



# Medallion Trust Series 2014-1

14 February 2019

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## Pricing Term Sheet for issuance of Class A3-R Notes Medallion Trust Series 2014-1

**Class A3-R Notes  
AAA(sf)/AAAsf (S&P/Fitch)  
A\$300,000,000**

**Arranger, Lead Manager and Book-Runner**  
Commonwealth Bank of Australia  
ABN 48 123 123 124

All investors are advised to carefully read the **Important Notice** of this Term Sheet before considering any investment.

This Term Sheet cannot be distributed to any U.S. Person or into the United States of America.



# Medallion Trust Series 2014-1

## Pricing Term Sheet for issuance of Class A3-R Notes Medallion Trust Series 2014-1 Prime Residential Mortgage-Backed Securities

Class	ISIN	Credit Support <sup>1</sup>	Amount (A\$)	Expected Rating (S&P / Fitch)	Coupon	Weighted Average Life (yrs) <sup>2</sup>	Legal Maturity
Class A3-R	AU3FN0046397	16.4%	300,000,000	AAA(sf) / AAAsf	BBSW1M + 1.00%	3.6	The Distribution Date in April 2046

1: As 24 December 2018.

2: WAL is based on a constant CPR of 20%, Step-Down Conditions continuing to being met and exercise of the Call Option when the pool balance reaches 10% of the amount outstanding at the Closing Date.

The Notes outlined below were issued on the Closing Date for the Medallion Trust Series 2014-1 (27 February 2014) and are not offered under this term sheet.

### Notes issued on the Closing Date

Class	ISIN	Amount (%)	Credit Support (%)	Amount (AUD) (At Issue)	Amount (AUD) (24 Dec 18)	Rating (S&P / Fitch) <sup>3</sup>	Coupon	Weighted Average Life (yrs) <sup>1</sup>	Legal Maturity
Class A1	AU3FN0022109	55.75%	8.0%	1,400,000,000	176,207,920	AAA(sf) / AAAsf	BBSW1M + 0.80%	2.4	The Distribution Date in April 2046
Class A2	AU3FN0022117	24.29%		610,000,000	170,874,908	AAA(sf) / AAAsf	BBSW1M + 0.90 %	3.5	
Class A3	AU3CB0218733	11.95%		300,000,000	300,000,000	AAA(sf) / AAAsf	4.5% Fixed	4.99 <sup>2</sup>	
Class B	AU3FN0022208	6.00%	2.0%	150,700,000	76,773,813.6	AAA(sf) / AAAsf	Undisclosed	5.1	
Class C	AU3FN0022216	2.00%	0.0%	50,300,000	50,300,000	NR / NR	Undisclosed	9.5	
<b>Total</b>		<b>100.0</b>		<b>2,511,000,000</b>					

1. Initial WALs were based on a flat Conditional Prepayment Rate ("CPR") of 20%, Step-Down Conditions being met at the first available opportunity, refinancing of the Class A3 Notes at the Class A3 Refinancing Date and exercise of the Call Option when the pool balance reaches 10% of the amount outstanding at the Cut-Off Date.

2. Class A3 Notes will be subject to the Manager holding a refinancing option on each Distribution Date from 4.99 years after the Closing Date (Class A3 Refinancing Date (the Distribution Date in February 2019)).

3. As at 22 January 2019

This document relates solely to the issue of Class A3-R Notes from Medallion Trust Series 2014-1, 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 2014-1 Preliminary Supplemental Information Memorandum dated 7 February 2019 together with the Medallion Trust Series 2014-1 Information Memorandum dated 12 February 2014.

### No Guarantee by Commonwealth Bank of Australia

The Notes do not represent deposits or other liabilities of Commonwealth Bank of Australia ("Commonwealth Bank of Australia", "Seller", "Servicer" and "Manager"), or any other member of the Commonwealth Bank of Australia. Neither Commonwealth Bank of Australia, nor any other member of the Commonwealth Bank of Australia 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 or any other member of the Commonwealth Bank of Australia groups.



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## Transaction Parties

<b>Issue Trust</b>	Medallion Trust Series 2014-1
<b>Trustee</b>	Perpetual Trustee Company Limited (ABN 42 000 001 007) in its capacity as trustee of the Issue Trust
<b>Security Trustee</b>	P.T. Limited (ABN 67 004 454 666)
<b>Manager</b>	Securitisation Advisory Services Pty Limited (ABN 88 064 133 946)
<b>Originator, Servicer, Basis Swap Provider, Interest Rate Swap Provider and Liquidity Facility Provider</b>	Commonwealth Bank of Australia
<b>Arranger, Lead Manager and Book-Runner</b>	Commonwealth Bank of Australia
<b>Rating Agencies</b>	Standard & Poor's (Australia) Pty Ltd (ABN 62 007 324 852) ("S&P"); and Fitch Australia Pty Ltd (ABN 93 081 339 184) ("Fitch")
<b>Lenders Mortgage Insurer</b>	Genworth Financial Mortgage Insurance Pty Limited (ABN 60 106 974 305) ("Genworth") (A+ Negative Outlook (S&P); (A+ Stable Outlook (Fitch)).

## Transaction Structure

<b>Class A Notes Credit Support</b>	<p>Class A Notes are the: Class A1 Notes, Class A2 Notes, Class A3 Notes and Class A3-R Notes (post the Class A3 Refinancing Date).</p> <p>Credit Support as at 24 December 2018 is 16.4%.</p>
<b>Class A3 Notes</b>	<p>Class A3 Notes (the "Fixed Rate Notes") were structured as fixed rate, soft bullet Notes.</p> <p>No principal is repaid to the Class A3 Notes prior to the Class A3 Refinancing Date.</p> <p>The Manager is marketing a floating rate, amortising security (the Class A3-R Notes) with a WAL of 3.6 years (assuming the Issue prepays at a constant 20% CPR from the Class A3 Refinancing Date) to refinance the Class A3 Notes on the Class A3 Refinancing Date. The face value of the Class A3-R Notes is the original face value of the Class A3 Notes minus the balance of the GIC Account on the Class A3 Refinancing Date ("Class A3 GIC Repayment"). The balance of the GIC Account is zero.</p> <p>If the Manager is successful in placing the Class A3-R Notes at a margin less than the Class A3 Stepped-Up Margin, existing Class A3 Note investors will be fully repaid at the Class A3 Refinancing Date via proceeds from Class A3-R Notes issuance.</p>



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## The Notes

<b>Form and Denomination of the Notes</b>	Registered form and in denominations of AUD100,000
<b>Closing Date and Initial Note Issue Date</b>	27 February 2014
<b>Class A3-R Pricing Date</b>	14 February 2019
<b>Class A3 Refinancing Date and Class A3-R Issue Date</b>	22 February 2019
<b>First Payment Date (Class A3-R Notes)</b>	22 March 2019
<b>Note Distribution Date</b>	22 <sup>nd</sup> of each calendar month from the First Floating Rate Note Distribution Date subject to modified following business day convention.
<b>Ex-Interest Date</b>	Two Business Days prior to each Distribution Date
<b>Legal Final Maturity</b>	The Distribution Date occurring in April 2046
<b>Day Count Basis</b>	Actual/365
<b>Class A3-R Issue Margin</b>	BBSW1M + 1.00%
<b>Call Date</b>	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
<b>Minimum Parcel Size</b>	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.
<b>Interest Withholding Tax</b>	The Manager intends to offer the Class A3-R Notes in a manner that satisfies the public offer test under existing Australian taxation law.
<b>Principal Draws</b>	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.
<b>Liquidity Facility</b>	<p>The Liquidity Facility is \$25.5m (as at 22 January 2019) and will amortise subject to a floor of \$7,533,000. The Liquidity Facility will amortise annually in line with the rateable reduction of the outstanding pool balance.</p> <p>The Liquidity Facility will not amortise if:</p> <ol style="list-style-type: none"> <li>1. unreimbursed charge-offs are outstanding;</li> <li>2. the Liquidity Facility has been drawn in the prior period;</li> </ol>



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	3. Principal Draws are outstanding.
<b>Business Days</b>	Sydney
<b>RBA Repo Status</b>	Application is intended to be made by the Manager to the Reserve Bank of Australia ("RBA") for the Class A3-R Notes to be added to the list of eligible securities for repurchase agreements conducted by the RBA.
<b>Governing Law</b>	New South Wales
<b>Clearing</b>	Austraclear; Euroclear; Clearstream
<b>Credit Risk Retention</b>	<p>On 17 January 2018, Regulation EU 2017/2402 laying down a general framework for securitisation and creating a framework for simple, transparent and standardised securitisation and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 and Regulation EU 2017/2401 containing and related amendments to the CRR (collectively, the "<b>New EU Securitisation Regulations</b>") entered into force in the European Union. The new retention rules under the New EU Securitisation Regulations (the "<b>New EU Retention Rules</b>") will apply to investment and other forms of participation in securitisation transactions by European Union 'institutional investors' in securitisations in respect of which the relevant securities are issued on or after 1 January 2019.</p> <p>The term 'institutional investors' is defined in the New EU Securitisation Regulations to include 'credit institutions' and 'investment firms' that were regulated under the EU Capital Requirements Regulation (Regulation (EU) No. 575/2013) (the "<b>CRR</b>"), alternative investment fund managers (as defined in the EU Alternative Investment Fund Managers Directive (Directive 2011/61/EU) (the "<b>AIFMD</b>")), insurance and reinsurance undertakings (as defined in the Solvency II Directive (Directive 2009/138/UC) ("<b>Solvency II</b>")), EEA management companies and funds regulated pursuant to the Undertakings for Collective Investment in Transferable Securities Directive (Directive 2009/65/EC), institutions for occupational retirement provision falling within the scope of Directive (EU) 2016/2341 and certain other entities appointed by such institutions.</p> <p>The Series Trust was established prior to the introduction of the New EU Retention Rules. Pursuant to the European Union risk retention rules which applied at the time the Series Trust was established (under Articles 405 – 410 of the CRR) ("the <b>CRR Rules</b>"), Commonwealth Bank of Australia (as the originator of the mortgage loans securitised and included in the Series Trust) has undertaken to the Trustee to retain on an ongoing basis a net economic interest in this securitisation transaction by holding 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 405 paragraph (1) subparagraph (c) of the CRR. The Manager will include information in any reports provided to Noteholders:</p> <ol style="list-style-type: none"> <li>1. confirming Commonwealth Bank of Australia's continued retention of the interest described above; and</li> <li>2. 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.</li> </ol> <p>While the New EU Retention Rules do not provide that compliance with the CRR Rules will be taken to satisfy the New EU Retention Rules in relation to securities</p>



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	<p>issued after 1 January 2019 (such as the Class A3-R Notes), the requirements that applied under Article 405 paragraph (1) sub-paragraph (c) of the CRR are substantially similar to the requirements currently in force under Article 6 paragraph (3) sub-paragraph (c) of the New Securitisation Regulations..</p> <p>Investors are themselves responsible for monitoring and assessing changes to the European Union retention rules and their regulatory capital requirements and should carefully consider whether the applicable conditions under the applicable retention rules are satisfied at any time and the implications for the regulatory capital treatment of their investment or the liquidity of their investment. Investors who are uncertain as to the requirements that will need to be complied with in order to avoid the additional regulatory charges for non-compliance with the applicable European retention rules and any implementing rules in a relevant jurisdiction should seek guidance from their regulator.</p> <p>The European Union retention rules and any similar requirements and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of certain individual investors and, in addition, could have a negative impact on the price and liquidity of the Notes in the secondary market.</p>
<b>US Selling Restrictions</b>	<p>The Class A3-R Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (“Securities Act”) and the Trustee has not been and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended (“Investment Company Act”). An interest in the Notes may not be offered or sold within the United States or to, or for the account or benefit of, a “U.S. person” (as defined in Regulation S under the Securities Act (“Regulation S”)) at any time except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act.</p>
<b>EU MiFID II Product Governance/Professional Investors and ECPs only target market</b>	<p>Solely for the purposes of the manufacturers’ product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended “MiFID II”; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.</p>
<b>PRIIPS – EEA Retail Investors</b>	<p>The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of:</p> <ol style="list-style-type: none"> <li>1. a Retail Client as defined in point (11) of article 4(1) of MiFID II;</li> <li>2. a customer within the meaning of Directive 2002/92/EC (as amended, the “Insurance Mediation Directive”), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II; or</li> <li>3. not a qualified investor as defined in Directive 2003/71/EC (as amended, the “Prospectus Directive”).</li> </ol> <p>Consequently no key information document required by Regulation (EU) No 1286/2014, as amended (the “PRIIPS Regulation”) for offering or selling the</p>



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	Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.
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## Investor Reporting

<b>Transaction Reporting</b>	Investor reporting will be provided as for all Medallion transactions (trustee reports and reporting on Commonwealth Bank's website <a href="http://www.commbank.com.au/securitisation">http://www.commbank.com.au/securitisation</a> )
<b>Bloomberg / Intex / ABSNet</b>	Bloomberg ticker: MEDL 2014-1 <<MTGE>> Intex deal name : MDLT1401 Moody's Structured Finance Portal: Medallion Trust Series 2014-1



# Medallion Trust Series 2014-1

## Trust Cash Flows

<p><b>Cash flow Waterfall Summary (prior to enforcement of the Charge) - Income</b></p>	<ol style="list-style-type: none"><li>1. Senior Expenses</li><li>2. Pari-passu and rateably:<ol style="list-style-type: none"><li>a. Redraw Note Interest (if any);</li><li>b. Class A1 Note Interest;</li><li>c. Class A2 Note Interest;</li><li>d. Class A3 Note Interest (on Fixed Rate Note Distribution Dates, on and prior to the Class A3 Refinancing Date);</li><li>e. Class A3-R Note Interest (post the Class A3 Refinancing Date)</li></ol></li><li>3. Class B Note Interest;</li><li>4. Repayment of Principal Draws (if any);</li><li>5. Reinstatement of Class A Notes and Redraw Note Charge-Offs (if any);</li><li>6. Reinstatement of Class B Note Charge-Offs (if any);</li><li>7. Reinstatement of Class C Note Charge-Offs (if any);</li><li>8. Reinstatement of draws on the Extraordinary Expense Reserve (if any);</li><li>9. Subordinated amounts owing (if any) to the Liquidity Facility Provider;</li><li>10. Subordinated swap termination payments (if any) to the Interest Rate Swap Provider;</li><li>11. Class C Note interest;</li><li>12. The Manager's establishment fee reimbursement;</li><li>13. Excess Available Income.</li></ol> <p>Refer to the Medallion Trust Series 2014-1 Information Memorandum for further detail regarding allocation of principal and interest payments pre and post enforcement of the Charge.</p>
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# Medallion Trust Series 2014-1

<b>Note Class Principal Allocations</b>	<b>Definitions</b>		
	<b>A1</b>	The aggregate Invested Amount of the Class A1 Notes on the immediately preceding Determination Date;	
	<b>A2</b>	The aggregate Invested Amount of the Class A2 Notes on the immediately preceding Determination Date;	
	<b>A3</b>	The aggregate Invested Amount of the Class A3 Notes (less the balance of the GIC Account and GIC Authorised Investments) on the immediately preceding Determination Date;	
	<b>A3R</b>	The aggregate Invested Amount of the Class A3-R Notes on the immediately preceding Determination Date;	
	<b>A</b>	The aggregate Invested Amount of the Class A1, Class A2, Class A3 (less the balance of the GIC Account and GIC Authorised Investments) and Class A3-R Notes on the immediately preceding Determination Date (A1+A2+A3+A3R)	
	<b>B</b>	The aggregate Invested Amount of the Class B Notes on the immediately preceding Determination Date	
	<b>C</b>	The aggregate Invested Amount of the Class C Notes on the immediately preceding Determination Date	
	<b>Z</b>	The aggregate Invested Amount of the Class A1 Notes, the Class A2 Notes, the Class A3 Notes (less the balance of the GIC Account and GIC Authorised Investments), the Class A3-R Notes, the Class B Notes and the Class C Notes on the immediately preceding Determination Date	
	<b>P</b>	The available principal less distribution to Redraw Notes (if any)	
		<b>Stepdown Criteria met</b>	<b>Stepdown Criteria NOT met</b>
	<b>Class A1 Principal Allocation</b> is equal to P multiplied by:	$\frac{A1 + A3R}{Z}$	i) $\frac{A1+A3R}{A}$ if A1 > 0 ii) zero if A1 = 0
	<b>Class A2 Principal Allocation</b> is equal to P multiplied by:	$\frac{A2}{Z}$	i) $\frac{A2}{A}$ if A2 > 0 ii) zero if A2 = 0
	<b>Class A3R Principal Allocation</b> is equal to P multiplied by:	i) zero if A1 > 0 ii) $\frac{A3R}{Z}$ if A1 = 0	i) zero if A1 > 0 ii) $\frac{A3R}{A}$ if A1 = 0
	<b>Class B Note Principal Allocation</b> is equal to P multiplied by:	$\frac{B + C}{Z}$	i) zero if A > 0 ii) 100% if B > 0
	<b>Class C Note Principal Allocation</b>		i) zero; if A or B > 0 ii) 100%; if A and B = 0
<b>Class A Principal Allocation Waterfall</b>	All Class A Notes benefit from the same level of credit enhancement and rank equally with respect to Charge-Offs.		
	<p>Class A1 Notes and Class A3/A3-R Notes pay principal sequentially amongst themselves and are paid pari-passu with the Class A2 Notes, as outlined below. On each Distribution Date, pari-passu and rateably, distribute the Class A Principal Allocation as follows:</p> <ol style="list-style-type: none"> <li>1. The Class A1 and A3 Principal Allocation to: <ol style="list-style-type: none"> <li>a. first, the Class A1 Notes until fully repaid, and;</li> <li>b. second: <ol style="list-style-type: none"> <li>i. on or prior to the Class A3 Refinancing Date, to the GIC Account until the balance of the GIC Account (plus GIC Authorised Investments) is equal to the aggregate Invested Amount of the Class A3 Notes; and</li> <li>ii. after the Class A3 Refinancing Date, to the Class A3-R Notes until fully repaid; and</li> </ol> </li> </ol> </li> <li>2. The Class A2 Principal Allocation to the Class A2 Notes until fully repaid</li> </ol>		
<b>Cash flow Waterfall Summary (prior to enforcement of the Charge) – Principal</b>	<ol style="list-style-type: none"> <li>1. Fund Seller Advances (if any)</li> <li>2. Repay Redraw Notes (if any)</li> <li>3. Pari-passu and rateably, distribute the:</li> </ol>		



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|  | <ul style="list-style-type: none"> <li>a. Class A Principal Allocation to the Class A Notes in accordance with the Class A Principal Allocation Waterfall;</li> <li>b. Class B Principal Allocation to the Class B Notes;</li> </ul> <ul style="list-style-type: none"> <li>4. Distribute to the Class B Notes until fully repaid;</li> <li>5. Distribute to the Class C Notes until fully repaid;</li> <li>6. Any surplus (if any) to the Residual Capital Unitholder.</li> </ul> <p>Refer to the Medallion Trust Series 2014-1 Information Memorandum for further detail regarding allocation of principal and interest payments pre and post event of default.</p> |
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|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Step-Down Conditions</b> | <ul style="list-style-type: none"> <li>1. the Determination Date is at least two years after the Closing Date;</li> <li>2. 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%;</li> <li>3. Credit support provided to the Class A Notes (in the form of Class B and Class C Notes) is at least twice that provided at the Closing Date;</li> <li>4. Credit support provided to the Class B Notes (in the form of Class C Notes) is at least twice that provided at the Closing Date;</li> <li>5. 60+ day arrears at the most recent Determination Date is less than 4%;</li> <li>6. there are no Charge-Offs which remain unreimbursed on any Note;</li> <li>7. there are no unreimbursed Principal Draws as at that Determination Date; and</li> <li>8. there are no outstanding draws under the Liquidity Facility.</li> </ul> |
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## Assets

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| <b>Collateral</b> | Portfolio of loans secured by first ranking mortgages over residential property in Australia originated by Commonwealth Bank of Australia. |
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# Medallion Trust Series 2014-1

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