



Daily Mark Disclosure

Each valuation enclosed herein is made by Commonwealth Bank of Australia (the “Bank”) solely for the purposes of providing you with an indication of a mid-market mark (or valuation) for each of your outstanding uncleared swap transactions with the Bank entered into by you with the Bank on or after April 17, 2012. A disclosure is not provided for transactions that are not swaps, as such term is defined under the Commodity Exchange Act (the “CEA”), or for any swap that is cleared. Therefore, the valuations provided herein may not provide a daily mark for each of your transactions (swap-related or otherwise) with the Bank. The values disclosed herein will be calculated in Sydney before the close of business on the business day prior to the date of the valuation, using numerous assumptions and methodologies of the Bank which we believe to be consistent with pricing methodologies in general use in the market and with the terms of the documentation governing the relevant transactions between us.

For instance, the Bank’s valuations are normally, although not always, calculated as the net present value of future and anticipated cash flows. Swap valuations use separate curves for estimating floating rates and discounting and, where applicable, mid-market rates are also used. The Bank collects rate data from various external market sources and for those products with optionality, the Bank uses models consistent with market practice. Where appropriate, these models may take into account correlations between underlyings, credit spreads, and/or account dividends.

In some circumstances, the Bank’s models may be compared to market instruments. The choice of instruments used for comparison purposes is in accordance with market practice and, as such, they are subject to change in line with developments in market practice. That is, option pricing models typically specify probability distributions of future movements in the underlying. Overall, models may be sensitive to the underlying, volatilities, discount rates and maturity, fixing or relevant cash flow dates.

The Bank’s valuations, its assumptions and methodologies will not necessarily be the same as those of another provider. Accordingly, the valuation outcomes provided may not be the same.

Each valuation enclosed herein is only an indication of the value of the relevant swap transaction and **does not include amounts for profit, credit reserve, hedging, funding, liquidity or any other costs or adjustments**. Each daily mark provided herein may not accurately reflect the amount at which the Bank, or any third party, would be willing to effect a new swap transaction, or liquidate, or unwind the relevant swap transaction. This notice is not, and should not be regarded as, an offer by us to terminate any transaction at the price indicated in the relevant disclosed value. You should contact the Bank to obtain an up to date valuation if you wish to terminate any transaction.

This value is not necessarily the value of the swap that we enter into our books. If applicable, any calls by us to you for variation or initial margin may be based on considerations other than this value provided to you by us.

The information is indicative and is subject to change. The Bank believes that the information in this valuation is correct, but no warranty is made as to accuracy, reliability or completeness. To the extent permitted by law neither the Bank nor any of its subsidiaries accept any liability, whether direct or indirect, to any person for loss or damage arising from the use of or reliance on this valuation.