Commonwealth Bank of Australia

A$167.51 As of Sun 8 Nov 2026, 12:00 UTC

ASX:CBA	Financials	Country	Australia	PE (Fwd)	24.65	TSR 10Y CAGR	13.22%
Banks (Diversified)		Beta (5Y)	0.79	PE TTM	25.81	TSR TTM	0.57%

Div yield	3.01%	ROTE	15.48%	SE Grade™	★☆☆	Value	☆☆☆
Mkt cap	A$280.0B	NIM	2.05%	Quality	★☆☆	Moat	★★★

Consensus	Reference
$119	$88
(28.92%)	(47.31%)

Strong Sell 0|0|0|3|11



	1H25	2H25	1H26	2H26
Earnings per share	$			
	3.07	2.98	3.21	**3.29**
	8.67%	7.92%	4.53%	10.39%
Revenue	$B			
	14.10	14.19	15.00	**15.15**
	3.83%	6.36%	6.40%	6.77%

Next earnings 12 Nov

TTM	FYE 30 Jun	AUD	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027E	Trend	5Y	10Y	Peers
30.15	Revenue	$B	24.48	24.32	23.50	23.93	24.21	24.78	27.43	26.92	28.29	30.15	**31.45**		4.49%	2.34%	20
6.59	*Revenue growth*	*%*	–	*(0.67)*	*(3.35)*	*1.79*	*1.17*	*2.36*	*10.69*	*(1.85)*	*5.09*	*6.59*	***4.29***		*5.09*	*1.79*	37
2.05	*NIM*	*%*	*2.01*	*2.11*	*2.08*	*2.13*	*2.04*	*1.88*	*2.07*	*1.99*	*2.08*	*2.05*	***2.04***		*2.05*	*2.06*	83
45.62	*Effic. R.*	*%*	*39.74*	*40.63*	*46.90*	*44.98*	*46.07*	*46.12*	*43.23*	*45.38*	*45.94*	*45.62*	***45.22***		*45.62*	*45.50*	78
36.04	*Net margin*	*%*	*40.55*	*38.36*	*36.44*	*40.09*	*42.06*	*43.14*	*36.45*	*34.89*	*35.76*	*36.04*	***35.67***		*36.04*	*37.41*	77
25.81	P/E ratio (avg)	x	14.51	15.06	16.25	14.37	15.18	16.99	18.08	21.13	25.65	25.65	***24.95***		21.13	16.62	0
3.995	P/TBV	x	2.714	2.413	2.258	2.119	2.154	2.755	2.814	3.031	3.670	3.971	***3.861***		3.031	2.734	3
3.563	P/B	x	2.283	2.087	2.000	1.916	1.964	2.494	2.524	2.716	3.294	3.541	***3.456***		2.716	2.388	0
25.59	NII	$B	17.55	18.46	18.22	19.02	19.30	19.47	23.06	22.82	24.02	25.59	***26.68***		5.80%	4.28%	–
6.51	*NII grth*	*%*	–	*5.24*	*(1.31)*	*4.34*	*1.51*	*0.89*	*18.40*	*(1.01)*	*5.25*	*6.51*	***4.29***		*5.25*	*4.34*	43
15.48	*ROTE*	*%*	*18.70*	*16.02*	*13.90*	*14.75*	*14.19*	*16.21*	*15.56*	*14.34*	*14.31*	*15.48*	***15.44***		*15.48*	*15.11*	73
13.80	*Return on equity*	*%*	*15.73*	*14.31*	*12.51*	*13.56*	*13.52*	*14.11*	*13.84*	*12.98*	*13.32*	*13.80*	***14.03***		*13.80*	*13.68*	73
0.75	*Return on assets*	*%*	*1.02*	*0.96*	*0.88*	*0.94*	*0.93*	*0.88*	*0.80*	*0.75*	*0.75*	*0.75*	***0.75***		*0.75*	*0.88*	60
6.49	EPS	$	5.47	5.04	4.52	5.06	5.26	5.83	5.55	5.27	6.04	6.49	***6.71***		4.28%	1.93%	–
7.48	*EPS growth*	*%*	–	*(7.86)*	*(10.36)*	*12.10*	*4.00*	*10.79*	*(4.76)*	*(5.20)*	*14.69*	*7.48*	***2.35***		*7.48*	*4.00*	37
47.02	Bookvalue per sh	$	34.75	36.34	36.69	37.96	40.68	39.73	39.79	40.97	47.03	47.02	***48.47***		2.94%	3.41%	–
41.93	TBV/sh	$	29.23	31.43	32.49	34.32	37.09	35.97	35.69	36.71	42.21	41.93	***43.39***		2.48%	4.09%	–
5.05	Dividend per sh	$	4.29	4.31	4.31	2.98	3.50	3.85	4.50	4.65	4.85	5.05	***5.17***		7.61%	1.83%	–
3.01	*Div yield (avg)*	*%*	*5.41*	*5.68*	*5.87*	*4.10*	*4.38*	*3.89*	*4.48*	*4.18*	*3.13*	*3.03*	***3.09***		*3.89*	*4.28*	50
77.81	*Payout ratio*	*%*	*76.79*	*83.18*	*91.98*	*57.15*	*64.83*	*64.50*	*77.76*	*83.35*	*80.27*	*77.81*	***77.16***		*77.81*	*77.79*	87
1.672	Shares (diluted)	B	1.816	1.852	1.897	1.895	1.934	1.833	1.800	1.784	1.675	1.674	***1.674***		(2.85%)	(0.90%)	20
0.06	*Buyback yield*	*%*	–	*(1.98)*	*(2.43)*	*0.11*	*(2.06)*	*5.22*	*1.80*	*0.89*	*6.11*	*0.06*	–		*1.80*	*0.11*	20
5.42	*Eq/Assets*	*%*	*6.52*	*6.96*	*7.13*	*7.08*	*7.21*	*5.99*	*5.72*	*5.83*	*5.82*	*5.42*	***5.42***		*5.82*	*6.26*	17
1,452	Assets	$B	976.3	975.2	976.5	1,015	1,092	1,215	1,252	1,254	1,354	1,452	***1,497***		5.87%	4.51%	27
154.4	LT debt	$B	157.7	156.6	160.9	138.2	163.1	166.5	183.9	138.2	151.2	154.4	***154.4***		(1.09%)	(0.23%)	33

Peers (US$192.3B)	Cap (US$)	PE
Westpac Banking…	86.85B	18.61x
National Australia…	85.47B	20.11x
ANZ Group Holdings…	83.47B	20.48x
Citigroup Inc.	197.1B	11.67x

Capital	TTM	5Y	10Y
Tang eq %	4.83	5.22	5.43
LT debt %	10.63	11.17	14.19
Cash %	3.34	4.02	3.55
Sh yield %	3.07	6.28	4.20

Owners		
Insiders/Inst %	0.05	32.16
Short interest %		–
SBC / revenue %		–

Record	10Y
Profitable years	10/10
Revenue growth years	6/9
EPS growth years	5/9
Dividend streak yrs	5
ROE range %	13–16
$1 test x	7.9
Incr. ROIC %	–

Commonwealth Bank closed FY2026 on the strength of business lending, which management said lifted operating performance by 10% and pushed business banking above 40% of cash profit. Net interest income rose on strong lending and deposit growth, partly offset by margin pressure. Collective provisions were raised for forward-looking risks while incurred losses stayed low, so credit costs reflect caution rather than actual losses. The franchise is performing, but the shares already price far more than that: SE fair value of A$88 is 47.3% below the price.

Management guided FY2027 mortgage credit growth to a tighter 4%-5% range, with volatility, and an effective tax rate of 30%. It plans to hold the dollar technology envelope flat and expects gross AI benefits to exceed investment next year, as agentic lending scales beyond its first business-loan pilot. Strategy centres on primary relationships through the CommBank app and better institutional capital efficiency. Analysts pressed on why provisions to risk-weighted assets fell. Management "will not trade volume over margin" in mortgages, and consensus expects growth to slow from here.

The forward numbers leave little room for the current multiple. Consensus sees FY2027 EPS growth of just 2.3%, slowing to 1.2% in FY2028, on FY2027 revenue growth of 4.3%. That is a bank compounding in low single digits, broadly matching management's measured mortgage guidance and its refusal to chase volume. Nothing in the consensus path points to the kind of acceleration that would close the gap to SE fair value. Earnings would have to run well ahead of these estimates for the valuation to look earned.

Operating quality is high but not improving. The efficiency ratio moved from 43.2% in FY2023 to 45.6% in FY2026, worse by 2.4 points, so costs are growing slightly faster than income. Net interest margin of 2.0% sits in line with its five-year median and has been steady over three years. Net margin of 36.0% is likewise steady and above the peer median. Return on tangible equity of 15.5% has held flat. The thin return on assets and the share count are what hold Quality back.

The valuation is stretched on every measure we use. SE fair value of A$88 is 47.3% below the price, a high-confidence estimate. The P/E of 25.8x is 55% above its ten-year median of 16.6x, and the P/B of 3.56x is 49% above its 2.39x median. Even the analyst target sits 28.9% below the price. For the price to hold, results must beat the model's base case; an FY2027 EPS print short of consensus would show they are not.

The SE Score is ½ of 3. Quality earns one star: return on equity of 14% clears a 7.8% cost of equity, but a return on assets of 0.7% is thin for the balance sheet it carries. Moat earns three stars because return on equity has stayed above 12% in each of the last ten years, a record of steady compounding. Value earns no stars, with SE fair value 47.3% below the price, and that premium lowered the business tier one notch to the half rung.

H2 2026

Commonwealth Bank of Australia provides retail and commercial banking services in Australia, New Zealand and internationally through its Retail Banking Services, Business Banking, Institutional Banking and Markets, and New Zealand segments. It offers deposit and transaction accounts, credit cards, personal and business loans, car and equipment finance, insurance products, equity trading, risk management and capital markets access.

Profit by segment	Profit	Trend	Revenue	Rel margin
Retail Banking Services	44.99%		46.22%	0.97×
Business Banking	36.62%		33.71%	1.09×
Institutional Banking…	9.74%		9.96%	0.98×

Revenue by region	Share	Trend
Australia	83.86%	
New Zealand	11.08%	
Other Locations	5.06%	

Reinvestment returns	10Y median	Trend
Retention rate	20.33%	
Return on capital	13.68%	
Spread over hurdle	5.83%	

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