Medallion Trust Series 2012-1

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Pricing Term Sheet for Medallion Trust Series 2012-1

AUD 1,000 Million Prime Residential Mortgage-Backed Securities

Class A Notes
AAA(sf)/AAAsf (S&P/Fitch)
AUD 920,000,000

Class B Notes
AA-(sf)/AAsf
AUD 60,000,000

Class C Notes
Not Rated /Not Rated
AUD 20,000,000

Arranger
Commonwealth Bank of Australia
ABN 48 123 123 124

Lead Manager and Book-Runner

Commonwealth Bank of Australia ABN 48 123 123 124

Co-Manager

Macquarie Bank Limited ABN 46 008 583 542

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CommonwealthBank

Pricing Term Sheet for Medallion Trust Series 2012-1
A$1,000 Million Prime Residential Mortgage-Backed Securities

Summary of Notes at Issue

Class	Amount (%)	Credit Support (%)	Amount (AUD)	Expected Rating (S&P / Fitch)	Coupon	Weighted Average Life (yrs)[1]	Legal Maturity
Class A	92.0	8.0	920,000,000	AAA(sf) / AAAsf	BBSW1M + 1.40%	3.54	March 2044
Class B	6.0	2.0	60,000,000	AA-(sf) / AAsf	Undisclosed	5.15	March 2044
Class C	2.0	0.0	20,000,000	NR / NR	Undisclosed	9.42	March 2044
Total	100.0		1,000,000,000				

1: WAL is based on a flat Conditional Prepayment Rate ("CPR") of 20%, Step-Down Conditions being met at the first available opportunity and exercise of the Call Option when the pool balance reaches 10% of the amount outstanding at the Cut-Off Date.

This document relates solely to the issue of Notes from Medallion Trust Series 2012-1, and does not relate to and is not relevant for any other purpose. For complete details of the transaction, investors should refer to the Medallion Trust Series 2012-1 Preliminary Information Memorandum dated 31 July 2012.

No Guarantee by Commonwealth Bank of Australia or Macquarie

The Notes do not represent deposits or other liabilities of Commonwealth Bank of Australia (ABN 48 123 123 124) ("Commonwealth Bank of Australia", "Seller", "Servicer" and "Manager"), Macquarie Bank Limited (ABN 46 008 583 542) ("Macquarie or "Co-Manager") or any other member of the Commonwealth Bank of Australia or Macquarie groups. Neither Commonwealth Bank of Australia, Macquarie, nor any other member of the Commonwealth Bank of Australia or Macquarie groups guarantee the payment or repayment or the return of any principal invested in, or any particular rate of return on, the Notes or the performance of the Assets of the Series Trust. In addition, none of the obligations of the Manager, the Seller or the Servicer are guaranteed in any way by Commonwealth Bank of Australia, Macquarie or any other member of the Commonwealth Bank of Australia or Macquarie groups.

Transaction Parties

Issue Trust	Medallion Trust Series 2012-1
Trustee	Perpetual Trustee Company Limited (ABN 42 000 001 007) in its capacity as trustee of the Issue Trust
Security Trustee	P.T. Limited (ABN 67 004 454 666)
Manager	Securitisation Advisory Services Pty Limited (ABN 88 064 133 946)
Originator, Servicer, Basis Swap Provider, Interest Rate Swap Provider and Liquidity Facility Provider	Commonwealth Bank of Australia
Arranger	Commonwealth Bank of Australia
Lead Manager and Book-Runner	Commonwealth Bank of Australia
Co-Manager	Macquarie Bank Limited
Rating Agencies	Standard & Poor's (Australia) Pty Ltd (ABN 62 007 324 852) ("S&P") and Fitch Australia Pty Ltd (ABN 93 081 339 184) ("Fitch")
Lenders Mortgage Insurer	Genworth Financial Mortgage Insurance Pty Limited (ABN 60 106 974 305) ("Genworth"))(AA-/Stable (S&P); NR (Fitch)) 14.87% of the preliminary pool 85.24% of the preliminary pool does not have Lenders Mortgage Insurance

Transaction Structure

Class A Notes Credit Support	Subordination to the Class A Notes is sized in excess of that required to achieve AAA(sf)/AAAsf ratings. Fitch sized the AAAsf preliminary pool credit support at 3.4% S&P sized the AAA(sf) preliminary pool credit support at 4.7% Credit support provided is 8.0%
Class B Notes	Subordination to the Class B Notes is sized to support the AA-(sf)/AAsf ratings.
Class C Notes	The Class C Notes are unrated by the Rating Agencies.

The Notes

Form and Denomination of the Notes	Registered form and in denominations of AUD100,000
Pricing Date	3 August 2012
Closing Date	21 August 2012
First Distribution Date	21 September 2012
Note Distribution Date	21st of each calendar month from the First Distribution Date subject to modified following business day convention.
Ex-Interest Date	Two Business Days prior to each Distribution Date
Legal Final Maturity	The Distribution Date occurring in March 2044
Class A Note Issue Margin	1 month BBSW + 1.40%
Class B Note Issue Margin	Undisclosed
Class C Note Issue Margin	Undisclosed
Step-up Margin	If the Call Option is not exercised, the Margin on Class A Notes will step up by 0.25% per annum.
Note Interest	Interest on each Note will be payable monthly in arrears on each Distribution Date
Day Count Basis	Actual/365 (fixed)
Call Option	The first Distribution Date on which the aggregate Mortgage Loan Principal in relation to Mortgage Loans which are then part of the Assets of the Series Trust is less than 10% of the aggregate Mortgage Loan Principal in relation to Mortgage Loans that were part of the Assets of the Series Trust as at the Closing Date.
Minimum Parcel Size	Minimum amount payable, by each investor on acceptance of the offer or application (as the case may be) of at least AUD500,000 (calculated in accordance with both section 708(9) of the Corporations Act and regulation 7.1.18 of the Corporations Regulations 2001) or does not otherwise require disclosure to investors under Part 6D.2 of the Corporations Act and is not made to a Retail Client.
Interest Withholding Tax	The Manager intends to offer the Class A Notes, Class B Notes and Class C Notes in a manner that satisfies the public offer test under existing Australian taxation law.
Principal Draws	To cover possible liquidity shortfalls in the payments of interest on the Notes (other than the Class C Notes) and the other senior expenses of the Series Trust, the Manager will direct the Trustee to allocate available principal collections towards meeting the shortfall.
Liquidity Facility	The Liquidity Facility will equal $30,000,000 (3.0% of the issue size) and

	will amortise subject to a floor of $3,000,000. The Liquidity Facility will amortise annually in line with the rateable reduction of the outstanding pool balance.
Business Days	Sydney
RBA Repo Status	Application is intended to be made by the Manager to the Reserve Bank of Australia ("RBA") for the Class A Notes to be added to the list of eligible securities for repurchase agreements conducted by the RBA.
Governing Law	New South Wales
Clearing	Austraclear
Listing	Subject to investor requirements, the Manager may make an application to the Irish Stock Exchange for the Class A Notes to be admitted to the Daily Official List. There can be no assurance that any such listing will be obtained. The issuance and settlement of the Class A Notes on the Closing Date is not conditioned on the listing of such notes on the Irish Stock Exchange.
CRD2 Compliance	The Capital Requirements Directive of the European Parliament (which comprises Directive 2006/48/EC and Directive 2006/49/EC) was amended by Directive 2009/111/EC to introduce new rules regarding investment and other forms of participation in securitisation transactions by European Union-regulated credit institutions on and after 1 January 2011 (the "**CRD2 Rules**"). Commonwealth Bank of Australia (as the originator of the mortgage loans to be securitised and included in the Series Trust) will undertake to the Trustee to hold, in accordance with Article 122a of the CRD2 Rules, a net economic interest in this securitisation transaction. As at the Closing Date, such interest will be comprised of an interest in randomly selected exposures equivalent to no less than 5% of the aggregate principal balance of the securitised exposures in accordance with Article 122a paragraph (1) sub-paragraph (c). The Manager will include information in any reports provided to Noteholders: (a) confirming Commonwealth Bank of Australia's continued retention of the interest described above; and (b) any change to the manner in which the interest will be comprised if there are exceptional circumstances which cause the manner in which the interest is held to change. Each prospective investor that is required to comply with Article 122a of the CRD2 Rules (as implemented in each Member State of the European Economic Area) is required to independently assess and determine the sufficiency of the information described above and in the Information Memorandum generally for the purposes of complying with Article 122a and none of the Trustee, Commonwealth Bank of Australia and each other party to a Transaction Document makes any representation that the information described above or in the Information Memorandum is sufficient in all circumstances for such purposes. Prospective investors who are uncertain as to the requirements under Article 122a which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

Investor Reporting

Transaction Reporting	Investor reporting will be provided as for all Medallion transactions (trustee reports and reporting on Commonwealth Bank's website http://www.commbank.com.au/securitisation)
Bloomberg	A request will be made to Bloomberg to list the transaction on their information system with the same functionality as all Medallion securitisation transactions (ticker: MEDL<<MTGE>>)

Trust Cash Flows

Cash flow Waterfall Summary (pre Event of Default) - Income

1. Senior Expenses
2. Pari-passu and rateably:
    a. Redraw Note Interest (if any); and
    b. Class A Note Interest;
3. Class B Note Interest;
4. Repayment of Principal Draws (if any);
5. Reinstatement of Class A Notes and Redraw Note Charge-Offs (if any);
6. Reinstatement of Class B Note Charge-Offs (if any);
7. Reinstatement of Class C Note Charge-Offs (if any);
8. Reinstatement of draws on the Extraordinary Expense Reserve (if any);
9. Class C Note interest;
10. Excess Available Income.

Class Principal Allocations

Definitions

A	is the aggregate Invested Amount of the Class A Notes on the immediately preceding Determination Date;
B	is the aggregate Invested Amount of the Class B Notes on the immediately preceding Determination Date;
C	is the aggregate Invested Amount of the Class C Notes on the immediately preceding Determination Date;
Z	is the aggregate Invested Amount of the Class A Notes, the Class B Notes and the Class C Notes on the immediately preceding Determination Date;
D	Is the remainder of Principal after payment on Redraw Notes.

If Step-Down Conditions are not satisfied:

Class A Principal Allocation = 100% *x* D

Class B Principal Allocation = 0%

	If Step-Down Conditions are satisfied: Class A Principal Allocation = (A / Z) *x* D Class B Principal Allocation = (B + C) / Z *x* D
Cash flow Waterfall Summary (pre Event of Default) - Principal	1. Fund Seller Advances (if any) 2. Repay Redraw Notes (if any) 3. Pari-passu and rateably, distribute the: a) Class A Principal Allocation to the Class A Notes; b) Class B Principal Allocation to the Class B Notes (if Step-Down Conditions are satisfied); 4. Class B Principal Allocation to the Class B Notes (if Step-Down Conditions are not satisfied); 5. Class C Principal Allocation to the Class C Notes; 6. Any surplus (if any) to the Residual Capital Unitholder Refer to the Medallion Trust Series 2012-1 Preliminary Information Memorandum for further detail regarding allocation of principal and interest payments pre and post event of default.
Step-Down Conditions	• the Determination Date is at least two years after the Closing Date; • the aggregate Invested Amount of all Notes as at that Determination Date expressed as a percentage of the aggregate Invested Amount of all Notes on the Closing Date is greater than 10%; • Credit support provided to the Class A Notes (in the form of Class B and Class C Notes) is at least two times that provided at the Closing Date; • Credit support provided to the Class B Notes (in the form of Class C Notes) is at least two times that provided at the Closing Date; • 60+ day arrears at the most recent Determination Date is less than 4%; • there are no Charge-Offs which remain unreimbursed on any Note; • there are no unreimbursed Principal Draws as at that Determination Date; and • there are no outstanding draws under the Liquidity Facility.

Assets

Collateral	Portfolio of loans secured by first ranking mortgages over residential property in Australia originated by Commonwealth Bank of Australia.

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