



Results Presentation

For the Half Year Ended
31 December 2016

Today

- **Strategic Update**
- **Financials**
- **Outlook**

Delivering on our Vision



In the last six months:

\$109 billion new lending to personal and business customers

140,000 new home loans, including **15,000** first home buyers

\$3.5 billion new loans to **12,700** small businesses

\$1.2 billion new lending to farmers and other rural customers

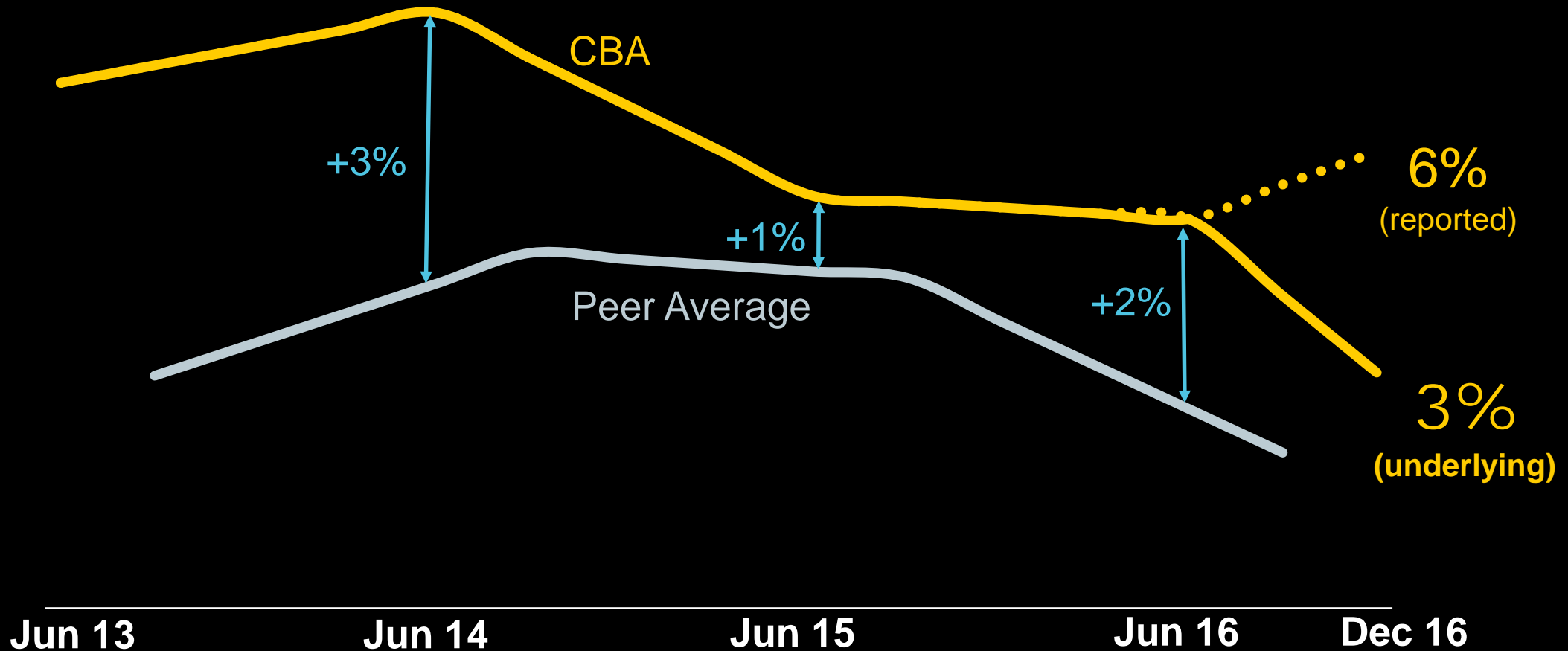
1.5 million new deposit accounts

This Result

	Dec 16 vs Dec 15	
Statutory Profit	6%	
Cash NPAT	2%	
Cash Earnings per Share (\$)	2.86	Flat
Dividend per Share (\$)	1.99	+1 cent
ROE – Cash	16.0%	(130) bpts

Long term growth focus

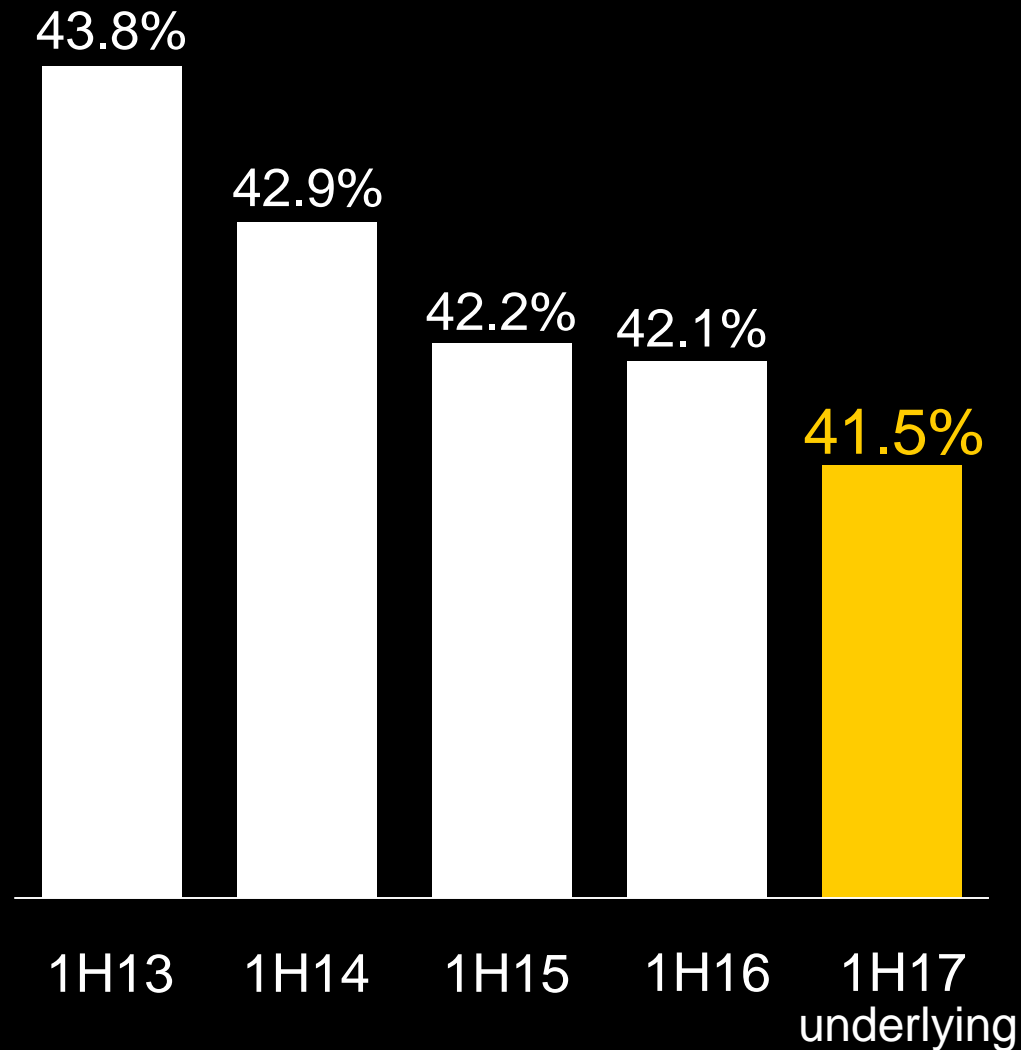
Income Growth (%)



Total Operating Income growth on prior comparative period - CBA June Financial Years, Peers September

Productivity enabling ongoing investment

Cost to Income (%)

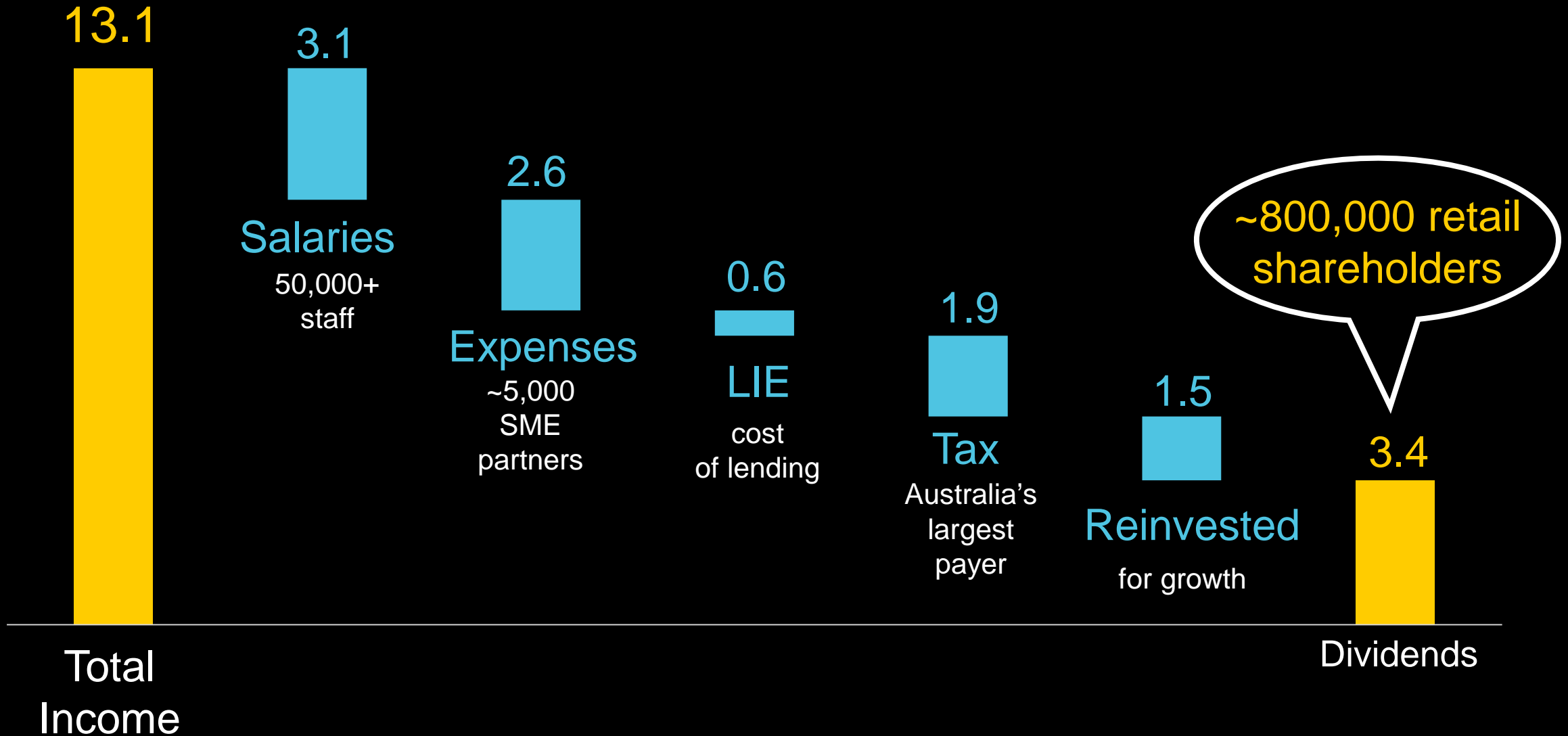


Investment



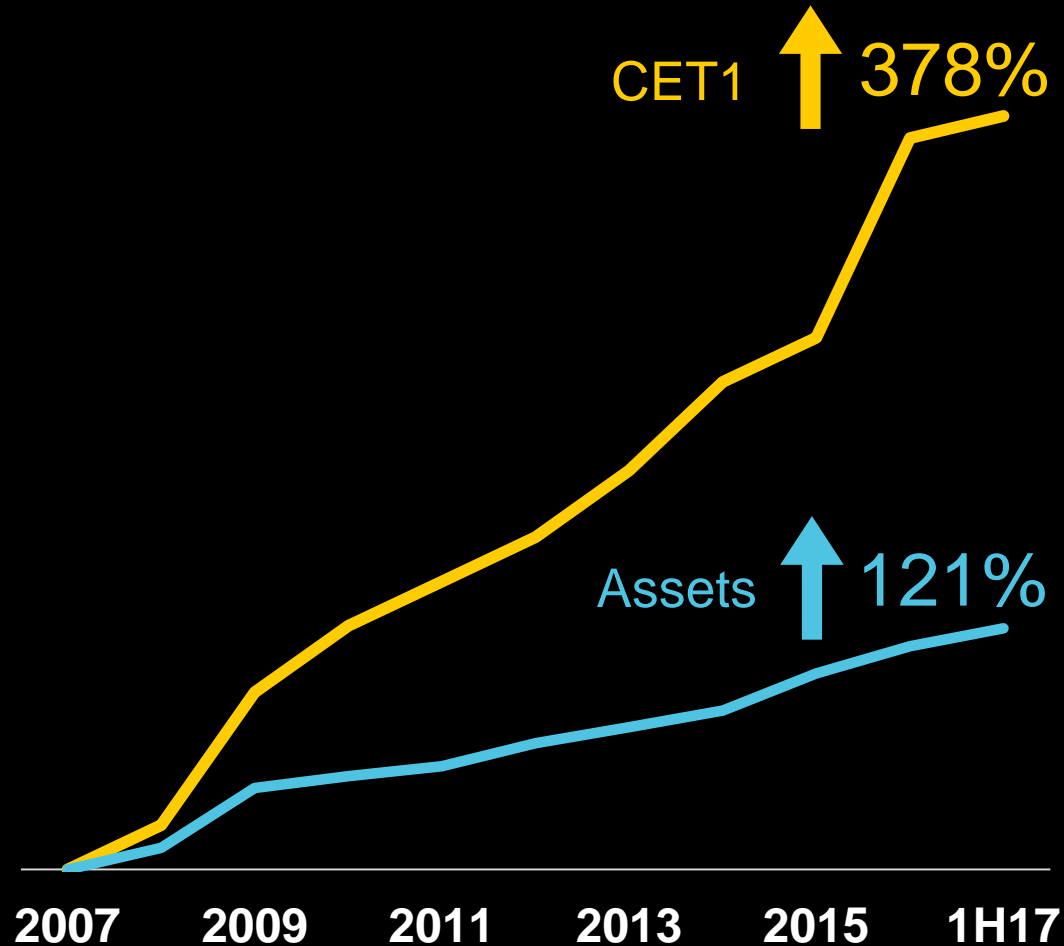
Contributing to our economy and community

\$ billion

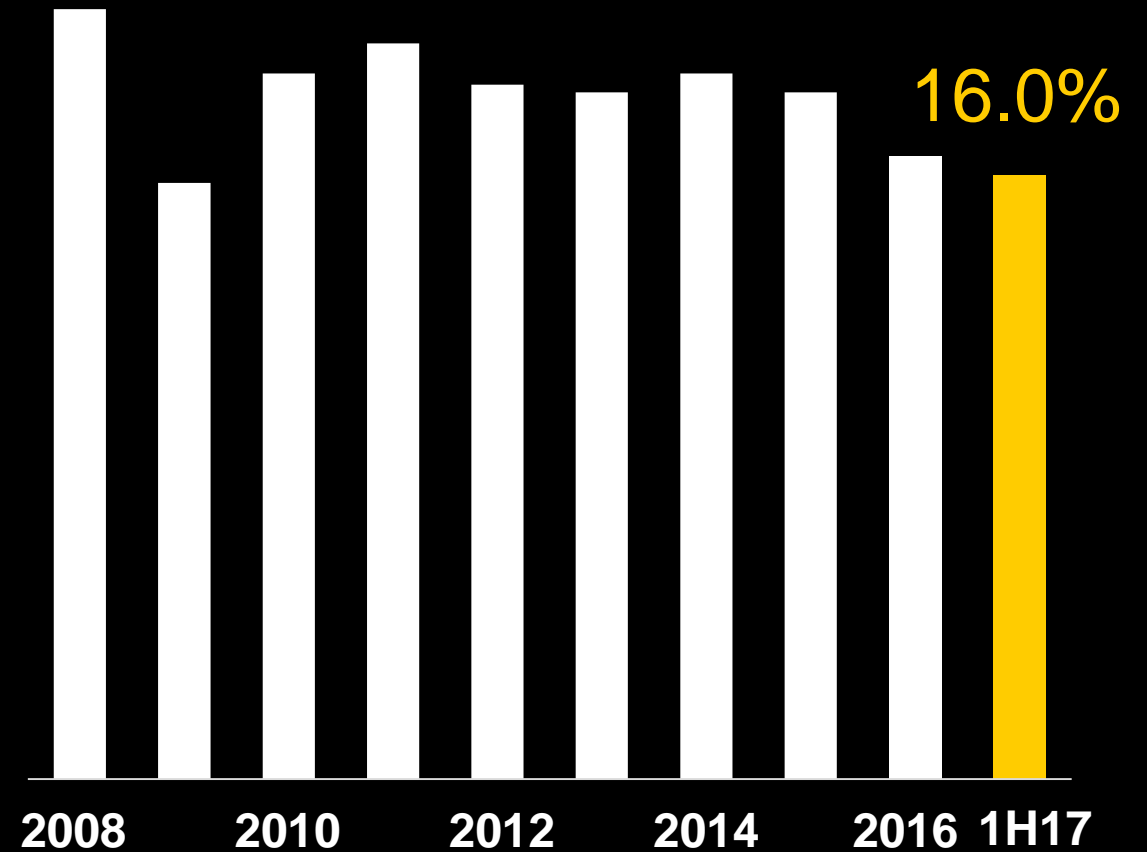


Managing for today's environment

Capital Management



Return on Equity





Strategic Update

- 1 Consumer
- 2 Business
- 3 International

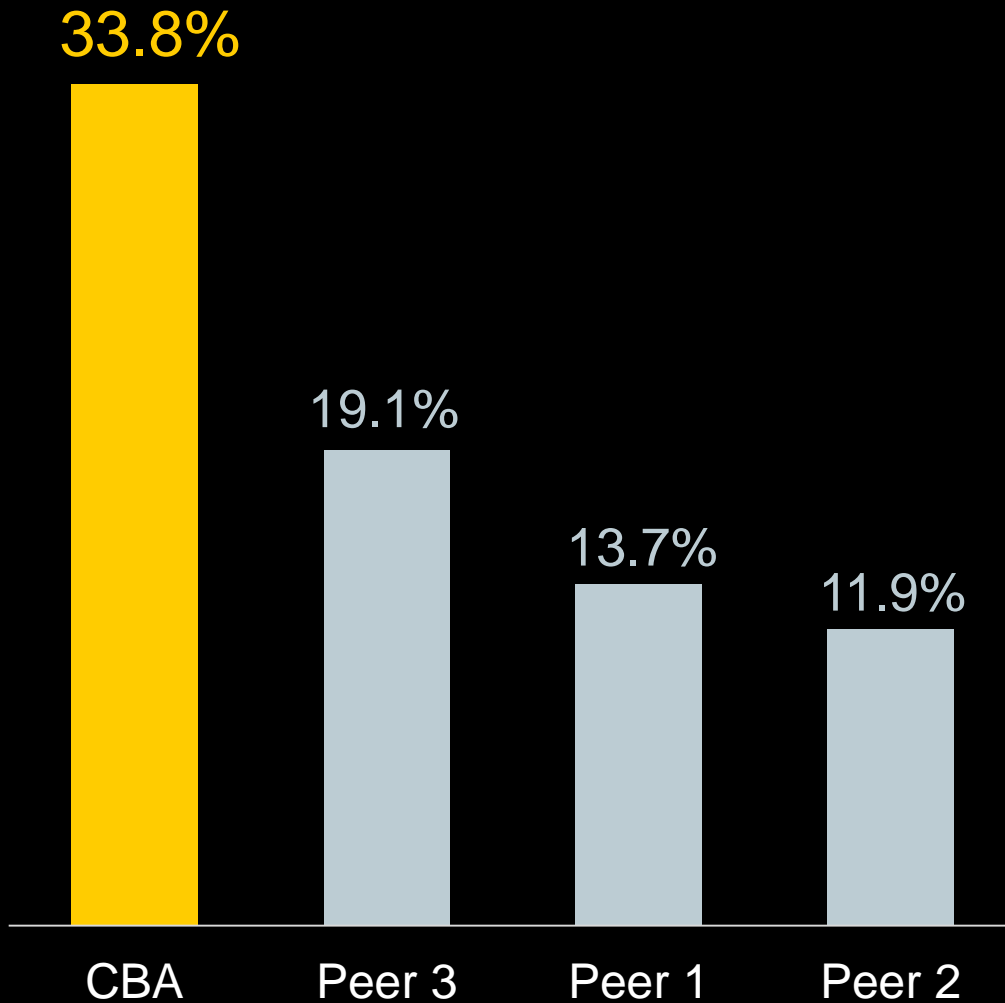
Delivering for customers

Retail Customer Satisfaction

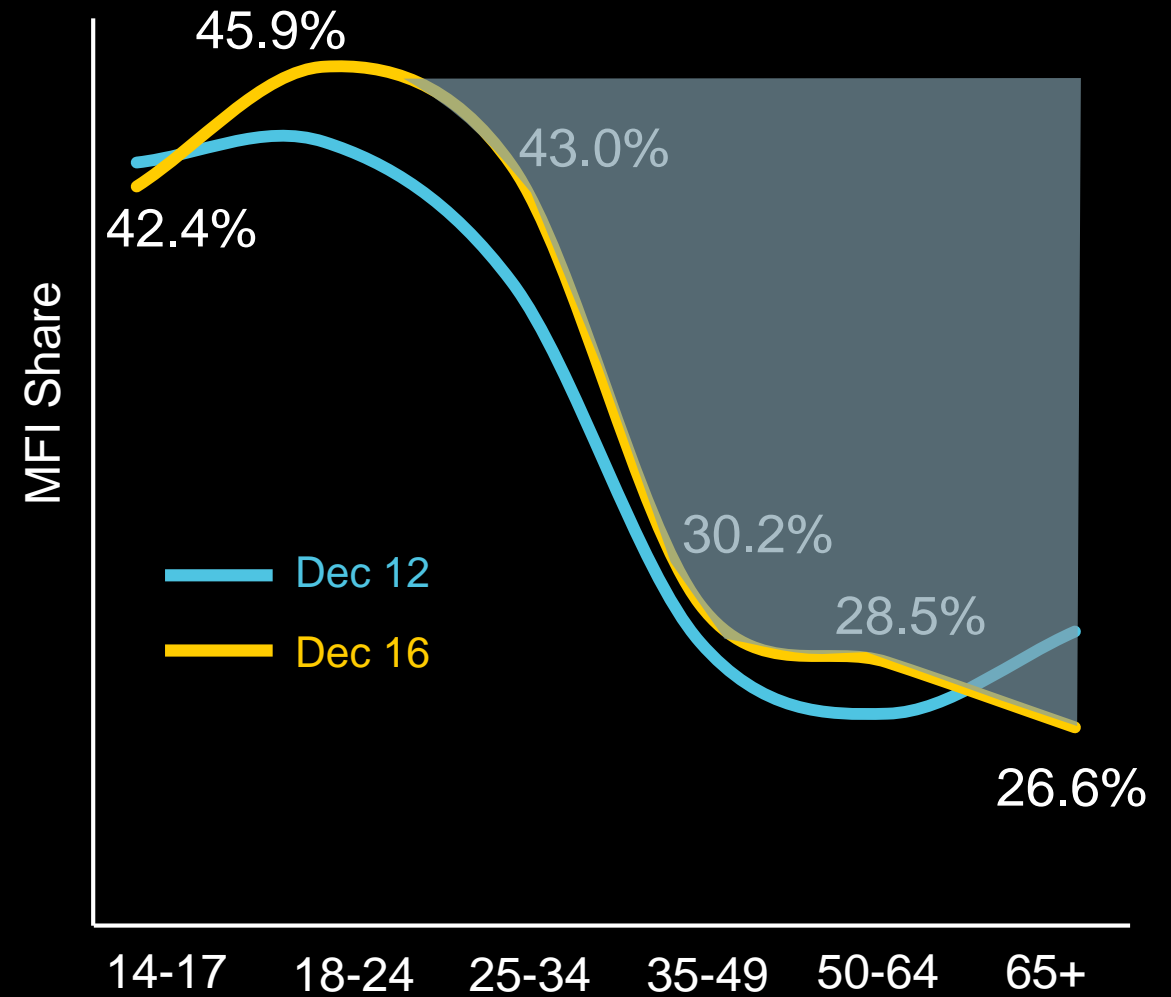


MFI share - a strength and opportunity

Overall



Customer lifecycle by age



The digital revolution



5.8m customers now using digital

53% of total transactions (by \$)

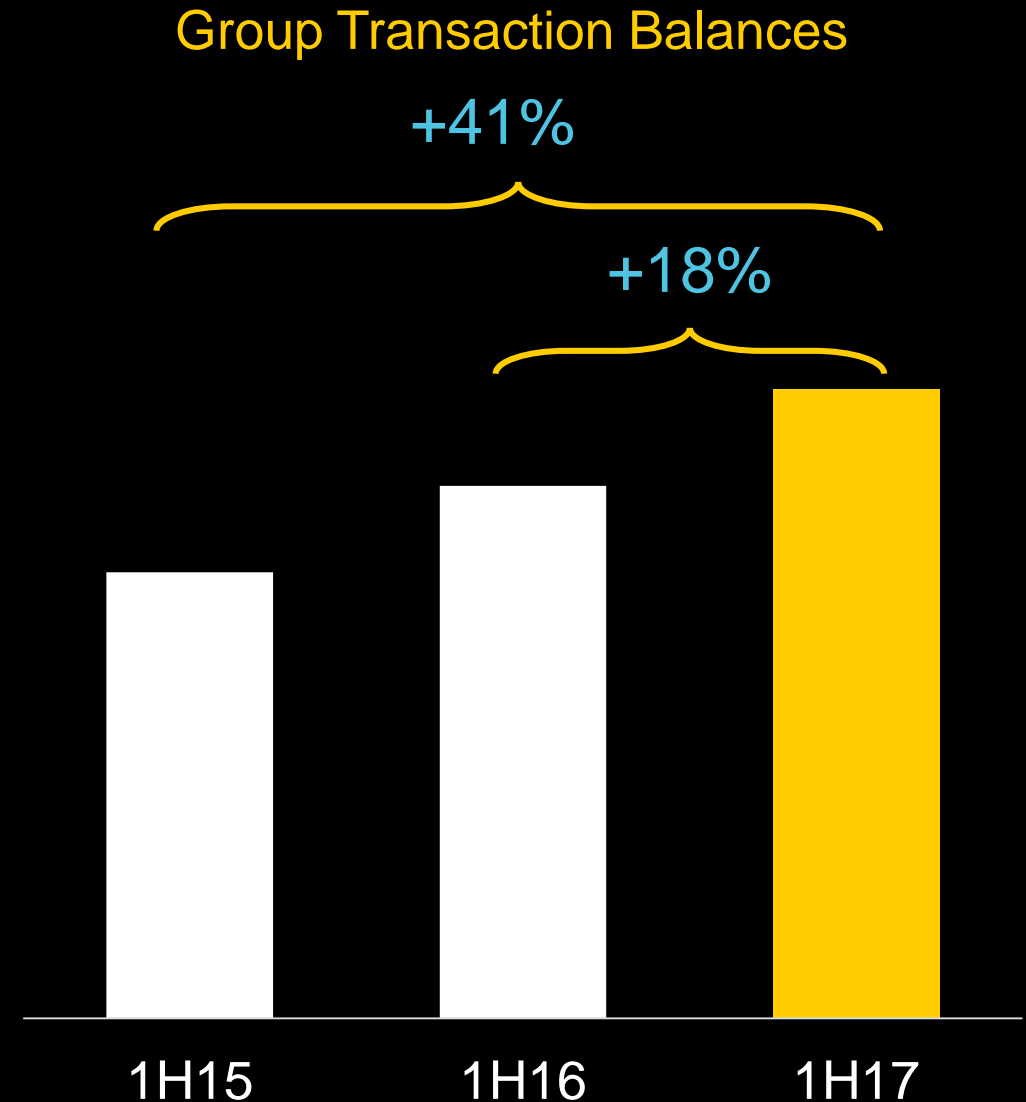
25% of new account openings

3mins to open new accounts

80% of logins via mobile

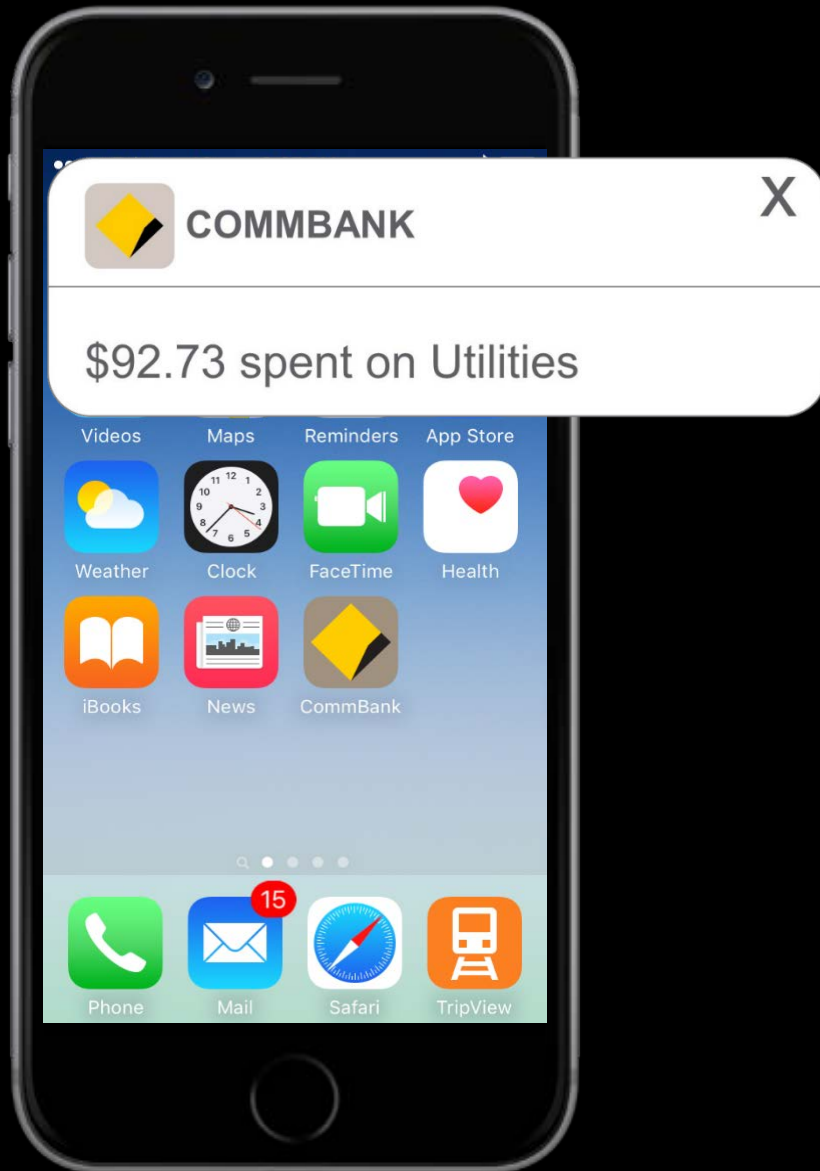
Real time banking

- Used by 15 million customers since 2012
- Originate and transact in real time: *anywhere, anytime, any device*
- Instant banking: fast and simple
- Driving customer satisfaction



On-going real time innovation

Instant
Receipt



Storm
Alerts



Branches **remain key**



Customer Relationships

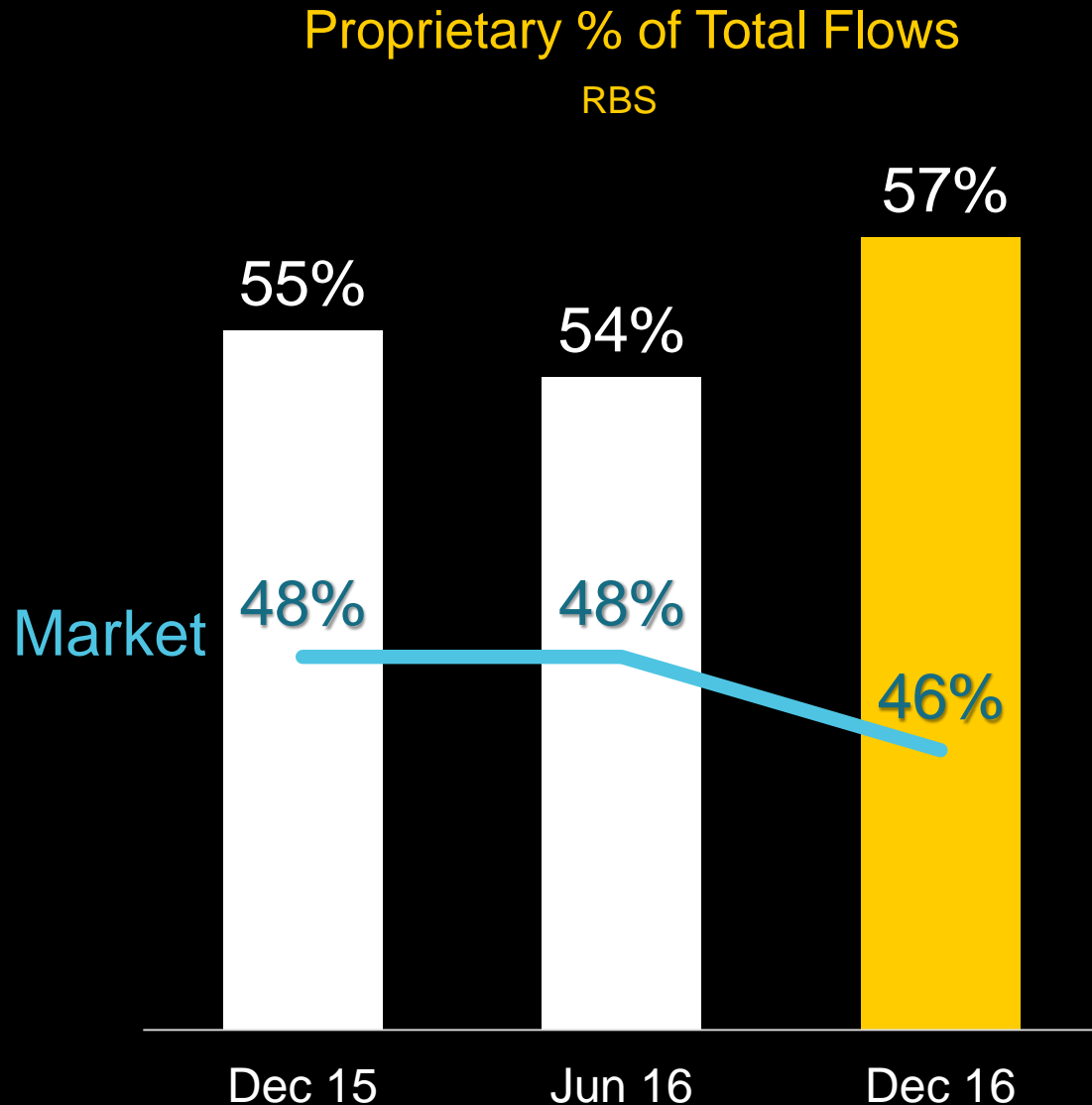
- 68k Customer insights each week
- 32k Financial Health Checks each week
- 24k Video-conferencing referrals 1H17



Efficiency

- New format – 88 locations
- 50% reduction in branch space
- IDMs across network by end 2017

Branches remain key – home lending



- Branch applications up 13%
- Smarter analytics:
 - 10x increase in branch leads
 - higher contact rate (now 95%)
 - higher conversion rates (3x)
- Extra branch lenders

Broad customer relationships

- **FirstChoice** Australia's most popular platform (7 years)
- **CFS** Trusted with >\$100bn of Australia's investments/savings
- **CommSec** One in every two retail trades (non-advised)
- **CommInsure** One in every four CBA home loan customers

Focus on Better Banking

Improving

- Agribusiness customer assistance measures introduced
- Financial inclusion action plan launched
- Making it easier to avoid credit card late payment fees

Listening

- Customer Advocate appointed
- New Industry Whistleblower principles developed (with ABA)

Putting things right

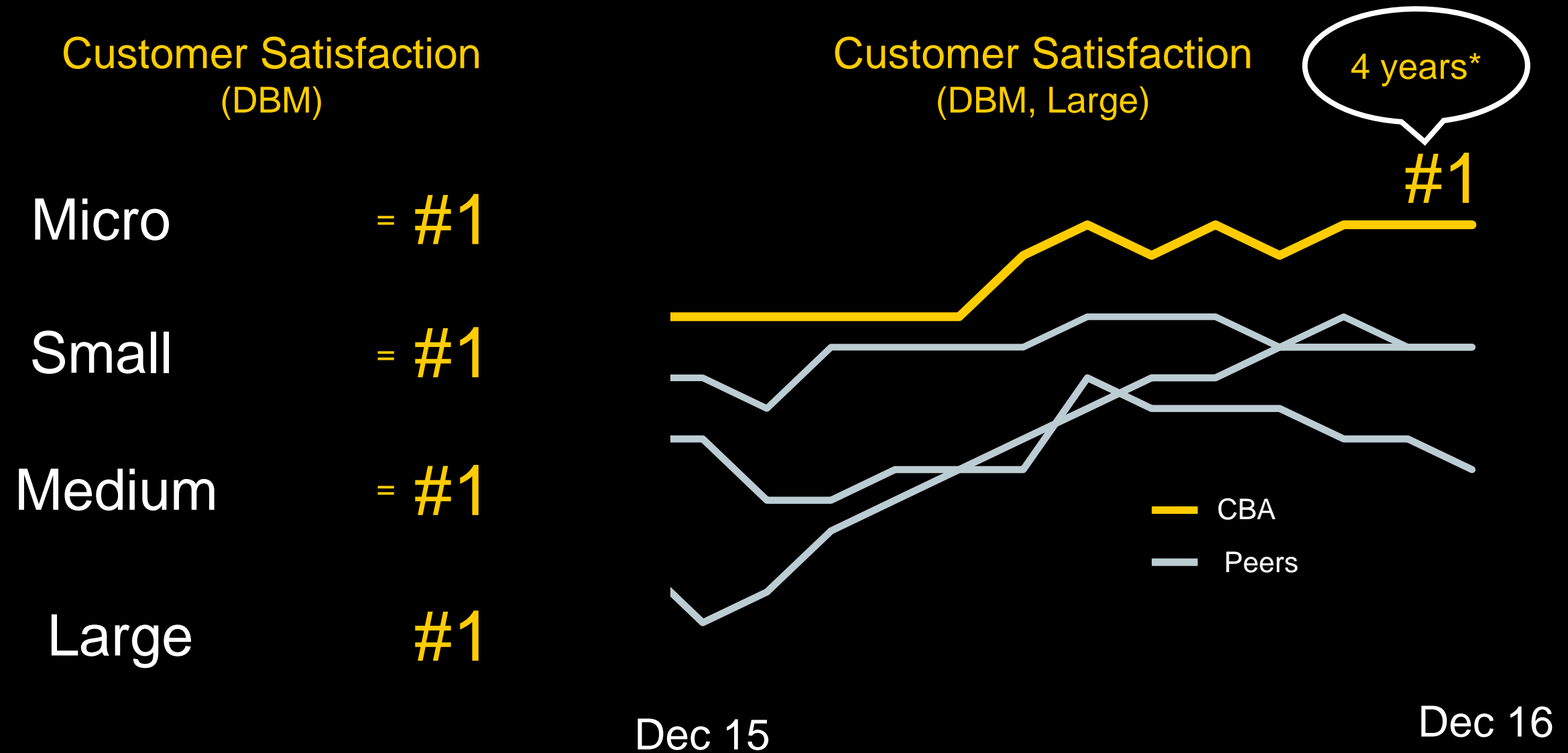
- Open Advice Review assessments completed
- First phase of pre 2012 review of advice under licence conditions for CFP and FWL completed and phase 2 progressing
- Ongoing service fee reviews on track for June completion
- CommInsure review completed



Strategic Update

- 1 Consumer
- 2 Business**
- 3 International

More satisfied customers - business

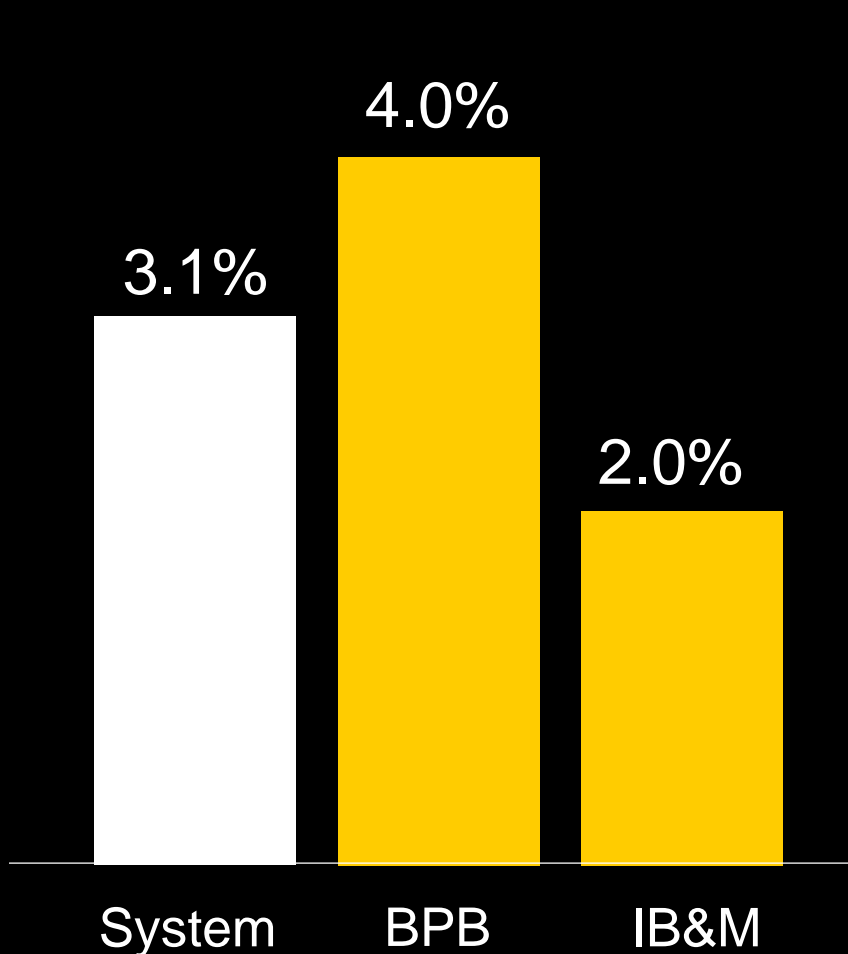


*Outright or equal 1st

Corporate – targeted growth

Australian Lending Growth

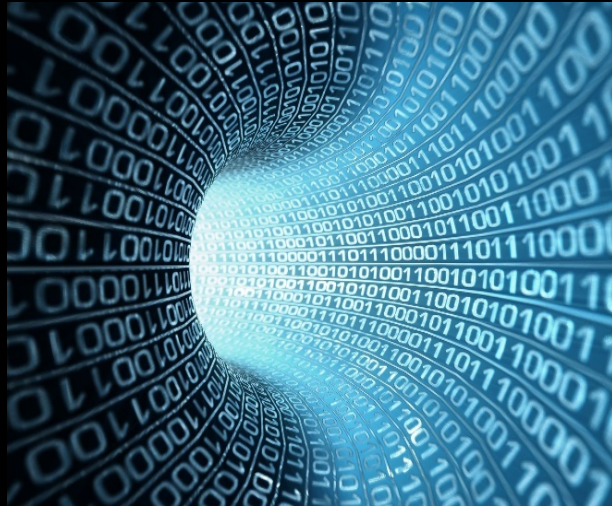
6 months



- Supporting growth in the economy
- BPB – diversified growth
- IB&M (3 years):
 - 129 mandate wins
 - Transaction balances up 59%
- Relationship focus + real time technology

Transformative technology a differentiator

Blockchain



First interbank open account transaction

First global government bond trial

Digital & Analytics



Empowering clients with insights based on real-time customer behaviours

Payments



Landmark partnerships with Alipay and Barclays

Albert and Pi

Transformative technology - **Albert**

70,000 devices

64% new merchants to CBA

39 apps in total

13 new apps last six months





Strategic Update

- 1 Consumer
- 2 Business
- 3 **International**

TYME kiosk

Self service on-boarding

- Account creation on the spot
- Debit card issuance

Identity and authentication

- Biometric capture
- External verification of identity



Innovation via **partnerships**



Strategic retail partner

10 year partnership

1,000 locations

10 million rewards customers

10,000 till points



Strategic BEE partner

Broad based local
ownership

10% future shareholder in
CBA South Africa



685
kiosks

across South Africa,
since launch May 2016

9
months

from concept to rollout

100,000
enrolments

through Pick 'n Pay and
Boxer stores

4
minutes

to on-board new
customers

\$4

on-boarding cost per
customer

SmartPOS prototype

Security

Strictest global security standards

2x Cameras

Voucher, coupon, QR, bar code scanning

Connectivity

4G, Antenna & Wi-Fi, Bluetooth and GPS

Payments

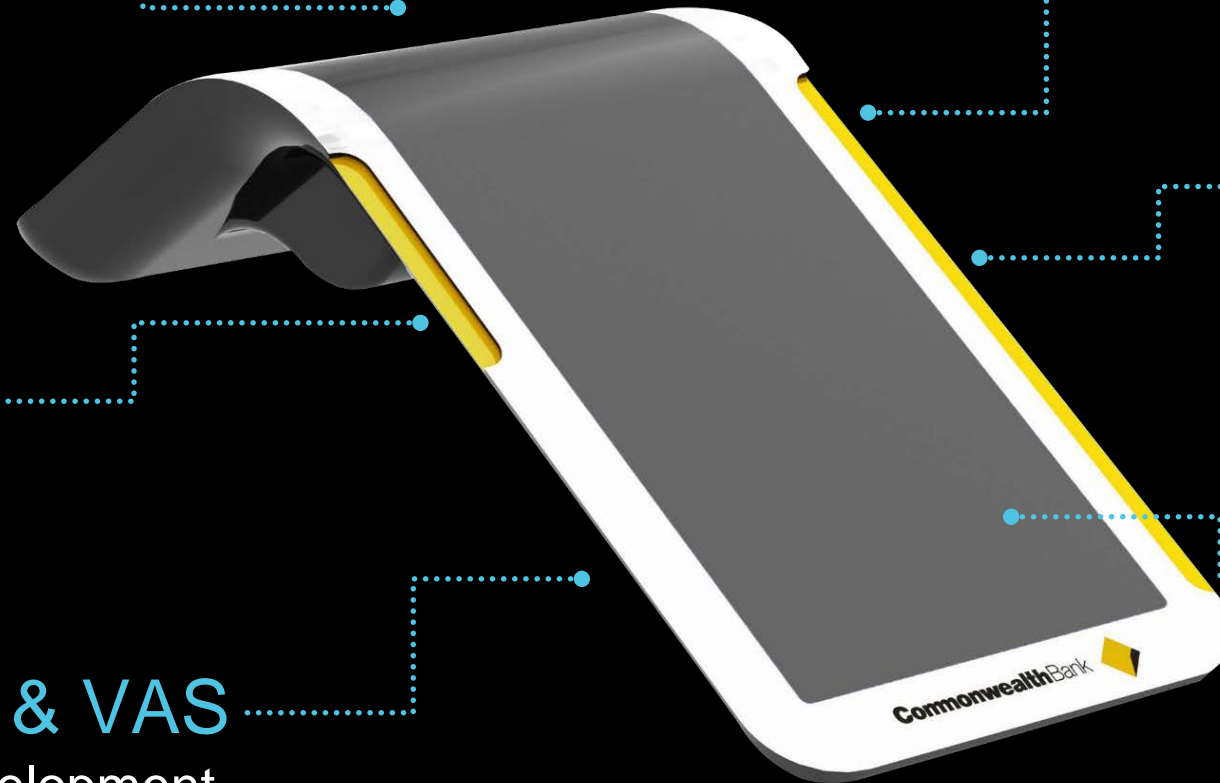
Contactless, NFC, Wallet

Touch

7" high resolution multi-touch screen

Open Apps & VAS

Open platform app development, CommBank access



Summary



**Driving
strong
consumer
franchise**



**At the
forefront of
innovation**

**Focus on
long term
growth**



**Investing
for the
long term**



START SMART



Results Presentation

For the Half Year Ended
31 December 2016

DAVID CRAIG
CHIEF FINANCIAL OFFICER

This Result

Dec 16 vs
Dec 15

Statutory Profit (\$m)

4,895



6%

Cash NPAT (\$m)

4,907



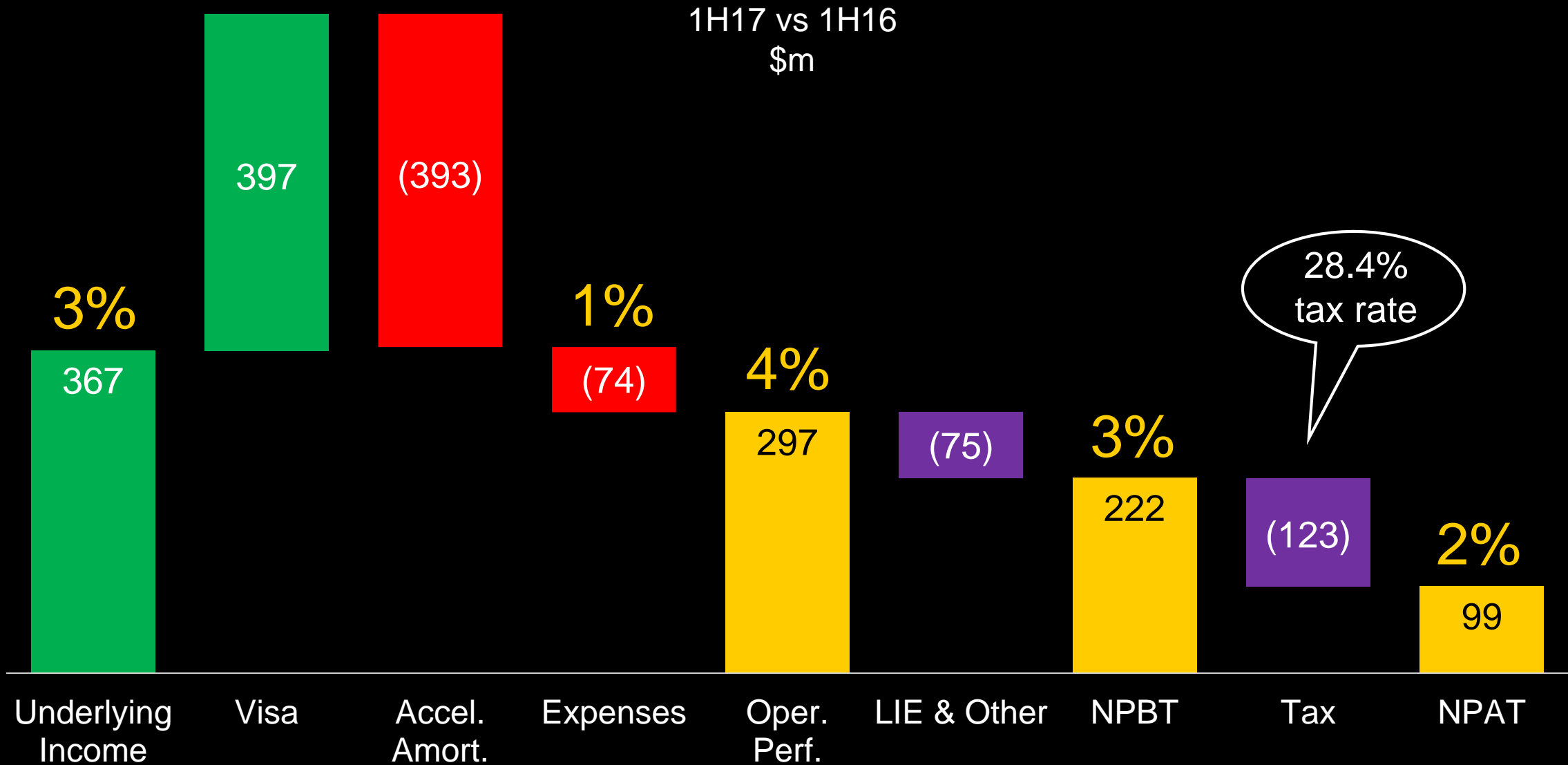
2%

ROE – Cash

16.0%

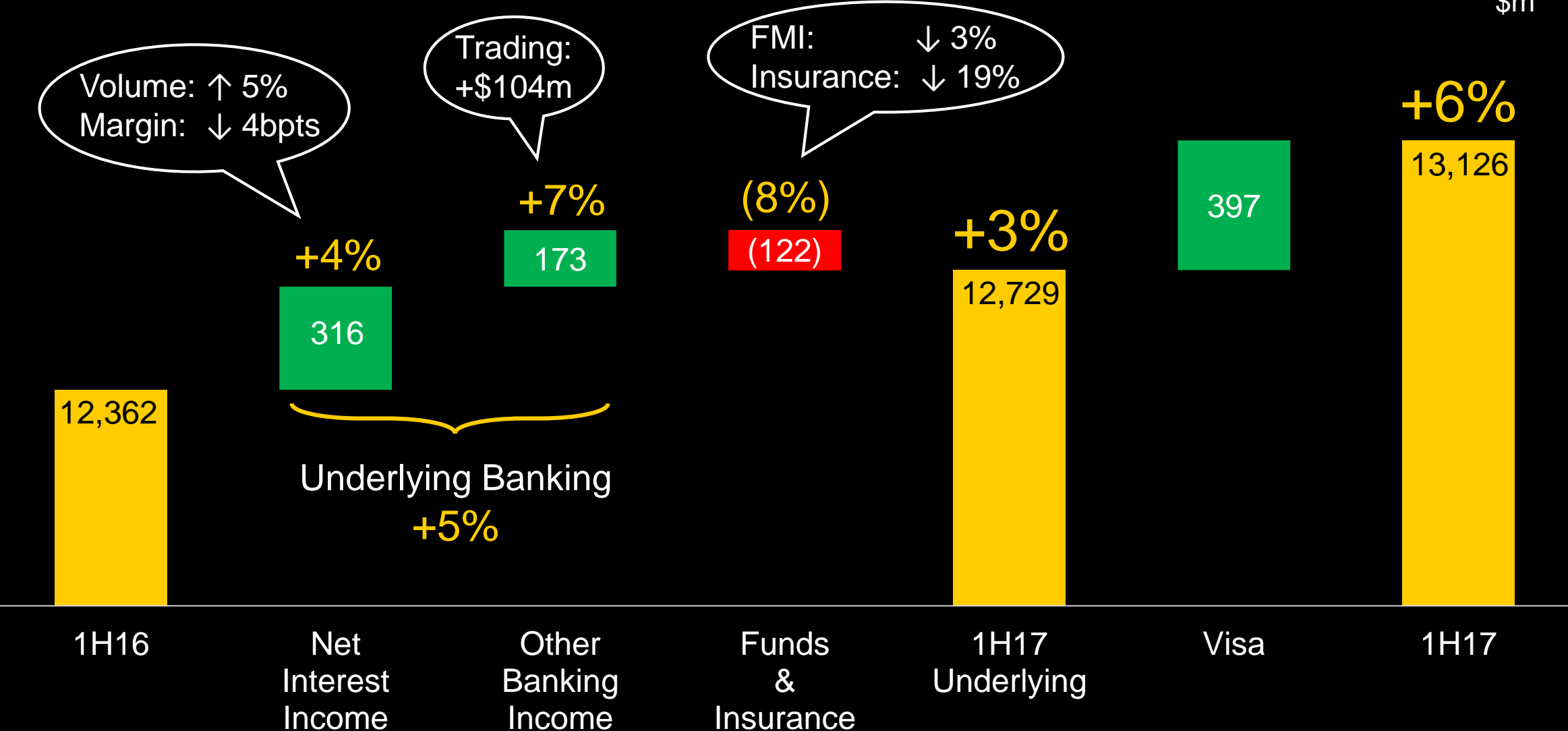
(130) bpts

Components of growth



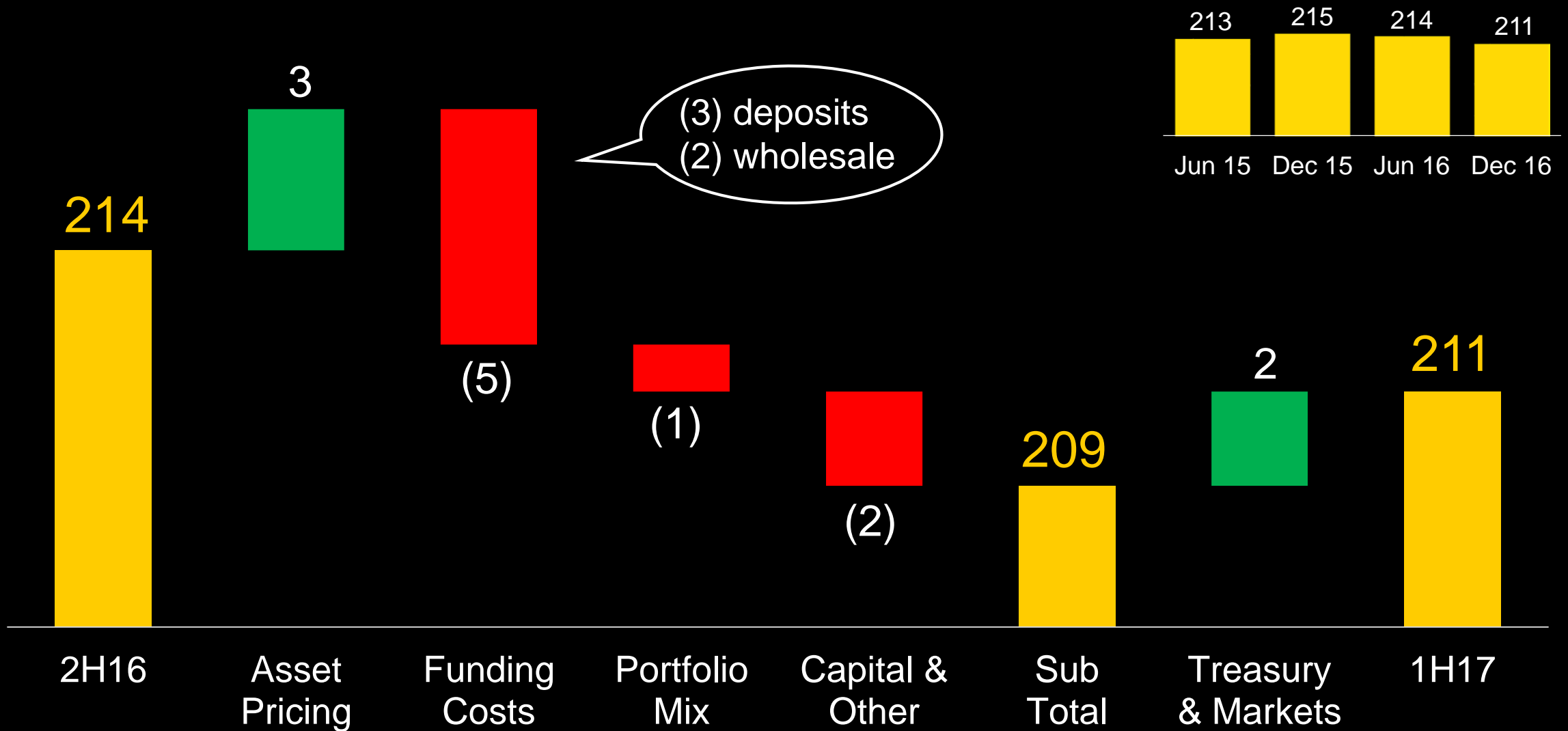
Income – **balancing** volume & margins

\$m



Margin – down 3 bpts on higher funding costs

bpts



Expenses – tightly controlled

\$m

+1%

+9%

5,210

29

43

2

5,284

393

5,677

1H16

Staff

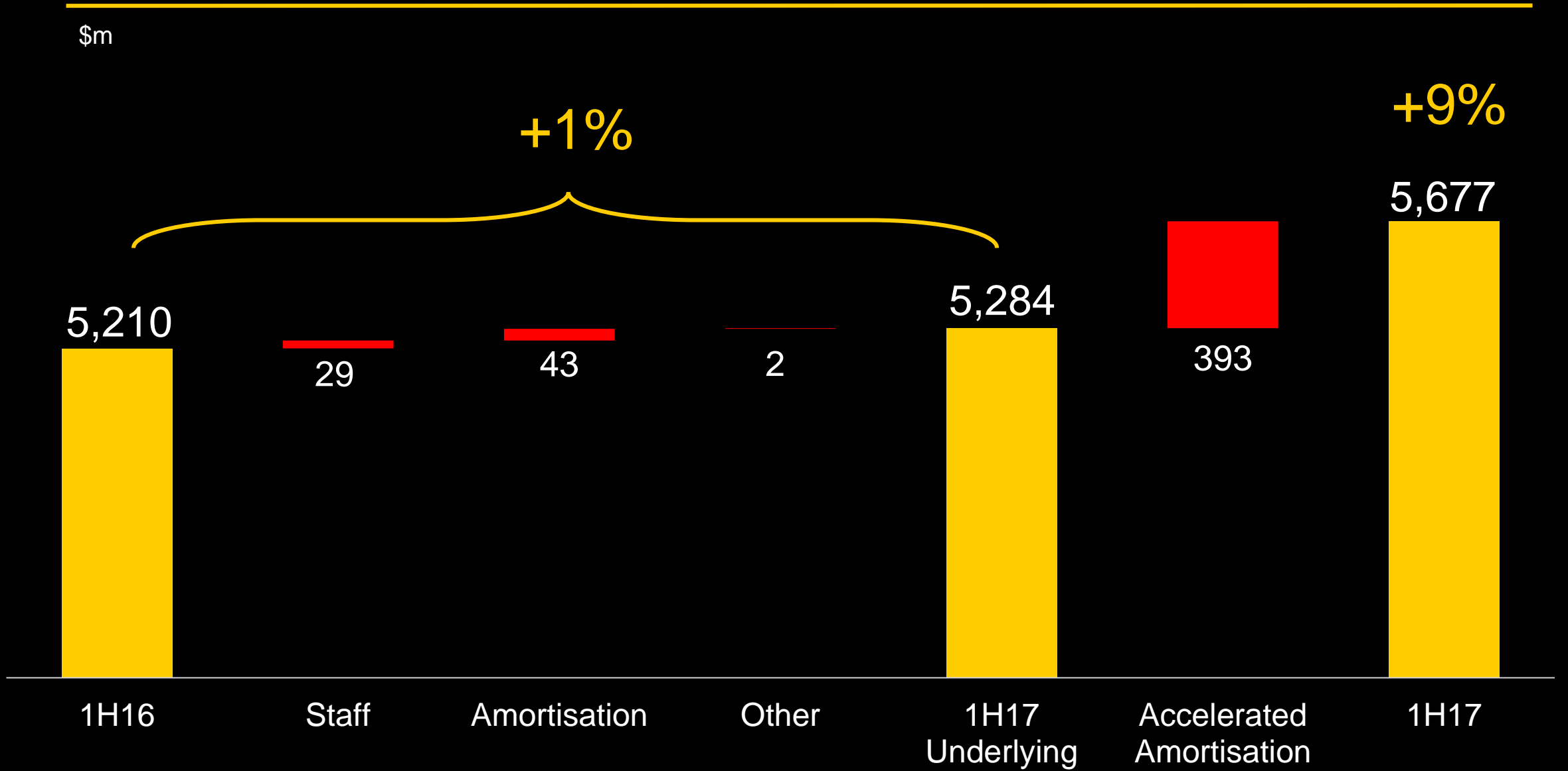
Amortisation

Other

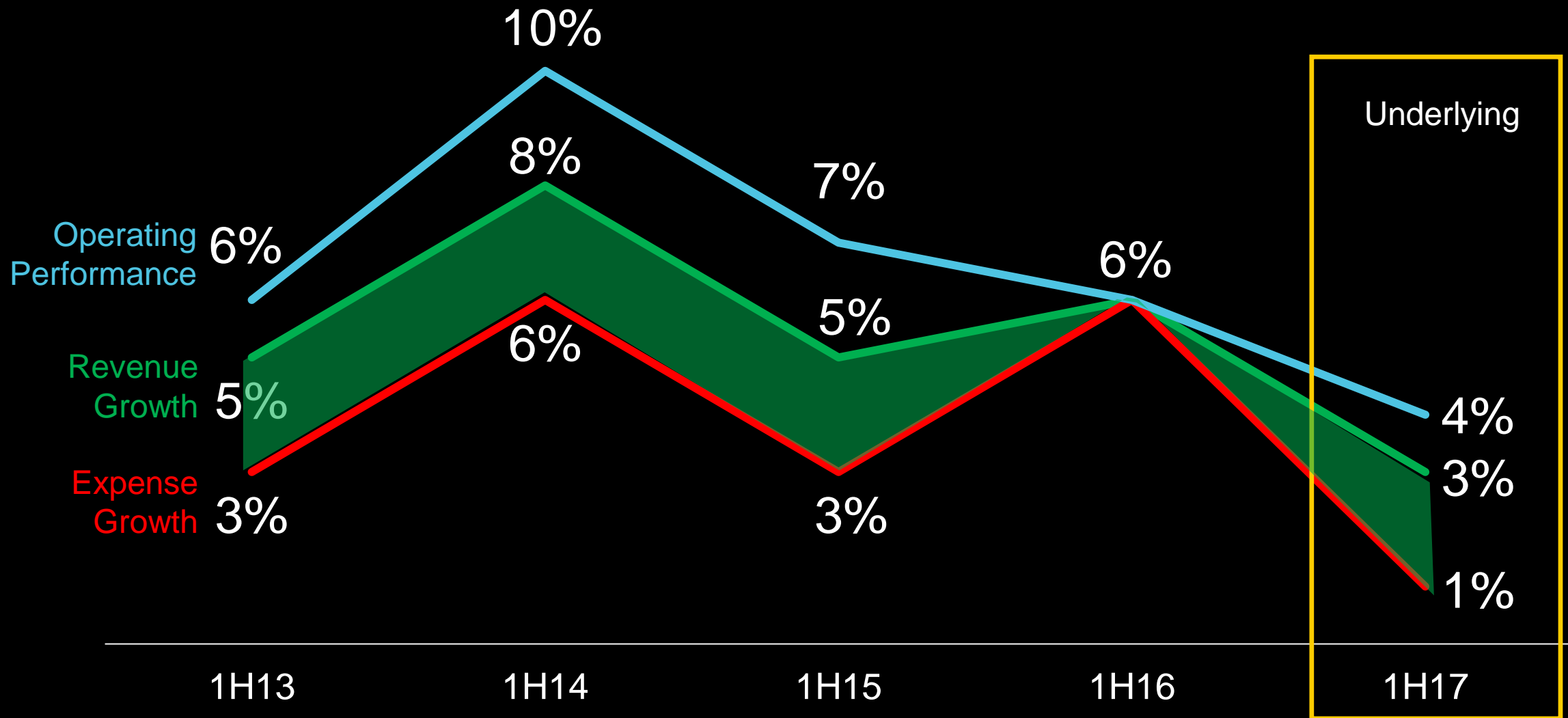
1H17
Underlying

Accelerated
Amortisation

1H17



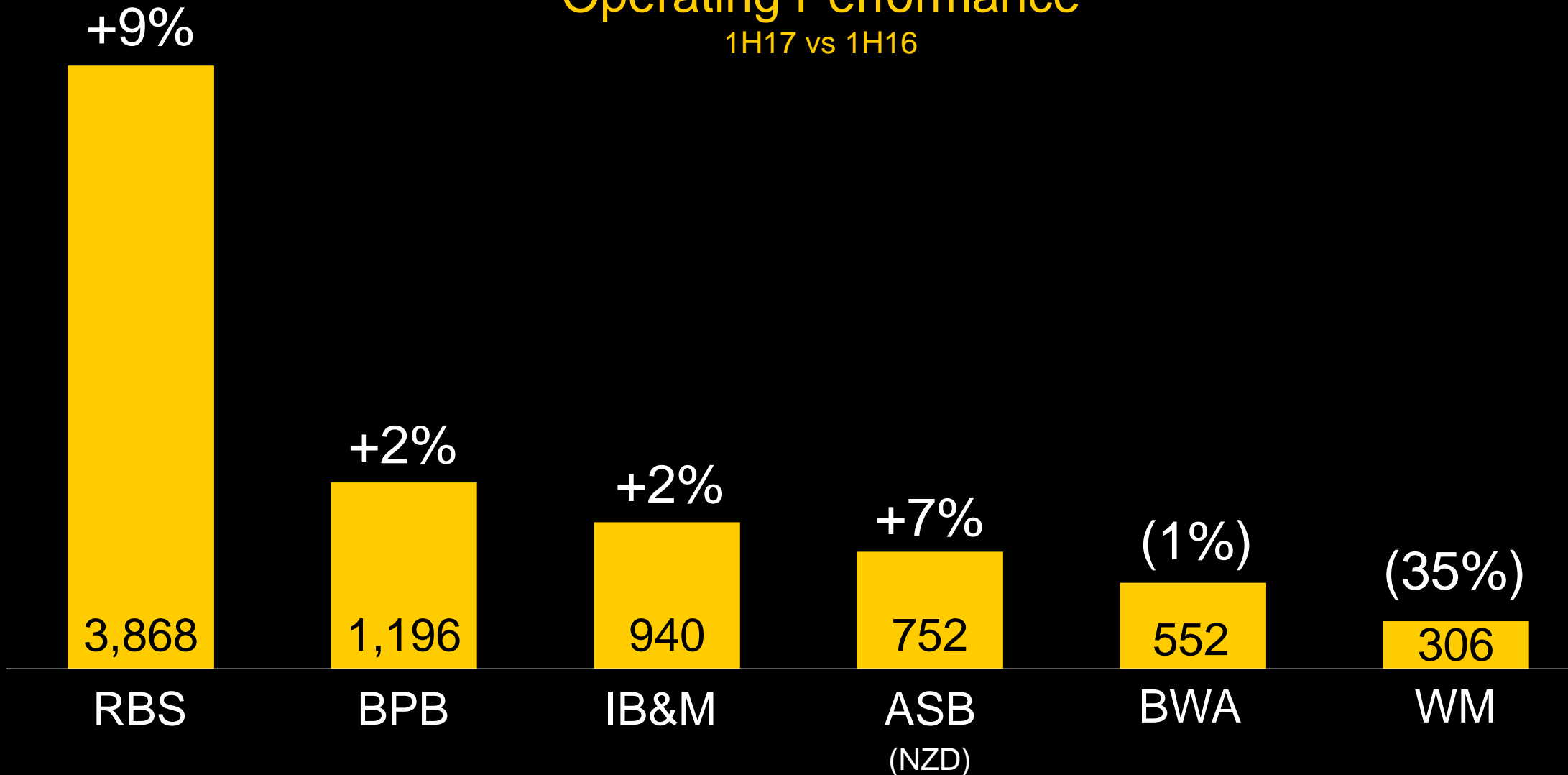
Cost discipline sustains positive jaws



Divisional contributions

\$m

Operating Performance 1H17 vs 1H16

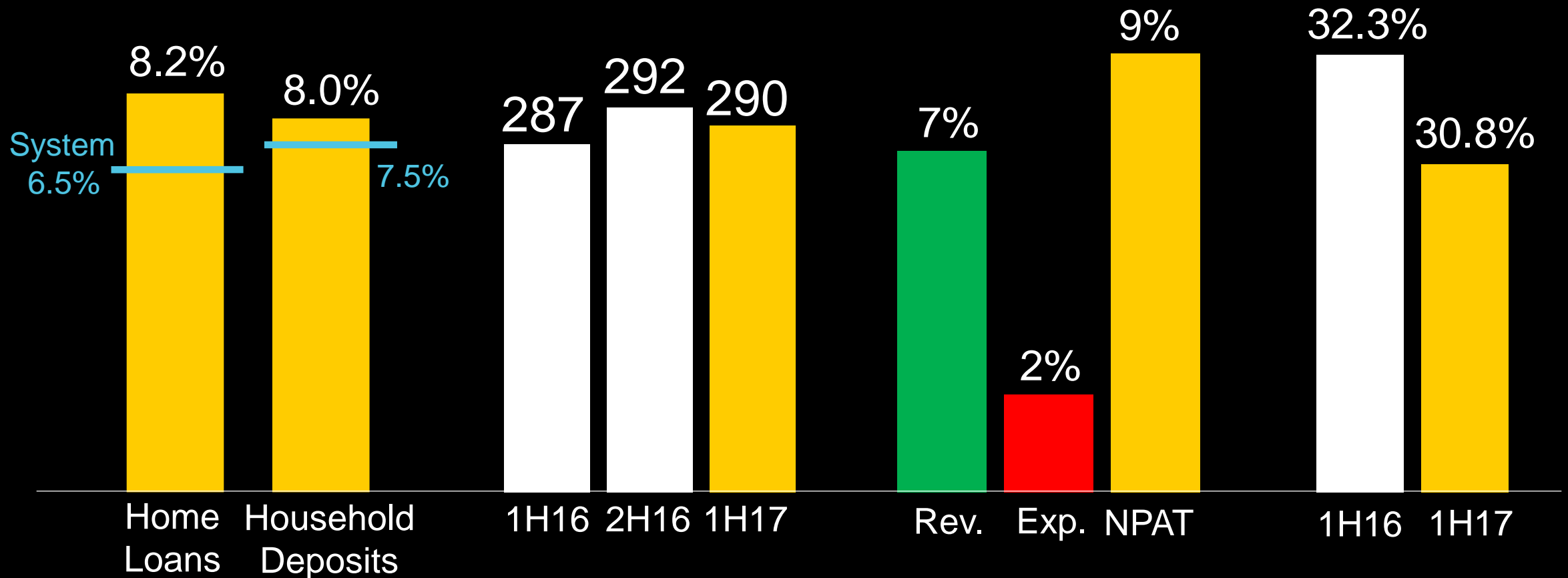


RBS – strong growth, further efficiency gains

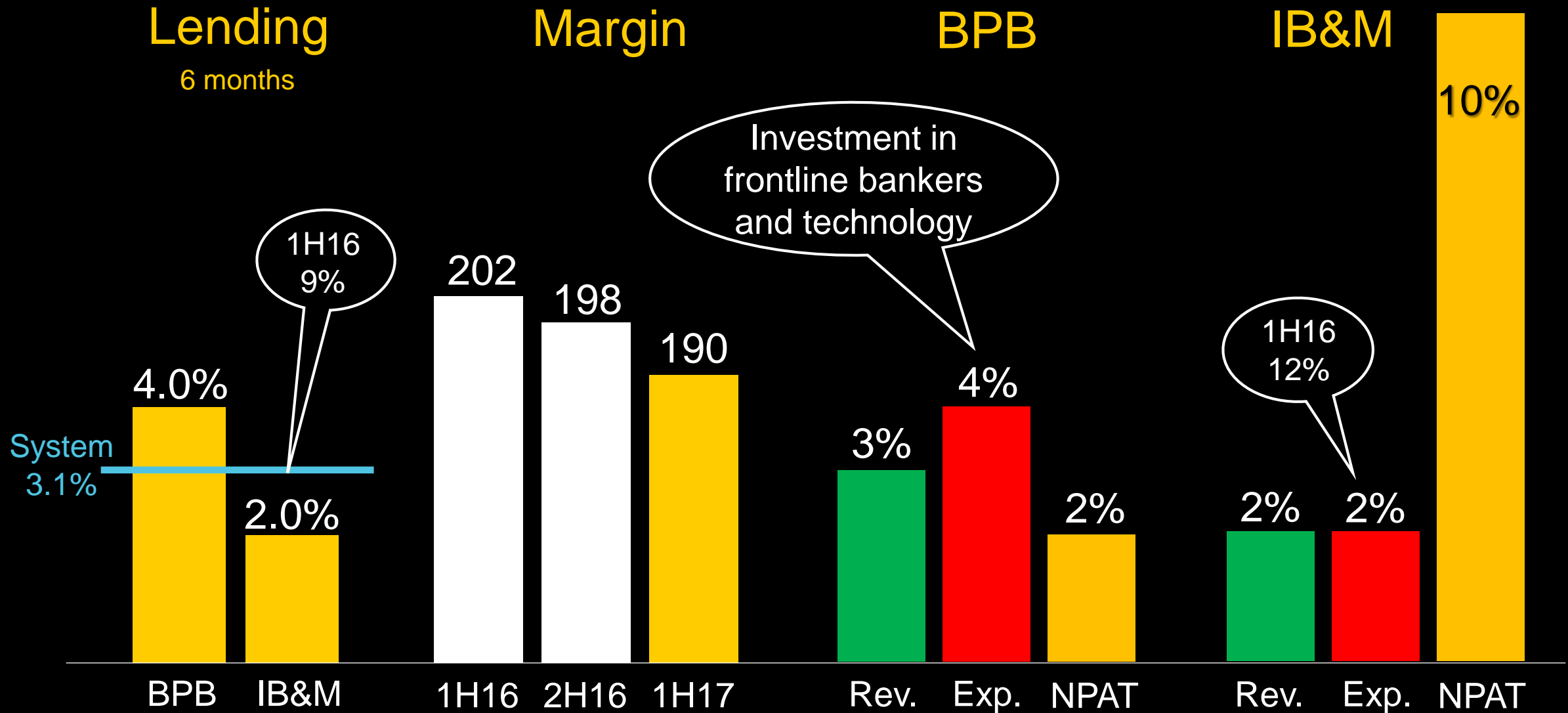
Balance Growth 12 months

Margin

Cost-to-Income



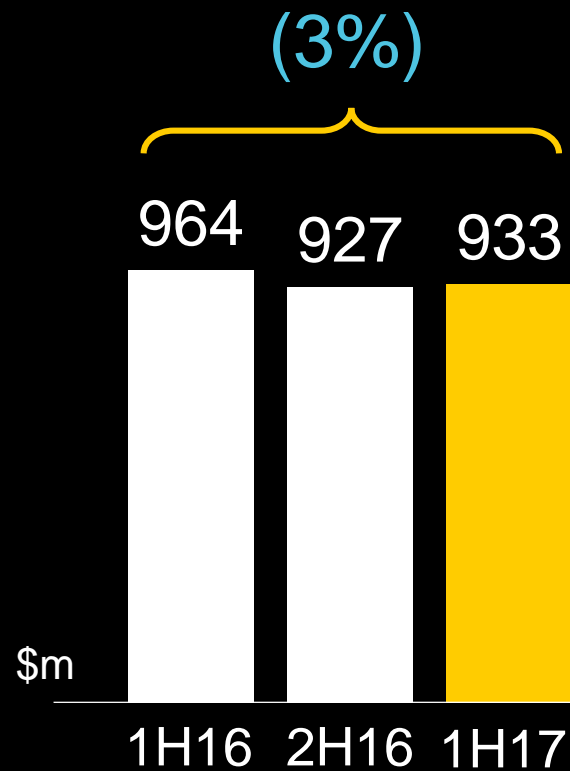
Corporate – targeted growth



Wealth – responding to challenges

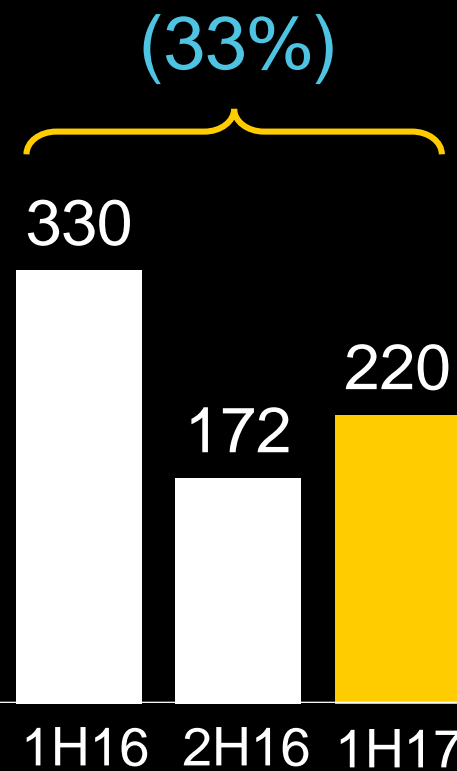
Funds Income

- Avg FUA +3%
- Margins ↓ (mix)



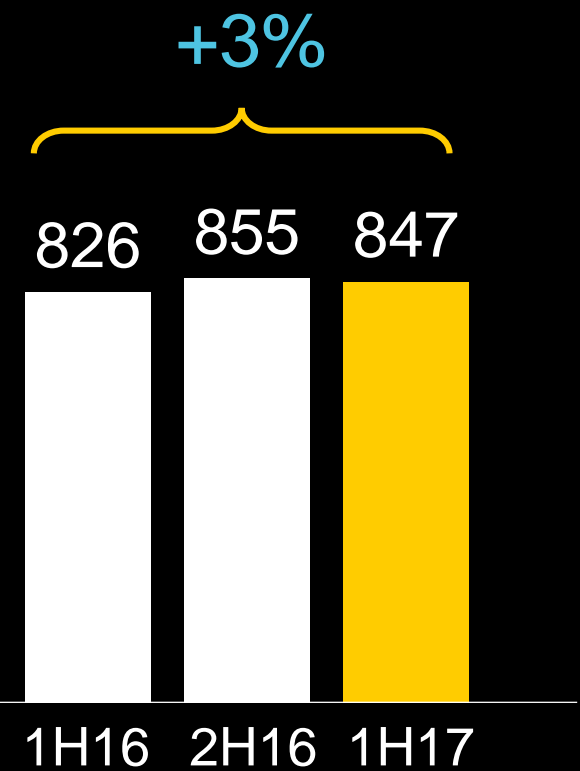
Insurance Income

- Loss recognition \$90m
- GI premiums ↑ 9%

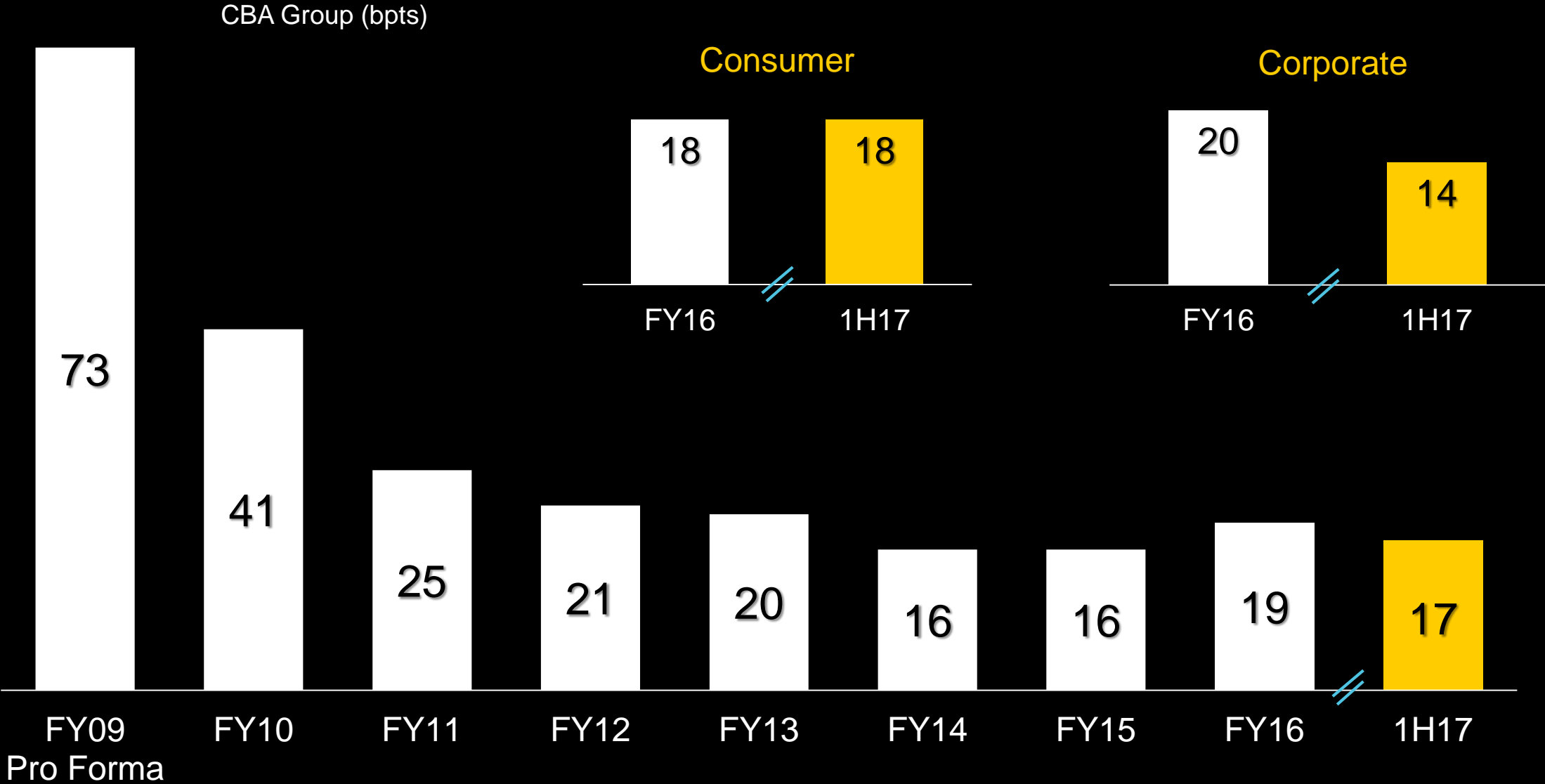


Costs

- ↑ Remediation costs
- Productivity gains

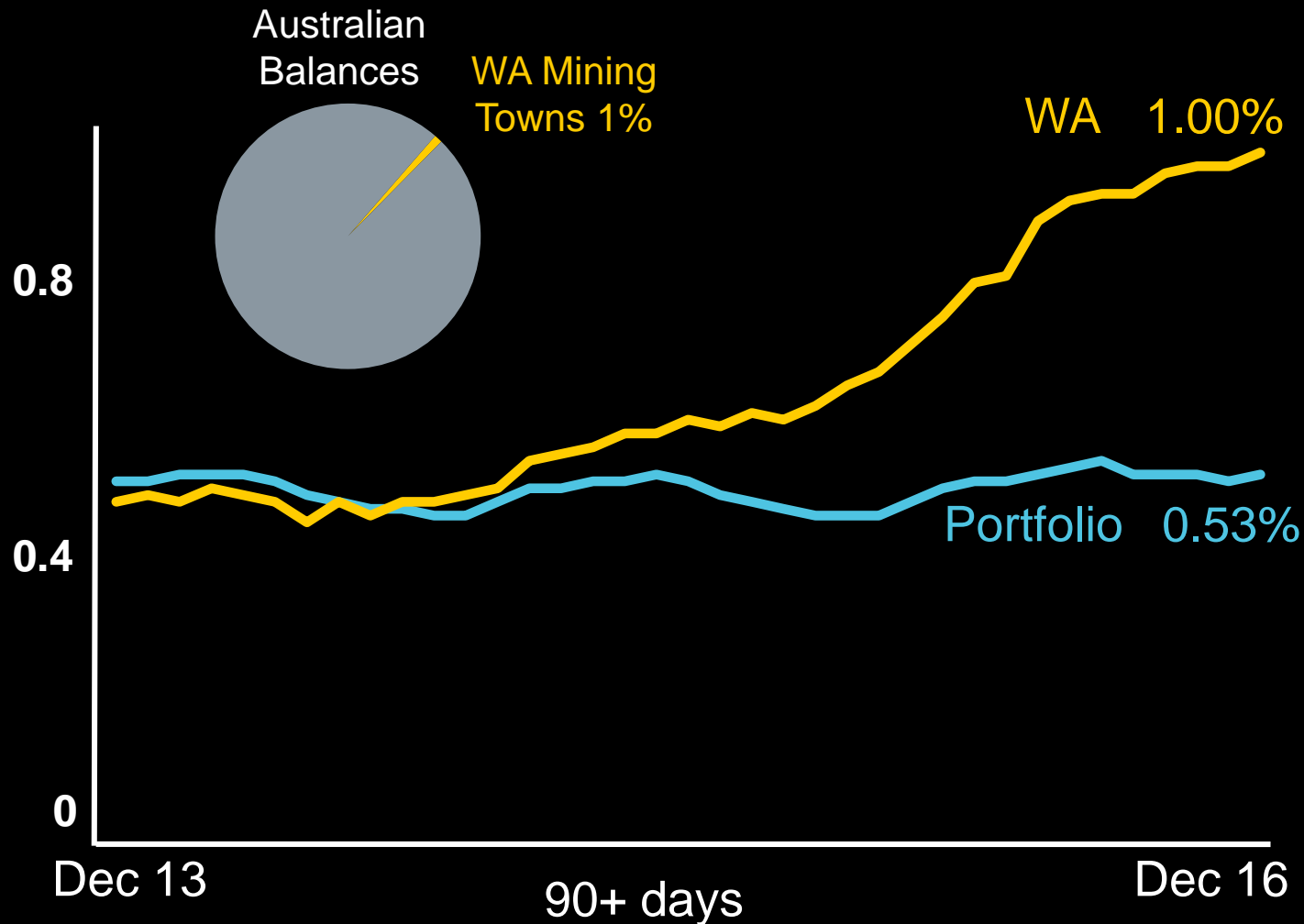


Impairment expense **remains low**



WA arrears - impacted by mining downturn

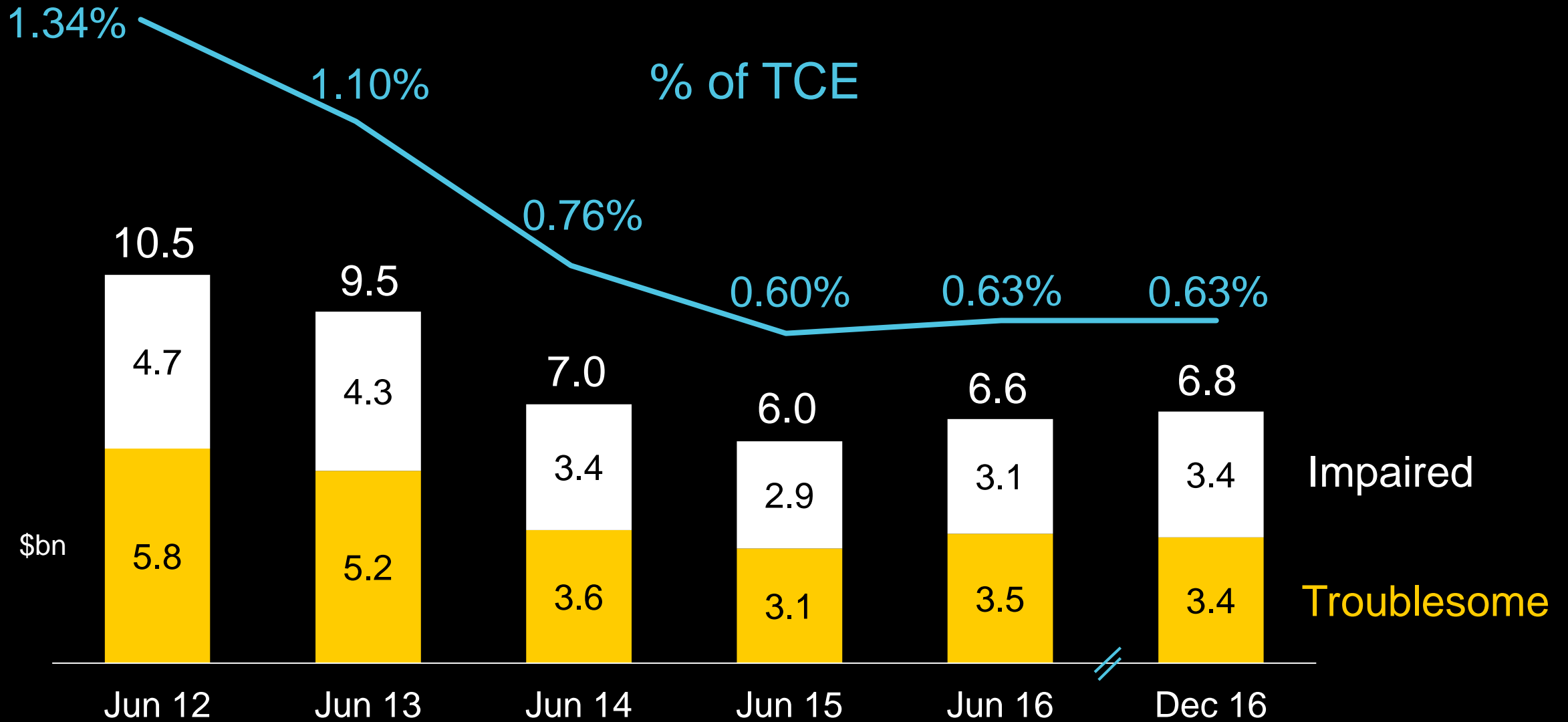
Home Loan Arrears



Higher Risk Locations:

- Increased provisions
- Rigorous stress testing
- Credit policy tightening
- LVR caps
- Insurance requirements

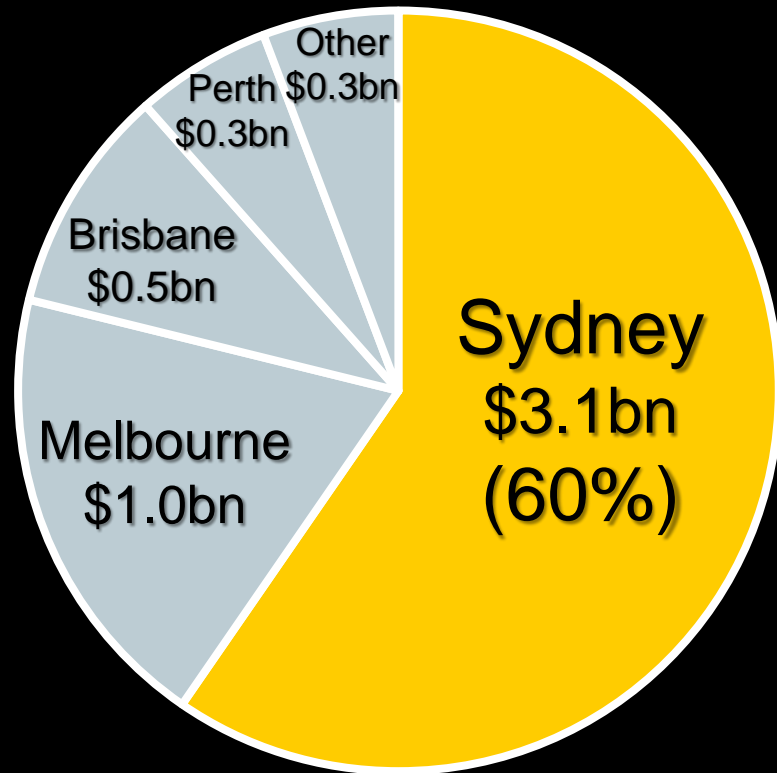
TIA marginally higher



Apartment development - *weighted to Sydney*

\$5.2bn

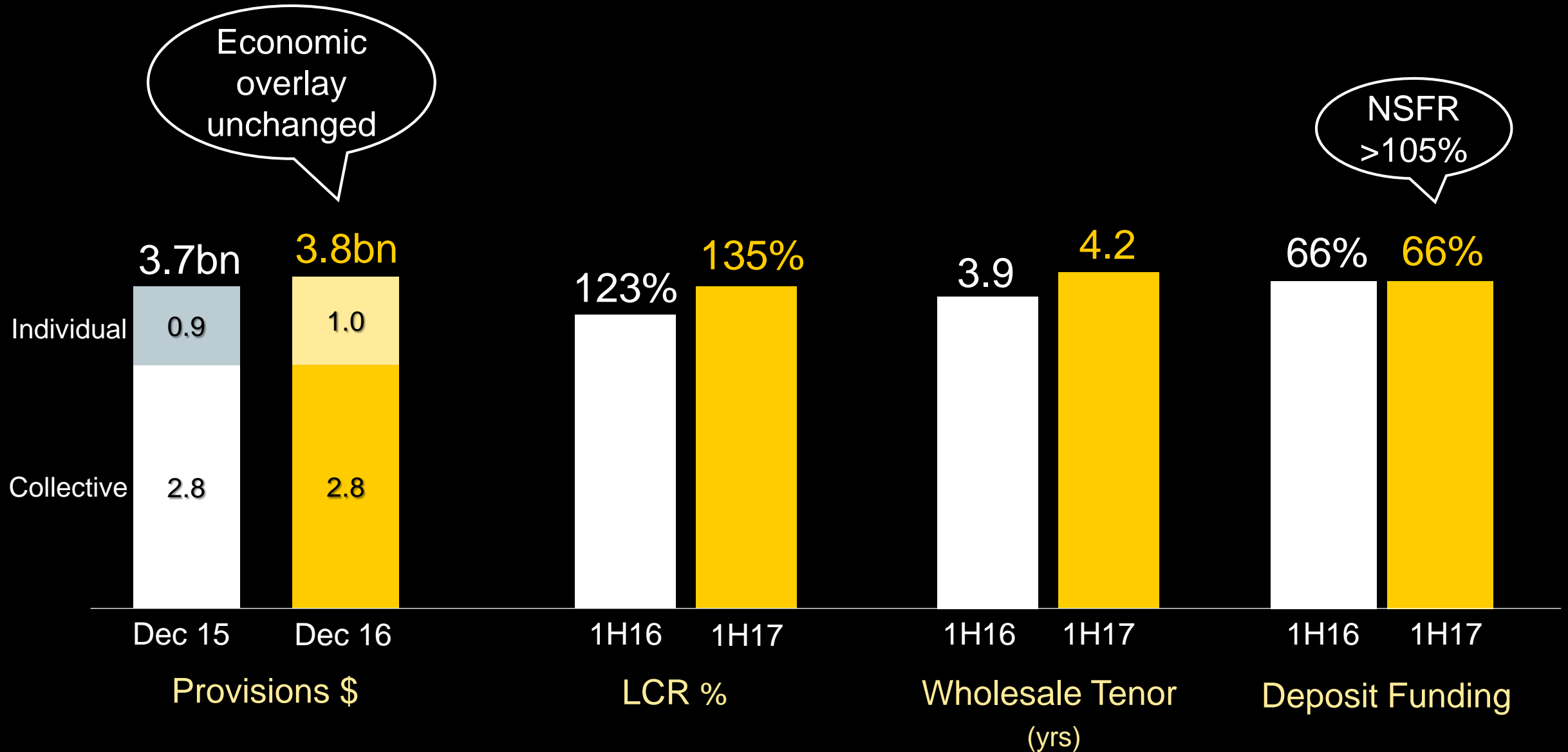
(0.5% of TCE)



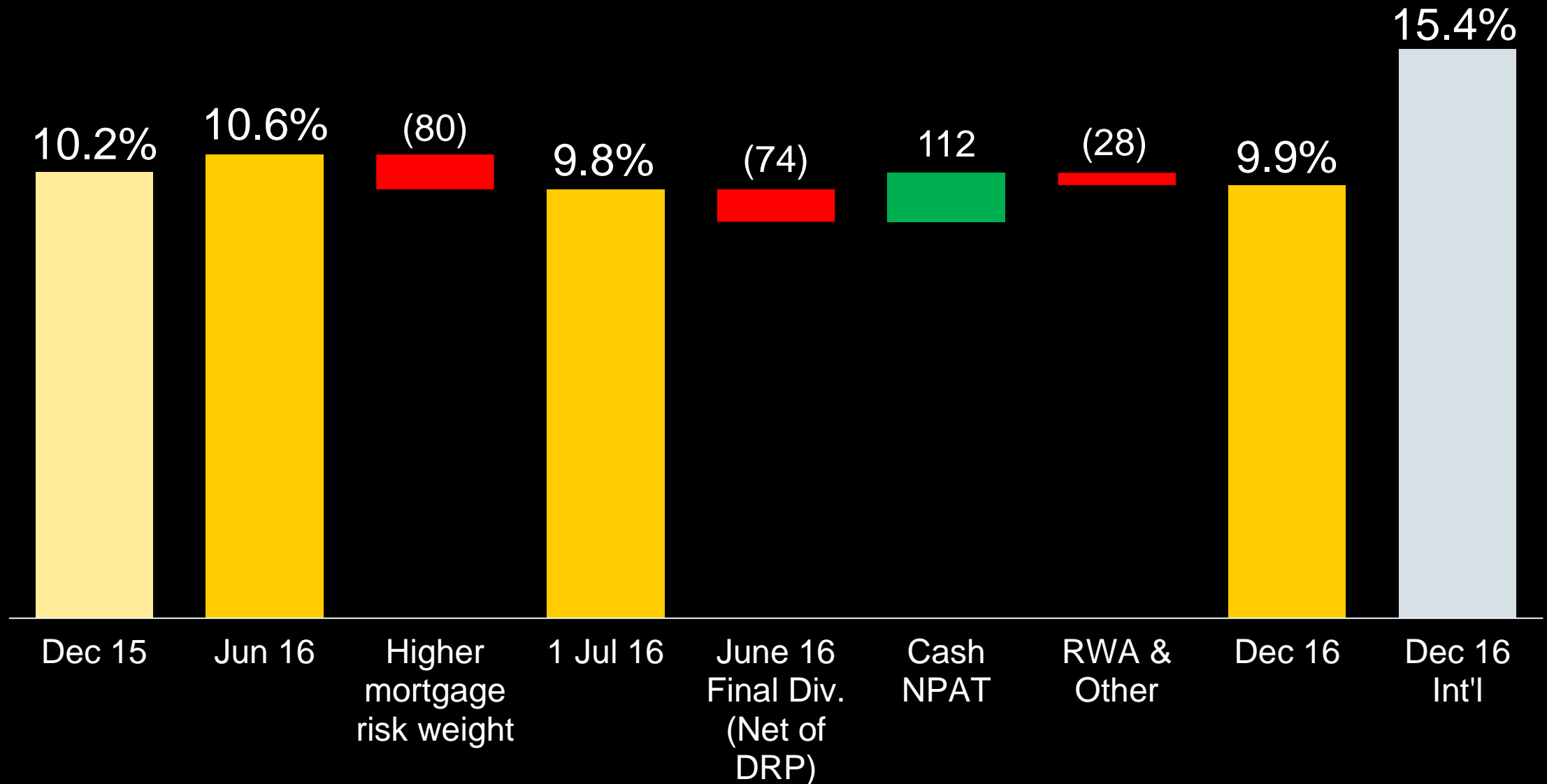
Australia-wide, >\$20m

- Strong qualifying pre-sales (110.1%)
- Portfolio LVR of 59.9%
- Tighter underwriting
 - lower % foreign pre-sales
- Repayments on time from settlements

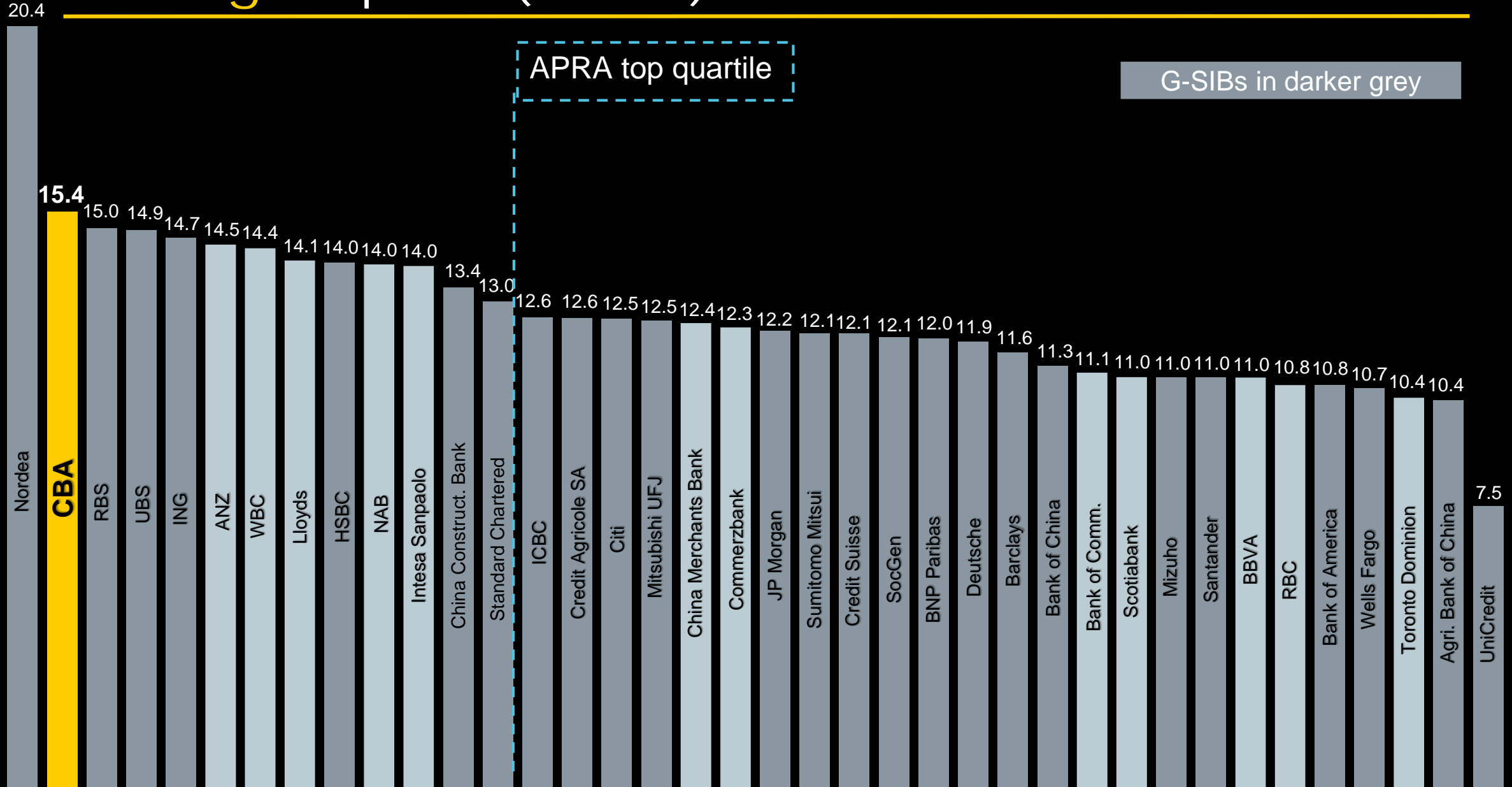
Balance sheet strength



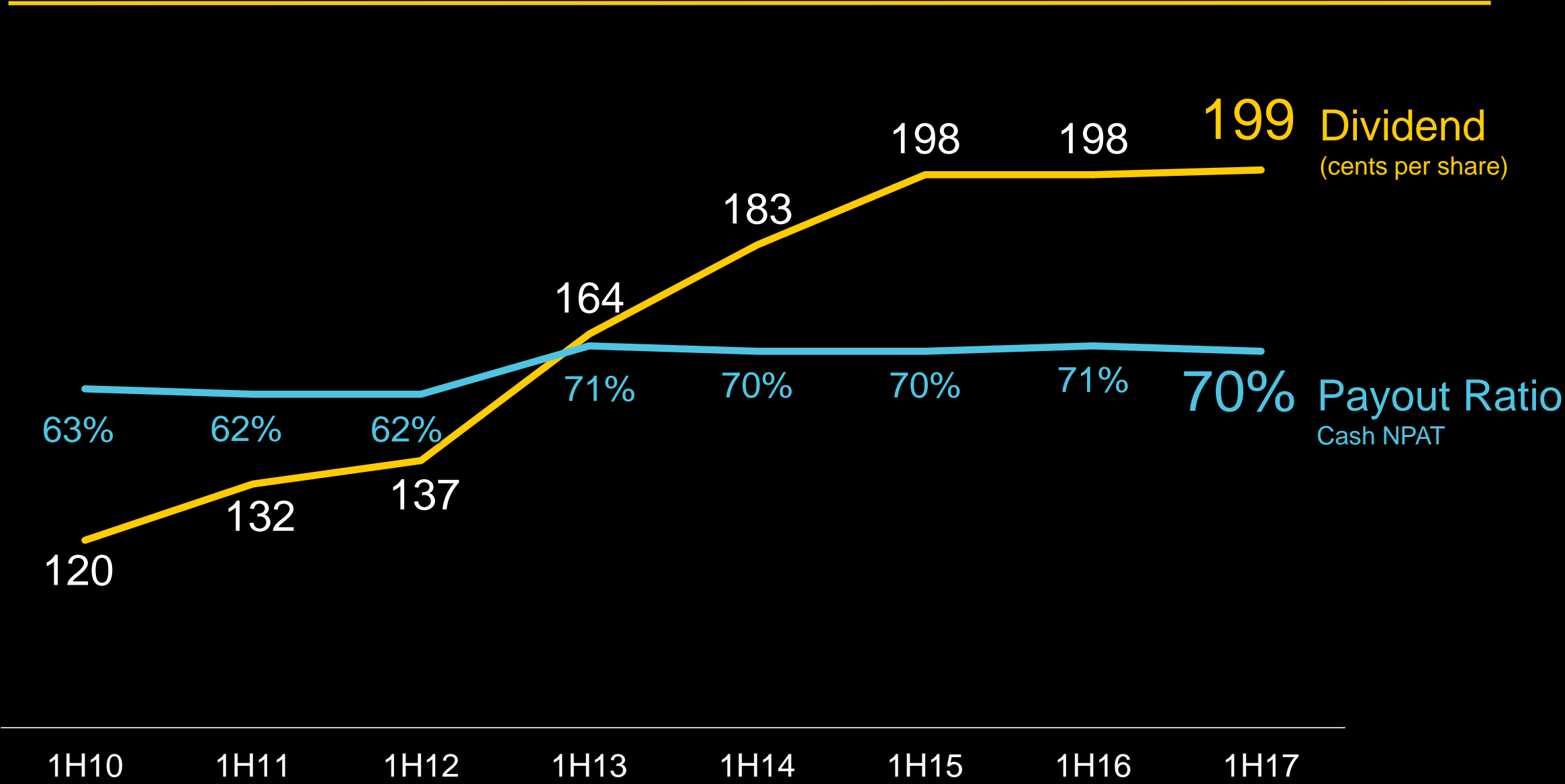
Strong Capital



Strong Capital (CET1)



Increased Dividend

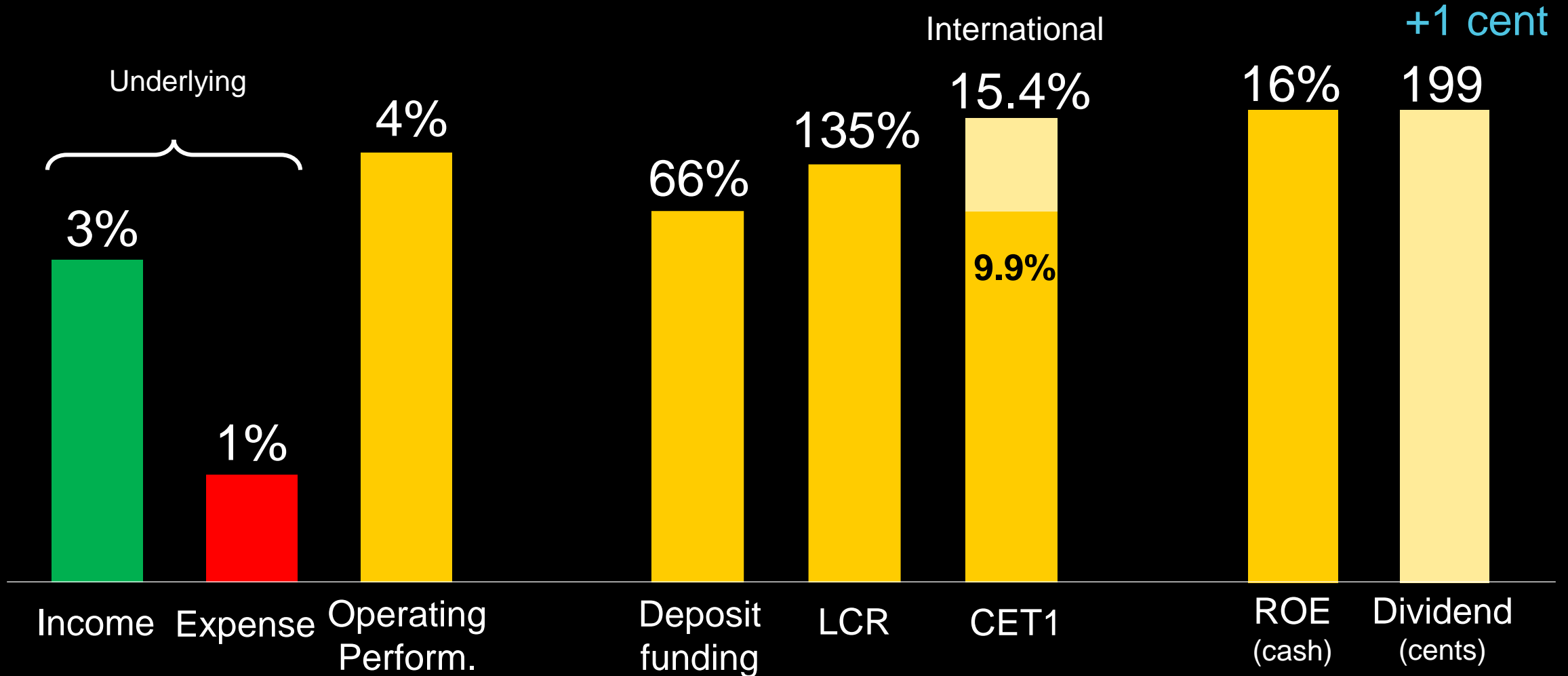


Summary – managing for today's environment

Positive “Jaws”

Strength

Returns



Outlook

- Globally – heightened geopolitical and market volatility
- Domestically – some positive trends:
 - Improving commodity prices, terms-of-trade
 - Export sector
- For CBA:
 - Focus on the long term
 - Supporting Australia through strength, investment and innovation



START SMART



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