

APPENDIX 4D

Half yearly report

Introduced 30/6/2002.

Name of entity

Commonwealth Bank of Australia

ABN or equivalent company reference Half yearly
(tick) Preliminary
final (tick) Financial half year ended ('current period')
(Rule 4.3A Item No.1)

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✓

31 December 2004

Results for announcement to the market

(Rule 4.3A Item No. 2)

\$M

Revenues from ordinary activities (Rule 4.3A Item No. 2.1)	up	22.8%	to	12,877
Profit from ordinary activities after tax attributable to members (Rule 4.3A Item No. 2.2)	up	49.6%	to	1,859
Net profit for the period attributable to members (Rule 4.3A Item No. 2.3)	up	49.6%	to	1,859
Dividends (distributions)		Amount per security		Franked amount per security
Final dividend		N/A		N/A
Interim dividend		<u>85¢</u>		<u>85¢</u>
Total		<u>85¢</u>		<u>85¢</u>
(Rule 4.3A Item No. 2.4)				
+Record date for determining entitlements to the dividend, (Rule 4.3A Item No. 2.5)		18 th February 2005		
Brief explanation of any of the figures reported above (Rule 4.3A Item No. 2.6):				
REFER TO PROFIT ANNOUNCEMENT.				

Consolidated Statement of Financial Performance

For the half year ended 31 December 2004

(Rule 4.3A Item No. 3)

	31/12/04 \$M	31/12/03 \$M
Interest income	7,840	6,241
Interest expense	4,907	3,570
Net interest income	2,933	2,671
Other income:		
Revenue from sale of assets	237	111
Written down value of assets sold	(235)	(114)
Other	1,410	1,378
Net banking operating income	4,345	4,046
Funds management fee income including premiums	611	597
Investment revenue	1,223	941
Claims and policyholder liability expense	(1,143)	(860)
Net funds management operating income	691	678
Premiums and related revenue	575	552
Investment revenue	716	504
Claims and policyholder liability expense	(751)	(569)
Insurance margin on services operating income	540	487
Total net operating income before appraisal value uplift	5,576	5,211
Charge for bad and doubtful debts	146	150
Operating expenses:		
Operating expenses	2,828	2,709
Which new Bank	28	494
Total Operating Expenses	2,856	3,203
Appraisal value uplift	265	165
Goodwill amortisation	(162)	(162)
Profit from ordinary activities before income tax	2,677	1,861
Income tax expense	813	614
Profit from ordinary activities after income tax	1,864	1,247
Outside equity interests in net profit	(5)	(4)
Net profit attributable to members of the Bank	1,859	1,243
Foreign currency translation adjustment	(151)	(173)
Revaluation of properties	-	(2)
Total valuation adjustments	(151)	(175)
Total changes in equity other than those resulting from transactions with owners as owners	1,708	1,068
	Cents per Share	
Earnings per share based on net profit distributable to members of the Bank		
Basic	141.6	95.8
Fully Diluted	141.6	95.7
Dividends per share attributable to shareholders of the Bank:		
Ordinary shares	85	79
Preference shares – PERLS (issued 6 April 2001)	558	509
Other equity instruments – Trust Preferred Securities (issued 6 August 2003)	3,721	3,096
Other equity instruments – PERLS II (issued 6 January 2004)	449	-

Consolidated Statement of Financial Position

As at 31 December 2004

(Rule 4.3A Item No.4)

	31/12/04	31/12/03
	\$M	\$M
Assets		
Cash and liquid assets	5,648	5,892
Receivables due from other financial institutions	6,456	7,620
Trading securities	15,881	12,134
Investment securities	11,022	11,811
Loans, advances and other receivables	206,346	175,982
Bank acceptances of customers	16,297	13,734
Insurance investment assets	28,232	27,955
Deposits with regulatory authorities	32	95
Property, plant and equipment	1,262	1,027
Investment in associates	233	251
Intangible assets	4,555	4,867
Other assets	24,988	24,511
Total assets	320,952	285,879
Liabilities		
Deposits and other public borrowings	167,425	158,914
Payables due to other financial institutions	9,512	5,846
Bank acceptances	16,297	13,734
Provision for dividend	13	12
Income tax liability	1,195	999
Other provisions	891	1,041
Insurance policyholder liabilities	24,967	23,992
Debt issues	51,346	33,157
Bills payable and other liabilities	18,438	19,193
	290,084	256,888
Loan Capital	5,801	5,790
Total liabilities	295,885	262,678
Net assets	25,067	23,201
Shareholders' Equity		
Share Capital:		
Ordinary share capital	13,647	12,885
Preference share capital	687	687
Other equity instruments	1,573	832
Reserves	3,959	3,626
Retained profits	3,159	2,996
Shareholders' equity attributable to members of the Bank	23,025	21,026
Outside Equity Interests:		
Controlled entities	629	304
Insurance statutory funds and other funds	1,413	1,871
Total outside equity interests	2,042	2,175
Total shareholders' equity	25,067	23,201

Consolidated statement of cash flows

For the half year ended 31 December 2004

(Rule 4.3A Item No.5)

	31/12/04 \$M	31/12/03 \$M
Cash Flows from Operating Activities		
Interest received	7,743	6,276
Dividends received	1	3
Interest paid	(4,817)	(3,551)
Other operating income received	1,774	1,934
Expenses paid	(2,765)	(2,953)
Income taxes paid	(443)	(740)
Net increase in trading securities	(1,409)	(1,258)
Life insurance:		
Investment income	434	418
Premiums received ⁽¹⁾	1,558	1,894
Policy payments ⁽¹⁾	(2,436)	(2,501)
Net Cash used in Operating Activities	(360)	(478)
Cash Flows from Investing Activities		
Payments for acquisition of entities and management rights	(42)	-
Acquisition of shares in other companies	(22)	-
Net movement in investment securities:		
Purchases	(11,251)	(7,647)
Proceeds from sale	228	50
Proceeds at or close to maturity	10,648	6,755
Withdrawal (lodgement) of deposits with regulatory authorities	6	(72)
Net increase in loans, advances and other receivables	(17,101)	(15,785)
Proceeds from sale of property, plant and equipment	9	61
Purchase of property, plant and equipment	(144)	(334)
Net decrease/(increase) in receivables due from other financial institutions not at call	1,886	(888)
Net decrease/(increase) in securities purchased under agreements to resell	1,266	(207)
Net decrease/(increase) in other assets	1,904	(348)
Life insurance:		
Purchases of investment securities	(6,349)	(4,829)
Proceeds from sale/maturity of investment securities	7,794	5,612
Net cash used in investing activities	(11,168)	(17,632)
Cash Flows from Financing Activities		
Buy back of shares	-	6
Proceeds from issue of shares (net of costs)	43	-
Proceeds from issue of preference shares for outside equity interests	323	-
Proceeds from issue of other equity instruments (net of costs)	-	832
Net increase in deposits and other borrowings	4,633	16,966
Net movement in debt issues	7,304	2,528
Dividends paid (including DRP buy back of shares)	(1,130)	(904)
Net movements in other liabilities	(1,064)	(851)
Net increase/(decrease) in payables due to other financial institutions not at call	1,003	(535)
Net (decrease)/increase in securities sold under agreements to repurchase	(385)	974
Issue of loan capital	321	-
Redemption of loan capital	(942)	-
Other	(13)	27
Net cash provided by financing activities	10,093	19,043
Net (decrease)/increase in cash and cash equivalents	(1,435)	933
Cash and cash equivalents at beginning of period	2,846	1,428
Cash and cash equivalents at end of period	1,411	2,361

⁽¹⁾ These were gross premiums and policy payments before splitting between Policyholders and Shareholders.

Notes to the consolidated statement of cash flows are contained in Attachment 1

It should be noted that the Bank does not use this accounting Statement of Cash Flows in the internal management of its liquidity positions.

Dividend details

(Rule 4.3A Item Nos.6 & 7)

Dividends

The Directors have declared a fully franked (at 30%) interim dividend of 85 cents per share (31 December 2003: 79 cents) amounting to \$1,083 million (31 December 2003: \$996 million). The dividend will be paid on 31 March 2005 to eligible shareholders. Additionally, distributions totalling \$61 million for the half year were paid to preference shareholders and other equity instrument holders.

A fully franked final dividend of 104 cents per share amounting to \$1,315 million was paid on 24 September 2004 in respect to the year ended 30 June 2004. The payment comprised cash disbursements of \$1,069 million with \$246 million being reinvested by participants through the Dividend Reinvestment Plan.

Dividend Reinvestment Plan

The dividend reinvestment plan is capped at 10,000 shares per shareholder.

Record Date

The register closes for determination of dividend entitlement and for participation in the dividend reinvestment plan at 5:00pm on 18 February 2005 at ASX Perpetual Registrars Limited, Locked Bag A14, Sydney South, 1235.

Ex Dividend Date

The ex dividend date is 14 February 2005.

Consolidated retained earnings reconciliation

(Rule 4.3A Item No.8)

Retained Profits	\$M
Opening balance 1 July 2004	2,840
Net profit for the half year	1,859
Payment of final dividend	(1,315)
Appropriations to reserves (net)	(164)
Payment of other dividends	(61)
Closing balance 31 December 2004	<u>3,159</u>

Net tangible assets per security

(Rule 4.3A Item No.9)

As at	Half Year Ended	
	31/12/04	31/12/03
Net tangible assets per share (\$)	12.72	11.61

Details of entities over which control was gained during the half year

(Rule 4.3A Item No.10)

Entity Name	Date control gained	Ownership Interest Held (%)
Symetry Ltd	21 December 2004	100
AOT Australia Pty Ltd	2 December 2004	100

Details of entities over which control was lost during the half year

(Rule 4.3A Item No.10)

Entity Name	Date control lost	Ownership Interest Held (%)
N/a		

Details of associates and joint ventures

(Rule 4.3A Item No.11)

Entity Name	Ownership Interest Held (%)
EDS (Australia) Pty Limited (EDSA)	35
Computer Fleet Management	50
Cyberlynx Procurement Services	30
PT Astra CMG Life	50
Allday Enterprises Ltd	30
China Life CMG Life Assurance Company Limited	49
Bao Minh CMG Life Insurance Company	50
CMG Mahon (China) Investment Management Limited	50
Mahon and Associates Limited	50
CMG CH China Funds Management Limited	50
Colonial First State Private Ltd	50

Any other significant information

(Rule 4.3A Item No.12)

Change in accounting policies

The accounting policies applied in the preparation of the financial statements of the group for the half year ended 31 December 2004 are consistent with those applied in the 30 June 2004 Annual Financial Report.

Foreign entities

(Rule 4.3A Item No.13)

NOT APPLICABLE.

Commentary on results

(Rule 4.3A Item No.14)

REFER TO PROFIT ANNOUNCEMENT.

Statement in relation to accounts which have been reviewed

(Rule 4.3A Item Nos.15, 16 & 17)

THE INFORMATION INCLUDED WITHIN THIS REPORT AND THE ATTACHED PROFIT ANNOUNCEMENT HAVE BEEN SUBJECT TO AN INDEPENDENT REVIEW BY THE EXTERNAL AUDITORS, AND ARE NOT SUBJECT TO DISPUTE OR QUALIFICATION.

Sign here:
(Company Secretary)

Date: 9 February 2005

Print name: John Hatton

ATTACHMENT 1

NOTES TO STATEMENT OF CASH FLOWS

Note (a) Reconciliation of Cash

For the purposes of the Statements of Cash Flows, cash includes cash, money at short call, at call deposits with other financial institutions and settlement account balances with other banks.

	Half Year Ended	
	31/12/04 \$M	31/12/03 \$M
Notes, coins and cash	1,999	1,852
Other short term liquid assets	449	391
Receivables due from other financial institutions - at call	4,096	2,194
Payables due to other financial institutions - at call	(5,133)	(2,076)
Cash and Cash Equivalents at end of half year	<u>1,411</u>	<u>2,361</u>

Note (b) Cash Flows presented on a Net Basis

Cash flows arising from the following activities are presented on a net basis in the Statement of Cash Flows:

- customer deposits to and withdrawals from deposit accounts; borrowings and repayments on loans, advances and other receivables;
- sales and purchases of trading securities; and
- proceeds from and repayment of short term debt issue

Note (c) Reconciliation of Operating Profit After Income Tax to Net Cash Used in Operating Activities	Half Year Ended	
	31/12/04	31/12/03
	\$M	\$M
Profit from ordinary activities after income tax	1,864	1,247
Increase in interest receivable	(97)	(31)
Increase in interest payable	90	20
Net increase in trading securities	(1,409)	(1,258)
Net gain on sale of investment securities	(1)	(1)
(Gain)/loss on sale of property, plant and equipment	(1)	3
Sale of controlled entities	-	-
Charge for bad and doubtful debts	146	150
Depreciation and amortisation	235	227
(Decrease)/increase in other provisions	(105)	223
(Decrease)/increase in income taxes payable	(4)	139
Increase/(decrease) in deferred income taxes payable	386	(15)
Increase in future income tax benefits	(12)	(250)
Increase in accrued fees/reimbursements receivable	(17)	(3)
Decrease in accrued fees and other items payable	(176)	(51)
Amortisation of premium on investment securities	3	4
Unrealised (gain)/loss on revaluation of trading securities	(281)	320
Change in excess of net market value over net assets of life insurance controlled entities	(265)	(165)
Revaluation of Life Insurance assets	(745)	(547)
Change in policy liabilities	328	131
Gain on sale of Life Insurance assets	(389)	(1)
Other	90	(620)
Net Cash used in Operating Activities	(360)	(478)