

REVOLUTIONISING THE CUSTOMER EXPERIENCE

We continue to invest significantly in innovative technologies to create an outstanding service experience for our customers.



AT A GLANCE

Since we first launched internet banking in 1997, the Commonwealth Bank has led the way in banking technology in Australia. Today, we are respected as an international leader in customer-focused technology innovation.

We view technology and innovation as key strategic priorities. We take a customer-centric approach to technology, asking our customers about their needs, aspirations and preferences, then using our technological capabilities to create innovative solutions.

We work to deliver an improved customer experience, whether through greater convenience, more choice, enhanced security, or information and insights for more informed financial decisions.

Our investment in technology has helped to make us the main financial institution⁽¹⁾ for one in three Australians, as well as Australia's number one online bank and

the number one choice for contactless payments.

We're the first Australian bank to offer our customers real-time banking and real-time settlement⁽²⁾ – and we continue to bring new innovations to market, transforming the way Australians bank and manage their money.

We understand that technological innovations will continue to shape and drive the future of banking. More importantly, we know that creating a truly sustainable business requires continual investment and innovation.

(1) Roy Morgan Research, Australians 14+, Proportion of Banking and Finance Main Financial Institution (MFI) customers that nominated each bank as their MFI, 12 month rolling data to June 2013. CBA includes Bankwest.

(2) Real-time banking is not available for manual transactions, some contactless payment and credit transactions on mobile banking.

(2) Real-time settlement is only available on transactions made before 10pm AEST for customers with a Commonwealth Bank business transaction account and a linked Commonwealth Bank merchant facility.

THE INCREASING PACE OF INNOVATION

Technology is changing the way we live, work, do business and socialise. Over the last few years, banking has been transformed by a massive upsurge in the use of mobile devices.

Consumers demand faster and more flexible payments, including instant, 24/7 banking, better access to financial information, and easier ways to apply for and use banking solutions. And the online revolution

goes beyond everyday transactional banking as business is increasingly conducted online.

More than 65 per cent of the Australian population now owns a smartphone.

The use of apps and social networking has exploded, affecting even the way we carry out day-to-day financial transactions.



HOW AUSTRALIANS LIKE TO BANK ONLINE

DID YOU KNOW



In 2012, 60 per cent of online banking logins by Commonwealth Bank customers were on a smartphone or tablet.

DESKTOP OR LAPTOP
DURING THE DAY

SMARTPHONE
IN THE AFTERNOON



TABLET
IN THE EVENING



THE PARAMOUNT IMPORTANCE OF SECURITY

Together, online banking and eCommerce have delivered enormous benefits to both businesses and consumers. And security is an ongoing concern for all. According to the Australian Payments Clearing Association (APCA), credit, debit and charge card fraud has increased markedly over the last few years, albeit from a low base.

Every day, increasingly sophisticated cybercriminals are trying to find new ways to prey on consumer and businesses. And that's why we have developed features such as 24/7 transaction monitoring and 100% Security Guarantee for our customers.

Our anti-fraud measures are already very comprehensive. And we have dedicated teams who keep abreast of emerging threats and potential future

developments. We are constantly looking to develop products and services that are both highly secure and user friendly, supporting our customers' evolving preferences and transaction styles.

NetBank: Australia's number one online bank

With NetBank, the safety of our customers' money is 100 per cent guaranteed. We offer 24/7 transaction monitoring, a free security upgrade and free internet security software.

NetCode SMS: is a highly effective yet convenient authentication system requiring single-use passwords to authorise certain NetBank activities and transactions. The single-use password is sent to the customer's mobile phone via an SMS message and only remains valid for 30 seconds.

McAfee Offer: we offer all our customers a free six month trial of McAfee Internet Security. McAfee software is easy to install and use. And its continuous automatic updates provide access to the most current security controls.

100% Security Guarantee: The safety of our customers' money is 100% guaranteed. This means we'll cover any loss should someone make an unauthorised transaction on a customer's account using NetBank, provided you protect your Client number and Password, and immediately notify us of the loss, theft or misuse of your password and of any suspicious activity on your account.



COMMBIZ: INNOVATIONS IN SECURE BUSINESS BANKING



USER ACCESS CONTROLS



USER ROLES AND PERMISSIONS



NETLOCK SECURITY

Our business platform, CommBiz, whilst easy to use and access, has added advanced security features plus industry-standard security features to protect our customers and our business from the impact of frauds. Our advanced security features include:

- ◆ **User access controls:** a unique physical token that generates a one-time password for each session.
- ◆ **User roles and permissions:** a feature that gives organisations much greater control over user activities, for example the days and times they can access CommBiz, which users can view or transact on each account and who they can pay.
- ◆ **NetLock:** a portable, easy-to-use USB device with proprietary security software that creates a locked session, keeping information safe from common fraud attacks.

HARNESSING TECHNOLOGY FOR A BETTER CUSTOMER EXPERIENCE

Transforming our core banking platform

We have long understood delivering world-class banking requires a world-class system. Our core banking modernisation project, begun in 2008 and completed in 2013, is allowing us to offer our customers outstanding platforms and innovative solutions, underpinned by a more agile and reliable IT infrastructure.

Through the core banking modernisation project, we have reduced our infrastructure costs to 26 per cent of our total IT spend, allowing us to dedicate the remaining 74 per cent towards improving customer service and value. We have also streamlined our data centres, reducing their number from 23 just six years ago, to two today.

Our core banking modernisation project is allowing us to be the first Australian bank to offer real-time banking and real-time settlement, 24 hours a day, seven days a week. We've successfully migrated more than 12 million customers to our new platform, allowing them to enjoy these and other benefits, including straight-through processing and the ability to open an account instantly online.

Creating the branch of the future

As well as transforming our underlying technological platform, we have begun to remodel our network of over 1,000 branches. Our new branches have been designed to support the increasingly complex needs of our customers, delivering greater convenience and a higher standard of service.

Self-service

We understand that our customers want to interact with us at a time and in a way that's most convenient for them. That's why we continually look to give our customers more convenient ways to bank with us, for example, our new generation ATM network.

Specialist advice

For more complex financial needs, our branches give customers rapid access to specialist financial advice from across the country, through in-branch video conferencing.

Our new branch design

We are also transforming the physical structure of our branches, trialling new designs to ensure they deliver the features our customers most need. Our most recent branch design was launched in the Sydney suburb of Hornsby in late 2012 and we will soon rollout new designs to branches across our national network.

Creating new ways for customers to manage their money

Over the past few years, we've put technology to work to offer our customers a variety of new channels for managing their money and finding the information they need at a time and place that suits them.

Highlights include:

CommBank Kaching, a mobile app allowing customers to bank anytime, anywhere and pay friends with Australian bank accounts using mobile, email or Facebook contacts.

Since it launched,

- ◆ CommBank Kaching has been downloaded more than 1 million times.
- ◆ \$9.3 billion has been transferred via mobile devices using CommBankKaching.
- ◆ 28 per cent of Commbank Kaching payments are made via CommbankKaching bump that is simply 'bumping' phones.
- ◆ Commbank Kaching is available on Facebook, making it the nation's first social media banking app.

MyWealth, an online platform allowing customers to research and invest in a range of financial products using one log-in, with investing and banking services in the same convenient online destination.

We have a dedicated team of in-house journalists who write financial news and educational features published on MyWealth.

SmartSign, an electronic solution which, in an Australian first, allows customers to execute loan documents electronically anytime, from anywhere in the world, using the Group's secure online portal.

New generation ATMs, allowing our customers to put cash and cheque deposits in their accounts in real time, 24 hours a day.

Our ATMs include six new languages – Arabic, Simplified Chinese, Vietnamese, Filipino, Korean and Greek, plus new audio support for vision-impaired customers.

CommBank Property Guide app, providing our customers with a wealth of essential property data, including current listings, suburb profiles, hotspots and growth trends.

The app's augmented reality feature enables our customers to simply point and click for detailed information on an individual property, including its past sales history.



CONTINUING TO FOCUS ON INNOVATION

We are proud of our reputation as a leader in banking technology. Our investment in technology has helped to make us the main financial institution⁽¹⁾ for one in three Australians, as well as Australia's number one online bank and the number one choice for contactless payments. Some of our forthcoming developments include:

Pi and Albert

Pi, an open 'point of sale' platform that allows our business clients to create customised apps to increase their efficiency and better serve their customers is currently in pilot phase with plans to rollout further.

We have already developed a range of apps for the Pi platform to optimise business payment processes. For example, our 'Split the bill' app will let merchants accept multiple payments, making it much easier for diners.

Customers will be able to use Pi in conjunction with **Albert**, a cross between an EFTPOS terminal and a tablet.

Our new look online

We have also refreshed commbank.com.au. Our new site is easier to navigate, more personalised, streamlined, and designed to work on the devices our customers love to use.

Making our website better is just the start. We are also working on enhancing our award winning online banking service, Netbank, with new tools that will help our customers better manage their money. And some exciting updates to the CommBank app and CommBank Kaching are just around the corner.

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