Commonwealth Bank

Commonwealth Bank of Australia ACN 123 123 124

Secretariat

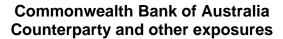
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25 July 2008

The Manager Company Announcements Platform Australian Securities Exchange 20 Bridge Street SYDNEY NSW 2000





On 15 May 2008 Commonwealth Bank of Australia provided the market with an update of its exposure to CDOs and Asset Backed Commercial Paper Conduits. An updated copy of that disclosure is attached.

US Sub-prime	No direct exposures
	Country-Wide exposure repaid in full in June 2008
CDOs	No direct exposure to unhedged CDO or CLO transactions
	Small number of low \$ value exposures which are fully hedged
	One contingent exposure of USD30 million
Asset Backed Commercial Paper (ABCP) Conduits	Two Bank sponsored ABCP conduits with standby facilities drawn to \$1.4bn
	 Highly rated assets – predominantly AAA, some AA-
	Standby facilities to other conduits of \$890m, currently drawn to \$282m
Stock Lending	No material exposure to stock-lending sector
Lenders Mortgage Insurance	 Mortgage insurance is outsourced to Genworth (98%) and PMI (2%)
	Under "extreme stress" conditions, insured loan expected loss would be ~\$400m.



Hedge Funds

- No direct lending exposure to hedge funds
- Limited exposure to hedge funds via FX and interest rate swap products
- Fund of hedge funds exposure to diversified funds that invest in hedge funds of ~USD34 million

The Group has confirmed that since 15 May 2008 the Group's net exposures have reduced. It also advises that its conduits have no exposure to third party originated assets such as CDOs or sub prime assets.

Please contact Warwick Bryan on 02 9378 5979.

Yours faithfully

John Hatton Company Secretary