



Debt Investor Update

For the half year ended 31 December 2017

CBA overview



People and customers

48,900¹ people delivering quality service to 15.9m¹ customers

	Aust.	NZ	Other	Total
Customers ¹	13.9	1.6m	0.4m	15.9m
Staff ¹	39.9k	5.0k	4.0k	48.9k
Branches	1,121	123	76	1,320
ATMs	3,795	436	140	4,371

Technology and innovation

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

Digital Customers	6.4m
Customer Advocacy – Internet Banking	#1
Logons per day CommBank app and NetBank	6.3m
Online account opening Savings and transaction accounts	<3 minutes
CommBank app mobile users	4.8m

Strength and returns

Australia's 2nd largest company by market capitalisation, with strong capital levels

Market Capitalisation	#2
ROE ^{1,2}	14.5%
CET1 - APRA	10.4%
CET1 - International	16.3%
Total Assets	\$962bn
Credit Ratings	AA-/Aa3 /AA-

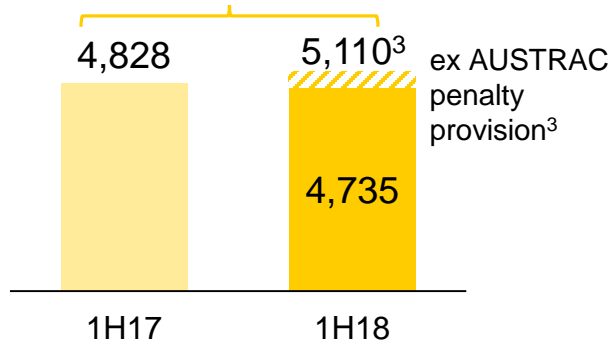
Refer to the slide at the back of this presentation for source information. 1. Presented on a continuing operations basis. 2. Includes a \$375 million expense provision which the Group believes to be a reliable estimate of the civil penalty a Court may impose in the AUSTRAC proceedings.

Result overview – Half year ended 31 Dec 2018



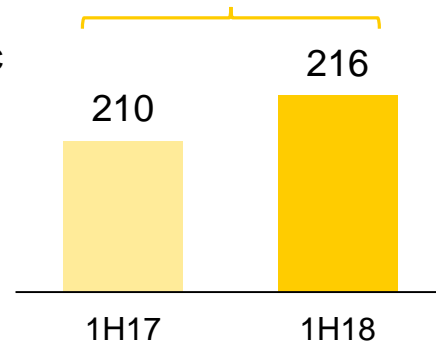
Cash NPAT¹ (\$m)

+5.8%



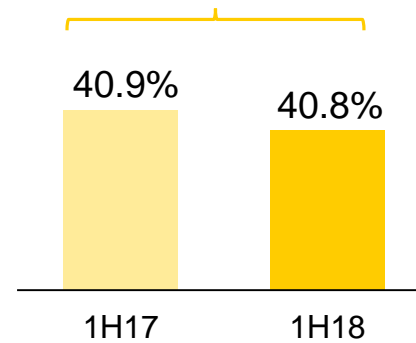
NIM¹

+6 bpts



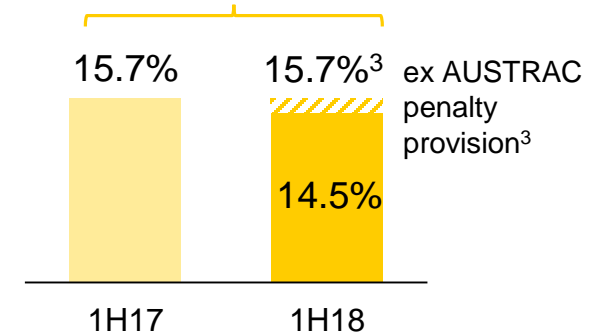
Underlying C:I^{1,2}

(10) bpts



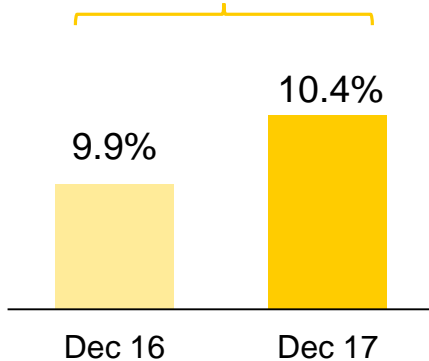
Cash ROE¹

flat



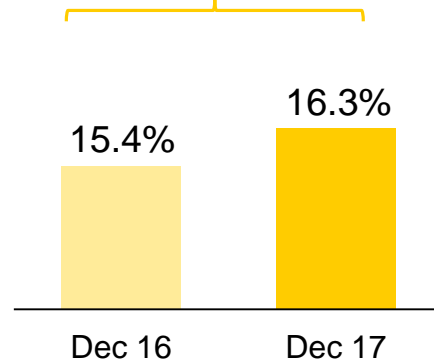
CET1 (APRA)

+50 bpts



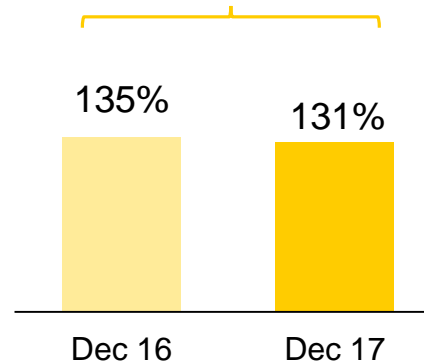
CET1 (International)⁴

+90 bpts



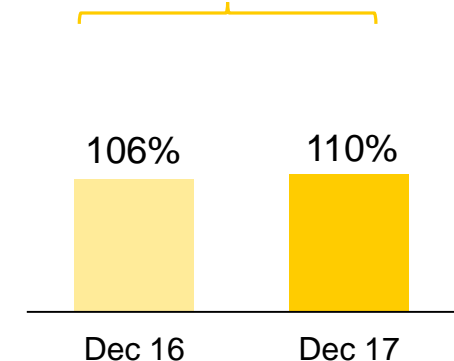
LCR

(4.0%)



NSFR

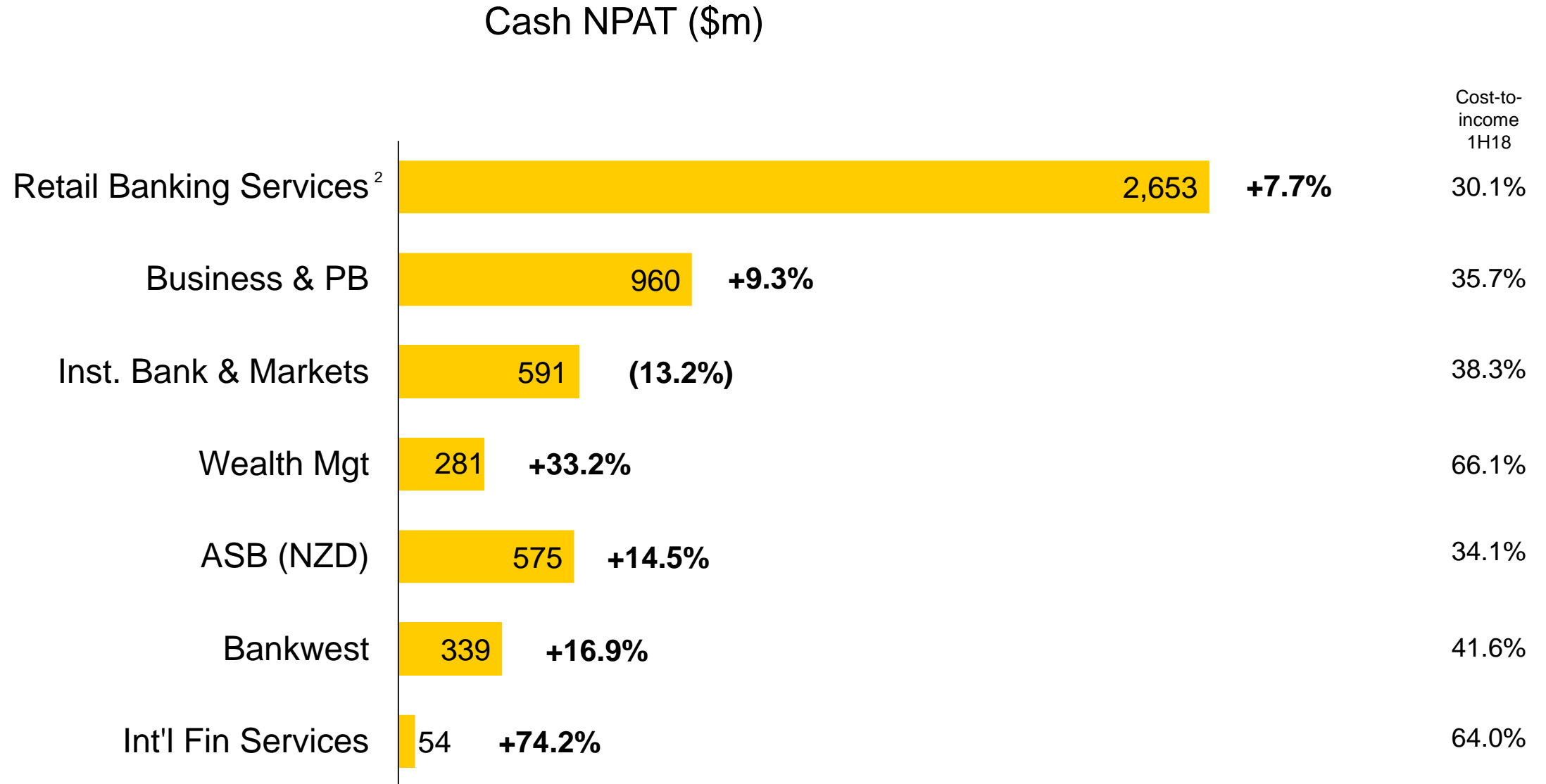
+4.0%



1. Presented on a continuing operations basis. 2. To present an underlying view of the result, 1H17 has been adjusted to exclude a \$397m gain on sale of the Group's remaining investment in Visa Inc. and a \$393m one-off expense for acceleration of amortisation on certain software assets; the impact of consolidation and equity accounted profits of AHL has been excluded; and 1H18 is adjusted to exclude a \$375 million expense provision which the Group believes to be a reliable estimate of the civil penalty a Court may impose in the AUSTRAC proceedings.

3. Pro-forma results excluding AUSTRAC penalty provision of \$375m. 4. Internationally comparable capital - refer to glossary for definition.

Divisional contributions¹

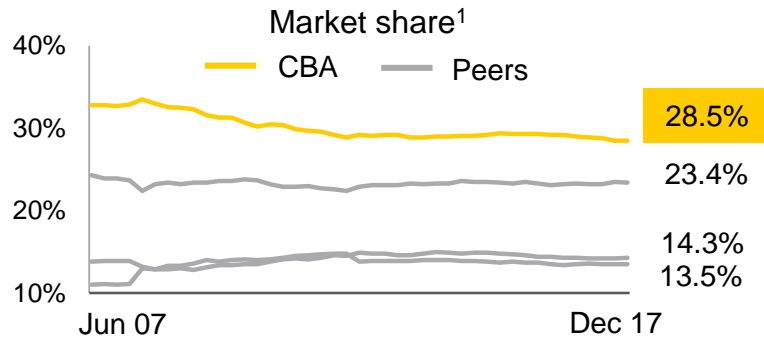


1. Presented on a continuing operations basis. 2. To present an underlying view of the RBS result, the impact of Aussie Home Loans consolidation has been excluded.

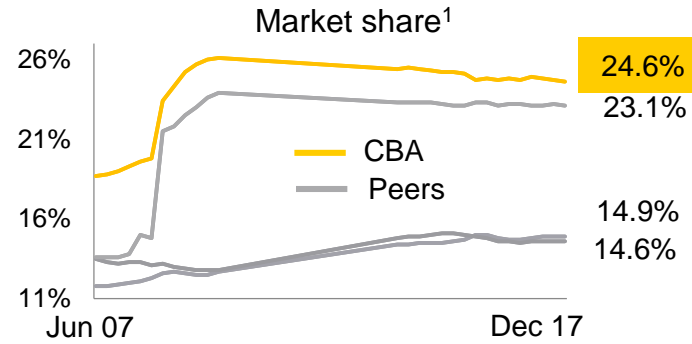
Volume growth¹



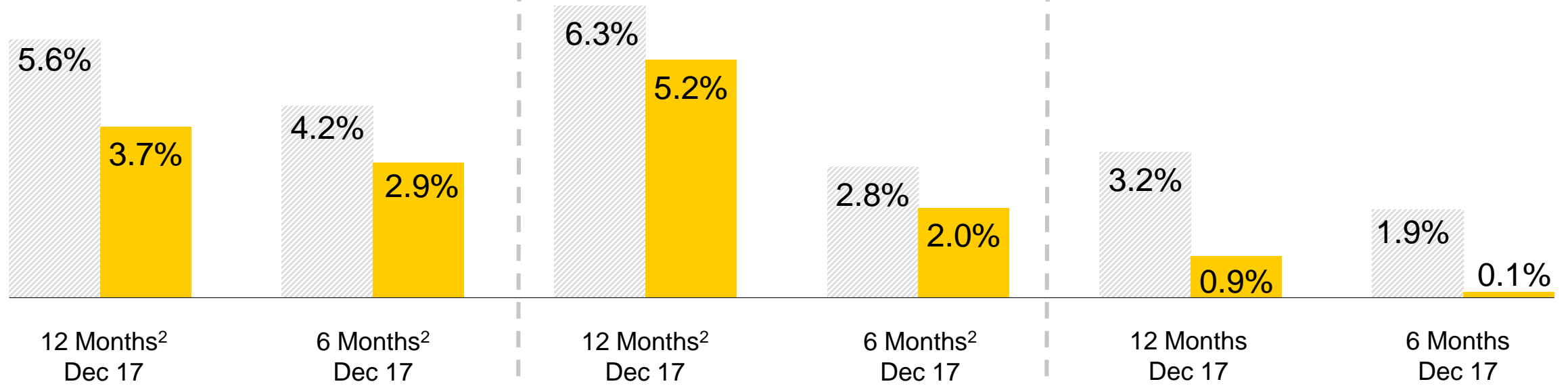
Household Deposits



Home Lending



Business Lending

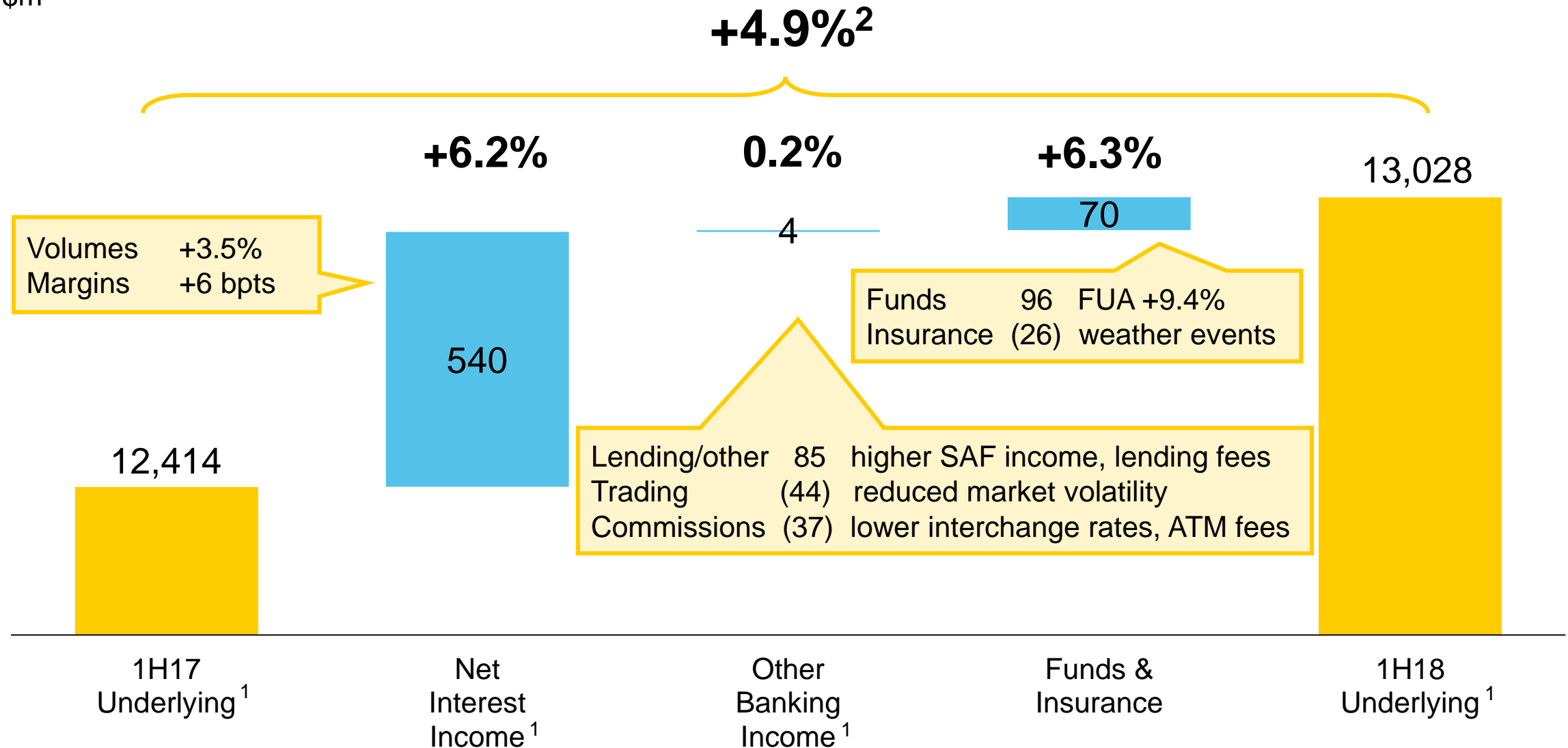


System CBA

1. System source RBA/APRA Banking Stats. CBA includes BWA. 2. Adjusted for new market entrants/reporting changes.

Underlying operating income up 4.9%

\$m

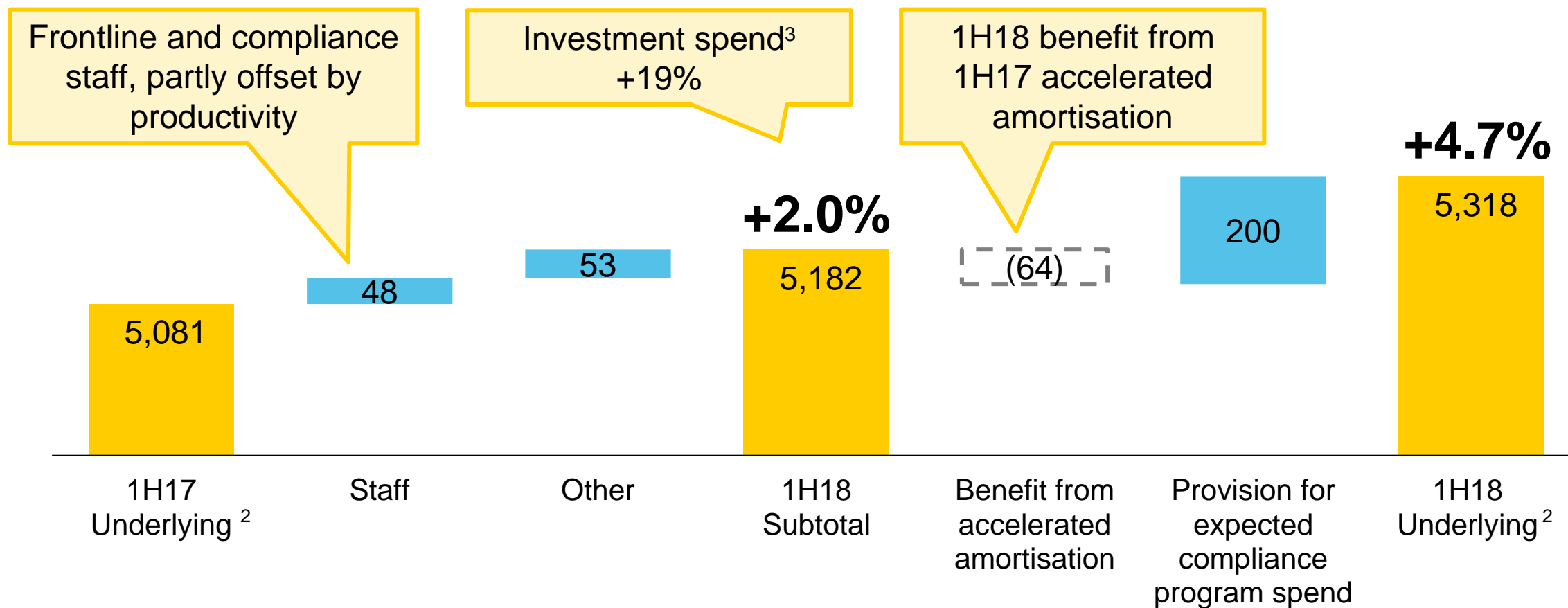


1. To present an underlying view of the result, the impact of consolidation and equity accounted profits of AHL has been excluded. 1H17 has been adjusted to exclude a \$397m gain on sale of the Group's remaining investment in Visa Inc. 2. Presented on a continuing operations basis.

BAU costs +2.0%, continuing to invest

\$m

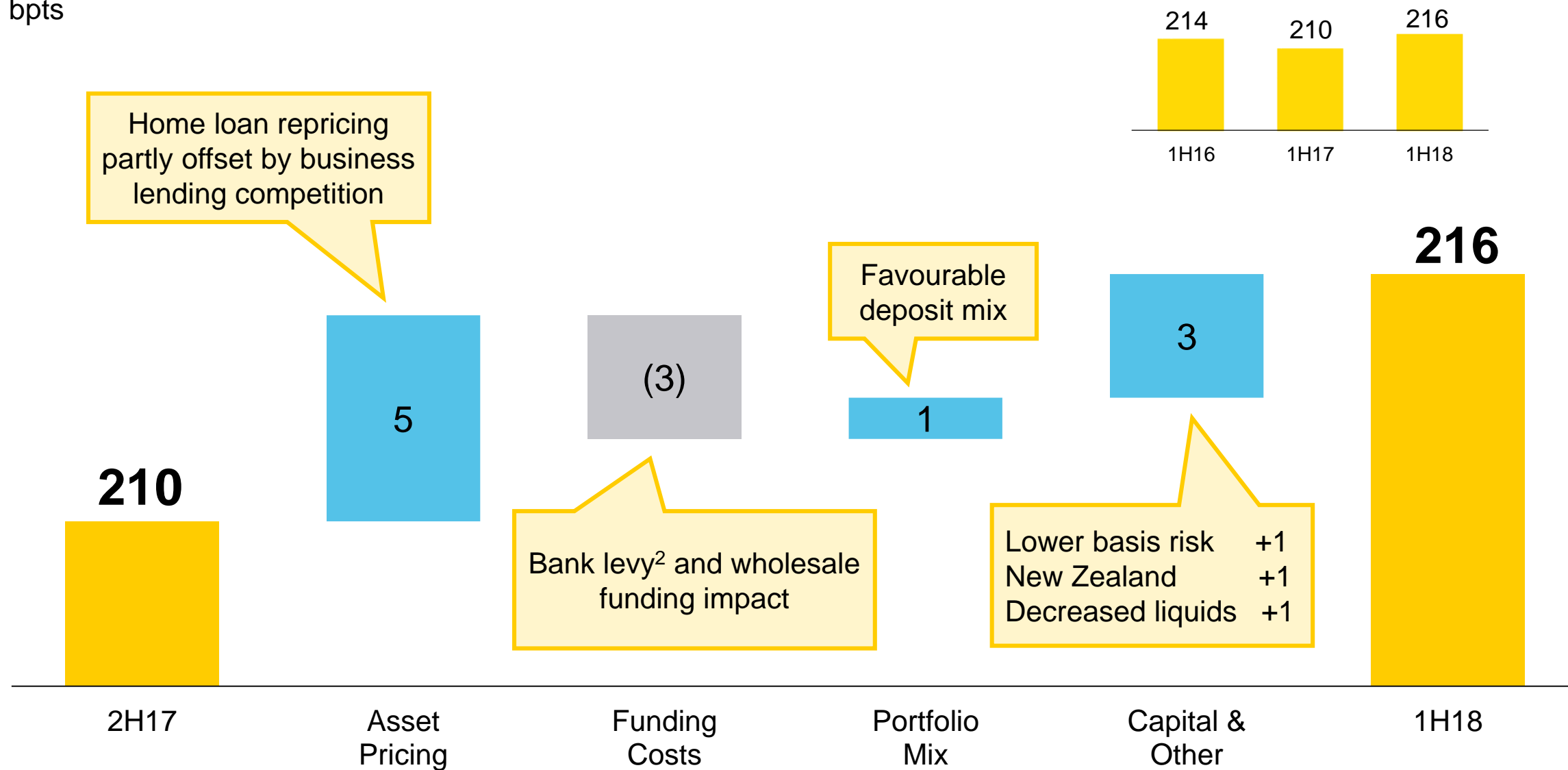
Total Operating Expenses¹



1. Presented on a continuing operations basis. 2. To present an underlying view of the result, the impact of consolidation of AHL has been excluded. 1H17 has been adjusted to exclude a \$393m one-off expense for acceleration of amortisation on certain software assets. 1H18 is adjusted to exclude a \$375 million expense provision which the Group believes to be a reliable estimate of the civil penalty a Court may impose in the AUSTRAC proceedings. 3. Expensed. Impacts across expense categories.

Margin¹ up 6 bpts this half

bpts

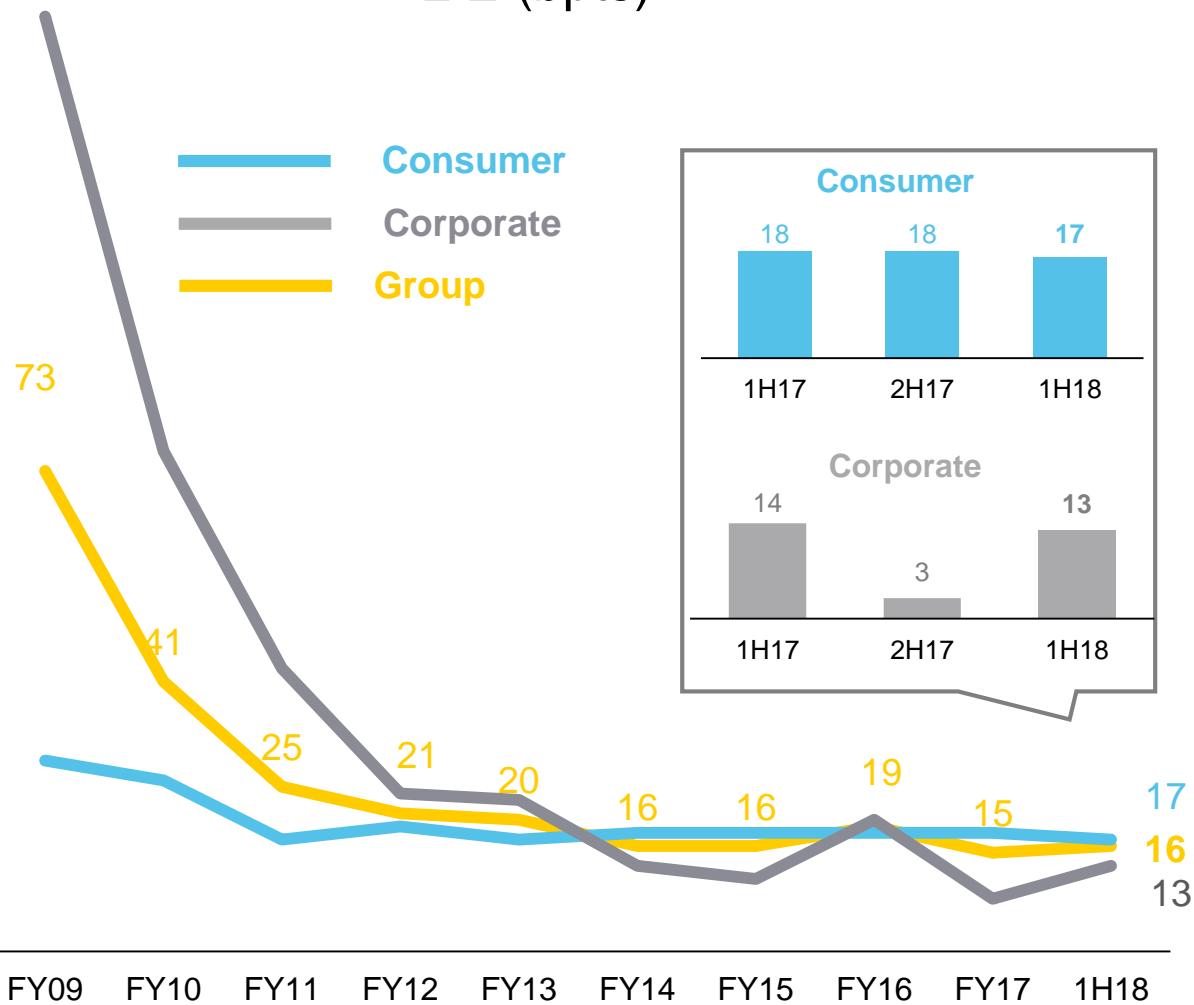


1. Comparative information has been restated to conform to presentation in the current period. Presented on a continuing operations basis. 2. Bank levy impact was \$180 million for 1H18.

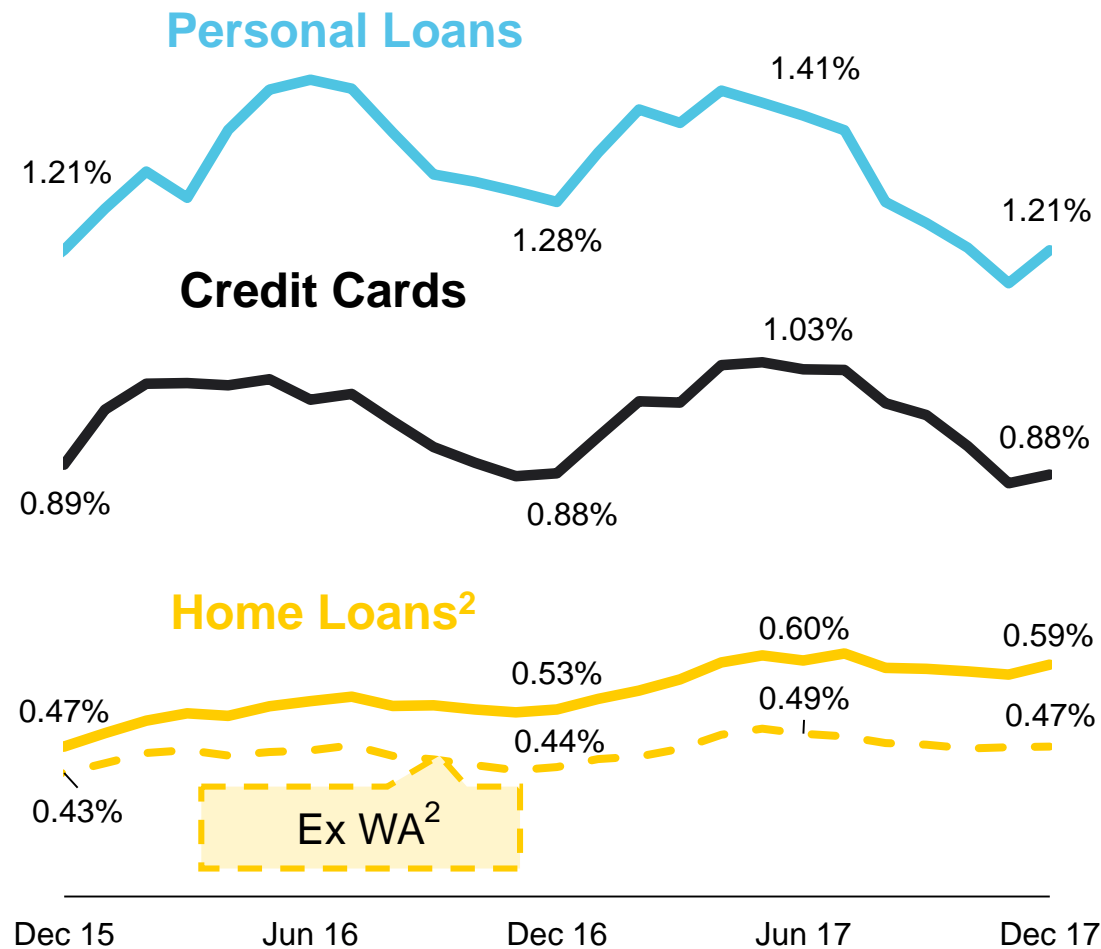
Loan Impairment Expense / Consumer arrears



LIE (bpts)¹



Consumer arrears (90+ days)



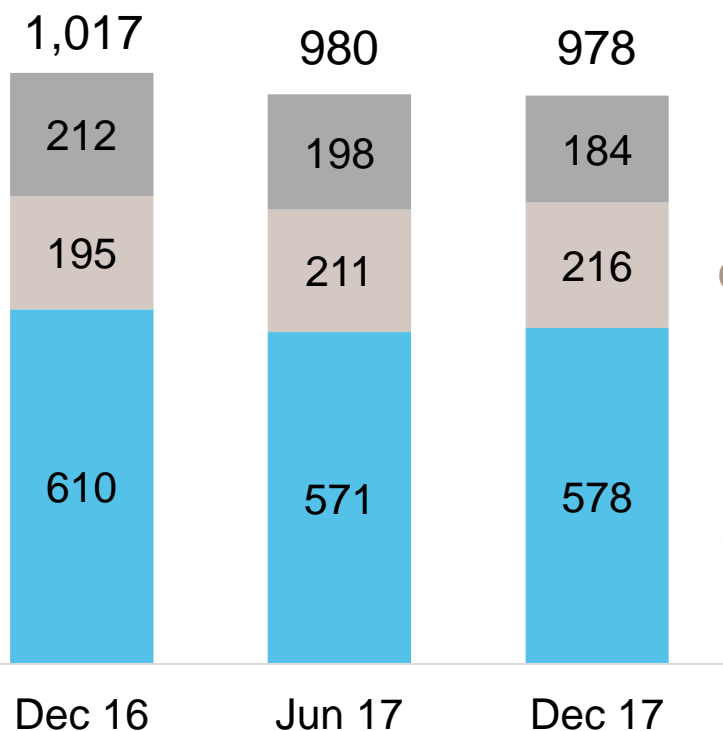
FY09 Pro Forma

1. Cash LIE as a percentage of average GLAA (bpts). FY09 includes Bankwest on a pro-forma basis and is based on LIE for the year. Statutory LIE for FY10 48 bpts and FY13 21 bpts
 Consumer arrears includes retail portfolios of Retail Banking Services, Business and Private Banking, Bankwest and New Zealand. 2. Excludes Reverse Mortgage, Commonwealth Portfolio Loan (CBA) and Residential Mortgage Group (CBA) loans. 2. Excludes Line of Credit (Viridian LOC/Equity Line).

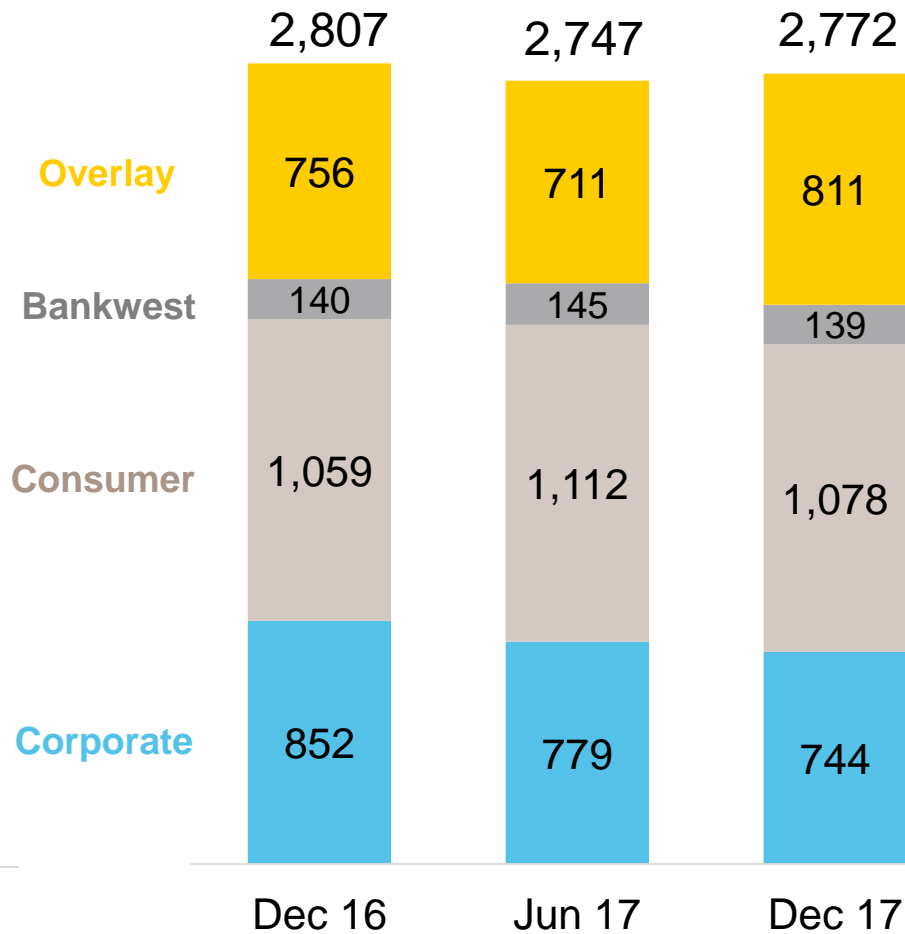
Provisioning

\$m

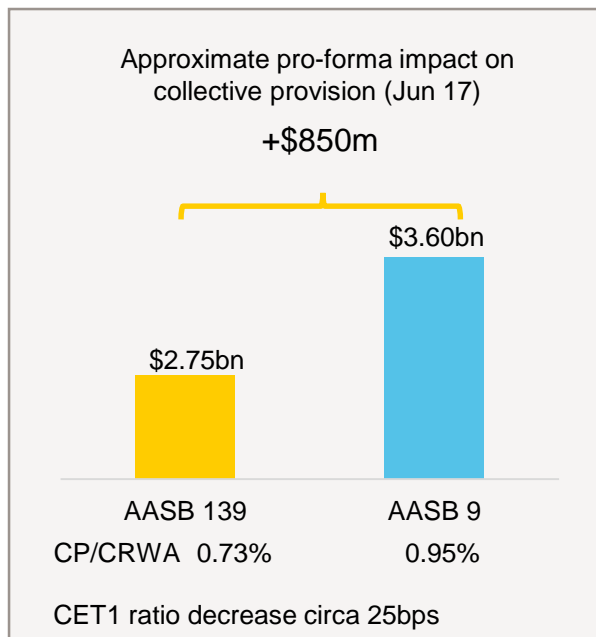
Individual



Collective¹



- Increased management overlays
- Economic overlay unchanged



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

Regulatory update

AUSTRAC

- ▶ Progress over recent years, including Program of Action
- ▶ Strengthened policies, systems and processes
- ▶ No evidence of misconduct or unethical behaviour

APRA Inquiry

- ▶ Progress report released – final report by 30 April 2018

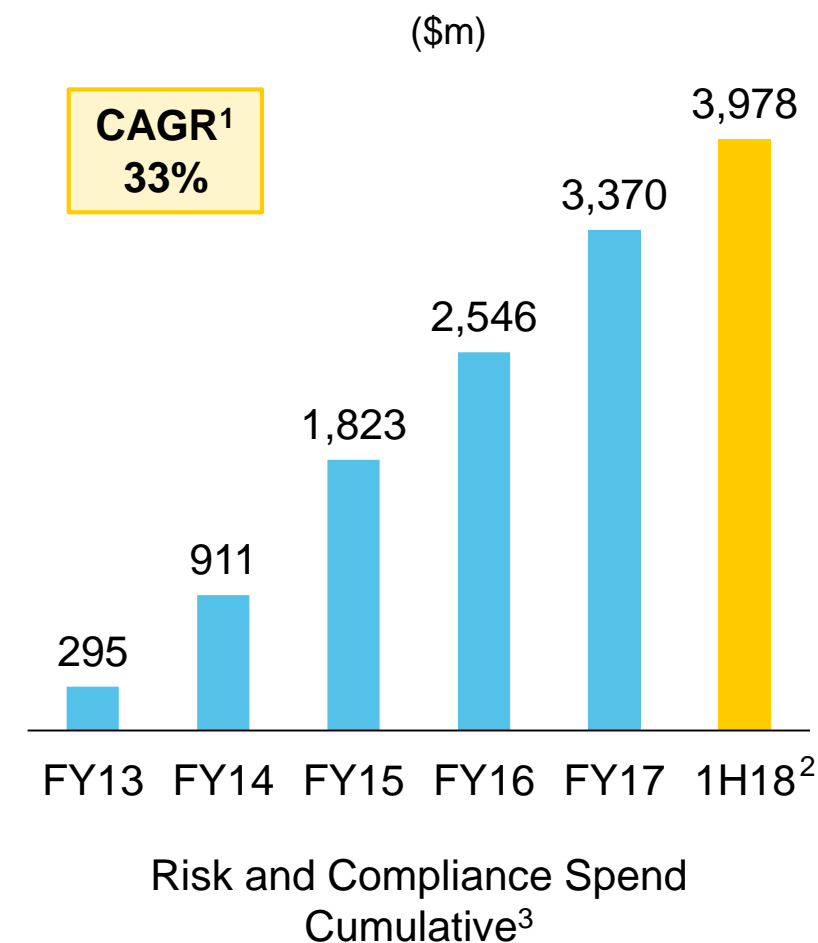
ASIC review

- ▶ Engaging constructively with ASIC on all matters

Royal Commission

- ▶ Engaging actively
- ▶ Improvements undertaken and ongoing at CBA

Committed to investment in strengthening compliance



1. FY13 – 1H18 (annualised). 2. Excludes a \$375 million expense provision which the Group believes to be a reliable estimate of the civil penalty a Court may impose in the AUSTRAC proceedings.

3. Comparative information has been restated to conform to presentation in the current period, and is presented on a continuing operations basis.



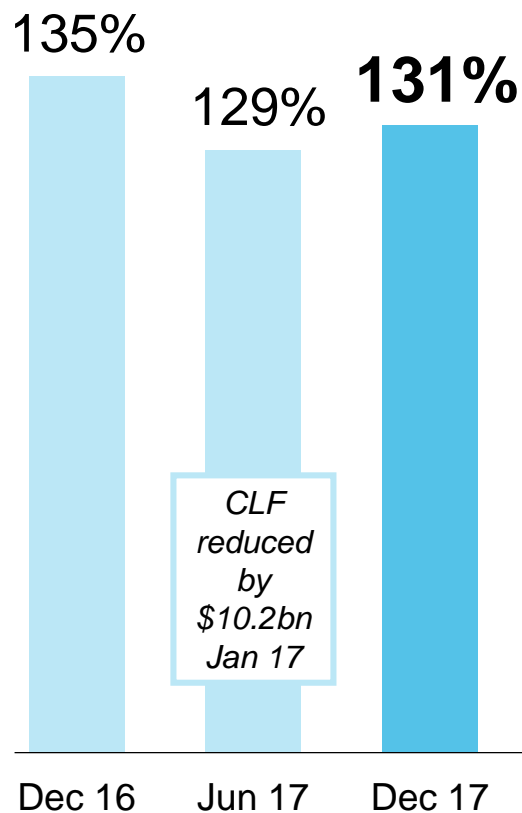
Capital, Funding & Liquidity

Capital, Funding and Liquidity



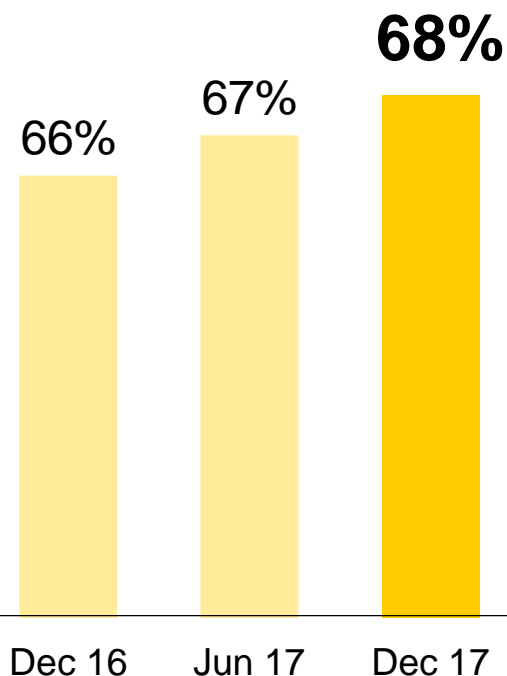
LCR

Liquid assets \$139bn



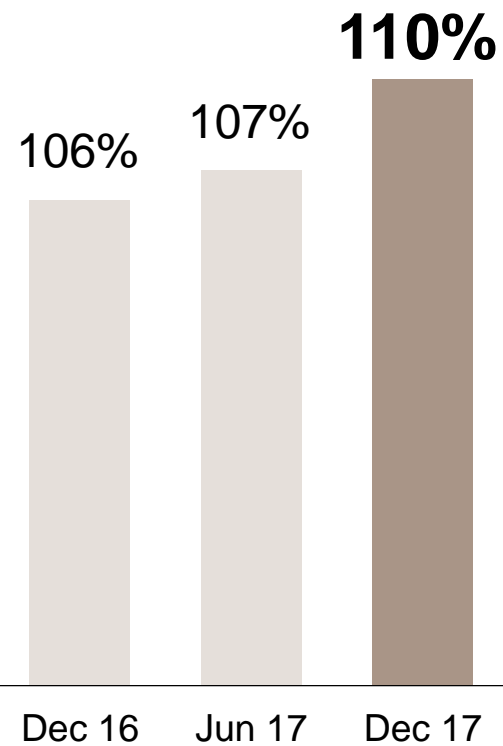
Deposit Funding

Transaction accounts +14.7%



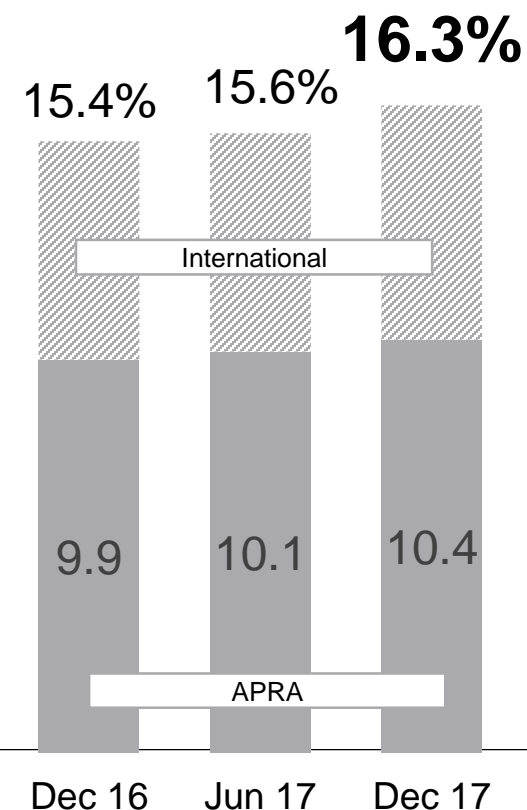
NSFR

Supported by strong deposits growth



CET1

“unquestionably strong” 10.5%



Funding overview

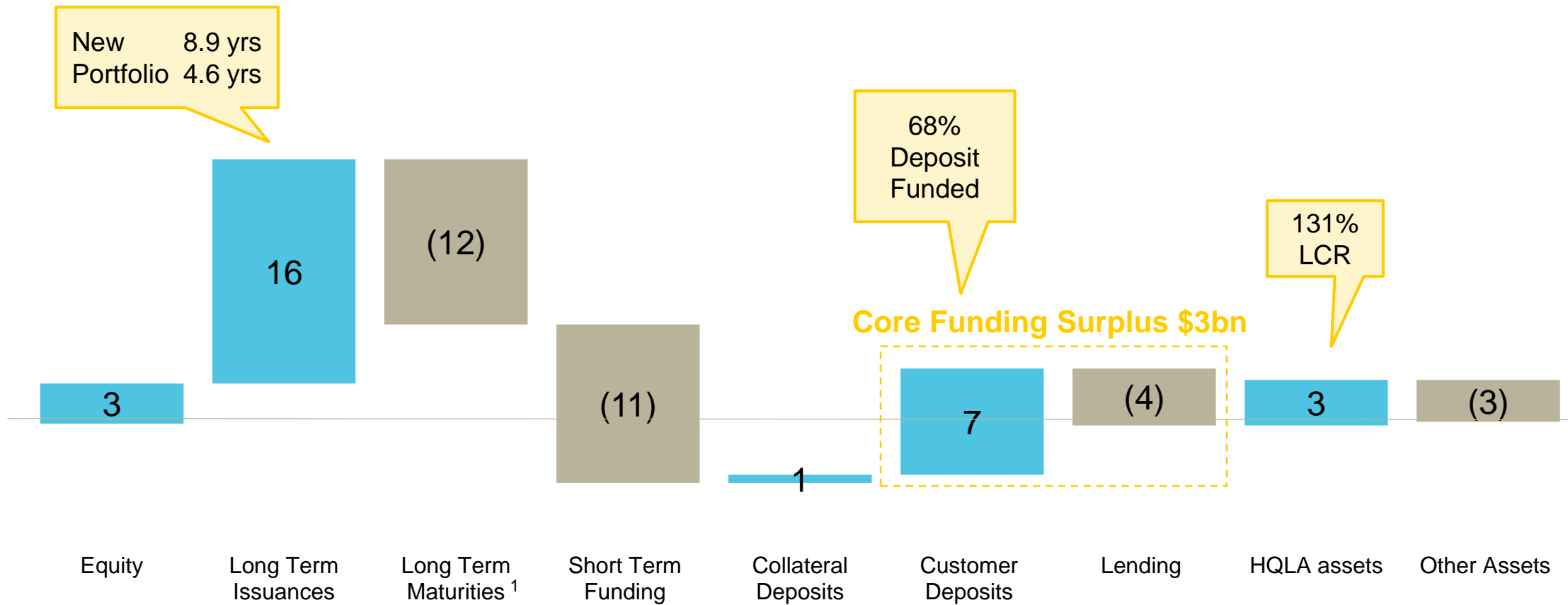


6 months to December 2017

\$bn

Source of funds

Use of funds



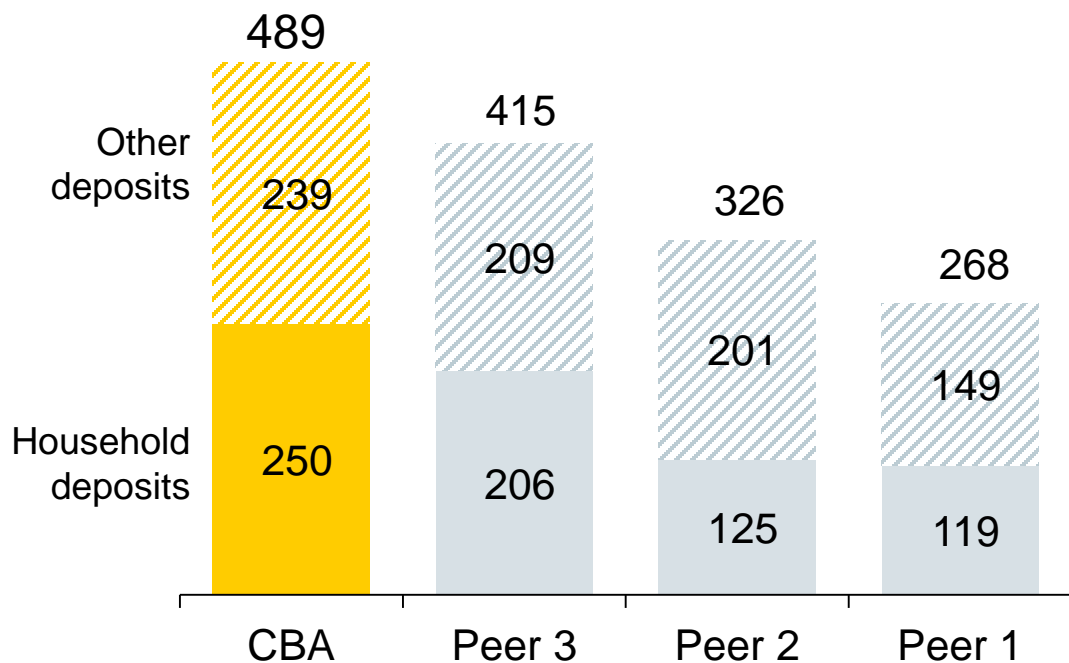
1. Reported at historical FX rates.

Deposit funding



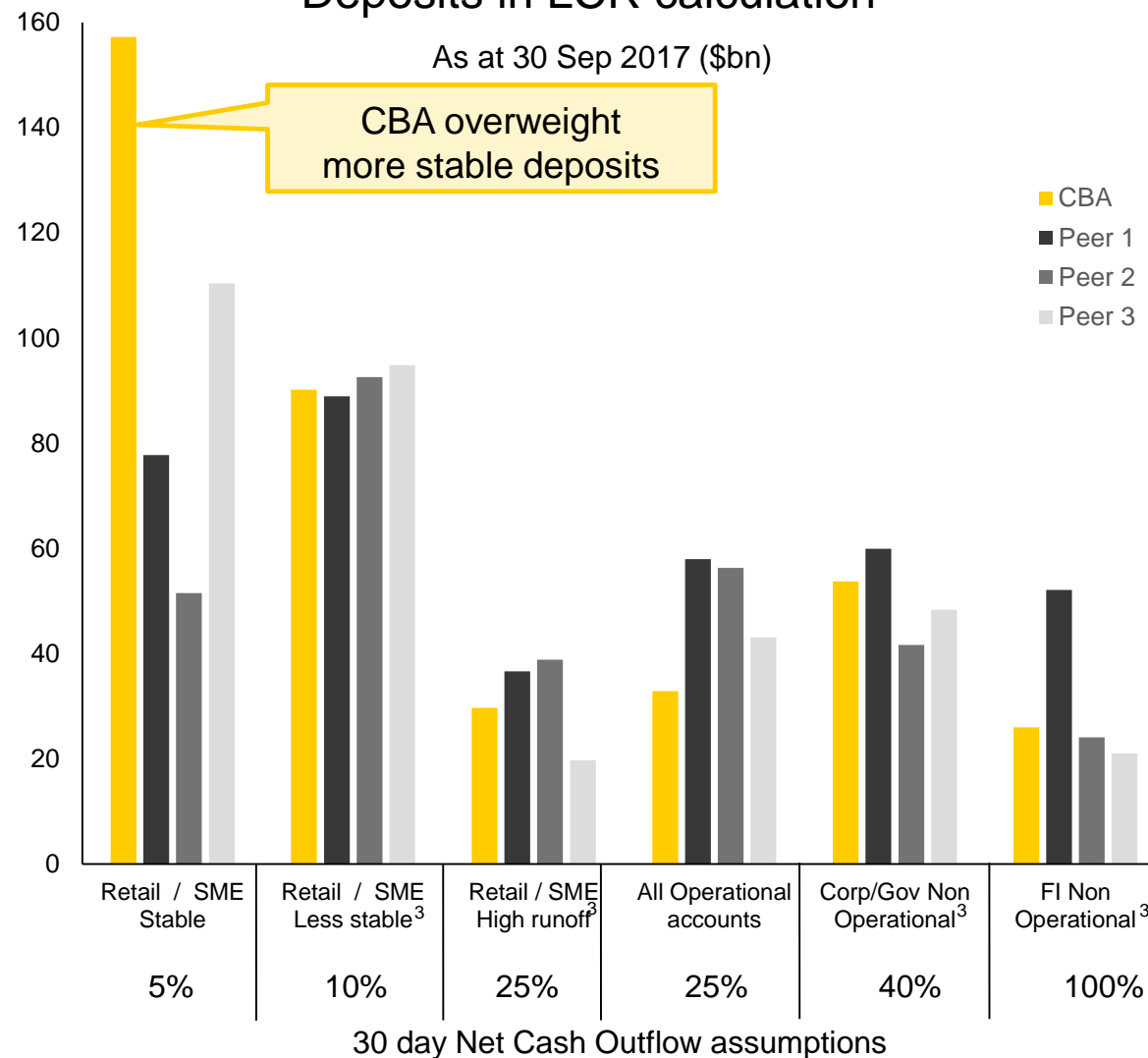
Deposits vs Peers¹

December 2017 (\$bn)



Deposits in LCR calculation²

As at 30 Sep 2017 (\$bn)

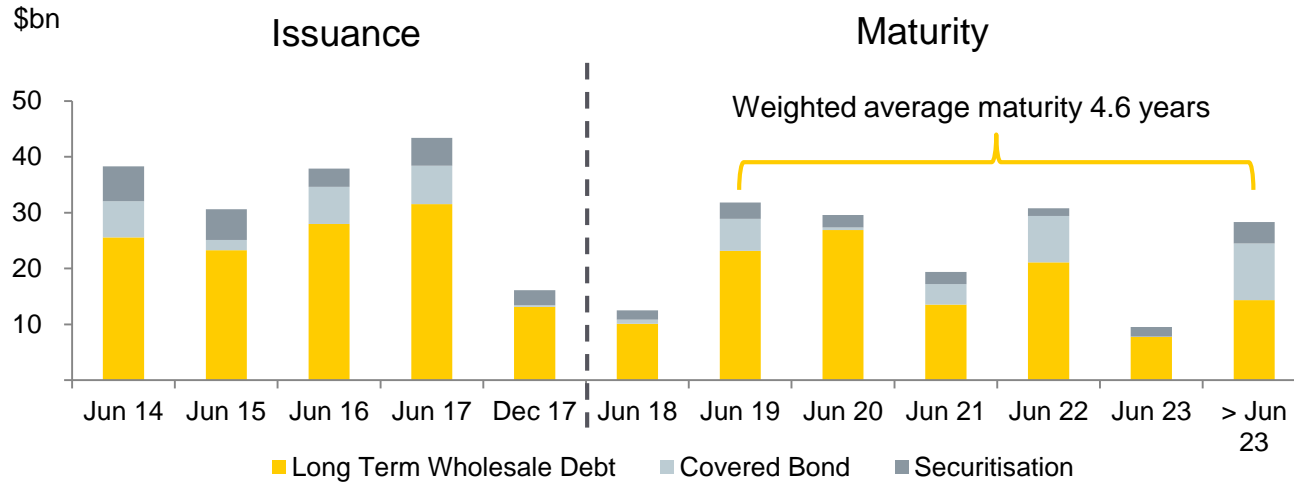


1. System source: APRA Banking Stats. Total deposits (excluding CD's). CBA includes Bankwest. 2. Source: 30 June 2017 Pillar 3 Regulatory Disclosure for 31 March 2017 3. Peer comparisons are calculated from disclosures assuming there are not material balances in the "notice period deposits that have been called" and the "fully insured non-operational deposits" categories.

Wholesale funding – portfolio



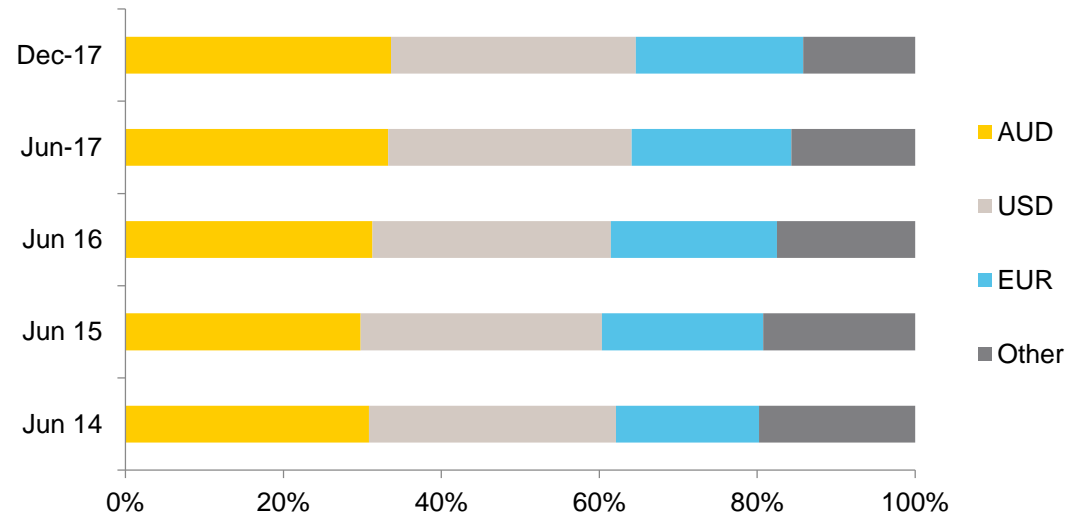
Term Wholesale Funding profile – issuance & maturity



Current Period Issuance

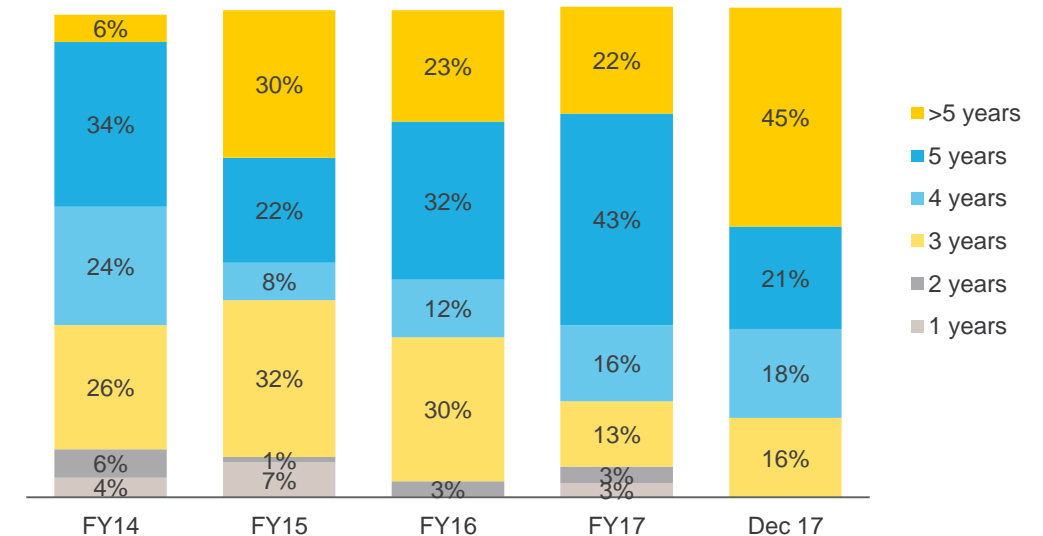
Date	Type	Tenor (yr)	Volume	Spread at Issue
Jul 17	USD Senior	30.0	1,500	T+103
Jul 17	AUD Senior	5.0	125	3m BBSW +0.88%
Jul 17	AUD Senior	5.0	1,625	3m BBSW +0.88%
Jul 17	AUD Senior	10.5	100	3m BBSW +1.05%
Sep 17	USD Senior	3.0	750	T +60
Sep 17	USD Senior	3.0	400	3mUSDL +0.40%
Sep 17	USD Senior	5.0	750	T +75
Sep 17	USD Senior	5.0	400	3mUSDL +0.68%
Sep 17	USD Senior	10.0	700	T +97
Sep 17	EUR Tier 2	7.0	1,000	MS +145
Oct 17	CHF Senior	8.9	450	MS +20
Nov 17	AUD RMBS	3.7	2,650	1m BBSW +1.05%

Term Wholesale Funding by Currency¹



1. Includes debt with an original maturity or call date of greater than 12 months (including loan capital).

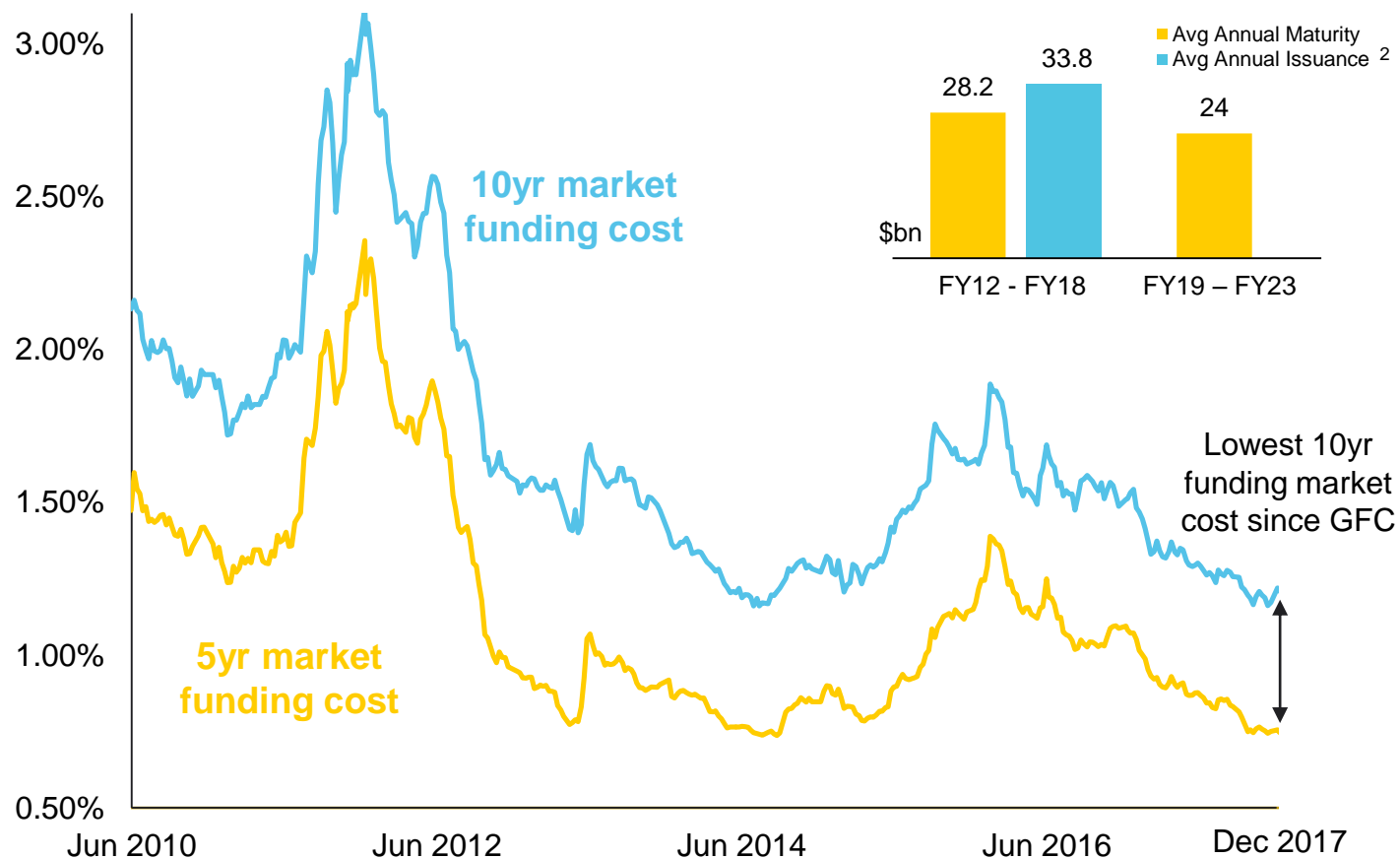
New Term Issuance by Tenor



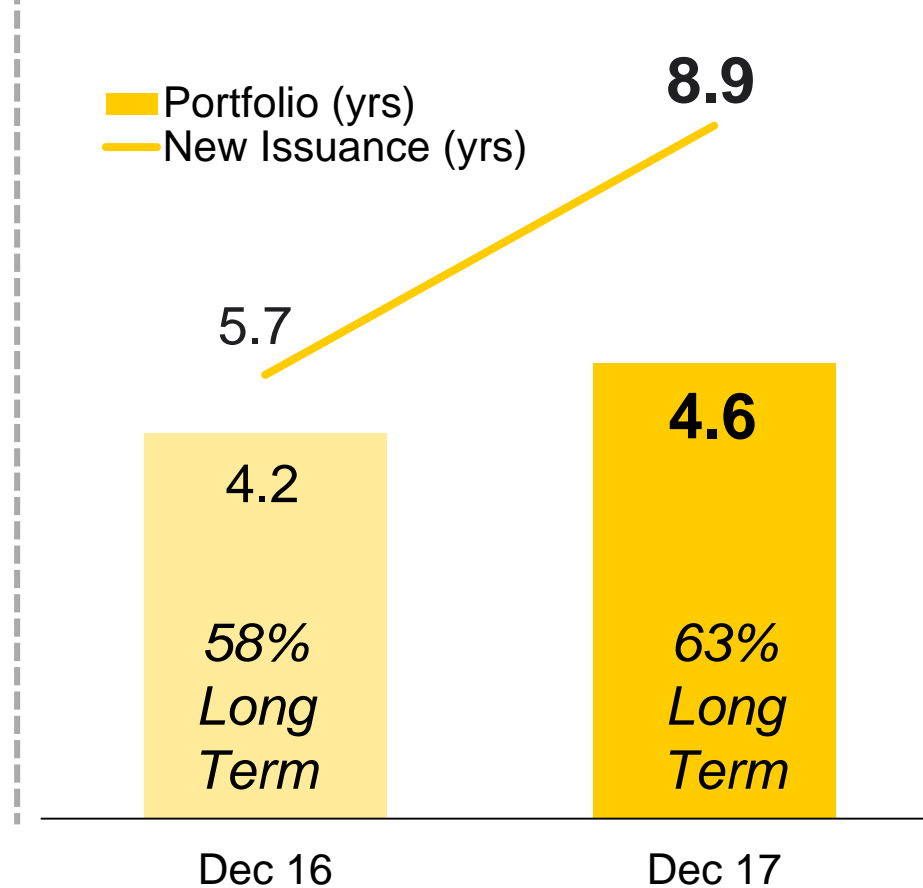
Wholesale funding

- Favourable funding conditions – spreads have tightened in all maturities
- Opportunity taken to lengthen tenor at broadly flat wholesale funding costs

Indicative Funding Costs¹



Weighted Average Maturity³

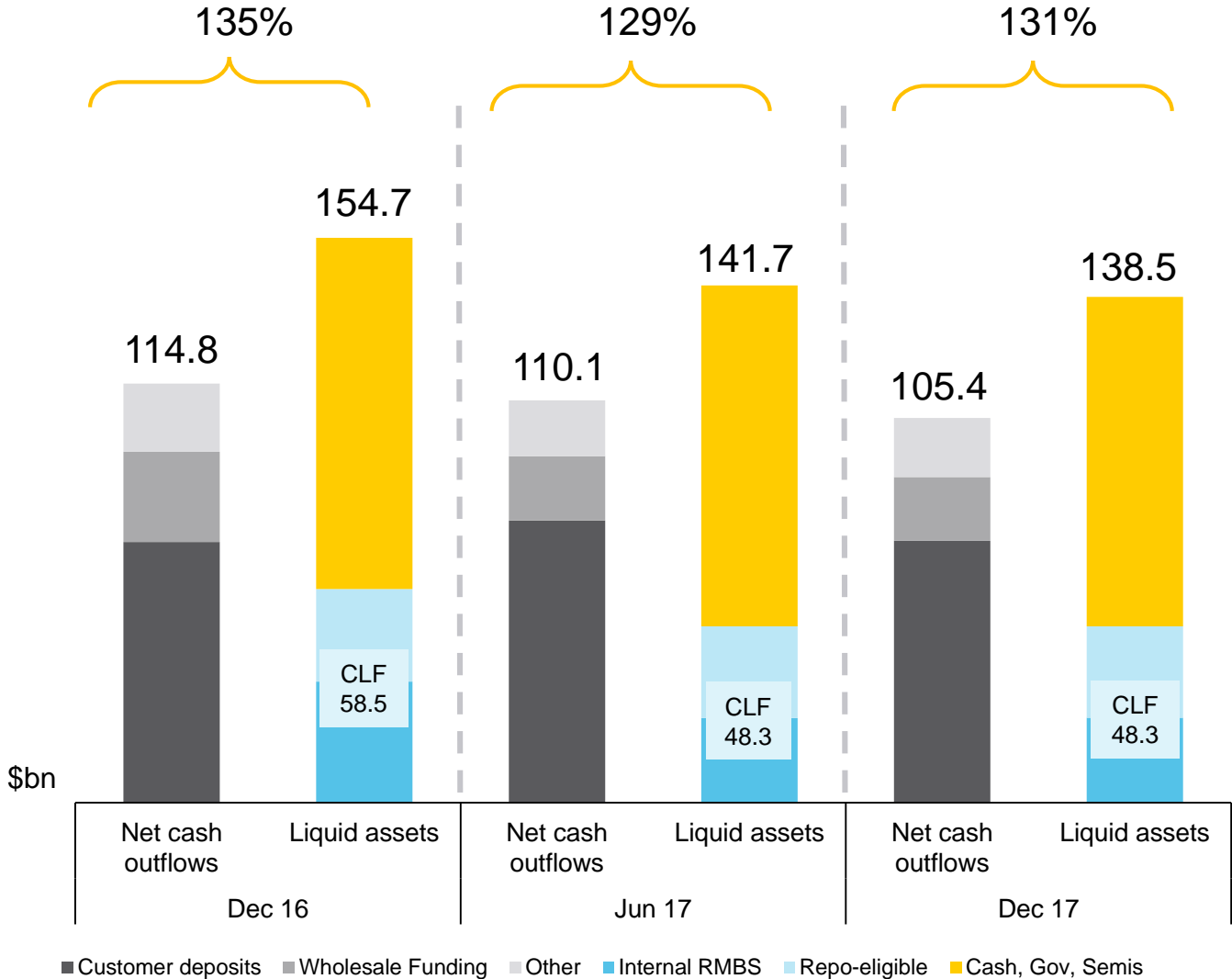


1. Indicative funding costs across major currencies. Represents the spread in BBSW equivalent terms on a swapped basis. 2. Average Annual Issuance includes an assumption of ~\$32bn for FY18. 3. Long term wholesale funding (>12 months).

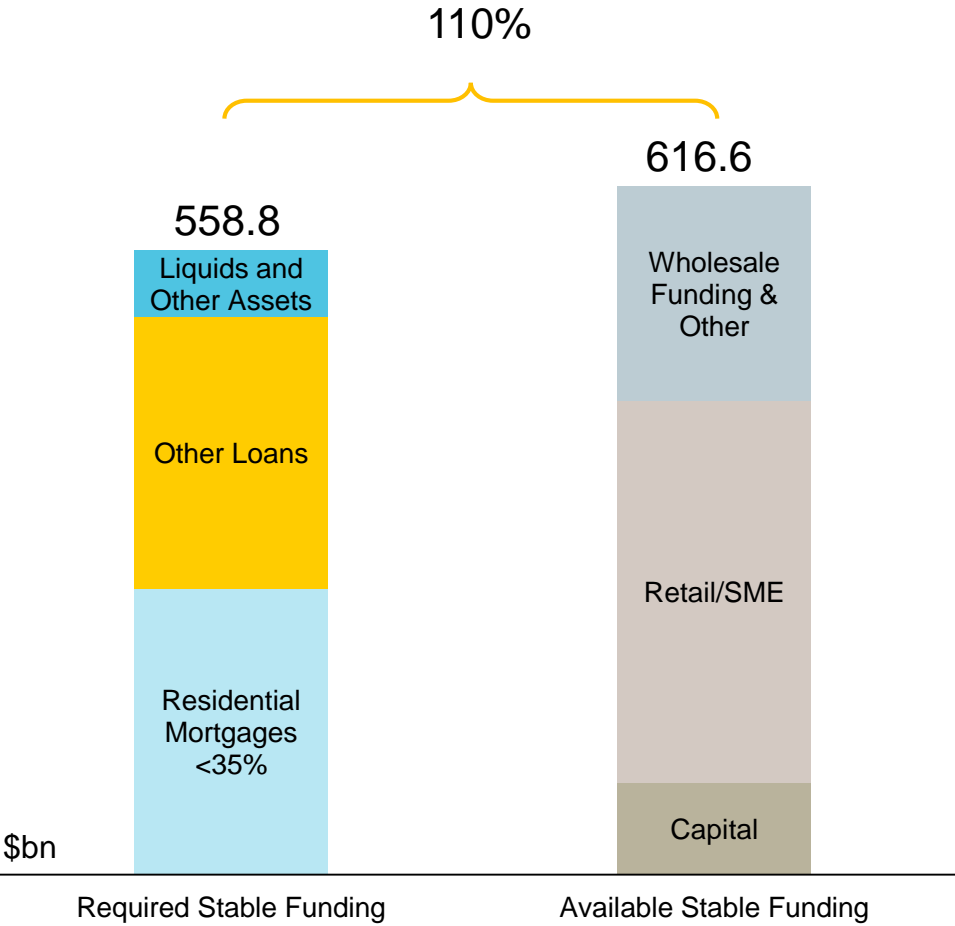
Regulatory requirements



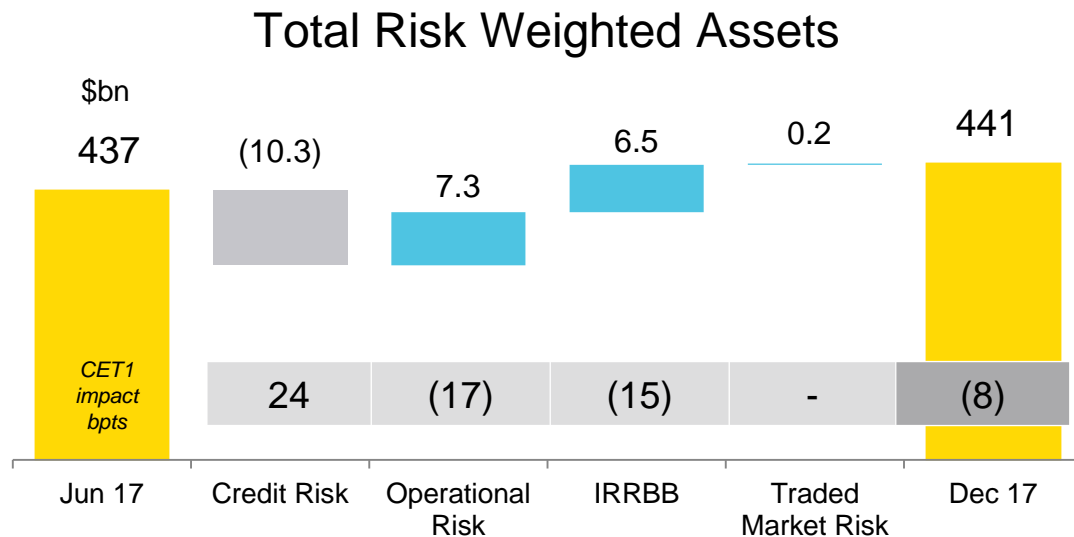
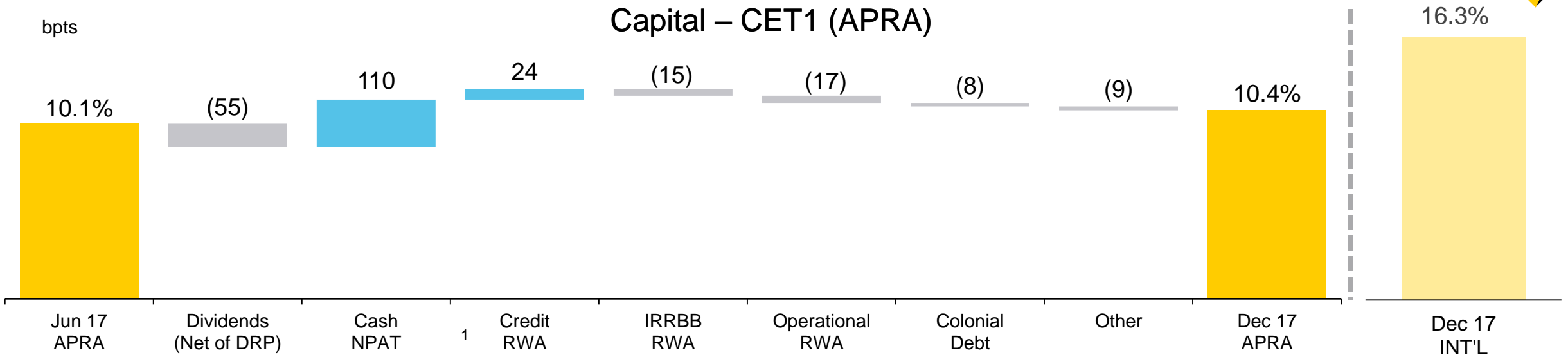
Liquidity Coverage Ratio (LCR)



Net Stable Funding Ratio (NSFR)

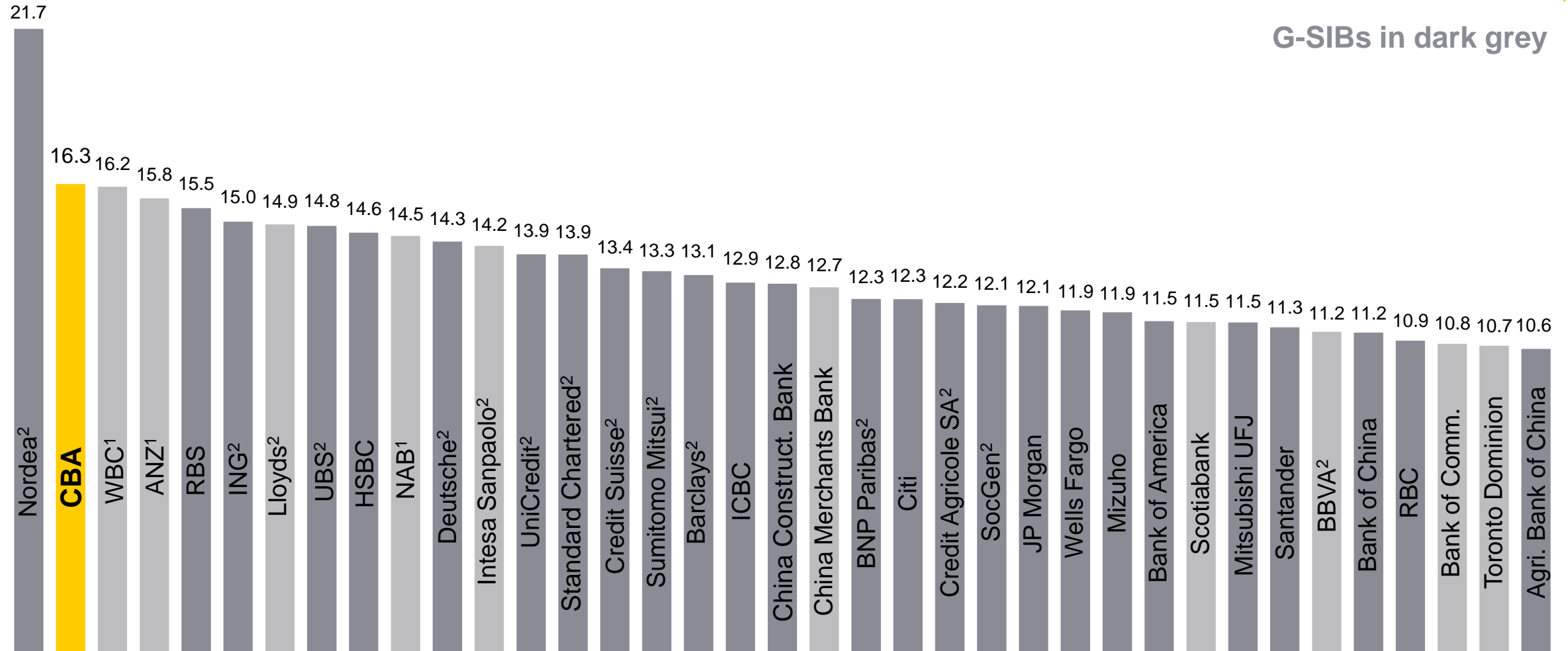


Capital drivers



Basis points contribution to change in APRA CET1 ratio. 1. Includes a \$375 million expense provision which the Group believes to be a reliable estimate of the civil penalty a Court may impose in the AUSTRAC proceedings.

International CET1 ratios



Source: Morgan Stanley and CBA. Based on last reported CET1 ratios up to 1 February 2018 assuming Basel III capital reforms fully implemented.

Peer group comprises listed commercial banks with total assets in excess of A\$750 billion and which have disclosed fully implemented Basel III ratios or provided sufficient disclosure for a Morgan Stanley estimate.

1. Domestic peer figures as at 30 September 2017

2. Deduction for accrued expected future dividends added back for comparability

APRA and International comparison



The following table provides details on the differences, as at 31 December 2017, between the APRA Basel III capital requirements and internationally comparable capital ratio¹.

CET1 APRA		10.4%
Equity investments	Balances below prescribed threshold are risk weighted, compared to a 100% CET1 deduction under APRA's requirements.	1.0%
Capitalised expenses	Balances are risk weighted, compared to a 100% CET1 deduction under APRA's requirements.	0.1%
Deferred tax assets	Balances below prescribed threshold are risk weighted, compared to a 100% CET1 deduction under APRA's requirements.	0.3%
IRRBB RWA	APRA requires capital to be held for Interest Rate Risk in the Banking Book (IRRBB). The BCBS does not have any capital requirement.	0.7%
Residential mortgages	Loss Given Default (LGD) of 15%, compared to the 20% LGD floor under APRA's requirements and adjustments for higher correlation factor applied by APRA for Australian residential mortgages.	1.9%
Other retail standardised exposures	Risk-weighting of 75%, rather than 100% under APRA's requirements.	0.1%
Unsecured non-retail exposures	LGD of 45%, compared to the 60% or higher LGD under APRA's requirements.	0.5%
Non-retail undrawn commitments	Credit conversion factor of 75%, compared to 100% under APRA's requirements.	0.4%
Specialised lending	Use of AIRB probabilities of default (PD) and LGDs for income producing real estate and project finance exposures, reduced by application of a scaling factor of 1.06. APRA applies higher risk weights under a supervisory slotting approach, but does not require the application of the scaling factor.	0.8%
Currency conversion	Increase in the A\$ equivalent concessional threshold level for small business retail and small/medium enterprise corporate exposures.	0.1%
Total adjustments		5.9%
CET1 Internationally Comparable		16.3%
Tier 1 Internationally Comparable		18.7%
Total Capital Internationally Comparable		21.5%

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

Leverage ratio – above Basel minimum

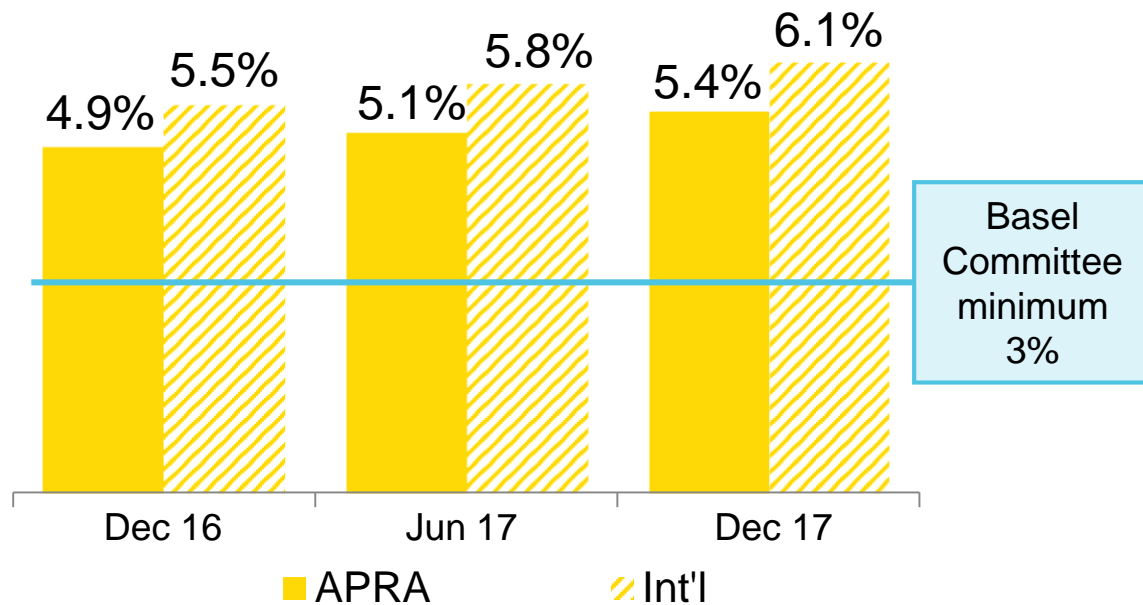


CBA Leverage Ratio well above prescribed Basel Committee minimum

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

The Basel Committee has introduced a minimum requirement of 3% from 1 January 2018.

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



\$m	Dec 17
Tier 1 Capital	54,465
Total Exposures	1,012,503
Leverage Ratio (APRA)	5.4%

\$m	Dec 17
Group Total Assets	961,930
Less subsidiaries outside the scope of regulatory consolidations	(17,954)
Add net derivative adjustment	2,823
Add securities financing transactions	1,065
Less asset amounts deducted from Tier 1 Capital	(19,616)
Add off balance sheet exposures	84,255
Total Exposures	1,012,503

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

Regulatory change timetable



	2018	2019	2020	2021	2022
APRA's unquestionably strong	ADIs to target unquestionably strong capital ratios, which will also cover "Basel III" proposals Consultations expected from early 2018		Capital to exceed unquestionably strong benchmark by 1 Jan 2020	Implementation	
Basel III Finalising Post-Crisis Reforms ("Basel IV")	Basel Committee finalised Dec 2017: <ul style="list-style-type: none"> • Changes to Standardised & Advanced Credit RWAs • Operational RWAs to Standardised approach • Capital floor of 72.5% (phased approach 1 Jan 2022 – 1 Jan 2027) • In addition, review of the trading book requirements were finalised in Jan 2016 APRA to consult on detailed prudential standards across 2018 and 2019 and finalise in 2019 or later				Basel Committee implementation date 1 Jan 2022 <i>(Leverage ratio - revised measurement of certain exposures)</i>
Leverage ratio	Basel Committee - Regulatory minimum of 3% effective from 1 Jan 2018 (APRA to consult in early 2018, finalise in late 2018/early 2019)				
Securitisation	Implementation 1 Jan 2018				
Counterparty Credit Risk	APRA to finalise	Implementation 1 Jan 2019			
NSFR	Implementation 1 Jan 2018				
Loss Absorbing Capacity ("TLAC")	APRA to commence consultation in late 2018				
IFRS 9 Provisioning	Implementation 1 July 2018				
IFRS 16 Leasing	Implementation 1 July 2019				



Credit quality and risk management

Regulatory exposure mix



Portfolio	Regulatory Credit Exposure Mix			
	CBA	Peer 1	Peer 2	Peer 3
Residential Mortgages	56%	41%	47%	57%
Corporate, SME, Specialised Lending	27%	31%	38%	29%
Bank	4%	5%	5%	2%
Sovereign	9%	15%	8%	8%
Qualifying Revolving	3%	3%	1%	2%
Other Retail	1%	5%	1%	2%
Total	100%	100%	100%	100%

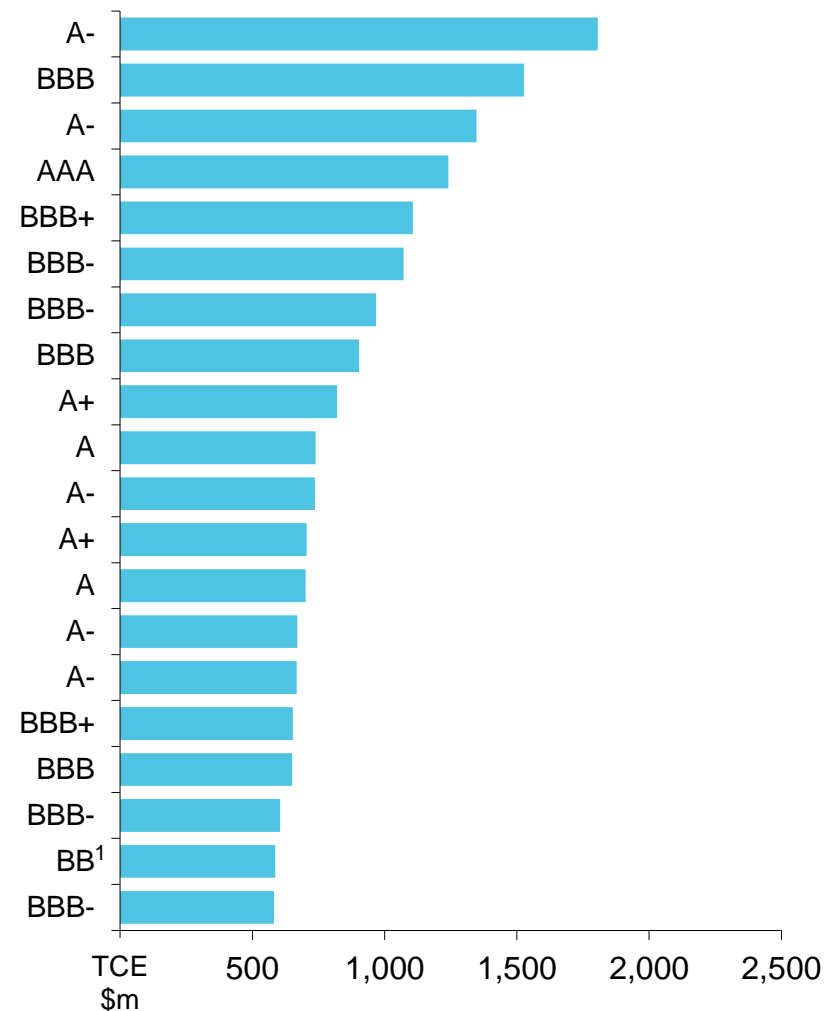
Sector exposures



Exposures by Industry

TCE \$bn	AAA to AA-	A+ to A-	BBB+ to BBB-	Other	Dec 17
Sovereign	96.8	7.5	0.5	0.1	104.9
Property	2.1	6.4	13.6	45.7	67.8
Banks	26.5	22.2	4.5	2.4	55.6
Finance - Other	21.9	21.8	8.2	2.6	54.5
Retail & Wholesale Trade	-	2.0	6.0	14.9	22.9
Agriculture	-	0.3	2.8	18.4	21.5
Manufacturing	-	2.7	5.4	7.2	15.3
Transport	0.1	1.5	8.7	5.7	16.0
Mining	0.1	3.8	5.9	4.0	13.8
Energy	0.3	1.5	8.3	1.6	11.7
All other excl. Consumer	1.3	6.4	20.6	42.9	71.2
Total	149.1	76.1	84.5	145.5	455.2

Top 20 Commercial Exposures

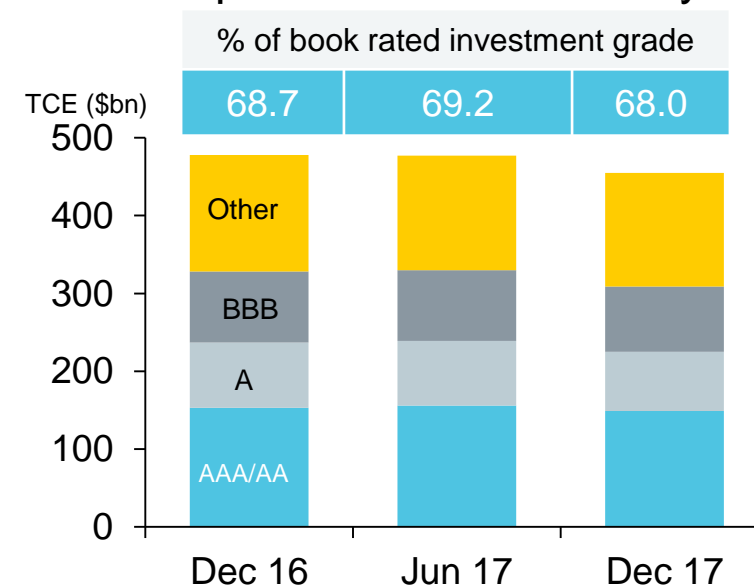


CBA grades in S&P equivalents. 1. BB exposure fully secured by property.

Credit exposures by industry

	Group TCE ¹		TIA \$m		TIA % of TCE ¹	
	Jun 17	Dec 17	Jun 17	Dec 17	Jun 17	Dec 17
Consumer	55.4%	56.6%	1,578	1,581	0.26%	0.26%
Sovereign	9.7%	9.7%	-	-	-	-
Property	6.4%	6.3%	693	586	0.99%	0.86%
Banks	6.1%	5.2%	9	9	0.01%	0.02%
Finance – Other	5.0%	5.1%	50	35	0.09%	0.06%
Retail & Wholesale Trade	2.2%	2.1%	474	488	2.00%	2.13%
Agriculture	2.0%	2.0%	1,019	876	4.70%	4.07%
Manufacturing	1.6%	1.4%	430	290	2.47%	1.90%
Transport	1.6%	1.5%	436	399	2.51%	2.49%
Mining	1.4%	1.3%	477	409	3.23%	2.97%
Business Services	1.3%	1.3%	165	349	1.13%	2.56%
Energy	1.1%	1.1%	90	9	0.72%	0.08%
Construction	0.7%	0.8%	290	223	3.70%	2.73%
Health & Community	0.8%	0.9%	197	225	2.27%	2.42%
Culture & Recreation	0.7%	0.7%	54	47	0.73%	0.66%
Other	4.0%	4.0%	538	509	1.24%	1.18%
Total	100.0%	100.0%	6,500	6,035	0.60%	0.56%

Corporate Portfolio Quality



CBA grades in S&P equivalents.

Group TCE by Geography

	Dec 16	Jun 17	Dec 17
Australia	76.4%	76.9%	77.7%
New Zealand	9.7%	9.7%	9.9%
Europe	5.8%	5.5%	4.9%
Other	8.1%	7.9%	7.5%

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

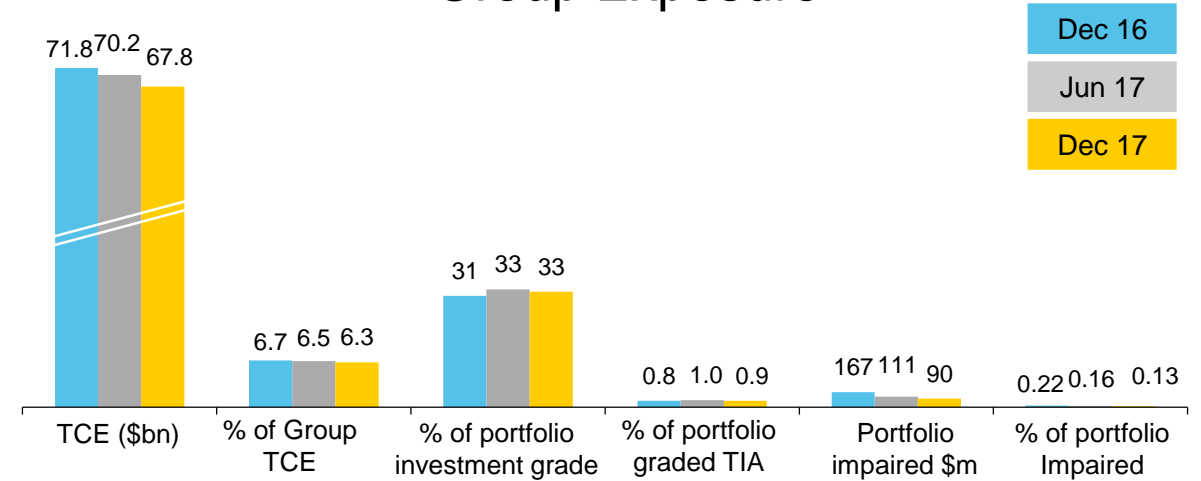
Commercial property – lower exposure



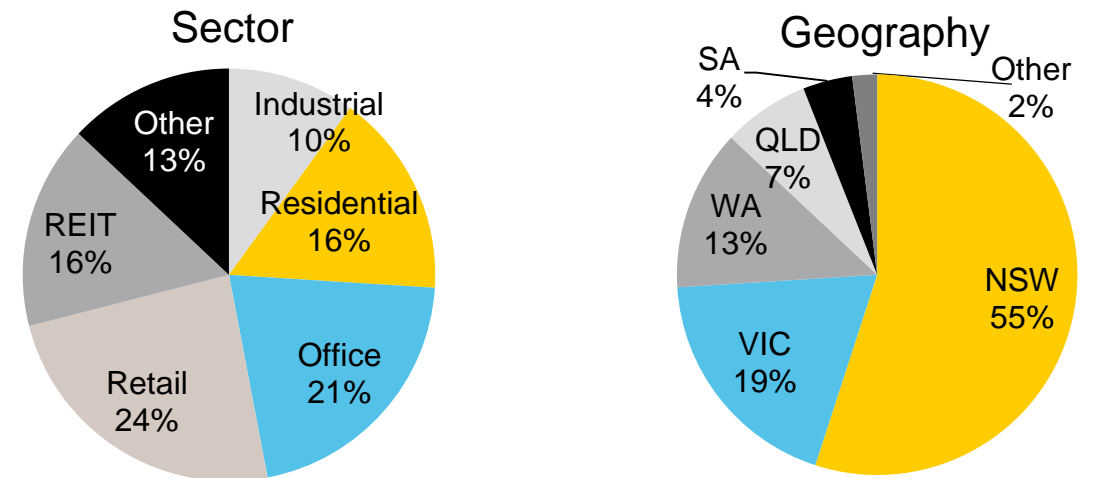
Overview

- Exposure has reduced in the half year. Remains diversified across sectors and by counterparty.
- Composition remains steady in last 6 months with 86.2% of Commercial Property exposure to investors and REITS, 13.8% to Developments.
- Top 20 counterparties primarily investment grade (weighted average rating of BBB equivalent) and account for 14.8% of Commercial property exposure.
- 33% of the portfolio investment grade, majority of sub-investment grade exposures secured (97%).
- Impaired exposures remain low (0.1% of the portfolio).
- Geographical weighting remaining steady during the half.
- Development exposure continues to reduce due to repayments from completed projects and active management of risk appetite in areas of concern.
- Ongoing comprehensive market, exposure and underwriting monitoring on the portfolio.

Group Exposure



Profile



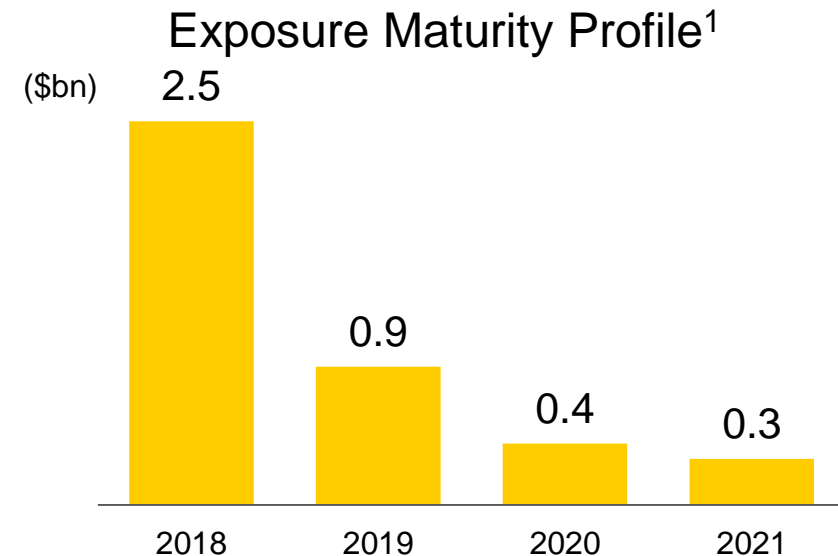
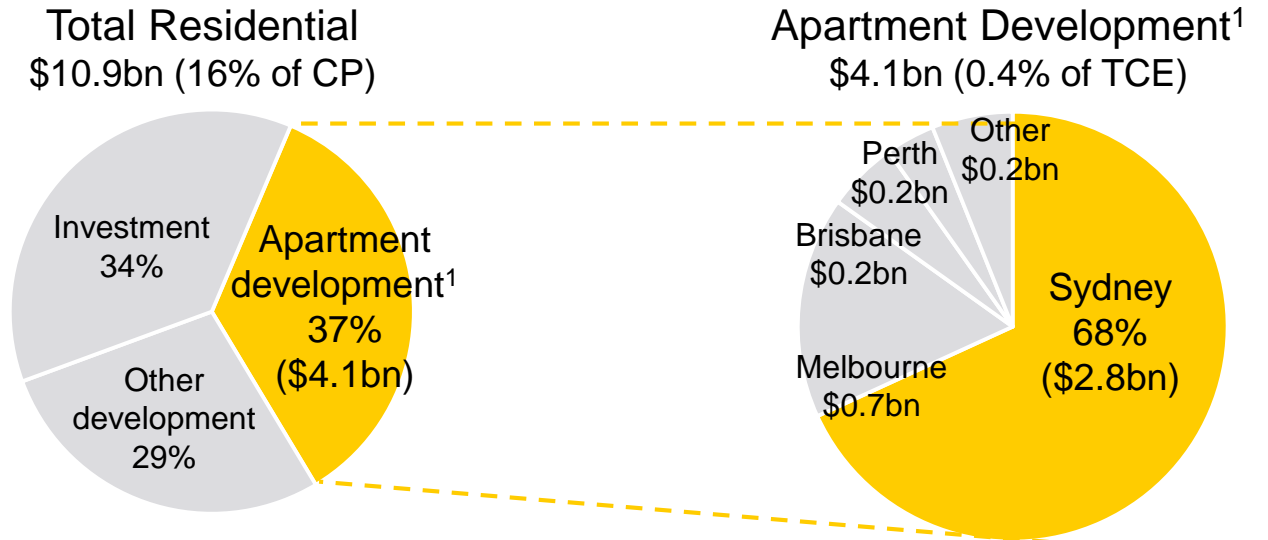
Residential apartments – weighted to Sydney

Overview¹

- Apartment Development exposure reduced \$0.4bn for the half.
- Facilities being repaid on time from pre-sale settlements.
- Weighting to Sydney increasing as exposures to other capital cities reducing proportionally quicker.
- Qualifying pre-sales of 109.9%².
- Lower Portfolio LVR of 57.0%.
- Sydney developments are diversified across the metropolitan area.
- Ongoing comprehensive market, exposure and settlement monitoring on the portfolio.

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

Profile (Dec 17)



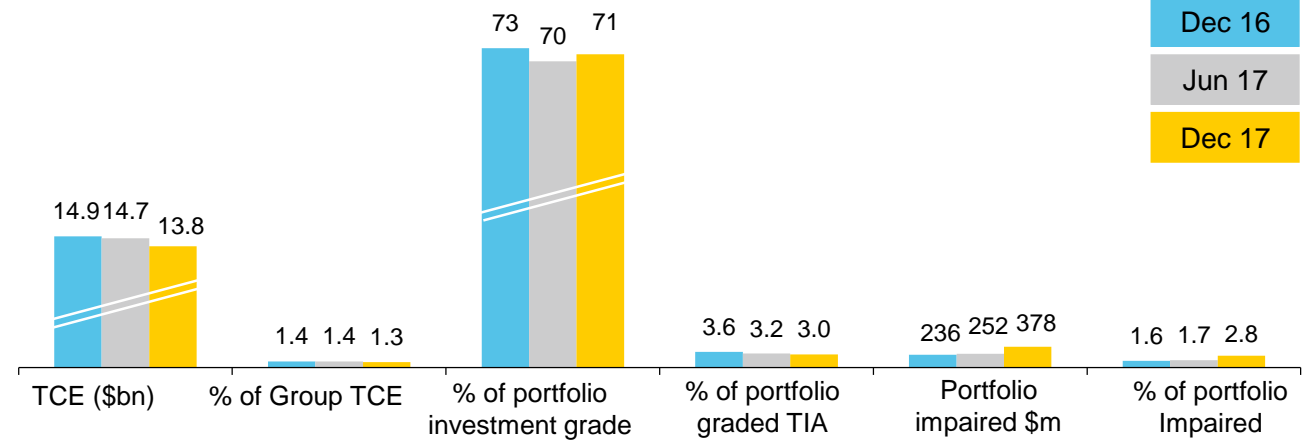
Mining, oil & gas – lower exposure



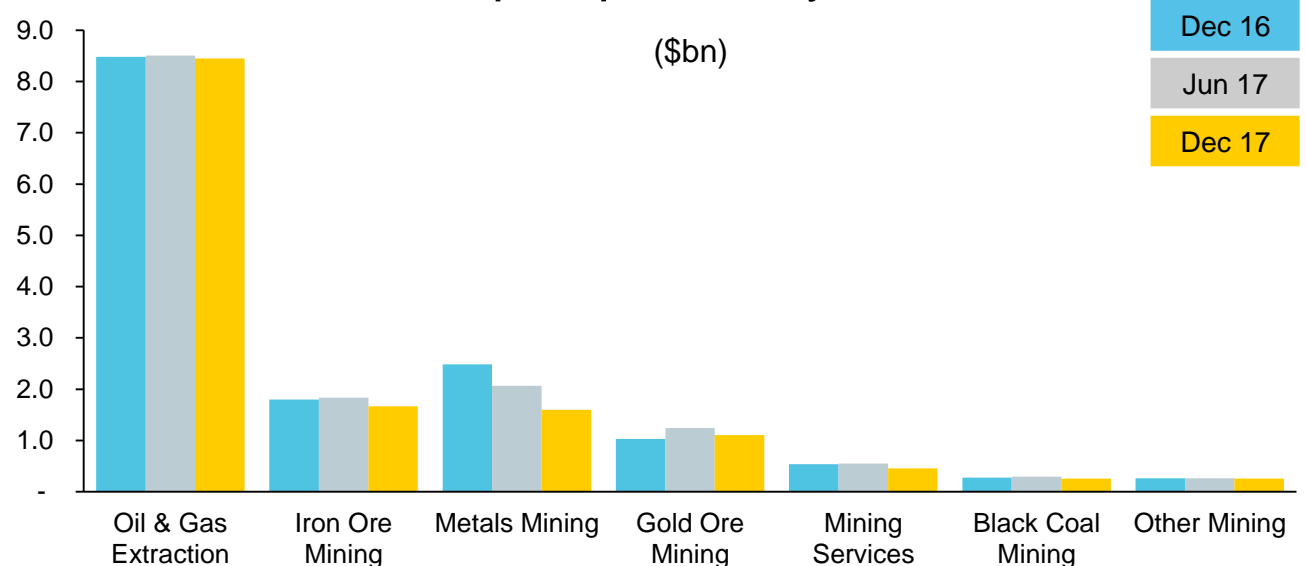
Overview

- Exposure of \$13.8bn (1.3% of Group TCE), \$0.9bn reduction on prior half due to repayments and lower uncommitted facility utilisations.
- Relatively stable performance over the past 12 months:
 - 71% investment grade.
 - Diversified by commodity/customer/region.
 - Focus on quality, low cost projects with strong fundamentals and sponsors.
- Mining services exposure remains modest (4% of total).
- Oil and Gas Extraction is the largest sub-sector (62% of total): 74% investment grade with 31% related to LNG Terminals – typically supported by strong sponsors with significant equity contribution and offtake contracts from well-rated counterparties.
- Portfolio impaired level increased to 2.8% due to the migration of one client from Troublesome to Impaired.
- Better trading conditions across the sector and stronger commodity prices in general during 1st half of FY18.
- Improved outlook, however remain cautious of risk of commodity price pull back.

Group Exposure



Group Exposure by Sector



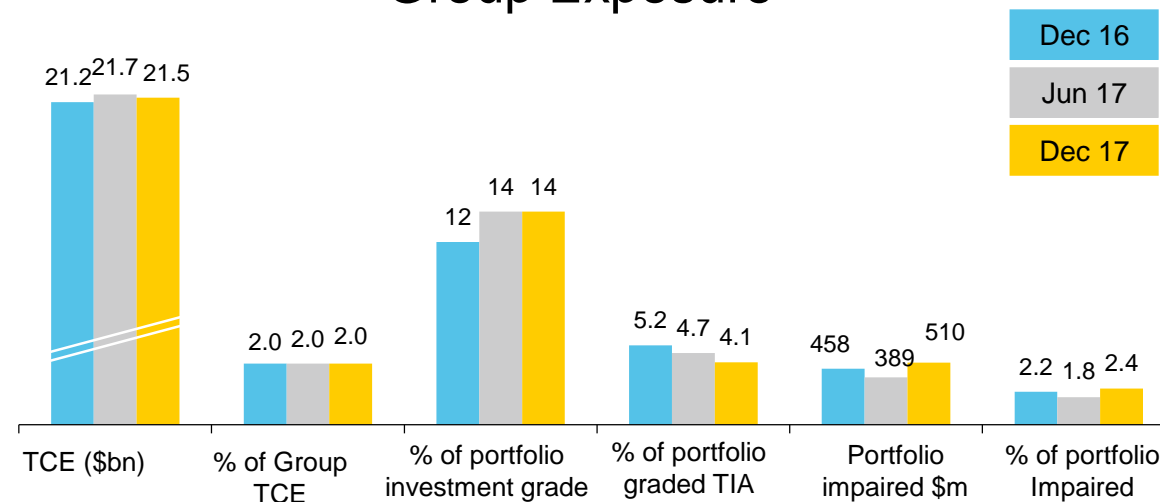
Agriculture – NZ Dairy portfolio quality generally improving



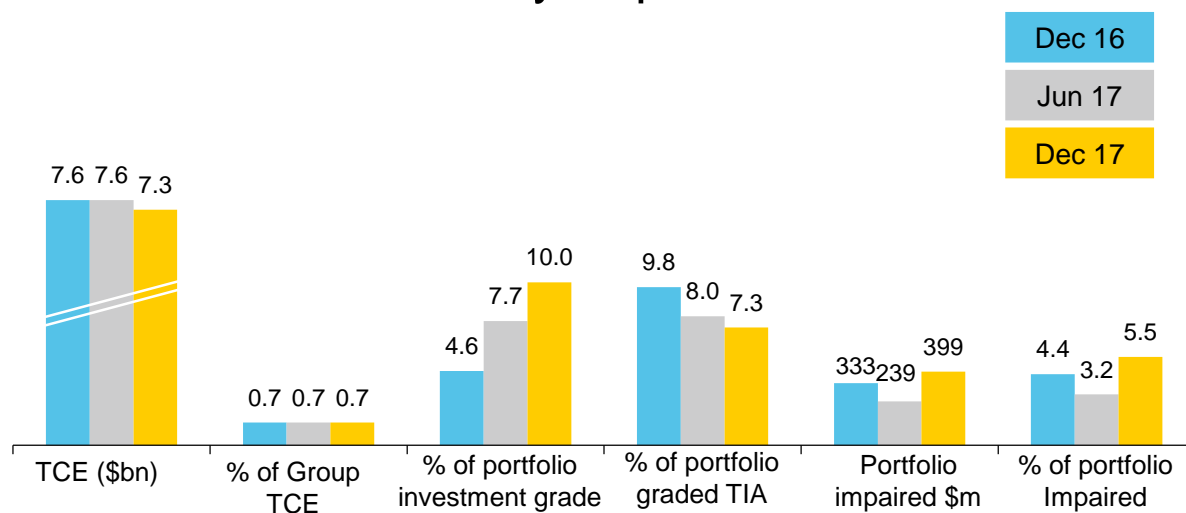
Overview

- Exposure of \$21.5bn (2.0% of Group TCE) is well diversified by geography, sector and client base.
- Australian agriculture portfolio performing well.
- NZ dairy portfolio:
 - Represents 0.7% of Group TCE.
 - Outlook is dependent on milk price.

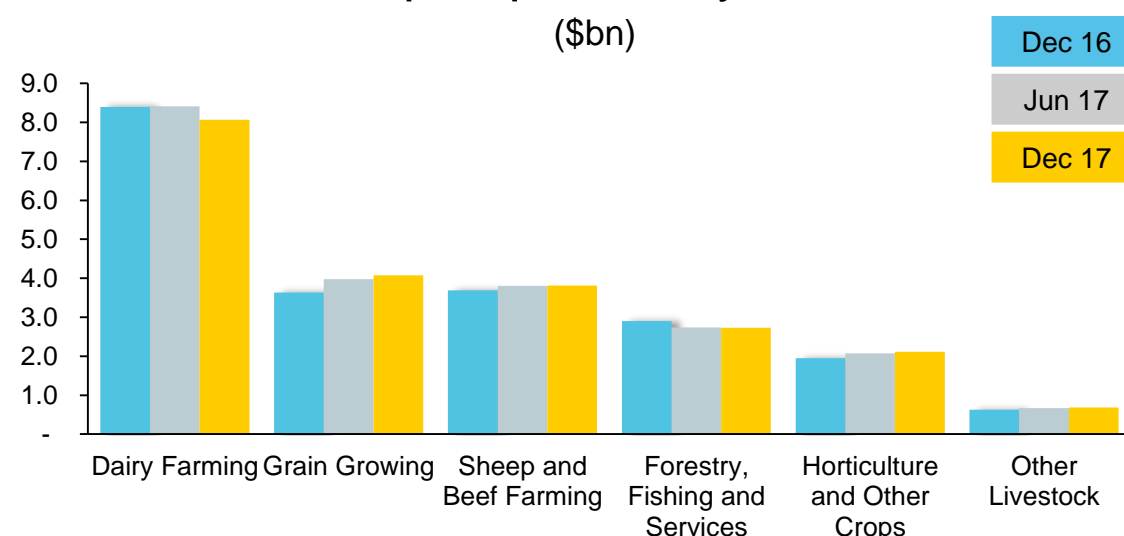
Group Exposure



NZ Dairy Exposure



Group Exposure by Sector



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

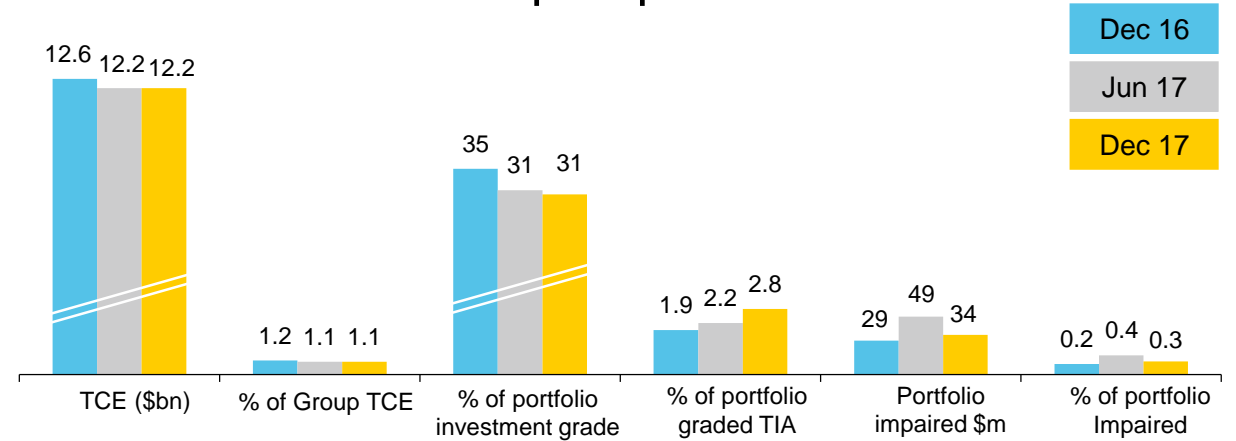
Retail trade



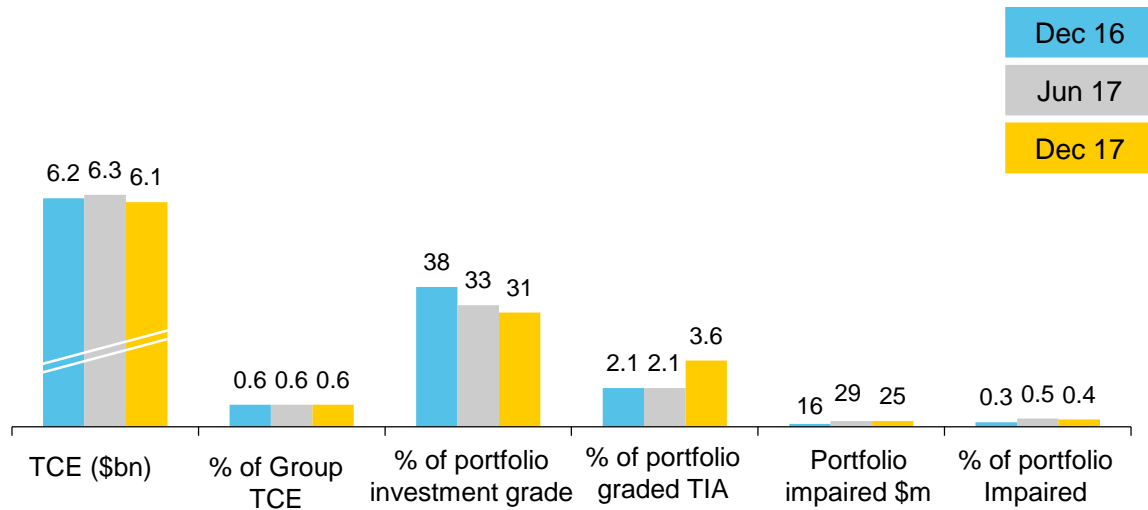
Overview

- Exposure of \$12.2bn (1.1% of Group TCE), stable on prior half
- Personal and household good retailing accounts for \$6.1bn (0.6% of Group TCE)
- Volume and margin competition continues to effect the Discretionary Retail sector in particular
- Despite pressures in the sector, portfolio health remains sound

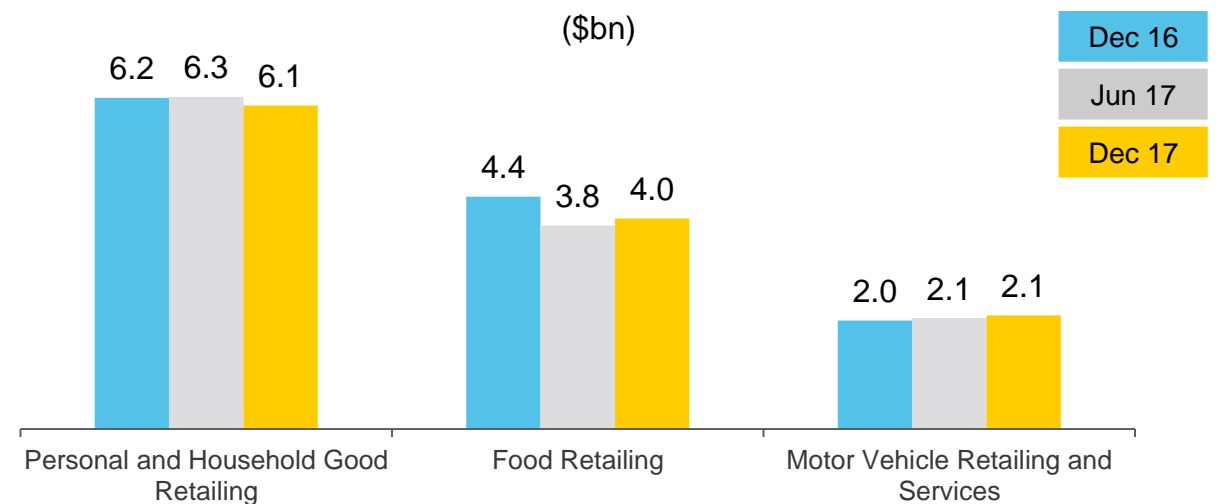
Group Exposure



Personal and Household Good Retailing



Group Exposure by Sector



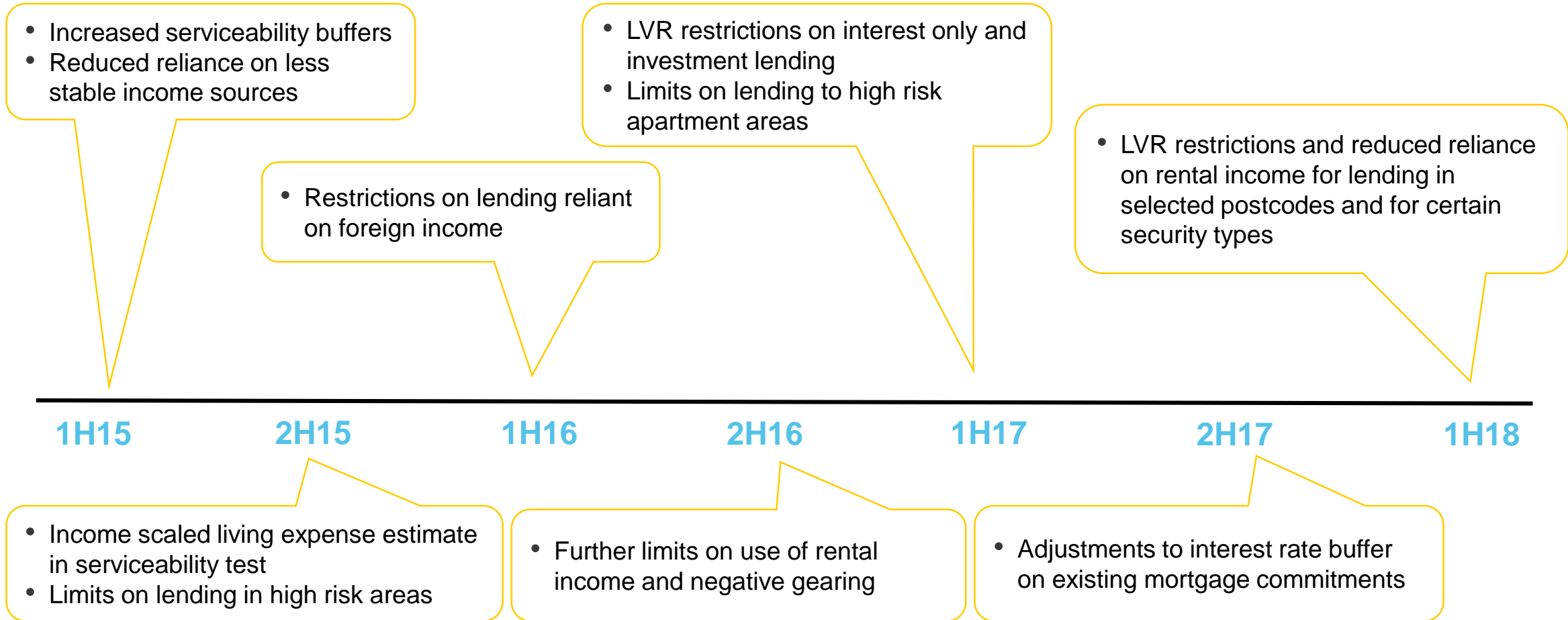
Home loan portfolio – Australia



Portfolio ¹	Dec 16	Jun 17	Dec 17	New Business ¹	Dec 16	Jun 17	Dec 17
Total Balances - Spot (\$bn)	423	436	444	Total Funding (\$bn)	53	49	49
Total Balances - Average (\$bn)	416	423	440	Average Funding Size (\$'000) ⁶	311	309	320
Total Accounts (m)	1.8	1.8	1.8	Serviceability Buffer (%) ⁷	2.25	2.25	2.25
Variable Rate (%)	85	84	82	Variable Rate (%)	89	85	82
Owner Occupied (%)	63	63	64	Owner Occupied (%)	62	67	71
Investment (%)	33	33	32	Investment (%)	37	32	28
Line of Credit (%)	4	4	4	Line of Credit (%)	1	1	1
Proprietary (%)	54	54	55	Proprietary (%)	54	57	60
Broker (%)	46	46	45	Broker (%)	46	43	40
Interest Only (%) ²	40	39	33	Interest Only – APRA (%) ⁸	42	38	21
Lenders' Mortgage Insurance (%) ²	23	22	22	Lenders' Mortgage Insurance (%) ²	14	16	17
Low Doc (%) ²	0.6	0.5	0.4				
Mortgagee In Possession (bpts)	5	5	5				
Annualised Loss Rate (bpts)	2	3	2				
Portfolio Dynamic LVR (%) ³	51	50	50				
Customers in Advance (%) ⁴	77	77	77				
Payments in Advance incl. offset ⁵	35	33	33				
Offset Balances – Spot (\$bn)	36	37	41				

1. All portfolio and new business metrics are based on balances and fundings respectively, unless stated otherwise. All new business metrics are based on 6 months to June and December, unless stated otherwise.
2. Excludes Line of Credit (Viridian LOC/Equity Line).
3. LVR defined as current balance/current valuation.
4. Any amount ahead of monthly minimum repayment; includes offset facilities.
5. Average number of monthly payments ahead of scheduled repayments.
6. Average Funding Size defined as funded amount / number of funded accounts.
7. Serviceability test based on the higher of the customer rate plus a 2.25% interest rate buffer or a minimum floor rate.
8. APRA benchmark reporting on a different basis using limits and includes all construction loans. Based on 3 months to June and December. Dec-16 value based on internal definition.

Australian home loans - policy tightening



Dec 2014 APRA Prudential Guide (APG) 223: Measures to re-inforce sound lending practices
Growth in “investor lending” above 10% may lead to supervisory action

July 15 Increased RWA for mortgages: effective July 16

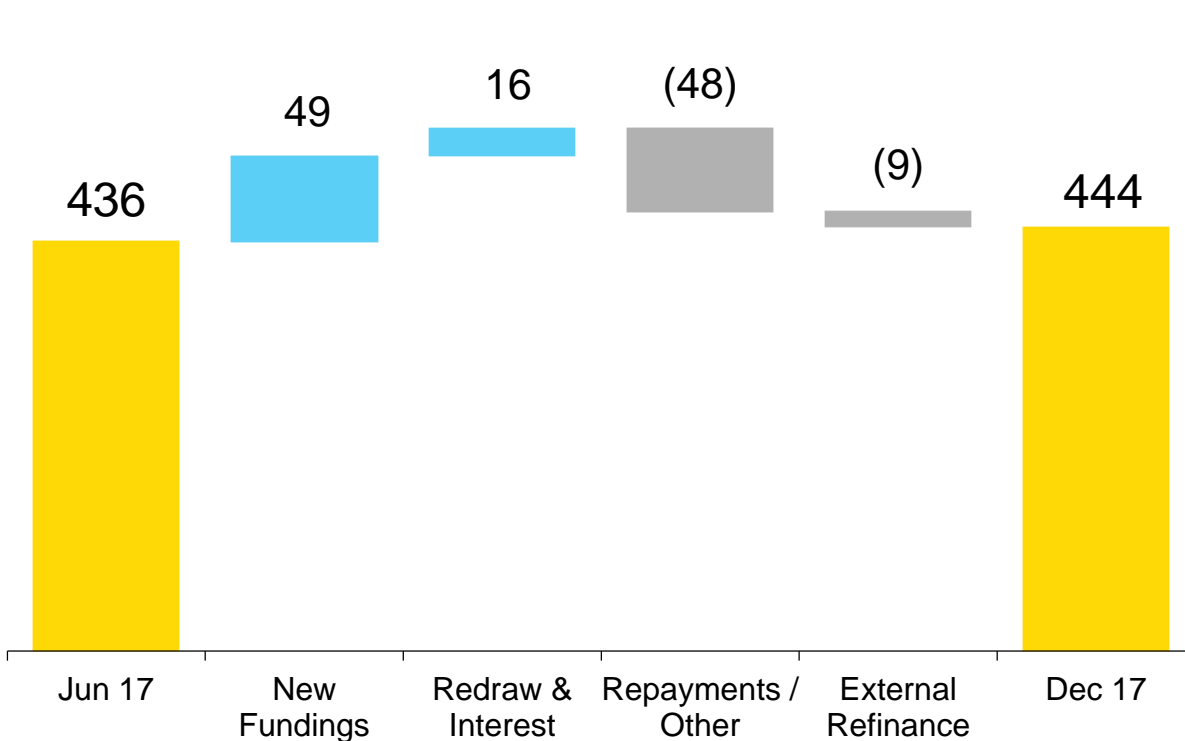
Mar 2017 APG 223 update: Limit “Interest Only” to < 30% of total new loans

Australian home loans – portfolio growth profile



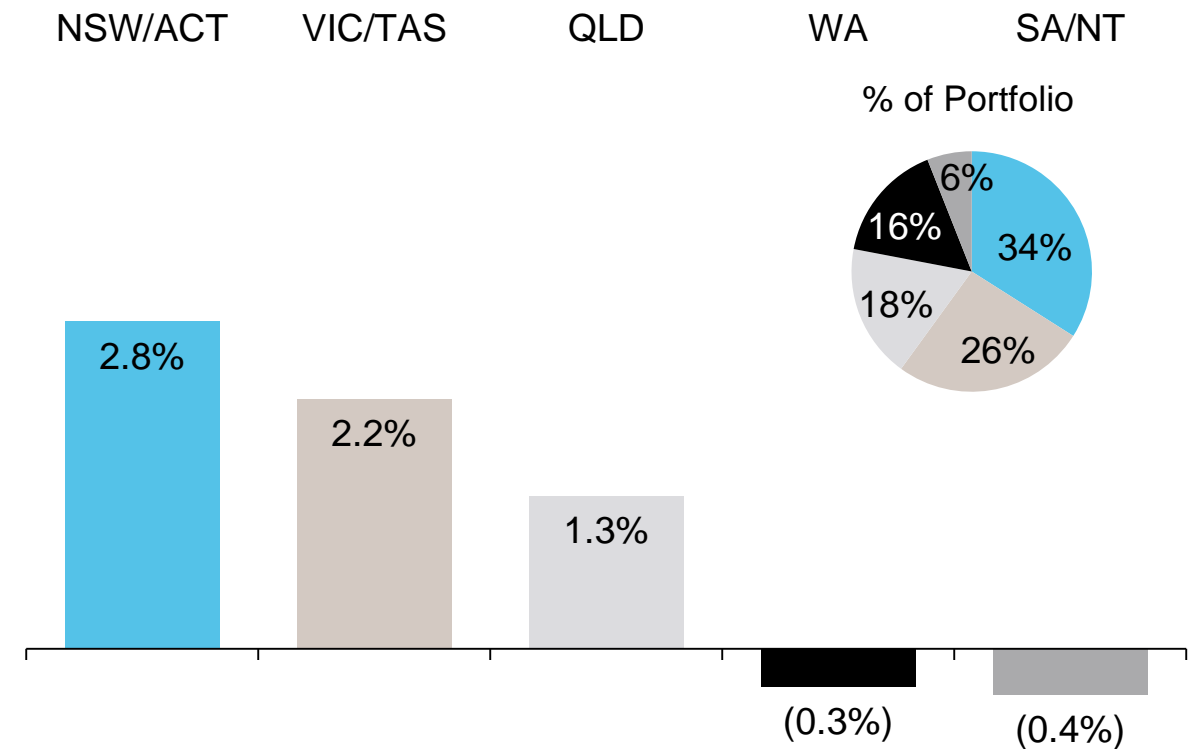
\$bn

Balance Growth 1H18



State Profile

1H18 Balance Growth

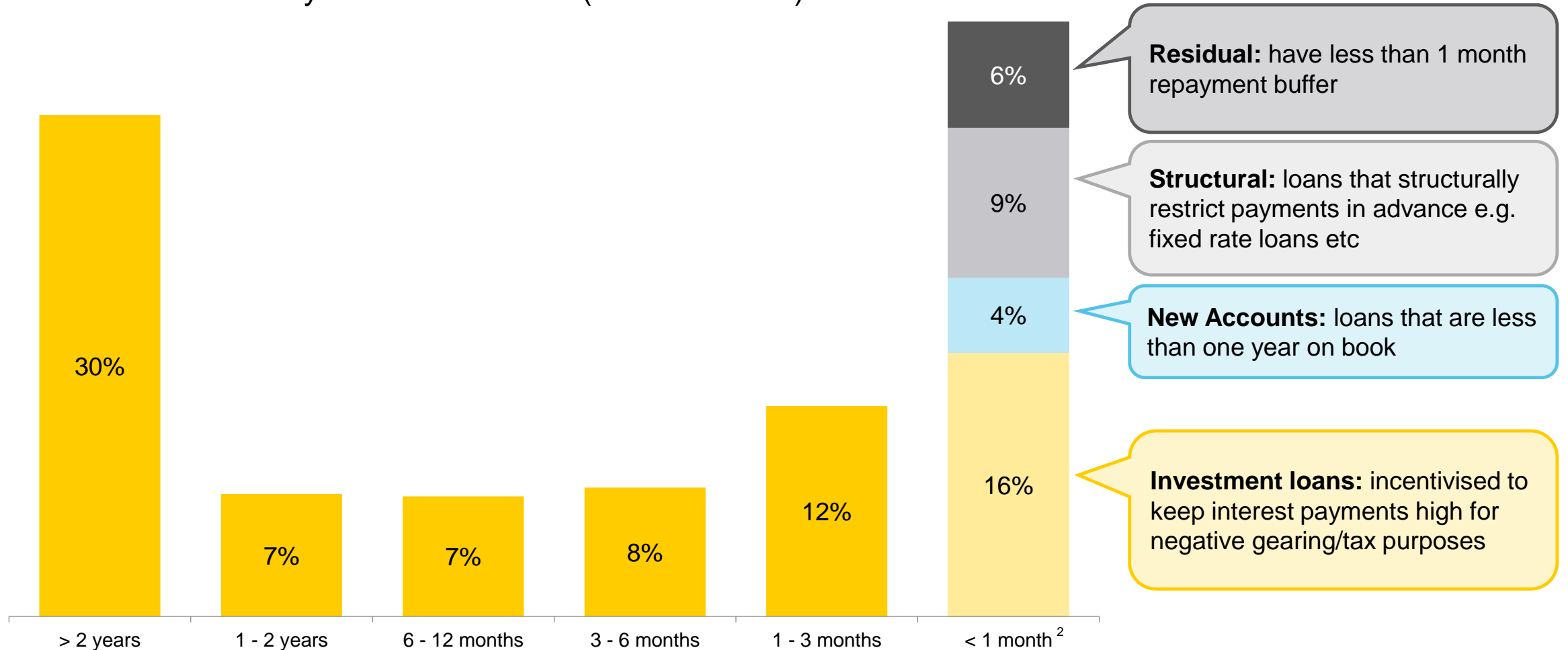


Includes CBA and Bankwest. State Profile exclude Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loans (CBA) and Residential Mortgage Group (CBA) loans. State Profile determined by location of the underlying security

Payments in advance¹



Payments in advance (% of accounts)



1. CBA. Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loans and Residential Mortgage Group loans; Includes offset facilities; Loans in arrears (1%) are excluded.

2. Consists of loans that are up-to-date (23%) and less than one month in advance (12%).

Home loan serviceability

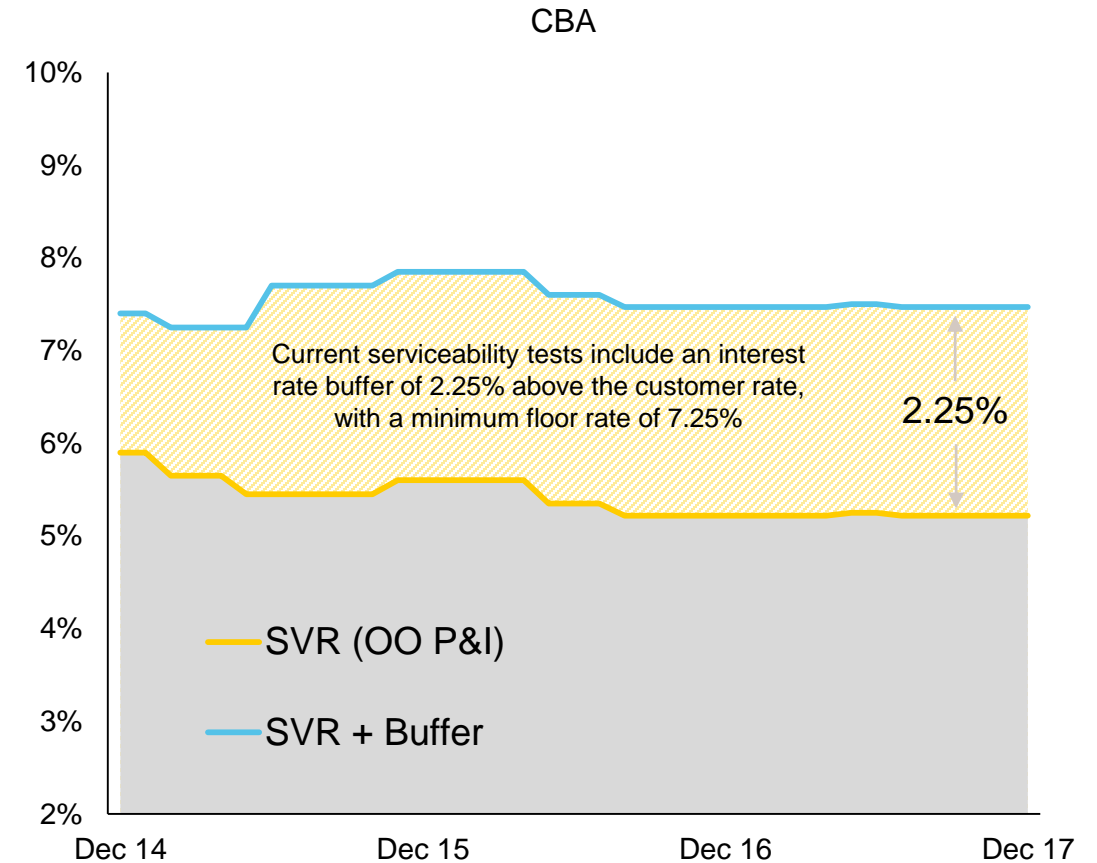


Key Origination Requirements¹

Serviceability

Income	<ul style="list-style-type: none"> 80% or lower cap on less certain income sources (e.g. rent, bonuses etc.) Limits on investor income allowances e.g. RBS restrict the use of negative gearing where LVR>90%
Expenses	<ul style="list-style-type: none"> Higher of declared expenses or HEM adjusted by income Buffer applied to existing mortgage repayments Notional monthly rental commitment for applicants living rent free and a minimum rental payment level
Interest rate buffer	<p>Loan serviceability buffer of 2.25% above the customer rate, with a minimum floor rate (RBS: 7.25% pa, Bankwest: 7.35%)</p>
Interest only (IO)	<p>IO loans assessed on principal and interest basis over the residual term of the loan</p>

Interest rate buffers built into serviceability tests²

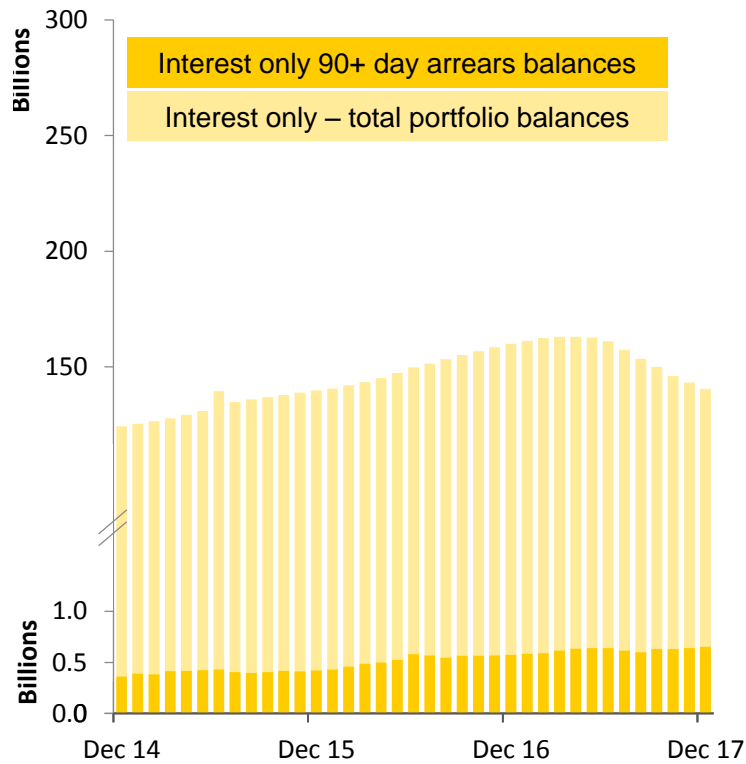


Interest only - Australia



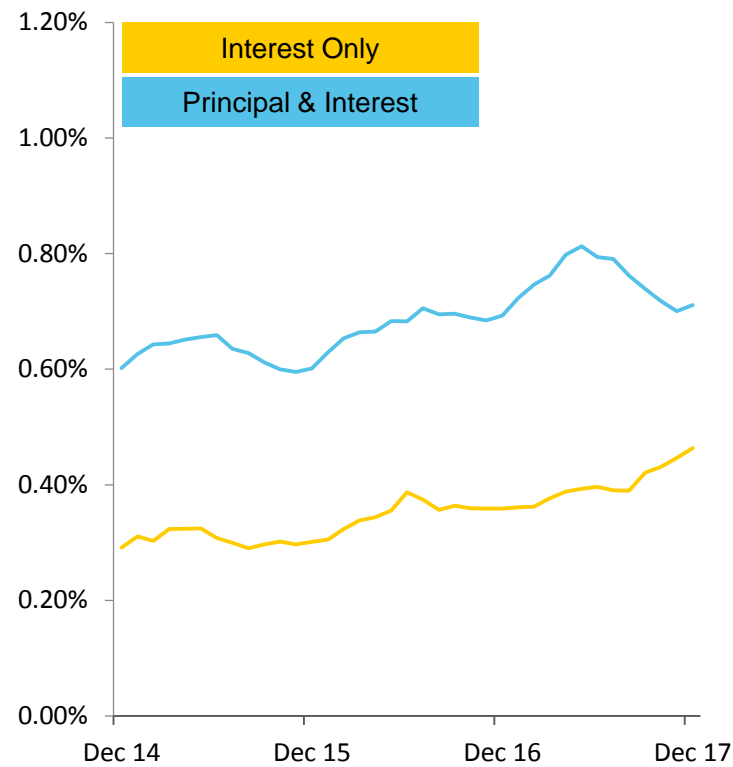
Arrears Balances¹

90+ days



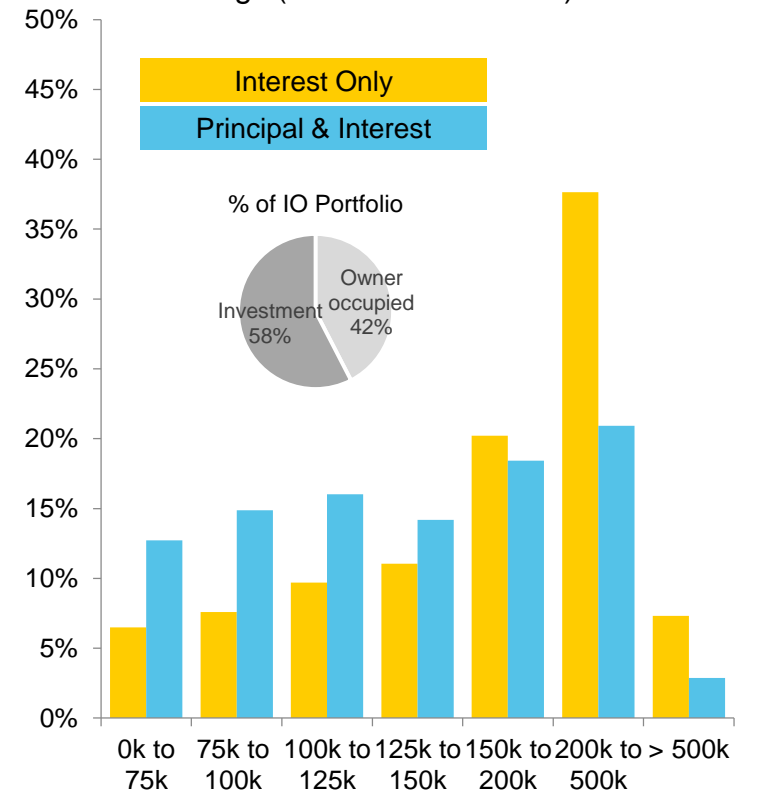
Arrears¹

90+ days



Income Profile¹

Applicant Gross Income Band
Fundings (6 Months to Dec 17)



Pricing and policy measures have reduced IO lending, while IO arrears balances have remained relatively flat

IO arrears rate impacted by reducing IO portfolio balances

Borrower profile skewed toward higher income bands

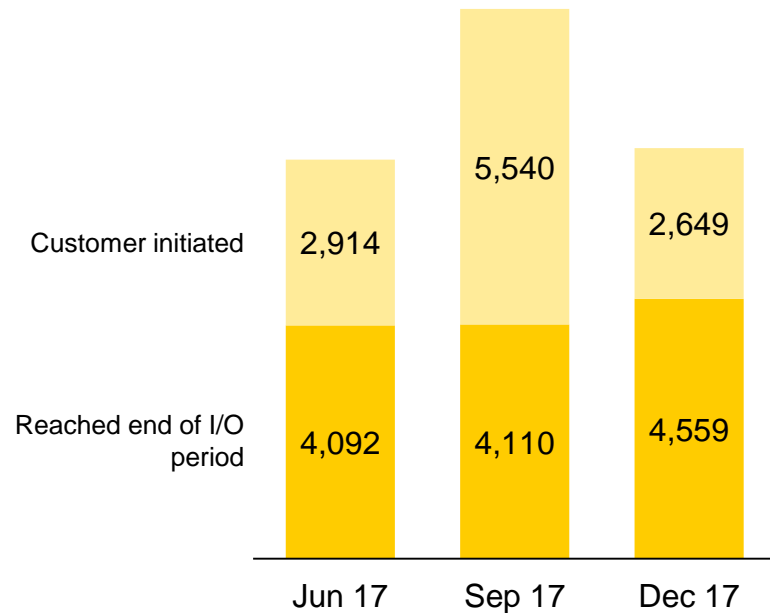
1. Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loans and Residential Mortgage Group loans.

Interest only (CBA) – switching



Balance Movement (\$m)¹

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



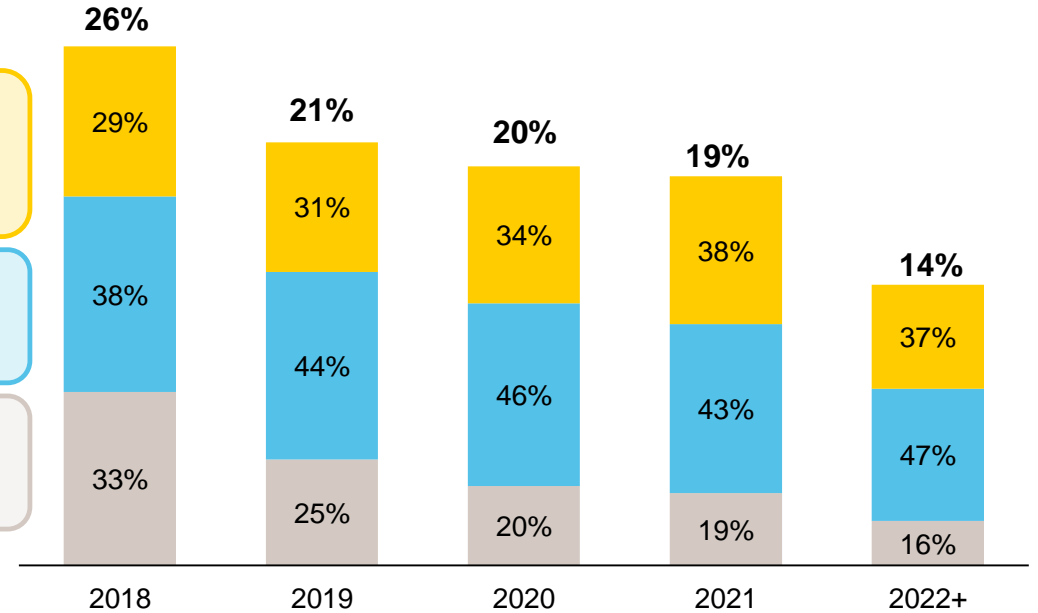
Payments in advance > 6 months²: accounts with a financial buffer to absorb any increased repayments

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

Residual: Over 80% originated after June 2015, with increased serviceability buffers

Scheduled IO term expiry¹

(% of total IO Loans)



- Pricing and policy tightening measures have encouraged switching to P&I
- Interest only loans assessed on P&I basis over residual term to ensure increased repayment levels can be met
- Additional serviceability buffers built into serviceability tests provide further support
- Approximately 26% expected to switch in 2018 – majority are investors and those with large payment buffers

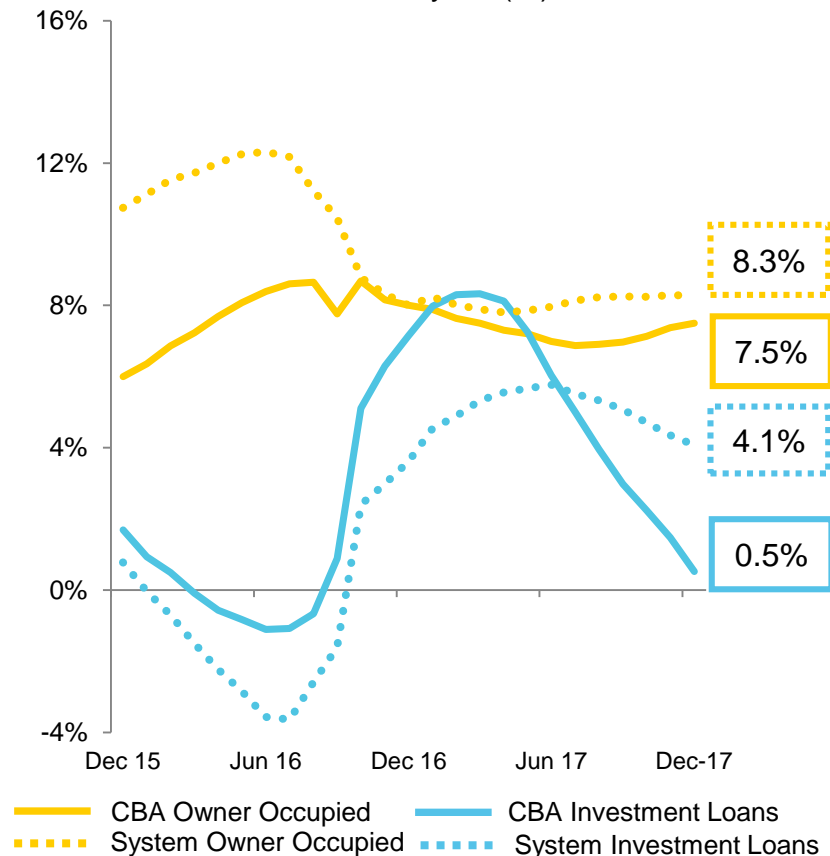
1. Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loans and Residential Mortgage Group loans. 2. Payments in Advance defined as the number of monthly payments ahead of scheduled repayments by 6 or more months.

Investor lending



Growth¹

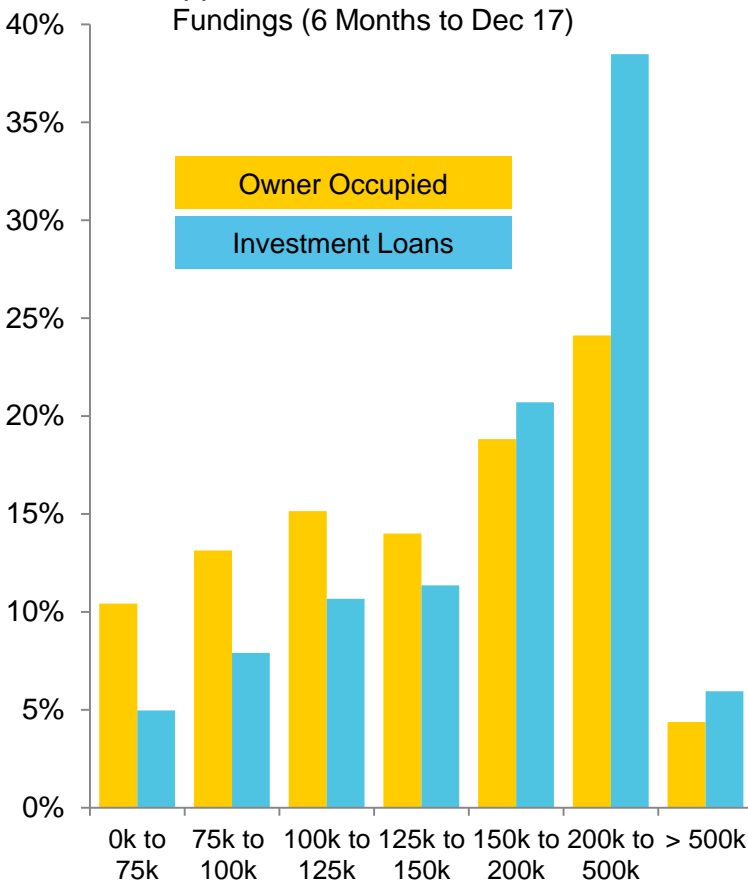
Year on year (%)



Investment home loan growth running below APRA 10% cap

Income Profile²

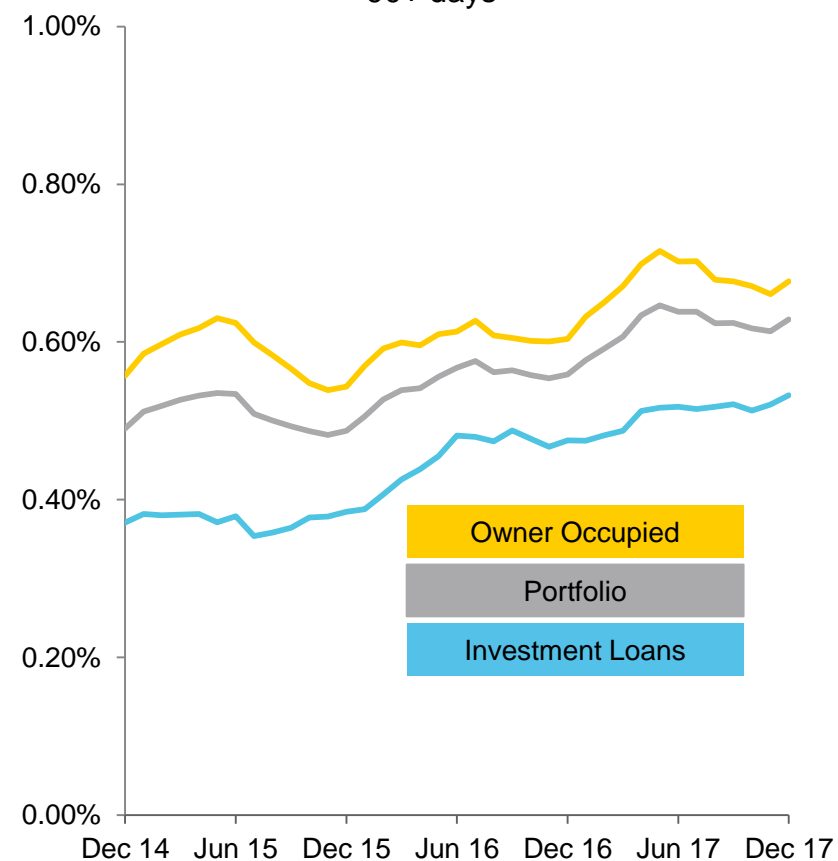
Applicant Gross Income Band Fundings (6 Months to Dec 17)



Investor borrowers skewed to higher income bands

Arrears²

90+ days



Investment loan arrears below that of overall portfolio

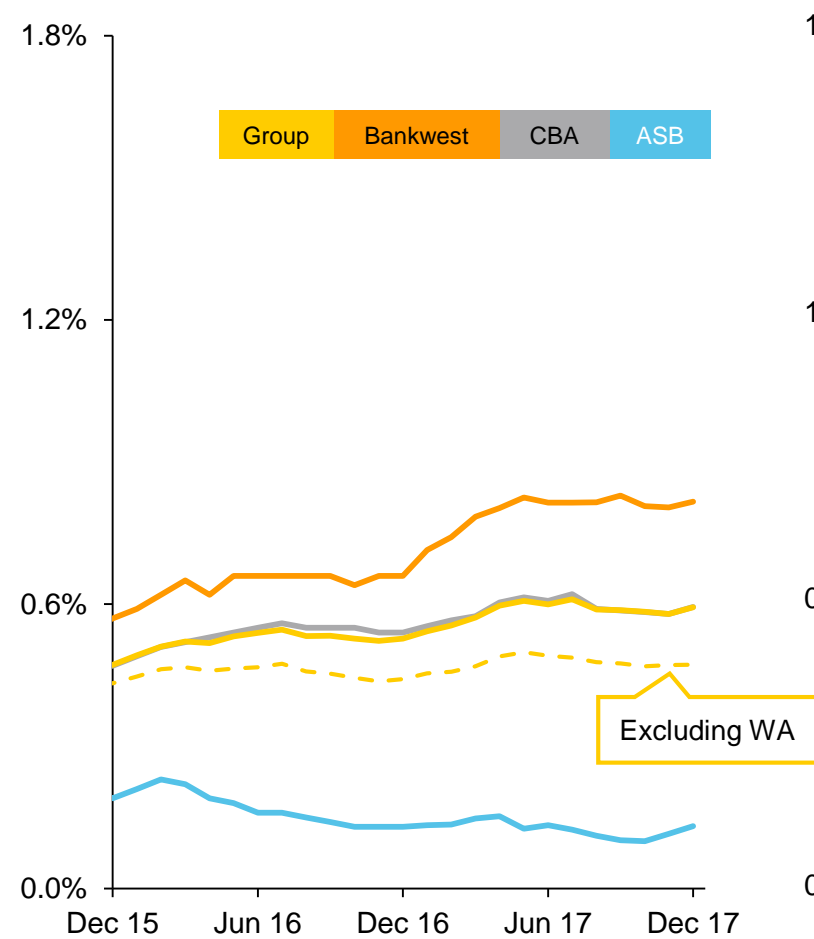
1. System source RBA. CBA includes BWA, securitisation and subsidiaries. 2. Australian Home Loans. Includes CBA and Bankwest except where noted. Income Bands, Arrears and Profile: excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loan (CBA) and Residential Mortgage Group (CBA) loans except where noted. Fundings based on dollars.

Home loan portfolio arrears



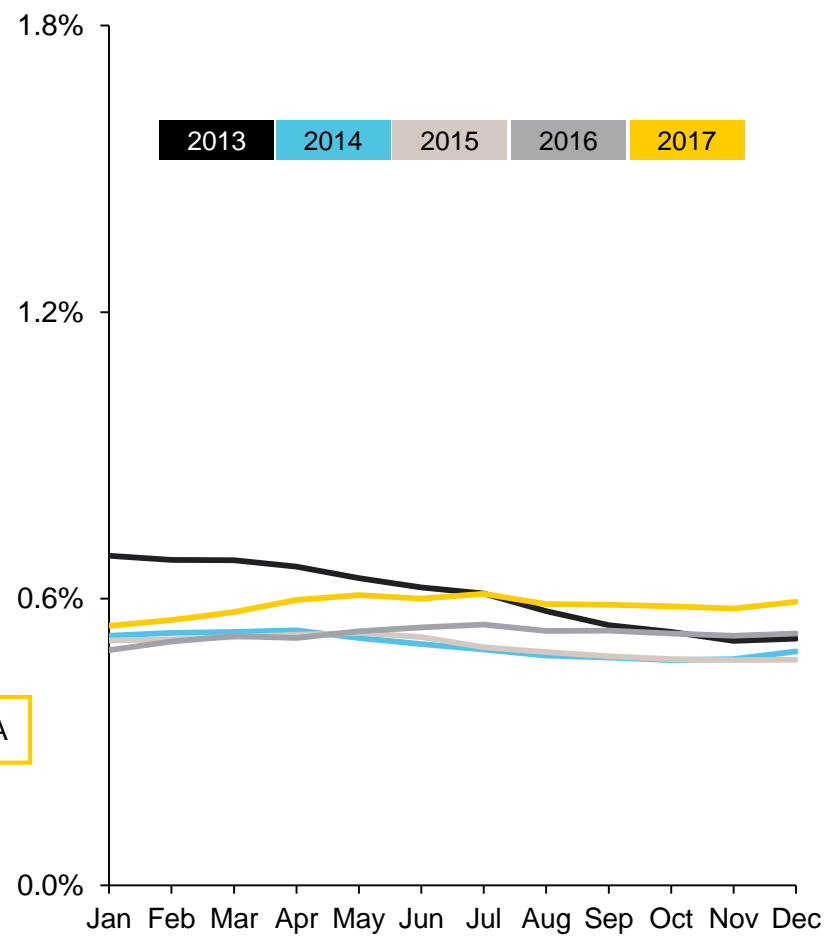
Arrears by BU

Group 90+ days¹



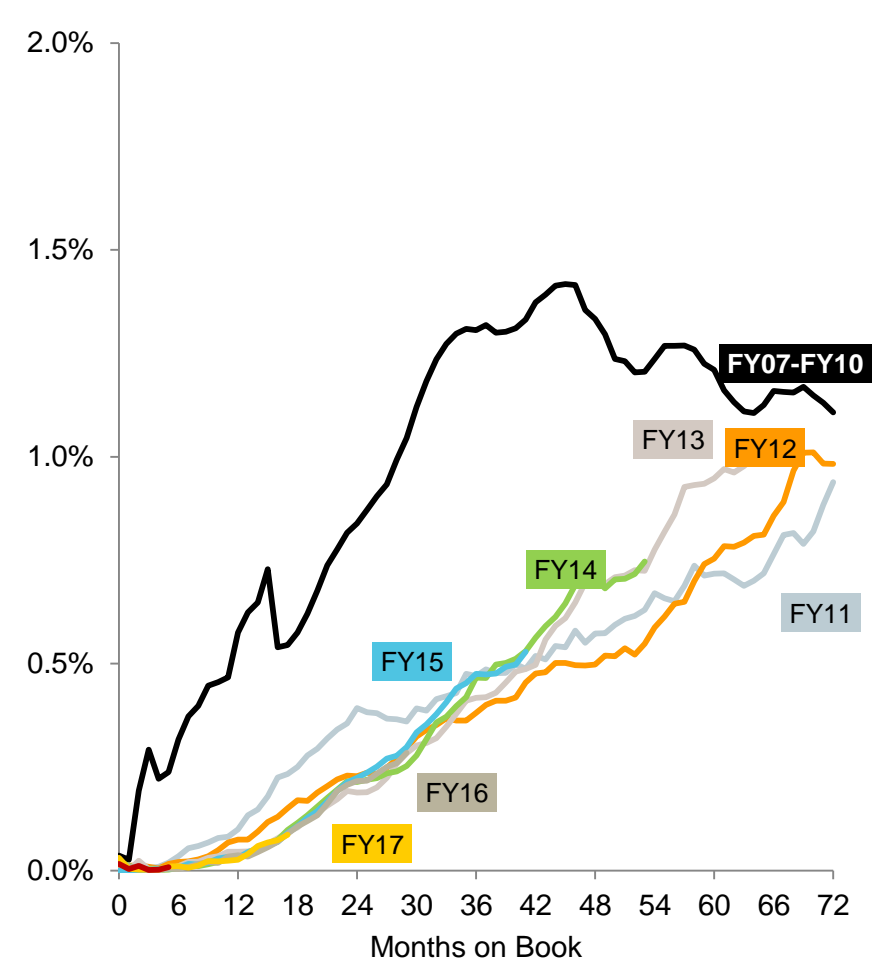
Arrears by Year

Group 90+ days¹



Arrears by Vintage

Australia² 90+ days

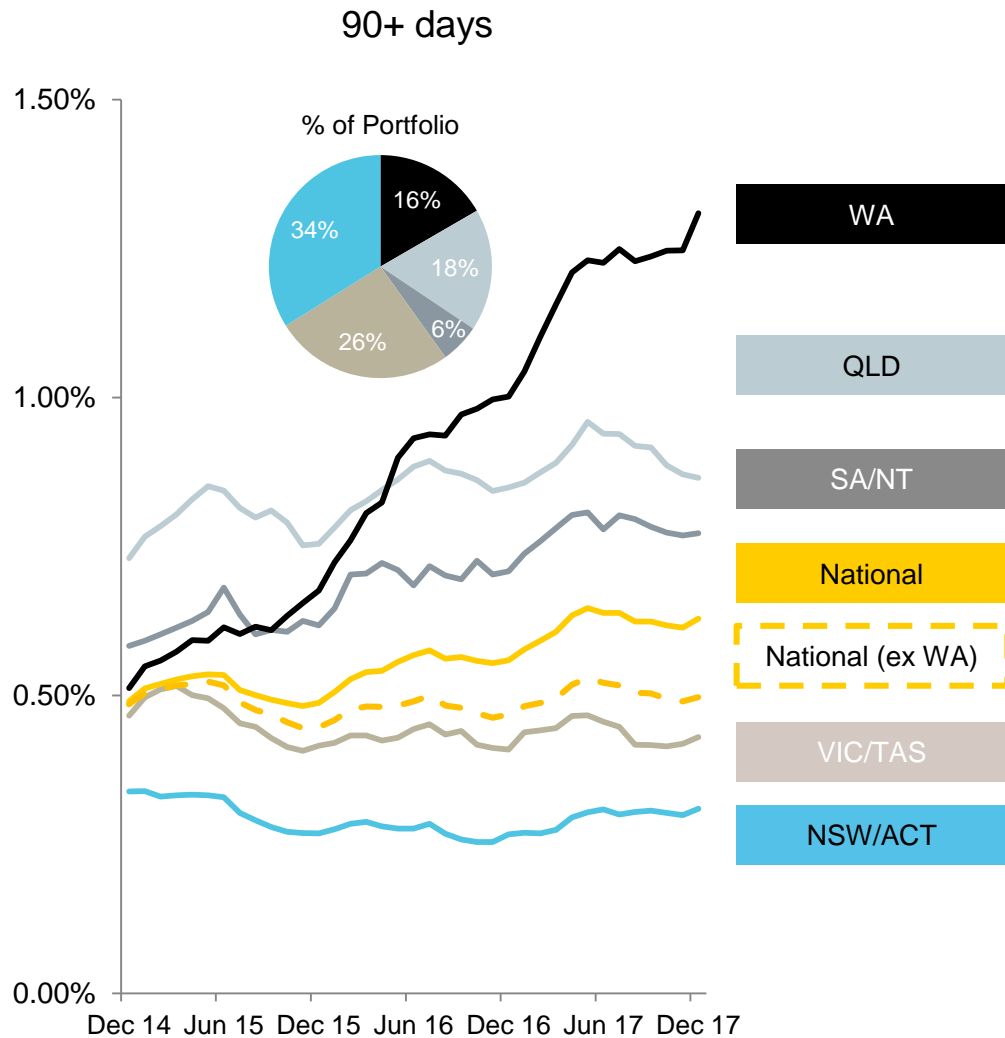


1. Excludes Line of Credit, Reverse Mortgage, Commonwealth Portfolio Loan (CBA only) and Residential Mortgage Group (CBA only) loans. 2. Bankwest included from FY08.

Australian home loans arrears by State



Home loan arrears



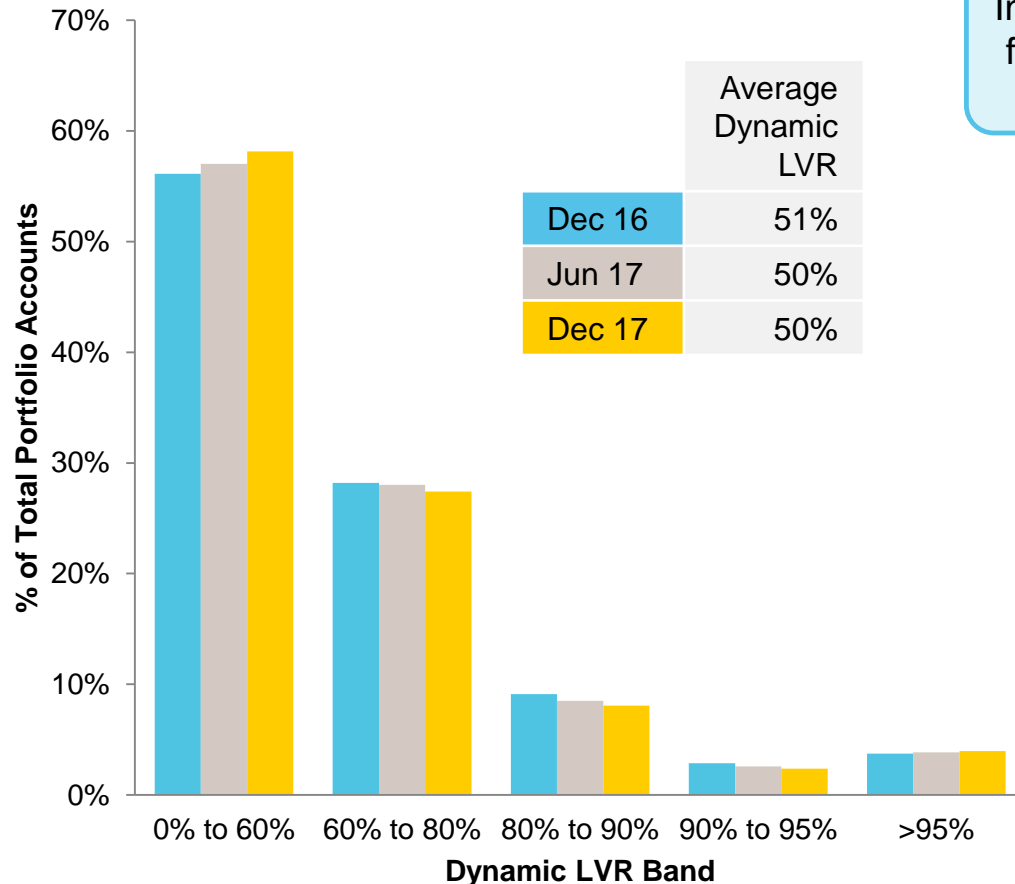
Western Australia

- Rigorous stress testing
- Credit policy tightening e.g. LVR caps, insurance requirements
- Tailored treatments by segment
- Early engagement with IHL accounts secured by multiple properties
- Increased provisions

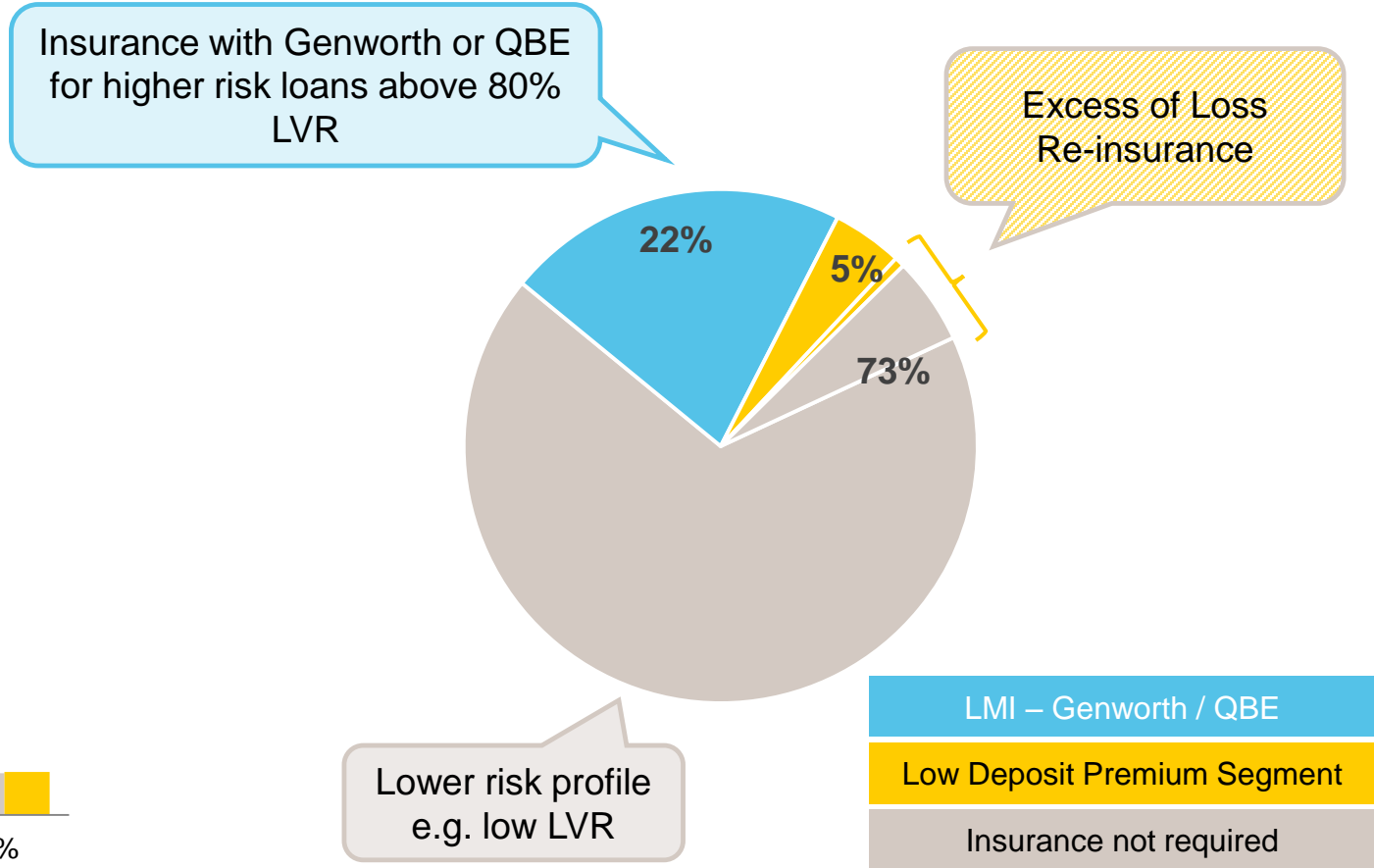
Loan to Value Ratio (LVR) and portfolio insurance



Home Loan Dynamic LVR¹



Portfolio Insurance Profile² % of Australian Home Loan portfolio

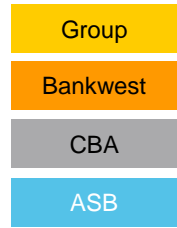
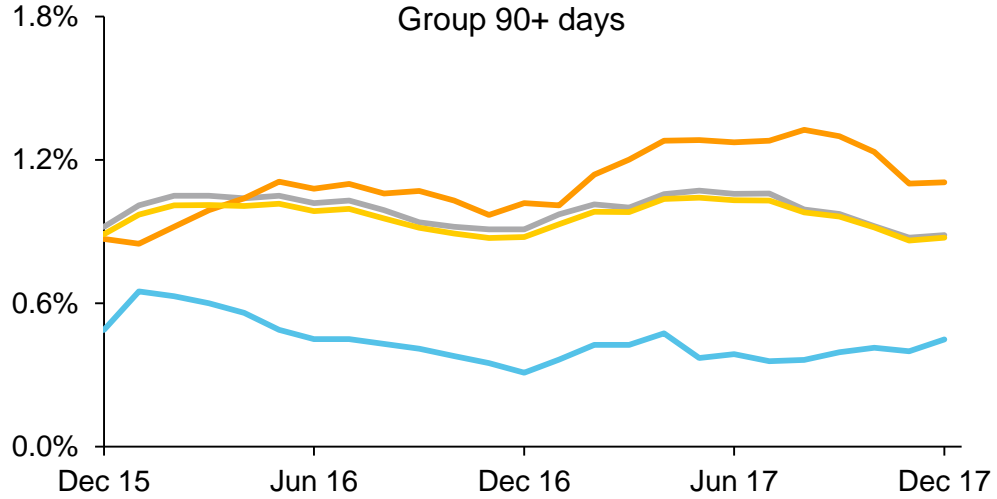


Consumer arrears



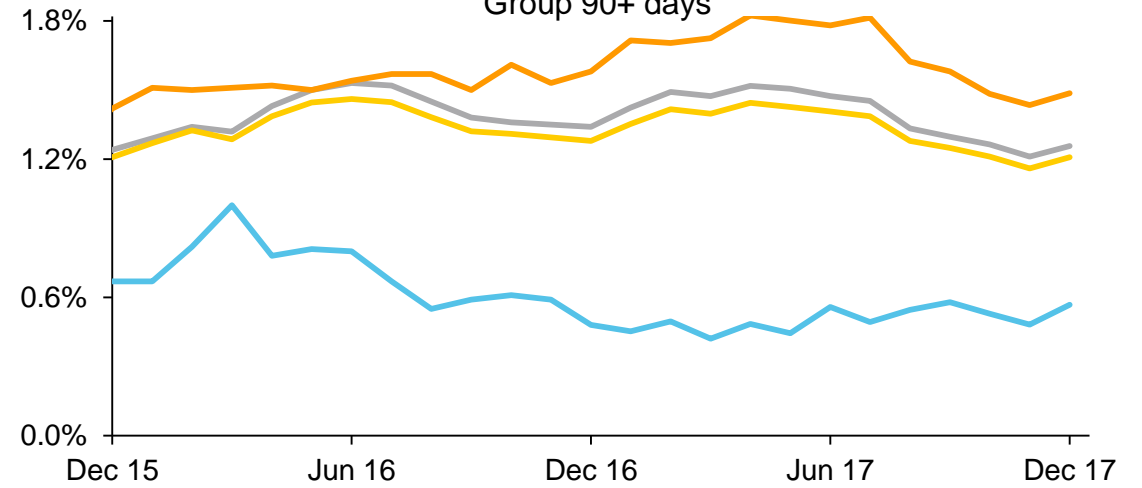
Credit Cards

Group 90+ days



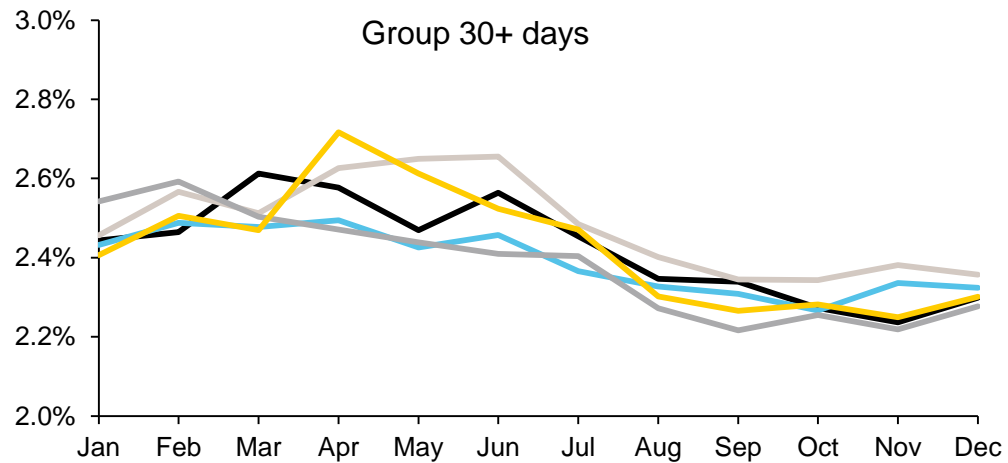
Personal Loans

Group 90+ days



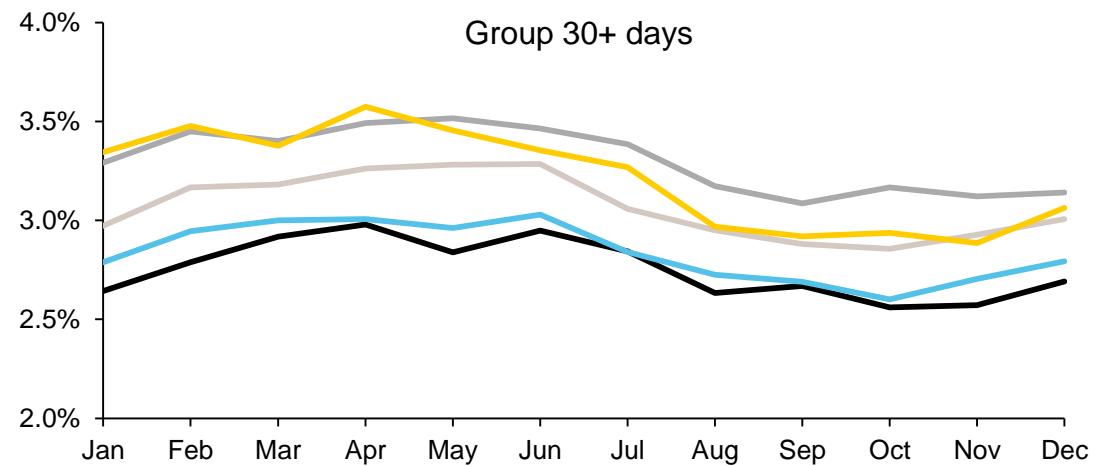
Credit Cards

Group 30+ days



Personal Loans

Group 30+ days



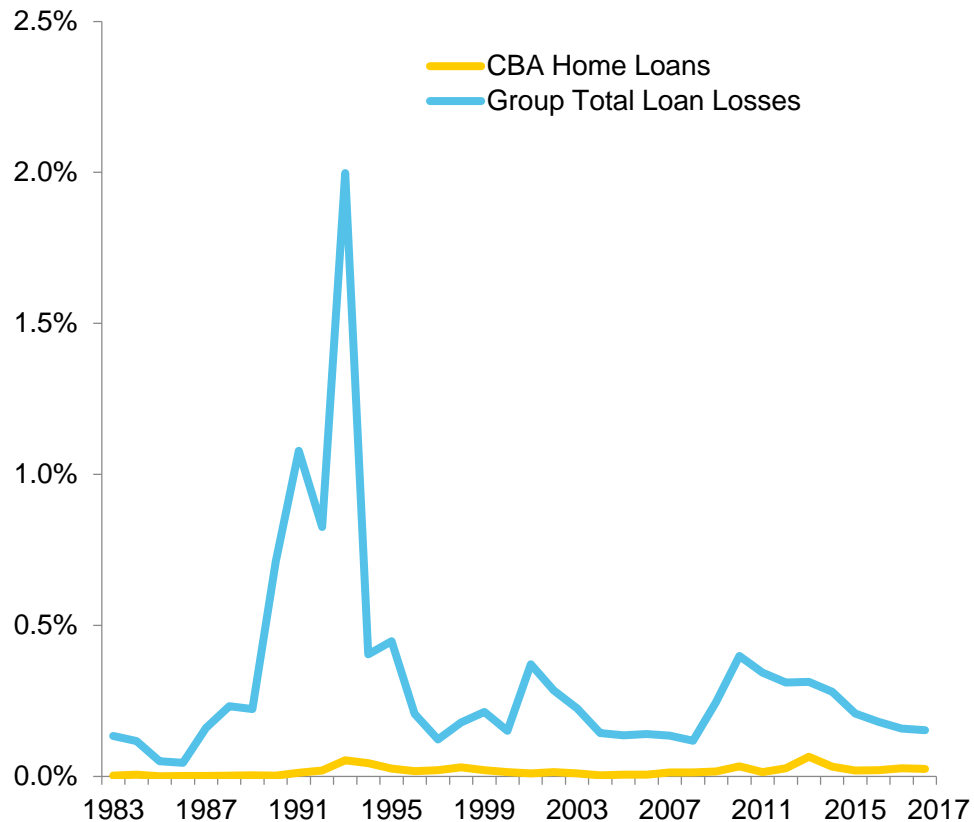
Consumer arrears includes retail portfolios of CBA (RBS and BPB), Bankwest and ASB. ASB write-off Credit Card and Personal Loans typically around 90 days past due if no agreed repayment plan.

CBA home loans



Relatively low historical losses on the Group's home loan portfolio

Losses to average gross loans¹



Losses manageable under a highly stressed scenario

Stress scenario

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

Outcomes (\$m)	Total	Year 1	Year 2	Year 3
Stressed Losses	4,165	755	1,296	2,114
Insured Losses	1,073	207	338	528
Net Losses ²	3,092	548	958	1,586
Net Losses (bpts)	61.5	10.8	18.7	32.0
PD %	n/a	1.0	1.8	2.5

Marginal increase in scenario potential net loss outcomes² compared to prior period reflects conservative assessment of potential stress from higher risk segments (eg Western Australia, mining towns).

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



Strategy

Customer focus



Our Vision

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

Our Values

Integrity
Accountability
Collaboration
Excellence
Service

Our Capabilities

People



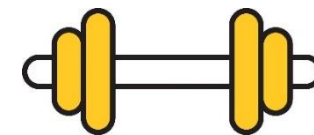
Technology



Productivity



Strength



Our Growth Opportunities

“One CommBank”

Continued growth in business and institutional banking

Disciplined capability-led growth outside Australia



TSR Outperformance

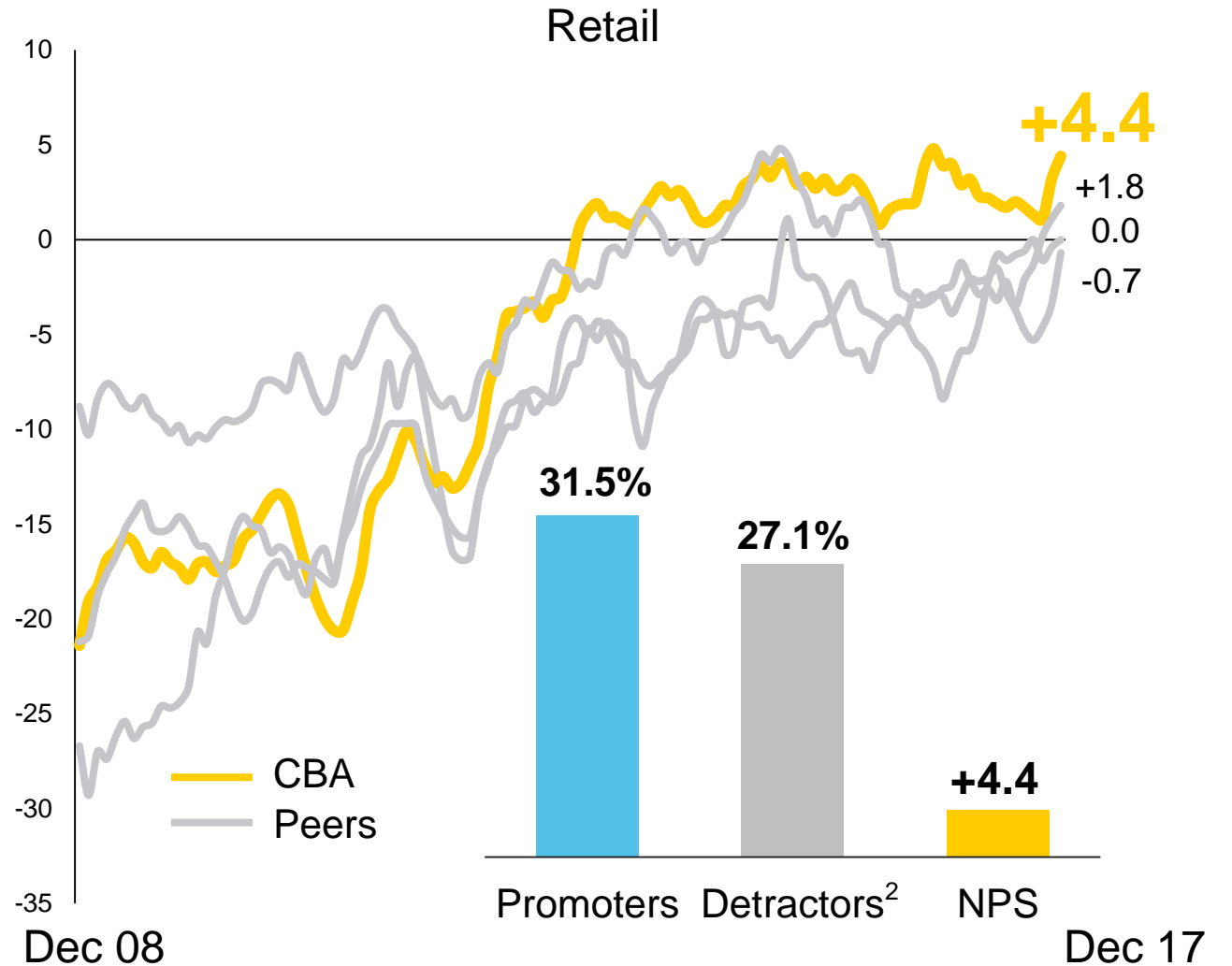
Customers



Customer Satisfaction¹

	Rank
Retail	#1
Business	= #1
Wealth	#1
Internet	#1

Net Promoter Score²

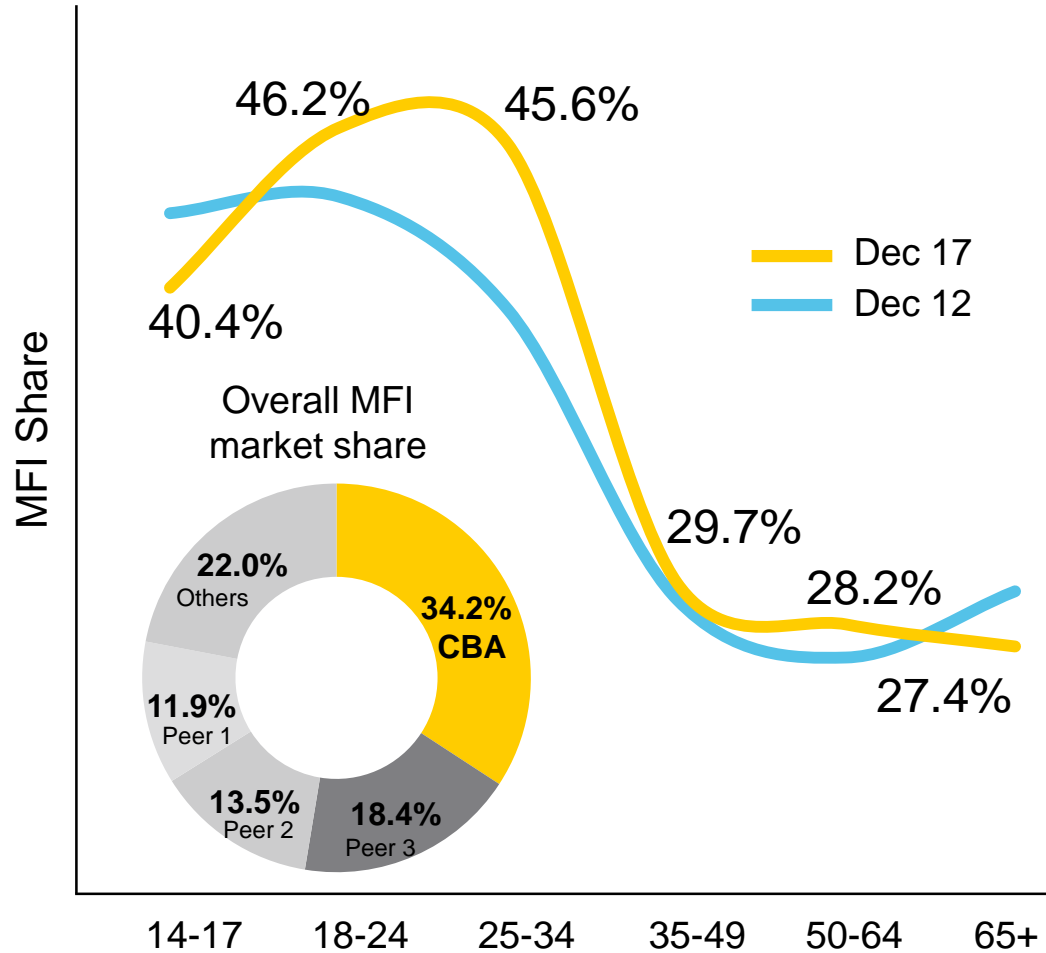


1. Refer notes slide at the back of this presentation for definitions and sources. 2. Advocacy is measured on a scale of 1 to 10, with 1 being 'Very Unlikely' and 10 being 'Very Likely' to recommend. Promoters is defined as score of 9-10. Total Detractors is a score of 1-6.

Customers

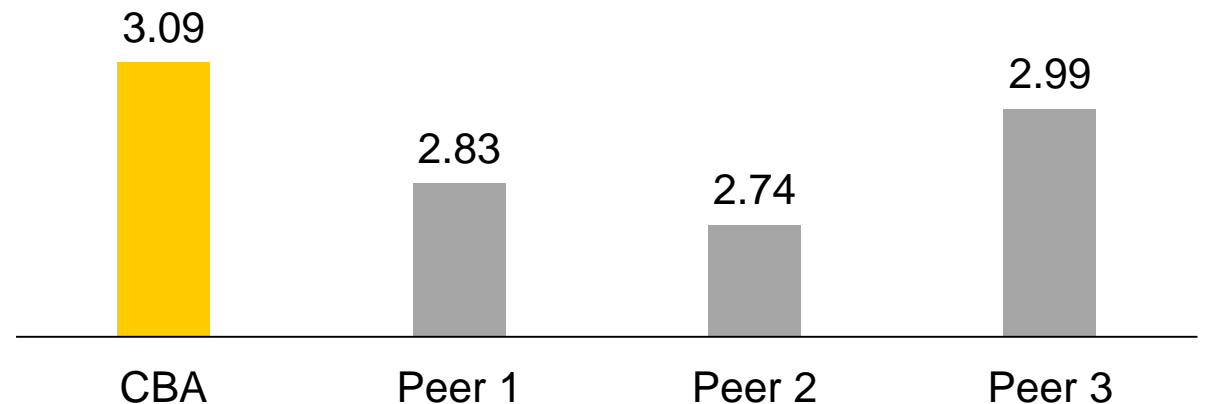


Customer lifecycle by age



- ▶ Serving 15.9¹ million customers
- ▶ MFI for 1 in 3 Australians
- ▶ Leading market shares in home lending² 24.6% and household deposits³ 28.5%
- ▶ Highest share-of-wallet amongst peer group (3.09 products per customer)

Products per Customer



Technology

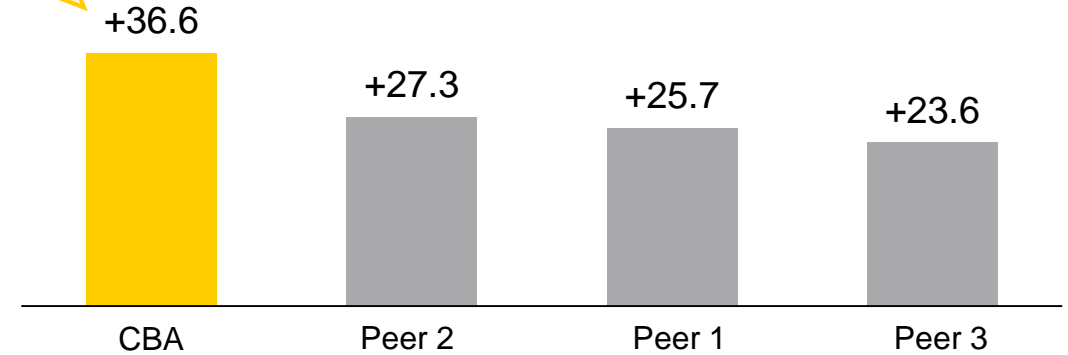
- #1** Free Financial app
(Apple App Store & Google Play Store)²
- #1** Online Banking – 8 years in a row
(CANSTAR)³
- #1** Mobile Banking – 2 years in a row
(CANSTAR)⁴
- #1** Australian Mobile Banking Benchmark
(Forrester)⁵
- #1** Mobile Banking Provider of the Year
(Money Magazine)⁶
- #1** Digital Payment Product of the Year –
Better Bill Experience (AB&F)⁷

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

Net Promoter Score¹

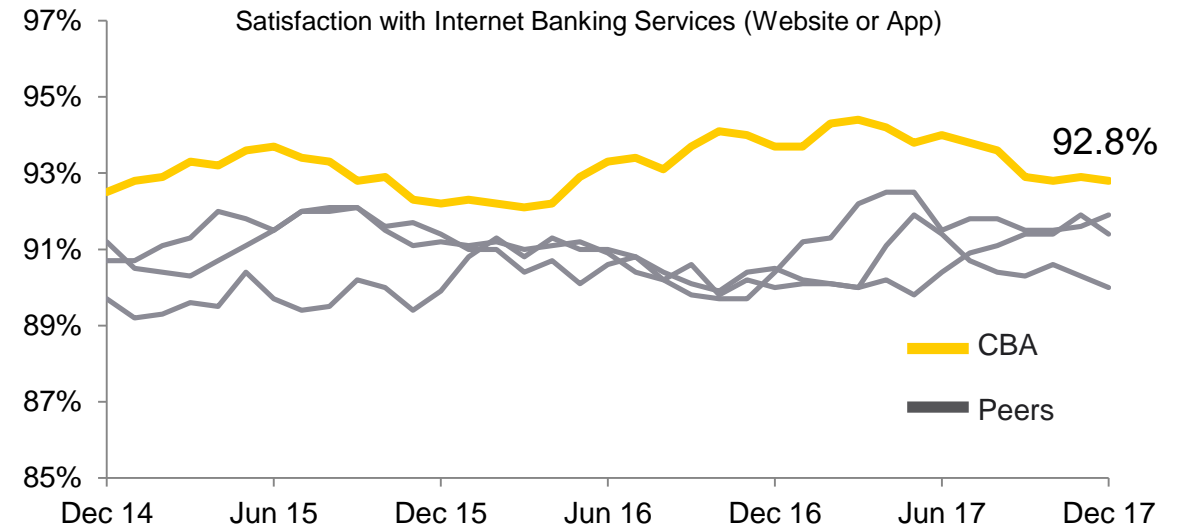
Customer's likelihood to recommend main financial institution based on use of Internet Banking services (via Mobile App)

50.7% Promoters



Internet customer Satisfaction

Satisfaction with Internet Banking Services (Website or App)



Technology

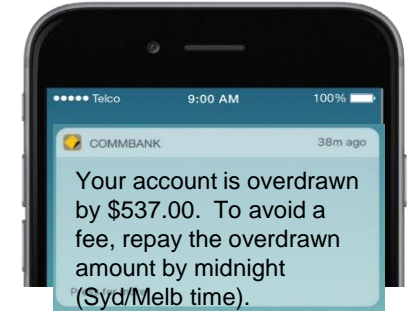
Budgeting Made Easy

- Transaction Notifications¹
- Spend tracker
- Savings Challenge²
- Credit Card Spending Limits



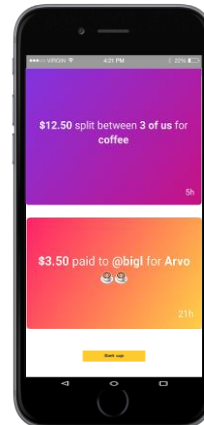
Putting customers in control

- Insufficient funds alerts
- Credit card alerts
- High cost transaction alerts



Making Payments Easier

- Tap & Pay
- Android pay
- Wearables Fitbit, Garmin
- Beem – free secure payment app



Security and accessibility

- Face ID
- Lock, block & Limit
- Ceba – automated digital assistant
- Live Chat



1. Transaction notifications are available for credit cards, excluding jointly held cards. 2. Savings Challenge is currently available in the CommBankLabs app.

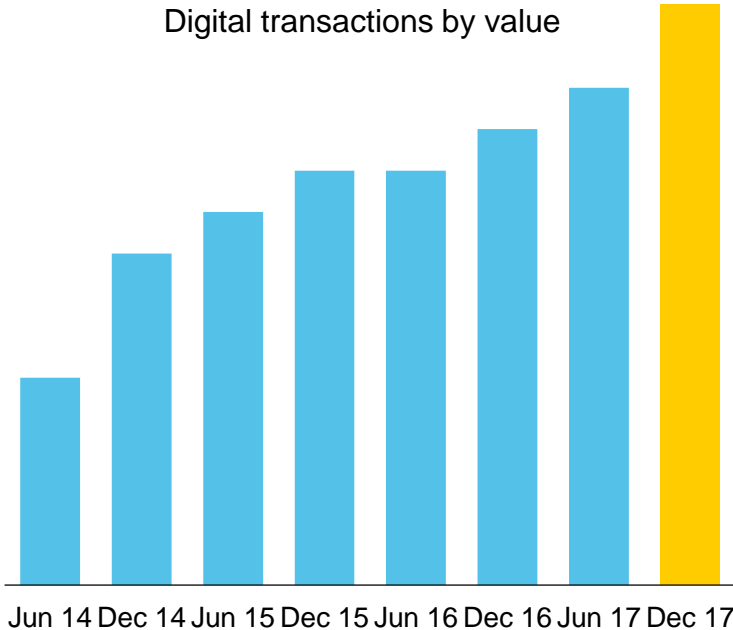
Real time, digital banking

Digital - transactions

56% of all transactions by value now digital

56%

Digital transactions by value

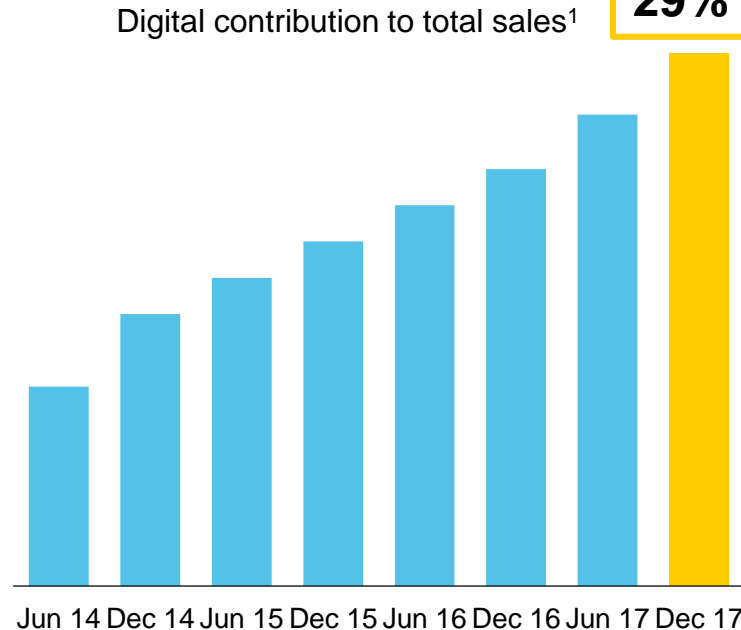


Digital - sales

29% of retail product sales now digital

29%

Digital contribution to total sales¹

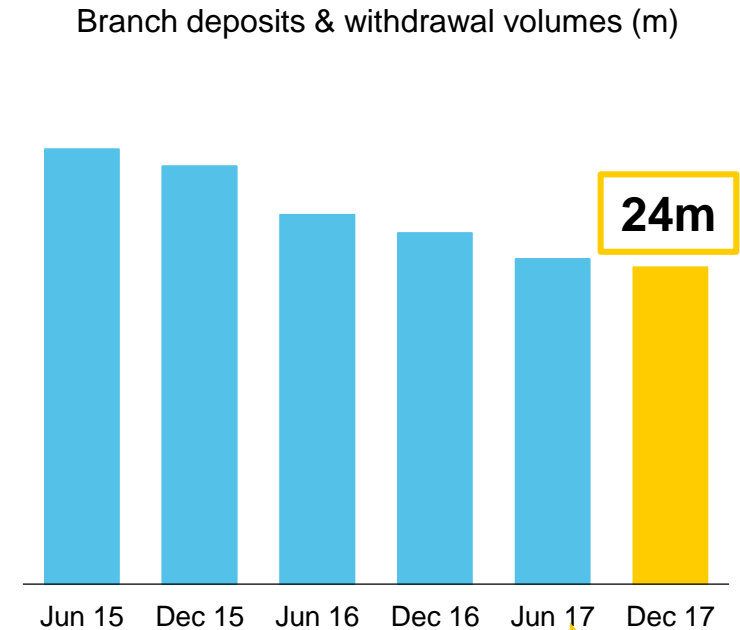


Repositioning branches

~50% smaller footprint
~250 locations

24m

Branch deposits & withdrawal volumes (m)



Real time banking – originate and transact in real time – anytime, anywhere, any device

1. Digital contribution to total sales includes quality new accounts (QNA) for key products: deposits, credit cards, home loans, personal loans, insurance and business accounts. QNA is demonstrated by certain types of transactional activity taken by the customer e.g. deposits, loan repayment deductions etc.

Corporate responsibility – performance data



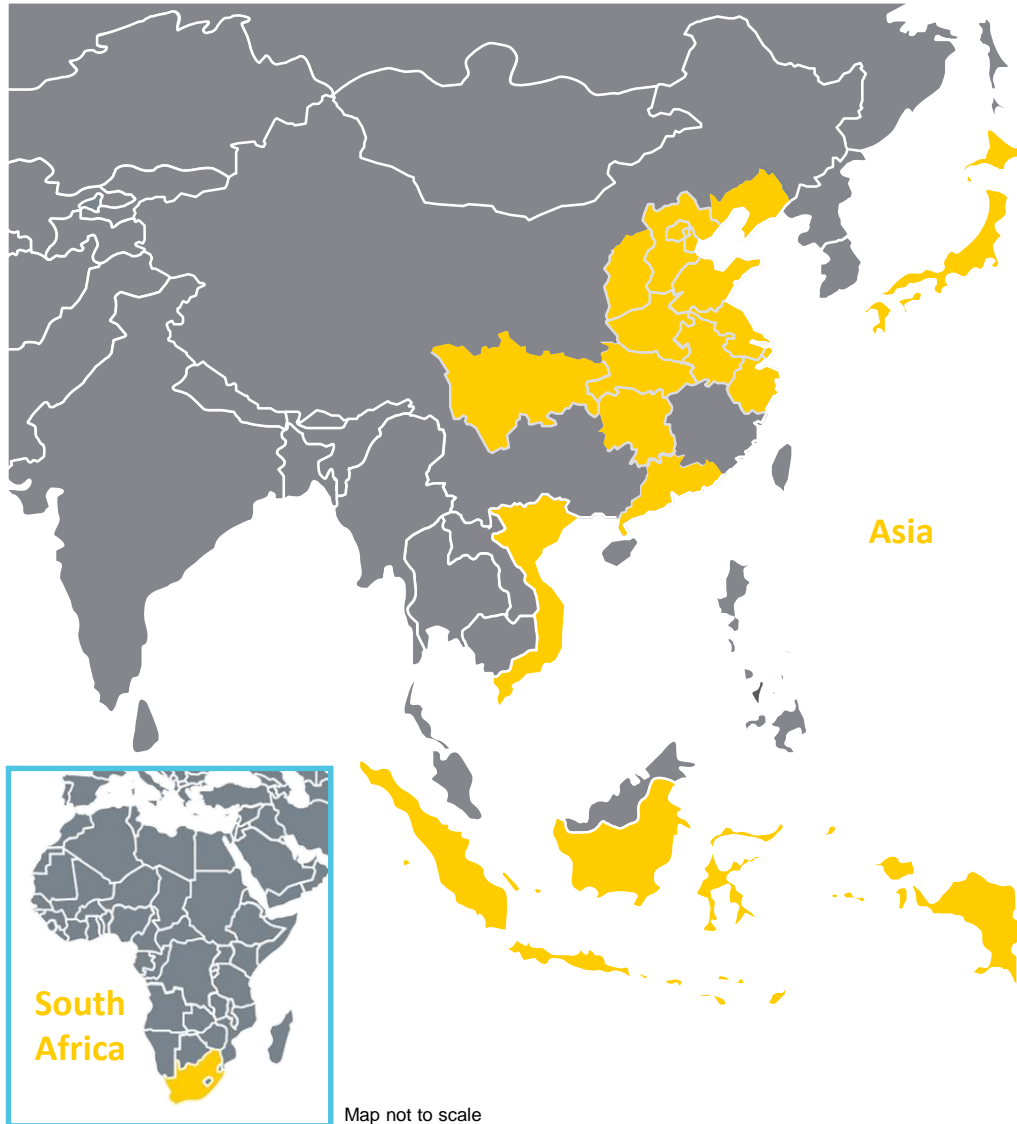
		1H18	FY17	FY16	FY15
Environment	Renewable energy lending exposure (\$bn)	3.3	2.8	2.2	1.4
	Total greenhouse gas emissions (Group) (tCO ₂ -e)	98,214	204,317 ¹	164,111	179,276
	Emissions per FTE (Australia) Scope 1 + 2 (tCO ₂ -e)	2.3	2.3	2.6	2.7
Social	Employee Engagement Index (CBA) (%)	Annual	78	77	81
	Women in Manager and above roles (%)	44.4	44.4	43.6	43.2
	Training hours per employee	21.4	39.1	34.3	31.1
	Lost Time Injury Frequency Rate (LTIFR)	1.1	1.1	1.5	2.0
	Total community investment (\$m)	152	272	262	243
Governance	Female directors on Board (%)	33	40	33	27
	SpeakUP Program cases (#)	60	171	-	-
	<i>Whistleblower cases (#)²</i>	21	44	-	-
	Training completion rate on 'Our Commitments' (%)	99.9	97.6	-	-



For metrics definitions, please refer to the 2017 Corporate Responsibility Report, available at: www.commbank.com.au/investors/corporate-responsibility.

1. From 2017 we have included data centres outside of our operational control. 2. Whistleblower cases are a subset of SpeakUP Program cases

CBA in Asia and South Africa



Map not to scale

South Africa

- TymeDigital by Commonwealth Bank SA: 715 kiosks

Indonesia

- PT Bank Commonwealth (99%): 50 branches and 50 kiosks
- PT Commonwealth Life (80%): 25 life offices
- PT First State Investments

China

- Bank of Hangzhou (18%): 201 branches
- Qilu Bank (18%): 131 branches
- CBA Beijing, Shanghai and Hong Kong branches
- BoCommLife (37.5%): operating in 12 provinces
- First State Cinda JV (46%) and First State Investments Hong Kong
- Colonial Mutual Group Beijing Rep Office

Vietnam

- CBA Digital Solutions
- Vietnam International Bank (20%): 161 branches
- Hanoi Representative Office

Singapore

- CBA branch
- First State Investments

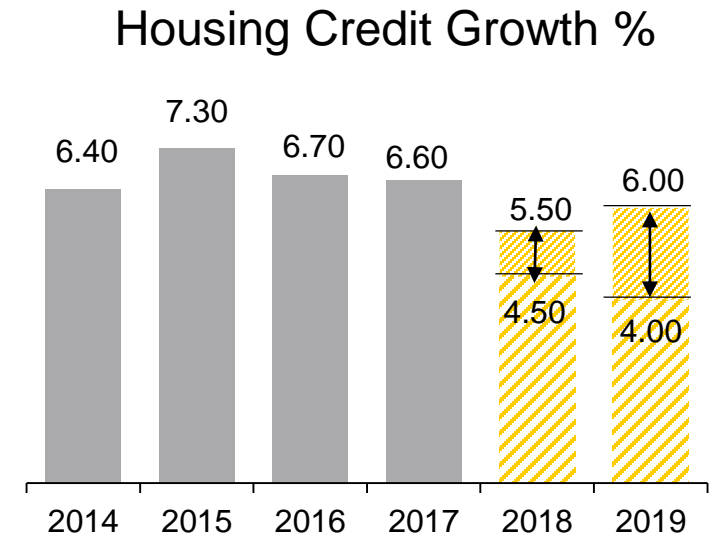
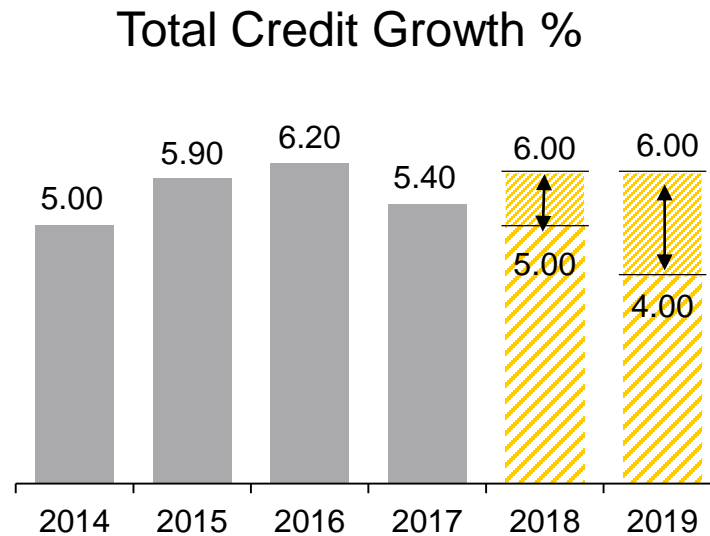
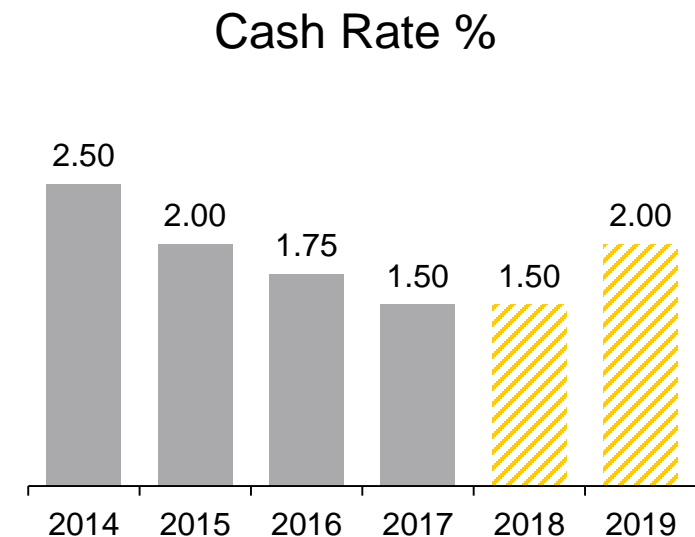
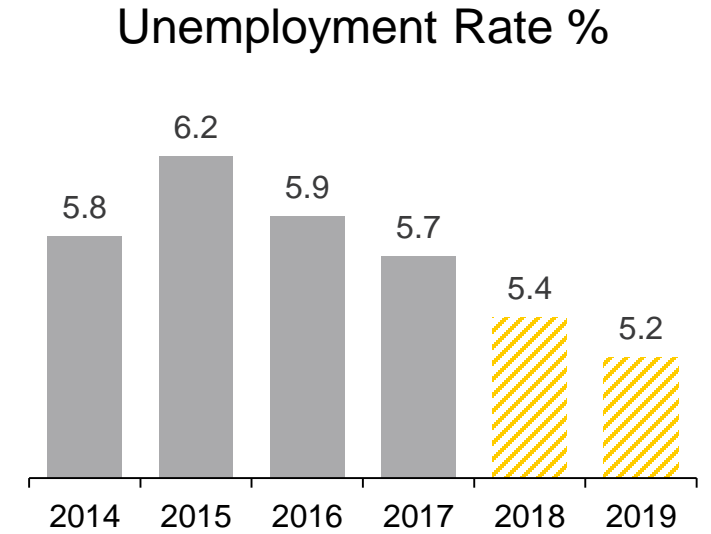
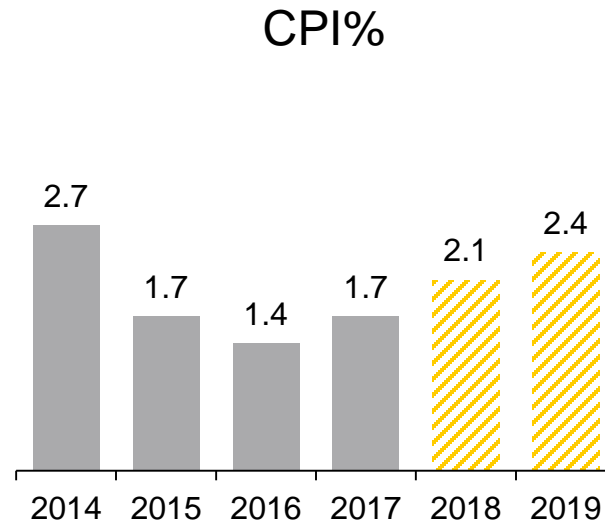
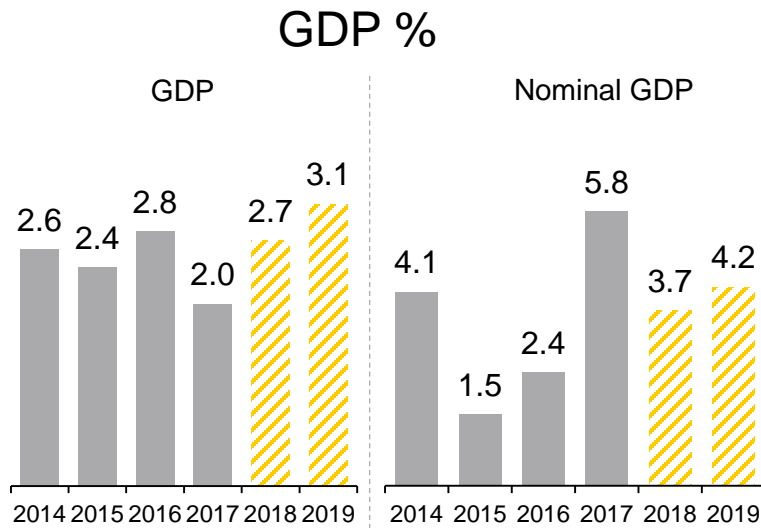
Japan

- Tokyo CBA branch
- First State Investments



Economic Overview

Key economic indicators (June FY)

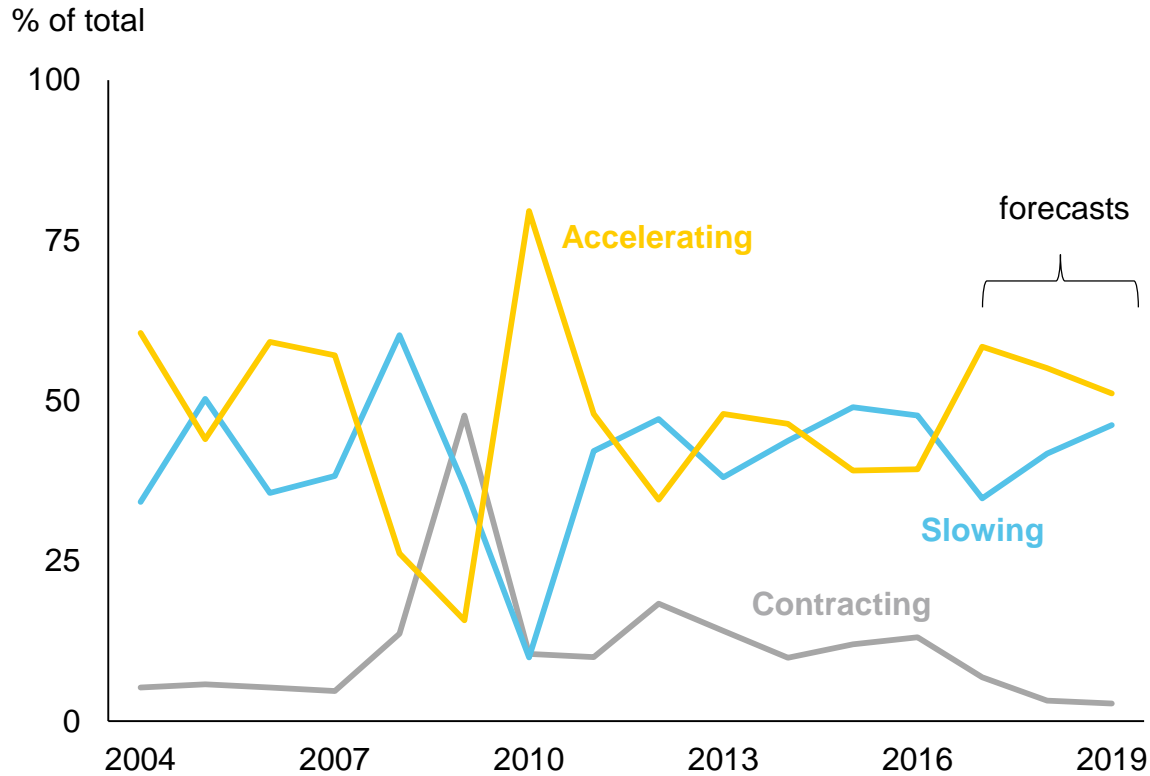


Credit Growth = 12 months to June qtr
 GDP, Unemployment & CPI = Financial year average
 Cash Rate = As at end June qtr
 = forecast

A sustainable global upturn is underway

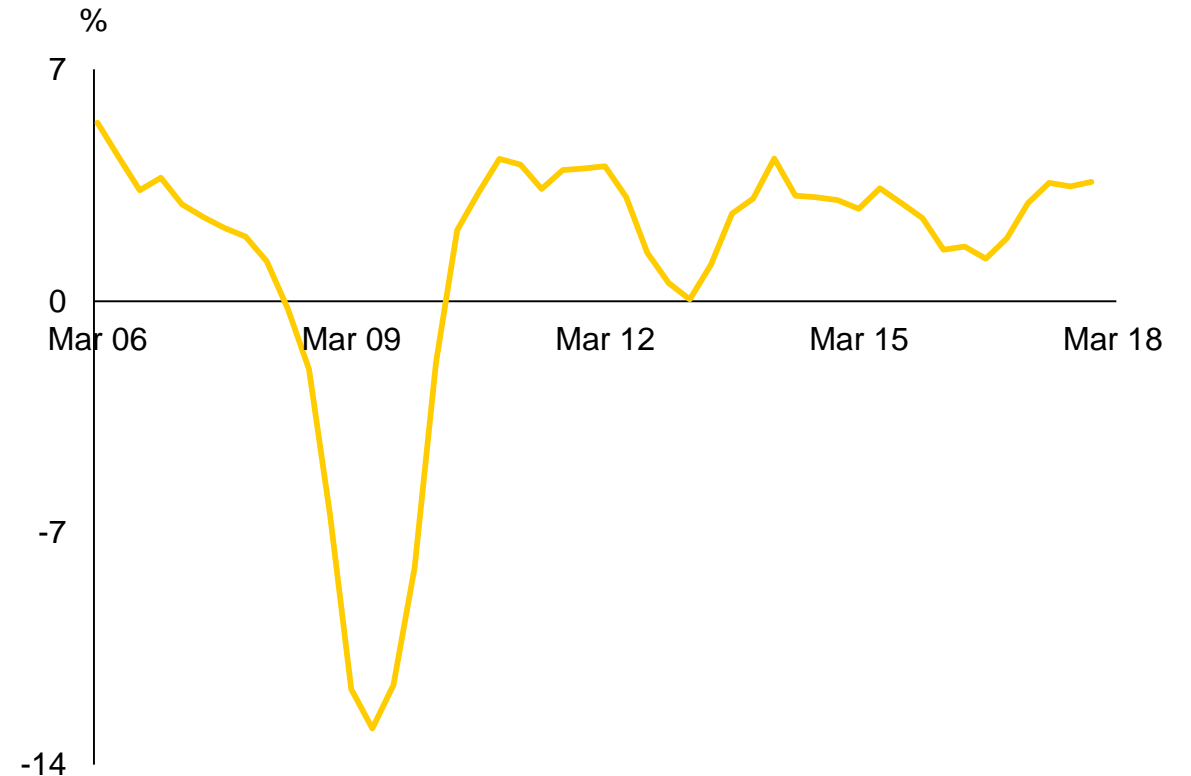


Global growth momentum¹
(number of countries)



IMF forecasts have well over half of all countries with an accelerating growth profile over 2017-19.

OECD gross fixed CAPEX²
(annual % change)

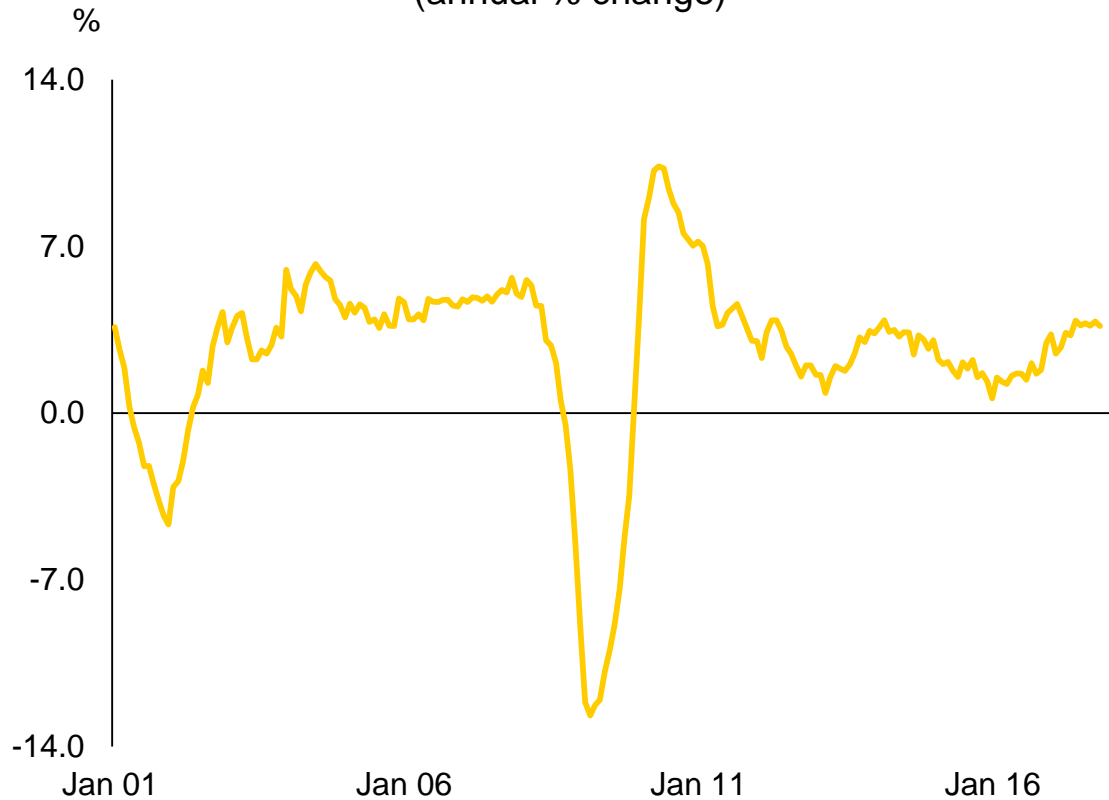


Rising global trade, capex and jobs suggests the upturn is sustainable.

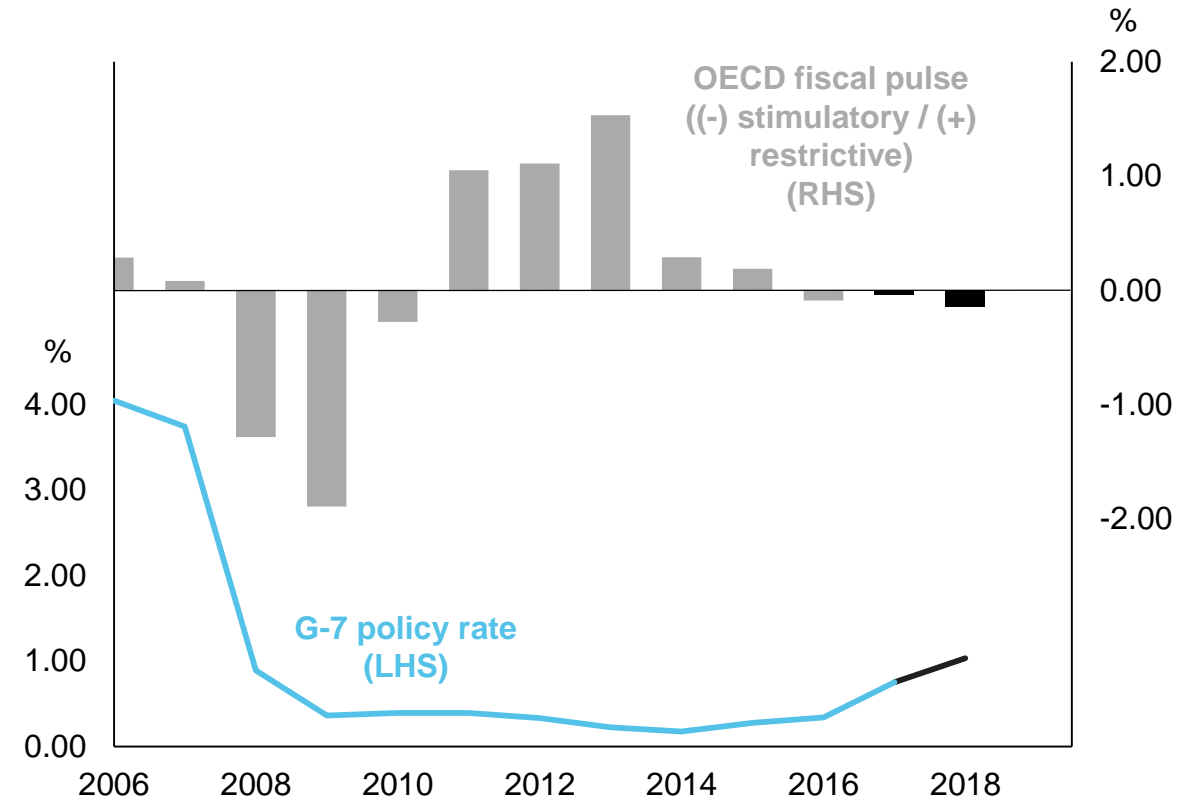
A sustainable global upturn is underway



Global industrial production¹ (annual % change)



Policy indicators²



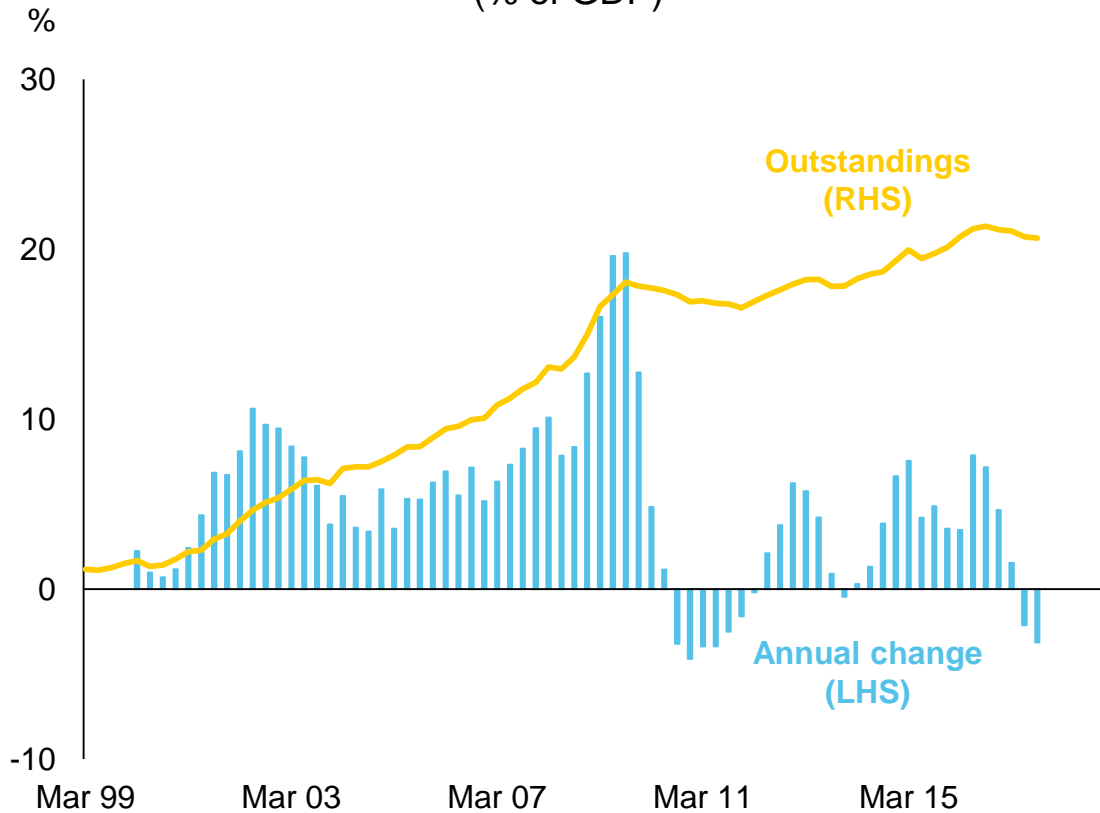
Global growth is skewed towards Asia and favours industrial production, a favourable mix for Australia.

Policy settings may tighten a little but will remain expansionary overall.

Global risks remain

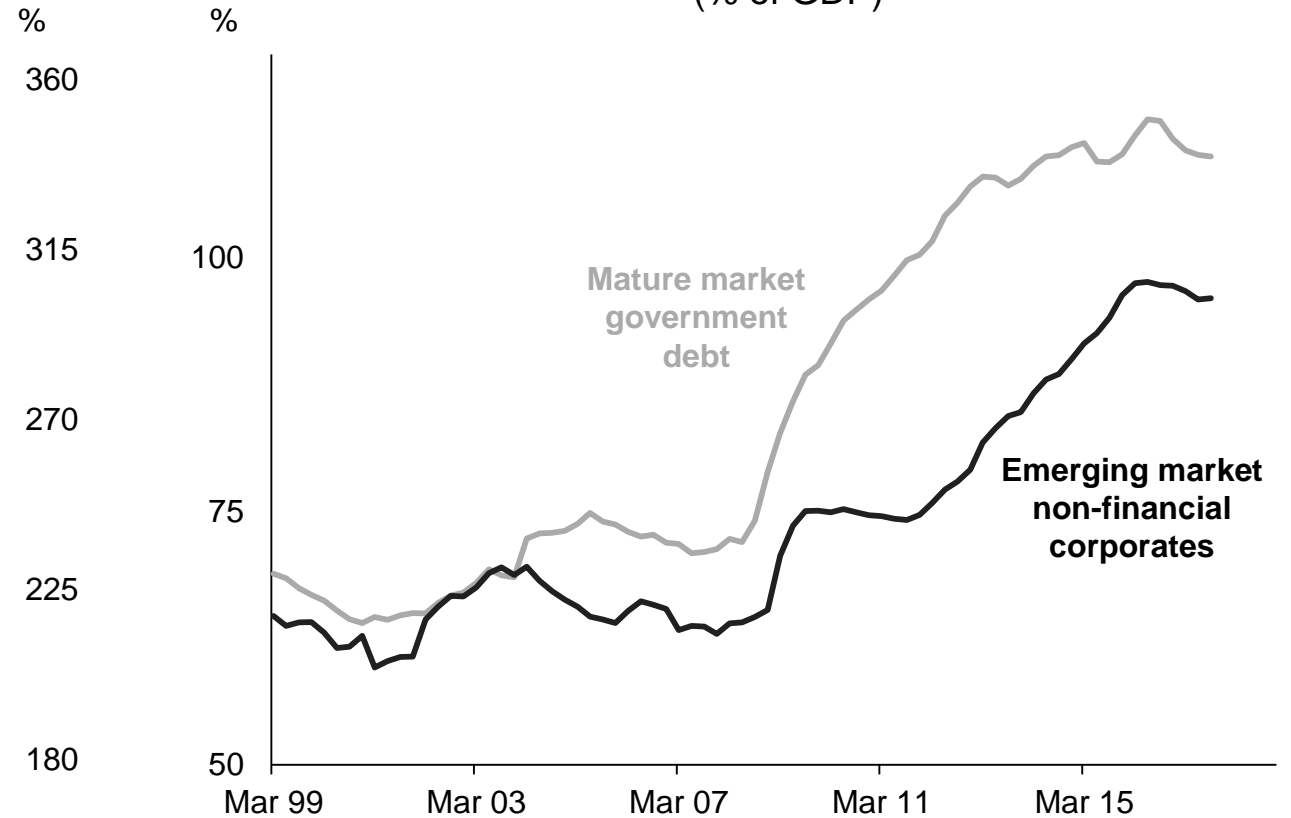


Global debt¹
(% of GDP)



Global debt remains at high levels but is falling as a share of GDP.

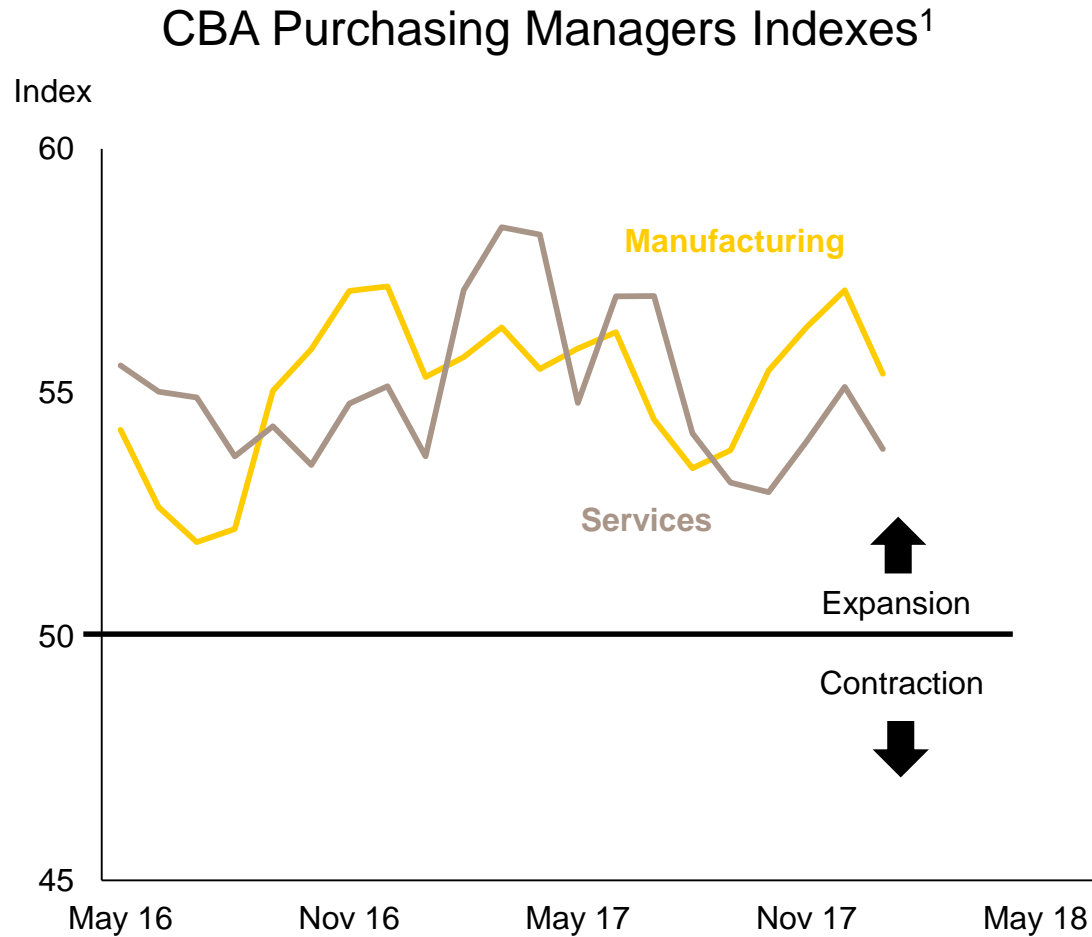
Global debt¹
(% of GDP)



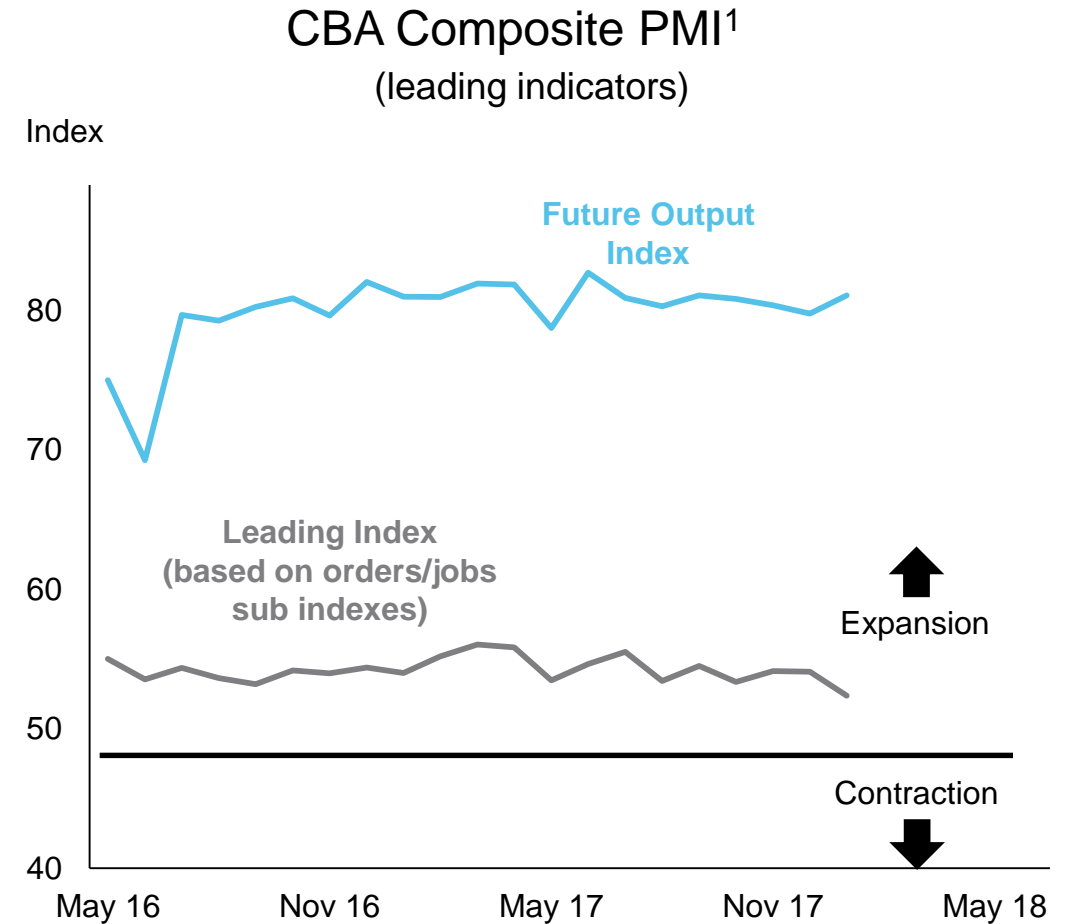
High government debt levels in the mature economies limit the ability to use fiscal policy if needed. High levels of corporate debt in the emerging economies bring refinancing risks.

1. Source: IIF.

Australia ended 2017 with a respectable growth momentum



CBA Purchasing Managers Indexes covering manufacturing and services remain comfortably in expansionary territory.

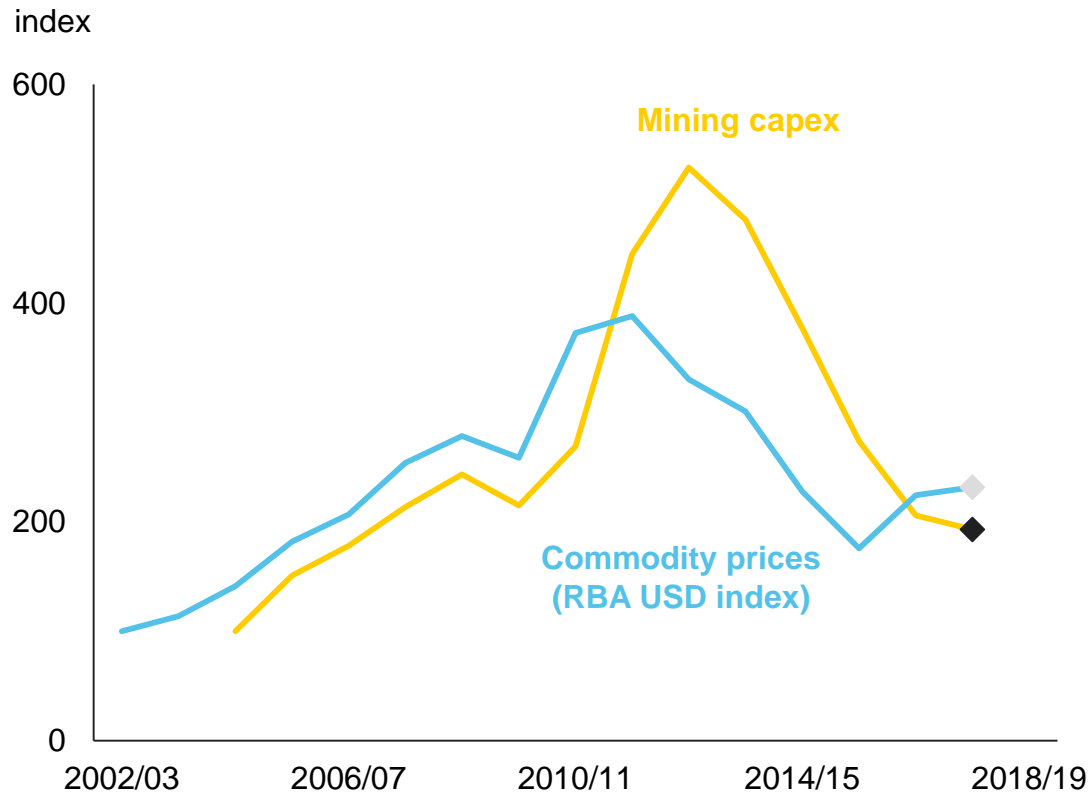


The high readings of forward-looking components (orders, employment, future output) is encouraging.

Getting easier to grow

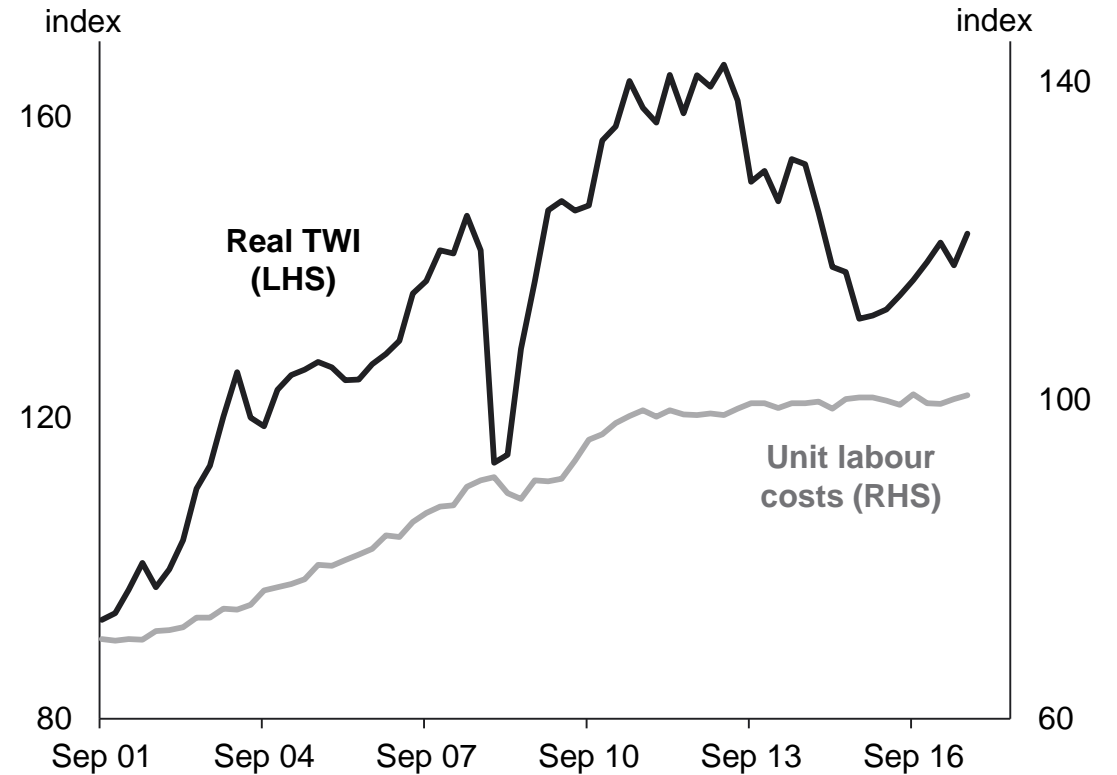


The commodity boom-bust (start = 100)



The drag on incomes from falling commodity prices is over. The drag on spending and jobs from falling mining capex is near completion.

Fundamental drivers¹ (index)



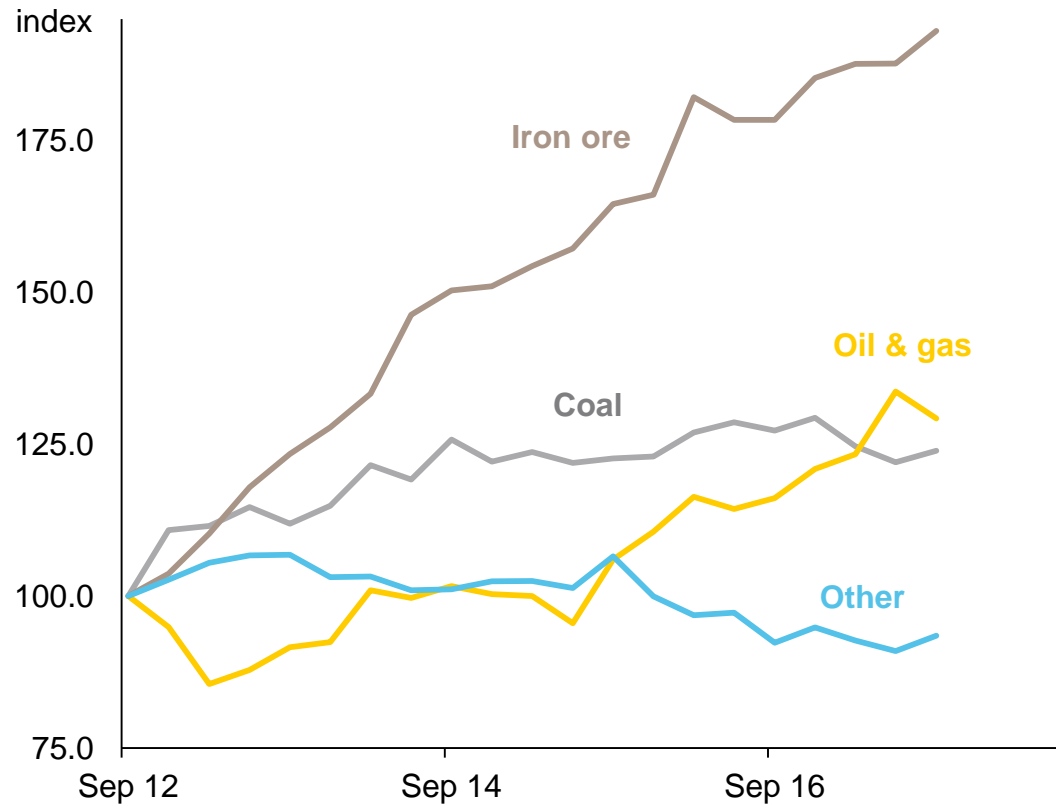
Background economic parameters are growth friendly. Flat unit labour costs are supporting labour demand and improving export competitiveness.

1. Source: RBA.

Growth positives

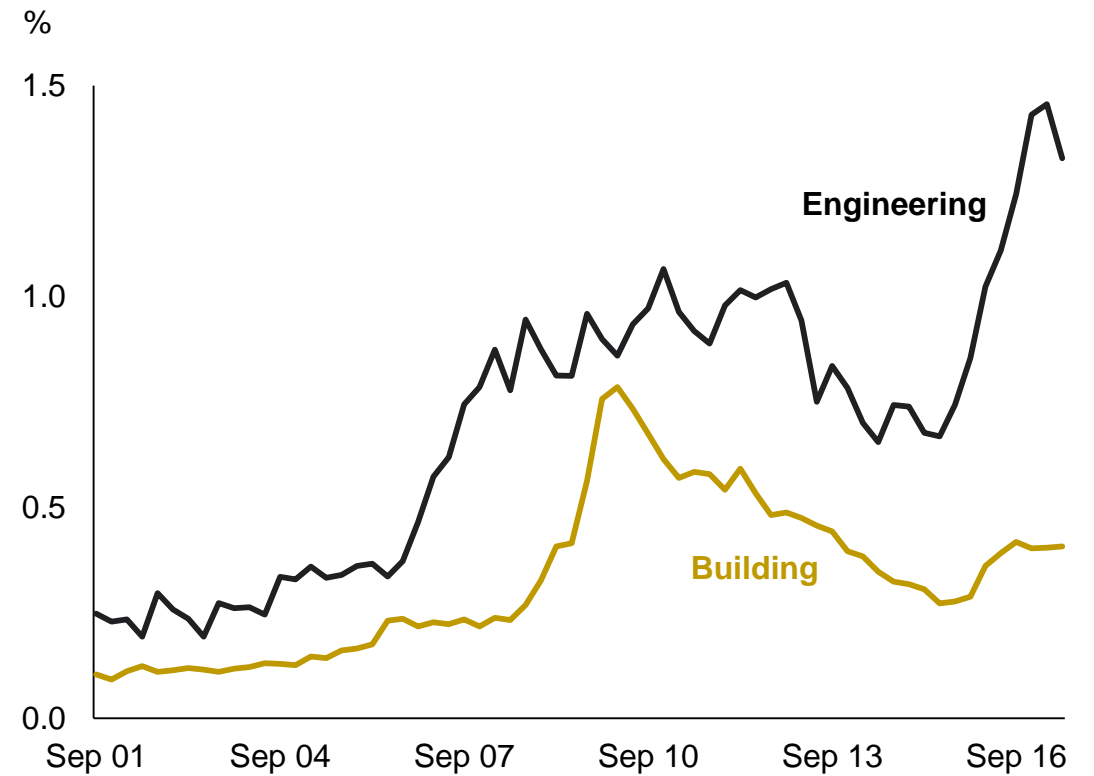


Mining output by sector (Q3'12 = 100)



New capacity means a significant lift in resource production and exports is underway.

Public investment (Work yet to be done, % of annual GDP)

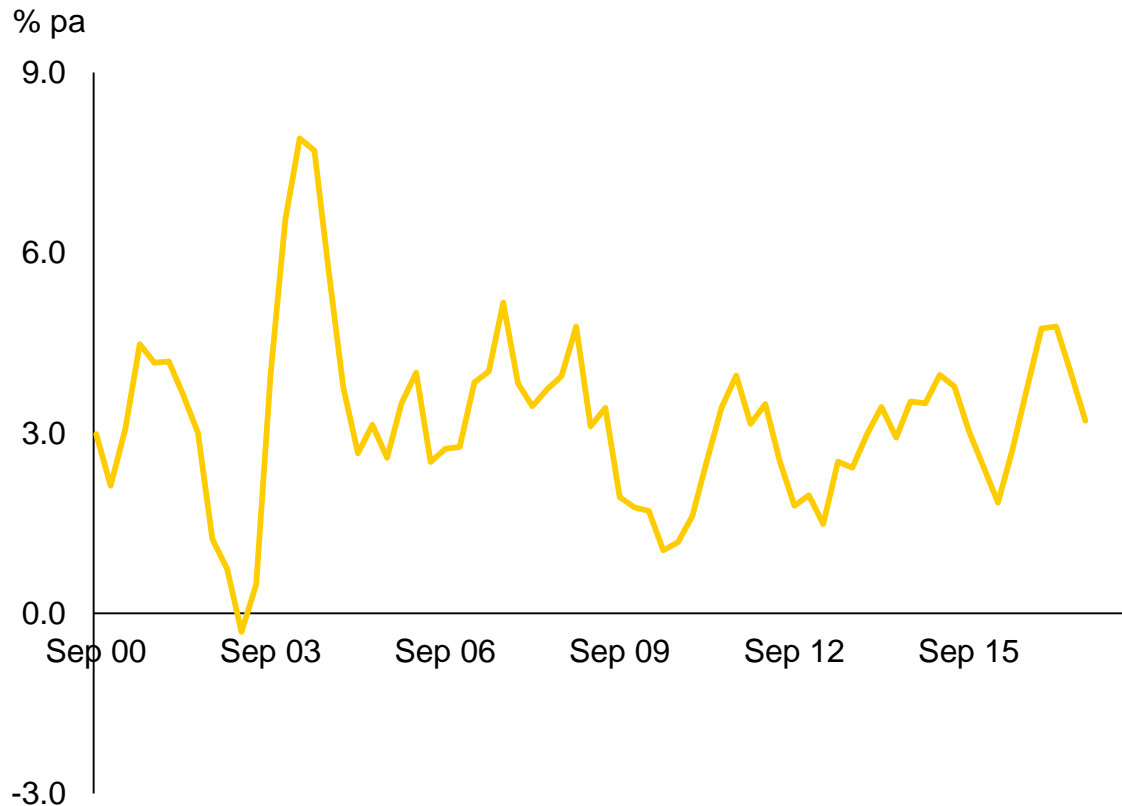


A major infrastructure boom at the State and Federal level is underway.

Growth positives

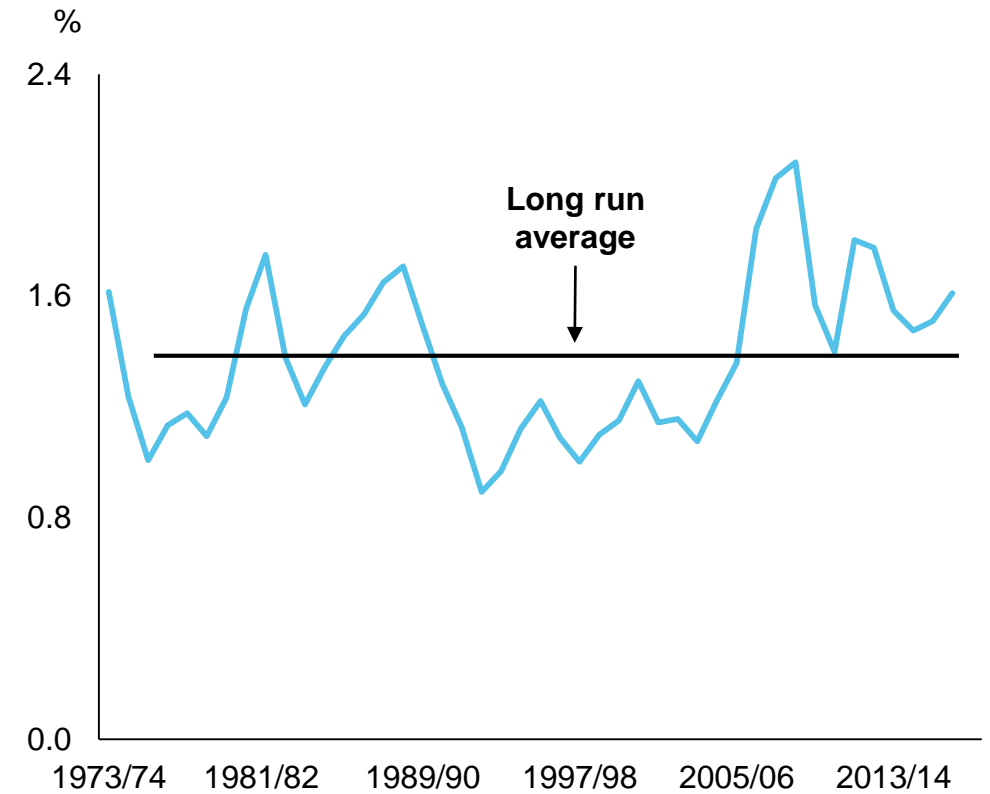


Asian income growth by proxy
(Australian GDP exposed to Asian income growth)



Strong growth in Asian incomes is driving key parts of the Australian economy, such as education and tourism.

Population
(annual % change)

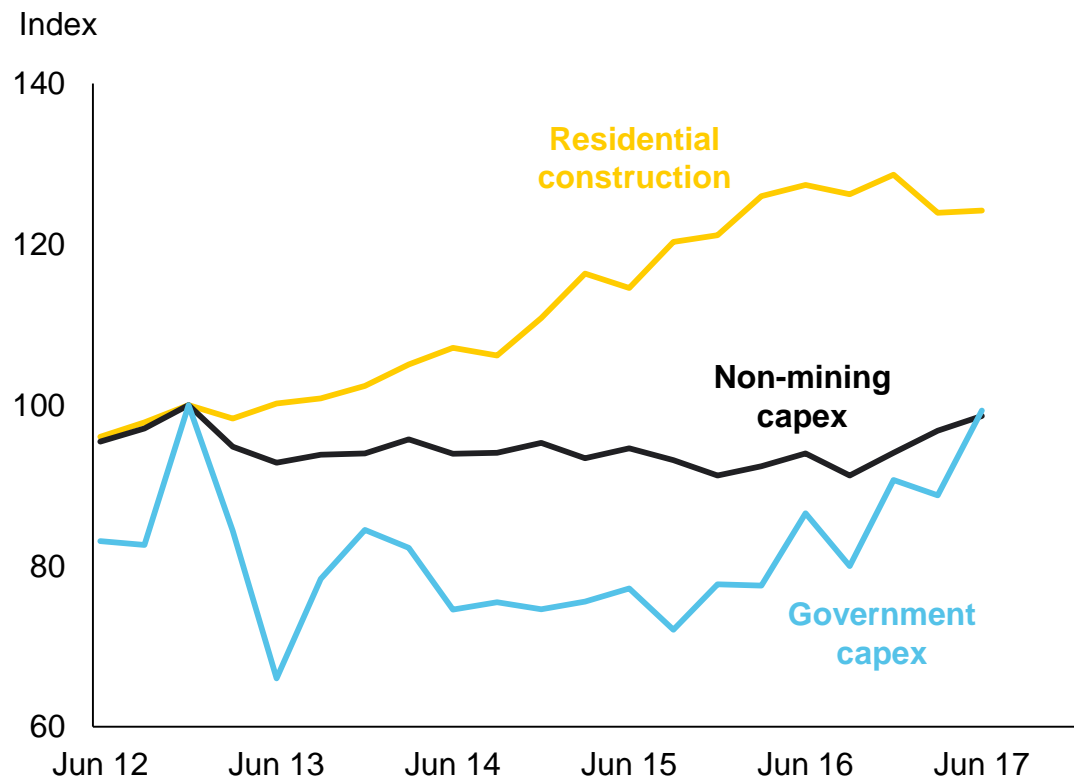


Population growth is lifting, supporting housing demand and demand across the broader economy.

Growth risks

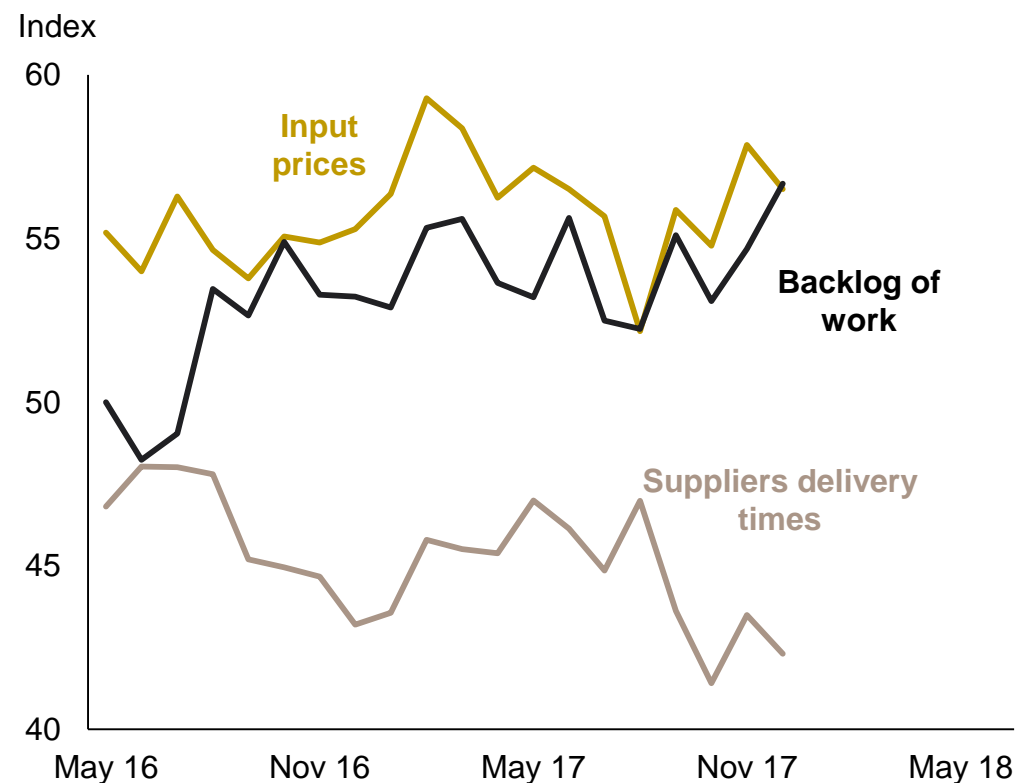


Transition drivers¹ (end 2012 = 100)



The residential construction boom is peaking and an ongoing lift in non-mining capex is not assured.

CBA Manufacturing PMI² (price pressure indicators)



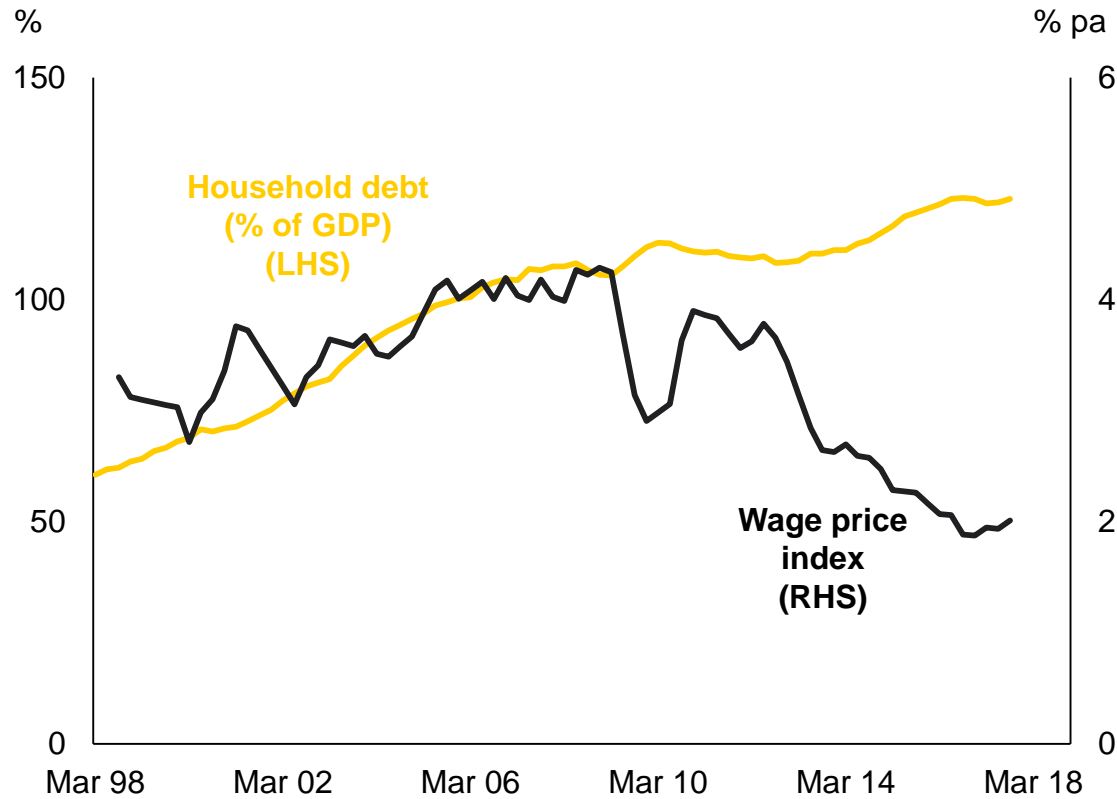
CBA PMI surveys show some lift in capacity constraints, potentially limiting our ability to fully benefit from an improving global economy and solid underlying domestic backdrop.

1. Source: ABS. 2. Source: IHS Markit/CBA.

Growth risks

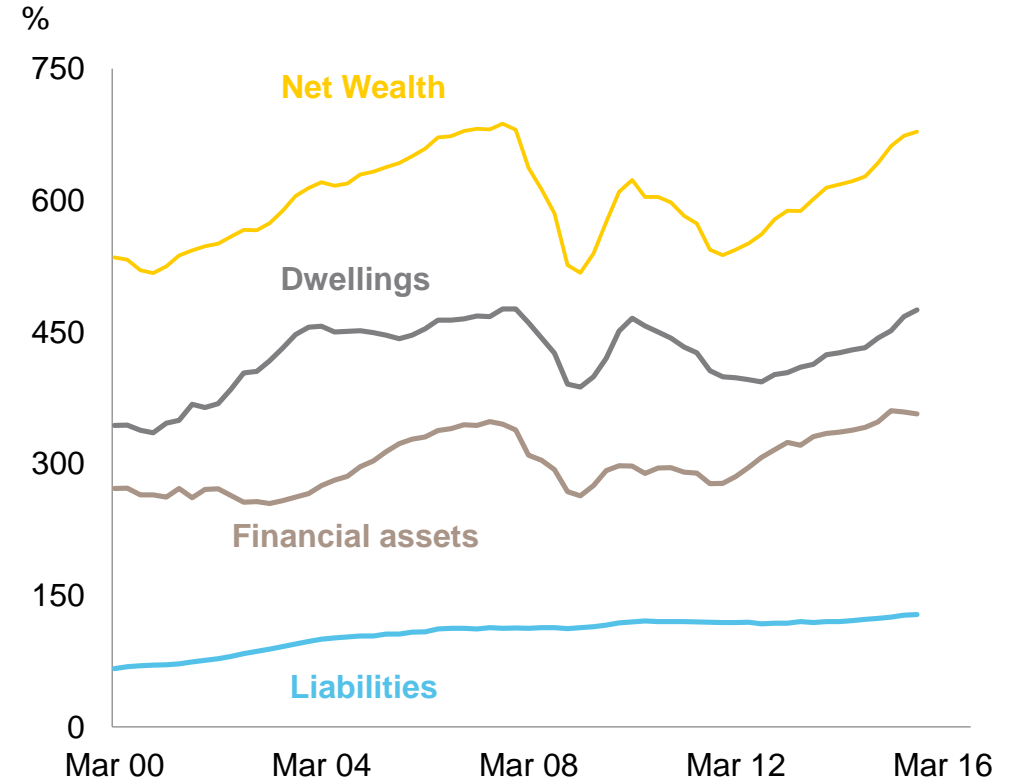


Wages & debt¹



The combination of high household debt at a time of weak income growth is a risk to consumer activity.

Household wealth and Liabilities² (% of annual household disposable income)



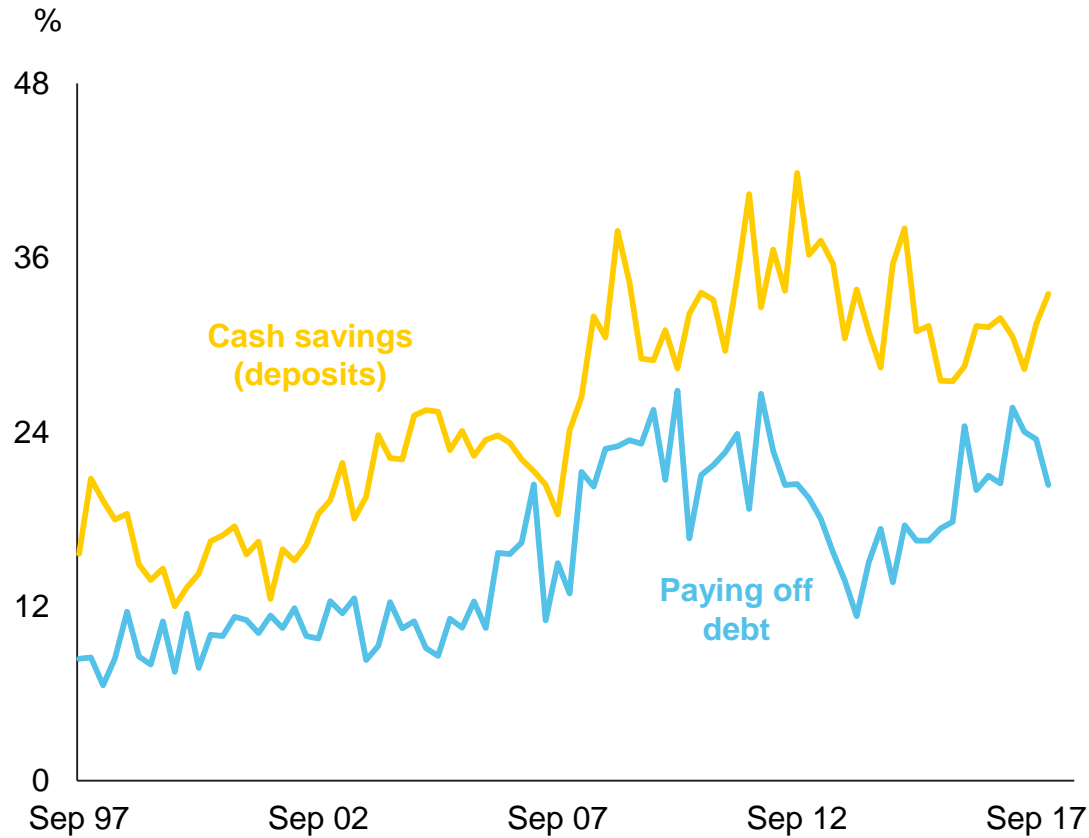
Household debt is high relative to incomes and so are household assets. Debt service ratios are low.

1. Source: IIF/ABS. 2. Household disposable income is after tax, before the deduction of interest payments, and includes income of unincorporated enterprises. Source: RBA.

Growth risks

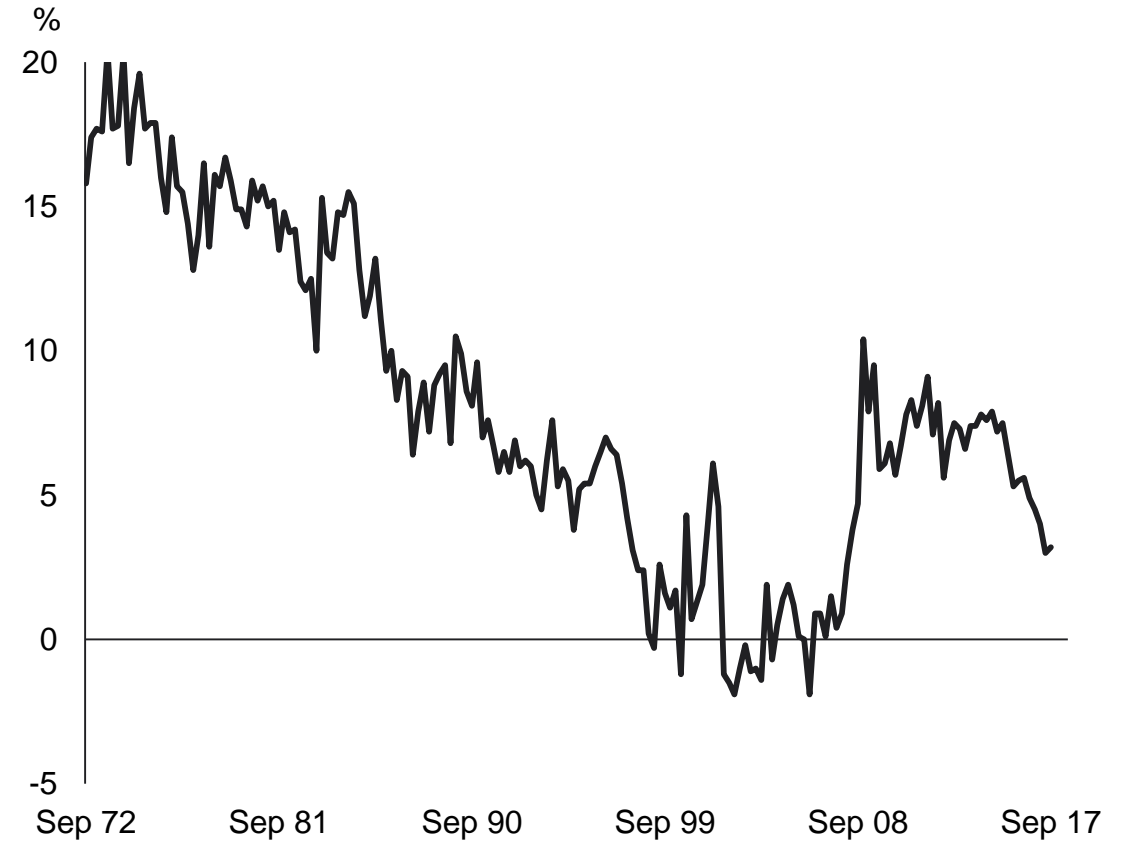


Wisest place for new savings?¹



Household behaviour has changed in a way that favours balance sheet repair over spending.

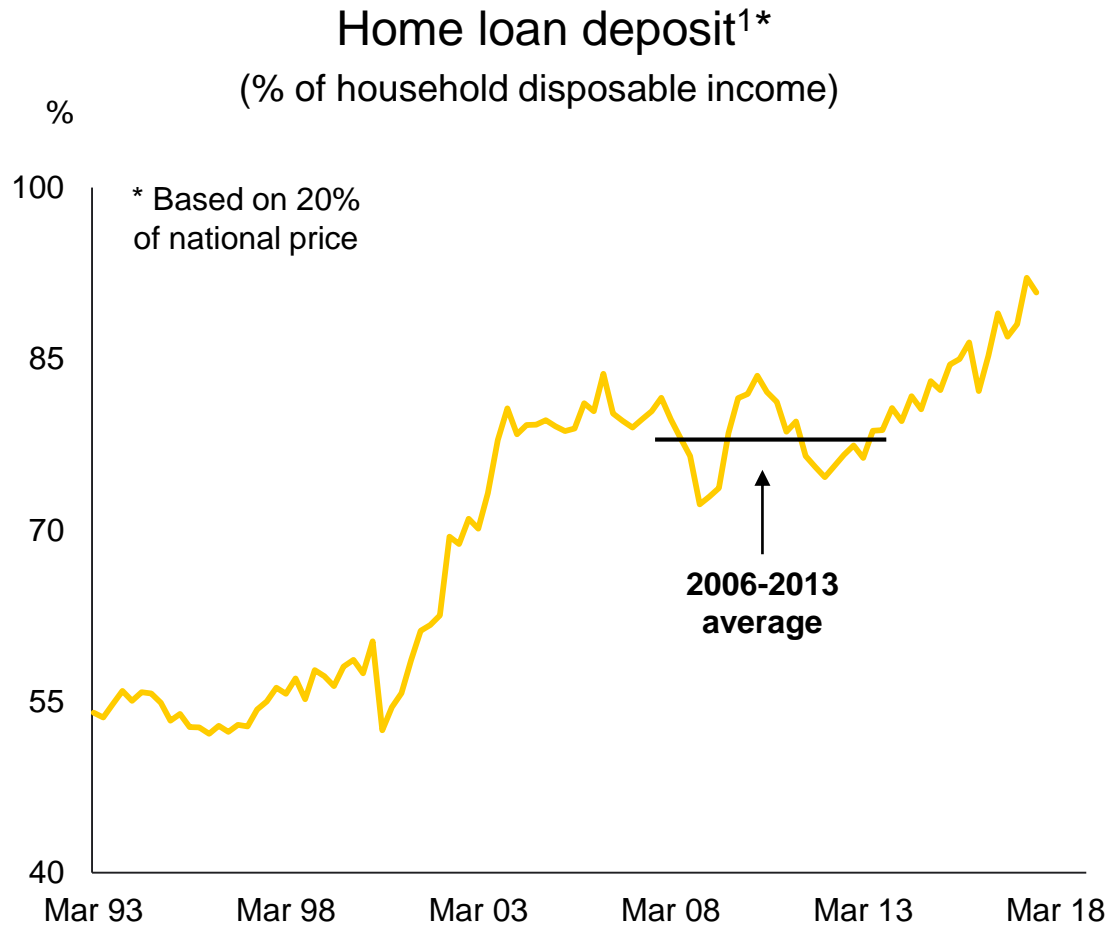
Saving ratio



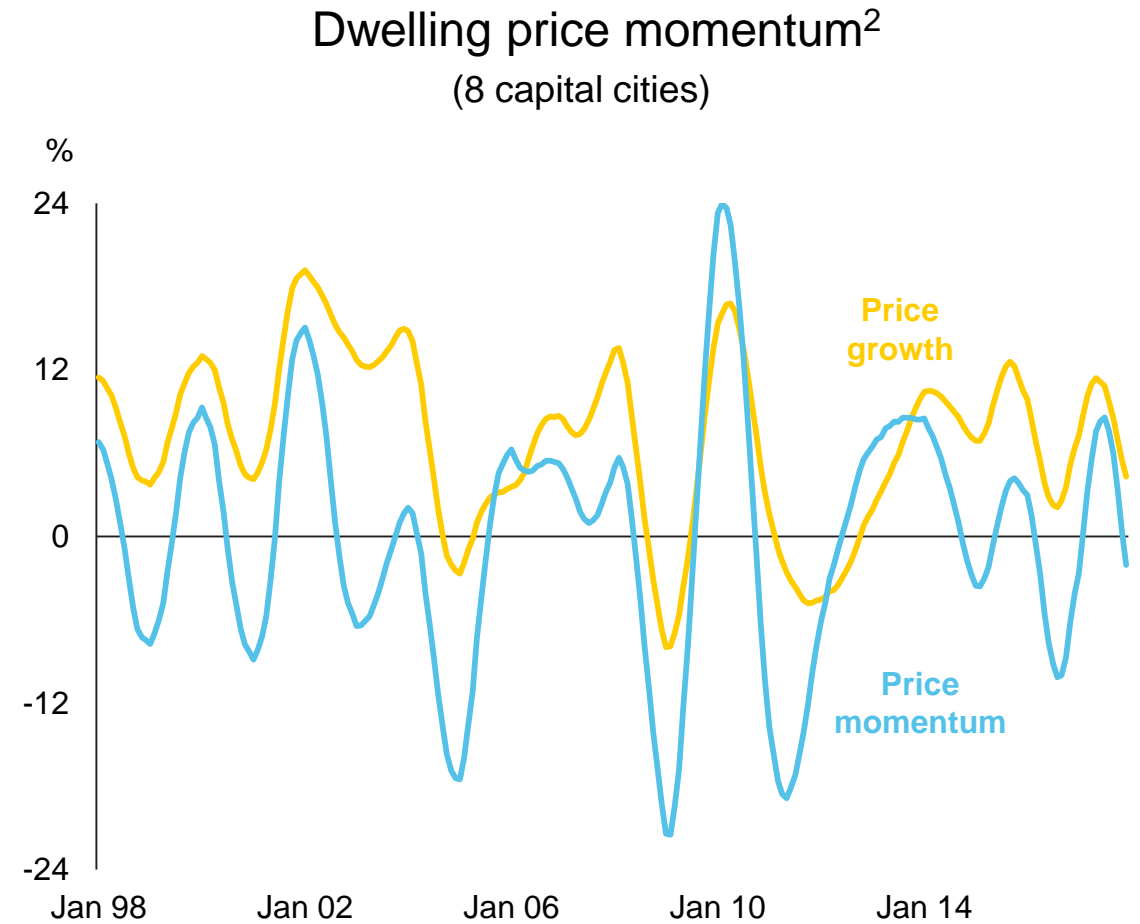
The ability to “fund” consumer spending by lowering saving rates is limited.

1. Source: WBC/Melbourne Institute.

The housing market is cooling



Lower affordability is weighing on owner-occupier demand.

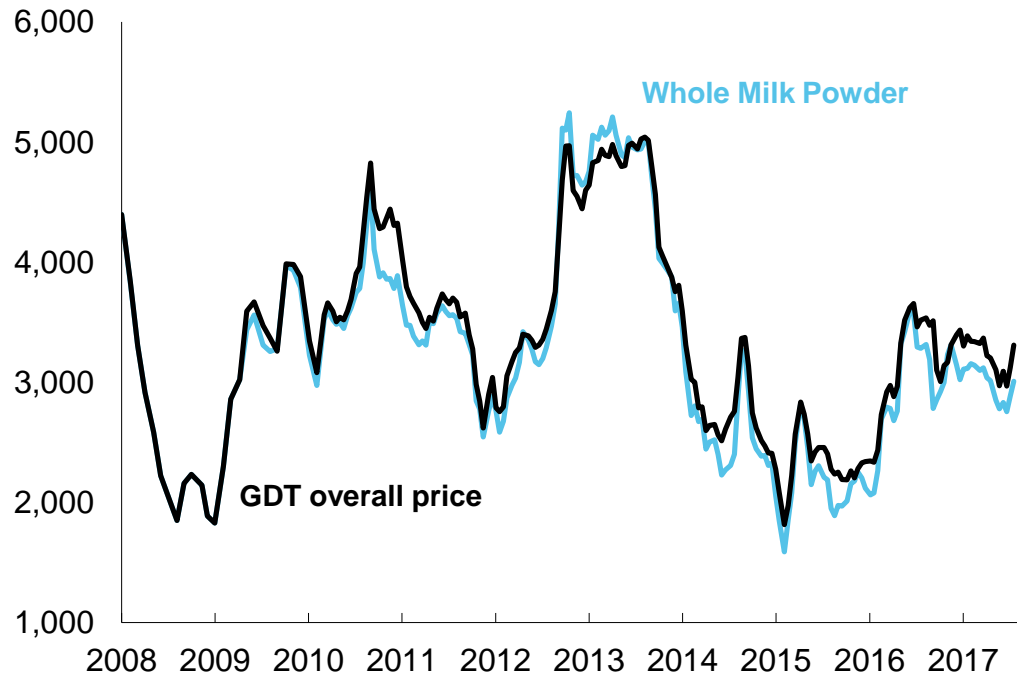


Regulatory action, higher mortgage rates and shifting price growth expectations are slowing investor demand.

New Zealand

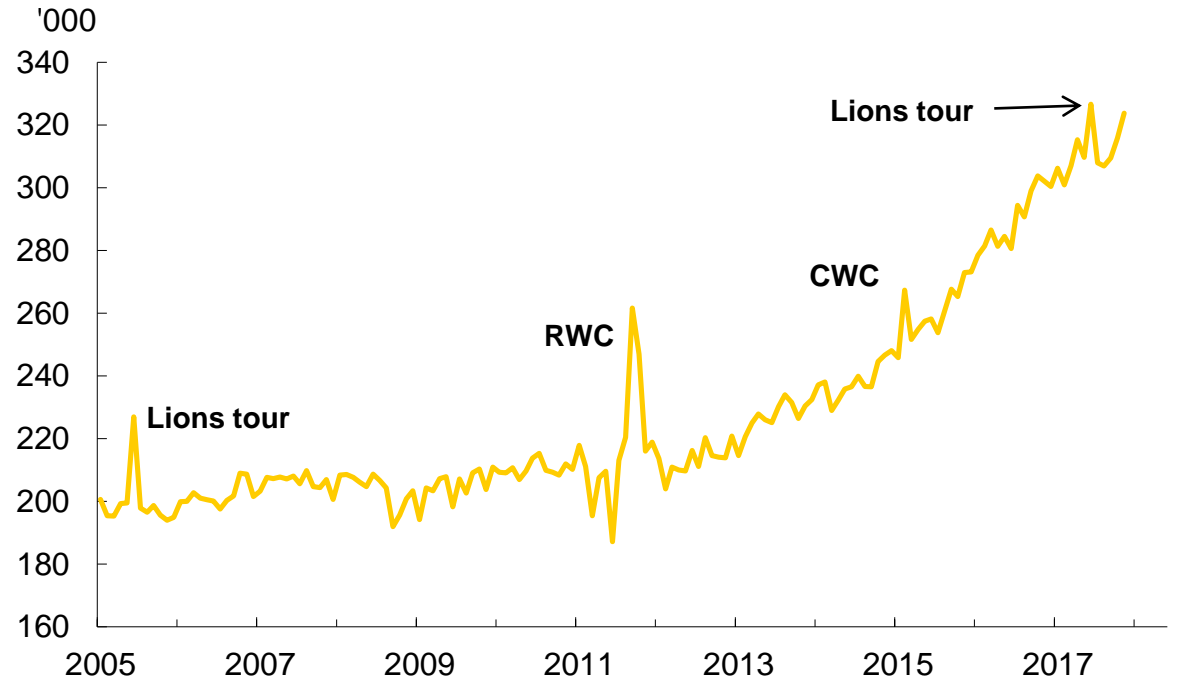


Global dairy trade auction results¹
(USD/tonne)



Dairy prices have largely tracked sideways over 2017 at around average level. The majority of farmer's cashflows are positive at this level, meaning the dairy sector will contribute positively to domestic spending over 2018.

NZ short term arrivals²
(monthly, seasonally adjusted)



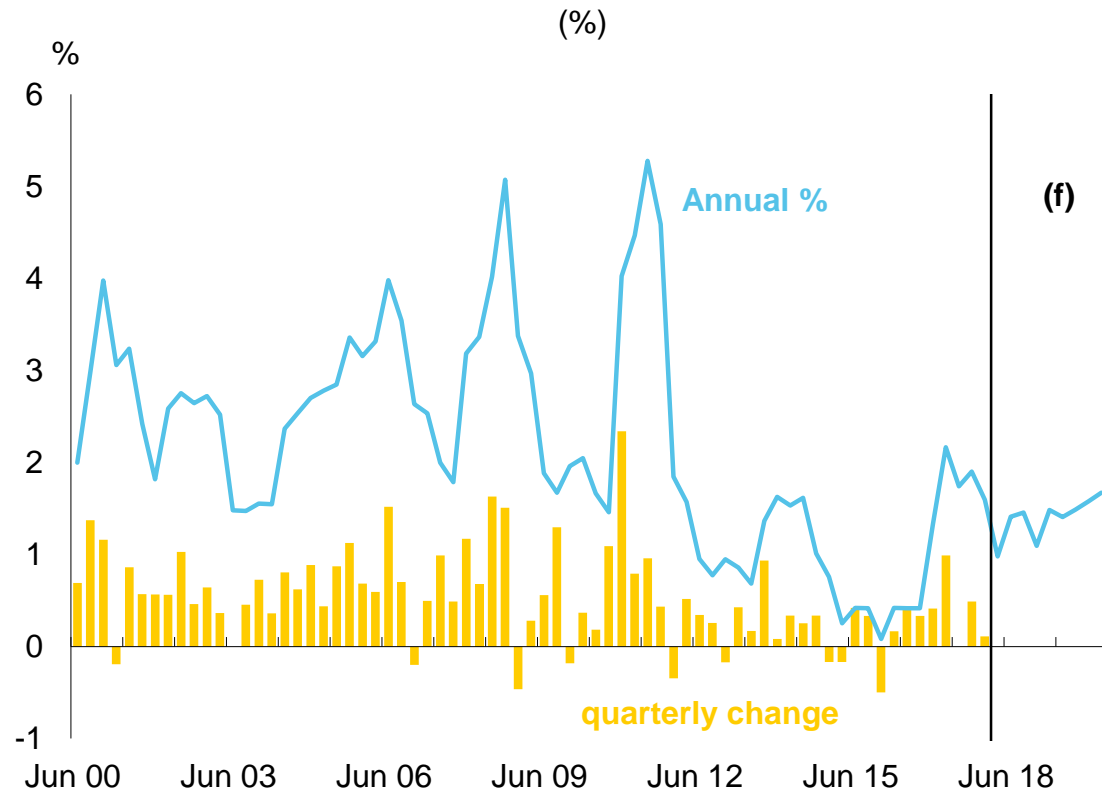
Tourism (the other significant export earner) has seen strong visitor growth and has been well supported by special events. However, the firm NZD has tempered per-person spend and accommodation capacity constraints are emerging.

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

New Zealand



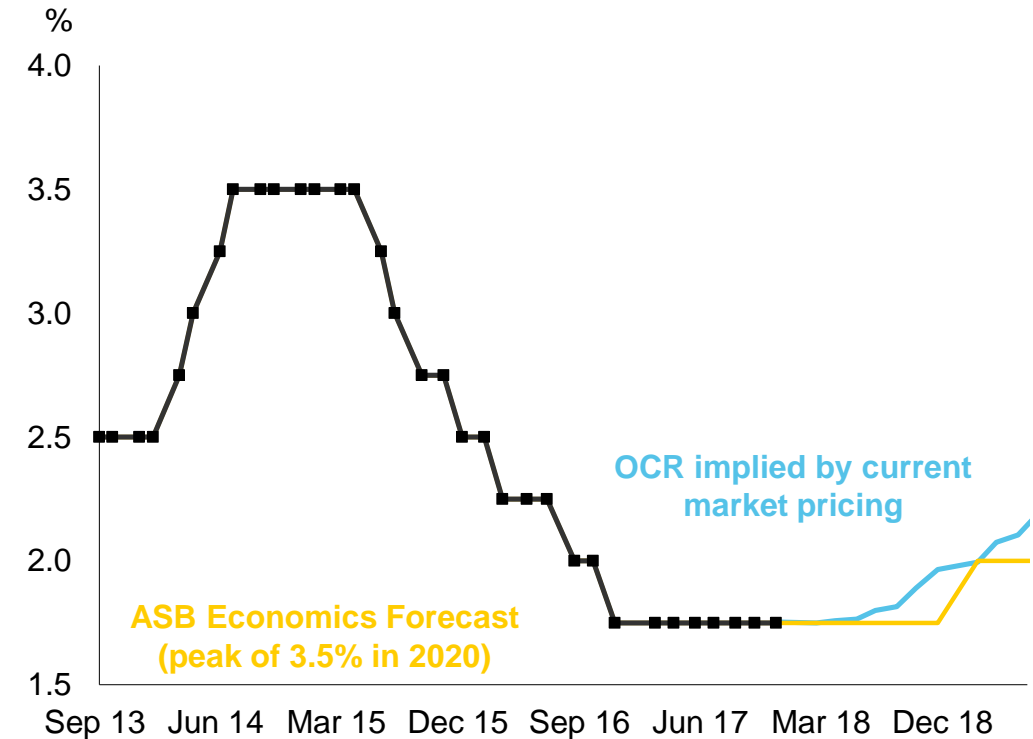
NZ CPI inflation¹



Inflation has recovered to around the mid-point of the 1-3% target band after a sustained period of low inflation. Inflation will likely range around 1% to 2% over the next year.

OCR forecasts²

(ASB forecast and implied market pricing, %)



We expect the RBNZ to remain on hold for an extended period, until early 2019. There is very little need for rate cuts or hikes in the near term.

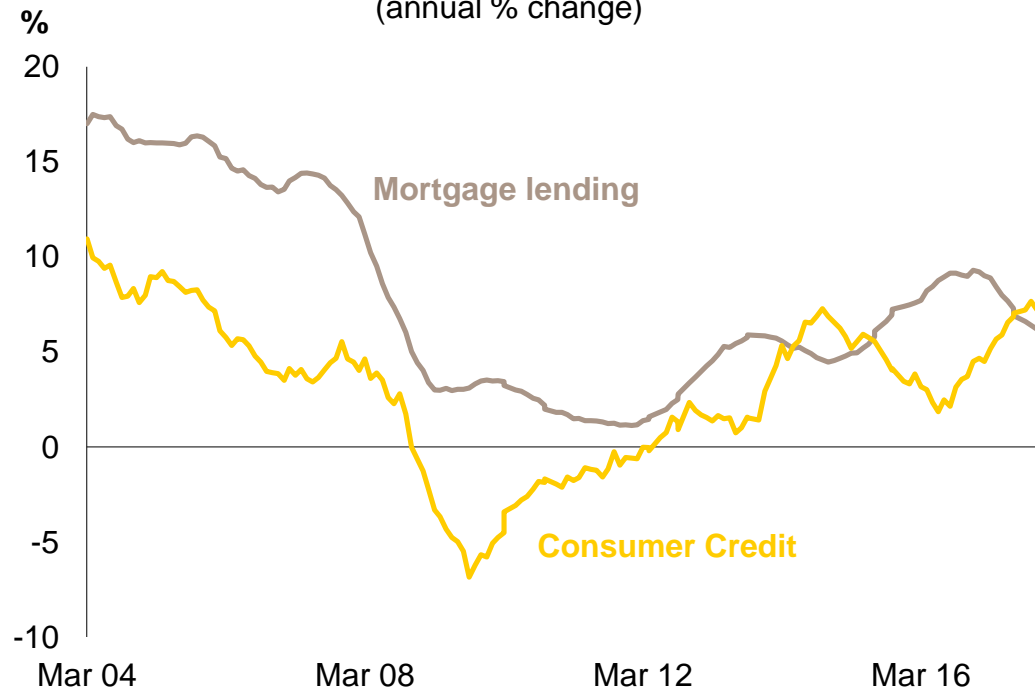
1. Source: Stats NZ / ASB. 2. Source: ASB.

New Zealand



NZ household lending growth¹

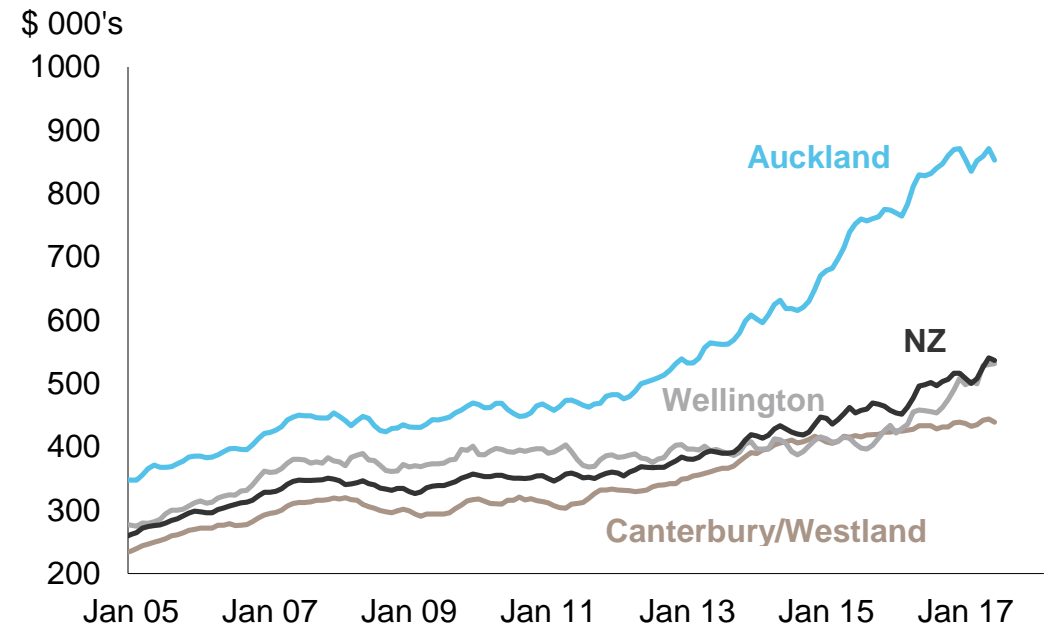
(annual % change)



Home lending growth has been decelerating to date over 2017. The new Government's proposed housing policies are likely to reduce demand from some investors and contribute to a muted housing market over 2018. Credit growth will continue to moderate in line with a softer housing market.

NZ median house price²

(3 month moving average, \$'000)



House prices are flat/down in Auckland, and price growth is slowing elsewhere. While the incoming Government's policies are likely to soften housing demand from investors, we expect pent-up demand from first home buyers, relaxed LVR-lending restrictions for owner occupiers, a strong labour market, low interest rates and housing supply shortages in Auckland and Wellington to provide base support to house prices.

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

Glossary

Capital & Other

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

Funding & Risk

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



Disclaimer

The material in this presentation is general background information about the Group and its activities current as at the date of the presentation, 7 February 2018. It is information given in summary form and does not purport to be complete. Information in this presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. Investors should consider these factors, and consult with their own legal, tax, business and/or financial advisors in connection with any investment decision.

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Cash Profit

The Management Discussion and Analysis discloses the net profit after tax on both a statutory and cash basis. The statutory basis is prepared and reviewed in accordance with the Corporations Act and the Australian Accounting Standards, which comply with International Financial Reporting Standards (IFRS). The cash basis is used by management to present a clear view of the Group’s 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, 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 5 of the Profit Announcement (PA), which can be accessed at our website: www.commbank.com.au/results

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