

## **Commonwealth Bank**

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## **COMMONWEALTH BANK LAUNCHES SIXTH GLOBAL AUSTRALIAN MORTGAGE SECURITISATION**

**Sydney 19 March 2004:** The Commonwealth Bank has launched its sixth global issuance of AUD3.4 billion mortgaged backed securities through Medallion Trust; its Mortgage Backed Securities (MBS) programme.

The assets comprise fixed and variable rate loans originated from the Bank's home loan portfolio and from the portfolio of Homepath Pty Limited, a wholly owned subsidiary.

The deal is structured to include issuance of securities in three currencies and were priced as follows:

- Class A-1 of US\$1,300 million - US 3m LIBOR + 13;
- Class A-2 of AUD810 million 3m BBSW +22; and
- Class A-3 of Euro500 million 3m Euribor +14.

Class A-1 and A-3 securities are issued into the US and Euro markets under the SEC shelf programme, whilst Class A-2 are issued into the domestic market. The Class A Notes have an average life of 2.7 years. There is also A\$53 million of Class B subordinated notes.

This deal brings the total issuance to date under the Medallion global programme to nearly A\$15 bn. Marten Touw, the Group Treasurer at Commonwealth Bank, said "the deal received a very strong response from offshore and domestic investors; including Asian investors, who recognise the quality of the Medallion programme. We are very pleased with the pricing levels achieved in this transaction."

The transaction was joint-lead managed by Commonwealth Bank, Citigroup, Deutsche Bank Securities and Nomura International. Co-manager for the offshore issue is Credit Suisse First Boston,

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### *Transaction Details*

- Structural enhancements include mortgage insurance policies from GE Mortgage Insurance Pty Ltd (rated AAA by S&P) and GE Capital Mortgage Insurance Corporation (Australia) Pty Ltd (rated AA by S&P), a pool policy from PMI Mortgage Insurance Ltd (rated AA+ by S&P).
- Commonwealth Bank will continue as Servicer of the loans and Securitisation Advisory Services, a wholly owned subsidiary of the Bank will be the Manager of the Trust.
- The Bank will also provide a A\$35 m liquidity facility, a A\$50 m redraw facility and act as the interest rate hedge provider. The structure also allows for principal to be used for income shortfalls once the liquidity facility has been fully drawn.
- The trustee of Medallion Trust Series 2004-1G is Perpetual Trustee Company Limited.
- The Class A notes are expected to be rated AAA/Aaa/ by Standard and Poor's and Moody's. The Class B notes are expected to be rated AA by Standard and Poor's.
- The notes will receive principal and interest quarterly.