

Commonwealth Bank

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COMMONWEALTH BANK ANNOUNCES USD TIER ONE CAPITAL ISSUE

Sydney 8 March 2006: The Commonwealth Bank of Australia (the "Bank") today announced the issue of USD 700 million of hybrid securities, called Trust Preferred Securities ("TPS"), via a US trust, CBA Capital Trust II ("the Trust").

The Bank will apply the proceeds of the TPS offer for the purpose of redeeming existing PERLS securities outstanding and to diversify its capital base.

The TPS have a coupon of 6.024% until they become callable in 2016, subject to APRA approval.

The offer of TPS forms part of the Bank's ongoing commitment to efficient capital management and provides the Bank with cost-effective funding that will also qualify as Tier 1 Capital for regulatory purposes.

This press release does not constitute an offer of any securities for sale. The securities offered will not be registered under the U.S. Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements.

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