

# Commonwealth Bank Institutional & Business Services Media Briefing



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# Disclaimer



The material that follows is a presentation of general background information about the Bank's activities current at the date of the presentation, 3 March 2004. 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.

# Speaker's Notes



- Speaker's notes for this presentation are attached below each slide.
- To access them, you may need to save the slides in PowerPoint and view/print in “notes view.”

# Agenda

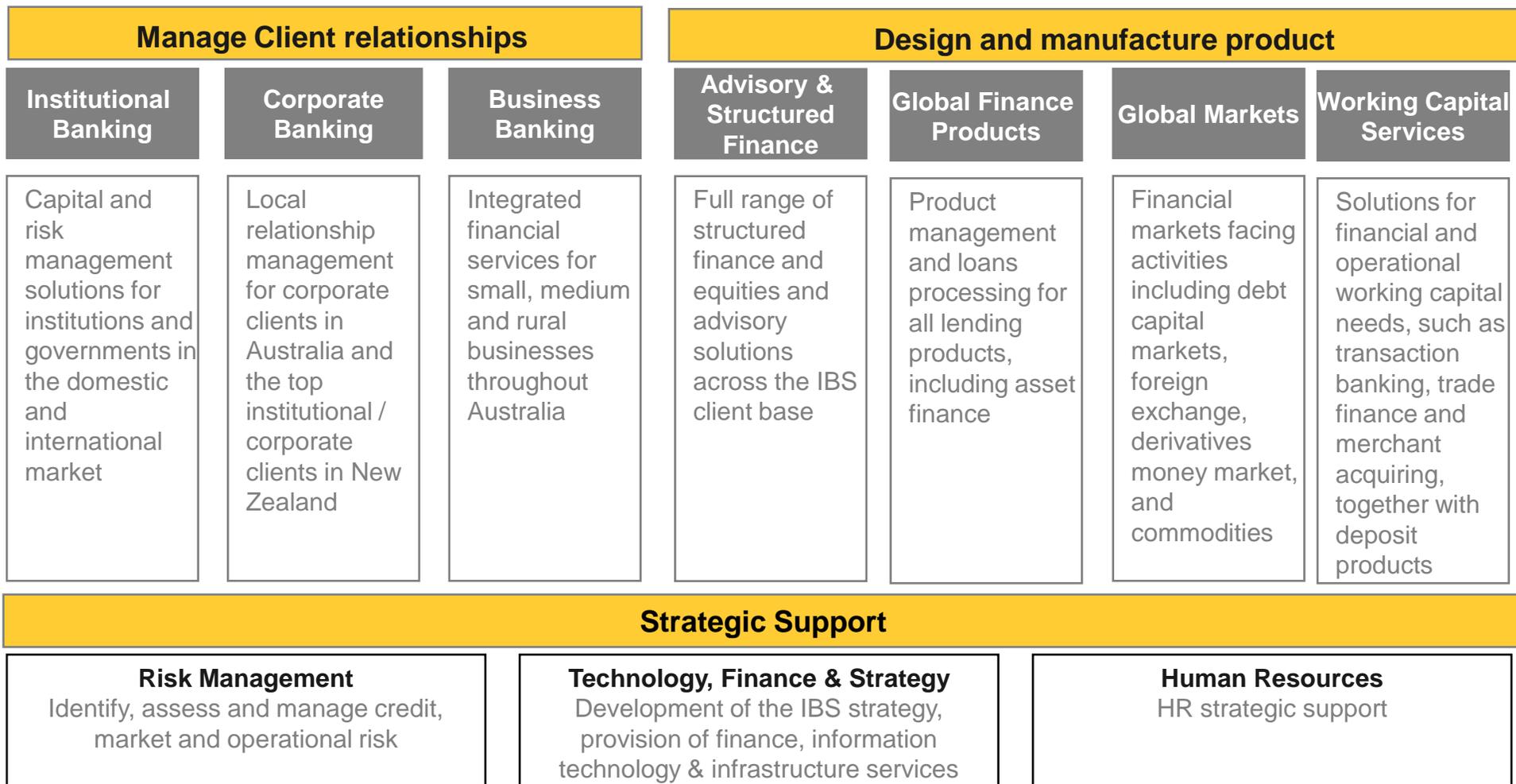


- IBS overview
- IBS performance
- IBS transformation
- Divisional achievements
- Outlook

# IBS overview

- 165,000 clients
- Assets of \$90 billion
- 5,000 staff
- Net profit after tax – approx a third of CBA Group
- 42 Business Banking centres
- 18 Corporate Banking sites
- Access to 1000 branches Australia wide
- Locations in Australia, New Zealand, UK, US, Singapore, Hong Kong, Japan

# IBS Structure



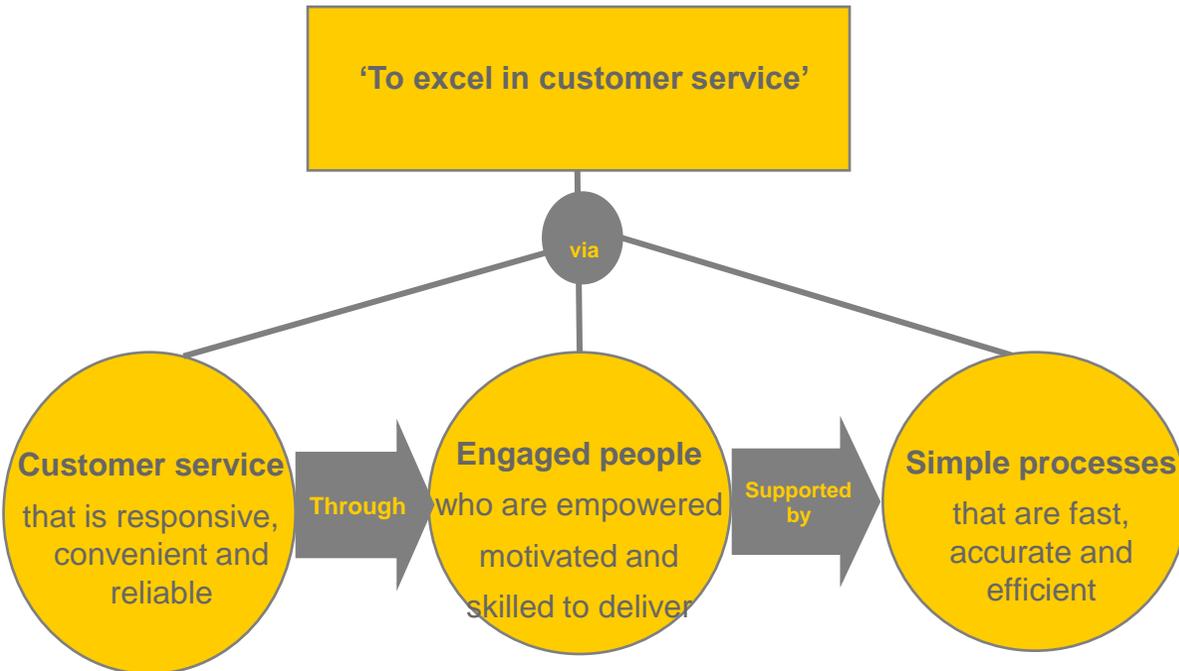
# IBS Contribution to CBA Half Yearly Results



- 35% of Group's NPAT
- IBS Redesign delivering improved revenues and productivity
- Business Lending market share grew to 14.2% [APRA/RBA]
- Balance sheet assets grew substantially
- Institutional, corporate and business banking segments all grew market share

# IBS priorities aligned to Corporate strategy

## Corporate strategy



## IBS priorities

1

Drive a consistent service and sales focused culture

2

Transform our business systems and processes

Customers are saying:  
"Know me, give me what I want and do it reliably"

# IBS Priorities focused on growth & productivity, delivered through a strong emphasis on people

## Aspirations:

***IBS is aiming for market leadership through excellence in client service...***

- Strong client franchise
- #1 or #2 in each of our established businesses in Australia
- Niche product driven growth in our offshore business
- Innovative, differentiated services
- One team, desirable place to work

***... which is to be achieved in 2 ways.***

## Strategy:

### **1 Profitable growth**

- Increase cross-sell activity & targeted marketing
- Product and services innovation
- Credit portfolio management
- High performance culture
- Maintain credit quality while growing assets

### **2 Competitive productivity**

- IBS Redesign drives strong client service culture, as well as process and productivity improvements
- Rationalise systems platforms
- Streamline credit processes
- Increase staff training

# IBS client service highlights

## Profitable Growth

- Strong momentum across all our business segments
- Improvement in Business Lending and Deposit market share
- Good asset growth and sound risk profile maintained
- New Service and Sales framework launched

## Competitive Productivity

- Improved client service quality measures
- Improved turnaround times
- Improved credit processes
- Improved cross sell ratios

# Institutional Banking

- Strong earnings growth
- Improvements in turnaround times and innovative deal initiation
- Market leading transactions in commercial property and infrastructure finance including:
  - Structuring of the Chatswood Chase acquisition for CFS Gandel Retail Trust
  - Infrastructure sale of Sydney Basin airports
  - Digital rollout financing for Foxtel
- Environmental initiatives

# Corporate Banking



- Revenue increased
- Asset growth ahead of target
- Strong deal pipeline
- Targeted industry specific marketing campaigns to drive growth
- Introduced personal and mobile lenders

# Business Banking



- Client service initiatives driving growth:
  - Known point of contact for business clients
  - Local decision-making
  - Credit approval streamlining
- Productivity improvements
- Government recognition for supporting regional and business clients

# Global Finance Products



- Newly formed division
- Business Lending market share recaptured
- Asset Finance market share continues to grow, currently at 15.7%
- Syndicated Loans market share fluctuates, currently at 10.0%

Source: AELA January 2004; Bloomberg Global Loans League Table, Year ended 31 January 2004

# Working Capital Services



- Moved to No. 1 ranking in transaction banking market share in mid-corporate sector
- In top 500 companies, CBA has grown market share by 0.5%
- Ranked first in merchant acquiring
- Developed innovative products eg Paylite and XPOS
- Leading the market on pricing disclosure and fees transparency
- Enhanced client service capability through Client Service Centre

# Global Markets

- Retained client satisfaction market leadership and displaced major competitors in pricing competitiveness, industry knowledge and customised solutions
- Ranked No. 1 in FX and Interest Rate Swaps
- Debt Capital Markets expertise strengthened
  - Eg MBS Deal of the Year for Bluestone Mortgages and Structured Deal of the Year for SME Credit Linked Trust issue
- Commodities business progressing

# Advisory & Structured Finance



- Major financing transactions
- Structured leases
- Equities & Advisory business gaining traction
- Infrastructure and property specialisation

# Outlook for IBS

- Continued improvement in client service
- Breakaway Service and Sales
- Focus on specialised industries
- Continue to grow market share
- Have in excess of \$2 billion available to grow business lending

