

# Media Presentation

For the half year ended 31 December 2007

Ralph Norris

CHIEF EXECUTIVE OFFICER

13th February 2008

Commonwealth Bank of Australia ACN 123 123 124



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## 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, 13 February 2008. 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.



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## Other key information

## Notes

### Some overall Bank indicators

	6 months			
	Dec 07	Jun 07	Dec 06	Jun 06
Number of branches	1,010	1,010	1,010	1,005
Weighted av. No. of shares (cash)	1,306m	1,293m	1,284m	1,285m
Net tangible assets per share (\$)	12.14	11.65	10.23	9.42
Risk weighted assets (\$m)	272,609	245,347	234,569	216,438



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## A solid operating result

	Dec 07	Dec 07 vs Dec 06
Operating Income (\$m)	6,974	8%
Cash NPAT (\$m)	2,385	4%
Cash EPS (cents)	180.7	2%
Return on Equity – Cash (%)	20.8	(180)bpts
Dividend per Share - Fully Franked (cents)	113	6%



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## Market shares

	Dec 07	Jun 07	Dec 06
<b>Retail Banking Services</b>			
Home loans	18.8%	18.5%	18.4%
Credit cards	18.6%	18.8%	19.3%
Personal lending	16.7%	16.4%	16.4%
Retail deposits	22.0%	21.6%	21.9%
Household deposits	28.9%	29.0%	28.8%
<b>Premium Business Services</b>			
Business lending - APRA	12.5%	12.4%	12.5%
Business lending - RBA	12.9%	12.7%	12.9%
Business deposits - APRA	13.7%	13.0%	12.0%
Equities trading - CommSec (total market)	6.4%	4.3%	4.3%
Equities trading - CommSec (online market)	62.7%	46.3%	45.7%
<b>Wealth Management</b>			
Australian retail - administrator view	14.2%	14.1%	15.3%
FirstChoice platform	9.4%	9.0%	8.1%
Australia life insurance (total risk)	14.1%	14.2%	14.3%
Australia life insurance (individual risk)	12.7%	12.7%	12.7%
<b>International Financial Services</b>			
NZ lending for housing	23.1%	23.1%	23.1%
NZ retail deposits	21.3%	21.2%	20.7%
NZ life insurance	31.8%	31.8%	31.5%

## Notes



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## Strong volume growth and share gains

	12 months	Since Jun 07
	<b>CBA Volume Growth</b>	<b>Market Share</b>
Home Lending	14% ↑	0.3% ↑
Retail Deposits	12% ↑	0.4% ↑
Business Lending	24% ↑	0.2% ↑
Business Deposits	38% ↑	0.7% ↑
FirstChoice	36% ↑	0.4% ↑



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## Variable Home Loan Margin - calculation of impacts

Term Funding = 37bpts additional term funding costs  
 x proportion of portfolio that reprices in a given time period  
 (assume even rate of repricing)  
 x proportion of portfolio that is wholesale funded

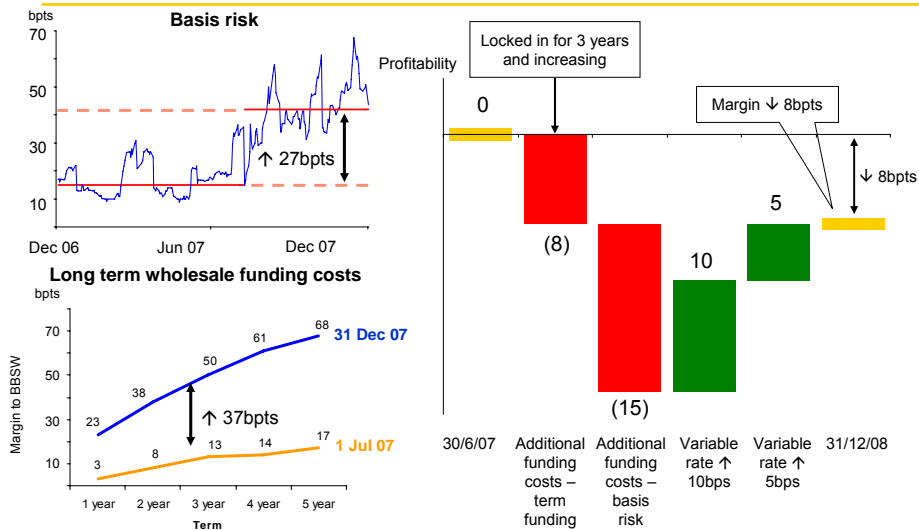
Basis Risk = 27bpts additional basis risk funding costs  
 x proportion of portfolio which is exposed to 90 day bill rate funding



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## Variable Home Loan Margin – impact of market volatility\*



\* Net of retail deposits



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# Notes

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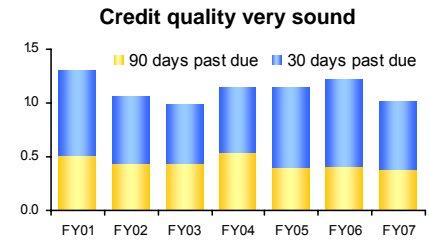
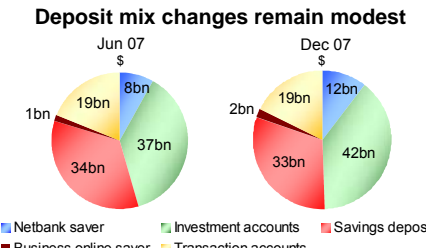
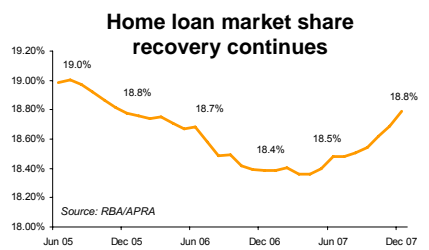
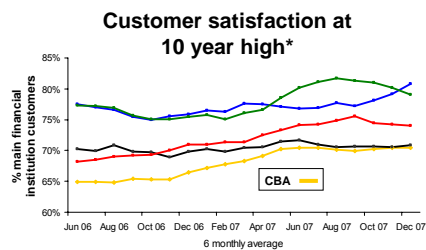


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# Retail Banking Services



## Most improved customer satisfaction

### Business Customers\*

	Customer Satisfied	Movement	
	Dec 07 %	6 Months %	12 months %
ANZ	77.6	↑ 0.7	↑ 1.9
<b>Commonwealth</b>	<b>65.7</b>	<b>↑ 5.0</b>	<b>↑ 7.4</b>
NAB	72.2	↑ 2.8	↑ 3.5
Westpac	73.8	↑ 4.3	↑ 7.2
St George	79.7	↑ 0.3	↓ 0.4

\* Source: TNS Business Finance Monitor Dec 07. Customer satisfaction with MFI – businesses with annual turnover to \$100m (ex Agribusinesses). All time periods refer to a 12 month rolling average. Percentage point change refers to the increase / decrease of each bank's customers who are satisfied. Satisfaction is based on business customers who said they were Very or Fairly Satisfied with their relationship with their MFI

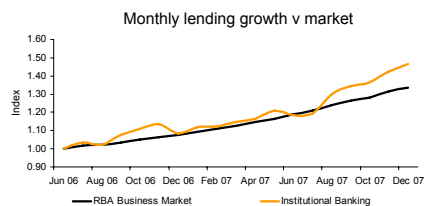


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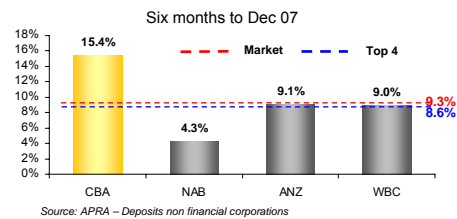
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## Premium Business Services

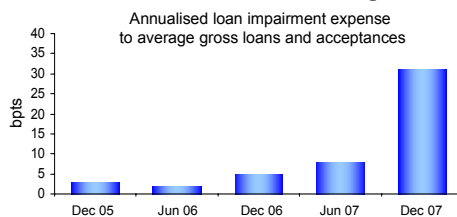
### Strong growth in Institutional Banking



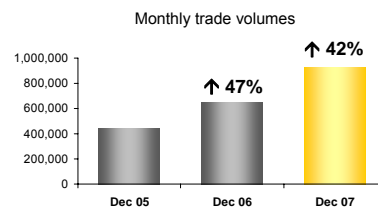
### Deposits growth well above system



### Increased Provisioning



### CommSec growth trajectory continues



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# Notes

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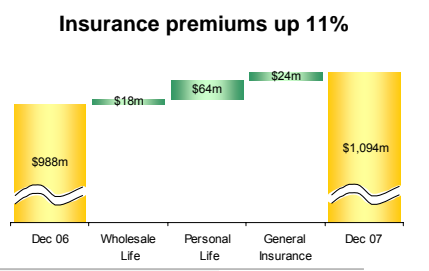
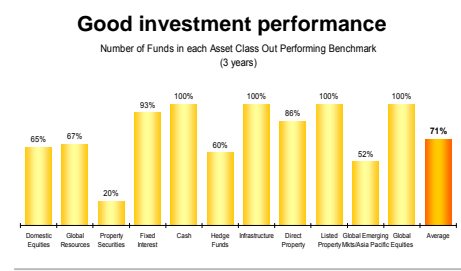
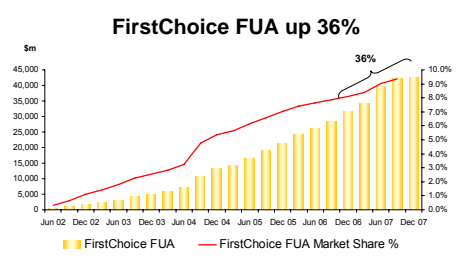
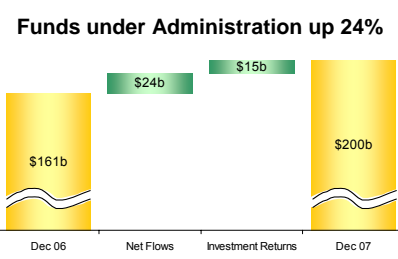


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# Wealth Management



**CommBiz** – online, real time secure business and corporate banking

**FirstChoice** – chosen by 50% of IFA's

**NetBank** – 2M active customers and growing. The only financial services platform to enter Australia's top-ten most accessed websites

**CommSec** – Australia's leading retail brokerage platform with approx. 10M trades during FY07

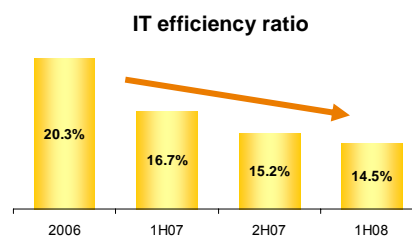
**CommSec** – 95% visibility of customer holdings

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## Other highlights

- Further IT savings – efficiency ratio trending below 15%
- Encouraging improvements in Group-wide referrals
- Market share maintained in NZ Banking despite aggressive competition
- Asian growth:
  - Branch licence in Vietnam
  - ANK acquisition completed
  - Largest foreign branch network in Indonesia



**Group-wide converted referrals (No.)**

Retail to Premium	48%	↑
Premium to Retail	218%	↑
Wealth Management to Retail	74%	↑
Tier 1 Branch Insurance Cross-Sell	75%	↑

All movements Dec 07 Half vs Dec 06 Half



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