

MR SAM SAMPLE  
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Eligible SRN/HIN: 0123456789



17 October 2019

Dear Securityholder

### COMMBANK PERLS XII CAPITAL NOTES OFFER

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

The offer of PERLS XII will be made under the Prospectus lodged with ASIC on 17 October 2019 (“Prospectus”). Some of the key features of PERLS XII are set out below, but you should consider the Prospectus in full before deciding whether to invest in PERLS XII. Please refer to the details contained in this letter on how to obtain a Prospectus and Application Form.

#### Key Features of PERLS XII

<b>PERLS XII</b>	<ul style="list-style-type: none"><li>Subordinated unsecured notes issued by CBA with an initial face value of A\$100 each.</li><li>The PERLS XII Terms are complex and include features to comply with the detailed regulatory capital requirements which APRA applies to these types of securities.</li></ul>
<b>Distributions</b>	<ul style="list-style-type: none"><li>Each PERLS XII is scheduled to pay floating rate Distributions quarterly until that PERLS XII is Redeemed or Exchanged. Distributions are paid in arrears.</li><li>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.</li><li>Distributions are expected to be fully franked and will comprise a combination of franking credits and cash equal to the sum of: <math>(\text{Market Rate} + 3.00\% \text{ p.a.}) \times (1 - \text{Tax Rate})</math></li><li>The Market Rate is the primary benchmark interest rate for the Australian money market. It is also known as the 3 month Bank Bill Swap Reference Rate (“BBSW”).</li></ul>
<b>Term</b>	<ul style="list-style-type: none"><li>Perpetual (no maturity date), but may be Redeemed or Exchanged earlier in certain circumstances.</li><li>If PERLS XII are not Redeemed or Exchanged (e.g. because the Mandatory Exchange Conditions are not satisfied), they could remain on issue indefinitely.</li></ul>
<b>Call Date</b>	<ul style="list-style-type: none"><li>CBA may, at its option, Redeem all or some PERLS XII on 20 April 2027, subject to receiving APRA's prior written approval.</li></ul>
<b>Mandatory Exchange</b>	<ul style="list-style-type: none"><li>CBA will Exchange PERLS XII into Ordinary Shares on the Mandatory Exchange Date (20 April 2029) subject to the Maximum Exchange Number, and the Mandatory Exchange Conditions being satisfied.</li><li>The Mandatory Exchange Conditions are intended to provide some protection for Holders against Exchange occurring when the price of Ordinary Shares has fallen to such a level that you would only receive the Maximum Exchange Number.</li></ul>
<b>Early Exchange</b>	<ul style="list-style-type: none"><li>CBA must Exchange PERLS XII 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, are described in the Prospectus.</li></ul>
<b>Minimum Application size</b>	<ul style="list-style-type: none"><li>50 PERLS XII (A\$5,000).</li><li>Applications for more than A\$5,000 must be in multiples of 10 PERLS XII (A\$1,000).</li></ul>
<b>Tradeable on the ASX</b>	<ul style="list-style-type: none"><li>CBA has made an application to have PERLS XII quoted on the Australian Securities Exchange (“ASX”). Once quoted, PERLS XII are tradeable on ASX at the prevailing market price. PERLS XII are expected to be quoted under the trading code “CBAPI”.</li></ul>

## Key dates for PERLS XII<sup>1</sup>

Securityholder Offer Record Date	2 October 2019
Opening Date for the Offer	17 October 2019
Closing Date for the Offer	5:00pm (Sydney time), 8 November 2019
Issue Date	14 November 2019
Commencement of deferred settlement trading	15 November 2019
Despatch of Holding Statements	18 November 2019
Commencement of trading on normal settlement basis	19 November 2019
First Distribution payment <sup>2</sup>	15 March 2020

## You need to be aware of the risks

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


## How to obtain a Prospectus and Application Form

A copy of the Prospectus can be obtained electronically from [www.commsec.com.au](http://www.commsec.com.au). Applications can be made online at [www.commsec.com.au](http://www.commsec.com.au) using your SRN/HIN or by following the instructions set out in the Application Form attached to, or accompanying, a paper copy of the Prospectus, and making payment of the Application Monies via BPAY®. A paper copy of the Prospectus and your personalised Application Form can be obtained free of charge during the Offer Period by registering your request online at [www.commsec.com.au](http://www.commsec.com.au), or by calling the PERLS XII Information Line on 1800 992 547 (Monday to Friday 8.00am – 7.30pm, Sydney time).

**For more information, talk to your broker or adviser, visit [www.commsec.com.au](http://www.commsec.com.au) or call the PERLS XII Information Line on 1800 992 547 (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

<sup>1</sup> The key dates for the Offer are indicative only and subject to change without notice.

<sup>2</sup> Distributions are scheduled to be paid quarterly in arrears on the Distribution Payment Dates (15 March, 15 June, 15 September and 15 December each year). Distributions are discretionary and subject to the Distribution payment conditions being satisfied.

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**Important Information:** PERLS XII are unsecured notes. Investments in PERLS XII are an investment in CBA and may be affected by the ongoing performance, financial position and solvency of CBA. CBA (as issuer of PERLS XII) does not guarantee the performance of PERLS XII. 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 or other professional adviser before deciding whether to invest in PERLS XII. Words which are capitalised have the meanings given to them in the Prospectus.