

UBS FIG Conference

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Commonwealth Bank of Australia ACN 123 123 124

Disclaimer

The material that follows is a presentation of general background information about the Bank's activities current at the date of the presentation, 20 June 2007. 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.

Agenda

- First Half 2007 Results
- Progress by Business Units
- Hedging Volatility
- Summary
- Q&A



Overview

- Positive outlook for domestic economy
- All businesses performing well
- Continuing good progress on strategic initiatives
- Credit quality remains sound
- Highly successful \$1.35bn PERLS IV
 - Investors receive BBSW + 1.05%
 - Cost to CBA BBSW – 1.17%*
- Earnings momentum maintained into second half

Australian credit growth Calendar year		
	2007 Forecast	2006 Actual
Personal	9 – 11%	11.5%
Housing	12 – 14%	13.8%
Business	13 – 15%	15.5%

* Estimate net of franking credits, final to be set on issue



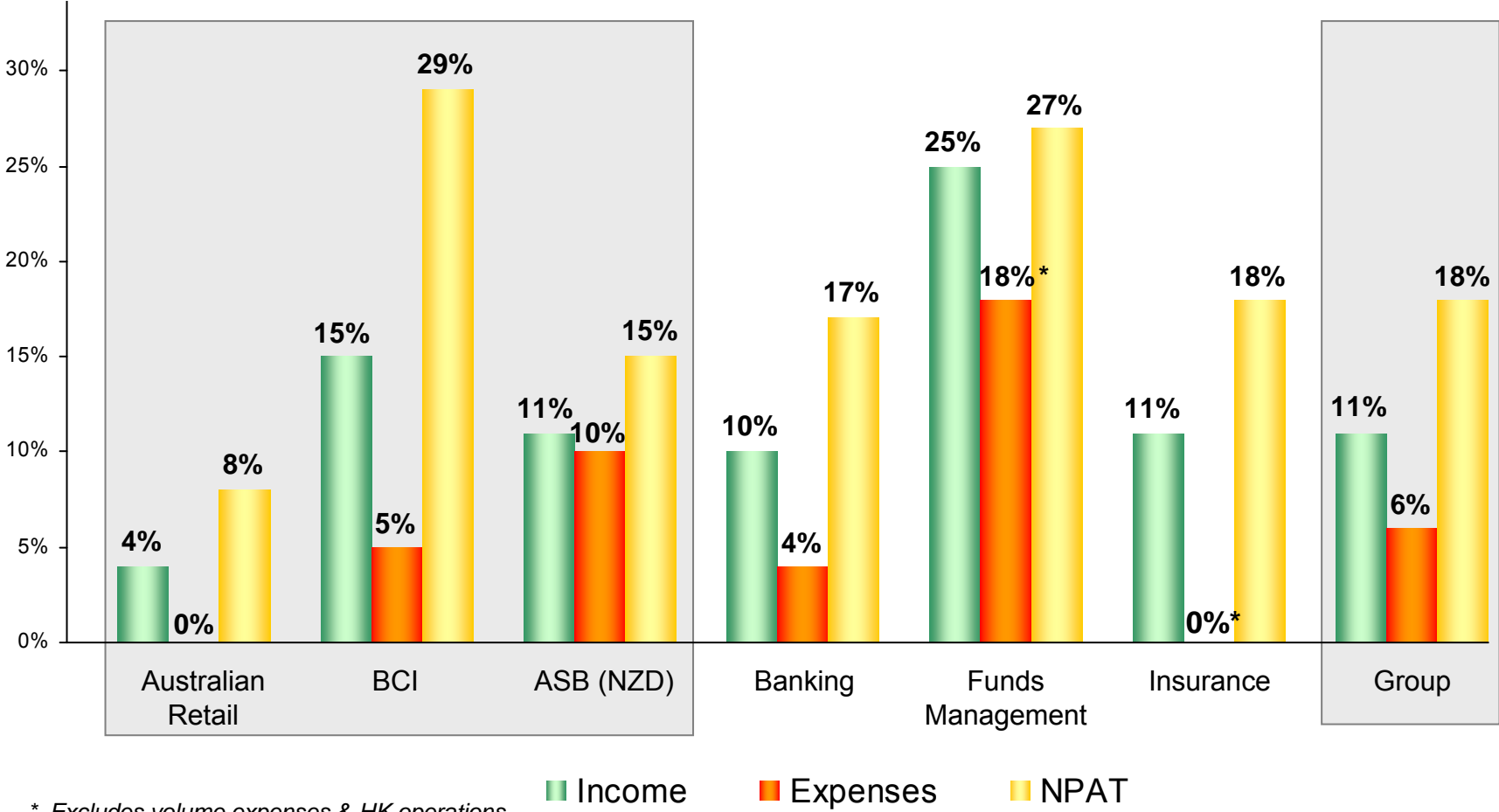
Strong half year results

	Dec 06	Dec 06 v Dec 05
Cash NPAT*	2,271	↑ 19%
Cash EPS*	174.7	↑ 17%
Return on Equity – Cash	22.3%	↑ 60bpts
Income	6,438	↑ 11%
Expenses	3,144	↑ 6%
Fully Franked Dividend	107c	↑ 14%

* Excludes profit on sale of Hong Kong in December 05

Revenue growth outstrips costs

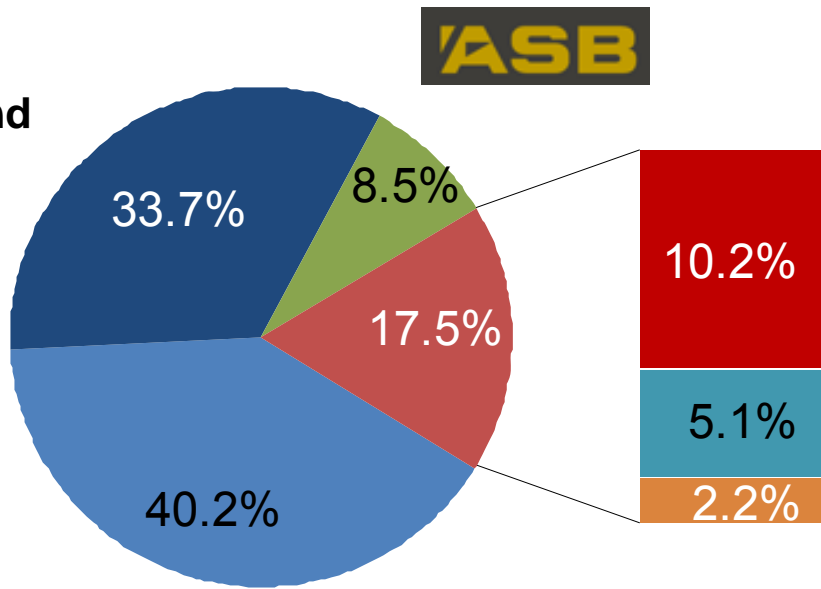
Dec 06 vs Dec 05



Half year NPAT split



Business,
Corporate and
Institutional



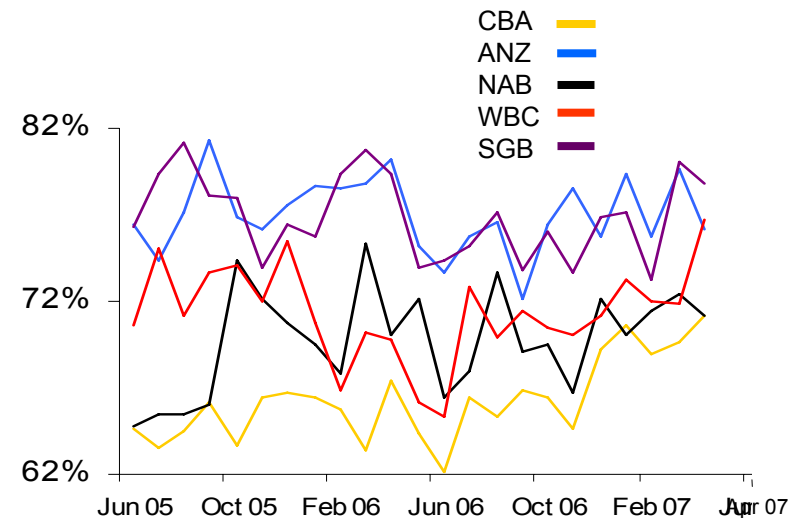
Australian Retail



Australian Retail

- Customer satisfaction scores continue to improve:
 - Complaints down 51% since October 05 and 44% in last 12 months
 - May 2007 was highest ever compliment month
- Front line staff trained in Cohen Brown needs analysis
- Simplified and competitive product offerings
 - 7 Cannex awards for deposits
 - Money Magazine Gold award for 3 & 5 year fixed home loans

Roy Morgan Research
(% of MFI Customers Satisfied)



Branches	1,010
Customers	> 8m
ATM's	3,173
First half NPAT	\$912m



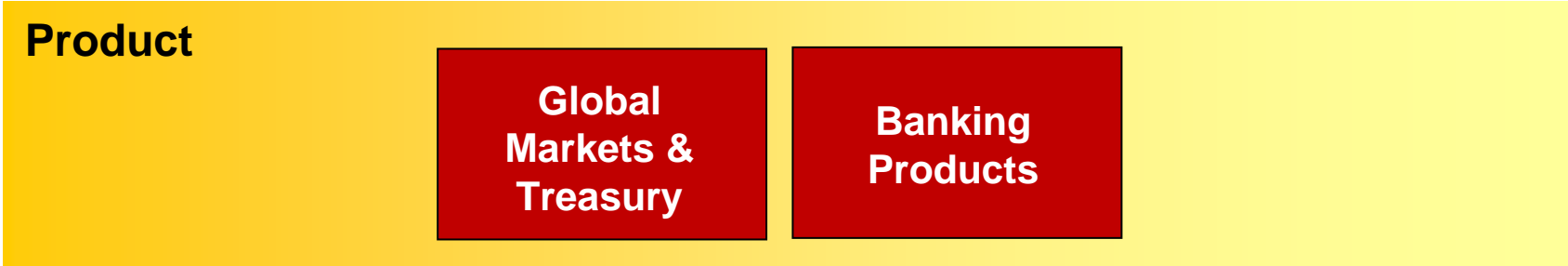
Australian Retail

- New network operating model
- Benefits to our customers
- Branch modernisation
- Process & procedure to support frontline staff with customer interactions

Indicative Network Operating Model	
Tier 1	<ul style="list-style-type: none">• Dedicated Personal Lender(s)• Dedicated Financial Planner• Access to Relationship Manager• Access to Business Banker• Dedicated Branch Insurance Rep
Tier 2	<ul style="list-style-type: none">• Dedicated Personal Lender or Customer Service Rep• Access to Financial Planner• Access Business Banker
Tier 3	<ul style="list-style-type: none">• Access to Branch Insurance Rep, lending skilled Customer Service Rep and other specialists

Business, Corporate & Institutional

5,800 people in 6 countries
300,000 + customers
\$762m profit after tax for the half year
\$160bn assets



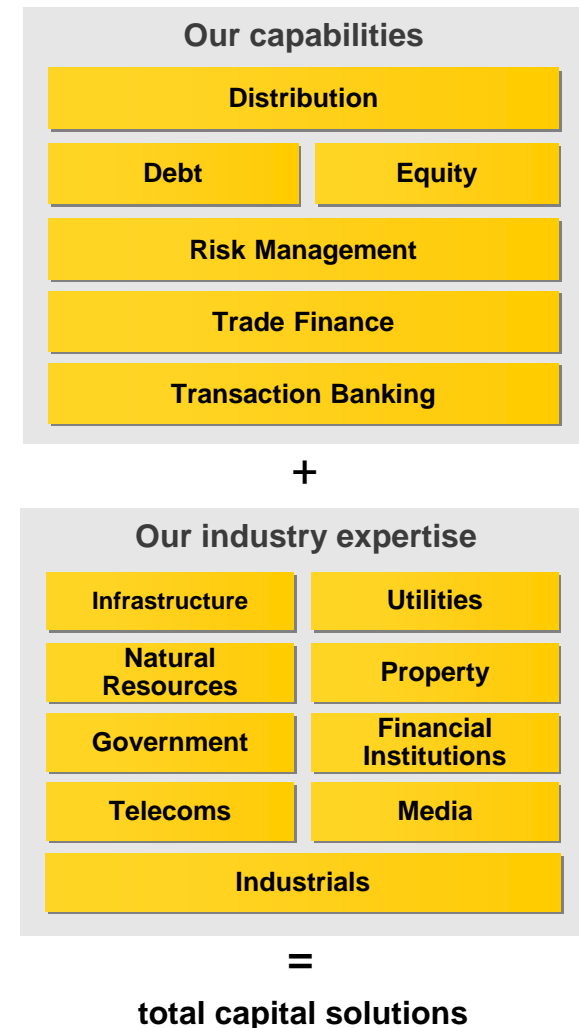
Business, Corporate & Institutional

Global Markets & Treasury

- Innovative products and structuring
- Investing in people & technology
- Increased client service focus
- Successful Platinum IPO, PERLS IV

Institutional Banking

- Industry expertise
- Total capital solutions
- 30% of income from Global Markets
- Further develop debt & equity capital markets profile supported by CommSec
- Margins have been steady
- East & Partners customer satisfaction



Business, Corporate & Institutional

Business Banking

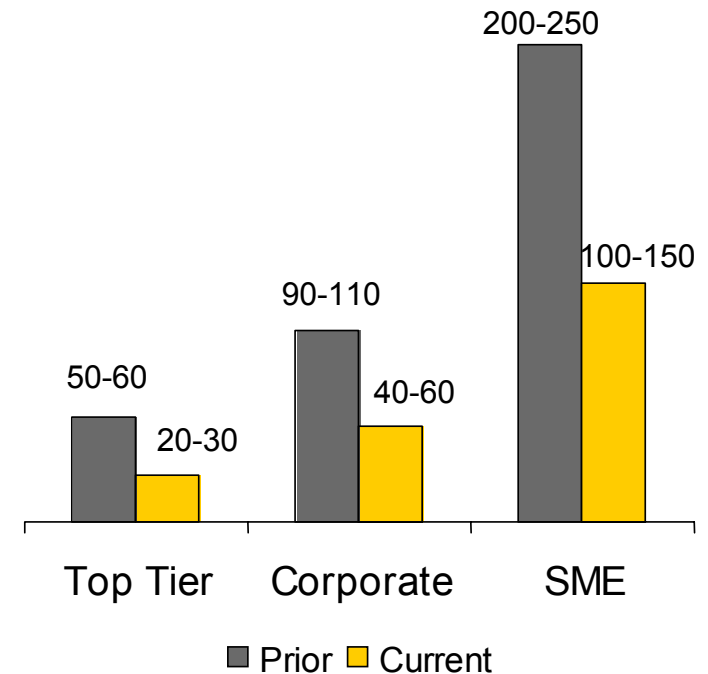
- Refocussed segments
- Reduced portfolio size (av. 50% ↓)
- Simpler, faster processes
 - Auto-decisioning in ≤ 1 hr
- LBB products down from 55 to 7
- LBB advocacy ↑ 50% in last 9 months

Private Client Services

- CommSec 1.4m customers
 - Volumes up 30%
- Margin lending → 27% growth from structured and protected products

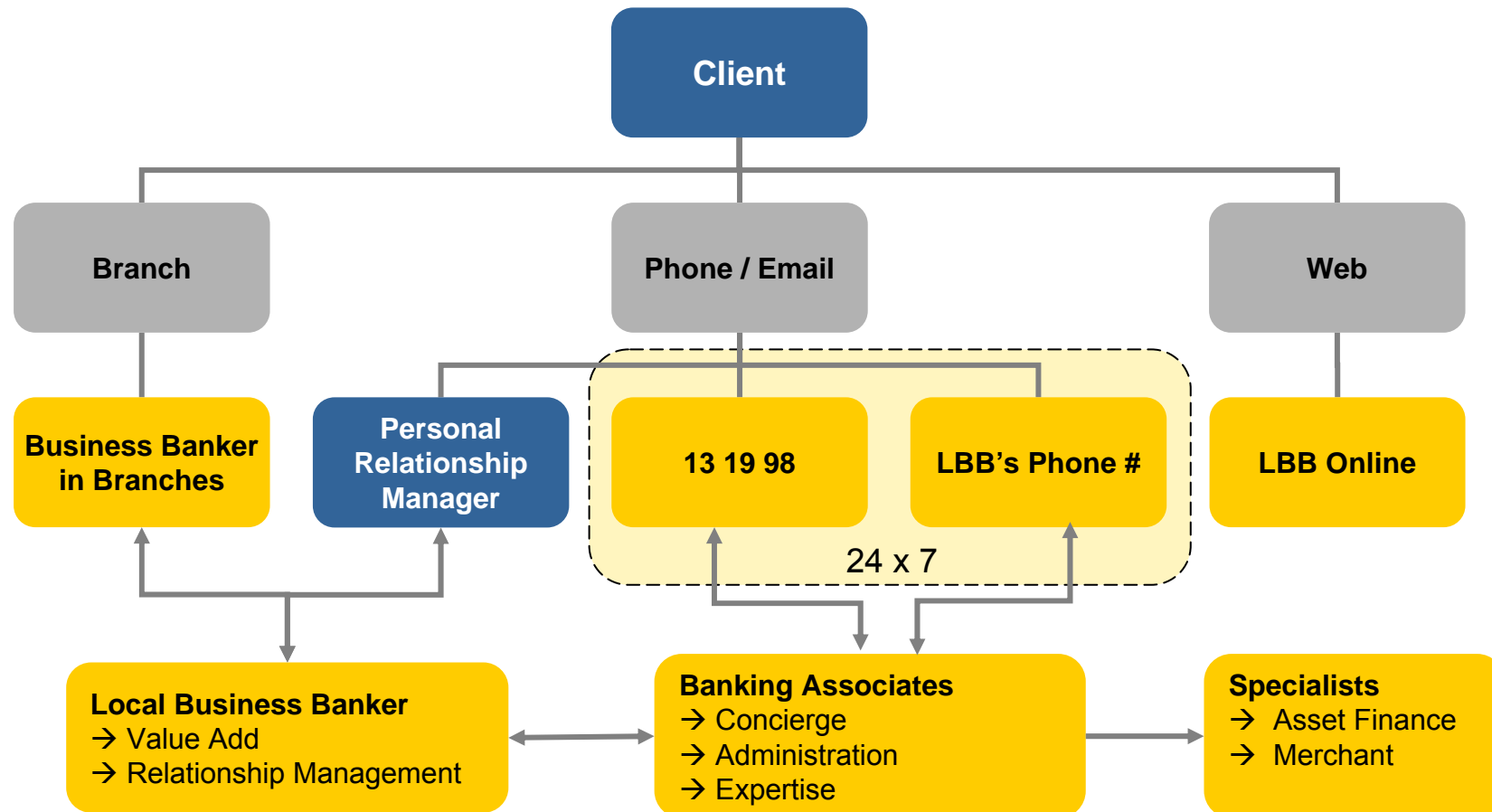
Reduced Portfolio Sizes (Corporate Fin Services)

Relationship Manager Portfolios
(No. of customers)



Local Business Banking New servicing model

"Your business will always get an answer"



Business Overview

4,430 people in 7 countries
\$235m profit after tax for the half year
\$168bn Funds under Administration



Funds Management

- #1 in Retail Managed Funds
- #2 in Property
- \$131bn FUM
- 860 people in Australia, UK and Asia

Platforms & Advice

- FirstChoice fastest growing retail platform
- #5 in advice (CFP and Financial Wisdom)
- Retail FUA \$83bn
- 2,060 people

Insurance

- #1 in Life Insurance
- #6 in General Insurance (H&C)
- \$1,060m in Gross Written Premium
- 1,420 people

Wealth Management

Global Asset Management

- Innovative investment solutions, total return strategies and diversification of asset classes
- Recent transactions include:
 - \$1.25bn AWG
 - \$1.5bn raised in China Cinda joint venture,
 - Dreamworks music,
 - Generation Investment Management alliance,
 - CRI joint venture

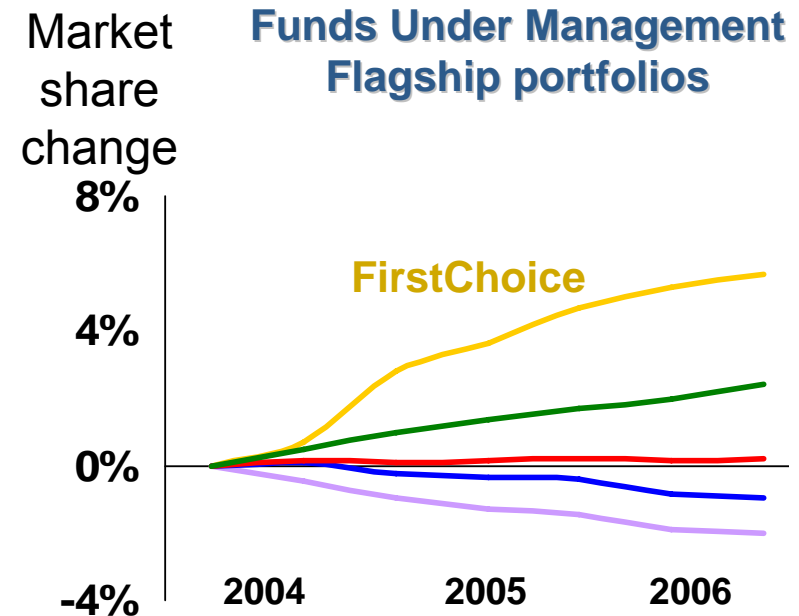
CommInsure

- Leverage bank to grow General Insurance
 - Sales up 26% on last year (130 Branch Insurance Reps by 30 June 07)
- Reduce operational risk and improve systems and processes
 - 47% improvement in time taken to process claims

Wealth Management

Colonial First State

- Australia's largest fund manager - \$168bn FUA
- FirstChoice success:
 - 83% of customer rate call centre 9 or 10/10 (Roy Morgan)
 - Application processing down from 9 to 3 hours
 - Financial planner network increased 10%



Masterkey (MLC)	12.1%
Life/Custom (AMP)	8.9%
FirstChoice (CBA)	8.2%
Asgard (St George)	8.2%
BT Wrap (WBC)	7.8%



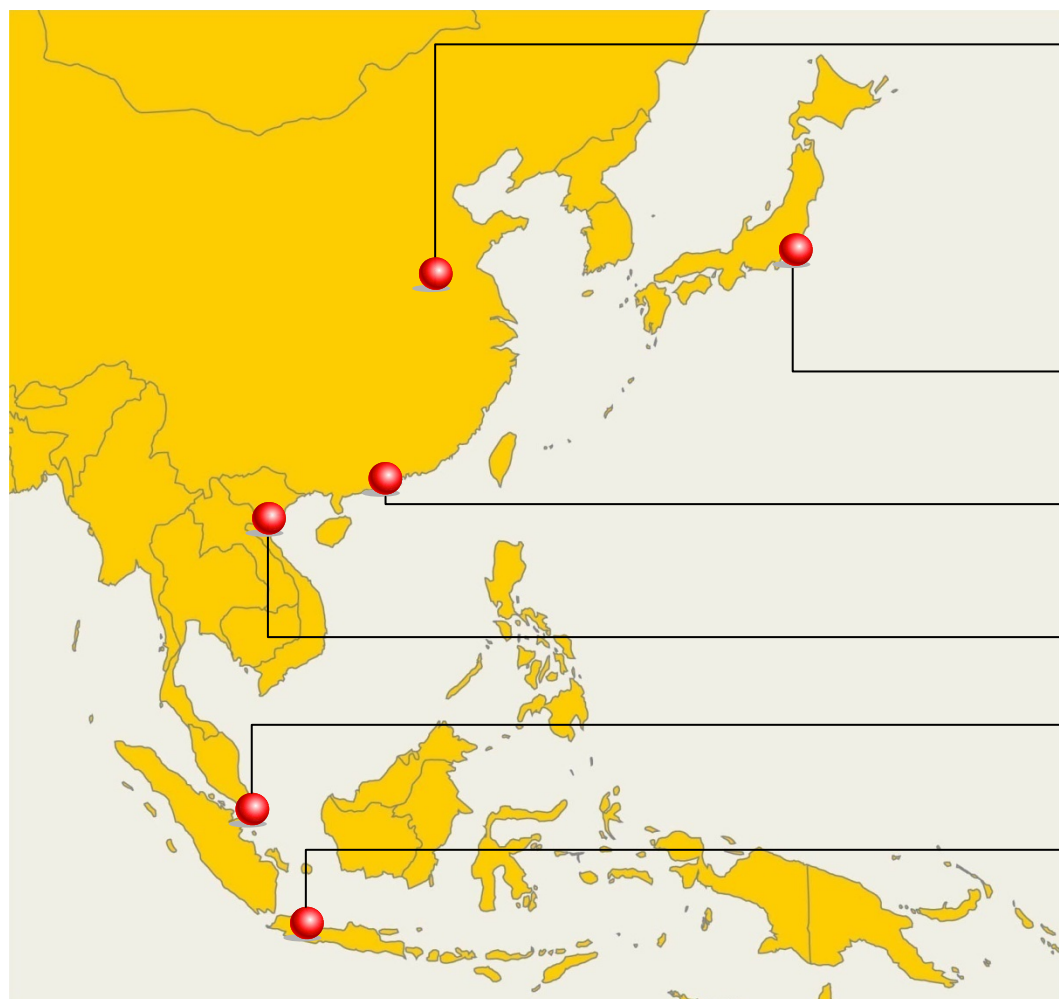
ASB

- Retail deposit market share up, other market shares flat
- Leading edge branch design
- Selected as default Kiwisaver provider for government-led retirement savings initiative
- Increasing management and leadership capability
- Scope for branch network expansion

Were other banks chosen as default Kiwi saver provider??



Asian growth



China

11% Jinan City Commercial Bank
19.9% Hangzhou City Commercial Bank
Beijing and Shanghai – Representative offices
China Life CMG – JV life insurance
First State Cinda Fund Management Company

Japan

Branch

Hong Kong

Branch
First State Investments

Vietnam

Representative office

Singapore

Branch
First State Investments

Indonesia

PT Bank Commonwealth
Astra CMG – JV life insurance
First State Investments
ANK acquisition (pending regulatory approvals)



CEO Priorities & Measures

- Customer Service
- Business Banking
- Technology & Operational Excellence
- Trust & Team Spirit
- Profitable Growth
- ➔ Superior operating and financial results
- ➔ Australia's finest financial services organisation



Reporting Hedging Volatility

	Peer 1	Peer 2	Peer 3	Peer 4	CBA
Hedge ineffectiveness (outside 80-125%)	x	✓	x	✓	✓
Non-AIFRS-compliant economic hedge	x	✓	x	✓	✓
Hedge NZ profit	x	✓	n/a	x	✓
Pre-AIFRS hedge	n/a	n/a	n/a	x	x

Key

✓ = Included within Cash NPAT

x = Excluded from Cash NPAT



Reporting Hedging Volatility

- AIFRS is here to stay
- CBA provide transparent disclosure of:
 - individual line item impacts (NII / OBI)
 - impact on headline Net Interest Margin
- Enables users of accounts to exercise their own judgment
- What gets reported, gets done

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