



## COMMONWEALTH BANK CORE BANKING MODERNISATION

**28 April 2008:** The Commonwealth Bank Group today announced that it is to undertake a comprehensive programme to modernise its existing banking legacy systems with a customer centric platform that enhances the way that the Group provides services to its customers and the way it does business.

Core Banking Modernisation is an integral part of the Group's vision to be Australia's finest financial services organisation through excelling in customer service and will create a world class customer service platform.

Mr Ralph Norris, CEO of the Commonwealth Bank said, "The modernisation of our core systems is a fundamental strategic plank to the successful future of the Group. It will demonstrate to our customers our determination to be different by providing them with excellent customer service. This will be underpinned by end to end processing systems that will make their banking experience simpler and more efficient. It will also provide customers with increased benefits such as easier access to new and innovative products, greater choice and flexibility and improved turnaround through real time straight through processing".

The Group has selected SAP for Banking Solutions based on SAP's leading technology platform, NetWeaver. It has also appointed Accenture to support the implementation of the programme. The proven experience of SAP and Accenture (NYSE: ACN) in managing large scale technology integrations along with the Group's own experience in developing customer centric systems such as CommSee, CommSec, CommBiz, NetBank and its Customer Information Facility (CIF) provides a wealth of experience on customer needs and how to implement innovative change programmes.

The programme is a natural progression following two years of focus on the Group's IT capability, including reorganising the function and providing significant ongoing efficiency gains of over \$200m per annum. The Group has spent two years on research and development in preparation for the programme. Migration will be completed on a staged basis and the Group will be retaining existing CommSee and internet systems to further mitigate the risk.

The forecast cost is around \$580 million over the next four years. In return, the project will deliver a better customer service platform and simplicity in IT systems, infrastructure and business services, as well as provide significant operational benefits and cost savings. The Group's customers will benefit from having a more agile, flexible and open banking experience.

## **Commonwealth** Bank

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Michael Harte, the Group's Chief Information Officer said, "The transformation programme will see the removal of the current legacy systems that have supported the Group for over 45 years. While legacy systems are inherent in all large financial institutions, few have had the courage to challenge and execute the necessary changes. Core Banking Modernisation will place us well ahead of our competitors.

"We have undertaken significant research on the implementation of these core banking programmes with other banks and other organisations, both here and around the world. Our existing online and customer data systems means we are uniquely positioned to succeed. The experience we have gained in managing and delivering key IT projects along with our learnings from the research places us in a strong position," Mr Harte added.

"SAP is very happy to welcome Commonwealth Bank into the SAP community and to provide a business and technology platform for growth," said Geraldine McBride, Regional President SAP Asia Pacific Japan. "As more and more global banks are discovering how enabling technology can modernise their operations and run their business, banks are increasingly turning to SAP's flexible platform as the platform of choice."

Greg Carroll, Head of Accenture's Australian Financial Services Business, said, "Accenture is excited to be working with Commonwealth Bank on its transformation programme, which will equip the bank with the capabilities and flexibility needed to enhance the customer experience, increase efficiency, and respond quickly in a competitive market."

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### About Commonwealth Bank

With a market capitalisation in excess of \$AUD 46 billion, the Commonwealth Bank (Group) is Australia's largest financial institution, providing convenient and accessible banking and financial services for all Australians.

Founded under the Commonwealth Bank Act in 1911, the Commonwealth Bank commenced operations in 1912 and since then, has grown to a business with over 700,000 shareholders and relationships with more than 9 million Australians, offering a full range of financial services to help every Australian build and manage wealth.

With more branches, agencies, ATMs, EFTPOS outlets and 24/7 call centres than any Australian banking and finance competitor, including Australia's leading internet banking service, the Commonwealth Bank is a diverse organisation with a long history in the Australian banking industry.

The Bank's full time staff equivalent is more than 37,000 across established businesses in Australia, New Zealand, Europe and the Asia-Pacific region. We provide fair, safe, and rewarding employment for staff and reward for shareholders through dividends and capital growth.

The Commonwealth Bank Chief Executive Officer is Ralph Norris and Chairman is Dr John Schubert.

### About SAP

SAP is the world's leading provider of business software\*. Today, more than 46,100 customers in more than 120 countries run SAP® applications—from distinct solutions addressing the needs of small businesses and midsize companies to suite offerings for global organizations. Powered by the SAP NetWeaver® technology platform to drive innovation and enable business change, SAP software helps enterprises of all sizes around the world improve customer relationships, enhance partner collaboration and create efficiencies across their supply chains and business operations. SAP solution portfolios support the unique business processes of more than 25 industries, including high tech, retail, financial services, healthcare and the public sector. With subsidiaries in more than 50 countries, the company is listed on several exchanges, including the Frankfurt stock exchange and NYSE under the symbol "SAP." (Additional information at <http://www.sap.com>)

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Accenture is a global management consulting, technology services and outsourcing company. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. With 178,000 people in 49 countries, the company generated net revenues of US\$19.70 billion for the fiscal year ended Aug. 31, 2007. Its home page is [www.accenture.com](http://www.accenture.com).

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