

Commonwealth Bank

Commonwealth Bank of Australia
ABN 48 123 123 124
Communication, Community & Reputation
GPO Box 2719
Sydney NSW 1155
www.commbank.com.au



COMMONWEALTH BANK ANNOUNCES STRATEGIC DIRECTION FOCUSSED ON CUSTOMER SERVICE

Sydney 30 March 2006: The Commonwealth Bank today released details of its ongoing strategy with a refreshed determination to excel in customer service. It will do this by getting it right with customers and staff, having a clear focus on the areas of greatest opportunity and by getting the basics right.

Chief Executive Officer, Ralph Norris said, "The Bank has made significant progress over the past three years under the Which new Bank program in providing its people with first rate tools and systems to support them in their roles. We now plan to build on those achievements with a fresh emphasis on delivering to our customers the standard of service they appreciate."

"For the Commonwealth Bank to be Australia's finest financial service organisation, we will build on our previous achievements, leverage our attributes and use the commitment and skills of our staff. In short, we have motivated people, a large and diverse customer base, unparalleled distribution reach and a market leading product portfolio."

"Our areas of strategic priority are enhancing customer service, improving business banking performance, applying smart technology and operational excellence to exploit the Bank's scale advantages and fostering trust and team spirit through greater collaboration across the business."

"Customer service is our top priority. We plan to invest in the capabilities of our people through reinvigorating our service and sales program and by giving staff greater autonomy to provide customers with solutions directly at the first point of contact, using even simpler and smarter processes. The Bank intends to be even easier to do business with and an example of this is that by 1 July 2006, Premium Financial Services will join our Retail Banking Services business to operate as a combined business."

Mr Norris announced that a new Customer Service and Sales Unit will be established under the leadership of a Senior Executive from ASB.

The Bank will tackle serving its current and potential business customers head on to maintain and enhance its position in the market. It will do this through smart use of technology, refining and simplifying its processes to deliver faster decisions for customers and introducing CommBiz, a state of the art internet based business banking service which uses similar world class technology to that developed in-house for CommSee. Furthermore, CommSee, the Bank's single service view of customer information, will be introduced across all the Bank's service platforms for business customers. This will be supported by the expansion of the Bank's business banking footprint, making business services available in many of its retail branches. "These enhancements will give our business customers consistent service, improved accuracy and timeliness," Mr Norris said.

Commonwealth Bank

Commonwealth Bank of Australia
ABN 48 123 123 124
Communication, Community & Reputation
GPO Box 2719
Sydney NSW 1155
www.commbank.com.au



On the technology side, the Bank intends to manage information technology as a Bank-wide resource to ensure consistency of delivery, achieve efficiency gains and to take advantage of the scale of its business. The Bank expects to be able to redirect up to \$200 million of expenditure to augment its annual capital expenditure program. Mr Norris reconfirmed that Michael Harte, whose past experience, including at PNC and Citibank, involved the implementation of business models to deliver integrated IT services, will commence as CIO during April.

“Getting the people side right is an essential element to achieving our other goals. Success with our people, through building trust and team spirit, will lead to success with our customers and, ultimately, will be to the benefit of our shareholders,” Mr Norris said.

The Bank’s plans for its people include further skills development, encouraging flexibility and diversity in the workplace and introducing responsive and innovative policies to better meet staff needs at different stages of their working lives.

Mr Norris said, “This is an evolutionary strategy which is absolutely right for this next phase of the Bank’s development. It draws on our particular strengths and attributes, identifies areas of opportunity and brings these two elements together to ensure that our customers will benefit in ways that we know are important to them”.

“We have set ourselves the challenge of becoming Australia’s finest financial services organisation. We will achieve this by delivering our four priorities and making sure we get the basics right every time.”

“With a collaborative approach to excelling in customer service, the support of our people and a clear focus on our four key priorities, I know we can successfully deliver this strategy.”

“We expect that this strategy will deliver profitable market share growth, productivity improvements and increasing dividends, in line with our previous practice. We expect to achieve above market EPS growth, reflecting our superior position in the market,” Mr Norris said.

ENDS

For further information, please contact:

Bryan Fitzgerald
General Manager, Media
Telephone (02) 9378 2663