

Commonwealth Bank

Commonwealth Bank of Australia
ACN 123 123 124

GPO Box 2719
Sydney NSW 1155

David Turner
Chairman

12 September 2012



Dear <PERLS IV Holder>

REINVESTMENT OFFER FOR ELIGIBLE PERLS IV HOLDERS. A new opportunity to invest in Australia's leading bank.

As a valued holder of PERLS IV, I am writing to let you know about an opportunity to realise your investment in PERLS IV early and reinvest the proceeds in PERLS VI, a new hybrid security offered by the Commonwealth Bank.

On 3 September, the Commonwealth Bank launched an offer of a new Tier 1 hybrid security, Perpetual Exchangeable Resaleable Listed Securities ("PERLS VI"). PERLS VI are perpetual, exchangeable, resaleable, listed, subordinated, unsecured notes. If you are a registered holder of PERLS IV on the Reinvestment Offer Record Date, you will be eligible to sell all or some of your PERLS IV holding through the On-Market Buy-back Facility. The sale proceeds from your PERLS IV will be automatically reinvested in PERLS VI. You are also invited to purchase additional PERLS VI.

Key Dates for the Reinvestment Offer:

Reinvestment Offer Record Date	7 September 2012 at 7.00pm (Sydney time)
Opening Date for the Reinvestment Offer	12 September 2012
Closing Date for the Reinvestment Offer	5:00pm (Sydney time), 5 October 2012
On-Market Buy-Back Date	12 October 2012

We will give priority in allocation of PERLS VI to applications received under the Reinvestment Offer over other applicants, should the PERLS VI Offer be oversubscribed.

We have enclosed a copy of the Prospectus which contains information about the PERLS VI terms and the Reinvestment Offer. The Prospectus also outlines key risks associated with PERLS VI. You should consider the Prospectus in full in determining whether this is a suitable investment for you.

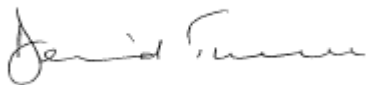
Section 3.1 of the Prospectus explains the key differences between PERLS IV and PERLS VI. You are encouraged to read this information if you are considering participation via the Reinvestment Offer.

We have made an application to have PERLS VI quoted on the Australian Securities Exchange.

The PERLS VI Reinvestment Offer is open for a limited time only. You can only apply using the application form in, or accompanying, the prospectus or online via www.commsec.com.au after 12 September 2012.

We have enclosed with this letter a Notice of Amendment to the PERLS IV terms and a Resale Notice in relation to PERLS IV. The amendments to the PERLS IV terms have been made to facilitate the Reinvestment Offer. For more information, visit www.commsec.com.au, call the PERLS VI Information Line on 1800 250 297 (Monday to Friday 8.00am – 7.30pm, Sydney time) or talk to your regular broker. We thank you for your interest.

Yours sincerely



David J Turner
Chairman

Important Information: PERLS VI are unsecured notes. Investments in PERLS VI are an investment in Commonwealth Bank and may be affected by the ongoing performance, financial position and solvency of Commonwealth Bank. Commonwealth Bank (as issuer of PERLS VI) does not guarantee the performance of PERLS VI. They are not deposits liabilities or protected accounts of CBA under the Banking Act 1959 (Cth) and are not guaranteed or insured by any Australian government, government agency or compensation scheme. There is a risk that investors could lose some or all of their money or may not be paid the distributions. This letter is not advice and has not taken into account any person's objectives, financial situation or needs. Investors should read and consider the Prospectus in full and seek advice from their financial adviser or other professional adviser before deciding whether to invest in PERLS VI.