

Commonwealth Bank

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J Hatton
Company Secretary

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The Manager
Company Announcements Platform
Australian Securities Exchange
20 Bridge Street
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Dear Sir

Commonwealth Bank of Australia Subscription for new shares to be issued by Bank of Hangzhou

The Commonwealth Bank of Australia (the Group) has subscribed for new shares to be issued by Bank of Hangzhou (HZB). This arrangement is subject to approval by the China Banking Regulatory Commission (CBRC).

The Group currently has a 19.99% shareholding in HZB, just under the maximum 20% allowable for a single foreign entity under China's banking regulations. To maintain its shareholding at current levels, the Group will be purchasing 20% of new shares issued by HZB for CNY13.00 (approximately AUD2.30) per share - an investment of CNY910 million (AUD 160-165 million).

HZB is raising equity to fund future business growth and to increase its capital adequacy ratio to meet anticipated new requirements to be introduced by the CBRC.

Yours faithfully

J D Hatton
Company Secretary