Presentation of Half Year Results for 31 December 2004

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Chief Financial Officer

9 February 2005

Disclaimer

The material that follows is a presentation of general background information about the Bank's activities current at the date of the presentation, 9 February 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.

Speaker's notes for this presentation are attached below each slide. To access them, you may need to save the slides in PowerPoint and view/print in 'notes view'.

Agenda

- Half Year Results - Michael Cameron (25 mins)
  - Highlights
  - Segment Results
  - Financial Update on Which new Bank
- Progress of Which new Bank & Outlook - David Murray (15 mins)
- Questions

Which new Bank

CommonwealthBank 3

Good afternoon and welcome.

Firstly, we've tried a new format for the slide pack this time which includes an extra page per slide setting out additional key information and a place to make notes. I welcome your feedback.

Other Key Information

Which new Bank

In launching Which new Bank (WnB) the Bank said that, subject to market conditions continuing over the three years of the program, it would target:

- Cash EPS growth exceeding 10% CAGR
- 4 6% CAGR productivity improvements
- Profitable market share growth across major product lines
- Increase in dividend per share each year

Some overall Bank indicators

	Dec 04	Jun 04	Dec 03	Jun 03
Number of branches	1,011	1,012	1,013	1,014
Weighted av. No. of shares (basic)	1,269m	1,255m	1,257m	1,254m
Net tangible assets per share	12.72	12.22	11.61	11.41
Risk weighted assets	180,673	169,321	157,471	146,808

Notes

Highlights

- Underlying profit up 12% from Dec 03
- Cash EPS growth of 40% from Dec 03
- Dividend increase to 85c (79c in Dec 03)
- Productivity improvements in all segments
- Market position successfully maintained
- Which new Bank delivering

Which new Bank CommonwealthBank 5

Let me start with the highlights. The results for the half year are again very pleasing. The underlying profit is up 12% from the previous December and cash EPS is up 40%.

Supported by the result, and consistent with our commitment to increase our dividend each year, we have declared an interim dividend of 85 cents, fully franked.

Each segment of the business continues to improve their productivity and we have not only successfully maintained our market position whilst keeping margins stable, but many of our market shares have increased since June.

We're now at the half way point of a 3 year program and Which new Bank is delivering.

We are happy with the progress of WnB and confident that we will meet or exceed our original targets.

Other Key Information

Contributions to profit	Dec 04	Jun 04	Dec 03
Banking	1,427	1,381	1,294
Funds Management	170	148	126
Insurance	67	62	67
NPAT (underlying)	**1,664**	**1,591**	**1,487**
Shareholder invest. Returns (after tax)	111	53	99
Initiatives incl. WnB (after tax)	-19	-189	-346
NPAT (cash basis)	**1,756**	**1,455**	**1,240**
Appraisal value uplift	265	36	165
Goodwill amortisation	-162	-162	-162
NPAT (statutory basis)	**1,859**	**1,329**	**1,243**
Pref. dividend paid	61	62	39
Ordinary dividend declared	1,083	1,315	996

Notes

Highlights - 12% underlying profit growth

	Dec 04	Jun 04	Dec 03	Dec 04 v. Dec 03
NPAT (statutory)	**1,859**	**1,329**	**1,243**	*50%*
add-back goodwill	*162*	*162*	*162*	
less appraisal value movement	*-265*	*-36*	*-165*	
NPAT (cash)	**1,756**	**1,455**	**1,240**	*42%*
add WnB expenses (after tax)	19	189	346	
less shareholder investment returns (after tax)	-111	-53	-99	
NPAT (underlying)	**1,664**	**1,591**	**1,487**	*12%*

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Let's go through the overview.

The Bank has delivered a statutory net profit of $1.859bn.

Excluding the impact of goodwill amortisation and AV uplift, the cash profit is $1.756bn, a 42% increase on last December.

The underlying profit, which excludes investment earnings and WnB costs is $1.664bn reflecting a 12% increase on the prior December.

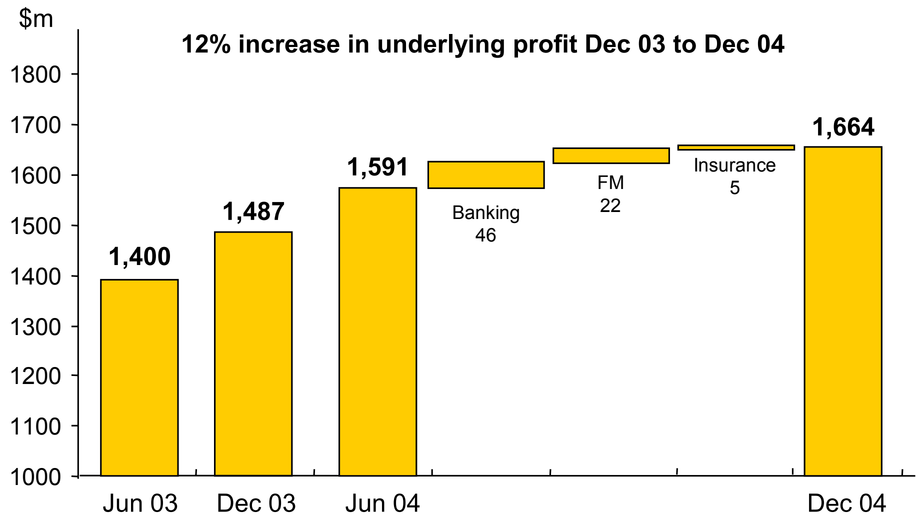
Other Key Information

- Underlying profit in June 04 included the Bank's after tax profit on sale of Fleetlease ($43m) and its shareholding in BOQ ($28m). Adjusting for these, growth was actually 9% (as shown below).

	Dec 04	Jun 04	Change
Underlying profit ($m)	1664	1591	5%
Fleetlease	-	-43	
Bank of Queensland	-	-28	
Underlying profit (adjusted)	1664	1520	9%

Notes

Highlights - underlying profit growth



Which new Bank

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In relation to the underlying profit the banking result reflects strong performances in all of the Australian and New Zealand businesses.

The improved Banking result is supported by growth in lending.

Margins have held stable over the six months and we have achieved good cost control. Credit quality continues to be one of our strengths.

The funds management business has seen improved net flows and a positive investment performance trend. First Choice has continued its success and investment markets have remained strong.

The insurance business has again grown in all regions.

Other Key Information

- The payout ratio (cash basis) is calculated according to the following criteria:

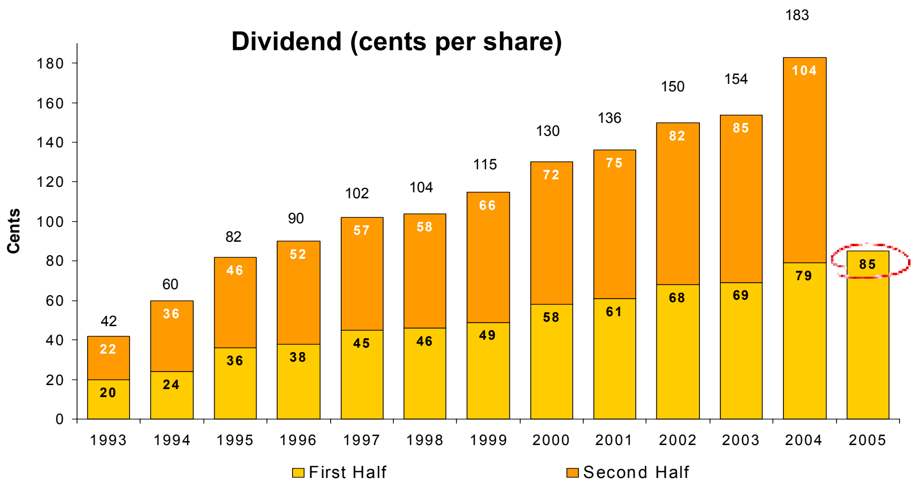
  Payout ratio =

$$\frac{\text{DPS (in \$) x number of shares (end of period)}}{\text{Cash NPAT – preference share dividends}}$$

$$\text{i.e. } \frac{0.85 \times 1{,}274}{\$1{,}756 - \$61} = 63.9\%$$

Notes

Highlights - increased dividend



Which new Bank

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As part of the WnB program we committed to grow the dividend each year.

The interim dividend of 85 cents is a 6 cent increase on last December. This reflects a payout ratio of 63.9% and you will remember that our interim payout ratio is typically lower than the final dividend each year.

Other Key Information

	Dec 04	Jun 04	Dec 03
DPS - fully franked (cents)	85	104	79
Dividend cover - cash (times)	1.6	1.1	1.2
Dividend cover - underlying (times)	1.5	1.2	1.5
EPS (cents)			
Statutory - basic	141.6	101.1	95.8
Statutory - fully diluted	141.6	101.0	95.7
Cash basis - basic	133.5	111.1	95.5
Cash basis - fully diluted	133.5	111.1	95.5
Dividend payout ratio (%)			
Cash basis	63.9	94.4	82.9
Excluding WnB costs	63.2	83.1	64.4
Weighted av. Number of shares - basic	1269	1255	1257
Weighted av. Number of shares - fully diluted	1270	1256	1258
ROE - cash (%)	16.0	13.5	11.9
ROE - underlying (%)	15.1	14.8	14.4

Notes

Highlights - shareholder returns

- Interim dividend per share has grown 6c to 85c
- Cash EPS is 133.5c, a 40% increase on last December and a 20% increase on the June 2004 half
- ROE has grown to 16%, significantly above last December's figure of 11.9%

Which new Bank CommonwealthBank 13

Our shareholder ratios are looking very respectable.

In addition to the dividend growth, the Cash EPS for the six months is 133.5 cents, a 40% increase on last December. On an underlying basis, EPS is up 10% over the same period.

Return on equity has grown to 16%, significantly above last December's figure of 11.9%.

Other Key Information

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

Balance of capitalised software costs (after amortisation)

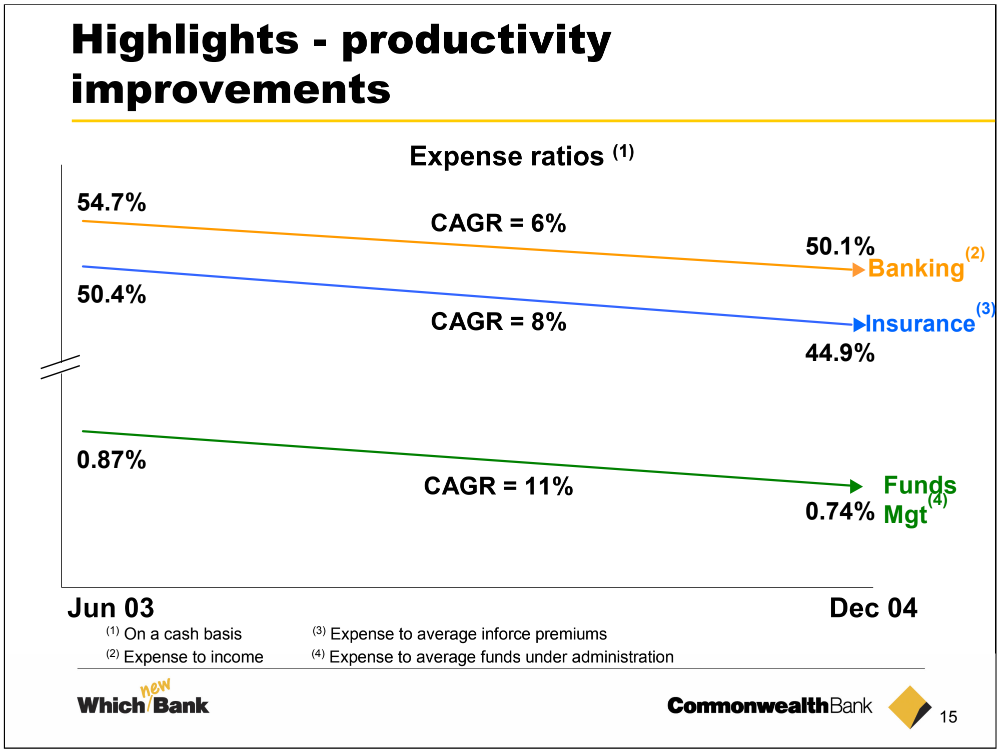
$million	Dec 04	Jun 04	Dec 03
Capitalised software	163	107	73

Expense ratios

	Dec 04	Jun 04	Dec 03	Jun 03
Banking				
Expense to income	50.1	56.4	62.1	54.9
Underlying Expense to Income	49.7	50.8	50.7	51.9
Funds Management				
Expense to Average FUA	0.74	0.75	0.85	0.92
Underlying Expense to Average FUA	0.72	0.73	0.80	0.84
Insurance				
Expense to average inforce premiums	44.9	49.3	46.2	47.7
Underlying Expense to Average Inforce Premiums	44.8	47.5	45.5	47.7

Note: One-Off compliance costs of $15m include SOX, Basel II and IFRS.

Notes



At the start of Which new Bank we also said we would deliver between 4% and 6% CAGR productivity improvement over 3 years.

We are happy with progress to date with total expenses virtually flat between June 2004 and December 2004, even though the 4% pay increases were effective 1 July 2004. It is particularly pleasing to see the underlying cost to income ratio for the Banking segment, below 50%.

During the period we also had one-off compliance costs of $15m, and the impact of an increasing New Zealand dollar.

Other Key Information

	Dec 04	Jun 04	Dec 03
Banking			
Home loans	**19.6%**	19.3%	19.3%
Retail deposits	**23.4%**	23.6%	24.1%
Business lending	**13.5%**	13.8%	13.7%
Credit cards (Nov)	**23.2%**	22.7%	22.7%
Transaction services (commercial)	**24.4%**	24.4%	22.7%
Asset finance	**15.9%**	16.0%	15.5%
NZ lending	**22.7%**	22.2%	21.6%
NZ deposits	**18.7%**	17.5%	17.2%
Funds Management			
Aust retail administrator view [1]	**14.7%**	14.4%	14.5%
NZ Managed investments	**13.3%**	13.2%	12.8%
Insurance			
Aus. Life insurance	**14.6%**	14.8%	15.1%
NZ Life insurance	**27.4%**	27.5%	28.1%

[1] 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

Notes

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Highlights - market position maintained

	Dec 04	Jun 04
Home Loans	19.6%	19.3%
Business lending	13.5%	13.8%
Credit Cards (Nov)	23.2%	22.7%
Retail Deposits	23.4%	23.6%
Funds Mgt. – Aust. Retail	14.7%	14.4%
Aust. Life Insurance	14.6%	14.8%
NZ lending	22.7%	22.2%
NZ deposits	18.7%	17.5%

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We have maintained our market position and achieved some increases in market shares. Most importantly you will see from a more detailed slide in a moment that margin contraction has been contained.

In relation to deposits, in a more highly competitive market, our balances have grown at least as fast as the average growth of the major banks. This reflects our response through a combination of product and service initiatives and the Bank's strong brand and distribution.

Our market share in Funds Management has remained steady (14.4% to 14.7%*)

Within New Zealand our market share has grown in both lending and deposits.

*Note to reader: 30 June 2004 market share has not been restated to reflect the $3.1 billion of wholesale business re-classified from wholesale to retail.

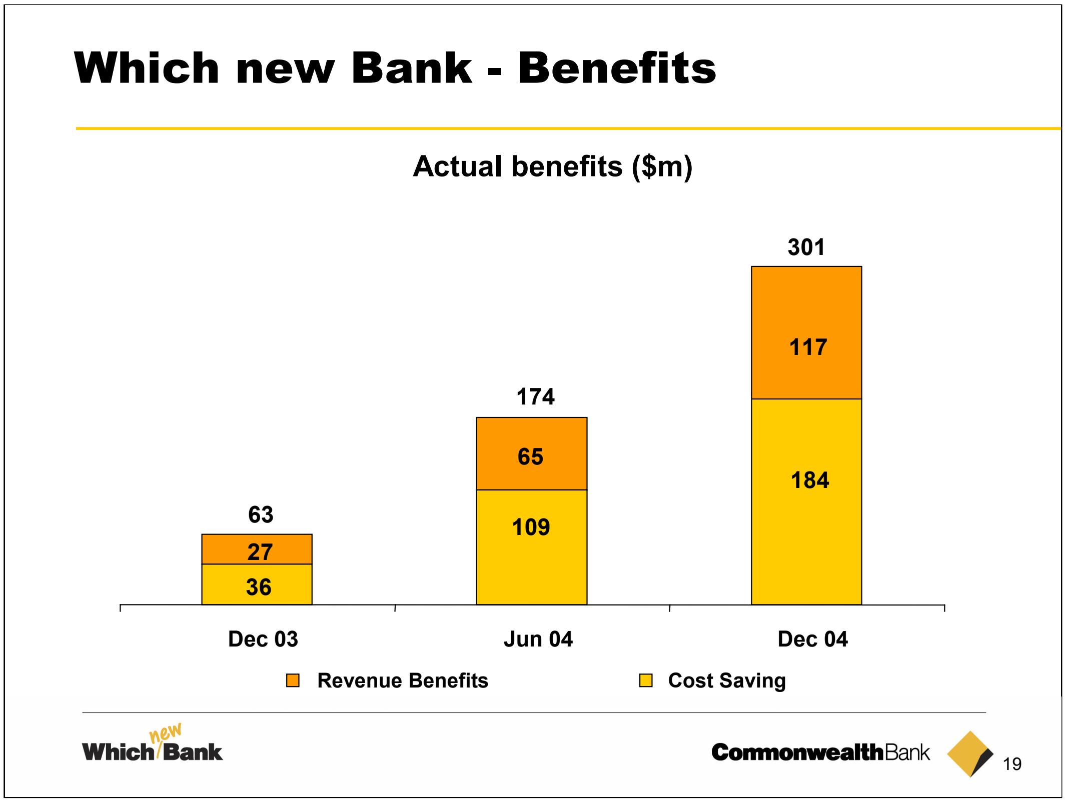
Other Key Information

Which New Bank estimates

Benefits	2004	2005 Est.	2006 Est.
Targets [1]	200	620	900
Actual	**237**		

[1] These were the original full year targets set out in the September 2003 presentation

Notes



We have delivered $301m of net WnB benefits during the period. This is up from $174m at June 04 and $63m at December 03.

The benefits to date are split approximately 40% revenue and 60% cost savings.

David will outline some of the major items delivered during the period.

We anticipate that the total benefits are likely to exceed $620m for the full year and be at least $900m in 2006.

Other Key Information

Which New Bank estimates (1)

Investment spend	2004 Act.	2005 Est.	2006 Est.	Total
Original	660	510	310	1,480
Revised	**634**	**620**	**226**	**1,480**

Capitalised branch refurbishment costs are amortised over 10 years and capitalised IT costs are amortised over 2.5yrs.

(1) No change since August 2004 update

Notes

Which new Bank - Expenditure

P&L Impact	Actual Dec 04
Investment spend for the period (gross)	255
Less provision utilised	(57)
Less investment capitalised	(70)
Gross WnB expense	128
Less normal project spend	(100)
Incremental WnB expense before tax	28
Less tax	(9)
Incremental WnB expense after tax	19

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This slide provides a reconciliation between the WnB spend and the Profit & Loss impact in the period.

The major projects included in the $255m investment were:

-CommSee

-Support function redesign

-Branch refurbishment

-Netbank replacement

-Home loan end to end process

Of the $70m in expenses capitalised during the half year, the largest projects were branch refurbishment, CommSee and NetBank replacement.

You'll remember that we outlined in the original WnB presentation that the Profit and Loss effect of the program in 2005 would be around $14m. At this point, we don't see that number being materially different for the full year, subject to the level of capitalisation and provisioning.

Segment Results: Banking

Other Key Information

	Dec 04	Jun 04
Av. interest earning assets ($m)	238,402	224,160
Net interest Income ($m)	2,933	2,739
Net interest Margin (%)	2.44%	2.46%

% of Banking income	Dec 04	Jun 04	Dec 03
Net interest income	68%	65%	66%
Other income	32%	35%	34%
Total	**100%**	**100%**	**100%**

One-off differences in other income

($m)	Dec 04	Jun 04	Change
Banking other income	1,412	1,471	-4%
Profit on sale of Fleetlease	-	-43	
Profit on sale of BoQ shares	-	-28	
Adjusted banking other income	1,412	1,400	1%
Adjust for trading income	-219	-230	
Total	1,193	1,170	2%

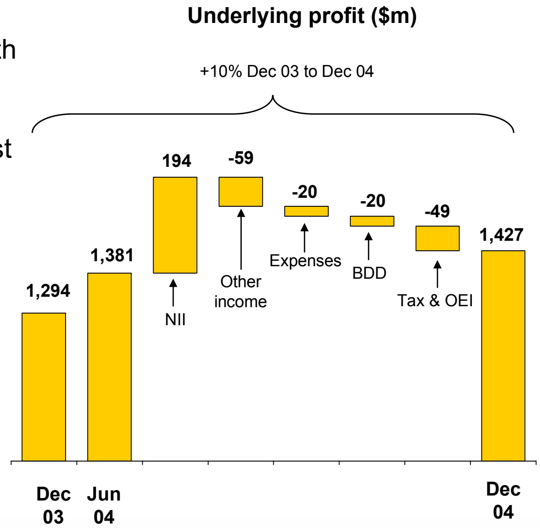
Upfront and trailing commissions

The Bank expenses all commissions paid against lending fee income (other banking income) on an upfront basis. All trailing commissions are charged against net interest income over the life of the loan.

Notes

Banking - underlying profit result

- 10% underlying profit growth
- Strong growth in net interest income
- Lower trading and lending fee income
- Good cost control



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Let's now move to the banking segment. The underlying profit increased by 10%. Net Interest Income growth of $194m reflects a 17% growth in lending assets, a stable NIM and good credit quality.

In relation to other income, the lack of volatility within the interest rate market has seen lower levels of trading activity. In addition, the June period included $71m profit on sale of the Fleetlease business and Bank of Queensland shares.

Operating expenses have remained relatively flat compared to the June half.

Other Key Information

Half Ending (average balances)	Dec-04 $ bn	Jun-04 $ bn	NIM effect*
Non-lending IEA's	39.2	40.9	+2bp
Funding			
Wholesale Funding	99.7	93.0	-2bp
Retail Funding	152.6	145.0	
Lending			
Home Loans	128.1	116.2	-1bp
Other Personal Lending	13.9	13.0	
Business / Other Lending	57.0	54.1	
Product margins			
Asset price (margin on lending assets)			-1bp
Deposit price (margin on deposits)			0bp
Other			
Other (including Capital Transactions and yield curve)			0bp
Total Change in Margin			**-2bp**

* For the half year

Notes

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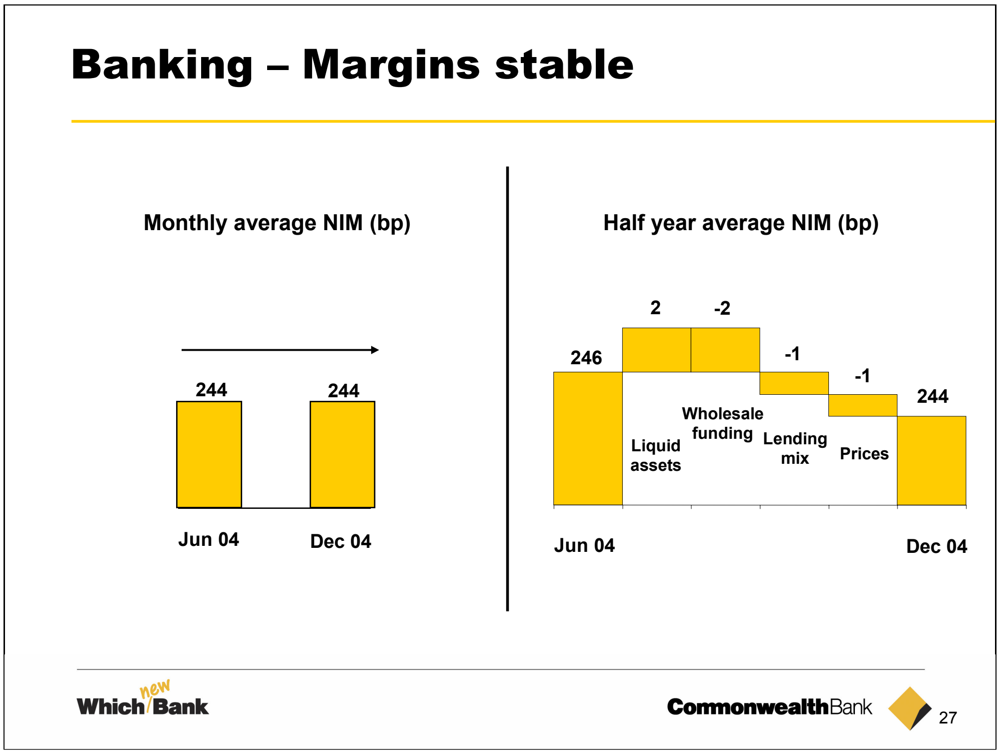


As you know margins have been a hot issue across the sector, particularly in light of increasing levels of competition. I am pleased to report our average NIM has dropped only 2 basis points from the June half to this half. In fact our NIM for the month of December is 244 bp which is unchanged from the month of June 2004.

For the half year, movements in liquids again had an impact, adding 2bp. Factors such as the lending mix and the level of wholesale funding had a relatively minor effect. While competition was strong, the individual product margins have remained steady, reflecting our deliberate strategy of profitable market share growth.

Other Key Information

Domestic growth profile ($bn)	Dec 04	Jun 04	Dec 03	Dec 04 v. Jun 04	Dec 04 v. Dec 03
Loan Funded	22.5	20.4	23.1	10%	-3%
Reductions	13.2	11.0	15.5	21%	-15%
Net Growth	9.2	9.4	7.6	-2%	22%

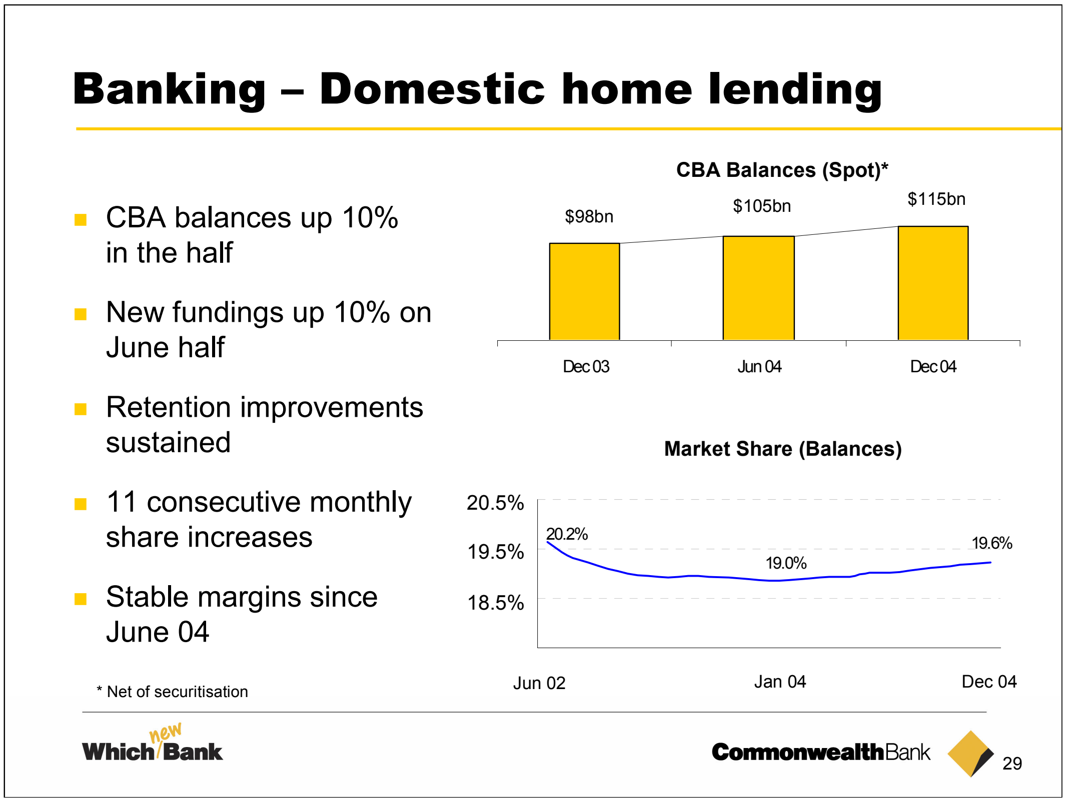
Total home lending

Australian Lending assets ($bn)	**121.7**	**112.4**	**103.0**	**8%**	**18%**
Securitisation ($bn)	-6.4	-7.6	-5.3	-16%	21%
Net (Australia)	115.3	104.8	97.7	10%	18%
Asia Pacific lending assets ($bn)	18.9	17.0	14.5	12%	31%
Totals (adjusted for rounding)	**134.3**	**121.9**	**112.2**	**10%**	**20%**

Home Lending statistics (domestic balances gross of securitisation)

Balances Mix (%) :	Dec 04	Jun 04	Dec 03
Owner Occupied	56%	57%	58%
Investment Home Loans	35%	35%	34%
Line Of Credit	9%	8%	8%
Variable	65%	63%	60%
Fixed	20%	20%	21%
Honeymoon	15%	17%	19%
Originations (%) :			
3rd Party	32%	28%	24%
Proprietary	68%	72%	76%
Broker originated loans as % of Aust. Book	19%	16%	13%

Notes



In relation to home lending, there has been an orderly slow down in system growth from the high levels that we saw in 2003.

Our balances are up 10% in the half with new fundings averaging about $1 billion per week.

In an environment where the external expectation was that we would lose market share, we have actually increased our market share for 11 consecutive months to 19.59%.

This success is due to a number of product and service initiatives including improved approval and service response times, frontline service and sales initiatives and continued focus on excellent customer and broker service. Other initiatives are outlined in the Profit Announcement document.

Other Key Information

Household Deposits- Balance Growth Jun 04 to Dec 04

	Dec-04 ($bn)	Jun-04 ($bn)	Mvt (%)
CBA (unadjusted)	75.6	73.3	
MISA reclassification*	0.0	0.8	
CBA (adjusted)	**75.6**	**72.6**	**4.2%**
WBC	35.5	34.2	3.8%
ANZ	25.8	24.7	4.8%
NAB	33.3	31.9	4.3%
SGB	26.5	25.8	2.5%
Subtotal*	**196.7**	**189.1**	**4.0%**
Total ADI Market*	**249.4**	**236.4**	**5.5%**

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

Total Australian Deposits

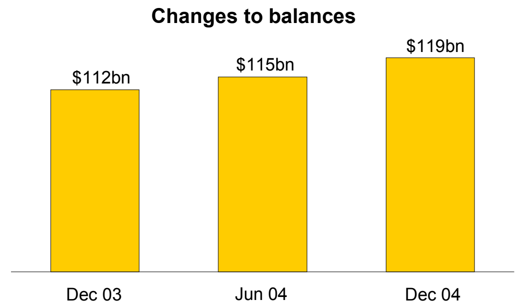
	Dec 04	Jun 04	Mvt. %
Total deposits ($bn)	140.8	139.2	1.1%
Certificates of deposits and other [1]	-21.4	-24.1	-11.2%
Sub total deposits (ex CD's and other)	**119.4**	**115.1**	**3.7%**
of which Household deposits (as per APRA)	75.6	72.6	4.2%

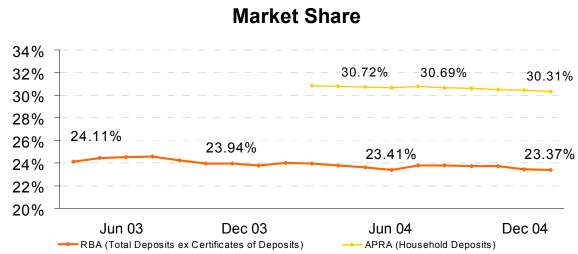
[1] Other includes securities sold under agreement to repurchase and short sales

Notes

Banking - retail deposits

- Household balances grew by 4.2% since June 2004
- Growth in line with average of major bank competitors
- Margins maintained





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Some competitors are aggressively pricing their deposit products on both rates and fees. By segmenting our customers, and undertaking extensive service improvements in our branches, we have grown at least as fast as the average of the other majors and have maintained our margin. We have also achieved an increase in transaction balances whilst maintaining our fee structure.

Many of our customers value both the size and scope of our distribution, the range of our products and services, and our brand.

We have a deposit strategy based on convenience, improved service and segmented pricing. We will continue to sensibly defend our prime household deposit position.

Other Key Information

- Relationship managed client segments reduced from seven to three
- Dedicated national Agribusiness team created
- The Bank raised over $34bn in debt and equity during the six months
- The Bank funded over $21bn for business clients and $3bn of new loans for premium high net worth individuals

CommSec

- CommSec continues to receive over 400m hits per month

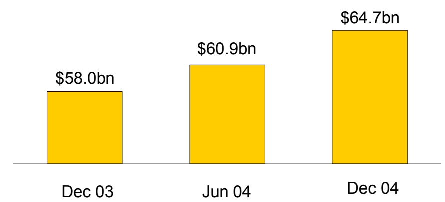
Note: APRA excludes Bills and RBA includes Bills in Market Share data.

Notes

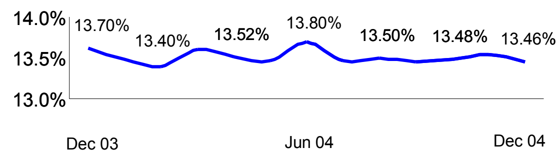
Banking – Business lending is competitive

- Increasingly competitive market
- Balances increased by 6% since June
- Stable margins
- Credit quality of the book is strong

CBA Business, Corporate and Institutional Lending Balances



CBA Business Lending Market Share (1)



(1) Source: RBA

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The market for business lending continues to be highly competitive.

The Bank's business lending market share has been relatively stable over the last six months. Balances have increased by 6% which is slightly behind the market.

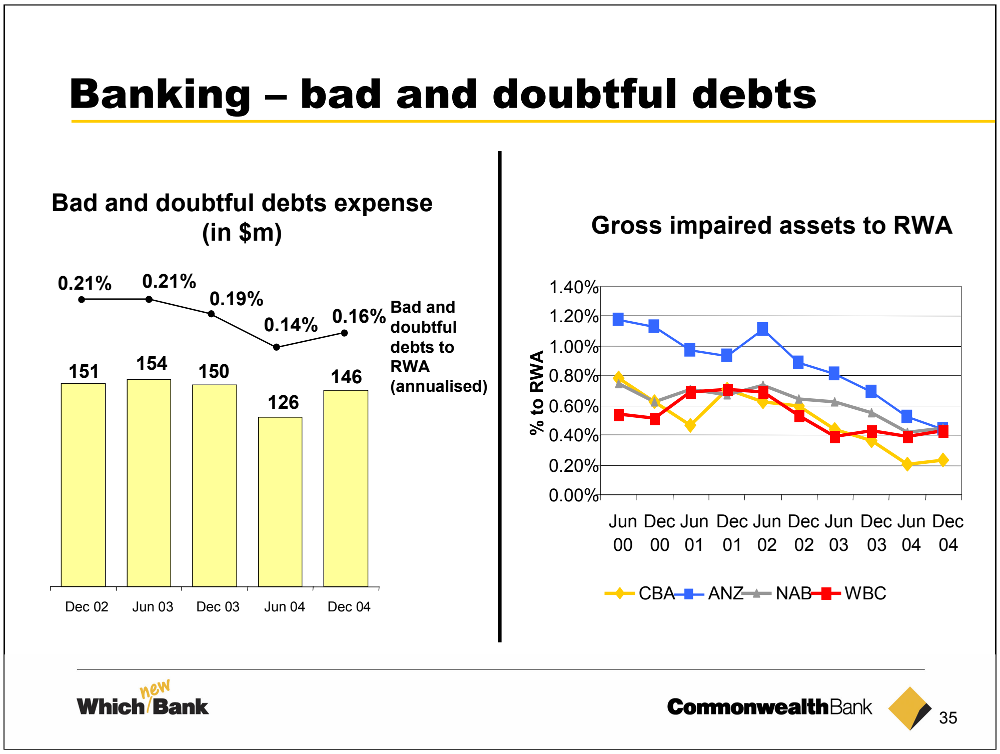
Over this period the Bank has been focussing on long-term high quality relationship business rather than commodity lending. While the Bank is pricing competitively, we won't be a price leader in the business lending market.

The reporting of APRA market shares is distorted by the exclusion of Bills Lending, which is one of our key areas of focus. Notwithstanding this, the size of our business lending position, around 13.5% market share, is less than satisfactory and it is important that our current efforts translate into larger market shares, without impacting credit quality or margins.

Other Key Information

Notes

	Dec 04	Jun 04	Dec 03
RWA	180,673	169,321	157,471
Charge for BDD (6 mths)	$146m	$126m	$150m
Charge for BDD to RWA (annualised)	0.16%	0.14%	0.19%
Gross impaired assets (net of interest reserved)	$418m	$340m	$573m
Specific provisions	$180m	$143m	$198m
General provisions	$1,379m	$1,393m	$1,358m
General provisions to RWA	0.76%	0.82%	0.86%
Credit risk statistics			
Commercial portfolio			
Top 20 corporate exposures (as % of total committed exposure)	3.0%	3.4%	3.5%
% of all commercial exposures that are investment grade or better	66%	67%	64%
% of non-investment grade covered by security	84%	79%	81%
Consumer portfolio			
% of gross lending for home lending	60.0%	59.0%	59.0%



We have always worked hard on the quality of our lending book.

Home lending balances continue to increase as a proportion of the total book.

As a result, bad and doubtful debts remain at low levels - just 16 basis points of risk weighted assets.

The graph on the right shows that, even though impaired assets have increased slightly, they are significantly lower than our peers, approximately half.

Our exposure to collapses over the last six months reinforces this.

Having regard to all these factors, the general provision ratio to risk weighted assets sits comfortably at 76 basis points.

Segment Results: Funds Management

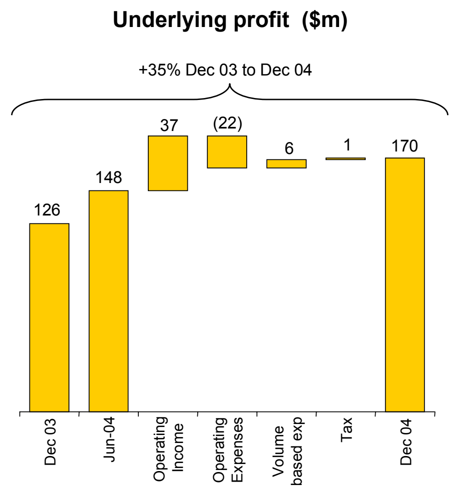
Other Key Information

	Dec 04	Jun 04	Dec 03
FUA			
Av. FUA ($bn)	112	107	104
Spot. FUA ($bn)	117	110	106
Margins			
Operating earnings/ av. FUA	1.1	1.09	1.13
Net earnings/ av. FUA	0.96	0.92	0.97
Expenses			
Operating expenses/ av.FUA	0.74	0.75	0.85
Market shares			
Platforms (Sep 04 only)	12.4%	11.1%	10.9%
Retail funds	14.7%	14.4%	14.5%
Breakdown of retail funds invested			
Local equities	23.9%	23.6%	24.6%
International equities	18.1%	18.4%	18.3%
Listed direct and property	17.5%	16.8%	16.3%
Fixed interest and cash	39.5%	40.1%	39.9%
Other	1.0%	1.1%	0.9%
Total	**100%**	**100.0%**	**100.0%**

Notes

Funds Management – result

- Operating income growth of 6%
- Positive trends in funds flow
- Positive trends in performance
- Margins maintained
- Market shares have increased



Which new Bank

CommonwealthBank

Moving on to Funds Management.

Underlying profit after tax of $170m was an increase of 35% over last December. This result was achieved with 6% growth in operating income and good expense control.

Net inflows improved during the six months with platform products continuing to dominate the market.

Despite continued downward pressure on prices, the Bank was able to maintain its gross margin at 110 basis points during the period.

Other Key Information

Total net flows

	Dec 04	Jun 04	Dec 03
FirstChoice & Avanteos	3142	2220	1841
Cash Mgt.	-6	-360	-392
Other retail[1]	-1357	-2095	-1832
Wholesale	-1869	-127	-1004
Property	-44	16	-72
International	984	86	2565
Total	**850**	**-260**	**1106**

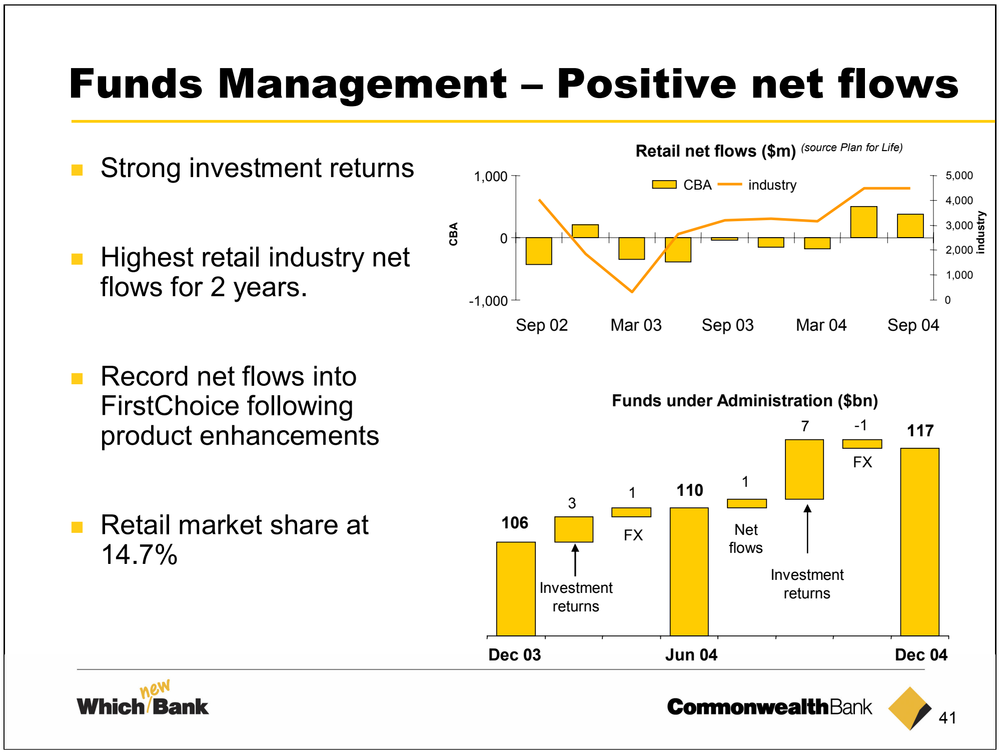
[1] Includes Life company assets sourced from retail investors but not attributable to a funds management product (eg premiums from risk products). These amounts do not appear in retail market share data.

Retail flows and sales

	(Sep qtr only)	(6 mths)	(6 mths)
Retail Net Flows[2]			
CBA ($m)	371.97	315.51	-193.54
market ($m)	4462.3	7641.84	6452.03
CBA ranking	6	8	76
Retail Sales [3]			
% total retail sales sourced from CBA Network	48%	45%	43%
% total retail sales managed by CBA	66%	70%	70%

[2] Net flows (sales less withdrawals) for retail products. Source: Plan for Life
[3] Excludes legacy products. Source: CBA

Notes



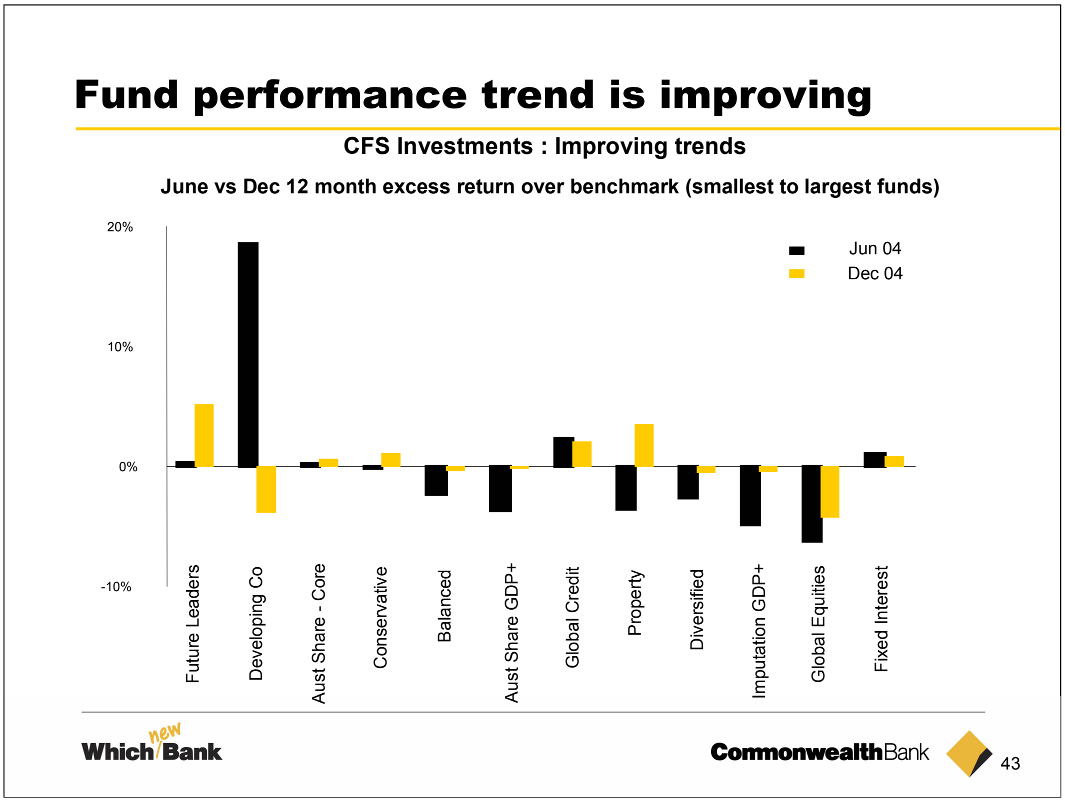
Since last December the total balance of funds under administration has grown by 11%, driven by a positive trend in funds flows, strong investment markets and enhancements to our First Choice offering.

Total funds under administration at December was over $117 billion. Market shares are now stable with the Australian retail share at 14.7% at November 2004.

In the most recent Plan for Life report, our net flows for the quarter are now back in the top 10, a significant improvement from this time last year.

Other Key Information

Notes



Within our Funds Management business, we have a wide range of funds across all asset classes.

Performance measures are showing a positive trend with the changes in 1 year performance of our major flagship funds improving.

Examples of our largest funds are set out on this slide.

Segment Results: Insurance

Other Key Information

	6 months ended		
	Dec 04	**Jun 04**	**Dec 03**
Claims expense as % of net earned premium			
General	60%	43%	78%
Life	53%	49%	53%
Sources of profit			
Planned profit margins	62	55	52
Experience variations	-1	-11	11
Other	-	-10	2
General insurance operating margin	**7**	**20**	**-1**
Operating margins	68	54	64
After tax Shareholder investment returns	92	44	89
NPAT (cash)	**160**	**98**	**153**

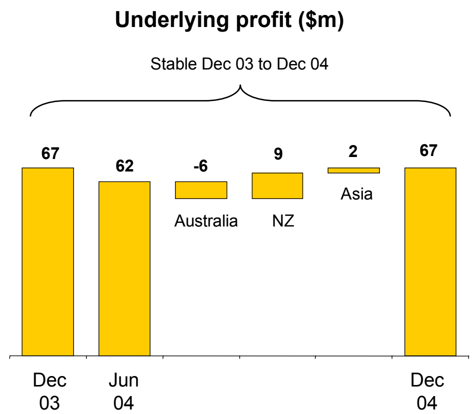
Breakdown of Shareholders' Funds

	Dec 04	Jun 04	Dec 03
Local equities	6%	7%	10%
International equities	6%	5%	5%
Property	13%	14%	11%
Other growth	1%	1%	4%
Growth	26%	27%	30%
Fixed interest	36%	44%	40%
Cash	32%	23%	27%
Other income	6%	6%	3%
Income	74%	73%	70%
Total	100%	100%	100%

Notes

Insurance – Australian sales up 22%

- Improved insurance experience
- Insurance operating margins increased 26% since June 04
- General insurance premium income impacted by storm related claims



The underlying profit for the insurance business has increased by 8% from the June 2004 half year, but is flat when compared to the previous December. This reflects the cost of a series of summer storms in Australia in the current half year.

Australian sales were up 22% over the June 2004 half year, however the loss of a large group mandate led to in force premiums declining slightly. Both the New Zealand and Asian insurance businesses have grown across all major product lines.

The majority of the shareholder investment returns of $145m before tax is included in the cash NPAT for the insurance business. This amount has increased by $4m, despite the balance reducing from $2.9bn in December 2003 to $2.5bn in December 2004 reflecting continual capital efficiencies in the life companies.

The highlight for the Australian Insurance Business is the fact that profits have increased in a business with $400m less capital.

The mix of the shareholder investment assets is now 26% growth and 74% income, significantly reducing the risk of volatility going forward.

Other Key Information

	FM	Life insurance			
Carrying value		Australia	NZ	Asia	Total
NTA	504	952	437	567	2,460
Value inforce business	1,948	425	311	-	2,684
Embedded value	2,452	1,377	748	567	5,144
Value of future new business	2,796	237	296	23	3,352
Carrying value	5,248	1,614	1,044	590	8,496
Increase/(decrease) in carrying value	109	-47	66	-34	94
Analysis of movement since 30 June 2004					
Profits	179	80	36	37	332
Capital movements	-78	92	-18	-	-4
Dividends paid	-82	-351	-	-	-433
Acquisitions/disposals	-30	-	-	-	-30
FX movements	-	-	4	-70	-66
Change in Shareholders NTA	**-11**	**-179**	**22**	**-33**	**-201**
Acquired excess	30	-	-	-	30
Appraisal value uplift/(reduction)	90	132	44	-1	265
Increase/(decrease) to 31 Dec 04	**109**	**-47**	**66**	**-34**	**94**

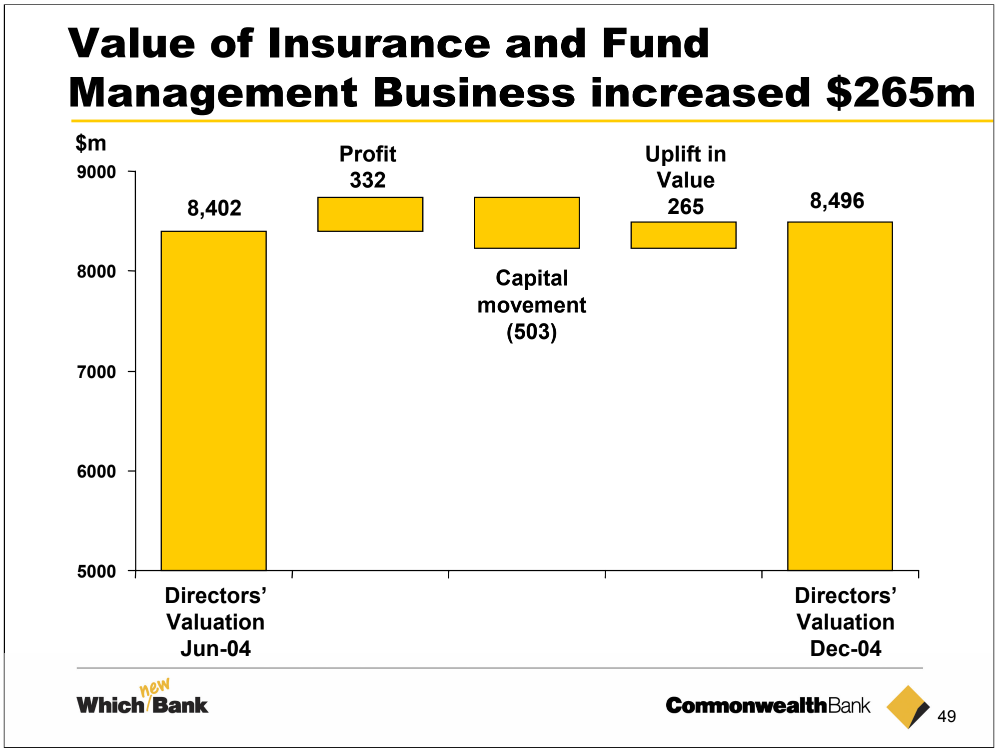
Shareholders' Funds

	Dec 04	Jun 04	Dec 03
Balance of Shareolders' Funds ($bn)	2.5	2.7	2.9

Notes

Which new Bank

CommonwealthBank



The value of the insurance and funds management businesses increased by $265m during the period reflecting the impact of strong investment returns and improved funds flow.

The capital movements of $503m include dividends that were $101m over and above the profit for the period.

The Directors continue to carry the business at a valuation that is $450m less than the independent valuation carried out by Trowbridge Deloitte.

Capital Management

Other Key Information

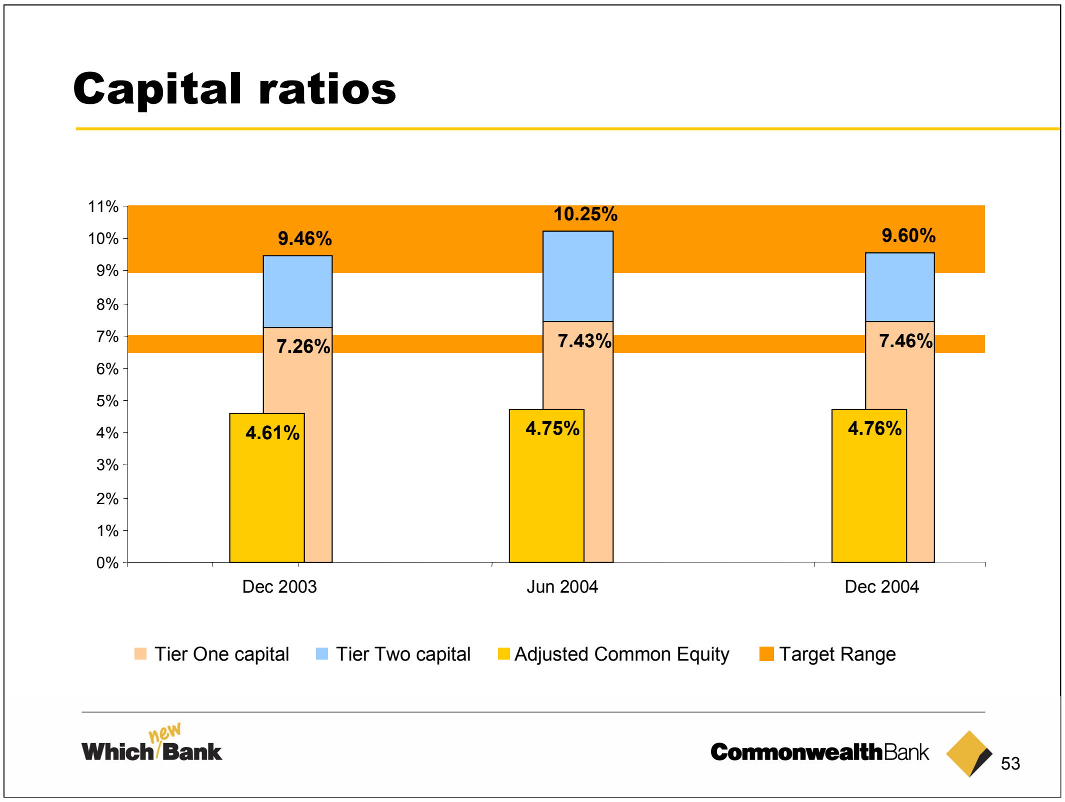
Credit Ratings	Long Term	Short Term	Affirmed
Standard & Poors'	AA-	A-1 +	Dec-04
Moody's Investor Services	Aa3	P-1	Dec-04
Fitch Ratings	AA	F1+	Dec-04

Adjusted Common Equity	31/12/2004 $M	30/06/2004 $M	31/12/2003 $M
Tier One Capital	13,487	12,588	11,438
Deduct:			
Eligible loan capital	(298)	(338)	(311)
Preference share capital	(687)	(687)	(687)
Other equity instruments	(1,573)	(1,573)	(832)
OEI [1]	(518)	(190)	(181)
Investment in non-consolidated subsidiaries [2]	(1,776)	(1,886)	(2,075)
Other deductions	(27)	(5)	-
Other	-	139	(86)
	8,608	8,048	7,266
Risk Weighted Assets	**180,673**	**169,321**	**157,471**
Adjusted Common Equity Ratio	**4.76%**	**4.75%**	**4.61%**

[1] Net of OEI component deducted from Tier One capital
[2] Net of intangible component deducted from Tier One capital

Total Capital reduced at December following the redemption of a large number of Lower Tier Two notes and bonds and the stronger AUD.

Notes



The Bank's capital position remains strong, with all credit ratings being recently reaffirmed.

The Tier 1 ratio has increased to 7.46% and ACE has increased to 4.76%. Total Capital reduced at December following the redemption of a large number of Lower Tier Two notes and bonds and the stronger AUD.

The ratios reinforce the flexibility of our capital position.

Other Key Information

Notes

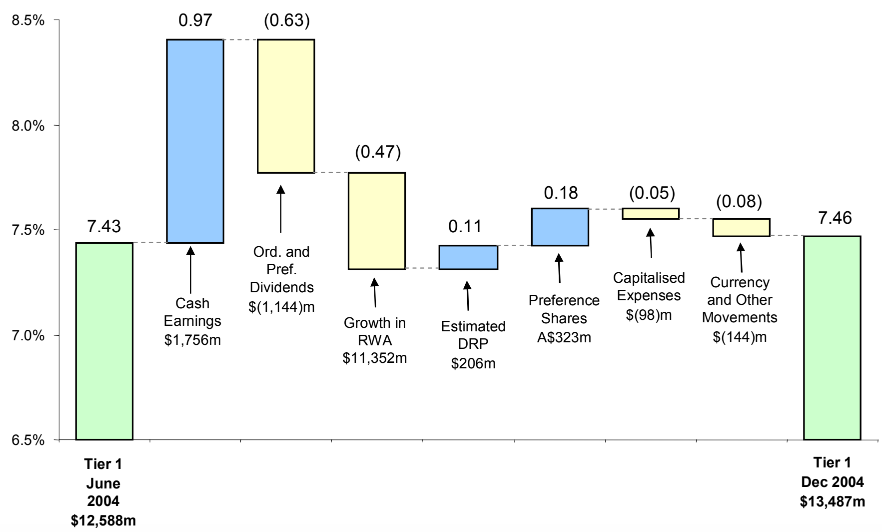
- Surplus capital in Life Companies ($m)

	31/12/2004	30/06/2004	31/12/2003
Australia			
Statutory Funds	**138**	337	381
Shareholder Funds	**144**	162	189
Sub-Total	**282**	499	570
NZ	**54**	65	81
Asia	**121**	76	115
Other	**123**	70	124
TOTAL	**580**	710	890

Note: "Other" mainly represents capital within the funds management business.

The reduction in surplus capital in Life & FM Businesses over the last year reflects the payment of dividends in excess of profits.

Generation and use of Tier 1 capital



Which new Bank

CommonwealthBank 55

The movement in the Tier 1 ratio is principally related to:

- Cash NPAT net of dividends;
- The growth in risk weighted assets;
- The NZ$350m (A$323m) perpetual preference shares;
- The new $98m deduction for certain capitalised expenses follows changes implemented by APRA in July; and
- Currency related movements, resulting from the Australian dollar strengthening during the period.

Other Key Information

Notes

Compliance projects

- Implementation for IFRS, Sarbanes Oxley and Basel II is on target
- Investment for all three projects in total is \$30-\$40m per year (2005 and 2006), which included \$15m in this period
- IFRS will first impact the December 2005 half year result

Which new Bank

CommonwealthBank 57

The implementation of IFRS, Sarbanes Oxley and Basel II is on target.

During the period we made significant progress in the implementation of these three major compliance projects. The cost in the period was \$15 million, in line with our estimate of \$30 to \$40 million per annum in 2005 and 2006.

The most significant IFRS impacts from 1 July 2005 will be:

- Appraisal value accounting will cease and goodwill will no longer be amortised.

- Recognition of our pension fund surplus as an asset.

- All balance sheet hedge derivatives will come on balance sheet as cash flow or fair value hedges.

- Hybrid equity instruments and the associated costs will be substantially reclassified as debt and interest expense.

-The basis of loan provisioning may change and may impact provisioning levels.

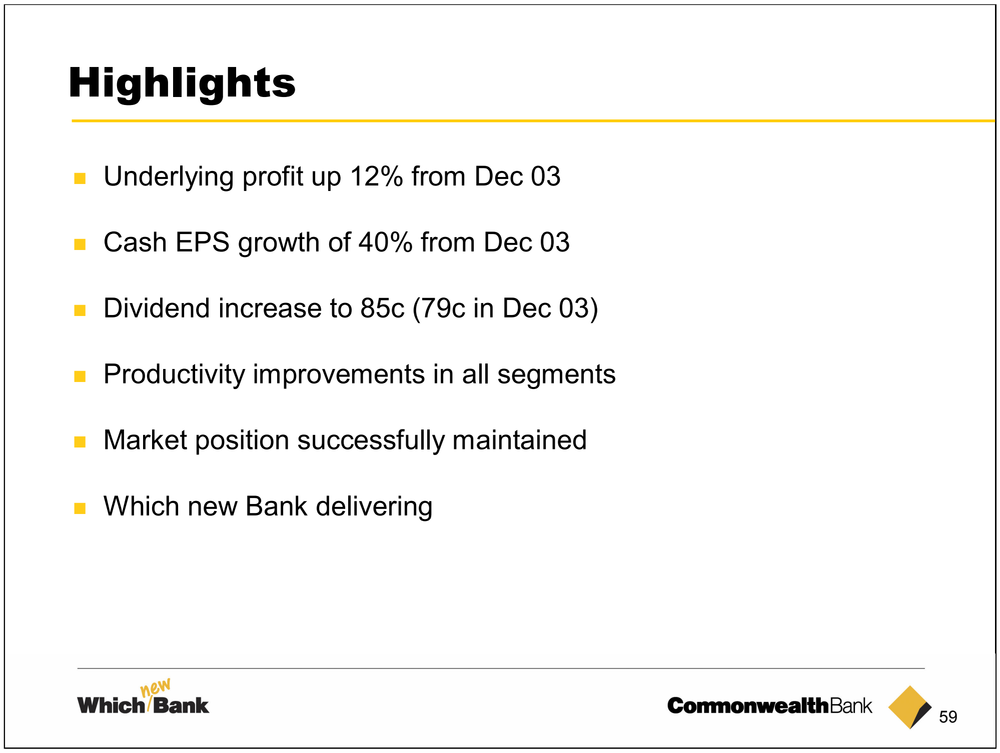
Whilst we have quantified in the Profit Announcement the likely impact of the changes, it should be recognised that IAS39 is still being finalised and the approach to be taken by the regulator is unknown.

~~*Note to reader re deadlines:*~~

IFRS - Operative from 1 July 2005

SOX - In place for June 2006 year end.

Basel II - APRA accreditation for Advanced Approach required in December 2005 quarter for parallel reporting from 1 January 2006 and stand alone reporting from 1 January 2007)



In summary, the results for the half year are again very pleasing. The underlying profit is up 12% from the previous December and cash EPS is up 40%.

Supported by the result, and consistent with our commitment to increase our dividend each year, we have declared an interim dividend of 85 cents, fully franked.

Each segment of the business continues to improve their productivity and we have not only successfully maintained our market position whilst keeping margins stable, but many of our market shares have increased since June.

We're now at the half way point of a 3 year program and Which new Bank is delivering.

We are happy with the progress of WnB and are confident that we will meet or exceed our original targets.

Presentation of Half Year Results for 31 December 2004

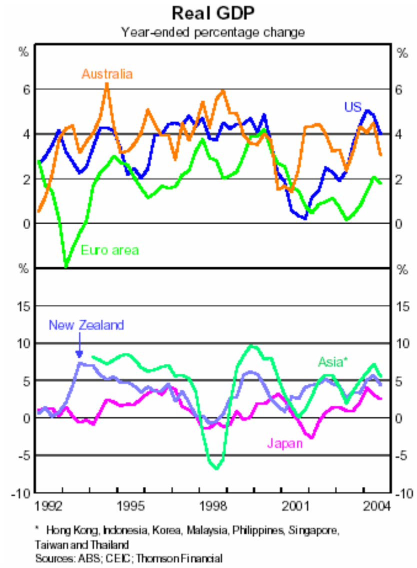
Michael Cameron
Chief Financial Officer

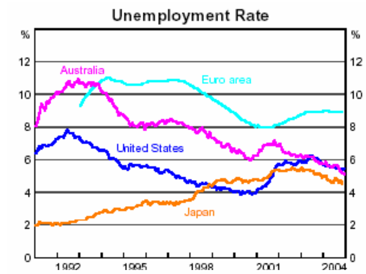
9 February 2005

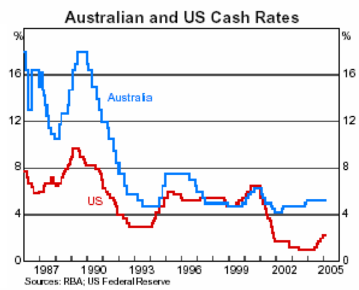
Supplementary materials

Economy

GDP, unemployment and cash rates



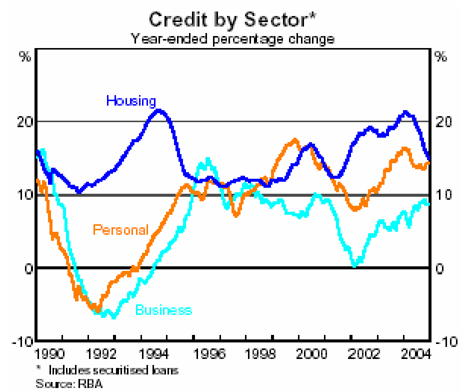


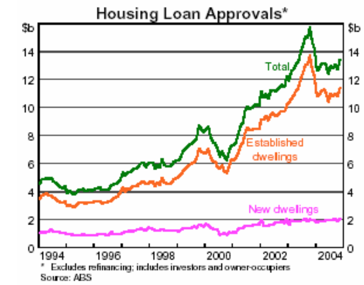


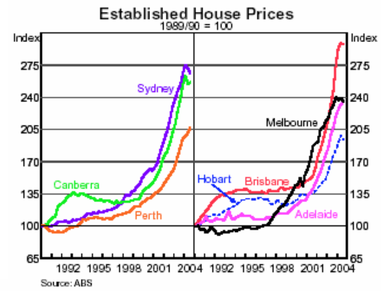
Which new Bank

CommonwealthBank

Credit growth



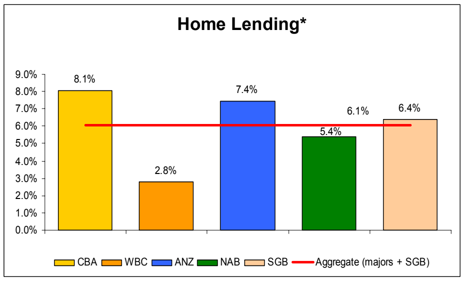


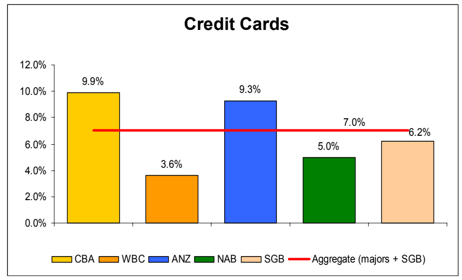


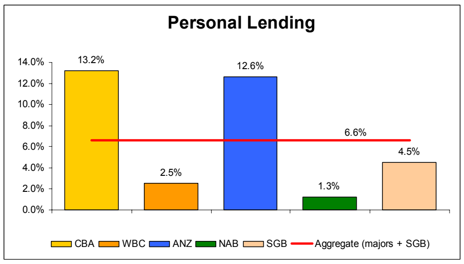
Banking

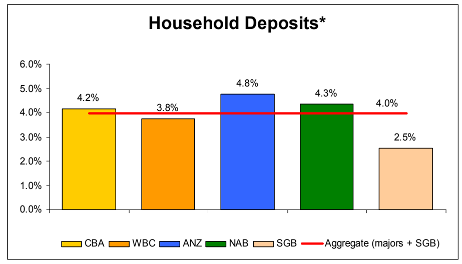
Strong growth in key retail markets

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







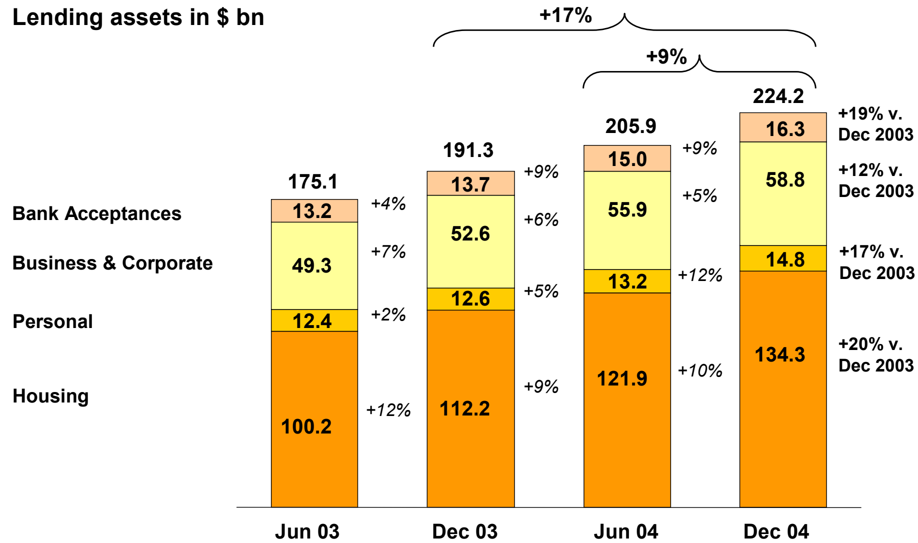


* Adjusted for MISA reclassification September 2004

Which new Bank

CommonwealthBank

Banking
17% growth in lending assets*



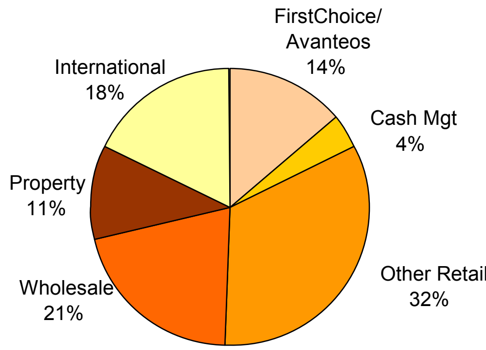
*Lending assets excludes securitised housing loan balances: $6.4bn (Dec 04), $7.6bn (Jun 04), $5.3bn (Dec 03), $6.5bn (Jun 03)

Funds Management

Well diversified product mix – platforms rapidly growing share

Funds Under Administration
31 December 2004

Total FUA = $117.4 billion



Source – Internal Analysis

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	8%	1%	5%	6%
International equities	4%	7%	10%	6%
Property	21%	4%	1%	13%
Other Growth	0%	3%	3%	1%
Growth:	33%	15%	19%	26%
Fixed Interest	24%	50%	56%	36%
Cash	43%	26%	8%	32%
Other Income	0%	9%	17%	6%
Income:	67%	85%	81%	74%
Total	100%	100%	100%	100%

Capital Management

Preference share information

Preference share dividends paid

	31/12/2004	30/06/2004	31/12/2003	30/06/2003	Franked / Imputed
PERLS	**20**	20	18	18	F
PERLS II	**17**	15	-	-	F
Trust Preferred Securities	**20**	23	17	-	-
ASB Capital prefs	**4**	4	4	4	I
ASB Capital No.2 prefs	**-**	-	-	-	I
TOTAL	**61**	62	39	22	

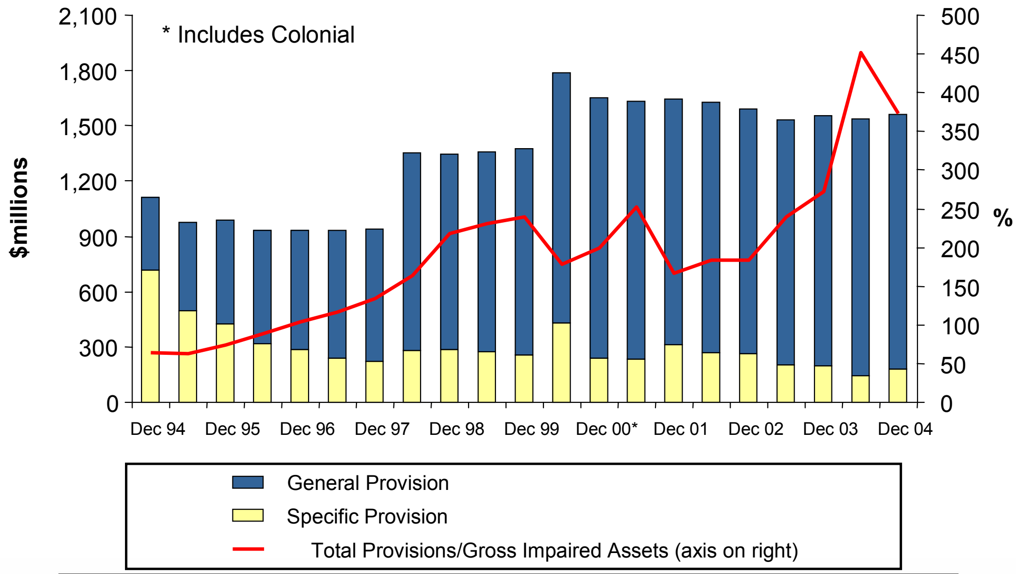
Preference shares - breakdown

	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
TOTAL				**$2,765**		

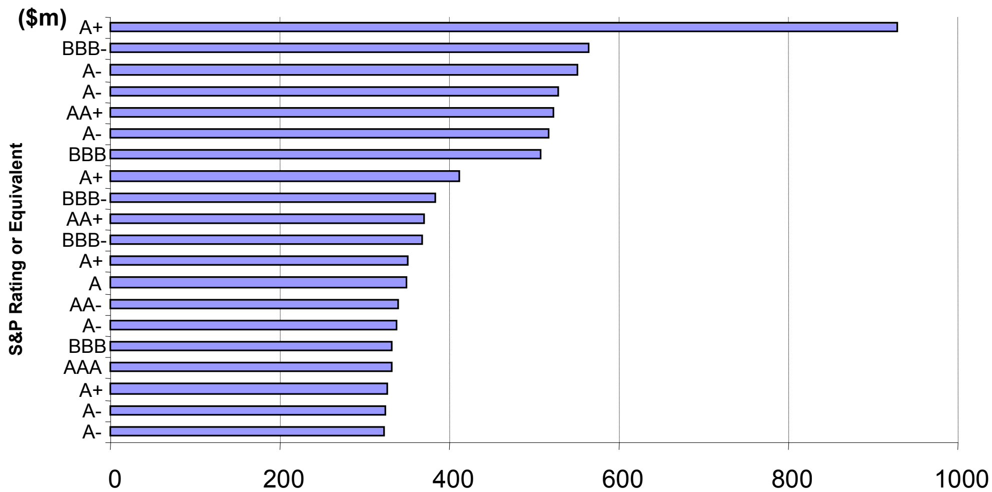
* Net of issuance costs

Credit Risk Management

The Bank remains well provisioned



Banking - Top 20 corporate commercial exposures

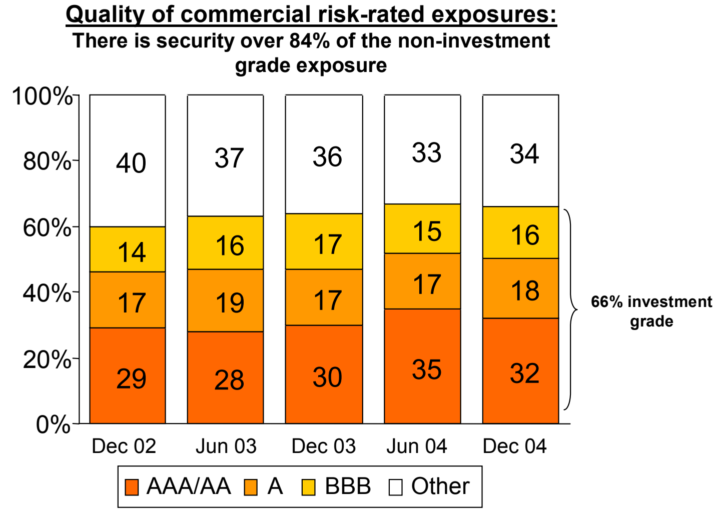


Top 20 exposures – excludes finance and government – comprise 3.0% of committed exposures (3.4% as at Jun 04, 3.5% as at Dec 03)

Which new Bank

CommonwealthBank

Banking - Quality of commercial risk-rated exposures



Includes finance, insurance and government, individually rated counterparties

Banking
Arrears in consumer book remain low

Consumer arrears

	31/12/2004 $m	30/06/2004 $m	31/12/2003 $m	30/06/2003 $m
Home lending	176	168	147	157
Other Loans	94	78	66	91
Total	270	246	213	248

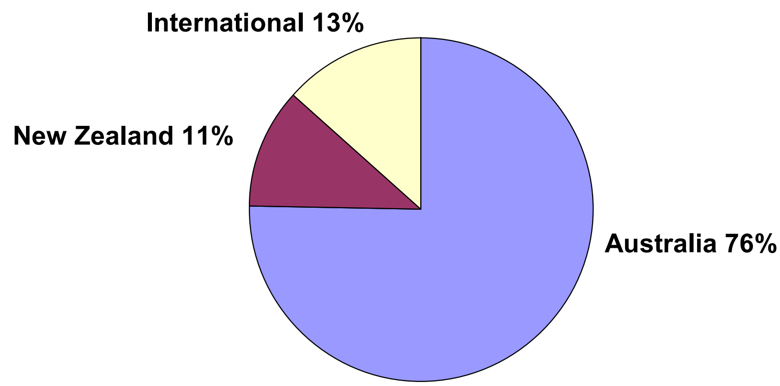
Home lending arrears rate ($m)

	31/12/2004	30/06/2004	31/12/2003	30/06/2003
Home lending loans accruing 90 days or more	176	168	147	157
Net home lending*	134,258	121,850	112,228	100,203
Arrears rate %	0.13%	0.14%	0.13%	0.16%

* Net of securitisation

Banking - Total geographic exposure* (commercial + consumer)

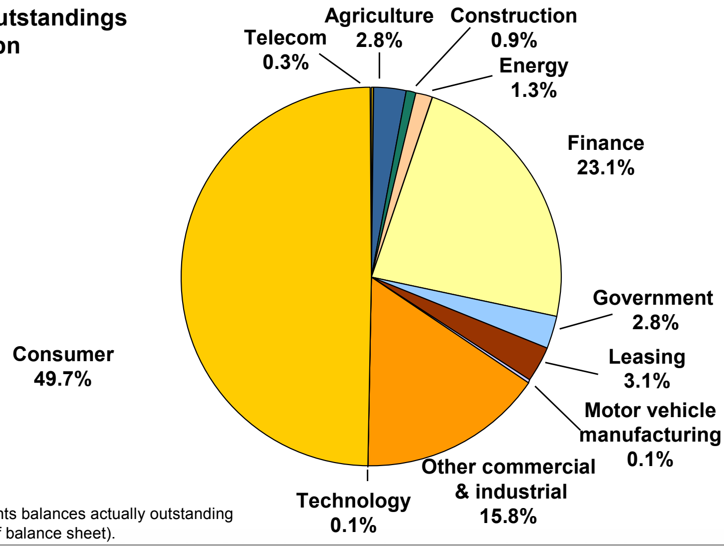
Total = $356bn
- Home loans = $134bn
- Other loans = $90bn
- Other exposure = $132bn



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

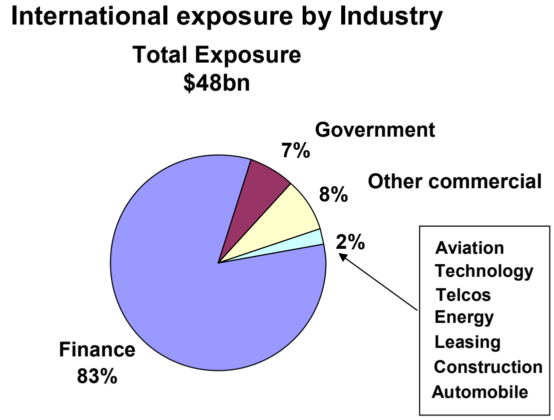
Banking - Total outstandings* (commercial + consumer)

Total Outstandings
$283.6 bn



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

Banking – International commercial exposures*



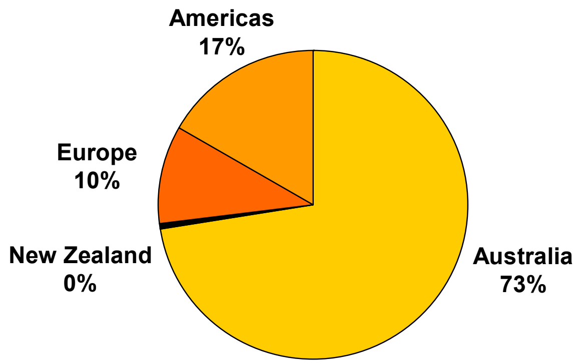
Total non-finance off-shore outstandings = $7.6bn of which over 90% are investment grade.

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

Banking Credit Exposure – selected industries Automotive manufacturing

Total exposure: $506m

Rating	$m
AAA to A-	57
BBB+ to BBB-	150
BB to BB-	189
< BB-	110
TOTAL	**506**



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

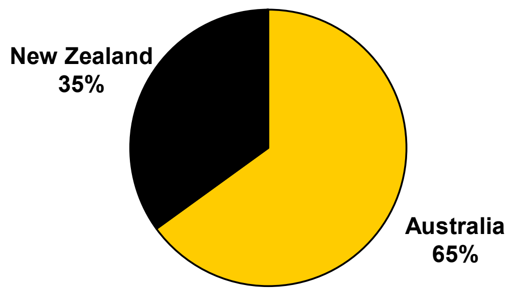
Which new Bank

CommonwealthBank

Banking Credit Exposure – selected industries Agriculture

Total exposure: $9,090m

Rating	$m
AAA to A-	307
BBB+ to BBB-	1,397
BB to BB-	2,766
< BB-	4,620
TOTAL	**9,090**

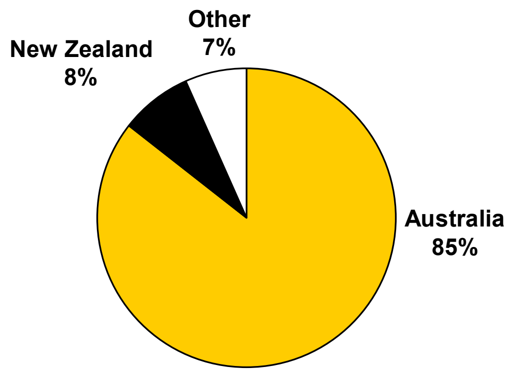


*Total exposure = balance for uncommitted, greater of limit or balance for committed.

Banking Credit Exposure – selected industries Aviation

Total exposure: $1,802m

Rating	$m
AAA to A-	558
BBB+ to BBB-	1,015
BB to BB-	197
< BB-	32
TOTAL	**1,802**

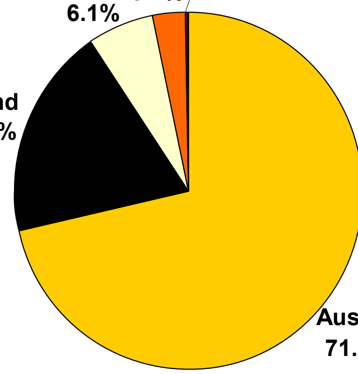


*Total exposure = balance for uncommitted, greater of limit or balance for committed.

Banking Credit Exposure – selected industries Energy

Total exposure: $5,049m

Rating	$m
AAA to A-	1,205
BBB+ to BBB-	2,981
BB to BB-	545
< BB-	318
TOTAL	**5,049**

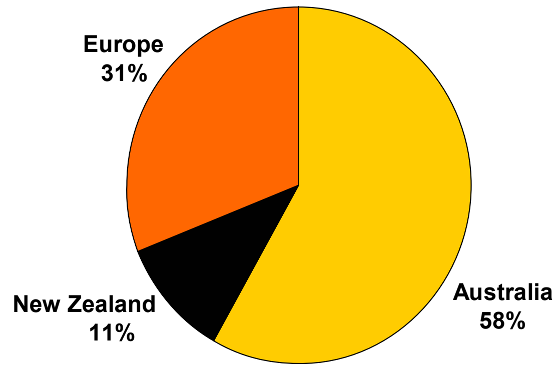


*Total exposure = balance for uncommitted, greater of limit or balance for committed.

Banking Credit Exposure – selected industries Telcos

Total exposure: $888m

Rating	$m
AAA to A-	308
BBB+ to BBB-	466
BB to BB-	53
< BB-	61
TOTAL	**888**



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

Presentation of Half Year Results for 31 December 2004

Michael Cameron
Chief Financial Officer

9 February 2005