



# SUPPLEMENTARY PROSPECTUS

for the issue of Perpetual Exchangeable Resaleable Listed Securities (“**PERLS IV**”) at an Application Price of A\$200 each to raise \$1,350 million with the ability to raise more

## Issuer

### **Commonwealth Bank of Australia**

ABN 48 123 123 124

## Important information

This Supplementary Prospectus relates to the Prospectus lodged by the Issuer with the Australian Securities and Investments Commission (“**ASIC**”) on 1 June 2007 in connection with the offer of PERLS IV (“**Prospectus**”).

This Supplementary Prospectus supplements, and should be read together with, the Prospectus. Words and expressions used in this Supplementary Prospectus have the meanings given to them in the Prospectus.

This Supplementary Prospectus is dated 12 June 2007. A copy of this Supplementary Prospectus was lodged with ASIC on that date. Neither ASIC nor ASX take any responsibility for the contents of this Supplementary Prospectus.

The Prospectus and this Supplementary Prospectus do not provide investment advice – you should seek your own professional investment advice. The Offer does not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

## Increased Offer size

The Prospectus indicated that the Offer size was approximately \$850 million with the ability to raise more or less. Following initial indications of likely demand, the Issuer has determined that the Offer size will now be \$1,350 million with the ability to raise more. All references in the Prospectus to Offer size are to be read as referring to this revised Offer size.

The impact of the revised Offer size is illustrated in the revised capital ratio tables and pro-forma accounts set out below.

The revised capital ratio table replaces that on page 41 of the Prospectus, and the revised pro-forma accounts replace those on pages 41 and 42 of the Prospectus.

**Table 1: Capital Ratios**

	<b>Actual 31/12/06</b>	<b>Pro-forma<sup>1</sup></b>
<b>Capital Ratios</b>		
Tier 1 Capital Ratio	7.06%	7.74%
Risk Based Capital Ratio	9.78%	10.46%

Note:

<sup>1</sup> Pro-forma Capital Ratios as at 31 December 2006 assume the issue of \$1,350 million of PERLS IV. An amount of more than \$1,350 million of PERLS IV may be raised. In accordance with APRA's requirements, the estimated issue of \$248 million Bank Ordinary Shares under the Bank's Dividend Reinvestment Plan for the dividend paid on 5 April 2007 were included in Tier 1 Capital and Risk Based Capital as at 31 December 2006. However, the actual amount of Bank Ordinary Shares issued under the Dividend Reinvestment Plan was \$518 million. The additional \$270 million shares issued are included in the pro-forma ratios.

**Table 2: Pro-forma Financial Information**

	Note	Actual 31/12/06 (\$m)	Pro-forma (\$m)
<b>Assets</b>			
Cash and liquid assets	1	7,606	6,744
Receivables due from other financial institutions		5,686	5,686
Assets as at fair value through the Income Statement:			
Trading		18,887	18,887
Insurance		24,520	24,520
Other		4,838	4,838
Derivative assets		10,519	10,519
Available-for-sale investments		11,434	11,434
Loans, advances and other receivables		277,962	277,962
Bank acceptances of customers		18,395	18,395
Investment property		273	273
Property, plant and equipment		1,325	1,325
Investment in associates		216	216
Intangible assets		7,846	7,846
Deferred tax assets		638	638
Other assets		5,846	5,846
		<b>395,991</b>	<b>395,129</b>
Assets held for sale		1,270	1,270
<b>Total assets</b>		<b>397,261</b>	<b>396,399</b>
<b>Liabilities</b>			
Deposits and other public borrowings		188,819	188,819
Payables due to other financial institutions		12,432	12,432
Liabilities at fair value through the Income Statement		17,986	17,986
Derivative liabilities		13,238	13,238
Bank acceptances		18,395	18,395
Current tax liabilities		685	685
Deferred tax liabilities		1,384	1,384
Other provisions		826	826
Insurance policy liabilities		22,729	22,729
Debt issues	2, 3	82,561	81,226
Managed funds units on issue		438	438
Bills payable and other liabilities		5,379	5,379
		<b>364,872</b>	<b>363,537</b>
Loan capital	3	9,902	11,237
<b>Total liabilities</b>		<b>374,774</b>	<b>374,774</b>
<b>Net assets</b>		<b>22,487</b>	<b>21,625</b>
<b>Shareholders' equity</b>			
Share Capital:			
Ordinary share capital	4	13,920	14,438
Other equity instruments		939	939
Reserves		1,979	1,979
Retained profits	5	5,141	3,761
<b>Shareholders' equity attributable to members of the Bank</b>		<b>21,979</b>	<b>21,117</b>
Minority Interests:			
Controlled entities		508	508
<b>Total shareholders' equity</b>		<b>22,487</b>	<b>21,625</b>

## Notes:

1 Decrease in cash and liquid assets relates to the \$862 million cash disbursements for the Bank dividend paid on 5 April 2007.

2 Assumes the net PERLS IV cash proceeds are utilised to repay debt.

3 Assumes the issue of \$1,350 million of PERLS IV with net issue expenses of \$15 million. An amount of more than \$1,350 million of PERLS IV may be raised.

4 Increase in ordinary share capital relates to the issue of \$518 million of Bank Ordinary Shares under the Bank's Dividend Reinvestment Plan on 5 April 2007.

5 The decrease in retained profits relates to total \$1,380 million dividend paid on 5 April 2007.

## Quotation of PERLS IV

As foreshadowed in the Prospectus, the Issuer has now applied to ASX for PERLS IV to be quoted on ASX.

## Directors' authorisation

Each director of the Issuer has given, and has not withdrawn, their consent to the lodgement of this Supplementary Prospectus with ASIC.