

Debt Investor Update

For the full year ended 30 June 2013



Notes

Disclaimer

The material that follows is a presentation of general background information about the Group's activities current at the date of the presentation, 14 August 2013. It is information given in summary form and does not purport to be complete. It 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. These should be considered, with or without professional advice when deciding if an investment is appropriate.

Cash Profit

The Management Discussion and Analysis discloses the net profit after tax on both a 'statutory basis' and a 'cash basis'. The statutory basis is prepared in accordance with the Corporations Act 2001 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 underlying operating results, excluding a number of items that introduce volatility and/or one off distortions of the Group's current period performance. These items, such as hedging and IFRS volatility, are calculated consistently year on year and do not discriminate between positive and negative adjustments. A list of items excluded from statutory profit is provided in the reconciliation of the net profit after tax ("cash basis") on page 3 of the Profit Announcement (PA) and described in greater detail on page 15 of the PA and can be accessed at our website <http://www.commbank.com.au/about-us/shareholders/financial-information/results/>



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CBA overview

- ✓ Largest Australian Bank by market capitalisation
- ✓ AA- / Aa2 / AA- Credit Ratings (S&P, Moodys, Fitch)
- ✓ ~14.6 million customers
- ✓ ~52,000 staff
- ✓ Over 1,100 branches, leading online platforms
- ✓ #1 in household deposits
- ✓ #1 in home lending
- ✓ #1 wealth platform - FirstChoice

Result – 12 months to 30 Jun 2013¹

| | | |
|-----------------------|-------|------------|
| Cash earnings (\$m) | 7,819 | 10% |
| ROE (Cash) | 18.4% | (20) bpts |
| Cash EPS (\$) | 4.86 | 8% |
| DPS (\$) | 3.64 | 9% |
| Cost-to-Income (Cash) | 45.0% | (100) bpts |
| NIM (bpts) | 213 | 4 bpts |

Balance Sheet

| | | |
|---|-----|-----|
| Total assets (\$bn) | 754 | 5% |
| Total liabilities (\$bn) | 708 | 5% |
| FUA (\$bn, spot) | 250 | 22% |
| RWA ² (\$bn) | 329 | na |
| Provisions to Credit RWAs ² (bpts) | 160 | na |

Capital & Funding

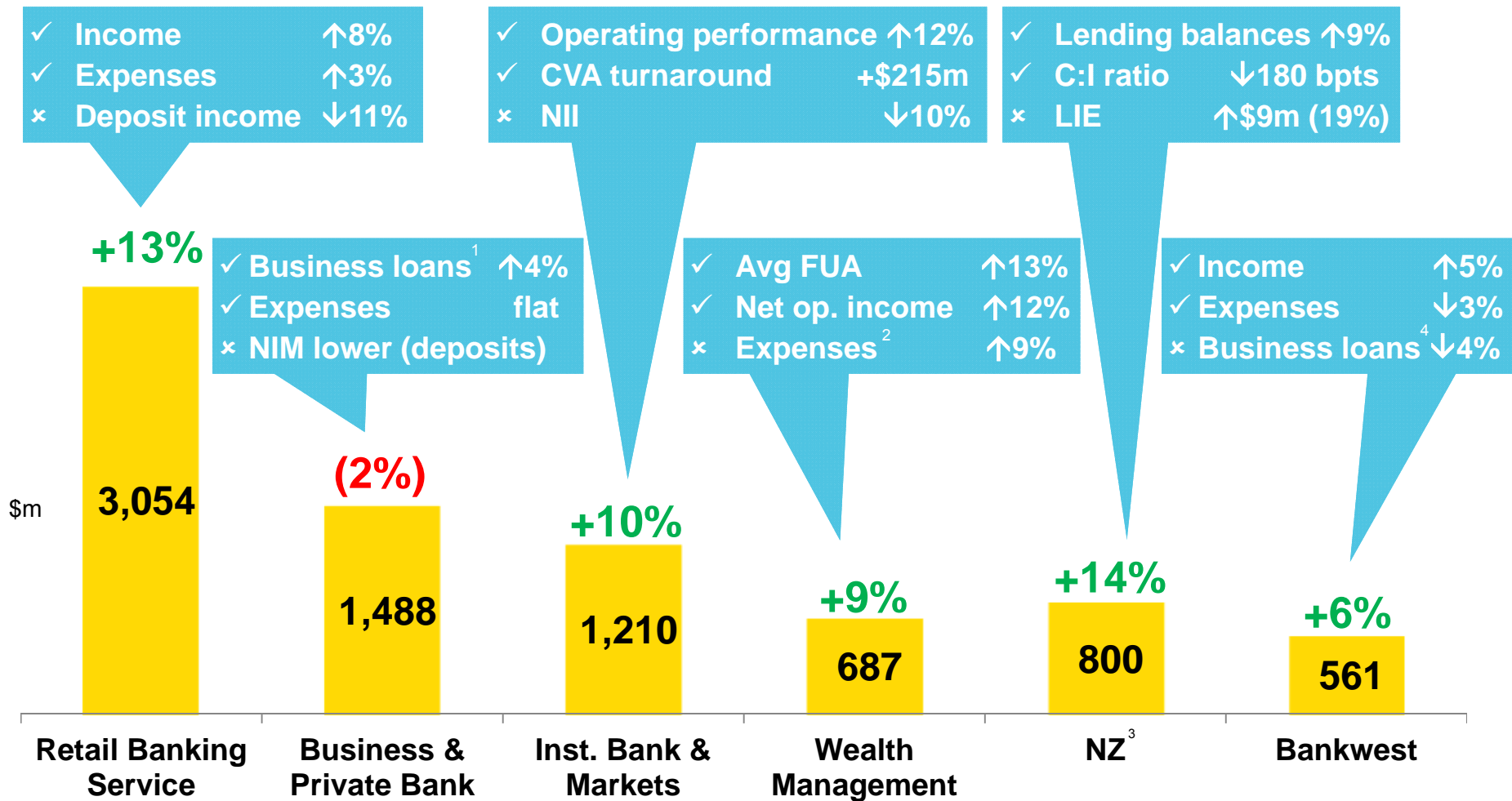
| | | |
|----------------------------------|-------|----------|
| Capital – Basel III CET1 (Int'l) | 11.0% | 120 bpts |
| Capital – Basel III CET1 (APRA) | 8.2% | 70 bpts |
| LT wholesale funding WAM (yrs) | 3.8 | 0.1 |
| Deposit funding | 63% | 1% |
| Liquids (\$bn) | 137 | 2% |

¹ All movements on prior comparative period.

² Basel III.

Cash NPAT drivers

12 months to 30 Jun 2013



All movements on prior comparative period unless stated otherwise.

¹ Source RBA. Six months to Jun 13 annualised.

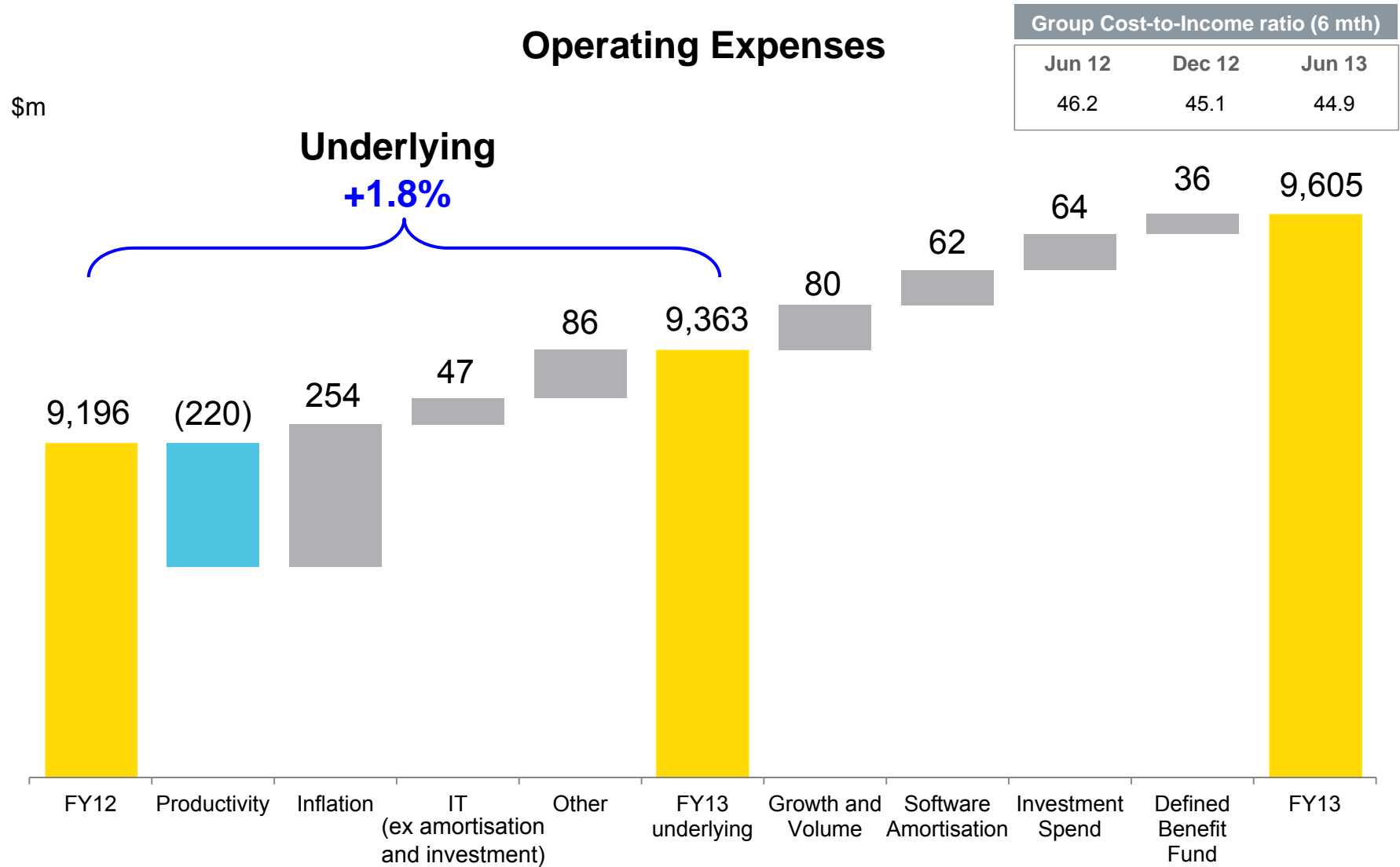
² Excludes volume related expenses.

³ NZD.

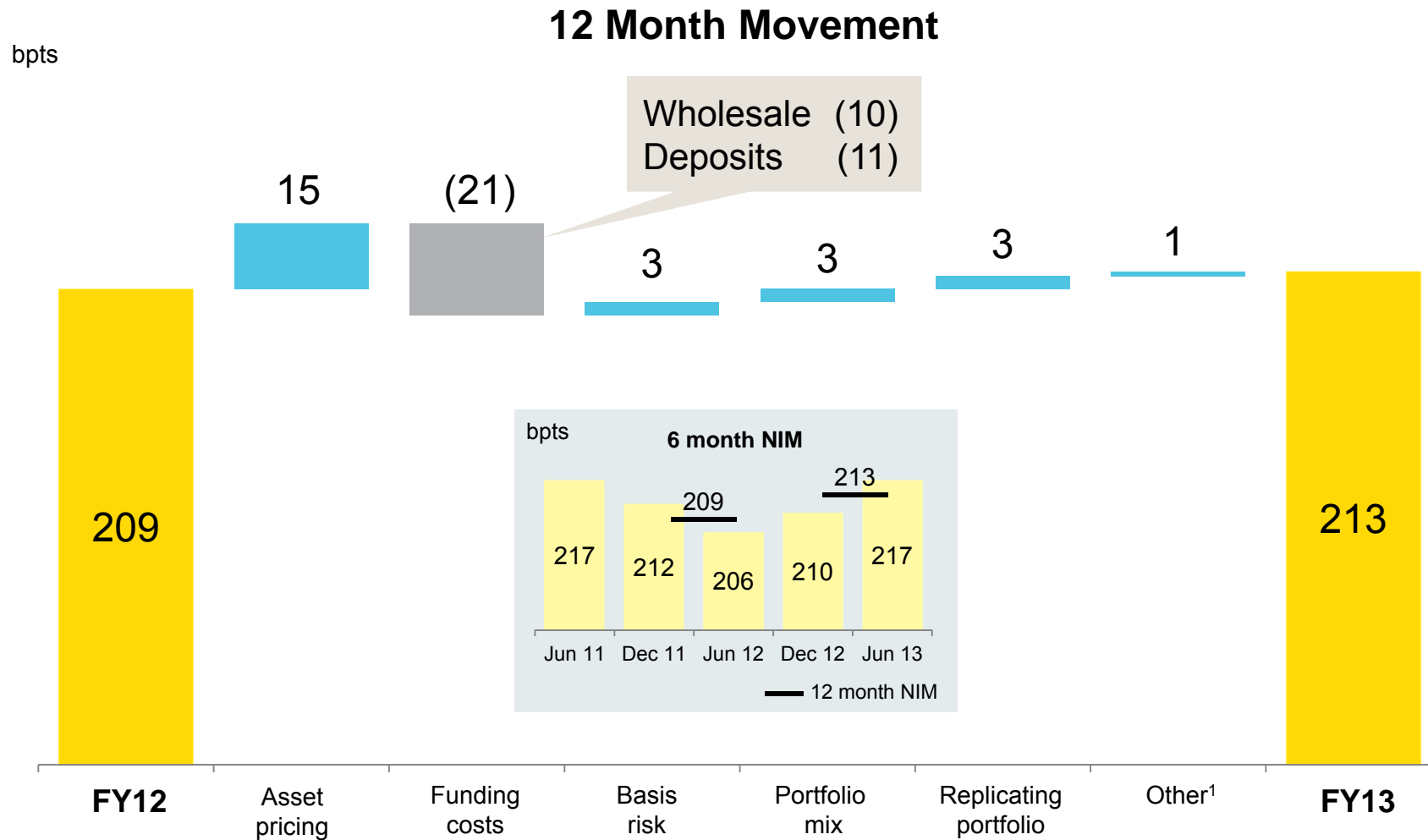
⁴ Source RBA. Six months to Jun 13 annualised. Bankwest core market balances.



Expense growth

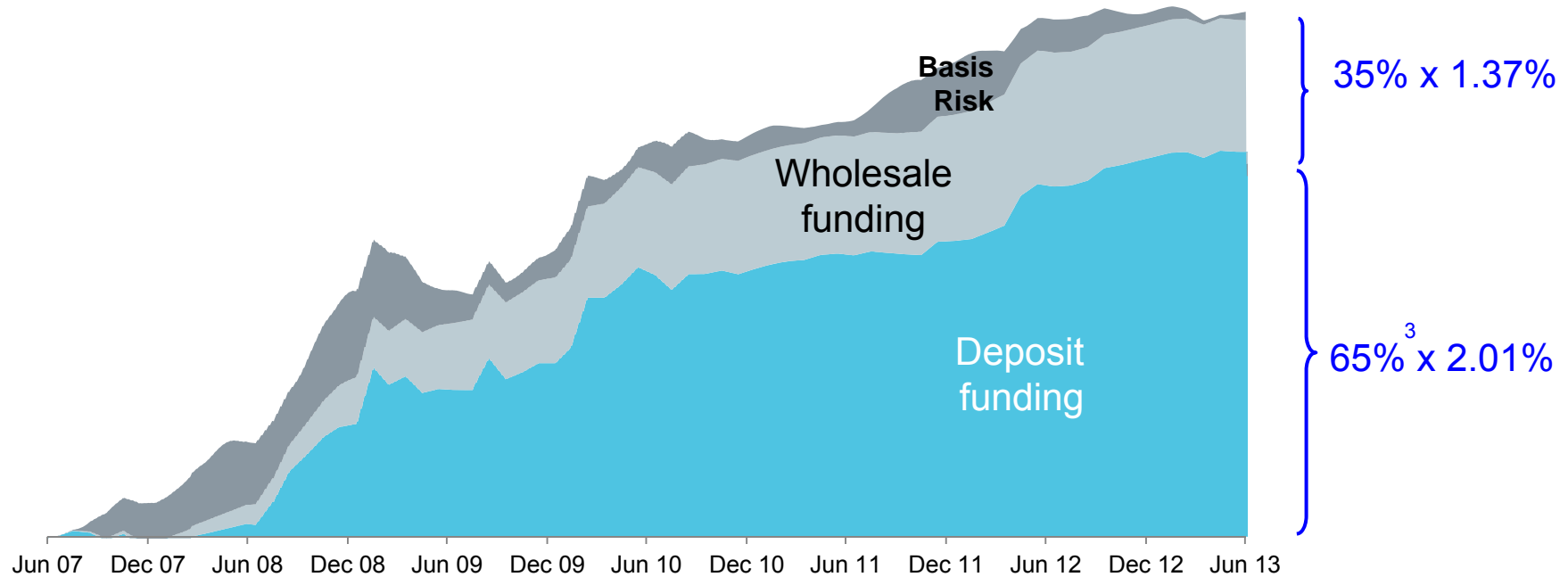


Group NIM



1 Includes Treasury, New Zealand, impact from change in Non lending IEA's and other unallocated items.

Retail bank funding costs



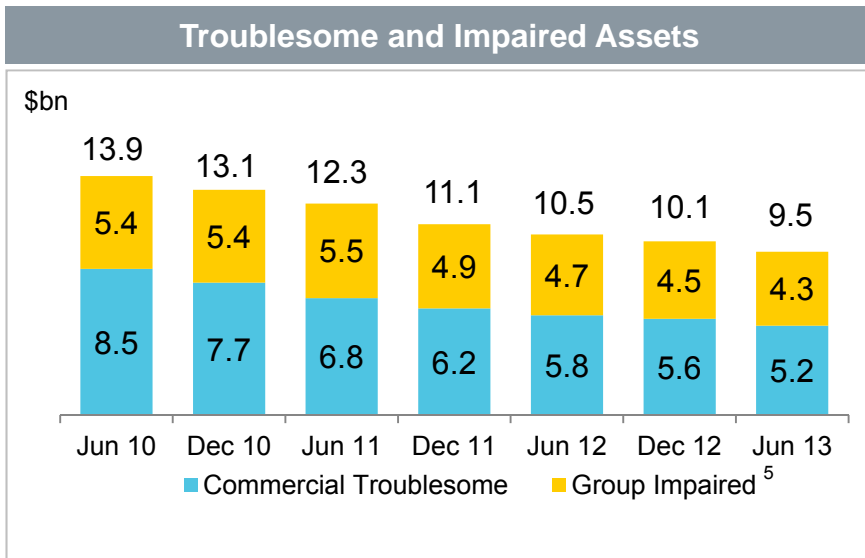
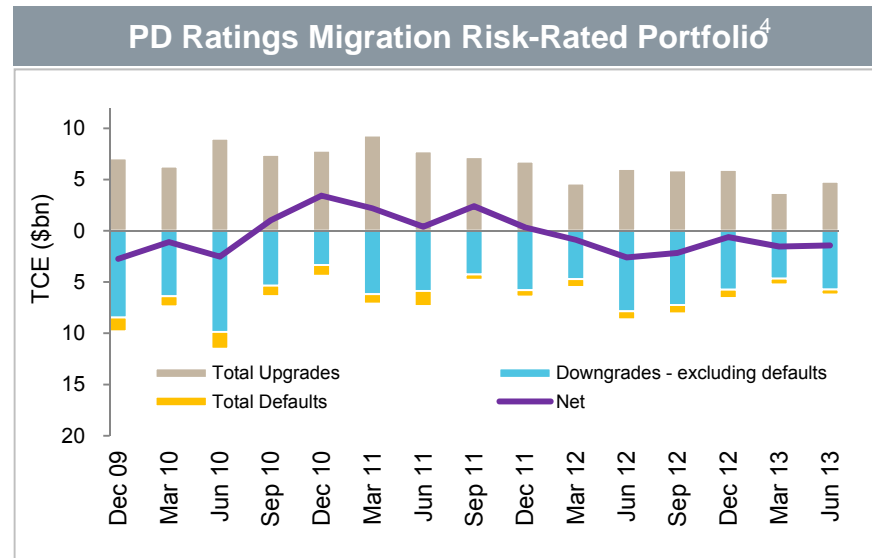
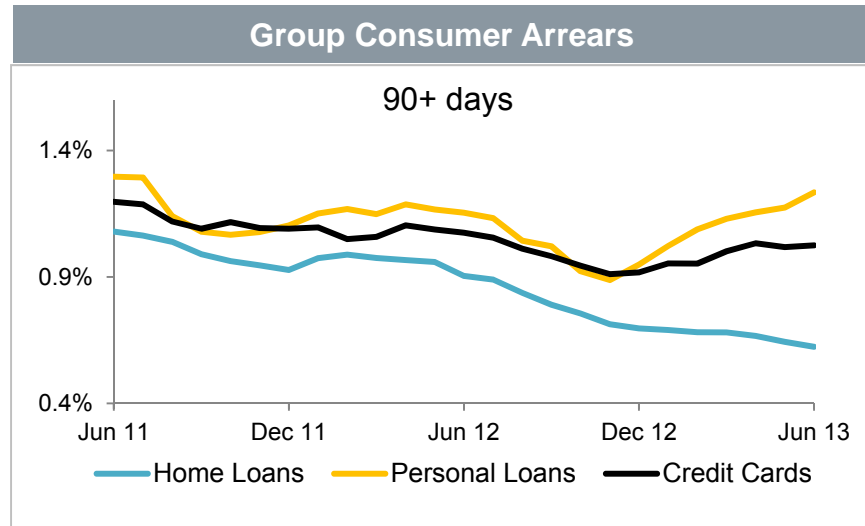
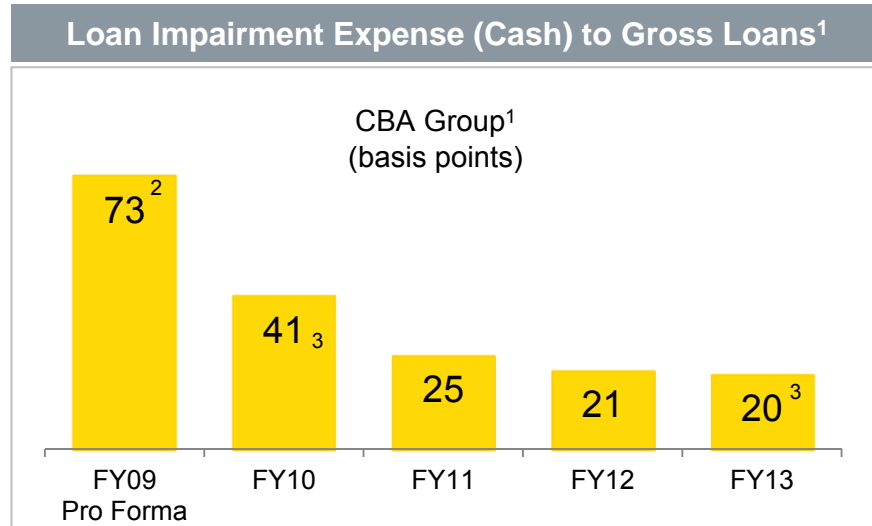
| | Dec 12 | Jun 13 |
|---|--------|--------|
| Increase in wholesale funding ¹ | 1.43% | 1.37% |
| Increase in deposit funding | 1.96% | 2.01% |
| Increase in weighted average cost | 1.77% | 1.79% |
| Increase in home loan (SVR) rate ² | 1.58% | 1.58% |

1 Includes basis risk.

2 Outside of movements in the RBA cash rate.

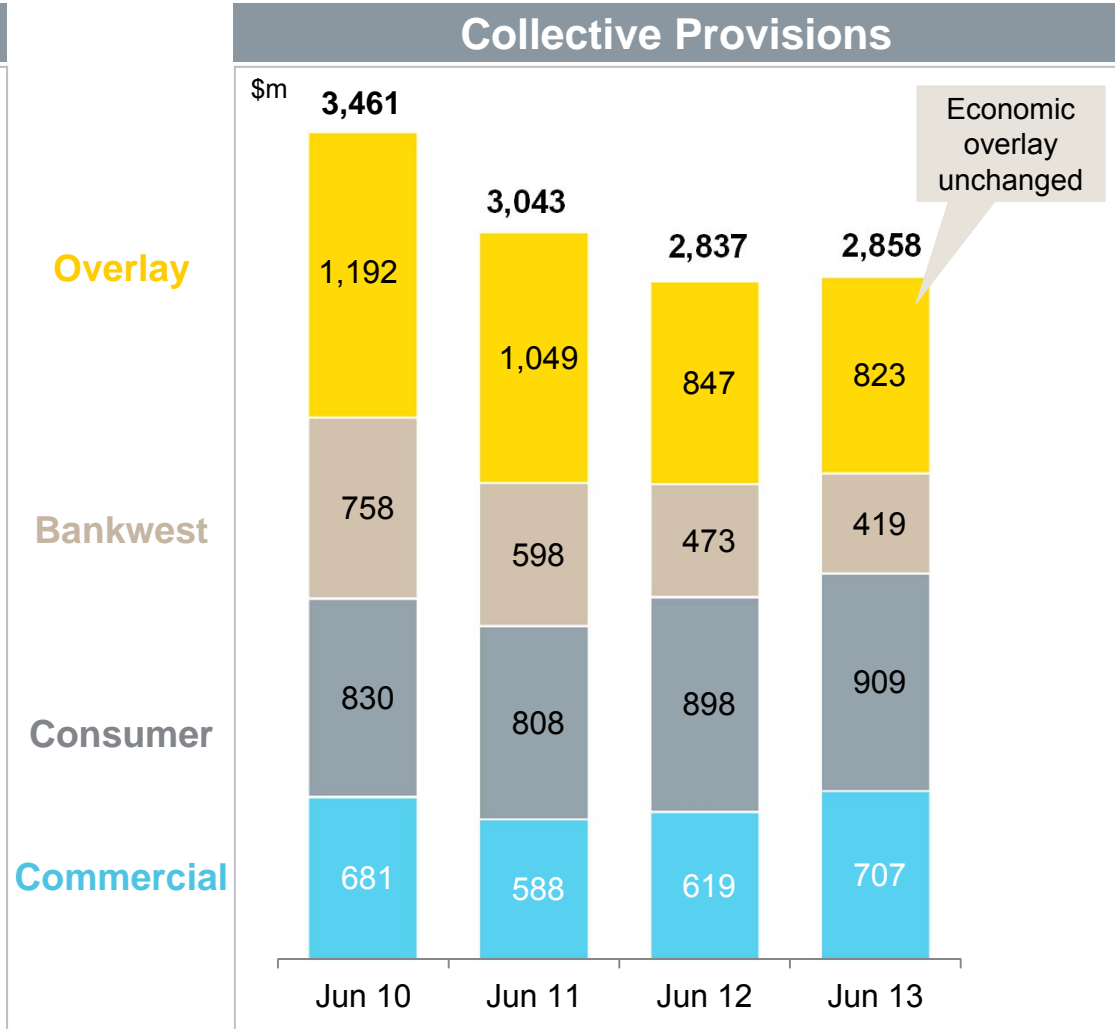
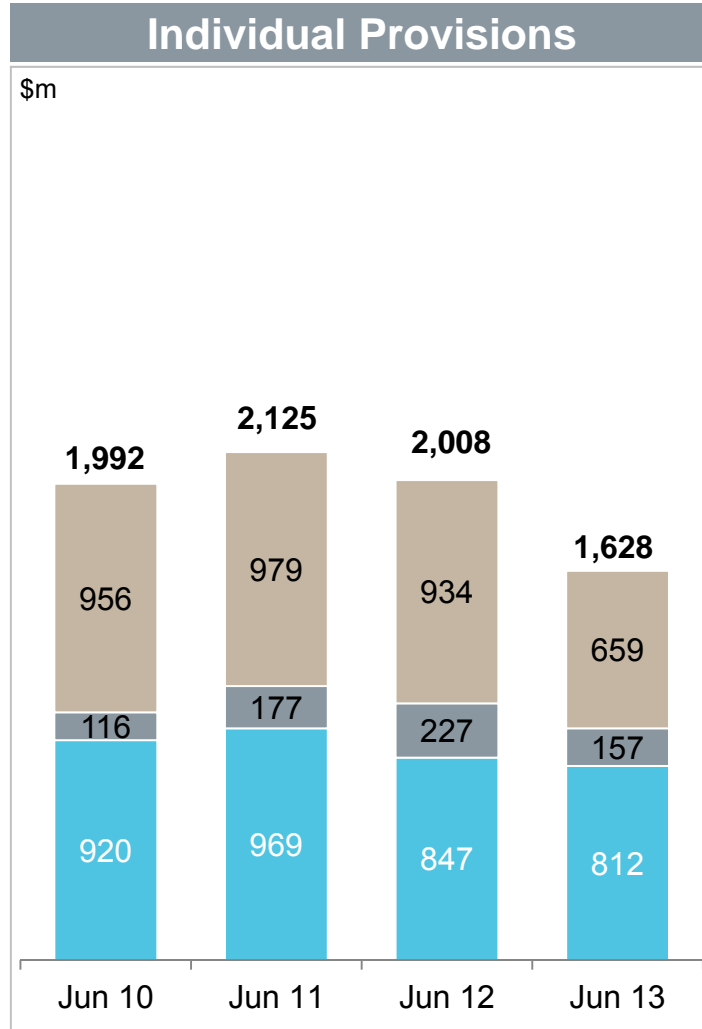
3 Retail deposits as a proportion of retail lending.

Credit quality

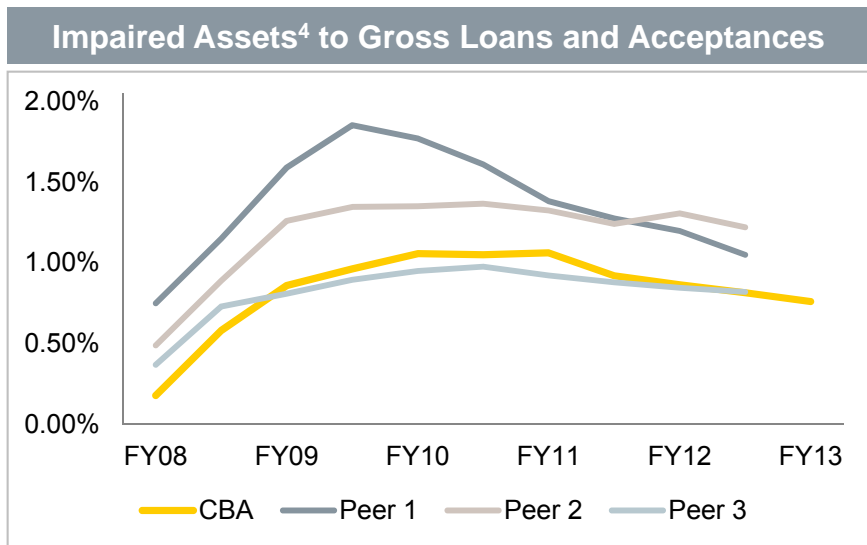
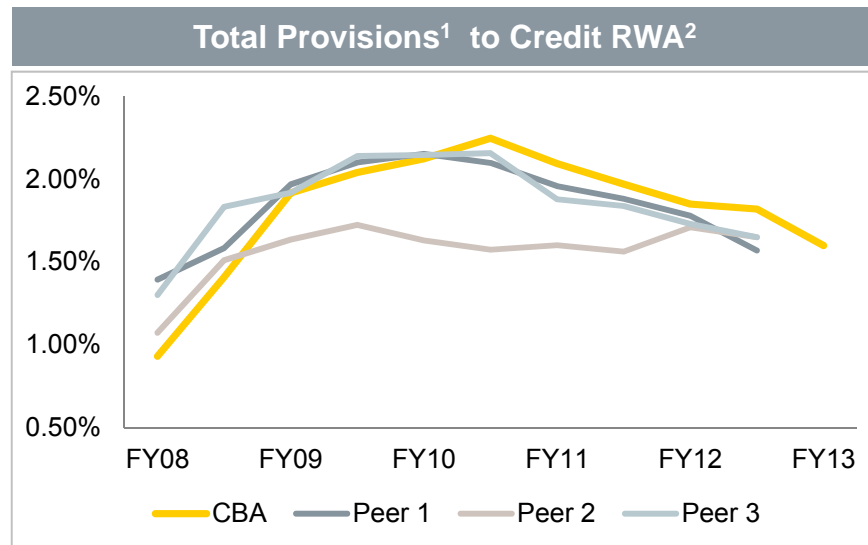
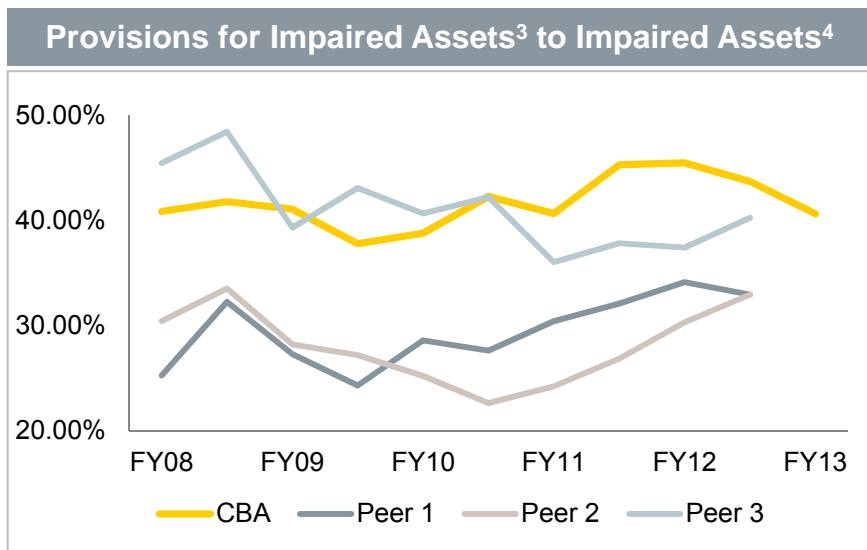
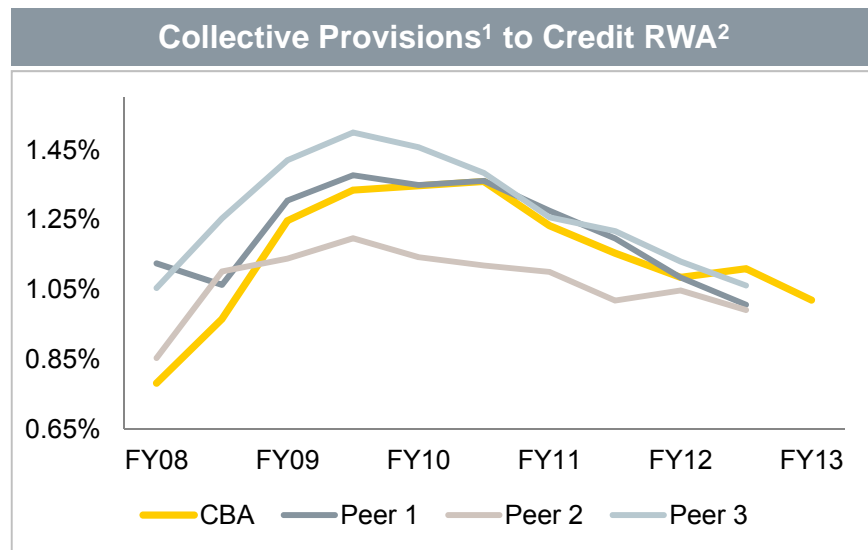


1 Basis points as a percentage of average Gross Loans and Acceptances.
 2 FY09 includes Bankwest on a pro forma basis and is based on impairment expense for the year.
 3 Statutory LIE for FY10 48 bpts and for FY13 21 bpts.
 4 Excludes banks and sovereigns
 5 Comparative information restated to conform to presentation in current period.

Provisioning

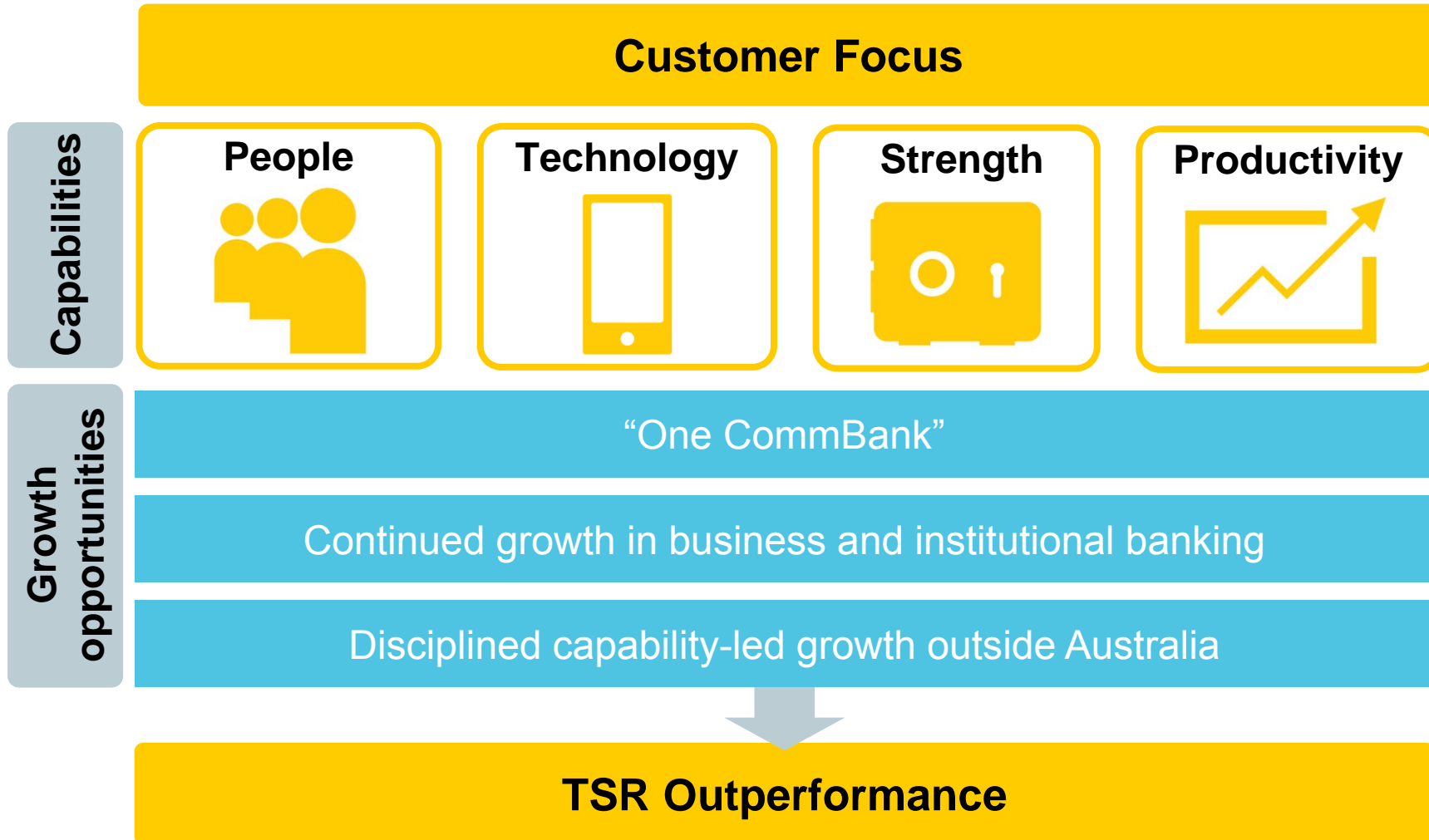


Provisioning ratios

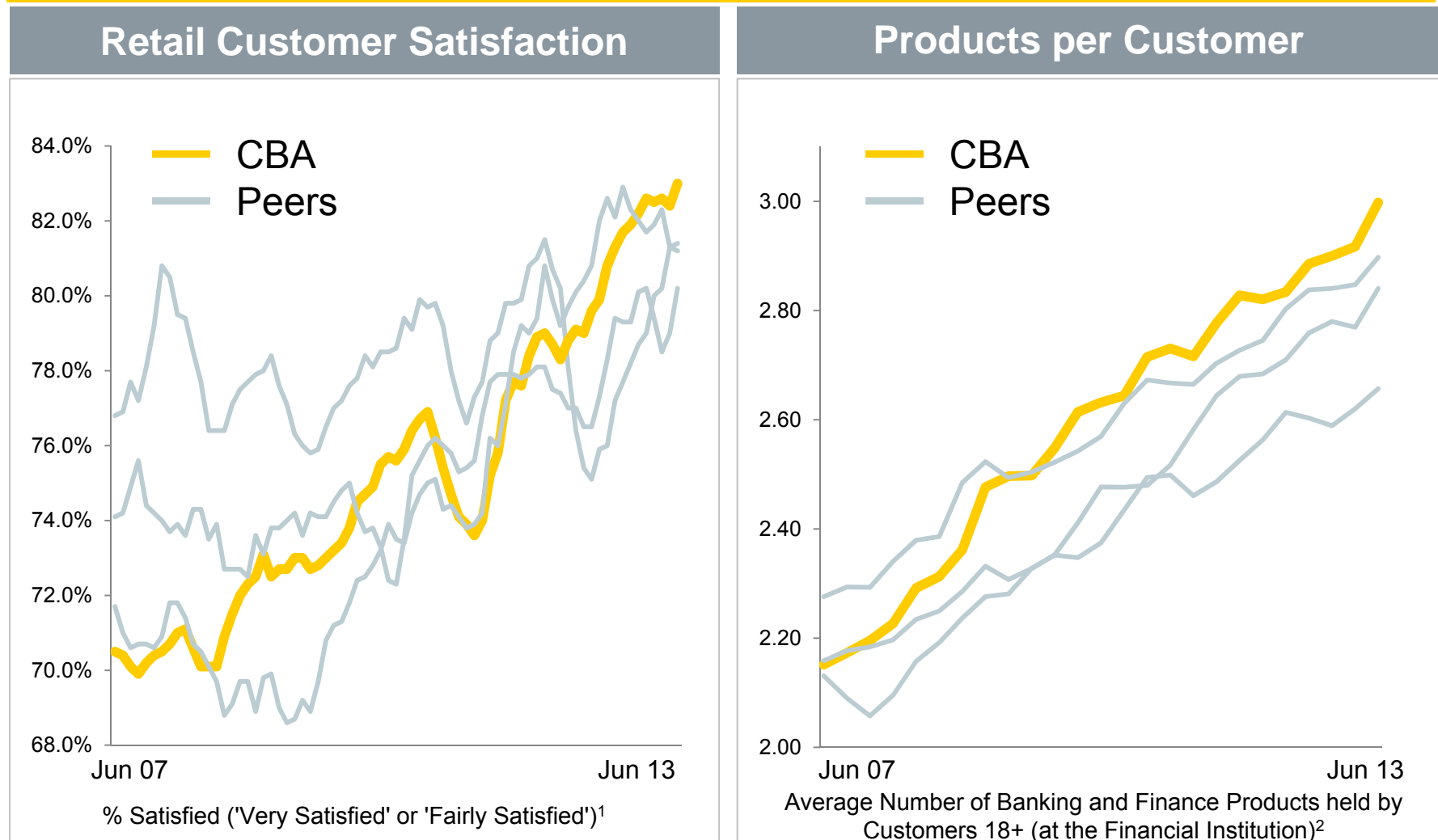


1 Provisions do not include General Reserve for Credit Losses, equity reserves or other similar adjustments.
 2 All ratios subsequent to 1 January 2013 are based on Basel III credit RWA, all ratios prior to this date are based on Basel II/Basel 2.5 credit RWA
 3 CBA ratios prior to June 2010 and Peers 1 & 2 ratios based on Individually Assessed Provisions to Impaired Assets.
 4 CBA data from June 2010 has been updated for changes in the definition of impaired assets to include unsecured retail exposures which are 90 days past due.

Our strategy



Our strategy – customer focus



1. Roy Morgan Research Main Financial Institution (MFI) Retail Customer Satisfaction (June 2013). Australian population 14+, % "Very Satisfied" or "Fairly Satisfied" with relationship with that MFI. 6-month rolling average. The ranking refers to CBA's position relative to the other three main Australian banks (Westpac, NAB and ANZ). CBA excludes Bankwest.

2. Products per Customer – Roy Morgan Research. Australian Population 18+, Banking and Finance products per Banking and Finance customer at financial institution. 6 month rolling average. CBA excludes Bankwest

Our strategy – technology

Everyday Settlement



- Same day access to funds, everyday, for merchant customers
- Market leading innovation enabled by Core Banking
- Material benefit to customer cash flows

Kaching



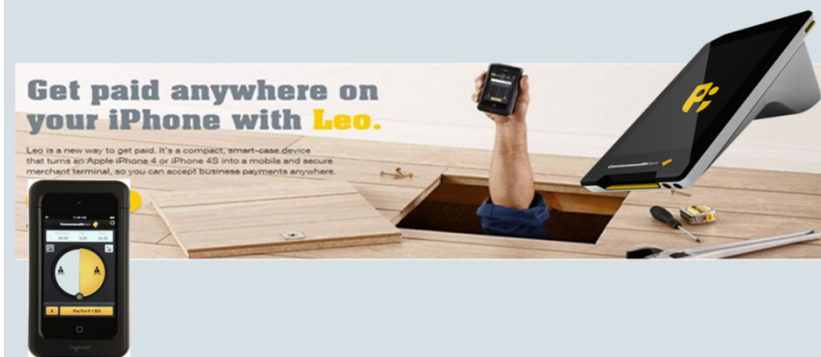
- World first social payments app for Apple and Android
- >1 million downloads, >\$9 billion in transactions
- Now with QR code for bill payment; new card activation

CommBiz Mobile



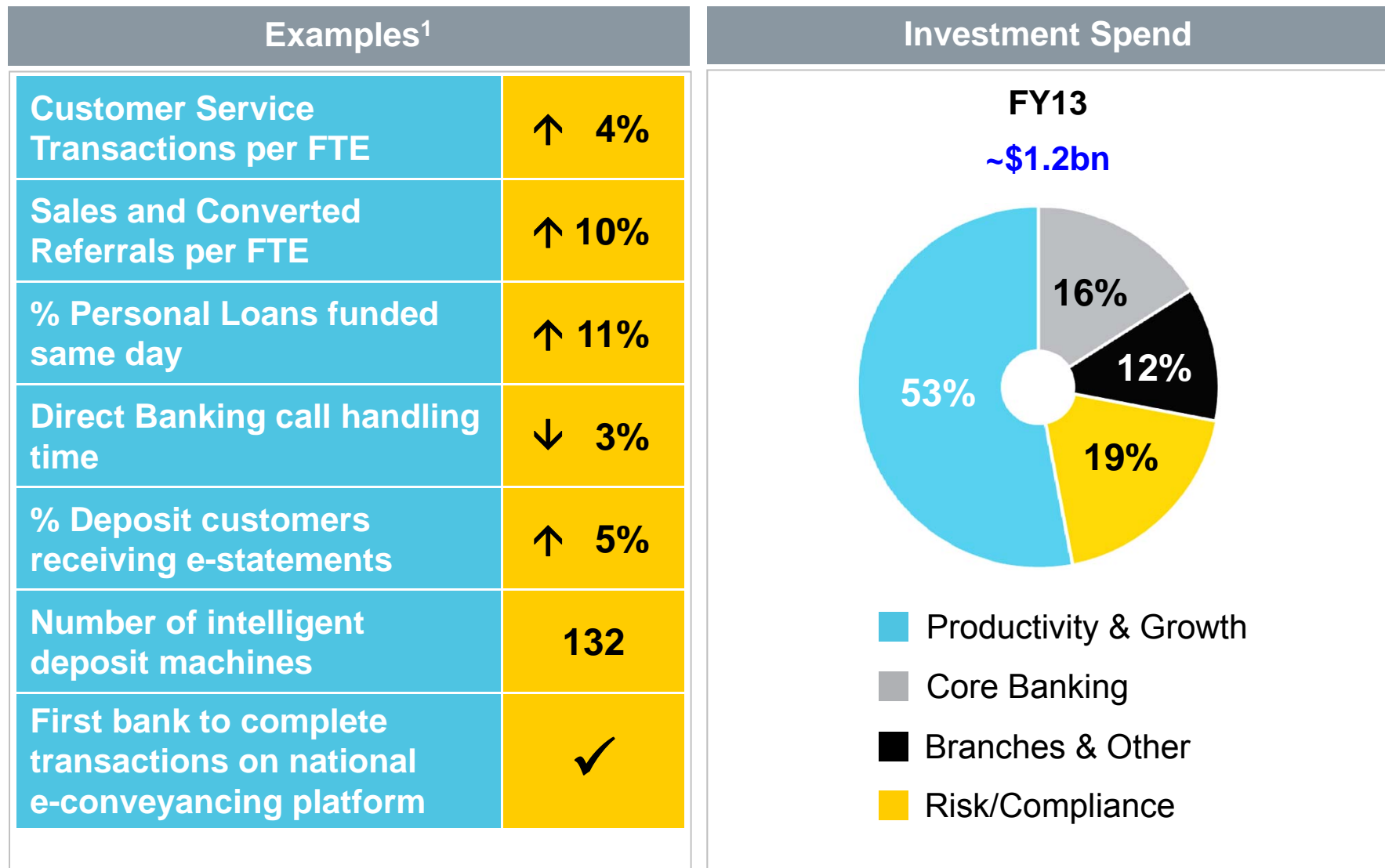
- Real-time cash flow information for business customers
- Payment authorisation from anywhere
- 36,000 logins, >2,000 activations since launch in Mar 2013

Pi, Albert & Leo



- World first innovations revolutionising point-of-sale experience
- Opening up opportunities to change the business model
- Pi launched and growing, Leo in rollout, Albert pilot coming soon

Our strategy - productivity

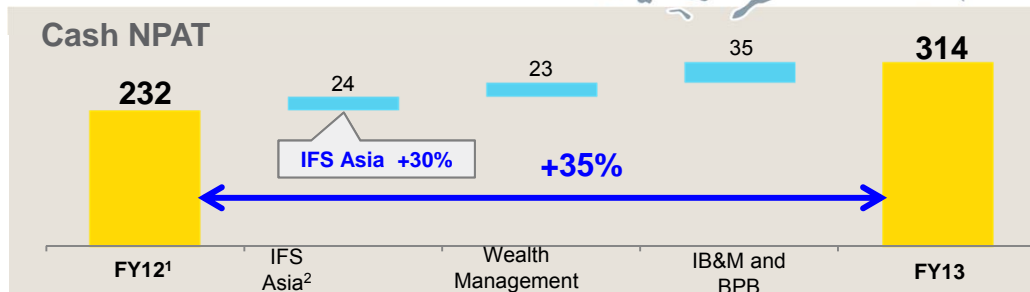


¹ All movements FY13 vs FY12.

CBA in Asia



| Country | Representation as at June 2013 |
|------------------|---|
| China | Bank of Hangzhou (20%) – 133 branches Qilu Bank (20%) – 85 branches County Banking – 7 banks in Henan (5 Banks @ 80% and 2 Banks @ 100% shareholding) and 3 banks in Hebei (100% shareholding) Beijing Representative Office BoCommLife JV (37.5%) – operating in 4 provinces Shanghai (China Head Office) First State Cinda JV, FSI Hong Kong Hong Kong and Shanghai branches |
| Indonesia | PTBC (98.88%) – 91 branches and 142 ATMs PT Commonwealth Life (80%) – 30 life offices First State Investments (FSI) |
| Vietnam | VIB (20%) – 162 branches CBA branch Ho Chi Minh City and 24 ATMs Hanoi Representative Office |
| India | CBA branch Mumbai |
| Japan | CBA branch Tokyo, FSI Tokyo |
| Singapore | CBA branch, First State Investments |



1 Restated to include IFS Asia head office support costs and to restate Wealth Management history in line with amended structure.
 2 Includes China, Indonesia, Vietnam, India and Japan IFS Asia businesses. Represents IFS Asia growth in Cash NPAT.

Summary and Outlook

- ◆ A strong, good quality, strategy-driven result:
 - Revenue growth underpinned by peer leading customer satisfaction
 - Productivity focus enabling investment
 - Technology-led innovation
- ◆ Already conservative settings further strengthened
- ◆ Strong ROE notwithstanding significantly stronger capital position

- ◆ Confidence the key:
 - Chinese demand
 - Outlook for AUD
 - Global markets volatility
 - Stable policy environment
- ◆ Competition remains strong
- ◆ Limited short term upside for domestic economy



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Results and Strategy 4

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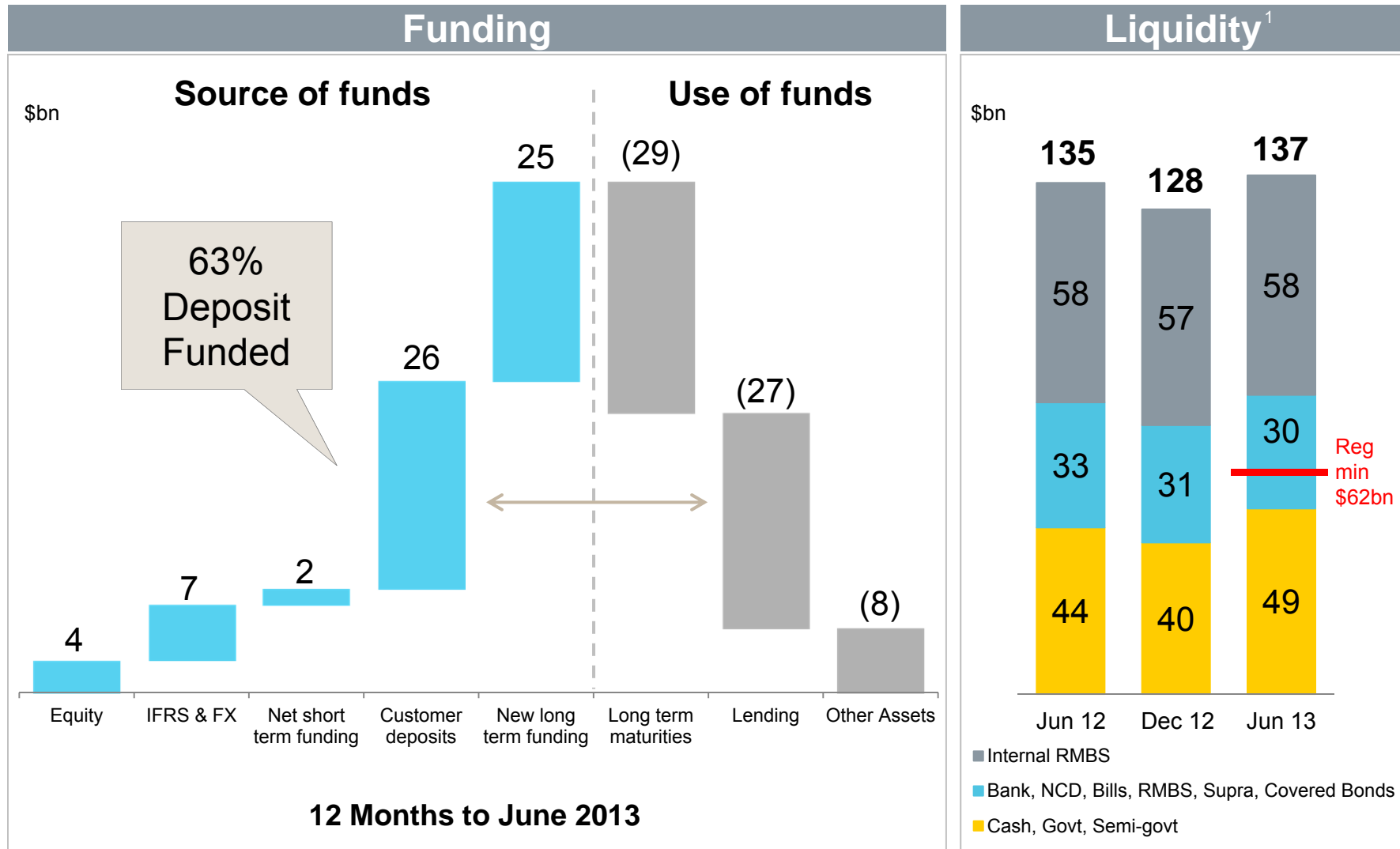
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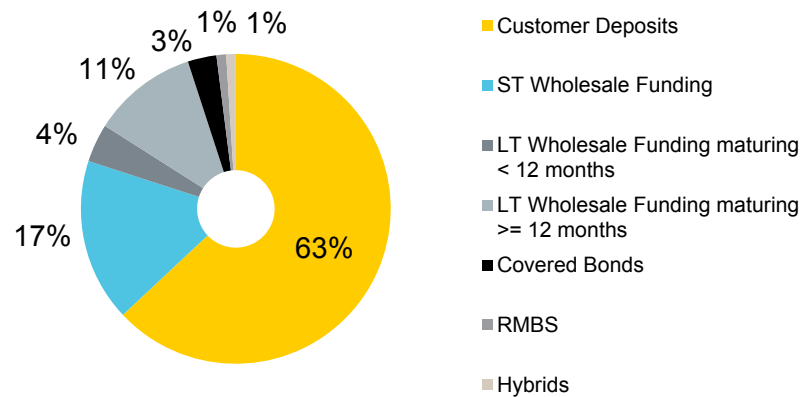
Funding and Liquidity



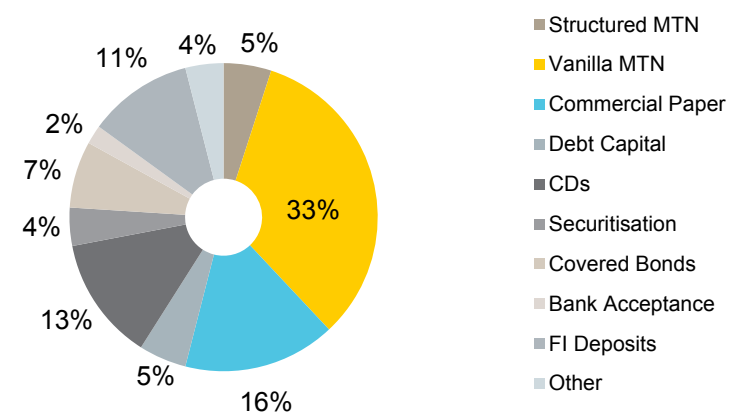
¹ Liquids reported post applicable haircuts.

Funding – portfolio

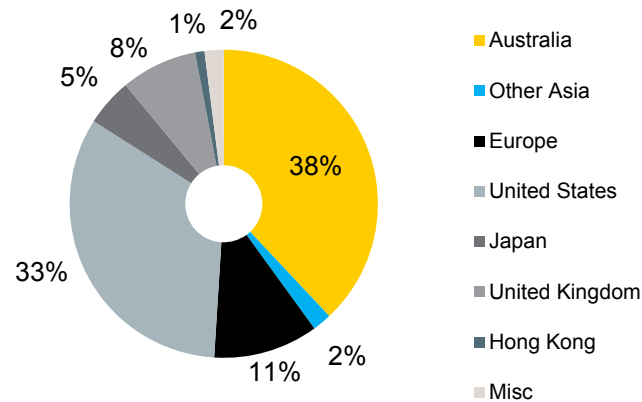
Funding Composition



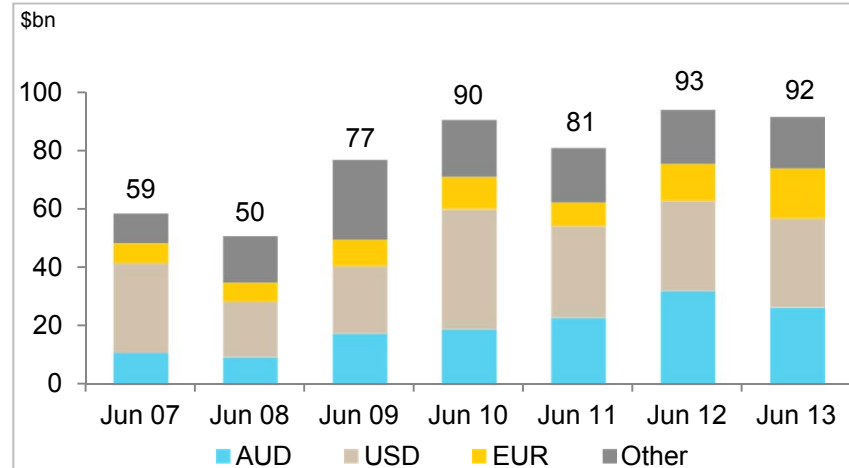
Wholesale Funding by Product



Wholesale Funding by Currency

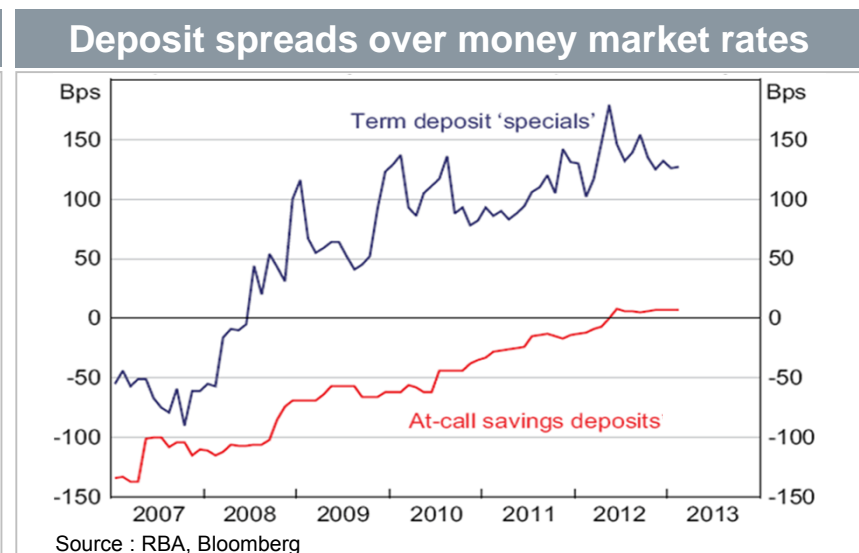
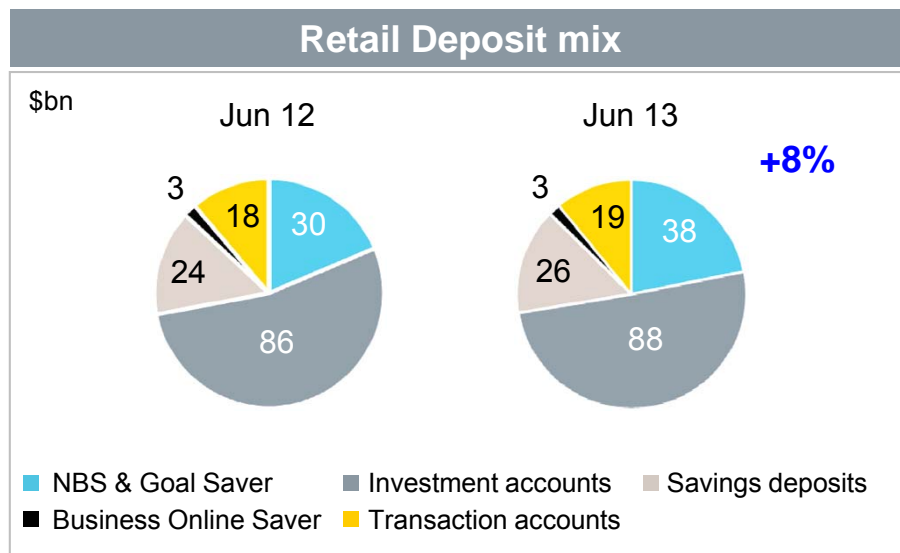
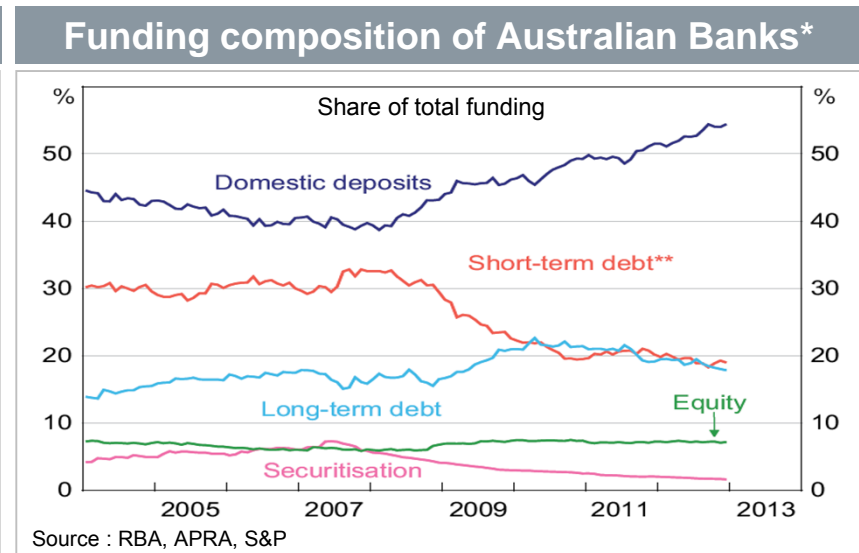
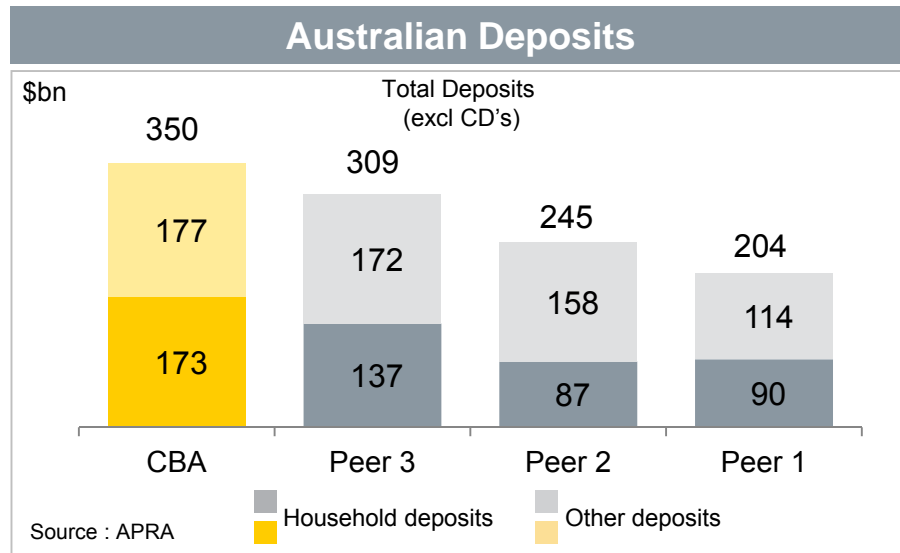


Term Debt Issues Outstanding (>12mths)¹



¹ Total of debt issues (at current FX) plus A\$ Transferable Certificates of deposit. Excludes IFRS.

Funding – deposits

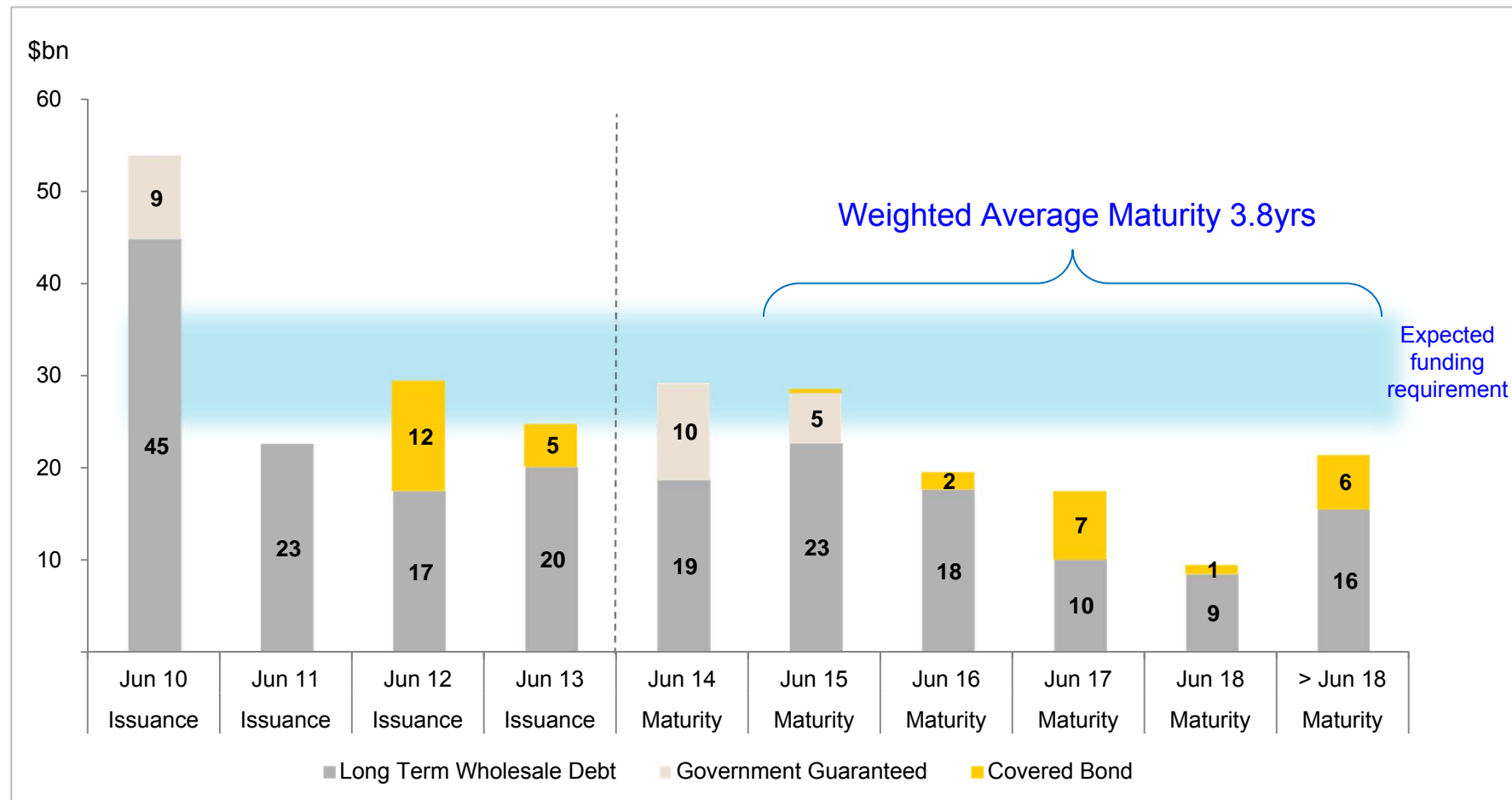


* Adjusted for movements in FX

** Includes deposits and intragroup funding from non-residents

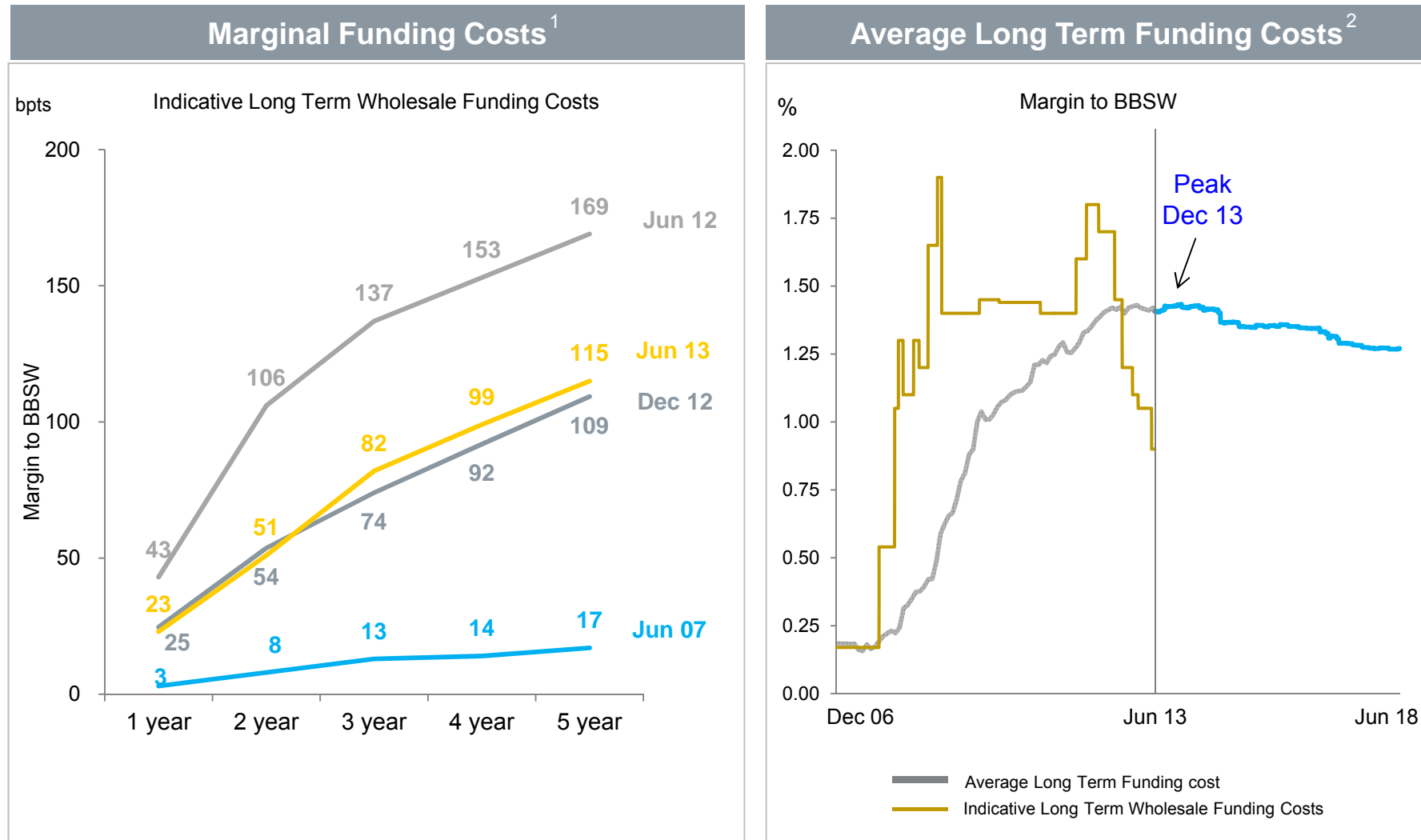
Funding – term wholesale profile¹

- ◆ Funding strategy driven by market and investor diversity, appropriate maturity profile and overall cost
- ◆ Term wholesale funding requirement has eased materially since FY 2010



¹ Maturity profile includes all long term wholesale debt. Weighted Average Maturity of 3.8 years includes all deals with first call or maturity of 12 months or greater.

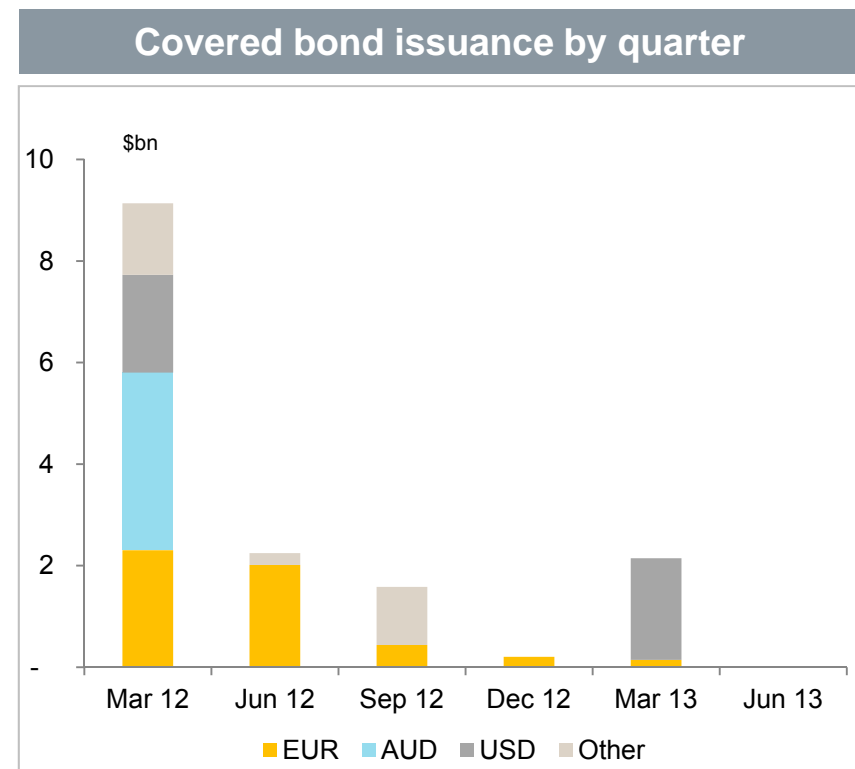
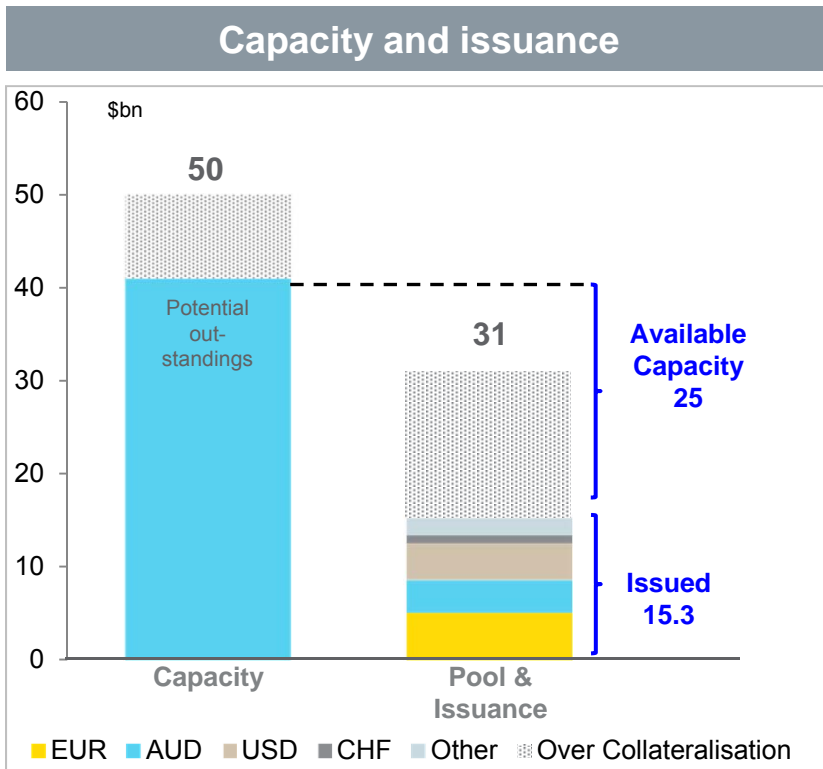
Funding – term wholesale costs



1 CBA Group Treasury estimated blended wholesale funding costs.
2 Forecast assumes wholesale market conditions / rates remain at 30 June 2013 levels.

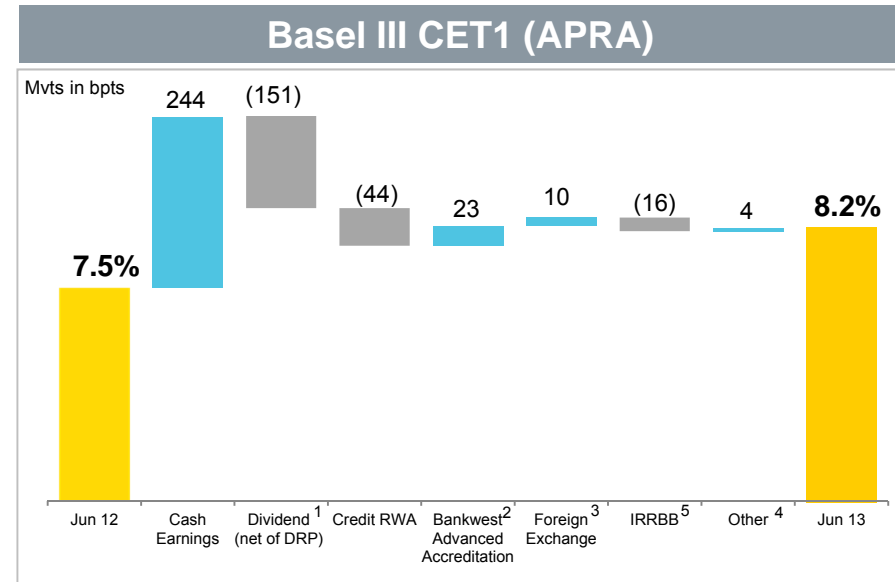
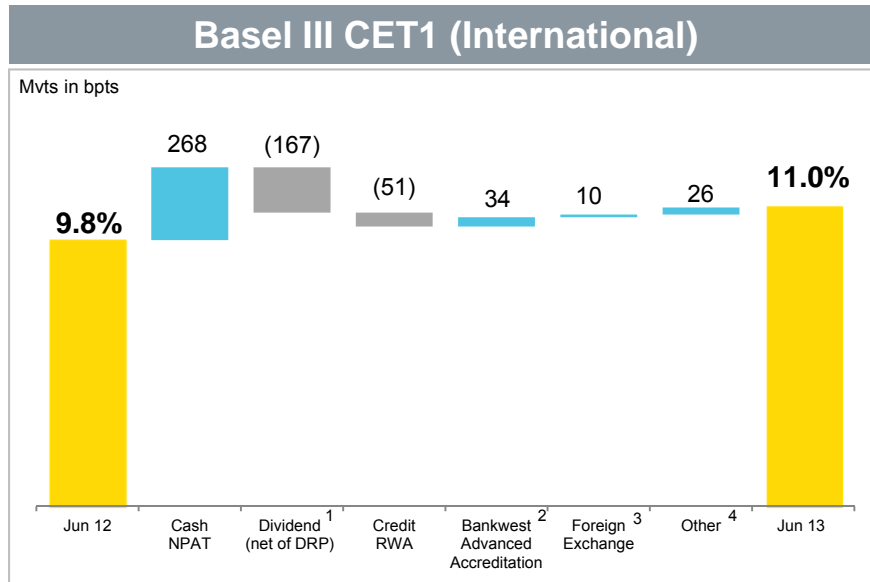
Funding – Covered Bonds

- ◆ Banking Act amendment of Oct 2011 set a legislative limit of 8% of Australian assets
- ◆ Limits equates to ~30% of LT wholesale debt
- ◆ Multi-jurisdiction programme
- ◆ Covered bonds offer alternative issuance options, especially during periods of market dislocation
- ◆ Issuance of covered bonds most likely to favour longer tenors



Capital position

- ◆ Basel III CET1 (International) of 11.0%* vs global peer average 9.6%
- ◆ Up 60% since Jun 07
- ◆ Basel III CET1 (APRA) 8.2%
- ◆ DRP neutralisation for 2013 final dividend



1 2H13 movements reflects December 2012 interim dividend (declared February 2013), in which the dilutive impact of the DRP was neutralised. FY13 additionally impacted by June 12 final dividend (declared August 2012), net of the issue of shares under the DRP.
 2 Represents benefit from reduction in Credit RWA. APRA extended the Group's Advanced Internal Ratings based accreditation to include Bankwest non retail loans and residential mortgages from 31 December 2012.
 3 Reflects impact of the depreciation of the A\$ on the foreign currency translation reserve (FCTR).
 4 Includes favourable movements in AFS reserves and actuarial gains for the defined benefits super fund, and shares issued in May 2013 as part of the settlement of the Aussie Home Loans purchase.
 5 IRRBB RWA only applicable under APRA.

* Assumes Basel III Capital 2019 reforms have been fully implemented.

APRA and international comparison

The following table provides details of the impact on CBA Group capital, as at June 2013, of the differences between the APRA Basel III prudential requirements¹ and the requirements of the Basel Committee on Banking Supervision (BCBS)².

| | 30 June 2013 | | |
|----------------------------------|--------------|--------------------------|-----------------------|
| | CET1 % | Tier One Capital % | Total Capital % |
| Basel III (APRA) | 8.2% | 10.2% | 11.2% |
| Equity investments | 0.9% | 0.9% | 0.9% |
| Deferred tax assets | 0.3% | 0.3% | 0.3% |
| IRRBB risk weighted assets | 0.5% | 0.6% | 0.6% |
| RWA treatment - mortgages | 1.1% | 1.3% | 1.4% |
| Total adjustments | 2.8% | 3.1% | 3.2% |
| Basel III (International) | 11.0% | 13.3% | 14.4% |

1 APRA Basel III final standards released September 2012.

2 BCBS December 2010 Discussion Paper.

Leverage ratio

- ◆ Supplementary measure to the risk based capital requirements proposed by the Basel Committee
 - Monitors build up of excessive leverage
 - Ratio is Tier 1 Capital as a percentage of total exposures (on and off balance sheet)
 - Observation period against 3% level until 2017
 - To be implemented 1 Jan 2018
- ◆ APRA expected to follow Basel Committee proposals
- ◆ US and UK are changing the leverage ratio calculation for their domestically important banks

APRA's view of industry levels (November 2011)

| Leverage ratio | |
|--------------------------------------|------|
| Minimum (2018) | 3% |
| Pro forma 2010, global minimum rules | 4.3% |
| Pro forma 2010, APRA proposals | 3.7% |

Leverage ratio should not be the constraint on typical Australian banks

10



Regulatory change

| Area | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|------------------|---|--------------------------------------|--|---|------|--|
| Capital | Bank capital (Basel III) – implemented (CET1 min 4.5%) Life and general insurance capital – implemented | | Leverage ratio – observation period (publicly disclosed) Level 3 reforms – to be implemented | Capital conservation buffer – to be implemented (CET1 2.5%) D-SIB surcharge – to be implemented | | Leverage ratio – to be implemented |
| Liquidity | LCR - BCBS observation period | LCR – begin APRA reporting | LCR – to be implemented (LCR > 100%) | | | |
| Funding | NSFR – observation period | | | | | NSFR – to be implemented |

Capital

- ◆ Strong capital levels in lead up to implementation of capital conservation buffer and potential D-SIB surcharge in 2016
- ◆ Draft Level 3 (conglomerate) standards released by APRA in May 2013 – expect current capital levels to be sufficient

Liquidity coverage ratio (LCR, 2015)

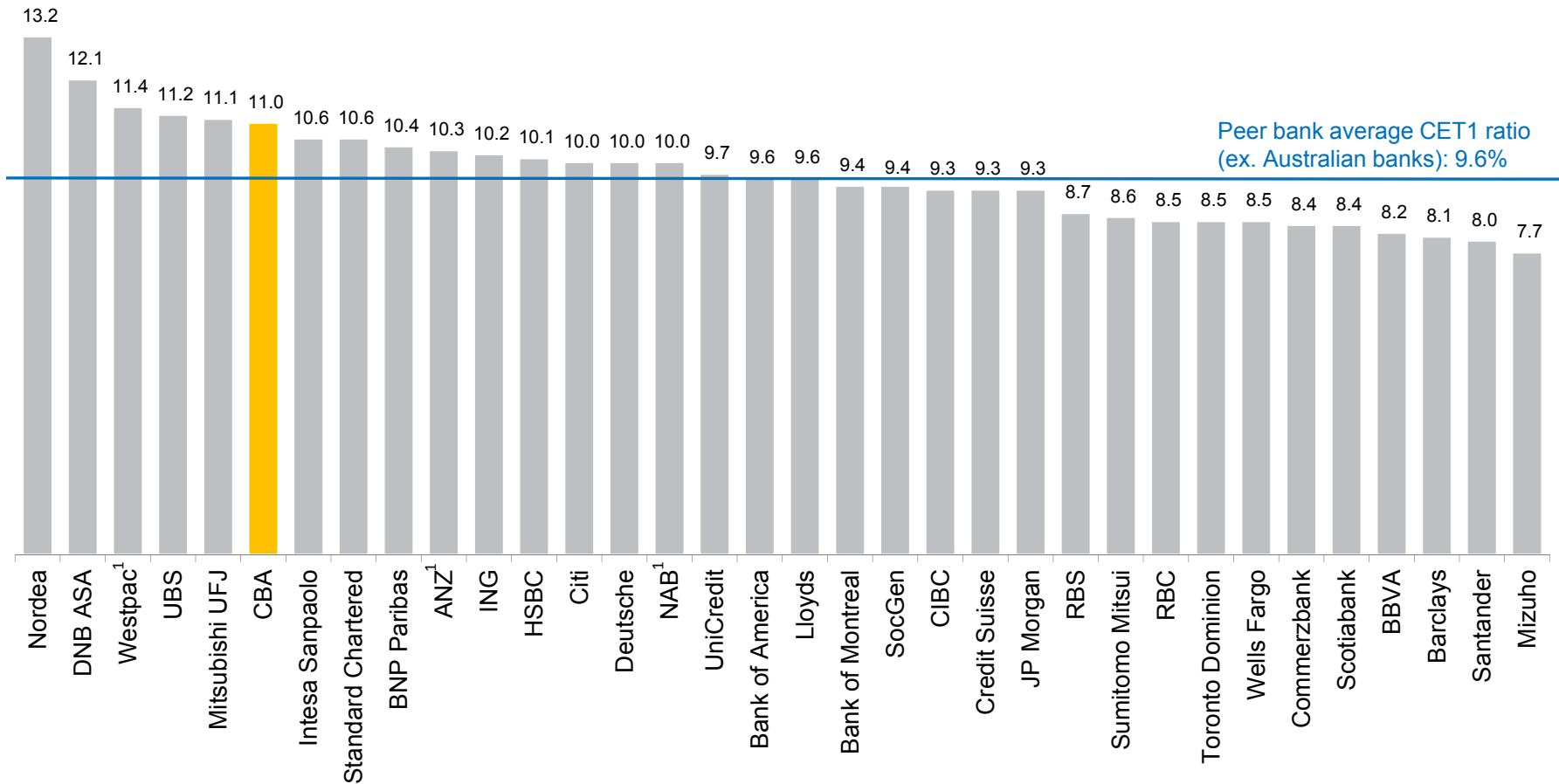
- ◆ Australian banks allowed to use alternative liquidity arrangement (Committed Liquidity Facility or CLF)
- ◆ Final mix of High Quality Liquid Assets (HQLA) and CLF still to be determined by APRA
- ◆ Aggregate level of HQLAs currently held by scenario analysis banks seen as appropriate by RBA

Net stable funding ratio (NSFR, 2018)

- ◆ More and longer term funding undertaken since GFC

International capital benchmark

Peer Basel III CET1 (International)



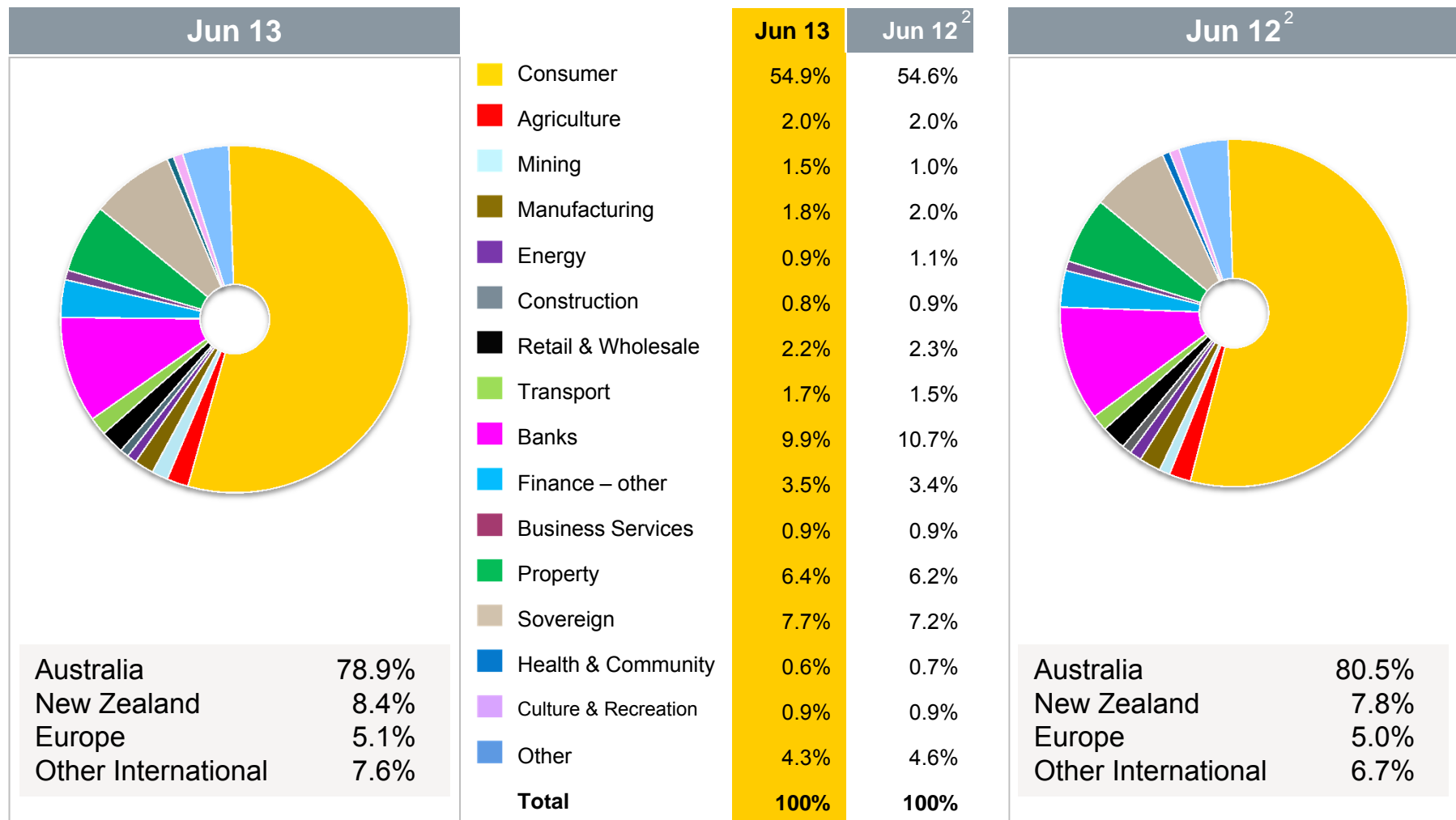
Source: Morgan Stanley. Based on last reported CET1 ratios up to 8 August 2013 assuming Basel III capital reforms fully implemented. Peer group comprises listed commercial banks with total assets in excess of A\$400 billion who have disclosed fully implemented Basel III ratios or provided sufficient disclosure for a Morgan Stanley Equity Research estimate.

1. Domestic peer figures as at March 2013.

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Credit exposure¹ by industry

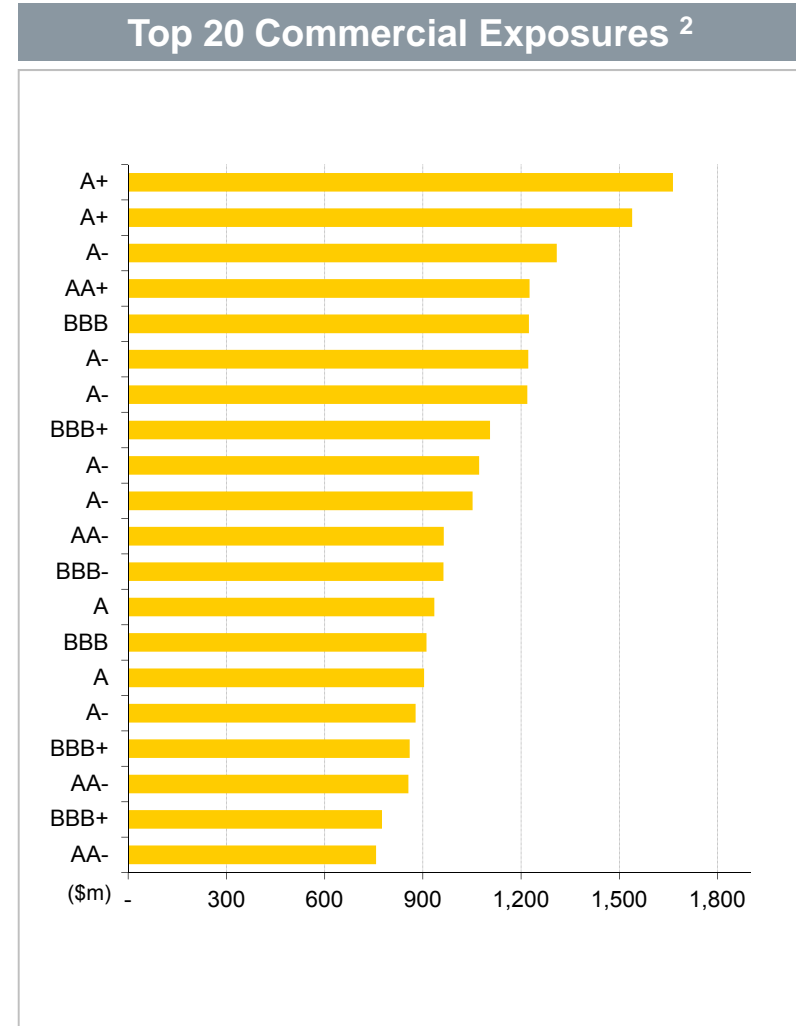


1 Total committed credit exposure = balance for uncommitted facilities or greater of limit or balance for committed facilities. Calculated before collateralisation. Includes ASB and Bankwest. Excludes settlement risk.

2 Jun 12 restated to align to current period treatment.

Sector exposures

| Commercial Exposures by Sector ¹ | | | | | |
|---|--------------|-------------|--------------|--------------|--------------|
| \$bn | AAA to AA- | A+ to A- | BBB+ to BBB- | Other | Total |
| Banks | 38.4 | 41.8 | 4.8 | 0.7 | 85.7 |
| Finance Other | 11.5 | 11.3 | 2.4 | 4.9 | 30.1 |
| Property | - | 6.4 | 11.0 | 38.3 | 55.7 |
| Sovereign | 64.4 | 1.5 | 0.6 | 0.2 | 66.7 |
| Manufacturing | 0.2 | 2.3 | 6.0 | 7.1 | 15.6 |
| Retail/Wholesale Trade | - | 1.9 | 5.0 | 12.50 | 19.4 |
| Agriculture | - | 0.3 | 1.9 | 15.1 | 17.3 |
| Energy | 0.4 | 1.7 | 4.6 | 1.0 | 7.7 |
| Transport | 0.3 | 2.3 | 7.5 | 4.4 | 14.5 |
| Mining | 1.2 | 4.9 | 3.0 | 3.5 | 12.6 |
| All other (ex consumer) | 1.8 | 3.7 | 14.7 | 36.4 | 56.6 |
| Total | 118.2 | 78.1 | 61.5 | 124.1 | 381.9 |



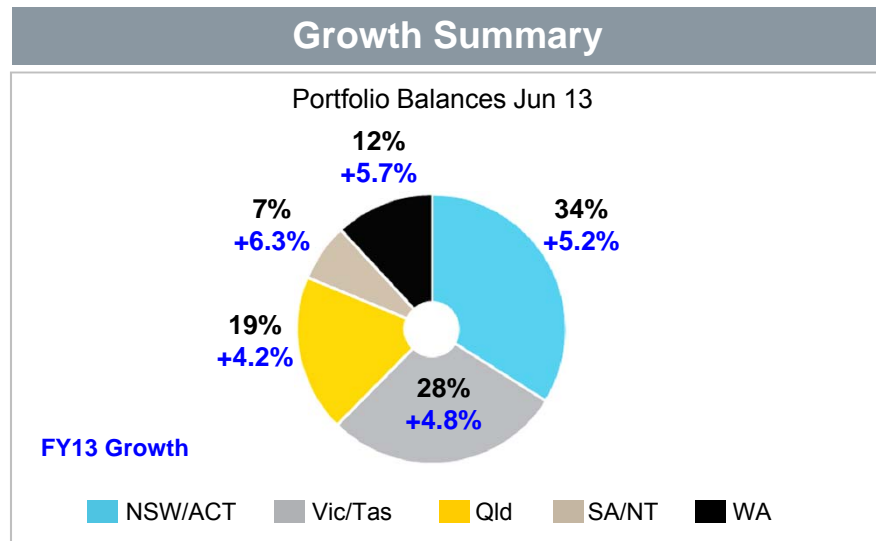
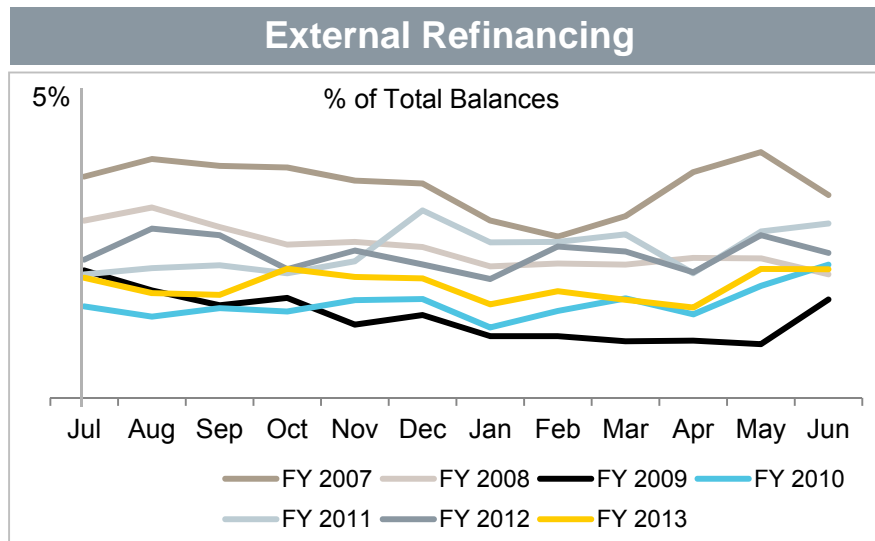
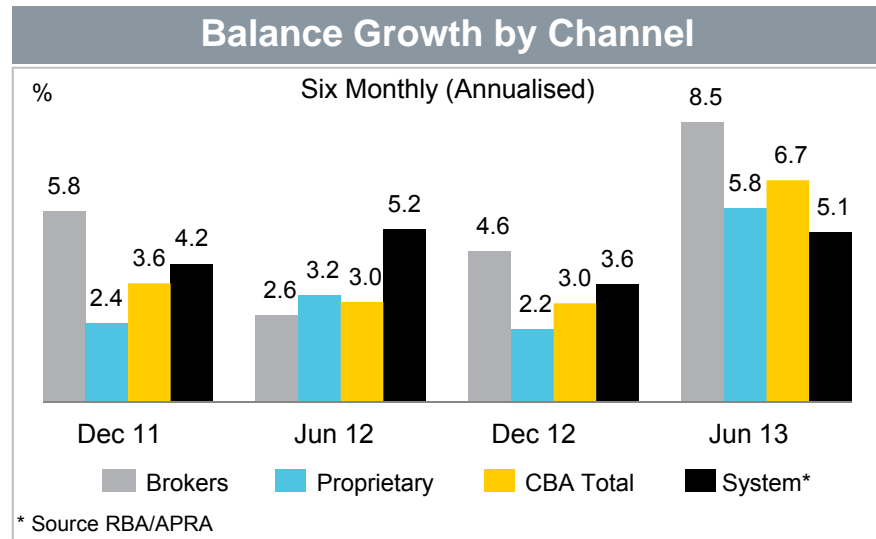
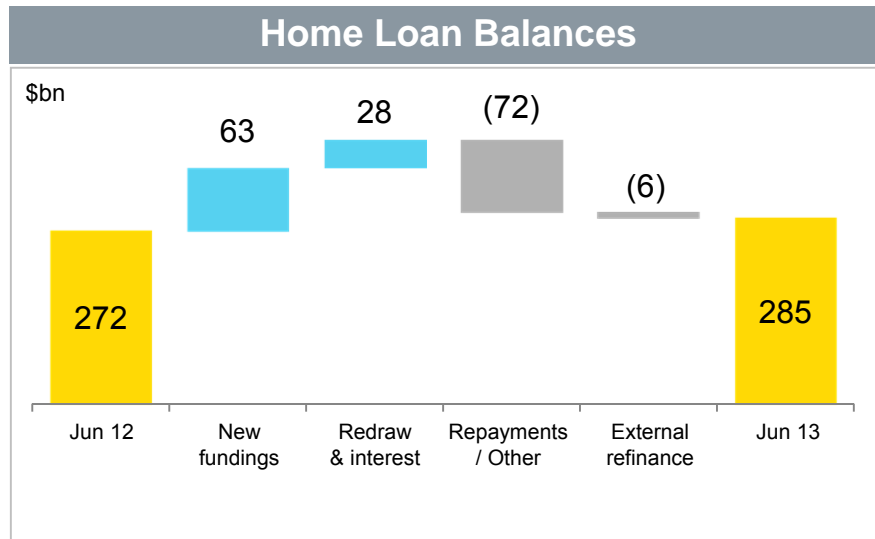
1 Gross credit exposure before collateralisation = balance for uncommitted facilities and greater of limit or balance for committed facilities. Includes ASB and Bankwest, and excludes settlement exposures and leasing exposures.

2 CBA grades in S&P Equivalents. Includes ASB and Bankwest. Total approved exposure.

CBA home loan portfolio profile

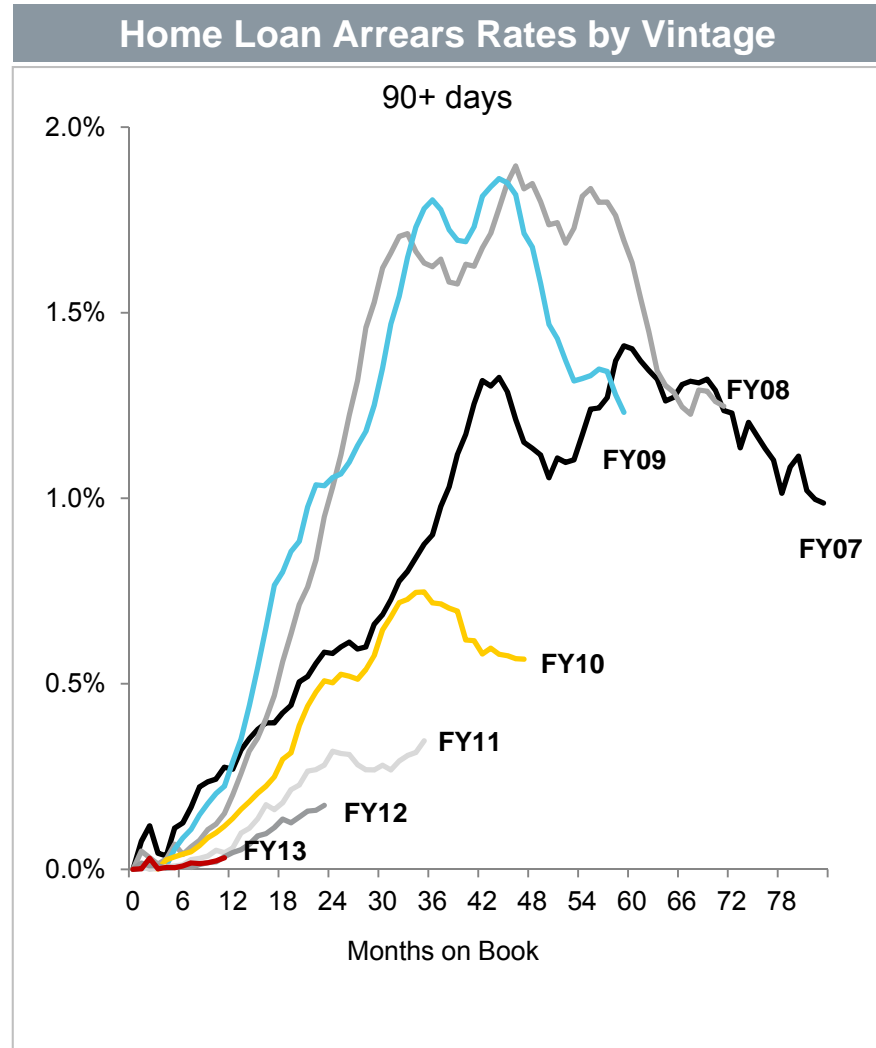
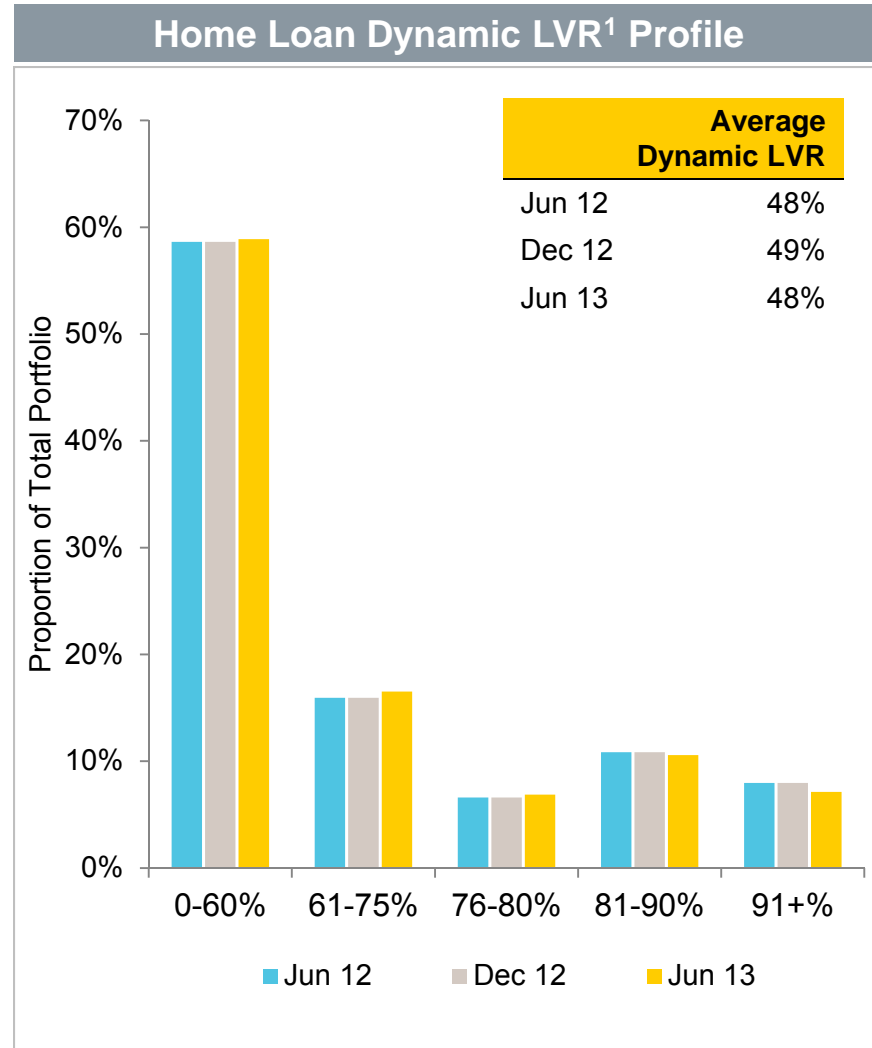
| | Jun 13 | Dec 12 | Jun 12 | | Jun 13 | Dec 12 | Jun 12 |
|--|--------|--------|--------|---|--------|--------|--------|
| Total Balances - Spot (\$bn) ¹ | 373 | 359 | 353 | Portfolio Dynamic LVR (%) ⁶ | 48 | 49 | 48 |
| Total Balances - Average (\$bn) ¹ | 361 | 356 | 345 | Customers in advance (%) ⁷ | 80 | 81 | 82 |
| Total Accounts (m) | 1.4 | 1.4 | 1.4 | Payments in advance (#) ⁸ | 7 | 7 | 7 |
| Fundings (\$bn) ² | 34 | 29 | 26 | Low Doc - % of balances | 1.9 | 2.2 | 2.7 |
| Avg Funding Size (\$'000) ² | 244 | 243 | 233 | FHB - % of new fundings ⁹ | 11 | 14 | 14 |
| Variable Rate - % of balances | 84 | 87 | 87 | FHB - % of balances | 14 | 15 | 15 |
| Owner-Occupied - % of balances | 58 | 58 | 58 | LMI - % of balances ¹⁰ | 25 | 25 | 25 |
| Investment - % of balances | 34 | 34 | 33 | LDP - % of balances ¹¹ | 5.6 | 5.2 | 4.9 |
| Line of Credit - % of balances | 8 | 8 | 9 | MIP - % of balances ¹² | 0.08 | 0.11 | 0.15 |
| Proprietary - % of balances | 62 | 62 | 62 | All figures relate to the RBS home loan portfolio except where noted below: | | | |
| Broker - % of balances | 38 | 38 | 38 | 1. Group Home Loan balance including Bankwest, ASB and securitised loans. | | | |
| Interest Only - % of balances ³ | 33 | 32 | 31 | 2. 6 month period. | | | |
| Annualised Run-Off (%) ⁴ | 18 | 18 | 17 | 3. Restated to exclude Line of Credit (not applicable). | | | |
| Serviceability buffer (%) ⁵ | 1.50 | 1.50 | 1.50 | 4. Based on 6 month annualised. | | | |
| | | | | 5. Serviceability test based on the higher of the customer rate plus a 1.5% interest rate buffer or a minimum floor rate. | | | |
| | | | | 6. Defined as current balance/current valuation. Current balance and valuations as at Mar 13. | | | |
| | | | | 7. Defined as any payment ahead of monthly minimum repayment. | | | |
| | | | | 8. Defined as average number of payments ahead of scheduled repayments. | | | |
| | | | | 9. June results 12 months, December results 6 months annualised. | | | |
| | | | | 10. Lenders Mortgage Insurance. 11. Low Deposit Premium. 12. Mortgagee in Possession. | | | |

Home lending growth profile¹



¹ Excludes Bankwest

RBS home loans – LVR and arrears by vintage



¹ Dynamic LVR is current balance / current valuation. Current period balance and valuations as at Mar 13.

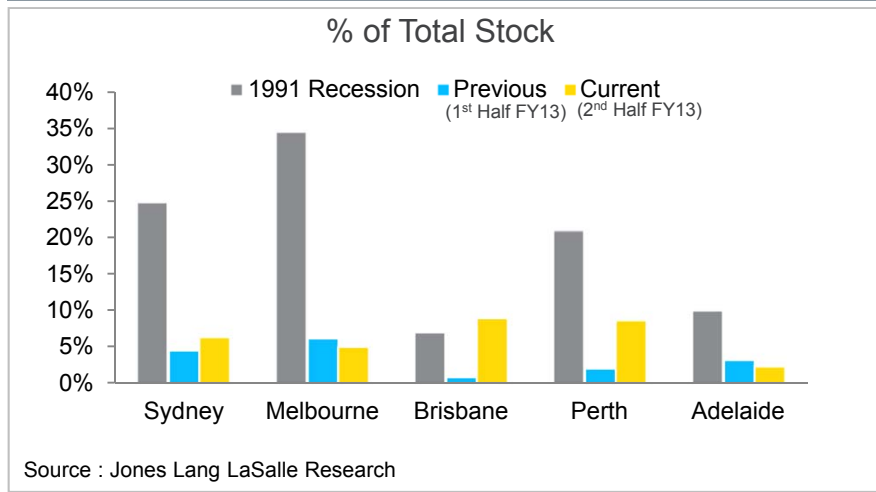
RBS home loans – stress test

| Observations | Key Assumptions | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--------------------------------|----------------------------|--------|--------|--------|--------------|------|------|-------|-------|-----------------------------------|------|-------|-------|-------|-------------------------|-----|------|------|------|-----------|-------|-------|-------|-------|--------------|--|--|--|--|--------|--------|--------|-----------------|--------|--------|--------|-----------------------------|-------|-------|-------|-------------------------|--|--|--|-----|--|--|--|-------|------|----|-------|----------------------------|------------------------------|--------------------------------|----------------------------|
| <ul style="list-style-type: none"> ◆ Aggressive 3 year “stress test” scenario of cumulative 32% house price decline and peak 11.5% unemployment. ◆ House prices and PDs are stressed at regional level. ◆ Total potential losses of approximately \$1.9bn for the uninsured portfolio only over 3 years. ◆ Small movement this period reflecting improved quality of new business and changing property values. ◆ Potential claims on LMI of \$2.1bn¹ over 3 years. | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Base</th> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> </tr> </thead> <tbody> <tr> <td>Unemployment</td> <td>5.3%</td> <td>7.0%</td> <td>10.5%</td> <td>11.5%</td> </tr> <tr> <td>Hours under-employed¹</td> <td>7.9%</td> <td>11.4%</td> <td>15.8%</td> <td>18.4%</td> </tr> <tr> <td>Cumulative House Prices</td> <td>n/a</td> <td>-15%</td> <td>-32%</td> <td>-32%</td> </tr> <tr> <td>Cash Rate</td> <td>3.00%</td> <td>3.00%</td> <td>1.00%</td> <td>1.00%</td> </tr> </tbody> </table> <p><small>1 The total number of hours not worked relative to the size of the workforce.</small></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="4" style="background-color: #556b84; color: white;">Key Outcomes</th> </tr> <tr> <th></th> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> </tr> </thead> <tbody> <tr> <td>Stressed Losses</td> <td>\$339m</td> <td>\$639m</td> <td>\$878m</td> </tr> <tr> <td>Probability of Default (PD)</td> <td>1.13%</td> <td>1.93%</td> <td>2.71%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> ▪ Results based on December 2012, due to the lag in the publication of current valuations data. ▪ Total potential losses of \$1,856m for the uninsured portfolio predicted over 3 years. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="4" style="background-color: #556b84; color: white;">Key Drivers of Movement</th> </tr> </thead> <tbody> <tr> <td colspan="4" style="text-align: left; padding-left: 5px;">\$m</td> </tr> <tr> <td style="text-align: center;">1,845</td> <td style="text-align: center;">(20)</td> <td style="text-align: center;">31</td> <td style="text-align: center;">1,856</td> </tr> <tr> <td style="text-align: center;">Potential Losses at Jun 12</td> <td style="text-align: center;">Volume Movement²</td> <td style="text-align: center;">Existing Accounts³</td> <td style="text-align: center;">Potential Losses at Dec 12</td> </tr> </tbody> </table> | | Base | Year 1 | Year 2 | Year 3 | Unemployment | 5.3% | 7.0% | 10.5% | 11.5% | Hours under-employed ¹ | 7.9% | 11.4% | 15.8% | 18.4% | Cumulative House Prices | n/a | -15% | -32% | -32% | Cash Rate | 3.00% | 3.00% | 1.00% | 1.00% | Key Outcomes | | | | | Year 1 | Year 2 | Year 3 | Stressed Losses | \$339m | \$639m | \$878m | Probability of Default (PD) | 1.13% | 1.93% | 2.71% | Key Drivers of Movement | | | | \$m | | | | 1,845 | (20) | 31 | 1,856 | Potential Losses at Jun 12 | Volume Movement ² | Existing Accounts ³ | Potential Losses at Dec 12 |
| | Base | Year 1 | Year 2 | Year 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Unemployment | 5.3% | 7.0% | 10.5% | 11.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hours under-employed ¹ | 7.9% | 11.4% | 15.8% | 18.4% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cumulative House Prices | n/a | -15% | -32% | -32% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash Rate | 3.00% | 3.00% | 1.00% | 1.00% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Key Outcomes | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Year 1 | Year 2 | Year 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Stressed Losses | \$339m | \$639m | \$878m | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Probability of Default (PD) | 1.13% | 1.93% | 2.71% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Key Drivers of Movement | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$m | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1,845 | (20) | 31 | 1,856 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Potential Losses at Jun 12 | Volume Movement ² | Existing Accounts ³ | Potential Losses at Dec 12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

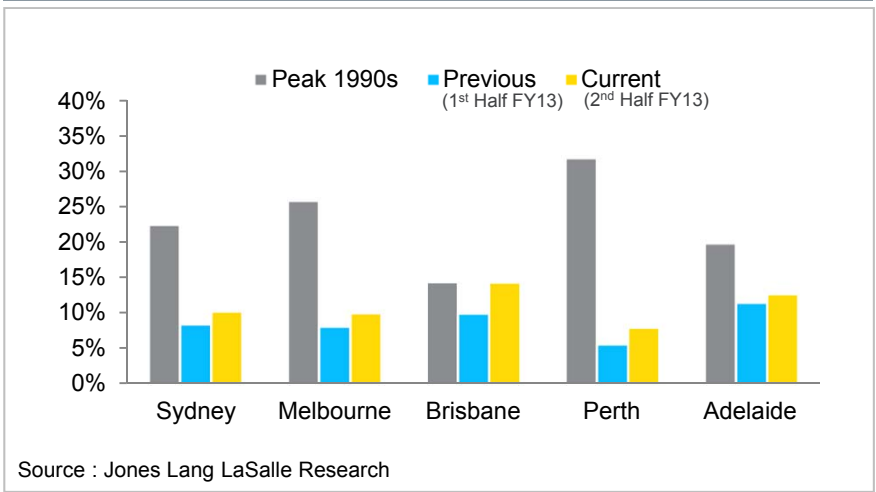
1 Conservative in that it assumes all loans that become 90 days in arrears will result in a claim.
 2 Contribution of accounts opened and closed in the period to potential losses.
 3 Change in potential loss for accounts that have remained on book between June 2012 and December 2012.

Commercial property market

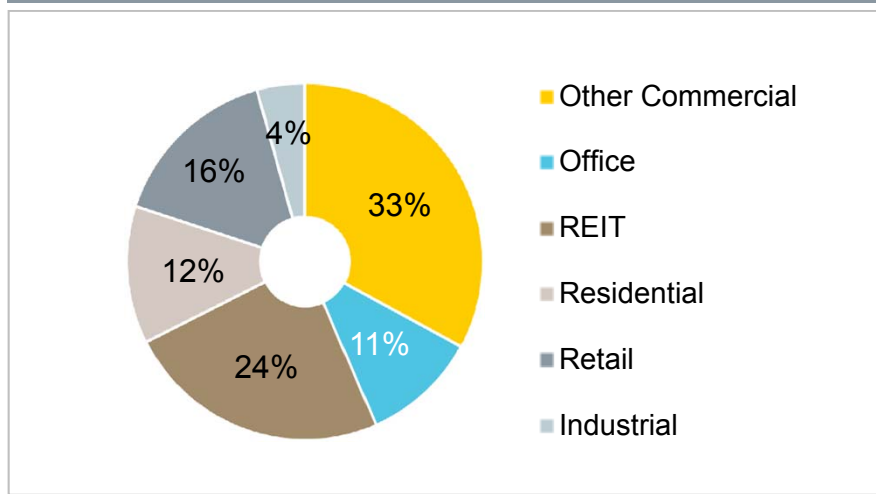
CBD Office Supply Pipeline¹



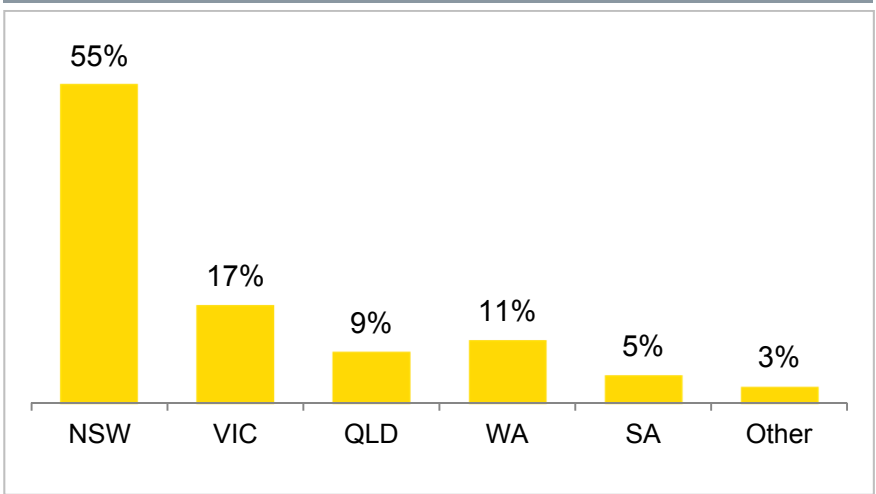
CBD Vacancy Rates



Group Commercial Property Profile²



Commercial Property by State²



1 The development pipeline includes all projects currently under construction.
 2 Includes ASB and Bankwest. Excludes service sectors.

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| Covered Bonds | 57 |

Economic Summary

| | 2010 | 2011 | 2012 | 2013 | 2014 (f) | 2015 (f) |
|----------------------------------|------|------|------|------------------|----------|----------|
| Credit Growth % – Total | 3.0 | 2.7 | 4.4 | 3.1 | 4-6 | 4½-6½ |
| Credit Growth % – Housing | 8.0 | 6.0 | 5.0 | 4.6 | 5-7 | 5½-7½ |
| Credit Growth % – Business | -4.0 | -2.2 | 4.4 | 0.9 | 2½-4½ | 3-5 |
| Credit Growth % – Other Personal | 3.0 | 0.7 | -1.3 | 0.2 | 1½-3½ | 2-4 |
| GDP % | 2.1 | 2.4 | 3.4 | 2.9 ¹ | 2.8 | 2.9 |
| CPI % | 2.3 | 3.1 | 2.3 | 2.4 | 2.1 | 2.9 |
| Unemployment rate % | 5.5 | 5.1 | 5.2 | 5.4 | 5.8 | 5.7 |
| Cash Rate % | 4½ | 4¾ | 3½ | 2¾ | 2½ | 3 |

CBA Economist's Forecasts

Credit Growth

= 12 months to June Qtr

GDP, Unemployment & CPI

= Year average

Cash Rate

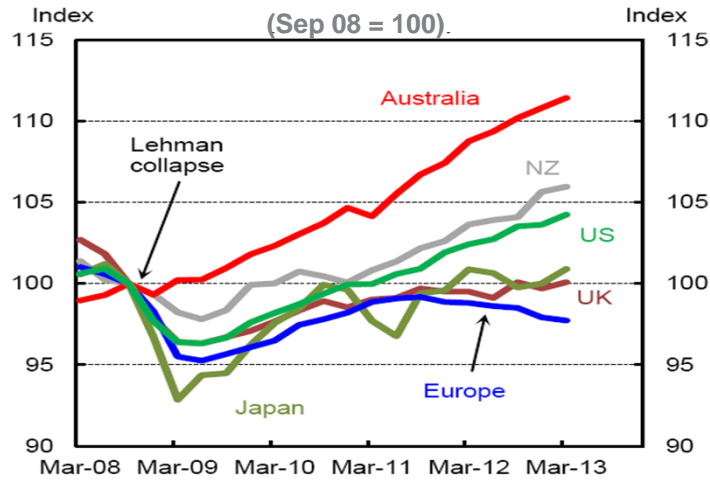
= As at end June qtr

1. Forecast

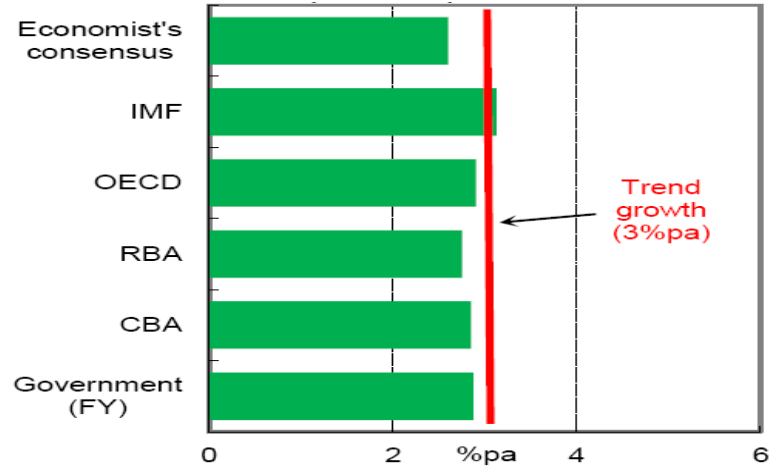


Growth

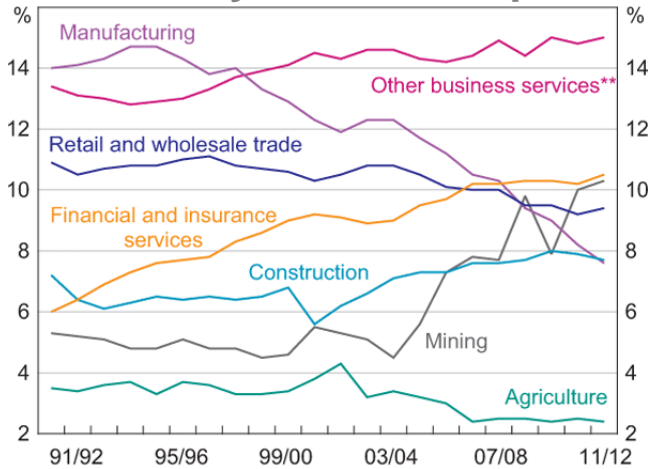
Real GDP (Sep 08 = 100)



GDP forecasts

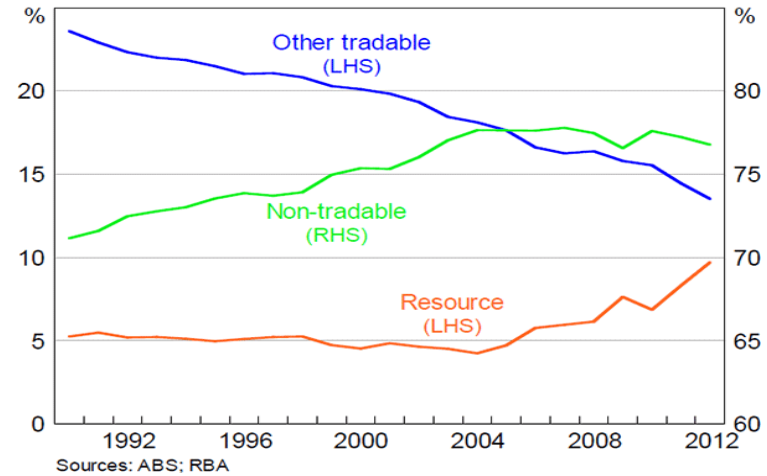


Industry share of output



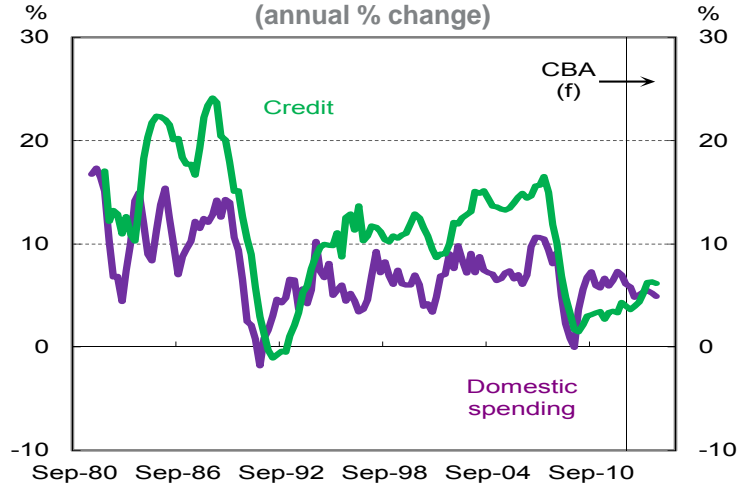
Source: RBA

Employment by sector

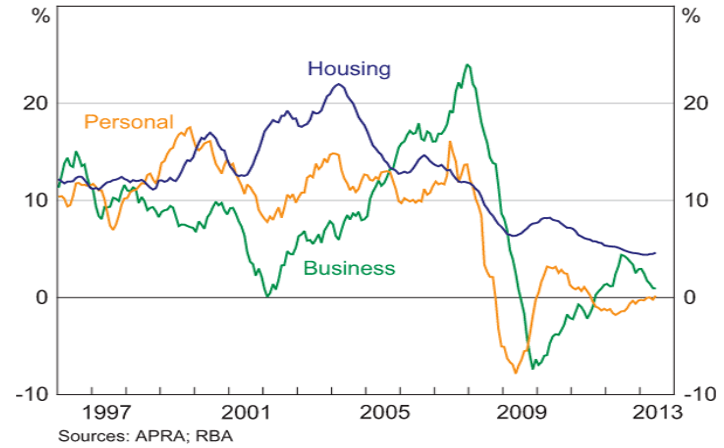


Credit

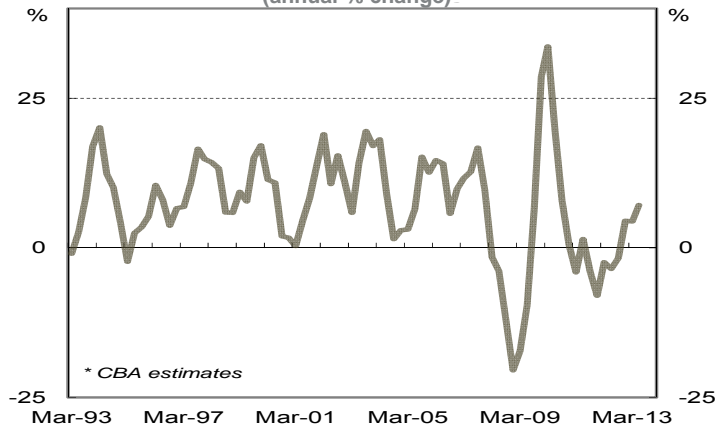
Credit and spending (annual % change)



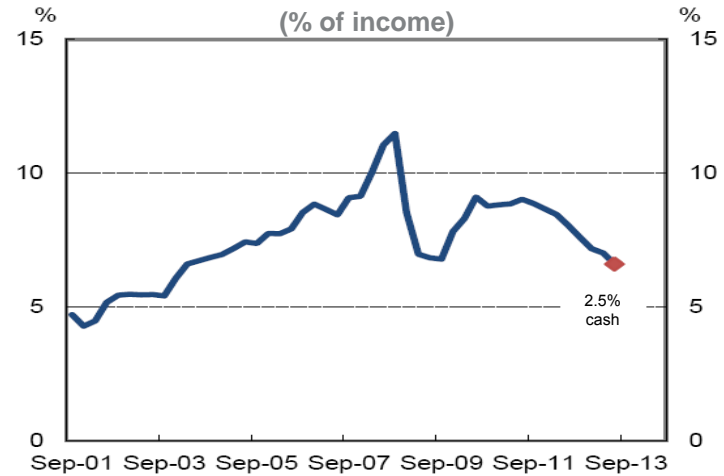
Credit growth by sector



Balance sheet pressures easing CBA H/Hold wealth indicator (annual % change)

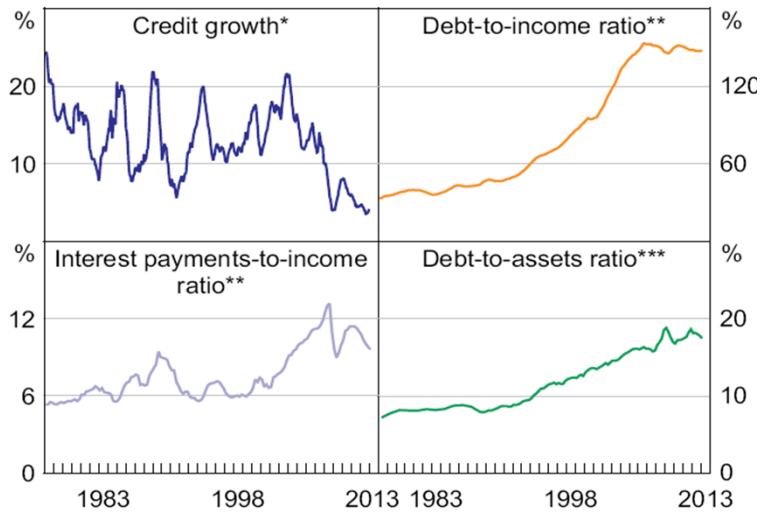


Household debt service (% of income)

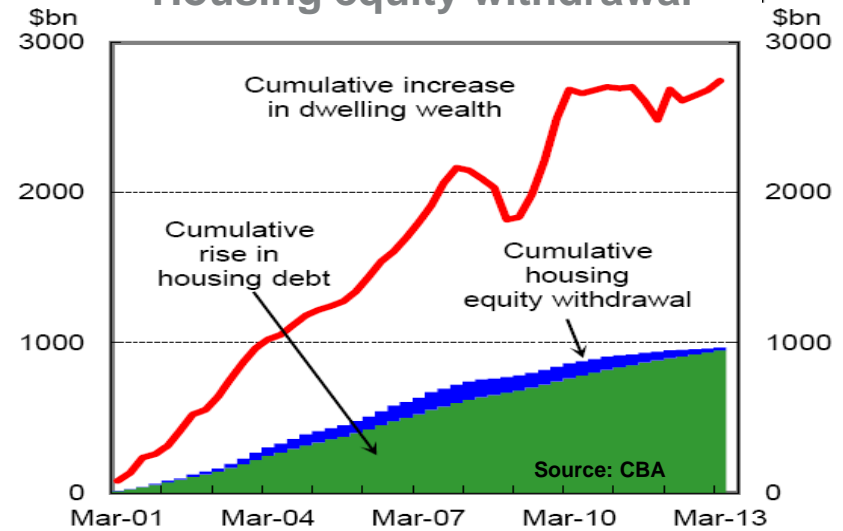


Leverage

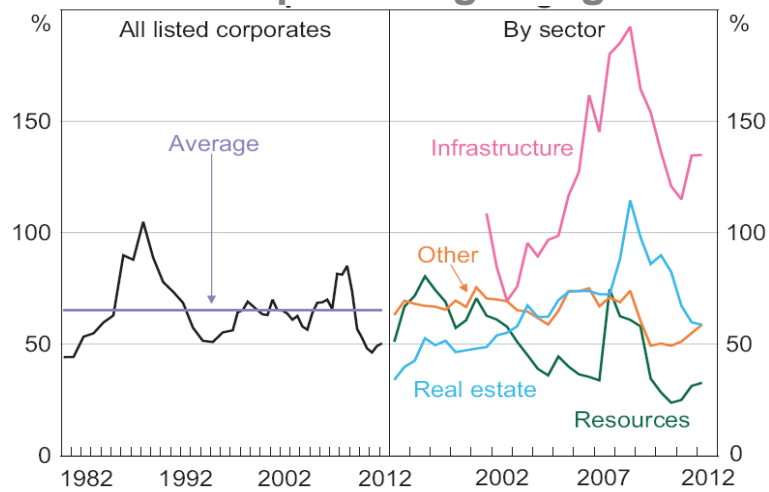
Household Gearing



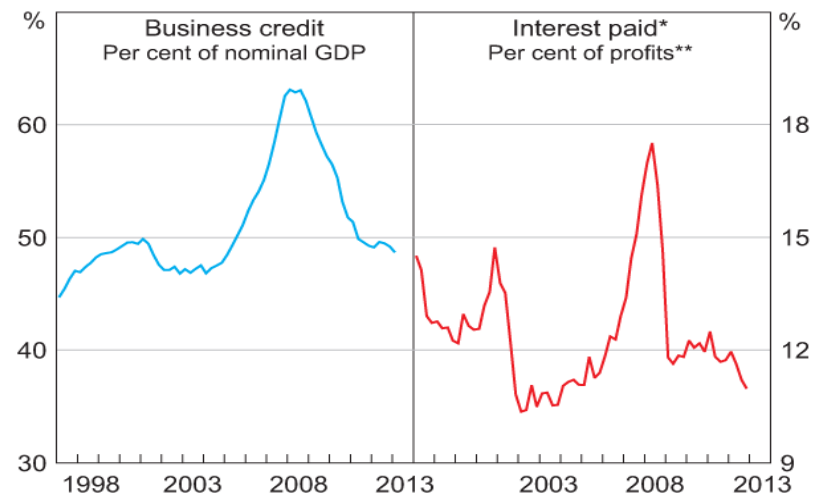
Housing equity withdrawal



Listed corporates' gearing ratio

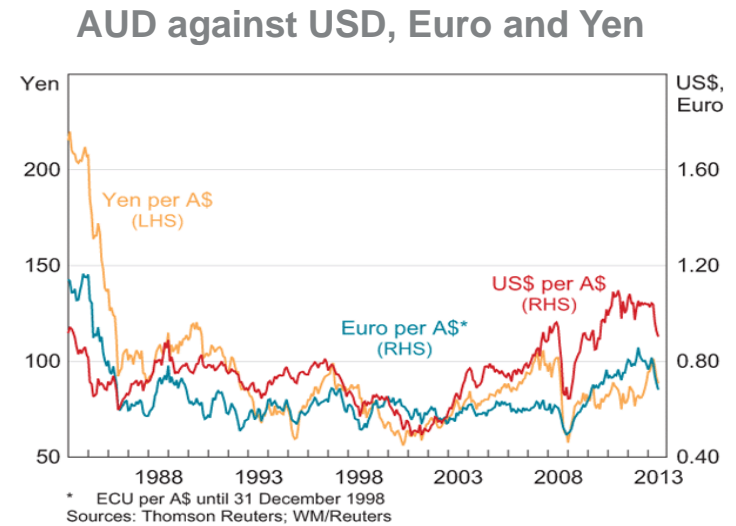
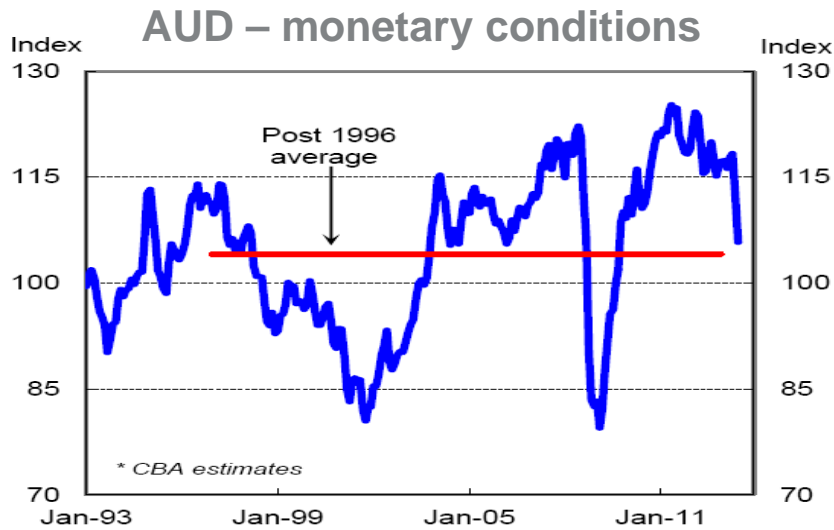
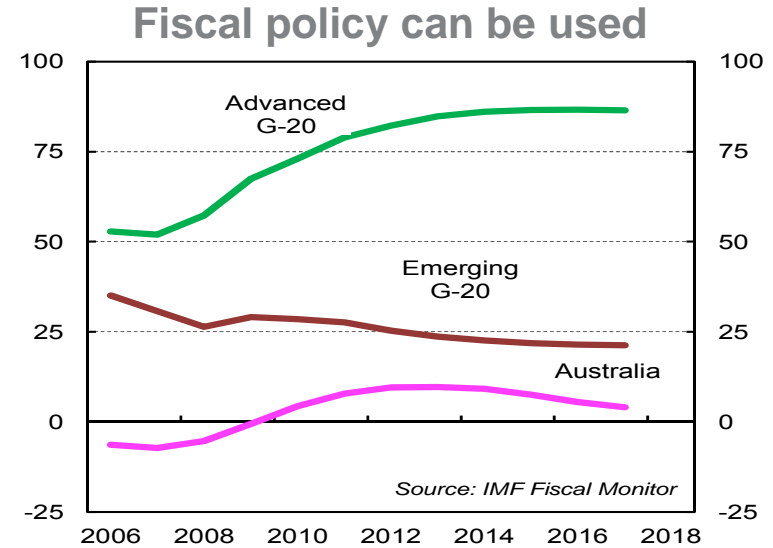
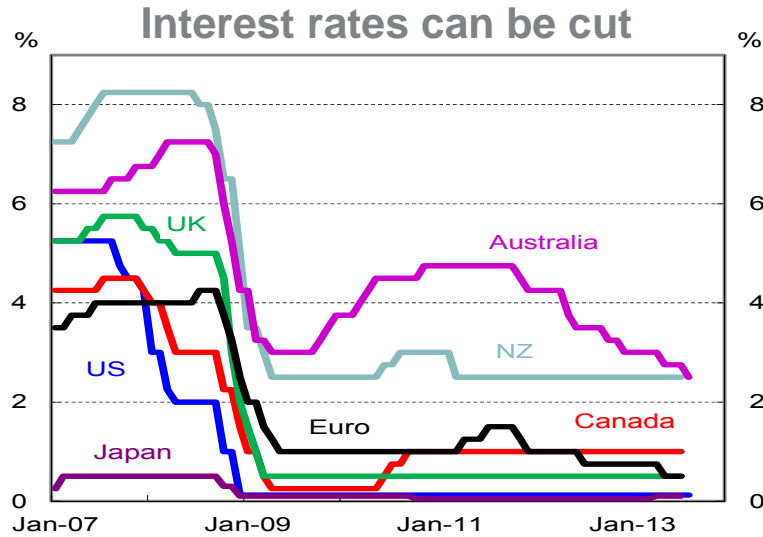


Business finance



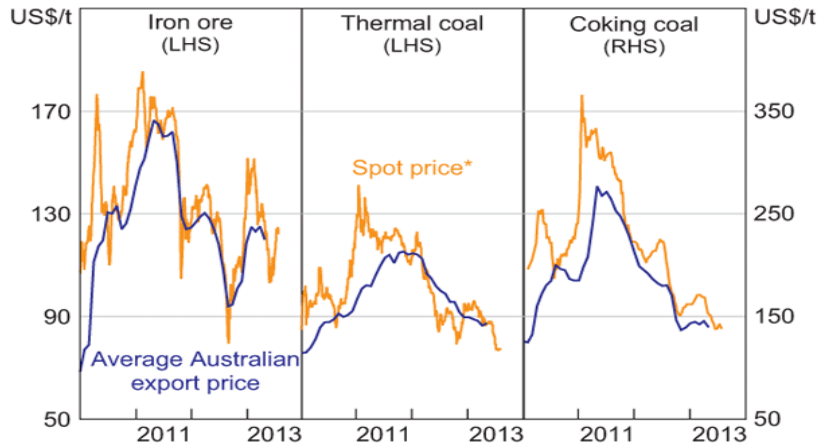
Source: RBA

Policy flexibility



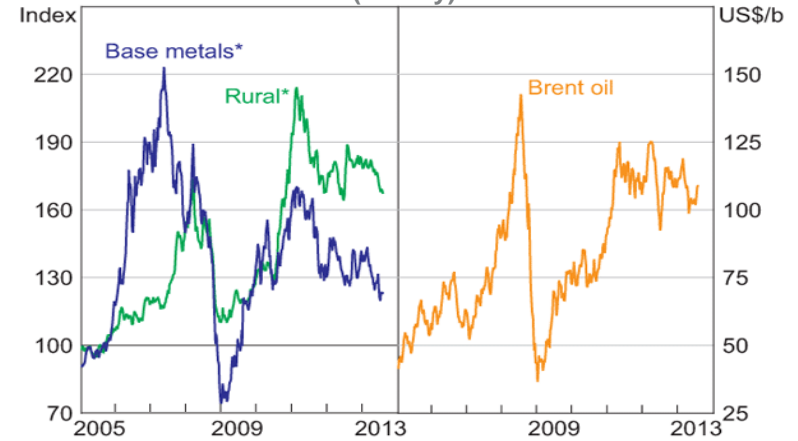
Commodities

**Bulk commodity prices
(FOB basis)**



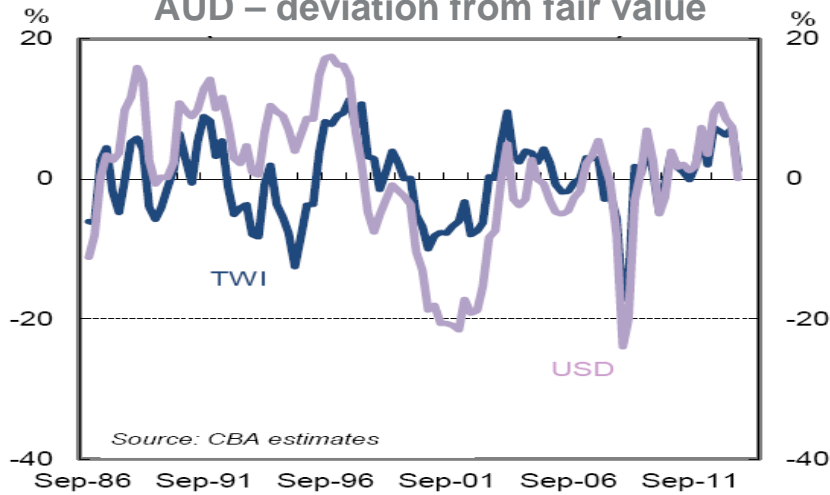
Source: RBA

**Base metals, Rural and Oil prices
(weekly)**



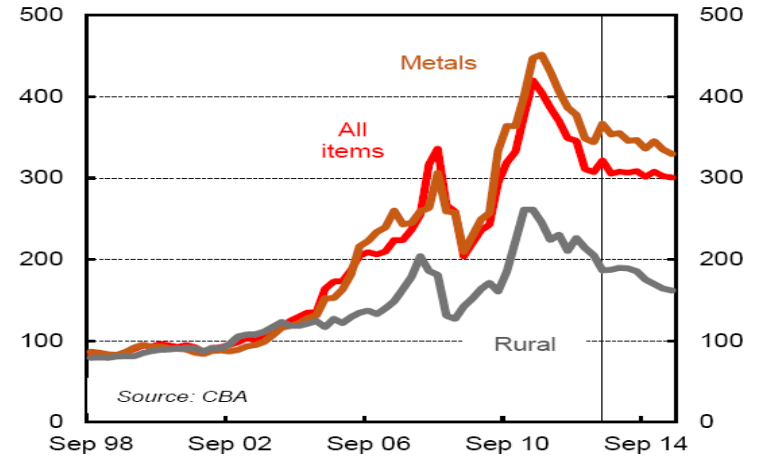
Source: RBA

AUD – deviation from fair value



Source: CBA estimates

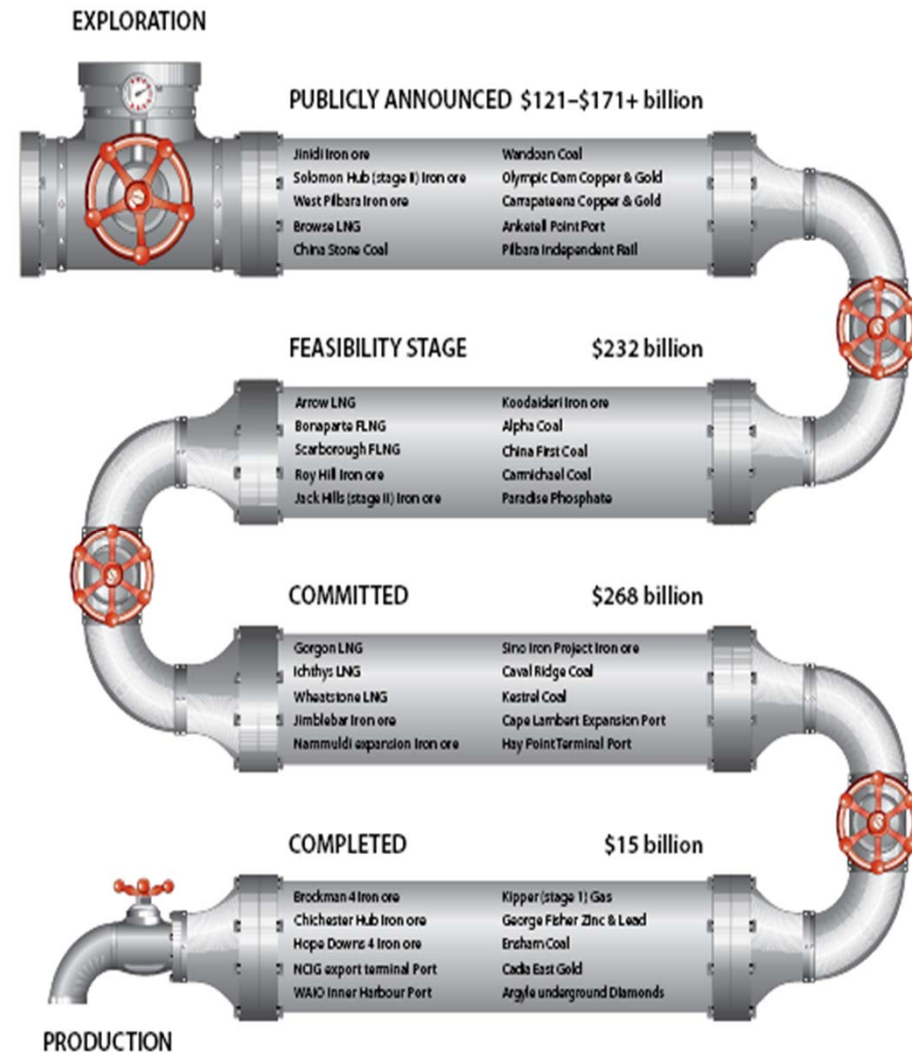
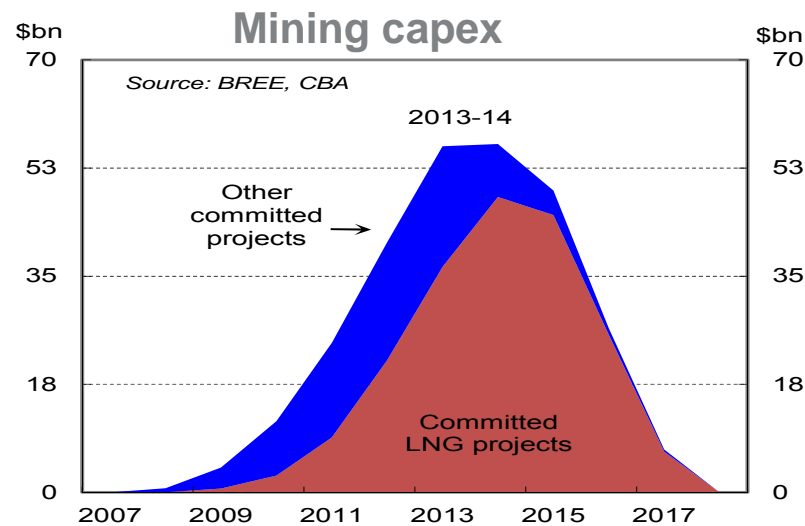
CBA Commodity price index (USD)



Source: CBA

Resources investment

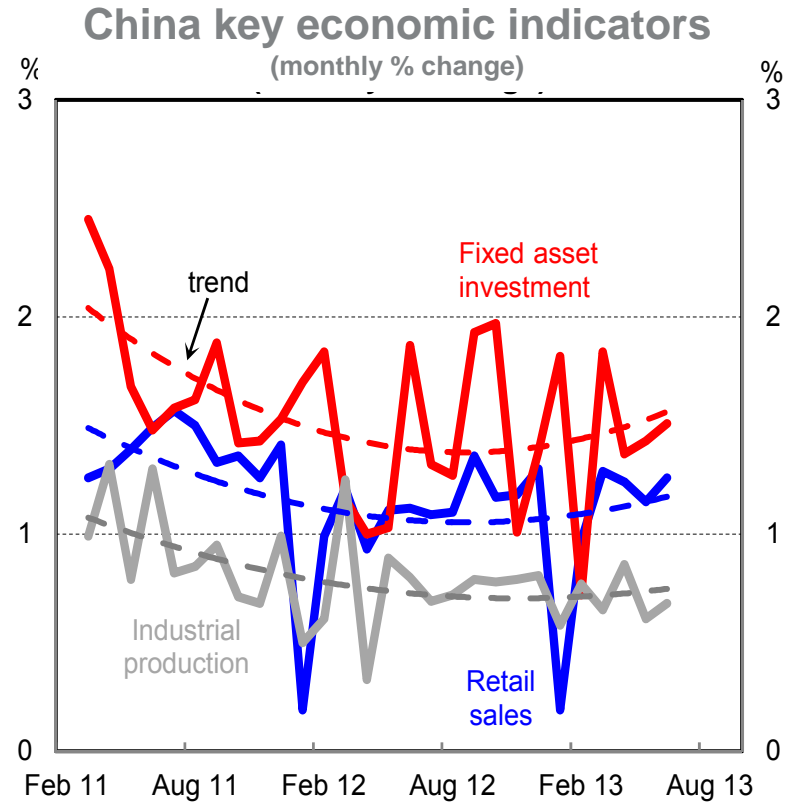
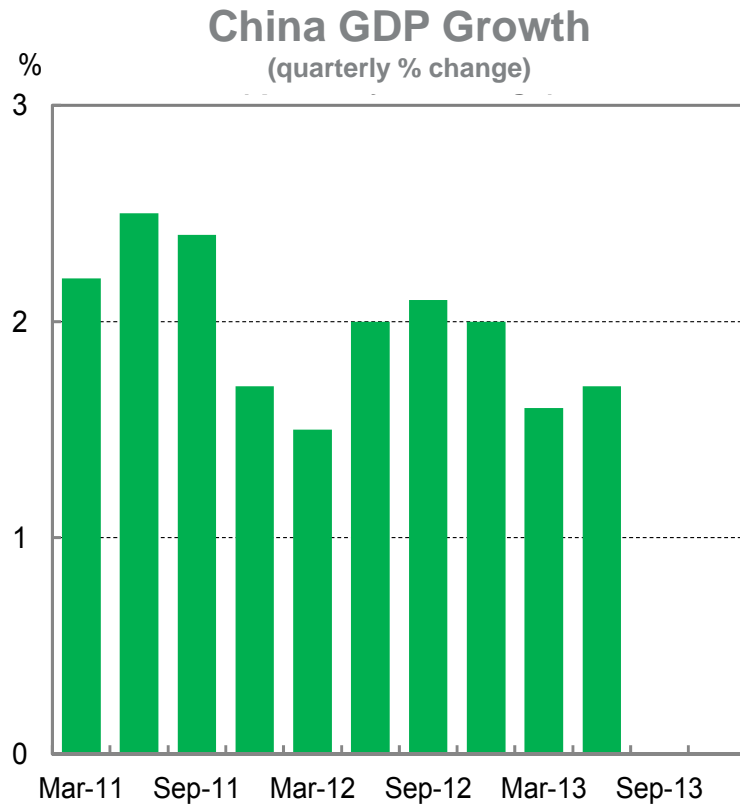
- ◆ The mining pipeline is dominated by large multi-year, multi-billion \$ projects.
- ◆ Of the A\$268bn of committed resource projects, some A\$195bn is in LNG
- ◆ The real value of oil & LNG projects is equivalent to the Apollo Moon Program.
- ◆ Because these projects are of long duration, the peak in mining capex should be more of a “plateau” rather than the usual “inverted V”.



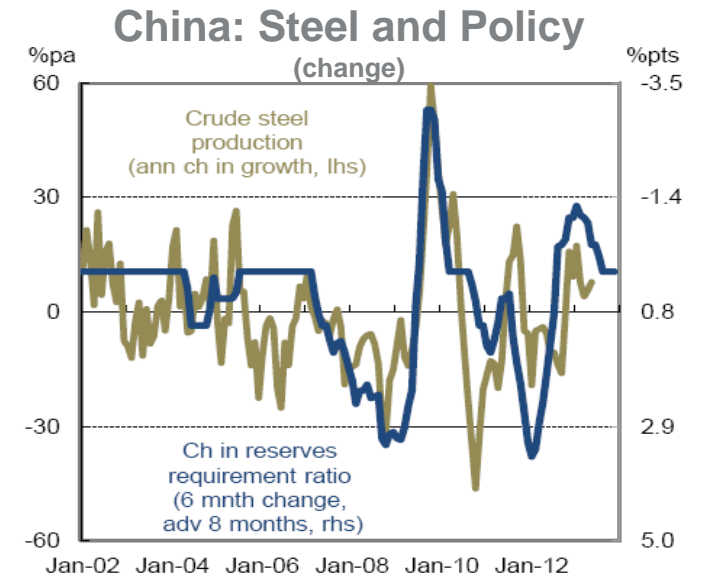
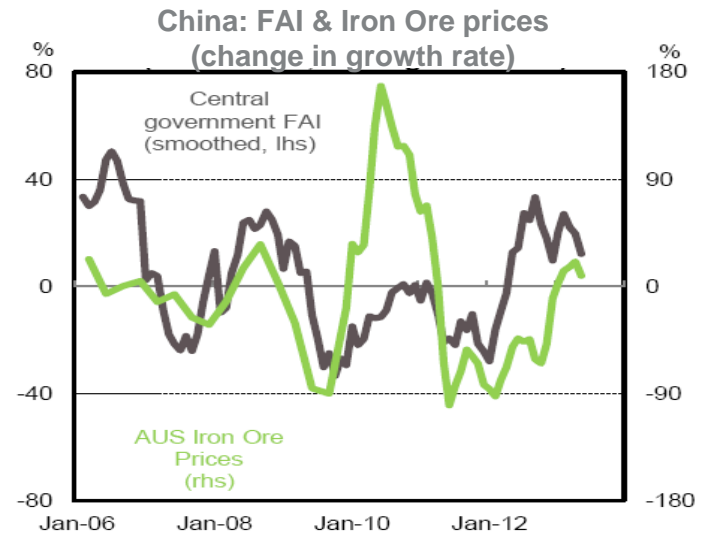
Source: Australian Bureau of Resources and Energy Economics, April 2013

China slowdown scenario

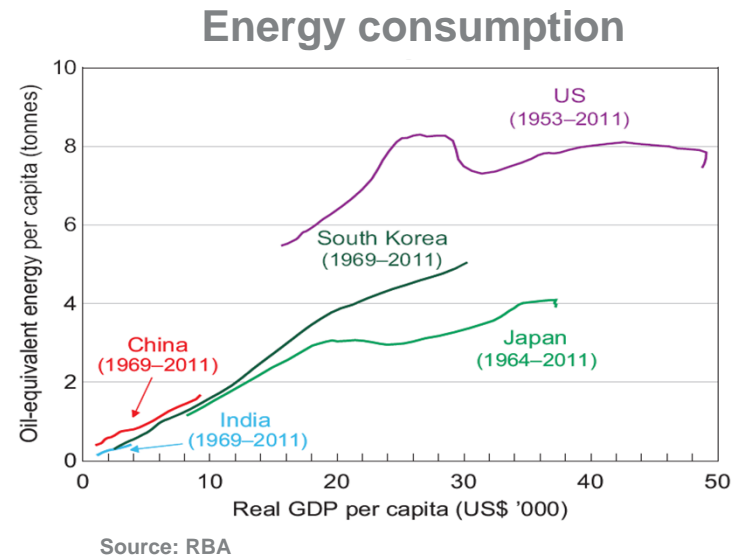
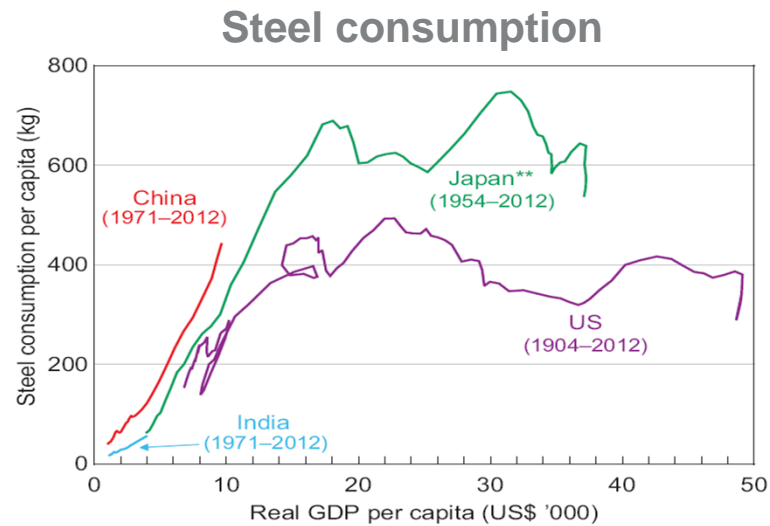
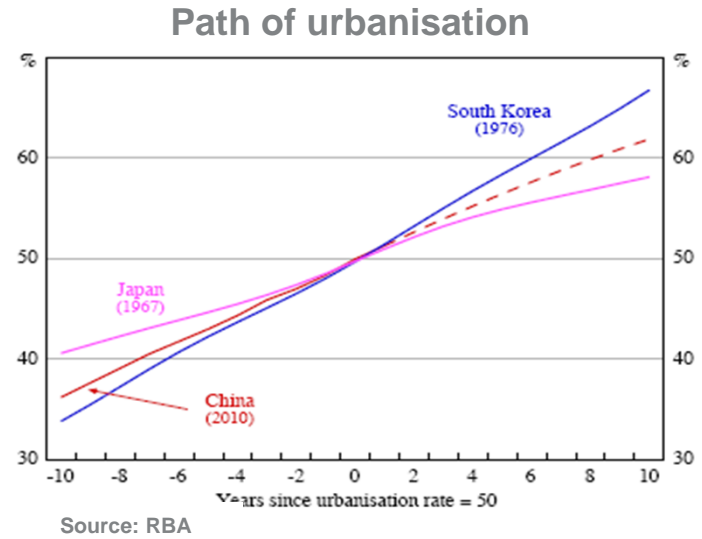
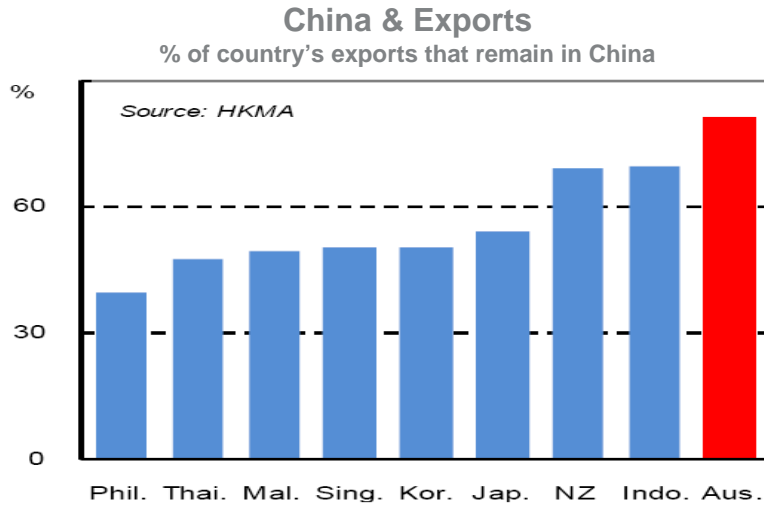
- ◆ *“In terms of the risk emanating from China, we believe only a very steep slowdown in China – which we consider unlikely to occur (5% chance)– would be enough to potentially lower the credit ratings on Australia” .*
Standard & Poors – 13 August 2013



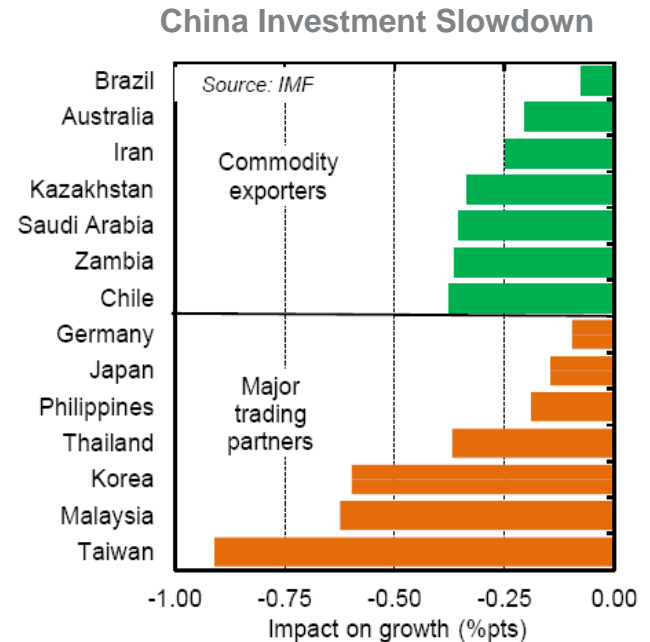
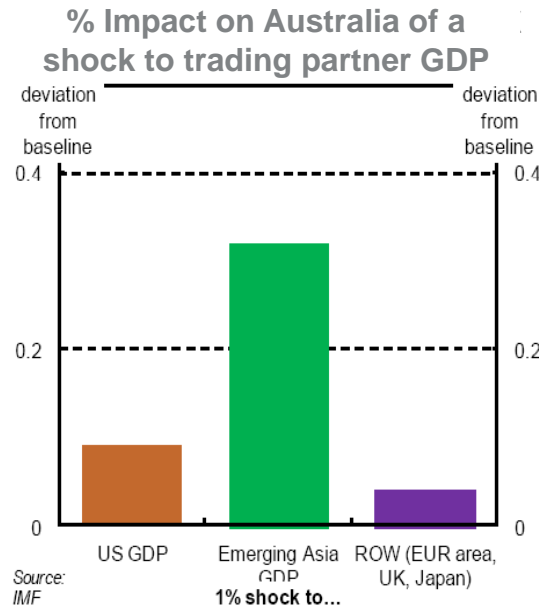
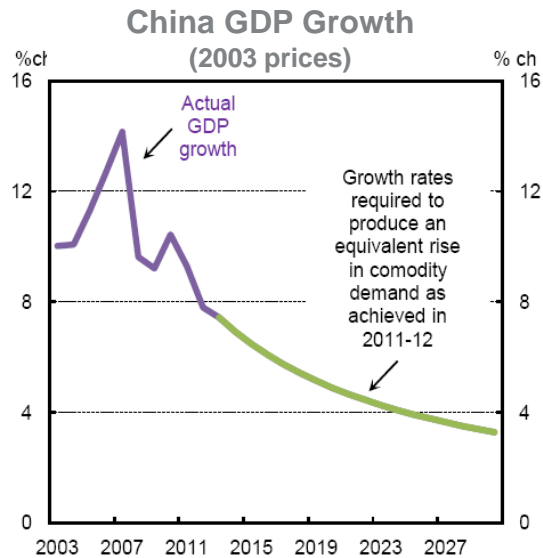
China's policy response



Urbanisation in China



China slowdown scenario



- ◆ China grew at an average pace of 11% pa over 2003-12
- ◆ Chinese GDP (or commodity demand) increased by USD300bn in 2011-12
- ◆ A similar increase in commodity demand in 2015 would require GDP growth of 6.5%
- ◆ CBA forecast 7.6% and 7.8% for 2013 and 14

- ◆ IMF research indicates a 1% shock to Emerging Asia¹ GDP shifts Australian GDP by 1/3ppt
- ◆ IMF forecast Aust GDP growth of 3% for 2013 and 3.3% for 2014

- ◆ IMF research shows greatest threat is from deceleration of Chinese capex
- ◆ A 1% drop in Chinese Fixed Asset Investment (FAI) reduces Australia GDP by 0.2ppt
- ◆ China FAI was \$2.9tr H1 2013

1. "Emerging Asia" refers to China, Hong Kong SAR, India, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan Republic of China, Thailand, and Vietnam

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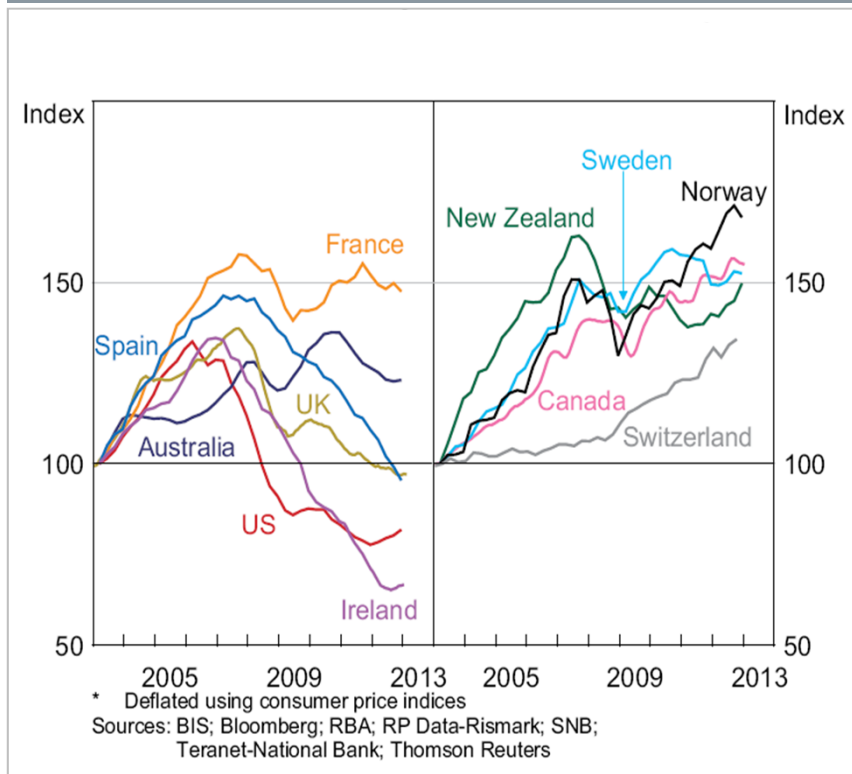
House prices

House price growth

| change (%) | 3 Years to June 13 | 12 mths to June 13 | 6 mths to June 13 |
|------------------|--------------------|--------------------|-------------------|
| Sydney | 6.9 | 6.2 | 5.1 |
| Melbourne | 0.8 | 6.7 | 5.9 |
| Brisbane | (3.3) | 4.5 | 3.3 |
| Adelaide | (3.6) | 1.2 | 3.4 |
| Perth | 6.1 | 10.3 | 6.3 |
| Australia | 2.7 | 6.3 | 4.9 |

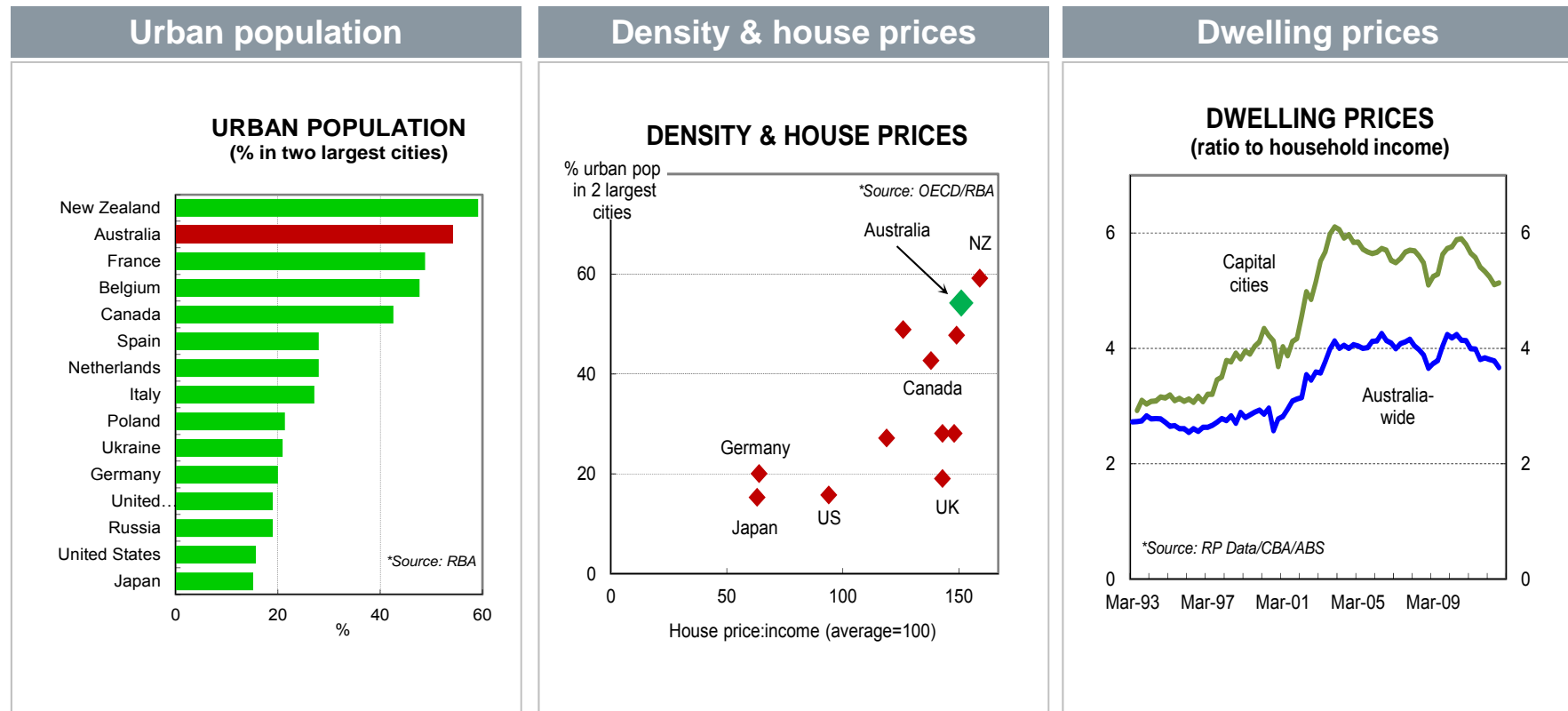
* Source: RP-Data Rismark, stratified median price.

Real residential property prices



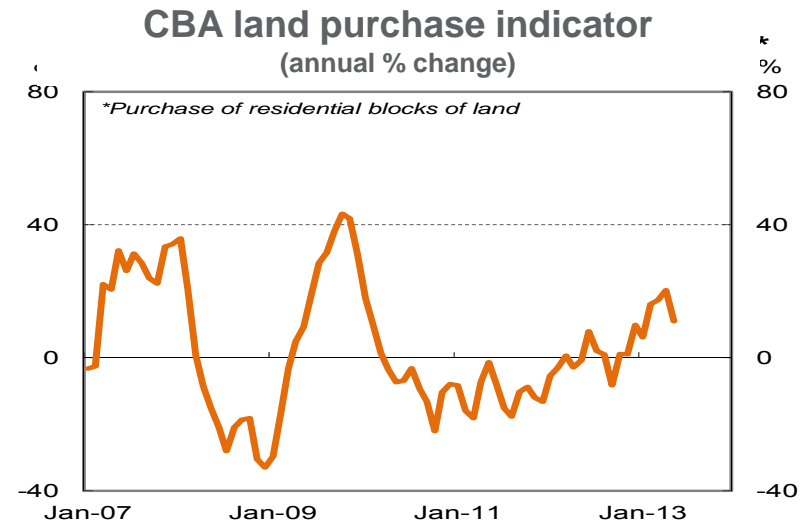
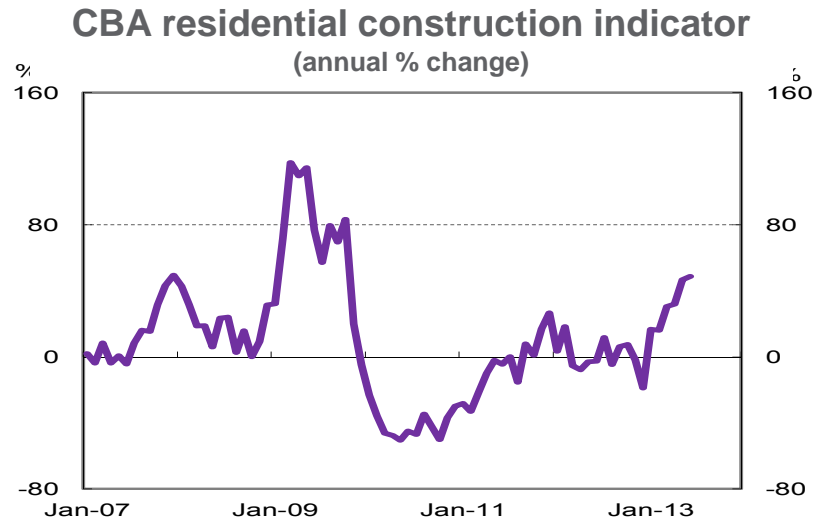
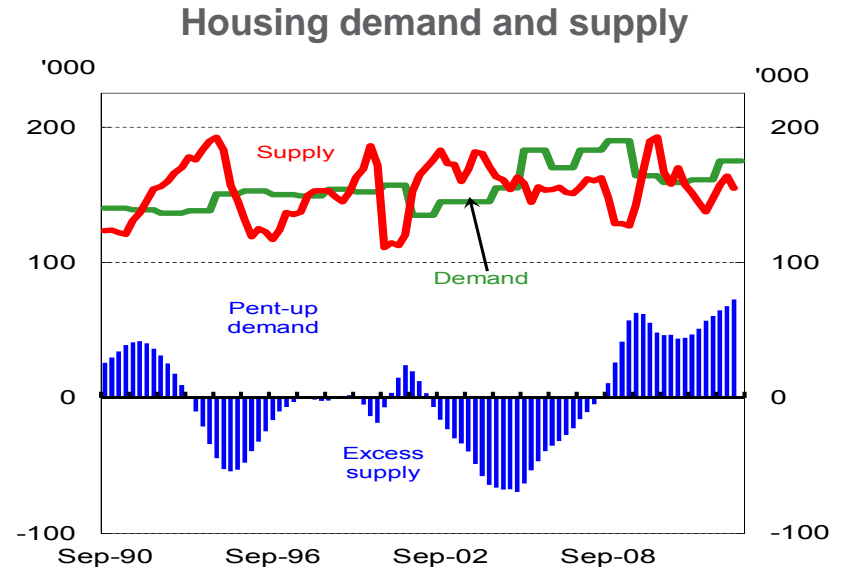
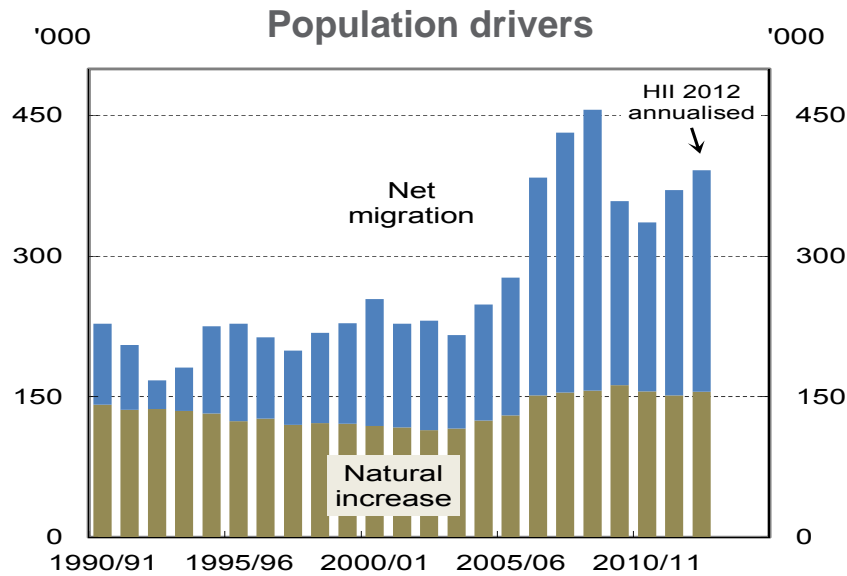
- ◆ Average Australian house prices have started to pick-up, especially in the Sydney and Perth markets.
- ◆ Nominal price falls are typically modest – most of the market adjustment is through real house prices and price to income ratios.

Urbanisation density and prices



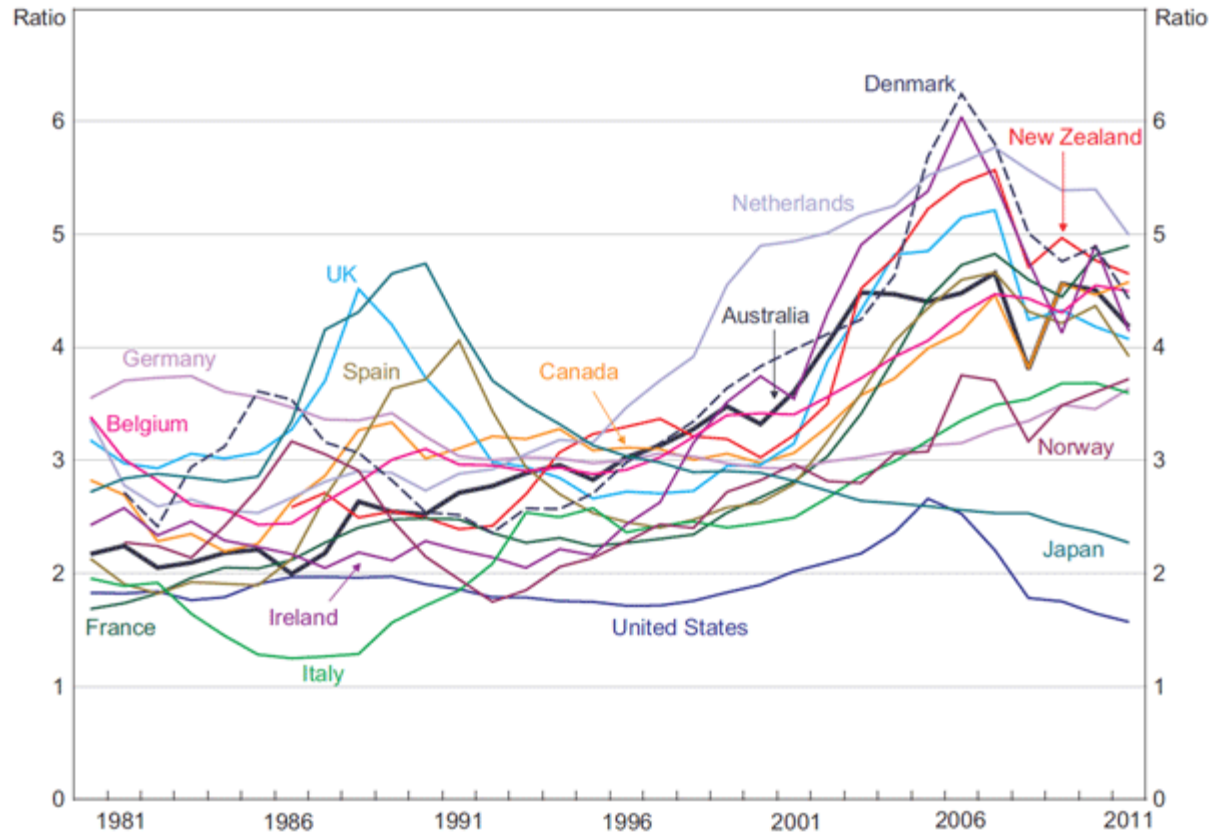
- ◆ Australia is one of the most urbanised countries in the world; ~54% of urban population in 2 major cities.
- ◆ Housing demand and higher incomes are concentrated in the capital cities.
- ◆ Price (capital city)-to-Australia-wide income \approx 5 times.
- ◆ Price-to-income (Australia wide) \approx 4 times.

Supply and demand



House price-to-income

Dwelling price to income ratios*



* Average dwelling prices to average household disposable income
 Sources: BIS; Bloomberg; Canadian Real Estate Association; Halifax; Japan Real Estate Institute; OECD; Quotable Value; Realkreditttraadet; RP Data-Rismark; Thomson Reuters; United Nations; national sources (statistical agencies, central banks and government departments)

Source: RBA

Australian vs. US housing market

| | CBA / Aust | US |
|----------------------|----------------------|---------------------|
| Unemployment | 5.7% ¹ | 7.6% ² |
| No-Recourse Lending | No | Yes |
| Variable vs Fixed | ~85%/15% | ~15%/85% |
| Sub-Prime (% of mkt) | Minimal ³ | ~14% ⁴ |
| Securitisation % | 8% ⁵ | 22% ⁶ |
| Account ownership | Retained by bank | Extensively on-sold |
| Arrears | 1.42% ⁷ | 6.08% ⁸ |

Australian mortgage product

- ◆ Principal and interest amortising 25/30 year loan
- ◆ Variable interest rate set at bank's discretion
- ◆ Limited pre-payment penalty
- ◆ Full recourse to borrower
- ◆ No tax deduction for owner occupied housing
- ◆ Higher risk loans are subject to Lenders Mortgage Insurance (LMI)
- ◆ Minimal "low documentation" (ie self certified) market with tighter lending criteria
- ◆ Tight consumer credit regulations
- ◆ Major banks account for majority of new originations and "originate-to-hold"

1. ABS, Jul'13.

4. Federal Reserve Bank of San Francisco Dec'09.

7. S&P, Mar'13.

2. Bureau of Labor Statistics, Jun'13.

5. RBA, Apr'13.

8. S&P, May'13.

3. RBA FSR, Mar'13, graph 3.21.

6. US Federal Reserve, Mar'13.



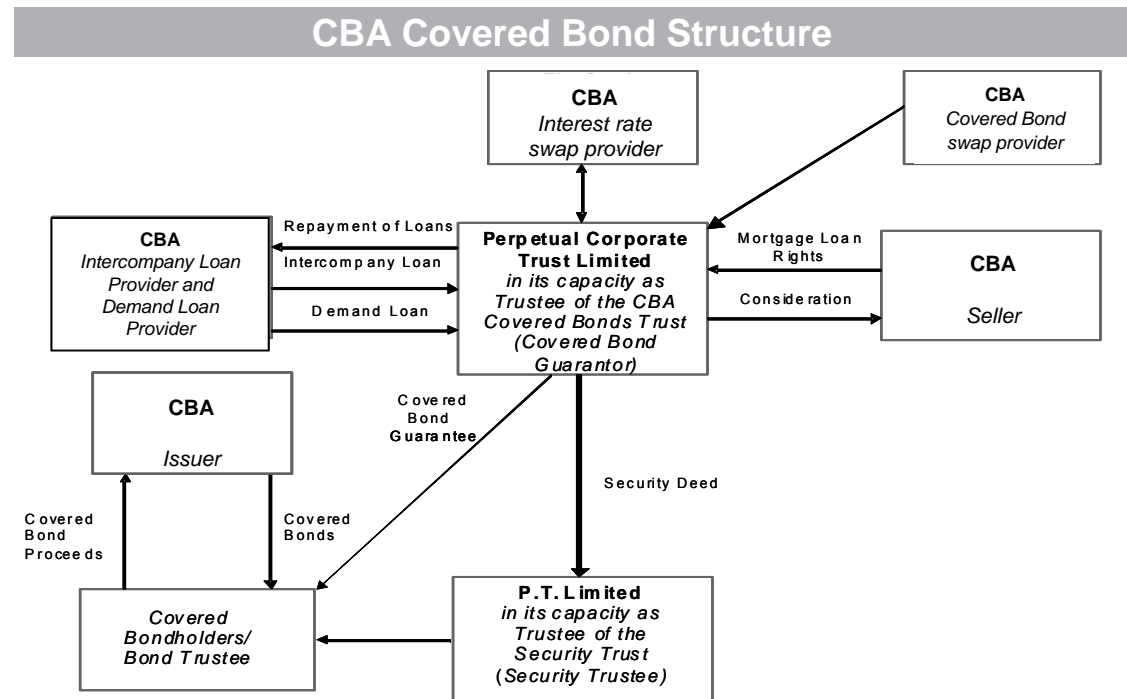
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Australian Covered Bond legislation

- ◆ The Australian parliament passed the *Banking Amendment (Covered Bonds) Bill* in October 2011
- ◆ Issuance only allowed under the legislative framework
- ◆ Segregation of cover assets achieved via a special purpose vehicle
- ◆ Maximum issuance cap of 8% of ADI assets in Australia
- ◆ Independent cover pool monitor
- ◆ APRA established a Prudential Standard and has certain other powers with regards covered bond issuance

- ◆ CBA cover pool assets may include:
 - ◆ Cash
 - ◆ Government Bonds, Semi Government Bonds and Bank Bills (15% in total)
- ◆ Derivatives relating to the covered bond issuance such as currency and interest rate swaps
- ◆ Prime Australian residential mortgages (maximum LVR of 80% in the ACT)
- ◆ Current maximum covered pool of around \$49bn based on 8% of assets in Australia of \$598bn implies potential covered bond outstandings of \$48bn

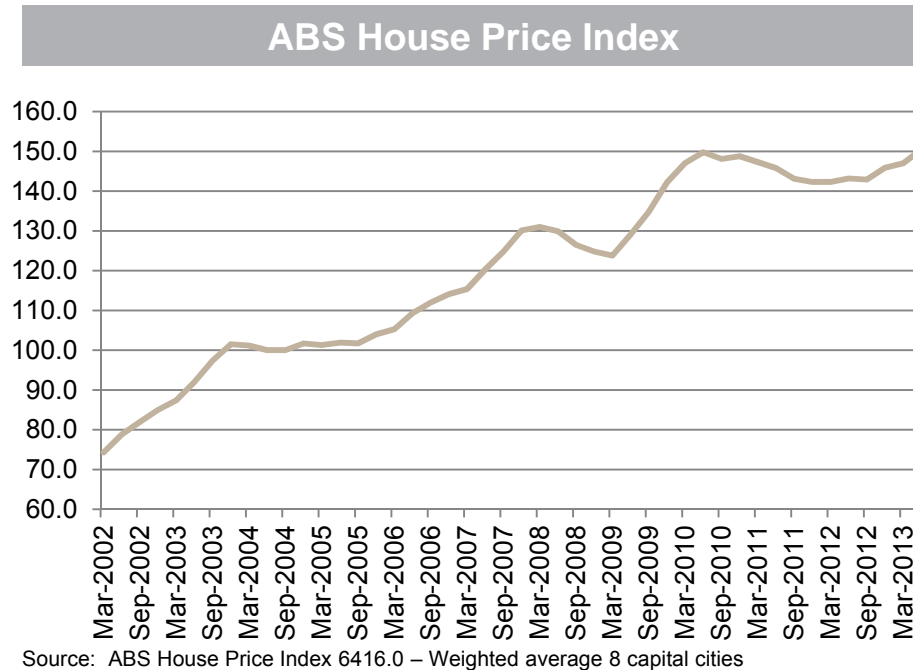


Covered Bond structural enhancements

| | |
|-----------------------------|---|
| Asset Coverage Test | The Asset Coverage Test (ACT) is performed monthly by the Trust Manager to test the Adjusted Aggregate Mortgage Loan Amount is at least equal to the A\$ equivalent of all outstanding covered bonds (see Slide 41) |
| Amortisation Test | The Amortisation Test is performed monthly by the Trust Manager following the service of a Notice to Pay to test that the Amortisation Test Aggregate Mortgage Loan Amount is at least equal to the A\$ equivalent of all outstanding covered bonds (see Slide 42) |
| Pre-maturity Test | The Pre-maturity Test is performed daily by the Trust Manager for twelve months prior to a hard bullet covered bond maturity to test that such maturity can be met. Issuer Event of Default will occur where the rating of CBA falls to Moody's short term rating P-2 or Fitch short term rating F-1 and the hard bullet covered bond maturity has not been pre-funded for 6 months |
| Reserve Fund | If CBA is downgraded below P-1 and/or F1+, CBA is required to establish a Reserve Fund to credit the income accrued on each covered bond within the next three months and fees due and payable to servicer, cover pool monitor, trustee |
| Interest Rate Swap | The Interest Rate Swap will convert mortgage loan receipts (and other asset cash flows) to a floating rate of interest based on Bank Bill Swap Rate. CBA is the initial Interest Rate Swap provider and will be required to post collateral and/or be replaced subject to ratings triggers |
| Covered Bond Swap(s) | The Covered Bond Swap will, where necessary, convert payments from the Interest Rate Swap into the required currency and interest rate cash flows to match payment on the covered bonds. CBA is the Covered Bond Swap provider and will be required to post collateral and/or be replaced subject to ratings triggers |
| Servicer Downgrade | CBA will be the servicer of loans in the cover pool. If CBA's rating falls below P-1/F-1 (Moody's/Fitch) the servicer role will be transferred to a suitably rated institution |
| Indexation | House price indexation is included in the ACT. There is no benefit from upward house price indexation given the structure of the ACT. The index is the quarterly Australian Bureau of Statistics (ABS) Price Index for Established Houses for the Weighted Average of the Eight Capital Cities |

House price indexation

- ◆ Indexation is used in the Asset Coverage Test and the Amortisation Test to protect investors from a downward move in property prices
- ◆ Indexation is applied to the LVR Adjusted Mortgage Loan Balance (see Slide 41) in the ACT and the Amortisation Test Current Principal Balance in the Amortisation Test (see slide 42)
- ◆ Indexation will be calculated using the *Australian Bureau of Statistics (ABS) Weighted Average of Eight Capital Cities House Price Index**
- ◆ Applied 85% for upward revision of ABS Index and 100% for downward revision



*“The **House Price Index (HPI)** is designed to provide a measure of the inflation or deflation in the price of the stock of established houses over time. Separate indexes are produced for each capital city in Australia, and these indexes are combined to produce a weighted average index of the eight capital cities. The HPI is published quarterly, approximately five weeks after the end of the reference quarter. The figures published for the two most recent quarters are regarded as preliminary and are revised in subsequent publications as more data is collected.” ABS*

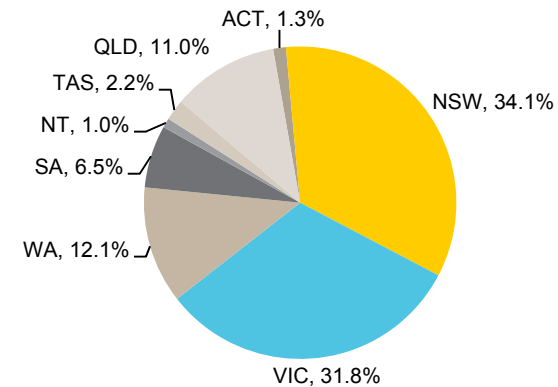
* Free to download: <http://www.abs.gov.au/ausstats/abs@.nsf/mf/6416.0>



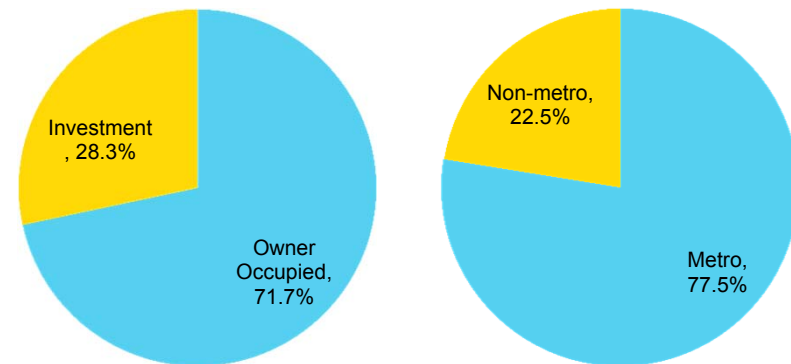
Covered bond pool summary

| 30-Jun-13 | Owner Occupied | Investment | Total |
|----------------------|----------------|------------|-----------|
| Pool Size | 20,784 | 8,215 | 28,999 |
| No. of Loans | 95,482 | 32,311 | 127,793 |
| Average Loan Size | 217,675 | 254,245 | 226,921 |
| Maximum Loan Size | 1,273,054 | 1,642,000 | 1,642,000 |
| WA LVR (Current) | 57.90% | 57.34% | 57.74% |
| WA LVR (Indexed) | 54.28% | 52.47% | 53.77% |
| Maximum LVR | 95.42% | 94.88% | 95.42% |
| WA Seasoning (mth) | 43.5 | 52.7 | 46.1 |
| Owner Occupied | 100.00% | 0.00% | 71.67% |
| Investment | 0.00% | 100.00% | 28.33% |
| Purchase | 56.85% | 65.83% | 59.40% |
| Refinance | 28.00% | 24.94% | 27.14% |
| Alteration | 14.75% | 9.01% | 13.13% |
| Construction | 0.39% | 0.21% | 0.34% |
| Principal & Interest | 87.14% | 58.12% | 78.92% |
| Interest Only | 12.86% | 41.88% | 21.08% |
| First Home Buyer | 25.17% | 0.73% | 18.24% |
| Primary LMI | 18.27% | 8.57% | 15.52% |

Geographic Distribution

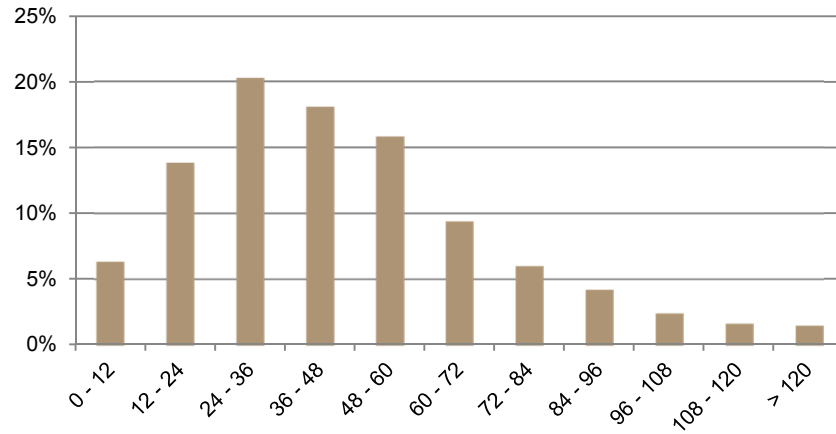


Borrower type and Location

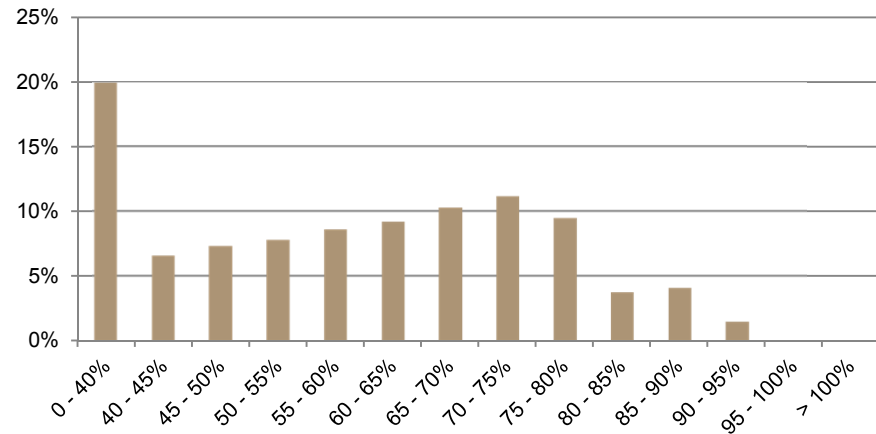


Covered bond pool summary*

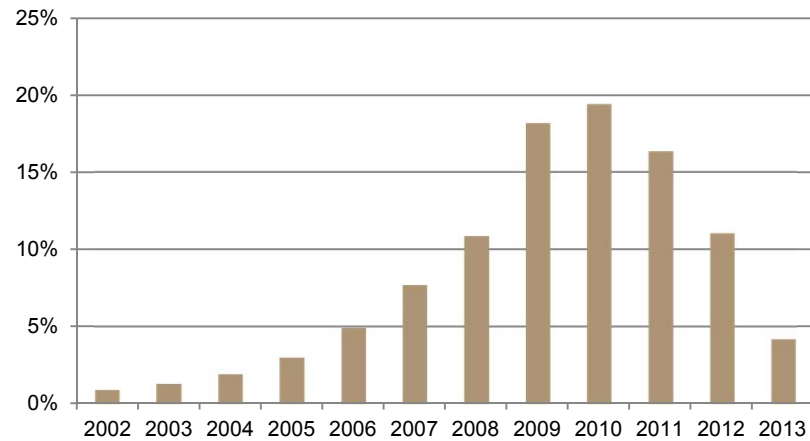
Seasoning (Months)



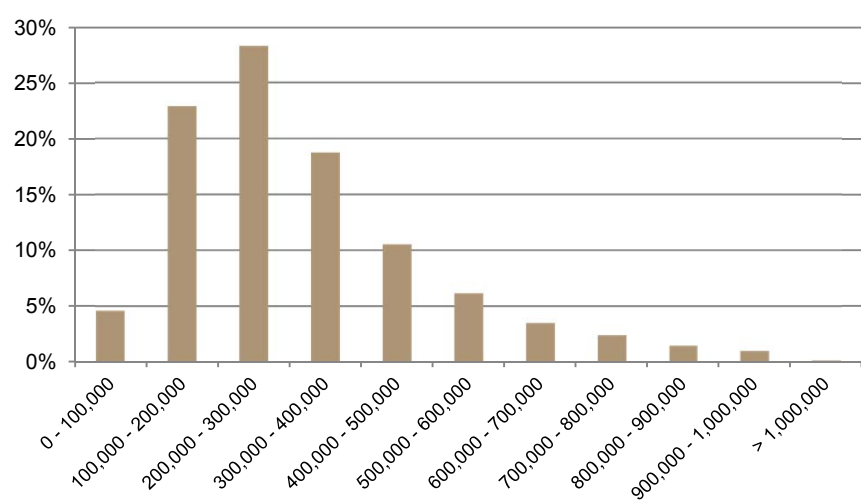
Current LVR Profile



Origination Year Distribution



Current Principal Balance Distribution



* As at 30 June 2013

CBA mortgage products

| Product | Benefits | Rate p.a. | Package rates | Max LVR | Package availability | Low Doc availability | Medallion |
|-----------------------------------|---|------------|---------------|---------|----------------------|----------------------|---------------------|
| Standard Variable Rate (SVR) | <ul style="list-style-type: none"> Unlimited extra repayments 100% offset Split option | 5.90% | 5.10% | 95% | ✓ | ✓ | ✓ |
| No Fee | <ul style="list-style-type: none"> No Fees for the life of the loan Simple and Transparent to understand, with certainty around fees, and appealing to “fee sensitive” customers / market | 5.20% | - | 95% | ✗ | ✗ | ✓ |
| Fixed Rate | <ul style="list-style-type: none"> Repayment certainty Partial offset Interest structure flexibility | From 4.94% | From 4.79% | 95% | ✓ | ✓ | ✓ |
| Basic Variable Rate (BVR) | <ul style="list-style-type: none"> Unlimited extra repayments Competitive discounted interest rate | 5.44% | - | 95% | ✗ | ✓ | ✓ |
| 3 Year Special BVR | <ul style="list-style-type: none"> Unlimited extra repayments Special competitive discounted interest rate | 5.09% | - | 95% | ✗ | ✗ | ✓ |
| 1 Year Guaranteed Rate | <ul style="list-style-type: none"> Unlimited extra repayments 100% offset | 4.79% | - | 95% | ✓ | ✗ | ✓ After discount |
| 12 Month Discounted Variable Rate | <ul style="list-style-type: none"> Unlimited extra repayments 100% offset | 5.20% | - | 95% | ✓ | ✗ | ✓ After discount |
| VLOC – line of credit | <ul style="list-style-type: none"> No set repayments All-in-one account Freedom to repay and redraw at will | 6.05% | 5.25% | 90% | ✓ | ✓ | ✗ |
| EQFS | <ul style="list-style-type: none"> Flexible draw down option Supplement customers income | 7.05% | - | 45% | ✗ | ✗ | ✗ |

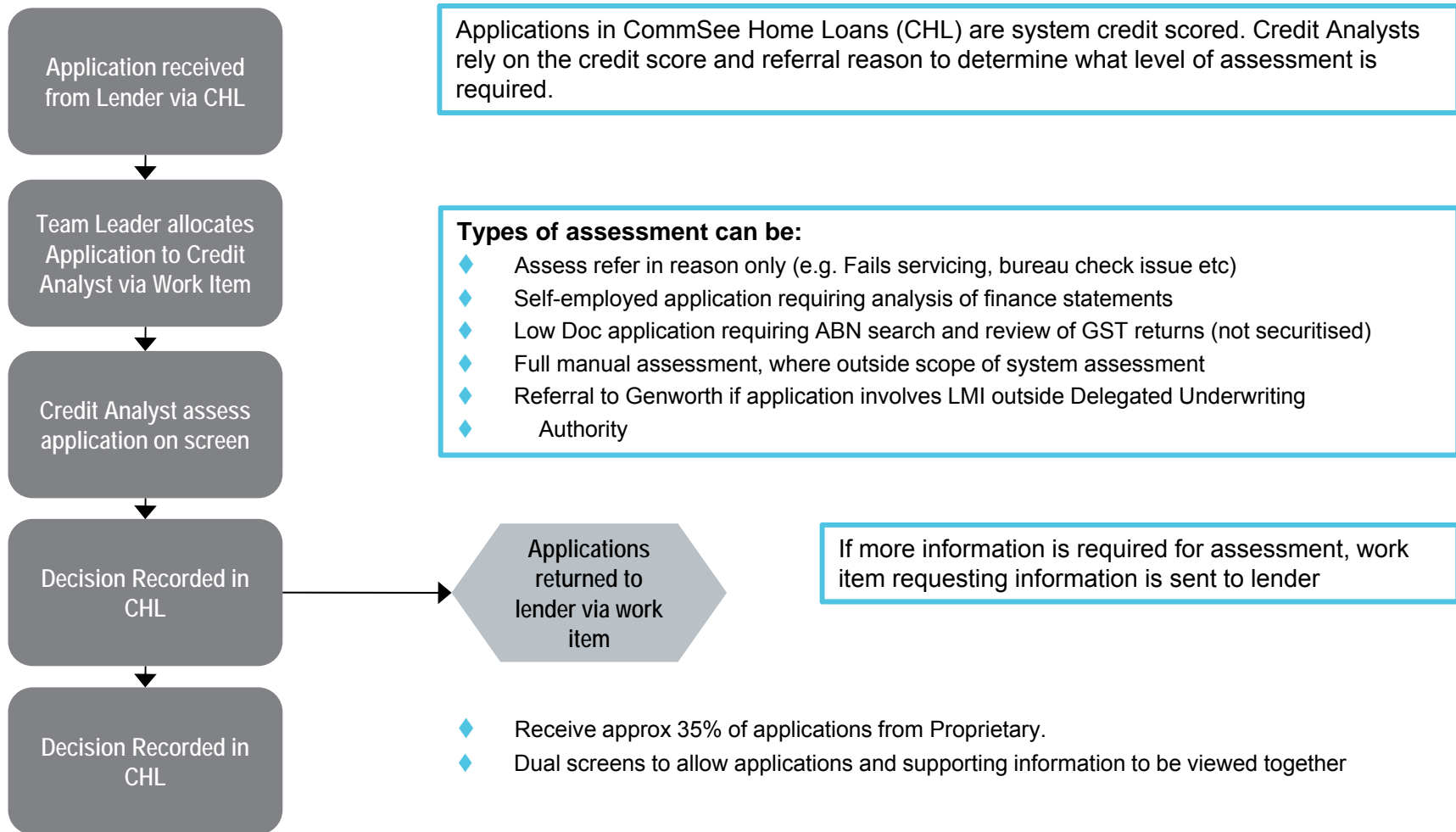
* - Maximum LVR differs by purpose:

- For refinance and bridging loans: maximum LVR is 90%
- For Personal Investment and Low Doc: maximum LVR is 80%
- Rates as of 14 August 2013

Sources of origination

| Channel | Description | Population Size | Inflows (2012/13) | % of Portfolio |
|---------------------|---|------------------------------|-------------------|----------------|
| Branch Network | Customer can apply through any of our 1000+ branches. | 1,000+ | \$23b (37%) | 42% |
| Mobile Banking | Our Mobile Lenders are trained specialists with years of experience, they are available to visit our customers whenever, wherever. | 180 | \$7b (11%) | 7% |
| Direct Banking | Applications can be made via 13 2224 operators 7 days a week between 8am and 8pm | 65 (sales) 62 (Assessors) | \$2b (3%) | 2% |
| Third Party Banking | A fully accredited broker network sells CBA home loan products | ~7,530 | \$23b (37%) | 37% |
| Premier Banking | Provides a premium service offering to high net worth individuals and families through the provision of specialist financial advice | 232 | \$6b (9%) | 9% |
| Private Banking | Customers are assigned a dedicated Private Banker who takes care of all their lending needs | 120 | \$2b (3%) | 3% |

Mortgage decisioning process



Mortgage broker accreditation

There are two requirements for CBA Broker Accreditation as follows:

1. Legislative licensing requirements

Must be National Credit Regulation compliant, through any of the following:

- ◆ hold an Australian Credit License
- ◆ be appointed as a Credit Representative of a licensee (ACL)
- ◆ be a direct employee/director of a licensee (ACL)

National Credit Regulation requires licensees to:

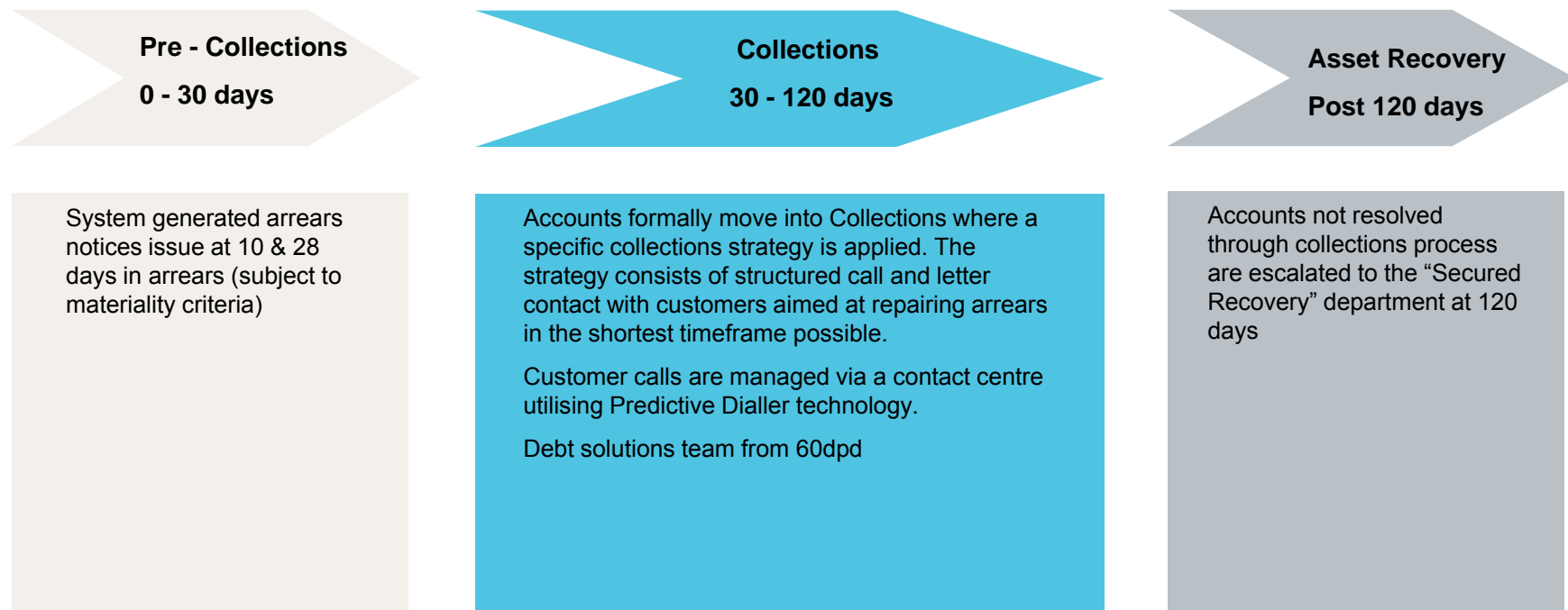
- ◆ Be a fit and proper person and include having a satisfactory Australian Federal Police checks (via MFAA)
- ◆ Meet continuous development training standards
- ◆ Be personally identified (by passports/drivers license, etc)
- ◆ Be a member of External Dispute Resolution Scheme (FOS or COSL) and also have an internal customer resolution process
- ◆ Hold Professional Indemnity Insurance

2. Additional CBA checks and training requirements

- ◆ Be a member of an approved Industry Body (Mortgage Finance Association of Australia or Finance Brokers Association of Australia) includes completing UCCC, Trade Practices and the Compliance Essential Course
- ◆ Internal clearance from Group Security and HR
- ◆ Have a minimum of 2 years industry experience in residential mortgages and customer interaction or be assigned an appropriate “Diamond” or “Gold” broker as mentor (which has been approved by Third Party Banking)
- ◆ Complete 6 week Sales and Process Coaching Program (includes 2 workshops)

Home loan collections

- ◆ “Arrears” are defined as a monthly payment or a proportion of a monthly payment, which has fallen due but has not been paid
- ◆ Broadly speaking there are two stages of arrears management and they are segmented by the number of days an account is in arrears



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 Financial Performance Summary
 Key Performance Indicators (KPIs)
 Group Funding Summary
 Capital Management Summary

2 Minute Guides to CBA

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- Cantonese
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- Indonesian

www.commbank.com.au/groupfunding - Ratings reports; documentation; “2 minute guides”
groupfunding@cba.com.au – Group email address

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 Programme Circular

Programme Documentation

- Euro Medium Term Notes
- US Medium Term Notes
- US 3(a)2 (NY Branch)
- Commets
- Commercial Paper (USCP & ECP)
- Covered Bonds