

Commonwealth Bank Australia

Commonwealth Bank of Australia. A.C.N. 123 123 124.



Incorporated in Australia with limited liability

U.S.\$10,000,000,000 Euro Medium Term Note Programme

Commonwealth Bank of Australia (the “Bank”) may from time to time issue Euro Medium Term Notes (the “Notes”) in any form contemplated in “Conditions of the Notes” herein and as described in “Description of the Programme” herein.

The Notes will be issued from time to time to one or more of the Dealers specified on page 6 (each a “Dealer and together the “Dealers”, which expression shall include any additional Dealers appointed under the Programme (as defined below) from time to time). The Bank may agree with any Dealer and The Law Debenture Trust Corporation p.l.c. (the “Trustee”) as trustee for the holders of the Notes that Notes may be issued in a form not contemplated by the “Conditions of the Notes” herein, in which case supplementary listing particulars, if appropriate, will be published which will describe the effect of the agreement reached in relation to such Notes.

Application has been made to the Financial Services Authority acting in its capacity as the competent authority under the Financial Services Act 1986 (the “UK Listing Authority”) for Notes to be issued for a period of 12 months from the date of this Programme Circular under this U.S.\$10,000,000,000 Euro Medium Term Note Programme (the “Programme”) to be admitted to the official list maintained by the UK Listing Authority (the “Official List”) and to the London Stock Exchange plc (the “London Stock Exchange”) for such Notes to be admitted to trading on the London Stock Exchange’s market for listed securities. Admission to the Official List together with admission to the London Stock Exchange’s market for listed securities will constitute official listing on the London Stock Exchange. Notice of the aggregate nominal amount of, interest (if any) payable in respect of, the issue price of, and any other terms and conditions not contained herein which are applicable to, each Series of Notes will be set forth in a pricing supplement (each a “Pricing Supplement”) which, with respect to Notes to be admitted to the Official List and admitted to trading by the London Stock Exchange, will be delivered to the UK Listing Authority and the London Stock Exchange on or before the date of issue of the Notes of such Series. Copies of each Pricing Supplement will be available (in the case of Notes to be admitted to the Official List and admitted to trading by the London Stock Exchange) from FT Business Research Centre, operated by FT Electronic Publishing, and (in the case of all Notes) from the specified office of the Agent for the Notes (as defined herein). Copies of this Programme Circular, which comprises the listing particulars approved by the UK Listing Authority as required by the Financial Services Act 1986 in relation to the Programme (the “Listing Particulars”), have been delivered for registration to the Registrar of Companies in England and Wales pursuant to section 149 of the Financial Services Act 1986.

This document is issued in replacement of a Programme Circular dated 22nd September, 2000 and issued by the Bank and accordingly supersedes that earlier Programme Circular. This does not affect any Notes issued by the Bank prior to the date of this Programme Circular.

Arranged by:

UBS Warburg

**Commonwealth Bank of Australia
Merrill Lynch International
Nomura International
UBS Warburg**

**JPMorgan
Morgan Stanley
Schroder Salomon Smith Barney**

Dated 26th September, 2001

The Bank accepts responsibility for the information contained in the Listing Particulars and in this Programme Circular. To the best of the knowledge and belief of the Bank (which has taken all reasonable care to ensure that such is the case) the information contained in the Listing Particulars and in this Programme Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

Any reference in this Programme Circular to Listing Particulars means this Programme Circular excluding all information incorporated by reference. The Bank has confirmed that any information incorporated by reference, including any such information to which readers of this document are expressly referred, has not been and does not need to be included in the Listing Particulars to satisfy the requirements of the Financial Services Act 1986 or the listing rules of the UK Listing Authority. The Bank believes that none of the information incorporated in the Programme Circular by reference conflicts in any material respect with the information included in the Listing Particulars.

This Programme Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “Documents Incorporated by Reference”). This Programme Circular shall be read and construed on the basis that such documents are so incorporated and form part of this Programme Circular.

Neither the Dealers (which term in this paragraph and the third paragraph below includes Commonwealth Bank of Australia in its capacity as a dealer but does not include Commonwealth Bank of Australia in its capacity as the issuer of the Notes) nor the Trustee have separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained in this Programme Circular or any further information supplied by the Bank in connection with the Notes.

No person has been authorised to give any information or to make any representation not contained in this Programme Circular or any further information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Bank, any of the Dealers or the Trustee.

Neither this Programme Circular nor any further information supplied in connection with the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Bank, any of the Dealers or the Trustee that any recipient of this Programme Circular or any further information supplied in connection with the Notes should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the condition and affairs, and its own appraisal of the creditworthiness, of the Bank. Neither this Programme Circular nor any further information supplied in connection with the Notes constitutes an offer or invitation by or on behalf of the Bank, any of the Dealers or the Trustee to any person to subscribe for or to purchase any of the Notes.

The delivery of this Programme Circular does not at any time imply that the information contained herein concerning the Bank is correct at any time subsequent to the date hereof or that any further information supplied in connection with the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial or other condition or affairs of the Bank and any of its respective subsidiaries during the life of the Programme. Investors should review, inter alia, the most recent financial statements of the Bank when deciding whether or not to purchase any of the Notes.

The distribution of this Programme Circular and the offer or sale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Programme Circular or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Programme Circular and the offer or sale of the Notes in the United States of America, the United Kingdom, Japan and Australia (see “Subscription and Sale”).

The Notes have not been and will not be registered under the United States Securities Act of 1933 and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons (see “Subscription and Sale”).

Any reference herein to an agreement between the Bank and the relevant Dealer shall, in the case of Notes being, or intended to be, subscribed by more than one Dealer, be to an agreement between the Bank and all such Dealers.

In this Programme Circular, references to “U.S. dollars”, “USD” and “U.S.\$” are to United States dollars, references to “JPY”, “Yen” and “¥” are to Japanese yen, references to “Sterling”, “GBP” and “£” are to pounds sterling, references to “AUD” and “A\$” are to Australian dollars, references to “NZD” are to New Zealand dollars, references to “HKD” are to Hong Kong dollars, references to “CHF” are to Swiss Francs and references to “euro” and “€” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

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In connection with the issue of any Tranche (as defined in “Conditions of the Notes”) of Notes, the Dealer (if any) disclosed as the stabilising Dealer in the applicable Pricing Supplement may over-allot or effect transactions which stabilise or maintain the market price of the Notes of the Series of which such Tranche forms a part at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time.

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Documents Incorporated by Reference

All supplements to this Programme Circular including, without limitation, each Pricing Supplement and each supplement circulated by the Bank from time to time in accordance with the undertaking given by the Bank in the Programme Agreement (as defined in “Subscription and Sale”) described below shall be deemed to be incorporated in, and to form part of, this Programme Circular (provided however that such incorporated documents do not form a part of the Listing Particulars) save that any statement contained herein or in a document, all or the relative portion of which is incorporated by reference herein, shall be deemed to be modified or superseded for the purpose of this Programme Circular (but not the Listing Particulars) to the extent that a statement contained in any such subsequent document, all or the relative portion of which is or is deemed to be incorporated by reference herein, modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

The Bank will provide, without charge, to each person to whom a copy of this Programme Circular has been delivered, upon the written request of any such person, a copy of any or all of the documents which, or portions of which, are or are deemed to be incorporated herein by reference, provided that any Pricing Supplement relating to Notes which are not admitted to the Official List will only be made available to persons who demonstrate to the satisfaction of the Bank that they are holders of the Notes to which such Pricing Supplement relates. Written requests for such documents should be directed to the Bank at its office set out at the end of this Programme Circular. In addition, such documents will be available from the branch in London of Commonwealth Bank of Australia in its capacity as listing agent (the “Listing Agent”) for the Notes admitted to the Official List and from the London office of Deutsche Bank AG London specified at the end of this Programme Circular.

The Bank has given an undertaking to the Dealers in connection with the admission of the Notes to the Official List and admission of the Notes to trading by the London Stock Exchange to the effect that if after preparation of the Listing Particulars and at any time during the duration of the Programme:

- (a) there is a significant change affecting any matter contained in the Listing Particulars whose inclusion was required by section 146 of the Financial Services Act 1986 or by the listing rules made by the UK Listing Authority under that Act (the “Listing Rules”) or by the UK Listing Authority; or
- (b) a significant new matter arises the inclusion of information in respect of which would have been so required if it had arisen when the Listing Particulars were prepared,

the Bank shall give to the Listing Agent full information about such change or matter and shall publish supplementary listing particulars as may be required by the UK Listing Authority and approved by the Listing Agent and the UK Listing Authority and shall otherwise comply with sections 147 and 149 of the Financial Services Act 1986 and the Listing Rules in that regard and shall supply to each Dealer such number of copies of the supplementary listing particulars as such Dealer may reasonably request.

Description of the Programme

The Bank may, from time to time, issue Notes admitted to the Official List and admitted to trading by the London Stock Exchange, Notes listed on any other stock exchange or securities market approved by the Trustee (such approval not to be unreasonably withheld) (together with Notes admitted to the Official List, “Listed Notes”) and Notes not listed on any stock exchange (“Unlisted Notes”).

The Bank may, from time to time, issue Notes in bearer and/or registered form denominated in U.S. dollars, euro, Yen, Sterling, Australian dollars, Swiss Francs or such other currency as may be agreed with the relevant Dealer. Subject to any applicable laws and regulations, the Notes may have any original tenor. The Notes, which may be issued at their nominal amount or at a premium or discount to their nominal amount, may bear interest on a fixed or floating rate or index- or formula-linked basis or not bear interest and the amount payable upon redemption of the Notes may be fixed or variable or index- or formula-linked and amounts payable in respect of the Notes may be paid in a currency or currencies other than the original currency of issue. Notes may be issued on a fully or partly paid basis and may provide that they will be redeemed in instalments.

The applicable terms of any Tranche of Notes will be agreed between the Bank and the relevant Dealer prior to the issue of the Notes and will be set out in the Conditions of the Notes endorsed on, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Pricing Supplement attached to, or endorsed on, such Notes, as more fully described under “Form of the Notes”.

The Bank may terminate the arrangements for the issue of Notes under the Programme by giving not less than 30 days’ written notice to the Dealers. Any Dealer may resign as a Dealer by (except in certain limited circumstances set out in the Programme Agreement) giving not less than 30 days’ notice to the Bank and the other Dealers.

Subject as set out below, this Programme Circular and any supplement hereto will only be valid for issuing Notes, including Notes admitted to the Official List and admitted to trading by the London Stock Exchange, of up to U.S.\$10,000,000,000 nominal amount outstanding at any one time, the U.S. dollar equivalent of the nominal amount of Notes denominated in currencies other than U.S. dollars being determined by reference to the Exchange Rate prevailing at the Agreement Date (each as defined in the penultimate paragraph of “Form of the Notes”) and otherwise on the basis specified in “Form of the Notes”.

Under the Programme Agreement the maximum nominal amount of Notes at any time permitted to be outstanding may be increased by the Bank, subject to the satisfaction of certain conditions including the preparation of listing particulars.

Summary of Terms and Conditions of the Programme and the Notes

The following summary is qualified in its entirety by the remainder of this Programme Circular. Words and expressions defined in “Form of the Notes” and “Conditions of the Notes” below shall have the same meanings in this summary:

Issuer:	Commonwealth Bank of Australia
Arranger	UBS AG, acting through its business group UBS Warburg
Dealers:	Commonwealth Bank of Australia J.P. Morgan Securities Ltd. Merrill Lynch International Morgan Stanley & Co. International Limited Nomura International plc Salomon Brothers International Limited UBS AG, acting through its business group UBS Warburg Under the Programme Agreement, other institutions may be appointed Dealers either in relation to the Programme as a whole or in relation to specific issues thereunder.
Issuing and Principal Paying Agent and Agent Bank:	Deutsche Bank AG London
Registrar:	Deutsche Bank Luxembourg S.A.
Trustee:	The Law Debenture Trust Corporation p.l.c.
Amount:	Up to U.S.\$10,000,000,000 (or equivalent nominal amount) outstanding at any one time subject to increase as provided in the Programme Agreement.
Description:	Euro Medium Term Note Programme.
Currencies:	U.S. dollars, euro, Yen, Sterling, Australian dollars, Swiss Francs and such other currencies as may be agreed with the relevant Dealer.
Maturities:	Subject to any applicable laws and regulations, any original maturity.
Issue Price:	Notes may be issued at par or at a discount to, or premium over, par and either on a fully or partly paid basis.
Form:	The Notes will be issued in bearer and/or registered form and may on issue be represented by one or more global Notes as described under “Form of the Notes”.
Fixed Rate Notes:	Fixed interest will be payable in arrear on a specified date or dates in each year and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Bank and the relevant Dealer.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2000 ISDA Definitions, published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes, or on the basis of a reference rate appearing on an agreed screen page of a commercial quotation service or on such other basis as may be specified in the applicable Pricing Supplement. The Margin (if any) relating to such floating rate will be specified in the applicable Pricing Supplement.

Index Linked Notes:	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index, commodity, currency or event (or any combination of the same) and/or formula or formulae as the Bank and the relevant Dealer may agree.
Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:	Floating Rate Notes and Index Linked Interest Notes may also have a minimum interest rate, a maximum interest rate or both.
Rate Notes and Index Linked Interest Notes:	Interest on Floating Rate Notes and Index Linked Interest Notes will be payable on Interest Payment Dates, as agreed at the time of agreement to issue, and will be calculated on the basis of the Day Count Fraction specified in the applicable Pricing Supplement. Details of the interest rate applicable to the then current Interest Period in respect of the Floating Rate Notes or Index Linked Interest Notes of any Series will be available from the Agent.
Dual Currency Notes:	Payments in respect of Dual Currency Notes will be made in such currencies, and based upon such rates of exchange, as the Bank and the relevant Dealer may agree.
Zero Coupon Notes:	Zero Coupon Notes may be offered and sold at a discount to their nominal amount and will not bear interest other than in relation to interest due after the Maturity Date.
Low Interest (discount) Notes:	Low Interest (discount) Notes will be offered and sold at a discount to their nominal amount and will bear interest at a rate lower than would otherwise be payable if they were issued at or about par.
High Interest (premium) Notes:	High Interest (premium) Notes will be offered and sold at a premium to their nominal amount and will bear interest at a rate higher than would otherwise be payable if they were issued at or about par.
Redemption:	The applicable Pricing Supplement will indicate either that the Notes of that Tranche cannot be redeemed prior to their stated maturity, other than in specified instalments or for taxation reasons, or that such Notes will be redeemable at the option of the Bank (in specified amounts if the applicable Pricing Supplement so indicates) and/or at the option of the holder(s) of such Notes on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be indicated in the applicable Pricing Supplement. The applicable Pricing Supplement may provide that Notes may be redeemed in two or more instalments and on such dates and on such other terms as may be indicated in such Pricing Supplement.
Denominations of Definitive Notes:	Subject to any applicable laws and regulations, such denomination as may be agreed between the Bank and the relevant Dealer.
Taxation:	All payments in respect of the Notes will be made without withholding or deduction for or on account of withholding taxes of the Commonwealth of Australia and any Taxing Jurisdiction provided that such payments are made to persons who are not connected with the Commonwealth of Australia or such Taxing Jurisdiction otherwise than by reason only of the holding of Notes or Coupons. A "Taxing Jurisdiction" is any jurisdiction named in the applicable Pricing Supplement as being the jurisdiction wherein the Bank's borrowing office is located for the relevant Series of Notes if such borrowing office is not located in the Commonwealth of Australia.
Status of the Unsubordinated Notes:	The Unsubordinated Notes will constitute direct, unconditional and unsecured obligations of the Bank and will rank without any preference or priority amongst themselves and <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations

(other than in respect of statutorily preferred creditors) of the Bank subject as provided in the second and third paragraphs of Condition 3(a) and in Condition 4.

- Negative Pledge for Unsubordinated Notes:** In each Tranche of Unsubordinated Notes there will be a negative pledge given by the Bank, the terms of which are set out in Condition 4.
- Events of Default for Unsubordinated Notes:** Events of Default for each Tranche of Unsubordinated Notes, including a cross default provision, are set out in Condition 11.
- Status and other terms of Subordinated Notes:** The status of each Tranche of Subordinated Notes and any negative pledge and events of default applicable to such Subordinated Notes will be set out in the applicable Pricing Supplement.
- Listing:** Application has been made to admit the Notes to the Official List and to trading on the London Stock Exchange. The Notes may also be listed on such other or additional stock exchange or securities market as may be agreed between the Bank and the relevant Dealer and approved by the Trustee (such approval not to be unreasonably withheld). Unlisted Notes may also be issued by the Bank. The applicable Pricing Supplement will state whether or not the Notes are to be listed and, if so, the relevant stock exchange.
- Governing Law:** English.

Form of the Notes

The Notes of each Tranche in bearer form (“Bearer Notes”) will initially be represented by one or more temporary global Notes in bearer form without Coupons, Receipts or Talons (each as defined in “Conditions of the Notes”) which will be deposited on the issue date with a common depository on behalf of Euroclear Bank S.A./N.V. as operator of the Euroclear System (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”).

If an interest payment date for any Bearer Notes occurs whilst such Notes are represented by a temporary global Note, the related interest payment will be made through Euroclear and/or Clearstream, Luxembourg against presentation of the temporary global Note only to the extent that certification of non-U.S. beneficial ownership (in the form set out in the temporary global Note) has been received by Euroclear or Clearstream, Luxembourg. On or after the date (the “Exchange Date”) which is 40 days after the date on which the temporary global Note is issued, provided that certification of non-U.S. beneficial ownership has been received, interests in the temporary global Note will be exchanged either for (i) interests in a permanent global Note in bearer form or (ii), at the option of the Bank, Notes in definitive bearer form. No payments of interest will be made on a temporary global Note after the Exchange Date. Payments of principal, premium (if any) or interest (if any) on a permanent global Note will be made through Euroclear or Clearstream, Luxembourg against presentation or surrender, as the case may be, of the permanent global Note without any requirement for certification of non-U.S. beneficial ownership. The applicable Pricing Supplement will specify whether a permanent global Note will be exchangeable in whole or (subject to the Notes which continue to be represented by the permanent global Note being regarded by Euroclear and Clearstream, Luxembourg as fungible with any definitive Notes issued in partial exchange for such permanent global Note) (i) upon at least 45 days’ written notice expiring at least 30 days after the Exchange Date from the holders of interests in the permanent global Note or (ii) in part for security-printed definitive Bearer Notes only upon the occurrence of an Exchange Event. For these purposes, “Exchange Event” means that (i) the Bank has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Trustee is available or (ii) the Bank has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the permanent global Note to be in definitive form. The Bank will promptly give notice to Noteholders in accordance with Condition 16 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such permanent global Note) or the Trustee may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (ii) above, the Bank may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 60 days after the date of receipt of the first relevant notice by the Agent. At present, neither Euroclear nor Clearstream, Luxembourg regard Notes in global form as fungible with Notes in definitive form. Temporary and permanent global Notes and definitive Bearer Notes will be issued by the Agent acting on behalf of the Bank.

The Notes of each Tranche in registered form (“Registered Notes”) will either (i) initially be represented by one or more temporary global Notes in bearer form which will be deposited with a common depository for Euroclear and Clearstream, Luxembourg and will be exchangeable for definitive Registered Notes in whole or in part upon not less than 30 days’ written notice or (ii) be issued in definitive registered form.

The following legend will appear on all Bearer Notes and Coupons: “Any United States person (as defined in the United States Internal Revenue Code) who holds this obligation will be subject to limitations under the United States income tax laws including the limitations provided in sections 165(j) and 1287(a) of such Code.”

For so long as any of the Notes are represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Bank, Trustee, any Paying Agent and any Transfer Agent as the holder of such nominal amount of Notes

for all purposes other than with respect to payments on the Notes for which purpose the bearer of the relevant global Note shall be treated by the Bank, the Trustee and any Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant global Note and the Trust Deed and the terms “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly. Notes held in Euroclear and/or Clearstream, Luxembourg and which are represented by a global Note will only be transferable, and payment in respect of them will only be made, in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearance system agreed between the Bank, the Agent, the Trustee and the relevant Dealer.

Applicable Pricing Supplement

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme.

[Date]

Commonwealth Bank of Australia

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the U.S.\$10,000,000,000 Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Schedule of Forms dated 26th September, 2001, and as reproduced in the Programme Circular dated 26th September, 2001. This Pricing Supplement is supplemental to and must be read in conjunction with such Schedule of Forms and Programme Circular.

[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs.]

- | | |
|--|--|
| 1. Issuer: | Commonwealth Bank of Australia |
| 2. Form of Notes: | [Bearer/Registered/Bearer and Registered –
<i>specify whether exchanges of Bearer for
Registered Notes is permitted</i>] |
| 3. [(i)] Series of which Notes are to be treated
as forming part: | [] |
| [(ii)] Tranche Number: | []
<i>(If fungible with an existing Series, details of
that Series, including the date on which the
Notes become fungible)</i> |
| 4. Specified Currency or Currencies: | [] |
| 5. Aggregate Nominal Amount: | |
| [(i)] Series: | [] |
| [(ii)] Tranche: | [] |
| 6. (i) Issue Price of Tranche: | [] per cent. of the Aggregate Nominal
Amount [plus accrued interest from [<i>insert
date</i>] (<i>in the case of fungible issues only, if
applicable</i>)] |
| (ii) Net proceeds:
<i>(Required only for listed issues)</i> | [] |
| 7. Specified Denominations: | []
[] |

8. [(i)] Issue Date: []
 [(ii)] Interest Commencement Date: []
9. Maturity Date: *[Fixed rate – specify date/
 Floating rate – Interest Payment Date falling
 in or nearest to [specify month]]*
10. Interest Basis: [Fixed Rate]
 [Floating Rate]
 [Zero Coupon]
 [Low Interest (discount)]
 [High Interest (premium)]
 [Index Linked Interest]
[specify other]
 (further particulars specified below)
11. Redemption/Payment Basis: [Redemption at par]
 [Index Linked Redemption]
 [Dual Currency]
 [Partly-Paid]
 [Instalment]
[specify other]
12. Change of Interest Basis or Redemption/
 Payment Basis: *[Specify details of any provision for change of
 Notes into another Interest Basis or
 Redemption / Payment Basis]*
13. Put/Call Options: [Investor Put]
 [Issuer Call]
 [(further particulars specified below)]
14. Status of the Notes: [Unsubordinated/Subordinated – *give details*]
15. Listing: [London/specify other/None]
16. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
*(If not applicable, delete the remaining
 sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [] per cent. per annum [payable
 [annually/semi-annually/quarterly] in arrear]
*(If payable other than annually, consider
 amending Condition 5)*
- (ii) Interest Payment Date(s): [] in each year
- (iii) Fixed Coupon Amount(s): [] per [] in nominal amount
- (iv) Broken Amount(s): *[Insert particulars of any initial or final broken
 interest amounts which do not correspond with
 the Fixed Coupon Amount]*
- (v) Day Count Fraction: [30/360 or Actual/Actual (ISMA) or *specify other*]
*(NB: if interest is not payable on a regular
 basis (for example, if there are Broken Amounts
 specified) Actual/Actual (ISMA) may not be a
 suitable Day Count Fraction)*
- (vi) Other terms relating to the method of
 calculating interest for Fixed Rate Notes: [None/Give details]

18. Floating Rate Note Provisions

[Applicable/Not Applicable]
(If not applicable, delete the remaining
sub-paragraphs of this paragraph)

- (i) Specified Period(s)/Specified Interest Payment Dates: []
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (iii) Additional Business Centre(s): []
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): []
- (vi) Screen Rate Determination:
- Reference Rate: []
(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)
 - Interest Determination Date(s): []
(Second London business day prior to the start of each Interest Period if EURIBOR or LIBOR (other than sterling LIBOR) and first day of each Interest Period if sterling LIBOR)
 - Relevant Screen Page: []
(In the case of EURIBOR, if not Telerate page 248 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (vii) ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (viii) Margin(s): [+/-] [] per cent. per annum
- (ix) Minimum Rate of Interest: [] per cent. per annum
- (x) Maximum Rate of Interest: [] per cent. per annum
- (xi) Day Count Fraction: [Actual/365
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360
30E/360
Other]
(See Condition 5)

- (xii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []
- 19. Zero Coupon Note Provisions** [Applicable/Not Applicable]
(These provisions also apply to Low Interest (discount) and High Interest (premium) Notes) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Amortisation Yield: [] per cent. per annum
- (ii) Reference Price: []
- (iii) Any other formula/basis of determining amount payable: []
(Consider applicable day count fraction if not U.S. dollar denominated)
- (iv) Day Count Fraction in relation to Zero Coupon Notes: [Conditions 5(c) and 6(f) apply/specify other]
- 20. Index Linked Interest Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Index/Formula: [give or annex details]
- (ii) Calculation Agent responsible for calculating the interest due: []
- (iii) Provisions for determining coupon where calculation by reference to Index and/or Formula is impossible or impracticable: []
- (iv) Specified Period(s)/Specified Interest Payment Dates: []
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
- (vi) Additional Business Centre(s): []
- (vii) Minimum Rate of Interest: [] per cent. per annum
- (viii) Maximum Rate of Interest: [] per cent. per annum
- (ix) Day Count Fraction: []
- 21. Dual Currency Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest payable: []
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: []
- (iv) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

22. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): []
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: []
- (b) Higher Redemption Amount: []
- (iv) Notice period (if other than as set out in the Conditions): []
23. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s) []
- (ii) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): []
- (iii) Notice period (if other than as set out in the Conditions): []
24. Final Redemption Amount of each Note: [Par/specify other/see Appendix]
25. Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6(g)): []

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26. Any applicable Taxing Jurisdiction: [specify]
27. Form of Notes: ***Bearer Notes:***
Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 45 days' notice/only upon an Exchange Event].]

[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date.]

[Permanent Global Note exchangeable for Definitive Notes [on 45 days' notice/only upon an Exchange Event].]
- Registered Notes:***
[Temporary Global Note/Definitive Notes.]
28. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details]
(Note that this item relates to the place of payment and not Interest Period end dates to which item 18(iii) relates)

29. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
30. Details relating to Partly-Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/*give details. NB: a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly-Paid issues*]
31. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/*give details*]
32. Redenomination applicable: Redenomination [not] applicable [(if Redenomination is applicable, specify all relevant provisions in the applicable Pricing Supplement)]
33. Other terms or special conditions: [Not Applicable/*give details*]

DISTRIBUTION

34. (i) If syndicated, names of Managers: [Not Applicable/*give names*]
(ii) Stabilising Dealer (if any): [Not Applicable/*give name*]
35. If non-syndicated, name of relevant Dealer: []
36. Additional selling restrictions: [Not Applicable/*give details*]

OPERATIONAL INFORMATION

37. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
38. Delivery: Delivery [against/free of] payment
39. Additional Paying Agent(s) (if any): []
ISIN: []
Common Code: []

[LISTING APPLICATION

This Pricing Supplement comprises the details required to list the issue of Notes described herein pursuant to the listing of the U.S.\$10,000,000,000 Euro Medium Term Note Programme of Commonwealth Bank of Australia.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By:

Duly authorised

For the purpose of calculating the U.S. dollar equivalent of the nominal amount of Notes outstanding under the Programme from time to time, (i) Zero Coupon Notes, Low Interest (discount) Notes and High Interest (premium) Notes will be included in such nominal amount by reference to the net proceeds received by the Bank for the relevant issue, (ii) Dual Currency Notes and Index Linked Notes shall be included in such nominal amount by reference to the original nominal amount of the relevant issue, (iii) the nominal amount of Partly-Paid Notes will be taken into account regardless of the amount of the subscription price paid and (iv) the U.S. dollar equivalent of Notes denominated in another Specified Currency shall be determined as of the date of agreement to issue such Notes (the "Agreement Date") on the basis of the Exchange Rate on such date. As used in this paragraph, the "Exchange Rate" against U.S. dollars for any currency means the spot rate for the sale of U.S. dollars against the purchase of such currency in the London foreign exchange market on the Agreement Date quoted by any leading bank selected by the Bank and approved by the Trustee.

If, other than in connection with an issue of Subordinated Notes, the Pricing Supplement relating to a specific issue specifies any modifications to the Conditions of the Notes as described below, it is envisaged that, to the extent that such modifications (not being significant for the purposes of section 147 of the Financial Services Act 1986) relate only to Conditions 1, 2, 5, 6 (except Condition 6(b)), 7, 14, 15 and 17, they will not necessitate the preparation of supplementary listing particulars. Subject as provided above, if the Conditions of the Notes are to be modified in any other respect, it is envisaged that supplementary listing particulars or, if appropriate, further listing particulars describing the modifications will be prepared.

Conditions of the Notes

The following are the Conditions of the Notes which (subject to amendment) will be incorporated by reference into each global Note and will be endorsed upon each definitive Note provided that the applicable Pricing Supplement in relation to any Note may specify other conditions which shall, to the extent so specified or to the extent inconsistent with the following Conditions, replace or modify the following Conditions for the purpose of such Note. The applicable Pricing Supplement will be endorsed upon, or attached to, each global Note and definitive Note.

This Note is one of a Series of Euro Medium Term Notes (all of the Euro Medium Term Notes from time to time issued by the Commonwealth Bank of Australia (the “Bank”) which are for the time being outstanding being hereinafter referred to as the “Notes”, which expression shall include (i) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination in the Specified Currency of the relevant Notes, (ii) definitive Notes issued in exchange (or part exchange) for a global Note and (iii) any global Note) constituted by a Trust Deed dated 28th October, 1992 (as modified and/or restated from time to time, the “Trust Deed”) made between the Bank and The Law Debenture Trust Corporation p.l.c. (the “Trustee” which expression shall, wherever the context so admits, include such company and all other persons or companies for the time being trustee or trustees for the holders of the Notes) as trustee for the holders of the Notes (the “Noteholders”). Copies of the Trust Deed together with copies of the Amended and Restated Agency Agreement (the “Agency Agreement”) dated 26th September, 2001 and made between the Bank, the Trustee, Deutsche Bank AG London as agent (the “Agent” which expression shall include any successor as agent), Deutsche Bank Luxembourg S.A. as registrar (the “Registrar” which expression shall include any successor as registrar) and the paying agents and transfer agents named therein (the “Paying Agents” and the “Transfer Agents”, which expressions shall include any additional or successor paying agents and transfer agents) are available for inspection at the registered office for the time being of the Trustee, being at the date hereof at Fifth Floor, 100 Wood Street, London EC2V 7EX, and at the specified office of each of the Paying Agents.

As used herein, “Series” means each original issue of Notes together with any further issues expressed to form a single series with the original issue and the terms of which (save for the Issue Date or Interest Commencement Date, as the case may be, the Issue Price and the amount of the first payment of interest (if any), all as indicated in the applicable Pricing Supplement) are otherwise identical (including whether or not they are listed) and shall be deemed to include the temporary and (where applicable) permanent global Notes and the definitive Notes of such issues and the expressions “Notes of this Series” and “holders of Notes of this Series” and related expressions shall be construed accordingly. As used herein, “Tranche” means all Notes of the same Series with the same Issue Date.

The applicable Pricing Supplement (which term, as used herein, means, in relation to this Note, the Pricing Supplement attached hereto or endorsed hereon) may specify other Conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace these Conditions for the purposes of this Note.

The Noteholders, the holders for the time being of the Receipts (as defined below) (the “Receiptholders”), the holders for the time being of the Coupons (as defined below) (the “Couponholders”) and the holders for the time being of the Talons (as defined below) (the “Talonholders”) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions relating to the Notes contained in the Trust Deed, the applicable Pricing Supplement and the Agency Agreement which are applicable to them. Words and expressions defined in the Trust Deed or defined or set out in the applicable Pricing Supplement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated. Copies of the applicable Pricing Supplement are available for inspection by the holders of Notes of this Series at the office of the Agent set out at the end of these Conditions. The statements in these Conditions are summaries of the detailed provisions of the Trust Deed which provisions shall have precedence over these Conditions if there is any inconsistency.

1 **Form, Denomination and Title**

The Notes of this Series are Bearer Notes and/or Registered Notes as specified in the applicable Pricing Supplement and are in the Specified Currency and in the Specified Denomination(s). Definitive Notes of this Series (if issued) will be serially numbered. This Note is an Unsubordinated Note or a Subordinated Note as indicated in the applicable Pricing Supplement. This Note is also a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Low Interest (discount) Note, a High Interest (premium) Note or an Index Linked Interest Note or any appropriate combination thereof depending upon the Interest Basis specified in the applicable Pricing Supplement and is a Dual Currency Note, an Index Linked Redemption Note, an Instalment Note or a Partly-Paid Note, or a combination of any of the foregoing, depending on the Redemption/Payment Basis specified in the applicable Pricing Supplement. If this Note is a definitive Bearer Note, it is issued with Coupons for the payment of interest ("Coupons") and, if applicable, Talons for further Coupons ("Talons") attached, unless it is a Zero Coupon Note in which case references to interest (other than in relation to interest due after the Maturity Date) and Coupons or Talons in these Conditions are not applicable. If this Note is a definitive Bearer Note redeemable in instalments, it is issued with Receipts ("Receipts") for the payment of instalments of principal prior to the final Maturity Date attached. Wherever Dual Currency Notes, Index Linked Notes, Low Interest (discount) Notes or High Interest (premium) Notes are issued to bear interest on a fixed or floating rate basis or on a non-interest-bearing basis, the provisions in these Conditions relating to Fixed Rate Notes, Floating Rate Notes and Zero Coupon Notes respectively shall, where the context so admits, apply to such Dual Currency Notes, Index Linked Notes, Low Interest (discount) Notes or High Interest (premium) Notes. In the case of Dual Currency Notes, references to the Specified Currency in relation to any payment or calculation of a payment are to the currency in which that payment is required to be made. This Note is also an Index Linked Note where payment in respect of principal (each an "Index Linked Redemption Note") and/or interest (each an "Index Linked Interest Note") is linked to an Index and/or a Formula, and the appropriate provisions of these Conditions will apply accordingly. References in these Conditions, except in this paragraph, Condition 7 and Condition 10, to Coupons or Couponholders shall be deemed to include references to Talons or Talonholders and Receipts or Receiptholders.

Subject as set out below, title to the definitive Bearer Notes and the Coupons will pass by delivery and title to the definitive Registered Notes will pass upon the registration of transfers in accordance with the provisions of the Agency Agreement and the Trust Deed. The holder of each Coupon, whether or not such Coupon is attached to a Bearer Note, in his capacity as such, shall be subject to, and bound by, all the provisions contained in the relevant Note. Subject as set out below, the Bank, the Trustee, any Paying Agent and any Transfer Agent may (to the fullest extent permitted by applicable laws) deem and treat the bearer of any Bearer Note or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not such Note or Coupon shall be overdue and notwithstanding any notation of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out below.

For so long as any Notes are represented by a global Note held on behalf of Euroclear Bank S.A./N.V. as operator of the Euroclear System ("Euroclear") and/or Clearstream Banking société anonyme ("Clearstream, Luxembourg"), each person who is for the time being shown in the records of Euroclear and/or Cedelbank as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Bank, the Trustee and any Paying Agent as the holder of such nominal amount of Notes for all purposes other than with respect to payments on the Notes for which purpose the bearer of the relevant global Note shall be treated by the Bank, the Trustee and any Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant global Note and the Trust Deed and the terms "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, except in the preceding paragraph and in Condition 16, wherever the context so permits, be deemed to include a reference to any additional or alternative clearance system approved by the Trustee and specified in the applicable Pricing Supplement.

Notes which are represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg will only be transferable in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg, as the case may be.

2 Transfer and Exchange

- (a) A Registered Note may be transferred in whole or in part (in the nominal amount of the lowest Specified Denomination or any integral multiple thereof) by the deposit by the transferor of the Registered Note for registration of the transfer at the specified office of a Transfer Agent with the form of transfer endorsed on the Registered Note duly completed and executed by or on behalf of the transferor and upon the relevant Transfer Agent (after due and careful enquiry) being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Bank and the Registrar may (with the prior approval of the Trustee) prescribe. Subject as provided above, the relevant Transfer Agent will, within fourteen days of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), deliver at its specified office to the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request a new Registered Note of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note, a new Registered Note in respect of the balance of the Registered Note not transferred will be so delivered or (at the risk of the transferor) sent to the transferor.
- (b) A definitive Bearer Note (provided that all unmatured Coupons appertaining to the definitive Bearer Note are attached) may, where the applicable Pricing Supplement so permits, be exchanged for a Registered Note of a like aggregate nominal amount by surrender of the definitive Bearer Note and Coupons to a Transfer Agent at its specified office, together with a written request for the exchange in the form for the time being available from the specified office of any Transfer Agent, provided that a definitive Bearer Note surrendered in exchange for a Registered Note after a Record Date (as defined in Condition 7(b)) and on or before the next following Interest Payment Date is not required to be surrendered with the Coupon maturing on the Interest Payment Date. Interest on a Registered Note issued on exchange will accrue as from that immediately preceding Interest Payment Date, except where issued in respect of a definitive Bearer Note surrendered after a Record Date and on or before the next following Interest Payment Date, in which event interest shall accrue as from the next following Interest Payment Date. Within fourteen days of the request, the relevant Transfer Agent will deliver at its specified office to the holder or (at the risk of the holder) send by mail to such address as may be specified by the holder in the request a Registered Note of a like aggregate nominal amount to the definitive Bearer Note exchanged.
- (c) No exchange of a Registered Note for a definitive Bearer Note will be permitted. Definitive Bearer Notes of one Specified Denomination may not be exchanged for definitive Bearer Notes of another Specified Denomination.
- (d) In the event of a partial redemption of Notes under Condition 6(c), the Bank shall not be required:
- (i) to register the transfer of Registered Notes (or parts of Registered Notes) or to exchange definitive Bearer Notes for Registered Notes during the period beginning on the sixty-fifth day before the date of the partial redemption and ending on the day on which notice is given specifying the serial numbers of Notes called (in whole or in part) for redemption (both inclusive); or
 - (ii) to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption; or
 - (iii) to exchange any definitive Bearer Note called for partial redemption;
- except that a definitive Bearer Note called for partial redemption may be exchanged for a Registered Note which is simultaneously surrendered not later than the relevant Record Date.
- (e) Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer or any exchange as provided above, except for any costs or expenses of delivery other than at the specified office of a Transfer Agent or by regular mail and except that the Bank may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration or exchange.

- (f) The names of the initial Registrar and other initial Transfer Agents and their initial specified offices in respect of this Series of Notes are set out at the end of these Conditions. The Bank reserves the right, subject to the approval of the Trustee, at any time to vary or terminate the appointment of the Registrar or any other Transfer Agent and to appoint another Registrar or additional or other Transfer Agents provided that it will at all times maintain a Registrar and another Transfer Agent each having a specified office in a place approved by the Trustee which, in the case of the Registrar and so long as any Notes of this Series are admitted to the official list (the “Official List”) of the UK Listing Authority and to trading on the London Stock Exchange plc’s market for listed securities or on another stock exchange, shall be in London or such other place as may be required by that stock exchange. Notice of any termination or appointment and of any changes in specified offices will be given to the holders of the Notes of this Series promptly by the Bank in accordance with Condition 16.

3 Status of the Notes

(a) Status (Unsubordinated Notes)

If the Notes of this Series are Unsubordinated Notes, the Notes of this Series and the relative Coupons (if any) are direct, unconditional and unsecured obligations of the Bank and rank without any preference or priority among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations (other than in respect of statutorily preferred creditors) of the Bank subject to the provisions of the following paragraphs and of Condition 4.

Section 13A(3) of the Banking Act 1959 of the Commonwealth of Australia provides that, in the event of a bank becoming unable to meet its obligations or suspending payment, the assets of the bank in Australia shall be available to meet its deposit liabilities in Australia in priority to all other liabilities of the bank.

Section 16(2) of the Banking Act 1959 of the Commonwealth of Australia provides that, despite anything contained in any law relating to the winding up of companies, but subject to Section 13A(3) of the Banking Act 1959, the debts of a bank to the Australian Prudential Regulatory Authority (“APRA”) in respect of of APRA’s costs (including costs in the nature of remuneration and expenses) of being in control of a bank’s business or of having an administrator in control of a bank’s business have priority in a winding up of the bank over all other unsecured debts.

Section 86 of the Reserve Bank Act 1959 of the Commonwealth of Australia provides that notwithstanding anything contained in any law relating to the winding up of companies, but subject to Section 13A(3) of the Banking Act 1959, debts due to the Reserve Bank of Australia by a bank shall, in the winding up, have priority over all other debts other than debts due to the Commonwealth of Australia.

(b) Status and Subordination (Subordinated Notes)

If the Notes of this Series are Subordinated Notes, the status and subordination of the Notes of this Series will be as set out in the applicable Pricing Supplement.

4 Negative Pledge

As long as any of the Notes of this Series or the relative Coupons (if any) remains outstanding (as defined in the Trust Deed) the Bank will not create or have outstanding any mortgage, pledge or other charge, upon or with respect to, any of its present or future assets or revenues to secure repayment of, or to secure any guarantee or indemnity in respect of, any external indebtedness without, at the same time, according to the Notes of this Series the same security or such other security as shall in the opinion of the Trustee be not materially less beneficial to the interests of the holders of the Notes of this Series or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the holders of the Notes of this Series. For this purpose “external indebtedness” means any obligation for the repayment of borrowed money in the form of or represented by bonds, notes, debentures or other securities:

- (i) which are initially offered outside the Commonwealth of Australia with the consent of the Bank in an amount exceeding 50 per cent. of the aggregate nominal amount of the relevant issue; and
- (ii) which are, or are capable of being, quoted, listed or ordinarily traded on any stock exchange or on any recognised securities market.

5 Interest

(a) Interest on Fixed Rate Notes

- (1) Each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly-Paid Note, the amount paid up) from and including the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest specified in the applicable Pricing Supplement payable in arrear on the Interest Payment Date(s) specified in the applicable Pricing Supplement in each year and on the Maturity Date if that does not fall on an Interest Payment Date.

Except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on such date will amount to the Fixed Coupon Amount. Payment of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

Interest will be paid subject to and in accordance with the provisions of Condition 7. Interest will cease to accrue on each Fixed Rate Note (or, in the case of the redemption of part only of a Fixed Rate Note, that part only of such Note) on the due date for redemption thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before any judgment) until, but excluding, whichever is the earlier of (A) the day on which all sums due in respect of such Fixed Rate Note up to that day are received by or on behalf of the holder of such Fixed Rate Note and (B) the day which is seven days after the date on which the Agent has notified the holder in accordance with Condition 16 that it has received all sums due in respect thereof up to that date.

- (2) If interest is required to be calculated for a period ending other than on an Interest Payment Date, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this Condition 5(a):

- (i) if “Actual/Actual (ISMA)” is specified in the applicable Pricing Supplement, the number of days in the relevant period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date divided by (x) in the case of Notes where interest is scheduled to be paid only by means of regular annual payments, the number of days in the period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the next scheduled Interest Payment Date or (y) in the case of Notes where interest is scheduled to be paid other than only by means of regular annual payments, the product of the number of days in the period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the next scheduled Interest Payment Date and the number of Interest Payment Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; and
- (ii) if “30/360” is specified in the applicable Pricing Supplement, the number of days in the period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360.

In these Conditions:

“Fixed Interest Period” means the period from and including an Interest Payment Date (or the Interest Commencement Date) to but excluding the next (or first, as the case may be) Interest Payment Date; and

“sub-unit” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) Interest on Floating Rate Notes and Index Linked Interest Notes

(1) *Interest Payment Dates*

Each Floating Rate Note and Index Linked Interest Note bears interest on its nominal amount from time to time outstanding (or, if it is a Partly-Paid Note, the amount paid up) from, and

including, the Issue Date (unless there is an Interest Commencement Date which is different from the Issue Date in which case the Floating Rate Note will bear interest from, and including, the Interest Commencement Date) and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) (each an "Interest Payment Date") in each year specified in the applicable Pricing Supplement; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each an "Interest Payment Date") which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Issue Date or, as the case may be, the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Issue Date or, as the case may be, the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (i) in any case where Specified Periods are specified in accordance with Condition 5(b)(1)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Interest Interval after the preceding applicable Interest Payment Date occurred; or
- (ii) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (iii) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (iv) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

(2) *Interest Payments and Accrual*

Interest will be paid subject to and in accordance with the provisions of Condition 7. Interest will cease to accrue on each Floating Rate Note or Index Linked Interest Note (or, in the case of the redemption of part only of a Floating Rate Note or Index Linked Interest Note, that part only of such Note) on the due date for redemption thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before any judgement) until, but excluding, whichever is the earlier of (A) the day on which all sums due in respect of such Floating Rate Note or Index Linked Interest Note up to that day are received by or on behalf of the holder of such Floating Rate Note or Index Linked Interest Note and (B) the day which is seven days after the date on which the Agent has notified the holder in accordance with Condition 16 that it has received all sums due in respect thereof up to that date.

(3) *Rate of Interest*

The Rate of Interest payable from time to time in respect of each Floating Rate Note and Index Linked Interest Note will be determined in the manner specified in the applicable Pricing Supplement.

(4) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period

specified in the applicable Pricing Supplement will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this Condition 5(b)(4), “ISDA Rate” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent or other person specified in the applicable Pricing Supplement under an interest rate swap transaction if the Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes, (the “ISDA Definitions”) and under which:

- (A) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (B) the Designated Maturity is a period specified in the applicable Pricing Supplement; and
- (C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency or on the Euro-zone inter-bank offered rate (EURIBOR) for calculations of payments in euro, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Pricing Supplement.

For the purposes of this Condition 5(b)(4), “Floating Rate”, “Calculation Agent”, “Floating Rate Option”, “Designated Maturity” and “Reset Date” have the meanings given to those terms in the ISDA Definitions.

When this Condition 5(b)(4) applies, in respect of each relevant Interest Period:

- (i) the Rate of Interest for such Interest Period will be the rate of interest determined by the Agent or other person specified in the applicable Pricing Supplement in accordance with this Condition 5(b)(4); and
- (ii) the Agent or other person specified in the applicable Pricing Supplement will be deemed to have discharged its obligations under Condition 5(b)(8) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this Condition 5(b)(4).

(5) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (specified in the applicable Pricing Supplement) which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Agent or other person specified in the applicable Pricing Supplement. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest rate, one only of such rates) and the lowest (or, if there is more than one such lowest rate, one only of such rates) shall be disregarded by the Agent or that other person for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph. Such provisions will apply to each Floating Rate Note where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

(6) *Minimum and/or Maximum Rate of Interest*

If the applicable Pricing Supplement specifies a minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the above provisions is less than such minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such minimum Rate of Interest. If the applicable Pricing Supplement specifies a maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the above provisions is greater than such maximum Rate of Interest, the Rate of Interest for such Interest Period shall be the maximum Rate of Interest.

(7) *Business Day, Interest Determination Date and Relevant Screen Page*

(i) In this Condition, "Business Day" means a day which is both:

(A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Pricing Supplement; and

(B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre) or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System (the "TARGET System") is open.

(ii) In this Condition, "Interest Determination Date" has the meaning set out in the applicable Pricing Supplement.

(iii) In this Condition, "Relevant Screen Page" has the meaning set out in the applicable Pricing Supplement.

(8) *Determination of Rate of Interest and Calculation of Interest Amount*

The Agent, in the case of Floating Rate Notes, the Calculation Agent specified in the applicable Pricing Supplement, in the case of Index Linked Interest Notes, or other person specified in the applicable Pricing Supplement will, as soon as practicable after 11.00 a.m. (London time) (or, if different, such other time as is customary in the principal financial centre of the country of the Specified Currency) on each Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable in respect of each Specified Denomination (each an "Interest Amount") for the relevant Interest Period.

Each Interest Amount shall be calculated by applying the Rate of Interest to a Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"Day Count Fraction" means, in respect of the calculation of an amount of interest for any Interest Period:

(i) if "Actual/365" or "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;

(iii) if "Actual/365 (sterling)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;

(v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Interest Period is

the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

- (vi) if “30E/360” or “Eurobond Basis” is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of an Interest Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

The determination of the Rate of Interest and calculation of each Interest Amount by the Agent or other person specified in the applicable Pricing Supplement shall (in the absence of manifest error) be final and binding upon all parties.

- (9) *Notification of Rate of Interest and Interest Amount*

The Agent will cause the Rate of Interest and the Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Bank, the Trustee and, in the case of Floating Rate Notes or Index Linked Interest Notes which are listed on a stock exchange, that stock exchange as soon as possible but in any event not later than the second Business Day after their determination and will cause notice of such information to be given to the holders of the Notes of this Series in accordance with Condition 16 not later than the fourth Business Day after their determination. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notification as aforesaid in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Notes affected thereby are for the time being listed.

- (10) *Determination or Calculation by Trustee*

If for any reason the Agent, the Calculation Agent or other person specified in the applicable Pricing Supplement does not at any time determine the Rate of Interest or calculate any Interest Amount as provided in this Condition, the Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition 5 but subject always to any minimum or maximum Rate of Interest specified in the applicable Pricing Supplement), it shall deem fair and reasonable in all the circumstances and/or, as the case may be, the Trustee shall calculate the Interest Amount in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent, the Calculation Agent or other person specified in the applicable Pricing Supplement.

- (11) *Notifications, etc. to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition by the Agent, the Calculation Agent or the Trustee will (in the absence of default, bad faith or manifest error by them or any of their directors, officers, employees or agents) be binding on the Bank, the Trustee, the Agent, the Calculation Agent, the Paying Agents and all holders of the Notes of this Series and Coupons relating thereto and (in the absence of any default, bad faith or manifest error as referred to above) no liability to the Bank or the holders of the Notes of this Series and Coupons relating thereto shall attach to the Agent, the Calculation Agent or the Trustee in connection with the exercise or non-exercise by them of their powers, duties and discretions under this Condition.

- (c) *Zero Coupon Notes, Low Interest (discount) Notes and High Interest (premium) Notes*

Where a Zero Coupon Note, Low Interest (discount) Note or High Interest (premium) Note becomes due and repayable prior to the Maturity Date and is not paid when due, the amount due and repayable shall be the Amortised Face Amount of such Note as determined in accordance with Condition 6(f). As from the Maturity Date any overdue principal of such Note shall bear interest at a rate per annum equal to the Amortisation Yield. Such interest shall continue to accrue (as well after as before any judgement) until whichever is the earlier of (A) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the holder of such Note and (B) the day which is seven days after the date on which the Agent has notified the holder in accordance with Condition 16 that it has received all sums due in respect thereof up to that date.

Unless otherwise specified in the applicable Pricing Supplement, such interest will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed.

(d) Dual Currency Notes

In the case of Dual Currency Notes where the rate of interest falls to be determined by reference to the Rate of Exchange, the provisions for determining the rate of interest, accrual of interest, calculation of interest amounts, determination of interest payment dates and other relevant provisions shall be specified in the applicable Pricing Supplement and payment shall be made in accordance with Condition 7.

(e) Partly-Paid Notes

In the case of Partly-Paid Notes (other than Partly-Paid Notes which are Zero Coupon Notes) interest will accrue on the paid up nominal amount of such Notes and otherwise as indicated in the applicable Pricing Supplement.

6 Redemption and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, each Note of this Series will be redeemed at its Final Redemption Amount in the relevant Specified Currency on the Maturity Date (as specified in the applicable Pricing Supplement).

(b) Redemption for Tax Reasons

The Notes of this Series may be redeemed at the option of the Bank in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes and Index Linked Interest Notes) or on any Interest Payment Date (in the case of Floating Rate Notes and Index Linked Interest Notes), on giving not less than 30 nor more than 60 days' notice in accordance with Condition 16 (which notice shall be irrevocable), at the Early Redemption Amount provided in, or calculated in accordance with, paragraph (g) or (h) (as applicable) below, together with (if provided in such paragraphs) interest accrued up to, but excluding, the date fixed for redemption, if the Bank satisfies the Trustee immediately prior to the giving of such notice that (i) it has or will become obliged to pay additional amounts as provided or referred to in Condition 9 as a result of any change in, or amendment to, the laws or regulations of the Commonwealth of Australia or a Taxing Jurisdiction (as defined in Condition 9) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including the manner of exercising any official discretion thereunder), which change or amendment becomes known generally or to the Bank on or after the Issue Date (or, in the case of a second or subsequent Tranche of Notes of this Series, the Issue Date for the original Tranche) provided that no such notice of redemption shall be given in respect of the Notes of this Series earlier than 90 days prior to the earliest date on which the Bank would be obliged to pay such additional amounts and, for the purpose only of determining the earliest date on which such notice may be given, it shall be deemed that a payment, in respect of which the Bank would be obliged to pay such additional amounts, is due in respect of the Notes of this Series on the day on which any such change or amendment becomes effective.

(c) Redemption at the Option of the Bank (Issuer Call)

If Issuer Call is specified in the applicable Pricing Supplement, the Bank may, on any Optional Redemption Date specified in the applicable Pricing Supplement at its option, on giving not less than 30 nor more than 60 days' notice or such other notice period specified in the applicable Pricing Supplement to the holders of the Notes of this Series (which notice shall be irrevocable) in accordance with Condition 16, redeem all or from time to time some only of the Notes of this Series then outstanding on the relevant Optional Redemption Date and at the Optional Redemption Amount indicated in the applicable Pricing Supplement together with (in the case of Fixed Rate Notes) interest accrued up to, but excluding, the relevant Optional Redemption Date. In the event of a redemption of some only of such Notes, such redemption must be for an amount being equal to the Minimum Redemption Amount or a Higher Redemption Amount (if any) specified in the applicable Pricing Supplement. In the case of a partial redemption of Notes, Notes to be redeemed will be selected individually by lot in such place as the Trustee may approve and in such manner as the Trustee shall deem to be appropriate and fair (without involving any part only of a Bearer Note) not less than 40 days prior to the date fixed for redemption. In the case of a partial redemption where some or all of the Notes are represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, such redemption with respect to those Notes will

take place in accordance with the procedures of Euroclear and/or Clearstream, Luxembourg from time to time. Each notice of redemption will specify the date fixed for redemption and, in the case of a partial redemption, the aggregate nominal amount, and, where some or all of the Notes are in definitive form, the serial numbers, of the Notes to be redeemed and, in each case, the aggregate nominal amount of the Notes of this Series which will be outstanding after the partial redemption. In addition, in the case of a partial redemption of a Series of Notes which includes Registered Notes, the Bank will publish an additional notice of redemption not less than 80 nor more than 95 days before the date fixed for redemption which notice will specify the period during which exchanges or transfers of Notes may not be made as provided in Condition 2.

(d) Redemption at the Option of the Noteholders (Investor Put)

If Investor Put is specified in the applicable Pricing Supplement, upon any Noteholder giving to the Bank in accordance with Condition 16 not less than 30 nor more than 60 days' notice (the "notice period"), the Bank will, upon the expiry of such notice redeem in whole (but not in part) the Notes the subject of the notice on the Optional Redemption Date and at the Optional Redemption Amount indicated in the applicable Pricing Supplement together with (in the case of Fixed Rate Notes) interest accrued up to, but excluding, the Optional Redemption Date. If the Notes are in definitive form, to exercise the right to require redemption of his Notes, the holder of the Notes must deliver such Notes on any business day (as defined in Condition 7(h)) falling within the notice period at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or from the Registrar (a "Put Notice") and, in the case of a Put Notice in respect of Bearer Notes, in which the holder must specify a bank account outside Australia to which payment is to be made under this Condition. A Put Notice, once delivered, shall be irrevocable and the Bank shall redeem all Notes delivered therewith on the applicable redemption date.

(e) Pricing Supplement

The applicable Pricing Supplement indicates that either (1) this Note cannot be redeemed prior to its Maturity Date except as provided in paragraph (b) above) or (2) that this Note will be redeemable at the option of the Bank and/or the holder of this Note prior to such Maturity Date in accordance with the provisions of paragraphs (c) and/or (d) above an Optional Redemption Date and at an Optional Redemption Amount and in any Minimum Redemption Amount or Higher Redemption Amount indicated therein or (3) that this Note will be redeemable in instalments and the relevant Instalment Amounts and Instalment Dates.

(f) Zero Coupon Notes, Low Interest (discount) Notes and High Interest (premium) Notes

(1) The amount payable in respect of any Zero Coupon Note, Low Interest (discount) Note or High Interest (premium) Note upon redemption of such Note pursuant to paragraph (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 11 shall be the Amortised Face Amount (calculated as provided below) of such Note.

(2) Subject to the provisions of sub-paragraph (3) below, the Amortised Face Amount of any Zero Coupon Note, Low Interest (discount) Note or High Interest (premium) Note shall be the sum of (A) the sum of (i) the Reference Price and (ii) the aggregate amortisation of the difference between the Reference Price and the nominal amount of the Note from, and including, the Issue Date to, but excluding, the date on which the Note is redeemed or becomes due and repayable as provided in Condition 11 at a rate per annum (expressed as a percentage) equal to the Amortisation Yield compounded annually and (B) interest (if any) accrued but unpaid to, but excluding, the date on which the Note is redeemed or becomes due and repayable as provided in Condition 11. Unless otherwise specified in the applicable Pricing Supplement, where such calculation is to be made for a period other than a full year, it shall be made on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed.

(3) If the amount payable in respect of any Zero Coupon Note, Low Interest (discount) Note or High Interest (premium) Note upon redemption of such Note pursuant to paragraph (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 11 is not paid when due, the amount due and repayable in respect of such Note shall be the Amortised Face Amount of such Note calculated pursuant to sub-paragraph (2) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and repayable was replaced by a reference to the date (the "Reference Date") which is the earlier of (A) the date

on which all sums due in respect of the Note up to that day are received by or on behalf of the holder thereof and (B) the date on which the Agent has notified the holder in accordance with Condition 16 that it has received all sums due in respect thereof up to that date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made, after as well as before judgment, until the Reference Date unless the Reference Date falls on or after the Maturity Date, in which case the amount due and repayable shall be the nominal amount of such Note together with any interest which may accrue in accordance with Condition 5(c).

(g) Early Redemption Amounts

For the purposes of paragraph (b) above and Condition 11, unless otherwise indicated in the applicable Pricing Supplement, Notes (other than Index Linked Redemption Notes and Dual Currency Notes) will be redeemed at their Early Redemption Amount, being (1) in the case of Fixed Rate Notes or Floating Rate Notes (other than Low Interest (discount) Notes and High Interest (premium) Notes) the Final Redemption Amount (2) in the case of Zero Coupon Notes, Low Interest (discount) Notes or High Interest (premium) Notes at the Amortised Face Amount of such Notes determined in accordance with paragraph (f) above, in each case in the relevant Specified Currency together with, in the case of Fixed Rate Notes redeemed pursuant to paragraph (b) above, interest accrued to, but excluding, the date fixed for redemption.

(h) Index Linked Redemption Notes and Dual Currency Notes

In respect of an Index Linked Redemption Note or a Dual Currency Note where the amount payable in respect of principal upon redemption (the "Final Redemption Amount") falls to be determined by reference to the Index and/or the Formula or, as the case may be, the Rate of Exchange, the Final Redemption Amount shall be determined in accordance with the Index and/or the Formula or, as the case may be, the Rate of Exchange in the manner specified in the applicable Pricing Supplement and each such Index Linked Redemption Note or Dual Currency Note shall, unless previously redeemed or purchased and cancelled as provided below, be redeemed at the applicable Final Redemption Amount together, where relevant, with interest accrued to, but excluding, the date fixed for redemption on the Maturity Date. In respect of an Index Linked Redemption Note or a Dual Currency Note where the amount payable on an early redemption (including an early redemption pursuant to Condition 11) in respect of principal only, principal and interest or interest only (the "Early Redemption Amount") falls to be determined in whole or in part by reference to the Index and/or the Formula or, as the case may be, the Rate of Exchange, the Early Redemption Amount shall be calculated in accordance with the applicable Pricing Supplement and shall be paid together with, in the case of a Fixed Rate Note where the Early Redemption Amount is calculated in respect of principal only, interest accrued to, but excluding, the date fixed for redemption.

(i) Purchase and Cancellation

The Bank may (subject as provided below) at any time purchase Notes of this Series (provided that all unmatured Coupons appertaining to such Notes, if in definitive bearer form, are attached thereto or surrendered therewith) in any manner and at any price. If purchases are made by tender, tenders must be made available to all holders of Notes of this Series alike.

All Notes of this Series together, in the case of definitive Notes in bearer form, with all unmatured Coupons appertaining thereto, purchased by or on behalf of the Bank (other than those purchased in the ordinary course of the business of dealing in securities) will be cancelled forthwith.

(j) Partly-Paid Notes

Partly-Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition as modified by the provisions of the applicable Pricing Supplement.

(k) Instalments

Each Note which is redeemable in instalments will be redeemed in the Instalment Amounts and on the Instalment Dates, in the case of all instalments other than the final instalment by (in the case of Bearer Notes in definitive form) surrender of the relevant Receipt (which must be presented with the Note to which it appertains) or by (in the case of Notes represented by a global Note) presentation and endorsement of the global Note, and (in the case of the final instalment) by surrender of the relevant Note, all in accordance with Condition 7.

7 Payments and Exchange of Talons

(a) Payments in respect of definitive Bearer Notes

- (1)** Payments of principal and interest (if any) in respect of definitive Bearer Notes (if issued) will (subject as provided below) be made against surrender (or, in the case of part payment only, presentation and endorsement) of definitive Bearer Notes, Receipts or Coupons (which expression, in this Condition and Condition 10, shall not include Receipts or Talons), as the case may be, at any specified office of any Paying Agent outside Australia.
- (2)** In the case of Bearer Notes in definitive form, payments of principal in respect of instalments (if any), other than the final instalment, will (subject as provided below) be made against surrender (or, in the case of part payment only, presentation and endorsement) of the relevant Receipt. Payment of the final instalment will be made against surrender (or, in the case of part payment only, presentation and endorsement) of the relevant definitive Bearer Note. Each Receipt must be presented for payment of such instalment together with the relevant definitive Bearer Note against which the amount will be payable in respect of that instalment. If any definitive Bearer Notes are redeemed or become repayable prior to the Maturity Date in respect thereof, principal will be payable on surrender of each such Note together with all unmatured Receipts appertaining thereto. Unmatured Receipts and Receipts presented without the definitive Bearer Notes to which they appertain do not constitute obligations of the Bank.
- (3)** All payments of principal and interest with respect to definitive Bearer Notes will be made outside Australia and (except as otherwise provided in paragraph (d) below) the United States. Payments in any currency other than euro in respect of definitive Bearer Notes will (subject as provided below) be made by transfer to an account (in the case of payment in Yen to a non-resident of Japan, a non-resident account) in the Specified Currency maintained by the payee with a bank in the principal financial centre of the country of the Specified Currency (or, if the Specified Currency is Australian dollars, in London or another place outside Australia) provided that if at any time such payments cannot (in the opinion of the Trustee) be so made, then payments will be made outside Australia in such other manner as the Bank may, with the prior written approval of the Trustee, determine and notify in accordance with Condition 16. Payments in euro in respect of definitive Bearer Notes will be made by transfer to a euro account outside Australia (or any other account outside Australia to which euro may be transferred) specified by the payee.

(b) Payments in respect of definitive Registered Notes

Payments of principal in respect of definitive Registered Notes will (subject as provided in this Condition) be made against presentation and surrender of such Registered Notes at the specified office outside Australia of the Registrar by a cheque in the Specified Currency drawn on a bank in the principal financial centre of the country of the Specified Currency. Payments of interest in respect of definitive Registered Notes will (subject as provided in this Condition) be made by a cheque in the Specified Currency drawn on a bank in the principal financial centre of the country of the Specified Currency and posted on the business day in the city in which the Registrar has its specified office immediately preceding the relevant due date to the holder (or to the first named of joint holders) of the Registered Note appearing on the register at the close of business on the fifteenth day before the relevant due date (the "Record Date") at his address shown on the register on the Record Date. Upon application of the holder to the specified office of the Registrar not less than three business days in the city in which the Registrar has its specified office before the due date for any payment in respect of a Registered Note, the payment of principal and/or interest may be made (in the case of payment of principal against presentation and surrender of the relevant Registered Note as provided above) by transfer on the due date to an account in the Specified Currency maintained by the payee with a bank in the principal financial centre of the country of the Specified Currency subject to the provisions of the following two sentences. If the Specified Currency is Australian dollars, payment will be made (in the case of a transfer to a bank account) by transfer to an account in London or another place outside Australia and, if the Specified Currency is Yen, payment will be made (in the case of payment to a non-resident of Japan) by cheque drawn on, or by transfer to a non-resident account. If the Specified Currency is euro, payment will be made to a euro account outside Australia (or any other account outside Australia to which euro may be transferred), as the case may be, specified by the payee.

(c) Payments in respect of global Notes

- (1)** Payments of principal and interest (if any) in respect of Notes represented by any global Note will (subject as provided below) be made in the manner specified in the relevant global Note against

presentation and endorsement or surrender, as the case may be, of such global Note at the specified office of any Paying Agent outside Australia. A record of each payment made on such global Note, distinguishing between any payment of principal and interest, will be made on such global Note by the Paying Agent to which such global Note is presented for the purpose of making such payment, and such record shall (save in the case of manifest error) be conclusive evidence that the payment in question has been made.

- (2) The holder of a global Note shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Bank will be discharged by payment to, or to the order of, the holder of such global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of Notes must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Bank to, or to the order of, the holder of the relevant global Note. Subject to Condition 12 and the Trust Deed, no person other than the holder of a global Note shall have any claim against the Bank in respect of any payments due on that global Note.
- (d) Payments of interest in U.S. dollars in respect of Bearer Notes
Notwithstanding the foregoing, payments of interest in U.S. dollars in respect of Bearer Notes will only be made at the specified office of any Paying Agent in the United States (which expression, as used herein, means the United States of America (including the States and District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)) (1) if (A) the Bank shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment at such specified offices outside the United States of the full amount of interest on the Bearer Notes in the manner provided above when due, (B) payment of the full amount of such interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (C) such payment is then permitted under United States law and (2) at the option of the relevant holder if such payment is then permitted under United States law without involving, in the opinion of the Bank, adverse tax consequences to the Bank.
- (e) *[This paragraph is no longer applicable]*
- (f) Payments subject to applicable laws
Payments in respect of the Notes will be subject in all cases to any fiscal or other laws and regulations applicable thereto but without prejudice to the provisions of Condition 9.
- (g) Unmatured Receipts, Coupons and Talons
(1) Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined in subparagraph (2)), Index Linked Notes and Dual Currency Notes) should be presented for redemption together with all unmaturing Coupons (which expression shall include Coupons falling to be issued on exchange of Talons which will have matured on or before the relevant redemption date) appertaining thereto, failing which, the amounts of any missing unmaturing Coupons (or, in the case of payment of principal not being made in full, that proportion of the aggregate amount of such missing unmaturing Coupons that the sum of principal so paid bears to the total principal amount due) will be deducted from the sum due for payment. Any amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupons at any time in the period expiring 10 years after the Relevant Date (as defined in Condition 9) for the payment of such principal, whether or not such Coupon would otherwise have become void pursuant to Condition 10 or, if later, five years from the due date for payment of such Coupon. Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmaturing Receipts and Talons (if any) appertaining thereto will become void and no payments in respect of any such Receipts and no further Coupons in respect of any such Talons will be made or issued, as the case may be.
- (2) Upon the due date for redemption of any Floating Rate Note, Long Maturity Note, Dual Currency Note or Index Linked Note in definitive bearer form, any unmaturing Receipts, Coupons or Talons relating to such Note (whether or not attached) shall become void and no payment or exchange, as the case may be, shall be made in respect of them. Where any such Note is presented for redemption without all unmaturing Receipts, Coupons or Talons relating to it, redemption shall be made only against the provision of such indemnity as the Bank may require. A Long Maturity Note is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached)

whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Fixed Interest Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

(h) Payments due on non-business days

If any date for payment of principal in respect of any Registered Note or any amount in respect of any Bearer Note, Receipt or Coupon is not a business day, then the holder thereof shall not be entitled to payment at the place of presentation of the amount due until the next following business day and shall not be entitled to any interest or other sum in respect of any such postponed payment. In addition if any date for the payment of interest by transfer to an account specified by the holder in respect of any Registered Note is not a business day, then the holder shall not be entitled to payment to such account until the next following business day and shall not be entitled to any interest or other sum in respect of any such postponed payment. In this Condition "business day" means, subject as provided in the applicable Pricing Supplement:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(A) the relevant place of presentation;

(B) London; and

(C) any Additional Financial Centre specified in the applicable Pricing Supplement; and

(ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre) or (2) in relation to any sum payable in euro, a day on which the TARGET System is open.

(i) Payment of accrued interest

If the due date for redemption of any interest bearing Bearer Note in definitive form is not a due date for the payment of interest relating thereto, interest accrued in respect of such Note from, and including, the last preceding due date for the payment of interest (or, if none, from the Issue Date or, as the case may be, the Interest Commencement Date) will be paid only against surrender (or, in the case of part payment, presentation and endorsement) of such Note.

(j) Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Paying Agent in Luxembourg (or any other Paying Agent notified by the Bank to the Noteholders in accordance with Condition 16 for the purposes of this paragraph) in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to, and including, the final date for the payment of interest due in respect of the Bearer Note in definitive form to which it appertains) a further Talon, subject to the provisions of Condition 10. Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the Coupon sheet in which that Talon was included on issue matures.

(k) Initial Paying Agents

The names of the initial Agent and the other initial Paying Agents and their initial specified offices in respect of this Series of Notes are set out below. The Bank may at any time, with the approval of the Trustee, vary or terminate the appointment of any Paying Agent and appoint additional or other Paying Agents, provided that it will, so long as any of the Notes of this Series is outstanding, maintain (i) an Agent, (ii) a Paying Agent (which may be the Agent) having a specified office in a leading financial centre in Europe approved by the Trustee, (iii) so long as any Notes of this Series are admitted to the Official List and to trading on the London Stock Exchange plc's market for listed securities or on another stock exchange, a Paying Agent (which may be the Agent) having a specified office in London or other place as may be required by that stock exchange and (iv) if any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 or any law

implementing or complying with, or introduced in order to conform to such Directive is introduced, a Paying Agent (which may be the Agent) in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to any such Directive or law. In addition, the Bank shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in paragraph (d) of this Condition. Any such variation, termination or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 days' prior notice thereof shall have been given to the holders of the Notes of this Series in accordance with Condition 16 and provided further that neither the resignation nor the removal of the Agent shall take effect, except in the case of insolvency as aforesaid, until a new Agent approved by the Trustee has been appointed. Notice of any change in or addition to the Paying Agents or their specified offices will be given by the Bank promptly in accordance with Condition 16.

8 [This Condition is no longer applicable].

9 Taxation

All payments of, or in respect of, principal and interest on the Notes of this Series will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("Taxes") imposed or levied by or on behalf of the Commonwealth of Australia and any Taxing Jurisdiction or any political sub-division thereof or any authority thereof or therein having power to tax unless such Taxes are required by law to be withheld or deducted. In that event, the Bank will pay such additional amounts of, or in respect of, principal and/or interest as will result (after deduction of the Taxes) in payment to the holders of the Notes of this Series and/or the Coupons relating thereto of the amounts which would otherwise have been payable in respect of the Notes of this Series or, as the case may be, Coupons relating thereto, except that no such additional amounts shall be payable with respect to any Note of this Series or Coupon relating thereto presented for payment:

- (a) by or on behalf of a holder who is subject to such Taxes in respect of such Note or Coupon by reason of his being connected with the Commonwealth of Australia or a Taxing Jurisdiction other than by reason only of the holding of the Note or Coupon;
- (b) by or on behalf of a holder who is an associate (as that term is defined in section 128F of the Income Tax Assessment Act 1936 of Australia (the "Australian Tax Act") of the Bank and the payment being sought is not, or will not be, exempt from interest withholding tax because of section 128F(6) of the Australian Tax Act;
- (c) more than 30 days after the Relevant Date, except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on the last day of such period of 30 days;
- (d) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (e) by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a member state of the European Union.

The "Relevant Date" in relation to any Note or Coupon of this Series means whichever is the later of:

- (i) the date on which payment in respect of such Note or Coupon first becomes due and payable; or
- (ii) if the full amount of the moneys payable in respect of such Note or Coupon has not been duly received by the Agent or the Trustee on or prior to such date, the date on which notice is duly given to the Noteholders of this Series in accordance with Condition 16 that such moneys have been so received.

The "Taxing Jurisdiction" in relation to any Note or Coupon of this Series means the jurisdiction, if any, named in the applicable Pricing Supplement as being the jurisdiction wherein the Bank's borrowing office is located for this Series of Notes if such borrowing office is not located in the Commonwealth of Australia.

References in these Conditions to principal and interest shall be deemed also to refer (as appropriate) (i) to any additional amounts which may be payable under this Condition 9 or under any obligation undertaken in addition hereto or in substitution herefor pursuant to the Trust Deed, (ii) in relation to Zero Coupon Notes, Low Interest (discount) Notes or High Interest (premium) Notes, to the Amortised Face Amount, (iii) in relation to Index Linked Redemption Notes, to the Final Redemption Amount or Early Redemption Amount, (iv) in relation to Dual Currency Notes, to the principal and interest in the relevant Specified Currency and (v) to any premium which may be payable in respect of the Notes.

10 Prescription

Claims for payment of principal under the Notes (whether in bearer or registered form) shall be prescribed upon the expiry of 10 years, and claims for payment of interest (if any) in respect of the Notes (whether in bearer or registered form) shall be prescribed upon the expiry of five years, in each case from the Relevant Date (as defined in Condition 9) therefor subject to the provisions of Condition 7. There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 7.

11 Events of Default

The Trustee at its discretion may, and if so requested in writing by Noteholders holding at least one-fifth in nominal amount of the Notes of this Series then outstanding or if so directed by an Extraordinary Resolution shall, give notice to the Bank (but, in the case of any of the events mentioned in paragraphs (ii), (iii), (iv) and (v) below only if the Trustee shall first have certified in writing that such event is, in its opinion, materially prejudicial to the interests of such Noteholders) that the Notes of this Series are, and they shall immediately become, due and repayable at the amount provided in, or calculated in accordance with, Condition 6(g) or 6(h) (as applicable), together with accrued interest as provided in the Trust Deed, if any of the following events ("Events of Default") shall occur:

- (i) the Bank fails to pay the principal of the Notes of this Series when due or fails to pay any interest due thereon within 14 days of the due date; or
- (ii) the Bank defaults in performance or observance of or compliance with any of its other undertakings set out in the Notes of this Series and the Trust Deed which default is incapable of remedy or which, if capable of remedy, is not, in the opinion of the Trustee, remedied within 30 days after notice of such default shall have been given to the Bank by the Trustee; or
- (iii)
 - (a) any other present or future indebtedness of the Bank for or in respect of moneys borrowed or raised (not being moneys borrowed or raised in the ordinary course of business) becomes due and payable prior to its stated maturity as a result of a default by the Bank; or
 - (b) any such indebtedness is not paid when due or (as the case may be) within any applicable grace period therefor; or
 - (c) the Bank fails to pay when due or expressed to be due any amount payable or expressed to be payable by it under any present or future guarantee or indemnity for any moneys borrowed or raised (not being a guarantee or indemnity given in the ordinary course of business); or
 - (d) any mortgage, charge, pledge or other encumbrance, present or future, created or assumed by the Bank becomes enforceable and the holder thereof takes any steps to enforce the same; or
- (iv) the Bank becomes insolvent or its debts are not paid as they mature or the Bank applies for or consents to or suffers the appointment of a liquidator or receiver of the Bank or the whole or any part of the undertaking, property, assets or revenues of the Bank or takes any proceeding under any law for a readjustment or deferment of its obligations or any part thereof or makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors; or
- (v) any law is passed the effect of which is to dissolve the Bank or the Bank ceases to carry on a general banking business in the Commonwealth of Australia or the Bank ceases to be authorised to carry on a general banking business within the Commonwealth of Australia.

12 Enforcement of Rights

No holder of a Note or Coupon of this Series is entitled to proceed directly against the Bank unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

13 Meetings of Noteholders; Modifications of Conditions; Substitution; Waiver

The Trust Deed contains provisions for convening meetings of holders of the Notes of this Series to consider any matters affecting their interests, including modifications of the terms and conditions of the Notes of this Series and the Trust Deed. Any such modification must be authorised by an Extraordinary Resolution which is defined in the Trust Deed to mean a resolution passed by a majority consisting of not less than three-quarters of the votes cast at a meeting of the holders of the Notes of this Series duly convened and held. The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing a clear majority in nominal amount of the Notes of this Series for the time being outstanding or, at any adjourned meeting, one or more persons being or representing the holders of the Notes of this Series whatever the nominal amount of Notes of this Series so held or represented; provided that at any meeting the business of which includes the modification of certain terms, including any reduction or cancellation of, or modification of the method of calculating, the amount payable in respect of the Notes of this Series, any modification of, or of the method of calculating, the date of payment of principal or interest in respect of the Notes of this Series or any modification of the currency of payment of the Notes of this Series or the Coupons relating thereto, the quorum will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting, not less than one-third, in nominal amount of Notes of this Series for the time being outstanding. A resolution duly passed at a meeting of holders of the Notes of this Series shall be binding on all the holders of the Notes of this Series (whether present at the meeting or not) and on all the holders of Coupons relating thereto.

The Trustee may agree without the consent of the holders of the Notes of this Series or the holders of Coupons relating thereto to any modifications to the terms and conditions of the Notes of this Series or the Coupons relating thereto or to the provisions of the Trust Deed which in its opinion are of a formal, minor or technical nature, are made to correct a manifest error or (not being such a modification as is mentioned in the proviso to the third sentence of the preceding paragraph) are not materially prejudicial to the interests of the holders of the Notes of this Series.

The Trustee may also agree without the consent of the holders of the Notes of this Series or the holders of the Coupons relating thereto to the substitution of any other corporation in place of the Bank as principal debtor under the Trust Deed, the Notes of this Series and the Coupons relating thereto, subject as provided in the Trust Deed.

The Trustee may without the consent of the holders of the Notes of this Series or the holders of Coupons relating thereto authorise or waive any breach or proposed breach by the Bank of any of the provisions of the Trust Deed and/or the Notes of this Series or the Coupons relating thereto or determine that any act or omission which constitutes, or would or might on its own or together with any other act or omission constitute, an Event of Default which, in the opinion of the Trustee, is not materially prejudicial to the interests of the holders of the Notes of this Series shall, notwithstanding Condition 11, not be an Event of Default.

The Trustee shall, in connection with the exercise by it of any of the powers, trusts or discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution) vested in it by the Trust Deed or these Conditions, have regard to the interests of the holders of the Notes of this Series or the holders of the Coupons relating thereto as a class and in particular, but without prejudice to the generality of the foregoing, shall not have regard to the consequences of the exercise of any of its powers, trusts or discretions for individual holders of the Notes of this Series or Coupons relating thereto, resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any holder of a Note of this Series or any holder of a Coupon relating thereto be entitled to claim, from the Bank or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual holders of the Notes of this Series or Coupons relating thereto except to the extent already provided for in Condition 9 and/or any undertaking given in addition to, or in substitution for, Condition 9 pursuant to the Trust Deed.

14 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified to its satisfaction. The Trustee is entitled to enter into business transactions with the Bank and/or any entity controlled by it without accounting for any profit resulting therefrom.

15 Replacement of Notes and Coupons

If any Note (including a global Note) or Coupon is mutilated, defaced, stolen, destroyed or lost, it may be replaced at the specified office of the Agent on payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence, indemnity and otherwise as the Bank may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacement Notes or Coupons will be issued.

16 Notices

- (a) All notices regarding Registered Notes of this Series (if any) will be valid if mailed to the holders (or the first named of joint holders) at their respective addresses in the register of holders and will be deemed to have been given on the fourth weekday after the date of mailing.
- (b) All notices regarding the Bearer Notes of this Series (if any) will be valid if published in one leading London daily newspaper (which is expected to be the Financial Times) or, if this is not practicable, one other English language daily newspaper approved by the Trustee with general circulation in Europe and shall, if published more than once, be deemed to be given on the date of the first such publication. Holders of Coupons appertaining to Bearer Notes in definitive form of this Series will be deemed for all purposes to have notice of the contents of any notice given to the holders of the Bearer Notes of this Series in accordance with this paragraph (b).
- (c) Until such time as any definitive Notes are issued, there may, so long as all the global Notes for this Series are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted, in relation only to this Series, for such publication as aforesaid the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg, as appropriate, for communication by it or them to the holders of the Notes of this Series. Any such notice shall be deemed to have been given to the holders of the Notes of this Series on the third day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg, as the case may be.
- (d) Notwithstanding paragraph (b) of this Condition 16, in any case where the identity and addresses of all the holders of Bearer Notes in definitive form is known to the Bank, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.
- (e) Notices to be given to the Bank by any holder of Notes under Condition 6(d) shall be in writing and given by lodging the same, together with the relative definitive Note or Notes, with the Agent. Whilst any Notes are represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, such notices may be given by a holder of any Notes so represented to the Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg may approve for this purpose.

17 Further Issues

The Bank shall be at liberty from time to time without the consent of the holders of the Notes of this Series or the Coupons (if any) relating thereto to create and issue further Notes ranking *pari passu* in all respects (or in all respects save for the Issue Date or Interest Commencement Date, as the case may be, the Issue Price and the amount of the first payment of interest (if any) on such further Notes) and so that the same shall be consolidated and form a single series with the outstanding Notes of a particular Series (including the Notes of this Series). The Trust Deed contains provisions for convening a single meeting of the holders of the Notes of this Series and the holders of Notes of other Series in certain circumstances where the Trustee so decides.

18 Disapplication of Contracts (Rights of Third Parties) Act 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of any Note but this does not affect any right or remedy of any person which exists or is available apart from that Act.

19 Governing Law

The Notes of this Series, the Coupons (if any) relating thereto and the Trust Deed are governed by, and will be construed in accordance with, English law and the Bank has, in the Trust Deed, submitted to the jurisdiction of the courts of England and to the courts of the Commonwealth of Australia for all purposes in connection with the Notes of this Series, any Coupons relating thereto and the Trust Deed and the Bank has appointed the General Manager, Europe from time to time of the Bank located at its London branch (currently at Senator House, 85 Queen Victoria Street, London EC4V 4HA) to receive service of process in any action which may be instituted in England based on any of such Notes or Coupons or the Trust Deed.

Use of Proceeds

The net proceeds of any issue of Notes will be used in the general operations of the Bank.

Commonwealth Bank of Australia

Summary Information

Commonwealth Bank of Australia (the “Bank”) is a public company with a share capital of A\$12,455 million. The Bank is governed by its Constitution, the Corporations Law of Australia and the Australian Stock Exchange Limited Listing Rules and certain provisions of the Commonwealth Banks Act 1959 as amended (the “1959 Act”). Its headquarters are in Sydney, NSW, Australia. The Bank and its subsidiaries together provide a wide range of banking, financial and related services in Australia.

At 30th June, 2001, the Bank and its consolidated subsidiaries (the “Group”) had total assets of A\$230,411 million, deposits and other public borrowings of A\$117,355 million and total regulatory capital of A\$12,680 million. At the same date, the Group comprised the Bank and 105 operating subsidiaries of the Bank. Operating profit after tax, abnormal items and outside equity interests for the twelve months to 30th June, 2001 was A\$2,398 million.

History and Recent Developments

The origins of the Bank lie in the former Commonwealth Bank of Australia which was established in 1911 by an Australian Act of Parliament to conduct commercial and savings banking business.

Its functions were later expanded to encompass those of a central bank. Subsequent legislative amendment in 1959 created a separate Reserve Bank of Australia to take over the central bank functions.

In December 1990, the Commonwealth Banks Restructuring Act 1990 was passed, which provided for:

- the conversion of the Bank into a public company with a share capital, governed by its then Memorandum and Articles of Association but subject to certain overriding provisions of the 1959 Act – this conversion occurred on 17th April, 1991;
- Commonwealth Bank of Australia to become the successor in law of the State Bank of Victoria – this occurred on 1st January, 1991; and
- the issue of shares in the Bank to the Australian public.

An offer of just under 30 per cent. of the issued shares in the Bank was made to members of the Australian public and staff of the Bank in July/August 1991, to strengthen the Bank’s capital base following its acquisition of State Bank of Victoria and to provide a sound foundation for further development of the Bank’s business. The offer closed on 14th August, 1991 and was fully subscribed.

In October 1993, the Australian Government sold a portion of the Commonwealth of Australia’s shareholding in the Bank, reducing its shareholding to 50.4 per cent. of the total number of issued voting shares.

In June/July 1996, the Australian Government made a public offer of its remaining 50.4 per cent. shareholding in the Bank. The offer was fully subscribed. In conjunction with this offer, the Bank, pursuant to a Buy-back Agreement between the Bank and the Commonwealth of Australia, agreed to buy back 100 million shares in the Bank from the Commonwealth of Australia. The public offer and buy-back were effected on 22nd July, 1996.

As part of its capital management programme, in December 1997 and March 1999 further buy-backs of approximately 38.1 million and 27.3 million shares respectively were undertaken. The Bank also successfully completed an off-market share buyback utilising a tender process in November 1999, buying back 2.2 per cent. of its ordinary shares for A\$553 million. In November 2000, an on-market buy-back programme resulted in the purchase of 0.8 million ordinary shares for A\$23.5 million and an off-market buy-back in March 2001 resulted in the purchase of 25.1 million ordinary shares for A\$700 million. This brings the total amount of capital the Bank has returned to shareholders since 1996 to A\$3.6 billion.

On 10th March, 2000, the Bank and Colonial Limited (“Colonial”) announced their intention to merge, with 7 Bank shares being offered for 20 Colonial shares. The merger received final approval from the Supreme Court of Victoria on 31st May, 2000 and was completed on 13th June, 2000.

On 22nd August, 2000, the Bank purchased the 25 per cent. minority interest in ASB Group in New Zealand for NZD560 million (A\$430 million). This gives the Bank a 100 per cent. interest in ASB Group.

The Bank became the successor in law to the State Bank of New South Wales (known as Colonial State Bank) and to all the assets and liabilities of State Bank of New South Wales effective on 4th June, 2001 pursuant to legislation.

In relation to the Commonwealth of Australia's guarantee of the Bank's liabilities, transitional arrangements for the phasing out of that guarantee commenced on 19th July, 1996.

Under these arrangements, section 117(1) of the 1959 Act provides for the Commonwealth of Australia to guarantee the due payment of the following amounts:

- (a) any amount that is payable by the Bank before the end of the day on 19th July, 1999 in respect of a demand deposit made with the Bank;
- (b) any amount that is payable by the Bank at any time in respect of a term deposit made with the Bank before the end of the day on 19th July, 1999; and
- (c) any amount that:
 - (i) is not in respect of a demand deposit or a term deposit; and
 - (ii) is payable by the Bank under a contract that was entered into, or any other instrument that was executed, issued, endorsed or accepted before 7.00 a.m. (Sydney time) on 19th July, 1996 by the Bank.

Accordingly, Notes issued from the date of this Programme Circular are not guaranteed by the Commonwealth of Australia.

Business

The Group, with a full-time equivalent staff of approximately 35,000, provides a wide range of banking, financial and related services through a network of approximately 1,000 branches and service centres and 3,900 agencies throughout Australia and, internationally, through branches in London, New York, Grand Cayman, Singapore, Hong Kong and Tokyo and subsidiaries in Hong Kong, Japan and New Zealand. Representative offices in Jakarta, Hanoi, Beijing and Shanghai have also been established. These services include general banking, finance company activities, life insurance and funds management.

The Bank is Australia's largest bank in terms of housing loans and retail deposits.

Based on consolidated global assets, the Group is the second largest Australian banking group.

The operations of the core business functions of the Group are carried out by Australian Financial Services, Customer Service Division, Institutional Banking, Colonial First State Investments and International Financial Services.

1. **Australian Financial Services:** This Division is responsible for brand management, marketing services and product development/management for the retail and small and medium business segments.

The Division focuses on assessing customer needs and servicing those needs for banking, insurance, funds management and related products and services. The Division has responsibility for the ongoing management of these products and services.

The Division is also responsible, in co-ordination with Customer Service Division, for enhancing existing and opening new delivery channels for products and services.

2. **Customer Service Division:** This Division is responsible for providing quality sales and service to the Bank's customers and managing the largest financial services distribution network in Australia (over 135,000 points of service) including the largest number of branches and agencies, proprietary ATMs and EFTPOS terminals as well as an expanding array of telephone and direct/on-line services.

The distribution network provides sales and service related functions to customers embracing a wide range of financial products and services such as savings and cheque accounts, demand and term deposits, credit card services, personal loans and housing loans as well as superannuation, investment and life insurance products. The sale of various commercial products also falls under the responsibility of Customer Service Division.

3. **Institutional Banking (“IB”):** This Division services the Group’s corporate clients with turnover of more than A\$40 million per annum, Government Entities and other major financial institutions. Institutional Banking is a capital and risk management business and its products facilitate the linking of providers and users of capital.

The products offered include financial markets, corporate finance, securities underwriting, trading and distribution, equities, payments and transaction services, investment management and custody. Many of these products are offered globally to match the international operations of the Group’s clients.

4. **Colonial First State Investments (CFSI):** CFSI is an international funds management business, with operations in Australia, New Zealand, the United Kingdom, Hong Kong and Singapore. The business includes a small private client business based in Edinburgh. CFSI manages assets on behalf of retail and wholesale customers as well as CBA life insurance businesses. Products offered cover all major asset classes including equities, fixed income, cash, private equity and property. At 30th June, 2001, CFSI had approximately A\$70 billion in assets under management.

5. **International Financial Services:** This division comprises ASB Bank Limited (now a 100 per cent. subsidiary) and Colonial’s insurance, retirement savings and banking operations in New Zealand, the United Kingdom, Asia and the Fiji Islands. In Asia, the Group operates wholly owned subsidiaries in Hong Kong and the Philippines and joint ventures in Indonesia and Malaysia and Thailand. Recent joint ventures have been formed in China and Vietnam.

ASB Bank Limited is New Zealand’s oldest locally established bank. From its base in Auckland, it has expanded throughout both islands of New Zealand. ASB Bank Limited provides personal, business, corporate and rural banking services.

6. **Principal Subsidiaries:** The principal subsidiaries of the Bank are CBFC Limited, Commonwealth Life Limited, ASB Bank (which is described above) and Colonial.

CBFC Limited is a specialist provider of vehicle and equipment finance and its primary focus is on the business sector. Hire purchase, finance leases and operating leases, including fleet leasing arrangements, are the dominant product groups.

Commonwealth Life Limited offers term insurance policies, superannuation/pensions, annuities and investment products to the retail market.

Colonial is the holding company of the Colonial Group, of which the principal activities are the provision of a wide range of financial services and products to individuals and businesses, encompassing banking and related financial services, life insurance, pensions and savings products, investment management and stockbroking services, management of unit trust funds and superannuation consulting and administrative services.

Summary of Accounts

The following table sets out certain summary financial data relating to the Group. This data has been extracted without material adjustment from the published consolidated financial statements of the Bank.

	<i>As at/year ended 30th June,</i>				
	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
	<i>(in millions A\$)</i>				
Balance Sheet					
Total assets	230,411	218,259	138,096	130,544	120,103
Lending assets(1)	148,134	143,370	111,509	99,543	90,506
Deposits and other public borrowings	117,355	112,594	93,428	83,886	77,880
Shareholders' equity attributable to members of the chief entity	18,393	17,472	6,735	6,712	6,846
Profit and Loss Account					
Net interest income	4,474	3,719	3,527	3,397	3,392
Other operating income	4,350	2,420	1,997	1,833	1,489
Other expenses(2) and charge for bad and doubtful debts	5,893	3,660	3,364	3,318	3,065
Operating profit before abnormal items	2,931	2,479	2,160	1,912	1,816
Income tax on operating profit before abnormal items	(993)	(820)	(714)	(641)	(588)
Abnormal items (net of tax)	–	987	–	(161)	(128)
Operating profit after income tax	1,938	2,646	1,446	1,110	1,100
Outside equity interests	(14)	(38)	(24)	(20)	(22)
Appraisal value uplift	474	92	–	–	–
Net profit attributable to members of the chief entity	<u>2,398</u>	<u>2,700</u>	<u>1,422</u>	<u>1,090</u>	<u>1,078</u>

Notes:

- (1) Includes loans, advances, lease financing and bills discounted (after deducting provisions for debts considered bad or doubtful). Includes bank acceptances.
- (2) Includes amortisation of goodwill.

Contingent liabilities

The Bank and its controlled entities are involved in a range of transactions that give rise to contingent and/or future liabilities. These transactions meet the financing requirements of clients and include endorsed bills of exchange, letters of credit, guarantees and commitments to provide credit.

These transactions combine varying levels of credit, interest rate, foreign exchange and liquidity risk. In accordance with the Bank's policy, exposure to any of these transactions is not carried at a level which would have a material effect on the financial condition of the Bank and its controlled entities.

Information on credit risk related contingent liabilities (excluding derivatives – see below) is set out below:

<i>Instrument</i>	<i>As at 30th June, 2001⁽¹⁾</i>	
	<i>Face value</i>	<i>Credit Equivalent</i>
Guarantees	2,104	2,104
Standby Letters of Credit	673	673
Bill Endorsements	1,096	1,096
Documentary letters of credit	238	48
Performance related contingents	1,236	618
Commitments to provide credit	42,874	15,970
Other commitments	2,488	1,728
Total credit risk related instruments	<u>50,709</u>	<u>22,237</u>

Total derivatives exposures are as follows:

	<i>As at 30th June, 2001</i>	
	<i>(in millions A\$)</i>	
<i>Instrument</i>	<i>Face value</i>	<i>Credit Equivalent</i>
<i>Exchange Rate related</i>		
– Forwards	116,733	4,312
– Swaps	31,857	3,534
– Futures	417	0
– Options	34,261	704
<i>Interest Rate related</i>		
– Forwards	30,551	3
– Swaps	177,811	3,181
– Futures	45,387	0
– Options	12,344	202
<i>Equity Risk related</i>		
– Swaps	278	0
Total derivatives exposure	<u>449,639</u>	<u>11,936</u>

Note:

(1) There has been no material change in the contingent liabilities of the Bank since 30th June, 2001.

Consolidated Capitalisation and Funding

The following table sets out the capitalisation, funding and other liabilities of the Group as at 30th June, 2001.

	<i>As at 30th June, 2001 (in millions A\$)</i>
Liabilities	
Deposits and other public borrowings	117,355
Payables due to other financial institutions	6,903
Bank acceptances	12,075
Provision for dividend	779
Income tax liability	1,355
Other provisions	1,007
Bills payable and other liabilities	13,872
Debt issues – Short term(2)	16,620
– Long term(1)(2)(3)	7,864
Total liabilities	<u>204,859</u>
Loan capital(4)	5,704
Total liabilities and loan capital	<u>210,563</u>
Net assets	19,848
Shareholders' equity – Ordinary Share capital(5)	12,455
– Preference Share capital	687
– Reserves	4,091
– Retained profits	1,160
Shareholders' equity attributable to members of the chief entity	<u>18,393</u>
Outside equity interest in controlled entities	(3)
Life insurance statutory funds	1,458
Total shareholders' equity	<u>19,848</u>

Notes:

- (1) **Long term debt issues of the Group outstanding as at 30th June, 2001 (debt issues with a term remaining until maturity of greater than 12 months).**

<i>Issue Type</i>	<i>A\$ equivalent as at 30th June, 2001 (A\$ millions)</i>
USD Medium Term Notes	2,937
AUD Medium Term Notes	2,312
JPY Medium Term Notes	255
Other Currencies Medium Term Notes	338
Offshore Loans (all JPY)	841
Eurobonds (all AUD)	1,181
	<u>7,864</u>

Maturity Profile of Long Term Debt Issues as at 30th June, 2001

<i>Maturity</i>	<i>A\$ equivalent as at 30th June, 2001 (A\$ millions)</i>
Between one and five years	7,208
Greater than five years	656
	<u>7,864</u>

(2) **Long term debt issues with an original term until maturity of more than twelve months which have matured since 30th June, 2001 and before the date of this Programme Circular (included within short term debt issues at 30th June, 2001).**

<i>Maturity</i>	<i>Issue</i>	<i>Currency</i>	<i>Amount (millions)</i>
2001	Eurobond	AUD	100
	Medium Term Notes	HKD	110
	Medium Term Notes	JPY	500
	Medium Term Notes	EUR	5
	Medium Term Notes	USD	8
	Medium Term Notes	AUD	120

(3) **Long term debt issues issued since 30th June, 2001 and before the date of this Programme Circular.**

<i>Maturity</i>	<i>Issue</i>	<i>Currency</i>	<i>Amount (millions)</i>
2003	Medium Term Notes	HKD	500
2004	Medium Term Notes	HKD	290
2004	Medium Term Notes	USD	6
2005	Medium Term Notes	USD	18
2006	Medium Term Notes	HKD	150
2006	Medium Term Notes	USD	76
2007	Medium Term Notes	USD	10

(4) **Loan capital as at 30th June, 2001.**

Tier 1 Capital

<i>Issue</i>	<i>Currency</i>	<i>Amount (millions)</i>	<i>A\$ equivalent as at 30th June, 2001 (A\$ millions)</i>
Exchangeable Floating Rate Notes(a) ("FRNs")	USD	39.5	78
Exchangeable FRNs(b)	USD	95	187
Undated FRNs(c)	USD	100	197
			462

Tier 2 Capital

<i>Issue</i>	<i>Currency</i>	<i>Amount (millions)</i>	<i>A\$ equivalent as at 30th June, 2001 (A\$ millions)</i>
Extendible FRNs(d)	AUD	300	300
Subordinated MTNs(e)	AUD	185	185
Subordinated FRNs(e)	AUD	115	115
Subordinated FRNs(f)	AUD	25	25
Subordinated MTNs (g)	AUD	200	200
Subordinated FRNs (g)	AUD	50	50
Subordinated Notes (h)	USD	300	591
Subordinated FRNs (h)	USD	450	882
Subordinated Euro MTNs(i)	USD	400	501
Subordinated Euro MTNs(j)	GBP	200	408
Subordinated Euro MTNs(k)	JPY	30,000	582
Subordinated Euro MTNs(l)	JPY	20,000	326
Subordinated Euro MTNs (m)	USD	200	314
Subordinated Euro MTNs (n)	USD	75	115
Subordinated Euro MTNs (o)	USD	100	152
Subordinated Loan (p)	NZD	100	79
Subordinated FRNs (q)	AUD	210	210
Subordinated FRNs (r)	AUD	38	38
Subordinated Notes (s)	AUD	130	130
Subordinated Other (t)	AUD	39	39
			5,242
Total loan capital			5,704

(a) USD300 million Undated FRNs exchangeable into Dated FRNs, issued 11th July, 1988. Outstanding Notes at 30th June, 2001 were:

Due July 2003: USD1.50 million
Due July 2004: USD0.50 million
Undated: USD37.50 million

(b) USD400 million Undated FRNs exchangeable into Dated FRNs, issued 22nd February, 1989. Outstanding Notes at 30th June, 2001 were:

Due February 2005 USD64.00 million
Undated: USD31.00 million

(c) USD100 million Undated Capital Notes issued on 15th October, 1986.

The Bank has entered into separate agreements with the Commonwealth of Australia relating to the issues set out in (a), (b) and (c) above (the "Agreements") which qualify the issues as Tier 1 capital.

The Agreements provide that, upon the occurrence of certain events listed below, the Bank may issue either fully paid ordinary shares to the Commonwealth of Australia or (with the consent of the Commonwealth of Australia) rights to all shareholders to subscribe for fully paid up ordinary shares up to an amount equal to the outstanding principal value of the relevant note issue or issues plus any interest paid in respect of the notes for the most recent financial year and accrued interest. The issue price of such shares will be determined by reference to the prevailing market price for the Bank's shares.

Any one or more of the following events may trigger the issue of shares to the Commonwealth of Australia or a rights issue:

- a relevant event of default (discussed below) occurs in respect of a note issue and the trustee of the relevant notes gives notice to the Bank that the notes are immediately due and repayable;
- the most recent audited financial statements of the Group show a loss (as defined in the Agreements);
- the Bank does not declare a dividend in respect of its ordinary shares;
- the Bank, if required by the Commonwealth of Australia and subject to the agreement of the Australian Prudential Regulation Authority, exercises its option to redeem a note issue; or
- in respect of Undated FRNs which have been exchanged to Dated FRNs, the Dated FRNs mature.

Any payment made by the Commonwealth of Australia pursuant to its guarantee in respect of the relevant notes will trigger the issue of shares to the Commonwealth of Australia to the value of such payment.

The relevant events of default differ depending on the relevant Agreement. In summary, they cover events such as failure of the Bank to meet its monetary obligations in respect of the relevant notes; the insolvency of the Bank; any law being passed to dissolve the Bank or the Bank ceasing to carry on general banking business in Australia; and the Commonwealth of Australia ceasing to guarantee the relevant notes. In relation to Dated FRNs which have matured up to the date of this Programme Circular, the Bank and the Commonwealth of Australia agreed to amend the relevant Agreement to reflect that the Commonwealth of Australia was not called upon to subscribe for fully paid ordinary shares up to an amount equal to the principal value of the maturing FRNs.

(d) AUD300 million Extendible Floating Rate Stock, issued December 1989:

Due December 2004: AUD25 million
Due December 2009: AUD275 million

The Bank has entered into a separate agreement with the Commonwealth of Australia relating to the issue set out in (d) above (the "Agreement") which qualifies the issue as Tier 2 capital. For capital adequacy purposes Tier 2 debt based capital is reduced each year by 20 per cent. of the original amount during the last 5 years to maturity.

The Agreement provides for the Bank to issue either fully paid ordinary shares to the Commonwealth of Australia or (with the consent of the Commonwealth of Australia) rights to all shareholders to subscribe for fully paid ordinary shares up to an amount equal to the outstanding principal value of the note issue plus any interest paid in respect of the notes for the most recent financial year and accrued interest. The issue price will be determined by reference to the prevailing market price for the Bank's shares.

Any one of the following events will trigger the issue of shares to the Commonwealth of Australia or a rights issue:

- a relevant event of default occurs in respect of a note issue and, where applicable, the trustee of the relevant notes gives notice of such to the Bank; or
- the Bank, if required by the Commonwealth of Australia and subject to the agreement of the Australian Prudential Regulation Authority, exercises its option to redeem such issue.

Any payment made by the Commonwealth of Australia pursuant to its guarantee in respect of relevant notes will trigger the issue of shares to the Commonwealth of Australia to the value of such payment.

(e) A\$300 million Subordinated Notes issued February 1999; due February 2009, split into A\$185 million Fixed Rate Notes and A\$115 million Floating Rate Notes.

(f) A\$25 million Subordinated Floating Rate Notes, issued April 1999, due April 2029.

(g) A\$250 million Subordinated Notes issued November 1999; due November 2009, split into A\$200 million Fixed Rate Notes and A\$50 million Floating Rate Notes.

(h) USD750 million Subordinated Notes, issued June 2000, due June 2010; split into USD300 million fixed rate notes and USD450 million floating rate notes.

(i) USD400 million Subordinated Euro MTNs issued June 1996, due July 2006.

(j) GBP200 million Subordinated Euro MTNs issued March 1996, due December 2006.

(k) JPY30 billion Subordinated Euro MTNs issued October 1995, due October 2015.

(l) JPY20 billion Subordinated Perpetual Euro MTNs, issued February 1999.

(m) USD200 million Subordinated Euro MTNs issued November 1999, due November 2009.

- (n) USD75 million Subordinated Euro MTNs issued January 2000, due January 2010.
- (o) USD100 million Subordinated Euro MTNs issued January 2000, due January 2010.
- (p) NZD100 million Subordinated Loan due December 2009.
- (q) A\$210 million Euro FRN issued September 1996, due September 2004.
- (r) A\$38 million FRN issued December 1997, due December 2004.
- (s) A\$130 million Subordinated Notes issued December 1995, due December 2005.
- (t) A\$39 million Subordinated Notes and FRNs. Comprises 16 separate issues with face values of less than A\$10m each. Maturities range from October 2001 to October 2009.
- (5) **Share capital as at 30th June, 2001.**

*As at
30th June, 2001
(in millions of A\$)*

Ordinary Share Capital

Opening balance	12,521
Buy Back	(275)
Dividend reinvestment plan: 1999/2000 Final Dividend	169
Buyback for DRP: 2000/2001 Interim Dividend	(144)
Dividend Reinvestment Plan: 2000/2001 Interim Dividend	144
Sell down of remaining shares from DRP: 2000/2001 Interim Dividend	4
Employee share subscription plan	3
Exercise of Executive Options	37
Issue costs	(4)
Closing balance	12,455

The Bank's authorised, issued and fully paid-up share capital comprises 1,244,015,455 ordinary shares.

Preference Share Capital

Opening balance	-
Preference shares issued	700
Issue costs	(13)
Closing balance	687

(6) **Share Buy Back**

The Bank's shareholders' equity was reduced by A\$24 million in November, 2000 pursuant to the buy-back of 0.8 million ordinary shares. It was further reduced by A\$251 million in March 2001 pursuant to the buy-back of 25.1 million ordinary shares at an ascribed capital value of A\$10 per ordinary share.

- (7) **As at 30th June, 2001, the Bank's total credit risk contingent liabilities (guarantees, standby letters of credit, bill endorsements, documentary letters of credit, performance related contingents, commitments to provide credit and other commitments) had a face value of A\$50,709 million and a credit equivalent of A\$22,237 million. As at 30th June, 2001, the Bank's total derivatives exposure (exchange, interest and equity risk related) had a face value of A\$449,639 million and a credit equivalent of A\$11,936 million.**

For information on the Bank's contingent liabilities, please refer to the details given on pages [39] and [40] of this Programme Circular.

- (8) **The information set out above on the Group's liabilities does not include such liabilities as are outstanding in relation to entities within the Group.**
- (9) **A wholly owned subsidiary of the Bank, CBA Funding (NZ) Limited, issues New Zealand dollar denominated commercial paper into the New Zealand market under its commercial paper programme. The programme size is NZ\$500 million and the Bank guarantees the obligations of CBA Funding (NZ) under that programme, limited to the amount of the programme.**
- (10) **Save as disclosed in Notes (2) (3) and (4) above, there has, as at the date of this Programme Circular, been no material change in the consolidated capitalisation, indebtedness and contingent liabilities and guarantees of the Group since 30th June, 2001.**

Directors

The Board of the Bank consists of thirteen directors including the Chairman, one executive director, and eleven other members with wide financial and commercial knowledge and experience.

The members of the Board are:

J. T. Ralph, AC, Chairman

Member of the Board since 1985 and Chairman since 1999. Member and Chairman of the Nominations, Remuneration and Risk Committees. Fellow of the Australian Society of Certified Practising Accountants. Over forty-seven years' experience in the mining and finance industries. Other directorships include Telstra Corporation Limited (Deputy Chairman), Pacific Dunlop Limited (Chairman) and BHP Billiton Limited, BHP Billiton Plc. Other interests: Melbourne University Business School (Board of Management), Foundation for Young Australians (Deputy National Chairman), Australian Foundation for Science (Chairman). Resident of Victoria. Age 68.

J. M. Schubert, Deputy Chairman

Member of the Board since 1991 and was appointed as Deputy Chairman on 31st December, 2000. Chairman of the Audit and Member of the Nominations Committees. Bachelor and Doctorate in Chemical Engineering. Experience in the petroleum, mining and building materials industries. Former Managing Director and Chief Executive Officer of Pioneer International Limited. Other directorships include G2 Therapies Limited (Chairman), Worley Limited Advisory Board (Chairman), BHP Billiton Limited, BHP Billiton Plc, Hanson Plc, Qantas Limited and the Australian Graduate School of Management Limited. Other interests: President of the Business Council of Australia, Academy of Technological Science (Fellow), Salvation Army Territorial Headquarters & Sydney Advisory Board (Member), Great Barrier Reef Research Foundation (Director) and AGSM Consulting Ltd (Director and Member). Resident of New South Wales. Age 58.

D. V. Murray, Managing Director and Chief Executive Officer

Member of the Board and Managing Director, Commonwealth Bank of Australia since June 1992. Member of the Risk, Nominations and Remuneration Committees. Bachelor of Business, Master of Business Administration. Over thirty-five years' experience in banking. Other directorships include Colonial Ltd, Colonial Holding Company Pty Ltd, Colonial Holding Company (No. 2) Pty Ltd, Emerald Holding Company Ltd, Colonial First State Investments Group Ltd. Other interests: International Monetary Conference (Member), Art Gallery of NSW (Member), Asian Bankers' Association (Member), Australian Bankers' Association (Chairman), Asian Pacific Bankers' Club (Member), Business Council of Australia (Member), World Economic Forum (Member), General Motors Australian Advisory Council (Member), APEC Business Advisory Council (Member) and the Financial Sector Advisory Council (Member). Resident of New South Wales. Age 52.

N. R. Adler, AO

Member of the Board since 1990. Member of the Remuneration Committee. Bachelor of Commerce and Master of Business Administration. Experience in various commercial enterprises, more recently in the oil and gas industry. Other directorships include Austrade (Chairman), Telstra Corporation Limited, Shelrey Pty Ltd and Tereny Investments Pty Ltd. Other interests: Art Gallery of South Australia (Chairman), University of Adelaide (Council Member and Chairman of the Finance Committee), Australian-Japan Business Co-operation Committee (Executive Member) and Australian Institute of Company Directors (Member). Resident of South Australia. Age 56.

R. J. Clairs, AO

Member of the Board since March 1999. Member of the Audit Committee. Thirty-three years' experience in retailing, branding and customer service. Other directorships include Agri Chain Solutions Ltd (Chairman), Woolstock Australia Ltd (Deputy Chairman), David Jones Ltd and Howard Smith Ltd. Other interests: The Prime Minister's Supermarket to Asia Board (Chairman), National Australia Day Council (Director). Resident of Queensland. Age 63.

A. B. Daniels, OAM

Member of the Board since March 2000. Member of the Remuneration Committee. Extensive experience in manufacturing and distribution, being Managing Director of Tubemakers of Australia for eight years to December 1995 during a long career with that company. Other directorships

include Australian Gas Light Company, Orica, Pacific Dunlop Limited (Managing Director) and O'Connell Street Associates. Resident of New South Wales. Age 66.

C. R. Galbraith

Member of the Board since June 2000 and a member of the Risk Committee. Previously a director of Colonial Limited, appointed 1996. He is a partner of Allens Arthur Robinson, Lawyers. Other directorships: OneSteel Limited. Other interests: BHP Community Trust (Chairman), Council of Legal Education in Victoria (Honorary Secretary), The Royal Melbourne Hospital Neuroscience Foundation (Trustee) and the Corporate Council of CARE Australia (Member). Resident of Victoria. Age 53.

W. G. Kent, AO

Member of the Board since June 2000. Previously a director of Colonial Limited, appointed 1998. Chief Executive Officer of BankWest until his retirement in 1997. Prior to joining BankWest, Mr Kent had a long and distinguished career with Westpac Banking Corporation. Other directorships include Perpetual Trustees Australia Ltd. West Australian Newspapers Holdings Ltd and Coventry Group Limited. Other interests: Member of the Advisory Boards of Blake Dawson Waldron, Trustee of the Walter and Eliza Hall Trust, Australian Institute of Company Directors (Fellow), Australian Society of Certified Practising Accountants (Fellow), Australian Institute of Bankers (Fellow) and the Chartered Institute of Company Secretaries (Fellow). Resident of Western Australia. Age 65.

F. D. Ryan

Member of the Board since March 2000. Member of the Audit Committee. Extensive experience in accounting, audit, finance and risk management. He was a senior partner of Arthur Andersen until his retirement in August 1999 after thirty-three years with that firm, including five years as Managing Partner Australasia. Other interests: Prime Minister's Community Business Partnership (Member), Strategic Investment Co-ordinator and Major Projects Facilitator for the Federal Government, Committee for Melbourne (Counsellor) and Patron of the Pacific Institute. Resident of Victoria. Age 58.

F. J. Swan

Member of the Board since 1997. Member of the Risk Committee. Bachelor of Science. Over twenty-three years' senior management experience in the food and beverage industries. Other directorships include Foster's Group Limited (Chairman), National Foods Limited and Catholic Ladies College Eltham. Other interests: Institute of Directors (Fellow), Australian Institute of Company Directors (Fellow), Australian Institute of Management (Fellow) and Institute of Management UK (Companion). Resident of Victoria. Age 60.

B. K Ward

Member of the Board since 1994. Member of the Audit Committee. Bachelor of Economics and Master of Political Economy. Over twelve years' experience in the transportation and aviation industries most recently as Chief Executive of Ansett Worldwide Aviation Services and six years' experience in policy development and public administration as a senior ministerial adviser. Other directorships include HWW Limited (Chair), Country Energy (Chair), Rail Infrastructure Corporation and Data Advantage Limited. Other interests: Australia Day Council of New South Wales (Member), Allens Arthur Robinson (Director) and Sydney Opera House Trust (Trustee). Resident of New South Wales. Age 47.

The business address of the Directors is 48 Martin Place, Sydney, NSW 2000, Australia. All of the Directors, apart from D. V. Murray, are non-executive directors.

Subscription and Sale

The Dealers have in an Amended and Restated Programme Agreement dated 26th September, 2001 (the “Programme Agreement”) agreed with the Bank a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement for any particular purchase will extend to those matters stated under “Form of the Notes” and “Conditions of the Notes” above. In the Programme Agreement the Bank has agreed to reimburse the Dealers for certain of their expenses. The Dealers are entitled to be released and discharged from their obligations in relation to any agreement to issue and purchase Notes under the Programme Agreement in certain circumstances prior to payment to the Bank.

The selling restrictions agreed between the Bank and the Dealers are set out in a Schedule of Selling Restrictions dated 26th September, 2001 and are summarised below. The restrictions may be amended from time to time by agreement between the Bank and the Dealers. In addition, the applicable Pricing Supplement may specify further selling restrictions agreed between the Bank and the relevant Dealer in relation to any Tranche of Notes. The selling restrictions are as follows:

United States of America

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 (the “Securities Act”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Each issuance of Index Linked Notes or Dual Currency Notes will be subject to such additional U.S. selling restrictions as the Bank and the relevant Dealers may agree, as indicated in the applicable Pricing Supplement. Each Dealer has agreed that it will offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

United Kingdom

Each Dealer has represented and agreed that:

- (i) in relation to Notes which have a maturity of one year or more and which are to be admitted to the Official List, it has not offered or sold and will not offer or sell any Notes to persons in the United Kingdom prior to admission of such Notes to listing in accordance with Part IV of the Financial Services Act 1986 (the “FSA”) or (after the repeal of that Part) Part VI of the Financial Services and Markets Act 2000 (the “FSMA”) except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended) or the FSA (or, after the repeal of Part IV of the FSA, the FSMA);

- (ii) in relation to Notes which have a maturity of one year or more and which are not to be admitted to the Official List, it has not offered or sold and, prior to the expiry of the period of six months from the Issue Date of such Notes, will not offer or sell any such Notes to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended);
- (iii) it has complied and will comply with all applicable provisions of the FSA and, after they come into force, all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and
- (iv) it has only issued or passed on and it will only issue or pass on in the United Kingdom, before the repeal of Section 57 of the FSA. any document received by it in connection with the issue of the Notes, other than (in the case of any Notes to be admitted to the Official List) any document which consists of or any part of listing particulars, supplementary listing particulars or any other document required or permitted to be published by the listing rules under Part IV of the FSA, to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 (as amended) or is a person to whom the document may otherwise lawfully be issued or passed on and, after the repeal of Section 57 of the FSA, it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Bank.

Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the “Securities and Exchange Law”) and each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws and regulations of Japan.

Australia

Each Dealer has represented and agreed that in connection with the distribution of each Tranche of Notes it:

- (i) has not offered and will not offer for issue or sale and has not invited and will not invite applications for issue or offers to purchase Notes in Australia, including an offer or invitation received in Australia; and
- (ii) has not distributed or published and will not distribute or publish any offering memorandum, advertisement or other offering material relating to the Notes in Australia, unless:
 - (a) the amount payable by each offeree or invitee for the Notes is a minimum amount (or the equivalent in another currency) of A\$500,000 disregarding amounts, if any, lent by the offeror or inviter or its associates, or the offer or invitation is otherwise an offer or invitation for which no disclosure is required to be made by virtue of section 708 of the Corporations Act 2001 of Australia and the Corporations Regulations made under the Corporations Act; and
 - (b) the offer, invitation or distribution complies with all applicable laws, regulations and directives and does not require any document to be lodged with ASIC.

In addition, each Dealer has agreed that it will not sell Notes to any person if, at the time of sale the Dealer knew or had reasonable grounds to suspect that as a result of such sale, any Notes or an interest in any Notes were being, or would later be, acquired (directly or indirectly) by an *associate* of the Bank within the meaning of Section 128F of the Income Tax Assessment Act 1936 of Australia.

General

No action (other than the approval of the Listing Particulars by the UK Listing Authority and the delivery of this Programme Circular to the Registrar of Companies in England and Wales) has been taken by the Bank or any of the Dealers that would, or is intended to, permit an offer of any Notes in any country or jurisdiction where any such action for that purpose is required.

Accordingly, each Dealer has undertaken that it will not, directly or indirectly, offer or sell any Notes or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

Without prejudice to the generality of the preceding paragraph each Dealer has agreed that, except as provided in the Programme Agreement, it will obtain any consent, approval or permission which is required for the offer, purchase or sale by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such offers, purchases or sales and it will comply with all such laws and regulations.

Further Information

Further information relating to the Bank and its subsidiaries is contained in the most recent Annual Report from time to time of the Bank. Persons intending to purchase any Notes are invited to obtain copies thereof from Commonwealth Bank of Australia, the Listing Agent to the Programme, at the address given at the end of this Programme Circular. Details relating to the Bank are also available from FT Business Research Centre operated by FT Electronic Publishing whose address at the date of this document is 13-15 Epworth Street, London EC2A 4DL.

General Information

1 Admission of the Notes to the Official List

The admission of each Series to the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading by the London Stock Exchange will be admitted separately as and when issued, subject only to the issue of a global Note or Notes representing the Notes of such Tranche. The listing of the Programme in respect of such Notes is expected to be granted on or around 28th September, 2001.

2 Authorisation

The establishment of the Programme, and the subsequent increases in the amount of the Programme, were authorised by the Managing Director of the Bank, Mr D. V. Murray.

3 Consents

No authorisations, consents or approvals are required by the Bank from government agencies or other official bodies in Australia in connection with the creation of the Programme, the issue of any Notes thereunder or the execution and delivery (where applicable) of the Programme Agreement, the Agency Agreement and the Trust Deed or the performance by the Bank of its obligations thereunder save for the obtaining by the Bank, where necessary, of approval from the Reserve Bank of Australia or other regulatory body in respect of payments on any of the Notes if such payments are made outside the Commonwealth of Australia.

4 Litigation

Neither the Bank nor any of its subsidiaries are or have been involved in any legal or arbitration proceedings and, so far as the Bank and its subsidiaries are aware, there are no legal or arbitration proceedings pending or threatened involving the Bank or any of its subsidiaries which may have or have had during the twelve months immediately preceding the date hereof a significant effect on the financial position of the Bank and its subsidiaries, taken as a whole.

5 Material Change

There have been no material adverse changes in the financial position or prospects of the Bank and its subsidiaries since the date of the latest audited financial statements of the Bank prepared to 30th June, 2001 and since that date there has been no significant change in the financial or trading position of the Bank and its subsidiaries taken as a whole. The Bank's audited financial statements are prepared to 30th June in each year.

6 Legal Opinions

Legal opinions relating to the Programme have been delivered to the Dealers and the Trustee by Allen & Overy, in their capacity as English legal advisers to the Bank, by Allens Arthur Robinson, in their capacity as Australian legal advisers to the Dealers and the Trustee.

The Trust Deed provides that the Trustee will be entitled, prior to the first issue of Notes after each anniversary of the date of the Trust Deed, to call for a legal opinion from Australian and English lawyers. The Trustee is not entitled to require legal opinions at any other time except in certain limited circumstances set out in the Trust Deed.

7 Audited Financial Statements

The Bank's consolidated financial statements for the years ended 30th June, 1999, 30th June, 2000 and 30th June, 2001 were audited, without qualification, by Ernst and Young, Chartered Accountants, of 321 Kent Street, NSW 2000, Australia.

8 Euroclear and Clearstream, Luxembourg

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be contained in the applicable Pricing Supplement.

9 Swiss Franc Issues

Each issue of Notes denominated in Swiss Francs or carrying a Swiss Franc related element (other than Notes privately placed with a single investor with no publicity) will be effected in compliance with the relevant regulations of the Swiss National Bank, based on Article 7 of the Federal Law on

Banks and Savings Banks of 1934 (as amended) and Article 15 of the Federal Law on Stock Exchanges and Securities Trading of 24th March, 1995 in connection with Article 2, paragraph 2 of the Ordinance of the Federal Banking Commission on Stock Exchanges and Securities Trading of 2nd December, 1996. Under the said regulations, the relevant Dealer or, in the case of a syndicated issue, the Lead Manager (the “Swiss Dealer”) must be a bank domiciled in Switzerland (which includes branches or subsidiaries of a foreign bank located in Switzerland) or a securities dealer duly licensed by the Swiss Federal Banking Commission in accordance with the Federal Law on Stock Exchanges and Securities Trading of 24th March, 1995. The Swiss Dealer must report certain details of the relevant transaction to the Swiss National Bank no later than the Issue Date for such a transaction.

10 European Monetary Union

The third stage of European economic and monetary union commenced on 1st January, 1999 when the value of the euro as against the currencies of the member states participating in the third stage was irrevocably fixed and the euro became a currency in its own right. With effect from 1st January, 2002 the participating member currencies will cease to exist.

11 Documents Available for Inspection

Copies of the following documents may be inspected during usual business hours on any business day at the offices of Commonwealth Bank of Australia, Senator House, 85 Queen Victoria Street, London EC4V 4HA and at the offices of any Paying Agent in the United Kingdom for so long as the Programme remains in existence:

- (i) the Commonwealth Banks Act 1959, as amended, the Commonwealth Banks Amendment Act 1984, the Commonwealth Banks Amendment Act 1985, the Commonwealth Banks Amendment Act 1987, the Commonwealth Banks Restructuring Act 1990, the State Bank (Succession of Commonwealth Bank) Act 1990, the Commonwealth Banks Amendment Act 1993, the Commonwealth Bank Sale Act 1995, the Constitution of the Bank, copies of the Annual Reports (which include the audited consolidated and non-consolidated accounts of the Bank) for the years ended 30th June, 2000 and 30th June, 2001 and any interim reports published after 30th June, 2001;
- (ii) the Programme Agreement, the Trust Deed, the Agency Agreement and the forms of the Notes, Coupons, Receipts and Talons; and
- (iii) this Programme Circular, any supplementary listing particulars published and each Pricing Supplement relating to Notes admitted to the Official List.

12 Australian Taxation

New regime for Notes issued by the Bank after 2nd July, 1998

The requirements for obtaining an exemption from Australian interest withholding tax set out in section 128F of the Income Tax Assessment Act 1936 of Australia (the “Australian Tax Act”) for Notes issued after 2nd July, 1998 now include the following key features:

- (i) the issuer must be a resident of Australia when it issues the Notes and when interest is paid;
- (ii) the issue of the Notes must satisfy a public offer test containing five basic alternatives designed to ensure that lenders in overseas capital markets are aware that the issuer is offering Notes for issue.

Where practicable, the Bank intends to issue Notes in a manner which will satisfy these requirements.

The public offer test

In summary, the alternatives to satisfy the public offer test are:

- (i) offers to 10 or more professional market financiers, investors or dealers who are not associates;
- (ii) offers to 100 or more potential investors;
- (iii) offers of listed Notes;
- (iv) offers as a result of negotiations being initiated via electronic or other market sources; or
- (v) offers to dealers, managers or underwriters who by agreement with the issuer offer the Notes for sale within 30 days by one of the preceding methods.

The issue of a global note by one of these methods will satisfy the public offer test.

Associates of issuer

The public offer test will not be satisfied if, at the time of issue, the issuer knew or had reasonable grounds to suspect that the Notes, or an interest in the Notes, was being, or would later be, acquired either directly or indirectly by an associate of the issuer (other than in the capacity of a dealer, manager or underwriter in relation to placement of the Notes).

Moreover, the section 128F exemption will not be available if, at the time of payment, the issuer knows or has reasonable grounds to suspect that interest in respect of a Note was to be paid to an associate of the issuer. The Conditions of the Notes provide that in these circumstances the Bank will not be required to gross up interest payments.

ACCORDINGLY, NOTES ISSUED ON OR AFTER 30TH JUNE, 1997 MUST NOT BE PURCHASED BY ASSOCIATES OF THE BANK

As a result of the issue of global Notes, rights conferred by Euroclear or Clearstream, Luxembourg in relation to the Notes will be created in favour of the Noteholders. Interest includes an amount in the nature of, or in substitution for, interest.

Section 126 of the Australian Tax Act imposes a type of withholding tax at the rate of 47 per cent. on the payment of interest on bearer notes (other than certain zero coupon promissory notes) if the issuer fails to disclose the names and addresses of the holders to the Australian Taxation Office. Section 126 does not apply to the payment of interest on notes held by non-residents who do not carry on business at or through a permanent establishment in Australia where the issue of those notes satisfied the requirements of section 128F of the Australian Tax Act or interest withholding tax is payable. However, the operation of section 126 in relation to notes held in some circumstances is unclear. Section 126 will not apply in any circumstances if the name and address of the holder of the relevant notes is disclosed to the Australian Taxation Office.

There are specific rules that can apply to treat a portion of the purchase price of notes as interest for withholding tax purposes when certain notes originally issued at a discount or with a maturity premium or which do not pay interest at least annually are sold to an Australian resident (who does not acquire them in the course of carrying on trade or business at or through a permanent establishment outside Australia) or a non-resident who acquires them in the course of carrying on trade or business at or through a permanent establishment in Australia. Under current law, the exemption in section 128F of the Australian Tax Act does not apply to the deemed interest in those circumstances. The Government announced on 29th August, 2001 its intention to amend the Australian Tax Act to extend the section 128F exemption to the deemed interest in those circumstances, in cases where the interest would have been exempt if the interest had been held to maturity. The amendment, if enacted would, according to the Government's announcement, apply to transfers taking place after 29th August, 2001.

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**Registered and
Head Office
of the Bank**

Commonwealth Bank of Australia
Level 1
48 Martin Place
Sydney NSW 2000
Australia

Dealers

Commonwealth Bank of Australia
acting through its branches
outside Australia

J.P. Morgan Securities Ltd.
60 Victoria Embankment
London EC4Y 0JP
England

Merrill Lynch International
Ropemaker Place
25 Ropemaker Street
London EC2Y 9LY
England

**Morgan Stanley & Co.
International Limited**
25 Cabot Square
Canary Wharf
London E14 QA
England

Nomura International plc
Nomura House
1 St Martin's-le-Grand
London EC1A 4NP
England

**Salomon Brothers
International Limited**
Citigroup Centre
33 Canada Square
Canary Wharf
London E14 5LB
England

**UBS AG,
acting through its business group
UBS Warburg**
1 Finsbury Avenue
London EC2M 2PP
England

Trustee

The Law Debenture Trust Corporation p.l.c
Fifth Floor
100 Wood Street
London EC2V 7EX
England

Agent

Deutsche Bank AG London
Winchester House
1 Great Winchester Street
London EC2N 2DB
England

Registrar

Deutsche Bank Luxembourg S.A.
2 Boulevard Konrad Adenauer
L-1115 Luxembourg
Luxembourg

**Paying and
Transfer
Agents**

Deutsche Bank AG London
Winchester House
1 Great Winchester Street
London EC2N 2DB
England

Deutsche Bank Luxembourg S.A.
2 Boulevard Konrad Adenauer
L-1115 Luxembourg
Luxembourg

Credit Suisse First Boston
Uetlibergstrasse 231
CH-8070

Listing Agent

Commonwealth Bank of Australia
Senator House
85 Queen Victoria Street
London EC4V 4HA
England

**Auditor to
the Bank**

Ernst & Young
321 Kent Street
Sydney NSW 2000
Australia