



COMMONWEALTH BANK LAUNCHES 'WHICH NEW BANK' CUSTOMER SERVICE VISION

Sydney 19 September 2003: The Commonwealth Bank today launched its 'Which new Bank' customer service vision, based on what its customers have said they want from the Bank: **"Know me, give me what I want and do it reliably"**. Meeting these customer needs will be the focal point for everything the Bank does.

Commonwealth Bank CEO David Murray said, "Our customers tell us they need a better, faster and more responsive service. They also want us to retain our existing values and heritage to continue to be the Bank for all Australians.

"To excel in customer service and successfully deliver to our customers, a major cultural transformation must take place. We need to empower, motivate and skill our people and simplify our processes. We will start and finish with how our people meet the changing needs of our customers.

"We will be further supporting the branch manager as the customer champion. Branch managers will spend up to 80% of their time with customers as part of redefining our 1,000 branches to become true service and advice centres.

"The Commonwealth Bank has always been a leader in accessibility, as demonstrated by its largest branch, ATM and EFTPOS networks and NetBank online facilities and we intend to further enhance that aspect of our service.

"Over the three year program, we aim to improve our customer service response times by 20% to 50%. Customers will notice changes:

- Branches are being modernised and queue lengths shortened
- Existing ATMs are being replaced by more modern and more functional machines
- Customer requests to make changes to their home loans such as repayment amounts and term will be met in three days, down from ten days currently
- Home loan applications in the branch network can be conditionally approved within four hours, subject to all documents being provided."

Service improvements will be made across the Bank. Commonwealth Bank's Institutional and Business Services; Premium Financial Services; and Insurance and Investment Services all have identified areas where the vision's approach to engage staff and simplify processes can yield immediate results.

"Better customer service is about improving individual services and the way we provide them, but it is also about how we provide the customer, be they retail or business, with a comprehensive package of services, meeting that customer's full range of financial services needs. The ability to do that depends on a unified culture and objective across all business units," Mr Murray said.



In implementing its 'Which new Bank' transformation over the next three years, the Bank will redirect its usual project spend of \$600 million and outlay an additional \$620 million in the key areas of staff training and skilling, systems and process simplification, and technology. It will also invest a further \$260 million over this period in the branch network.

The service transformation will be supported by increased investment of over \$200 million in training and developing the Bank's staff over the next three years, doubling the Bank's normal spend.

Mr Murray said, "We expect the superior customer service resulting from our transformation program to deliver compound annual earnings per share growth over 10% over the three year period and productivity improvements of 4% to 6% per annum, subject to current trading conditions being maintained."

The net impact over the three years will be positive and the profits in subsequent years will be greater than they would have been. The Board regards the expenditure incurred on this program to be in the nature of an investment in the future of the Bank. There will be additional charges against profit in the current financial year, but the Bank will add back the non-recurring charges, expected to be around \$500 million after tax, in considering the amount to be distributed as dividends to shareholders. Consequently, the Bank expects to be able to continue the uninterrupted pattern of increased dividends that it has been able to deliver since privatisation.

Increased revenues will come from enhanced service and sales and effectively meeting the full spectrum of the customer's immediate and future financial services requirements.

Cost savings will result from efficiency gains, sustainable service improvements and streamlined processes.

As a consequence of process simplification, work redesign and removing unnecessary work, the Bank's domestic workforce is expected to reduce by approximately 3,700 between July 2003 and June 2006. Around 25% of this reduction has already happened.

The Bank expects that between now and 2006, employment levels in front line customer service positions will be largely unchanged. Customer contact time will also increase as a result of the simplified processes and improved technology.

Most of the future job reductions will be in processing, administration and head office related functions. Job reductions will be spread over the next three years following process changes, work redesign and the removal of unnecessary work.

Mr Murray made commitments to the Bank's customers, staff and shareholders. He said, "*We undertake to deliver what customers need, when they need it, make every day a good day at work for our staff and provide our shareholders with higher earnings per share growth*".

ENDS

For further information, please contact:
Bryan Fitzgerald
Group Corporate Relations
(02) 9378 2663