

CommBank Retail Bonds Series I Tranche A

Offer Document

Issuer

Commonwealth Bank of Australia ABN 48 123 123 124

Sole Arranger and Bookrunner

Commonwealth Bank of Australia

Joint Lead Managers

Citigroup Global Markets Australia Pty Limited
Commonwealth Securities Limited
Evans and Partners Pty Ltd
RBS Equity Capital Markets (Australia) Limited

Co-Managers

FIIG Securities Limited
Ord Minnett Limited
Patersons Securities Limited

Date of Offer Document: 18 November 2010

This Offer Document is not a prospectus. CommBank Retail Bonds are debentures for the purposes of the Corporations Act 2001 (Cth) and, under section 708(19), do not require disclosure through a prospectus for their issue.

Investments in CommBank Retail Bonds do not constitute Protected Accounts or deposit liabilities of the Bank under the Banking Act 1959 (Cth).



CommonwealthBank

Important Notice

Offer Document

This Offer Document relates to the offer by Commonwealth Bank of Australia ABN 48 123 123 124 ("Bank") of CommBank Retail Bonds to raise \$500 million, with the ability to raise more or less ("Offer").

This Offer Document is dated 18 November 2010 and a copy of this Offer Document was lodged with ASX Limited ABN 98 008 624 691 ("ASX") on that date. This Offer Document expires on the day after the Issue Date.

This Offer Document is not a prospectus. CommBank Retail Bonds are debentures for the purposes of the Corporations Act 2001 (Cth) ("Corporations Act") and, under section 708(19) of the Corporations Act, do not require disclosure through a prospectus for their issue. In addition, there is no trustee for CommBank Retail Bonds under Chapter 2L of the Corporations Act. The Australian Securities and Investments Commission ("ASIC") and ASX take no responsibility for the contents of this Offer Document.

This Offer Document does not provide information in relation to the credit ratings of the Bank or CommBank Retail Bonds as the companies which provide ratings in relation to the Bank only hold Australian Financial Services Licences which allow disclosure of this information to certain investors.

Documents relevant to the Offer

The following documents are relevant to the Offer and can be obtained from www.commsec.com.au during the Offer Period or from the Shareholder Centre at www.commbank.com.au following the completion of the Offer Period:

- ▶ the full Terms of CommBank Retail Bonds (see also the Appendix to this Offer Document); and
- ▶ the Deed Poll (see also Section 1.7).

In addition to reading this Offer Document in full, it is important that you read these documents in full before deciding to invest in CommBank Retail Bonds.

Status of CommBank Retail Bonds

CommBank Retail Bonds are interest bearing, unsubordinated* and unsecured bonds, issued by the Bank.

Investments in CommBank Retail Bonds are not Protected Accounts, are not subject to the depositor protection provisions of the Banking

Act nor are they deposit liabilities of the Bank under the Banking Act. Therefore, CommBank Retail Bonds are not guaranteed or insured by any government, government agency or compensation scheme of Australia or any other jurisdiction.

Investment products such as CommBank Retail Bonds are subject to risks which could affect their performance, including loss of investment and income. The Bank does not guarantee the market price of CommBank Retail Bonds and/or any particular rate of return.

Information about the key risks of investing in CommBank Retail Bonds is detailed in Section 3 "Key Risks of CommBank Retail Bonds".

No representations other than in this Offer Document

No person is authorised to provide any information or to make any representation in connection with the Offer that is not contained in this Offer Document. Any information or representation not contained in this Offer Document may not be relied upon as having been authorised by the Bank.

Offer Document does not provide investment advice

The information provided in this Offer Document is not investment advice and has been prepared without taking into account your investment objectives, financial situation or particular needs (including financial and taxation issues). It is important that you read this Offer Document in full before deciding to invest in CommBank Retail Bonds and consider the risks that could affect the performance of CommBank Retail Bonds.

If you have any questions, you should seek advice from your financial adviser or other professional adviser before deciding to invest in CommBank Retail Bonds.

Obtaining an Offer Document and Application Form

Paper copies of this Offer Document and an Application Form can be obtained free of charge during the Offer Period by calling the CommBank Retail Bonds Information Line on 1800 022 440 (Monday to Friday 8.00am – 7.30pm, Sydney time) during the Offer Period.

This Offer Document can also be obtained electronically from www.commsec.com.au. If you access an electronic copy of this Offer Document, the following conditions apply:

- ▶ the Offer Document is available to residents of Australia accessing and downloading, or printing, the electronic Offer Document in Australia;
- ▶ you must access and download the electronic Offer Document in full; and
- ▶ your Application will only be valid where you have completed an Application Form that was attached to, or accompanied, the electronic Offer Document or by completing the online Application Form on www.commsec.com.au. By lodging an Application, you declare that you were given access to the electronic Offer Document together with the Application Form.

Restrictions on foreign jurisdictions

The distribution of this Offer Document, and the offer or sale of CommBank Retail Bonds, may be restricted by law in certain jurisdictions. Persons who receive this Offer Document outside Australia must inform themselves about and observe all such restrictions. Nothing in this Offer Document is to be construed as authorising its distribution, or the offer or sale of CommBank Retail Bonds, in any jurisdiction other than Australia and the Bank does not accept any liability in that regard.

Further, CommBank Retail Bonds may not be offered or sold, directly or indirectly, and neither this Offer Document nor any other offering material may be distributed or published, in any jurisdiction except under circumstances that will result in compliance with any applicable law or regulations.

Restrictions applying to US Persons are outlined in Section 5.4.5 "US Persons".

Defined words and expressions

Some words and expressions used in this Offer Document have defined meanings. These words and expressions are capitalised and are defined in Section 6 "Glossary".

A reference to \$ or cents in this Offer Document is a reference to Australian currency. A reference to time in this Offer Document is a reference to Sydney, New South Wales, Australia time.

If you have any questions about CommBank Retail Bonds or the Offer, you should seek advice from your financial adviser or other professional adviser. You can also call the CommBank Retail Bonds Information Line on 1800 022 440 (Monday to Friday 8.00am – 7.30pm, Sydney time) during the Offer Period.

* However, holders of CommBank Retail Bonds rank behind any creditors preferred by law and any secured creditors. See Section 1.6 "Ranking".

ASIC guide for retail investors

ASIC has published a guide for retail investors who are considering investing in bonds, such as CommBank Retail Bonds, called “Investing in corporate bonds?” (the “ASIC Guide”). A free copy of the ASIC Guide can be obtained from ASIC’s website at www.fido.asic.gov.au/corporate-bonds or by calling ASIC on 1300 300 630.

A free copy of the ASIC Guide can also be obtained from www.comsec.com.au during the Offer Period and from the Shareholder Centre at www.commbank.com.au following the completion of the Offer Period.

What is different about the Bank

The Bank is an Authorised Deposit-taking Institution (“ADI”) and is subject to different external and internal regulatory and reporting regimes compared with the majority of other potential corporate bond issuers. Accordingly, some of the information that the ASIC Guide directs you to look for when you are considering buying bonds may not be relevant and you will not find this information in this Offer Document nor will the information be available after the Issue Date. For example:

- ▶ the ASIC Guide suggests you read the prospectus. As an ADI, the offer of CommBank Retail Bonds does not require disclosure through a prospectus. Notwithstanding this, we have prepared this Offer Document to provide potential investors with information about the Bank and CommBank Retail Bonds that you should consider when making a decision to invest;
- ▶ the ASIC Guide identifies several financial ratios that may assist you to work out a company’s financial capacity to pay interest and repay the face value at maturity. The Bank does not calculate all of these ratios as they would not provide meaningful assistance given the nature of the Bank’s business which is different to companies outside the financial services industry. Nevertheless, there are several ratios the Bank calculates that may assist your investment decision. These are outlined in Section 2.3.4 “Relevant financial ratios”; and
- ▶ the ASIC Guide suggests many companies will put information on bonds they have issued on their website. Following the completion of the Offer, the Bank will continue to lodge half-yearly and annual financial reports with ASIC and ASX which can be obtained from, or inspected at, an ASIC office and can also be obtained from www.asx.com.au. This is consistent with the Bank’s regular reporting requirements. These documents will also be available from the Shareholder Centre at www.commbank.com.au. However, the Bank will not report quarterly information about CommBank Retail Bonds to a trustee (as there is no trustee for CommBank Retail Bonds) or to ASIC.

Further information about the Bank and CommBank Retail Bonds

The Bank is a disclosing entity for the purposes of the Corporations Act and, as a result, is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. In addition, the Bank must notify ASX immediately (subject to certain exceptions) if it becomes aware of information about the Bank that a reasonable person would expect to have a material effect on the price or value of its securities, including CommBank Retail Bonds.

Copies of documents lodged with ASIC can be obtained from, or inspected at, an ASIC office. Copies of documents lodged with ASX can be obtained from www.asx.com.au.

In addition, the following information can be obtained from www.comsec.com.au during the Offer Period or from the Shareholder Centre at www.commbank.com.au following the completion of the Offer Period:

- ▶ half-yearly and annual financial reports, including the Commonwealth Bank Annual Report 2010;
- ▶ continuous disclosure notices lodged with ASX; and
- ▶ other general information provided to investors in the Bank’s Ordinary Shares, PERLS III, PERLS IV and PERLS V.

Email notification of certain new information

If you wish to receive an email when the Bank announces or publishes certain new information about itself, you can register your details with the Registry following the completion of the Offer Period.

Key Dates

Key dates for the Offer

Lodgement of Offer Document with ASX	Thursday, 18 November 2010
Opening Date for the Offer	Thursday, 18 November 2010
Bookbuild	Thursday, 25 November 2010
Closing Date for the Offer	5.00pm (Sydney time) Friday, 17 December 2010
Issue Date	Friday, 24 December 2010
Commencement of deferred settlement trading	Friday, 24 December 2010
Despatch of Holding Statements	Thursday, 30 December 2010
Commencement of trading on normal settlement basis	Friday, 31 December 2010

Key dates for CommBank Retail Bonds

First Interest Payment Date ¹	Friday, 15 April 2011
Maturity Date ²	Thursday, 24 December 2015

Notes

- (1) Interest is scheduled to be paid on the quarterly Interest Payment Dates (15 April, 15 July, 15 October and 15 January each year), until the Maturity Date or any earlier redemption date. If any of these scheduled dates is not a Business Day, then the Interest Payment Date will be the next Business Day.
- (2) The Maturity Date will be the fifth anniversary of the Issue Date. The above date assumes the Issue Date will be 24 December 2010.

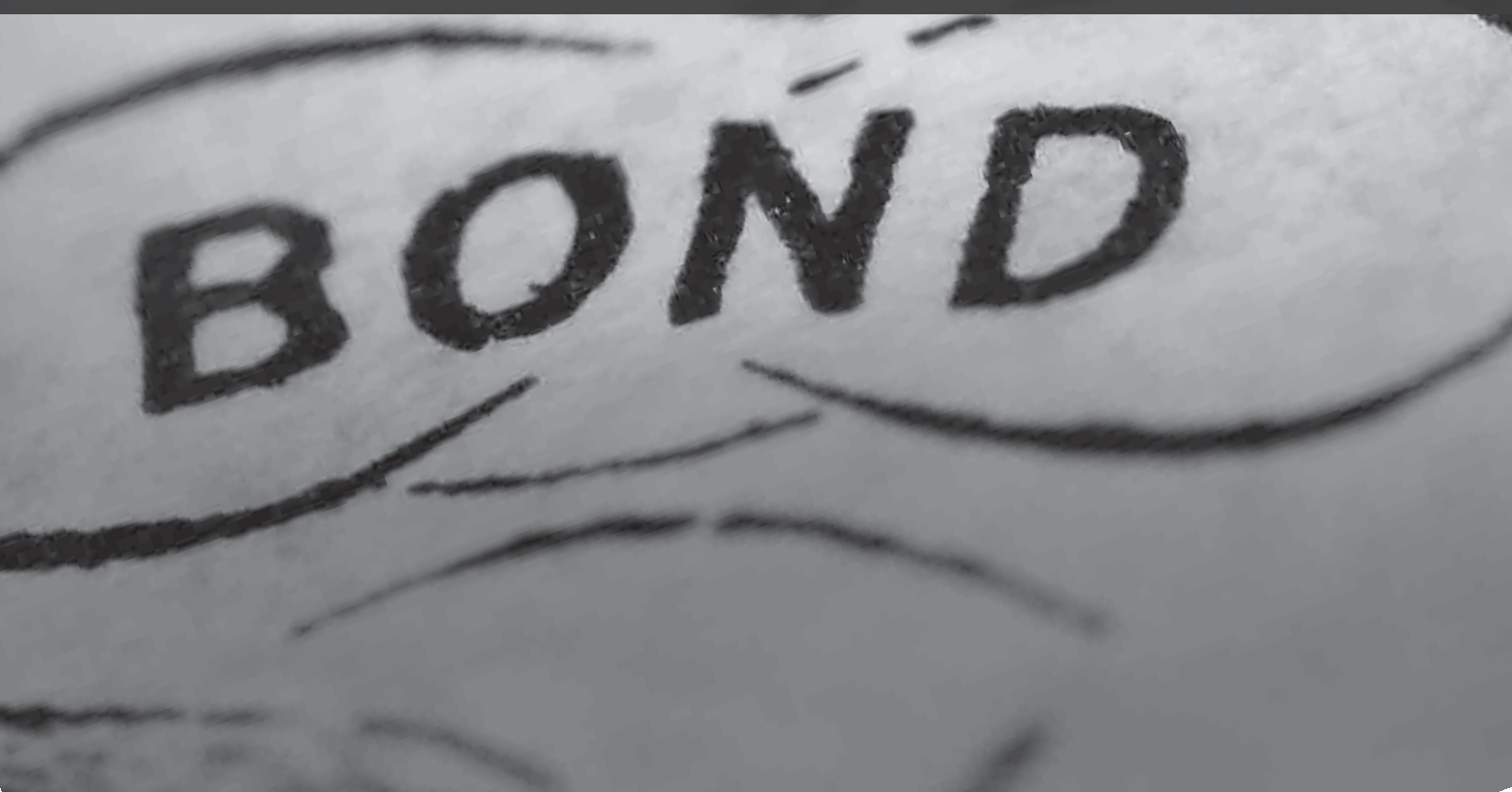
Dates may change

The key dates for the Offer are indicative only and subject to change without notice. The Bank may, in consultation with the Arranger and Joint Lead Managers, vary the timetable, including to close the Offer early; close the Securityholder and Customer Offer early; extend the Closing Date; or to withdraw the Offer at any time prior to Issue. If any of the dates are changed, subsequent dates may also change. You are encouraged to lodge your Application as soon as possible after the Opening Date.



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Section 1

Summary of CommBank Retail Bonds



CommonwealthBank

The following is a summary of the Terms of CommBank Retail Bonds. The full Terms are contained in the Appendix. Rights and liabilities attaching to CommBank Retail Bonds may also arise under the Corporations Act, the Listing Rules and other applicable laws.

As this is only a summary, it is important that you read this Offer Document, the Terms and the Deed Poll in full before deciding to invest in CommBank Retail Bonds. If you have any questions, you should seek advice from your financial adviser or other professional adviser before deciding to invest in CommBank Retail Bonds.

1.1 General

Issuer	Commonwealth Bank of Australia ABN 48 123 123 124 ("Bank")
CommBank Retail Bonds	Interest bearing, unsubordinated* and unsecured bonds, issued by the Bank. Each CommBank Retail Bond is issued on and subject to the provisions of the Deed Poll, which includes the Terms.
Face Value	\$100 per CommBank Retail Bond
Currency	Australian dollars
Term	Five years
Maturity Date	Fifth anniversary of the Issue Date. Assuming the Issue Date is 24 December 2010, the Maturity Date will be 24 December 2015.
Key benefits of CommBank Retail Bonds	<ul style="list-style-type: none"> › Issued by the Bank › Term of five years › Floating interest rate equal to the sum of the Bank Bill Rate plus the Margin › Fixed Margin of 1.05% per annum › Interest paid quarterly in arrears › Interest paid as 100% cash › Interest is not deferrable by the Bank nor are payments discretionary › Rank equally with all other unsubordinated and unsecured creditors of the Bank. However, CommBank Retail Bonds rank behind any creditors preferred by law (including holders of Protected Accounts) and any secured creditors. They rank ahead of all holders of Ordinary Shares, and subordinated creditors including holders of PERLS IV and PERLS V › CommBank Retail Bonds may be sold on ASX prior to maturity › Minimum Application of 50 CommBank Retail Bonds (\$5,000) and thereafter in multiples of 10 CommBank Retail Bonds (\$1,000) › Provide investors an opportunity to diversify their investment portfolio
Key risks of CommBank Retail Bonds	<p>You should read Section 3 "Key Risks of CommBank Retail Bonds" in full before deciding to invest. The key risks outlined in that section include:</p> <ul style="list-style-type: none"> › Investments in CommBank Retail Bonds are unsecured and not Protected Accounts or deposit liabilities of the Bank under the Banking Act › Market price of CommBank Retail Bonds may fluctuate › Holders do not have a right to request that their CommBank Retail Bonds be redeemed early › Liquidity of CommBank Retail Bonds may be low › Interest Rate will fluctuate › The Bank may default on payment of Face Value or Interest › The Bank may redeem CommBank Retail Bonds if a Tax Event occurs › The Bank may raise more debt than it currently has and issue further securities (including further Series of CommBank Retail Bonds) which may rank equally with or ahead of CommBank Retail Bonds and whether or not secured › The Bank may be adversely affected by disruptions to global markets

*However, holders of CommBank Retail Bonds rank behind any creditors preferred by law and any secured creditors. See Section 1.6 "Ranking".

Section 1

Summary of CommBank Retail Bonds

Differences between savings accounts, term deposits and CommBank Retail Bonds	There are differences between savings accounts, term deposits and CommBank Retail Bonds. You should consider these differences in the light of your investment objectives, financial situation and particular needs (including financial and taxation issues) before deciding to invest in CommBank Retail Bonds.			
		Savings account	Term deposit	CommBank Retail Bonds
	Issuer	Bank, credit union or building society	Bank, credit union or building society	Commonwealth Bank of Australia
	Protection under the Australian government Financial Claims Scheme¹	Yes	Yes	No
	Term	At call	One month to five years	Five years
	Interest rate	Variable	Fixed	Floating
	Interest payment dates	Monthly	End of term (or per annum)	Quarterly
	Transferable	N/A	No ²	Yes – quoted on ASX
	Ranking	See Section 1.6 “Ranking”		
Notes (1) Currently up to an amount of \$1 million. (2) Can be withdrawn subject to conditions.				

1.2 Offer

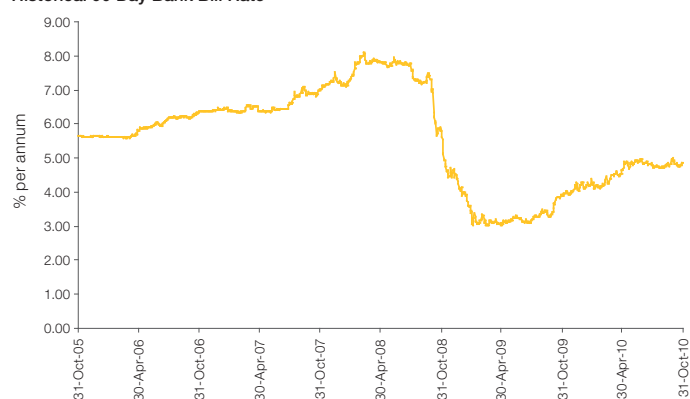
Offer size	\$500 million, with the ability to raise more or less
Use of proceeds	The net proceeds of the Offer will be used for general corporate purposes
Offer structure	The Offer comprises: <ul style="list-style-type: none">› Broker Firm Offer;› Securityholder and Customer Offer; and› General Offer. Information about the different types of offer and how to apply is provided in Section 5 “How to Apply”
Minimum Application	50 CommBank Retail Bonds (\$5,000) and thereafter in multiples of 10 CommBank Retail Bonds (\$1,000)

1.3 Interest

Interest Rate

- (i) For the first Interest Period beginning on the Issue Date and ending on the day before the first Interest Payment Date, the Interest Rate will be the higher of 6.00% per annum and the rate calculated in (ii) below.
- (ii) For all other Interest Periods, the Interest Rate is equal to the sum of the Bank Bill Rate on the first day of the Interest Period plus the Margin.
- The Bank Bill Rate is set on the first Business Day of each Interest Period.
- The Margin is fixed at 1.05% per annum until the Maturity Date.
- The Bank Bill Rate is the primary benchmark interest rate for the Australian money market. It is based on an average of rates at which major Australian financial institutions lend short-term cash to each other over a 90 day period. It changes to reflect supply and demand in the cash and currency markets.

Historical 90 Day Bank Bill Rate



Source: Bloomberg, 31 October 2005 – 31 October 2010.

Note: This chart shows historical movements in the Bank Bill Rate. Past levels are not necessarily indicative of future levels.

Calculation of Interest

Interest payable on each CommBank Retail Bond for each Interest Period is calculated using the following formula:

$$\text{Payment} = \text{Face Value} \times \text{Interest Rate} \times \text{Number of days in the Interest Period} / 365$$

For example, if the Bank Bill Rate was 5.0000% per annum and the Interest Period was 90 days in length, the Interest for the relevant Interest Period would be calculated as follows:

$$\$100 \times 6.0500\% \times 90 / 365 = \$1.4918 \text{ per CommBank Retail Bond}$$

The Bank will announce to ASX the applicable Interest Rate and the amount of Interest payable for each Interest Period. This announcement will be made not later than the Business Day after the first day of each Interest Period (beginning with an announcement on the Issue Date).

Information about the Interest Rate can also be obtained from the Shareholder Centre at www.commbank.com.au following the completion of the Offer Period.

Section 1

Summary of CommBank Retail Bonds

Interest Payment Dates	<p>Interest will be paid quarterly in arrears on the following dates each year as well as on the Maturity Date, or any earlier redemption date:</p> <ul style="list-style-type: none">› 15 April› 15 July› 15 October› 15 January <p>If any of these scheduled dates is not a Business Day, then the Interest Payment Date will be the next Business Day and Interest will continue to accrue until that date.</p>
Payments	<p>Interest will be paid to Holders whose details are recorded with the Registry at 7.00pm on the Record Date, which is currently eight days prior to the relevant Interest Payment Date or as otherwise required by ASX.</p> <p>Payments of Face Value and Interest will be paid by electronic transfer to a bank account in Australia maintained with a financial institution nominated by the Holder.</p> <p>Information about the Australian tax consequences of receiving payments of Interest (including potential withholdings from such payments on account of tax) is in Section 4 “Other Information”.</p>
Interest not deferrable	<p>Interest is not deferrable by the Bank nor are payments discretionary.</p>
No set off	<p>The Bank has no right to set off any amount due and payable to it by you (e.g. a mortgage payment) against any claim by you to be paid the Face Value and Interest. Similarly, you have no right of set off against the Bank.</p>


1.4 Repayment of Face Value

Repayment of Face Value on the Maturity Date	<p>On the Maturity Date, you will receive:</p> <ul style="list-style-type: none">› the Face Value; plus› the final payment of Interest for the period from (and including) the preceding Interest Payment Date to (but excluding) the Maturity Date.
Early redemption rights for the Bank	<p>Prior to the Maturity Date, the Bank has the right to redeem all (but not some only) CommBank Retail Bonds on issue if a Tax Event occurs. The Bank does not have any other early redemption rights.</p> <p>On the redemption date, you will receive:</p> <ul style="list-style-type: none">› the Face Value; plus› a final payment of Interest for the period from (and including) the preceding Interest Payment Date to (but excluding) the redemption date.
No early redemption rights for Holders	<p> Holders do not have a right to request that their CommBank Retail Bonds be redeemed early. To realise your investment, you can sell your CommBank Retail Bonds on ASX at the prevailing market price.</p>

1.5 Event of default

Event of default	<p>An event of default will occur if the Bank:</p> <ul style="list-style-type: none">› fails to pay some or all of the Face Value when due or fails to pay Interest within 14 days of the due date;› does not perform its other obligations under the Deed Poll or the Terms within the specified period;› becomes insolvent; or› is dissolved. <p>If an event of default occurs, Holders may resolve by Ordinary Resolution, at a meeting convened in accordance with the Terms, that the Face Value and accrued but unpaid Interest is due and payable on the next Business Day after the date of the Ordinary Resolution, unless, prior to that date the Bank has remedied all events of default subsisting prior to that date.</p> <p>There is no trustee for CommBank Retail Bonds.</p>
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1.6 Ranking

No security	CommBank Retail Bonds are not secured by any specific assets of the Bank.															
Ranking on insolvency	<p>If the Bank becomes unable to meet its obligations or suspends any payments it is required to make, your claim will rank after the claims of any creditors preferred by law, and any secured creditors.</p> <p>Except for those preferred claims, your claim will rank equally with holders of other CommBank Retail Bonds of your Series, equally with claims of all other unsubordinated and unsecured creditors of the Bank, and ahead of all holders of Ordinary Shares and subordinated creditors including holders of PERLS IV and PERLS V.</p>															
Illustration of ranking on insolvency	<p>Higher ranking</p>  <p>Lower ranking</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="width: 50%; text-align: right;">Examples of existing Bank obligations/securities¹</th> </tr> </thead> <tbody> <tr> <td>Secured debt</td> <td style="text-align: right;">Currently none²</td> </tr> <tr> <td>Liabilities preferred by law</td> <td style="text-align: right;">Liabilities in Australia in relation to Protected Accounts (generally, savings accounts and term deposits) and other liabilities preferred by law including employee entitlements</td> </tr> <tr style="background-color: #fff9c4;"> <td style="text-align: center;">Unsubordinated and unsecured debt</td> <td style="text-align: right;">CommBank Retail Bonds and other unsubordinated and unsecured debt obligations</td> </tr> <tr> <td>Subordinated and unsecured debt</td> <td style="text-align: right;">Subordinated notes</td> </tr> <tr> <td>Subordinated and unsecured preferred securities</td> <td style="text-align: right;">PERLS IV and PERLS V³</td> </tr> <tr> <td>Ordinary shares</td> <td style="text-align: right;">Ordinary Shares</td> </tr> </tbody> </table>		Examples of existing Bank obligations/securities¹	Secured debt	Currently none ²	Liabilities preferred by law	Liabilities in Australia in relation to Protected Accounts (generally, savings accounts and term deposits) and other liabilities preferred by law including employee entitlements	Unsubordinated and unsecured debt	CommBank Retail Bonds and other unsubordinated and unsecured debt obligations	Subordinated and unsecured debt	Subordinated notes	Subordinated and unsecured preferred securities	PERLS IV and PERLS V ³	Ordinary shares	Ordinary Shares
	Examples of existing Bank obligations/securities¹															
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Subordinated and unsecured preferred securities	PERLS IV and PERLS V ³															
Ordinary shares	Ordinary Shares															
<p>Notes</p> <p>(1) This is a simplified capital structure of the Bank and does not include every type of security issued by the Bank.</p> <p>(2) The Bank has not given any mortgage, charge or other security interest over its assets. However, in the ordinary course of its business, certain arrangements may be entered into which are treated as creating a security interest for certain purposes.</p> <p>(3) PERLS III are issued by Preferred Capital Limited rather than the Bank.</p> <p>Information on the financial impact of this ranking for Holders is in Section 2.3.3 “Information about Protected Accounts” and Section 2.3.4 “Relevant financial ratios”.</p>																

1.7 Other

No voting rights for Holders	Holders do not have a right to vote at meetings of Shareholders of the Bank.
Further issues of securities	<p>The Bank has the right to issue additional Series of CommBank Retail Bonds. Each Series may be issued in one or more tranches. New CommBank Retail Bonds in a different Series may or may not be issued on the same terms as CommBank Retail Bonds Offered under this Offer Document.</p> <p>The Bank also has the right to issue other securities that have the same or different dividend, interest or distribution rates; maturities; or terms and conditions to CommBank Retail Bonds and which may rank after, equally with, or ahead of CommBank Retail Bonds and whether or not secured.</p> <p>A holding of CommBank Retail Bonds does not confer any right to participate in further issues of securities by the Bank.</p>
ASX quotation	The Bank has applied for quotation of CommBank Retail Bonds on ASX. It is expected that CommBank Retail Bonds will be quoted under code "CBAHA".
Amendment of Terms	The Bank may, without the consent of Holders, amend the Terms to address or correct any ambiguity or any defective provision which in the reasonable opinion of the Bank does not materially adversely affect Holders. Other amendments may only be made with consent obtained through a properly convened meeting of Holders pursuant to the Deed Poll.
Deed Poll	<p>There is no trustee for CommBank Retail Bonds. Instead, there is a Deed Poll made by the Bank in favour of every person who is from time to time a Holder. The Deed Poll contains:</p> <ul style="list-style-type: none"> › the Bank's unconditional and irrevocable undertaking to repay the Face Value and to pay Interest owing under CommBank Retail Bonds; › an obligation to appoint the Registry; › the Terms; and › provisions for meetings of Holders. <p> Holders will be bound by the terms of the Deed Poll when CommBank Retail Bonds are Issued to them or they purchase CommBank Retail Bonds. The Registry holds the original executed Deed Poll in Sydney on behalf of Holders. Each Holder can enforce the Bank's obligations under the Deed Poll, including the Terms and the provisions for meetings, independently of the Registry and each other.</p> <p> Meetings can be called by the Bank, the Registry or Holders, who together or alone hold 10% or more of the total Face Value of CommBank Retail Bonds of any Series on issue. At least seven days' notice of the meeting must be given to Holders unless all Holders otherwise agree. The meeting provisions provide for, among other things, the approval of resolutions, quorums, adjournments, proxies, voting, minutes and other procedural matters.</p>
Governing law	New South Wales, Australia

If you have any questions about CommBank Retail Bonds or the Offer, you should seek advice from your financial adviser or other professional adviser. You can also call the CommBank Retail Bonds Information Line on 1800 022 440 (Monday to Friday 8.00am – 7.30pm, Sydney time) during the Offer Period.

Section 2

Overview of the Bank



CommonwealthBank

2.1 Profile

The Bank is one of Australia's leading providers of integrated financial services including retail banking, premium banking, business banking, institutional banking, funds management, superannuation, insurance, investment and share broking products and services. The Bank is one of the largest companies listed on ASX and is an ADI regulated by APRA and other regulatory bodies.

The key financial objective of the Bank is to have total shareholder return in the top quartile of its Australian listed peers over each rolling five-year period. Total shareholder return is calculated as the growth in the value of the investment in the Bank's shares, assuming all dividends are reinvested in shares at the point dividends are paid.

The strategic vision of the Bank is to be Australia's finest financial services organisation through excelling in customer service.

The Bank brand is one of the most recognised brands in the Australian financial services industry. Other award-winning brands within the Bank include Colonial First State's wealth management business, Commonwealth Securities Limited (CommSec) online broking service and Bankwest.

2.2 Structure

The principal activities of the Group are carried out by the following segments. The segments are based on the types of products and services provided to customers and are:

› Retail Banking Services

Retail Banking Services includes both the origination of home loans, consumer finance and retail deposit products and the sales and servicing of all retail bank customers.

› Business and Private Banking

Business and Private Banking provides specialised banking services to relationship managed business and agribusiness customers, private banking to high net worth individuals and margin lending and trading through CommSec.

› Institutional Banking and Markets

Institutional Banking and Markets services the Group's major corporate, institutional and government clients, creating customised solutions based on specific needs, industry trends and market conditions. The "Total Capital Solutions" offering includes debt and equity capital raising, financial and commodities risk management and transactional banking capabilities. This segment also has wholesale banking operations in London, Malta, New York, New Zealand, Singapore, Hong Kong, Japan and has recently received regulatory approval for a banking licence in Shanghai.

› Wealth Management

Wealth Management includes the Global Asset Management (including operations in Asia), Platform Administration and Life and General Insurance businesses of the Australian operations.

› New Zealand

New Zealand includes the Banking, Funds Management and Insurance businesses operating in New Zealand, through the ASB Group and Sovereign.

› **Bankwest**

Bank of Western Australia Ltd (Bankwest) is a full service bank active in all domestic market segments, with lending diversified between the business, rural, housing and personal markets, including offering the full range of deposit products. Bankwest also provides specialist services in international banking and project finance.

› **Other**

The Bank conducts retail banking operations in Indonesia, Vietnam and Japan. It has investments in Chinese retail banks, investments in Sino-foreign joint venture life insurance business, the life insurance operations in Indonesia as well as a representative office in India.

2.3 Financial information

The Bank is a disclosing entity for the purposes of the Corporations Act and, as a result, is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules, including an obligation to lodge half-yearly and annual financial reports with ASIC and ASX.

The Bank's most recent financial report was for the full year ended 30 June 2010 ("Commonwealth Bank Annual Report 2010"). For financial information about the Bank, please read the Commonwealth Bank Annual Report 2010. A copy can be obtained from the Shareholder Centre at www.commbank.com.au and from www.asx.com.au.

In addition, the Bank must notify ASX immediately (subject to certain exceptions) if it becomes aware of information about the Bank that a reasonable person would expect to have a material effect on the price or value of its securities. This would include the circumstance where the Bank materially breaches any loan covenants or debt obligations. Copies of documents lodged with ASX since the date of the Commonwealth Bank Annual Report 2010 can also be obtained from the Shareholder Centre at www.commbank.com.au and from www.asx.com.au.

2.3.1 Consolidated Income Statement for the year ended 30 June 2010

	2010 \$m	2009 \$m
Interest income	32,215	31,519
Interest expense	(20,293)	(21,218)
Net interest income	11,922	10,301
Other operating income	4,208	3,914
Net banking operating income	16,130	14,215
Funds management income	1,906	1,618
Investment revenue/(expense)	975	(859)
Claims and policyholder liability (expense)/revenue	(953)	731
Net funds management operating income	1,928	1,490
Premiums from insurance contracts	1,794	1,651
Investment revenue/(expense)	687	(232)
Claims and policyholder liability expense from insurance contracts	(1,251)	(650)
Net insurance operating income	1,230	769
Total net operating income	19,288	16,474
Gain on acquisition of controlled entities	–	983
Impairment expense	(2,379)	(3,048)
Operating expenses	(8,716)	(7,960)
Net profit before income tax	8,193	6,449
Corporate tax expense	(2,383)	(1,860)
Policyholder tax (expense)/benefit	(130)	164
Net profit after income tax	5,680	4,753
Non-controlling interests	(16)	(30)
Net profit attributable to Equity holders of the Bank	5,664	4,723

2.3.2 Consolidated Balance Sheet as at 30 June 2010

	2010 \$m	2009 \$m
Assets		
Cash and liquid assets	10,119	11,340
Receivables due from other financial institutions	10,072	14,421
Assets at fair value through Income Statement:		
Trading	22,851	25,401
Insurance	15,940	17,260
Other	654	1,677
Derivative assets	27,689	26,358
Available for sale investments	32,915	21,504
Loans, bills discounted and other receivables	493,459	466,631
Bank acceptances of customers	11,569	14,728
Property, plant and equipment	2,351	2,472
Investment in associates	1,490	1,047
Intangible assets	9,420	9,245
Deferred tax assets	1,270	1,653
Other assets	6,482	6,070
	646,281	619,807
Assets held for sale	49	565
Total assets	646,330	620,372
Liabilities		
Deposits and other public borrowings	374,663	368,721
Payables due to other financial institutions	12,608	15,109
Liabilities at fair value through Income Statement	15,342	16,596
Derivative liabilities	24,884	32,134
Bank acceptances	11,569	14,728
Current tax liabilities	1,056	883
Deferred tax liabilities	221	168
Other provisions	1,197	1,243
Insurance policy liabilities	14,592	16,056
Debt issues	130,210	101,819
Managed funds units on issue	880	914
Bills payable and other liabilities	10,025	8,520
	597,247	576,891
Loan capital	13,513	12,039
Total liabilities	610,760	588,930
Net assets	35,570	31,442
Shareholders' Equity		
Share capital:		
Ordinary share capital	23,081	21,642
Other equity instruments	939	939
Reserves	1,089	516
Retained profits	9,938	7,825
Shareholders' equity attributable to Equity holders of the Bank	35,047	30,922
Non-controlling interests	523	520
Total Shareholders' equity	35,570	31,442

2.3.3 Information about Protected Accounts

The Bank's customer deposits totalled \$324 billion and accounted for 58% of its total funding as at 30 June 2010. A substantial proportion of customer deposits were held in Protected Accounts. Claims of holders of Protected Accounts rank ahead of claims of Holders of CommBank Retail Bonds.

The remaining 42% of total funding (equivalent to \$235 billion as at 30 June 2010) includes other unsubordinated and subordinated debt that ranks equally with or below CommBank Retail Bonds. These percentages may increase or decrease in the future.

An illustration of the ranking of CommBank Retail Bonds in relation to Protected Accounts and other liabilities preferred by law is provided in Section 1.6 "Ranking".

2.3.4 Relevant financial ratios

The expense to income ratio represents the Group's operating expenses as a percentage of total operating income and was 45.7% as at 30 June 2010. This ratio is a key measure of the Bank's efficiency and may assist you to understand the Bank's financial capacity to pay the Face Value and Interest.

As the Bank is an ADI regulated by APRA and is required to hold capital in line with APRA's prudential guidelines. The Bank calculates various capital ratios. The Tier 1 Capital Ratio and Total Capital Ratio for the Group at 30 June 2010 were 9.15% (\$26.6 billion) and 11.49% (\$33.4 billion) respectively. These percentages may increase or decrease in the future. Both ratios were in excess of the prudential capital requirement. The ratios represent the amount of capital the Group holds as a percentage of its risk weighted assets and is intended to protect the Group's depositors from loss in times of economic stress. Further information on the Group's capital ratios is provided in the Commonwealth Bank Annual Report 2010.

An illustration of the ranking of CommBank Retail Bonds in relation to Tier 1 Capital securities (PERLS IV and PERLS V) and Ordinary Shares is provided in Section 1.6 "Ranking".

2.3.5 Impact of the Offer on the Bank

The net proceeds of the Offer will be used by the Bank for general corporate purposes. The Offer will not have a material impact on the Bank's cash flow.

The following pro forma financial information shows adjustments that would be made to the consolidated Balance Sheet for the year ended 30 June 2010 assuming the Offer was completed and \$500 million of CommBank Retail Bonds were issued on 30 June 2010.

2.3.5 Impact of the Offer on the Bank (continued)

Consolidated pro forma Balance Sheet as at 30 June 2010

	As Reported \$m	Pro forma adjustment \$m	Pro forma \$m
Assets			
Cash and liquid assets	10,119	500	10,619
Receivables due from other financial institutions	10,072		10,072
Assets at fair value through Income Statement:			
Trading	22,851		22,851
Insurance	15,940		15,940
Other	654		654
Derivative assets	27,689		27,689
Available for sale investments	32,915		32,915
Loans, bills discounted and other receivables	493,459		493,459
Bank acceptances of customers	11,569		11,569
Property, plant and equipment	2,351		2,351
Investment in associates	1,490		1,490
Intangible assets	9,420		9,420
Deferred tax assets	1,270		1,270
Other assets	6,482		6,482
	646,281		646,781
Assets held for sale	49		49
Total assets	646,330		646,830
Liabilities			
Deposits and other public borrowings	374,663		374,663
Payables due to other financial institutions	12,608		12,608
Liabilities at fair value through Income Statement	15,342		15,342
Derivative liabilities	24,884		24,884
Bank acceptances	11,569		11,569
Current tax liabilities	1,056		1,056
Deferred tax liabilities	221		221
Other provisions	1,197		1,197
Insurance policy liabilities	14,592		14,592
Debt issues	130,210	500	130,710
Managed funds units on issue	880		880
Bills payable and other liabilities	10,025		10,025
	597,247		597,747
Loan capital	13,513		13,513
Total liabilities	610,760		611,260
Net assets	35,570		35,570
Shareholders' Equity			
Share capital:			
Ordinary Share capital	23,081		23,081
Other equity instruments	939		939
Reserves	1,089		1,089
Retained profits	9,938		9,938
Shareholders' equity attributable to Equity holders of the Bank	35,047		35,047
Non-controlling interests	523		523
Total Shareholders' equity	35,570		35,570

Section 3

Key Risks of CommBank Retail Bonds



CommonwealthBank

3.1 Introduction

There are two types of risks which could affect the performance of CommBank Retail Bonds:

- › risks associated with CommBank Retail Bonds specifically; and
- › risks associated with the Bank's businesses that may affect CommBank Retail Bonds.

Many of these risks are outside the Bank's control.

If you have any questions about these risks, you should seek advice from your financial adviser or other professional adviser before deciding to invest in CommBank Retail Bonds.

3.2 Risks associated with CommBank Retail Bonds specifically

3.2.1 Investments in CommBank Retail Bonds are not Protected Accounts or deposit liabilities of the Bank under the Banking Act

Investments in CommBank Retail Bonds are not Protected Accounts, are not subject to the depositor protection provisions of the Banking Act nor are they deposit liabilities of the Bank under the Banking Act. Therefore, CommBank Retail Bonds are not guaranteed or insured by any government, government agency or compensation scheme of Australia or any other jurisdiction.

CommBank Retail Bonds are unsubordinated* and unsecured obligations of the Bank.

3.2.2 The market price of CommBank Retail Bonds may fluctuate

The Bank has applied for quotation of CommBank Retail Bonds on ASX. The market price of CommBank Retail Bonds on ASX may fluctuate due to various factors, including:

- › changes in Australian and international economic conditions, interest rates, credit margins, inflation rates and foreign exchange rates;
- › the performance or financial position of the Bank;
- › movements in the market price of equity and/or other debt issued by the Bank or by other issuers;
- › changes in investor perceptions and sentiment in relation to the Bank or the financial services industry; and
- › other major Australian and international events such as hostilities and tensions, and acts of terrorism.

It is possible that CommBank Retail Bonds may trade at a market price below the Face Value and that the market price of CommBank Retail Bonds may be more sensitive than that of Ordinary Shares to changes in interest rates, credit margins and other market prices.

If CommBank Retail Bonds trade at a market price below the amount at which you acquired them, there is a risk that if you sell them prior to the Maturity Date, you may lose some of the money you invested.

The Bank does not guarantee the market price of CommBank Retail Bonds.

3.2.3 Holders do not have a right to request that their CommBank Retail Bonds be redeemed early

To realise your investment, you can sell your CommBank Retail Bonds on ASX at the prevailing market price but, depending on market conditions at the time, it is possible that CommBank Retail Bonds may be trading at a market price below the Face Value and/or the market for CommBank Retail Bonds may not be liquid.

* However, holders of CommBank Retail Bonds rank behind any creditors preferred by law and any secured creditors. See Section 1.6 "Ranking".

3.2.4 The liquidity of CommBank Retail Bonds may be low

The market for CommBank Retail Bonds may not be liquid and may be less liquid than that of Ordinary Shares.

If liquidity is low, there is a risk that, if you wish to sell them prior to the Maturity Date, you may not be able to do so at an acceptable price, or at all.

3.2.5 The Interest Rate will fluctuate

The Interest Rate is a floating rate, equal to the sum of the Bank Bill Rate plus the fixed Margin. The Bank Bill Rate will fluctuate and therefore the Interest Rate will fluctuate. Over the term of CommBank Retail Bonds, the Interest Rate may be lower or higher than the initial Interest Rate on the Issue Date.

If the Interest Rate decreases, there is a risk that the return on CommBank Retail Bonds may become less attractive compared to returns on other investments, including investments which carry fixed interest rates.

The Bank does not guarantee any particular rate of return on CommBank Retail Bonds.

3.2.6 The Bank may default on payment of Face Value or Interest

Depending upon its performance and financial position, the Bank may default on payment of some or all of the Face Value or Interest on CommBank Retail Bonds.

If the Bank does not pay some or all of the Face Value, this means that you may lose some or all of the money you invested in CommBank Retail Bonds.

If an event of default occurs, Holders may resolve by Ordinary Resolution, at a meeting convened in accordance with the Terms, that the Face Value and accrued but unpaid Interest is due and payable on the next Business Day after the date of the Ordinary Resolution, unless, prior to that date the Bank has remedied all events of default subsisting prior to that date.

3.2.7 Holders of CommBank Retail Bonds are unsecured creditors

If the Bank becomes unable to meet its obligations or suspends any payments it is required to make, your claim will rank after the claims of any creditors preferred by law, and any secured creditors.

Except for those preferred claims, your claim will rank equally with Holders of other CommBank Retail Bonds of your Series, equally with claims of all other unsubordinated and unsecured creditors of the Bank, and ahead of all holders of Ordinary Shares and subordinated creditors including holders of PERLS IV and PERLS V.

If, after the claims of creditors preferred by law and secured creditors are satisfied, there are insufficient assets, there is a risk that you may lose some or all of the money you invested in CommBank Retail Bonds.

3.2.8 The Bank may redeem CommBank Retail Bonds if a Tax Event occurs

The Bank has the right to redeem CommBank Retail Bonds if a Tax Event occurs.

Depending on market conditions at the time, you may not be able to reinvest the amount you receive on redemption at a similar rate of return to the rate of return you expected on your CommBank Retail Bonds if you had held them until the Maturity Date.

3.2.9 The Bank may issue further securities

The Bank has the right to issue further securities (including additional Series of CommBank Retail Bonds) that:

- › have the same or different dividend, interest or distribution rates as CommBank Retail Bonds;
- › have the same or different maturities as CommBank Retail Bonds;
- › have the same or different terms and conditions as CommBank Retail Bonds; and

- › rank for payment of the principal or interest (including on an insolvency of the Bank) after, equally with, or ahead of CommBank Retail Bonds and whether or not secured.

A holding of CommBank Retail Bonds does not confer any right to participate in further issues of securities by the Bank, whether equity, debt or some other security. In addition, other entities in the Group may issue securities with the same or different dividend, interest or distribution rates; maturities; or terms and conditions to CommBank Retail Bonds.

It is difficult to anticipate the effect, if any, such further issues of securities by the Bank or other Group entities may have on the market price or liquidity of CommBank Retail Bonds.

3.3 Risks associated with the Bank's businesses that may affect CommBank Retail Bonds

3.3.1 The Bank may be adversely affected by disruptions to global markets

Global equity and debt markets, particularly in the United States and Europe, have experienced extreme volatility and disruption for more than three years. This has resulted in volatility in interest rates, credit margins, inflation rates and foreign exchange rates, and markets have been less liquid.

As a diversified financial institution, the Bank may be affected in a number of ways. The Bank's businesses operate in, or depend on the operation of, these markets, either directly or indirectly, including through exposures in securities, loans, derivatives and other activities (including risk management activities). The Bank's insurance and wealth management businesses invest their assets in the financial markets. In addition, disruption in the financial markets has flowed into the real economy, slowing or contracting major global economies, and adversely affecting the Bank's opportunities for business and growth.

The Bank's ability to raise capital and funding at an acceptable price, or at all, may be affected. This may adversely affect its costs, performance, financial position and financial flexibility. It may affect its ability to repay debt and access capital and funding for growth.

The Bank monitors economic, market, industry and company specific developments. However, it is difficult to predict how long these conditions will persist and which economies, markets, industries and companies will be affected.

3.3.2 The Bank may be adversely affected by a downturn in the Australian economy

A significant proportion of the Bank's business is related to Australia. A material downturn in the Australian economy may increase loan defaults, decrease the value of security held (such as real estate assets) and adversely affect the Bank's opportunities for business and growth.

The Bank monitors international, market, industry and company specific developments which may affect the Australian economy and adjusts its businesses to reflect current and expected conditions. However, it is difficult to predict every development that may affect the Australian economy, particularly international developments.

3.3.3 The Bank may incur losses associated with counterparty exposures

The Bank enters into transactions with a number of counterparties. These counterparties may default on their obligations to the Bank due to insolvency, illiquid markets, foreign exchange controls, operational failure or other reasons. This may cause the Bank to incur losses.

The Bank monitors economic, market, industry and company specific developments which may affect those counterparties and adjusts its exposures to those counterparties as necessary. However, it is difficult to predict every development that may affect a counterparty.

3.3.4 The Bank is subject to extensive regulation, which may adversely affect its performance or financial position

The Bank's businesses are subject to extensive regulation by Australian regulators and regulators in other jurisdictions in which the Bank conducts business, particularly relating to capital levels, liquidity levels, provisioning, and insurance policy terms and

conditions. The Basel Committee on Banking Supervision and APRA are currently reviewing the levels of capital and liquidity that they require banks to hold. In addition, APRA is currently reviewing the application of capital standards to general and life insurers and to conglomerate groups which hold banking, insurance and wealth management businesses (such as the Bank).

APRA has very wide powers under the Banking Act, including in limited circumstances to direct ADIs, including the Bank, not to make payments.

The Bank's businesses and performance are also affected by the fiscal or other policies (including taxation) that are adopted by the Australian government and governments in other jurisdictions in which the Bank conducts business.

Any change in regulation or policy may adversely affect the performance or financial position of the Bank, either on a short-term or long-term basis.

3.3.5 The Bank is subject to operational risks and may incur losses

The Bank's businesses are highly dependent on its ability to process and monitor a very large number of transactions, many of which are complex, across numerous and diverse markets and in many currencies, on a daily basis. The Bank's financial, accounting, data processing or other operating systems and facilities may fail to operate properly or become disabled as a result of events that are wholly or partly outside the Bank's control. This may cause the Bank to incur losses.

In addition, the Bank is exposed to the risk of loss resulting from product complexity and pricing risk; client suitability and servicing risk; incorrect evaluating, recording or accounting for transactions; human error; breaches of the Bank's internal policies and regulations; breaches of security; theft and fraud; and improper business practices.

The Bank employs a range of risk monitoring and risk mitigation techniques. However, those techniques and the judgements that accompany their use cannot anticipate every risk and outcome or timing of such outcome.

3.3.6 The Bank is subject to intense competition, which may adversely affect its performance

The Bank faces intense competition in all of its businesses and jurisdictions in which it conducts business. This may affect profit margins, make businesses unsustainable and adversely affect its performance and opportunities for growth.

3.3.7 The Bank may be adversely affected by harm to its reputation

The Bank frequently manages issues relating to legal and regulatory requirements, sales and trading practices, potential conflicts of interest, money laundering laws, foreign exchange controls, trade sanctions laws, privacy laws, ethical issues and conduct by companies in which the Bank holds strategic investments, which may cause harm to its reputation among customers and investors.

In addition, failure to address these issues appropriately could also give rise to additional legal risk, subject the Bank to legal and regulatory enforcement actions, and fines and penalties.

3.3.8 Acquisitions of other businesses by the Bank may adversely affect its performance and financial position

From time to time, the Bank evaluates and undertakes acquisitions of other businesses. With each acquisition, there is a risk that the Bank may not achieve expected synergies from the acquisition as a result of difficulties in integrating systems and processes, may not achieve expected cost savings or otherwise incur losses. This may adversely affect its performance and financial position.

In addition, there is a risk that the Bank may experience disruptions to its existing businesses resulting from difficulties in integrating the systems and processes of the acquired business, and may lose customers and market share. Multiple acquisitions at the same time may exacerbate these risks.

The Bank employs a range of acquisition evaluation, risk monitoring and risk mitigation techniques. However, those techniques and the judgements that accompany their use cannot anticipate every risk and outcome or timing of such outcome.

Section 4

Other Information



CommonwealthBank

4.1 No material breaches of loan covenants or debt obligations

The Bank has not materially breached any loan covenants or capital market debt obligations in the two years prior to the date of this Offer Document.

4.2 Summary of Australian tax consequences for Holders

The following is a summary of the Australian tax consequences under the Tax Act for Australian resident Holders, and certain non-Australian resident Holders, who hold CommBank Retail Bonds on capital account.

This summary is not exhaustive and you should seek advice from your financial adviser or other professional adviser before deciding to invest in CommBank Retail Bonds. In particular, this summary does not deal with the position of Holders who hold CommBank Retail Bonds as assets used in carrying on a business of share trading, banking or investment or who otherwise hold CommBank Retail Bonds on revenue account.

This summary is not intended to be, nor should it be construed as being, investment, legal or tax advice to any particular Holder.

This summary is based on Australian tax laws and regulations, interpretations of such laws and regulations, and administrative practice as at the date of this Offer Document.

4.2.1 Interest

(a) Australian resident Holders

Australian resident Holders will be required to include any Interest they receive in their assessable income each year.

Whether these amounts should be recognised as assessable income on a cash receipts or accruals basis will depend on the individual circumstances of the Holder.

In May 2010, the Australian government announced that, to encourage personal savings, it would provide investors who are individuals with a 50% tax discount on up to \$1,000 of interest income earned on savings products including bonds. A further announcement was made by the Australian government on 9 November 2010 that the discount is to apply from 1 July 2012 and, for the first 12 months of operation, will only apply on up to \$500 of interest income. The legislation supporting this discount has not yet been enacted but, based on the government's announcements, Holders who are individuals may be entitled to claim the discount on Interest they receive on their CommBank Retail Bonds.

(b) Non-Australian resident Holders

Non-Australian resident Holders will generally be subject to Australian interest withholding tax at the rate of 10% on any Interest they receive. Australian interest withholding tax is a final tax and non-Australian resident Holders should not be subject to any other Australian tax such as income tax.

The Bank intends to issue CommBank Retail Bonds in a manner which will satisfy the requirements of section 128F of the Tax Act. If the Bank satisfies the requirements of section 128F, then payments of Interest will be exempt from Australian interest withholding tax. In such circumstances, non-Australian resident Holders (that are not "offshore associates" of the Bank) should not be subject to interest withholding tax and should not be subject to any other tax such as income tax in Australia.

4.2.2 Disposal of CommBank Retail Bonds

(a) Australian resident Holders

CommBank Retail Bonds are likely to be "traditional securities" for the purposes of the Tax Act. Therefore, on the disposal (including redemption) of their CommBank Retail Bonds, Australian resident Holders will be required to include any gain in their

assessable income in the income tax year in which the disposal occurs. The gain will be equal to the proceeds from the disposal less the cost of acquisition for their CommBank Retail Bonds. They may include any loss as an allowable deduction in their taxable income in the income tax year in which the disposal occurs.

In addition, whilst a capital gains tax event should also occur on the disposal of CommBank Retail Bonds, any such capital gain or capital loss will be disregarded to the extent to which that gain or loss is included either as assessable income or an allowable deduction.

(b) Non-Australian resident Holders

Non-Australian resident Holders may be subject to Australian income tax on any gain realised on the disposal of their CommBank Retail Bonds (depending upon whether or not that gain has an Australian source). However, a non-Australian resident Holder may be eligible for relief from Australian income tax if that Holder is entitled to the benefit of a double tax agreement between Australia and the non-Australian resident Holder's country of residence (for tax purposes).

4.2.3 Application of Division 230

Division 230 of the Tax Act has been enacted and introduces new tax-timing rules for certain taxpayers in relation to recognising gains and losses from "financial arrangements". The rules apply from the commencement of the first income tax year beginning on or after 1 July 2010 (although taxpayers may be able to make an election to apply the rules for an income tax year commencing on or after 1 July 2009 if they wish to do so).

CommBank Retail Bonds will be a "financial arrangement" for the purposes of Division 230. However, Division 230 does not apply to certain taxpayers. It generally does not apply to Holders who are individuals and certain other entities (e.g. certain superannuation entities and managed investment schemes) which meet various turnover or asset thresholds, unless they make an election that Division 230 applies to all of their "financial arrangements".

If payments of Interest are exempt from Australian interest withholding tax under section 128F of the Tax Act, Division 230 does not override this.

4.2.4 Provision of TFN and/or ABN

The Taxation Administration Act 1953 (Cth) imposes withholding tax (currently at the rate of 46.5%) on the payment of interest on certain types of registered securities, such as CommBank Retail Bonds.

However, where a Holder has provided the Bank with their TFN or, in certain circumstances, their ABN, or has notified the Bank that they are exempt from providing this information, the Bank is not required to withhold any amount on account of tax from payments of Interest to the Holder.

A Holder may choose not to provide their TFN or ABN to the Bank.

If payments of Interest are exempt from Australian interest withholding tax under section 128F of the Tax Act, then non-Australian resident Holders should not be subject to any withholding tax under these rules.

4.2.5 GST

GST is not payable on the issue, receipt, disposal or redemption of CommBank Retail Bonds.

GST is not payable in relation to the payment of Face Value or Interest by the Bank.

4.2.6 Stamp duty

No stamp duty should be payable on the issue, receipt, disposal or redemption of CommBank Retail Bonds.

4.3 Consents to be named

Each of the parties named below (“Consenting Parties”) has given its written consent to be named in this Offer Document in the form and context in which it is named and has not, at the date of this Offer Document, withdrawn its consent:

- › the Arranger;
- › each Joint Lead Manager;
- › each Co-Manager;
- › Mallesons Stephen Jaques; and
- › Link Market Services Limited.

None of the Consenting Parties has made any statement that is included in this Offer Document or any statement on which a statement made in this Offer Document is based. Each Consenting Party, expressly disclaims all liability in respect of, makes no representations regarding, and takes no responsibility for, any statements in, or omissions from, this Offer Document.

4.4 Interests of advisers

The Arranger is acting as the sole arranger and bookrunner for the Offer and the Bank will pay to the Arranger an arranging fee of 0.85% of the total proceeds of this Offer.

The Arranger will pay (out of its own fees) the Joint Lead Managers and Co-Managers a management fee of 0.25% and a selling fee of 0.50% of their Broker Firm Allocation. The Arranger will pay the Participating Brokers a selling fee of 0.50% of their Broker Firm Allocation.

Fees payable by the Bank to the Arranger and by the Arranger to the Joint Lead Managers, Co-Managers and Participating Brokers (each a “Syndicate Broker”) are exclusive of any GST.

The Arranger will pay non-Syndicate Brokers and financial planners in Australia a handling fee of 0.50% of the Application Monies received from Applications accepted in the General Offer and Securityholder and Customer Offer and which include the stamp or adviser code of that broker or financial planner, subject to a cap of \$1,000 per Application. This fee is inclusive of any GST. The Arranger reserves the right to aggregate Applications that appear to be multiple Applications from the same Applicant.

Mallesons Stephen Jaques is acting as the legal and tax adviser for the Offer and the Bank will pay to Mallesons Stephen Jaques fees for work done in relation to this Offer Document.

Other than as disclosed in this Offer Document:

- › no person named in this Offer Document as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Offer Document; and
- › no promoter or underwriter of the Offer or financial services licensee named in this Offer Document as a financial services licensee involved in the Offer,

holds at the date of this Offer Document, or has held in the two years before that date, an interest in:

- › the Offer; or
- › any property acquired or proposed to be acquired in connection with the Offer.

Other than as disclosed in this Offer Document, no person has been paid or agreed to be paid any amount, nor has any benefit been given or agreed to be given to any such persons, for services provided by them in connection with the Offer.

4.5 Personal information

If you lodge an Application, the Bank will collect information about you. The Bank will use this information to process your Application, administer your CommBank Retail Bonds and keep in touch with you in relation to your CommBank Retail Bonds.

The Bank may disclose this information for these purposes to its subsidiaries and companies on a confidential basis, as well as to agents, contractors and third party service providers that provide services on its or their behalf (e.g. the Registry and a printing firm or mailhouse engaged to print and mail statements to you). Some of these parties may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law.

If you used a financial adviser who recommended your investment in CommBank Retail Bonds (as indicated on your Application Form), the Bank may disclose details of your holding to that adviser.

The Bank will also disclose this information if required or permitted to do so by law or if you consent to or request the disclosure.

If you think the Bank's records of your personal information are incorrect or out of date, you can contact the Bank and request that your personal information be corrected. Subject to certain exceptions, you may access your personal information at any time by contacting the Registry in writing. The Bank is permitted to charge a fee for such access but does not intend to do so.

You may choose not to provide your personal information or to limit the information you provide, in which case the Bank may not be able to process your Application, administer your CommBank Retail Bonds, or make payments to you.

4.6 Dealings in CommBank Retail Bonds

The Bank or any other member of the Group may subscribe for, purchase or resell CommBank Retail Bonds from time to time.

4.7 Governing law

This Offer Document and the contracts that arise from the acceptance of Applications are governed by the law applicable in New South Wales, Australia and each Applicant submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

Section 5

How to Apply



CommonwealthBank

5.1 Applying for CommBank Retail Bonds

To apply for CommBank Retail Bonds, you must complete an Application Form attached to the Offer Document or online at www.com msec.com.au.

You may apply for CommBank Retail Bonds under:

- › the Broker Firm Offer;
- › the Securityholder and Customer Offer; and
- › the General Offer.

The instructions for lodging your Application and accompanying cheque and/or money order vary depending on whether you apply under the Broker Firm Offer, the Securityholder and Customer Offer, or the General Offer. Applications and accompanying cheques and/or money orders will not be accepted at the Bank's registered office or at any of the Bank's branches.

5.1.1 Applying under the Broker Firm Offer

The Broker Firm Offer is available to Australian resident retail investors who are clients of a Syndicate Broker, including Eligible Securityholders and Eligible Customers of the Bank.

If you are applying under the Broker Firm Offer, you should contact the Syndicate Broker who has offered you an allocation in the Broker Firm Offer for information about how and when to lodge your Application and accompanying cheques and/or money orders. Generally, you will lodge your Application with the Syndicate Broker.

5.1.2 Applying under the Securityholder and Customer Offer

The Securityholder and Customer Offer is available to Eligible Securityholders and Eligible Customers of the Bank.

You are an Eligible Securityholder if, as at the date of this Offer Document, you:

- › are a holder of Ordinary Shares; or
 - › are a holder of PERLS III, PERLS IV or PERLS V,
- and have a registered Australian address. You will also need to meet the conditions outlined in "Restrictions on foreign jurisdictions" on the inside front cover of this Offer Document.

You are an Eligible Customer if, by the Closing Date, you:

- › have a Netbank client number; or
 - › have a CommSec ID/account number,
- and have a registered Australian address. You will also need to meet the conditions outlined in "Restrictions on foreign jurisdictions" on the inside front cover of this Offer Document.

As an Eligible Securityholder, you may apply for CommBank Retail Bonds under the Securityholder and Customer Offer by either:

- › completing the Application Form attached to this Offer Document, providing your SRN or HIN, and lodging your Application and accompanying cheque and/or money order with the Registry; or
- › applying online at www.com msec.com.au, providing your SRN or HIN and following the instructions in relation to payment of your Application Monies.

As an Eligible Customer, you may apply for CommBank Retail Bonds under the Securityholder and Customer Offer by either:

- › completing the Application Form attached to this Offer Document, and lodging your Application and accompanying cheque and/or money order with the Registry; or
- › applying online at www.com msec.com.au and following the instructions in relation to payment of your Application Monies.

Section 5

How to Apply

If the Bank does not accept all Applications that it has received for CommBank Retail Bonds, it will give priority to Applications received under the Securityholder and Customer Offer over the General Offer. If your Application is accepted, this does not mean that your Application under the Securityholder and Customer Offer will be accepted in full as the Bank reserves the right to scale back your Application.

5.1.3 Applying under the General Offer

The General Offer is available to all Applicants who are not applying under the Broker Firm Offer or Securityholder and Customer Offer. You will also need to meet the conditions outlined in “Restrictions on foreign jurisdictions” on the inside front cover of this Offer Document.

You may apply for CommBank Retail Bonds by completing the Application Form attached to this Offer Document, and lodging your Application and accompanying cheque and/or money order with the Registry. You may also apply online at www.commsec.com.au.

If the Bank does not accept all Applications that it has received for CommBank Retail Bonds, it will give priority to Applications received under the Securityholder and Customer Offer over the General Offer. If your Application is accepted, this does not mean that it will be accepted in full as the Bank reserves the right to scale back your Application.

5.1.4 Applications by Institutional Investors

If you are an Institutional Investor, you must apply to participate in the Broker Firm Offer by contacting the Arranger. The Bank reserves the right to not accept Applications that appear to be Applications from Institutional Investors where they have not been received through the Arranger.

5.2 Completing and lodging your Application

5.2.1 Minimum Application

The amount you have to pay for each CommBank Retail Bond is \$100. You must apply for a minimum of 50 CommBank Retail Bonds, which is a minimum investment of \$5,000. Applications for greater than 50 CommBank Retail Bonds must be in multiples of 10 CommBank Retail Bonds (\$1,000).

5.2.2 Lodging your Application (if you don't apply online at www.commsec.com.au)

If you are applying under the Broker Firm Offer, you should contact the Syndicate Broker who has offered you a Broker Firm Allocation for information about how and when to lodge your Application. Generally, you will lodge your Application with the Syndicate Broker. The Bank and the Registry take no responsibility for any acts or omissions by your Syndicate Broker in connection with your Application.

If you are applying under the Securityholder and Customer Offer or the General Offer, you should lodge your Application and accompanying cheque and/or money order with the Registry by mailing or delivering it to:

Mail Address

Link Market Services Limited
CommBank Retail Bonds
Locked Bag A14
Sydney South NSW 1235

Delivery Address

Link Market Services Limited
CommBank Retail Bonds
Level 12, 680 George Street
Sydney NSW 2000

Your cheque and/or money order must be in Australian dollars drawn on an Australian branch of a financial institution. It should be made payable to “CommBank Retail Bonds Series 1 – Tranche A Offer Account” and be crossed “not negotiable”.

Applications and accompanying cheques and/or money orders must be received at one of the above addresses by 5.00pm (Sydney time) on the Closing Date which is expected to be Friday, 17 December 2010.

Applications and accompanying cheques and/or money orders will not be accepted at the Bank’s registered office or at any of the Bank’s branches.

5.2.3 No brokerage or stamp duty

You do not have to pay brokerage or stamp duty on your Application for CommBank Retail Bonds. However, you may have to pay brokerage (and applicable GST) on any subsequent purchases or sales of CommBank Retail Bonds on ASX.

5.2.4 Refunds

Until CommBank Retail Bonds are Issued, the Bank will hold the Application Monies in a trust account. The account will be established and kept solely for the purpose of depositing Application Monies and dealing with those funds.

If you are Allocated no CommBank Retail Bonds or less than the number of CommBank Retail Bonds you applied for, you will receive a refund cheque as soon as practicable after the Closing Date. No interest will be payable on Application Monies which are refunded. Any interest earned in the trust account will be retained by the Bank.

5.3 Issue and quotation of CommBank Retail Bonds

If ASX does not grant permission for CommBank Retail Bonds to be quoted by the Issue Date, CommBank Retail Bonds will not be Issued and all Application Monies will be refunded (without interest) as soon as practicable.

It is expected that CommBank Retail Bonds will be quoted under code “CBAHA”.

5.4 Trading and Holding Statements

5.4.1 Commencement of trading of CommBank Retail Bonds on ASX

It is expected that CommBank Retail Bonds will begin trading on ASX on a deferred settlement basis on Friday, 24 December 2010. Trading on a deferred settlement basis occurs when Holding Statements have not yet been despatched and it is not possible to settle trades on a trade date plus three business days (T+3) basis. The trade is settled on a date specified by ASX.

It is expected that CommBank Retail Bonds will begin trading on ASX on a normal settlement basis on Friday, 31 December 2010.

It is your responsibility to determine your holding of CommBank Retail Bonds before trading to avoid the risk of selling CommBank Retail Bonds you do not own. To assist you in determining your holding prior to receipt of a Holding Statement, the Bank will announce the basis of Allocation by placing advertisements in The Australian and the Australian Financial Review newspapers on the Issue Date which is expected to be Friday, 24 December 2010. You should also check your holding by asking your broker or calling the CommBank Retail Bonds Information Line on 1800 022 440 (Monday to Friday 8.00am – 7.30pm, Sydney time) after close of the Offer Period.

5.4.2 Holding Statements

The Bank has applied for CommBank Retail Bonds to participate in CHESS and, if accepted, no certificates will be issued. Instead, a Holding Statement will be mailed to Holders.

If your holding of CommBank Retail Bonds changes, you will receive an updated Holding Statement.

5.4.3 Provision of TFN and/or ABN

When your Holding Statement is mailed, you will be also be mailed a form on which to provide your TFN and/or ABN should you wish to do so (see Section 4.2.4).

5.4.4 Provision of bank account details

When your Holding Statement is mailed, you will be also be mailed a form on which to provide your bank account details for payments of Face Value and Interest.

5.4.5 US Persons

CommBank Retail Bonds have not been and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or resold in the United States or to, or for the account or benefit of, any US Person except in accordance with an available exemption from such registration. Any offer, sale or resale of CommBank Retail Bonds within the United States by any dealer (whether or not participating in the Offer) may violate the registration requirements of the US Securities Act if made prior to 40 days after the Closing Date or if purchased by a dealer in the Offer.

This Offer Document does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any US Person. Neither this Offer Document nor any Application Forms or other materials relating to the Offer may be distributed in the United States. Applicants will be required to make certain representations, warranties and agreements regarding the foregoing and related matters when completing an Application Form to purchase CommBank Retail Bonds.

Section 6

Glossary



CommonwealthBank

Section 6

Glossary

Term	Meaning
ABN	Australian Business Number
ADI	Authorised Deposit-taking Institution regulated by APRA
Allocation	The number of CommBank Retail Bonds allocated under this Offer to a Syndicate Broker. Allocated has a corresponding meaning
Applicant	A person who lodges an Application Form in accordance with this Offer Document
Application	A valid application for CommBank Retail Bonds made through a completed Application Form in accordance with this Offer Document
Application Form	A paper or electronic form (as the context requires) attached to, or accompanying, this Offer Document upon which an Application for CommBank Retail Bonds may be made
Application Monies	The amount payable on each Application, being the Face Value multiplied by the number of CommBank Retail Bonds applied for
APRA	Australian Prudential Regulation Authority
Arranger	Commonwealth Bank of Australia
ASIC	Australian Securities and Investments Commission
ASIC Guide	The guide published by ASIC entitled “Investing in corporate bonds?”
ASX	ASX Limited ABN 98 008 624 691 or the securities market operated by it (as the context requires)
Australian Financial Services Licence	Has the meaning given to that term in the Corporations Act
Balance Sheet	As set out in Section 2.3.2
Bank	Commonwealth Bank of Australia ABN 48 123 123 124
Bank Bill Rate	<p>The rate (expressed as a percentage per annum) which is the average mid-rate for bills of exchange (within the meaning of the Bills of Exchange Act 1909 (Cth)) for a term of 90 days as displayed on the page of Reuters Monitor System designated “BBSW” (or any page which replaces that page) at 10.30am (Sydney time) on the first Business Day of an Interest Period, or if there is a manifest error in the calculation of that average rate or that average rate is not displayed by 10.30am (Sydney time) on that date, the rate specified in good faith by the Bank at or around that time on that date having regard, to the extent possible, to:</p> <ul style="list-style-type: none">› the rates otherwise bid and offered for bills of the specified term or for funds of that tenor displayed on Reuters page “BBSW” (or any page which replaces that page) at that time on that date; and› if bid and offer rates for bills of the specified term are not otherwise available, the rates otherwise bid and offered for funds of that tenor at or around that time on that date
Banking Act	Banking Act 1959 (Cth)
Bookbuild	The process through which Syndicate Brokers bid for a firm Allocation of CommBank Retail Bonds
Broker Firm Allocation	The Allocation made to a Syndicate Broker through the Bookbuild process
Broker Firm Offer	The offer as described in Section 5 “How to Apply”
Business Day	Has the meaning given to that term in the Listing Rules
CHESS	Clearing House Electronic Subregister System
Closing Date	The closing date for the Offer which is expected to be Friday, 17 December 2010
Co-Managers	FIG Securities Limited, Ord Minnett Ltd, Patersons Securities Limited
CommBank Retail Bonds	Interest bearing, unsubordinated and unsecured bonds, issued by the Bank. In this Offer Document, references to CommBank Retail Bonds includes references to CommBank Retail Bonds Series 1 Tranche A
Commonwealth Bank	Commonwealth Bank of Australia ABN 48 123 123 124
Commonwealth Bank Annual Report 2010	The financial report of the Bank for the year ended 30 June 2010

Term	Meaning
CommSec	Commonwealth Securities Limited ABN 60 067 254 399
Corporations Act	Corporations Act 2001 (Cth)
Deed Poll	The deed poll dated 18 November 2010 made by the Bank
Eligible Customer	Customers of the Bank as described in Section 5 “How to Apply”
Eligible Securityholder	Holders of Ordinary Shares, PERLS III, PERLS IV and PERLS V as at the date of this Offer Document as described in Section 5 “How to Apply”
Face Value	\$100 per CommBank Retail Bond
General Offer	The offer as described in Section 5 “How to Apply”
Group	The Bank and entities controlled by the Bank
GST	Goods and Services Tax
HIN	Holder Identification Number
Holder	A registered holder of CommBank Retail Bonds
Holding Statement	A statement issued to Holders by the Registry which sets out the number of CommBank Retail Bonds Issued to that Holder
Income Statement	As set out in Section 2.3.1
Institutional Investor	An investor to whom, if an offer of CommBank Retail Bonds was required to be made through a prospectus, an offer could be made without a prospectus or other formal disclosure under the Corporations Act
Interest	Interest payable on each CommBank Retail Bond
Interest Payment Dates	15 April 2011 and 15 July, 15 October, 15 January and 15 April each year thereafter until the Maturity Date or a redemption date. If any of these scheduled dates is not a Business Day, then the Interest Payment Date will be the next Business Day
Interest Period	Each period commencing on (and including) an Interest Payment Date to (but excluding) the next Interest Payment Date. However: (a) the first Interest Period commences on (and includes) the Issue Date; and (b) the final Interest Period ends on (but excludes) the Maturity Date or a redemption date
Interest Rate	For the first Interest Period beginning on the Issue Date and ending on the day before the first Interest Payment Date, the higher of 6.00% per annum and the sum of the Bank Bill Rate on the Issue Date plus the Margin, in each case expressed as a percentage per annum For any other Interest Period, the sum of the Bank Bill Rate on the first Business Day of the relevant Interest Period plus the Margin in each case expressed as a percentage per annum
Issue	The process of issuing CommBank Retail Bonds to Holders. Issue and Issued have corresponding meanings
Issue Date	The date CommBank Retail Bonds are Issued which is expected to be Friday, 24 December 2010
Joint Lead Managers	Citigroup Global Markets Australia Pty Limited, Commonwealth Securities Limited, Evans and Partners Pty Limited, RBS Equity Capital Markets (Australia) Limited
Listing Rules	The listing rules of ASX, with any modification or waivers which ASX may grant to the Bank from time to time
Margin	1.05% per annum
Maturity Date	The fifth anniversary from the Issue Date, expected to be 24 December 2015
Offer	The offer made through this Offer Document by the Bank of CommBank Retail Bonds to raise \$500 million, with the ability to raise more or less. The offer comprises the Broker Firm Offer, Securityholder and Customer Offer and the General Offer
Offer Document	This Offer Document which was lodged with ASX on Thursday, 18 November 2010
Offer Period	The period from the Opening Date to the Closing Date
Opening Date	The opening date of the Offer which is Thursday, 18 November 2010

Section 6

Glossary

Term	Meaning
Ordinary Resolution	A resolution: a) passed at a meeting by at least 50% of the votes cast; or b) made in writing by Holders representing more than 50% of the Face Value outstanding as at the relevant date
Ordinary Share	A fully paid ordinary share in the Bank
Participating Brokers	Any participating organisation of ASX selected by the Arranger to participate in the Bookbuild
PERLS III	Perpetual Exchangeable Repurchaseable Listed Shares issued by Preferred Capital Limited through the prospectus dated 3 March 2006
PERLS IV	Perpetual Exchangeable Resaleable Listed Securities issued by the Bank through the prospectus dated 1 June 2007
PERLS V	Perpetual Exchangeable Resaleable Listed Securities issued by the Bank through the prospectus dated 7 September 2009
Protected Account	An account which is either: a) an account where the Bank is required to pay the account holder, on demand or at an agreed time, the net credit balance of the account; or b) another account or financial product prescribed by regulation Such accounts are currently guaranteed under the Australian government's Financial Claims Scheme. Examples of such accounts are savings, call, current, cheque, other deposit accounts, term deposits and other accounts prescribed by regulation
Record Date	Has the meaning given to that term in the Terms
Register	The register of CommBank Retail Bonds maintained by the Registry on the Bank's behalf and including any subregister established and maintained in CHESS
Registry	Link Market Services Limited ABN 54 083 214 537 or any other registry that the Bank appoints
Securityholder and Customer Offer	The offer as described in Section 5 "How to Apply"
Shareholder	A registered holder of Ordinary Shares in the Bank
SRN	Securityholder Reference Number
Syndicate Broker	Any of the Joint Lead Managers, Co-Managers and Participating Brokers
Tax Act	Income Tax Assessment Acts of 1936 (Cth) and Income Tax Assessment Act 1997 (Cth)
Tax Event	A change in tax laws or regulations, or any change in the application or official interpretation of such laws or regulations, which occurs after the Issue Date and results in the Bank being obliged to pay additional amounts as provided in clause 8 of the Terms
Terms	The terms of CommBank Retail Bonds attached as a schedule to the Deed Poll, as set out in the Appendix
TFN	Tax File Number
Tier 1 Capital Ratio	The ratio so described by APRA (or any equivalent successor term)
Total Capital Ratio	The ratio so described by APRA (or any equivalent successor term)
US Person	Has the meaning given in Regulation S of the US Securities Act
US Securities Act	United States Securities Act of 1933, as amended

Appendix

Terms of CommBank Retail Bonds



CommonwealthBank

The following are the Terms which will apply to each Series of CommBank Retail Bonds. The Terms provide for both Floating Rate Bonds and Fixed Rate Bonds. CommBank Retail Bonds Series 1 Tranche A are Floating Rate Bonds.

Each Holder and any person claiming through or under a Holder is entitled to the benefit of, is bound by, and is taken to have notice of, these Terms, the Deed Poll and the Offer Document.

1 Definitions and interpretation

1.1 Definitions

In these Terms, unless the context requires otherwise:

ASX	means ASX Limited (ABN 98 008 624 691) or the securities market operated by it, as the context requires.
ASX Listing Rules	means the listing rules of ASX from time to time with any modifications or waivers in their application to the Issuer, which ASX may grant.
ASX Settlement Operating Rules	means the settlement operating rules of ASX from time to time with any applicable modifications or waivers granted by ASX.
Banking Act	means the Banking Act 1959 (Cth).
Bank Bill Rate	means the rate (expressed as a percentage per annum) which is the average mid-rate for bills of exchange (within the meaning of the Bills of Exchange Act 1909 of (Cth)) for a term of 90 days as displayed on the page of Reuters Monitor System designated "BBSW" (or any page that replaces that page) at or about 10.30am (Sydney time) on the first Business Day of an Interest Period, or if there is a manifest error in the calculation of that average rate or that average rate is not displayed at 10.30am (Sydney time) on that date, the rate specified in good faith by the Issuer at or around that time on that date having regard, to the extent possible, to: <ul style="list-style-type: none"> a) the rates otherwise bid and offered for bills of the specified term or for funds of that tenor displayed on Reuters page BBSW (or any page which replaces that page) at that time on that date; and b) if bid and offer rates for bills of the specified term are not otherwise available, the rates otherwise bid and offered for funds of that tenor at or around that time on that date.
Bonds	means each interest bearing, unsubordinated and unsecured debt obligation of the Issuer constituted in the manner described in Condition 2 and called a "CommBank Retail Bond" and in these Terms, references to Bonds are references to Bonds of the relevant Series.
Business Day	means a day which is a business day within the meaning of the ASX Listing Rules.
CHESS	means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited (ABN 49 008 504 532).
Corporations Act	means the Corporations Act 2001 (Cth).
Deed Poll	means the deed poll entitled "Deed Poll: CommBank Retail Bonds" dated 18 November 2010 executed by the Issuer to constitute the Bonds.
Early Redemption Date	means the date a Bond is to be redeemed in accordance with Term 5.2.
Event of Default	means any of the events specified in Term 9.1.
Extraordinary Resolution	has the meaning given in the Meetings Provisions.
Face Value	means, for each Bond, the amount specified in the Offer Document.
Fixed Rate Bond	means a Bond in a Series bearing interest at the fixed rate specified in the Offer Document payable in arrears on the dates specified in the Offer Document.
Floating Rate Bond	means a Bond in a Series bearing interest at a floating rate payable in arrears on the dates specified in the Offer Document.
Government Body	means any country, state or political subdivision or any government or central bank or any governmental, semi-governmental, international, judicial, administrative, municipal, local governmental statutory, fiscal, monetary or supervisory authority, body or entity.

Holder	means in relation to any Bond, a person whose name is for the time being recorded in the Register as the owner of the Bond. If the Bond is owned jointly by more than one person, a Holder includes a person whose name appears in the Register as a joint owner.
Interest Payment Date	means, subject to Term 4.6, each date for the payment of Interest specified in the Offer Document.
Interest Period	means, subject to Term 4.6, the periods specified in the Offer Document, each such period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date. However: a) the first Interest Period commences on (and includes) the Issue Date and ends on the day immediately before the first Interest Payment Date; and b) the final Interest Period ends on (and excludes) the Maturity Date or any earlier redemption date of a Bond in accordance with these Terms.
Interest Rate	means: a) in the case of a Fixed Rate Bond, the percentage rate per annum that is specified in, or calculated in accordance with, the Offer Document; and b) in the case of a Floating Rate Bond, the sum of the Bank Bill Rate plus the Margin (expressed as a percentage per annum) unless otherwise specified in the Offer Document.
Issue Date	means the date of issue of the Bonds as specified in or determined in accordance with the Offer Document.
Issue Price	means the issue price for Bonds specified in the Offer Document.
Issuer	means Commonwealth Bank of Australia.
Margin	in relation to a Bond in a Series means the margin specified in the Offer Document.
Maturity Date	means the maturity date specified in the Offer Document and as recorded in the Register.
Meeting Provisions	means the provisions for the convening of meetings of, and passing of resolutions by, Holders set out in Schedule 2 of the Deed Poll.
Offer Document	means the current offer document issued in connection with the issue of the Bonds of a Series, as revised, supplemented or amended from time to time by the Issuer and such documents as are from time to time incorporated into it by reference.
Offshore Associate	means an associate (as defined in section 128F of the Income Tax Assessment Act 1936 (Cth)) of the Issuer that is either a non-resident of Australia which does not acquire the Bonds in carrying on a business at or through a permanent establishment in Australia or, alternatively, a resident of Australia that acquires the Bonds in carrying on business at or through a permanent establishment outside of Australia.
Ordinary Resolution	has the meaning given in the Meeting Provisions
Protected Account	means either: a) an account where the Issuer is required to pay the account holder, on demand or at an agreed time, the net credit balance (as defined in the Banking Act) of the account; or b) any other account or financial product prescribed by regulation for the purposes of the Banking Act.
Record Date	means, in the case of: a) payments of interest, the date which is eight days before the date of payment (or as otherwise prescribed by the ASX Listing Rules or if not prescribed by the ASX Listing Rules, a date determined by the Issuer and notified to ASX); and b) payments of the Face Value, a date determined by the Issuer and notified to ASX (or such other date as may be prescribed by the ASX Listing Rules).
Register	means the register of Holders established and maintained by, or on behalf of the Issuer in which is entered the names and addresses of Holders, the amount of Bonds held by each Holder, details of the transfer of those Bonds and any other particulars the Issuer sees fit. The term Register includes: a) any sub-register maintained by, or on behalf of the Issuer under the Corporations Act, the ASX Listing Rules or ASX Settlement Operating Rules; and b) any branch register, provided that, in the event of any inconsistency, the principal register will prevail over any sub-register or branch register.
Registry	means Link Market Services Limited (ABN 54 083 214 537) or such other person appointed by the Issuer to maintain the Register for a Series.
Registry Office	means the office in Sydney of the Registry.

Related Entity	has the meaning given in the Corporations Act.
Relevant Date	in respect of any Bond means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Holders that such payment will be made, provided that payment is in fact made.
Series	means a Tranche of Bonds together with any further Tranche or Tranches of Bonds which are: a) expressed to be consolidated and form a single Series; and b) identical in all respects (including as to listing) except for the respective Issue Dates, Issue Prices or amount of the first payment of interest.
Taxes	has the meaning set out in Term 8.1.
Tranche	means Bonds with Terms that are identical in all respects (including as to listing).

1.2 Interpretation

In these Terms unless the contrary intention appears:

- a) a reference to:
 - (i) an agreement or instrument includes any variation, supplement, replacement or novation of that agreement or instrument;
 - (ii) a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
 - (iii) a person includes a reference to the person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns;
 - (iv) any thing is a reference to the whole and each part of it;
 - (v) one gender includes every other gender;
- b) the singular includes the plural and vice versa;
- c) the word "person" includes a firm, body corporate, an unincorporated association, an authority or a Government Body;
- d) unless otherwise specified to the contrary, any reference to a time is to Sydney time; and
- e) headings are inserted for convenience and do not affect the interpretation of these Terms.

2 Form, denomination and title

2.1 Form

- a) The Bonds for a Series are debt obligations of the Issuer constituted by the Deed Poll, and are issued in registered form by entry in the Register for that Series.
- b) No certificate or other evidence of title to a Bond will be issued unless the Issuer is required to do so by applicable law or regulation.

2.2 Denomination

- a) Bonds are issued with a face value specified in the Offer Document for the Bonds of that Series.
- b) Bonds are denominated in Australian Dollars.

2.3 Title

- a) Entry of the name of the person:
 - (i) purchasing; or
 - (ii) the transferee of,a Bond on the Register for a Series at the relevant time constitutes the passing of title of that Bond and will be conclusive evidence of that person's entitlements to receive interest and repayment of the Face Value and any other amount in the manner provided for in these Terms (subject to rectification for fraud or error).
- b) A Bond registered in the name of more than one person is held by those persons as joint tenants (unless requested otherwise and in a form satisfactory to the Issuer).
- c) Bonds will be registered by name only without reference to any trusteeship. Neither the Issuer nor the Registry is, except as required by law, obliged to take notice of any other claim to a Bond.

2.4 Independent obligations

Each entry in the Register for a Series evidences a separate and independent obligation owing by the Issuer to the relevant Holder, which that Holder may enforce without joining any other Holder, any previous Holder or the Registry.

2.5 ASX quotation and CHESS

The Issuer agrees to use all reasonable endeavours to procure that the Bonds are quoted on ASX until their Maturity Date. The Bonds will be registered in CHESS. While the Bonds remain in CHESS, all dealings (including transfers and payments) in relation to the Bonds within CHESS will be governed by the rules and regulations of CHESS and need not comply with these Terms to the extent of any inconsistency. The rights of a person holding the Bonds registered in CHESS are subject to the rules and regulations of CHESS.

3 Status and ranking

3.1 The Bonds

- a) The Bonds are interest bearing, unsubordinated and unsecured obligations of the Issuer and rank equally among themselves and at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer, except liabilities mandatorily preferred by law including, but not limited to, sections 13A and 16 of the Banking Act and section 86 of the Reserve Bank Act 1959 (Cth).
- b) The Bonds rank ahead of all subordinated obligations of the Issuer.
- c) The Bonds do not constitute deposit liabilities or Protected Accounts of the Issuer in Australia for the purposes of the Banking Act.
- d) The exercise of any contractual rights of set off between the Holders and any claims by the Issuer against those Holders is not permitted. The Holders have no equivalent rights against the Issuer.

4 Interest and other calculations

4.1 Interest on Fixed Rate Bonds

- a) Subject to paragraphs (b) and (c) below, each Fixed Rate Bond bears interest on its Face Value from, and including, the Issue Date to but excluding its Maturity Date or an Early Redemption Date, at the Interest Rate. Interest is payable in arrears on each Interest Payment Date and (if not an Interest Payment Date) on its due date for redemption.
- b) The first payment of interest on a Fixed Rate Bond will be made on the first Interest Payment Date following its Issue Date and, if the first Interest Period is shorter than subsequent Interest Periods, will be equal to the amount as specified in the Offer Document.
- c) If the Maturity Date of a Fixed Rate Bond is not an Interest Payment Date, interest from (and including) the preceding Interest Payment Date (or the Issue Date, as the case may be) to (but excluding) the Maturity Date will be payable on the Maturity Date and will be equal to the final amount specified in the Offer Document.

4.2 Interest on Floating Rate Bonds

Each Bond bears interest on its Face Value from, and including, the Issue Date to, but excluding, its Maturity Date or an Early Redemption Date, at the Interest Rate. Interest is payable in arrears on each Interest Payment Date and (if not an Interest Payment Date) on its due date for redemption.

4.3 Rounding

For the purposes of any calculations required pursuant to these Terms:

- a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up);
- b) all figures will be rounded to four decimal places (with halves being rounded up); and
- c) all amounts that fall due and payable will be rounded to the nearest cent (with halves being rounded up).

4.4 Accrual of interest

Interest will cease to accrue on each Bond on its redemption date (being its Maturity Date or, if redeemed prior to its Maturity Date in accordance with these Terms, such earlier date for redemption) unless payment is improperly withheld or refused, in which case interest will continue to accrue (after as well as before any demand or judgment) on the Face Value of the Bond at the then applicable Interest Rate in the manner provided in this Term 4 to the Relevant Date.

4.5 Calculations

- a) The amount of interest payable in respect of each Floating Rate Bond for any Interest Period is calculated by multiplying the product of the applicable Interest Rate and the Face Value of the relevant Floating Rate Bond by the number of days in the Interest Period divided by 365.
- b) The amount of interest payable in respect of each Fixed Rate Bond for any Interest Period is calculated by multiplying the applicable Interest Rate for that period, the Face Value of the relevant Fixed Rate Bond and the RBA Bond Basis. The RBA Bond Basis means one divided by the number of Interest Payment Dates in a year for that Fixed Rate Bond.

4.6 Adjustments for non-Business Days

- a) If any Interest Payment Date is not a Business Day then it is postponed until the next Business Day (“**Next Business Day**”).
- b) In the case of Fixed Rate Bonds, if an Interest Payment Date is postponed until the Next Business Day, no additional interest is payable in respect of that delay in payment and there is no adjustment to that Interest Period or any subsequent Interest Period.
- c) In the case of Floating Rate Bonds, if an Interest Payment Date is postponed until the Next Business Day, interest continues to accrue until the Next Business Day, the Interest Period is extended until the Next Business Day and the subsequent Interest Period is calculated from the Next Business Day.

4.7 Determination and publication of Interest Rate for Floating Rate Bonds and other amounts

- a) The Issuer must:
 - (i) in the case of Floating Rate Bonds, determine the Interest Rate and calculate the amount of interest payable for each Interest Period;
 - (ii) notify the Registry of the applicable Interest Rate and the amount of interest payable on each Interest Payment Date as soon as practicable;
 - (iii) announce to ASX the applicable Interest Rate and amount of interest payable for each Interest Payment Date and the date of the Interest Payment Date. This announcement will be made not later than the Business Day after the first day of each Interest Period (starting with an announcement on the Issue Date); and
 - (iv) determine or calculate, as applicable, any other rate or amount under these Terms.

The Issuer may also include the announcement made under Term 4.7(a)(iii) on the website referred to in the Offer Document for the Series.

- b) Where any Interest Payment Date is subject to adjustment because it is not a Business Day, the amounts of interest and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period but the Issuer must notify the Registry, and ASX after doing so.
- c) If the Bonds become due and payable under Term 9, the accrued interest and the Interest Rate payable in respect of the Bonds will nevertheless continue to be calculated as previously in accordance with this Term but no publication of the Interest Rate in the case of Floating Rate Bonds so calculated need be made.

4.8 Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Term 4 will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, and all Holders.

5 Early redemption and purchase

5.1 Redemption at maturity

Unless previously redeemed, purchased and cancelled as provided below, each Bond will be finally redeemed on the Maturity Date at its Face Value.

5.2 Early redemption for taxation reasons

If, as a result of any change in or amendment to the laws or regulations of the Commonwealth of Australia or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of any Bond, the Issuer has or will become obliged to pay any additional amounts as provided in Term 8, the Issuer may at its option, on any Interest Payment Date on giving not more than 60 nor less than 30 days' notice to the Holders of the relevant Series and the Registry and ASX (which notice will be irrevocable) redeem all, but not some only, of the Bonds of the relevant Series at their Face Value together with interest accrued to the date fixed for redemption, provided that no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this Term, the Issuer must deliver to the Registry a certificate signed by two authorised officers or the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of the facts showing that the conditions precedent to the right of the Issuer to redeem have occurred.

5.3 Purchase

The Issuer or any Related Entity may, to the extent permitted by applicable laws and regulations, at any time purchase Bonds in the open market, by tender to all or some of the Holders or by private agreement or otherwise at any price. Bonds purchased by or for the account of the Issuer may be cancelled or resold, at the option of the Issuer, subject to compliance with any applicable law, directive or requirement of ASX.

5.4 Cancellation

All Bonds redeemed by the Issuer, or which are repurchased by the Issuer and which the Issuer elects to cancel, will be cancelled forthwith and all liabilities and obligations of the Issuer in connection with those Bonds so redeemed or cancelled will be discharged.

6 Payments

6.1 Payments by the Issuer

- a) Payments in respect of each Series of Bonds will only be made by crediting an Australian dollar bank account maintained in Australia with a financial institution and nominated in writing by the Holder by close of business on the relevant Record Date. If any date for payment is not a Business Day, payment is postponed to the next Business Day.
 - b) If a Holder has not notified the Issuer and the Registry of such an account or the transfer of any amount for crediting the nominated account does not complete for any reason, a notice will be sent to the address most recently notified by the Holder advising of the uncompleted payment. In that case, the amount of the uncompleted payment will be held as a deposit in a non-interest bearing, special purpose account maintained by the Issuer or the Registry until the Holder nominates a suitable Australian dollar account maintained in Australia for crediting with the payment. No additional interest is payable in respect of any delay in payment.
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6.2 Payments subject to fiscal laws

All payments are subject in all cases to any applicable laws, regulations and directives, but without prejudice to the provisions of Term 8.

6.3 Prescription against overdue claims

Claims against the Issuer for payment under a Bond are void unless made within five years from the date on which the payment first became due.

7 Transfer

7.1 Transfer procedures

Bonds will be transferable only in accordance with the rules and regulations of CHESS.

7.2 Stamp duty

The Holder is responsible for any stamp duties or other similar taxes which are payable in any jurisdiction in connection with any transfer, assignment or other dealing with the Bonds.

7.3 Transmission

The Registry must register a transfer of a Bond to or by a person who is entitled to make or receive the transfer as a consequence of:

- a) death, bankruptcy, liquidation or winding up of a Holder; or
 - b) a vesting order by a court or other body with power to make the order, on receipt of such evidence of entitlement that the Registry or the Issuer requires.
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8 Taxation

8.1 General

Subject to Term 8.2, all payments of the Face Value and interest in respect of the Bonds must be made without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Australia or by any authority in or of Australia having power to tax (together **Taxes**), unless such withholding or deduction is required by law.

8.2 Issuer to pay additional amounts

Where any withholding or deduction is required by law, the Issuer must pay such additional amounts to the Holders that will result in those Holders receiving the amounts they would have received had no such withholding or deduction been required, except that no additional amounts will be payable, with respect to any Bond:

- a) if the Holder is liable to such Taxes by reason of its having some connection with the Commonwealth of Australia, other than the mere holding of such Bond or the receipt of the relevant payment in respect of that Bond; or
 - b) if the Holder is an Offshore Associate of the Issuer (acting other than in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act); or
 - c) if the Taxes have been imposed or levied as a result of the Holder being party to or participating in a scheme to avoid such Taxes, being a scheme which the Issuer was neither a party to nor participated in; or
 - d) to, or to a third party on behalf of, an Australian resident Holder, or a non-resident Holder who is engaged in carrying on business in Australia at or through a permanent establishment of the non-resident in Australia, if that person has not supplied an appropriate tax file number, Australian business number or other exemption details; or
 - e) to, or to a third party on behalf of, a Holder on account of amounts which the Australian Commissioner of Taxation requires the relevant Issuer to withhold under section 255 of the Income Tax Assessment Act 1936 (Cth) or section 260-5 of Schedule 1 of the Taxation Administration Act 1953 (Cth).
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8.3 Tax file number

The Issuer will deduct tax from payments of interest on the Bonds at the highest marginal tax rate plus the highest Medicare levy if an Australian resident investor or a non-resident investor carrying on business in Australia at or through a permanent establishment of the non-resident in Australia has not supplied an appropriate tax file number, Australian Business Number or exemption details.

9 Events of Default

9.1 Bonds

An Event of Default occurs in relation to the Bonds of a Series if:

- a) **failure to pay:** the Issuer fails to pay the Face Value of the Bonds of that Series when due or fails to pay any interest due on those Bonds within 14 days of the due date; or
 - b) **other failure:** the Issuer defaults in performance or observance of or compliance with any of its other undertakings set out in the Deed Poll which default is incapable of remedy or which, if capable of remedy, is not remedied within 30 days after notice requiring such default or failure to be remedied has been given to the Issuer by the Holder; or
 - c) **insolvency:** the Issuer becomes insolvent or its debts are not paid as they mature or the Issuer applies for or consents to or suffers the appointment of a liquidator or receiver of the Issuer or the whole or any part of the undertaking, property, assets or revenues of the Issuer or takes any proceeding under any law for a readjustment or deferment of its obligations or any part thereof or makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors; or
 - d) **dissolution:** any law is passed the effect of which is to dissolve the Issuer or the Issuer ceases to carry on a general banking business in Australia or ceases to be authorised to carry on a general banking business within Australia.
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9.2 Consequences of an Event of Default

If an Event of Default occurs and the Holders so resolve by Ordinary Resolution then the amount referred to in Term 9.3 applicable to all of the Bonds of that Series is due and payable on the next Business Day after the date of the Ordinary Resolution unless, prior to that date, the Issuer has cured or otherwise made good all Events of Default subsisting prior to that date. Payment of the amount determined as set out in Term 9.3 will be made by the Issuer in the manner determined pursuant to Term 6 as if the next Business Day after the date of the Ordinary Resolution was the relevant due date for payment.

9.3 Amount payable on default

For the purposes of Term 9.2 the amount payable is the Face Value together with interest accrued to the date of payment on all Bonds of that Series.

9.4 Notification

If an Event of Default occurs under Term 9.1, the Issuer will promptly after becoming aware of it notify ASX and the Registry of the occurrence of the Event of Default specifying details of it and use its reasonable endeavours to procure that the Registry promptly notifies the Holders of the occurrence of the Event of Default by registered post to the address of the Holders recorded in the Register.

10 Meetings of Holders, modifications and waivers

10.1 Meetings of Holders

Meetings of Holders may be convened in accordance with the Meeting Provisions. Any such meeting may consider any matters affecting the interests of Holders, including, without limitation, the variation of the terms of the Bonds by the Issuer and the granting of approvals, consents and waivers, and the declaration of an Event of Default.

10.2 Modification of the Deed Poll

The Deed Poll may be amended by the Issuer, without the consent of any Holder for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein which does not, in the reasonable opinion of the Issuer, materially adversely affect the interests of the Holders. All other amendments to the Deed Poll must be approved at a duly convened meeting of Holders by an Extraordinary Resolution. The Issuer will notify the Registry of any amendments made pursuant to this Term and will use its reasonable endeavours to procure that the Registry notifies the Holders of the amendment by post to the address of the Holders recorded in the Register.

11 Further issues of Bonds

The Issuer may from time to time without the consent of the Holders create and issue further Bonds either having the same terms and Terms as the Bonds in all respects (or in all respects except for the Issue Date or first payment of interest on them) and so that such further issue of bonds shall be consolidated and form a single Series with the outstanding Bonds of any Series or upon such terms as the Issuer may determine at the time of their issue. References in these Terms to the Bonds include (unless the context requires otherwise) any other bonds issued pursuant to this Term and forming a single Series with the Bonds.

12 Notices

12.1 To Holders

Unless otherwise specified, all notices and other communications to the Holders must be in writing and either (i) sent by prepaid post (airmail if appropriate) to or left at the address of the Holders (as shown in the Register at the close of business on the day which is three Business Days before the date of the notice or communication) or (ii) (if available) issued to Holders through CHESS in accordance with any applicable rules and regulations of CHESS.

12.2 To the Issuer and Registry

All notices and other communications to the Issuer or the Registry must be in writing and may be sent by prepaid post (airmail if appropriate) to or left at the address (as shown in the "Directory" in the Offer Document) of the Issuer or the Registry.

12.3 When effective

Notices and other communications take effect from the time they are taken to be received unless a later time is specified in them.

12.4 Receipt

- a) If sent by post, notices or other communications are taken to be received three days after posting (or seven days after posting if sent to or from a place outside Australia).
 - b) Despite paragraph (b) above, if notices or other communications are received after 5.00pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00am on the next Business Day.
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13 Governing law and jurisdiction

These Terms and the Bonds are governed by and must be construed according to the law applying in New South Wales.

13.1 Jurisdiction

The Issuer submits, and each Holder is taken to have irrevocably and unconditionally submitted, to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating to these Terms.

13.2 Waiver of immunity

The Issuer irrevocably and unconditionally waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within Term 13.1.

14 Inconsistency with ASX Listing Rules

The Terms are to be interpreted subject to all applicable ASX Listing Rules and ASX Settlement Operating Rules, and accordingly, the following clauses apply:

- a) despite anything in these Terms, if the applicable ASX Listing Rules prohibit an act being done, the act must not be done;
 - b) nothing in these Terms prevents an act from being done that the applicable ASX Listing Rules require to be done;
 - c) if the applicable ASX Listing Rules require an act to be done or not to be done, authority is given for that act be done or not be done (as the case may be);
 - d) if the applicable ASX Listing Rules requires these Terms to contain a provision and they do not contain such a provision, these Terms are taken to contain that provision;
 - e) if the applicable ASX Listing Rules require these Terms not to contain a provision and they contain such a provision, these Terms are taken not to contain that provision; and
 - f) if any provision of these Terms is or becomes inconsistent with the applicable ASX Listing Rules, these Terms are taken not to contain that provision to the extent of the inconsistency.
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15 Code of Banking Practice

Relevant provisions of the Code of Banking Practice apply to the Bonds to the extent a Holder is a retail client as described in Chapter 7 of the Corporations Act.

Registered Office of the Bank

Commonwealth Bank of Australia
Ground Floor, Tower 1
201 Sussex Street
Sydney NSW 2000

Arranger and Bookrunner

Commonwealth Bank of Australia
Ground Floor, Tower 1
201 Sussex Street
Sydney NSW 2000

Joint Lead Managers

Citigroup Global Markets Australia Pty Limited
Level 40, Citigroup Centre
2 Park Street
Sydney NSW 2000

Commonwealth Securities Limited
Ground Floor, Tower 1
201 Sussex Street
Sydney NSW 2000

Evans and Partners Pty Ltd
32 Jolimont Terrace
East Melbourne VIC 3002

RBS Equity Capital Markets (Australia) Limited
Level 22, RBS Tower
88 Phillip Street
Sydney NSW 2000

Co-Managers

FIG Securities Limited
Level 8, Emirates House
167 Eagle Street
Brisbane QLD 4000

Ord Minnett Ltd
Level 8, 255 George Street
Sydney NSW 2000

Patersons Securities Limited
Level 15, 333 Collins Street
Melbourne, VIC 3000

Legal and Tax Adviser

Mallesons Stephen Jaques
Level 61, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

CommBank Retail Bonds Information Line

1800 022 440
(Monday to Friday 8.00am – 7.30pm, Sydney time)