

Covered Bonds

Introduction to the program



Section 1

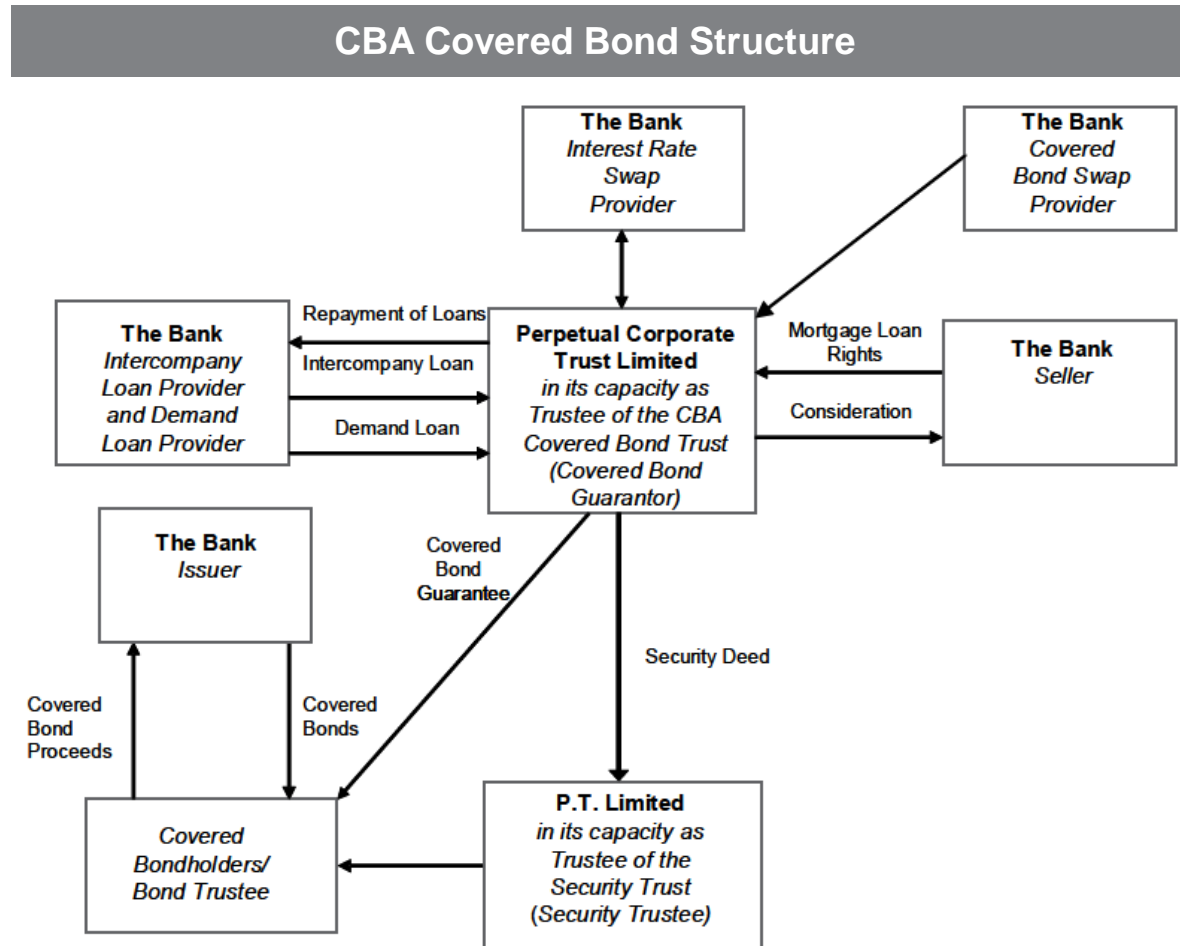
CBA Covered Bond Programme

Australian covered bond legislation

- ◆ The Australian parliament passed the *Banking Amendment (Covered Bonds) Bill* in October 2011
- ◆ Issuance only allowed under the legislative framework
- ◆ The ADI (e.g. CBA) must be the covered bond issuer
- ◆ Segregation of cover assets achieved via a special purpose vehicle
- ◆ Legislation provides legal certainty for the segregation of the cover pool in bankruptcy
- ◆ Maximum cover pool assets of 8% of ADI assets in Australia
- ◆ Minimum 3% over-collateralisation
- ◆ Limitation on eligible cover pool assets
- ◆ Independent cover pool monitor
- ◆ APRA has established a Prudential Standard APS121 and has certain other powers with regards covered bond issuance

CBA covered bond program

- ◆ CBA cover pool assets include:
 - ◆ Cash
 - ◆ Government Bonds, Semi Government Bonds and Bank Bills (15% in total)
- ◆ Derivatives relating to the covered bond issuance such as currency and interest rate swaps
- ◆ Prime Australian residential mortgages (maximum LVR of 80% in the ACT)
- ◆ Maximum covered pool of around \$56bn based on 8% of assets in Australia of \$706bn ¹



1. As at 31 December 2015



Programme summary – US\$ 144a

Issuer	Commonwealth Bank of Australia
Covered Bond Guarantor	Perpetual Corporate Trust Limited in its capacity as Trustee of the CBA Covered Bonds Trust
Trust Manager	Securitisation Advisory Services Pty Limited (wholly owned subsidiary of Commonwealth Bank of Australia)
Programme limit	US\$30bn (Reg S / 144A / \$A)
Expected Ratings	AAA (Fitch) / Aaa (Moody's)
Maximum Asset Percentage	95%
Collateral	Prime Australian residential mortgages, Substitution Assets and Authorised investments
Mortgage LVR Cap	80% of latest valuation
Indexation	Included using the ABS House Price Index (see Slide 7)
Cover Pool Monitor	PricewaterhouseCoopers
Security Trustee	P.T. Limited in its capacity as Trustee of the Security Trust
Bond Trustee	Deutsche Trustee Company Limited
Governing Law	English / State of New South Wales



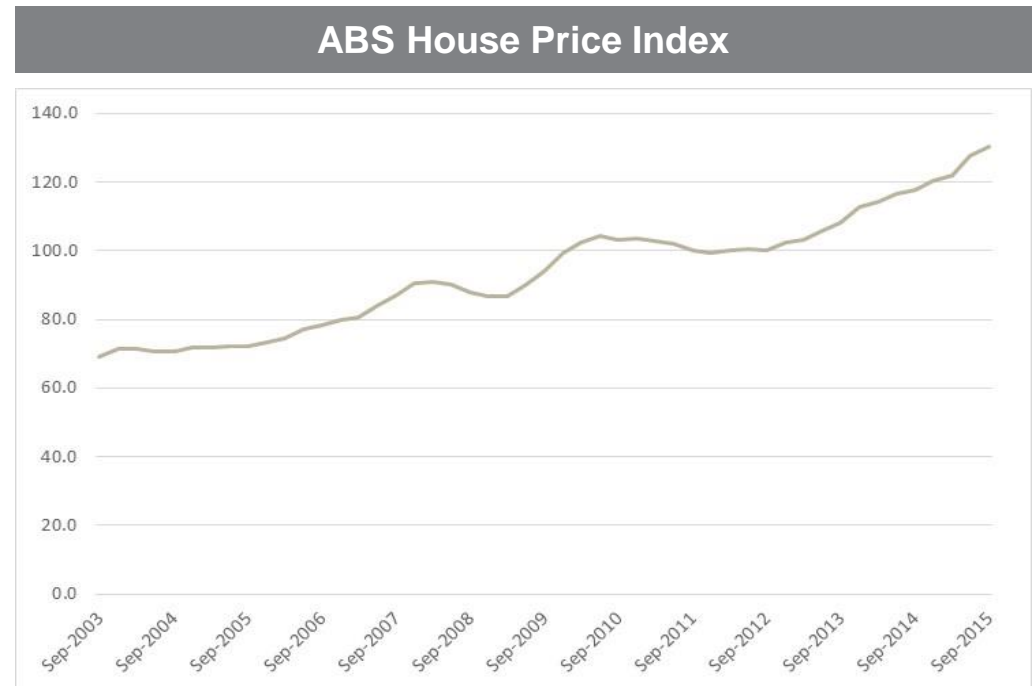
Structural enhancements

Asset Coverage Test	The Asset Coverage Test (ACT) is performed monthly by the Trust Manager to test the Adjusted Aggregate Mortgage Loan Amount is at least equal to the A\$ equivalent of all outstanding covered bonds
Amortisation Test	The Amortisation Test is performed monthly by the Trust Manager following the service of a Notice to Pay to test that the Amortisation Test Aggregate Mortgage Loan Amount is at least equal to the A\$ equivalent of all outstanding covered bonds
Pre-maturity Test	The Pre-maturity Test is performed daily by the Trust Manager for twelve months prior to a hard bullet covered bond maturity to test that such maturity can be met. Issuer Event of Default will occur where the rating of CBA falls to Moody's short term rating P-2 or Fitch short term rating F-1 and the hard bullet covered bond maturity has not been pre-funded for 6 months
Reserve Fund	If CBA is downgraded below P-1 and/or F1+, CBA is required to establish a Reserve Fund to credit the income accrued on each covered bond within the next three months and fees due and payable to servicer, cover pool monitor, trustee
Interest Rate Swap	The Interest Rate Swap will convert mortgage loan receipts (and other asset cash flows) to a floating rate of interest based on Bank Bill Swap Rate. CBA is the initial Interest Rate Swap provider and will be required to post collateral and/or be replaced subject to ratings triggers
Covered Bond Swap(s)	The Covered Bond Swap will, where necessary, convert payments from the Interest Rate Swap into the required currency and interest rate cash flows to match payment on the covered bonds. CBA is the Covered Bond Swap provider and will be required to post collateral and/or be replaced subject to ratings triggers
Servicer Downgrade	CBA will be the servicer of loans in the cover pool. If CBA's rating falls below P-1/F-1 (Moody's/Fitch) the servicer role will be transferred to a suitably rated institution
Indexation	House price indexation is included in the ACT. There is no benefit from upward house price indexation given the structure of the ACT. The index is the quarterly Australian Bureau of Statistics (ABS) Price Index for Established Houses for the Weighted Average of the Eight Capital Cities



House price indexation

- ◆ Indexation is used in the Asset Coverage Test and the Amortisation Test to protect investors from a downward move in property prices
- ◆ Indexation is applied to the LVR Adjusted Mortgage Loan Balance
- ◆ Indexation will be calculated using the *Australian Bureau of Statistics (ABS) Weighted Average of Eight Capital Cities House Price Index**
- ◆ Applied 85% for upward revision of ABS Index and 100% for downward revision

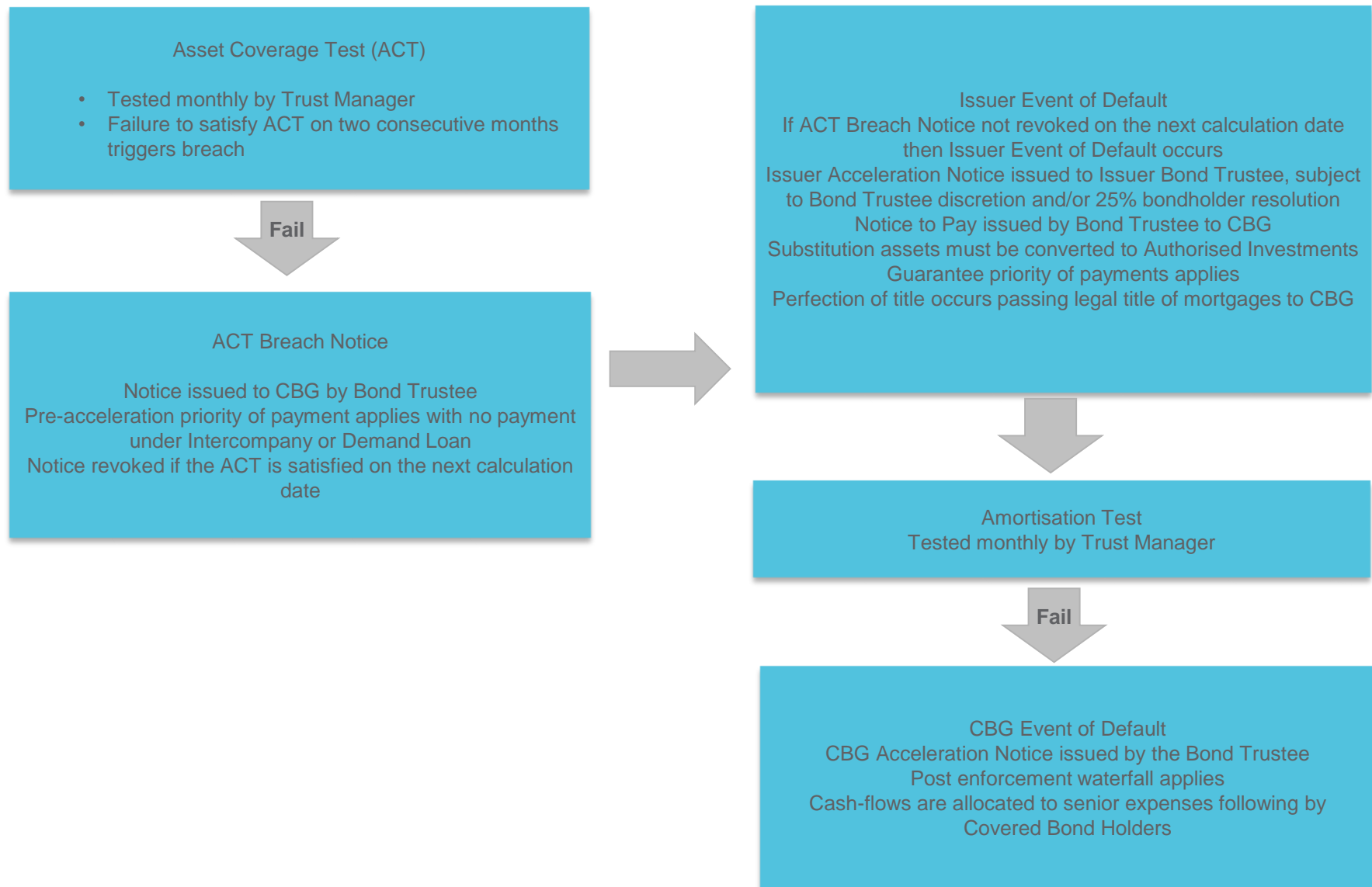


Source: ABS House Price Index 6416.0 – Weighted average 8 capital cities

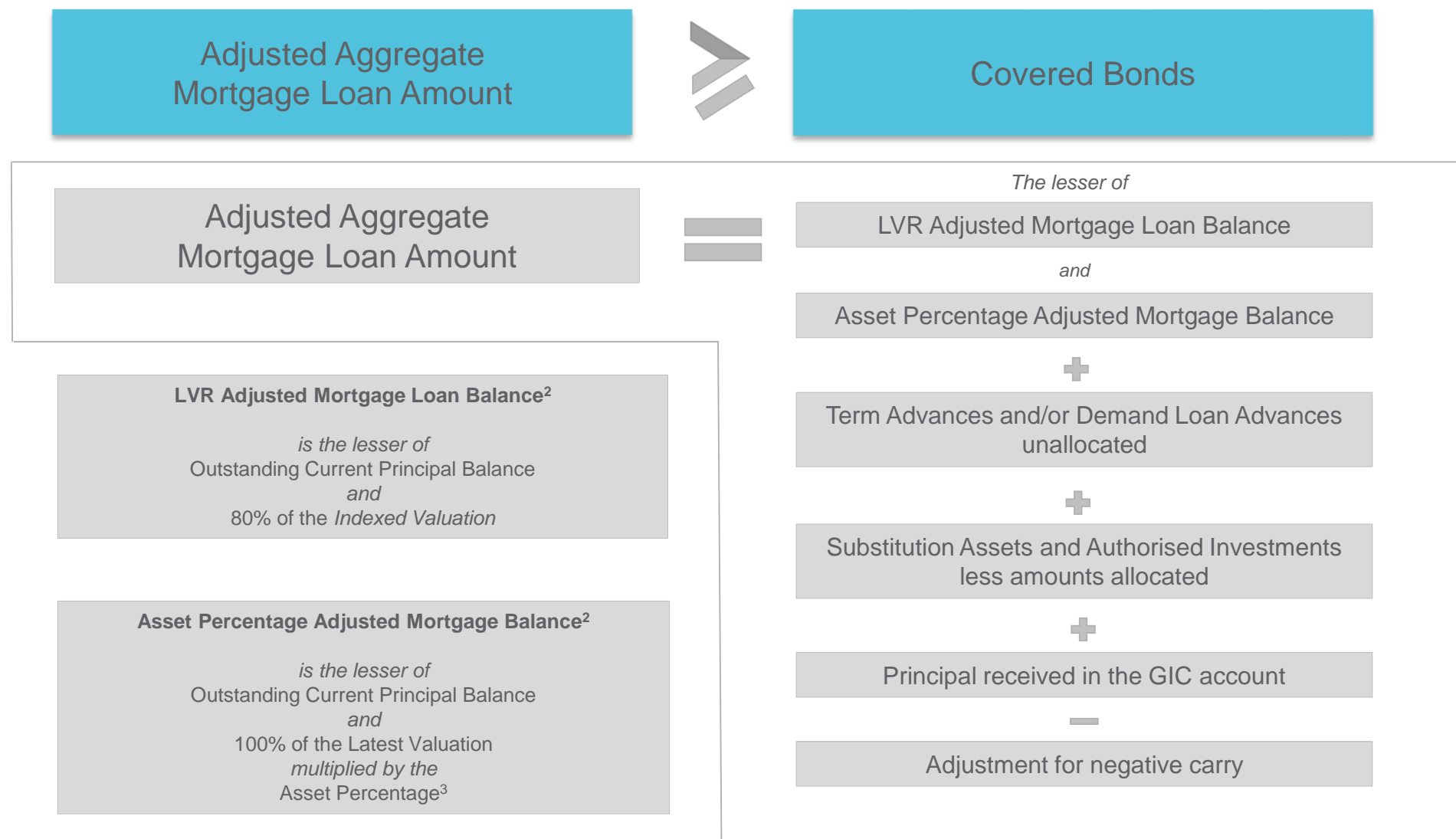
*“The **House Price Index (HPI)** is designed to provide a measure of the inflation or deflation in the price of the stock of established houses over time. Separate indexes are produced for each capital city in Australia, and these indexes are combined to produce a weighted average index of the eight capital cities. The HPI is published quarterly, approximately five weeks after the end of the reference quarter. The figures published for the two most recent quarters are regarded as preliminary and are revised in subsequent publications as more data is collected.” ABS*



Issuer or Guarantor default and acceleration



Asset Coverage Test (ACT)¹



1. This is only a summary of the Asset Coverage Test. Please see the Offer Document for a complete description
2. No value is given to mortgages which are more than 90 days in arrears
3. Asset Percentage is lower of: 95%, percentage notified by Fitch and/or Moody's, or percentage determined by Trust Manager



Amortisation Test¹

Amortisation Test Aggregate
Mortgage Loan Amount



Covered Bonds

Amortisation Aggregate
Mortgage Loan Amount



Amortisation Test Current Principal Balance



Substitution Assets



Principal received in the GIC account



Adjustment for negative carry

Amortisation Test Current Principal Balance²

*is the lesser of
Outstanding Current Principal Balance
and
80% of the Indexed Valuation*

1. This is only a summary of the Amortisation Test. Please see the Offer Document for a complete description
2. No value is given to mortgages which are more than 90 days in arrears



Covered Bond ratings

Moody's¹

- ◆ Bonds Issued by Programme rating of Aaa
- ◆ Collateral Score 5.2%
- ◆ Required minimum over-collateralisation of 0%
- ◆ Timely Payment Indicator of "Probable"
- ◆ TPI Leeway of 5 notches from current Issuer Rating to Aa1(cr)

Estimated OC to maintain current rating in following scenarios :

- ◆ Scenario 1: Issuer is downgraded by 1 notch: 1.2%
- ◆ Scenario 2: Issuer is rated A2(cr): 13.5%

Fitch²

- ◆ Bonds Issued by Programme rating of AAA
- ◆ D-cap of 4 (Moderate)
- ◆ Current Asset Percentage (AP) to be at or below 89.5% equating to over-collateralisation of 11.7%
- ◆ AAA expected to be maintained down to A Issuer Rating - three notches below current AA- (stable)
- ◆ WA Frequency of Foreclosure 8.1%
- ◆ WA Recovery Rate 68.8%

1. As at 30 September 2015
2. As at 30 September 2015



Rating triggers

Pre-maturity Test	Moody's: below P-1 Fitch: below F1+	The Pre-maturity Test is performed daily by the Trust Manager for twelve months prior to a hard bullet covered bond maturity to test that such maturity can be met. Issuer Event of Default will occur where the rating of CBA falls to Moody's short term rating P-2 or Fitch short term rating F-1 and the hard bullet covered bond maturity has not been pre-funded for 6 months
Reserve Fund	Moody's: below P-1 Fitch: below F1+	CBA is required to establish a Reserve Fund to credit the income accrued on each covered bond within the next three months and fees due and payable to servicer, cover pool monitor, trustee
Interest Rate Swap and Covered Bond Swap(s)	Moody's: below P-1 and A2 or A1 Fitch: below F1 or A	CBA is required to post collateral pursuant to a one way CSA to the Covered Bond Guarantor
	Moody's: below P-2 and A3, as soon as reasonably practicable Fitch: below F3 or BBB-, within 30 days	CBA is to use commercially reasonable efforts to, procure either a guarantee in respect of all present and future obligations or transfer the Interest Rate Swap or Covered Bond Swap
Transfer Trust Bank Account	Moody's: below P-1 Fitch: below F1	The Covered Bond Guarantor bank account must be transferred from CBA to a third party
Servicer Downgrade	Moody's: below P-1 Fitch: below F1	CBA will be the servicer of loans in the cover pool. If CBA's rating falls below P-1/F-1 (Moody's/Fitch) the servicer role will be transferred to a suitably rated institution
Perfection of Title	Issuer EOD Moody's: below Baa3 Fitch: below BBB-	Mortgage loans will be sold to the Covered Bond Guarantor by way of statutory assignment



CBA Covered Bond Trust Pool Summary

31-Jan-16	Owner Occupied	Investment	Total
Pool Size	18,584,045,574.80	7,010,288,104.07	25,594,333,679
No. of Loans	92,017	29,635	121,652
Average Loan Size	201,963	236,554	210,390
Maximum Loan Size	2,039,449	2,000,000	2,039,449
WA LVR (Current)	55.92%	54.84%	55.62%
WA LVR (Indexed)	43.67%	40.92%	42.92%
Maximum LVR	94.93%	95.00%	95.00%
WA Seasoning (mths)	53.96	66.04	57.27
Owner Occupied ¹	100.00%	0.00%	72.61%
Investment ¹	0.00%	100.00%	27.39%
Purchase ¹	50.62%	62.65%	53.92%
Refinance ¹	26.00%	25.99%	26.00%
Alteration ¹	23.16%	11.24%	19.89%
Construction ¹	0.22%	0.13%	0.19%
Principal & Interest ¹	84.83%	59.28%	77.83%
Interest Only ¹	15.17%	40.72%	22.17%
Primary LMI ¹	18.30%	7.87%	15.45%

1. By percentage balance outstanding



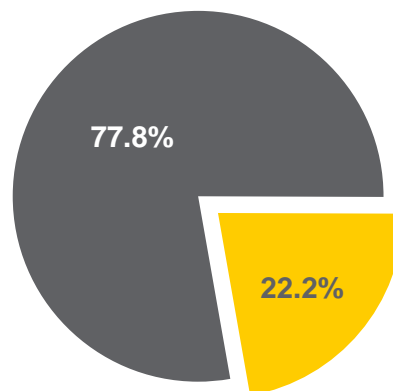
CBA Covered Bond Trust Pool Summary

Pool Summary

As at 31 January 2016

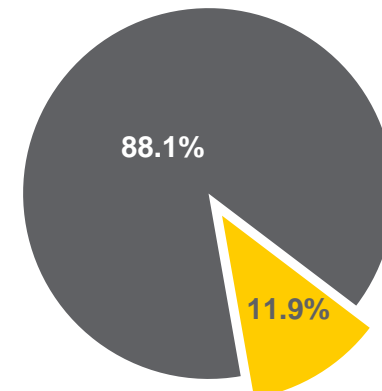
Pool Size	\$25,594,333,679
No. of Loans	121,652
Average Loan Size	\$210,390
Maximum Loan Size	\$2,039,449
WA LVR	55.6%
Max LVR	95.0%
WA Seasoning	57.3 months

Repayment



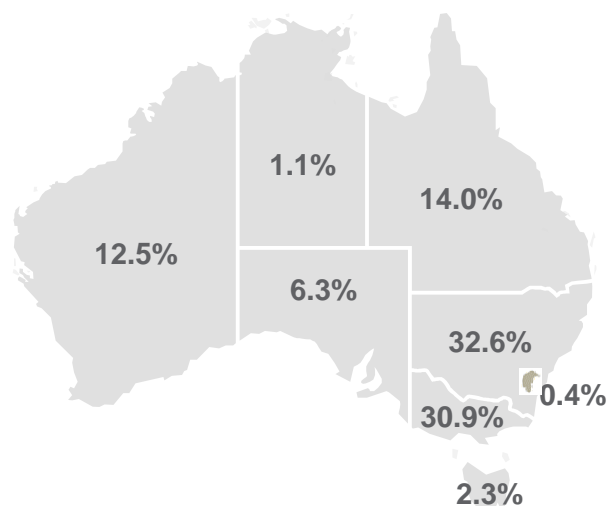
■ Principal and Interest ■ Interest Only

Repayment

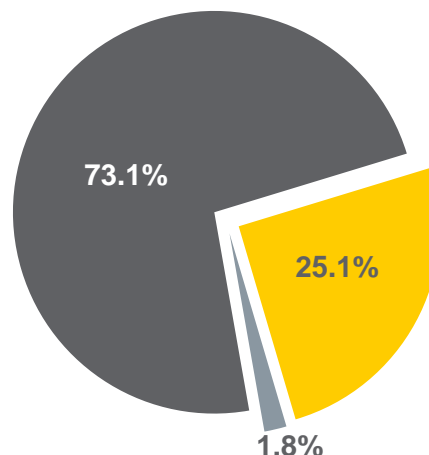


■ Variable ■ Fixed

State Distribution

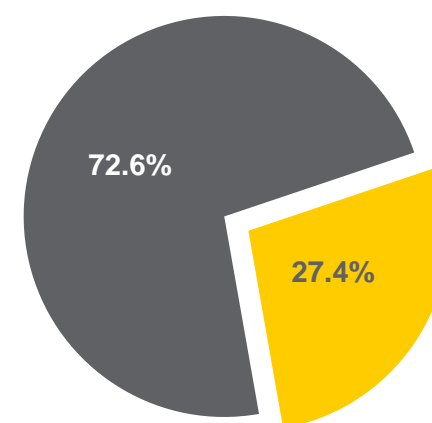


Location



■ Metro ■ Non metro ■ Inner City

Borrower

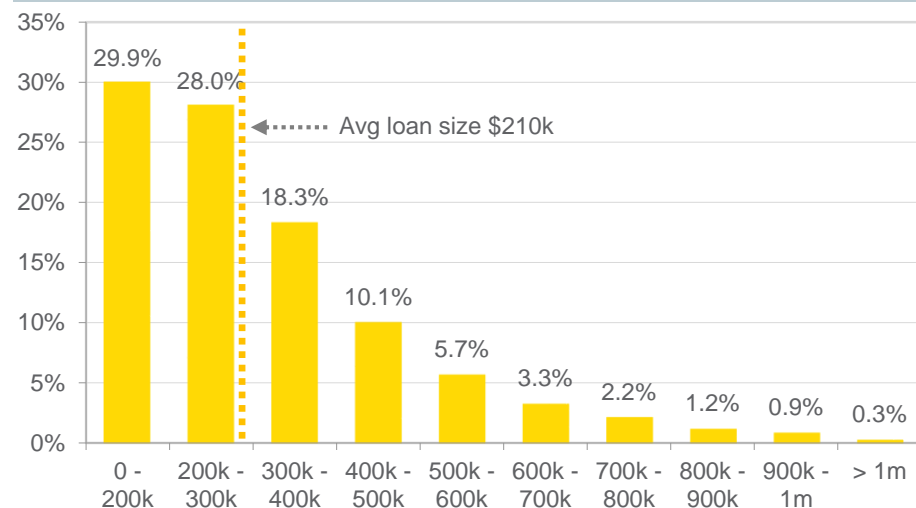


■ Owner Occupied ■ Investment

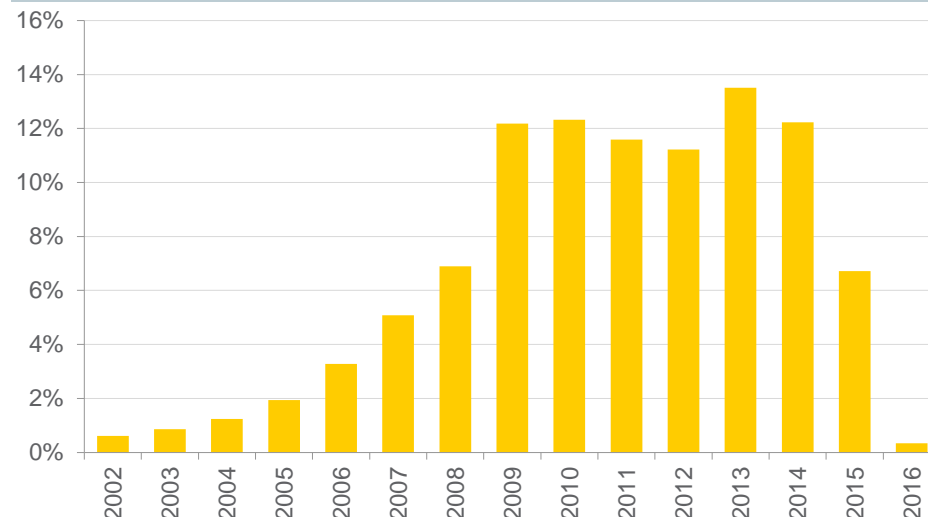


CBA Covered Bond Trust Pool Summary

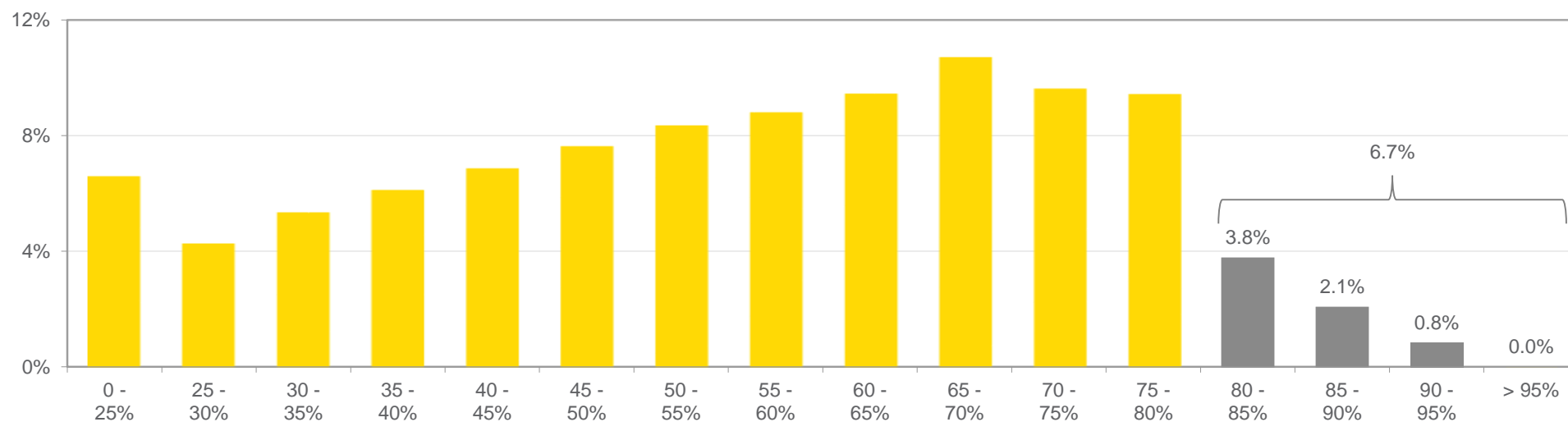
Current Principal Balance Profile



Origination Year Distribution



Current LVR Profile



Section 2

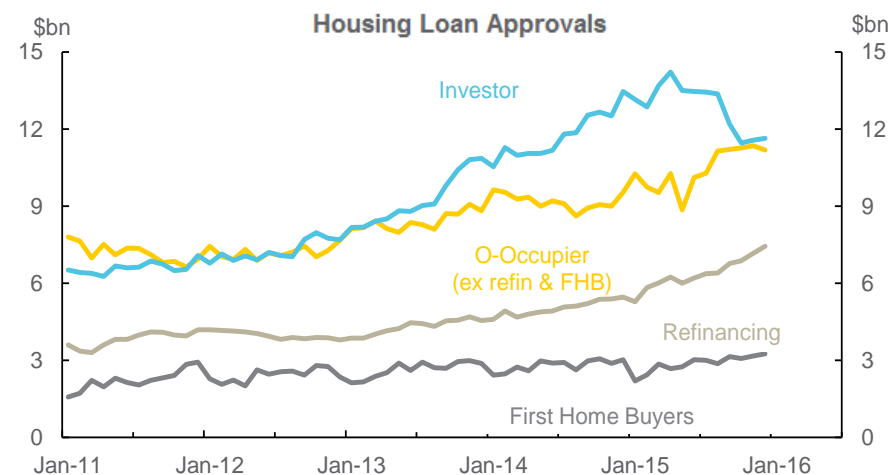
CBA Mortgage Portfolio

Australian mortgages overview

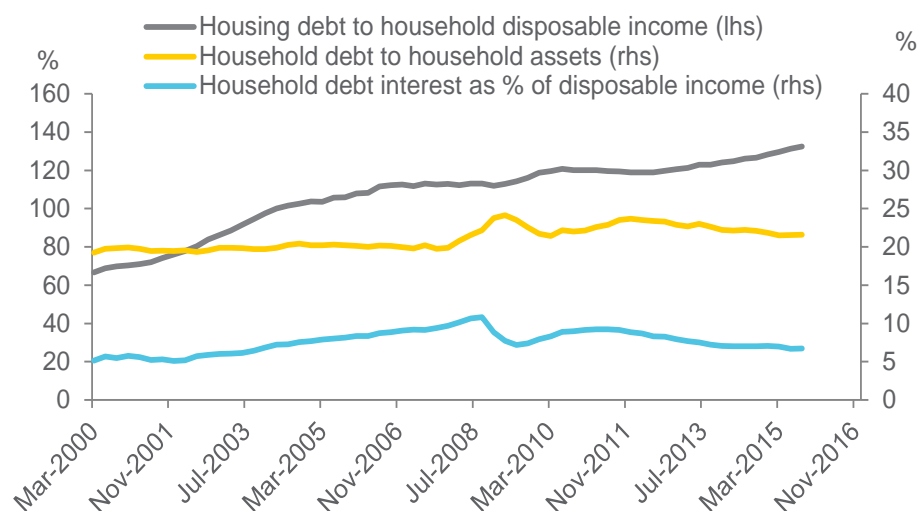
Australian Mortgage Product

- ◆ Principal and interest amortising 25/30 year loan
- ◆ Variable interest rate set at bank's discretion
- ◆ Limited pre-payment penalty
- ◆ Full recourse to borrower
- ◆ No tax deduction for owner occupied housing
- ◆ Higher risk loans are subject to Lenders Mortgage Insurance (LMI)
- ◆ Minimal "low documentation" (ie self certified) market with tighter lending criteria
- ◆ Consumer credit regulations
- ◆ Major banks account for majority of new originations and "originate-to-hold"
- ◆ Regulatory cap on investment lending growth: not to exceed 10% p.a.
- ◆ Lending criteria tightened further by regulator in 2015
- ◆ Interest only – assessed on P&I basis

Housing Market Dynamics



Share of Household Debt by Income



CBA has diverse product suite – Owner Occupied

Product	Benefits	Rate p.a.	Package rates	Max LVR ¹	Package availability	Low Doc availability	Cover Pool
Standard Variable Rate (SVR)	<ul style="list-style-type: none"> Unlimited extra repayments 100% offset Split option 	5.60%	5.10%	95%	✓	✓	✓
No Fee	<ul style="list-style-type: none"> No Fees for the life of the loan Simple and Transparent to understand, with certainty around fees, and appealing to “fee sensitive” customers / market 	4.90%	-	95%	✗	✗	✓
Fixed Rate	<ul style="list-style-type: none"> Repayment certainty Partial offset available Interest structure flexibility 	From 4.34%	From 4.19%	95%	✓	✓	✓
Basic Variable Rate (BVR)	<ul style="list-style-type: none"> Unlimited extra repayments Competitive discounted interest rate 	5.14%	-	95%	✗	✓	✓
3 Year Special BVR	<ul style="list-style-type: none"> Unlimited extra repayments Special competitive discounted interest rate 	4.29%	-	95%	✗	✗	✓
1 Year Guaranteed Rate	<ul style="list-style-type: none"> Unlimited extra repayments 100% offset 	4.39%	-	95%	✓	✗	✓ After discount
12 Month Discounted Variable Rate	<ul style="list-style-type: none"> Unlimited extra repayments 100% offset 	4.90%	-	95%	✓	✗	✓ After discount
VLOC – line of credit	<ul style="list-style-type: none"> No set repayments All-in-one account Freedom to repay and redraw at will 	5.75%	5.25%	92%	✓	✓	✗
EQFS	<ul style="list-style-type: none"> Flexible draw down option Supplement customers income 	6.75%	-	40%	✗	✗	✗

1. Maximum LVR including capitalisation
Maximum LVR differs by purpose:

- For refinance and bridging loans: maximum LVR is 92% (capitalised)
- For Low Doc: maximum LVR is 82% (capitalised)
- For Personal Investment: maximum LVR is 80%

Rates as of 14 January 2016 (subject to change)



CBA has diverse product suite – Investment Home Loans

Product	Benefits	Rate p.a.	Package rates	Max LVR ¹	Package availability	Low Doc availability	Cover Pool
Investment Standard Variable Rate (SVR)	<ul style="list-style-type: none"> Unlimited extra repayments 100% offset Split option 	5.87%	5.37%	95%	✓	✓	✓
Investment No Fee	<ul style="list-style-type: none"> No Fees for the life of the loan Simple and Transparent to understand, with certainty around fees, and appealing to “fee sensitive” customers / market 	5.17%	-	95%	✗	✗	✓
Investment Fixed Rate	<ul style="list-style-type: none"> Repayment certainty Partial offset available Interest structure flexibility 	From 4.59%	From 4.44%	95%	✓	✓	✓
Investment Basic Variable Rate (BVR)	<ul style="list-style-type: none"> Unlimited extra repayments Competitive discounted interest rate 	5.41%	-	95%	✗	✓	✓
Investment 3 Year Special BVR	<ul style="list-style-type: none"> Unlimited extra repayments Special competitive discounted interest rate 	4.49%	-	95%	✗	✗	✓
Investment 1 Year Guaranteed Rate	<ul style="list-style-type: none"> Unlimited extra repayments 100% offset 	5.79%	-	95%	✓	✗	✓ After discount
Investment 12 Month Discounted Variable Rate	<ul style="list-style-type: none"> Unlimited extra repayments 100% offset 	5.17%	-	95%	✓	✗	✓ After discount
Investment VLOC	<ul style="list-style-type: none"> No set repayments All-in-one account Freedom to repay and redraw at will 	5.75%	5.25%	92%	✓	✓	✗

1. Maximum LVR differs by purpose:

- For refinance and bridging loans: maximum LVR is 92% (capitalised)
- For Low Doc: maximum LVR is 82% (capitalised)
- For Personal Investment: maximum LVR is 80%

Rates as of 14 January 2016 (subject to change)



Australian Home Loan Portfolio¹

Portfolio ¹	Dec 14	Jun 15	Dec 15	New Business ¹	Dec 14	Jun 15	Dec 15
Total Balances - Spot (\$bn)	370	383	393	Total Funding (\$bn)	46	94	50
Total Balances - Average (\$bn)	365	371	388	Average Funding Size (\$'000)	269	274	302
Total Accounts (m)	1.7	1.7	1.7	Serviceability Buffer (%) (RBS) ⁶	1.5	2.25	2.25
Variable Rate (%)	82	85	85	Variable Rate (%)	84	87	90
Owner Occupied (%)	60	60	62	Owner Occupied (%)	61	60	66
Investment (%)	34	35	33	Investment (%)	36	37	31
Line of Credit (%)	6	5	5	Line of Credit (%)	3	3	3
Proprietary (%)	57	57	56	Proprietary (%)	57	55	52
Broker (%)	43	43	44	Broker (%)	43	45	48
Interest Only (%) ²	36	37	38	Interest Only (%) ²	39	41	39
Lenders' Mortgage Insurance (%) ²	27	26	25	Lenders' Mortgage Insurance (%) ²	22	21	16
Mortgagee In Possession (%)	0.04	0.04	0.04				
Portfolio Dynamic LVR (%) ³	50	50	50				
Customers in Advance (%) ⁴	78	77	78				
Payments in Advance incl offset (#) ⁵	25	27	29				
Payments in Advance ex offset (RBS) ⁵	7	7	7				

1. CBA and Bankwest, except where noted. All portfolio and new business metrics are based on balances and fundings respectively, unless stated otherwise. All new business metrics are based on 12 months to June and 6 months to December.
2. Excludes Line of Credit (Viridian LOC/Equity Line).
3. LVR defined as current balance/current valuation. RBS results restated based on enhanced methodology using up-to-date data, Bankwest excludes guarantor securities.
4. Any payment ahead of monthly minimum repayment. Includes offset facilities.
5. Average number of payments ahead of scheduled repayments.
6. Serviceability test based on the higher of the customer rate plus a 2.25% interest rate buffer or a minimum floor rate. Dec 14 and Jun 15 RBS only.

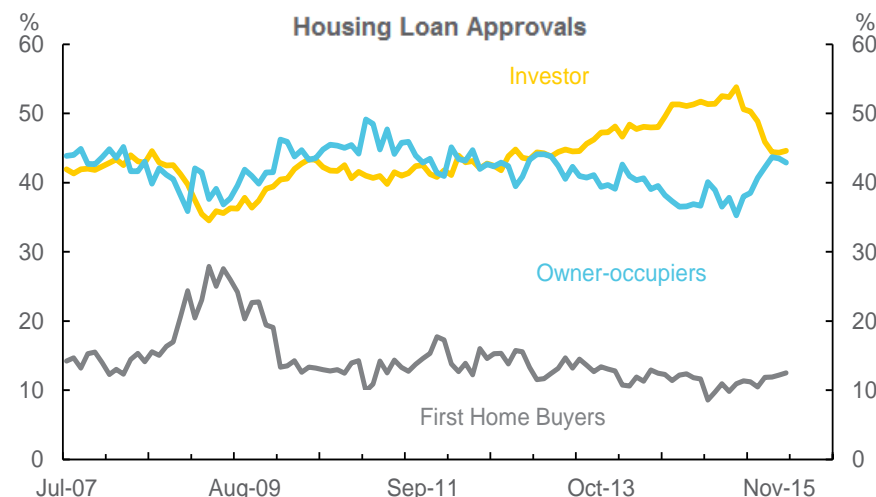


Investment Mortgages

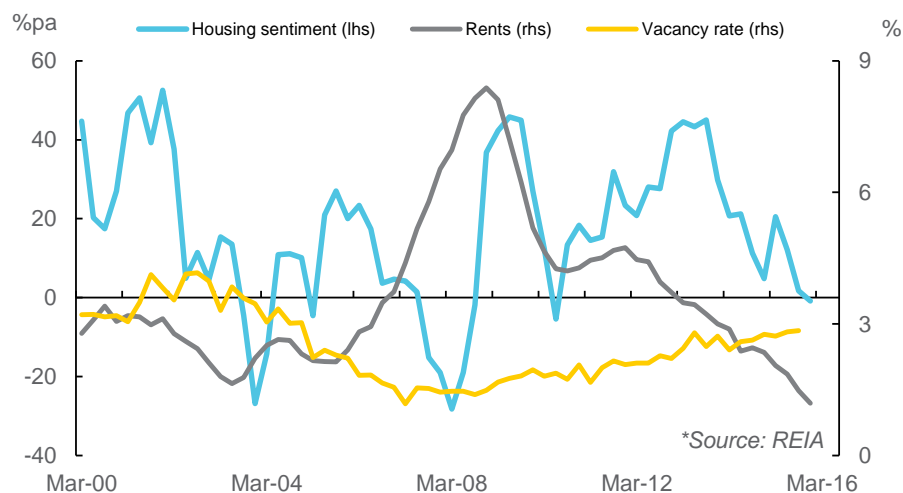
Investment Loans (“Buy-to-let”)

- ◆ Private sector rental market drives buy-to-let mortgage demand
- ◆ Investment loans are full recourse:
 - ◆ Investment loan borrowers are also often owner-occupiers with equity in their primary residence
 - ◆ Majority of Australian mortgage debt is owed by top 40% of income owners
- ◆ Interest on investment loans is tax-deductible, but:
 - ◆ Average LVR of CBA investment loan portfolio consistent with owner-occupied portfolio
 - ◆ Arrears performance of CBA investment loan portfolio consistently lower than owner-occupied portfolio
- ◆ Growth in investment loans capped at 10% growth by regulator
- ◆ Lending criteria tightened across the market in response to regulatory direction

Housing Finance – Home Loan Approvals



Rental Market – Vacancy Rates and Rents

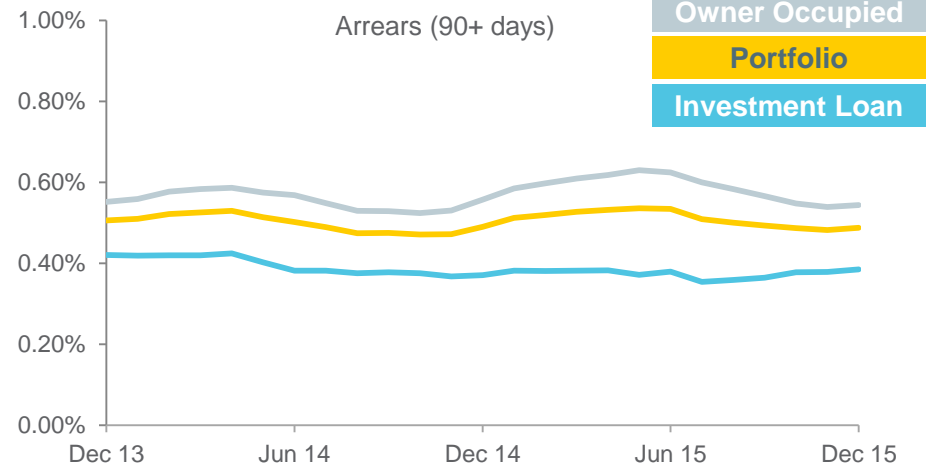


Commonwealth Bank Investment Home Loans

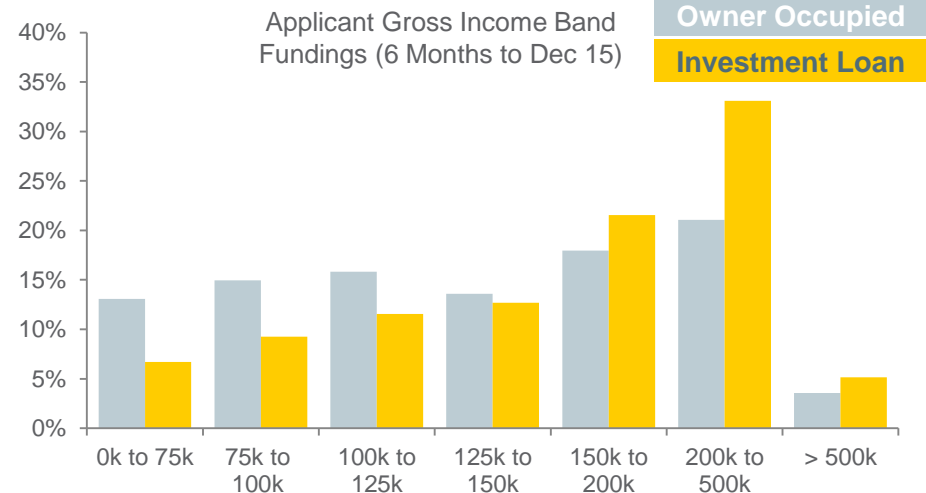
Overview

- Modest balance growth <10%
- Arrears lower than overall portfolio
- Strong borrower profile – skewed to higher income bands
- Credit policy restrictions e.g. LVR caps reduced
- Differential pricing for investment lending

Relatively Low Arrears



Strong Borrower Profile



Sources of Origination

Channel	Description	% Portfolio
Proprietary Channel	Consists of Branch Network, Premier Banking, Mobile Banking and Direct Banking	43%
Branch Network	Customer can apply through any of our 1000+ branches	30%
Premier Banking	Provides a premium service offering to high net worth individuals and families through the provision of specialist financial advice	10%
Mobile Banking	Our Mobile Lenders are trained specialists with years of experience, they are available to visit our customers whenever, wherever.	1%
Direct Banking	Applications can be made via "13 2224" ¹ operators 7 days a week between 8am and 8pm	2%
Private Banking	Customers are assigned a dedicated Private Banker who takes care of all their lending needs	3%
Third Party Banking (Broker)	A fully accredited broker network sells CBA home loan products	46%
Business Banking	Customers with business facilities are managed by dedicated relationship managers who also manage their home lending needs	8%

1. Toll free phone lines



Underwriting Standards

- ◆ Home loan underwriting standards are the same; there is no differentiation between origination channels
- ◆ Applications pass through an automated decisioning system to ensure consistent application of credit policy rules
- ◆ Eligible applications are credit scored; riskier applications are referred to underwriters (e.g. adverse account conduct, high loan amounts)
- ◆ Income verification is required for all applications
- ◆ Verification of other commitments includes observed performance shown in bank statements
- ◆ Affordability tests assessed through the net monthly cash position
- ◆ Assessment rate for Standard Variable Rate (SVR) will be the higher of the following rates:
 - 7.25% pa.
 - SVR plus 2.25% less any concession, eg. Wealth Package granted to the borrower.
 - 5 Year Fixed Rate at time of application less any concession, eg. Wealth Package granted to the borrower.
- ◆ Lenders Mortgage Insurance/Low Deposit Premium¹ for applications with LVR > 80%
- ◆ Evidence of at least 5% genuine savings required for mortgages with LVR > 85%
- ◆ Maximum LVR of 95% inclusive of premium capitalisation
- ◆ Delegations for underwriters based on level of experience, continually monitored by management
- ◆ Follow a risk based approach on the use of statistically generated valuations for property valuation assessment
- ◆ Credit policy is reviewed at least every two years
- ◆ Maximum gross rental yield for servicing on investment properties is 6% (reduced from 8%)
- ◆ CBA accepts 80% of any overtime, investment income, bonuses and commissions for servicing of all new owner occupied and investment home loan and line of credit applications.
- ◆ All new Investment home loan applications negative gearing will not apply where LVR is greater than 90%
- ◆ CBA applies a servicing loading of 20% to all repayments on existing owner occupied and investment home loans and lines of credits



CBA Mortgage Broker Accreditation

There are two requirements for CBA Broker Accreditation

1. Legislative licensing requirements

- ◆ Must be National Credit Regulation (NCP) compliant, through any of the following:
 - hold an Australian Credit License
 - be appointed as a Credit Representative of a licensee (ACL)
 - be a direct employee/director of a licensee (ACL)
- ◆ Be a fit and proper person and have satisfactory Australian Federal Police checks
 - Meet continuous development training standards
 - Be personally identified (by passports/drivers license, etc)
 - Be a member of External Dispute Resolution Scheme (FOS or COSL) and also have an internal customer resolution process
 - Hold Professional Indemnity Insurance
 - Maintain a compliance regime in relation to their Credit Representatives

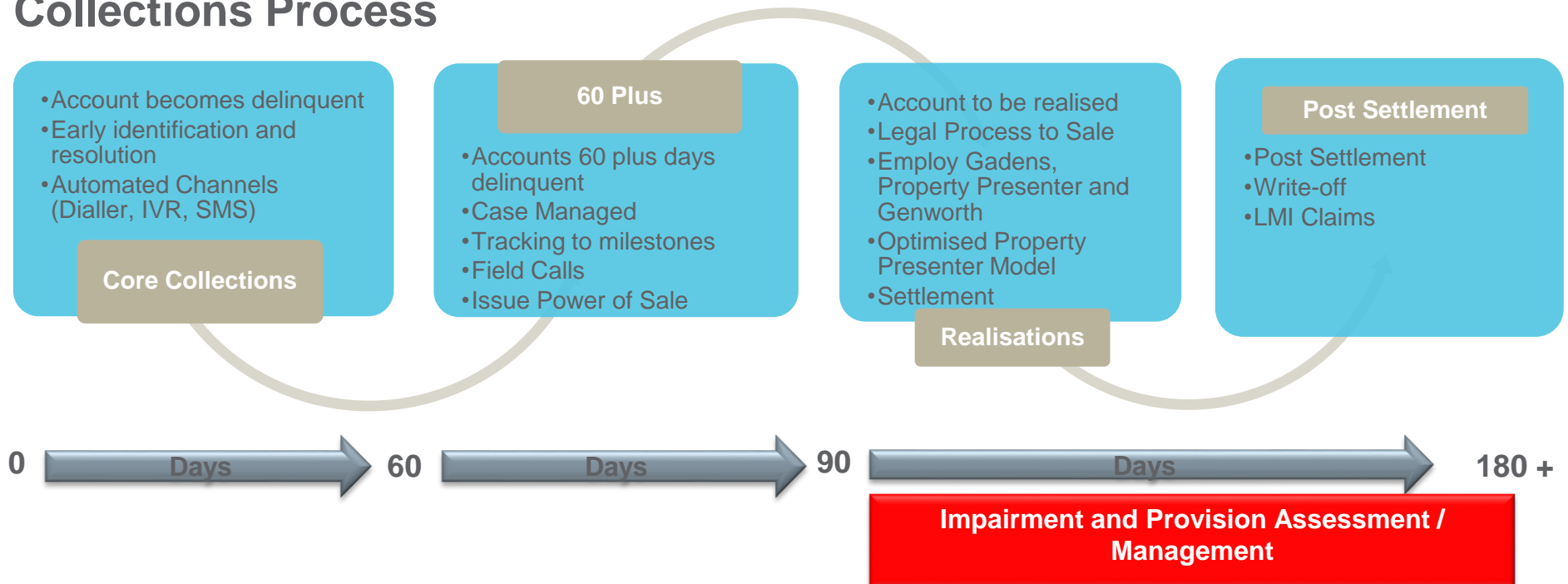
2. Additional CBA checks and training requirements

- ◆ In addition to ensuring the broker holds one of the three NCP positions, an ASIC Banned and Disqualified check is also conducted
- ◆ Be a member of an approved Industry Body (Mortgage Finance Association of Australia or Finance Brokers Association of Australia)
- ◆ Internal clearance from Group Security and HR
- ◆ Have a minimum of 2 years industry experience in residential mortgages and customer interaction or:
 - Be assigned a CBA accredited broker as a mentor
 - Participate in the MFAA Mentoring programme
 - Participate in a Head Group mentor programme where CBA has reviewed and approved by CBA
- ◆ Pre-accreditation – brokers must complete and pass the Online Product, Process and Policy Training programme
- ◆ Post accreditation – brokers must also complete the advanced Sales and Process Coach Workshop within 3 months of initial accreditation

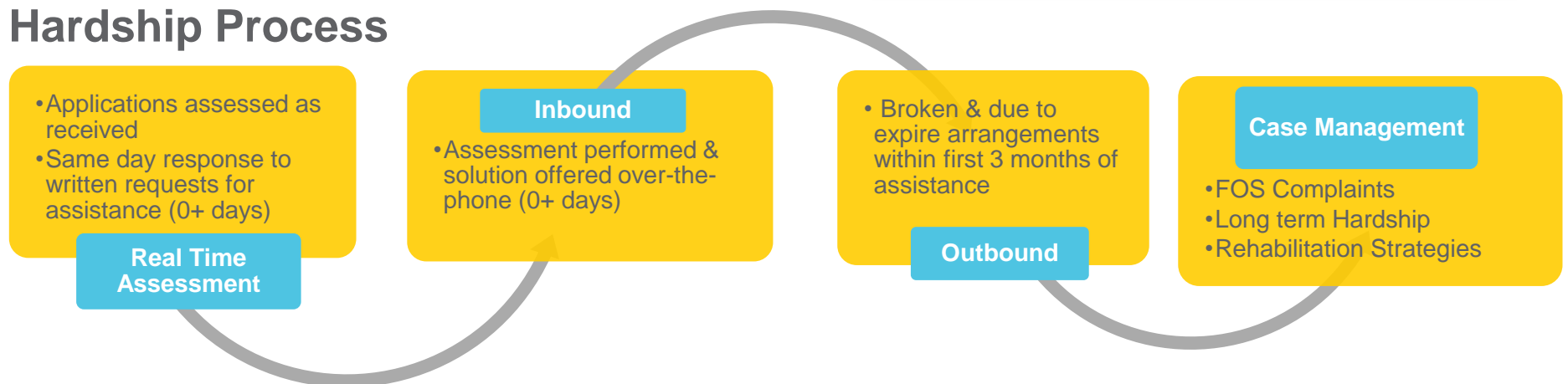


Collections Process

Collections Process



Hardship Process



Appendix

Additional Information

Covered Bond Comparison

	Australia	New Zealand	Canada	UK	Germany	France	Sweden	Norway
Issuer	Authorised Deposit Taking Institutions (ADIs)	Registered financial institutions	Federally regulated financial institutions	Credit institution authorised to carry out regulated activities in the UK	All credit institutions with special license for Pfandbriefe issuance	Specialised credit institution	Banks and credit institutions with special licence from SFSA	Licensed specialised credit institution (Kreditforetak)
Legislation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Segregation	Cover assets assigned to SPV	Cover assets assigned to SPV	Cover assets assigned to SPV	Cover assets assigned to SPV	On balance sheet	Special purpose issuer called the SCF	On balance sheet	Special Purpose Issuer
Issuance limit	8%(including OC) of total Aust assets	10% of total assets	4% of total assets	No	No	No	No	No
Eligible cover pool asset	Residential mortgages, commercial mortgages	Residential mortgages, authorised investments (demand or time deposits, CDs, LT debt obligations)	Residential mortgage loans. Exposure to public sector entities is limited to securities issued by the Government of Canada and only up to 10% of the cover pool.	Public sector debt, mortgage loans, residential and commercial mortgage assets	Residential and commercial mortgages, public sector loan, ship and aircraft financing activities	Mortgages, public sector debt, senior ABS backed by mortgages or public sector debt only	Residential, commercial (restricted to 10% of total pool), agricultural mortgages and public sector loans	Residential & commercial mortgages, public sector loans, secured loans on other registered assets, covered bonds and MBS issued by EEA (20% limit)
Maximum LTV	Residential mortgages 80%, commercial mortgages 60%	Residential 75%-80%	Uninsured residential 80%, insured residential 90%	Residential mortgages 80%	Residential & commercial mortgages, ships & aircraft loans all 60%	Residential and commercial mortgages 80%	Residential mortgages 75%, agricultural mortgages 70%, commercial mortgages 60%	Residential mortgages 75%, commercial mortgages 60%
Legal min over collateralisation	3%	—	4%	8%	2% after stress tests	5%	No minimum	Not specified
Independent asset monitor	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Supervision	Australian Prudential Regulation Authority (APRA)	RBNZ	Office or the Superintendent of Financial Institutions Canada	Financial Services Authority	Federal Financial Supervisory Authority (BaFin)	France's Banking Authority (Autorité de contrôle prudentiel)	Swedish Financial Supervisory Authority (Finansinspektionen)	Norway Financial Supervisory Authority (Finanstilsynet)



Income priority of payments (pre-EOD)

1. A\$1 to the Income Unitholder
2. Payment of Accrued Interest Adjustment to CBA if mortgages have been transferred to the Covered Bond Guarantor
3. Payment of expenses to Bond Trustee, Security Trustee and taxes
4. Payment to Servicer, Trust Manager, Account Bank, Cover Pool Monitor
5. If CBA is not the IRS provider, payments due on IRS
6. *Pari passu*: If CBA is IRS and covered bond swap provider, payments on IRS, Covered Bond Swap payments, Intercompany loan payments
7. If Pre-Maturity Test has been breached in respect of any Hard Bullet Covered Bond, credit to Pre-Maturity Ledger
8. Deposit into the Reserve Ledger income accrued on each covered bond within the next three months and fees due and payable to servicer, cover pool monitor, trustee
9. If a Servicer Default has occurred , the remaining Available Income Amount it to be deposited into a GIC account for the benefit of the Security Trustee
10. Payments to satisfy subordinated swap termination payments
11. Indemnity payments (if any) to Cover Pool Monitor
12. Interest on Demand Loan payable to Demand Loan Provider
13. Residual payments to Income Unitholder



Principal priority of payments (pre-EOD)

1. Reimburse CBA for funding Further Advances (if any)
2. If Pre-Maturity Test has been breached in respect of any Hard Bullet Covered Bond, credit to Pre-Maturity Ledger
3. Acquire additional mortgages to satisfy Asset Coverage Test
4. Deposit remaining Principal Amount to GIC account to satisfy Asset Coverage Test
5. Repayment of senior portion of the Demand Loan (voluntary OC repayment)
6. Principal payments on covered bond swaps and Intercompany Loans
7. Acquire additional mortgage loans
8. Repayment of subordinate portion of the Demand Loan
9. Residual payments to Income Unitholder and Capital Unitholder

Guarantee priority of payments (post-EOD)

1. A\$1 to the Income Unitholder
2. Payment of Accrued Interest Adjustment to CBA if mortgages have been transferred to the Covered Bond Guarantor
3. Reimburse CBA for funding Further Advances (if any)
4. Payment of expenses to Bond Trustee, Security Trustee and taxes
5. Payments to Agents and third parties
6. Payment to Servicer, Trust Manager, Account Bank, Cover Pool Monitor
7. Repayment of senior portion of Demand Loan subject to ACT test being satisfied on the date of such repayment
8. If CBA is not the IRS provider, payments due on IRS
9. *Pari passu*: If CBA is IRS and covered bond swap provider, payments on IRS, Covered Bond Swap payments, scheduled interest due for payment under the Covered Bond Guarantee
10. Principal payable on the covered bond swap and
11. Final redemption amount of Covered Bonds if not paid by Issuer on the applicable Extension Determination Date
12. Deposit any remaining proceeds to GIC account if prior Covered Bonds have not been repaid
13. Excluded Swap Termination Payments
14. Any amounts due and payable on the Intercompany Loan
15. Indemnity Payments and other expenses to Cover Pool Monitor
16. Subordinated payments under the Demand Loan
17. Residual payments to Income Unitholder and Capital Unitholder



Contacts

24 Hours Global Contact Numbers

Sydney

Simon Maidment +61 2 9118 1339
 Richard Nelson – Debt IR +61 2 9118 1343
 Justin Mineeff – Secured Funding +61 2 9118 1337

Email

simon.maidment@cba.com.au
richard.nelson@cba.com.au
justin.mineeff@cba.com.au

London

Liam Carden +44 20 7710 3916

liam.carden@cba.com.au

New York

Lisa Balfe +1 212 336 7730

balfel@cba.com.au



Programme Documentation

- ◆ Euro Medium Term Notes
- ◆ US Medium Term Notes
- ◆ Commets
- ◆ Commercial Paper
- ◆ Covered bonds

- ◆ Ratings reports/documentation: www.commbank.com.au/groupfunding
- ◆ Group email address: groupfunding@cba.com.au



IMPORTANT NOTICE

This Presentation is delivered to you on the basis that, and by accessing or reading this Presentation you confirm that: (a) you understand and agree to the contents of this Presentation; (b) you are a person that may lawfully receive this Presentation in accordance with laws applicable to you including those of the jurisdiction in which you are located; (c) you have or will conduct your own independent enquiries and obtain professional legal, regulatory, tax and accounting advice as appropriate in relation to the Transaction and this Presentation; (d) in no circumstances will CBA or its affiliates be responsible for any costs, tax or expenses incurred by any recipient in connection with any investigation of this Presentation or Transaction; (e) any transaction which you may subsequently enter into will only be on the basis of your own advice (including without limitation legal, compliance, tax and accounting), your own knowledge and experience, and on the basis of the Offering Documents, including without limitation the risk factors in the final version of the Information Memorandum; (f) you will keep this Presentation confidential and will not transmit or distribute it, or reproduce or translate it, in whole or in part, to or for any person without CBA's prior written consent, save that you may send this Presentation to your professional advisers subject to an obligation of confidentiality; and (g) you will not use this Presentation to the detriment of CBA or for any matter other than initial consideration of the Transaction.

You acknowledge that neither CBA nor the Covered Bond Guarantor has considered your individual circumstances, investment objectives or financial situation in providing you with this Presentation. You further acknowledge that neither CBA nor the Covered Bond Guarantor acts as adviser or agent to you or to any of your customers or clients and will not owe any fiduciary duty to any investors in any covered bonds. You further acknowledge that you will make your own assessment of the suitability of your investment in any covered bonds with particular reference to your investment objectives, experience and any other factors that you may consider relevant in investing in such covered bonds, and that you will seek your own independent financial, legal or tax advice where appropriate.

This Presentation does not constitute an offer to buy or sell covered bonds or investment products for sale in the United States, or to any person that is, or is acting for the account or benefit of, any U.S. person (as defined in Regulation S under the United States Securities Act of 1933, as amended (**Securities Act**)) (**U.S. Person**), or in any other jurisdiction in which such an offer would be illegal. Covered bonds may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons without registration under the Securities Act or an exemption from registration.

This Presentation contains certain "forward-looking statements" regarding events and trends that are subject to risks and uncertainties that could cause the actual results and financial position of CBA and its subsidiaries (collectively, **Group**) to differ materially from the information presented in this Presentation. The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "outlook", "upside", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Group, that may cause actual results to differ materially from those expressed or implied in such statements.

