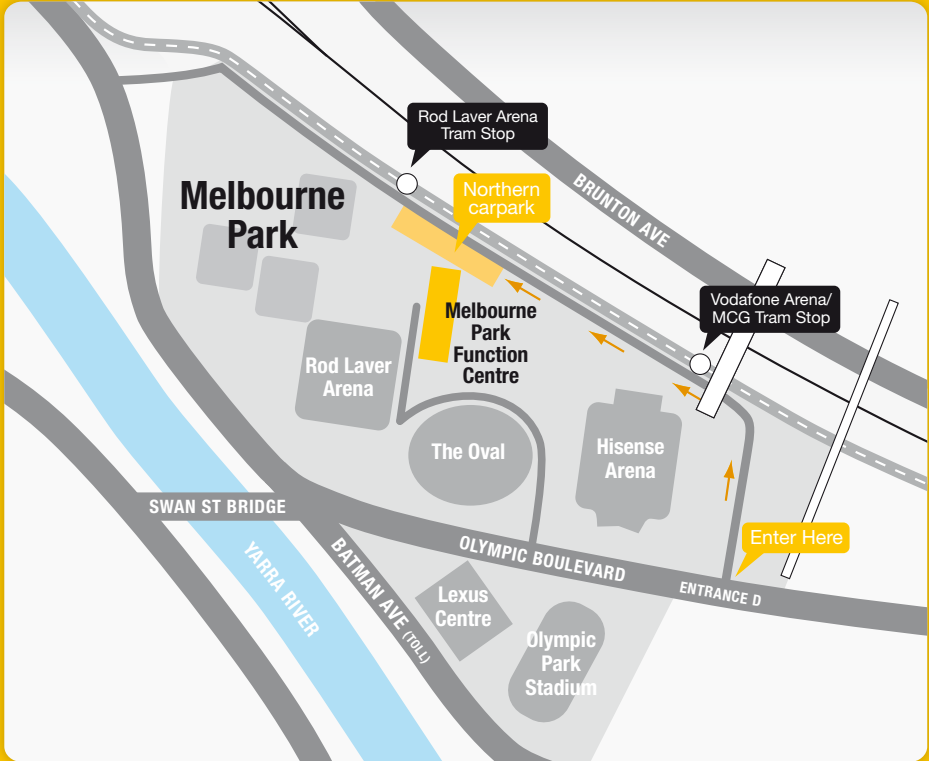


Notice of Meeting **2008**



Determined to be different

How to get there



The Annual General Meeting will be held on Thursday, 13 November 2008, commencing at 11.00 am at Melbourne Park Function Centre, Olympic Boulevard, Melbourne Park, Melbourne.

- > 01 **Chairman's Letter**

- > 02 **2008 AGM – Notice of Meeting**

- > 04 **Explanatory Memorandum**

- > 10 **Appendix**

2008 Annual Report

A copy of the Commonwealth Bank 2008 Annual Report for the year ended 30 June 2008 is available on the Group's website www.commbank.com.au/shareholder/annualreports

Chairman's Letter

24 September 2008

Dear Shareholder

I am writing to invite you, as a shareholder in Commonwealth Bank of Australia, to attend the Annual General Meeting on Thursday, 13 November 2008.

The meeting will be held at Melbourne Park Function Centre, Olympic Boulevard, Melbourne Park, Melbourne. A map is shown on the opposite page.

The meeting will begin at 11.00 am, with registration available from 10.00 am.

A Form of Proxy is included in this information pack. The Form of Proxy contains a barcode to assist with the registration process at the meeting. If you attend the meeting, please bring this barcoded form with you. If you are not attending the meeting, please complete and return the Form of Proxy in the return envelope in sufficient time so that it reaches the Share Registrar, Link Market Services Limited, by 11.00 am on Tuesday, 11 November 2008. Alternatively, the Form of Proxy can be lodged in accordance with the instructions in the notice of meeting.

We have enclosed a form for those who cannot attend the meeting but would like to submit questions on any shareholder matters that may be relevant to the Annual General Meeting. I invite you to submit any questions you may have on this enclosed form and return it with the Form of Proxy. While time will undoubtedly not permit me to address all the questions submitted, I will endeavour to address as many of the more frequently raised shareholder matters as possible during the course of the Annual General Meeting.

A live webcast of the presentation will be broadcast on the Bank's website through the Shareholder Centre at <http://www.commbank.com.au/shareholder/annualgeneralmeeting>. An archive of the webcast will be available at the same web address within a day. This will enable you to hear or read the responses to the questions raised on the returned forms and during the meeting.

Any body corporate holder of Commonwealth Bank shares, or any body corporate appointed as a proxy, wishing to appoint a person to act as its representative at the meeting may do so by providing that person with a letter, executed in accordance with the body corporate's constitution, authorising him or her as the body corporate's representative.

The Notice of Meeting commences on page 2, listing the items to be considered at the meeting. Background information on items 2 to 6 is contained in the Explanatory Memorandum on pages 4 to 12. Agenda Item 3 is a non-binding resolution that shareholders adopt the Remuneration Report which is contained on pages 56 to 75 in the full Annual Report. I would encourage you to review the detailed account of the Bank's remuneration policy as set out in this report.

Commonwealth Bank Directors and Senior Executives would also like to extend an invitation to shareholders to join them in enjoying light refreshments after the meeting.

Yours sincerely



John Schubert
Chairman

2008 AGM – Notice of Meeting

Commonwealth Bank of Australia ACN 123 123 124

Meeting to be held on Thursday, 13 November 2008, commencing at 11.00 am at Melbourne Park Function Centre, Olympic Boulevard, Melbourne Park, Melbourne.

1. Discussion of Financial Statements

To discuss the financial report, the Directors' report and the auditor's report for the year ended 30 June 2008.

2. Election of Directors

In accordance with Articles 11.1 and 11.2 of the Constitution of Commonwealth Bank of Australia:

- (a) Mr J M Schubert retires and, being eligible, offers himself for re-election;
- (b) Mr C R Galbraith retires and, being eligible, offers himself for re-election;
- (c) Mrs J S Hemstritch retires and, being eligible, offers herself for re-election

In accordance with Articles 11.4(b) and 11.2 of the Constitution of Commonwealth Bank of Australia:

- (d) Mr A M Mohl retires and, being eligible, offers himself for re-election;

Information about the candidates seeking re-election appears in the Explanatory Memorandum.

3. Remuneration Report

To adopt the Remuneration Report for the year ended 30 June 2008.

4. Grant of Securities to the Chief Executive Officer under the Group Leadership Share Plan

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That approval be given in accordance with ASX Listing Rules 10.14 and 10.15 for the participation of Mr R J Norris in the Group Leadership Share Plan of Commonwealth Bank of Australia (GLSP), and for the grant of rights to shares to Mr R J Norris within one year of the date of this annual general meeting pursuant to the GLSP and on the terms described in the Explanatory Memorandum accompanying this notice of meeting."

5. Non-Executive Directors' Remuneration

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That the maximum aggregate sum payable for fees to Non-Executive Directors be increased to \$4,000,000 in any financial year, to be divided among the Directors in such proportions and manner as they agree."

6. Modification of Constitution

To consider and, if thought fit, to pass the following resolution as a special resolution:

“That the Constitution of Commonwealth Bank of Australia be modified in the manner set out in the Appendix to this notice of meeting.”

Appointment of Proxy

If you are a shareholder and are unable to attend and vote at the Annual General Meeting of Commonwealth Bank of Australia on 13 November 2008, you are entitled to appoint a proxy to attend and vote in your stead. A proxy need not be a shareholder. A proxy may be an individual or a body corporate.

If you are a shareholder entitled to cast two or more votes, you may appoint up to two proxies and may specify the proportion of voting rights or the number of votes each proxy is appointed to exercise.

If you wish to appoint an individual or a body corporate as your proxy, please complete and return the proxy form. The proxy form must be received by the Share Registrar, Link Market Services Limited at Locked Bag A14 Sydney South NSW 1235 or by facsimile to (02) 9287 0309 in Australia or (61 2) 9287 0309 if you are overseas, by 11.00 am Tuesday, 11 November 2008. A return envelope is provided.

If you wish to submit your appointment of proxy and voting instructions electronically, visit the share registry website, www.linkmarketservices.com.au and follow the prompts and instructions. (You will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) which is shown in the top right hand side of the proxy form.) You must complete and submit your appointment and instructions so that they are received by 11.00am on Tuesday, 11 November 2008.

If your appointment of a proxy is signed by an attorney, or in the case of a proxy submitted electronically, authenticated by an attorney, the power of attorney (or a certified copy of the power of attorney) must be received by the Share Registrar, Link Market Services Limited at Locked Bag A14 Sydney South NSW 1235 or by facsimile to (02) 9287 0309 in Australia or (61 2) 9287 0309 if you are overseas, by 11.00 am Tuesday, 11 November 2008.

If you appoint the Chairman of the Annual General Meeting as your proxy and do not specify how the Chairman is to vote on an item of business, the Chairman will vote (if permitted under the proxy form), as proxy for you, in favour of the resolutions.

Determination of Shareholders' Right to Vote

For the purposes of the meeting, those shareholders holding shares at 7.00 pm on Tuesday, 11 November 2008 will be voting members for the meeting.

By order of the Board



J D Hatton
Secretary

24 September 2008

Explanatory Memorandum

AGENDA ITEM 2:

Election of Directors

Pursuant to Articles 11.1 and 11.2 of the Bank's Constitution, Mr J M Schubert, Mr C R Galbraith and Mrs J S Hemstritch will retire at the Annual General Meeting and offer themselves for re-election. Mr Schubert and Mr Galbraith were last re-elected in 2005. Mrs Hemstritch was last re-elected in 2006. Mr A M Mohl was appointed to the Board with effect from 1 July 2008.

Pursuant to Article 11.4(b), Mr Mohl will hold office until this Annual General Meeting. He will then retire and offer himself for re-election.

Details of the candidates are as follows:

John Schubert

John Schubert has been a member of the Board since 1991, was Deputy Chairman from December 2000 until November 2004 and Chairman since November 2004. He is an independent, non-executive Director and is Chairman of the Board Performance Renewal Committee and a member of the People & Remuneration Committee.

Mr Schubert is a former Managing Director and Chief Executive Officer of Pioneer International Limited and former Chairman and Managing Director of Esso Australia Limited. He holds a Bachelor's Degree and PhD in chemical engineering and has wide international experience in the petroleum, mining and building materials industries.

In addition to his position with the Bank, Mr Schubert is Chairman of G2 Therapies Limited and Great Barrier Reef Foundation,

Director of Qantas Airways Limited and Director of the dual-listed company BHP Billiton. He is also Honorary Member and past President of the Business Council of Australia.

Mr Schubert brings to the Chairmanship of the Board wide-ranging CEO and board level business experience across a number of industries. His extensive knowledge of corporate governance assists the Bank to ensure that its practices are of the highest standards. He is held in high regard by senior business representatives, politicians and regulators. John is a resident of New South Wales and is aged 65.

Colin Galbraith, AM

Colin Galbraith has been a member of the Board since June 2000. He is an independent, non-executive Director and a member of the Audit and Board Performance and Renewal Committees.

Mr Galbraith is a special advisor for Gresham Partners Limited and was formerly a partner of Allens Arthur Robinson, Lawyers where he practised in the areas of mergers and acquisitions, commercial law and corporate governance.

Mr Galbraith is chairman of BHP Billiton Community Trust and a Director of OneSteel Limited and Australian Institute of Company Directors. He is also a Director of CARE Australia and Trustee of Royal Melbourne Hospital Neuroscience Foundation.

Mr Galbraith's experience in commercial law and as a non-executive director of public and not-for-profit organisations make him a



John Schubert



Colin Galbraith, AM



Jane Hemstritch



Andrew Mohl

valuable contributor to the Board, in particular in areas relating to risk management and corporate governance. Colin is a resident of Victoria and is aged 60.

Jane Hemstritch

Jane Hemstritch has been a member of the Board since 2006. She is an independent, non-executive Director and is a member of the Risk and People & Remuneration Committees.

Mrs Hemstritch was Managing Director – Asia Pacific, Accenture Limited from 2004 until her retirement in February 2007. In this role, she was a member of Accenture’s global executive leadership team and oversaw the management of Accenture’s business portfolio in Asia Pacific. She holds a Bachelor of Science Degree in Biochemistry and Physiology.

Mrs Hemstritch is a director of The Global Foundation and Tabcorp (subject to regulatory approval). She is also a member of Chief Executive Women Inc. and on the Council of Governing Members of The Smith Family.

Mrs Hemstritch has professional expertise in technology, communications, change management and accounting. She also has experience across the financial services,

telecommunications, government, energy and manufacturing sectors and in business expansion in Asia. Jane is a resident of Victoria and is aged 55.

Andrew Mohl

Andrew Mohl was appointed to the Board effective from 1 July 2008. He is an independent non-executive Director and is a member of the People & Remuneration Committee. He has over 30 years of financial services experience.

Mr Mohl was Managing Director and Chief Executive Officer of AMP Limited from October 2002 until his retirement at the end of December 2007. Previous roles at AMP included Managing Director, Financial Services and Managing Director, Asset Management. He was a former Chief Economist and Chief Manager, Retail Banking at ANZ Banking Group and worked at the Reserve Bank of Australia for 8 years where he was Deputy Head of Research.

Mr Mohl is a Director of AMP Foundation.

Mr Mohl brings to the Board highly relevant experience in the management of large and complex financial services groups. Andrew is a resident of New South Wales and is aged 52.

AGENDA ITEM 3

Non-Binding Resolution on Remuneration Report

Section 250R of the Corporations Act (2001) requires a publicly listed company to put a resolution to shareholders to adopt the company's Remuneration Report. The vote on this resolution is advisory only and does not bind the Directors or the company.

The Remuneration Report can be found at pages 56 to 75 of the Annual Report for the year ended 30 June 2008. It sets out the Bank's remuneration policy and the remuneration arrangements for the Key Management Personnel (who are comprised of the Bank's Directors and certain senior executives).

The Group's remuneration structure is designed to align executive and shareholder interests, retain talent and support long term value creation by providing employees with competitive remuneration and valuable rewards for outstanding performance. The Board obtains independent advice to confirm the appropriateness of these arrangements.

AGENDA ITEM 4

Grant of Securities to the Chief Executive Officer Under The Group Leadership Share Plan

ASX Listing Rule 10.14 requires shareholder approval for the issue of securities to a Director under an employee incentive scheme. Accordingly, shareholder approval is sought to grant to Mr Norris, prior to the 2009 Annual General Meeting, (but no later than 12 months after the date of this meeting), rights to shares under the Group Leadership Share Plan (GLSP), and for the subsequent acquisition by Mr Norris of the underlying shares, should those rights vest. The rights to shares granted under the GLSP are, in effect, conditional entitlements to shares, which may vest subject to the satisfaction of performance conditions. The performance conditions applying to the proposed grant to Mr Norris are described below.

The GLSP aims to motivate the efforts of participants, who presently comprise Mr Norris and the Bank's Group Executives, to increase customer satisfaction and profitability in order to improve long term shareholder value and achieve the Bank's vision.

Shareholder approval is sought for the grant of rights to shares to Mr Norris to a maximum value of \$11.56 million for the 2008/09 financial year, which may vest in the 2011/12 financial year.

In determining this maximum value, the Board has considered Mr Norris's total potential remuneration, which includes fixed and variable components. The value awarded to Mr Norris under variable remuneration arrangements is determined with reference to his performance and that of the Bank against certain key performance indicators.

The grant for which approval is now being sought would authorise Mr Norris to share (in the form of shares) in a pool, the value of which will be calculated as a percentage (currently 3.5%) of the growth in the Bank's Cash net profit after tax (NPAT) less cost of capital over the three year performance period. The total pool will be zero if the Bank's Cash NPAT growth is not above average peer group Cash NPAT growth over the performance period, and it will be capped at \$36.1 million. That is, if the NPAT growth hurdle is not satisfied, nothing will vest. The peer group is comprised of ANZ, NAB, St George and Westpac.

If the NPAT growth performance hurdle is satisfied, the grant of rights will vest but subject to the customer satisfaction performance hurdle. The extent to which the customer satisfaction performance hurdle is satisfied will determine the value of the grant of rights to Mr Norris that vests.

The value of the grant of rights that vests will be determined by the Bank's customer satisfaction ranking compared to the same peer group stated above. This customer satisfaction ranking will be determined as at the end of the performance period, 1 July 2011. A vesting scale will be applied to determine the value of the grant of rights which vests. The Board has set the scale as 100% of the grant if the Bank is ranked 1st, 75% if the Bank is ranked 2nd and 50% if the Bank is ranked 3rd. No amount will vest if the Bank is ranked 4th or 5th.

Given the Bank is currently ranked 4th in customer satisfaction, and the clear focus of the Bank's competitors on this area, improving the Bank's ranking poses a significant challenge. In the absence of substantial and sustained improvement, no vesting will occur at all. To achieve full vesting, the Bank will not only have outperformed peers in relation to Cash NPAT growth over the period, the Bank will also have achieved a remarkable improvement in its customer satisfaction performance, moving up three places to be ranked first. This outcome would represent an extraordinary achievement for Mr Norris and the Bank's Group Executives, and is expected to result in significant benefits for shareholders through increased profitability and share value.

The number of shares that Mr Norris will receive will then be calculated on the basis of the value of the grant of his rights that has vested (32.02% of the total pool), divided by the volume weighted average price of the Bank's shares over the five trading days up to and including 1 July 2011. Mr Norris will not be required to pay for the shares.

While the current policy of the Bank is to acquire shares on market upon vesting, the Bank has flexibility under the rules of the GLSP to issue new shares instead.

In general, if Mr Norris ceases employment with the Bank before the grant of rights vests, he will forfeit any entitlement under the GLSP, unless the Board gives its approval for Mr Norris to continue to be entitled to the grant or for the shares to be allocated and transferred to Mr Norris (or his representative). Any such approval may be on a pro-rata basis or on other conditions determined

by the Board. It is expected that such approval would be granted if Mr Norris ceased employment for reasons such as ill-health retirement. In these circumstances, the performance hurdles would still apply.

The Board will also have the ability, if in the circumstances it considers it appropriate, to adjust the performance hurdles where an unforeseen development occurs, and if it considers the adjustment is fitting in light of the intent and purpose of the proposed grant. For example, should St George's NPAT and/or customer satisfaction performance not be separately measurable, the Board would use this discretion to make consequent adjustments. The Board may also use this discretion should large one-off adjustments to the earnings of any of the peer group distort relative performance. Any such adjustment would be fully explained in the Bank's Annual Report.

No other current Directors are entitled to participate in the GLSP.

AGENDA ITEM 5

Non-Executive Directors' Remuneration

Under the Bank's Constitution and in accordance with the ASX Listing Rules, the aggregate sum payable by way of fees to Non-Executive Directors is determined from time to time by general meeting. The last determination was at the 2004 Annual General Meeting, when shareholders approved an aggregate of \$3,000,000 per year. Annual reviews of Non-Executive Director remuneration undertaken since that approval, together with the impact of changes to the treatment of employer superannuation contributions to apply from 1 July 2008, have resulted in fees now reaching the limit approved. Accordingly, the proposal before this meeting is to increase the aggregate amount of fees to \$4,000,000 per year.

The policy of the Board is that the amount of fees should be set at a level which provides the Bank with the necessary flexibility to enable it to attract and retain the services of Directors of the highest calibre.

The proposed increase reflects increases in market remuneration. The Board Performance and Renewal Committee annually reviews the fees paid to individual Non-Executive Directors and takes into account relevant factors and, where appropriate, receives external advice on comparable remuneration. It is not intended to fully utilise the increase in aggregate sum in the immediate future, but to retain the flexibility to adequately compensate Non-Executive Directors over the next few years. The aggregate amount approved will cover all amounts paid to Non-Executive Directors including superannuation (other than mandatory employer superannuation guarantee contributions).

AGENDA ITEM 6

Modification of Constitution

This is a special resolution proposing amendments to the Bank's Constitution. Explanations of the specific changes are:

1 Direct Voting: amend article 10

It is proposed that the Constitution be amended to allow the Bank to enable shareholders in the future to vote directly on resolutions considered at a general meeting by submitting their votes to the Bank before the meeting. Amending the Constitution to allow direct voting would provide the Bank with the flexibility to expand the ways in which shareholders can exercise their voting rights in the future if this is considered desirable and beneficial. If the Bank determines to introduce direct voting it will operate in addition to voting by proxy.

2 Director Nomination time frame: amend article 11.2

The ASX Listing Rules now allow a company's constitution to specify an earlier cut off date prior to the date of a general meeting than that specified in the ASX Listing Rules for receipt of nominations for election as a director at a general meeting. Accordingly, it is proposed to amend article 11.2(c) to vary the period during which a person seeking to be elected as a director must lodge their nomination documents with the Bank to at least 45 business days before the relevant general meeting. Under the current Constitution, a notice of nomination must be lodged with the Bank at least 35 business days before a general meeting or 30 business days in the case of a member requested meeting. The Constitution already provides that a person cannot give such a notice more than 90 business days before the meeting.

3 Fit and Proper policy: new article 11.9

The Australian Prudential Regulation Authority (APRA) has issued a prudential standard under the Banking Act which applies to all authorised deposit-taking institutions such as banks. The prudential standard sets out the minimum requirements to be applied in determining the fitness and propriety of individuals who hold positions of responsibility, including those who are appointed as directors. Under the prudential standard, a bank is required to take all prudent steps to ensure that a director does not continue to hold that position if he or she is not fit and proper.

Consistent with APRA requirements, it is proposed that the office of a Director will be vacated if he or she is disqualified from holding office as a Director on the grounds of not being 'fit and proper' within the meaning of the Banking Act 1959 (Cth).

Voting Exclusion Statement

The Bank will disregard any votes cast on resolutions 4 and 5 by any Directors or their associates. However, the Bank need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Appendix

AGENDA ITEM 5: Modification of Constitution

1 Direct Voting

1.1 Insert a new definition in article 1.1 after the definition of “the Corporations Act” as follows:

’ ”direct vote” ‘means a vote by a member delivered to the company by post, fax or other electronic means approved by the directors and in accordance with this constitution and any regulations made by the Board under article 10.7(e);’

2.1 Amend article 10.7:

(a) by inserting at the conclusion of the first sentence in paragraph (a) the words “and, in the case of a poll, including votes cast by direct vote”; and

(b) by inserting new paragraphs (d) and (e) as follows:

“(d) The board may determine that voting members may cast a vote to which they are entitled by way of direct vote on any or all of the resolutions (including any special resolution) proposed to be considered at, and specified in the notice convening, a meeting of members.

(e) The board may make such regulations as it considers appropriate (if it determines that votes may be cast by direct vote), including regulations for the form, method and manner of voting by direct vote and the time by which the votes of members to be cast by direct vote must be received by the company in order to be effective.”

1.3 Amend article 10.8(f) by inserting after the word “vote”, the words “(including a direct vote)”.

1.4 Amend article 10.10:

(a) in paragraph (a)(ii), by inserting after the words “voting member” where they first occur, the words“, and every voting member who casts a vote by direct vote,”; and

(b) by inserting new paragraphs (i) to (p) as follows:

“(i) A direct vote is not counted if a resolution is decided on a show of hands.

(j) If a poll is held on a resolution, votes cast by direct vote by a member entitled to vote on the resolution are taken to have been cast on the poll as if the member had cast the votes in the poll at the meeting and the votes are to be counted accordingly.

(k) If the chairman of the meeting determines it is appropriate, a direct vote received by the company on a resolution is taken to be a direct vote on that resolution as amended.

- (l) A direct vote received by the company may be revoked by the member by notice in writing received by the company before the time appointed for the commencement of the meeting (or in the case of any adjournment, the resumption of the meeting).
- (m) A direct vote received by the company is not revoked by the member attending and taking part in the general meeting, but if the member votes on a resolution, the member's direct vote on that resolution is automatically revoked.
- (n) A direct vote received by the company is automatically revoked if the company receives a further direct vote from the member, in which case the most recent direct vote received by the company in time will be counted in lieu of the prior direct vote.
- (o) A direct vote received by the company is automatically revoked if, after the direct vote is received, the company receives an instrument under which a proxy is appointed to act for the member at the meeting in accordance with this article 10.
- (p) If a direct vote is received from a member it has the effect of revoking (or suspending in the case of a standing appointment), the appointment of a proxy, attorney or official representative made by the member under an instrument received by the company before the direct vote was received."

1.5 Amend article 10.11 by inserting the words "or by direct vote" after the words "whether in person or by proxy, official representative or attorney".

1.6 Amend article 10.18 by inserting a new paragraph (e) as follows:

"(e) A direct vote received by the company is valid notwithstanding:

- (i) the previous death or unsoundness of mind of the member; or
- (ii) where the direct vote is cast on behalf of the member by an attorney, the revocation of the appointment of the attorney or the authority under which the appointment was made by a third party,

if no notice in writing has been received by the company at its registered office before the commencement of the meeting or adjourned meeting at which the vote is to be cast."

2 Director Nomination Time Frame

Amend article 11.2(c) by deleting paragraphs (iii) and (iv) and replacing them as follows:

- “(iii) where the person is a member, he or she has given to the company, at least 45 business days but no more than 90 business days before the meeting, a notice signed by him or her stating the member’s desire to be a candidate for election at that meeting; or
- (iv) where the person is not a member, a member intending to nominate the person for election at that meeting has given to the company, at least 45 business days but no more than 90 business days before the meeting, a notice signed by the member stating the member’s intention to nominate the person for election, and a notice signed by the person stating his or her consent to the nomination.”

3 Fit and Proper Policy

Amend article 11.9:

- (a) by deleting the word “or” at the end of paragraph (f) and by inserting “;or” at the end of paragraph (g); and
- (b) by inserting a new paragraph (h) as follows:
 - “(h) is disqualified from holding office as a director on the grounds of not being ‘fit and proper’ within the meaning of the Banking Act 1959 (Cth).”

Further information

Find out the Group's latest financial information, shareholding details, current and historic share prices, corporate governance practices and remuneration report.

www.commbank.com.au/shareholder



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