

APPENDIX 4E

Full year report

Introduced 30/6/2002.

Name of entity

Commonwealth Bank of Australia

ABN or equivalent company
reference

123 123 124

Half yearly
(tick)Preliminary
final (tick)

Financial year ended ('current period')

(Rule 4.3A Item No.1)

30 June 2005

Results for announcement to the market

(Rule 4.3A Item No. 2)

\$M

Revenues from ordinary activities (Rule 4.3A Item No. 2.1)	up	17.5%	to	26,078
Profit (loss) from ordinary activities after tax attributable to members (Rule 4.3A Item No. 2.2)	up	55.2%	to	3,991
Net profit (loss) for the period attributable to members (Rule 4.3A Item No. 2.3)	up	55.2%	to	3,991
Dividends (distributions)		Amount per security		Franked amount per security
Final dividend		<u>112¢</u>		<u>112¢</u>
Interim dividend		<u>85¢</u>		<u>85¢</u>
Total		<u>197¢</u>		<u>197¢</u>
(Rule 4.3A Item No. 2.4)				

[†]Record date for determining entitlements to the dividend,
(Rule 4.3A Item No. 2.5)

19th August 2005

Brief explanation of any of the figures reported above (Rule 4.3A Item No. 2.6):

REFER TO PROFIT ANNOUNCEMENT.

Consolidated statement of financial performance

For the year ended 30 June 2005

(Rule 4.3A Item No. 3)

	2005 \$M	2004 \$M
Interest income	16,194	13,287
Interest expense	10,228	7,877
Net interest income	5,966	5,410
Other income:		
Revenue from sale of assets	595	943
Written down value of assets sold	(604)	(874)
Other	2,924	2,777
Net banking operating income	8,881	8,256
Funds management income including premiums	1,261	1,175
Investment revenue	2,008	1,967
Claims and policyholder liability expense	(1,871)	(1,809)
Net funds management operating income	1,398	1,333
Premiums and related revenue	1,132	1,012
Investment revenue	1,186	840
Claims and policyholder liability expense	(1,243)	(950)
Insurance margin on services operating income	1,075	902
Total net operating income before appraisal value uplift/(reduction)	11,354	10,491
Charge for bad and doubtful debts	322	276
Operating expenses:		
Comparable business	5,697	5,500
Which new Bank ⁽¹⁾	150	749
Total Operating Expenses	5,847	6,249
Appraisal value uplift	778	201
Goodwill amortisation	(325)	(324)
Profit from ordinary activities before income tax	5,638	3,843
Income tax expense	1,637	1,262
Profit from ordinary activities after income tax	4,001	2,581
Outside equity interests in net profit	(10)	(9)
Net profit attributable to members of the Bank	3,991	2,572
Foreign currency translation adjustment	(141)	(8)
Revaluation of properties	33	54
Total valuation adjustments	(108)	46
Total changes in equity other than those resulting from transactions with owners as owners	3,883	2,618
	Cents per share	
Earnings per share based on net profit distributable to members of the Bank		
Basic	303.1	196.9
Fully Diluted	303.0	196.8
Dividends per share attributable to shareholders of the Bank:		
Ordinary shares	197	183
Preference shares (issued 6 April 2001)	1,115	1,065
Other equity instruments (issued 6 August 2003)	7,795	7,306
Other equity instruments (issued 6 January 2004)	908	402

⁽¹⁾ June 2005 and 2004 results includes the Which new Bank program.

Consolidated statement of financial position

As at 30 June 2005

(Rule 4.3A Item No.4)

	2005 \$M	2004 \$M
Assets		
Cash and liquid assets	5,715	6,453
Receivables due from other financial institutions	6,205	8,369
Trading securities	14,628	14,896
Investment securities	10,272	11,447
Loans, advances and other receivables	217,516	189,391
Bank acceptances of customers	16,786	15,019
Life insurance investment assets	27,837	28,942
Deposits with regulatory authorities	45	38
Property, plant and equipment	1,344	1,204
Investment in associates	52	239
Intangible assets	4,394	4,705
Other assets	24,241	25,292
Total Assets	329,035	305,995
Liabilities		
Deposits and other public borrowings	168,029	163,177
Payables due to other financial institutions	8,023	6,641
Bank acceptances	16,786	15,019
Provision for dividend	14	14
Income tax liability	1,550	811
Other provisions	881	997
Life insurance policyholder liabilities	24,694	24,638
Debt issues	58,621	44,042
Bills payable and other liabilities	18,086	19,140
	296,684	274,479
Loan Capital	6,291	6,631
Total Liabilities	302,975	281,110
Net Assets	26,060	24,885
Shareholders' Equity		
Share capital		
Ordinary share capital	13,871	13,359
Preference share capital	687	687
Other equity instruments	1,573	1,573
Reserves	4,624	3,946
Retained profits	3,516	2,840
Shareholders' equity attributable to members of the Bank	24,271	22,405
Outside equity interests:		
Controlled entities	631	304
Life insurance statutory funds and other funds	1,158	2,176
Total outside equity interests	1,789	2,480
Total Shareholders' Equity	26,060	24,885

Consolidated statement of cash flows

For the year ended 30 June 2005

(Rule 4.3A Item No.5)

	Note	2005 \$M	2004 \$M
Cash Flows From Operating Activities			
Interest received		16,205	13,101
Dividends received		3	6
Interest paid		(10,198)	(7,543)
Other operating income received		4,649	3,410
Expenses paid		(5,714)	(5,529)
Income taxes paid		(985)	(1,366)
Net decrease (increase) in trading securities		318	(4,324)
Life insurance:			
Investment income		1,572	841
Premiums received ⁽¹⁾		3,183	3,562
Policy payments ⁽¹⁾		(4,664)	(4,529)
Net Cash provided by / (used in) operating activities	1(c)	4,369	(2,371)
Cash Flows from Investing Activities			
Payments for shares in controlled entities, other companies and management rights		(82)	-
Proceeds from disposal of controlled entities		-	63
Proceeds from disposal of entities and businesses		173	-
Disposal of shares in other companies		-	114
Net movement in investment securities:			
Purchases		(22,608)	(25,587)
Proceeds from sale		392	697
Proceeds at or close to maturity		22,799	24,407
(Lodgement) withdrawal of deposits with regulatory authorities		(7)	(15)
Net increase in loans, advances and other receivables		(28,447)	(29,328)
Proceeds from sale of property, plant and equipment		30	69
Purchase of property, plant and equipment		(286)	(536)
Net decrease (increase) in receivables due from other financial institutions not at call		933	292
Net decrease (increase) in securities purchased under agreements to resell		991	(1,023)
Net decrease (increase) in other assets		1,056	(1,461)
Life insurance:			
Purchases of investment securities		(14,165)	(20,286)
Proceeds from sale/maturity of investment securities		15,281	21,500
Net Cash (used in) Investing Activities		(23,940)	(31,094)
Cash Flows from Financing Activities			
Buy back of shares		-	(532)
Proceeds from issue of shares (net of costs)		66	505
Proceeds from issue of preference shares to outside equity interests		323	-
Proceeds from issue of other equity instruments (net of costs)		-	1,573
Net increase in deposits and other borrowings		6,332	21,997
Net movement in debt issues		14,579	13,413
Dividends paid (excluding DRP)		(2,083)	(1,774)
Net movements in other liabilities		(330)	(242)
Net increase (decrease) in payables due to other financial institutions not at call		449	(929)
Net increase (decrease) in securities sold under agreements to repurchase		(1,480)	206
Issue of loan capital		1,233	985
Redemptions of loan capital		(1,392)	(317)
Other		(37)	(2)
Net Cash provided by Financing Activities		17,660	34,883
Net (decrease) increase in Cash and Cash Equivalents		(1,911)	1,418
Cash and Cash Equivalents at beginning of period		2,846	1,428
Cash and Cash Equivalents at end of period	1(a)	935	2,846

⁽¹⁾ These were gross premiums and policy payments before splitting between policyholder liabilities and premium revenue / claims expense.

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

Dividend details

(Rule 4.3A Item Nos.6 & 7)

Dividends

The Directors have declared a fully franked (at 30%) final dividend of 112 cents per share amounting to \$1,434 million. The dividend will be payable on 23 September 2005 to shareholders on the register at 5pm on 19 August 2005. Dividends paid since the end of the previous financial year:

- As declared in last year's report, a fully franked final dividend of 104 cents per share amounting to \$1,315 million was paid on 24 September 2004. The payment comprised cash disbursements of \$1,069 million with \$246 million being reinvested by participants through the Dividend Reinvestment Plan;
- In respect of the current year, a fully franked interim dividend of 85 cents per share amounting to \$1,083 million was paid on 31 March 2005. The payment comprised cash disbursements of \$883 million with \$200 million being reinvested by participants through the Dividend Reinvestment Plan; and
- Additionally, quarterly dividends totalling \$39 million for the year were paid on the PERLS preference shares; \$34 million on the PERLS II; \$42 million on the Trust Preferred Securities; \$9 million on the ASB Capital preference shares; and \$7 million on the ASB Capital No.2 preference shares.

Dividend Reinvestment Plan

The Bank expects to issue around \$272 million of shares in respect of the Dividend Reinvestment Plan for the final dividend for 2004/05. The Dividend Reinvestment Plan continues to be capped at 10,000 shares per shareholder.

Record Date

The register closes for determination of dividend entitlement and for participation in the dividend reinvestment plan at 5:00pm on 19 August 2005 at ASX Perpetual Registrars Limited, Locked Bag A14, Sydney South, 1235.

Ex Dividend Date

The ex dividend date is 15 August 2005.

Consolidated retained earnings reconciliation

(Rule 4.3A Item No.8)

Retained Profits 2005	\$M
Opening balance 30 June 2004	2,840
Net profit for the year	3,991
Payment of final dividend	(1,315)
Payment of interim dividend	(1,083)
Appropriations to reserves (net)	(786)
Payment of other dividends	(131)
Closing balance 30 June 2005	3,516

Net tangible assets per security

(Rule 4.3A Item No.9)

As at	Year Ended	
	30/06/05	30/06/04
Net tangible assets per share (\$)	13.76	12.22

Details of entities over which control was lost during the year

(Rule 4.3A Item No.10)

Entity Name	Date control lost	Ownership Interest Held (%)
EDS (Australia) Pty Ltd	19/05/05	35

Details of associates and joint ventures

(Rule 4.3A Item No.11)

	Ownership Interest Held %
Computer Fleet Management	50
Cyberlynx Procurement Services	30
PT Astra CMG Life	50
Allday Enterprises Ltd	30
China Life CMG Life Assurance Company Limited	49
Bao Minh CMG Life Insurance Company	50
CMG Mahon (China) Investment Management Limited	50
Mahon and Associates Limited	50
CMG CH China Funds Management Limited	50
Colonial First State Private Ltd	50
BAC Airports Pty Ltd	33

Any other significant information

(Rule 4.3A Item No.12)

Change in accounting policies

The accounting policies applied in the preparation of the financial statements for the year ended 30 June 2005 are consistent with those applied in the prior year. On 1 July 2005 the Bank commenced application of the Australian equivalent of International Financial Reporting Standards to the maintenance of all financial records.

Post Balance Date Event

On 7 July 2005 the Bank entered into an agreement to sell its life insurance and financial planning business in Hong Kong for approximately \$600 million to Sun Life Financial. The business consisted of CMG Asia Limited, CommServe Financial Limited and Financial Solutions Limited, with a combined carrying value of \$527 million under current Australian GAAP. The carrying value is expected to reduce under AIFRS, principally due to differences in discount rates used in the actuarial valuation of policyholder liabilities and differences in treatment of historic foreign exchange losses under AIFRS.

The transaction, targeted for completion within three months, and together with the determination of the final profit is subject to conditions precedent.

Foreign entities

(Rule 4.3A Item No.13)

NOT APPLICABLE.

Commentary on results

(Rule 4.3A Item No.14)

REFER TO PROFIT ANNOUNCEMENT.

Statement in relation to accounts which have been reviewed

(Rule 4.3A Item Nos.15, 16 & 17)

THE INFORMATION INCLUDED WITHIN THIS REPORT AND THE ATTACHED PROFIT ANNOUNCEMENT HAVE BEEN SUBJECT TO AN INDEPENDENT AUDIT BY THE EXTERNAL AUDITORS, AND ARE NOT SUBJECT TO DISPUTE OR QUALIFICATION.

Sign here:
(Company Secretary)

Date: 10 August 2005

Print name: John Hatton

ATTACHMENT 1

NOTES TO STATEMENT OF CASH FLOWS

	Year Ended	
	30/06/05 \$M	30/06/04 \$M
Note (a) Reconciliation of Cash		
For the purposes of the Statements of Cash Flows, cash includes cash at bankers, money at short call, at call deposits with other financial institutions and settlement account balances with other banks.		
Notes, coins and cash at bankers	1,559	1,548
Other short term liquid assets	682	440
Receivables due from other financial institutions - at call	2,893	4,124
Payables due to other financial institutions - at call	(4,199)	(3,266)
Cash and Cash Equivalents at end of year	<u>935</u>	<u>2,846</u>

Note (b) Cash Flows presented on a Net Basis

Cash flows arising from the following activities are presented on a net basis in the Statement of Cash Flows:

- customer deposits to and withdrawals from deposit accounts; borrowings and repayments on loans, advances and other receivables;
- sales and purchases of trading securities; and
- proceeds from and repayment of short term debt issue

Note (c) Reconciliation of Operating Profit After Income Tax to Net Cash Provided by Operating Activities	Year Ended	
	30/06/05	30/06/04
	\$M	\$M
Net profit after income tax	4,001	2,581
Decrease/(increase) in interest receivable	11	(186)
Increase/(decrease) in interest payable	30	334
Net decrease/(increase) in trading securities	318	(4,324)
Net (gain)/loss on sale of investment securities	(8)	(2)
(Gain)/loss on sale of property plant and equipment	(4)	11
Net loss /(gain) on sale of controlled entities	13	(43)
Charge for bad and doubtful debts	322	276
Depreciation and amortisation	475	450
(Decrease)/increase in other provisions	(116)	185
Increase/(decrease) in income taxes payable	406	(36)
(Decrease)/increase in deferred income taxes payable	332	(29)
(Increase)/decrease in future income tax benefits	(86)	(39)
(Increase)/decrease in accrued fees/reimbursements receivable	(41)	(107)
(Decrease)/increase in accrued fees and other items payable	104	412
Amortisation of premium on investment securities	(4)	12
Unrealised loss (gain) on revaluation of trading securities	408	(260)
Change in excess of net market value over net assets of life insurance controlled entities	(778)	(201)
Change in policy liabilities	56	777
Revaluation of life insurance assets	(665)	(1,430)
Gain on sale of life insurance assets	(592)	(456)
Other	187	(296)
Net Cash provided by (used in) Operating Activities	4,369	(2,371)