

Commonwealth Bank of Australia

U.S.\$1,250,000,000 4.316% Subordinated Medium-Term Notes due January 10, 2048 (“Subordinated Notes”)

(Subject to Exchange for fully paid ordinary shares of CBA or Write Down upon the occurrence of a Non-Viability Trigger Event)

Terms and Conditions

Issuer:	Commonwealth Bank of Australia (ABN 48 123 123 124) (“CBA”)
U.S. Securities Law Status:	Exempt from registration under the U.S. Securities Act of 1933, as amended (the “Securities Act”), pursuant to Rule 144A and Regulation S
Status of the Notes:	Direct, unsecured and subordinated obligations of the Issuer. Except to the extent mandatorily provided by law, claims in respect of the Subordinated Notes rank for payment in the Issuer’s Winding-Up (as defined in the Offering Circular, dated November 22, 2017 (the “Offering Circular”)): (a) senior to claims in respect of Junior Ranking Securities (as defined in the Offering Circular) (including claims in respect of the Issuer’s Ordinary Shares (as defined in the Offering Circular)); (b) pari passu with claims in respect of Equal Ranking Securities (as defined in the Offering Circular); and (c) subordinate to all claims in respect of Senior Ranking Obligations (as defined in the Offering Circular) (which includes the Issuer’s depositors and general unsubordinated creditors and obligations that are preferred by mandatory provisions of law, including under the Australian Banking Act and Australian Reserve Bank Act (each as defined in the Offering Circular)). Please refer to the heading “Description of the Subordinated Notes — How the Subordinated Notes rank against other debt — Status of Subordinated Notes” in the Offering Circular for more information.
Issuer Ratings*:	Aa3 / AA- / AA- (Stable / Negative / Stable) (Moody’s / S&P / Fitch)
Expected Issue Ratings*:	Baa1 / BBB / A+ (Moody’s / S&P / Fitch)
Trade Date:	January 3, 2018
Issue Date:	January 10, 2018 (T+5 settlement)
Maturity Date:	January 10, 2048 subject to Exchange (as defined in the Offering Circular) for fully paid Ordinary Shares of the Issuer or Write Down (as defined in the Offering Circular) upon the occurrence of a Non-Viability Trigger Event (as defined in the Offering Circular).
Principal Amount:	U.S.\$1,250,000,000
Benchmark Treasury:	2.75% due August 15, 2047
Benchmark Treasury Price and Yield:	99-09 / 2.786%
Re-Offer Spread to Benchmark Treasury:	153 basis points

Coupon:	4.316% per annum
Re-Offer Yield:	4.316%
Re-Offer Price:	100.000%
Redemption:	100% of the outstanding principal amount at the Maturity Date (other than upon the occurrence of certain tax events or regulatory events described in the Offering Circular)
Interest Payment Dates:	Payable semi-annually in arrears on January 10 and July 10 of each year, beginning July 10, 2018 and ending on the Maturity Date, subject to the Business Day Convention
Day Count Convention:	30/360, unadjusted
Business Day Convention:	Following business day convention
Business Days:	New York, Sydney and London
Denominations:	Minimum of U.S.\$200,000 and integral multiples of U.S.\$1,000 thereafter
Optional Redemption:	<p>Tax call and regulatory call, in whole but not in part, at 100% of the outstanding principal amount of the notes redeemed plus accrued and unpaid interest to, but excluding, the redemption date as described in the Offering Circular.</p> <p>The Issuer may only redeem or repurchase the Subordinated Notes before the Maturity Date after obtaining the Australian Prudential Regulation Authority's ("APRA") prior written approval of such redemption or repurchase. Prospective purchasers of Subordinated Notes should not expect that APRA's approval will be given for any redemption or repurchase of Subordinated Notes.</p>
Exchange / Write Down:	<p>In the event of a Non-Viability Trigger Event, the Issuer must Exchange all or some of the Subordinated Notes or a percentage of the outstanding principal amount of each Subordinated Note.</p> <p>If for any reason an Exchange of any Subordinated Note or a percentage of the outstanding principal amount of any Subordinated Note required to be Exchanged fails to take effect and the Issuer has not otherwise issued the Ordinary Shares required to be issued in respect of such Exchange within five Business Days after the occurrence of the Non-Viability Trigger Event, then the rights of the relevant holder of the Subordinated Note (including to payment of the outstanding principal amount and interest and the right to receive Ordinary Shares) are immediately and irrevocably terminated as described in the Offering Circular.</p> <p>See "Description of the Subordinated Notes" in the Offering Circular for details.</p>
ISIN:	144A: US202712BJ33 Regulation S: USQ2693DBV21
CUSIP:	144A: 202712 BJ3 Regulation S: Q2693D BV2
Joint Bookrunners:	Citigroup Global Markets Inc., Commonwealth Bank of Australia, Goldman

Sachs & Co. LLC , UBS Securities LLC

Listing: ASX

Paying Agent: The Bank of New York Mellon

Governing Law: New York, except as to authorization and execution by us of the Notes and the Fiscal Agency Agreement (as defined in the Offering Circular) and the subordination, Exchange, Write Down and substitution provisions of the Subordinated Notes and Fiscal Agency Agreement, which are governed by and construed in accordance with the law applying in New South Wales, Australia.

Documentation: The Offering Circular, including the documents incorporated by reference therein

Clearing System: DTC and Euroclear / Clearstream

Disclaimer

This term sheet is qualified in its entirety by the Offering Circular and the documents incorporated by reference therein.

The securities discussed in this document have not been registered under the Securities Act, or any state or other securities laws, and are offered only (i) to institutional investors which are "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) in reliance upon the exemptions provided by Rule 144A under the Securities Act or (ii) in offshore transactions to certain non-U.S. persons in reliance upon Regulation S under the Securities Act ("Regulation S"). Prospective purchasers are hereby notified that the seller of the securities may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on resales and transfers, see "Notice to purchasers" and "Plan of distribution" in the Offering Circular.

We expect that delivery of the notes will be made to investors on or about January 10, 2018, which will be the 5th business day in New York following the date of pricing of the notes (such settlement being referred to as "T+5"). Under Rule 15c6-1 of the U.S. Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in two business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes on the date of pricing or the next two succeeding business days will be required, by virtue of the fact that the notes initially will settle in T+5, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the notes who wish to trade notes on the date of pricing or the next two succeeding business days should consult their own advisor.

This information is not to be shown or given to any person other than the recipient, and is not to be forwarded to any other person, copied or otherwise reproduced or distributed to any other person in any manner whatsoever. Failure to comply with this directive can result in a violation of the Securities Act.

** Ratings may be changed, suspended or withdrawn at anytime and are not a recommendation to buy, hold or sell any security.*