

Commonwealth Bank**CommSec**

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Structured Equity Products
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ASX ANNOUNCEMENT

COMMONWEALTH SECURITIES LIMITED ("CommSec") which is a wholly-owned subsidiary of **COMMONWEALTH BANK OF AUSTRALIA ("the Bank")** has entered into arrangements with the Bank whereby CommSec as broker will acquire on-market the Bank's ordinary shares for the purposes of satisfying the obligations of the Bank to participants in the Bank's Employee Share Acquisition Plan (ESAP).

Accordingly, during any trading day in the period commencing 25 October 2004 and concluding 29 October 2004 (both dates inclusive) (herein referred to as the "relevant period") CommSec may be dealing on its own account in the Bank's ordinary shares.

Section 991E(1) of the Corporations Act prohibits a financial services licensee from entering into a financial product transaction on the licensee's own behalf with a non-licensee without first informing the non-licensee that the licensee will be acting on its own behalf and obtaining the consent of the non-licensee.

CommSec may not be able to strictly comply with the requirements of section 991E(1) in its acquisition of shares on-market for the purposes of the ESAP. CommSec is concerned that in the event it receives instructions from clients to sell the Bank's ordinary shares during the relevant period, if CommSec is required to inform its clients that CommSec is acting as principal in the transaction, its clients may miss the opportunity to sell their shares at the best price then prevailing in the market. Instead, CommSec will ensure that every client who gives instructions for the sale of the Bank's ordinary shares on-market during the relevant period will be informed before the instructions are accepted that CommSec may act as principal on the buy side of the transaction. If CommSec does act as principal it will notify the client in the confirmation for the trade.

Michael Blomfield
Chief Operating Officer
25 October 2004

Premium Financial Services