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THE BANK EMPOWERS STAFF WITH THE PRODUCTS, INFORMATION AND TECHNOLOGY TO GIVE CUSTOMERS EASY ACCESS AND THE RIGHT OPTIONS AND CHOICES TO ACHIEVE THEIR GOALS. IN TURN, SHAREHOLDERS ARE REWARDED THROUGH DIVIDENDS AND CAPITAL GROWTH.

REVIEW OF OPERATIONS

PROFITS

Profit after tax before appraisal value uplift and goodwill amortisation ('cash basis') was \$2,262 million, up 9% on 1999/2000 proforma⁽¹⁾ results. The reported profit for the year ended 30 June 2001 was \$2,398 million after tax⁽²⁾. The result reflects:

- ◆ Higher net interest income arising from good lending growth and a stable net interest margin, together with increased funds management income and trading income, partly offset by lower life insurance income due to poor performance of global investment markets and weaker operating margins.
- ◆ Higher expenses from the GST, increased salary costs due to award increases, increased volume related sales expenses and inclusion of operating costs of businesses acquired, offset by expense savings from synergies arising from the Colonial integration.

EARNINGS PER SHARE

190 cents before abnormal items, up 5 cents on 1999/2000 actual of 185 cents. Cash earnings per share was 179 cents down 2 cents compared to 181 cents proforma for 1999/2000.

DIVIDEND

A final dividend of 75 cents per share fully franked (at 30%) will be paid on 8 October 2001 to owners of ordinary shares at the close of business on 27 August 2001.

This brings the full year dividend to 136 cents per share fully franked.

⁽¹⁾ Proforma results illustrate the consolidated position of Commonwealth Bank Group and Colonial Group, as if Colonial Group had been merged with Commonwealth Group for the year ended 30 June 2000.

⁽²⁾ When compared to actual reported profit for the year to 30 June 2000, the profit declined by 11%, primarily due to the inclusion of a one-off net abnormal gain of \$987 million in the prior year.

The dividend is determined having regard to a number of factors including rate of business growth, capital adequacy, investment requirements, cyclical nature of returns on the insurance business and a range of other factors.

RETURN ON EQUITY

Return on equity was 13.5% before abnormal items, a decrease from the prior year due to the full year impact of the equity issued to fund the Colonial acquisition.

ASSETS

Lending Assets Growth

Lending assets have increased by \$5 billion or 3% over the prior financial year. The majority of this growth was achieved during the 6 months ending June 2001.

Funds Under Management

Total funds under management (FUM) at 30 June 2001 were \$101 billion, a 15% increase for the year. Total FUM consists of \$77 billion in external funds and \$24 billion in funds managed on behalf of the Group's life insurance businesses. Retail FUM (including international funds) have increased by \$9 billion or 38% for the year. Wholesale FUM (including international funds) have increased by \$2 billion or 6% over the year.

MERGER WITH COLONIAL

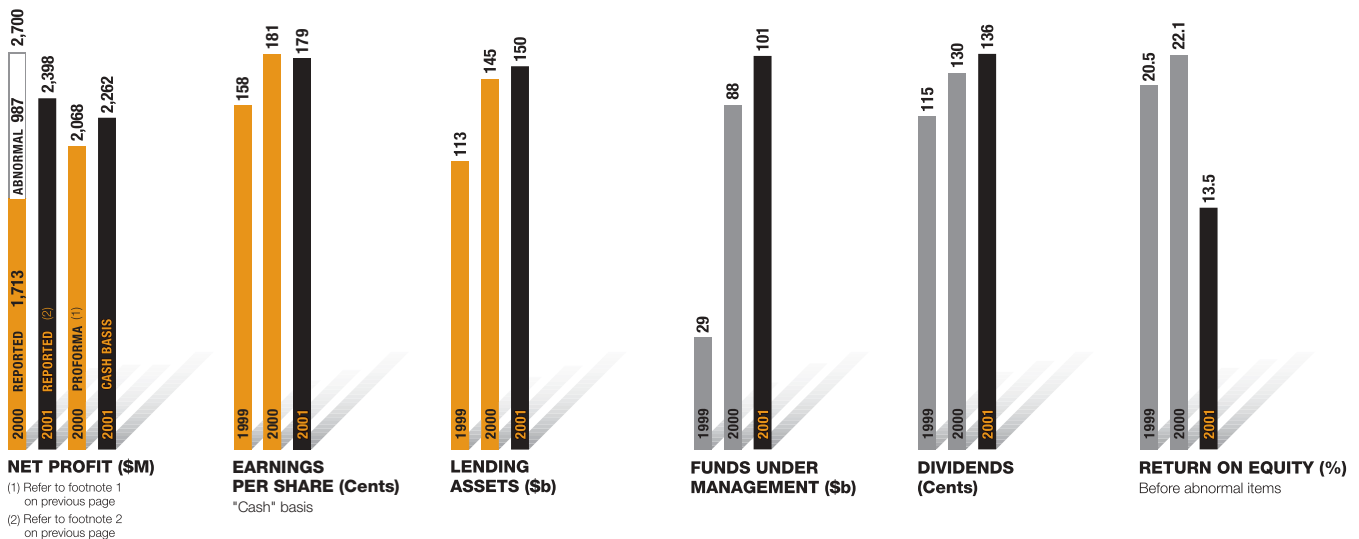
Significant progress has been made on the merger with the integration of Colonial State Bank's distribution networks and product systems into the Group during the year. Cost and revenue synergies are expected to exceed the business case estimate of \$380 million, with the current forecast of the annualised synergies that will be realised when the integration is completed (by 30 June 2003) being \$450 million.

Additional costs associated with the integration work were identified during the year resulting in a \$145 million increase in the provision for integration costs (before tax), bringing total once off integration costs to \$545 million.

CREDIT RATINGS	SHORT TERM	LONG TERM
Standard & Poor's Corporation	A-1+	AA-
Moody's Investors Service, Inc.	P-1	Aa3
Fitch	F1+	AA



COMMONWEALTH BANK GROUP
www.commbank.com.au



THE GROUP'S VISION IS TO HAVE THE
BEST BRANDS IN HELPING CUSTOMERS
MANAGE AND BUILD WEALTH. THE GROUP'S
STRENGTHS LIE IN ITS DOMESTIC SCALE,
A PRE-EMINENT BRAND AND A STRONG,
DIVERSIFIED BUSINESS MIX.



John Ralph Chairman
David Murray Managing Director

strategic vision **AND BUSINESS GOALS**

The business goals of the Group reflect its strengths and each operating division in turn develops plans that are consistent with, and directed at, the collective achievement of those business goals. A description of these business goals and examples of progress against the goals are outlined below.

PROVIDE CUSTOMISED SERVICE TO GROW REVENUE PER CUSTOMER

The Group seeks to meet the financial service needs of its customers. It does this by providing offerings tailored to customers' needs, through a multi-channel distribution network that integrates banking and financial services and also offers third party choice.

The Colonial merger added 3 million customers to the Group and provided customers with a greater range of competitive financial service products. For Colonial customers, the transfer to equivalent Commonwealth products meant that customers largely retained the benefits of their previous products and also obtained the benefits of True Awards, NetBank and the enhanced access to financial services afforded by the Group's extensive distribution network. For customers as a whole, the Group provides access to Australia's most complete range of banking, life and superannuation, and funds management products.

DEVELOP THE BEST TEAM

The Group seeks to have the best team by ensuring its people and business systems are mutually reinforcing through:

- ◆ line management leadership and accountability;
- ◆ fair treatment and safe work;
- ◆ appropriately recognising and rewarding contribution; and
- ◆ attracting the right people and developing their talent.

A leadership program has been implemented across the organisation to help develop our people managers and establish clear expectations around working relationships. Since August 1997 over 7,200 staff have attended Effective Leadership Forums.

The approach to developing the best team is exemplified by the successful integration of the Colonial people systems and structures throughout 2000/01. The emphasis of the integration was on leveraging the particular skills and competencies of both organisations, including the retention of the best people at all levels.

DEVELOP OFFSHORE OPPORTUNITIES

The Group targets growth opportunities in international markets, within acceptable risk parameters. Opportunities are sought in areas where the Group can deploy its learning from on-line and financial services businesses into less-advanced markets, or where specific offerings can exploit niches within large advanced markets.

Development of offshore opportunities can be seen in the merger between Colonial Group and Commonwealth Bank, which brought together New Zealand based businesses ASB Bank, Sovereign Limited, Colonial Life (NZ) Limited and Colonial First State Investments New Zealand.

The Group's overseas banking, funds management and life insurance businesses now extend across New Zealand, the United Kingdom and Asia.

ACHIEVE GLOBAL BEST-PRACTICE COSTS

Increasingly, the competition the Group faces includes global financial institutions that benefit from significant economies of scale. Accordingly, it is critical for the Group to develop a cost structure that is globally competitive.


The telecommunications outsourcing agreement that the Group entered into with Telecom New Zealand (Australia) (TCNZA) in September 2000, is delivering savings of 20% per annum in information technology expenditure. The arrangement has delivered new efficiencies to the Group including the rollout of our Internet protocol network to all of the Bank's branches.

GOING FORWARD

In the current environment, customer demand for choice and information exists alongside increasing competitive pressures. In this context, the strategic emphasis of the Group is on wealth management, the provision of customised products and personalised services and the use of technology to improve service and reduce costs.



COMMONWEALTH BANK GROUP
www.commbank.com.au



SINCE 1931, THE COMMONWEALTH BANK
GROUP HAS BEEN INVOLVED IN SCHOOL
BANKING INITIATIVES DESIGNED TO HELP
YOUNG AUSTRALIANS LEARN ABOUT MONEY
AND SAVING IN A FUN, EASY WAY.

starting **OUT**

- ◆ SCHOOL BANKING
 - ◆ DOLLAR MITE, CLUB AUSTRALIA
 - ◆ STUDENTPACK, GRADPACK
 - ◆ VAULT INTERNET SITE
 - ◆ AWARDSAVER ACCOUNTS
 - ◆ PERSONAL LOANS
 - ◆ COMMITMENT TO FINANCIAL EDUCATION
 - ◆ SPONSORSHIP OF YOUNG AUSTRALIAN OF THE YEAR

The Group continues to develop school banking and has this year invested in an Internet based system that makes the deposit process easier and significantly faster for schools. Launched in February 2001, this new model of school banking has now been introduced in all Australian states and territories.

Along with banking in schools, the Group also offers the **DOLLARMITE** account for children under 12 and **CLUB AUSTRALIA** accounts for 12 to 15 year olds. There are currently 1.3 million holders of Dollarmite accounts throughout Australia. Dollarmite accounts are free of account keeping and transaction fees and offer bonus interest and Internet and telephone banking options. Dollarmite account owners can deposit money at school on school banking days or at any branch of the Commonwealth Bank. As a child nears the age of 12, his or her Dollarmite account is automatically transferred to a Club Australia account, which offers the option of a Keycard for ATM and EFTPOS access, with a parent or guardian's consent.

Young people under 25 have changing banking requirements and the Commonwealth Bank Group has a number of packages tailored to meet their needs. **STUDENTPACK** is a package of six accounts available to full-time tertiary students, while **GRADPACK** is available to customers who have graduated from a tertiary institution in the last 12 months. These two banking packages are free of account keeping fees and offer additional convenience through linking accounts for easy money management. Qualifying customers can obtain a credit card with no annual fee and access to special offers such as interest rate discounts on personal loans and obligation free professional advice from a Personal Banker. Full details of these packs are available through **VAULT**, Australia's first interactive financial Internet site for Australia's youth. The Vault website can be found at www.vault.commbank.com.au.

Also popular with young people is the **AWARDSAVER** account with over 304,000 new accounts opened during the year. AwardSaver allows customers to earn bonus interest, on top of standard interest rates, when they make a deposit and have no withdrawals in a calendar month. If customers earn bonus interest for six consecutive months, they are entitled to a range of extra benefits, such as additional interest on term deposits and a discount on the standard personal loan interest rate for any new Commonwealth Bank personal loan.

Commonwealth Bank Group offers flexible personal loans to eligible Australians over the age of 18. With an efficient approval process through its extensive distribution network, the Group has increased its leading position in the Personal Loan market to 21.9%. *(Source: APRA 30 June 2001)*

The Group is currently developing a programme to enhance financial literacy amongst teenagers and young adults. The programme aims to help young people develop sound financial life skills at a crucial period in their lives.

We encourage the development of students through a number of scholarships and graduate recruitment programmes. In addition, we sponsor the Chair of Finance at a number of Australian universities as well as the Young Australian of the Year and National Youth Media awards.

Our support of the Australian Red Cross Community Action Program encourages secondary school students to participate in voluntary community projects across the country.



VAULT
www.vault.commbank.com.au/vault



THE COMMONWEALTH BANK GROUP IS AUSTRALIA'S
LEADING PROVIDER OF ACCESSIBLE FINANCIAL
SERVICES, WITH A NETWORK OF OVER 1,000
BRANCHES, NEARLY 4,000 AGENCIES, 659 EZYBANK
STORE LOCATIONS, APPROXIMATELY 4,000 ATMs
AND MORE THAN 122,000 EFTPOS TERMINALS.

convenience
AND ACCESSIBILITY

- ◆ AUSTRALIA'S MOST ACCESSIBLE BANK
- ◆ NETBANK INTERNET BANKING SERVICE
- ◆ DIRECT BANKING
- ◆ FASTNET
- ◆ EZY BANKING, EZYACTION, EZYMASTERCARDS
- ◆ CREDIT CARDS AND TRUE AWARDS

In addition to its extensive network of branches and agencies, the Group also provides customers with innovative and convenient options such as telephone and Internet banking, with the Group now servicing more than 1.5 million customers online across **NETBANK**, **COMMSEC**, **HOMEPATH**, and **QUICKLINE**.

Customers can do their banking in the convenience of their home or office by utilising the Group's Internet banking service **NETBANK**, at www.commbank.com.au/NetBank. Netbank has experienced substantial growth during 2000/01, signing on its one millionth customer. Growth in Internet banking customers has been matched by a substantial increase in the total number of Netbank transactions, with financial transactions increasing from 5 million in June 2000 to over 10 million in June 2001 and non-financial transactions increasing from 49 million to 152 million in the same period.

Through the direct banking business, the Group provides a comprehensive range of services to customers via the telephone. Due to growing customer demand, expansion of the direct banking channels continued over 2000/01. Incoming calls on the 13 2221 number peaked at 2.5 million calls per week, and the number of telephone banking password holders for the Group grew to more than 5 million.

In New Zealand, Commonwealth Bank Group is involved in direct banking through ASB Bank. ASB Bank was the first bank to introduce Internet banking to New Zealand through **FASTNET**. Customer uptake of Fastnet continued to grow during the year, with customer numbers reaching 110,000 by 30 June 2001. Approximately 1.1 million transactions are now initiated through Fastnet on a monthly basis.

Since 1996 the Group has conducted more than 1,500 seminars to help older people make their banking easier through electronic banking. The seminars use demonstration EFTPOS and ATM equipment to help older people familiarise themselves with self service banking alternatives.

Retired bank officers conduct the seminars, available to all older members of the community, not just Commonwealth Bank customers.

The Group supports an on-line learning centre through the NSW Council on the Ageing (COTA) which provides access to personal computers and the Internet.

The 2000/2001 financial year also proved successful for the Woolworths **EZYBANKING** alliance. This year was the first full year that Woolworths EzyBanking operated nationally, having completed its rollout to 659 store locations.


EzyBanking offers customers convenience, lower cost (with 55 free transactions per month), and an innovative rewards program for both debit and credit cards. The take-up of transaction accounts (EzyAction) and credit cards (EzyMasterCards) has been extremely strong and above expectations, with the alliance opening in excess of 425,000 new customer accounts since its launch in September 1999. Over 35% of these customers were new to the Commonwealth Bank Group.

The Commonwealth Bank Group is one of the largest issuers of credit cards in Australia. Credit Card outstandings for the Group totalled \$3.8 billion at 30 June 2001, a 9% increase over the year. The Group maintained strong new cardholder account growth for the year, with the number of cardholder accounts increasing to 2.8 million. The Group's credit card loyalty program, **TRUE AWARDS**, continued to grow strongly. True Awards had over 1.1 million members as at June 2001, representing 44% of eligible cardholders, all of whom are able to enjoy an extensive range of travel, hotel, shopping and banking rewards.

We have developed a booklet entitled *Using Your Credit Card Wisely* that is distributed through our branch network. The booklet is designed to provide tips and suggestions for the day-to-day use of credit cards.



PERSONAL CENTRE
www.commbank.com.au/personal



THE COMMONWEALTH BANK GROUP
IS FIRMLY COMMITTED TO HELPING CUSTOMERS
MANAGE AND BUILD THEIR WEALTH. THIS
COMMITMENT IS EMBODIED IN THE
WIDE RANGE OF FINANCIAL SERVICES THAT
THE GROUP PROVIDES.

growing **YOUR WEALTH**

- ◆ AUSTRALIA'S LARGEST FUND MANAGER
- ◆ COMMONWEALTH INVESTMENT MANAGEMENT
- ◆ COLONIAL FIRST STATE INVESTMENTS
- ◆ COMMONWEALTH SUPERSELECT
- ◆ COMMONWEALTH DIVERSIFIED CREDIT FUND
- ◆ DIVERSIFIED PRIVATE EQUITY FUND
- ◆ FIRSTNET ADVISER
- ◆ ASB GROUP: ASB BANK AND SOVEREIGN LIMITED

FINANCIAL SERVICES

The Group retained its position as Australia's largest fund manager (source: ASSIRT June 2001) with total funds under management (excluding life insurance assets) increasing by 18% during the year to \$77 billion. The Group is also Australia's third-largest life insurance company, with life insurance assets increasing by almost \$6 billion or 18% to \$39 billion over the year.

The largest growth area for the Group's funds under management was in retail funds, which increased by 38% during the year to \$34 billion.

New business inflows remained strong throughout the year. Colonial First State Investment's (CFSI) funds under management (FUM) grew by 23% while Commonwealth Investment Management's (CIM) FUM grew by 6%.

With the integration of Colonial, the Group has doubled its penetration of the important and growing superannuation investment market. Positive investment returns across most sectors and the popularity of **SUPERSELECT**, which offers customers the choice of 15 investment options from a variety of fund managers, were also important drivers of growth. Retirement income products and the cash management trust also displayed strong growth, with positive investment returns providing an attractive alternative in a lower interest rate environment.

During the year, CIM launched the **COMMONWEALTH DIVERSIFIED CREDIT FUND**, a managed investment scheme investing in a diversified pool of credit investments. Internationally, CFSI launched the CMG First State New China Fund in May 2001. This fund will invest in Chinese corporations through the Chinese and Hong Kong stock markets. In May 2001, CFS Private Ltd (formerly Hambro Grantham) launched the **DIVERSIFIED PRIVATE EQUITY FUND**, a public offer fund which invests in a portfolio of quality unlisted companies.

Additional information on Commonwealth investment products can be found at www.makingmoneyhappen.com.au

A number of enhancements to CFSI's online services were made during the year including extensions to **FIRSTNET ADVISER**, an online service that allows advisors enquiry access to their clients' investment details with CFSI. CFSI investors can transact online with functionality that allows additional investments to existing accounts, withdrawals to a nominated bank account and switching of investment monies between a range of Managed Investment Funds.

The integration of the Colonial First State and Stewart Ivory businesses in the UK (acquired in March 2000) has been completed. There will be continual development of the offshore funds management business to build a platform that is globally active in all main market segments.


ASB GROUP

ASB GROUP is a wholly owned New Zealand subsidiary of the Commonwealth Bank, and incorporates ASB Bank and Sovereign Limited. Sovereign Limited, now incorporating the former Colonial Life business in New Zealand, distributes retail funds under management and life insurance products. ASB Securities, a subsidiary of ASB Group, provides online share trading, discount telephone broking, client advisory services and fixed interest investment.

 **INVESTMENT PRODUCTS AND SERVICES**
www.makingmoneyhappen.com.au

COLONIAL FIRST STATE INVESTMENTS
www.colonialfirststate.com.au

ASB GROUP
www.asbbank.co.nz



THE COMMONWEALTH BANK GROUP
HELPS MANY INDIVIDUALS AND FAMILIES
PURCHASE THEIR OWN HOMES OR
INVESTMENT PROPERTIES.

finding **A HOME**

- ◆ AUSTRALIA'S LEADING HOME LOAN PROVIDER
- ◆ VIRIDIAN LINE OF CREDIT LOAN
- ◆ MORTGAGE INTEREST SAVER ACCOUNT
- ◆ HOMEPATH HOME AND INVESTMENT HOME LOAN
- ◆ 'HOW TO BUY AND SELL' AND HOME RENOVATOR'S GUIDE
- ◆ HOME LOAN HEALTH CHECK
- ◆ HOME, CONTENTS AND PERSONAL VALUABLES INSURANCE
- ◆ GENERAL INSURANCE

Customers have the flexibility to apply for a home loan at a time and location convenient to them; in person at one of over 1,000 branches; with one of the Group's 168 Mobile Bankers; via the telephone by calling 13 2224; or online by visiting www.commbank.com.au or www.homepath.com.au.

The Group is Australia's leading home loan provider with over \$80 billion in outstanding balances (including securitisation) as at 30 June 2001. Reintroduced early this year, the 1 Year Guaranteed Rate Home Loan is the most popular home loan product and has been complemented during the year by a series of special establishment fees, complementary product packages and competitive interest rate offers that help to maintain the Group's leading position.

The Group's **VIRIDIAN** Line of Credit loan is an award-winning home loan that can be used as an all-in-one style account, giving customers the ability to shorten the term of their loan while financing all of their home, personal expenditure and personal investment needs using a choice of interest rate structures. The Group's **MORTGAGE INTEREST SAVER ACCOUNT** (MISA) can also shorten the term of a home loan by allowing fortnightly and weekly repayments and by providing 100% interest offset on the Standard Variable, 1 Year Guaranteed and 12 month Discounted Variable rates.

This year marks the first full year of offering the **HOMEPath** Home and Investment Home Loan. As the only fully "online only" home loan in the Australian mortgage market, it continues to set the benchmark, with one of the lowest standard variable rates and no establishment or servicing fees. HomePath was recently awarded two gold medals at the "Your Mortgage of the Year Awards 2001" for best variable loan for first home buyers and first time investors. The HomePath website


also offers a comprehensive range of information on buying and selling a house for the investor or homebuyer and is now one of the top three property listing sites in Australia. Along with HomePath, the Group provides a number of print and online guides to assist customers throughout the entire home ownership process, including the "How to Buy and Sell" guide for first homebuyers, the "Home Renovator's Guide" and www.investmentplace.com.au, an interactive step by step guide to investing in residential property.

The Group's **HOME LOAN HEALTH CHECK** helps home loan borrowers consider whether their current loan will meet their needs. The check takes about 15 minutes to complete, is free of charge and allows borrowers to work with a personal banker to determine the most appropriate action.

Through Commonwealth Insurance Limited (CIL), a wholly owned subsidiary of the Group, customers can purchase home, contents, personal valuables and investment home cover at competitive premiums. Following the integration of the Colonial business, CIL also enhanced its range of general insurance products to include lines of business underwritten by third parties such as motor vehicle, pleasure craft, and caravan and trailer insurance. To minimise processing and improve customer service times, CIL also introduced a streamlined claims system.

Customers can obtain a quote and get immediate cover for buildings and contents insurance through the Commonwealth Insurance website at www.comminsure.com.au. The site also provides handy calculators to help customers decide how much building or contents insurance they need and has been upgraded to include details of the new products offered.





THE COMMONWEALTH BANK GROUP OFFERS
A CUSTOMISED SERVICE TO RURAL
CLIENTS THROUGH THE AWARD-WINNING
AGRIOPTIONS PACKAGE.

rural **AND REGIONAL**

- ◆ AGRIOPTIONS PACKAGE AND SPECIALIST AGRIBUSINESS BANKERS
- ◆ VEHICLE AND EQUIPMENT FINANCE THROUGH CBFC LIMITED
- ◆ DAIRYADVANCE
 - ◆ ALLIANCE WITH AUSTRALIA POST
 - ◆ CORPORATE PARTNERSHIPS WITH AGRICULTURAL GROUPS
 - ◆ WIDESPREAD RURAL REPRESENTATION
 - ◆ LARGEST ATM AND EFTPOS NETWORK IN AUSTRALIA

AgriOptions combines lending, investment, risk management, business and personal financial services and is designed to provide farmers with maximum flexibility and certainty in managing their business. To complement the AgriOptions package, the Group has specialist Agribusiness Bankers covering each State and Territory who are trained in key rural and financial disciplines.

Rural customers can also take advantage of the Group's specialist vehicle and equipment finance products, provided through CBFC Limited, a wholly owned subsidiary of the Group. The Group's financing products are designed to provide the customer with effective and flexible equipment financing options that optimise cash flow and take advantage of available taxation and accounting benefits. As a new initiative, CBFC launched the Asset Manager Program during the year. This program provides customers with competitive funding and a state-of-the-art system for managing and tracking equipment.

Another program launched by the Group in August 2000 was **DAIRYADVANCE**. DairyAdvance provides eligible dairy farmers with immediate access to the full Dairy Structural Adjustment Program entitlements available from the Federal Government for assistance through deregulation. DairyAdvance is endorsed and supported by the Australian Dairy Industry Council (ADIC) and has so far assisted over 10,000 eligible dairy farmers to access their entitlements with an up-front payment.

The Group has an ongoing alliance with Australia Post for the provision of banking services in all its retail outlets. The Group and Australia Post have been working together for over 85 years to bring banking services to millions of Australians. Following a successful trial, the Group now offers transactional banking services for business clients at 112 Australia Post agencies across the country.

During the year, the Group also forged corporate partnerships with two well-recognised agricultural groups, the Birchip Cropping Group and the Beef Improvement Association of Australia.

These partnerships are designed to assist Australia's grain and beef producers, reinforce the Group's commitment to the rural sector and facilitate greater awareness of industry issues and key performance drivers.

Natural disasters, such as floods and fires, can have a devastating effect on communities. To assist recovery, Commonwealth Bank branches regularly act as collection points for public donations. The Group has also developed a comprehensive assistance package for customers in areas devastated by natural disasters. The package enables customers to reschedule payments, restructure loans, access term deposits and defer credit card payments to ease financial concerns during this time.

Rural customers now have even greater choice when it comes to accessing their accounts and the Group's services. The Group is accessible through more than 131,000 points of contact, with widespread representation in rural and regional areas. Community Assurances given following the integration of Colonial confirm the Group's commitment to providing continued support to rural customers.

Rural customers can also access their accounts via the 13 2221 telephone banking service and the Internet at www.commbank.com.au. EFTPOS is still a popular option in rural areas for shopping and cash withdrawal. The Group maintains an extensive EFTPOS network, allowing cardholders to directly debit the cost of their purchases from a wide variety of retailers. Cash withdrawal facilities are also available through selected EFTPOS outlets. In addition to its domestic ATM and EFTPOS networks, the Group is also a member of the MasterCard, Cirrus/Maestro and VISA Plus International networks providing customers with access to more than 1.2 million ATMs and 5.2 million EFTPOS terminals worldwide.

 **BUSINESS CENTRE**
www.commbank.com.au/business



THE COMMONWEALTH BANK GROUP IS
A COMMITTED SUPPORTER OF SMALL TO MEDIUM
ENTERPRISES IN AUSTRALIA. THE GROUP IS
DEDICATED TO SAVING CUSTOMERS' TIME
AND MONEY, WHILE ENSURING THEY HAVE THE
RIGHT FINANCIAL PRODUCTS AND
SERVICES TO MEET THE CHANGING BANKING
NEEDS OF THEIR BUSINESSES.

servicing **YOUR BUSINESS**

- ◆ BUSINESS BANKERS
- ◆ TAX MANAGEMENT ACCOUNT
- ◆ BETTER BUSINESS LOAN + BBL PLUS
- ◆ BUSINESS OPTIONS
- ◆ BUSINESS CENTRE (www.commbank.com.au/business)
- ◆ NETBANK
- ◆ QUICKLINE
- ◆ INTERNET PAYMENTS SERVICE

Business customers have access to a range of product and service specialists. Building on this expertise, the Group has continued to invest in an internationally recognised development programme for its Business Bankers. The programme is designed to enable Business Bankers to better understand customers' businesses, in order to provide value adding financial solutions.

To assist customers with the implementation and transition to the GST, the Group developed the **TAX MANAGEMENT ACCOUNT**. This account allows customers to better manage their GST payments and limit the impact on their normal business cash flow by offering a simple short-term deposit style facility to hold GST credits for periodic submission to the Australian Taxation Office. The Group has also been active in providing a range of educational support to businesses on the GST, involving business clients in nationwide TV satellite seminars, and assisting them to consider the factors and impacts of the GST on their business.

The Group's **BETTERBUSINESS LOAN PLUS** (BBL Plus) package incorporates all the standard features of the Group's BetterBusiness Loan (BBL) product and allows businesses to select those features that are appropriate to their business needs. BBL Plus also offers small business customers a one-year special discounted rate on business loans of \$100,000 or more, and includes a set of complementary products and services including electronic banking, leasing and a GST tax management account.

BUSINESSOPTIONS is a range of financial service alternatives for medium sized businesses, providing managed business loans, risk management, investment and Internet payment services delivered through a single point of contact within the Group and backed by a team of financial and business specialists.

Businesses continue to embrace the Internet as both a source of valuable information, a convenient means of completing day-to-day banking transactions and as a channel for accessing business finance.

The Group's online **BUSINESS CENTRE** at www.commbank.com.au/business is designed specifically for business customers, to provide them with information on a wide variety of topics such as financing options, interest rate risk management, economic research, exchange rates, insurance, fleet management, international trade and superannuation and enables them to apply for business finance over the Internet.

Business customers using **NETBANK** can access their Commonwealth Bank accounts (including Business Card accounts) to transfer funds, review past transactions, view up-to-date account balances, pay bills using BPAY®, order statements and cheque books, and export transaction details to various software packages. Similarly, businesses continue to adopt **QUICKLINE**, the Group's electronic business banking product. In the past 12 months, QuickLine features such as access to account details, funds transfer and bill payment, have led to a growth in customer numbers of more than 32% and an increase in transactions from 1.5 million to approximately 6.6 million transactions per month. The Commonwealth Bank **INTERNET PAYMENTS SERVICE** was also launched during the year and the Group now has over 300 merchants using the service.

 **NETBANK**
www.commbank.com.au/netbank



THE COMMONWEALTH BANK GROUP PROVIDES
A BROAD RANGE OF FINANCIAL SERVICES FOR
THE AUSTRALIAN BUSINESS MARKET. THESE
SERVICES ARE UNDERPINNED BY A
PHILOSOPHY OF PROVIDING BUSINESS
CUSTOMERS WITH ACCESS, USEABILITY OF
SERVICE AND CONVENIENCE.

business **SOLUTIONS**

- ◆ NETSUPER
- ◆ COMMONWEALTH BANK BUSINESS CARD
- ◆ PREMIUM BUSINESS ACCOUNT
- ◆ WHOLESALE CASHFLOW SOLUTIONS
- ◆ MICROPAY + PAYSELECT

The Group's services to business customers include lending transactions and electronic services, investment, financial markets, risk and insurance products. In addition, the Group has a range of decision support services to assist banking clients in evaluating the best financial option for achieving their goals.

NETSUPER was launched to the business market in 2001, offering employers a faster, more efficient way to manage employees' superannuation via the Internet. NetSuper focuses on the opportunity to provide choice of superannuation to the employees of the business. The Group's service also includes the provision of superannuation specialists to work with the business to develop tailored solutions, and an education programme for employees to help them choose their own superannuation fund requirements.

The **COMMONWEALTH BANK BUSINESS CARD** is available as a charge card, where the balance outstanding is automatically debited to a nominated bank account each month. Alternatively, it can be established as a revolving line of credit facility where minimum monthly payments are required. Limits on individual cards can be established against the business' line of credit.

The **PREMIUM BUSINESS ACCOUNT** offers a tiered scale of competitive interest rates, depending on the customer's account balance. This account was the Gold Medal Winner in the Business Overdraft and Business Transaction categories in the August 2000 edition of *Personal Investor* magazine.

WHOLESALE CASHFLOW SOLUTIONS,


a new banking and financial services initiative designed specifically for Australian wholesalers, was launched in August 2000. This package provides competitive flexible finance, domestic and international transaction management, investment facilities, and vital research information and tools relevant to wholesalers. This package is complemented by the provision of business banking specialists, who offer personalised service based on a better understanding of the issues and challenges facing the wholesale sector.

MICROPAY is one of Australia's leading providers of payroll and human resource solutions software; related training, consulting and stationery; permanent and temporary recruitment and payroll outsourcing. MicrOpay currently has more than 9,000 companies using its business solutions.

MicrOpay recently launched its remuneration packaging service, **PAYSELECT**. PaySelect allows employers to give their employees the benefits of remuneration packaging without having to be involved with taxation, legal or administrative complexities.

The Group supports AusBiz in the development of a business improvement programme providing information on business techniques, strategies and skills to small business owners. Workshop topics include business and marketing planning, introducing new products and retail management to help create a vision for businesses and identify strengths, weaknesses, opportunities and threats.

 **BUSINESS CENTRE**
www.commbank.com.au/business



INSTITUTIONAL BANKING'S CLIENTS
REPRESENT AN IMPORTANT PART OF THE
COMMONWEALTH BANK GROUP'S CLIENT BASE.
CLIENTS INCLUDE CORPORATES WITH
TURNOVER OF MORE THAN \$40 MILLION PER
ANNUM, GOVERNMENT ENTITIES AND MAJOR
FINANCIAL INSTITUTIONS.

institutional **BANKING**

- ◆ FOREIGN EXCHANGE
- ◆ COMMSEC
- ◆ COMMONWEALTH CUSTODIAL SERVICES
- ◆ PAYMENTS AND TRANSACTION SERVICES
- ◆ CAPITAL RAISING AND UNDERWRITING
- ◆ CORPORATE FINANCE

Institutional Banking provides a wide range of products including foreign exchange, investment management, securities underwriting, trading and distribution, corporate finance, equities, payments and transaction services and custody. Many of these products are offered globally to match the international operations of the Group's clients.

PROVIDERS OF CAPITAL

Institutional Banking attracts capital from investors in Australia and overseas. Retail investors access products through **COMMSEC**. Superannuation funds, unit trusts, insurance companies and large corporates deal directly with our specialists.

CommSec maintained its position as Australia's leading online broker in Australia in terms of the number of transactions. Improvements in the services provided to CommSec's clients included Commonwealth Instalment Warrants, VoiceBroker, a speech recognition system, which allows clients to obtain prices and place orders over the telephone without speaking to an operator or pushing buttons, and enhanced Straight Through Processing. An Investor Education Programme was also launched. As at 30 June 2001, 60,000 investors had attended workshops in all states as part of this programme. The programme is supported by enhancements to the CommSec Internet site, including consensus forecasts of broker recommendations, video interviews with CEOs and live company announcements.

COMMONWEALTH CUSTODIAL SERVICES

provides wholesale investment administration and custody services to many of Australia's leading superannuation funds and fund managers and to offshore investors in Australia.

FINANCIAL INTERMEDIARIES

Institutional Banking deals with a wide range of financial intermediaries including banks, fund managers and insurance companies. These

clients assist the Group in providing liquidity to markets such as foreign exchange, bank bills, bonds, derivatives and equities.

The Group assists these clients with payments and transaction services products including Australian dollar clearing. The payments business has shown strong growth and is now a leader in high volume payment processing. The Group is the largest clearer in the Australian domestic market.

CAPITAL USERS

The products distributed to our clients wishing to raise capital include direct lending, syndicated loans, structured finance, risk management products such as swaps and options and debt and equity financings.

During the year, over \$17 billion was raised for clients. The Group arranged and underwrote finance for Pulse Energy's acquisition of retail gas and electricity customers in Victoria; Billiton's acquisition of the Worsley Alumina Refinery; CSL Limited and Amatek Holdings; and lead-managed a Kangaroo Bond issue for the Asian Development Bank. The Group maintained its leading position in the Australian property market with \$1.4 billion provided for over 25 projects.

The Group established a position in the equity capital markets during the year and lead-managed the Initial Public Offering of shares by Pan Pharmaceuticals. Institutional Banking is continuing to develop international corporate finance activities and a number of landmark deals were executed internationally including a cross-border lease in the UK for the Royal Mail.

The Group now provides energy risk management transactions to clients and is developing more products to assist our clients in dealing with environmental issues.

 **COMMSEC**
www.commsec.com.au

 **ECOMMCORPORATE**
www.ecommcorporate.com.au

OPERATIONS AND RISK MANAGEMENT

TECHNOLOGY, OPERATIONS AND PROCUREMENT

Group Technology facilitates the delivery of Information Technology and Telecommunications (IT&T) services for the Group. It focuses on developing IT&T strategy and managing relationships with the Group's IT&T partners EDS Australia (EDSA) and Telecom New Zealand Australia (TCNZA) to ensure that the Group's business units are provided with the most innovative, responsive, flexible and cost-efficient service.

Retail Operations provides a full service transaction processing and back office/operational support function aiming towards continuous productivity improvement. This has recently been facilitated by the development of web-accessed, image-based data platforms that will progressively remove the inefficiencies of paper-based records.

Business Services supports finance and human resource activities across the Group. Once fully established, this new division will provide improved decision support, cost efficiencies and a leveraged skills base.

Group Procurement will develop and implement a strategic cost reduction programme for the Group's indirect procurement spend and is responsible for deploying the Group's e-procurement platform and re-engineering supply chain processes.

During the year, the Group's wholesale property funds management business was amalgamated with the property funds management group from within Colonial First State Investments to form Colonial First State Property Group.

FINANCIAL AND RISK MANAGEMENT

Financial and Risk Management (FRM) provides professional services and support to other divisions in the Group as well as to external parties. FRM adds value through policy formulation, strategic support and specialist advice on financial, risk and capital management as well as managing investor relations.

Through FRM, the Group maintains an Integrated Risk Management Framework that measures risk and return on a consistent basis.

This framework:

- ◆ provides for all risk management policies to be coordinated by FRM, with oversight by the Risk and Audit Committees of the Commonwealth Bank Board;
- ◆ allocates equity to each activity based on the underlying business risk; and
- ◆ determines risk-adjusted returns to allocated equity on a consistent basis to derive comparable performance measures between businesses.

Management of risk and return is the responsibility of Business Divisions operating within the Integrated Risk Management Framework. Compliance is monitored by specialist areas within FRM (including Group Audit). FRM also ensures consistency between risk policies and the measurement process.

Sophisticated risk measurement disciplines continue to improve risk/return management. This supports the Group's objective to continue to grow profitability with low earnings volatility.



SHAREHOLDER CENTRE
www.commbank.com.au/shareholder

THE GROUP'S ROLE IN THE COMMUNITY

HEALTH

The Group supports a number of medical research bodies including: the Breast Cancer Institute of Australia, Children's Cancer Institute of Australia, Research Australia, Prostate Cancer Foundation of Australia, Anzac Health and Medical Research and the Garvan Institute of Medical Research and the Group's staff support the Commonwealth Bank Staff fund which promotes the health of children. All of these groups play an important role in the community and contribute to a healthy society.

The Group also sponsors the Australian Medical Association's Youth Advocacy program, which provides valuable advice and advocacy on behalf of youth audiences on health matters involving youth. In addition to supporting the funding of this important position, the Group provided support material to increase the effectiveness of the Youth Advocate's operations.

SOCIAL AND CULTURAL

We support the development of two of Australia's most popular sports, netball and cricket. Sponsorship programs at a representative level include the Commonwealth Bank Trophy for netball, the women's youth cricket team and the highly successful Australian Women's cricket team, currently ranked number one in the world. It is equally important to support skill development among younger players. The Group has formed the Commonwealth Bank Netball Development Fund and sponsors the Commonwealth Bank Cricket Academy, whose graduates have included Shane Warne, Brett Lee, Ricky Ponting, Michael Bevan and Glen McGrath.

Through our associations with the Australian Chamber Orchestra and the Australian Ballet for over 13 years and Opera Australia for more than 20 years we have helped bring world-class performances to thousands of Australians in metropolitan and regional areas as well as undertaking education programs. We also support education programs for students in partnership with the Australian Chamber Orchestra and the Australian Ballet.

ENVIRONMENT

In support of environmental sustainability we have management practices to:

- ◆ adopt energy saving measures throughout the organisation;
- ◆ implement waste separation schemes;
- ◆ replace 'non-friendly' products with others less harmful to the environment;
- ◆ recycle paper and other products used in daily activities;
- ◆ seek viable alternatives to non-recyclable materials; and
- ◆ promote environmental awareness among staff.

Energy

We joined SEDA's⁽¹⁾ Energy Smart Business Program in June 1999, with a commitment to reduce the greenhouse emissions across the organisation over a five year timeframe. So far we have identified a reduction of 4,300 tonnes of carbon dioxide. This is equivalent to permanently removing 950 cars from Australia's roads.

As an Energy Smart Business Partner, we are implementing energy efficient practices throughout our Australian property portfolio in conjunction with the Federal Government's Greenhouse Challenge programme. Two buildings have already been star rated, with the possibility of rating further buildings during the next financial year. We have also signed a letter of intent under the Greenhouse Challenge programme and recently signed a Co-operative agreement with the Australian Greenhouse Office. Our commitment will be for the development and implementation of an energy management program to reduce greenhouse emissions by 13% by 2005 (6.5% energy, 6.5% green power). An extensive staff awareness program to focus on achieving greenhouse and energy consumption reductions is also planned.

⁽¹⁾ Sustainable Energy Development Authority

THE GROUP'S ROLE IN THE COMMUNITY

Lending policies

The Group adheres to statutory requirements in respect of lending to environmentally sensitive industries, and is a longstanding supporter of community activities and organisations that reflect community values. We have also been active in promoting and advising Institutional Banking clients on the opportunity to support the reduction in Greenhouse emissions via the new trading markets that are emerging.

Heritage

We also recognise the importance of preserving Australia's built heritage and have fully restored and refurbished two heritage buildings located in Martin Place, Sydney. The restoration works revived much of the buildings' original architecture and qualities. Our head office at 48 Martin Place in Sydney has received the National Trust's highest rating as a building 'essential to the heritage of Australia, which must be preserved.'

We support the Melbourne Museum's Colonial Square permanent exhibition and have partnered the National Trust of NSW for more than 13 years. Through this relationship we have helped exhibit the works of many noted Australian female artists and helped the National Trust continue with its important work of caring for NSW heritage.

Environmental Products

We continue to develop products related to the environment. Examples include:

- ◆ identification and sourcing greenhouse gas reduction projects within the BP Global Choice offering
- ◆ involvement with the Australian Greenhouse Office in the creation of a new consumer oriented labelling program and liaison with energy companies to deliver consumer products labelled under this program.
- ◆ providing advice on realising financial value from innovative approaches to waste-recycling.
- ◆ www.greenhousefriendly.com is the Commonwealth Bank's Greenhouse Friendly website.

EXECUTIVE MANAGEMENT



DAVID MURRAY

DAVID MURRAY
Managing Director and
Chief Executive Officer

LES CUPPER
General Manager Group
Human Resources

MICHAEL KATZ
Head of Institutional
Banking

GAIL KELLY
Head of Customer
Service Division

GARRY MACKRELL
Head of CEO Office/Group
Planning & Development

JOHN MULCAHY
Head of Australian
Financial Services

RALPH NORRIS
Head of International Financial
Services (including ASB Group)

PETER POLSON
Head of Colonial First
State Investments

RUSSELL SCRIMSHAW
Head of Technology,
Operations and Procurement

MICHAEL ULLMER
Group General Manager,
Financial and Risk Management



LES CUPPER



MICHAEL KATZ



GAIL KELLY



GARRY MACKRELL



JOHN MULCAHY



RALPH NORRIS



PETER POLSON



RUSSELL SCRIMSHAW



MICHAEL ULLMER

OUR DIRECTORS



JOHN RALPH



JOHN SCHUBERT



DAVID MURRAY

JOHN T RALPH, AC, CHAIRMAN

Mr Ralph has been a member of the Board since 1985 and Chairman since 1999. He is also Chairman of the Risk, Remuneration and Nominations Committees. He is a Fellow of the Australian Society of Certified Practising Accountants and has over forty-seven years' experience in the mining and finance industries.

Chairman: Pacific Dunlop Limited.

Deputy Chairman: Telstra Corporation Limited.

Director: BHP Billiton Limited and BHP Billiton Plc

Other Interests: Melbourne Business School (Board of Management), Foundation for Young Australians (Deputy National Chairman) and Australian Foundation for Science (Chairman).

Mr Ralph is a resident of Victoria. Age 68.

JOHN M SCHUBERT, DEPUTY CHAIRMAN

Dr Schubert has been a member of the Board since 1991, he was appointed as Deputy Chairman on the 31 December 2000 and is Chairman of the Audit Committee and a member of the Nominations Committee. He holds a Bachelor Degree and PhD in Chemical Engineering and has experience in the petroleum, mining and building materials industries. Dr Schubert is the former Managing Director and Chief Executive Officer of Pioneer International Limited.

Chairman: G2 Therapies Limited and Worley Limited.

Director: BHP Billiton Limited, BHP Billiton Plc., Hanson Plc, Australian Graduate School of Management Ltd and Qantas Limited.

President: Business Council of Australia.

Other Interests: Academy of Technological Science (Fellow), Salvation Army Territorial Headquarters and Sydney Advisory Board (Member). He is also a Director of the Great Barrier Reef Research Foundation and a Director and a Member of AGSM Consulting Ltd.

Dr Schubert is a resident of New South Wales. Age 58.

DAVID V MURRAY, MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Mr Murray has been a member of the Board and Managing Director since June 1992. He holds a Bachelor of Business and Master of Business Administration and has thirty five years' experience in banking. Mr Murray is a member of the Remuneration, Risk and Nominations Committees.

Director: Colonial Ltd, Colonial Holding Company Pty Ltd, Colonial Holding Company (No 2) Pty Ltd, Emerald Holding Company Ltd, Colonial Finance (Australia) Ltd, Colonial International Holdings Pty Ltd and Colonial First State Investments Group Limited.

Other Interests: International Monetary Conference (Member), Art Gallery of NSW (Member), Asian Bankers' Association (Member), Australian Bankers' Association (Chairman), Asian Pacific Bankers' Club (Member), Business Council of Australia (Member), World Economic Forum (Member), General Motors Australian Advisory Council (Member), APEC Business Advisory Council (Member), and the Financial Sector Advisory Council (Member).

Mr Murray is a resident of New South Wales. Age 52.



ROSS ADLER



REG CLAIRS



TONY DANIELS



COLIN GALBRAITH

N R (ROSS) ADLER, AO

Mr Adler has been a member of the Board since 1990 and is a member of the Remuneration Committee. He holds a Bachelor of Commerce and a Master of Business Administration. Mr Adler was Managing Director of Santos Limited for 16 years and retired on 30 September 2000. He has experience in various commercial enterprises, more recently in the oil and gas industry.

Chairman: Austrade.

Director: Telstra Corporation Limited, QCT Resources Limited (until October 2000), Tereny Investments Pty Ltd and Shelrey Pty Ltd.

Other Interests: Art Gallery of South Australia (Chairman), University of Adelaide (Council Member and Chairman of the Finance Committee), Executive Member of the Australian Japan Business Co-operation Committee and Australian Institute of Company Directors (Member).

Mr Adler is a resident of South Australia. Age 56.

REG J CLAIRS, AO

Mr Clairs has been a member of the Board since 1 March 1999 and is a member of the Audit Committee. As the former Chief Executive Officer of Woolworths Limited, he had thirty three years' experience in retailing, branding and customer service.

Chairman: Agri Chain Solutions Ltd and The Prime Minister's Supermarket to Asia Board.

Deputy Chairman: Woolstock Australia Limited.

Director: David Jones Ltd, Howard Smith Ltd and National Australia Day Council.

Other Interests: Foundation Member of the Prime Minister's Supermarket to Asia Council.

Mr Clairs is a resident of Queensland. Age 63.

A B (TONY) DANIELS, OAM

Mr Daniels has been a member of the Board since March 2000 and is a member of the Remuneration Committee. He has extensive experience in manufacturing and distribution, being Managing Director of Tubemakers of Australia for eight years to December 1995, during a long career with that company.

Director: Australian Gas Light Company, Orica and O'Connell St Associates.

Managing Director: Pacific Dunlop Limited.

Mr Daniels is a resident of New South Wales. Age 66.

COLIN R GALBRAITH

Mr Galbraith has been a member of the Board since June 2000 and is a member of the Risk Committee. He was previously a Director of Colonial Limited, having been appointed in 1996. He is a partner of Allens Arthur Robinson, Lawyers.

Chairman: BHP Community Trust.

Director: OneSteel Limited.

Other Interests: Council of Legal Education in Victoria (Honorary Secretary), Corporate Council of CARE Australia (Member) and the Royal Melbourne Hospital Neuroscience Foundation (Trustee).

Mr Galbraith is a resident of Victoria. Age 53.

OUR DIRECTORS CONTINUED



WARWICK KENT



FERGUS RYAN



FRANK SWAN

WARWICK G KENT AO

Mr Kent has been a member of the Board since June 2000 and is a member of the Risk Committee. He was previously a Director of Colonial Limited, having been appointed in 1998. He was Managing Director and Chief Executive Officer of BankWest until his retirement in 1997. Prior to joining BankWest, Mr Kent had a long and distinguished career with Westpac Banking Corporation.

Director: Perpetual Trustees Australia Limited, West Australian Newspapers Holdings Limited and Coventry Group Limited.

Other Interests: Advisory Boards of Blake Dawson Waldron (Member), Walter and Eliza Hall Trust (Trustee), Australian Institute of Company Directors (Fellow), Australian Society of CPAs (Fellow), Australian Institute of Bankers (Fellow) and Chartered Institute of Company Secretaries (Fellow).

Mr Kent is a resident of Western Australia. Age 65.

FERGUS D RYAN

Mr Ryan has been a member of the Board since March 2000 and is a member of the Audit Committee. He has extensive experience in accounting, audit, finance and risk management. He was a senior partner of Arthur Andersen until his retirement in August 1999 after thirty-three years with that firm including five years as Managing Partner Australasia.

Member: Prime Minister's Community Business Partnership.

Other Interests: Strategic Investment Co-ordinator and Major Projects Facilitator for the Federal Government, Committee for Melbourne (Counsellor) and Pacific Institute (Patron).

Mr Ryan is a resident of Victoria. Age 58.

FRANK J SWAN

Mr Swan has been a member of the Board since July 1997 and is a member of the Risk Committee. He holds a Bachelor of Science degree and has twenty three-years' senior management experience in the food and beverage industries.

Chairman: Fosters Group Limited.

Director: National Foods Limited and Catholic Ladies College Eltham.

Other Interests: Institute of Directors (Fellow), Australian Institute of Company Directors (Fellow), Australian Institute of Management (Fellow) and Institute of Management UK (Companion).

Mr Swan is a resident of Victoria. Age 60.



BARBARA WARD



ANNA BOOTH



KEN COWLEY

BARBARA K WARD

Ms Ward has been a member of the Board since 1994 and is a member of the Audit Committee. She holds a Bachelor of Economics and Master of Political Economy and has six years' experience in policy development and public administration as a senior ministerial adviser and twelve years' experience in the transport and aviation industries, most recently as Chief Executive of Ansett Worldwide Aviation Services. Since 1998, she has pursued a career as a company director.

Chairperson: HWW Limited and Country Energy.

Director: Rail Infrastructure Corporation and Data Advantage Limited.

Other Interests: Sydney Opera House Trust (Trustee), Australia Day Council of New South Wales (Member) and Allens Arthur Robinson (Director).

Ms Ward is a resident of New South Wales. Age 47.

ANNA C BOOTH – RETIRED 31 DECEMBER 2000

Ms Booth was a member of the Board from 1990 until she retired on 31 December 2000, and was a member of the Risk Committee. She holds a Bachelor of Economics (Hons) and has had seventeen years' experience in the trade union movement.

Director: Ausflag Limited and CoSolve Australasia Pty Ltd.

Other Interests: Shopping Centre Council of Australia (Special Advisor), Sydney Organising Committee for the Olympic Games (Member) and Labour Management Studies Foundation of Macquarie University (Fellow).

Ms Booth is a resident of New South Wales. Age 44.

KEN E COWLEY, AO – RETIRED 29 MARCH 2001

Mr Cowley was a member of the Board from September 1997 until he retired on 29 March 2001, and was a member of the Remuneration Committee. He has thirty-three years' experience in the media industry, having been a Director of News Limited since 1976 and until July 1997, was Executive Chairman of that company.

Executive Chairman: Zazu Limited.

Chairman: PMP Communications Limited, R M Williams Holdings Limited, Tasman Pacific Airways Limited, Tower Lodge Pty Limited and Melbourne Storm Football Club Pty Ltd.

Director: The News Corporation Limited, Independent Newspapers Limited and The Foundation for Rural & Regional Renewal.

Other Interests: Australian Stockman's Hall of Fame & Outback Heritage Centre (Chairman) and Royal Agricultural Society (Director).

Mr Cowley is a resident of New South Wales. Age 65.

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

The Board of Directors assumes responsibility for corporate governance of the Bank. It oversees the business and the affairs of the Bank, establishes, with management, the strategies and financial objectives to be implemented by management and monitors the performance of management directly and through the Board committees.

The Board currently consists of eleven Directors. Membership of the Board and its Committees is set out in the table below.

Details of the Directors' experience, qualifications and special responsibilities are set out on pages 24 to 27, and Directors' attendance at meetings appears on page 32.

Ms A C Booth retired from the Board on 31 December 2000 and Mr K E Cowley retired from the Board on 29 March 2001.

The Constitution of the Bank specifies that:

- ◆ the Managing Director and any other Executive Directors shall not be eligible to stand for election as Chairman of the Bank;
- ◆ the number of Directors shall be not less than 9 nor more than 13 (or such lower number as the Board may from time to time determine). The Board has determined that for the time being the number of Directors shall be 11; and
- ◆ at each Annual General Meeting, one-third of Directors (other than the Managing Director) shall retire from office and may stand for re-election.

The Board has adopted a policy that, with a phasing in provision dealing with existing Directors, the maximum term of appointment of Directors to the Board would normally be limited to twelve years.

DIRECTOR	BOARD MEMBERSHIP		COMMITTEE MEMBERSHIP			
			Nominations	Remuneration	Audit	Risk
J T Ralph, AC	Non executive	Chairman	Chairman	Chairman		Chairman
J M Schubert	Non executive	Deputy Chairman	Member		Chairman	
D V Murray	Executive	Managing Director	Member	Member		Member
N R Adler, AO	Non executive			Member		
R J Clairs, AO	Non executive				Member	
A B Daniels, OAM	Non executive			Member		
C R Galbraith	Non executive					Member
W G Kent, AO	Non executive					Member
F D Ryan	Non executive				Member	
F J Swan	Non executive					Member
B K Ward	Non executive				Member	

The Nominations Committee of the Board critically reviews, at least annually, the corporate governance procedures of the Bank and the composition and effectiveness of the Commonwealth Bank Board and the Boards of the major wholly owned subsidiaries. The policy of the Board is that the Committee shall consist of a majority of non executive directors and that the Chairman of the Bank shall be chairman of the Committee.

The Nominations Committee has developed a set of criteria for director appointments which have been adopted by the Board. The criteria set the objective of the Board as being as effective, and preferably more effective than the best boards in the comparable peer group. These criteria, which are reviewed annually, ensure that any new appointee is able to contribute to the ongoing effectiveness of the Board, has the ability to exercise sound business judgement, to think strategically and has demonstrated leadership experience, high levels of professional skill and appropriate personal qualities.

Candidates for appointment as Directors are considered by the Nominations Committee, recommended for decision by the Board and, if appointed, stand for election, in accordance with the Constitution, at the next General Meeting of Shareholders.

REMUNERATION ARRANGEMENTS

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined, is divided between the directors as they agree. The policy of the Board is that the aggregate amount should be set at a level which provides the Bank with the necessary degree of flexibility to enable it to attract and retain the services of directors of the highest calibre. The latest determination was at the Annual General Meeting held on 28 October 1999 when shareholders approved an aggregate remuneration of \$1,500,000 per year.

The Nominations Committee reviews the fees payable to non executive directors. Details of individual directors' remuneration are set out in Note 6. Directors' fees do not incorporate a bonus element related to performance.

In August 2000, the Board approved the introduction of the Non-Executive Directors' Share Plan which requires the acquisition of shares by Non-Executive Directors through the mandatory sacrifice of 20% of their annual fees. Details of this plan were set out in the Notice of Meeting to the 2000 Annual General Meeting.

The remuneration of Mr Murray (Managing Director) is fixed by the Board, pursuant to the Constitution, as part of the terms and conditions of his appointment. Those terms and conditions are subject to review, from time to time, by the Board.

There is in place a retirement scheme which provides for benefits to be paid to non executive directors after service of a qualifying period. The terms of this scheme, which were approved by shareholders at the 1997 Annual General Meeting, allow for a benefit on a pro rata basis to a maximum of four years total emoluments after twelve years service.

The Board has established a Remuneration Committee to:

- ◆ consider changes in remuneration policy likely to have a material impact on the Group;
- ◆ consider Senior Executive appointments; and
- ◆ be informed of leadership performance, legislative compliance in employment issues, industrial agreements and incentive plans operating across the Group.

The policy of the Board is that the Committee shall consist of a majority of non executive directors.

The Committee has an established work plan which allows it to review all major human resource policies, strategies and outcomes.

CORPORATE GOVERNANCE CONTINUED

The Bank's remuneration policy in respect of executives includes provisions that remuneration will be competitively set so that the Bank can attract, motivate and retain high quality local and international executive staff and that remuneration will incorporate, to a significant degree, variable pay for performance elements. A full statement of the Bank's remuneration policy for executives and details of the remuneration paid to the Managing Director and the five highest paid other members of the senior executive team who were officers of the Bank at 30 June 2001 are set out in Note 7.

AUDIT ARRANGEMENTS

Ernst & Young was appointed as the auditor of the Bank at the 1996 Annual General Meeting and continues to fulfil that office.

The Board's Audit Committee consists entirely of non executive Directors and the chairman of the Committee is not Chairman of the Bank. This structure reflects the Board's policy. The Managing Director attends Committee meetings by invitation. The Committee oversees the adequacy of the overall internal control functions and the internal audit functions within the Group and their relationship to external audit.

In carrying out these functions, the Committee:

- ◆ reviews the financial statements and reports of the Group;
- ◆ reviews accounting policies to ensure compliance with current laws, relevant regulations and accounting standards; and
- ◆ conducts any investigations relating to financial matters, records, accounts and reports that it considers appropriate.

In addition, the Committee ratifies the Group's operational risk policies for approval by the Board and reviews and informs the Board of the measurement and management of operational risk. Operational risk is a basic line management responsibility within the Group consistent with the policies established by the Committee. A range of insurance policies maintained by the Group mitigates some operational risks.

The Committee regularly considers, in the absence of management and the external auditor, the quality of the information received by the Committee and, in considering the financial statements, discusses with management and the external auditor:

- ◆ the financial statements and their conformity with accounting standards, other mandatory reporting requirements and statutory requirements; and
- ◆ the quality of the accounting policies applied and any other significant judgements made.

The Committee periodically meets separately with the Group Auditor and the external auditor in the absence of management.

The Committee reviews the processes governing advisory work undertaken by the external auditor to ensure that the independence of the external auditor is not affected by conflicts.

The scope of the audit is agreed between the Committee and the auditor. The external audit partner attends meetings of the Audit Committee by invitation and attends the Board meetings when the annual and half yearly accounts are approved for signing.

RISK MANAGEMENT

The Risk Committee oversees credit and market risks assumed by the Bank in the course of carrying on its business.

The Committee considers the Group's credit policies and ensures that management maintains a set of credit underwriting standards designed to achieve portfolio outcomes consistent with the Group's risk/return expectations. In addition, the Committee reviews the Group's credit portfolios and recommendations by management for provisioning for bad and doubtful debts.

The Committee approves risk management policies and procedures for market, funding and liquidity risks incurred or likely to be incurred in the Group's business. The Committee reviews progress in implementing management procedures and identifying new areas of exposure relating to market, funding and liquidity risk.

INDEPENDENT PROFESSIONAL ADVICE

The Bank has in place a procedure whereby, after appropriate consultation, directors are entitled to seek independent professional advice, at the expense of the Bank, to assist them to carry out their duties as directors. The policy of the Bank provides that any such advice is made available to all directors.

ACCESS TO INFORMATION

The Board has an agreed policy on the circumstances in which directors are entitled to obtain access to company documents and information.

ETHICAL STANDARDS

The Bank has adopted a Statement of Professional Practice which sets standards of behaviour required including:

- ◆ to act properly and efficiently in pursuing the objectives of the Bank;
- ◆ to avoid situations which may give rise to a conflict of interests;
- ◆ to know and adhere to the Bank's Equal Employment Opportunity policy and programs;
- ◆ to maintain confidentiality in the affairs of the Bank and its customers; and
- ◆ to be absolutely honest in all professional activities.

These standards are regularly communicated to staff. In addition, the Bank has established insider trading guidelines for staff to ensure that unpublished price sensitive information about the Bank or any other company is not used in an inappropriate or illegal manner.

The restrictions imposed by law on dealings by Directors in the securities of the Bank have been supplemented by the Board of Directors adopting guidelines which further limit any such dealings by Directors, their spouses, any dependent child, family company and family trust.

The guidelines provide, that in addition to the requirement that Directors not deal in the securities of the Bank or any related company when they have or may be perceived as having relevant unpublished price sensitive information, Directors are only permitted to deal within certain periods. These periods include between three and 30 days after the announcement of half yearly and final results and from three days after release of the annual report until 30 days after the Annual General Meeting. Further, the guidelines require that Directors not deal on the basis of considerations of a short term nature or to the extent of trading in those securities. Similar restrictions apply to executives of the Bank.

In accordance with the Constitution and the Corporations Act 2001, Directors disclose to the Board any material contract in which they may have an interest. In compliance with section 195 of the Corporations Act 2001 any Director with a material personal interest in a matter being considered by the Board will not be present when the matter is being considered and will not vote on the matter.

CONTINUOUS DISCLOSURE

The Corporations Act 2001 and the ASX Listing Rules require that a company disclose to the market matters which could be expected to have a material effect on the price or value of the company's securities. Management processes are in place throughout the Commonwealth Bank Group to ensure that all material matters which may potentially require disclosure are promptly reported to the Managing Director, through established reporting lines, or as a part of the deliberations of the Bank's Executive Committee. Matters reported are assessed and, where required by the Listing Rules, advised to the market. The Company Secretary is responsible for communications with the ASX and for ensuring that such information is not released to any person until the ASX has confirmed its release to the market.

DIRECTORS' REPORT

The Directors of the Commonwealth Bank of Australia submit their report, together with the financial report of the Commonwealth Bank of Australia (the Bank) and of the Group, being the Bank and its controlled entities, for the year ended 30 June 2001.

The names of the Directors holding office during the financial year and until the date of this report are set out on pages 24 to 27 together with details of Directors' experience, qualifications, special responsibilities and organisations in which each of the Directors has declared an interest.

DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Commonwealth Bank during the financial year were:

DIRECTOR	DIRECTORS' MEETINGS	
	No. of Meetings Held [#]	No. of Meetings Attended
J T Ralph	10	10
J M Schubert	10	10
D V Murray	10	10
N R Adler	10	10
R J Clairs	10	10
F D Ryan	10	10
F J Swan	10	10
B K Ward	10	10
A B Daniels	10	10
W G Kent	10	9
C R Galbraith	10	10
A C Booth *	6	6
K E Cowley **	7	6

[#] The number of meetings held during the time the Director held office during the year.

* Ms Booth retired on 31 December 2000.

** Mr Cowley retired on 29 March 2001.

COMMITTEE MEETINGS

	Risk Committee		Audit Committee		Remuneration Committee		Nominations Committee	
	No. of Meetings Held [#]	No. of Meetings Attended	No. of Meetings Held [#]	No. of Meetings Attended	No. of Meetings Held [#]	No. of Meetings Attended	No. of Meetings Held [#]	No. of Meetings Attended
J T Ralph	10	10			6	6	3	3
J M Schubert ****	4	3	5	5			3	3
D V Murray	10	10			6	6	3	3
N R Adler					6	6		
R J Clairs			5	4				
F D Ryan			5	5				
F J Swan	10	8						
B K Ward			5	5				
A B Daniels					6	6		
W G Kent ***	7	7						
C R Galbraith ***	7	6						
A C Booth *	3	2						
K E Cowley **					4	3		

[#] The number of meetings held during the time the Director was a member of the relevant committee

* Ms Booth retired on 31 December 2000

** Mr Cowley retired on 29 March 2001

*** Mr Kent and Mr Galbraith were appointed to the Risk Committee on 31 December 2000

**** Dr Schubert retired from the Risk Committee on 12 February 2001

PRINCIPAL ACTIVITIES

The Commonwealth Bank Group is one of Australia's leading providers of integrated financial services including retail, business and institutional banking services, superannuation, life insurance, general insurance, funds management, broking services and finance company activities. The principal activities of the Commonwealth Bank Group during the financial year were:

Banking

The Group provides a full range of retail banking services including housing loans, credit cards, personal loans, savings and cheque accounts and demand and term deposits. The Group has leading domestic market shares in home loans, personal loans, retail deposits and discount stockbroking and is one of Australia's largest issuers of credit cards. The Group also offers a full range of commercial products including business loans, equipment and trade finance and rural and agribusiness products.

The Institutional Banking operations focus on the top 1,000 corporations, government entities and other major institutions operating in Australasia. Corporate customers have access to financial markets services, securities underwriting, trading and distribution, corporate finance, equities, payments and transaction services, investment management and custody.

The Group also has full service banking operations in New Zealand and Fiji.

Funds Management

The Group is Australia's largest fund manager and largest retail funds manager in terms of its total value of funds under management. The Group has two main funds management businesses: Commonwealth Investment Management and Colonial First State Investments. These businesses manage a wide range of wholesale and retail investment, superannuation and retirement funds. Investments are across all major asset classes including Australian and International shares, property, fixed interest and cash.

The Group also has funds management businesses in New Zealand, UK and Asia.

Life Insurance

The Group provides term insurance, disability insurance, master trusts, annuities and investment products.

The Group is Australia's third-largest insurer based on life insurance assets held, and is Australia's largest manager in retail superannuation, allocated pensions and annuities by funds under management.

Life insurance operations are also conducted in New Zealand, where the Group has the leading market share, and throughout Asia and the Pacific.

CONSOLIDATED PROFIT

Consolidated operating profit after tax and outside equity interests for the financial year ended 30 June 2001 was \$2,398 million (2000: \$2,700 million, including a net abnormal gain of \$987 million).

The net operating profit for the year ended 30 June 2001 after tax, and before goodwill amortisation and appraisal value uplift was \$2,262 million. This is an increase of \$670 million or 42% over the year ended 30 June 2000. Apart from the full year profit contribution from the Colonial acquired entities, the principal contributing factors to this increase were a growth in net interest income reflecting continued lending asset growth and stable margins, together with growth in commissions, funds management income and trading income, partly offset by increases in expenses.

DIVIDENDS

The Directors have declared a fully franked (at 30%) final dividend of 75 cents per share amounting to \$933 million. The dividend will be payable on 8 October 2001. Dividends paid since the end of the previous financial year:

- ◆ as provided for in last year's report, a fully franked final dividend of 72 cents per share amounting to \$908 million was paid on 9 October 2000. The payment comprised cash disbursements of \$739 million with \$169 million being reinvested by participants through the Dividend Reinvestment Plan; and

DIRECTORS' REPORT

- ◆ in respect of the current year, a fully franked interim dividend of 61 cents per share amounting to \$773 million was paid on 30 March 2001. The payment comprised cash disbursements of \$629 million with \$144 million being reinvested by participants through the Dividend Reinvestment Plan.

REVIEW OF OPERATIONS

An analysis of operations for the financial year is set out in the Review of Operations.

CHANGES IN STATE OF AFFAIRS

The Commonwealth Bank of Australia has become the successor in law to the State Bank of New South Wales (known as Colonial State Bank) effective 4 June 2000, pursuant to legislation. On that date, State Bank of New South Wales ceased to have a separate legal existence and all its assets and liabilities became the assets and liabilities of the Commonwealth Bank of Australia.

The Bank's shareholders' equity was reduced by \$700 million on 1 April 2001 pursuant to the buy back of 25.1 million shares.

There were no other significant changes in the state of affairs of the Group during the financial year.

EVENTS SUBSEQUENT TO BALANCE DATE

The Directors are not aware of any other matter or circumstance that has occurred since the end of the financial year that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

FUTURE DEVELOPMENTS AND RESULTS

Major developments which may affect the operations of the Group in subsequent financial years are referred to in the Review of Operations. In the opinion of the Directors, disclosure of any further information on likely developments in operations would be unreasonably prejudicial to the interests of the Group.

ENVIRONMENTAL REGULATION

The Bank and its controlled entities are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory, but can incur environmental liabilities as a lender. The Bank has developed credit policies to ensure this is managed appropriately.

DIRECTORS' SHAREHOLDINGS

Particulars of shares in the Commonwealth Bank or in a related body corporate are set out in a separate section at the end of the financial report titled "Shareholding Information" which is to be regarded as contained in this report.

OPTIONS

An Executive Option Plan was approved by shareholders at the Annual General Meeting on 8 October 1996 and its continuation was further approved by shareholders at the Annual General Meeting on 29 October 1998. On 13 October 2000, the Bank granted options over 2,002,500 unissued ordinary shares to 50 executives under the Executive Option Plan. At the 2000 Annual General Meeting, shareholders approved the establishment of the Equity Reward Plan and on 7 February 2001, 577,500 options were granted to 23 executives under this Plan. During the financial year 2,435,000 shares were allotted consequent to an exercise of options granted under the Executive Option Plan. Full details of the Plan are disclosed in Note 7 to the financial statements.

The names of persons who currently hold options in the Plan are entered in the register of options kept by the Bank pursuant to Section 170 of the Corporations Act 2001. The register may be inspected free of charge.

For details of the options granted to a director, refer to the separate section at the end of the financial report titled "Shareholding Information" which is to be regarded as contained in this report.

DIRECTORS' INTERESTS IN CONTRACTS

A number of Directors have given written notices, stating that they hold office in specified companies and accordingly are to be regarded as having an interest in any contract or proposed contract that may be made between the Bank and any of those companies.

DIRECTORS' AND OFFICERS' INDEMNITY

Article 19 of the Commonwealth Bank's Constitution provides: "To the extent permitted by law, the company indemnifies every director, officer and employee of the company against any liability incurred by that person (a) in his or her capacity as a director, officer or employee of the company and (b) to a person other than the company or a related body corporate of the company. The company indemnifies every director, officer and employee of the company against any liability for costs and expenses incurred by the person in his or her capacity as a director, officer or employee of the company (a) in defending any proceedings, whether civil or criminal, in which judgment is given in favour of the person or in which the person is acquitted or (b) in connection with an application, in relation to such proceedings, in which the Court grants relief to the person under the Corporations Act 2001, provided that the director, officer or employee has obtained the company's prior written approval (which shall not be unreasonably withheld) to incur the costs and expenses in relation to the proceedings".

An indemnity for employees, who are not directors, secretaries or executive officers, is not expressly restricted in any way by the Corporations Act 2001.

The Directors, as named on pages 24 to 27 of this report, and the Secretaries of the Commonwealth Bank, being J D Hatton (Secretary) and K G Bourke (Assistant Company Secretary) are indemnified under Article 19 as are all the executive officers and employees of the Commonwealth Bank.

Deeds of Indemnity have been executed by Commonwealth Bank in terms of Article 19 above in favour of each director.

DIRECTORS' AND OFFICERS' INSURANCE

The Commonwealth Bank has, during the financial year, paid an insurance premium in respect of an insurance policy for the benefit of those named and referred to above and the directors, secretaries, executive officers and employees of any related bodies corporate as defined in the insurance policy. The insurance grants indemnity against liabilities permitted to be indemnified by the company under Section 199B of the Corporations Act 2001.

In accordance with commercial practice, the insurance policy prohibits disclosure of the terms of the policy including the nature of the liability insured against and the amount of the premium.

DIRECTORS' AND OTHER OFFICERS' EMOLUMENTS

Details of the Bank's remuneration policy in respect of the Directors and executives is set out under "Remuneration Arrangements" within the "Corporate Governance" section of this report.

Details on emoluments paid to each director are detailed in Note 6 of the Financial Report. Details on emoluments paid to the executive director and the other five highest paid executive officers of the Bank and the Group are disclosed in Note 7 of the Financial Report.

INCORPORATION OF ADDITIONAL MATERIAL

This report incorporates the Review of Operations, Corporate Governance and Shareholding Information sections of this Annual Report.

ROUNDINGS

The amounts contained in this report and the financial statements have been rounded to the nearest million dollars unless otherwise stated, under the option available to the Company under ASIC Class Order 98/100.

Signed in accordance with a resolution of the Directors.



J T RALPH AC
Chairman



D V MURRAY
Managing Director

22 August 2001

FIVE YEAR FINANCIAL SUMMARY

	Actual	Proforma ⁽¹⁾		Statutory		
	2001 \$M	2000 \$M	2000 \$M	1999 \$M	1998 \$M	1997 \$M
Profit and Loss						
Net interest income	4,474	4,156	3,719	3,527	3,397	3,392
Other operating income	4,350	4,276	2,420	1,997	1,833	1,489
Total operating income	8,824	8,432	6,139	5,524	5,230	4,881
Charge for bad and doubtful debts	385	310	196	247	233	98
Total operating expenses	5,170	4,822	3,407	3,070	3,039	2,924
Operating profit before goodwill amortisation, appraisal value uplift, abnormal items and income tax expense	3,269	3,300	2,536	2,207	1,958	1,859
Income tax expense	(993)	(1,183)	(820)	(714)	(641)	(588)
Outside equity interests	(14)	(49)	(38)	(24)	(20)	(22)
Cash Profit	2,262	2,068	1,678	1,469	1,297	1,249
Abnormal items	-	Note ⁽²⁾	967	-	(570)	(200)
Income tax credit on abnormal items	-	"	20	-	409	72
Appraisal value uplift	474	"	92	-	-	-
Goodwill amortisation	(338)	"	(57)	(47)	(46)	(43)
Operating profit after income tax attributable to members of the Bank	2,398	"	2,700	1,422	1,090	1,078
Contributions to profit (after tax)						
Banking	1,793	1,594	1,513	1,342	1,210	1,174
Life insurance	320	363	129	103	76	75 ⁽³⁾
Funds management	149	111	36	24	11	
Profit on operations (cash basis)	2,262	2,068	1,678	1,469	1,297	1,249
Goodwill amortisation	(338)	Note ⁽²⁾	(57)	(47)	(46)	(43)
Appraisal value uplift	474	"	92	-	-	-
Abnormal income (expense) after tax	-	"	987	-	(161)	(128)
Operating profit after income tax	2,398	"	2,700	1,422	1,090	1,078
Balance sheet						
Loans, advances and other receivables	136,059	132,263	132,263	101,837	89,816	81,632
Total assets	230,411	218,259	218,259	138,096	130,544	120,103
Deposits and other public borrowings	117,355	112,594	112,594	93,428	83,886	77,880
Total liabilities	210,563	199,824	199,824	131,134	123,655	113,079
Shareholders' equity	18,393	17,472	17,472	6,735	6,712	6,846
Net tangible assets	12,677	11,942	11,942	6,471	6,358	6,450
Risk weighted assets	138,383	128,484	128,484	99,556	94,431	86,468
Average interest earning assets	160,607	149,106	129,163	114,271	102,165	96,163
Average interest bearing liabilities	145,978	135,801	117,075	103,130	91,650	85,296
Assets (on balance sheet)						
Australia	196,918	187,452	187,452	115,510	110,120	101,202
New Zealand	20,208	16,661	16,661	13,046	10,846	9,994
Other	13,286	14,146	14,146	9,540	9,578	8,907
Total Assets	230,411	218,259	218,259	138,096	130,544	120,103

⁽¹⁾ Represents the combined unaudited result of the Commonwealth Bank Group and Colonial Group on a normalised basis for the full year ended 30 June 2000.

⁽²⁾ Pro forma results have only been prepared on a "cash basis".

⁽³⁾ Figures combined for 1997.

FIVE YEAR FINANCIAL SUMMARY CONTINUED

	2001	2000	1999	1998	1997
Shareholder Summary					
Dividends per share (cents) - fully franked	136	130	115	104	102
Dividends provided for, reserved or paid (\$million)	1,720	1,431	1,063	955	941
Dividend cover (times - before abnormal items)	1.4	1.2	1.3	1.3	1.3
Dividend cover (times - cash)	1.3	1.6	1.3	1.1	1.1
Earnings per share (cents)					
before abnormal items	190.1	184.8	153.4	134.5	131.2
after abnormal items	190.1	291.3	153.4	117.2	117.2
Cash basis ⁽⁴⁾	179.4	181.0	158.5	139.4	136.2
Dividend payout ratio (%) ⁽¹⁾					
before abnormal items	71.2	83.5	74.7	76.3	78.0
after abnormal items	71.2	53.0	74.7	87.6	87.3
Cash basis ⁽⁴⁾	75.5	85.3	72.4	73.7	75.3
Net tangible assets per share (\$)	10.2	9.2	6.8	6.7	6.7
Weighted average number of shares (basic)	1,260M	927M	927M	930M	917M
Number of shareholders	709,647	788,791	404,728	419,926	426,229
Share prices for the year (\$)					
Trading high	34.15	27.95	28.76	19.66	16.00
Trading low	26.18	22.54	18.00	13.70	9.93
End (closing price)	34.15	27.69	24.05	18.84	16.00
Performance Ratios (%)					
Return on average shareholders' equity ⁽²⁾					
before abnormal items	13.5	22.1	20.5	18.5	18.2
after abnormal items	13.5	34.8	20.5	16.1	16.4
Return on average total assets ⁽²⁾					
before abnormal items	1.1	1.1	1.1	1.0	1.1
after abnormal items	1.1	1.7	1.1	0.9	0.9
Capital adequacy - Tier 1	6.51	7.49	7.05	8.07	8.64
Capital adequacy - Tier 2	4.18	4.75	3.12	2.82	2.82
Deductions	(1.53)	(2.49)	(0.79)	(0.40)	(0.57)
Capital adequacy - Total	9.16	9.75	9.38	10.49	10.89
Net interest margin	2.78	2.88	3.09	3.33	3.53
Other Information (numbers)					
Full time staff	31,976	34,154	26,394	28,034	30,566
Part time staff	7,161	7,383	6,655	6,968	7,364
Full time staff equivalent	34,960	37,131	28,964	30,743	33,543
Branches/service centres (Australia)	1,066	1,441	1,162	1,218	1,334
Agencies (Australia)	3,928	4,020	3,934	4,015	4,205
ATMs	3,910	4,141	2,602	2,501	2,301
EFTPOS terminals	122,074	116,064	90,152	83,038	63,370
EzyBanking Sites	659	603	n/a	n/a	n/a
Productivity					
Total Operating Income per full-time (equivalent) employee (\$)	252,400	211,842	190,720	170,120	145,515
Staff Expense/Total Operating Income (%)	26.7	27.8	29.0	31.0	34.0
Total Operating Expenses ⁽³⁾ /Total Operating Income	58.6	57.2	55.6	58.1	59.9

⁽¹⁾ Dividends paid divided by earnings. June 2000 have been restated to a comparable basis. Previously this ratio was calculated as dividend per share divided by earnings per share. Excludes dividends on preference shares of \$9 million.

⁽²⁾ Calculations based on operating profit after tax and outside equity interests applied to average shareholders' equity/average total assets.

⁽³⁾ Total Operating Expenses excluding goodwill amortisation. Note the different business mix following the Colonial acquisition impacts comparisons with prior years.

⁽⁴⁾ "Cash earnings" for the purpose of these financial statements is defined as net profit after tax and before abnormal items adjusted for goodwill amortisation and life insurance and funds management appraisal value uplift.

CONCISE FINANCIAL STATEMENTS

COMMENTS ON THE STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2001 (Comparisons in the following discussion are with the unaudited year ended 30 June 2000 Proforma⁽¹⁾)

The net operating profit ('cash basis') for the year ended 30 June 2001 after tax, and before goodwill amortisation and appraisal value uplift is \$2,262 million. This is an increase of \$194 million or 9% over the comparable figure for the year ended 30 June 2000.

For the year ended 30 June 2001, the Commonwealth Bank Group recorded a net operating profit after income tax of \$2,398 million.

The Group result comprised:

SEGMENT PROFIT AFTER TAX	\$M	
Banking	1,793	up 12%
Funds Management	149	up 34%
Life Insurance	320	down 12%
Net operating profit after tax and before goodwill amortisation and appraisal value uplift	2,262	up 9%

Banking

The contribution to profit after tax from the Group's banking businesses increased to \$1,793 million, 12% over the prior year, reflecting:

- ◆ Net interest income growth of \$318 million or 8%, which was achieved through an 8% growth in average interest earning assets compared with the prior year and a stable net interest margin of 2.78%.
- ◆ Other banking income growth of \$203 million or 9%, notwithstanding a reduction in lending fees as a result of discounted and nil home loan establishment fee offers.
- ◆ Tax benefits totalling \$84 million with \$30 million relating to the effect of the reduction in the corporate tax rate on current year income tax and deferred tax balances, and the increased recoupment of prior year, unrecognised tax losses of \$54 million.

Funds Management

The contribution to profit after tax from the Group's funds management businesses increased to \$149 million, 34% over the

prior year. Funds under management (FUM - excluding life insurance FUM) have grown by 18% to \$77 billion, contributing to a 29% increase in funds management income, partly offset by increased volume related expenses such as sales and processing costs. The funds management business also manages internal funds of \$24 billion on behalf of the life insurance businesses of the Group.

Life Insurance

The contribution from life insurance to profit after tax was down \$43 million to \$320 million, 12% less than the prior year. This result reflects lower investment earnings on shareholders funds which have reduced the after tax profit from life insurance by \$17 million, together with the effect of poor persistency and claims experience in Asia and New Zealand.

Group Expenses

Operating expenses across the Group increased 7% or \$348 million to \$5,170 million. The increase includes the effect of GST of \$111 million and expenses from acquired and developing businesses of \$90 million. The merger of the Colonial and Commonwealth Bank Group businesses realised approximately \$120 million of expense savings in the current year. Excluding these items, expenses increased by 5.5%, reflecting a 4% wage increase as a result of a domestic enterprise bargaining arrangement and increased sales volume related expenses in both the domestic and international business.

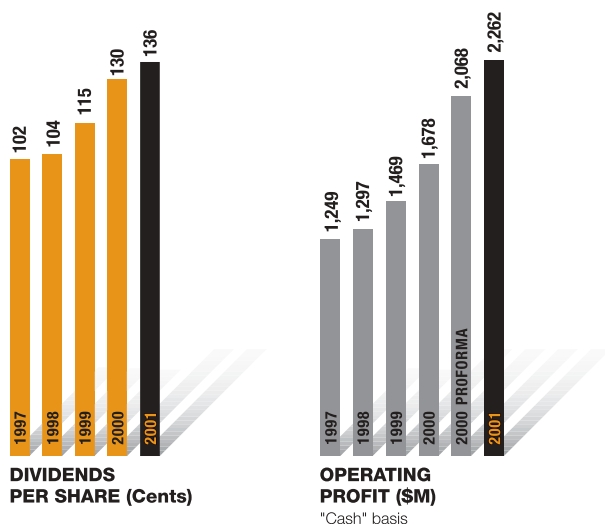
Bad debt expense increased by \$75 million to \$385 million due to the stage of the credit cycle. Provision coverage ratios have remained strong.

Income Tax

Income tax expense has reduced by \$190 million to \$993 million, 16% less than the prior year. Of this reduction, \$93 million relates to tax on behalf of life insurance policyholders. The balance of \$97 million primarily results from the 2 percentage points reduction in the corporate tax rate to 34% and utilisation of previously unrecognised tax losses.

Appraisal Value Uplift ⁽²⁾

For the year ended 30 June 2001, appraisal values of the life insurance and funds management businesses increased by \$1,267 million. Of the increase, \$423 million comprised the net profit of the businesses, \$806 million represented the appraisal value uplift and the balance of \$38 million represented the net capital movements. The appraisal value uplift comprises two elements. Firstly, \$332 million arising from realised Colonial integration synergy benefits relating to the life insurance and funds management businesses which have been offset directly against goodwill; and secondly, \$474 million of operating appraisal value uplift reflected in profit.



⁽¹⁾The results of the Group for the current year incorporate the full year contribution from the acquired Colonial business for the first time. The Group result last year included only 17 days of contribution from Colonial being the period of time from the date of acquisition to the 30 June 2000 balance date. To assist in a comparison of results year on year the above discussion compares the current year result to a normalised or pro-forma result for 30 June 2000 where relevant. Pro forma information represents comparative results with a full year contribution from the Colonial Group. The pro forma information is unaudited.

⁽²⁾ Australian Accounting Standard AASB 1038 Life Insurance Business requires that all investments owned by a life company be recorded at market value. The "appraisal value uplift" is the periodic movement in the Balance Sheet asset "excess of market value over net assets".

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2001

	GROUP	
	2001	2000
	\$M	\$M
Interest income	11,900	8,842
Interest expense	7,426	5,123
Net interest income	4,474	3,719
Other income:		
Proceeds from sale of assets	185	61
Written down value of assets sold	(104)	(36)
Other	2,300	1,926
Net banking operating income	6,855	5,670
Premiums and related revenue	958	337
Investment revenue	1,698	1,066
Claims and policyholder liability expense	(1,388)	(1,077)
Life insurance margin on services operating income	1,268	326
Funds management fee income	701	143
Net life insurance and funds management operating income before appraisal value uplift	1,969	469
Total net operating income before appraisal value uplift	8,824	6,139
Charge for bad and doubtful debts	385	196
Operating expenses:		
Staff expenses	2,360	1,705
Occupancy and equipment expenses	604	437
Information technology services	748	571
Other expenses	1,458	694
	5,170	3,407
Profit from ordinary activities before appraisal value uplift, restructuring charge, goodwill amortisation and income tax	3,269	2,536
Appraisal value uplift	474	1,165 ⁽¹⁾
Restructuring charge	-	(106) ⁽¹⁾
Goodwill amortisation	(338)	(57)
Profit from ordinary activities before income tax	3,405	3,538
Income tax expense	993	800 ⁽¹⁾
Net profit	2,412	2,738
Outside equity interests in net profit	(14)	(38)
Net profit attributable to members of the Bank	2,398	2,700
Foreign currency translation adjustment	98	(26)
Revaluation of properties	5	-
Total valuation adjustments	103	(26)
Total changes in equity other than those resulting from transactions with owners as owners	2,501	2,674
	Cents per share	
Earnings per share based on net profit distributable to members of the Bank		
Basic and Fully Diluted	190	291
Dividends provided for, reserved or paid per share attributable to members of the Bank:	136	130

⁽¹⁾ For comparative purposes it should be noted that these amounts included \$987 million reported as a net abnormal gain at 30 June 2000, which is no longer disclosed as such due to the introduction of a new accounting standard AASB 1018: Statement of Financial Performance. Refer Note 1 for details.

For further information, refer full Annual Report – 2001 Financial Statements.

CONCISE FINANCIAL STATEMENTS

COMMENTS ON STATEMENT OF FINANCIAL POSITION

as at 30 June 2001 (all comparisons are with the year ended 30 June 2000)

Group Assets

The Group's assets increased by \$12.1 billion to \$230.4 billion (2000: \$218.3 billion) over the year.

Total lending assets increased \$5 billion from \$145 billion to \$150 billion at 30 June 2001.

The total provisions for impairment for the Group at 30 June 2001 were \$1,633 million down 9% from 30 June 2000. This level of provisioning is considered adequate to cover any bad debt write offs from the current lending portfolio.

The general provision as a percentage of Risk Weighted Assets now sits at 1.01% following a steady decline from 1.14% at 30 June 1998.

Capital Management

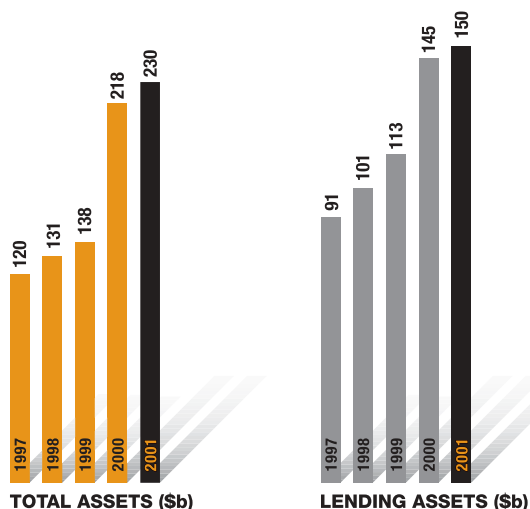
The Group has continued its active capital management programme. During the year:

- ◆ An on-market buy-back programme in November 2000 resulted in the purchase of 0.8 million ordinary shares for \$23.5 million;
- ◆ An off-market buy-back in March 2001 resulted in the purchase of 25.1 million ordinary shares for \$700 million;
- ◆ The issue of 3.5 million PERLS (Preferred Exchangeable Resetable Listed Shares) in March 2001 raised \$687 million net of issue costs; and
- ◆ The shares needed to satisfy the DRP in respect of the interim dividend paid in March 2001 were acquired on-market. This required the purchase of 4.5 million ordinary shares for \$143.6 million.

As at 30 June 2001, the total Capital Adequacy Ratio was 9.16% (well above the regulatory guideline of 8.00%).

Credit Ratings

The long term credit ratings of the Bank remain at AA-, Aa3 and AA from Standard & Poor's, Moody's and Fitch respectively.



STATEMENT OF FINANCIAL POSITION

as at 30 June 2001

	GROUP	
	2001 \$M	2000 \$M
Assets		
Cash and liquid assets	3,709	2,575
Receivables due from other financial institutions	4,622	5,154
Trading securities	6,909	7,347
Investment securities	9,705	9,149
Loans, advances and other receivables	136,059	132,263
Bank acceptances of customers	12,075	11,107
Life insurance investment assets	31,213	27,036
Deposits with regulatory authorities	61	46
Property, plant and equipment	919	1,073
Investment in associates	400	403
Intangible assets	10,852	10,227
Other assets	13,887	11,879
Total Assets	230,411	218,259
Liabilities		
Deposits and other public borrowings	117,355	112,594
Payables due to other financial institutions	6,903	4,633
Bank acceptances	12,075	11,107
Provision for dividend	779	708
Income tax liability	1,355	1,823
Other provisions	1,007	1,554
Life insurance policyholder liabilities	27,029	25,282
Debt issues	24,484	25,275
Bills payable and other liabilities	13,872	11,549
	204,859	194,525
Loan Capital	5,704	5,299
Total Liabilities	210,563	199,824
Net Assets	19,848	18,435
Shareholders' Equity		
Share Capital		
Ordinary Share Capital	12,455	12,521
Preference Share Capital	687	–
Reserves	4,091	3,265
Retained profits	1,160	1,686
Shareholders' equity attributable to members of the Bank	18,393	17,472
Outside equity interests:		
Controlled entities	(3)	375
Life insurance statutory funds	1,458	588
Total outside equity interests	1,455	963
Total Shareholders' Equity	19,848	18,435

The liabilities of the Commonwealth Bank of Australia and its controlled entity, Commonwealth Development Bank of Australia, as at 30 June 1996 were guaranteed by the Commonwealth of Australia under a statute of the Australian Parliament.

This guarantee is being progressively phased out following the Government sale of its shareholding on 19 July 1996:

- ◆ all demand and term deposits were guaranteed for a period of three years from 19 July 1996, with term deposits outstanding at the end of that three year period being guaranteed until maturity; and
- ◆ all other amounts payable under a contract that was entered into before or under an instrument executed, issued, endorsed or accepted by the Bank and outstanding at 19 July 1996, will be guaranteed until their maturity.

For further information, refer full Annual Report – 2001 Financial Statements.

STATEMENT OF CASH FLOWS

for the year ended 30 June 2001

	GROUP	
	2001	2000
	\$M	\$M
Cash Flows From Operating Activities		
Interest received	12,059	7,949
Dividends received	14	20
Interest paid	(7,704)	(4,538)
Other operating income received	2,800	2,210
Expenses paid	(5,583)	(3,215)
Income taxes paid	(1,252)	(976)
Net decrease (increase) in trading securities	(262)	(50)
Life insurance:		
Investment income	900	428
Premiums received	6,286	2,771
Policy payments	(5,423)	(2,112)
Net Cash provided by Operating Activities	1,835	2,487
Cash Flows from Investing Activities		
Payments for acquisition of entities	(414)	(46)
Net movement in investment securities:		
Purchases	(19,676)	(16,852)
Proceeds from sale	28	17
Proceeds at or close to maturity	19,654	15,212
Withdrawal (lodgement) of deposits with regulatory authorities	15	950
Net increase in loans, advances and other receivables	(4,181)	(8,791)
Proceeds from sale of property, plant and equipment	157	44
Purchase of property, plant and equipment	(132)	(94)
Net decrease (increase) in receivables due from other financial institutions not at call	(184)	(3,697)
Net decrease (increase) in securities purchased under agreements to resell	(891)	(433)
Net decrease (increase) in other assets	1,504	(2,424)
Life insurance:		
Purchases of investment securities	(21,229)	(11,356)
Proceeds from sale/maturity of investment securities	20,556	10,863
Net Cash used in Investing Activities	(4,793)	(16,607)
Cash Flows from Financing Activities		
Buy back of shares	(724)	(553)
Proceeds from issue of shares (net of costs)	723	4
Net increase (decrease) in deposits and other borrowings	5,246	6,043
Net movement in debt issues	(2,099)	5,834
Dividends paid	(1,368)	(882)
Net movements in other liabilities	(1,010)	461
Net increase (decrease) in payables due to other financial institutions not at call	1,396	2,470
Net increase (decrease) in securities sold under agreements to repurchase	(485)	327
Issue of loan capital	-	2,053
Other	(69)	306
Net Cash provided by Financing Activities	1,610	16,063
Net Increase (Decrease) in Cash and Cash Equivalents	(1,348)	1,943
Cash and Cash Equivalents at beginning of period	1,386	(557)
Cash and Cash Equivalents at end of period	38	1,386

For further information, refer full Annual Report – 2001 Financial Statements.

The cash flow statement highlights the net growth from Investing Activities of \$4.8 billion including Lending Assets of \$4.2 billion, financed by Deposits growth of \$5.2 billion.

Operating activities provided \$1.8 billion in cash for the year.

It should be noted that the Bank does not use this accounting Statement of Cash Flows in the internal management of its liquidity positions.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2001

NOTE 1 ACCOUNTING POLICIES

The concise financial report has been derived from the financial report of the Commonwealth Bank of Australia (the 'Bank') and its controlled entities, the Group, for the year ended 30 June 2001 provided in the full Annual Report - 2001 Financial Report. The statutory financial report complies with the requirements of the Banking Act, Corporations Act 2001, applicable Accounting Standards, including AASB 1039: Concise Financial Reports, and other mandatory reporting requirements so far as they are considered appropriate to a banking corporation.

The concise financial report cannot be expected to provide as full an understanding of the financial performance and financial position of the Group as the full financial report.

The full financial report of the Commonwealth Bank of Australia and its controlled entities for the year ended 30 June 2001 and the Auditors Report thereon will be sent, free of charge, to members upon request.

The accounting policies applied are consistent with those of the previous year with one minor exception with respect to the content of outside equity interests. This change had no impact on operating profit.

A full description of the accounting policies adopted by the Group is provided in the full Annual Report - 2001 Financial Statements.

Abnormal Items (2000)

With the introduction of new accounting standard AASB 1018: Statement of Financial Performance, abnormal items are no longer included in this statement. For comparative purposes the details of the Group abnormal items disclosed at 30 June 2000 are set out below:

	\$M
Restructuring costs	(106)
Net market valuation of funds management businesses	537
Change of valuation bases of Commonwealth Life insurance businesses	536
Total Abnormal Gains Before Tax	967
Abnormal tax credit items:	
Restructuring costs	20
Total Abnormal Gains After Tax	987

NOTE 2 ACQUISITION OF COLONIAL

On 13 June 2000, pursuant to a Scheme of Arrangement, the Group acquired a 100% interest in Colonial Limited, a life insurance, funds management and banking group. Under the scheme, Colonial ordinary shareholders accepted 7 new Commonwealth Bank shares for every 20 Colonial ordinary shares held. As a result, 351,409,450 new Commonwealth Bank shares were issued and allotted to Colonial shareholders and option holders, and \$800 million paid to Colonial income security holders.

The assets acquired and the liabilities assumed were initially measured at their fair values at 13 June 2000, including adjustments to bring accounting policies onto a consistent basis. Provisions for restructuring covering the planned integration of the Colonial operations into the existing Group and rationalisation of existing processing and administrative functions were booked as a pre-acquisition cost in Colonial or as a charge in Commonwealth Bank, as applicable.

	2000 \$M
CONSIDERATION	
351,409,450 new Commonwealth Bank shares @ \$26.39	9,274
Income securities payout	800
Transaction costs	46
Preacquisition dividend received	(1,000)
Cost of Acquisition	9,120
FAIR VALUE OF NET TANGIBLE ASSETS ACQUIRED	
As at 30 June 2000	1,303
Revisions to fair value adjustments and restructuring costs provisioned	(238)
Revised as at 30 June 2001	1,065
Outside equity interests in net assets acquired	(155)
Excess of net market value over net assets of life insurance controlled entities	2,548
Goodwill on acquisition	5,662
	9,120

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2001

NOTE 2 ACQUISITION OF COLONIAL (CONTINUED)

The principal costs associated with this restructuring are staff redundancy payments, property and rental break costs, systems costs and supply contract renegotiation costs. The fair value adjustments principally relate to write-off of capitalised systems costs and additional general provisioning to bring Colonial onto a consistent loan loss provisioning methodology.

In the twelve months subsequent to acquisition further information has been obtained in respect of the initial estimated costs of restructuring and fair value adjustments which has resulted in the following revisions. The revisions to costs associated with the restructuring principally relate to additional staff redundancy payments and information technology contract termination and data centre relocation costs driven by more extensive consolidation of IT services to EDSA. The revisions to fair value adjustments principally relate to asset write downs, additional general provisioning and tax adjustments.

These revisions to the provision for restructuring and fair value adjustments result in an increase to goodwill on acquisition of \$238 million.

	2001 \$M	Revision \$M	2000 \$M
THE FAIR VALUE ADJUSTMENTS COMPRISED:			
- Write off of capitalised costs	299	24	275
- Doubtful debt provisioning			
- general	170	50	120
- specific	29	-	29
- Investments write down	43	43	-
- Legal provisions	15	15	-
- Asset write off	26	26	-
- Other	55	4	51
	637	162	475
Income tax benefit - fair value adjustments	(159)	(11)	(148)
	478	151	327

RESTRUCTURING COSTS PROVIDED COMPRISED:

- Staff	119	33	86
- Occupancy and equipment	93	3	90
- Information technology services	123	70	53
- Other	104	39	65
	439	145	294
Income tax benefit - restructuring costs	(108)	(58)	(50)
	331	87	244
Fair value adjustments and restructuring costs after tax	809	238	571

Excess of net market value over net tangible assets of life insurance controlled entities

An internal group restructuring of Colonial's life and funds management businesses was completed in June 2000, whereby all these businesses, except for some Asian businesses, were transferred to The Colonial Mutual Life Assurance Society Limited (CMLA), a life insurance controlled entity. These life and funds management businesses are valued at market value by CMLA. Consistent with the principles of market value accounting, as specified by AASB 1038: Life Insurance Business, the above resulting excess of net market value over net tangible assets of life insurance controlled entities is not amortised.

Goodwill

The goodwill emerging on the acquisition amounts to \$5,662 million and is amortised over a period of 20 years, representing the assessed life of the ongoing business. Cost and revenue synergies, planned on acquisition of Colonial, are being achieved from the integration of the Commonwealth and Colonial life insurance businesses.

Changes in the excess of net market value over net assets of life insurance controlled entities that are directly attributable to these cost and revenue synergies have been recorded as a realisation of goodwill.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2001

NOTE 3 DIVIDENDS PROVIDED FOR, RESERVED OR PAID

	GROUP	
	2001	2000
	\$M	\$M
Ordinary Shares		
Interim ordinary dividend (fully franked) of 61 cents per share (2000: 58 cents)		
Provision for interim ordinary dividend - cash component only	642	405
Declared final ordinary dividend (fully franked) of 75 cents per share (2000: 72 cents)		
Provision for final ordinary dividend - cash component only	765	708
Other provision	5	-
Preference Shares		
Provision for preference dividend	9	-
Dividends provided for payments in cash or paid	1,421	1,113
Appropriations to Dividend Reinvestment Plan Reserve		
Interim ordinary dividend	131	118
Final ordinary dividend	168	200
Dividends appropriated to Dividend Reinvestment Plan Reserve	299	318
Total Dividends Provided for, Reserved or Paid	1,720	1,431

The Group policy is to pay a consistently high proportion of dividends to cash earnings (excluding goodwill amortisation and appraisal value uplift). The dividend is determined having regard to a number of factors including rate of business growth, capital adequacy, investment requirements, cyclical nature of returns on the insurance business and a range of other factors.

The interim dividend was paid on 30 March 2001. The final dividend will be payable on 8 October 2001.

Dividend Franking Account

After fully franking the final dividend to be paid for the year ended 30 June 2001 the amount of franking credits available as at 30 June 2001 to frank dividends for subsequent financial years is nil (30 June 2000: \$450 million). The 30 June 2000 franking account balance was fully utilised by the March 2001 share buy-back which was in part paid out of retained earnings.

This figure is based on the combined franking accounts of the Group at 30 June 2001 and has been adjusted for franking credits that will arise from the payment of income tax payable on profits of the year ended 30 June 2001, franking debits that will arise from the payment of dividends proposed as at 30 June 2001 and franking credits that the Group may be prevented from distributing. The Bank expects that future tax payments will generate sufficient franking credits for the Bank to be able to continue to fully frank future dividend payments. Dividend payments on or after 1 July 2001 will be franked at the 30% tax rate.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2001

NOTE 4 FINANCIAL REPORTING BY SEGMENTS

Primary Segment Business Segments Profit and Loss	Year Ended 30 June 2001			
	Banking \$M	Life Insurance \$M	Funds Management \$M	Group Total \$M
Interest income	11,900	–	–	11,900
Premium and related revenue	–	958	–	958
Other income	2,485	1,698	701	4,884
Appraisal value uplift				474
Total Revenue	14,385	2,656	701	18,216
Interest Expense	7,426	–	–	7,426
Profit before tax, appraisal value uplift and goodwill amortisation	2,512	514	243	3,269
Income tax expense	(705)	(194)	(94)	(993)
Profit after tax and before goodwill amortisation and appraisal value uplift	1,807	320	149	2,276
Outside equity interest	(14)	–	–	(14)
Profit after tax and outside equity interest before goodwill amortisation and appraisal value uplift	1,793	320	149	2,262
Goodwill amortisation				(338)
Appraisal value uplift				474
Profit after tax	1,793	320	149	2,398
Non Cash Expenses				
Goodwill amortisation				(338)
Charge for bad and doubtful debts	(385)	–	–	(385)
Depreciation	(108)	(37)	(5)	(150)
Other	(28)	(5)	(4)	(37)
Balance Sheet				
Total Balance Sheet Assets	191,333	37,278	1,800	230,411
Acquisition of Property, Plant & Equipment and Intangibles	129	–	3	391 ⁽¹⁾
Associated Investments	249	128	23	400
Total Balance Sheet Liabilities	179,733	30,329	501	210,563

Primary Segment Business Segments Profit and Loss	Year Ended 30 June 2000			
	Banking \$M	Life Insurance \$M	Funds Management \$M	Group Total \$M
Interest income	8,842	–	–	8,842
Premium and related revenue	–	337	–	337
Other income	1,987	1,066	143	3,196
Appraisal value uplift				1,165
Total Revenue	10,829	1,403	143	13,540
Interest Expense	5,123	–	–	5,123

⁽¹⁾ Includes intangible assets of \$259 million on acquisition of 25% interest in ASB Group.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2001

NOTE 4 FINANCIAL REPORTING BY SEGMENTS (CONTINUED)

Primary Segment Business Segments Profit and Loss	Year Ended 30 June 2000			
	Banking \$M	Life Insurance \$M	Funds Management \$M	Group Total \$M
Profit before tax, appraisal value uplift and goodwill amortisation	2,310	176	50	2,536
Income tax expense	(739)	(47)	(14)	(800)
Profit after income tax and before goodwill amortisation and appraisal value uplift	1,571	129	36	1,736
Outside equity interest	(38)	–	–	(38)
Profit after tax and outside equity interest before goodwill amortisation and appraisal value uplift	1,533	129	36	1,698
Goodwill amortisation				(57)
Restructuring provision				(106)
Appraisal value uplift				1,165 ⁽¹⁾
Profit after tax	1,533	129	36	2,700
Non Cash Expenses				
Goodwill amortisation				(57)
Charge for bad and doubtful debts	(196)	–	–	(196)
Depreciation	(115)	(2)	–	(117)
Restructuring provision				(106)
Other	(41)	(2)	(1)	(44)
Balance Sheet				
Total Balance Sheet Assets	185,108	32,642	509	218,259
Acquisition of Property, Plant & Equipment and Intangibles	94	–	–	8,137 ⁽²⁾
Associate Investments	263	108	32	403
Total Balance Sheet Liabilities	171,488	28,140	195	199,824
Secondary Segment Geographical Segments				
	\$M	2001 %	\$M	2000 %
Revenue				
Australia	15,150	83.2	11,614	85.8
New Zealand	1,499	8.2	1,171	8.6
Other Countries*	1,567	8.6	755	5.6
	18,216	100.0	13,540	100.0
Operating profit after tax and outside equity interests				
Australia	2,228	92.9	2,536	93.9
New Zealand	159	6.6	105	3.9
Other Countries*	11	0.5	59	2.2
	2,398	100.0	2,700	100.0
Assets				
Australia	196,918	85.5	187,452	85.9
New Zealand	20,208	8.8	16,661	7.6
Other Countries*	13,286	5.8	14,146	6.5
	230,411	100.0	218,259	100.0
Acquisition of Property, Plant & Equipment and Intangibles				
Australia	360	92.1	7,906 ⁽²⁾	97.2
New Zealand	29	7.4	231 ⁽²⁾	2.8
Other Countries*	2	0.5	–	–
	391	100.0	8,137	100.0

* Other Countries are: United Kingdom, United States of America, Japan, Singapore, Hong Kong, Grand Cayman, the Philippines, Fiji, Thailand, Indonesia, Malaysia, China and Vietnam.

The geographical segments represent the location in which the transaction was booked.

⁽¹⁾ \$1,073 million of this amount was reported as abnormal income in this year.

⁽²⁾ Includes intangible assets of \$8,043 million on acquisition of Colonial Group.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2001

	GROUP	
	2001 Cents	2000 Cents
NOTE 5 EARNINGS PER SHARE		
Earnings Per Ordinary Share		
- Basic and fully diluted	190	291
	\$M	\$M
Reconciliation of earnings used in the calculation of earnings per share		
Operating profit after income tax	2,412	2,738
Less: Preference share dividend	(9)	-
Less: Outside equity interests	(14)	(38)
Earnings used in calculation of earnings per share	<u>2,389</u>	<u>2,700</u>
	Number of Shares	
	M	M
Weighted average number of ordinary shares used in the calculation of earnings per share	<u>1,260</u>	927
Cash Basis Earnings Per Ordinary Share (basic and fully diluted)	Cents	Cents
- Before abnormal items ⁽¹⁾	179	181

⁽¹⁾ Abnormal income of net \$987 million after tax was recorded in the year ended 30 June 2000

NOTE 6 REMUNERATION OF DIRECTORS

Total amount received or due and receivable by non-executive Directors of the Company for the year ended 30 June 2001 was:

	Base Fee/ Pay \$	Committee Fee \$	Salary Sacrifice ⁽²⁾ \$	Superannuation ⁽¹⁾ \$	Total Remuneration \$
Non-Executive Directors					
Mr J T Ralph, AC	204,099	34,016	41,885	19,049	299,049
Dr J M Schubert	83,901	34,904	21,510	9,504	149,819
Mr N R Adler, AO	68,033	12,756	14,211	6,463	101,463
Mr R J Clairs, AO	68,033	17,008	14,959	7,401	107,401
Mr A B Daniels, OAM	68,033	12,756	14,211	7,031	102,031
Mr F D Ryan	68,033	17,008	14,959	7,401	107,401
Mr F J Swan	68,033	21,260	15,707	7,771	112,771
Ms B K Ward	68,033	17,008	14,959	6,803	106,803
Mr W G Kent, AO	68,033	9,918	14,447	7,369	99,767
Mr C R Galbraith	68,033	9,918	14,447	7,128	99,526
Ms A C Booth ⁽³⁾	39,671	12,603	-	4,234	56,508
Mr K E Cowley ⁽⁴⁾	52,077	9,764	9,474	5,326	76,641

Executive Director
Mr D V Murray (refer Note 7)

⁽¹⁾ The Bank is currently not contributing to the Officers' Superannuation Fund. A notional cost of superannuation has been determined on an individual basis for certain of the Directors. Other Directors have superannuation contributions made to other funds.

⁽²⁾ Under the Non-Executive Directors Share Plan detailed in the Explanatory Memorandum to the Notice of Meeting for the 2000 Annual General Meeting, Non-Executive Directors are required to receive 20% of their remuneration in shares. This was implemented from the second quarter of the year. Refer Note 6.

⁽³⁾ Ms Booth retired 31 December 2000.

⁽⁴⁾ Mr Cowley retired 29 March 2001.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2001

NOTE 6 REMUNERATION OF DIRECTORS (CONTINUED)

Non-Executive Directors Share Plan (NEDSP)

The NEDSP provides for the acquisition of shares by Non-Executive Directors through the mandatory sacrifice of 20% of their annual fees (paid on a quarterly basis). Shares purchased are restricted for sale for 10 years or when the Director leaves the Board, whichever is earlier. Shares are purchased on-market at the current market price and details of shares purchased under this Plan so far are:

Quarter Ending	Total Fees Sacrificed	Participants	Shares Purchased	Average Purchase Price
31/12/2000	\$63,517	11	1,989	\$31.93
31/03/2001	\$65,917	11	2,359	\$27.94
30/06/2001	\$61,331	10	1,820	\$33.45

Retirement Benefit

The aggregate amount of retirement benefits given by the Bank during the year ended 30 June 2001 was \$386,397 (2000: \$667,073) being: a payment of \$296,065 made to Ms A C Booth and; a payment of \$90,332 made to Mr K E Cowley in accordance with the Corporations Law and pursuant to the Directors' Retirement Allowance Scheme approved by shareholders at the 1997 Annual General Meeting.

NOTE 7 REMUNERATION OF EXECUTIVES

The following table shows remuneration for the executive director and five highest paid other members of the senior executive team directly reporting to the Managing Director, who were officers of the Bank and the Group for the year ended 30 June 2001. The table does not include individuals, who are not direct reports to the Managing Director, whose incentive based remuneration in any given year may be in excess of that received by a member of the senior executive team.

Senior Executive Team

Name & Position	Base Pay ⁽¹⁾	Bonus ⁽²⁾		Super-annuation ⁽⁴⁾	Other Compensation ⁽⁴⁾	Total Remuneration	Option Grant ⁽⁵⁾	Share Grant ⁽⁵⁾
		Paid this Year	Vested in CBA shares					
	\$	\$	\$	\$	\$	\$	Number	Number
D V Murray Managing Director & CEO	1,450,000	450,000	300,000	99,773	10,400	2,310,173	– ⁽⁶⁾	– ⁽⁶⁾
P L Polson Head of Colonial First State Investments Group	600,000	550,000	–	144,480	456,000	1,750,480	100,000	16,800
M A Katz Head of Institutional Banking	750,000	336,000	224,000	67,500	10,400	1,387,900	125,000	20,900
M J Ullmer Group General Manager Financial & Risk Management	735,000	276,000	184,000	132,300	10,400	1,337,700	125,000	20,900
J F Mulcahy Head of Australian Financial Services	700,000	246,000	164,000	63,000	10,400	1,183,400	125,000	20,900
R J Norris Head of International Financial Services & Managing Director & CEO, ASB Group	680,000	350,000	–	n/a	n/a	1,030,000	125,000	20,900

⁽¹⁾ Base Pay is calculated on a Total Cost basis and includes any FBT charges related to employee benefits including motor vehicles.

⁽²⁾ For the 2000/2001 payment and future bonus payments, the Group has implemented a vesting (deferral) arrangement for most executives. A portion of the bonus payment is paid immediately and the remaining portion is deferred and vested in the Bank's shares. Half of the shares will vest after one year (in 2002) and half will vest after two years (in 2003). In the event of resignation from the Group before the vesting dates, unvested shares lapse.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2001

NOTE 7 REMUNERATION OF EXECUTIVES

- ⁽³⁾ The Bank is currently not contributing to the Officers' Superannuation Fund (OSF) or to the Colonial Group Staff Superannuation Scheme. Notional cost of superannuation has been determined on an individual basis for each executive.
- ⁽⁴⁾ Other compensation includes, where applicable, car parking (including FBT) and other payments.
- ⁽⁵⁾ Option Grants are a right to subscribe for ordinary shares at an exercise price which is the Market Value (defined as the weighted average of the prices at which the Bank's ordinary shares were traded on the ASX during the one week period before the Commencement Date) plus a premium representing the time value component of the value of options (based on the actual differences between the dividend and bond yields at the date of the vesting of the right to exercise the options). Share Grants are awarded under the Equity Reward Plan. Shares are registered in the name of the trustee. No consideration is payable by the executive for the grant of shares. The transfer of legal title to the executive is subject to vesting conditions. The ability to exercise options and the vesting of shares is conditional on the Bank achieving a prescribed performance hurdle. To reach the performance hurdle, the Bank's Total Shareholder Return (broadly, growth in share price plus dividends reinvested) over a minimum three year period, must equal or exceed the index of Total Shareholder Return achieved by companies represented in the ASX's Banks and Finance Accumulation Index, excluding the Bank. If the performance hurdle is not reached within that three years, the options and shares may nevertheless be exercisable or vest as appropriate only where the hurdle is subsequently reached within five years from the Commencement Date. If the performance hurdle is not met, the options will have nil value and the shares will be forfeited. The options and shares are subject to a performance hurdle, the achievement of which is uncertain. The approximate value of options and shares at the time of the grant was \$4.50 and \$27 respectively.
- ⁽⁶⁾ At the 2000 Annual General Meeting shareholders approved that, prior to the 2001 Annual General Meeting, the Managing Director be invited to take up no more than 250,000 options and be given the right to acquire up to 42,000 shares under the Equity Reward Plan.

Details of issues to all executives under the Executive Option Plan:

Commencement Date	Issue Date	Options Issued	Options Outstanding	Executives Participating	Exercise Price ⁽⁷⁾	Exercise Period
12/11/96	16/12/96	2,100,000	50,000	25	\$11.85	13 Nov 99 to 12 Nov 01
03/11/97	11/12/97	2,875,000	125,000	27	\$15.53 ⁽⁸⁾	4 Nov 00 to 3 Nov 02
25/08/98	30/09/98	3,275,000	2,975,000	32	\$19.58 ⁽⁹⁾	26 Aug 01 to 25 Aug 03
24/08/99	24/09/99	3,855,000	3,700,000	38	\$23.84 ⁽⁹⁾	25 Aug 02 to 24 Aug 09
13/09/00	13/10/00	2,002,500	1,952,500	50	\$26.97 ⁽⁹⁾	14 Sept 03 to 13 Sept 10

⁽⁷⁾ Market Value at Commencement Date. Market Value is defined as the weighted average of the prices at which the Bank's ordinary shares were traded on the ASX during the one week period before Commencement Date.

⁽⁸⁾ Premium adjustment (based on the actual difference between the dividend and bond yields at the date of vesting) was nil.

⁽⁹⁾ Exercise price will be adjusted by the premium formula (based on the actual differences between the dividend and bond yields at the date of the vesting).

1,235,000 Options, from all grants to date, have been forfeited as at 30 June 2001. 1,680,000 options from the 1996 grant and 2,390,000 options from the 1997 grant, have been exercised as at 30 June 2001.

Details of shares issued during the period 1 July 2000 to 22 August 2001 as a result of the options being exercised are:

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2001

NOTE 7 REMUNERATION OF EXECUTIVES (CONTINUED)

Option Issue Date	Shares Issued	Price Paid Per Share	Total Consideration Paid
16 Dec 1996	145,000	\$11.85	\$1,718,250
11 Dec 1997	2,290,000	\$15.53	\$35,563,700

Details of options issued and shares acquired under Equity Reward Plan are:

Commencement Date	Issue Date	Options Issued	Options Outstanding	Executives Participating	Exercise Price ⁽⁷⁾	Exercise Period ⁽¹¹⁾
13 Sept 2000	7 Feb 2001	577,500	560,000	23	\$26.97 ⁽¹⁰⁾	14 Sept 03 to 13 Sept 10

⁽¹⁰⁾ Exercise price will be adjusted by the premium formula (based on the actual difference between the dividend and bond yields at the date of the vesting).

⁽¹¹⁾ Performance hurdle must be satisfied between 14 September 2003 and 13 September 2005, otherwise options will lapse.

Purchase Date	Shares Purchase	Shares Outstanding	Participants	Vesting Period	Average Purchase Price
20 Feb 2001	361,100	358,100	61	14 Sept 03 to 13 Sept 05	\$29.72

17,500 options and 3,000 shares granted under the ERP have lapsed as at 30 June 2001.

Equity Participation Plan

The Equity Participation Plan is a new plan which will facilitate the voluntary sacrifice of both fixed salary and annual bonus to be applied in the acquisition of shares. The Plan will also facilitate the mandatory sacrifice of annual performance bonuses. All shares acquired by employees under this Plan will be purchased on-market at the current market price. The first purchase of shares for this scheme is scheduled for 1 October 2001.

DIRECTORS' DECLARATION

The Directors declare that in their opinion, the concise financial report of the Commonwealth Bank of Australia for the year ended 30 June 2001 as set out on pages 38 to 51 complies with Accounting Standard AASB 1039: Concise Financial Reports.

The financial statements and specific disclosures included in this concise financial report have been derived from the full financial report for the year ended 30 June 2001.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Commonwealth Bank of Australia as the full financial report, which is available on request.

This declaration is made in accordance with a resolution of the Directors.



J T RALPH AC
Chairman



D V MURRAY
Managing Director

Date: 22 August 2001

INDEPENDENT AUDIT REPORT

To the members of Commonwealth Bank of Australia

Matters relating to the Electronic Presentation of the Audited Financial Report

This audit report relates to the concise financial report of Commonwealth Bank of Australia for the year ended 30 June 2001 included on Bank's web site. The Bank's directors are responsible for the integrity of the Commonwealth Bank's web site. The audit report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited concise financial report to confirm the information included in the audited concise financial report presented on this web site.

Scope

We have audited the concise financial report of Commonwealth Bank of Australia for the financial year ended 30 June 2001, comprising the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and associated Notes to the Concise Financial Statements, in order to express an opinion on it to the members of the company. The company's directors are responsible for the concise financial report. The discussion and analysis required by AASB 1039 refers to unaudited information sourced from the Proforma financial information.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of Commonwealth Bank of Australia for the year ended 30 June 2001. Our audit report on the full financial report was signed on 22 August 2001, and was not subject to any qualification.

Our procedures in respect of the audit of the concise financial report included testing that the information in the concise financial report is consistent with the full financial report and examination, on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report is presented fairly in accordance with Accounting Standard AASB 1039 'Concise Financial Reports' applicable in Australia. The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the concise financial report of Commonwealth Bank of Australia complies with Accounting Standard AASB 1039: 'Concise Financial Reports'.



ERNST & YOUNG
Sydney



S C VAN GORP
Partner

Date: 22 August 2001

SHAREHOLDING INFORMATION

Top 20 Holders of Fully Paid Ordinary Shares as at 13 August 2001

Rank	Name of Holder	Number of Shares	%
1	Chase Manhattan Nominees Limited	129,777,812	10.45
2	National Nominees Limited	80,523,978	6.48
3	Westpac Custodian Nominees	73,994,459	5.96
4	Citicorp Nominees Pty Limited	50,715,679	4.08
5	AMP Life Limited	20,369,781	1.64
6	Commonwealth Custodial Services Limited	19,138,005	1.54
7	Queensland Investment Corporation Limited	18,463,831	1.49
8	ANZ Nominees Limited	16,207,140	1.31
9	Perpetual Trustees Victoria Limited	14,756,414	1.19
10	Cogent Nominees Pty Limited	10,388,093	0.84
11	BT Custodial Services Pty Limited	9,639,985	0.78
12	RBC Global Services Australia	9,597,704	0.77
13	Colonial Foundation Limited	8,598,418	0.69
14	HKBA Nominees Limited	8,302,854	0.67
15	MLC Limited	4,930,606	0.40
16	The National Mutual Life Association of Australasia Limited	4,871,680	0.39
17	Perpetual Nominees Limited	4,832,725	0.39
18	NRMA Nominees Pty Limited	4,780,281	0.38
19	Perpetual Trustees Nominees Limited	4,616,911	0.37
20	CSS & PSS Board	4,485,838	0.36

The twenty largest shareholders hold 498,992,194 shares which is equal to 40.18% of the total shares on issue.

Stock Exchange Listing

The shares of the Commonwealth Bank of Australia are listed on the Australian Stock Exchange under the trade symbol CBA, with Sydney being the home exchange. Details of trading activity are published in most daily newspapers, generally under the abbreviation of CBA or Commonwealth Bank. The Bank does not have a current on-market buy back of its shares.

SHAREHOLDING INFORMATION CONTINUED

Directors' Shareholdings as at 22 August 2001

	Shares	Options
J T Ralph, AC	12,674	
J M Schubert	7,478	
D V Murray	44,372	1,500,000
N R Adler, AO	6,973	
R J Clairs, AO	10,482	
A B Daniels OAM	12,741	
C R Galbraith	4,524	
W G Kent AO	6,703	
F D Ryan	4,482	
F J Swan	2,225	
B K Ward	2,405	

Guidelines for Dealings by Directors in Shares

The restrictions imposed by law on dealings by Directors in the securities of the Bank have been supplemented by the Board of Directors adopting guidelines which further limit any such dealings by Directors, their spouses, any dependent child, family company and family trust. The guidelines provide, that in addition to the requirement that Directors not deal in the securities of the Bank or any related company when they have or may be perceived as having relevant unpublished price sensitive information, Directors are only permitted to deal within certain periods. Further, the guidelines require that Directors not deal on the basis of considerations of a short term nature or to the extent of trading in those securities.

Range of Shares (Fully Paid Ordinary Shares and Employee Shares): 13 August 2001

Range	Number of Shareholders	Percentage Shareholders	Number of Shares	Percentage Issued Capital
1-1,000	566,229	78.84	186,516,233	15.00
1,001-5,000	134,969	18.79	269,094,091	21.63
5,001-10,000	11,668	1.62	80,473,001	6.47
10,001-100,000	4,997	0.70	100,473,763	8.07
100,001 and over	300	0.05	607,458,367	48.83
Total	718,163	100.00	1,244,015,455	100.00
Less than marketable parcel of \$500	13,928		78,451	

Voting Rights

Under the Bank's Constitution, each member present at a general meeting of the Bank in person or by proxy, attorney or official representative is entitled:

- ◆ on a show of hands – to one vote; and
- ◆ on a poll – to one vote for each share held or represented.

If more than one proxy, attorney or official representative is present for a member:

- ◆ none of them is entitled to a vote on a show of hands; and
- ◆ the vote of each one on a poll is of no effect unless each is appointed to represent a specified proportion of the member's voting rights, not exceeding in aggregate 100%.

SHAREHOLDING INFORMATION CONTINUED

Top 20 Holders of Preferred Exchangeable Resettable Listed Shares (PERLS) as at 13 August 2001

Rank	Name of Holder	Number of Shares	%
1	Commonwealth Life Limited	200,000	5.71
2	The National Mutual Life Association of Australia	131,650	3.76
3	Commonwealth Custodial Services Limited	92,591	2.65
4	Dervat Nominees Pty Limited	84,300	2.41
5	AMP Life Limited	80,000	2.29
6	INVIA Custodian Pty Limited	67,000	1.51
7	National Mutual Funds Management	60,000	1.71
8	UBS Warburg Private Clients Nominees Pty Limited	52,749	1.51
9	Citicorp Nominees Pty Limited	42,000	1.20
10	National Nominees Limited	41,352	1.18
11	Perpetual Trustee Company Limited	36,762	1.05
12	ANZ Executors & Trustee Company Limited	36,073	1.03
13	AusTrust Limited	34,891	1.00
14	Perpetual Nominees Limited	31,440	0.90
15	Boxall Marine Pty Limited	25,000	0.71
16	Questor Financial Services Limited	19,238	0.55
17	Flight Centre Limited	15,000	0.43
18	Livingstone Investments (NSW) Pty Limited	15,000	0.43
19	Brencorp No. 2 Pty Limited	14,134	0.40
20	Ms Thelma Joan Martin - Weber	12,500	0.36

The twenty largest shareholders hold 1,091,680 shares which is equal to 30.79% of the total shares on issue.

Stock Exchange Listing

Commonwealth Bank PERLS are listed on the Australian Stock Exchange under the trade symbol CBAPA, with Sydney being the home exchange. Details of trading activity are published in most daily newspapers, generally under the abbreviation of CBA or C'wealth Bank (pref).

SHAREHOLDING INFORMATION CONTINUED

Range of Shares (PERLS): 13 August 2001

Range	Number of Shareholders	Percentage Shareholders	Number of Shares	Percentage Issued Capital
1-1,000	19,440	98.73	1,764, 548	50.41
1,001-5,000	199	1.01	432,255	12.35
5,001-10,000	26	0.13	207,062	5.92
10,001-100,000	24	0.12	764,485	21.84
100,001-and over	2	0.01	331,650	9.48
Total	19,691	100.00	3,500,000	100.00
Less than marketable parcel of \$500	22		201	

Voting Rights

The holders will be entitled to receive notice of any general meeting of the Bank and a copy of every circular or other like document sent out by the Bank to ordinary shareholders and to attend any general meeting of the Bank.

The holders will not be entitled to vote at a general meeting of the Bank except in the following circumstances:

- ◆ if at the time of the meeting, a dividend has been declared but has not been paid in full by the relevant payment date;
- ◆ on a proposal to reduce the Bank's share capital;
- ◆ on a resolution to approve the terms of a buy-back agreement;
- ◆ on a proposal that affects rights attached to Commonwealth Bank PERLS;
- ◆ on a proposal to wind up the Bank;
- ◆ on a proposal for the disposal of the whole of the Issuer's property, business and undertaking;
- ◆ during the winding up of the Bank; or
- ◆ as otherwise required under the Listing Rules from time to time, in which case the holders will have the same rights as to manner of attendance and as to voting in respect of each Commonwealth Bank PERLS as those conferred on ordinary shareholders in respect of each ordinary share.

At a general meeting of the Bank, holders are entitled:

- ◆ on a show of hands, to exercise one vote when entitled to vote in respect of the matters listed above; and
- ◆ on a poll, to one vote for each Commonwealth Bank PERL

Contact Us

www.commbank.com.au

13 2221

For your everyday banking including paying bills using **BPAY**. Our automated service is available from 7am to 11pm (Sydney time), 365 days a year. From overseas call **+61 13 2221**. For a password and demonstration of the automated service, call our telephone staff between 8am and 8pm, Monday to Friday.

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Available from 8am to 10pm, 365 days a year.

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Commonwealth Securities Limited
Available from 8am to 7pm (Sydney time), Monday to Friday. Easy, low cost access to the stock market. By phone or Internet at **www.com msec.com.au**

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Telephone Typewriter Service
A special telephone banking service for our hearing and speech impaired customers. The service covers all the services available on 13 2221. Available from 8am to 8pm, Monday to Friday.

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To report a lost or stolen card after hours or at weekends.

13 1998

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13 24 20

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For home insurance claims assistance 24 hours a day, 365 days a year

13 2015

For enquiries on retirement and superannuation products, life insurance or managed investments. Available from 8am to 8pm (Sydney time), Monday to Friday. Unit prices are available 24 hours a day, 365 days a year.

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To apply for access to **NETBANK**, call Freecall **1800 022 955** between 8am and 8pm (Sydney time), Monday to Friday.

Corporate Directory

Registered Office

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Sydney NSW 1155
Telephone (02) 9378 2000
Facsimile (02) 9378 3317

Company Secretary

JD Hatton

Shareholder Information

www.commbank.com.au

Share Registrar

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Locked Bag A14
SYDNEY SOUTH NSW 1232
Telephone (02) 8280 7199
Facsimile (02) 9261 8489
Freecall 1800 022 440

Internet

www.registrars.aprl.com.au

Email

registrars@aprl.com.au

Telephone numbers for overseas shareholders

New Zealand
0800 442 845

United Kingdom
0845 769 7502

Fiji
008 002 054

Other International
612 8280 7199

Australian Stock Exchange Listing

CBA

Annual Report

To request a copy of the annual report please call (02) 9378 3229

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