

IMPORTANT NOTICE

THIS OFFERING CIRCULAR MAY ONLY BE DISTRIBUTED TO PERSONS WHO ARE NOT US PERSONS (AS DEFINED IN REGULATION S UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE *SECURITIES ACT*)) AND ARE LOCATED OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached offering circular (the “Offering Circular”) following this page and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached Offering Circular. In accessing the attached Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from Commonwealth Bank of Australia (the “Issuer”), Commonwealth Bank of Australia or The Hongkong and Shanghai Banking Corporation Limited (together, the “Arrangers”), Bank of China Limited, CCB International Capital Limited and Standard Chartered Bank (together with the Arrangers, the “Bookrunners”) and Bank of Communications Co., Ltd. Hong Kong Branch, The Bank of East Asia, Limited and Industrial and Commercial Bank of China Limited, Singapore Branch (together with the Arrangers and the Bookrunners, the “Joint Lead Managers”) as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SUBORDINATED NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER US JURISDICTION, AND THE SUBORDINATED NOTES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT TO A PERSON WHO IS NOT A US PERSON (AS DEFINED IN REGULATION S) IN AN OFFSHORE TRANSACTION PURSUANT TO RULE 903 OR RULE 904 OF REGULATION S.

THE ATTACHED OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY US ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES.

The attached Offering Circular may only be distributed to, and is only directed at (a) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”), (b) high net worth bodies corporate falling within Article 49(2) of the Order, and (c) any other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as “relevant persons”). Any person who is not a relevant person should not act or rely on this Offering Circular or any of its contents.

Confirmation of your representation: In order to be eligible to view the attached Offering Circular or make an investment decision with respect to the securities being offered, prospective investors must be a person other than a US person (as defined in Regulation S under the Securities Act) located outside the United States. This Offering Circular is being sent to you at your request, and by accepting the email and accessing this Offering Circular you shall be deemed to have represented to the Issuer and the Joint Lead Managers that (1) you have understood and agreed to the terms set out herein, (2) you are a person other than a US person (as defined in Regulation S under the Securities Act) located outside the United States and you are purchasing the securities being offered in an offshore transaction (within the meaning of Regulation S under the Securities Act) and the electronic mail address that you gave us and to which this email has been delivered is not located in the United States, its territories and possessions, any State of the United States or the District of Columbia and (3) you consent to delivery of such Offering Circular by electronic transmission.

You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver or disclose the contents of this Offering Circular to any other person.

The materials relating to this offering of securities do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that this offering of securities be made by a licensed broker or dealer, and the Joint Lead Managers or any affiliates of the Joint Lead Managers are licensed brokers or dealers in the relevant jurisdiction, this offering shall be deemed to be made by the Joint Lead Managers or such affiliates on behalf of the Issuer in such jurisdiction.

The attached Offering Circular has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer or the Joint Lead Managers, any person who controls them or any director, officer, employee or agent of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Joint Lead Managers.

The distribution of the Offering Circular in certain jurisdictions may be restricted by law. Persons into whose possession the attached document comes are required by the Joint Lead Managers and the Issuer to inform themselves about, and to observe, any such restrictions.

THIS OFFERING CIRCULAR HAS BEEN PREPARED BY THE ISSUER IN CONNECTION WITH THE ISSUE OF SUBORDINATED NOTES UNDER THE PROGRAMME WHICH ARE NEITHER TO BE ADMITTED TO TRADING ON A REGULATED MARKET IN THE EUROPEAN ECONOMIC AREA NOR OFFERED IN THE EUROPEAN ECONOMIC AREA IN CIRCUMSTANCES WHERE A PROSPECTUS IS REQUIRED TO BE PUBLISHED UNDER THE PROSPECTUS DIRECTIVE.

NEITHER THE ISSUER NOR ANY DEALER HAS AUTHORISED, NOR DO THEY AUTHORISE, THE MAKING OF ANY OFFER OF SUBORDINATED NOTES IN CIRCUMSTANCES IN WHICH AN OBLIGATION ARISES FOR THE ISSUER OR ANY DEALER TO PUBLISH OR SUPPLEMENT A PROSPECTUS FOR SUCH OFFER.

THIS OFFERING CIRCULAR HAS NOT BEEN REVIEWED OR APPROVED BY THE FINANCIAL CONDUCT AUTHORITY AS COMPETENT AUTHORITY IN THE UNITED KINGDOM, NOR HAS IT BEEN REVIEWED OR APPROVED BY ANY COMPETENT AUTHORITY IN ANY OTHER MEMBER STATE OF THE EUROPEAN ECONOMIC AREA AND DOES NOT CONSTITUTE A PROSPECTUS FOR THE PURPOSES OF THE PROSPECTUS DIRECTIVE.

Commonwealth Bank Australia
Commonwealth Bank of Australia, A.B.N. 48 123 123 124



Incorporated in Australia with limited liability

Issue of CNY1,000,000,000 5.15 per cent. Subordinated Notes due 2025 under the U.S.\$70,000,000,000 Euro Medium Term Note Programme

The CNY1,000,000,000 5.15 per cent. Subordinated Notes due 2025 (the “Subordinated Notes”) are being issued by Commonwealth Bank of Australia (the “Issuer” or the “Bank”) under the Issuer’s U.S.\$70,000,000,000 Euro Medium Term Note Programme (the “Programme”).

The Subordinated Notes will bear interest from (and including) 11 March 2015 (the “Issue Date”) to (but excluding) 11 March 2020 (the “Optional Redemption Date”) at a fixed rate of 5.15 per cent. per annum (being the rate equal to the aggregate of the Benchmark Rate on 4 March 2015 and the Margin of 0.8643 per cent. per annum) (the “Initial Interest Rate”). From (and including) the Optional Redemption Date to (but excluding) 11 March 2025 (the “Maturity Date”), the Subordinated Notes will bear interest at a fixed rate per annum equal to the aggregate of the Benchmark Rate on the Reset Determination Date and the Margin of 0.8643 per cent. per annum (the “Reset Interest Rate”). Interest on the Subordinated Notes will be payable semi-annually in arrear on 11 March and 11 September in each year (each an “Interest Payment Date”).

All or, if so provided, some of the Subordinated Notes may be redeemed at the option of the Issuer on the Optional Redemption Date at their then outstanding principal amount together with any accrued but unpaid interest as at the Redemption Date, subject to the Issuer (i) either replacing the Subordinated Notes with a capital instrument which is of the same or better quality than the Subordinated Notes under conditions that are sustainable for the income capacity of the CBA Group (as defined in Condition 1.1) or obtaining confirmation from the Australian Prudential Regulation Authority (“APRA”) that APRA is satisfied, having regard to the capital position of the CBA Group, that the Issuer does not have to replace the Subordinated Notes and (ii) APRA having given its prior written approval to such redemption. All (but not some) of the Subordinated Notes may also be redeemed, subject to the Conditions (including APRA having given prior written approval), at the option of the Issuer for certain taxation reasons (as set out under Condition 7.2) or for certain regulatory reasons (as set out under Condition 7.4), in each case at their then outstanding principal amount together with any accrued but unpaid interest as at the Redemption Date. The Subordinated Notes are otherwise scheduled to be redeemed by the Issuer at their then outstanding principal amount on the Maturity Date unless exchanged or written down in full. For further information, see Condition 7.

In the event of the occurrence of a Non-Viability Trigger Event (as defined in Condition 4.1), the Issuer must exchange all or some of the Subordinated Notes or a percentage of the outstanding principal amount of each Subordinated Note (as the case may be and in an amount as determined pursuant to Condition 4.1) for ordinary shares in the capital of the Issuer (“Ordinary Shares”). If for any reason, an exchange pursuant to Condition 4.1 fails to take effect and the Issuer has not otherwise issued the Ordinary Shares required to be issued in respect of such exchange within five Business Days after the occurrence of the Non-Viability Trigger Event then the relevant Subordinated Holder’s rights (including to payment of the then outstanding principal amount and interest) in relation to such Subordinated Notes or percentage of the then outstanding principal amount of the Subordinated Notes will be immediately and irrevocably terminated (“Written Down”, and “Write Down” has a corresponding meaning). See Condition 4.

If a CNY Currency Event exists on a date for payment of any amount in respect of any such Subordinated Note, the Issuer’s obligation to make a payment in Renminbi under the terms of the Subordinated Notes may be replaced by an obligation to pay such amount in U.S. dollars. See Condition 8.2.

Terms used but not defined in this Offering Circular shall have the same meaning as ascribed to them in “*Conditions of the Subordinated Notes*”.

An investment in Subordinated Notes issued under the Programme involves certain risks. For a discussion of these risks see “*Risk Factors*”.

The Issuer has been rated AA- by Standard & Poor's (Australia) Pty Ltd. ("S&P"), Aa2 by Moody's Investor Service Pty Ltd. ("Moody's") and AA- by Fitch Australia Pty Ltd ("Fitch"). The Subordinated Notes are expected to be rated BBB+ by S&P, A3 by Moody's and A+ by Fitch. None of S&P, Moody's or Fitch is established in the European Union or registered in accordance with Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation"). However, Commission Implementing Decision 2012/627/EU provides that the Australian legal and supervisory framework for credit rating agencies shall be considered as equivalent to the requirements of the CRA Regulation and each of Standard & Poor's Credit Market Services Europe Limited, Moody's Investors Service Ltd. and Fitch Ratings Ltd. which are established in the European Union and registered under the CRA Regulation (and, as such are included in the list of credit rating agencies published by the European Securities and Markets Authority ("ESMA") on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with such Regulation) currently endorse the credit ratings of S&P, Moody's and Fitch, respectively, for regulatory purposes in the European Union. There can be no assurance that such endorsement of the credit ratings of S&P, Moody's and Fitch will continue.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

This Offering Circular does not comprise a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area) (the "Offering Circular Directive"). Application has been made to the Australian Securities Exchange (the "ASX") for the Subordinated Notes to be quoted on the ASX.

CBA	<i>Arrangers, Bookrunners and Joint Lead Managers</i>	HSBC
	<i>Bookrunners and Joint Lead Managers</i>	
BANK OF CHINA		CCB INTERNATIONAL
	STANDARD CHARTERED BANK	
	<i>Joint Lead Managers</i>	
BANK OF COMMUNICATIONS		THE BANK OF EAST ASIA, LIMITED
	ICBC SINGAPORE	

Dated 9 March 2015

IMPORTANT INFORMATION

The Issuer accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular, is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*”). This Offering Circular shall be read and construed on the basis that such documents are so incorporated and form part of this Offering Circular.

The Joint Lead Managers (which term in this paragraph and the third paragraph below includes Commonwealth Bank of Australia in its capacity as a joint lead manager but does not include Commonwealth Bank of Australia as issuer of the Subordinated Notes) have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers as to the accuracy or completeness of the information contained in this Offering Circular or any further information supplied by the Issuer in connection with the Subordinated Notes.

No person has been authorised to give any information or to make any representation not contained in this Offering Circular or any further information supplied in connection with the Subordinated Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Joint Lead Managers.

Neither this Offering Circular nor any further information supplied in connection with the Subordinated Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or any of the Joint Lead Managers that any recipient of this Offering Circular or any further information supplied in connection with the Subordinated Notes should purchase any of the Subordinated Notes. Each investor contemplating purchasing Subordinated Notes should make its own independent investigation of the condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Offering Circular nor any further information supplied in connection with the Subordinated Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Joint Lead Managers to any person to subscribe for or to purchase any of the Subordinated Notes.

The delivery of this Offering Circular does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any further information supplied in connection with the Subordinated Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Joint Lead Managers expressly do not undertake to review the financial or other condition or affairs of the Issuer or any of its subsidiaries during the life of the Programme. Investors should review, *inter alia*, the most recent financial statements of the Issuer when deciding whether or not to purchase any of the Subordinated Notes.

The distribution of this Offering Circular and the offer or sale of the Subordinated Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Offering Circular or any Subordinated Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of the Subordinated Notes in the United States of America, the European Economic Area (including the United Kingdom), Japan, Australia, New Zealand, Hong Kong, Singapore and Taiwan (see “*Subscription and Sale*” in the Programme Circular (as defined in “*Documents Incorporated by Reference*”)).

The Subordinated Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the “Securities Act”) and the Subordinated Notes include Subordinated Notes in bearer form that are subject to U.S. federal tax law requirements. Subject to certain exceptions, Subordinated Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see “*Subscription and Sale*” in the Programme Circular).

The Subordinated Notes may not be a suitable investment for all investors. Each potential investor in the Subordinated Notes must determine the suitability of that investment in light of its own circumstances. In

particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Subordinated Notes, the merits and risks of investing in the Subordinated Notes and the information contained or incorporated by reference in this Offering Circular;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Subordinated Notes and the impact the Subordinated Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Subordinated Notes, including Subordinated Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Subordinated Notes and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should determine whether and to what extent (1) Subordinated Notes are legal investments for it, (2) Subordinated Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Subordinated Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Subordinated Notes under any applicable risk-based capital or similar rules.

Australian banking legislation

The Issuer is an authorised deposit-taking institution (an “ADI”) for the purposes of the Banking Act 1959 of Australia (the “Banking Act”). The Banking Act provides that, in the event an ADI becomes unable to meet its obligations or suspends payment, the ADI's assets in Australia are available to meet specified liabilities of the ADI in priority to all other liabilities of the ADI (including, in the case of the Issuer, the Subordinated Notes). These specified liabilities include certain obligations of the ADI to the Australian Prudential Regulation Authority (“APRA”) in respect of amounts payable by APRA to holders of protected accounts, other liabilities of the ADI in Australia in relation to protected accounts, debts to the Reserve Bank of Australia (“RBA”) and certain other debts to APRA. A “protected account” is, subject to certain conditions including as to currency and unless prescribed otherwise by regulations, an account or a specified financial product: (a) where the ADI is required to pay the account-holder, on demand or at an agreed time, the net credit balance of the account, or (b) otherwise prescribed by regulation. The Australian Treasurer has published a declaration of products prescribed as protected accounts for the purposes of the Banking Act. Changes to applicable law may extend the liabilities required to be preferred by law.

The Subordinated Notes do not represent a protected account of, or a deposit with, the Issuer. The liabilities which are preferred by law to the claim of a Subordinated Note will be substantial and the Conditions do not limit the amount of such liabilities which may be incurred or assumed by the Issuer from time to time.

The offer or sale of the Subordinated Notes does not require disclosure under Part 6D.2 or Part 7.9 of the Corporations Act as the Issuer is an ADI under the Banking Act and section 708(19) of the Corporations Act provides that an offer of an ADI's debentures for issue or sale does not need such disclosure. Accordingly, this Offering Circular has not been, nor will be, lodged with nor registered by the Australian Securities and Investments Commission.

PRESENTATION OF INFORMATION

In this Offering Circular, all references to:

- “AUD” and “A\$” are to Australian dollars;

- “euro” and “€” refer to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended;
- “U.S. dollars”, “USD” and “U.S.\$” are to United States dollars; and
- “CNY”, “RMB” and “Renminbi” are to the lawful currency of the People’s Republic of China (the “PRC”) which for purposes of this Offering Circular excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan.

STABILISATION

In connection with the issue of the Subordinated Notes, The Hongkong and Shanghai Banking Corporation Limited (the “Stabilisation Manager(s)”) (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Subordinated Notes or effect transactions with a view to supporting the market price of the Subordinated Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Subordinated Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Subordinated Notes and 60 days after the date of the allotment of the Subordinated Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

Table of Contents

Page

Risk Factors	9
Documents Incorporated by Reference	17
Conditions of the Subordinated Notes	18
Description of the Shares	49
General Information	51

Risk Factors

In purchasing Subordinated Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Subordinated Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Subordinated Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in the section of the Programme Circular entitled "*Risk Factors*" (the "Programme Risk Factors") a number of factors which could materially adversely affect its businesses and ability to make payments due under the Subordinated Notes.

In addition, factors which are material for the purpose of assessing the market risks associated with Subordinated Notes are also described in the Programme Risk Factors and below.

Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and the documents incorporated by reference into this Offering Circular and reach their own views prior to making any investment decision.

Words and expressions defined in "*Conditions of the Subordinated Notes*" and not otherwise defined shall have the same meanings when used herein.

The factors described below are supplemental to, and should be read in conjunction with, the Programme Risk Factors.

RISKS RELATING TO THE SUBORDINATED NOTES

Investments in the Subordinated Notes are not deposit liabilities or protected accounts under the Banking Act

Investments in the Subordinated Notes are an investment in the Issuer and may be affected by the on-going performance, financial position and solvency of the Issuer. The Subordinated Notes are not deposit liabilities or protected accounts under the Banking Act. Therefore, Subordinated Notes are not guaranteed or insured by any Australian government, government agency or compensation scheme of Australia or any other jurisdiction.

The Issuers' obligations under the Subordinated Notes are subordinated

The Issuers' obligations under the Subordinated Notes will be unsecured and subordinated and will rank after the claims of holders of Senior Ranking Obligations including claims preferred by applicable laws and equally with the claims of holders of Equal Ranking Securities. "Senior Ranking Obligations" means all present and future deposits and other liabilities, securities and other obligations of the Issuer which would be entitled to be admitted in the winding up of the Issuer (and including but not limited to obligations in respect of instruments issued before 1 January 2013 as Tier 2 Capital) other than Equal Ranking Securities and Junior Ranking Securities. Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that a Subordinated Holder will lose all or some of its investment should the Issuer become insolvent.

In addition, on Exchange, Subordinated Holders will become holders of Ordinary Shares and rank equally with other holders of Ordinary Shares.

Insolvency laws

In the event that the Issuer becomes insolvent, insolvency proceedings in respect of the Issuer will be governed by Australian law. Potential investors should be aware that Australian insolvency laws are different from the insolvency laws in other jurisdictions. In particular, the voluntary administration procedure under the Corporations Act, which provides for the potential re-organisation of an insolvent company, differs significantly from similar provisions under the insolvency laws of other jurisdictions.

If an order is made by a court of competent jurisdiction (other than an order successfully appealed or permanently stayed within 30 Business Days), or an effective resolution is passed, for the winding up of the Issuer in Australia (but not elsewhere) the Subordinated Notes are immediately due and payable for an amount

equal to the Outstanding Principal Amount plus accrued but unpaid Interest up to (but excluding) the date of commencement of the winding up. In a winding up of the Issuer, the Subordinated Holder's claim will rank after the claims in respect of Senior Ranking Obligations including claims preferred by applicable laws and equally with the claims of holders of Equal Ranking Securities as set out further in Condition 3 ("*Status and ranking*").

Following an Exchange, in the event the Issuer becomes insolvent, there may be insufficient assets to distribute to holders of Ordinary Shares once all of the Issuer's creditors (both subordinated and unsubordinated) and preference shareholders have been repaid.

Automatic Exchange or Write Down upon the occurrence of a Non-Viability Trigger Event

A Non-Viability Trigger Event occurs when APRA notifies the Issuer in writing that it believes:

- (i) an Exchange of all or some Subordinated Notes, or conversion or write down of capital instruments of the CBA Group, is necessary because, without it, the Issuer would become non-viable; or
- (ii) a public sector injection of capital, or equivalent support, is necessary because, without it, the Issuer would become non-viable.

If a Non-Viability Trigger Event occurs, the Issuer must immediately Exchange such number of the Subordinated Notes (or a percentage of the Outstanding Principal Amount of each Subordinated Note) as specified by APRA or necessary to satisfy APRA that the Issuer will no longer be non-viable. In the case of a public sector injection of capital, or equivalent support, all Subordinated Notes must be Exchanged. The Exchange will be irrevocable.

If Subordinated Notes are Exchanged following the occurrence of a Non-Viability Trigger Event, the number of Ordinary Shares received is limited to the Maximum Exchange Number. There is a risk that Subordinated Holders will receive a number of Ordinary Shares with a value significantly less than the Outstanding Principal Amount.

If for any reason the Exchange is not effective and the Issuer has not otherwise issued Ordinary Shares within five Business Days after the date of the occurrence of the Non-Viability Trigger Event, then the Subordinated Holders' rights under the relevant Subordinated Notes will be immediately and irrevocably terminated ("Written Down") and the Outstanding Principal Amount will not be repaid and Interest will not be paid. This could occur if the Issuer were prevented from issuing Ordinary Shares by circumstances outside its control, for example, if the Issuer were prevented by an applicable law or order of any court, or action of any government authority, from issuing Ordinary Shares. Any write-down of the Subordinated Notes would be permanent and Subordinated Holders will have no further claim against the Issuer in respect of any Written-Down amount of the Subordinated Notes.

See Condition 4 for further information on any such potential Exchange or write-downs of the Subordinated Notes, including for the definitions of various terms used in this paragraph.

The circumstances that may give rise to a Non-Viability Trigger Event are unpredictable

It should be noted that whether a Non-Viability Trigger Event will occur is at the discretion of APRA and there are currently no precedents for this. The circumstance in which APRA may exercise its discretion are not limited to when APRA may have a concern about a bank's capital levels but may also include when APRA has a concern about a bank's funding and liquidity levels.

If one, or a combination, of general risks associated with the Issuer's businesses (including those risks described under "*Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme*") contained in the Programme Risk Factors) leads to a significant capital loss, or prolonged difficulties in raising funding or maintaining sufficient liquidity, the Issuer believes this may be the type of situation in which APRA becomes concerned and notifies the Issuer that it has become non-viable.

Subordinated Holders will bear the risk of fluctuations in the price of the Subordinated Notes

The market price of the Subordinated Notes is expected to be affected by 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 Issuer;
- movements in the market price of equity and/or other debt issued by the Issuer or by other issuers;
- changes in investor perceptions and sentiment in relation to the Issuer or the financial services industry; and
- other major Australian and international events such as hostilities and tensions, and acts of terrorism.

If Exchange occurs, Subordinated Holders will become holders of Ordinary Shares. Ordinary Shares are a different type of investment to the Subordinated Notes. Dividends are payable at the absolute discretion of the Issuer and the amount of each dividend is discretionary (not subject to a formula). The market price of Ordinary Shares may be more sensitive than the Subordinated Notes to changes in the Issuer's performance, operational issues and other business issues.

Compliance with applicable shareholding laws

Certain legislation in Australia limits the acquisition by persons of interests in Ordinary Shares where the person acquires interests in Ordinary Shares in excess of limits permitted under the relevant Act. The relevant legislation is as follows:

(i) Chapter 6 of the Corporations Act - Takeover and Substantial Shareholder Provisions

The Issuer is a company listed on the ASX. Investors in the Subordinated Notes should consider the possibility that they may be prohibited from receiving or acquiring Ordinary Shares on Exchange if as a result of such Exchange their voting power in the Issuer increases from 20 per cent. or below to more than 20 per cent., or from a starting point that is above 20 per cent. and below 90 per cent., unless the shares are acquired in a manner specifically permitted under an exception.

In addition, under the Corporations Act, a person who has a substantial holding in an ASX listed company, such as the Issuer, is required to notify the Issuer and the ASX (in the prescribed form) disclosing its interests in the Issuer generally within 2 business days after the person becomes aware of the circumstances which give rise to the person's substantial holding. A person has a "substantial holding" in the Issuer if that person and its associates have relevant interests in voting shares to which 5 per cent. or more of the total votes attach, or if the person has made a takeover bid for the voting shares in the Issuer.

Once a person becomes a substantial shareholder of the Issuer, that person is also obliged to notify the Issuer and the ASX (in the prescribed form) of its interest generally within 2 business days after its voting power increases or decreases by 1 per cent. or more. That person is also required to notify the Issuer and the ASX (in the prescribed form) if that person ceases to have substantial holding in the Issuer.

Investors should seek their own advice on the application of Chapter 6 of the Corporations Act to their own circumstances.

(ii) Foreign Acquisitions and Takeovers Act 1975 of Australia

Foreign investors in the Subordinated Notes should consider the possibility that their receipt or acquisition of Ordinary Shares may be subject to review and approval by the Treasurer of the Commonwealth of Australia (the "Treasurer") under the Foreign Acquisitions and Takeovers Act 1975 of Australia ("FATA Act").

The FATA Act applies to any acquisition of 15 per cent. or more of the outstanding shares of Australian companies or any acquisition which results in one foreign person (including a company) and any associated persons controlling 15 per cent. or more of the total voting power of an Australian company. The FATA Act requires any person proposing to make any such acquisition to first notify the

Treasurer of that person's intention to do so. Where such an acquisition has already occurred, the Treasurer has the power to order that the acquired shares be disposed of.

In addition, the FATA Act applies to any acquisition by two or more foreign persons and any associated persons controlling, in the aggregate, 40 per cent. or more of the total voting power or ownership. Where such an acquisition has occurred without notification to the Treasurer, the Treasurer has the power to order the disposal of the acquired shares.

Investors should seek their own advice on the application of the FATA Act to their own circumstances.

(iii) *Financial Sector (Shareholdings) Act 1998 of Australia*

Investors in the Subordinated Notes should consider the possibility that they may be restricted from receiving or acquiring Ordinary Shares under the Financial Sector (Shareholdings) Act 1998 of Australia (the "FSSA"). Under the FSSA, a person (including a company) must not acquire any interest in an Australian financial sector company (such as the Issuer) where the acquisition would take that person's voting power (which includes the voting power of the person's associates) in the financial sector company to more than 15 per cent.. The concept of "voting power" is very broadly defined. The Australian Treasurer may approve a higher percentage limit on national interest grounds. Furthermore, even if a person holds less than 15 per cent. of the voting power of a financial sector company, the Treasurer has the power to declare that a person has "practical control" of that company and require the person to relinquish that control.

Investors should seek their own advice on the application of the FSSA to their own circumstances.

(iv) *Part IV of the Competition and Consumer Act 2010 of Australia*

Investors in the Subordinated Notes should consider the possibility that they may be restricted from receiving or acquiring Ordinary Shares under the Part IV of the Competition and Consumer Act 2010 of Australia (the "CCA"). Under the CCA a person (including a company) may not acquire shares in an Australian company if the acquisition has the effect, or is likely to have the effect, of substantially lessening competition in a market in Australia, or a state or territory thereof.

Investors should seek their own advice on the application of the CCA to their own circumstances.

Where a Subordinated Holder is an Ineligible Subordinated Holder because of the legislation described in paragraphs (i)-(iv) above, the Ordinary Shares will be issued to a nominee who will, at the first opportunity, sell the Ordinary Shares and pay the net proceeds of the sale, after deducting any applicable brokerage, stamp duty and other taxes, to the Subordinated Holder. If for any reason the Issuer has not otherwise issued Ordinary Shares to the nominee within five Business Days, then the Subordinated Holders' rights under the relevant Subordinated Notes will be immediately and irrevocably terminated ("Written Down") and the Outstanding Principal Amount will not be repaid and Interest will not be paid.

The Subordinated Notes may be redeemed at the option of the Issuer

Subject, as further described in the Conditions, to (i) the Issuer replacing the Subordinated Notes with a capital instrument which is of the same or better quality than the Subordinated Notes or obtaining confirmation from APRA that APRA is satisfied, having regard to the capital position of the CBA Group, that the Issuer does not have to replace the Subordinated Notes and (ii) APRA having given its prior written approval, the Issuer may at its option:

- redeem all or, if so provided, some of the Subordinated Notes for their Optional Redemption Amount together with any accrued but unpaid Interest as at the Redemption Date on the Optional Redemption Date;
- redeem all (but not some) of the Subordinated Notes for their Early Redemption Amount together with any accrued but unpaid Interest as at the Redemption Date at any time after the Issue Date if the Issuer receives an opinion from reputable legal counsel or other tax adviser in Australia, experienced in such matters, to the effect that there is a material risk that as a result of a change in laws of Australia (including following any announcement of a prospective change or amendment which has been or will be introduced) the Issuer

would be exposed to a more than de minimis adverse tax consequence in relation to the Subordinated Notes other than a tax consequence the Issuer expected as at the Issue Date; and

- redeem all (but not some) of the Subordinated Notes for their Early Redemption Amount together with any accrued but unpaid Interest as at the Redemption Date at any time after the Issue Date if the Issuer determines that as a result of a change in the laws of Australia or a change in APRA's prudential standards (including following any announcement of a prospective change or amendment which has been or will be introduced) all, some or a percentage of all or some Subordinated Notes are not or will not be treated as Tier 2 Capital of the CBA Group under APRA's prudential standards (as amended from time to time), other than as a result of a change of treatment expected by the Issuer as at the Issue Date.

It is not possible to predict whether or not any change in the laws of Australia or a change in APRA's prudential standards, or any of the other events referred to above, will occur and so lead to the circumstances in which the Issuer is able to elect to redeem the Subordinated Notes, and if so whether or not the Issuer will elect to exercise such option to redeem the Subordinated Notes. There can be no assurances that, in the event of any such early redemption, Subordinated Holders will be able to reinvest the proceeds at a rate that is equal to the return on the Subordinated Notes.

The Issuer's right to redeem the Subordinated Notes is subject to prior written approval from APRA. Approval is at the discretion of APRA and may or may not be given.

Subordinated Holders do not have a right to request that their Subordinated Notes be Exchanged or Redeemed early

Subordinated Holders do not have a right to request that their Subordinated Notes be Exchanged or Redeemed early for any reason. To realise their investment, Subordinated Holders can sell their Subordinated Notes at the prevailing market price. However, depending on market conditions at the time, the Subordinated Notes may be trading at a market price below the Outstanding Principal Amount and/or the market for the Subordinated Notes may not be liquid.

There is no restriction on the amount or type of further securities or indebtedness which the Issuer may incur

The Issuer has the right in its absolute discretion to issue additional Senior Ranking Obligations or Equal Ranking Securities which may rank ahead of or equally with the Subordinated Notes, whether or not secured. Any issue of other securities may affect a Subordinated Holder's ability to recover Interest or the Outstanding Principal Amount due to a Subordinated Holder in a winding up.

The Conditions do not contain any covenants preventing the Issuer from raising more debt or issuing other securities, requiring the Issuer to refrain from certain business changes, or requiring the Issuer to operate within certain ratio limits.

It is difficult to anticipate the effect such debt or other issues of securities may have on the market price or liquidity of the Subordinated Notes.

The Issuer may amend the Conditions

The Issuer may amend the Conditions in two ways:

- without the consent of Subordinated Holders and subject to compliance with all applicable laws and the Conditions, including (but not limited to) if the amendment is of a formal, technical or minor nature; to correct an error; where there is no material prejudice to the interests of Subordinated Holders; or to enable the substitution of a NOHC as the debtor of the Subordinated Notes or as the issuer of the Ordinary Shares on Exchange provided certain substitution conditions are satisfied; and
- with the consent of Subordinated Holders – by an Extraordinary Resolution being passed.

In both cases, the Conditions of all the Subordinated Notes will be amended. However, in particular in the latter case, Subordinated Holders who did not vote with the majority will be subject to the amended Conditions which may not coincide with their individual preferences.

Certain amendments may require prior written approval from APRA. Approval is at the discretion of APRA and may or may not be given.

The Issuer may substitute for itself a NOHC

The Issuer may substitute for itself a NOHC as the debtor in respect of the Subordinated Notes or as the issuer of ordinary shares on Exchange. If a NOHC is substituted as the debtor in respect of the Subordinated Notes it means that a Subordinated Holder would no longer have rights against the Issuer. If a NOHC is substituted as the issuer of ordinary shares on Exchange it means that a Subordinated Holder will receive ordinary shares in the NOHC rather than the Issuer.

Although not currently contemplated, the implementation of a NOHC structure may involve the Issuer selling some but not all of its business, and other subsidiaries, to the NOHC or a subsidiary of the NOHC. As a result, the profits and net asset position of the Issuer and the NOHC may be different to that of the Issuer prior to the NOHC structure being implemented.

The interest rate on the Subordinated Notes will reset on the Optional Redemption Date, which can be expected to affect interest payments on an investment in the Subordinated Notes and could affect the market value of the Subordinated Notes

The Subordinated Notes will initially bear interest at the Initial Interest Rate until (but excluding) the Optional Redemption Date. For the period from (and including) the Optional Redemption Date to (but excluding) the Maturity Date, the interest rate will be the rate per annum equal to the aggregate of the Benchmark Rate in respect of the Optional Redemption Date and the Margin as determined by the Calculation Agent on the Reset Determination Date (such interest rate being the Reset Interest Rate). This Reset Interest Rate could be less than the Initial Interest Rate and could therefore adversely affect the market value of an investment in the Subordinated Notes.

Furthermore, the Benchmark Rate is based on a new inter-bank offered rate in Hong Kong for Renminbi deposits ("CNH HIBOR"). As CNH HIBOR is a newly established benchmark rate that was launched on 24 June 2013, it has a limited operating history with a short track record. Accordingly, there is uncertainty as to the performance of CNH HIBOR now or in the future.

Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC which may adversely affect the liquidity of the Subordinated Notes

Renminbi is not freely convertible at present. The government of the PRC (the "PRC Government") continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite significant reduction over the years by the PRC Government of control over routine foreign exchange transactions under current account items. Currently, participating banks in Singapore, Hong Kong, Taiwan, London, Frankfurt, Seoul, Toronto, Sydney, Doha, Paris and Luxembourg have been permitted to engage in the settlement of Renminbi trade transactions.

On 13 October 2011, the People's Bank of China (the "PBoC") promulgated the "Administrative Measures on Renminbi Settlement of Foreign Direct Investment" (the "PBoC RMB FDI Measures") as part of the implementation of the PBoC's detailed foreign direct investment ("FDI") accounts administration system. The system covers almost all aspects of FDI, including capital injections, payments for the acquisition of PRC domestic enterprises, repatriation of dividends and other distributions, as well as Renminbi denominated cross-border loans. On 14 June 2012, the PBoC further issued the implementing rules for the PBoC RMB FDI Measures. PBoC further issued the "Circular on the Relevant Issues on Renminbi Settlement of Investment in Onshore Financial Institutions by Foreign Investors" on 10 October 2013 which provides further details for using Renminbi to invest in a financial institution domiciled in the PRC. Under the PBoC RMB FDI Measures, special approval for FDI and shareholder loans from the PBoC, which was previously required, is no longer necessary. In some cases however, post-event filing with the PBoC is still necessary.

On 3 December 2013, the Ministry of Commerce of the PRC ("MOFCOM") promulgated the "Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment" (the "MOFCOM Circular"), which became effective on 1 January 2014, to further facilitate FDI by simplifying and streamlining the applicable regulatory framework. The MOFCOM Circular replaced the "Notice on Issues in relation to Cross-border

Renminbi Foreign Direct Investment” promulgated by MOFCOM on 12 October 2011 (the “2011 MOFCOM Notice”). Pursuant to the MOFCOM Circular, written approval from the appropriate office of MOFCOM and/or its local counterparts specifying “Renminbi Foreign Direct Investment” and the amount of capital contribution is required for each FDI. Compared with the 2011 MOFCOM Notice, the MOFCOM Circular no longer contains the requirements for central level MOFCOM approvals for investments of RMB300 million or above, or in certain industries, such as financial guarantee, financial leasing, micro-credit, auction, foreign invested investment companies, venture capital and equity investment vehicles, cement, iron and steel, electrolyse aluminium, ship building and other industries under the state macro-regulation. Unlike the 2011 MOFCOM Notice, the MOFCOM Circular has also removed the approval requirement for foreign investors who intend to change the currency of their existing capital contribution from a foreign currency to Renminbi. In addition, the MOFCOM Circular also clearly prohibits FDI funds from being used for any investments in securities and financial derivatives (except for investments in PRC listed companies by strategic investors) or for entrustment loans in the PRC.

As the MOFCOM Circular and the PBoC RMB FDI Measures are relatively new circulars, they will be subject to interpretation and application by the relevant authorities in the PRC.

There is no assurance that the PRC Government will continue to liberalise control over cross border remittance of Renminbi in the future or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under the Subordinated Notes.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Subordinated Notes and the Issuer’s ability to source Renminbi outside the PRC to service such Subordinated Notes

As a result of the restrictions imposed by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited.

Currently, licensed banks in Singapore and Hong Kong may offer limited Renminbi denominated banking services to Singapore residents, Hong Kong residents and specified business customers. The PBoC has also established a Renminbi clearing and settlement mechanism for participating banks in Singapore, Hong Kong, Taiwan, London, Frankfurt, Seoul, Toronto, Sydney, Doha, Paris and Luxembourg. Each of Industrial and Commercial Bank of China, Singapore Branch, Bank of China (Hong Kong) Limited, Bank of China, Taipei Branch, China Construction Bank (London) Limited, Bank of China, Frankfurt Branch, Bank of Communications, Seoul Branch, Industrial and Commercial Bank of China (Canada), Bank of China (Australia) Limited, Industrial and Commercial Bank of China Limited, Doha Branch, Bank of China, Paris Branch and Industrial and Commercial Bank of China Limited, Luxembourg Branch (each a “CNY Clearing Bank”) has entered into settlement agreements with the PBoC to act as the CNY Clearing Bank in Singapore, Hong Kong, Taiwan, London, Frankfurt, Seoul, Toronto, Sydney, Doha, Paris and Luxembourg respectively.

However, the current size of Renminbi-denominated financial assets outside the PRC is limited. Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC. They are only allowed to square their open positions with the relevant CNY Clearing Bank after consolidating the Renminbi trade position of banks outside Singapore, Hong Kong and Taiwan that are in the same bank group of the participating banks concerned with their own trade position, and the relevant CNY Clearing Bank only has access to onshore liquidity support from the PBoC for the purpose of squaring open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross border trade settlement. The relevant CNY Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance

that new PRC regulations will not be promulgated or the Settlement Agreements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Subordinated Notes. To the extent the Issuer is required to source Renminbi outside the PRC to service the Subordinated Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

If the Issuer is unable to source such Renminbi, the Issuer's obligation to make a payment in Renminbi under the terms of the Subordinated Notes may be replaced by an obligation to pay such amount in U.S. dollars.

If the Renminbi is not available in certain circumstances as described in the Subordinated Notes, the Issuer may make payments under the Subordinated Notes in U.S. dollars

There can be no assurance that access to Renminbi for the purposes of making payments under the Subordinated Notes by the Issuer or generally will remain or that new PRC regulations will not be promulgated which have the effect of restricting availability of Renminbi outside of the PRC.

Although the Issuer's primary obligation is to make all payments with respect to the Subordinated Notes in Renminbi, in the event access to Renminbi becomes restricted to the extent that, by reason of CNY Inconvertibility, CNY Non-Transferability or CNY Illiquidity (each as defined in the Conditions), the Issuer is unable, or it is impractical for it, to make any payment in respect of the Subordinated Notes in Renminbi, the Conditions permit the Issuer to make payment in U.S. dollars at the prevailing CNY/USD Spot Rate of exchange, all as provided in the Conditions. The value of these Renminbi payments in U.S. dollar terms may vary with the prevailing exchange rates in the market place.

Gains on the transfer of the Subordinated Notes may become subject to income taxes under PRC tax laws

Under the PRC Enterprise Income Tax Law and its implementation rules which took effect on 1 January 2008, any gains realised on the transfer of the Subordinated Notes by non-resident enterprise Subordinated Holders may be subject to enterprise income tax if such gains are regarded as income derived from sources within the PRC. However, there remains uncertainty as to whether gains realised on the transfer of the Subordinated Notes would be treated as income derived from sources within the PRC and be subject to PRC tax. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law and its implementing rules. According to the arrangement between the PRC and Hong Kong, for the avoidance of double taxation, residents of Hong Kong including enterprise Subordinated Holders and individual Subordinated Holders, will not be subject to PRC tax on any capital gains derived from a sale or exchange of the Subordinated Notes.

Therefore, if non-resident enterprise Subordinated Holders are required to pay PRC income tax on gains derived from the transfer of the Subordinated Notes (such enterprise income tax is currently levied at the rate of 10 per cent. of the gross proceeds, unless there is an applicable tax treaty between the PRC and the jurisdiction in which such non-resident enterprise Subordinated Holders reside that reduces or exempts the relevant tax), the value of their investment in the Subordinated Notes may be materially and adversely affected.

Documents Incorporated by Reference

The following documents which have been previously published or are published simultaneously with this Offering Circular and have been filed with the ASX shall be incorporated in and form part of this Offering Circular:

- (a) the sections of the Programme Circular of the Issuer dated 24 June 2014 relating to the Issuer's U.S.\$70,000,000,000 Euro Medium Term Note Programme (the "Programme Circular") as set out in the table below:

	Page references (inclusive)
Overview of the Programme	22 to 23
Risk Factors	24 to 39
Form of the Notes	41 to 43
Use of Proceeds	87
Commonwealth Bank of Australia	88 to 95
Directors of Commonwealth Bank of Australia	96 to 99
Subscription and Sale	100 to 106
General Information – Australian Taxation	108 to 110
General Information – EU savings directive	111
General Information – The Proposed Financial Transactions Tax	111 to 112
General Information – Foreign Account Tax Compliance Withholding	112 to 113

and for these purposes references in the Programme Circular to Notes shall be construed as references to the Subordinated Notes described in this Offering Circular;

- (b) the audited consolidated and non-consolidated annual financial statements and auditors' reports for the financial years ended 30 June 2014 (set out on pages 68 to 186 (inclusive) and pages 188 and 189 of the Annual Report 2014) and 30 June 2013 (set out on pages 70 to 184 (inclusive) and pages 186 and 187 of the Annual Report 2013) of the Issuer; and
- (c) the unaudited consolidated interim financial statements for the half year ended 31 December 2014 and the auditors' review report (as set out on pages 51 to 72 (inclusive) and page 74 of the profit announcement dated 11 February 2015) of the Issuer.

Any statement contained in any document incorporated by reference herein shall be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in this Offering Circular (or in any other document incorporated by reference) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular will be available from the branch in London of Commonwealth Bank of Australia and from the London office of Deutsche Bank AG, London Branch specified at the end of this Offering Circular.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

Any non-incorporated parts of a document referred to herein are either (i) not considered by the Issuer to be relevant for prospective investors in the Subordinated Notes to be issued under the Programme or (ii) covered elsewhere in this Offering Circular.

Conditions of the Subordinated Notes

The following are the conditions which (except for the paragraphs in italics) will be incorporated by reference into the global Subordinated Note and will be endorsed upon each definitive Subordinated Note.

Each Subordinated Holder is entitled to the benefit of, is bound by and is taken to have notice of these Conditions, the Agency Agreement and the Deed of Covenant. Copies of the Agency Agreement and the Deed of Covenant are available for inspection by Subordinated Holders during normal business hours at the registered office of the Issuer at Ground Floor, Tower 1, 201 Sussex Street, Sydney, NSW, Australia, 2000 and the specified office of each of the Paying Agents.

1 Definitions and interpretation

1.1 Definitions

In these Conditions, unless the context requires otherwise:

Agency Agreement means the Amended and Restated Agency Agreement (as amended and/or supplemented and/or restated from time to time) dated 19 June 2013 and between, *inter alios*, the Issuer, the Principal Paying Agent, the Registrar, the Paying Agents and the Transfer Agents.

APRA means the Australian Prudential Regulation Authority ABN 79 635 582 658 or any successor body responsible for prudential regulation of the Issuer.

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 applicable modification or waiver granted by ASX.

ASX Settlement Operating Rules means the settlement operating rules of ASX from time to time with any applicable modification or waiver granted by ASX.

Attributable Proceeds means the net proceeds of sale of Ordinary Shares attributable to the Subordinated Notes of the relevant Subordinated Holder or, where Condition 5.10(d) applies, the Clearing System Participant, actually received after deducting any applicable brokerage, stamp duty and other taxes.

Australian dollars and **Australian cents** means the lawful currency of the Commonwealth of Australia.

Australian Tax Act has the meaning given in Condition 10.2.

Banking Act means the Banking Act 1959 (Cth).

Benchmark Rate means, for a relevant date, (i) the rate expressed as a percentage per annum notified by the Calculation Agent to the Issuer and the Subordinated Holders equal to the offered rate for 12 month deposits in Renminbi in Hong Kong as at 11.15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as at 2.30 p.m., as displayed on the display designated as page “CNHHIBORFIX01” on the Reuters Monitor Money Rates Service (or any successor or replacement page), or (ii) if such offered rate does not so appear, or if the relevant page is unavailable, the Calculation Agent will request the principal Hong Kong office of the Reference Banks to provide the Calculation Agent with its offered quotation to (expressed as percentage per annum) for 12 month deposits in Renminbi in the Hong Kong interbank market as at 11:00 a.m. (Hong Kong time) and either (x) if at least two of the Reference Banks provide the Calculation Agent with such offered quotations, then the Benchmark Rate shall be the rate determined by the Calculation Agent to be the arithmetic mean (rounded if necessary to the nearest one hundred thousandth of a percentage point (0.000005 per cent. or greater being rounded upwards)) of such offered quotations or (y) if one only or none of the Reference Banks provides the Calculation Agent

with such a quotation, the Benchmark Rate shall be the rate which the Calculation Agent determines to be the arithmetic mean (rounded, if necessary, to the nearest one hundred thousandth of a percentage point (0.000005 per cent. or greater being rounded upwards)) of the Renminbi lending rates which leading banks in Hong Kong selected by the Calculation Agent are quoting to other leading banks in Hong Kong for a period of 12 months or (iii) if the Benchmark Rate cannot be determined in accordance with the foregoing provisions of this definition, the Benchmark Rate shall be determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

Board means either the board of directors of the Issuer or a committee appointed by the board of directors of the Issuer.

Business Day means a day which is:

- (a) for the purposes of (i) any day on which trading in Ordinary Shares is to take place or Ordinary Shares or other entitlements are to be traded or quoted, (ii) issue of Ordinary Shares or (iii) any VWAP determination or adjustment, a business day within the meaning of the ASX Listing Rules;
- (b) for the purposes of calculation or payment of Interest or other amount, any Payment Business Day; and
- (c) for all other purposes, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and Sydney.

Calculation Agent means Deutsche Bank AG, London Branch.

CBA Group means the Issuer (or any NOHC that is the holding company of the Issuer) and its Subsidiaries.

CBA Level 1 Group means either:

- (a) the Issuer; or
- (b) the “extended licensed entity” which is comprised of the Issuer and each Subsidiary of the Issuer as specified in any approval granted by APRA in accordance with APRA’s prudential standards (as amended from time to time).

CBA Level 2 Group means the Issuer and each Subsidiary that is recognised by APRA as part of the Issuer’s Level 2 group in accordance with APRA’s prudential standards (as amended from time to time).

CHESS means the Clearing House Electronic Sub-register system operated by ASX Settlement Pty Limited (ABN 49 008 504 532).

Clearing System means each of Euroclear and Clearstream, Luxembourg.

Clearing System Cut-off Date has the meaning given in Condition 5.10(c).

Clearing System Participant has the meaning given in Condition 5.10(c).

Clearstream, Luxembourg means Clearstream Banking, *société anonyme*.

CNY, RMB and Renminbi mean the lawful currency of the PRC.

CNY Currency Event means any one of CNY Illiquidity, CNY Non-Transferability and CNY Inconvertibility.

CNY Illiquidity means the general CNY exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient CNY in order to make a payment under the Subordinated Notes, as determined by the Issuer acting in good faith and in a commercially reasonable manner following consultation with two independent foreign exchange dealers of international repute active on the CNY exchange market in Hong Kong.

CNY Inconvertibility means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes into CNY on any payment date at the general CNY exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Hong Kong Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond the control of the Issuer, to comply with such law, rule or regulation).

CNY Non-Transferability means the occurrence of any event that makes it impossible for the Issuer to deliver CNY between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong or from an account outside Hong Kong to an account inside Hong Kong (including where the CNY clearing and settlement system for participating banks in Hong Kong is disrupted or suspended), other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Hong Kong Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer due to an event beyond its control, to comply with such law, rule or regulation).

CNY/USD Spot Rate means the spot CNY/USD exchange rate for the purchase of USD with CNY in the over-the-counter CNY exchange market in Hong Kong for settlement in two CNY/USD Spot Rate Calculation Business Days, as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on the CNY/USD Spot Rate Calculation Date, on a deliverable basis by reference to Reuters Screen TRADCNY3 Page, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen TRADNDF Page. If neither rate is available, the Calculation Agent shall determine the rate taking into consideration all available information which the Calculation Agent deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in Hong Kong or elsewhere and the CNY/USD exchange rate in the PRC domestic foreign exchange market.

CNY/USD Spot Rate Calculation Business Day means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Sydney, Hong Kong, London and New York City.

CNY/USD Spot Rate Calculation Date means the day which is two CNY/USD Spot Rate Calculation Business Days before the due date of the relevant payment under the Subordinated Notes.

Conditions means these terms and conditions of the Subordinated Notes.

Corporations Act means the Corporations Act 2001 (Cth).

Cum Value has the meaning given in Condition 5.2(a).

Date of Substitution has the meaning given in Condition 11.1.

Day Count Fraction means the actual number of days in the relevant period from and including the date from which Interest begins to accrue (the **Accrual Date**) to but excluding the date on which it falls due; divided by 365.

Deed of Covenant means the Deed of Covenant (as modified and/or supplemented and/or restated from time to time) dated 19 June 2013 and made by the Issuer.

Early Redemption Amount means the amount which may be payable in respect of a Subordinated Note which is its Outstanding Principal Amount calculated as at the date of redemption.

Equal Ranking Securities means any instrument that ranks in a winding up of the Issuer as the most junior claim in the winding up of the Issuer ranking senior to Junior Ranking Securities, and includes:

- (a) if on issue at the commencement of the winding up of the Issuer:
 - (i) the JPY20,000,000,000 Perpetual Subordinated Callable Fixed/Floating Rate Reverse Dual Currency Securities issued by the Issuer in 1999; and

- (ii) the JPY9,000,000,000 Perpetual Subordinated Instruments issued by the Bank of Western Australia Limited in 1996 and assigned to the Issuer in 2012; and
- (b) any other instruments, present and future, issued after 1 January 2013 as instruments constituting Tier 2 Capital.

Euroclear means Euroclear Bank S.A./N.V.

Event of Default has the meaning given in Condition 12.1.

Exchange means, the exchange of all, some or a percentage of each Subordinated Note for Ordinary Shares under these Conditions and Exchanged has a corresponding meaning.

Exchange Date means the date on which Exchange occurred in accordance with Condition 4.2.

Exchange Date Cross Rate has the meaning given in Condition 5.1(a).

Exchange Number has the meaning given in Condition 5.1.

Extraordinary Resolution has the meaning given in the Agency Agreement.

FATCA means sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended (or any consolidation, amendment, re-enactment or replacement of those sections and including any current or future regulations or official interpretations issued, agreements entered into or non-US laws enacted in relation to those sections).

Final Redemption Amount means the amount which may be payable in relation to a Subordinated Note which is its Outstanding Principal Amount calculated as at the date of redemption.

Foreign Subordinated Holder means:

- (a) a Subordinated Holder whose address in the Register is a place outside Australia; or
- (b) a Subordinated Holder who the Issuer believes may not be a resident of Australia and the Issuer is not satisfied that the laws of the country in which the Issuer believes the Subordinated Holder is resident permit the offer of Ordinary Shares to, or holding or acquisition of Ordinary Shares by, the Subordinated Holder (but the Issuer will not be bound to enquire into those laws), either unconditionally or after compliance with conditions which the Issuer, in its absolute discretion, regards as acceptable and not unduly onerous.

Full Successor has the meaning given in Condition 11.1(a).

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.

Hong Kong means the Hong Kong Special Administrative Region of the PRC.

Hong Kong Governmental Authority means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong.

Ineligible Subordinated Holder means a Subordinated Holder who is prohibited or restricted by any applicable law or regulation in force in Australia (including but not limited to Chapter 6 of the Corporations Act, the Foreign Acquisitions and Takeovers Act 1975 (Cth), the Financial Sector (Shareholdings) Act 1998 (Cth) and Part IV of the Competition and Consumer Act 2010) from being offered, holding or acquiring Ordinary Shares (provided that if the relevant prohibition or restriction only applies to the Subordinated Holder in respect of some of its Subordinated Notes, it shall only be treated as an Ineligible Subordinated Holder in respect of those Subordinated Notes and not in respect of the balance of its Subordinated Notes), and includes a Foreign Subordinated Holder. The Issuer will be entitled to treat a Subordinated Holder as not being an Ineligible Subordinated Holder unless the Subordinated Holder has otherwise notified it after the Issue Date and prior to the Exchange Date.

Initial Interest Rate has the meaning given in Condition 6.2(a).

Interest means interest payable on Subordinated Notes as defined in Condition 6.1(a).

Interest Payment Date means 11 March and 11 September in each year commencing on 11 September 2015, provided that if any Interest Payment Date falls on a day that is not a Payment Business Day, it shall be postponed to the first following day that is a Payment Business Day unless that day falls in the next calendar month in which case that date shall be brought forward to the first preceding day that is a Payment Business Day.

Interest Period means each period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date, except that the final Interest Period ends on (but excludes) the Maturity Date or the date of any earlier redemption of a Subordinated Note in accordance with the Conditions.

Interest Rate means the Initial Interest Rate and/or the Reset Interest Rate, as the case may be.

Issue Date means 11 March 2015.

Issue Date Cross Rate has the meaning given in Condition 5.1(a).

Issue Date VWAP means the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding but not including the Issue Date, as adjusted in accordance with Conditions 5.4 to 5.7.

Issue Price means 100 per cent.

Issuer means Commonwealth Bank of Australia (ABN 48 123 123 124).

Junior Ranking Securities means any instrument, present and future, issued by the Issuer which:

- (a) qualifies as Tier 1 Capital (or, in the case of any instrument issued prior to 1 January 2013), was treated as constituting Tier 1 Capital in accordance with the prudential standards which applied prior to 1 January 2013, irrespective of whether or not such instrument is treated as constituting Tier 1 Capital in accordance with any transitional arrangements provided by APRA or which rank or are expressed to rank equally with such securities in a winding up of the Issuer; and
- (b) all ordinary shares of the Issuer.

Level 1 has the meaning given by APRA from time to time.

Level 2 has the meaning given by APRA from time to time.

Margin means 0.8643 per cent. per annum.

Maturity Date means 11 March 2025.

Maximum Exchange Number has the meaning given in Condition 5.1.

NOHC means a “non-operating holding company” within the meaning of the Banking Act.

NOHC Event occurs when the Board initiates a restructure of the CBA Group and a NOHC becomes the ultimate holding company of the Issuer.

NOHC Ordinary Share means a fully paid ordinary share in the capital of the NOHC.

Non-Viability Trigger Event has the meaning given in Condition 4.1.

Optional Redemption Amount means the amount which may be payable in relation to a Subordinated Note which is its Outstanding Principal Amount calculated as at the date of redemption.

Optional Redemption Date means 11 March 2020.

Ordinary Share means a fully paid ordinary share in the capital of the Issuer.

Outstanding Principal Amount means in respect of any Subordinated Note which is outstanding at any time, the outstanding principal amount of the Subordinated Note, and for such purposes:

- (a) the principal amount of a Subordinated Note issued at a discount, par or at a premium is at any time to be equal to its Specified Denomination; and
- (b) if the principal amount of a Subordinated Note has at any time been Exchanged or Written Down as described in, and in accordance with, Conditions 4 and 5 the principal amount of the Subordinated Note will be reduced by the principal amount so Exchanged or Written Down at that time.

Partial Redemption has the meaning given in Condition 7.3(b).

Partial Successor has the meaning given in Condition 11.1(b).

Paying Agents means the paying agents named in the Agency Agreement, including any additional or successor paying agents.

Payment Business Day means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits and, in the case of Hong Kong, the settlement of CNY payments) in Beijing, Hong Kong, London, New York City and Sydney.

PRC means the People's Republic of China which, for purposes of these Conditions, excludes the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan.

Principal Paying Agent means Deutsche Bank AG, London Branch as principal paying agent, including any successor as principal paying agent.

Reclassification has the meaning given in Condition 5.3(a).

Record Date means:

- (a) subject to paragraph (b) below, the date that is fifteen calendar days prior to the relevant Interest Payment Date or any other date which is subject to a Record Date; or
- (b) such other date determined by the Issuer in its absolute discretion and communicated to the Registrar and Subordinated Holders and which is before the Record Date which would have been determined under paragraph (a) above,

or such other date as may be required by, or agreed with, the Clearing Systems (as applicable).

Redemption means the redemption of all or some Subordinated Notes under these Conditions and **Redeem** and **Redeemed** have corresponding meanings.

Redemption Date means, in respect of each Subordinated Note, the date specified by the Issuer as the Redemption Date in accordance with Condition 7.

Reference Banks means the principal Hong Kong office of four major banks dealing in Renminbi in the Hong Kong interbank market as selected by the Issuer.

Register means the register of Subordinated Holders maintained by the Registrar in accordance with the Agency Agreement and the Conditions.

Registrar means Deutsche Bank Luxembourg S.A. as registrar, including any successor as registrar.

Related Body Corporate has the meaning given in the Corporations Act.

Related Entity has the meaning given by APRA from time to time.

Relevant Date means, in respect of any Subordinated Note, 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 Subordinated Holders that such payment will be made, provided that payment is in fact made.

Relevant Security means a Relevant Tier 1 Security and a Relevant Tier 2 Security.

Relevant Tier 1 Security means a security forming part of the Tier 1 Capital of the Issuer on a Level 1 basis or Level 2 basis.

Relevant Tier 2 Security means a security forming part of the Tier 2 Capital of the Issuer on a Level 1 basis or Level 2 basis.

Repurchase has the meaning given in Condition 7.5.

Reserve Bank Act means the Reserve Bank Act 1959 (Cth).

Reset Interest Rate has the meaning given in Condition 6.2(b).

Reset Determination Date means the day falling two Payment Business Days prior to the Optional Redemption Date.

Reuters Screen TRADCNY3 Page means the display page on the relevant Reuters information service designated as the “TRADCNY3” page or such other page as may replace it on that information service, or on such other equivalent information service as may be nominated by the person providing or sponsoring such information, for the purpose of displaying equivalent or comparable rates to the CNY/USD Spot Rate.

Reuters Screen TRADNDF Page means the display page on the relevant Reuters information service designated as the “TRADNDF” page or such other page as may replace it on that information service, or on such other equivalent information service as may be nominated by the person providing or sponsoring such information, for the purpose of displaying equivalent or comparable rates to the CNY/USD Spot Rate.

Senior Ranking Obligations means all present and future deposits and other liabilities, securities and other obligations of the Issuer which would be entitled to be admitted in the winding up of the Issuer (and including but not limited to obligations in respect of instruments issued before 1 January 2013 as Tier 2 Capital) other than Equal Ranking Securities and Junior Ranking Securities.

Solvent has the meaning given in the Corporations Act.

Specified Denomination means CNY1,000,000 and integral multiples of CNY10,000 in excess thereof.

Subordinated Holder means a person whose name is for the time being recorded in the Register as the registered holder of a Subordinated Note and, for so long as any of the Subordinated Notes are represented by the global Subordinated Note held on behalf of Euroclear and/or Clearstream, Luxembourg, each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular nominal amount of such Subordinated Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Subordinated Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of Subordinated Notes for all purposes other than with respect to payments on the Subordinated Notes for which purpose the registered holder of the global Subordinated Note shall be treated by the Issuer and any Paying Agent as the holder of such Subordinated Notes in accordance with and subject to the terms of the global Subordinated Note.

Subordinated Note means a security issued in accordance with, and subject to, these Conditions.

Subsidiary has the meaning given in the Corporations Act.

Substitution Conditions has the meaning given in Condition 11.2.

Successor has the meaning given in Condition 11.1.

Successor Documents has the meaning given in Condition 11.2(a)(ii).

Taxes has the meaning given in Condition 10.1.

Tier 1 Capital means the Tier 1 Capital of the Issuer on the relevant Level 1 or Level 2 basis, as defined by APRA from time to time.

Tier 2 Capital means the Tier 2 Capital of the Issuer on the relevant Level 1 or Level 2 basis, as defined by APRA from time to time.

Transfer Agents means the transfer agents named in the Agency Agreement, including any additional or successor transfer agents.

U.S. dollars, USD and U.S.\$ means the lawful currency of the United States of America.

VWAP means the average of the daily volume weighted average prices of Ordinary Shares traded on ASX during the relevant VWAP Period, subject to any adjustments made under Conditions 5.2 and 5.3, but the trades taken into account in determining such daily volume weighted average prices will exclude special crossings, crossings prior to the commencement of normal trading or during the closing phase or after hours adjustment phase, overnight crossings, overseas trades, trades pursuant to the exercise of options over Ordinary Shares, or any other trade determined by the Board in its discretion not to be reflective of normal trading in Ordinary Shares.

VWAP Period means:

- (a) in the case of the calculation of the Exchange Number, the period of 5 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Exchange Date; or
- (b) in the case of the Issue Date VWAP, the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding but excluding the Issue Date.

Written Down has the meaning given in Condition 4.3 and **Write Down** has a corresponding meaning.

Write Down Date means the date on which all or a percentage of the Outstanding Principal Amount is Written Down. For the avoidance of doubt, if the Outstanding Principal Amount has not been fully Written Down, the Subordinated Note continues to have an Outstanding Principal Amount and Interest continues to be payable on the remaining Outstanding Principal Amount.

1.2 Interpretation

In these Conditions, 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;
 - (vi) a document includes all schedules or annexes to it;
 - (vii) a Condition or paragraph is to a Condition or paragraph of these Terms;
- (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) the word “law” includes common law, principles of equity and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);
- (e) the word “outstanding” has the meaning given in the Agency Agreement;
- (f) headings are inserted for convenience and do not affect the interpretation of these Conditions;
- (g) another grammatical form of a defined word or expression has a corresponding meaning;
- (h) if an event under these Conditions must occur on a stipulated day which is not a Business Day, then, for an event other than a Non-Viability Trigger Event, an Exchange or a Write Down (and any action required in connection with such event), the stipulated day will be taken to be the next Business Day;
- (i) the meaning of general words is not limited by specific examples introduced by “including”, “for example” or similar expressions;
- (j) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (k) any provisions which refer to APRA requirements of or any other prudential regulatory requirements will apply to the Issuer only if the Issuer is an entity, or the holding company of an entity, or is a direct or indirect subsidiary of an entity (including a NOHC) subject to regulation and supervision by APRA at the relevant time;
- (l) any provisions which require APRA’s consent or approval (written or otherwise) will apply only if APRA requires that such consent or approval be given at the relevant time;
- (m) any provision in these Conditions requiring prior APRA approval for a particular course of action to be taken by the Issuer do not imply that APRA has given its consent or approval to the particular action as at the Issue Date;
- (n) a reference to a term defined by the ASX Listing Rules or the ASX Settlement Operating Rules shall, if that term is replaced in those rules, be taken to be a reference to the replacement term; and
- (o) if the principal securities exchange on which Ordinary Shares are quoted becomes other than ASX, unless the context otherwise requires a reference to ASX shall be read as a reference to that principal securities exchange and a reference to the ASX Listing Rules and the ASX Settlement Operating Rules or any term defined in any such rules, shall be read as a reference to the corresponding rules of that exchange or corresponding defined terms in such rules (as the case may be).

2 Form, denomination and title

2.1 Form

The Subordinated Notes are subordinated, unsecured debt obligations of the Issuer issued in registered form by entry in the Register.

2.2 Denomination

Each Subordinated Note is issued fully paid in CNY in the relevant Specified Denomination.

2.3 Title

Title to the Subordinated Notes will pass upon the registration of transfers in the Register in accordance with the provisions of the Agency Agreement. The Issuer, any Paying Agent and any Transfer Agent

may (to the fullest extent permitted by applicable laws) deem and treat the registered holder of any Subordinated Note as the absolute owner of that Subordinated Note (regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, any certificate issued in respect of it).

Subordinated Notes which are represented by a global Subordinated Note held on behalf of Euroclear and/or Clearstream, Luxembourg will only be transferable in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg, as the case may be.

2.4 Location of Register

The Register will be established and maintained by the Registrar at its specified office.

2.5 No set-off

To the maximum extent permitted by applicable law, none of the Issuer, any Subordinated Holder or any person claiming through any of them has any right of set-off in respect of any amounts owed by one person to the other person.

3 Status and ranking

- (a) Subordinated Notes are direct and subordinated obligations of the Issuer.
- (b) Claims in respect of Subordinated Notes shall rank in a winding up of the Issuer:
 - (i) after the claims in respect of Senior Ranking Obligations including claims preferred by applicable laws;
 - (ii) equally among themselves and with claims in respect of Equal Ranking Securities; and
 - (iii) ahead of all claims in respect of Junior Ranking Securities including claims referred to in sections 563AA and 563A of the Corporations Act.

The applicable laws referred to above include (but are not limited to) sections 13A and 16 of the Banking Act and section 86 of the Reserve Bank Act. These provisions provide that, in the event that the Issuer becomes unable to meet its obligations or suspends payment, its assets in Australia are to be available to meet its liabilities to, among others, APRA, the Reserve Bank of Australia and holders of protected accounts held in Australia, in priority to all other liabilities, including the Subordinated Notes.

Changes to applicable laws may extend the debts required to be preferred by law. The Subordinated Notes are not protected accounts or deposit liabilities of the Issuer for the purposes of the Banking Act.

- (c) In a winding up of the Issuer, payments on each Subordinated Note are subject to:
 - (i) all holders of Senior Ranking Obligations being paid in full before any payment is made to Subordinated Holders; and
 - (ii) Subordinated Holders and holders of Equal Ranking Securities being paid on a pro-rata basis.
- (d) Each Subordinated Holder irrevocably acknowledges and agrees that:
 - (i) this Condition 3 is a debt subordination for the purposes of section 563C of the Corporations Act;
 - (ii) the debt subordination is not affected by any act or omission of the Issuer, or of any holder of Senior Ranking Obligations, which might otherwise affect Subordinated Holders at law or in equity;

- (iii) a Subordinated Holder must not exercise its voting rights as an unsecured creditor in the winding up or administration of the Issuer in respect of the Subordinated Notes to defeat the subordination in this Condition 3; and
- (iv) a Subordinated Holder must pay or deliver to the liquidator any amount or asset received on account of its claim in the winding up in excess of its entitlement under this Condition 3.
- (e) For the avoidance of doubt, but subject to Condition 4.3, if a Non-Viability Trigger Event has occurred, Subordinated Holders will rank in a winding up of the Issuer as holders of the number of Ordinary Shares to which they became entitled under Condition 4.1.

4 Automatic Exchange or Write Down upon the occurrence of a Non-Viability Trigger Event

4.1 Non-Viability Trigger Event

- (a) A Non-Viability Trigger Event occurs when APRA notifies the Issuer in writing that it believes:
 - (i) an Exchange of all or some Subordinated Notes, or conversion or write down of capital instruments of the CBA Group, is necessary because, without it, the Issuer would become non-viable; or
 - (ii) a public sector injection of capital, or equivalent support, is necessary because, without it, the Issuer would become non-viable.

APRA may specify an aggregate face value of capital instruments which must be Exchanged, Written Down, converted or written down (as applicable).
- (b) If a Non-Viability Trigger Event occurs, the Issuer must Exchange in accordance with Conditions 4.2 and 4.3 such number of Subordinated Notes (or, if it so determines, such percentage of the Outstanding Principal Amount of each Subordinated Note) as is equal (taking into account any conversion or write down of other Relevant Securities as referred to in Condition 4.1(c)) to the aggregate face value of capital instruments which APRA has notified the Issuer must be Exchanged, converted or written down (or, if APRA has not so notified the Issuer, such number or, if the Issuer so determines, such percentage of the Outstanding Principal Amount of each Subordinated Note as is necessary to satisfy APRA that the Issuer will no longer be non-viable). If a Non-Viability Trigger Event occurs under Condition 4.1(a)(ii), the Issuer must Exchange all Subordinated Notes.
- (c) In determining the number of Subordinated Notes, or percentage of the Outstanding Principal Amount of each Subordinated Note which must be Exchanged in accordance with this Condition 4, the Issuer will:
 - (i) first, exchange, convert or write down the face value of any Relevant Tier 1 Securities whose terms require or permit, or are taken by law to require or permit, them to be exchanged, converted or written down before Exchange of the Subordinated Notes;
 - (ii) secondly, exchange, convert or write down the face value of any Relevant Tier 2 Securities whose terms require or permit, or are taken by law to require or permit, them to be exchanged, converted or written down before Exchange of the Subordinated Notes; and
 - (iii) thirdly, if exchange, conversion or write down of those securities is not sufficient, Exchange (in the case of the Subordinated Notes) or exchange, convert or write down (in the case of any other Relevant Tier 2 Securities) on a pro-rata basis or in a manner that is otherwise, in the opinion of the Issuer, fair and reasonable, the Subordinated

Notes and any other Relevant Tier 2 Securities whose terms require or permit, or are taken by law to require or permit, them to be exchanged, converted or written down in that manner (subject to such adjustments as the Issuer may determine to take into account the effect on marketable parcels and whole numbers of Ordinary Shares and any Subordinated Notes or other Relevant Tier 2 Securities remaining on issue),

but such determination will not impede the immediate Exchange of the relevant number of Subordinated Notes or percentage of the Outstanding Principal Amount of each Subordinated Note (as the case may be).

- (d) If a Non-Viability Trigger Event occurs, then:
 - (i) the relevant number of Subordinated Notes, or percentage of the Outstanding Principal Amount of each Subordinated Note, must be Exchanged immediately upon occurrence of the Non-Viability Trigger Event in accordance with Conditions 4.2 and 5 and the Exchange will be irrevocable;
 - (ii) the Issuer must give notice as soon as practicable that Exchange has occurred to the Registrar and the Subordinated Holders;
 - (iii) the notice must specify the date on which the Non-Viability Trigger Event occurred; and
 - (iv) the notice must specify the details of the Exchange process, including any details which were taken into account in relation to the effect on marketable parcels and whole numbers of Ordinary Shares, and the impact on any Subordinated Notes remaining on issue.
- (e) Failure to undertake any of the steps in Conditions 4.1(d) does not prevent, invalidate or otherwise impede Exchange or Write Down respectively.
- (f) For the purposes of the foregoing, where the specified currency of the face value of Relevant Tier 1 Securities, Relevant Tier 2 Securities and/or Subordinated Notes (as applicable) is not the same, the Issuer may treat them as if converted into a single currency of the Issuer's choice at such rate of exchange as the Issuer in good faith considers reasonable.

4.2 Exchange

- (a) If a Non-Viability Trigger Event has occurred and all or some of the Subordinated Notes (or percentage of the Outstanding Principal Amount of each Subordinated Note) are required to be Exchanged in accordance with Condition 4.1, then:
 - (i) Exchange of the relevant Subordinated Notes or percentage of the Outstanding Principal Amount of each Subordinated Note will occur in accordance with Conditions 4.1 and 5 immediately upon the date of occurrence of the Non-Viability Trigger Event; and
 - (ii) the entry of the corresponding Subordinated Note in each relevant Subordinated Holder's holding in the Register will constitute an entitlement of that Subordinated Holder (or, where Condition 5.10 applies, of the nominee) to the relevant number of Ordinary Shares (and, if applicable, also to any remaining balance of the Subordinated Notes or remaining percentage of the Outstanding Principal Amount of each Subordinated Note), and the Issuer will recognise the Subordinated Holder (or, where Condition 5.10 applies, the nominee) as having been issued the relevant Ordinary Shares for all purposes,

in each case without the need for any further act or step by the Issuer, the Subordinated Holder or any other person (and the Issuer will, as soon as possible thereafter and without delay on the part of the Issuer, take any appropriate procedural steps to record such Exchange,

including to procure the updating of the Register and the Ordinary Share register and seek quotation of Ordinary Shares issued on Exchange).

- (b) In relation to an Exchange, the Issuer shall notify the Registrar of the percentage of the Outstanding Principal Amount of each Subordinated Note that has been Exchanged and instruct the Registrar to reflect this Exchange in any relevant form of note or certificate and the Register so that the Outstanding Principal Amount of such Subordinated Note is reduced by the relevant percentage. If a definitive Subordinated Note has been issued to a Subordinated Holder in respect of such Subordinated Note then, if the Issuer so requires, such Subordinated Holder shall surrender such definitive Subordinated Note to the Registrar and the Registrar shall deliver to the Subordinated Holder a new definitive Subordinated Note with a reduced Outstanding Principal Amount reflecting the Exchange.
- (c) For the avoidance of doubt:
 - (i) nothing in this Condition 4.2 allows a payment to be made to a Subordinated Holder upon Exchange; and
 - (ii) Exchange under this Condition 4.2 takes priority over a notice for Redemption issued under Conditions 7.2, 7.3 or 7.4.

4.3 No further rights if Exchange cannot occur

If for any reason, Exchange of any Subordinated Note or a percentage of the Outstanding Principal Amount of any Subordinated Note required to be Exchanged under Condition 4.1 fails to take effect under Condition 4.2 and the Issuer has not otherwise issued the Ordinary Shares required to be issued in respect of such Exchange within five Business Days after the date of the occurrence of the Non-Viability Trigger Event, then the relevant Subordinated Holder's rights (including to payment of the Outstanding Principal Amount and Interest) in relation to such Subordinated Notes or percentage of the Outstanding Principal Amount of the Subordinated Notes are immediately and irrevocably terminated (**Written Down**). The Issuer must give notice as soon as practicable that Write Down has occurred to the Registrar and the Subordinated Holders, and the notice must specify the date on which the Non-Viability Trigger Event occurred.

5 General provisions applicable to Exchange

5.1 Exchange

On the Exchange Date, subject to Condition 4.3 and Condition 5.10, the following will apply:

- (a) The Issuer will allot and issue the Exchange Number of Ordinary Shares for each Subordinated Note (or percentage of the Outstanding Principal Amount of each Subordinated Note) required to be Exchanged. The Exchange Number is, subject always to the Exchange Number being no greater than the Maximum Exchange Number, calculated according to the following formula:

$$\text{Exchange Number} = \frac{\text{Outstanding Principal Amount} \times \text{Exchange Date Cross Rate}}{P \times \text{VWAP}}$$

where:

P means 0.99.

VWAP (expressed in Australian dollars and cents) means the VWAP during the relevant VWAP Period.

Exchange Date Cross Rate means the average (rounded to six decimal places) of the inverse AUD/CNY exchange rates set by the Reserve Bank of Australia at approximately 4.00 p.m. (Sydney time) on each of the Business Days during the five Business Day period immediately preceding (but excluding) the Exchange Date or, if

such exchange rate is not set or published by the Reserve Bank of Australia on any of such Business Days, the Exchange Date Cross Rate will be the simple average of the inverse AUD/CNY exchange rate quoted by two or more independent market makers in that exchange rate, selected by the Issuer, at approximately 4.00 p.m. (Sydney time) on the date on which notice is given in accordance with Condition 4.1(d)(ii) for settlement on the Exchange Date.

Maximum Exchange Number means a number calculated according to the following formula:

$$\text{Maximum Exchange Number} = \frac{\text{Outstanding Principal Amount} \times \text{Issue Date Cross Rate}}{0.20 \times \text{Issue Date VWAP}}$$

Issue Date Cross Rate means the average (rounded to six decimal places) of the inverse AUD/CNY exchange rates set by the Reserve Bank of Australia at approximately 4.00 p.m. (Sydney time) on each of the Business Days during the 20 Business Day period immediately preceding (but excluding) the Issue Date or, if such exchange rate is not set or published by the Reserve Bank of Australia on any of such Business Days, the Issue Date Cross Rate will be the simple average of the inverse AUD/CNY exchange rate quoted by two or more independent market makers in that exchange rate, selected by the Issuer, at approximately 4.00 p.m. (Sydney time) on the Issue Date.

- (b) Each Subordinated Holder's rights (including to payment of Interest) in relation to each Subordinated Note that is being Exchanged (or percentage of the Outstanding Principal Amount of each Subordinated Note that is being Exchanged) will be immediately and irrevocably terminated for an amount equal to the Outstanding Principal Amount of each Subordinated Note (or percentage of the Outstanding Principal Amount of each Subordinated Note) and the Issuer will apply that amount by way of payment for the subscription for the Ordinary Shares to be allotted and issued under Condition 5.1(a). Each Subordinated Holder is taken to have irrevocably directed that any amount payable under this Condition 5.1 is to be applied as provided for in this Condition 5.1 and no Subordinated Holder has any right to payment in any other way.
- (c) If the total number of additional Ordinary Shares to be allotted and issued in respect of a Subordinated Holder's aggregate holding of Subordinated Notes includes a fraction of an Ordinary Share, that fraction of an Ordinary Share will be disregarded.
- (d) Subject to Condition 5.10, where Subordinated Notes are Exchanged, the Issuer will allot and issue the Ordinary Shares to the Subordinated Holder on the basis that a Subordinated Holder's name and address set out in the Register (or, if not set out in the Register, otherwise held by the Registrar) are the name and address for entry into any register of title and delivery of any certificate or holding statement in respect of any Ordinary Shares issued on Exchange.

5.2 Adjustments to VWAP generally

For the purposes of calculating the VWAP under Condition 5.1:

- (a) where, on some or all of the Business Days in the relevant VWAP Period, Ordinary Shares have been quoted on ASX as cum dividend or cum any other distribution or entitlement and Subordinated Notes will be Exchanged for Ordinary Shares after that date and those Ordinary Shares will no longer carry that dividend or any other distribution or entitlement, then the VWAP on the Business Days on which those Ordinary Shares have been quoted cum dividend or cum any other distribution or entitlement will be reduced by an amount (**Cum Value**) equal to:
 - (i) in the case of a dividend or other distribution, the amount of that dividend or other distribution;

- (ii) in the case of any other entitlement that is not a dividend or other distribution under Condition 5.2(a)(i) which is traded on ASX on any of those Business Days, the volume weighted average price of all such entitlements sold on ASX during the relevant VWAP Period on the Business Days on which those entitlements were traded (excluding trades of the kind that would be excluded in determining VWAP under the definition of that term); or
 - (iii) in the case of any other entitlement which is not traded on ASX during the VWAP Period, the value of the entitlement as reasonably determined by the Board; and
- (b) where, on some or all of the Business Days in the VWAP Period, Ordinary Shares have been quoted as ex dividend or ex any other distribution or entitlement, and Subordinated Notes will be Exchanged for Ordinary Shares which would be entitled to receive the relevant dividend, distribution or entitlement, the VWAP on the Business Days on which those Ordinary Shares have been quoted ex dividend or ex any other distribution or entitlement will be increased by the Cum Value.

5.3 Adjustments to VWAP for capital reconstruction

- (a) Where, during the relevant VWAP Period, there is a change to the number of Ordinary Shares on issue because the Ordinary Shares are reconstructed, consolidated, divided or reclassified (not involving any payment or other compensation to or by holders of Ordinary Shares) (**Reclassification**) into a lesser or greater number, the daily VWAP for each day in the VWAP Period which falls before the date on which trading in Ordinary Shares is conducted on a post Reclassification basis will be adjusted by the following formula:

$$\frac{A}{B}$$

Where:

A means the aggregate number of Ordinary Shares immediately before the Reclassification; and

B means the aggregate number of Ordinary Shares immediately after the Reclassification.

- (b) Any adjustment made by the Issuer in accordance with Condition 5.3(a) will be effective and binding on Subordinated Holders under these Conditions and these Conditions will be construed accordingly.
- (c) For the avoidance of doubt, nothing in this Condition 5.3 allows a cash payment or other distribution to be made to or by a Subordinated Holder as part of a Reclassification or as a result of a Reclassification.

5.4 Adjustments to Issue Date VWAP generally

For the purposes of determining the Issue Date VWAP under Condition 5.1, adjustments will be made in accordance with Condition 5.2 and Condition 5.3 during the VWAP Period for the Issue Date VWAP. On and from the Issue Date, adjustments to the Issue Date VWAP:

- (a) may be made by the Issuer in accordance with Conditions 5.5 to 5.7 (inclusive);
- (b) if so made, will correspondingly cause an adjustment to the Maximum Exchange Number; and
- (c) if so made, will be effective and binding on Subordinated Holders under these Conditions and these Conditions will be construed accordingly.

5.5 Adjustments to Issue Date VWAP for bonus issues

- (a) Subject to Conditions 5.5(b) and 5.5(c), if the Issuer makes a pro-rata bonus issue of Ordinary Shares to holders of Ordinary Shares generally, the Issue Date VWAP will be adjusted immediately in accordance with the following formula:

$$V = V_0 \times \frac{RD}{(RD + RN)}$$

Where:

V means the Issue Date VWAP applying immediately after the application of this formula;

V₀ means the Issue Date VWAP applying immediately prior to the application of this formula;

RD means the number of Ordinary Shares on issue immediately prior to the allotment of new Ordinary Shares pursuant to the bonus issue; and

RN means the number of Ordinary Shares issued pursuant to the bonus issue.

- (b) For the avoidance of doubt, Condition 5.5(a) does not apply to Ordinary Shares issued as part of a bonus share plan, employee or executive share plan, executive option plan, share top up plan, share purchase plan or a dividend reinvestment plan.
- (c) For the purposes of this Condition, an issue will be regarded as a bonus issue notwithstanding that the Issuer does not make offers to some or all holders of Ordinary Shares with registered addresses outside Australia (or to whom an offer is otherwise subject to foreign securities laws), provided that in so doing the Issuer is not in contravention of the ASX Listing Rules.

5.6 Adjustments to Issue Date VWAP for capital reconstruction

If, at any time after the Issue Date, there is a change to the number of Ordinary Shares on issue because of a Reclassification into a lesser or greater number, the Issue Date VWAP will be adjusted by multiplying the Issue Date VWAP applicable on the Business Day immediately before the date of any such Reclassification by the following formula:

$$\frac{A}{B}$$

where:

A means the aggregate number of Ordinary Shares on issue immediately before the Reclassification; and

B means the aggregate number of Ordinary Shares on issue immediately after the Reclassification.

5.7 No adjustment to Issue Date VWAP in certain circumstances

Despite the provisions of Conditions 5.5 and 5.6, no adjustment will be made to the Issue Date VWAP where any such adjustment (rounded if applicable) would be less than one per cent. of the Issue Date VWAP then in effect.

5.8 Announcement of adjustments to Issue Date VWAP

The Issuer will notify any adjustment to the Issue Date VWAP under Conditions 5.4 to 5.6 (inclusive) to the Registrar and the Subordinated Holders within 10 Business Days of the Issuer determining the adjustment and the adjustment will be final and binding.

5.9 Status and quotation of Ordinary Shares

- (a) Ordinary Shares issued or arising from Exchange will rank equally with all other fully paid Ordinary Shares provided that the rights attaching to the Ordinary Shares issued or arising from Exchange do not take effect until 5:00pm (Sydney time) on the Exchange Date (or such other time required by APRA).
- (b) The Issuer will use all reasonable endeavours to quote the Ordinary Shares issued on Exchange of the Subordinated Notes on ASX.

5.10 Exchange where the Subordinated Holder does not wish to receive Ordinary Shares or is an Ineligible Subordinated Holder

- (a) If Subordinated Notes (or a percentage of the Outstanding Principal Amount of each Subordinated Note) of a Subordinated Holder are required to be Exchanged and:
 - (i) the Subordinated Holder has notified the Issuer that it does not wish to receive Ordinary Shares as a result of Exchange, which notice may be given at any time on or after the Issue Date and prior to the Exchange Date;
 - (ii) the Subordinated Holder is an Ineligible Subordinated Holder; or
 - (iii) the Issuer has not received (for any reason whether or not due to the fault of that Subordinated Holder) any information required by it in accordance with the Conditions so as to impede the Issuer issuing the Ordinary Shares to a Subordinated Holder on the Exchange Date,

then, subject to Condition 5.10(b), on the Exchange Date, the Subordinated Holder's rights (including to payment of Interest) in relation to such Subordinated Notes being Exchanged are immediately and irrevocably terminated and the Issuer will issue the Exchange Number of Ordinary Shares to a nominee (which nominee may not be the Issuer or a Related Entity of the Issuer) for no additional consideration on terms that, at the first opportunity to sell the Ordinary Shares, the nominee will arrange for their sale at market value and pay the Attributable Proceeds to the relevant Subordinated Holder (unless, because the Subordinated Holder is an Ineligible Subordinated Holder, the nominee is deemed to be an Ineligible Subordinated Holder, in which case such issue shall occur as soon as practicable after the nominee ceases to be an Ineligible Subordinated Holder).

- (b) If Subordinated Notes (or a percentage of the Outstanding Principal Amount of each Subordinated Note) of a Subordinated Holder are required to be Exchanged and the Subordinated Holder is the operator of a Clearing System or a nominee for a common depository for any one or more Clearing Systems (such operator or nominee for a common depository acting in such capacity as is specified in the rules and regulations of the relevant Clearing System or Clearing Systems) and the rules and regulations of that Clearing System do not permit the Clearing System or its nominee to hold Ordinary Shares, then, on the Exchange Date, the Subordinated Holder's rights (including to payment of Interest) in relation to such Subordinated Notes being Exchanged are immediately and irrevocably terminated and the Issuer will issue the Exchange Number of Ordinary Shares to a nominee (which nominee may not be the Issuer or a Related Entity of the Issuer) for no additional consideration on terms that they are dealt with in accordance with Conditions 5.10(c) and 5.10(d) (unless, because the Clearing System or its nominee is an Ineligible Subordinated Holder, the nominee is deemed to be an Ineligible Subordinated Holder, in which case such issue shall occur as soon as practicable after the nominee ceases to be an Ineligible Subordinated Holder).
- (c) Where Ordinary Shares are issued to one or more nominees in accordance with Condition 5.10(b), each person who is for the time being shown in the records of the relevant Clearing System or Clearing Systems as the holder of the corresponding Subordinated Notes immediately prior to Exchange (**Clearing System Participant**, in which regard any certificate or other document issued by a Clearing System as to the Outstanding Principal Amount of such Subordinated Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) may, no later than 30 days following the relevant Exchange Date (**Clearing System Cut-off Date**), provide to the Issuer and the relevant nominee:
 - (i) its name and address for entry into any register of title and receipt of any certificate or holding statement in respect of any Ordinary Shares issued on Exchange;

- (ii) the Subordinated Holder's security account details in CHESS or such other account to which the Ordinary Shares issued on Exchange are to be credited; and
 - (iii) such other information as is reasonably requested by the Issuer,

and, if it does so, the nominee will transfer the relevant Ordinary Shares to the Clearing System Participant as soon as possible thereafter.
- (d) If a Clearing System Participant:
 - (i) fails to provide the information required by Condition 5.10(c) by the Clearing System Cut-off Date;
 - (ii) notifies the Issuer that it does not wish to receive Ordinary Shares on or prior to the Clearing System Cut-off Date; or
 - (iii) would be an Ineligible Subordinated Holder if the Clearing System Participant's name had been entered in a Register as the owner of the Subordinated Notes immediately prior to Exchange,

then, with effect from the Clearing System Cut-off Date, the Clearing System Participant will cease to be entitled to receive the relevant Ordinary Shares and, at the first opportunity to sell the Ordinary Shares after the Clearing System Cut-off Date, the relevant nominee will arrange for their sale at market value and pay the Attributable Proceeds to the Clearing System Participant.
- (e) Where a nominee is to be issued with Ordinary Shares under this Condition 5.10, on and from the date of issue of those Ordinary Shares, the relevant Subordinated Notes (or percentage of the Outstanding Principal Amount of each Subordinated Note) are taken to have been Exchanged and the only rights of the Subordinated Holders or the Clearing System Participant (as the case may be) in respect of such Subordinated Notes (or percentage of the Outstanding Principal Amount of each Subordinated Note) are:
 - (i) where Conditions 5.10(a) or 5.10(d) applies, to require the nominee to pay it the Attributable Proceeds or
 - (ii) where Condition 5.10(c) applies and the Clearing System Participant complies with the conditions of that Condition, to require the nominee to effect a transfer of those Ordinary Shares to the Clearing System Participant.
- (f) If, where Condition 5.10 applies:
 - (i) the Exchange fails to take effect; and
 - (ii) the Issuer has not otherwise issued Ordinary Shares to the relevant nominee within five Business Days after the date of the occurrence of the Non-Viability Trigger Event,

then the Subordinated Holders' rights will be immediately and irrevocably terminated in accordance with Condition 4.3.

5.11 Exchange of a percentage of Outstanding Principal Amount

If, under these Conditions, it is necessary to Exchange a percentage of the Outstanding Principal Amount, this Condition 5 will apply to the Exchange as if references to the Outstanding Principal Amount were references to the relevant percentage of the Outstanding Principal Amount to be Exchanged.

For the avoidance of doubt, if, under these Conditions, it is not necessary to Exchange all of the Outstanding Principal Amount of each Subordinated Note, and either (a) a Subordinated Holder is the operator of a Clearing System or nominee for a common depository for any one or more Clearing Systems or (b) an Exchange of some only of the Subordinated Notes could result in the Exchange being

applied among Subordinated Holders or Clearing System Participants (as applicable) other than on a pro-rata basis, the Exchange will be effected by the relevant percentage of the Outstanding Principal Amount of each Subordinated Note being Exchanged.

5.12 Subordinated Holder Acknowledgments

Each Subordinated Holder irrevocably:

- (a) consents to becoming a member of the Issuer upon Exchange of the Subordinated Notes as required by these Conditions and agrees to be bound by the constitution of the Issuer, in each case in respect of the Ordinary Shares issued to such Subordinated Holder on Exchange;
- (b) unless (x) it has given notice in accordance with Condition 5.10 that it does not wish to receive Ordinary Shares as a result of the Exchange or (y) it is an Ineligible Subordinated Holder, acknowledges and agrees that it is obliged to accept Ordinary Shares if it holds Subordinated Notes that are required to be Exchanged as and when required by these Conditions notwithstanding anything that might otherwise affect Exchange including:
 - (i) any change in the financial position of the Issuer since the issue of such Subordinated Notes;
 - (ii) any disruption to the market or potential market for the Ordinary Shares or to capital markets generally;
 - (iii) any breach by the Issuer of any obligation in connection with the Subordinated Notes; or
 - (iv) any failure to or delay in exchange, conversion or write down of other Relevant Securities; and
- (c) acknowledges and agrees that:
 - (i) it will not have any rights to vote in respect of any Exchange or Write Down;
 - (ii) it has no claim against the Issuer for any loss it may suffer arising in connection with any Exchange or Write Down;
 - (iii) it has no rights to compensation from, or any other remedies against, the Issuer or any other member of the CBA Group on account of the failure of the Issuer to issue Ordinary Shares if the Issuer is for any reason prevented from doing so;
 - (iv) Exchange is not subject to any conditions other than those expressly provided for in Conditions 4 and 5; and
 - (v) it has no right to request Exchange or to determine whether (or in what circumstances) the Subordinated Notes it holds are Exchanged.

6 Interest and other calculations

6.1 Interest

- (a) Subject to this Condition 6 and Conditions 4 and 5, each Subordinated Note bears interest (**Interest**) on its Outstanding Principal Amount during each Interest Period from (and including) the Issue Date to (but excluding) the Maturity Date or Redemption Date at the Interest Rate.
- (b) Interest is payable semi-annually in arrear on each Interest Payment Date.
- (c) No Interest accrues on Subordinated Notes, or the relevant percentage of Subordinated Notes, required to be Exchanged in the period from (and including) the Interest Payment Date that immediately precedes the Exchange Date or (in the circumstances where Subordinated Notes are Written Down in accordance with Condition 4.3) Write Down Date to the Exchange Date or Write Down Date (as applicable).

6.2 Interest Rate

The Interest Rate will be:

- (a) for the period from (and including) the Issue Date to (but excluding) the Optional Redemption Date, 5.15 per cent. per annum (being the rate per annum equal to the aggregate of the Benchmark Rate on 4 March 2015 and the Margin) (the **Initial Interest Rate**); and
- (b) for the period from (and including) the Optional Redemption Date to (but excluding) the Maturity Date, the rate per annum equal to the aggregate of the Benchmark Rate on the Reset Determination Date and the Margin (the **Reset Interest Rate**), as determined by the Calculation Agent on the Reset Determination Date.

6.3 Calculation of Interest

The amount of Interest payable on each Subordinated Note for any period is calculated by the Principal Paying Agent according to the following formula:

Interest amount = Interest Rate x Outstanding Principal Amount x Day Count Fraction

6.4 Rounding

For the purposes of any calculations required under these Conditions:

- (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005% being rounded up to 0.00001%);
- (b) all figures will be rounded to four decimal places (with 0.00005 being rounded up to 0.0001); and
- (c) all amounts that are due and payable will be rounded to the nearest CNY0.01 (with CNY0.005 being rounded up to CNY0.01).

6.5 Accrual of Interest

Subject to Conditions 4.3 and 5.10, if any Interest which is due and payable is not paid for any reason, then such unpaid Interest earns interest at the Interest Rate, which accrues daily at the Interest Rate until paid. Such accrued interest is payable on the first to occur of:

- (a) the date on which the relevant unpaid Interest amount is paid; and
- (b) the date on which the Subordinated Notes are Redeemed.

6.6 Determination and publication of Reset Interest Rate

- (a) The Issuer must ensure that the Calculation Agent will, and the Calculation Agent must:
 - (i) determine the Reset Interest Rate as soon as reasonably practicable after 11.00 a.m. (Hong Kong time) on the Reset Determination Date; and
 - (ii) notify the Issuer of the Reset Interest Rate as soon as practicable after such determination on the Reset Determination Date.
- (b) The Issuer must ensure that the Principal Paying Agent will notify the Subordinated Holders of the determination of the Reset Interest Rate in accordance with Condition 15 and, if the Subordinated Notes are quoted on a stock exchange and the rules of that exchange so require, notify that exchange as soon as possible after the determination or quotation, but in any event no later than the Optional Redemption Date.

6.7 Determinations to be final

The determination of all dates, rates and amounts under these Conditions is (in the absence of wilful default, bad faith or manifest error by any of them or any of their directors, officers, employees or agents) final and binding on the Issuer, the Principal Paying Agent, the Calculation Agent, the Paying

Agents and each Subordinated Holder. In the absence of wilful default, bad faith or manifest error, neither the Principal Paying Agent nor the Calculation Agent, will not be liable to the Issuer or the Subordinated Holders, in connection with the exercise or non-exercise by the Principal Paying Agent or the Calculation Agent (as applicable) of their respective powers, duties and discretions.

7 Redemption, purchase and options

7.1 Redemption on the Maturity Date

Each Subordinated Note will be Redeemed on the Maturity Date for its Final Redemption Amount unless previously Redeemed, Exchanged or Written Down in full.

7.2 Redemption for taxation reasons

Subject to Condition 7.6, if, at any time after the Issue Date, the Issuer receives an opinion from reputable legal counsel or other tax adviser in Australia, experienced in such matters, to the effect that there is a material risk that as a result of a change in laws of Australia (including following any announcement of a prospective change or amendment which has been or will be introduced) the Issuer would be exposed to a more than de minimis adverse tax consequence in relation to the Subordinated Notes other than a tax consequence the Issuer expected as at the Issue Date, then the Issuer may Redeem all (but not some) of those Subordinated Notes for their Early Redemption Amount together with any accrued but unpaid Interest as at the Redemption Date at any time.

However, the Issuer may only Redeem the Subordinated Notes under this Condition 7.2 if:

- (i) the Issuer has given notice of its election to do so at least 20 Business Days (and no more than 60 Business Days) before the proposed Redemption Date specified in the notice to the Principal Paying Agent and the Subordinated Holders; and
- (ii) the notice of Redemption is not given earlier than 60 Business Days before the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be subject to the adverse tax consequence.

Subordinated Holders should not expect that APRA's approval will be given for any Redemption of the Subordinated Notes.

7.3 Redemption at the option of the Issuer and exercise of the Issuer's option

- (a) Subject to Condition 7.6, the Issuer may, on the Optional Redemption Date, having given not less than 20 Business Days (and no more than 60 Business Days) irrevocable notice to the Subordinated Holders (with a copy to the Principal Paying Agent), Redeem all or some of the Subordinated Notes for their Optional Redemption Amount together with any accrued but unpaid Interest as at the Redemption Date.
- (b) In the case of a Redemption of some but not all of the Subordinated Notes (a **Partial Redemption**), Subordinated Notes to be Redeemed will be specified in the notice and selected:
 - (i) in a manner that is, in the opinion of the Issuer having regard to prevailing market practices, fair and reasonable;
 - (ii) in compliance with any applicable laws, stock exchange requirements and the procedures of the Clearing Systems.
- (c) Each notice of redemption will specify the date fixed for redemption and, in the case of a Partial Redemption, the aggregate Outstanding Principal Amount of Subordinated Notes to be redeemed and the aggregate Outstanding Principal Amount which will be outstanding after the Partial Redemption.

Subordinated Holders should not expect that APRA's approval will be given for any Redemption of the Subordinated Notes.

7.4 Redemption for regulatory reasons

Subject to Condition 7.6, if, at any time after the Issue Date, the Issuer determines that as a result of a change in the laws of Australia or a change in APRA's prudential standards (including following any announcement of a prospective change or amendment which has been or will be introduced) all, some or a percentage of all or some Subordinated Notes are not or will not be treated as Tier 2 Capital of the CBA Group under APRA's prudential standards (as amended from time to time), other than as a result of a change of treatment expected by the Issuer as at the Issue Date, then the Issuer may Redeem all (but not some) of those Subordinated Notes for their Early Redemption Amount together with any accrued but unpaid Interest on the Redemption Date at any time.

However, the Issuer may only Redeem the Subordinated Notes under this Condition if:

- (a) the Issuer has given notice of its election to do so at least 20 Business Days (and no more than 60 Business Days) before the proposed Redemption Date specified in the notice to the Principal Paying Agent and the Subordinated Holders; and
- (b) the notice of Redemption is not given earlier than 60 Business Days before the Interest Payment Date occurring immediately before the earliest date on which all, some or a percentage of all or some of the Subordinated Notes will cease to be treated as Tier 2 Capital.

Subordinated Holders should not expect that APRA's approval will be given for any Redemption of the Subordinated Notes.

7.5 Repurchase

Subject to Condition 7.6, the Issuer or any member of the CBA Group may, to the extent permitted by applicable laws and regulations, at any time purchase Subordinated Notes in the open market, by tender to all or some of the Subordinated Holders or by private agreement or otherwise at any price (**Repurchase**).

7.6 APRA approval required to Redeem or Repurchase

The Issuer may only Redeem or Repurchase Subordinated Notes under Condition 7 if:

- (a) either:
 - (i) before or concurrently with the Redemption or Repurchase, the Issuer replaces the Subordinated Notes with a capital instrument which is of the same or better quality (for the purposes of APRA's prudential standards as they are applied to the CBA Group at the relevant time) than the Subordinated Notes and the replacement of the Subordinated Notes is done under conditions that are sustainable for the income capacity of the CBA Group; or
 - (ii) the Issuer obtains confirmation from APRA that APRA is satisfied, having regard to the capital position of the CBA Group, that the Issuer does not have to replace the Subordinated Notes; and
- (b) APRA has given its prior written approval to the Redemption or Repurchase. Approval is at the discretion of APRA and may or may not be given.

7.7 Cancellation

All Subordinated Notes Redeemed by the Issuer or which are Repurchased by or on behalf of the Issuer will be cancelled forthwith and all liabilities and obligations of the Issuer in connection with those Subordinated Notes so Redeemed or Repurchased will be discharged.

8 Payments

8.1 Payments by the Issuer

Payments of principal in respect of the Subordinated Notes will (subject as provided in this Condition) be made against presentation and surrender of such Subordinated Notes at the specified office outside Australia of the Registrar by a cheque in Renminbi drawn on a bank in Hong Kong that processes payments in Renminbi. Payments of interest on each Subordinated Note will (subject as provided in this Condition) be made by a cheque in Renminbi drawn on a bank in Hong Kong that processes payments in Renminbi and posted on the Business Day immediately preceding the relevant due date to the holder (or to the first named of joint holders) of the Subordinated Note appearing on the Register at the close of business on the Record Date at their address shown on the Register on the Record Date. Upon application of the Subordinated Holder to the specified office of the Registrar not less than three Business Days before the due date for any payment in respect of a Subordinated Note, the payment of principal and/or interest may be made (in the case of payment of principal against presentation and surrender of the relevant Subordinated Note as provided above) by transfer on the due date to an account in Renminbi maintained by the payee with a bank.

Cheques despatched to the nominated address of a Subordinated Holder in accordance with this Condition will be taken to have been received by the Subordinated Holder on the relevant Interest Payment Date (in the case of payments of interest) or the due date for payment or redemption (in the case of payments of principal) and no further amount will be payable by the Issuer as a result of payment not being received by the Subordinated Holder on the due date. For the avoidance of doubt (but without prejudice to any Exchange), nothing in these Conditions allows a payment of interest or principal to a Subordinated Holder in a form other than cash.

8.2 CNY Currency Event

If an CNY Currency Event, as determined by the Issuer acting in good faith, exists on a date for payment of any amount in respect of any Subordinated Note, the Issuer's obligation to make a payment in CNY under the terms of the Subordinated Notes may be replaced by an obligation to pay such amount in U.S. dollars converted using the CNY/USD Spot Rate for the relevant CNY/USD Spot Rate Calculation Date.

Upon the occurrence of a CNY Currency Event, the Issuer shall give notice as soon as practicable to the Subordinated Holders in accordance with Condition 15 stating the occurrence of the CNY Currency Event, giving details thereof and the action proposed to be taken in relation thereto.

8.3 Payments subject to fiscal laws

All payments are subject to all applicable laws and regulations applicable thereto in any jurisdiction, but without prejudice to the provisions of Condition 10.

8.4 Appointment of agents

The Principal Paying Agent, the Registrar and the other initial Paying Agents and Transfer Agents act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Subordinated Holder. The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent, the Registrar or any other Paying Agent or Transfer Agent, provided that the Issuer will at all times maintain:

- (a) a Principal Paying Agent;
- (b) a Registrar;
- (c) a Calculation Agent where the Conditions so require;
- (d) a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; and

- (e) such other agents as may be required by the rules of any stock exchange, listing authority and/or quotation system on which the Subordinated Notes may be admitted to listing, trading and/or quotation.

Notice of any change to the specified office of the Principal Paying Agent, the Registrar, the Calculation Agent or any of the other Paying Agents or Transfer Agents must be given promptly to the Subordinated Holders in accordance with Condition 15.

8.5 Prescription against overdue claims

Claims against the Issuer for payment under a Subordinated Note are void unless made within 10 years (in respect of claims for payment of principal) and 5 years (in respect of claims for payment of interest) from the date on which the payment first became due.

8.6 Payments on Business Days

If any payment:

- (a) is due on a day which is not a Payment Business Day, then the due date for payment will be the next day which is a Payment Business Day; or
- (b) is to be made to a bank account on a Payment Business Day on which banks are not open for general banking business in the place in which the account is located, the Subordinated Holder is not entitled to payment of such amount until the next Payment Business Day on which banks in such place are open for general banking business,

and a Subordinated Holder is not entitled to payment of any additional amount in respect of such delay in payment.

Nothing in this Condition 8.6 applies to any payment referred to in Condition 5.1(b).

9 Transfer

9.1 Transfer procedures

A Subordinated Holder may transfer Subordinated Notes:

- (a) while Subordinated Notes are lodged in a Clearing System, in accordance with the rules and regulations of that Clearing System; or
- (b) at any other time, in whole or in part (in the nominal amount of the lowest Specified Denomination), by the deposit by the transferor of the definitive Subordinated Note for registration of the transfer at the specified office of a Transfer Agent with the form of transfer endorsed on the definitive Subordinated Note duly completed and executed by or on behalf of the transferor and upon the relevant Transfer Agent (after due and careful enquiry) being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Issuer and the Registrar may prescribe. Subject as provided above, the relevant Transfer Agent will, within fourteen days of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), deliver at its specified office to the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request a new definitive Subordinated Note of a like aggregate nominal amount to the Subordinated Note (or the relevant part of the definitive Subordinated Note) transferred. In the case of the transfer of part only of a definitive Subordinated Note, a new definitive Subordinated Note in respect of the balance of the definitive Subordinated Note not transferred will be so delivered or (at the risk of the transferor) sent to the transferor.

9.2 Costs of transfer

The Subordinated Holders will not be required to bear the costs and expenses of effecting any registration of transfer, except for any costs or expenses of delivery other than at the specified office of

a Transfer Agent or by regular mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

10 Taxation

10.1 General

All payments in respect of Subordinated Notes must be made free and clear of, and without any withholding or deduction in respect of, 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 the withholding or deduction is required by law or permitted by this Condition 10.

10.2 Issuer to pay additional amounts

Where any withholding or deduction is required by law, the Issuer must pay such additional amounts to the Subordinated Holders that will result in those Subordinated 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 Subordinated Note:

- (a) if the Subordinated 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 Subordinated Note or the receipt of the relevant payment in respect of that Subordinated Note;
- (b) if the Subordinated Holder is an associate (as that term is defined in section 128F of the Income Tax Assessment Act 1936 of the Commonwealth of Australia (the **Australian Tax Act**) of the Issuer and the payment being sought is not, or will not be, exempt from interest withholding tax because of section 128F(6) of the Australian Tax Act;
- (c) if (in the case of a payment of principal or interest on redemption) the relevant Subordinated Note is surrendered for payment more than 30 days after the Relevant Date except to the extent that the Subordinated Holder would have been entitled to such additional amounts on surrendering such Subordinated Note for payment on the last day of such period of 30 days;
- (d) by or on behalf of a Subordinated Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying with any statutory requirements in force at the present time or in the future or by making a declaration of non-residence or other claim or filing for exemption;
- (e) where such withholding or deduction is imposed on a payment and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, or providing for measures equivalent to those laid down in, such Directive;
- (f) by or on behalf of a Subordinated Holder who would be able to avoid such withholding or deduction by presenting the relevant Subordinated Note to another Paying Agent in a member state of the European Union which does not impose such withholding or deduction; or
- (g) for, or on account of, any withholding or deduction required pursuant to FATCA (including pursuant to any agreement described in section 1471(b) of the United States Internal Revenue Code of 1986) or any law implementing an intergovernmental approach to FATCA as described in Condition 10.3.

10.3 FATCA

The Issuer, in its absolute discretion, may withhold or deduct payments to a Subordinated Holder where it is required to do so under or in connection with FATCA, or where it has reasonable grounds to suspect that the Subordinated Holder or a beneficial owner of Subordinated Notes may be subject to FATCA, and may deal with such payment and the Subordinated Holder's Subordinated Notes in

accordance with FATCA. If any withholding or deduction arises under or in connection with FATCA, the Issuer will not be required to pay any further amounts on account of such withholding or deduction or otherwise reimburse or compensate, or make any payment to, a Subordinated Holder or a beneficial owner of Subordinated Notes for or in respect of any such withholding or deduction.

11 Substitution of the Issuer

11.1 Substitution

The Issuer may, without the consent of Subordinated Holders, provided that the Substitution Conditions are satisfied, by giving notice to the Registrar and Subordinated Holders:

- (a) substitute for itself a NOHC as the debtor in respect of the Subordinated Notes and as issuer of the Ordinary Shares on Exchange (**Full Successor**); or
- (b) substitute for itself a NOHC as the issuer of the Ordinary Shares on Exchange (**Partial Successor**),

and a reference to the **Successor** shall be a reference to the Full Successor or the Partial Successor, as applicable. The notice shall specify the date on which the substitution is to take effect (**Date of Substitution**).

11.2 Substitution Conditions

The Substitution Conditions are:

- (a) in the case of the Full Successor:
 - (i) unless otherwise approved by APRA in writing, the Full Successor or another entity (which is a parent entity) simultaneously subscribes for Ordinary Shares or other capital instruments of equal or better quality to the Subordinated Notes in such amount as may be necessary to ensure that the capital position of the CBA Level 1 Group and CBA Level 2 Group will not be adversely affected;
 - (ii) the Full Successor will expressly assume the Issuer's obligations under these Conditions by entering into a deed poll and such other documents (if any) as may be necessary to give full effect to the substitution (the **Successor Documents**) under which it agrees (among other things):
 - (A) to comply with these Conditions (with all necessary modifications) and the provisions of the Agency Agreement and the Deed of Covenant; and
 - (B) to deliver fully paid NOHC Ordinary Shares under all circumstances when the Issuer would otherwise have been required to deliver Ordinary Shares, subject to the same terms and conditions as set out in these Conditions (with all necessary modifications);
- (b) in the case of the Partial Successor:
 - (i) the Partial Successor agrees with effect on and from the Date of Substitution, by entering into the Successor Documents, to deliver fully paid NOHC Ordinary Shares under all circumstances when the Issuer would otherwise have been required to deliver Ordinary Shares, subject to the same terms and conditions as set out in these Conditions (with all necessary modifications); and
 - (ii) unless otherwise approved by APRA in writing, the Partial Successor agrees that in all circumstances where the Partial Successor delivers fully paid NOHC Ordinary Shares under the Successor Documents in Condition 11.2(b)(i), the Partial Successor or another entity (which is a parent entity) will simultaneously subscribe for Ordinary Shares in such amount as may be necessary to ensure that the capital position of the CBA Level 1 Group and CBA Level 2 Group is equivalent to the position if such

Successor Documents had not been entered into and the Issuer was required to issue the Ordinary Shares;

- (c) in the case of either the Full Successor or the Partial Successor (as applicable):
 - (i) the NOHC Ordinary Shares are or are to be quoted on ASX, and the Successor agrees to use all reasonable endeavours and furnish all such documents, information and undertakings as may be reasonably necessary in order to procure quotation of NOHC Ordinary Shares issued under these Conditions on the securities exchanges on which the NOHC Ordinary Shares are quoted at the time of delivery;
 - (ii) the Successor and the Issuer have obtained APRA approval and all other necessary authorisations, regulatory and governmental approvals and consents for such substitution and for the performance by the Successor of its obligations under the Subordinated Notes and the documents effecting substitution;
 - (iii) if the Successor does not have a place of business in New South Wales, the Successor has appointed a process agent in New South Wales to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Subordinated Notes; and
 - (iv) the Successor has, in the reasonable opinion of the Issuer, the financial capacity to satisfy its obligations under these Conditions; and
- (d) the Issuer has used all reasonable endeavours to give an irrevocable notice to the Subordinated Holders as soon as practicable before a NOHC Event occurs but no later than 10 Business Days before the NOHC Event occurs specifying the amendments to the Subordinated Notes which will be made under these Conditions in connection with the substitution of a NOHC as the issuer of ordinary shares on Exchange.

11.3 Effect of substitution of Full Successor

If the relevant requirements set out in Conditions 11.1 and 11.2 relating to a substitution under Condition 11.1(a) have been completed, on and from the Date of Substitution:

- (a) the Full Successor will assume all of the obligations of, succeed to, and be substituted for, and may exercise every right and power of, the Issuer under these Conditions, the Agency Agreement and the Deed of Covenant with the same effect as if the Full Successor had been named as the Issuer in these Conditions, the Agency Agreement and the Deed of Covenant;
- (b) the Issuer (or any corporation which has previously assumed the obligations of the Issuer) will be released from its liability under the Conditions, the Agency Agreement and the Deed of Covenant;
- (c) if the Issuer gives a notice to Subordinated Holders under Condition 11.2(d), the amended terms will have effect on and from the date specified in the notice;
- (d) references to the Issuer in these Conditions, the Agency Agreement and the Deed of Covenant will be taken to be references to the Full Successor; and
- (e) references to Ordinary Shares in these Conditions (other than the references contained in Conditions 11.2(a) and 11.2(b)), the Agency Agreement and the Deed of Covenant will be taken to be references to the NOHC Ordinary Shares.

11.4 Effect of substitution of Partial Successor

If the relevant requirements set out in Conditions 11.1 and 11.2 relating to a substitution under Condition 11.1(b) have been completed, on and from the Date of Substitution:

- (a) the Issuer (or any corporation which has previously assumed the obligations of the Issuer) will be released from any obligation it would otherwise have under these Conditions to issue Ordinary Shares to Subordinated Holders upon Exchange;

- (b) if the Issuer gives a notice to Subordinated Holders under Condition 11.2(d), the amended terms will have effect on and from the date specified in the notice; and
- (c) references to Ordinary Shares in these Conditions (other than the reference contained in Conditions 11.2(a) and 11.2(b)), the Agency Agreement and the Deed of Covenant will be taken to be references to the NOHC Ordinary Shares.

12 Events of Default

12.1 Events of Default

An **Event of Default** occurs in relation to Subordinated Notes if:

- (a) the Issuer fails to pay any amount due in respect of the Subordinated Notes and such default continues for a period of 15 Business Days and is continuing, provided that no Event of Default shall arise on account of any non-payment if the Issuer withholds, deducts or refuses to make the payment:
 - (i) in order to comply with any law or regulation or with the order of any court of competent jurisdiction, in each case applicable to such payment; or
 - (ii) in case of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice given as to such validity or applicability, at any time during the said period of 15 Business Days, by independent legal advisers; or
- (b) an order is made by a court of competent jurisdiction (other than an order successfully appealed or permanently stayed within 30 Business Days), or an effective resolution is passed, for the winding up of the Issuer in Australia (but not elsewhere).

12.2 Consequences of an Event of Default

If an Event of Default occurs in relation to the Subordinated Notes:

- (a) under Condition 12.1(a), any Subordinated Holder may institute proceedings:
 - (i) to recover the amount the Issuer has failed to pay, provided that the Issuer may only be compelled to pay that amount to the extent that, immediately after the payment, the Issuer will be Solvent;
 - (ii) for specific performance of any other obligation in respect of the Subordinated Note; or
 - (iii) for the winding up of the Issuer in Australia (but not elsewhere); or
- (b) under Condition 12.1(b), the Subordinated Notes are immediately due and payable for an amount equal to the Outstanding Principal Amount plus accrued but unpaid Interest up to (but excluding) the date of commencement of the winding up and any Subordinated Holder may, subject to Condition 3, prove in the winding up of the Issuer in respect of this amount.

A Subordinated Holder has no right to accelerate payment or exercise any other remedy (including any right to sue for damages) as a consequence of any Event of Default other than as set out in this Condition 12.2.

13 Meetings of Subordinated Holders, Modifications and Waivers

13.1 Meetings of Subordinated Holders

The Agency Agreement contains provisions for convening meetings of Subordinated Holders to consider matters affecting their interests including certain variations of these Conditions which require the Subordinated Holder's consent. Resolutions passed in accordance with such provisions will be binding on all Subordinated Holders.

13.2 Modification of the Conditions and meeting provisions

- (a) At any time, but subject to compliance with all applicable laws and Condition 13.2(c), the Principal Paying Agent and the Issuer may agree, without the consent of Subordinated Holders, to amend these Conditions or the Agency Agreement, if the Issuer is of the opinion that such alteration is:
 - (i) of a formal, technical or minor nature;
 - (ii) made to cure any ambiguity or correct any manifest error;
 - (iii) necessary or expedient for the purposes of facilitating a substitution in accordance with Condition 11 (including satisfying any requirement of APRA in connection with such a substitution);
 - (iv) made to amend any date or time period stated, required or permitted in connection with any Redemption or Exchange (including, without limitation, when the proceeds of Redemption are to be reinvested in a new security to be issued by the Issuer or a Related Body Corporate);
 - (v) not materially prejudicial to the interests of Subordinated Holders as a whole (provided that any modification of terms relating to the reduction or cancellation of, or modification of the method of calculating, the amount of Interest payable in respect of the Subordinated Notes or any modification of the currency of payment on the Subordinated Notes must be authorised by an Extraordinary Resolution); or
 - (vi) made to:
 - (A) alter the terms of any Subordinated Notes to align them with any Relevant Tier 2 Securities issued after the date of such Subordinated Notes; or
 - (B) alter either or both of the definitions of “Relevant Tier 1 Securities” and “Relevant Tier 2 Securities” on account of the issue (after the date of issue of any Subordinated Notes) of capital instruments of the CBA Group,in each case provided such alteration is not materially prejudicial to the interests of Subordinated Holders as a whole.

The Conditions of all Subordinated Notes will be amended from the date specified by the Issuer.

- (b) Subject to Condition 13.2(c) and without limiting Condition 13.2, the Issuer may amend these Conditions or the Agency Agreement if such alteration is approved by an Extraordinary Resolution. The Conditions of all Subordinated Notes will be amended from the date specified in the Extraordinary Resolution or otherwise notified to Subordinated Holders (provided such date is permitted by the terms of the Extraordinary Resolution).
- (c) Prior to any amendment under Conditions 13.2(a) and 13.2(b) being effective, where required the Issuer must obtain APRA’s prior written approval (APRA approval is required where the amendment affects, or may affect, the capital treatment of the Subordinated Notes under APRA’s prudential standards at the relevant time) and any consent or approval required under any applicable law or regulation.

14 Further issues of Subordinated Notes

- (a) The Issuer may, from time to time, without the consent of the Subordinated Holders create and issue further securities either having the same terms and conditions as the Subordinated Notes 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 securities shall be consolidated and form a single series with the outstanding Subordinated Notes or upon such terms as the Issuer may determine at the

time of their issue, provided that such further issue of securities meets the criteria for eligibility as Tier 2 Capital as at the Issue Date of such further issue of securities. References in these Conditions to the Subordinated Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Subordinated Notes.

- (b) Nothing in these Conditions shall be construed or deemed to limit the ability of the Issuer to issue further Senior Ranking Obligations or Equal Ranking Securities.

15 Notices

15.1 To Subordinated Holders

All notices and other communications to Subordinated Holders must be in writing and either:

- (a) sent to the Subordinated Holders (or the first named of joint holders of Subordinated Notes) at their respective addresses in the Register and will be deemed to have been given on the fourth weekday after the date of mailing; or
- (b) (if available) issued to Subordinated Holders through a Clearing System in accordance with any applicable rules and regulations of that Clearing System,

and given or published in a manner that complies with the rules and regulations of any stock exchange or other relevant authority on which the Subordinated Notes are for the time being listed.

An accidental or inadvertent failure to give notice to a particular Subordinated Holder will not invalidate a notice otherwise properly given to Subordinated Holders.

15.2 To the Issuer and Registrar from a Subordinated Holder

All notices and other communications by a Subordinated Holder to the Issuer or the Registrar must be in writing and lodged with the Registrar.

15.3 Non-Viability Trigger Event notification

Nothing in Condition 15 affects the operation of Condition 4.

16 Disapplication of Contracts (Rights of Third Parties) Act 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of any Subordinated Note but this does not affect any right or remedy of any person which exists or is available apart from that Act.

17 Governing Law and jurisdiction

- (a) These Conditions, the Agency Agreement, the Deed of Covenant and any non-contractual obligations arising out of or in connection with the Subordinated Notes relating thereto are governed by and will be construed in accordance with English law (except for Conditions 3, 4 and 5, which will be governed by and will be construed in accordance with the law applying in New South Wales).
- (b) The courts of each of England and the Commonwealth of Australia are to have jurisdiction to settle any disputes which may arise out of or in connection with the Subordinated Notes, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Subordinated Notes and accordingly any legal action or proceedings arising out of or in connection with the Subordinated Notes and any non-contractual obligations arising out of or in connection with the Subordinated Notes may be brought in such courts.

- (c) The Issuer has appointed the General Manager, Europe from time to time of the Issuer located at its London branch (currently at Senator House, 85 Queen Victoria Street, London EC4V 4HA) to receive service of process in any action which may be instituted in England based on any of the Subordinated Notes (including any action relating to any non-contractual obligations arising out of or in connection with any of the Subordinated Notes).

Description of the Shares

Rights attaching to Ordinary Shares

Ordinary Shares (ISIN: AU000000CBA7) may be issued to Subordinated Holders by way of Exchange. Ordinary Shares may also be issued to a nominee to hold for sale for a Subordinated Holder's benefit if Exchange occurs and the Subordinated Holder has notified the Issuer that it does not wish to receive Ordinary Shares or is an Ineligible Subordinated Holder. Any Ordinary Shares issued to Subordinated Holders by way of Exchange will be fully paid and will rank equally with Ordinary Shares already on issue in all respects.

Transfers

Subject to the ASX Settlement Operating Rules, transfers of Ordinary Shares are not effective until registered. Ordinary Shares are transferrable, subject to the ASX Listing Rules and the Constitution of the Issuer dated 13 November 2008 (incorporating amendments up to and including all amendments passed at the Annual General Meeting on 13 November 2008) (the "Constitution") and the right of the directors of the Issuer to refuse to register a transfer of Ordinary Shares in limited circumstances.

Unless otherwise required by law or the Constitution, the Issuer is entitled to treat the registered holder as the absolute owner of a share. Ordinary Shares held by a trustee may, with the directors' consent, be identified as being subject to the relevant trust.

Except in limited circumstances, the Issuer is not bound to register more than three persons as joint holders of an Ordinary Share. The Issuer does not issue share certificates unless required by law or the ASX Listing Rules.

Restrictions apply in respect of persons who become entitled to Ordinary Shares by reason of a holder's death, bankruptcy or mental incapacity. In the case of the death of a holder, the survivor or survivors jointly registered as shareholders and the legal personal representatives of a sole holder are the only persons the Issuer will recognise as having title to the member's interest in the shares.

Dividends

Holders of Ordinary Shares may receive dividends if the directors determine that a dividend is payable. The Issuer may not pay a dividend unless the Issuer's assets exceed its liabilities, the payment of the dividend is fair and reasonable to holders of Ordinary Shares as a whole and the payment does not materially prejudice the ability of the Issuer to pay its creditors. Payment may also be subject to the rights of holders of securities carrying preferred rights. The Issuer pays shareholders with registered addresses in Australia, New Zealand and the United Kingdom cash dividends by direct credit. If a direct credit payment instruction is not provided, the dividend will be held in a non-interest bearing account. The Issuer also has a dividend reinvestment plan for eligible shareholders. The directors of the Issuer determine whether or not the dividend reinvestment plan operates for each dividend and their decision is announced to ASX.

Winding up

On winding up of the Issuer, holders of Ordinary Shares will participate in the division of any surplus assets of the Issuer (subject to the rights of holders of shares carrying preferred rights).

Meetings

Holders of Ordinary Shares are entitled to receive notice of, attend and, subject to the Constitution, to vote in person, by representative, attorney or proxy at general meetings of the Issuer.

On a show of hands, each holder (regardless of the number of shares held) has one vote. On a poll, each holder has one vote for each fully paid Ordinary Share held.

Issue of further shares

The directors of the Issuer control the issue of shares. Subject to the Corporations Act and ASX Listing Rules, the directors may issue further shares, and grant rights or options over shares, on such terms as they think fit.

Restrictions of ownership of Ordinary Shares

Australian laws including financial sector and foreign ownership and takeover laws impose certain limitations on the right of persons to hold, own or vote on Ordinary Shares.

Variation of the Constitution

The Issuer may seek approval by special resolution of holders of Ordinary Shares (passed by at least 75 per cent. of the votes cast by members entitled to vote on the resolution) to vary the Constitution.

General Information

1 Listing

Application has been made to the ASX for the Subordinated Notes to be quoted on the ASX.

2 Authorisation

The establishment of the Programme and the increase of the size of the Programme to its present limit of U.S.\$70,000,000,000 has been authorised by the Issuer.

3 Consents

No authorisations, consents or approvals are required by the Issuer from government agencies or other official bodies in Australia in connection with the creation of the Programme, the issue of the Subordinated Notes or the execution and delivery (where applicable) of the Programme Agreement, the Syndication Agreement, the Agency Agreement and the Deed of Covenant or the performance by the Issuer of its obligations thereunder save for the obtaining, where necessary, of approval from the Reserve Bank of Australia or other regulatory body in respect of payments on any of the Subordinated Notes if such payments are made outside the Commonwealth of Australia.

4 Litigation

There are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the twelve months immediately preceding the date of this Offering Circular which may have or have had in the recent past a significant effect on the financial position or profitability of the Issuer and its subsidiaries, taken as a whole.

5 Significant or Material Change

There has been no significant change in the financial or trading position of the Issuer and its subsidiaries, taken as a whole, since the date of its audited financial statements prepared to 31 December 2014 and there has been no material adverse change in the prospects of the Issuer and its subsidiaries, taken as a whole, since the date of its audited financial statements prepared to 30 June 2014.

6 Audited Financial Statements

The Issuer's consolidated financial statements for the years ended 30 June 2013 and 30 June 2014 were audited, without qualification, by PricewaterhouseCoopers, Chartered Accountants, of Darling Park Tower 2, 201 Sussex Street, Sydney NSW 1171, Australia. The auditors of the Issuer have no material interest in the Issuer.

7 Euroclear and Clearstream, Luxembourg

The Subordinated Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg with a Common Code of 120084011. The International Securities Identification Number (ISIN) of the Subordinated Notes is XS1200840111.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg, is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

8 Documents Available for Inspection

Copies of the following documents may be inspected during usual business hours on any business day at the offices of Commonwealth Bank of Australia and at the offices of any Paying Agent in the United Kingdom for so long as any of the Subordinated Notes are outstanding:

- (i) the Constitution of the Issuer;

- (ii) the Commonwealth Banks Act 1959, as amended, the Commonwealth Banks Amendment Act 1984, the Commonwealth Banks Amendment Act 1985, the Commonwealth Banks Amendment Act 1987, the Commonwealth Banks Restructuring Act 1990, the State Bank (Succession of Commonwealth Bank) Act 1990, the Commonwealth Banks Amendment Act 1993, the Commonwealth Bank Sale Act 1995;
- (iii) the Agency Agreement and the Deed of Covenant;
- (iv) this Offering Circular;
- (v) the Programme Circular; and
- (vi) the auditors' reports and audited consolidated and non-consolidated annual financial statements for the financial years ended 30 June 2014 (contained in the Annual Report 2014) and 30 June 2013 (contained in the Annual Report 2013) of the Issuer.

9 Joint Lead Managers transacting with the Issuers

Certain of the Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business.

**Registered and
Head Offices of
the Issuer**

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

**Principal
Paying Agent
and Calculation
Agent**

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
England

Registrar

Deutsche Bank Luxembourg S.A.
2 Boulevard Konrad Adenauer
L-1115 Luxembourg
Luxembourg

**Paying and
Transfer
Agents**

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
England

Credit Suisse AG
Paradeplatz 8
8001 Zurich
Switzerland

Deutsche Bank Luxembourg S.A.
2 Boulevard Konrad Adenauer
L-1115 Luxembourg
Luxembourg

**Auditors to the
Issuer**

PricewaterhouseCoopers
Darling Park Tower 2
201 Sussex Street
Sydney NSW 1171
Australia

**Arrangers,
Bookrunners
and Joint Lead
Managers**

Commonwealth Bank of Australia
Level 23
201 Sussex Street
Sydney NSW 2000
Australia

The Hongkong and Shanghai
Banking Corporation Limited
Level 17, HSBC Main Building
1 Queen's Road, Central
Hong Kong

**Bookrunners
and Joint Lead
Managers**

Bank of China Limited
8/F Bank of China Tower
1 Garden Road, Central
Hong Kong

CCB International Capital Limited
12/F, CCB Tower
3 Connaught Road, Central
Hong Kong

Standard Chartered Bank
8 Marina Boulevard
Level 20 Marina Bay Financial Centre
Tower 1
Singapore 018981

**Joint Lead
Managers**

**Bank of Communications Co., Ltd.
Hong Kong Branch**
20 Pedder Street, Central
Hong Kong

The Bank of East Asia, Limited

10 Des Voeux Road Central
Hong Kong

Industrial and Commercial Bank of China Limited, Singapore Branch
6 Raffles Quay #23-01
Singapore 048580

Legal Advisers

To the Issuer as to Australian law

Allen & Overy
Level 25
85 Castlereagh Street
Sydney NSW 2000
Australia

To the Issuer as to English law

Allen & Overy LLP
One Bishops Square
London E1 6AD
United Kingdom

To the Issuer as to Australian tax law

**Greenwoods & Herbert Smith
Freehills**
ANZ Tower
161 Castlereagh Street
Sydney NSW 2000
Australia

**To the Joint Lead Managers as to
English law**

Clifford Chance

27th Floor
Jardine House
One Connaught Place, Central
Hong Kong