

Commonwealth Bank of Australia

Investor presentations

Wealth Management

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Grahame Petersen











GROUP EXECUTIVE



Determined to be different

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16th and 17th November, 2010

Business overview

Business	Major Product Segments	Brands	Size ¹	Performance
Colonial First State Global Asset Management	Funds management	 	<ul style="list-style-type: none"> #3 in globally sourced FUM \$151bn 1,390 people globally 	<ul style="list-style-type: none"> Underlying NPAT \$236m for FY10 76% of funds outperforming over 5 years
Colonial First State	Platforms Investments Superannuation Retirement		<ul style="list-style-type: none"> #3 in Retail FUA \$76bn #1 in Platform FUA \$46bn 2,453 people in Australia 	<ul style="list-style-type: none"> Underlying NPAT \$147m for FY10 FirstChoice #1 in platforms, 10.94% market share
	Financial advice Dealership services	    		
CommInsure	Life Insurance General Insurance Wholesale - Group Risk		<ul style="list-style-type: none"> \$1,547m total inforce premium 1,276 people in Australia 	<ul style="list-style-type: none"> Underlying NPAT \$299m for FY10 Inforce premium growth 2% (up 10% ex loss of Australian Super)
	'Open' Investments Legacy Investments			

Notes: 1. FUM, FUA and inforce premium as at Sept 2010. Rankings as at June 2010 (Rainmaker and Plan for Life)



Progress on strategic priorities

Attract, grow and retain talent

- Improving retention by enhancing recruitment processes and aligning incentives
- Strengthening our performance culture and talent through leadership development
- Promoting diversity in the workplace and supporting female career development

Get the basics right

- Embedding Process Excellence within the business to increase efficiency
- Investing in technology to improve service delivery
- Rationalising legacy systems to reduce costs and improve service delivery

Provide excellent customer service

- Establishing a sales and service culture through a network of champions
- Receiving consistently high ratings from external customer benchmarks
- Increasing customer engagement through regular communication

Drive sustainable profitable growth within agreed risk parameters

- Growing profit by focusing on stronger margins, cost savings and retaining customers
- Launching new products to capture market demand
- Building risk awareness and improve our approach to risk management



Recent achievements

- Multiple award wins including Life Insurance Company of the Year and Standard and Poor's Fund Manager of the Year.
- Maintained #1 in customer satisfaction for the 3rd year running in Fund Manager category¹
- CFS's FirstChoice overtook MLC MasterKey as largest platform in June 2010
- \$2bn institutional mandates awarded to the Australian Equities Core team
- Expanding presence in Japan with the opening of an office in Tokyo
- FirstRate Saver and Term Deposits in excess of \$2.5bn
- Realindex alliance with Research Affiliates passed \$2bn in FUM within 2 years of launch
- Successfully launched straight-through processing platform, WriteAway

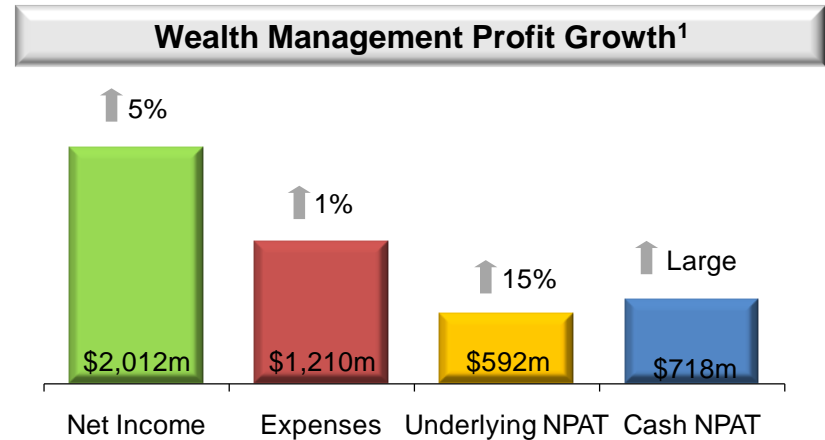
Notes: 1. Wealth Insights Service Level Survey 2010 2. Comparator, Benchmarking for Platform Business 2009, 2010



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Financial Performance FY10

- Cash NPAT of \$718m significantly above prior year of \$289m
- Solid underlying volumes across businesses and improved market conditions
- Continued disciplined approach to cost management
- Investment experience up due to improved investment markets, unwinding of annuity mark-to-market losses and non-recurrence of asset write-downs
- **Market Share⁽²⁾**
 - Retail FUA⁽³⁾ up 30 bps to 14.7%
 - FirstChoice FUA⁽³⁾ up 80 bps to 10.9%
 - Total Risk 13.7% impacted by the loss of Australian Super



Divisional Performance

	FY10 \$m	FY09 \$m	FY10 v FY09 %
Underlying NPAT			
GAM	236	207	14
CFS	147	87	69
CommInsure	299	319	(6)
Others	(90)	(99)	(9)
Total underlying NPAT	592	514	15
Investment experience after tax	126	(225)	lge
Total Cash NPAT	718	289	lge
	FY10 %	FY09 %	FY10 v FY09
Market Share⁽⁴⁾			
Retail FUA - Admin view	14.7	14.4	30 bps
FirstChoice Platform	10.9	10.1	80 bps
Total Risk	13.7	15.7	(200 bps)

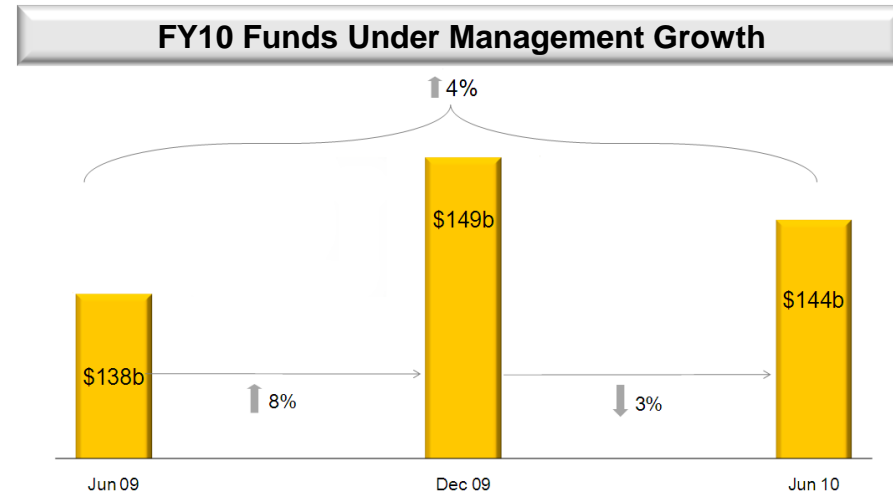
Sources/Notes: 1. Movements vs Jun 09 pro forma 2. Plan for Life as at 30 June 2010 3. Administrator view 4. Plan for Life



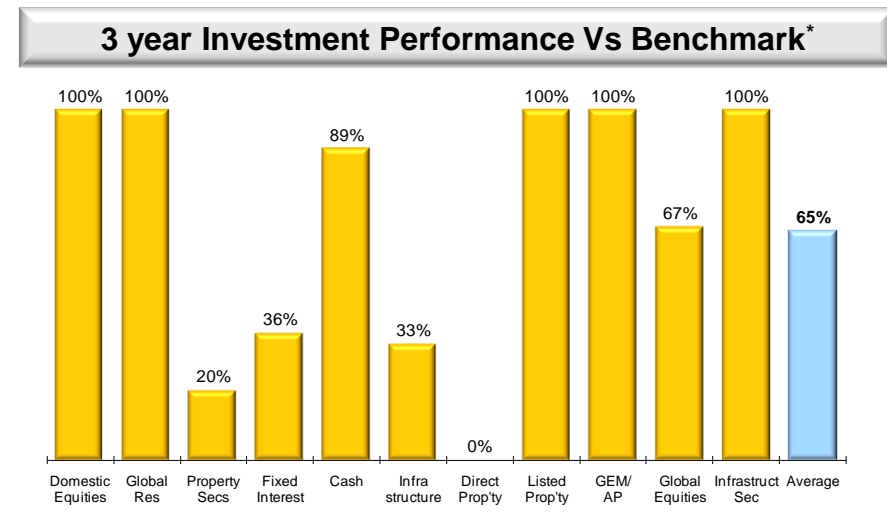
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Fund drivers

- FUM ↑ 4% to \$144bn in FY10
- Net flows impacted by short-term cash mandates
- Investment markets rose strongly in 1H10
- Sept 2010 quarter FUM ↑ 4.4%



- Fund Investment Performance solid against benchmarks:
 - 80% outperformed over 1 year*
 - 65% outperformed over 3 years*
 - 76% outperformed over 5 years*

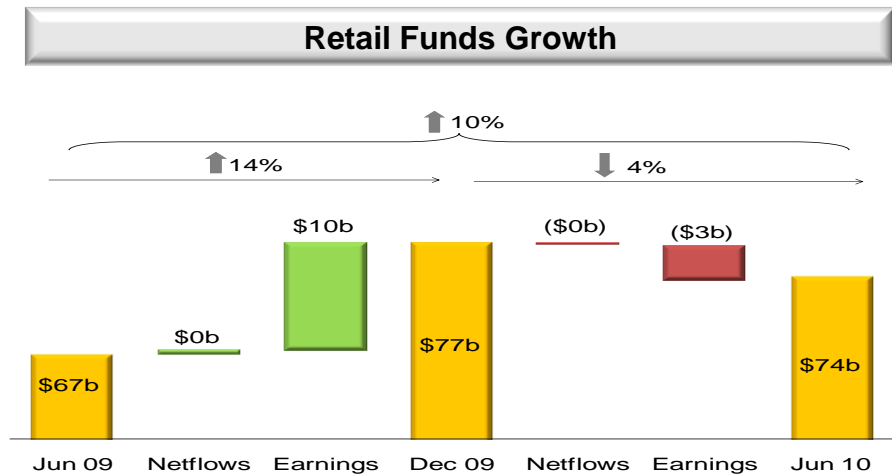


* To September 2010

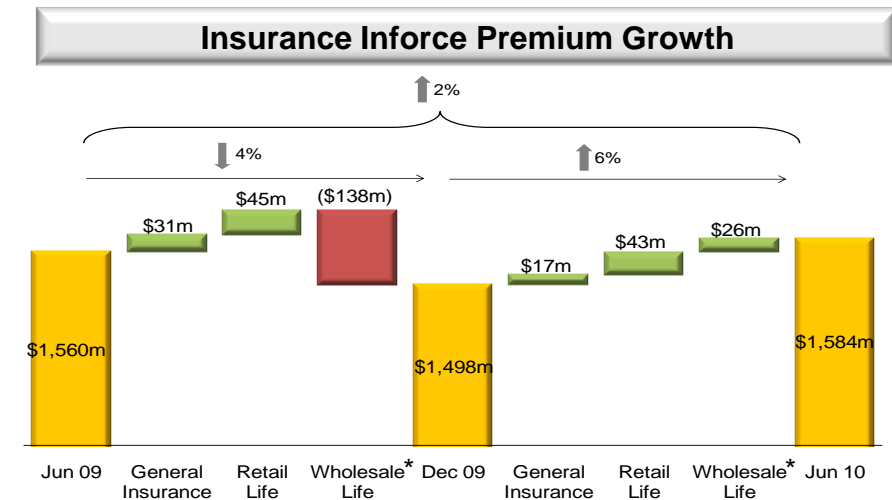


Retail funds and insurance drivers

- Retail Funds ↑ 10% to \$74bn as at June 2010
- Exceeds retail market growth of 7.5%
- FirstChoice has become the largest platform overtaking MLC MasterKey
- Sept 2010 quarter Retail Funds ↑ 3.5%



- Insurance Inforce Premiums ↑ 2% to \$1.6bn at June 2010
- Impacted by loss of Australian Super Group scheme
- Retail Life ↑ 12%, General Insurance ↑ 13%
- Sept 2010 quarter Inforce premiums up 2% excluding sale of St Andrew's



* Wholesale life impacted by loss of Australian Super



We are well positioned to respond to industry changes

	Market outlook	WM response
Market volatility	<ul style="list-style-type: none">▪ Uneven pace of global recovery▪ Fragile domestic investor confidence▪ Compulsory superannuation will continue FUM and inforce premium growth	<ul style="list-style-type: none">▪ Leverage scale and diversification▪ Promote trust and transparency
Margin pressure	<ul style="list-style-type: none">▪ Increasing margin pressures across the value chain▪ Trend towards defensive and passive products with lower margins	<ul style="list-style-type: none">▪ Leverage the CBA distribution network▪ Deliver products to meet changing demand
Industry consolidation	<ul style="list-style-type: none">▪ Players seeking scale and expansion of capabilities▪ Growth in aligned distribution networks leading to reduce market contestability	<ul style="list-style-type: none">▪ Capitalise on the strength of our parent▪ Focus on delivering excellent customer service
Greater regulatory oversight	<ul style="list-style-type: none">▪ Renewed focus on fiduciary duties and increased adviser education standards▪ New governance requirements	<ul style="list-style-type: none">▪ Enhance risk management frameworks▪ Engage proactively with regulators
Technology driving efficiency	<ul style="list-style-type: none">▪ Demand for technology and service efficiency from advisers and Super Funds▪ Shift towards integrated platform and financial planning software solutions	<ul style="list-style-type: none">▪ Invest in technology and platform capabilities▪ Streamline systems and processes



Questions and answers

