

Australian Financial Services Conference

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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 June 2006. 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.



Outline

- Market conditions
- Business performance
- Credit quality
- RBS strategy
 - Leadership
 - Product initiatives
- Credit growth drivers



Market conditions

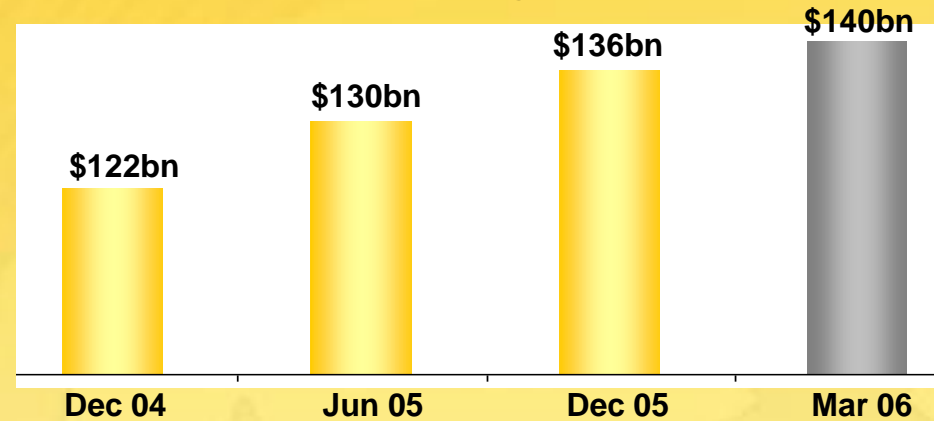
- Market remains competitive
- Home lending strong:
 - limited impact of rate rise
 - fixed home borrowing increased
- Strong business capex
- Personal lending stable
- No material changes to credit quality



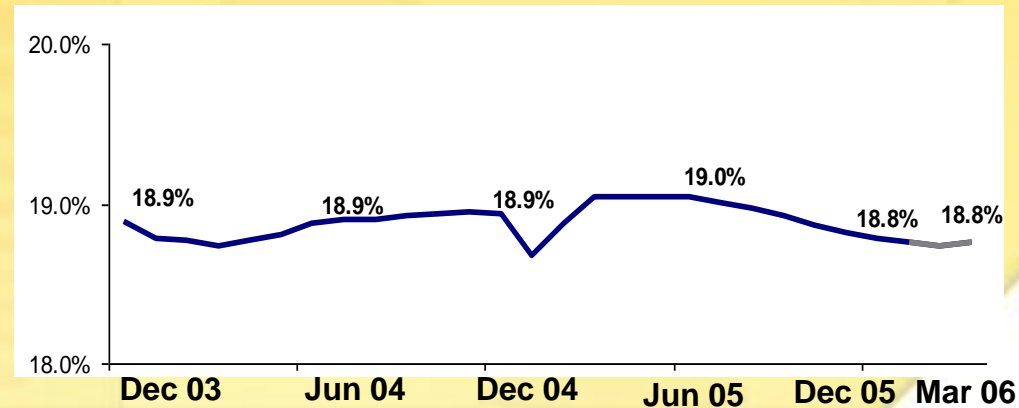
Banking - Home Lending (domestic)

- Orderly market slow down
- CBA balance growth (Dec 05):
 - +12% vs Dec 04
 - +5% vs Jun 05
- Market share steady
- Margin relatively stable

Spot Balances (including securitisation)



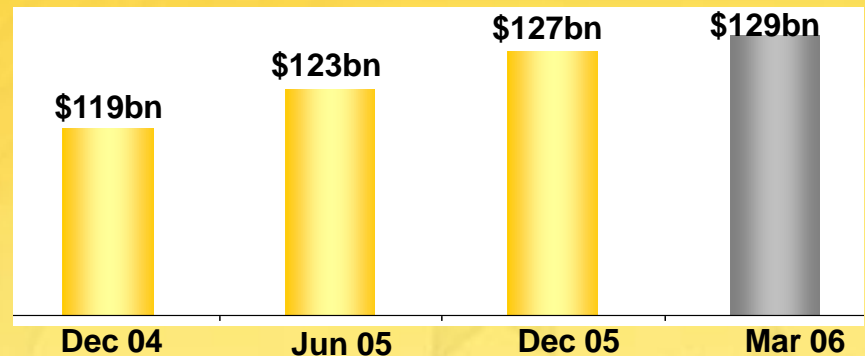
Market Share



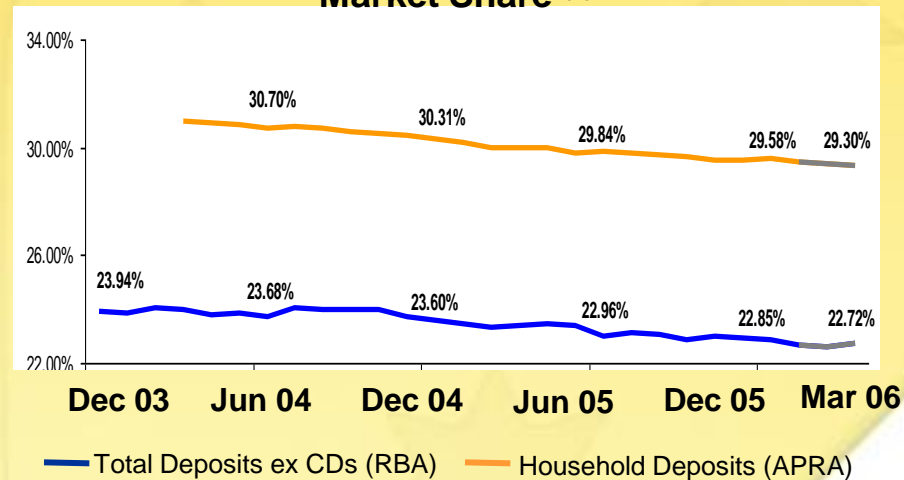
Banking - Deposits (domestic)

- Market remains competitive
- Strong inflows into Netbank Saver & Streamline
- Over 50% of Netbank inflows are new to the Bank
- Market share stabilising

Balances



Market Share (1)

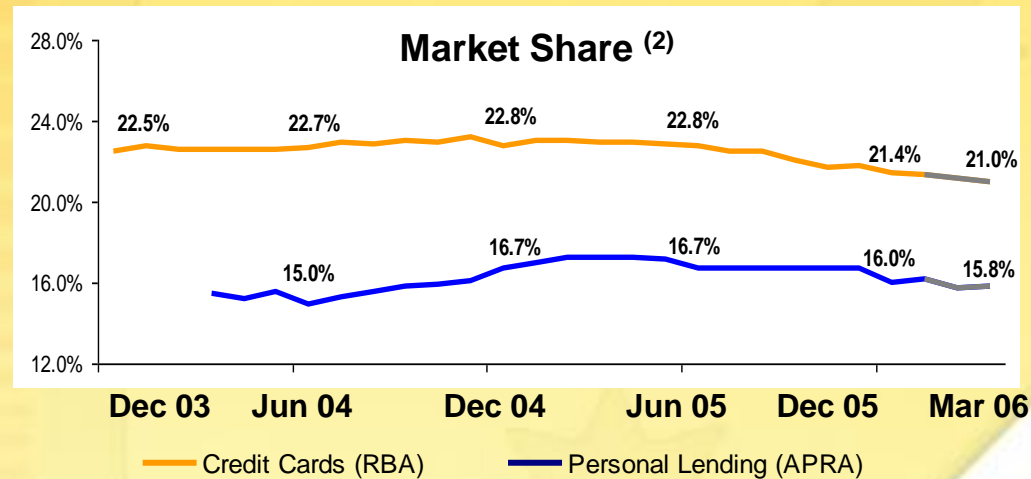
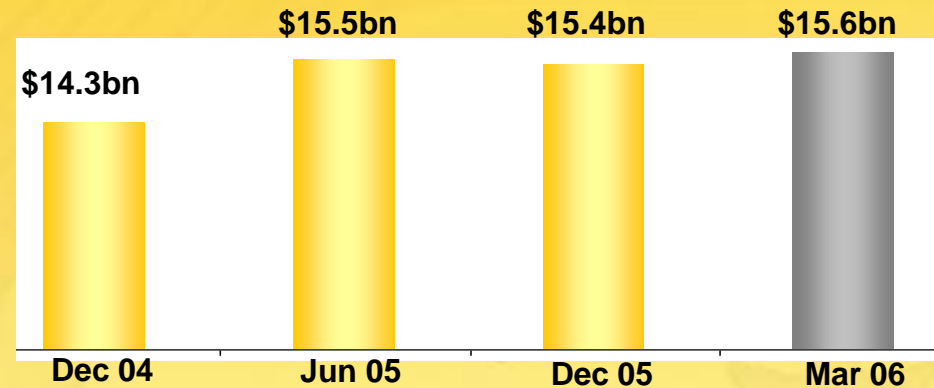


(1) APRA published data series only begins in March 2004 for Household Deposits

Banking – Personal Lending (domestic)

- CBA Balance growth (Dec 05)
 - +7% vs Dec 04
 - -1% vs Jun 05
- Market share and balance growth affected by DEET buy-back (Dec-05 Half)
- Credit card market share impacted by low rate cards
- Yellow Card introduced 1 March

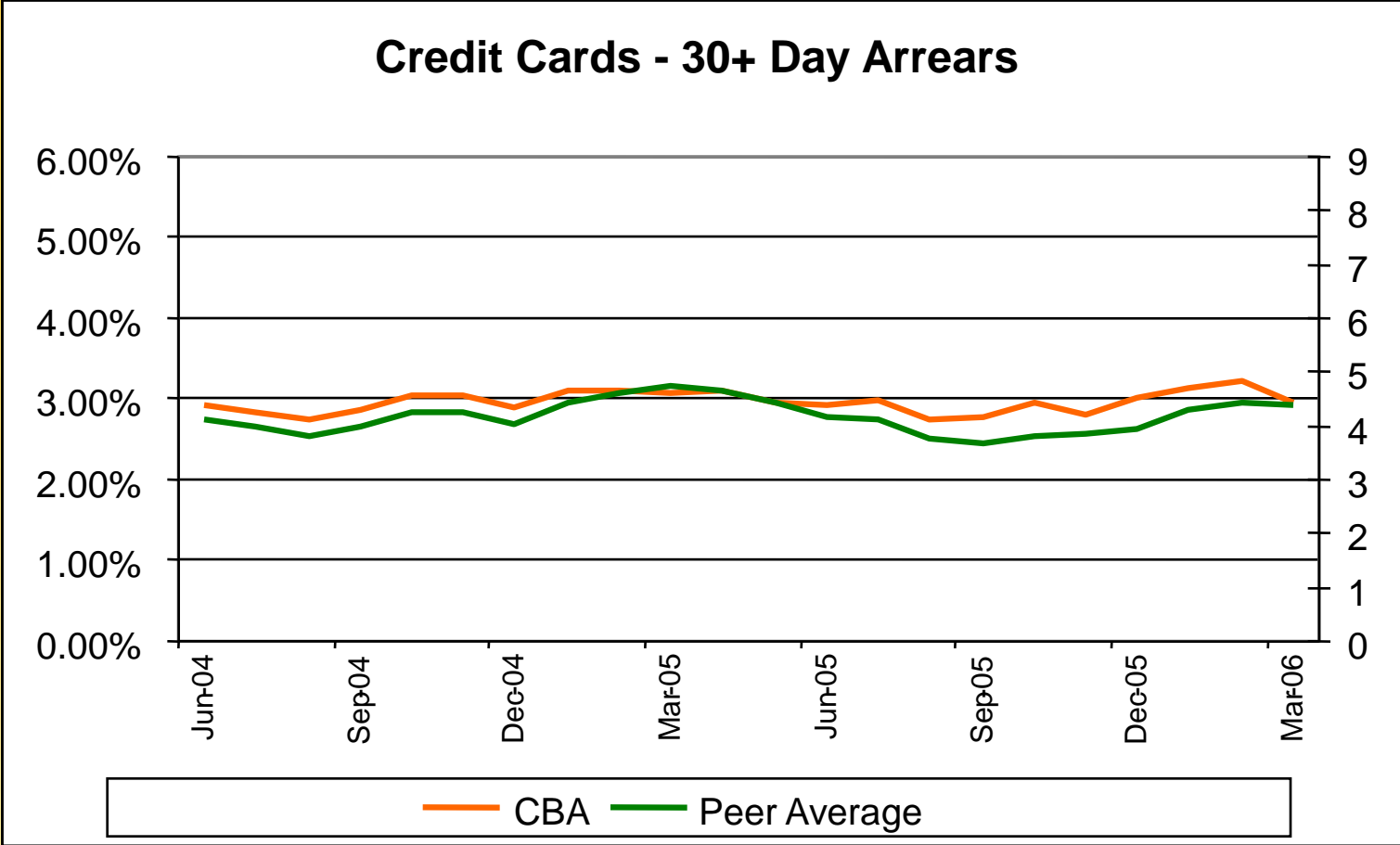
Personal Lending Balances (1)



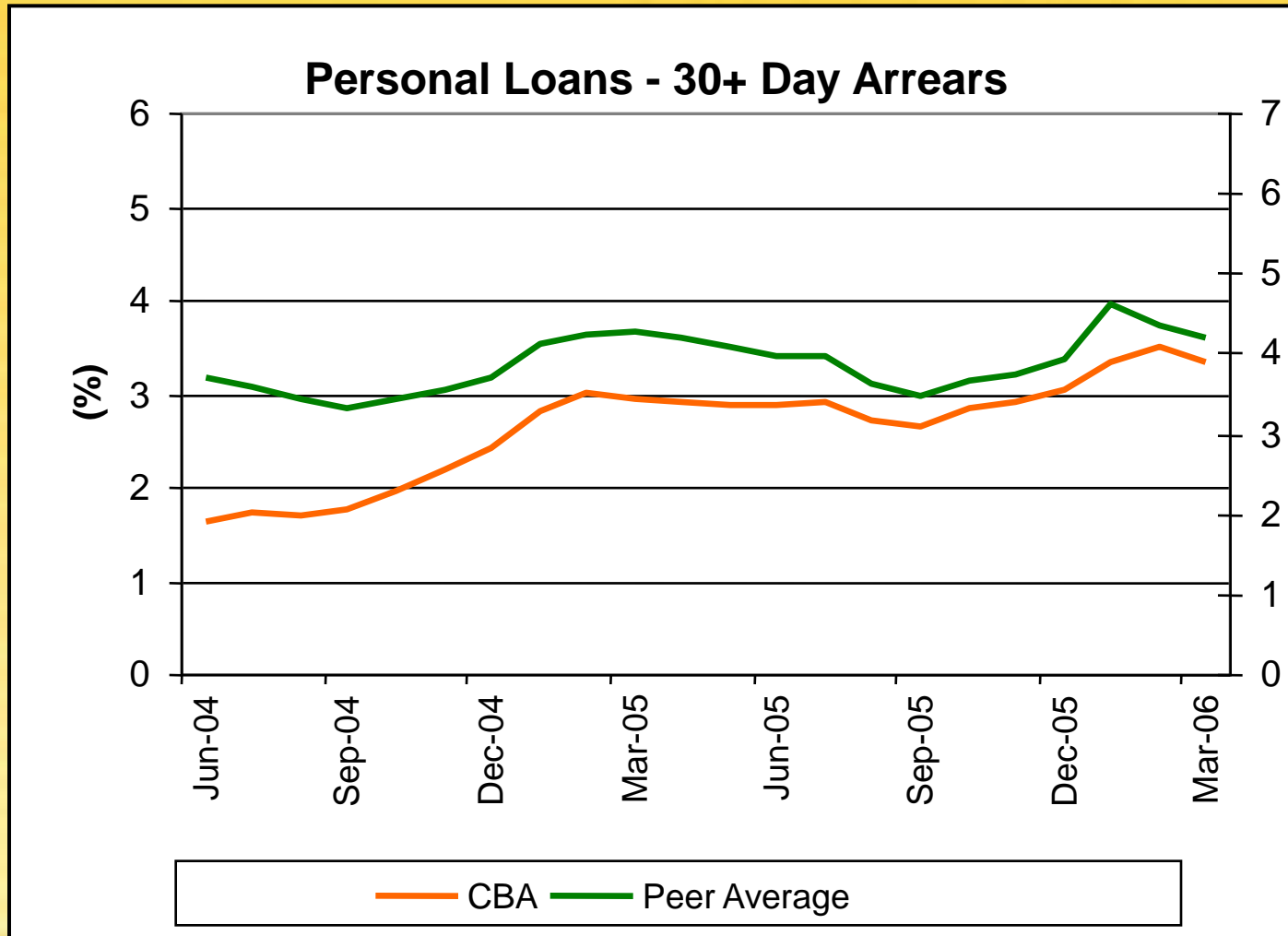
(1) Includes credit cards, personal loans and margin lending

(2) APRA published data series only begins in March 2004 for Personal Lending

Credit Quality – Credit Cards



Credit Quality – Personal Loans



Strategy

To be Australia's finest financial services organisation through excelling in customer service

Empower

"Our people are empowered to care for the business as if it was their own"

People

"Our frontline people are the Bank"

Service & Operational Excellence

"Simplify and automate"



Leadership

- Organised around Sales, Products and Support
- Clarity, simplicity and accountability
- Sales organised around branch network and direct sales channels
- Products divided between assets and liabilities
- Single point accountability for business & projects

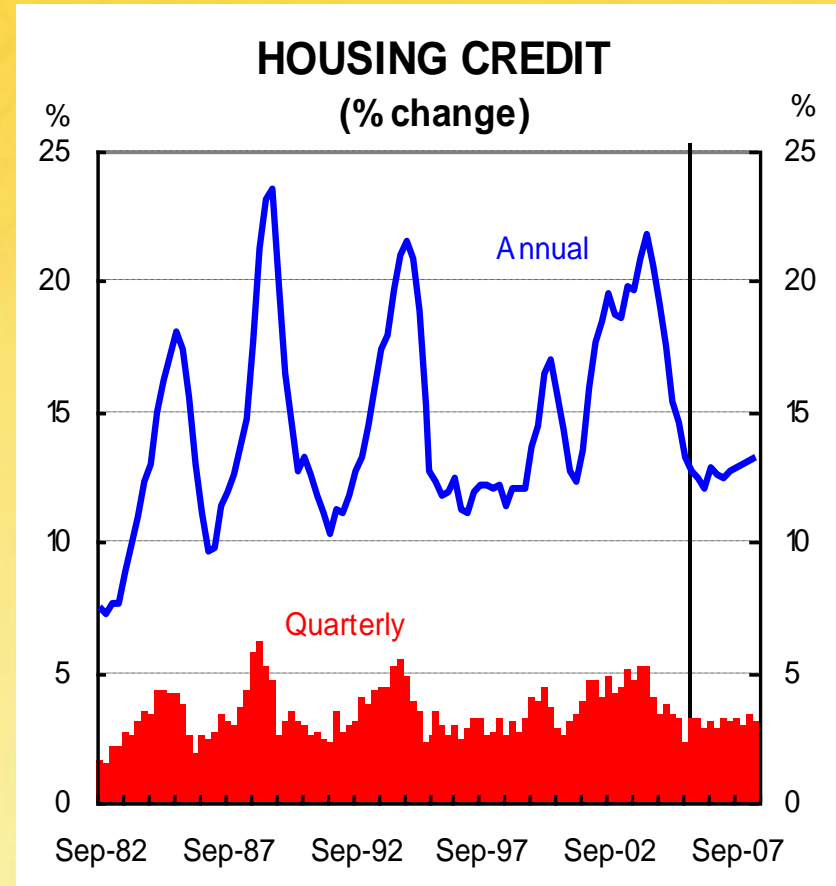
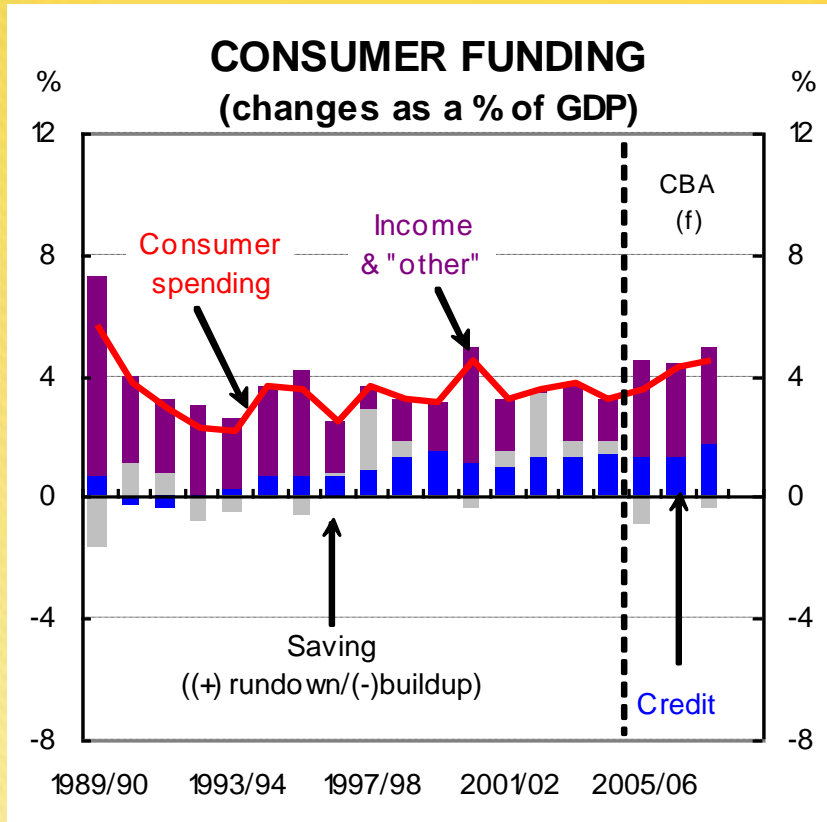


Product initiatives

- NetBank Saver
- Yellow Credit Card
- PayPass
- NetBank fee free on everyday transactions
- Streamline e-Access and Streamline Unlimited



Credit growth drivers



Conclusion

- Retail Bank driven by good market growth
- No material changes to credit quality to date, but closely monitoring trends in portfolio
- Sales & Service to align to customer needs
- Staffing levels, training and systems
- Listening to customers and staff



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