

MEDIA RELEASE



APRA RULING ON CAPITAL TREATMENT OF COLONIAL GROUP DEBT

Sydney, 5 May 2014: The Australian Prudential Regulation Authority ("APRA") has advised the Commonwealth Bank of Australia ("the Group") that the current capital benefits arising from certain debt issued by wealth management subsidiaries will be phased out.

This will apply to approximately \$2.2 billion of debt funding within the Colonial Group ("Colonial") with maturities through to 2017. APRA has advised that transition arrangements will apply to existing securities.

Commenting on the APRA ruling, Group Chief Financial Officer, David Craig said: "This has no immediate effect on the Group's capital ratios and the impact on future periods should be minimal given the Group's strong capital generation capabilities which should enable the orderly transition of existing non-recourse debt to equity funding."

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