
Investor Roadshow / Merrill Lynch Australasia Investment Conference

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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, 27 September 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 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

- Overview of business
- Full Year June 2004 results
- Which new Bank
- Outlook

Overview of business

Banking

- Largest Australian retail bank with over 8 million retail customers
- No.1 in retail deposits, No.1 in home lending
- Over 1,000 branches, around 4,000 agencies and 3,000 ATMS
- Strong positions in each segment of business banking

Funds Management

- No.1 in retail FUM
- No.1 in platform inflows

Insurance

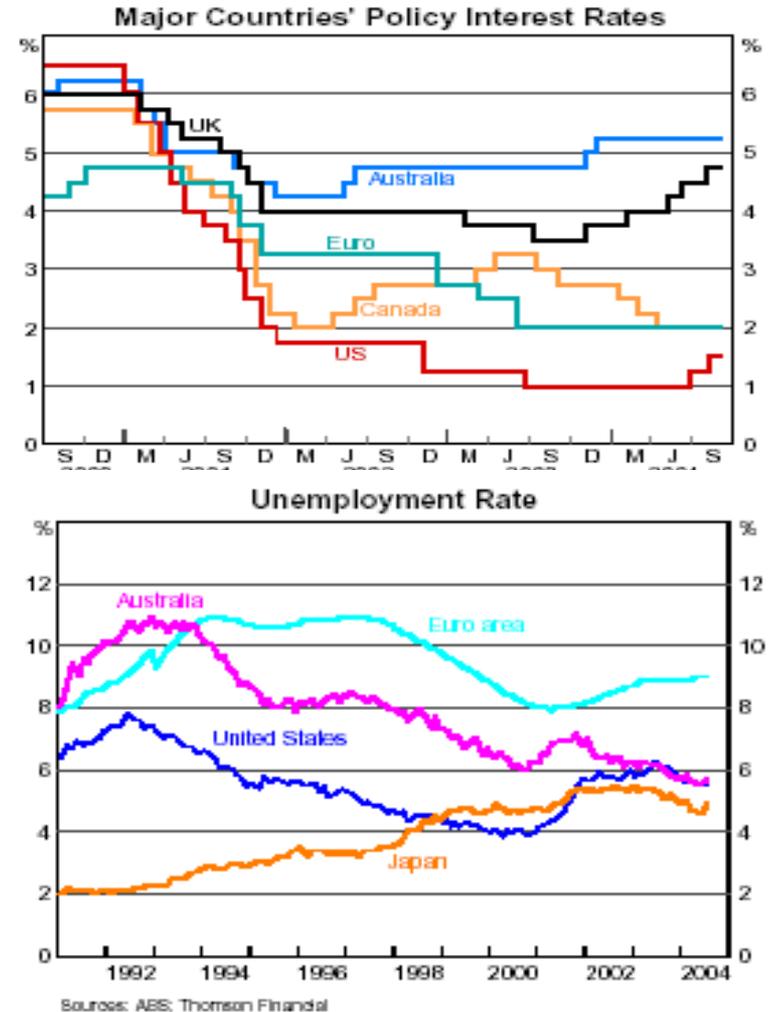
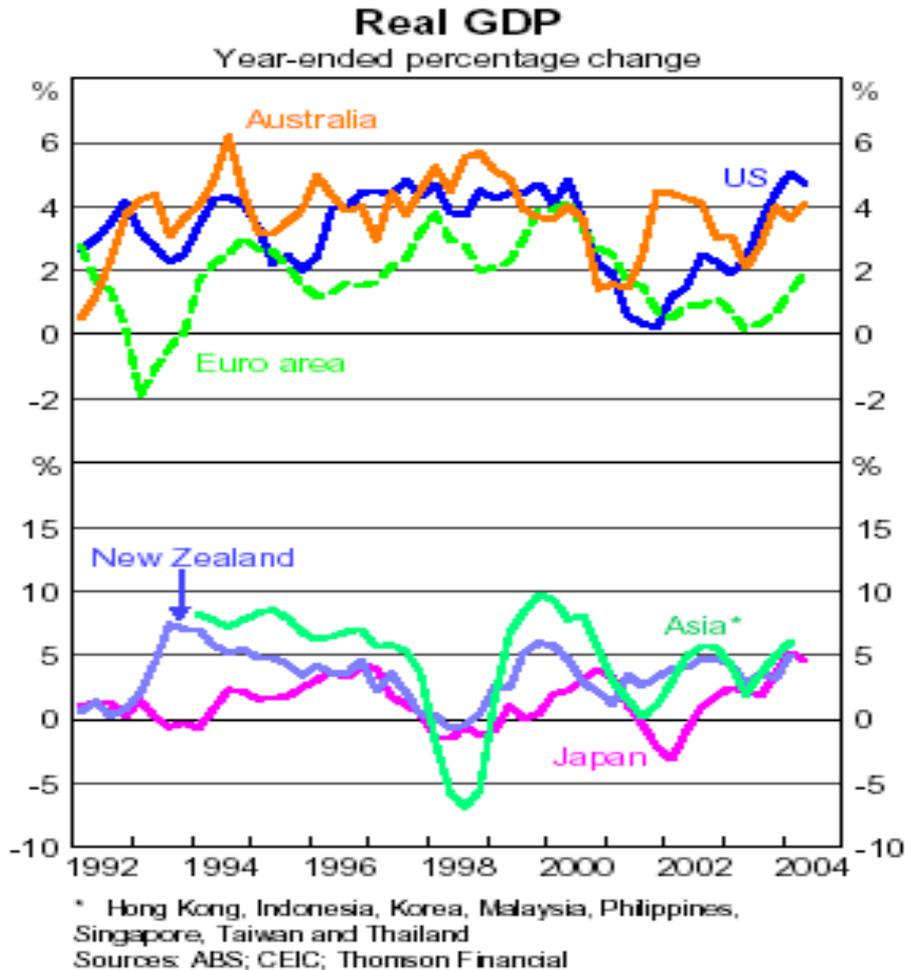
- No.1 in inforce premiums

International

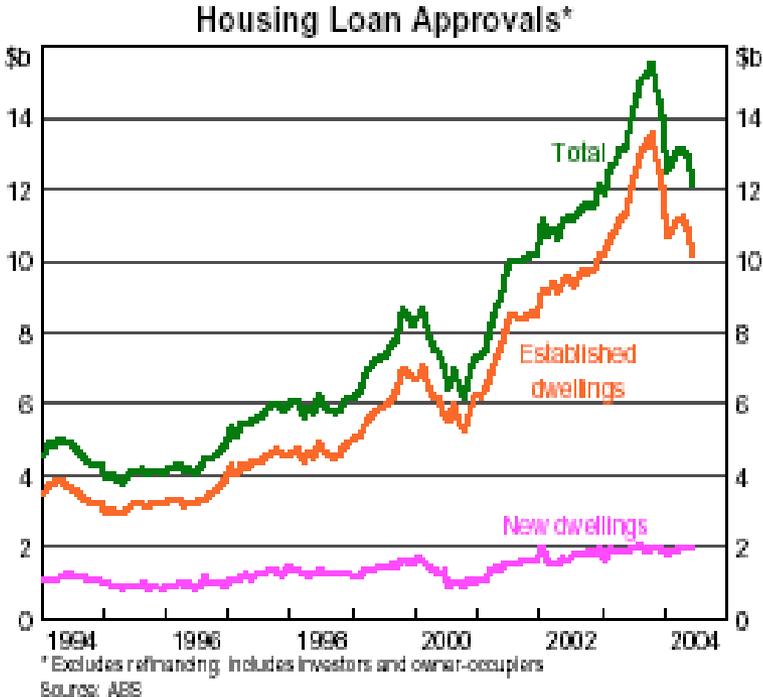
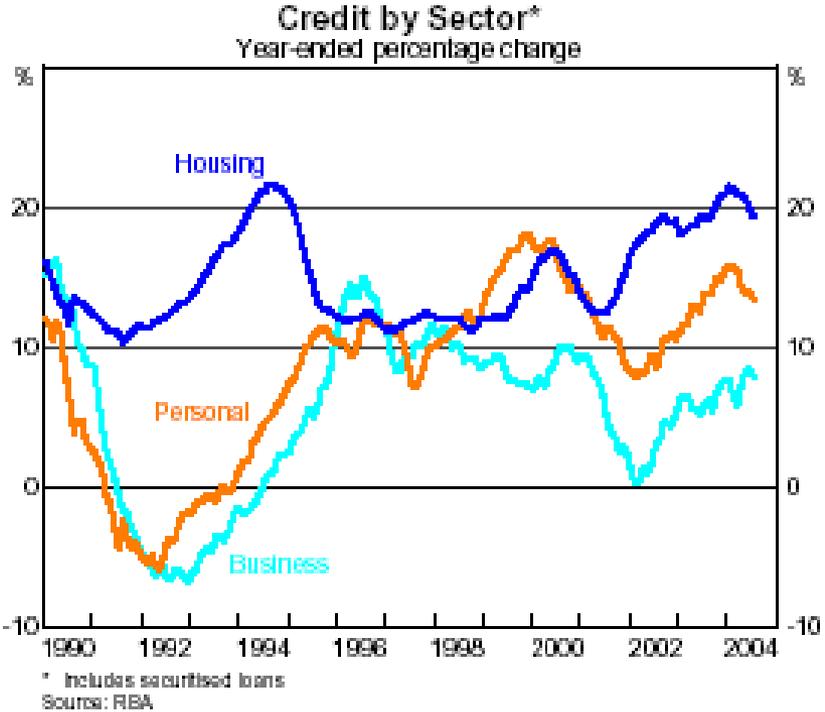
- Strong presence in NZ, and smaller scale operations in Asia and the UK

Tier 1 ratio	7.43%
Credit ratings	
- Moody's	Aa3
- S&P	AA-
- Fitch	AA
Total assets	A\$306bn
Market cap	A\$38bn

Economy – global comparisons



Economy – credit growth and housing



A very good annual result (year to 30 June)

	2004 \$m	2003 \$m	Increase %
■ Statutory NPAT	2,572	2,012	27.8
■ Cash NPAT	2,695	2,579	4.5
■ Underlying Cash NPAT	3,078	2,674	15.1



Strong performance by each business

Underlying Net Profit After Tax

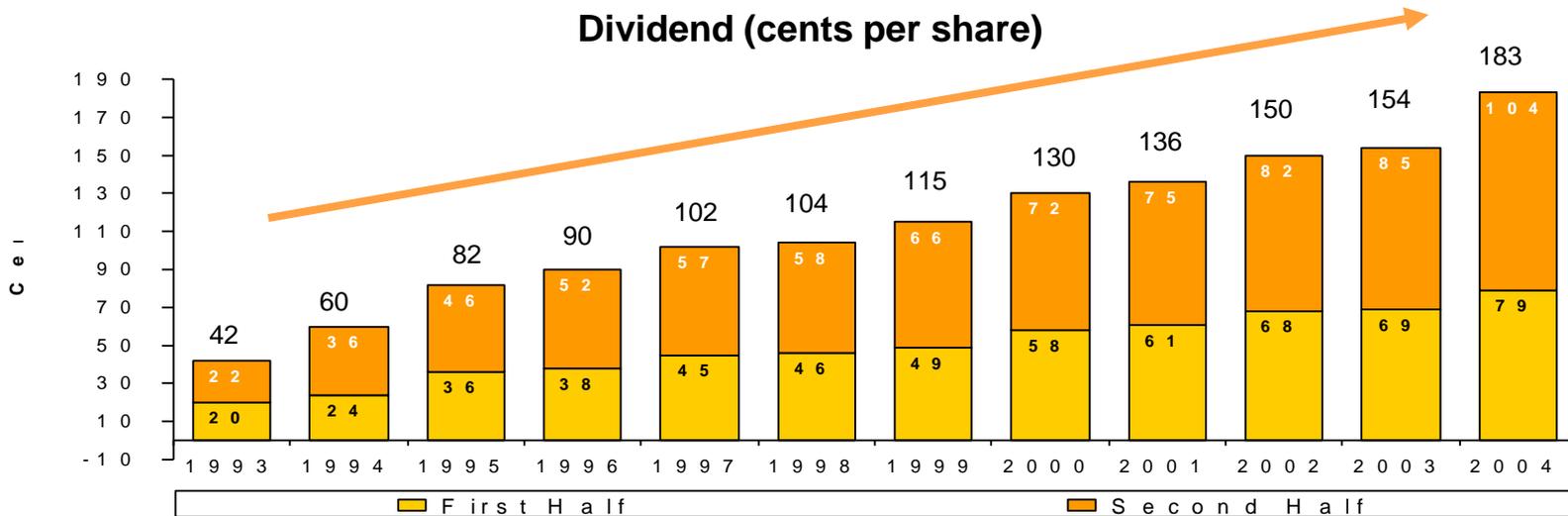
	2004 \$m	2003 \$m	Increase %
■ Banking	2,675	2,376	13
■ Funds Management	274	233	18
■ Insurance	129	65	98

- Banking: reflects strong performances of retail operations
- Funds Management: benefited from strong investment markets
- Insurance: reflects improved performance across all regions



Largest dividend increase ever

	2004	2003	Increase %
■ Dividends per share	183c	154c	19
■ Payout ratio (cash basis)	89.1%	75.9%	



Key shareholder ratios

	2004	2003
Shareholder Ratios		
■ Earnings Per Share ⁽¹⁾	207 cents	203 cents
■ Return on Equity ⁽²⁾	13.2%	13.3%
■ Dividends Per Share ⁽²⁾	183 cents	154 cents
■ Payout Ratio ⁽²⁾	89.1%	75.9%

Underlying⁽³⁾ EPS was 237 cents (+13% v. 2003)

Underlying⁽³⁾ ROE was 15.1% (+1.3% v. 2003)

⁽¹⁾ EPS figure is post preference share dividends of \$101m for the year ended 30/06/2004

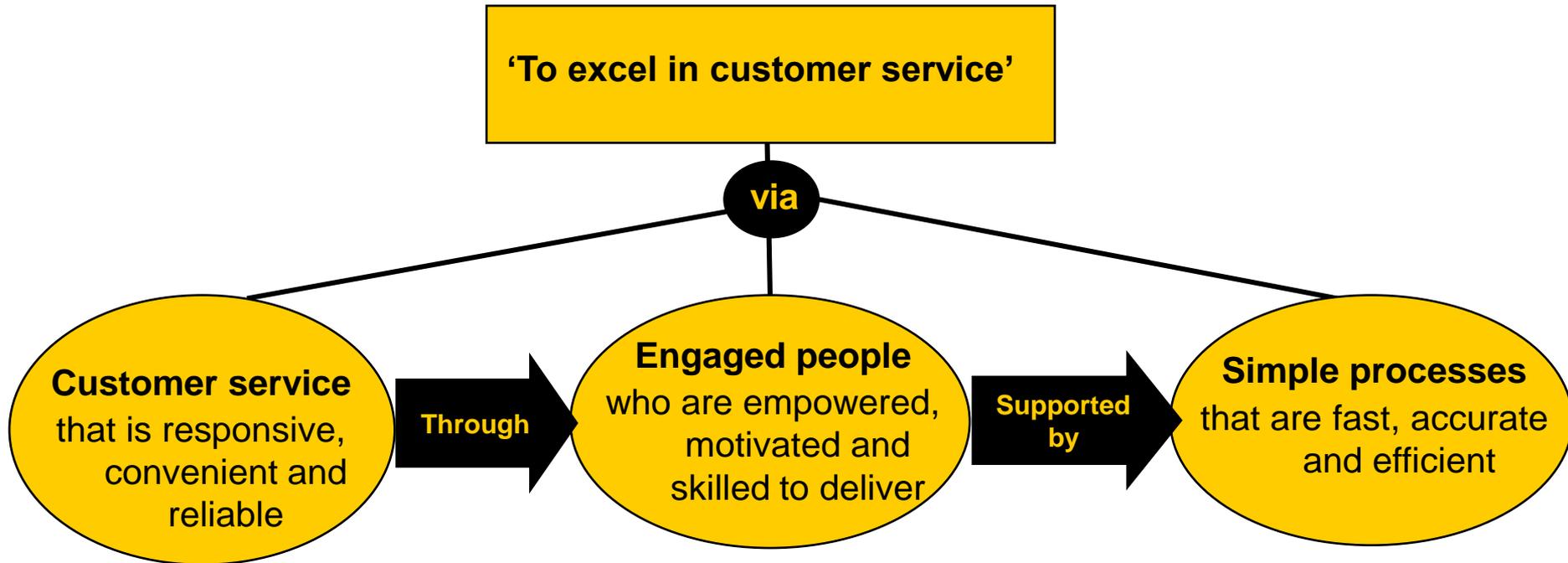
⁽²⁾ Based on Cash NPAT pre preference share dividends

⁽³⁾ Underlying figures use Cash NPAT excluding shareholder investment returns and Which New Bank initiatives.



new
Which / Bank

Reminder – three service transformation themes



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



Our achievements - first nine months to June completed successfully

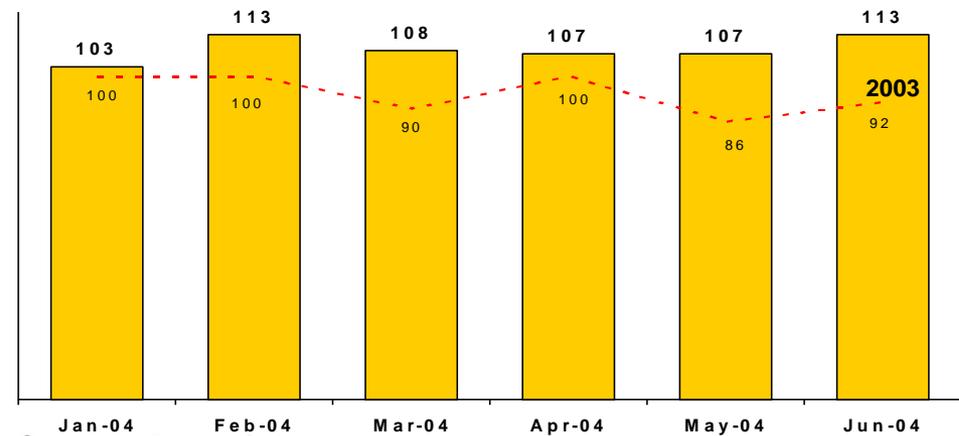
- June 2004 milestones completed as planned
- 2003/04 spend delivered within planned investment
- 2003/04 benefits exceeded targets
- Market shares broadly stable
- Staff are engaged

We are changing the way we do things - Service and Sales Management

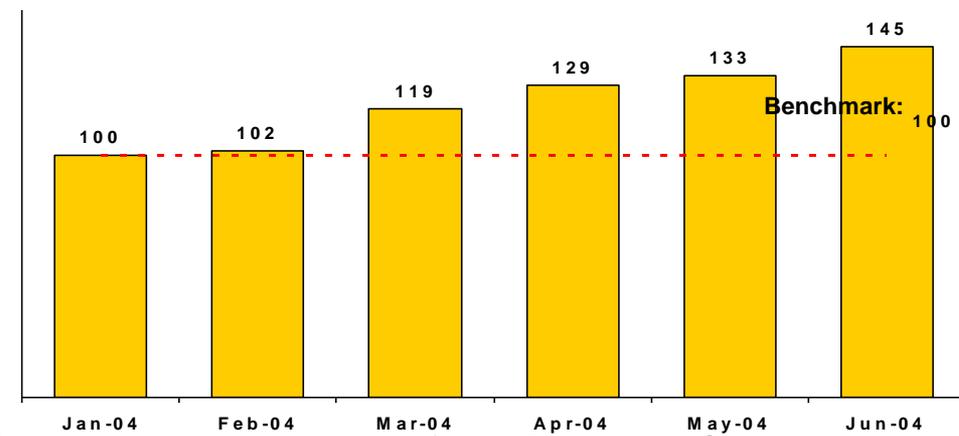
- Focussing on service in everything we do
- Continuous reinforcement of service behaviours
- Implementing Bank-wide approach to leads and referrals

Results of national retail implementation

Product sales per staff member



Cross sales ratio*



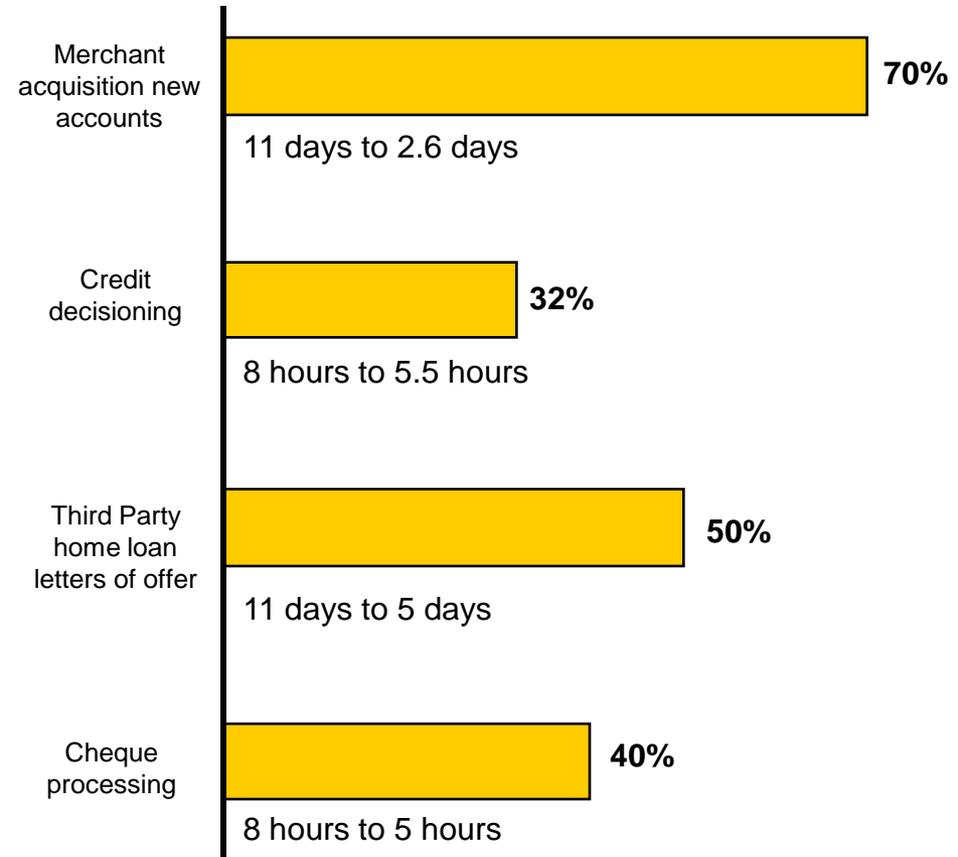
* Cross sales ratio is a measure based on the number of additional products at the opening of a new Transaction or Savings account.



We are changing the way we do things - streamlining processes

- Viewing processes from the customer's perspective
- Emphasis on training and continuous improvement
- Aiming for 15% efficiency and up to 50% turnaround time improvements

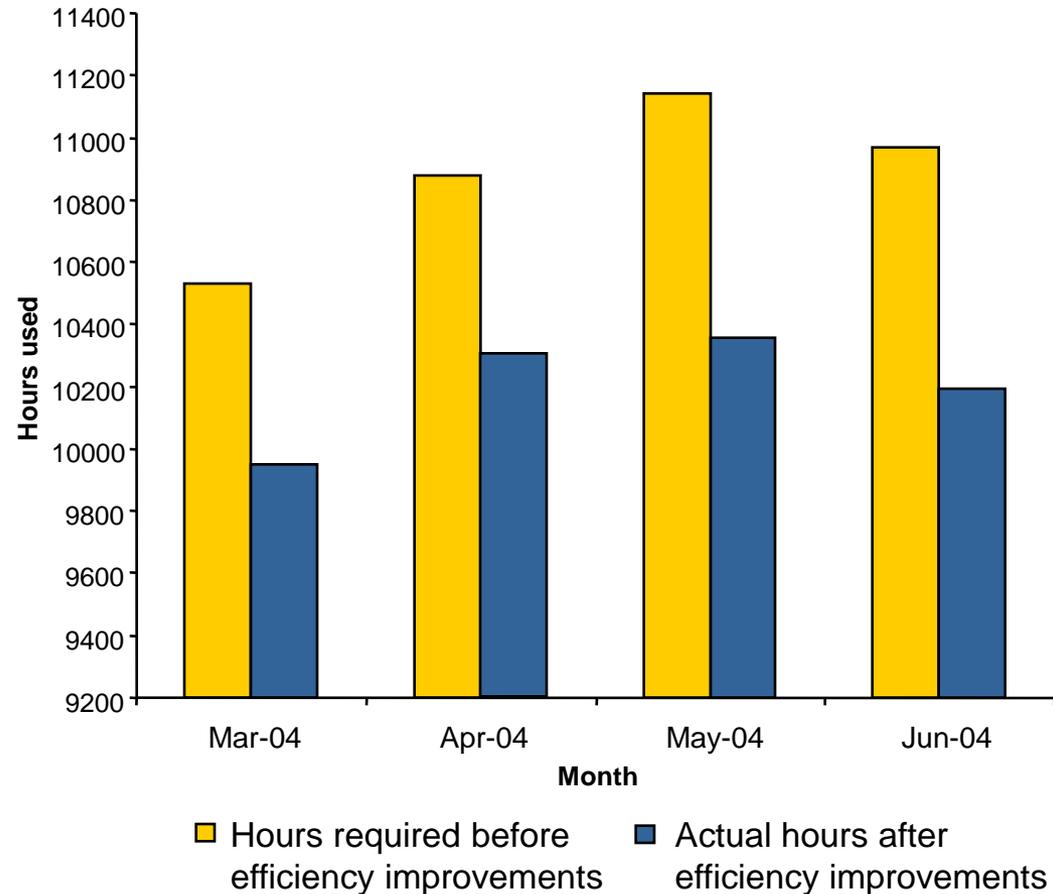
Turn around time improvements



We are changing the way we do things - IT Efficiency and Procurement

- Key IT services reviewed
- Systematic approach to all procurement being implemented
- Targeting efficiency savings >\$100m pa

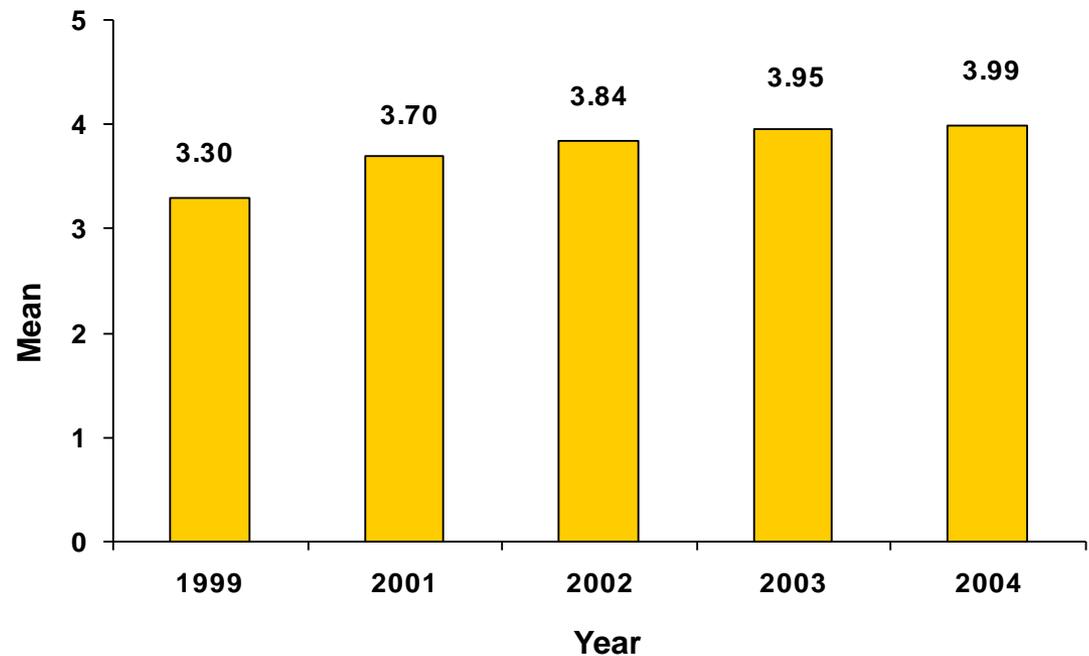
Example: Mainframe processing efficiencies



We are changing the way we do things – Performance Culture and engagement

- Leading by example
 - Reinforcing behaviours as well as outcomes
 - Staff have been significantly engaged throughout
- Which new Bank

2004 Gallup Workplace survey



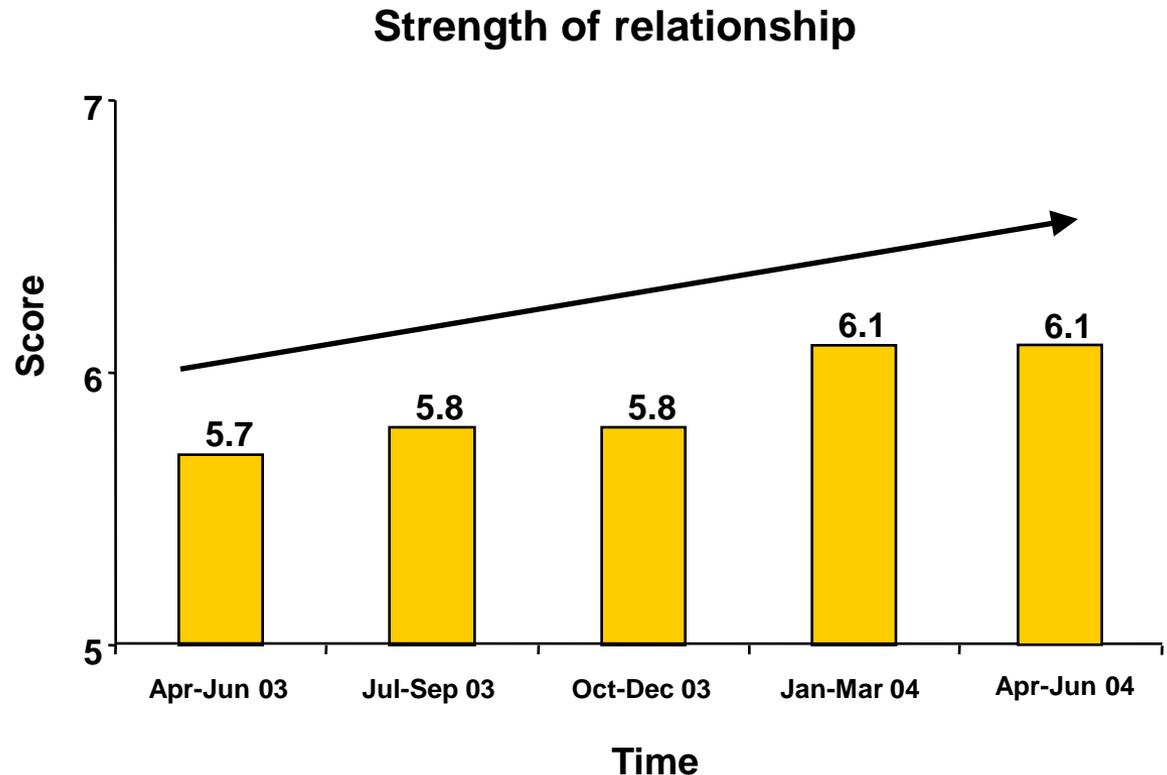
Source: Gallup Organisation

Note: Gallup Workplace Survey was not commissioned by the Bank in 2000



Our customers - relationship is strengthening

- Strength of relationship is building
- Rigorous monitoring of customer service standards
- Results are encouraging



Which new Bank – our approach is different

- Across the Bank we share a single vision – **to excel in customer service**
- Our people, systems, performance and culture are all being interconnected and aligned
- Evidence is that there is collaboration and development of common systems across the business

2005 outlook - Economy

■ Global

- Noticeable improvement
- Expected monetary tightening

■ Domestic

- Continued good performance
- Domestic spending growth slowing
- Housing slow down manageable

2005 outlook - Bank

Subject to current market conditions continuing:

- **Over the three years 2004-2006 we will deliver:**
 - Cash EPS growth exceeding 10% CAGR
 - 4-6% CAGR productivity improvements
 - Profitable market share growth across major product lines
 - Increases in dividend per share each year
- **Significantly higher cash earnings in 2005 and 2006**

Overall summary

- **Results** – very good
- **Which new Bank** – meeting expectations
- **Staff** – enthusiastic, participating and engaged
- **Outlook** – positive for the Bank

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