

FINAL TERMS

31 July, 2006

Commonwealth Bank of Australia

Issue of MXN 1,000,000,000 Step-up Fixed Rate Notes due December, 2015 under the U.S.\$35,000,000,000 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 14th October, 2005 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: | 2307 |
| | (ii) Tranche Number: | 01 |
| 4. | Specified Currency or Currencies: | Mexican Pesos (MXN) |
| 5. | Aggregate Nominal Amount: | |
| | (i) Series: | MXN 1,000,000,000 |
| | (ii) Tranche: | MXN 1,000,000,000 |
| 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. For so long as the Notes are represented by a Global Note and Euroclear and Clearstream, Luxembourg so permit, the Notes shall be tradeable in minimum nominal amounts of MXN 100,000 and integral multiples of MXN |

1,000 thereafter. If Definitive Notes are required to be issued in the limited circumstances specified in the Permanent Global Note they will only be printed and issued in denominations of MXN 100,000. Accordingly, if Definitive Notes are required to be issued, a Noteholder holding Notes having an original nominal amount which cannot be fully represented by Definitive Notes in the denomination of MXN 100,000 will not be able to receive a Definitive Note in respect of the original nominal amount of the Notes by which the original nominal amount of such holding of Notes exceeds the next lowest integral multiple of MXN 100,000 (the "Excess Amount") and will not be able to receive interest or principal in respect of such Excess Amount. .

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| 8. | (i) Issue Date: | 3 August, 2006 |
| | (ii) Interest Commencement Date: | 3 August, 2006 |
| 9. | Maturity Date: | Interest Payment Date falling in December, 2015 |
| 10. | Interest Basis: | Step-up Fixed Rate (further particulars specified below) |
| 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: | Non-syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 16. | Fixed Rate Note Provisions | Applicable |
| | (i) Rate of Interest: | <p>a) For each Interest Period in the period from and including the Interest Commencement Date to but excluding 23 December, 2010, the Rate of Interest shall be:</p> <p>8.50 per cent. per annum payable semi-annually in arrear</p> <p>b) For each Interest Period in the period from and including 23 December, 2010 to but</p> |

excluding the Maturity Date, the Rate of Interest shall be:

9.50 per cent. per annum payable semi-annually in arrear

- (ii) (A) Interest Period End Dates and Interest Payment Dates:

Date:

Thursday, 28 December, 2006
Thursday, 28 June, 2007
Thursday, 27 December, 2007
Thursday, 26 June, 2008
Thursday, 25 December, 2008
Thursday, 25 June, 2009
Thursday, 24 December, 2009
Thursday, 24 June, 2010
Thursday, 23 December, 2010
Thursday, 23 June, 2011
Thursday, 22 December, 2011
Thursday, 21 June, 2012
Thursday, 20 December, 2012
Thursday, 20 June, 2013
Thursday, 19 December, 2013
Thursday, 19 June, 2014
Thursday, 18 December, 2014
Thursday, 18 June, 2015
Thursday, 17 December, 2015

For the avoidance of doubt there will be an initial short first coupon from and including the Interest Commencement Date to but excluding 28 December, 2006.

- (B) Interest Payment Date(s) (if different from the Interest Period End Date(s)):

Not Applicable

- (iii) Fixed Coupon Amount(s):

a) For each Interest Payment Date from and including 28 June, 2007 up to and including 23 December, 2010 the Fixed Coupon Amount payable shall be:

MXN 42.97 in nominal amount per MXN 1,000 Specified Denomination in nominal amount

b) For each Interest Payment Date from and including 23 December, 2010 up to and including the Maturity Date the Fixed Coupon Amount payable shall be:

MXN 48.03 in nominal amount per MXN 1,000

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| | | Specified Denomination in nominal amount |
| (iv) | Business Day Convention: | |
| | (A) Interest Period End Date(s): | Not Applicable |
| | (B) Interest Payment Date(s): | Modified Following Business Day Convention |
| (v) | Additional Business Centre(s): | New York |
| (vi) | Broken Amount(s): | MXN 34.71 per MXN 1,000 Specified Denomination in nominal amount. |
| (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 Linked 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 in part, on 23 December, 2010 |
| | (ii) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): | MXN 1,000 per Note of MXN 1,000 Specified Denomination |
| | (iii) If redeemable in part: | |
| | (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 1,000 per Note of MXN 1,000 Specified Denomination |
| 24. | Early Redemption Amount of each Note | Condition 6(g) applies. |

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)):

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 25. | Any applicable Taxing Jurisdiction: | Not Applicable |
| 26. | Form of Notes: | <i>Bearer Notes:</i> 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 |
| 28. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | No |
| 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 |
| 32. | 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 government of the Republic of Mexico for the payment of public and private debts or (ii) used for settlement of transactions by public institutions in the Republic of Mexico 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 Mexican Peso 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) Date of Syndication Agreement: | Not Applicable |
| | (ii) 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: | In connection with the distribution of the Notes, the Issuer will pay an aggregate selling commission equal to 0.35 per cent. of the Principal Amount |
| 36. | Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: | TEFRA D |
| 37. | Additional selling restrictions: | Mexico |

The information contained in the 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 S&P)) and has not been reviewed by the national banking and securities commission of Mexico (*Comisión Nacional Bancaria y de Valores*).

The notes have not been registered in the securities section of the Mexican National Securities Registry (*Registro Nacional de Valores*), and therefore they are not the subject of a public offer or being intermediated (within the meaning of the Mexican Securities Market Law) in Mexico. Any investor of Mexican nationality that purchases these notes, will do so under its own responsibility. Notwithstanding the foregoing, authorised broker dealers in Mexico may perform intermediation activities in foreign markets as permitted by article 104 of the Securities Market Law (*Ley del Mercado de Valores*) and the fifth section of the general provisions applicable to broker-dealers (*Disposiciones de Carácter General Aplicables a las Casas de Bolsa*) issued by the National Banking and Securities Commission.


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.\$35,000,000,000 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 Bolsa Mexicana de Valores, under the Sistema Internacional de Cotizaciones (SIC)

(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.

2. RATINGS

Ratings:

The Notes to be issued have been rated:

S & P: AA-

Moody's: Aa3

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 have 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 1,000,000,000 |
| (iii) | Estimated total expenses: | U.S.\$ 17,500 in respect of the listing of the Notes on the Bolsa Mexicana de Valores, under the Sistema Internacional de Cotizaciones (SIC). £100 in respect of the listing of the Notes on the London Stock Exchange's Gilt Edged and Fixed Interest Market. |

6. YIELD (*Fixed Rate Notes Only*)

Indication of yield: 7.90 per cent. per annum

7. OPERATIONAL INFORMATION

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| (i) | ISIN Code: | XS0263481458 |
| (ii) | Common Code: | 026348145 |
| (iii) | Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): | Not Applicable |
| (iv) | Delivery: | Delivery against payment |
| (v) | Names and addresses of additional Paying Agent(s) (if any): | Not Applicable. |