

Media Presentation

For the half year ended 31 December 2008

Ralph Norris

CHIEF EXECUTIVE OFFICER



Determined to be different

11 February 2009

Commonwealth Bank of Australia ACN 123 123 124

Disclaimer

The material that follows is a presentation of general background information about the Bank's activities current at the date of the presentation, 11 February 2009. 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.



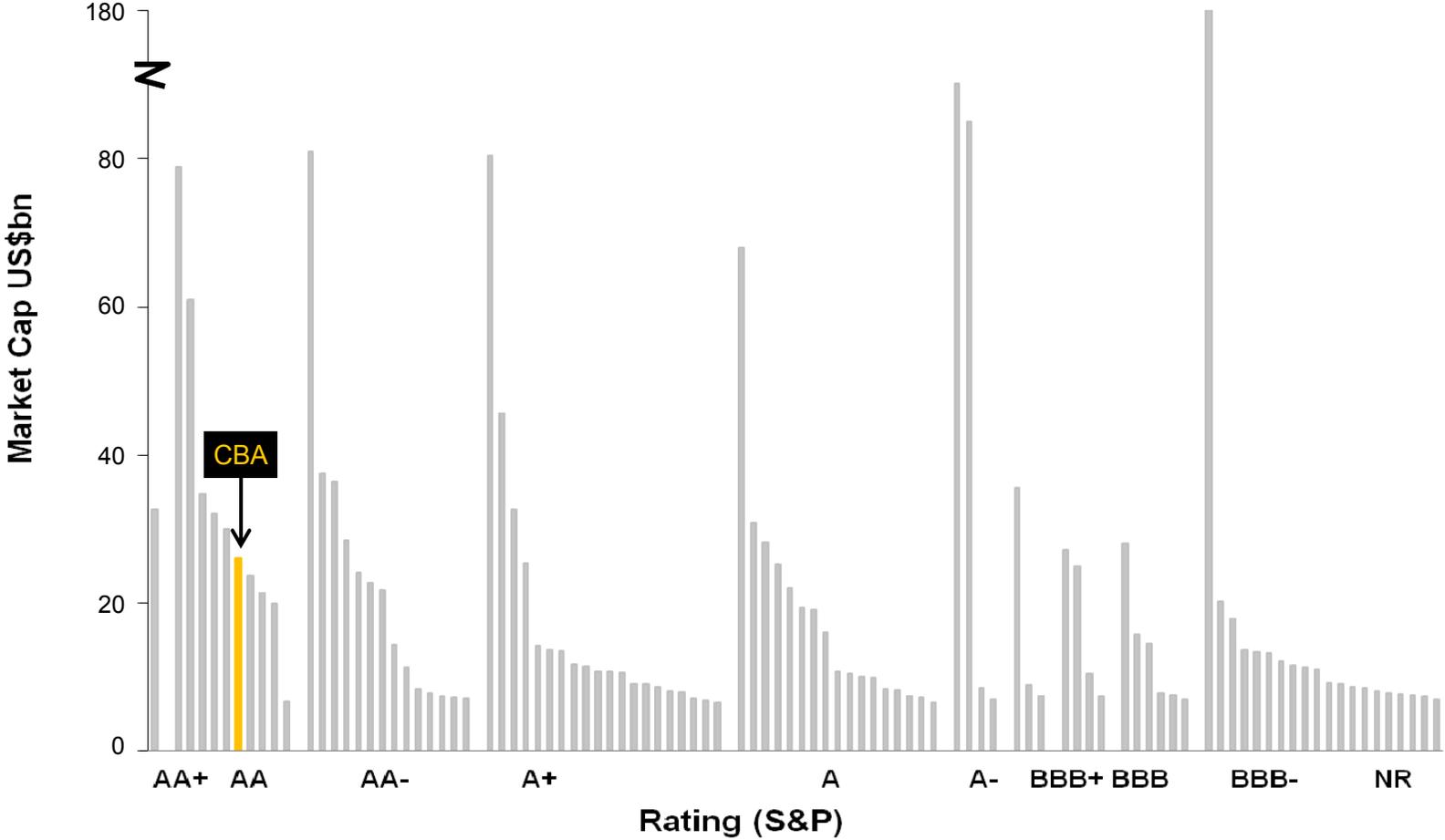
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Strength in uncertain times

- A solid operating result in an increasingly difficult environment:
 - Strong Banking income result
 - Good volume and market share gains
 - Cost discipline
- Strong capital and funding positions
- Increased provisions
- Strategy on track and delivering
- Well positioned for medium to longer term



Credit ratings of largest 100 banks



Source : Bloomberg. As at 20 January 2009.



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A solid operating result

	Dec 08	Dec 08 vs Dec 07	
Operating Income (\$m)	8,016	15%	↑
Statutory NPAT (\$m)	2,573	9%	↑
Cash NPAT (\$m)	2,013	(16%)	↓
Cash EPS (cents)	146.3	(19%)	↓
Return on Equity – Cash (%)	15.0	(580)bpts	↓
Dividend per Share – Fully Franked (cents)	113	-	



Managing in uncertain times

- **Co-ordinated risk management response:**

- Overseen by CFO and CRO
- Daily management meetings during liquidity crunch
- Weekly Executive Risk Committee meetings
- Extensive and ongoing portfolio review – across sectors/industries/geographies
- Ongoing stress testing

- **Treasury and funding:**

- Consistent/disciplined approach to funding in difficult markets
- Responsive asset re-pricing as funding costs change
- Effective management of interest rate risk

- **Focused management:**

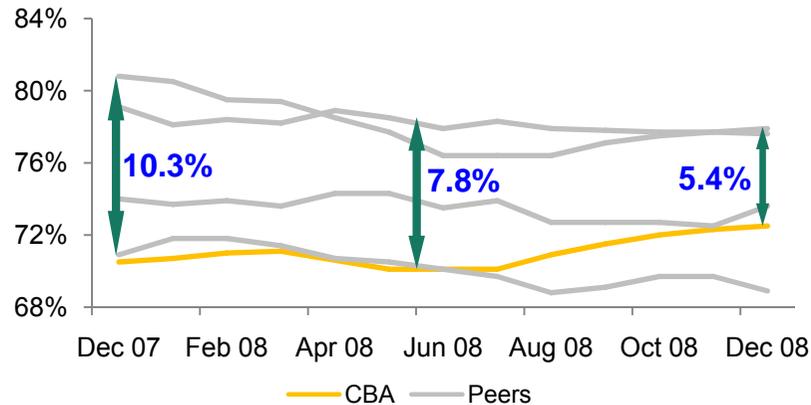
- Determined not to be distracted from day-to-day business and strategy
- Reflecting in strong volumes, market share gains and income growth
- Disciplined cost management



Strong customer satisfaction gains

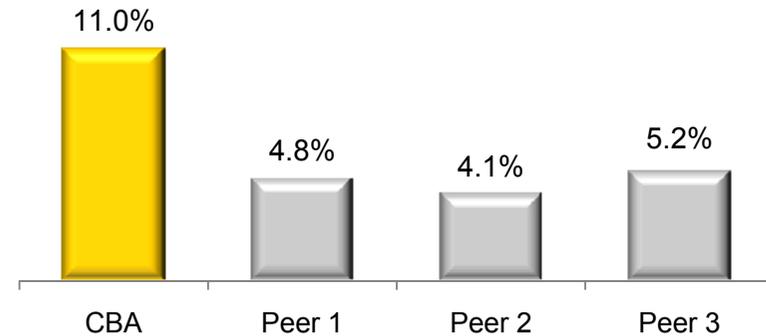
Closing the gap to top rated peer

Roy Morgan Research MFI Customer Satisfaction¹



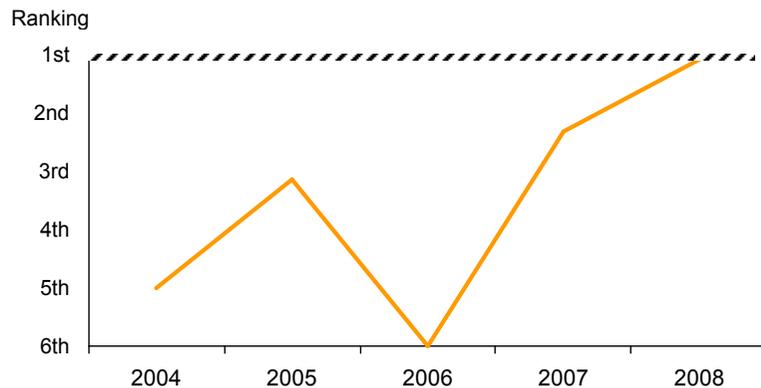
Strong gains in Business Customer Satisfaction

12 month movement²



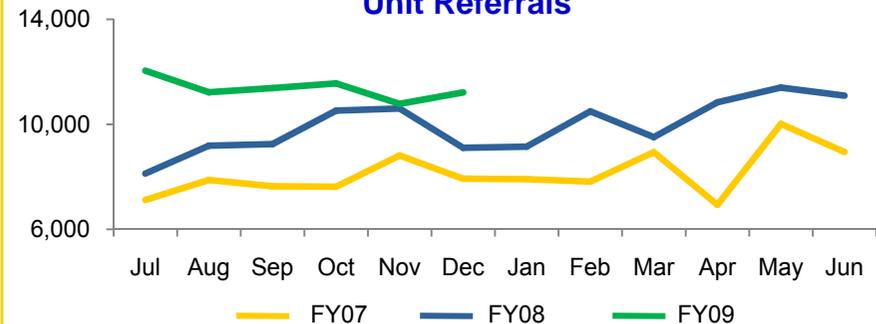
Source : TNS Business Finance Monitor

FirstChoice ranked No. 1 for Service³



Continued strong growth in referrals

Successful Cross Business Unit Referrals



- 1 Source: Roy Morgan Research Customer Satisfaction. Aust MFI Population 14+, % "Very" or "Fairly Satisfied". Six month rolling average.
- 2 Source: TNS Business Finance Monitor Dec 08. Customer satisfaction with MFI – businesses with annual turnover to \$100m (ex Agribusinesses). All time periods refer to a 12 month rolling average. Percentage point change refers to the increase / decrease of each bank's customers who are satisfied. Satisfaction is based on business customers who said they were Very or Fairly Satisfied with their relationship with their MF.
- 3 Source: Wealth Insights 2004-08 Mastertrust Service Level Survey - as ranked by financial advisers.



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Market shares

	Dec 08 CBA	BankWest	Combined	Jun 08 CBA	Dec 07 CBA
Retail Banking Services					
Home loans	20.3%	3.0%	23.3%	19.2%	18.8%
Credit cards	18.2%	2.7%	20.9%	18.3%	18.5%
Personal lending	14.2%	6.1%	20.3%	15.8%	16.7%
Household deposits	29.1%	3.5%	32.6%	29.1%	28.9%
Retail deposits	23.2%	n/a	23.2%	23.4%	22.0%
Premium Business Services					
Business lending - APRA	13.5%	4.7%	18.2%	13.6%	13.9%
Business lending - RBA	13.2%	n/a	13.2%	13.3%	13.8%
Business deposits - APRA	17.2%	4.8%	22.0%	16.6%	15.9%
Equities trading (CommSec): Total	6.0%	n/a	6.0%	6.3%	6.4%
Equities trading (CommSec): On-line	62.6%	n/a	62.6%	59.9%	57.0%
Wealth Management					
Australian retail funds - administrator view	14.0%	n/a	14.0%	14.0%	14.1%
FirstChoice platform	9.6%	n/a	9.6%	9.7%	9.6%
Australia life insurance (total risk)	14.8%	n/a	14.8%	14.7%	14.1%
Australia life insurance (individual risk)	13.2%	n/a	13.2%	13.2%	13.0%
International Financial Services					
NZ lending for housing	23.4%	n/a	23.4%	23.3%	23.0%
NZ retail deposits	21.6%	n/a	21.6%	21.2%	21.3%
NZ life insurance	31.7%	n/a	31.7%	31.7%	31.8%

Adjusting for restatements, Jun 08 Home loan market share would be 19.4% and Dec 07 Home loan market share would be 19.0%

Adjusting for restatements, Jun 08 Household deposit market share would be 29.3% and Dec 07 Household deposit market share would be 28.4%



Strong growth in key markets

	Balance Growth Dec 08 vs Dec 07 %		CBA Market Share %		CBA + BankWest Market Share %
	CBA	System	Dec 08	Dec 08 vs Dec 07	Dec 08
Home Lending*	15.8	7.9	20.3	1.35 ↑	23.3
Household Deposits*	21.7	19.0	29.1	0.64 ↑	32.6
Business Lending	8.8	11.9	13.5	(0.40) ↓	18.2
Business Deposits	21.4	12.1	17.2	1.30 ↑	22.0



* Adjusted for restatements
Source: APRA/RBA



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Customer Service

- ▶ Only major to improve customer satisfaction year on year
- ▶ Gap to Number 1 peer reduced from 10.3% to 5.4% in 12 mths

Business Banking

- ▶ Strongest customer satisfaction gains of the major banks
- ▶ Dedicated Group Executive appointed – additional focus

Technology and Operational Excellence

- ▶ Core Banking ahead of schedule and within budget
- ▶ First phase live

Trust and Team Spirit

- ▶ Cultural change programmes driving enhanced staff satisfaction
- ▶ Continued improvement in key metrics

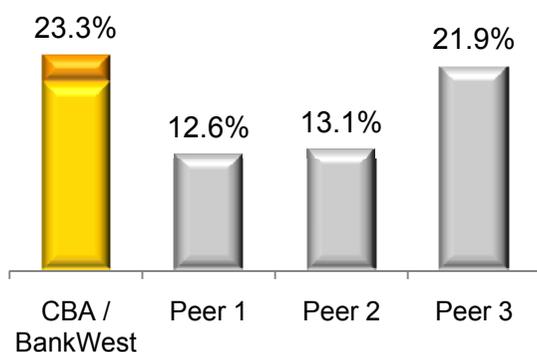
Profitable Growth

- ▶ Earnings accretive investments (e.g BankWest)
- ▶ Disciplined cost management

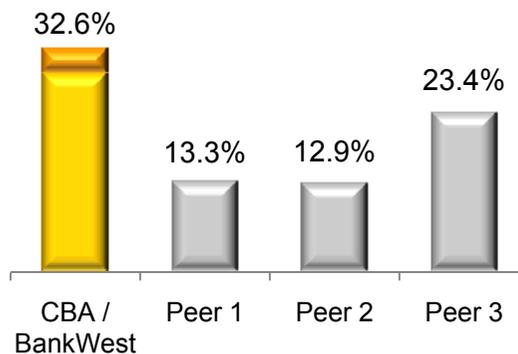


Market shares

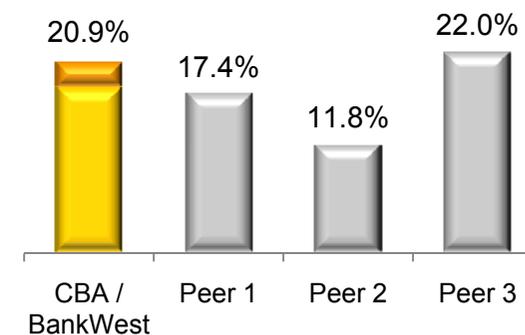
Home Lending



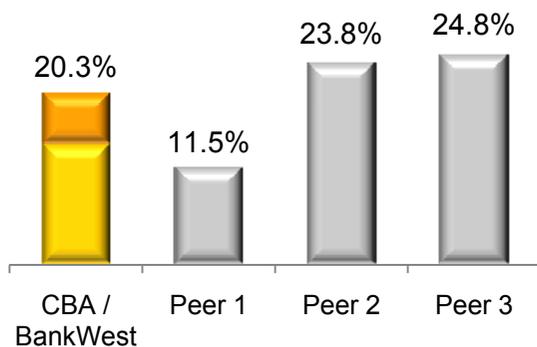
Household Deposits



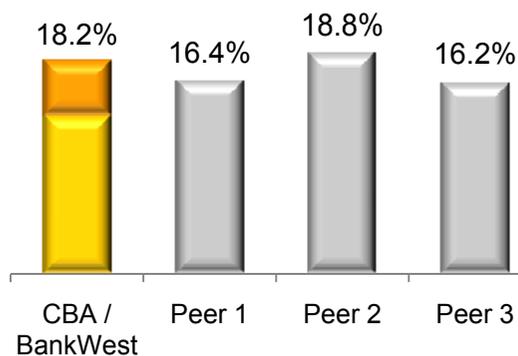
Credit Cards



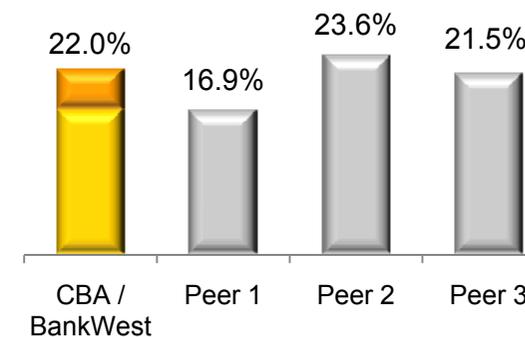
Personal Lending



Business Lending



Business Deposits



Source: APRA / RBA



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Profitable growth

- Low-risk strategic agenda
- Targeted investment and acquisition programme
- Focus on key growth opportunities / markets
- Earnings accretive investments
- Well positioned for medium to longer term



Outlook

- Increasingly difficult global and domestic outlook
- Slowing domestic economy, with broad customer impacts
- Interest rate cuts and Government stimulatory actions to soften impact
- Group remains cautious about the short to medium term outlook
- Continued focus on managing for difficult times:
 - Strong capital position
 - Broad funding base
 - High levels of liquidity
 - Increased provisioning



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