

## Commonwealth Bank Launches PERLS XIII Capital Notes Offer

**Expected Margin of between 2.75% and 2.95% above bank bill  
swap reference rate**

**NOT FOR DISTRIBUTION IN THE UNITED STATES**

**Wednesday, 24 February 2021 SYDNEY:** Commonwealth Bank of Australia (“**CBA**”) today announces the offer of a new Tier 1 hybrid security, CommBank PERLS XIII Capital Notes (“**PERLS XIII**”) (“**Offer**”).

PERLS XIII will qualify as Tier 1 Capital of CBA. The Offer is expected to raise A\$750 million, with the ability to raise more or less. PERLS XIII are expected to be quoted on ASX under the trading code CBAPJ.

PERLS XIII are subordinated, unsecured notes<sup>1</sup> scheduled<sup>2</sup> to pay floating rate distributions quarterly, which are expected to be fully franked. PERLS XIII have a Call Date of 20 October 2026 and will mandatorily Exchange into Ordinary Shares on 20 October 2028 (subject to certain conditions). PERLS XIII have an Initial Face Value of A\$100.

The net proceeds of the Offer will be used to fund CBA’s business.

Investors should read and consider the PERLS XIII prospectus (“**Prospectus**”) in full and obtain professional advice before deciding whether to invest in PERLS XIII. PERLS XIII may not be suitable for some investors, so it is important that you consider the risks set out in the Prospectus, many of which are outside the control of CBA. Unless otherwise defined, capitalised terms in this announcement have the meaning given to them in the Prospectus.

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<sup>1</sup> Investments in PERLS XIII are an investment in CBA and may be affected by the ongoing performance, financial position and solvency of CBA. They are not deposit liabilities or protected accounts of CBA under the Banking Act 1959 (Cth) and are not guaranteed or insured by any Australian government, government agency or compensation scheme.

<sup>2</sup> Distributions are discretionary and subject to the distribution payment conditions being satisfied. Distributions are non-cumulative.

CBA is the Arranger and a Joint Lead Manager to the Offer. ANZ Securities Limited, Morgan Stanley Australia Securities Limited, Morgans Financial Limited, National Australia Bank Limited, Ord Minnett Limited and Westpac Institutional Bank have also been appointed as Joint Lead Managers to the Offer.

Bell Potter Securities Limited, Crestone Wealth Management Limited and Shaw and Partners Limited have been appointed as Co-Managers to the Offer.

### Details of the Offer

The Offer will comprise:

- a Broker Firm Offer made to retail investors who are clients of a Syndicate Broker and certain institutional investors; and
- a Securityholder Offer made to Eligible Securityholders<sup>3</sup> of Ordinary Shares, PERLS VII, PERLS VIII, PERLS IX, PERLS X, PERLS XI or PERLS XII as at 17 February 2021.

There is no general offer for PERLS XIII.

Distributions	<ul style="list-style-type: none"><li>• Distributions are scheduled to be paid quarterly in arrears. The first Distribution is scheduled to be paid on 15 June 2021<sup>4</sup>.</li><li>• The Distribution Rate is the Market Rate plus the Margin, multiplied by <math>(1 - \text{Tax Rate})^5</math>.</li><li>• The Margin is expected to be between 2.75% and 2.95%, and will be determined through the Bookbuild.</li><li>• Distributions are expected to be fully franked<sup>6</sup>.</li><li>• Distributions are discretionary and subject to the distribution payment conditions being satisfied. Distributions are non-cumulative.</li></ul>
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<sup>3</sup> Eligible Securityholders must have a registered address in Australia.

<sup>4</sup> Distributions are scheduled to be paid quarterly on 15 March, 15 June, 15 September and 15 December. If any of these dates is not a Business Day, then the payment is scheduled to be made on the next Business Day. If a payment is postponed, there is no adjustment to the amount of the Distribution payable.

<sup>5</sup> The Australian corporate tax rate on the relevant Distribution Payment Date, currently 30%.

<sup>6</sup> Distributions may be unfranked or not fully franked. If a Distribution is unfranked or not fully franked, the cash Distribution will be grossed-up according to a formula under the Terms. Holders should be aware that the ability of a Holder to use franking credits will depend on their individual position and that the potential value of franking credits does not accrue at the same time as the cash Distribution is received.



Term	<ul style="list-style-type: none"> <li>Perpetual. However, CBA must Exchange PERLS XIII into Ordinary Shares on the Mandatory Exchange Date (subject to the Maximum Exchange Number and Mandatory Exchange Conditions) and may, at CBA's option, Redeem PERLS XIII on the Call Date (subject to APRA approval)<sup>7</sup>, or may Exchange or Redeem PERLS XIII earlier on the occurrence of certain events.</li> <li>Holders do not have a right to request that their PERLS XIII be Redeemed or Exchanged early for any reason. To realise their investment, Holders can sell their PERLS XIII on ASX at the prevailing market price<sup>8</sup>.</li> </ul>
Mandatory Exchange Date	<ul style="list-style-type: none"> <li>20 October 2028, or if the Mandatory Exchange Conditions are not satisfied on that date, the first Distribution Payment Date after that date on which the Mandatory Exchange Conditions are satisfied.</li> <li>On the Mandatory Exchange Date, Holders will receive for each PERLS XIII a variable number of Ordinary Shares with a value approximately equal to A\$101.01<sup>9</sup>. This is subject to the Maximum Exchange Number and Mandatory Exchange Conditions.</li> </ul>
Early Exchange	<ul style="list-style-type: none"> <li>CBA must Exchange all, some or a proportion of PERLS XIII if a Capital Trigger Event or Non-Viability Trigger Event occurs.</li> <li>CBA must Exchange all (but not some) of PERLS XIII if a Change of Control Event occurs.</li> </ul>
Call Date	<ul style="list-style-type: none"> <li>CBA may, in its absolute discretion, Redeem, or elect that Resale occur in relation to, all or some PERLS XIII on 20 October 2026. Redemption is subject to prior written approval from APRA<sup>10</sup>.</li> </ul>
Early Redemption	<ul style="list-style-type: none"> <li>CBA may redeem PERLS XIII for certain tax or regulatory reasons.</li> </ul>
Risks	<ul style="list-style-type: none"> <li>PERLS XIII are subject to risks associated with PERLS XIII specifically and risks associated with CBA's businesses which may affect PERLS XIII. These are set out in the Prospectus.</li> </ul>

A replacement Prospectus containing the Margin will be available when the Offer opens. The information provided in this announcement is not investment advice and has not been prepared taking into account your investment objectives, financial situation or particular needs (including financial and taxation

<sup>7</sup> Approval is at the discretion of APRA and may or may not be given.

<sup>8</sup> PERLS XIII may be trading at a market price below the Face Value and/or the market for PERLS XIII may not be liquid. For further information about liquidity risks associated with PERLS XIII, see Section 4.2.12 of the Prospectus.

<sup>9</sup> The number of Ordinary Shares is based on the Face Value (initially A\$100) and the VWAP of Ordinary Shares during the 20 Business Days before the Mandatory Exchange Date with the benefit of a 1% discount. This may differ from the price of Ordinary Shares on or after Exchange, and therefore the value of Ordinary Shares received on Exchange of each PERLS XIII may be more or less than A\$101.01 (based on Initial Face Value of A\$100).

<sup>10</sup> Approval is at the discretion of APRA and may or may not be given.



considerations). If you have any questions, you should seek advice from your financial or other professional advisor before deciding to invest in PERLS XIII.

Applications for PERLS XIII under the Offer can be made by completing the online Application Form at [www.commsec.com.au](http://www.commsec.com.au) or a hard copy personalised Application Form which can be obtained by calling the PERLS XIII Information Line on 1800 992 547 (Monday to Friday 8.00am – 7.30pm), following the opening of the Offer.

#### Key Dates for the Offer<sup>11</sup>

Securityholder Offer Record Date	17 February 2021
Lodgement of Prospectus with ASIC	24 February 2021
Bookbuild	3 March 2021
Announcement of Margin	4 March 2021
Opening Date for the Offer and lodgement of the replacement Prospectus with ASIC	4 March 2021
Closing Date for the Offer	5.00pm (Sydney time), 26 March 2021
PERLS XIII Issue Date	1 April 2021
Commencement of trading on normal settlement basis	6 April 2021
Despatch of Holding Statements	7 April 2021

Potential investors can obtain a copy of the Prospectus by:

- visiting [www.commsec.com.au](http://www.commsec.com.au), where an electronic copy of the Prospectus is available;
- contacting their broker or adviser; or
- calling the PERLS XIII Information Line on 1800 992 547 (Monday to Friday 8.00am – 7.30pm), Sydney time) for a paper copy.

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<sup>11</sup> The key dates for the Offer are indicative only and subject to change without notice. CBA may, in consultation with the Joint Lead Managers, vary the timetable, including to close the Offer early; close the Securityholder Offer early; extend the Closing Date; accept late Applications, either generally or in specific cases; or withdraw or vary the terms of the Offer, including by increasing or decreasing the Margin, at any time prior to Issue. If any of the dates are changed, subsequent dates may also change. You are encouraged to lodge your Application as soon as possible after the Opening Date.



### **Important information**

Investments in PERLS XIII are an investment in CBA and may be affected by the ongoing performance, financial position and solvency of CBA. They are not deposit liabilities or protected accounts of CBA under the Banking Act 1959 (Cth) and are not guaranteed or insured by any Australian government, government agency or compensation scheme. The information provided in this announcement is not investment advice and has not been prepared taking into account your investment objectives, financial situation or particular needs (including financial and taxation considerations). If you have any questions, you should seek advice from your financial or other professional advisor before deciding to invest in PERLS XIII.

The offering of securities referred to in this release is open only to investors that are in Australia, and accordingly, this release does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the U.S. Securities Act of 1933, as amended). This information, the Prospectus or any other material relating to the Offer is not for distribution in the United States.

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The release of this announcement was authorised by the Continuous Disclosure Committee.

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