May 27, 2009

Commonwealth Bank of Australia
Recent Developments

The information set forth below is not complete and should be read in conjunction with the information contained on the "Supplementary business and financial disclosure" page of the website of the Commonwealth Bank of Australia (the "Bank") at http://www.commbank.com.au/usinvestors (the "US Investor Website"). This Recent Developments supplements and, to the extent inconsistent with any other information previously posted on the US Investor Website, amends and supersedes such information.

March Quarter 2009 Trading Update

On May 13, 2009, the Bank provided an update of the trading performance of the Bank and its subsidiaries (collectively, the "Group") for the third quarter of the Group's 2009 financial year, which ended on March 31, 2009 (the "March 2009 Quarter"). In that update, the Bank advised that its unaudited cash earnings for the March 2009 Quarter were approximately A$1.15 billion.

Operating performance remained sound, notwithstanding a challenging market environment and slowing economic conditions. Group revenue growth continued, supported by strong market shares and improved margins, though margins still remain below pre-global financial crisis levels. While system credit growth has slowed, the Group has continued to support its customers, with approximately A$30 billion in new consumer and corporate credit extended to its customers during the quarter.

During the quarter, the Group continued to manage costs, which included the announcement of a number of remuneration initiatives for the 2010 financial year, including a freeze on salary increases for all staff earning in excess of A$100,000 per annum. Operating expenses for the March 2009 Quarter rose only marginally on the prior comparable quarter.

Impairment expense for the quarter was approximately A$630 million, reflecting both a progressive, cyclical deterioration in portfolio quality and a continuation of the Group's approach to provisioning as the economy slows.

The Bank reported that credit quality trends are in line with expectations. There was an increase in consumer arrears through the March 2009 Quarter, consistent with the economic slowdown and rising unemployment in Australia. Commercial credit quality was consistent with the quarter ended December 31, 2008, although the small and medium enterprise, or SME, portfolio and some sectors, such as mining services, inbound tourism and export oriented industries, showed signs of deterioration.

The Group's Tier 1 Capital ratio was 8.33% as at March 31, 2009, inclusive of a previously flagged 0.33% reduction following the consolidation of Bankwest. Liquid assets totaled A$87 billion as at March 31, 2009, and the Group completed its 2009 term funding program in March, with pre-funding for 2010 underway.

In order to preserve capital, the Bank currently anticipates that the final dividend for its 2009 financial year will be A$1.15 per share (25% down on the 2008 financial year final dividend), which would take 2009 financial year dividend payments to A$2.28 per share – a reduction of 14% on the 2008 financial year.

Notwithstanding the challenging operating environment, the Group remains firmly focused on its strategic agenda, as described in the Group's U.S. Disclosure Document for the year ended June 30, 2008, with further good progress through the March 2009 Quarter. Customer satisfaction levels continue to improve, helping the Group to maintain strong market share positions. The integration of Bankwest has proceeded smoothly and a Group-appointed Managing Director, CFO and CRO are now in place, which the Group believes should provide a stable platform from which to build this business going forward. Since the Group assumed ownership of Bankwest on December 19, 2008, customer numbers have continued to grow.

Trading Update – Key Operations

Retail Banking - Australia

The Retail Bank continued to perform strongly during the quarter, highlighted by above-system volume growth in home lending, continued solid deposit growth, higher customer satisfaction ratings and prudent expense control. During the quarter, the Group announced a home loan "repayment holiday" of up to 12 months for customers who become unemployed as a result of the current economic downturn, as well as assistance packages for Victorian bushfire victims and New South Wales and Queensland flood victims.

Business deposit balances were stable over the quarter, reflecting the Group's focus on margin management. Demand for business credit has slowed, with system business credit contracting marginally in the March 2009 Quarter. The restructuring of Premium Business Services into two distinct business units servicing the Institutional and Middle Market/SME segments has continued.

Retail Banking - New Zealand (ASB)

In a challenging economic environment, ASB's customer lending portfolio grew, though at a slower rate than in the recent past, with rural lending volumes remaining robust. ASB continues to attract strong funding volume into its diverse range of savings and investment products, assisted by the flight to quality following the recent collapse of a number of finance companies in New Zealand. Deposit price competition remains very intense. While starting from a low base, ASB's loan provisions increased in the March 2009 Quarter, reflecting higher portfolio arrears.

Wealth Management & Insurance

Funds under Administration ("FUA") of the Wealth Management unit declined by 0.1% in the quarter to A$158 billion, compared to a 3.8% decline in the ASX 200 and a 11.6% reduction in the MSCI World (AUD) index. Net flows were positive for the March 2009 Quarter at A$1.2 billion. While relative performance has been good, average FUA is declining which the Group expects will lead to lower second half revenue.

CommInsure grew inforce premiums and market share in the March 2009 Quarter. However, the Group expects adverse events in the second half, including the Victorian bushfires and Queensland storms, will lead to higher general insurance claims.

Conclusion

The Group believes that operating conditions remain challenging, with a continuing slowdown in the Australian economy. Rising unemployment and slowing credit demand have negative implications for the Australian banking sector, particularly for volume growth and loan impairment charges.

The Group believes that while inevitably there will be continuing challenges, global financial markets are no longer in free fall and that some of the measures taken internationally and domestically have been effective in mitigating an otherwise more ominous set of scenarios.

The Group believes that it remains well positioned to meet the challenges posed by a deteriorating economic environment. Given the challenging economic environment, the Group has been pleased with its operating performance, with good revenue growth supporting solid cash earnings. The Group has been able to maintain a strong market share position, which has helped offset the slowdown in system credit growth. In addition, the Group believes it continues to offer strength in uncertain times and have remained open for business at a time when our customers have needed our support, with around A$30 billion in new credit business written in the quarter.

The Group continues to adopt a cautious approach in the current environment, with emphasis on maintaining conservative provisioning levels and strong capital, funding and liquidity positions. While credit quality trends remain within expectations at this stage, the Group is continuing to increase its provisions given the likelihood of further deterioration. The Group Tier 1 Capital ratio at March 31, 2009 remained strong at 8.33%. Also at that date, the Group had A$87 billion in liquid assets and had completed it's 2009 term funding program.

Bankwest Acquisition Update

On April 30, 2009, the Bank reported that Bankwest, its wholly-owned subsidiary that was acquired by the Group on December 19, 2008, had announced a loss of A$139 million for its financial year ended December 31, 2008.

A 32.4% improvement in net operating income for Bankwest was offset by an increase in the loan impairment expense which rose to A$825.3 million. At December 31, 2008, Bankwest's total provisions were A$895 million, approximately 1.5% of gross loans and acceptances ("GLAs"). Collective provisions were A$494 million, approximately 1.9% of non-housing GLAs.

As advised at the time of the acquisition of Bankwest, the Group believes it purchased a bank which is appropriately capitalized and provisioned. The final purchase price for Bankwest will be determined over the next two months taking into account its capital position and provisions for bad and doubtful debts.

Funds under Administration/Management and Insurance Inforce Premiums

On April 27, 2009, the Bank announced its FUA, Funds under Management ("FUM") and Insurance Inforce Premiums for the March 2009 Quarter. FUA was down 0.2% and FUM was down 0.5% for the March 2009 Quarter. Net flows for the quarter were positive A$1.3 billion, due to continuing strong net flows on the FirstChoice and Avanteos platforms and the new Wholesale mandates. Insurance Inforce Premiums increased by 9.1% for the March 2009 Quarter, driven by strong new business volumes in Life and General Insurance and the acquisition of the St. Andrew's Group.

The St. Andrew's Group was acquired by the Bank on December 19, 2008. St. Andrew's FUA of A$801 million have been included in the categories of Legacy Products (A$162 million) and Cash Management (A$639 million) as at March 31, 2009. St. Andrew's Insurance Inforce Premiums of A$66 million (life and general insurance) have been included as a separate category as of March 31, 2009. The St. Andrew's acquired balances have not been included in net flows for the quarter.

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Certain statements in this release constitute "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements including economic forecasts and assumptions and business and financial projections involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include demographic changes, changes in competitive conditions in Australia, New Zealand, Asia, the United States or the United Kingdom, changes in the regulatory structure of the banking, life insurance and funds management industries in Australia, New Zealand, the United Kingdom or Asia, changes in political, social, credit, liquidity, investor confidence and economic conditions in Australia or New Zealand, legislative proposals for reform of the banking, life insurance and funds management industries in Australia, and various other factors beyond the Group's control. Given these risks, uncertainties and other factors, potential investors are cautioned not to place undue reliance on such forward-looking statements.

This release contains certain financial data that is "non-GAAP financial measures" under Regulation G under the U.S. Securities Act of 1934, as amended. For example, the announcement presents cash earnings for the Group that are calculated using profit after tax and minority interests before the provisional gain on acquisition of controlled entities, investment and restructuring, defined benefit superannuation plan income/expense, treasury share valuation adjustment and unrealized gains and losses related to hedging and AIFRS volatility expense. These measures are not measures of or defined terms of financial performance, liquidity or value under AIFRS or U.S. GAAP. Moreover, certain of these measures may not be comparable to similarly titled measures of other companies.

Commonwealth Bank of Australia

Funds Under Administration / Management and Insurance Inforce Premiums

Funds Under Administration (FUA) [1]	As At 31/03/2009 $M	31/12/2008 $M	30/09/2008 $M	Mar-09 vs Dec-08 %
FirstChoice	**32,497**	33,172	37,215	(2.0)
Avanteos	**6,016**	5,727	6,333	5.0
Cash Management [7]	**2,935**	2,299	2,537	27.7
Legacy Products [2][7]	**21,575**	22,525	25,789	(4.2)
Retail Products[3]	**63,023**	63,723	71,874	(1.1)
Other Retail [4]	**1,193**	1,252	1,389	(4.7)
Australian Retail	**64,216**	64,975	73,263	(1.2)
Wholesale	**41,084**	39,663	49,212	3.6
Property & Infrastructure	**19,698**	20,442	20,455	(3.6)
Other [5]	**3,298**	3,308	3,167	(0.3)
Domestically Sourced	**128,296**	128,388	146,097	(0.1)
Internationally Sourced	**29,569**	29,638	31,854	(0.2)
Total Wealth Management	**157,865**	158,026	177,951	(0.1)
IFS New Zealand	**6,134**	6,245	6,584	(1.8)
Total CBA Group	**163,999**	**164,271**	**184,535**	**(0.2)**

Quarterly Funds Net Flows	Mar-09 $M	Dec-08 $M	Sep-08 $M
FirstChoice	**433**	416	327
Avanteos	**318**	347	320
Cash Management [8]	**31**	(279)	(81)
Legacy Products [2][8]	**(637)**	(1,211)	(792)
Retail Products[3]	**145**	(727)	(226)
Other Retail [4]	**(19)**	(22)	(40)
Australian Retail	**126**	(749)	(266)
Wholesale	**1,730**	(7,624)	(3,001)
Property & Infrastructure	**(405)**	(244)	30
Other [5]	**1**	299	78
Domestically Sourced	**1,452**	(8,318)	(3,159)
Internationally Sourced	**(239)**	(375)	(621)
Total Wealth Management	**1,213**	**(8,693)**	**(3,780)**
IFS New Zealand	**128**	40	56
Total CBA Group	**1,341**	**(8,653)**	**(3,724)**

Funds Under Management (FUM) [1]	As At 31/03/2009 $M	31/12/2008 $M	30/09/2008 $M	Mar-09 vs Dec-08 %
Australian Equities	**16,221**	16,725	20,549	(3.0)
Global Equities	**30,102**	29,679	32,736	1.4
Cash & Fixed Interest	**57,625**	56,813	65,459	1.4
Property & Infrastructure	**24,018**	25,377	27,180	(5.4)
Total	**127,966**	**128,594**	**145,924**	**(0.5)**

Wealth Management Insurance Inforce Premiums [6]	As At 31/03/2009 $M	31/12/2008 $M	30/09/2008 $M	Mar-09 vs Dec-08 %
General Insurance	**343**	324	299	5.9
Retail Life	**672**	651	628	3.2
Wholesale Life	**423**	403	388	5.0
St Andrew's	**66**	-	-	-
Total Wealth Management	**1,504**	**1,378**	**1,315**	**9.1**

(1) FUM & FUA does not include the Groups interest in the China Cinda JV, AWG PLC or ENW Limited.

(2) Includes stand alone and legacy products.

(3) This is an estimate of the Retail Funds that align to Plan for Life market share releases.

(4) Includes listed equity trusts and regular premium plans. These retail products are not reported in market share data.

(5) Includes life company assets sourced from retail investors but not attributable to a funds management products.

(6) Inforce premiums relate to risk business.

(7) St Andrew's FUA included as at March 2009. $162m in Legacy Products and $639m in Cash Management. These acquired balances have not been included in the quarterly net flows for March 2009.

(8) St Andrew's net flows have been included for the March 2009 quarter. Nil for Legacy Products and $64m in Cash Management.