
Which new Bank update

David Murray
Chief Executive Officer

International update

Garry Mackrell
Group Executive



24 May 2005

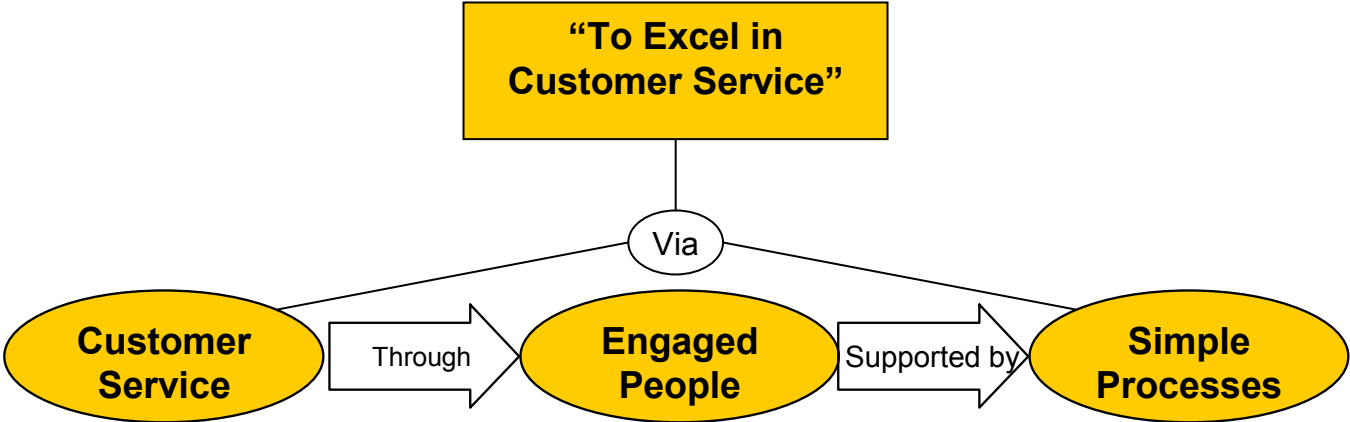
Disclaimer

The material that follows is a presentation of general background information about the Bank's activities current at the date of the presentation, 24 May 2005. It is information given in summary form and does not purport to be complete. It is not financial product advice and is not intended to be relied upon as advice to investors or potential investors. It does not take into account the investment objectives, financial situation or needs of any particular investor.

Which new Bank

- 2004/05 milestones
- Customer experience
- Our people
- Simple processes

Our transformation vision



People

- Service and Sales
- Leadership
- CommWay

Systems

- CommSee
- Performance Management
- Process Redesign / simplification
- Branch Refurbishment
- People Development
- Support Function Redesign



Delivering to June 05 milestones

	Milestone	Percentage complete*	Target date
Customer	1. Service & Sales Management - remaining staff trained	85%	Jun 05
	2. Branch Refurbishment - refurbish 125	65%	Jun 05
	3. NetBank - new service implemented	100%	Mar 05
	4. CommSee - platform built and deployment commenced	100%	Apr 05
	5. CommSee - 40% customer-facing staff trained	30%	Jun 05
	6. Segment Model - pilot completed	60%	Jun 05
People	7. Performance Culture - performance management system implemented	100%	Dec 04
	8. Performance Culture - new learning curriculum available	70%	Jun 05
Process	9. CommWay - 40 process simplification initiatives completed	75%	Jun 05
	10. Support Function Redesign - implementation of 14 functions completed	80%	Jun 05
	11. Wealth management systems - reduced from 11 to 7	80%	Jun 05
	12. Procurement - 10 key categories renegotiated	90%	Jun 05
	13. IT Efficiency - run-rate savings of \$80m realised	80%	Jun 05



Customer service

- Customer-focussed Service and Sales across Bank
- New Netbank launched
- CommSee progressing to plan
- One Team Referrals working

Our people

- CommLeader
- Performance Management
- People Development
- Internal Service Quality measured quarterly

Simple processes

- Becoming 'everyday' behaviours
- Over 300 skilled at 'lean/Six Sigma' methodologies
- 33 CommWay projects completed
- Increased security and integrity of customer data

Emphasis remains on delivery

- Deploying CommSee nationally
- Our people are participating and enthusiastic
- Simplifying more processes using CommWay
- Managing competing priorities



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International Growth

■ Why

- ✓ Rapid growth in financial services demand in Asia
- ✓ Creates option plays for long term growth

■ Where

- ✓ Regional strategy focused on Asia-Pacific
- ✓ Greater China, Indonesia, and India are new key markets
- ✓ Target mass affluent customers in large urban areas

■ How

- ✓ Selectively establish bank deposit / investor / customer base
- ✓ Build on Group capabilities in integrated financial services

The Bank's Asia-Pacific portfolio

	Banking	Life Insurance	Funds	Other
New Zealand	ASB Bank	Sovereign	ASB Group Investments	
Hong Kong	Commonwealth Bank	CMG Asia	First State Investments	CommServe; Financial Solutions; AMTD
Indonesia	PT Bank Commonwealth	PT Astra CMG	First State Investments	
China	Jinan CCB (11%) Hangzhou CCB (19.9%)*	China Life CMG	National license JV	Rep Office Beijing & Shanghai; CommFinance
India				Rep Office*
Fiji	Colonial National Bank	Colonial Life Fiji	Colonial First State	
Singapore	Commonwealth Bank		First State Investments	
Japan	Commonwealth Bank			
Vietnam		Bao Minh CMG		Rep Office Hanoi

New Zealand - ASB Bank

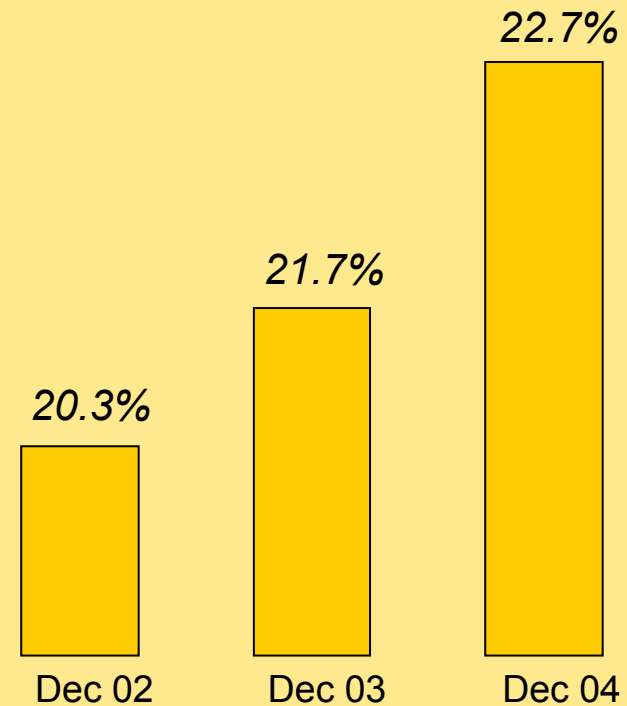
ASB:

- 4th Largest Bank in New Zealand
- Leading major bank in customer service
- Full financial services provider

Strategic Focus:

- Continue service excellence
- Increase penetration of ASB / Sovereign customer base
- Grow outside Auckland and across all markets

ASB Bank Housing Lending Market Share



Source : RBNZ



New Zealand - Sovereign

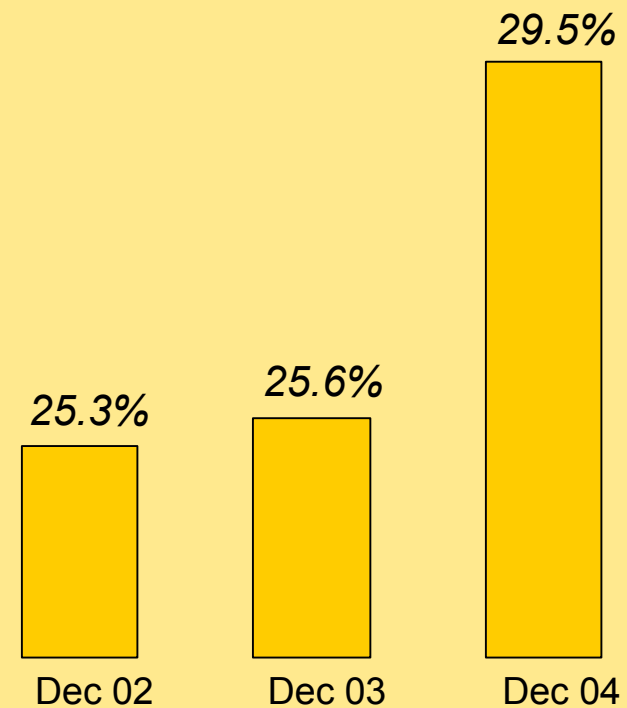
Sovereign:

- Largest Life insurer in NZ
- Twice size of next competitor
- Strong scale advantages

Strategic Focus:

- Differentiate on service to advisers
- Exploit proprietary distribution advantage
- Continue productivity improvements

Sovereign New Business Market Share



Source: ISI



Hong Kong

CMG Asia:

- 12th largest life insurer (3% market share)

CommServe:

- 2nd largest pension administrator (9% market share)

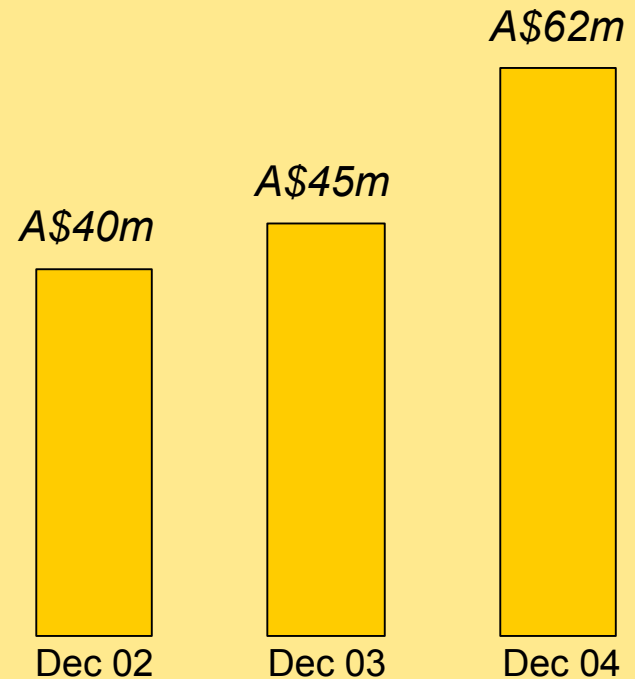
AMTD

- Cheung Kong distribution JV

Strategic Focus:

- Improving fundamentals /Reducing capital intensity
- Expanded distribution capabilities
- Exploit new market opportunities

CMG Asia Total New Business Premium



Source: HKOCI

Exchange Rate: 6 HKD / 1 AUD



Indonesia

PT Bank Commonwealth:

- Premium banking services to mass affluent customers
- 2nd largest foreign bank fund distributor (10 branches)

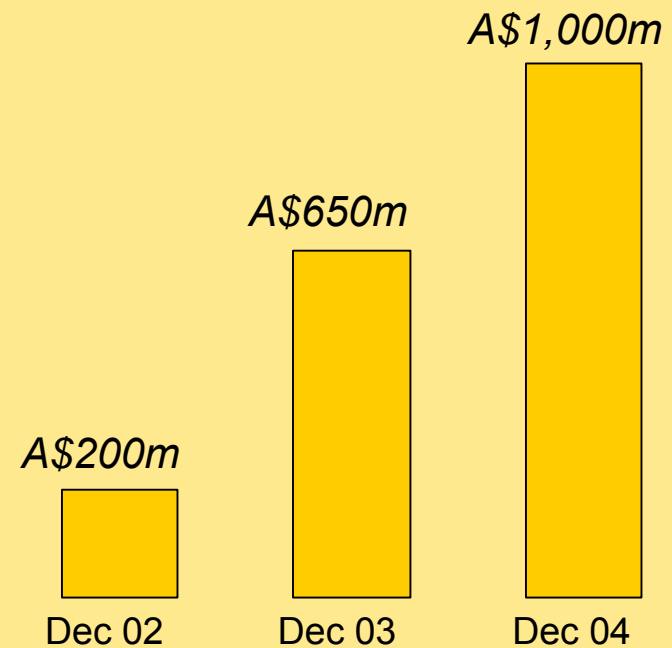
PT Astra CMG JV:

- Joint venture life insurer
- 2% market share

Strategic Focus:

- Expand distribution mix and reach
- Target affluent individuals & SMEs
- Develop integrated financial services
- Grow retail / SME consumer financing

PT Bank Commonwealth Total Customer Footings⁽¹⁾



(1) Funds and deposits
Source: PTBC

Exchange Rate: 7430 IDR / 1 AUD

China

China Banking

- Secured investments in Jinan CCB (11%) and Hangzhou CCB (19.9%)*

China Life CMG

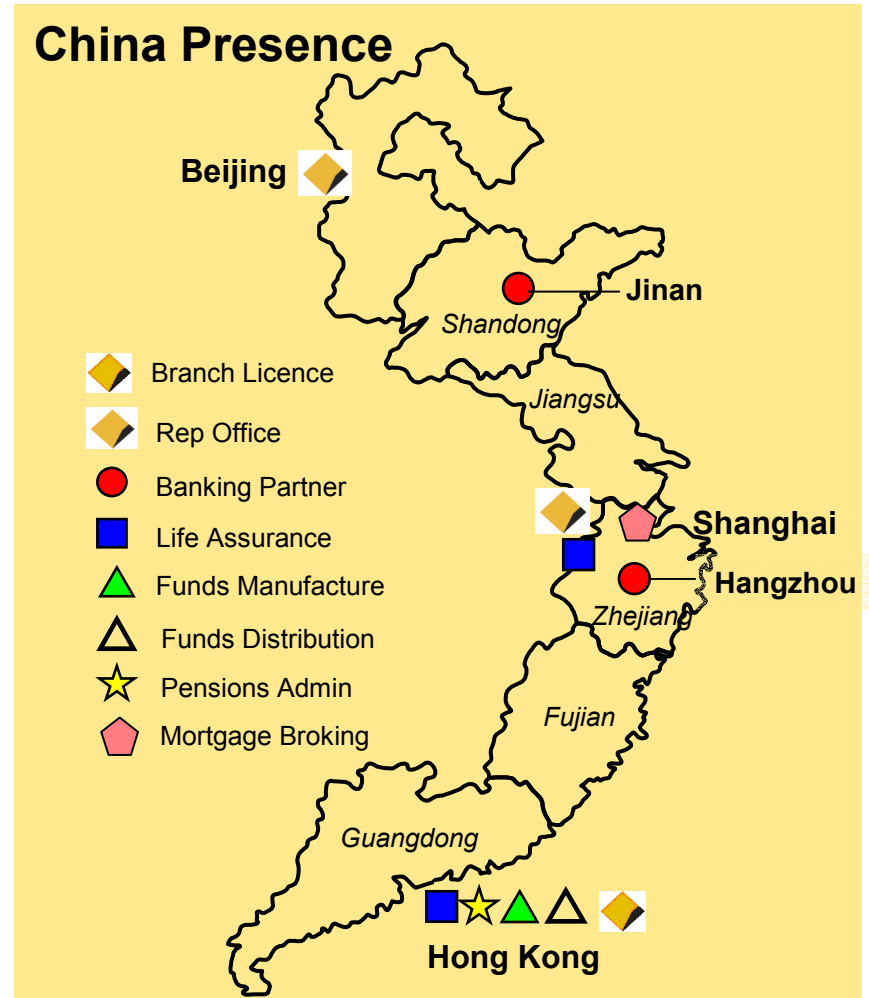
- Joint venture life insurer in Shanghai

CommFinance

- Mortgage broking business in Shanghai

Strategic Focus:

- Portfolio of regional financial services investments / businesses
- Transfer capabilities to local partners for mutual advantage
- Develop cross-business opportunities



*subject to Regulatory approval

India

India Banking :

- Submitted application for Representative Office license

Strategic Focus :

- Establish branch footprint in major cities
- Link IT sourcing opportunities with Indian banking operations

India Facts

- 4th largest economy⁽¹⁾
- Growing at 8%pa, twice global rate
- Positive demographics
 - 64.3 % of population age below 30
 - Growing middle class
- Bankable population of 300 million
- Over 50 million high net worths
- Concentration of mass affluent in urban centres

(1) Based on PPP

Source: EIU, CIA world fact book, World Bank



Summary

- Developing options for long term value growth
- Selective expansion in target markets
- Capability transfer to support both proprietary and partnership business
- Development of leadership and talent

WnB Opportunities

- CommSee Extensions
- NetBank Product
- One Team Referrals
- Best Sourcing
- CommWay

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Supplementary Slide

Additional Information

Fiji, Vietnam

FIJI

Colonial National Bank:

- 3rd largest Bank (17.8% market share)
- Purchasing remaining 49% share from government

Colonial Fiji Life:

- 70% life insurance market share

Colonial First State Investments:

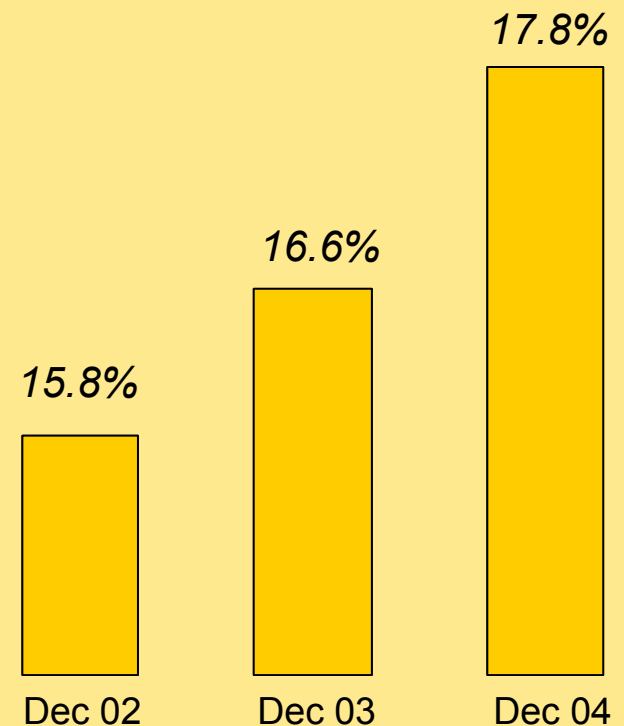
- 32% market share

VIETNAM

Bao Minh CMG JV

- One of 5 licensed life insurers (4% market share)
- 53 offices throughout Vietnam

Colonial National Bank Housing Lending Market Share



Source: RBF

