

Directors

MA (Tim) BESLEY AO

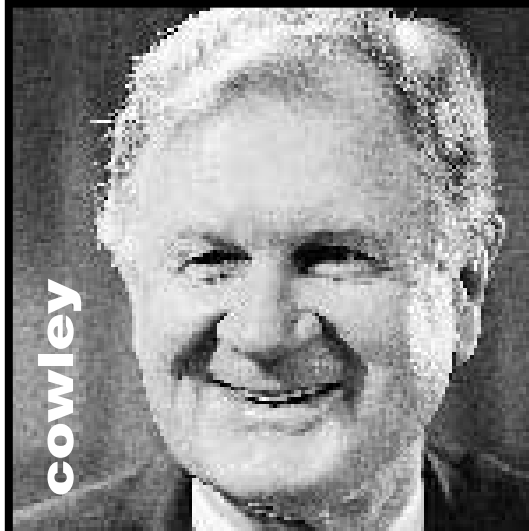
Chairman – Mr Besley has been Chairman and a member of the Board since 1988. He holds Bachelor degrees in Civil Engineering and Legal Studies and has forty six years' experience in engineering, finance and public service. Mr Besley is Chairman of the Remuneration, Risk and Nominations Committees.

Chairman: Leighton Holdings Limited.
Director: O'Connell Street Associates Pty Ltd.

Other Interests: Macquarie University (Chancellor), Australian Academy of Technological Sciences and Engineering (President), Australian National Gallery Foundation (Council of Governors), Legacy Torch Bearers Committee (Member), Salvation Army – NSW Advisory Board and Red Shield Appeal Committee (Member), Royal Botanic Gardens Sydney Foundation (Trustee), Sir Ian McLennan Achievement for Industry Award (Trustee), and World Vision of Australia Board of Reference (Member). Mr Besley is a resident of New South Wales. Age 72.

John T RALPH AO

Deputy Chairman – Mr Ralph has been a member of the Board since 1985 and is Chairman of the Audit Committee and member of the Nominations Committee. He is a Fellow of the Australian Society of



Certified Practising Accountants and has over forty seven years' experience in the mining and finance industries.
Chairman: Foster's Brewing Group Limited and Pacific Dunlop Limited.
Deputy Chairman: Telstra Corporation Limited.

Director: Pioneer International Limited and BHP Limited.

Other Interests: Melbourne University Business School (Board of Management), The Queen's Trust for Young Australians (National Chairman), Australian Foundation for Science (Chairman), Australian Institute of Company Directors (Fellow), and Advisory Council of The Global

Foundation (Member). Mr Ralph is a resident of Victoria. Age 66.

David V MURRAY

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

Chairman: Commonwealth Life Limited, Commonwealth Investment Services Limited, Commonwealth Insurance Limited, Commonwealth Custodial Services Limited and



Commonwealth Funds Management Limited.

Director: International Monetary Conference.

Other Interests: Asian Bankers' Association (Member), Australian Bankers' Association (Member), Asian Pacific Bankers' Club (Member), Australian Coalition of Service Industries (Member), Australian Institute of Banking and Finance (President), Business Council of Australia (Member), World Economic Forum (Member), St Mary's Cathedral Appeals Committee (Chairman), Macquarie University Graduate School of Management (Advisory Board),

General Motors Australian Advisory Council (Member), APEC Business Advisory Council (Member) and Financial Sector Advisory Council (Member). Mr Murray is a resident of New South Wales. Age 50.

NR (Ross) ADLER AO

Mr Adler has been a member of the Board since 1990 and is a member of the Remuneration Committee. He holds a Bachelor of Commerce and a Master of Business Administration. Mr Adler is currently Managing Director of Santos Limited. He has experience in various commercial enterprises, more recently in the oil and gas industry. Director: QCT Resources Limited

Group Companies, Santos Limited (Group) Companies, Telstra Corporation Limited, Australian Institute of Petroleum Limited, Shelrey Pty Ltd, South Blackwater Coal Limited and Tereny Investments Pty Ltd. Other Interests: Art Gallery of South Australia (Chairman), National Institute of Labour Studies, Flinders University of South Australia (Governor), University of Adelaide (Council Member), Business Council of Australia (Member), Corporations and Securities Panel (Member) and Australian Institute of Company Directors (Member). Mr Adler is a resident of South Australia. Age 54.

Our Directors

Anna C BOOTH

Ms Booth has been a member of the Board since 1990 and is a member of the Risk Committee. She holds a Bachelor of Economics (Hons) and has seventeen years' experience in the trade union movement and most recently as General Manager Corporate Communications of the Sydney Harbour Casino.

Director: Ausflag Limited.

Other Interests: Tourism Council of Australia (National Councillor), Shopping Centres Council of Australia (Special Advisor), Breast Cancer Institute of Australia Research for Life Appeal (Member), Sydney Organising Committee for the Olympic Games (Member) and Labour Management Studies Foundation of Macquarie University (Fellow). Ms Booth is a resident of New South Wales. Age 43.

Reg J CLAIRS AO

Mr Clairs has been a member of the Board since 1 March 1999. He has thirty three years' extensive experience in retailing, branding and customer service. Mr Clairs is currently a Board member of the Royal Children's Hospital Foundation of Queensland, Chairman and a foundation member of the Prime Minister's Supermarket to Asia Council. He is also Deputy Chairman of Woolstock Australia Limited and a director to the Boards of David Jones Ltd and Howard Smith Ltd. Mr Clairs is a resident of Queensland. Age 61.

Ken E COWLEY AO

Mr Cowley has been a member of the Board since September 1997 and is a member of the Remuneration Committee. He has thirty three years'

experience in the media industry, having been Director of News Limited since 1976 and until July 1997, was Executive Chairman of that company.

Chairman: PMP Communications Limited, R M Williams Holdings Limited, Ansett New Zealand Limited, Ansett International Limited, Melbourne Storm Football Club Pty Ltd and Nardell Coal Corporation.

Director: The News Corporation Limited, Independent Newspapers Limited, Ansett Australia Limited and Foxtel Management Pty Limited.

Other Interests: Australian Stockman's Hall of Fame & Outback Heritage Centre NSW (Chairman) and Royal Agricultural Society (Councillor). Mr Cowley is a resident of New South Wales. Age 64.

John M SCHUBERT

Dr Schubert has been a member of the Board since 1991 and is a Member of the Audit and Risk Committees. He holds a Bachelor Degree and PhD in Chemical Engineering and has experience in the petroleum, mining and building materials industries. Dr Schubert is currently Managing Director and Chief Executive Officer of Pioneer International Limited.

Director: Australian Graduate School of Management Ltd.

Other Interests: Academy of Technological Science (Fellow).

Dr Schubert is a resident of New South Wales. Age 56.

Graham H SLEE AM

Mr Slee was a member of the Board from 1986 and a member of the Risk Committee until his retirement from the Board on 28 February 1999. He

holds a Bachelor of Mechanical Engineering and has thirty seven years' experience in engineering and manufacturing industries.

Chairman: McNee Holdings Pty Limited and Sheet Metal Supplies Pty Ltd. Mr Slee is a resident of New South Wales. Age 62.

Frank J SWAN

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

Director: Foster's Brewing Group Limited and National Foods Limited.

Mr Swan is a resident of Victoria. Age 58.

Barbara K WARD

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

Chairman: HWW Limited.

Director: Delta Electricity, Rail Services Australia, and Data Advantage Limited.

Other Interests: Sydney Opera House Trust (Trustee) and Australia Day Council of New South Wales (Member). Ms Ward is a resident of New South Wales. Age 45.

Corporate Governance

Board of Directors

The Board of Directors assumes responsibility for corporate governance of the Bank. It oversees the business and affairs of the Bank, establishes the strategies and financial objectives to be implemented by management and monitors standards of performance directly and through its committees. The Board currently consists of ten Directors. Membership of the Board and its Committees is set out in the table.

Details of experience, qualifications, special responsibilities and attendance at meetings of the Directors are set out on pages 24 to 26 and 30.

Mr Clairs was appointed as a non executive director on 1 March 1999.

In accordance with the Bank's Constitution and ASX Listing Rules, Mr Clairs will stand for election as a director at the Annual General Meeting to be held on 28 October 1999.

Mr G H Slee, AM retired from the Board on 28 February 1999.

The Constitution of the Bank specifies that:

- the managing director and any other executive directors shall not be eligible to stand for election as Chairman of the Bank;
- the number of directors shall be not less than 9 nor more than 13 (or such lower number as the Board may from time to time determine). The Board has determined that for

DIRECTOR	BOARD MEMBERSHIP	COMMITTEE MEMBERSHIP			
		Nominations	Remuneration	Audit	Risk
M A Besley, AO	Non executive Chairman	Chairman	Chairman		Chairman
J T Ralph, AO	Non executive Deputy Chairman	Member		Chairman	
D V Murray	Executive Managing Director	Member	Member		Member
N R Adler, AO	Non executive		Member		
A C Booth	Non executive				Member
R J Clairs, AO	Non executive				
K E Cowley AO	Non executive		Member		
J M Schubert	Non executive			Member	Member
F J Swan	Non executive				Member
B K Ward	Non executive			Member	

the time being the number of directors shall be 10; and

- at each Annual General Meeting, one-third of directors (other than the managing director) shall retire from office and may stand for re-election.

In February 1999, the Board adopted a policy that, with a phasing in provision dealing with existing directors, the maximum term of appointment of directors to the Board would normally be limited to twelve years. The Nominations Committee of the Board critically reviews, at least annually, the corporate governance procedures of the Bank and the composition and effectiveness of the Commonwealth Bank Board and the boards of the major wholly owned subsidiaries. The policy of the Board is that the Committee shall consist of a majority of non executive directors and that the Chairman of the Bank shall be Chairman of the Committee. The Nominations Committee has

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

Candidates for appointment as directors are considered by the Nominations Committee, recommended for decision by the Board and, if appointed, stand for election, in accordance with the Constitution, at the next general meeting of shareholders.

Remuneration Arrangements

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined, is divided between the directors as they agree. The policy of the Board is that the aggregate amount should be set at a level which provides the Bank with the necessary degree of flexibility to enable it to attract and retain the services of directors of the highest calibre. The latest determination was at the Annual General Meeting held on 30 October 1997 when shareholders approved an aggregate remuneration of \$1,000,000 per year. The Nominations Committee reviews the fees payable to non executive directors. Details of individual directors' remuneration are set out in Note 6. Directors' fees do not incorporate a bonus element related to performance.

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

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

The Board has established a Remuneration Committee to:

- consider remuneration policy for the Bank's senior executives and executives;
- consider senior executive appointments; and
- consider arrangements in the level or structure of remuneration and benefits for staff generally.

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

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

The Bank's remuneration policy in respect of executives includes provisions that remuneration will be competitively set so that the Bank can seek to attract, motivate and retain high quality local and international executive staff and that remuneration will incorporate, to a significant degree, variable pay for performance elements. Details of the remuneration paid to six members of the senior executive team who were officers of the Bank at 30 June 1999 are set out in Note 7.

Audit Arrangements

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

The Board's Audit Committee consists entirely of non executive directors and the Chairman of the Committee is not Chairman of the Bank. This structure reflects the Board's policy. The

Managing Director attends Committee meetings by invitation. The Committee oversees the adequacy of the overall internal control functions and the internal audit functions within the Group and their relationship to external audit.

In carrying out these functions, the Committee:

- reviews the financial statements and reports of the Group;
- reviews accounting policies to ensure compliance with current laws, relevant regulations and accounting standards;
- reviews, as necessary, the policy in relation to internal audit services within the Group and reviews internal audit plans for Group members;
- reviews reports from external auditors and the Group's internal auditor; and
- conducts any investigations relating to financial matters, records, accounts and reports which it considers appropriate.

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

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

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

The Committee reviews the processes governing advisory work undertaken by the external auditor to ensure that the independence of the external auditor is not affected by conflicts. The scope of the audit is agreed between the Committee and the auditor. The external audit partner attends meetings of the Audit Committee by invitation and attends the Board meetings when the annual and half yearly accounts are signed.

Risk Management

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

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

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

The Committee ratifies the Group's operational risk policies for approval by the Board and reviews and informs

the Board of the measurement and management of operational risk. Operational risk is a basic line management responsibility within the Group consistent with the policies established by the Committee. A range of insurance policies maintained by the Group mitigates some operational risks.

Independent Professional Advice

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

Access to Information

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

Ethical Standards

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

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

These standards are regularly

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

The restrictions imposed by law on dealings by directors in the securities of the Bank have been supplemented by the Board of Directors adopting guidelines which further limit any such dealings by directors, their spouses, any dependent child, family company and family trust. The guidelines provide, that in addition to the requirement that directors not deal in the securities of the Bank or any related company when they have or may be perceived as having relevant unpublished price sensitive information, directors are only permitted to deal within certain periods. These periods include between 3 and 30 days after the announcement of half yearly and final results and from 3 days after release of the annual report until 30 days after the Annual General Meeting. Further, the guidelines require that directors not deal on the basis of considerations of a short term nature or to the extent of trading in those securities.

Non executive directors are not entitled to participate in current employee share plans.

In accordance with the Constitution and the Corporations Law, directors disclose to the Board any material contract in which they may have an interest. In compliance with Section 232A of the Corporations Law any director with a material personal interest in a matter being considered by the Board will not be present when the matter is being considered and will not vote on the matter.

Directors' Report

The Directors of the Commonwealth Bank of Australia submit their report, together with the financial statements of the Commonwealth Bank of Australia (the Bank) and of the Group, being the Bank and its controlled entities, for the year ended 30 June 1999.

The names of the Directors holding office during the financial year and until the date of this report are set out on pages 24 to 26 together with

details of Directors' experience, qualifications, special responsibilities and organisations in which each of the Directors has declared an interest.

Directors' Meetings

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

DIRECTOR	DIRECTORS' MEETINGS	
	No. of Meetings Held*	No. of Meetings Attended
M A Besley	13	13
J T Ralph	13	13
D V Murray	13	13
N R Adler	13	10
A C Booth	13	13
R J Clairs **	4	2
K E Cowley	13	12
J M Schubert	13	12
G H Slee #	9	9
F J Swan	13	12
B K Ward	13	13

* The number of meetings held during the time the Director held office during the year.

Mr Slee retired 28 February 1999.

** Mr Clairs was appointed Director 1 March 1999.

DIRECTOR	COMMITTEE MEETINGS							
	Risk Committee		Audit Committee		Remuneration Committee		Nominations Committee	
	No. of Meetings Held*	No. of Meetings Attended	No. of Meetings Held*	No. of Meetings Attended	No. of Meetings Held*	No. of Meetings Attended	No. of Meetings Held*	No. of Meetings Attended
M A Besley	9	9			6	6	5	5
J T Ralph			4	4			5	5
D V Murray	9	9			6	6	5	5
N R Adler					6	6		
A C Booth*	3	3			5	5		
K E Cowley +					1	1		
J M Schubert♦	3	3	4	4				
G H Slee#	6	6						
F J Swan	9	8						
B K Ward			4	4				

* The number of meetings held during the time the Director was a member of the relevant committee.

Mr Slee retired as Director 28 February 1999.

· Ms Booth moved from Remuneration Committee to Risk Committee on 1 March 1999.

+ Mr Cowley was appointed to Remuneration Committee on 1 March 1999.

♦ Dr Schubert was appointed to Risk Committee on 1 March 1999.

Principal Activities

The principal activities of the Commonwealth Bank Group during the financial year were:

Banking & Financial Services Division – is responsible for marketing services, product development and brand management for the retail and small and medium business segments. The Division focuses on assessing customer needs and servicing those needs for banking, insurance, funds management and related products and services.

Customer Service Division – provides quality sales and service to the Bank's customers and is focused on managing the branch, agency networks and electronic delivery such as ATM, EFTPOS, telephone and direct/on line services.

Institutional Banking – provides corporate and general banking, international financing (including trade and project financing), merchant and investment banking and stockbroking. Institutional Banking maintains banking relationships with 1,000 of Australasia's largest corporations, government bodies and other major institutions.

Technology Operations and Property – facilitates the delivery of current and future Information Technology and Telecommunication services for the Bank, provides a full service transaction processing and back office/operation support function, and manages the property investment and corporate real estate services of the Bank.

Financial and Risk Management – provides integrated financial, risk and capital management services to support the activities of the Bank.

ASB Group Limited –75% owned by the Commonwealth Bank, provides personal, business, corporate and rural banking and life insurance services in New Zealand.

The only significant change in these activities was the acquisition within the ASB Group Limited in December 1998 of Sovereign Limited, a New Zealand life insurance company, for \$205 million. There has been no other significant change in the nature of these activities during the year.

Consolidated Profit

Consolidated operating profit after tax and outside equity interests for the financial year ended 30 June 1999 was \$1,422 million (1998: \$1,090 million). There were no abnormal items for the year ended 30 June 1999.

The 1998 result was affected by a number of abnormal items, including an abnormal expense for restructuring costs of \$128 million after tax related to rationalisation of processing and administration functions, implementation of a new organisational structure and reconfiguration of delivery systems. Further, with effect from 1 January 1998, the general provision for bad and doubtful debts is assessed using a statistical dynamic provisioning methodology. An abnormal expense for bad and doubtful debts of \$370 million in 1998 in this regard was charged to profit and loss. Following this change in general provisioning

methodology, the general provision was tax effected resulting in an abnormal tax credit of \$337 million. The 1999 consolidated operating profit before abnormal items and income tax was \$2,160 million (1998: \$1,912 million). The 1999 result represents a 13% increase over the prior year on a before abnormal items basis. The principal contributing factors to this increase were a growth in net interest income reflecting a 13% growth in lending assets together with growth in commissions, life insurance and funds management income and trading income.

Dividends

The Directors have declared a fully franked (at 36%) final dividend of 66 cents per share amounting to \$605 million. The dividend will be payable on 30 September 1999. Dividends paid since the end of the previous financial year:

- as provided for in last year's report, a fully franked final dividend of 58 cents per share amounting to \$535 million was paid on 30 September 1998. The payment comprised cash disbursements of \$310 million with \$225 million being reinvested by participants through the Dividend Reinvestment Plan; and
- in respect of the current year, a fully franked interim dividend of 49 cents per share amounting to \$458 million was paid on 26 March 1999. The payment comprised cash disbursements of \$258 million with \$200 million being reinvested by participants through the Dividend Reinvestment Plan.

Directors' Report

Review of Operations

An analysis of operations for the financial year is set out in the Review of Operations on pages 2 and 3.

Changes in State of Affairs

The Bank's shareholders' equity was reduced by \$650 million on 24 March 1999 pursuant to the buy back of 27.4 million shares.

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

Events Subsequent to Balance Date

Other than the acquisition of Credit Lyonnais Holding Limited in July 1999, referred to in Note 1 to the Concise Financial Report, the Directors are not aware of any other matter or circumstance that has occurred since the end of the financial year that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Future Developments and Results

Major developments which may affect the operations of the Group in subsequent financial years are referred to in the Review of Operations on pages 2 and 3. In the opinion of the Directors, disclosure of any further information on likely developments in operations would be unreasonably prejudicial to the interests of the Group.

Environmental Regulation

The Bank and its controlled entities are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Directors' Shareholdings

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

Options

An Executive Option Plan was approved by shareholders at the Annual General Meeting on 8 October 1996. On 30 September 1998, the Bank granted options over 3,275,000 unissued ordinary shares to 32 executives under the Executive Option Plan. On 31 May 1999, 26,000 shares were allotted consequent to an exercise of options granted under the Plan. Full details of the Plan are disclosed in Note 7 to the Concise Financial Report.

The names of persons who currently hold options in the Plan are entered in the register of options kept by the Bank pursuant to Section 216C of the Corporations Law. The register may be inspected free of charge.

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

Directors' Interests in Contracts

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

Directors' and Officers' Indemnity

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

unreasonably withheld) to incur the costs and expenses in relation to the proceedings.'

The Corporations Law (Section 241) prohibits a company from indemnifying directors, secretaries and executive officers against a liability:

- except for liability to another person (other than the company or a related body corporate) unless the liability arises out of conduct involving a lack of good faith; and
- except for a liability for costs and expenses incurred in defending proceedings in which the person is successful.

An indemnity for employees, who are not directors, secretaries or executive officers, is not expressly restricted in any way by the Corporations Law. The Directors, as named on pages 24 to 26 of this report, and the Secretaries of the Commonwealth Bank, being J D Hatton (Secretary) and K G Bourke (Assistant Company Secretary) are indemnified under Article 19 as are all the executive officers and employees of the Commonwealth Bank.

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

Directors' and Officers' Insurance

The Commonwealth Bank has, during the financial year, paid an insurance premium in respect of an insurance policy for the benefit of those named above and the directors, secretaries,

executive officers and employees of any related bodies corporate as defined in the insurance policy. The insurance grants indemnity against liabilities permitted to be indemnified by the company under Section 241A(1) of the Corporations Law. In accordance with commercial practice, the insurance policy prohibits disclosure of the terms of the policy including the nature of the liability insured against and the amount of the premium.

Directors' and other Officers' Emoluments

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

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

Incorporation of Additional Material

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

Roundings

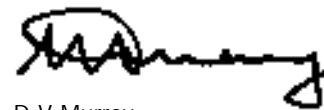
The amounts contained in this report and the financial statements have

been rounded to the nearest million dollars unless otherwise stated, under the option available to the Company under ASIC Class Order 98/100.

Signed in accordance with a resolution of the Directors.



M A Besley AO
Chairman



D V Murray
Managing Director
11 August 1999

Five Year Summary

	1999 \$M	1998 \$M	1997 \$M	1996 \$M	1995 \$M
Profit and Loss					
Net interest income	3,527	3,397	3,392	3,397	3,164
Other operating income	1,997	1,833	1,489	1,355	1,340
Total operating income	5,524	5,230	4,881	4,752	4,504
Charge for bad and doubtful debts	247	233	98	113	182
Total operating expenses (including goodwill)	3,117	3,085	2,967	2,863	2,799
Operating profit before abnormal items and income tax	2,160	1,912	1,816	1,776	1,523
Abnormal items	-	(570)	(200)	-	-
Income tax expense (credit)					
Operating profit before abnormal items	714	641	588	635	493
Abnormal items	-	(409)	(72)	-	28
Operating profit after income tax	1,446	1,110	1,100	1,141	1,002
Outside equity interests	24	20	22	22	19
Operating profit after income tax attributable to shareholders	1,422	1,090	1,078	1,119	983
Contributions to profit					
Banking					
Australia	1,143	1,096	1,028	984	907
New Zealand (ASB Bank)	104	98	85	71	63
Other countries	68	(30)	21	20	(2)
	1,315	1,164	1,134	1,075	968
Life insurance and funds management	122	87	75	59	49
Finance	56	66	62	48	52
Profit on operations	1,493	1,317	1,271	1,182	1,069
Goodwill amortisation	(47)	(46)	(43)	(41)	(39)
Outside equity interests	(24)	(20)	(22)	(22)	(19)
Operating profit after income tax before abnormal items	1,422	1,251	1,206	1,119	1,011
Abnormal expense (after income tax)	-	(161)	(128)	-	(28)
Operating profit after income tax and abnormal items	1,422	1,090	1,078	1,119	983
Balance sheet					
Loans, advances and other receivables	101,837	89,816	81,632	70,042	62,707
Total assets	138,096	130,544	120,103	109,285	102,774
Deposits and other public borrowings	93,428	83,886	77,880	71,381	67,824
Total liabilities	131,134	123,655	113,079	101,918	96,079
Shareholders' equity	6,735	6,712	6,846	7,190	6,568
Net tangible assets	6,471	6,358	6,450	6,793	6,087
Risk weighted assets	99,556	94,431	86,468	77,246	70,383
Average interest earning assets	114,271	102,165	96,163	84,770	78,461
Average interest bearing liabilities	103,130	91,650	85,296	74,879	69,300
Assets (on balance sheet)					
Australia	115,510	110,120	101,202	92,456	86,191
New Zealand	13,046	10,846	9,994	7,903	6,986
Other	9,540	9,578	8,907	8,926	9,597
Total Assets	138,096	130,544	120,103	109,285	102,774

	1999	1998	1997	1996	1995
Shareholder Summary					
Dividends per share (cents) - fully franked	115	104	102	90	82
Dividends provided for, reserved or paid (\$ million)	1,063	955	941	832	772
Dividend cover (times)	1.3	1.1	1.1	1.3	1.3
Earnings per share (cents)					
before abnormal items	153.4	134.5	131.2	115.2	109.2
after abnormal items	153.4	117.2	117.2	115.2	106.2
Dividend payout ratio (%)⁽¹⁾					
before abnormal items	75.0	77.3	77.7	78.1	75.1
after abnormal items	75.0	88.7	87.0	78.1	77.2
Net tangible assets per share (\$)	6.82	6.70	6.74	6.68	6.28
Weighted average number of shares (basic)	927m	930m	917m	969m	924m
Number of shareholders	404,728	419,926	426,229	275,204	274,247
Share prices for the year (\$)					
Trading high	28.76	19.66	16.00	12.05	9.58
Trading low	18.00	13.70	9.93	9.20	7.05
End (closing price)	24.05	18.84	16.00	10.46	9.33
Performance Ratios (%)					
Return on average shareholders' equity⁽²⁾					
before abnormal items	20.54	18.48	18.16	16.27	16.13
after abnormal items	20.54	16.10	16.39	16.27	15.69
Return on average total assets⁽²⁾					
before abnormal items	1.06	1.01	1.05	1.06	1.04
after abnormal items	1.06	0.87	0.94	1.06	1.01
Capital adequacy - Tier 1	7.05	8.07	8.64	10.05	10.25
Capital adequacy - Tier 2	3.12	2.82	2.82	2.97	1.30
Deductions	(0.79)	(0.40)	(0.57)	(0.31)	(0.40)
Capital adequacy - Total	9.38	10.49	10.89	12.71	11.15
Net interest margin	3.09	3.33	3.53	4.01	4.03
Other Information (numbers)					
Full time staff	26,394	28,034	30,566	31,455	31,333
Part time staff	6,655	6,968	7,364	7,964	7,602
Full time staff equivalent	28,964	30,743	33,543	34,518	34,383
Branches/service centres (Australia)	1,162	1,218	1,334	1,390	1,474
Agencies (Australia)	3,934	4,015	4,205	4,214	4,282
ATMs	2,602	2,501	2,301	2,113	1,643
EFTPOS terminals	90,152	83,038	63,370	43,703	20,250
Productivity					
Total Operating Income per full time (equivalent) employee (\$)	190,720	170,120	145,515	137,667	130,995
Staff Expense/Total Operating Income (%)	29.0	31.0	34.0	33.3	33.8
Total Operating Expenses ⁽³⁾ /Total Operating Income (%)	55.6	58.1	59.9	59.4	61.3

⁽¹⁾ Dividends per share divided by earnings per share.

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

⁽³⁾ Total Operating Expenses excluding goodwill amortisation.

Concise Financial Statements Comments on the Profit and Loss

for the year ended 30 June 1999

(All comparisons are with the year ended 30 June 1998.)

The Commonwealth Bank Group achieved a net profit after tax but before abnormal items of \$1,422 million (1998: \$1,251 million) and after tax and abnormal items of \$1,422 million (1998: \$1,090 million).

For 1998 the net abnormal expense was \$161 million after tax and principally related to:

- restructuring costs associated with reorganising the Bank's back office processing and administration functions; and
- a change in the Bank's bad and doubtful debts provisioning methodology which increased the general provision and resulted in a related future income tax benefit.

The operating profit before abnormal items represents a 14% increase (\$171 million) on the prior y

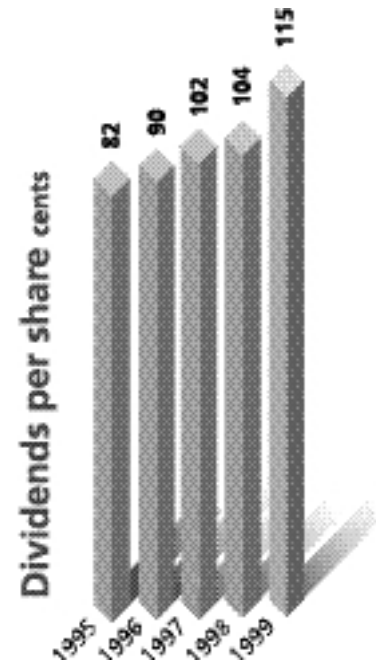
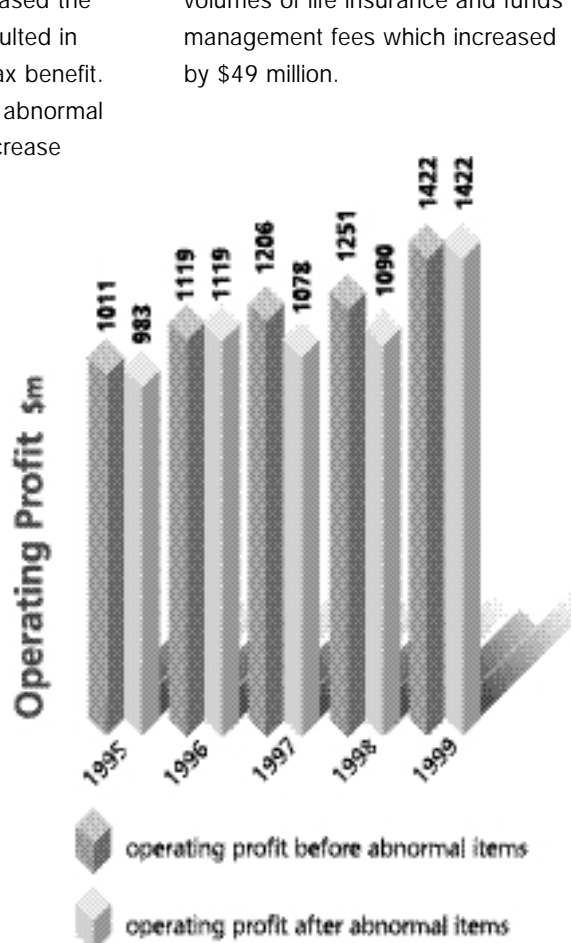
This increase was principally due to:

- additional net interest earnings of \$130 million as a result of balance sheet growth increasing interest earned by \$363 million offset by a decline in margins to 3.09% from 3.33% reducing net interest income by \$233 million; and
- other operating income increasing by \$164 million to \$1,997 million, including commissions and other fees which increased by \$129 million due to higher levels of activity across the range of loan products and credit cards, and improved volumes of life insurance and funds management fees which increased by \$49 million.

These were offset by:

- an increase in the charge for bad and doubtful debts by \$14 million to \$247 million; and
- operating expenses increasing by \$31 million.

The Directors have declared a fully franked (at 36%) final dividend of 66 cents per share amounting to \$605 million. The dividend will be payable on 30 September 1999. This, combined with the interim dividend of 49 cents per share, represents a dividend payout ratio of 75% of net profit after tax for the full year.



Statements of Profit and Loss

for the year ended 30 June 1999

GROUP

	Note	1999 \$M	1998 \$M
Interest income		7,745	7,605
Interest expense		4,218	4,208
Net interest income		3,527	3,397
Other operating income		1,997	1,833
Total operating income		5,524	5,230
Charge for bad and doubtful debts		247	233
Total operating income after charge for bad and doubtful debts		5,277	4,997
Total operating expenses		3,070	3,039
Operating profit before goodwill amortisation, abnormal items and income tax		2,207	1,958
Goodwill amortisation		47	46
Operating profit before abnormal items and income tax		2,160	1,912
Abnormal expense		-	570
Operating profit before income tax		2,160	1,342
Income tax expense (credit)			
Operating profit		714	641
Abnormal items		-	(409)
Income tax expense		714	232
Operating profit after income tax		1,446	1,110
Outside equity interests in operating profit after income tax		24	20
Operating profit after income tax attributable to members of the Bank		1,422	1,090
Retained profits at the beginning of the financial year		755	908
Buy back		(404)	(384)
Transfers from reserves		1,087	170
Total available for appropriation		2,860	1,784
Transfers to reserves		99	74
Dividends (fully franked)			
Transfer to dividend reinvestment plan reserve		316	403
Provided for payment in cash or paid		747	552
Dividends provided for, reserved or paid	2	1,063	955
Retained profits at the end of the financial year		1,698	755
		Cents per share	
Earnings per share based on operating profit after income tax attributable to members of the Bank	4	153	117
Dividends provided for, reserved or paid per share attributable to members of the Bank	2	115	104

For further information, refer Annual Report to Shareholders – 1999 Financial Statements.

Concise Financial Statements Comments on the Balance Sheets

as at 30 June 1999

(All comparisons are with the year ended 30 June 1998.)

The Group's assets increased by \$7.6 billion to \$138.1 billion (1998: \$130.5 billion) over the year.

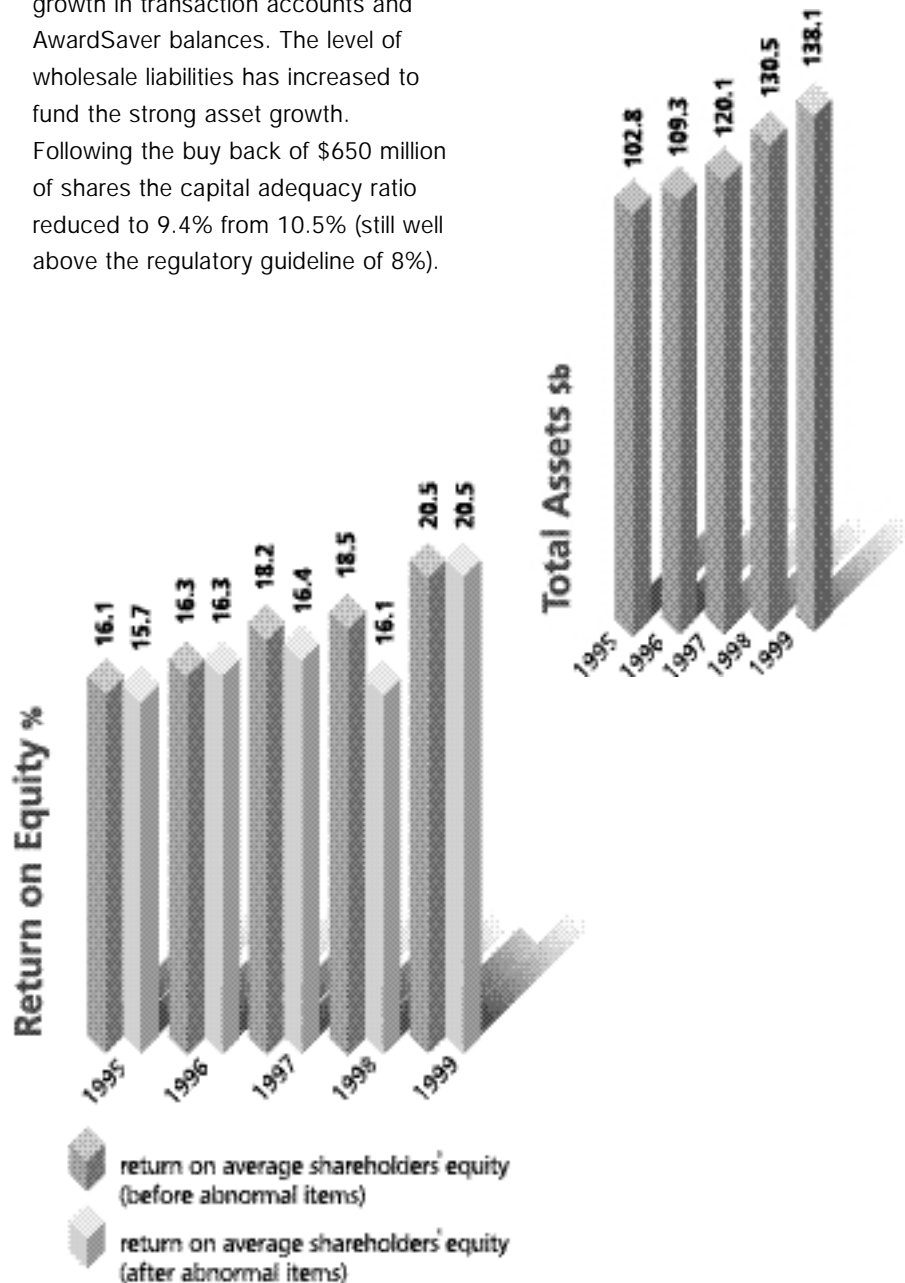
This increase principally comprises a 13.6% growth in lending assets.

Loans and advances increased by \$12.0 billion to \$101.8 billion. This was offset by a reduction in the levels of liquid assets of \$2.0 billion following the relaxation of the prime asset liquidity requirement by the regulatory authorities. This growth in assets was principally funded by a \$9.5 billion growth in deposits.

Within loans and advances, Australian housing loans increased by \$4.4 billion to \$45.5 billion and term loans increased by \$3.9 billion to \$29.6 billion. Overseas housing loans increased by \$0.9 billion to \$7.2 billion, primarily in New Zealand.

The leading market share of retail deposits was maintained, with good growth in transaction accounts and AwardSaver balances. The level of wholesale liabilities has increased to fund the strong asset growth.

Following the buy back of \$650 million of shares the capital adequacy ratio reduced to 9.4% from 10.5% (still well above the regulatory guideline of 8%).



Balance Sheets

as at 30 June 1999

GROUP

	1999 \$M	1998 \$M
Assets		
Cash and liquid assets	1,814	1,526
Receivables due from other financial institutions	1,206	3,448
Trading securities	4,708	4,009
Investment securities	7,187	6,858
Loans, advances and other receivables	101,837	89,816
Bank acceptances of customers	9,672	9,727
Deposits with regulatory authorities	953	832
Property, plant and equipment	1,001	1,662
Investment in associates	281	276
Goodwill	491	531
Other assets	8,946	11,859
Total Assets	138,096	130,544
Liabilities		
Deposits and other public borrowings	93,428	83,886
Payables due to other financial institutions	3,249	3,397
Bank acceptances	9,672	9,727
Provision for dividend	472	321
Income tax liability	1,410	1,099
Other provisions	805	875
Debt issues	10,763	10,608
Bills payable and other liabilities	8,507	10,746
	128,306	120,659
Loan Capital	2,828	2,996
Total Liabilities	131,134	123,655
Net Assets	6,962	6,889
Shareholders' Equity		
Share Capital	3,526	1,845
Reserves	1,511	4,112
Retained profits	1,698	755
Shareholders' equity attributable to members of the Bank	6,735	6,712
Outside equity interests in controlled entities	227	177
Total Shareholders' Equity	6,962	6,889

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

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

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

Concise Financial Statements

Statements of Cash Flows

for the year ended 30 June 1999

GROUP

	1999 \$M	1998 \$M
Cash Flows From Operating Activities		
Interest received	7,796	7,557
Dividends received	6	18
Interest paid	(4,071)	(4,065)
Other operating income received	1,972	1,152
Staff expenses paid	(1,510)	(1,705)
Occupancy and equipment expenses paid	(313)	(289)
Information technology services expenses paid	(481)	(503)
Other expenses paid	(452)	(416)
Income taxes paid	(363)	(216)
Net decrease (increase) in trading securities	(408)	(646)
Net Cash provided by Operating Activities	2,176	887
Cash Flows from Investing Activities		
Payments for acquisition of entities	(196)	-
Net movement in investment securities:		
Purchases	(13,337)	(8,505)
Proceeds from sale	146	1,787
Proceeds at or close to maturity	11,993	8,681
Lodgment of deposits with regulatory authorities	(121)	(35)
Net increase in loans, advances and other receivables	(11,819)	(9,882)
Proceeds from sale of property, plant and equipment	652	196
Purchase of property, plant and equipment	(81)	(78)
Net decrease (increase) in receivables due from other financial institutions not at call	229	809
Net decrease (increase) in securities purchased under agreements to resell	(465)	347
Net decrease (increase) in other assets	(423)	1,175
Net Cash used in Investing Activities	(13,422)	(5,505)
Cash Flows from Financing Activities		
Buy back of shares	(650)	(651)
Proceeds from issue of shares	6	5
Net increase in deposits and other borrowings	9,476	6,683
Proceeds from long term debt issues	131	1,355
Repayment of long term debt issues	(118)	(1,230)
Net increase (decrease) in short term debt issues	386	(970)
Dividends paid	(571)	(502)
Payments from provisions	(138)	(10)
Net increase (decrease) in payables due to other financial institutions not at call	(477)	(869)
Net increase (decrease) in securities sold under agreements to repurchase	(43)	(52)
Proceeds from (repayment of) loan capital	(317)	-
Other	1,041	(496)
Net Cash provided by Financing Activities	8,726	3,263
Net Increase (Decrease) in Cash and Cash Equivalents	(2,520)	(1,355)
Cash and Cash Equivalents at beginning of year	1,963	3,318
Cash and Cash Equivalents at end of year	(557)	1,963

For further information, refer Annual Report to Shareholders - 1999 Financial Statements.

The cash flow statement highlights the net growth from Investing Activities of \$13 billion including Lending Assets of \$12 billion, financed by Deposits growth of \$9.5 billion, and a reduction in cash equivalents of \$2.5 billion.

Operating activities provided \$2.2 billion in cash for the year.

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

Notes to and forming part of the accounts

for the year ended 30 June 1999

NOTE 1 Accounting Policies

The accompanying concise financial report has been derived from the financial report of the Commonwealth Bank of Australia (the 'Bank') and its controlled entities, the Group, for the year ended 30 June 1999 provided in the Annual Report to Shareholders - 1999 Financial Statements. The statutory financial report complies with the requirements of the Banking Act, Corporations Law, applicable Accounting Standards, including AASB 1039: Concise Financial Reports, and other mandatory reporting requirements so far as they are considered appropriate to a banking corporation.

The concise financial report cannot be expected to provide as full an understanding of the financial performance and financial position of the Group as the full financial report. The full financial report of the Commonwealth Bank of Australia and its controlled entities for the year ended 30 June 1999 and the Auditors' Report thereon will be sent, free of charge, to the members upon request.

The accounting policies applied are consistent with those of the previous year, except for the capitalisation of computer software costs totalling \$22 million. A full description of the accounting policies adopted by the Group is provided in the Annual Report to Shareholders - 1999 Financial Statements.

Events Subsequent to Balance Date

In July 1999 the Bank acquired Credit Lyonnais Holding Australia Limited (CLHAL) which was the holding company for the Australian operations of Credit Lyonnais. CLHAL has total assets of \$1.5 billion. The company was acquired on an adjusted net assets basis.

GROUP

	1999 \$M	1998 \$M
NOTE 2 Dividends Provided For, Reserved or Paid		
Interim dividend (fully franked) of 49 cents per share (1998: 46 cents)		
Provision for interim dividend - cash component only	275	231
Declared final dividend (fully franked) of 66 cents per share (1998: 58 cents)		
Provision for final dividend - cash component only	472	321
Dividends provided for payments in cash or paid	747	552
Appropriations to Dividend Reinvestment Plan Reserve		
Interim dividend	183	189
Final dividend	133	214
Dividends appropriated to Dividend Reinvestment Plan Reserve	316	403
Total Dividends Provided for, Reserved or Paid	1,063	955

The interim dividend amounting to \$458 million was paid on 26 March 1999. The final dividend amounting to \$605 million will be payable on 30 September 1999.

Dividend Franking Account

The amount of franking credits available for subsequent financial years stands at \$96 million. This figure represents the extent to which future dividends could be fully franked at 36% and is based on the Bank's franking account at 30 June 1999, which has been adjusted for franking credits that will arise from the payment of income tax payable on profits of the 1999 financial year, franking debits that will arise from the payment of dividends proposed as at the end of the financial year and franking credits that the Bank may be prevented from distributing in the subsequent financial year.

Concise Financial Statements

Notes to and forming part of the accounts

GROUP

	\$M	1999 %	\$M	1998 %
NOTE 3 Financial Reporting by Segments				
(a) Geographical segments				
Revenue ⁽¹⁾				
Australia	8,801	84.3	9,514	84.3
New Zealand	976	9.4	1,115	9.9
Other Countries	660	6.3	657	5.8
	10,437	100.0	11,286	100.0
Operating profit before tax				
Australia	1,933	89.5	1,221	91.0
New Zealand	151	7.0	148	11.0
Other Countries	76	3.5	(27)	(2.0)
	2,160	100.0	1,342	100.0
Operating profit after tax and outside equity interests				
Australia	1,270	89.3	1,044	95.8
New Zealand	80	5.6	73	6.7
Other Countries	72	5.1	(27)	(2.5)
	1,422	100.0	1,090	100.0
Assets				
Australia	115,510	83.6	110,120	84.4
New Zealand	13,046	9.5	10,846	8.3
Other Countries	9,540	6.9	9,578	7.3
	138,096	100.0	130,544	100.0
(b) Industry segments				
Revenue ⁽¹⁾				
Banking	9,576	91.8	10,563	93.6
Life Insurance and Funds Management	360	3.4	214	1.9
Finance	501	4.8	509	4.5
	10,437	100.0	11,286	100.0
Operating profit before tax				
Banking	1,944	90.0	1,158	86.3
Life Insurance and Funds Management	127	5.9	81	6.0
Finance	89	4.1	103	7.7
	2,160	100.0	1,342	100.0
Operating profit after tax and outside equity interests				
Banking	1,252	88.1	940	86.2
Life Insurance and Funds Management	117	8.2	84	7.7
Finance	53	3.7	66	6.1
	1,422	100.0	1,090	100.0
Assets				
Banking	131,043	94.9	124,765	95.6
Life Insurance and Funds Management	1,309	0.9	427	0.3
Finance	5,744	4.2	5,352	4.1
	138,096	100.0	130,544	100.0

⁽¹⁾ Revenue includes proceeds from sales of investment securities and property, plant and equipment. 1998 included significant sales of investment securities following the reduction in the prime asset liquidity requirements.

Other Countries are:

United Kingdom, United States of America, Japan, Singapore, Hong Kong, Grand Cayman, Netherlands Antilles and Papua New Guinea.

These operations have a greater proportion of wholesale business with a funding base from predominantly wholesale markets where margins are very fine. The overseas balance sheet also supports trading activities.

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

GROUP

	1999 c	1998 c
NOTE 4 Earnings Per Share		
Earnings Per Ordinary Share (basic and fully diluted)	153.4	117.2
	\$M	\$M
Reconciliation of earnings used in the calculation of earnings per share		
Operating profit after income tax	1,446	1,110
Less: Outside equity interests	(24)	(20)
Earnings used in calculation of earnings per share	1,422	1,090
	Number of Shares M M	
Weighted average number of ordinary shares used in the calculation of earnings per share	927	930

NOTE 5 Year 2000 Systems Compliance

The Bank has previously estimated total rectification costs for Year 2000 issues at \$115 million. It is expected to complete the overall programme within this estimate. Expenditure to 30 June 1999 was \$87 million. The Bank reported to the Australian Stock Exchange in March 1999, that depositors' funds will not be at risk from Year 2000 issues.

NOTE 6 Remuneration of Directors

Total amount received due or due and receivable by non executive Directors of the Company for the year ended 30 June 1999 was:

	Base Fee/Pay \$	Committee Fee \$	Superannuation ⁽¹⁾ \$	Total Remuneration \$
Non Executive Directors				
Mr M A Besley, AO	200,000	-	-	200,000
Mr J T Ralph, AO	90,000	15,000	7,350	112,350
Mr N R Adler, AO	60,000	10,000	4,900	74,900
Ms A C Booth	60,000	15,014	5,250	80,264
Mr R J Clairs, AO ⁽³⁾	20,054	-	1,404	21,458
Mr K E Cowley, AO	60,000	3,342	4,435	67,777
Dr J M Schubert	60,000	23,356	5,835	89,191
Mr G H Slee, AM ⁽²⁾	46,589	10,000	3,961	60,550
Mr F J Swan	60,000	25,000	5,950	90,950
Ms B K Ward	60,000	15,000	5,250	80,250
Executive Director				
Mr D V Murray (refer Note 7)				

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

⁽²⁾ Mr Slee retired 28 February 1999.

⁽³⁾ Mr Clairs was appointed Director 1 March 1999.

Retirement Benefit

The aggregate amount of 'prescribed benefits' (as defined by Section 237 of the Corporations Law) given by the Bank during the year ended 30 June 1999 was \$287,708 being a payment made to Mr G H Slee pursuant to the Directors' Retirement Allowance Scheme approved by shareholders at the 1997 Annual General Meeting.

Concise Financial Statements

Notes to and forming part of the accounts

NOTE 7 Remuneration of Executives

The following table shows remuneration for the executive director and five highest paid other members of the senior executive team who were officers of the Bank and the Group for the year ended 30 June 1999.

Senior Executive Team

Name & Position	Year	Base Pay ⁽¹⁾ \$	Bonus \$	Super-annuation ⁽²⁾ \$	Other Compensation ⁽³⁾ \$	Total Remuneration \$	Option Grant ⁽⁴⁾ Number
D V Murray Managing Director & CEO	1999	1,000,000	700,000	41,332	249,600	1,990,932	500,000
	1998	1,000,000	450,000	97,200	168,500	1,715,700	500,000
M J Ullmer Group General Manager Financial & Risk Management	1999	700,000	250,000	126,000	159,600	1,235,600	200,000
	1998	496,712 ⁽⁵⁾	150,000	89,408	156,032	892,152	200,000
M A Katz Head of Institutional Banking	1999	600,000	340,000	45,000	129,600	1,114,600	250,000
	1998	600,000	160,000	45,000	88,500	893,500	250,000
A E Long Head of Customer Service Division	1999	500,000	270,000	20,178	210,441	1,000,619	175,000
	1998	500,000	175,000	42,120	181,453	898,573	150,000
J F Mulcahy Head of Banking & Financial Services	1999	600,000	320,000	45,000	9,600	974,600	250,000
	1998	500,000	200,000	37,500	88,500	826,000	250,000
R J Scrimshaw Head of Technology, Operations & Property	1999	420,000	230,000	25,200	9,600	684,800	125,000
	1998	163,288 ⁽⁶⁾	130,000	12,247	3,470	309,005	n/a

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

⁽²⁾ The Bank is currently not contributing to the Officers' Superannuation Fund (OSF). For 1999, notional cost of superannuation has been determined on an individual basis for each executive. In 1998, a notional cost of superannuation spread across all members of the relevant Division of the OSF was used.

⁽³⁾ Other compensation includes, where applicable, housing (including FBT), car parking (including FBT) and other payments.

⁽⁴⁾ Option Grants are a right to buy ordinary shares at an exercise price which is the Market Value (as defined in the Plan Rules) at the date of commencement of the options, plus a premium representing the time value component of the value of options. The ability to exercise is conditional on the Bank achieving a prescribed performance hurdle. To reach the performance hurdle, the Bank's Total Shareholder Return (broadly, growth in share price plus dividends reinvested) over a minimum three year period, must equal or exceed the index of Total Shareholder Return achieved by companies represented in the ASX's 'Bank's and Finance Accumulation Index', excluding the Bank. If the performance hurdle is not met, the options will have nil value. Options issued during the year to executives under the Executive Option Plan have an exercise price equivalent to the Market Value of the Bank's ordinary shares as at the Grant Date of the options as adjusted by the premium formula (refer footnotes 7 and 8 below). As the options are subject to a performance hurdle, the achievement of which is uncertain, the amount included as remuneration in the above table is nil. Under the Bank's US GAAP disclosures, fair value of options for the purposes of inclusion in the potential compensation expense has been determined using the Black-Scholes option pricing model, being \$1.05 per option issued on 30 September 1998 and 89c per option issued on 11 December 1997. The options have a maximum term of five years and are exercisable after three years. The options do not grant rights to the option holders to participate in a share issue of the Bank (other than a right to participate pro rata in certain bonus issues) or any other body corporate.

⁽⁵⁾ From commencement of employment in October 1997.

⁽⁶⁾ From commencement of employment in February 1998.

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

Issue Date	Total Options Issued	Eligible Executives Participating	Exercise Price ⁽⁷⁾	Expiry Date	Grant Date	Market Price At Issue Date
16/12/96	2,100,000	25	\$11.85	12/11/01	12/11/96	\$11.93
11/12/97	2,875,000	27	\$15.53 ⁽⁸⁾	03/11/02	03/11/97	\$16.85
30/9/98	3,275,000	32	\$19.58 ⁽⁸⁾	25/08/03	25/08/98	\$19.97

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

⁽⁸⁾ Will be adjusted by the premium formula (based on the actual differences between the dividend and bond yields at the date of the vesting of the right to exercise the options).

682,500 options from all grants to date, have been forfeited as at the date of this report. 26,000 options from the 1996 grant have been exercised as at the date of this report for total consideration of \$308,100. There are 7,541,500 options outstanding as at the date of this report.

Directors' Declaration

The Directors declare that in their opinion, the concise financial report of the Commonwealth Bank of Australia for the year ended 30 June 1999 as set out on pages 36 to 44 complies with Accounting Standard AASB 1039: Concise Financial Reports.

The financial statements and specific disclosures included in this concise financial report have been derived from the full financial report for the year ended 30 June 1999.

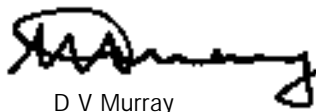
The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Commonwealth Bank of Australia as the full financial report, which is available on request.

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



M A Besley AO
Chairman

Date: 11 August 1999



D V Murray
Managing Director

Independent Audit Report

To the members of Commonwealth Bank of Australia

Scope

We have audited the concise financial report of Commonwealth Bank of Australia for the financial year ended 30 June 1999, as set out on pages 36 to 45 in order to express an opinion on it to the members of the Bank. The Bank's directors are responsible for the concise financial report.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of Commonwealth Bank of Australia for the year ended 30 June 1999. Our audit report on the full financial report was signed on 11 August 1999, and was not subject to any qualification.

Our procedures in respect of the audit of the concise financial report included testing that the information in the concise financial report is consistent with the full financial report and examination, on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the full financial report.

These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report is presented fairly in accordance with Accounting Standard AASB 1039: Concise Financial Reports.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

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



ERNST & YOUNG
Sydney

Date: 11 August 1999



S C Van Gorp
Partner

Shareholding Information

Top 20 Holders of Fully Paid Ordinary Shares as at 5 August 1999

Rank	Name of Holder	Number of Shares	%
1	Chase Manhattan Nominees Ltd	50,381,450	5.52
2	Westpac Custodian Nominees	39,854,067	4.37
3	National Nominees Limited	30,885,440	3.38
4	ANZ Nominees Limited	18,814,636	2.06
5	Permanent Trustee Australia Limited	15,456,208	1.69
6	Queensland Investment Corporation Limited	15,161,443	1.66
7	AMP Life Limited	13,459,003	1.47
8	Citicorp Nominees Pty Ltd	11,581,634	1.27
9	Perpetual Trustees Victoria Limited	10,828,657	1.19
10	MLC Limited c/- Westpac Custodian Nominees	6,751,515	0.74
11	National Mutual Trustees Ltd	6,182,714	0.68
12	Mercantile Mutual Life Insurance Company Limited	5,792,278	0.63
13	BT Custodial Services Pty Limited	5,313,625	0.58
14	The National Mutual Life Association of Australasia Limited	5,073,601	0.56
15	Perpetual Trustees Nominees Limited	4,669,921	0.51
16	CSS & PSS Board c/- Chase Manhattan Nominees Limited	4,645,939	0.51
17	BT Custodial Services Pty Ltd	4,578,168	0.50
18	Australian Foundation Investment Company Limited	4,032,538	0.44
19	AMP Nominees Pty Limited	3,374,644	0.37
20	HKBA Nominees Ltd	3,348,590	0.37

The twenty largest shareholders hold 260,186,071 shares which is equal to 28.5% of the total shares on issue.

Stock Exchange Listing

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

Directors' Shareholdings as at 11 August 1999	Shares	Options
M A Besley, AO	10,156	
J T Ralph, AO	11,064	
D V Murray	48,792	1,300,000
N R Adler, AO	9,175	
A C Booth	1,075	
K E Cowley, AO	8,000	
J M Schubert	5,534	
F J Swan	1,828	
B K Ward	1,747	

Guidelines for Dealings by Directors in Shares

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

Shareholding Information

Range of Shares (Fully Paid Ordinary Shares and Employee Shares): 5 August 1999

Range	Number of Shareholders	Percentage Shareholders	Number of Shares	Percentage Issued Capital
1-1,000	272,569	66.05	125,572,304	13.71
1,001-5,000	125,152	30.33	247,057,304	26.97
5,001-10,000	10,255	2.48	70,551,790	7.70
10,001-100,000	4,414	1.07	90,187,357	9.85
100,001-Over	303	0.07	382,599,870	41.77
Totals	412,693	100.00	915,968,625	100.00
Less than marketable parcel of \$500	4,590		43,619	

Voting Rights

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

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

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

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

Domestic Representation

The members of the Bank's Executive Committee, listed below, are located at:

Level 3
48 Martin Place
Sydney NSW 1155
Telephone (02) 9378 2000

Postal Address:
GPO Box 2719
Sydney NSW 1155

Group Human Resources
General Manager
Les Cupper

Banking and Financial Services
Head of Banking and
Financial Services
John Mulcahy

Institutional Banking
Head of Institutional Banking
Michael Katz

Head of Products
Neville Cox

Customer Service Division
Head of Customer
Service Division
Alf Long

Technology Operations
and Property
Head of Technology
Operations and Property
Russell Scrimshaw

Financial and Risk Management
Group General Manager
Michael Ullmer

International Representation

Australia
Head Office
48 Martin Place (Level 3)
Sydney NSW 1155
Telephone: (612) 9378 2000
Facsimile: (612) 9378 3023
Telex: AA 120345
Swift: CTBAAU2S
Head of Institutional Banking
M A Katz

New Zealand
Head Office
ASB Bank Ltd
ASB Bank Centre (Level 5)
Corner Albert & Wellesley Streets
Auckland New Zealand
Telephone: (64 9) 373 3427
Facsimile: (64 9) 373 3426
Chief Representative
G Porter

Asia/Pacific
Beijing, China
2910 China World Towers
Beijing China World Trade Centre
1 Jianguomenwai Avenue
Beijing 100004
People's Republic of China
Telephone: (86 10) 6505 5350
Facsimile: (86 10) 6505 5354
Chief Representative
Y T Au

Shanghai, China
805 Union Building
100 Yan An Road (East)
Shanghai 200002
People's Republic of China
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Facsimile: (86 21) 6373 5066
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Y T Au

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Central
Hong Kong
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Facsimile: (852) 2845 9194
Telex: (852) 60466 CTB HX
Swift: CTB HK HH BKG
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S R J Holden

Singapore
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Singapore Land Tower
Singapore 048623
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Facsimile: (65) 224 5812
Telex: RS 20920
Swift: CTBA SG SG
General Manager
P Beswick

Vietnam
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Hanoi
Vietnam
Telephone: (84 4) 826 9899
Facsimile: (84 4) 824 3961
Chief Representative
P R Milton

Indonesia
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Jakarta 10350
Indonesia
Telephone: (6221) 318 4394
Facsimile: (6221) 318 4391
Chief Representative
P R Milton

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Facsimile: (813) 5400 7288
Telex: J 28167 Combank
Swift: CTBA JP JTS
General Manager
D A Hazelton

Europe
United Kingdom
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Facsimile: (44 171) 710 3939
Telex: 883864
Swift: CTBA GB 2L
General Manager Europe
S Biggs

Australian Financial & Migrant
Information Service
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Senior Consultant
J O'Brien

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Americas
United States of America
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New York NY 10022
Telephone: (1 212) 848 9200
Facsimile: (1 212) 336 7725
Telex: TRT 177666
Swift: CTBA US 33
General Manager Americas
I M Phillips

- 13 2221 For your everyday banking including paying bills using **iPAY**. Our automated service is available from 7am to 11pm (Sydney time), 365 days a year. From overseas call +61 13 2221. For a password and demonstration of the automated service, call our telephone staff between 8am and 8pm, Monday to Friday.
- 13 2224 To apply for a home loan, investment home loan or open an account Available from 8am to 10pm, 365 days a year.
- 13 15 19 Commonwealth Securities Limited
Easy, low cost access to the stock market
By phone or Internet at www.comsec.com.au
- 1800 240 889 Telephone Typewriter Service

A special telephone banking service for our hearing and speech impaired customers. The service covers all the services available on 13 2221.
Available from 8am to 8pm, Monday to Friday.
- 1800 011 217 To report a lost or stolen card after hours or at weekends.
- 13 1998 Business Line
For a full range of business banking solutions.
Available from 8am to 8pm, Monday to Friday.
- 13 2423 Commonwealth Insurance Limited
For all your home insurance needs or visit
www.commbank.com.au/insurance
- 13 2420 Commonwealth Insurance Limited
For home insurance claims assistance 24 hours a day,
365 days a year
- 13 2015 For enquiries on retirement and superannuation products,
life insurance or managed investments.
Available from 8am to 8pm (Sydney time), Monday to Friday.
Unit prices are available 24 hours a day, 365 days a year.

Internet Banking

You can apply for a home loan or credit card on the internet by visiting our website at www.commbank.com.au available 24 hours a day, 365 days a year.

Do your everyday banking on our internet banking service NetBank at www.commbank.com.au/netbank available 24 hours a day, 365 days a year.

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

Registered Office
Level 1, 48 Martin Place
Sydney NSW 1155
Telephone (02) 9378 2000
Facsimile (02) 9378 3317

Company Secretary
JD Hatton

Shareholder Information
www.commbank.com.au

Share Registrar
Perpetual Registrars Limited
Locked Bag A14
SYDNEY SOUTH NSW 1232
Telephone (02) 9285 7111
Facsimile (02) 9261 8489
Freecall 1800 022 440
Internet www.perpetual.com.au
Email registry_syd@perpetual.com.au

Australian Stock Exchange Listing
CBA

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

Designed and Produced by Armstrong Miller+McLaren. Photography by Bob and Mike Armstrong.

Financial Calendar 2000

Interim Profit result and dividend announced	9 February 2000
Ex-dividend date	17 February 2000
Record date	23 February 2000
Interim dividend paid	31 March 2000
Final profit result and final dividend announced	9 August 2000
Ex-dividend date	17 August 2000
Record date	23 August 2000
Final dividend paid	29 September 2000
Annual General Meeting, Melbourne	26 October 2000

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