ASX ANNOUNCEMENT

COMMONWEALTH BANK OF AUSTRALIA
RESOLUTION UNDER SECTION 249N OF THE CORPORATIONS ACT FOR CONSIDERATION AT AGM

SYDNEY, 10 SEPTEMBER 2014: In accordance with ASX Listing Rule 3.17A, Attachment A is a copy of a proposed resolution that has been requisitioned under section 249N of the Corporations Act for consideration at the Company's Annual General Meeting to be held on 12 November 2014. The proposed resolution has been requisitioned by shareholders representing approximately 0.0086% of the Company's shares on issue. Attachment B is a copy of the accompanying statement from the requisitioners that will be distributed with the Notice of Annual General Meeting in accordance with section 249P of the Corporations Act.

The Commonwealth Bank Group (Group) respects the right of shareholders to requisition the resolution which seeks to move that the Company amend its constitution as proposed. The Board will address the resolution at the Annual General Meeting on 12 November 2014 to assure shareholders, including those who have signed the requisition, that the Group recognises the need to support our national economic interests and to encourage better environmental practices.

The Group recognises the importance of addressing the challenge of climate change and supporting development of alternative energy sources and sustainable energy practices, as demonstrated by the initiatives and reporting outlined below. Having regard to this, and the fact that it is not clear how the Directors would, as a practical matter, be in a position to comply with the resolution set out in Attachment A, the Group does not consider that the proposed amendment to the Company's constitution is in the best interests of shareholders.

The Group, together with many of the world's other leading financial institutions, is a signatory to the third iteration of the Equator Principles. The Equator Principles III reflect the latest developments in environmental and social risk management practices, and associated governance concerning compliance. By adopting the Equator Principles III, the Group continues to build on its commitment to responsible lending.

Consistent with the Group's vision to 'excel at securing and enhancing the financial wellbeing of people, businesses and communities', the Group is committed to assisting our customers in their transition to a lower carbon economy. Examples of engagement with our customers and the broader community in relation to climate change issues include financing support for wind, solar and hydroelectric projects, and the continued commitment and achievement in reducing the Group's own emissions footprint.

The Group acknowledges that it is in a position to influence companies in which it invests and to which it lends, in relation to their impact on the environment. The Group's lending policies require that environmental risks be considered at the point of deal initiation, risk assessment and annual review for relevant credit applications.

As the understanding of environmental, social and governance (ESG) risk improves, the Group is committed to continually renewing and adjusting its corporate governance policies, processes, reporting practices and the training of its people in this area.

The Group is subject to the Federal Government's National Greenhouse and Energy Reporting (NGER) scheme. The scheme makes it mandatory for controlling corporations to report annually on their Australian domestic greenhouse gas emissions, energy production and energy consumption (i.e. Scope 1 and 2 emission sources). As a result of a long history in voluntary environmental reporting, the Group is well placed to meet the Australian Government's NGER requirements.

The Group is working with the International and Australian finance industry and the United Nations Environmental Program, Financial Institutions (UNEPFI) to develop a consistent methodology to measure GHG emissions and remains committed to improving its assessment and management of ESG matters.

The Group's sustainability strategy and the 2014 Sustainability Report are available on the Group's website. The Sustainability Report is published alongside our Annual Report, thereby providing a comprehensive view of both the financial and non-financial performance of the Group.

ENDS

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Attachment A

“Special Resolution to amend the constitution: At the end of Clause 9 ‘General Meetings’ insert the following new sub-clause: “That, each year at about the time of the release of the Annual Report, at a reasonable cost and omitting any proprietary information, the Directors report to shareholders their assessment of the quantum of greenhouse gas emissions we are responsible for financing calculated, for example, in accordance with Greenhouse Gas (GHG) Protocol guidance”.

Attachment B

"Currently, in aggregate, fossil fuel companies are estimating with 90% certainty that they will be able to extract freely (for subsequent sale and combustion) over three times more carbon than is compatible with the internationally agreed ceiling. This inconsistency between financial accounting, physical reality and political intent is referred to as the 'unburnable carbon bubble'. It is akin to a traditional speculative bubble because all investor's expectations cannot be met. As the bubble bursts it is likely reserves and other fossil fuel specific assets will become stranded, ie written down in value prior to the end of their economic life.

Our bank is a significant debt and equity financier of companies in greenhouse gas emissions intensive industries such as coal mining, coal ports, oil and gas production, and fossil fuel based electric power generation.

For example, we understand (from third-party sources) our bank made loans equivalent to 11% of our bank's equity to such Australian carbon intensive businesses in the period 2008 to 2013.

In addition as shareholders we are exposed to the risk of loss on carbon intensive shares held in the share portfolios of our now closed defined benefit superannuation scheme and our insurance options.

Further, there is a risk of legal, regulatory or reputational exposure in the event our wealth management operations fail to adequately address this unburnable carbon risk.

All banks contribute to climate change through their financed emissions, which are the emissions induced by a bank's debt and equity investments in companies that themselves emit greenhouse gases (for example, fossil fuel power generators) and companies whose products and services result in greenhouse gas emissions (for example, thermal coal miners). A bank's financed emissions typically dwarf its own operational climate impacts and expose it to risk of loan default, share value write down as well as legal, reputational and regulatory risks. Measurement of financed emissions is facilitated by tools developed by the Greenhouse Gas Protocol. Our bank currently reports its own operational emissions but not its financed emissions.

Our bank has a policy on climate change. Our bank's policy states

"The Group believes climate change will have a major environment, economic and social impact. Climate change presents both risks and opportunities and the Group will continue to take an active role as a financial intermediary in addressing climate change." We think it is time CBA assisted its own shareholders address the carbon risk they bear.

In view of the potential quantum of risk it is inappropriate that shareholders should be obliged to rely on third-party commentators to endeavour to assess the extent of our bank's financed emissions and exposure to 'unburnable carbon risk' and the steps taken by our bank to mitigate those risks.

Other shareholders should be aware that our concerns are widely held. For example, in the 2014 US proxy season 132 resolutions were filed with 118 US companies dealing with climate change issues. In particular, resolutions requesting disclosure of financed emissions considered at the AGM's of Bank of America and PNC Financial attracted the support of roughly one quarter of shareholders voting."