



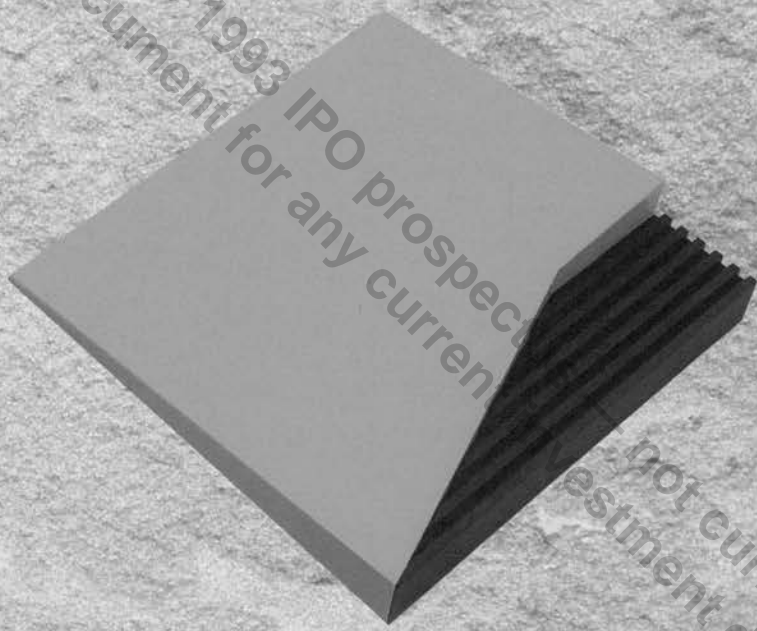
COMMONWEALTH OF AUSTRALIA

PROSPECTUS

Historical
Do not

HOW TO APPLY FOR SHARES

CBA's 1993 IPO prospectus
this document for any current



not current disclosure
investment decision.

Commonwealth Bank

SECONDARY SHARE OFFER BY THE AUSTRALIAN GOVERNMENT

This document is a historical copy of CBA's 1993 IPO prospectus. It is provided for archival reference only, is not current disclosure, and must not be relied on for any current investment decision.



Commonwealth Bank

SECONDARY SHARE OFFER

by the Australian Government

An offer by the
Australian Government of
approximately 178 million fully
paid ordinary shares in the
capital of the Commonwealth
Bank of Australia

PROSPECTUS

OFFER OF SHARES IN THE COMMONWEALTH BANK OF AUSTRALIA

This Prospectus relates to the Offer of approximately 178 million shares in the Commonwealth Bank of Australia by the Commonwealth of Australia.

INDICATIVE TIMETABLE*

Retail Offers open	12.00 noon Tuesday, 5 October 1993
Date for determining the priority for Commonwealth Bank Shareholders	Wednesday, 6 October 1993
Institutional Offer opens	Wednesday, 20 October 1993
Retail Offers close	5.00pm Friday, 22 October 1993
Institutional Offer closes	5.00pm Friday, 29 October 1993
Announcement of Final Price and basis of share allocation	Monday, 1 November 1993
Trading of Shares expected to commence on the Australian Stock Exchange	Monday, 1 November 1993
Despatch of share certificates	Friday, 12 November 1993

*This timetable is indicative only. The Government reserves the right to vary the closing dates of the Offer.

JOINT LEAD MANAGERS

County NatWest Securities Australia Limited
Grosvenor Place
225 George Street
SYDNEY NSW 2000
ACN 003 114 832

McIntosh Corporate Limited
120 Collins Street
MELBOURNE VIC 3000
ACN 006 995 900

The Prospectus was lodged with the Australian Securities Commission on Friday, 24 September 1993. No responsibility as to the contents of the Prospectus is taken by the Australian Securities Commission. The Prospectus is dated and issued on Friday, 24 September 1993. No securities will be sold on the basis of the Prospectus later than 6 months after the date of the Prospectus.

The Commonwealth Bank of Australia has not authorised or caused the issue or participated in the preparation of any part of this Prospectus.

The Shares offered by this Prospectus are owned by the Commonwealth of Australia. In preparing this Prospectus the Government has taken reasonable steps to ensure that the information in the Prospectus is accurate and is not misleading. In doing so, the Government has had regard to the prospectus requirements of the Corporations Law. The Commonwealth of Australia is, however, not bound by the prospectus requirements of the Corporations Law.



Minister For Finance

Hon. Ralph Willis M.P.

24 September 1993

Minister for Finance
Parliament House
CANBERRA ACT 2600

Dear Investor,

On behalf of the Commonwealth Government, I am pleased to be able to offer you the opportunity to acquire shares in the Commonwealth Bank of Australia.

Following the Commonwealth Bank's success in raising equity capital from the public in 1991, the Government has decided to offer approximately 178 million of its shares for sale. This will reduce its shareholding in the Bank to not less than 50.1 per cent. The Government has no intentions whatever of further reducing its shareholding.

The Government is proud of the Commonwealth Bank's record and looks forward to the Commonwealth of Australia continuing as the Bank's majority shareholder in future. In these circumstances, the obligations and liabilities of the Bank will continue to be guaranteed by the Commonwealth of Australia.

This does not mean that any investment in shares in the Commonwealth Bank as a result of this offer, or otherwise, is in any way guaranteed by the Government. Prospective investors should be aware of this and should also bear in mind that the value of shares can go down as well as up.

The proceeds from the sale will go to the Government and will be credited to Consolidated Revenue.

The necessary enabling legislation to approve the sale of the Government's shares currently is before the Australian Parliament. The sale depends upon this legislation being passed in due course.

I wish the management and staff of the Commonwealth Bank every success in the future and I look forward to welcoming new shareholders to the Bank.

Yours sincerely

A large black rectangular box redacting the signature of Ralph Willis.

Ralph Willis
Minister for Finance

Parliament House, Canberra ACT 2600

IMPORTANT NOTICES

IMPORTANT NOTICE ABOUT THE COMMONWEALTH BANK

Neither the Commonwealth Bank nor the auditor of the Commonwealth Bank has been involved in the preparation of this Prospectus and the Commonwealth Bank has not authorised or caused the issue of this Prospectus. The Commonwealth Bank has advised the Government that it will not accept responsibility for the information contained in this Prospectus.

The Commonwealth Bank has declined to provide any non publicly available information to the Government for the purpose of this Offer in relation to the assets and liabilities, financial position, profits and losses and prospects of the Commonwealth Bank, except as required by statute and detailed below.

As noted on page 24 of this Prospectus, pursuant to a statutory requirement, the Commonwealth Bank has supplied the Government with a copy of its corporate plan.

The Secretary to the Treasury is represented on the Commonwealth Bank's Board of Directors. Statutory confidentiality applies to the information which he receives in that capacity.

The Commonwealth does not possess any material information on the assets and liabilities, financial position, profits and losses or prospects of the Commonwealth Bank, except for that which has been publicly announced.

The most recent publicly available information concerning the Commonwealth Bank's assets and liabilities, financial position, profits and losses and prospects is contained in the Commonwealth Bank 1993 Annual Report.

Intending investors should conduct their own investigation and make their own assessment of the assets and liabilities, financial position, profits and losses and prospects of the Commonwealth Bank by referring to the full range of publicly available information on the Commonwealth Bank and should seek appropriate professional advice in deciding whether or not to invest in the Shares.

IMPORTANT NOTICE ABOUT THE OFFER

The Offer will not proceed if:

- the Commonwealth Banks Amendment Bill 1993, which permits the Commonwealth to reduce its shareholding to not less than 50.1% of the issued capital of the Commonwealth Bank, does not become law by the closing date of the Institutional Offer; or
- sufficient Applications and Bids at a satisfactory price are not received for all the Shares by the closing date of the Institutional Offer (Friday, 29 October 1993).

Further details of the Commonwealth Banks Amendment Bill 1993 are set out on page 23 of this Prospectus.

The Government reserves the right to withdraw the Offer at any time.

IMPORTANT NOTICE ABOUT THE COMMONWEALTH BANK 1993 ANNUAL REPORT

Although not made a part of this Prospectus, for the convenience of potential investors, copies of the Commonwealth Bank 1993 Annual Report are being made widely available. If you have not been provided with one, you may obtain a copy from any branch of the Commonwealth Bank, from any participating stockbroking firm in Australia or by contacting the Commonwealth Bank Share Information Centre on 008 62 99 33.

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HOW TO USE THIS PROSPECTUS

This Prospectus relates to the Offer by the Australian Government of approximately 178 million shares in the Commonwealth Bank of Australia which are owned by the Commonwealth of Australia.

This Prospectus is divided into 4 sections. Section 1 contains Summary Information about the Commonwealth Bank and the Share Offer. Section 2 contains Details of the Offer of Shares. Section 3 contains a Guide for Investors. The remaining section of this Prospectus provides Additional Information on the Offer and the relationship between the Commonwealth of Australia and the Commonwealth Bank.

This Prospectus contains Application Forms which Applicants must complete in making an Application for Shares. If you are a Shareholder in the Commonwealth Bank, the Prospectus you have received will have a form marked "Shareholder Priority Application Form" on the front. Shareholders must use this form to apply for Shares instead of the Application Forms in the centre of this Prospectus. All other Applicants should complete one of the Application Forms in the centre of the Prospectus. Applications Forms are only available with a Prospectus.

The Commonwealth Bank has undertaken to apply for quotation of the Shares offered by this Prospectus on the Australian Stock Exchange. If permission for quotation is not granted within 6 weeks of the date of issue of the Prospectus, Application Monies will be refunded in full.

This Prospectus should be read in its entirety. If after reading this Prospectus you have any questions about procedures for investing in the Commonwealth Bank, you should contact the Joint Lead Managers, your stockbroker, accountant or independent financial advisor or call the Commonwealth Bank Share Information Centre on 008 62 99 33.

STATUTORY RESTRICTIONS ON ACQUISITION OF SHARES

The Banks (Shareholdings) Act 1972 prevents the acquisition by any Australian or foreign bank of "interests" in the Commonwealth Bank. The Banks (Shareholdings) Act also imposes a restriction on any persons holding interests in voting shares of the Commonwealth Bank in excess of 5% of the total number of voting shares.

There are certain exceptions to each of these provisions. These provisions and the exceptions to them are quite complex. A summary is contained in "Shareholding Restrictions" on page 17 of this Prospectus. However, persons who may be affected by the relevant prohibitions, or the exceptions to those prohibitions, should obtain legal advice.

RESTRICTIONS ON THE DISTRIBUTION OF THE PROSPECTUS OUTSIDE AUSTRALIA

The distribution of the Prospectus in jurisdictions outside the Commonwealth of Australia may be restricted by law and therefore persons into whose possession this document comes are required to inform themselves of and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of securities laws. This Prospectus does not constitute an offer in any place in which, or to any person to whom it would not be lawful to make such an offer.

DEFINITIONS

The following definitions are used throughout this Prospectus unless the context otherwise requires:

"Applicant"	A person who submits an Application.
"Application"	A valid Application made to purchase a specified dollar amount of Shares.
"Application Monies"	The dollar amount of Shares applied for.
"ASC"	Australian Securities Commission.
"ASX"	Australian Stock Exchange Limited.
"Australian Government" or "Government"	The Government of the Commonwealth of Australia.
"Bid" or "Bids"	A bid or bids made on a bidding form by an Institution for a specified dollar amount of Shares or a specified number of Shares.
"Bookbuild"	The process adopted by the Joint Lead Managers in obtaining and collating Bids under the Institutional Offer.
"Broker Firm Offer"	The invitation made to members of the ASX for distribution of Shares to their private clients.
"Business Day"	A day other than a Saturday or Sunday on which banks are open for general business in New South Wales.
"Co Lead Managers"	Barclays de Zoete Wedd Australia Limited (ACN 002 768 701), CS First Boston Australia Limited (ACN 007 016 300), Daiwa Securities Australia Limited (ACN 006 461 356) and Were Stockbroking Limited (ACN 006 797 897).
"Co Managers"	ANZ McCaughan Securities Limited (ACN 004 997 111), Bain Securities Limited (ACN 003 204 368), James Capel Australia Limited (ACN 002 786 272), Macquarie Equities Limited (ACN 002 574 923), Ord Minnett Securities Limited (ACN 003 245 234), Potter Warburg Limited (ACN 006 325 382) and SBC Dominguez Barry Limited (ACN 008 582 705).
"Commonwealth"	The Commonwealth of Australia.
"Commonwealth Bank"	Commonwealth Bank of Australia (ACN 123 123 124).
"Dollars" or "\$"	Australian dollars.
"Final Price"	The amount per Share at which Institutions are allocated Shares under the Institutional Offer.
"Institution"	A person or entity which intends to bid for Shares pursuant to the Institutional Offer.
"Institutional Offer"	The invitation made in this Prospectus to Institutions to apply to purchase Shares by communicating Bids into the Bookbuild.
"Joint Lead Managers"	County NatWest Securities Australia Limited (ACN 003 114 832) and McIntosh Corporate Limited (ACN 006 995 900).
"Offer"	The Retail and Institutional Offers.
"Public Offer"	The invitation made in this Prospectus to members of the Australian public to apply to purchase Shares as described in Section 2.

"Retail Offer Price"	The amount per Share at which Successful Applicants under the Retail Offers are allocated Shares which will be \$0.25 less than the Final Price in respect of allocations up to \$25,000, and the Final Price for Shares allocated in excess of that amount.
"Retail Offers"	The Public Offer, the Shareholder Offer and the Broker Firm Offer.
"Selling Syndicate"	The persons described in the Directory as Joint Lead Managers, Co Lead Managers and Co Managers.
"Settlement Date"	The date on which Shares are transferred to Successful Applicants in the Offer, currently expected to be Tuesday, 9 November 1993.
"Share"	One of the Shares.
"Shareholders"	Those persons registered as members of the Commonwealth Bank at the close of business on Wednesday, 6 October 1993 other than those in the United States, Canada and Japan or with a registered address in a jurisdiction where the making of this Offer would violate the laws of that jurisdiction.
"Shareholder Offer"	The invitation made in this Prospectus to Shareholders to purchase Shares as described in Section 2.
"Shares"	Approximately 178 million fully paid ordinary shares with a par value of \$2.00 each in the Commonwealth Bank offered for sale by the Government, being a number that would result in the Commonwealth holding not less than 50.1% of the issued capital of the Commonwealth Bank after successful completion of the Offer.
"Successful Applicant"	An Applicant whose Application has been accepted for such number of Shares as has been determined by the Government.

SECTION 1 – SUMMARY INFORMATION

1.1 OVERVIEW

The Government has resolved to sell by way of a public offer approximately 178 million fully paid ordinary shares with a par value of \$2.00 each in the capital of the Commonwealth Bank of Australia which are owned by the Commonwealth of Australia. The proceeds of the Offer are for the account of the Government. The Commonwealth Bank will not receive any of the proceeds of the Offer.

This Prospectus has been issued by the Government to offer the Shares. The number of Shares to be sold will reduce the Commonwealth's shareholding in the Commonwealth Bank to not less than 50.1%.

The Commonwealth is entitled to receive the final dividend payable on the Shares in respect of the year ended 30 June 1993. The holders of the Shares offered by this Prospectus, after they have been transferred by the Commonwealth, will be entitled to any dividends declared subsequently.

The information set out in this section of the Prospectus is an overview only and is not intended to be comprehensive. It should be read in conjunction with the information contained elsewhere in this Prospectus.

1.2 DESCRIPTION OF THE OFFER

The Commonwealth's current shareholding in the Commonwealth Bank represents approximately 70.6% of the total shares on issue. The balance of the Commonwealth Bank's issued share capital is held by the public and by institutional and professional investors in Australia and overseas.

The Commonwealth is offering the Shares to decrease its shareholding in the Commonwealth Bank to a level of not less than 50.1%.

The Offer of the Shares will incorporate invitations to the public in Australia and invitations to Shareholders of the Commonwealth Bank as at the close of business on Wednesday, 6 October 1993 other than those in the United States, Canada and Japan or with a registered address in a jurisdiction where the making of this Offer would violate the laws of that jurisdiction. In addition, invitations are being made to institutional and professional investors in Australia and overseas.

The Commonwealth Bank has undertaken to apply for quotation on the ASX of the Shares offered by this Prospectus. If permission for quotation is not granted within 6 weeks of the date of issue of the Prospectus, Application Monies will be refunded in full.

The Offer will provide Australian and international investors with the opportunity to invest or further invest in the Commonwealth Bank which, together with its subsidiaries, provides a wide range of banking, financial and related services in Australia and New Zealand.

The Offer is structured in two parts:

- the Retail Offers, which comprise offers to members of the Australian public, certain shareholders of the Commonwealth Bank and clients of stockbrokers; and
- the Institutional Offer, which is made to Australian and international Institutions.

The Offer has not been underwritten.

In the event that sufficient Applications and Bids at a satisfactory price are not received for all of the Shares by the scheduled closing of the Institutional Offer (Friday, 29 October 1993), the Government has resolved that the sale of Shares will not proceed.

The Government reserves the right to vary the closing dates of the Offer or to withdraw the Offer at any time.

Key dates for investors are set out on page 2 of this Prospectus.

1.3 APPLICATION AND ALLOCATION PROCESS

The price at which the Shares are being offered for sale will be determined following the close of the Offer. Investors wishing to purchase the Shares must indicate how much they are prepared to invest in the Shares by nominating a dollar amount.

All Applicants in the Retail Offers must apply for a minimum of \$2,000 worth of Shares. Investors in the Institutional Offer must bid for a minimum of \$100,000 worth of Shares.

No stamp duty or brokerage is payable by Applicants in relation to this Offer.

Maximum Applications under the Public Offer and the Shareholder Offer are \$100,000 and \$500,000, respectively.

A Successful Applicant under the Retail Offers for up to \$25,000 of the Shares will receive a discount of \$0.25 per Share to the Final Price. A Successful Applicant under the Retail Offers allocated in excess of \$25,000 of the Shares will receive a discount of \$0.25 per Share to the Final Price on that part of their allocation up to \$25,000 and will pay the Final Price for the Shares allocated in excess of \$25,000.

The Government intends to monitor multiple Applications under the Retail Offers and reserves the right to reject or aggregate multiple Applications for purposes relating to eligibility for the discount and for determining final allocations.

It is the Government's aim to allocate a minimum number of Shares to each Successful Applicant. However, with the exception of Shareholders who receive a priority allocation of \$3,000 each, the Government cannot give any assurance that Successful Applicants will be allocated the dollar amount of the Shares applied for.

Allocations of Shares will be made in multiples of 10.

If the number of Shares allocated results in a refund being due to Applicants, and where Application Monies are received for Shares which are not allocated, refunds will be despatched to Applicants. No interest will be paid on monies refunded.

Further details are set out in Section 2 of this Prospectus.

1.4 PRICING OF THE SHARES

After the Applications and Bids have been received, the Government, following consultation with the Joint Lead Managers, will determine the Final Price based on the level of demand in the Offer and having regard to its objective of maximising the proceeds from the Offer and its desire to maintain an orderly secondary market in the Shares.

The Final Price is expected to be announced on Monday, 1 November 1993.

1.5 TRADING OF THE SHARES

It is expected that trading of the Shares on the ASX will commence on a "deferred delivery" basis on the first Business Day following the closing of the Institutional Offer. Share certificates will be despatched to shareholders approximately 9 Business Days after the commencement of trading on the ASX. For further details see page 17.

1.6 COMMONWEALTH BANK – FINANCIAL HIGHLIGHTS

On Tuesday, 7 September 1993, the Commonwealth Bank released its "Profit Announcement for the year ended 30 June 1993". The announcement highlighted the following achievements for the year:

- Operating profit after tax attributable to members of the chief entity of \$443.1 million (up 8.4% on 1992);
- Final dividend per share of 22 cents, fully franked (1992 – 20 cents), giving rise to a total dividend for the year of 42 cents, fully franked (1992 – 40 cents);
- Earnings per share 51.7 cents (1992 – 51.5 cents);
- Charge for bad and doubtful debts \$468.2 million (down 44.5% from \$843.0 million in 1992);

- Risk weighted capital ratio of 10.66%, of which tier one represented 9.39%;
- Net non-accrual loans of \$1,627.1 million were down 16.8% from \$1,956.7 million in 1992;
- Net tangible asset backing per share of \$5.58;
- Funds under management of \$12,951 million, up 8.5% on 1992.

The "Five Year Financial Summary" table below has been reproduced from the Commonwealth Bank 1993 Annual Report. Potential investors should refer to the Commonwealth Bank 1993 Annual Report for further financial details. Care has been taken to ensure that the summary information represents information in the Commonwealth Bank 1993 Annual Report but neither the Commonwealth nor any person listed in the Directory to this Prospectus is in a position to independently verify the information in the summary.

Five Year Financial Summary

	1993 \$M	1992 \$M	1991 ⁽¹⁾ \$M	1990 ⁽¹⁾ \$M	1989 ⁽¹⁾ \$M
Profit and Loss					
Net interest income	3,024	3,249	2,957	2,384	2,160
Other operating income	1,334	1,404	1,181	929	822
Total operating income	4,358	4,653	4,138	3,313	2,982
Charge for bad and doubtful debts	468	843	1,026	462	298
Total operating expenses	2,961	3,149	2,604	2,064	1,818
Profit before abnormal items and income tax	929	661	508	787	866
Abnormal items	(171)	—	980	34	3
Income tax - profit before abnormal items	(340)	(245)	(247)	(290)	(390)
- abnormal items	35	—	(352)	—	—
Profit after tax	453	416	889	531	479
Outside equity interests	10	7	6	7	3
Profits attributable to shareholders	443	409	883	524	476
Dividends paid/provided ⁽²⁾	365	335	291	160	110
Balance Sheet					
Shareholders' equity	5,569	5,471	4,353	3,888	3,055
Total assets	90,995	88,340	89,292	66,820	60,650
Net tangible assets	4,945	4,791	3,658	3,888	3,055
Deposits and other public borrowings	63,325	57,439	57,368	41,460	37,940
Loans, advances and other receivables	58,182	57,371	54,651	39,497	37,296
Ratios					
	%	%	%	%	%
Return on average shareholders' equity ⁽³⁾	10.50	8.32	6.47	13.9	16.5
Return on average total assets ⁽³⁾	0.65	0.46	0.34	0.77	0.85
Capital adequacy - Tier 1	9.39	8.25	6.27	7.32	6.34
Capital adequacy - Tier 2	1.27	1.59	2.46	1.87	3.22
Capital adequacy - Total	10.66	9.84	8.73	9.19	9.56

(1) Amounts quoted for 1991 and prior years are as per published financial statements.

(2) Prior to the initial public offering on 28 August 1991 no shares in the Commonwealth Bank were held by the public.

(3) Calculations based on operating profit after tax and outside equity interests but before abnormal items. Averages are based on beginning and end of year balances.

1.7 DETAILS ON THE COMMONWEALTH BANK'S DIVIDEND

For the year ended 30 June 1993, the Commonwealth Bank's dividends totalled 42 cents per share, fully franked.

The following table sets out the dividend yield at different share prices, based on the 1992/93 dividend of 42 cents per share.

Share Price	Dividend Yield
\$9.00	4.7%
\$9.20	4.6%
\$9.40	4.5%
\$9.60	4.4%
\$9.80	4.3%
\$10.00	4.2%

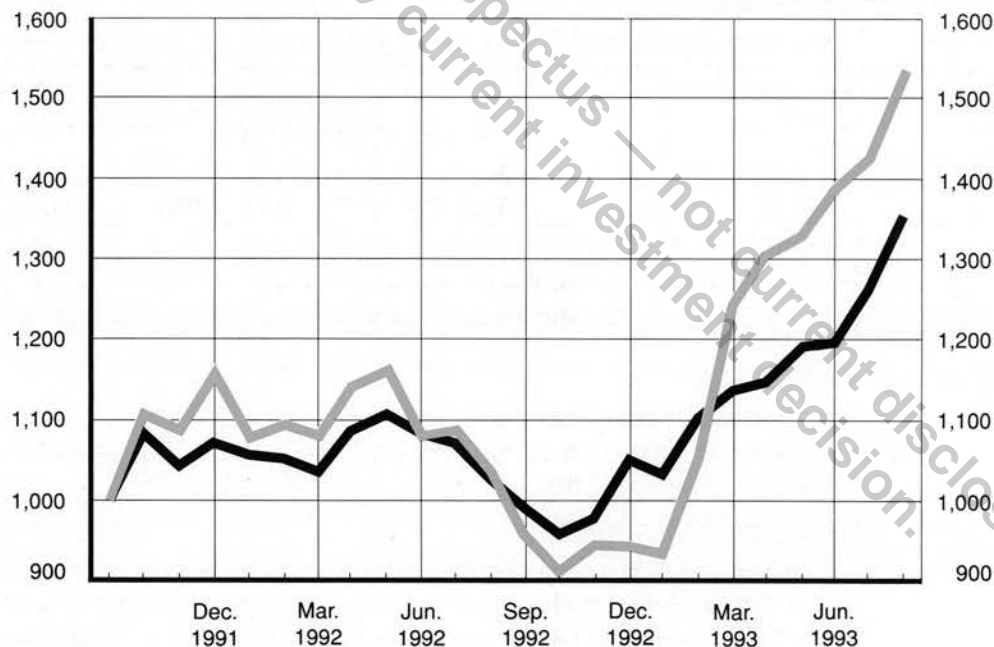
In the Commonwealth Bank's media release for its "Profit Announcement for the year ended 30 June 1993", the Managing Director said, "Assuming the economic recovery conforms with our expectations, and there is no further significant fall in property values, we expect to achieve a satisfactory result in 1993/94 and maintain dividends at least at the present level".

If the Commonwealth Bank were to declare a larger annual dividend than 42 cents per share in future, the above yields would, of course, be increased correspondingly.

1.8 SHARE PRICE HISTORY

Shares in the Commonwealth Bank were first quoted on the ASX in September 1991. The following graph compares the performance of the All Ordinaries Index with the performance of the Commonwealth Bank shares since listing to Friday, 3 September 1993. Since listing, the Commonwealth Bank shares have traded at a high of \$10.00 and a low of \$5.80. In the 12 month period to Friday, 10 September 1993, the range of trading has been \$5.80 to \$10.00.

COMPARATIVE INVESTMENT GRAPH — COMMONWEALTH BANK OF AUSTRALIA



Monthly last Prices/Indices indexed to 1000.00 on 09/91.
Prices adjusted for issues.
100% of dividend reinvested at end of month.

— ALL ORDINARIES
Accumulation Index
— COMMONWEALTH BANK
Accumulation Index

Compiled by Index Services, AUSTRALIAN STOCK EXCHANGE LIMITED

Note: Past performance of the share price is not necessarily indicative of future performance.

SECTION 2 – DETAILS OF THE OFFER

2.1 STRUCTURE OF THE OFFER

Approximately 178 million fully paid ordinary shares in the Commonwealth Bank are offered for sale pursuant to the Offer. This represents approximately 20% of the issued capital of the Commonwealth Bank. The Shares to be sold will result in the Commonwealth holding not less than 50.1% of the Commonwealth Bank's issued share capital after completion.

Except in the case of Bids received for the Shares under the Institutional Offer (see below), payment in respect of the Shares is to be made in full on Application.

The price at which the Shares are being offered for sale will be determined following the close of the Offer.

Investors wishing to purchase Shares must indicate how much they are prepared to invest in the Shares by nominating a dollar amount.

2.2 SUMMARY OF OFFER STRUCTURE

The Offer is in two parts, the Retail Offers and the Institutional Offer.

	Retail Offers			Institutional Offer
	Public Offer	Shareholder Offer	Broker Offer	
Minimum Application	\$2,000	\$2,000	\$2,000	\$100,000
Priority Allocation	—	\$3,000	—	—
Allocation Limit	\$100,000	\$500,000	—	—
Discount Limit ¹	\$25,000	\$25,000	\$25,000	—
Discount per Share ¹	25 cents	25 cents	25 cents	—
Reserved allocations under Offer (%)	—	—	20	35

¹ The discount only applies to the first \$25,000 of allocations.

2.3 THE OFFER PERIOD

	Opening Date	Closing Date
Retail Offers	12.00 noon Sydney time Tuesday, 5 October 1993	5.00 pm local time Friday, 22 October 1993
Institutional Offer	9.00 am Sydney time Wednesday, 20 October 1993	5.00 pm Sydney time Friday, 29 October 1993

The Government reserves the right to vary the closing dates for the Retail Offers and the Institutional Offer or to withdraw the Offer at any time.

2.4 THE RETAIL OFFERS

The Retail Offers comprise offers to the Australian public, Shareholders and clients of stock-brokers. Applicants must apply to acquire Shares having a value of at least \$2,000 and in multiples of \$500 thereafter.

Structure

- **The Public Offer** is intended for members of the public in Australia who are not existing Commonwealth Bank shareholders or recipients of Shares under the Broker Firm Offer (see below). The maximum allocation to any Applicant under the Public Offer will be \$100,000. A minimum Application of \$2,000 will apply. However, no guarantee of a minimum allocation of Shares can be made as this will depend on the total level of demand for the Offer.
- **The Shareholder Offer** is made to persons who are shareholders of the Commonwealth Bank as at the close of business on Wednesday, 6 October 1993 other than those in the United States, Canada and Japan or with a registered address in a jurisdiction where the making of this Offer would violate the laws of that jurisdiction. The maximum allocation to any Applicant under the Shareholder Offer will be \$500,000. All Shareholders will receive a Shareholder

Priority Application Form assuring them that all valid Applications up to \$3,000 will be satisfied in full. Shareholders cannot transfer this priority. Allocations above \$3,000 will depend on the total Applications received from Shareholders. The Government will endeavour to re-allocate among other Shareholders the priority allocations, or any part thereof, which have not been applied for.

All Shareholders should use the Shareholder Priority Application Form and not the Application Form included in the centre of this Prospectus.

- **The Broker Firm Offer** is made to members of the ASX for distribution to their private clients. Approximately 20% of the Offer will be the subject of firm offers to brokers.

Discount On Retail Offers

Shares allocated under the Retail Offers will be sold to Successful Applicants at a discount of \$0.25 per Share to the Final Price in respect of allocations up to \$25,000. Successful Applicants, on allocations in excess of \$25,000, will receive a discount of \$0.25 per share to the Final Price on that part of the allocation up to \$25,000 and will pay the Final Price for Shares allocated in excess of \$25,000.

Application for Shares

Applications to acquire Shares under the Public Offer and Broker Firm Offer will only be accepted on one of the Application Forms in the centre of this Prospectus, or under the Shareholder Offer on the Shareholder Priority Application Form, and each must be lodged together with the appropriate Application Monies. If you are a Shareholder and are applying under the Shareholder Offer you should complete the Shareholder Priority Application Form which has been provided to you and not the Application Form included in the centre of this Prospectus.

Applications must be for a minimum of \$2,000 and thereafter in multiples of \$500, subject to a limit of \$100,000 under the Public Offer and \$500,000 under the Shareholder Offer. Allocations under the Broker Firm Offer will be at each broker's discretion, however, brokers will be asked to provide a broad distribution of the Shares. Applications under the Broker Firm Offer are not subject to any upper limit.

An Application constitutes an offer to the Government to purchase Shares on the terms and conditions set out in this Prospectus.

Completed Application Forms should be:

- mailed to the Share Application Centre in the envelope provided in this Prospectus; or
- lodged at any Commonwealth Bank branch in the envelope provided in this Prospectus; or
- lodged with any office of a member of the Selling Syndicate; or
- lodged with any member of the ASX.

Applications must be received at the Share Application Centre no later than 5:00 pm local time on the closing date (Friday, 22 October 1993). Applications lodged with a branch of the Commonwealth Bank prior to this time will be treated as having been received at the Share Application Centre.

Cheques must be payable to the "Commonwealth Bank Secondary Share Offer" and crossed "not negotiable".

Acceptance of Applications

The Government reserves the right to reject any Application or to allocate to any person a number of Shares less than the number determined by dividing the Application Monies by the Final Price or the Retail Offer Price, whichever is applicable.

As stated on page 10, the Government reserves the right to aggregate or reject Applications where there is evidence of multiple Applications.

If an Application is not accepted or is accepted in part only, or if the determination of the Final Price results in a refund being due, the relevant part of the Application Monies will be refunded. Interest will not be paid on Application Monies so refunded.

APPLICATION SECTION

HOW TO APPLY

- Complete one of the ORIGINAL Application Forms on the following pages. Detailed instructions for doing so are on the next page.
PHOTOCOPIES will not be accepted
Write in BLOCK LETTERS
The Application must be for a MINIMUM of \$2,000 and thereafter in multiples of \$500. A discount of \$0.25 per Share to the Final Price will apply in respect of allocations under the Retail Offers up to \$25,000. Successful Applicants for allocations in excess of \$25,000 will receive a discount of \$0.25 per Share to the Final Price on that part of the allocation up to \$25,000 and will pay the Final Price for Shares allocated in excess of \$25,000.
- PAY BY CHEQUE IN AUSTRALIAN CURRENCY. MAKE YOUR CHEQUE PAYABLE TO "COMMONWEALTH BANK SECONDARY SHARE OFFER". PIN (do not staple) the cheque to the front of the Application Form where indicated.
- Seal your completed Application Form with your cheque attached to it in the envelope provided. You may either lodge it with any branch of the Commonwealth Bank, any office of the Selling Syndicate or any member of the Australian Stock Exchange Limited, or mail it to:

SHARE APPLICATION CENTRE

CBA RETURN NO. 1

SOUTH WESTERN SUBURBS MC NSW 2169

Applications must be received at the Share Application Centre no later than 5.00pm local time on the closing date (Friday, 22 October 1993). Applications lodged at a branch of the Commonwealth Bank prior to this time will be treated as having been received at the Share Application Centre.

IMPORTANT

- **Please lodge or mail your completed Application Form as noted above.**
- Cheques will be deposited on the day of receipt. Sufficient cleared funds should be held in your account as cheques returned unpaid are LIKELY TO RESULT IN YOUR APPLICATION BEING REJECTED.
- LODGE YOUR APPLICATION AS SOON AS POSSIBLE. Refer to the Prospectus for details of the Offer.
- DO NOT DETACH THE PERFORATED SECTION AT THE FOOT OF THE FORM.
- IF YOU NEED FURTHER INFORMATION on how to apply for Shares in the Commonwealth Bank, call the Commonwealth Bank Share Information Centre on 008 62 99 33.
- Additional copies of the Prospectus or the Commonwealth Bank 1993 Annual Report can be obtained from any Commonwealth Bank branch.
- SHAREHOLDERS MUST use the Shareholder Priority Application Form to participate in the Shareholder Offer.

HOW TO COMPLETE THE APPLICATION FORM

Please complete all relevant white sections of the Application Form USING BLOCK LETTERS. These instructions are cross-referenced to each section of the form.

- (A)** Insert the DOLLAR VALUE OF SHARES you wish to apply for in Box A. The Application must be for a minimum of \$2,000 and thereafter in multiples of \$500.
- (B)** Write the FULL NAME you wish to appear on your Share Certificate in Box B. This must be either your own name or the name of a company. You should refer to the back of the Application Form for the correct forms of name which can be registered. Applications using the wrong form of name will be rejected.
- Applications in the name of a minor, a trust or estate, business, firm or partnership, club, association or other unincorporated body cannot be accepted. Applications made in the individual name(s) of (the) person(s) who is (are) the legal guardian(s), trustee(s), proprietors(s), partner(s) or office bearer(s) (as applicable) of those entities will be accepted.
- (C)** If you are applying as JOINT APPLICANTS, complete Box C. You should refer to the back of the Application Form for instructions on the correct form of name. Up to three Joint Applicants may register.
- (D)** Enter your TAX FILE NUMBER (TFN) or exemption category beside your name. Where applicable, please enter the Tax File Number for each Joint Applicant. Collection of TFNs is authorised by the taxation laws. (See last page of Application Section for full instructions.) *Quotation of your TFN is not compulsory and will not affect your Application.*
- (E)** Enter your POSTAL ADDRESS for all correspondence. All communications to you from the Commonwealth Bank's share registry (share certificates, dividend cheques, annual/interim reports, correspondence, etc) will be mailed to the person(s) and address as shown. For Joint Applications only one address can be entered.
- (F)** Please let us know your TELEPHONE NUMBER(s) and contact name in case we need to contact you in relation to your Application.
- (G)** SIGN the Application Form. It must be signed by the Applicant(s) personally, or under company seal or by an attorney. If your Application Form is signed by an attorney, the power of attorney document is not required to be lodged. Joint Applicants must each sign the Application Form.
- (H)** MAKE YOUR CHEQUE PAYABLE TO "COMMONWEALTH BANK SECONDARY SHARE OFFER" in Australian currency. Your cheque must be drawn on an Australian bank. Cheques will be deposited on the day of receipt. Sufficient cleared funds should be held in your account as cheques returned unpaid are likely to result in your Application being rejected. PIN (do not staple) your cheque to the Application Form where indicated.
- (I)** Complete all details on the foot of the Application Form as follows, BUT DO NOT DETACH THE PERFORATED SECTION:
- Insert Applicant's name(s) - (as in Box B above) and address - (as in Box E above)
 - Complete cheque details as requested
- (J)** Insert the amount of your APPLICATION MONIES in Box J. This should agree with both the amount of your cheque(s) and the amount entered in Box A.

LODGEMENT OF APPLICATIONS

Seal your completed Application Form with your cheque attached to it in the envelope provided. You may lodge it with **any branch of the Commonwealth Bank**, any office of the Selling Syndicate, or any member of the Australian Stock Exchange Limited, or mail it to:

**SHARE APPLICATION CENTRE
CBA RETURN NO. 1
SOUTH WESTERN SUBURBS MC NSW 2169**

Applications must be received at the Share Application Centre no later than 5.00pm local time on the closing date (Friday, 22 October 1993). Applications lodged at a branch of the Commonwealth Bank prior to this time will be treated as having been received at the Share Application Centre.



Commonwealth Bank
SECONDARY SHARE OFFER

APPLICATION FORM
Not For Use in Shareholder Priority Offer

APPLICATION NUMBER
84706341

Lodge your Application Form as soon as possible. Instructions for A to J are set out on the opposite page.

BROKER'S REFERENCE NO
ASX CODE ADVISER NO

BROKER'S REFERENCE STAMP ONLY

USE BLOCK LETTERS

A I/We Apply to purchase Shares to the value of **A \$** **-00** and lodge Application Monies (as shown in Box J below)

Enter your Tax File Number(s) (or exemption category) – refer last page of Application Section

Write your name – refer overleaf for correct forms of registrable title

B GIVEN NAME(S) SURNAME

D

C JOINT APPLICANT # 2 OR ACCOUNT DESIGNATION

JOINT APPLICANT # 3 OR ACCOUNT DESIGNATION

Enter your postal address

E ADDRESS

SUBURB/TOWN STATE POSTCODE

Insert telephone numbers
F HOME
WORK
CONTACT NAME

I/We declare that this Application is signed/sealed in accordance with the prospectus and the declarations on the reverse of this form and agree to be bound by the Memorandum and Articles of Association of Commonwealth Bank of Australia

DATE /1993

COMPANY SEAL

G SIGNATURE(S): APPLICANT JOINT APPLICANT # 2 JOINT APPLICANT # 3

H PIN YOUR CHEQUE HERE



Commonwealth Bank
SECONDARY SHARE OFFER

This is not a bank deposit slip. DO NOT detach it from the Application Form.

IMPORTANT: Complete the following details

I APPLICANTS NAME (as in box B above)
TC UC APPLICATION No.
831 60178 84706341

ADDRESS (as in box E above)
SUBURB/TOWN STATE POSTCODE

Cheque details

DRAWER	BANK	BRANCH	AMOUNT OF CHEQUE

J APPLICATION MONIES
A\$ -00

FOLD & TEAR ALONG THIS DOTTED LINE

Historical copy of CBA's 1993 IPO prospectus – not current investment decision

BACK OF APPLICATION FORM

PLEASE COMPLETE FRONT

HOW TO APPLY

- Complete all relevant white boxes of the Application Form overleaf. Detailed instructions for doing so are set out in the Application Section. PHOTOCOPIES will not be accepted. Write in LARGE BLOCK LETTERS.
- PAY BY CHEQUE ONLY in Australian currency. MAKE YOUR CHEQUE PAYABLE TO COMMONWEALTH BANK SECONDARY SHARE OFFER. PIN (do not staple) the cheque to the front of the Application Form where indicated.
- Seal your completed Application Form with your cheque attached in the envelope provided. You may either lodge it with **any branch of the Commonwealth Bank**, any office of the Joint Lead Managers or any member of the Australian Stock Exchange Limited or mail it to: SHARE APPLICATION CENTRE, CBA RETURN No 1, SOUTH WESTERN SUBURBS MC NSW 2169.
- LODGE YOUR APPLICATION AS SOON AS POSSIBLE. Refer to the Prospectus for Details of the Offer.
- FOR ADVICE on investing in COMMONWEALTH BANK Shares, consult your stockbroker or independent financial adviser.
- READ THE PROSPECTUS IN FULL.
- IF YOU NEED FURTHER INFORMATION on how to Apply for Shares in COMMONWEALTH BANK, TELEPHONE 008 62 99 33.

DECLARATIONS BY APPLICANT(S) ON SIGNING THE FRONT OF THIS APPLICATION FORM

By signing this form you will be taken to have declared that:

- All details and statements made by me/us are complete and accurate and the Application complies with the terms of the Prospectus.
- If signed under a company's common seal, the signatories attest that the common seal was affixed in accordance with the company's Articles of Association.
- If signed by an Attorney, no notice of revocation of the Power of Attorney has been received.

CORRECT FORMS OF REGISTRABLE NAME

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons, companies or other legal entities acceptable to COMMONWEALTH BANK. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by the way of an account designation if completed exactly as described in the examples of correct forms of registrable names below.

TYPE OF INVESTOR	CORRECT FORM	EXAMPLES OF INCORRECT FORM
TRUSTS <i>(Do not use the name of trust, use trustee(s) personal names)</i>	John Smith <A/C Smith Family Trust>	John Smith Family Trust
DECEASED ESTATES <i>(Do not use the name of deceased, use executor(s) personal names)</i>	Michael Smith <A/C Est John Smith>	Estate of the Late John Smith
CLUBS/UNICORPORATED BODIES <i>(Do not use the name of clubs etc, use office bearer(s) personal names)</i>	John Smith <A/C ABC Tennis Association>	ABC Tennis Association
SUPERANNUATION FUNDS <i>(Do not use name of fund, use name of trustee of fund)</i>	John Smith Pty Ltd <A/C Super Fund>	John Smith Pty Ltd Superannuation

Put the name(s) of Joint Applicant(s) #2 and #3 and/or account description using <> as indicated above in designated space(s) at C on the Application Form. Joint Application must be signed by each Applicant.

BACK OF APPLICATION FORM

PLEASE COMPLETE FRONT

HOW TO APPLY

- Complete all relevant white boxes of the Application Form overleaf. Detailed instructions for doing so are set out in the Application Section. PHOTOCOPIES will not be accepted. Write in LARGE BLOCK LETTERS.
- PAY BY CHEQUE ONLY in Australian currency. MAKE YOUR CHEQUE PAYABLE TO COMMONWEALTH BANK SECONDARY SHARE OFFER. PIN (do not staple) the cheque to the front of the Application Form where indicated.
- Seal your completed Application Form with your cheque attached in the envelope provided. You may either lodge it with any branch of the Commonwealth Bank, any office of the Joint Lead Managers or any member of the Australian Stock Exchange Limited or mail it to: SHARE APPLICATION CENTRE, CBA RETURN No 1, SOUTH WESTERN SUBURBS MC NSW 2169.
- LODGE YOUR APPLICATION AS SOON AS POSSIBLE. Refer to the Prospectus for Details of the Offer.
- FOR ADVICE on investing in COMMONWEALTH BANK Shares, consult your stockbroker or independent financial adviser.
- READ THE PROSPECTUS IN FULL.
- IF YOU NEED FURTHER INFORMATION on how to Apply for Shares in COMMONWEALTH BANK, TELEPHONE 008 62 99 33.

DECLARATIONS BY APPLICANT(S) ON SIGNING THE FRONT OF THIS APPLICATION FORM

By signing this form you will be taken to have declared that:

- All details and statements made by me/us are complete and accurate and the Application complies with the terms of the Prospectus.
- If signed under a company's common seal, the signatories attest that the common seal was affixed in accordance with the company's Articles of Association.
- If signed by an Attorney, no notice of revocation of the Power of Attorney has been received.

CORRECT FORMS OF REGISTRABLE NAME

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons, companies or other legal entities acceptable to COMMONWEALTH BANK. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by the way of an account designation if completed exactly as described in the examples of correct forms of registrable names below.

TYPE OF INVESTOR	CORRECT FORM	EXAMPLES OF INCORRECT FORM
TRUSTS <i>(Do not use the name of trust, use trustee(s) personal names)</i>	John Smith <A/C Smith Family Trust>	John Smith Family Trust
DECEASED ESTATES <i>(Do not use the name of deceased, use executor(s) personal names)</i>	Michael Smith <A/C Est John Smith>	Estate of the Late John Smith
CLUBS/UNICORPORATED BODIES <i>(Do not use the name of clubs etc, use office bearer(s) personal names)</i>	John Smith <A/C ABC Tennis Association>	ABC Tennis Association
SUPERANNUATION FUNDS <i>(Do not use name of fund, use name of trustee of fund)</i>	John Smith Pty Ltd <A/C Super Fund>	John Smith Pty Ltd Superannuation

Put the name(s) of Joint Applicant(s) #2 and #3 and/or account description using <> as indicated above in designated space(s) at C on the Application Form. Joint Application must be signed by each Applicant.

Commonwealth Bank
SECONDARY SHARE OFFER

APPLICATION FORM

Not For Use in Shareholder Priority Offer

APPLICATION NUMBER

84706333

Lodge your Application Form as soon as possible. Instructions for A to J are set out on the opposite page.

BROKER'S REFERENCE NO	
ASX CODE	ADVISER NO

BROKER'S REFERENCE STAMP ONLY

Enter your Tax File Number(s) (or exemption category) – refer last page of Application Section

FOLD & TEAR ALONG THIS DOTTED LINE

USE BLOCK LETTERS

A I/We Apply to purchase Shares to the value of **A** \$ and lodge Application Monies (as shown in Box J below)

Write your name – refer overleaf for correct forms of registrable title

B GIVEN NAME(S) SURNAME

C JOINT APPLICANT # 2 OR ACCOUNT DESIGNATION

JOINT APPLICANT # 3 OR ACCOUNT DESIGNATION

E Enter your postal address

ADDRESS

SUBURB/TOWN STATE POSTCODE

F Insert telephone numbers

HOME

WORK

CONTACT NAME

I/We declare that this Application is signed/sealed in accordance with the prospectus and the declarations on the reverse of this form and agree to be bound by the Memorandum and Articles of Association of Commonwealth Bank of Australia

DATE /1993

COMPANY SEAL

G SIGNATURE(S): APPLICANT JOINT APPLICANT # 2 JOINT APPLICANT # 3

H PIN YOUR CHEQUE HERE

Commonwealth Bank
SECONDARY SHARE OFFER

This is not a bank deposit slip. DO NOT detach it from the Application Form.

IMPORTANT: Complete the following details

I APPLICANTS NAME (as in box B above) ADDRESS (as in box E above)

TC UC APPLICATION No. SUBURB/TOWN STATE POSTCODE

831 60178 84706333

Cheque details

DRAWER	BANK	BRANCH	AMOUNT OF CHEQUE
DRAWER	BANK	BRANCH	AMOUNT OF CHEQUE

J APPLICATION MONIES

A\$ -00

HOW TO COMPLETE THE APPLICATION FORM

Please complete all relevant white sections of the Application Form USING BLOCK LETTERS. These instructions are cross-referenced to each section of the form.

- A** Insert the DOLLAR VALUE OF SHARES you wish to apply for in Box A. The Application must be for a minimum of \$2,000 and thereafter in multiples of \$500.
- B** Write the FULL NAME you wish to appear on your Share Certificate in Box B. This must be either your own name or the name of a company. You should refer to the back of the Application Form for the correct forms of name which can be registered. Applications using the wrong form of name will be rejected.
- Applications in the name of a minor, a trust or estate, business, firm or partnership, club, association or other unincorporated body cannot be accepted. Applications made in the individual name(s) of (the) person(s) who is (are) the legal guardian(s), trustee(s), proprietor(s), partner(s) or office bearer(s) (as applicable) of those entities will be accepted.
- C** If you are applying as JOINT APPLICANTS, complete Box C. You should refer to the back of the Application Form for instructions on the correct form of name. Up to three Joint Applicants may register.
- D** Enter your TAX FILE NUMBER (TFN) or exemption category beside your name. Where applicable, please enter the Tax File Number for each Joint Applicant. Collection of TFNs is authorised by the taxation laws. (See last page of Application Section for full instructions.) *Quotation of your TFN is not compulsory and will not affect your Application.*
- E** Enter your POSTAL ADDRESS for all correspondence. All communications to you from the Commonwealth Bank's share registry (share certificates, dividend cheques, annual/interim reports, correspondence, etc) will be mailed to the person(s) and address as shown. For Joint Applications only one address can be entered.
- F** Please let us know your TELEPHONE NUMBER(s) and contact name in case we need to contact you in relation to your Application.
- G** SIGN the Application Form. It must be signed by the Applicant(s) personally, or under company seal or by an attorney. If your Application Form is signed by an attorney, the power of attorney document is not required to be lodged. Joint Applicants must each sign the Application Form.
- H** MAKE YOUR CHEQUE PAYABLE TO "COMMONWEALTH BANK SECONDARY SHARE OFFER" in Australian currency. Your cheque must be drawn on an Australian bank. Cheques will be deposited on the day of receipt. Sufficient cleared funds should be held in your account as cheques returned unpaid are likely to result in your Application being rejected. PIN (do not staple) your cheque to the Application Form where indicated.
- I** Complete all details on the foot of the Application Form as follows, BUT DO NOT DETACH THE PERFORATED SECTION:
- Insert Applicant's name(s) - (as in Box B above) and address - (as in Box E above)
 - Complete cheque details as requested
- J** Insert the amount of your APPLICATION MONIES in Box J. This should agree with both the amount of your cheque(s) and the amount entered in Box A.

LODGEMENT OF APPLICATIONS .

Seal your completed Application Form with your cheque attached to it in the envelope provided. You may lodge it with **any branch of the Commonwealth Bank**, any office of the Selling Syndicate, or any member of the Australian Stock Exchange Limited, or mail it to:

**SHARE APPLICATION CENTRE
CBA RETURN NO. 1
SOUTH WESTERN SUBURBS MC NSW 2169**

Applications must be received at the Share Application Centre no later than 5.00pm local time on the closing date (Friday, 22 October 1993). Applications lodged at a branch of the Commonwealth Bank prior to this time will be treated as having been received at the Share Application Centre.

FURTHER INFORMATION FOR APPLICANTS

Treatment of Applications

If your Application is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be treated as valid. The decision of the Government as to whether to treat your Application as valid, and how to construe, amend or complete it, shall be final.

You will not, however, be treated as having offered to purchase more Shares in the Commonwealth Bank than is indicated by the amount of your cheque.

The acceptance of Applications and the allocation of Shares is at the discretion of the Government.

If the Offer does not proceed, all Application Monies will be returned.

The Final Price per share will be determined following the close of the Offer. The Final Price will be used to determine the number of Shares to be allocated to each Applicant. The Government reserves the right to transfer to Applicants a lesser number of Shares than calculated by reference to the Application Monies tendered. If the value of Shares transferred is less than the Application Monies tendered, surplus Application Monies will be refunded following the closing of the Offer. Interest will not be paid on the Application Monies refunded.

The Government reserves the right to reject or aggregate multiple Applications.

For more information, refer to the Prospectus.

Uncertificated Investors only

If you are an investment institution or other major investor requiring Flexible Accelerated Security Transfer (FAST) uncertificated registration, please pin a "Certificated to Uncertificated Conversion" request form to your Application Form, inserting the "Application Number" from the top of the Application Form in the "Certificate Number" box on the conversion request form.

Tax File Numbers

The rules relating to Tax File Numbers (TFNs) provide that every investment which pays a dividend can have the investor's TFN or exemption recorded. If such an investment does not have a TFN or exemption recorded, tax may be deducted at the highest marginal rate plus Medicare Levy (currently 48.4%) from the unfranked portion of any dividends.

Please read the following instructions carefully and then complete the TFN section (Box D on the Application Form).

- **Investments in Name of an Individual**
Simply quote your TFN or the reason for your exemption. If you have an exemption as a pensioner, you should insert the full name of the pension you receive (eg. aged, invalid, widow, etc) in Box D.
- **Joint Applicants**
At least two of the Joint Applicants must quote their TFNs or exemptions. Where there are more than two Applicants, details must be given of Applicants with TFNs rather than those with exemptions.
- **Trusts**
Quote the TFN of the trust. If the trust has no TFN, quote the trustee's TFN. If there are two or more trustees, the TFNs of at least two trustees are required.
- **Partnership**
Quote the partnership's TFN. If the partnership does not have a TFN, complete the TFN section as if the partners are Joint Applicants.
- **Company**
Quote the company TFN.
- **Organisations not required to lodge a tax return**
Quote the TFN of the organisation. If the organisation does not have a TFN, quote the reason why the organisation is exempt (eg. religious, cultural, charitable groups).

COLLECTION OF TAX FILE NUMBERS IS AUTHORISED AND STRICTLY REGULATED BY TAXATION LAWS AND THE PRIVACY ACT. DECLINING TO QUOTE A TFN IS NOT AN OFFENCE AND WILL NOT INVALIDATE AN APPLICATION FOR SHARES. FAILURE TO PROVIDE A TFN MAY RESULT IN TAX BEING DEDUCTED FROM THE UNFRANKED PORTION OF ANY DIVIDENDS AT THE HIGHEST MARGINAL RATE PLUS MEDICARE LEVY (CURRENTLY 48.4%).

For more information about the use of TFNs, you can obtain a booklet "New Tax Rules for Savings Accounts and Investments" from the Australian Taxation Office.

In the event that sufficient Applications and Bids at a satisfactory price are not received for all of the Shares offered for sale by the closing date of the Institutional Offer, the Government has resolved that the sale of Shares will not proceed. In that event, Application Monies will be refunded. No interest will be paid on Application Monies so refunded.

2.5 THE INSTITUTIONAL OFFER

The Institutional Offer invites Australian and international Institutions to Bid to acquire a specified number of Shares at different specified prices or at the Final Price. Further details are set out below.

It is intended that not less than 35% of the Offer will be reserved for the Institutional Offer.

The Final Price will be determined as set out in Section 2.6 below.

The Joint Lead Managers and the Co Lead Managers have agreed to solicit Bids from Institutions specifying the investment in Shares which those Institutions would be prepared to make either at different specified prices or at the Final Price.

Additional international syndicate members may also be appointed to solicit Bids.

Offers outside Australia are being made pursuant to a separate Offering Memorandum.

The Institutional Offer will close at 5.00pm (Sydney time) on Friday, 29 October 1993.

Bidding Process – Australia

The Government invites Institutions in Australia to submit Bids for Shares. Bids must:

- be made on a standard Institutional bidding form ("**Bidding Form**"), which will be provided for this purpose by the Joint Lead Managers;
- be submitted to the Joint Lead Managers in accordance with the instructions noted on the Bidding Form and at the address noted thereon;
- be for a specified number of shares equivalent to not less than \$100,000 or a dollar value of at least \$100,000 and in increments of \$100,000 thereafter;
- indicate the identity of the Institution, its address, telephone and facsimile numbers and the name of a contact person; and
- indicate the amount of investment (in dollars or number of Shares) that the Institution wishes to have at each different specified price.

Bidding Process – International

Bids from Institutions outside Australia will be made in the same manner as above, except that Bids must be submitted through representatives of either the Joint Lead Managers or the Co Lead Managers or other international syndicate members who have been or may be appointed.

Disclosure of Identity

The identity of each person making a Bid must be disclosed to the Joint Lead Managers.

If a Bid is made in the name of a nominee, that fact must be disclosed and the Joint Lead Managers may require disclosure of the identity of the proposed beneficial owner, which information will be disclosed to the Government.

Information relating to Bids will be restricted to nominated senior representatives of the Government and the Joint Lead Managers.

Acceptance and Notification of Allocations

All Bids from Institutions as at the closing date of the Institutional Offer will, until midnight on the Settlement Date, constitute irrevocable offers to purchase the number of Shares for which they have submitted Bids. Institutions making Bids agree that their Bids will be irrevocable for the period specified above in consideration of the Government allowing (which it agrees to do) Bids under the Institutional Offer to be made without immediate tender of Application Monies as required by the Retail Offers.

Written confirmation of Bids will be issued generally by facsimile. However, receipt of written confirmation is not necessary in order for a Bid to become irrevocable.

It is expected that the basis of allocation will be announced on, or before, the first Business Day (Monday, 1 November 1993) following the closing date of the Institutional Offer and the Joint Lead Managers will promptly notify all Institutions of their allocations.

Payment and Delivery

Upon notification of their allocations, Institutions must:

- complete valid Application Forms in conformity with the notification of their allocations;
- attach a cheque in Australian currency drawn on a bank in Australia for the Final Price in respect of the number of Shares allocated to them; and
- lodge the Application Forms and cheques with the Share Application Centre, no later than 3 Business Days (Thursday, 4 November 1993) following the date on which trading on the ASX commences. Application Monies will not be banked until the Settlement Date.

2.6 DETERMINATION OF THE FINAL PRICE

The Government will determine the Final Price after consultation with the Joint Lead Managers on the basis of the level of demand in the Offer and having regard to its own objective of maximising the proceeds from the Offer and a desire to maintain an orderly secondary market in the Shares.

The Final Price will not necessarily be the highest price at which Bids are submitted for Shares.

No stamp duty or brokerage is payable by Applicants in relation to this Offer.

2.7 ALLOCATION POLICY

Between the Retail and Institutional Offers

Under the Retail Offers, Shareholders will receive a priority allocation of up to \$3,000 of Shares, subject to the receipt of valid Applications. Allocations above \$3,000 will depend on the total Applications received from Shareholders. The Government will endeavour to re-allocate the priority allocations, or any part thereof, which have not been applied for among other Shareholders. Approximately 20% of the Offer will be offered to members of the ASX for distribution to their private clients. Not less than 35% of the Shares will be reserved for Institutions under the Institutional Offer, subject to the receipt of Bids for that number of Shares at the Final Price.

Between Applicants in the Public Offer

The Government will attempt to treat Applications received prior to the closing date of the Public Offer on a consistent basis. There is no assurance that Applicants will be allocated the dollar amount of Shares applied for. However, it is envisaged that a minimum allocation of Shares will be determined and all Successful Applicants in the Public Offer will receive at least that number of Shares. This is currently envisaged to be an investment of \$2,000 but will ultimately depend on the total level of demand under the Public Offer.

Between Institutions participating in the Institutional Offer

The basis of allocation between participants in the Institutional Offer will be determined by the Government, after consultation with the Joint Lead Managers. There is no assurance that any Institution lodging a Bid in the Institutional Offer will be allocated any Shares or the number of Shares for which it has Bid.

The initial determinant of the allocation of Shares in the Institutional Offer will be the level of the Final Price (see above). This is because Bids at prices less than the Final Price will not be considered for an allocation of Shares.

After disregarding Bids at prices less than the Final Price, the allocation policy will, other things being equal, regard favourably a number of factors, including the following:

- investors which Bid at higher prices,
- the level of existing shareholding in the Commonwealth Bank,
- recent Commonwealth Bank share trading history resulting in an increase in shareholding,

- investors which indicate demand at an early stage,
- Bids at specific prices rather than Bids at the Final Price.

Subject to the following paragraph, as a matter of Government policy, no "foreign person" as defined in the Foreign Acquisitions and Takeovers Act 1975 will be allocated Shares which, together with other shares in the Commonwealth Bank held by it, would give it a holding of in excess of 1% of the Commonwealth Bank's total issued capital. In other respects, Bids by Australian and foreign Institutions will be treated consistently.

This restriction will not be applicable to an Application made by a foreign person in the capacity of trustee or manager of a fund which, at the time the Application is made, is able to establish to the Government's satisfaction that the total interests (if any) of all foreign persons represent not more than 40% of the total interests in the fund.

2.8 STOCK EXCHANGE QUOTATION OF SHARES

It is expected that trading of the Shares on the ASX will commence on a "deferred delivery" basis on the first Business Day following the closing of the Institutional Offer. This is expected to occur on Monday, 1 November 1993.

Share certificates will be despatched to shareholders approximately 9 Business Days after the commencement of trading on the ASX.

It is the responsibility of Applicants to determine their allocations prior to dealing in the Shares. Applicants selling Shares prior to receiving Share certificates will do so at their own risk.

To assist Applicants who wish to trade their Shares prior to receiving Share certificates, the Government will publish the basis of allocation of Shares by advertisements in all of the major metropolitan daily newspapers in Australia and The Australian Financial Review. This is expected to take place on Monday, 1 November 1993. On that date, Applicants may call the Commonwealth Bank Share Information Centre on 008 62 88 44 to seek information on their Application.

2.9 DISBURSEMENT OF APPLICATION MONIES

All monies received with Applications for Shares will be accounted for separately by the Government and no monies are for the account of the Commonwealth Bank.

After the Settlement Date, the Application Monies will be dealt with as follows:

- as to any amount tendered for Shares which are not allocated or where refunds are due on rounding, to the relevant Applicant; and
- as to the balance, to the Commonwealth.

Interest, if any, accruing on those amounts will be retained by the Commonwealth. In the event that the Offer does not proceed, all Application Monies will be refunded in full.

2.10 SHAREHOLDING RESTRICTIONS

Restrictions on Applications

The Banks (Shareholdings) Act 1972 (the "Act"), as amended, provides that no Australian or foreign bank at any time may acquire any "interest" (which is defined in the Act and may include "interests" held by such a bank as a result of shareholdings of its related or associated entities other than trustees or managers of a fund) in any voting share of the Commonwealth Bank.

This prohibition is subject to certain exceptions contained in the Banks (Shareholdings) Regulations. Those exceptions include:

- where a bank holds interests in no more than 0.5% of the total voting shares of the Commonwealth Bank as a result of an associated broker holding interests in voting shares in the Commonwealth Bank as principal, the bank's holding is ignored; and
- where a bank holds interests in no more than 5% of the total voting shares of the Commonwealth Bank as a result of an associated broker holding interests in voting shares in the Commonwealth Bank as agent, the bank's holding is ignored.

The relevant provisions of the Act, and the Regulations are complex and if you are in any doubt as to the applicability of those provisions to you, you should obtain legal advice.

Restrictions on Shareholding

The Banks (Shareholdings) Act prevents any person (other than the Commonwealth of Australia) holding "interests" in voting shares of the Commonwealth Bank in excess of 5% of all voting shares issued by the Commonwealth Bank. Again, the relevant provisions are complicated and if you have any concerns about these provisions and their application to you, you should obtain legal advice.

Other

The Commonwealth Banks Amendment Bill 1993 (which is currently before the Senate) requires the Commonwealth to retain at least 50.1% of the voting power in the Commonwealth Bank. Further, neither the Commonwealth nor the Commonwealth Bank will be allowed to do anything to cause or contribute to the Commonwealth no longer holding or controlling the Commonwealth Bank shares carrying the right to exercise at least 50.1% of the total voting rights in the Commonwealth Bank. If the Commonwealth Bank becomes aware that this 50.1% requirement has been breached, it must, within 2 months, take all reasonable steps in its power to correct the situation.

The Directors, under the Articles of Association of the Commonwealth Bank, will be required not to register a transfer of shares which would contravene the 50.1% restriction. Further, the Directors are empowered under the Articles to refuse to register a transfer which would breach a restriction contained in the Banks (Shareholdings) Act.

2.11 DISTRIBUTION OF PROSPECTUS

The distribution of this Prospectus in jurisdictions outside the Commonwealth of Australia may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of securities law. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Outside the Commonwealth of Australia the Offer is being made by way of a private placement to institutional investors by a separate Offering Memorandum. Accordingly, this Prospectus may not be supplied to the public in any jurisdiction outside the Commonwealth of Australia in which any registration, qualification or other requirement exists or would exist in respect of any public offering of securities.

The Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and such Shares may not be offered or sold within the United States or to United States Persons, as defined in Regulation S of the Securities Act, except to "Qualified Institutional Buyers" (as defined in Rule 144A of the Securities Act) in reliance on an exemption from the registration provisions of the Securities Act.

The Shares may not be offered, sold or re-offered or re-sold in the United Kingdom by means of this, or any other document, other than to persons whose ordinary business it is to buy or sell shares or debentures as principal or agent. No document issued in connection with the Offer of Shares may be passed on to any person in the United Kingdom unless that person is of the kind described in Article 9(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1988 (as amended).

The Shares have not been, and will not be, registered under the Securities and Exchange Law of Japan (the "Securities and Exchange Law"). Accordingly, the Shares may not be offered or sold, directly or indirectly in Japan, or to or for the benefit of any resident of Japan except in compliance with the Securities and Exchange Law and other applicable laws of Japan.

SECTION 3 – GUIDE FOR INVESTORS

3.1 EXAMPLE OF ALLOCATIONS AND REFUNDS UNDER THE RETAIL OFFERS

The following example is intended as an illustration only of how Applications may be dealt with by the Government in calculating the number of Shares to be allocated to a Successful Applicant. It is not intended to be indicative of the likely Final Price or level of demand under the Offer.

Example of Allocations and Refunds

1.	Application amount (i)	\$5,000
2.	Final Price (ii)	\$9.55
3.	Final Price after deduction of the discount (iii)	\$9.30
4.	Number of Shares to be allocated at \$9.30 prior to rounding (iv)	537
	Shares deducted to round down to a multiple of 10	<u>7</u>
	Total number of shares to be allocated	<u>530</u>
5.	Refund calculation (v)	
	Application amount	\$5,000
	Less value of shares allocated (530 Shares at \$9.30)	<u>\$4,929</u>
	Refund cheque	<u>\$71</u>

Notes:

- (i) This represents the dollar value of Shares applied for. The level of total demand for the Shares will determine whether Applications can be met in full.
- (ii) The Final Price will be determined by the Government following the close of the Offer.
- (iii) Successful Applicants under the Retail Offers will pay \$0.25 less than the Final Price per Share for the first \$25,000 of Shares allocated to them.
- (iv) Fractions will be ignored and allocations are to be in multiples of 10 Shares.
- (v) Refunds will be determined following the calculation of the discount and rounding.

Additional Note for Applicants for Shares in excess of \$25,000

The discount of \$0.25 per Share only applies to Shares allocated up to a value of \$25,000. Thereafter, Shares will be allocated at the Final Price. That is, no discount applies to the excess.

3.2 QUESTIONS AND ANSWERS

The following questions and answers are intended to deal with certain fundamental issues involving the ownership of shares. It is not intended to be comprehensive.

What does owning shares involve?

Owning shares and being a shareholder in a company means being a part-owner of the company.

The rights of a part-owner include:

- the right to participate in the profits of the company through the receipt of dividends;
- the right to attend and vote at shareholder meetings; and
- a pro-rata entitlement to the proceeds of winding up of the company, after all creditors and preference shareholders (if any) have been satisfied.

Through the Offer, investors are being given the opportunity to purchase fully paid Shares. In a limited liability company like the Commonwealth Bank, shareholders cannot be required to pay any additional money to the company in respect of any fully paid shares they own.

What financial benefits can arise from owning shares?

There are two principal financial benefits which may arise:

- income in the form of dividends on the shares; and
- capital growth from a rise in the share price.

Dividends are not fixed and may vary from year to year. As noted below, movements in a company's share price are dependent upon many factors, including share market conditions and the financial position and profit performance of the company. Shares should not generally be considered as a short-term investment.

What is the par value of each Commonwealth Bank Share?

Each Share in the Commonwealth Bank has a par value of \$2.00. This is a legal concept which does not necessarily reflect the market value of the Shares. As is common with many companies offering shares, the Final Price (at which Shares in the Commonwealth Bank will be sold) under this Prospectus will be in excess of the par value of the Shares.

If I want to buy the Commonwealth Bank Shares, when should I apply?

It is intended that the Retail Offers will open on Tuesday, 5 October 1993 and remain open until 5pm local time, Friday, 22 October 1993. The Government has reserved the right to vary the closing dates of the Offer. Should you wish to apply for Shares, you should ensure that your Application is received by 5.00pm on the closing date of the Retail Offers.

Will I get all the Shares I apply for and when will I know?

The number of Shares received by each Applicant will depend upon the level of response to the Offer. It is intended that, where possible, all Applicants who have lodged valid Applications by the closing date of the Retail Offers will receive at least a minimum allocation of Shares.

The basis of allocation of Shares will be determined following the receipt of all Applications and the closing of the Institutional Offer, which is expected to be Friday, 29 October 1993. At that time the Final Price will be determined.

The minimum Application is \$2,000. It is the Government's aim to allocate a minimum of \$2,000 worth of Shares to each Successful Applicant under the Public Offer. However, depending on the total level of demand, it may not be possible to allocate the minimum of \$2,000 worth of Shares. Accordingly, Applications at or above the minimum of \$2,000 may need to be scaled back.

All Shareholders will receive a Shareholder Priority Application Form assuring them that all valid Applications, up to \$3,000, will be satisfied in full. Allocations above \$3,000 will depend on the total Applications received from Shareholders.

It is envisaged that details of the Final Price and the basis of allocation will be published in major newspapers around Australia on the morning of Monday, 1 November 1993.

Should you seek further information on your application for Shares, you should contact your stockbroker, accountant or independent financial adviser or call the Commonwealth Bank Share Information Centre on 008 62 99 33.

What if my Application is unsuccessful?

If you are not successful in obtaining all or any of the Shares for which you have applied, the amount of money not applied to the purchase of Shares will be returned to you within 14 days of the announcement of the Final Price. Interest will not be paid on refunded Application Monies.

How do I sell my Shares?

It is not difficult to sell your Shares should you wish.

The Shares in the Commonwealth Bank offered under this Prospectus will be quoted on the ASX. You will be able to buy or sell Shares at prevailing prices through any member of the ASX. If you do not already have a stockbroker, you can contact any of the Joint Lead Managers, Co Lead Managers or Co-Managers as listed in the Directory. Alternatively, the ASX upon request will provide you with a list of stockbrokers.

The market prices of listed shares and certain information regarding each day's transactions are usually reported in the business sections of the major daily newspapers.

Buying or selling shares on the ASX will require the payment of a brokerage fee to your stockbroker, together with half of the applicable stamp duty on the transaction. However, following the close of the Offer, the Joint Lead Managers, Co Lead Managers and Co Managers

propose to offer a specialised service over a limited period of time to small shareholders to enable their shareholdings to be rounded to a marketable parcel. This service will provide these shareholders with the opportunity to dispose of non-marketable parcels or to purchase additional shares without incurring the normal brokerage charges. Shareholders will be notified of the details of the specialised service following the close of the Offer.

How is a dividend declared and paid?

A company's directors will determine how much of its profits are required for reinvestment in the company's business and how much it can responsibly pay out to shareholders in dividends. Dividends may vary from year to year and are usually declared as a number of cents per share.

You will sometimes see a reference to the yield on a share. That refers to the percentage of the market price of a share which a full year's dividend represents. For example, a dividend of 10 cents in relation to a market price of \$2.00 represents a yield of 5.0%.

The Commonwealth Bank has established a dividend reinvestment plan which provides eligible Shareholders with the choice of reinvesting dividends in new shares in the Commonwealth Bank rather than receiving those dividends directly in cash. If you are a Successful Applicant for Shares in this Offer and wish to receive further information on this plan you should contact the Commonwealth Bank direct.

3.3 FACTORS RELATING TO SHARE INVESTMENT

Investors should recognise that the prices of shares can fall as well as rise. The price at which the Shares trade on the ASX may be higher or lower than the Final Price. If you decide to sell your Shares, the amount you will receive on sale may therefore be higher or lower than the amount of your original investment.

Many factors will affect the price of the Shares of the Commonwealth Bank. At any point in time, these factors may include:

Company Factors

- assessments as to the profit outlook for the Commonwealth Bank;
- the current profitability of the Commonwealth Bank;
- the dividend policy of the Commonwealth Bank;
- the level of franking of any dividend payment; and
- the strength of the balance sheet of the Commonwealth Bank.

External Factors

- movements in the general level of prices on local and international share markets;
- the success of marketing and other strategies adopted by the Commonwealth Bank, relative to its competitors' strategies;
- developments in the banking industry generally;
- the economic outlook in Australia and internationally;
- changes in government fiscal, monetary and regulatory policies; and
- changes in interest rates and inflation.

Investors are urged to seek professional advice from a stockbroker, financial adviser, accountant or other suitably qualified adviser before making an investment decision.

3.4 TAXATION CONSIDERATIONS FOR AUSTRALIAN RESIDENT INDIVIDUAL INVESTORS

The following comments are intended to apply to Australian resident individual investors. Non-resident investors should consider the taxation implications relevant to their country of residence. Individual investors may be subject to tax on dividends received from the Commonwealth Bank and upon profits realised on the sale of any of their Shares. The following is a simplified description of the tax position for Australian resident individual investors based on the current state of the legislation. It is not meant to be an authoritative or complete statement of the law.

Tax on Dividends

- Dividends received by Australian residents are normally taxable as income.
- Individual shareholders who are residents of Australia will be entitled to an imputation credit in respect of franked dividends received from the Commonwealth Bank.
- A franked dividend is one which is paid out of company profits in respect of which the company has paid Australian company tax. Shareholders are given a credit against their tax liability (an imputation credit) for the Australian tax paid by the company. Dividends may be wholly or partly franked depending upon the level of income tax paid by the company.
- The full rate of Australian company tax applicable to profits earned up to 30 June 1994 is 33%.
- The extent to which a dividend can be franked depends on the amount in the franking account resulting from the payment of tax at the 39% rate (the company tax rate applicable to profits earned up to 30 June 1993) and the 33% rate. The 39% credits must be used first and give rise to franking credits at the 39% rate. When these credits are exhausted, the 33% credits will give rise to franking at the 33% rate.
- A fully franked dividend is one in respect of which the whole amount is franked (whether at the 39% rate or the 33% rate or a combination of those rates).
- The amount of the imputation credit will be shown separately on the dividend statements provided by the Commonwealth Bank to each shareholder.
- An amount equal to the dividend which you receive plus the imputation credit should be included in your tax return. A tax rebate equal to the imputation credit is then available to you to offset against tax payable on the dividend and on other income. Generally speaking, if your marginal tax rate is equal to the franking rate (39% or 33%) or less, you will pay no further income tax on a fully franked dividend. However, where the amount of the imputation credit exceeds your total tax liability, you cannot obtain a refund of that excess imputation credit.
- If you participate in the Commonwealth Bank's dividend reinvestment plan, the amount of the dividend you elect to reinvest plus the imputation credit must be included in your tax return as income as if you had received the dividend in cash.
- To the extent that a dividend is unfranked, there is no imputation credit and that dividend should be included in your tax return.

Disposal of Shares

- Shareholders who dispose of their Shares at a price in excess of cost will generally be subject to capital gains tax. Tax is imposed on the gain realised on the disposal, subject to indexation of the cost of the Shares for inflation over the period of the shareholding, if the Shares are held for more than 12 months.
- Shareholders who dispose of their Shares at a price which is less than the price at which they acquired those Shares may incur a capital loss. A capital loss may be able to be offset against capital gains arising in the same year of income or in a subsequent year of income but may not be offset against ordinary income.
- Gains realised by certain categories of shareholders (such as banks, insurance companies and share traders) may be taxed as ordinary income without any adjustment for inflation. Correspondingly, losses made by such special categories of shareholders may be allowable deductions against ordinary income.

If you have any questions about the taxation considerations of share ownership, you should consult a suitably qualified adviser.

SECTION 4 – ADDITIONAL INFORMATION

4.1 REGULATION AND SUPERVISION OF BANKING IN AUSTRALIA

Banks other than State banks (which operate under specific State legislation) require an authority in terms of the Banking Act 1959. Applications for an authority to carry on banking business in Australia are made to the Commonwealth Treasurer and are assessed against banking and prudential policy requirements. The Banking Act 1959 and the Reserve Bank Act 1959 empower the Reserve Bank of Australia to regulate the operations of authorised banks in Australia, including the Commonwealth Bank. The Commonwealth Bank is also governed by the provisions of the Commonwealth Banks Act 1959. The Banks (Shareholdings) Act 1972 limits the proportion of voting shares which an individual or associated person can hold in a bank.

A Banking Policy Statement made on Friday, 18 June 1993 by the Commonwealth Treasurer, the Hon John Dawkins, MP, outlines a number of important aspects of Government policy for the banking industry. The Government is currently preparing, in consultation with interested parties, a Code of Banking Practice aimed at establishing minimum standards of disclosure and conduct which banks, building societies and credit unions would agree to observe when dealing with their personal customers.

4.2 RELATIONSHIP OF THE COMMONWEALTH BANK WITH THE COMMONWEALTH OF AUSTRALIA

Under the Commonwealth Banks Act 1959 (the "Act") and the Memorandum and Articles of Association of the Commonwealth Bank (the "Articles"), the Commonwealth of Australia has special rights and privileges in respect of the Commonwealth Bank. Persons requiring more details should read the Act and the Articles, copies of which are publicly available.

The rights and privileges of the Commonwealth of Australia are contained in the provisions of the Act, the Articles, or may be exercised in a general meeting of the Commonwealth Bank through the voting power attached to its shares. On the basis of amendments to the Act and to the Articles to which the Offer is subject, the Commonwealth must hold at least 50.1% of the total voting rights of shares in the Commonwealth Bank (see page 18 of this Prospectus). The Articles provide for the provisions of the Act to prevail over the Articles.

It is also possible for the Government to initiate amendments to legislation which, if enacted by the Australian Parliament, could reduce its role or increase it.

Completion of the Offer will not affect the current guarantee of the payment of all monies owed by the Commonwealth Bank. This guarantee is made pursuant to Section 117 of the Commonwealth Banks Act 1959, as amended.

Apart from the reduction in shareholding to not less than 50.1%, no other changes to the current relationship between the Commonwealth Bank and the Government will occur as a result of completion of the Offer.

The Government has no intention whatever of further reducing the Commonwealth of Australia's shareholding in the Commonwealth Bank below 50.1%.

4.3 THE COMMONWEALTH DEVELOPMENT BANK OF AUSTRALIA

The Commonwealth Banks Amendment Bill 1993 (the "Bill") also makes provision for an expansion of the role of the Commonwealth Development Bank of Australia. The Commonwealth Development Bank is a statutory corporation, the share capital of which is wholly-owned by the Commonwealth Bank.

The Bill will provide for the Government to give a one-off capital injection of \$30 million to the Commonwealth Development Bank in 1993-94 and a continuing subsidy of \$20 million per annum, starting in the current financial year. The capital injection will be in the form of an issue of Commonwealth Development Bank shares to the Commonwealth. The value of the shares will be determined by agreement between the Commonwealth Treasurer and the Board of the Commonwealth Bank.

If amended, the Act will also enable the Commonwealth Development Bank to meet the full credit requirements, including refinancing, of its small and medium size business customers.

4.4 THE COMMONWEALTH AND THE BOARD OF THE COMMONWEALTH BANK

The Commonwealth Treasurer is, under the Commonwealth Banks Act 1959 (as amended) ("the Act"), represented on the Commonwealth Bank's Board of Directors (the "**Board**") by the Secretary to the Treasury (the "**Secretary**"). In addition to his or her functions as a Director, the Secretary is specifically given the function of representing the views of the Commonwealth Treasurer. The Secretary is not subject to retirement by rotation, nor to removal by a general meeting of the Commonwealth Bank but remains a member of the Board whilst ever he or she occupies the position of Secretary. Further details of the Secretary's involvement with the Board are contained in the Act and the Articles.

The Government also has special rights under the Act in relation to the policies, objectives and corporate plan adopted by the Board.

The Board is required to inform the Government of any policy of the Commonwealth Bank which in the Board's opinion should be made known to the Government. The Board must also inform the Government of the banking policy of the Commonwealth Bank and the Commonwealth Development Bank.

If the Government and the Board differ on whether such a policy is directed to the greatest advantage of the people of Australia and has due regard to the stability and balanced development of the Australian economy, the Commonwealth Treasurer and the Board shall endeavour to reach agreement.

Further, the Board is required at least once in each year to prepare a corporate plan setting out its objectives in relation to the operations of the Commonwealth Bank, and the Commonwealth Development Bank, and to provide an outline of the policies to be pursued to achieve them. These objectives are to include financial objectives, including the level of profitability and rate of return on resources. The Board is required to give the Commonwealth Treasurer a copy of each corporate plan as soon as practicable after its preparation.

Where the Commonwealth Treasurer and the Board differ in their opinion on a corporate plan or a variation of it, they are required to endeavour to reach agreement.

The Act sets out the procedures to apply if the Commonwealth Treasurer and the Board are unable to reach agreement on a corporate plan or a variation of it or on policies of which the Board has informed the Government.

Pursuant to the Act, the Commonwealth Treasurer also has a role in relation to dividends.

The Board must notify the Commonwealth Treasurer, in writing, of any dividend recommendation it proposes to make to a general meeting of the Commonwealth Bank before it makes the recommendation.

The Commonwealth Treasurer, not later than 14 days after that notification, must either accept the proposed recommendation or vary it by specifying a particular amount to be recommended as the dividend for the financial year, which does not exceed 45% of the consolidated profit, according to the accounts of the Commonwealth Bank and all its subsidiaries, excluding abnormal items of a capital nature and extraordinary items and after income tax expense.

Before making a decision to vary a proposed dividend recommendation, the Commonwealth Treasurer must try to reach agreement with the Board and take into consideration the reasons for the Board's proposed recommendation.

Under the Articles, the Annual General Meeting of the Commonwealth Bank considers the recommended dividend and can accept or reduce the amount. However, the Annual General Meeting cannot declare a dividend exceeding the amount recommended by the Board, as affected by a variation by the Commonwealth Treasurer.

There are several provisions of the Articles which have the effect of conferring special powers upon the Commonwealth. These relate to:

- unissued shares in the Commonwealth Bank;
- the establishment of employee share ownership schemes;
- quorums for any general meeting of members of the Commonwealth Bank;

-
- the appointment of the Managing Director or Deputy Managing Director;
 - the election of the Chairman and Deputy Chairman of Directors;
 - interim dividends;
 - the receipt of ordinary shares in lieu of dividends; and
 - dividend and/or interest re-investment plans.

4.5 FEES

The Joint Lead Managers will be paid a fixed fee of \$250,000 for performing the "bookbuilding" role associated with the Offer.

Management fees of \$500,000 will be paid to each of the Joint Lead Managers. Each of the Co Lead Managers and Co Managers will be paid \$250,000 and \$50,000, respectively.

The Government will pay the Selling Syndicate a commission of 0.4% on all successful allocations to Australian investors participating in the Institutional Offer. A commission of 0.8% will be paid to the Joint Lead Managers, Co Lead Managers and any other international syndicate members who may be appointed, on all successful allocations to international Institutions participating in the Institutional Offer.

A brokerage fee of 0.75% will be paid to members of the ASX in respect of Shares allocated pursuant to Applications lodged by them and bearing their stamp, not including Applications under the Broker Firm Offer.

In the case of the Broker Firm Offer, a fee of 1.0% of each broker's firm allocation will be paid to members of the ASX.

The Government will reimburse the Joint Lead Managers and the Co Lead Managers for certain out-of-pocket expenses incurred in relation to the Offer.

All fees and other commissions, brokerage, listing fees and other costs in connection with this Offer are paid or payable by the Government. No stamp duty is payable on the transfer of the Shares to Successful Applicants. No fees or commissions are payable by the Commonwealth Bank.

4.6 CONSENTS

County NatWest Securities Australia Limited and McIntosh Corporate Limited have consented and have not withdrawn their consent to being named in this Prospectus as Joint Lead Managers to the Offer of Shares pursuant to this Prospectus.

The Joint Lead Managers have not independently verified the information in sections 1.6 and 1.7 and each of them expressly disclaims and takes no responsibility for the information in those sections.

Mallesons Stephen Jaques has consented and has not withdrawn its consent to being named in this Prospectus as solicitors to the Joint Lead Managers. Mallesons Stephen Jaques is not responsible for, and does not make or purport to make any statement in this Prospectus. Mallesons Stephen Jaques has not authorised or caused the issue of any part of this Prospectus.

Each of the parties named under the heading "Co Lead Managers" and "Co Managers" in the Directory has consented and has not withdrawn its consent to being named in this Prospectus. None of these parties so named has had any involvement in the preparation of any part of this Prospectus and their names appear for information purposes only.

The Australian Government Solicitor has consented and has not withdrawn its consent to being named in this Prospectus as solicitors to the Government. The Australian Government Solicitor has not independently verified the information in sections 1.6 and 1.7 and expressly disclaims and takes no responsibility for the information in those sections.

Coudert Brothers has consented and has not withdrawn its consent to being named in this Prospectus as attorneys to the Government. Coudert Brothers does not purport to make any statement in any part of this Prospectus and no part of this Prospectus is based on a statement purporting to be made by Coudert Brothers.

Australian Stock Exchange Limited has consented and has not withdrawn its consent to being named in this Prospectus in relation to the share price history on page 12 of this Prospectus. Australian Stock Exchange Limited has not had any involvement in the preparation of any part of this Prospectus.

None of the Commonwealth Bank or any Director or officer of the Commonwealth Bank or any of its subsidiaries has authorised or caused the issue of any part of this Prospectus. None of those persons has had any involvement in the preparation of any part of this Prospectus; none of those persons purports to make any statement on any part of this Prospectus; and none of those persons has consented to being named in this Prospectus as performing any function in any capacity for the Government or in relation to the sale of the Shares except in acting as Banker to the Offer.

4.7 THE COMMONWEALTH BANK 1993 ANNUAL REPORT AND OTHER COMMONWEALTH BANK INFORMATION

Although not made a part of this Prospectus, for the convenience of potential investors, copies of the Commonwealth Bank 1993 Annual Report are being made widely available. If you have not been provided with one, you may obtain a copy from any branch of the Commonwealth Bank or by contacting the Commonwealth Bank Share Information Centre on 008 62 99 33.

With the exception of the Secretary to the Treasury in his capacity as a Commonwealth Bank Board Member, none of the Government or any person listed in the Directory to this Prospectus had any involvement in the preparation of any part of the Commonwealth Bank 1993 Annual Report or any other public information released by the Commonwealth Bank; none of those persons purports to make any statement on any part of the Commonwealth Bank 1993 Annual Report or any other public information released by the Commonwealth Bank; and none of those persons has authorised or caused the issue of the Commonwealth Bank 1993 Annual Report or any other public information released by the Commonwealth Bank. With the same exception, none of the Government or any person listed in the Directory to this Prospectus is in a position to verify the information contained in the Commonwealth Bank 1993 Annual Report or any other public information released by the Commonwealth Bank and each expressly disclaims and takes no responsibility for the Commonwealth Bank 1993 Annual Report or any other public information released by the Commonwealth Bank.

4.8 FAST SYSTEM OF SHARE TRANSFER

The Commonwealth Bank is a participant in the FAST (Flexible Accelerated Security Transfer) system of share transfers conducted by the ASX. Accordingly, the Commonwealth Bank may register securities without share certificates. The FAST system is generally intended for professional investors.

Applicants who wish to hold Shares in uncertificated form should discuss the scheme with their stockbroker for appropriate action before lodging their Application Form. Stockbrokers will arrange a "Certificated to Uncertificated Conversion" request form for attachment to the Application Form attached to this Prospectus. The Application number from the top of the Application Form should be used as the certificate number on the conversion request form. Alternatively, arrangements can be made after certificates have been issued.

Institutions granted institutional participation authority which wish to hold Shares in uncertificated form should also complete a certificated to uncertificated conversion request form and attach it to their Application Forms. The Application number from the Application Form should be used as the certificate number on the conversion request form.

4.9 AUTHORISATION

This Prospectus has been authorised and issued by the Commonwealth and is signed for and on behalf of the Commonwealth by:



Ralph Willis
Minister for Finance

*Historical copy of CBA's 1993 IPO prospectus — not current disclosure.
Do not rely on this document for any current investment decision.*

DIRECTORY

THE GOVERNMENT

Commonwealth of Australia
Department of Finance
Langton Crescent, Parkes
Canberra ACT 2600

SOLICITORS FOR THE GOVERNMENT

Australian Government Solicitor
Piccadilly Centre
133 Castlereagh Street
Sydney NSW 2000

Coudert Brothers
Attorneys
State Bank Centre
52 Martin Place
Sydney NSW 2000

JOINT LEAD MANAGERS

County NatWest Securities Australia Limited
Grosvenor Place
225 George Street
Sydney NSW 2000

McIntosh Corporate Limited
120 Collins Street
Melbourne VIC 3000

SOLICITORS TO JOINT LEAD MANAGERS

Mallesons Stephen Jaques
50 Bridge Street
Sydney NSW 2000

CO LEAD MANAGERS

Barclays de Zoete Wedd Australia Limited
CS First Boston Australia Limited
Daiwa Securities Australia Limited
J B Were & Son

CO MANAGERS

ANZ McCaughan Securities Limited
Bain Securities Limited
James Capel Australia Limited
Macquarie Equities Limited
Ord Minnett Securities Limited
Potter Warburg Limited
SBC Dominguez Barry Limited

BANKER TO THE OFFER

Commonwealth Bank of Australia
48 Martin Place
Sydney NSW 2000