

Commonwealth Bank of Australia

Investor presentations

Retail Banking Services

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Group Executive Retail Banking Services



Determined to be different

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16th and 17th November, 2010

Australia's leading full service retail bank

- Australia's leading bank for retail deposits with balances of over \$150bn
- Number 1 in Home Lending and Credit Cards with over \$260bn in assets
- 12,500 people serving more than 9m customers via 1,000 branches, telephone and on-line banking and Australia's leading ATM network
- Market leading products such as a Cannex 5 Star rated Deposit product suite, the American Express companion card and Travel Money Card
- Continued customer service innovation & active community participation with Australia's largest school banking program
- Award winning:
 - ABFA 'Australian Financial Institution of the Year (Retail) 2010'
 - Money Magazine 'Money Minder of the Year 2010'
 - Mortgage & Finance Association of Australia 'Lender of the Year 2010' (Third Party)



The customer is at the heart of our strategy

■ Making it simple and easy for our customers

- Make it easy to bank with us – end to end
- Develop customer-friendly processes and experiences
- Simplicity and clarify for frontline
- Invest in new “easy” channels – Make it convenient
- Promote responsible lending



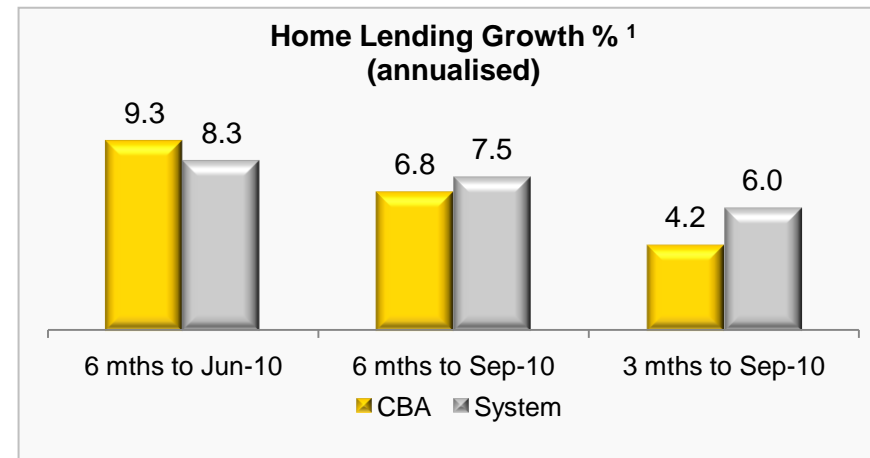
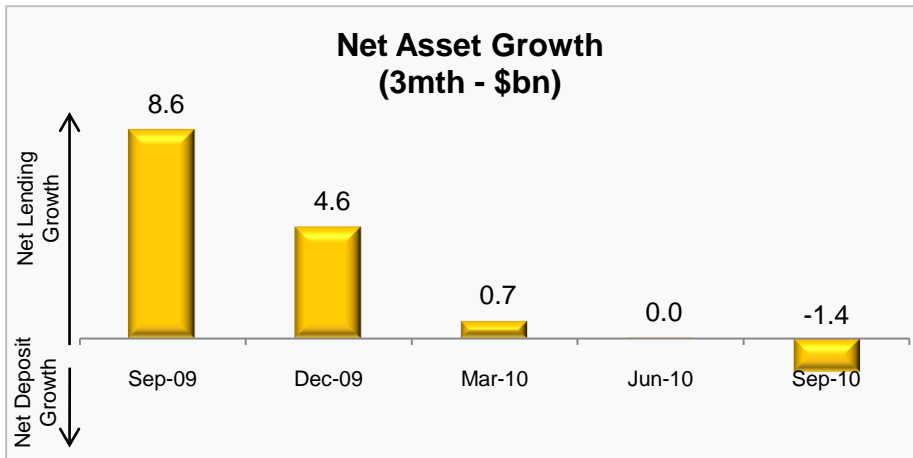
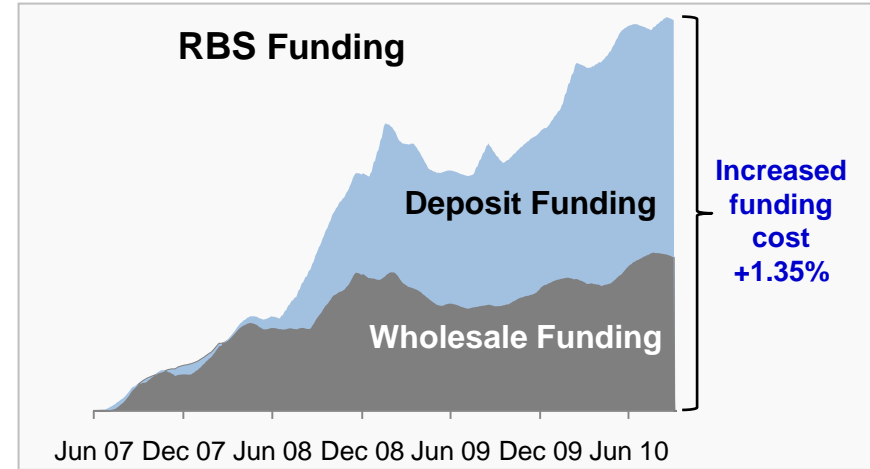
■ Proactively helping our customers

- Align our people to proactively identify opportunities to help customers make the most of their banking
- Use our information to help customers to make informed decisions
- Deliver tools and insights to allow customers to understand their financial position
- Focus on customer assistance and debt recovery has been enhanced over the last two years



A challenging environment

- Competitive market for Deposits in an environment of rising wholesale funding costs
- Balancing lending growth with deposit growth

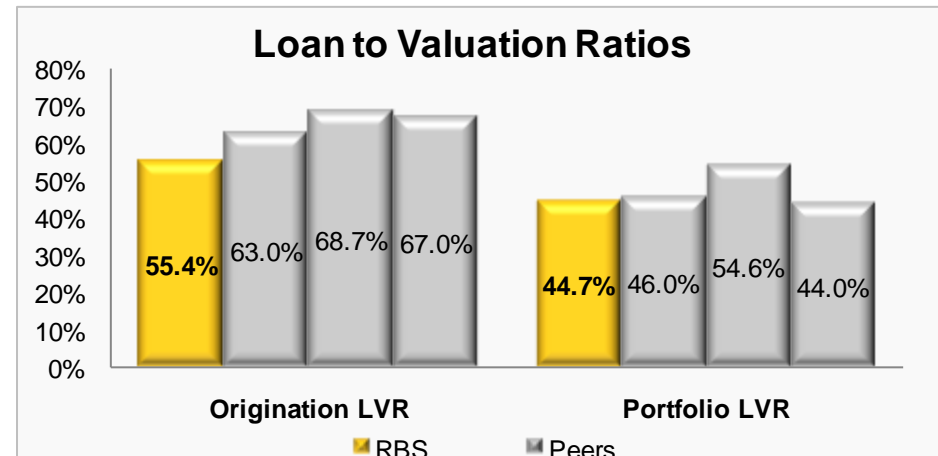
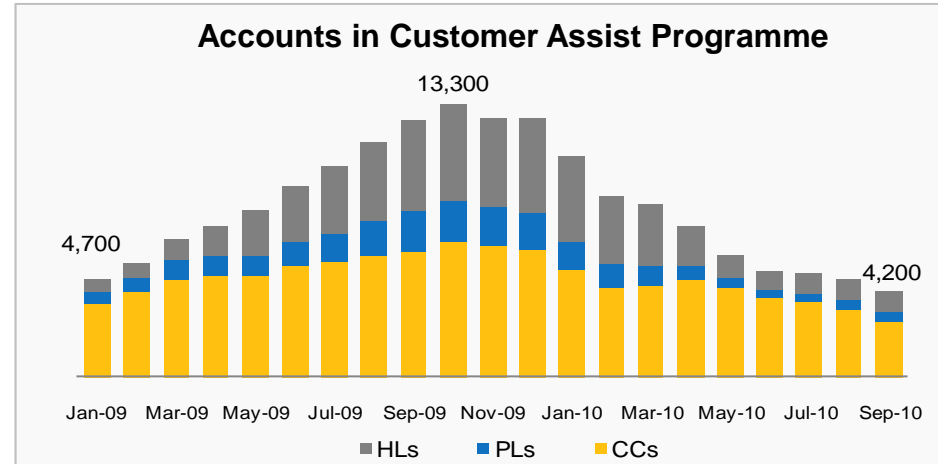


¹ Source: APRA/RBA – figures include Bankwest



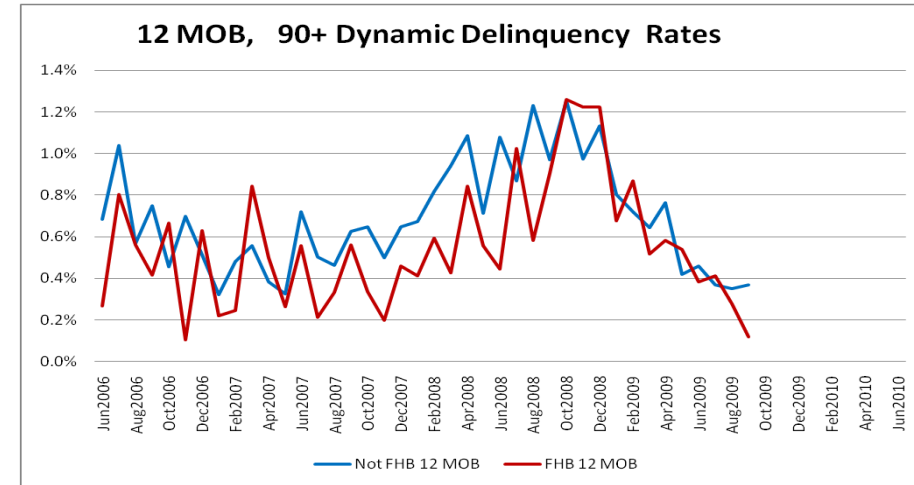
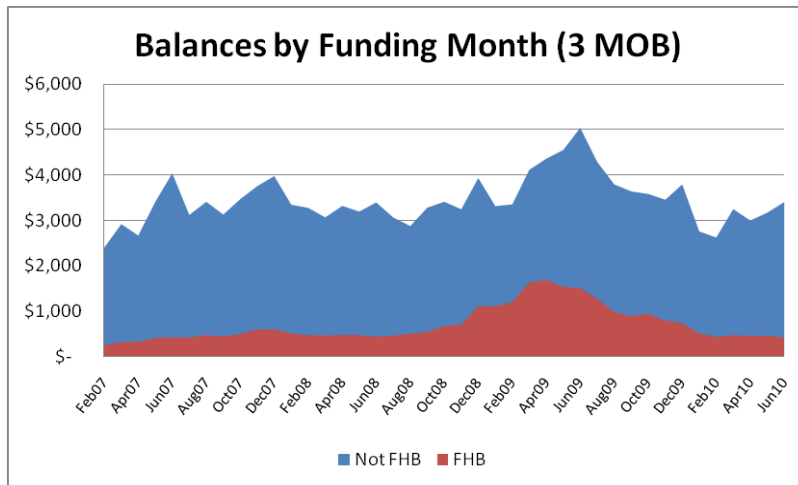
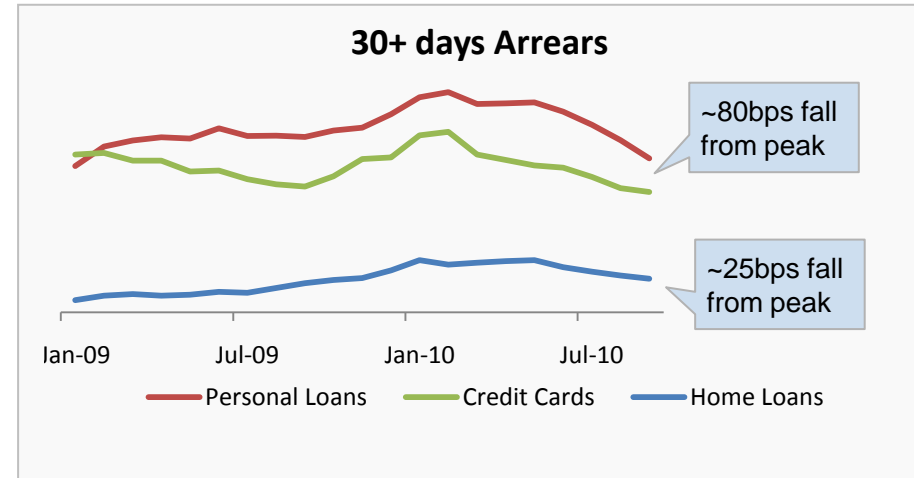
Quality Lending Portfolio

- Prudent approach to home lending growth
- Steady reduction in accounts within Customer Assist Programme
- Well collateralised mortgage portfolio with its average LVR based on current outstanding balances at 45%



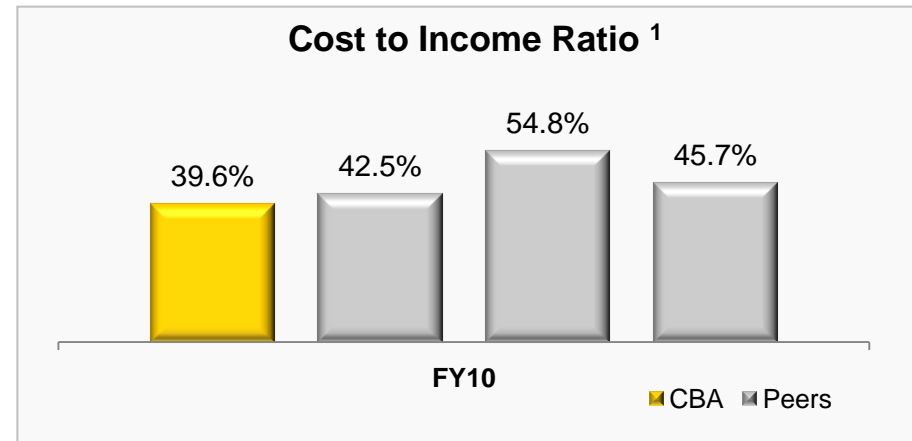
Falling Arrears Rates

- Investment in risk management and collections capabilities delivering lower arrears rates across all portfolios
- The arrears rates for First Home Buyers (FHB) remain consistent with non-FHB



Maintaining an efficient business

- Focus on efficiency and cost control delivering lowest cost to income ratio of the major banks
- Impact of Core Banking platform on business over next 3-5 years will assist in driving cost to income down further
- Enterprise Services focus on efficiency of technology in back office



- Ongoing successful implementation of Core Banking platform
 - National roll-out for new deposit and transaction accounts
 - Migration of existing accounts on a state by state basis
 - Over 2m accounts migrated since start of the programme with Tasmania and Western Australia completed successfully



¹ Source: published comparable results. Note: CBA figures based on Jun-10 year end, other banks on Sep-10 year end. CBA figures exclude Bankwest



Current Regulatory and Industry Issues

- Future government regulation of the banking industry
 - Prudential capital strength
 - Consumer protection
 - Competition within the industry

