

**Determined** to be better than we've ever been.

# Commonwealth Bank of Australia

## September Quarter 2010 Information Pack

For the quarter ended 30 September 2010

15 November 2010

Commonwealth Bank of Australia. ACN 123 123 124



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# Disclaimer

The material that follows is a presentation of general background information about the Bank's activities current at the date of the presentation, 15 November 2010. 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.



# Summary – September Quarter 2010

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Operating conditions remain challenging;

- Global economic recovery still fragile; regulatory uncertainties
- Muted system credit growth
- Elevated funding costs

Unaudited cash earnings of approximately \$1.6 billion;

- Good cost discipline
- Further gradual improvement in credit quality

CBA well positioned;

- Strong organic capital generation - Tier 1 Capital Ratio increased to 9.6%
- \$92 billion in liquid assets
- Strong provisioning – industry leading Total Provisions to Credit RWAs
- Effective execution of strategic agenda setting platform for future growth



# Business Summary

## Australia - Retail

- Disciplined cost control
- Higher funding costs impacting margins
- Arrears trending lower in key portfolios
- Bankwest – solid performance

## Australia - Commercial

- Improved outlook, but confidence still fragile
- Expect stronger system growth in 2<sup>nd</sup> Half
- Modest growth in SME lending
- Solid growth in deposits

## Wealth Management

- Good Funds Management income growth
- FUA up 4.6%, FUM up 4.4%
- FirstChoice positive netflows
- Inforce premiums up 2.1%

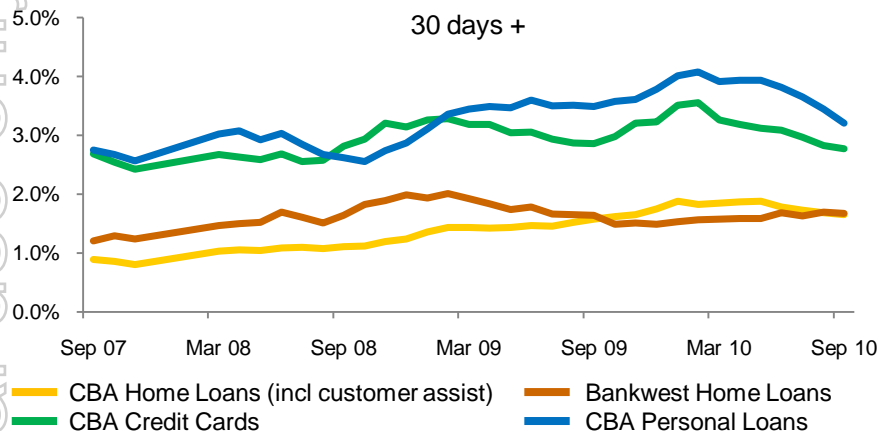
## New Zealand

- Improving economic outlook
- ASB performing relatively well
- Improved margins
- Consumer arrears stable

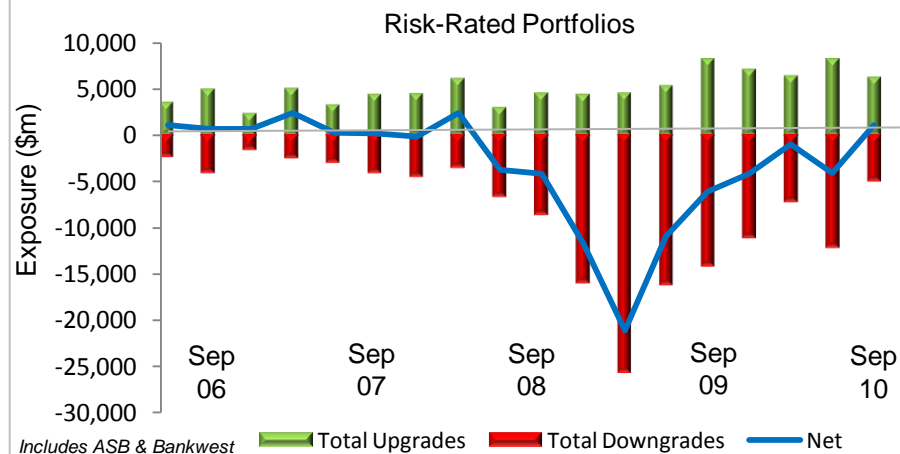


# Credit Quality

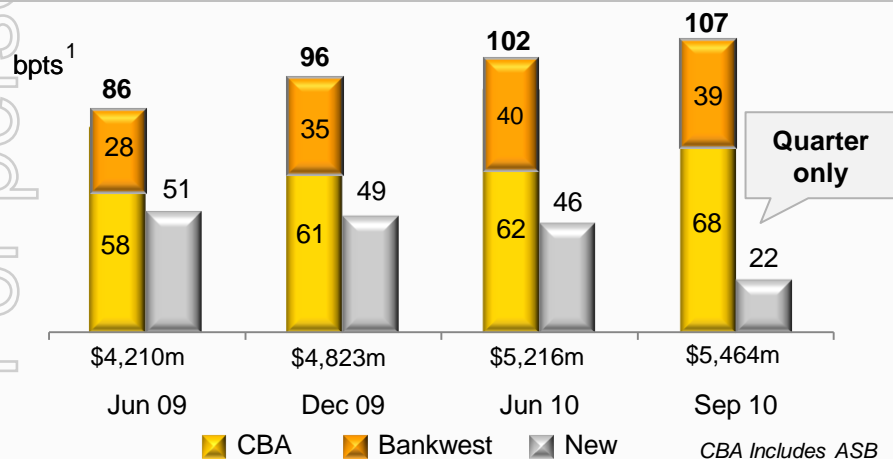
## Consumer arrears



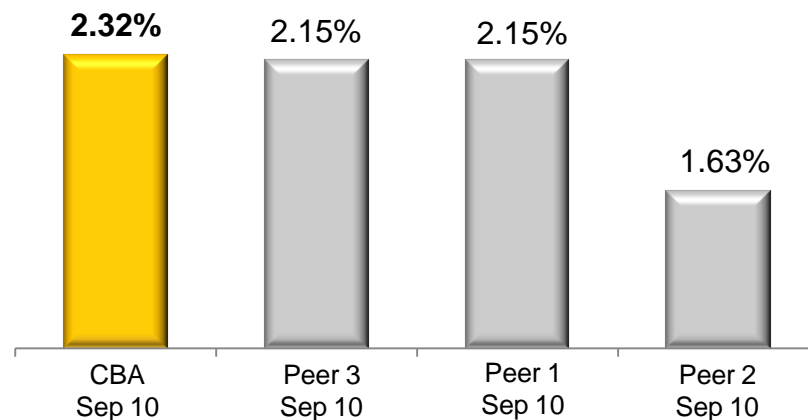
## Portfolio migrations



## Total and new impaired assets to GLA

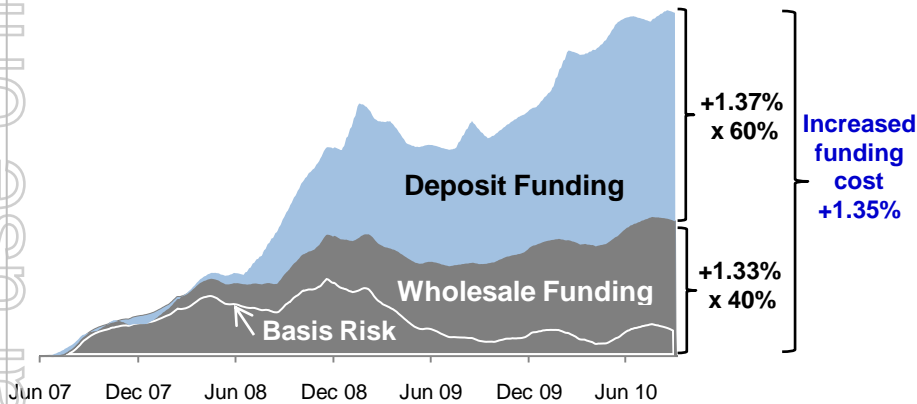


## Total provisions to Credit RWA<sup>2</sup>

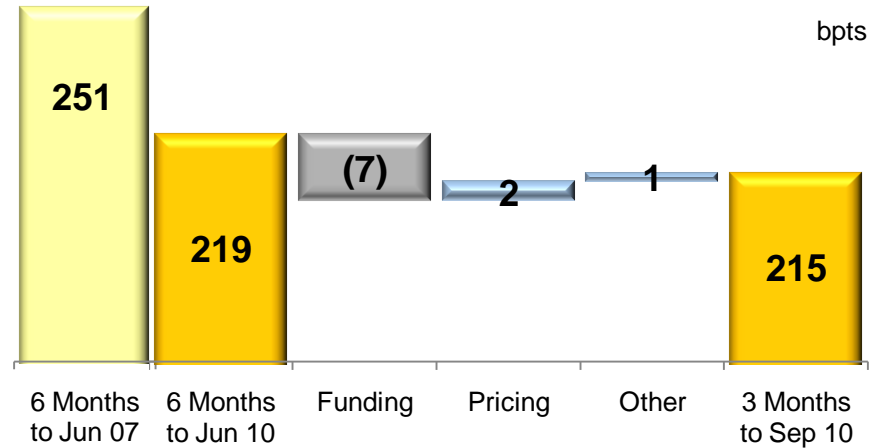


# Funding and Capital

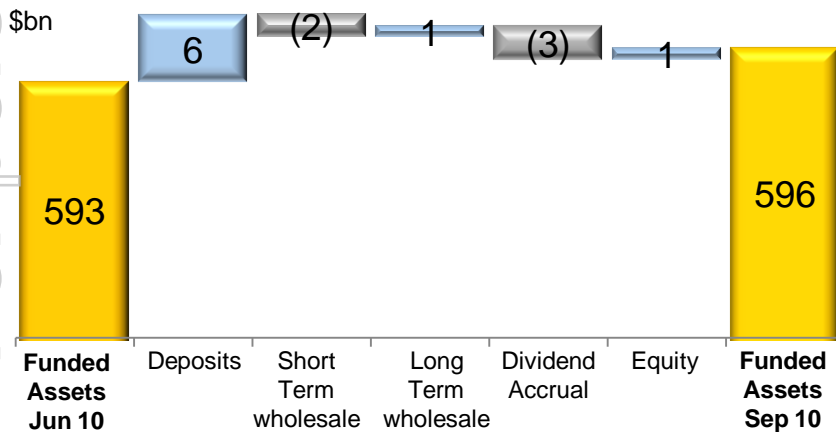
## Retail Bank funding costs



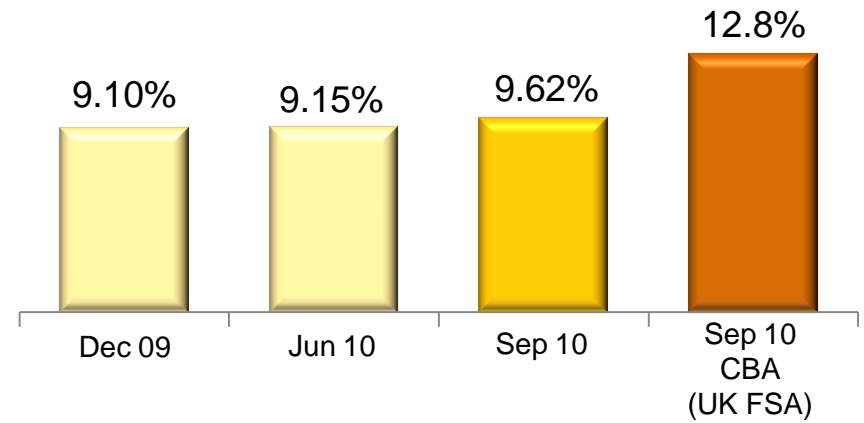
## Retail Bank margin



## Asset growth entirely deposit funded



## Tier 1 capital ratio of 9.62%



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