



Commonwealth Bank of Australia

澳洲联邦银行

Transformation Journey in Retail Banking
个人银行业务改革路程

Hugh Harley

Group Executive Retail Banking Services
集团总裁个人银行业务服务部

Future of Banking in China Conference

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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, 28 October 2004. 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.

Speaker's notes for this presentation are attached below each slide.

To access them, you may need to save the slides in PowerPoint and view/print in "notes view."



Commonwealth Bank of Australia 澳洲联邦银行

Banking

- Largest Australian retail bank with over 8 million retail customers
- No.1 in retail deposits, No.1 in home lending
- Over 1,000 branches, around 4,000 agencies and 3,000 automatic teller machines
- Strong positions in each segment of business banking

Funds Management / Share Broking

- No.1 in retail funds under management
- No.1 in platform inflows
- No.1 in retail share broking

Total assets	A\$306B (RMB1,836B)
Market cap	A\$38B (RMB228B)
Staff (Aust.)	27,500
Tier 1 ratio	7.43%
Credit ratings:	
- Moody's	Aa3
- S&P	AA-
- Fitch	AA

Insurance

- No.1 in inforce premiums

International

- Strong presence in NZ, and smaller scale operations in Asia, the UK and the US



History of the Commonwealth Bank of Australia 历史

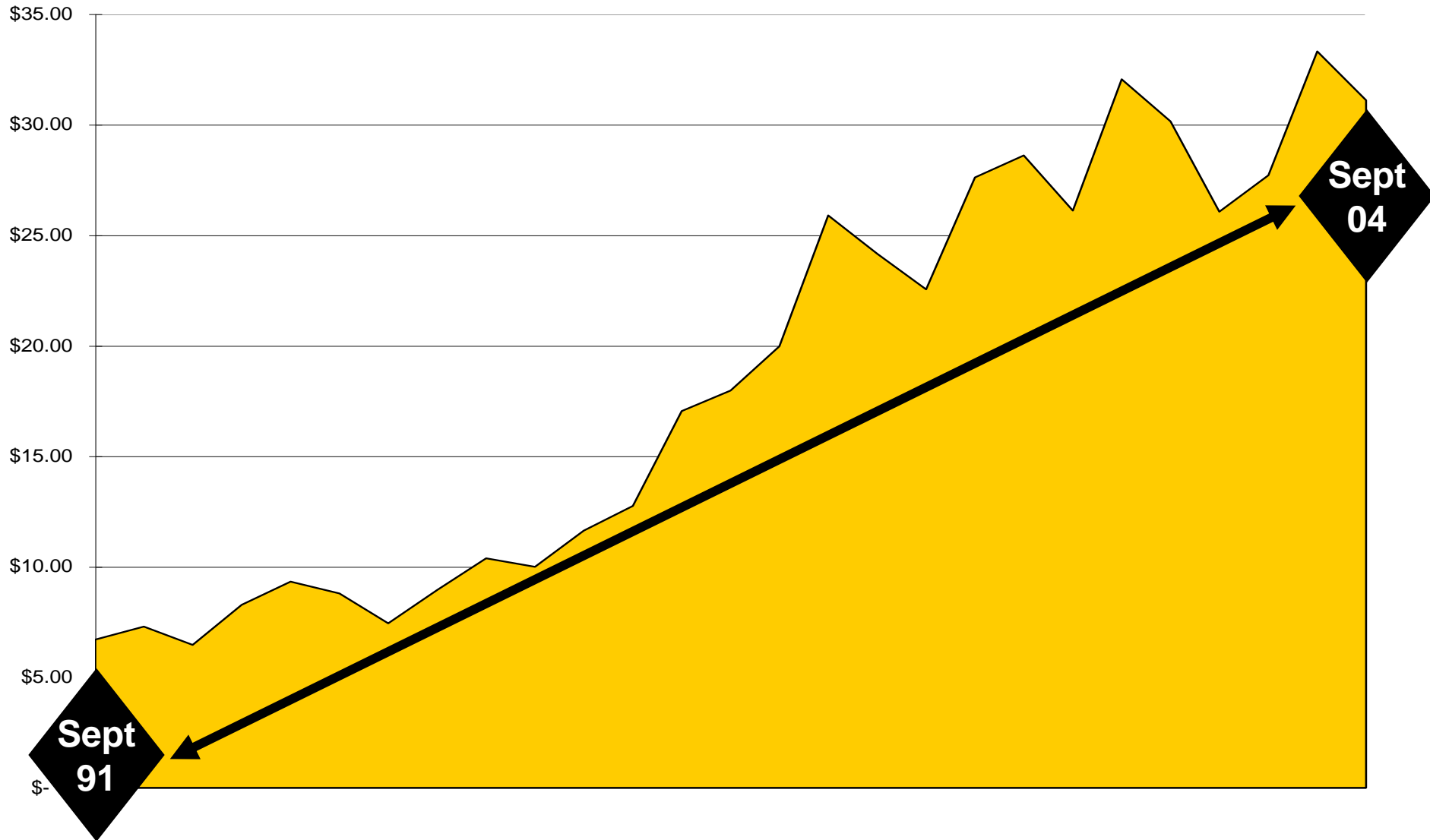
- 1911-1990** **Federal Government ownership**
- 1980s** **Domestic financial market deregulation**
- 1989** **Acquisition of ASB Bank (New Zealand)**
- 1990** **Acquisition of State Bank of Victoria**
- 1991-1996** **Commonwealth Bank of Australia privatisation**
- 1996** **Acquisition of Commonwealth Funds Management**
- 2000** **Acquisition of Colonial**

Privatisation 私有化

- **Mid-1980s - Commercial disciplines adopted**
- **1991 - 30% interest sold to general public**
- **1993 - Further 19.9% interest sold**
- **1996 - Balance (50.1%) sold to public**



Our share price has risen significantly 股价逐步上升



Financial Results 财务状况

- 15% growth in underlying cash profit
15%现金利润增长率

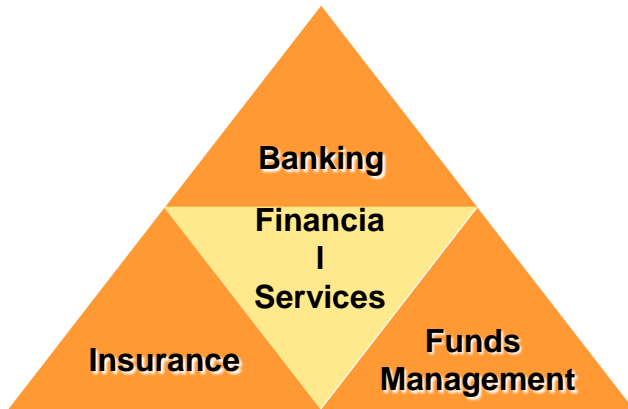
	30/06/04 A\$m	30/06/03 A\$m	Change 改变
Statutory Net Profit After Tax 法定税后利润	2,572	2,012	+27.8%
Goodwill amortisation	324	322	
Appraisal value movement	(201)	245	
Cash Net Profit After Tax* 现金税后利润	2,695	2,579	+4.5%
Which new Bank	535	168	
Shareholder investment returns	(152)	(73)	
Underlying Cash Net Profit After Tax	3,078	2,674	+15.1%

* Prior to preference dividend distribution



Commonwealth Bank's footprint in China 澳联邦银行在中国的足迹

- Over A\$500M capital invested, across a broad portfolio of regional financial services businesses



Brands



Commonwealth Bank



康聯亞洲

CommServe 恒富



Financial Solutions
創富理財

AMTD

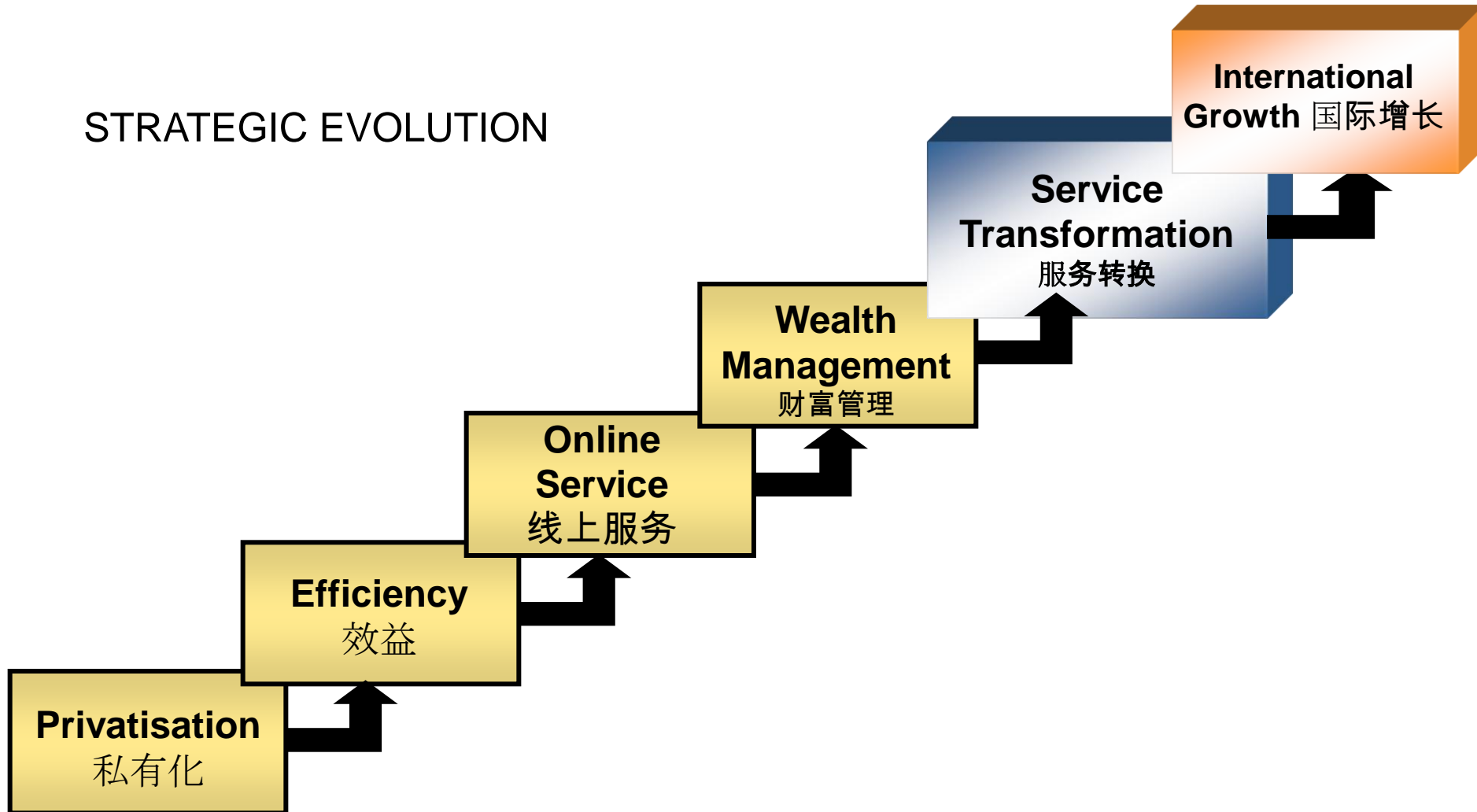
Business

- Banking - HK (Retail & institutional)
- Life insurance, pension administration, financial planning & funds management licences in HK
- National funds licence in Shenzhen
- Foreign life insurance licence in Shanghai
- Banking Representative Office licences in Beijing & Shanghai
- 11% investment in Jinan City Commercial Bank (subject to approval)



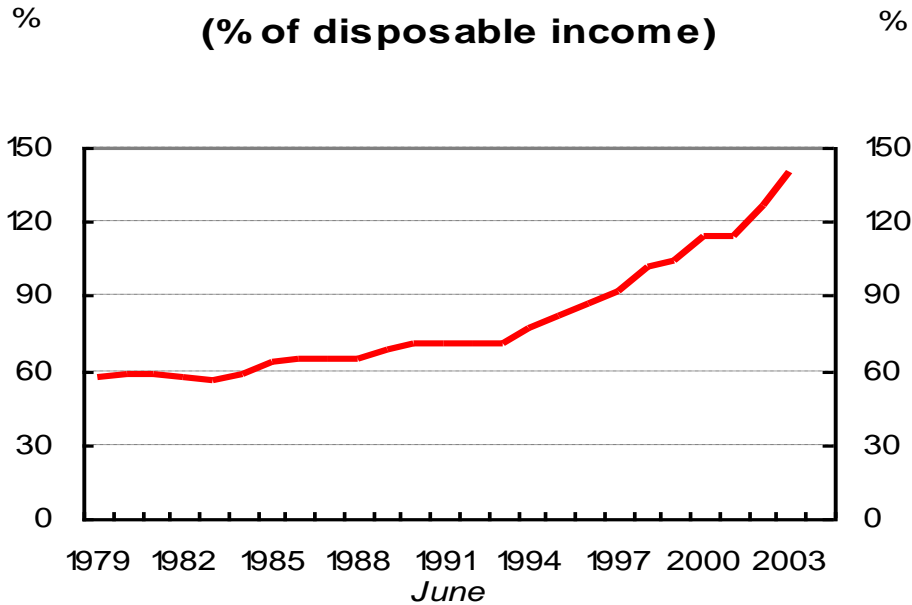
Key phases of evolution since 1991 主要的改革

STRATEGIC EVOLUTION

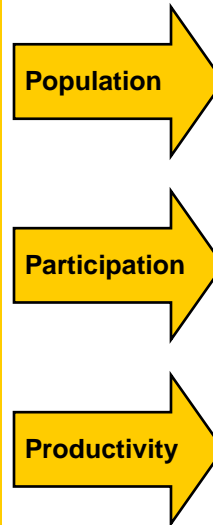


Key domestic economic trends 主要国内经济趋向

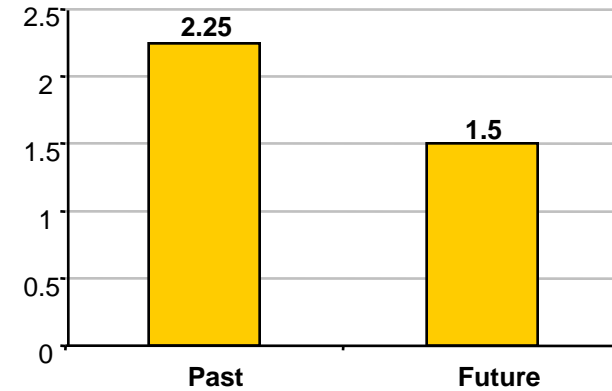
HOUSEHOLD DEBT (% of disposable income)



Ageing population driving productivity challenge



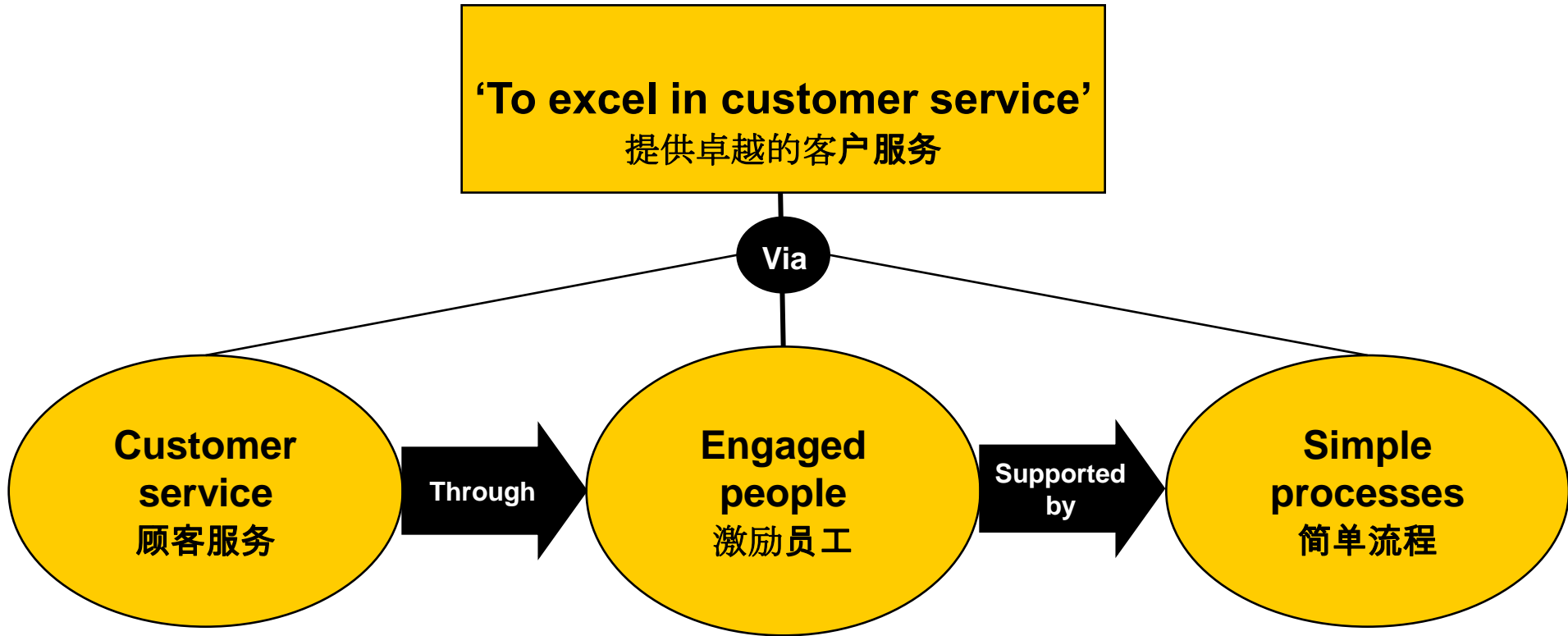
% GDP per capita growth



Source: Intergenerational Report



Our vision 我们的远景

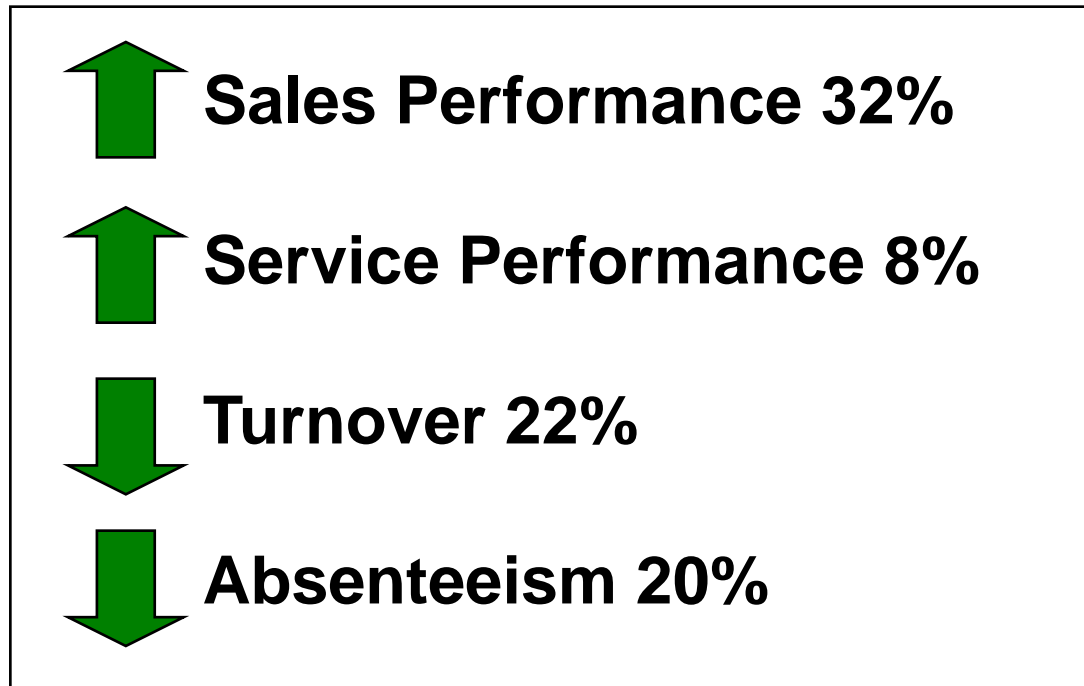


We need to play to our strengths while addressing our weaknesses 我们需要扩展我们的优势,同时认清我们的弱势

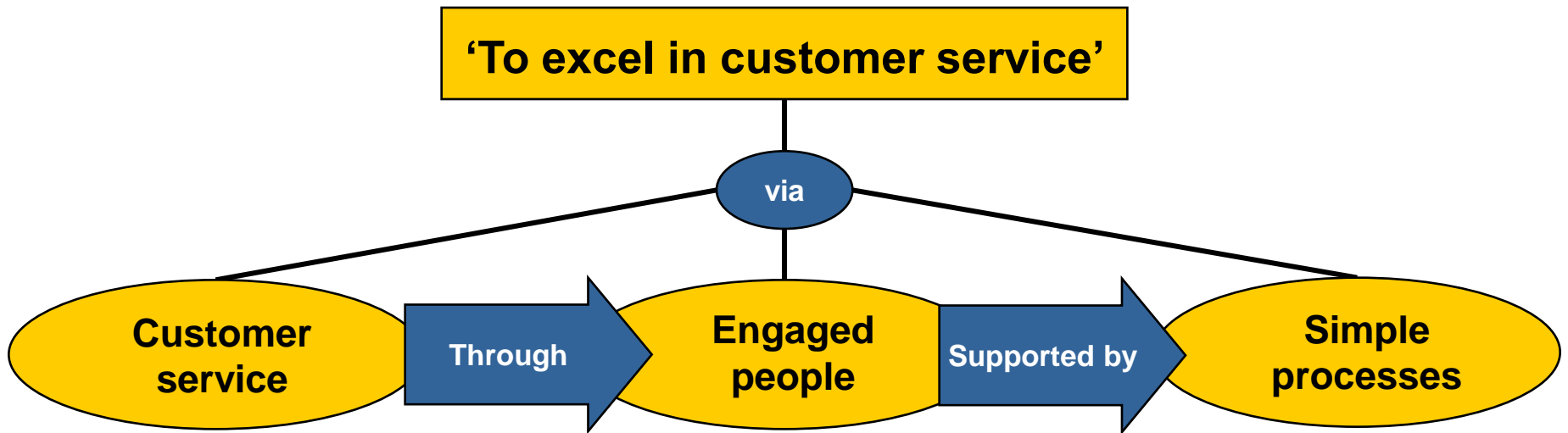


Engagement pays dividends 提高员工积极性会带来好的成效

- Top 15% vs Bottom 15% teams by engagement scores



Transformation 放革



- Integrated customer view
- Needs-based servicing and products
- Upgraded distribution channels
- Customer segmentation & service models

- High standards
- Clear Key Performance Indicators (KPIs)
- Regular feedback & coaching
- People development
- Communication

- End-to-end processes
- Decreased bureaucracy
- Scale in purchasing
- Simplified products and systems
- IT efficiency



We started with 'no regrets' changes at the frontline

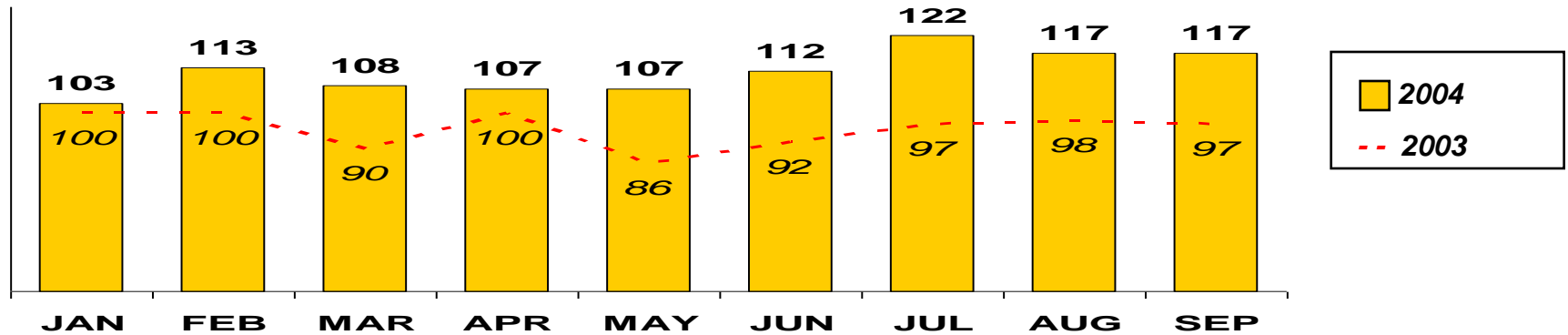
以坚定的信念为出发点

- Simpler Key Performance Indicators
- Proactive service and sales disciplines (Group-wide)
- “Front of house” branch managers
- Eliminate or redirect administration to increase customer contact time
- Better service and sales reporting by individual

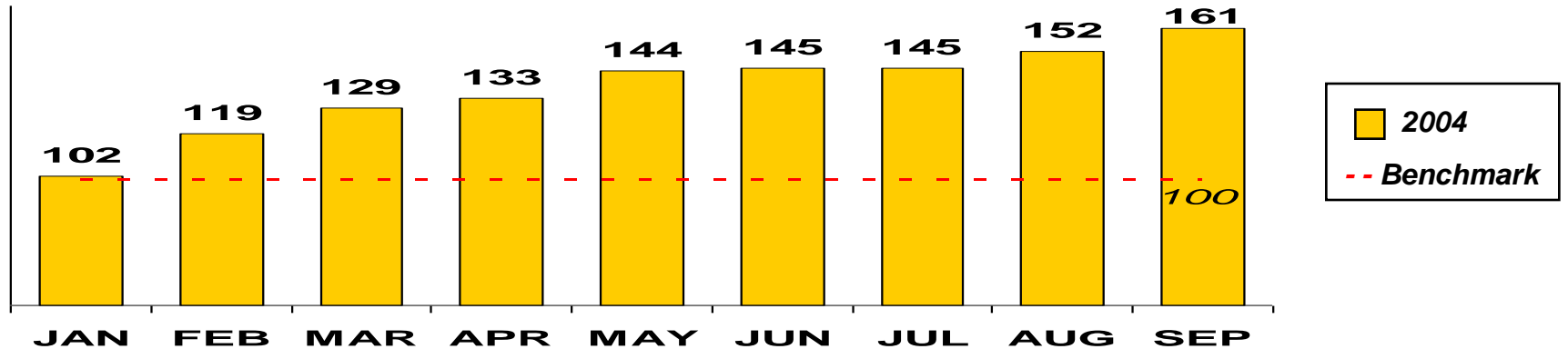


Sales productivity is improving... 销售效率正改良

Product Sales per Staff Member



Cross Sales Ratio



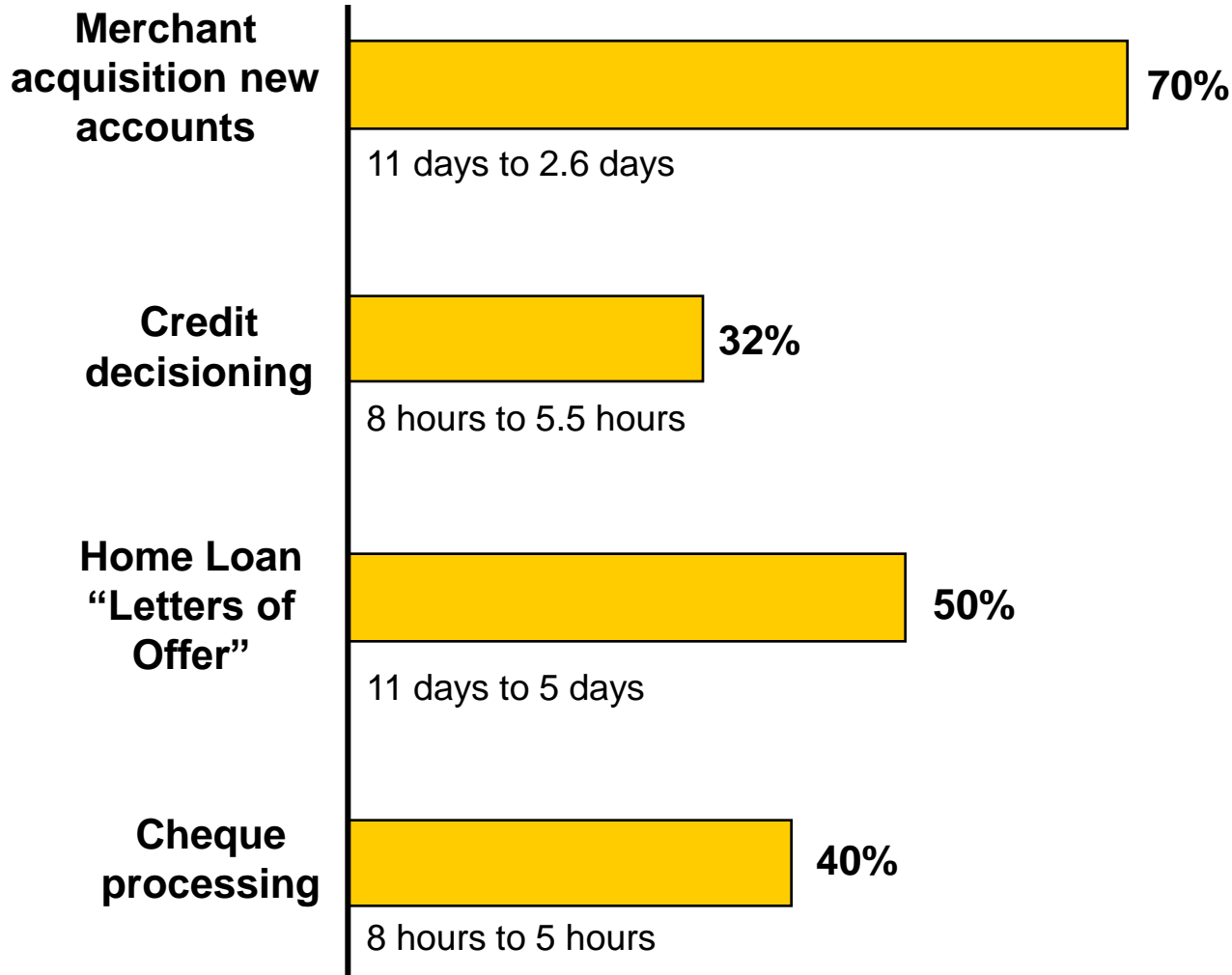
We adopted a similar approach for processing 我们采取相似的工作流程

- Reduced re-keying and paper handling
- Streamlined approval processes
- Improved responsiveness
- Increased accuracy
- Removal of obstacles and redundant activities
- Lean manufacturing principles



Significant improvements in turn-around times

周转期改善很多



Technology has supported these changes

支持这些改革的科技

- Branch telling system
- Referral management
- Inbound call management
- Mortgage origination and servicing
- Deposit origination and servicing
- Management information systems



Key investments in 2005 (2005年的主要投资)

Customer Service

CommSee
User: pbis120First pbis120 Search Relationship Information KING, JOHN (Doctor)

Client Information
Name: KING, JOHN (Doctor)
Client Status: Sound
Address: 12 Flnt Pl, Illawong NSW 2234 Australia
Home Phone: Business Phone: 0295435105
Date of Birth: 21/10/1946 Mobile Phone:
CIF Id: 127108732 E-mail Address:

Additional Client Information
Owner: Whitney Lee - PBIS Hurstville 2878 Premium Financial Services
CRIS Code: CARX81AX
Employment: Last Updated 06/09/2004 Needs Analysis: Not Completed
Income: Not Completed Investor Profile: Not Completed
Balance Sheet: Last Updated 09/08/2004 PCS Profile: Not Completed
Package Held: No Documents: (0)
Tasks: (2) Applications: (0)

Interactions Summary

- rbs020First rbs020Last 2 days ago
Added 06/Sep/2004 13:59:19 by rbs020First rbs020Last: Completed Needs Analysis.
- rbs020First rbs020Last (no note) 2 days ago
- System User PBIS RM Change Cell 2 Change of RM Last month
- Whitney Lee Last month
Client's POC changed on 16/Jul/2004 14:04:04, requested by Whitney Lee
- System User FSG Mailing - Pack4 mailed on 4 December 2003 8 months ago
- Tikka Kotis 10 months ago
Added 03/Nov/2003 13:37 by Tikka Kotis: TRIED TO CONTACT RE COMM BILL MATURITY. NO ANSWER.

Work In Progress

Work Item	Status	Date Created
Change of Client Details	Open	06/09/2004
Change of Direct Marketing Flag	Open	06/09/2004

Cannot access workflow information. Client may have outstanding workflows.

Future Needs
Banking Needs Not Captured
Enquire about:
* Loans with us or elsewhere
* Property/lending investments
* Lifestyle needs
* Day to Day banking
* Electronic banking

Client Messages
Do not direct market

Products & Services Summary

Type	Account Number	Account Name	Balance	Limit	POC/RM	As At
CBI	287324	HUXLEY	\$421,071.82			06/11/2003
DDA	218400138846	CARLINI	\$80,288.87		2878/P53	09/08/2004
CDA	218450249032	CANNELL	\$350,000.00		2878/P53	09/08/2004
LAH	214411104	CARISS	-\$62,588.09		2878/P53	09/08/2004

Internet banking

Commonwealth Bank of Australia - NetBank - Home - Microsoft Internet Explorer provided by EDS CBA COE

Commonwealth Bank

group home | site index | help | glossary | locate us | contact us

NetBankCentre

Enter keyword/s Search

Contact us
Fees information
Help guide
Type size

NetBank is now better than ever!

Welcome to our new NetBank service. Over the next few weeks we will be migrating existing customers to the new service. Customers will receive a letter providing them with more details.

In the meantime if you would like more information about our new service please click [here](#).

Register now Login

What's new

- Take a [test drive](#) of our new service
- Online password reset
- Multiple bill payments

For your information...

- Marketing tiles and "for your information" are marketing driven and will run of the program already in place. Refer CR160

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View our [Financial Services Guide](#). Electronic Banking services are issued by the Commonwealth Bank of Australia ABN 48 123 123 124 (Electronic Banking services include telephone banking, NetBank and @944) a Product Disclosure Statement (PDS) is available for these products on this website or from any branch of the Commonwealth Bank. The PDS should be considered before making any decision about these products.

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Start Testing Access CBR/BID Sev Commw... Exploring - I... Microsoft Exce... Microsoft Wor... Logon - Micro... Control Panel Microsoft Wor... 10.3

Over 140 branches have been redesigned 翻新超过140分行



We have focused on both motivators and disciplines

注重激励员工和严格管理

Motivators

- Compelling, simple vision
- Recognition culture
- Upwards feedback
- Simpler incentives and more upside for high performance
- Communication
- 'Finding the fun'
- Aligned leadership

Disciplines

- Frontline service and sales disciplines
- Rigorous service and sales measurement
- 'Coaching Mastery'
- Greater rigour in performance assessment and talent management
- More sophisticated culture gauges



Our staff will star in our advertising 员工是我们的星



**凿户牖以为室，当其无，有室之用。
故有之以为利，无之以为用。**

老子 公元前600年



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