

Commonwealth Bank of Australia

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Presentation to Shaw Stockbroking
4 June 2008



Determined to be different

Disclaimer

The material that follows is a presentation of general background information about the Bank's activities current at the date of the presentation, 4 June 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.

Operating environment remains challenging

- Global credit markets remain significantly constrained – but some positive signs emerging.
- Slowdown in global economic growth with China and India being key.
- Domestic credit growth showing signs of slowing with uncertain economic outlook.
- Possible Credit cycle downturn – but no systemic credit issues.
- Cost pressures in a tight labour market.
- Changing competitive dynamics creates challenges and opportunities for CBA.

CBA well placed in current environment

- Strong competitive position and above system growth for core products.
- Prudent funding and liquidity management sees CBA in strong position.
- Robust capital with key ratios benefiting from Basel II.
- Sound risk management processes in place.
- Low-risk, domestically focussed strategy delivering results.

All brands performing strongly

Banking

Funds Mgt

Insurance

CommonwealthBank



Colonial
First State

CommInsure



ASB

1
FirstChoice

CommSec



SOVEREIGN



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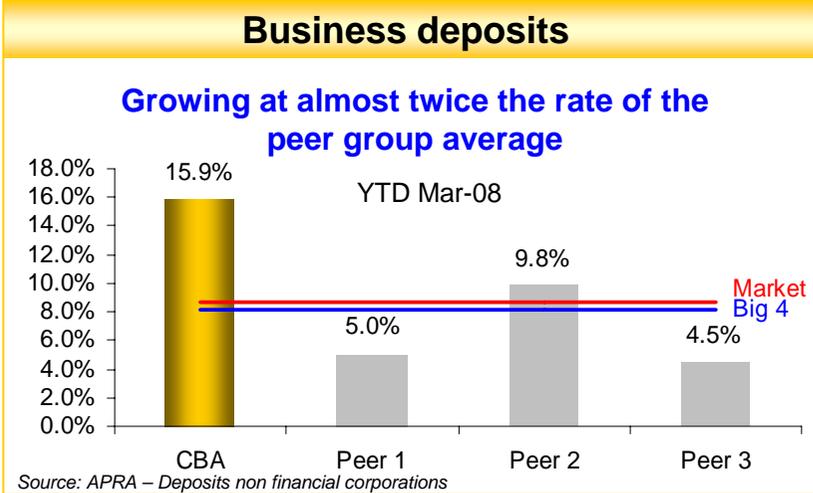
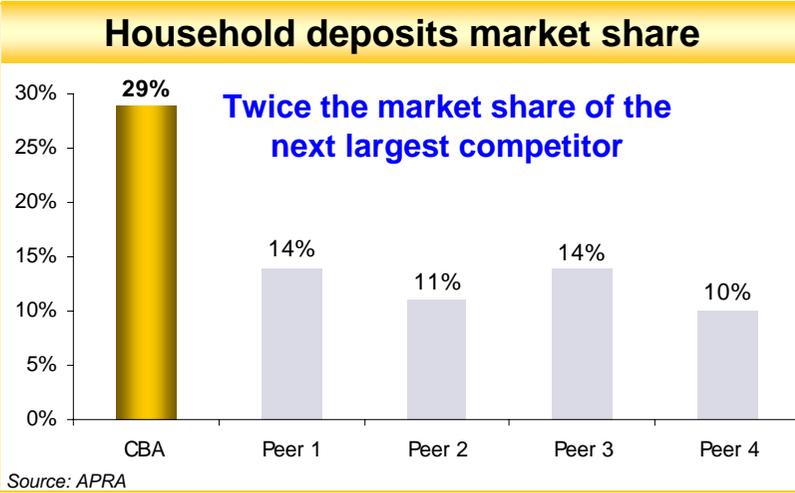
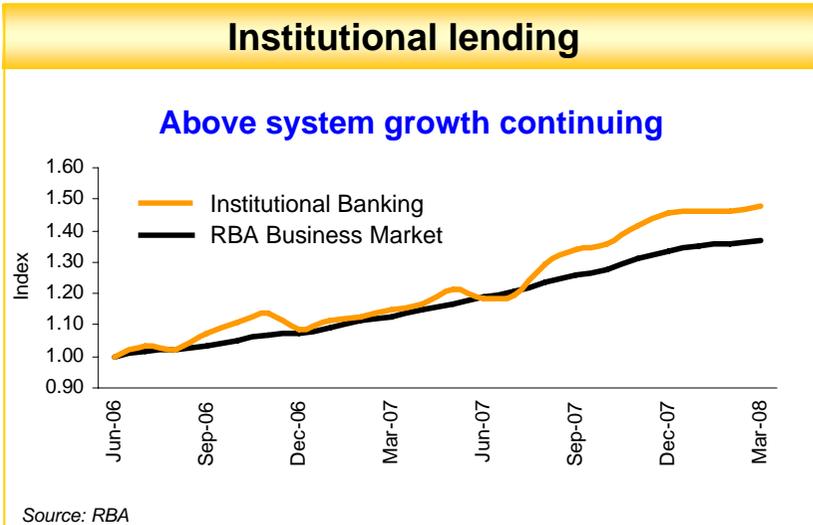
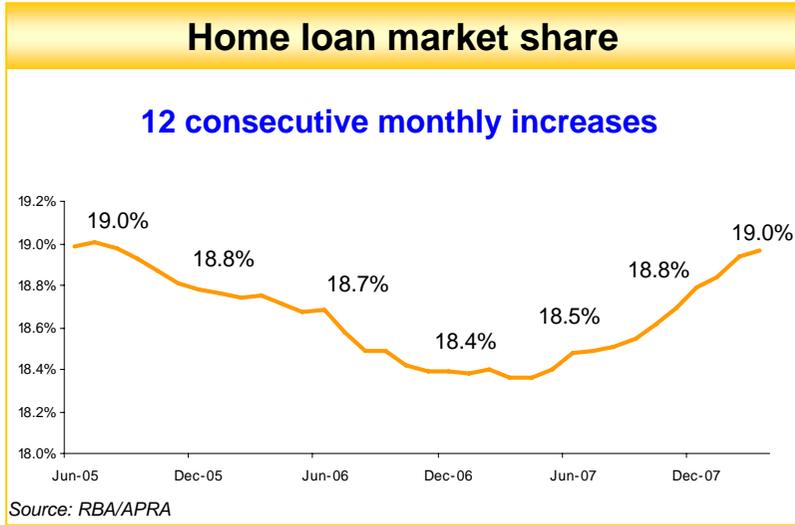
Strong competitive position

<u>Market Shares</u>	Mar-07 %	Mar-08 %	Mvt %
Home Lending	18.36	18.97	0.61 ↑
Household Deposits	28.77	29.04	0.27 ↑
Business Lending	12.64	12.73	0.09 ↑
Business Deposits	12.46	13.84	1.38 ↑
FirstChoice	8.39	9.60	1.21 ↑

Note: FirstChoice data compares Dec-07 to Mar-07 (Mar-08 market share data not yet available)

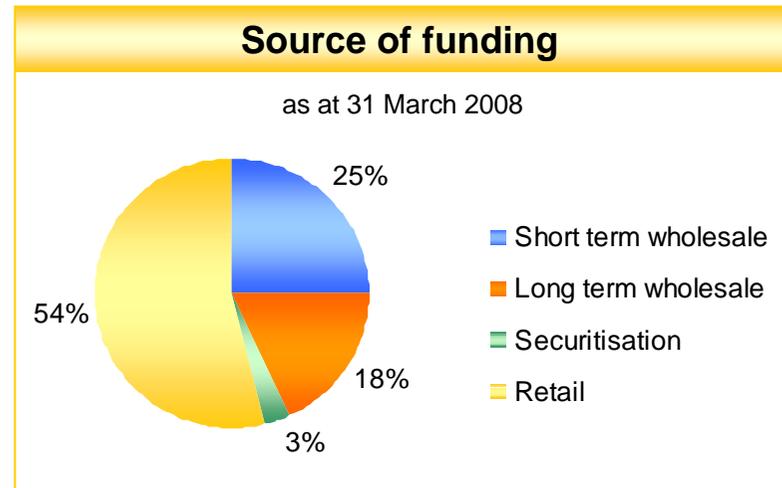


Strong growth in core products



Prudent funding and liquidity management

- Strong financial position with AA credit rating.
- Globally respected borrowers with highly diversified wholesale funding programme.
- Strong retail funding (16.5% annualised retail deposit growth).
- No reliance on securitisation.
- Unchanged long term maturity duration at 4.1 years.
- Holding liquids of \$39bn, \$10bn surplus to prudential requirements.
- FY09 funding task similar to FY07 and FY08.



FY09 Long Term Funding Programme

		Retail Deposit Growth		
		8%	10%	12%
Asset Growth	10%	27	25	22
	12%	28	26	24
	14%	29	28	25

\$bn

Likely range

Strong capital position

- Basel II advanced accreditation received December 2007.
- Capital ratios well above internal targets at 8.17% for Tier 1.
- Strongest capital position relative to peers.
- Favourable portfolio composition – highest exposure to residential mortgages.
- No current plans or need to raise additional capital.

Capital Ratios*

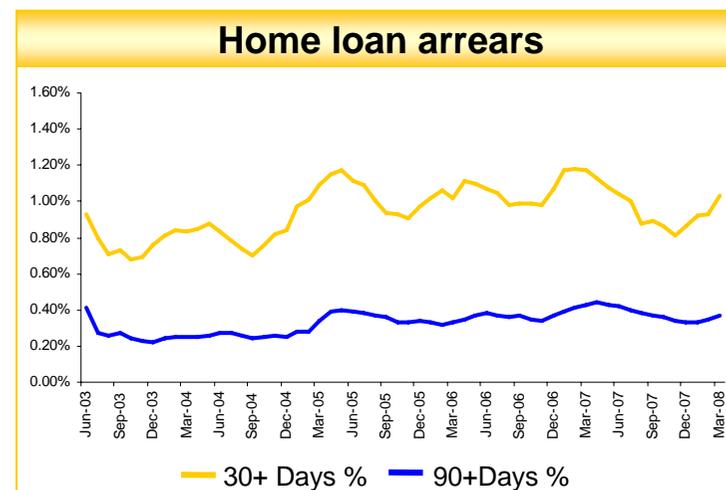
	Tier One	Total Capital
CBA	8.17%	12.09%
Peer 1	6.9%	10.1%
Peer 2	7.4%	10.1%
Peer 3	7.0%	10.1%
Peer 4	6.5%	9.7%

* CBA ratios as at 1 Jan-08, Peer Bank ratios as at Mar-08. All ratios exclude Interest Rate Risk in Banking Book.

Sound risk management - Consumer

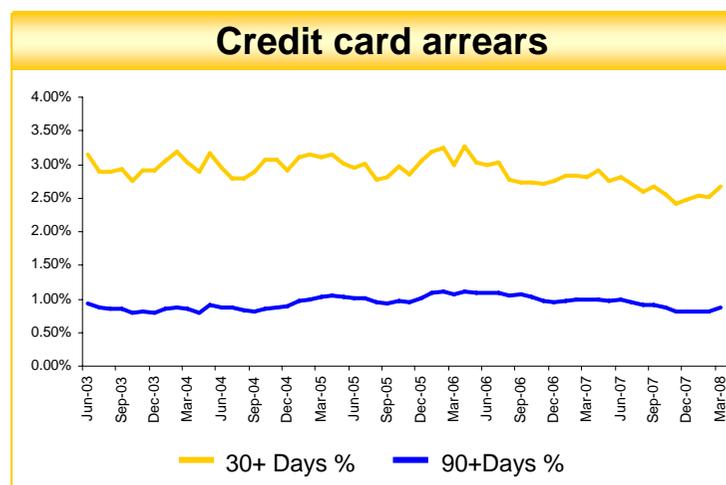
■ Home lending:

- Portfolio quality remains sound
- Q3 arrears up-tick likely seasonal
- 60% of customers two+ payments in advance
- Portfolio average LVR ~40% on current values



■ Unsecured personal lending:

- Portfolio quality remains sound
- Some seasonal impacts through Q3
- Lead indicators remain under close review
- Not participating in zero rate card transfers has reduced exposure to higher risk sentiment.



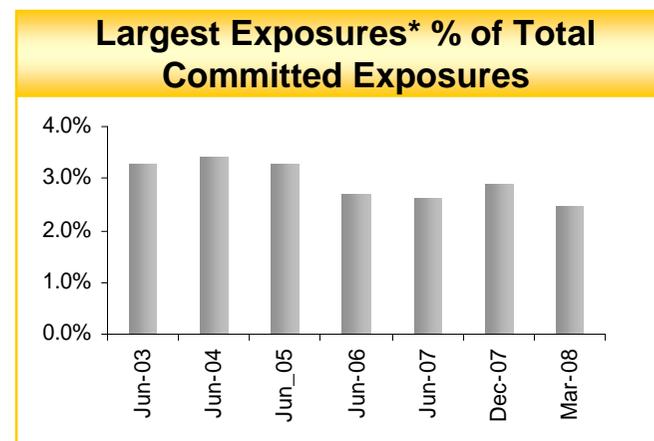
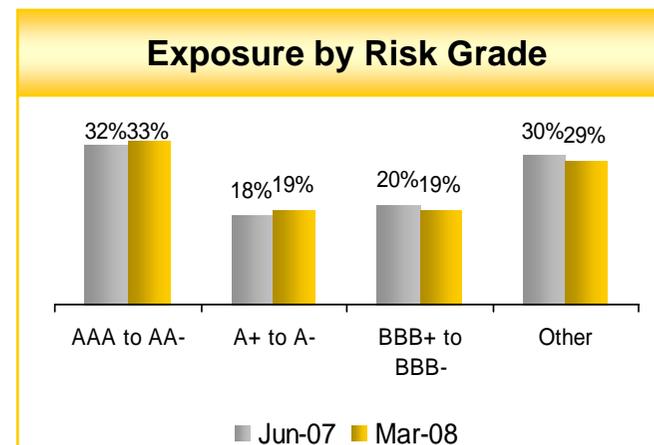
Sound risk management - Commercial

- Portfolio quality remains sound:

- No evidence of systemic or sector-specific issues
- Over 70% of exposures investment grade
- Top 20 exposures all investment grade
- Large exposures have declined as a proportion of total book
- No material change in industry concentration
- Good quality margin lending book

- Increased provisioning consistent with the cycle

- “Single-names” remain under close attention



* Measure of largest 20 exposures as a % of committed exposures

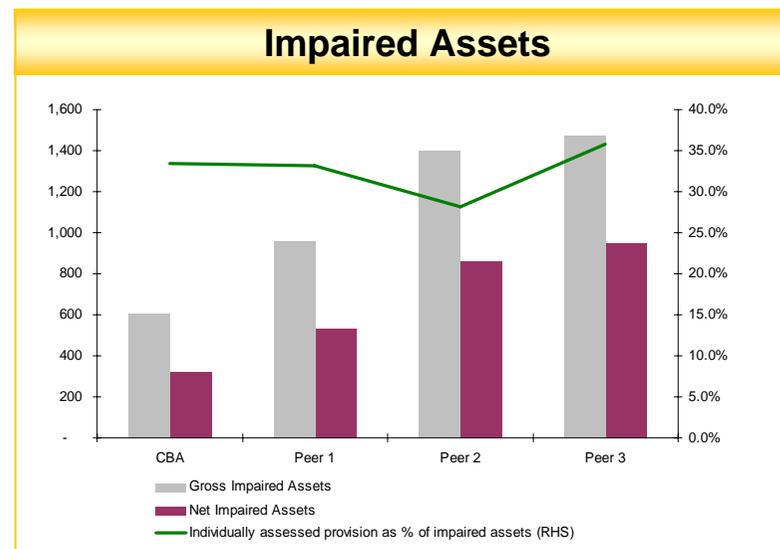
Provisioning

■ Individual:

- Driven by impaired assets
- CBA impaired assets < peer group
- Provision coverage in line with peers

■ Collective:

- “Like-for-Like” comparison difficult
- Mix weighted to lower risk segments
- Historically lower impaired loans
- Provisioning historically below peers
- Conservative approach



Portfolio Mix

	CBA	Peer 1	Peer 2	Peer 3
Unsecured Retail	3%	5%	4%	5%
Margin Lending	2%	1%	1%	1%
Home Loans	46%	37%	33%	29%
Commercial Lending	18%	24%	23%	21%

Source: APRA Banking Statistics. Totals for each APRA category expressed as a percentage of total reported Gross Loans and Acceptances

Low risk, domestically-focussed strategy

Customer Service

- ▶ Customer satisfaction continuing to trend higher through Mar-08
- ▶ Overall satisfaction across retail businesses and wealth at 10 year highs
- ▶ New design branches achieving peer group best practice satisfaction – above system mortgages growth in branch channel.

Business Banking

- ▶ Good volume and market share outcomes
- ▶ Very strong customer satisfaction gains over 12 months to March
- ▶ Strong growth in business deposits

Technology and Operational Excellence

- ▶ IT cost savings and efficiency targets on track
- ▶ Core Banking Modernisation announced April 28 – will deliver improved customer satisfaction and lower cost to income ratio

Trust and Team Spirit

- ▶ Culture survey gains consolidated – Gallop score in top quartile
- ▶ Continued focus on engagement

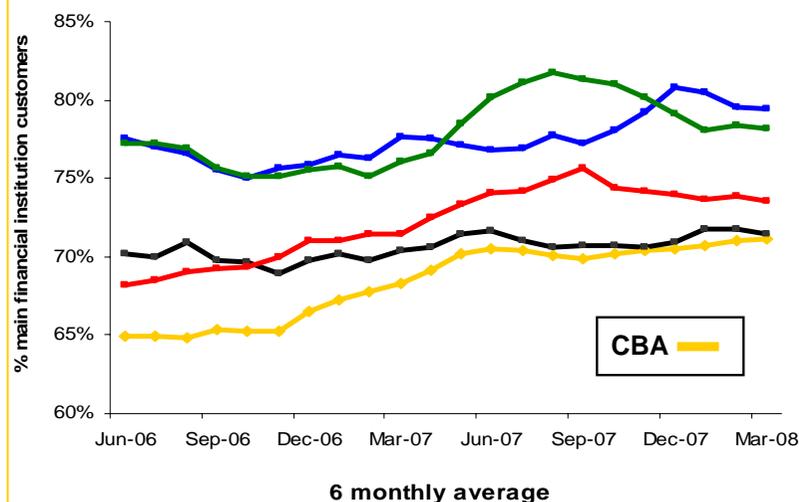
Profitable Growth

- ▶ Net FUM flows in WM impacted by markets, but still relatively strong – continue to look for opportunities to grow CFS GAM
- ▶ Encouraging improvements in group-wide referrals
- ▶ Growth options in Asia, growing strongly

Customer satisfaction continues to improve

Overall Customer Satisfaction¹

Customer Satisfaction levels improving, but with significant scope for further gains



1. Source: Roy Morgan Research. Aust MFI Population 14+, % "Very" or "Fairly Satisfied"

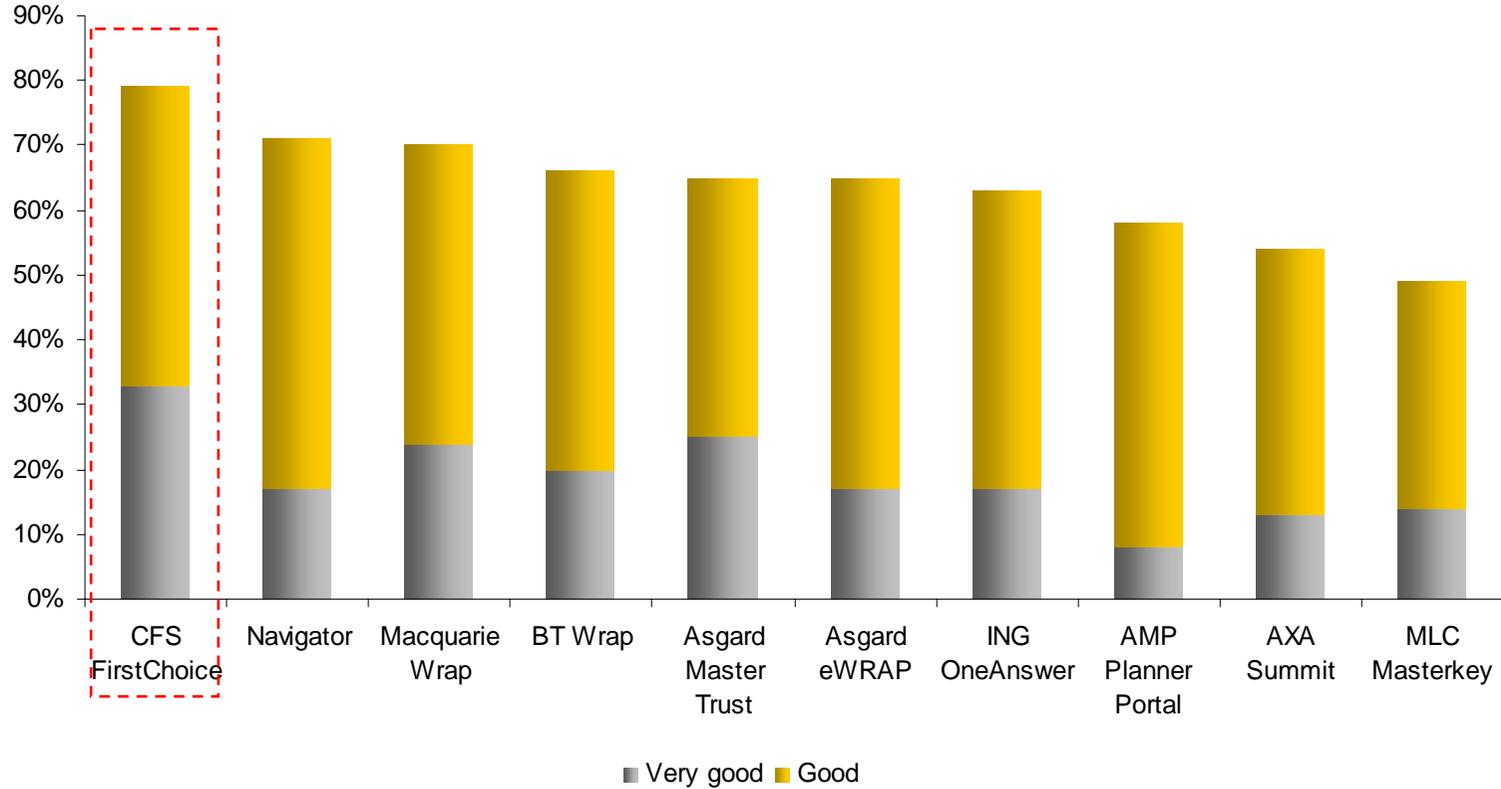
Business Customer Satisfaction²

Largest improvement over the past 12 months

	Customer Satisfied Mar 08 %	Movement	
		6 Months	12 Months
ANZ	80.2	↑ 4.1	↑ 3.0
Commonwealth	71.1	↑ 9.3	↑ 11.9
NAB	73.3	↑ 2.7	↑ 4.2
Westpac	77.0	↑ 5.8	↑ 8.1
St George	84.2	↑ 4.2	↓ 4.9
All Financial Institutions	77.7	↑ 5.0	↓ 6.2

2 Source: TNS Business Finance Monitor Mar 08. 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

FirstChoice – Advisers Rate #1



Source: Investment Trends Pty Ltd, Nov 2007 Planner Technology Report



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