



Commonwealth Bank Announces Retirement of Ralph Norris and Appoints Ian Narev as Chief Executive Officer

22 July 2011: The Chairman of Commonwealth Bank of Australia, Mr David Turner, today announced that upon the retirement of Ralph Norris at the end of November this year the Board has appointed Ian Narev to assume the role of Chief Executive Officer of the Bank .

Ian Narev has been with the Commonwealth Bank Group since May 2007 and has been Group Executive, Business and Private Banking since January 2009.

Prior to his current role, Ian spent 18 months as Group Head of Strategy where he led the acquisition of Bankwest and the investment in Aussie Home Loans. Ian came to the Commonwealth Bank from McKinsey & Co, where he was a global partner, head of the firm's New Zealand office, co-leader of the Asia strategy practice and a consultant in financial services.

David Turner said, "Ian is an extraordinary executive, he has restructured and revitalised Business and Private Banking which has delivered double digit revenue and profit growth with significant efficiency gains. He is a proven and inclusive leader".

"The Business and Private Banking division generates \$1 billion in NPAT comprising SME banking, private banking, on-line brokerage and margin lending. In the last two years he has led the division's 4,000 staff to significantly lift customer satisfaction."

Ian Narev graduated with a Master of Laws in International Corporate Law with first class honours from Cambridge University in 1994 and Master of Laws in International Relations from New York University in 1998. He joined McKinsey New York as a consultant in the firm's financial institutions practice working in strategy and organizational change engagements for four of the United States' ten largest financial institutions.

Commenting on his appointment, Ian Narev said, "Being asked to lead the Commonwealth Bank Group is a great honour. I have had the privilege of working closely with Ralph for over four years and have learnt a lot from him. I am really looking forward to taking over Australia's leading bank at a time of rapid change in the local and global economies, continuing the focus on transforming the Group to become Australia's finest financial services organisation and continuing to move that aspiration selectively into Asia.

Media Release



"There is no doubt in my mind we have the best staff of any bank, a base of customers who are increasingly becoming advocates for us and communities that are valuing our contribution."

David Turner said Ian Narev would take over from Ralph Norris on December 1 this year.

"Ralph has put the Group in a strong financial and market position that has delivered the best returns to shareholders of all the major banks for the last five years. He led the Group through the global financial crisis while remaining focused on the transformational change program. The Commonwealth Bank is a clear leader in technology, cultural change, community contribution and has strong market shares across all businesses in Australia and New Zealand. Ralph has also developed an excellent executive team and must be congratulated on ensuring talented internal candidacy for his succession. Both Ralph and the Board felt this was the right time to appoint the next CEO," Mr Turner said.

"On behalf of the Board I want to thank Ralph for being an outstanding and fearless chief executive who has made a real contribution not just to banking but to the Australian and New Zealand communities," Mr Turner added.

Ralph Norris said, "As a team of 45,000 dedicated people operating in 13 countries we have faced some dramatic challenges over the past 6 years. My focus has always been on our customers, staff, and the community. By delivering real benefits to them we have delivered above average returns to our 800,000 shareholders and many millions of Australians who have invested in the Bank through their superannuation funds. The ongoing success of our business is a tribute to the disciplined approach we have taken to the execution of our five strategic priorities."

Biographical details for Ian follow, together with key details of the Executive Service Agreement executed between the Bank and Ian.

ENDS

For further information, please contact:

Bryan Fitzgerald

02 9117 7047

Media Release



CommonwealthBank

Biography – Ian Narev

Ian Narev is Group Executive, Business and Private Banking, at the Commonwealth Bank of Australia (CBA).

Ian joined CBA in May 2007, and has been a member of CBA's Executive Committee since then, reporting to Chief Executive Ralph Norris. From May 2007 until January 2009, Ian was Group Head of Strategy, with responsibility for corporate strategy development, mergers and acquisitions and major cross-business strategic initiatives. He led CBA's \$2.1 billion acquisition of Bankwest in 2008, as well as the Group's investment in Aussie Home Loans.

In January 2009, Ian moved to his current role, leading one of CBA's six operating divisions. Business and Private Banking includes small and medium enterprise business banking, agri banking, private banking and the CommSec retail brokerage and margin lending businesses. The division's annual profit after tax is approximately \$1B. It has approximately 200,000 business customers, 1 million trading customers, and 15,000 private banking customers, and employs approximately 4,000 people.

Prior to joining CBA, Ian was a partner of McKinsey & Company, the global consulting firm. He joined McKinsey in New York in 1998, and from then until 2002 worked in McKinsey's financial institutions group in the United States. In 2002, he transferred to McKinsey's Auckland and Sydney offices. He became a global partner in 2003, and from 2005 until his departure in 2007 was head of McKinsey's New Zealand office. He was also the co-head of McKinsey's Asian strategy practice. During that time his primary areas of practice were financial services and telecommunications.

Prior to joining McKinsey, Ian was a lawyer specialising in mergers and acquisitions.

Ian holds Masters of Law degrees from Cambridge University (International Corporate Law), where he was the top student in his year, and New York University (International Relations), where he was a Hauser Scholar. He also holds undergraduate degrees in English and Law from the University of Auckland, where he was Editor-in-Chief of the Law Review.

Ian is a director of ASB Bank, Sovereign Insurance and Commonwealth Securities. In the not-for-profit sector, he is Chairman of Springboard Trust, which works with principals of low-decile primary schools in South Auckland to help improve school effectiveness, and a Trustee of the Louise Perkins Foundation, which helps women with advanced breast cancer.

Ian is 44, and lives in Sydney, Australia with his wife and two young daughters. He was previously widowed. His interests include international affairs, rugby and the performing arts.

(ENDS)



Summary of the Main Terms and Conditions of the Executive Service Agreement executed between the Commonwealth Bank of Australia and Mr Ian Narev

1. Appointment

The appointment is to the position of Managing Director and Chief Executive Officer.

2. Term

The appointment is ongoing, with the termination provisions summarised below.

3. Duties

The duties of Mr Narev are those expected of the CEO, reporting to and receiving directions from the Board. Mr Narev is also to comply with the Bank's policies as applicable from time to time.

4. Remuneration

There are three components of Mr Narev's remuneration. They are:

(a) Fixed Remuneration

Mr Narev will be paid Fixed Remuneration, comprising regular cash payments, any salary sacrifice items, and superannuation. The total Fixed Remuneration will initially be \$2,500,000 per annum, and will be reviewed annually.

(b) Short Term Incentive

Mr Narev will be eligible for discretionary annual short term incentives.

The initial annual short term incentive target is \$2,500,000, and will be pro-rated for the period from 1 December 2011 to 30 June 2012, with Mr Narev's short term incentive for his current role applying from 1 July 2011 to 30 November 2011. The target short term incentive will be reviewed annually.

Half of any short term incentive awarded for the 2011/12 year will be paid in cash following the end of the performance year, with payment of the other half deferred for a year, and payable after that time with interest.

(c) Long Term Incentive

Mr Narev will be eligible for an annual long term incentive award in accordance with the Group Leadership Reward Plan. The Group Leadership Reward Plan is described in the 2010 Annual Report.

Media Release



CommonwealthBank

The long term incentive award to be made during the 2011/12 year is an allocation of reward rights under the Group Leadership Reward Plan with a total target value at vesting of \$2,500,000. Vesting will be subject to key performance indicators determined by the Bank's Board. The award is subject to shareholder approval at the 2011 AGM.

The amount and terms of subsequent grants will be determined by the Board in its discretion and will be subject to any necessary regulatory and shareholder approvals.

5. Termination

Mr Narev may resign at any time on giving 12 months' notice and the Bank may terminate Mr Narev's employment on 12 months' notice. On termination of employment following notice by Mr Narev or the Bank, the Bank will pay all Fixed Remuneration and any statutory entitlements owing to Mr Narev, and any STI or LTI not vested may be paid or retained at the discretion of the Board.

There are provisions for immediate termination for misconduct, when only accrued Fixed Remuneration and statutory entitlements would be payable.

In the event of death, the Bank will pay all Fixed Remuneration and any statutory entitlements at the date of death, and any STI or LTI not vested may be paid or remain on foot at the discretion of the Board.

There is also a provision allowing Mr Narev to terminate the agreement if a material change to his status occurs, in which case termination payments will be made as if the Bank had terminated his employment.

6. Restrictive Covenant

Mr Narev is restrained during employment and for up to 12 months after termination from competing with the Bank and soliciting customers, employees, directors or managers of the Bank.

7. Other provisions

The agreement also contains general provisions including provisions regarding confidential information, intellectual property and moral rights.

ENDS