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Our staff enable our customers to make their financial and lifestyle goals happen.

The Bank's success in building the business, in generating profits and in positioning for the new millennium, allows us to meet the lifetime financial needs of customers, provides fair, safe, challenging and rewarding employment for staff, and rewards all shareholders through dividends and capital growth.

Commonwealth Bank



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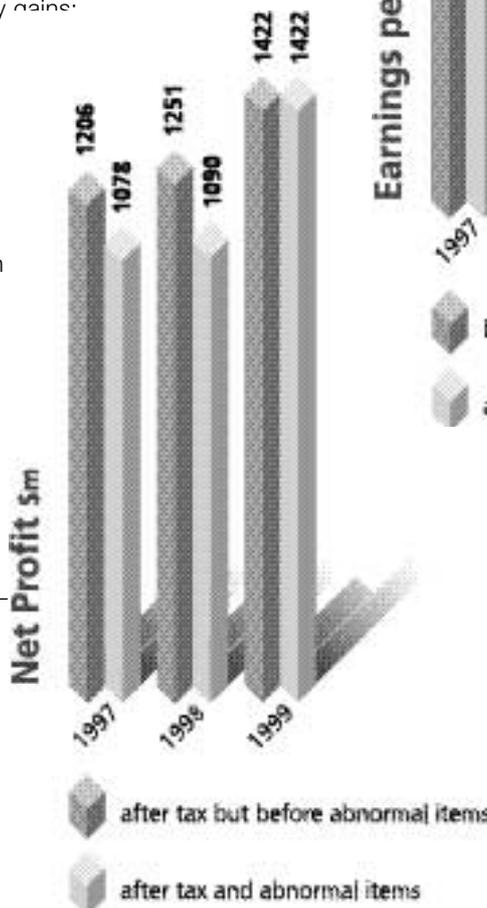
“1999 leads us into the new millennium with a new approach to banking”

Profits

\$1,422 million after tax and before abnormal items, up 14% on 1997/98, and up 30% on 1997/98 after abnormal items.

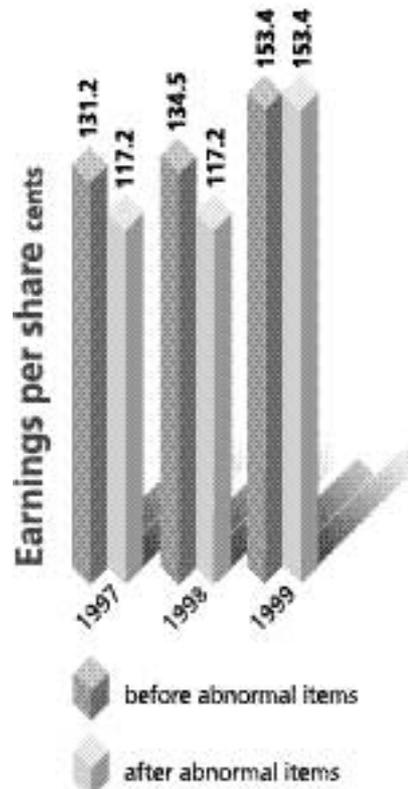
The result reflects:

- Increased lending volumes across all products;
- Strong growth in financial services business;
- A one off profit on the sale of infrastructure assets;
- Continued cost containment and productivity gains;
- Increased coverage for impaired assets; and
- A strong performance by ASB Bank in New Zealand.



Earnings per Share

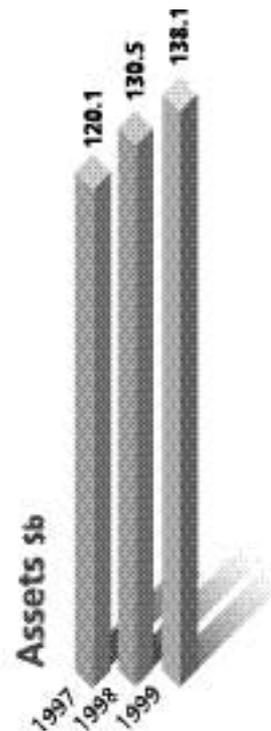
153.4 cents before abnormal items, up 14% on 1997/98.

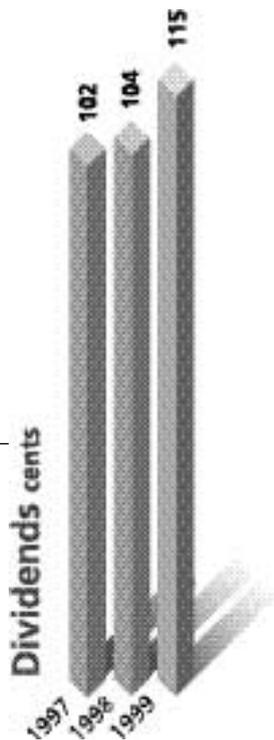


Assets

\$138.1 billion, up 6% on 1997/98.

The Group showed strong growth in its assets; Home Loans up 11%, Term Loans up 10% and Credit Cards up 10%. Balance sheet growth in interest earnings was 10%. However, this was offset by a 10% increase in interest margins and a 10% increase in income growth.



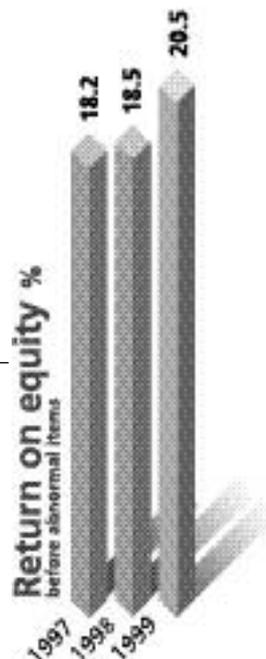


Dividends

The Bank continues to maintain its record of strong payout ratios with a 1998/99 dividend payout ratio of 75%. A final dividend of 66 cents per share, fully franked, brought the total dividend for 1998/99 to 115 cents, up 11 cents on the prior year.

Capital Management

As part of its capital management program, the Bank also conducted a successful off market share buy-back in March 1999. The Bank bought back 2.9% of its ordinary shares for \$650 million. This brings the total of share buy-backs to \$2.3 billion since 1996.



Return on Equity

20.54% before abnormal items, up from 18.48% in 1997/98.

Year 2000 Compliance

The Bank's Year 2000 compliance programme is progressing to plan.

Goods and Services Tax

The Goods and Services Tax (GST) legislation was enacted on 8 July 1999, and will apply from 1 July 2000. The Bank has commenced a program to implement GST. With the exception of the areas of the Bank involved in general insurance and leasing services, the GST will not directly impact the Bank's services until 1 July 2000.

Shareholders

Combining dividends and the appreciation in the value of the Bank's shares, total shareholder return for the year was 34.3% compared with 25.3% in 1998. The dividend yield based on 30 June 1999 share price of \$24.05 and calculated on the 1998/99 dividends of 49 cents and 66 cents was 4.78%.

Over the last five years, the Bank has produced an annual return to shareholders in the top quartile of all banks within the Banks and Finance index. Going forward, the aim is to retain this position.

CREDIT RATINGS	SHORT TERM	LONG TERM
Standard & Poor's Corporation	A-1+	AA-
Moody's Investors Service, Inc.	P-1	Aa3
Fitch IBCA	F1+	AA
Moody's Bank Financial Strength Rating		B
Fitch IBCA Individual Rating		A/B

Invitation to the Annual General Meeting

The Annual General Meeting of the Commonwealth Bank will be held at the Exhibition Centre, Darling Harbour, Sydney, on Thursday 28 October 1999 at 11.00 a.m. A notice of meeting is enclosed for shareholders.