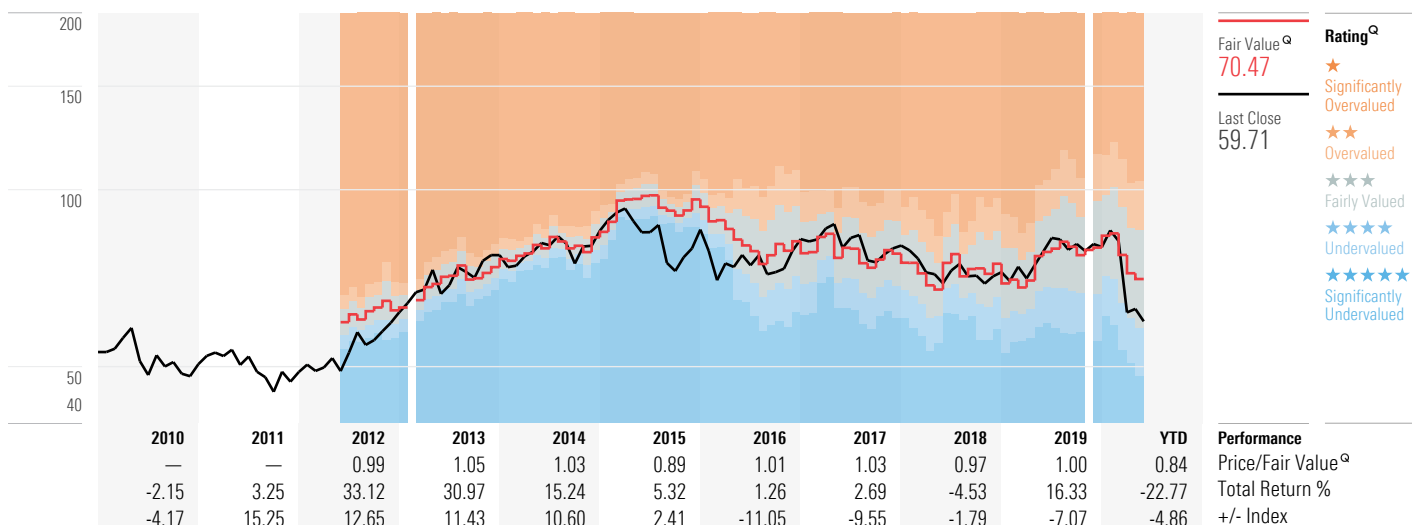


Commonwealth Bank of Australia CBA ★★★ Q 12 May 2020, 22:35 UTC

Economic Moat ^Q Narrow	Uncertainty ^Q Very High	Price/Fair Value ^Q 0.8	Trailing Dividend Yield % 7.22	Market Cap 105.7010 Bil	Investment Style Large Value	Sector Financial Services	Industry Banks - Diversified
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Total Return % as of 12 May 2020. Last Close as of 12 May 2020. Fair Value as of 12 May 2020, 22:35 UTC. Index: Morningstar Australia GR AUD.

There is no one analyst in which a Quantitative Fair Value Estimate and Quantitative Star Rating are attributed to; however, Mr. Lee Davidson, Head of Quantitative Research for Morningstar, Inc., is responsible for overseeing the methodology that supports the quantitative fair value. As an employee of Morningstar, Inc., Mr. Davidson is guided by Morningstar, Inc.'s Code of Ethics and Personal Securities Trading Policy in carrying out his responsibilities. For information regarding Conflicts of Interests, visit <http://global.morningstar.com/equitydisclosures>

Valuation^Q as of 12 May 2020



Fair Value^Q
70.47
Uncertainty^Q:
Very High

Last Close
59.71

CBA is undervalued at a 15% discount.

Economic Moat^Q
Narrow

Financial Health^Q
Strong

1-Star Price^Q
> 103.28

5-Star Price^Q
< 48.09

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Financials as of 12 May 2020 (Fiscal Year End 30 Jun 2020)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD	Fiscal
Revenue (Bil)	19	18	19	20	23	23	24	25	25	23	12	Revenue (Bil)
Operating Income	—	—	—	—	—	—	—	—	—	—	—	Operating Income
Operating Margin (%)	—	—	—	—	—	—	—	—	—	—	—	Operating Margin (%)
Net Income (Bil)	6	6	7	8	9	9	9	10	9	9	6	Net Income (Bil)
Diluted Earnings/Share	3.52	3.93	4.31	4.62	5.19	5.29	5.30	5.59	5.18	4.69	3.34	Diluted Earnings/Share
Operating Cash Flow (Mil)	3,445	17,667	-2,884	6,577	3,963	7,183	-4,561	-807	1,109	18,086	11,548	Operating Cash Flow (Mil)
Capital Spending (Mil)	-747	-976	-1,169	-1,106	-913	-1,128	-1,768	-1,097	-980	-640	-640	Capital Spending (Mil)
Free Cash Flow (Mil)	2,698	16,691	-4,053	5,471	3,050	6,055	-6,329	-1,904	129	17,446	11,548	Free Cash Flow (Mil)
Avg Shares Outstand(Bil)	2	2	2	2	2	2	2	2	2	2	2	Avg Shares Outstand(Bil)
Dividend Per Share	2.88	3.18	3.32	3.62	3.99	4.19	4.20	4.29	4.31	4.31	4.00	Dividend Per Share

Valuation as of 12 May 2020

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Current	Calendar
Price/Fair Value ^Q	—	—	0.99	1.05	1.03	0.89	1.01	1.03	0.97	1.00	0.85	Price/Fair Value ^Q
Price/Sales	4.67	4.11	5.21	6.28	6.29	6.29	6.01	5.80	5.26	6.31	4.67	Price/Sales
Price/Earnings	14.12	12.46	14.38	16.75	16.41	16.18	15.56	14.37	13.91	17.50	13.12	Price/Earnings
Price/Cash Flow	7.16	4.30	—	19.55	35.74	20.41	—	—	117.63	8.08	5.97	Price/Cash Flow
Price/Book	2.25	2.11	2.33	2.78	2.84	2.78	2.35	2.23	1.90	2.03	1.49	Price/Book

Operating Performance as of 12 May 2020 (Fiscal Year End 30 Jun 2020)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Q3	Fiscal (%)
Return on Assets	0.89	0.97	1.02	1.04	1.12	1.09	1.02	1.04	0.96	0.88	—	Return on Assets
Return on Equity	17.03	17.69	18.23	17.85	18.41	17.9	16.38	16.09	14.3	12.52	—	Return on Equity
Rtn on Invested Capital	—	—	—	—	—	—	—	—	—	—	—	Rtn on Invested Capital

Business Description

Commonwealth Bank is Australia's second-oldest and largest bank with operations spanning Australia, New Zealand, and Asia. Its core business is the provision of retail, business, and institutional banking services. It is also a major fund manager and the second-largest life insurer in Australia.

CBA operates the largest financial services distribution network in the country. The strategy, which has been stable and successful, emphasises a well-managed, diversified business model, strong balance sheet, stable financial platform, and conservative underwriting.