



1 October 2010

Dear Shareholder

IMPORTANT CHANGES TO PAYMENT OF DIVIDENDS

Commonwealth Bank of Australia is streamlining the way it pays dividends. Effective from the 2011 final dividend payment (expected to be paid in October 2011) cash payments to shareholders will only be made by direct credit to all shareholders with registered addresses in Australia, United Kingdom and New Zealand.

The benefits of having the dividend paid by direct credit into your nominated account include:

- there is no delay in waiting for your cheque to be delivered in the mail;
- your funds are deposited on the date of payment and are cleared for immediate use;
- direct credit is a more secure and a safer method of receiving dividend payments; and
- you can elect to have your dividends paid either directly to your own bank account or any other nominated account in Australia, New Zealand or the United Kingdom.

You will continue to receive a dividend statement in the form nominated by you (electronic or paper) for your tax records.

WHAT DOES THIS MEAN FOR SHAREHOLDERS?

If you currently receive all or part of your dividend payments by cheque, and your registered address is in Australia, New Zealand or the United Kingdom

You need to provide your nominated bank account to the Group's share registrar, Link Market Services. A form and reply paid envelope is enclosed for this purpose. If your banking instructions are not received by 31 July 2011, Commonwealth Bank will not be able to distribute your future dividend payments.

If you currently receive all or part of your dividend payments directly into your bank account.

No action is required, unless you wish to change your nominated account which can be done by contacting the Group's share registrar, Link Market Services.

If you are currently receiving all your payments via the Dividend Re-investment Plan (DRP)

No action is required.

If you have any questions regarding Commonwealth Bank's direct credit policy, please contact Link Market Services on 1800 022 440, from outside Australia on + 61 2 8280 7199 or by email to cba@linkmarketsevices.com.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'David Turner'.

David Turner
Chairman