



COMMONWEALTH BANK REDUCES FEES, ESTABLISHES FEE SAFETY NET FOR CUSTOMERS

Sydney 5 August 2009: Commonwealth Bank of Australia today announced it will reduce exception fees across a range of personal and business transaction accounts, as well as implementing a number of safety nets to help customers avoid these fees in the future.

The Bank will significantly reduce dishonour fees from \$35 on business and personal transaction accounts to \$5, and overdraft fees from \$30 to \$10 to provide a highly competitive fee structure that also encourages prudent money management. It will also reduce the late payment fee on Home and Personal Loan accounts from \$45 to \$25.

The fee changes will take effect on 1 October, 2009.

Attached is the Group's media release detailing these changes.

The reduction in fees is expected, on an annualised basis, to impact revenue and cash earnings for the 2010 financial year (excluding Bankwest) by approximately \$200 million and \$135 million respectively.

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The Commonwealth Bank today announced it will dramatically reduce exception fees across a range of personal and business transaction accounts, as well as implementing a number of safety nets to help customers avoid these fees in the future.

The Bank will significantly reduce dishonour fees from \$35 on business and personal transaction accounts to \$5, and overdraft fees from \$30 to \$10 to provide a highly competitive fee structure that also encourages prudent money management. It will also reduce the late payment fee on Home and Personal Loan accounts from \$45 to \$25.

The decision follows an ongoing review of the Bank's fees, which was led by the introduction of a Zero Fee account for a range of disadvantaged groups in the community, the abolition of ATM OFI fees for our customers ahead of the industry and the abolition of a number of one-off service fees for home loan customers. The Commonwealth Bank provides over 3 million of its personal account customers with monthly and transaction fee exemptions on their accounts.

Ross McEwan, Retail Banking Services' Group Executive said a range of opt-in 'safety nets', such as SMS and email balance alerts to allow customers to avoid fees and manage their accounts better, was central to the Bank's fee strategy.

"We want to provide significant fee reductions while retaining a positive incentive for our customers to help them avoid any exception fees," he said.

Mr McEwan said the Bank has also announced a new no annual fee credit card for its existing customers, provided that they spend over \$1000 per annum with the card. It will not reduce exception fees on credit cards, instead will introduce functionality next month that allows customers to put their own stop on transactions that will exceed their credit limit at the point of sale.

The Commonwealth Bank's safety net initiatives include the following opt-in services:

- Credit Card customers can elect to not have over-the-limit transactions approved (from October 2009).
- A range of SMS / email balance alerts for customers to help manage their accounts and avoid exception fees altogether (scheduled to progressively rollout in 2010)

The fee changes will take effect on 1 October, 2009.

"The Commonwealth Bank will continue to review all of our fees and pricing to ensure we respond to our customers' needs, as well as delivering new and innovative tools and functionality to help them manage their own money effectively," Mr McEwan said.

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