

Core Banking Modernisation

Market Briefing

28 April 2008



Determined to be different

Summary

- An integral part of our strategy
- The next important step
- Building on our strong IT capability
- A step-change improvement in customer service
- Customer-driven enhancements to systems & processes
- Significant benefits upside

An integral part of our strategy

Our Strategy

- Customer Service
- Business Banking
- Technology & Operational Excellence
- Trust and Team Spirit
- Profitable Growth

Our Vision

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



Core Banking Modernisation



The next important step



Our Journey so far

- Significant improvements to “Front-End”:
 - Sales & Service Training
 - Over 1,000 new frontline staff
 - Branch Redesign
 - New Branch Operating Model
 - Market-leading front-end systems;
 - CommSee
 - NetBank
 - CommSec
 - CommBiz
 - First Choice



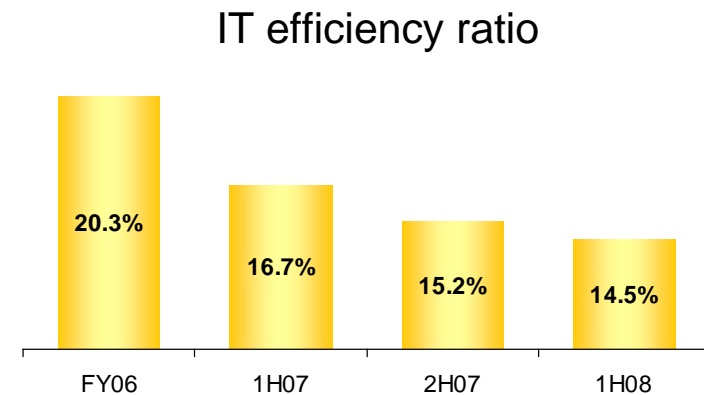
CBM the next important step

- “Back-End” systems and processes the key impediment to step-change in customer service
- The time is right:
 - Next generation customer-centric systems have matured
 - Strong technical expertise (EIT, SAP, Accenture)
 - Over 2 years preparatory work
 - Initial integrated capability already built – “Steel thread”



Building on our strong IT capability

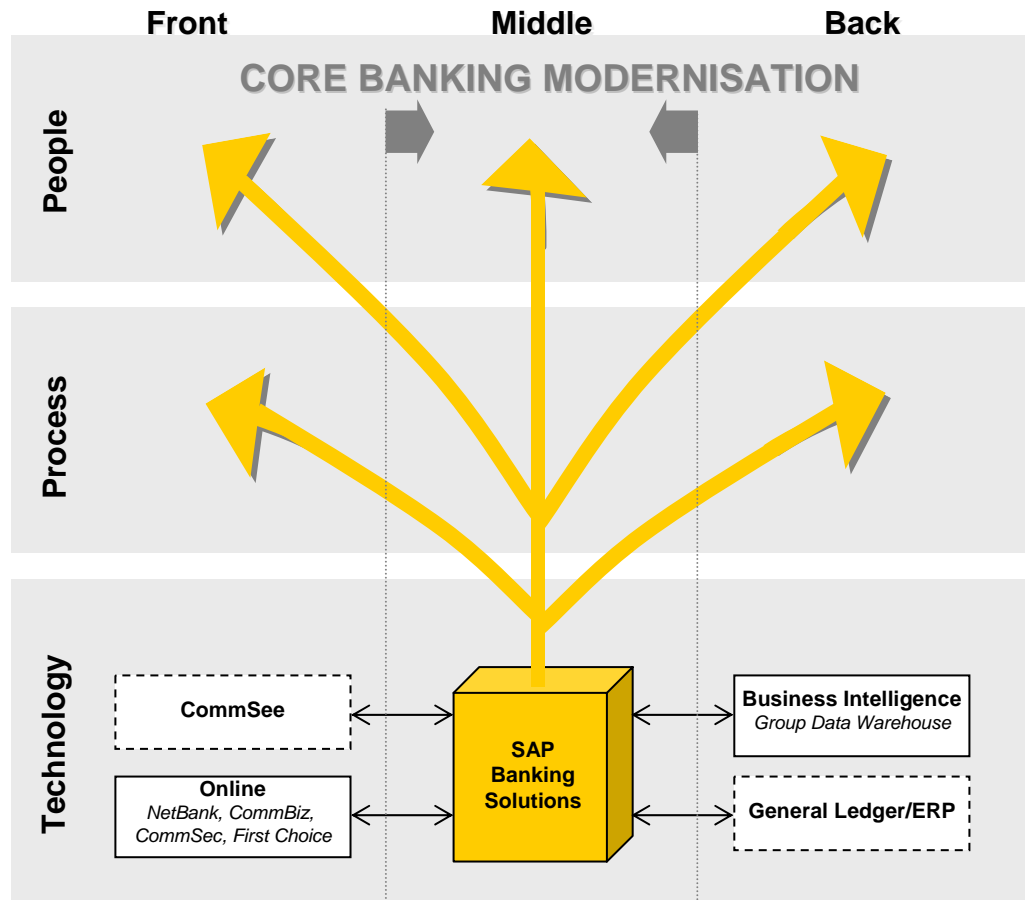
- Improved organisational alignment:
 - Simplified structure (EIT)
 - Stronger alignment to business strategy
 - Improved technical expertise
- Strong development track-record:
 - CommSee, CommSec etc
 - Colonial systems integration
 - Group-wide Customer Information facility (CIF)
 - Enhanced Group Data-Warehouse
- Significant efficiency improvements



A step-change improvement in customer service

- Improved customer interactions
- Real time, 24x7 processing removes hand-offs and improves service
- Introduction of common processes across businesses and segments
- Improved product functionality, agility and speed-to-market
- Efficiency improvements through system and process consolidation

Customer-driven enhancements to systems and processes

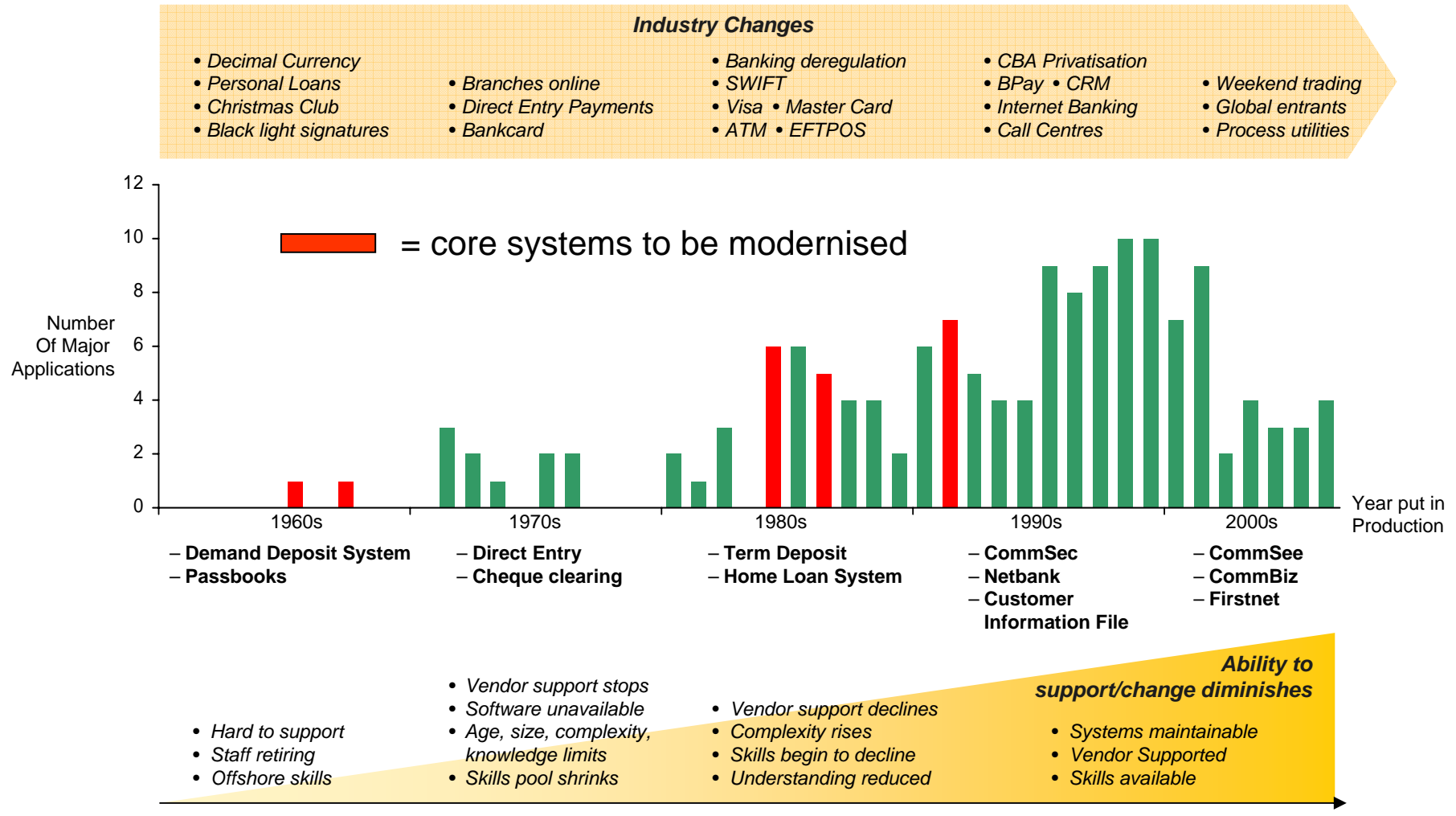


Core Banking Modernisation

- Replace legacy systems
- Introduce real-time, straight through processing
- Simpler processes



Customer-driven enhancements to systems and processes



Significant benefits upside

- Forecast cost of around \$580m over 4 years
- Benefits profile:
 - Customer service improvements
 - Growth opportunities
 - Efficiency gains
 - Reduced systems risk
- First mover advantage
- Governance:
 - CEO-Chaired Steering Committee + regular board reporting
 - Dedicated programme directors with significant industry experience
 - Disciplined project phasing and scope management