

Moody's Review of Bank Hybrid Securities and Subordinated Debt

Sydney, 20 November 2009: The Commonwealth Bank ("the Group") today advised that the ratings of a number of its hybrid securities have been placed under review for possible downgrade by Moody's Investors Service Inc ("Moody's").

Moody's have recently published revised guidelines for rating all bank hybrid securities and subordinated debt around the world. The revised methodology has been applied to instruments issued by the Australian banks and impacts a number of Group securities.

The Group securities affected by this review are:

Security	Issuing Entity	Size	Current Rating	Potential Revised Rating (High)	Potential Revised Rating (Low)
Trust Preferred Securities, 2003	CBA Capital Trust I	USD 550m	Aa3	A3	Baa1
Trust Preferred Securities, 2006	CBA Capital Trust II	USD 700m	Aa3	A3	Baa1
PERLS III	Preferred Capital Limited	AUD 1,166m	Aa3	A3	Baa1
PERLS IV	Commonwealth Bank of Australia	AUD 1,465m	Aa3	A3	Baa1
Perpetual Preference Shares	ASB Capital Limited	NZD 200m	A1	A3	Baa1
Debt Program (Upper Tier 2)	Bank of Western Australia	USD 5,000m	Aa2	Aa2	A2

These securities are also rated by Standard and Poor's, whose ratings remain unchanged. Note that the recently issued PERLS V was not rated by Moody's.

As stated by Moody's, other instruments on issue by the Group are not affected. "There is no impact on the institution-level ratings of the banks, ie their deposit and senior debt ratings; nor their Lower Tier 2 ("plain vanilla" subordinated debt) ratings".

Commenting on the changes, Commonwealth Bank of Australia Chief Financial Officer David Craig said: "While it is disappointing that Moody's have flagged possible ratings downgrades of hybrids for all banks around the world, it is pleasing that our institutional level rating remains unchanged at Aa1. The Commonwealth Bank remains one of the strongest, safest and best performing financial institutions in the world, with strong capital, funding, liquidity and provisioning levels."

ENDS

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