

Commonwealth BankCommonwealth Bank of Australia
ABN 48 123 123 124Communication, Community and Reputation
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www.commbank.com.au**COMMONWEALTH BANK VARIABLE INTEREST RATES RISE BY 0.25%**

3 March 2005: The Commonwealth Bank today announced it will increase its variable home loan interest rates, reflecting recent increases in market rates.

Owner occupied and investment home loan interest rates will increase as follows:

	Old Rate % pa	New Rate % pa	Change
Complete Home Loan Variable Rate	7.07 (7.20 Comparison Rate)*	7.32 (7.45 Comparison Rate)*	+0.25%
Economiser (Base Variable Rate)	6.56 (6.69 Comparison Rate)*	6.81 (6.94 Comparison Rate)*	+0.25%
Viridian Line of Credit (Residential Equity Rate)	7.07	7.32	+0.25%

The new variable home loan interest rates will be effective for new customers from 7th March 2005 and for existing customers from 11th March 2005. The new Residential Equity Rate will be effective from 11th March 2005 for new and existing customers.

The 0.25% interest rate increase means required repayments at the new standard variable rate of 7.32% pa on a principal and interest loan over 25 years rise by \$16 per month per \$100,000 of borrowings.

Executive General Manager, Retail Products, Geoff Austin said, "While market conditions have produced this interest rate increase and therefore increased required minimum repayments, the majority of Commonwealth Bank variable rate home loan borrowers have a buffer as they are already paying more than the required amount".

"Customers are encouraged to review their financial position and budgeting in light of this interest rate increase to ensure that their arrangements remain appropriate for their circumstances. Those customers who are seeking assistance or financial advice should contact their branch or our home loan hotline on 13 22 24. We can discuss with them alternative arrangements, such as extending the loan term or perhaps switching to a fixed interest rate."

"To avoid the uncertainty of future variable rate movements, existing and new borrowers can lock in part or all of their loan to one of the Bank's fixed rate home loans. Interest rates on the range of 1-5 year fixed rates are still below 7%pa (nominal rates). The Commonwealth Bank also continues to offer new borrowers an introductory One Year Guaranteed Rate loan currently at 6.19%pa** and an introductory six-month Discount Variable Rate loan currently at 5.74%pa^," Mr Austin said.

* The comparison rate is calculated based on \$150,000 over 25 years for a secured loan.

WARNING: This comparison rate applies only to the example or examples given. Different amounts and terms will result in different comparison rates. Costs such as redraw fees or early repayment fees, and cost savings such as fee waivers, are not included in the comparison rate but may influence the cost of the loan.

** (7.33% pa comparison rate)

^ (7.36% pa comparison rate)

ENDS

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