Debt Investor Update

FOR THE FULL YEAR ENDED 30 JUNE 2012

CommonwealthBank

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, 15 August 2012. 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 11 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- Ratings (S&P, Moodys, Fitch)
- Tier 1 Basel II Capital 10.0%; 13.6% UK FSA
- Total Assets of $718bn ($350bn mortgages)
- 14 million customers
- 51,000 staff
- Over 1,100 branches, leading online platforms
- #1 in household deposits
- #1 in home lending
- #1 Retail wealth platform – First Choice

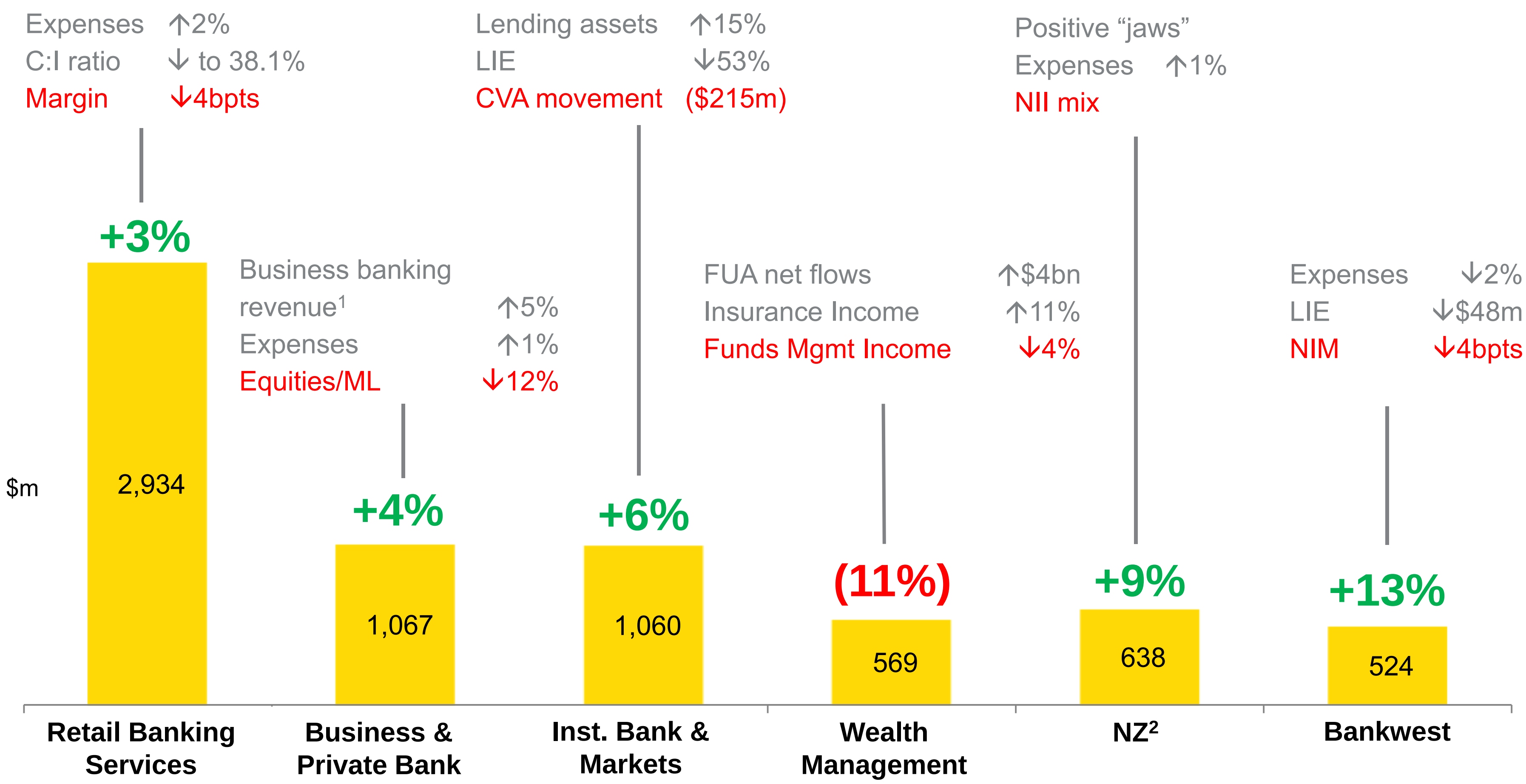
Results – 12 months to 30 June 2012[1]		
Cash earnings ($m)	7,113	4%
ROE (Cash)	18.6%	(90) bpts
Cash EPS ($)	4.49	2%
DPS ($)	3.34	4%
Cost-to-Income (Cash)	46.0%	50 bpts
NIM (bpts)	209	(3) bpts

Capital & Funding		
Tier 1 Capital – Basel II	10.0%	-
Tier 1 – UK FSA	13.6%	(0.1%)
LT Wholesale Funding WAM (yrs)	3.7	+0.1
Deposit Funding	62%	+1%
Liquids[2] ($bn)	135	+34%

1 All movements on prior comparative period
2 Liquids as at 30 June 2012

Cash NPAT drivers

Full Year 2012



1 Business and Private Banking excluding Private Bank and Equities & Margin Lending.
2 NZ result in NZD.

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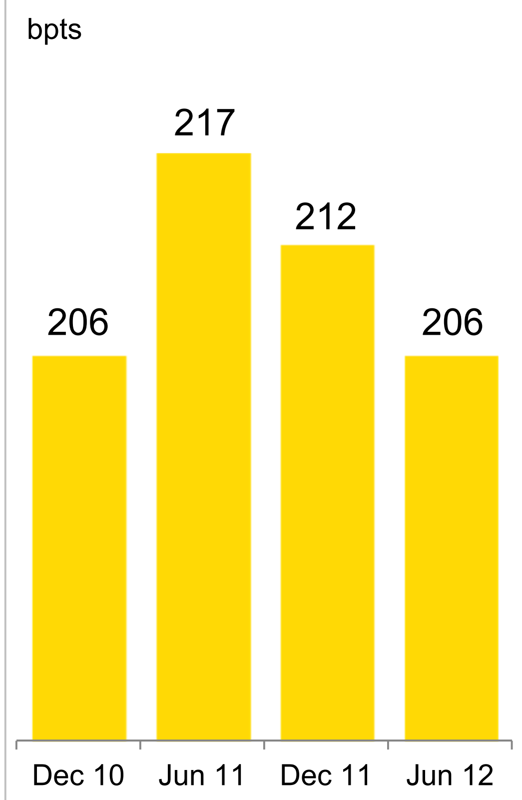
Group NIM - 12 months

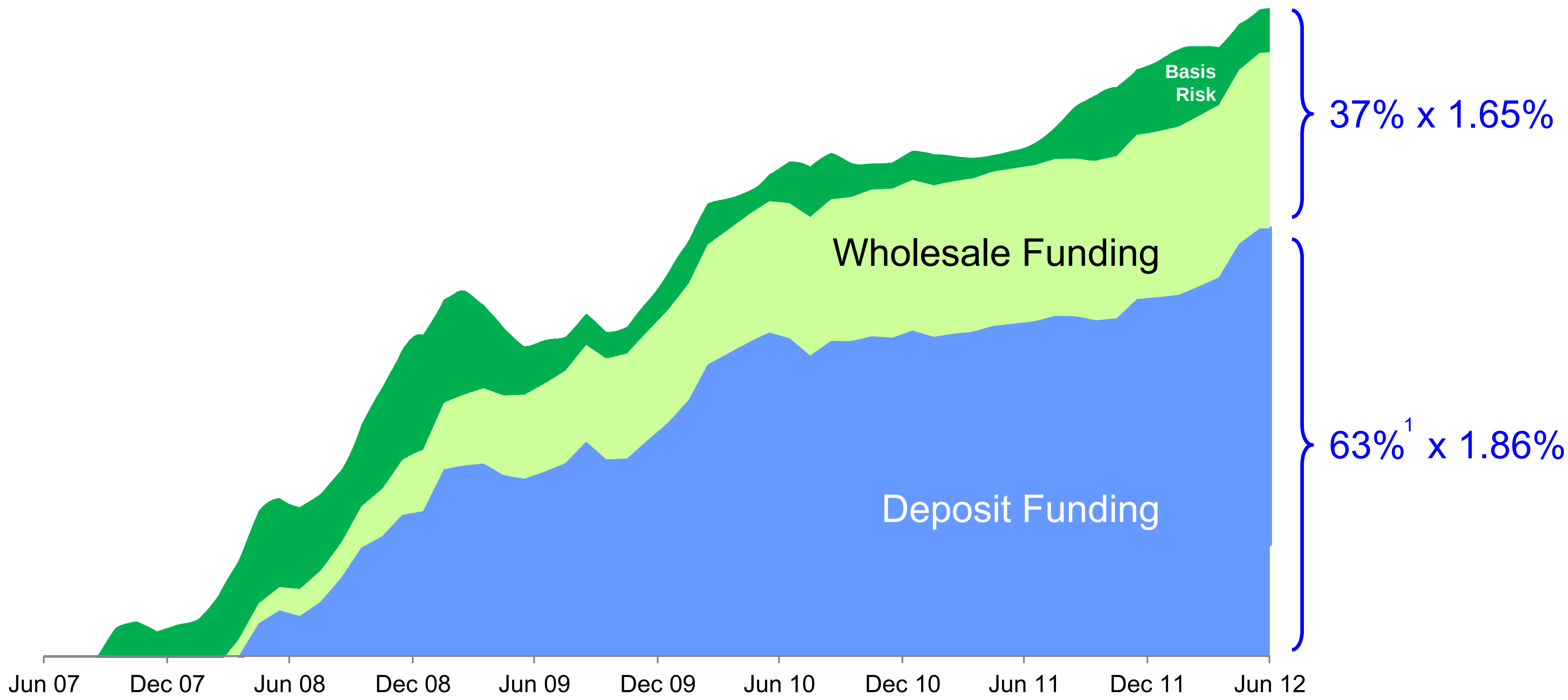
Group NIM 12 month movement[1]

Group NIM[1] – 6 months



1 Comparative NIM information has been restated for the inclusion of bills income, net securitised interest income and the reversal of the IFRS reclass of net swap costs to conform to presentation in the current period.
2 Includes Treasury, New Zealand and other unallocated items.

Increase in retail funding costs since Jun 2007



From Jun 2007 until …	Jun 11	Dec 11	Jun 12
Increase in Wholesale Funding[2]	1.30%	1.75%	1.65%
Increase in Deposit Funding	1.45%	1.57%	1.86%
Increase in Weighted Average Cost	**1.39%**	**1.64%**	**1.78%**
Increase in home loan (SVR) rate[3]	1.24%	1.34%	**1.48%**

1 Retail Bank deposit ratio.
2 Includes Basis Risk.
3 Outside of movements in the RBA cash rate.

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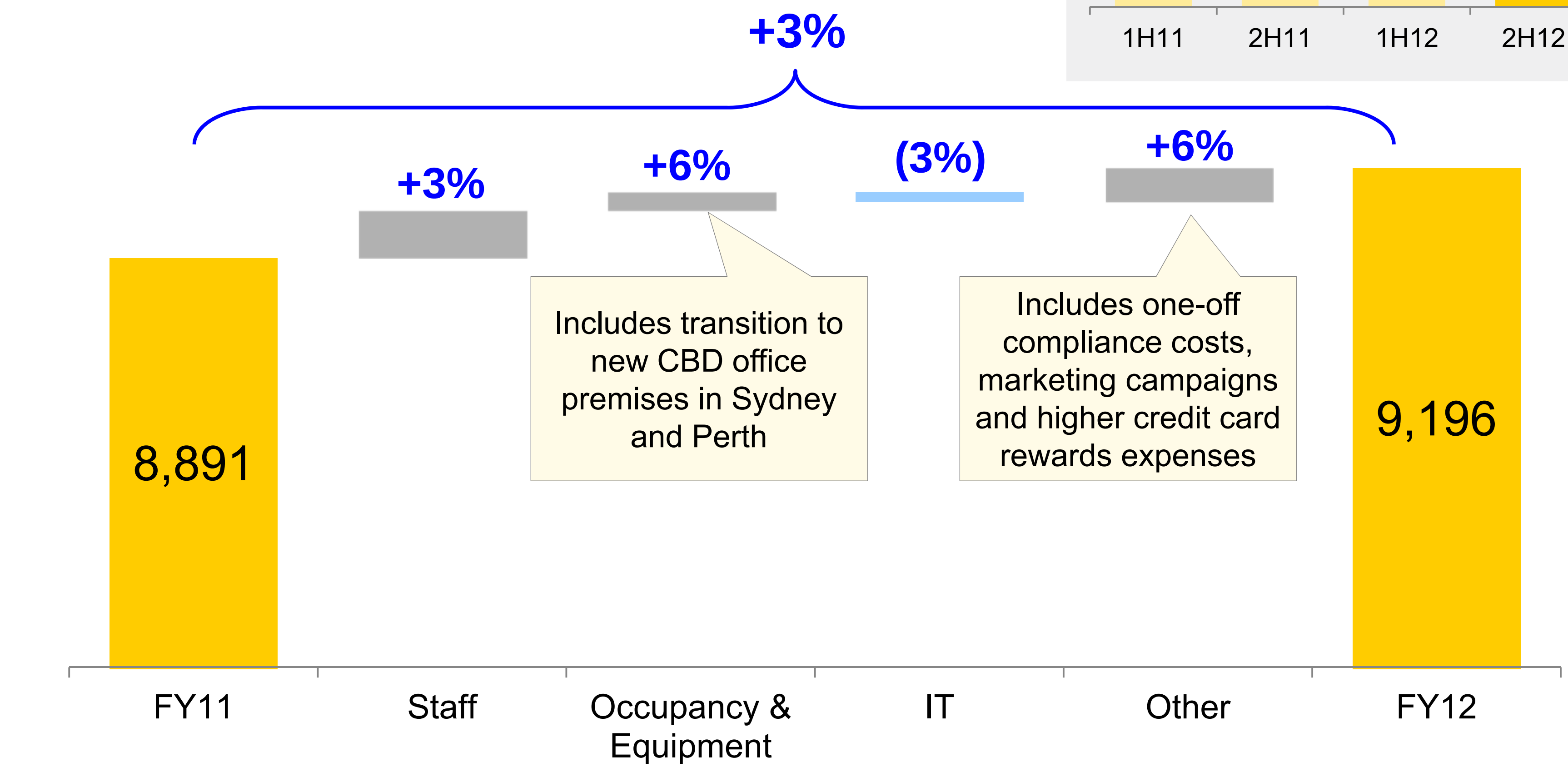
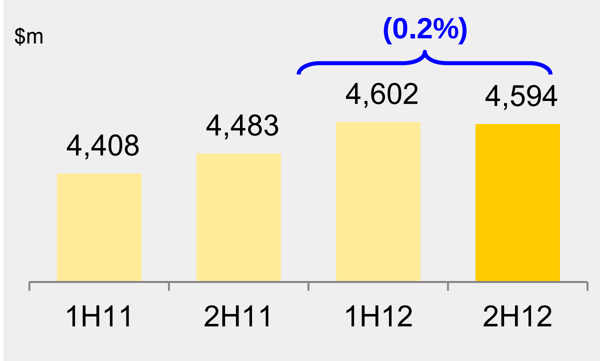
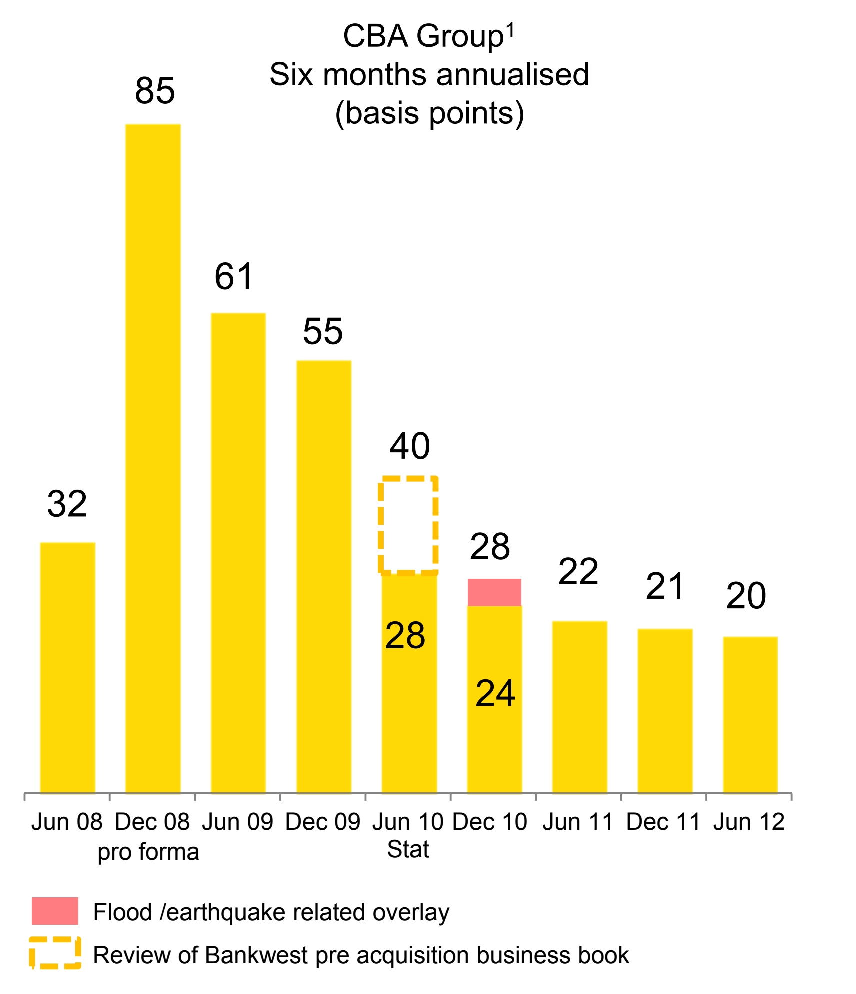
Continued cost discipline



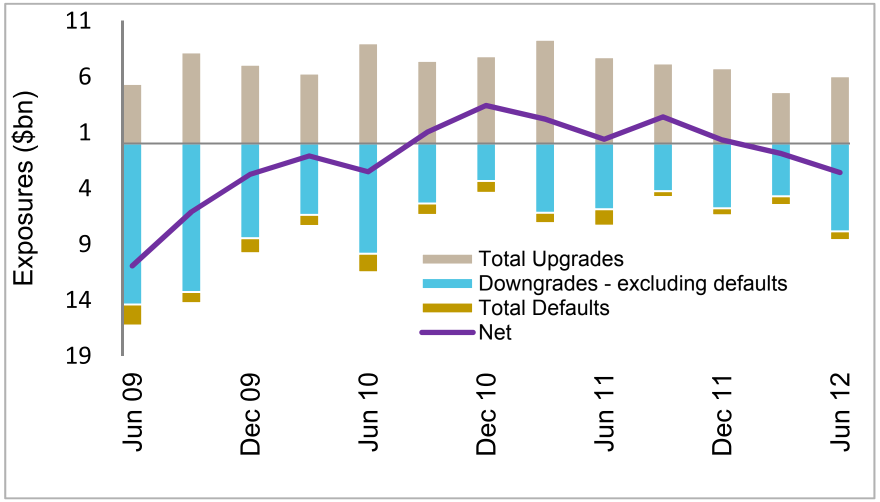


Sound credit quality

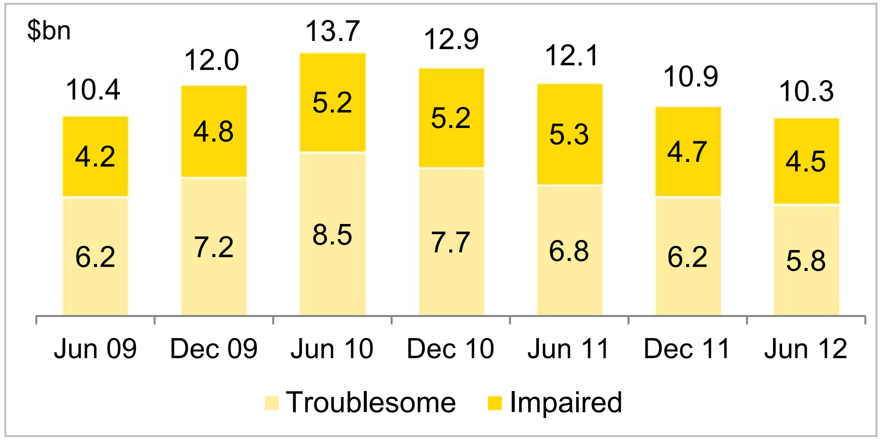
Loan impairment expense to gross loans



PD ratings migration [2]



Troublesome and impaired assets



1 Includes ASB and Bankwest from December 08. December 08 includes Bankwest on a pro forma basis. Basis points as a percentage of average Gross Loans and Acceptances.
2 Excludes banks and sovereigns

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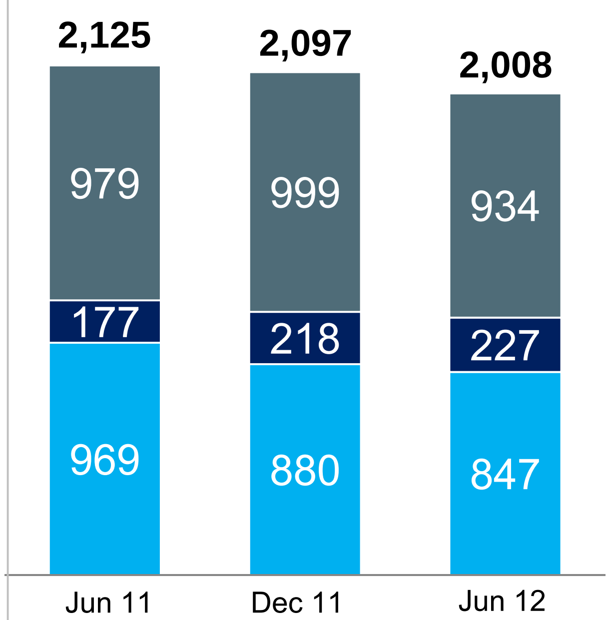
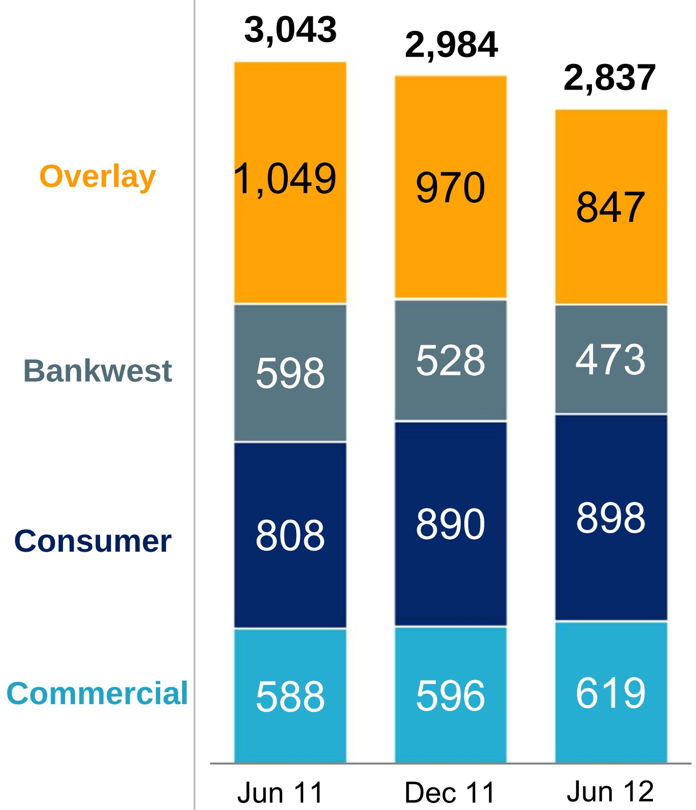
Provisioning

Individual provisions



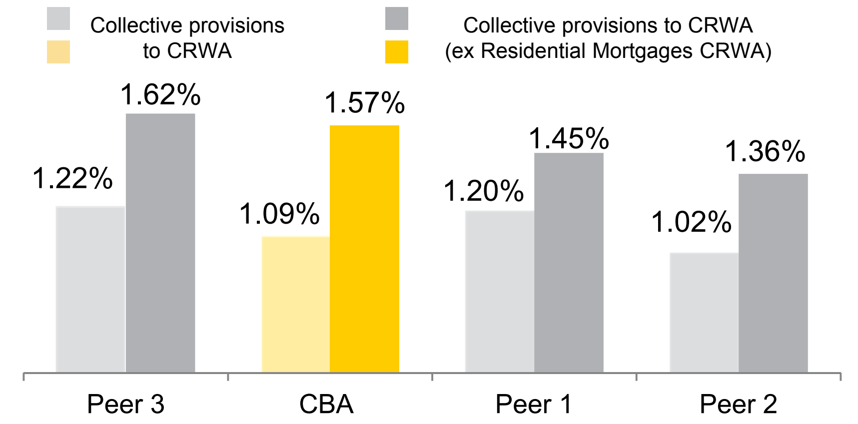
Collective provisions



Overlay movement	Jun 12 vs Dec 11 $m
Economic overlay unchanged	-
Amortisation of BWA fair value provision	(22)
Runoff of higher risk Bankwest Loans	(56)
Utilised in Individual and Collective Provisions	(27)
Other issues resolved	(18)
Total	**(123)**

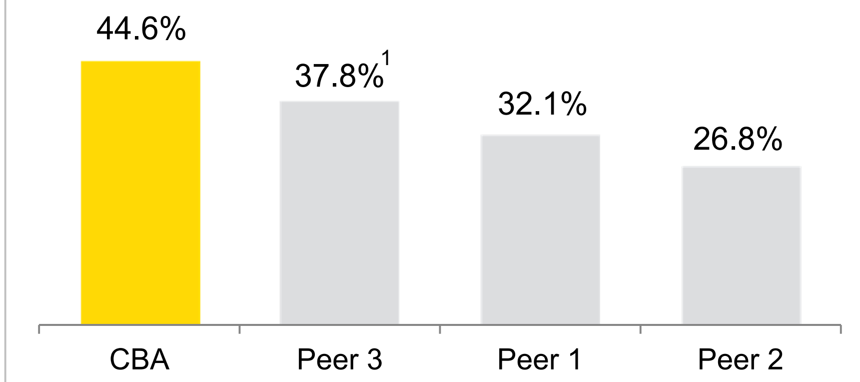
Provisioning

Collective provisions to credit RWA



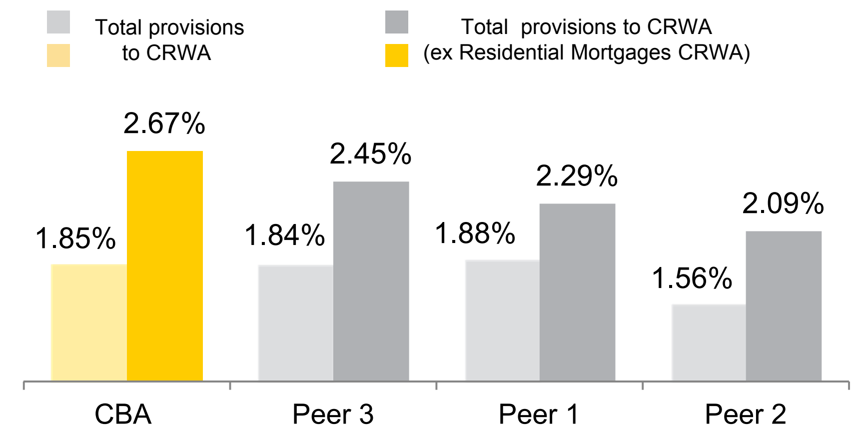
CBA at 30 June 2012 & Peers at 31 March 2012

Individual provisions to impaired assets



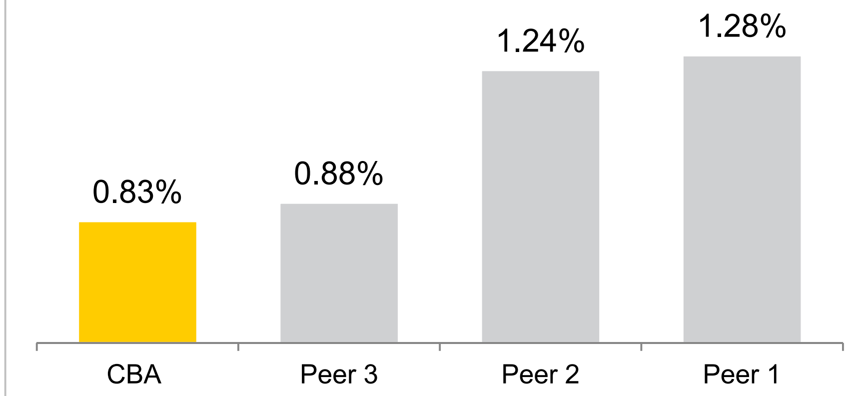
CBA at 30 June 2012 & Peers at 31 March 2012

Total provisions[2] to credit RWA



CBA at 30 June 2012 & Peers at 31 March 2012

Impaired assets to GLAs[3]



CBA at 30 June 2012 & Peers as at 31 March 2012

1 Impairment Provisions to Impaired Assets.
2 Provisions do not include General Reserve for Credit Losses equity reserves or other similar adjustments.
3 Gross Loans and Acceptances.

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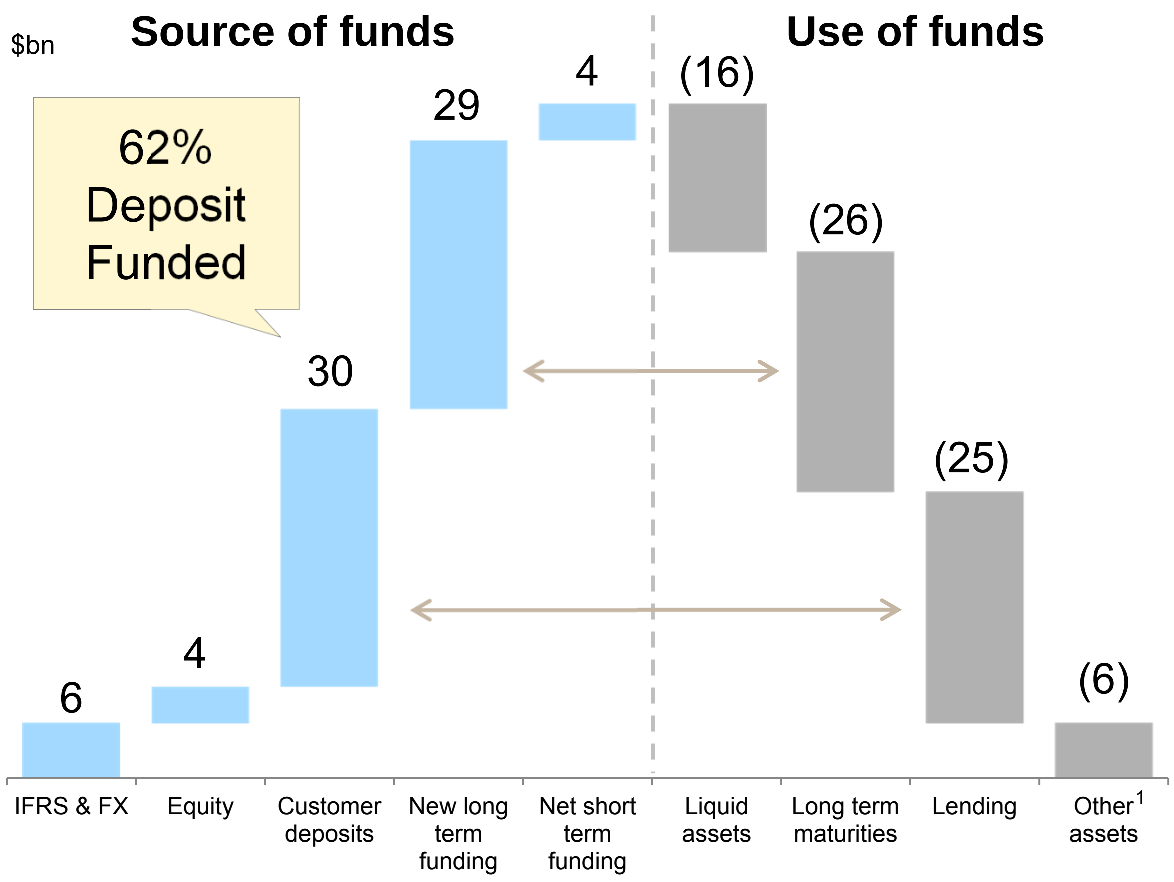
Funding – sources and uses

Funding



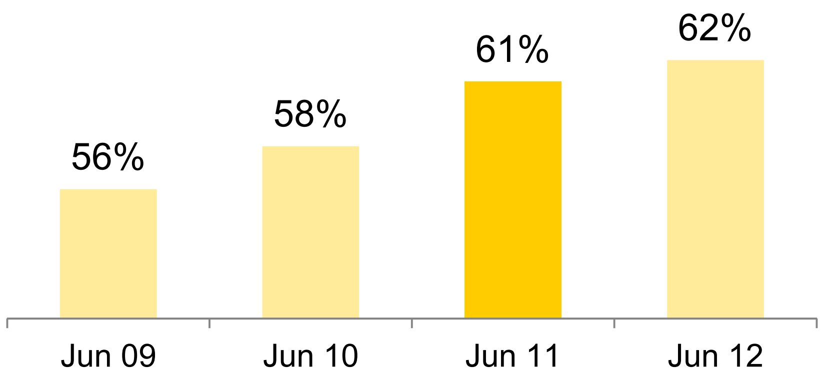
12 Months to June 2012

$bn	Jun 11	Jun 12
Transactions	79	83
Savings	82	89
Investments	176	197
Other	12	10
Total Customer	349	379
Wholesale Funding	220	232
Total Funding	569	611
Equity	37	42
Total Funded Assets	606	653
Customer % of Total Funding	61%	62%

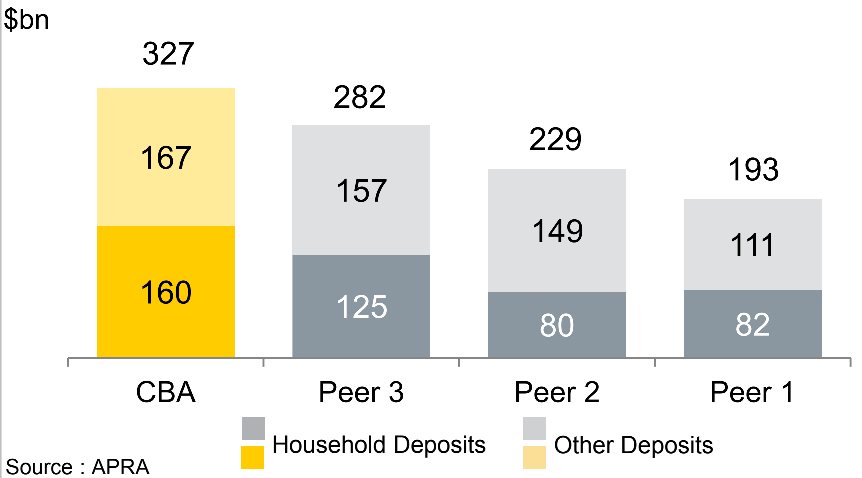
1 Includes trading assets, net derivatives, due from other financial institutions, bills payable, other assets.

Funding - deposits

Deposit % of total funding

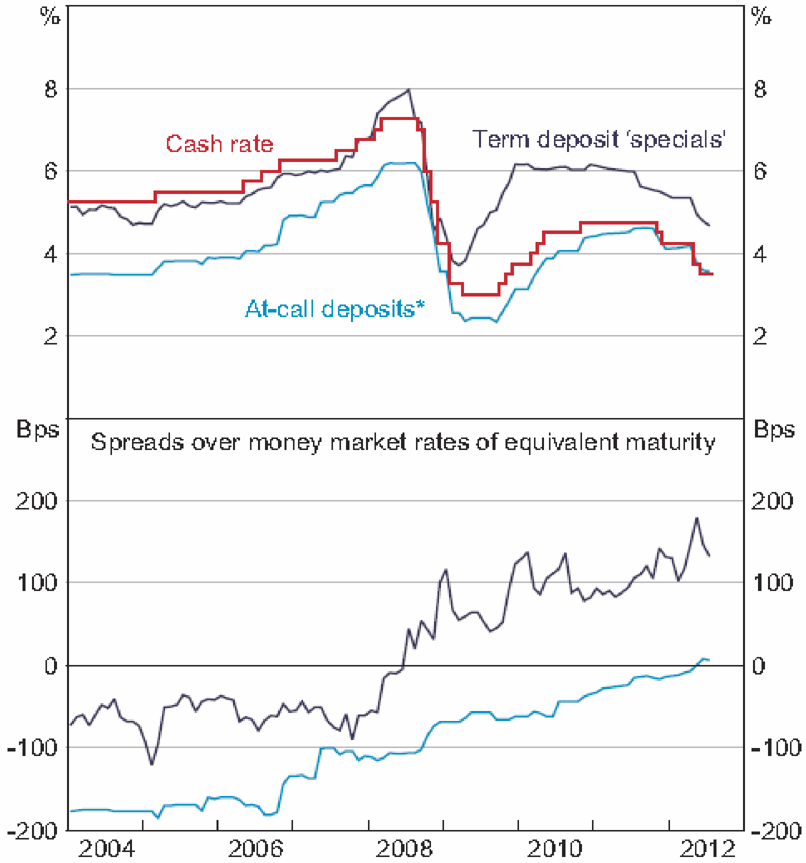


Australian deposits (excl CDs)



Source : APRA

Major bank deposit rates



* Average of online, bonus and cash management accounts at the major banks; existing customers only; spread to the cash rate
Sources: Bloomberg; RBA

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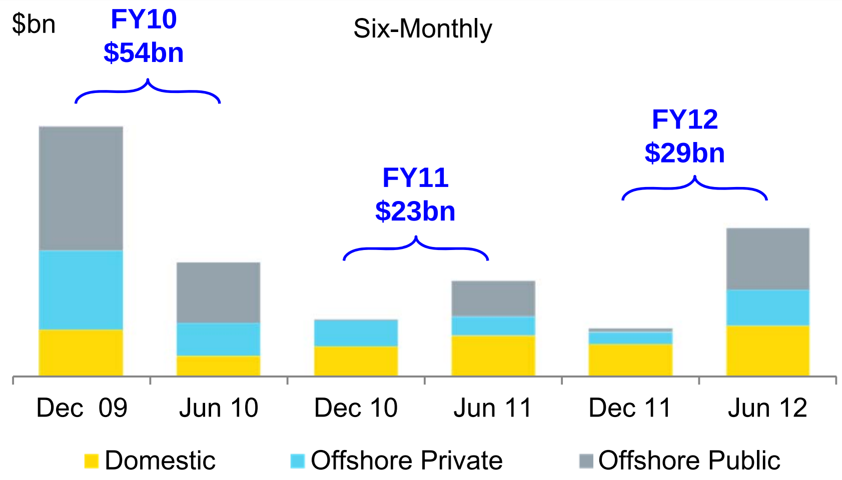
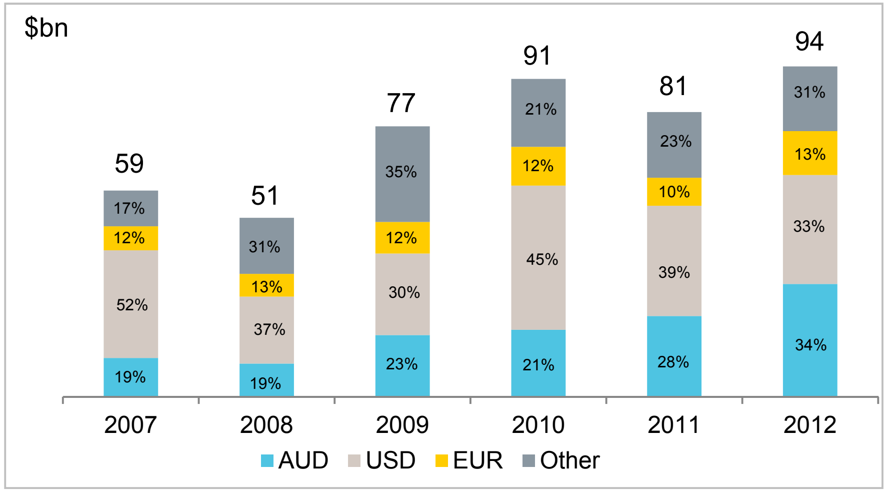
Funding - issuance

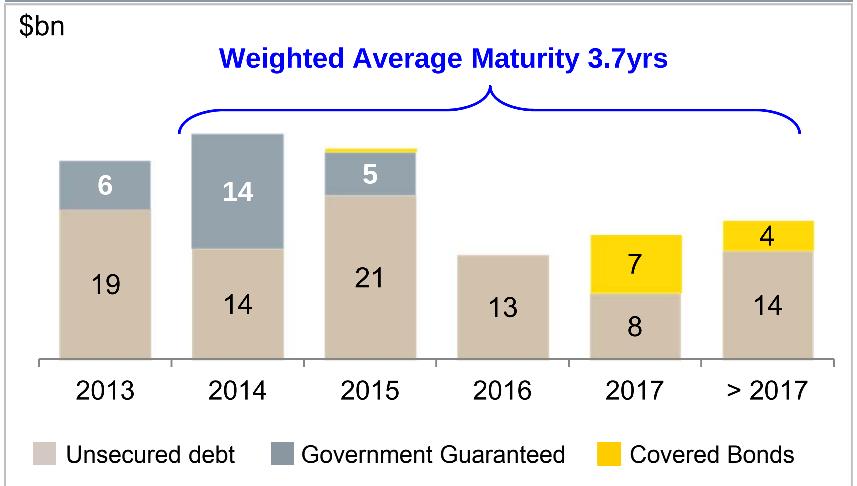
Term issuance



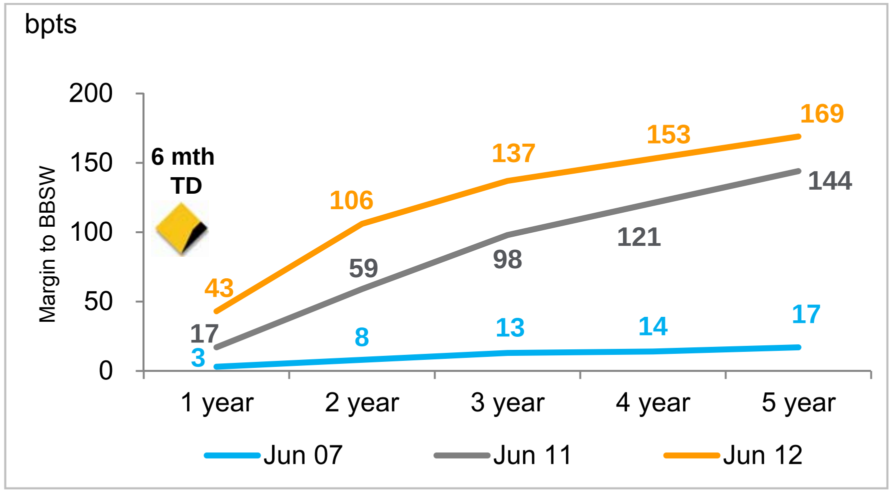
Total Debt Issues outstanding (>12mths)[1]



Term maturity profile[2]



Indicative Long Term Wholesale funding cost[3]



1 Total of Debt Issues (at current FX) plus $A Transferable Certificates of Deposits. Excludes IFRS
2 Maturity profile includes all long term wholesale debt. Weighted Average Maturity of 3.7 years includes all deals with first call or maturity of 12 months or greater.
3 CBA Group Treasury estimated blended wholesale funding costs.

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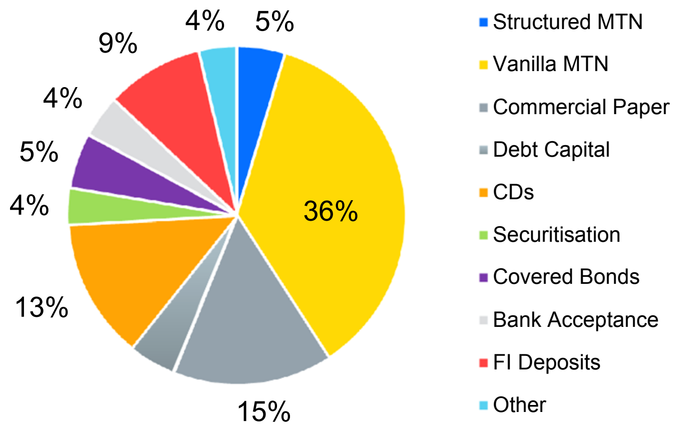
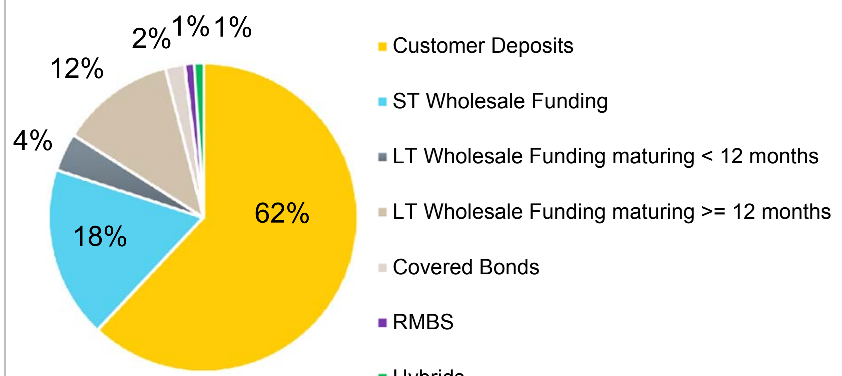
Funding - portfolio

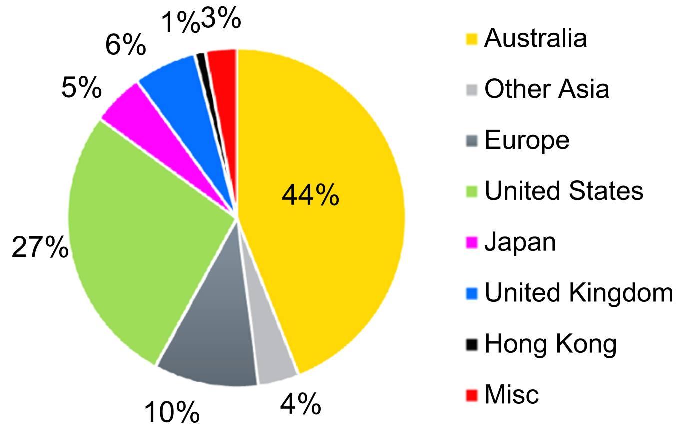
Wholesale funding by product



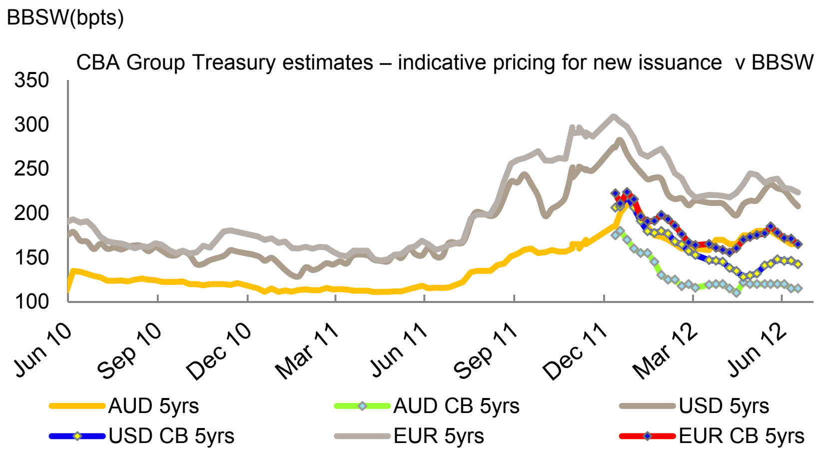
62% Deposit funded



Wholesale funding by currency



Indicative 5 year senior benchmark pricing



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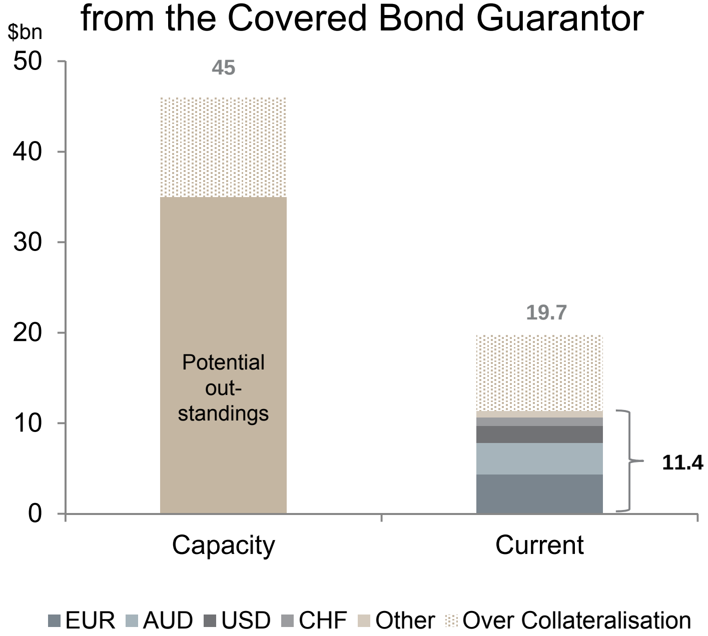
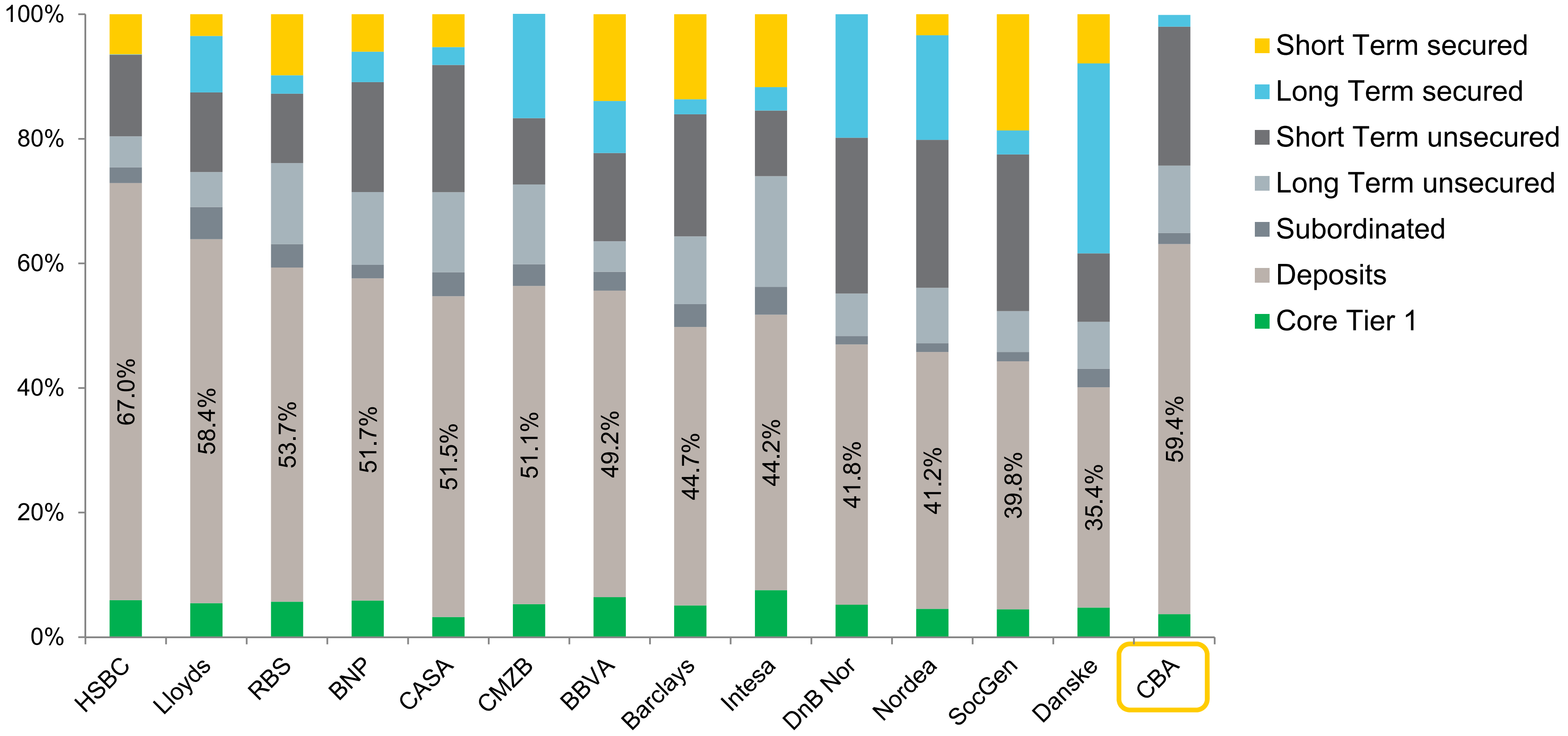
Funding – Covered Bonds

- Banking Amendment (Covered Bonds) Bill passed October 2011
- Legislative limit of 8% of a bank's assets in Australia pledged as collateral
- CBA established a multi-jurisdiction Covered Bond Programme in November 2011
- CBA is the issuer with a guarantee from the Covered Bond Guarantor



Issuer	Commonwealth Bank of Australia
Covered Bond Guarantor	Perpetual Corporate Trust Limited in its capacity as Trustee of the CBA Covered Bonds Trust
Trust Manager	Securitisation Advisory Services (wholly owned subsidiary of CBA)
Programme limit	US$30bn (Reg S / 144A / $A)
Expected Ratings	AAA (Fitch) / Aaa (Moody's)
Maximum Asset Percentage	95%
Collateral	Prime Australian residential mortgages, Substitution Assets and Authorised investments
Mortgage LVR Cap	80% of latest valuation
Indexation	Included using the ABS House Price Index
Cover Pool Monitor	PricewaterhouseCoopers
Security Trustee	P.T. Limited in its capacity as Trustee of the Security Trust
Bond Trustee	Deutsche Trustee Company Limited
Governing Law	English / State of New South Wales

Encumbrance

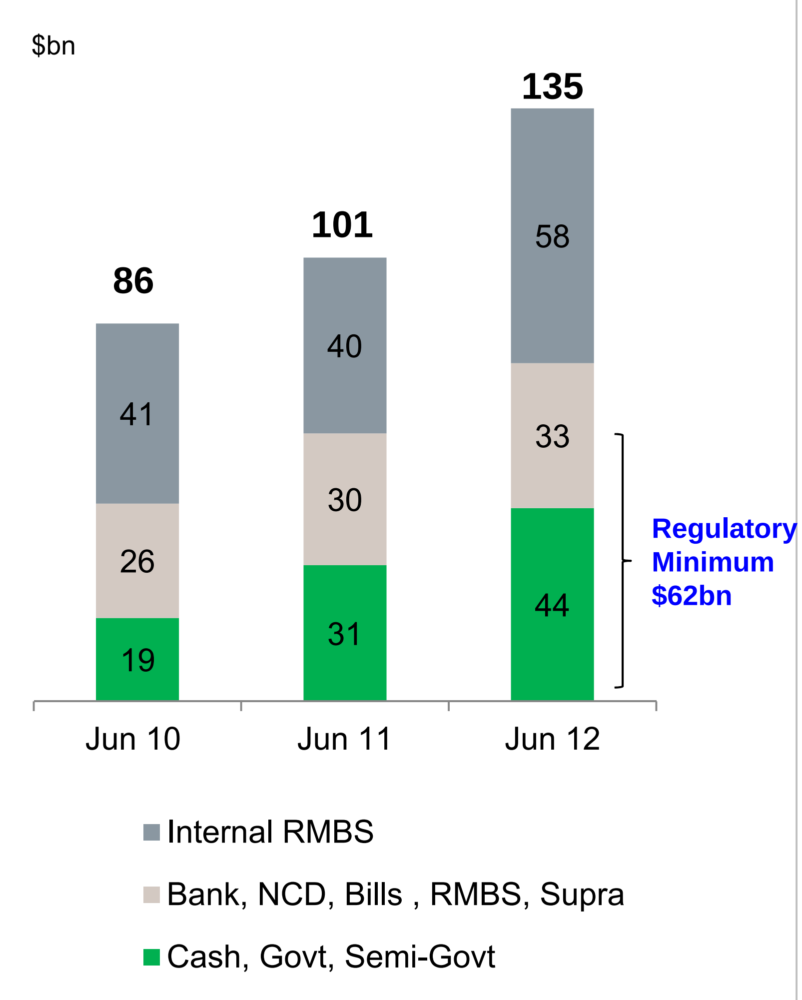


Source: Morgan Stanley / CBA

Liquidity and Australian Prudential Standard (APS) 210

- Current APS 210 based on 5 day stress scenario
- APRA released draft APS 210 for Basel III based on 30 day stress scenario
- RBA Committed Liquidity Facility (CLF) addresses lack of Level 1 & 2 liquid assets
  - 15bps commitment fee for CLF provided
  - Repo at 45bps over cash rate for usage
  - Inclusion of Internal RMBS in CLF
- Finalisation of APS 210 expected late 2012 / early 2013
- LCR compliance from 1 Jan 2015

Liquidity[1]



1 Group liquid holdings as at 30 June 2012. Liquids reported post applicable haircuts.

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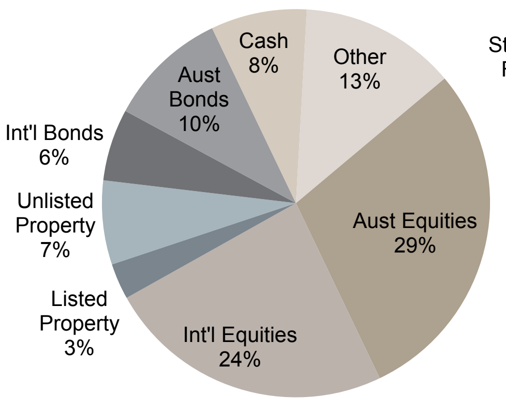
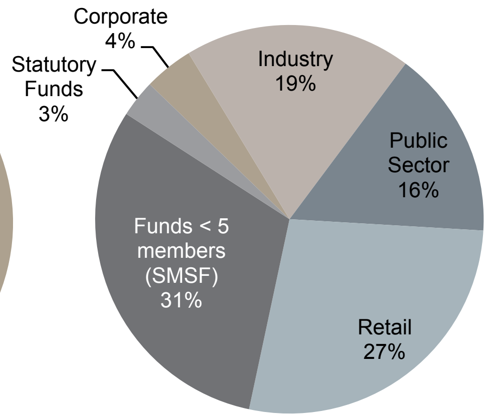
Superannuation

- 1992 establishment of Compulsory Superannuation ("Super") - originally 3% of salary, gradually increased to current 9% with plan to increase to 12%
- Australian Superannuation assets = $1.4tr (world's 4th largest asset pool) ≈ 100% of GDP
- Defined contribution scheme with large cohort in accumulation phase
- Low allocation to domestic fixed income by world standards

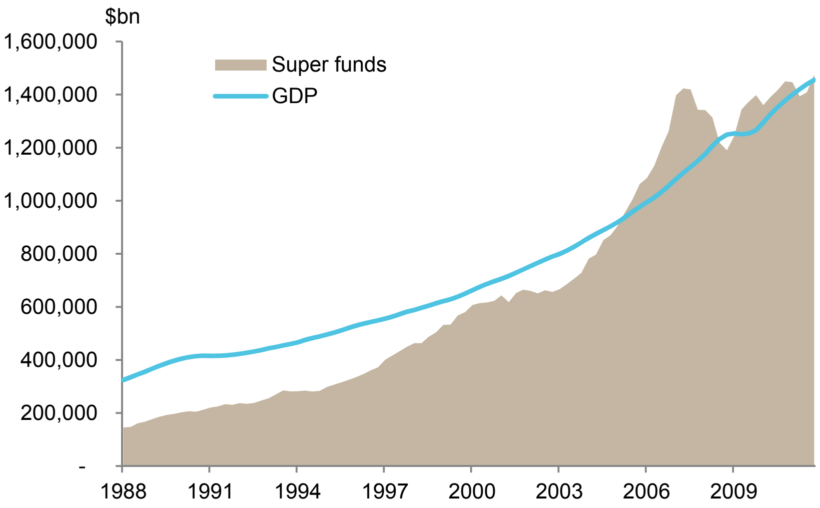
Asset Allocation



Fund type



Superannuation assets and GDP ($m)

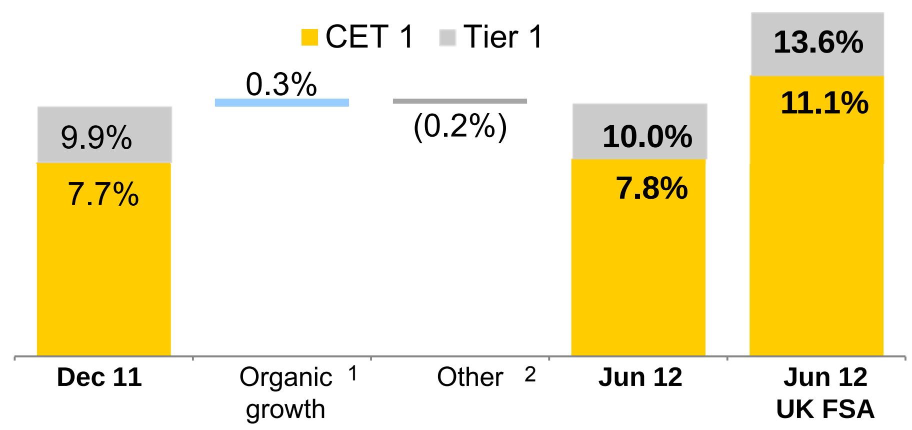


Source: APRA Annual Superannuation Bulletin – Jun 2011, Rainmaker Dec 2011

Strong capital position

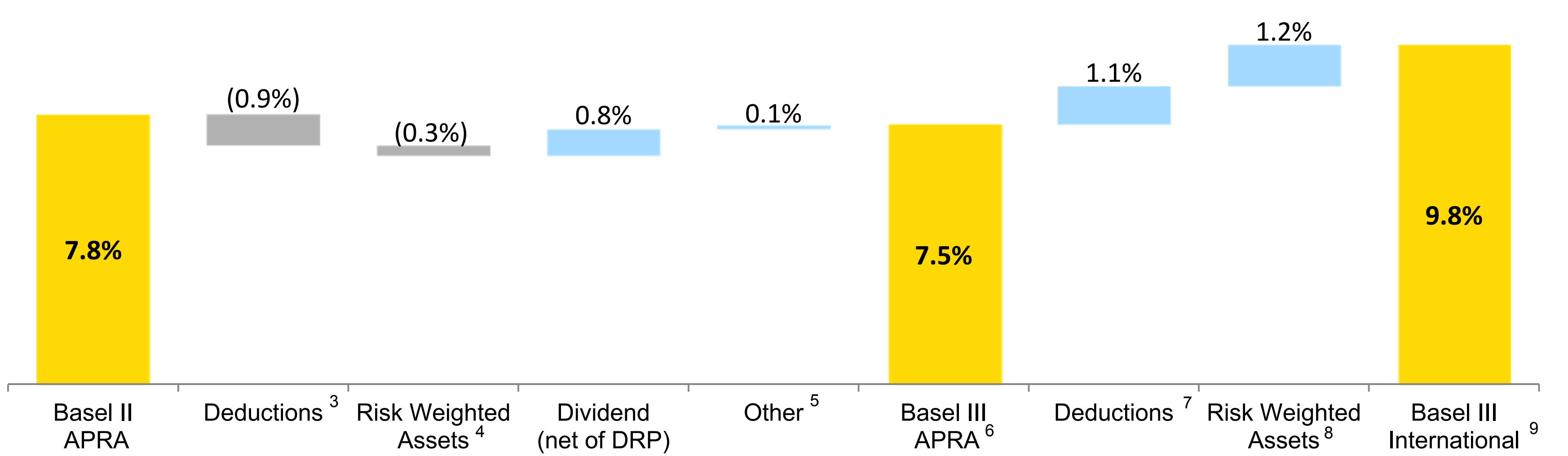
- Basel II (APRA) Tier 1 Capital **10.0%**
- Basel II (APRA) Common Equity **7.8%**
- Basel II (UK FSA) Tier 1 Capital equivalent of **13.6%**
- Expected 0.30% uplift in FY13 from Bankwest Advanced Accreditation
- Basel III harmonised **9.8%** compares favourably to international peers

Tier 1 capital movement



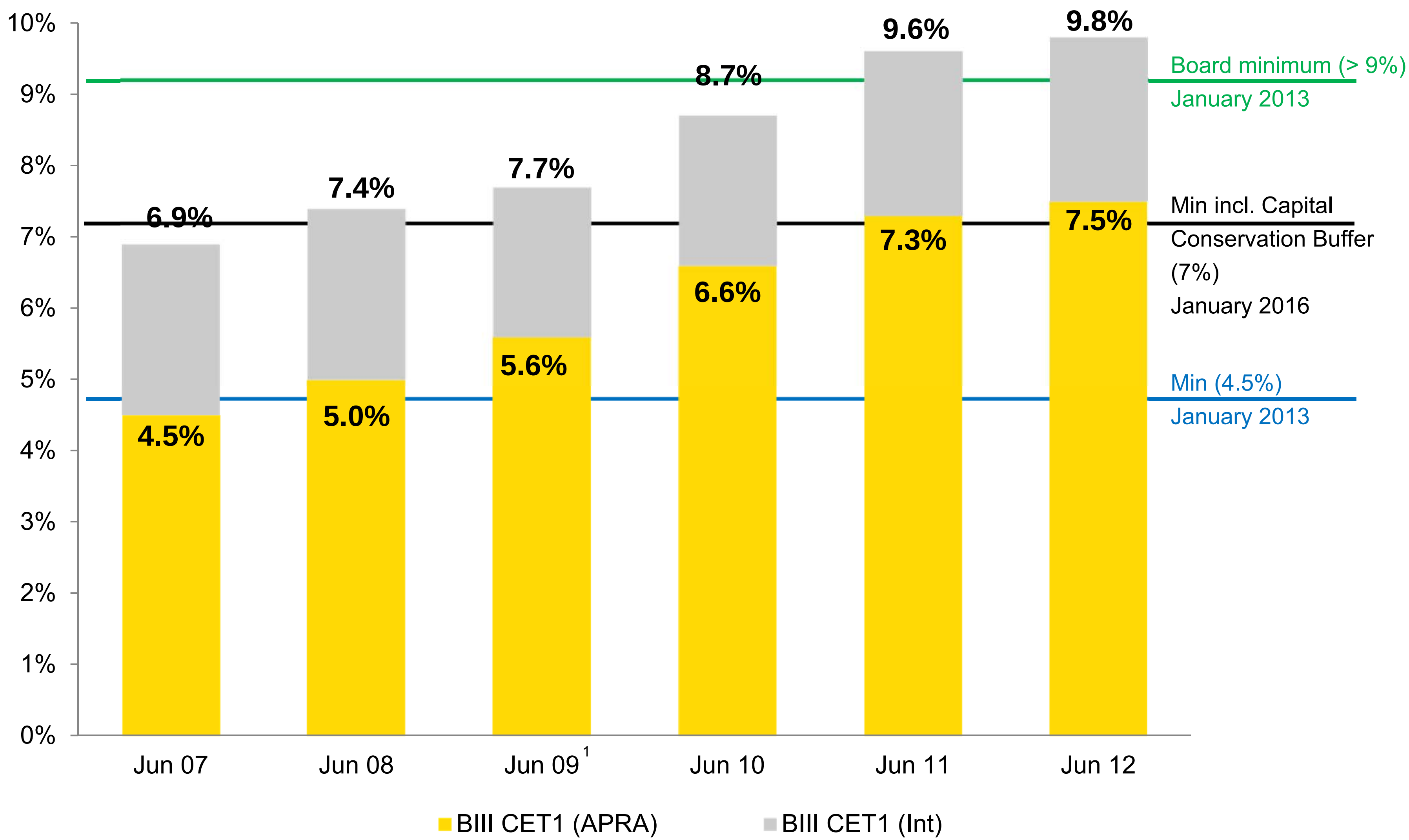
1 Organic growth representative of cash NPAT less accrual for dividend (net of DRP) and movement in Credit RWAs.
2 Other includes an increase in Operational RWAs, impact of Basel 2.5 and increase in capitalised IT costs.

Basel II v III Reconciliation



3. Deductions include equity investment , expected loss and deferred tax asset.
4. Includes adjustments for Asset Value Correlation and Credit Valuation Adjustment.
5. Includes reserves now eligible for inclusion in Common Equity.
6. Additional Requirements proposed by APRA (March 2012 Draft Standard).
7. Add back of deductions including Equity Investments and Deferred Tax Assets that meet Basel Committee concessional threshold limits.
8. Includes removal of minimum floors on LGD mortgages and IRRBB.
9. Basel III methodology developed by the Basel Committee on Banking Supervision in December 2010 (revised June 2011).

Common Equity Tier 1 ("CET1") – Basel III



1 Includes acquisition of Bankwest in December 2008.

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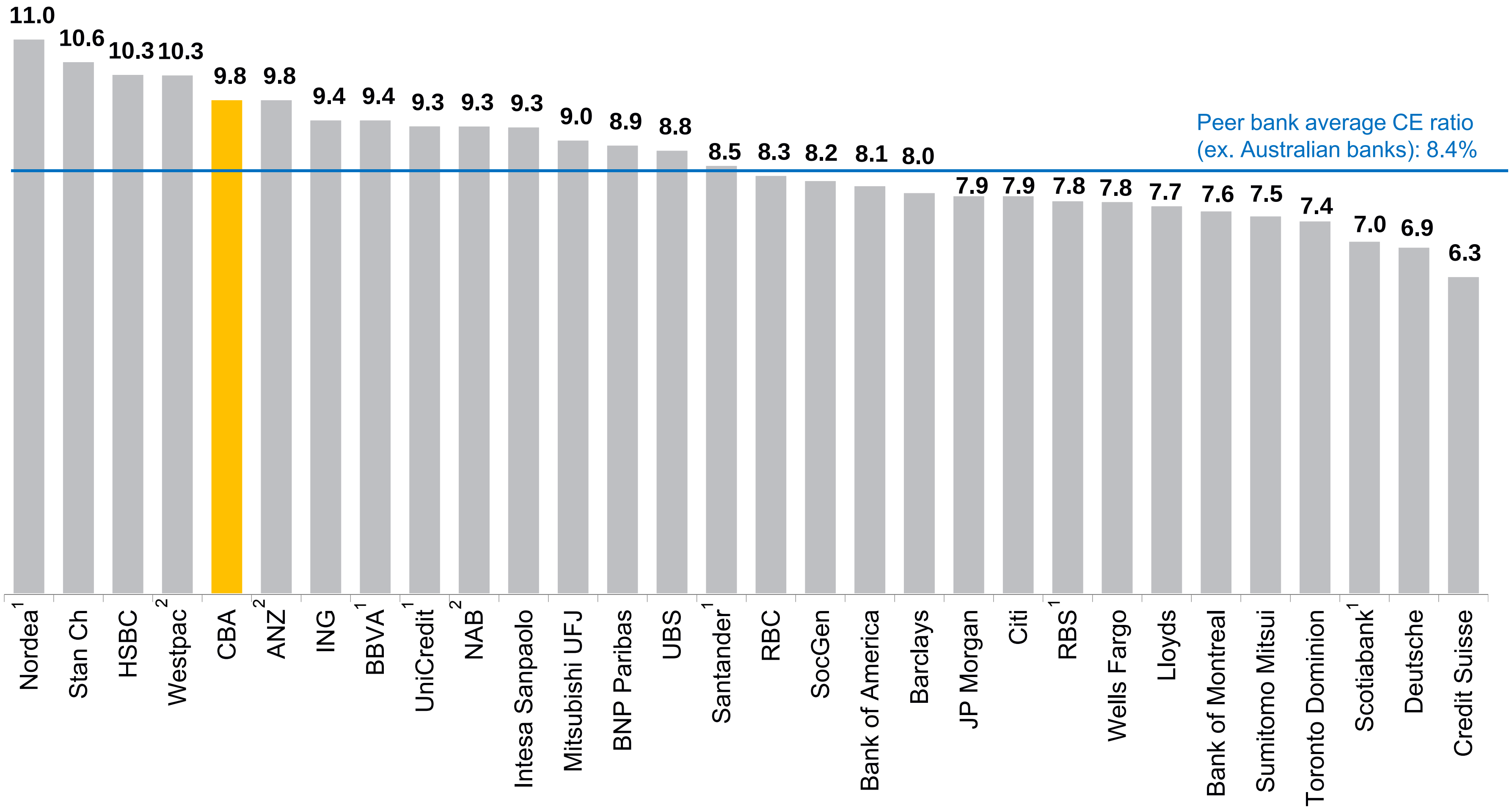
Peer Basel III Common Equity Tier 1



Source: Morgan Stanley. Based on last reported Common Equity ratios up to 13 August 2012 assuming Basel III capital reforms fully implemented.
Peer group comprises listed commercial banks with total assets in excess of A$400 billion and who have disclosed fully implemented Basel III ratios or provided sufficient disclosure for a Morgan Stanley Equity Research estimate.

1 Based on Morgan Stanley Equity Research estimates. For all other banks the ratios have been derived directly from company disclosures.
2 Domestic peer figures as at March 2012.

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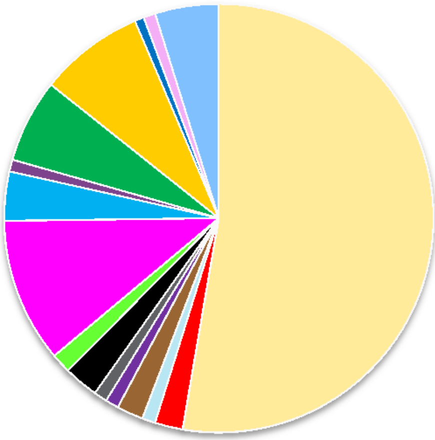
Regulatory exposure mix

	Regulatory Credit Exposure Mix[1]			
	CBA	Peer 1	Peer 2	Peer 3
Residential Mortgages	55%	41%	40%	57%
Corporate, SME & Spec Lending	28%	34%	39%	31%
Bank	7%	7%	12%	3%
Sovereign	6%	9%	6%	5%
Qualifying Revolving	3%	4%	2%	3%
Other Retail	1%	5%	1%	1%
Total Advanced[2]	**100%**	**100%**	**100%**	**100%**

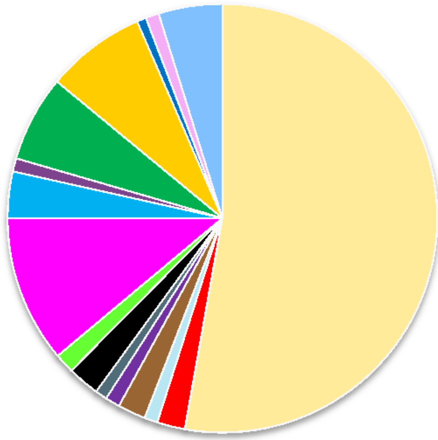
1 Source: Pillar 3 disclosures for CBA as at June 2012 and Peers as at March 2012.

2 Includes Specialised Lending exposures. Excludes Standardised exposures, Other Assets and Securitisation (representing 15% of CBA, 7% of Peer 1, 13% of Peer 2 and 4% of Peer 3). Exposure mix is re-baselined to total 100% for comparison.

Sector exposure[1] by Industry



	Dec 11	Jun 12
Consumer	52.7%	52.8%
Agriculture	2.1%	2.1%
Mining	1.0%	1.0%
Manufacturing	2.0%	2.1%
Energy	1.0%	1.1%
Construction	1.0%	0.9%
Retail & Wholesale	2.6%	2.4%
Transport	1.5%	1.5%
Banks	10.9%	11.1%
Finance – other	3.7%	3.5%
Business Services	0.9%	1.0%
Property	6.3%	6.5%
Sovereign	7.9%	7.5%
Health & Community	0.7%	0.7%
Culture & Recreation	0.9%	1.0%
Other	4.8%	4.8%
Total	**100%**	**100%**



	Dec 11	Jun 12
Australia	80.8%	79.7%
New Zealand	8.1%	8.1%
Europe	4.6%	5.2%
Other International	6.5%	7.0%

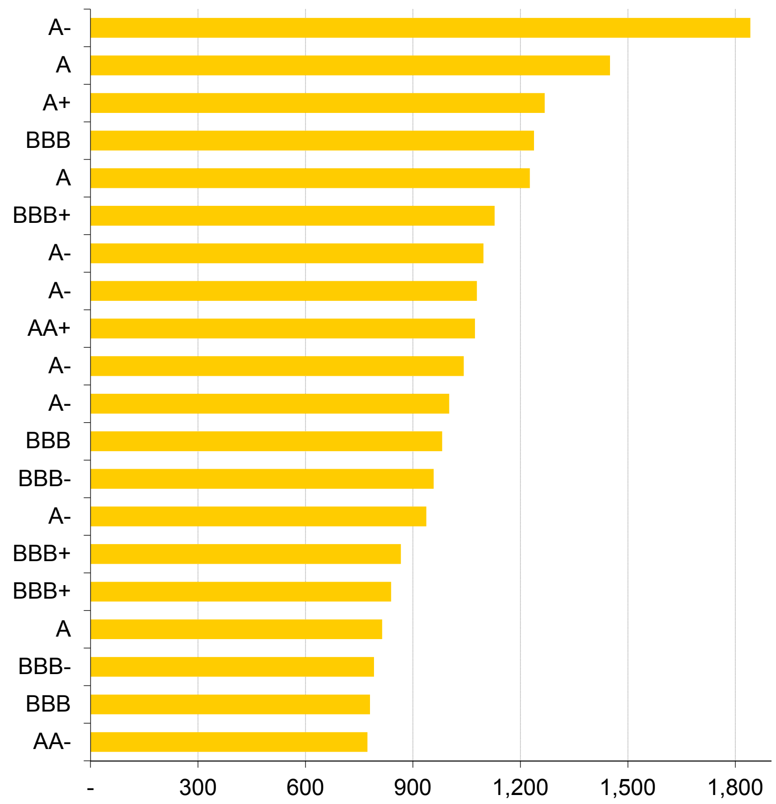
1 Total credit exposure = balance for uncommitted facilities or greater of limit or balance for committed facilities, before collateralisation. Includes ASB and Bankwest.

Commercial exposures

Commercial exposures by sector[1]

$bn	AAA to AA-	A+ to A-	BBB+ to BBB-	Other	Jun 12
Banks	41.5	38.6	6.3	0.4	**86.8**
Finance Other	9.7	10.0	3.0	4.7	**27.4**
Property	0.1	6.1	10.6	33.9	**50.7**
Sovereign	56.8	1.3	0.5	0.2	**58.8**
Manufacturing	0.3	2.4	6.8	6.6	**16.1**
Retail/Wholesale Trade	-	1.0	5.5	12.1	**18.6**
Agriculture	-	0.2	2.7	13.6	**16.5**
Energy	0.5	1.9	5.0	1.3	**8.7**
Transport	0.1	2.7	5.4	3.7	**11.9**
Mining	0.3	1.5	3.3	2.7	**7.8**
All other (ex consumer)	2.6	3.8	14.8	36.2	**57.4**
Total	**111.9**	**69.5**	**63.9**	**115.4**	**360.7**

Top 20 Commercial Exposures[2] ($m)



1 Gross exposure before collateralisation = balance for uncommitted facilities and greater of limit or balance for committed facilities. Includes ASB and Bankwest, and excludes settlement exposures.
2 CBA grades in S&P Equivalents. Includes ASB and excludes Bankwest. Total approved exposure.

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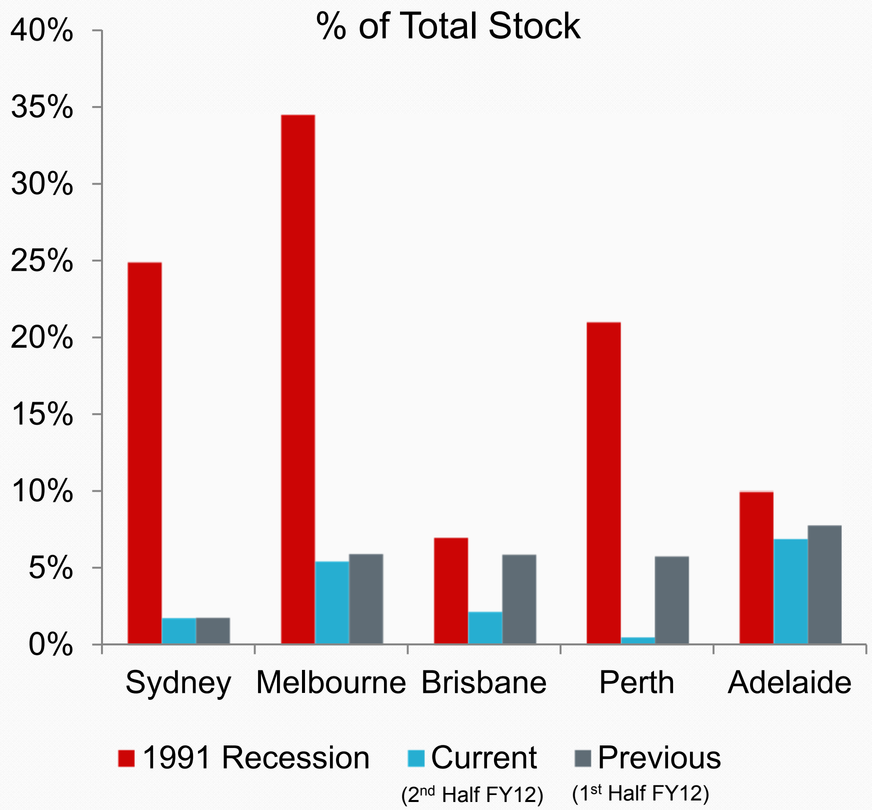
Commercial property market

CBD office supply pipeline[1]



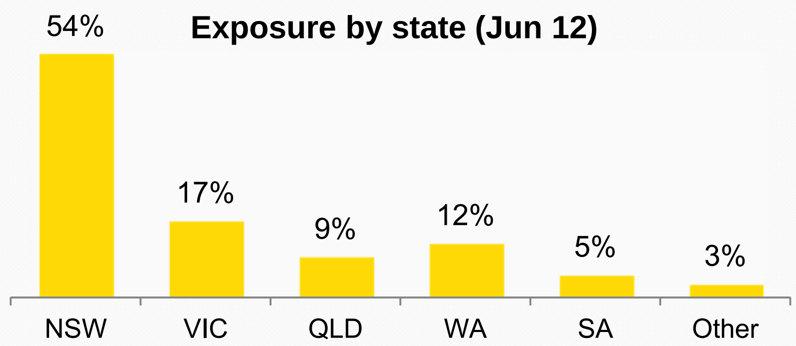
Source : Jones Lang LaSalle Research

CBD vacancy rates

Market	Peak 1990s	Current 2nd Half FY12	Previous 1st Half FY12
Sydney	22.4%	8.6%	8.5%
Perth	31.8%	2.9%	2.5%
Melbourne	25.8%	7.4%	5.8%
Brisbane	14.3%	8.8%	6.3%
Adelaide	19.8%	7.7%	7.6%

Source : Jones Lang LaSalle Research

CBA commercial property



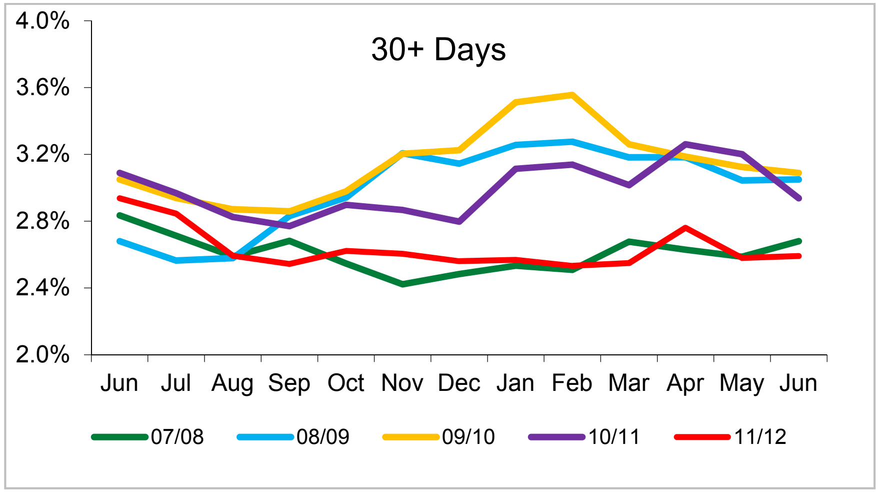
Includes Bankwest

1 The development pipeline includes all projects currently under construction.

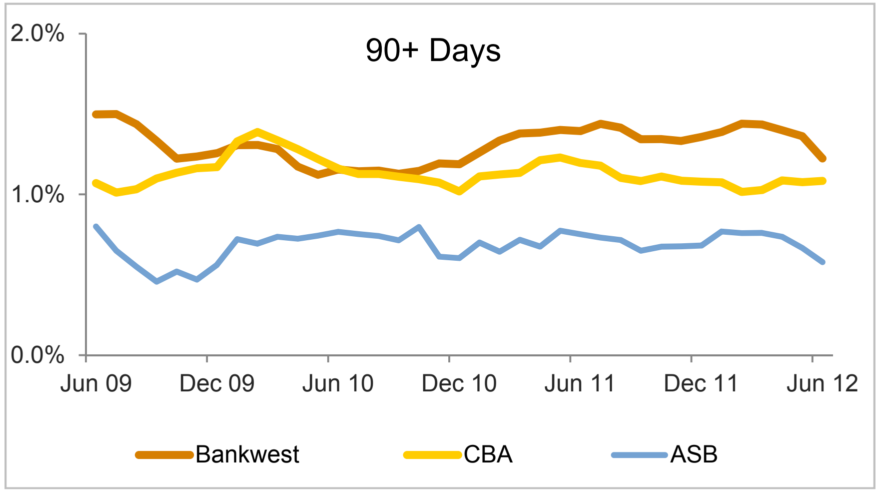
CommonwealthBank

Unsecured consumer arrears

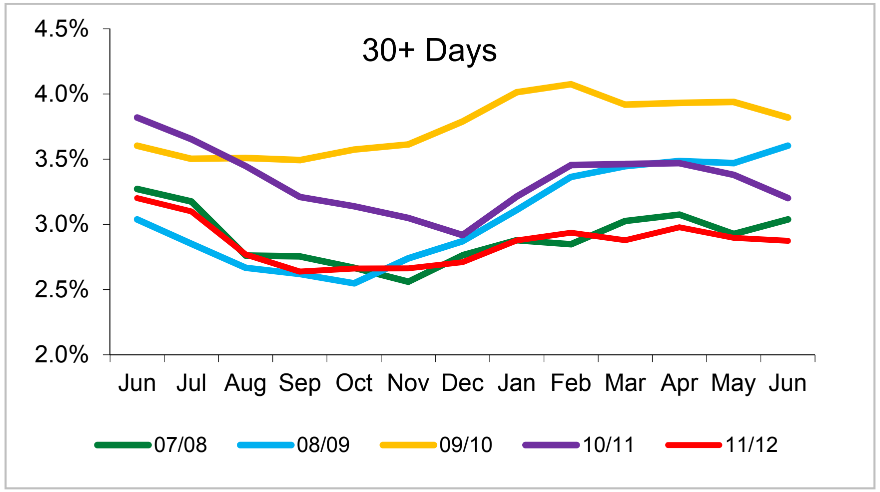
Credit cards – Retail Bank



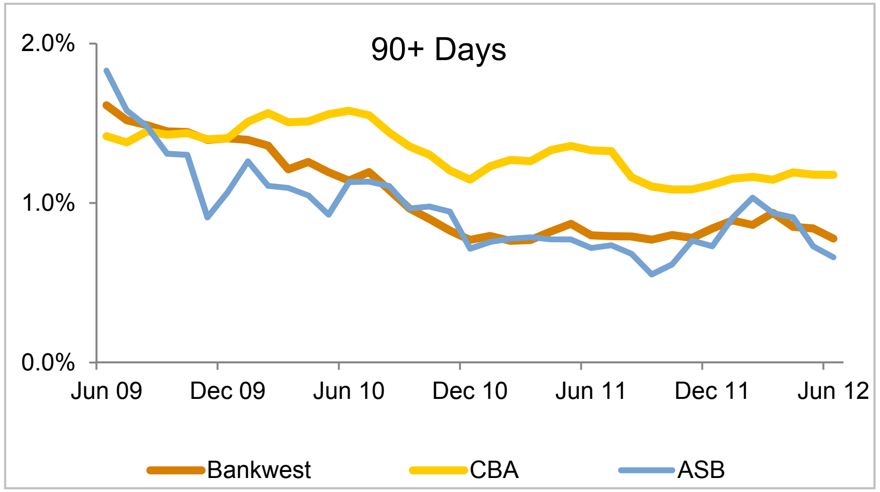
Credit cards - Group



Personal loans – Retail Bank

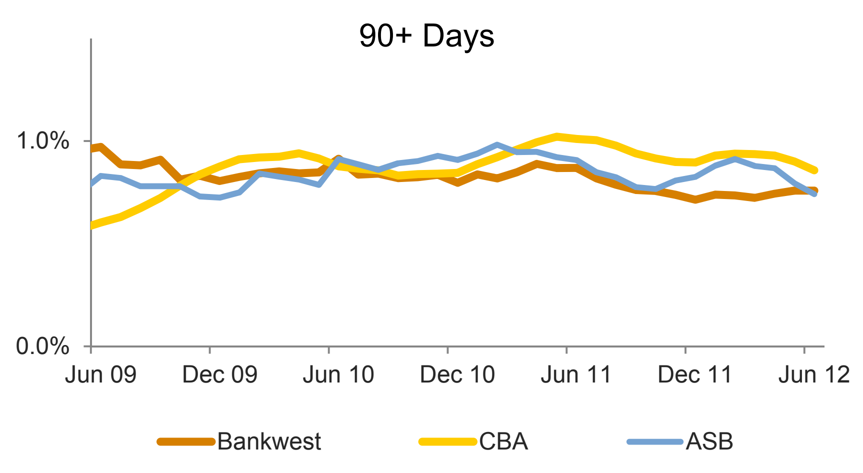


Personal loans - Group

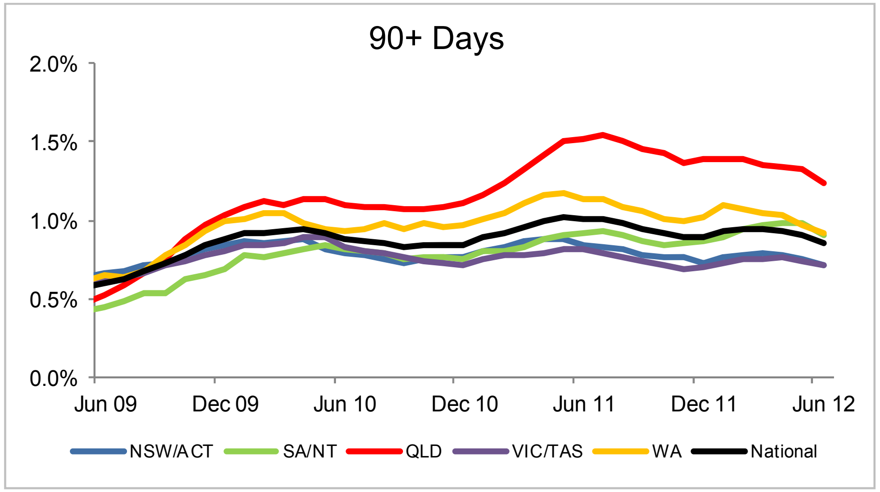


Home loan arrears

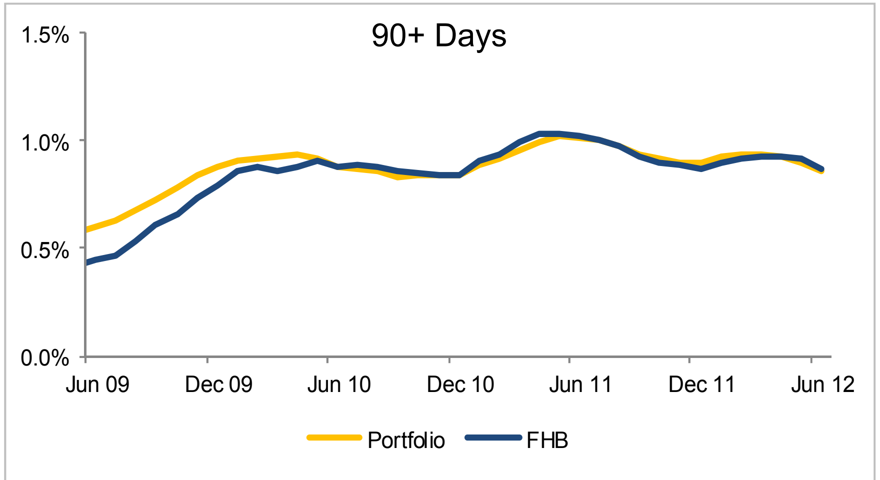
Home loans - Group



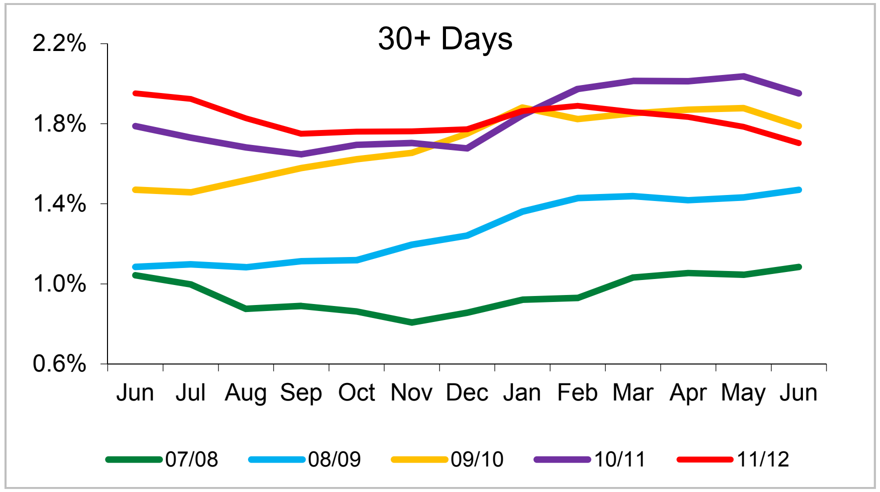
Home loans by state



First Home Buyers –Retail bank



Home loans – Retail Bank



CommonwealthBank

Home loan portfolio profile

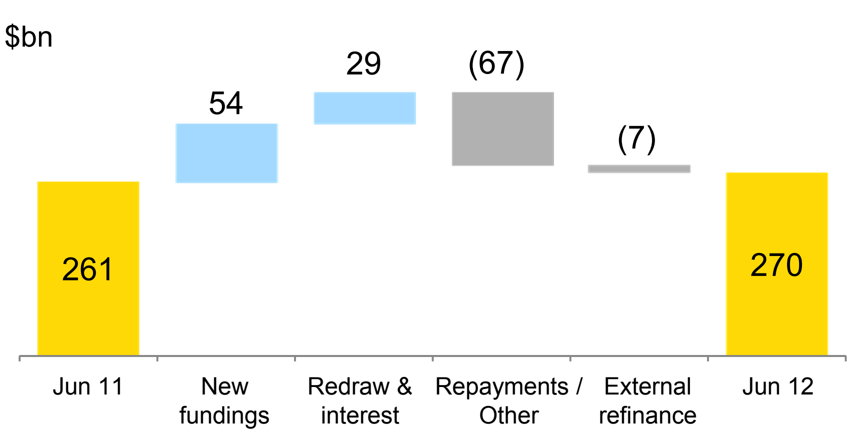
Portfolio	Jun 12
Total Balances - Spot ($bn) [1]	351
Total Accounts (m)	1.4
Fundings ($bn) [2]	54
Variable Rate (%)	87
Owner-Occupied (%)	58
Investment (%)	33
Line of Credit (%)	9
Proprietary (%)	62
Broker (%)	38
Average Loan Size ($'000)	221
Annual Run-Off (%) [2]	17

Quality	Jun 12
Total Balances – Avg YTD ($bn) [1]	343
Actual Losses YTD ($m) [1,3]	107
Loss Rate (%)[1,2]	0.03
LVR – Portfolio Avg (%) [4]	44
Customers in advance (%)	68
Payments in advance (#)	7
Low Doc % of Book	2.7
FHB - % of new fundings [2]	14
FHB - % of balances	15
LMI - % of Book	25
Serviceability buffer (bpts)	150

All figures relate to the RBS home loan portfolio (excluding recent acquisition of a tranche of Aussie Home Loans) except where noted.
1 Numbers are for the Group (including BW, ASB and securitised loans).
2 12 months to June 2012.
3 Actual YTD losses includes write-offs from collective provisions and individual provisions, net of any recoveries.
4 Portfolio average LVR = current balance / original valuation.

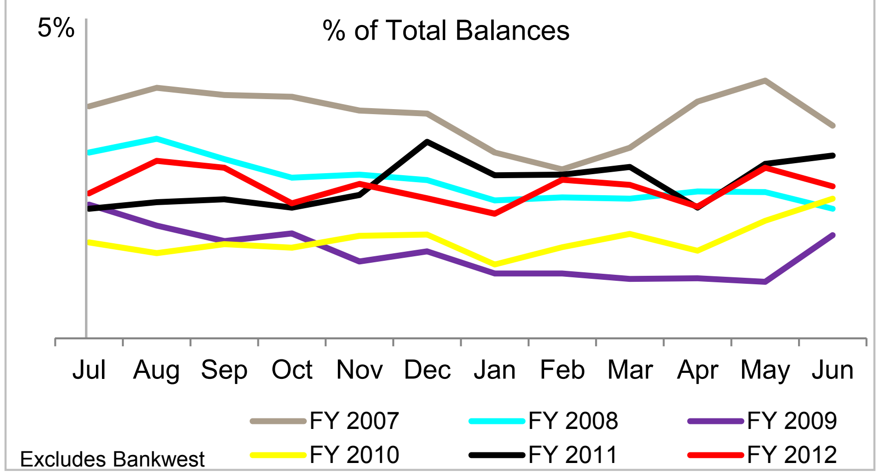
RBS home lending growth profile

RBS home loan balance growth



Excludes Bankwest

External refinancing



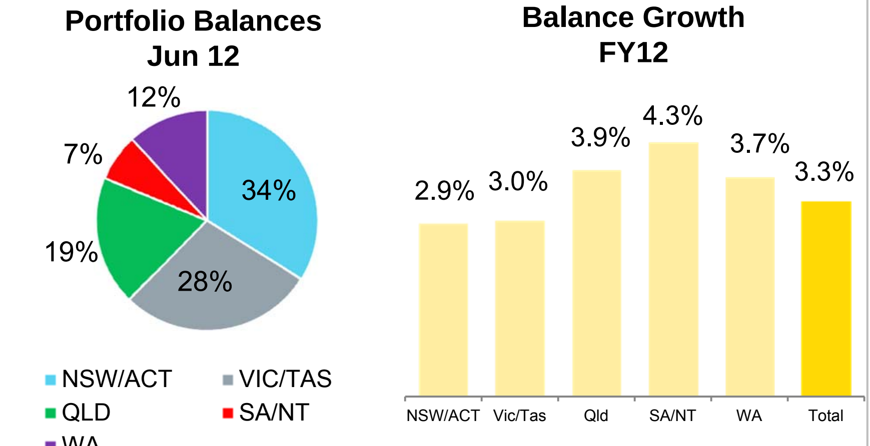
Excludes Bankwest

Growth by channel (%)

	FY12	*% of Balances*
Broker	3.9%	36%
Branch	3.6%	44%
Premium	0.6%	20%
Total	**3.3%**	***100%***
System*	**5.0%**	

* RBA Excludes Bankwest

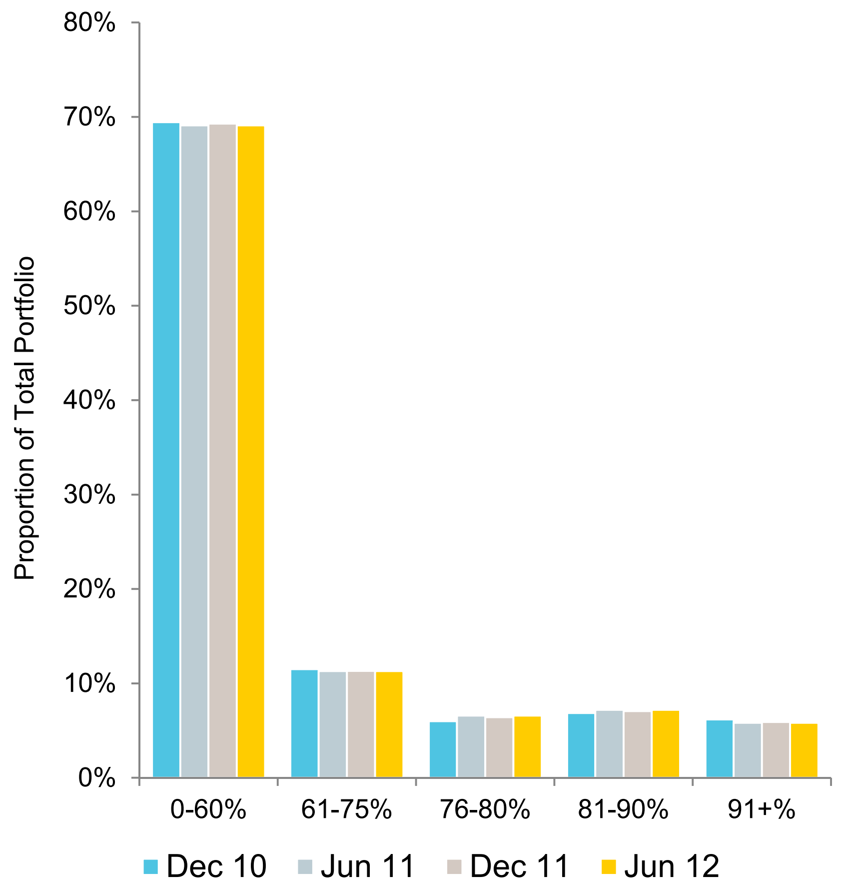
State breakdown



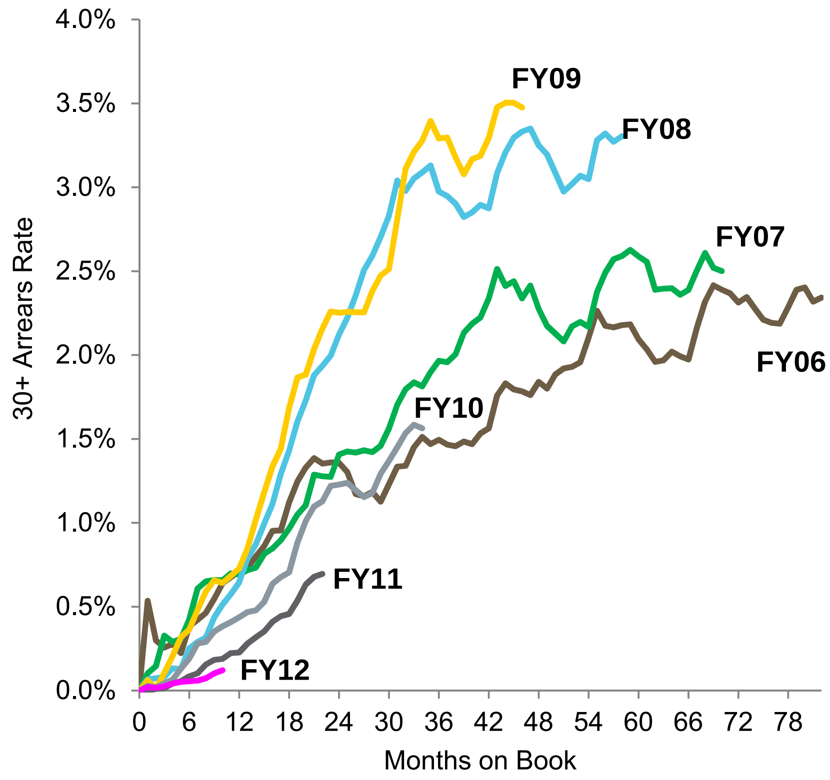
Excludes Bankwest

Retail Bank home loans – by vintage

Home Loan Dynamic LVR[1] Profile



30+ Days Home Loan Arrears Rates by Vintage



CBA domestic only. Excludes Bankwest

1 Dynamic LVR is Current balance / Original valuation.

Retail Bank home loans – enhanced stress test

Observations

- Potential losses of $1.7bn for the uninsured portfolio only over 3 years.
- Potential claims on LMI of $2bn[1] over 3 years.
- House prices and PDs are stressed at regional level
- Increase in potential losses for existing accounts ($221m) consistent with continued challenging economic environment including decreased residential property valuations.

Key assumptions

	Year 1	Year 2	Year 3
Unemployment	7.0%	10.5%	11.5%
Hours under-employed *	11.4%	15.8%	18.4%
Cumulative House Prices	-15%	-32%	-32%
Cash Rate	3.00%	1.00%	1.00%

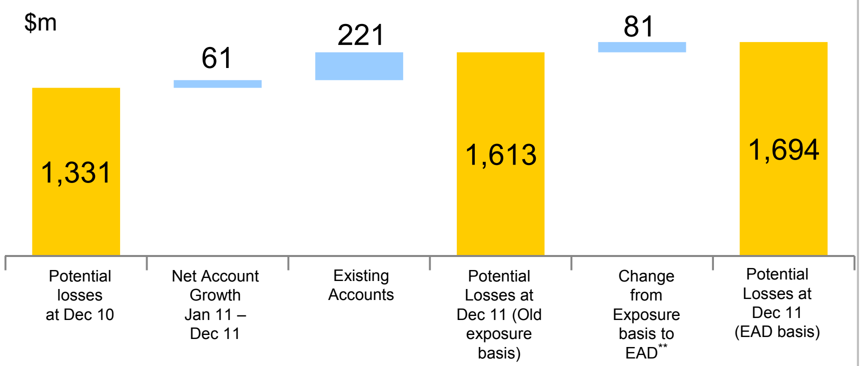
* The total number of hours not worked relative to the size of the workforce.

Key outcomes

	Year 1	Year 2	Year 3
Stressed Losses	$297m	$570m	$827m
Probability of Default (PD)	1.03%	1.85%	2.72%

- Results based on December 2011.
- Total losses of $1,694m predicted over 3 years.

Key drivers of movements

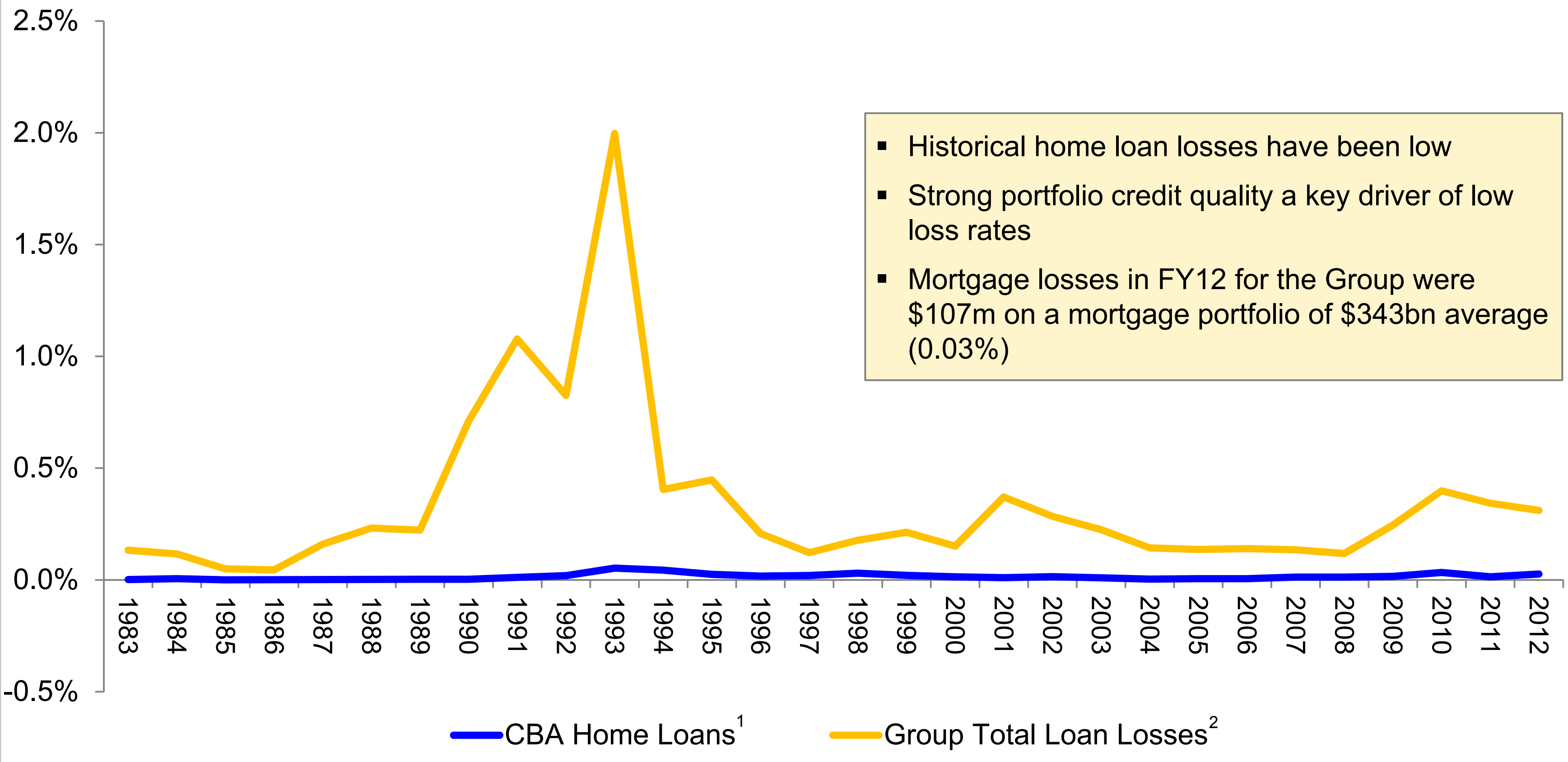


**More conservative method which includes undrawn limits.

1 Conservative in that it assumes all loans that become 90 days in arrears will result in a claim.

Home loan losses

Losses to average gross loans



- Historical home loan losses have been low
- Strong portfolio credit quality a key driver of low loss rates
- Mortgage losses in FY12 for the Group were $107m on a mortgage portfolio of $343bn average (0.03%)

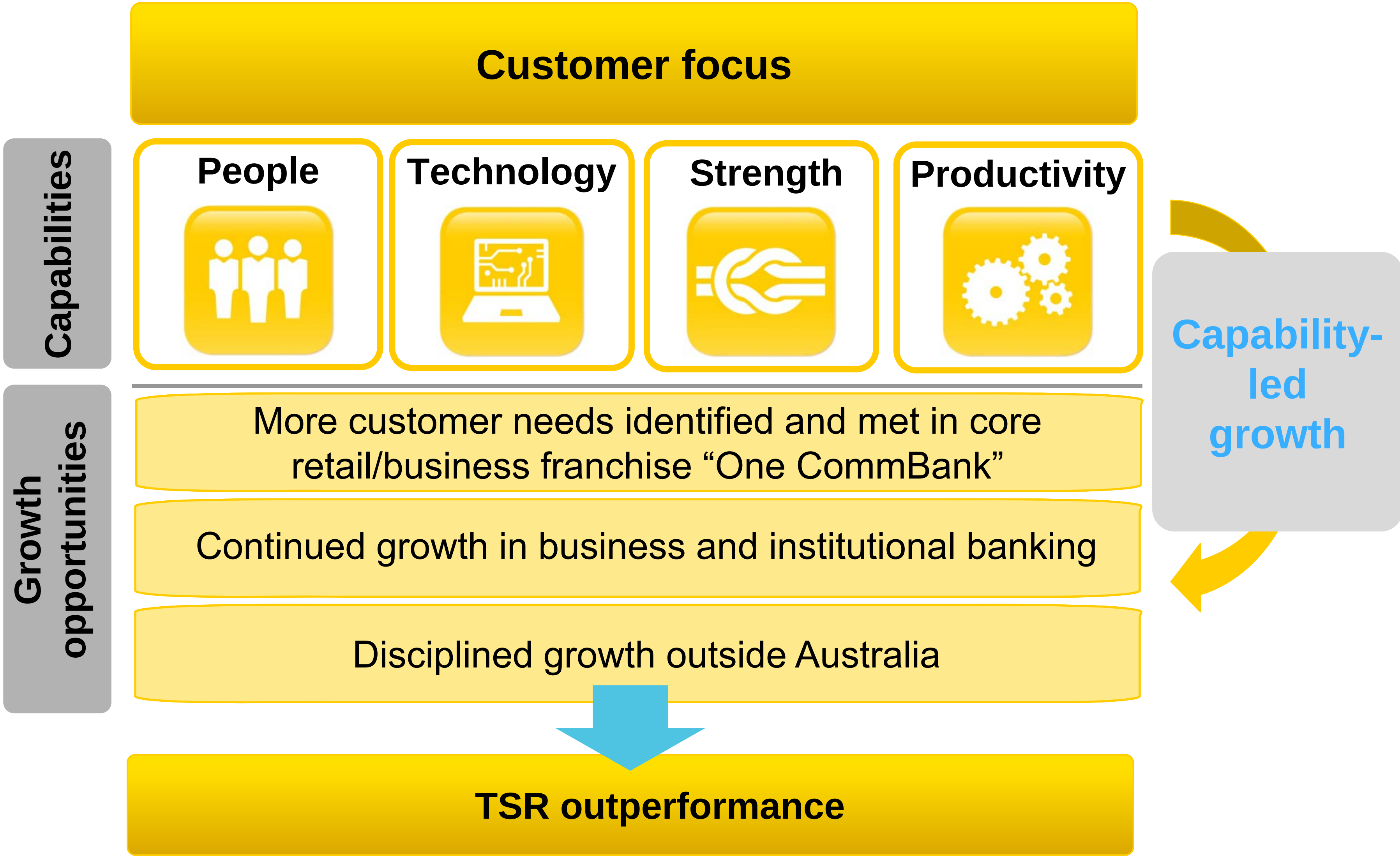
1 CBA Home Loans represents Australian Home Loans and includes Bankwest from 2009.
2 Group includes all losses for the Group (CBA/Bankwest/ASB).
Losses includes write-offs from collective and individual provisions, less recoveries.

Index

Outlook

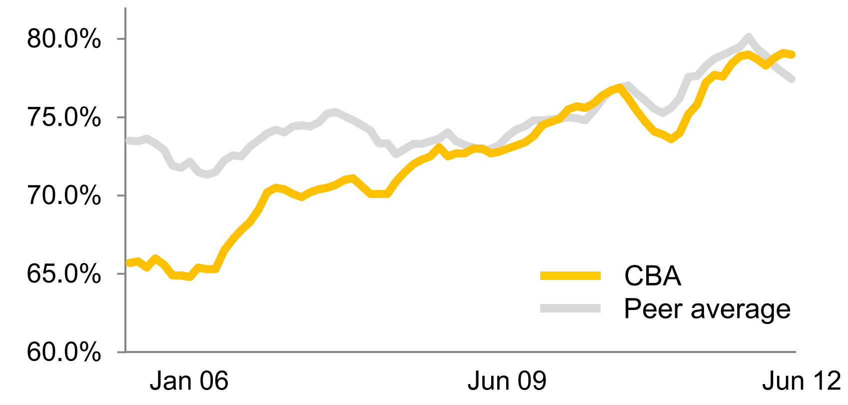
- Operating environment
  - Australian economic fundamentals remain strong
  - Continued global volatility
  - Low credit growth
  - Deposit cost pressures
  - Evolution to new regulatory regimes
- Our approach
  - Scenario based with conservative settings
  - Long term focus without compromising momentum
  - Productivity and technology driven cost management

Our strategy

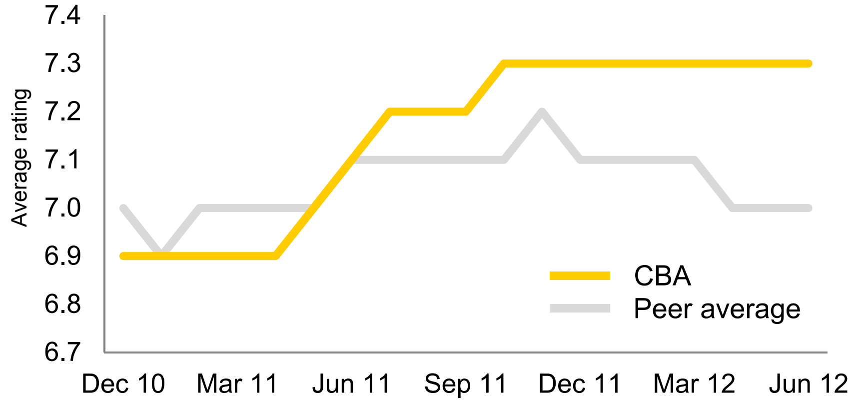


People

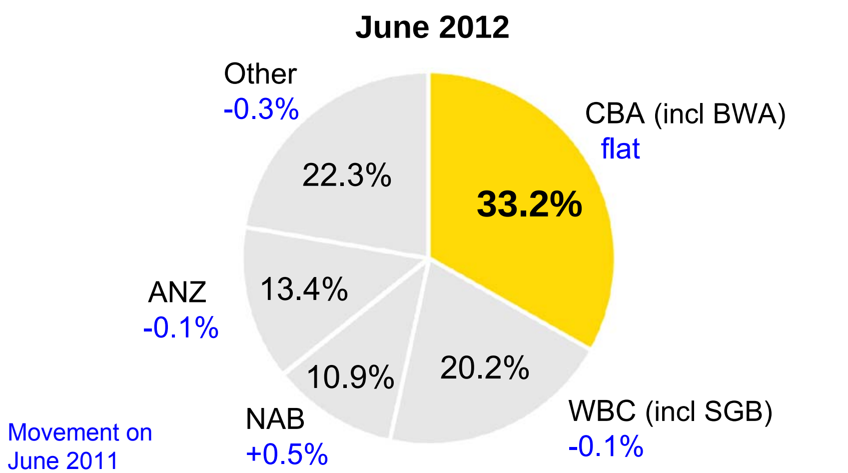
Retail customer satisfaction[1]



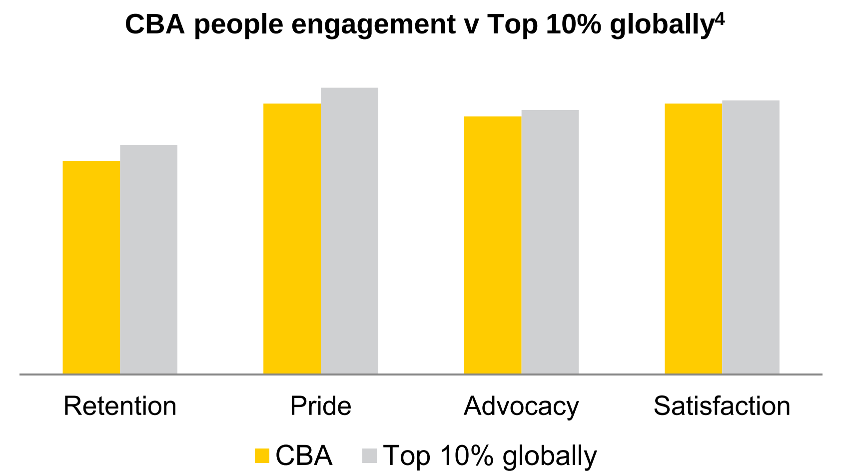
Business customer satisfaction[2]



MFI customer numbers[3]



People Engagement[4]



1,2,3 Roy Morgan Research, DBM Business Financial Services monitor

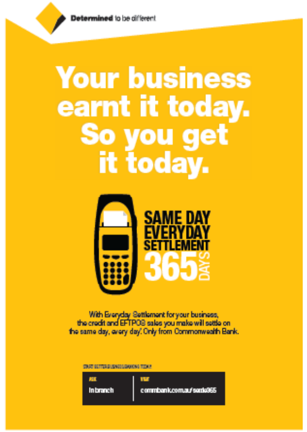
4 2012 People and Culture Survey (independent external benchmark).

Technology

Core Banking

- Deposits completed
- Lending well advanced
- 12 million+ customers migrated
- Real-time banking 24/7
- Focus on benefits realisation

Leveraging real time



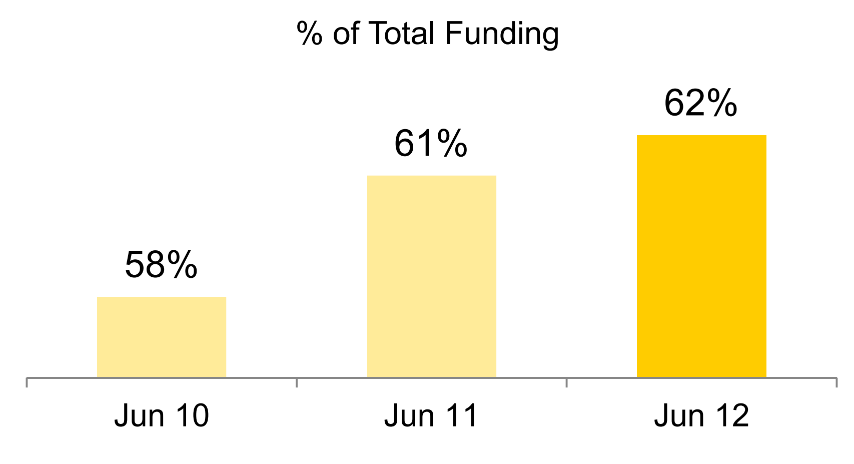
Product innovation

Driving efficiency

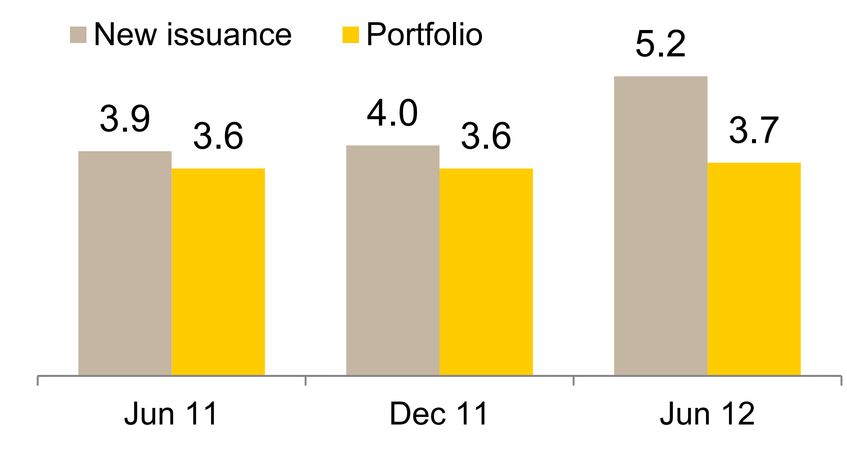
- Process elimination
- Straight-through processing
- Immediate problem resolution
- Instant account opening
- Increased customer self-service
- Product rationalisation

Strength

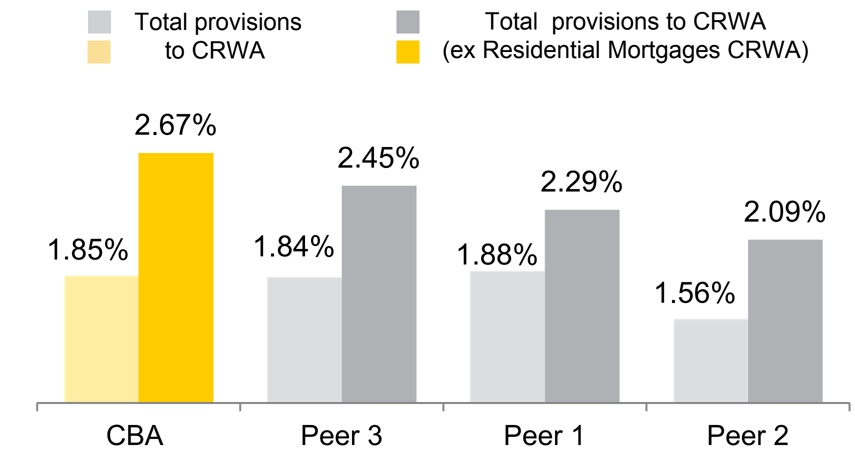
Deposit funding



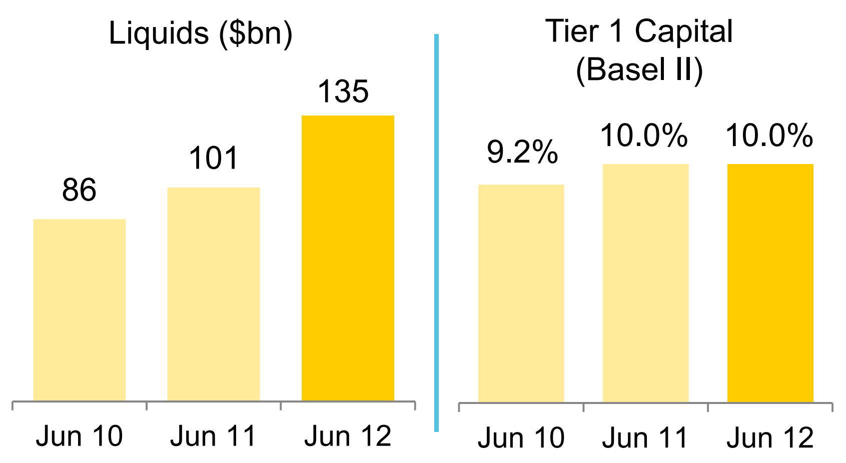
Wholesale funding tenor (years)[1]



Total provisions[2] to credit RWA



Liquidity and capital

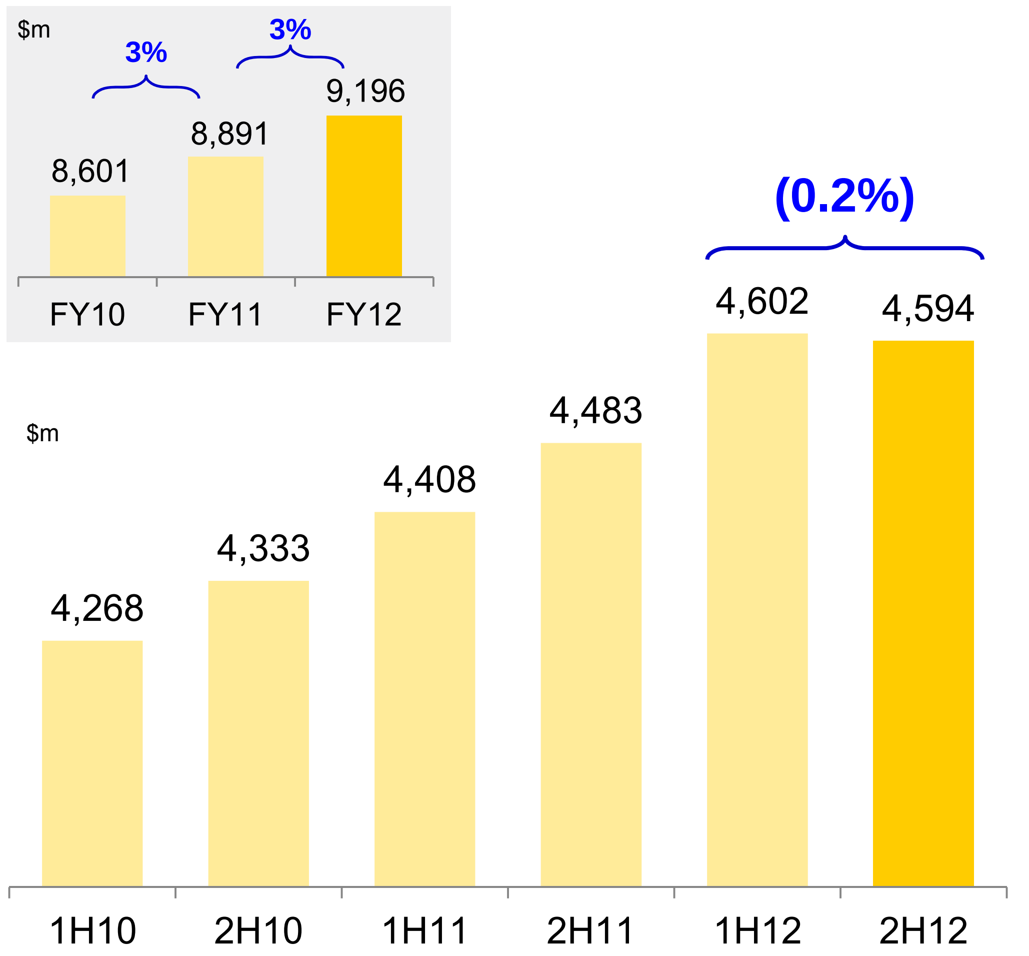


1 Weighted Average Maturity of long term wholesale debt. Includes all deals with first call or contractual maturity of 12 months or greater.
2 Provisions do not include General Reserve for Credit Losses equity reserves or other similar adjustments.
CBA at 30 June 2012 & Peers at 31 March 2012.

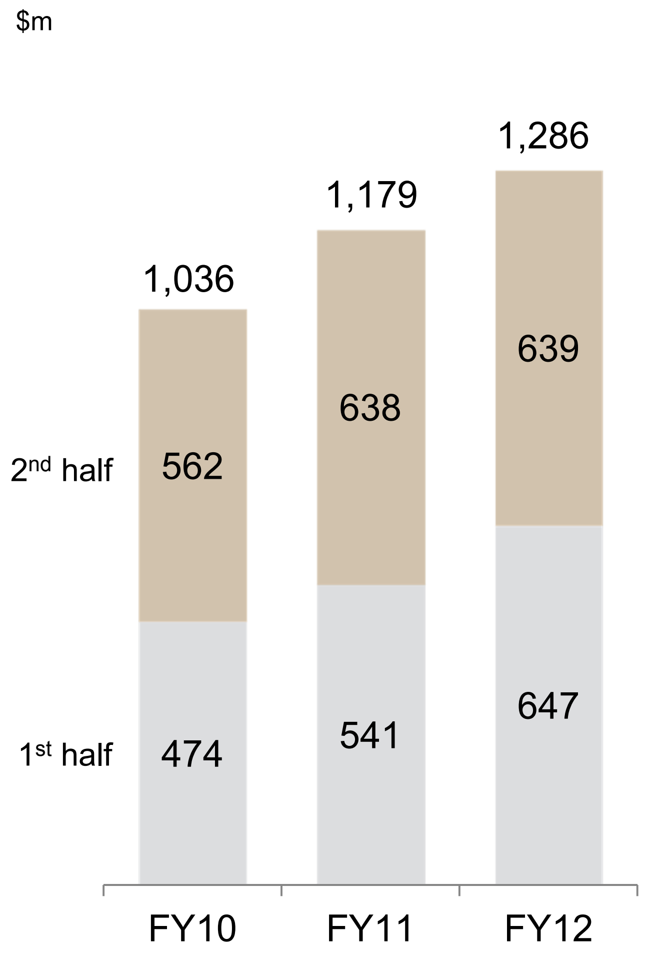
CommonwealthBank

Productivity

Total operating expenses



Investment spend



CBA in Asia

Country	Representation as at June 2012
China	Bank of Hangzhou (20%) – 117 branches
	Qilu Bank (20%) – 84 branches
	County Banking (84%) – 5 Banks in Henan Province
	Beijing Representative Office
	BoCommLife JV (37.5%) – operating in 3 provinces
	Shanghai (China Head Office)
	First State Cinda JV, FSI Hong Kong
	Hong Kong and Shanghai branches
Indonesia	PTBC (97.86%) – 92 branches and 141 ATMs
	PT Commonwealth Life (80%) – 28 life offices
	First State Investments
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

Index

Economic summary

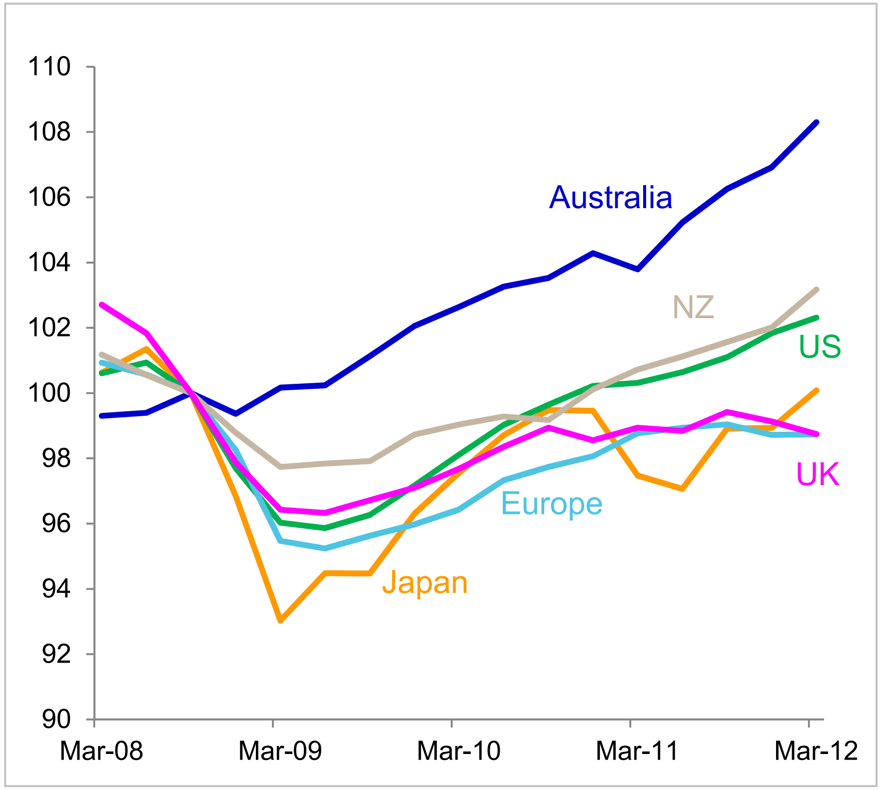
	As at June					
	2008	2009	2010	2011	2012	2013 (f)
Credit Growth % – Total	11.8	3.3	3.1	2.8	4.4	5-7
Credit Growth % – Housing	9.6	6.6	8.0	6.0	5.1	5-7
Credit Growth % – Business	16.9	0.9	-3.9	-2.2	4.4	5½-7½
Credit Growth % – Other Personal	3.4	-7.0	3.0	1.0	-1.5	4-6
GDP %	3.8	1.4	2.3	1.9	3.4 (f)	3.5
CPI %	3.4	3.1	2.3	3.1	2.3	2.6
Unemployment rate %	4.2	4.9	5.5	5.1	5.2	5.5
Cash Rate %	7¼	3	4½	4¾	3½	3¼

CBA Economists Forecasts

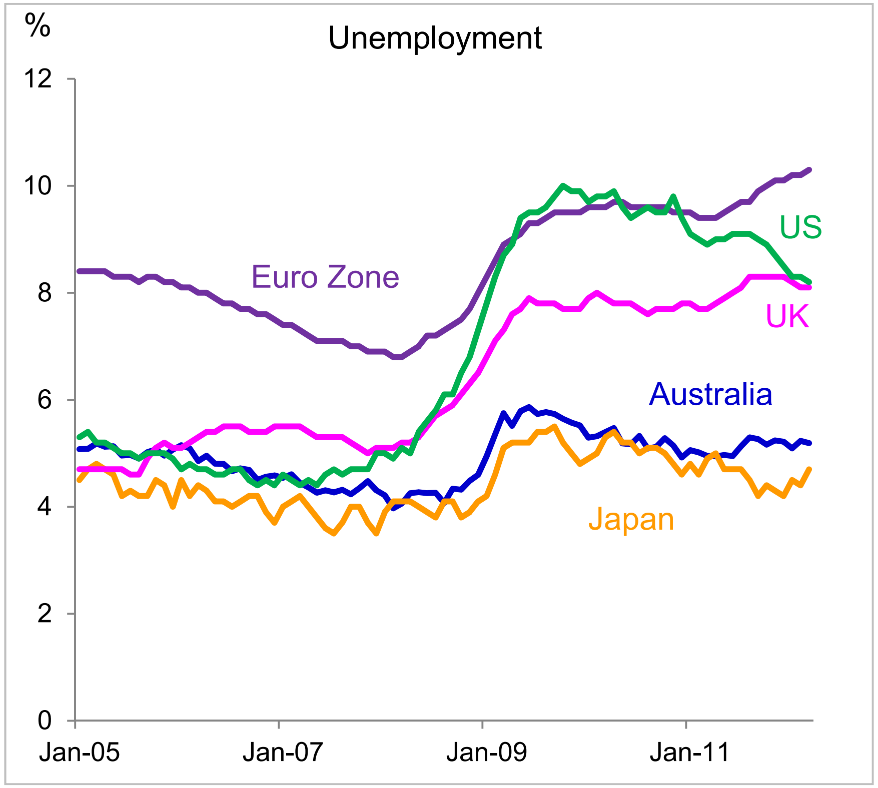
Credit Growth	= 12 months to June Qtr
GDP, Unemployment & CPI	= Year average
Cash Rate	= June qtr

Strong economic fundamentals in Australia

GDP growth



Stronger labour market

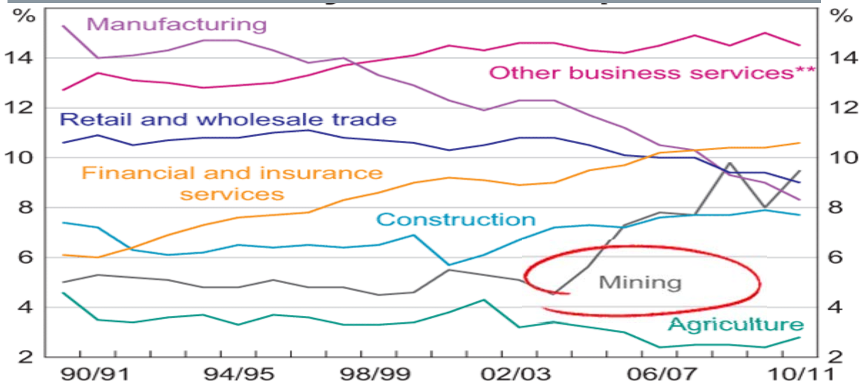


- Australian economic performance continues to be strong in global context
- Unemployment, a key determinant of mortgage loss, remains at low levels

Source : National statistical agencies.

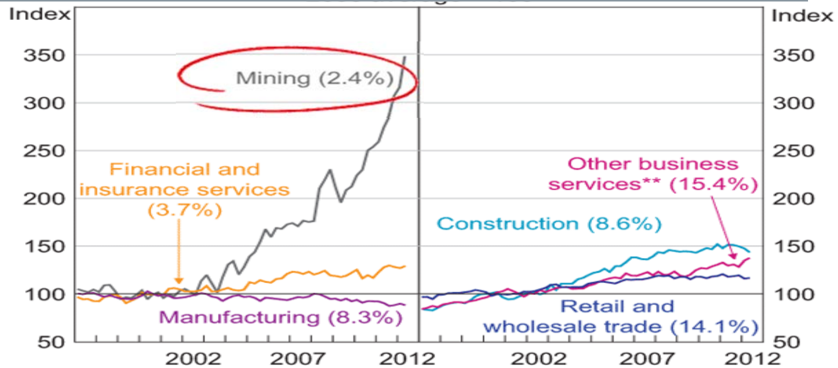
Australia's economic mix

Industry share of output



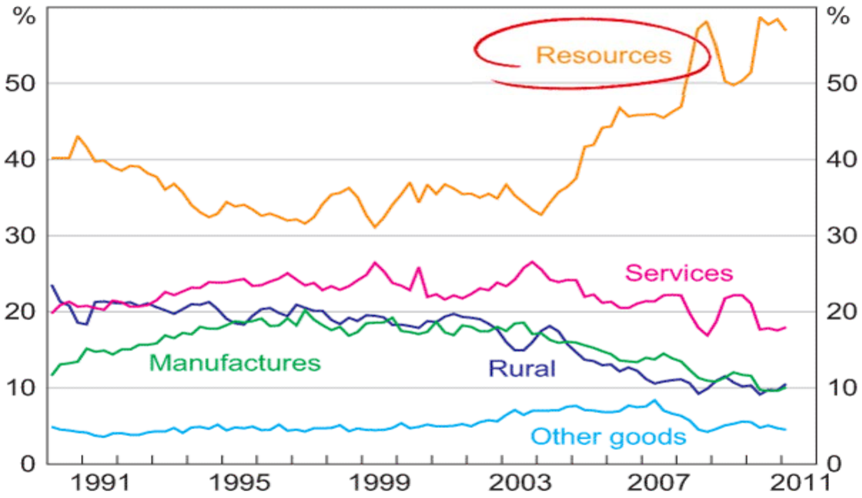
* Nominal gross value added
** Includes: Information media and telecommunications; rental, hiring and real estate services; professional scientific and technical services; administrative and support services
Source: ABS

Employment



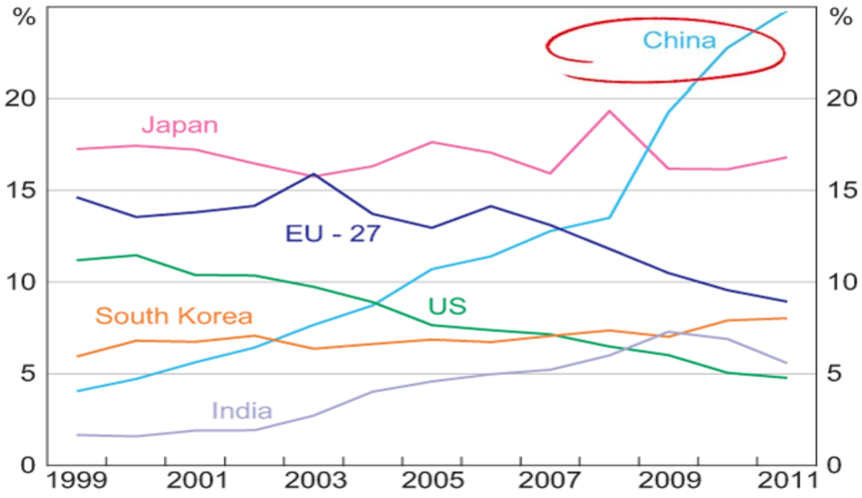
* Figures in parentheses represent share of total employment based on latest quarterly data
** Includes: information media and telecommunications; rental, hiring and real estate services; professional, scientific and technical services; administrative and support services
Source: ABS

Export composition



* Excludes RBA gold transactions
Sources: ABS; RBA

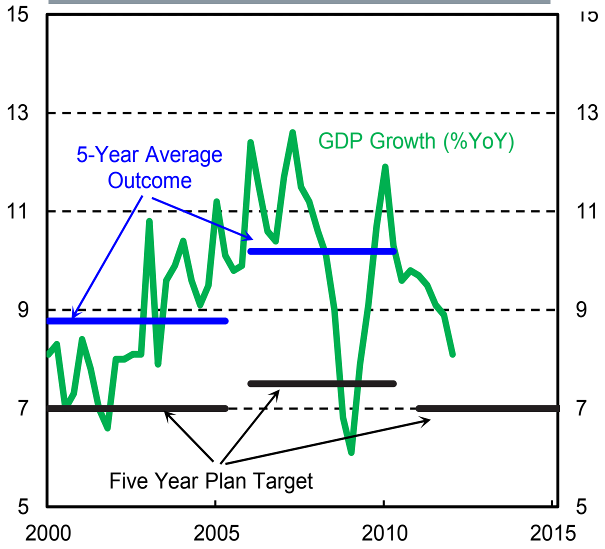
Export destination



Source: ABS

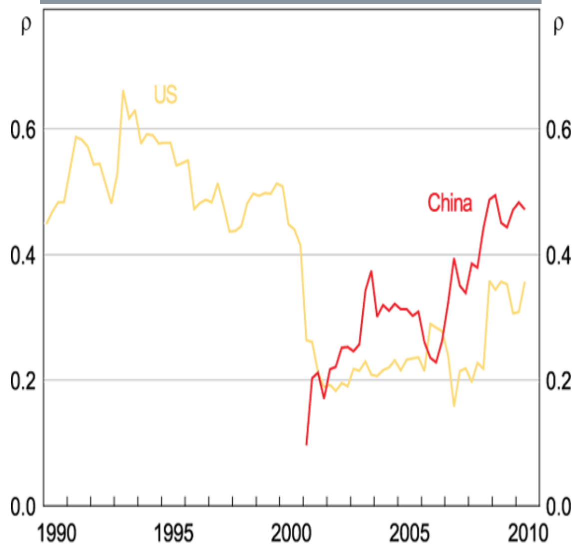
China influences

China – GDP growth



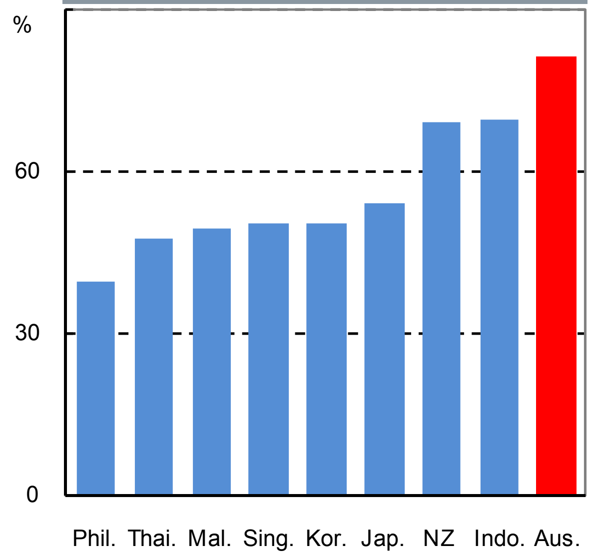
Source : CBA Economics

Australia GDP growth correlations



Sources: ABS; BEA; CEIC; RBA

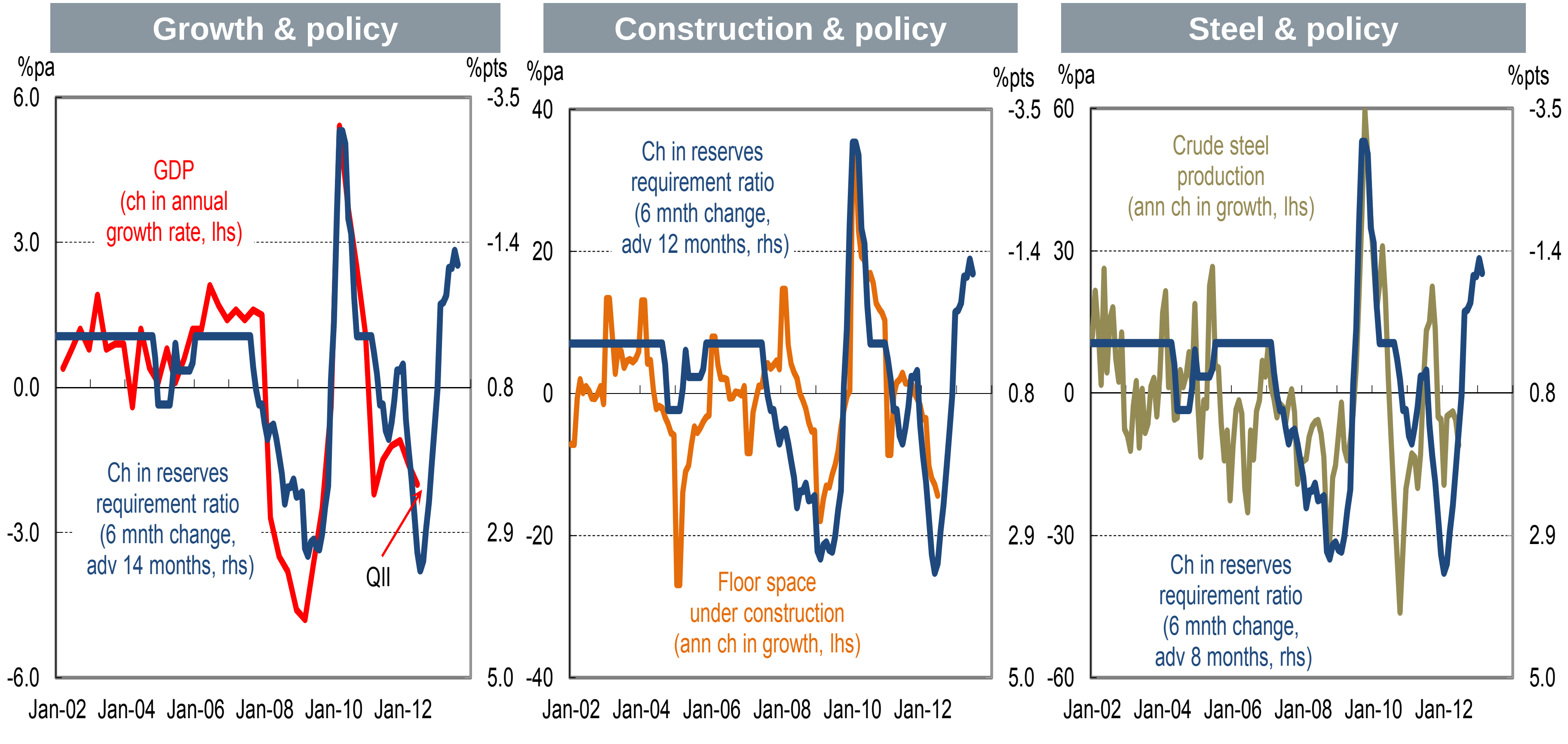
% of exports that remain in China



Source : HKMA

- Chinese “5 year Plan” targets are a floor for growth rather than a ceiling
- A shift towards easier policy settings will help support Chinese growth
- CBA (f): 8-9%pa in 2012-13
- Australian correlation to Chinese and US GDP growth changing over time
- Asian growth increasingly domestically driven
- Australia more exposed to the Asian domestic story

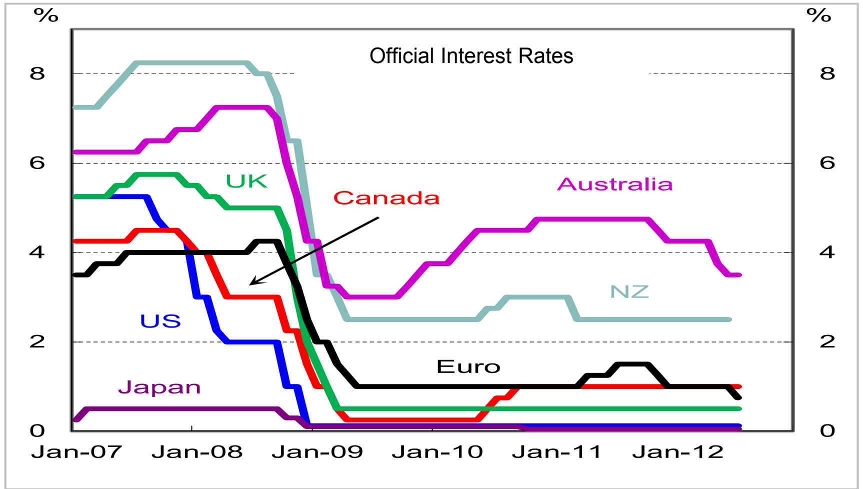
China and the policy response



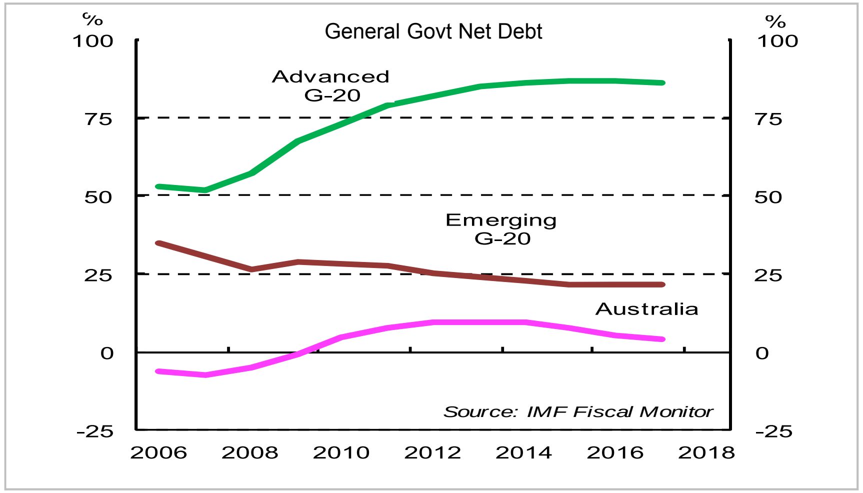
- Monetary policy settings are being eased
- Reserve ratio and key lending rates being cut

Australia - policy and financial system

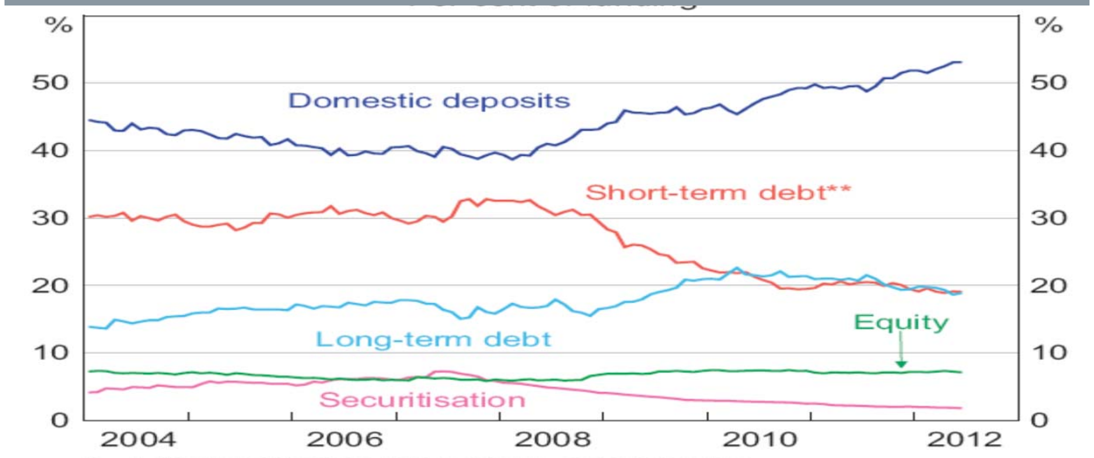
Monetary policy response



Fiscal policy



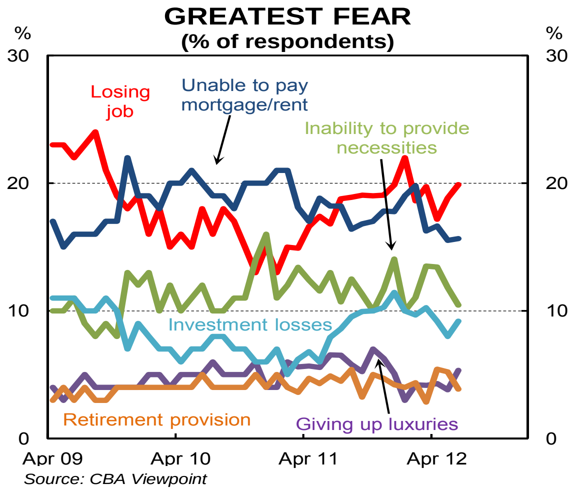
Funding composition of the Australian Banks



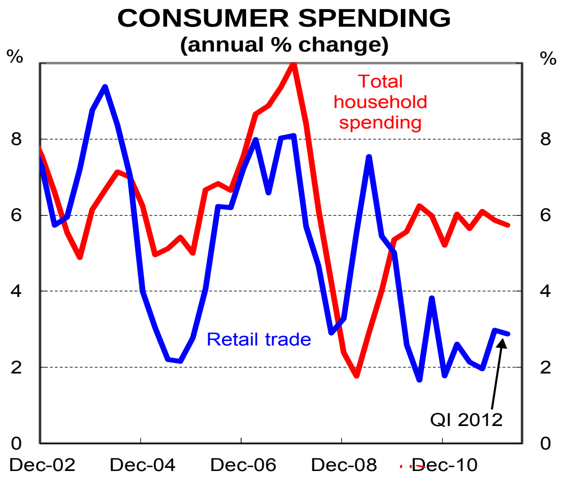
* Adjusted for movements in foreign exchange rates
** Includes deposits and intragroup funding from non-residents
Sources: APRA; RBA; Standard & Poor's

The consumer

Job prospects are a key concern



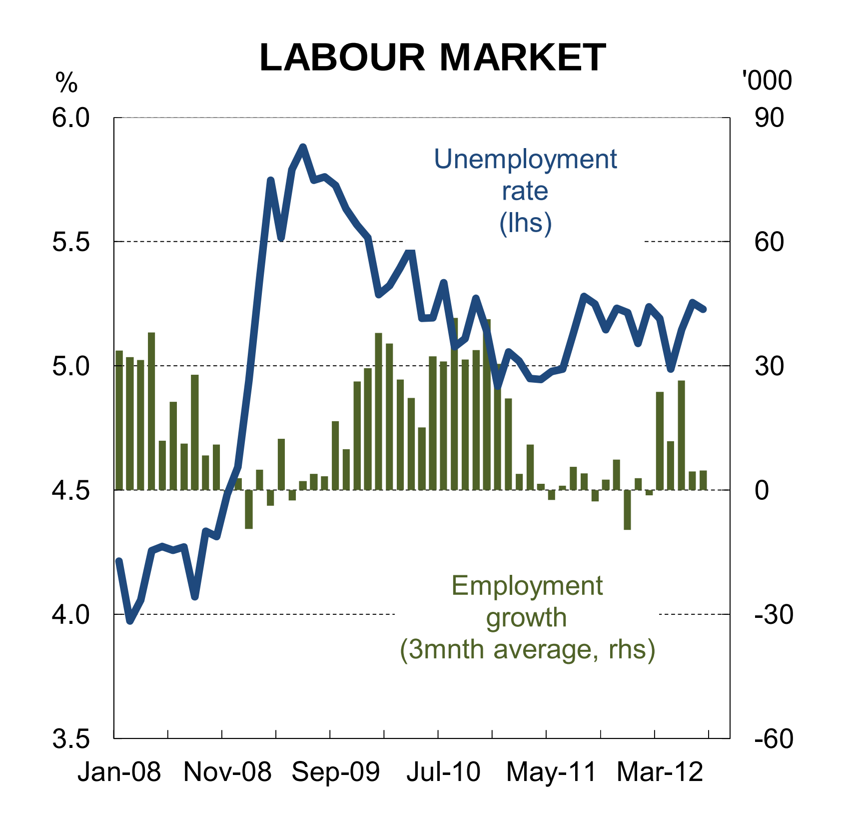
Consumers are spending



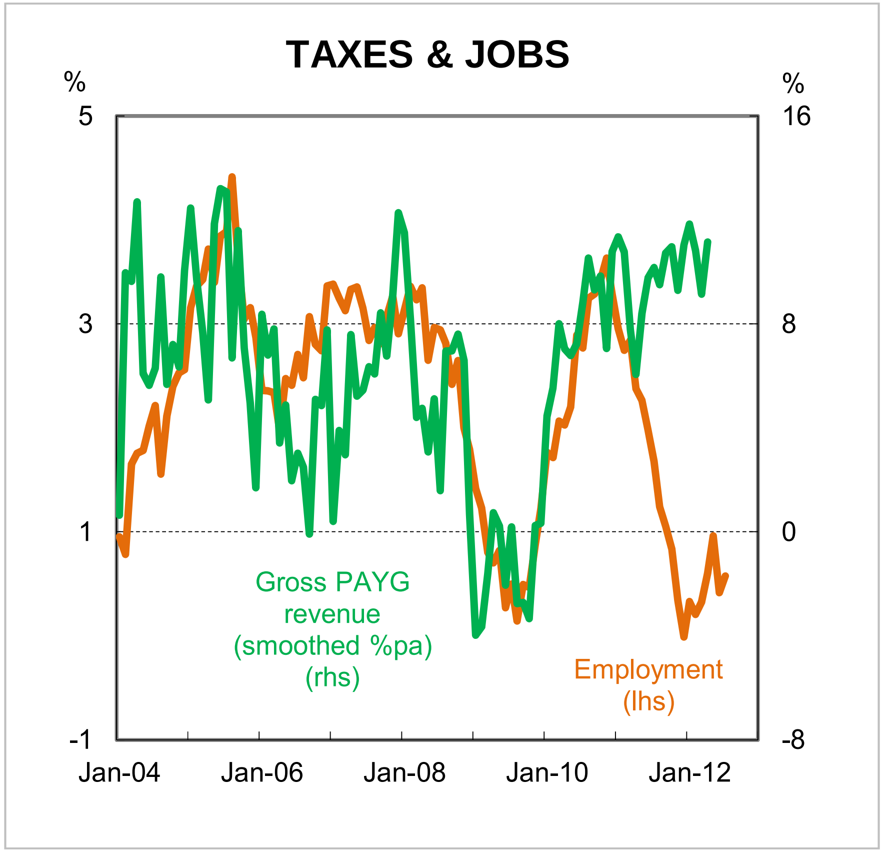
But balance sheet repair is a priority

Labour market

The labour market is holding up



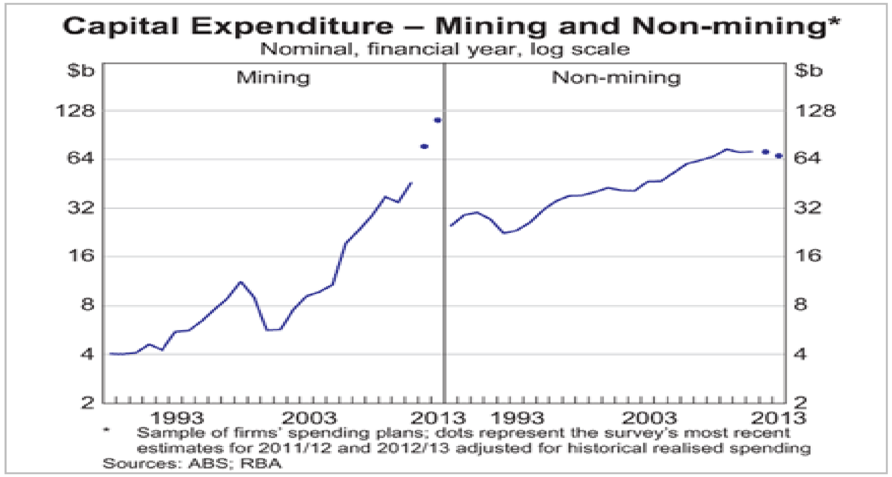
Some indicators suggest stronger jobs growth



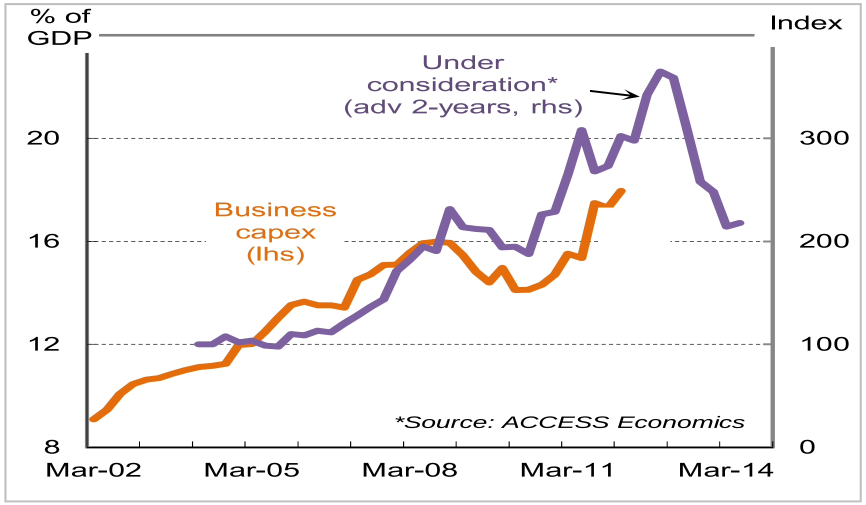
Business and capex

Support economic growth

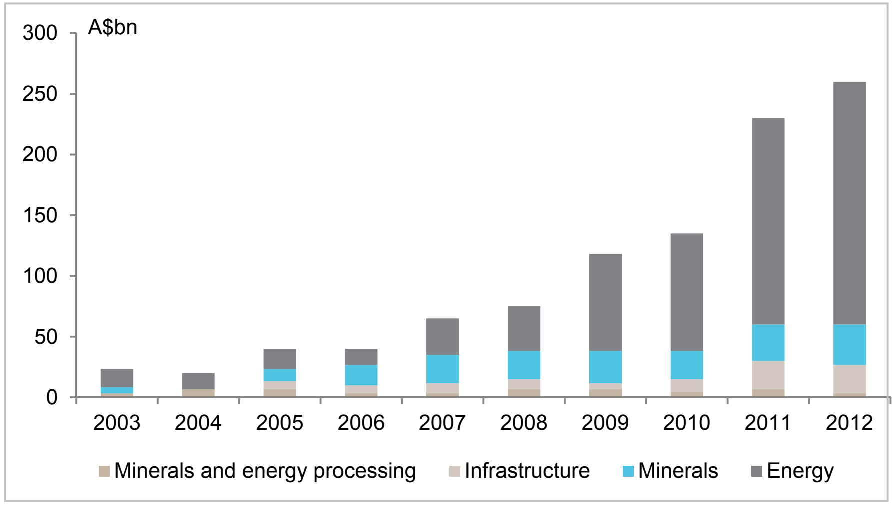
Structural change in the economy



Capex & project status



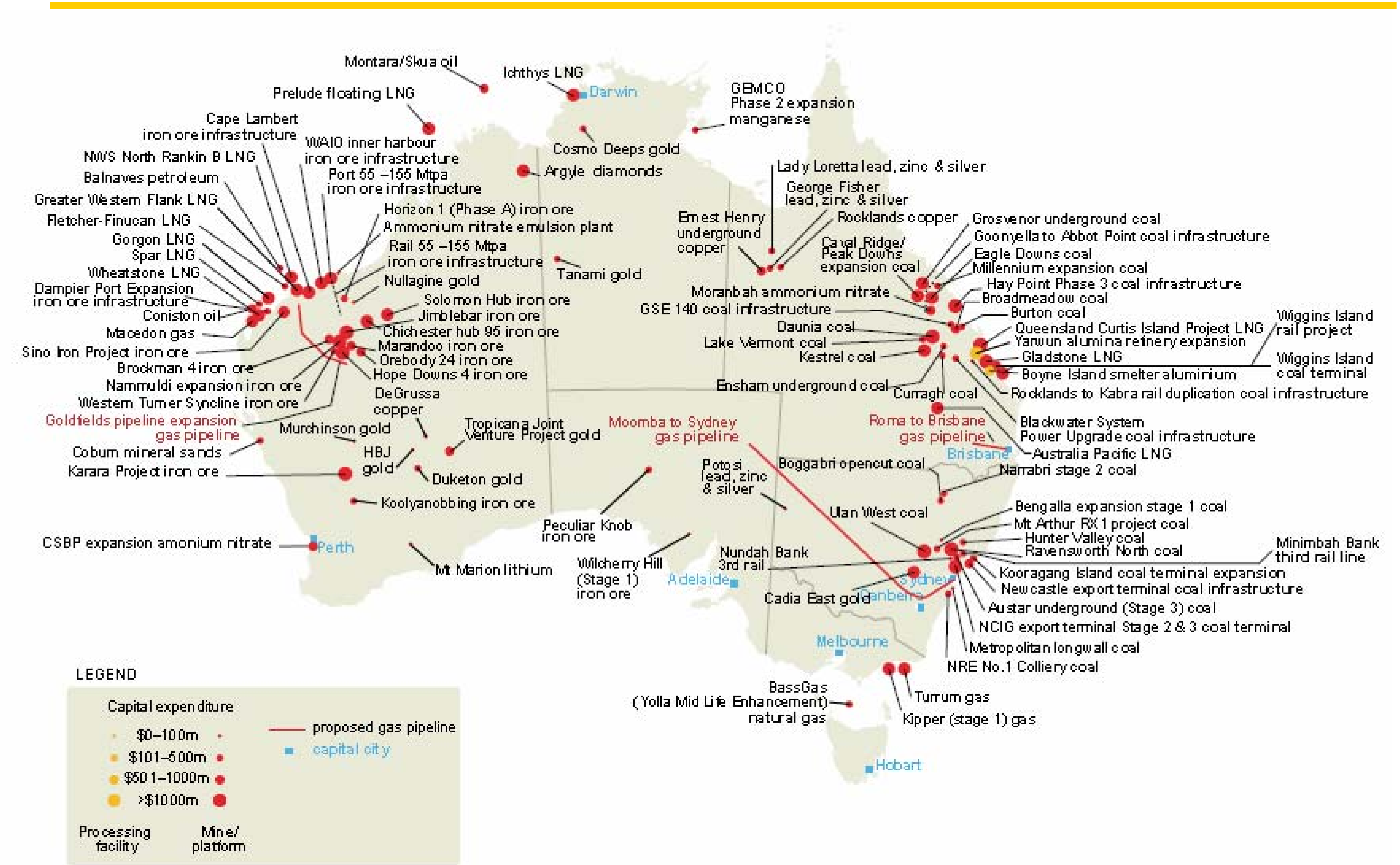
Value of advanced[1] projects (in 2011-12 dollars)



1. Source: Australian Govt Bureau of Resources & Energy. advanced = "committed or under construction". -

CommonwealthBank

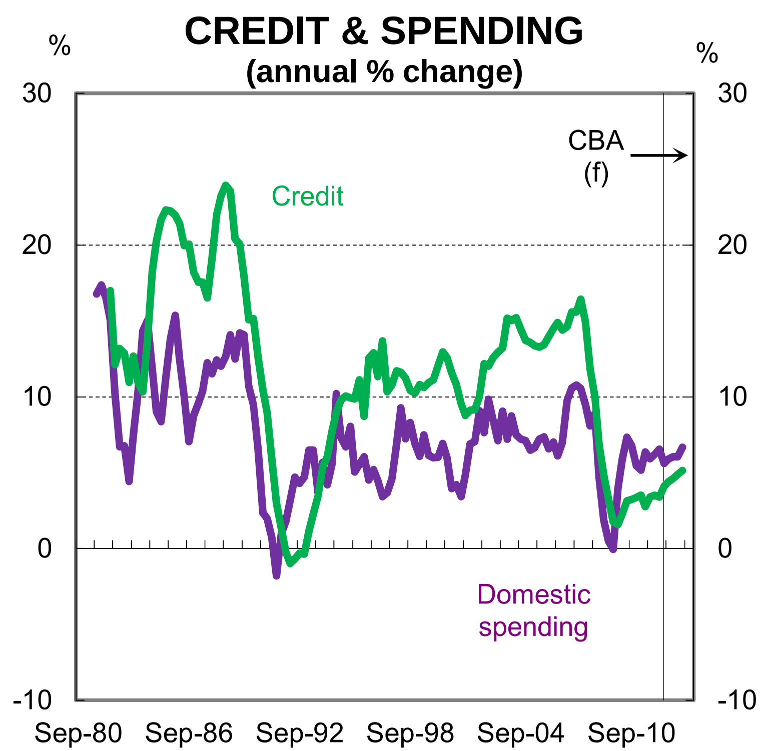
Advanced minerals and energy projects



Source : Australian Bureau of Resources and Energy Economics, April 2012

Credit

Modest credit growth set to continue



- Economic growth prospects are reasonably favourable
- But downside risks persist
- Household and business confidence remains subdued
- Global uncertainty and fear driving financial market volatility
- A focus on balance sheet repair as a result
- Bottom line: credit growth to remain relatively subdued and to lag usual economic drivers

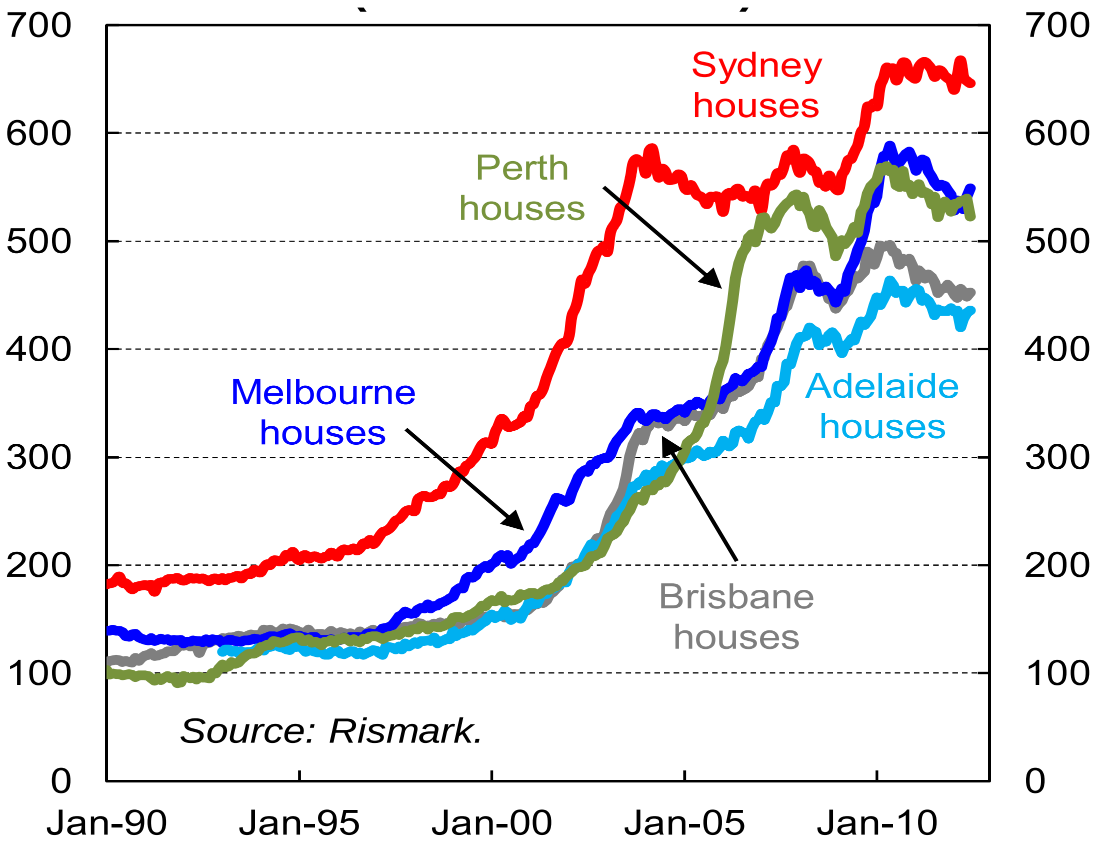
Housing market - summary

- An orderly adjustment has occurred in the Australian housing market post-GFC
- This adjustment is characterised by slower credit growth, increased savings and lower servicing ratios
- Australian house prices have undergone a modest correction as part of the adjustment process
- Demand-supply balance significantly mitigates the risk of a material decline in house prices
- Low vacancy rates, growth in rents, affordability and positive sentiment are all supportive
- Relatively strong GDP growth and low unemployment underpin Australian house prices
- Australia highly urbanised – house price/income “not that different from most other countries”[1]
- Factors that typically characterise a house price bubble are not evident in Australia
- Differences to US market suggests minimal risk of a US-style house price collapse
- Low loss rates - expect modest and manageable loss even under aggressive stress

1 RBA Governor Stevens July 2012.

House price growth

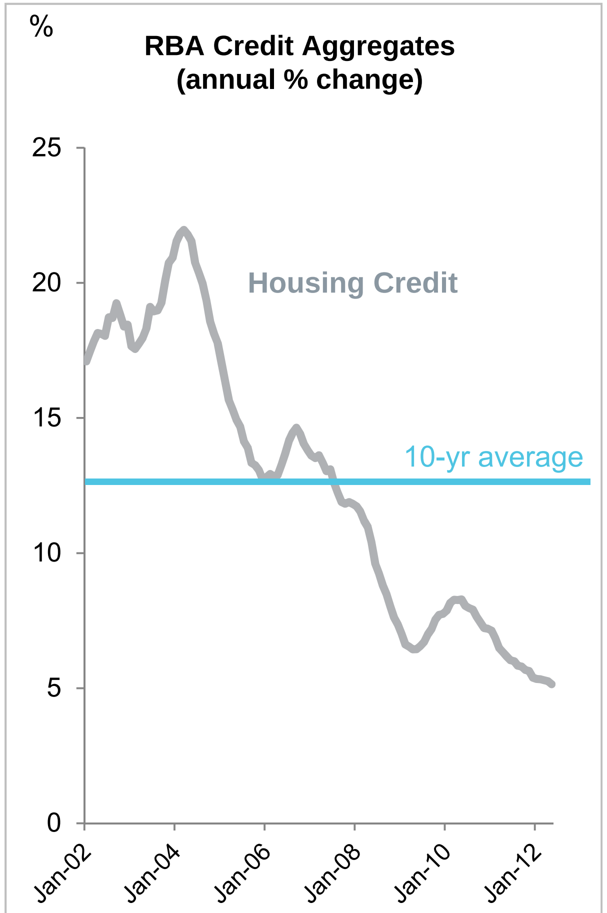
House price growth ($'000s)



- House prices have moderated from recent peaks
- Prices down between 5-10% over the last 12 months
- Nominal price falls are typically modest – most of the market adjustment is through real house prices and price to income ratios

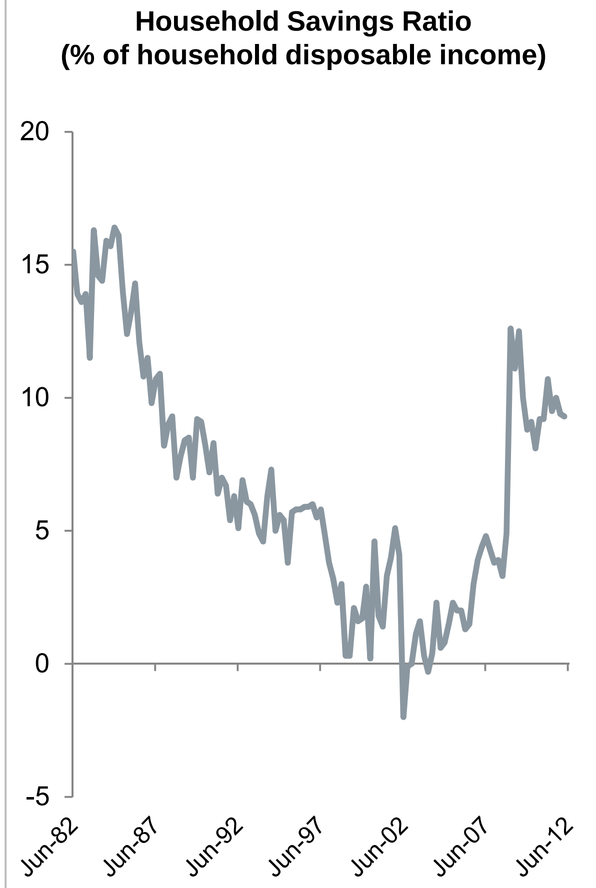
An orderly adjustment has occurred in the Australian housing market, as households repair their balance sheets

Housing credit growth



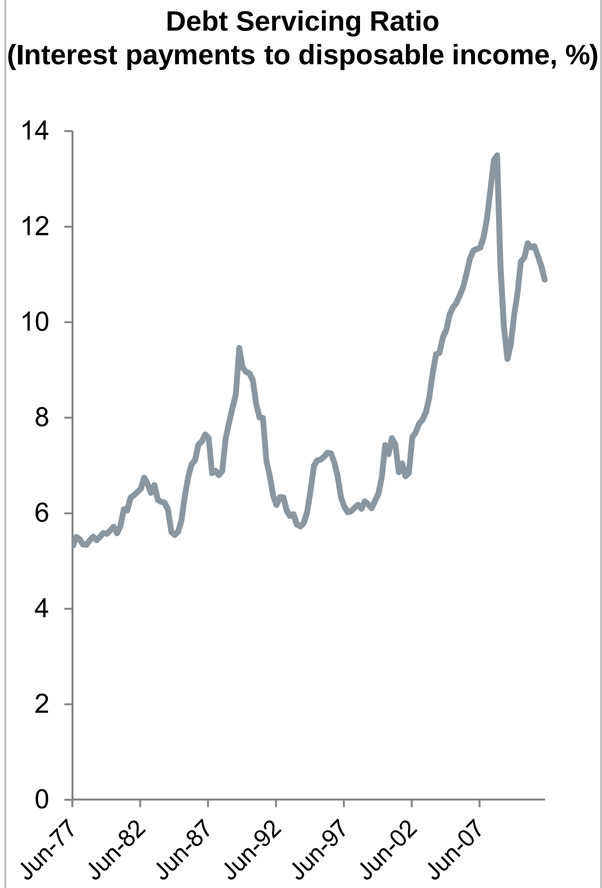
Source : RBA

Savings rate



Source : ABS

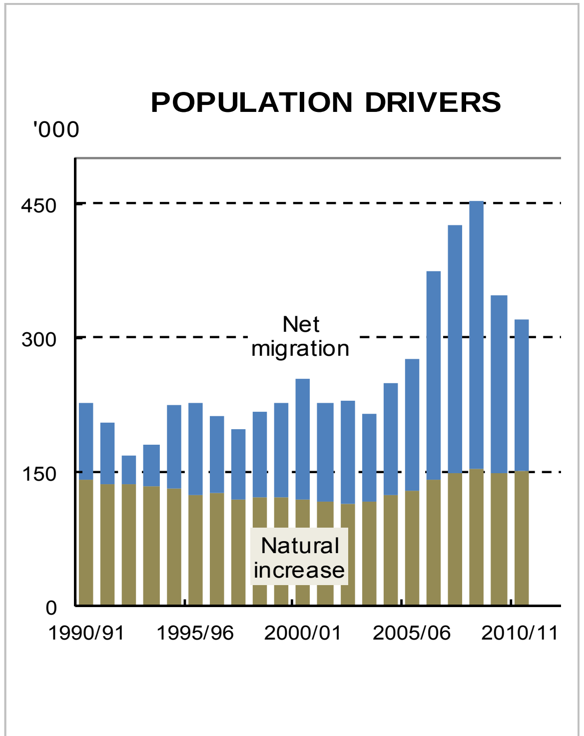
Debt servicing ratio

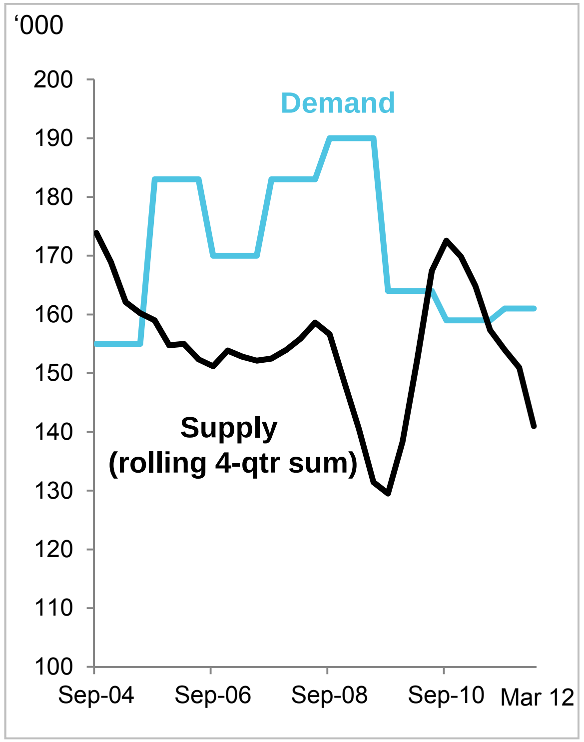


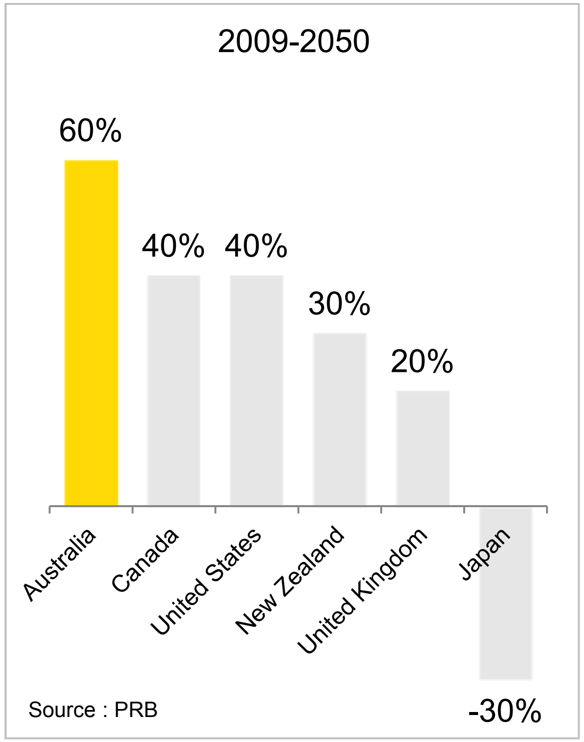
Source : RBA

Supply and demand

Population growth	Housing demand & supply	Projected population change



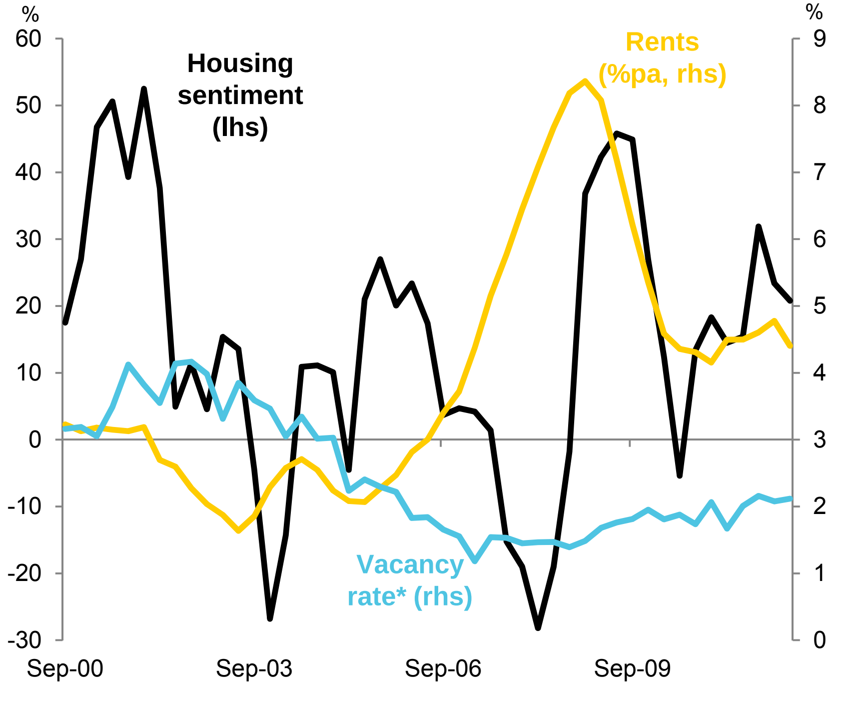




- Demographic trends consistent with underlying new housing demand of ~160k pa
- Demand running well ahead of new construction
- Supply / demand dynamic has been in place for some time - accumulated or pent-up demand

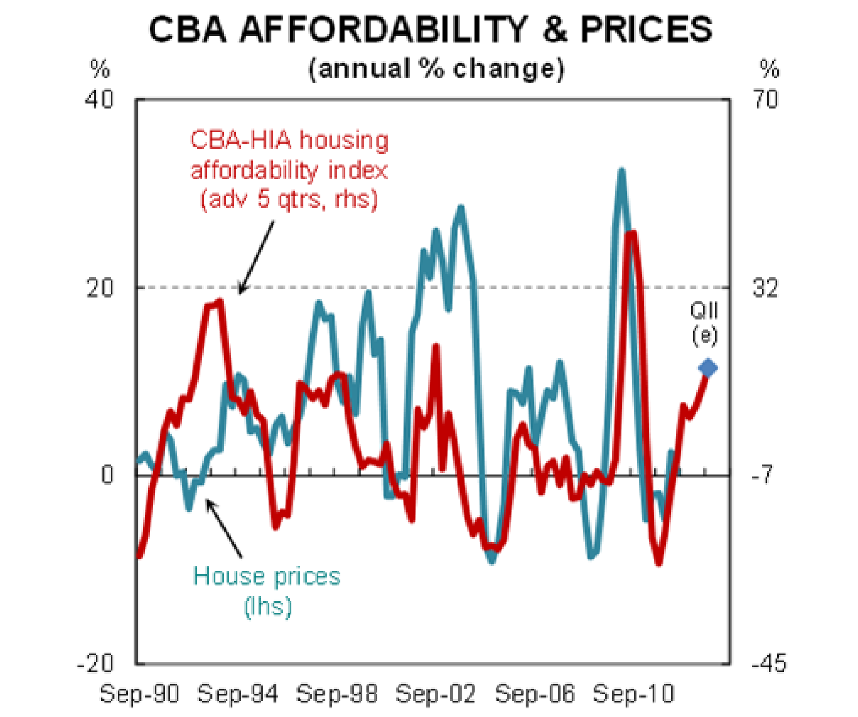
Low vacancy rates, growth in rents, affordability trends and positive sentiment are all supportive of house prices

Housing indicators



Source : MI, REIA

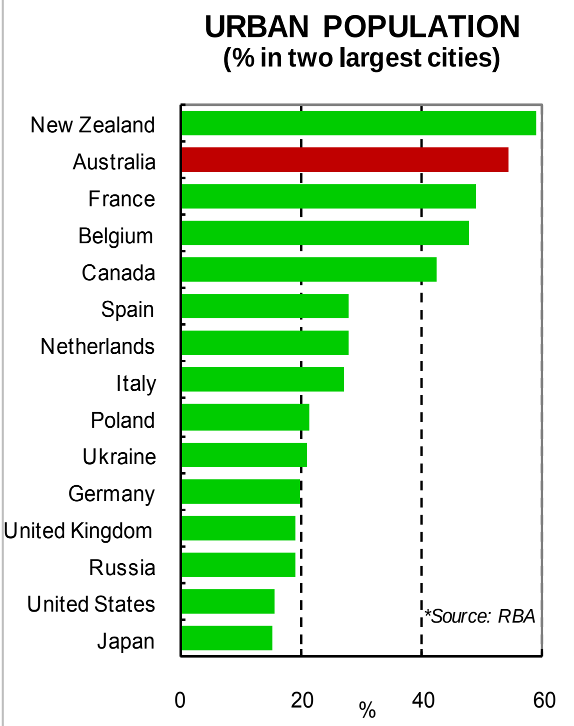
Affordability & prices



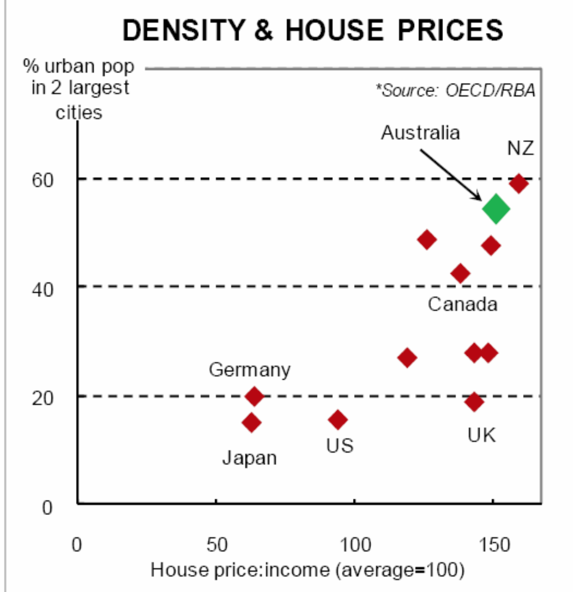
- Visible signs of strong demand v. supply – low vacancy rates, rental growth and positive sentiment
- Affordability a helpful guide to turning points in house prices
- Combination of strong income growth and falling mortgage rates further supports house prices

Australian house prices are influenced by a high urbanisation rate

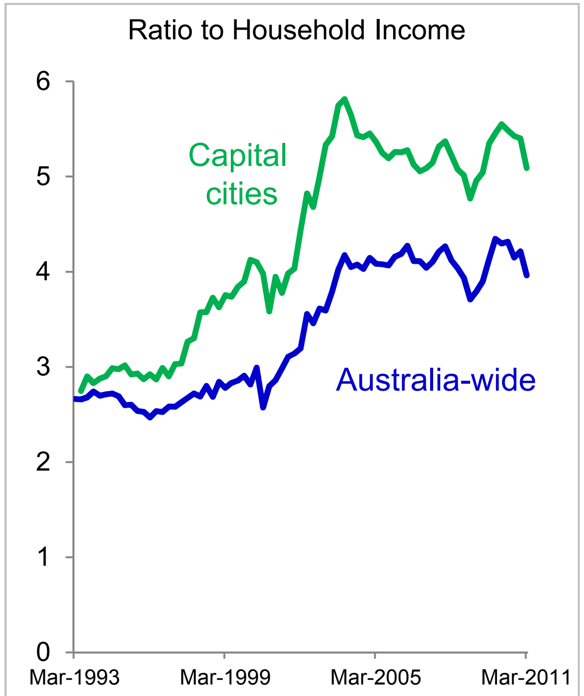
Urban population



Density & house prices



Dwelling prices

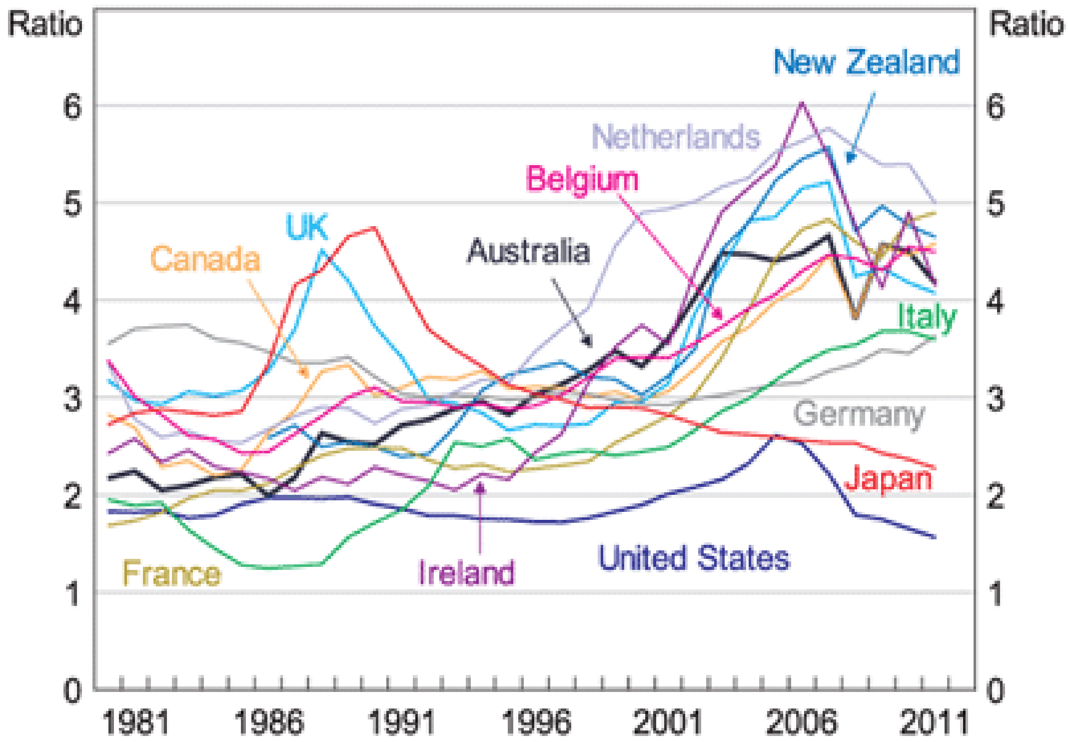


Source : RP Data/CBA/ABS

- 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 ≈ 5 times
- Price-to-income (Australia wide) ≈ 4 times

House price to income ratios in Australia is in line with global norms

Dwelling price to income ratios



* Average dwelling prices to average household disposable income
Sources: BIS; Bloomberg; CREA; Halifax; Japan REI; OECD; Quotable Value; RP Data-Rismark; Thomson Reuters; UN; national sources (statistical agencies, central banks and government departments)

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Comparing the Australian mortgage product

	CBA / Aust	US
Unemployment	~5%	~8%
No-Recourse Lending	No	Yes
Variable vs Fixed	~85%/15%	~15%/85%
Sub-Prime (% of mkt)	Minimal	~14%[1]
Securitisation %	Minimal	~55%[1]
Account ownership	Retained by bank	Extensively on-sold
Arrears/Delinquencies	~1-2%	~7.4%/11.79%[2]

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 Source: Federal Reserve Bank of San Francisco.
2 Source: Mortgage Bankers Association.

Index

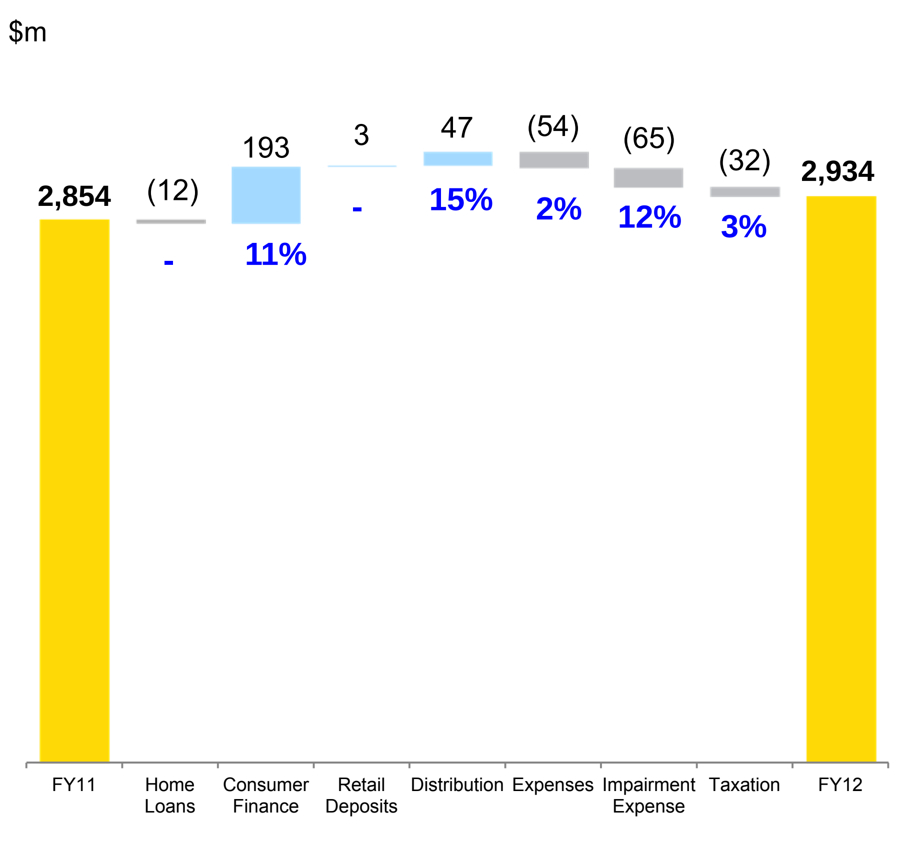
Market shares

	CBA	Jun 12 BWA	Combined	Dec 11 CBA + BWA	Jun 11 CBA + BWA
Home loans	21.7%	4.0%	25.7%	25.9%	25.8%
Credit cards[1]	20.8%	2.7%	23.4%	23.7%	23.0%
Personal lending	13.8%	1.0%	14.8%	14.6%	14.8%
Household deposits	26.0%	2.9%	28.9%	29.4%	30.0%
Retail deposits	22.5%	3.5%	26.0%	26.4%	26.9%
Business lending – APRA	13.2%	4.3%	17.5%	17.6%	18.0%
Business lending – RBA	14.2%	2.8%	17.0%	16.9%	16.7%
Business deposits – APRA	17.1%	3.3%	20.4%	20.5%	20.8%
Asset Finance	13.6%	n/a	13.6%	13.7%	13.9%
Equities trading	5.5%	n/a	5.5%	5.8%	5.9%
Australian retail funds – administrator view[2]			15.1%	15.0%	15.1%
FirstChoice platform[2]			11.6%	11.6%	11.5%
Australia life insurance (total risk)[2]			13.4%	13.2%	12.5%
Australia life insurance (individual risk)[2]			13.3%	13.3%	13.4%
NZ Lending for housing			21.6%	22.0%	22.1%
NZ Retail deposits			20.6%	21.0%	21.3%
NZ Lending to business			9.0%	9.0%	8.8%
NZ Retail FUM			18.8%	15.1%	14.5%
NZ Annual inforce premiums			30.3%	30.2%	30.1%

1 As at 31 May 2012.
2 As at 31 March 2012.

Retail Banking Services

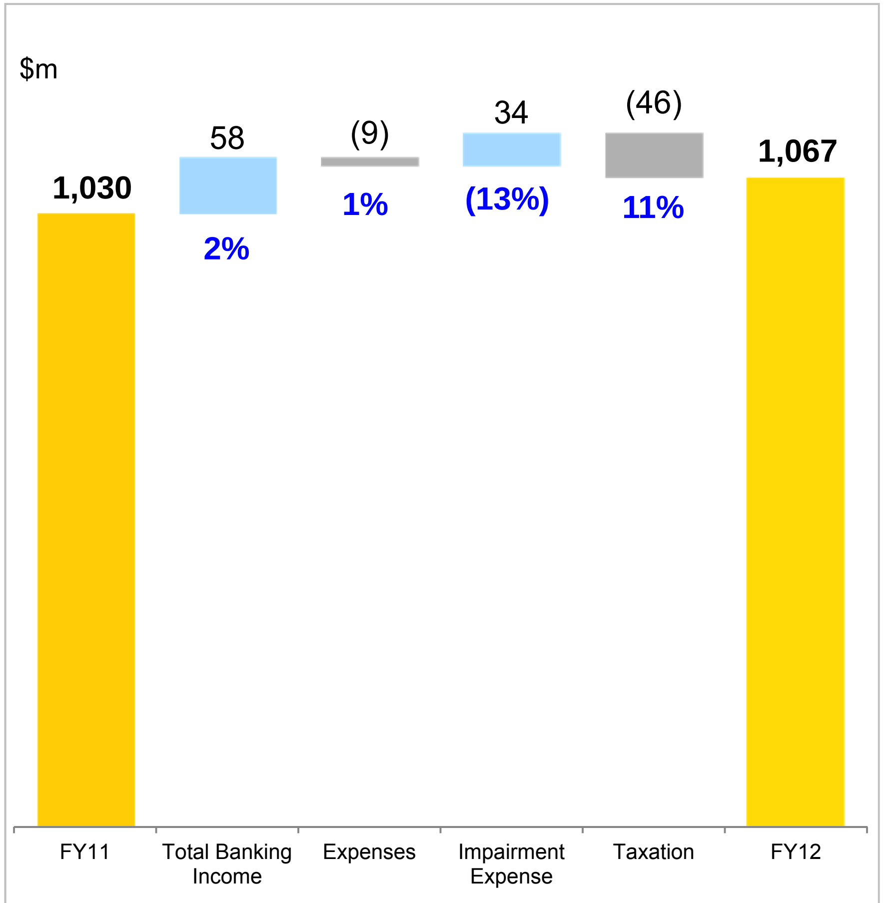
Cash earnings



	$m	FY12 vs FY11	
Home Loans	2,892	-	▪ Balances ↑3%; Lower margins reflecting higher funding costs
Consumer Finance	1,896	11%	▪ Strong volume growth driven by new products and campaigns
Deposits	2,612	-	▪ Balances ↑9%, largely in term deposits; Lower margins in a falling cash rate environment
Distribution	352	15%	▪ FX income ↑20% ▪ Increased commissions from Wealth Management
Total Banking Income	**7,752**	**3%**	
Expenses	2,957	2%	▪ Inflationary impacts offset by productivity gains
Impairment Expense	623	12%	▪ Increases in write offs related to prior year growth
Cash NPAT	**2,934**	**3%**	

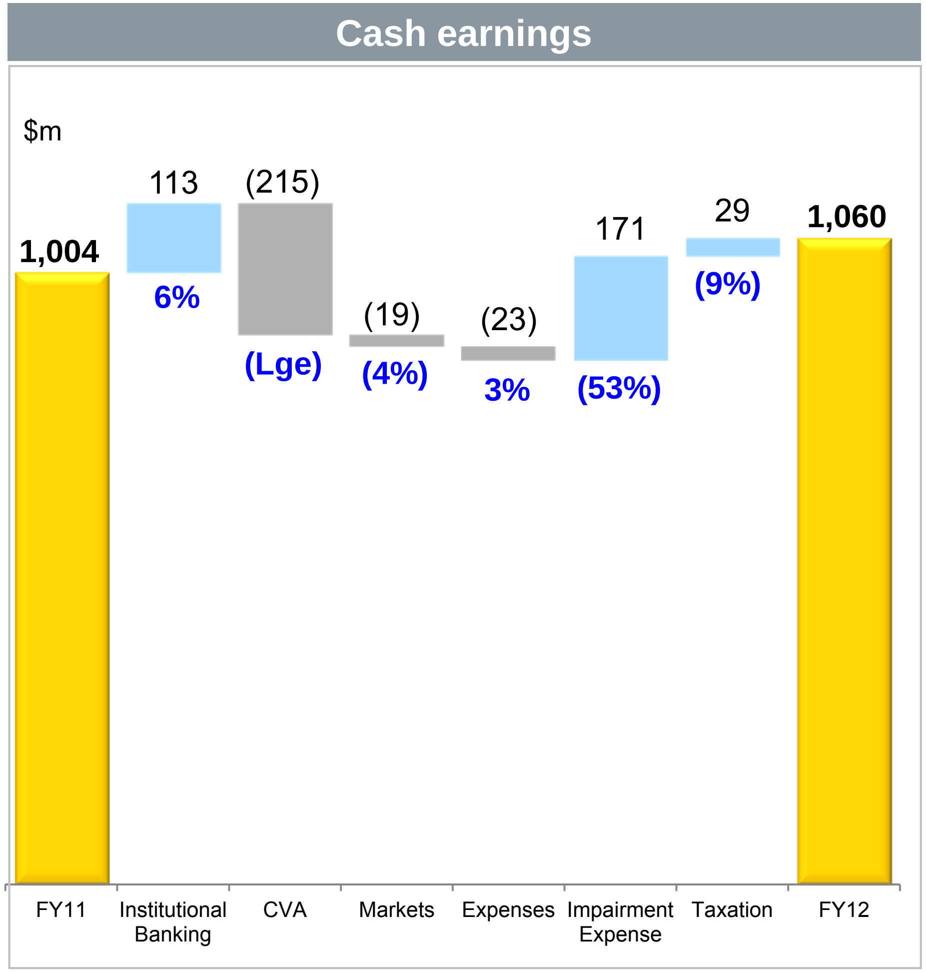
Business & Private Bank

Cash earnings



Key segments	$m	FY12 vs FY11	
Corporate Financial Services	1,086	10%	▪ Lending balances ↑10% and higher demand for risk management products.
Regional & Agribusiness	489	9%	▪ Higher demand for risk management products and prudent lending margin management
Local Business Banking	850	5%	▪ Deposit balances ↑13%. ▪ Asset Finance income ↑24% on higher balances and improved new business margins.
Private Banking	251	1%	▪ Advisory income ↑10%, offset by higher funding costs impacting margins.
Equities & Margin Lending	362	(12%)	▪ Equities trading volumes ↓24%
Total Banking Income	**3,097**	**2%**	
Expenses	(1,344)	1%	▪ Salary increases partly offset by productivity initiatives.
Impairment Expense	(227)	(13%)	▪ Reflects underlying quality of the business lending portfolio.
Cash NPAT	**1,067**	**4%**	

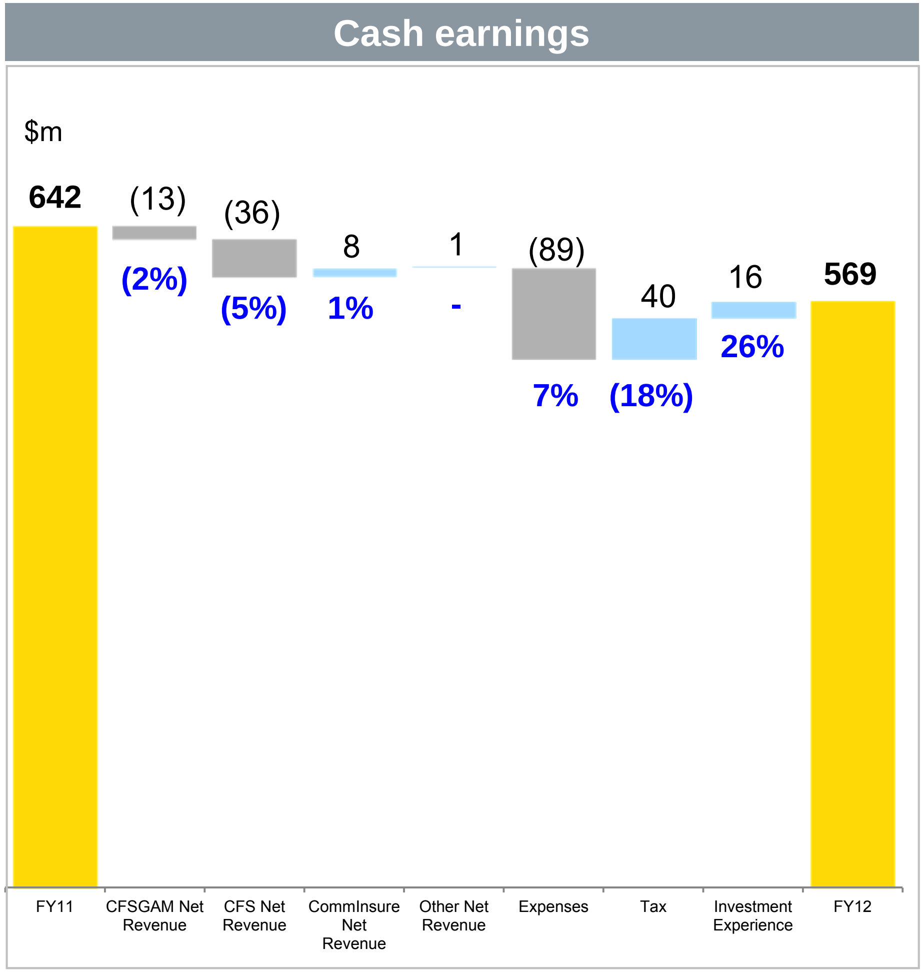
Institutional Bank & Markets



	$m	FY12 vs FY11	
Institutional Banking	1,973	6%	▪ Strong balance growth and higher leasing income
Markets	373	(39%)	▪ Challenging market conditions and unfavourable CVA*
Total Banking Income	**2,346**	**(5%)**	
Expenses	(851)	3%	▪ Higher depreciation and investment in technology
Impairment Expense	(153)	(53%)	▪ Decrease in new single name exposures
Cash NPAT	**1,060**	**6%**	

* Counterparty fair value adjustment.

Wealth Management



	$m	FY12 vs FY11	
CFSGAM	743	(2%)	▪ Lower FUM (↓2% to $146bn) due to decline in global equity markets
CFS	653	(5%)	▪ Challenging market conditions, ASX 200 ↓11% & changing investor preferences
CommInsure	643	1%	▪ Strong insurance revenue performance ↑11%, impacted by run-off of legacy business
Net Operating Income	**2,039**	**(2%)**	▪ Resilient performance in a difficult environment
Expenses	(1,369)	7%	▪ Investment in distribution capabilities domestically & offshore ▪ Inclusion of Count Financial
Cash NPAT	**569**	**(11%)**	

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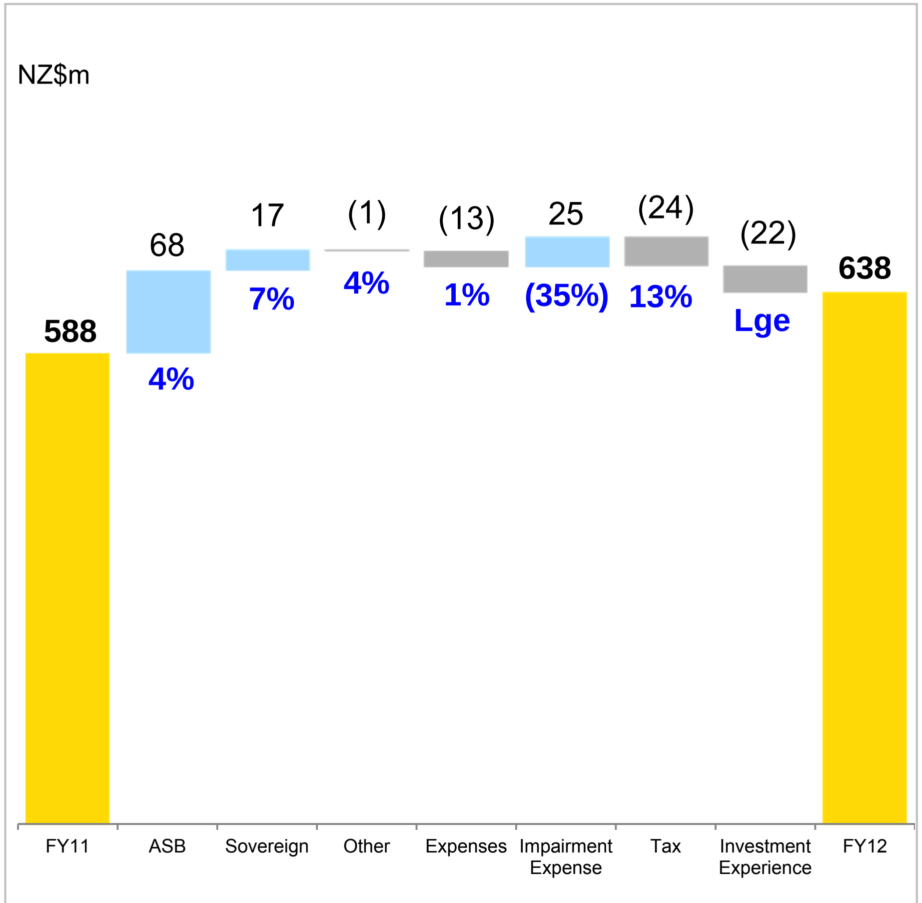
New Zealand

Cash earnings



	NZ $m	FY12 vs FY11	
ASB	1,596	4%	▪ Benefit from fixed rate loan repricing ▪ Shift to higher margin variable loans
Sovereign	274	7%	▪ Favourable claims experience ▪ Inforce premium growth driven by strong new business
Total Operating Expenses	(932)	1%	▪ Cost increase attributed to restructuring and inflation driven staff and property expenses
Impairment Expense	(47)	(35%)	▪ Non recurrence of the impact of Christchurch Earthquake provisioning
Cash NPAT	**638**	**9%**	

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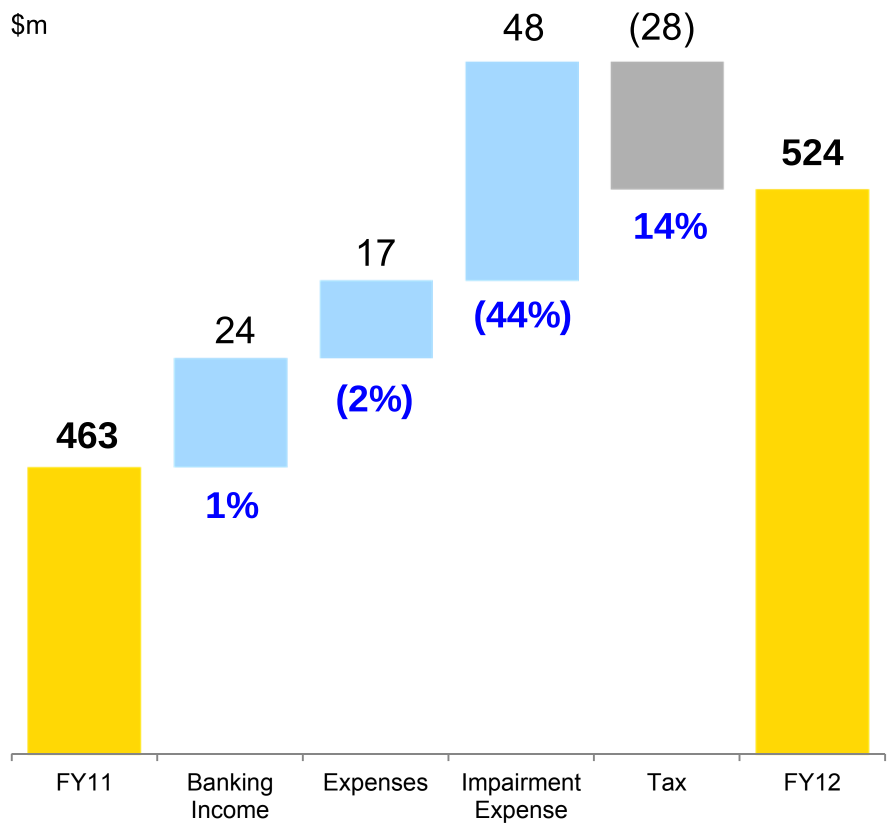
Bankwest

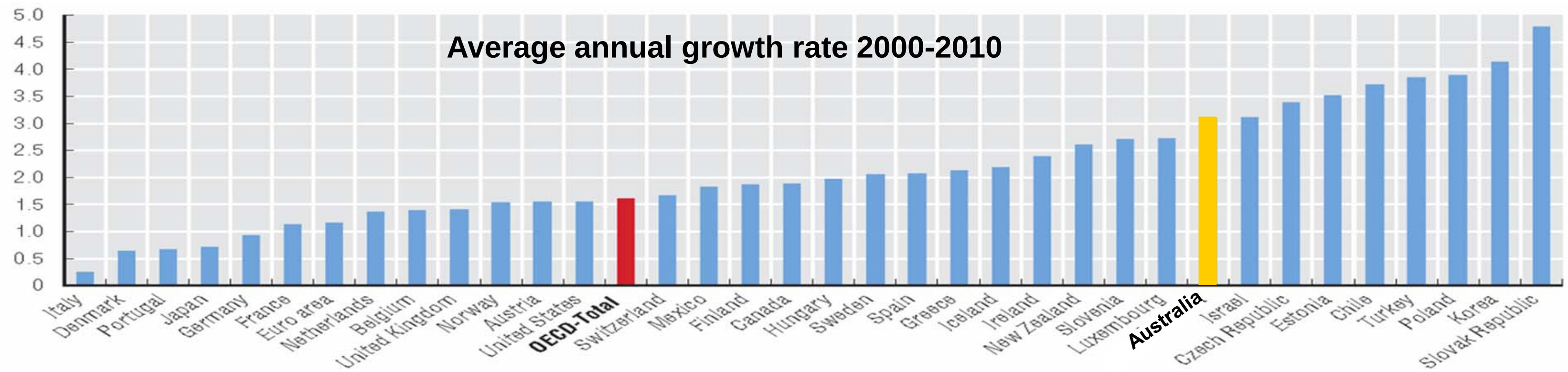
Cash earnings



	$m	FY12 vs FY11	
Banking Income	1,664	1%	▪ Above system home loan volume growth offset by run off of higher risk business loans
Expenses	(852)	(2%)	▪ Lower personnel costs ▪ Lower discretionary spend
Impairment Expense	(61)	(44%)	▪ Improved credit quality of business lending book
Cash NPAT	**524**	**13%**	

Global comparison

	Australia	Japan	Canada	Scandi	UK	US
Sovereign rating	AAA Stable	AA- Negative	AAA Stable	AAA Stable	AAA Stable	AA+ Negative
S&P BICRA[1] Industry risk / Economic risk	2 2 / 2	2 3 / 2	1 1 / 2	2 3 / 2	3 3 / 4	3 4 / 3
GDP[2]	$1.48tr	$4.45tr	$1.7tr	Norway $483bn Sweden $538bn	$2.4tr	$15tr
Unemployment rate	5.1%	4.6%	7.5%	Norway 3% Sweden 7.5%	8.1%	9%
Public debt [3]/ GDP	30%	208%	83%	Norway 48% Sweden 37%	80%	69%
H-hold debt / Income[4]	170%	121%	146%	Norway 196% Sweden 168%	157%	122%
Bank assets / GDP (2010)	197%	204%	199%	Finland 208% Sweden 152%	556%	99%

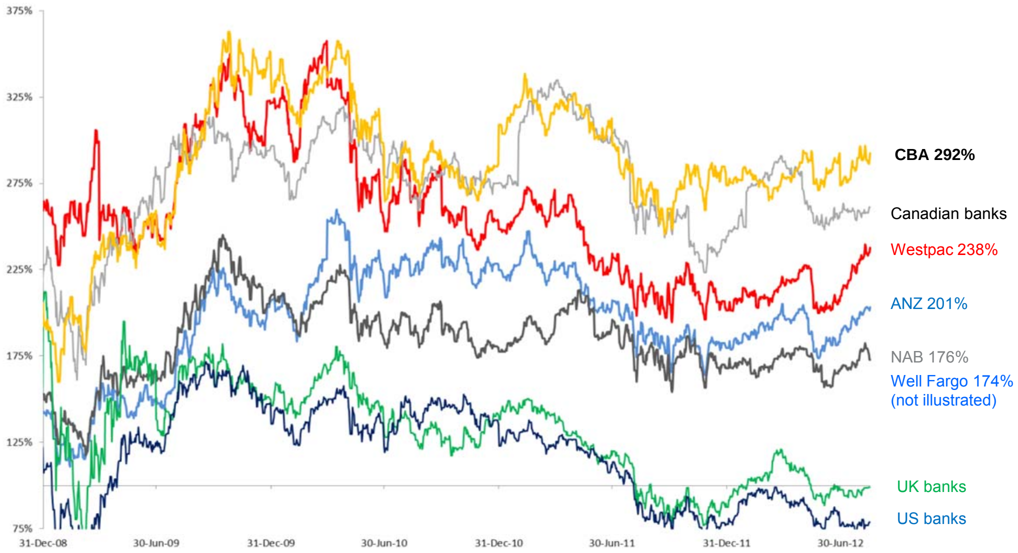


1 Banking Industry Country Risk Assessment. Note: 7 Canadian banks outlooks revised to "negative' from Stable on July 27 (including RBC, BNS, TD, NBC) based on "evolving views of economic risk and industry risk"
2 CIA Factbook
3 figures are for gross general government debt, as opposed to net federal debt; gross general government debt includes both intragovernmental debt and the debt of public entities at the sub-national level
4. Source: OECD / RBA

CBA – valuation considerations

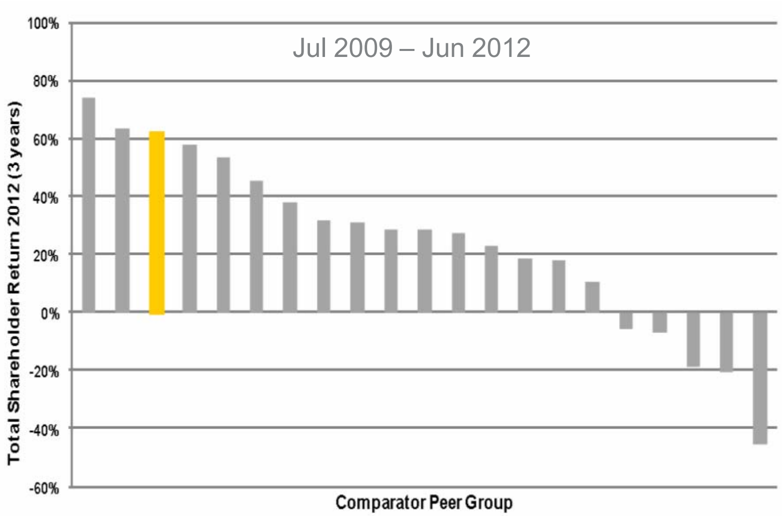
- Market leading franchise
- World leading technology
- Execution of strategy over last 5 years has established consistent premium on P/NTA
- Strong funding metrics amongst peers
  - highest share of Australian household deposits
  - longest duration of term wholesale portfolio[1]

Price to NTA



Source: Bloomberg

Total Shareholder Return (TSR)[2]



1 Of those that disclose WAM of portfolio
2 Calculation by Standard and Poors from CBA Annual Report – peer group includes a selection of Australian corporates

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Debt Investor Update

For the Full Year ended 30 June 2012

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