
Presentation of Half Year Results

13 February 2002



Disclaimer

The material that follows is a presentation of general background information about the Bank's activities current at the date of the presentation, 13 February 2002. It is information given in summary form and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice when deciding if an investment is appropriate.



Speaker's Notes

- Speaker's notes for this presentation are attached below each slide.
- To access them, you may need to save the slides in PowerPoint and view/print in "notes view."



Overview

- Underlying Group performance up 14%
- Reflects a strong banking result up 16% (before bad debts) driven by a steady net interest margin and growth in other banking income
- Funds under management result is up 23% with strong momentum in funds inflow maintained through September 11
- Australian life insurance operating margin up 22% offset by a weak offshore life insurance result
- Increase in bad and doubtful debt expense, driven by two large impaired corporate exposures
- Organisational restructure announced in December 2001 complementing the Bank's strategic focus on wealth management



Agenda

- Performance Highlights
- Income and Expenditure
- Segment Results
- Balance Sheet
- Integration of Colonial
- Funding and Capital



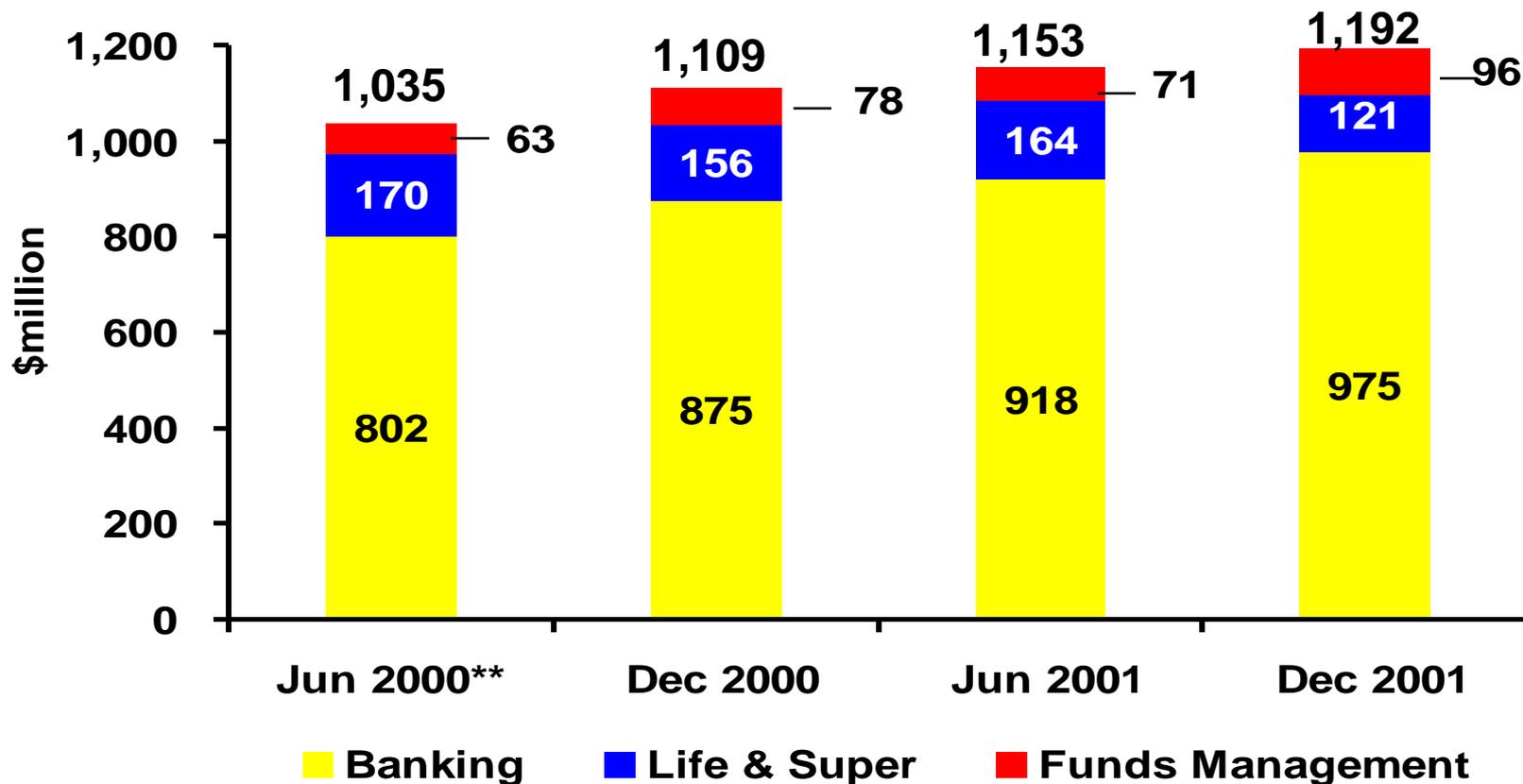
Performance Highlights

Set out in this presentation are unaudited proforma graphs and tables which include the profit and loss, balance sheet and life insurance and funds management statistics for the Commonwealth Bank and Colonial Limited for the half year ending June 2000. These have been prepared to illustrate the proforma consolidated position of Commonwealth Bank and Colonial as if Colonial had been merged with Commonwealth Bank from 1 January 2000 to 30 June 2000 for profit and loss purposes.

The proformas do not include goodwill amortisation or life insurance appraisal value uplift. The results included within the profit and loss have been adjusted for abnormal items and other items not considered part of the ongoing operations, such as the effect of Colonial's UK life insurance business which was sold during the period and specific payments made by Colonial in relation to the merger with Commonwealth Bank. [No adjustments have been made for inconsistencies in accounting policies between Colonial and Commonwealth].



Net Profit*

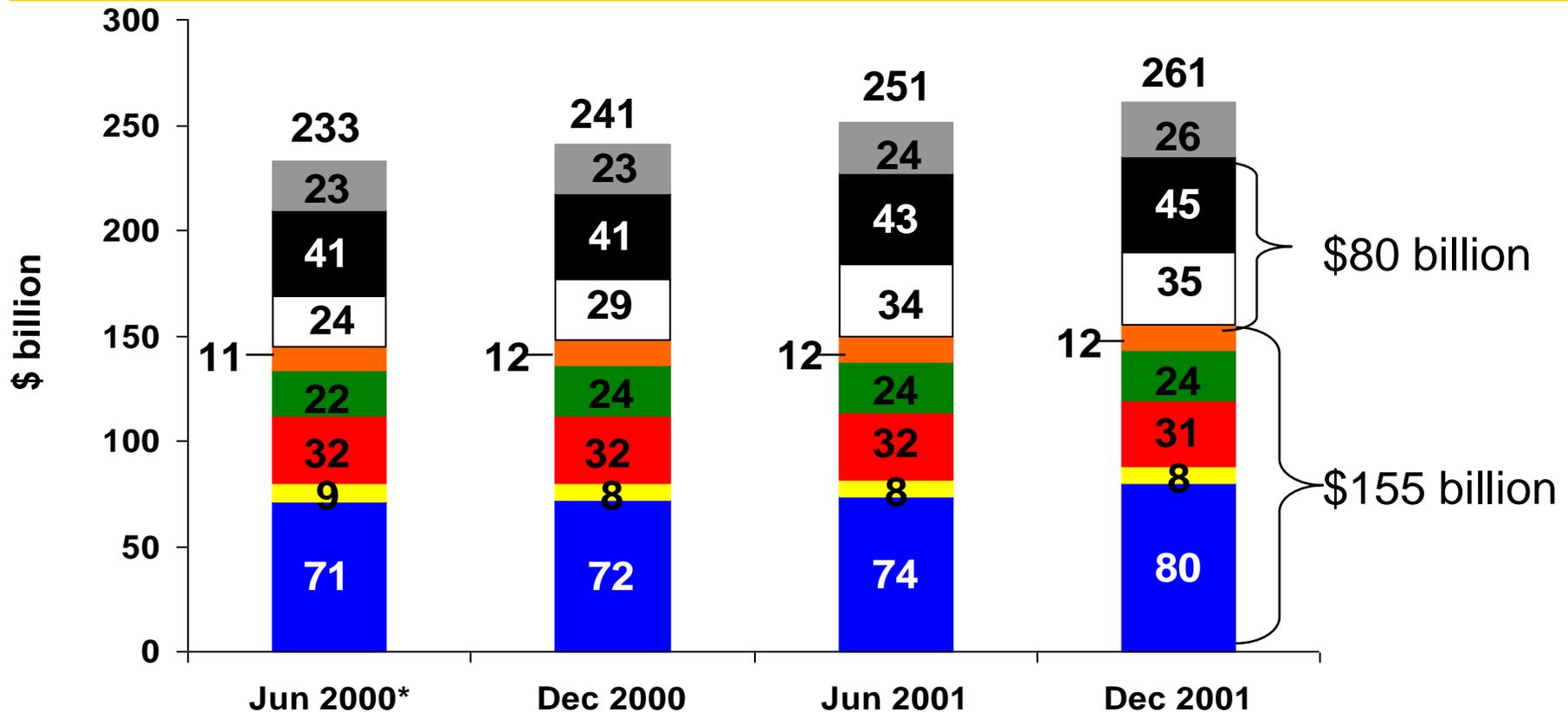


* Net Profit after tax and outside equity interest - cash basis.
Excludes abnormal items, appraisal value uplift and goodwill amortisation.

** Proforma



Lending Assets and Funds under Management



** Excludes securitised housing loan balances \$5.7b (Dec 01)\$6.8b (Jun 01), \$4.7b (Dec 00), \$3b (Jun 00).

* Proforma

Australian Market Share

	Dec 2000	Jun 2001	Dec 2001
Home Loans (Residentially Secured)	20.8%	20.4%	20.2%*
Credit Cards[^]	21.9%	21.4%	21.3%*
Retail Deposits	24.6%	24.0%	24.1%
Retail FUM (Plan for Life)	16.0%	16.5%	16.6%**
Retail FUM (ASSIRT)	19.6%	20.4%	19.8%**
Superannuation/Annuities	15.7%	15.8%	16.3%**
Retail Broking	8.5%	8.7%	8.5%

* November 2001

** September 2001

[^] Colonial data captured as part of market share calculation from June 2001



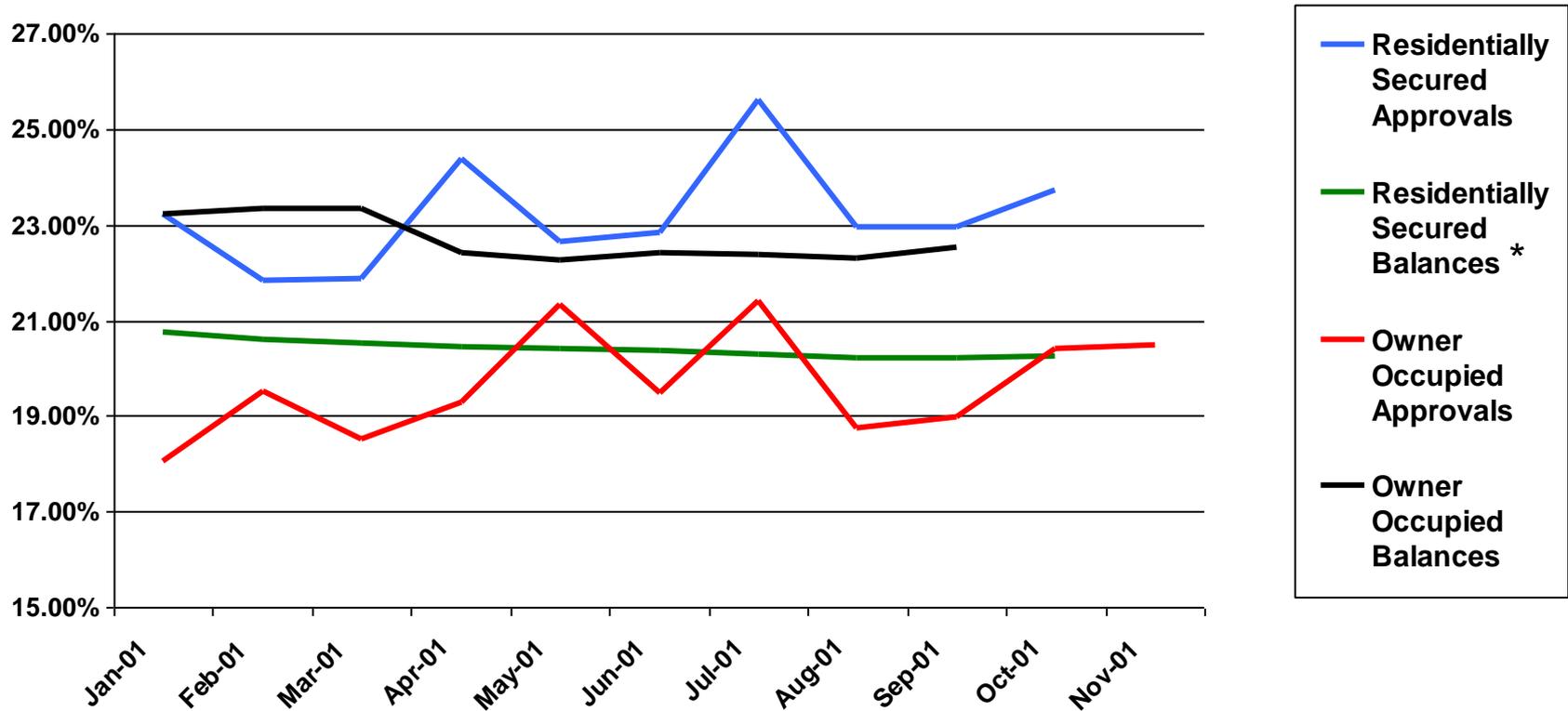
Home Loan Market Share Continues to Stabilise

- Initiatives to recapture momentum have included:
 - Increasing use of mortgage brokers
 - Cross-sell campaigns in the proprietary channels
- Strong volume growth in both proprietary & mortgage broker channels



Home Loan Market Share

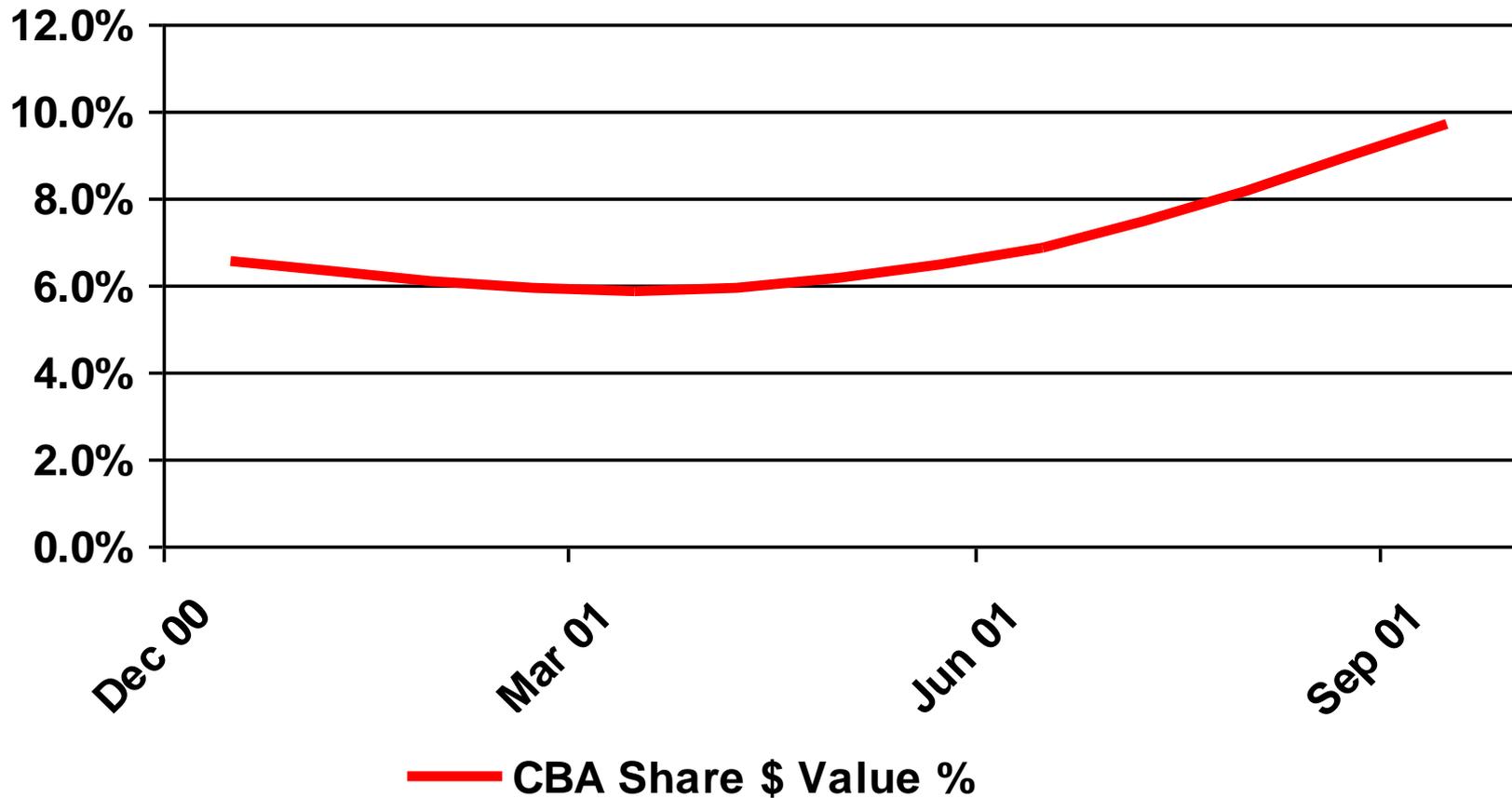
Market Share (all lenders)
Jan 2001 - Nov 2001



* Includes owner occupied loans, home equity and similar facilities and investment home loans.

Home Loan Market Share

Third Party Brokers Funded Approvals Market Share



Source: Market Intelligence Strategy Centre

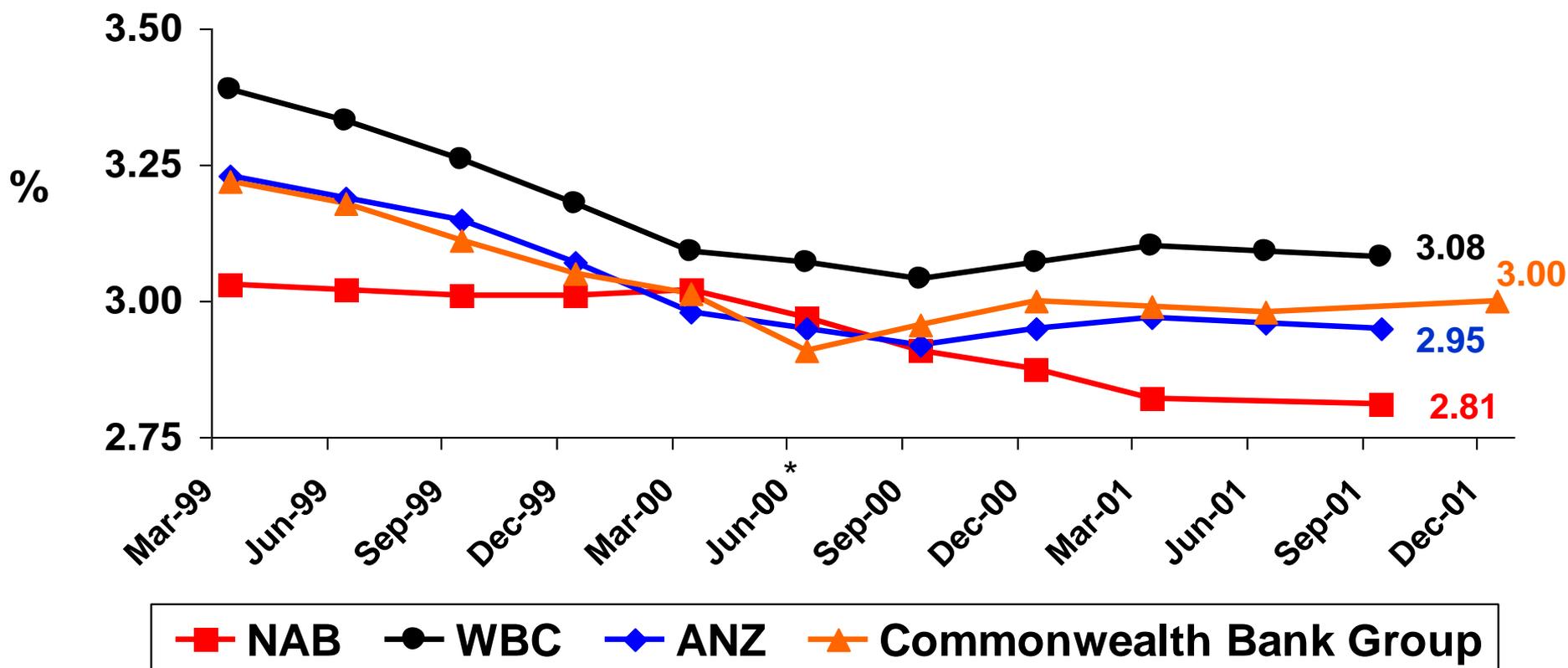


New Zealand Market Share ASB Group

	Dec 2000	Jun 2001	Dec 2001
Retail Lending	14.9%	15.3%	15.1%
Retail Deposits	14.5%	14.5%	14.7%
Credit Cards	13.8%	14.1%	13.5%
Retail Funds Management	4.6%	5.9%	6.1%
Main Bank Share	16.4%	16.4%	16.2%



Domestic Net Interest Margins



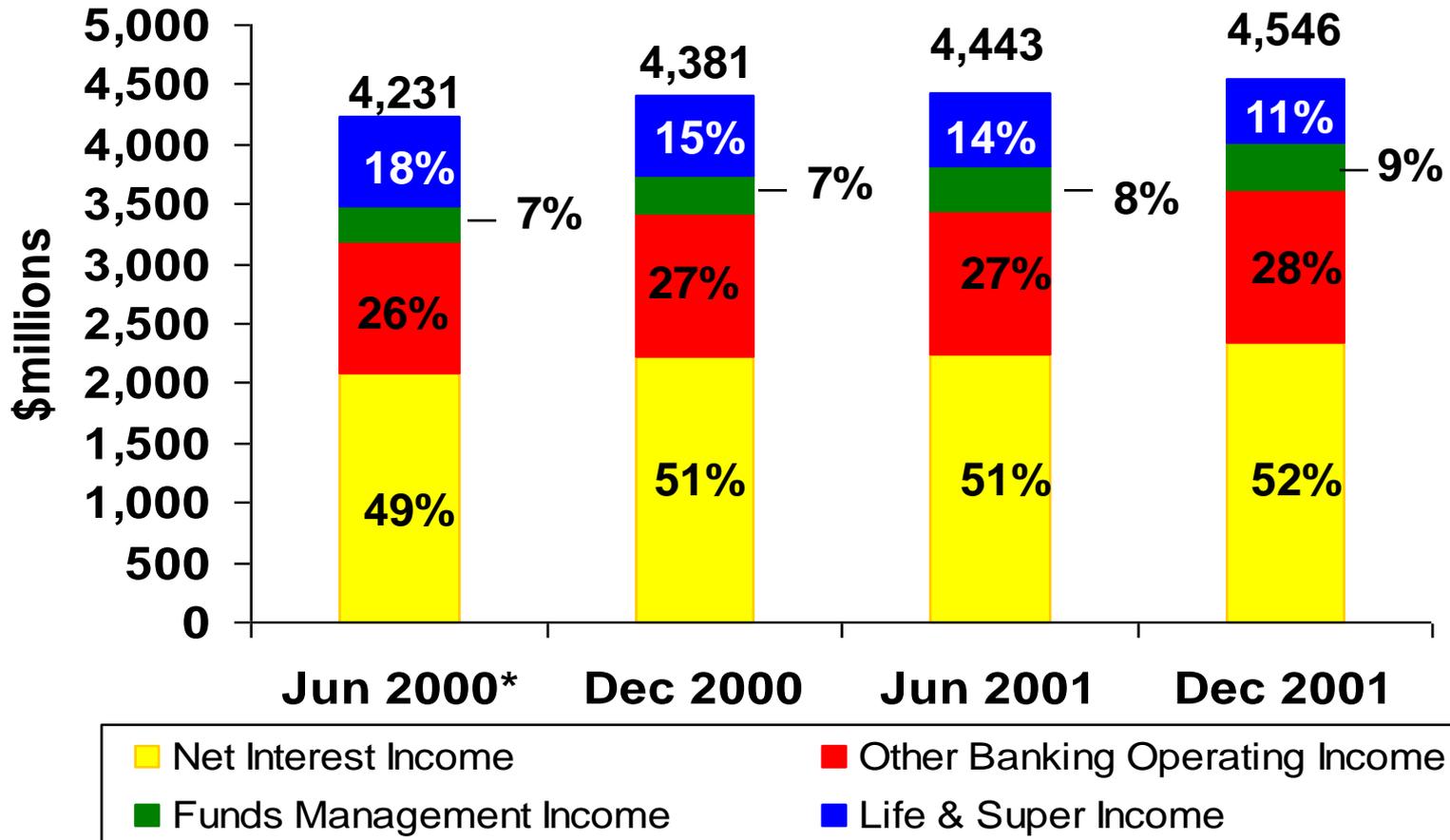
Net interest margin for Commonwealth Bank refers to half-yearly reporting periods ending June and December. The ANZ, NAB and WBC net interest margin refers to the half-yearly reporting periods ending March and September.

*Proforma

Income and Expenditure



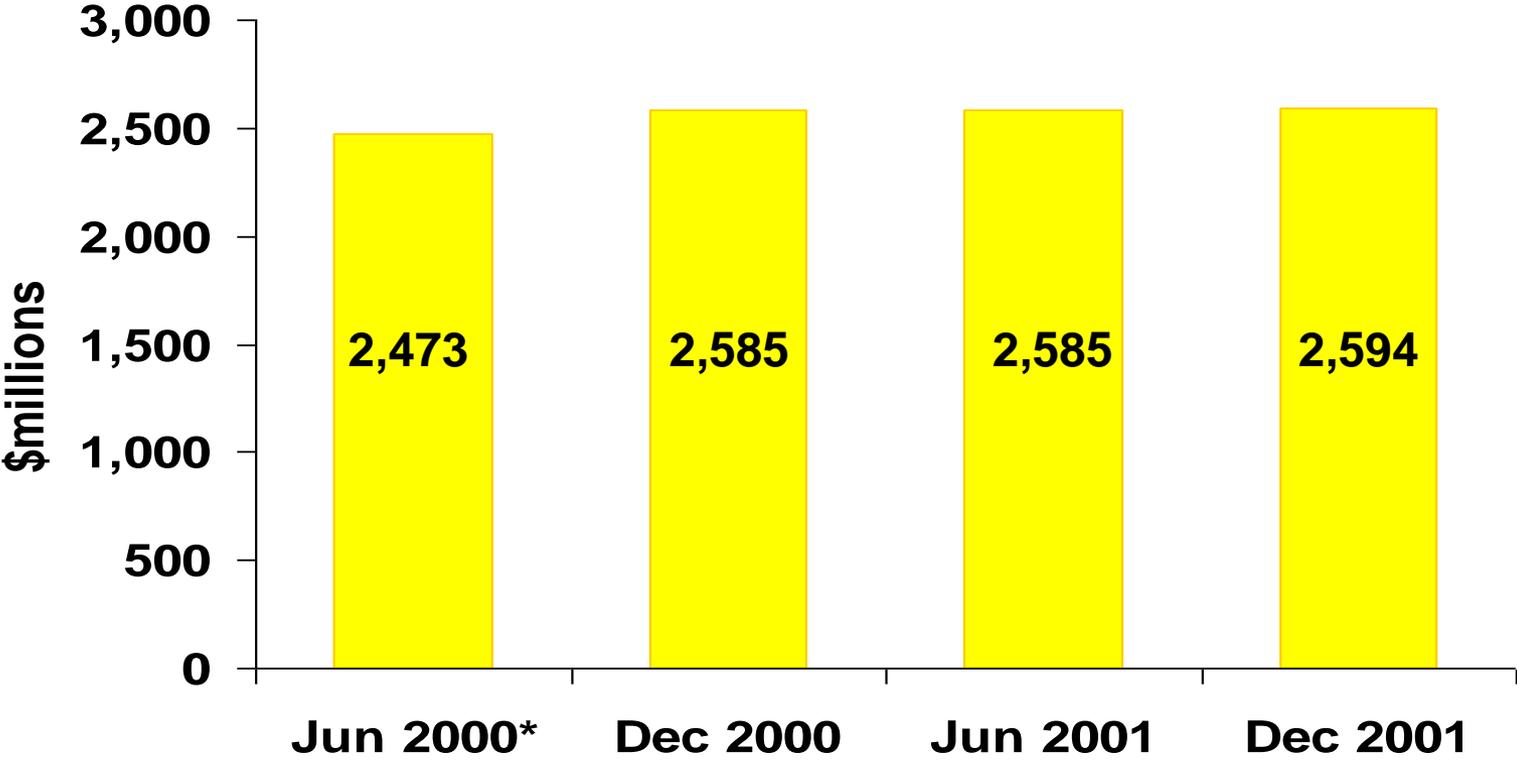
Operating Income



* Proforma

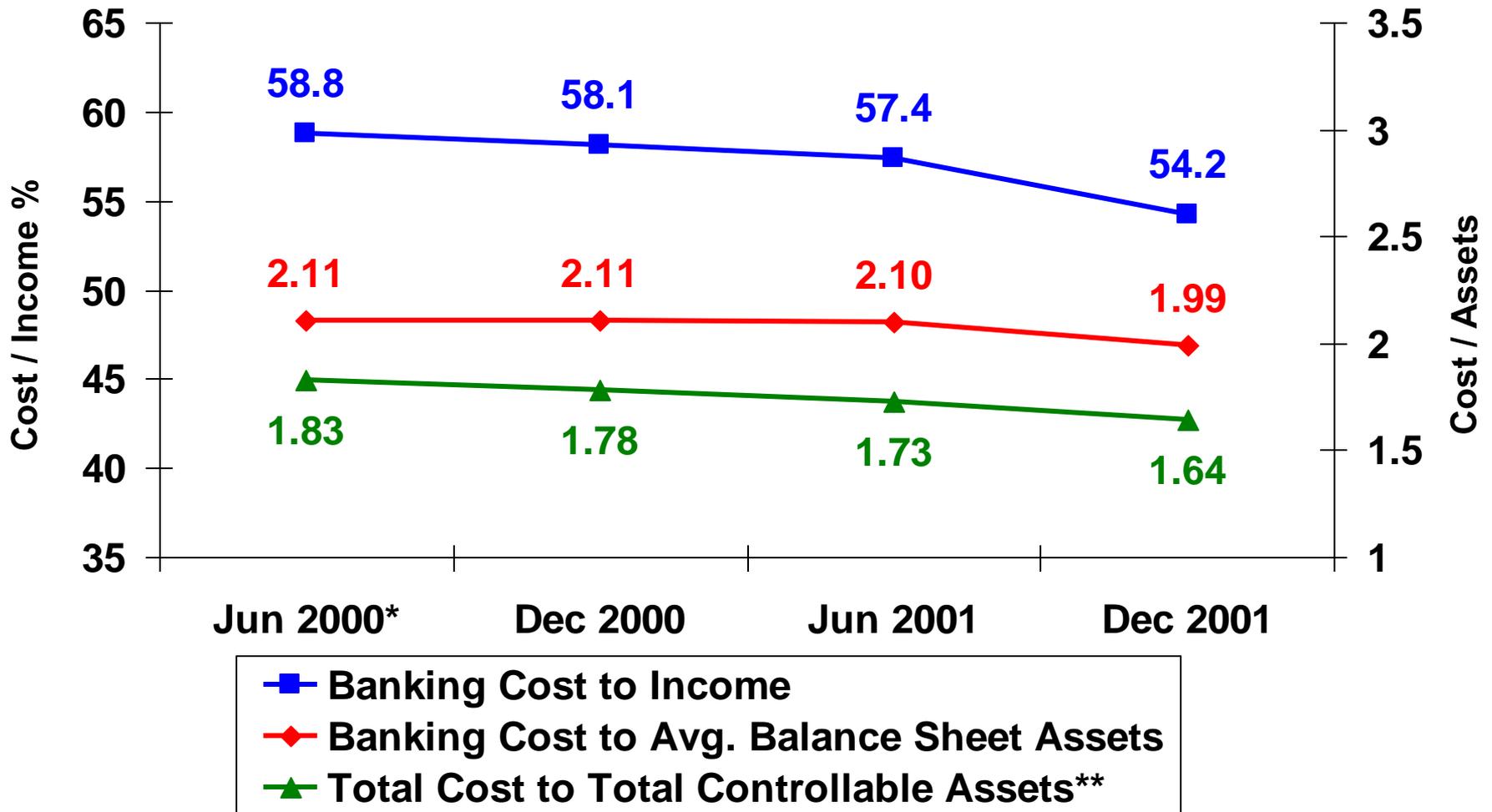


Operating Expense Analysis



* Proforma

Cost Ratios



* Proforma ** Costs to assets held and funds under management



Segment Results



Banking

	30/06/00*	31/12/00	30/06/01	31/12/01	31/12/01 vs 31/12/00
	\$M	\$M	\$M	\$M	%
Interest income	5,513	6,024	5,876	5,369	(11)
Interest expense	3,427	3,803	3,623	3,020	(21)
Net interest income	2,086	2,221	2,253	2,349	6
Other operating income	1,106	1,196	1,185	1,278	7
Total operating income	3,192	3,417	3,438	3,627	6
Operating expenses	1,878	1,985	1,973	1,965	(1)
Underlying profit	1,314	1,432	1,465	1,662	16
Charge for bad and doubtful debts	142	182	203	290	59
Operating profit before goodwill amortisation and income tax	1,172	1,250	1,262	1,372	10
Income tax expense	344	364	341	396	9
Outside equity interests	26	11	3	1	(91)
Operating profit after income tax, before goodwill amortisation	802	875	918	975	11
Banking Cost to Income Ratio	58.8 %	58.1 %	57.4 %	54.2 %	

* Proforma



Funds Management

	30/06/00*	31/12/00	30/06/01	31/12/01	31/12/01 vs 31/12/00 %
	\$M	\$M	\$M	\$M	%
Operating income	318	340	399	404	19
Operating expenses	224	224	272	276	23
Operating profit before tax	94	116	127	128	10
Income tax expense	31	38	56	32	(16)
Operating profit after tax	63	78	71	96	23

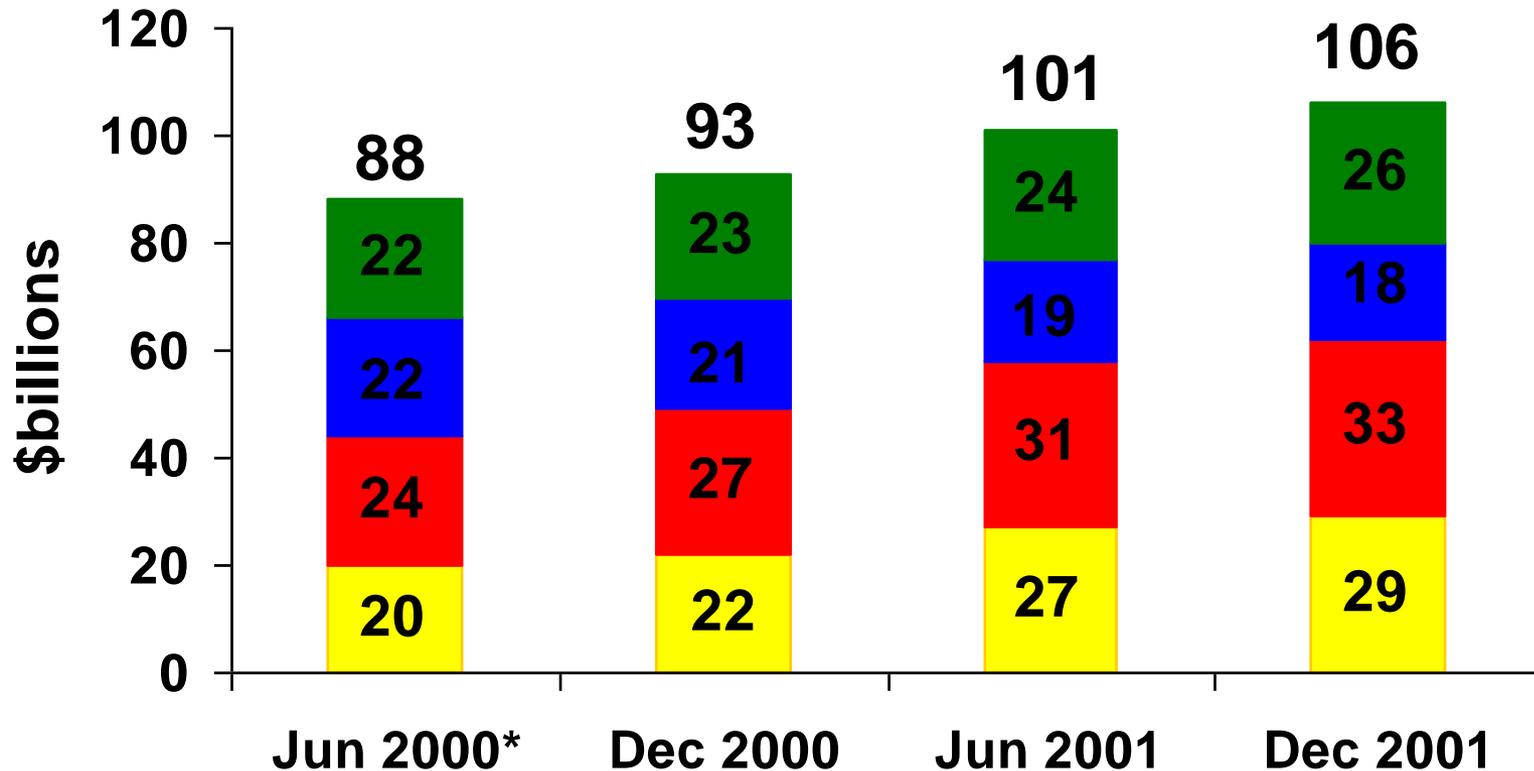
**Funds Management
Cost to Income Ratio**

70.4 % 65.9 % 68.2% 68.3 %

* Proforma



Funds Under Management



■ Australian Retail Funds**

■ Australian Wholesale Funds

■ International Funds

■ Australian Life Assets

* Proforma

** Includes listed property trusts



Life and Super

	30/06/00*	31/12/00	30/06/01	31/12/01	31/12/01 vs 31/12/00 %
	\$M	\$M	\$M	\$M	
Operating margins					
Australia	108	92	98	112	22
New Zealand	9	14	9	6	(57)
Asia	(1)	(14)	(7)	(33)	large
Total	116	92	100	85	(8)
Investment earnings on assets in excess of policyholder liabilities ⁽¹⁾	52	68	58	36	(47)
Other	2	(4)	6	-	large
Operating profit after tax	170	156	164	121	(22)

Life Insurance Cost to Income Ratio

Basic	61.5 %	57.4%	69.4 %
Normalised	66.3 %	61.7%	64.7 %

* Proforma

(1) includes a \$47 million gain in the December 2000 half year due to the transfer of certain strategic investments to the life insurance business.



Life and Super

Investment Earnings

- Investment mix is approximately 50 : 50 growth : income
- As at 31 December 2001: 36% is directly invested in equity markets
11% is invested in property

Net Earnings on Shareholders Assets (\$m):

For period: 01/07/01- 31/12/01

Australia	15
New Zealand	3
Asia	18
Total	36

Group Exposure & Market Returns (%):

Market	Exposure* at 31/12/01	Key Market Index Movement YTD
Australia	52%	(1.9)%
US	22%	(5.8)%
UK/Europe	13%	(9.7)%
Other	3%	(7.5)%

* % of total Group equity exposure



Business Value : Movement analysis

	\$m
Business Value as at 30 June 2001	8,003
<hr/>	
Analysis of Movement since 30 June 2001	
MoS / Cash Profits	217
Net Capital Movements	295
Disposals of Business	(46)
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Change in Shareholders NTA	466
Disposals of Business	(15)
Net Appraisal Value Uplift	174
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Increase to 31 December 2001	625
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Business Value as at 31 December 2001	8,628



Balance Sheet

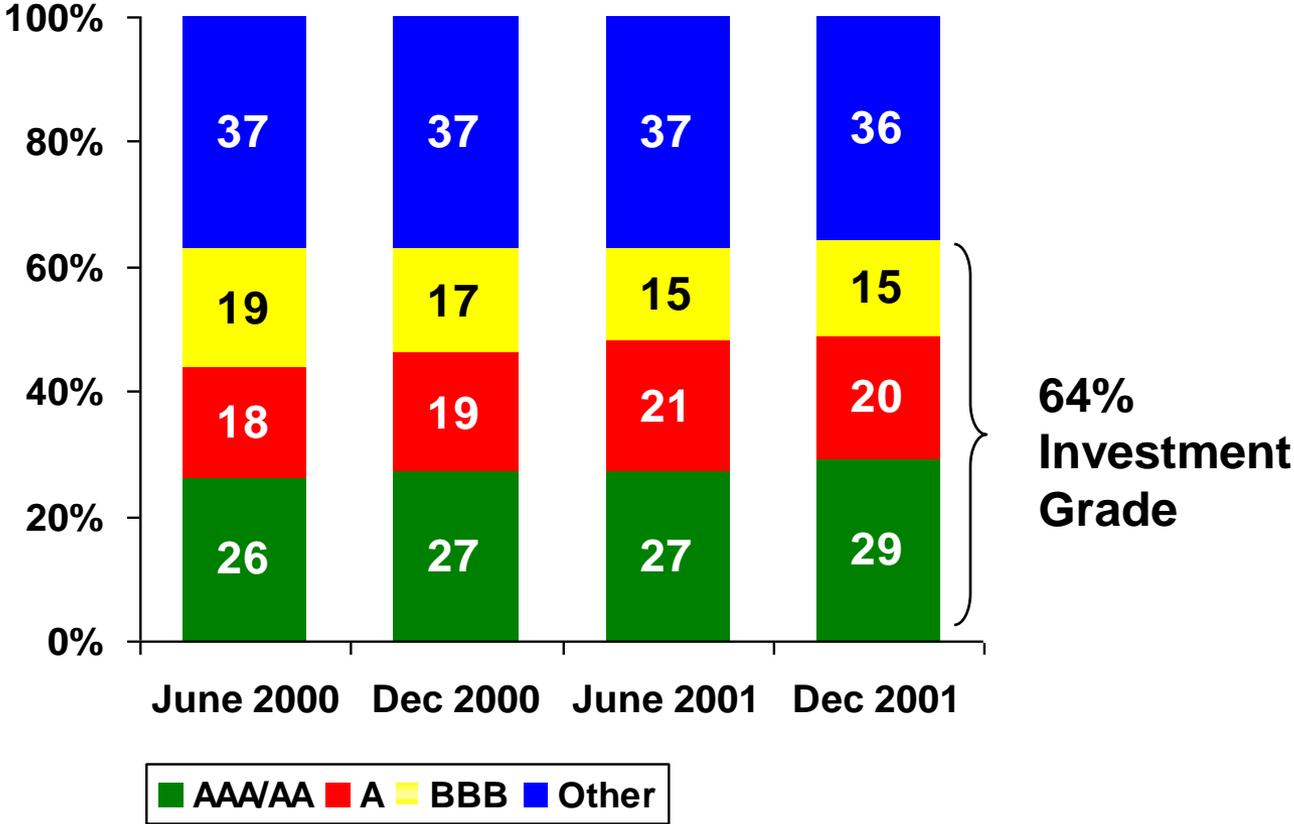


Asset Quality

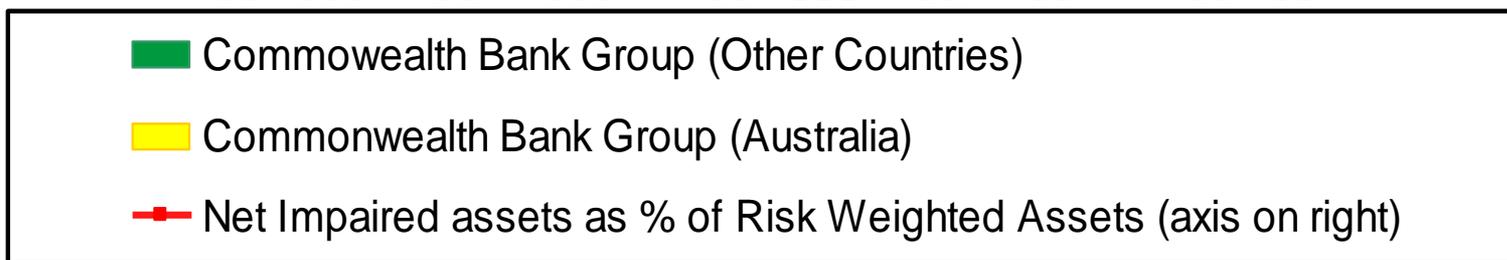
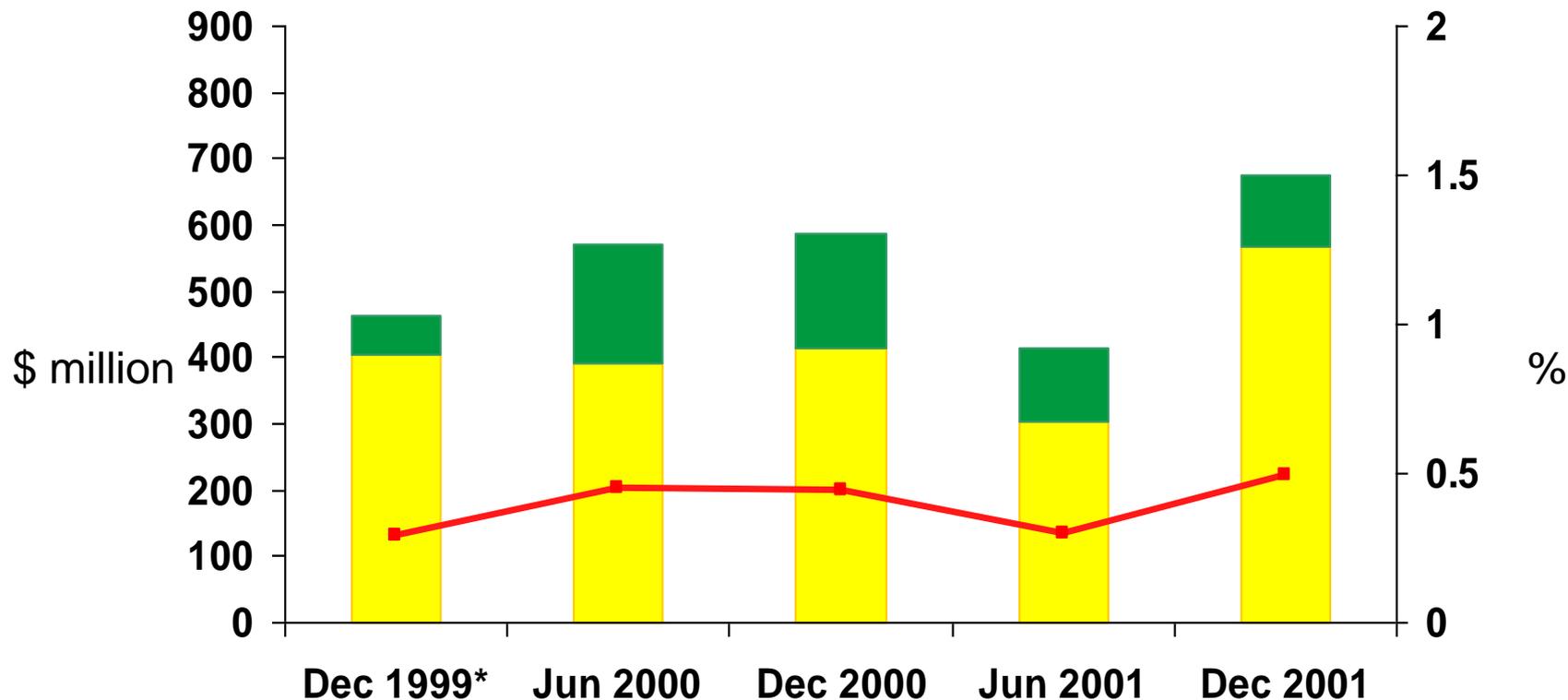


Credit Risk

Total Risk Rated Exposures



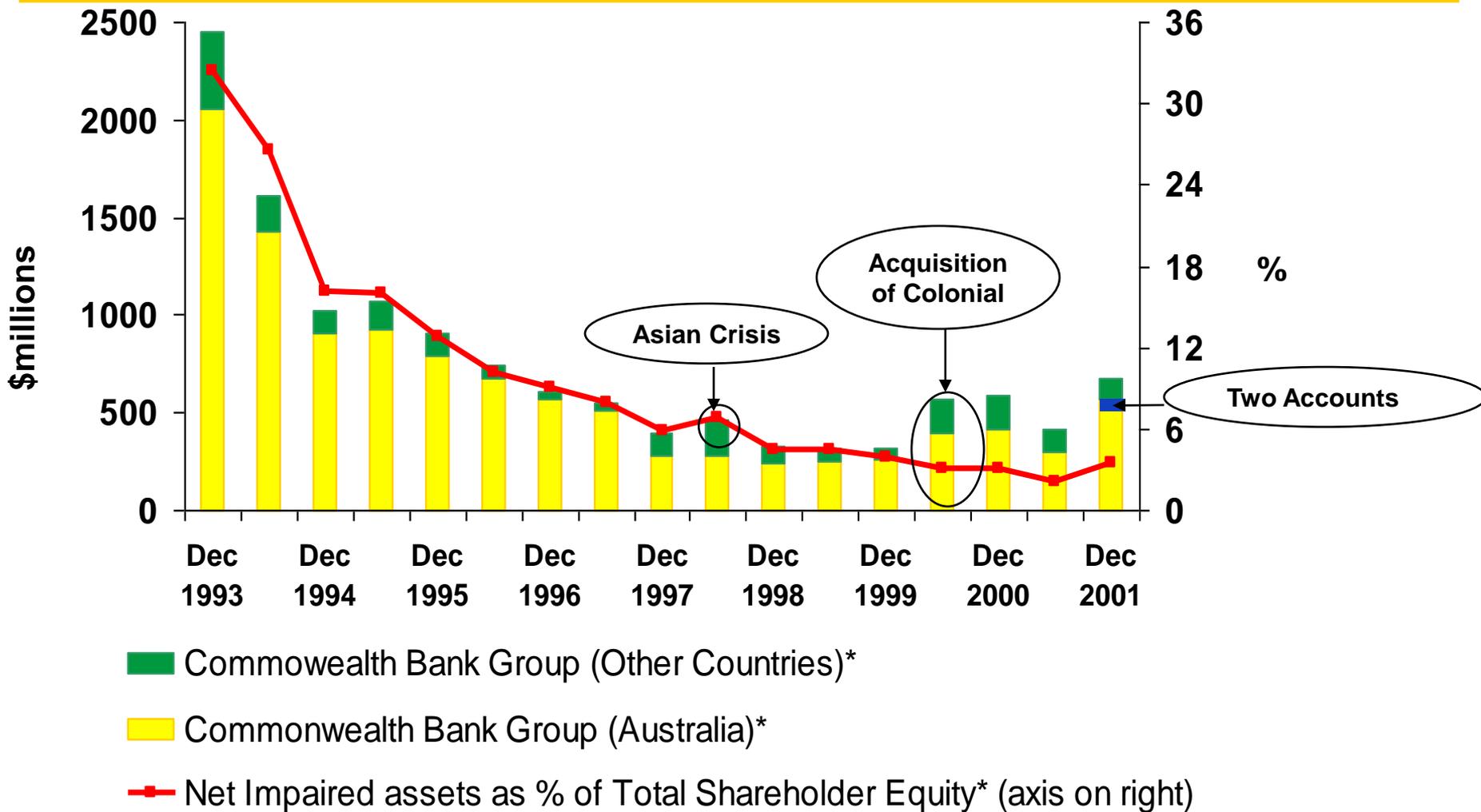
Net Impaired Assets



* Commonwealth Bank Group excluding Colonial



Net Impaired Assets



* Excluding Colonial prior to 30 June 2000



Arrears

Loans Accruing past 90 days or more

	30/06/00	31/12/00	30/06/01	31/12/01
	\$m	\$m	\$m	\$m
Housing Loans	211	247	218	168
Other Loans	64	66	90	79
Total	275	313	308	247

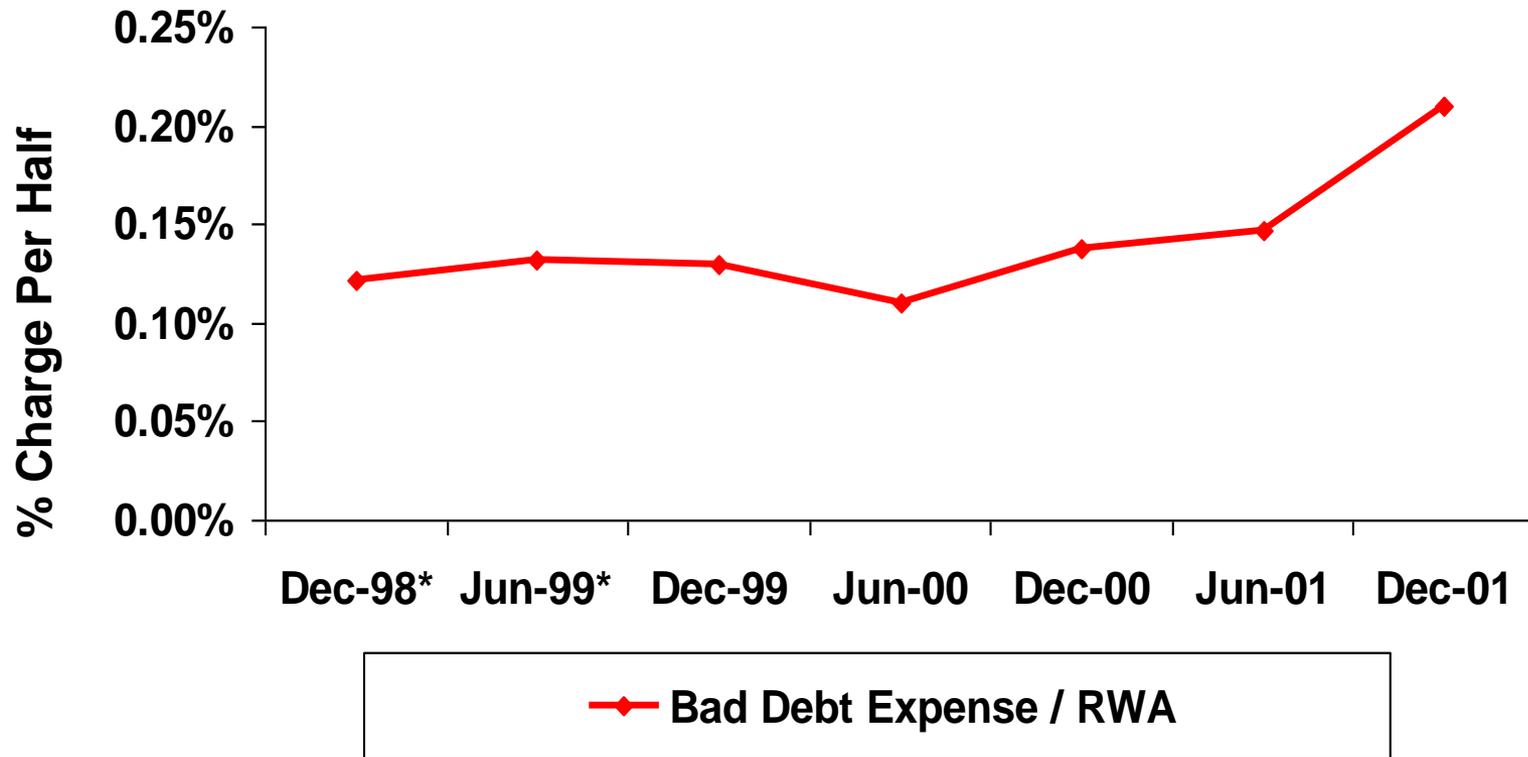
Housing loans arrears rate

	30/6/99	30/6/00*	31/12/00*	30/06/01	31/12/01
Housing Loans accruing but past 90 days or more \$m	182	211	247	218	168
Housing loan balances \$m	52,646	70,738	71,505	73,511	79,745
Arrears rate %	0.35%	0.30%	0.35%	0.30%	0.21%

*Housing loan balances net of securitisation and includes home equity and similar facilities.



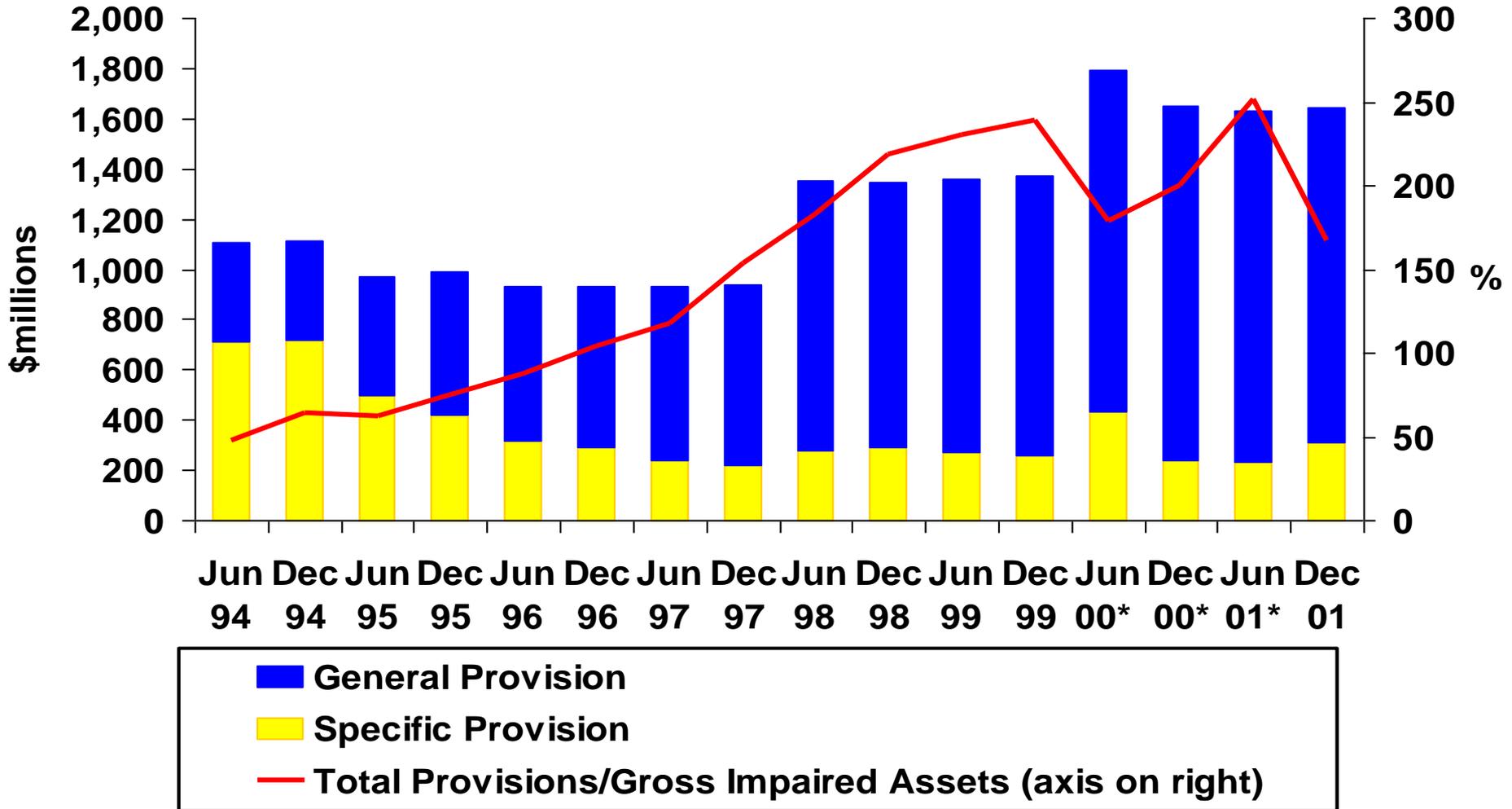
Credit Risk: Historical P&L Charge



* Excludes Colonial



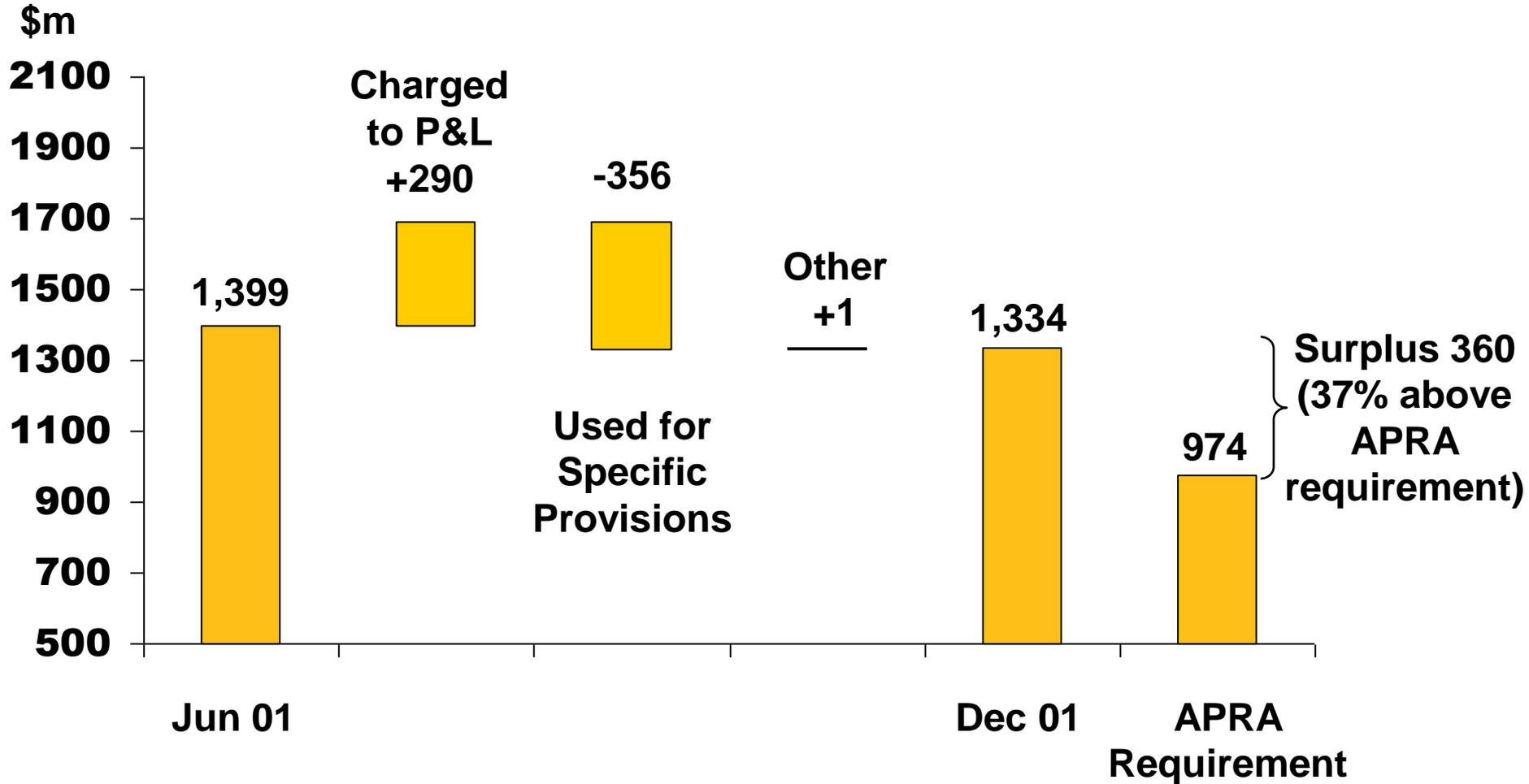
Aggregate Provisions



* Includes Colonial

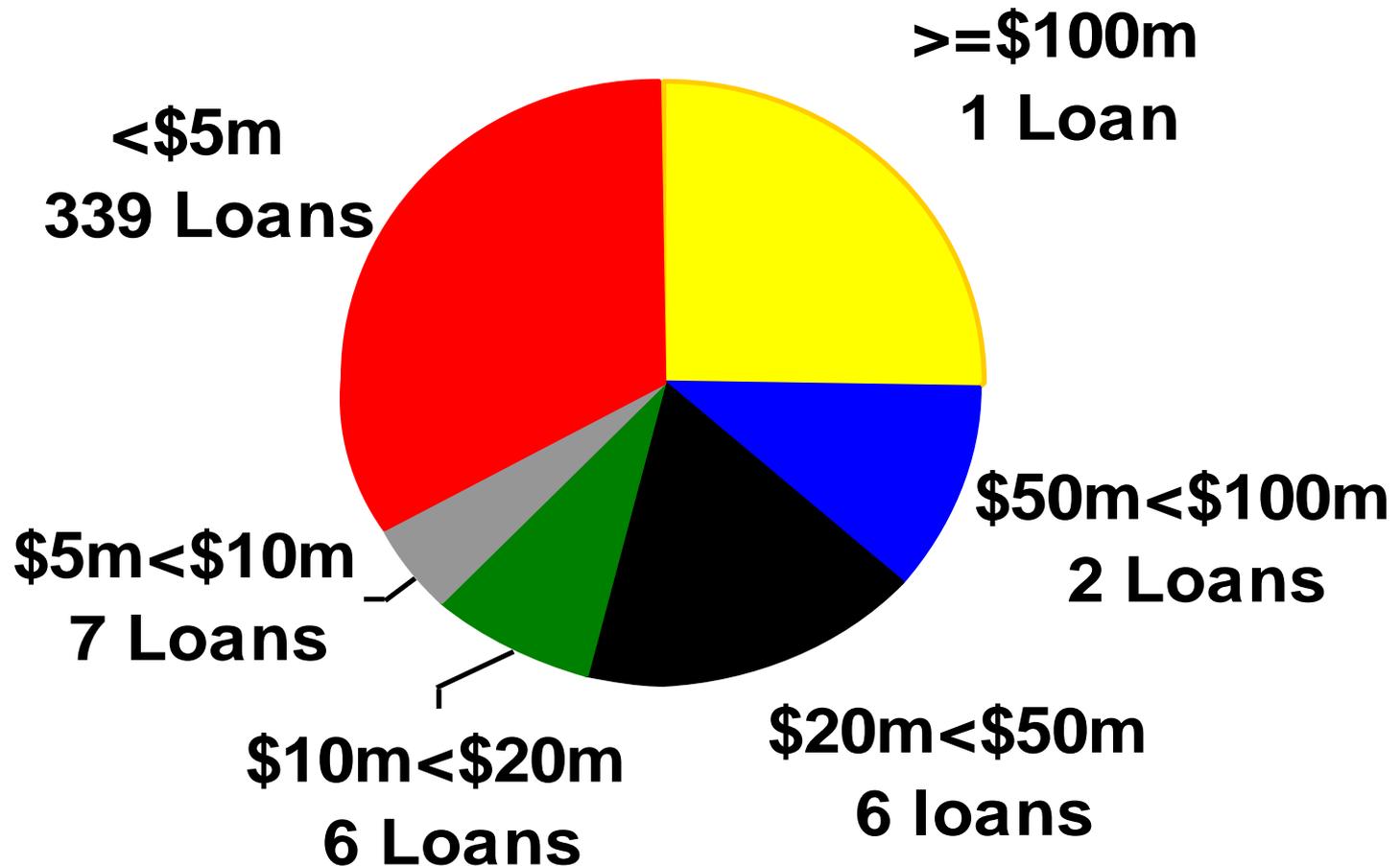


General Provision



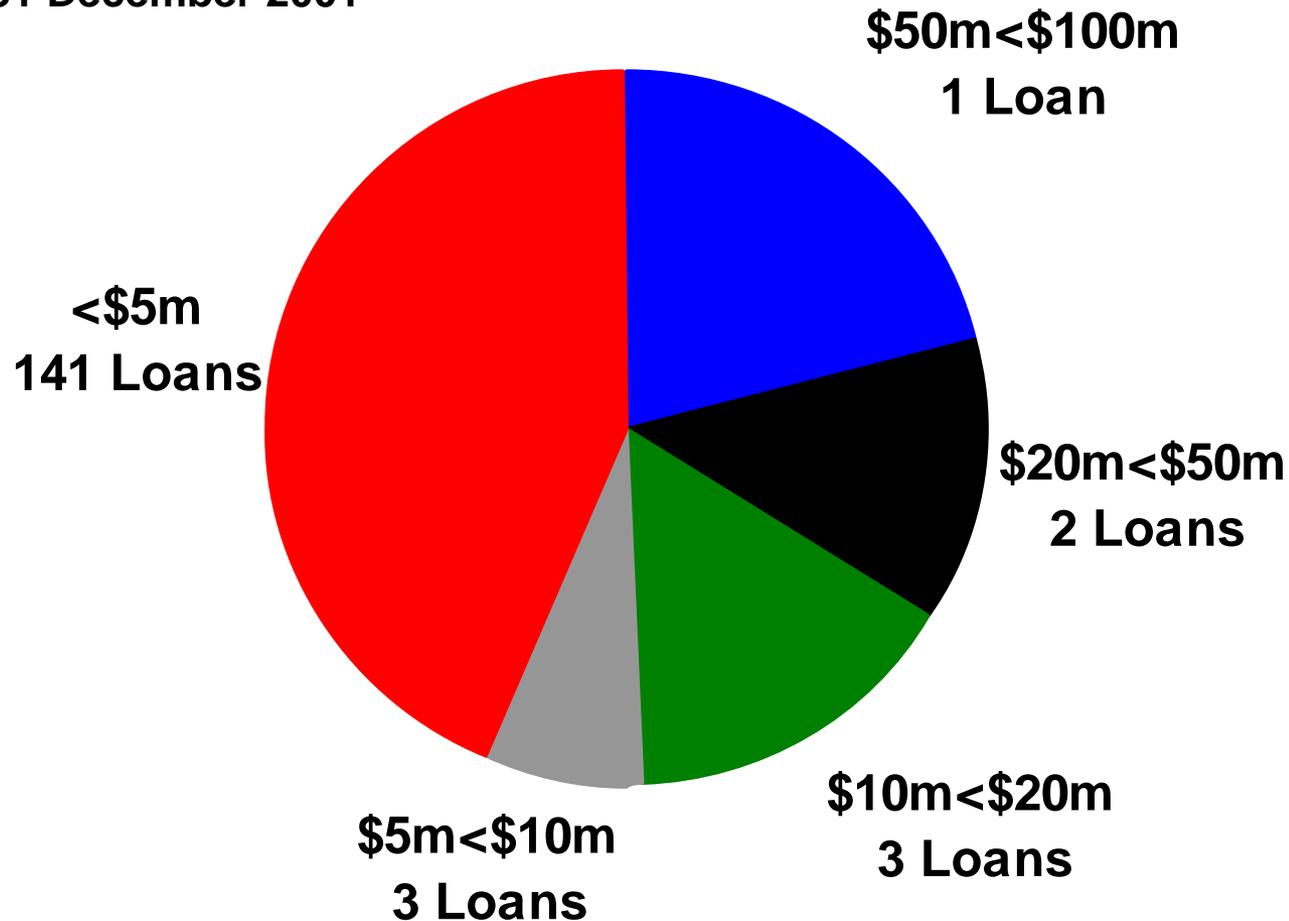
Non-Accrual Loans by Size

As at 31 December 2001



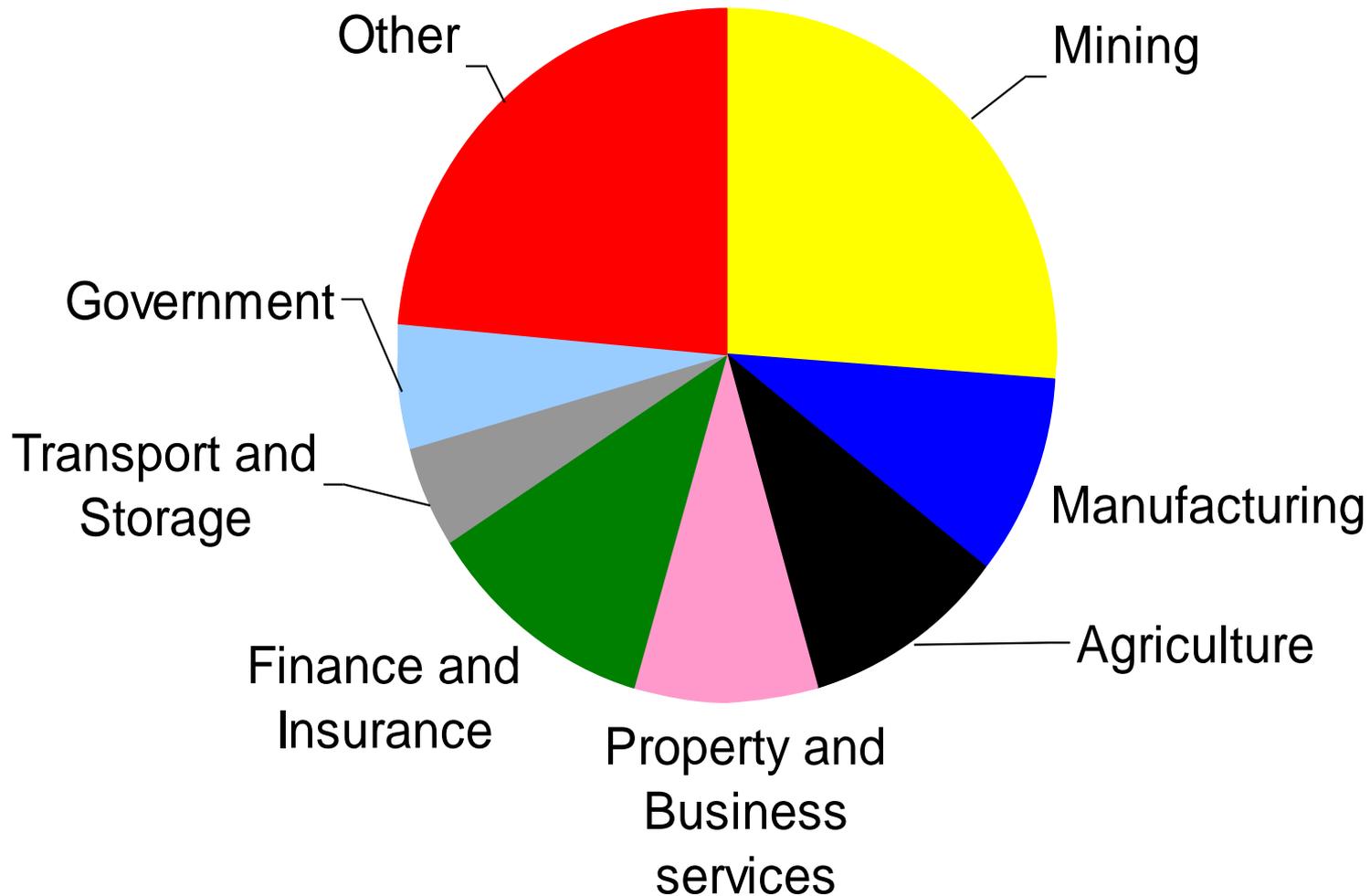
Specific Provisions by Size

As at 31 December 2001



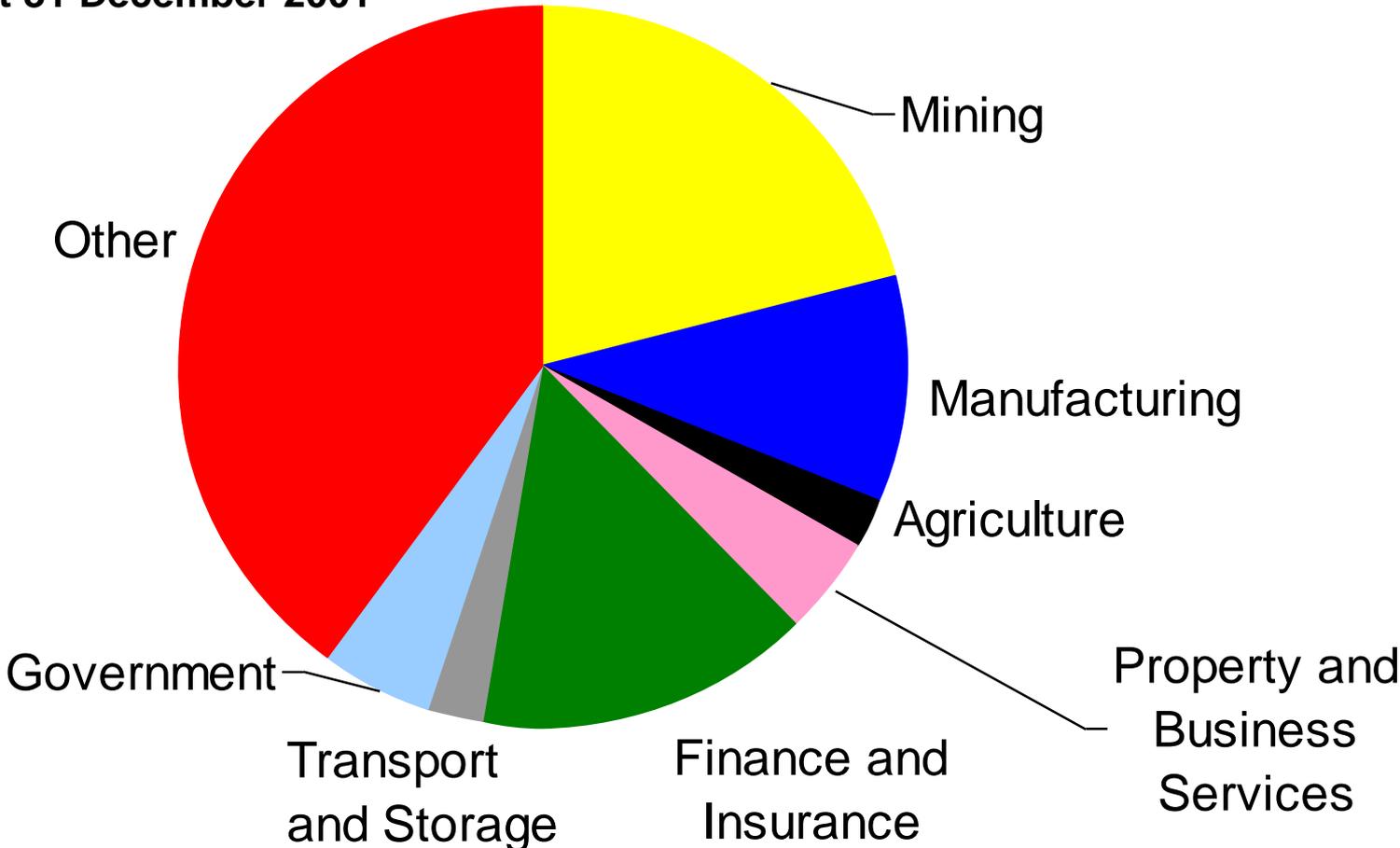
Non Accruals by Industry

As at 31 December 2001



Specific Provisions by Industry

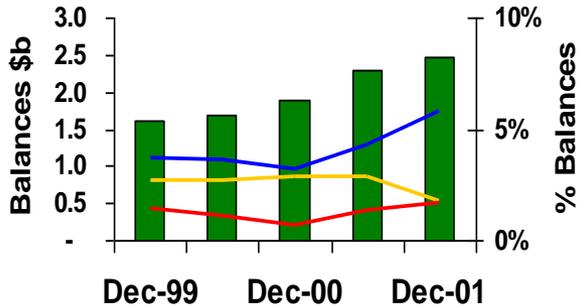
As at 31 December 2001



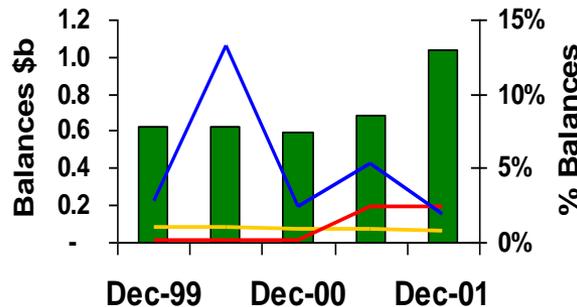
Industry Exposures

Exposure to selected industries

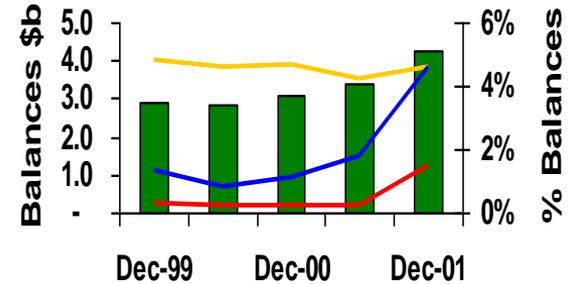
Accommodation, cafes and Restaurants



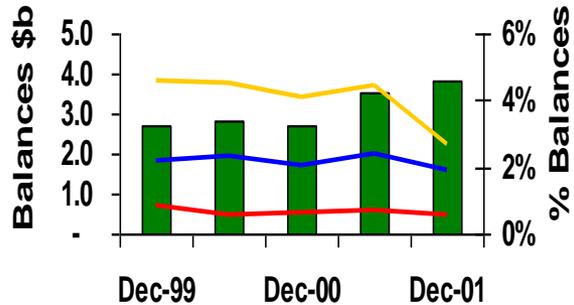
Printing Publishing and Recording Media



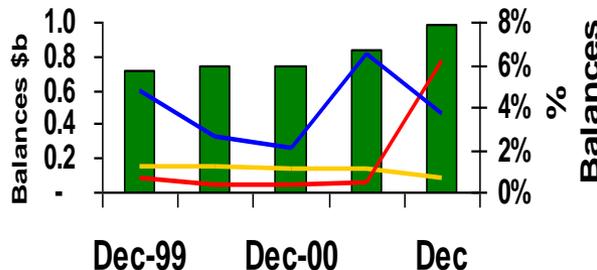
Transport and Storage



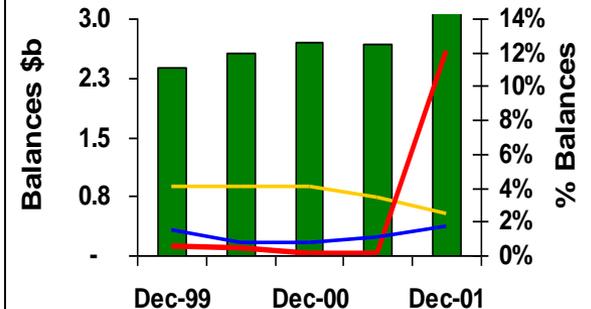
Retail Trade



Services to Agriculture, Forestry, Fishing & Mining



Metal Mining & Manufacturing



■ Balances \$m
 ■ % Portfolio
 ■ % Troublesome
 ■ % Impaired

Integration of Colonial



Integration Synergies

	June 2003 Forecast	31/12/00 \$M	30/06/01 \$M	31/12/01 \$M
Recognised Synergies				
Cost		20	100	150
Revenue		5	17	20
Annualised Synergies				
Cost	380	80	275	320
Revenue	70	10	40	45
Total	450	90	315	365



Integration Expenditure

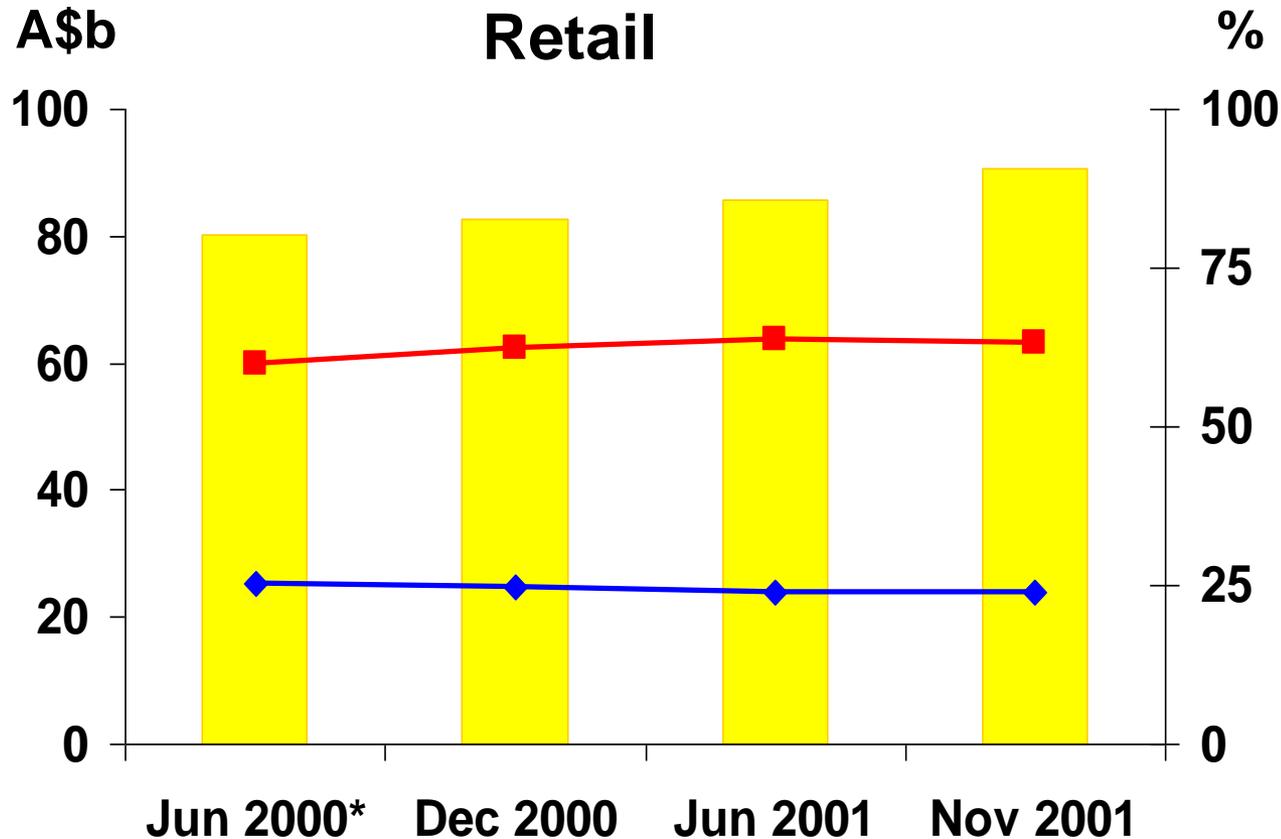
	Provision 30/06/00 \$m	Expenditure Full Year Ended 30/06/01 \$m	Adjustments to Opening Balance 30/6/01 \$m	Closing Balance 30/06/01 \$m	Closing Balance 31/12/01 \$m
Total Restructuring Costs (pre tax)	400	344	145	201	108
Net of Tax	330	275	87	142	77



Funding and Capital



Funding Sources



- Total Retail Deposits (LHS)
- ◆ Market Share of Retail Deposits (RHS)
- Retail Funding % (RHS)

*Proforma



Capital Adequacy

	30/06/00	31/12/00	30/06/01	31/12/01
	\$M	\$M	\$M	\$M
Total Tier One Capital	9,618	8,914	9,015	9,336
Total Tier Two Capital	6,097	5,802	5,784	5,911
Tier One and Tier Two Capital	15,715	14,716	14,799	15,247
Deductions	(3,197)	(2,278)	(2,119)	(2,366)
Total Regulatory Capital	12,518	12,438	12,680	12,881
Risk Weighted Capital Ratios (%)				
Tier one	7.49	6.71	6.51	6.75
Tier two	4.75	4.37	4.18	4.27
Less deductions	(2.49)	(1.71)	(1.53)	(1.71)
Total Capital	9.75	9.37	9.16	9.31

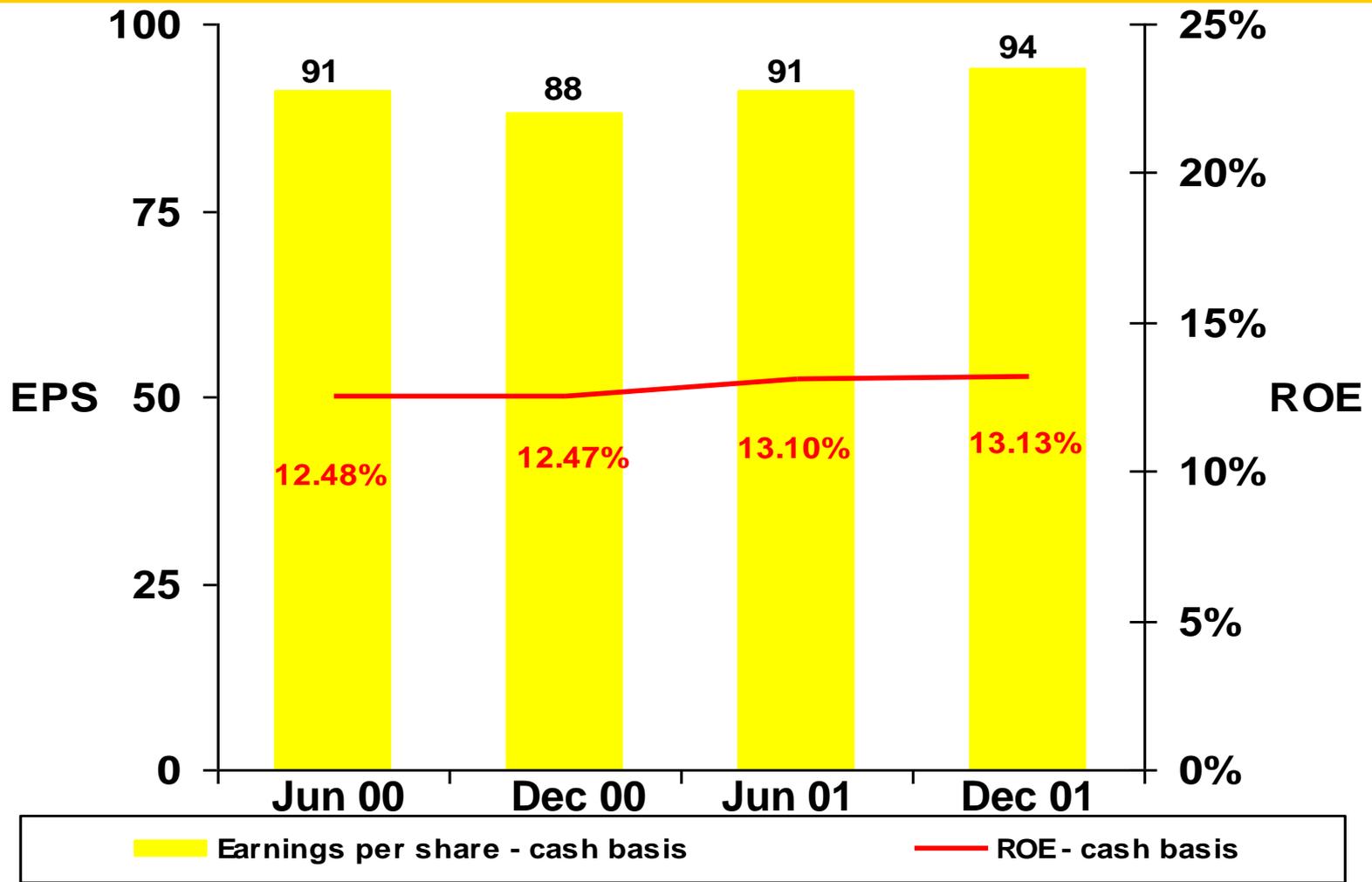


Capital Management

- Hybrid capital
- On-market buy-back of the dividend reinvestment plan shares in respect of the interim dividend payable in March 2002
- BIS II



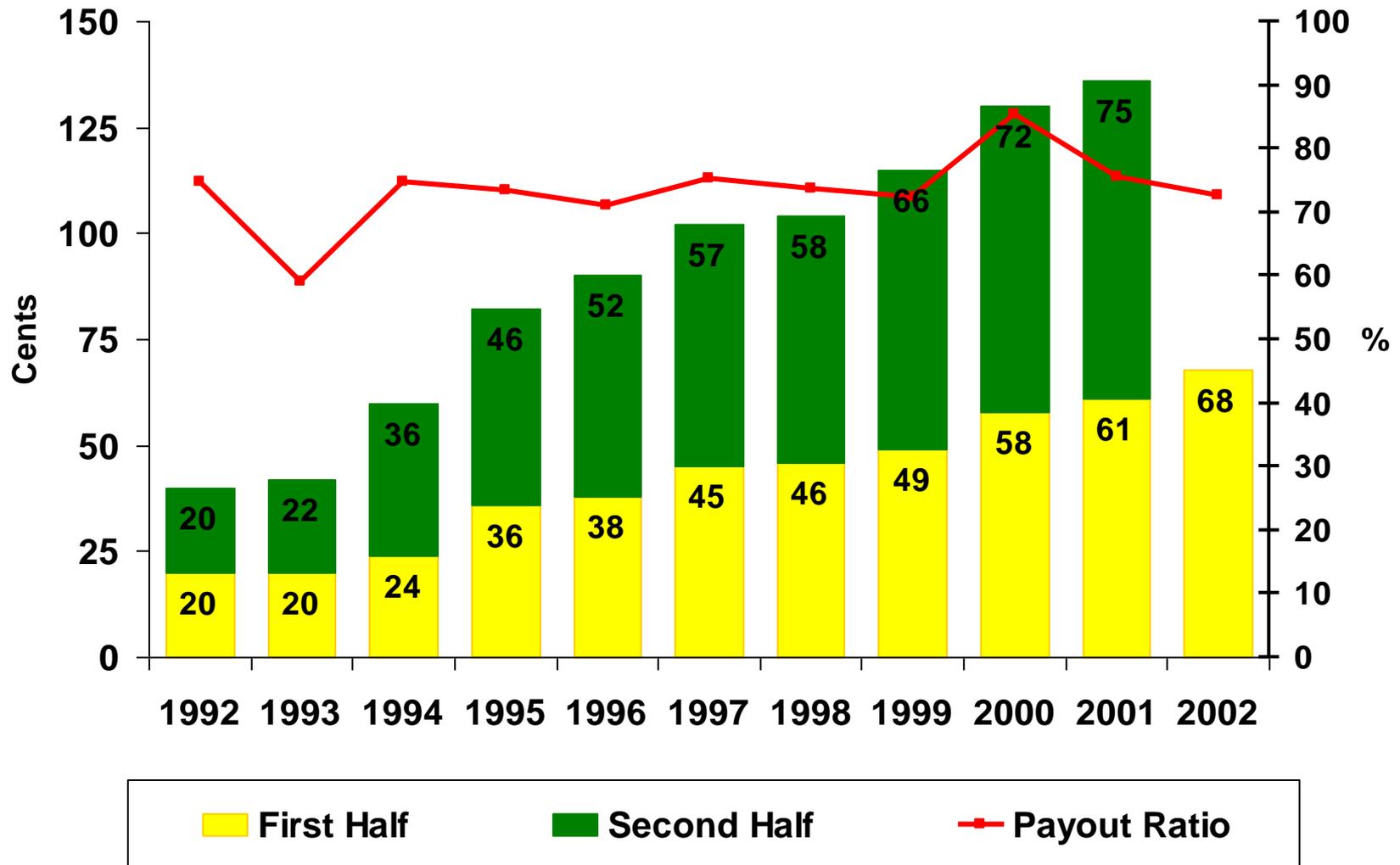
ROE and EPS*



* As reported in prior profit announcements (i.e. not proforma)



Annual Dividends



Overview



Overview

- Sound Banking performance
 - Significant reduction in banking cost to income ratio
 - Increase in bad and doubtful debt expense, driven by two large corporate exposures
- Exceptional Funds Management result given the slowing of business in September and softer global equity markets
- Australian life insurance business performing well, but operations in New Zealand and Asia weaker
- Stable operating expenses
- Capital Management initiatives
- Double digit EPS growth anticipated



Presentation of Half Year Results

13 February 2002

