DETERMINED TO BE BETTER THAN WE’VE EVER BEEN.

Core Banking Modernisation
Disclaimer

The material that follows is a presentation of general background information about the Group’s activities current at the date of the presentation, 14 March 2011. 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.
Today’s Agenda

- Introduction
  Ralph Norris
- Core Banking Overview
  Michael Harte
- Maximising Value
  Patricia Montague
- Programme Update
  Dave Curran
- Demonstration
  Cathy Bianchini
- Q&A
  Panel
Key Take-Aways

- Excellent progress-to-date
- Already delivering real customer and business benefits
- An integral part of the Group’s customer service strategy
- Positions CBA for transformational change in banking
An integral part of our strategy

Australia’s finest financial services organisation

Customer Satisfaction
- Up 10.5% to 75.4%
- Equal highest products-per-customer

Business Banking
- Strong market share gains
- Improved Customer Satisfaction

Trust and Team Spirit
- Top Quartile Engagement

Profitable Growth
- Bankwest acquisition
- Targeted Asian expansion

Technology and Operational Excellence
- Online market leader
- Core Banking
Transformational Change

NetBank + Core Banking Modernisation = Real-time Banking

14% of NetBank logins now via mobile devices

Innovative Property Guide iPhone “app”
Core Banking Modernisation

Michael Harte

Group Chief Information Officer
Leading position, leading platforms

CommBiz
Online, secure business and corporate banking...
a more responsive and simplified approach to credit

FirstChoice
Providing customers real time access to secure Super and Investment portfolio information and transacting capabilities. Voted the leading investment platform by advisers 3 years running

CommSec
15 years as the market leading online retail broking platform, Money Magazine’s Best Feature-Packed Online Broker 4 years running

NetBank
Market leading online and mobile banking solution. Now integrated with Core Banking to provide real-time transactions for all personal accounts

CommSee
Frontline customer interface. Single view of customer. Now integrated with Core Banking to provide real-time transactions for all personal accounts

Property Guide
Our innovative Property Guide iPhone app has exceeded expectations and more mobile applications and capabilities are in development

Forrester’s newly launched Next-Generation Digital Financial Services report highlights key requirements for the next generation of financial services and cites examples of international banks leading the way, including CBA
Leading position

- Formally announced CBM programme on 28 April 2008

- Modernise legacy systems and processes with a customer-centric platform, and transform associated business operations

- Architecture flexible and efficient. Based on the roles and relationships of a customer’s financial life – not products or accounts

- 4 year programme forecast to deliver significant value / benefits:
  - Customer service improvements
  - Growth opportunities
  - Efficiency gains
  - Risk mitigation for aging systems

- Governance through Business Leadership, CEO and Board
<table>
<thead>
<tr>
<th>Year</th>
<th>Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>Feasibility paper prepared</td>
</tr>
<tr>
<td>2008</td>
<td>Detailed evaluation and business case prepared</td>
</tr>
<tr>
<td>2009</td>
<td>New platform launched with First Home Saver Account</td>
</tr>
<tr>
<td>2010</td>
<td>1.2m Term deposit accounts migrated to new platform</td>
</tr>
<tr>
<td>2011</td>
<td>Business deposit and transaction accounts migrated</td>
</tr>
<tr>
<td>2012</td>
<td>Business lending accounts migrated</td>
</tr>
</tbody>
</table>
Progress to date

We have passed our ½ way point...

- 53m customer records
- 10m deposit and transaction accounts migrated
- 1m term deposit accounts migrated
- 18,000 jobs changed to better serve customers
- Real-time processing 24 x 7
- 7 day processing and 7 day value
- Christmas peak of 650 transactions per second
Risks and issues

- ‘Execution’ was the greatest risk initially
  - Proven delivery capability
  - Best team in Australia
  - Advanced world-wide

- Contending with ‘legacy’ is our biggest issue
  - 40 years legacy
  - Unstructured data / Undocumented applications
  - Massive change

- Significant complexity, age and change adds implementation time

- Being first means you take calculated risk
Our future

Strategic Capabilities
- Partnering
- On Demand
- Test & Learn

Technology
- Mobile
- Applications
- Platform
- Data

Customer Service Proposition
- Rich Content
- Services
- Insight

Superior customer experience
Core Banking Modernisation

Patricia Montague
Head of Retail Bank Transformation
Our customers are already experiencing the benefits

I think @Citibank could do worse than take a look at @NetBank's real time banking system. kthxbai

18 Oct via web  Favorite  Retweet  Reply

@lorne_currie Hi I'm JC. Online Banking is real time but debit card transactions can take a few days to process. Is that what you mean? ^LTSB

in reply to @LloydsTSBOnline

@LloydsTSBOnline yes. Can't we at least see who has auth transactions on our accounts? CommBank in Aus can do it.

6 hours ago via web  Favorite  Retweet  Reply
Our customers are already experiencing the benefits

- Customers can now see transactions **straight away**

- Accounts **opened instantly** so customers can immediately start to transact/save

- CBA account **switching on the spot** – no closure/re-opening

- Clear simple **transaction descriptions** e.g. transaction type, location, description

- Enhanced **sales interaction** supported by simple product set
Customers are finding it simpler and easier to do business with us

Simplification:

- Less products, more features = choice (from 16 to 9 retail products)
- > 500,000 accounts “cleaned up” prior to migration
- Simplified processes leading to considerable time savings for customers

Sales and Service:

- High staff engagement
- New products: ‘GoalSaver’ launched nationally 7th Feb
- Electronic delivery of documentation in Netbank
- Fewer errors:
  - ↓ 30% across the Branch Network
  - Reduction in back office manual processing
Core Banking Modernisation

Dave Curran

Programme Director
Core Banking Modernisation
To build a great customer-centric bank whose profitable growth is powered by simplicity

**Programme Vision**

**Objectives**

**Real time banking**
- Immediate fulfilment of account opening and servicing transactions rather than overnight
- Seven day a week value and processing
- Real time transactions

**Customer-centric processing**
- Account opening and pricing, servicing and transaction processing applied at customer level
- Consistent data across all channels
- Comprehensive data across the bank

**Customer offerings**
- Offers engineered based on customer segment needs, not system capabilities
- Products configured not developed
- Cross product pricing, conditions and feature configuration
- Time to market limited by organisation, not systems

**Industrialisation**
- Separation of distribution from manufacturing
- Greater visibility of performance
- Increased specialisation while decreased complexity

**Multi-Entity**
- Ability to deliver across the Group
CBM vision and objectives

Programme Vision

To build a great customer-centric bank whose profitable growth is powered by simplicity

Objectives

- Real time banking
- Customer-centric processing
- Customer offerings
- Industrialisation
- Multi-Entity
The core banking programme has delivered the bank a new way to create campaigns

This includes:

- More flexible building blocks to create customer tailored campaigns
- We can launch campaigns more quickly (including recent examples such as responding to the floods)
- Creating a new campaign then flows directly into the sales and origination process where the campaign is visible to the customer and they can chose to take advantage of the campaign benefits

The following demonstration will highlight a simple example of creating a campaign for a particular region
Step 1: Select the Introductory Offer Campaign for the NetBank Saver sales product

Product “NetBank Saver” is selected

<table>
<thead>
<tr>
<th>Pricing Option Name</th>
<th>Pricing Option ID</th>
<th>Pricing Option Type</th>
<th>Sales Product ID</th>
<th>Sales Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Offer</td>
<td>0000000141</td>
<td>Campaign</td>
<td>000016</td>
<td>NetBank Saver</td>
</tr>
<tr>
<td>Special Offer</td>
<td>0000000144</td>
<td>Campaign</td>
<td>000016</td>
<td>NetBank Saver</td>
</tr>
<tr>
<td>Special Offer</td>
<td>0000000145</td>
<td>Campaign</td>
<td>000016</td>
<td>NetBank Saver</td>
</tr>
<tr>
<td>Special Offer</td>
<td>0000000143</td>
<td>Campaign</td>
<td>000016</td>
<td>NetBank Saver</td>
</tr>
<tr>
<td>Special Offer</td>
<td>0000000144</td>
<td>Campaign</td>
<td>000016</td>
<td>NetBank Saver</td>
</tr>
<tr>
<td>Special Offer</td>
<td>0000000147</td>
<td>Campaign</td>
<td>000016</td>
<td>NetBank Saver</td>
</tr>
<tr>
<td>Special Offer</td>
<td>0000000144</td>
<td>Campaign</td>
<td>000016</td>
<td>NetBank Saver</td>
</tr>
<tr>
<td>Special Offer</td>
<td>0000000150</td>
<td>Campaign</td>
<td>000016</td>
<td>NetBank Saver</td>
</tr>
<tr>
<td>Special Offer</td>
<td>0000000143</td>
<td>Campaign</td>
<td>000016</td>
<td>NetBank Saver</td>
</tr>
<tr>
<td>Introductory Offer</td>
<td>0000000162</td>
<td>Campaign</td>
<td>000016</td>
<td>NetBank Saver</td>
</tr>
<tr>
<td>Introductory Offer</td>
<td>0000000261</td>
<td>Campaign</td>
<td>000016</td>
<td>NetBank Saver</td>
</tr>
<tr>
<td>Introductory Offer</td>
<td>0000000162</td>
<td>Campaign</td>
<td>000016</td>
<td>NetBank Saver</td>
</tr>
</tbody>
</table>
Step 2: Choose the account origination process for customers with a residential address in QLD

<table>
<thead>
<tr>
<th>Category</th>
<th>Rule</th>
<th>Single Parameter/Range Minimum</th>
<th>Range Maximum (Range Rules Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application Specific</td>
<td>Service Area</td>
<td>Account Origination</td>
<td></td>
</tr>
<tr>
<td>Client Specific</td>
<td>Customer State</td>
<td>QLD</td>
<td></td>
</tr>
</tbody>
</table>

"Account Origination" is selected

Customer's state is selected "QLD"
Step 3: Select customers with a minimum age of 55

Minimum age set at 55
**Step 4: Select the online channel**

<table>
<thead>
<tr>
<th>Category</th>
<th>Rule</th>
<th>Single Parameter/Range Minimum</th>
<th>Range Maximum (Range Rules Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Specific</td>
<td>SystemChannel</td>
<td>Finest</td>
<td></td>
</tr>
</tbody>
</table>

**Eligibility Factors**

<table>
<thead>
<tr>
<th>Category</th>
<th>Rule</th>
<th>Single Parameter/Range Minimum</th>
<th>Range Maximum (Range Rules Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application Specific</td>
<td>ServiceArea</td>
<td>AccountOrigin</td>
<td></td>
</tr>
<tr>
<td>Client Specific</td>
<td>CustomerState</td>
<td>QLD</td>
<td>55</td>
</tr>
<tr>
<td>Client Specific</td>
<td>MinAccountHolderAge</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Pricing Option** CBA-BRE-COSSE-Eligibility-Content

- **Applies To** CBA-BRE-COSSE-Eligibility-Content
- **Pricing Option ID** 00300000261
- **SalesProductID** 000016
- **Description** 000016

**Base Definition**

- **Scenario**

**Checked out from COSSE02-05-99**

**Last Update** 8 March 2011 10:41:57 AM

**Online channel selected**
### Step 5: Specify the expiry date

<table>
<thead>
<tr>
<th>Base Definition</th>
<th>Eligibility</th>
<th>History</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pricing Option Type</td>
<td>Campaign</td>
<td></td>
</tr>
<tr>
<td>Priority Order</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Sales Product Default</td>
<td>N</td>
<td></td>
</tr>
<tr>
<td>Contract Expiry Date</td>
<td>30/12/9999</td>
<td></td>
</tr>
<tr>
<td>Contract Expiry Period Factor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract Expiry Period Unit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effective From</td>
<td>31/12/2009</td>
<td></td>
</tr>
<tr>
<td>Effective To</td>
<td>31/03/2011</td>
<td></td>
</tr>
<tr>
<td>Legacy Package Code</td>
<td>N</td>
<td></td>
</tr>
<tr>
<td>Allow Discretionary</td>
<td>N</td>
<td></td>
</tr>
<tr>
<td>Campaign Code</td>
<td>10000077</td>
<td></td>
</tr>
</tbody>
</table>

Campaign expiry date set to 31 March 2011
CBM Demonstration – Customer Self Service Experience

The core banking programme has delivered a streamlined, real-time customer experience through our assisted and unassisted channels. We are providing the capability for customers to experience more self service functionality

This includes:

- Visibility of all payment transactions in real-time and 24x7
- Greater transparency and detail of transactions as they happen
- Real-time, straight through account opening where customers can fund their accounts as part of the account opening process
- Customers will now be able to view and apply for campaigns they’re eligible for through the self service channel

The following demonstration will highlight the above self service experiences from a customer’s point of view
Customer experience enabled by CBM

Real time banking

Customer

Customer-centric

Features

Channels

Treatment

Insight

Our customers

From

Next business day

You need this … *product*

Same for most

One size fits most

Different

You need a Streamline

We need to guess

To

Instant satisfaction

Customers like you …

Specific for you, or customers like you

You have a choice

Consistent

Let us help you select from our expanded range

This is different from what we assumed
CBM is building a Strategic Asset, with expectations this asset will be enhanced and leveraged across the Group, beyond CBM.

**Implemented Technology**

- **“Platform Stack”**
  - Distribution
  - Customer
  - Integrations
  - **Corporate Core**
    - Finance
    - HR
    - IT
    - Marketing
    - Treasury

Drivers of competitive advantage

- Implemented in the CBA environment
- End-to-end
- “Multi” enabled application
- Common integration layer
- Package & custom built software

**Talent Pool**

- **Internal**
  - Enterprise Services staff
  - Seconded Business staff

- **External**
  - Solution (i.e., SAP)
  - Delivery partner (i.e. Accenture)
  - Other service partners
  - Contractors

- We have the “A” team
- Investing in a pool of talented people
- Vast business & solution knowledge
- Business & Solution architects
- System integration skills
- SAP expertise

**Delivery processes**

- Proven large scale (+100 k manday) release delivery capability
- Integrated delivery across the “Banking Platform Stack”
  - Business case
  - Release & Migration management
  - Offer and process design
  - Requirements & Business simplification
  - Solution design & delivery
  - End to end testing
  - Change management
  - Programme management
CBM is building a Strategic Asset

Massachusetts Institute of Technology - Sloan School of Management defines as Strategic Asset as something that meets the following four criteria:

1. Is it something you own/control?
2. Does it differentiate you from your competitors?
3. Is the differentiation sustainable?
4. Does it contribute to satisfying customers?

We believe we have a competitive advantage
Core Banking Modernisation

Appendix
Appendix – Demonstration 2

Transactions

Account: Complete Access 05 7000 1066 9864

Nickname/Type | BSB     | Account number | Account balance | Available funds |
---------------|---------|----------------|-----------------|----------------|
Complete Access | 05 7000 | 1066 9864      | $142.41 CR      | $142.41 CR      |

Show transaction search

20 transactions found, displaying 1-20

<table>
<thead>
<tr>
<th>Date</th>
<th>Transaction description</th>
<th>Debit</th>
<th>Credit</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>09/02/2011</td>
<td>WOOLWORTHS 1289 N STRATHFIEL NSW AU Cash Out $10.00 Purchase $15.59</td>
<td>$25.59</td>
<td></td>
<td>$142.41 CR</td>
</tr>
<tr>
<td>29/01/2011</td>
<td>Transfer ATM CBA ATM SYD OLY PARK 2 NSW 231497 AUS</td>
<td></td>
<td>$4.00</td>
<td>$158.00 CR</td>
</tr>
<tr>
<td>29/01/2011</td>
<td>Transfer ATM CBA ATM SYD OLY PARK 2 NSW 231497 AUS</td>
<td></td>
<td>$4.00</td>
<td>$154.00 CR</td>
</tr>
<tr>
<td>19/01/2011</td>
<td>Cash &amp; Chq Dep Branch Syd Olympic Prk</td>
<td>$130.00</td>
<td></td>
<td>$158.00 CR</td>
</tr>
</tbody>
</table>
## Appendix – Demonstration 2

### Transaction details

<table>
<thead>
<tr>
<th>Receipt number</th>
<th>T101911824249001NPB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction date and time</td>
<td>19/01/2011 02:57:07 AM Sydney time</td>
</tr>
<tr>
<td>To account</td>
<td>06 7000 1086 9864 Demand Deposit Account</td>
</tr>
<tr>
<td>Amount</td>
<td>$130.00</td>
</tr>
<tr>
<td>Cash deposit amount</td>
<td>$80.00</td>
</tr>
<tr>
<td>Cheque deposit amount</td>
<td>$50.00</td>
</tr>
</tbody>
</table>

*Back to transactions*
Appendix – Demonstration 2

Accounts

NetBank Saver - Special Offer
If you open a new NetBank Saver account from 7/02/2011, you will receive a special variable bonus rate which includes a fixed bonus of +1.10% p.a above the NetBank Saver variable interest rate, on balances of up to $5m, for the first 3 months after...²

- Compare all NetBank Saver options

Pensioner Security - Electronic Access
Earn a competitive rate of interest on your retirement savings or pension income. This includes up to 15 free electronic withdrawals each month. This excludes access fees.¹

- Compare all Pensioner Security options

Choose our most popular everyday account

<table>
<thead>
<tr>
<th>Account</th>
<th>Features</th>
<th>Monthly fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Everyday Account</td>
<td>Add a Debit MasterCard to shop online or on the phone with your money</td>
<td>$4.00</td>
</tr>
<tr>
<td>Smart Access</td>
<td>Best account if you spend your money with a card, and don’t visit the branch often</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Receive unlimited* electronic transactions in store, online and at ATMs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>More information</td>
<td></td>
</tr>
</tbody>
</table>
Appendix – Demonstration 2

NetBank Saver

NetBank Saver is a high interest online savings account linked to one of your Commonwealth Bank personal transaction accounts. Use your personal transaction account to transfer money to and from your NetBank Saver account. Fees may apply to the linked account.

Select your preferred account option below and click Apply now.

<table>
<thead>
<tr>
<th>Features</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>If you open a new NetBank Saver account from 7/02/2011, you will receive a special variable bonus rate which includes a fixed bonus of +1.10% p.a. above the NetBank Saver variable interest rate, on balances of up to $5m, for the first 3 months after the account is opened. After the first 3 months, and for amounts greater than $5m, you will earn our standard NetBank Saver account variable interest rate applicable at the time. This offer is available for a limited time.¹</td>
<td>With the NetBank Saver, you have instant access to your money, 24 hours a day, 7 days a week. Earn a competitive rate of interest, pay no monthly account fee and there is no minimum balance requirement.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interest Rate</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5.85% p.a.</td>
<td>4.75% p.a.</td>
</tr>
</tbody>
</table>

| Account fee | Free | Free |
| NetBank transfers² | Free | Free |

<table>
<thead>
<tr>
<th>Statement frequency</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>6 monthly</td>
<td>Free</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Statement delivery</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Online (via NetBank)</td>
<td>Free</td>
</tr>
<tr>
<td>Paper (by mail)</td>
<td>Free</td>
</tr>
</tbody>
</table>
Appendix – Demonstration 2

Contact us
Talk to us about accounts on 13 2221, 24 hours a day, 7 days a week.

NetBank Saver - Special Offer
Application number - AA500001401107

Account details

= Required
Please select your preferred account options below.

Account mailing address
- LEVEL 3 10 DAWN FRASER AVE SYDNEY OLYMPIC PARK NSW 2127
- LEVEL 3 SYDNEY OLYMPIC PARK NSW 2127

If you choose online, you will stop receiving paper statements and notices and instead obtain them via NetBank or notices only via email (or we may choose to send you a particular notice by paper). We'll send you notification that your statement or notice is ready to view in NetBank via email and NetBank bank message. Remember to check your bank messages and emails regularly and advise us if you change your email address. You can switch back to paper at any time by going to View accounts and then Statements.

Statement option
- Online (via NetBank)
- Paper (by mail)

Tax File Number option
- Select...

Tax File Number

Deposit details

Deposit money into this account?
- Yes
- No

Account to transfer deposit from
- Select...

Deposit amount

CANCEL
SAVE & COMPLETE LATER
NEXT >
Appendix – Demonstration 2

Review & submit

Please review your application details below to check that they are correct before submitting your application. If you would like to change any of the details, click Change.

<table>
<thead>
<tr>
<th>Account details</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account mailing address</td>
<td>LEVEL 3, 10 DAWN FRASER AVE, SYDNEY OLYMPIC PARK NSW 2127</td>
</tr>
<tr>
<td>Statement option</td>
<td>Online (via NetBank)</td>
</tr>
<tr>
<td>Deposit</td>
<td>$5.00 from account 700010669821 Priv Acct</td>
</tr>
<tr>
<td>Tax File Number option</td>
<td>Do not declare</td>
</tr>
</tbody>
</table>

**Terms & Conditions**

To apply for a NetBank Saver online, you must choose to receive the Transaction, Savings and Investment Accounts General Information and Terms and Conditions online. This is a once only election and does not apply to other information we are required to give you from time-to-time. If you choose to receive the terms and conditions online, we will not automatically send you a paper copy by mail, but you may print a copy for your records.

If you choose not to receive the terms and conditions online, you will need to call us on 13 2221 or visit your local branch to open your account.

By ticking the box, I acknowledge that:

- I choose to receive the Transaction, Savings and Investment Accounts General Information and Terms and Conditions online.

- I have received the Financial Services Guide (PDF 54KB) and Transaction, Savings and Investment Accounts General Information and Terms and Conditions (PDF 66KB) online and I accept the terms and conditions (including the section on ‘Privacy’). I also acknowledge and consent to the use and disclosure of my personal information as detailed in the section on ‘Privacy’ and confirm that the funds in this account are not held in trust. I also understand that if I do not wish to receive marketing information I can call 13 2221 or go to Profile & preferences in NetBank and select My contact details.

CANCEL  SAVE & COMPLETE LATER  SUBMIT
Bank message notifying the customer the account has been opened

A summary of the account in PDF format including any specific T&Cs for the campaign
Core Banking Modernisation