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CBA (EUROPE) FINANCE LIMITED

Report and Accounts

30 June 2001

 ERNST & YOUNG



CBA (Europe) Finance Limited

Registered No. 3279332

DIRECTORS

S Bigg
P J R Chiswell
J C C Marshall

SECRETARY

J C C Marshall

AUDITORS

Ernst & Young LLP
Rolls House
7 Rolls Buildings
Fetter Lane
London EC4A 1NH

BANKERS

Banco Centrale Hispanoamericano SA
Departamento Extranjero
Av. Sans Luis, 25-27
28033-MADRID

National Westminster Bank Plc
Overseas Branch Operations
Phase II
Kings Cross House
200 Pentonville Road
London N1 9HL

REGISTERED OFFICE

Level 3
Senator House
85 Queen Victoria Street
London EC4V 4HA

CBA (Europe) Finance Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30 June 2001.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to EUR nil (2000 - EUR nil). The directors do not recommend the payment of a dividend for the year ended 30 June 2001.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company has entered into a financing transaction funding a French entity (an Economic Interest Group) to enable term financing for La Poste. La Poste is the French state owned postal service group.

FUTURE DEVELOPMENT

The company will continue its current business for the foreseeable future.

DIRECTORS AND THEIR INTERESTS

The directors who held office at 30 June 2001 were as follows:

S Bigg
J C C Marshall
E E Latham

No director was interested in the ordinary shares or preference shares of the company at 30 June 2001.

E E Latham resigned as a director with effect from 4 July 2001. P J R Chiswell was appointed a director on 5 July 2001.

AUDITORS

A resolution to appoint Ernst & Young LLP as auditors has been made by the members at a Directors' Board Meeting held on 27 June 2001.

On 28 June 2001, Ernst & Young, the company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. Ernst & Young LLP has been re-appointed as the company's auditor in accordance with the elective resolution passed by the company under section 386 Companies Act 1985.

On behalf of the board



J C C Marshall
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS
to the members of CBA (Europe) Limited

We have audited the accounts on pages 5 to 9, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

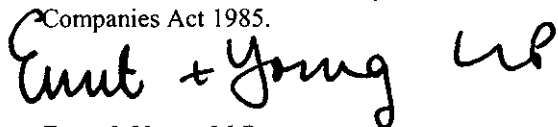
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 30 June 2001 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink that reads 'Ernst & Young' followed by a stylized 'LLP'.

Ernst & Young LLP
Registered Auditor
London

CBA (Europe) Finance Limited

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2001

	<i>Notes</i>	<i>2001 EUR'000</i>	<i>2000 EUR'000</i>
Income from other fixed asset investments	3	2	—
Interest payable and similar charges – Group Undertakings	4	2	—
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	—	—
Tax on profit on ordinary activities		—	—
PROFIT RETAINED FOR THE FINANCIAL YEAR		—	—

There are no recognised gains or losses other than the profit for the year of EUR nil (2000 - EUR nil).

CBA (Europe) Finance Limited

BALANCE SHEET

at 30 June 2001

	Notes	2001 EUR'000	2000 EUR'000
FIXED ASSETS			
Investments	5	8,267	—
CURRENT ASSETS			
Amounts owed by parent undertaking		1	1
Prepayments and accrued income		2	—
Cash in hand and at bank		16	16
		19	17
CREDITORS: amounts falling due within one year			
Amounts owed to group undertaking		3	3
Accruals and deferred income – Group undertaking		2	—
Bank overdraft		—	—
Corporation tax		—	—
		5	3
NET CURRENT ASSETS		14	14
TOTAL ASSETS LESS CURRENT LIABILITIES		8,281	14
CREDITORS: amounts falling due after more than one year		8,267	—
		14	—
CAPITAL AND RESERVES			
Called up share capital	6	—	—
Profit and loss account		14	14
EQUITY SHAREHOLDERS' FUNDS	7	14	14



J C C Marshall

Director

NOTES TO THE ACCOUNTS
at 30 June 2001

1. ACCOUNTING POLICIES

Accounting principles

The accounts are prepared under the historical cost convention and in accordance with accounting principles generally accepted in the United Kingdom.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Fixed asset investments

Investments are shown at cost unless, in the opinion of the directors, there has been a permanent diminution in value, in which case an appropriate adjustment is made.

Change in functional currency

As a result of the establishment of the Euro in 1999 and the impending requirement to report in Euro's, the accounts have been prepared in this currency for the current year and comparatives for the prior year have been restated. The rate used for all conversions was the exchange rate fixed at the date of conversion of ESP to the Euro.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company has no employees and auditors' remuneration is paid by a parent company.

3. INCOME FROM OTHER FIXED ASSET INVESTMENTS

	2001 EUR'000	2000 EUR'000
Unlisted	2	—

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2001 EUR'000	2000 EUR'000
Loan from a group undertaking repayable within 5 years	2	—

5. INVESTMENTS

	2001 EUR'000	2000 EUR'000
Unlisted investments		
Cost:		
At 1 July	—	—
Acquisitions	8,267	—
Disposals	—	—
At 30 June	8,267	—

CBA (Europe) Finance Limited

NOTES TO THE ACCOUNTS at 30 June 2001

6. CALLED UP SHARE CAPITAL

			<i>Authorised</i> <i>2001</i> £	<i>Authorised</i> <i>2000</i> £
Ordinary shares of £1 each			100	100
			<u> </u>	<u> </u>
			<i>Allotted, called up and fully paid</i>	
	<i>2001</i> <i>No.</i>	<i>2000</i> <i>No.</i>	<i>2001</i> £	<i>2000</i> £
Ordinary shares of £1 each	2	2	2	2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

7. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Share capital EUR '000</i>	<i>Profit and loss account EUR '000</i>	<i>Total shareholders' funds EUR '000</i>
At 1 July 2000	—	14	14
Profit for the year	—	—	—
At 30 June 2001	<u> </u>	<u> </u>	<u> </u>
	—	14	14
	<u> </u>	<u> </u>	<u> </u>

8. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under FRS 8 from disclosing details of transactions with parent and fellow subsidiary undertakings.

9. CASHFLOW STATEMENT

The company is a wholly owned subsidiary of Commonwealth Bank of Australia and has taken advantage of the exemption under FRS1 (revised) from preparing a cashflow statement.

10. POST BALANCE SHEET EVENTS

1. The company has allotted 1.5 billion Redeemable Preference Shares of A\$1 each during October 2001.
2. The company has issued 1.1 billion Redeemable Preference Shares of A\$1 each to its parent during October.
3. The company lent A\$1.1 billion to Commonwealth Bank of Australia London during October 2001.
4. The reporting currency has been changed from Euro's to Australian Dollars during October 2001.

CBA (Europe) Finance Limited

NOTES TO THE ACCOUNTS at 30 June 2001

11. PARENT UNDERTAKING

The company's parent undertaking is Commonwealth Bank of Australia, which is incorporated in Australia. Copies of its group accounts, which include the company, are available from 48 Martin Place, Sydney, Australia.