

## **Commonwealth** Bank

Commonwealth Bank of Australia  
ABN 48 123 123 124  
Communication, Community and Reputation  
GPO Box 2719  
Sydney NSW 1155  
www.commbank.com.au



**18 APRIL, 2005**

### **Colonial First State Hybrid Securities Offer**

**Sydney 18 April 2005:** Commonwealth Bank of Australia (the Bank) and Colonial First State Issuer No. 1 Limited today announced a \$650 million offer of Colonial First State Hybrid Securities (Securities).

The Securities, to be issued by Colonial First State Issuer No. 1 Limited (Issuer), are cumulative, non-convertible preference shares where dividends, and in some cases repayment of capital, depend on the fees generated by the Australian funds management business currently conducted by Colonial First State Investments Limited (CFSI). CFSI is a member of the Colonial Group which is wholly owned by the Bank. Standard and Poor's has rated the Securities A-.

The Issuer intends to raise \$650 million by offering 6.5 million Securities at an Issue Price of \$100 each. The Securities will be offered to institutional and retail investors with a registered Australian address. The minimum investment is \$5,000 or 50 Securities.

Stuart Grimshaw, Group Executive, Wealth Management, said, "The offer gives investors an opportunity to diversify their portfolio to include an exposure to fees earned by Australia's leading funds management business."

The proceeds will be used to reduce debt in the Colonial Group and return capital to the Bank.

Michael Cameron, the Bank's Chief Financial Officer, said, "The offer is a key part of the Bank's active capital management programme and strengthens the Bank's capital ratios as well as providing further capital diversification."

The key features and timetable for the offer of the Securities are set out below. Details of the offer will be contained in the Prospectus which investors should read in full. Anyone wishing to acquire Securities will need to complete the application form that will accompany the Prospectus.

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### **Key Features**

#### **Floating Dividend Rate**

The Securities offer a floating rate of return from a combination of cash Dividends and franking credits. The return, inclusive of franking credits (i.e. on a grossed up basis), is calculated each quarter as the sum of the Bank Bill Rate per annum plus a Margin to be determined through a Bookbuild to be conducted on 22 April 2005.

Dividends are payable quarterly in arrears (subject to satisfaction of certain conditions). Dividends must not exceed a limit which is calculated by reference to a portion of the fees generated by the Australian funds management business currently conducted by CFSI.

#### **Dividend Step-Up**

The Margin component of the floating rate return will increase by 1.00% on the first dividend payment date after the fifth anniversary of the issue of the Securities, if the Securities have not been redeemed by that date.

#### **Redemption**

The Bank may, in its discretion, exercise an option at any time after the fifth anniversary of the issue of the Securities (or earlier on an Early Termination Event), which, if exercised, will result in the redemption of all of the Securities at the \$100 Issue Price plus any unpaid dividends. Other circumstances in which redemption may occur are disclosed in the Prospectus.

#### **Non-Convertible**

The Securities are not convertible into shares or other securities issued by the Bank.

#### **Quoted on ASX**

The Issuer is applying to have the Securities quoted on ASX.

#### **Credit Rating**

Standard & Poor's has rated the Securities A-.

#### **Advisors**

Merrill Lynch has been appointed Sole Underwriter and Bookrunner for the offer. CommSec has been appointed as Arranger.

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### ***Summary of Key Dates***

Announcement of Offer and lodgement of Prospectus with ASIC	18 April 2005
<b>Eligible Holder Record Date</b>	<b>22 April 2005</b>
Bookbuild	22 April 2005
Announcement of Margin	26 April 2005
<b>Opening Date</b>	<b>27 April 2005</b>
Closing Date	20 May 2005
Allotment Date	27 May 2005
Commencement of deferred settlement trading	27 May 2005
Dispatch of holding statements	1 June 2005
Commencement of normal trading	2 June 2005
First Dividend Payment Date	22 August 2005
Step-Up Date	20 August 2010

These dates are indicative only and are subject to change.

### ***Not Issued or Guaranteed by the Bank***

The Securities do not represent an investment in, or deposit with, or a liability of, or a funds management product issued by, the Bank, CFSI or any other member of the Bank Group. None of the Bank, CFSI or any other member of the Bank Group guarantees the performance of the Issuer or the Securities or the payment or repayment or the return of, any principal invested in, or any particular rate of return on, the Securities. None of the obligations of the Issuer to Holders are secured and none of the Issuer's obligations are in any way guaranteed by the Bank, CFSI or any other member of the Bank Group.

The Securities are issued by the Issuer and not by the Bank, CFSI or any other member of the Bank Group. Holders of the Securities have no direct recourse against the Bank, CFSI or any other member of the Bank Group.

The holding of the Securities is subject to investment risk, including possible delays in repayment and loss of income and principal invested.

For specific information in relation to the Offer of the Securities, please contact: Colonial First State Hybrid Securities Information Line on 1800 451 641.

# Media Release Media Release

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**ENDS**

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