

DETERMINED TO BE BETTER THAN WE'VE EVER BEEN.

Ian Narev Group Executive Business & Private Banking

UBS 10th Annual Australian Financial Services Conference 2011



CommonwealthBank



Disclaimer

The material that follows is a presentation of general background information about the Group's activities current at the date of the presentation, 23 June 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.



Business & Private Banking

- Consistent financial performance
- Strategy delivering
- A challenging market, but...
- Well placed for growth



BPB – Overview

| | |
|---|--|
| ✓ | ~5,000 staff (including support staff) |
| ✓ | ~175,000 Banking Customers; ~ 1 million CommSec account holders |
| ✓ | Total Assets of \$78bn (12% of Group) |
| ✓ | ~16% of Group revenue |
| ✓ | ~15% of Group profit |
| ✓ | Highest rated customer satisfaction in Middle Market |
| ✓ | Private Bank of the year three years in a row: \$1m-\$10m segment |
| ✓ | 50% share of on-line broking market, and highest customer satisfaction |



* All financial figures as at December 2010.

BPB - Overview

| | Segments Served | Customer Numbers | Revenue Growth* |
|--|-------------------------------------|------------------|-----------------|
| Corporate Financial Services | Mid market businesses | 13,200 | +15% |
| Regional & Agribusiness Banking | Agribusiness/ regional customers | 24,000 | +7% |
| Local Business Banking | Small business | 125,000 | +10% |
| Private Bank | HNW | 10,000 | Flat |
| Equities & Margin Lending | Retail | ~2m | (18%) |



* six months to December 2010 vs six months to December 2009

Consistent financial performance

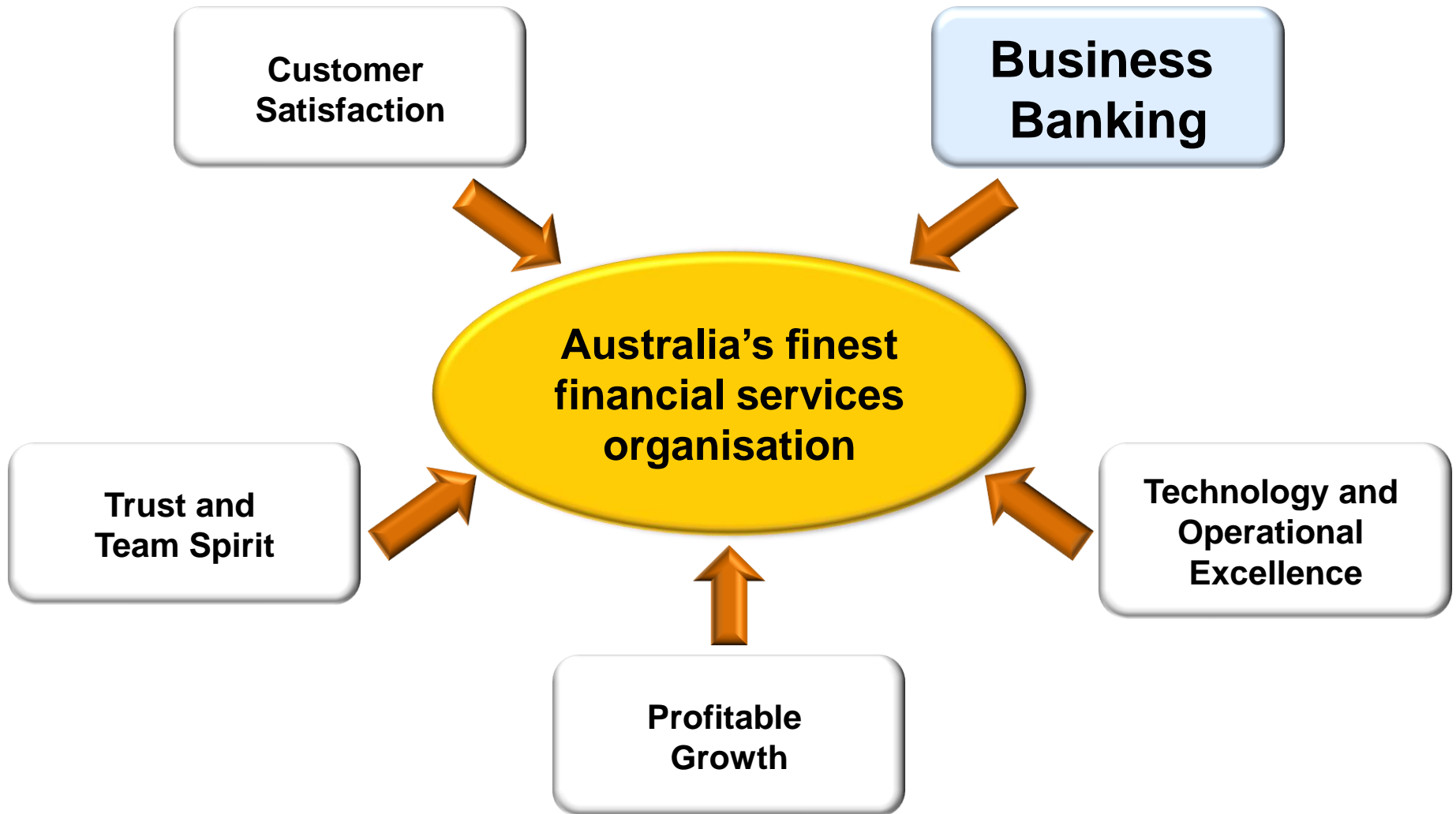
| | 6 month growth | | | 12 month growth | |
|-----------------------|----------------|------------|------------|-----------------|------------|
| | Dec-09 | Jun-10 | Dec-10 | Jun-10 | Dec-10 |
| Revenue | 13% | 9% | 5% | 11% | 7% |
| Expense | 2% | 4% | 3% | 3% | 4% |
| Operating Performance | 24% | 13% | 6% | 19% | 9% |
| Impairments | 63% | -30% | -30% | 6% | -30% |
| Cash NPAT | 18% | 25% | 15% | 21% | 19% |



Growth rates are against relevant prior comparative periods. eg. 12 month growth rate for Dec-10 is for the 12 month period to 31 December 2010 versus the 12 month period to 31 December 2009.



A key part of overall Group strategy



Strategy delivering

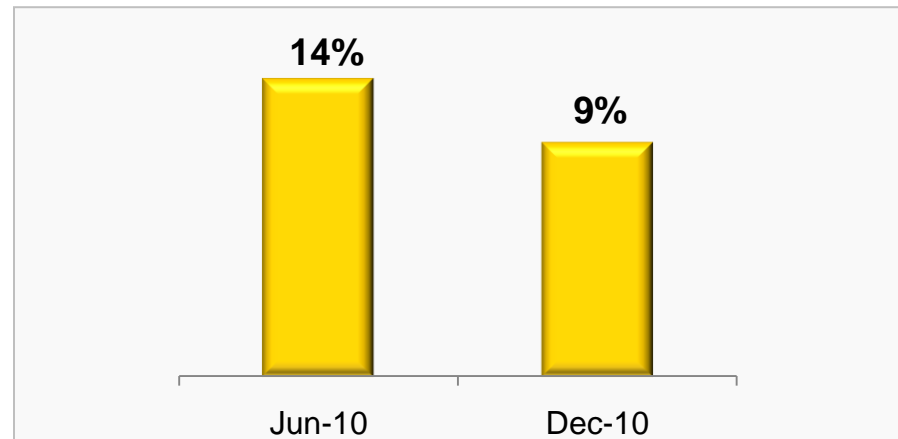
- Multi-year investment in the business:
 - Targeted investment in frontline staff
 - Expanded distribution footprint
 - 80% of branches now supported by local business bankers
 - CommBiz – online banking leader

- Strategy delivering:
 - Satisfaction – from last to 1st/2nd
 - Volume growth above system
 - Margin discipline
 - Effective cost control
 - Well secured book

Business Customer Satisfaction ¹

| | CBA Ranking |
|------------------------|-----------------------------|
| Total Market | Equal 2nd |
| Large (>\$50m) | 1 st |
| Medium (\$5m to \$50m) | Equal 1 st |
| Small (\$1m to \$5m) | Equal 2 nd |
| Micro (<\$1m) | Equal 3 rd |

Lending Volume Growth²

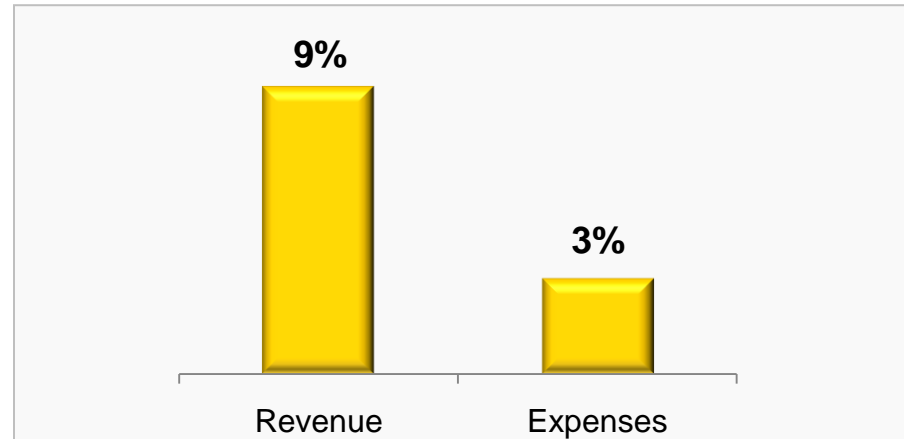


1. Source: DBM. Ranking amongst major banks as at April 2011.
 2. APRA NFC – BPB Lending, 6 month annualised growth rates.

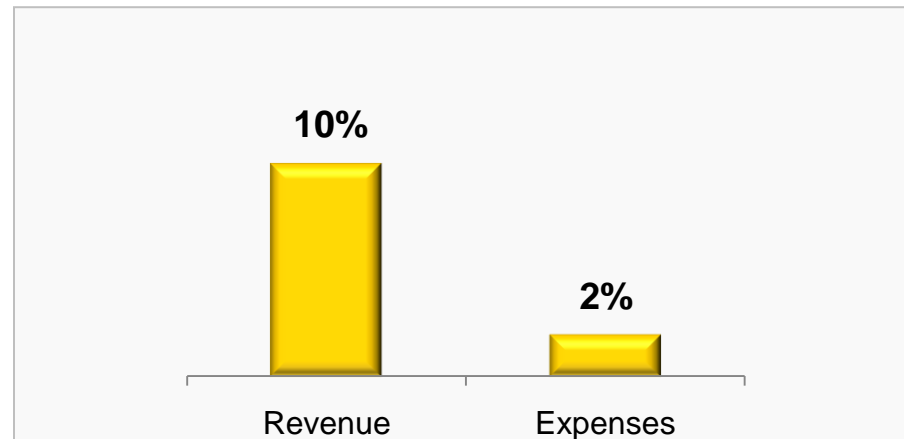
Business Banking Performance

- Revenue:
 - Growth in lending and deposit balances, with
 - Stable margins
- Expenses:
 - On-going investment in front-line bankers, funded by
 - Operational efficiencies and
 - A disciplined approach to expense management.

“Jaws” - 12 Months to Dec-10



“Jaws” - 12 months to Jun-10



Well placed for growth

A challenging market

- Multi-speed
- Client apprehension
- Post GFC challenges
- Low system growth
- Highly competitive



CBA well placed for growth

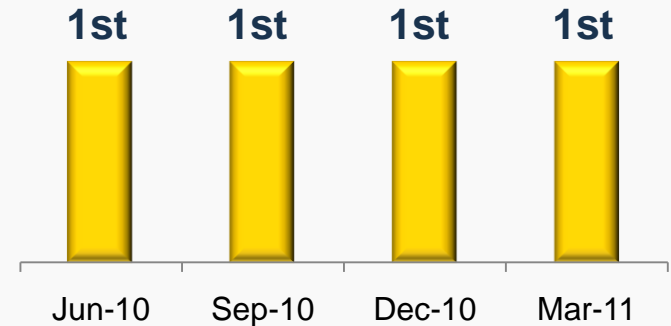
- Strong foundations built over 5 years
- Tight partnership with Retail Bank
- Market leading merchant footprint
- CommBiz – best in market
- Core Banking
- Growth niches



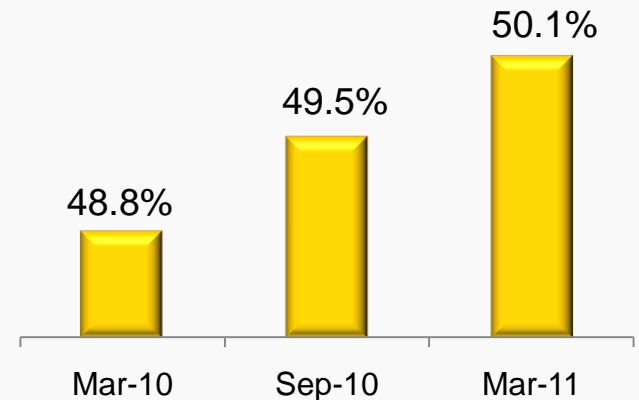
Equities and Margin Lending

- CommSec consistently ranked No. 1 in customer satisfaction
- Consistent market share growth
- Yields stable in negative growth market
- Stable margin lending share and margin in slow market
- Solid deposit growth and margin improvement
- Looking ahead:
 - Smarter use of analytics
 - Improved front-end, and
 - Extension of powerful brand

Customer Satisfaction - Ranking ¹



CommSec Market Share ²



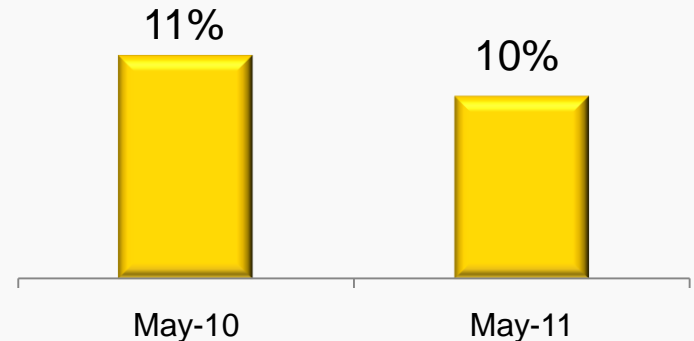
1. Rolling 12 month average from Investment Trends research covering major players
2. Total trades in On-line Non-Advisory market per IRESS, 12 month rolling average

Private Banking

- “Outstanding Private Banking Institution*” - 3 years running
- Strong volume growth underpinned by improved financial advisory offering
- System challenges:
 - Post-GFC conservatism
 - High cash allocations, and
 - Margin lending slow to recover
- Looking ahead:
 - Continued partnership with Business Banking
 - Private Office up and running, and
 - Investment in advisory platform

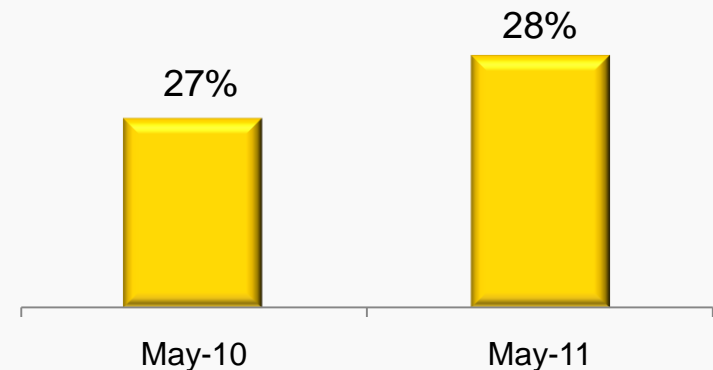
Home Lending Balance Growth

Private Bank – 12 month balance growth



FUA Balance Growth

Private Bank – 12 month balance growth



* Australian Private Banking Council Awards 2009-2011. \$1m to \$10m category

Summary

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- Strategy delivering
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