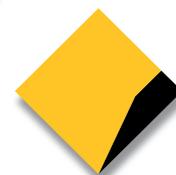


Shareletter

APRIL 2012



CommonwealthBank

Welcome.

On 15 February 2012 Commonwealth Bank of Australia (the Group) reported a Net Profit After Tax (NPAT) ("statutory basis") of \$3,624 million, which represented a 19 per cent increase on the prior comparative period. NPAT ("cash basis") for the half year was \$3,576 million, an increase of 7 per cent. Return on Equity ("cash basis") was unchanged at 19.2 per cent. Earnings per share ("cash basis") was up 6 per cent at \$2.27.



Over our first hundred years, the Group has built a diversified and sustainable business model which, in combination with our strong financial position, places us in an excellent position to continue to support our customers and the broader Australian economy, excel in customer service, deliver superior returns to shareholders and provide fulfilling jobs for our people.

We would like to thank you, our customers and shareholders for your continuing support for the Commonwealth Bank Group.

DIVIDEND

The Board declared a fully franked interim dividend of \$1.37, an increase of 4 per cent on the 2011 interim dividend. The dividend payout ratio ("cash basis") of approximately 61 per cent was in line with the ratio for the prior year.

OUTLOOK

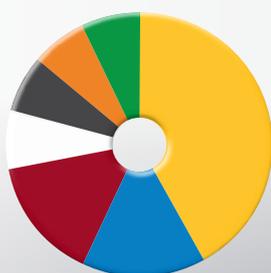
With the outlook for the global economy remaining unpredictable, the Group plans to retain its existing conservative business settings. The fundamentals of the Australian

economy remain strong and we have great confidence in the long term prospects. In the short term, in the absence of sustained recovery in offshore economies, particularly Europe, businesses and consumers will remain cautious, and the current trend of weak credit growth, asset allocation towards cash, and volatile markets will continue in Australia. We expect operating conditions to remain challenging and until we see clear signs of that sustained recovery, average funding costs are likely to continue to rise.

David Turner
Chairman

Ian Narev
Chief Executive Officer

CASH NPAT CONTRIBUTION FROM EACH BUSINESS UNIT



RBS	\$1,439m (40%)
BPB	\$551m (15%)
IB&M	\$547m (15%)
WM	\$272m (8%)
BWA	\$268m (8%)
NZ	\$258m (7%)
Other*	\$241m (7%)

NPAT (CASH BASIS)

ALL DATES SHOWN AS AT 31 DECEMBER



RBS: RETAIL BANKING SERVICES BPB: BUSINESS & PRIVATE BANKING IB&M: INSTITUTIONAL BANKING & MARKETS
WM: WEALTH MANAGEMENT NZ: NEW ZEALAND BWA: BANKWEST

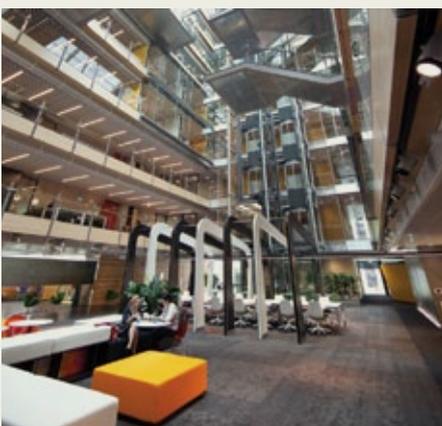
*INCLUDES GROUP TREASURY, CENTRE FUNCTIONS, ASIA

*PRO FORMA CASH NPAT

The Group's strong financial performance means we can continue to meet the needs of our 14 million customers at a time when many banks around the world have scaled back their activities.

KEY COMPONENTS OF THE RESULT INCLUDE:

- > Continued growth in the Australian banking businesses, despite modest system credit growth, with average interest earning assets up \$27 billion to \$601 billion.
- > Strong growth in retail and business average interest bearing deposits – up \$31 billion (10 per cent) to \$350 billion, resulting in customer deposits as a proportion of total Group funding improving to 62 per cent.
- > Continued focus on delivering better services for customers.
- > Weak growth in markets based businesses with earnings for Wealth Management and Institutional Banking and Markets impacted by volatility in global financial markets.
- > Margin pressure from higher wholesale funding and competition.
- > Prudent management of operating expenses, balancing the reality of the current low growth environment with the need to focus on long term sustainability.
- > Substantial on-going investment in long term growth. The Group invested almost \$650 million over the period on a tightly managed set of growth initiatives.
- > Strong contributions from ASB Bank and Bankwest.
- > A 25 per cent decline in loan impairment expense, but with continuing conservative provisioning.
- > An increase in the Group's Tier 1 capital ratio to 9.9 per cent, which is equivalent to 13.2 per cent on a UK FSA basis.



COMMONWEALTH BANK PLACE

Combining state-of-the-art design and leading edge technology to support our high performance culture.

In June 2011, the Group achieved a major milestone when our people

began working in Commonwealth Bank Place. The Group's newest workplace is located in Darling Quarter, Sydney, and incorporates two new state-of-the-art buildings in a tiered low-rise campus. It provides accommodation for around 6,300 of our people.

Design features of the buildings include large internal atriums and extensive use of natural light. Commonwealth Bank Place also boasts an environmentally sustainable design, which is targeting the highest Six Green Star Design Rating.

The state-of-the-art buildings offer our people an inspiring new workplace, and introduce a new style of working to the Group: activity-based working.

Activity-based working provides a wide variety of innovative workspaces that have been specifically designed to cater for the different tasks our people need to perform each day,

whether that be individual work or collaborating with team members.

To enable maximum flexibility to move around, communicate and collaborate, the workplace incorporates leading edge technology and tools. These combine with the innovative architecture and design to facilitate the Group's high performance culture, which is focused on team work, trust, innovation and customer service.

The move to Commonwealth Bank Place is the final phase of the Group's property strategy to create three Sydney metropolitan workplace precincts in the CBD, Sydney Olympic Park and Parramatta.



Our Staff Community Fund is the oldest and one of the largest workplace giving programs in Australia.

100 YEARS AT THE HEART OF THE COMMUNITY

In 2011 the Group began a program of activities to celebrate 100 years of service and support to the Australian community.

The Commonwealth Bank of Australia was founded under legislation, namely the Commonwealth Bank Act, enacted by Andrew Fisher's Labour Government on 22 December 1911.

15 July 2012 marks the centenary

of our first branch opening in Collins Street Melbourne. In the year that followed, a further 1,880 branches and agencies in post offices were opened across the country; an extraordinary achievement in a country without planes, cars or trains.

In the 100 years since, the Group has maintained its commitment to the Australian community through programs like the Staff Community Fund, the oldest workplace giving program in the country; provided assistance in times of natural disaster; helped school children gain financial

literacy through the School Banking and StartSmart programs; and supported the Arts and grassroots sports around the country.

In September, Ian Narev, Chief Executive Officer Elect officially launched the Centenary to the public and to celebrate this milestone announced an increase in investment into Australian communities with a commitment of an additional \$100 million over the next 10 years. These funds will help expand the Group's Staff Community Fund, where salary contributions by our people to children's charities will be matched by the Group dollar for dollar. The Group will build on the tradition of helping generations of young Australians through the Commonwealth Bank Foundation, which cultivates the financial literacy skills of young Australians.

The Group has achieved the Centenary milestone with the support of the Australian community and is delighted to share this achievement with our people, shareholders and customers.

COMMONWEALTH BANK'S LATEST MOBILE BANKING APP A BIG HIT

The Commonwealth Bank's revolutionary new mobile payment app CommBank Kaching, is redefining the way Australians pay each other.

CommBank Kaching allows Commonwealth Bank customers to make payments using a person's mobile phone number or email address, instead of their BSB and bank account details. In a world-first, it also extends this functionality to social networks through a user's Facebook® friends.

The iPhone app also allows users to pay using near-field communication (NFC) technology at contactless merchant terminals. Users of the app can choose to purchase an iCarte case for their iPhone. The case uses secure NFC technology to allow contactless Tap & Go payments to be made. Importantly, the majority of the app's features can still be used without the iCarte case, which just enables contactless functionality.

While mobile to mobile payments have proved to be the most popular transfer method (85 per cent), Facebook® payments are growing in popularity. Facebook® is the second most popular transfer method with customers, accounting for more than 10 per cent of CommBank Kaching transfers.

The first release of CommBank Kaching is just the beginning of the journey and we constantly review how to evolve our technology to enhance the customer experience.





A StartSmart facilitator delivers an engaging learning experience to teach practical lessons in money management.

OUR SUSTAINABILITY PROGRESS

In the first six months of the 2011-2012 financial year, the Group remained focused on the implementation of sustainable programs and initiatives that assist our customers, engage our people, support communities, consider the environment and embed strong corporate governance practices.

Customers

The Group continued to drive forward on world-leading technology advantage through continued implementation of our key Core Banking Modernisation program. We now offer real-time banking to over one million small business customers in addition to over 11 million retail customers.

People

The Group's culture change and gender diversity programs were recognised in January 2012 with the Catalyst Award (www.catalyst.org). As one of only two recipients in 2012, we are honoured to accept this international award which recognises the achievements of organisations around the world that have created successful programs to recruit, retain and advance women, and more broadly improve diversity in the workplace.

The Group was the first Australian financial services organisation to set a public target for the percentage of women in senior management roles. Since 2005, we have increased the representation of women in Executive positions from 21% to 30%, as at December 2011, bringing us closer to our target of 35% by December 2014.

Community

The Commonwealth Bank Foundation continued to help thousands of young Australians learn money management skills with StartSmart, the largest face-to-face financial literacy program of its kind in the world.

The Staff Community Fund, Australia's longest running employee workplace charity program which began in 1917, continued to support youth charities with over \$1 million in community grants to improve the wellbeing and health of children across the nation this year.

Environment

The Group rolled out a number of initiatives in the retail and commercial properties portfolio and reduced carbon emissions by over 6,000

tonnes in 2011. With current and new initiatives, we continue to progress towards our target of a 20% reduction in carbon emissions from 2008-09 levels by June 2013.

The Group's commitment to robust and transparent disclosure was demonstrated with our Carbon Disclosure Project (CDP) results. We were once again recognised as a 'Sector Leader', securing a performance level A rating and placing 7th in the world for carbon disclosure.

Governance

The Group's annual Sustainability Report was released in October 2011 detailing key sustainability initiatives for the 2010-2011 financial year (commbank.com.au/sustainability-reporting).



The full Sustainability Report 2011 is available at commbank.com.au/sustainability-reporting



IMPORTANT INFORMATION ABOUT YOUR DIVIDEND

Effective October 2011, the Group only pays cash dividends to shareholders with registered addresses in Australia, New Zealand and the United Kingdom by direct credit. Dividend cheques will no longer be issued. If you have not provided your bank account details on the record date of 24 February 2012

for the interim dividend which is being paid on 5 April 2012, we encourage you to do so by contacting Link Market Services Limited on 1800 022 440 or +61 2 8280 7199, or by email at cba@linkmarketservices.com.au. After receipt of your bank account details, Link Market Services will arrange to have your 2012 interim dividend, or any previous dividend

entitlements, paid into your bank account promptly.

Alternatively, you can update your bank account details online at www.linkmarketservices.com.au/investorcentre where you can also update your other personal details, including mailing address, email address and communications options.

New UK telephone number: We are pleased to advise that there is a new local telephone number for our United Kingdom shareholders: **0845 640 6130**