

Commonwealth Bank

Commonwealth Bank of Australia
ACN 123 123 124



Group Governance

GPO Box 2719
Sydney NSW 1155

15 March 2018

The Manager
Company Announcements Platform
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sirs and Mesdames

CommBank PERLS X Capital Notes Offer – Communication to Eligible Securityholders

I **attach** an example of the letter being sent to Eligible Securityholders from today, notifying them of the CommBank PERLS X Capital Notes offer.

Yours sincerely

Clare McManus
Company Secretary

15 March 2018

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN NSW 9999

Eligible SRN/HIN:



Dear Securityholder

COMMBANK PERLS X CAPITAL NOTES OFFER

As a valued securityholder, I am writing to let you know that the Commonwealth Bank of Australia (“**CBA**”) has launched an offer of a new security, CommBank PERLS X Capital Notes (“**PERLS X**”).

The offer of PERLS X will be made via the Prospectus lodged with ASIC on 15 March 2018. Some of the key features of PERLS X are set out below, but you should consider the Prospectus in full before deciding whether to invest in PERLS X. In this letter, words which are capitalised have the meanings given to them in the Prospectus.

Key Features of PERLS X

CommBank PERLS X Capital Notes	Subordinated unsecured notes issued by CBA with an initial face value of A\$100 each The PERLS X Terms are complex and include features to comply with the detailed regulatory capital requirements which APRA applies to these types of securities
Floating rate Distributions	PERLS X are scheduled to pay floating rate Distributions quarterly in arrears ¹ Distributions are expected to be fully franked and will comprise a combination of franking credits and cash equal to the sum of (Market Rate + 3.40% p.a) x (1 – Tax Rate) The Market Rate is a primary benchmark interest rate for the Australian money market which is also known as the 90 day Bank Bill Swap Rate (BBSW)
Term	Perpetual (no maturity date), but may be Exchanged earlier in certain circumstances. If PERLS X are not Exchanged or Redeemed they could remain on issue indefinitely
Call Date	CBA may at its option Redeem all or some PERLS X on 15 April 2025, subject to receiving APRA’s prior written approval
Mandatory Exchange	CBA must Exchange PERLS X on the Mandatory Exchange Date (15 April 2027) subject to the Maximum Exchange Number and Mandatory Exchange Conditions
Early Exchange	CBA must Exchange PERLS X before the Mandatory Exchange Date on the occurrence of a Capital Trigger Event, a Non-Viability Trigger Event or a Change of Control Event. Information about these events, and what will happen to your investment if Exchange is not possible, is described in the Prospectus
Minimum Application value	50 PERLS X (\$5,000) Applications for more than \$5,000 must be in multiples of 10 PERLS X (\$1,000)

¹ Distributions are discretionary and subject to the distribution payment conditions being satisfied. This means a Distribution may not be paid – Distributions that are not paid do not accrue and will not be subsequently paid.

Tradeable on the ASX

CBA has made an application to have PERLS X quoted on the Australian Securities Exchange ("ASX"). Once quoted, PERLS X are tradeable on ASX at the prevailing market price. PERLS X are expected to be quoted under the trading code "CBAPG"

Key Dates for PERLS X²

Securityholder Offer Record Date	9 March 2018
Opening Date for the Offer	15 March 2018
Closing Date for the Offer	5:00pm (Sydney time), 29 March 2018
Issue Date	6 April 2018
Commencement of deferred settlement trading	9 April 2018
Despatch of Holding Statements	10 April 2018
Commencement of trading on normal settlement basis	11 April 2018
First Distribution payment	15 June 2018

You need to be aware of the risks

There are risks associated with investing in securities such as PERLS X, as well as risks associated with CBA's businesses which may affect PERLS X. These risks are set out in Section 4 of the Prospectus, with further information in Section 3, and include circumstances in which investors could lose some or all of the money they invest in PERLS X and/or may not be paid distributions on their PERLS X. It is important that you read the Prospectus in full before deciding to invest in PERLS X, including the risks associated with PERLS X and CBA. If you have questions, you should seek advice from your financial adviser or other professional adviser before deciding to invest in PERLS X.

How to obtain a Prospectus and Application Form

Paper copies of the Prospectus and Application Form can be obtained free of charge during the Offer Period by registering your request online at www.commsec.com.au, or by calling the PERLS X Information Line on 1300 794 935 (Monday to Friday 8.00am – 7.30pm, Sydney time). Applications can be made online at www.commsec.com.au using your SRN/HIN or by using the Application Form that will be in, or will accompany, the paper copy of the Prospectus.

For more information, talk to your broker or adviser, visit www.commsec.com.au or call the PERLS X Information Line on 1300 794 935 (Monday to Friday 8.00am – 7.30pm, Sydney time).

On behalf of the CBA Board, I thank you for your support and for considering this investment opportunity.

Yours sincerely



Catherine Livingstone AO
Chairman

Important Information: PERLS X are unsecured notes. Investments in PERLS X are an investment in CBA and may be affected by the ongoing performance, financial position and solvency of CBA. CBA (as issuer of PERLS X) does not guarantee the performance of PERLS X. They are not deposit liabilities or protected accounts of CBA under the Banking Act 1959 (Cth). This letter is not advice and has not taken into account your investment objectives, financial situation or particular needs (including financial or taxation considerations). You should read and consider the Prospectus in full and seek advice from your financial adviser or other professional adviser before deciding whether to invest in PERLS X.

² The key dates for the Offer are indicative only and subject to change without notice.