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# Presentation of Full Year Results for 30 June 2005

David Murray  
Chief Executive Officer

Michael Cameron  
Chief Financial Officer

10 August 2005



# Disclaimer

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The material that follows is a presentation of general background information about the Bank's activities current at the date of the presentation, 10 August 2005. It is information given in summary form and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice when deciding if an investment is appropriate.

# Agenda

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- Full Year Results - Michael Cameron (25 mins)
  - Highlights
  - Segment Results
- Strategic Platform - David Murray (15 mins)
- Questions



# Highlights

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- Underlying profit up 13% from Jun 04
- Cash EPS growth of 30% from Jun 04
- Total Dividend increased to \$1.97 (\$1.83 in June 04)
- Productivity improvements in all segments
- Market shares - turn around in trend
- Which new Bank delivering



# Highlights - 31% cash NPAT growth

	12 months			6 months		
	Jun 05 \$M	Jun 04 \$M	Jun 05 v Jun 04	Jun 05 \$M	Dec 04 \$M	Jun 05 v Dec 04
<b>NPAT (statutory)</b>	<b>3,991</b>	<b>2,572</b>	<b>55%</b>	<b>2,132</b>	<b>1,859</b>	<b>15%</b>
<i>add-back goodwill</i>	325	324	-	163	162	1%
<i>less appraisal value movement</i>	-778	-201	Large	-513	-265	Large
<b>NPAT (cash)</b>	<b>3,538</b>	<b>2,695</b>	<b>31%</b>	<b>1,782</b>	<b>1,756</b>	<b>1%</b>
<i>add WnB expenses (after tax)</i>	105	535	Large	86	19	Large
<i>less shareholder investment returns (after tax)</i>	-177	-152	16%	-66	-111	-41%
<b>NPAT (underlying)</b>	<b>3,466</b>	<b>3,078</b>	<b>13%</b>	<b>1,802</b>	<b>1,664</b>	<b>8%</b>





# Highlights - underlying profit growth

13% increase in underlying profit Jun 04 to Jun 05

	12 months			6 months		
	Jun 05 \$M	Jun 04 \$M	Jun 05 v Jun 04	Jun 05 \$M	Dec 04 \$M	Jun 05 v Dec 04
Banking	2,959	2,675	11%	1,532	1,427	7%
Funds Management	351	274	28%	181	170	6%
Insurance	156	129	21%	89	67	33%
<b>Total</b>	<b>3,466</b>	3,078	13%	1,802	1,664	8%



# Other Key Information

# Notes

	FY 05	FY 04	2H05	1H05
DPS - fully franked (cents)	197	183	112	85
Dividend cover - cash (times)	1.4	1.1	1.2	1.6
Dividend cover - underlying (times)	1.3	1.3	1.2	1.5
<b>EPS (cents)</b>				
Statutory - basic	303.1	196.9	161.5	141.6
Statutory - fully diluted	303.0	196.8	161.4	141.6
Cash basis - basic	267.6	206.6	134.1	133.5
Cash basis - fully diluted	267.5	206.5	134.0	133.5
<b>Dividend payout ratio (%)</b>				
Cash basis	73.9	73.9	83.8	63.9
Weighted av. Number of shares - basic	1,273	1,256	1,277	1,269
Weighted av. Number of shares - fully diluted	1,274	1,257	1,278	1,270
ROE - cash (%)	16.0	12.7	15.9	16.0
ROE - underlying (%)	15.6	14.6	16.1	15.1

## 2 Yr TSR Calculation \* Source Bloomberg

Date	Gross Dividend	Share price	DRP Shares	Total shares	Shares x price	
30/06/2003		\$ 29.55		1,000	\$ 29,550	opening shareholding
25/08/2003	\$1.2	\$ 28.73	41.77	1,041.77		
16/02/2004	\$1.1	\$ 31.27	36.65	1,078.41		
16/08/2004	\$1.5	\$ 29.49	54.85	1,133.27		
14/02/2005	\$1.2	\$ 35.30	38.52	1,171.79		
30/06/2005		\$ 37.95		1,171.79	\$ 44,469	closing shareholding

$$\text{TSR} = (\$44,527 / \$29,550) - 1 = 50.47\%$$

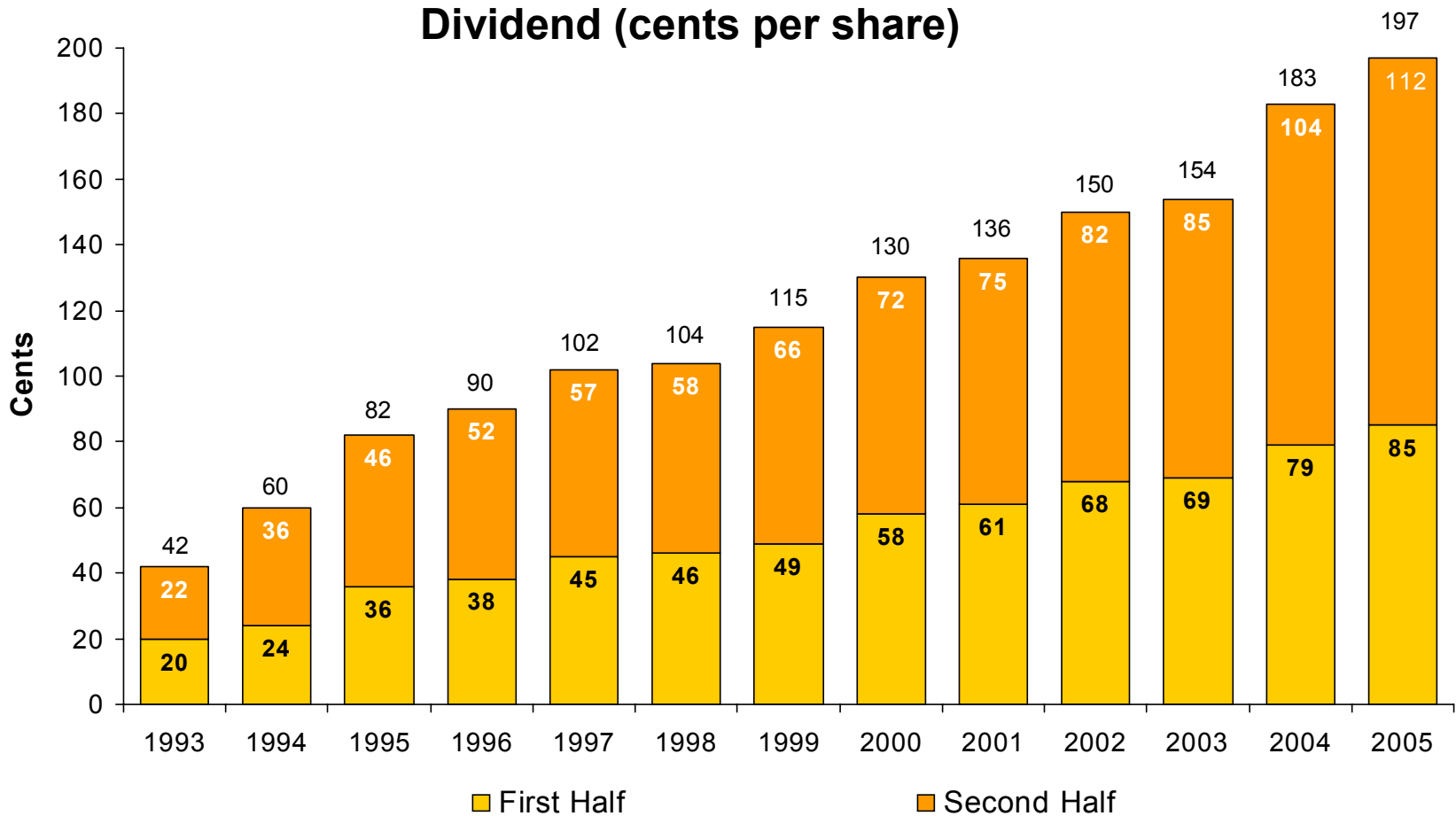
# Highlights - shareholder returns

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- Total Shareholder Return: Jun 03 to Jun 05 = 50.47%
- ROE has grown to 16%, significantly above last June's figure of 12.7%
- Cash EPS is 267.6c, a 30% increase on June 2004
- Total dividend per share has grown 14c to \$1.97



# Highlights - dividend



# Other Key Information

# Notes

- Progressing to achieve 4-6% CAGR (cash basis) productivity improvements

## Balance of capitalised software costs

\$million	Jun 05	Dec 04	Jun 04	Dec 03
Capitalised software	182	163	107	73

## Expense ratios

	Jun 05	Dec 04	Jun 04	Dec 03
<b>Banking</b>				
Expense to income	50.3	50.1	56.4	62.1
Underlying Expense to Income	48.1	49.7	50.8	50.7
<b>Funds Management</b>				
Actual Expense to Average FUA	0.72	0.74	0.75	0.85
Underlying Expense to Average FUA	0.68	0.72	0.73	0.80
<b>Insurance</b>				
Actual Expense to average inforce premiums	46.6	44.9	49.3	46.2
Underlying Expense to Average Inforce Premiums	46.5	44.8	47.5	45.5

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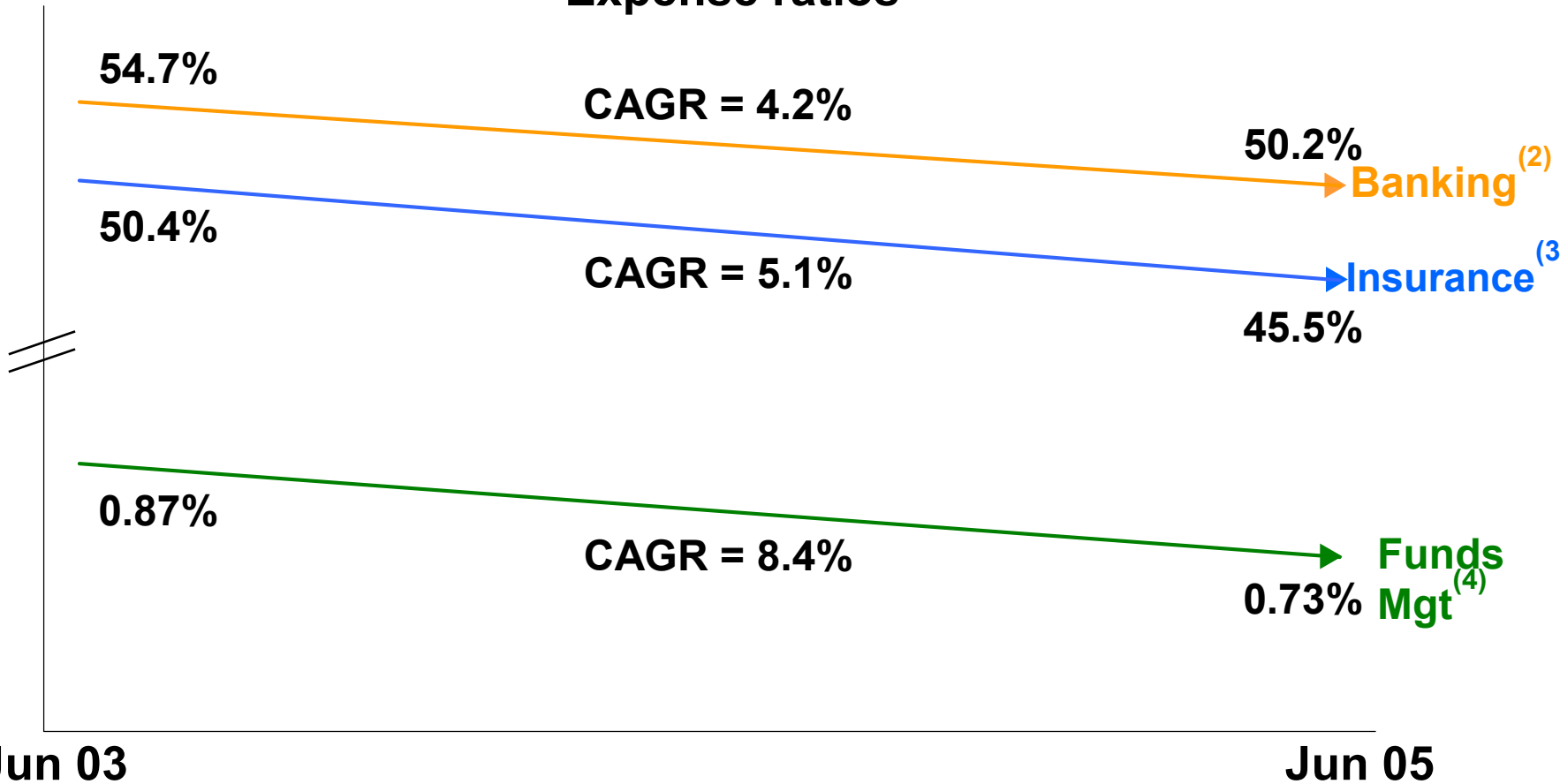
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# Highlights - productivity

## Expense ratios <sup>(1)</sup>



(1) On a cash basis

(2) Expense to income

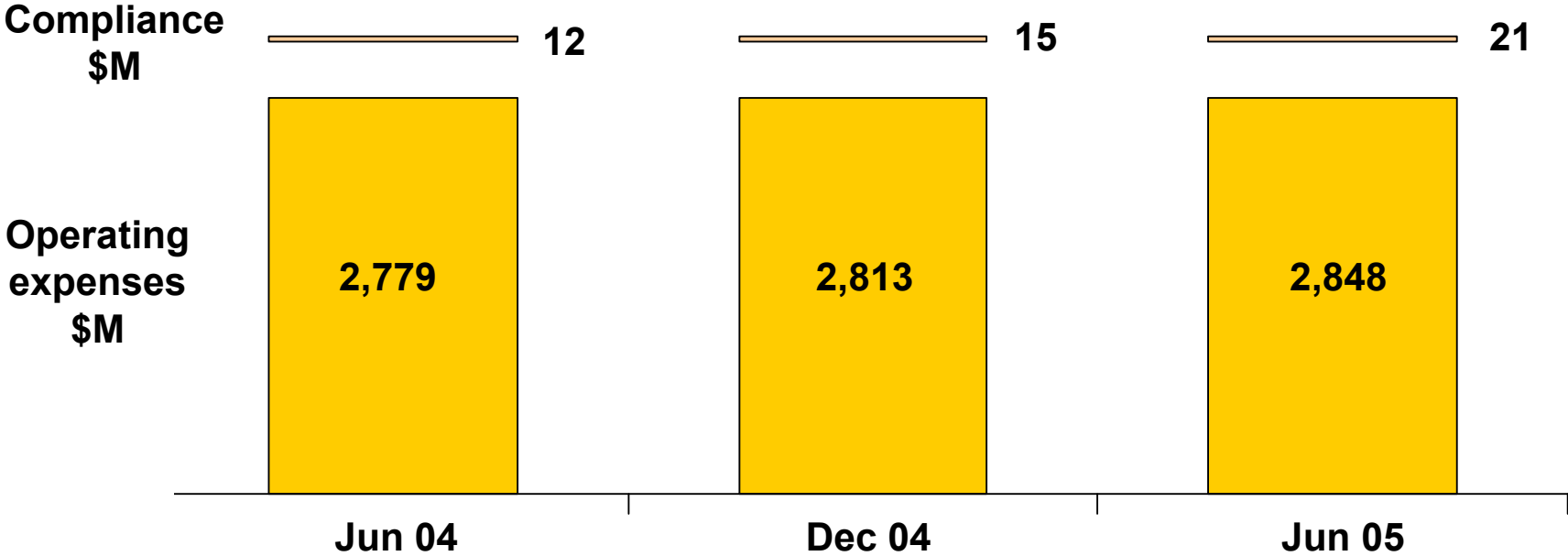
(3) Expense to average inforce premiums

(4) Expense to average funds under administration





# Operating expenses by half year



# Other Key Information

# Notes

	Jun 05	Dec 04	Jun 04	Jun 03
<b>Banking</b>				
Home loans	19.9%	19.6%	19.3%	19.5%
Credit cards	22.9%	23.2%	22.7%	22.8%
Retail deposits	22.9%	23.4%	23.6%	24.2%
Personal lending <sup>(1)</sup>	14.7%	14.7%	13.4%	N/A
Business lending <sup>(2)</sup>	13.4%	13.5%	13.8%	N/A
Transaction services (commercial)	24.8%	24.4%	24.4%	22.7%
Transaction services (corporate)	22.1%	21.4%	20.9%	18.1%
Asset finance	15.9%	15.9%	16.0%	15.1%
NZ lending (housing)	23.0%	22.7%	22.2%	20.6%
NZ deposits	19.5%	18.7%	17.5%	16.4%
<b>Funds Management</b>				
Aust retail administrator view <sup>(3)</sup>	14.8%	14.7%	14.4%	14.5%
NZ Managed investments <sup>(4)</sup>	12.7%	13.3%	13.2%	N/A
<b>Insurance</b>				
Aus. Life insurance (total risk)	13.8%	14.6%	14.8%	15.3%
NZ Life insurance	27.5%	27.4%	27.5%	28.3%

(1) APRA personal lending published data began in March 2004

(2) APRA definition was restated in 2004

(3) Note: Under the Administrator view, badged or white-labelled products are attributed to the underlying administrator of the product. The alternative Marketer view attributes such business to the marketer of the product

(4) Fund source research definition was restated in 2004



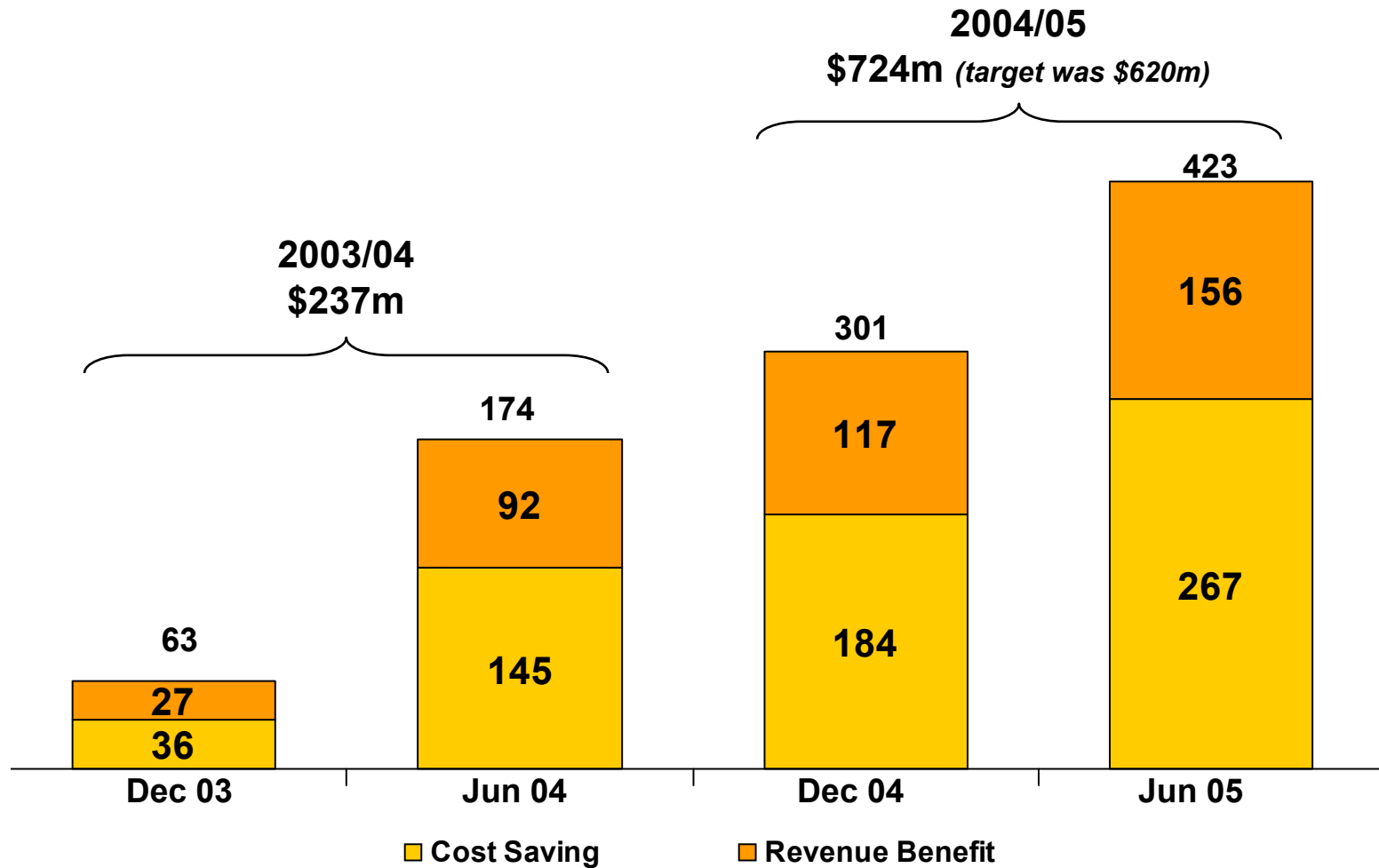
# Highlights - market position

	Jun 05		Jun 04
Home Loans	19.9%	↑	19.3%
NZ Lending	23.0%	↑	22.2%
Credit Cards	22.9%	↑	22.7%
Funds Mgt. – Aust. Retail	14.8%	↑	14.4%
Transaction Services (corporate)	22.1%	↑	20.9%
Personal Lending	14.7%	↑	13.4%
NZ Deposits	19.5%	↑	17.5%
Equities Trading (CommSec)	3.6%	↑	2.9%
Retail Deposits	22.9%	↓	23.6%
Business Lending	13.4%	↓	13.8%
Aust. Life Insurance (total risk)	13.8%	↓	14.8%





# Which new Bank – Benefits





# Which new Bank - Expenditure

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## P&L Impact

Jun 05  
\$M

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Investment spend for the period (gross)	601
Less provision utilised	(97)
Less investment capitalised	<u>(154)</u>
<b>Gross WnB expense</b>	350
Less normal project spend	<u>(200)</u>
<b>Incremental WnB expense before tax</b>	150
Less tax	<u>(45)</u>
<b>Incremental WnB expense after tax</b>	<u>105</u>





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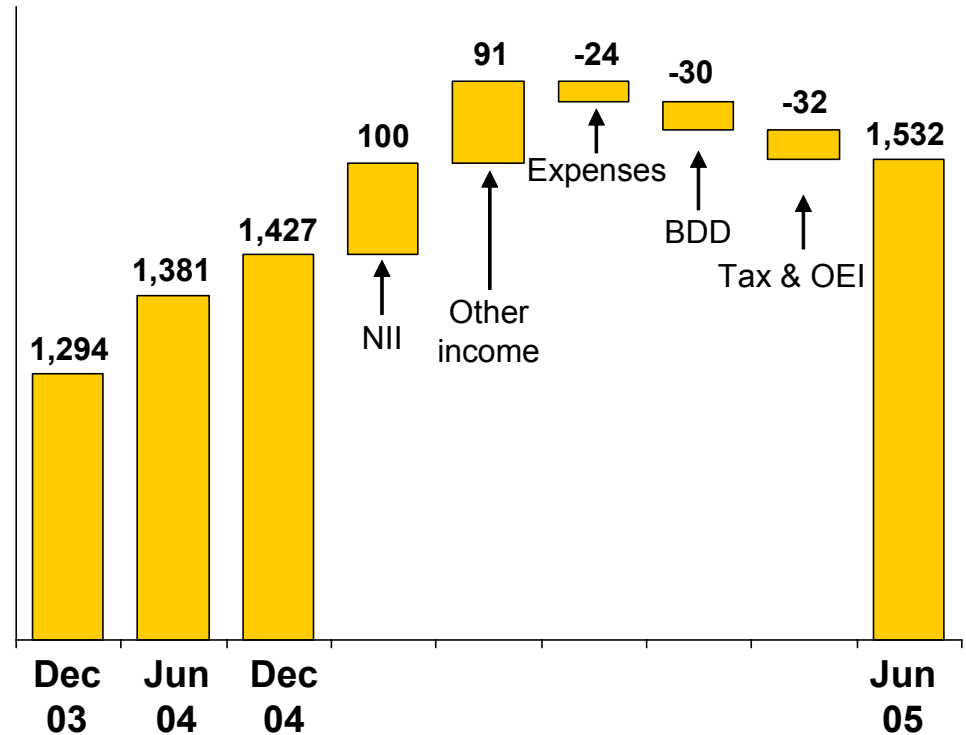
# Segment Results: Banking



# Banking - underlying profit

- 11% underlying profit growth for the year
- Strong growth in net interest income
- Lower trading and lending fee income
- Good cost control

Underlying profit up 7% since Dec 04



# Other Key Information

# Notes

	Half Year Ended		
	Jun 05	Dec 04	Jun 05 vs
<b>Total Banking Income by division</b>	<b>\$M</b>	<b>\$M</b>	<b>Jun 04 %</b>
Australian Retail	2,392	2,287	5
Premium, Business & Corporate, Institutional and Group Treasury	1,443	1,434	1
Asia Pacific	428	405	6
Trading income	221	219	1
Other	52	–	Large
<b>Total Banking Income</b>	<b>4,536</b>	<b>4,345</b>	<b>4</b>
Net Interest Income	3,033	2,933	2
Other Banking Income	1,503	1,412	6
<b>Total Banking Income</b>	<b>4,536</b>	<b>4,345</b>	<b>4</b>

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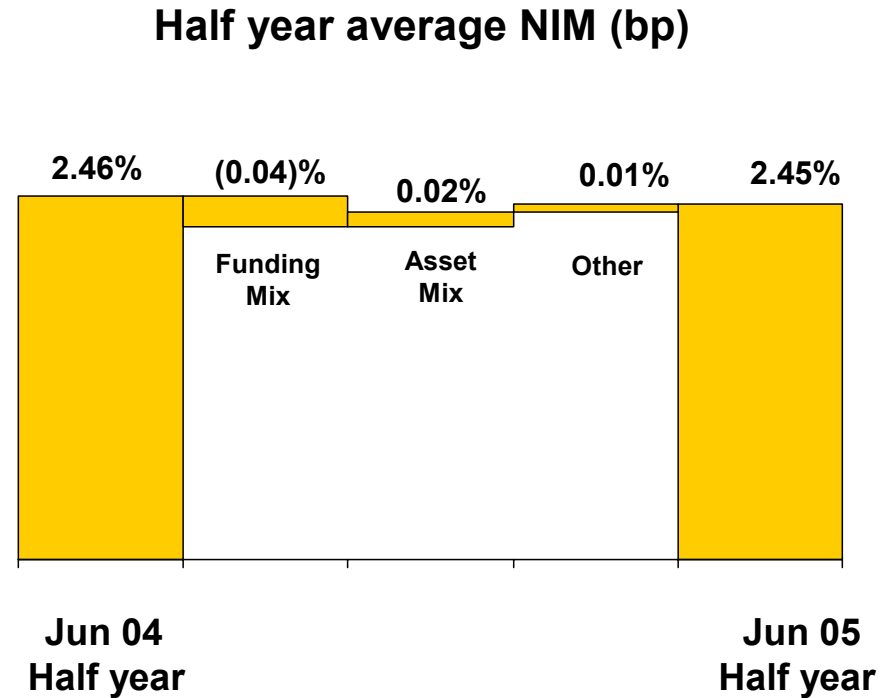
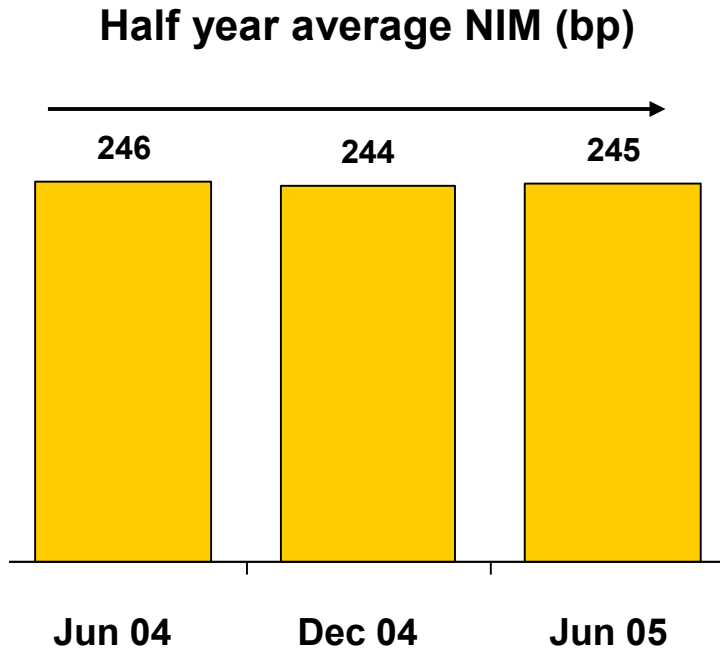
# Banking – breakdown of income

	Full Year Ended		
	Jun 05	Jun 04	Jun 05 vs
<b>Total Banking Income by division</b>	<b>\$M</b>	<b>\$M</b>	<b>Jun 04 %</b>
Australian Retail	4,679	4,292	9
Premium, Business & Corporate, Institutional and Group Treasury	2,877	2,715	6
Asia Pacific	833	710	17
Trading Income	440	499	(12)
Other	52	40	30
<b>Total Banking Income</b>	<b>8,881</b>	<b>8,256</b>	<b>8</b>





# Banking – margins maintained



Note: Full year reduction of 8bp from 253bp to 245bp





# Other Banking income – key components

	12 months			6 months		
	Jun 05 \$M	Jun 04 \$M	Jun 05 v Jun 04	Jun 05 \$M	Dec 04 \$M	Jun 05 v Dec 04
Commissions & Fees	1,595	1,503	6%	798	797	-
Lending fees	753	724	4%	395	358	10%
Trading income	440	499	-12%	221	219	1%
Other	127	120	6%	89	38	Large
<b>Total</b>	<b>2,915</b>	<b>2,846</b>	<b>2%</b>	<b>1,503</b>	<b>1,412</b>	<b>6%</b>

# Other Key Information

# Notes

	Jun 05	Dec 04	Jun 04	Jun 05 v Dec 04	Jun 05 v Jun 04
<b>Domestic growth profile (\$bn)</b>					
Loan Funded	20.9	22.5	20.4	-7%	2%
Reduction	12.6	13.0	11.0	-3%	15%
<b>Net Growth</b>	<b>8.3</b>	<b>9.5</b>	<b>9.4</b>	<b>-13%</b>	<b>-12%</b>
<b>Total home lending</b>					
Australian Home Lending assets (\$bn)	<b>129.9</b>	<b>121.7</b>	<b>112.4</b>	<b>7%</b>	<b>16%</b>
Securitisation (\$bn)	-10.8	-6.4	-7.6	69%	42%
<b>Net (Australia)</b>	<b>119.1</b>	<b>115.3</b>	<b>104.8</b>	<b>3%</b>	<b>14%</b>
Asia Pacific Home lending assets (\$bn)	20.8	18.9	17.0	10%	22%
<b>Totals (adjusted for rounding)</b>	<b>139.9</b>	<b>134.3</b>	<b>121.9</b>	<b>4%</b>	<b>15%</b>

## Home Lending Statistics (domestic balances gross of securitisation)

<b>Balances Mix (%) :</b>	<b>Jun 05</b>	<b>Dec 04</b>	<b>Jun 04</b>
Owner occupied	55%	56%	57%
Investment Home Loans	35%	35%	35%
Line of Credit	10%	9%	8%
Variable	67%	65%	63%
Fixed	21%	20%	20%
Honeymoon	12%	15%	17%
<b>Originations (% of loans funded) :</b>			
3 <sup>rd</sup> Party	29%	32%	28%
Proprietary	71%	68%	72%
Broker originated loans as % of Aust. Book	21%	19%	16%

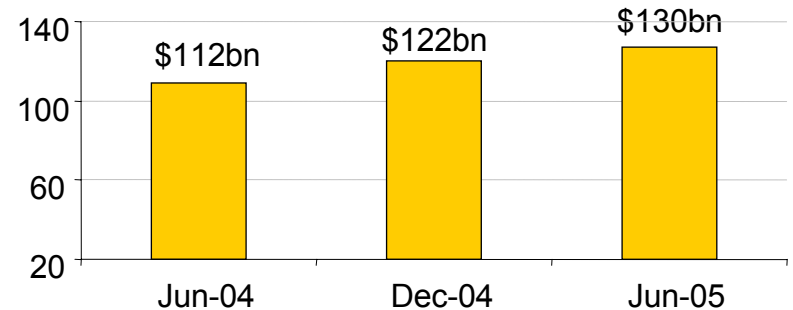


# Banking - Home Lending (domestic)

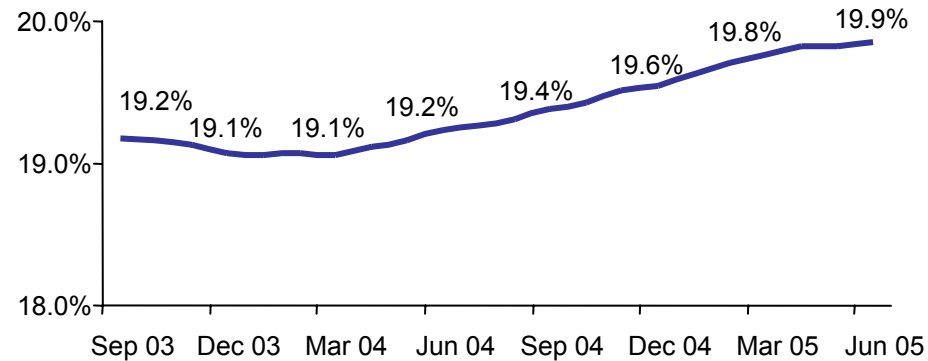
- Orderly mortgage industry slowdown
- CBA balance growth:
  - +16% in 2005
  - +14% in 2H05<sup>(i)</sup>
- Market share up 63bp to 19.86%
- Margins stable
- Impact of broker commission changes in line with expectations

<sup>(i)</sup> annualised

Spot Balances (Gross of securitisation)



Market Share



# Other Key Information

# Notes

## Household Deposits (APRA) - Balance Growth

	Jun 05	Dec 04	Jun 04	Jun 05 v Dec 04 (%)	Jun 05 v Jun 04 (%)
	(\$bn)	(\$bn)	(\$bn)		
CBA (unadjusted)	76.5	75.6	73.3	0.1%	3.1%
MISA reclassification*	0.0	0.0	0.8	n/a	n/a
<b>CBA (adjusted)</b>	<b>76.5</b>	<b>75.6</b>	<b>72.6</b>	<b>0.1%</b>	<b>4.3%</b>
WBC	36.6	35.5	34.2	1.9%	5.7%
ANZ	26.8	25.8	24.7	2.2%	7.0%
NAB	34.1	33.3	31.9	1.2%	5.5%
SGB	26.5	26.5	25.8	-0.5%	2.0%
<b>Subtotal*</b>	<b>200.5</b>	<b>196.7</b>	<b>189.1</b>	<b>0.8%</b>	<b>4.8%</b>
<b>Total ADI Market*</b>	<b>256.5</b>	<b>249.4</b>	<b>236.4</b>	<b>1.9%</b>	<b>7.5%</b>

Source : APRA - Household Deposits; \* Adjusted for MISA reclassification September 2004

## Total Australia Deposits and Public Borrowings

	Jun 05	Dec 04	Jun 04	Jun 05 v Dec 04 (%)	Jun 05 v Jun 04 (%)
	(\$bn)	(\$bn)	(\$bn)		
Transaction	30.5	29.4	28.9	3.7%	5.5%
Savings	34.2	33.6	32.9	1.8%	4.0%
Investment	52.3	50.6	47.8	3.4%	9.4%
Deposit not bearing Interest	5.8	5.9	5.4	-1.7%	7.4%
<b>Sub Total</b>	<b>122.8</b>	<b>119.4</b>	<b>115.1</b>	<b>2.8%</b>	<b>6.8%</b>
Certificates of Deposits & Other <sup>(1)</sup>	18.2	21.4	24.1	-15.0%	-24.5
<b>Total Deposits (incl CDs &amp; Other)</b>	<b>141.0</b>	<b>140.8</b>	<b>139.2</b>	<b>0.1%</b>	<b>1.4%</b>
of which Household Deposits (as per APRA)	76.5	75.6	72.6	-100.0%	-100.0%

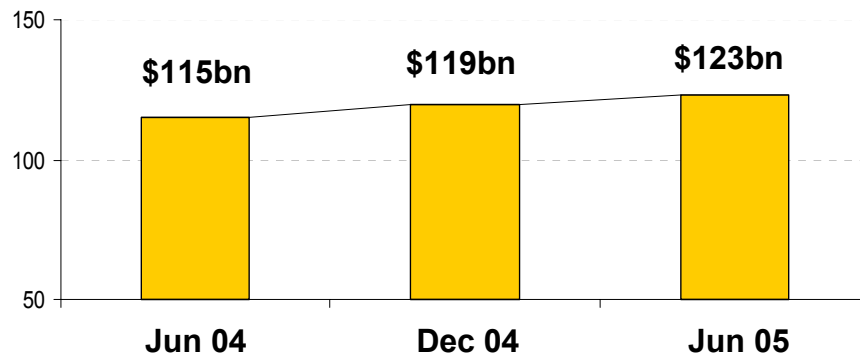
(1) Other includes securities sold under agreements to repurchase and short sales



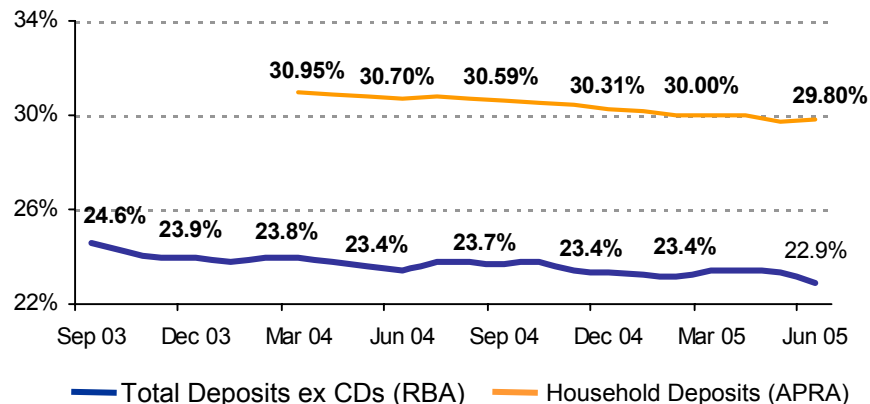
# Banking - Deposits (domestic)

- Total Deposits (ex CDs) up 7%;
  - Investments (9%)
  - Transactions (6%)
  - Savings (4%)
  
- Heightened competition
- Focus on profitable share growth
- NetBank Saver launched June 05

Balances



Market Share



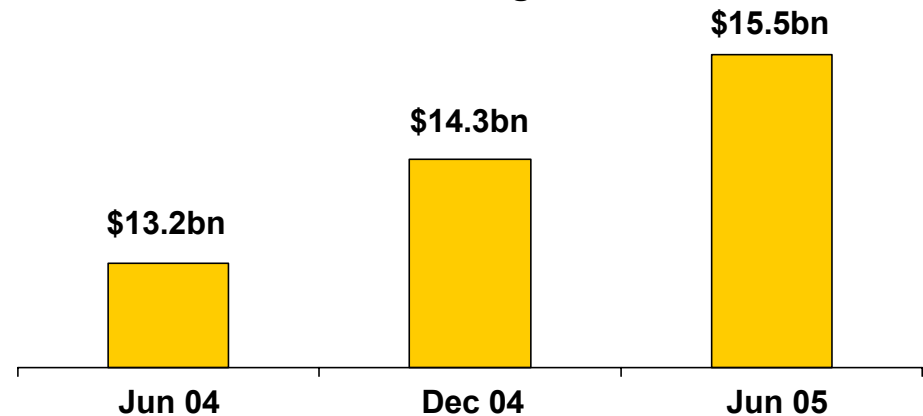
(1) APRA published data series only begins in March 2004 for Household Deposits



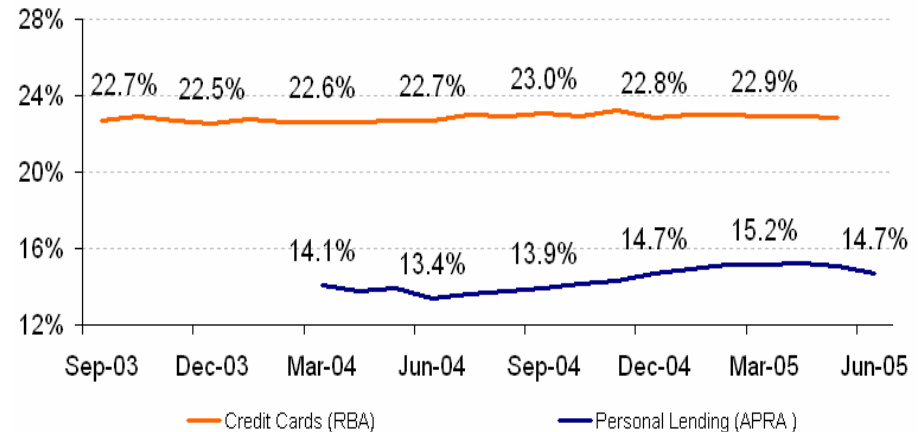
# Banking – Personal Lending (domestic)

- Increasingly competitive
- Strong balance growth in 2005
  - Credit cards +13.5%
  - Other personal lending +20.7%
- Market shares improved
- Stable margins

Personal Lending Balances



Market Share (1)



(1) APRA published data series only begins in March 2004 for Personal Lending



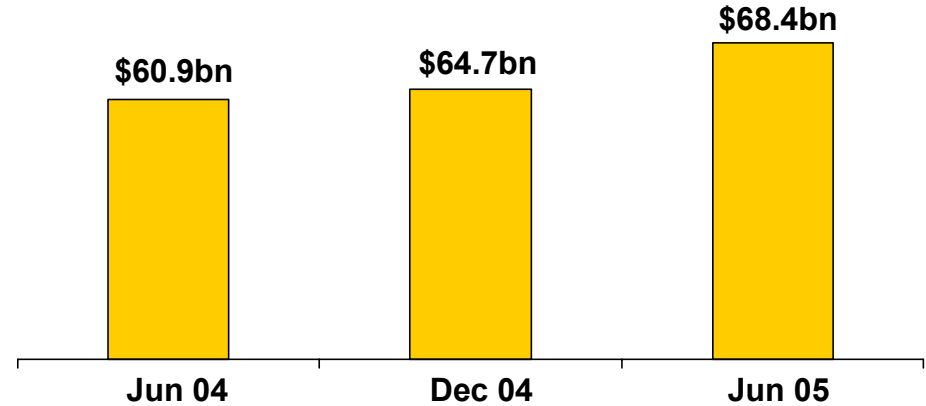




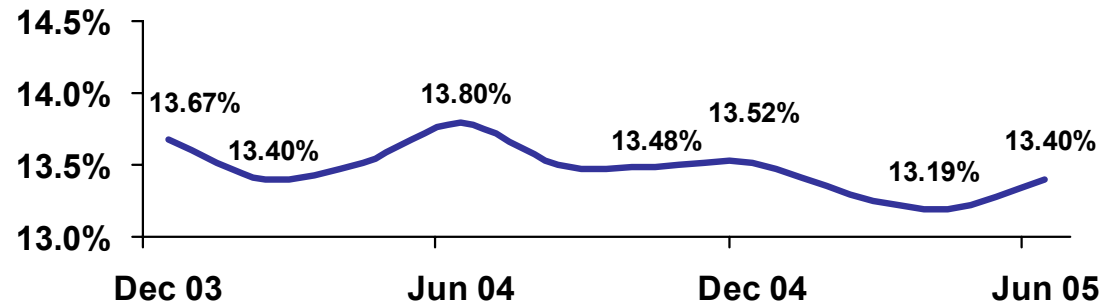
# Banking – Business Lending

- Increasingly competitive
- Balances increased by 12% since June 04
- Stable margins
- Credit quality of the book is strong

CBA Business, Corporate and Institutional Lending Balances <sup>(1)</sup>



CBA Business Lending Market Share <sup>(2)</sup>



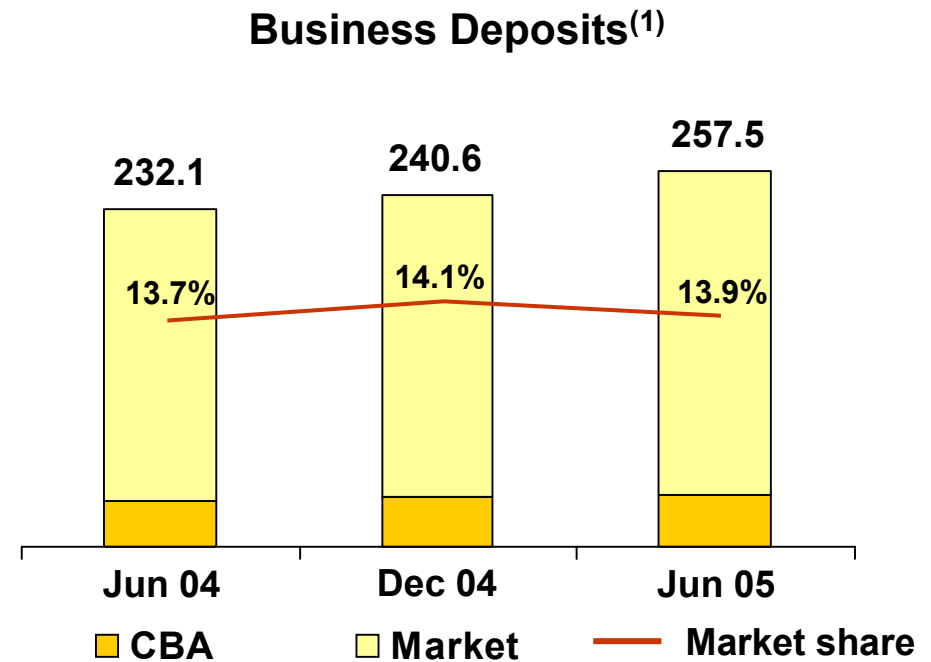
<sup>(1)</sup> Interest earning lending assets + bank acceptances of customers

<sup>(2)</sup> Source: RBA



# Banking – Business Deposits

- Business deposit growth of 12.3%
- Business deposit market share stable over the full year
- Success with on-line offers



<sup>(1)</sup> Financial and Non financial corporations deposits – Source APRA



# Other Key Information

# Notes

	Jun 05	Dec 04	Jun 04
RWA	189,559	180,673	169,321
Charge for BDD (6 mths)	\$176m	\$146m	\$126m
Charge for BDD to RWA (annualised)	0.19%	0.16%	0.15%
Gross impaired assets (net of interest reserved)	\$376m	\$418m	\$340m
Specific provisions	\$157m	\$180m	\$143m
General provisions	\$1,390m	\$1,379m	\$1,393m
General provisions to RWA	0.73%	0.76%	0.82%

## Credit risk statistics

### Commercial portfolio

Top 20 commercial exposures (as % of total committed exposure)	3.3%	3.0%	3.4%
% of all commercial exposures that are investment grade or better	66%	66%	67%
% of non-investment grade covered by security	84%	84%	79%

### Consumer portfolio

% of gross lending for home lending	59.0%	60.0%	59.0%
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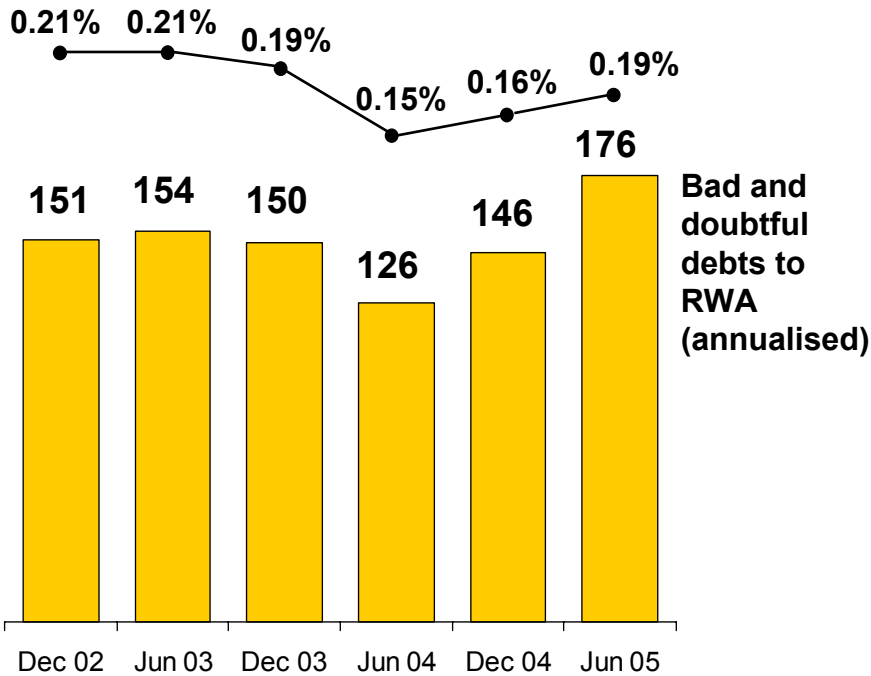
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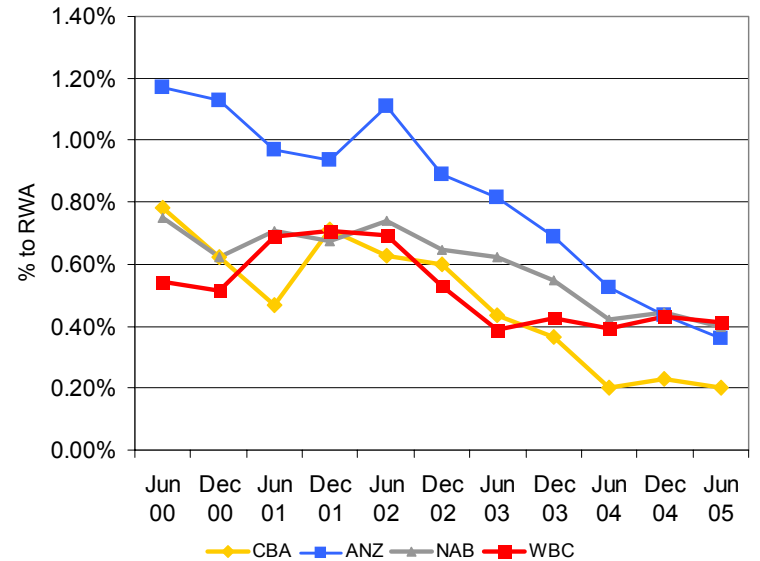
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# Banking – bad and doubtful debts

**Bad and doubtful debts expense  
(in \$m)**



**Gross impaired assets to RWA**



Peer bank comparative data as at 31 March and 30 September each year

# Other Key Information

# Notes

## For the half ending

### ASB: New Zealand NZ\$M

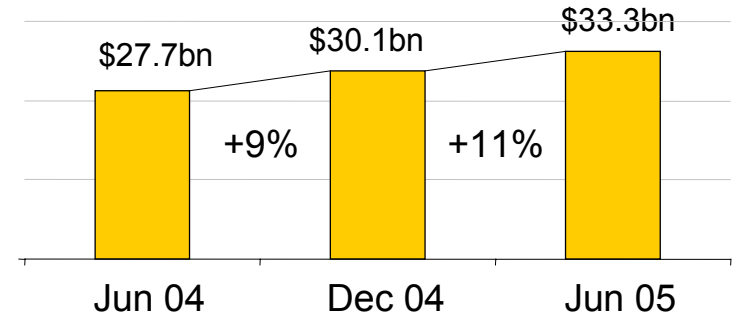
	Jun 05	Dec 04	Jun 04	Jun 05 v. Dec 04	Jun 05 v. Jun 04
Net interest income	397	383	358	4%	11%
Other income	138	130	121	7%	15%
Total operating income	536	513	478	4%	12%
Operating expenses	(234)	(236)	(235)	-1%	-1%
Charge for doubtful debts	(8)	(8)	(11)	0%	-27%
Net profit before taxation	294	269	232	9%	27%
Income tax	(94)	(86)	(75)	10%	25%
Net profit after tax ("Cash basis")	200	183	157	9%	27%
New Zealand Dollar Exchange Rate (spot)	1.09	1.08	1.10	2%	-1%
New Zealand Dollar Exchange Rate (avg)	1.08	1.09	1.13	-1%	-4%



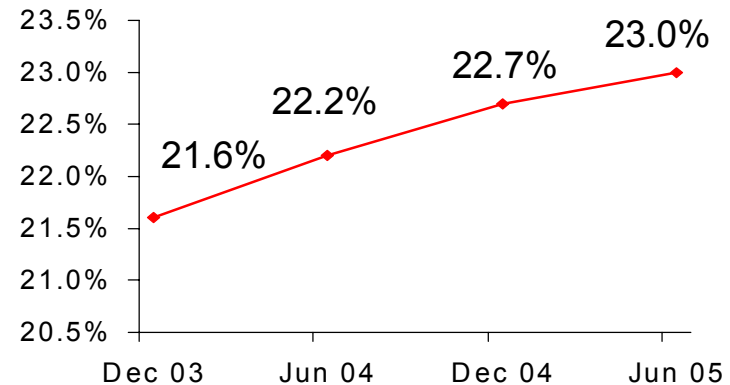
# Banking – New Zealand (ASB)

- Cash profit up 21% to NZD \$383m
- Cost income 44.8% v. 47.6% in 2004
- Lending balances up 20% for FY05 (78% fixed rate v.65% in 2004)
- Deposits grew 15% to NZD \$18.4bn
- NIM: 2.17%, impacted by four rate rises and competition (2.20% in Dec 04, 2.27% in Jun 04)

Operational Lending\* Balances (Spot – in NZD)



NZ Housing Lending Market Share



\* Operational lending = excludes treasury & structured finance







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# Segment Results: Funds Management

# Other Key Information

# Notes

	Jun 05	Dec 04	Jun 04
<b>FUA</b>			
Av. FUA (\$bn)	121	112	107
Spot. FUA (\$bn)	123	117	110
<b>Margins</b>			
Operating income/ av. FUA	1.09	1.1	1.09
Net income/ av. FUA	0.92	0.96	0.92
<b>Expenses</b>			
Actual Operating expenses/ av.FUA	0.72	0.74	0.75
<b>Market shares</b>			
Platforms (latest is Mar 05)*	10.8%	10.5%	8.7%
Retail funds (March 05)	14.8%	14.7%	14.4%
<b>Breakdown of retail funds invested</b>			
Local equities	22.9%	23.9%	23.6%
International equities	19.2%	18.1%	18.4%
Listed direct and property	17.9%	17.5%	16.8%
Fixed interest and cash	39.0%	39.5%	40.1%
Other	1.0%	1.1%	1.1%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100.0%</b>

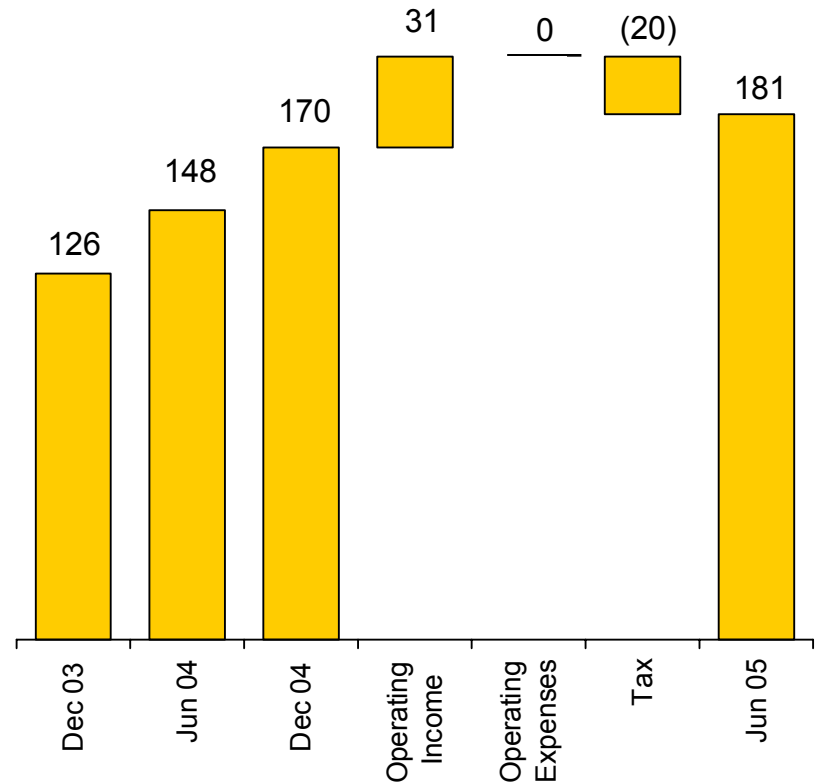
\* New series to reflect changes to products classified as platforms/masterfunds



# Funds Management

- Underlying profit of \$351m, up 28%
- Favourable markets driving revenue growth
- Expenses flat half on half and increasing only 1% year on year
- Turnaround in retail funds flow
- Positive trends in performance
- Margins maintained

Underlying profit up 6% since Dec 04



# Other Key Information

# Notes

Total net flows	Jun 05	Dec 04	Jun 04
	\$M	\$M	\$M
FirstChoice & Avanteos	2,970	3,142	2,220
Cash Mgt.	-458	-6	-360
Other retail <sup>(1) (2)</sup>	-1,965	-1,493	-2,095
Wholesale	-640	-1,869	-127
Property	79	-44	16
International	294	984	86
Other	-674	136	-
<b>Total</b>	<b>-394</b>	<b>850</b>	<b>-260</b>

<sup>(1)</sup> Includes Life company assets sourced from retail investors but not attributable to a funds management product (eg premiums from risk products). These amounts do not appear in retail market share data.

<sup>(2)</sup> June 04 amount as reported in the June 2004 Profit Announcement

## Retail flows and sales

	(3 mths)	(6 mths)	(6 mths)
Retail Net Flows <sup>(3)</sup>	Mar 05	Dec 04	Jun 04
CBA (\$m)	377.39	1,215.35	315.51
Market (\$m)	3,293.63	10,034.84	7,590
CBA ranking	4	3	8

### Retail Sales <sup>(4)</sup>

% total retail sales sourced from CBA Network	51%	48%	45%
% total retail sales managed by CBA	58%	66%	70%

<sup>(3)</sup> Net flows (sales less withdrawals) for retail products. Source: Plan for Life

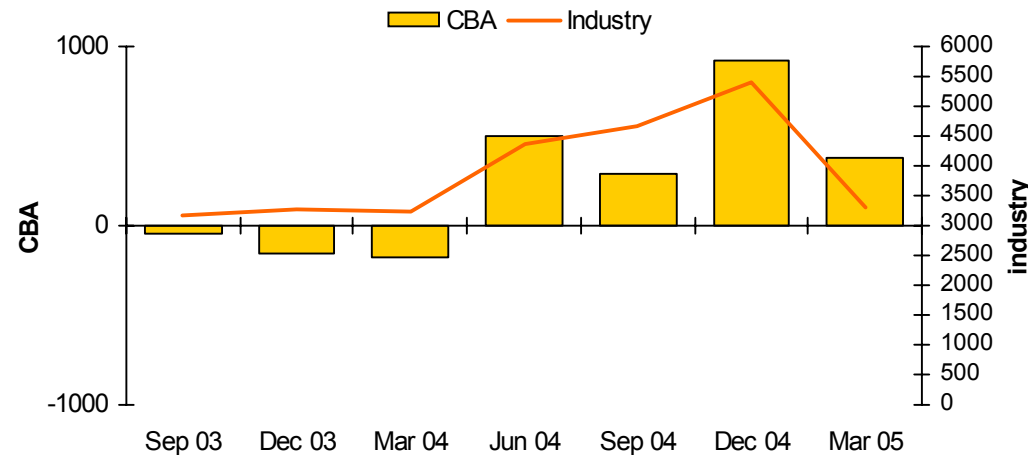
<sup>(4)</sup> Excludes legacy products. Source: CBA



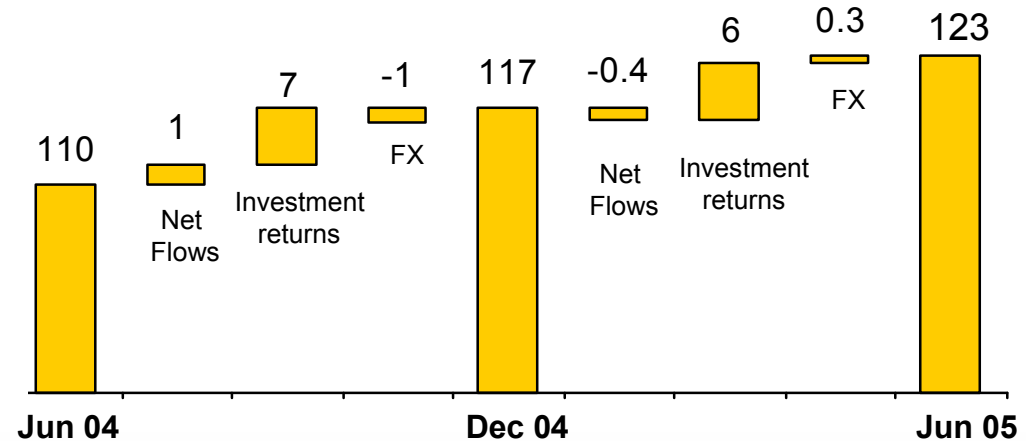
# Funds Management – net funds flows

- Market leading net flows into FirstChoice following product enhancements
- Continued outflows from wholesale – mainly indexed and cash mandates
- Retail market share rising to 14.8%

Retail net flows (\$m) (source Plan for Life)



Funds Under Administration (\$bn)





# Investment Performance

June 2005	Gross performance and quartile ranking			
	1yr % pa	Quartile	3yr % pa	Quartile
Aust. Share – Core	29.4%	1	15.4%	2
Imputation	28.9%	2	14.0%	4
Property Securities	24.0%	1	17.0%	1
Global Resources	23.0%	1	16.5%	1
Diversified	14.0%	4	7.4%	4
Australian Bond	8.2%	2	7.2%	1
Global Equities	0.8%	3	-4.0%	4

Source – Mercer, Morningstar





# Wealth Management – strategic moves

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- WM Restructure and Alignment
  - Separation of asset mgt and platforms
  - Warwick Negus to head up Global Asset Management
- Acquisitions and alliance
  - Symetry Limited
  - 452 Capital
  - PM Capital
  - Colliers International
  - Joint venture with Acadian Asset Management
- Avanteos and Goldman Sachs/ JB Were portfolio services strategic partnership
- FirstChoice enhancements including launch of wholesale product



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# Segment Results: Insurance

# Other Key Information

# Notes

	6 months ended		
	Jun 05	Dec 04	Jun 04
<b>Claims expense as % of net earned premium</b>			
General	72%	60%	43%
Life	47%	53%	49%
<b>Sources of profit</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>
Planned profit margins	60	62	55
Experience variations	28	-1	-11
Other	-8	-	-10
<b>General insurance operating margin</b>	<b>6</b>	<b>7</b>	<b>20</b>
Operating margins	86	68	54
After tax Shareholder investment returns	63	92	44
<b>NPAT (cash)</b>	<b>149</b>	<b>160</b>	<b>98</b>

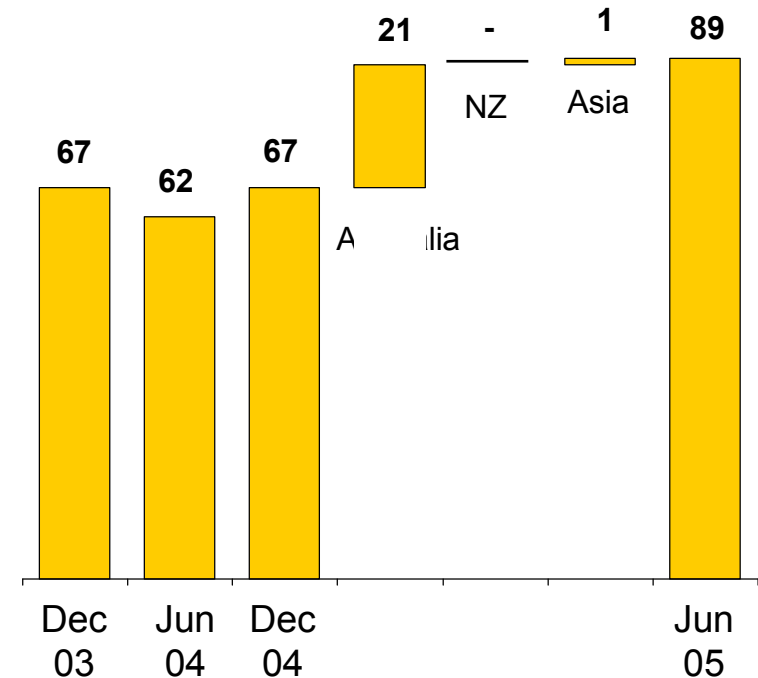
## Breakdown of Shareholders' Funds

	Jun 05	Dec 04	Jun 04
Local equities	5%	6%	7%
International equities	5%	6%	5%
Property	13%	13%	14%
Other growth	1%	1%	1%
Growth	24%	26%	27%
Fixed interest	37%	36%	44%
Cash	33%	32%	23%
Other income	6%	6%	6%
Income	76%	74%	73%
Total	100%	100%	100%

# Insurance Results - total

- Underlying profit \$156m, up 21%
- 18% increase in sales
- 31% growth in operating margin
- Largest Life Insurer in 3 countries (Australia, New Zealand & Fiji)
- Sale of Hong Kong

Underlying profit up 33% since Dec 04



# Other Key Information

# Notes

	Australia		New Zealand		Asia*		Total	
	Jun 05	Dec 04	Jun 05	Dec 04	Jun 05	Dec 04	Jun 05	Dec 04
<b>\$M</b>								
<b>Operating margins</b>	55	39	26	26	5	3	86	68
<b>Shareholders Investment Earnings</b>	44	48	12	10	7	34	63	92
<b>NPAT (Cash)</b>	99	87	38	36	12	37	149	160

\* Includes CMG-Asia since sold

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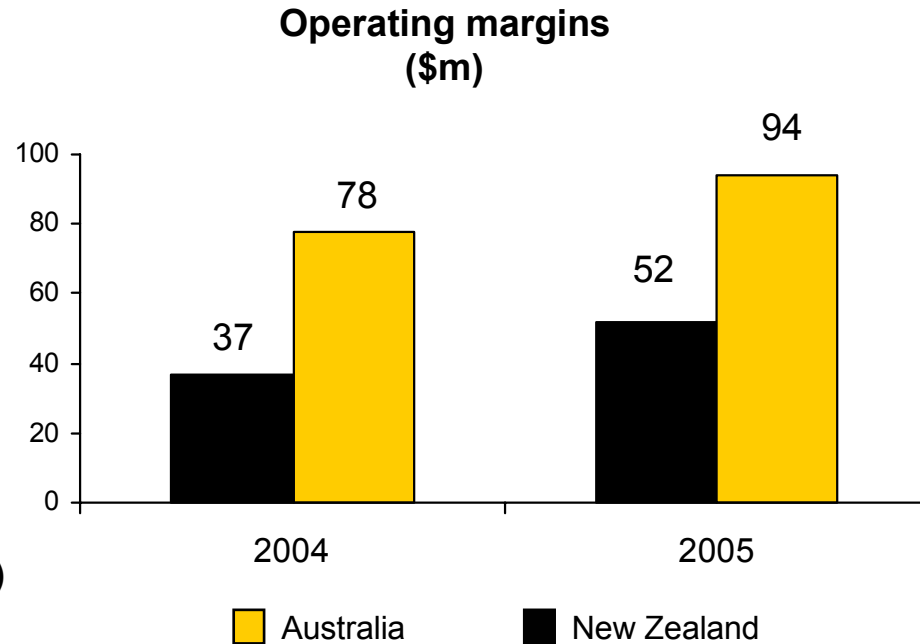
# Insurance Results – by region

## Australia

- Largest Life Insurer (13.8% market share)
- Operating Margin up 21% to \$94m
- Positive Life Claims experience, General Insurance claims adversely affected by Feb eastern Seaboard storm

## New Zealand

- Largest Life Insurer (27.5% market share)
- Operating Margin up 41% to \$52m
- Positive Claims Experience



# Other Key Information

# Notes

	FM	Life insurance			Total
		Australia	NZ	Asia	
Carrying value (\$M) at 30 Jun 05					
NTA	500	1,017	409	587	2,513
Value inforce business	1,859	533	359	-	2,751
<b>Embedded value</b>	<b>2,359</b>	<b>1,550</b>	<b>768</b>	<b>587</b>	<b>5,264</b>
Value of future new business	3,096	330	350	22	3,798
<b>Carrying value</b>	<b>5,455</b>	<b>1,880</b>	<b>1,118</b>	<b>609</b>	<b>9,062</b>
Increase/(decrease) in carrying value	316	219	140	-15	660

## Analysis of movement since 30 June 2004

Profits	349	176	71	50	646
Capital movements	-121	195	-79	1	-4
Dividends paid	-213	-485	-	-4	-702
Acquisitions/disposals	-30	-	-	-	-30
FX movements	-	-	2	-60	-58
<b>Change in Shareholders NTA</b>	<b>-15</b>	<b>-114</b>	<b>-6</b>	<b>-13</b>	<b>-148</b>
Acquired excess	30	-	-	-	30
Appraisal value uplift/(reduction)	301	333	146	-2	778
<b>Increase/(decrease) to 30 Jun 05</b>	<b>316</b>	<b>219</b>	<b>140</b>	<b>-15</b>	<b>660</b>

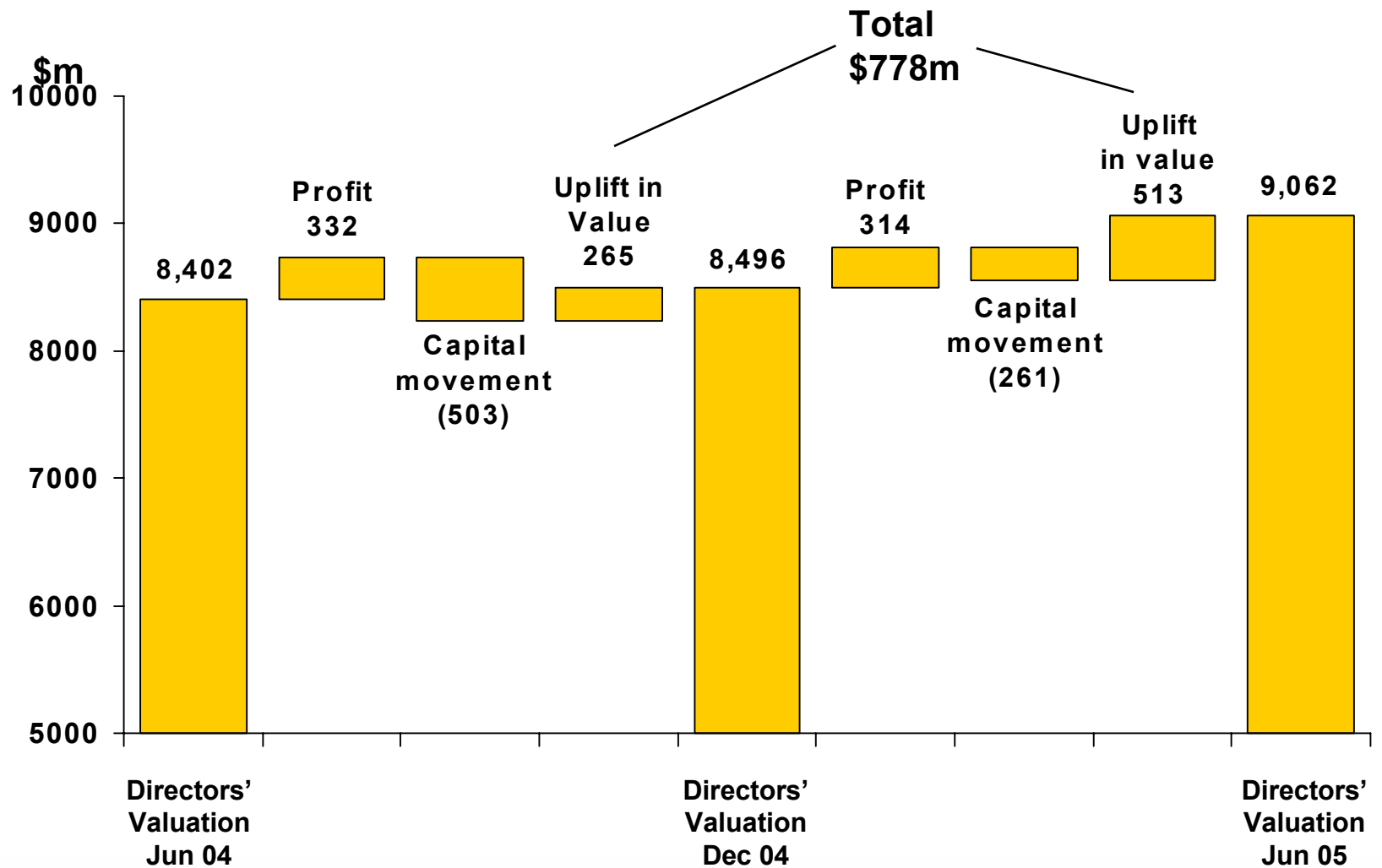
## Shareholders' Funds

	Jun 05	Dec 04	Jun 04
Balance of Shareholders' Funds (\$bn)	2.5	2.5	2.7





# Value of Insurance and Fund Management Business increased \$778m





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# Capital Management

# Other Key Information

# Notes

<b>Credit Ratings</b>	<b>Long Term</b>	<b>Short Term</b>	<b>Affirmed</b>
Standard & Poors'	AA-	A-1 +	Jun 05
Moody's Investor Services	Aa3	P-1	Jun 05
Fitch Ratings	AA	F1+	Jun 05

<b>Adjusted Common Equity</b>	<b>Jun 05 \$M</b>	<b>Dec 04 \$M</b>	<b>Jun 04 \$M</b>
Tier One Capital	14,141	13,487	12,588
Deduct:			
Eligible loan capital	(304)	(298)	(338)
Preference share capital	(687)	(687)	(687)
Other equity instruments	(1,573)	(1,573)	(1,573)
OEI <sup>(1)</sup>	(520)	(518)	(190)
Investment in non-consolidated subsidiaries <sup>(2)</sup>	(1,721)	(1,776)	(1,886)
Other deductions	(28)	(27)	(5)
Other	-	-	139
	<b>9,308</b>	<b>8,608</b>	<b>8,048</b>

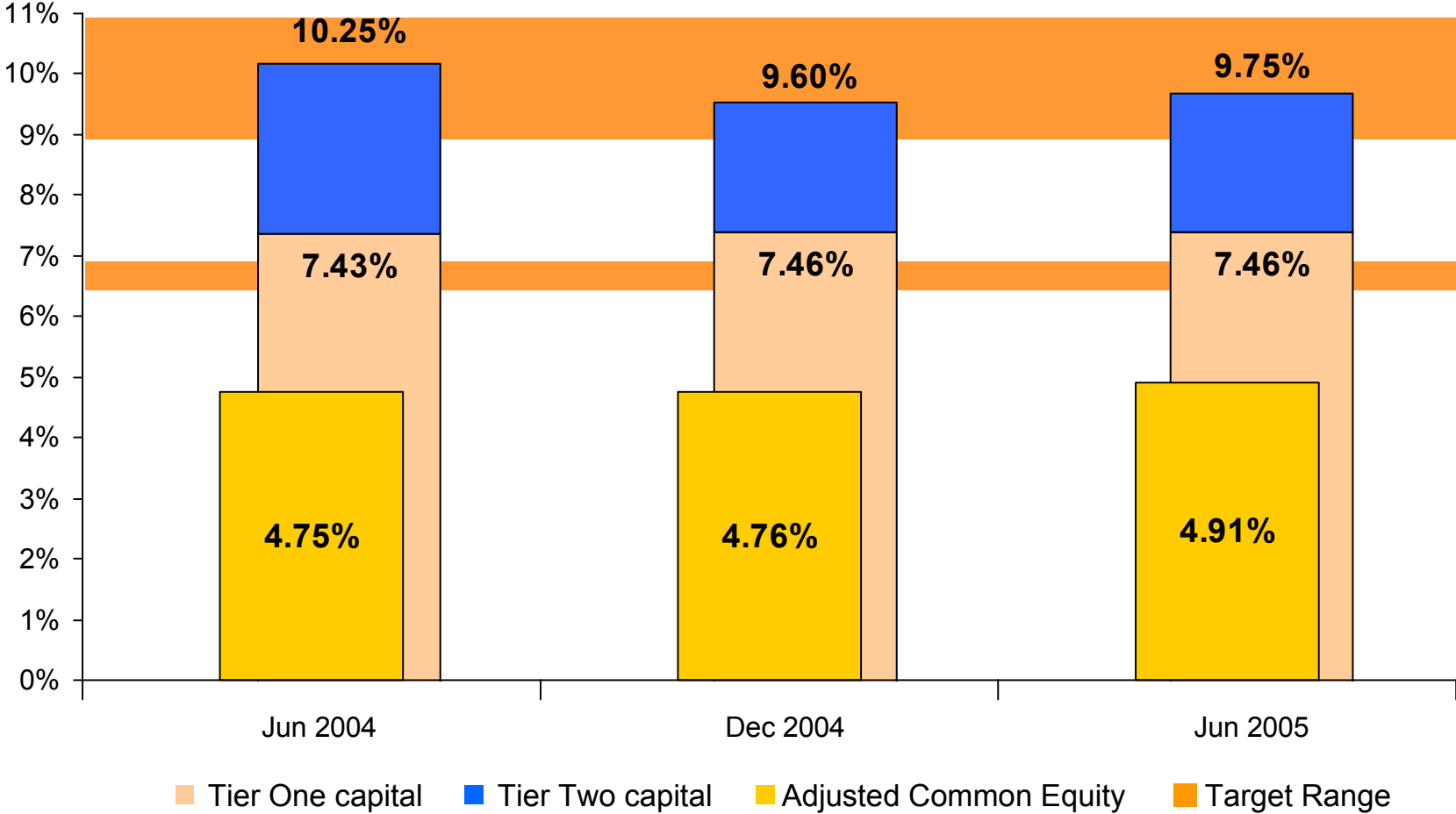
<b>Risk Weighted Assets</b>	<b>189,559</b>	<b>180,673</b>	<b>169,321</b>
<b>Adjusted Common Equity Ratio</b>	<b>4.91%</b>	<b>4.76%</b>	<b>4.75%</b>

<sup>(1)</sup> Net of OEI component deducted from Tier One capital

<sup>(2)</sup> Net of intangible component deducted from Tier One capital

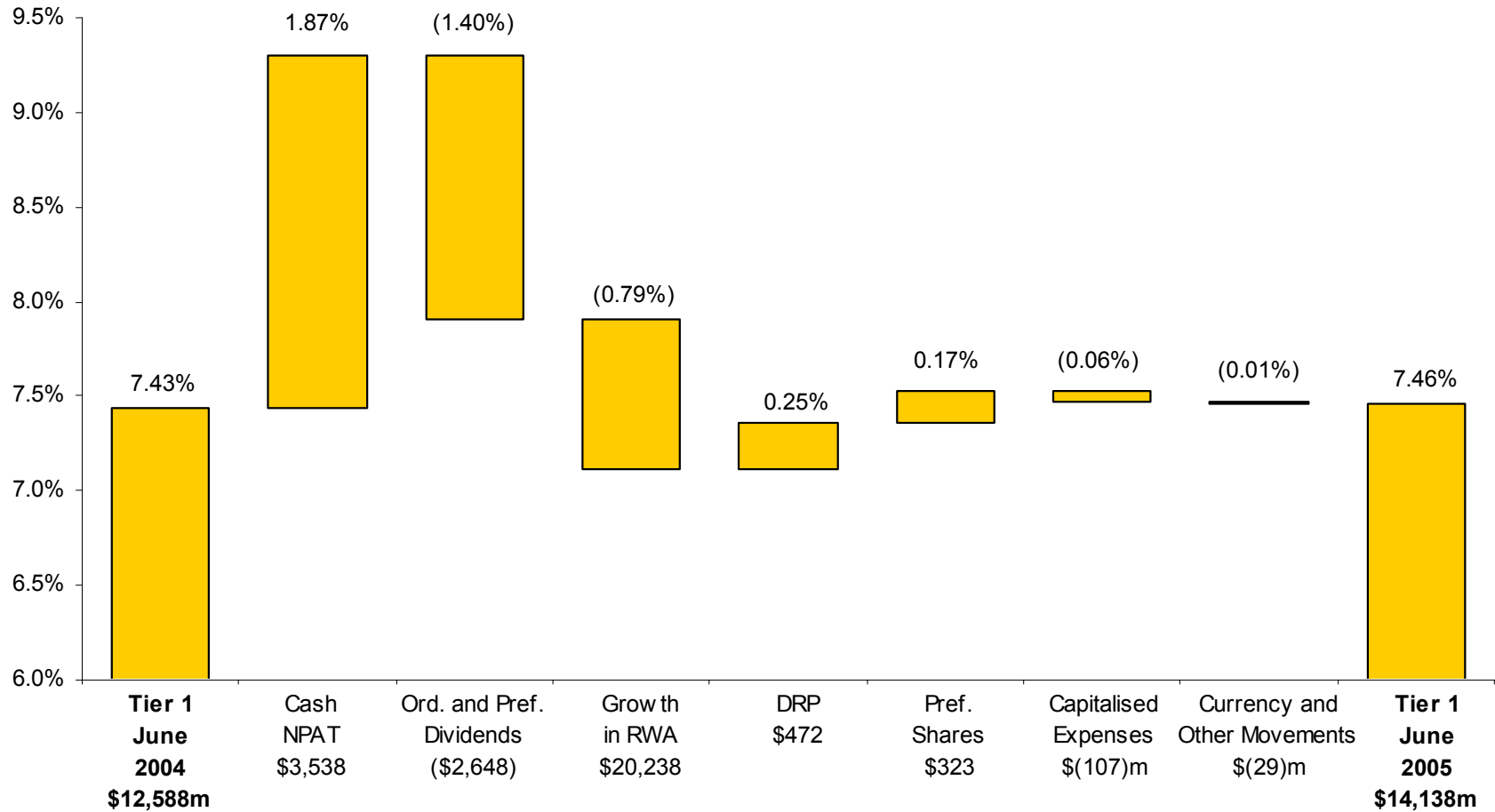
Total Capital declined during the year following the redemption of a large number of Lower Tier Two notes and bonds and the stronger AUD.

# Capital ratios





# Generation and use of Tier 1 capital







# Capital Management update

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- Sale of CMG-Asia
- DRP
- Update on Hybrid considerations
- RWA profile:
  - Growth in business credit
  - Growth in non-mortgage personal credit
  - Slowing in mortgage lending



# Compliance projects

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- Implementation for IFRS, Sarbanes Oxley and Basel II is on target
- IFRS will first impact the December 2005 half year result
- The spend in 2005 totalled \$36m, a \$22m increase on 2004. We expect the spend in 2006 to be between \$30-40m



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# IFRS

# Other Key Information

# Notes

## AIFRS – Indicative Impact on P&L and Cash EPS

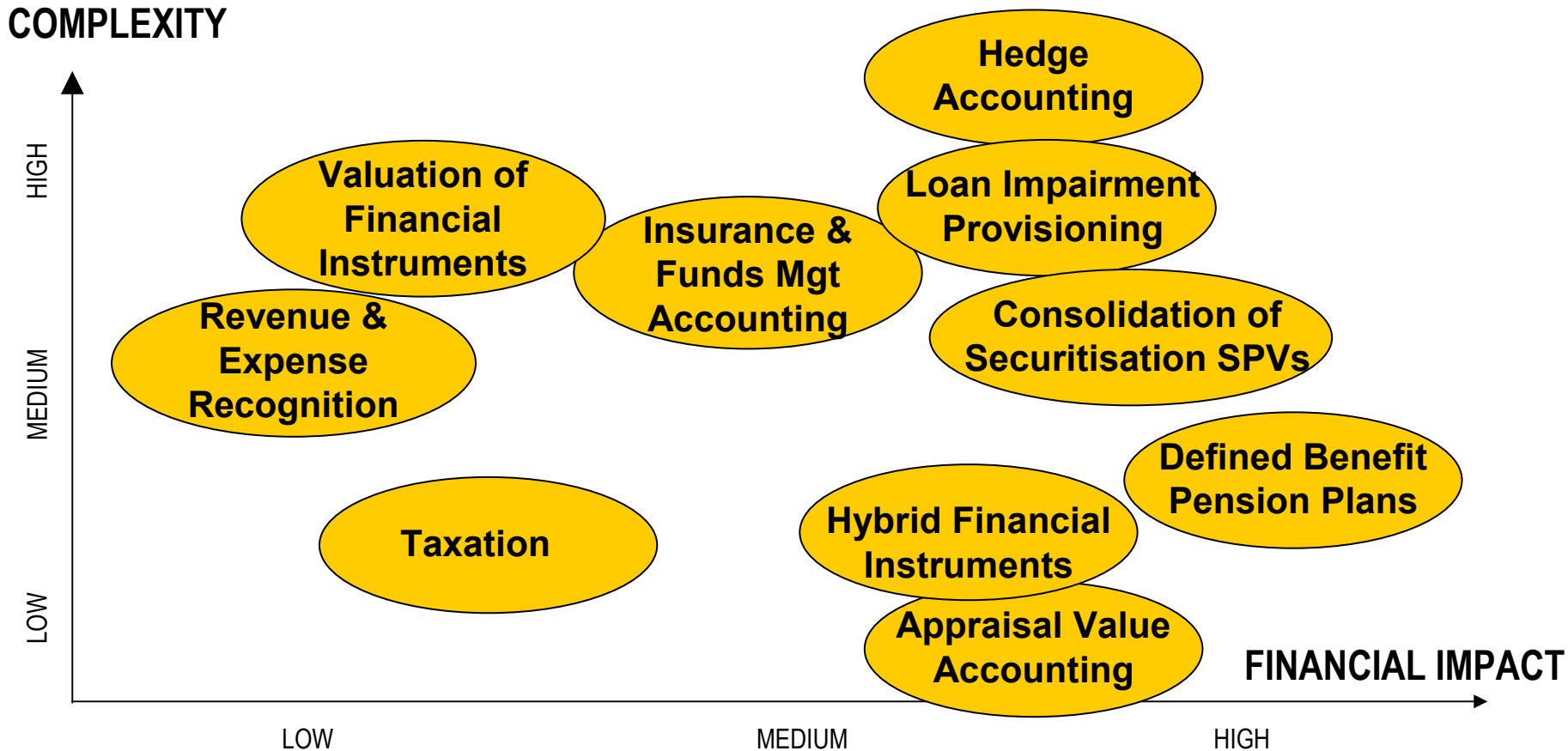
Actual 2005		Indicative Impact 2006
\$m		\$m
	<b>Cash Profit:</b>	
-	Hybrid Instrument Dividends	(140)
-	Income Deferral	(30)
-	Wealth Management DAC Write Off	17
(30)	Share Based Compensation	-
<b>(30)</b>	<b>Total Cash Profit Impact</b>	<b>(153)</b>
	<b>Non-Cash Profit:</b>	
(778)	AV Uplift	(400)
321	Goodwill Amortisation	321
(52)	Defined Benefit Pension Plan	(52)
(39)	Wealth Management Treasury Shares	? <sup>(1)</sup>
(9)	Other	-
<b>(557)</b>	<b>Total Non-Cash Profit Impact</b>	<b>(131)</b>
<b>(587)</b>	<b>Total Statutory Profit Impact</b>	<b>(284)</b>
	<b>Cash EPS:</b>	
-	Income Deferral	(30)
-	Wealth Management DAC Write Off	17
(30)	Share Based Compensation	-
<b>(30)</b>	<b>Total Cash EPS Impact</b>	<b>(13)</b>

Note : Excludes derivative accounting volatility and Loan Impairment movements due to uncertainty

<sup>(1)</sup> Amount will depend upon value of CBA shares held within Life Company Funds



# IFRS – major adjustments







# Highlights

---

- Underlying profit up 13% from Jun 04
- Cash EPS growth of 30% from Jun 04
- Total Dividend increased to \$1.97 (\$1.83 in June 04)
- Productivity improvements in all segments
- Market shares - turn around in trend
- Which new Bank delivering

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# Presentation of Full Year Results for 30 June 2005

David Murray  
Chief Executive Officer

Michael Cameron  
Chief Financial Officer

10 August 2005



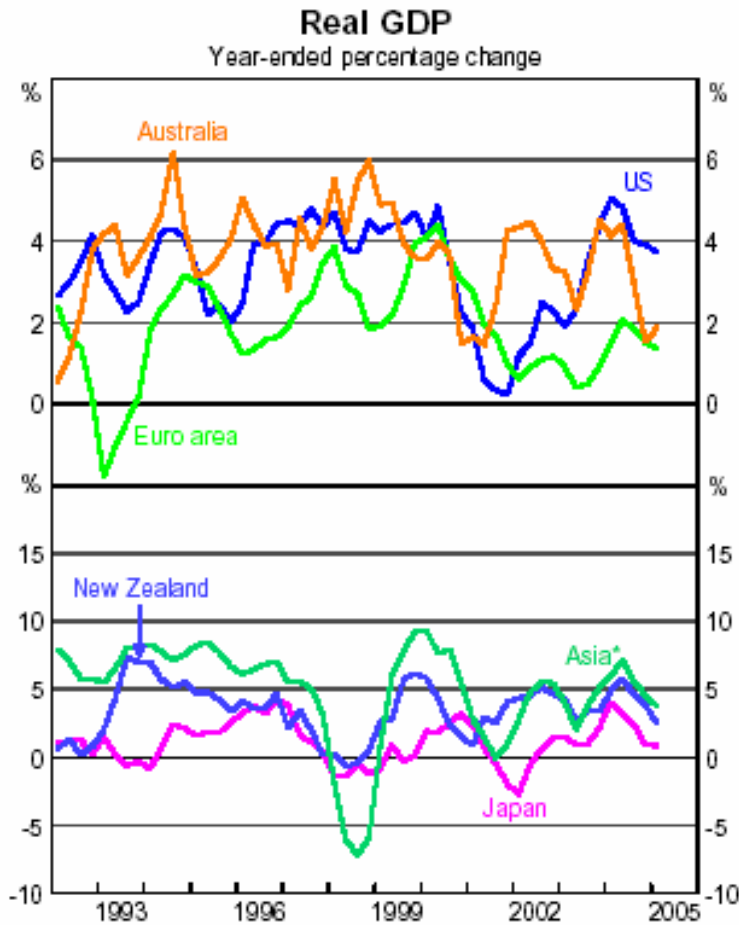
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# Supplementary materials

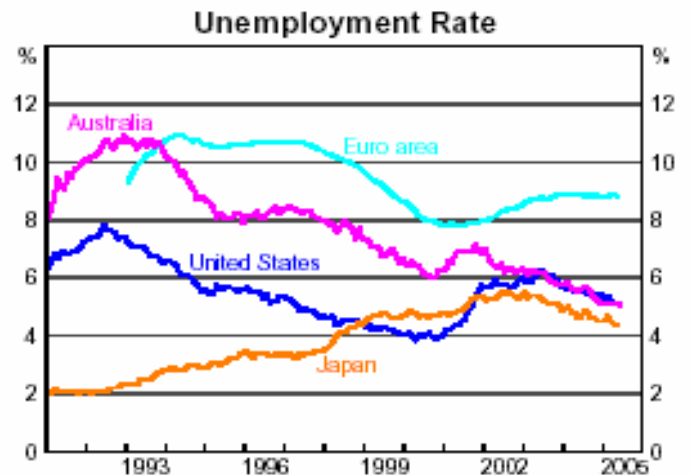
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# Economy

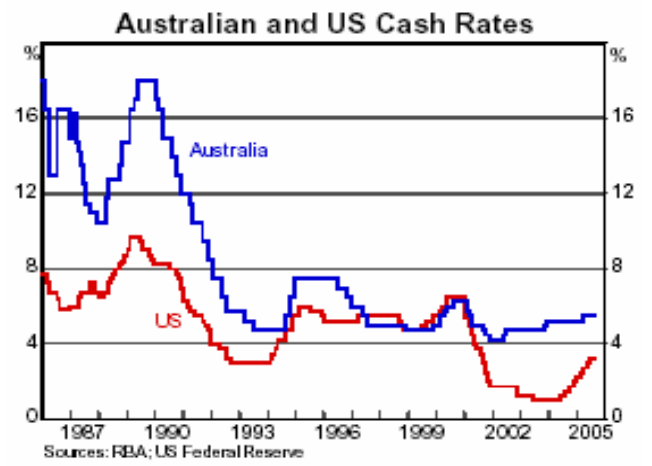
# GDP, unemployment and cash rates



\* Hong Kong, Indonesia, Korea, Malaysia, Philippines, Singapore, Taiwan and Thailand  
Sources: ABS; CEIC; Thomson Financial

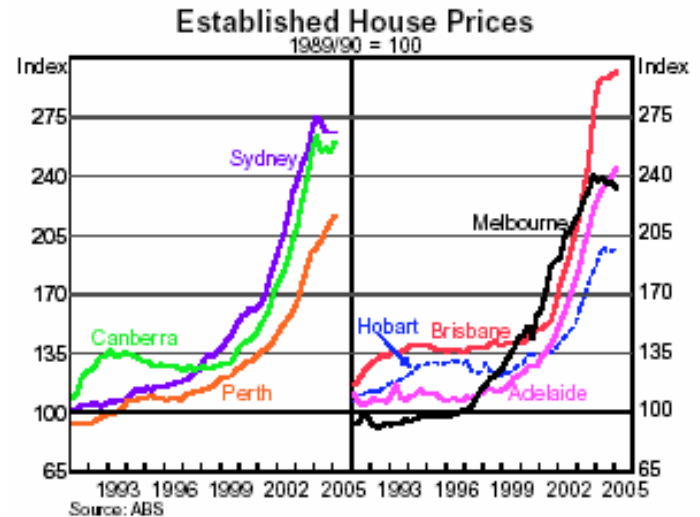
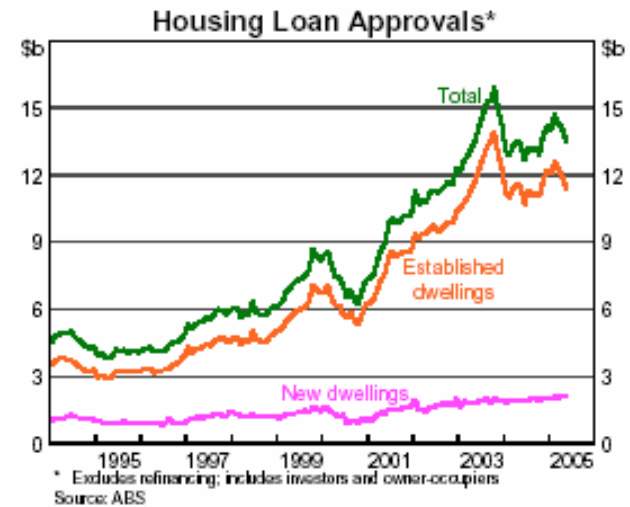
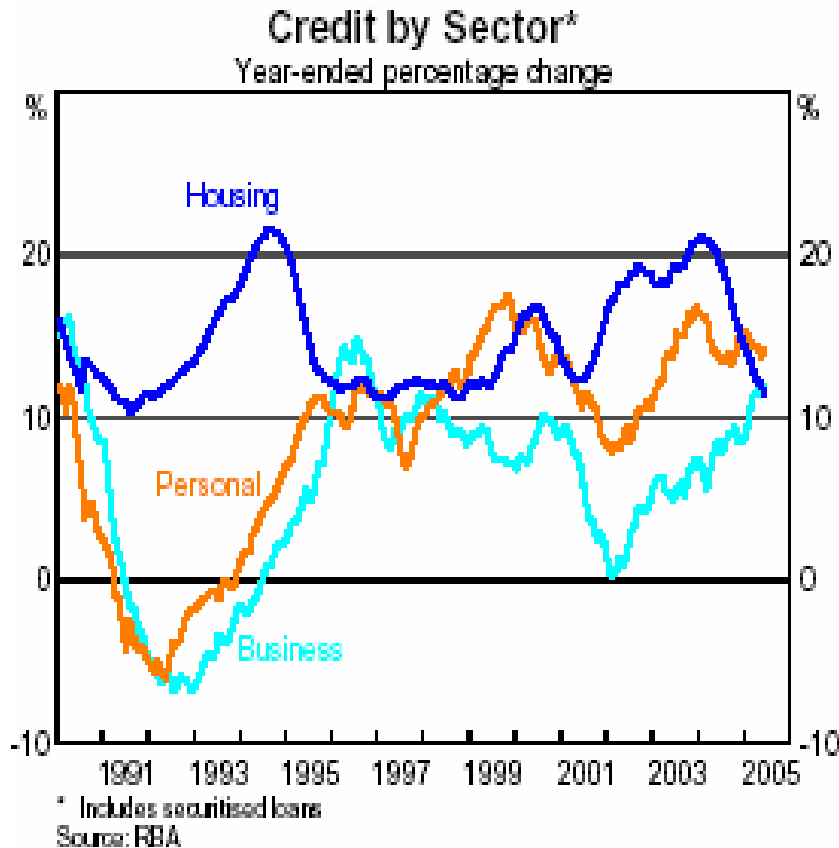


Sources: ABS; Thomson Financial



Sources: RBA; US Federal Reserve

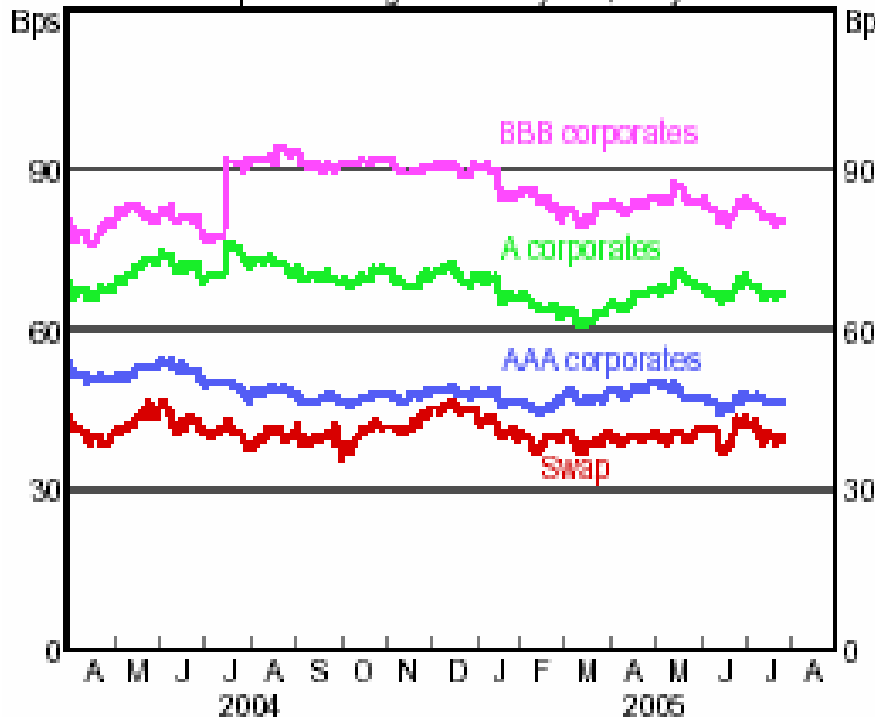
# Credit growth



# Spreads

**Aus. BBB Corporates**  
~ 40bp over swaps

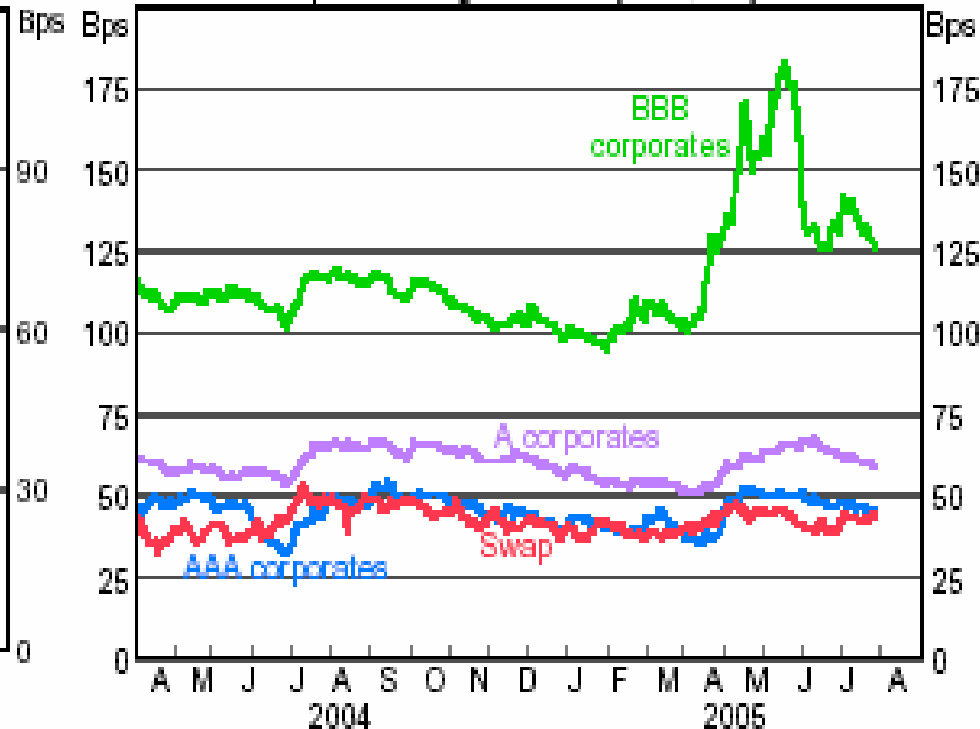
**Australian Corporate Bond Spreads**  
Spread over government yields, daily



Swap spreads are for 3-years maturity. Corporate spreads are a weighted average of bonds with remaining maturities of 1 to 5 years.  
Sources: Bloomberg; RBA; UBS Australia Ltd.

**US BBB Corporates**  
~ 80bp over swaps

**US Corporate Bond Spreads (3-5 years)**  
Spread over government yields, daily



Source: Bloomberg



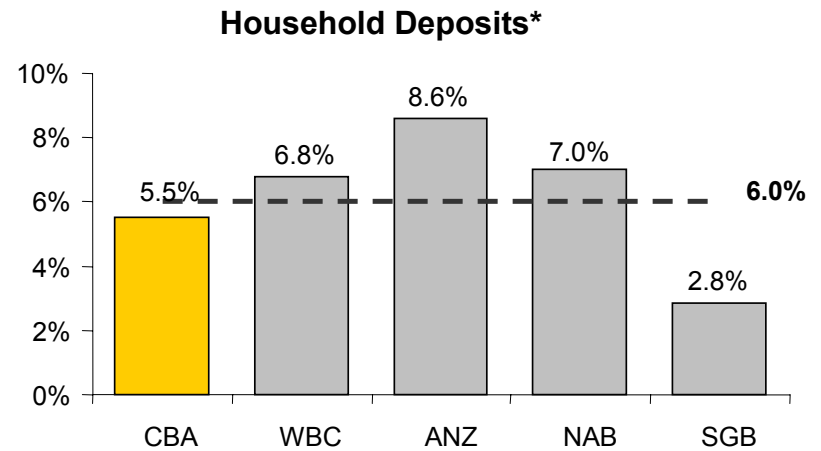
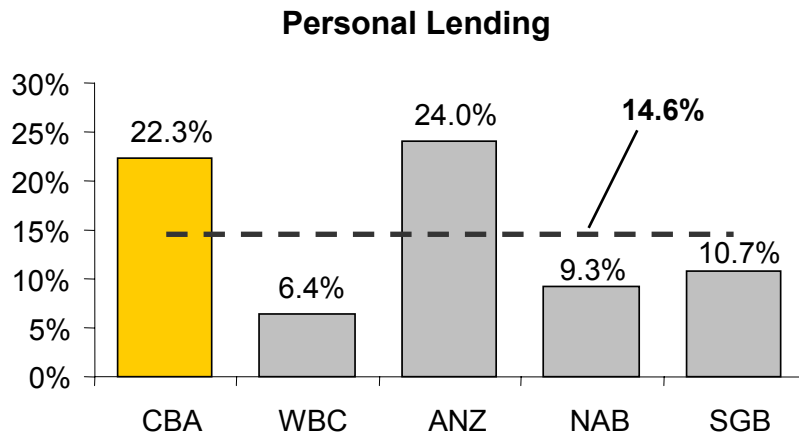
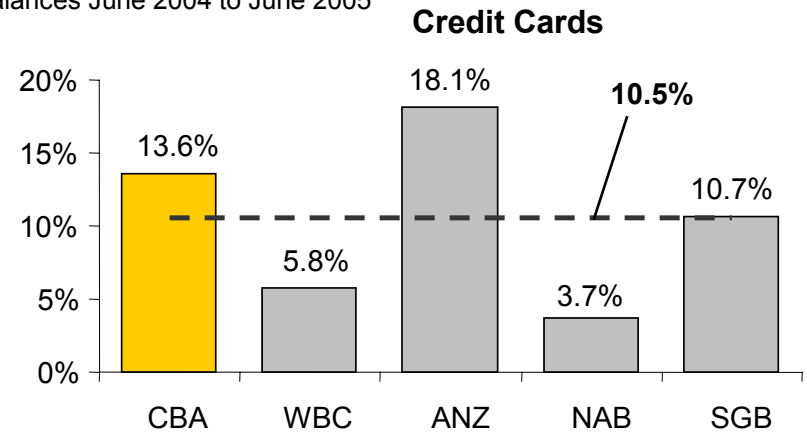
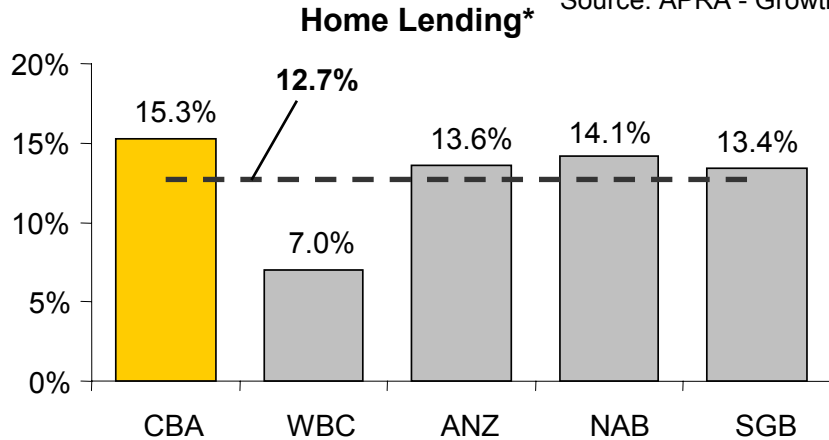
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# Banking



# Summary - CBA Growth vs Market

Source: APRA - Growth in balances June 2004 to June 2005



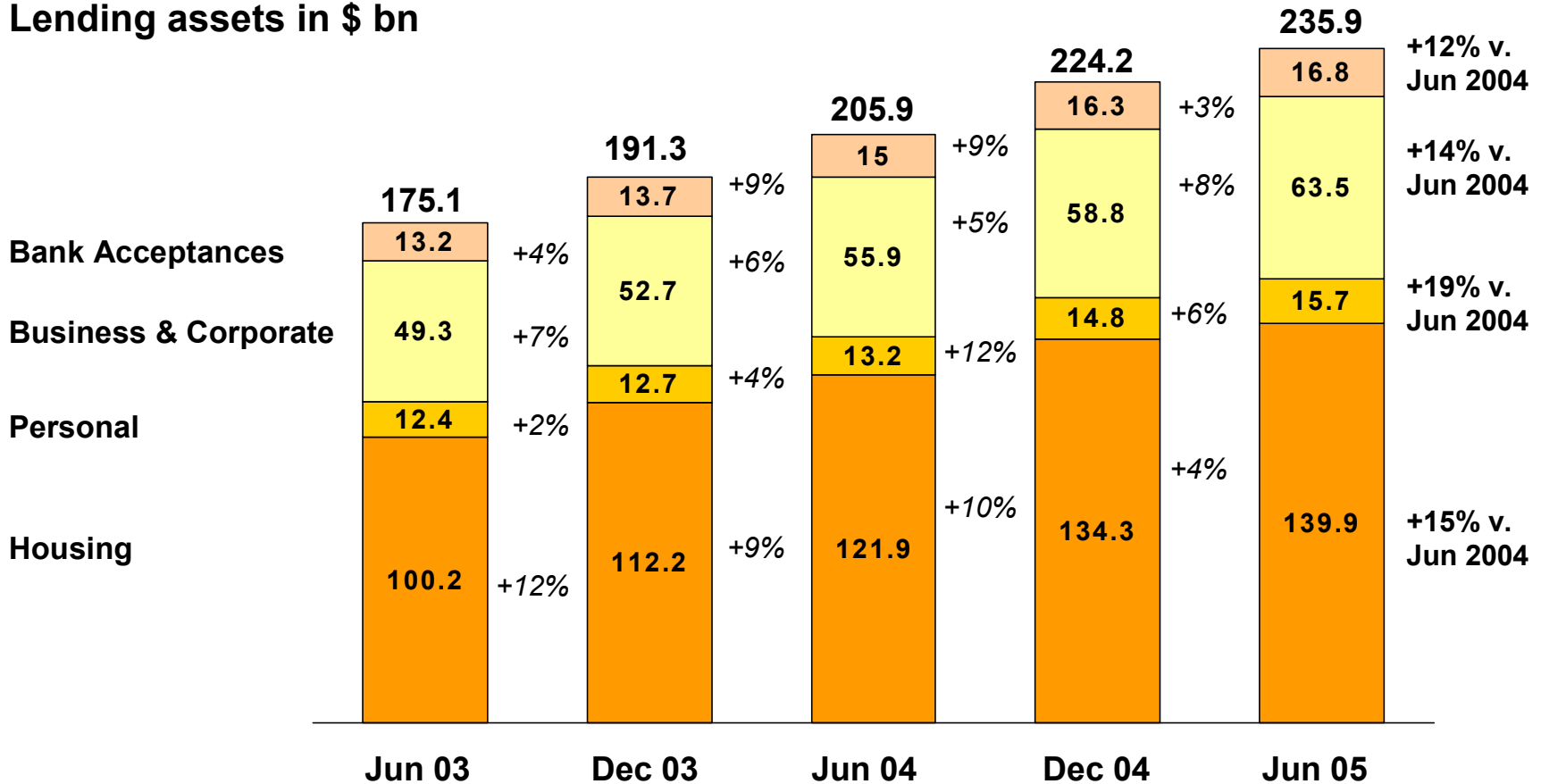
\* Adjusted for MISA reclassification September 2004

----- = aggregate of Majors and SGB

# Banking

## 15% annual growth in lending assets\*

Lending assets in \$ bn

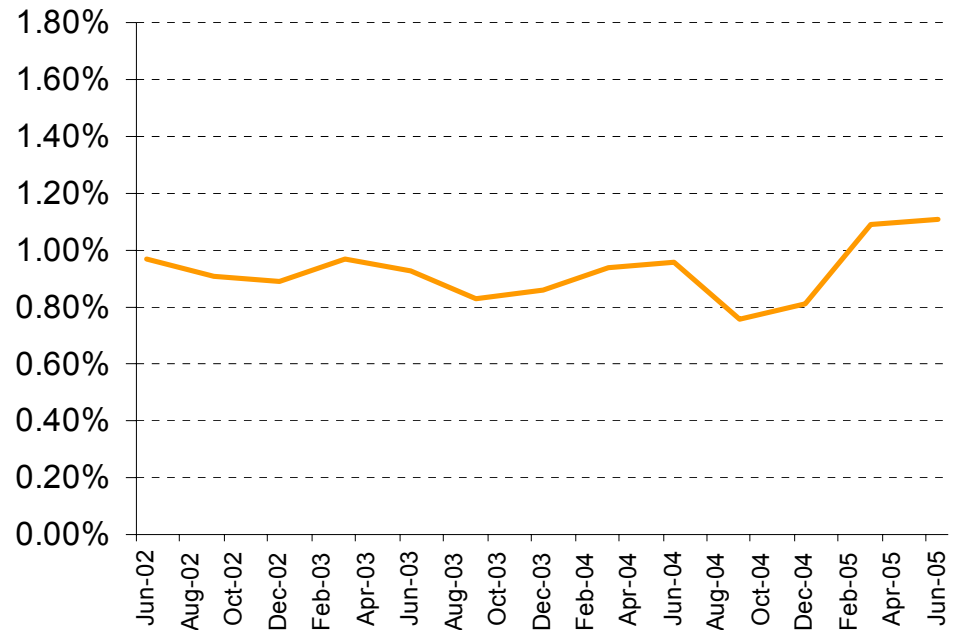


\*Lending assets includes securitised housing loan balances: \$10.8bn (Jun 05), \$6.4bn (Dec 04), \$7.6bn (Jun 04), \$5.3bn (Dec 03), \$6.5bn (Jun 03)

# Home Loans – Portfolio Quality

## 30+ Day Delinquencies

- Portfolio credit quality remains sound
- Slight recent increase in 30+ day delinquencies
- Strong collections focus having a positive impact



# Home Loans – Stress Testing

- Stress tested at account level
  - Based on Basel PD\* groups
  - Up to 6 fold increase in PD
  - Up to 30% fall in security value
- Maximum potential losses total \$255m (excl securitised and insured)
- Additional Insured losses of \$110m covered by LMI
- These stress factors are consistent with experience in the UK recession of the late 1980s/early 1990s
- Very strong LVR distribution provides significant buffer

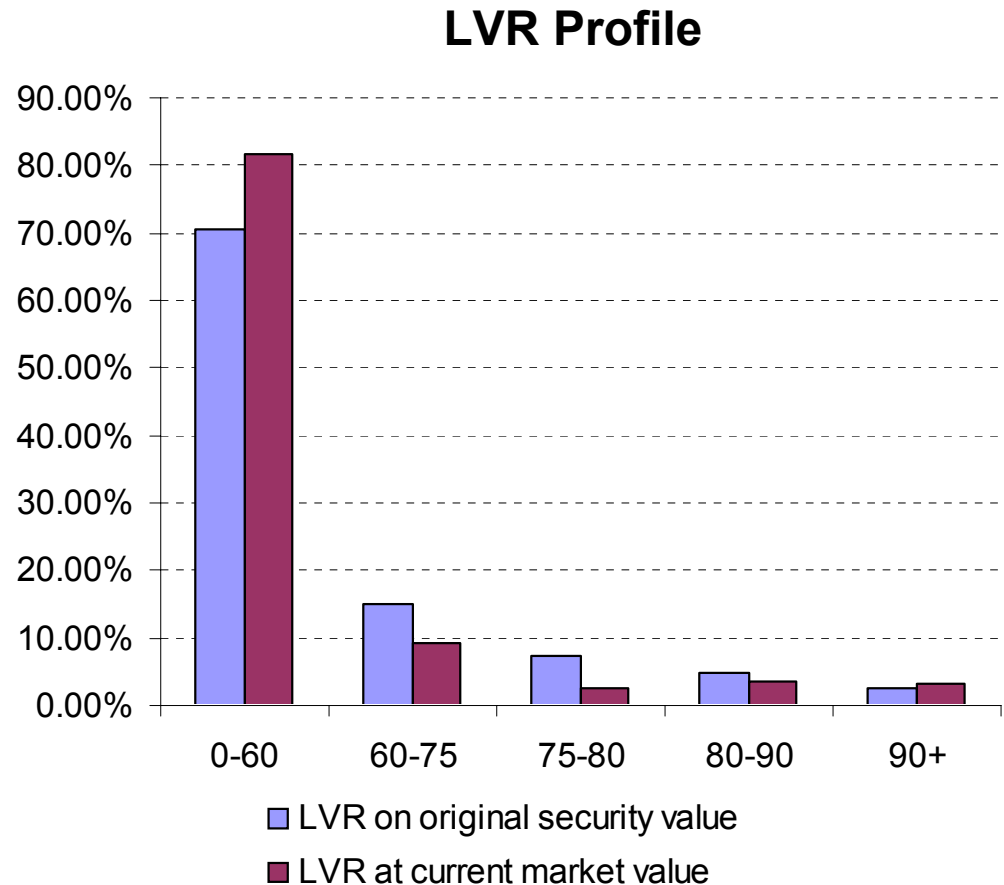
**Mortgage Portfolio Stress Testing Results**  
Potential Loss (\$m)

Property Value	Expected Default Rate (PD)			
	PD	x2	x4	x6
No decrease	3.1	6.2	11.8	15.4
10% decrease	8.5	17	32.3	42.9
20% decrease	22.8	45.6	87.1	118.5
30% decrease	48.5	97.1	186.4	255.4

\* Expected default rate

# Home Loans – LVR Profile

- Strong LVR profile
- % of loans at <60% LVR:
  - 70% based on original security value
  - 80% based on current market values



# Home Loans – Low-Docs

- Less than 1% of total portfolio
- Self employed applicants only – min. 2 years in same industry
- Restrictions on certain high risk postcodes
- Loans above 60% LVR are mortgage insured with a maximum 80% LVR allowed
- Maximum loan amounts apply based on LVR
- Loans offered at Standard Variable Rate and Viridian Line of Credit pricing (no discounting allowed)
- Separate collections processes
- Various stress-testing undertaken - risk characteristics in line with reported industry standards.
- Early-dated arrears higher than average, but default rates similar.

## Low Doc as Proportion of Portfolio

Low-doc	\$m	% of portfolio
Total Portfolio	\$990M	<1%
New business per month	<\$50M	~1%

## Low Doc - Chronology

Date	CBA's Low Doc History - Events
Dec 2002	Launched Low Doc lending with a 1% margin above SVR with 100% of loans mortgage insured.
Sept 2003	The 1% margin above the SVR was reduced to +0.50%.
Jan 2004	Removed the +0.50% interest rate premium for Low Doc's with LVR less than 60%; +0.50% margin maintained if LVR greater than 60%.
Oct 2004	Reduced the +0.50% premium to only 12 months for LVRs greater than 60% (to offset LMI cost).
Jan 2005	Removed +0.50% premium - customers required to pay LMI premium directly for LVRs greater than 60%.



# Banking – Well positioned in Bond Markets

## Current Insto League Table rankings PUBLIC DOMESTIC NON-GOVERNMENT BOND LEAGUE TABLE (EXCLUDING SELF-LED DEALS) 1Jan 2005 - 30 June 2005

Rank	Bookrunner	A\$m	Deals
1	RBC Capital Markets	3,685	23
<b>2</b>	<b>Commonwealth Bank of Australia</b>	<b>2,205</b>	<b>14</b>
3	TD Securities	1,925	14
4	National Australia Bank	1,828	8
5	Deutsche Bank	1,600	7
6	Westpac Institutional Bank	1,050	7
7	Citigroup	925	5
8	UBS	850	8
9	ABN AMRO	700	6
10	Goldman Sachs JBWere	600	1
11	ANZ Institutional Bank	297	2
12	Barclays Capital	275	1
13	Macquarie Bank	147	1
<b>Total</b>		<b>16,068</b>	<b>67</b>

Criteria: A\$100 million minimum, 1-year minimum.

Pricing must be disclosed.

All increases eligible.

Bookrunners are given equal allocation.

Source: Insto Magazine - Public Domestic Non-Govt. Bond League Table(excluding self-led issues)

## Past Insto League Table rankings



**2004**

A\$4.739 billion raised on behalf of clients



**2003**

A\$2.352 billion raised on behalf of clients



**2002**

A\$1.927 billion raised on behalf of clients



# Notable Transactions

Some of the most respected names in the world utilise our Securities Origination team's services...


October 2004



**The Goldman Sachs Group, Inc.**

**Joint Lead Manager**  
A\$1billion  
Medium Term Notes  
due 2009 & 2011

October 2004



**Royal Bank of Scotland plc**

**Joint Lead Manager**  
A\$1billion  
Medium Term Notes  
Subordinated  
due 2014


June 2005



**ING Bank (Aust) Ltd**

**Joint Lead Manager**  
A\$600m  
Transferable Deposits  
due 2010

February 2005



**Morgan Stanley**

**Joint Lead Manager**  
A\$650m  
Medium Term Notes  
due 2007

June 2005



**Wesfarmers Limited**

**Wesfarmers Limited**

**Lead Manager**  
A\$250m  
Medium Term Notes  
due 2008


June 2005



**Stockland Trust**

**Joint Lead Manager**  
A\$175m  
Medium Term Notes  
due 2011


June 2005



**Countrywide**

**Joint Lead Manager**  
A\$350m  
Medium Term Notes  
due 2010

November 2004




**GPT**  
GENERAL PROPERTY TRUST

**General Property Trust**

**Lead Manager**  
A\$300m  
Medium Term Notes  
due 2006

November 2004



**SPI PowerNet**

**SPI PowerNet**

**Joint Lead Manager**  
A\$235m  
Medium Term Notes  
due 2011


June 2005



**Pepper Homeloans**  
**Sole Arranger**

**Joint Lead Manager**  
A\$300m  
Non-conforming  
Residential Mortgage  
Backed Securities  
due 2036


June 2005



**Interstar Wholesale Finance**

**Lead Manager**  
A\$150m  
Non-conforming  
Residential Mortgage  
Backed Securities  
due 2037

March 2005



**Rabobank**

**Joint Lead Manager**  
A\$600m  
Medium Term Notes  
due 2010



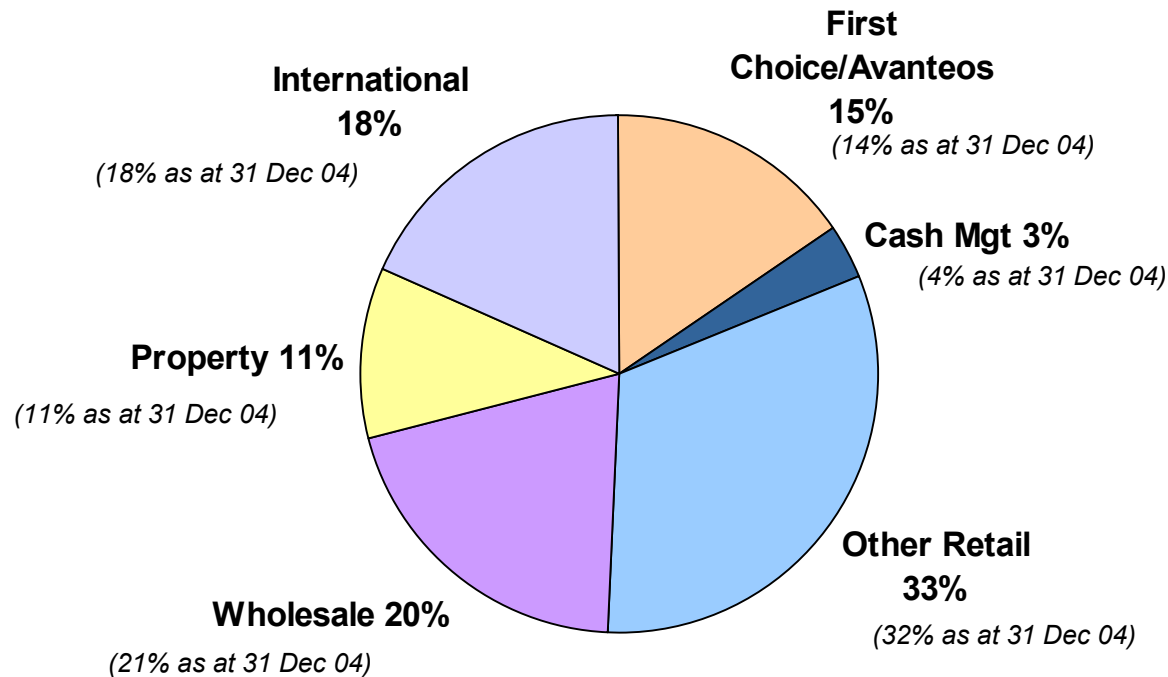
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# Funds Management

# Well diversified product mix – platforms rapidly growing share

## Funds Under Administration 30 Jun 2005

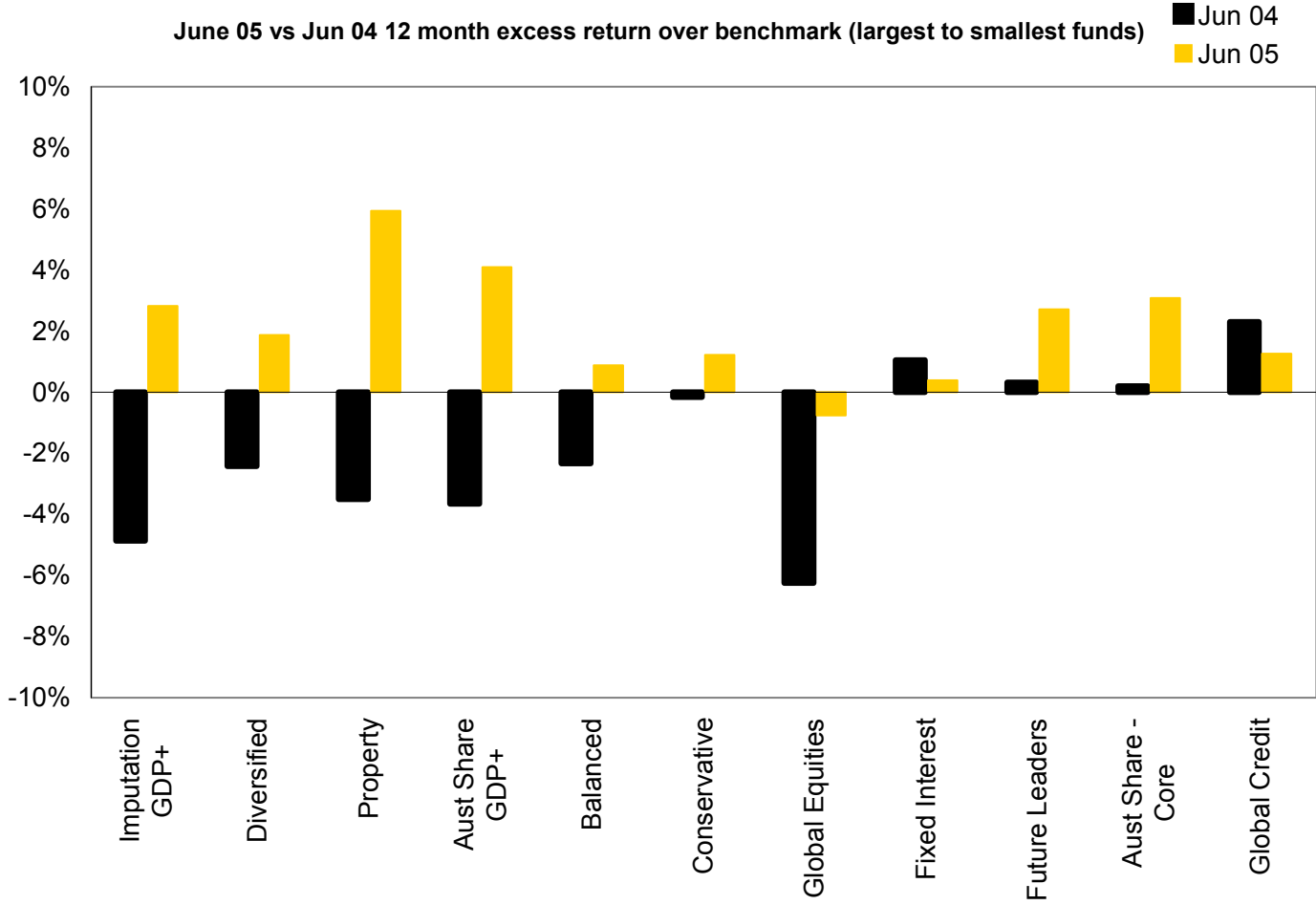
**Total FUA = \$123.1 billion** (\$117.4 bn as at 31 Dec 04)



Source – Internal Analysis



# Fund excess returns over benchmark



Wholesale performance, before fees.

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# Insurance

# Funds Management & Insurance Investment Mandate Structure

The Bank has \$2.5bn of shareholders funds across its insurance and funds management business, which is invested in:

	Australia	New Zealand	Asia	Total
Local equities	7%	1%	5%	5%
International equities	3%	6%	8%	5%
Property	20%	5%	1%	13%
Other Growth	0%	4%	2%	1%
Growth:	30%	16%	16%	24%
Fixed Interest	24%	54%	59%	37%
Cash	46%	27%	6%	33%
Other Income	0%	3%	19%	6%
Income:	70%	84%	84%	76%
Total	100%	100%	100%	100%

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# Capital Management

# Preference share information

## Preference share dividends paid

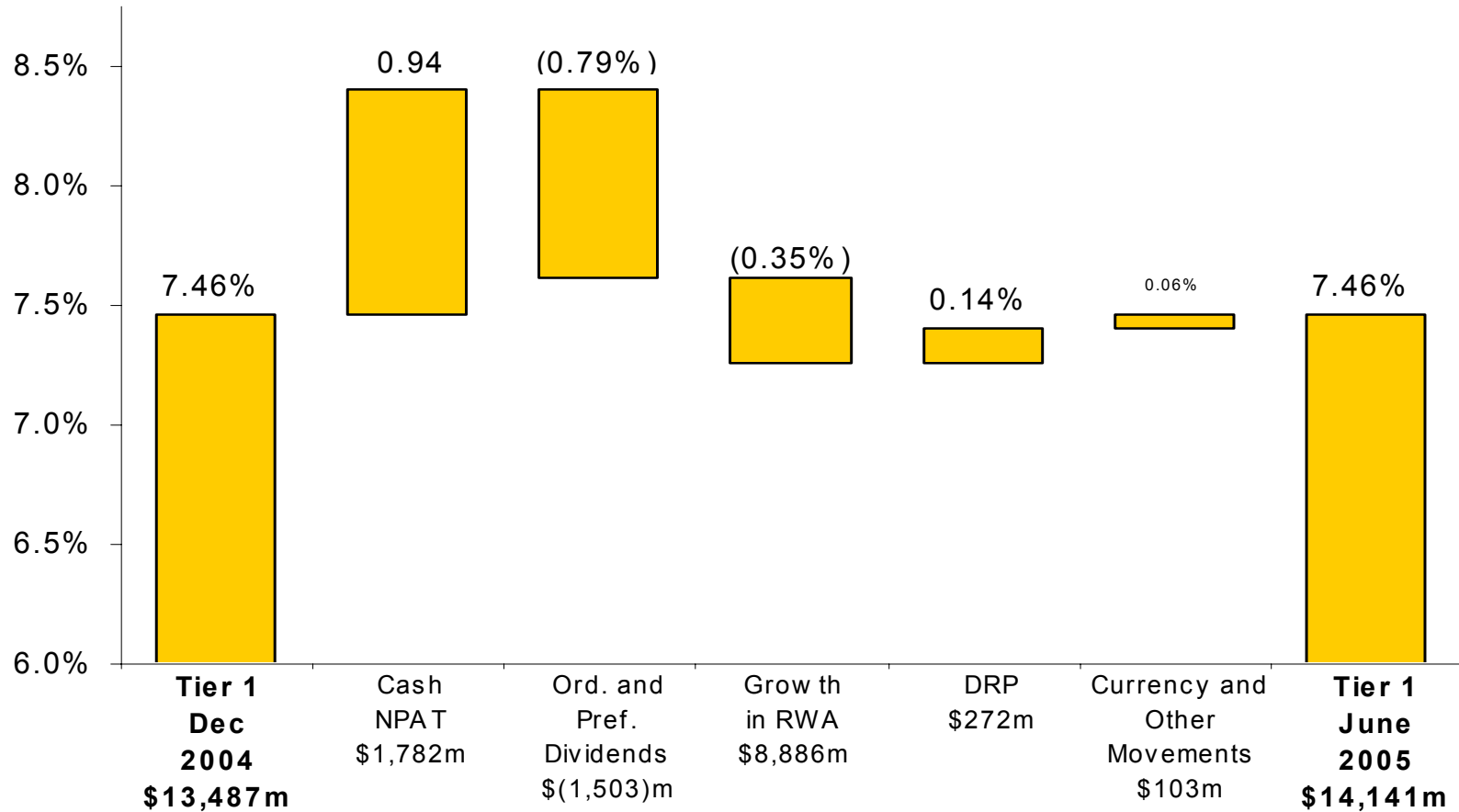
	30/06/2005	31/12/2004	30/06/2004	31/12/2003	30/06/2003	Franked / Imputed
PERLS	19	20	20	18	18	F
PERLS II	17	17	15	-	-	F
Trust Preferred Securities	22	20	23	17	-	-
ASB Capital prefs	5	4	4	4	4	I
ASB Capital No.2 prefs	7	-	-	-	-	I
<b>TOTAL</b>	<b>70</b>	<b>61</b>	<b>62</b>	<b>39</b>	<b>22</b>	

## Preference shares - breakdown

	Issue Date	Currency	Amount (\$M)	Equivalent AUD *	Maturity	Balance Sheet Classification
PERLS	06-Apr-01	AUD	\$700	\$687	Perpetual	Preference share capital
PERLS II	06-Jan-04	AUD	\$750	\$741	Perpetual	Other equity instruments
Trust Preferred Securities	06-Aug-03	USD	\$550	\$832	12 years	Other equity instruments
ASB Capital prefs	10-Dec-02	NZD	\$200	\$182	Perpetual	Outside equity interests
ASB Capital No.2 prefs	22-Dec-04	NZD	\$350	\$323	Perpetual	Outside equity interests
<b>TOTAL</b>				<b>\$2,765</b>		

\* Net of issuance costs

# Generation and use of Tier 1 capital 2H05

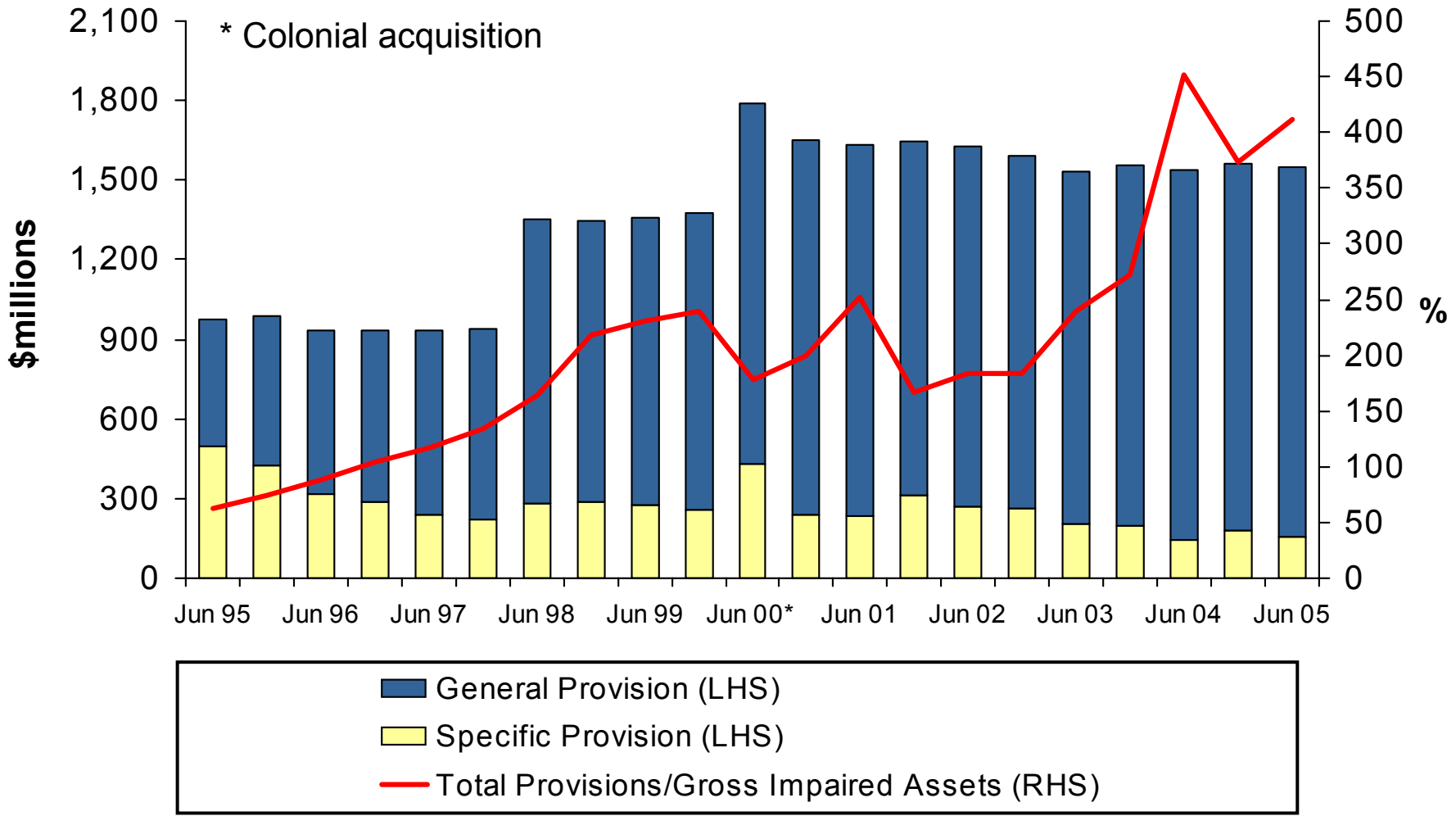




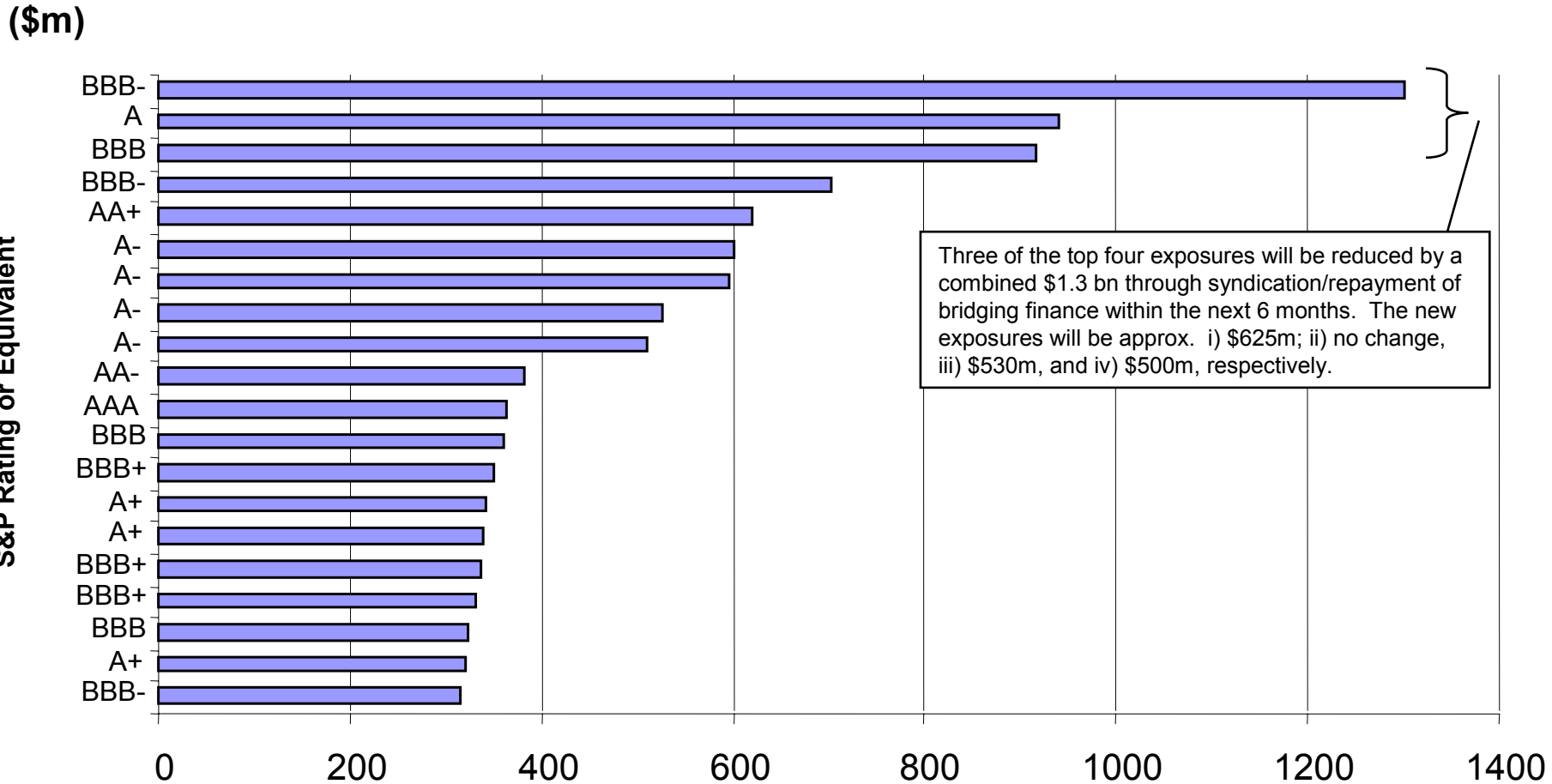
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# Credit Risk Management

# The Bank remains well provisioned



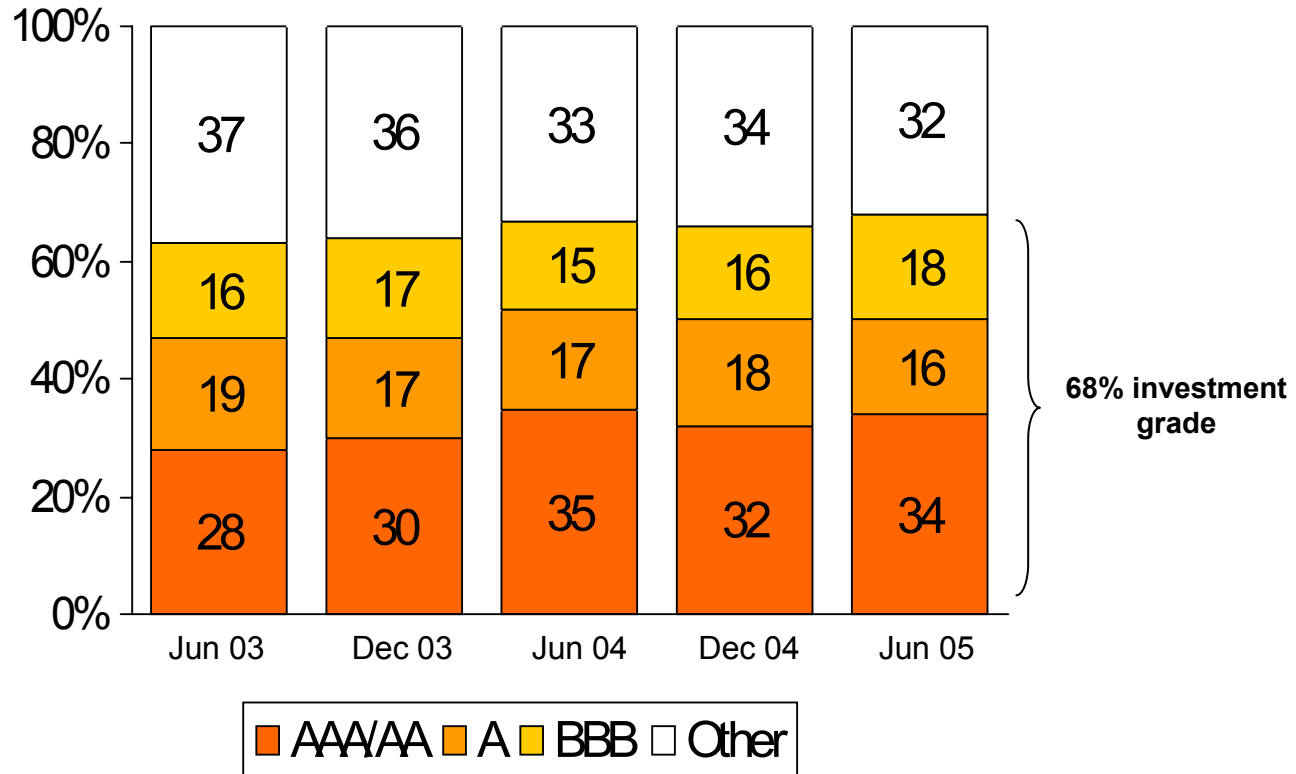
# Banking - Top 20 commercial exposures



Top 20 exposures – excludes finance and government – comprise 3.3% of committed exposures (3.0% as at Dec 04, 3.4% as at Jun 04)

# Banking - Quality of commercial risk-rated exposures

Quality of commercial risk-rated exposures:  
 There is security over 84% of the non-investment grade exposure



excludes finance, insurance and government, individually rated counterparties

# Banking

## Arrears in consumer book remain low

### Consumer loans past due 90 days or more

	30/06/2005	31/12/2004	30/06/2004	31/12/2003
	\$m	\$m	\$m	\$m
Home lending	183	176	168	147
Other Loans	119	94	78	66
<b>Total</b>	<b>302</b>	<b>270</b>	<b>246</b>	<b>213</b>

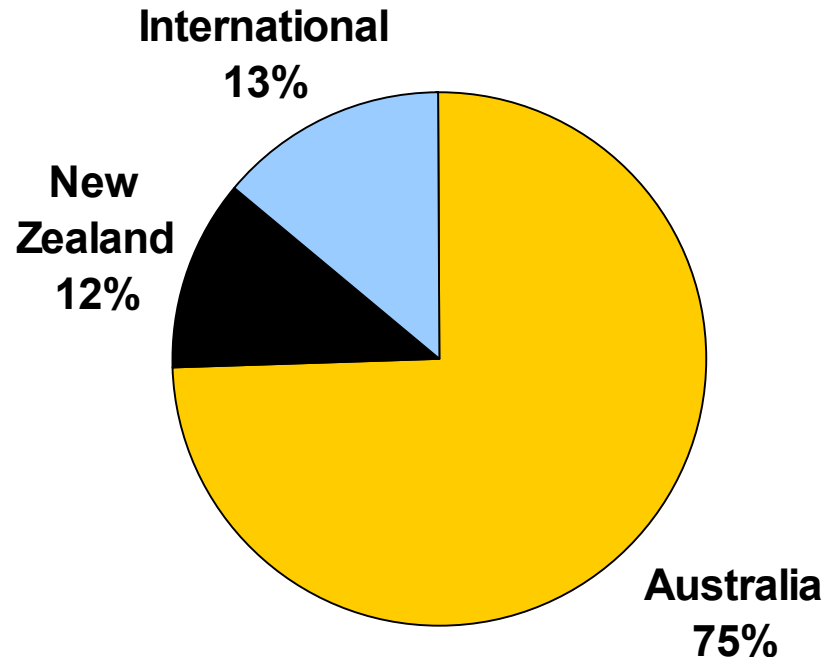
### Home lending portfolio quality

	30/06/2005	31/12/2004	30/06/2004	31/12/2003
	\$m	\$m	\$m	\$m
Housing Loans accruing but past due 90 days or more	183	176	168	147
Home lending Balances	139,859	134,258	121,850	112,228
Arrears rate %	0.13%	0.13%	0.14%	0.13%

# Banking - Total geographic exposure\* (commercial + consumer)

Total exposure = \$382bn

Home loans = \$140bn  
Other loans = \$98bn  
Other exposure = \$144bn



At 31 Dec 04

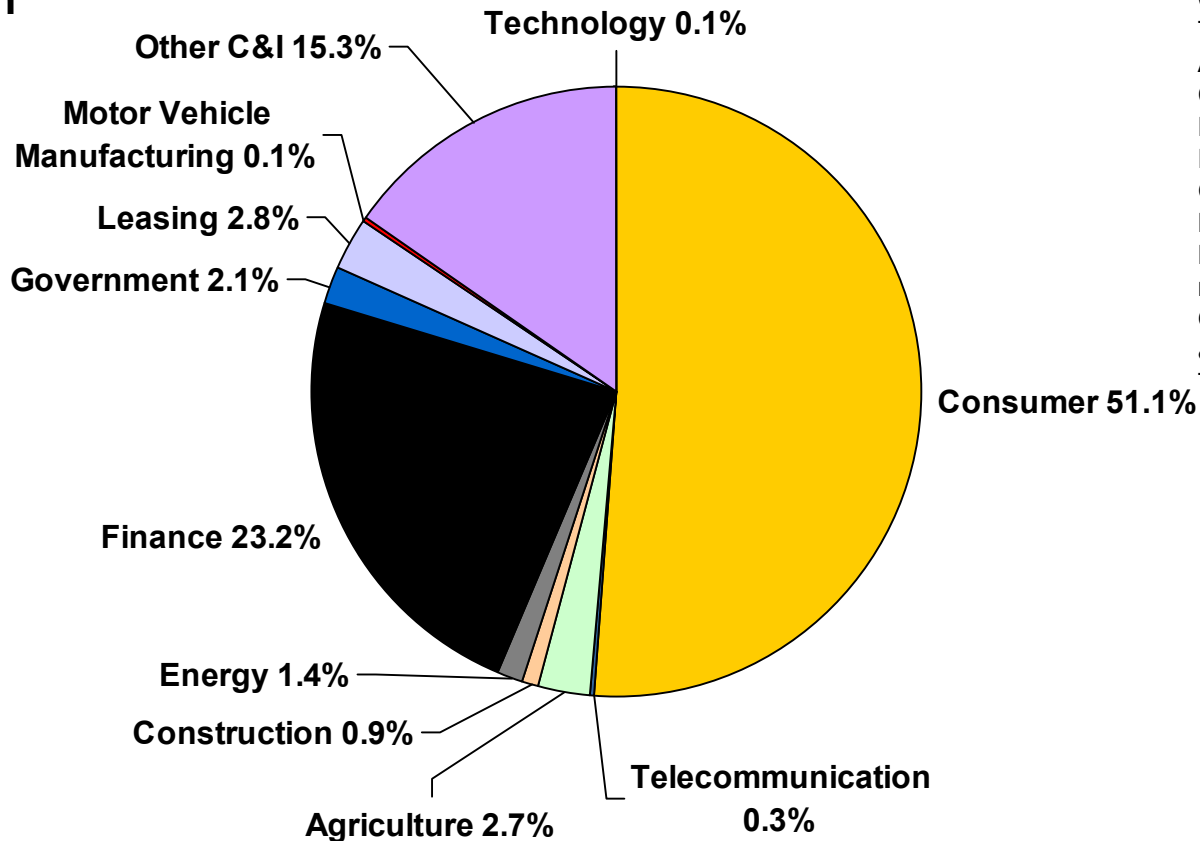
Total exposure = \$356bn  
Home loans = \$134bn  
Other loans = \$90bn  
Other exposure = \$132bn

International = 13%  
New Zealand = 11%  
Australia = 76%

\*Total exposure = balance for uncommitted, greater of limit or balance for committed.

# Banking - Total outstandings\* (commercial + consumer)

Total Outstandings  
\$314.7 bn\*



At 31 Dec 04

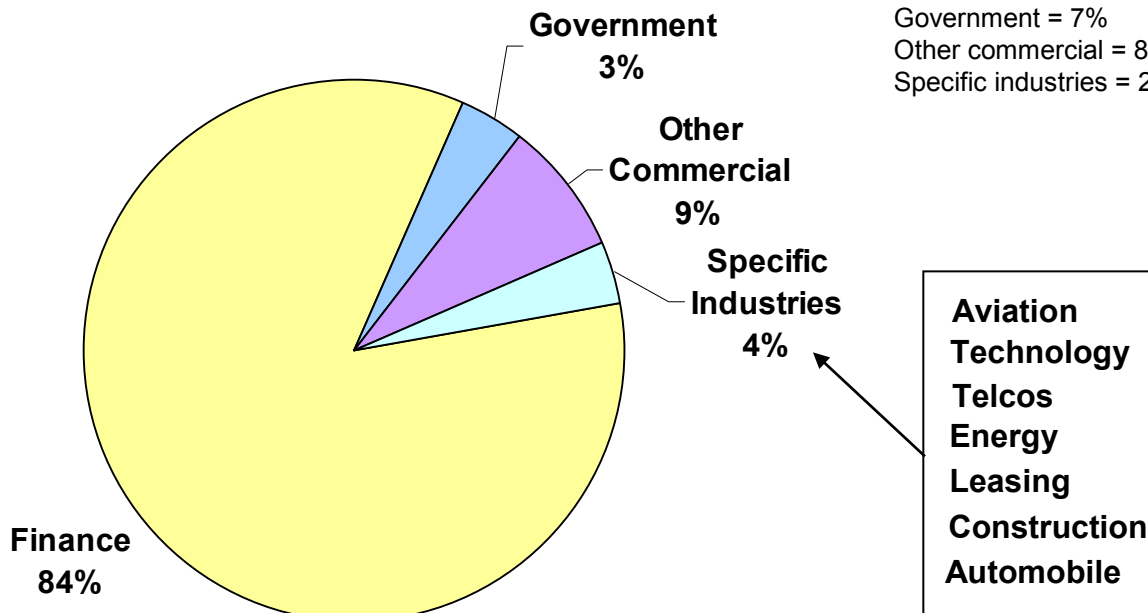
Total outstandings = \$283.6bn  
 Consumer = 49.7%  
 Telecoms = 0.3%  
 Agriculture = 2.8%  
 Construction = 0.9%  
 Energy = 1.3%  
 Finance = 23.1%  
 Government = 2.8%  
 Leasing = 3.1%  
 Motor vehicle  
 manufacturing = 0.1%  
 Other commercial  
 & industrial = 15.8%  
 Technology = 0.1%

\* Represents balances actually outstanding  
(on and off balance sheet).

# Banking – International commercial exposures\*

## International exposure by Industry

Total exposure = \$54bn



Total non-finance off-shore outstandings = \$8.6bn of which over 90% are investment grade.

\*Total exposure = balance for uncommitted, greater of limit or balance for committed. Excludes ASB



# Banking

## Credit Exposure - Agriculture Sector

**Total exposure: \$9,920m**

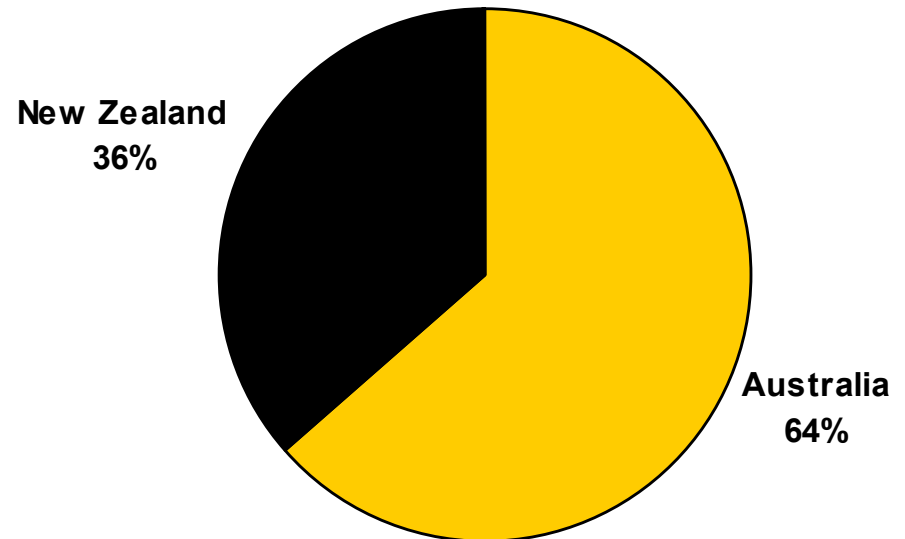
**At 31 Dec 04**

Total exposure = \$9,090m

Australia = 65%

New Zealand = 35%

	30 Jun 05	31 Dec 04
Rating	\$m	\$m
AAA to A-	102	307
BBB+ to BBB-	1,464	1,397
BB to BB-	7,812	2,766
< BB-	542	4,620
<b>TOTAL</b>	<b>9,920</b>	<b>9,090</b>



\*Total exposure = balance for uncommitted, greater of limit or balance for committed.

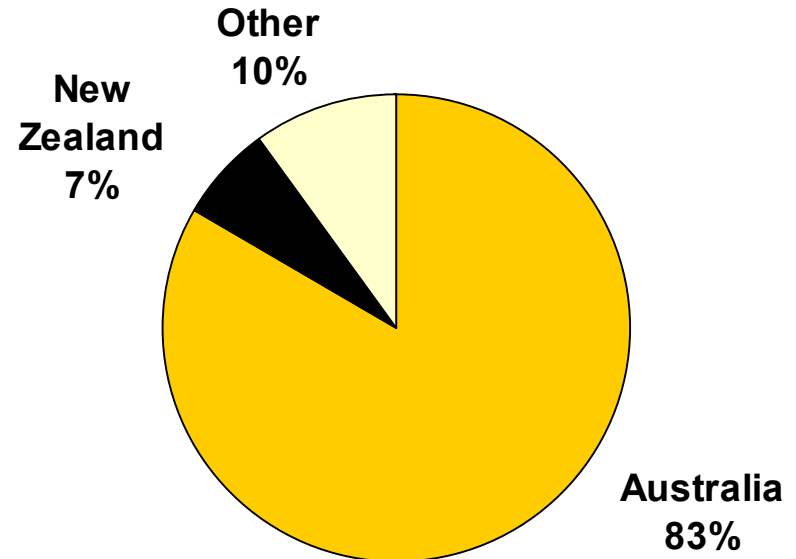
# Banking

## Credit Exposure - Aviation Sector

**Total exposure: \$2,240m**

**At 31 Dec 04**  
 Total exposure = \$1,802m  
 Australia = 85%  
 New Zealand = 7%  
 Other = 7%

	30 Jun 05	31 Dec 04
Rating	\$m	\$m
AAA to A-	654	558
BBB+ to BBB-	1,317	1,015
BB to BB-	185	197
< BB-	84	32
<b>TOTAL</b>	<b>2,240</b>	<b>1,802</b>



\*Total exposure = balance for uncommitted, greater of limit or balance for committed.

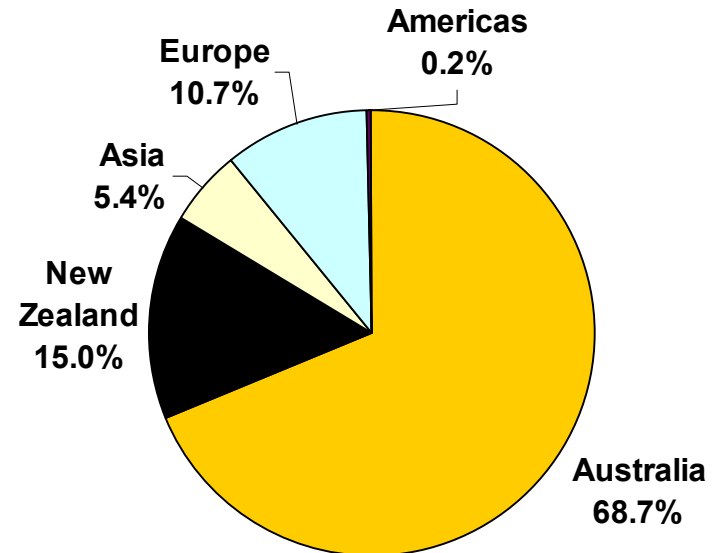
# Banking

## Credit Exposure - Energy Sector

**Total exposure: \$5,875m**

**At 31 Dec 04**  
 Total exposure = \$5,049m  
 Australia = 71.3%  
 New Zealand = 19.3%  
 Asia = 6.1%  
 Europe = 3.1%

	30 Jun 05	31 Dec 04
<b>Rating</b>	<b>\$m</b>	<b>\$m</b>
AAA to A-	1,265	1,205
BBB+ to BBB-	3,838	2,981
BB to BB-	385	545
< BB-	387	318
<b>TOTAL</b>	<b>5,875</b>	<b>5,049</b>



\*Total exposure = balance for uncommitted, greater of limit or balance for committed.

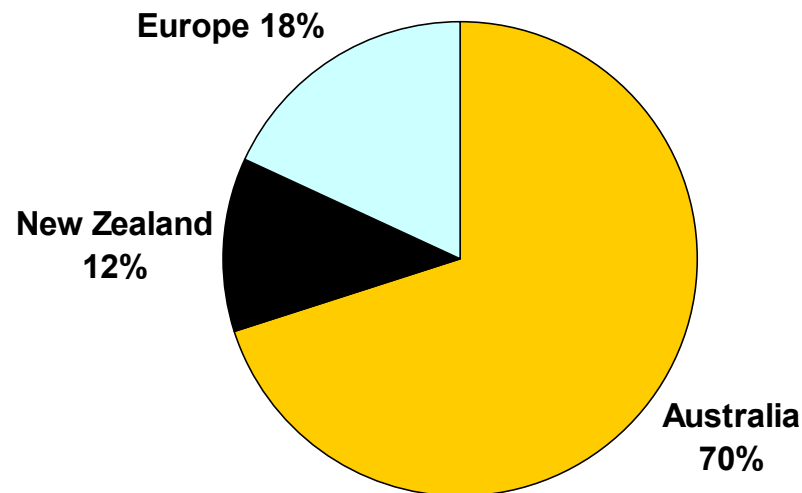
# Banking

## Credit Exposure - Telcos Sector

Total exposure: \$1,170m

At 31 Dec 04  
 Total exposure = \$888m  
 Australia = 58%  
 New Zealand = 11%  
 Europe = 31%

	30 Jun 05	31 Dec 04
<b>Rating</b>	<b>\$m</b>	<b>\$m</b>
AAA to A-	596	308
BBB+ to BBB-	574	466
BB to BB-	0	53
< BB-	0	61
<b>TOTAL</b>	<b>1,170</b>	<b>888</b>



\*Total exposure = balance for uncommitted, greater of limit or balance for committed.

# Awards Received

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## RBS

- **Money Magazine – Best of the Best**
  - Best Premium Variable Home Loan (HomePath)
- **Your Mortgage Magazine – Mortgage of the Year Awards**
  - Gold Award – Banks – Variable Rate Loan for First Time Investor
  - Gold Award – Banks – Variable Rate Loan for First Home Buyer

## PBS

- **Asset Magazine – Asset Innovation Awards 2005**
  - Colonial Geared Investments – Margin lender of the Year
- **Global Finance Magazine 2005 Best Bank Awards**
  - Best Developed Market Bank in Australia

## Wealth Management

- **Money Magazine – Best of the Best**
  - Best rated Defensive Funds (Colonial First State)
  - Best rated Balanced Funds
- **Aus. & NZ Institute of Insurance and Finance Awards (July 2005)**
  - Life Insurance Company of the Year (Commlnsure)