
Investment and Insurance Services (“IIS”)

“A New Focus”

Peter Polson, Group Executive

21 May 2002





Disclaimer

The material that follows is a presentation of general background information about the Bank's activities current at the date of the presentation 21 May 2002. 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

- Speaker's notes for these presentations are attached below each slide.
- To access them, you may need to save the slides in PowerPoint and view/print in "notes view."



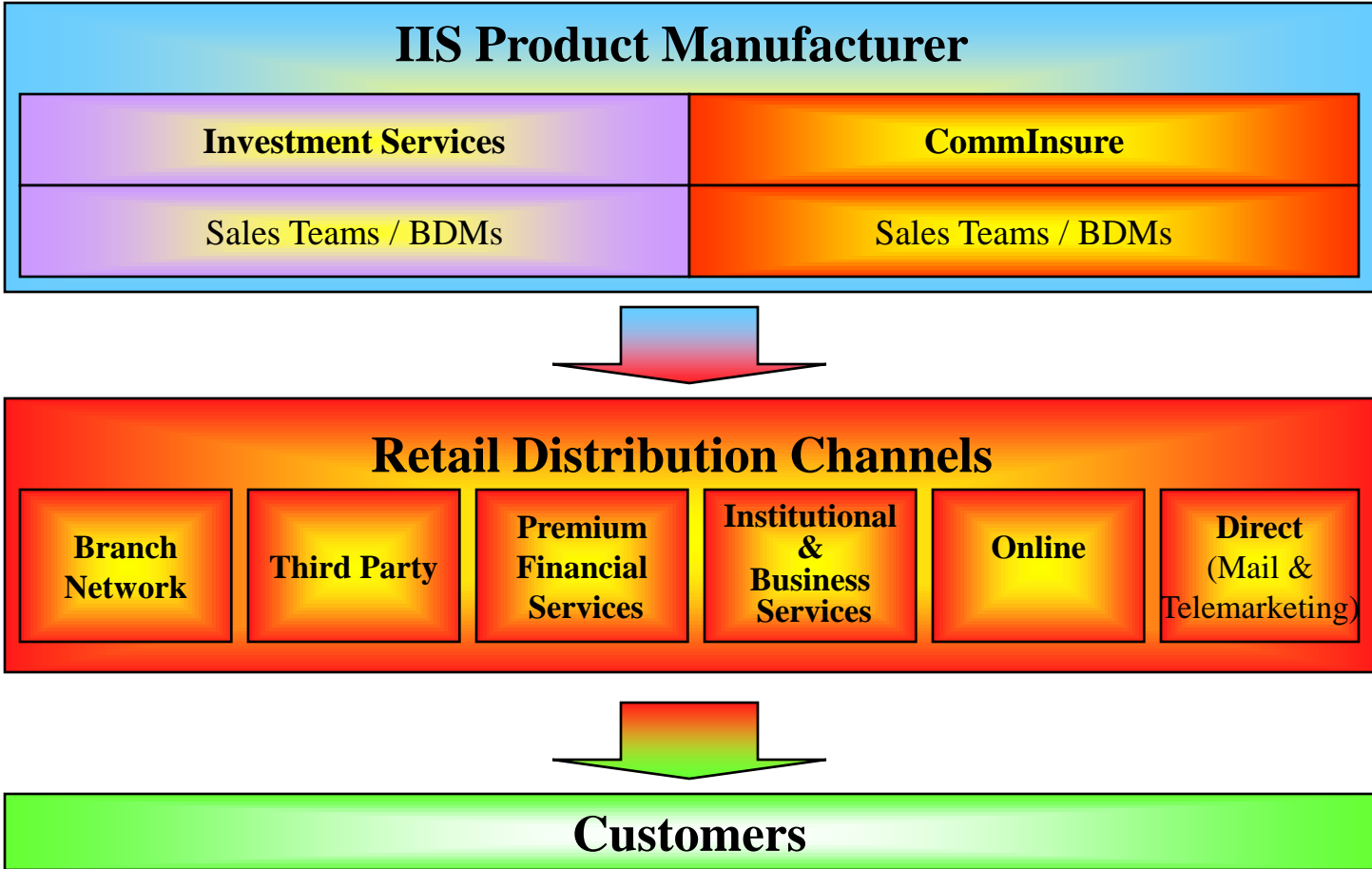


IIS A New Focus

- Commonwealth Group Restructure
 - centres of excellence in Investment and Insurance Services
- Focussed management teams
- Integrated 'end to end' wholesale product businesses
- Aligning channel management



IIS Business Model





IIS - A New Focus

- Clear management accountability across the value chain
- Effective integration framework
- Clear lines drawn between Investment & Insurance business





IIS - A New Focus

- New vocabulary
 - insurance
 - investment
- Business migration
 - simplification
- New investment business increasingly written outside the life company





IIS - Structure of Operations in more detail

		Investment Services		Insurance Services			
Line of Business	Unit Trusts	Unit Trusts, Superannuation & Retirement Income Products		Life Risk Insurance	Annuities	Traditional Insurance	General Insurance
	Colonial First State Managed Funds Australia NZ Asia UK	Commonwealth Financial Services Managed Funds \$9.1bn FUM	\$11.2bn FUM	Risk only business > Death Cover > Trauma > Temporary & Permanent Disability > Sickness & Accident > Income /Mortgage Protection > Consumer Credit Cover	Bundled Risk & Investment > Life time > Term certain	Bundled Risk & Investment > Whole of Life > Endowment > Capital Guaranteed	As underwriter \$136m GWP As Rebadged (Commission only) > Motor > CTP > Marine
		Colonial Managed Funds \$2.1bn FUM	\$10.3bn FUM	\$491m IFP	\$1.4bn FUM	\$138m IFP \$3.1bn FUM	\$37m GWP
Legal Booking Entity	Colonial First State Group Ltd Colonial First	Non Life Company Fund Managers CCSL	\$26.0bn FUM	Commonwealth Life Ltd Commonwealth Insurance Holdings Ltd Colonial Mutual Life Assurance Society Ltd		\$491m IFP	Commonwealth Insurance Ltd \$136m GWP
		Non Life Companies		Life Insurance Companies		General Insurance	

Per 31Dec 2001Accounts

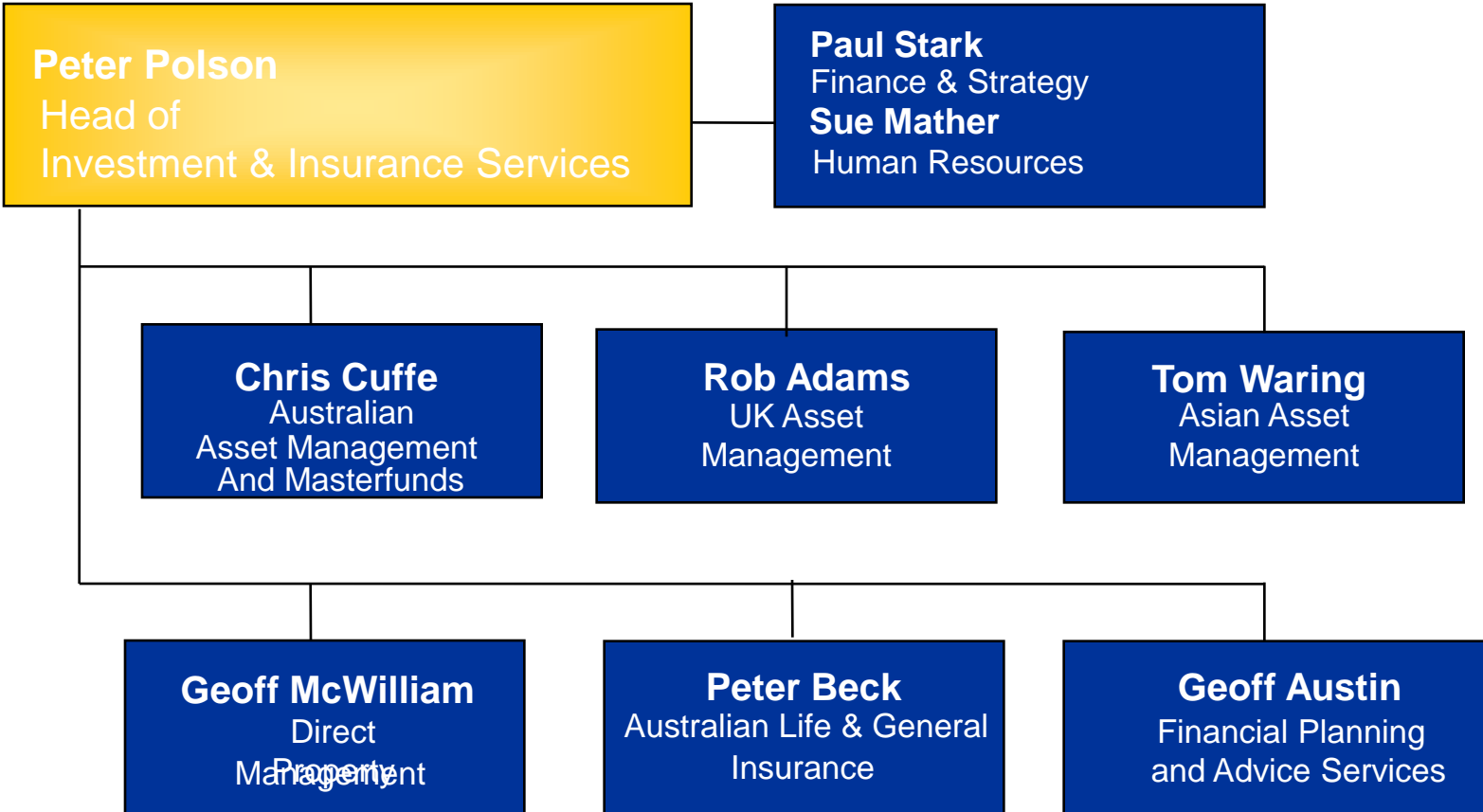


Additional Market Metrics (Domestic business only)

		Investment Services		Insurance Services				
		Unit Trusts Col First State	Unit Trusts, Superannuation & Retirement Income Products	Life Risk Insurance	Annuities	Traditional Insurance	General Insurance	
Business	Market share	5.54%	11.24%	14.64%	12.68%	12.93%	5.13%	
	Line of							
Legal Entity	Capital as % of Total	11.91%	8.30%	22.33%	31.42%	9.87%	13.81%	2.36%
Non Life Companies			Life Insurance Companies				General Insurance	



IIS Structure



IIS Business model principles

Three key planks: **INNOVATION, FLEXIBILITY & EXECUTION**

- Manufacture leading investment & insurance products
- Service experience is a key differentiator of the business
- Ability to deliver *innovative* products and service
- *Flexibility* in processes and structure
- Work environment designed to attract and retain high calibre staff
- Continuous benchmarking to strive for best practice outcomes - *execution* for the customer and risk adjusted returns for the shareholder



Investment and Insurance Services (“IIS”)

“A New Focus”

Peter Polson, Group Executive

21 May 2002

