

Commonwealth Bank

Commonwealth Bank of Australia
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J D Hatton
Company Secretary

30 March 2005

The Manager
Company Announcements Platform
Australian Stock Exchange
20 Bridge Street
SYDNEY NSW 2000



Dear Sir

Notices of Proposed Adjustments

Attached is a release made by ASB Bank, a wholly owned subsidiary of Commonwealth Bank of Australia, to the New Zealand Exchange today.

Commonwealth Bank has also determined that no provision is required in respect of the issues covered by the New Zealand Inland Revenue Department Notices of Proposed Adjustment.

Yours faithfully

A handwritten signature in black ink, appearing to be 'J D Hatton', with a long horizontal flourish extending to the right.

J D Hatton
Company Secretary



Media Release
30 March 2005

New Zealand Inland Revenue Tax Notices

Statement made by John Duncan, Head of Group Finance, ASB Bank

ASB Bank has received Notices of Proposed Adjustments (NOPAs) from the New Zealand Inland Revenue Department (IRD) in respect of structured finance transactions in the years ended 30 June 2001 to 30 June 2003.

A NOPA is not an assessment of tax. It is the first step in New Zealand's tax disputes process, under which the IRD formally advises a taxpayer that they are proposing to amend a tax assessment. Following the IRD's industry-wide review of structured finance transactions, a number of NOPAs have already been issued in relation to similar transactions undertaken by all of the other major banks in New Zealand.

Potential Financial Impact

- The adjustments proposed by the IRD in respect of ASB Bank for the transactions covered by the NOPAs are for the 2001 to 2003 tax years and would result in an estimated potential tax liability of NZ\$71 million. If applied up to 28 February 2005 an additional tax liability of NZ\$25 million would be implied.
- Should NOPAs also be issued to ASB Bank for all similar structured finance transactions, and for all tax years from 2001 onwards, the adjustments proposed by the IRD would result in a net potential tax liability for all transactions of NZ\$157 million up to 28 February 2005 (including tax effected use of money interest charges).

ASB Bank has taken extensive independent tax and legal advice and is confident the tax treatment it has adopted for these and other similar transactions is correct. Accordingly, the Bank does not currently propose to create any provisions for tax liability as a result of the issue of the NOPAs. ASB will continue to work cooperatively with the IRD to finalise their review of the Bank's other structured finance transactions.

- Ends -

For further information contact John Duncan, Head of Group Finance, ASB Bank, ph (9) 374 8815 or Linley Wood, Head of Corporate Affairs, ASB Bank, ph: 021 221 2121

Issued on behalf of ASB Bank by Simon Kenny (Network PR), ph: 021 739974