



Ralph Norris
CHIEF EXECUTIVE OFFICER

27 September 2007

Commonwealth Bank of Australia ACN 123 123 124

JP MORGAN ASIA PACIFIC AUSTRALASIAN
CONFERENCE 2007
EDINBURGH

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 2007. 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.

Overview

- Good result - all businesses delivered double digit profit growth
- Continued investment in the business to drive future growth
- Substantial progress on our five strategic priorities
- Credit quality maintained
- Good momentum going into new year



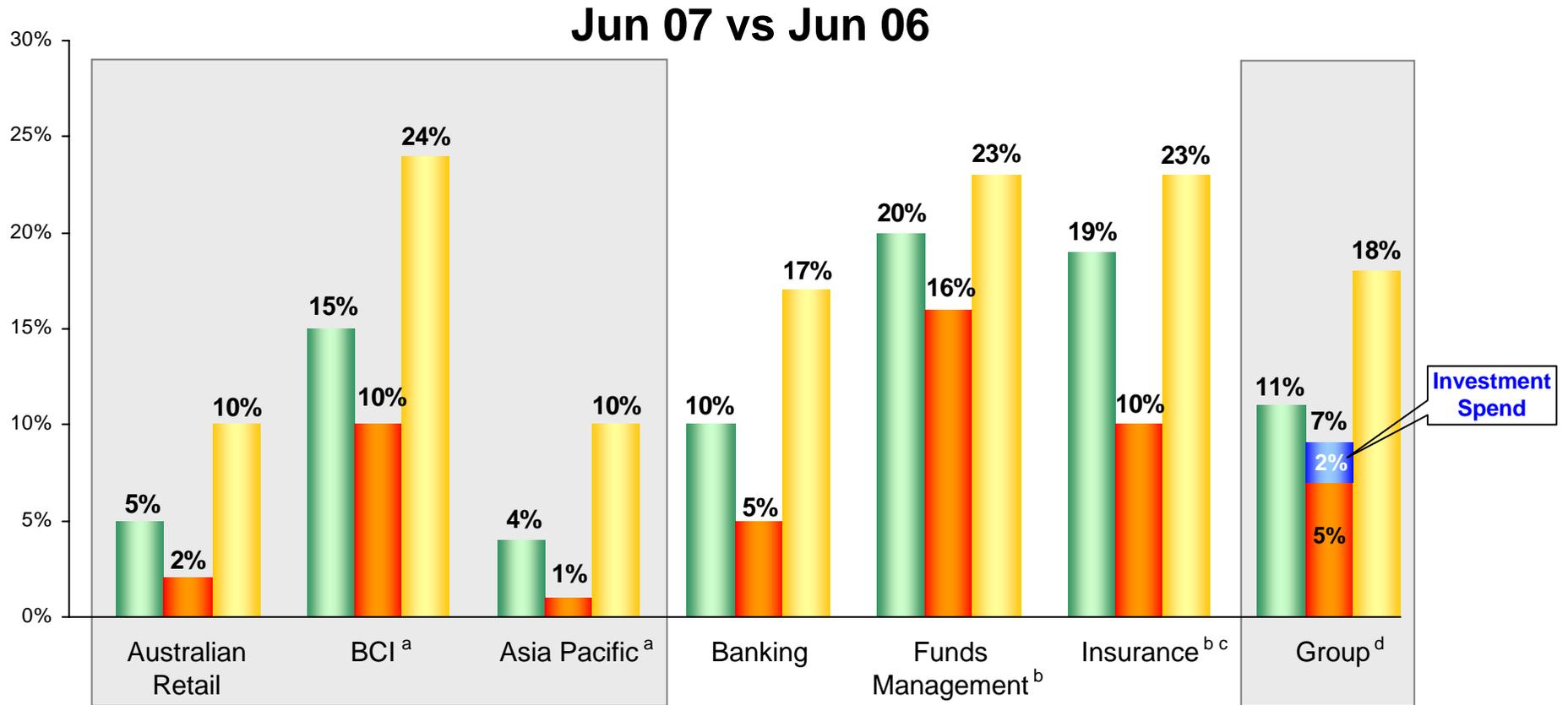
Strong financial results

	Jun 07	Jun 07 vs Jun 06
Cash NPAT (\$m) *	4,604	↑ 18%
Cash EPS (cents) *	353.0	↑ 16%
Return on Equity – Cash (%)	22.1	↑ 80 bpts
Income (\$m)	13,159	↑ 11%
Expense (\$m)	6,427	↑ 7%
Final Dividend (\$ per share)	1.49	↑ 15%

* Excludes profit on sale of Hong Kong Insurance business in half year ended December 2005



Revenue growth outstrips costs



^a Excludes hedging volatility

^b Income is net of volume related expenses

^c Excludes Hong Kong disposal and the operating result of the business

^d Excludes Hong Kong disposal

Income Expenses NPAT Investment Spend



All brands performing strongly

Banking

Funds Mgt

Insurance

CommonwealthBank



Colonial
First State

CommInsure



ASB

1
FirstChoice

CommSec



SOVEREIGN

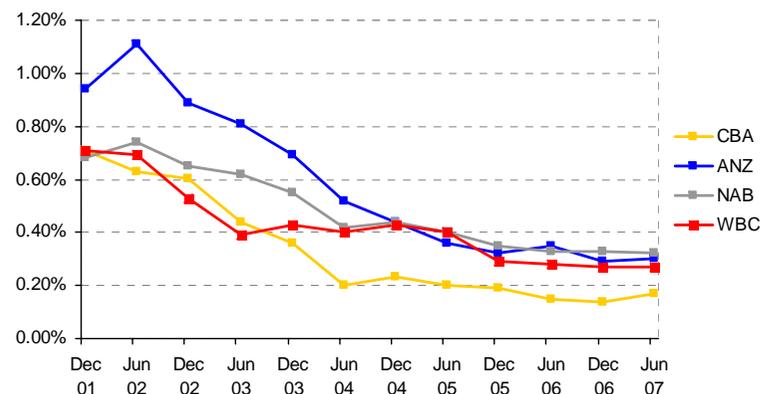
CommonwealthBank



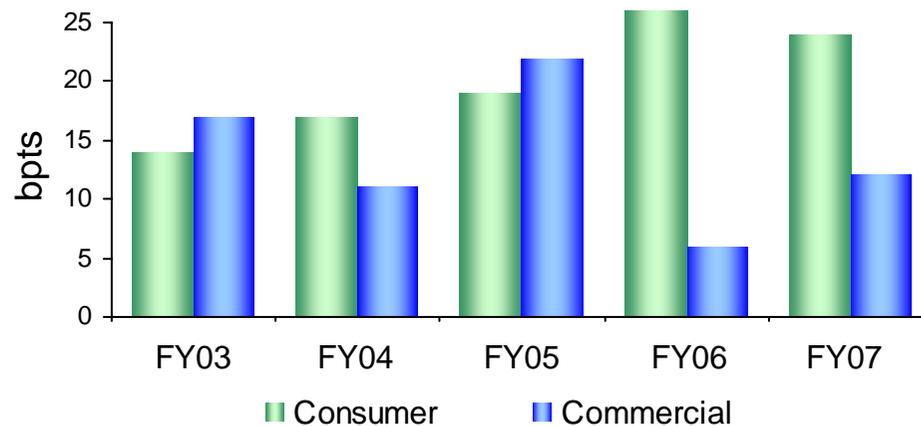
Credit – maintained high standards

- Loan impairment expense as % of RWA down on last year at 0.19% (06: 0.20%)
- Limited private equity participation
- 67% of commercial loans investment grade
- Security over 82% of the non-investment grade exposure
- Improving unsecured retail lending risk profile
- Low doc loans (2.3% of home loans)
- On market value, 75% of home loans < 60% LVR and most > 80% LVR insured

Gross impaired assets to RWA



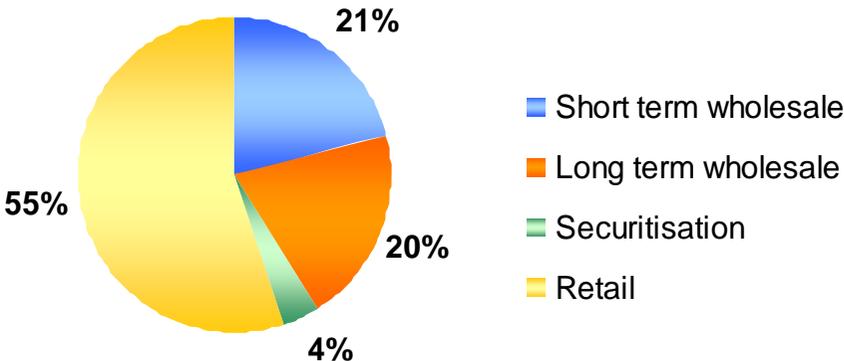
Individually assessed provisions as a % of advances



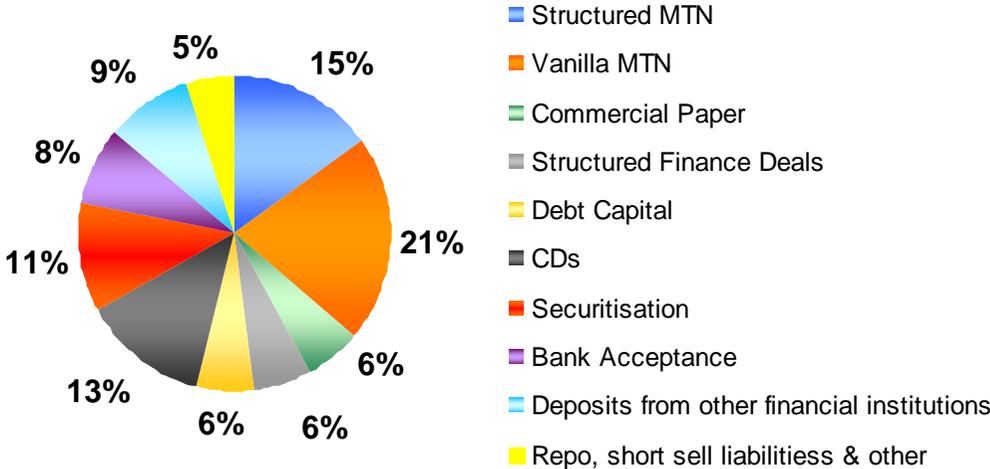
Funding & Liquidity

- No exposure to CLOs / CDOs or material direct exposure to US subprime
- 2 sponsored ABCP conduits with standby facilities totalling \$2.5bn – currently drawdown to \$1.3bn, highly rated assets
- \$1.5bn standby facilities to other conduits currently drawdown to \$50m
- Should all facilities be drawdown Tier 1 impact approx 11bp
- High proportion of retail funding and wholesale funding very diversified
- Approx 95% of liquid assets eligible for repo with a central bank

Source of funding as at 30 June 07



Wholesale funding as at 30 June 07



CEO priorities & measures

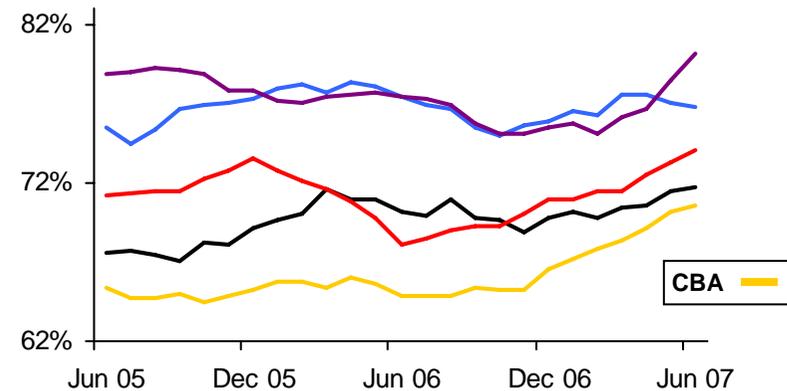
- Customer Service
 - Business Banking
 - Technology & Operational Excellence
 - Trust & Team Spirit
 - Profitable Growth
-
- Superior operating and financial results
 - Australia's finest financial services organisation



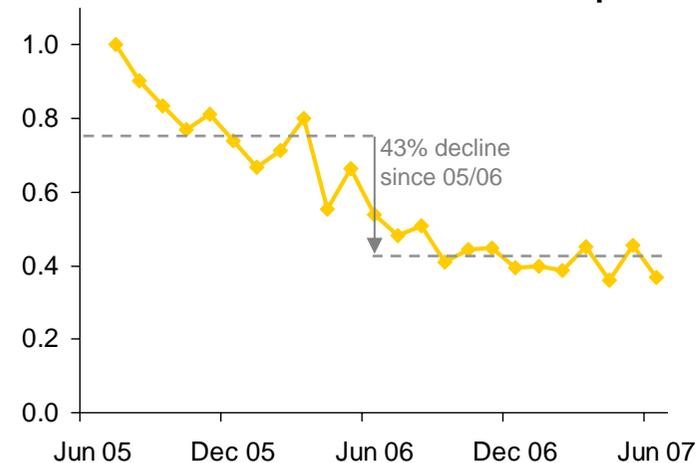
Customer Service

- Continued focus on embedding Sales & Services culture
- 4,000 front line staff trained in how to better identify customer needs
- 1,100 new customer facing roles across the Group
- New branch operating model to better meet customer needs
- Continued improvement in customer satisfaction scores
- Complaints reduced; compliments increased

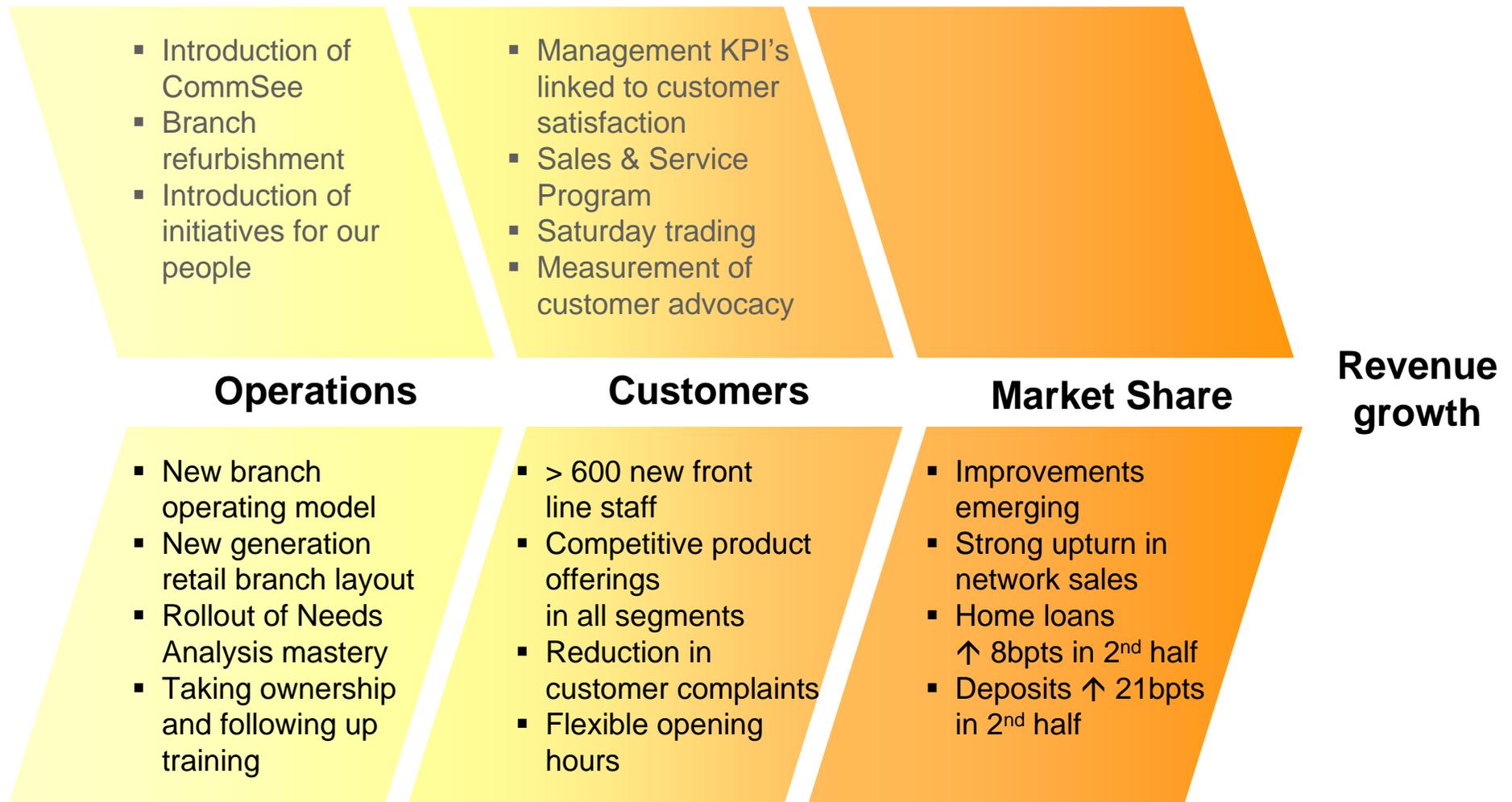
% customers satisfied
(Roy Morgan Research – 6 month average)



Indexed # of retail customer complaints



On a journey...Australian Retail Banking



Business Banking

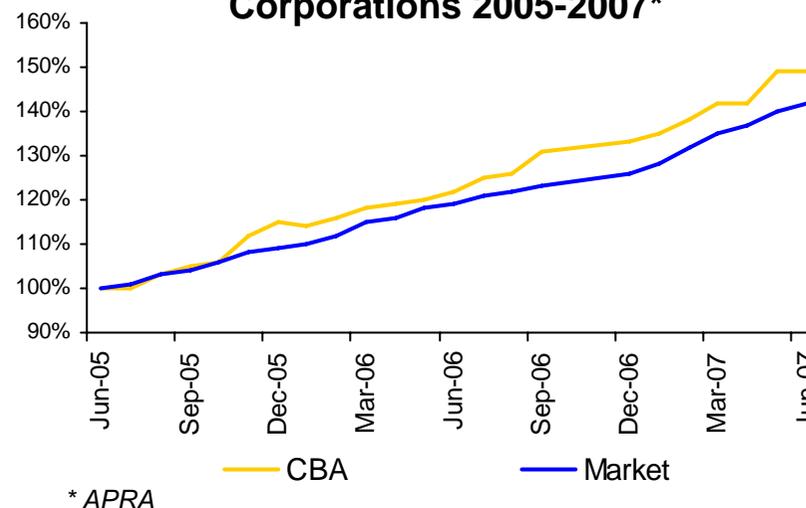
- Local Business Banking (LBB)
 - 85 new Bankers in branches
 - 78 new associates providing 24/7 access
 - Product and process simplification

- Corporate Financial Services
 - 72 new staff in 8 new centres
 - Simpler faster processes
 - Improved customer satisfaction

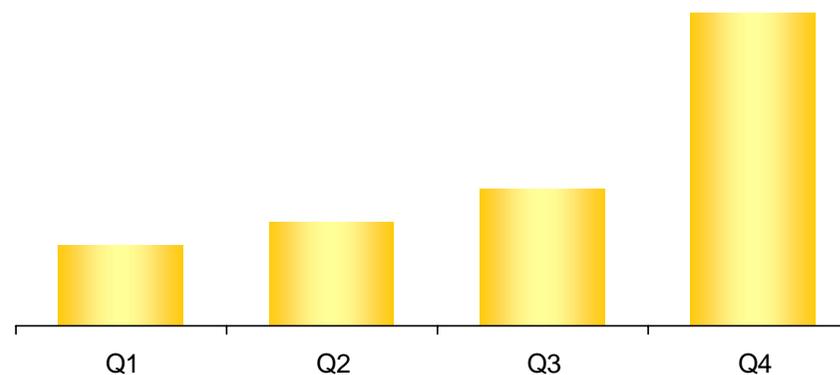
- Agribusiness
 - 53 new Bankers in 15 new locations
 - Agriline launched with 24/7 customer access

- Technology
 - CommBiz rolled out to over 10,000 business customers
 - Continued enhancements to CommSee

Growth in Lending to Non-Financial Corporations 2005-2007*

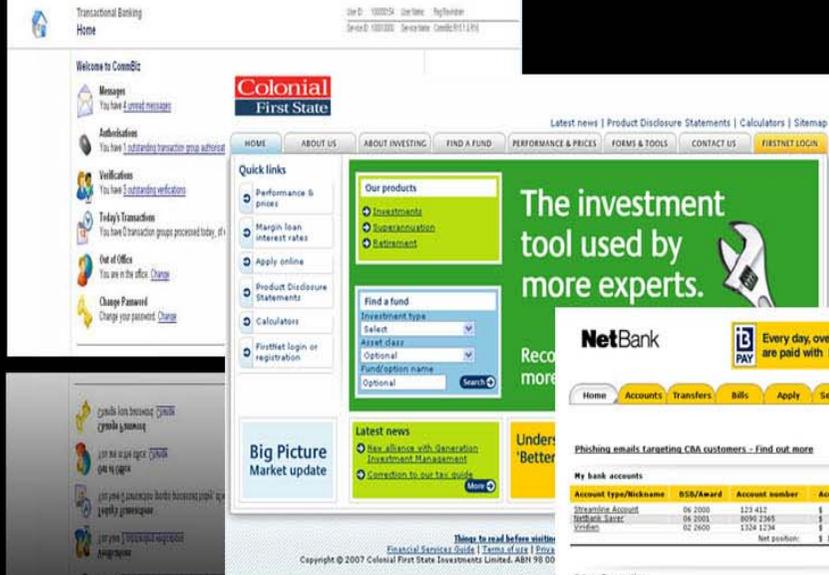


LBB Quarterly gross fundings FY07

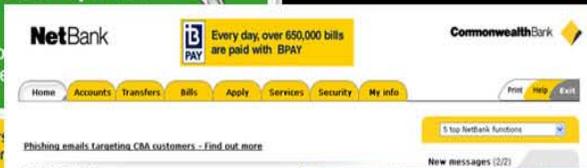




CommBiz – online, real time secure business and corporate banking



FirstChoice – chosen by 50% of IFA's

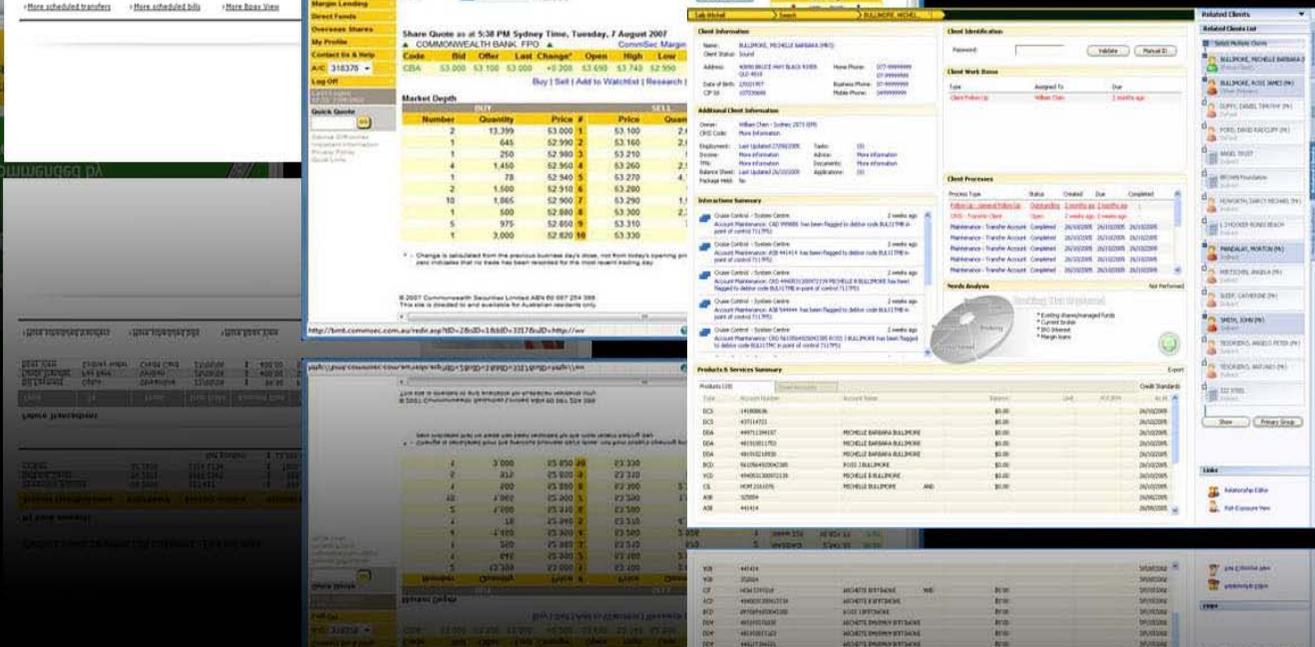


Netbank – 2m active customers

CommSec



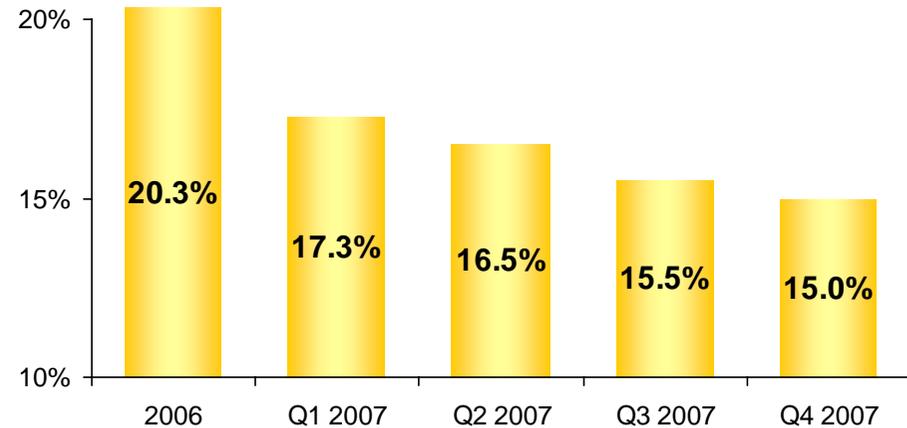
CommSee – 95% visibility of customer



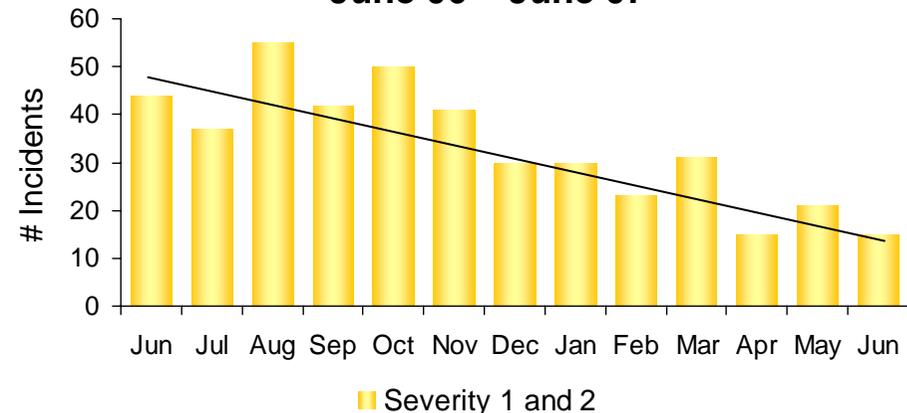
Technology & Operational Excellence

- Saved over \$100m of IT expense
- Successfully delivering large portfolio of IT projects across the business
- Significant improvements in system stability, resilience and security
- 429 staff trained in CommWay, taking total to 1,512

IT Efficiency Ratio *



Severity 1 and 2 Incidents
June 06 – June 07



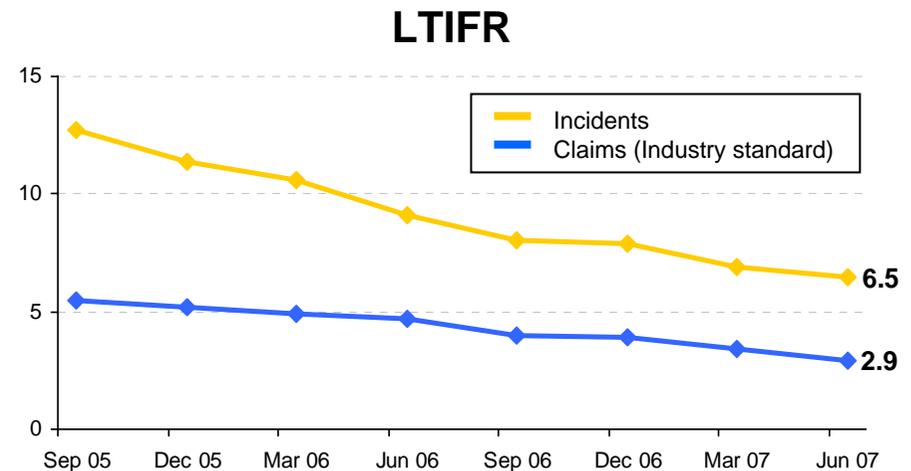
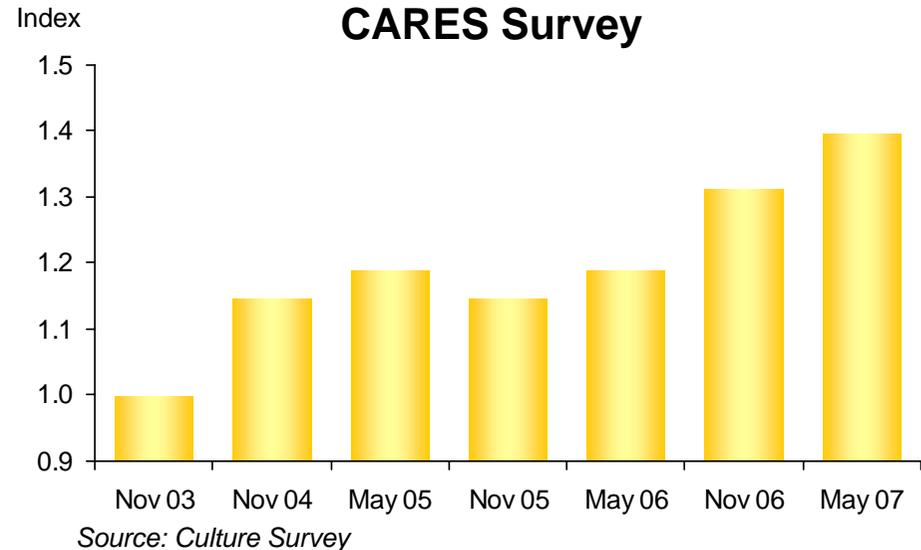
* Efficiency Ratio = Total IT Expense (excluding strategic initiative spend) / Total bank Op Expenses

Trust & Team Spirit improving

- Continued improvement in the culture:
 - Increasing focus on customer
 - Positive momentum in people engagement scores
 - Improved employee benefits
 - Increasing sense of pride

- Reflected in our people measures:
 - LTIFR down approx 30% in last 12 months
 - Absenteeism down 7%
 - Voluntary turnover down 13%

- Continued support for our community



Opportunities for Profitable Growth

- Asian expansion plans progressing well:
 - Indonesia - ANK acquisition
 - acquired JV partner stake in CMG Astra
 - China - Further capital investment in Hangzhou
 - Cinda/CFS fund management JV launched
 - Vietnam - Branch licence applied for

- CFS Global Asset Management launched 20 new funds in 2007

- Global Markets growth strategy

- Cross business unit referrals increasing



Outlook

- Economic outlook for Australia remains positive
- Housing credit growth expected to remain at similar levels to 2007
- Some slowing expected in business and personal credit growth
- Financial services industry will remain competitive
- Given outlook and business mix, expect EPS growth to meet or exceed average of peers





Ralph Norris
CHIEF EXECUTIVE OFFICER

27 September 2007

Commonwealth Bank of Australia ACN 123 123 124
JP MORGAN ASIA PACIFIC AUSTRALASIAN
CONFERENCE 2007
EDINBURGH
