	3.9%
Non-interest bearing trans. deposits	91.0	112.5	134.4	19.5%	47.7%
Total Group Deposits	**745.1**	**764.5**	**813.7**	**6.4%**	**9.2%**
Debt issues	122.5	103.0	117.5	14.1%	(4.1%)
Term funding from Central Banks	19.1	51.9	52.8	1.7%	Large
Other interest bearing liabilities	49.9	59.9	60.1	0.3%	20.4%
Other liabilities (including held for sale)	47.7	34.0	31.1	(8.5%)	(34.8%)
Total Liabilities	**984.3**	**1,013.3**	**1,075.2**	**6.1%**	**9.2%**

1. Business loan growth of +10.5% (vs Dec 20) driven by growth in Business Banking of 13.0% and NZ Business and Rural lending growth of 7.1% (excl. FX, NZ Business and Rural lending growth was 6.7%).

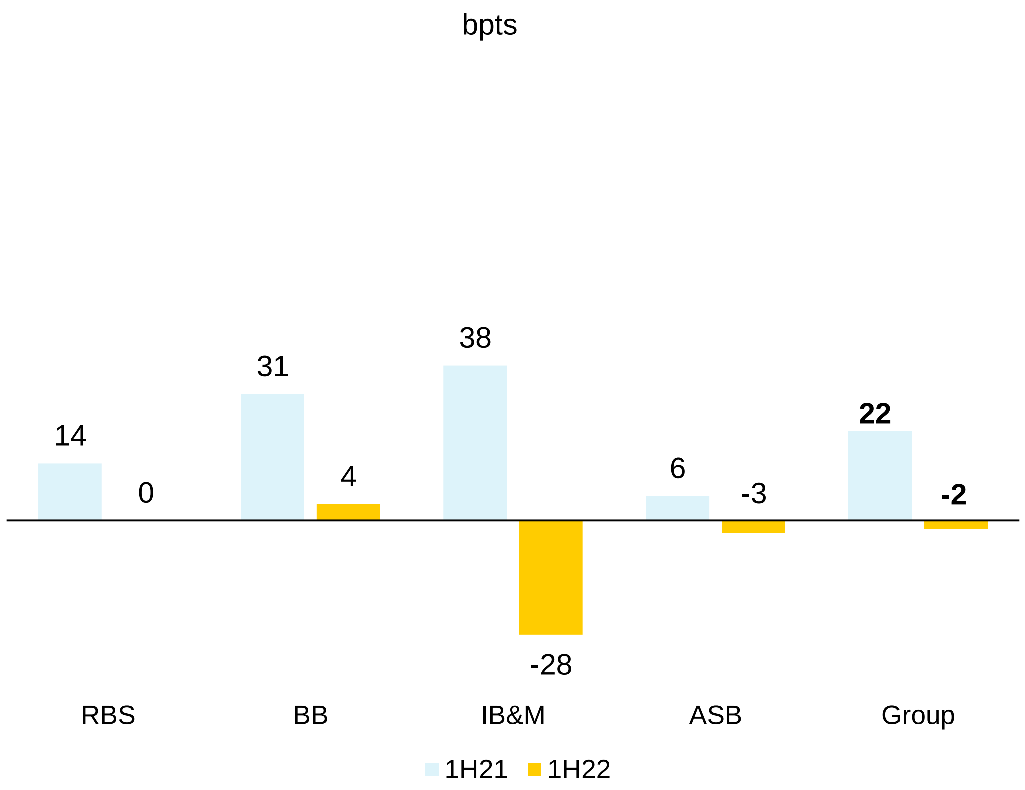
Loan losses

Lower provisions on improved economic outlook

Loan Loss Rate[1]



Loan Loss Rate by business unit[1]



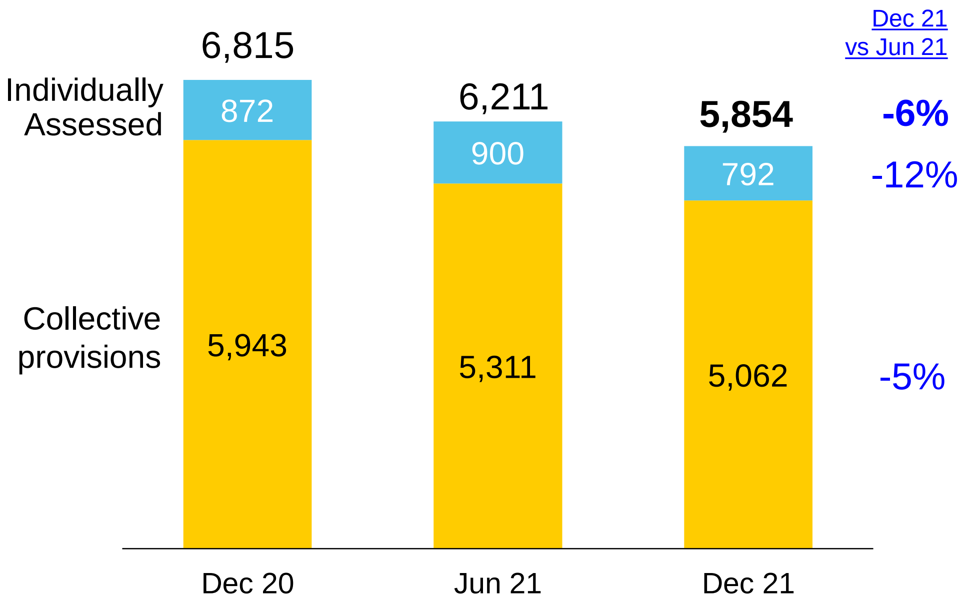
1. Loan Impairment Expense as a percentage of average Gross Loans and Acceptances (GLAA) (bpts) annualised. 2. FY09 includes Bankwest on a pro-forma basis.

Provisioning

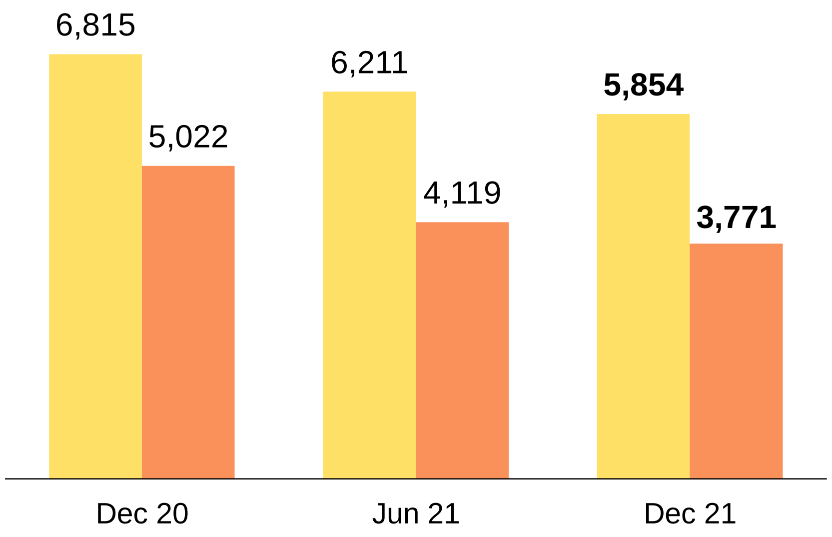
Further reductions in modelled collective provisions and overlays for emerging risks

Total Provisions ($m)

Provision Coverage[1]	1.81%	1.63%	**1.50%**



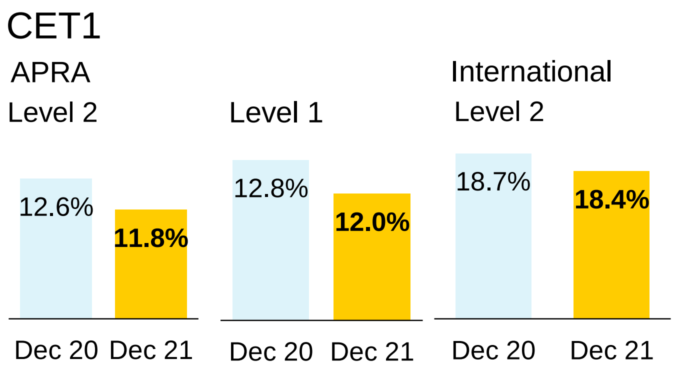
Provisions vs Central Economic Scenario ($m)

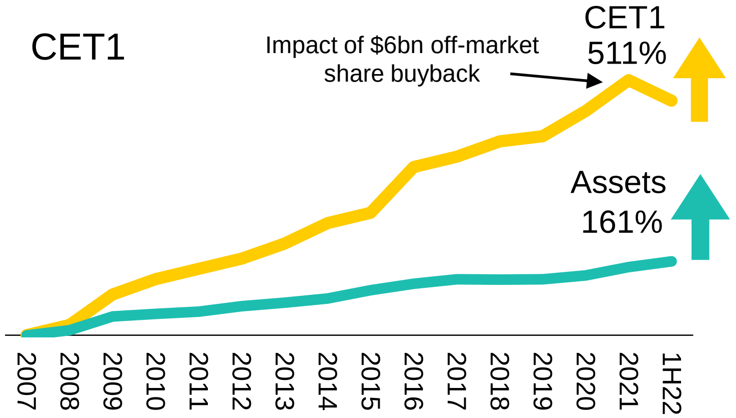


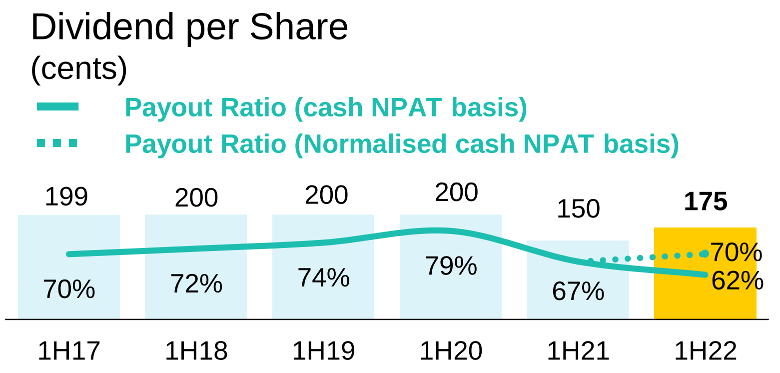
1. Total provisions divided by credit risk weighted assets. 2. Central Scenario is based on the Group's internal economic forecasts and considers Central Bank forecasts as well as other assumptions used in business planning and forecasting. 3. Assuming 100% weighting holding all assumptions including forward looking adjustments constant and includes Individually Assessed Provisions.

Capital overview

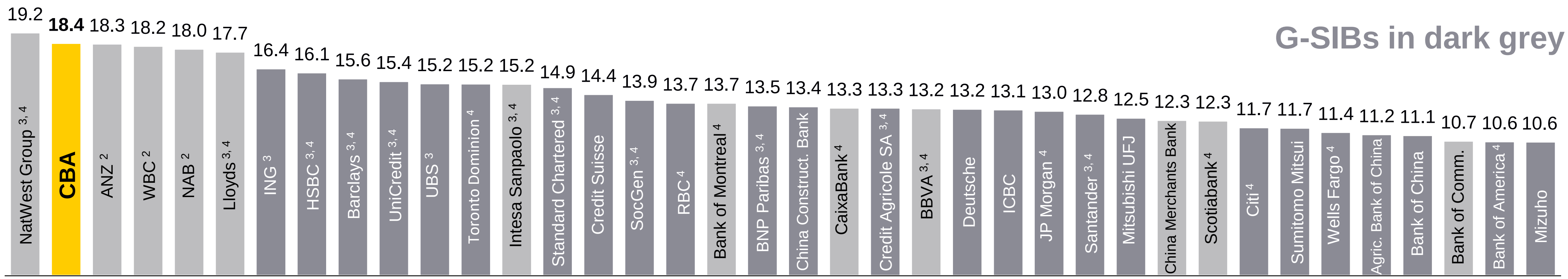
Strong capital position maintained







International CET1 ratios[1]



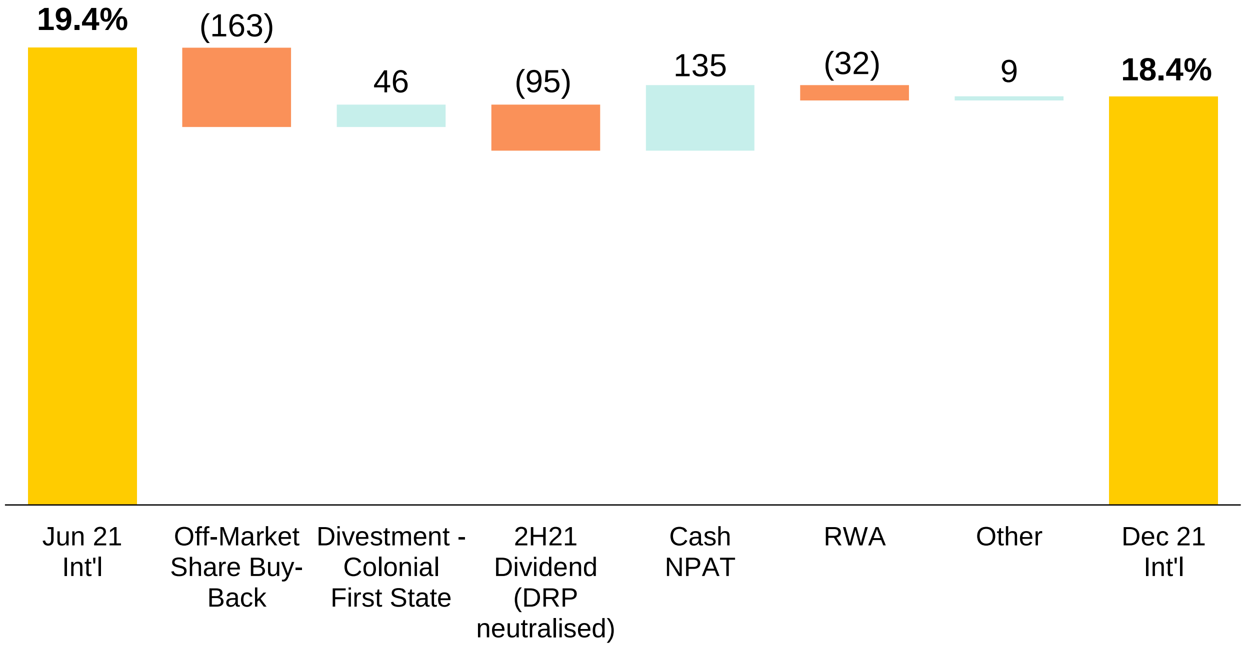
1. Source: Morgan Stanley and CBA. Based on last reported CET1 ratios up to 3 February 2022 assuming Basel III capital reforms fully implemented. Peer group comprises domestic peers and listed commercial banks with total assets in excess of A$1,000 billion which have disclosed fully implemented Basel III ratios or provided sufficient disclosure for a Morgan Stanley estimate. 2. Domestic peer figures as at 30 September 2021. 3. Deduction for accrued expected future dividends added back for comparability. 4. CET1 includes benefit of COVID-19 transitional arrangements for expected credit loss provisioning.

CET1 – internationally comparable

Group's CET1 ratio of 11.8% translates to 18.4% on an international basis

Internationally comparable[1] CET1

bpts



CET1 APRA		11.8%
Equity investments	Balances below prescribed threshold risk weighted, compared to 100% CET1 deduction under APRA	0.8%
Capitalised expenses	Balances are risk weighted, compared to a 100% CET1 deduction under APRA	0.1%
Deferred tax assets	Balances below prescribed threshold risk weighted compared to a 100% CET1 deduction under APRA	0.2%
IRRBB RWA	APRA requires capital to be held for IRRBB. The BCBS does not have any capital requirement	0.6%
Residential mortgages	LGD of 15%, compared to 20% LGD floor under APRA and adjustments for higher correlation factor applied by APRA for Australian residential mortgages	2.8%
Other retail standardised exposures	75% Risk weighting, rather than 100% under APRA	0.0%
Unsecured non-retail exposures	LGD of 45%, compared to 60% or higher LGD under APRA	0.4%
Non-retail undrawn commitments	75% Credit conversion factor, compared to 100% under APRA	0.4%
Specialised lending	Use of AIRB PDs and LGDs for income producing real estate and project finance exposures, reduced by application of a scaling factor of 1.06. APRA applies higher risk weights under a supervisory slotting approach, but does not require the application of the scaling factor	1.2%
Currency conversion	Increase in A$ equivalent concessional threshold level for small business retail and SME corporate exposures	0.1%
CET1 internationally comparable		**18.4%**
Tier 1 internationally comparable		**21.4%**
Total Capital internationally comparable		**26.6%**

1. Internationally comparable capital - refer glossary for definition.

Regulatory capital changes

Basel III reforms in Australia finalised and a number of regulatory changes in progress

Change	Implementation	Details
Revision to Capital Framework	1 Jan 2023 APS 110, 112, 113 (APS 111 Jan 2022)	• Higher regulatory capital buffers, with the CCyB default level set at 100 basis points for all ADIs and the CCB increasing by an additional 125 basis points for IRB ADIs such as CBA; • Implementing more risk sensitive risk weights, particularly for residential mortgage lending; • Closer alignment of non-retail RWAs relative to overseas peers; • RWA for New Zealand subsidiaries to be determined under RBNZ rules at the consolidated group level; and • Implementing a 72.5% output floor to limit the capital benefit for IRB ADIs relative to standardised ADIs. • Individual equity exposures to other ADI's and insurance subsidiaries will be risk weighted at 250% up to 10% of an ADI's Level 1 CET1, with any excess above the threshold deducted from Level 1 CET1 capital.
Operational Risk	APS 115 1 Jan 2023	• Advanced Measurement Approach replaced by Standardised approach across the industry. • Utilises a 3 year average of key financial data to determine capital.
Market Risk	APS 117 1 Jan 2024 APS 16 1 Jan 2025	• Non traded: standardising aspects of the calculation of IRRBB capital to reduce volatility over time and variation between ADIs. • Traded: APRA is yet to commence consultation on Fundamental Review of the Trading Book.
Loss Absorbing Capital (LAC)	1 Jan 2024 and 1 Jan 2026	• Increase of 3% to Total Capital by Jan 2024. Increasing by a further 1.5 to 4.5% by Jan 2026. • Can be met via any form of capital (CET1, T1, Tier 2). • Holding of other bank TLAC instruments to be deducted from Tier 2.
RBNZ Capital Review	1 Jul 2028 (Output floor 1 Jan 2022, IRB Scalar 1 Oct 2022)	• Capital review finalised, with requirements coming into effect through banks' conditions of registration; • RWA of internal ratings based banks will effectively increase to 90% of that required under a standardised approach through the introduction of an 85% output floor and increasing the IRB scalar from 1.06 to 1.2; • D-SIB Tier 1 capital requirement of 16% with at least 13.5% in the form of CET1; and • Implementation from Jan 2022 with a transitional period of ~6 years.
RBNZ dividend restrictions	Immediately (RBNZ announced 31 March 2021)	• Banks are allowed to pay up to a maximum 50% of their earnings as dividends to shareholders. The 50% dividend restriction will remain in place until 1 July 2022.
Leverage ratio	1 Jan 2023	• Minimum 3.5% from 1 Jan 2023.
APS 220 Credit Risk Management	1 Jan 2022	• Enhancements covering a broad range of issues including credit standards, ongoing monitoring and management of credit portfolios and Board oversight.

Sustainable Outcomes

Our commitment to sustainability

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

Supporting our customers

- Continued to supported small and medium businesses with ~$2.8bn in funding under the Government's SME Guarantee Loan Scheme
- Issued fee waivers and refunds on merchant terminals with more than $26 million in fees back to our small business customers
- Provided emergency assistance to 775 Small Business Customers affected by COVID and natural disasters
- 1,674 loan deferrals (~$470m in loans) provided in FY22
- Saved customers >$13m in personalised cashback rewards through CommBank Rewards

Supporting our community

- Partnered with industry and community organisations to launch the One-Stop-One-Story Hub, connecting customers experiencing domestic violence with multiple providers
- Awarded $3m to community organisations across Australia as part of CBA staff's 2021 Community Grants program
- 300 CBA employee volunteers worked alongside NSW Health to provide increased translation support for Sydney Local Health District's COVID-19 support line
- Donated $500,000 to Lifeline to support their work in helping Australians needing mental health support

Engaging our people

- Refreshed our purpose 'Building a brighter future for all' to reflect the role we see ourselves playing in the years ahead
- Operating six COVID-19 corporate vaccination hubs to keep our employees and their families safe
- Recent Your Voice survey showed employee engagement was 80% and 89% are proud to work for the Bank
- Launched 'Respect Lives Here' initiative as part of our continued focus on creating a workplace that is inclusive and safe for all of our people

Good business practices

- Final Remedial Action Plan report released; all Recommendations assessed as closed
- Completed Climate Foundations digital learning pilot in advance of Group-wide launch to employees in 2H22
- Published second Modern Slavery Statement[1] as required by the *Modern Slavery Act 2018*
- Updated the Group's Green, Social and Sustainability Funding Framework

1. Statement available at commbank.com.au/CRreporting

Climate outcomes

Driving action to manage our climate change risks and opportunities

Reduce our operational emissions

- As part of our ongoing commitment to carbon neutrality, we purchased Indigenous carbon credits from the Aboriginal Carbon Foundation
- As of 1 August 2021, all new fleet orders will be for hybrid vehicles where possible[1]
- Commenced engagement with suppliers on emissions reductions strategies

Align our portfolio to Paris Agreement

- Lifted temperature ambition to 1.5C, resolved to join Net Zero Banking Alliance
- Began implementing glidepaths for four priority sectors (upstream oil, upstream gas, thermal coal mining and power generation)
- Developed proprietary household-level emissions model for Home Loans

Help our customers transition

- Announced new partnerships with Xpansiv and CoGo to help customers transition and achieve sustainability goals
- Launched a pilot to provide funding at discounted rates to support agribusiness customers invest in environmental initiatives
- Executed 40 Sustainable Finance transactions in 1H22 up from 23 in FY21
- Completed first certified Green Repurchase Agreement and launched first Green Term Deposit

Manage our exposures to climate risk

- Engaged 82 corporate customers on their transition plans
- Developed and began implementing a coal value chain risk assessment for home loans
- Assessed impact of natural disasters on residential property prices and potential credit losses
- Developed new methodology to assess impact of climate change on Agribusiness, and adaptation measures

Contribute to national capability

- CBA and CSIRO announced a joint public-private sector initiative to investigate potential impacts of climate change to the finance sector
- Hosted our inaugural sustainability conference, Financing Australia's Transition with over 1,000 participants

1. Excluding instances in Remote or Regional locations where hybrid vehicles are not suitable given the demand for large 4WD vehicles

Asset Quality

Total committed exposure summary

Close monitoring of key sectors

	Group TCE ($bn)		TIA ($bn)		TIA % of TCE		Provisions to total committed exposure %	
	Jun 21	Dec 21	Jun 21	Dec 21	Jun 21	Dec 21	Jun 21	Dec 21
Consumer	710.5	737.3	2.0	2.1	0.3%	0.3%	0.4%	0.4%
Government Administration & Defence	189.2	205.9	0.0	0.0	0.0%	0.0%	0.0%	0.0%
Finance & Insurance	79.7	87.1	0.0	0.0	0.0%	0.1%	0.0%	0.1%
Commercial Property	80.0	84.4	0.7	0.5	0.8%	0.6%	0.5%	0.5%
Agriculture & Forestry	25.4	27.0	0.8	0.7	3.1%	2.5%	0.8%	0.8%
Transport & Storage	26.5	25.6	0.7	0.5	2.7%	1.8%	1.4%	1.1%
Manufacturing	15.9	17.0	0.5	0.4	3.2%	2.5%	1.5%	1.4%
Entertainment, Leisure & Tourism	13.0	14.0	0.9	0.7	7.1%	5.0%	2.5%	2.4%
Retail Trade	12.4	13.4	0.3	0.3	2.8%	1.9%	1.0%	1.0%
Business Services	11.5	12.2	0.3	0.3	3.0%	2.7%	1.2%	1.3%
Health & Community Services	10.7	12.2	0.1	0.2	0.7%	1.8%	0.7%	0.8%
Wholesale Trade	10.6	11.8	0.2	0.2	2.2%	2.2%	1.3%	1.4%
Electricity, Gas & Water	12.7	11.8	0.2	0.1	1.3%	0.7%	0.6%	0.5%
Construction	10.3	10.8	0.3	0.3	2.9%	2.6%	1.5%	1.5%
Mining, Oil & Gas	8.7	7.7	0.1	0.1	0.8%	1.4%	1.0%	1.1%
Media & Communications	5.5	5.5	0.1	0.1	1.3%	1.3%	0.7%	0.7%
Personal & Other Services	3.3	3.3	0.1	0.1	3.3%	2.2%	0.6%	0.9%
Education	3.2	3.2	0.0	0.0	0.9%	0.5%	0.6%	0.6%
Other	5.8	5.3	0.2	0.2	3.2%	4.0%	n/a	n/a
Total	**1,234.9**	**1,295.5**	**7.5**	**6.8**	**0.6%**	**0.5%**	**0.5%**	**0.4%**

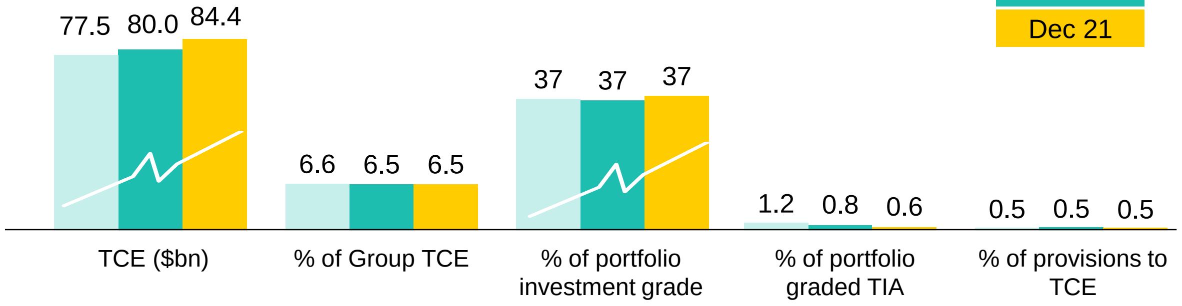
Refer separate slide following

Sector focus – commercial property

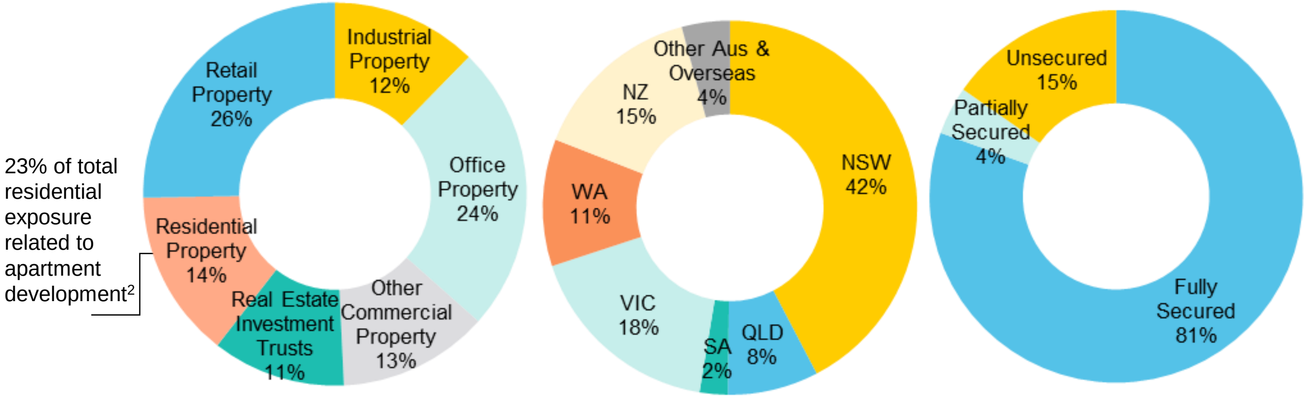
Portfolio weighted to NSW – TIAs remain low at 0.6%

- Exposure diversified across sectors and by counterparty, with the top 20 counterparties representing 15% of the portfolio and having a weighted average rating of BBB equivalent.
- Stable credit quality with investment grade concentration steady and 92% of sub-investment grade exposures fully secured[1].
- Impaired exposures remain low at 0.04% of portfolio, TIA at 0.6%.
- Geographical weighting remained relatively steady this half.
- Increased exposure this half across most sectors with the majority of the growth in the Residential Property (46%) and Industrial (33%) sectors. Exposure to the sector weighed to REITs and investors (88%).
- Residential Property growth was primarily in Apartment development[2] exposures, which increased by $1.3bn to $2.7bn, with the highest geographical weightings being to Melbourne (22%) and Sydney (21%). Exposures are 47% below the last peak (December 2016).
- Growth in industrial property primarily due to increase in exposure to Warehouse Property Operators, growth of $1.6bn this half, with more than 50% of the growth concentrated in NSW.
- Exposure to Retail properties, and origination criteria, weighted to assets anchored by non-discretionary retailers.
- Maintaining close portfolio oversight and actively managing origination criteria.

Group exposure



Profile



1. Fully secured is where the exposure is less than 100% of the bank extended value of the security, which is a discount to the market value of the security. 2. Apartment Developments ≥ $20m. Brisbane, Melbourne, Canberra 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.

Sector focus – transport & storage

Conditions remain challenging

Airlines & Aircraft Lessors

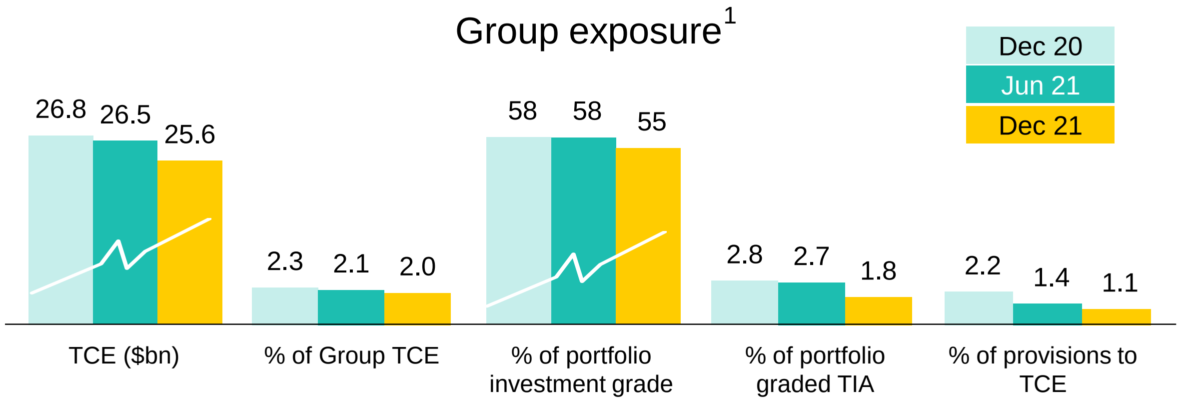
- Exposure reduced by ~$700m over the last year largely due to active portfolio management and amortisation.
- Over 70% of our airline portfolio exposure is to strong counterparties; state-owned, flag carriers, investment grade or well secured. Largest exposure is to state-owned counterparties.
- Portfolio is weighted towards airlines who generate the majority of their revenue from their domestic and regional travel markets.

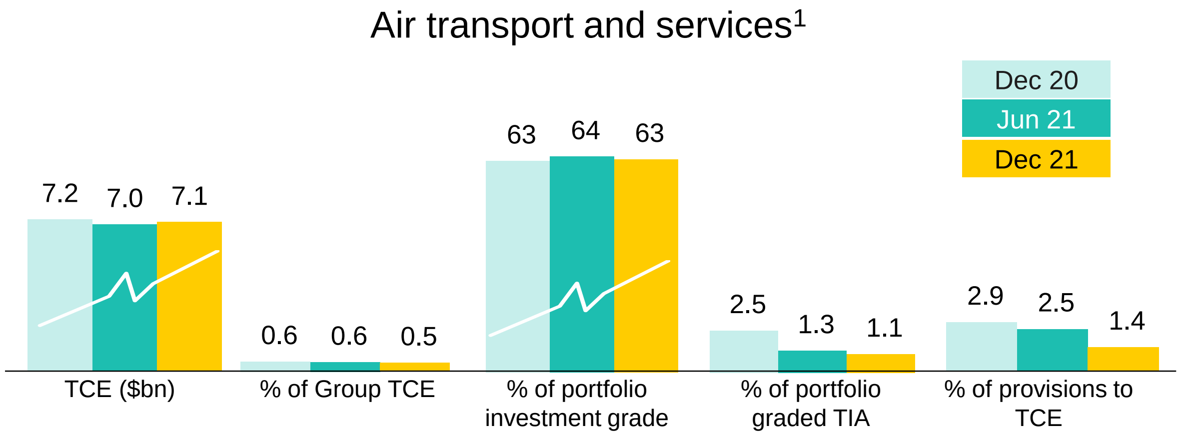
Aircraft Operating Leases

- The Group recognises ~$0.8bn of aircraft operating leases on balance sheet. The value in use of these assets has not materially changed in 1H22. As these assets are measured at amortised cost under AASB116, there was no further impairment recognised in 1H22.

Airports

- Our exposure to domestic and overseas airports continued to be well supported by strong sponsors.
- Cash flows are being supported by a combination of strengthening Australia/NZ domestic travel, opex and capex reductions, limiting distributions and equity injections. Opening up of international travel will further support recovery and credit metrics.
- 74% of our airport exposures are in Australia/NZ, 24% in UK, and 2% in the US.



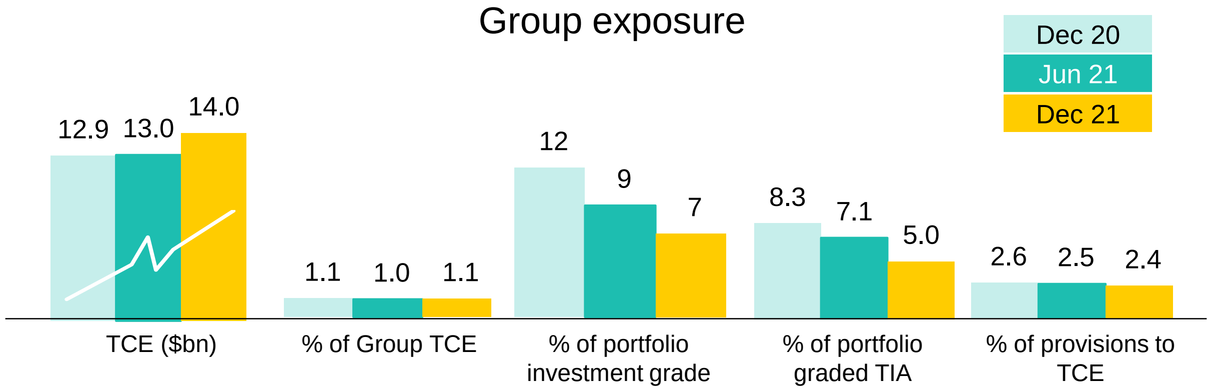


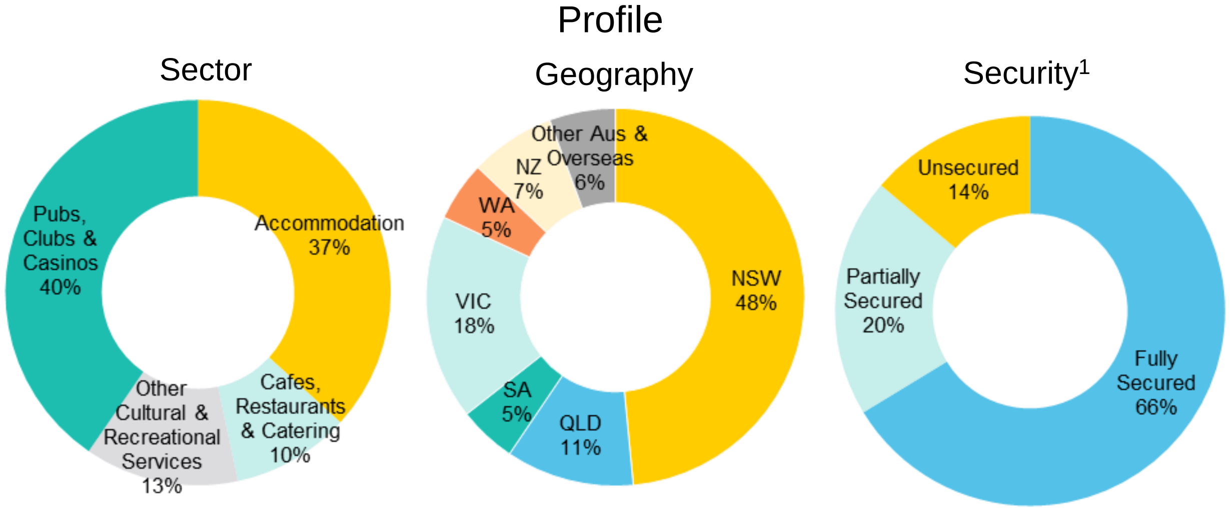
1. Excludes aircraft recognised on the Group's balance sheet and leased out to airlines.

Sector focus – entertainment, leisure & tourism

Improving trends evident but uncertain conditions remain

- Diverse industry with many sub-sectors impacted by government restrictions, including border closures, shutdowns and social distancing initiatives.
- International border controls remain, having a direct impact on inbound tourism, offset in part by domestic tourism benefiting from some state border controls lifting.
- Rate of recovery is dependent on geography and target market, with CBD locations reliant on business, event and international trade requiring more time to recover. The spread of the Omicron strain will temper recovery as consumers reassess travel and entertainment plans and health authorities reintroduce defensive strategies.
- Omicron is placing additional pressure on existing labour shortages and supply lines due to increased number of people under isolation constraints which affect trading hours, service standards, margins and access to key supplies.
- Material portfolio growth is concentrated on pub groups in NSW which carry large and well diversified portfolios. TIAs in absolute dollar terms and as a percentage of the portfolio, have decreased.



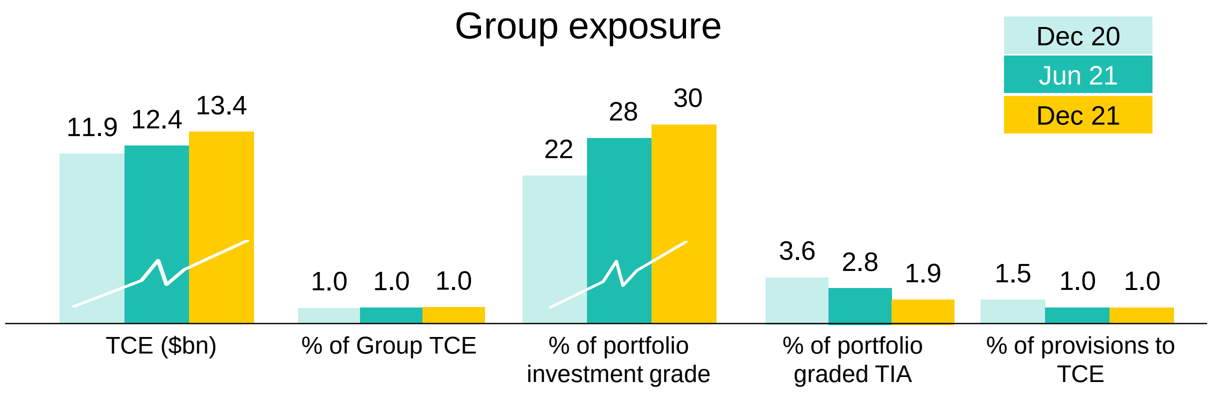


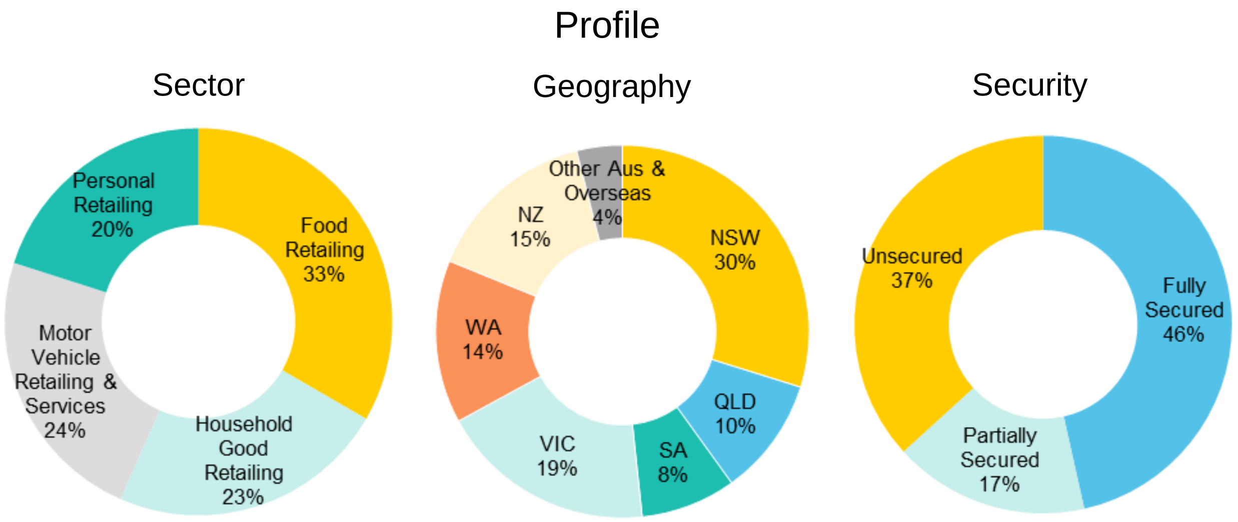
1. Fully Secured: Includes performing home loans and other exposures where the ratio of exposure to the estimated value of collateral (LVR) is less than or equal to 100%; Partially Secured: Includes defaulted home loans and other exposures where the LVR exceeds 100% but is not more than 250%; Unsecured: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

Sector focus – retail trade

Consumer sentiment improving post lockdown but some headwinds remain

- Despite a further period of lockdowns in NSW and Vic through to November 2021, the sector has remained resilient due to a strong housing market and redirection of discretionary spend away from travel towards homewares and personal services.
- Through the year demand was also fuelled by JobKeeper payments, however with that now withdrawn this demand will potentially temper.
- Some sectors of retail are facing challenges with higher costs due to difficulties in securing employees, the impact on supply channel delays and bottlenecks in the domestic delivery channels. This is resulting in product shortages that are likely to remain until the impacts across the community moderate in the coming weeks/months.
- Reduction in TIAs is attributed to the Food Retailing and Personal Household Good Retailing sectors. The portfolio remains weighted to non-discretionary sub-sectors that continue to perform strongly.

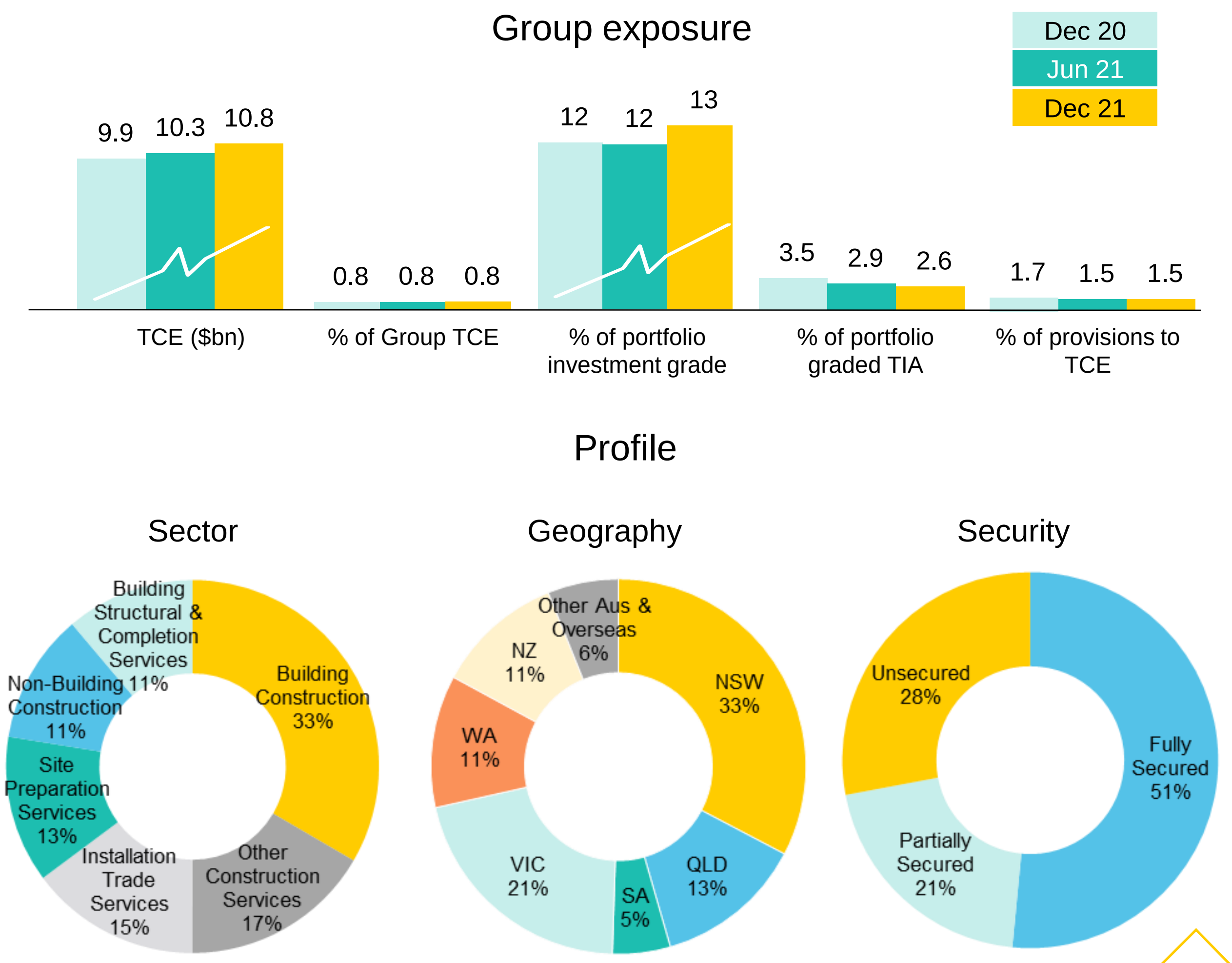




Sector focus – construction

Outlook is uncertain

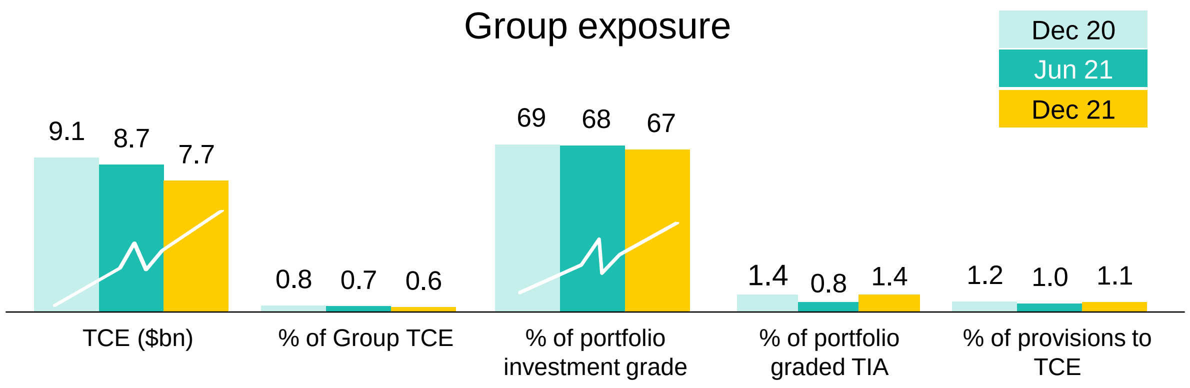
- Designated an essential industry up until the NSW lockdown in July, the sector was able to operate through COVID-19 with some level of disruption and productivity loss due to lockdowns and social distancing while also benefitting from JobKeeper assistance.
- Government stimulus for infrastructure projects and grants for new housing and renovations has resulted in an upswing in activity stretching capacity of builders to meet construction deadlines.
- Material, labour shortages and supply chain pressures are resulting in cost escalations, placing further pressure on already tight margins and liquidity. With increased costs not easily able to be passed on, contract negotiation and management is key, with some customers also diversifying supply lines to reduce single supplier and country risk.
- Whilst active management of the existing stressed portfolio has contributed to the lower proportion of TIAs, an increase in stressed exposures is expected given the current industry challenges.
- Risk appetite continues to be cautious. The operating environment and outlook remain uncertain.

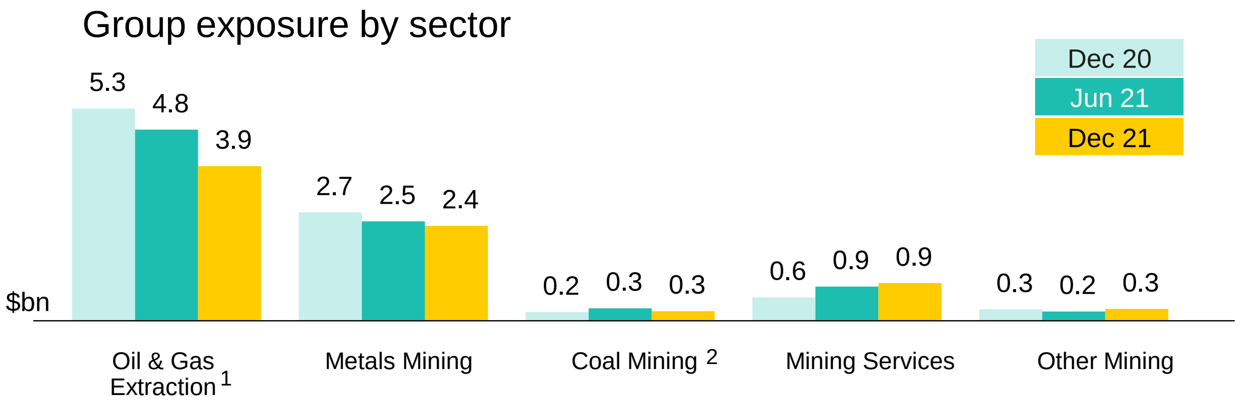


Sector focus – mining, oil & gas

Declining exposures in-line with strategy, stable portfolio performance

- Exposures of $7.7bn (0.6% of Group TCE), reduced by $1.0bn over the past 6 months mainly from reduced Oil & Gas facilities.
- Stable performance over the past 6 months:
  - Investment grade stable at 67% 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 (51% of total), 78% investment grade with 24% related to LNG Terminals – typically supported by strong sponsors and offtake contracts from well-rated counterparties.
- Impaired level increased to 1.4% mainly due to the addition of a client combined with the reduction in overall portfolio size.
- Commodity demand continues to recover and supports sector stability.





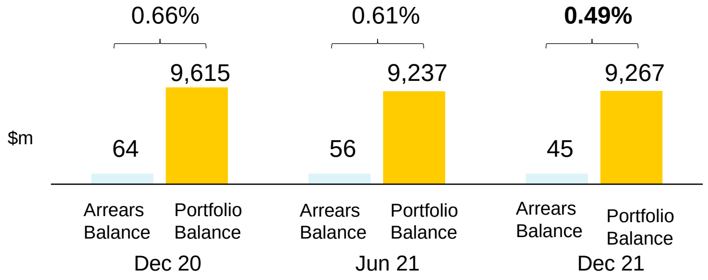
1. 'Oil & Gas Extraction' includes businesses that are predominantly involved in Oil and Gas Production as well as LNG Terminals. Group Exposure is based on the ANZSIC classification. 2. Includes all exposure with Black Coal Mining as the ANZSIC classification. Includes 100% of CBA's exposure to diversified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

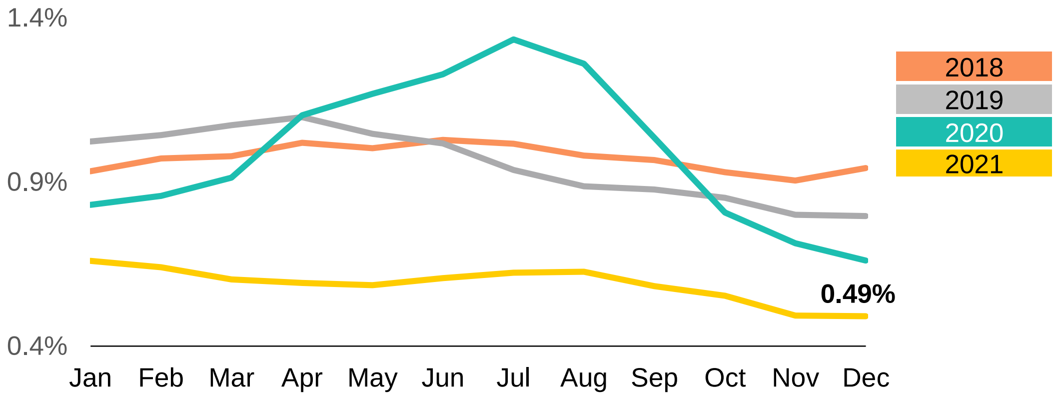
Managing unsecured lending

Sound credit quality with historically low 90+ arrears rate

Credit Cards[1]

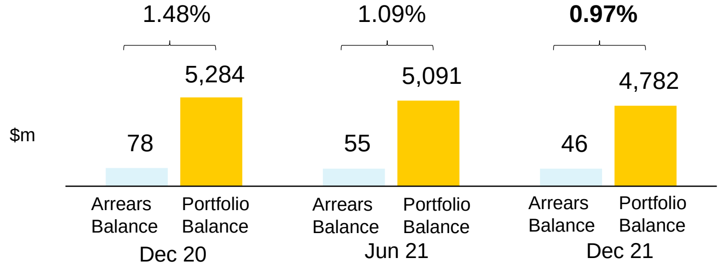
Group 90+ days

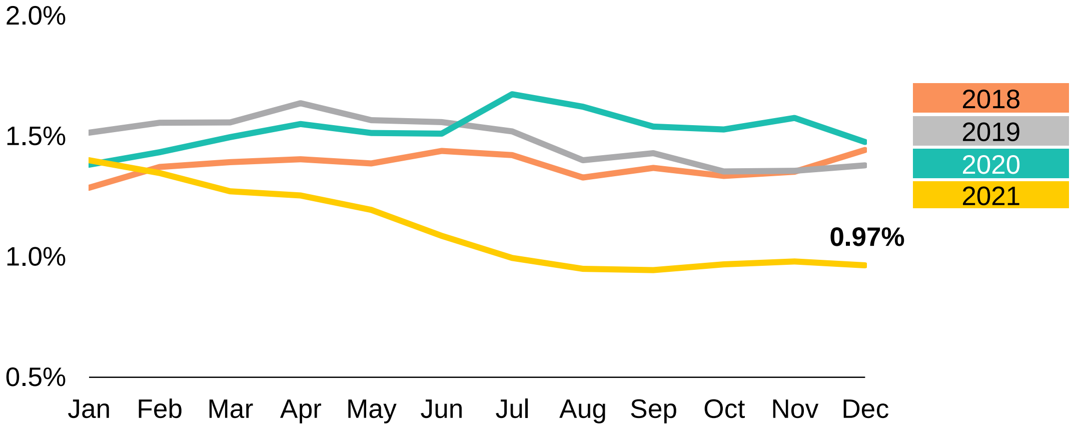




Personal Loans[1]

Group 90+ days



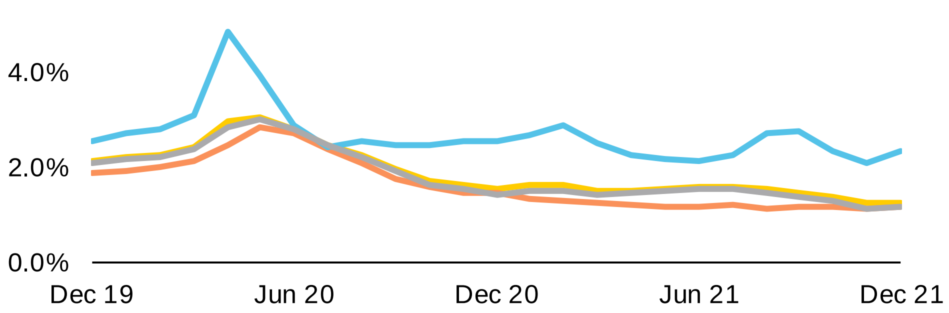


1. ASB write-off Credit Card and Personal Loans typically around 90 days past due if no agreed repayment plan.

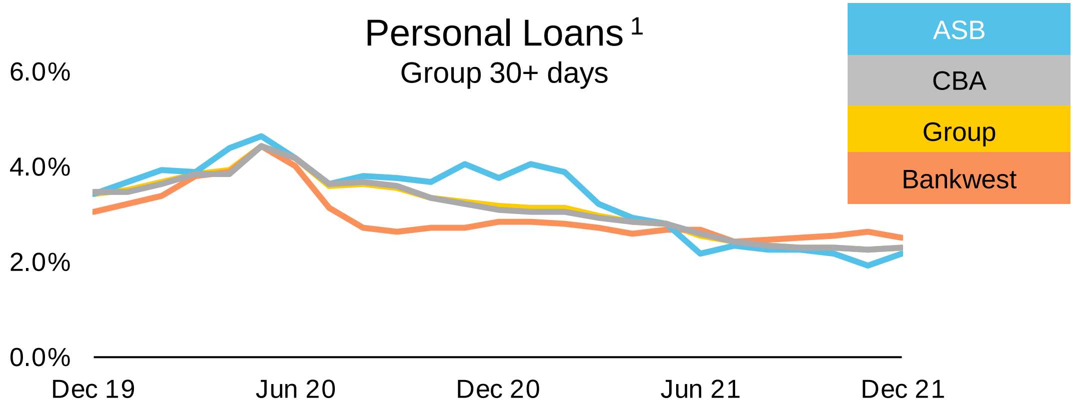
Consumer arrears

Reflect sound origination quality, customer deleveraging supported by government stimulus and low unemployment levels

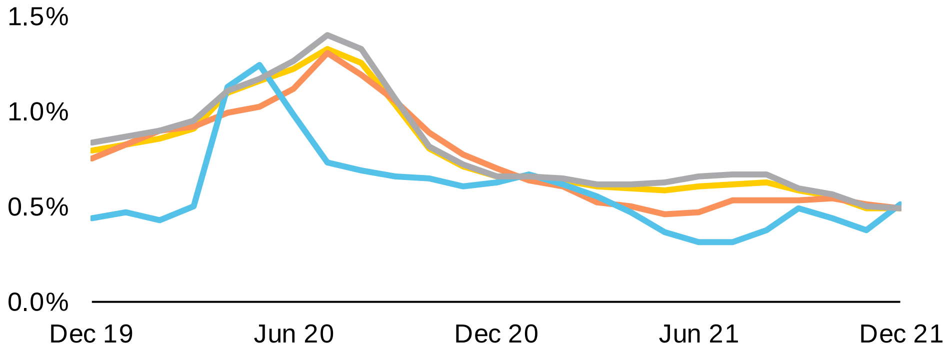
Credit Cards [1]
Group 30+ days



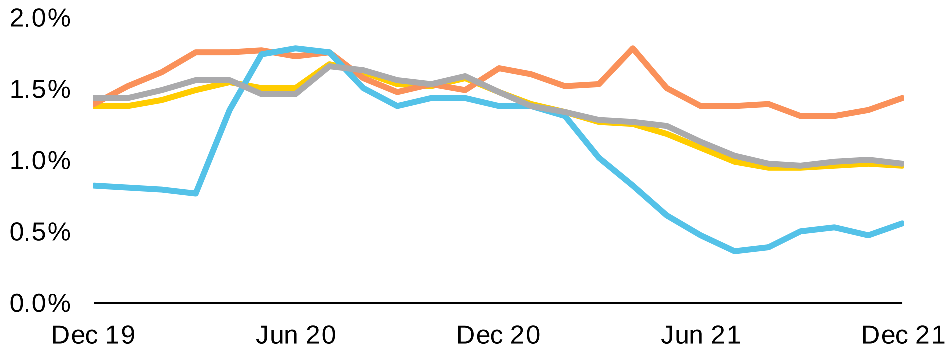
Personal Loans [1]
Group 30+ days



Credit Cards [1]
Group 90+ days



Personal Loans[1]
Group 90+ days



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

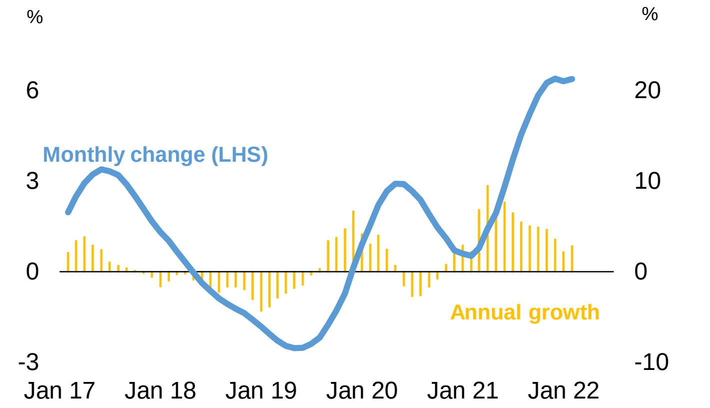
Home Lending

Housing sector

Housing market to moderate after rapid price gains and interest rate hikes

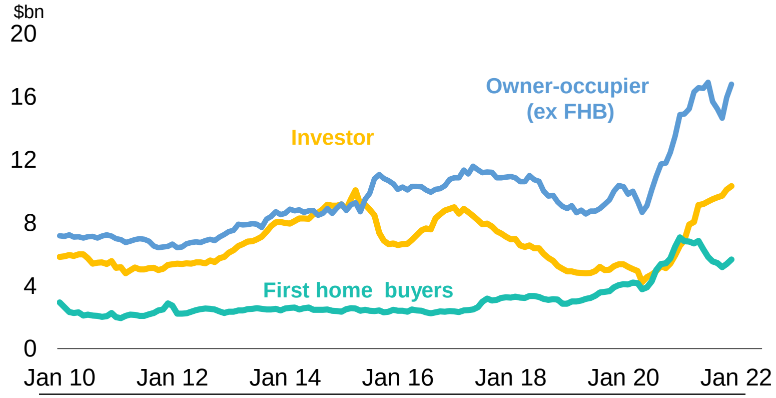
Pace of monthly price gains are moderating[1]

Dwelling prices (8 capital cities)



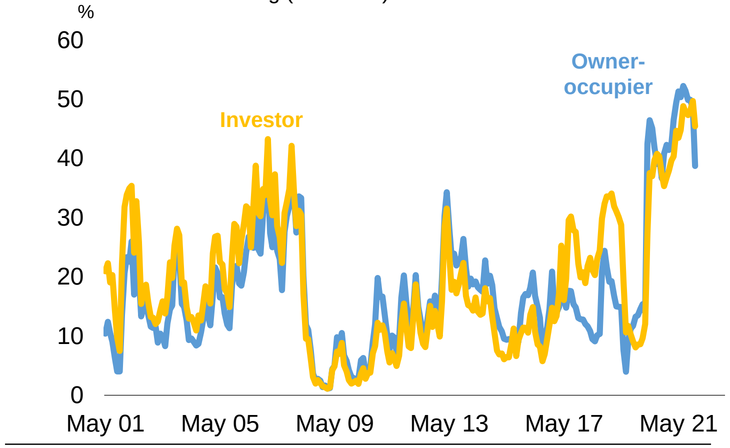
New lending remains elevated[2]

Housing loan approvals (excluding refinancing)



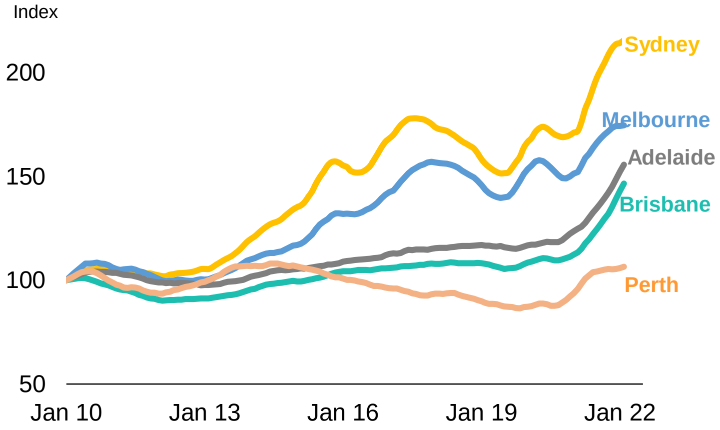
Strong preference for fixed rate lending[3]

CBA: Fixed rate lending (% of total)



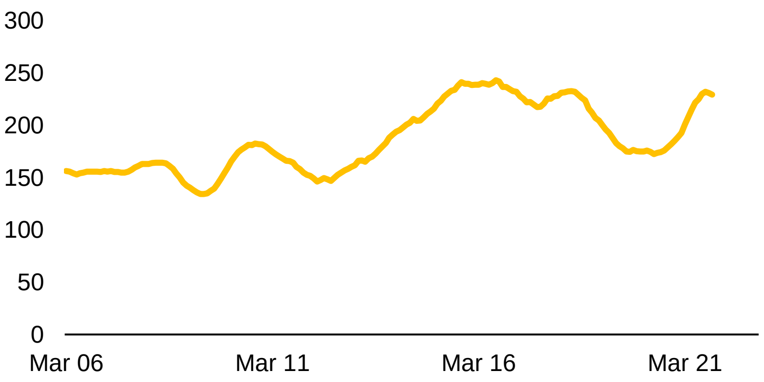
Divergence between capital cities is growing[4]

Dwelling prices



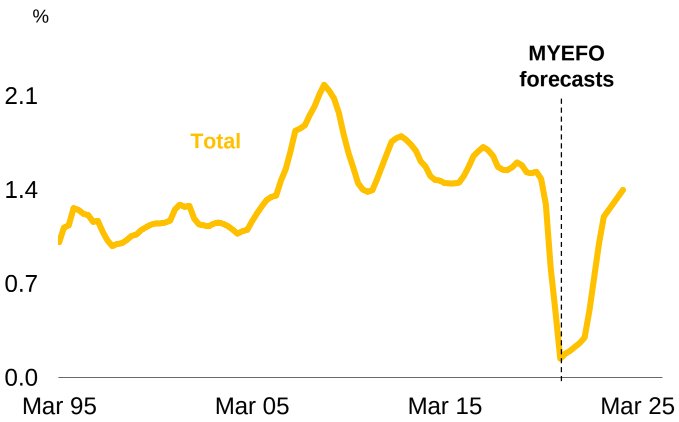
Construction supported by new builds & renovation activity but costs are rising[5]

Building approvals (annual total, 000s)



Population growth to return slowly[6]

Australian population (annual % change)



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

Home loan portfolio – CBA[1]

A balanced approach to portfolio quality, growth and returns

Portfolio[1]	Dec 20	Jun 21	Dec 21
Total Balances - Spot ($bn)	498	516	539
Total Balances - Average ($bn)	492	507	528
Total Accounts (m)	1.9	2.0	2.0
Variable Rate (%)	73	67	62
Owner Occupied (%)	69	70	71
Investment (%)	29	28	28
Line of Credit (%)	2	2	1
Proprietary (%)[2]	54	54	54
Broker (%)[2]	46	46	46
Interest Only (%)[2]	15	12	10
Lenders' Mortgage Insurance (%)[2]	21	21	20
Mortgagee In Possession (bpts)[2]	2	2	2
Negative Equity (%)[2,3]	2.5	1.2	0.6
Annualised Loss Rate (bpts)[2]	2	1	1
Portfolio Dynamic LVR (%)[2,4]	51	49	46
Customers in Advance (%)[2,5]	80	78	78
Payments in Advance incl. offset[2,6]	38	37	38
Offset Balances – Spot ($bn)[2]	57	57	66

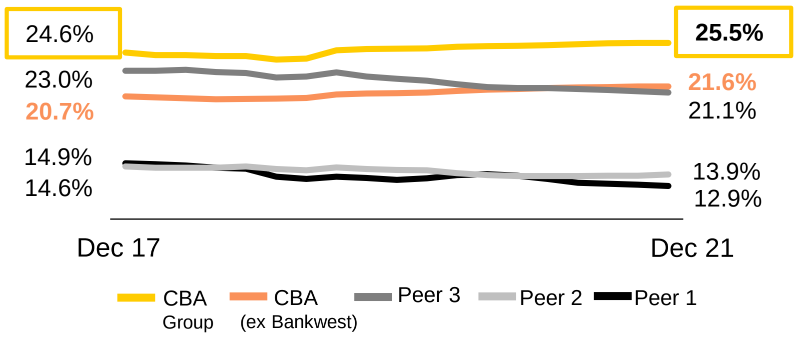
New Business[1]	Dec 20	Jun 21	Dec 21
Total Funding ($bn)	65	76	94
Average Funding Size ($'000)[7]	344	374	382
Serviceability Buffer (%)[8]	2.5	2.5	3.0
Variable Rate (%)	62	56	53
Owner Occupied (%)	77	77	73
Investment (%)	23	23	27
Line of Credit (%)	0	0	0
Proprietary (%)[2]	52	56	51
Broker (%)[2]	48	44	49
Interest Only (%)[9]	18	17	17
Lenders' Mortgage Insurance (%)[2]	20	17	15

1. CBA including Bankwest. All portfolio and new business metrics are based on balances and fundings respectively, unless stated otherwise. All new business metrics are based on 6 months to Dec 20, Jun 21 and Dec 21. Excludes ASB.
2. Excludes RMG.
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.

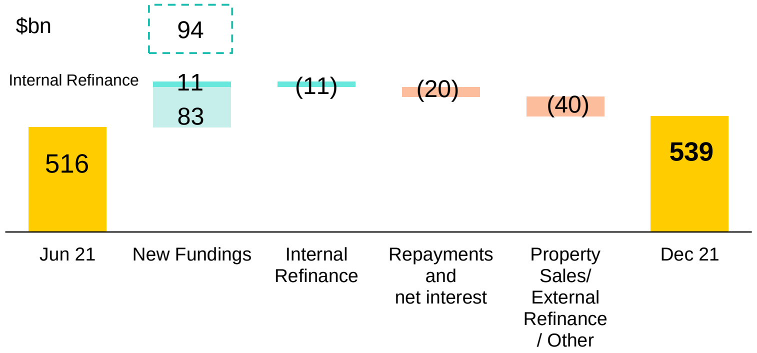
Home lending overview

Process efficiency – above system growth - strong risk profile

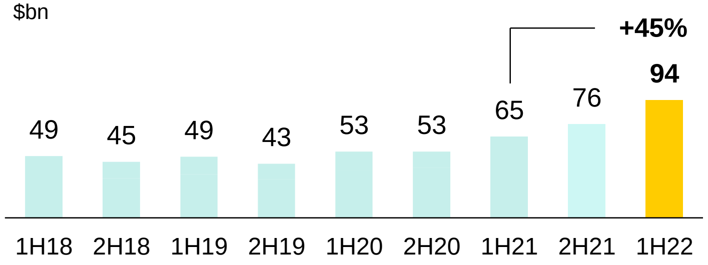
Consistent market share gains[1]



Net growth driven by new fundings[2]

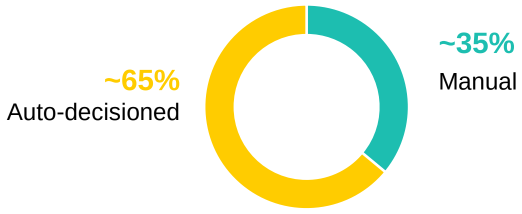


New fundings up 45%[3]



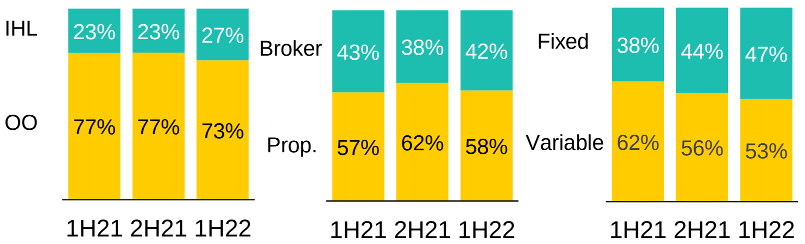
Operational discipline enabling higher volumes to be processed efficiently

% Proprietary loans[4]



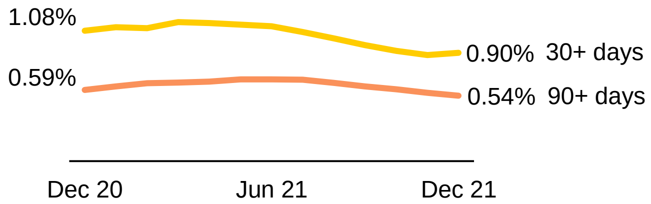
Fundings weighted towards owner-occupied loans, increased fixed rate lending

Fundings mix[5] Fundings mix[6] Fundings mix[7]



Strong 90+ arrears performance across all retail portfolios

Portfolio arrears[8]



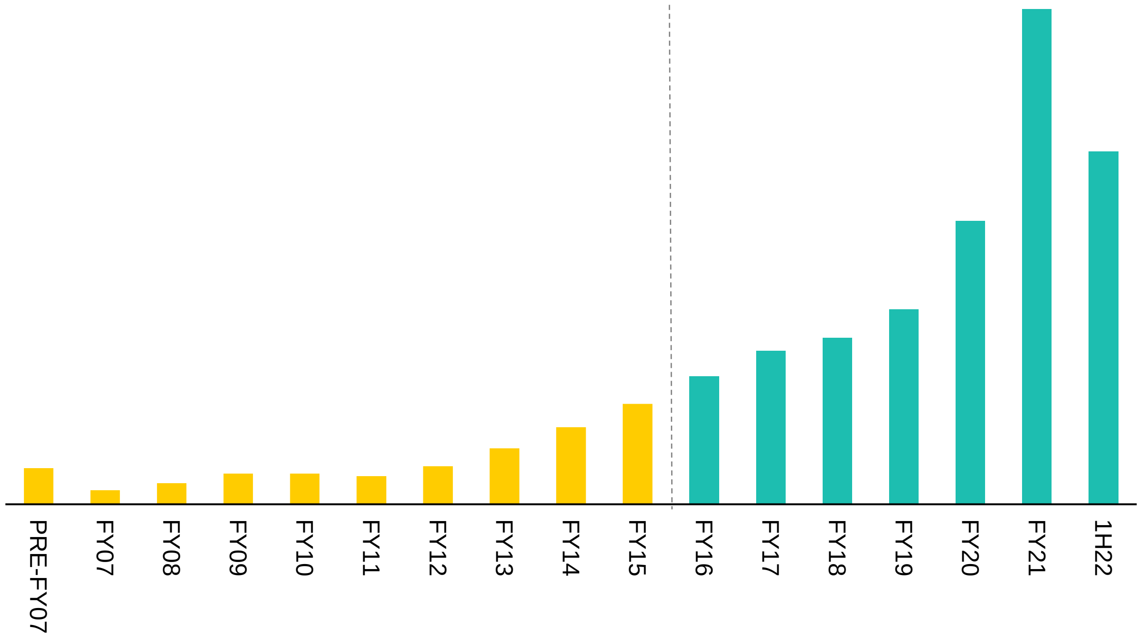
1 . System source: RBA Lending and Credit Aggregates, series break due to new regulatory definitions set by APRA from 1 July 2019. As a result of this change, market share is not comparable to previous reporting periods. 2. Presented on a gross basis before value attribution to other business units. New fundings includes RBS internal refinancing ($11bn), Viridian Line of Credit (VLOC), includes Bankwest fixed splits of existing variable loans and excludes all other Bankwest internal refinancing. 3. Includes RBS internal refinancing, excludes Viridian Line of Credit (VLOC), includes Bankwest fixed splits of existing variable loans and excludes all other Bankwest internal refinancing. 4. Auto-decisioning is for proprietary loans only, for Dec 21. Excludes Bankwest. Metric is a proxy. 5. Includes RBS internal refinancing, excludes VLOC, includes Bankwest fixed splits of existing variable loans and excludes all other Bankwest internal refinancing. 6. Excludes Bankwest and Residential Mortgage Group. 7. CBA including Bankwest. 8. CBA including Bankwest. Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loans and Residential Mortgage Group.

Serviceability assessment[1]

Majority of loans originated under tightened standards to assist customers with repayment shock

~80% of the book originated under tightened standards since FY16

Mortgage portfolio by year of origination



New Loan Assessment

Income	• All income used in application to assess serviceability is verified • 80% or lower cap on less stable income sources (e.g. rent, bonus, overtime) • Applicants reliant on less stable sources of income manually decisioned • 90% cap on tax free income, including Government benefits • Limits on investor income allowances, e.g. RBS restrict rental yield to 4.8% and use of negative gearing where LVR>90% • Rental income net of rental expenses used for servicing
Living Expenses	• Living expenses captured for all customers • Servicing calculations use the higher of declared expenses or HEM adjusted by income and household size • Expenses excluded from HEM are added to the higher of the declared expenses or HEM
Interest Rates	• Assess customer ability to pay based on the higher of the customer rate plus serviceability buffer or minimum floor rate • Interest Only (IO) loans assessed on principal and interest basis over the residual term of the loan

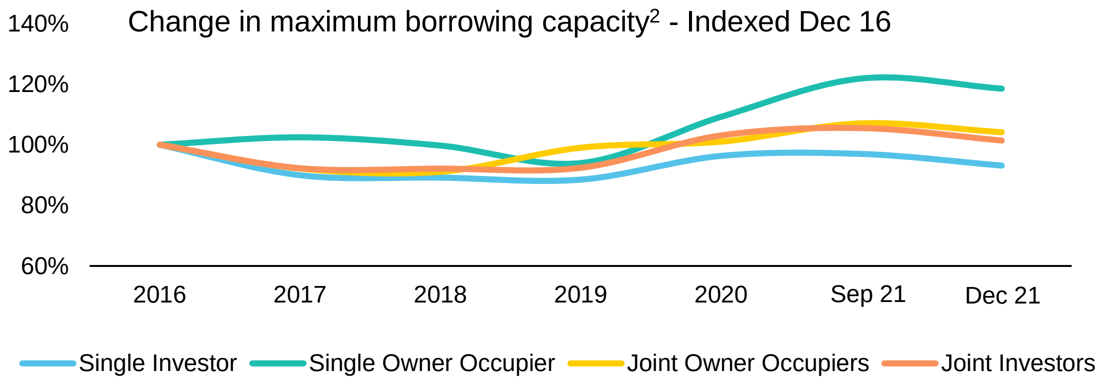
Existing Debt	• All existing customer commitments are verified
	• CBA transaction accounts and Comprehensive Credit Reporting (CCR) data used to identify undisclosed customer obligations
	• Transaction statements reviewed for undisclosed debts for applications with tighter net servicing positions
	• For repayments on existing mortgage debt:
	  • CBA & OFI repayments recalculated using the higher of the actual rate plus a buffer or minimum floor over remaining loan term
	  • Credit card repayments calculated at an assessment rate of 3.82%

1. CBA excluding Bankwest unless stated otherwise. Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loan and Residential Mortgage Group.

Borrowing capacity[1]

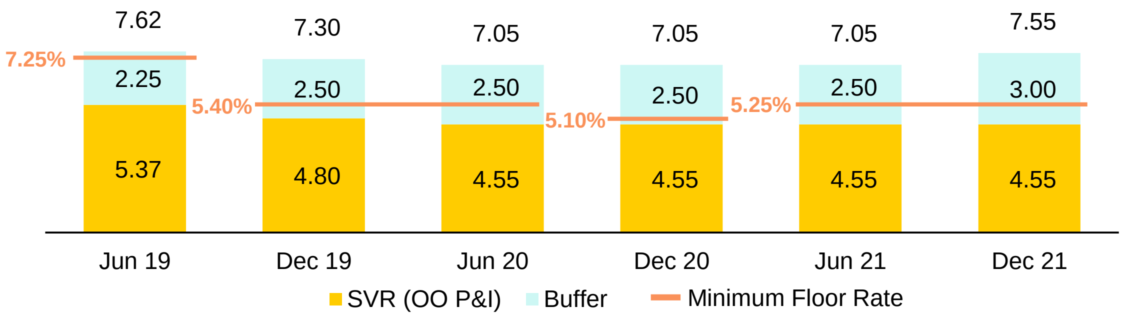
Maintaining credit availability – lending growth within risk appetite

Borrowing capacity reducing

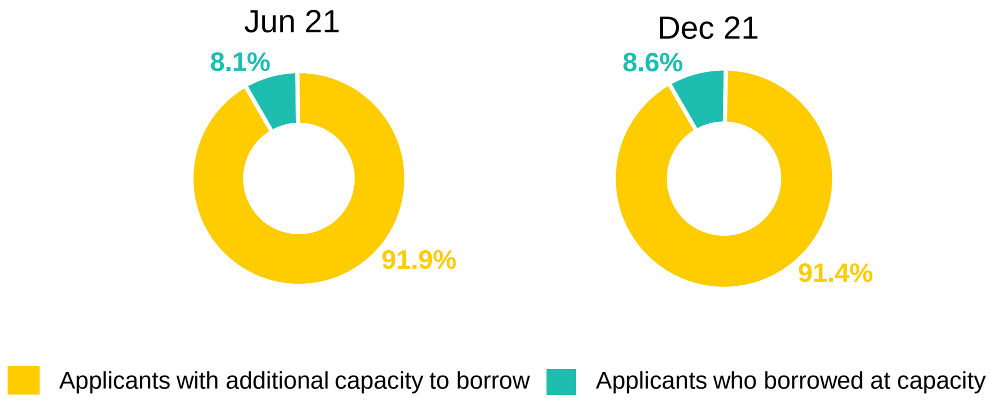


Driven by increase in serviceability assessment buffer rate to 3%

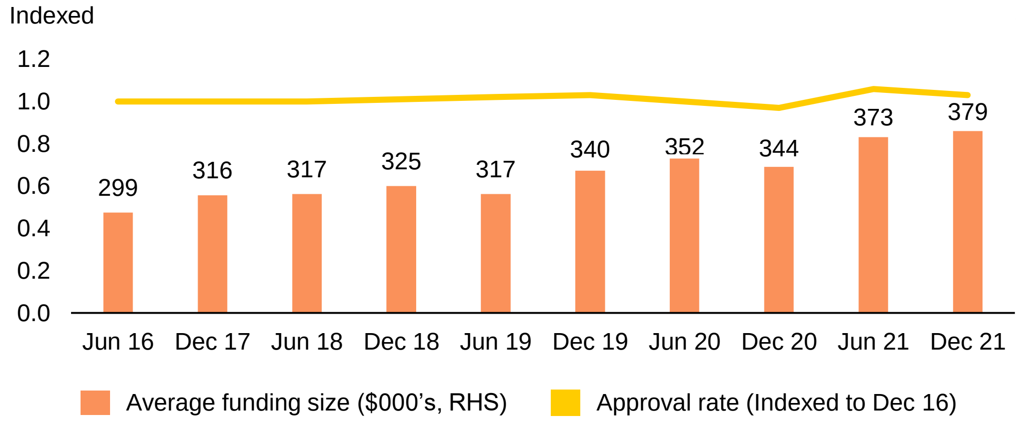
(Loans assessed based on the higher of the customer rate[3] + buffer, or minimum floor rate)



Applicants borrowing at capacity remains low[4]



With average loan size[5] increasing

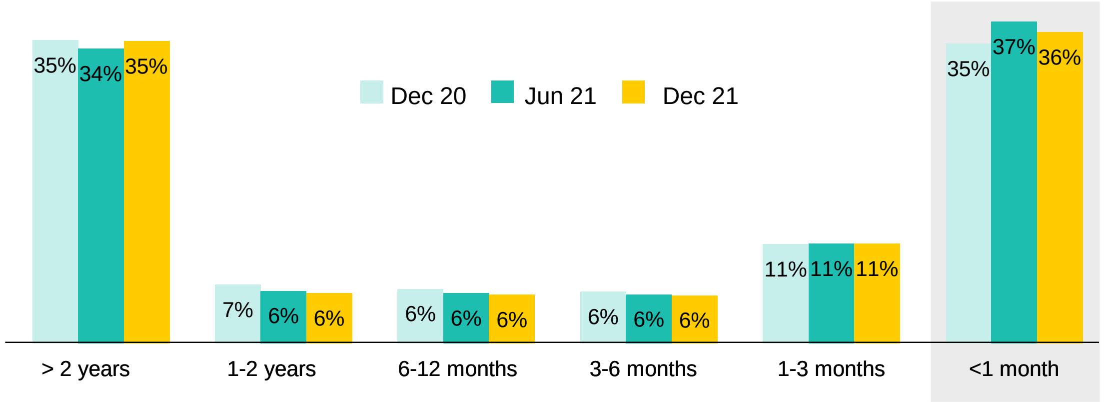


1. CBA excluding Bankwest. 2. Scenarios based on differing assumptions with respect to family types, number of dependents, loan size, income sources and existing liabilities/commitments. 3. Customer rate includes any customer discounts that may apply. 4. Applications that have passed system serviceability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

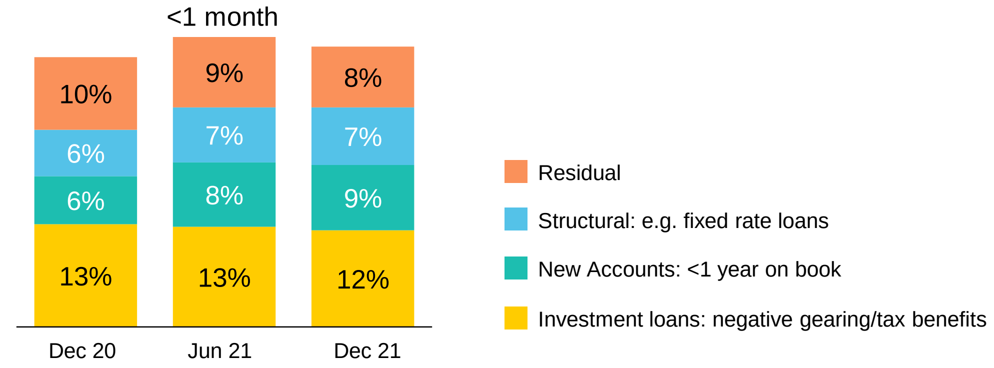
Portfolio quality remains sound [1]

Strong repayment buffers in place

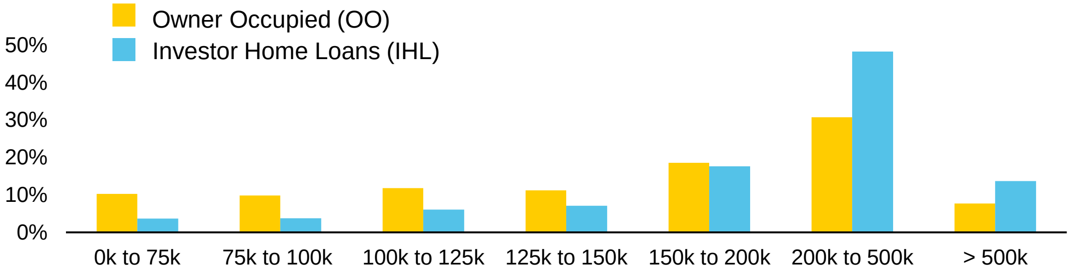
Repayment buffers
(Payments in advance [2], % of accounts)



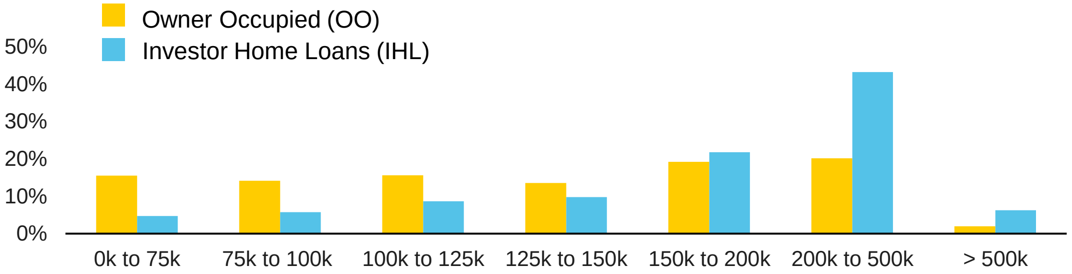
Those with less than 1 month buffer include investors and new borrowers



Applicant gross income band
6 months to Dec 21 – Fundings $



Applicant gross income band
6 months to Dec 21 – Fundings #



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

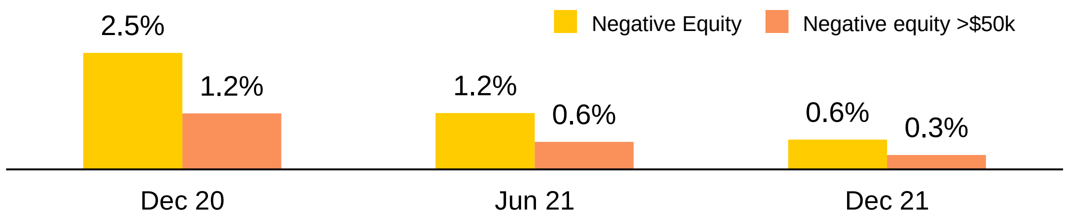
Home Loan portfolio profile[1]

Improving Portfolio LVR, Negative Equity and Offset balances reflective of strong economy and property market

Negative Equity[2]

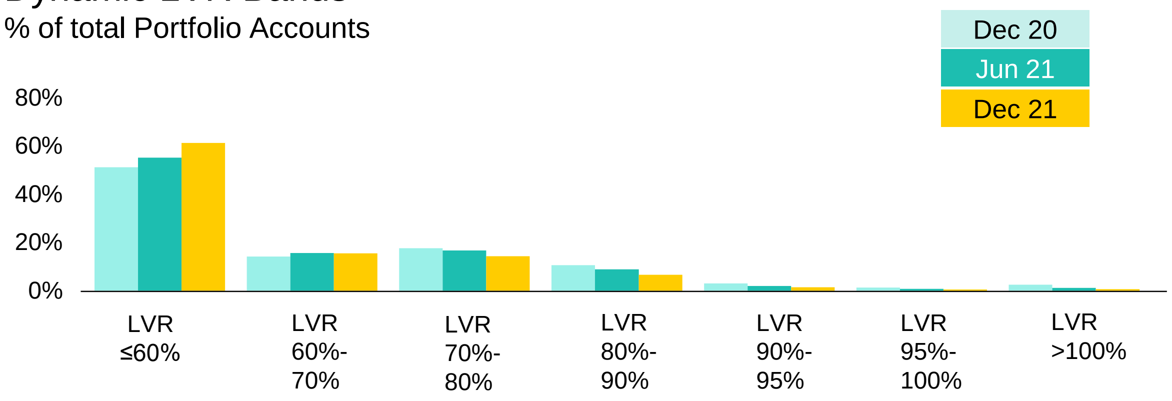
Proportion of balances in negative equity

- 44% of negative equity is from WA. 64% of customers ahead of repayments.
- 51% of home loans in negative equity have Lenders Mortgage Insurance.



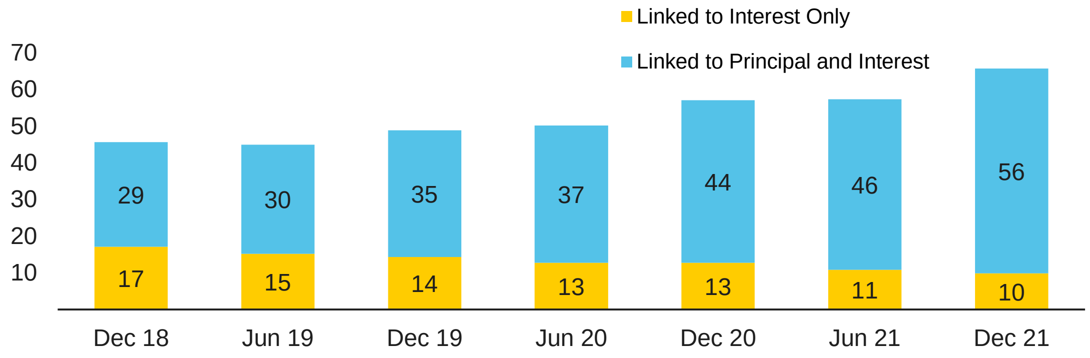
Dynamic LVR Bands[3]

% of total Portfolio Accounts



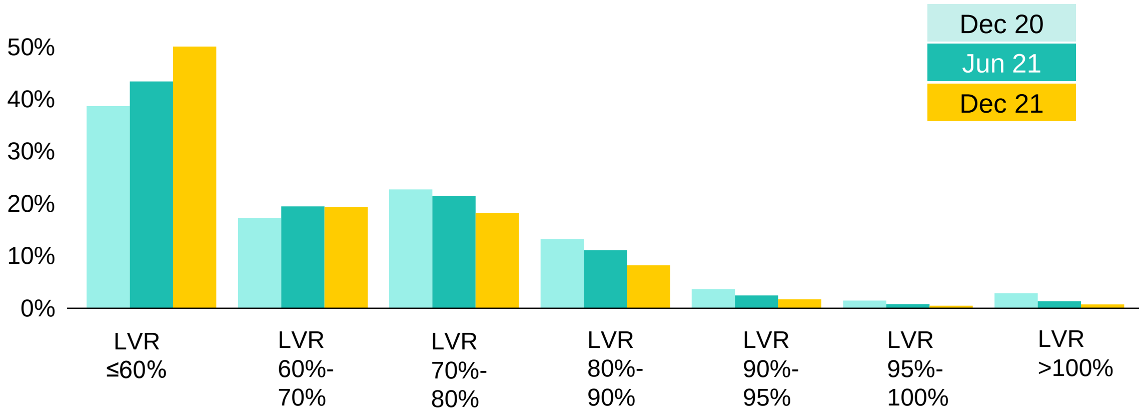
Offset Account Balances ($bn)

Shift to Principal and Interest Loans



Dynamic LVR Bands[3]

% of total Portfolio Balances

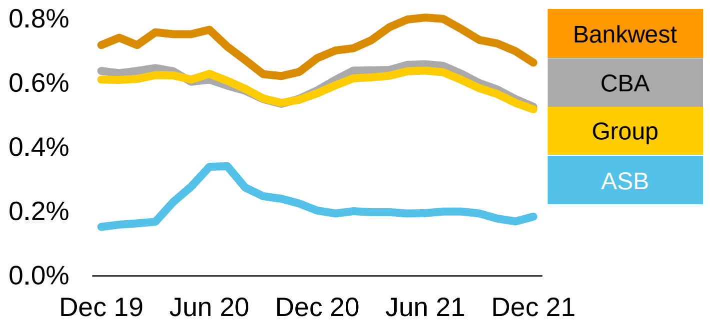


1. CBA including Bankwest. Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loans and Residential Mortgage Group. 2. Negative equity arises when the outstanding loan (less offsets) exceeds house value. Based on outstanding balances, taking into account cross-collateralisation and offset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

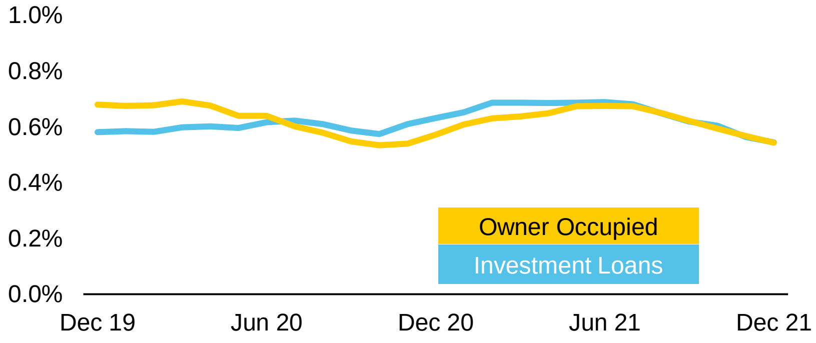
Home loan arrears

Reflect low interest rates, government stimulus, strong property market, sound origination quality and balance growth

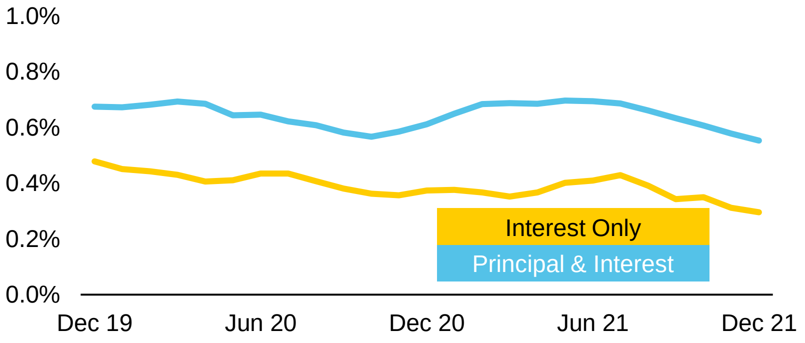
Arrears by portfolio
Group 90+ days



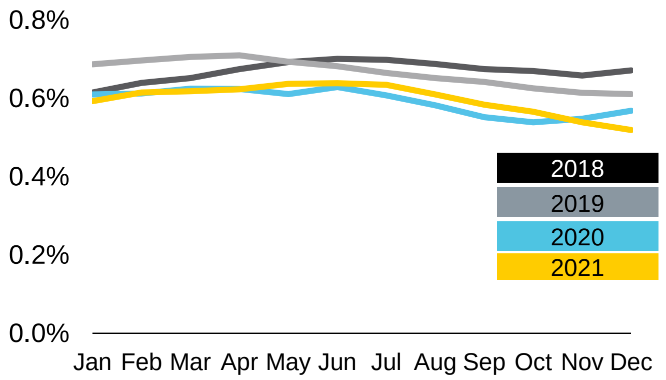
Arrears by product
Group 90+ days[1]



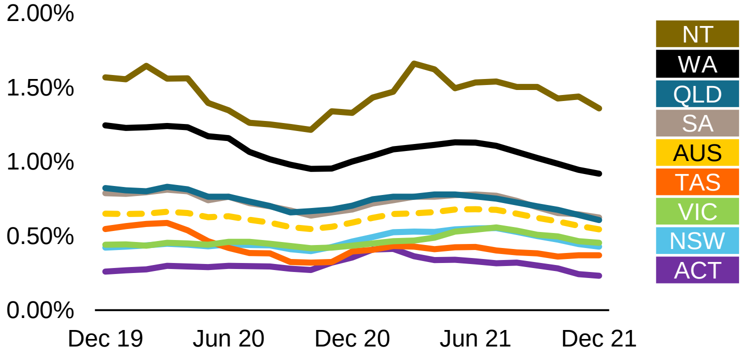
Arrears by repayment type
Group 90+ days[1]



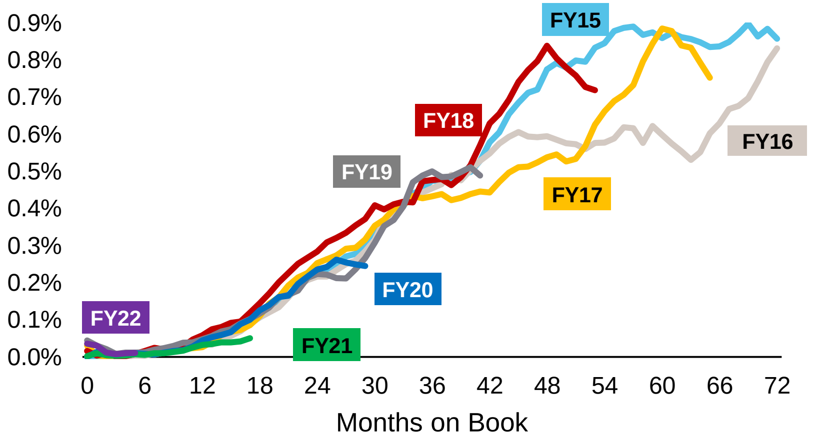
Arrears by year
Group 90+ days



Arrears by state
Group 90+ days[1]



Arrears by vintage
Group 90+ days[1]



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

Home loan impairments

Impaired home loans remain low with modest growth due to ASB restructured home loans (COVID-19)[1]

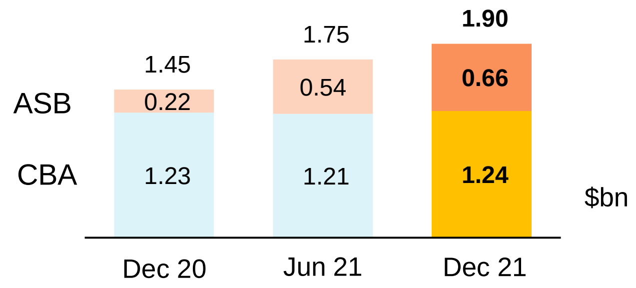
Overview

- Relatively stable Australian Home Loan impairments (HoH +$29m), offset by increase in ASB impairments reflecting a conservative treatment of ASB restructured home loans (COVID-19).

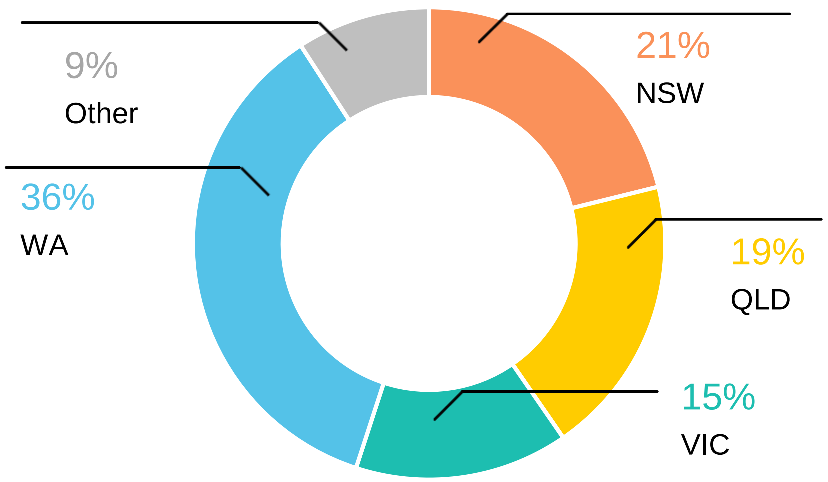
Process for identification of impairments[2]

- Impairments aligned to APRA prudential standard (APS220);
- Impairment assessments are carried out at 90 days past due or observed events e.g. bankruptcy and Dynamic LVR >=75%;
- Impairment is triggered where refreshed security valuation is less than the loan balance by ≥ $1;
- Impairment assessment takes into account cross-collateralisation;
- Impaired accounts 90+ days past due are included in 90+ arrears reporting;
- A drive-by property assessment is performed for properties in high risk postcodes;
- Where the shortfall is greater than or equal to $20,000 an Individually Assessed Provision (IAP) is raised.

Impaired home loans



Impaired home loans – Dec 21 profile[2]

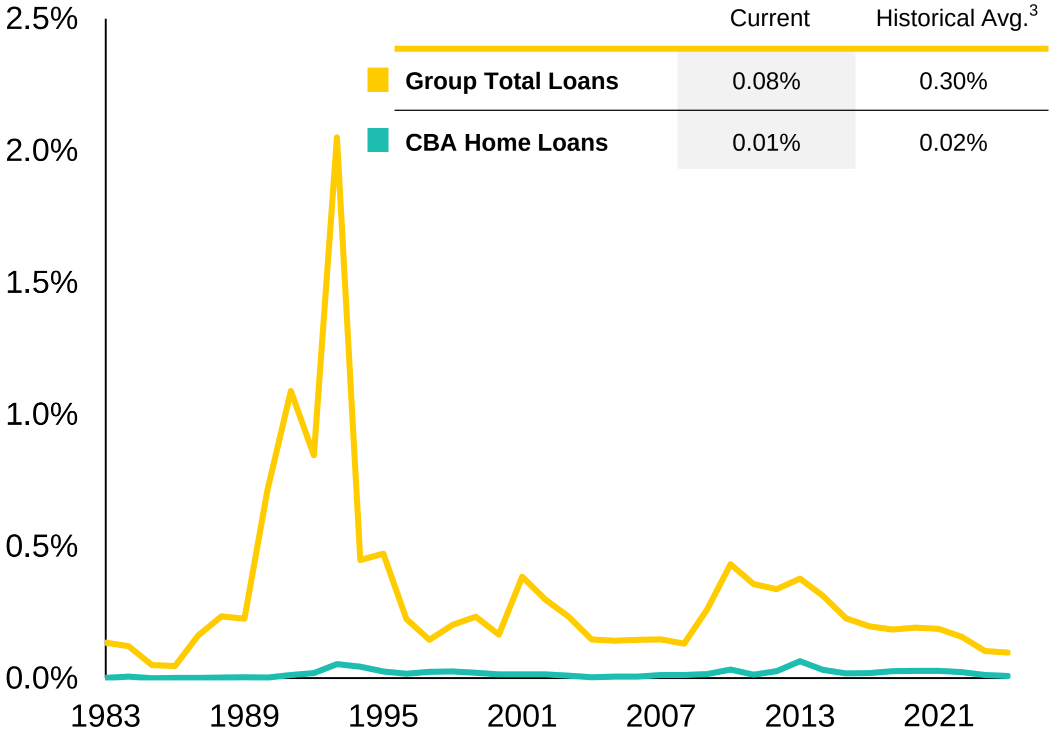


1. Relief provided by ASB to home loan customers was completed via a hardship assessment and as such treated as restructured and impaired assets in line with RBNZ requirements. 2. CBA including Bankwest. Excludes ASB.

Portfolio losses and insurance [1]

Portfolio losses remain historically low

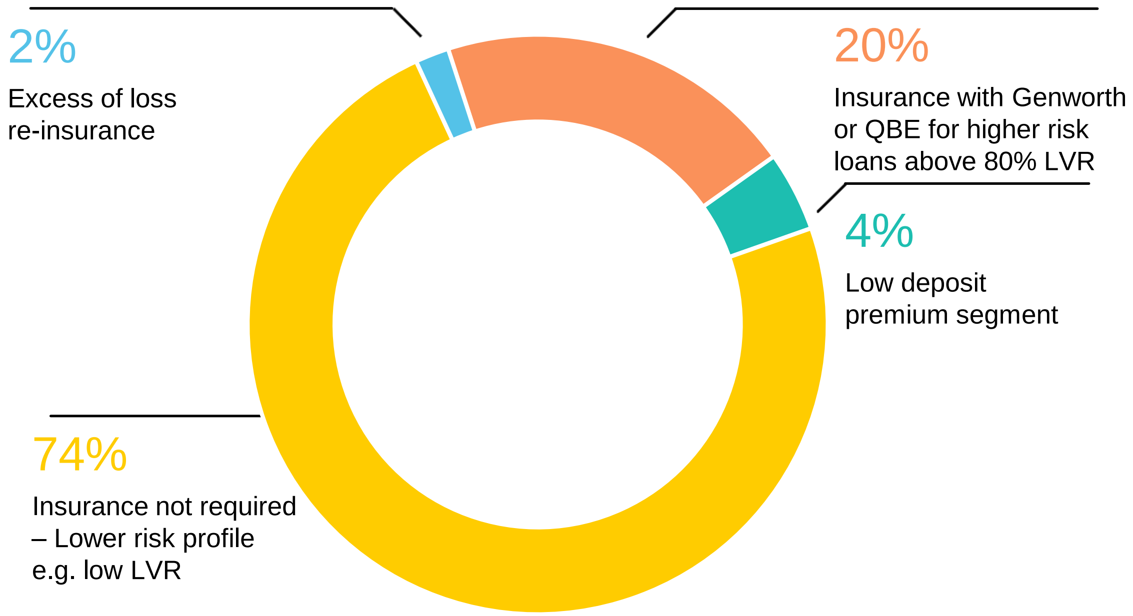
Losses to average gross loans [2]



	Current	Historical Avg.[3]
Group Total Loans	0.08%	0.30%
CBA Home Loans	0.01%	0.02%

Portfolio Insurance Profile[4]

% of Home Loan portfolio



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

Sources, glossary & notes

Sources, glossary and notes

Slide 9

1. Home lending source: RBA Lending and Credit Aggregates. Household deposits source: APRA Monthly Authorised Deposit-taking Institution Statistics (MADIS). CBA Business Lending multiple estimate is based on Business Banking growth rate (excluding Institutional Banking and Markets) over published APRA and RBA Total Business Lending data (excluding estimated Institutional Lending balances). CBA business deposits multiple estimate is based on Total CBA Non–Financial business deposit growth rate over Market Non-Financial Business Deposit growth rate, as published by APRA.
2. Home loan fundings +45% vs 1H21, includes RBS internal refinancing, excludes Viridian Line of Credit (VLOC), includes Bankwest fixed splits of existing variable loans and excludes all other Bankwest internal refinancing.
3. Includes non-interest bearing deposits.
4. RBS only, excludes Bankwest. Share of credit card approvals excludes commercial cards.
5. Total StepPay new accounts opened since launch 18th August to 31st December.

Slide 17

1. The total number of customers that have logged into the CommBank mobile app at least once in the month of December for years 2017, 2019 and 2021. Includes Face ID logins.
2. The total value ($) of transfers and BPAY payments made in digital (NetBank, CommBank mobile app and CommBank tablet app) as a proportion of the total value ($) of transfers in over-the-counter, ATM, EFTPOS and digital transactions over the 12 months to December for the years 2017, 2019 and 2021.
3. Average number of daily logins to digital assets (NetBank, CommBank mobile app or CommBank tablet app) in the month of December for the years 2017, 2019 and 2021, includes logging in via Face ID, excludes CommBiz customers.
4. The total number of logins to digital assets (NetBank, CommBank mobile app or CommBank tablet app - includes Face ID logins, excludes CommBiz) divided by the number customers who have logged into a core digital asset (NetBank, CommBank mobile app or CommBank tablet app) in the month of December for the years 2017, 2019 and 2021.
5. Refer to the glossary at the back of the presentation for source information.
6. Online banking: CBA won Canstar's *Bank of the Year - Online Banking* award for 2021 (for the 12th year in a row). Awarded June 2021.
7. Mobile banking: CBA won Canstar's *Bank of the Year - Mobile Banking* award for 2021 (for the 6th year in a row). Awarded June 2021.
8. The Forrester Digital Experience Review™: Australian Mobile Banking Apps, Q3 2021. 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' and 'Best Major Digital Bank'. Presented March 2021. Award based on DBM Atlas data January to December 2020.

Images

Sources, glossary and notes

Cash Profit, Capital & Other

Cash Profit	The Profit Announcement (PA) discloses the net profit after tax on both a statutory and cash basis. The statutory basis is prepared in accordance with the Corporations Act 2001 (Cth) and the Australian Accounting Standards, which comply with International Financial Reporting Standards (IFRS). The cash basis is used by management to present a clear view of the Bank's operating results. It is not a measure based on cash accounting or cash flows. The items excluded from cash profit, such as hedging and IFRS volatility and losses or gains on acquisition, disposal, closure and demerger of businesses are calculated consistently with the prior year and prior half disclosures and do not discriminate between positive and negative adjustments. A list of items excluded from cash profit is provided on page 3 of the Group's 31 December 2021 PA, which can be accessed at our website: www.commbank.com.au/results
Risk Weighted Assets (RWA)	The value of the Group's On and Off Balance Sheet assets are adjusted by risk weights calculated according to various APRA prudential standards. For more information, refer to the APRA website.
Leverage Ratio	Tier 1 Capital divided by Total Exposures, expressed as a percentage. Total exposures is the sum of On Balance Sheet items, derivatives, securities financing transactions (SFTs), and Off Balance Sheet items, net of any Tier 1 regulatory deductions that are already included in these items.
Internationally Comparable Capital	The Internationally Comparable CET1 ratio is an estimate of the Group's CET1 ratio calculated using rules comparable with our global peers. The analysis aligns with the APRA study entitled "International capital comparison study" (13 July 2015).
Derivative Valuation Adjustments (XVA)	A number of different valuation adjustments are made to the value of derivative contracts to reflect the additional costs or benefits in holding these contracts. The material valuation adjustments included within the CBA result are CVA and FVA.
Credit Value Adjustment (CVA)	The market value of the counterparty credit risk on the derivative portfolio, calculated as the difference between the risk-free portfolio value and the true portfolio value that takes into account the possibility of a counterparty's default.
Funding Valuation Adjustment (FVA)	The expected funding cost or benefit over the life of the uncollateralised derivative portfolio.

Customer Metrics

Net Promoter Score (NPS)	For the major banks, NPS is reported for main brand only. *NPS is a trademark of Bain & Co Inc., Satmetrix Systems, Inc., and Mr Frederick Reichheld. NPS 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 Promoters (scores 9-10).
NPS – Consumer	DBM Consumer MFI *NPS. Based on Australian population aged 14+ years old rating their Main Financial Institution. NPS results are shown as a six-month rolling average.
NPS – Business	DBM Business MFI *NPS: Based on Australian businesses rating their Main Financial Institution for Business Banking. NPS results are shown as a six-month rolling average.
NPS – Institutional	DBM Institutional $300M+ Business MFI *NPS: 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. NPS results are shown as a twelve-month rolling average.
NPS – Mobile Banking App	DBM Consumer MFI Mobile Banking App *NPS: Based on Main Financial Institution (MFI) customers rating their likelihood to recommend their MFI Mobile Banking App used in the last 4 weeks. NPS results are shown as a six-month rolling average.
Main Financial Institution (MFI) Share	MFI Share measures the proportion of Banking and Finance MFI Customers that nominated each bank as their MFI. MFI definition: In the Roy Morgan Single Source Survey MFI is a customer determined response where one institution is nominated as the primary financial institution they deal with (when considering all financial products they hold). Peers include ANZ Group, NAB Group and Westpac Group (including St George Group). CBA Group includes Bankwest. Source: Roy Morgan Single Source survey conducted by Roy Morgan, Australian population 14+ (12 month averages to December 2021), excl. unable to identify MFI. Roy Morgan has re-calibrated the results from April 2020 to March 2021 to take into account methodology changes since COVID-19. This has resulted in small differences to some of the previously published figures.

Funding & Risk

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