



## COMMONWEALTH BANK ANNOUNCES DETAILS OF PERLS V ISSUE

### Sydney – 28 August 2009:

Commonwealth Bank of Australia (the “**Group**”) today lodged a prospectus for an offer of a new Tier 1 hybrid security, Perpetual Exchangeable Resaleable Listed Securities (“**PERLS V**”), (the “**Offer**”). The Offer is expected to raise approximately \$900 million.

PERLS V will qualify as non-innovative residual Tier 1 capital. The offer will increase the Group’s Tier 1 capital ratio by 30bps, enhancing the strength of the Group’s capital position.

David Craig, Chief Financial Officer said “PERLS V demonstrates the Group’s commitment to having the capital flexibility and resources to fund the Group’s continuing growth”.

### Details of the PERLS V Offer

The Offer of PERLS V is being made to:

- eligible securityholders, being the Group’s ordinary shareholders, holders of PERLS II when they were redeemed and holders of PERLS III or PERLS IV, in each case with a registered Australian address;
- Australian clients of brokers to the Offer;
- certain institutional investors; and
- other Australian residents.

The Offer will be conducted by way of a bookbuild, to eligible institutional investors and brokers to the Offer, an eligible securityholder offer and a general offer. The bookbuild will be conducted on Friday, 4 September 2009. The general offer will have a maximum size of \$50 million.

The eligible securityholder and general offer are expected to close on 2 October 2009<sup>1</sup>.

The offer of PERLS V will be made in or accompanied by a copy of the prospectus. Investors should read and consider the prospectus in full and get professional advice before deciding whether to acquire PERLS V. Applications for the Offer can only be made by completing the application form that will accompany the prospectus. This announcement is not advice and has not taken into account your objectives, financial situation or needs.

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<sup>1</sup> The Group retains the right to close the offer early without notice. The general offer may be closed prior to the eligible securityholder offer.



### Key features of PERLS V:

Distributions	<ul style="list-style-type: none"> <li>Distributions are expected to be paid<sup>2</sup> quarterly as a combination of cash and franking credits<sup>3</sup>.</li> <li>The cash Distribution Rate (% per annum) will be calculated as: (Market Rate<sup>4</sup> plus 3.40%p.a.) multiplied by (1 – Tax Rate<sup>5</sup>).</li> <li>For example if the Market Rate is 3.2800%<sup>6</sup>, the cash Distribution received by a holder would be 4.6760% per annum (assuming Distributions are fully franked). This fully franked Distribution Rate of 4.6760% per annum would be equivalent to an unfranked Distribution Rate of 6.6800% per annum if the potential value of the franking credits is taken into account in full.</li> <li>However, holders should be aware that the ability of a holder to use franking credits will depend on their individual position and that the potential value of franking credits does not accrue at the same time as the cash Distribution is received<sup>7</sup>.</li> </ul>
Exchange	<p>PERLS V are expected to be exchanged on 31 October 2014 by one of the following methods:</p> <ul style="list-style-type: none"> <li>Resale: The Group may arrange a resale, where the purchaser will acquire all PERLS V from holders for \$200 (the face value) each.</li> <li>Conversion: If resale does not occur, PERLS V will convert into a variable number of Group ordinary shares worth approximately \$202.02<sup>8</sup> if the conversion conditions are satisfied.</li> <li>Repurchase: If resale and conversion have not occurred, the Group may, subject to APRA's prior written approval, elect to repurchase all PERLS V for \$200 (the face value) each.</li> </ul> <p>Holders have no right to request or choose the method of an exchange.</p>
Quoted on ASX	The Group will make an application for PERLS V to be quoted on the ASX and they are expected to trade under ASX code CBAPA.
Issue credit rating	Standard & Poor's has indicated that it will assign PERLS V a rating of A+.

2. The payment of Distributions is at the discretion of the Commonwealth Bank's Board. Distributions are non-cumulative and will not be paid to the extent there are insufficient profits, or certain other tests are not met.

3. Distributions may be unfranked or not fully franked. If a Distribution is unfranked or not fully franked, the cash Distribution will generally be increased to compensate Holders for the unfranked portion of the Distribution.

4. The Market Rate means, for each Distribution Period, the Bank Bill Swap Rate on the first Business Day of that Distribution Period. The Bank Bill Swap Rate is the primary benchmark interest rate for the Australian money market based on an average of rates at which major Australian financial institutions lend short-term cash to each other over a 90-day period. The Bank Bill Swap Rate changes to reflect the supply and demand within the cash and currency markets.

5. The Australian corporate tax rate applicable at the relevant Distribution Payment Date, expressed as a decimal (currently 0.30).

6. The bank bill swap rate on 20 August 2009 was 3.2800% per annum. This example is illustrative only and does not indicate the actual rates that will apply.

7. For further information, refer to Section 5 "Taxation Information" in the PERLS V prospectus

8. The number of Group ordinary shares will be based on a Volume Weighted Average Price which may differ from the Group ordinary share price on or after conversion. Accordingly, the value of Group ordinary shares received on conversion of each PERLS V may be more or less than \$202.02, reflecting a 1% discount.



### Key dates for the Offer

Lodgement of prospectus with ASIC	Friday, 28 August 2009
Bookbuild	Friday, 4 September 2009
Offer opens	Monday, 7 September 2009
Offer closes	Friday, 2 October 2009
Settlement via DvP of broker firm offer	Monday, 12 October 2009
Commencement of conditional and deferred settlement trading	Tuesday, 13 October 2009
Issue date	Wednesday, 14 October 2009
Commencement of unconditional and deferred settlement trading	Thursday, 15 October 2009
Dispatch of holding statements	Monday, 19 October 2009
Commencement of trading on normal settlement basis	Tuesday, 20 October 2009

### Additional Information

PERLS V are issued by Commonwealth Bank of Australia. Investors should obtain and read a prospectus and apply using the Application Form in or accompanying the prospectus. Potential eligible investors can obtain a copy of the Prospectus by:

- calling the PERLS V Information Line on 1800 022 440 (Monday to Friday 8.30am–7.30pm, Sydney time);
- contacting their broker, or
- downloading a copy, available online at [www.commsec.com.au](http://www.commsec.com.au).

The prospectus incorporates by reference the Group's financial report which was lodged with ASX earlier today for this purpose.

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