

January 27, 2009

Commonwealth Bank of Australia **Recent Developments**

The information set forth below is not complete and should be read in conjunction with the Annual US Disclosure Document for the year ended June 30, 2008 of the Commonwealth Bank of Australia (the “Bank”), the Bank’s Financial Report for the year ended June 30, 2008 and the Bank’s Financial Report for the year ended June 30, 2007, and the other information contained on the “Supplementary business and financial disclosure” page of the Bank’s website at <http://www.commbank.com.au/usinvestors> (the “US Investor Website”). This Recent Developments supplements and, to the extent inconsistent with any information on the US Investor Website (including, without limitation, the “Recent Developments as of October 23, 2008”), amends and supersedes such information.

BankWest Acquisition Completion

On December 19, 2008, the Bank announced that it had completed its previously announced acquisition of Bank of Western Australia Limited and St Andrew’s Australia Pty Limited.

Wizard Home Loans Portfolio Purchase

On December 24, 2008, the Bank announced that it would acquire up to A\$4 billion of home loans originated by Wizard, an Australian home loan lender. Subject to closing conditions, the Bank will acquire A\$2 billion of home loans by the end of February 2009 and is currently in discussions with Wizard to acquire a further A\$2 billion of home loans.

Premium Business Services Restructure and Appointments

On January 19, 2009, the Bank announced a restructure of its Premium Business Services division following the departure of former Group Executive Stuart Grimshaw late in 2008. The new structure sees the separation of Business and Corporate, including Agribusiness and Private Client Services divisions (including the CommSec Retail platform), from the existing Institutional Banking and Markets areas.

Over the past two years the Bank has experienced both strong business growth and improvements in customer satisfaction ratings in these key areas. Separating these businesses will enable the Bank to further improve its focus on servicing and supporting these diverse customer segments, and will continue the positive momentum which has been established.

The Bank’s Chief Executive Officer, Ralph Norris said, “the separation of Local Business Banking, Corporate Financial Services, Agribusiness and Private Client Services areas from Institutional Banking and Markets under the responsibility of separate Group Executives recognizes the increasing scale, diversity and importance of these businesses to the Group’s overall business mix.”

Ian Narev appointed as Group Executive Business and Private Banking

Mr. Norris announced the appointment of Ian Narev, current Group Head of Strategy, as Group Executive Business and Private Banking responsible for the business and private banking customer segments. Mr. Narev will commence his new role from January 27, 2009.

Mr. Narev has been with the Bank for 18 months and has been instrumental in the acquisition of BankWest along with the Bank's investment in Aussie Home Loans. Prior to joining Commonwealth Bank, Mr. Narev was partner and head of New Zealand for McKinsey and Company.

Mr. Norris said, "Ian's broad business and commercial experience in a variety of financial services and related roles, and strong leadership capabilities, will ensure the positive momentum and customer focus in the businesses under his control continues."

An announcement of Mr. Narev's replacement as Group Head of Strategy is imminent.

Appointment of Group Executive Institutional Banking and Markets is pending

The appointment of a permanent Group Executive to the Institutional Banking and Markets area will be announced in the near future, Mr. Norris said. In the interim period, Ian Saines will continue to be the acting Group Executive.

Funds under Administration/Management and Inforce Premiums

On January 23, 2009, the Bank announced its Funds under Administration ("FUA") and Funds under Management ("FUM") and Inforce Premiums for the quarter ended December 31, 2008. FUA was down 11% and FUM was down 11.9% for the quarter, due to the fall in investment markets and the outflow of short term cash mandates. Retail net flows for the quarter were negative A\$749 million, due to deteriorating investment markets and the long term run-off of legacy products. Pleasingly, FirstChoice and Avanteos achieved positive net flows during the quarter. Wholesale funds experienced outflows of A\$7.6 billion during the quarter, primarily due to the outflow of short term cash mandates. The Life and General Insurance businesses in Wealth Management attracted strong new business volumes driving growth in Inforce Premiums of 4.8% for the quarter.

Commonwealth Bank of Australia

Funds Under Administration / Management and Inforce Premiums*

	As At			
	31/12/2008	30/09/2008	30/06/2008	Dec-08 vs Sep-08 %
Funds Under Administration (FUA) ⁽¹⁾	\$M	\$M	\$M	
FirstChoice	33,172	37,215	38,707	(10.9)
Avanteos	5,727	6,333	6,257	(9.6)
Cash Management	2,299	2,537	2,576	(9.4)
Legacy Products ⁽²⁾	22,525	25,789	27,500	(12.7)
Retail Products ⁽³⁾	63,723	71,874	75,040	(11.3)
Other Retail ⁽⁴⁾	1,252	1,389	1,366	(9.9)
Australian Retail	64,975	73,263	76,406	(11.3)
Wholesale	39,663	49,212	52,376	(19.4)
Property	20,442	20,455	20,210	(0.1)
Other ⁽⁵⁾	3,308	3,167	3,248	4.5
Domestically Sourced	128,388	146,097	152,240	(12.1)
Internationally Sourced	29,638	31,854	32,730	(7.0)
Total Wealth Management	158,026	177,951	184,970	(11.2)
IFS New Zealand	6,245	6,584	6,335	(5.1)
Total CBA Group	164,271	184,535	191,305	(11.0)

	Dec-08	Sep-08	Jun-08
	\$M	\$M	\$M
Quarterly Funds Netflows			
FirstChoice	416	327	979
Avanteos	347	320	260
Cash Management	(279)	(81)	(278)
Legacy Products ⁽²⁾	(1,211)	(792)	(668)
Retail Products ⁽³⁾	(727)	(226)	293
Other Retail ⁽⁴⁾	(22)	(40)	12
Australian Retail	(749)	(266)	305
Wholesale	(7,624)	(3,001)	(345)
Property	(244)	30	571
Other ⁽⁵⁾	299	78	37
Domestically Sourced	(8,318)	(3,159)	568
Internationally Sourced	(375)	(621)	723
Total Wealth Management	(8,693)	(3,780)	1,291
IFS New Zealand	40	56	(46)
Total CBA Group	(8,653)	(3,724)	1,245

	As At			
	31/12/2008	30/09/2008	30/06/2008	Dec-08 vs Sep-08 %
Funds Under Management (FUM) ⁽¹⁾	\$M	\$M	\$M	
Australian Equities	16,725	20,549	23,502	(18.6)
Global Equities	29,679	32,736	35,589	(9.3)
Cash & Fixed Interest	56,813	65,459	66,729	(13.2)
Property & Alternative Investments	25,377	27,180	27,120	(6.6)
Total	128,594	145,924	152,940	(11.9)

	As At			
	31/12/2008	30/09/2008	30/06/2008	Dec-08 vs Sep-08 %
Wealth Management	\$M	\$M	\$M	
Insurance Inforce Premiums ⁽⁶⁾	\$M	\$M	\$M	
General Insurance	324	299	279	8.4
Retail Life	651	628	605	3.7
Wholesale Life	403	388	366	3.9
Total Wealth Management	1,378	1,315	1,250	4.8

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

* St Andrew's Funds Under Administration / Management and Inforce Premiums is excluded from this report.