
Presentation of Half Year Results for 31 December 2004

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Chief Executive Officer

9 February 2005

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Disclaimer

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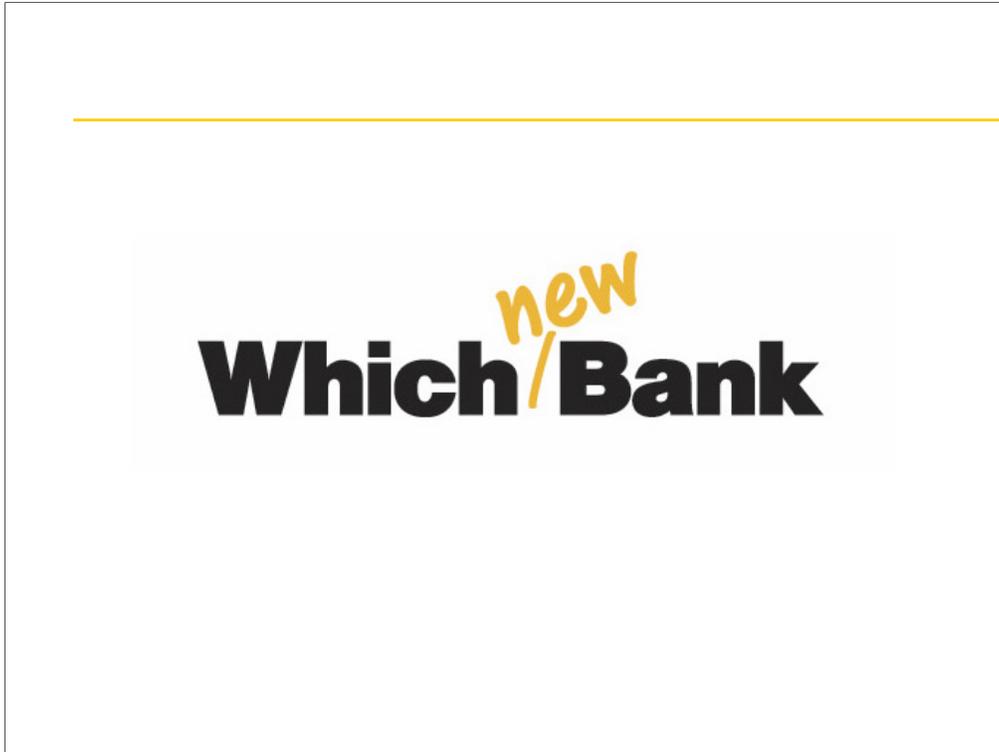
Speaker's notes for this presentation are attached below each slide.

To access them, you may need to save the slides in PowerPoint and view/print in 'notes view'.

Which ^{new} **Bank**

CommonwealthBank 

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- We said Which new Bank would be a fundamental cultural transformation of the Bank.
- We anticipated that competition within the industry would intensify and we needed to ensure we could provide a better service to defend and grow our market share.
- We are putting the customer first, both in our behaviours and the tools used to provide a better service.
- Halfway into this transformation, our people are encouraged by the difference we are making for our customers and this is reflected in increases in our business activity levels.
- Simply, Which new Bank has put us in a better position to compete and our people are united in an effort to serve customers better.

Customer service

- 79% of branches serving customers within 2 mins
- 70% of all branch home loan application approvals provided on-the-spot
- Significantly lower complaint level following introduction of CommSee in Tasmania

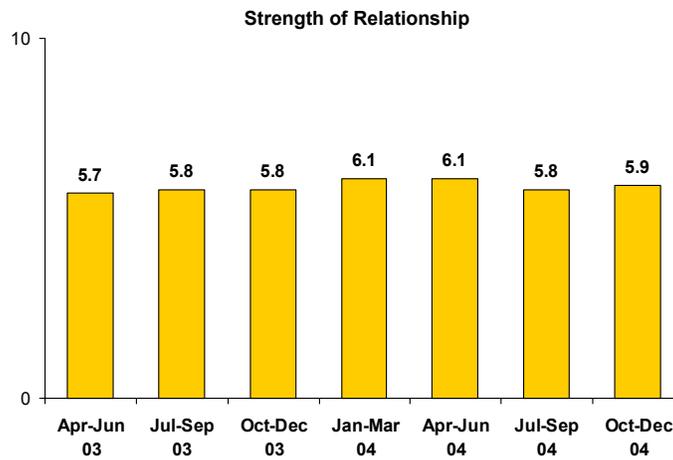
Which ^{new} **Bank**

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- Positive signs in our service provision show WnB is moving in the right direction.
- Customers using our branches are experiencing shorter queues, and we give customers quicker decisions when they apply for home loans.
- Since the start of WnB
 - Compliments have more than doubled
 - Significantly lower complaint levels following introduction of CommSee in Tasmania (especially in call centers)

Customer service



Source: Research International

Which Bank

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- Implementation of major initiatives throughout 2005 will add further to these positive outcomes, our competitiveness and ultimately our market share in profitable areas.
- We've maintained our strength of relationship score through a period of massive change.

Engaged people

	Nov 03*	Nov 04*
■ We put the customer first	36	74
■ Clear idea of where CBA is headed	63	72
■ Ideas and knowledge shared freely	38	53

* % people who agree with statement

Source: CBA Cultural Survey

Which ^{NEW} **Bank**

CommonwealthBank 

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- A survey of our people demonstrates a shift happening in our culture. We've made good progress, and there is still more to go.
- Most pleasing is the renewed focus on putting the customer first.
- Key triggers for this change include:
 - measuring our people on both outcomes and behaviours
 - recognising and rewarding our people for superior service
 - measuring internal customer service performance

Simple processes

■ **Process simplification**

- 24 'CommWay' initiatives completed
- 63% average improvement in turnaround times

■ **Cost savings efficiencies**

- Supplier panels renegotiated
- Support functions redesigned

- Further simplification of processes.
- Big success story is CommWay (world class processing techniques):
 - Identified a further 100 processes to be completed by 2006.
 - Extending CommWay principles into improving processes in support areas.

2004/05 milestones

	Milestone	Percentage complete*	Target date
Customer	1. Service & Sales Management - remaining staff trained	60%	Jun 05
	2. Branch Refurbishment - refurbish 125	35%	Jun 05
	3. NetBank - new service implemented	90%	Mar 05
	4. CommSee - platform built and deployment commenced	95%	Apr 05
	5. CommSee - 40% customer-facing staff trained	10%	Jun 05
	6. Segment Model - pilot completed	30%	Jun 05
People	7. Performance Culture - performance management system implemented	100%	Dec 04
	8. Performance Culture - new learning curriculum available	30%	Jun 05
Process	9. CommWay - 40 process simplification initiatives completed	70%	Jun 05
	10. Support Function Redesign - implementation of 14 functions completed	65%	Jun 05
	11. Wealth management systems - reduced from 11 to 7	50%	Jun 05
	12. Procurement - 10 key categories renegotiated	70%	Jun 05
	13. IT Efficiency - run-rate savings of \$80m realised	60%	Jun 05

* As at January 2005 As at August 2004 Profit Announcement

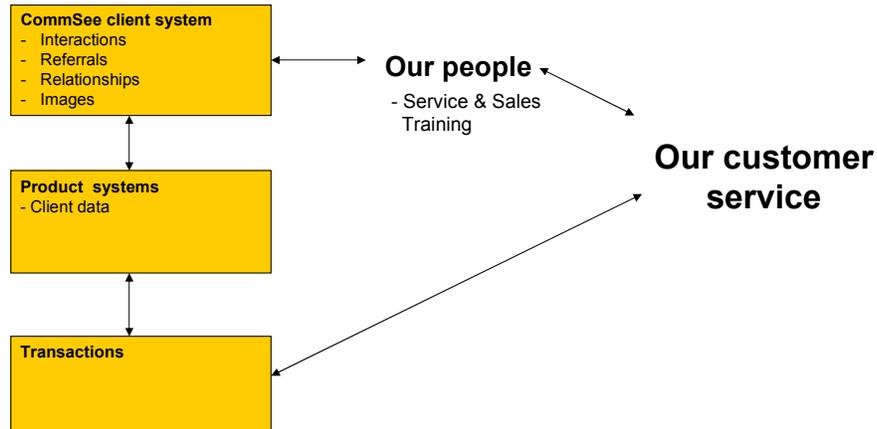
Which Bank  Commonwealth Bank 

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- Outlines progress being made on key June 05 milestones.
- Confident of meeting our June 2005 project targets and delivering the core components of the Program.
- Over the next 12 months we will:
 - Introduce CommSee into mainland Australia
 - Complete service and sales training for all staff
 - Build on the momentum of the cultural shift taking place
 - Simplify more processes using CommWay
- As you can see there is a lot of activity. We are very busy and very enthusiastic about the challenges.

CommSee service potential

One integrated system



Which Bank

CommonwealthBank

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- CommSee is the technology underpinning WnB.
- It covers service, simplicity and processes.
- Importantly, it provides us with the ability to pre-populate / update and reuse information between systems.
- Major technology risk is now behind us:
 - CommSee Release 7.0 successfully implemented in Tasmania
- National implementation commences this month:
 - Progressive rollout across the country
 - Proven track record in technology implementation
- This, and the enthusiasm of our people, mean our customers will experience a totally differentiated service.

Outlook

- Cash EPS growth full year 2005 25% to 30%
- CAGR* cash EPS now estimated to exceed 12% over 2003 to 2006
- Confident of delivering other Which new Bank commitments:
 - 4-6% compound annual productivity improvement
 - Gain profitable market share growth across major product lines
 - Increase the dividend per share each year.

*Compound annual growth rate

Which new **Bank**

CommonwealthBank 

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- Our detailed outlook statement is contained on page 4 of the Profit Announcement document.
- In that statement we point out that we expect the Australian economy to perform well in 2005.
- We also provided a reminder of the Which new Bank targets established at the outset of the 3 year program, including CAGR in cash EPS exceeding 10% for the 3 years.
- Subject to market conditions, we now expect cash EPS growth for the full year to 30 June 2005 of between 25% and 30%. This reflects the pattern of financial returns under Which new Bank which I outlined earlier.
- The Bank is confident of the progress of the Which new Bank program and expects to improve upon the original commitment given, with CAGR cash EPS over 2003 to 2006 now estimated to exceed 12%.

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