



Commonwealth Bank

Media Release

COMMONWEALTH BANK ANNOUNCES ORGANISATIONAL RESTRUCTURE

Sydney 20th December 2001: The Managing Director of the Commonwealth Bank, Mr David Murray, today announced changes to the Commonwealth Bank's organisational structure to create vertically integrated businesses. The new structure aligns product development and service delivery to customer segments. He also announced changed responsibilities for the leadership team.

Four new business divisions are to be created, each focussing on a particular customer base:

- Retail Banking Services will meet the financial needs of personal and small business customers seeking accessible and affordable banking. It incorporates the former Customer Service Division and parts of the former Australian Financial Services.
- Premium Financial Services which will bring together the Bank's existing proprietary wealth management businesses to provide customised products and services for clients with more complex financial needs.
- Investment and Insurance Services will bring together the Group's funds management, master funds, superannuation and insurance businesses. This will include Colonial First State, Commonwealth Investment Management and Colonial Insurance, Commonwealth Insurance and third party support services for brokers, agents and financial advisers under existing brands.
- Institutional and Business Services will cater for the financial needs of institutions, corporates and middle market business customers. Risk and capital management services, as well as more traditional business services, will be offered to customers using a relationship management approach, as well as through business centres.

Mr Murray said, "The new structure reflects both the changed business mix of the enlarged Commonwealth Bank and its strategic positioning. The structure not only creates an improved focus on wealth management, it will enable the Bank to better meet the needs of all customers from those seeking a simple transaction banking service to those with more complex wealth management needs, through to business and large institutional customers."

The grouping together of manufacturing activities and services relevant to particular customer segments affords greater clarity and focus and removes service and distribution resource overlaps. The vertical integration of business units will ensure that decisions are made with speed and responsiveness.

The new structure, which will be operational by end February 2002, provides enhanced development opportunities for the Bank's senior executive team. The new business units will be headed by:

- Retail Banking Services: John Mulcahy (formerly Head of Australian Financial Services)
- Premium Financial Services: Michael Katz (formerly Head of Institutional Bank)
- Investment and Insurance Services: Peter Polson (formerly Head of Colonial First State Investments Group)
- Institutional and Business Services: Michael Ullmer (formerly Group General Manager Financial and Risk Management)

In relation to Michael Ullmer's replacement as Head of Finance and Risk Management, Mr Murray said that he was in discussions with a senior executive from outside the Bank and expected to make an announcement mid-January.

The organisational structure and leadership of the Bank's other business divisions remain unchanged. These comprise:

- International Financial Services: Garry Mackrell
- Technology, Operations and Procurement: Russell Scrimshaw
- Group Human Resources, Les Cupper
- Office of the CEO: Adrian Cosenza

ATTACHMENTS

1. Chart showing the services and delivery channels to be offered to customers under each of the new business units
2. Brief background on the executives leading those businesses.

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