



**Commonwealth**Bank 

# SEPTEMBER 2016 QUARTER

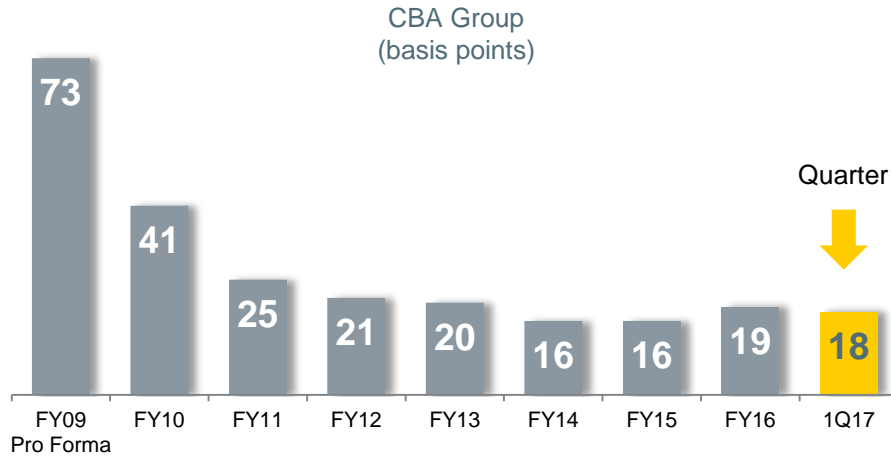
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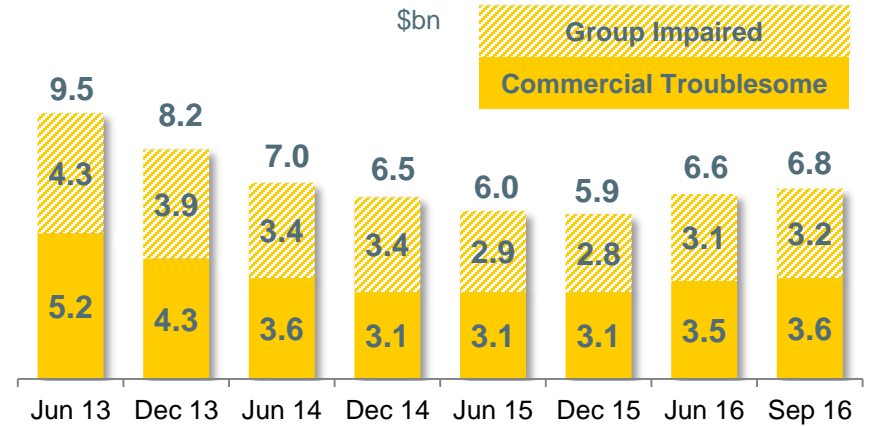
**WHEN  
WE BELIEVE,  
WE CAN.**

# Credit quality

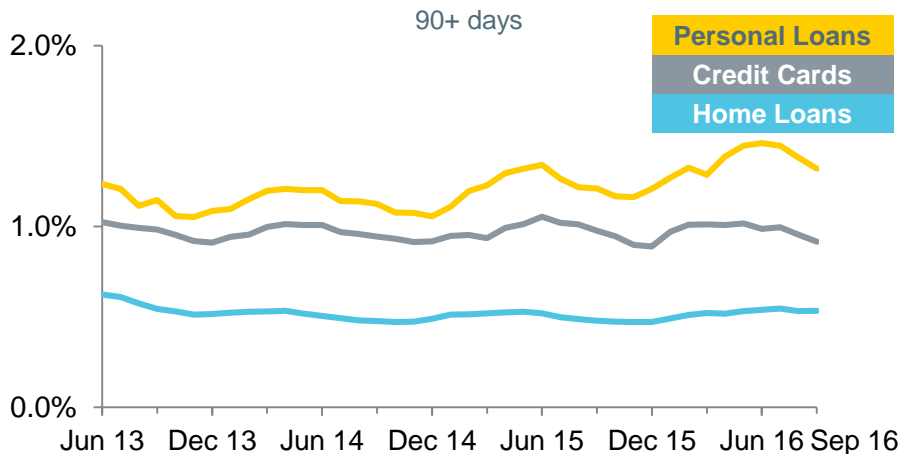
## Loan Impairment Expense (Cash)



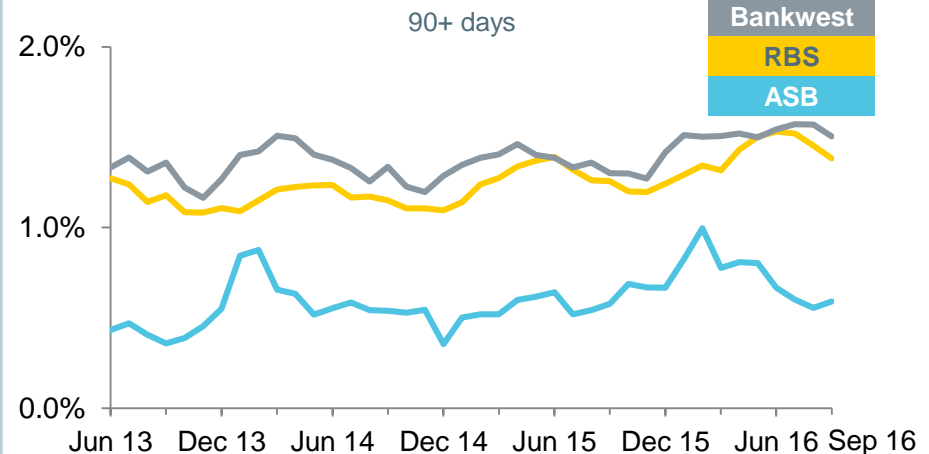
## Troublesome and Impaired Assets



## Consumer Arrears



## Personal Loan Arrears



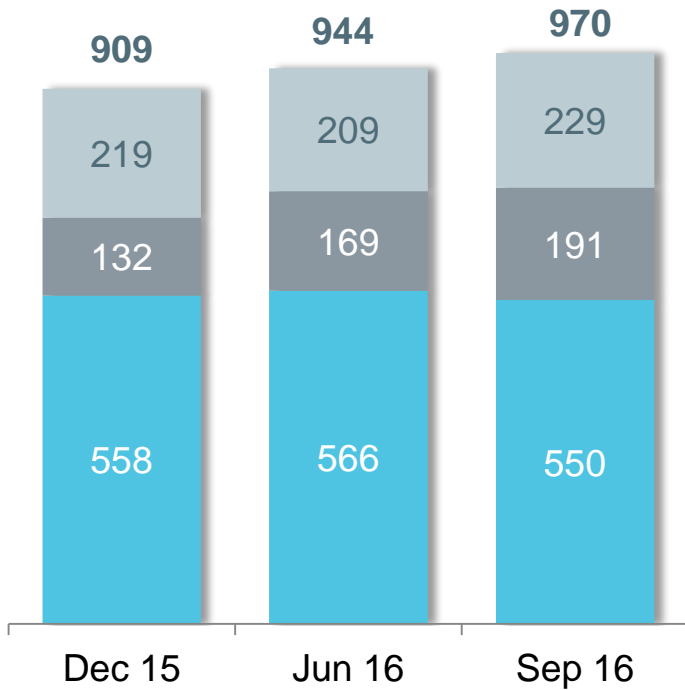
**LIE (Loan Impairment Expense):** Basis points calculated as a percentage of average Gross Loans and Acceptances (GLA). FY09 includes Bankwest on a pro-forma basis and is based on impairment expense for the year. Group Statutory Loan Impairment Expense for FY10 48 bpts, FY13 21 bpts and FY14 16 bpts. Consumer Home Loan arrears exclude Reverse Mortgage, Commonwealth Portfolio Loan (RBS only) and Residential Mortgage Group (RBS only) loans.



# Provisions

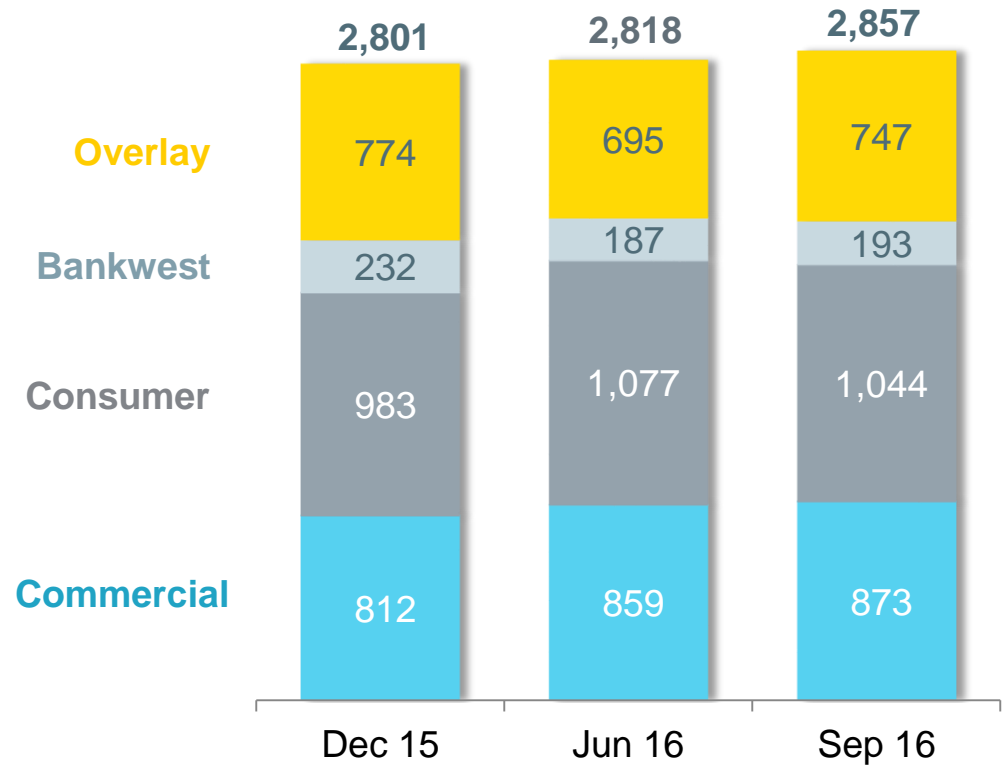
## Individual Provisions

\$m



## Collective Provisions

\$m



# Strength

## Capital

Basel III  
Common Equity Tier 1

## Deposit Funding

% of Total Funding

## Wholesale Funding

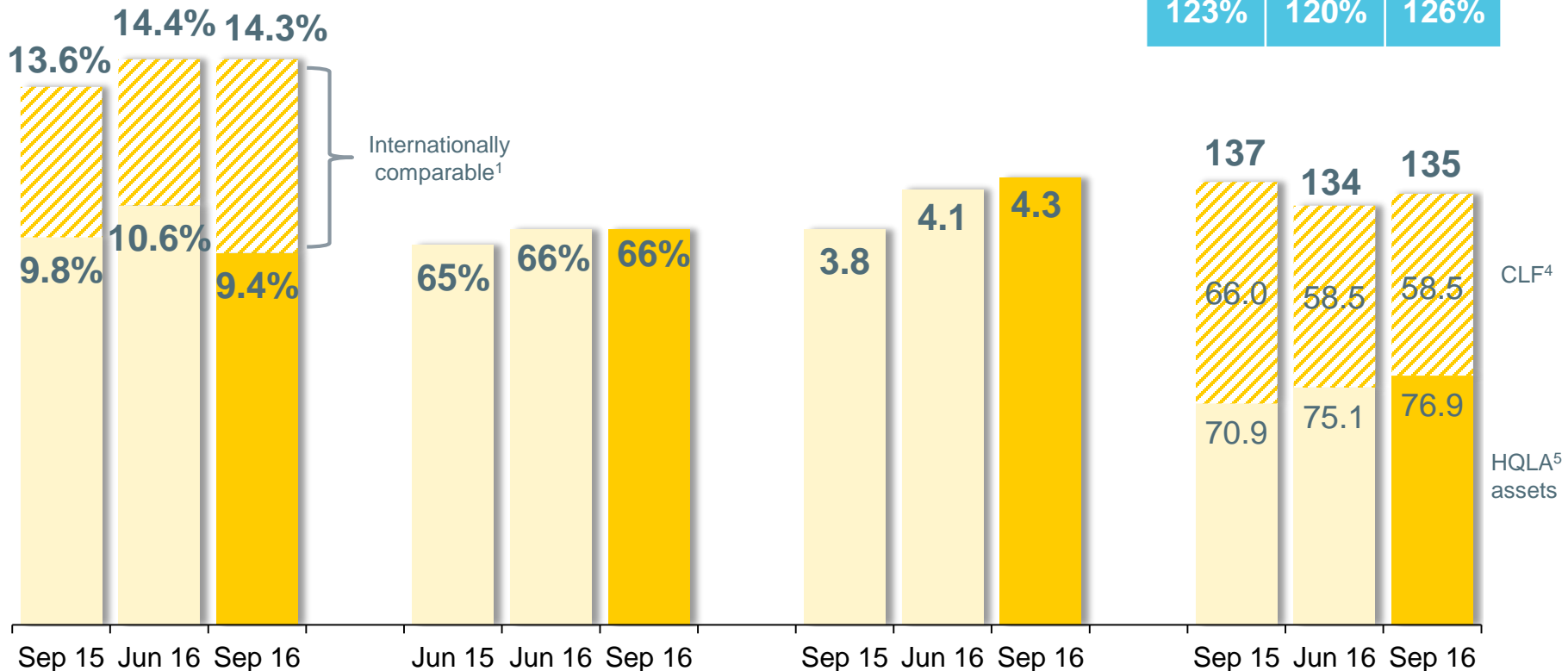
Portfolio Tenor<sup>2</sup>  
(years)

## Liquidity<sup>3</sup>

\$bn

LCR

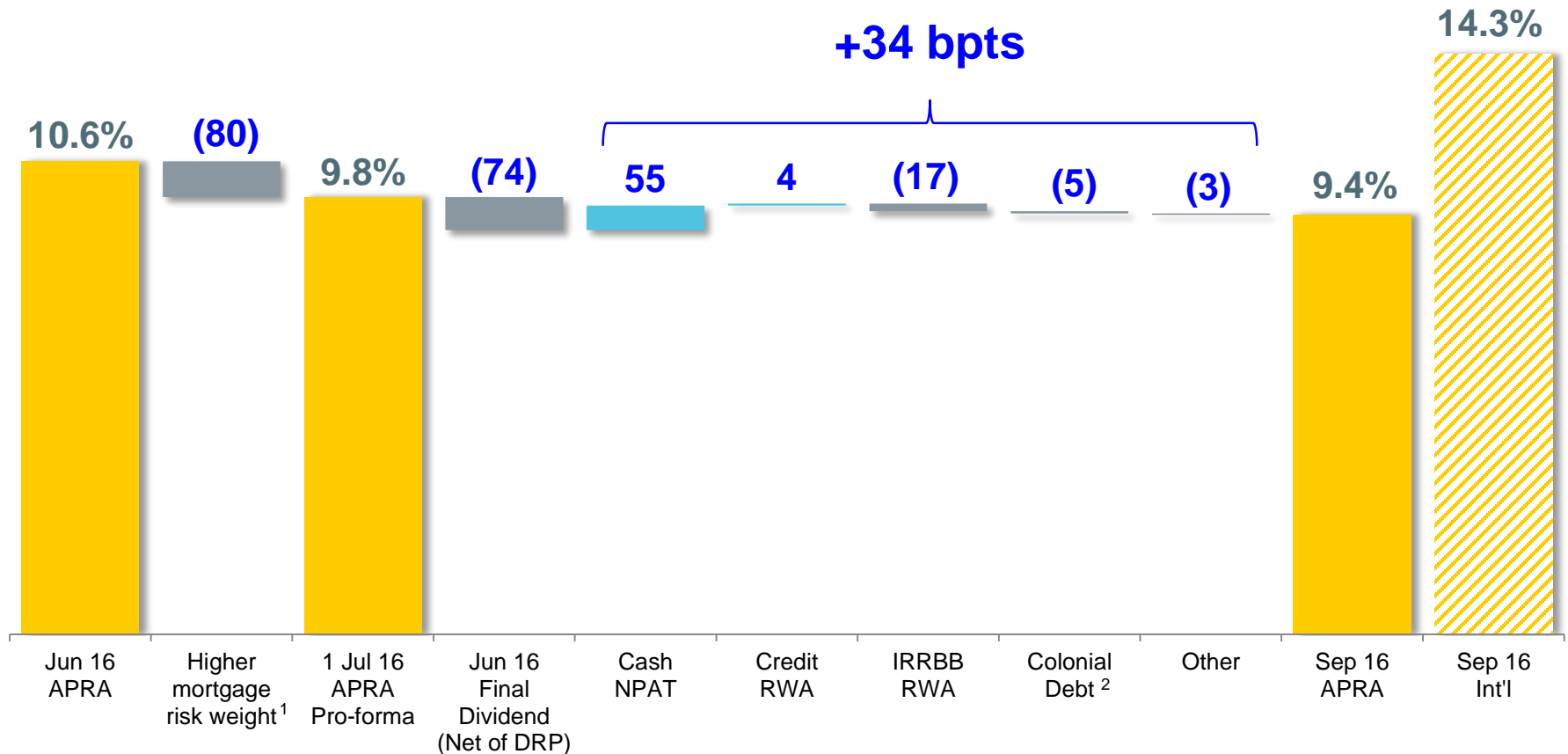
123% 120% 126%



1. The Internationally Comparable CET1 ratio is an estimate of the group's CET1 ratio calculated using rules comparable with our global peers. The analysis aligns with the APRA study entitled "International capital comparison study" (13 July 2015). 2. Weighted Average Maturity of long term wholesale debt. Includes all deals with first call or residual maturity of 12 months or greater. 3. Liquids are reported net of applicable regulatory haircuts. 4. Committed liquidity facility. 5. High quality liquid assets. The Exchange Settlement Account (ESA) balance is netted down by the Reserve Bank of Australia open-repo of internal RMBS.

# Capital

## Basel III Common Equity Tier 1 Ratio



1. On 5 August 2016, APRA reaffirmed its aim to increase the average mortgage risk weight on Australian mortgages measured across all IRB ADIs to an average of at least 25%. APRA has advised both recalibration and modelling changes which are likely to lead to some volatility in mortgage risk weights over coming quarters as these changes are finalised. As previously advised, the expectation is that these changes will impact CET1 by approximately 100 bpts (inclusive of the 80 bpts shown above) over the course of FY17. 2. Colonial debt: the 5 bpts equates to \$200m of the \$1,200m (30 bpts) to mature over FY17.

# Disclaimer

The material in this presentation is general background information about the Group and its activities current as at the date of the presentation, 8 November 2016. 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. Investors should consult with their own legal, tax, business and/or financial advisors in connection with any investment decision.





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