



Commonwealth Bank announces investment in China

21 April, 2005, Sydney & Hong Kong: The Commonwealth Bank of Australia wishes to advise that it has entered into a strategic co-operation agreement with Hangzhou City Commercial Bank ('HZCCB') in the People's Republic of China. This strategic co-operation involves the purchase of shares in HZCCB by the Commonwealth Bank. This arrangement is subject to approval by the China Banking Regulatory Commission ('CBRC').

The Commonwealth Bank will purchase a 19.9% shareholding in HZCCB for approximately A\$100 million, with Board representation – 19.9% is the maximum allowable shareholding for a single foreign player under China's regulations. As part of the strategic co-operation HZCCB will receive technical assistance in key areas through a structured capability transfer program. Enhancing HZCCB's skills in these areas will enable it to offer highly competitive services and to continue to grow profitably.

Hangzhou City Commercial Bank is ranked in the top five city commercial banks ('CCBs') in China by assets and is located in the capital city of Zhejiang Province on China's eastern seaboard, south of Shanghai. Hangzhou has a population of over 6 million and was recently named as the top investment location in PRC by Forbes. The population of Zhejiang province is approximately 46 million.

The Commonwealth Bank also announces that it has purchased Macquarie Securitisation Shanghai ('MSS') – a Shanghai based mortgage broking business - from Macquarie Bank. This investment will enhance our skills and knowledge in mortgage origination and add value to our partnerships with Hangzhou City Commercial Bank and Jinan City Commercial Bank. The business will be renamed CommFinance.

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Media Release Media Release

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About the Commonwealth Bank

The Commonwealth Bank is one of Australia's leading providers of integrated financial services which include retail, business and institutional banking, funds management, superannuation, insurance, investment and broking services. The Bank has the largest retail banking customer base in Australia with leading domestic market shares in home loans, personal loans, retail deposits and discount stockbroking, and is Australia's largest issuer of credit cards. It is the country's largest manager of Australian funds, and the largest retail funds manager by total value of funds under management. The Bank is the leading manager of retail superannuation, allocated pensions and annuities by fund under management in Australia. The Bank has a retail presence in key countries in the Asia-Pacific region, and a global markets presence in the world's major cities. It is one of the largest listed companies on the Australian Stock Exchange and is included in the Morgan Stanley Capital Global Index.

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