

FINAL TERMS

2 August, 2007

Commonwealth Bank of Australia

**Issue of MXN 1,100,000,000 8.40% Callable Fixed Rate Notes due 20 July, 2022
under the U.S.\$50,000,000,000
Euro Medium Term Note Programme**

Part A – Contractual Terms

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Programme Circular dated 13 October, 2006, as supplemented by the supplementary prospectus dated 29 March 2007, which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "Prospectus Directive"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Programme Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Programme Circular. The Programme Circular is available for viewing at the registered office of the Issuer at Level 7, 48 Martin Place, Sydney, NSW 2000, Australia and copies may be obtained from the Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, England.

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| 1. | Issuer: | Commonwealth Bank of Australia |
| 2. | Form of Notes: | Bearer |
| 3. | (i) Series of which Notes are to be treated as forming part: | 3197 |
| | (ii) Tranche Number: | 1 |
| 4. | Specified Currency or Currencies: | Mexican Pesos (MXN) |
| 5. | Aggregate Nominal Amount: | |
| | (i) Series: | MXN 1,100,000,000 |
| | (ii) Tranche: | MXN 1,100,000,000 |
| 6. | Issue Price of Tranche: | 100 per cent. of the Aggregate Nominal Amount |
| 7. | Specified Denominations: | Each Note is issued with the Specified Denomination of MXN 100,000 per Note |
| 8. | (i) Issue Date: | 8 August, 2007 |
| | (ii) Interest Commencement Date: | 8 August, 2007 |

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| 9. | Maturity Date: | Interest Payment Date falling on or around 20 July, 2022 |
| 10. | Interest Basis: | Fixed Rate |
| 11. | Redemption/Payment Basis: | Redemption at par |
| 12. | Change of Interest Basis or Redemption/
Payment Basis: | Not Applicable |
| 13. | Put/Call Options: | Issuer Call (further particulars specified in item 21) |
| 14. | Status of the Notes: | Unsubordinated |
| 15. | Method of distribution: | Noa-syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 16. | Rxed Rate Note Provisions | Applicable |
| (i) | Rate of Interest: | For each Interest Period in the period from and including the Interest Commencement Date up to but excluding the Maturity Date the Rate of Interest shall be 8.40 per cent. per annum payable semi-annually in arrear |
| (ii) | (A) Interest Period End Dates and Interest Payment Dates: | <p>Date:</p> <p>Wednesday, 6 February, 2008
 Wednesday, 6 August, 2008
 Wednesday, 4 February, 2009
 Wednesday, 5 August, 2009
 Wednesday, 3 February, 2010
 Wednesday, 4 August, 2010
 Wednesday, 2 February, 2011
 Wednesday, 3 August, 2011
 Wednesday, 1 February, 2012
 Wednesday, 1 August, 2012
 Wednesday, 30 January, 2013
 Wednesday, 31 July, 2013
 Wednesday, 29 January, 2014
 Wednesday, 30 July, 2014
 Wednesday, 28 January, 2015
 Wednesday, 29 July, 2015
 Wednesday, 27 January, 2016
 Wednesday, 27 July, 2016
 Wednesday, 25 January, 2017
 Wednesday, 26 July, 2017
 Wednesday, 24 January, 2018
 Wednesday, 25 July, 2018
 Wednesday, 23 January, 2019
 Wednesday, 24 July, 2019</p> |

Wednesday, 22 January, 2020
 Wednesday, 22 July, 2020
 Wednesday, 20 January, 2021
 Wednesday, 21 July, 2021
 Wednesday, 19 January, 2022
 Wednesday, 20 July, 2022

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| (B) | Interest Payment Date(s) (if different from the Interest Period End Date(s)): | Not Applicable |
| (iii) | Fixed Coupon Amount(s): | Not Applicable |
| (iv) | Business Day Convention: | |
| (A) | Interest Period End Date(s): | Modified Following Business Day Convention |
| (B) | Interest Payment Date(s): | Modified Following Business Day Convention |
| (v) | Additional Business Centre(s): | New York, Mexico City, Sydney, London |
| (vi) | Broken Amount(s): | Not Applicable |
| (vii) | Day Count Fraction: | Actual/360 |
| (viii) | Determination Date(s): | Not Applicable |
| (ix) | Other terms relating to the method of calculating interest for Fixed Rate Notes: | None |
| 17. | Floating Rate Note Provisions | Not Applicable |
| 18. | Zero Coupon Note Provisions | Not Applicable |
| 19. | Index Liked Note Provisions | Not Applicable |
| 20. | Dual Currency Note Provisions | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

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| 21. | Issuer Call: | Applicable |
| (i) | Optional Redemption Date(s) | The Issuer may redeem the Notes, in whole but not on each Interest Payment Date from and including 1 August, 2012 to and including 19 January 2022 |
| (ii) | Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): | MXN 100,000 per Note of MXN 100,000 Specified Denomination |
| (iii) | If redeemable in part: | |

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| (a) | Minimum Redemption Amount: | Not Applicable |
| (b) | Higher Redemption Amount: | Not Applicable |
| (iv) | Notice period (if other than as set out in the Conditions): | No less than five (5) Business Days notice prior to the Optional Redemption Date in accordance with Condition 16. |
| 22. | Investor Put: | Not Applicable |
| 23. | Final Redemption Amount of each Note: | MXN 100,000 per Note of MXN 100,000 Specified Denomination |
| 24. | Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6(g)): | Condition 6(g) applies |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 25. | Any applicable Taxing Jurisdiction: | Not Applicable |
| 26. | Form of Notes: | Bearer Notes:
Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event. |
| 27. | Additional Financial Centre(s) or other special provisions relating to Payment Dates: | New York, Mexico City, Sydney, London |
| 28. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | If Definitive Notes are issued before the Interest Payment Date falling in July 2012, Coupons for each Interest Payment Date falling before then will be attached to each Definitive Note together with a Talon maturing on the Interest Payment Date falling in July 2012 for which the remaining Coupons may be exchanged. |
| 29. | Details relating to Partly-Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable |
| 30. | Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: | Not Applicable |
| 31. | Redenomination applicable: | Redenomination not applicable |

33. Other final terms:

If, at the time any payment of principal, premium, interest and/or additional or other amounts, if any, in respect of the Notes is due (each a "**Required Payment**"), the Specified Currency is no longer (i) used by the United Mexican States for the payment of public and private debts or (ii) used for settlement of transactions by public institutions in the United Mexican States or within the international banking community, or (iii) expected to be available, when any Required Payment is due as a result of circumstances beyond the control of the Issuer, the Issuer shall be entitled to satisfy its obligations in respect of such Required Payment by making such Required Payment in U.S. Dollars (the "**Alternative Payment Amount**"), on the basis of the USD/MXN bid-spot foreign exchange rate (expressed as the number of U.S. Dollars (or part thereof) as at 12.30 p.m. (New York time) on the second Business Day prior to the relevant date of payment, for which one MXN could be purchased as quoted on Reuters screen <MXN=D2> (or its successor page for the purpose of displaying such rates) or, if such rate is not available on such second Business Day, on the basis of the rate most recently available prior to such second Business Day. Any payment made under such circumstances in U.S. Dollars, will constitute valid payment, and will not constitute a default in respect of this Note. The Issuer's communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained by the Issuer hereunder shall be at its sole discretion and shall (in the absence of manifest error, wilful default or bad faith) be conclusive for all purposes and binding on the Issuer, the Paying Agents, and the holders of the Notes or Coupons. By acceptance thereof, purchasers of the Notes will be deemed to have acknowledged and agreed and to have waived any and all actual or potential conflicts of interest that may arise as a result of the calculation of the Alternative Payment Amount by the Issuer.

DISTRIBUTION

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| 33. | (i) | If syndicated, names and addresses of Managers and underwriting commitments: | Not Applicable |
| | (ii) | Dale of Syndication Agreement: | Not Applicable |
| | (iii) | Stabilising Dealer (if any): | Merrill Lynch International |
| 34. | | If non-syndicated, name and address of relevant Dealer: | Merrill Lynch International
Merrill Lynch Financial Centre
2 King Edward Street
London, EC1A 1HQ |
| 35. | | Total commission and concession: | Not Applicable |
| 36. | | Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: | TEFRA D |
| 37. | | Additional selling restrictions: | Mexico |

The Notes have not been registered in the Mexican National Securities Registry (*Registro Nacional de Valores*), and therefore they are not the subject of a public offer in Mexico. Intermediation of the Notes in Mexico is subject to the restrictions of the Mexican Securities Market Law. Any investor of Mexican Nationality that purchases these Notes, will do so under its own responsibility.

The information contained in this Final Terms is the exclusive responsibility of the Issuer (other than the information relating to the Issuer's ratings as published by Moody's and Standard & Poor's) and has not been reviewed by the national banking and securities commission of Mexico (*Comisión Nacional Bancaria y de Valores*).

LISTING AND ADMISSION TO TRADING APPLICATION

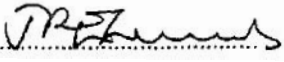
These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the U.S.\$50,000,000,000 Euro Medium Term Note Programme of Commonwealth Bank of Australia and ASB Bank Limited.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from the information published by Moody's Investors Service (Moody's) and Standard & Poor's Rating Services, a

division of McGraw-Hill Companies, Inc. (S&P), no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By:.....

Duly authorised

Part B – Other Information

1. LISTING

(i) Listing: The Notes will be listed on the official list of the UK Listing Authority and admitted to trading by the London Stock Exchange's Gilt Edged and Fixed Interest Market.

Application has also been made to list the Notes in the Mexican Stock Exchange (*Bolsa Mexicana de Valores, S.A. de C.V.*) under the International Quotation System (*Sistema Internacional de Cotizaciones*)

(ii) Admission to trading: Application has been made for the Notes to be admitted to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market with effect from the Issue Date.

An application for listing the Notes on the International Quotation System (*Sistema Internacional de Cotizaciones*) has been filed with the Mexican Stock Exchange (*Bolsa Mexicana de Valores, S.A. de C.V.*). There can be no assurance that any such listing will be granted or maintained.

2. RATINGS

Ratings:

The Notes to be issued have been rated:

S & P: AA

Moody's: Aa1

S&P AA ratings explanation: An obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong. The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Moody's: Obligations rated "Aa" are judged to be of high quality and are subject to very low credit risk. Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

The information regarding ratings above has been extracted from the websites of S&P and Moody's, as applicable. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Moody's Investors Service and Standard & Poor's, no fact has been omitted which would render the reproduced information inaccurate or misleading.

3. NOTIFICATION

Not Applicable

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Manager, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

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| (i) | Reasons for the offer | See "Use of Proceeds" in the Base Prospectus |
| (ii) | Estimated net proceeds: | MXN 1,100,000,000 |
| (iii) | Estimated total expenses: | U.S.\$4,025 in respect of the listing of the Notes on the Bolsa Mexicana de Valores, under the Sistema Internacional de Cotizaciones (SIC). |

6. YIELD (*Fixed Rate Notes Only*)

Indication of yield: 8.40 per cent. per annum

7. OPERATIONAL INFORMATION

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| (i) | ISIN Code: | XS0315529239 |
| (ii) | Common Code: | 031552923 |
| (iii) | Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): | S.D. Inveval Institución para el Depósito de Valores, S.A. de C.V |
| (iv) | Delivery: | Delivery against payment |
| (v) | Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |