

Chairman's Responses to Shareholder Questions
2006 Annual General Meeting
3 November 2006

I would like to thank shareholders for responding to our invitation to submit questions in writing ahead of the meeting.

Why do you always hold the AGM in Sydney, shouldn't other cities have the opportunity for shareholders to meet management?

We have been asked again why we do not alternate between different venues for our AGM. I undertook to review this last meeting and we have now made the decision to alternate venues, however we were too late to get a suitable venue for the 2007 AGM. We have secured a venue in Melbourne for the 2008 AGM and once the booking has been confirmed and timing finalised we will let you know.

Do you have any intention of sending jobs offshore?

The Bank wants to reassure its customers and shareholders that all customer information is retained on-shore and has a strict privacy code in place to protect the integrity of the information. The Bank does not off-shore any of its processing or call centre operations, maintaining a dedicated and efficient workforce in Australia to undertake these duties.

The Bank has in the past, undertaken evaluation work on off-shoring but has chosen not to proceed. The Commonwealth Bank is focussed on providing improved customer service at a lower cost, and we are mindful of our position as an iconic Australian company.

Whilst off-shoring is not currently on our agenda, research undertaken within the Bank indicates that there may be a labour shortage looming in Australia in the next 5-10 years. The Bank will continue to prepare for this by keeping all opportunities under review, including developing people policies to ensure it is able to attract and retain staff in Australia.

A number of shareholders have asked why we do not offer shareholder discounts?

This matter was also raised last year, and we advised shareholders at last year's AGM that we believe shareholders are most appropriately compensated by the returns they receive on their investment in the Bank.

Shareholders, like customers, have different needs and we do not believe it is possible to design a shareholder benefits package which would be of equal benefit to our diverse range of shareholders.

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