

youth

Commonwealth Bank's aim is to expand the relevance of our brand to the youth market and meet their financial services needs as they develop. The Bank's dedicated youth services, for more than 2 million young Australians, begin with Dollarmite savings accounts for pre-schoolers and primary school students, and Club Australia accounts for secondary students. During the year, over 157,000 Dollarmite and 73,000 Club Australia accounts were opened. Student Pack, comprising a suite of banking options (transaction and savings accounts, credit cards, personal loans and campus loans), is tailored to meet the needs of tertiary students, and was launched during various university orientation weeks around Australia. AwardSaver, an account where bonus interest can be earned (where a deposit is made and no withdrawals are made in a calendar month), was very successful and 425,000 accounts were opened during the year. Personal loans are available to eligible Australians over the age of 18.

Personal loans to youth comprise a small proportion of total personal loans outstanding. The Bank's leading personal loan market share position, was maintained during the year following the reduction in interest rates and processing improvements (to increase the competitiveness of the product). Commonwealth Bank recognises that young people have adopted the Internet as one of their main communication mediums. In March 1999, the Bank commenced the first stage of its programme to reach youth through the Internet via dotComm, a dedicated youth site located on the Commonwealth Bank's web site (www.commbank.com.au/dotcomm). The main features of dotComm include sections on managing finances, career and study, and lifestyle and entertainment. Two channels most attractive to youth are ATMs and telephone banking, while all customer groups are embracing electronic and on-line banking. The ratio of customer initiated branch to electronic transactions has changed from 40:60



in June 1995 to 22:78 in June 1999. The Bank operates the largest proprietary ATM network in the country, with terminal numbers increasing during the year by 4% to over 2,600 (as at 30 June 1999). The ATM network currently handles approximately 680,000 transactions a day, an increase of 8% since 30 June 1998. Commonwealth Bank provides a comprehensive range of services via the telephone, offering customers

Making it happen for young people... www.commbank.com.au/dotcomm

Mobile Phone Banking



Personal Loans



access to account and product details, and the ability to transfer funds seven days a week. Commonwealth Bank's 13 2221 customer service line received a total of 73.9 million calls over the year (an average of 1.4 million calls per week) of which over 80% were handled by automated voice response devices (non-operator). Over 2.7 million customers now hold telephone banking passwords.

Mobile phones are increasingly popular among youth. In June 1999, Commonwealth Bank and Vodafone formed a strategic alliance to offer Australia's first mobile phone banking service to enable customers to conduct a comprehensive range of banking transactions using SMS (short message service) technology.

Deposit funds held by young people form part of the \$67.0 billion of retail deposits held by the Bank (as at 30 June 1999). The Bank has a relative advantage over competitors in sourcing retail deposit funds, by continuing to maintain the broadest representation network of any bank in Australia. This retail deposit base represents an estimated market share of 22% (Reserve Bank of Australia, May 1999), making the Commonwealth Bank the largest holder of deposits in Australia. Over the past three years, the Bank's share of retail funding has remained relatively stable, but its reliance on wholesale funding is increasing, reflecting the competition within the banking industry and from the funds management industry.

individuals

Consumer lifestyles are changing rapidly in line with changes in technology and demographics. Many customers now have more demands on their time, and search for convenient ways of accessing financial services.

Commonwealth Bank aims to become a preferred provider of financial products and services for all Australians by providing accessibility and convenience.

Internet

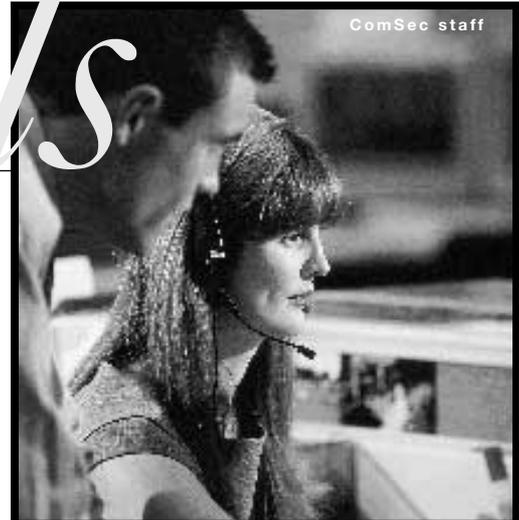
One way for customers to save time is to use the telephone or the Internet for their financial service needs.

An example of this is direct broking, which is provided through ComSec.* ComSec is Australia's largest retail stockbroker handling 7% of the total number of transactions on the Australian Stock Exchange.

ComSec's aim is to provide easy, low cost and convenient access to the stockmarket for all Australians. ComSec services over 350,000 clients, an increase of 71% since 30 June 1998.

ComSec is Australia's most visited financial Internet site and largest Internet stockbroker. The number of hits to the Internet site per month at www.comsec.com.au has increased tenfold from 4 million in June 1998 to 40 million per month by June 1999. Over the year, ComSec processed almost 800,000 transactions, split evenly between telephone trades on 13 15 19 and Internet orders. The Internet represents an increasing proportion of total trades. International investment opportunities can now be serviced by ComSec's twenty-four hour facility for trading shares on the major US Stock Exchanges, including the New York Stock Exchange and NASDAQ. A stock custody service in co-operation with the Bank of New York is also provided.

Further support for the Bank's developments in e-Commerce has come via the Commonwealth Direct Investment account. The enhanced investment account is a highly competitive, at-call interest rate account for balances of \$5,000 or more which is designed to meet the



special needs of investors who trade predominantly through the Internet. Another useful product which customers can access over the Internet is Funds Direct, providing clients with a sophisticated tool to analyse, compare and purchase

*Commonwealth Securities Limited (ComSec) is the wholly owned but not guaranteed stockbroking subsidiary of the Commonwealth Bank of Australia.

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travelling to New Zealand



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investments in more than 250 managed funds from 28 leading Australian fund managers. Investors utilising this Internet facility pay little or no entry fees if they choose to invest in one of the funds. Customers who are interested in share purchases can do so via a Commonwealth Margin Loan, which is designed to provide clients with a competitive share financing facility for equities and unit trust investments.

ASB Bank Group (New Zealand)

Commonwealth Bank is also involved in direct banking in New Zealand, via its 75% owned subsidiary, ASB Bank Group. ASB conducts New Zealand's

leading direct bank, BankDirect, providing telephone-based loan origination. BankDirect represents 4% of ASB Bank's personal loan advances, and is averaging an 8% share per month of new home lending. ASB Bank has also launched Internet-based services, with over 15,000 customers registered as at June 1999. ASB Bank Group is New Zealand's fastest growing full service bank, meeting the transactional banking, insurance and investment requirements of over 800,000 customers throughout New Zealand. ASB acquired life insurance and funds management company, Sovereign Group in December 1998.

individuals

Commonwealth Bank Group provides a wide range of financial services to all its customers.

Financial Services

Customers may wish to invest in a variety of managed funds, either as part of a superannuation plan or as part of an ongoing savings plan. Retail managed funds and life insurance products are sold through the Bank's distribution network to over 557,000 customers.

Approximately 800 trained and licensed investment advisers, conveniently located throughout the branch network, are available to meet the investment needs of customers. During the year, gross sales of \$8.3 billion in managed products, superannuation and other investment products were achieved.

The Commonwealth Bank Group provides funds management and life insurance products through its Commonwealth Financial Services (CFS) group of companies.

Commonwealth Financial Services is the registered business name used by

Commonwealth Life Limited (CLL), Commonwealth Investment Services Limited and Commonwealth Custodial Services Limited. The Bank is continuing to integrate CFS products into its distribution system. CFS also includes Commonwealth Funds Management Limited. The Bank does not guarantee the obligations or investment performance of these subsidiaries or the products they offer. CFS manages wholesale funds on behalf of major Australian companies, government funds, friendly societies and the Bank's staff superannuation fund. In addition, the group manages the funds of individual investors in CLL's statutory funds and through CFS's retail unit trust product range. CFS is the fifth-largest funds manager and second-largest retail funds manager in Australia. Funds under management have grown 24% to \$27.2 billion (as at 30 June 1999), including growth of 23% in retail funds to \$15.6 billion, and growth of 26% in wholesale funds to \$11.6 billion. Commonwealth Bank customers are able to buy term insurance policies,



superannuation/pensions, annuities and investment products offered by CLL. CLL is the sixth-largest life insurance company in Australia, the second-largest rollover and personal superannuation manager as well as being the leading allocated pension fund provider. Annual life insurance

Making it happen

for individuals... Customer Service Line call 13 2221



premiums have grown by 19% over the year.

The Commonwealth Bank Group is well advanced in converting its unit trust business into managed investment schemes by the end of 1999, ahead of the 30 June 2000 deadline required by the *Managed Investments Act 1998*.

Commonwealth Bank offers customers a range of credit cards which not only provide convenience but also offer attractive loyalty options. The Bank's own credit card loyalty programme, True Awards, has become one of the largest reward programmes in Australia with over 820,000 members enjoying the benefits of the programme. Our customers have enjoyed a wide

range of shopping, travel, hotel and banking rewards. The Bank services specific high net worth market segments through a range of affinity credit card programmes. Affinity programmes are designed to enhance the relationship between the partner organisation and its members via the addition of a financial element, a Commonwealth Bank credit card. Commonwealth Bank is the largest issuer of credit cards in Australia with approximately 2.3 million credit account holders (Visa, MasterCard and Bankcard). The Bank's cardholder base grew by 3.7% during Financial Year 1999. Credit card outstandings grew by 13% to stand at \$2.5 billion at 30 June 1999.

families

Families form a significant part of Commonwealth Bank's customer base. The Bank helps many families to purchase their own homes or investment properties. Customers have the flexibility to apply for a home loan at a time and location convenient to them; in person, with one of the Bank's 115 Mobile Bankers; via the telephone by calling 13 2224 or on-line by visiting the Bank's Internet site.

Home Loans

The Bank seeks to provide its customers with choice in connection with its housing loans. During the year, the One Year Guaranteed Home Loan was highly sought. Moreover, our competitive position was complemented by a series of zero establishment fee and special interest rate offers. In September 1998, the Bank introduced *Your Complete Guide to Buying a Home*, a comprehensive booklet providing valuable tips and information for first home buyers. The *Home Buyers Guide* complements the Bank's Home Loan Simulator and Home Loan Health Check, all of which

emphasise the Bank's commitment to helping our home loan customers manage and understand this important investment.

In October 1998, the Bank released a CD-ROM called *Investment Place*, an interactive step-by-step guide to all aspects of residential property investment. *Investment Place* establishes the Bank as a provider of information and advice on residential property investment.

Commonwealth Bank continues to be Australia's leading home loan provider with over 650,000 home loans and \$45.5 billion in outstanding balances (including investment home loans and concessional home loans to the Bank's employees). During the year, the Bank increased its market share for home loan outstandings to 20.2% (all lenders), 4.0% ahead of its nearest competitor. Combined Home and Investment Loan approvals were up by 8% to \$18.6 billion. Overseas housing loans increased by 14% to \$7.2 billion primarily in New Zealand.

Fixed rate home loans represent approximately 30% (\$13.7 billion) of



total outstanding home loans. The Home Equity Facility, which competes in the growing line of credit market, has been very popular over the year, with balances of \$1.4 billion.

Commonwealth Insurance

The Bank has also helped many families and other customers to obtain

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Mobile Banker



Home Loans



insurance for buildings and contents. Commonwealth Insurance Limited, a wholly owned subsidiary of the Bank, provides home and contents insurance, insuring more than 480,000 buildings and contents risks, an increase of 8.1% over the year. 66% of new business is generated through the Bank's branch network, while the remainder is generated through customers calling Commonwealth Insurance on 13 2423. Customers can also access Commonwealth Insurance via the Bank's recently upgraded Internet site at www.commbank.com.au/insurance

NetBank

To make it easier for our customers, they can do their banking via **NetBank**, our Internet banking service at www.commbank.com.au. The annual number of **NetBank** transactions has increased to 13.8 million. Commonwealth Bank customers can use **NetBank**, from anywhere in the world, to pay bills (using **BPAY**[®], an automated bill paying service), transfer funds between linked accounts and view previous transactions and balances. Most bills can be paid over the telephone on 13 2221 or through **NetBank** via **BPAY**[®]. The Bank holds the largest share of all biller members in the **BPAY**[®] scheme at 27.5%, while the Bank's share of payers increased to 34% in June 1999.

*Registered to **BPAY** Pty Ltd at ACN 079 137 518

rural

In January 1999, the Bank introduced AgriOptions as a major campaign to offer agribusiness loans to the rural sector. Developed after extensive research into agribusiness financial needs, AgriOptions combines lending, investment, risk management, business and personal financial services to meet changing farm management needs with one financial relationship.

The Bank was also the first major financial institution to release a Farm Management Deposit account which uses the Federal Government's new Farm Management Deposit legislation to provide primary producers with a tax effective investment alternative to manage cash flow due to seasonal and market fluctuations.

Rural customers can also take advantage of the Bank's specialist vehicle and equipment finance products, provided through CBFC Limited, a wholly owned subsidiary of the Bank. CBFC's primary focus is on the business sector. Hire purchase, finance leases and operating leases, including fleet leasing arrangements,

are the dominant product groups. Customers can access these products through the Bank's branch and business banking centre networks throughout Australia.

CBFC finances its asset portfolio through the issue of secured debentures to retail investors (and wholesale investors to a lesser extent), the issue of unsecured notes, deposits from a range of third parties and related party borrowings from within the Group.

Rural customers can access their accounts, and the Bank's services, in many ways. The Commonwealth Bank, as the nation's most accessible Bank, is proud of its commitment to provide superior banking services to more Australians. The Bank's widespread representation includes:

- Almost 100,000 points of contact with its customers, with 41% in rural areas;
- 1,151 branches, with 32% in rural areas;
- Over 3,900 agencies, including 3,715 Australia Post Agencies, with 52% in rural areas;
- Over 2,600 ATMs, with 31% in rural areas;
- Over 90,000 EFTPOS terminals, with 40% in rural areas;
- 104 business banking centres, with 48% in rural areas;



Making it happen for rural people... www.commbank.com.au/business



- More than 110 mobile bankers;
- More than 80 specialist Agribusiness bankers;
- Access to bank accounts and banking services via the telephone 13 2221 and the Internet at www.commbank.com.au

Many rural customers take advantage of the Bank's electronic banking and Internet channels. These help meet the developing and more sophisticated needs of our customers, and expand our range of services for them in a changing and sometimes volatile economic environment.

EFTPOS is a popular option in rural areas for shopping and cash withdrawal. The Bank provides an

extensive EFTPOS network allowing the Bank's debit and credit cardholders to directly debit the cost of their purchases from retailers such as supermarkets, service stations and fast food chains. Cash withdrawal facilities are also available through the EFTPOS network. The Bank's EFTPOS terminal population represents approximately 35% of Australia's entire network. The Bank is also a member of the international MasterCard, Cirrus/Maestro and VISA Plus International networks providing its customers with access to over 460,000 ATMs and 1.4 million EFTPOS terminals worldwide.

business

Commonwealth Bank is committed to meet the changing financial needs of business and provide the most flexible and competitively priced range of facilities for business, regardless of size.

Approximately 544,000 small and medium enterprises are serviced through the Bank's branch and business banking centre networks. Around 70% of these are very small businesses, which access the Bank through a number of direct channels and through the branch network. The larger enterprises also have access to the network of 104 Business Banking Centres.

Small businesses have embraced the use of electronic channels, with approximately 50% currently connected to the Internet. The Bank expects to continue to experience strong demand for its on-line channels. The Bank has an on-line Business Centre section located at www.commbank.com.au and a Business Line, 13 1998, for Telephone Banking.

Business customers are able to do

their banking via their PC and modem by using the Bank's QuickLine product. Funds can be transferred securely, and suppliers, creditors and wages paid. Over the year, QuickLine customers have doubled to 23,000. Electronic payments through QuickLine have more than doubled, with the Bank processing more than 800,000 electronic QuickLine payments per month.

The Bank's business customers have access to the *BetterBusiness Banking Guide* which provides customers with needs-based financial solutions, including easy-to-use tables to enable comparisons of the Bank's many product options. In addition to providing clients with a valuable source of information, the guide provides the commercial sales force with a tool to assist in the sales process. Sales staff can demonstrate, easily and conveniently, that the client's current and future financial needs can be met. The companion *BetterBusiness Planner* allows businesses to prepare their own business plan by using the interactive



software and business planning book. The Bank has enjoyed excellent growth in the BetterBusiness variable rate loan product. Outstanding balances were \$3,593 million; an increase of 40.7% (as at 30 June 1999). The residentially secured portion of the portfolio has increased in outstanding balances from \$800 million to over \$1,500 million. Commercial Lending approvals for the year were over \$10 billion, an 8.2%

Making it happen

for business... Business Line call 13 1998



Business Banker



increase on the previous year. On average, over \$200 million loans per week were approved. Total commercial lending balances were \$27.3 billion; an increase over the previous year of 5.7%. Deposit funds held on behalf of businesses grew by 11.1% to \$9.4 billion.

The Commonwealth Bank Group offers a wide range of investments to help a business succeed. For example, ensuring superannuation is properly handled is essential. Commonwealth Financial Services offers a range of complying superannuation funds, which help business customers meet their Superannuation Guarantee obligations and establish appropriate retirement plans.

Working Together

The Bank has adopted the Small Business Banking Principles in order to promote an environment of open communication between the Bank, its small business customers and their advisers. These principles are intended to help our business customers work effectively and harmoniously together with the Bank. The principles underline the need to identify problems early and for the Bank's customers and their advisers to consult with the Bank in order to work towards appropriate solutions. The principles stress important elements in developing a positive relationship, including the exchange of information between the Bank and its customers.

business

Commonwealth Bank and its business customers succeed together. Commonwealth Bank's team of Business Bankers concentrate on understanding their customer's needs and tailoring solutions to achieve their business goals.

Commonwealth Bank Business Card affords business customers the flexibility of a revolving line of credit of up to \$100,000. The simple all up rate, with a choice of security options, means business customers only pay interest on the funds they use.

Commonwealth Bank Business Cards on issue have increased to 45,000. New features were added to the Commonwealth Bank Business Card during the year, reinforcing the product's unique positioning in the business finance market. Business customers can now choose between two types of revolving credit facility along with the standard purchasing card offering. Accompanying the improved product functionality, the Bank introduced new interest rates on its revolving credit facility, including a new rate for the residentially secured

Business Card. Unlike traditional overdraft facilities, no separate line fees apply on Business Card line of credit. This positions the Commonwealth Bank Business Card at the low end of competing facilities, and for borrowings below \$25,000 the rates provide excellent value to customers. The Bank helps its customers select the best way to manage different financings. Commonwealth Bank offers factoring for established fast growing businesses that find it difficult to finance new business. Trade receivables discounting pays the debtor's account shortly after the sale is made. Trade finance facilities provide options to help importers and exporters select the best financing method to suit the amount, currency and term they need at variable or fixed rates.

At 30 June 1999, the Bank held assets of approximately \$2.3 billion representing finance provided to business customers to meet their import and export requirements. Micropay, a wholly owned subsidiary of the Commonwealth Bank, is one of Australia's leading providers of payroll



and human resource management software. Micropay has more than 7,000 organisations – both small and large – using its business solutions to make payroll and human resource management a simple and effective process. Micropay's software products are Year 2000 ready and this has provided additional opportunities through organisations updating their systems to reduce risks associated with the

Making it happen for business... www.commbank.com.au/business



Business Banker



Year 2000 issue.

Further opportunities are also presented through Micropay's value-added services, providing a total solution to customers. These services comprise education, recruitment, consulting and provision of related printed products.

The Bank's on-line Business Centre at www.commbank.com.au/business is a part of the Bank's strategy to be a leading provider of value-added business services on-line. The Business Centre is designed specifically for business customers, to enable them to "self select" specific and topical information for business, apply for a business loan, or contact the Bank by Internet e-mail.

The on-line Business Centre was developed on a needs-based design.

The "needs benefit" screen allows customers to input a simple profile of their business and business needs and then have access to a selection of relevant products and services from over 80 borrowing, investment and business service products. The Business Centre features a search engine function using both topic and free format text in addition to a range of simulators, for example a Business Lease calculator and a Foreign Exchange calculator.

Commonwealth Research is the research division of the Commonwealth Bank. Commonwealth Research's on-line site at www.research.commbank.com.au contains detailed reports on the economies and financial market activities in Australia and the Asian region.

clients

institutional banking

Institutional clients represent an important part of the Commonwealth Bank's client base. The Bank services these clients through its Institutional Banking Division, providing a wide range of products including foreign exchange, investment management, securities underwriting, trading and distribution, corporate finance, equities, custody and payments and transaction services. Many of these products are offered on a global basis to match the international operations of the Bank's clients. The extensive product range available through Institutional Banking only tells part of the story. A more dynamic way to view the clients of the Bank is as providers of capital, financial intermediaries or users of capital.

Capital Providers

Capital providers include retail equities investors in Australia accessing the market through Commonwealth Securities Limited's services, together with pension funds, unit trusts, insurance companies and large corporates which are all major investors in our products.

Commonwealth Investment Management is one of the leading fund managers in Australia managing investments for the Bank's retail clients as well as institutional investors. It pursues a core and satellite philosophy of investment management which focuses on the indexing of a core of the portfolio combined with higher return active satellite management in areas where the business has demonstrated expertise. Institutional clients can select a blend of these strategies to best reflect their risk and return expectations.

As part of our services to capital providers, our funds service administered \$41 billion worth of assets. This activity is poised for growth over the coming year with the implementation of the *Managed Investments Act 1998* providing a significant motivation for managers to outsource back-office and settlement operations to entities such as the Commonwealth Bank.

Financial Intermediaries

Institutional Banking deals with a wide



range of financial intermediaries including major international banks, fund managers, domestic banks and regional banks. These clients are critically important as they assist the Bank in providing liquidity to the marketplace.

In addition to interacting with other financial intermediaries, in order to provide liquidity in markets such as foreign exchange, bank bills, bonds, derivatives and equities, the Bank is growing its activity in servicing these clients with payments and transaction services products including Australian dollar clearing. The Bank also acts as the domestic custodian for some of the world's leading global custodians.

Capital Users

In Australia, the Bank services over

Making it happen for institutional banking clients...



1,000 large corporate accounts, government entities and managed funds wishing to raise capital. The products distributed to these clients include normal lending, structured finance, risk management products such as swaps and options, and disintermediated finance arranged through the securities markets. During the year, over \$11 billion of capital was raised for these clients, including \$6 billion from the domestic corporate bond market. Notable transactions include bond issues for Australia Post, Sydney Airports Corporation, Rabo Bank Australia, General Property Trust, Ford Credit Australia and The Australian Gas Light Company. Major syndicated finance includes transactions for Interlink Roads, Envestra, InterGen, United Networks,

Caltex, National Power and Lend Lease.

A key focus in our work with capital users has been to link other products to the supply of capital. In the global metal markets, an alliance with Scotia Mocatta has enabled us to provide commodities and energy price risk management.

Institutional Banking provides payments and transaction services, including delivery through Internet technologies, to meet the evolving communication and informational needs of its institutional clients. Major new contracts with Governments in Queensland, Western Australia and the ACT during the year are indicative of the close relationship with these clients and the relative strength of the Bank's products.

operations **and risk management**

Technology, Operations and Property

Specialist centres across Australia process cheques, vouchers, financial services transactions, home, personal and business loans, credit cards and international payment/trade transactions, and manage the risk of fraud and arrears. The Bank has 10 operations processing centres, 5 loan processing centres, 5 international trade processing centres, and a cards operations centre. The focus across all processing centres is to continually improve productivity using economies of scale/site consolidation, process improvement, benchmarking comparisons, best practice management techniques and improved technology. The vision is to be, by measure and reputation, a best practice benchmark global processing company in terms of cost, speed and quality.

Financial and Risk Management

Substantial progress was made in integrating and enhancing the Group's customer information systems. This was complemented by a major review of the Bank's activity-based costing system. The Bank has commenced a programme to implement GST, which will involve total costs over

the next two years of approximately \$35 million.

Despite continued volatility in financial markets, the Bank's traded and non-traded risk reduced. The internal market risk models have been accepted by the regulatory authorities for capital adequacy purposes, and produce comprehensive daily reports for monitoring global exposures to traded market risk.

Development of credit portfolio management techniques has continued throughout the period. After year end, the Bank concluded a credit linked swap for \$180 million of the risk, after a first loss of \$45 million, on a portfolio of \$1.5 billion of corporate exposures. Work is progressing on techniques to improve the analysis and management of the return for risk from the credit portfolios.

Asset quality continues to improve.

Gross impaired assets (net of interest reserved) reduced by 21% to \$589 million, and net impaired assets reduced by 33% to \$314 million.

Arrears past due 90 days or more (statistically managed portfolio) are the lowest since June 1996. The total provision coverage ratio has increased from 183% to 230% of gross impaired assets.

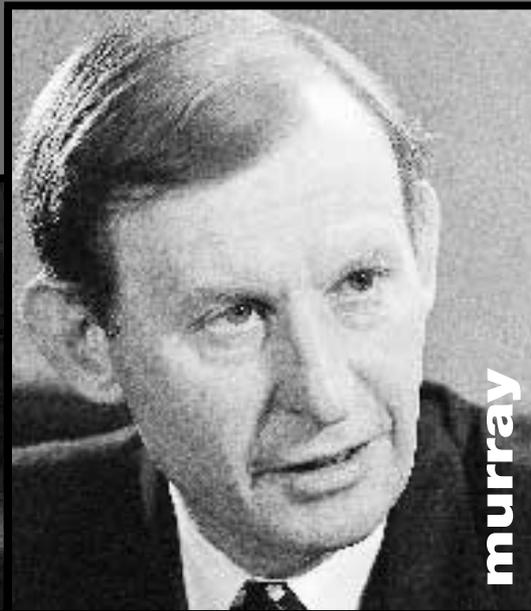
While the view is that the credit cycle has peaked, the overall quality of the

Bank's credit portfolio has continued to improve.

A comprehensive review was completed of the operating risk methodology introduced in the prior financial year. This led to further refinements of the analysis of detailed operating risks, including the effectiveness of relevant controls and insurance coverage, and the linkage to the Audit programme.

Capital is allocated to Business Units on the basis of their underlying economic risk, and returns on allocated equity are measured on a risk adjusted basis. A range of innovative capital instruments is under consideration to optimise the capital mix. Surplus equity above that required for business needs is bought back so as to enhance shareholder value.

In addition to successfully completing the off market buyback of \$650 million of capital, there were other initiatives taken to manage share capital. A cap was introduced on participation in the Dividend Reinvestment Plan, restricting participation to the first 10,000 shares of any holding; this is expected to reduce the reinvestment of dividends into capital from approximately 40% to an estimated 22%. Also, a facility to acquire small shareholdings was introduced; this was taken up by 2,062 shareholders.



**Executive
Management**

David MURRAY
Managing Director



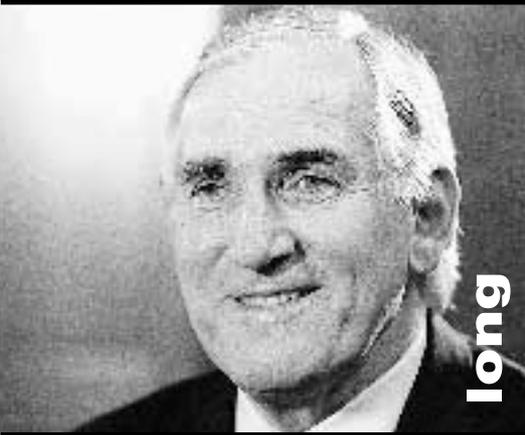
Neville COX
Head of Products

Les CUPPER
General Manager
Group Human Resources

Michael KATZ
Head of Institutional
Banking

Aif LONG
Head of Customer Service
Division

John MULCAHY
Head of Banking and
Financial Services



Russell SCRIMSHAW
Head of Technology,
Operations and Property

Michael ULLMER
Group General Manager
Financial and Risk
Management

