

WHAT YOU NEED TO KNOW

# Security Investments – Negotiable Certificates of Deposit issued by the Commonwealth Bank of Australia



## Product Disclosure Statement

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Commonwealth Bank of Australia ABN 48 123 123 124  
AFSL 234945

You should read all sections of this Product Disclosure Statement before making a decision to acquire this financial product.



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## General Information

### Features at a glance

<b>Significant benefits</b>	Security of a fixed interest rate.
<b>Significant risks</b>	You may receive back less than your <i>purchase price</i> if you request the Bank to <i>repurchase</i> your investment. You are exposed to the Commonwealth Bank of Australia's credit risk.
<b>Minimum investment amount</b>	\$100,000.00.
<b>Terms available</b>	From 1 day to 185 days (other <i>terms</i> up to 2 years will be considered on request).
<b>Interest rates</b>	Current interest rates are available on request from your relationship manager or any branch of the Bank.
<b>Payment of earnings</b>	At maturity.
<b>Fees and charges</b>	No Bank fees or charges are applicable. For further information see Appendix A.
<b>Withdrawals in advance of maturity</b>	At the discretion of the Bank. May be <i>repurchased</i> partially or in full, subject to certain conditions.
<b>Repurchase price</b>	A <i>repurchase price</i> will be calculated by reference to the <i>repurchase</i> amount, the remaining <i>term</i> of the investment and the <i>repurchase rate</i> .

The information in this Product Disclosure Statement (PDS) is subject to change from time to time and is up to date as at the date stated on the cover. Where the new information is materially adverse information the Bank will either issue a new PDS or a supplementary PDS setting out the updated information. Where the new information is not materially adverse information we will not issue a new PDS or supplementary PDS to you, but you will be able to find the updated information on our web site [commbank.com.au](http://commbank.com.au) or you can call **13 2221**. If you ask us to, we will send you a paper copy of the information.

## Purpose of a Product Disclosure Statement (PDS)

A PDS aims to provide you with enough information to help you decide whether the product will meet your needs. It also helps you to compare the product with others you may be considering.

This PDS provides information about a product called a **Security Investment – Negotiable Certificate of Deposit issued by the Commonwealth Bank of Australia** (Commonwealth Bank NCD). If you decide to invest in a Commonwealth Bank NCD, you should keep this PDS and all other documentation relating to your Commonwealth Bank NCD for future reference.

If you have any questions or wish to contact us call **13 2221** between 8am and 8pm, Monday to Friday, visit our web site at **commbank.com.au**, or call into any branch of the Commonwealth Bank of Australia (the Bank).

To assist you in understanding this PDS, the definition of some words is provided in the “Definitions” section on page 11. When used in this PDS, these words usually appear in italics.

## What are Security Investments – Negotiable Certificates of Deposit issued by the Commonwealth Bank of Australia?

A Security Investment – Negotiable Certificate of Deposit issued by the Commonwealth Bank of Australia (Commonwealth Bank NCD) is a short term investment in an underlying *security* being a *negotiable certificate of deposit* (NCD) where the *term* of the *security* is for a period of 185 days or less (other *terms* up to 2 years will be considered on request). The interest rate applicable on the Commonwealth Bank NCD is determined on the *deal date* by reference to prevailing market interest rates and is fixed for the *term* of the investment.

A Commonwealth Bank NCD entitles the person in possession of it to payment, by the Commonwealth Bank of Australia, of a specified sum of money (*face value*) on a particular date (*maturity date*).

When you invest in a Commonwealth Bank NCD, the Bank will only sell you a NCD that has been issued by the Bank. The Bank currently meets the definition of a prime bank as determined by the Australian Financial Markets Association (AFMA). Refer to the “What is a prime bank?” section in this PDS for more information.

NCDs are discount *securities* meaning they are issued and on-sold to investors at a discount to their *face value*. Refer to the “How does a Commonwealth Bank NCD work?” section in this PDS for more information on how this product works.

## What is a prime bank?

According to AFMA, to be considered a prime bank, a bank must:

- be an Australian Prudential Regulation Authority (APRA) Authorised Deposit-Taking Institution and classified by APRA as: an “Australian-owned Bank”; a “Foreign Subsidiary Bank”; or a “Branch of a Foreign Bank” that is authorised to carry on banking business pursuant to the Banking Act 1959 (as amended) or “comparable legislation in its country of origin”; and
- be rated by Standard & Poor’s as having a short term rating of A1+ and a long term rating of at least AA-.

It is also expected that its acceptances or *negotiable certificates of deposit* trade at the lowest benchmark yield, as determined by the market.

The lowest benchmark yield, for a given *term*, is determined with regard to the credit quality and liquidity of the underlying bank.

A listing of prime banks is accessible via the AFMA web site **www.afma.com.au** or upon request from your relationship manager or any branch of the Bank.

## Who are Commonwealth Bank NCDs suitable for?

Situations in which Commonwealth Bank NCDs may be appropriate are:

- you have \$100,000.00 or more to invest;
- you are seeking an investment for a *term* of 185 days or less (other *terms* up to 2 years will be considered on request);
- you are seeking a return that is referenced to prevailing market interest rates;
- you wish to invest with the Commonwealth Bank of Australia; or
- you believe that market interest rates will remain steady or fall during the *term* of the investment.

## How are interest rates determined?

The rate of interest is based on the prevailing market interest rate. The market interest rate is adjusted by a margin that reflects the following factors:

- an allowance for the Bank's business costs, both fixed and variable; and
- the Bank's profit margin.

The margin may vary from time to time due to changed market conditions and the timing of the transaction.

Details of current interest rates are available on request from your relationship manager or any branch of the Bank.

## How does a Commonwealth Bank NCD work?

### On the deal date

On the *deal date*, you agree with the Bank the *term* and either the *face value* or the *purchase price* of your investment as well as the interest rate that will be applied to your Commonwealth Bank NCD.

The Bank then applies the following formulae to calculate either the *purchase price* or the *face value* of your Commonwealth Bank NCD. The *purchase price* is payable by you on the *deal date*.

If you nominate a specific *face value*, the *purchase price* is calculated as follows:

$$\text{Purchase price} = \frac{\text{face value}}{1 + \left( \text{Interest rate \% per annum} \times \frac{\text{term in days}}{365} \right)}$$

If you nominate a specific *purchase price*, the *face value* is calculated as follows:

$$\text{Face value} = \text{purchase price} \times \left( 1 + \left( \text{Interest rate \% per annum} \times \frac{\text{term in days}}{365} \right) \right)$$

Shortly after the *deal date* of your investment, the Bank will send you a confirmation letter disclosing that the Commonwealth Bank of Australia is the issuer of the NCD, the interest rate, *face value* and *term* of the investment.

You should retain the confirmation letter for tax purposes as the Bank will not send you an end of year summary of earnings.

The Bank will hold your NCD free of charge on a *safe custody* basis.

## On the maturity date

On the *maturity date*, the Bank will pay to you the *face value* of the investment. The difference between the *purchase price* and the *face value* is the earnings on your investment.

Prior to the *maturity date*, you may contact the Bank with your instructions for the maturing Commonwealth Bank NCD. You may choose to invest in another Commonwealth Bank NCD or request the *face value* (proceeds) to be paid into your nominated bank account on the *maturity date*.

If, on the *maturity date*, the Bank has not received instructions from you, we will automatically reinvest the proceeds into a Commonwealth Bank NCD for a similar *term* at the prevailing interest rate on that day. Where a Commonwealth Bank NCD is not available, we will reinvest the proceeds into a *Security Investment – Bank Bill* that is accepted or endorsed by the Commonwealth Bank of Australia, for a similar *term* at the prevailing interest rate. The interest rate applicable on the *Security Investment – Bank Bill* is determined on the *deal date* by reference to prevailing market interest rates and is fixed for the *term* of the investment. Refer to the *Security Investments – Bank Bills* Product Information Document for more information. This document is available at [commbank.com.au](http://commbank.com.au) or upon request from your relationship manager or from any branch of the Bank. The interest rate applicable to the new NCD or Security Investment – Bank Bill (as applicable) may be different from the interest rate applied to your investment in the previous *term*.

The following examples illustrate the way the *purchase price* or *face value* of a Commonwealth Bank NCD is calculated.

### Example 1\*

You wish to purchase a Commonwealth Bank NCD with a *face value* of \$200,000.00 for a *term* of 90 days. The Bank quotes to you an interest rate of 4.50% per annum, which you accept. Your *purchase price* is calculated as follows:

$$\frac{\$200,000.00}{1 + \left( 4.50\% \times \frac{90}{365} \right)} = \$197,805.18$$

On the *deal date*, you pay the *purchase price* of \$197,805.18. On the *maturity date*, you will receive the *face value* of \$200,000.00 and your investment earnings will be \$2,194.82 (i.e. \$200,000.00 – \$197,805.18 = \$2,194.82).

\* Examples are used for illustrative purposes only.

### Example 2\*

You have \$150,000.00 and wish to purchase a Commonwealth Bank NCD with a *purchase price* of \$150,000.00 for a *term* of 90 days. The Bank quotes to you an interest rate of 4.50% per annum, which you accept. Your *face value* is calculated as follows:

$$\begin{aligned} & \$150,000.00 \times \left( 1 + \left( 4.50\% \times \frac{90}{365} \right) \right) \\ & = \$151,664.38 \end{aligned}$$

On the *deal date*, you pay the *purchase price* of \$150,000.00. On the *maturity date*, you will receive the *face value* of \$151,664.38 and your investment earnings will be \$1,664.38 (i.e. \$151,664.38 – \$150,000.00 = \$1,664.38).

\* Examples are used for illustrative purposes only.

## Repurchasing a Commonwealth Bank NCD

Requests for a *repurchase* are to be submitted to your relationship manager or any branch of the Bank. Requests for a *repurchase* are at the discretion of the Bank.

*Repurchases* can be for a partial amount (partial *repurchase*) or the full amount (full *repurchase*) of your investment.

For a partial *repurchase*, the minimum *repurchase* amount is a *face value* of \$25,000.00, and a residual balance of a minimum *face value* of \$50,000.00 must be maintained. The residual component of your Commonwealth Bank NCD will continue to earn the original interest rate.

For a *repurchase*, the Bank will calculate a *repurchase price* payable to you. The *repurchase price* will be calculated using a *repurchase rate*, which has been determined by the Bank acting reasonably based on the following factors:

- *face value* to be *repurchased*;
- prevailing market interest rates on the *repurchase date*;
- remaining *term* to maturity;
- the cost incurred by the Bank to settle your *repurchase*; and
- the status of the issuing bank (being the Commonwealth Bank of Australia) on the *repurchase date* (i.e. whether we are defined as a prime bank or a non-prime bank).

The *repurchase* price is calculated as follows:

**Repurchase price =**

$$\frac{\text{face value being repurchased}}{1 + \left( \frac{\text{repurchase rate \% per annum}}{365} \times \frac{\text{remaining term to maturity in days}}{365} \right)}$$

Depending on the factors mentioned above, on the *repurchase* date you may receive a *repurchase* price that is:

- equal to your *purchase price*; or
- less than your *purchase price*; or
- more than your *purchase price*.

The Bank will notify you verbally of the *repurchase* price as soon as practicable after making this calculation. If you accept the *repurchase* price, the Bank will then send you a letter confirming the details of your *repurchase*.

### Example 3\*

Following on from Example 1, you originally purchased a 90 day Commonwealth Bank NCD with a *face value* of \$200,000.00 at an interest rate of 4.50% per annum. The *purchase price* was \$197,805.18.

You request the Bank to *repurchase* your investment in full with 30 days remaining until the *maturity date* and the Bank agrees to your request.

Market interest rates have risen since the *deal date* and the Bank calculates a *repurchase* rate of 5.10% per annum.

The *repurchase* price is calculated as follows:

$$\frac{\$200,000.00}{1 + \left( 5.10\% \times \frac{30}{365} \right)} = \mathbf{\$199,165.14}$$

On the *deal date*, you paid \$197,805.18 for the investment. On the *repurchase* date, you receive \$199,165.14, therefore your earnings on the Commonwealth Bank NCD will be \$1,359.96 (i.e. \$199,165.14 – \$197,805.18 = \$1,359.96).

\* Examples are used for illustrative purposes only. The actual *repurchase* price of your *repurchase* will depend on prevailing market interest rates on the *repurchase* date. Although in this example your earnings are positive, your earnings could be negative depending on interest rate movements. In the event of a *repurchase*, the actual rate of return on your investment is impacted by the *repurchase* rate and the period for which the Commonwealth Bank NCD was held and may vary from the original expected rate of return.

## What are the significant benefits of a Commonwealth Bank NCD?

Benefits include:

- your interest rate is set by reference to prevailing market interest rates and is fixed for the *term* of your investment;
- a wide range of *terms* are available ranging from 1 day to 185 days (other *terms* up to 2 years will be considered on request);
- no transaction or account keeping fees are applicable (refer to Appendix A for more information);
- the Bank will hold your Commonwealth Bank NCD on a *safe custody* basis free of charge;
- you are protected against falling interest rates during the *term* of your investment; and
- your investment is with the Commonwealth Bank of Australia.

## What are the significant disadvantages of a Commonwealth Bank NCD?

Disadvantages include:

- you may not be able to invest to the exact *maturity date* that you require as *terms* are subject to the availability of Commonwealth Bank NCDs on issue;
- you cannot benefit from increases in market interest rates that may occur during the *term* of the Commonwealth Bank NCD as your interest rate is fixed for the *term*;
- requests to the Bank for a *repurchase* are subject to the Bank's discretion; and
- in the event of a *repurchase*, you may receive back less than your *purchase price* (refer to the "Repurchasing a Commonwealth Bank NCD" section for more information).



## What are the significant risks?

Interest rate markets may be volatile. Investments in these markets may involve actual losses if you request the Bank to *repurchase* the Commonwealth Bank NCD prior to maturity. Monitoring of any risks associated with this product is *your* responsibility.

### Market risk

Market risk is the risk that prices including interest rates will move adversely. As the rate of return that you receive on your Commonwealth Bank NCD and the *term* of the investment are both fixed, you forgo the opportunity to benefit from any rise in market interest rates during the *term*.

You should ensure that you are able to monitor and value the relevant interest rate movements when investing in a Commonwealth Bank NCD. The Bank may be dealing on its own account in interest rate markets and such dealings may influence interest rates.

### Credit risk

Credit risk is common to all investment products that you may hold with the Bank. In all cases, you are reliant on the ability of the bank issuing the NCD to meet their obligations to you for this product. In this case, the NCD is issued by the Commonwealth Bank of Australia, and so the obligation to pay to you the *face value* at maturity lies with the Commonwealth Bank of Australia.

### Legal Risk

Australia, as a member state of the United Nations, is obliged to implement United Nations Security Council sanctions. Australia also may be required to implement other international sanctions and sometimes imposes unilateral sanctions. Sanctions can cover various subject matters including financial restrictions. Consequently, the Bank may be prohibited from dealing with certain persons or entities.

This means that if the Bank is aware that you are a proscribed person or entity, then the Bank may be required to suspend, cancel or refuse you services or close or terminate any account, facility, transaction, arrangement or agreement with you. We may also be required to freeze assets of yours. You could incur significant costs as a result of these actions.

### Change in prime bank status

If you choose to invest in a Commonwealth Bank NCD, there is a risk that the status of the Bank may

change from being a prime bank to a non-prime bank during the *term* of the investment. This may affect you if you seek a *repurchase* of your Commonwealth Bank NCD prior to the *maturity date*.

### In the case of a repurchase

In the case of a *repurchase* of your Commonwealth Bank NCD, the *repurchase price* payable to you may be less than your *purchase price* due to interest rate movements and the *term* you held your investment for. Additionally, any change in the Bank's prime bank status, that has taken place since the *deal date*, could result in a higher *repurchase rate* than otherwise would have been offered to you. For more details, see the section on "Repurchasing a Commonwealth Bank NCD" in this PDS.

These are the most significant risks. However, there may be other considerations that are relevant to you should you invest in a Commonwealth Bank NCD. You should obtain your own independent professional advice to determine whether the investment is appropriate to your particular circumstances.

## How do I invest in a Commonwealth Bank NCD?

To invest in a Commonwealth Bank NCD, contact your relationship manager or any branch of the Bank.

Shortly after the *deal date*, the Bank will send you a letter to confirm the details of your investment.

Opening a Commonwealth Bank NCD is conditional upon;

- You providing the Bank with the necessary identification information it requires; and
- The Bank carrying out any necessary verification check(s).

In opening this account you acknowledge that the name of the individual person given to the Bank are true and correct and that the law prohibits the use of false names, as well as the giving, use or production of false names and misleading information or documents in connection with provision of financial services and the making, possession or use of a false document in connection with an identification procedure.

## How do I set up an account operating authority for non-personal NCDs?

When you open a Commonwealth Bank NCD, you are required to provide us with the following Account Operating Authority ('the Authority') details:

- (i) all signatories who are authorised to operate on the Commonwealth Bank NCD, and
- (ii) the method of operation eg any one to sign, any two to sign, the Treasurer plus one to sign etc.

We will act upon this Authority until you vary or cancel it. If you wish to vary the Authority by changing (i) or (ii) above, or cancel the Authority, you must give notice in writing to the Branch where the account is conducted. Upon receiving such notice, the Authority will be varied or cancelled. All instructions dated prior to and presented for payment after the receipt of such notice in writing, will be honoured for payment.

Any instructions given by you in accordance with the Authority will be relied on by the Bank. We will not be liable for any loss or damage you or anyone else suffers where the Bank acts on those instructions in good faith and without negligence. This service when supplied to you as a consumer comes with a non-excludable warranty under consumer protection laws that it will be carried out with due care and skill and be reasonably fit for the purpose. If we breach any of those warranties you may be entitled to compensation. When you are not a consumer under consumer protection laws our liability for loss or damage is limited to re-supplying the service to you or paying the costs of having the service resupplied to you. When you are a consumer under consumer protection laws our liability is limited in this way only to the extent permitted by those laws.

### Scope of account operating authority

The signatories who are authorised to operate the account in accordance with the specified method of operation, may act on the account and deal with the Bank in the following manner:

- Withdraw moneys in any manner;
- Make arrangements with the Bank on all matters relating to the issue of Encashment Authorities, Documentary Credits and authorities to negotiate;
- Change the mailing address;

- Open new account/s with the Bank, provided they have the same authorised signatories and method of operation as the Account Operating Authority;
- Obtain statements of account and any information required concerning the account/s generally; and
- Endorse cheques, bills, promissory notes or other instruments payable to the order of the Account Holder or if this is a joint account, payable to any one or more of you and intended for collection, discount or negotiation and credit of proceeds to your account/s.

## Severance

If any provision of this PDS is found to be illegal, void or unenforceable for unfairness or any other reason (for example, if a court or other tribunal or authority declares it so) the remaining provisions of this PDS will continue to apply to the extent possible as if the void or unenforceable part had never existed.

## What are the costs involved in a Commonwealth Bank NCD?

There are no Bank fees or charges applicable to this product.

Refer to Appendix A in this PDS for more information on fees and Government taxes.

## Are there any tax implications I should be aware of?

Investing and dealing with investments has tax and often social security implications. These can be complex and are invariably particular to your circumstances. Investment income in the form of earnings on a Commonwealth Bank NCD is generally taxable income. You should discuss the timing and derivation of this income with your independent professional tax adviser.

If you are a non-resident, the Bank is obliged by law to deduct non-resident withholding tax from the earnings on your investment.

## What if I have a complaint?

Please contact your relationship manager or the manager of the department that handled the matter and explain the problem.

Our staff will review the situation and, if possible, resolve it immediately. If the matter has not been resolved to your satisfaction, please contact our Customer Relations team via:

- our web site at:  
**[commbank.com.au/contactus/comment.asp](http://commbank.com.au/contactus/comment.asp)**;
- telephone **1800 805 605**;
- facsimile **1800 028 542**; or
- writing to:  
Customer Relations  
Commonwealth Bank  
Reply Paid 41  
Sydney NSW 2001

If after giving us the opportunity to resolve your complaint, you feel we have not resolved it satisfactorily, you may also lodge a written complaint with the Financial Ombudsman Service Limited at:

Financial Ombudsman Service Limited  
GPO Box 3  
Melbourne Victoria 3001  
Telephone **1300 780 808**  
Facsimile **03 9613 6399**  
Website **[www.fos.org.au](http://www.fos.org.au)**

### **Code of Banking Practice**

The relevant provisions of the Code of Banking Practice apply to your Commonwealth Bank NCD if invested in by an individual, or by a small business customer. The Code is a voluntary code of conduct which sets standards of good banking practice for us to follow when dealing with you.

The Better Banking Book contains useful information on a range of banking matters. These include the rights and obligations that arise out of the banker and customer relationship, account opening procedures, the Bank's obligations regarding confidentiality of your information, complaint handling procedures, bank cheques, the importance of you informing the Bank promptly when you are in financial difficulty, and the importance of you reading the terms and conditions to any banking service provided to you or in which you are interested.

Copies of the Code of Banking Practice and The Better Banking Book are available at **[commbank.com.au](http://commbank.com.au)** or upon request from your relationship manager or any branch of the Bank.

## Customer information and privacy

### **What information we collect**

In this clause 'you' includes our customer and any person who holds office in an entity which is a customer. We collect information about you (such as your name, address and contact details), and information about your interactions with us, such as transactions on your account. We may also collect publicly available information about you.

### **Why we collect your information and what we use it for**

We collect your information because we are required to identify you in accordance with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and in order to comply with taxation laws, such as the Taxation Administration Act 1953 and the Income Tax Assessment Act 1936. We also collect it to administer our customer relationships and internal processes including risk management and pricing, to meet our obligations in relation to external payment systems and under our arrangements with government agencies, and to identify and tell you about products and services that may interest you (unless you tell us not to). If you don't want to receive marketing information you can tell us by calling 13 2221, or speak to your relationship manager.

If you give us your electronic and telephone details, you agree we may use this to communicate with you electronically, by phone or SMS, including providing updates, reminders and (unless you tell us not to) marketing information.

You must give us accurate and complete information; otherwise you may be breaking the law and we may not be able to provide you with the products and services that you require.

If you change your personal details (e.g. address, name or email address) you must tell us straight away.



## Who we may exchange your information with

We may exchange your information with other members of the Group who may use your information for any of the purposes we can.

We may also exchange your information with others outside the Group, for example, your representatives, our service providers, other financial institutions (for example, in relation to a mistaken payment claim), enforcement and government authorities, relevant public registers and payment system operators (for example, BPAY Pty Ltd).

Sometimes it may be necessary to send your information overseas – for example, where we outsource functions overseas, send information to Group members overseas, where we need to complete a transaction on your behalf or where this is required by laws and regulations in Australia or in another country. See our Group Privacy Policy for more information.

## Our Group Privacy Policy

Our Group Privacy Policy is available on our website at [commbank.com.au](http://commbank.com.au) (follow the Privacy Policy link) or upon request from any branch of the Bank and should be read in conjunction with the above. It contains further details about our information collection and handling practices including information about:

- other ways we may collect, use or exchange your information;
- how you may access and seek correction of the information; and
- how to make a complaint about a breach of your privacy rights, and our complaint handling procedures.

We encourage you to check our website regularly for any updates to the Policy.

## How to contact us

For privacy-related enquiries, please contact us by:

- email at [CustomerRelations@cba.com.au](mailto:CustomerRelations@cba.com.au)
- telephone **1800 805 605**, or
- writing to the address in our Group Privacy Policy.



# Definitions

## the “Bank”; “our”; “us”; “we”

Commonwealth Bank of Australia  
ABN 48 123 123 124.

## “bill of exchange” or “bill”

A negotiable instrument regulated by the Bills of Exchange Act 1909 (Cth).

## “deal date”

The date on which you enter into a Commonwealth Bank NCD with the Bank.

## “face value”

The amount payable to you on the *maturity date* of a Commonwealth Bank NCD.

## “maturity date”

The date on which your Commonwealth Bank NCD ends and the *face value* becomes available to you.

## “negotiable certificate of deposit”

A financial instrument issued by a bank as a means of raising funds.

## “purchase price”

The cost of the Commonwealth Bank NCD to the customer.

## “repurchase”

Where you wish to redeem all or part of your Commonwealth Bank NCD prior to the *maturity date* you may request the Bank to buy back from you all or part of the *face value* of your Commonwealth Bank NCD.

## “safe custody”

An arrangement where the Bank agrees to hold a *security* purchased by you on your behalf.

## “security(ies)”

A *negotiable certificate of deposit* that is issued by the Commonwealth Bank of Australia.

## “Security Investments – Bank Bills”

A short term investment in a *bill of exchange* that is either accepted or endorsed by the Commonwealth Bank of Australia, where the *term* of the *bill* is for a period of 185 days or less.

## “term”

The period from the *deal date* to the *maturity date*.

## “you”; “your”

The customer who is the person or persons or entity in whose name the Commonwealth Bank NCD is held.

# APPENDIX A

## Fees and Government taxes



### Bank fees

There are no transaction or account keeping fees as the interest rate has been adjusted by a margin that reflects the costs incurred.

Some related products and services, such as bank cheques and telegraphic transfers, will incur a separate fee. These fees will be set out in the PDS, terms and conditions or fees and charges brochures for these other products and services.

### Government taxes

If you are a non-resident, the Bank is obliged by law to deduct non-resident withholding tax from the earnings on your investment.

Your Commonwealth Bank NCD may also be subject to Government taxes and duties (if any). These may vary from State to State.





