

GSJBW New York Conference  
March 2007



8-9 March 2007

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Commonwealth Bank of Australia ACN 123 123 124

# Disclaimer

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The material that follows is a presentation of general background information about the Bank's activities current at the date of the presentation, 8 March 2007. 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.



# Overview

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- Good result driven by focus on profitable growth
- All businesses performing well
- Credit quality remains excellent
- Significant progress on 4 strategic initiatives
- Momentum in business – both strategic & earnings



# Strong Financial Results

	Dec 06	Dec 06 vs Dec 05
Cash NPAT*	2,271	↑ 19%
Cash EPS*	174.7	↑ 17%
Return on Equity – Cash	22.3%	↑ 60bpts
Income	6,438	↑ 11%
Expense	3,144	↑ 6%
Fully Franked Dividend	107c	↑ 14%

\* Excludes profit on sale of Hong Kong in December 05

# All Brands Performing Strongly

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**Banking**

**Funds Mgt**

**Insurance**

**Commonwealth**Bank



**Colonial**  
First State

**Comm**Insure



**ASB**

**1**  
FirstChoice

**Comm**Sec



**SOVEREIGN**



# CEO Priorities & Measures

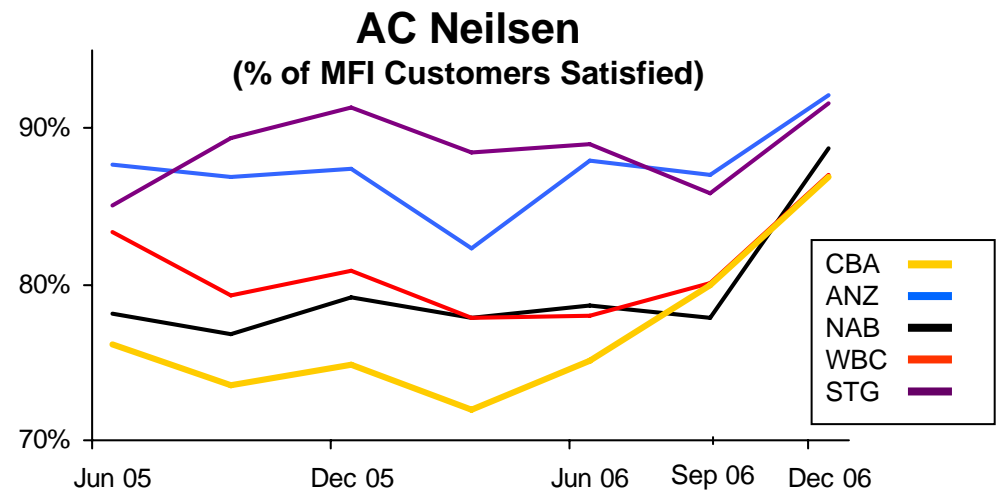
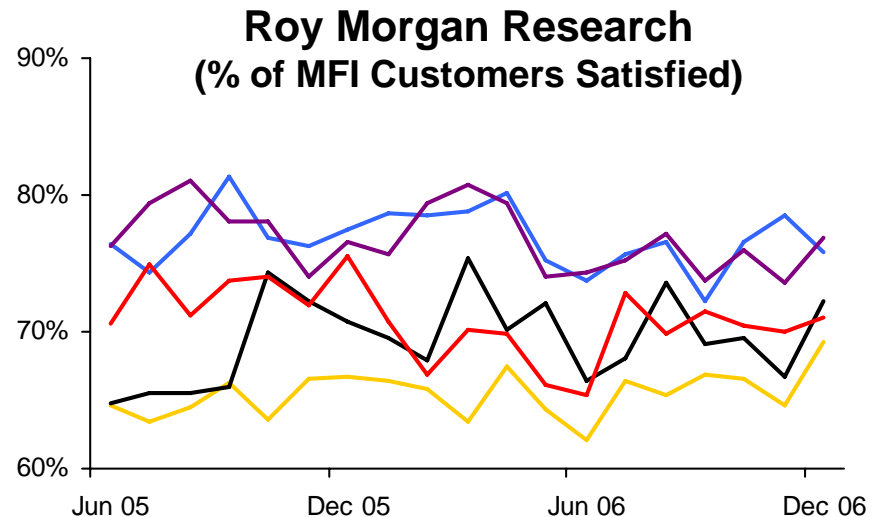
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- Customer Service
  - Business Banking
  - Technology & Operational Excellence
  - Trust & Team Spirit
- 
- ➔ Superior operating and financial results
  - ➔ Australia's finest financial services organisation



# Customer Service improves

- 4000 leaders trained in Cohen Brown sales and service methodology
- Increased investment in branch network
- 800 new customer facing roles
- More competitive product portfolio
- Retail customer complaints down 47% over last 12 months



# Local Business Banking website

**CommonwealthBank**  
Local Business Banking



Home

My Profile

My Community

About Us

Local Business Banking

Search

Home

Call **13 1998** or [arrange an appointment online](#)

Login

Login ID   
Password

forgot password?   
[register](#) | [security](#)

Quick Links

- > Home
- > My Profile
- > My Community
  - > Discussion Groups
  - > Trade Leads
- > About Us
- > Local Success Story
- > Service Quality Feedback

Other Sites

Log in to...

- personal banking
- business centre
- shareholder centre



Local Success Story



CAFE

[Learn more](#)



**Register** to access these member benefits:

- > **Local Business Community Board**  
Promote your services and find new business leads.
- > **Build up your own Local Business Directory profile**  
Every contribution you make raises your profile
- > **Have your say on any of the Local Business Discussion Groups**  
Learn from the experience of others, or offer your own advice



**CommonwealthBank**

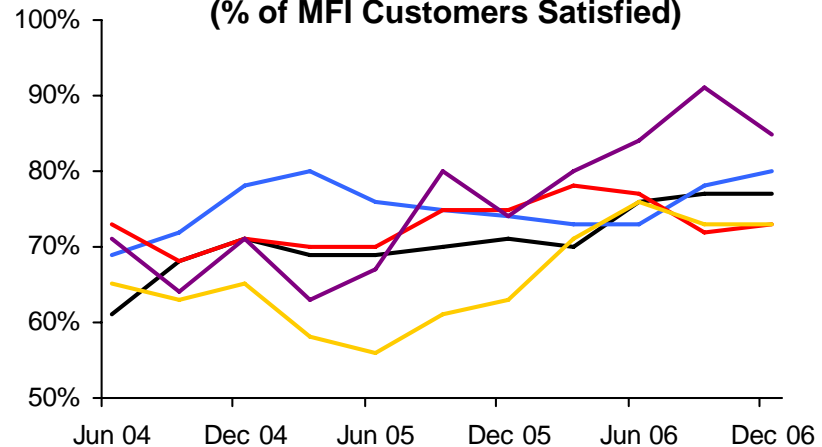




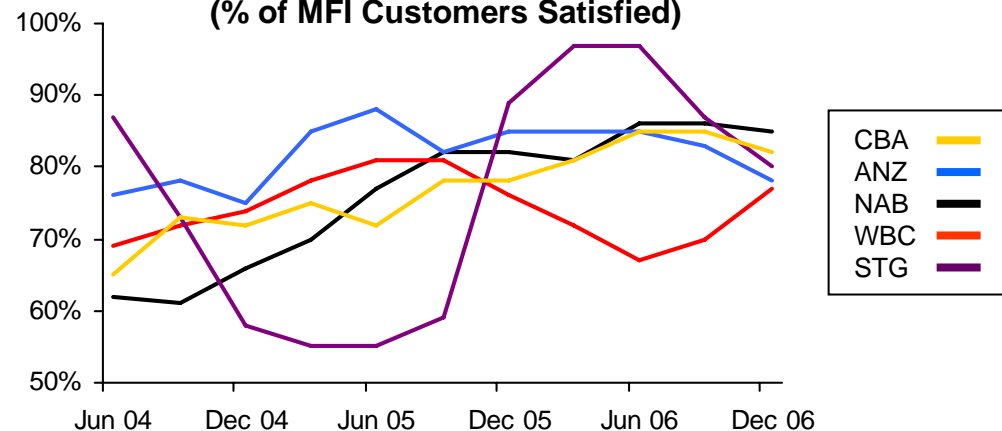
# Business Banking making good progress

- Recruitment & training of new in branch Business Bankers commenced
- First new Business Banking Centre opened (8 additional planned by July 2007)
- Replaced voicemail system with 24/7 telephone access to staff
- Local Business Banking online internet channel and Commbiz
- Simplification of application processes

**Business Finance Monitor: SME**  
(% of MFI Customers Satisfied)



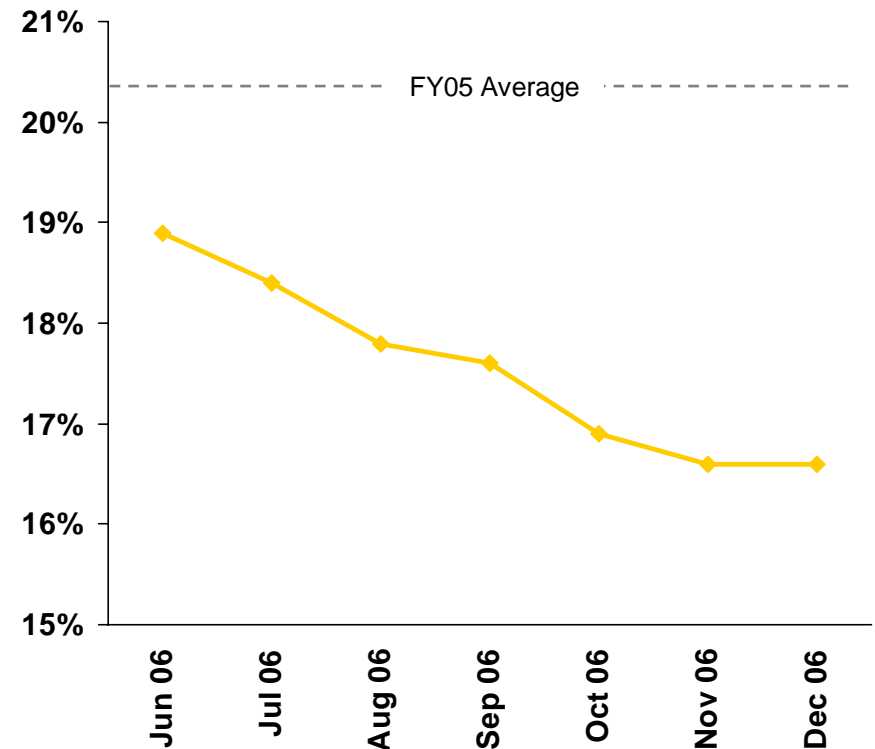
**Business Finance Monitor: Corporate**  
(% of MFI Customers Satisfied)



# Technology & Operational Excellence

- Implemented new shared services approach to Enterprise IT
- \$64 million of annualised savings locked in in first half
- \$23m reduction in consultant and contractor spend
- Zero high severity system outages during peak times
- Good progress on strategic growth initiatives
- 319 staff trained in CommWay, taking total to 1,419

**IT Efficiency Ratio\***  
(Rolling 2 month average since Jun 06)

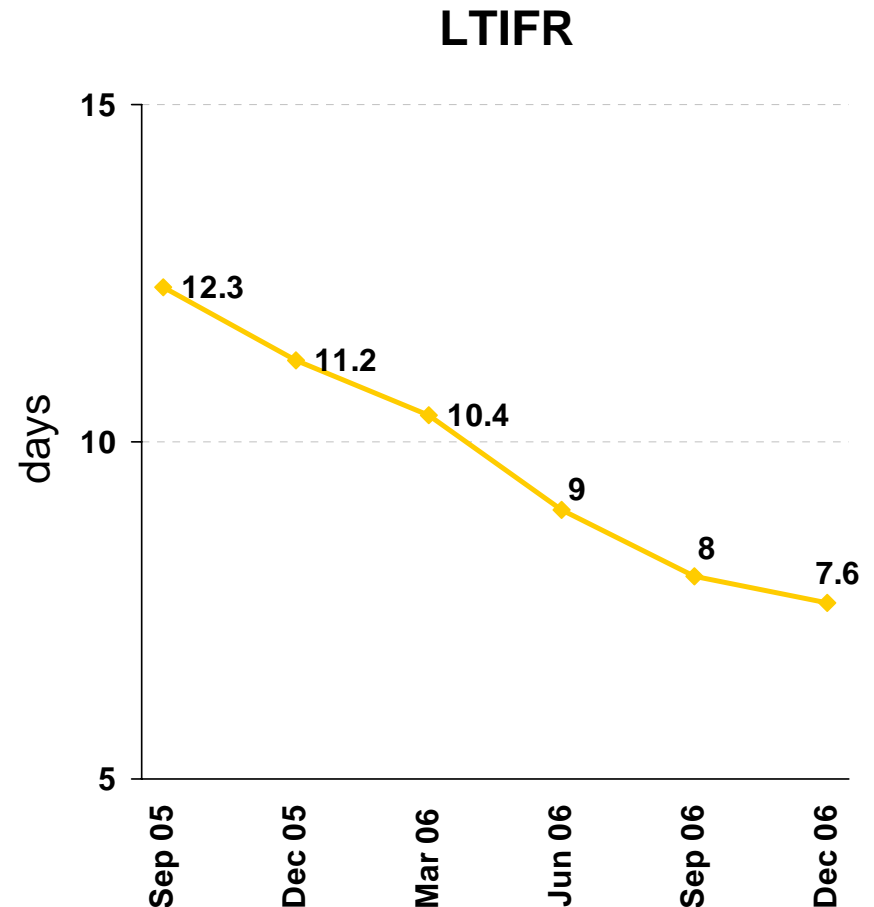


\* Efficiency Ratio = Total IT Expense (excluding strategic initiative spend) / Total bank Op Expenses



# Trust & Team Spirit improving

- Improved internal staff engagement scores
- Improvements in key people metrics
  - LTIFR
  - Staff turnover
- Building pride through strong community engagement and involvement of our people



# Asian growth continues



## China

11% Jinan City Commercial Bank  
19.9% Hangzhou City Commercial Bank  
Beijing and Shanghai – Representative offices  
China Life CMG – JV life insurance  
First State Cinda Fund Management Company

## Japan

Branch

## Hong Kong

Branch

First State Investments

## Vietnam

Representative office

## Singapore

Branch

First State Investments

## Indonesia

PT Bank Commonwealth

Astra CMG – JV life insurance

First State Investments

ANK acquisition (pending regulatory approvals)



# Outlook

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- Domestic economy expected to support double digit system credit growth
- Earnings momentum maintained into second half
- Strategic initiatives continuing to deliver
- Financial market to remain competitive - committed to profitable growth
- Outlook for earnings growth and credit quality remain positive
- Given growth outlook and diversity of income streams confident of EPS growth which meets or exceeds average of peers



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