



COMMONWEALTH BANK APPOINTS RALPH NORRIS AS CHIEF EXECUTIVE OFFICER ON THE RETIREMENT OF DAVID MURRAY

Sydney 14 June 2005: The Chairman of Commonwealth Bank, Dr John Schubert, announced today that the Board has appointed Mr Ralph Norris to take over the role of Managing Director and Chief Executive Officer on the retirement of Mr David Murray later this year. Mr Ralph Norris is currently Managing Director and Chief Executive Officer of Air New Zealand Limited.

Dr Schubert said: "Ralph brings to us an outstanding track record of achievement in both his ten years as Managing Director and Chief Executive Officer of ASB Bank Limited, the Commonwealth Bank's New Zealand banking operation, and most recently as CEO of Air New Zealand.

"Under Ralph's leadership, ASB grew its business, year-on-year, at a rate double that of the market, with earnings increasing at a compound annual growth rate of 18 per cent. ASB was also consistently rated New Zealand's best bank for customer service. During this period, the Commonwealth Bank Board had the opportunity to see at first hand both his outstanding performance and his personal qualities.

"While at Air New Zealand, Ralph has been credited with leading a turnaround in the company's fortunes and introducing a more customer-focussed culture. He has been honoured with New Zealand's Executive of the Year Award in 1997 and 2004. The Board now welcomes him back to the Bank at a dynamic and exciting time," said Dr Schubert.

Dr Schubert said that David Murray had suggested that, with the Which new Bank program firmly on track for full implementation by 2006, a handover at this stage would allow the new CEO sufficient time to develop the post-Which new Bank strategy.

"The Commonwealth Bank's cultural transformation program has made decisive progress and now has significant momentum. Which new Bank has put the Bank in a strong competitive position for the future and both David and the Board felt this was the right time to appoint the next CEO," Dr Schubert said.

Ralph Norris commented: "I am honoured and pleased to rejoin the Commonwealth Bank at a time of great opportunity, created by both the Bank's inherent strengths and the significant potential being delivered through Which new Bank. I look forward to continue the drive to excel at customer service and to follow on from David to lead the way in delivering the best financial services for the future.

"The Bank has a wonderful heritage, an enviable customer base and a great team of people and I look forward enormously to working with them and leading this great organisation," Ralph Norris said.



In David Murray's 13 years as Chief Executive, the Commonwealth Bank has transformed from a partly privatised bank with a market capitalisation of \$6 billion in 1992 to a \$49 billion integrated financial services company, generating in the process total shareholder returns (including gross dividend reinvestment) at a compound annual growth rate of over 24 per cent, one of the highest total returns of any major bank in Australia.

Under David Murray's leadership, the Bank moved to full privatisation and active participation in a growingly competitive financial services market. Following the acquisition of the State Bank of Victoria and ASB Bank New Zealand, David Murray set out to make the Commonwealth Bank a leader in electronic banking services and accessibility through the introduction of NetBank, Australia's first online banking service, and CommSec, now Australia's largest online sharebroker.

The acquisition of Colonial and its banking and funds management operations in 2000 changed the shape and extent of services the Bank offered its customers. In 2003, David Murray introduced Which new Bank, the Bank's largest-ever cultural transformation.

David Murray said: "There have been many challenges during my time as CEO of the Bank, but I have always worked in the pursuit of a better Bank, providing a better service to customers, creating more opportunities for our people and delivering good returns to shareholders. The Bank has transformed and improved on a continuous basis and I take tremendous satisfaction in having led and contributed to that positive change."

Dr Schubert concluded: "I would like to take this opportunity to thank David for the many fundamental contributions he has made during his long and distinguished service at the Bank. He has demonstrated outstanding leadership and vision during his 13 years as Chief Executive Officer and he has initiated and successfully led the implementation of some of the most crucial transformations in the history of this Bank."

Ralph Norris' executed service agreement will be released to the Australian Stock Exchange in a separate announcement today. Remuneration is composed of base remuneration of \$1.9 million per annum, a discretionary annual cash short term incentive of up to \$1.9 million and an initial long term incentive allocation of Bank shares to the value of \$3.8 million, subject to shareholder approval, achievement of performance hurdles determined by the Board and any necessary regulatory consent. The service agreement has no fixed term. Ralph and his wife, Pam, are looking forward to relocating to live in Sydney.

David Murray will continue as CEO until Ralph Norris assumes the role, which will be before the end of the calendar year. Ralph Norris has a six-month notice provision in his contract with Air New Zealand, although his actual departure date is yet to be determined.

ENDS

RALPH NORRIS

Ralph Norris has been Chief Executive Officer and Managing Director of Air New Zealand Limited since February 2002. He has served as a Director on the company's Board since August 1998.

Prior to his appointment at Air New Zealand, Mr Norris had a 30-year career in banking. He was Chief Executive Officer of ASB Bank Limited from March 1991 until September 2001 and Head of International Financial Services for the Commonwealth Bank from August 1999 until September 2001.



During Mr Norris tenure as CEO of ASB Bank, the Bank expanded nationally, grew its profitability six-fold and increased market share by 60%. By 2001, ASB Bank was represented across New Zealand, with 120 branches, 3,000 staff and an asset base of \$NZ 21 billion. Other key developments during the period were:

- 1991 Start of nationwide expansion program
- 1994 Westland Bank merged into ASB
- 1996 Launch Fastnet internet banking service
- 1997 Launch BankDirect virtual bank
ASB Bank first bank in Australasia to win Arthur Andersen Quality Service Award
- 1998 Acquisition Sovereign Limited
ASB Bank identified as best bank in New Zealand in providing customer satisfaction
- 1999 Creation of first internet broking service in New Zealand
- 2000 Merger Colonial Insurance NZ Limited with Sovereign Limited

At the time of his appointment as CEO of Air New Zealand, the company was in the process of being recapitalised by the New Zealand Government following the Ansett collapse. The company returned to profitability within twelve months and was named New Zealand Corporate of the Year by British Banker Magazine in 2003. The following year, Air New Zealand received the Air Transport World's Phoenix Award for achieving 'a commercial rebirth through life-changing transformation'.

Mr Norris was judged New Zealand Executive of the Year in 1997 (while at ASB Bank) and in 2004 (while at Air New Zealand). In 2001, he was the National Business Review's New Zealander of the Year. He received a similar accolade from the New Zealand Herald the following year.

In addition to his current role as Air New Zealand CEO, Mr Norris is a director of Fletcher Building Limited. He is also a trustee of the Starship Foundation, linked to the Starship children's hospital in Auckland, NZ, the Northern Lifeguard Services, the Woolf Fisher Trust, which supports general and scientific education in New Zealand. Mr Norris is also a Member of the Auckland Grammar Headmaster's Council.

Previously, he chaired the New Zealand Bankers Association, Tourism Auckland, the New Zealand Business Roundtable and Sovereign Assurance Limited.

Ralph Norris, 56, was born in Auckland and educated at Lynfield College. He is married, with three children.

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