



CommBank PERLS XI Capital Notes

Investor Presentation
1 November 2018



Investments in CommBank PERLS XI Capital Notes are an investment in CBA and may be affected by the ongoing performance, financial position and solvency of CBA. They are not deposit liabilities or protected accounts of CBA under the Banking Act 1959 (Cth)

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In this presentation, words which are capitalised have the meanings given to them in the Prospectus.





Overview



Overview

CommBank PERLS XI Capital Notes (“PERLS XI”)	<ul style="list-style-type: none"> ■ PERLS XI are subordinated, unsecured notes issued by CBA
Offer size	<ul style="list-style-type: none"> ■ A\$750 million, with the ability to raise more or less
Use of proceeds	<ul style="list-style-type: none"> ■ The Offer raises Tier 1 Capital to satisfy CBA’s regulatory capital requirements and maintain the diversity of CBA’s sources and types of funding ■ The net proceeds of the Offer will be used to fund CBA’s business
Face Value	<ul style="list-style-type: none"> ■ Initial Face Value is A\$100 per PERLS XI but may be reduced following a Capital Trigger Event or Non-Viability Trigger Event
Term	<ul style="list-style-type: none"> ■ PERLS XI are perpetual, meaning they have no fixed maturity date and if not Exchanged or Redeemed could remain on issue indefinitely (in which case you would not receive your investment back) ■ However, on the Mandatory Exchange Date (26 April 2026), CBA must Exchange all PERLS XI into Ordinary Shares (subject to the Maximum Exchange Number and Mandatory Exchange Conditions) ■ CBA may Exchange or Redeem PERLS XI earlier on the occurrence of certain events (subject to APRA approval)
Automatic early Exchange	<ul style="list-style-type: none"> ■ CBA must Exchange all or a percentage of the Face Value of each PERLS XI, if a Capital Trigger Event or a Non-Viability Trigger Event occurs. The value of Ordinary Shares the Holder receives could be less than the Face Value
Call Date	<ul style="list-style-type: none"> ■ CBA may in its absolute discretion Redeem or Resell all or some PERLS XI on 26 April 2024, subject to APRA approval
Distributions	<ul style="list-style-type: none"> ■ PERLS XI are scheduled to pay floating rate Distributions quarterly, which are expected to be fully franked (subject to Distribution payment conditions) ■ Margin to be determined through the Bookbuild and is expected to be between 3.70% and 3.90% per annum
Offer Structure	<ul style="list-style-type: none"> ■ The Offer comprises: <ul style="list-style-type: none"> – a Reinvestment Offer – offer to Eligible PERLS VI Holders – a Broker Firm Offer – offer to retail investors who are clients of a Syndicate Broker; and – a Securityholder Offer – offer to eligible holders of Ordinary Shares, PERLS VI, PERLS VII, PERLS VIII, PERLS IX and PERLS X who have a registered address in Australia ■ The Reinvestment Offer and Securityholder Offer Record Date is 25 October 2018
Minimum Application	<ul style="list-style-type: none"> ■ Minimum Application of 50 PERLS XI (A\$5,000) and thereafter in multiples of 10 PERLS XI (A\$1,000)
ASX quotation	<ul style="list-style-type: none"> ■ It is expected that PERLS XI will be quoted under code “CBAPH” on ASX



Reinvestment Offer for Eligible PERLS VI Holders

Reinvestment Offer	<ul style="list-style-type: none"> ■ A reinvestment offer to Eligible PERLS VI Holders to apply to reinvest some or all of their PERLS VI in PERLS XI through the Reinvestment Offer
Who can participate in the Reinvestment Offer	<ul style="list-style-type: none"> ■ To be an Eligible PERLS VI Holder: <ul style="list-style-type: none"> – You are a registered holder of PERLS VI at 7:00pm on the Reinvestment Offer Record Date (25 October 2018); and – You have a registered address in Australia
Options for Eligible PERLS VI Holders	<ul style="list-style-type: none"> ■ Apply to reinvest some or all of PERLS VI in PERLS XI on the Reinvestment Date. Reinvesting PERLS VI will be resold to the PERLS VI Purchaser for A\$100 per PERLS VI and the PERLS VI Resale Proceeds reinvested in PERLS XI on behalf of Reinvesting PERLS VI Holders; or ■ Do nothing, in which case on 17 December 2018¹ all remaining PERLS VI will be compulsorily resold to the PERLS VI Purchaser for \$100 per PERLS VI
Applications	<ul style="list-style-type: none"> ■ All Eligible PERLS VI Holders will either be emailed a link to the electronic version of the Prospectus and the online Reinvestment Form, or will be mailed a printed Prospectus and a personalised Reinvestment Form (based on the communication election) ■ Eligible PERLS VI Holders may apply for PERLS XI under the Reinvestment Offer by either: <ul style="list-style-type: none"> – completing the Reinvestment Form accompanying the Prospectus and lodging the Reinvestment Form with the Registry; or – completing the Reinvestment Form online at www.commsec.com.au ■ Syndicate Broker clients, should contact their Syndicate Broker for information about how and when to lodge the Reinvestment Form
Final Dividend	<ul style="list-style-type: none"> ■ A final distribution of \$0.9989 on all PERLS VI for the period from 15 September 2018 to 14 December 2018 (inclusive), payable on 17 December 2018 ■ All PERLS VI distribution payments are subject to the satisfaction of the Distribution payment conditions in the PERLS VI terms

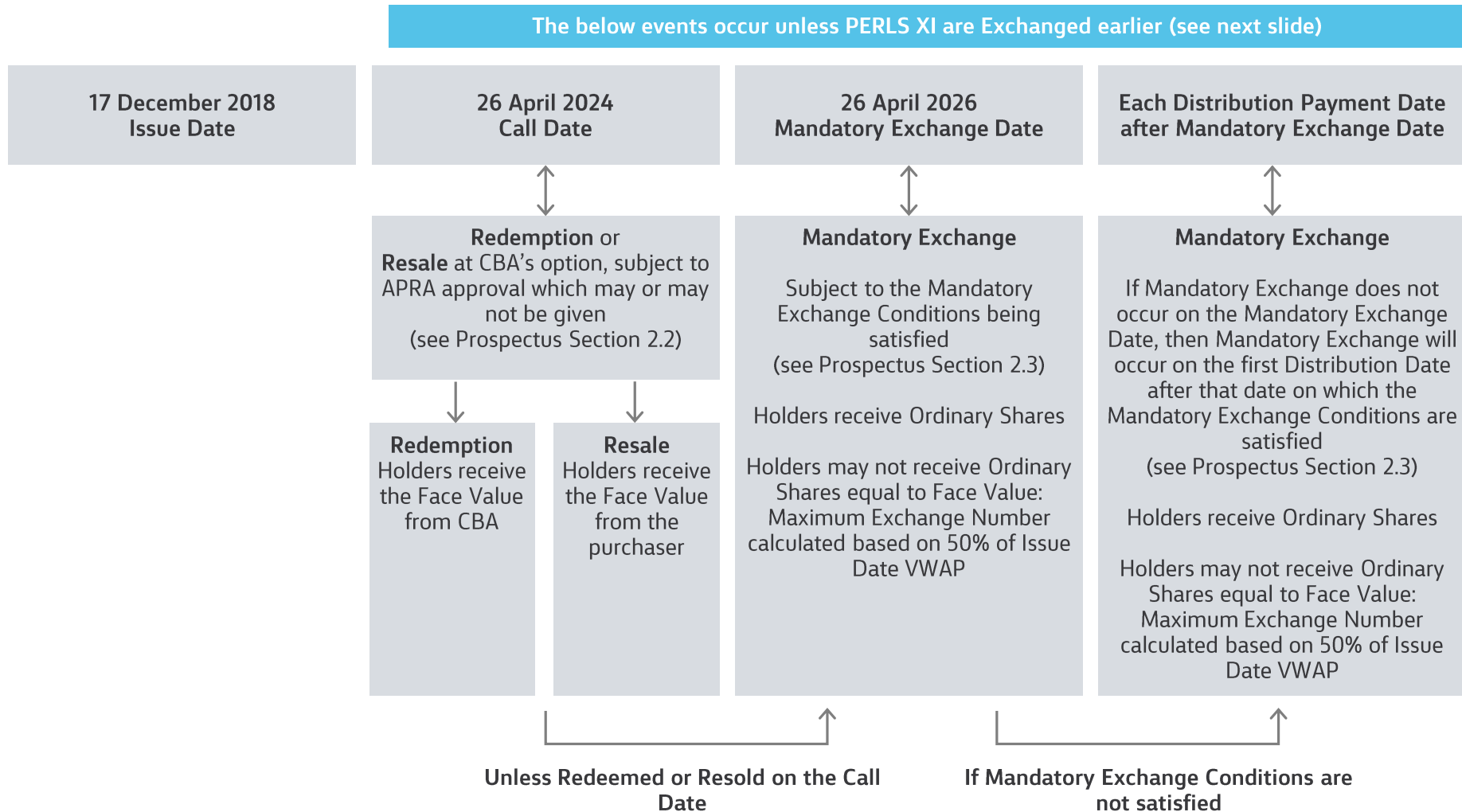
1. The PERLS VI Call Date of 15 December 2018 is not a Business Day for the purposes of the PERLS VI Terms and accordingly, the resale of PERLS VI will occur on the next Business Day (being 17 December 2018).



Summary of Call and Exchange Dates

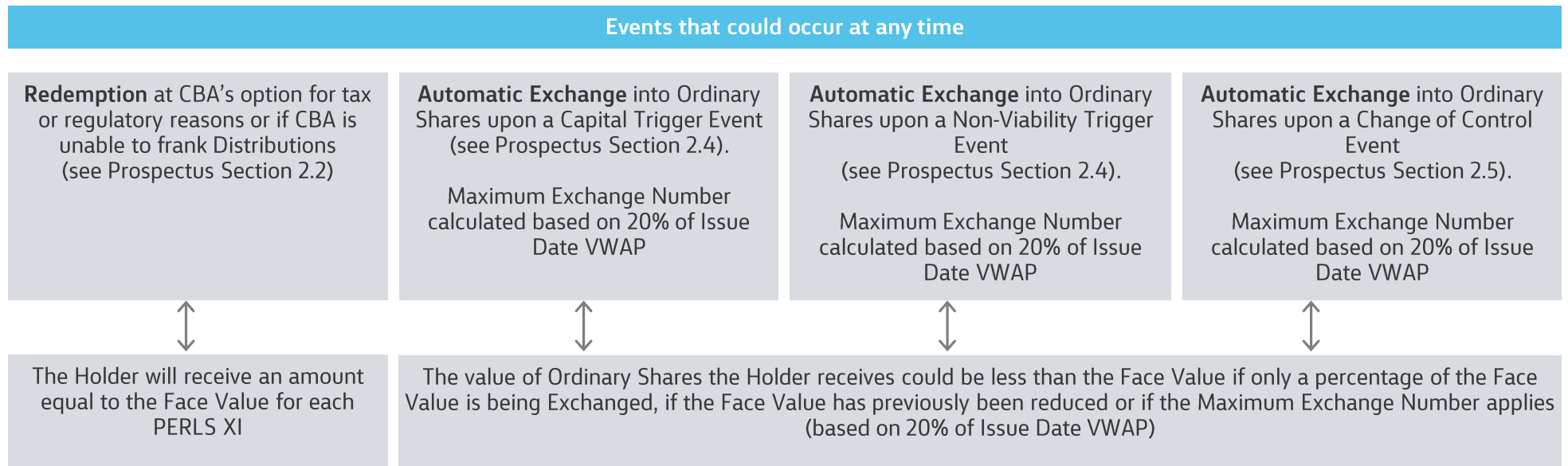
PERLS XI do not have a fixed maturity date but may be Exchanged into Ordinary Shares, Redeemed or Resold. The diagram below summarises when these events could occur.

If none of these events occur, PERLS XI could remain on issue indefinitely and the Face Value will not be repaid.



Summary of events that may occur at any time

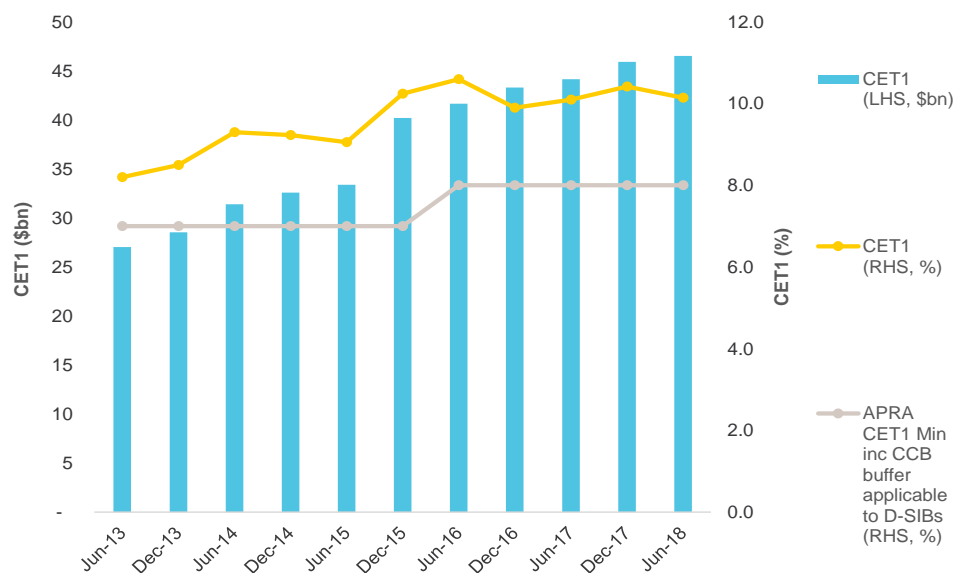
The diagram below summarises events that could happen at any time.



CBA's capital levels are well positioned for 'unquestionably strong'

- APRA has taken a number of actions following the Financial System Inquiry report, including the 'unquestionably strong' recommendation.
- APRA announced that Australia's major banks would need an average benchmark Common Equity Tier 1 (CET1) ratio of 10.5% or more by 1 Jan 2020.
- APRA has since released a number of Discussion Papers to commence consultation on proposed revisions to the capital framework, including:
 - The Capital Framework Discussion Paper (Feb 2018) outlines the main components of the Basel III revisions that APRA expects to make to the risk-based capital requirements for ADIs. APRA has stated it expects the overall impact would be a net increase to ADIs' risk-weighted assets, with no change to the quantum of capital required to be held.
 - Improving the transparency, comparability and flexibility of the ADI capital framework (Aug 2018) – APRA proposes two key alternative approaches, without changing the quantum or allocation of capital.
- CBA's Level 2 CET1 ratio was 10.1% as at 30 Jun 2018 on an APRA basis and 15.5% on an internationally comparable basis (as per the methodology that aligns with the APRA study titled 'International Capital Comparison Study' dated 13 July 2015).
- Consistent with CBA's approach to capital management, CBA will aim to achieve 'unquestionably strong' capital ratios through a range of initiatives, including organic capital generation, commitment to financial strength and announced asset sales.

CBA's Level 2 CET1 Capital (APRA basis)



Key Capital Ratios (Level 2 basis)

	Jun-17	Dec-17	Jun-18
CET1 Capital Ratio	10.1%	10.4%	10.1%
Additional tier 1 capital ratio	2.0%	2.0%	2.2%
Tier 1 Capital Ratio	12.1%	12.4%	12.3%
Tier 2 Capital Ratio	2.1%	2.4%	2.7%
Total Capital Ratio	14.2%	14.8%	15.0%
Risk Weighted Assets (RWA) (\$m)	437,063	440,836	458,612
Leverage Ratio	5.1%	5.4%	5.5%
Internationally Comparable Ratios¹			
CET1 Capital Ratio (Internationally comparable)	15.6%	16.3%	15.5%
Leverage Ratio (Internationally comparable)	5.8%	6.1%	6.3%



Loss absorption capacity and AT1 distribution protection

APRA CET1 requirements

CBA CET1 & Loss Absorption Capacity

AT1 distribution protection

CBA would expect to give priority to payments of Tier 1 Capital distributions to enable CBA to be able to continue paying Ordinary Share dividends

CBA actions to strengthen capital levels

Capital actions CBA may implement to increase capital levels before reaching the Capital Trigger:

- Reducing dividend payout
- DRP discount or underwrite
- Share issue
- RWA growth restrictions
- Expense management

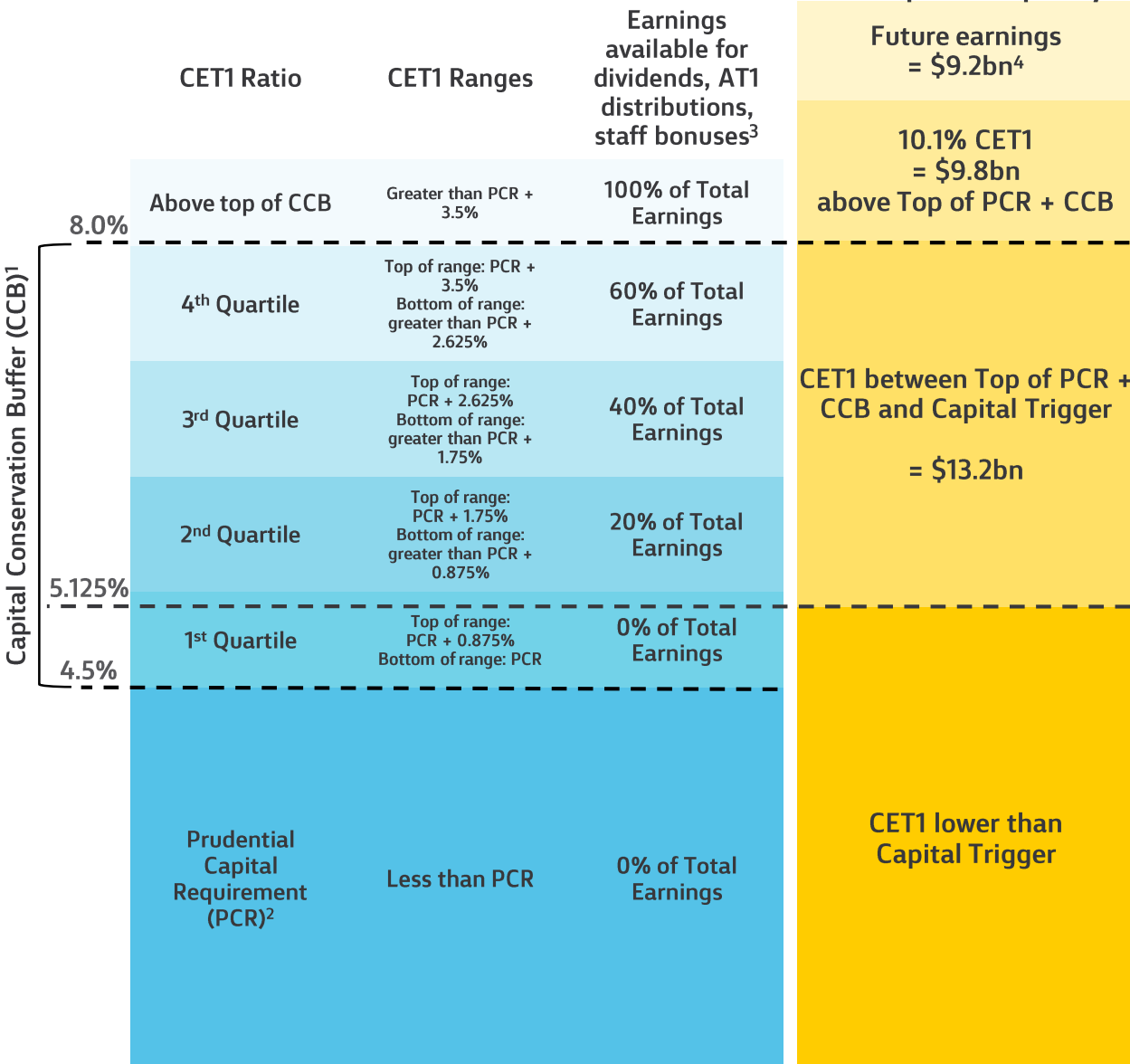
Potential loss absorption before AT1 securities



\$332.2bn CET1 above Capital Trigger

5.125% Capital Trigger

\$23.5bn CET1



1. Assumes that the total CCB (including the D-SIB buffer of 1% and CCyB of 0%) is 3.5%. The CCB is subject to APRA's determination and is not specific to CBA. APRA has set the countercyclical capital buffer (CCyB) applicable to Australian exposures at 0%. The Group has limited exposures to those offshore jurisdictions in which a CCyB in excess of 0% has been imposed

2. 4.5% minimum plus any additional amount required by APRA

3. APRA has provided guidance to the industry (30 August 2016) that an ADI can apply to APRA to make discretionary payments in excess of the constraints imposed by the CCB regime

4. Note that "Future earnings" is not a forecast. It is based on the FY18 Cash NPAT for continuing operations (i.e. \$9.233bn)



Key Dates

Key dates for the Offer	
Securityholder Offer Record Date	25 October 2018
Lodgement of Prospectus with ASIC	1 November 2018
Bookbuild	8 November 2018
Announcement of Margin	9 November 2018
Opening Date for the Offer and lodgement of the replacement prospectus with ASIC	9 November 2018
Closing Date for the Offer	5.00pm (Sydney time) 7 December 2018
Issue Date	17 December 2018
Commencement of deferred settlement trading	18 December 2018
Despatch of Holding Statements	19 December 2018
Commencement of trading on normal settlement basis	20 December 2018

Key dates for CommBank PERLS XI Capital Notes	
First Distribution Payment Date ¹	15 March 2019
Call Date	26 April 2024
Mandatory Exchange Date ²	26 April 2026

Key dates for the Reinvestment Offer for Eligible PERLS VI Holders	
Reinvestment Offer Record Date	25 October 2018
Opening Date for the Reinvestment Offer	9 November 2018
Closing Date for the Reinvestment Offer	5.00pm (Sydney time) 5 December 2018
Ex-date for Final PERLS VI Distribution	6 December 2018
Record date for Final PERLS VI Distribution	7 December 2018
Reinvestment Date – date of resale of Reinvesting PERLS VI to the PERLS VI Purchaser ³	17 December 2018
Issue Date – when CommBank XI Capital Notes are Issued under the Reinvestment Offer	17 December 2018
Payment date for Final PERLS VI Distribution ⁴	17 December 2018

Key dates for the Non-Reinvesting PERLS VI Holders	
Last day of ASX trading for PERLS VI	5 December 2018
Ex-date for Final PERLS VI Distribution	6 December 2018
Record date for Final PERLS VI Distribution	7 December 2018
PERLS VI Call Date	15 December 2018
Payment date for Final PERLS VI Distribution ⁴	17 December 2018
Date of resale of Non-Reinvesting PERLS VI to the PERLS VI Purchaser ³	17 December 2018

1. Distributions are scheduled to be paid quarterly in arrears on the Distribution Payment Dates (15 March, 15 June, 15 September and 15 December each year). Distributions are discretionary and subject to the Distribution payment conditions being satisfied
 2. If the Mandatory Exchange Conditions are not satisfied on that date, then the Mandatory Exchange Date will be the first Distribution Payment Date after that date on which the Mandatory Exchange Conditions are satisfied
 3. The PERLS VI Terms have been amended to reflect that if a resale of PERLS VI is stipulated to take place on a day that is not a Business Day, the resale will occur on the next Business Day, being Monday 17 December 2018
 4. For PERLS VI, the payment date for the Final Distribution is scheduled for 15 December 2018 which is a Saturday. In accordance with the PERLS VI Terms, the payment of the Final PERLS VI Distribution will occur on the next Business Day, being Monday 17 December 2018





Key Features of CommBank PERLS XI Capital Notes



Distributions

Distributions	<ul style="list-style-type: none">■ PERLS XI are scheduled to pay floating rate Distributions quarterly until that PERLS XI is Exchanged or Redeemed■ The first Distribution is scheduled to be paid on 15 March 2019■ Distributions are expected to be fully franked, but will be grossed up to compensate Holders to the extent that a Distribution is not fully franked■ Distributions are discretionary and subject to the Distribution payment conditions being satisfied■ No Distribution will be paid on Exchange where Exchange occurs due to a Capital Trigger Event or a Non-Viability Trigger Event
Distribution Rate	<ul style="list-style-type: none">■ $\text{Distribution Rate} = (\text{Market Rate} + \text{Margin}) \times (1 - \text{Tax Rate})$■ Market Rate is the Bank Bill Swap Reference Rate (BBSW) expressed as a percentage per annum for a term of 3 months■ Margin to be determined through the Bookbuild and is expected to be between 3.70% and 3.90% per annum
Franking credits	<ul style="list-style-type: none">■ Distributions are expected to be fully franked■ The ability for Holders to use franking credits, either as an offset to a tax liability or by claiming a refund, will depend on that Holder's particular tax circumstance and any changes in Australian tax law
Dividend and capital restrictions	<ul style="list-style-type: none">■ Distributions may not be paid in certain circumstances■ Distributions that are not paid do not accrue and will not be subsequently paid■ If a Distribution is not paid, from that Distribution Payment Date and until a Distribution is paid in full on a subsequent Distribution Payment Date (or all PERLS XI are Exchanged, Redeemed or otherwise terminated), CBA cannot (subject to certain exceptions):<ul style="list-style-type: none">— declare or determine a dividend on Ordinary Shares; or— return any capital or undertake any buy-backs or repurchases in relation to Ordinary Shares■ Non-payment of a Distribution will not be an event of default and CBA will have no liability to Holders in respect of the unpaid Distribution



Early Redemption & Resale

Early Redemption Rights for CBA	<ul style="list-style-type: none">■ CBA may Redeem PERLS XI in the following circumstances (subject to certain conditions including prior written approval by APRA):<ul style="list-style-type: none">— on the Call Date (26 April 2024) – all or some PERLS XI; or— at any time – all of PERLS XI for tax or regulatory reasons■ Approval to Redeem is at the discretion of APRA and may or may not be given
Resale on the Call Date	<ul style="list-style-type: none">■ On the Call Date (26 April 2024), CBA may elect that Resale occur in relation to all or some PERLS XI■ If Resale occurs, your PERLS XI will be purchased by a third party for a cash amount equal to the Face Value
No early Exchange or Redemption rights for Holders	<ul style="list-style-type: none">■ You do not have a right to request that your PERLS XI be Exchanged or Redeemed early for any reason■ To realise your investment, you can sell your PERLS XI on ASX at the prevailing market price



Mandatory Exchange

Mandatory Exchange	<ul style="list-style-type: none">■ On the Mandatory Exchange Date (26 April 2026), CBA must Exchange all PERLS XI (subject to the Maximum Exchange Number and Mandatory Exchange Conditions) for a variable number of Ordinary Shares with the benefit of a 1% discount¹■ If all of the Mandatory Exchange Conditions are not satisfied on that date, the Mandatory Exchange Date will be the first Distribution Payment Date after that date on which all the Mandatory Exchange Conditions are satisfied
Maximum Exchange Number	<ul style="list-style-type: none">■ Calculated according to the formula: (Face Value) / (Relevant Percentage x Issue Date VWAP)■ The Relevant Percentage is 50% if Exchange is occurring on a Mandatory Exchange Date
Mandatory Exchange Conditions	<ul style="list-style-type: none">■ There are three Mandatory Exchange Conditions:<ul style="list-style-type: none">– First Mandatory Exchange Condition: the VWAP of Ordinary Shares on the 25th Business Day before (but not including) a possible Mandatory Exchange Date is greater than 56% of the Issue Date VWAP;– Second Mandatory Exchange Condition: the VWAP of Ordinary Shares during the period of 20 Business Days before (but not including) a possible Mandatory Exchange Date is greater than 50.51% of the Issue Date VWAP; and– Third Mandatory Exchange Condition: Ordinary Shares are listed or admitted to trading on ASX as at the Mandatory Exchange Date■ The First and Second Mandatory Exchange Conditions are intended to provide some protection for Holders against Exchange occurring when the price of Ordinary Shares has fallen to such a level that you would only receive the Maximum Exchange Number■ The Third Mandatory Exchange Condition is intended to provide protection to Holders to enable them to sell the Ordinary Shares they receive on ASX if they wish to do so

¹ The number of Ordinary Shares received for each PERLS XI will have a value equal to A\$101.01 (based on the Face Value (initially A\$100) and the VWAP of Ordinary Shares during the 20 Business Days before the Mandatory Exchange Date with the benefit of a 1% discount)



Automatic Early Exchange – Non-Viability Trigger Event

Non-Viability Trigger Event	<ul style="list-style-type: none"> ■ A Non-Viability Trigger Event occurs when APRA notifies CBA in writing that it believes: <ul style="list-style-type: none"> – Exchange of all or some PERLS XI (or the taking of an action in relation to other capital instruments of the CBA Group), is necessary because, without it, CBA would become non-viable; or – a public sector injection of capital, or equivalent support, is necessary because, without it, CBA would become non-viable
Examples of situations in which a Non-Viability Trigger Event may occur	<ul style="list-style-type: none"> ■ Whether a Non-Viability Trigger Event will occur is at the discretion of APRA – there are currently no precedents ■ The circumstances in which APRA may exercise its discretion are not limited to when APRA may have a concern about a bank’s capital levels but may also include when APRA has a concern about a bank’s funding and liquidity levels
Exchange following a Non-Viability Trigger Event	<ul style="list-style-type: none"> ■ If a Non-Viability Trigger Event occurs, CBA must immediately Exchange such number of PERLS XI (or a percentage of the Face Value of each PERLS XI) as specified by APRA or necessary to satisfy APRA that CBA will no longer be non-viable ■ On Exchange, Holders receive a variable number of Ordinary Shares (subject to the Maximum Exchange Number) with the benefit of a 1% discount ■ The Mandatory Exchange Conditions do not apply and the Terms provide that Exchange occurs automatically without the need for any further act or step by CBA and that CBA will recognise Holders as having been issued Ordinary Shares
Maximum Exchange Number	<ul style="list-style-type: none"> ■ Calculated according to the formula: $(\text{Face Value}) / (\text{Relevant Percentage} \times \text{Issue Date VWAP})$ ■ The Relevant Percentage is 20% if Exchange is occurring as a result of a Non-Viability Trigger Event



Automatic Early Exchange – Capital Trigger Event

Capital Trigger Event	<ul style="list-style-type: none"> ■ A Capital Trigger Event occurs when: <ul style="list-style-type: none"> – CBA determines; or – APRA notifies CBA in writing that it believes that either or both the CBA Level 1 Common Equity Tier 1 Capital Ratio or CBA Level 2 Common Equity Tier 1 Capital Ratio is equal to or less than 5.125%
Exchange following a Capital Trigger Event	<ul style="list-style-type: none"> ■ If a Capital Trigger Event occurs, CBA must immediately Exchange such number of PERLS XI (or a percentage of the Face Value of each PERLS XI) as is sufficient to return the relevant Common Equity Tier 1 Capital Ratio to above 5.125% ■ The Mandatory Exchange Conditions do not apply and the Terms provide that Exchange occurs automatically without the need for any further act or step by CBA and that CBA will recognise Holders as having been issued Ordinary Shares
Maximum Exchange Number	<ul style="list-style-type: none"> ■ Calculated according to the formula: (Face Value) / (Relevant Percentage x Issue Date VWAP) ■ The Relevant Percentage is 20% if Exchange is occurring as a result of a Capital Trigger Event
Common Equity Tier 1 Capital Ratio	<ul style="list-style-type: none"> ■ The Common Equity Tier 1 Capital Ratio is the ratio of CBA's Common Equity Tier 1 Capital to its risk-weighted assets, where Common Equity Tier 1 Capital is the strongest form of capital held by CBA ■ As at 30 June 2018, CBA's Level 2 Common Equity Tier 1 Capital Ratio was 10.1%. This equates to a surplus of approximately A\$23.0bn above the Capital Trigger Event level of 5.125%

CBA Level 2 Common Equity Tier 1 Capital levels (under APRA's approach)

	Common Equity Tier 1 Capital Ratio	Common Equity Tier 1 Capital (A\$bn)	Capital Trigger Event	Capital Trigger Event (A\$bn)	Surplus above Capital Trigger Event	Surplus Common Equity Tier 1 Capital (A\$bn)
30 Jun 2018	10.1%	46.5	5.125%	23.5	5.0%	23.0
31 Dec 2017	10.4%	45.9	5.125%	22.6	5.3%	23.3
30 Jun 2017	10.1%	44.2	5.125%	22.4	5.0%	21.8
31 Dec 2016	9.9%	43.3	5.125%	22.4	4.8%	20.9



Comparison between PERLS XI and other types of investments in CBA

There are differences between savings accounts, term deposits, PERLS X, PERLS XI and Ordinary Shares. You should consider these differences in light of your investment objectives, financial situation and particular needs (including financial and taxation considerations) before deciding to invest in PERLS XI. If you have any questions about the differences, you should seek advice from your financial or other professional adviser before deciding to invest in PERLS XI.

	Savings account	Term deposit	PERLS X	PERLS XI	Ordinary Shares
ASX code	Not quoted on ASX	Not quoted on ASX	CBAPG	CBAPH ¹	CBA
Legal Form	Deposit	Deposit	Unsecured subordinated debt obligations	Unsecured subordinated debt obligations	Ordinary share
Guarantee under the Australian government Financial Claims Scheme ²	Yes	Yes	No	No	No
Term	At call (usually)	One month to five years (usually)	Perpetual, CBA must exchange for Ordinary Shares on 15 April 2027 if certain conditions are satisfied	Perpetual, CBA must exchange for Ordinary Shares on 26 April 2026 if the Mandatory Exchange Conditions are satisfied	Perpetual (no maturity date)
Margin	N/A	N/A	3.40% per annum	Expected to be between 3.70% and 3.90% per annum and will be determined through the Bookbuild	N/A
Interest/Distribution/dividend rate and payment dates	Variable (Usually)	Fixed (usually)	Floating	Floating	Variable dividends are payable
Interest/Distribution/dividend payment dates	Monthly (usually)	End of term or per annum (usually)	Quarterly	Quarterly	Semi-annually
Franking of interest/distribution/dividend	N/A	N/A	Yes	Yes	Yes
Interest/distribution/dividends at issuer's discretion	No	No	Yes	Yes	Yes
Impact on interest/distribution/dividend if interest/distribution/dividend not paid	No	N/A	Yes, applies to Ordinary Shares until next distribution payment date	Yes, applies to Ordinary Shares until next Distribution Payment Date	No
Transferable	N/A	No ³	Yes - quoted on ASX	Yes - quoted on ASX ¹	Yes - quoted on ASX
Investor's ability to withdraw or redeem	Yes	Yes ³	No	No	No
Redemption at CBA's option (Subject to APRA approval and certain other conditions)	No	No	Yes, on 15 April 2025 and in certain specified conditions	Yes, on 26 April 2024 and in certain specified conditions (see Section 2.2)	No
Conversion to Ordinary Shares on a Capital Trigger Event or Non-Viability Trigger Event	No	No	Yes, following a Capital Trigger Event (CET1 ratio equal to or less than 5.125%) or Non-Viability Trigger Event ⁴		N/A
Ranking	See Section 1.1.2 "Ranking of PERLS XI in a winding up of CBA" and Section 2.6 "How will CommBank PERLS XI Capital Notes rank in a winding up?"				

1. CBA will apply for PERLS XI to be quoted by ASX and they are expected to trade under code "CBAPH"

2. The guarantee is provided for up to A\$250,000 deposited per person with each Australian authorised deposit-taking institution

3. Can be withdrawn subject to certain conditions

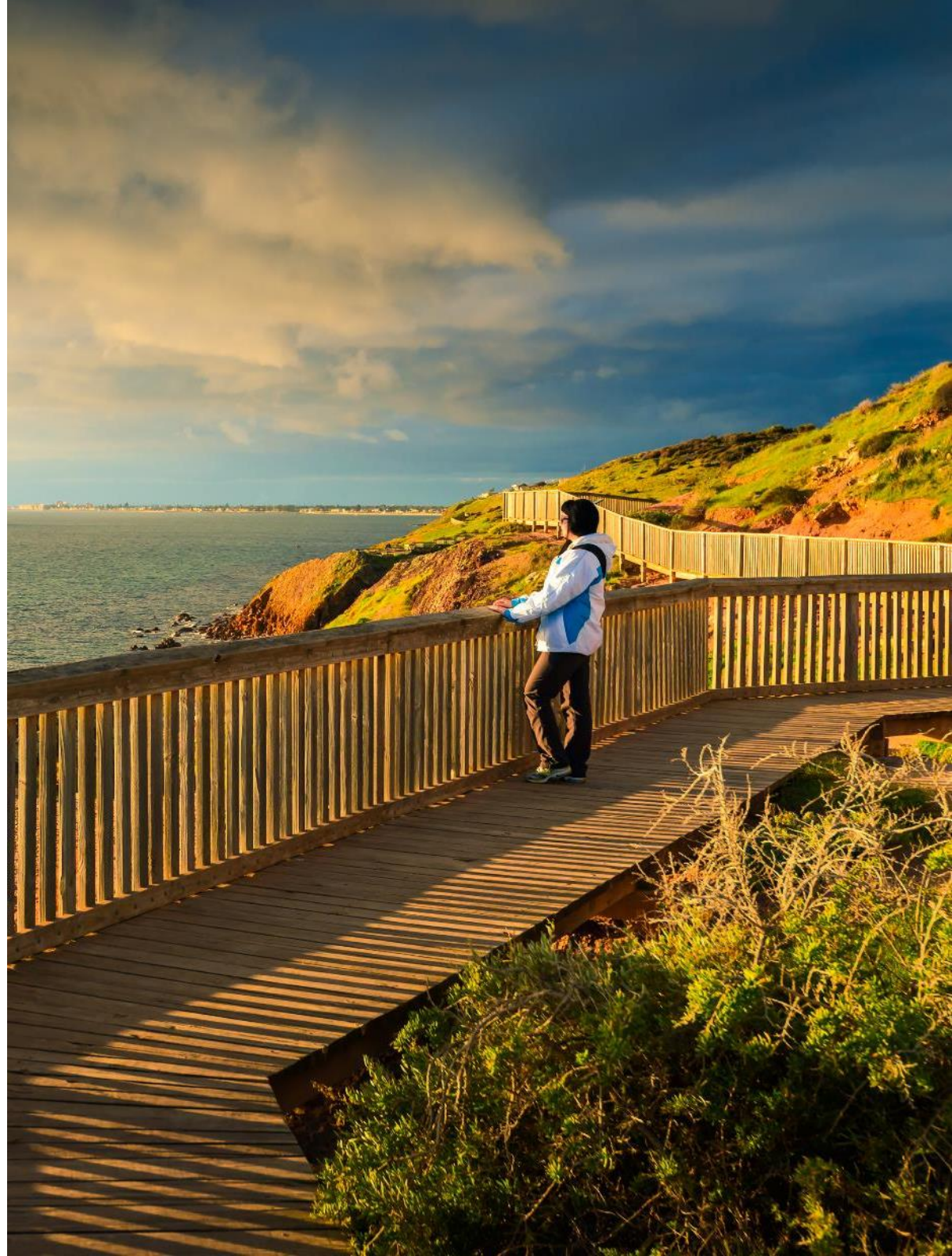
4. In relation to PERLS XI, see Section 2.4 "Automatic Exchange on a Capital Trigger Event or Non-Viability Trigger Event"

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Information about CBA



FY18 Financial Results

Financial

	FY18	vs. FY17
Cash NPAT (\$m) ¹	9,233	(4.8%)
ROE (Cash) (%) ¹	14.1%	(160) bpts
Cash EPS (cents) ¹	528.6	(6.2%)
DPS (\$)	4.31	+2 cents
Cost-to-Income (%) ^{1, 2}	44.8%	270 bpts
NIM (%) ¹	2.15	+5 bpts
LIE to GLAA (bpts)	15	Flat

Balance Sheet

	FY18	vs. FY17
Total assets (\$bn)	975	(0.1%)
Total liabilities (\$bn)	907	(0.6%)
RWA (\$bn)	459	+4.9%
FUA (\$bn) – average ¹	154	+9.0%
Deposit Funding (%)	68%	+1.0%
LT Wholesale Funding WAM (yrs)	5.1	+1.0yrs

1. Presented on a continuing operations basis

2. Operating expenses to total operating income

3. Divisional metrics are reported on a cash basis for continuing operations. Excludes IFS and Other

4. Internationally comparable methodology aligns with the APRA study titled 'International Capital Comparison Study' (13 July 2015)

Divisional Performance (Cash NPAT)³

	FY18	vs. FY17
Group (\$m)	9,233	(4.8%)
Retail Banking Services (\$m)	5,193	+5.3%
Business and Private Banking (\$m)	1,888	+4.4%
Institutional Banking & Markets (\$m)	1,121	(14.5%)
Wealth Management (\$m)	563	+33.4%
New Zealand (\$m)	975	+12.2%
Bankwest (\$m)	681	+18.2%

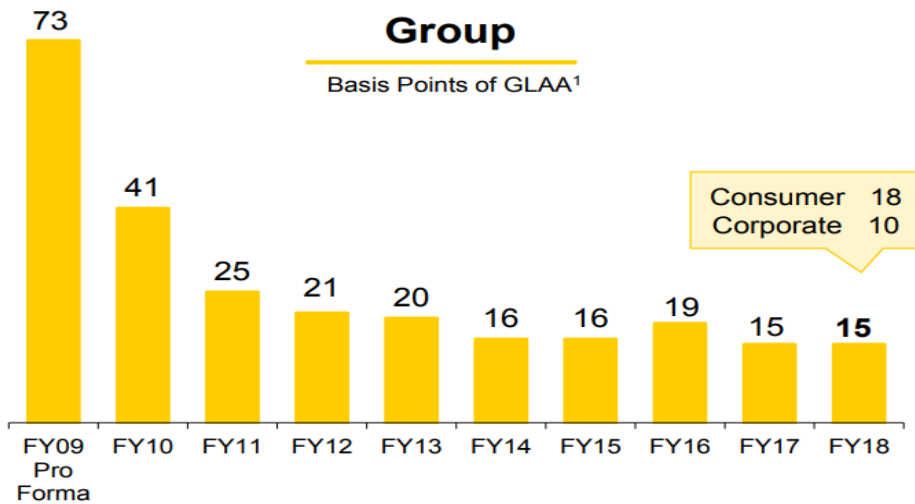
Capital & Funding

	FY18	vs. FY17
Capital - CET1 (APRA)(%)	10.1%	Flat
Capital - CET1 (Int'l)(%) ⁴	15.5%	(10) bpts
Liquidity Coverage Ratio (%)	131%	+2.0%
Leverage Ratio (APRA) (%)	5.5%	+40 bpts
Leverage Ratio (Int'l)(%) ⁴	6.3%	+50 bpts
Net stable funding ratio (%)	112%	+5.0%



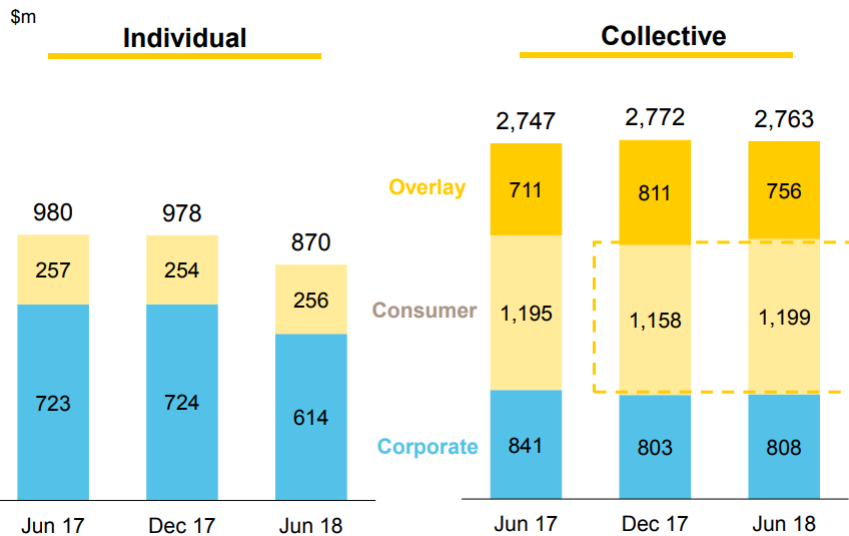
Sound credit quality

Impairment expense at 15 bpts

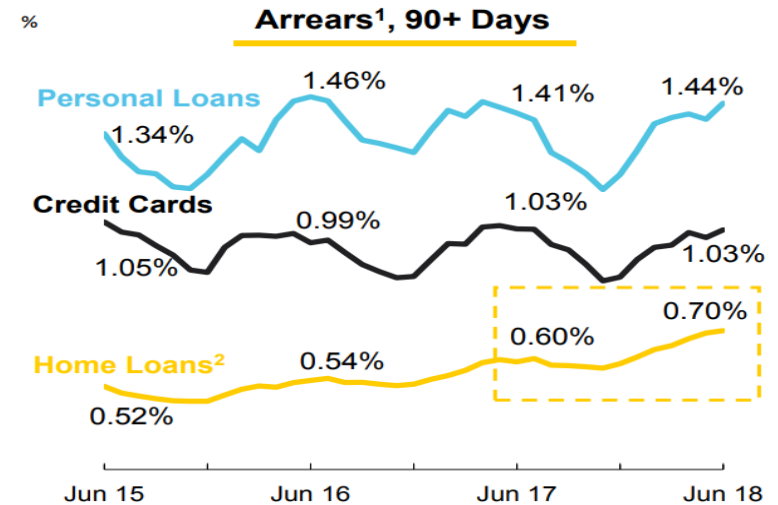


1. Cash LIE as a percentage of average GLAA (bpts). FY09 includes Bankwest on a pro-forma basis and is based on LIE for the year. Statutory LIE for FY10 48 bpts and FY13 21 bpts

Provisioning



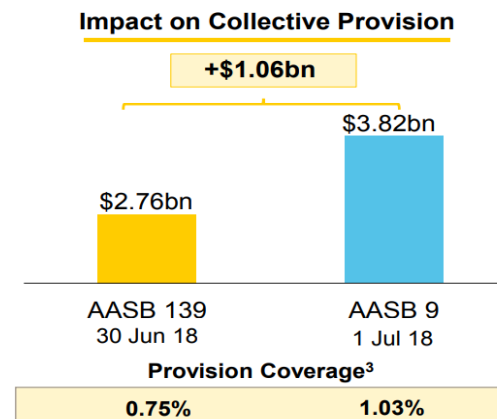
Consumer arrears



1. Consumer arrears includes retail portfolios of CBA (Retail Banking Services, Business and Private Banking), Bankwest and New Zealand
2. Excludes Reverse Mortgage, Commonwealth Portfolio Loan (CBA) and Residential Mortgage Group (CBA) loans

Impact of AASB 9 Financial Instruments

Higher collective provisioning took effect from 1 July 2018



Increase of \$1.06bn due to:

- forward-looking factors¹
- lifetime expected credits losses on stage 2 loans²

Increase to be taken through opening retained earnings with no impact on the Income Statement

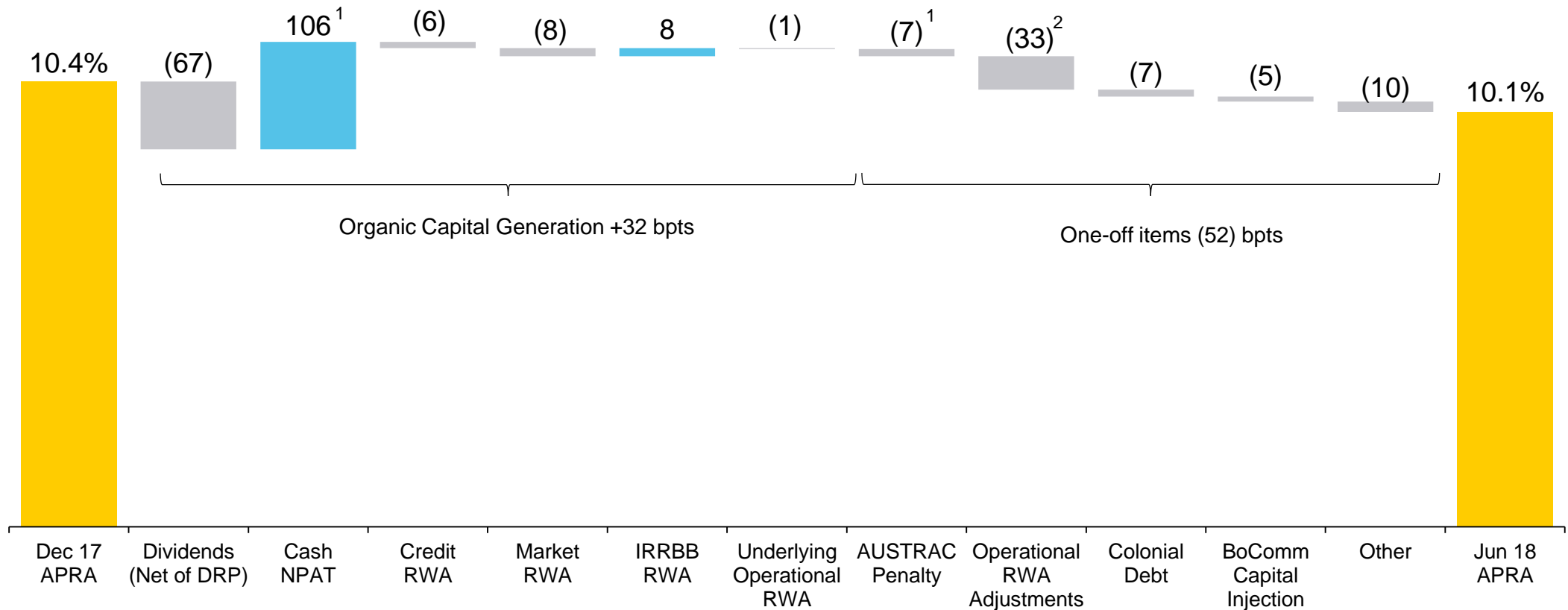
CET1 ratio decrease of 18 bpts:

- Higher Collective Provisions (-23 bpts)
- Reversal of CET1 deduction for the shortfall to Regulatory Expected Loss due to higher provisions under AASB 9 (+5 bpts)

1. Collective provision under AASB 9 reflects management's views about the impact of future forecast economic scenarios on the level of credit losses in the portfolio
2. Stage 2 includes loans that have experienced significant deterioration in credit risk since origination
3. Represents collective provisions divided by credit risk weighted assets

Strong capital position

The Group's Jun-18 of 10.1% absorbs several one-off items



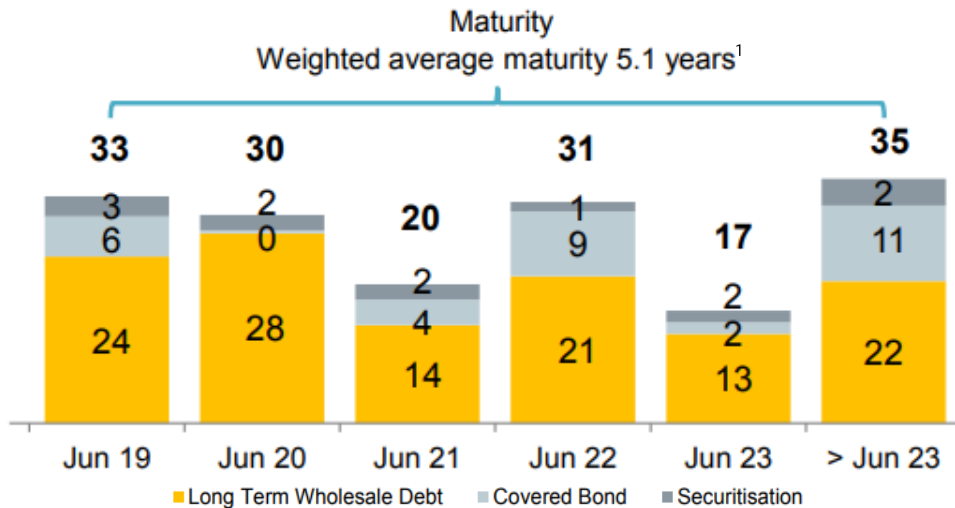
Contribution to change in APRA CET1 ratio:

- Of the \$700m total penalty announced 4 June 2018, \$375m was provided for in the Dec-17 (1H18) results. The additional \$325m (-7bpts) for the AUSTRAC civil penalty has been shown separately in one-off items.
- Includes APRA's requirement to increase operational risk regulatory capital (-28bpts) and movement of Wealth Management Advice business to the regulatory consolidated group (-5bpts)



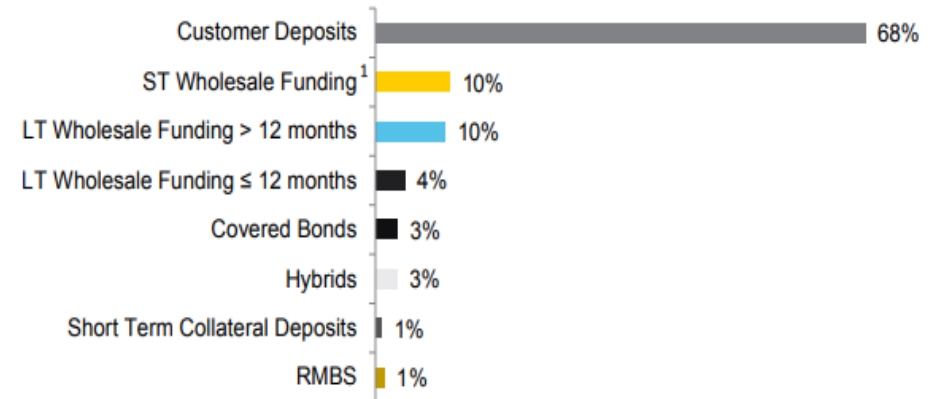
Funding and liquidity

Wholesale funding maturity profile (A\$bn)



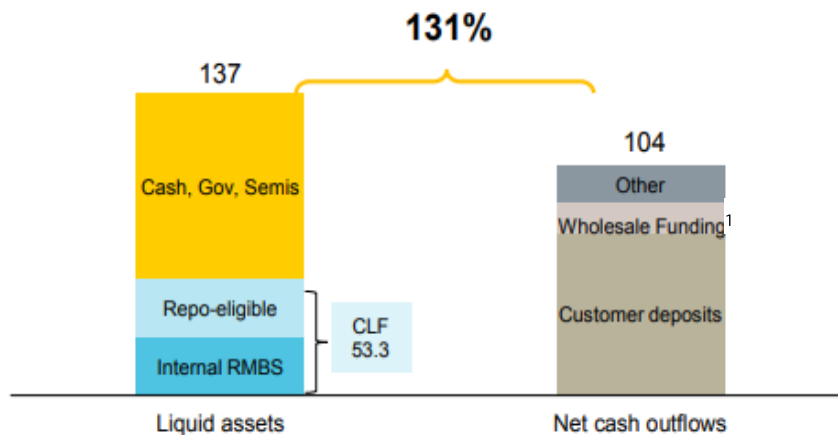
1. Represents the weighted average maturity of outstanding long-term wholesale debt with a residual maturity greater than 12 months at 30 June 2018

Funding composition - Jun 18

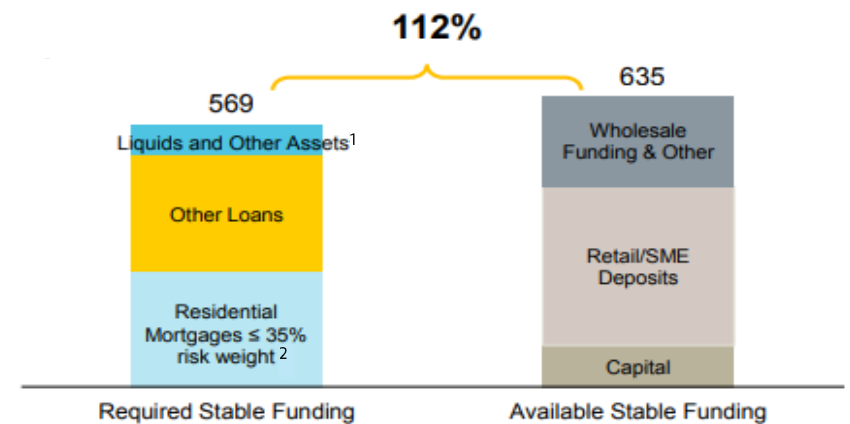


1. Includes the categories 'central bank deposits' and 'due to other financial institutions' (including collateral received)

LCR - Jun 18 (A\$bn)



NSFR - Jun 18 (A\$bn)

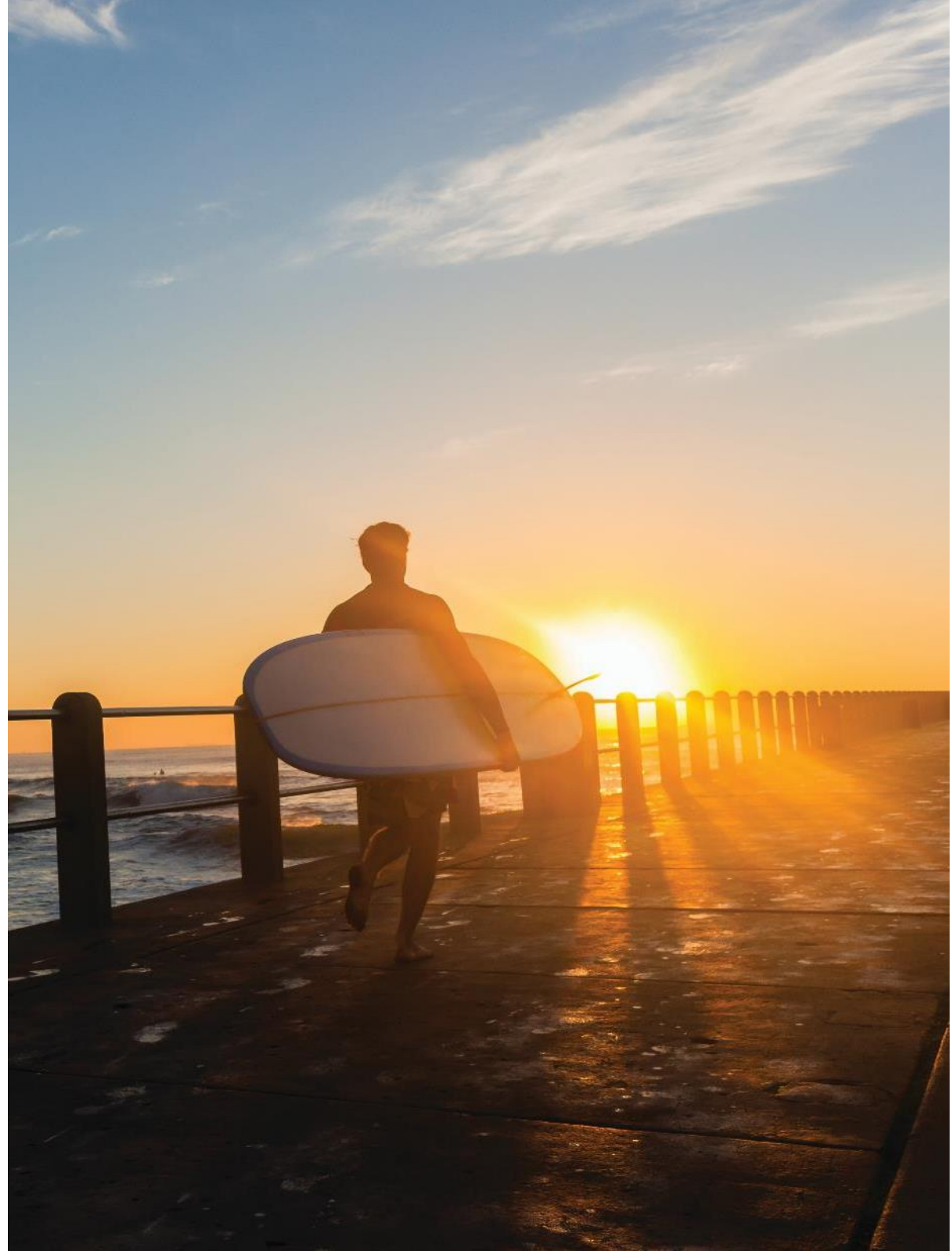


1. Includes all interbank deposits that are included as short term wholesale funding

1. 'Other assets' includes non-performing loans, off-balance sheet items, net derivatives and other assets
2. This represents residential mortgages with risk weighting ≤35% under APRA standard APS112 Capital Adequacy: Standardised Approach to Credit Risk



Bank Hybrid Securities Basics



Bank hybrid securities basics

ASIC has published guidance on hybrid securities on its MoneySmart website which may be relevant to your consideration of CommBank PERLS XI Capital Notes. You can find this guidance by searching “hybrid securities” at www.moneysmart.gov.au.

CBA has developed an interactive module on bank hybrid securities basics and is available to potential investors to help them understand bank hybrid securities, their features and risks. It is available from www.commbank.com.au/about-us/shareholders/securities/bank-hybrid-securities-basics.html, and can be found by searching hybrid securities basics on www.commbank.com.au.

The screenshot displays the MoneySmart website interface. At the top, there is a navigation bar with 'Menu' and 'Bank hybrid securities and you' (highlighted in yellow) and 'How to use'. Below this, a large heading reads 'WELCOME TO BANK HYBRID SECURITIES BASICS'. A sub-heading states: 'Welcome to this module on basic things we think you should know about investing in bank hybrid securities. This is an interactive module and you will have an opportunity to answer questions to test your understanding.' A yellow 'Start Learning >' button is positioned below the text. A sidebar on the left contains icons for 'What will you learn?' and 'How you invest in a bank'. The main content area features the ASIC logo and the MoneySmart logo. A navigation menu includes: Home, Managing your money, Borrowing & credit, Insurance, Superannuation & retirement, Investing (highlighted), Scams, Life events & you, and Teach. The breadcrumb trail reads: Home > Investing > Complex investments > Hybrid securities and notes. The sidebar lists: Borrowing to invest, Complex investments, Agribusiness schemes, Capital guaranteed & capital protected, Carbon trading, Collateralised debt obligations, Contracts for difference, Exchange traded products (ETPS), and Foreign exchange trading. The main content area displays the title 'Hybrid securities and notes' and a sub-heading 'Consider the features and risks'. The text explains that hybrid securities (including subordinated notes, capital notes and convertible preference shares) may be from well-known companies, banks and insurers but they are very different from other fixed interest investments. It notes that some hybrid securities make investors take on 'equity-like' risks but only give them at best, 'bond-like' returns. Some have terms and conditions that allow the issuer to exit the deal or suspend interest payments when they choose. Others may convert into ordinary shares, or be written off completely if the issuer experiences financial difficulty. It concludes that hybrid securities may not be suitable for you if you need steady returns or capital security. Below this, there are two expandable sections: 'What are hybrid securities?' and 'The risks of hybrid securities'.





Key Contacts



Contacts

PERLS XI Information Line – 1800 132 009 (Monday to Friday 8.00am – 7.30pm, Sydney time) during the Offer Period

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Appendix: CommBank PERLS XI Capital Notes – Key Benefits and Key Risks

Key Benefits of PERLS XI

- PERLS XI are scheduled to pay a floating Distribution Rate
- PERLS XI Distributions are scheduled to be paid quarterly in arrears
- PERLS XI pay a fixed Margin above the Market Rate to be determined through the Bookbuild
- PERLS XI Distributions are expected to be fully franked
- PERLS XI are expected to be listed on ASX and may be traded on ASX
- PERLS XI provide investors an opportunity to diversify their investment portfolio

Key Risks of PERLS XI¹

Risks associated with CommBank PERLS XI Capital Notes specifically

- Investments in PERLS XI are not deposit liabilities or protected accounts under the Banking Act. Investments in PERLS XI are an investment in CBA and may be affected by the ongoing performance, financial position and solvency of CBA
- Holders of PERLS XI are subordinated and unsecured creditors. In a winding up of CBA, Holders' claims will rank after the claims of holders of Senior Ranking Obligations, creditors preferred by law and secured creditors
- Distributions are discretionary and subject to the Distribution payment conditions being satisfied. Distributions that are not paid do not accrue and will not be subsequently paid
- PERLS XI may be Exchanged for Ordinary Shares on the Mandatory Exchange Date (subject to the Maximum Exchange Number and Mandatory Exchange Conditions) or on another date if certain events occur, including if a Capital Trigger Event, Non-Viability Trigger Event or Change of Control Event occurs
- A Capital Trigger Event or Non-Viability Trigger Event may occur, where CBA must immediately Exchange all or some of PERLS XI into Ordinary Shares
- PERLS XI may not be Exchanged on the scheduled Mandatory Exchange Date and you may continue to hold PERLS XI indefinitely
- CBA may Redeem, or procure a Resale of, PERLS XI on the Call Date or at any time for tax or regulatory reasons, subject to APRA's prior written approval. APRA's approval may or may not be given
- Holders do not have a right to request that PERLS XI be Exchanged or Redeemed early
- CBA may raise more debt and issue further securities which rank equally with or ahead of PERLS XI, whether or not secured
- The Distribution Rate will fluctuate with changes in the Market Rate. There is a risk the Distribution Rate may become less attractive compared to returns on comparable securities or investments
- The market price of PERLS XI on ASX will fluctuate and you may lose some of the money you invested in PERLS XI if you sell them
- Liquidity of PERLS XI on ASX may be low and you may not be able to sell your PERLS XI at an acceptable price or at all

¹ You should read Section 5 "Risk of CommBank PERLS XI Capital Notes" in full before deciding to invest. The risks are outlined in this section are not exhaustive and there may be other risks which may affect the performance of PERLS XI



Appendix: CommBank PERLS XI Capital Notes – Key Benefits and Key Risks

Key Risks of PERLS XI (cont.)¹

- Holders may be subject to FATCA withholding and information reporting
- In certain circumstance as set out in 12.3 of the Terms, CBA may amend the Terms without the consent of the Holder and subject to compliance with relevant laws, or with the consent of Holders if a Special Resolution is passed
- CBA may substitute for itself a non-operating holding company (“NOHC”)
- CBA’s business may be controlled by a statutory manager, as appointed by APRA

Risks associated with CBA’s businesses which may affect CommBank PERLS XI Capital Notes

- CBA is subject to extensive regulation and political scrutiny, which could adversely impact its operations and financial position
- CBA may be adversely affected by damage to its reputation
- CBA may be adversely impacted by a downturn in the Australian and New Zealand economy
- CBA may be adversely affected by deteriorations in the global financial markets
- CBA is subject to intense competition which may adversely affect its performance
- CBA may incur losses due to the operational risks
- CBA may be adversely impacted by information security risks, including cyber-attacks
- CBA may be adversely affected by human capital risk
- CBA could suffer losses due to climate change or catastrophic events
- CBA is subject to compliance risks, which could adversely impact its future results
- CBA’s business could be negatively impacted by substantial legal liability or regulatory action
- CBA may incur losses as a result of the inappropriate conduct of its staff
- CBA may incur losses associated with counterparty exposures
- CBA’s results may be adversely affected by liquidity and funding risks
- CBA may be adversely affected by capital adequacy risk
- CBA may be adversely affected by market risks, including exchange rates
- CBA’s results could be adversely impacted by strategic risks
- CBA’s performance and financial positions may be adversely affected by acquisitions or divestments of businesses
- CBA could be adversely impacted by investor activism
- CBA may be adversely impacted by insurance risk

¹ You should read Section 5 “Risk of CommBank PERLS XI Capital Notes” in full before deciding to invest. The risks are outlined in this section are not exhaustive and there may be other risks which may affect the performance of PERLS XI



Thank you

