

Presentation of 2007 Interim Profit Announcement

For the Half Year ended 31 December 2006



14 February 2007

Ralph Norris
CHIEF EXECUTIVE OFFICER

David Craig
CHIEF FINANCIAL OFFICER



Commonwealth Bank of Australia ACN 132 123 124

Disclaimer

The material that follows is a presentation of general background information about the Bank's activities current at the date of the presentation, 14 February 2007. 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.

Agenda

- Ralph Norris, CEO – Results & Company Update
- David Craig, CFO – Detailed Financials
- Ralph Norris, CEO – Outlook
- Questions and Answers

Overview

- Good result driven by focus on profitable growth
- All businesses performing well
- Credit quality remains excellent
- Significant progress on 4 strategic initiatives
- Momentum in business – both strategic & earnings



Strong Financial Results

	Dec 06	Dec 06 vs Dec 05
Cash NPAT*	2,271	↑ 19%
Cash EPS*	174.7	↑ 17%
Return on Equity – Cash	22.3%	↑ 60bpts
Income	6,438	↑ 11%
Expense	3,144	↑ 6%
Fully Franked Dividend	107c	↑ 14%

* Excludes profit on sale of Hong Kong in December 05

All Brands Performing Strongly

Banking

Funds Mgt

Insurance

CommonwealthBank



CommInsure



CommSec



CommonwealthBank



Market Shares

Notes

	Dec 06	Jun 06	Dec 05
Banking			
Home loans	18.2%	18.7%	18.8%
Credit cards	19.4%	20.3%	21.4%
Retail deposits	21.9%	22.2%	22.9%
Personal lending	16.4%	16.1%	16.0%
Business lending - RBA	12.9%	13.1%	13.4%
Business lending - APRA	12.5%	12.1%	12.5%
Asset finance	13.9%	14.5%	15.1%
NZ lending (housing)	23.1%	23.1%	23.2%
NZ deposits	20.7%	20.3%	19.9%
Funds Management			
Aust retail administrator view	15.3%	15.4%	14.5%
NZ Managed investments	16.1%	15.8%	15.0%
Insurance			
Aus. Life insurance (total risk)	13.7%	13.2%	13.5%
NZ Life insurance	31.5%	31.4%	30.9%

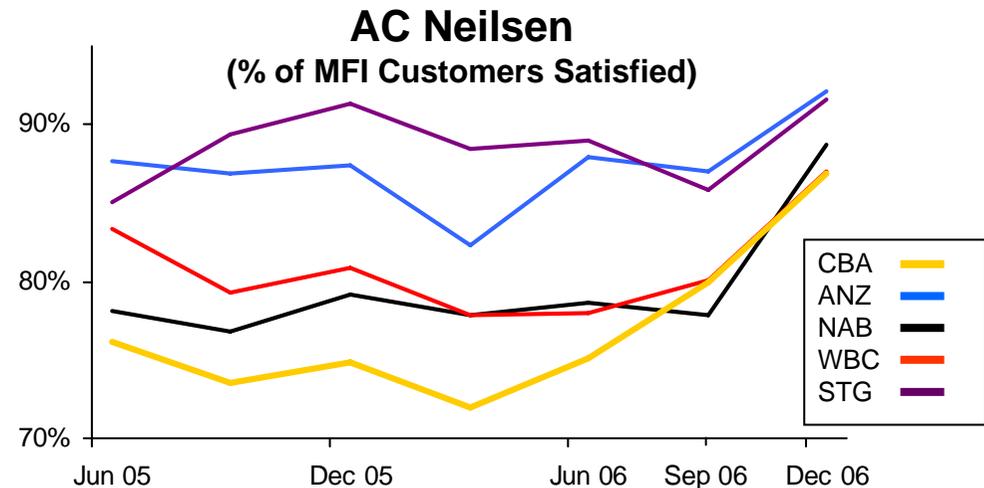
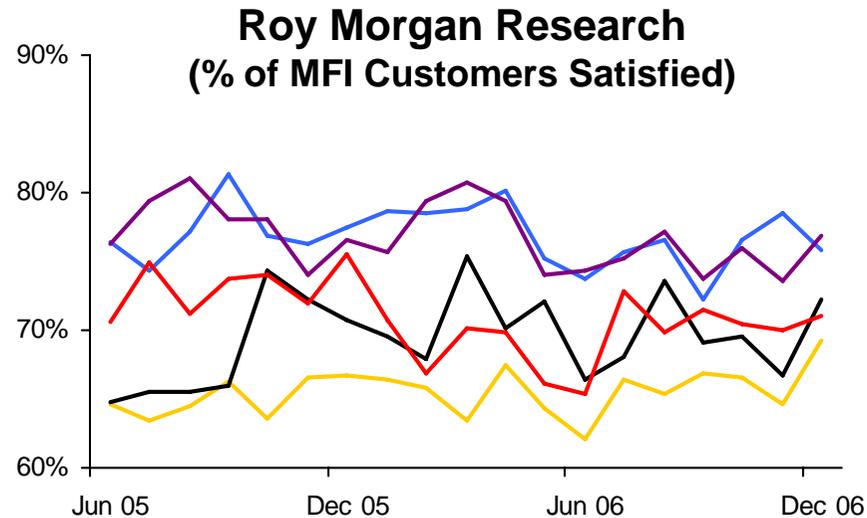


CEO Priorities & Measures

- Customer Service
 - Business Banking
 - Technology & Operational Excellence
 - Trust & Team Spirit
-
- ➔ Superior operating and financial results
 - ➔ Australia's finest financial services organisation

Customer Service improves

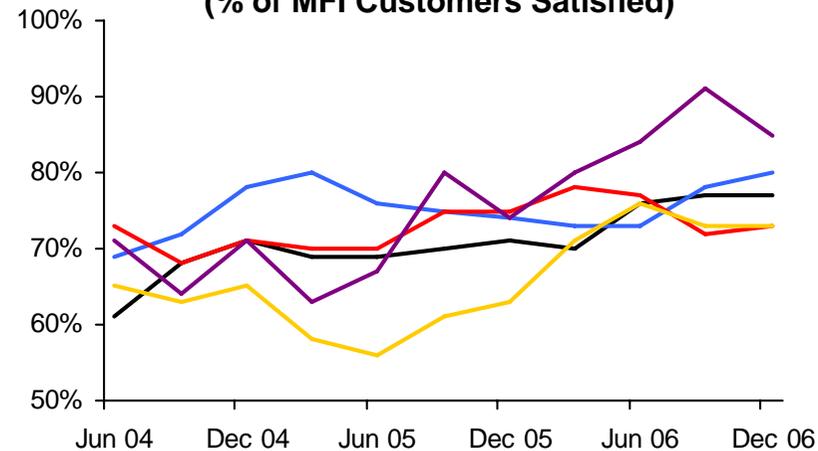
- 4000 leaders trained in Cohen Brown sales and service methodology
- Increased investment in branch network
- 800 new customer facing roles
- More competitive product portfolio
- Retail customer complaints down 47% over last 12 months



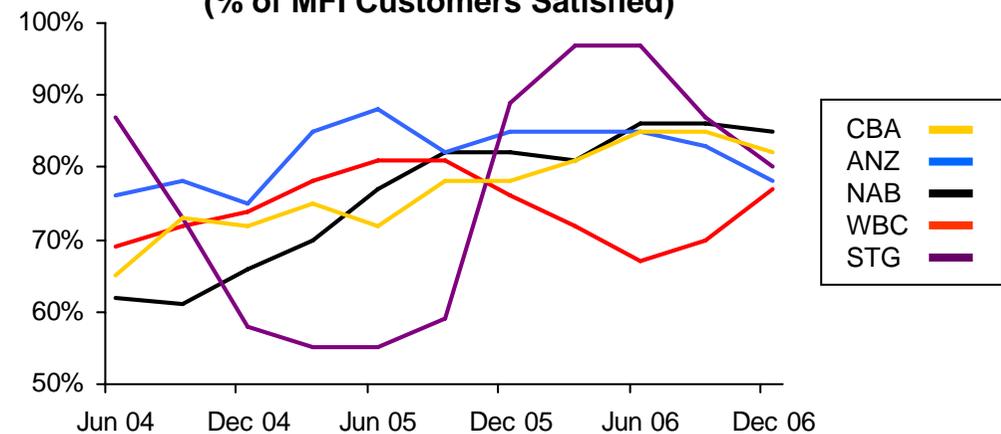
Business Banking making good progress

- Recruitment & training of new in branch Business Bankers commenced
- First new Business Banking Centre opened (8 additional planned by July 2007)
- Replaced voicemail system with 24/7 telephone access to staff
- Local Business Banking online internet channel and Commbiz
- Simplification of application processes

Business Finance Monitor: SME
(% of MFI Customers Satisfied)



Business Finance Monitor: Corporate
(% of MFI Customers Satisfied)



Local Business Banking website

CommonwealthBank Local Business Banking 

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Other Sites

Log in to...

-  personal banking
-  business centre
-  shareholder centre



Local Success Story



CAFE



fyi

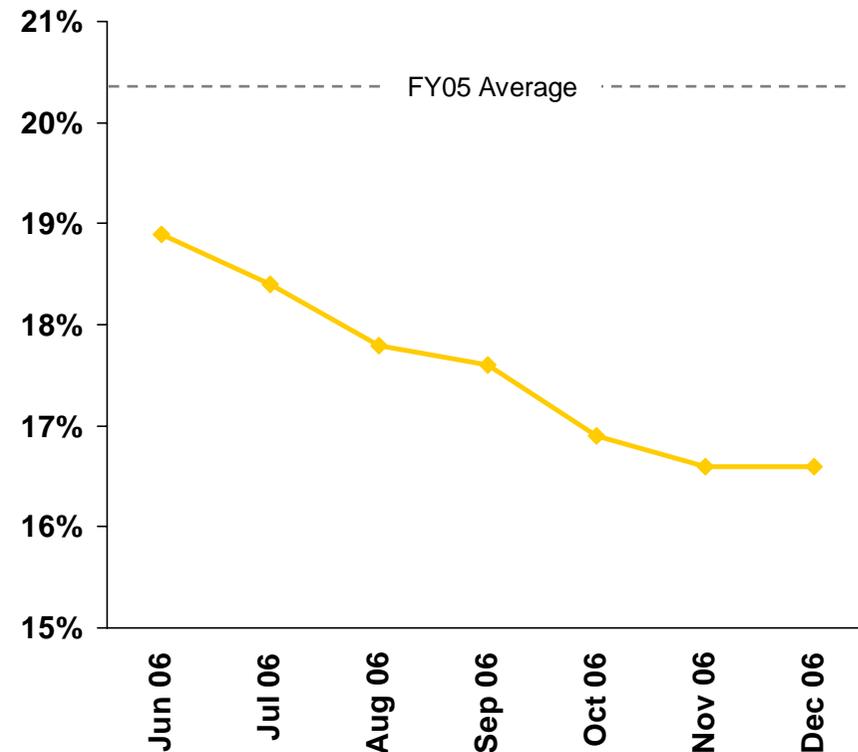
Register to access these member benefits:

- > **Local Business Community Board**
Promote your services and find new business leads.
- > **Build up your own Local Business Directory profile**
Every contribution you make raises your profile
- > **Have your say on any of the Local Business Discussion Groups**
Learn from the experience of others, or offer your own advice.

Technology & Operational Excellence

- Implemented new shared services approach to Enterprise IT
- \$64 million of annualised savings locked in in first half
- \$23m reduction in consultant and contractor spend
- Zero high severity system outages during peak times
- Good progress on strategic growth initiatives
- 319 staff trained in CommWay, taking total to 1,419

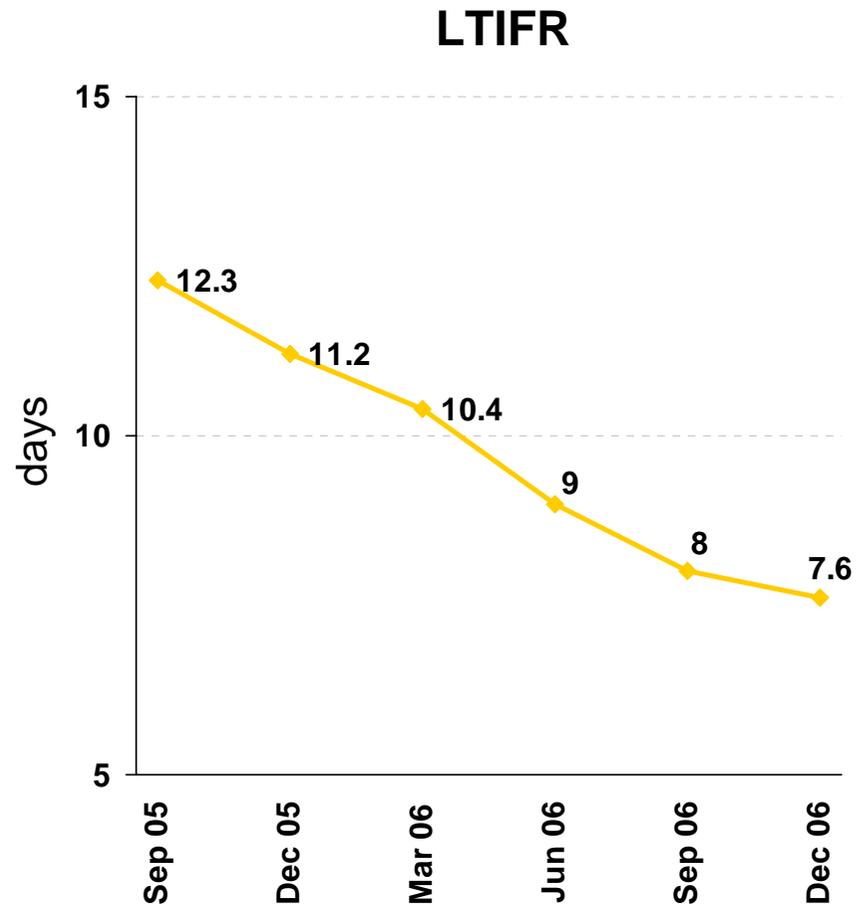
IT Efficiency Ratio*
(Rolling 2 month average since Jun 06)



* Efficiency Ratio = Total IT Expense (excluding strategic initiative spend) / Total bank Op Expenses

Trust & Team Spirit improving

- Improved internal staff engagement scores
- Improvements in key people metrics
 - LTIFR
 - Staff turnover
- Building pride through strong community engagement and involvement of our people



Asian growth continues



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Non cash items

Notes

	Dec 06 \$M	Jun 06 \$M	Dec 05 \$M
Defined benefit superannuation plan (income) / expense	(4)	6	19
Treasury Shares	38	57	43
One off AIFRS mismatch	46	-	-
	80	63	62

Defined benefit superannuation plan (income) / expense:

- This amount is influenced by actuarial estimates of the long-term return on plan assets, the discount rate applied to plan liabilities, and the cost of additional member benefits accrued during the period.
- Due largely to increasing return on assets in the current half, a net income amount is recorded

Treasury Shares:

- CBA shares held within life insurance statutory funds (on behalf of policyholders) result in an Income Statement mismatch
- When the Bank's share price rises, an expense is recognised for the increase in liability to policyholders, with no offsetting gain recognised on the "treasury shares"

One off AIFRS mismatch:

- No economic loss has been incurred
- Accounting loss has arisen due to the unwind of a structured financing transaction
- Transaction had been fully economically hedged at inception, and on transition to AIFRS on 1 July 2005 the hedge profit was recognised in retained earnings
- Interest expense offsetting the hedge was being amortised over the life of the transaction
- Unwind of transaction brings forward the recognition of this expense to the current period
- There are no other contracts of this nature



Good result – cash NPAT up 19%

	Dec 06 \$M	Dec 05 \$M	Dec 06 vs Dec 05
Operating Income	6,438	5,801	↑ 11%
Shareholder investment returns	85	64	↑ 33%
Income	6,523	5,865	↑ 11%
Operating expenses	3,144	2,967	↑ 6%
Loan impairment expenses	195	188	↑ 4%
Net Profit Before Tax	3,184	2,710	↑ 17%
Tax & Minorities	913	794	↑ 15%
Cash NPAT *	2,271	1,916	↑ 19%
Profit on the sale of HK Insurance	-	145	-
Non cash items	(80)	(62)	↑ 29%
Statutory NPAT**	2,191	1,999	↑ 10%

* Excludes profit on sale of Hong Kong in Dec 05

** Excluding impact of Hong Kong growth was 18%

Other key information

Notes

Contribution to profit	6 months			Dec 06 vs Jun 06	Dec 06 vs Dec 05
	Dec 06 \$M	Jun 06 \$M	Dec 05 \$M		
Banking	1,867	1,638	1,589	↑ 14%	↑ 17%
Funds Management	232	217	183	↑ 7%	↑ 27%
Insurance	111	112	103	↓ 1%	↑ 8%
NPAT (underlying)	2,210	1,967	1,875	↑ 12%	↑ 18%
Shareholder invest. Returns (ex HK after tax)	61	25	41	↑ Large	↑ 49%
NPAT Cash (ex HK)	2,271	1,992	1,916	↑ 14%	↑ 19%
Cash EPS – basic (excl HK)	174.7	154.9	149.5	↑ 13%	↑ 17%
ROE – cash (%)	22.3	20.8	21.7	↑ 150bpts	↑ 60bpts
Pref. dividends *	109	79	71	↑ 38%	↑ 54%
Ordinary dividend declared	1,380	1,668	1,211	↓ 17%	↑ 14%

* Includes distributions on Perls, Perls II, Perls III, Trust Preferred Securities and ASB Preference Shares.



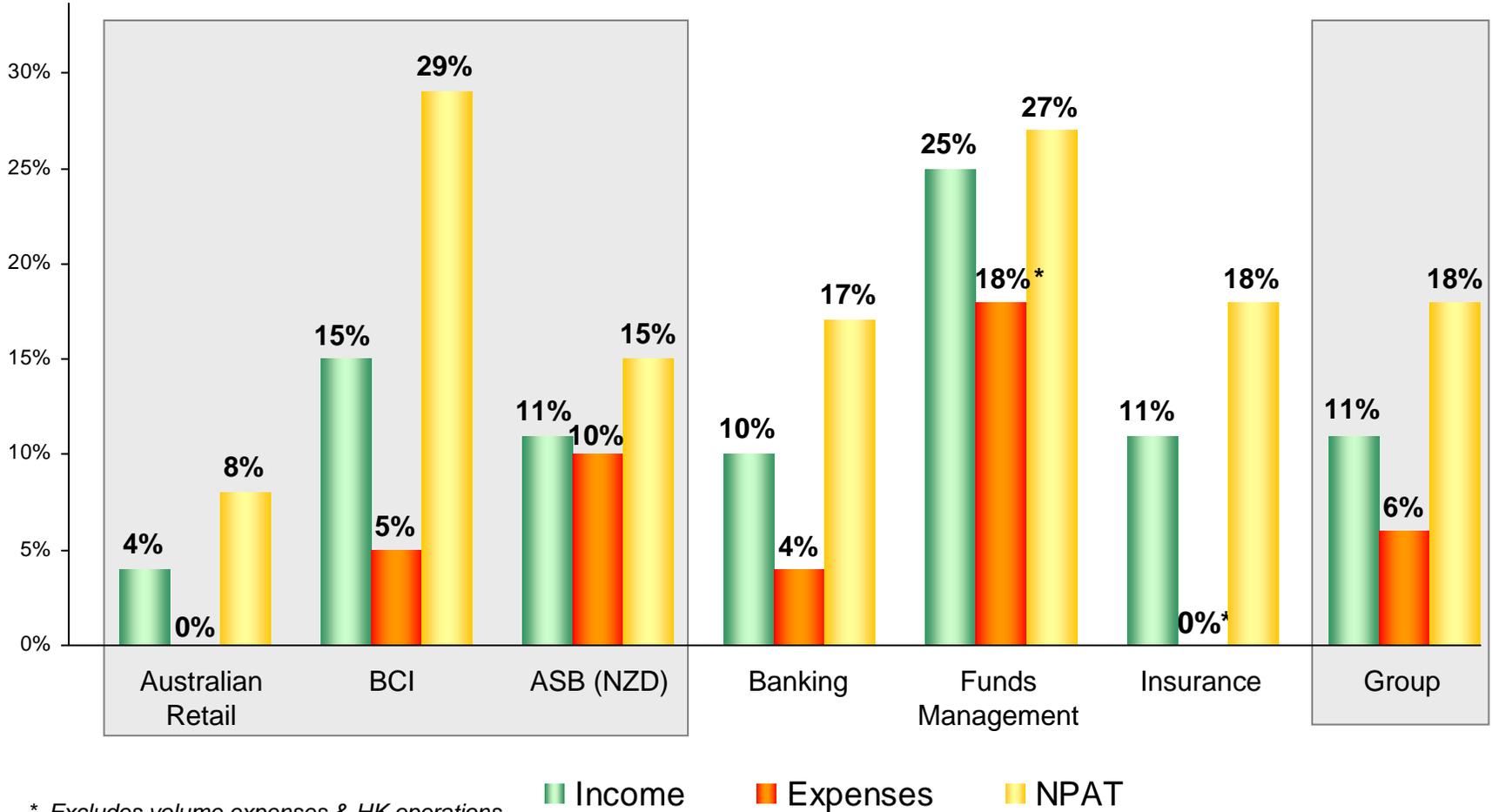
All businesses performing well

	6 months		Dec 06 vs Dec 05
	Dec 06 \$M	Dec 05* \$M	
Australian Retail	912	842	↑ 8%
Business, Corp and Institutional	762	589	↑ 29%
Asia Pacific	202	184	↑ 10%
Other	(9)	(26)	↓ 65%
Banking	1,867	1,589	↑ 17%
Funds Management	232	183	↑ 27%
Insurance	111	103	↑ 8%
Shareholder Investment Returns	61	41	↑ 49%
Cash Profit	2,271	1,916	↑ 19%

* Excludes profit on sale of Hong Kong in Dec 05

Revenue growth outstrips costs

Dec 06 vs Dec 05



Banking profit up 17%

- Net Interest Income

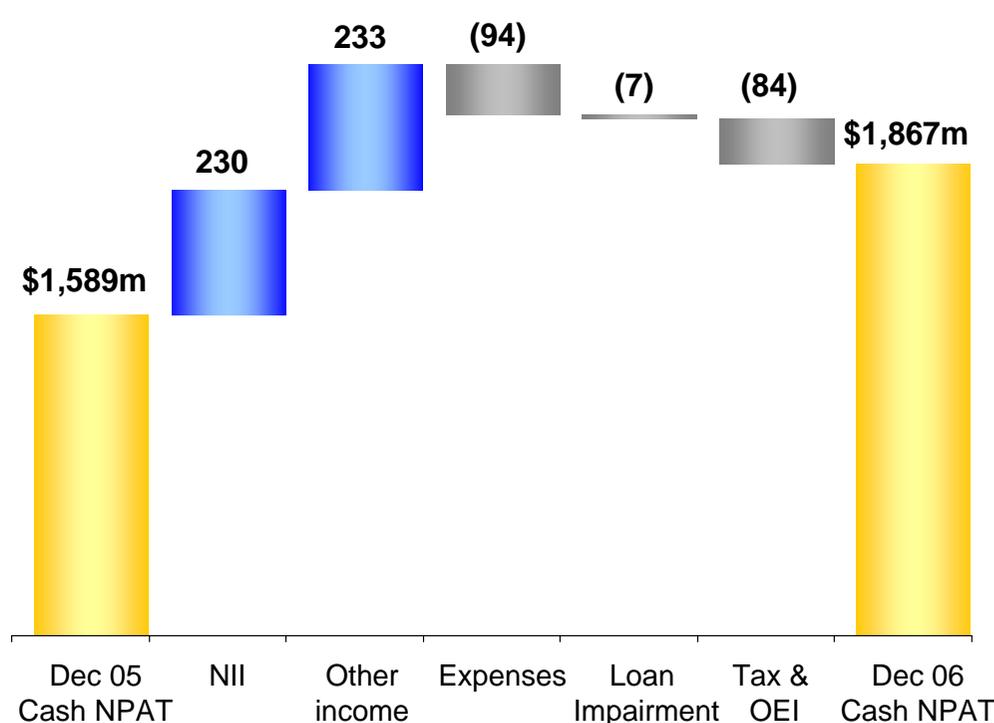
Volume	↑ 14%
Liquids	↓ 2%
Price	↓ 5%
NII	↑ 7%

- Other income ↑16%

- Sale of Loy Yang \$79m
- Commissions & fees ↑ 6%
- Trading income ↑ 25%

- Cost to income now 45.6%
(Dec 05 48.1%, Jun 06 47.4%)

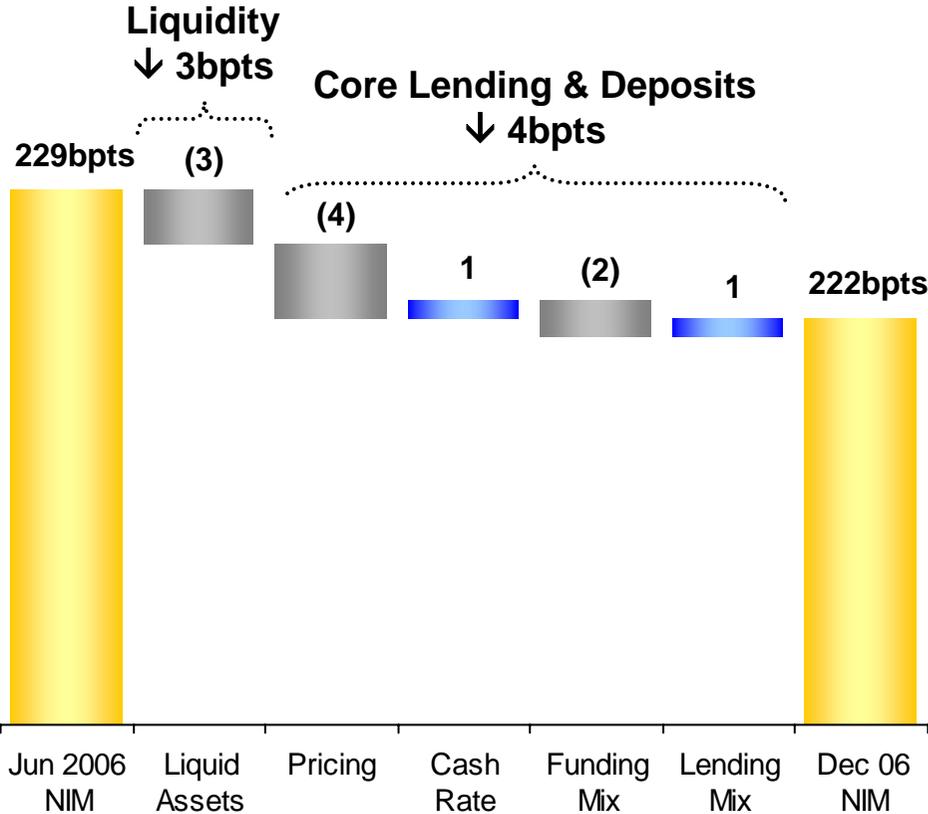
Cash profit up 17% since Dec 05



Underlying NIM down 4bpts since June

- NII only 54% of operating income
- Liquid assets > \$4bn – dilutive to NIM but positive to other income
- Pricing 4bpts ↓ due to home loan & credit cards
- Cash rate –

deposit margin	↑ 3bpts
timing lag	↓ 1bpt
tightening of bill / cash rate spread	↓ 1bpt
	↑ 1bpt
- Wholesale funding increased from 45% to 46% of total funding
- Business lending growing faster than home lending



Other key information

		Dec 06	Jun 06	Dec 05	Dec 06 vs Jun 06	Dec 06 vs Dec 05
NII	Home loans	644	627	633	↑ 3%	↑ 2%
	Consumer finance	351	366	366	↓ 4%	↓ 4%
	Retail deposits	1,061	963	965	↑ 10%	↑ 10%
		2,056	1,956	1,964	↑ 5%	↑ 5%
Other income	Home loans	87	74	77	↑ 18%	↑ 13%
	Consumer finance	191	195	173	↓ 2%	↑ 10%
	Retail deposits	337	351	349	↓ 4%	↓ 3%
		615	620	599	↓ 1%	↑ 3%
Banking income	Home loans	731	701	710	↑ 4%	↑ 3%
	Consumer finance	542	561	539	↓ 3%	↑ 1%
	Retail deposits	1,398	1,314	1,314	↑ 6%	↑ 6%
		2,671	2,576	2,563	↑ 4%	↑ 4%
Expenses		1,206	1,181	1,207	↑ 2%	-%
Loan impairment		164	198	156	↓ 17%	↑ 5%
Cost to income		45.2%	45.8%	47.1%	↓ 1%	↓ 4%
NPAT		912	847	842	↑ 8%	↑ 8%

Australian Retail

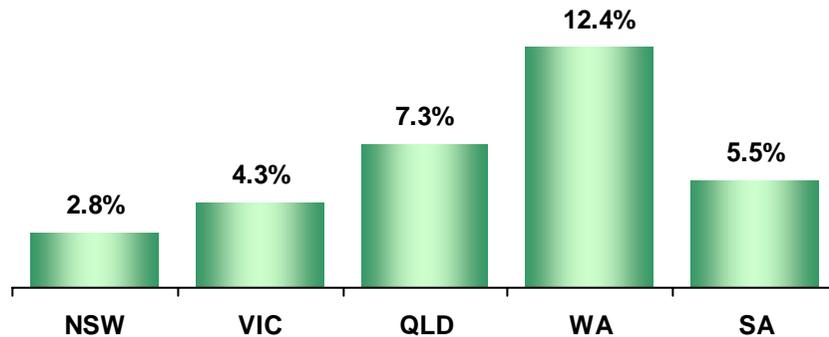
- Good volume growth:
 - Home loans ↑ 10%
 - Deposits ↑ 8%
- Not participating in unprofitable zero rate balance transfers in cards
- Investment in frontline staff funded by IT and productivity savings
- Loan impairment decreased as a percentage of assets

	Dec 06 \$M	Dec 06 vs Dec 05
Net interest income	2,056	↑ 5%
Other banking income	615	↑ 3%
Total banking income	2,671	↑ 4%
Operating expenses	1,206	-
Loan Impairment	164	↑ 5%
Tax	389	↑ 9%
Underlying Profit after Tax	912	↑ 8%



Australian Retail snapshot

ABA Market Home Loan Growth by State for 6 months to Dec 06

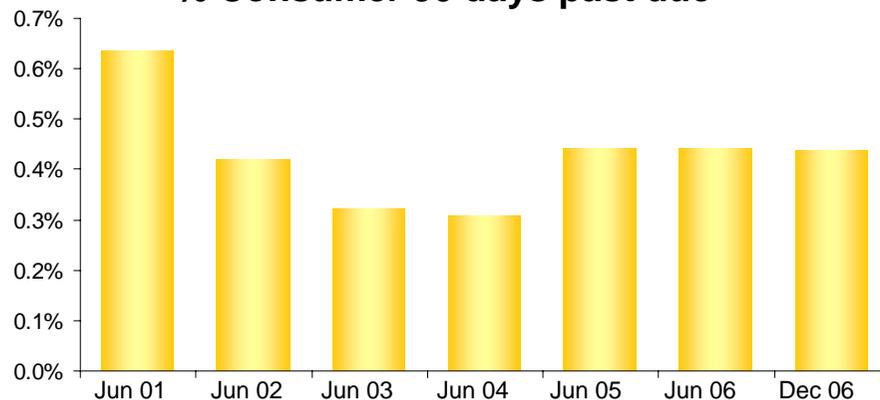


% of CBA Book	NSW	VIC	QLD	WA	SA
	38%	27%	17%	10%	4%

Cannex Awards

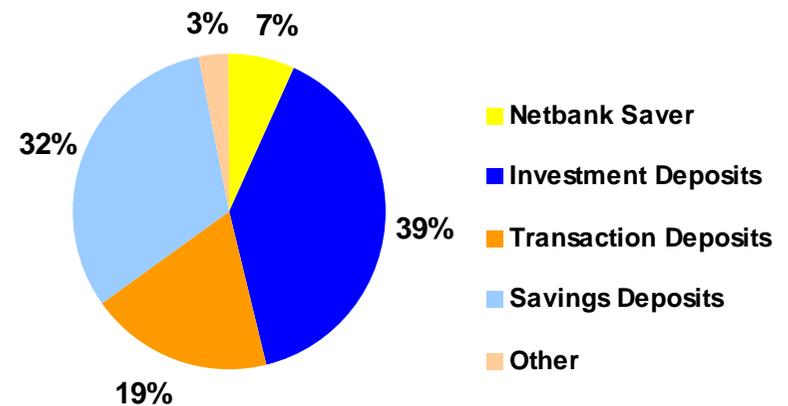


% Consumer 90 days past due*



* Consumer loans include home loans, credit cards, personal loans

Deposit Mix



Other key information

		Dec 06	Jun 06	Dec 05	Dec 06 vs Jun 06	Dec 06 vs Dec 05
NII	Corporate Banking	303	282	276	↑ 7%	↑ 10%
	Financial Markets	240	261	235	↓ 8%	↑ 2%
	Lending & Finance	435	382	370	↑ 14%	↑ 18%
		978	925	881	↑ 6%	↑ 11%
Other income	Corporate Banking	212	184	210	↑ 15%	↑ 1%
	Financial Markets	418	347	362	↑ 20%	↑ 15%
	Lending & Finance	290	249	191	↑ 16%	↑ 52%
		920	780	763	↑ 18%	↑ 21%
Banking income	Corporate Banking	515	466	486	↑ 11%	↑ 6%
	Financial Markets	658	608	597	↑ 8%	↑ 10%
	Lending & Finance	725	631	561	↑ 15%	↑ 29%
		1,898	1,705	1,644	↑ 11%	↑ 15%
Expenses		833	811	796	↑ 3%	↑ 5%
Loan impairment		20	31	37	↓ 35%	↓ 46%
Cost to income		43.9%	47.6%	48.4%	↓ 8%	↓ 9%
NPAT		762	617	589	↑ 24%	↑ 29%

Business, Corporate & Institutional

- Strong asset growth of 20%
- Institutional average lending balances ↑ 22%
- Margins stable over last six months
- Strong performance from combined Global Markets & Treasury
- Credit experience good, 67% of loans investment grade

	Dec 06 \$M	Dec 06 vs Dec 05
Net interest income	978	↑ 11%
Other banking income	920	↑ 21%
Total banking income	1,898	↑ 15%
Operating expenses	833	↑ 5%
Loan Impairment	20	↓ 46%
Tax	283	↑ 27%
Underlying Profit after Tax	762	29%

Other key information

Notes

ASB: New Zealand NZ\$m	6 months			Dec 06 vs Jun 06	Dec 06 vs Dec 05
	Dec 06 \$M	Jun 06 \$M	Dec 05 \$M		
Net Interest Income	437	412	392	↑ 6%	↑ 11%
Other Income	190	169	175	↑ 12%	↑ 9%
Total Operating Income	627	581	567	↑ 8%	↑ 11%
Operating Expenses	(267)	(252)	(243)	↑ 6%	↑ 10%
Impairment losses	(4)	(9)	(10)	↓ 56%	↓ 60%
Net Profit before taxation	356	320	314	↑ 11%	↑ 13%
Income tax	(106)	(97)	(97)	↑ 9%	↑ 9%
Net profit after tax ("Cash basis")	250	223	217	↑ 12%	↑ 15%
New Zealand Dollar Exchange Rate (spot) *	1.12	1.21	1.07		
New Zealand Dollar Exchange Rate (avg) *	1.16	1.16	1.08		

* Hedging during the period may mean effective rate is different



Asia Pacific

- ASB contributed \$195m
- ASB NPAT ↑ 15% in NZD
- Acquiring ANK (Arta Niaga Kencana) in Indonesia subject to regulatory approvals
- Hangzhou & Jinan continue to perform well
- Credit quality remains good

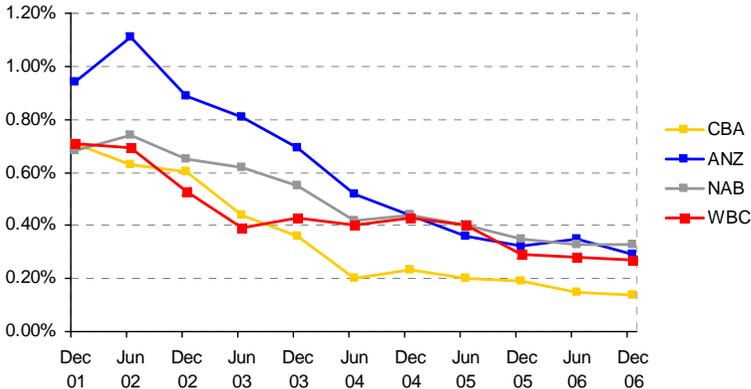
	Dec 06 \$M	Dec 06 vs Dec 05
Net interest income	362	-
Other banking income	188	↑ 13%
Total banking income	550	↑ 4%
Operating expenses	260	↑ 3%
Loan Impairment	5	↓ 58%
Tax	83	↑ 6%
Underlying Profit after Tax	202	↑ 10%



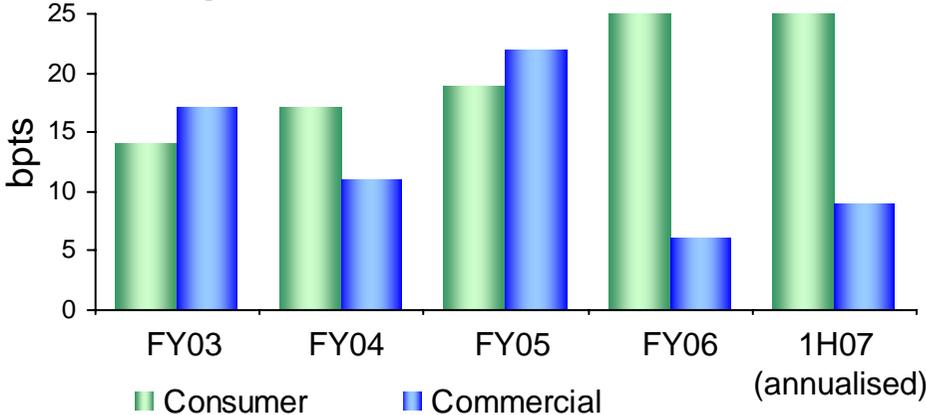
Credit – maintained high standards

- Credit standards maintained
- Limited participation in private equity deals
- Conservative approach to low doc loans (1.8% of home loans)
- On market value, 79% of home loans < 60% LVR
- Most > 80% LVR insured
- No zero rate credit card balance transfers
- Regular stress testing of home loan portfolio
- Loan impairment expense to RWA now 17 bpts (↓ 2bpts)

Gross impaired assets to RWA



Funding of Individually assessed provisions as a % of advances



Other key information

Notes

	6 months ended		
	Dec 06	Jun 06	Dec 05
FUA			
Av. FUA (\$bn)	158	148	130
Spot. FUA (\$bn)	168	152	137
Margins			
Operating income/ av. FUA	1.13	1.14	1.10
Net income/ av. FUA	0.95	0.97	0.95
Expenses			
Operating expenses/ av.FUA	0.71	0.72	0.70
Operating expenses to net Income	56.1	57.3	58.0
Market shares*			
Platforms (masterfunds)	12.8%	12.6%	10.7%
Retail Administrator view	15.3%	15.4%	14.5%
First Choice Platforms	8.0%	7.8%	7.0%
Breakdown of funds invested			
Local equities	22.5%	22.0%	22.7%
International equities	25.5%	24.4%	22.4%
Listed and direct property	17.3%	17.2%	17.5%
Fixed interest and cash	33.9%	35.5%	36.4%
Other	0.8%	0.9%	1.0%
Total	100%	100%	100%

* Plan for Life – Sept 06



Funds Management



- FUA grew 22% to \$168bn
- 72% of funds outperformed benchmark over the half
- Retained No.1 position in retail net flows
- First Choice growing market share and growth of 48% over last 12 months
- Seeding investments for infrastructure funds

	Dec 06 \$M	Dec 06 vs Dec 05
Total operating income	898	↑ 25%
Shareholder investment returns	4	↓ 43%
Funds management income	902	↑ 24%
Volume expenses	144	↑ 45%
Operating expenses	423	↑ 18%
Tax & Minority interests	100	↑ 25%
Cash NPAT	235	↑ 25%
Underlying NPAT	232	↑ 27%

Other key information

Notes

	6 months ended		
	Dec 06	Jun 06	Dec 05
Claims expense as % of net earned premium			
General Insurance	50%	57%	51%
Life Insurance	47%	41%	49%
Sources of profit	\$M	\$M	\$M
Planned profit margins	94	77	69
Experience variations	7	29	19
Other	0	(2)	2
General insurance operating margin	10	8	13
Operating margins	111	112	103
After tax Shareholder investment returns	58	20	36
After tax profit on sale of HK business	-	-	145
NPAT (cash)	169	132	284

Breakdown of Shareholders' Funds

	Dec 06	Jun 06	Dec 05
Local equities	1%	2%	2%
International equities	1%	1%	2%
Property	19%	17%	18%
Growth	21%	20%	22%
Fixed interest	25%	29%	38%
Cash	54%	51%	40%
Income	79%	80%	78%
Total	100%	100%	100%

Insurance

CommInsure



- Underlying profit ↑ 18%
- Inforce premiums ↑ 16%
- Good claims experience particularly Group Risk
- Planned profit margins up 45% (ex Hong Kong)
- CommInsure now top ranked insurer in Group Risk
- Sovereign capturing 34% share of new business sales

	Dec 06 \$M	Dec 06 vs Dec 05 *
Total operating income	382	↑ 11%
Shareholder investment returns	81	↑ 45%
Total Insurance Income	463	↑ 16%
Volume expenses	89	↑ 10%
Operating expenses	139	– 0%
Tax	66	↑ 29%
Cash NPAT	169	↑ 31%
Underlying NPAT	111	↑ 18%

* Excluded from the comparison is both the \$145 million gain on sale of the Hong Kong Insurance business and the operating results of the business, which was previously set out at on page 55 of the 30 June 2006 Profit Announcement



Investing for Growth & Productivity

Growth

- Business banking growth strategy
- New & refurbished branches
- Roll out of Commbiz
- Improving cross sell of WM products

Half Year ended	Dec 06	Jun 06
P&L	240	235
Capitalised	110	130
Total Inv Spend	350	365

Productivity

- Insurance and WM product & system rationalisation
- Improving credit card platform
- IT infrastructure upgrade

Regulatory & Risk

- Basel II
- Computer continuity centre

Plus approx 800 new frontline staff since June

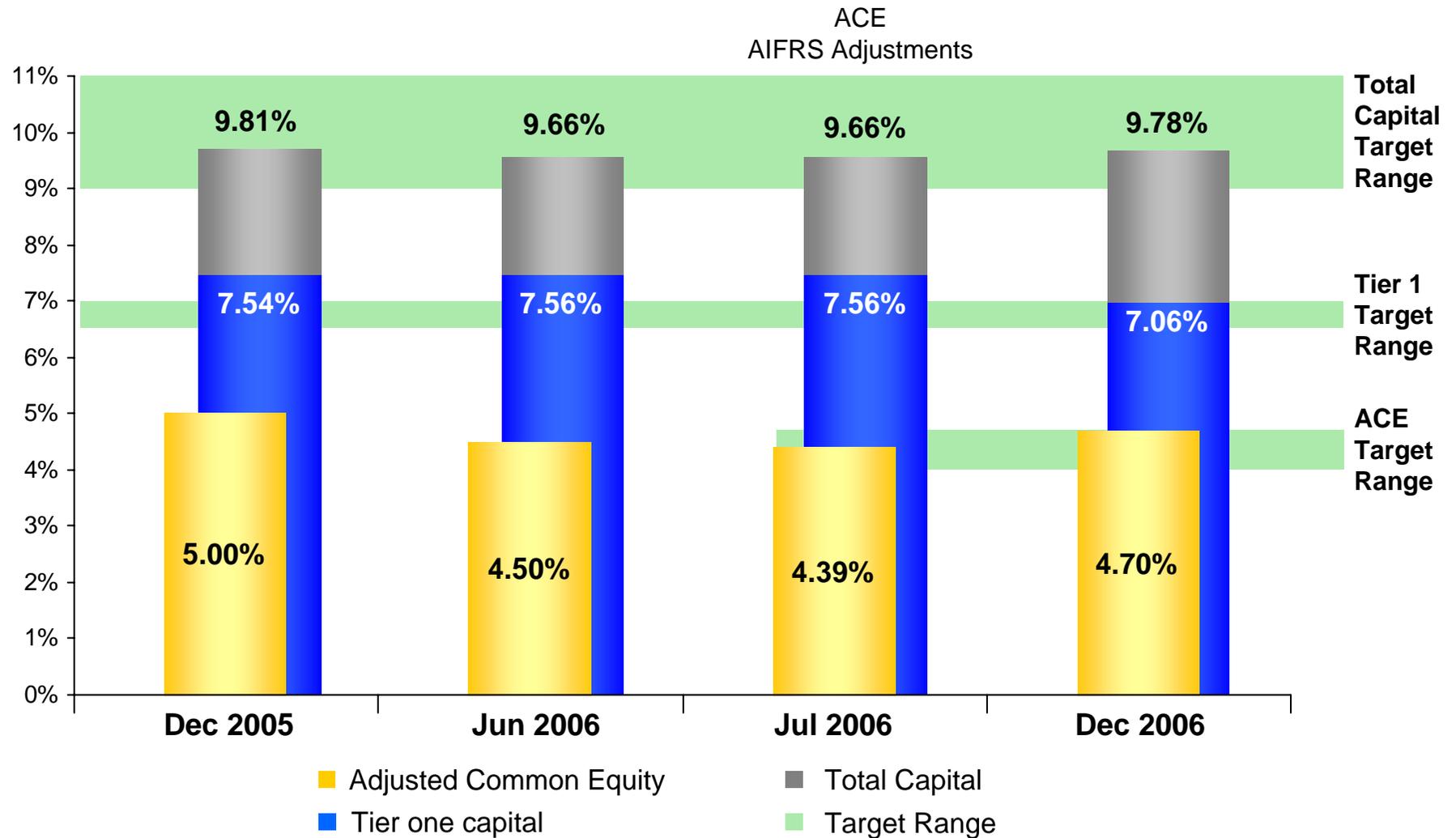


Capital treatment

	AIFRS	APRA			S&P
	Accounting	Tier 1	Tier 2	Total	ACE
Shareholders' Equity					
Ordinary Share Capital	✓	✓		✓	✓
Other Equity Instruments	✓	✓		✓	
Reserves					
General Reserve & Capital Reserve	✓	✓		✓	✓
GRCL	✓		✓	✓	
Asset Revaluation Reserve	✓		✓	✓	
Other reserve accounts	✓			✓	
Retained Earnings	✓	✓		✓	✓
Minority Interests	✓	✓		✓	
Hybrid Debt Issues & Loan Capital		✓		✓	
Other debt issues (subordinated)			✓	✓	
Collective & other credit provisions			✓	✓	
AIFRS transitional relief (T1 & T2)		✓	✓	✓	
Capital Deductions					
Intangibles		✓		✓	✓
Superannuation Surplus		✓		✓	✓
Equity investments in other companies		✓		✓	
Value of acquired inforce business				✓	
Investments in offshore banks				✓	✓
Other Deductions			✓	✓	

Note: This table is a summary. For the full reconciliation, refer Appendix 8 "Capital Adequacy" on pages 56-58 of the December 2006 Profit Announcement

Capital ratios



Summary

- Good result driven by focus on profitable growth
- All businesses performing well
- Credit quality remains good
- Continuing to invest for growth & productivity
- Strong capital position provides flexibility
- Delivering to our shareholders : ROE 22.3%, EPS growth 17%

Outlook

- Domestic economy expected to support double digit system credit growth
- Earnings momentum maintained into second half
- Strategic initiatives continuing to deliver
- Financial market to remain competitive - committed to profitable growth
- Outlook for earnings growth and credit quality remain positive
- Given growth outlook and diversity of income streams confident of EPS growth which meets or exceeds average of peers



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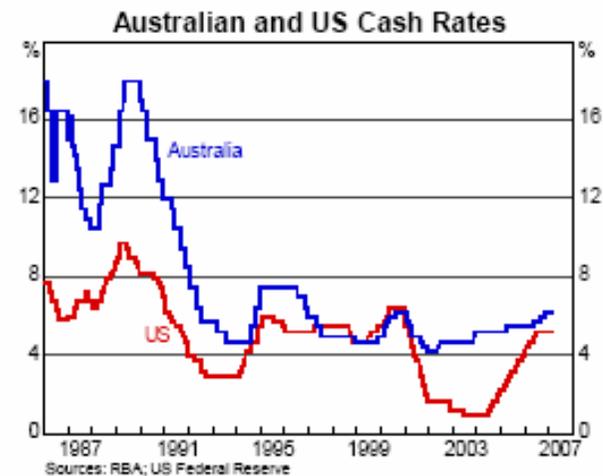
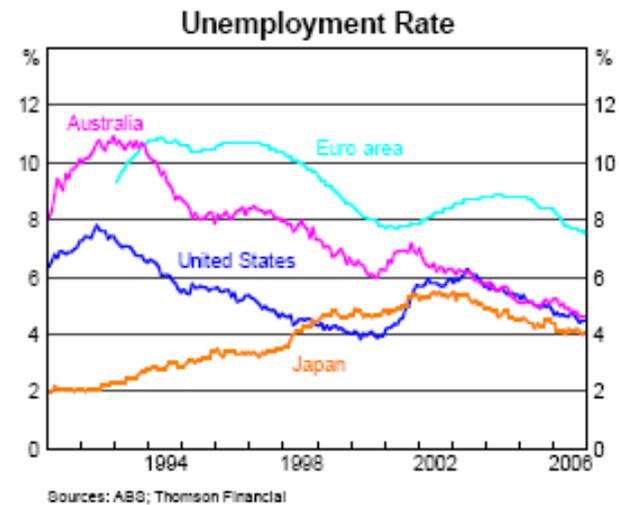
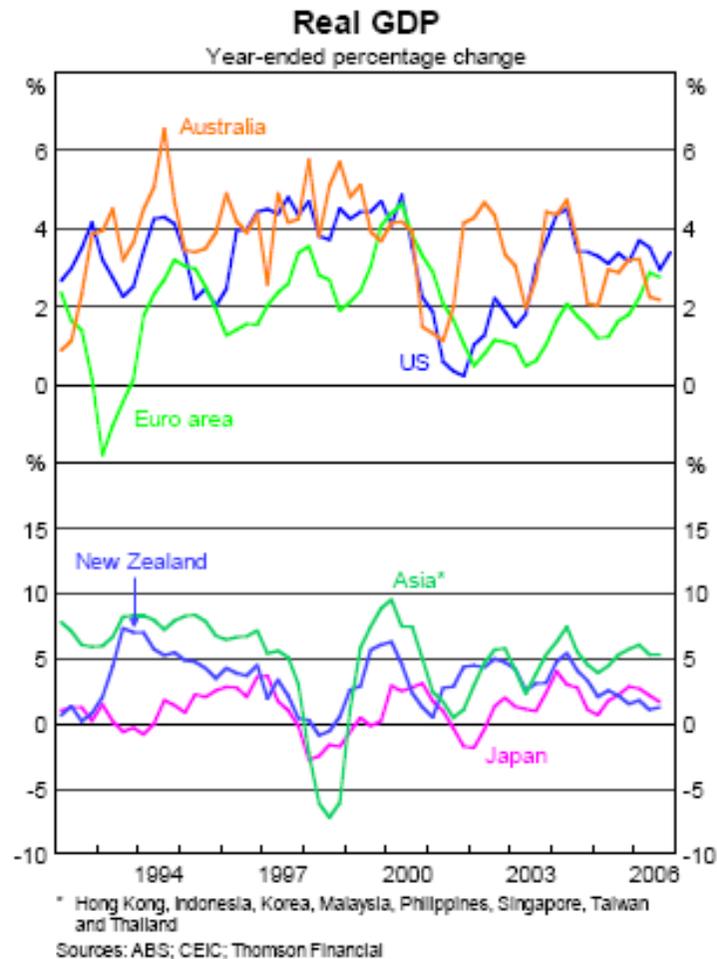
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Supplementary materials

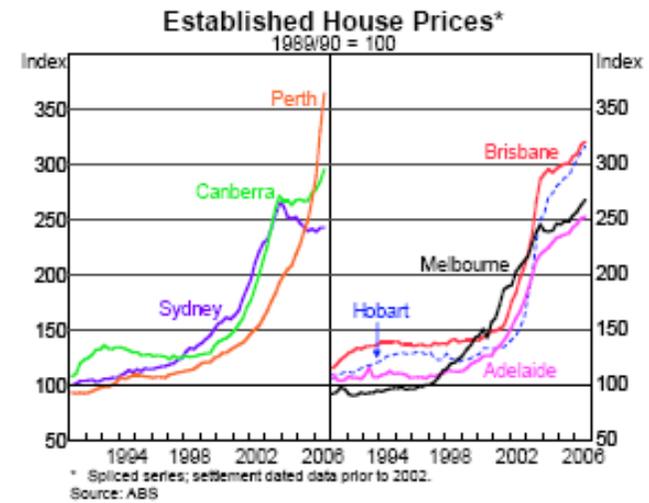
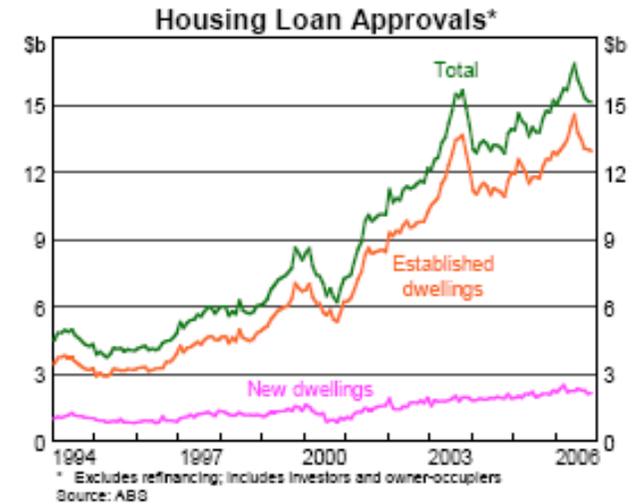
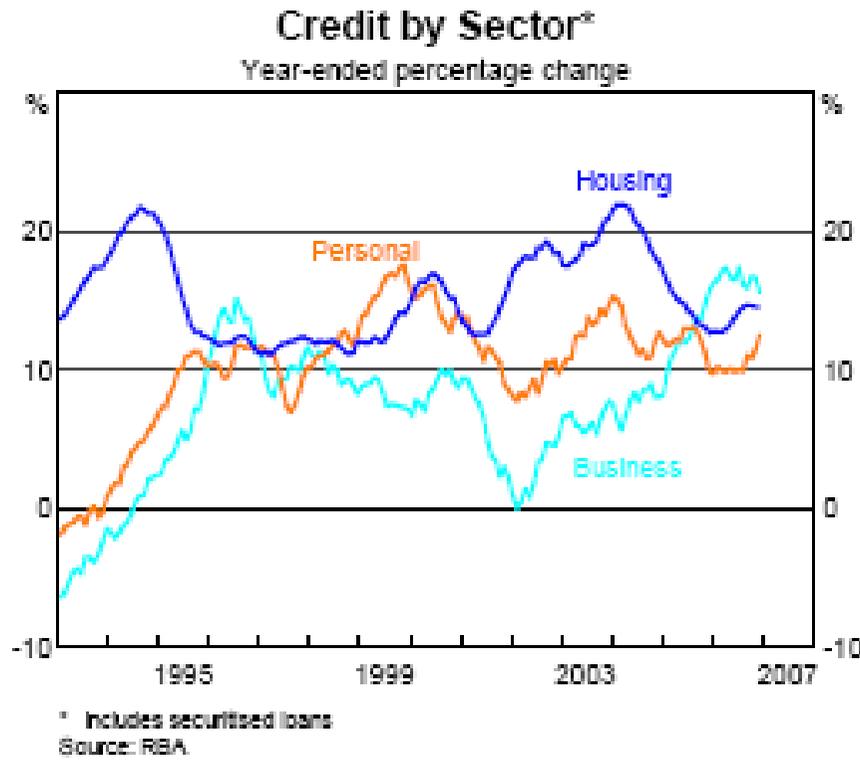


Economy

GDP, unemployment and cash rates



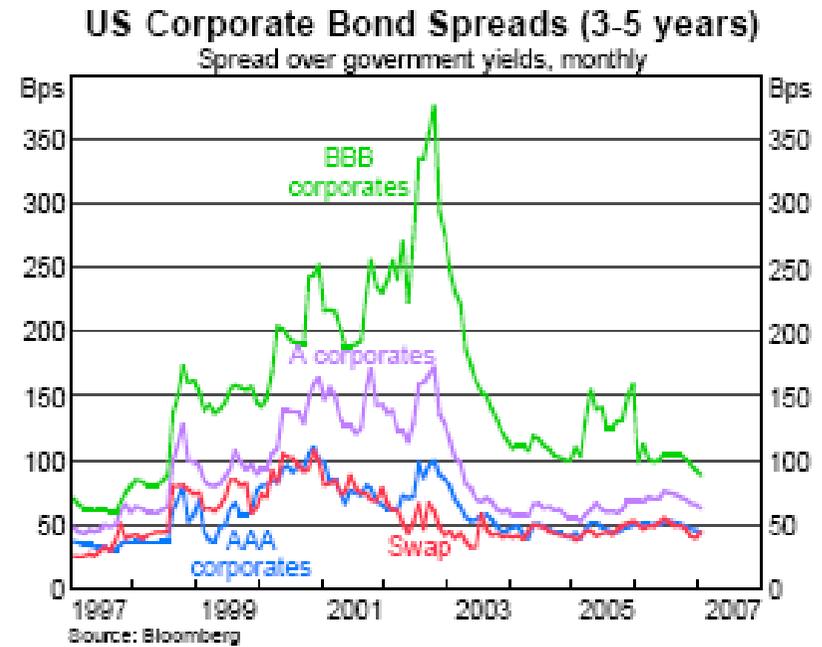
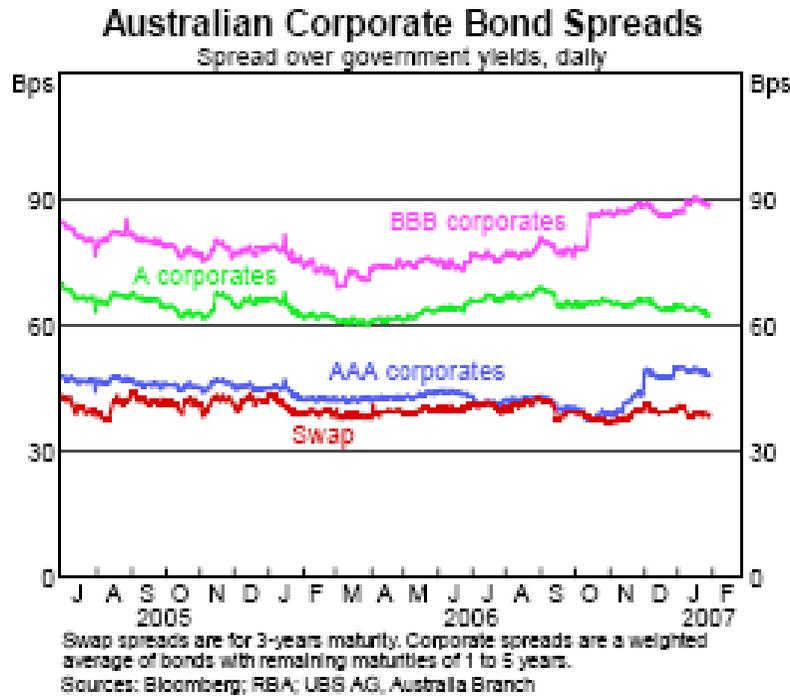
Credit growth



Spreads

Aus. BBB Corporates
~ 35bp over swaps

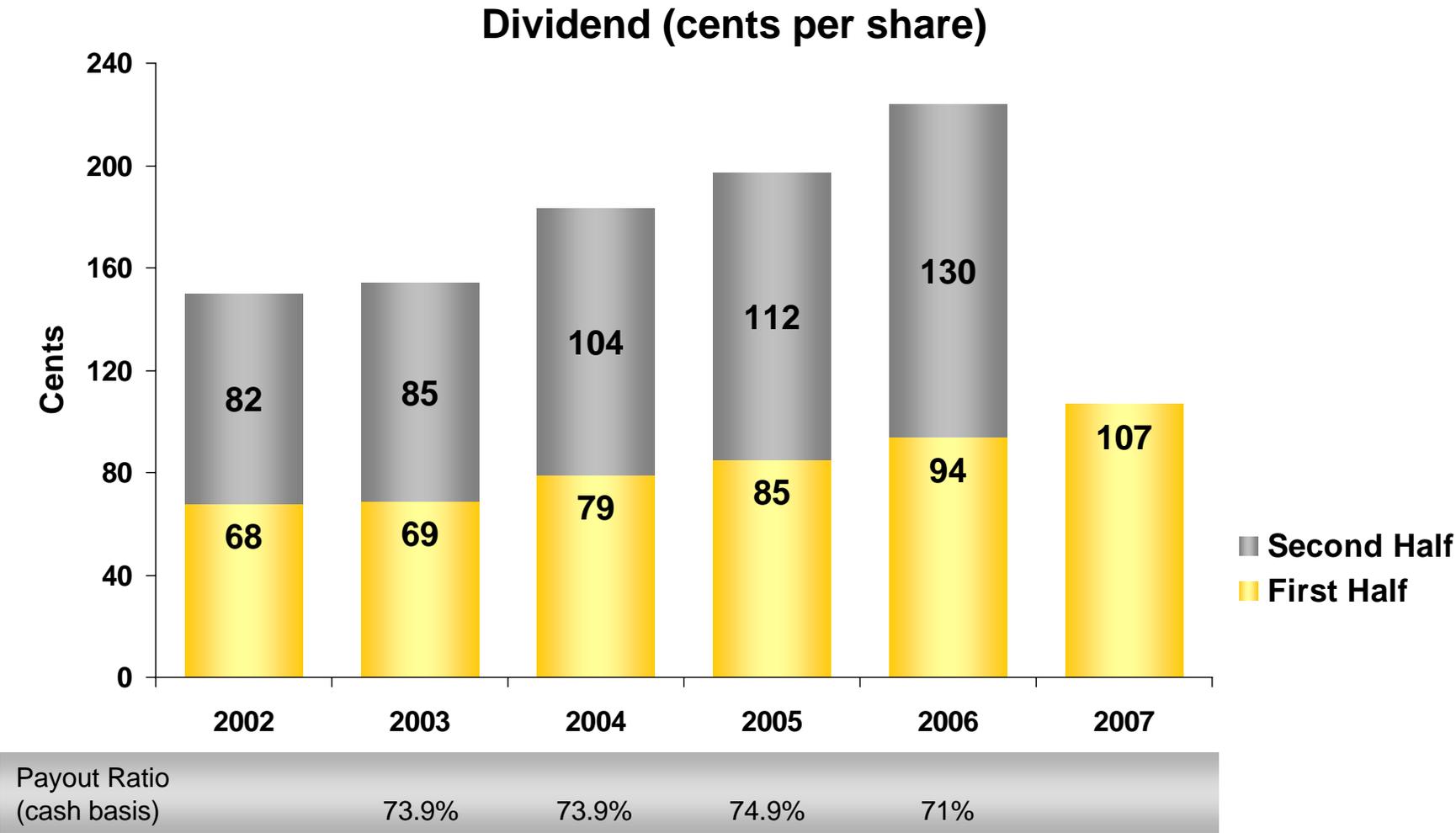
US BBB Corporates
~ 50bp over swaps





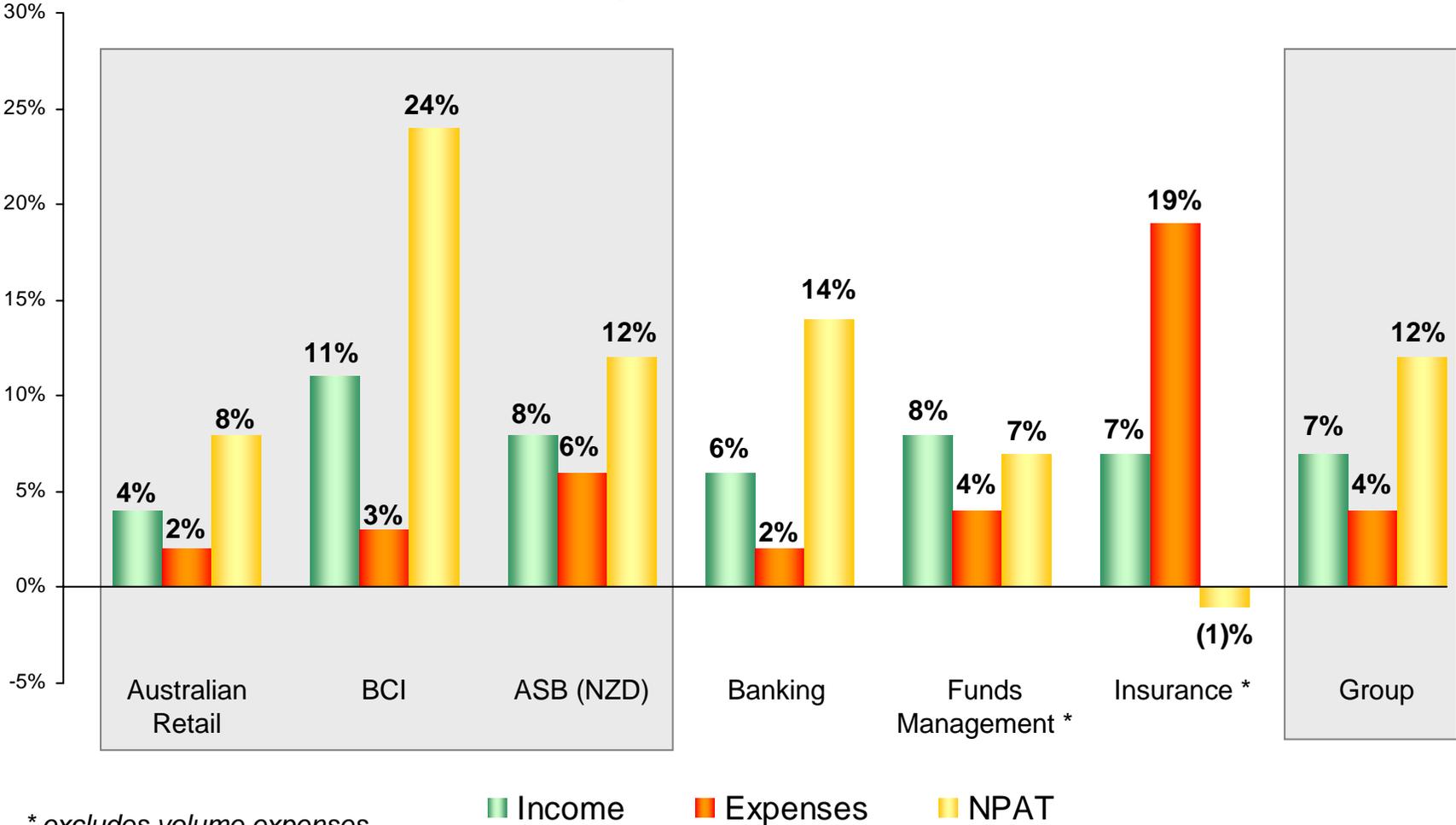
Group

Fully franked dividends

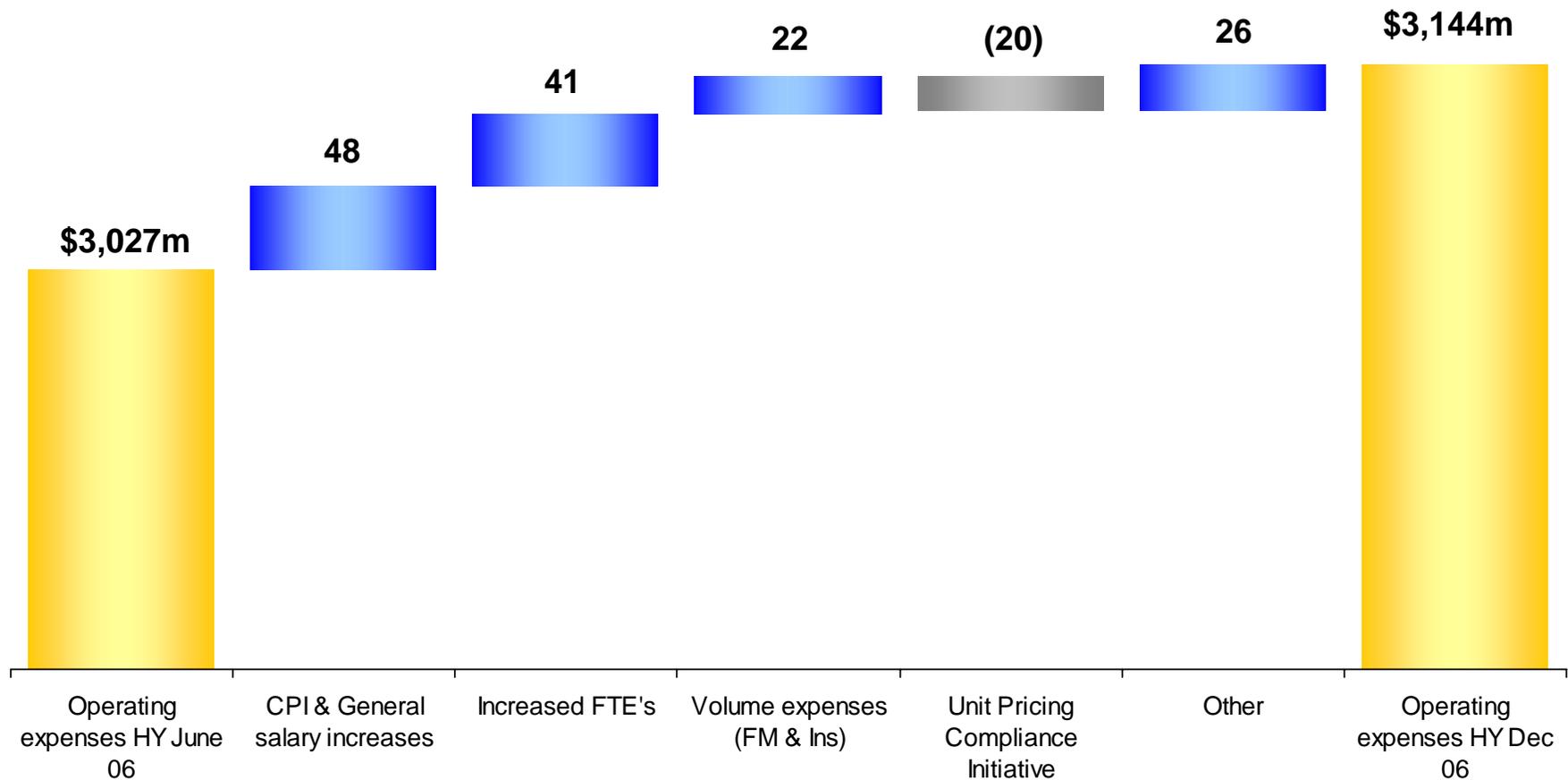


Revenue growth outstrips costs

6 month period – Dec 06 vs Jun 06

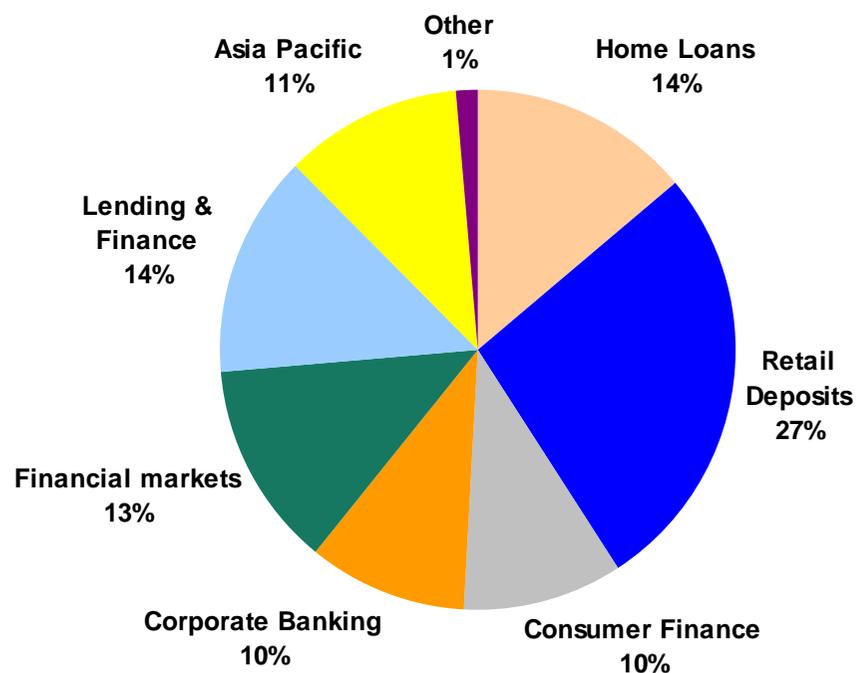


Group operating expenses



Banking

Banking Revenue by Product



6 months

	Dec 06	Jun 06	Dec 05	Dec 06 vs Jun 06	Dec 06 vs Dec 05
Home Loans	731	701	710	↑ 4%	↑ 3%
Consumer Finance	542	561	539	↓ 3%	↑ 1%
Retail Deposits	1,398	1,314	1,314	↑ 6%	↑ 6%
Corporate Banking	515	466	486	↑ 11%	↑ 6%
Financial Markets	658	608	597	↑ 8%	↑ 10%
Lending & Finance	725	631	561	↑ 15%	↑ 29%
Asia Pacific	550	537	527	↑ 2%	↑ 4%
Other	44	32	(34)	↑ 38%	Large
Total Banking Income	5,163	4,850	4,700	↑ 6%	↑ 10%



Other banking income

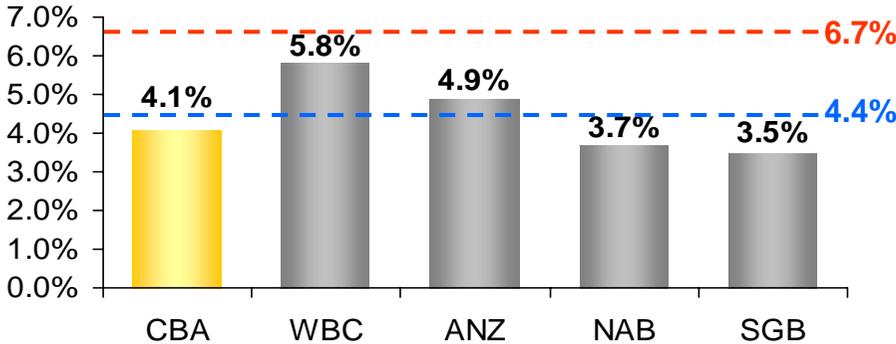
	Dec 06 \$M	Jun 06 \$M	Dec 05 \$M	Dec 06 vs Jun 06	Dec 06 vs Dec 05
Commissions & Fees	859	820	815	↑ 5%	↑ 5%
Lending Fees	417	411	389	↑ 1%	↑ 7%
Trading Income	306	261	244	↑ 17%	↑ 25%
Other	159	138	37	↑ 15%	↑ 330%
	1,741	1,630	1,485	↑ 7%	↑ 17%
Non trading derivatives	(63)	(39)	(40)	↑ 62%	↑ 58%
Other banking income	1,678	1,591	1,445	↑ 5%	↑ 16%

AIFRS Impact of non trading derivatives			
Net Interest Income	29	21	26
Other banking income	(63)	(39)	(40)
Net Impact – pre tax	(33)	(18)	(14)
Net Impact – after tax	(23)	(13)	(10)

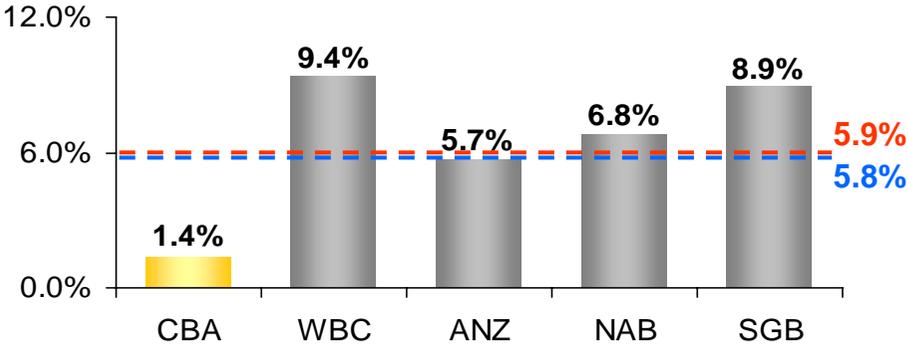
Summary - CBA Growth vs Market*

6 months to Dec 2006

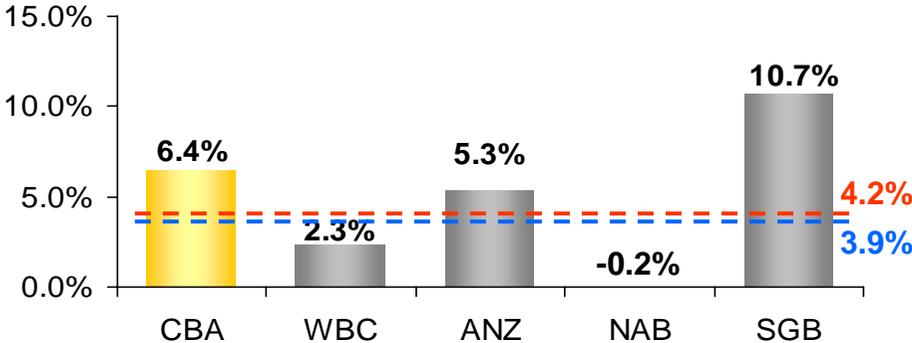
Home Lending



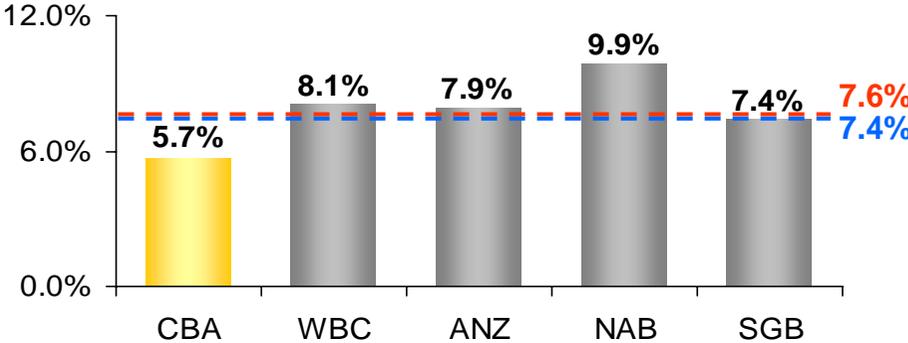
Credit Cards



Personal Lending



Household Deposits



--- Market --- Top 5

* APRA, RBS stats

Home Loans (Domestic)

	Dec 06	Jun 06	Dec 05	Dec 06 vs Jun 06	Dec 06 vs Dec 05
Domestic growth profile (\$bn)					
Loan Funded*	25.1	24.8	22.9	↑ 1%	↑ 10%
Reduction*	19.1	16	16.7	↑ 19%	↑ 14%
Net Growth*	6.0	8.8	6.1	↓ 32%	-
Total Home Lending assets (\$bn)					
Australian Home Lending assets (\$bn)	150.8	144.8	136.0	↑ 4%	↑ 11%
Securitisation (\$bn)	(10.8)	(12.6)	(9.1)	↑ 14%	↑ 19%
Net (Australia)	140	132.2	126.9	↑ 6%	↑ 10%
Asia Pacific Home lending assets (\$bn)	25.9	22.3	23.3	↑ 16%	↑ 11%
Totals (adjusted for rounding)	165.9	154.5	150.2	↑ 7%	↑ 10%

Home Lending Statistics (domestic balances gross of securitisation)

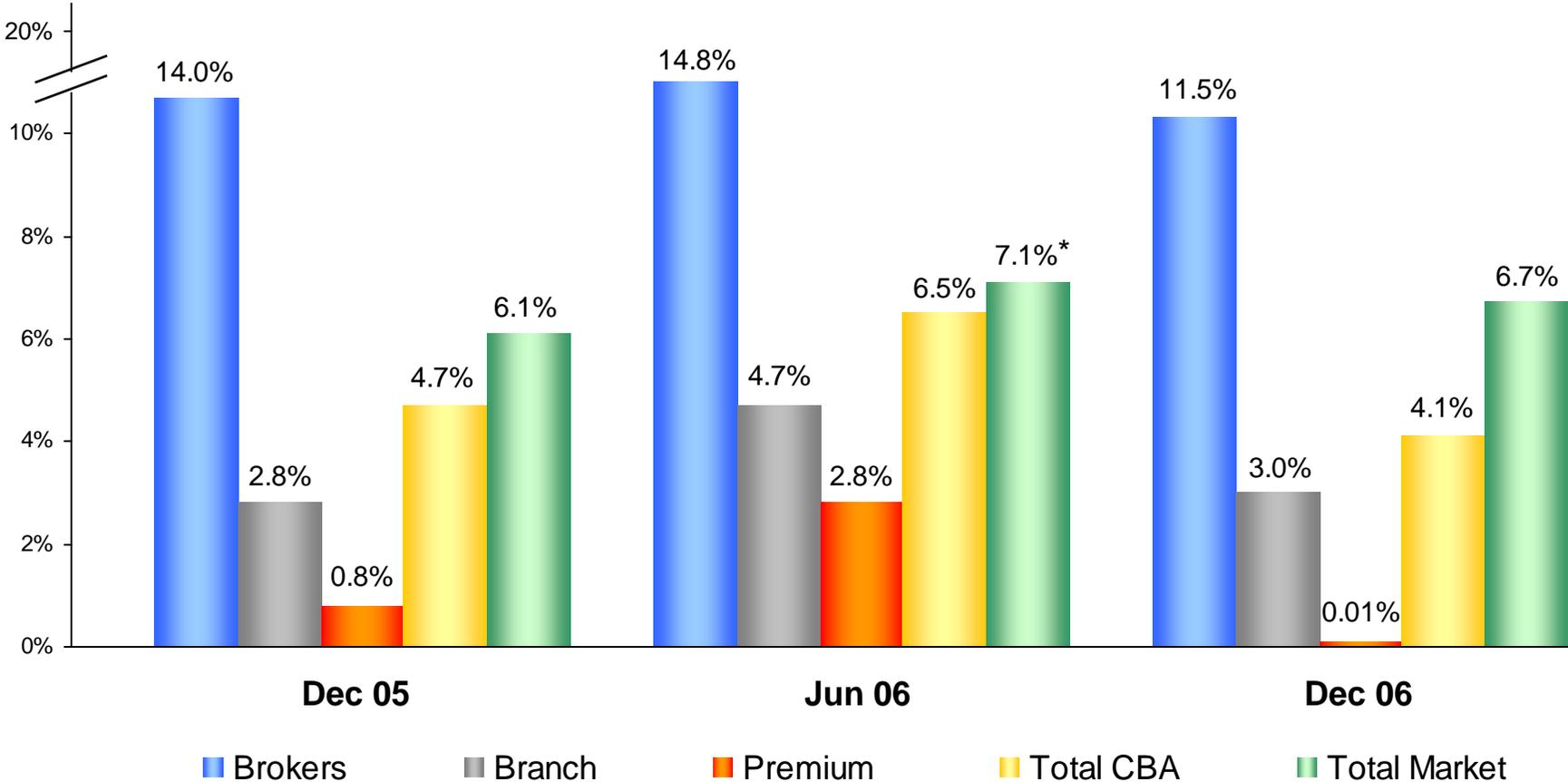
Balances Mix (%) :	Dec 06	Jun 06	Dec 05
Owner occupied	55%	55%	55%
Investment Home Loans	35%	35%	35%
Line of Credit	10%	10%	10%
Variable *	62%	64%	65%
Fixed	26%	24%	22%
Honeymoon *	12%	12%	13%
Originations (% of loans funded) :			
3rd Party	33%	32%	32%
Proprietary	67%	68%	68%
Broker originated loans as % of Aust. Book	26%	24%	22%

* Care – Prior periods restated for classification changes between periods



Home Loan Growth by Channel (Half Year)

(Balances sourced from each channel as a % of total CBA housing growth)

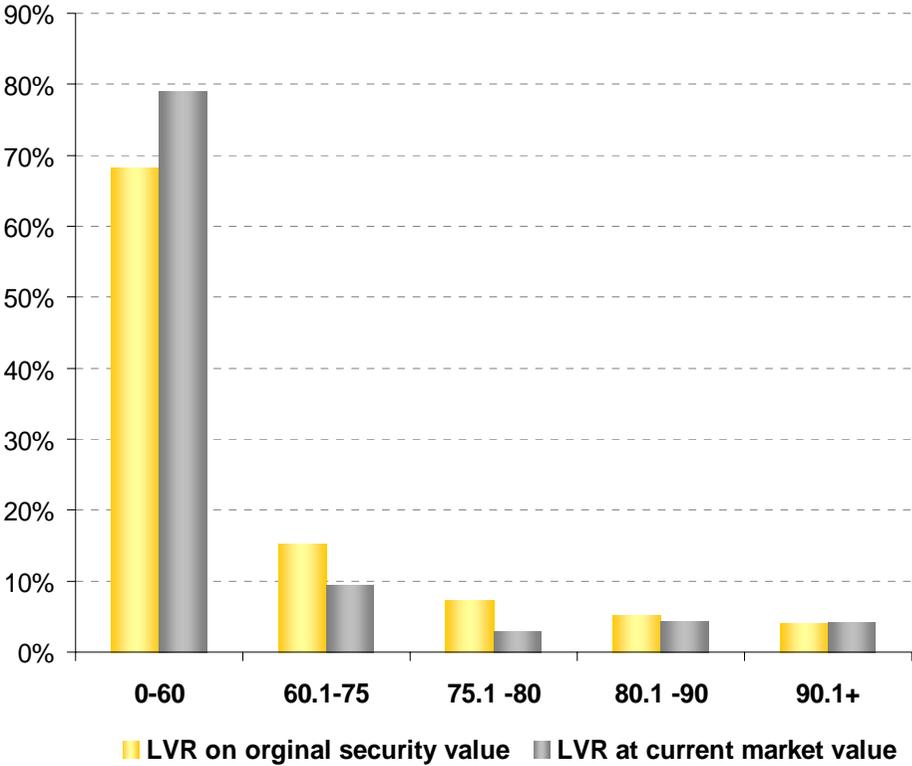


* Market growth figure restated by RBA

Home Loans – LVR Profile

- Strong LVR profile
- % of loans at <60% LVR:
 - 68% if based on original security value
 - 79% if based on current market values
- The majority of loans >80% LVR are mortgage insured

LVR Profile



Australian Owner Occupied and Investment Housing only, excludes Lines of Credit
Number of loans as at 31 Dec 06 and market value as at 30 Sep 06
Market value marked against the APM or Residex database

Home Loan Portfolio – stress tested

- Stress test scenario consistent with experience of UK recession of the late 1980s / early 1990s.
 - Up to 6 fold increase in PD, due to unemployment of 10% & interest rates of 14%
 - Up to 30% fall in security value
- Under current conditions, 1 year HL expected loss at around \$14m
- Under most stressed conditions, expected loss totals \$307m = 3 months home loan net income
- Additional Insured losses of \$198m covered by LMI

Market Value Stress

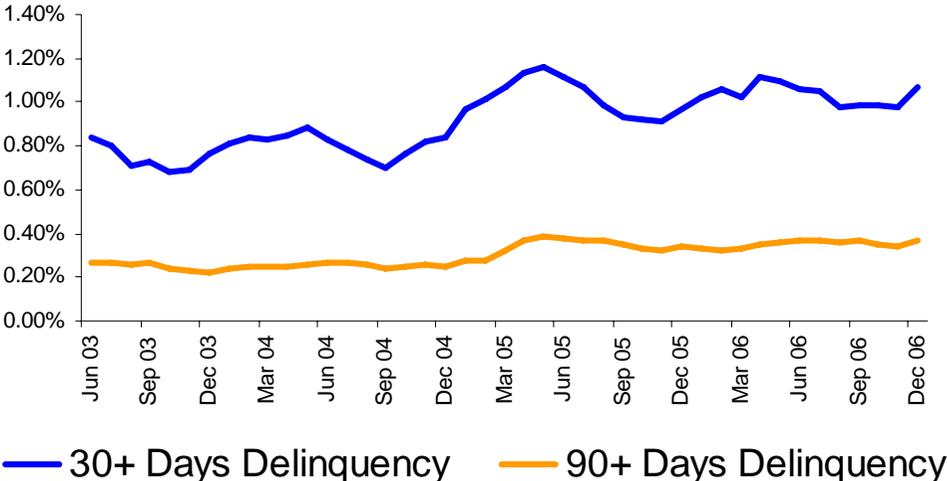
Expected Loss \$m	PD Stress Factor			
	x1	x2	x4	x6
Property Value				
No decrease	14.0	17.9	24.1	28.5
10% decrease	33.2	44.2	61.8	74.8
20% decrease	67.0	92.8	135.0	166.9
30% decrease	115.8	164.9	245.9	307.4

Note:
 PD = Probability of Default
 Excludes Lines of Credit

Home Loans – Portfolio Quality

- Portfolio credit quality remains sound
- Delinquencies while up slightly are broadly in line with seasonal expectations
- Home Loan collection will focus on higher risk loans

30+ & 90+ Day Delinquencies

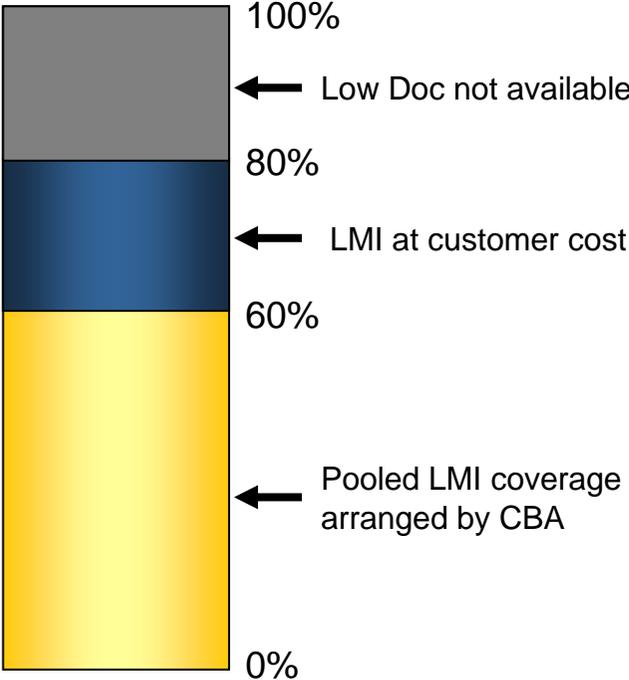


All Australian Owner Occupied and Investment Housing only, excludes Lines of Credit
Delinquency percentage uses balances

Low doc loans prudently managed

- Low doc only represents 1.8% of portfolio at \$2,387m
- 4% - 5% of new approvals are low doc loans
- Low Doc specific credit criteria in place to ensure risks are minimised
- Extra LMI protection ensures risk profile remains low

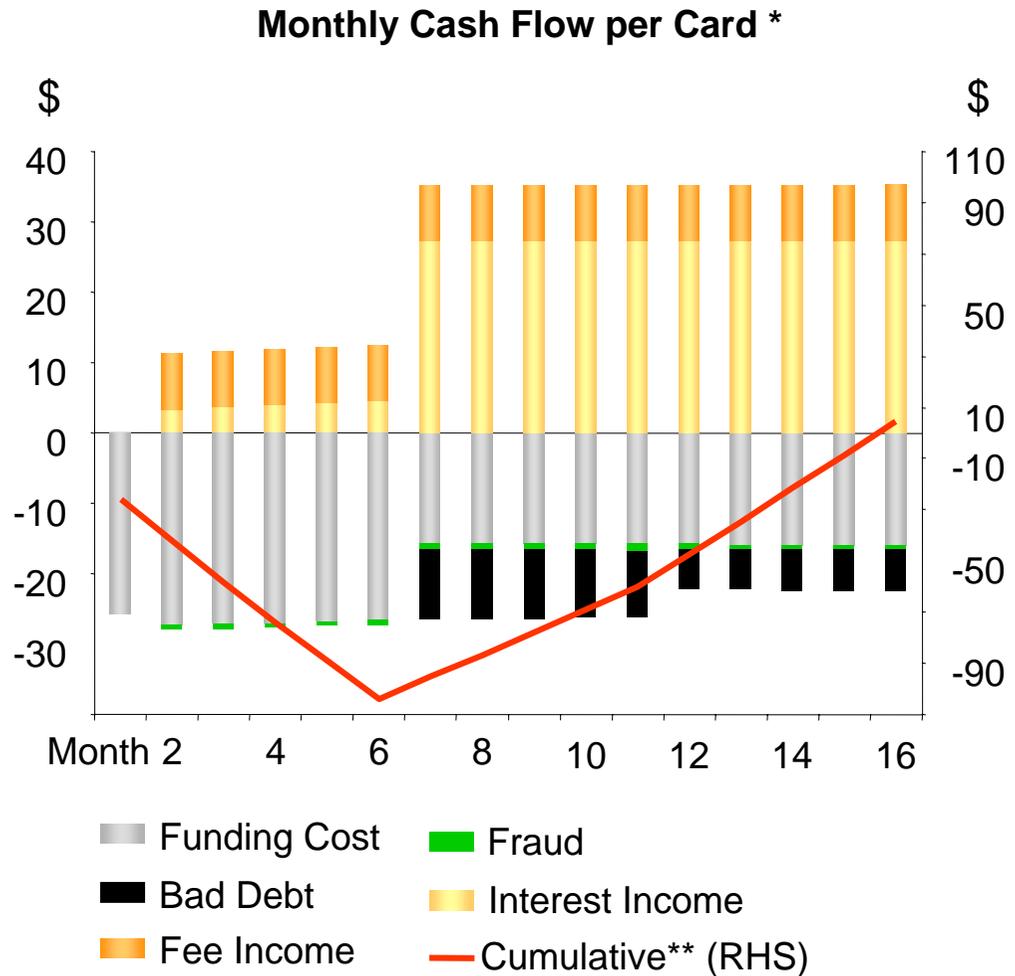
LVR for Low-Doc Loans



Note: change in Jun06 actuals from previously reported numbers was a result of funding movements in subsequent months.

Why we don't offer zero % balance transfers

- 0% offers appear value destroying with roll-over to low-rate card margins
- On marginal cost basis, customer break-even for "genuine" customers between 12-24 months (est.)
- Significant risks of obtaining transient, expensive balances



* Cumulative costs at month 16 - ignores operating costs of card establishment/maintenance

** Balance Transfer 0% for 6 Months then 50% retained at 10.99%
Spend \$750 per month with 95% repaid each following month

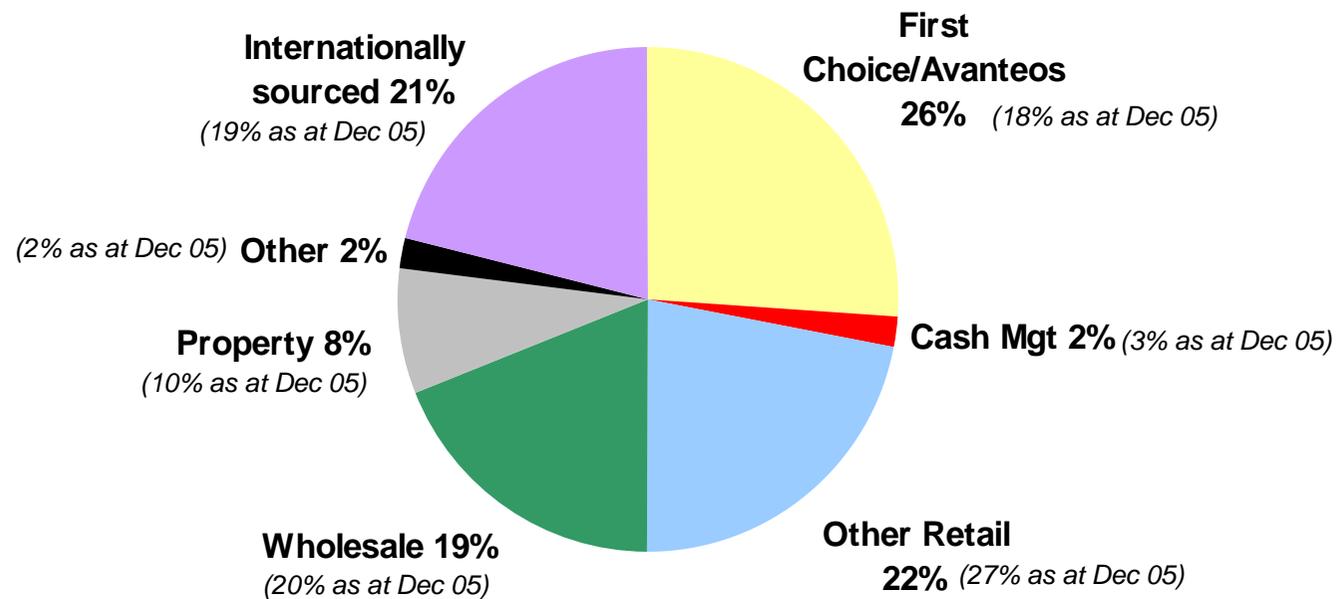


Funds Management & Insurance

Well diversified product mix – growing share

Funds Under Administration 31 Dec 2006

Total FUA = \$168 billion (*\$137bn as at Dec 05*)



Source – Internal Analysis



Investment performance

December 2006	Gross performance and quartile ranking			
	1yr % pa	Quartile	3yr % pa	Quartile
Aust. Share – Core	23.8%	3	26.4%	1
Geared Share Fund	41.1%	2	52.5%	1
Imputation	22.5%	4	24.8%	3
Property Securities	38.5%	1	29.9%	1
Global Resources	22.1%	1	26.6%	1
Diversified	16.0%	3	16.2%	3
Australian Bond	3.4%	3	5.8%	2
Global Equities	9.4%	4	12.0%	4

Source – Morningstar

Other key information

Total net flows

	6 months ended		
	Dec 06	Jun 06	Dec 05
	\$M	\$M	\$M
FirstChoice	2,977	4,075	3,714
Avanteos	693	5,322	222
Cash Mgt.	(281)	(389)	(255)
Other retail	(1,951)	(2,138)	(2,316)
Australian Retail	1,438	6,870	1,365
Wholesale	1,084	100	1,189
Property	(1,296)	(704)	(366)
International	1,067	2,082	583
Other *	(217)	(213)	(76)
Total	2,076	8,135	2,695

* Includes Life company assets sourced from retail investors but not attributable to a funds management product (eg premiums from risk products). These amounts do not appear in retail market share data.

Australian Retail flows and sales

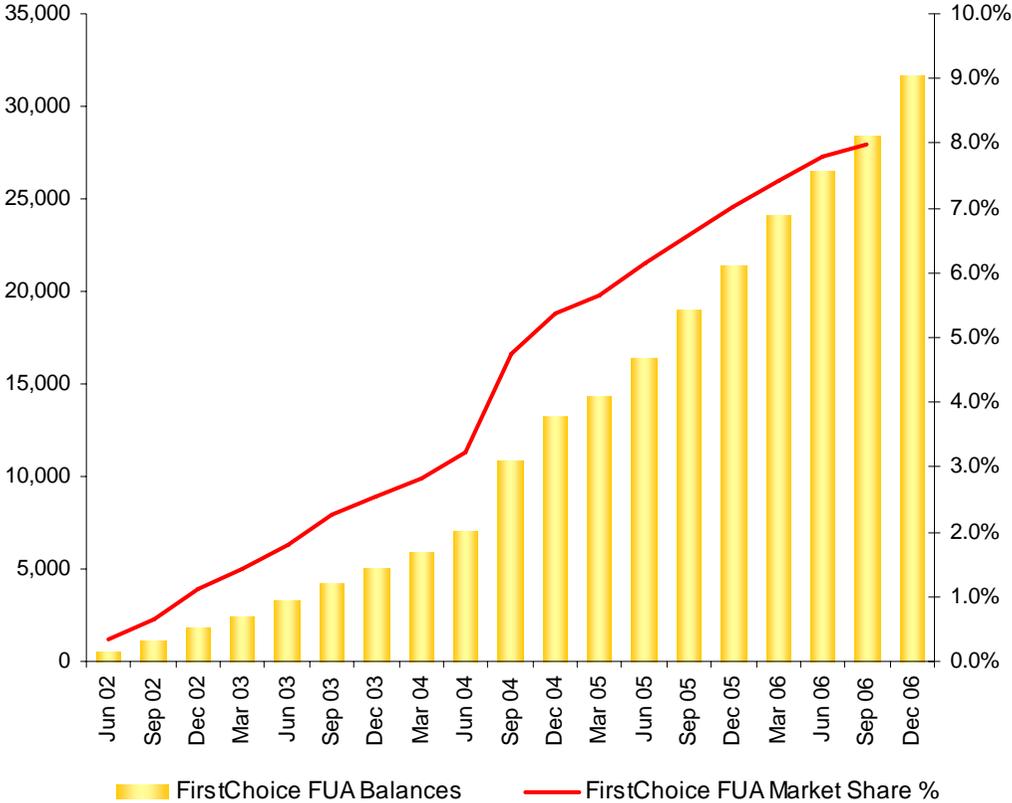
	(3 mths)	(6 mths)	(6 mths)
	Sep 06	Jun 06	Dec 05
Retail Net Flows **			
CBA (\$m)	680	6,891	1,710
Market (\$m)	8,644	18,318	11,638
CBA ranking	4	1	2
Retail Sales			
% of First Choice balances managed by CBA	42%	44%	42%

** Net flows (sales less withdrawals) for retail products. Source: Plan for Life

Funds mgt funds flows

- Continued strong inflows into First Choice, balance ↑ 48%
- Wholesale & International continued to attract good flows
- Portfolio performance strong
- Continued run off of legacy products

FirstChoice Funds Under Administration Balance & Market Share
FUA Market Share: Plan for Life All Master Funds – Administrator View



Funds Management & Insurance Investment Mandate Structure

The Bank has \$2.1bn of shareholders funds across its insurance and funds management business, which is invested in:

	Australia	New Zealand	Asia	Total
Local equities	1%	1%	0%	1%
International equities	0%	4%	9%	1%
Property	24%	1%	25%	19%
Growth	25%	6%	34%	21%
Fixed Interest	26%	12%	65%	25%
Cash	49%	82%	1%	54%
Income	75%	94%	66%	79%
Total	100%	100%	100%	100%

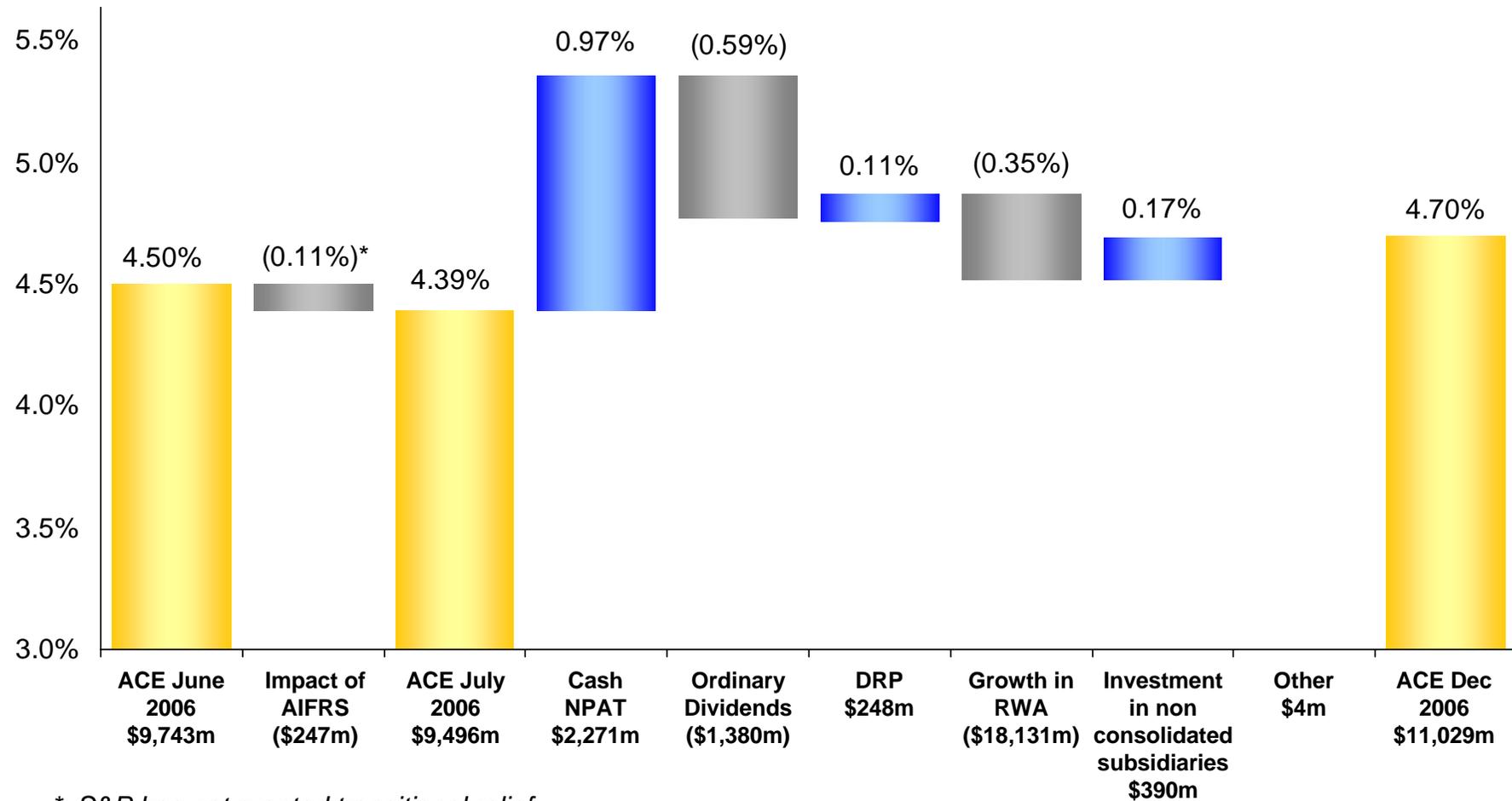
Capital Management

ACE calculation

Credit Ratings	Long Term	Short Term	Affirmed
Standard & Poors ¹	AA-	A-1 +	Dec 06
Moody's Investor Services	Aa3	P-1	Dec 06
Fitch Ratings	AA	F1+	Dec 06
	Dec 06	Jun 06	Dec 05
Adjusted Common Equity *	\$M	\$M	\$M
Tier One Capital	16,553	16,354	15,290
Add:			
Deferred Income Tax	39	-	-
Equity investments in other companies	820	-	-
Deduct:			
Eligible loan capital	(263)	(281)	(317)
Preference share capital	-	-	(687)
Other hybrid equity instruments	(3,522)	(3,659)	(1,573)
Minority interest (net of minority interest component deducted from Tier One capital)	(508)	(508)	(523)
Investment in non-consolidated subsidiaries (net of intangible component deducted from Tier One capital)	(283)	(2,012)	(1,918)
Other deductions	(166)	(151)	(130)
Impact upon adoption of AIFRS	(1,641)	-	-
Total Adjusted Common Equity	11,029	9,743	10,142
Risk Weighted Assets	234,569	216,438	202,667
Adjusted Common Equity Ratio	4.70%	4.50%	5.00%

* Net of intangible component deducted from Tier One capital

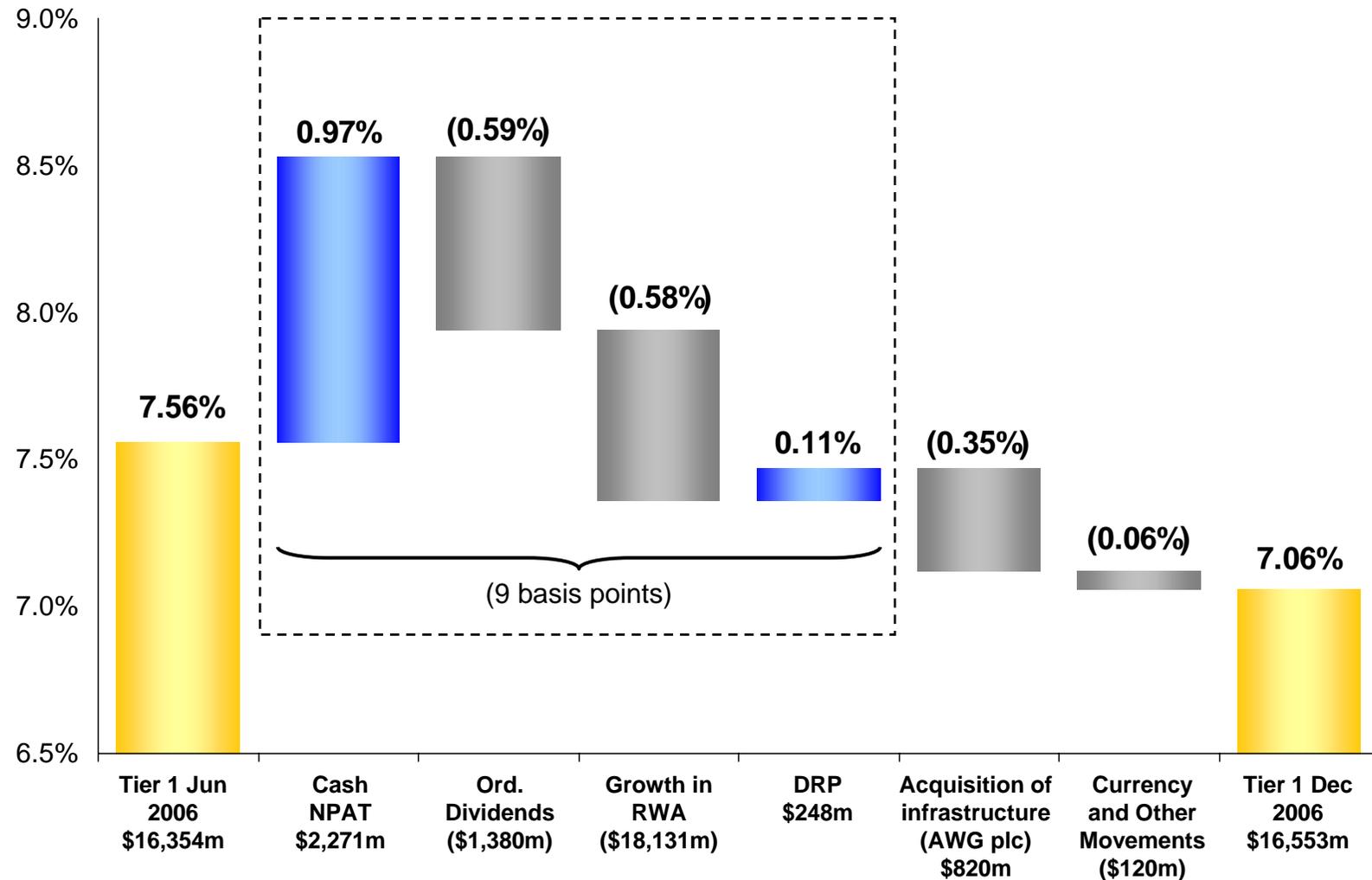
ACE



* S&P has not granted transitional relief



Tier 1 capital



Hybrid instrument information

Hybrid dividends

	Dec 06	Jun 06	Dec 05	Franked/ Imputed
PERLS *	-	13	19	F
PERLS II	19	18	17	F
PERLS III	29	13	-	F
Trust Preferred Securities 2003	21	22	21	N/A
Trust Preferred Securities 2006	27	-		N/A
ASB Capital prefs	5	5	5	I
ASB Capital No.2 prefs	8	8	9	I
CBA Capital	8	8	8	F
	117	87	79	

* Redeemed 6 April 2006

Preference shares - breakdown

	Issue Date	Currency	Amount (\$M)	Maturity	Balance Sheet Classification
Trust Preferred Securities 2003	06-Aug-03	USD	\$550	12 years	Tier 1 Loan Capital
PERLS II	06-Jan-04	AUD	\$750	Perpetual	Tier 1 Loan Capital
PERLS III	06-Apr-06	AUD	\$1,166	Perpetual	Tier 1 Loan Capital
Trust Preferred Securities 2006	15-Mar-06	USD	\$700	10 years	Other equity instruments
ASB Capital prefs	10-Dec-02	NZD	\$200	Perpetual	Outside equity interests
ASB Capital No.2 prefs	22-Dec-04	NZD	\$350	Perpetual	Outside equity interests
CBA Capital	18-May-05	NZD	\$350	10 years	Tier 2 Loan Capital

All preference shares listed above will be classified as innovative Tier 1 capital under APRA's hybrid limits effective 1 January 2008

Credit Risk

Summary

	Dec 06	Jun 06	Dec 05
RWA	\$234,569	\$216,438m	\$202,667m
Charge for Bad Debts (6 mths)	\$195m	\$210m	\$188m
Charge for Bad Debts to RWA (annualised)	0.17%	0.19%	0.19%
Gross Impaired Assets	\$338m	\$326m	\$396m
Individually assessed provisions	\$171m	\$171m	\$179m
Collective provisions	\$1,040m	\$1,046m	\$1,041m
General Reserve for credit losses within shareholders equity (pre-tax)	\$500m	\$500m	\$404m
Prudential General Reserve for Credit Losses to RWA	0.68%	0.71%	0.71%

Credit Risk Statistics

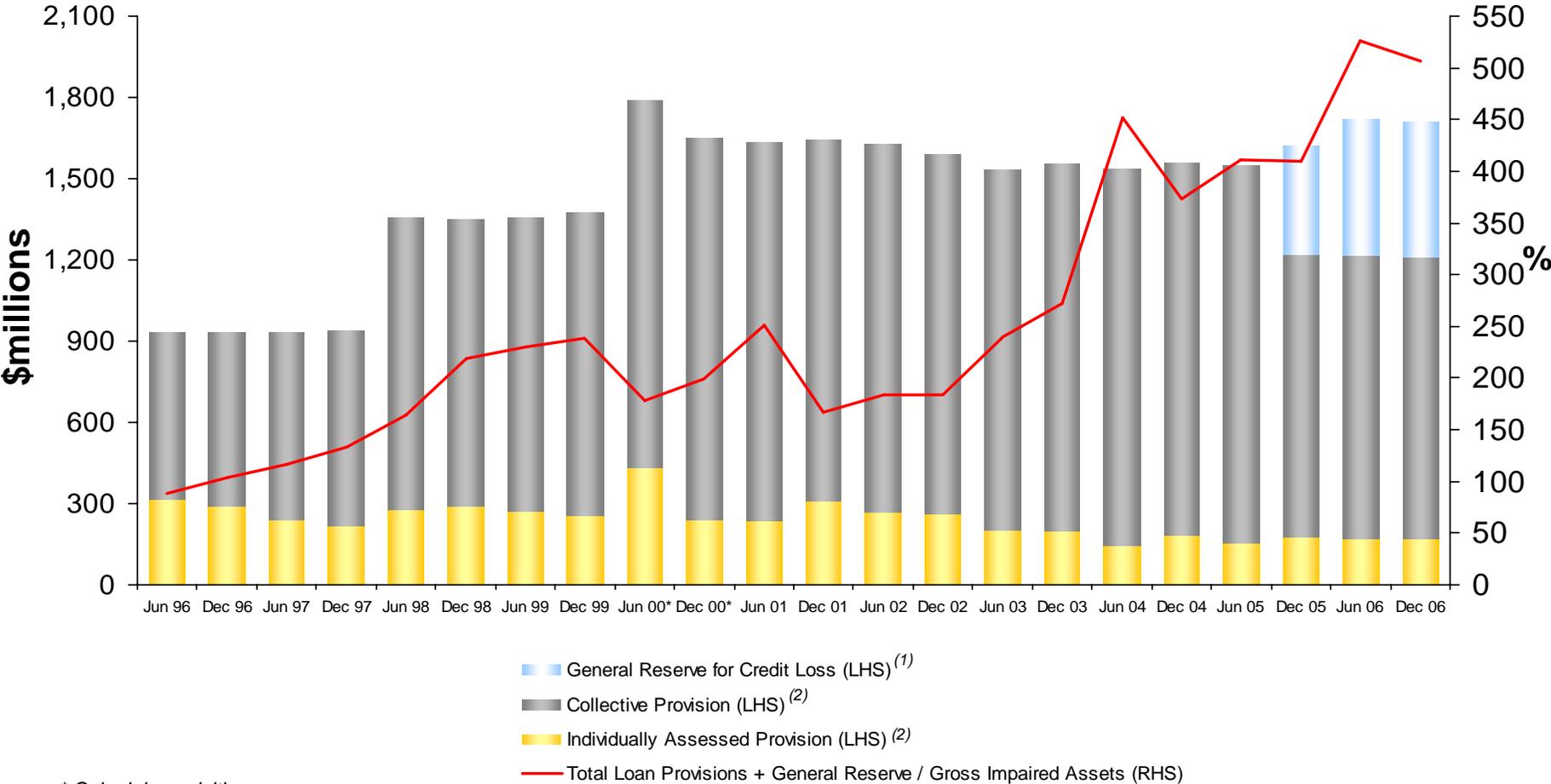
Commercial portfolio

Top 20 commercial exposures (as % of total committed exposure)	2.5%	2.5%	2.7%
% of all commercial exposures that are investment grade or better	67%	68%	67%
% of non-investment grade exposure covered by security	82%	83%	84%

Consumer Portfolio

Home lending as % of gross lending	55%	55%	57%
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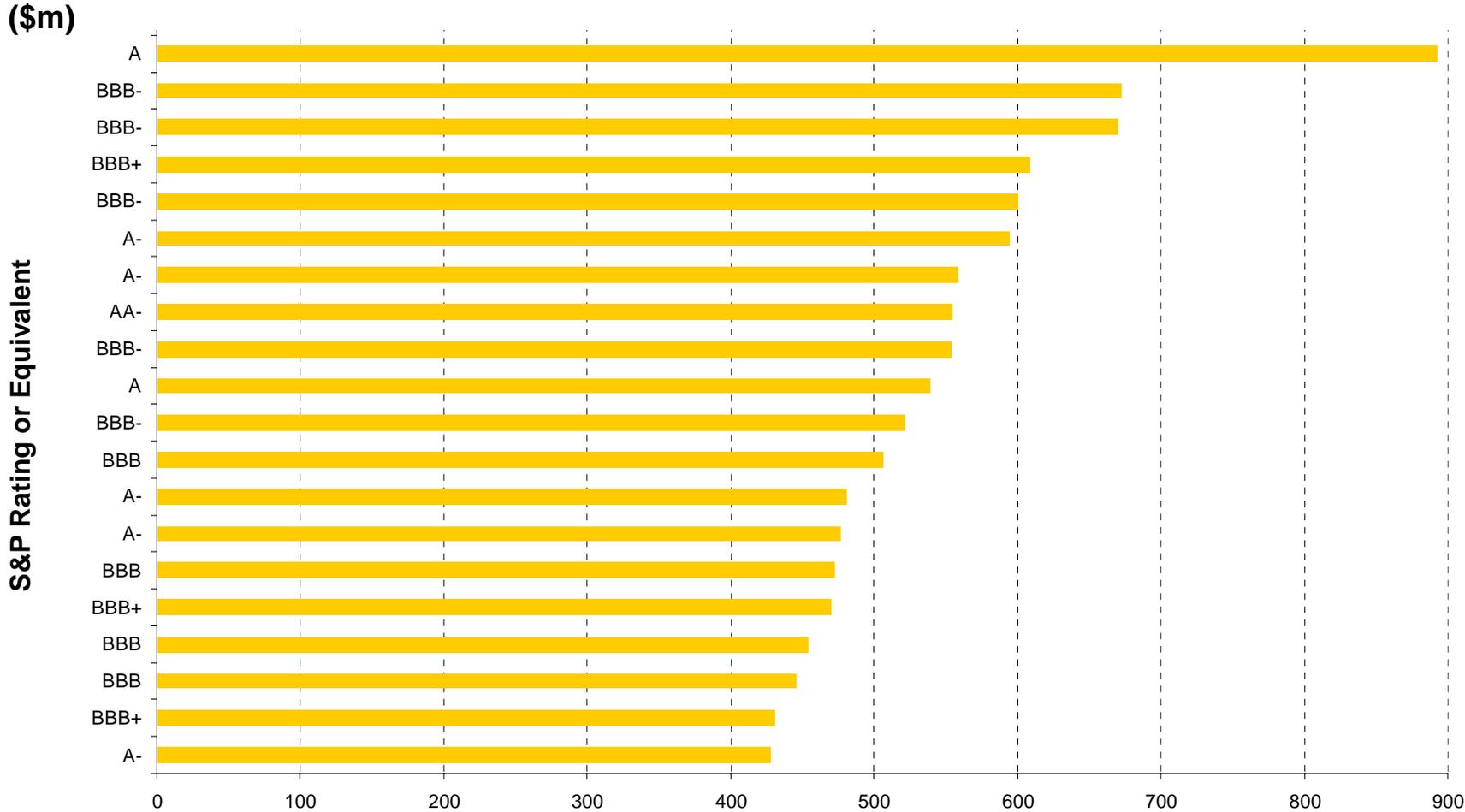
The Bank remains well provisioned



* Colonial acquisition

1. The Group GRCL within shareholders equity has been retained as part of the Prudential General Reserve for Credit Losses for prudential reporting purposes
 2. Loan Impairment provisions have been recalculated under AIFRS from 1 July 2005

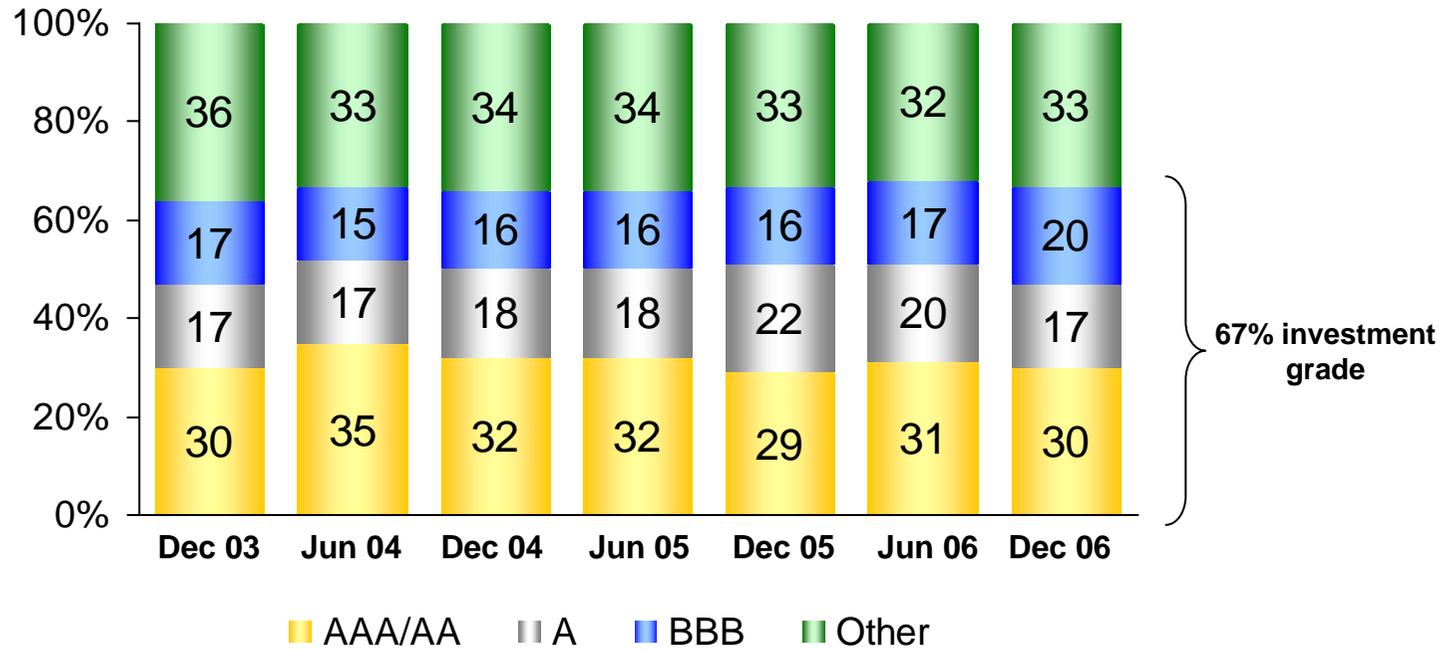
Banking - Top 20 commercial exposures



Top 20 exposures – excludes finance and government – comprise 2.5% of committed exposures (2.5% as at Dec 06, 2.7% as at Jun 06)

Banking - Quality of commercial risk-rated exposures

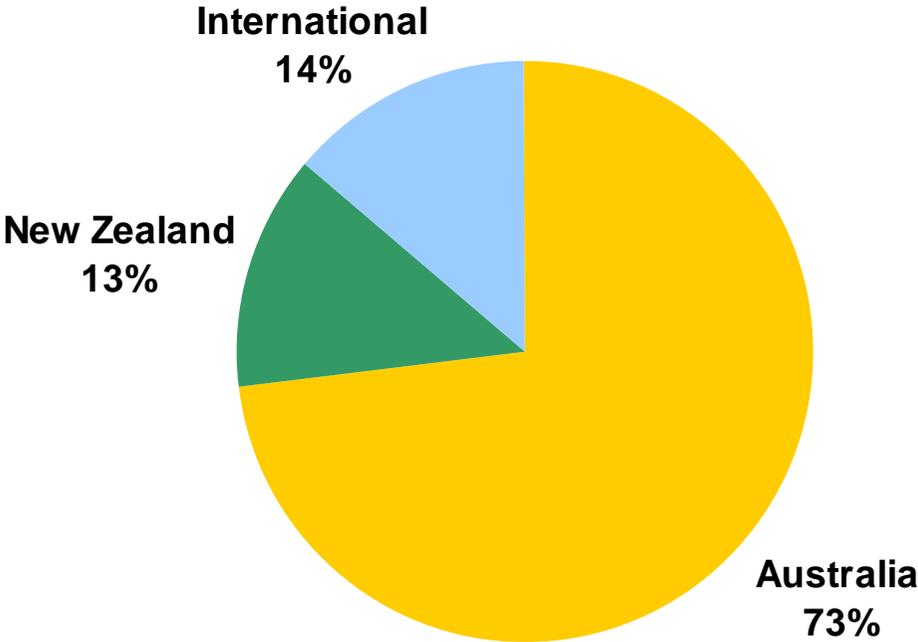
Quality of commercial risk-rated exposures:
 There is security over 82% of the non-investment grade exposure



Excludes finance, insurance and government individually rated counterparties

Banking - Total geographic exposure* (commercial + consumer)

Total exposure : \$443bn {
 Home loans = \$166.0bn (excl securitised)
 Other Balance Sheet loans = \$133.3 bn
 Other exposure = \$143.7bn



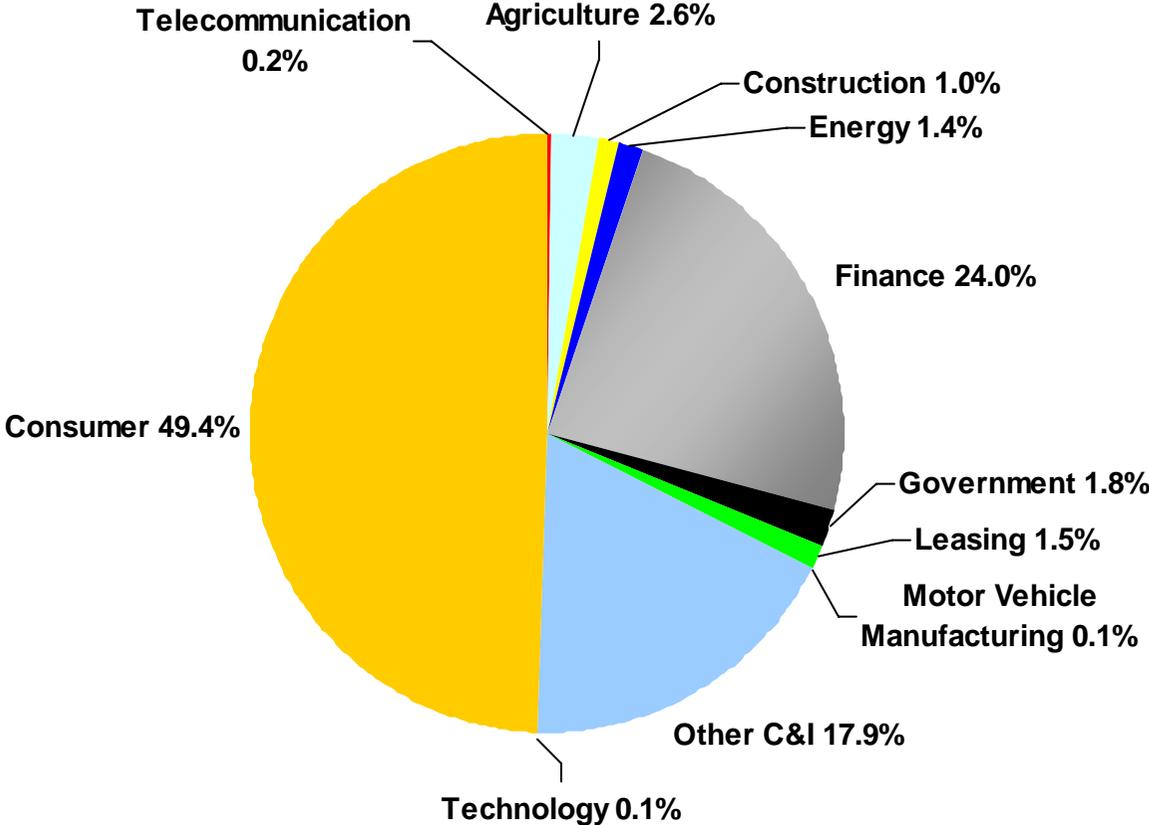
At 30 Jun 06
 Total exposure = \$417bn
 Home loans = \$154.5bn
 Other loans = \$125.8bn
 Other exposure = \$136.7bn

International = 15%
 New Zealand = 12%
 Australia = 73%

*Total exposure = balance for uncommitted, greater of limit or balance for committed

Banking - Total outstandings* (commercial + consumer)

Total Outstandings
\$359.0 bn*



At 30 Jun 06
 Total outstandings = \$341.8bn
 Consumer = 47.0%
 Telecoms = 0.3%
 Agriculture = 2.6%
 Construction = 1.1%
 Energy = 1.5%
 Finance = 26.5%
 Government = 1.4%
 Leasing = 1.9%
 Motor vehicle
 manufacturing = 0.1%
 Other commercial
 & industrial = 17.5%
 Technology = 0.1%

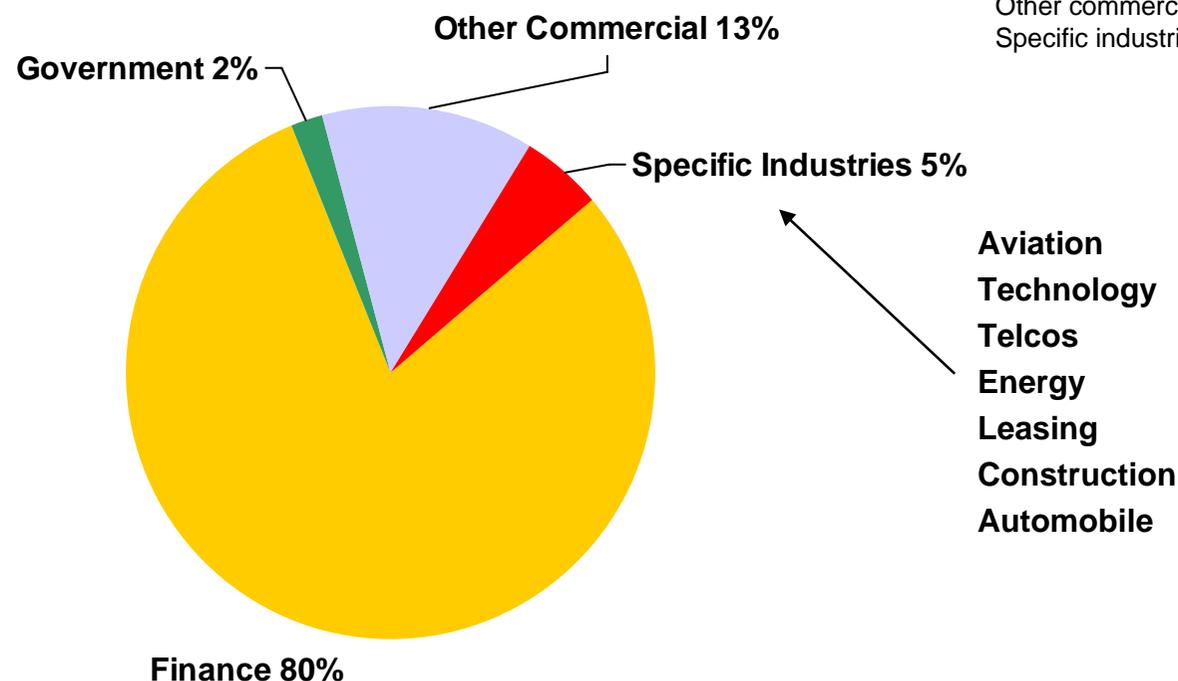
* Represents balances actually outstanding (on and off balance sheet).



Banking – International commercial exposures*

International exposure by Industry

Total exposure : \$62.4bn



At 30 Jun 06

Total exposure = \$72.1bn

Finance = 86%

Government = 2%

Other commercial = 9%

Specific industries = 3%

Total non-finance off-shore outstandings = \$12.3bn of which over 86% are investment grade.

*Total exposure = balance for uncommitted, greater of limit or balance for committed. Excludes ASB



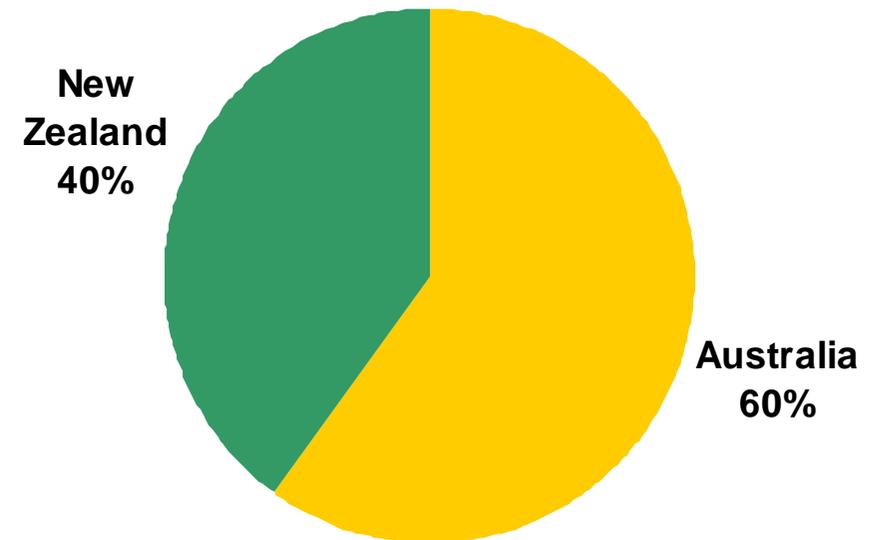
Banking

Credit Exposure - Agriculture Sector

Total exposure: \$11,011m

At 30 Jun 06
 Total exposure = \$10,152m
 Australia = 63%
 New Zealand = 37%

	31 Dec 06	30 Jun 06
Rating	\$m	\$m
AAA to A-	255	333
BBB+ to BBB-	1,614	1,320
BB to BB-	3,155	3,022
< BB-	5,987	5,477
TOTAL	11,011	10,152



**Illustrates Australia and NZ component only of Agriculture sector.



Banking

Credit Exposure - Aviation Sector

Total exposure: \$3,828m

At 30 Jun 06

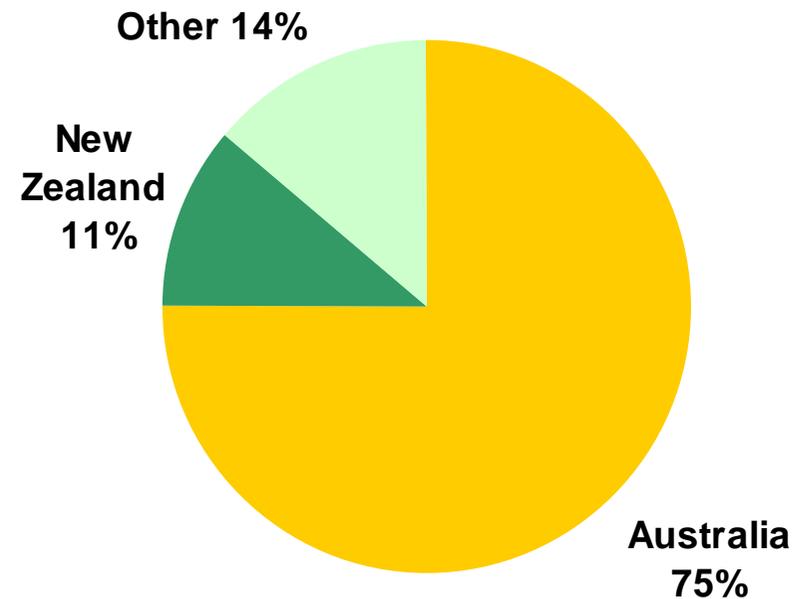
Total exposure = \$3,087m

Australia = 76%

New Zealand = 12%

Other = 12%

	31 Dec 06	30 Jun 06
Rating	\$m	\$m
AAA to A-	1,127	1,140
BBB+ to BBB-	2,561	1,516
BB to BB-	70	313
< BB-	70	118
TOTAL	3,828	3,087



Banking

Credit Exposure - Energy Sector

Total exposure: \$7,027m

At 30 Jun 06

Total exposure = \$6,889m

Australia = 69.8%

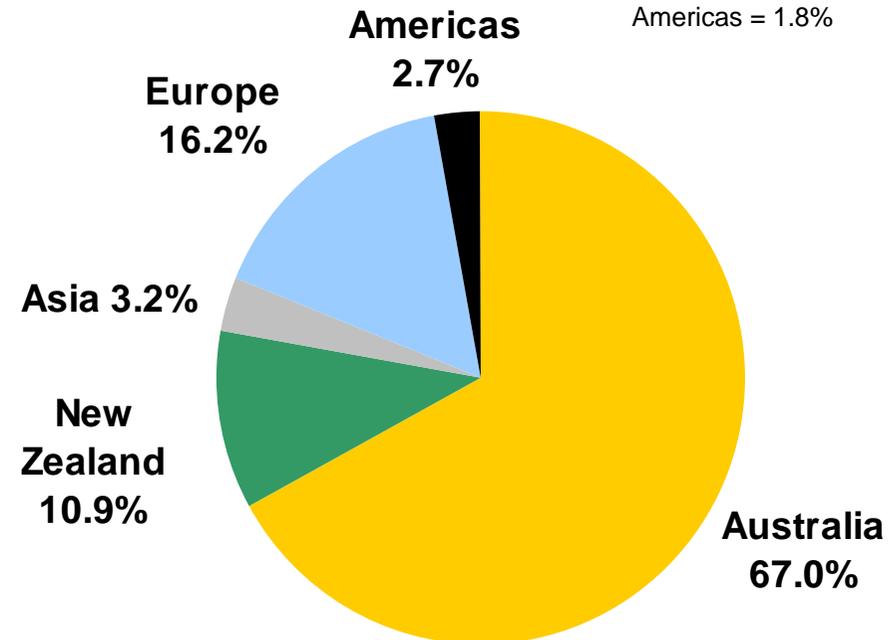
New Zealand = 10.4%

Asia = 2.4%

Europe = 15.6%

Americas = 1.8%

	31 Dec 06	30 Jun 06
Rating	\$m	\$m
AAA to A-	1,140	1,601
BBB+ to BBB-	5,178	4,588
BB to BB-	503	408
< BB-	206	292
TOTAL	7,027	6,889



Banking

Credit Exposure - Telcos Sector

Total exposure: \$990m

At 30 Jun 06

Total exposure = \$1,391m

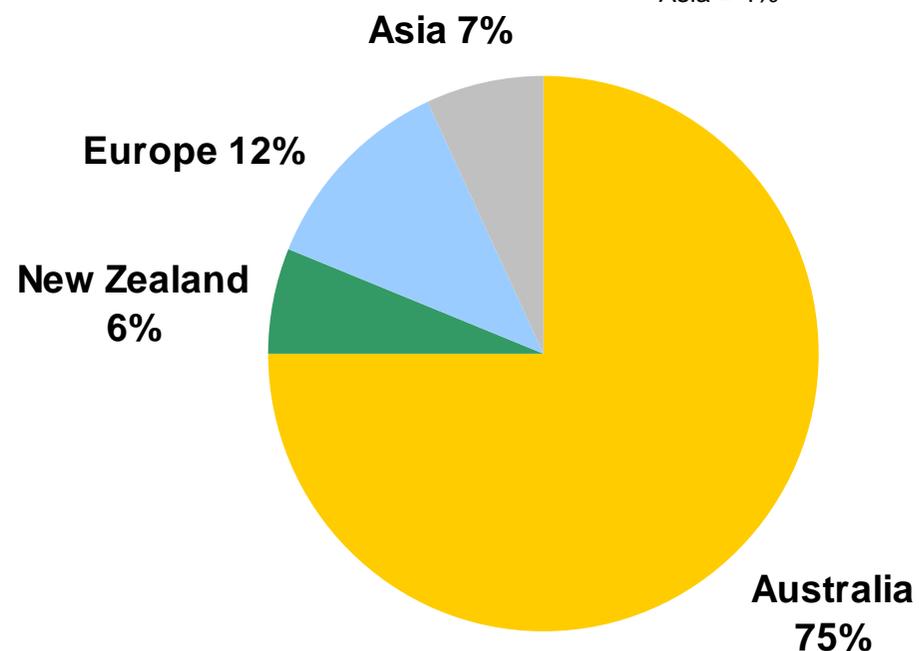
Australia = 77%

New Zealand = 12%

Europe = 7%

Asia = 4%

	31 Dec 06	30 Jun 06
Rating	\$m	\$m
AAA to A-	593	856
BBB+ to BBB-	134	277
BB to BB-	192	150
< BB-	71	108
TOTAL	990	1,391



Presentation of 2007 Interim Profit Announcement

For the Half Year ended 31 December 2006



14 February 2007

Ralph Norris
CHIEF EXECUTIVE OFFICER

David Craig
CHIEF FINANCIAL OFFICER



Commonwealth Bank of Australia ACN 132 123 124