

**Institutional
Banking & Markets**

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CommonwealthBank

Group Strategic Priorities

1 Customer Satisfaction

2 Business Banking

3 Operational Excellence

4 Trust & Team Spirit

5 Profitable Growth

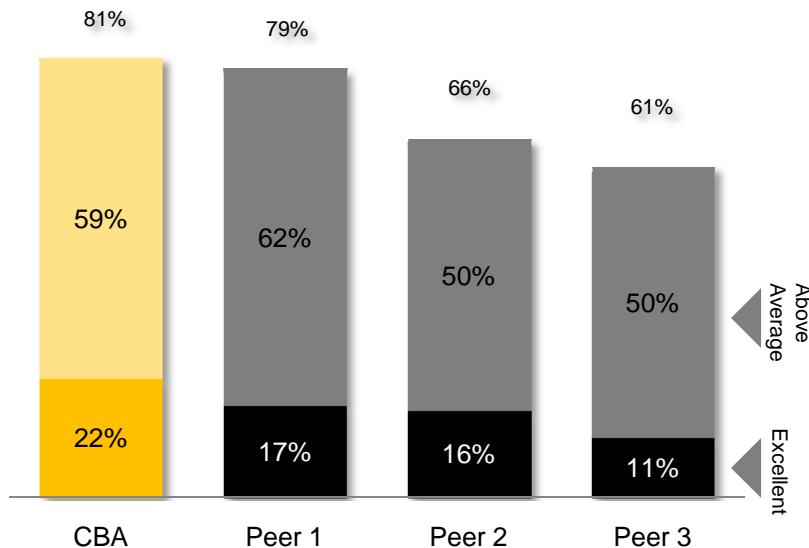
IB&M

To be the leading provider of Total Capital Solutions

1 Customer Satisfaction

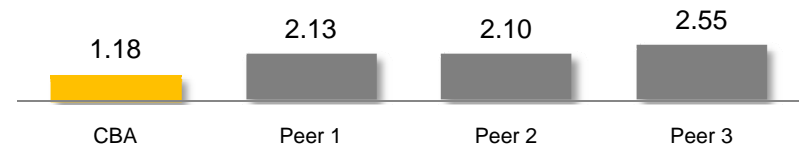
Overall Customer Satisfaction¹

(% evaluations rated excellent or above average)



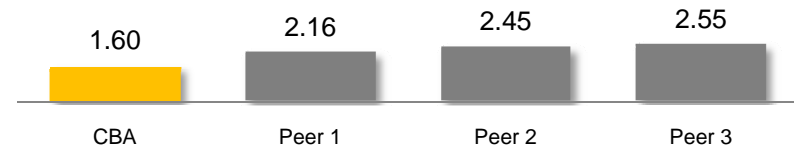
Loyalty to the Relationship²

Domestic Banks
(Rating Scale :1 – Satisfied, 5 – Dissatisfied)



Understanding Customers' Business²

Domestic Banks
(Rating Scale :1 – Satisfied, 5 – Dissatisfied)

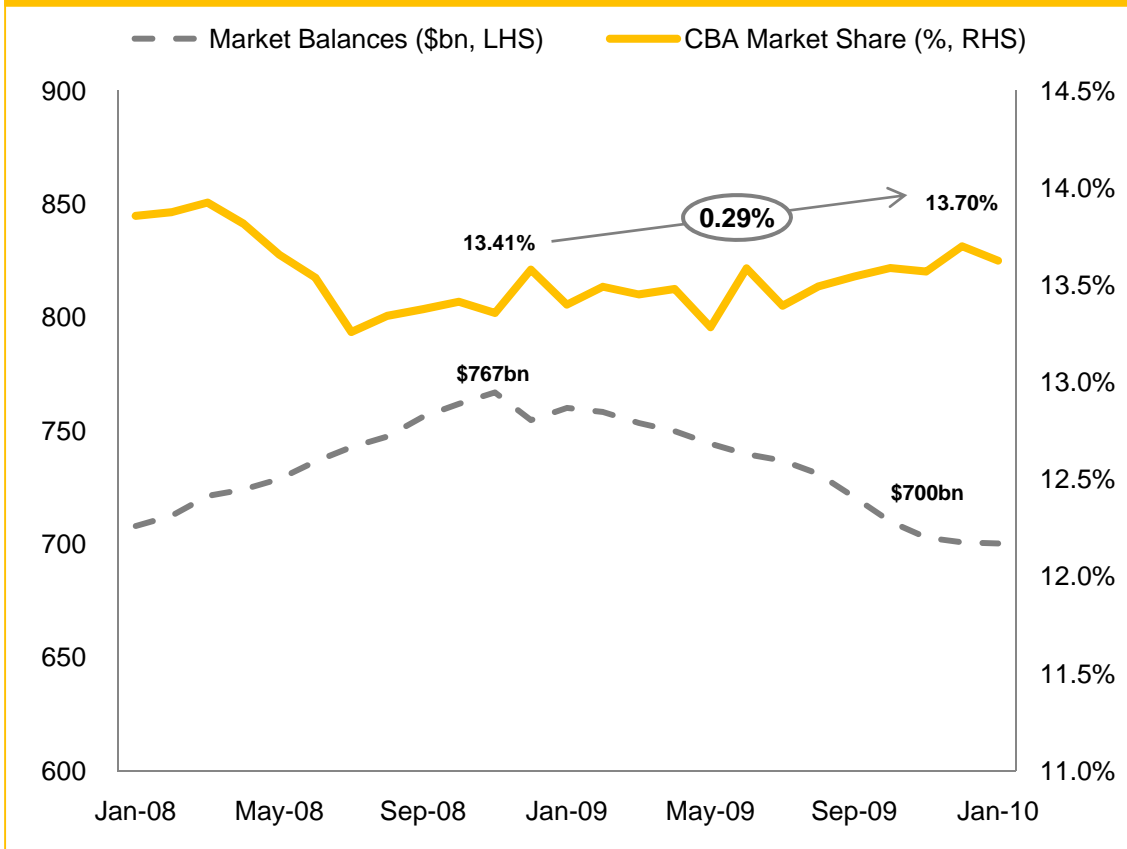


- IB&M's customers are the most satisfied of any Bank
- The Bank remains the leading provider of most core funding products

- We are rated the #1 major domestic bank for the top 5 Relationship Banking attributes as voted by our client base³

2 Business Banking

Business Lending Market Share¹



Market

Gradual rise in the Bank's share of the total business lending market since June 2008

Balances

CBA's overall business lending has declined at a slower rate than the total market

3 Operational Excellence

Technology

FX Platform

- Investing in globally competitive markets technology platform, supporting e-market capabilities
- Provide enhanced capabilities across pricing, deal capture, relationship management, analytics and client portals

CommBiz

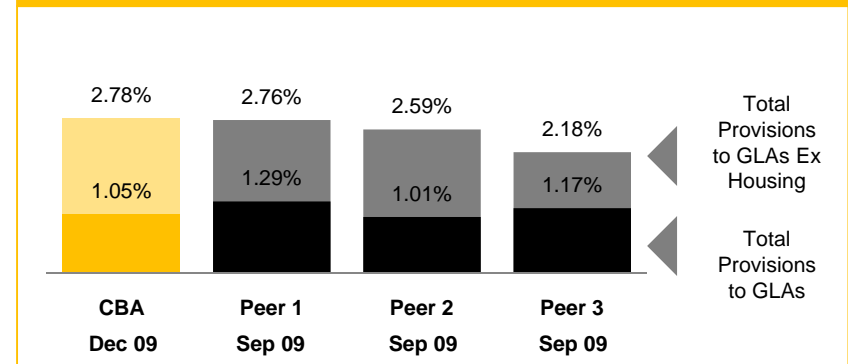
- Continue to invest in our online, real time and secure business and corporate banking platform
- Vision to make CommBiz the centre of our clients' financial activities
- Winner of 2009 Interactive Media Awards Best in Class Banking and Best in Financial Services

Core Banking Modernisation

- On schedule, with early phases very encouraging
- Client migration underway
- Step change improvements in client service and efficiency

Risk Culture

Total Provisions to GLAs¹



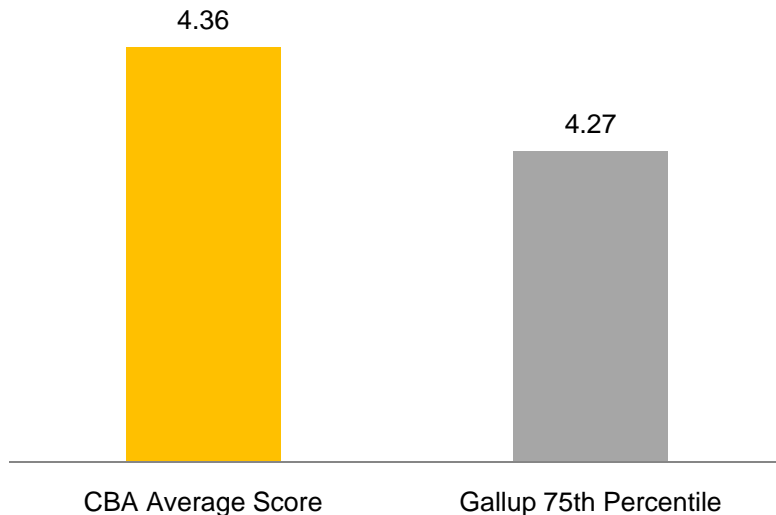
Maintain an enduring risk management culture through:

- Clear understanding and alignment of business strategy and risk principles
- Collaboration between business and risk teams to review policy frameworks
- Implement process improvements for credit approvals to enhance customer experience
- Maintain industry best practice in quantitative risk measures

4 Trust & Team Spirit

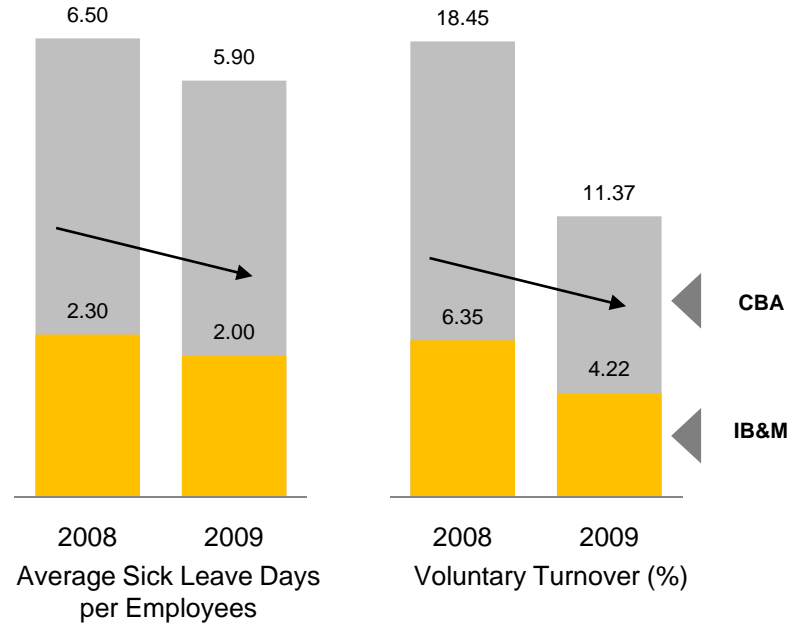
CBA Staff Satisfaction¹

(Rating Scale :1 – Dissatisfied, 5 – Satisfied)



- Average Group satisfaction is well above 75% of global benchmark

Absenteeism and Turnover



- Significant reductions in absenteeism and voluntary staff turnover despite tough operating conditions
- IB&M and Group absenteeism and turnover is below global benchmark of 8.55 and 18.94%, respectively²

5 Profitable Growth

	Dec 09 \$m	Dec 09 vs Dec 08
Institutional Banking	899	11%
Markets	456	29%
Total Banking Income	1,355	17%
Operating Expenses	(387)	24%
Operating Performance	968	14%
<i>Cost to Income Ratio</i>	28.6%	
Impairment Expense	(321)	(73%)
Tax	(102)	Large
Cash Net Profit After Tax	545	Large

Income

- Strong Income growth:
 - Improved margins
 - Strong Markets result
 - Growth in Institutional Equities & Debt Capital Markets products
 - Benefits of diversified business portfolio

Expenses

- Expense growth driven by depreciation in the leasing business, IT Investment and staff
- Cost to income ratio remains below industry and peers

Outlook

Opportunities

Client Needs

- Large debt refinancing task
- Ongoing demand for hedging - FX, commodity and interest rate
- Government infrastructure spending
- Privatisation pipeline

Growth of Resources Industry

- Increasing trade flows between Australia and Asia
- Strong offshore investment in Australian resource industry
- CBA industry expertise in resources and infrastructure

Optimise Franchise Synergies

- Tap into distribution capabilities across the Bank
- Partner across business areas to meet more needs for our existing clients

Challenges

Economic Activity

- Economic recovery is underway but private investment remains weak
- Business lending continuing to slow with forecast growth of 2% in 2010, from 17% in 2008¹

Regulatory Uncertainty

- Potential impact of proposed regulatory changes on funding costs, leverage ratios and credit risk capital

Competition

- Local peers aggressively competing for market share in deposits and lending
- Foreign banks re-energising efforts in the local market
- Margins coming under pressure