

Retail Banking Services

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**UBS 9th Annual
Australian Financial Services Conference**



Determined to be different

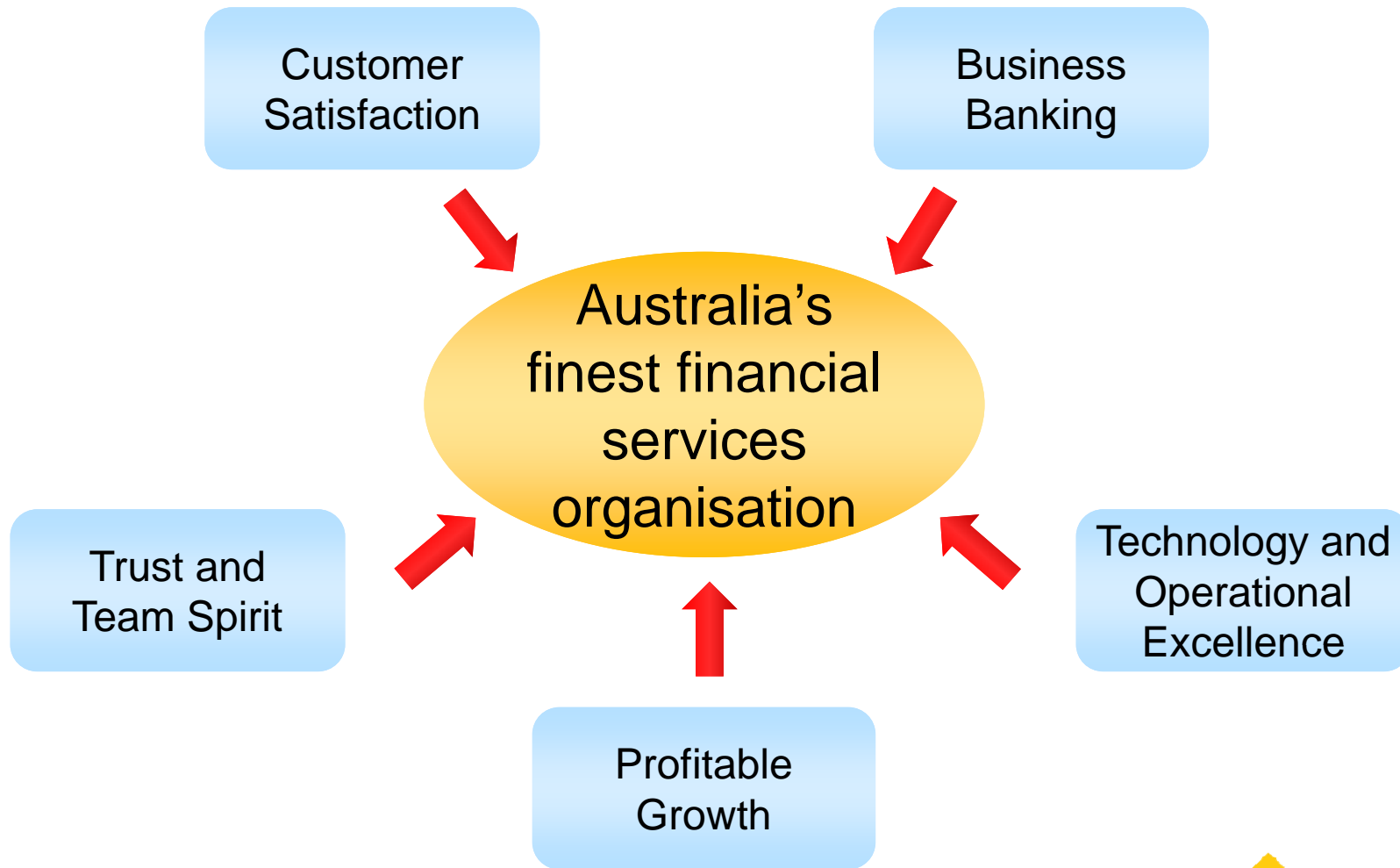
23 June 2010

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, 23 June 2010. 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.

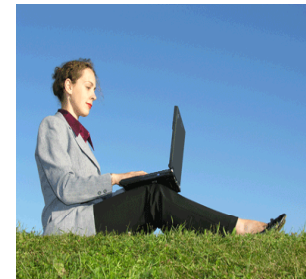
CBA – a clear, focussed strategy



Determined to be different

Vision and strategy

'To be Australia's finest financial services organisation through excelling in customer service'



We are determined to place our customers
at the centre of everything we do
to make it easy for customers,
to meet their needs every time,
so we can do more business with them.

Already some great wins for 2010



“Bank of the Year” and “Money Minder of the Year”
Money Magazine

“Australian Financial Institution of the Year (Retail)”
Australian Banking & Finance (AB&F)



“Best Retail Bank in Australia” and “Best Retail Bank in Asia Pacific”
The Asian Banker

“Best Domestic Bank in Australia”
Asiamoney magazine



“Lender of the Year”
Mortgage and Finance Association of Australia (MFAA)

“Five Stars” for all Deposit and Transaction accounts
CANSTAR CANNEX



“Best International Prepaid Card” for Travel Money Card
OSCARDS



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Strategic priorities for Retail Banking Services



Customer Satisfaction

#1 in Customer Satisfaction of the “big four” banks and St George



Profitable Market Share Growth

#1 Market Share and growing in key lines



Efficiency

Lowest cost to income ratio driven by operational excellence improvements



Cross Sell

#1 in “Needs met per customer” of the “big four” banks and St George



Risk Management

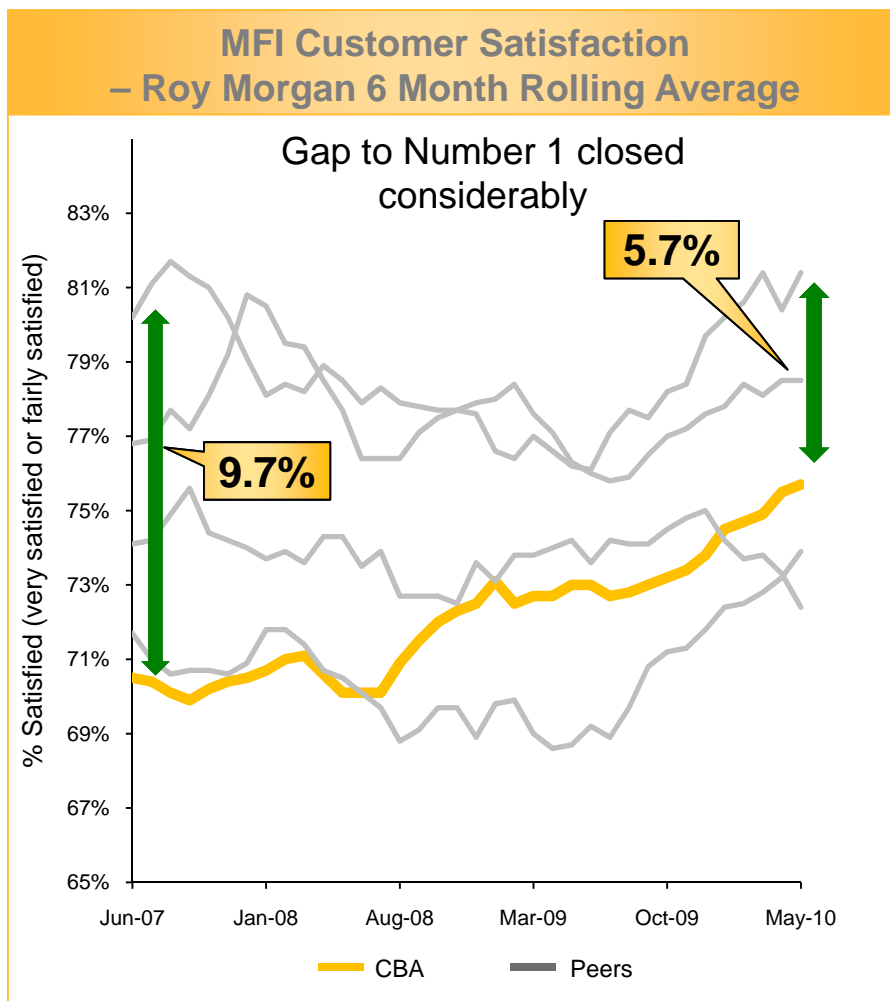
Safely and effectively manage risk and reward



People Engagement

Engaged and motivated people to drive success

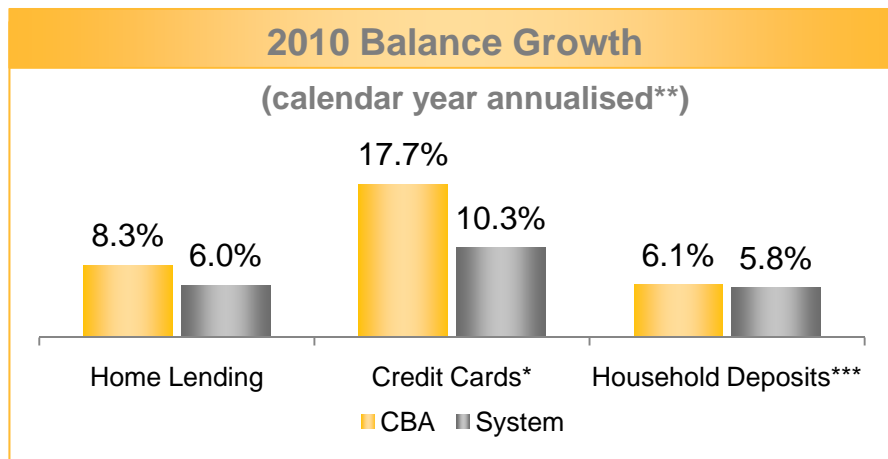
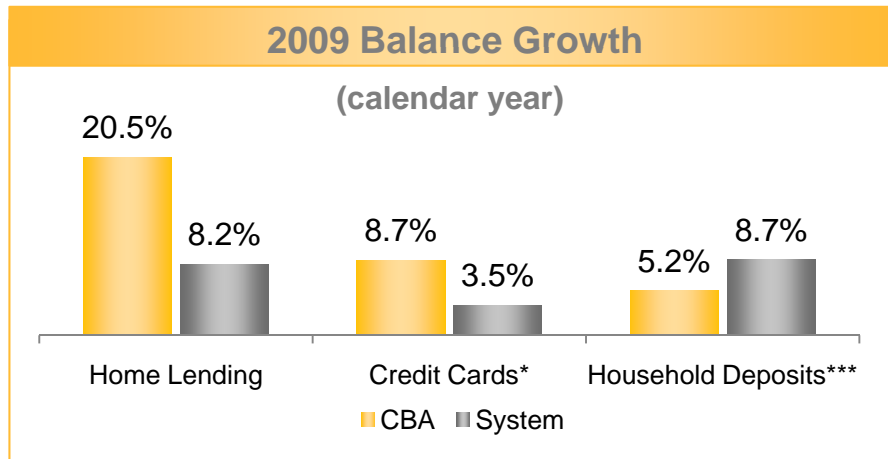
Customer Satisfaction



- Gap to Number 1 closed considerably
- Highest ever 6 month average of 75.7%
- 10th consecutive monthly increase
- Six month average up 10.0% since Jan 2006
- Since June 2009:
 - Complaints down 27%
 - Compliments up 25%
- Significant cultural change now well entrenched
- Created tremendous momentum and customer goodwill

Source: Roy Morgan Research Customer Satisfaction, Aust MFI population 14+, % "Very" or "Fairly satisfied", 6 month rolling average

Profitable Market Share Growth



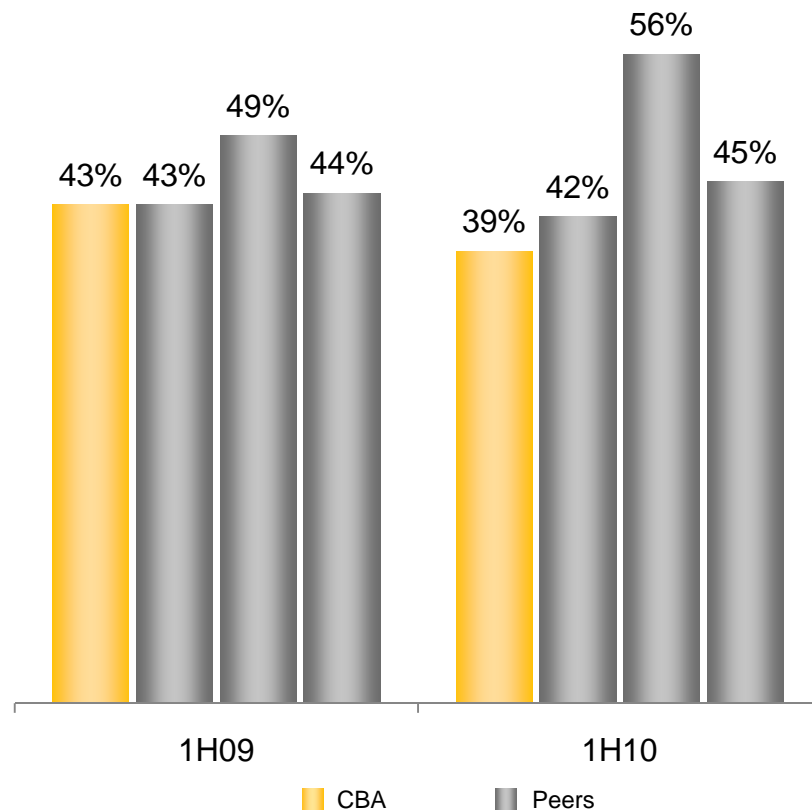
- Home Loans – consolidated strong share growth over last two years
- Deposits
 - Not chasing “hot money”
 - Sensible use of price and distribution levers to hold/stabilise share
- Credit Cards – successful launch of Amex companion card
- Points of presence continuing to rise with Queensland branch expansion project on track and ATM Refresh program continuing
- Strong growth in FX supported by Travel Money Card
- School Banking investment has rejuvenated important program

Source: APRA/RBA; * Credit Cards data is one month in arrears ** Annualised growth 4 months from Dec 09 to Apr 10
*** Excludes reclassification of deposits, which would improve performance relative to market

Efficiency



RBS and Peers Cost to Income Ratio*



- The most efficient major Retail Bank in Australia based on cost to income ratio
- Improvements across multiple areas
 - Paperless mortgage services environment – best in class
 - “60 minute Home Loan” – loans conditionally approved and printed in branch
 - 30% decrease in paper statements over the last 12 months**
 - Productivity focus – Sales per FTE 12% above plan
 - Continued enhancements to NetBank
- Core Banking Modernisation rollout has begun – 1.1m Term Deposit customers migrated onto new platform

* Cost to Income Ratios relate to the most comparable reported part of the peer organisations relative to RBS

** For all Deposit & Transaction and Home Lending accounts

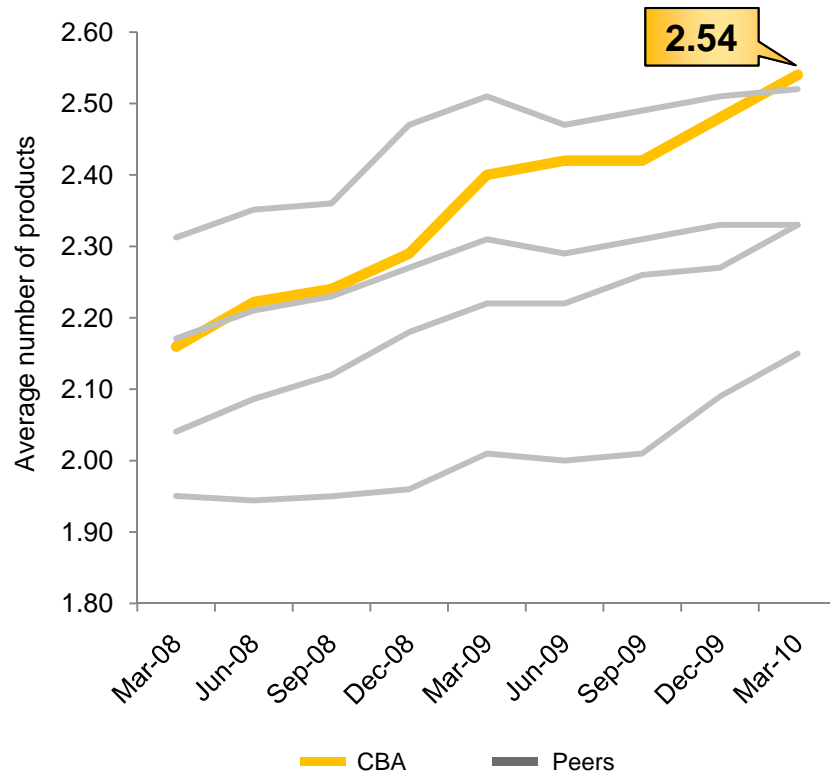


Cross Sell



Average number of products held at financial institution

(Roy Morgan 6 monthly rolling average)



- CBA now #1 of peer group in the average number of products held per customer
- Increase primarily from higher deposits and credit card holdings
- Reflects success of Financial Health Checks program
- Strong correlation with Customer Satisfaction trend
- Supported by award winning products
 - CANNEX 5-star rated Deposit and Transaction Products
 - Success of Companion Credit Cards
 - Award winning NetBank product
- Significant opportunity with Core Banking

Source: Roy Morgan Research Australian population 14+, Banking and Finance products per Banking and Finance customer, 6 month moving average

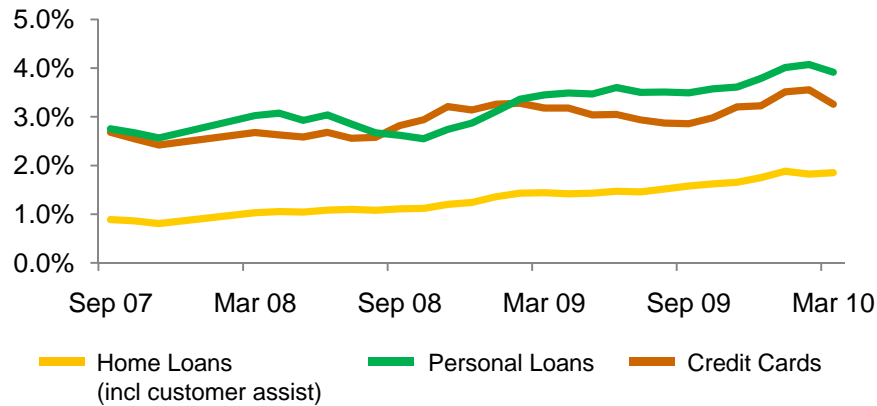


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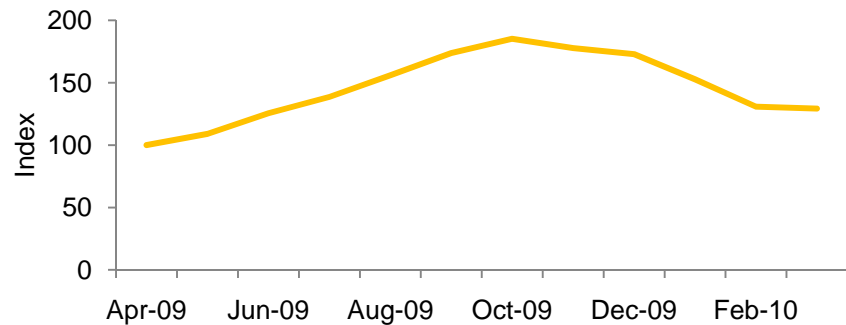
Risk Management



RBS Portfolio 30+ Arrears Rates



Customer numbers in Customer Assist (indexed)

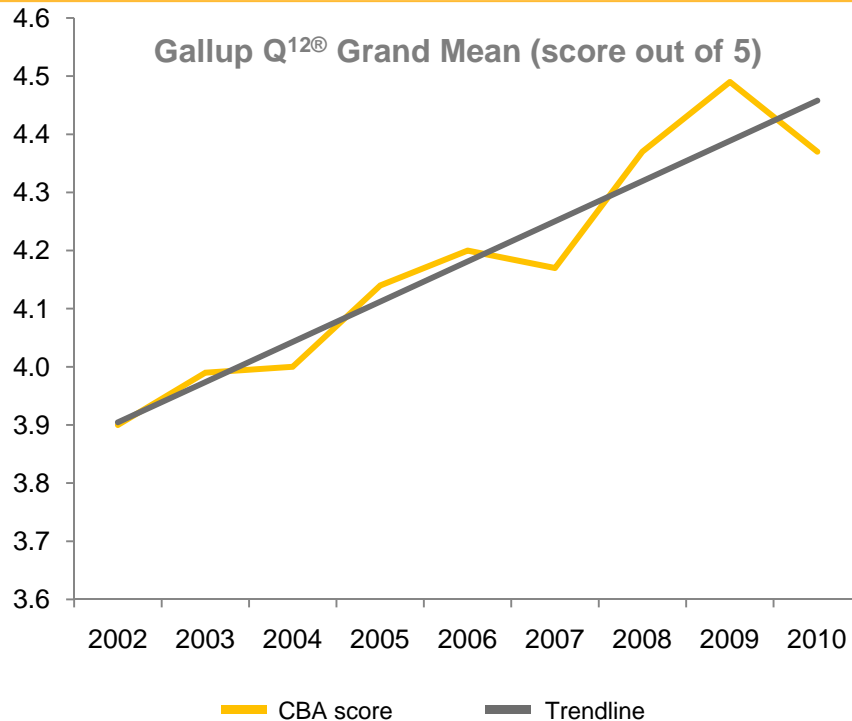


- Credit quality trends in line with expectations
- Conservative policy settings resulting in improved performance
- Customer Assist volumes impacted through 2009, but being managed lower this calendar year
- Major focus on Collection Transformation project
- New “Layer 1” Risk Assurance roles now in place

People Engagement



RBS Staff Engagement



- Top quartile staff engagement across Retail Banking Services
- Stable turnover, with absenteeism at lower levels than 2008/09
- Focus on increasing the number of women in roles of Executive Manager and above
 - My Mentor program
 - Group-run Xplore Career Resiliency and Senior Career Resiliency programs
 - Research into career barriers in network



Areas of focus going forward

- Core Banking Modernisation / Retail Banking Transformation
- Regulation – eg National Consumer Protection Reform
- Harnessing Customer Satisfaction momentum
- Continuing to target best-in-class efficiency
- Sensible volume / margin management
- Infill initiatives
 - School Banking through to first job
 - Foreign Exchange
 - Small Business
- Evolution of our strategy

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