



Commonwealth Bank

Media Release

CBA LAUNCHES A\$1.4 BILLION URIDASHI BOND

Sydney July 15, 2002: Commonwealth Bank of Australia today announced the launch of an A\$1.4 billion bond targeted for sale to Japanese retail investors. The 3-year transaction, lead managed by Nomura Securities, has set a record as the largest ever A\$ "uridashi" transaction. It clearly highlights the fact that Japan currently provides the largest single source of demand for A\$ new issues outside of Australia.

The very strong investor reception to this issue, the fourth "uridashi" by the Bank since January 2000, has been driven by several key factors including the relative performance of the Australian economy, the overall awareness of CBA's credit, increased stability in the Australian dollar and improved interest rate differentials.

According to John te Wechel, General Manager Group Funding at Commonwealth Bank, "This is a very important transaction for the Bank. It provides larger volume and better economics than are available in the domestic market. Of equal importance, it satisfies key strategic objectives for the Bank in terms of funding diversification, credit differentiation and investor awareness".

The Notes will be offered to investors by Nomura's 5,500 strong salesforce via its network of 131 retail branches throughout Japan. To reach those investors, it was necessary for the Bank to file a Securities Registration Statement, a prospectus-like document, with the Japanese Ministry of Finance. Preliminary feedback from Nomura indicates that the issue will be placed to approximately 70,000 investors with an average parcel size of A\$20,000.

"These are largely new investors to the Bank with little overlap in any other market in which CBA funds. This really highlights the extent of investor diversification provided by this type of issue" says te Wechel. "Japan is an important part of our global funding strategy which is very much aimed at developing sustainable funding sources in a diverse range of wholesale and retail markets."

The success of this transaction also illustrates the degree with which CBA has been able to penetrate a market that has traditionally only been open to government, supranational and very select bank issuers. For example, other recent issuers into this market include the World Bank, European Investment Bank, Asian Development Bank as well as several of the Australian semi-government and bank borrowers. According to te Wechel, "having access to this market is a tangible example of how CBA differentiates its credit from other well-rated commercial banks."

CBA is one of the leading underwriters in the domestic A\$ market and is pleased to work with Nomura in maximizing the value that can be derived from the international A\$ markets. Nomura was the leading underwriter of international A\$ bonds in 2001, arranging a total of A\$3.72 billion which made up a 73% share of A\$ issuance into Japan. In explaining Nomura's ability to sell Australian dollar denominated financial products in Japan, Mr Yasuhiro Takama, Managing Director of Nomura Australia,

stated that “Nomura has consistently promoted Australia in Japan over a very long period of time. Our investors have a very sound understanding of the underlying strength of Australia’s macroeconomics.”

The bonds mature on 25 July 2005 and carry a 5.10 per cent coupon.

(ENDS)

Media contact:

Dawn Willis
Commonwealth Bank
02 9378 2662 0416 293 349

For further information contact:

Mr John te Wechel
General Manager, Group Funding
Commonwealth Bank of Australia
Ph: (612) 9378 3100