

**Chairman's Responses to Questions Submitted by Shareholders
2005 Annual General Meeting
28 October 2005**

I would like to thank shareholders for responding to our invitation to submit questions in writing ahead of the meeting.

Why do you always hold the AGM in Sydney, shouldn't other cities have the opportunity for shareholders to meet management?

We have been asked again why we do not alternate between different venues for our AGM. To date we have adopted an approach to allow shareholders, wherever they may live, to have access to the AGM via web cast facilities and we initiated a mechanism for shareholders to send in questions where they are not able to attend.

However, given this is an issue that has been raised before, I will undertake a review of our policy in this regard.

Please explain the composition of the Board, why don't you have more female directors?

In relation to the detail on the composition of the Board, I refer you to the Corporate Governance section in the Concise Annual Report, specifically from pages 12 – 18. Here you will see a brief biography on each director highlighting the experience they bring to the Board, in addition you can read about the Board Charter and about Selection of Directors among other things.

The Nominations Committee has developed a set of criteria for director appointments which have been adopted by the Board. These criteria, which are reviewed annually, ensure that any new appointee is able to contribute to the ongoing effectiveness of the Board, and has the ability and experience to exercise sound business judgement, to think strategically and has demonstrated leadership experience, high levels of professional skill and excellent personal qualities.

The Board has also established the experience and skills which need to be represented amongst the directors as a group. For example the CBA Board needs specific accounting and financial management experience, marketing and retailing distribution skills, international business experience, risk management expertise and experience managing large organisations.

The composition of the Board must provide an excellent mix of judgement, business experience and skill. The particular experience and expertise each

director brings to the Board has to create an integrated whole that works cohesively and effectively for shareholders.

The Board uses the services of a search firm to aid in the identification of new directors.

The question also raised by shareholders, is why there are not more women on the Board? We currently have two female Board members who are excellent directors. They were not chosen because they were women, but, like every other member, because of the experience and expertise they bring to the Board. The Commonwealth Bank is an equal opportunity employer. Our approach has always been merit based, and we choose those directors and executives who have the most appropriate skills and experience for the role.

How secure is the new NetBank website?

We believe the new NetBank website incorporates the highest standards in security and is continuously upgrading. Some of the changes that have been implemented include:

- NetBank Security Alerts – email messages to confirm certain activities on your NetBank account. For example, security alerts will notify you of a first time third party payment or changes to your details;
- NetBank Audit Trail – provides a log of all your NetBank activities, including any changes to your account information;
- New Help Desk Procedures – include an improved process for identifying customers using two confidential questions and answers provided by the customer;
- Account Balances page now provides you with the date and time that you last logged onto NetBank;
- You can now set up additional NetBank access to your accounts where you can choose the accounts and services to be displayed, as well as restrict the functionality. This would be ideal for situations where you are using unfamiliar computers and don't need access to all accounts or services;
- And finally, we have introduced a range of new detection and monitoring processes.

In addition, we have an active program of detecting and monitoring websites, phishing e-mail and fraudulent NetBank transactions. We work closely with the relevant authorities and with other banks locally and overseas to ensure we identify and respond to new threats as they emerge. To date, there has been no successful hacking of our systems, but we have experienced, in common with others, some identity fraud.

Additional security enhancements including two factor authentication are under development.

What evidence is there of improvements in customer service?

The Which new Bank program is aimed at providing great customer service through engaged people and simple processes. The program has achieved a lot, but much is still to come, and I expect it will really make a difference when CommSee, our new customer management platform is rolled out to all branches, and our staff has had time to be trained and become familiar with its use.

Although it is still relatively early days we have seen:

- On the spot decisions – home loan, personal loan and credit card applications conditionally approved within 20 minutes increased from 11 per cent to over 43 per cent;
- A further 127 branches were refurbished in the 2005 financial year, bringing the number of branches modernised to help our people provide faster, more efficient service total to 252; and
- The new NetBank platform was introduced in April 2005 providing enhanced functionality and greater flexibility for our 2 million on line customers.

We know there is still plenty of room for improvement in customer service and will be working hard to deliver that improvement.

Why doesn't the Bank provide Shareholder Discounts?

A number of shareholders have asked why we do not offer shareholder discounts. This matter was also raised last year, and we advised shareholders at last year's AGM that we believe shareholders are most appropriately compensated by the returns they receive on their investment in the Bank.

Shareholders, like customers, have different needs and we don't believe it is possible to design a shareholder benefits package which would be of equal benefit to our diverse range of shareholders.

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