
Presentation of Half Year Results for 31 December 2004

Michael Cameron
Chief Financial Officer

9 February 2005



Which Bank

CommonwealthBank  1

Disclaimer

The material that follows is a presentation of general background information about the Bank's activities current at the date of the presentation, 9 February 2005. 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.

Agenda

- Half Year Results - Michael Cameron (25 mins)
 - Highlights
 - Segment Results
 - Financial Update on Which new Bank
- Progress of Which new Bank & Outlook - David Murray (15 mins)
- Questions

Other Key Information

Notes

Which new Bank

In launching Which new Bank (WnB) the Bank said that, subject to market conditions continuing over the three years of the program, it would target:

- Cash EPS growth exceeding 10% CAGR
- 4-6% CAGR productivity improvements
- Profitable market share growth across major product lines
- Increase in dividend per share each year

Some overall Bank indicators

| | Dec 04 | Jun 04 | Dec 03 | Jun 03 |
|------------------------------------|---------|---------|---------|---------|
| Number of branches | 1,011 | 1,012 | 1,013 | 1,014 |
| Weighted av. No. of shares (basic) | 1,269m | 1,255m | 1,257m | 1,254m |
| Net tangible assets per share | 12.72 | 12.22 | 11.61 | 11.41 |
| Risk weighted assets | 180,673 | 169,321 | 157,471 | 146,808 |

Which ^{new} **Bank**

CommonwealthBank  4

Highlights

- Underlying profit up 12% from Dec 03
- Cash EPS growth of 40% from Dec 03
- Dividend increase to 85c (79c in Dec 03)
- Productivity improvements in all segments
- Market position successfully maintained
- Which new Bank delivering

Which Bank

CommonwealthBank  5

Other Key Information

Notes

| | Dec 04 | Jun 04 | Dec 03 |
|---|--------------|--------------|--------------|
| Contributions to profit | | | |
| Banking | 1,427 | 1,381 | 1,294 |
| Funds Management | 170 | 148 | 126 |
| Insurance | 67 | 62 | 67 |
| NPAT (underlying) | 1,664 | 1,591 | 1,487 |
| Shareholder invest. Returns (after tax) | 111 | 53 | 99 |
| Initiatives incl. WnB (after tax) | -19 | -189 | -346 |
| NPAT (cash basis) | 1,756 | 1,455 | 1,240 |
| Appraisal value uplift | 265 | 36 | 165 |
| Goodwill amortisation | -162 | -162 | -162 |
| NPAT (statutory basis) | 1,859 | 1,329 | 1,243 |
| | | | |
| Pref. dividend paid | 61 | 62 | 39 |
| Ordinary dividend declared | 1,083 | 1,315 | 996 |

Highlights - 12% underlying profit growth

| | Dec 04 | Jun 04 | Dec 03 | Dec 04 v. Dec 03 |
|--|--------------|--------------|--------------|------------------------|
| NPAT (statutory) | 1,859 | 1,329 | 1,243 | 50% |
| <i>add-back goodwill</i> | 162 | 162 | 162 | |
| <i>less appraisal value movement</i> | -265 | -36 | -165 | |
| NPAT (cash) | 1,756 | 1,455 | 1,240 | 42% |
| <i>add WnB expenses (after tax)</i> | 19 | 189 | 346 | |
| <i>less shareholder investment returns (after tax)</i> | -111 | -53 | -99 | |
| NPAT (underlying) | 1,664 | 1,591 | 1,487 | 12% |

Other Key Information

Notes

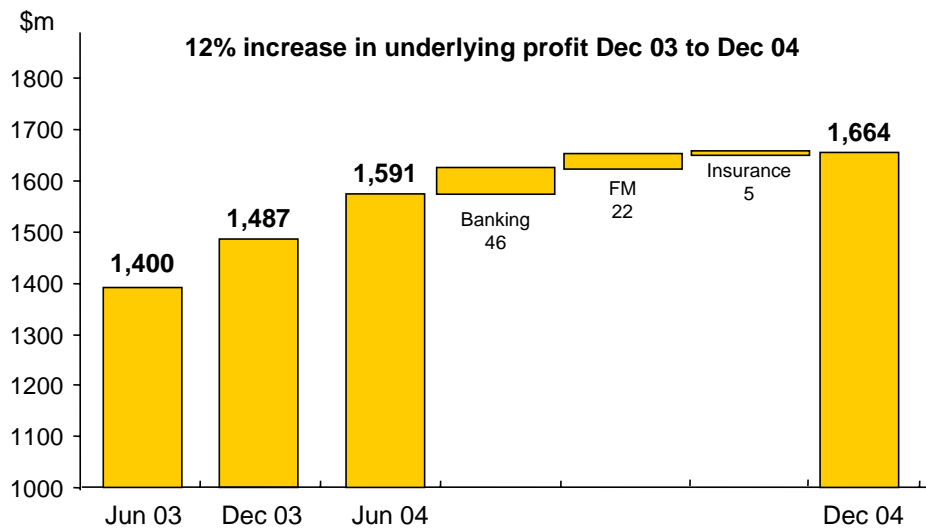
- Underlying profit in June 04 included the Bank's after tax profit on sale of Fleetlease (\$43m) and its shareholding in BOQ (\$28m). Adjusting for these, growth was actually 9% (as shown below).

| | Dec 04 | Jun 04 | Change |
|------------------------------|--------|--------|--------|
| Underlying profit (\$m) | 1664 | 1591 | 5% |
| Fleetlease | - | -43 | |
| Bank of Queensland | - | -28 | |
| Underlying profit (adjusted) | 1664 | 1520 | 9% |

Which Bank

CommonwealthBank  8

Highlights - underlying profit growth



Which Bank

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Other Key Information

Notes

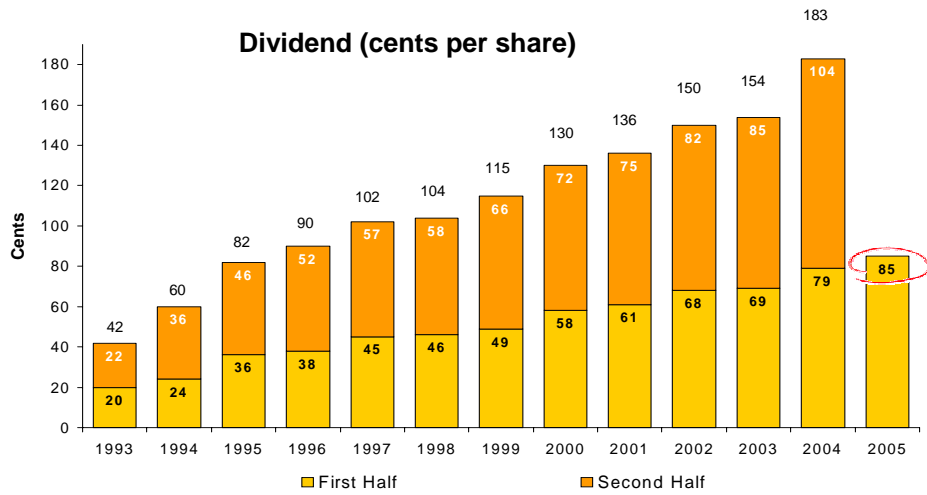
- The payout ratio (cash basis) is calculated according to the following criteria:

Payout ratio =

$\frac{\text{DPS (in \$) x number of shares (end of period)}}{\text{Cash NPAT - preference share dividends}}$

$$\text{i.e. } \frac{0.85 \times 1,274}{\$1,756 - \$61} = 63.9\%$$

Highlights - increased dividend



Which Bank

CommonwealthBank  11

Other Key Information

Notes

| | Dec 04 | Jun 04 | Dec 03 |
|---|--------|--------|--------|
| DPS - fully franked (cents) | 85 | 104 | 79 |
| Dividend cover - cash (times) | 1.6 | 1.1 | 1.2 |
| Dividend cover - underlying (times) | 1.5 | 1.2 | 1.5 |
| EPS (cents) | | | |
| Statutory - basic | 141.6 | 101.1 | 95.8 |
| Statutory - fully diluted | 141.6 | 101.0 | 95.7 |
| Cash basis - basic | 133.5 | 111.1 | 95.5 |
| Cash basis - fully diluted | 133.5 | 111.1 | 95.5 |
| Dividend payout ratio (%) | | | |
| Cash basis | 63.9 | 94.4 | 82.9 |
| Excluding WnB costs | 63.2 | 83.1 | 64.4 |
| Weighted av. Number of shares - basic | 1269 | 1255 | 1257 |
| Weighted av. Number of shares - fully diluted | 1270 | 1256 | 1258 |
| ROE - cash (%) | 16.0 | 13.5 | 11.9 |
| ROE - underlying (%) | 15.1 | 14.8 | 14.4 |

Which Bank

CommonwealthBank  12

Highlights - shareholder returns

- Interim dividend per share has grown 6c to 85c
- Cash EPS is 133.5c, a 40% increase on last December and a 20% increase on the June 2004 half
- ROE has grown to 16%, significantly above last December's figure of 11.9%

Other Key Information

- Progressing to achieve 4-6% CAGR (cash basis) productivity improvements

Balance of capitalised software costs (after amortisation)

| \$million | Dec 04 | Jun 04 | Dec 03 |
|----------------------|--------|--------|--------|
| Capitalised software | 163 | 107 | 73 |

Expense ratios

| | Dec 04 | Jun 04 | Dec 03 | Jun 03 |
|--|--------|--------|--------|--------|
| Banking | | | | |
| Expense to income | 50.1 | 56.4 | 62.1 | 54.9 |
| Underlying Expense to Income | 49.7 | 50.8 | 50.7 | 51.9 |
| Funds Management | | | | |
| Expense to Average FUA | 0.74 | 0.75 | 0.85 | 0.92 |
| Underlying Expense to Average FUA | 0.72 | 0.73 | 0.80 | 0.84 |
| Insurance | | | | |
| Expense to average inforce premiums | 44.9 | 49.3 | 46.2 | 47.7 |
| Underlying Expense to Average Inforce Premiums | 44.8 | 47.5 | 45.5 | 47.7 |

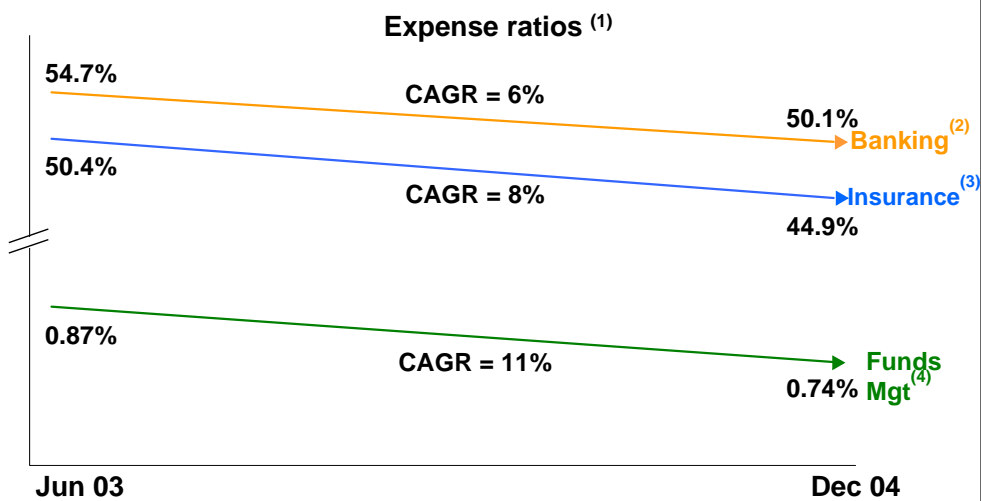
Note: One-Off compliance costs of \$15m include SOX, Basel II and IFRS.

Notes

Which Bank

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Highlights - productivity improvements



Jun 03

Dec 04

⁽¹⁾ On a cash basis

⁽³⁾ Expense to average inforce premiums

⁽²⁾ Expense to income

⁽⁴⁾ Expense to average funds under administration



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Other Key Information

Notes

| | Dec 04 | Jun 04 | Dec 03 |
|---|--------|--------|--------|
| Banking | | | |
| Home loans | 19.6% | 19.3% | 19.3% |
| Retail deposits | 23.4% | 23.6% | 24.1% |
| Business lending | 13.5% | 13.8% | 13.7% |
| Credit cards (Nov) | 23.2% | 22.7% | 22.7% |
| Transaction services (commercial) | 24.4% | 24.4% | 22.7% |
| Asset finance | 15.9% | 16.0% | 15.5% |
| NZ lending | 22.7% | 22.2% | 21.6% |
| NZ deposits | 18.7% | 17.5% | 17.2% |
| Funds Management | | | |
| Aust retail administrator view ⁽¹⁾ | 14.7% | 14.4% | 14.5% |
| NZ Managed investments | 13.3% | 13.2% | 12.8% |
| Insurance | | | |
| Aus. Life insurance | 14.6% | 14.8% | 15.1% |
| NZ Life insurance | 27.4% | 27.5% | 28.1% |

⁽¹⁾ Note: Under the Administrator view, badged or white-labelled products are attributed to the underlying administrator of the product. The alternative Marketer view attributes such business to the marketer of the product

Which Bank

CommonwealthBank  16

Highlights - market position maintained

| | Dec 04 | Jun 04 |
|---------------------------|---------------|---------------|
| Home Loans | 19.6% | 19.3% |
| Business lending | 13.5% | 13.8% |
| Credit Cards (Nov) | 23.2% | 22.7% |
| Retail Deposits | 23.4% | 23.6% |
| Funds Mgt. – Aust. Retail | 14.7% | 14.4% |
| Aust. Life Insurance | 14.6% | 14.8% |
| NZ lending | 22.7% | 22.2% |
| NZ deposits | 18.7% | 17.5% |

Other Key Information

Notes

Which New Bank estimates

| Benefits | 2004 | 2005 Est. | 2006 Est. |
|------------------------|------|--------------|--------------|
| Targets ⁽¹⁾ | 200 | 620 | 900 |
| Actual | 237 | | |

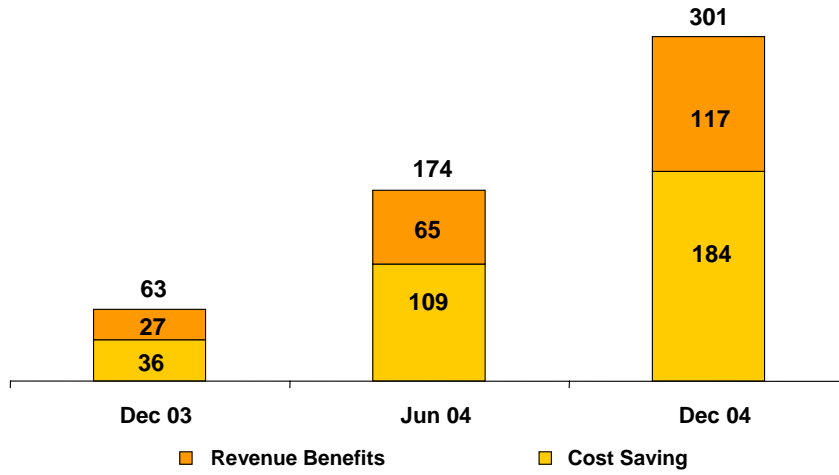
⁽¹⁾ These were the original full year targets set out in the September 2003 presentation

Which Bank

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Which new Bank - Benefits

Actual benefits (\$m)



Other Key Information

Notes

Which New Bank estimates ⁽¹⁾

| Investment spend | 2004 Act. | 2005 Est. | 2006 Est. | Total |
|------------------|------------|------------|------------|--------------|
| Original | 660 | 510 | 310 | 1,480 |
| Revised | 634 | 620 | 226 | 1,480 |

Capitalised branch refurbishment costs are amortised over 10 years and capitalised IT costs are amortised over 2.5yrs.

⁽¹⁾ No change since August 2004 update

Which new Bank - Expenditure

| P&L Impact | Actual Dec 04 |
|---|----------------------|
| Investment spend for the period (gross) | 255 |
| Less provision utilised | (57) |
| Less investment capitalised | <u>(70)</u> |
| Gross WnB expense | 128 |
| Less normal project spend | <u>(100)</u> |
| Incremental WnB expense before tax | 28 |
| Less tax | <u>(9)</u> |
| Incremental WnB expense after tax | <u>19</u> |

Which ^{new} Bank

CommonwealthBank  22

Segment Results: Banking

Which Bank

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Other Key Information

Notes

| | Dec 04 | Jun 04 |
|-----------------------------------|---------|---------|
| Av. interest earning assets (\$m) | 238,402 | 224,160 |
| Net interest Income (\$m) | 2,933 | 2,739 |
| Net interest Margin (%) | 2.44% | 2.46% |

| % of Banking income | Dec 04 | Jun 04 | Dec 03 |
|---------------------|-------------|-------------|-------------|
| Net interest income | 68% | 65% | 66% |
| Other income | 32% | 35% | 34% |
| Total | 100% | 100% | 100% |

One-off differences in other income

| (\$m) | Dec 04 | Jun 04 | Change |
|-------------------------------|--------------|--------------|-----------|
| Banking other income | 1,412 | 1,471 | -4% |
| Profit on sale of Fleetlease | - | -43 | |
| Profit on sale of BoQ shares | - | -28 | |
| Adjusted banking other income | 1,412 | 1,400 | 1% |
| Adjust for trading income | -219 | -230 | |
| Total | 1,193 | 1,170 | 2% |

Upfront and trailing commissions

The Bank expenses all commissions paid against lending fee income (other banking income) on an upfront basis. All trailing commissions are charged against net interest income over the life of the loan.



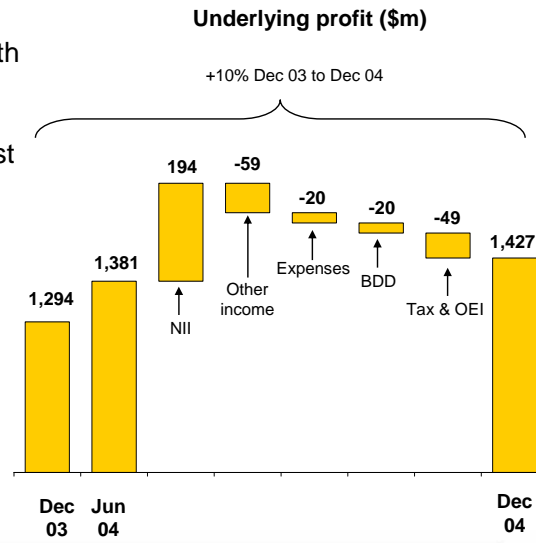
Banking - underlying profit result

- 10% underlying profit growth

- Strong growth in net interest income

- Lower trading and lending fee income

- Good cost control



Which Bank

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Other Key Information

Notes

| Half Ending (average balances) | Dec-04 \$ bn | Jun-04 \$ bn | NIM effect* |
|--|-----------------|-----------------|----------------|
| Non-lending IEA's | 39.2 | 40.9 | +2bp |
| Funding | | | |
| Wholesale Funding | 99.7 | 93.0 | -2bp |
| Retail Funding | 152.6 | 145.0 | |
| Lending | | | |
| Home Loans | 128.1 | 116.2 | -1bp |
| Other Personal Lending | 13.9 | 13.0 | |
| Business / Other Lending | 57.0 | 54.1 | |
| Product margins | | | |
| Asset price (margin on lending assets) | | | -1bp |
| Deposit price (margin on deposits) | | | 0bp |
| Other | | | |
| Other (including Capital Transactions and yield curve) | | | 0bp |
| Total Change in Margin | | | -2bp |

* For the half year

Which Bank

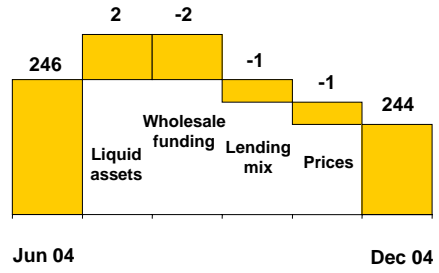
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Banking – Margins stable

Monthly average NIM (bp)



Half year average NIM (bp)



Other Key Information

Notes

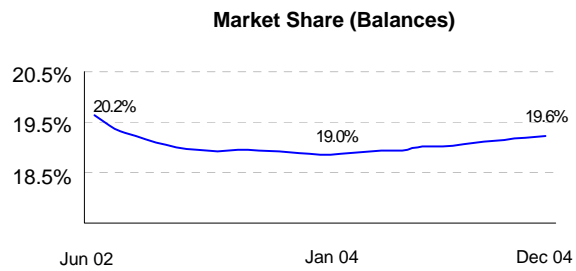
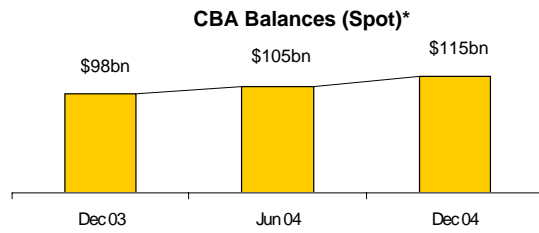
| | Dec 04 | Jun 04 | Dec 03 | Dec 04 v. Jun 04 | Dec 04 v. Dec 03 |
|--|--------|--------|--------|---------------------|---------------------|
| Domestic growth profile (\$bn) | | | | | |
| Loan Funded | 22.5 | 20.4 | 23.1 | 10% | -3% |
| Reductions | 13.2 | 11.0 | 15.5 | 21% | -15% |
| Net Growth | 9.2 | 9.4 | 7.6 | -2% | 22% |
| Total home lending | | | | | |
| Australian Lending assets (\$bn) | 121.7 | 112.4 | 103.0 | 8% | 18% |
| Securitisation (\$bn) | -6.4 | -7.6 | -5.3 | -16% | 21% |
| Net (Australia) | 115.3 | 104.8 | 97.7 | 10% | 18% |
| Asia Pacific lending assets (\$bn) | 18.9 | 17.0 | 14.5 | 12% | 31% |
| Totals (adjusted for rounding) | 134.3 | 121.9 | 112.2 | 10% | 20% |
| Home Lending statistics (domestic balances gross of securitisation) | | | | | |
| Balances Mix (%): | | | | | |
| | Dec 04 | Jun 04 | Dec 03 | | |
| Owner Occupied | 56% | 57% | 58% | | |
| Investment Home Loans | 35% | 35% | 34% | | |
| Line Of Credit | 9% | 8% | 8% | | |
| Variable | 65% | 63% | 60% | | |
| Fixed | 20% | 20% | 21% | | |
| Honeymoon | 15% | 17% | 19% | | |
| Originations (%): | | | | | |
| | Dec 04 | Jun 04 | Dec 03 | | |
| 3rd Party | 32% | 28% | 24% | | |
| Proprietary | 68% | 72% | 76% | | |
| Broker originated loans as % of Aust. Book | 19% | 16% | 13% | | |

Which Bank

CommonwealthBank  28

Banking – Domestic home lending

- CBA balances up 10% in the half
- New fundings up 10% on June half
- Retention improvements sustained
- 11 consecutive monthly share increases
- Stable margins since June 04



* Net of securitisation

Which Bank

CommonwealthBank  29

Other Key Information

Notes

Household Deposits- Balance Growth Jun 04 to Dec 04

| | Dec-04 (\$bn) | Jun-04 (\$bn) | Mvt (%) |
|--------------------------|------------------|------------------|-------------|
| CBA (unadjusted) | 75.6 | 73.3 | |
| MISA reclassification* | 0.0 | 0.8 | |
| CBA (adjusted) | 75.6 | 72.6 | 4.2% |
| WBC | 35.5 | 34.2 | 3.8% |
| ANZ | 25.8 | 24.7 | 4.8% |
| NAB | 33.3 | 31.9 | 4.3% |
| SGB | 26.5 | 25.8 | 2.5% |
| Subtotal* | 196.7 | 189.1 | 4.0% |
| Total ADI Market* | 249.4 | 236.4 | 5.5% |

Source : APRA - Household Deposits; * Adjusted for MISA reclassification September 2004

Total Australian Deposits

| | Dec 04 | Jun 04 | Mvt. % |
|---|--------------|--------------|-------------|
| Total deposits (\$bn) | 140.8 | 139.2 | 1.1% |
| Certificates of deposits and other ⁽¹⁾ | -21.4 | -24.1 | -11.2% |
| Sub total deposits (ex CD's and other) | 119.4 | 115.1 | 3.7% |
| of which Household deposits (as per APRA) | 75.6 | 72.6 | 4.2% |

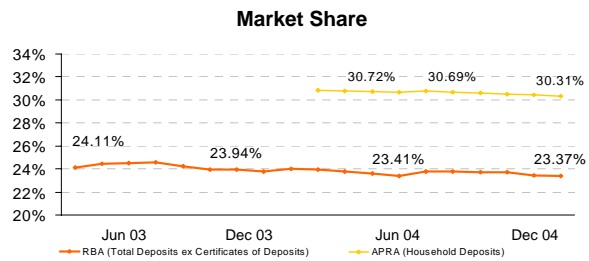
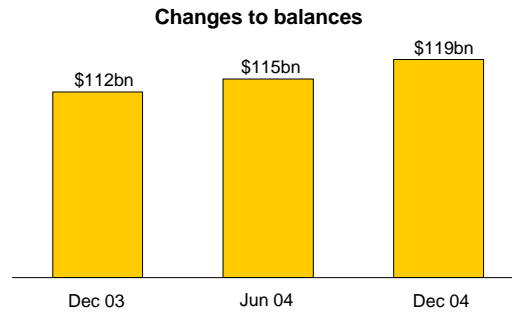
⁽¹⁾ Other includes securities sold under agreement to repurchase and short sales

Which Bank

CommonwealthBank  30

Banking - retail deposits

- Household balances grew by 4.2% since June 2004
- Growth in line with average of major bank competitors
- Margins maintained



Which Bank

CommonwealthBank

Other Key Information

Notes

- Relationship-managed client segments reduced from seven to three
- Dedicated national Agribusiness team created
- The Bank raised over \$34bn in debt and equity during the six months
- The Bank funded over \$21bn for business clients and \$3bn of new loans for premium high net worth individuals

CommSec

- CommSec continues to receive over 400m hits per month

Note: APRA excludes Bills and RBA includes Bills in Market Share data.

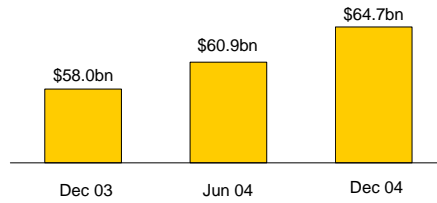
Which Bank

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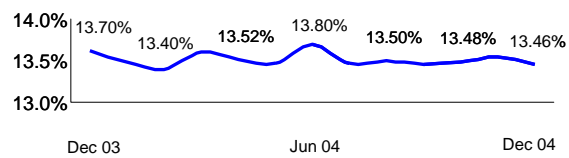
Banking – Business lending is competitive

CBA Business, Corporate and Institutional Lending Balances

- Increasingly competitive market
- Balances increased by 6% since June
- Stable margins
- Credit quality of the book is strong



CBA Business Lending Market Share ⁽¹⁾



⁽¹⁾ Source: RBA

Which Bank

CommonwealthBank

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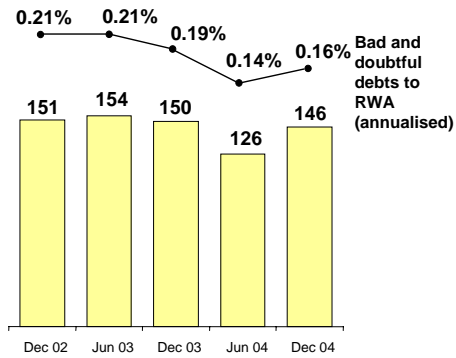
Other Key Information

Notes

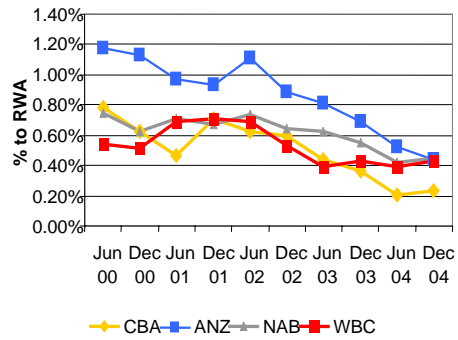
| | Dec 04 | Jun 04 | Dec 03 | |
|---|----------|----------|----------|-------|
| RWA | 180,673 | 169,321 | 157,471 | _____ |
| Charge for BDD (6 mths) | \$146m | \$126m | \$150m | _____ |
| Charge for BDD to RWA (annualised) | 0.16% | 0.14% | 0.19% | _____ |
| Gross impaired assets (net of interest reserved) | \$418m | \$340m | \$573m | _____ |
| Specific provisions | \$180m | \$143m | \$198m | _____ |
| General provisions | \$1,379m | \$1,393m | \$1,358m | _____ |
| General provisions to RWA | 0.76% | 0.82% | 0.86% | _____ |
| Credit risk statistics | | | | |
| <i>Commercial portfolio</i> | | | | |
| Top 20 corporate exposures (as % of total committed exposure) | 3.0% | 3.4% | 3.5% | _____ |
| % of all commercial exposures that are investment grade or better | 66% | 67% | 64% | _____ |
| % of non-investment grade covered by security | 84% | 79% | 81% | _____ |
| <i>Consumer portfolio</i> | | | | |
| % of gross lending for home lending | 60.0% | 59.0% | 59.0% | _____ |
| | | | | _____ |
| | | | | _____ |
| | | | | _____ |
| | | | | _____ |

Banking – bad and doubtful debts

Bad and doubtful debts expense (in \$m)



Gross impaired assets to RWA



Which Bank

CommonwealthBank

Which ^{new} Bank

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Segment Results: Funds Management

Which Bank

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Other Key Information

Notes

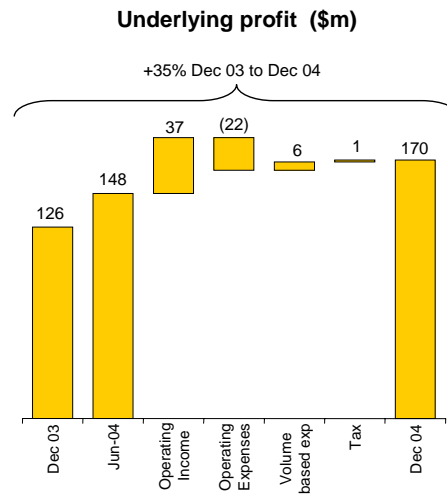
| | Dec 04 | Jun 04 | Dec 03 |
|---|-------------|---------------|---------------|
| FUA | | | |
| Av. FUA (\$bn) | 112 | 107 | 104 |
| Spot. FUA (\$bn) | 117 | 110 | 106 |
| Margins | | | |
| Operating earnings/ av. FUA | 1.1 | 1.09 | 1.13 |
| Net earnings/ av. FUA | 0.96 | 0.92 | 0.97 |
| Expenses | | | |
| Operating expenses/ av.FUA | 0.74 | 0.75 | 0.85 |
| Market shares | | | |
| Platforms (Sep 04 only) | 12.4% | 11.1% | 10.9% |
| Retail funds | 14.7% | 14.4% | 14.5% |
| Breakdown of retail funds invested | | | |
| Local equities | 23.9% | 23.6% | 24.6% |
| International equities | 18.1% | 18.4% | 18.3% |
| Listed direct and property | 17.5% | 16.8% | 16.3% |
| Fixed interest and cash | 39.5% | 40.1% | 39.9% |
| Other | 1.0% | 1.1% | 0.9% |
| Total | 100% | 100.0% | 100.0% |

Which Bank

CommonwealthBank  38

Funds Management – result

- Operating income growth of 6%
- Positive trends in funds flow
- Positive trends in performance
- Margins maintained
- Market shares have increased



Other Key Information

Notes

Total net flows

| | Dec 04 | Jun 04 | Dec 03 |
|-----------------------------|------------|-------------|-------------|
| FirstChoice & Avanteos | 3142 | 2220 | 1841 |
| Cash Mgt. | -6 | -360 | -392 |
| Other retail ⁽¹⁾ | -1357 | -2095 | -1832 |
| Wholesale | -1869 | -127 | -1004 |
| Property | -44 | 16 | -72 |
| International | 984 | 86 | 2565 |
| Total | 850 | -260 | 1106 |

⁽¹⁾ Includes Life company assets sourced from retail investors but not attributable to a funds management product (eg premiums from risk products). These amounts do not appear in retail market share data.

Retail flows and sales

| | (Sep qtr only) | (6 mths) | (6 mths) |
|---------------------------------------|----------------|----------|----------|
| Retail Net Flows⁽²⁾ | | | |
| CBA (\$m) | 371.97 | 315.51 | -193.54 |
| market (\$m) | 4462.3 | 7641.84 | 6452.03 |
| CBA ranking | 6 | 8 | 76 |

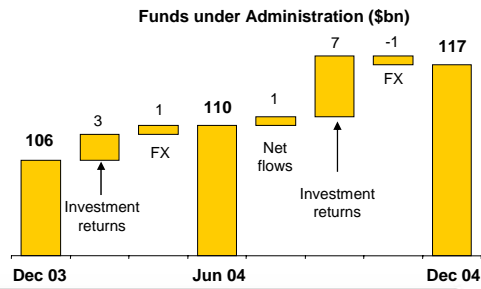
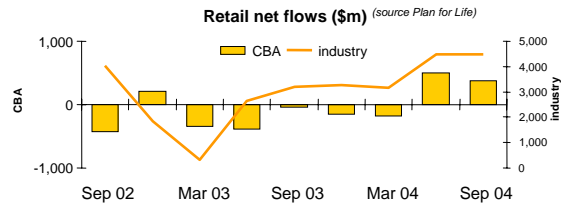
| | (6 mths) | (6 mths) | (6 mths) |
|---|----------|----------|----------|
| Retail Sales⁽³⁾ | | | |
| % total retail sales sourced from CBA Network | 48% | 45% | 43% |
| % total retail sales managed by CBA | 66% | 70% | 70% |

⁽²⁾ Net flows (sales less withdrawals) for retail products. Source: Plan for Life

⁽³⁾ Excludes legacy products. Source: CBA

Funds Management – Positive net flows

- Strong investment returns
- Highest retail industry net flows for 2 years.
- Record net flows into FirstChoice following product enhancements
- Retail market share at 14.7%



Which Bank

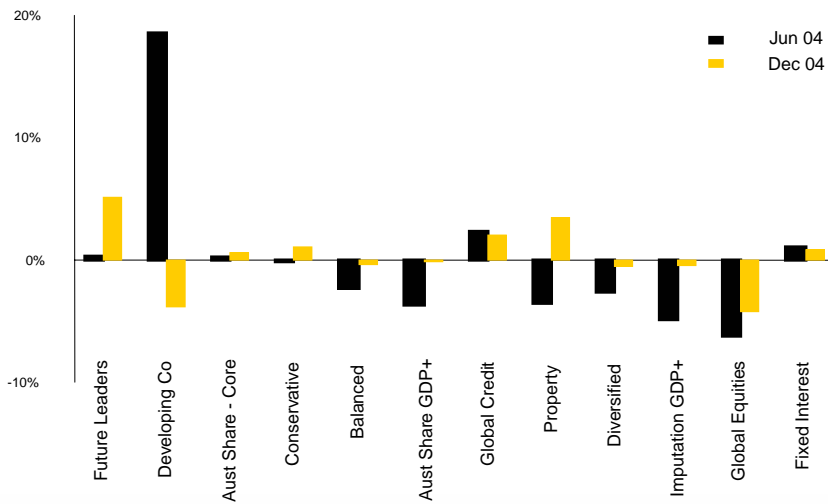
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Fund performance trend is improving

CFS Investments : Improving trends

June vs Dec 12 month excess return over benchmark (smallest to largest funds)



Which Bank

CommonwealthBank 43

Which ^{new} Bank

CommonwealthBank  44

Segment Results: Insurance

Which ^{new} **Bank**

CommonwealthBank  45

Other Key Information

| | 6 months ended | | |
|--|----------------|-----------|------------|
| | Dec 04 | Jun 04 | Dec 03 |
| Claims expense as % of net earned premium | | | |
| General | 60% | 43% | 78% |
| Life | 53% | 49% | 53% |
| Sources of profit | | | |
| Planned profit margins | 62 | 55 | 52 |
| Experience variations | -1 | -11 | 11 |
| Other | - | -10 | 2 |
| General insurance operating margin | 7 | 20 | -1 |
| Operating margins | 68 | 54 | 64 |
| After tax Shareholder investment returns | 92 | 44 | 89 |
| NPAT (cash) | 160 | 98 | 153 |

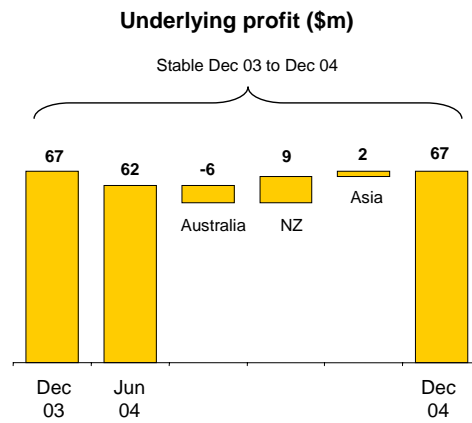
Breakdown of Shareholders' Funds

| | Dec 04 | Jun 04 | Dec 03 |
|------------------------|--------|--------|--------|
| Local equities | 6% | 7% | 10% |
| International equities | 6% | 5% | 5% |
| Property | 13% | 14% | 11% |
| Other growth | 1% | 1% | 4% |
| Growth | 26% | 27% | 30% |
| Fixed interest | 36% | 44% | 40% |
| Cash | 32% | 23% | 27% |
| Other income | 6% | 6% | 3% |
| Income | 74% | 73% | 70% |
| Total | 100% | 100% | 100% |

Notes

Insurance – Australian sales up 22%

- Improved insurance experience
- Insurance operating margins increased 26% since June 04
- General insurance premium income impacted by storm related claims



Other Key Information

Notes

| | FM | Life insurance | | | Total |
|--|--------------|----------------|--------------|------------|--------------|
| | | Australia | NZ | Asia | |
| <i>Carrying value</i> | | | | | |
| NTA | 504 | 952 | 437 | 567 | 2,460 |
| Value in force business | 1,948 | 425 | 311 | - | 2,684 |
| Embedded value | 2,452 | 1,377 | 748 | 567 | 5,144 |
| Value of future new business | 2,796 | 237 | 296 | 23 | 3,352 |
| Carrying value | 5,248 | 1,614 | 1,044 | 590 | 8,496 |
| Increase/(decrease) in carrying value | 109 | -47 | 66 | -34 | 94 |
| <i>Analysis of movement since 30 June 2004</i> | | | | | |
| Profits | 179 | 80 | 36 | 37 | 332 |
| Capital movements | -78 | 92 | -18 | - | -4 |
| Dividends paid | -82 | -351 | - | - | -433 |
| Acquisitions/disposals | -30 | - | - | - | -30 |
| FX movements | - | - | 4 | -70 | -66 |
| Change in Shareholders NTA | -11 | -179 | 22 | -33 | -201 |
| Acquired excess | 30 | - | - | - | 30 |
| Appraisal value uplift/(reduction) | 90 | 132 | 44 | -1 | 265 |
| Increase/(decrease) to 31 Dec 04 | 109 | -47 | 66 | -34 | 94 |

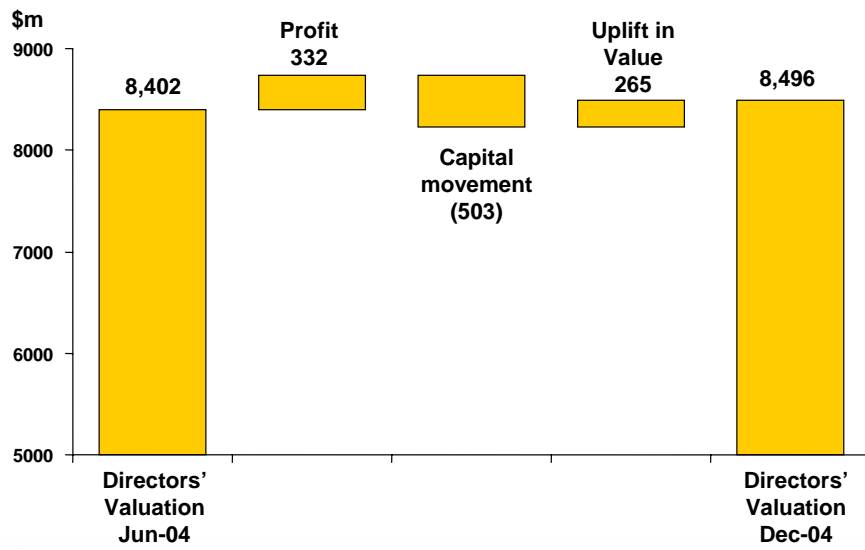
Shareholders' Funds

| | Dec 04 | Jun 04 | Dec 03 |
|---------------------------------------|--------|--------|--------|
| Balance of Shareholders' Funds (\$bn) | 2.5 | 2.7 | 2.9 |

Which Bank

CommonwealthBank  48

Value of Insurance and Fund Management Business increased \$265m



Which ^{new} Bank

CommonwealthBank  49

Which ^{new} Bank

CommonwealthBank  50

Capital Management

Which Bank

CommonwealthBank  51

Other Key Information

Notes

| Credit Ratings | Long Term | Short Term | Affirmed |
|---------------------------|------------------|-------------------|-----------------|
| Standard & Poors' | AA- | A-1 + | Dec-04 |
| Moody's Investor Services | Aa3 | P-1 | Dec-04 |
| Fitch Ratings | AA | F1+ | Dec-04 |

| Adjusted Common Equity | 31/12/2004 | 30/06/2004 | 31/12/2003 |
|--|-------------------|-------------------|-------------------|
| | \$M | \$M | \$M |
| Tier One Capital | 13,487 | 12,588 | 11,438 |
| Deduct: | | | |
| Eligible loan capital | (298) | (338) | (311) |
| Preference share capital | (687) | (687) | (687) |
| Other equity instruments | (1,573) | (1,573) | (832) |
| OEI ¹ | (518) | (190) | (181) |
| Investment in non-consolidated subsidiaries ² | (1,776) | (1,886) | (2,075) |
| Other deductions | (27) | (5) | - |
| Other | - | 139 | (86) |
| | 8,608 | 8,048 | 7,266 |
| Risk Weighted Assets | 180,673 | 169,321 | 157,471 |
| Adjusted Common Equity Ratio | 4.76% | 4.75% | 4.61% |

¹ Net of OEI component deducted from Tier One capital

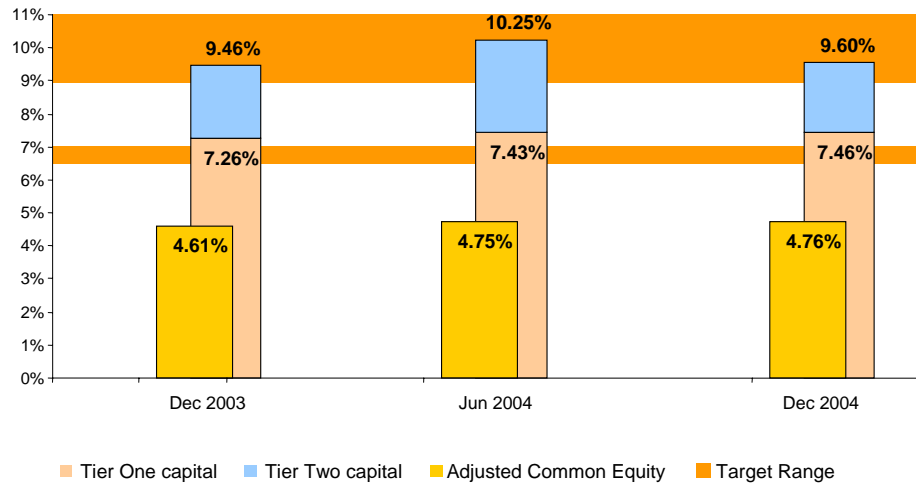
² Net of intangible component deducted from Tier One capital

Total Capital reduced at December following the redemption of a large number of Lower Tier Two notes and bonds and the stronger AUD.

Which Bank

CommonwealthBank  52

Capital ratios



Which Bank

CommonwealthBank  53

Other Key Information

Notes

- Surplus capital in Life Companies (\$m)

| | 31/12/2004 | 30/06/2004 | 31/12/2003 |
|-------------------|------------|------------|------------|
| Australia | | | |
| Statutory Funds | 138 | 337 | 381 |
| Shareholder Funds | 144 | 162 | 189 |
| Sub-Total | 282 | 499 | 570 |
| NZ | 54 | 65 | 81 |
| Asia | 121 | 76 | 115 |
| Other | 123 | 70 | 124 |
| TOTAL | 580 | 710 | 890 |

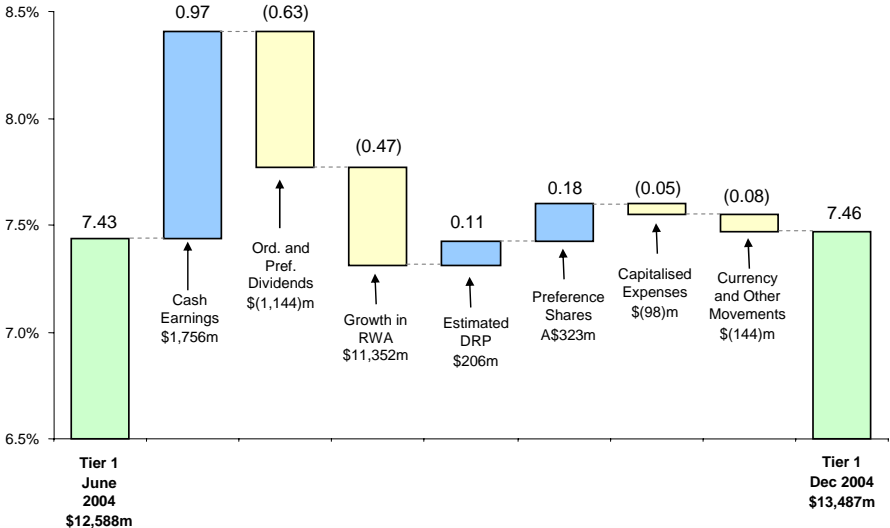
Note: "Other" mainly represents capital within the funds management business.

The reduction in surplus capital in Life & FM Businesses over the last year reflects the payment of dividends in excess of profits.

Which Bank

CommonwealthBank  54

Generation and use of Tier 1 capital



Other Key Information

Notes

Compliance projects

- Implementation for IFRS, Sarbanes Oxley and Basel II is on target
- Investment for all three projects in total is \$30-\$40m per year (2005 and 2006), which included \$15m in this period
- IFRS will first impact the December 2005 half year result

Which ^{new} Bank

CommonwealthBank  58

Highlights

- Underlying profit up 12% from Dec 03
- Cash EPS growth of 40% from Dec 03
- Dividend increase to 85c (79c in Dec 03)
- Productivity improvements in all segments
- Market position successfully maintained
- Which new Bank delivering

Presentation of Half Year Results for 31 December 2004

Michael Cameron
Chief Financial Officer

9 February 2005



Which Bank

CommonwealthBank  60

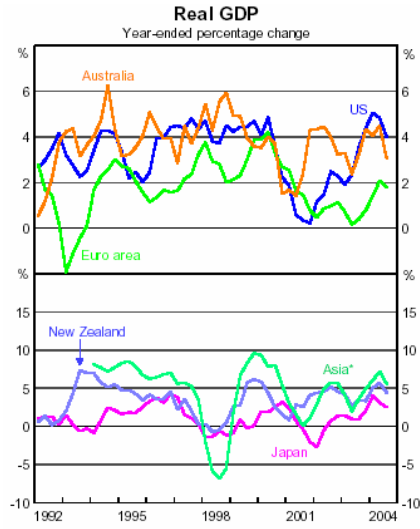
Supplementary materials

Which ^{new} **Bank**

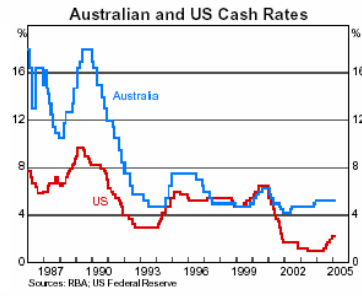
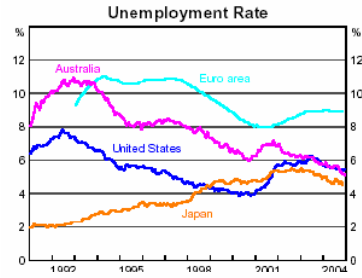
CommonwealthBank  61

Economy

GDP, unemployment and cash rates

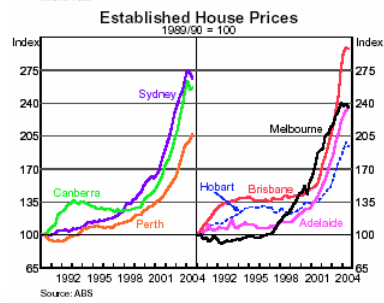
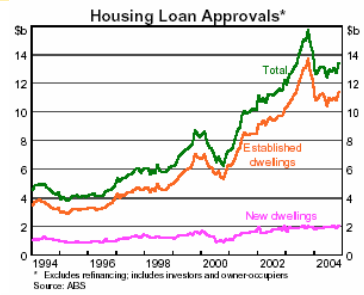
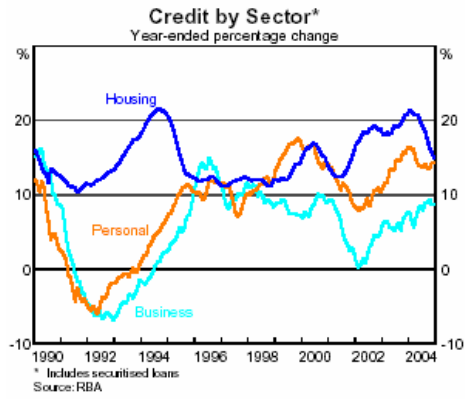


* Hong Kong, Indonesia, Korea, Malaysia, Philippines, Singapore, Taiwan and Thailand
Sources: ABS, CEC, Thomson Financial



Sources: RBA, US Federal Reserve

Credit growth



Which Bank

CommonwealthBank



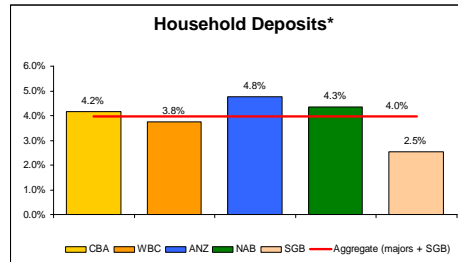
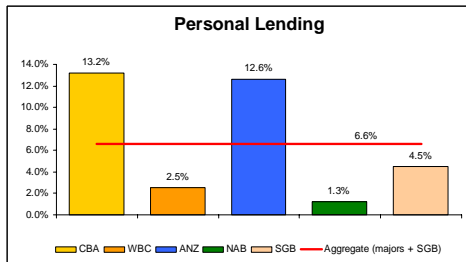
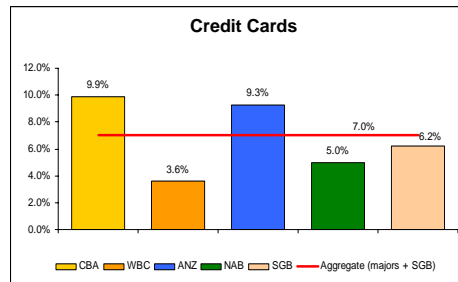
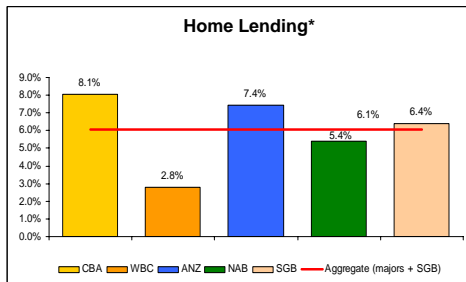
Banking

Which ^{new} Bank

CommonwealthBank  65

Strong growth in key retail markets

Source: APRA - Growth in balances June 2004 to December 2004



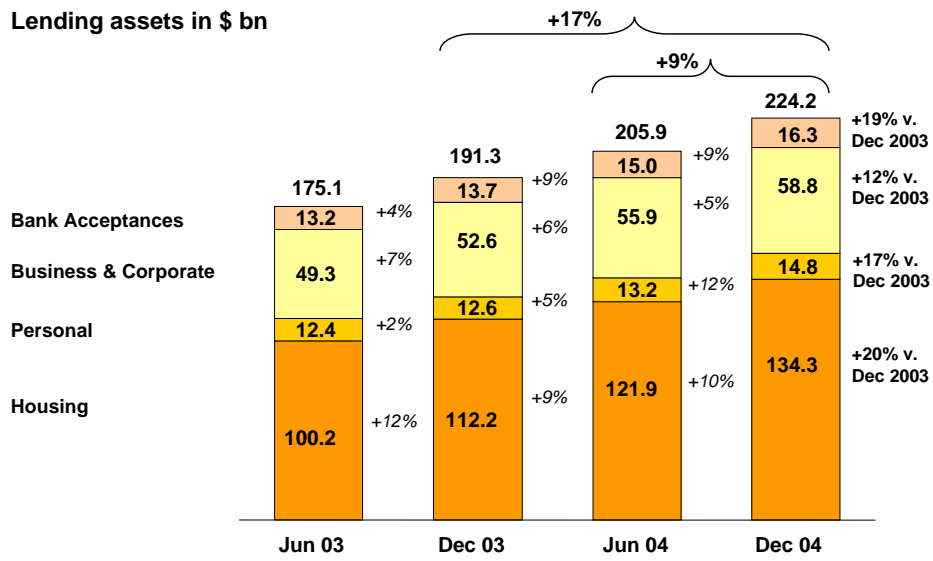
* Adjusted for MISA reclassification September 2004



Banking

17% growth in lending assets*

Lending assets in \$ bn



*Lending assets excludes securitised housing loan balances: \$6.4bn (Dec 04), \$7.6bn (Jun 04), \$5.3bn (Dec 03), \$6.5bn (Jun 03)

Which Bank

Commonwealth Bank

67

Funds Management

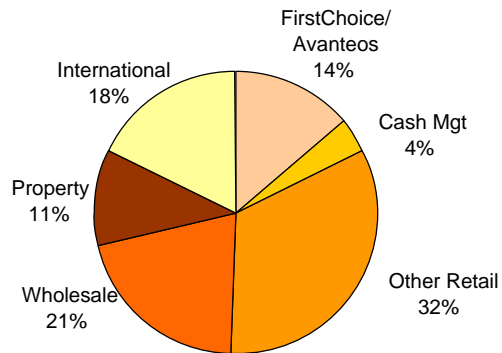
Which Bank

CommonwealthBank  68

Well diversified product mix – platforms rapidly growing share

Funds Under Administration 31 December 2004

Total FUA = \$117.4 billion



Source – Internal Analysis

Which Bank

Commonwealth Bank



69

Insurance

Which Bank

CommonwealthBank  70

Funds Management & Insurance Investment Mandate Structure

The Bank has \$2.5bn of shareholders funds across its insurance and funds management business, which is invested in:

| | Australia | New Zealand | Asia | Total |
|------------------------|-----------|-------------|------|-------|
| Local equities | 8% | 1% | 5% | 6% |
| International equities | 4% | 7% | 10% | 6% |
| Property | 21% | 4% | 1% | 13% |
| Other Growth | 0% | 3% | 3% | 1% |
| Growth: | 33% | 15% | 19% | 26% |
| Fixed Interest | 24% | 50% | 56% | 36% |
| Cash | 43% | 26% | 8% | 32% |
| Other Income | 0% | 9% | 17% | 6% |
| Income: | 67% | 85% | 81% | 74% |
| Total | 100% | 100% | 100% | 100% |

Which Bank

CommonwealthBank  71

Capital Management

Which ^{new} **Bank**

CommonwealthBank  72

Preference share information

Preference share dividends paid

| | 31/12/2004 | 30/06/2004 | 31/12/2003 | 30/06/2003 | Franked / Imputed |
|----------------------------|------------|------------|------------|------------|----------------------|
| PERLS | 20 | 20 | 18 | 18 | F |
| PERLS II | 17 | 15 | - | - | F |
| Trust Preferred Securities | 20 | 23 | 17 | - | - |
| ASB Capital prefs | 4 | 4 | 4 | 4 | I |
| ASB Capital No.2 prefs | - | - | - | - | I |
| TOTAL | 61 | 62 | 39 | 22 | |

Preference shares - breakdown

| | Issue Date | Currency | Amount (\$M) | Equivalent AUD * | Maturity | Balance Sheet Classification |
|----------------------------|------------|----------|--------------|---------------------|-----------|---------------------------------|
| PERLS | 06-Apr-01 | AUD | \$700 | \$687 | Perpetual | Preference share capital |
| PERLS II | 06-Jan-04 | AUD | \$750 | \$741 | Perpetual | Other equity instruments |
| Trust Preferred Securities | 06-Aug-03 | USD | \$550 | \$832 | 12 years | Other equity instruments |
| ASB Capital prefs | 10-Dec-02 | NZD | \$200 | \$182 | Perpetual | Outside equity interests |
| ASB Capital No.2 prefs | 22-Dec-04 | NZD | \$350 | \$323 | Perpetual | Outside equity interests |
| TOTAL | | | | \$2,765 | | |

* Net of issuance costs

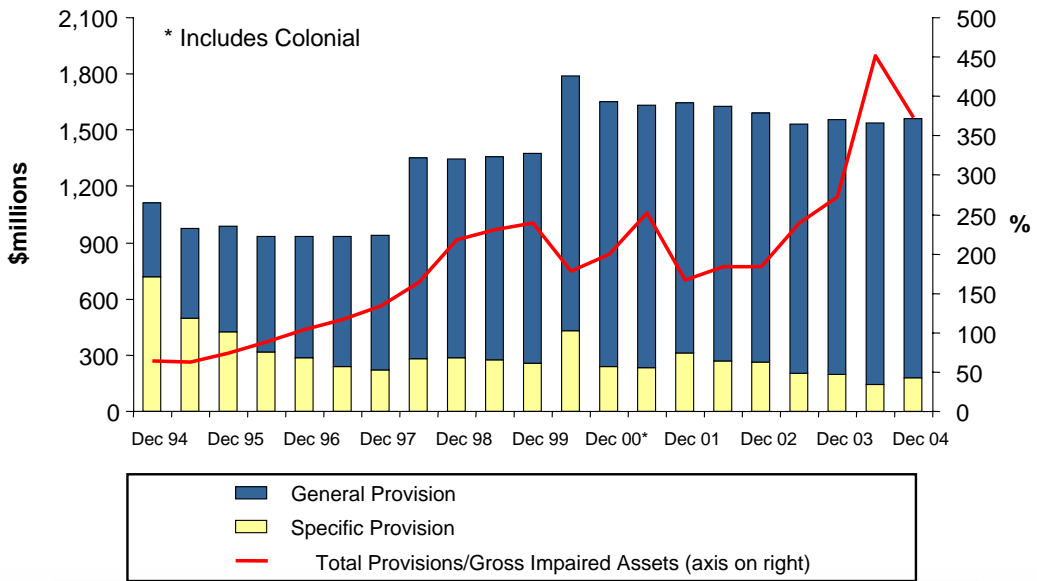


Credit Risk Management

Which ^{new} **Bank**

CommonwealthBank  74

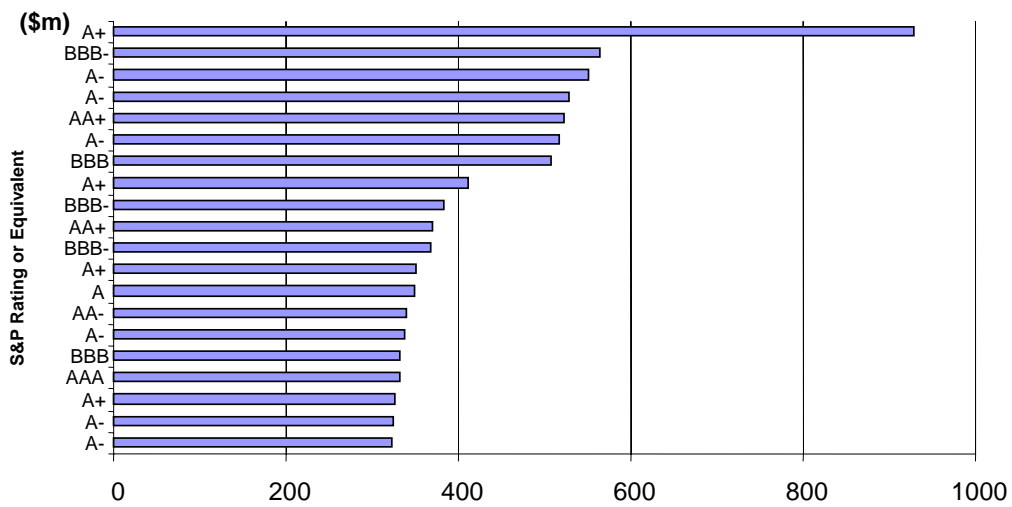
The Bank remains well provisioned



Which Bank

CommonwealthBank  75

Banking - Top 20 corporate commercial exposures

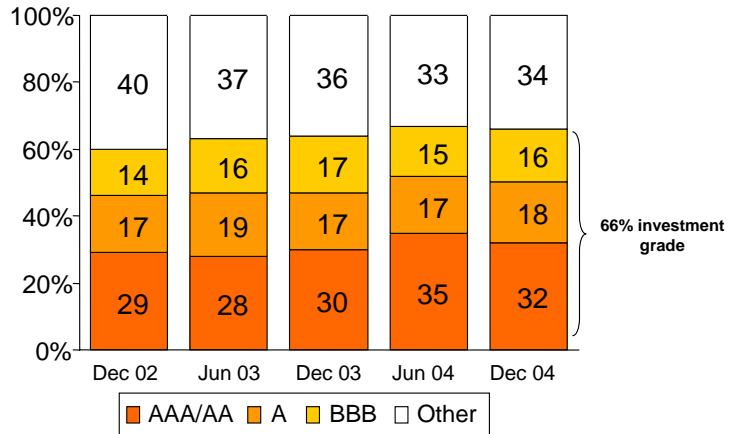


Top 20 exposures – excludes finance and government – comprise 3.0% of committed exposures (3.4% as at Jun 04, 3.5% as at Dec 03)



Banking - Quality of commercial risk-rated exposures

Quality of commercial risk-rated exposures:
There is security over 84% of the non-investment grade exposure



Includes finance, insurance and government, individually rated counterparties



Banking

Arrears in consumer book remain low

Consumer arrears

| | 31/12/2004 | 30/06/2004 | 31/12/2003 | 30/06/2003 |
|--------------|------------|------------|------------|------------|
| | \$m | \$m | \$m | \$m |
| Home lending | 176 | 168 | 147 | 157 |
| Other Loans | 94 | 78 | 66 | 91 |
| Total | 270 | 246 | 213 | 248 |

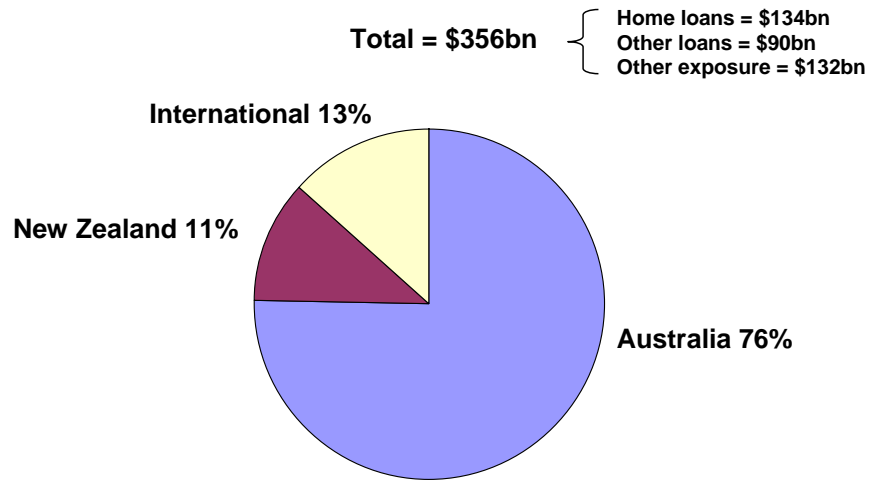
Home lending arrears rate (\$m)

| | 31/12/2004 | 30/06/2004 | 31/12/2003 | 30/06/2003 |
|-----------------------------|----------------|----------------|----------------|----------------|
| Home lending loans accruing | | | | |
| 90 days or more | 176 | 168 | 147 | 157 |
| Net home lending* | 134,258 | 121,850 | 112,228 | 100,203 |
| Arrears rate % | 0.13% | 0.14% | 0.13% | 0.16% |

* Net of securitisation



Banking - Total geographic exposure* (commercial + consumer)



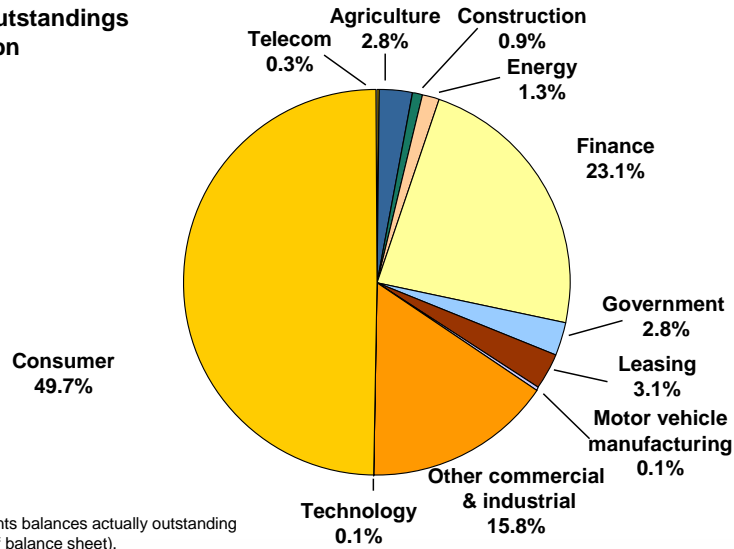
*Total exposure = balance for uncommitted, greater of limit or balance for committed.

Which Bank

CommonwealthBank  79

Banking - Total outstandings* (commercial + consumer)

Total Outstandings
\$283.6 bn



* Represents balances actually outstanding (on and off balance sheet).

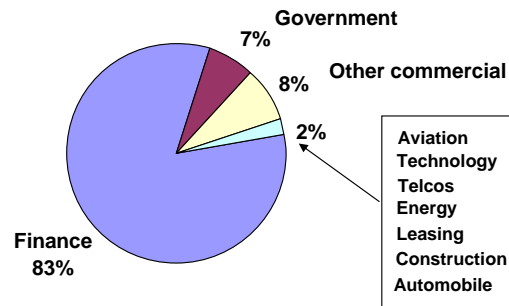
Which Bank

CommonwealthBank  80

Banking – International commercial exposures*

International exposure by Industry

Total Exposure
\$48bn



Total non-finance off-shore outstandings = \$7.6bn of which over 90% are investment grade.

*Total exposure = balance for uncommitted, greater of limit or balance for committed. Excludes ASB

Which Bank

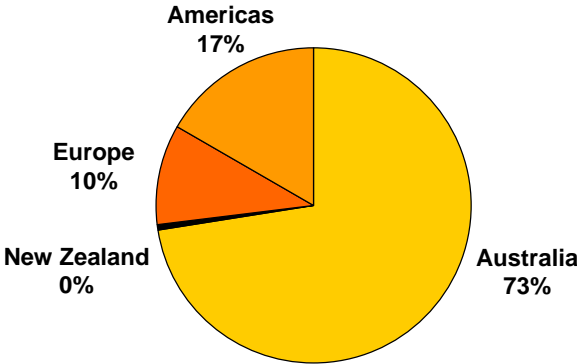
CommonwealthBank  81

Banking Credit Exposure – selected industries

Automotive manufacturing

Total exposure: \$506m

| Rating | \$m |
|--------------|------------|
| AAA to A- | 57 |
| BBB+ to BBB- | 150 |
| BB to BB- | 189 |
| < BB- | 110 |
| TOTAL | 506 |



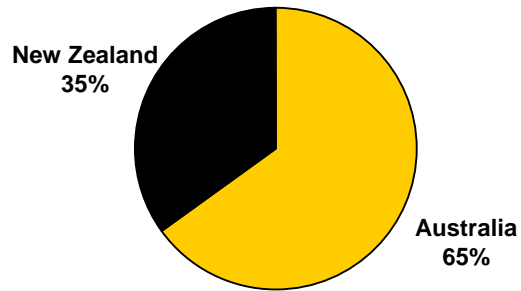
*Total exposure = balance for uncommitted, greater of limit or balance for committed.



Banking Credit Exposure – selected industries Agriculture

Total exposure: \$9,090m

| Rating | \$m |
|--------------|--------------|
| AAA to A- | 307 |
| BBB+ to BBB- | 1,397 |
| BB to BB- | 2,766 |
| < BB- | 4,620 |
| TOTAL | 9,090 |



*Total exposure = balance for uncommitted, greater of limit or balance for committed.

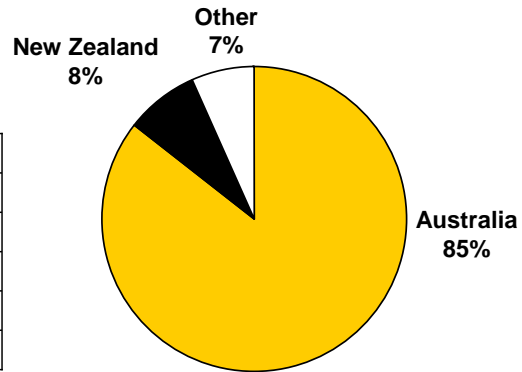
Which Bank

CommonwealthBank  83

Banking Credit Exposure – selected industries Aviation

Total exposure: \$1,802m

| Rating | \$m |
|--------------|--------------|
| AAA to A- | 558 |
| BBB+ to BBB- | 1,015 |
| BB to BB- | 197 |
| < BB- | 32 |
| TOTAL | 1,802 |



*Total exposure = balance for uncommitted, greater of limit or balance for committed.

Which Bank

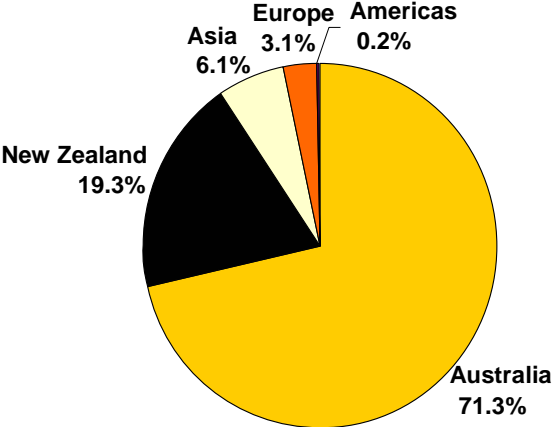
CommonwealthBank  84

Banking Credit Exposure – selected industries

Energy

Total exposure: \$5,049m

| Rating | \$m |
|--------------|--------------|
| AAA to A- | 1,205 |
| BBB+ to BBB- | 2,981 |
| BB to BB- | 545 |
| < BB- | 318 |
| TOTAL | 5,049 |



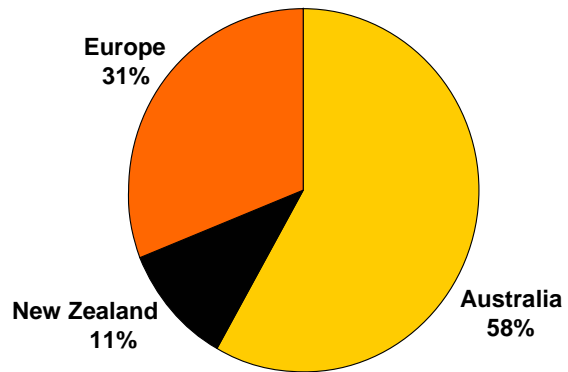
*Total exposure = balance for uncommitted, greater of limit or balance for committed.



Banking Credit Exposure – selected industries Telcos

Total exposure: \$888m

| Rating | \$m |
|--------------|------------|
| AAA to A- | 308 |
| BBB+ to BBB- | 466 |
| BB to BB- | 53 |
| < BB- | 61 |
| TOTAL | 888 |



*Total exposure = balance for uncommitted, greater of limit or balance for committed.

Which Bank

CommonwealthBank  86

Presentation of Half Year Results for 31 December 2004

Michael Cameron
Chief Financial Officer

9 February 2005



Which Bank

CommonwealthBank  87